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Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS
FIRST SESSION

VOLUME 125—PART 1

JANUARY 15, 1979 TO JANUARY 29, 1979

(PAGES 3 TO 1376)

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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, January 15, 1979*

This being the day fixed by the 20th amendment of the Constitution and Public Law 95–594 of the 95th Congress for the annual meeting of the Congress of the United States, the Members-elect of the House of Representatives of the 96th Congress met in their Hall, and at 12 o'clock noon were called to order by the Clerk of the House of Representatives, Hon. Edmund L. Henshaw, Jr.

The former Chaplain, Rev. Edward G. Latch, D.D., delivered the following prayer:

God is our refuge and strength, a very present help in trouble.—Psalms 46: 1.

O God, our Father, who is the refuge and strength of your people in every age and our refuge and strength in this present hour, we pause in Your presence as we open the first session of the 96th Congress to offer unto You the devotion of our hearts and to dedicate our thoughts and actions to the welfare of the people of our beloved Republic.

Aware of Your presence help us to accept our responsibility to lead our Nation into a larger good for our citizens and for the people on our planet. Amid the voices which call us to lower our high ideals may we feel the power of Your presence and the life of Your love. With Your Spirit may we make this a great year in the life of our Republic.

We call to mind the lives of two of our Members, LEO J. RYAN and WILLIAM A. STEIGER who have gone home to be with You. For their devotion to duty and their love for our country we thank You. Comfort their families with the strength of Your Spirit.

We pause to remember the life of Dr. Martin Luther King, Jr., and the contribution he made to his people and to the life of our Nation.

Lead us all into a deeper understanding of Your message to us. Walking with You in ever greater trust may we go forward to build upon this planet an order of life in which justice and truth and brotherhood shall prevail for the good of all Your children and the glory of Your holy name.

Reverently may we offer together this familiar and heart warming prayer.

Our Father, who art in Heaven, hallowed be Thy name, Thy Kingdom come, Thy will be done on Earth as it is in Heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, and the power and the glory, forever.

Amen.

□ 1205

The CLERK. Representatives-elect to the 96th Congress, this is the day fixed by law for the meeting of the 96th Congress.

This law directs the Clerk of the House to prepare the official roll of the Representatives-elect.

Credentials covering the 435 seats in the 96th Congress have been received and are now on file with the Clerk of the 95th Congress.

The names of those persons whose credentials show that they were regularly elected as Representatives in accordance with the laws of the several States and of the United States will be called; and as the roll is called, following the alphabetical order of the States, beginning with the State of Alabama, Representatives-elect will please answer to their names to determine whether there is a quorum present.

The reading clerk will call the roll by States.

The Clerk called the roll by States, and the following Representatives-elect answered to their names:

[Roll No. 1]

ALABAMA

Edwards, Ala.
Dickinson
Flippo
Shelby

ALASKA

Young, Alaska

ARIZONA

Rhodes
Udall
Stump
Rudd

ARKANSAS

Alexander
Bethune
Hammerschmidt
Anthony

CALIFORNIA

Johnson, Calif.
Clausen
Matsui
Fazio
Burton, John
Burton, Phillip
Miller, Calif.
Dellums
Stark
Edwards, Calif.
McCloskey
Mineta
Shumway
Coelho
Panetta
Pashayan
Thomas
Lagomarsino
Goldwater
Corman
Moorhead, Calif.
Beilenson
Waxman
Roybal
Rousselot
Dornan
Dixon
Hawkins
Danielson
Wilson, C. H.
Anderson, Calif.
Grisham
Lungren
Lloyd
Brown, Calif.
Lewis
Patterson
Dannemeyer
Badham
Wilson, Bob
Van Deerlin
Burgener

COLORADO

Schroeder
Wirth
Kogovsek
Johnson, Colo.
Kramer

CONNECTICUT

Cotter
Dodd
Giaimo
Ratchford
Moffett

DELAWARE

Evans, Del.

FLORIDA

Hutto
Fuqua
Bennett
Chappell
Kelly
Young, Fla.
Gibbons
Ireland
Nelson
Bafalis
Mica
Stack
Lehman
Pepper
Fascell

GEORGIA

Ginn
Mathis
Brinkley
Levitas
Fowler
Gingrich
McDonald
Evans, Ga.
Jenkins
Barnard

HAWAII

IDAHO

Symms
Hansen

ILLINOIS

Russo
Derwinski
Hyde
Collins, Ill.
Rostenkowski
Yates
Annunzio
Crane, Philip
McClory
Erlenborn
Corcoran
O'Brien
Michel
Findley
Madigan
Crane, Daniel
Price
Simon

INDIANA

Benjamin
Fithian
Brademas
Quayle
Hillis
Evans, Ind.
Myers, Ind.
Deckard
Hamilton
Sharp
Jacobs

IOWA

Leach, Iowa
Tauke
Grassley
Smith, Iowa
Harkin
Bedell

KANSAS

Sebelius
Jeffries
Winn
Glickman
Whittaker

KENTUCKY

Hubbard
Natcher
Mazzoli
Snyder
Carter
Hopkins
Perkins

LOUISIANA

Livingston
Boggs
Treen
Leach, La.
Huckaby
Moore
Breaux
Long, La.

MAINE

Emery
Snowe

MARYLAND

Bauman
Long, Md.
Mikulski
Holt
Spellman
Byron
Barnes

MASSACHUSETTS

Conte
Boland
Early
Drinan
Shannon
Mavroules
Markey
O'Neill
Moakley
Heckler
Donnelly
Studds

MICHIGAN

Conyers
Pursell
Wolpe, Mich.
Stockman
Sawyer
Carr
Kildee
Traxler
Vander Jagt
Albosta
Davis, Mich.
Bonior
Diggs
Nedzi
Ford, Mich.
Dingell
Brodhead
Blanchard
Broomfield

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MINNESOTA

Erdahl, Hagedorn, Frenzel, Vento, Sabo, Nolan, Stangeland, Oberstar

MISSISSIPPI

Whitten, Bowen, Montgomery, Hinson, Lott

MISSOURI

Clay, Young, Mo., Gephardt, Skelton, Bolling, Coleman, Taylor, Ichord, Volkmer, Burlison

MONTANA

Williams, Mont., Marlenee

NEBRASKA

Bereuter, Cavanaugh, Smith, Nebr.

NEVADA

Santini

NEW HAMPSHIRE

D'Amours, Cleveland

NEW JERSEY

Florio, Hughes, Howard, Thompson, Fenwick, Forsythe, Maguire, Roe, Hollenbeck, Rodino, Minish, Rinaldo, Courter, Guarini, Patten

NEW MEXICO

Lujan, Runnels

NEW YORK

Carney, Downey, Ambro, Lent, Wydler, Wolff, N.Y., Addabbo, Rosenthal, Ferraro, Biaggi, Scheuer, Chisholm, Richmond, Zeferetti, Holtzman, Murphy, N.Y., Green, Rangel, Weiss, Garcia, Bingham, Peyser, Ottinger, Fish, Gilman, McHugh, Stratton, Solomon, McEwen, Mitchell, N.Y., Hanley, Lee, Horton, Conable, LaFalce, Nowak, Kemp, Lundine

NORTH CAROLINA

Jones, N.C., Fountain, Whitley, Andrews, N.C., Neal, Preyer, Rose, Hefner, Martin, Broyhill, Gudger

NORTH DAKOTA

Andrews, N. Dak.

OHIO

Gradison, Luken, Hall, Ohio, Guyer, Latta, Harsha, Brown, Ohio, Kindness, Ashley, Miller, Ohio, Stanton, Devine, Pease, Seiberling, Wylie, Regula, Ashbrook, Applegate, Williams, Ohio, Oakar, Stokes, Vanik, Mottl

OKLAHOMA

Jones, Okla., Synar, Watkins, Steed, Edwards, Okla., English

OREGON

AuCoin, Ullman, Duncan, Oreg., Weaver

PENNSYLVANIA

Myers, Pa., Gray, Lederer, Dougherty, Schulze, Yatron, Edgar, Kostmayer, Shuster, McDade, Murtha, Coughlin, Moorhead, Pa., Ritter, Walker, Ertel, Walgren, Goodling, Gaydos, Bailey, Murphy, Pa., Clinger, Atkinson

RHODE ISLAND

St Germain, Beard, R.I.

SOUTH CAROLINA

Davis, S.C., Spence, Derrick, Campbell, Holland, Jenrette

SOUTH DAKOTA

Daschle, Abdnor

TENNESSEE

Quillen, Duncan, Tenn., Bouquard, Gore, Boner, Beard, Tenn., Jones, Tenn., Ford, Tenn.

TEXAS

Hall, Tex., Wilson, Tex., Collins, Tex., Roberts, Mattox, Gramm, Archer, Brooks, Pickle, Leath, Tex., Wright, Hightower, Wyatt, de la Garza, White, Stenholm, Leland, Hance, Gonzalez, Loeffler, Paul, Kazen, Frost

UTAH

McKay, Marriott

VERMONT

Jeffords

VIRGINIA

Tribble, Whitehurst, Satterfield, Daniel, R. W., Daniel, Dan, Butler, Robinson, Harris, Wampler, Fisher

WASHINGTON

Swift, Bonker, McCormack, Foley, Dicks, Lowry

WEST VIRGINIA

Mollohan, Staggers, Slack, Rahall

WISCONSIN

Aspin, Baldus, Zablocki, Reuss, Obey, Roth, Sensenbrenner

WYOMING

Cheney

□ 1300

The CLERK. The rollcall discloses that 414 Representatives-elect have answered to their names.

A quorum is present.

ANNOUNCEMENTS BY THE CLERK

The CLERK. The Clerk wishes to state that credentials regular in form have been received showing the election of the Honorable BALTASAR CORRADA as Resident Commissioner of the Commonwealth of Puerto Rico for a term of 4 years beginning January 3, 1977; the election of the Honorable WALTER E. FAUNTROY as delegate from the District of Columbia; the election of the Honorable ANTONIO BORJA WON PAT as Delegate from Guam; and the election of the Honorable MELVIN H. EVANS as Delegate from the Virgin Islands.

The Clerk also regrets to announce that there is a vacancy in the 11th District of California occasioned by the death of the Honorable LEO J. RYAN, and that there is a vacancy in the Sixth District of Wisconsin occasioned by the death of the Honorable WILLIAM A. STEIGER.

ELECTION OF SPEAKER

The CLERK. The next order of business is the election of a Speaker of the House of Representatives for the 96th Congress.

Nominations are now in order.

The Clerk recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Clerk, as chairman of the Democratic Caucus, I am directed by the unanimous vote of that caucus to present for election to the office of the Speaker of the House of Representatives for the 96th Congress the name of the Honorable THOMAS P. O'NEILL, JR., a Representative-elect from the State of Massachusetts.

The CLERK. The Clerk now recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Clerk, as secretary of the Republican Conference and as acting chairman, and by authority, by direction, and by unanimous vote of the Republican Conference, I nominate for Speaker of the House of Representatives the Honorable JOHN J. RHODES, a Representative-elect from the State of Arizona.

The CLERK. The Honorable THOMAS P. O'NEILL, JR., a Representative-elect from the State of Massachusetts, and the Honorable JOHN J. RHODES, a Representative-elect from the State of Arizona, have been placed in nomination.

Are there any further nominations?

There being no further nominations, the Clerk will appoint tellers.

The Clerk appoints the gentleman from New Jersey (Mr. THOMPSON), the gentleman from Alabama (Mr. DICKINSON), the gentlewoman from New York (Mrs. CHISHOLM), and the gentlewoman from Massachusetts (Mrs. HECKLER).

The tellers will come forward and take their seats at the desk in front of the Speaker's rostrum.

The roll will now be called, and those responding to their names will indicate by surname the nominee of their choice.

The reading clerk will call the roll.

The tellers having taken their places, the House proceeded to vote for the Speaker.

The following is the result of the vote:

[Roll No. 2]

O'NEILL—268

Addabbo, Albosta, Alexander, Ambro, Anderson, Calif., Andrews, N.C., Annunzio, Anthony, Applegate, Ashley, Aspin, Atkinson, AuCoin, Bailey, Baldus, Barnard, Barnes, Beard, R.I., Bedell, Beilenson, Benjamin, Bennett, Biaggi, Bingham, Blanchard, Boggs, Boland, Bolling, Boner, Bonior, Bonker, Bouquard, Bowen, Brademas, Breaux, Brinkley, Brodhead, Brooks, Brown, Calif., Burlison, Burton, John, Burton, Phillip, Byron, Carr, Cavanaugh, Chappell, Chisholm, Clay, Coelho, Collins, Ill., Conyers, Corman, Cotter, D'Amours, Daniel, Dan, Danielson, Daschle, Davis, S.C., de la Garza, Dellums, Derrick, Dicks, Diggs, Dingell, Dixon, Dodd, Donnelly, Downey, Drinan, Duncan, Oreg., Early, Eckhardt, Edgar, Edwards, Calif., English, Ertel, Evans, Ga., Evans, Ind., Fary, Fascell, Fazio, Ferraro, Fisher, Fithian, Flippo, Flood, Florio, Foley, Ford, Mich., Ford, Tenn., Fountain, Fowler, Frost, Fuqua, Garcia, Gaydos, Gephardt, Giaimo, Gibbons, Ginn, Glickman, Gonzalez, Gore, Gramm, Gray, Guarini, Gudger, Hall, Ohio, Hall, Tex., Hamilton, Hance, Hanley, Harkin, Harris, Hawkins, Hefner, Hightower, Holland, Holtzman, Howard, Hubbard, Huckaby, Hughes, Hutto, Ichord, Ireland, Jacobs, Jenkins, Jenrette, Johnson, Calif., Jones, N.C., Jones, Okla., Jones, Tenn., Kazen, Kildee, Kogovsek, Kostmayer, LaFalce, Leach, La., Leath, Tex., Lederer, Lehman, Leland, Levitas, Lloyd, Long, La., Long, Md., Lowry, Luken, Lundine, McCormack, McDonald, McHugh, McKay, Maguire, Markey, Mathis, Matsui, Mattox, Mavroules, Mazzoli, Mica, Mikulski, Mikva, Miller, Calif., Mineta, Minish, Moakley, Moffett, Mollohan, Montgomery, Moorhead, Pa., Mottl, Murphy, Ill., Murphy, N.Y., Murphy, Pa., Murtha, Myers, Pa., Natcher, Neal, Nedzi, Nelson, Nolan, Nowak, Oakar, Oberstar, Obey, Ottinger, Panetta, Patten, Patterson, Pease, Pepper, Perkins, Peyser, Pickle, Preyer, Price, Rahall, Rangel, Ratchford, Reuss, Richmond, Roberts, Rodino, Roe, Rose, Rosenthal, Rostenkowski, Roybal, Runnels, Russo, Sabo, Santini, Satterfield, Scheuer, Schroeder, Seiberling, Shannon, Sharp, Shelby, Simon, Skelton, Slack, Smith, Iowa, Spellman, St Germain, Stack, Staggers, Stark, Steed, Stenholm, Stewart, Stokes, Stratton, Studds, Stump, Swift, Synar, Thompson, Traxler, Udall, Ullman, Van Deerlin, Vanik, Vento, Volkmer, Walgren, Watkins, Waxman, Weaver, Weiss, White, Whitley, Whitten, Williams, Mont., Wilson, C. H., Wilson, Tex., Wirth, Wolff, N.Y., Wolpe, Mich., Wright, Wyatt, Yates, Yatron, Young, Mo., Zablocki, Zeferetti

RHODES—152

Abdnor, Anderson, Ill., Andrews, N. Dak., Archer, Ashbrook, Badham, Bafalis, Bauman, Beard, Tenn., Bereuter, Bethune, Broomfield, Brown, Ohio, Broyhill, Burgener, Butler, Campbell, Carney, Carter, Cheney, Clausen, Cleveland, Clinger, Coleman, Collins, Tex., Conable, Conte, Corcoran, Coughlin, Courter, Crane, Daniel, Crane, Philip, Daniel, R. W., Dannemeyer, Davis, Mich., Deckard, Derwinski, Devine, Dickinson, Dornan, Dougherty, Duncan, Tenn., Edwards, Ala., Edwards, Okla., Emery, Erdahl, Erlenborn, Evans, Del., Fenwick, Findley, Fish, Forsythe, Frenzel, Gilman, Gingrich, Goldwater, Goodling, Gradison, Grassley, Green, Grisham, Guyer, Hagedorn, Hammer-schmidt, Hansen, Harsha, Heckler, Hillis, Hinson, Hollenbeck, Holt, Hopkins, Horton, Hyde, Jeffords, Jeffries, Johnson, Colo., Kelly, Kemp, Kindness, Kramer, Lagomarsino, Latta, Leach, Iowa, Lee, Lent, Lewis, Livingston, Loeffler, Lott, Lujan, Lungren, McClory, McCloskey, McDade, McEwen, Madigan, Marlenee, Marriott, Martin, Michel, Miller, Ohio, Mitchell, N.Y., Moore, Moorhead, Calif., Myers, Ind., O'Brien, Pashayan, Paul, Pursell, Quayle, Quillen, Railsback, Regula, Rinaldo, Ritter, Robinson, Roth, Rousselot, Rudd, Sawyer, Schulze, Sebelius, Sensenbrenner, Shumway, Shuster, Smith, Nebr., Snowe, Snyder, Solomon, Spence, Stangeland, Stanton, Stockman, Symms, Tauke, Taylor, Thomas, Treen, Trible, Vander Jagt, Walker, Wampler, Whitehurst, Whittaker, Williams, Ohio, Wilson, Bob, Winn, Wydler, Wylie, Young, Alaska, Young, Fla.

ANSWERED "PRESENT"—2

O'Neill, Rhodes

□ 1350

The CLERK. The tellers agree on their tallies. The total number of votes cast is 422, of which the Honorable THOMAS P. O'NEILL received 268, and the Honorable JOHN J. RHODES received 152, with 2 voting "present."

Therefore, the Honorable THOMAS P. O'NEILL, JR., is the duly elected Speaker of the House of Representatives for the 96th Congress, having received a majority of the votes cast.

The Clerk appoints the following committee to escort the Speaker-elect to the chair: The gentleman from Arizona (Mr. RHODES), the gentleman from Texas (Mr. WRIGHT), the gentleman from Illinois (Mr. MICHEL), the gentleman from Washington (Mr. FOLEY), the gentleman from Massachusetts (Mr. BOLAND), and the gentleman from Massachusetts (Mr. CONTE).

The Doorkeeper announced the Speaker-elect of the House of Representatives of the 96th Congress, who was escorted to the chair by the committee of escort.

□ 1355

Mr. RHODES. Mr. Speaker, my colleagues, this is a habit I would like to break. However, it is a great honor to be the one to introduce the Speaker of the 96th Congress to the Members of the 96th Congress.

Our Speaker and I came to Congress together back in the Dark Ages. We have been friends for all these years. We still are, and we are going to continue to be. We will have our differences, as we have had in the past, but we will settle those differences as Americans, as Members of the House, and as personal friends.

This is a great institution, an institution in which I certainly am proud to serve. I know that this upcoming Congress will be a busy one, and I hope and pray that it will do things which will redound to the credit of the United States of America.

Many of you on my right were elected, expounding Republican principles. I heard of campaign speeches being made by Democratic Members that I just never dreamed could possibly be made. But I welcome you to the brotherhood of fiscal conservatism and I assure you that the people on my side of the aisle will be doing our very best to provide you with many opportunities to put your vote where your campaign rhetoric was. Believe me, deviations will be noted.

My good friend the Speaker, as you enter into your office, with the task of leading the majority of this Congress in traveling paths that it has never trod before, I feel for you but I want you to know that help is at hand. I have here with me copies of the Republican legislative agenda, not only of the last Congress but of this Congress, and I have autographed them to you, my friend, because I think you are going to need some guidelines as you and the majority traverse this road, which most of you had previously avoided like the plague. I wish all of you a smooth ride on this road to fiscal conservatism. I hope that together we will produce not only a balanced budget for the American people but also good, sound legislation. I hope this Congress will truly be a legislative oversight Congress. We need to cut the size of Government, and to stop so much harassment of the American people.

I have inscribed this work:

To Tip, my good friend, to make your job as Speaker of the 96th Congress easier.

JOHN J. RHODES.

This is the legislative agenda prepared by the Republicans in the 95th Congress to inform the people what they could expect from a Republican Congress. We had a similar agenda in the 94th Congress. I have also inscribed a copy of that agenda:

To Tip, to be used as a guide to conducting a Republican Congress with a lot of Democrats.

JOHN J. RHODES,
Republican Leader.

Mr. Speaker, if you and the majority really want to put your actions alongside your conservative rhetoric, this will be invaluable to you as guidelines.

Mr. Speaker, seriously, as long as I had to lose, I could not lose to a better guy and a better friend.

Mr. O'NEILL. Thank you. [Applause.]

□ 1400

Mr. O'NEILL. My friends, my wife and family, and my colleagues:

May I first say, JOHN, how grateful I am that I should receive this Republican propaganda from you. Evidently you have a tremendous amount of it left over because it was not accepted by the American voters. In order to find out where you have gone wrong, I will be happy to have one of the staff peruse it.

We had a custom in the Massachusetts legislation when I was speaker there, of allowing Republicans to be acting speaker. This is a prerogative, of course, which normally goes to the Speaker, but the custom in the House of Representatives is that only the majority party Members serve as Speaker. So, in view of the fact, JOHN, that you only have this opportunity once every 2 years for the use of a gavel, I want to present this gavel to you. [Applause.]

I am deeply grateful to each of you for honoring me with a second term as Speaker.

I am equally grateful to the voters of the Eighth Congressional District of Massachusetts who have honored me with this, my 14th term in Congress. I will spare no effort to justify their faith and yours.

Shortly each of us will take the oath as Members of the 96th Congress. We can, and should, do so proudly.

Each of us sought to serve in Congress. There should be no embarrassment in that decision. No other career offers as many opportunities to help people. No other career offers the same range of challenges and responsibilities. No other career attracts as many honorable people, men and women, willing to live their lives in a fishbowl in order to serve the public.

Each of us has been elected by our constituents. Our first duty is to keep in touch with them. We must confirm their confidence in us.

Together we represent every segment of American society. Together we try to blend, and sometimes overcome, individual interests in order to promote the national and public interest.

This is the genius of the House.

We will make mistakes, for we are ordinary people trying to grapple with extraordinary problems. But to try and fail is far better than not to try at all.

We will come in for more than our share of criticism, as we have in the past. Some of our colleagues will join in. To the extent that they impugn the House, they succeed only in diminishing themselves and in making worse the very problems they care about. And our job is already difficult enough.

Together we must insure that our tax dollars are being well spent.

Together we must find ways to control inflation without tolerating higher unemployment. [Applause.]

Together we must find a way to provide adequate health care to all Americans without generating unacceptable budget deficits.

Together we must find a way to restrict the role of special interest money in congressional campaigns without choking off public participation. [Applause.]

Together we must set priorities that promote the dignity and security of all Americans.

Every day we hear it said that government is not the answer to our problems. But that government may not be the answer does not mean that government need not find the answers.

Ours is the greatest Nation in the history of mankind. We have not attained greatness by avoiding challenges. To the contrary, in the face of adversity, Americans pull together and find solutions.

Let us all, America's elected representatives, men and women of good will, work together during the next 2 years to find the answers to our pressing problems. Let us strive to bring further credit to this great institution of which we are a part.

I thank you from the bottom of my meaningful heart for putting me in this position of authority. I will remember that the gavel is the token of power, the token of responsibility and the token of privilege. I will always use it that way and use it well.

Thank you. [Applause.]

□ 1405

May I say how grateful I am to the leadership on both sides of the aisle and express my particular thanks to Congressman EDWARD BOLAND and Congressman SILVIO CONTE for their graciousness toward me today.

[Applause, the Members rising.]

I am now ready to take the oath of office.

I ask the dean of the House of Representatives, the Honorable JAMIE L. WHITTEN of Mississippi, to administer the oath of office.

(Mr. WHITTEN then administered the oath of office to Mr. O'NEILL, of Massachusetts.)

The SPEAKER. I have been asked by the press what the thrill was in having been elected Speaker for a second time and in having taken the oath on seven different occasions.

Actually, that is part of the honor and the glory which attaches to the office.

I am delighted. I think I should mention, by the presence of my grandchildren and their grandmother today in the gallery.

[Applause, the Members standing.]

SWEARING IN OF MEMBERS

The SPEAKER. According to the precedent, the Chair will swear in all Members of the House at this time.

If the Members will rise, the Chair will now administer the oath of office.

(The Members-elect and Delegates-elect rose, and the Speaker administered the oath of office to them.)

The SPEAKER. Having taken the oath of office, the gentlemen and gentlewomen are now officially declared to be Members of the 96th Congress.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make the following announcement:

As has been the custom in the past, the Speaker, the majority leader, and the minority leader usually have their pictures taken in the Speaker's office immediately after the swearing in exercise.

As soon as we get into the rules of the House, we will proceed with that matter.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

MAJORITY LEADER

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus, I have been directed, by the unanimous vote of that caucus, to report to the House that the Democratic Members have selected as majority leader for the 96th Congress the very distinguished gentleman from Texas, the Honorable JIM WRIGHT.

The SPEAKER. The Chair now recognizes the gentleman from Illinois (Mr. ANDERSON).

□ 1410

MINORITY LEADER

Mr. ANDERSON of Illinois. Mr. Speaker, as chairman of the Republican Conference, I am directed by that Conference to officially notify the House that the gentleman from Arizona, the Honorable JOHN J. RHODES, has been selected as the minority leader of the House.

MAJORITY WHIP

Mr. WRIGHT. Mr. Speaker, I have the honor to advise the Members of the House that the gentleman from Indiana, Mr. BRADEMAS, will act as whip of the Democratic Party for the 96th Congress.

MINORITY WHIP

Mr. ANDERSON of Illinois. Mr Speaker, as chairman of the Republican Conference, I am directed by that Conference to notify the House officially that the Republican Members have selected as minority whip the gentleman from Illinois, the Honorable ROBERT MICHEL.

ELECTION OF CLERK OF THE HOUSE, SERGEANT AT ARMS, DOORKEEPER, POSTMASTER, AND CHAPLAIN

Mr. FOLEY. Mr. Speaker, I offer a resolution (H. Res. 1) and ask for its immediate consideration

The Clerk read the resolution, as follows:

H. RES. 1

Resolved, That Edmund L. Henshaw, Jr., of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Kenneth R. Harding, of the Commonwealth of Virginia, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That James T. Molloy, of the State of New York, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Robert V. Rota, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Postmaster of the House of Representatives.

That Reverend James David Ford, of the State of New York, be, and he is hereby, chosen Chaplain of the House of Representatives.

Mr. ANDERSON of Illinois. Mr. Speaker, I shall offer a substitute for the resolution just offered by the gentleman from Washington (Mr. FOLEY), but before offering the substitute, I request that there be a division of the question on the resolution so that we may have a separate vote on the Office of Chaplain.

The SPEAKER. The question is on agreeing to the portion of the resolution providing for the election of the Chaplain.

That portion of the resolution was agreed to.

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA AS A SUBSTITUTE FOR THE REMAINDER OF THE RESOLUTION

Mr. EDWARDS of Alabama. Mr. Speaker, I offer an amendment as a substitute for the remainder of the resolution.

The Clerk read the substitute amendment, as follows:

Amendment offered by Mr. Edwards of Alabama as a substitute for the remainder of House Resolution 1:

Resolved, That Joe Bartlett, of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Walter P. Kennedy, of the State of New Jersey, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Tommy Lee Winebrenner, of the State of Indiana, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Ronald W. Lasch, of the State of New Jersey, be, and he is hereby, chosen Postmaster of the House of Representatives.

The SPEAKER. The question is on the substitute amendment offered by the gentleman from Alabama (Mr. EDWARDS).

The substitute amendment was rejected.

The SPEAKER. The question is on the resolution offered by the gentleman from Washington (Mr. FOLEY).

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1415

The SPEAKER. Will the officers elected present themselves in the well of the House?

The officers-elect presented themselves at the bar of the House and took the oath of office.

NOTIFICATION TO SENATE OF ORGANIZATION OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 2) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 2

Resolved, That a message be sent to the Senate to inform that body that a quorum of the House of Representatives has assembled; that THOMAS P. O'NEILL, JR., a Representative from the State of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-sixth Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 3), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 3

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make, the gentleman from Texas (Mr. WRIGHT), the gentleman from Arizona (Mr. RHODES), and the gentleman from Indiana (Mr. BRADEMAS).

AUTHORIZING THE CLERK TO INFORM THE PRESIDENT OF THE UNITED STATES OF THE ELECTION OF THE SPEAKER AND THE CLERK OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 4) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 4

Resolved, That the Clerk be instructed to inform the President of the United States that the House of Representatives has elected THOMAS P. O'NEILL, JR., a Representative from the State of Massachusetts, Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, Clerk of the House of Representatives of the Ninety-sixth Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Clerk advises the Chair that many Members have not picked up their new identification voting cards. Members should obtain their cards in the lobby prior to the first electronic vote.

RULES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 5) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 5

Resolved, That the Rules of the House of Representatives of the Ninety-fifth Congress, including all applicable provisions of law which constituted the rules of the House at the end of the Ninety-fifth Congress, be, and they are hereby, adopted as the Rules of the House of Representatives of the Ninety-sixth Congress, with the following amendments included therein as part thereof, to wit:

(1) In Rule I, clause 1 is amended to read as follows:

"1. The Speaker shall take the Chair on every legislative day precisely at the hour to which the House shall have adjourned at the last sitting and immediately call the Members to order. The Speaker, having examined the Journal of the proceedings of the last day's sitting and approved the same, shall announce to the House his approval of the Journal, and the Speaker's approval of the Journal shall be deemed to be agreed to subject to a vote on agreeing to the Speaker's approval on the demand of any Member, which vote, if decided in the affirmative, shall not be subject to a motion to reconsider. It shall be in order to offer one motion that the Journal be read only if the Speaker's approval of the Journal is not agreed to, and such motion shall be determined without debate and shall not be subject to a motion to reconsider.";

(2) In Rule I, clause 5 is amended by inserting "(a)" immediately after "5" and by adding at the end of such clause the following new paragraph:

"(b)(1) On any legislative day whenever a recorded vote or the yeas and nays are ordered on the question of passing bills or resolutions or agreeing to conference reports, or when a vote is objected to under clause 4 of Rule XV on the question of passing bills or resolutions or agreeing to conference reports, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days.

"(2) At the time designated by the Speaker for further consideration of proceedings postponed under subparagraph (1), the Speaker shall put each question on which further proceedings were postponed, in the order in which that question was considered.

"(3) At any time after the vote has been taken on the first question on which the Speaker has postponed further proceedings under this paragraph, the Speaker may, in his discretion, reduce to not less than five minutes the period of time within which a rollcall vote by electronic device on the question may be taken without any intervening business on any or all of the additional questions on which the Speaker has postponed further proceedings under this paragraph.

"(4) If the House adjourns before all of the questions on which further proceedings were postponed under this paragraph have been put and determined, then, on the next following legislative day the unfinished business shall be the disposition of all such questions, previously undisposed of, in the order in which the questions were considered.";

(3) In Rule I, insert at the end thereof the following new clause:

"9. (a) He shall devise and implement a system subject to his direction and control for closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees and in such other places in the Capitol and the House Office Buildings as he deems appropriate. Such system may include other telecommunications functions as he deems appropriate.

"(b)(1) He shall devise and implement a system subject to his direction and control for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives. He shall provide for the distribution of such broadcasts and recordings thereof to news media and the storage of audio and video recordings of the proceedings.

"(2) All television and radio broadcasting stations, networks, services, and systems (including cable systems) which are accredited to the House radio and television correspondents' galleries, and all radio and television correspondents who are accredited to the radio and television correspondent's galleries shall be provided access to the live coverage of the House of Representatives.

"(3) No coverage made available under this clause nor any recording thereof shall be used for any political purpose.

"(4) Coverage made available under this clause shall not be broadcast with commercial sponsorship except as part of bona fide news programs and public affairs documentary programs. No part of such coverage or any recording thereof shall be used in any commercial advertisement.

"(c) He may delegate any of his responsibilities under this clause to such legislative entity as he deems appropriate.";

(4) In Rule X, clause 1(e)(1) is amended by inserting the following immediately after the phrase "No Member": ", other than the representative from the leadership of the majority party and the representative from the leadership of the minority party,";

(5) In Rule X, clause 1(e)(1) strike out the word "two" and insert in lieu thereof "three" in the second sentence, and insert the following at the end of the second sentence: ", except that an incumbent chairman having served on the committee for three Congresses and having served as chairman of the committee for not more than one Congress shall be eligible for reelection to

the committee as chairman for one additional Congress";

(6) In Rule X, clause 1(t) is amended by striking the period at the end thereof and inserting the following: ", and the functions designated in title I of the Ethics in Government Act of 1978.";

(7) In Rule X, clause 4(e)(2) is amended by adding a new subparagraph at the end thereof:

"(F) No information or testimony received, or the contents of a complaint or the fact of its filing, shall be publicly disclosed by any committee or staff member unless specifically authorized in each instance by a vote of the full committee.";

(8) In Rule X, clause 6(f) is amended to read as follows:

"(f) The Speaker may appoint the Resident Commissioner from Puerto Rico and Delegates to the House to any select committee and to any conference committee that is considering legislation reported from a committee on which they serve.";

(9)(a) In Rule XI, clause 2(g)(2), immediately after the first sentence, insert the following language: "Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

"(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of Rule XI; or

"(B) may vote to close the hearing, as provided clause 2(k)(5) of Rule XI."; and

(b) Strike subsection (5) from Rule XI, clause 2(k) and insert in lieu thereof the following language:

"(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

"(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

"(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpena additional witnesses.";

(10) In Rule XI, the second sentence of clause 2(l)(6) is amended by striking out "two hours" and inserting in lieu thereof "three calendar days, excluding Saturdays, Sundays, and legal holidays during which the House is not in session";

(11)(a) In Rule XI, clause 4(e) is amended to read as follows:

"(e)(1) On any legislative day when reports from the Committee on Rules are being considered, the Speaker may announce to the House, in his discretion, before consideration of the first resolution, that he will postpone further proceedings on such of the resolutions reported from that committee as he may designate if a recorded vote or the yeas and nays are ordered or if the vote is objected to under clause 4 of Rule XV when the Chair puts the question on the previous question or on the adoption of the resolution, until

"(A) all such resolutions on that legislative day have been considered and any debate thereon concluded, with the question having been put and determined on each such resolution on which the taking of the vote will not be postponed; or

"(B) the next legislative day, with the question having been put and determined on each such resolution on which the taking of the vote will not be postponed.

"(2) Where the Speaker has postponed votes pursuant to paragraph 4(e)(1)(A) of this clause, when the last of such resolutions so designated has been considered and any debate thereon concluded, with the question put and determined on each such resolution on which further proceedings were not postponed, the Speaker shall put the appropriate question on each such resolution on which further proceedings were postponed in the order in which each such resolution was considered.

"(3) Where the Speaker has postponed votes pursuant to paragraph (e)(1)(B) of this clause, on the next legislative day the Speaker shall put as unfinished business the appropriate question on each such resolution on which further proceedings were postponed in the order in which each such resolution was considered.";

(b) Redesignate subparagraphs (3) and (4) as (4) and (5) respectively.;

(12) In Rule XV, clause 5, add at the end thereof the following new sentence: "The Speaker may, in his discretion, announce after a rollcall vote has been ordered on a motion to recommit a bill, resolution, or conference report thereon, that he may reduce to not less than five minutes the period of time in which a rollcall vote, if ordered, will be taken by electronic device on the question of passage or adoption, as the case may be, on such bill, resolution, or conference report thereon if the question on final passage or adoption follows without intervening business the vote on the question of recommittal.";

(13)(a) In Rule XV, clause 6(e)(2) is amended to read as follows:

"(2) Notwithstanding subparagraph (1), it shall always be in order for a Member to move a call of the House when recognized for that purpose by the Speaker, and when a quorum has been established pursuant to a call of the House, further proceedings under the call shall be considered as dispensed with unless the Speaker, in his discretion, recognizes for a motion under clause 2(a) of this rule or for a motion to dispense with further proceedings under the call."; and

(b) In Rule XV, clause 2(a), insert after the word "present" the first time it appears the following: ", subject to clause 6(e)(2) of this rule";

(14) In Rule XXIII, amend clause 2 to read as follows:

"2. (a) A quorum of a Committee of the Whole shall consist of one hundred Members. The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 or clause 2(b) of Rule XV. If on such call, a quorum shall appear, the Committee shall continue its business; but if a quorum does not appear, the Committee shall rise and the Chairman shall report the names of the absentees to the House. After the roll has been once called to establish a quorum during such day, the Chairman may not entertain a point of order that a quorum is not present unless the Committee is operating under the five-minute rule and the Chairman has put the pending motion or proposition to a vote; and if the Chairman sustains a point of order that a quorum is not present after putting the question on such a motion or proposition, he may announce that following a regular quorum call conducted pursuant to the previous provisions of this clause, he will reduce to not less than five minutes the period of time within which a recorded vote on the pending question may be taken if such a vote is ordered. If, at any time during the conduct of any quorum call in a Committee of the Whole, the Chairman determines that a quorum is present, he may, in his discretion and subject to his prior announcement, declare that a quorum is constituted. Proceedings under the call shall then be considered as vacated, and the Committee shall not rise but shall continue its sitting and resume its business.";

(15) In Rule XXIII, add the following new paragraph after clause 2(a):

"(b) In the Committee of the Whole, the Chair shall order a recorded vote on request supported by at least twenty-five Members.";

(16) In Rule XXIII, clause 8 is amended by adding at the end thereof the following: "It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or any amendment to an amendment thereto, unless the concurrent resolution as amended by such amendment or amendments (a) would be mathematically consistent; and (b) would contain all the matter set forth in paragraphs (1) through (5) of section 301(a) of the Congressional Budget Act of 1974.";

(17) In Rule XXVII, add at the end of clause 2 before the period the following provisions: ", except that a second shall not be required on a motion to suspend the rules where printed copies of the measure or matter as proposed to be passed or agreed to by the motion have been available for one legislative day before the motion is considered";

(18)(a) In Rule XXVII, amend clause 3 to read as follows:

"3. (a) When a motion to suspend the rules has been submitted to the House or has been seconded pursuant to clause 2 of this rule, it shall be in order, before the final vote is taken thereon, to debate the proposition to be voted upon for forty minutes, one-half of such time to be given to debate in favor of, and one-half to debate in opposition to, such proposition; and the same right of debate shall be allowed whenever the previous question has been ordered on any proposition on which there has been no debate.

"(b)(1) On any legislative day on which the Speaker is authorized to entertain motions to suspend the rules and pass bills or resolutions, including the last six days of a session, he may announce to the House, in his discretion, before entertaining the first such motion, that he will postpone further proceedings on each of such motions on which a recorded vote or the yeas and nays is ordered or on which the vote is objected to under clause 4 of rule XV, until—

"(A) all of such motions on that legislative day have been entertained and any debate thereon concluded, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed; or

"(B) the next legislative day, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed.

"(2) Where the Speaker has postponed votes pursuant to paragraph (b)(1)(A) of this clause, when the last of all motions on that legislative day to suspend the rules and pass bills or resolutions has been entertained and any debate therein concluded, the Speaker shall put the question on each motion which further proceedings were postponed, in the order in which that motion was entertained.

"(3) Where the Speaker has postponed votes pursuant to paragraph (b)(1)(B) of this clause, on the next legislative day the Speaker shall put as unfinished business the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.";

(b) Redesignate subparagraphs (3) and (4) as (4) and (5) respectively.;

(19)(a) In Rule XXVIII, clause 2, add the following new subclause:

"(c) Any conference report and Senate amendment in disagreement which has been available as provided in paragraphs (a) and (b) of this clause shall be considered as having been read when called up for consideration.";

(b) In Rule XXVIII, clause 4(a)(2) insert after the word "statement" the following: "or immediately upon consideration of a conference report if clause 2(c) of this rule applies,"; and

(c) In Rule XXVIII, clause 6 (b)(1), insert after the word "statement" the following: ", or immediately upon consideration of a conference report if clause 2(c) of this rule applies";

(20) In Rule XLIII insert immediately after clause 10 the following new clause:

"11. A Member of the House of Representatives shall not authorize or otherwise allow a non-House individual, group, or organization to use the words 'Congress of the United States', 'House of Representatives', or 'Official Business', or any combination of words thereof, on any letterhead or envelope.";

(21) Rule XLIV is amended to read as follows:

"Financial Disclosure

"1. A copy of each report filed with the Clerk under title I of the Ethics in Government Act of 1978 shall be sent by the Clerk within the seven-day period beginning the date on which the report is filed to the Committee on Standards of Official Conduct. By July 1 of each year, the Clerk shall compile all such reports sent to him by Members within the period beginning on January 1 and ending on May 15 of each year and have them printed as a House document, which document shall be made available to the public.

"2. For the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be deemed to be a rule of the House as it pertains to Members, officers, and employees of the House of Representatives.";

(22) In Rule XLVII, clause 2 is amended by striking out "$750" and inserting "$1,000";

(23) In Rule XLVIII clause 4 is amended by striking out "5 (a), (b), and (c)," and inserting in lieu thereof "5 (a), (b), (c), and 6(c)";

Mr. WRIGHT (during the reading). Mr. Speaker, in view of the fact that there are 500 copies of the printed resolution available to the Members on the floor of the House, I ask unanimous consent that further reading of the resolution be dispensed with, that it be printed in the RECORD at this point, and that I be recognized for purposes of debate on the resolution.

□ 1420

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I am not going to object at this point because, as we know, the majority has the power to enact the rules.

I think the record ought to show that many of us are not totally pleased with them. I think in many ways they will serve the democratic spirit we thought was moving 2 years ago.

After saying that and making sure the record reflects that, Mr. Speaker, I am going to withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I yield, for purposes of debate only, 30 minutes of that hour to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), and pending that, I yield myself such time as I may require.

Mr. Speaker, these are only a few changes recommended by the Democratic Caucus and brought to the body with the imprimatur of the Democratic Caucus of the House.

The rules changes we propose are modest. Their thrust is to assist the House in facilitating the business of the House. I think basically these changes embodied in this resolution will do four things:

First, some of the changes would grant authority to the Speaker to group record votes in clusters in order to expedite the consideration of relatively noncontroversial legislation. The purpose of this, quite obviously, is to save time.

The second group of changes would extend to the Speaker authority to expedite the purely procedural business of the House by delaying points of order and incidental motions while preserving the constitutional requirement of a quorum to conduct all business. Once again, it is an attempt, quite simply, to expedite the business of the House.

The third group of changes would expedite the voting procedures in the Committee of the Whole, and the fourth group would require amendments to the budget resolution to address both the aggregate totals and the coresponding functional categories in a consistent manner.

This is all these changes would accomplish. Each year at this time it is the responsibility of the majority party in the House to bring to the House such changes in the rules as its Members in their wisdom deem appropriate. This we do on this occasion.

We anticipate that the Members of the minority party, our friends from the other side of the aisle, will wish to debate the propriety of some of these changes and will wish to assert their objections to some of them, and thereafter there will be a vote on the previous question.

We would anticipate that all of the Members on the Democratic side, as has been the tradition unbrokenly in the past, will support the decision of the Democratic Caucus and of the majority party. Basically, the purpose of these changes is to save the time of the House, to save the taxpayers waste of that valuable time, and to save Members the harassment that has sometimes come from procedural demands that they present themselves and vote on meaningless votes.

For those reasons, Mr. Speaker, I would withhold the remainder of the time available to this side of the aisle and yield to my friend, the minority leader, such portion of the 30 minutes as is available to the other side as he and those he may designate would wish to consume in debate only.

Mr. RHODES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the package of rules proposals under consideration today includes a number that are designed to concentrate, in the name of efficiency, enormous powers in the hands of one individual—the Speaker.

While I am confident that our present Speaker would never abuse these powers, there is no way to predict the future. We may be establishing a precedent here that could prove troublesome in future Houses. As any student of this body knows, powers once granted this way are not easily rescinded.

In addition, this concern with speeding up the legislative process ignores a far more serious problem—whether we should even be legislating as much as we do. A recent study indicated that, in the 95th Congress, the House devoted an average of about 50 minutes of floor debate to each of the 670 or so measures which eventually became law.

Instead of seeking to speed up this process even more, we should be concerned with improving the quality of legislation, and with providing all Members an opportunity to gain a thorough understanding of the issues before them.

The Speaker has indicated that the 96th should be an oversight Congress, devoted to analyzing and reviewing past legislation with an eye to improvement, and where appropriate, elimination. We Republicans have long believed that Congress has woefully neglected its oversight function, and I heartily welcome the Speaker to our point of view.

Unfortunately, the rules we are being called upon to adopt today will carry us in just the opposite direction.

The old saying that, as the twig is bent, so grows the tree, essentially means that decisions made early in life can affect an individual's entire future. That maxim applies equally to great institutions, such as this House.

There are some who tend to view debates over rules as something of an "insiders" game, of interest largely to a handful of parliamentary tacticians, and not something of concern to the general public.

But, the kind of operating rules we adopt will profoundly affect the direction this House—and future Houses—will take, and greatly influence the shape of legislation that emerges.

And I would remind my colleagues on the other side of the aisle that this body legislates not only for those constituents whose Representatives may form a majority of the caucus. This body legislates on behalf of all Americans, including the 47 percent who voted for Republican congressional candidates across the Nation.

Therefore, I believe it is critical to the credibility of this body that the rules we

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adopt not only are perceived as being fair to the minority as well as the majority, but that the manner in which the rules are adopted also is perceived as being fair and open.

In this regard, we do ourselves, and the public, a serious injustice by considering these changes under a rule that permits only 1 hour of debate followed by a single take-it-or-leave-it vote on the entire package, with no opportunity for changes or amendments from the floor. The result is to exclude more than one-third of this body from any real say in formulating the rules by which they will be expected to abide. Beyond that, it prevents Members of the other side of the aisle from considering minority proposals which may well gain the support of a substantial majority once they are heard.

The rules of the House are too important to be treated almost like a minor housekeeping measure. That is why I am urging that the previous question be defeated.

If this is done, I intend to offer a resolution providing for the immediate adoption of the rules of the House for the 95th Congress and establishing an orderly procedure for early, open, and full consideration of amendments that Members may wish to offer.

□ 1425

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, a few years ago this House was all awash in glorious sunshine as we opened up our committees, and conferences, and caucuses and votes to the public. It was the dawning of the age of Aquarius, and the theme song of the reformers was, "Let the sunshine in." And yet, every 2 years we are still shackled with this relic of the Dark Ages—this sunset resolution. Yes, this is a sunset resolution in the worst sense of that term because it brings an end to all that sunshine; it causes the sun to set on democratic procedures; it leaves more than a third of the Members of this body in the dark; and it locks the 80 million Americans they represent out of their own House. In fact, it casts a giant shadow over this entire House by preventing all 435 Members from offering any amendments to their own rules from the floor of this body.

Now the majority leader may argue that this is tradition, this is precedent, this is the way it has always been done. But that is just not the case. Dr. George Galloway, for instance, in his excellent "History of the House of Representatives," recounts how it was customary during the latter part of the last century for the House to spend several days at the beginning of each Congress debating and amending its rules. As he recalls it, it was a way for Members to get to know each other and familiarize themselves with the rules under which they would be operating for the next 2 years. But perhaps more importantly, it was a way for all Members to begin fully participating in the important process and institution to which they had been elected. They were truly discharging their duty under article I, section 5 of the Constitution which states that, "each House may determine the rules of its proceedings." Notice that the Constitution specifies, each "House," and not just the majority party caucus. The rules of this House apply to all Members, belong to all Members, and should be determined by all Members—not just the majority party. The Constitution is unequivocal on that point.

This 1-hour, no-amendment procedure under which we are being asked to adopt our rules today makes a mockery of our democracy and a travesty of our Constitution. This is not the way we consider important legislation and it should not be the way we consider our own rules. The Rules of the House of Representatives are no less important nor more sacrosanct than the legislation which comes before this body.

Mr. Speaker, the only way we can hope to restore democratic procedures to this rules debate is to vote down the previous question so that a substitute resolution can be offered which will permit amendments to the rules from the House floor. The minority leader is prepared to offer such a resolution if we succeed in defeating the previous question. I hope that course of action will prevail for the benefit of all freely elected and free-thinking and acting Members of this body.

We are not asking that the entire Democratic Caucus rules package be rejected in favor of a Republican rules package. There are many rules changes proposed by the caucus that we can support, and we would like to think we have several meritorious proposals that would be acceptable on the other side of the aisle. This is not a partisan question; it is an institutional issue and prerogative. All we are asking is that each of these proposed amendments to our rules be considered and voted on separately. And that is just what our substitute resolution would permit—separate consideration of all amendments under the 5-minute rule.

Given the opportunity, for instance, we would like to offer rules changes which would strengthen ethics investigatory procedures, strengthen our oversight mechanisms, tighten up on the House broadcast rule, permit greater accountability and participation in committee voting through recorded votes, abolishing proxy voting, restoring the majority quorum requirement for committee business, and requiring verbatim transcripts of conference committee meetings. These are just a few of our suggestions. They are not partisan proposals. They are designed to improve the effectiveness and openness of this institution which is now held in minimum high regard by the public. I am sure Members on both sides of the aisle have other worthwhile proposals they would like the House to consider. Let us give all Members their constitutional right to truly determine the rules of their own proceedings. Vote down the previous question so we can have that chance.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker pro tem, I think it is interesting that the House should proceed to debate the first major issue facing the House of Representatives with probably 90 percent of the Members absent. Having taken the oath they have simply left the scene. I hope it is not a true commentary on the attitude of the House of Representatives.

In view of these absences a quorum call might be in order—is that not right, Mr. Speaker?—and it might be one of the last times a Member could produce a quorum under our new rules. I make that as a parliamentary inquiry: Is a quorum call in order at this time?

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). According to the precedents, prior to the adoption of the rules, a point of order would be in order.

Mr. BAUMAN. That is correct under general parliamentary law. I just wanted to make the point, that this may be one of the last times we could get a quorum to hear anything debated in the House.

I just heard our Speaker say in his acceptance speech: "We cannot attain greatness by avoiding challenges." That is a ringing declaration, but the House is about to adopt, to swallow whole a set of predetermined rules which are tailor-made to avoid disagreeable challenges and calculated to diminish the greatness of the House.

It is rather like a bridegroom who agrees to accept impotence on his wedding night. You gentlemen fought and cleared your way here in order to have a chance to say something about the issues facing the Nation. But a majority of you will vote down the line for a set of rules that seeks to avoid the issues.

Are you concerned about inflation and a balanced budget? Do you want to support the right to life? Are you happy with our foreign policy? These rules will seriously curtail your rights. Is it more important to watch the thumb of the gentleman from Indiana (Mr. BRADEMAS), the majority whip? The thumb of the gentleman from Indiana (Mr. BRADEMAS) will indicate by its motion up or down as you come through the door how to vote. But is that why your people elected you?

That is not what you fought for to get elected to the Congress of the United States.

I hope those who will revel at their victory celebrations today will also have the courage to stand up against the imperial speakership and vote against these rules.

This is your first chance to vote. When the previous question comes before us I urge a "no" vote. It is not just the previous question before us but a whole host of important issues these rules will govern. Your vote will affect the integrity of the body the Speaker just praised for its history and future.

I urge you to vote "no." It does not hurt. It is not a bad way to start out in this Congress.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I have the same objections as the previous speaker, the gentleman from Maryland, about the way this matter is being handled. As usual, we are doing so without amendment, without even the possibility of amendment, and therefore we cannot properly discuss the rules because we cannot suggest amendments to them.

Obviously the House is accepting this first opportunity to avoid the challenges the Speaker said he could hardly wait to accept. As usual, our majority Members who are the first who claim themselves to be in support of minorities, the disadvantaged and the rights of all, can hardly wait to suppress the rights of those who would like to have a chance to debate some of these very important matters.

The gentleman from Maryland was absolutely right when he said that those who vote to support these rules or those who vote for the previous question are voting away their opportunities for debate and for voting on important substantive issues later in the session.

The many flaws in these rules, and there are many, the ones that bother me most, Mr. Speaker, are the rules on proxy voting and short quorums.

Many of our Members, particularly our newer ones, who will vote in support of these rules, campaigned vigorously for the right to vote and to represent the people who sent them here.

Yet, after working so hard to earn the right to vote here, they are cheerfully today going to give away that right by allowing others to vote for them. In my opinion the use of proxies in committees is antithetical to the democratic process. I am slightly ashamed that the majority intends again to make use of that system to carry on its business.

It stimulates absence, gives enormous power to committee chairmen, and provides a false committee voting record. There is simply no excuse for giving away our precious right to vote for our constituency. Another egregious flaw in these rules is the system of operating a committee with less than half the membership present. I do not know of any other legislative body anywhere that makes decisions with less than half of the members present. The operation of a committee with less than half of its membership is obviously ridiculous.

If your constituents knew that you were going to adopt rules without opportunity for amendment, that you were going to give away your vote by proxy, or that you were going to allow committees to make decisions with only one-third of its members on hand, I believe that they would not only be displeased, but they would be outraged.

We ought to vote down the previous question.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I believe a majority of the Members of this House were elected on promises to restrain the runaway growth of the Federal budget. This is especially true of many freshmen joining us today.

It is with regret, therefore, that I note that this rules change being pushed by the leadership, would create new handicaps we would need to overcome to establish a rational, frugal fiscal policy.

I believe the purpose of the Budget Reform Act of 1974 was to give Congress the process necessary to establish fiscal policy. The budget resolution for each fiscal year is the instrument by which we set policy on total Federal spending, revenues, and debt after consideration of conditions in the national economy.

It is the habit of both House and Senate Budget Committees, however, to deal with all of specific categories of spending before considering the aggregates. We find ourselves in the position of adding up numbers to arrive at total spending, instead of first establishing a ceiling and then considering specific priorities.

In other words, the system is operating in reverse of how it should be functioning.

Last year, I attempted to correct the problem with budget amendments that would have enabled the Budget Committee and the House to establish fiscal policy before proceeding to deliberation on specific spending categories. Those efforts lost on extremely close votes.

The reaction of the House leadership is embodied in this rules change we see before us today. It would prohibit consideration of any budget amendment that did not include amounts for every category of the budget.

Thus, the leadership intends to force us into debate on the relative merits of Government programs and activities before we establish fiscal policy.

That is why this rules change is so dangerous, Mr. Speaker. It thwarts the real purpose of the budget process and makes fiscal discipline more difficult.

If Members of this House were really serious in their election campaign promises to restrain Federal spending, then they will vote to defeat the previous question to allow consideration of alternative rules.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman from Arizona (Mr. RHODES) for yielding me this time.

Mr. Speaker, the package of rule changes which have been presented to the House by the Democratic Caucus suffers from a number of fatal flaws. Therefore, I would urge my colleagues—especially those from the other side of the aisle who, today, will be casting their first votes in the House of Representatives—to join me in voting against the previous question. This will permit more extensive debate and allow all the Members of the 96th Congress to work their will on the rules and procedures which will govern our actions for the next 2 years.

I take the floor today not to oppose each and every rule change presented to us. A few of the provisions of the package would, indeed, improve the operation of the House of Representatives. However, I am concerned that adoption of the rules, as set forth in the resolution now before us, will result in our being known as the "absentee"—as opposed to "oversight"—Congress.

We ought to be structuring our procedures to insure more active participation in committee and floor proceedings. Three areas of particular concern to me are use of the suspension calendar, proxy voting in committees, and finally, cluster voting on the final passage of bills, resolutions and conference reports.

I have long been concerned with the use and abuse of the Suspension Calendar. Suspending the House rules and passing a bill with only 40 minutes of debate was originally intended to be used for housekeeping or noncontroversial matters. In recent years, however, the House has passed legislation authorizing the expenditure of billions of dollars under this procedure. The $100 million in 1 fiscal year limitation proposed by the Democratic Caucus is, in my opinion, inadequate. It would seem that a lower dollar figure, perhaps $20 or $25 million, would be more appropriate and lend some credibility to hue and cry for fiscal conservatism. I also am opposed to any changes which would permit the scheduling of bills under suspension of the rules with less notice to Members. Many students of the House have argued that the Speaker and leadership of the House already have too much power and discretion in this regard. We need as much time as possible to consider and reflect upon the consequences of our actions.

The fact that the resolution now before us does not do anything to prohibit or otherwise restrain proxy voting in committees is equally disturbing. An objective observer would be justified in wondering exactly how a Representative is spending his or her time when we excuse that person from being present at committee meetings while, at the same time, votes are to be clustered in order to spare a Member the time and trouble of coming to the floor. I know as well as anyone the almost intolerable demands placed on the time of a Congressman. Nonetheless, we should keep in mind that our primary duty in Washington, when the House is in session, is to be present and actively participate in both floor and committee proceedings.

This brings me to the question of postponing and clustering floor votes. I can well appreciate the rationale behind implementing this change. We have already, to a certain extent, clustered votes which are brought to the floor under suspension of the rules. Nonetheless, I have observed that this practice has led to chronic absenteeism while the House is considering each suspension. Then, at the end of the day, we find the Chamber filled with Members who, because they have not listened to the pro and con arguments, are unaware of the implications of legislation that must be voted upon in just 5 minutes. I fear that the cluster voting pro-

vided for in the resolution now before us will only serve to make matters worse.

We all have read of how the 96th Congress is to be pegged the "oversight Congress" with the emphasis not so much on new legislative initiatives as on assessing how current laws and programs are working. This will require the regular attendance and participation of all my colleagues. We ought to adopt rules which will facilitate, rather than hinder, that review process.

□ 1445

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Speaker, the rules you are being asked to adopt would permit the Committee on Standards of Official Conduct to ignore wrongdoing by Members or committees.

The rules you are being asked to adopt would allow convicted felons to be committee chairmen.

The rules you are being asked to adopt would continue proxy voting in committee and allow as few as one-third of the Members of a committee to act on business before the committee.

The rules you are being asked to adopt have permitted billions of dollars of programs to be enacted under gag suspension rules that permit no amendments—only an up or down vote.

The rules you are being asked to adopt would allow more taxpayer dollars to be spent for Members' and committees' salaries and expenses without even a vote of the full House.

The rules you are being asked to adopt would give the Speaker unprecedented power to conduct House business without a quorum, to further denigrate the suspension process, and to schedule votes when he alone decides it is time.

However, there may be some advantages to the proposed caucus rules changes. If one of your campaign pledges was to be a responsible Member of Congress truly representing the interests of your constituents and this Nation—relax. The effect of these rules will be to lessen the amount of time you have to spend on the House floor or in committee participating in the legislative process. Under the guise of "streamlining," these rules will only promote an absentee Congress.

If we are to have an honest Congress, if we are to have an open Congress, if we are to have a frugal Congress, if we are to have any respect at all for the people who elected us, I urge the defeat of the previous question so that every Member of this great House can help adopt rules that suit the dignity of this body.

The skids are being greased again and the taxpayers are being taken for another ride.

The elected majority in Congress is about to delegate its campaign pledges to a minority through the House rules.

When, oh when, are the public and our colleagues in the media going to realize that inflationary spending and ridiculous Government regulations originate right here in Congress.

What is downtown in the executive branch and the bureaucracy is bad enough, but the root of the problem is in the Democrat congressional leadership's welfare-state concepts that are 30 years old and unworkable today.

When, oh when, are the public and the media going to recognize that the Congress is being run, not by a majority in Congress, but by a majority of the Democrat Caucus—a caucus majority wedded to concepts that are 30 years old.

I ask my colleagues on the majority side, particularly newly elected Members, to consider their campaign pledges for open government, clean government, and lower taxes.

The rules we are being asked to adopt today are a further extension of "King Caucus."

They continue the coverup of wrongdoing.

They exploit the protection of sitting Members at taxpayer expense.

The rules you are being asked to adopt would allow Members to record their floor speeches for broadcast on television at home—at taxpayer expense.

The rules you are being asked to adopt would insure that Members' and committees' expense vouchers would be hidden from the public and published in summary form only.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the previous question. This resolution attempts to establish new rules and to change our procedures rather substantially for those of us who make the attempt to be here and participate in the debate.

We are disappointed at this rather heavyhanded attempt to prevent a full and open airing of these rules changes. We are disappointed that we will again restrict the ability of individual Members to appropriately bring their case to the floor or maintain full presences in a committee.

Mr. Speaker, I am also disappointed with the new rules relating to the budget. The new rules will severely restrict individual Members' ability to participate in the amendment process on the budget resolution when it reaches the floor twice a year.

Mr. Speaker, I urge my colleague to vote down the previous question.

Mr. RHODES. Mr. Speaker, I yield the balance of the time which has been allotted to this side to the gentleman from Illinois (Mr. MICHEL).

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The gentleman from Illinois (Mr. MICHEL) is recognized for 7 minutes.

Mr. MICHEL. Mr. Speaker, consideration of our rules is an important area of discussion, for they are going to determine how we proceed in this House for the next 2 years.

The rules changes proposed are complex and technical. I am going to place in the RECORD an analysis and an expression of my concern over what I consider to be the more significant changes proposed by the majority, but I want to mention the two areas which could lead to the greatest mischief: the postponing of votes and the budget amendments.

Mr. Speaker, the clustering of votes at the end of the day or on the following day may expedite the business of this House, but that practice certainly will not lead to better legislation. It will actually encourage absenteeism, as was alluded to by the gentleman from Iowa (Mr. GRASSLEY), and will tend to inhibit open debate and discussion.

Mr. Speaker, votes on rules reported and suspensions can actually be deferred until the next day, but it is my understanding that the Speaker would give prior notice of these votes if the votes would be deferred.

Is that correct, might I inquire of the majority leader, that on votes having to do with the clustering of suspensions and rules, there would be prior notice given to the Speaker and that this would be the intent and the method for voting on those propositions?

□ 1450

Mr. WRIGHT. If the gentleman would yield, it certainly is expected that precisely the same procedure that was followed during the last Congress when the Speaker was given the authority to cluster votes on certain motions to suspend the rules would be followed in every instance wherein the rules would permit that discretionary power to be exercised in this Congress.

Mr. MICHEL. I thank the majority leader.

Now if I might ask another question regarding the deferral up to 2 legislative days for votes on final passage of a bill, a resolution, or a conference report. Under these circumstances it is my understanding the Speaker is not obliged to give the House prior notice. What might we expect by way of some indication in that regard?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I would be happy to yield to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

To the extent that it lies within the power and the knowledge of the majority leader, it would be and will be the purpose of the majority leader to share with the minority such plans as we may have on the majority side for the scheduling of votes under circumstances of that type. The purpose of these changes is to serve the convenience of Members and to permit the Members to know in advance when votes may be scheduled so as to permit them to make their plans intelligently. And that applies to minority Members as well as it does to majority Members.

Mr. MICHEL. I thank the majority leader. I would hope that we on the minority would not have any problem in making that accommodation for both sides from time to time.

Mr. WRIGHT. Would the gentleman yield?

Mr. MICHEL. I will be happy to yield.

Mr. WRIGHT. I thank the gentleman for yielding.

I would like to express the hope that in the past Congress the minority has not experienced any difficulty with being advised freely and frankly to the best of his ability by the majority leader.

Mr. MICHEL. I will say to the gentleman that I have noted a degree of improvement over what we have experienced in some years past, and I am appreciative of that accommodation.

Now if I may direct myself to the Budget Committee changes, these rules changes are actually amendments to the Budget Act. Under these new rules a Member can serve for three consecutive Congresses rather than the two as provided for currently, and a chaiman who has served for only one Congress as chairman can serve for an additional Congress regardless of limitation; and, finally, the leadership appointment for both parties would be exempt from any limitation on the length of service.

I have no particular problem with this, having served on the Budget Committee initially as it was formed, although I remember distinctly the kind of debate that ensued and the reasons for our limiting that service on the Budget Committee to two terms at this time.

Maybe there has been some reason for our extending that now with good conscience, but these amendments to the Budget Act, it seems to me, ought to be debated on their own within the framework of the whole congressional budget process and not simply done as a perfunctory matter here in adoption of the rules. That is my particular concern. I would like to mention the proposed change requiring mathematically consistent amendments to the budget resolutions. This change is obviously designed to gut our Republican effort to amend the Budget Act to provide for a two-step procedure that would deal, first, with those aggregate totals and, second, with the incremental parts that go into making up those functional categories within the previously established limit. Moreover, this rules change, it seems to me, would force the chair for the first time ever to rule on the consistency of an amendment. That is a departure from tradition of the past, and the first Chairman of the Committee of the Whole having to rule on any consistency question will be setting a new precedent in this body.

Inasmuch as these rules to be adopted provide for a code of official conduct, one clause of which reads as follows:

> A Member of the House of Representatives who has been convicted by a court of record for the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in the reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction.

I have one final question.

By the adoption of these rules is the House prejudging the status or standing of any Member who may have been found guilty of a felony but who has since been reelected to serve in this body? In other words, if a seated Member has been convicted by a court of record during the last Congress and has since been reelected, would a proceeding against that Member for possible referral to the Standards of Official Conduct Committee be foreclosed as a result of our adoption of these rules here today?

□ 1455

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield to my distinguished friend.

Mr. WRIGHT. Mr. Speaker, there is nothing in these rules today which would foreclose any Member from offering such a motion as the gentleman describes.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired. All time has expired.

Mr. MICHEL. Mr. Speaker, will the distinguished majority leader yield to me a moment that I might propound a further question?

Mr. WRIGHT. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. MICHEL. Mr. Speaker, would adoption of these rules prejudice a possible finding or recommendation of censure or reprimand or any other sanction against a Member by the Committee on Ethics?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield.

Mr. WRIGHT. I do not believe that there is anything contained in the proposed rules changes which would prejudice any Member's right to offer such a motion.

Mr. MICHEL. I thank the gentleman for that response, because there have been a number of inquiries made, particularly from incoming Members on our side. Whether there have been on the gentleman's side, too, I do not know. Many of our freshman Members have made extended and specific inquiry into the procedures under which we have been operating particularly with respect to those Members to which such an action might possibly apply.

We have responded by relating the previous court cases that have followed and tried our best to allay the feelings of these Members that their rights and their prerogatives in this House will not be jeopardized.

I am happy to have the gentleman respond in the fashion that he did to my inquiries.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. Yes.

Mr. WRIGHT. The only substantive change which these rules changes propose with respect to conditions of the type that the gentleman has been citing is the new requirement proposed in the Democratic Caucus to the effect that any Member convicted of a crime of a certain magnitude if recommended by his committee for a subcommittee chairmanship, would have to be ratified in such a role by the members of the caucus. That is the only change that has been made.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. MICHEL. Mr Speaker, since the majority leader and the Democratic Party have a clear majority in this House to make that determination within their own caucus, it is not a prerogative for those of us in the minority, but rather for the majority party who are running things around here to take such appropriate action

I thank the gentleman from Texas for yielding this time.

At this point I would like to include my analysis:

THE DEMOCRAT RULES PACKAGE: AN ANALYSIS OF THE KEY RULES CHANGE

(Prepared by the Office of the Minority Whip, ROBERT H. MICHEL)

INTRODUCTION

The rules changes proposed by the Majority Leadership are expected to be offered as H. Res. 5 of the 96th Congress on January 15, 1979.

There will only be 1 hour debate on the resolution and will not be amendable. Republicans will attempt to defeat the previous question on the resolution to offer our alternative—and open method of consideration of any new rules changes proposed by any member of the House.

The Majority party has gone so far in partisan reform of the rules of the House there has been an erosion of the effectiveness of the House as a deliberative body. The result has been more and more power being concentrated in the office of the Speaker and away from the true Representatives of the people.

The changes proposed by the Majority Party are very technical and their interplay with the other rules and the precedents of the House have been simplified in an attempt to place in some perspective what they will mean for the operation of the House.

The more significant rules changes proposed are grouped and analyzed under the following headings:

(1) "The House's Right To Work Its Will."
(2) Budget Act Amendments.
(3) Postponing Votes.
(4) Committee of the Whole Votes.

(1) "THE HOUSE'S RIGHT TO WORK ITS WILL"

These rule changes transfer to the Speaker more power over the order of business and take away from the House some of its traditional rights to determine how it will proceed with its consideration of legislation:

(a) Approval of Journal:

The Speaker announces his approval of the Journal and it shall be considered agreed to unless a vote is demanded. A motion to reconsider the vote is not in order. A quorum call prior to the approval is not in order.

Since the early days of the House the Speaker takes the chair at the hour indicated and "upon the appearance of a quorum" proceeds to lay before the House the business in order as prescribed under Rule XXIV. The first order of business after the prayer is the approval of the Journal—the official "record" of the House's proceedings. The effect of this rule change is to allow the Speaker to begin business without a quorum present.

(b) Proceedings Under a Call of the House:

This change allows a call of the House, but eliminates the House's right to initiate any other proceedings under the call unless the Speaker desires to entertain one.

The Constitution provides that less than a majority has the right to compel the attendance of absent members. That motion

is "a call of the House". Since the 1800's Speakers have held that the House has the right to have every member present and even if only a few were absent it could send for them if it should desire.

The effect of this rules change is to say that when at least a majority has appeared under the call the Speaker alone has the right to decide whether the House take any other "incidental" action such as sending for any absent members or "dispensing with further proceedings". This amounts to giving the Speaker a right the House has always reserved for itself.

(c) Suspensions—Eliminating Seconds:

No second shall be required on a motion to suspend the rules when printed copies of the motion are available for at least one legislative day prior to its consideration.

The second was a method that the House reserved for itself to prevent consideration of any unwanted business. To prevent the unnecessary consumption of time on a suspension motion the House could vote down "ordering the second" and move on to other business.

It has been normally held that permission to move suspension of the rules should not be lightly given and the Speaker should consider only matters both meritorious and urgent when he believes it is in the best interest of a large majority of the House. With this rules change the House has given to the Speaker the right to bring up virtually any business when printed and available under suspension—the Budget Act or any rule to the contrary notwithstanding—and the House must proceed to consider it.

(2) BUDGET ACT AMENDMENTS

The Majority Caucus made the following rules changes which have the effect of changing the Congressional Budget Act, PL 93-344:

(a) Changes in Rotation of Membership of Budget Committee:

Under the current law members are allowed to serve on the Budget Committee for no more than two complete Congresses. This rule change would allow members to serve on the Budget Committee for three Congresses, and would allow a Chairman of the Budget Committee who has only served for one Congress as a Chairman to serve an additional Congress regardless of the limitation.

Under current law the leadership of both parties is allowed one appointment to the Budget Committee and this rules change would exempt that appointment from the limitation on length of service.

(b) Mathematically Consistent Amendments to Budget Resolutions:

Amendments to concurrent resolutions on the budget would not be in order unless the resolution as amended would be mathematically consistent and would contain the values for the functional categories as well as the aggregates.

The rules change involving the length of service changes the original intent of the Budget Act as far as membership on the Budget Committee in the House of Representatives is concerned. At the time the law was enacted it was felt that it was best to have a rotation of members on the committee so that the entire membership of the House might have an opportunity to serve on the committee and have a better understanding of the budget process. The law requires that the committee be composed of 5 Members from the Committee on Appropriations; 5 Members from the Committee on Ways and Means; one from the Majority Leadership; one from the Minority Leadership; and the remaining 11 from the other standing committees. This change was proposed primarily to allow the current Chairman to serve an additional term. There is some merit in allowing continuity in the position of Chairman and to allow the leadership some flexibility in their appointments. But the change amounts to changing a law by merely amending the rules of the House and should properly be done in an open debate with the full House having the opportunity to work its will.

The rule change requiring mathematical consistency appears to be politically aimed at preventing the Minority party from exercising its method of budgeting. The Minority party has contended that the Congressional Budget Act requires the House to consider spending among the major functional categories on the basis of what monies are available for total budget outlays and budget authority.

Section 301(a)(2) of PL 93-344 requires that the first concurrent resolution on the Budget shall set forth—

"(2) An estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total new budget authority, (emphasis added)."

It is our contention that we first must consider what is to be our fiscal policy, by determining total revenues, outlays and a deficit ceiling all in line with current economic climate. Then, based on those levels, the House should proceed to determine expenditures in the specific functional categories.

The Minority believes that this procedure is absolutely necessary since the appropriate Federal fiscal policy at a given point in time is completely independent of, and often completely opposite of, what we as politicians would like to spend on each of several thousand Federal programs.

The effect of the rules change has taken the House in the complete opposite direction and prevents the Minority from offering any amendment just dealing with an aggregate level without also showing a program category change as well. The result is to require every proposed amendment to be related to a program level and prevent the consideration of any amendment dealing only with with the "macro" figures of income versus spending.

This rules change would force the Chair for the first time to rule on the consistency of an amendment. This unprecedented requirement of the Chair in inconsistent with the precedents of the House but also appears inconsistent with the language of the law which states in section 305(a)(3):

"That it shall be in order at any time prior to final passage (not withstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency."

(3) POSTPONING VOTES

The Speaker is giving the discretionary authority to postpone votes on the following questions:

(a) Suspensions and "Rules":

Under this change, the Speaker would have the discretion to postpone votes on the "rules" reported from Rules Committee or suspensions of the rules until the end of all such consideration or until the next legislative day.

(b) Roll Call Votes in the House:

Roll call votes on final passage of a bill, resolution, or conference report may be postponed by the Speaker to a later time on the same day of consideration or within two legislative days of consideration.

These changes give the Majority Leadership very broad discretion in the scheduling of votes on legislation. The only requirement on the Speaker is that he announce his intention to postpone votes in the case of "rules" and suspensions of the rules.

These changes represent the second major step in the virtual elimination of a structured order of business as set forth in Rule XXIV. The Speaker has already disregarded the order of business with the trend toward making more and more business "privileged" through action of the Rules Committee. New authority to postpone votes further concentrates the power to control House activity in the hands of the Speaker.

Vote postponements will lessen the meaning of debate on proposals and eliminate any requirement for the Member to be on the House Floor during consideration of legislation. It also takes public attention away from those debates which spell out for the press and the general public, the pros and cons of the issues before Congress. Postponement also gives the Majority Leadership a great deal more power to schedule votes at times when the Leadership knows enough votes to sustain its position are available. Such a concentration of power is not consistent with the spirit of a truly open and deliberative body.

(4) COMMITTEE OF THE WHOLE VOTES

The Majority Caucus made two changes in the Rules of the House affecting votes in the Committee of the Whole. These changes are:

(a) Number Required For Recorded Vote:

This rules change increased from 20 to 25 the number of Members needed to require a recorded vote in the Committee of the Whole.

(b) Reduction of Vote Time:

New discretionary power was given the Chairman of the Committee to reduce from 15 minutes to 5 the time required for a roll call vote after a regular recorded quorum call.

The reasoning behind the increase in the number of Members required to call for a recorded vote is to discourage Members from forcing a vote and therefore consuming more time. This rule may very well backfire, however, since it may increase the frequency of points of order that no quorum is present in order to attract enough Members to the Floor to force a recorded vote.

The purpose of the reduced voting time on some recorded votes, again is purportedly to conserve time. However, the new proposed system is easily subject to manipulation by the Chairman of the Committee of the Whole, who will have more power to determine the Minority's ability to demand a recorded vote. The priorities seem backward as more time is given to a quorum call than to a record vote and this new system may give Members arriving on the Floor less time to acquaint themselves with the issue prior to voting.

Mr. WRIGHT. Mr. Speaker, I have the feeling that I have just tuned in on late-night television to a movie that I saw a couple years ago; maybe one that I have seen on several occasions. It is a good movie and I enjoyed staying with it while it played out its several reels. Of course, the gentlemen on the minority side will find objections to certain rules changes proposed.

I would like to say simply, they are very minor and very modest. They extend to the Speaker only very limited additions to his authority. I believe they are extension of authority that he has exercized in the past Congress to the express approval of every Member of the House. On those occasions when the Speaker in the previous Congress asserted the privileges given to him to cluster votes, I believe that most Members, both Democratic and Republican, will agree that it was done in such a way as to save the time and convenience of all Members, Democrats and Republicans.

So far as the extension of power to

the Speaker to close all dilatory tactics, I must conclude that most of the Members, both Democratic and Republican, would approve any such system that would save them from the repeated harassment and inconvenience to which the entire membership have been subjected by one or two dissident or disgruntled Members who want all the others to have to come over here and be recorded on a matter frequently—frequently in which there are two or three objections at the most.

□ 1500

During past Congresses, accordingly to an exhaustive study conducted by our colleague, the gentleman from California (Mr. DANIELSON), almost one-third of the entire time of this House was consumed in rollcall votes and quorum calls. Now, surely that is an excessive use of the time of the Members to be consumed in quorum calls and rollcall votes.

Once a quorum has been established for the day, the presumption should lie that a quorum of the Members is present. Surely most Members do not want to have to come back over here 8 and 9 and 10 times in a day in order to reassert their presence or to vote on some matter that really is not controversial at all. To the extent that we are saving the time of the Members of the House, we are saving money for the American taxpayers, and surely this kind of a change ought to be approved not just by Democrats but by Republicans as well.

Then there has been raised a new question with respect to the assertion that these rules would permit Members to record their speeches on the House floor at public expense.

I think that may be a misstatement of what these rules do. These rules are not calculated to guarantee to any Member any right he or she does not presently have under the rules of the House. Members have always had the right to reproduce copies of their speeches in the CONGRESSIONAL RECORD, to which the public at large has access, and to send them to members of their constituencies. I do not think that privilege has been regularly abused. Certainly it ought to be a privilege extended to Members of Congress.

Certainly members of the public ought to have a right to know what it is that has been said on the floor of the House. I do not know any reason why that same right should not extend if it is the wisdom of the House that we should have these proceedings televised subject to restrictions as to political or commercial use and to further restrictions which may be announced by the Speaker. Why is there anything wrong with letting the American public see and hear exactly what it is we say here on the House floor?

I do not see that there is any great harm or danger inherent in the rule proposed here. I think, on the contrary, what is objected to is the fact that these rules do not encompass a proposed change which the gentleman from Illinois and certain other Members might want to offer.

Let me suggest at this point that any proposed change in the rules that the gentleman from Illinois or any other Member might wish to offer may be offered under the standard procedure to the Committee on Rules. We have it on no less authority than the gentleman from Missouri (Mr. BOLLING), that he personally will do what he can to see that a substantial and sufficient portion of time is set aside for any Member to come before his committee and assert a suggestion, to defend his or her suggestion, and to advocate any change in the rules that he or she may wish to advocate.

So there is nothing different this time than has been provided for in years past.

The only other thing on which I would like to comment, simply that the record may be abundantly clear, is the suggestion that somehow we are inhibiting the rights of Members when we insist that a budget resolution, if subjected to an amendment that would reduce the total expenditure, must permit the Members to know where those reductions would be made. I think this is fully in harmony with the principles and the philosophy of the Budget Act. The entire thrust of the budget reform was to give to Members of the House and of the Senate a new tool by which we could assert some semblance of self-control by which we could look at the broad overall picture of the budget in one package and make some serious determinations as to where our spending priorities should be.

□ 1505

Therefore, it always has been held, in reason and in consistency, that the total expenditures involved in the budget ought to be exactly the total of the individual itemized expenditures.

It just does not make sense to adopt a resolution that says, "Leave the individual categories alone and reduce the total."

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course I yield to my friend, the minority leader.

Mr. RHODES. I thank my good friend, the majority leader, for yielding.

Mr. Speaker, I was on the committee which studied the congressional budget system, and I mainly agree with the gentleman's analysis of the budget system.

However, at the time I was very much imbued with the idea—and I think others were—that there really were two operations that needed to be taken into consideration. One of them was the total expenditure in any fiscal year. In order to arrive at that proper figure, you have various elements involved, such as the state of the economy, the state of unemployment, and the like, and this was best accomplished by the House in the first or second concurrent budget resolution.

I thought at the time—and I still do—that it is very important for the House to have that function. But as far as the line items are concerned, it seemed to me—and it still does—that the Budget Committee is much better prepared than the average Member of the House or the composite of the House to take the material which the House furnishes the committee and to divide it up into the component pieces, which is why I have always been in favor of the mechanism which would set the macroeconomics of the matter and leave the minutiae to the Budget Committee. It is very similar, in effect, to recommitting the first or second concurrent budget resolution to the Committee on the Budget with instructions to lower the total amount, but to tell them to use their judgment as to where it should be cut.

That is, I think, the fundamental difference between the gentleman from Texas and myself. But I do believe that it is important that the dichotomy be analyzed.

Mr. WRIGHT. Mr. Speaker, I would not disagree with the gentleman in his analysis as to where the fundamental difference may lie. And I would not characterize the position the gentleman has described as his position as being other than a responsible position. But I would like to suggest that Members need to understand that there is nothing in these rules which prevents any Member from offering an amendment to reduce the size of the budget, once the resolution comes before the House. The only inhibition is that if he is going to reduce the total, then he must show where the reduction would be let. I think that is a reasonable requirement and would reasonably well serve the Members of the House. That is the only change that would be made.

If the gentleman from Illinois (Mr. ANDERSON) desires that I yield to him, I would be happy to yield to the gentleman.

Mr. ANDERSON of Illinois. I thank the distinguished majority leader for yielding.

Mr. Speaker, I am sorry that I was called off the floor a few minutes ago and I was not here. I understand the distinguished majority leader found an analogy between furnishing reprints of the CONGRESSIONAL RECORD to the custom that will now develop of providing copies of tapes, of television tapes, of remarks delivered here on the floor by Members, and he felt that, since there has been no abuse in the case of the former, the concern that I and others have about this is misplaced, because I think the gentleman knows that, along with former Congressman Sisk of California, I had offered a proposed rule, broadcast rule, in the last Congress that would have denied that privilege to Members because I too have the genuine fear that if Members know that every speech they deliver in the well of this House and in this Chamber can be available to them in the form of a television tape which they can freely circulate among the stations and among the media in their area, it will have a tendency to seriously distort the proceedings of this body.

I wonder if I was informed correctly as to what the gentleman from Texas said on that matter.

Mr. WRIGHT. Mr. Speaker, I believe that I said that the rules changes presented in this resolution contemplate no basic change from the present situation with respect to the matter over which the gentleman has found objection. I think I suggested that what the gentleman from Illinois objects to is not that the rules proposed by the Democratic Caucus and the Democratic majority provide a change, but that they fail to provide a

change on coverage which the gentleman from Illinois would like to see provided.

Mr. ANDERSON of Illinois. Mr. Speaker, if the gentleman will yield further, that is a correct analysis of my position.

□ 1510

But in view of what I see as a threat to the proceedings of this House, it seems to me that it would be wise to consider this resolution under a procedure whereby I could have offered that amendment, and we could have had a full and free debate on the entire issue, and perhaps thereby save the House what could be the experience of discovering later on, farther on down the road, that the fears I have expressed are genuine indeed.

Mr. WRIGHT. I would be happy to advise the gentleman from Illinois that the Speaker and a panel of advisors whom he is appointing are working, and will be working, on rules of implementation for the use of the audio and television facilities of the House. I am sure they would be happy to have such suggestions the gentleman from Illinois or any other Members may wish to offer to them.

With respect to the gentleman's apprehensions, I want simply to express my own conviction. The American public is sufficiently discerning that it will be able to distinguish the difference between somebody who has something to say and someone who does not have something to say. I just have that much basic faith in the American people. I do not think they are going to respond affirmatively to somebody who rises and takes the time of the House without having something worthy of being heard.

Believing that as a fundamental premise, I do not see the danger that the gentleman foresees, but I will grant to him an assumption that he may have something worthy of being considered, and I will suggest to him that there will be a proper time and place at which he may offer his suggestions, but this is not the time and place. These rules do not provide any change from the restrictions imposed in the prior Congress, and the Chair will at the appropriate time announce his regulations on distribution of audio and visual tapes of proceedings of the House, and for that reason I think it inappropriate for us to spend much more of our time talking about that particular phase.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the distinguished majority leader for yielding to me. I understand the House will probably have almost no business to conduct for the next 2 weeks other than receiving a message from the President. Aside from any of the issues that have been addressed by particular rules changes just proposed by the majority leader, what is the rationale of the Democratic Party and the gentleman from Texas in denying to the full House of Representatives the right to debate, amend and work our will on the rules of the House, as has been done at the beginning of almost every Congress for 200 years? What is the rationale for that? Is it just easier to ram the rules through? Is that it?

Mr. WRIGHT. If the gentleman will yield, I do not discern in the procedures that are being followed today any marked differences from what has been done——

Mr. BAUMAN. In the last few years perhaps.

Mr. WRIGHT (continuing). For decades and decades before us. The rules traditionally offered at the beginning of a Congress have been the prerogative and responsibility of the majority party. If the leadership is going to be permitted to lead, then the leadership has got to request such powers as are necessary to permit it to lead. I believe the gentleman from Maryland would feel that way if the leadership responsibilities rested on his shoulders or on the shoulders of his colleagues on the Republican side.

I think the best description I ever heard of the rules of this House is one that was given once by the late Lew Deschler when he was Parliamentarian of the House. He said that the Rules of the U.S. House of Representatives are the most finely-tuned set of rules extant in any parliamentary body on Earth. I believe he said that they have two primary objectives; the one is to protect the minority from the intolerance of the majority. The other is to protect the majority from the enthronement or obstructionism of the minority.

So, to the extent we can jointly be mindful of these two rationales for the Rules of the House; to the extent that we could respect one another's rights; to the extent that we, I think, can give assurance that the powers granted to the Speaker are not going to be abused; and to the extent that the members of the minority would agree that those powers granted to the Speaker in the preceding Congress were not abused, then I think we have fulfilled the function given to us as Members of this greatest, sometimes criticized and yet most honored legislative body on Earth.

□ 1515

Mr. BAUMAN. Would the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I just wanted to thank the gentleman most sincerely for his eloquent and traditionally nonresponsive answer to my question. I look forward to working with him in exploring the fine points of these delicately tuned rules forced upon us today.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman for his compliment. I, too, look forward to working with the gentleman from Maryland.

Mr. Speaker, I move the previous question on the resolution.

SWEARING IN OF MEMBERS

The SPEAKER. Pending putting the previous question, the Chair will give the oath of office to the Members who were not present earlier.

Members who were absent will kindly step forward.

Messrs. OTTINGER, AKAKA, and HEFTEL appeared at the bar of the House and took the oath of office.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed resolutions of the following titles:

S. Res. 1

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

S. Res. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

S. Res. 6

Resolved, That the House of Representatives be notified of the election of the Honorable WARREN G. MAGNUSON, a Senator from the State of Washington, as President of the Senate pro tempore.

RULES OF THE HOUSE

The SPEAKER. The question is on ordering the previous question.

Mr. RHODES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 156, not voting 26, as follows:

[Roll No. 3]

YEAS—241

Addabbo	D'Amours	Gray
Akaka	Daniel, Dan	Gudger
Albosta	Danielson	Hall, Ohio
Alexander	Davis, S.C.	Hall, Tex.
Anderson, Calif.	de la Garza	Hamilton
Andrews, N.C.	Dellums	Hance
Annunzio	Derrick	Hanley
Anthony	Dicks	Harkin
Aspin	Dingell	Harris
Atkinson	Dixon	Hefner
AuCoin	Dodd	Heftel
Bailey	Donnelly	Hightower
Baldus	Downey	Holland
Barnard	Drinan	Holtzman
Barnes	Duncan, Oreg.	Howard
Beard, R.I.	Early	Hubbard
Bellenson	Eckhardt	Huckaby
Benjamin	Edwards, Calif.	Hughes
Bennett	English	Hutto
Biaggi	Ertel	Ichord
Bingham	Evans, Ga.	Ireland
Blanchard	Evans, Ind.	Jenkins
Boggs	Fary	Jenrette
Boland	Fascell	Johnson, Calif.
Bolling	Fazio	Jones, N.C.
Boner	Ferraro	Jones, Okla.
Bonior	Fisher	Jones, Tenn.
Bouquard	Fithian	Kazen
Bowen	Flippo	Kildee
Brademas	Florio	Kostmayer
Breaux	Foley	LaFalce
Brinkley	Ford, Miss.	Leach, La.
Brodhead	Ford, Tenn.	Leath, Tex.
Brooks	Fountain	Levitas
Brown, Calif.	Fowler	Lloyd
Burlison	Frost	Long, La.
Burton, Phillip	Fuqua	Long, Md.
Carr	Garcia	Lowry
Cavanaugh	Gaydos	Luken
Chappell	Gephardt	Lundine
Clay	Giaimo	McCormack
Coelho	Gibbons	McHugh
Collins, Ill.	Ginn	McKay
Conyers	Glickman	Maguire
Corman	Gonzalez	Markey
Cotter	Gore	Mathis
	Gramm	Mattox
Mazzoli	Price	Studds
Mica	Rahall	Stump
Mikulski	Rangel	Swift
Mikva	Ratchford	Synar
Miller, Calif.	Reuss	Thompson
Mineta	Richmond	Traxler
Minish	Roberts	Udall
Moakley	Roe	Ullman
Moffett	Rose	Van Deerlin
Mollohan	Rosenthal	Vanik
Montgomery	Rostenkowski	Vento
Mottl	Roybal	Volkmer
Murphy, N.Y.	Russo	Walgren
Murphy, Pa.	Sabo	Watkins
Murtha	Santini	Waxman
Natcher	Satterfield	Weaver
Neal	Scheuer	Weiss
Nedzi	Schroeder	White
Nelson	Seiberling	Whitley
Nolan	Shannon	Whitten
Nowak	Sharp	Williams, Mont.
Oakar	Shelby	Wilson, C. H.
Oberstar	Simon	Wilson, Tex.
Obey	Skelton	Wirth
Ottinger	Slack	Wolff, N.Y.
Panetta	Smith, Iowa	Wolpe, Mich.
Patten	St Germain	Wright
Patterson	Staggers	Wyatt
Pease	Stark	Yates
Pepper	Steed	Yatron
Perkins	Stenholm	Young, Mo.
Peyser	Stewart	Zablocki
Pickle	Stokes	Zeferetti
Preyer	Stratton	

NAYS—156

Abdnor	Forsythe	Miller, Ohio
Ambro	Frenzel	Mitchell, N.Y.
Anderson, Ill.	Gilman	Moore
Andrews, N. Dak.	Gingrich	Moorhead, Calif.
Archer	Goldwater	Myers, Ind.
Ashbrook	Goodling	O'Brien
Badham	Gradison	Pashayan
Bafalis	Grassley	Pursell
Bauman	Green	Quayle
Beard, Tenn.	Grisham	Quillen
Bereuter	Guyer	Railsback
Bethune	Hagedorn	Regula
Broomfield	Hammer-schmidt	Rhodes
Brown, Ohio	Hansen	Rinaldo
Broyhill	Harsha	Ritter
Burgener	Heckler	Robinson
Butler	Hillis	Roth
Campbell	Hinson	Rousselot
Carney	Hollenbeck	Rudd
Carter	Holt	Runnels
Cheney	Hopkins	Sawyer
Clausen	Horton	Schulze
Cleveland	Hyde	Sebelius
Clinger	Jacobs	Sensenbrenner
Coleman	Jeffords	Shumway
Collins, Tex.	Jeffries	Shuster
Conable	Johnson, Colo.	Smith, Nebr.
Conte	Kelly	Snowe
Corcoran	Kemp	Snyder
Coughlin	Kindness	Solomon
Crane, Daniel	Kramer	Spence
Crane, Philip	Lagomarsino	Stangeland
Daniel, R. W.	Latta	Stanton
Dannemeyer	Leach, Iowa	Stockman
Davis, Mich.	Lee	Symms
Deckard	Lent	Tauke
Derwinski	Lewis	Taylor
Devine	Livingston	Thomas
Dickinson	Loeffler	Treen
Dornan	Lott	Trible
Dougherty	Lujan	Vander Jagt
Duncan, Tenn.	Lungren	Walker
Edgar	McClory	Wampler
Edwards, Ala.	McCloskey	Whitehurst
Edwards, Okla.	McDade	Whittaker
Emery	McDonald	Williams, Ohio
Erdahl	McEwen	Wilson, Bob
Erlenborn	Madigan	Winn
Evans, Del.	Marlenee	Wydler
Fenwick	Marriott	Wylie
Findley	Martin	Young, Alaska
Fish	Michel	Young, Fla.

NOT VOTING—26

Applegate	Diggs	Mavroules
Ashley	Flood	Moorhead, Pa.
Bedell	Guarini	Murphy, Ill.
Bonker	Hawkins	Myers, Pa.
Burton, John	Kogovsek	Paul
Byron	Lederer	Rodino
Chisholm	Lehman	Spellman
Courter	Leland	Stack
Daschle	Matsui	

□ 1535

Mr. ADDABBO changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF MEMBERS

The SPEAKER. Are there any further Members to take the oath of office?

Mr. MITCHELL of Maryland, Mr. GRAY, and Mr. CHARLES H. WILSON of California presented themselves at the bar of the House and took the oath of office.

RESIGNATION AS CLERK TO THE MINORITY OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. The Chair at this time will insert in the RECORD the resignation of Joe Bartlett, who was an employee of the minority in the 95th Congress:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 15, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives,

DEAR MR. SPEAKER: Please permit me to tender my resignation as Clerk to the Minority of the House of Representatives.

I am profoundly conscious of the privilege I have enjoyed in serving the Congress, and I will cherish forever my association and friendship with the many, many magnificent men and women of this great institution.

My very best wishes and prayers abide with you and the 96th Congress as you continue your sacred stewardship.

Sincerely,

JOE BARTLETT.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks concerning the adoption of the resolution rules.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMPENSATION OF CERTAIN MINORITY EMPLOYEES

Mr. RHODES. Mr. Speaker, I offer a resolution (H. Res. 6) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 6

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, five of the six minority employees authorized therein shall be the following named persons, effective January 3, 1979, until otherwise ordered by the House, to-wit: Walter P. Kennedy, Tommy Lee Winebrenner, Ronald W. Lasch, Gerald Lipson, and Charles Leppert, Jr., each to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

□ 1540

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMPENSATION OF CHAPLAIN OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 7) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 7

Resolved, The compensation of the Chaplain of the House of Representatives shall be equivalent to the highest rate of basic pay as in effect from time to time of level IV of the Executive Schedule in section 5315 of title V, United States Code.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ADMINISTRATION OF OATH OF OFFICE TO THE HONORABLE STEWART B. McKINNEY

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 8) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 8

Resolved, Whereas Stewart B. McKinney, a Representative-elect from the State of Connecticut, from the Fourth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election; Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby authorized to administer the oath of office to the Honorable Stewart B. McKinney at Fairfield, Connecticut, and that the said oath be accepted and received by the House as the oath of office of the said Stewart B. McKinney.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the authority of House Resolution 8, 96th Congress, the Chair appoints the gentleman from Connecticut (Mr. GIAIMO) to administer the oath of office to the Honorable STEWART B. MCKINNEY.

HOUR OF MEETINGS OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 9) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 9

Resolved, That until otherwise ordered, the hour of meeting of the House shall be, 12 o'clock meridian on Mondays and Tuesdays; 3 o'clock postmeridian on Wednesdays; 11

o'clock antemeridian on all other days of the week up to and including May 14, 1979; and that from May 15, 1979, until the end of the first session, the hour of daily meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays and 10 o'clock antemeridian on all other days of the week.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 30, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:30 a.m. on Thursday, November 30, 1978, and said to contain a message from the President wherein he transmits the second special message for fiscal year 1979 under the Impoundment Control Act of 1974.

With kinds regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORTS ON RESCISSION AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–2)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $75,000 in unneeded funds appropriated to the Foreign Claims Settlement Commission.

In addition, I am reporting four new deferrals of budget authority totalling $889 million and two revisions to previously transmitted deferrals increasing the amount deferred by $21.4 million in budget authority. These items involve the military assistance program and programs in the Departmen's of Commerce, Defense, Justice, and State.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *November 30, 1978.*

□ 1545

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
December 7, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m. on Thursday, December 7, 1978, and said to contain a message from the President wherein he transmits the third special message for fiscal year 1979 under the Impoundment Control Act of 1979.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

TEN NEW DEFERRALS OF BUDGET AUTHORITY AND FOUR REVISIONS TO PREVIOUSLY TRANSMITTED DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96–3)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten new deferrals of budget authority totalling $110.6 million and four revisions to previously transmitted deferrals increasing the amount deferred by $3.3 million. The items involve the military education and training program and programs in the Departments of Agriculture, the Interior, State, and the Treasury, and several independent agencies.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *December 7, 1978.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
December 12, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:51 p.m. on Tuesday, December 12, 1978, and said to contain a message from the President wherein he transmits the fourth special message for fiscal year 1979 under the Budget Impoundment and Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

TWO NEW DEFERRALS AND REVISION TO PREVIOUSLY TRANSMITTED DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96–4)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling $663.8 million and a revision to one previously transmitted deferral increasing the amount deferred by $.2 million in budget authority. These items involve the foreign military credit sales program and programs in the Departments of Commerce and the Interior.

The details of the deferrals are contained in the attached report.

JIMMY CARTER.

THE WHITE HOUSE, *December 12, 1978.*

EXTENDING TIME FOR FILING ECONOMIC REPORT

Mr. BRADEMAS. Mr. Speaker, I send to the desk a joint resolution (H.J. Res. 1) to extend the time for filing the Economic Report, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That Public Law 95–594 is amended by striking out "January 22, 1979" the second time it appears in section 2, and inserting in lieu thereof "January 29, 1979".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make a statement concerning the introduction and reference of bills today.

As Members are aware, they have the privilege today of introducing bills. Heretofore on the opening day of a new Congress, several thousand bills have been introduced. It will be readily apparent to all Members that it may be a physical impossibility for the Speaker to examine each bill for reference today. The Chair will do his best to refer as many bills as possible, but he will ask the indulgence of Members if he is unable to refer all the bills that may be introduced. Those bills which are not referred and do not appear in the RECORD as of today will be included in the next day's RECORD and printed with a date as of today.

The Chair has advised all officers and employees of the House that are involved in the processing of bills that every bill, resolution, memorial, petition, or other material that is placed in the hopper must bear the signature of a Member. Where a bill or resolution is jointly sponsored, the signature must be that of the Member first named thereon. The bill clerk is instructed to return to the Member any bill which appears in the hopper without an original signature. This procedure was inaugurated in the 92d Congress. It has worked well, and the Chair thinks that it is essential to continue this practice to insure the integrity of the process by which legislation is introduced in the House.

The Chair's directive pursuant to clause 4, of rule 22, with respect to the new rule on the cosponsorship of bills has been distributed by the Clerk and will be inserted at this point in the RECORD.

A change in the House Rules of the 95th Congress provides for unlimited additional sponsors on Public bills and resolutions. Additional sponsors may be submitted until the legislation is reported to the House by the last Committee authorized to consider and report such bill or resolution. The rules do not provide for the addition of sponsors to Private bills and resolutions at any time.

If there is not sufficient space for listing sponsors when introducing legislation the first time, please affix the list of names to the front of the bill. Additional sponsors may be added by submitting a form which will be available to Members from the Clerk's Document Room. When preparing additional sponsor lists, do not repeat names that have previously been listed on the bill or resolution. The additional sponsor form should be submitted to the House in the same manner as when a bill is introduced. If you have any questions regarding this new procedure, please contact the House Bill Clerk's Office on Ext. 54470.

□ 1550

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 3, rule 1, the Chair desires to announce that he has instructed the Doorkeeper and the Sergeant at Arms of the House to assure that Members will have unimpeded access to the Chamber especially during rollcall votes and quorum calls. Due to the relative brevity of the period during which Members may be recorded and because Members for obvious reasons are entitled to unhindered access to any door of the Chamber from the elevators and corridors, the Chair has directed that these instructions be strictly enforced.

APPOINTMENT AS MEMBERS OF HOUSE OFFICE BUILDING COMMISSION

The SPEAKER. Pursuant to the provisions of 40 U.S.C. 175 and 176, the Chair appoints the gentleman from Texas, Mr. WRIGHT, and the gentleman from Arizona, Mr. RHODES, as members of the House Office Building Commission to serve with himself.

COMMUNICATION FROM THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the Committee on Agriculture; which was read, referred to the Committee on Appropriations and ordered to be printed:

COMMITTEE ON AGRICULTURE,
Washington, D.C., October 17, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on October 13, 1978, considered and unanimously approved the following work plans for watershed projects, which were referred to the Committee by Executive Communication 4988: Deposit Creek, New York; Wet Walnut Creek, No. 1, Kansas.

Attached are Committee resolutions with respect to these projects.

With best regards,

Sincerely,

THOMAS S. FOLEY,
Chairman.

PROCEDURES IN RELATION TO THE PRODUCTION OF WITNESSES AND DOCUMENTS IN COURTS OF JUSTICE

Mr. BRADEMAS. Mr. Speaker, I offer a resolution (H. Res. 10) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 10

Whereas, by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice be taken from such control or possession except by its permission: Therefore be it

Resolved, That when it appears by the order of any court in the United States or a judge thereof, or of any legal officer charged with the administration of the orders of such court or judge that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; and be it further

Resolved, That during the Ninety-sixth Congress, when a subpena or other order for the production or disclosure of information is by the due process of any court in the United States served upon any Member, officer, or employee of the House of Representatives directing appearance as a witness before the said court at any time and the production of certain and sundry papers in the possession and under the control of the House of Representatives, that any such Member, officer, or employee of the House, after notifying the Speaker, is authorized to appear before said court at the place and time named in any such subpena or order, but no papers or documents in the possession or under the control of the House of Representatives shall be produced in response thereto; and be it further

Resolved, That after the Speaker has been notified by the Member, officer, or employee that a proper court has determined upon the materiality and relevancy of specific papers or documents called for in the subpena or other order, then said court, through any of its officers or agents shall have full permission to attend with all proper parties to the proceedings before said court and at a place under the orders and control of the House of Representatives and take copies of the said documents or papers and the Clerk of the House is authorized to supply certified copies of such documents that the court has found to be material and relevant, except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto be disclosed or copied, nor shall the possession of said documents and papers by any Member, officer, or employee of the House be disturbed or removed from their place of file or custody under said Member, officer, or employee; and be it further

Resolved, That the House of Representatives reserves to itself the power to revoke or modify the authority contained herein in all or specific instances; and be it further

Resolved, That a copy of these resolutions be transmitted by the Clerk of the House to any of said courts whenever such writs of subpena or other orders are issued and served as aforesaid.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain what this is?

Mr. BRADEMAS. Yes, if the gentleman from California will yield.

Mr. ROUSSELOT. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman. This is the standard resolution making it possible for the House to respond to subpenas.

Mr. ROUSSELOT. And that is all it does? On whose authority is it?

Mr. BRADEMAS. On the authority of the House.

Mr. ROUSSELOT. The Speaker?

Mr. BRADEMAS. No. If the gentleman will yield——

Mr. ROUSSELOT. I will be glad to yield. Further reserving the right to object, I yield.

Mr. BRADEMAS. The gentleman from Indiana does not profess to be an authority on the subpena authority, but as the gentleman from California will realize, when subpenas are served on Members of the House, it is customary for the House to pass a resolution in response to those subpenas. The resolution which the gentleman from Indiana has offered provides for that authority on the part of the House. It is a standard resolution that is adopted.

Mr. ROUSSELOT. No difference from previous years?

Mr. BRADEMAS. That is correct.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1555

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. WRIGHT. Mr. Speaker, your committee to notify the President is ready to report.

The SPEAKER. The Chair will hear the committee.

Mr. WRIGHT. Mr. Speaker, your committee appointed on the part of the House to join a like committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make has performed that duty.

The President asked us to report that he will be pleased to deliver his message at 9 p.m. Tuesday, January 23, 1979, to a joint session of the two Houses.

The SPEAKER. The Chair thanks the committee for the efficient manner in

which it has handled its job and the expeditious manner in which the Members have acted.

JOINT SESSION OF CONGRESS—STATE OF THE UNION MESSAGE

Mr. BRADEMAS. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 1) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 1

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1979, at 9 o'clock postmeridian for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that on January 23, 1979, when the Houses meet in joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

AUTHORIZING THE SPEAKER TO DECLARE RECESS ON TUESDAY, JANUARY 23, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that on Tuesday, January 23, 1979, it may be in order for the Speaker to declare a recess at any time subject to call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would take this opportunity to advise Members that he has, pursuant to clause 9 of rule I, asked an informal panel to advise him on the full and final implementation of broadcasting, telecasting, and closed circuit viewing of the proceedings of the House. At the appropriate time the Chair will announce his regulations pertaining to the utilization of the new system and distribution of audio and video reproduction from that system. In the meantime aside from closed circuit viewing to Members' offices today for the convenience of Members and their friends, there will be no audio or video coverage of the proceedings of the House, other than the audio pickup available to accredited members of the radio-TV gallery until full implementation is completed. This is to enable the Chair's advisory panel to devote its full resources to the earliest practicable implementation of the new system.

TRIBUTE TO THE LATE HONORABLE LEO J. RYAN

Mr. BOB WILSON. Mr. Speaker, I offer a resolution.

The Clerk read the resolution, as follows:

H. RES. 11

Resolved, That the House has heard with profound sorrow of the death of the Honorable LEO J. RYAN, a Representative from the State of California.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

□ 1600

TRIBUTE TO THE LATE HONORABLE WILLIAM. A. STEIGER

Mr. ZABLOCKI. Mr. Speaker, I offer a privileged resolution.

The Clerk read the resolution, as follows:

H. RES. 12

Resolved, That the House has heard with profound sorrow of the death of the Honorable WILLIAM A. STEIGER, a Representative from the State of Wisconsin.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

SPECIAL ORDER FOR THE LATE HONORABLE WILLIAM A. STEIGER

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute.)

Mr. ZABLOCKI. Mr. Speaker, I take this time so that I may advise the House that, on behalf of our colleagues, the gentleman from Oklahoma (Mr. JONES), the gentleman from New York (Mr. CONABLE), and myself, that arrangements have been made for eulogies under a Special Order for our late colleague, the Honorable WILLIAM A. STEIGER, for Thursday, January 25, 1979.

ADJOURNMENT TO THURSDAY, JANUARY 18, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Thursday next, January 18, 1979, at 11 o'clock a.m.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will now recognize Members for 1 minute requests.

COMPENSATION FOR VICTIMS OF CRIME

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. GONZALEZ. Mr. Speaker, for 15 years now I have authored and sponsored legislation that would provide some compensation for our citizens who are innocent victims of crimes and last year I was very encouraged when both the House and Senate passed such legislation. However, the conference report filed in the final days of the 95th Congress was killed by the House, so I am again proposing a bill that will bring needed assistance to those who are victims of crime.

While crime continues to increase across the country, it is heartening to note that it is doing so at a decreasing rate. However, for a victim of a crime, statistics are not reassuring. For him society has failed in its duty to protect him and a State which has this responsibility must make some effort to live up to it.

According to history the concept of society having an obligation to in some way help the citizen who falls victim to a criminal act is not a new one.

The Code of Hammurabi of ancient Babylonia evoked communal responsibility for certain crimes where it was not possible to place individual blame. If a robber has not been caught, the code specified, the robbed man shall declare his last property in the presence of the god, and the city and Governor in whose territory and district the robbery was committed shall repay him for his lost property. In addition, the code ordered that "if it was a life that was lost the city and Governor shall pay one mina of silver to the heirs."

In the 16th century, Jeremy Bentham noted the plight of the victim of crime and suggested this rationale for compensation:

> Has a crime been committed? Those who have suffered it, either in their person or their fortune, are abandoned to their evil condition. The society which they have contributed to maintain, and which ought to protect them, owes them, however, an indemnity, when its protection has not been effectual.

There are currently 16 States that operate some form of victim compensation program, but the bill I am reintroducing would encourage additional States to join in such a program. This bill gives the Attorney General the administrative responsibility for making grants to States with qualified programs and these grants would cover 100 percent of the costs of awards for victims of Federal crimes and 25 percent of the cost for State crimes. Individual States would determine which crimes qualify for their programs.

Mr. Speaker, in the past 10 years Congress has considered and provided for programs to improve the criminal justice machinery, from addressing the needs of the local police to improving the correction facilities nationwide, but we have ignored the plight of the innocent victim. We are not really dealing with the crime problem until we have taken steps to minimize the impact of the crime on the victim.

A victims of crime program might also indirectly help bring reform to our correctional institutions. To quote the English penal reformer, Ms. Margaret Fry, a rational system of correction can only be achieved when victims, satisfied financially, no longer press for revenge, but rather favor rehabilitation.

There is obviously a great deal of support for a victims of crime program since both Houses passed such a measure in the last Congress and I hope that we can make it over the last hurdle and have a bill enacted into law before the end of the year.●

INTRODUCTION OF A JOINT RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE THAT GOVERNMENT APPROPRIATIONS NOT EXCEED GOVERNMENT REVENUES

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, today I am introducing a resolution calling for a constitutional amendment to balance the Federal budget.

You may recall, Mr. Speaker, that I first introduced this resolution when I was a freshman back in 1965. Each and every Congress since then I have kept the tradition.

I was a lonely voice in the wilderness back then. Not many felt as I did that only an amendment to the Constitution mandating pay-as-you-go government (such as we have in the State of Texas) would clamp down a lid on Federal spending. This was the genesis of my proposal to provide that Federal appropriations shall not exceed revenues except in time of war or national emergency.

In the years that passed since that cold winter's day in 1965, other voices were raised, and in each succeeding Congress they grew louder in their plea for national fiscal sanity. Now dozens of similar congressional resolutions stand beside mine, and the roll grows longer.

Mr. Speaker, I urge that this Congress now consider a proposal whose time has come. In the present climate, three-fourths of the States should have no trouble at all making this resolution the next constitutional amendment. I call upon the leadership of the Committee on the Judiciary to hold hearings on this measure, and quickly bring it before the consideration of the House.

STATEMENT OF THE HONORABLE CHARLES E. BENNETT UPON INTRODUCTION OF THE MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I am today introducing a bill which responds to a very conspicuous national defense need and would be called the Military Registration and Mobilization Assessment Act of 1979.

MOBILIZATION DISARRAY

Our mobilization capability is in a state of disarray, according to the testimony we heard in the last Congress. The Reserves are short by over a half million personnel, the Selective Service System could not possibly meet its delivery schedule, and we do not have one clear focal point of mobilization planning.

Only recently have these deficiencies in mobilization planning become so conspicuous. The source of the problem is quite recent. The Gates Commission recommended a strong mobilization capability in their 1969 report but actually since 1973, when the draft ended, the Selected Reserve strength has dropped about 15 percent and the Individual Ready Reserve has dropped by 70 percent. It might have been prudent to take the actions of this bill even sooner, but the truth is that few like to think hard about a possible national emergency which would demand mobilization.

It has now become our clear and immediate duty to provide the manpower requirements which have been assessed by the Under Secretary of Defense for Policy. The emergency needs dictate that our 2.1 million Active Duty Volunteer Force be backed up by a wartime mobilization capability of 959,000 Selected Reservists, at least 750,000 Individual Ready Reservists, and a Selective Service callup of 100,000 within 60 days and another 550,000 in the following 120 days.

THE BILL'S PROVISIONS

This bill is tailored specifically to two immediate and conspicuous needs. It provides for peacetime military registrations and it provides for comprehensive assessments of mobilization capability which are aimed especially at solving the Reserves problem.

PEACETIME REGISTRATION

We need a tested military registration system. The Chairman of the Joint Chiefs of Staff, the congressional committees, the studies of CBO and GAO, and the Acting Director of Selective Service all attest to this current need. The ABC Harris poll of last November showed that the American people favor military registration by a 66- to 31-percent majority.

My bill calls for registration to commence not later than October 1979 in accordance with a modern and efficient registration system which would be selected by June from the various existing proposals. The registration procedures for youth would be centralized and largely automatic, with help from the schools or from other records which already exist. As far as medical needs are concerned, the bill directs that a mechanism be established in the form of a National Advisory Committee, to evaluate how we can best secure medical professionals.

When we implement a modern registration system—which can be accomplished this year—we will certainly be months ahead on meeting the Selective Service delivery schedules that would be required in an emergency. It will also help us to ascertain and eliminate problems which we cannot now specifically foresee. Since our potential enemies can see our Reserve Force problems, the step toward registration is to some extent adding credibility to our determination to defend ourselves.

MOBILIZATION ASSESSMENT

Our second clear need is for a comprehensive and focused assessment of mobilization capability. The bill would require an annual assessment of the Nation's capability to mobilize the Active Forces, Reserve Forces, retired personnel and selective service callups. All of this needs to be composed and periodically reviewed in a comprehensive assessment, including strengths as well as weaknesses, for the entire mobilization resources. I endorse the conclusion in the recent Pentagon report about "America's Volunteers" where it says that our focus needs to be turned to mobilization planning.

NEED FOR A DRAFT?

I can see no reason to compel any citizen to work for the Government unless that is absolutely essential to the Nation's existence or security. Although there has been much public criticism of the Volunteer Force concept, I know that we do not need—and we cannot afford—to force every young person into long military training in peacetime. The Volunteer concept is designed to provide the Active Duty Forces which are needed and to adequately pay them, so that we will not have a tiny portion of our young men making a disproportionate sacrifice. But it is high time to turn the focus from the Active Volunteer Forces to our Reserve problem.

Our system has not provided sufficient input to the Reserves. The bill would require evaluation of an involuntary Reserve program of perhaps 3 months active duty training followed by 3 years of Reserve duty. My hope is that added incentives may encourage volunteers, and I believe that we need involuntary programs only when large segments of a group are required. Whether the deficiencies in the Reserves now can be met by purely voluntary enlistments is what I think the administration should promptly assess. One thing that is clear is that the Reserves do have a problem which needs our attention. Either with or without an involuntary Reserve program, we need to see the full implications of an equitable system that will get the job done.

FOCAL POINT FOR MOBILIZATION PLANNING

The various pieces of the mobilization assessment and planning, from the various sources and agencies, need to be composed into a comprehensive assessment and presented to Congress for recommended actions. Mobilization planning begins with assessments of the net threat, which are already the responsibility of the Under Secretary of Defense for Policy. The bill would also assign the Under Secretary to supervise manpower mobilization planning, a closely associated matter. Under the bill Selective Service planning is placed with the Under Secretary of Defense for Policy. There is not now and there never has been anything wrong with locating Selective Service planning in the Defense

Establishment. The President's reorganization project recommends placing Selective Service there to improve coordination, save costs and increase efficiency. It should be done.

CORRECTING RESERVE OBLIGATIONS AND THE PRIVACY ACT

The final provisions of this bill would correct an inequity in the total military obligation of future volunteers and assure that the Privacy Act not be an obstacle to what is strictly required for military registrations. The bill would make the equitable and helpful requirement that future volunteers to active duty all be responsible to serve 3 years in the Reserves upon release from active duty. This would eliminate the unevenhanded present procedures which allow exemptions of all Reserve time for those 26 years of age at induction and also for time prior to delayed entry, which is an unequal treatment which should be ended. The bill would also allow regulations for access by the Selective Service System to information on ages and addresses, for conducting registration but for no purpose other than registration.

SUMMARY

Mr. Speaker, this bill is tailored directly to the recognized need for military registrations and for mobilization assessment. The time for action is clearly here. I am hopeful that my colleagues in the House will support this vital national security legislation. The bill itself follows:

THE MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

Be it enacted that—

SECTION 1. The President shall:

(a) Commence registration not later than October 1, 1979 under the provisions of section (3) of the Military Selective Service Act of 1967 (50 App. U.S.C. 453).

(b) Report to the Congress not later than June 30, 1979 on the plans for a modern and efficient system of registration. Such report shall include recommendations for any changes needed in the Military Selective Service Act of 1967 to improve the fairness and efficiency of the Selective Service System.

(c) Establish a National Advisory Committee to make recommendations for achieving adequate medical personnel.

SEC. 2. Title 10, United States Code, is amended as follows:

(a) Section 135(b) is amended by inserting at the end of the first sentence: "The Undersecretary of Defense for Policy shall supervise manpower mobilization planning in the Department of Defense."

(b) Section 138(c)(3) is amended by adding the following at the end thereof: "The annual report of manpower requirements shall be extended to include an assessment of the nation's capabilities to mobilize such additional manpower as may be needed to meet national security requirements under emergency situations. This assessment shall discuss the capability of mobilizing the active forces, selected reserve forces, other reserve personnel, personnel in a retired status and other persons not currently in the armed forces. The first such assessment shall specifically address the feasibility of a program of three months of active duty assignment for selected persons, followed by a three year reserve obligation."

SEC. 3. The Military Selective Service Act of 1967 is amended as follows:

(a) Section 10(a)(1) (50 App. U.S.S. 460 (a)(1)) is amended by inserting at the end thereof: "The Director of the Selective Service System shall report to the Undersecretary of Defense for Policy, except on such matters as specifically directed by the President or Congress. The personnel, property, records and unexpended balances (available or to be made available) of appropriations, allocations and other funds of the Selective Service System are hereby transferred to the Department of Defense."

(b) Section (9) (50 App. U.S.C. 459) is amended by inserting at the end of that section: "(k) Reserve Obligation. Each person who hereafter is enlisted or appointed in one of the armed forces and thereafter is released from active duty while meeting the qualifications for enlistment or appointment in a reserve component of that armed force, shall be transferred to a reserve component for three years, or as otherwise obligated by law, whichever is longer."

(c) Section (3) (50 App. U.S.C. 453) is amended by inserting at the end of that section: "Notwithstanding any other provisions of law, regulations may provide for access by the Selective Service System to age and address information in the records of any school, any agency of the United States, or any agency or political subdivision of any state, for the purposes of conducting registration, but for no other purposes."

LOCKHEED REPAYS LOAN TO THE UNITED STATES WITH INTEREST

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

Mr. DICKINSON. Mr. Speaker, just this past week I had the privilege of visiting the Lockheed California plant at Burbank.

I should point out that I have no Lockheed industry in my district, but I thought that the Members of the House should be aware, however, that a few years ago we were called on to underwrite, which we did, a massive loan guarantee for Lockheed, which Lockheed has, in fact, paid off. They not only paid off the loan but they paid the Federal Government $30 million in handling charges which meant that there was a net profit to the Government.

I think that anything this important to our national security, as well as our economy, should be recognized. I just wanted to call the attention of the Members to the fact that Lockheed not only paid off the loan which we guaranteed, but that we made a $30 million profit out of it.

DR. MELVIN EVANS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, as we greet the new Members of both parties I want to take this opportunity to specifically welcome Dr. MELVIN EVANS of the Virgin Islands.

As the first elected Governor of the Virgin Islands, from 1969 to 1975, MELVIN EVANS demonstrated the kind of leadership and concern for human needs that eventually won for him the support of the people of those islands in his campaign for a House seat.

MELVIN EVANS has been a doctor since 1944. He is a specialist in cardiology and internal medicine and was an outstanding student at Howard University both in undergraduate work and in the school of medicine.

He has public health degrees from Johns Hopkins, among other major institutions, and is deservedly proud of the honorary doctorate he received from his alma mater.

When asked about the election, EVANS stated that approximately 75 percent of the eligible voters of the Virgin Islands turned out on election day. He said:

That's not that high a turn-out, actually because people in the Virgin Islands take their politics seriously.

I agree and the proof of that is the excellence of the new Member they have sent us.

□ 1605

INTRODUCING ELEMENTARY AND SECONDARY TUITION TAX CREDIT ACT OF 1979 AND SOCIAL SECURITY REFINANCING ACT OF 1979

(Mr. LEDERER asked and was given permission to adddress the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I rise on this first day of the 96th Congress to bring to the attention of the House two issues which were not resolved in the last Congress. I am here introducing the Elementary and Secondary Tuition Tax Credit Act of 1979 and the Social Security Refinancing Act of 1979. These two bills take up where we left off last year.

I am proposing a tuition credit of up to $150 for students at nonpublic elementary and secondary schools. Similar legislation was approved last year by the House but was dropped by the Senate and a compromise was not achieved in the short time remaining in the 95th Congress.

The cost of elementary and secondary education, both in public and nonpublic institutions, has increased dramatically in the last decade. This has placed a burden on the parents of the Nation, and the school systems around the country as well as the tax bases supporting education. The parents of nonpublic school children have a greater burden with each year's increases. The non-public-schools in my own city of Philadelphia, have just last week announced a dramatic tuition increase.

This tuition credit will in a small way relieve the burden on the families of non-public-school children. Many of these are low- and middle-income parents who want to continue to send their children to the school of their choice. This bill is necessary to relieve the immediate burden on the system of education in this country and to allow it to grow in the future.

The second bill I have introduced today will revamp the social security financing system by funding one-third from the employer tax, one-third from the employee contribution, and one-third from the general revenues. This formula was proposed by Chairman James Burke in the last Congress but

was not acted upon. This will take much of the burden of supporting the system off the employees and employers, many of whom are unfairly burdened by the present one-half to one-half system with wage base cutoffs. To insure that this imbalance does not continue, my bill also raises the wage base subject to social security taxes to $100,000.

This bill then will insure that all employees pay their fair share into the social security system. At the same time, the Government will take up the burden, through its contribution, of the many nonpension programs which have been added onto the social security base over the years.

I urge my colleagues to seriously consider both of these bills to insure their early consideration and timely conclusion in this session. We cannot avoid hard issues like these any longer. The education of our Nation's children and the security of all of us in our old age is at stake.

RESOLUTION TO CREATE SELECT COMMITTEE ON INFLATION

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, with over 25 cosponsors, I am today introducing a House resolution to create a Select Committee on Inflation.

Inflation is public enemy No. 1 and it must be brought to justice. As we move into 1979, prices are almost double what they were in 1967 and there is no end to the price increases in sight. The Consumer Price Index will climb three-tenths to four-tenths of a point, because of OPEC's 14.5-percent increase in oil prices. The expected phased decontrol of gasoline prices and the political turmoil in Iran will add further increases to the Index.

Congress must take action now. Congress can jawbone price increases much more effectively than the administration. It can effectively attack the inflation nightmare through this committee. It would be a nonlegislative, factfinding committee empowered to conduct a full and complete investigation and study of the causes of inflation in the United States. The committee would examine the causes and justification for wage and price increases affecting the cost of goods and services in all areas of the economy. The committee would be able to expose and criticize wage and price greed, while at the same time commending those who make special efforts to control inflation.

Mr. Speaker, I urge support of this proposal so that Congress can do its share of bringing inflation under control.

GAME PLAN FOR THE 96TH

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, we are about to kickoff the 96th Congress and Coach Taxpayer has given us the message: Reduce the size of Government, cut taxes, trim the costly bureaucratic regulation, pass sunset legislation, and stop inflationary spending. After a record 2,691 votes and nearly 24,000 bills and resolutions in the 95th Congress, I would have hoped that Coach Taxpayer could have had his way last year. But this is a new game, a fresh start, and I am sure there are many others in Congress as eager as I to score a few points for the folks back home.

I am encouraged by some of the new faces Coach Taxpayer recruited for the 96th. They hold political philosophies committed to limited Government and fiscal conservatism. It is clear to me from the results of the November elections that the voters are rapidly losing faith in the ability of the Federal Government to solve the Nation's problems. They know, for example, that a mandatory, comprehensive national health insurance program is not the correct approach to holding down the rising cost of medical care. They know an arbitrary ceiling on hospital costs is not the way to solve the problem of expensive hospitalization. They know that welfare reform is a priority deserving of greater attention by Congress. They know the importance of a balanced budget.

The game plan is on the drawing board, Mr. Speaker. I look forward to a productive 96th Congress.●

LEGISLATION DESIGNED TO GIVE FARMERS AND CONSUMERS AN EVEN BREAK WHEN IT COMES TO SUGAR.

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 5 minutes.

● Mr. SYMMS. Mr. Speaker, our domestic sugar industry is rapidly being destroyed, because the President and Congress has not taken any action for the farmers. The farmers are the people that have been overlooked by the Carter administration and the Department of Agriculture. While the Coca-Cola folks in Atlanta are making a bundle snuggling up to the Chinese Communists the American sugar farmer is going broke.

Senator MCCLURE, with whom I am cosponsoring this bill, along with Congressman HANSEN, has told me that on Monday, November 20, 1978, U and I, Inc., a pioneer sugar processor in the Intermountain West, announced it will go out of business. Its four processing plants are already up for sale. Located at Idaho Falls, Idaho; Garland, Utah, and Toppenish and Moses Lake, Wash., the four plants employ some 2,290 individuals on a full- and part-time basis. Hundreds of farmers and thousands of farmworkers contracted with U and I and pumped some $134.2 million into the local economies.

Now they are out of business and the same bleak future faces any number of sugar farmers and producers, because of the refusal of the White House to consider economic reality in the last session of this Congress. If these thousands of farmers are forced out of farming sugarbeets or sugarcane they are not likely to take other crops considering the high machinery costs, the bank interest rates, and the inflationary spiral of money.

If this Congress does not seek to work with the farmers then it may well starve. In Idaho, the only other crops that you might grow for profit are apparently already overproduced and are incapable of floating in a "regulated" market such as we have in this country. People say this is all too complicated, because they see the Coca-Cola people getting rich and the farmer suffering. Some even say we should get out of the sugar business altogether.

The United States cannot afford to get out of the sugar business. Just as with oil, once we are dependent upon a foreign source then that source is our owner and the price is dictated by some foreign nation and not by the marketplace in the United States. Once we come to our senses regarding the importation of sugar and allow a man to grow a crop without sucking up to the Federal Government sugar prices will fall. It is only when the market is really free at home that we can begin to see an end to the distorted Keynesian economics that the current administration is trying to force down our throats.

On the other side of the Hill, Senator MCCLURE is today introducing a similar bill that attempts to not only assure a viable industry for our sugar growers and processors, but will also assure a constant supply of sugar at extremely reasonable prices for the consumers of this country. The Senator and I agree that the old Sugar Act served the industry and the consumer for over 25 years.

This new bill is a new Sugar Act. As opposed to price supports, which means tax dollars to the citizen, this new act relies on import quotas and fees. Domestic consumption and production are determined by USDA while foreign nations are allocated the remaining demand. Supply is kept at a level only barely below demand and this assures a fair price to all concerned. Apparently, the existing means already exists at USDA to implement this bill thereby no new bureaucracy will emerge.

Action must be taken immediately to alleviate the plight of our farmers. This bill is designed to give the farmers and the consumers an even break when it comes to sugar.●

CARPENTERSVILLE EIGHT DESERVE VINDICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MCCLORY) is recognized for 10 minutes.

● Mr. MCCLORY. Mr. Speaker, nationwide attention was directed recently to the plight of the Carpentersville Eight; that is, Village President Orville Brettman, Village Manager George Shaw, and six trustees of the village of Carpentersville in my congressional district, who were sentenced to jail after being held in contempt for their refusal to issue building permits for 11 houses in the community.

According to my information—bolstered by a report from the village's consulting engineers—these Carpentersville officials were acting in good faith—on the ground that to permit these 11 additional houses to be hooked into the vil-

lage's sewer system—would or might create a danger to the health or welfare of the community from water pollution.

Mr. Speaker, it is my view supported by many of my constituents—and by expressions of public concern from around the country—that the U.S. district judge, Frank McGarr, exercised an excess of judicial authority when he ordered the incarceration of these village officials. In addition, I feel that either the State or the Federal Environmental Protection Agencies—or both—should have applied for permission to intervene in the U.S. court proceedings in order that the environmental question of threatened water pollution might have been considered—and resolved in those proceedings.

Mr. Speaker, I have prepared remedial legislation to effectively bar Federal judges from imposing such extreme punishment on village officials who are endeavoring in good faith, to uphold the environmental laws of the State and Federal governments.

Furthermore, I am introducing legislation which will require the intervention in proceedings such as that in which the Carpentersville Eight were involved—by the Federal Environmental Protection Agency.

Copies of the relevant House bills and brief explanations follow these remarks:

H.R. —

A bill to amend chapter 21, title 18, United States Code, so as to place certain limitations on the exercise of the contempt power by the courts of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18, United States Code, is amended by adding the following new subsection:

"§ 403. Limitation on the Contempt Power

"The criminal and civil contempt powers of the courts of the United States shall not extend to disputes involving an officer or employee of a State, municipality, agency or unit of local government, where the officer or employee is exercising good faith discretion, within the scope of his office or employment."

H.R. —

A bill to amend the Federal Water Pollution Control Act to limit the exercise of the contempt powers of the courts of the United States in environmental disputes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 509 of the Federal Water Pollution Control Act (33 U.S.C. 1369) is amended by adding the following new subsection:

"(d) The criminal and civil contempt powers of the courts of the United States shall not extend to disputes involving the overall effectiveness of a system assisted under this title, where an officer or employee of a State, municipality, agency or unit of local government is exercising good faith discretion, within the scope of his office or employment."

EXPLANATION OF THE FOREGOING TWO BILLS

This legislation aims at preventing a Federal judge from substituting his judgment for that of a State or local government official, through the use of his judicial contempt powers. That is a Federal judge would not be allowed to inappropriately impose his will on what is essentially a local matter.

The power of the courts to punish for contempt is inherent within the judicial function. However, these powers are not absolute and were never intended to permit interference with basic State or local decision-making. There is no question but that Congress has the power to limit and regulate the contempt powers of Federal judges. Precedents exist for this both in stautes and caselaw.

This bill is intended to apply to both criminal and civil contempt situations. Most notably it would forbid a Federal judge from incarcerating a State or local government official in a dispute surrounding a local issue. Federal judges should not be in a position to arbitrarily jail or fine local officials when the decision in dispute is one which falls within that official's job responsibility and has been made in good faith. It is important to emphasize that this legislation would, in no way, interfere, with Court enforcement of essential rights guaranteed by the U.S. Constitution or in Federal law.

H.R. —

A bill to amend the Federal Water Pollution Control Act to facilitate contract enforcement and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(e) of the Federal Water Pollution Control Act (33 U.S.C. 1283(e)) is amended to read as follows:

"(e) At the request of a grantee under this title, the Administrator shall provide technical and legal assistance in the administration and enforcement of any contract in connection with treatment works assisted under this title, and to intervene in any civil action involving the enforcement of such a contract. Such technical and legal assistance shall also be provided in those instances where a serious question is raised in connection with the overall effectiveness of a system assisted under this title, so as to pose a potential threat to the public health or welfare."

STATEMENT OF THE BILL'S PURPOSE

This bill requires the Administrator of the Environmental Protection Agency to provide technical and legal assistance in matters related to contracts pertaining to an overall sewage system as well as treatment works assisted with EPA funds and to intervene in legal proceedings when requested by local officials.

As the law now reads, the Administrator has the discretion to intervene or not, and then only in regard to those contracts pertaining strictly to treatment works.

Where the federal government through the EPA is substantially involved in the problem, it seems both fair and logical that this agency be required to provide such technical and legal assistance—and to intervene—not merely in regard to contracts pertaining to the treatment works project but to contracts pertaining to the whole system and its overall effectiveness where there is a potential threat to the public health or welfare.

ECONOMIC GROWTH AND PRICE STABILITY PROGRAM OF 1979

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes.

Mr. BROWN of Ohio. Mr. Speaker, the Nation faces severe economic problems. Congress must use its wisdom, creativity, courage, and statesmanship to solve them.

We must act quickly because the people of this country have suffered too long. Our economy is beset by:

An inflation rate teetering on the brink of double digits.

A growing real tax burden and an adverse regulatory environment leading to a slowing of the growth of our real gross national product.

Serious underinvestment, aggravating a failure to achieve a reasonable strategy for longrun economic growth.

A serious threat of recession.

Productivity increases in the American business sector economy at about 0.1 percent, as the American manufacturing plant continues to age.

A continuing gnawing problem of heavy structural unemployment, especially among blacks and teenagers, despite welcome improvements in the total unemployment picture.

Clearly, the major economic concerns of Americans today are inflation, taxes, Federal deficits, Government regulation, and structural unemployment.

Today, as ranking minority member of the Joint Economic Committee, I am introducing a package of legislation and cosponsoring other bills, which together make up a Republican economic program to solve the foregoing list of economic ills. The goal of the package is to stimulate economic growth and curb inflation. It incorporates the best economic proposals of the last Congress plus several new initiatives. It is in the forefront of sound, modern economic theory, which takes into account both the supply side and demand side of our economy.

The economic package contains six elements: tax reform, reduced Federal spending, a savings tax credit, reduced Federal regulation, deferred minimum wage increases, and a targeted program to cure structural unemployment. I believe this is a well balanced program, and it hits at the key sore spots in our economy.

In recent years, policymakers have been at a loss to explain why inflation and unemployment have been so stubborn. The fact is, inflation and unemployment have only been as inflexible as the policymakers. The policymakers have lumped tax policy and spending policy in one category, fiscal policy, and have lost all flexibility by treating it as one rigid policy tool. They have linked fiscal policy to monetary policy in rigid fashion as well. Monetary and fiscal policy were either both too tight or both too easy, all stop or all go. Demand was pumped up or drawn down. No attention at all was paid to supply policy, or to ways in which tax policy could be used independently to affect costs, prices, employment, and growth.

Recently, Michael Evans and Alan Greenspan testified before the Joint Economic Committee. They agreed that there were indeed other policy combinations that could be used to fight the upcoming recession, generate growth, and avoid inflation, all at the same time,

Inflation is too much money chasing too few goods. The trick is to fight inflation by reducing money growth, while stimulating production, the supply of goods and services, through carefully designed tax reduction and restructing, and reducing the growth of Federal spending to eliminate Federal borrowing and crowding out. These targeted policies, some easy and some tight, could solve our problems.

Evans and Greenspan were pessimistic that such a program could survive the emotional, ideological, and educational barriers it would face in the Congress and the administration. In introducing this economic package, I am betting that Evans and Greenspan are right about their economics, and wrong about the Congress.

In recent years, we have pumped up demand by increasing spending, cutting taxes—supposedly—and creating money faster than ever. We have had the biggest deficits in history. We assumed that supply would automatically rise to satisfy the demand. This policy did not work. Output did not respond.

Output did not respond because Government has strangled it with higher taxes, higher costs, and higher regulatory burdens. Government has pumped up demand and throttled supply. No wonder we have had inflation. Furthermore, that same inflation has only made the supply situation worse.

Inflation is to economic growth what a cold shower is to romance. Inflation lowers the rate of return to every worthwhile growth activity. As the reward falls, the activity declines.

Inflation pushes people into higher tax brackets. Our so-called tax cuts of recent years have not kept pace, especially if we include social security taxes. The marginal taxes taken out of each cost of living raise have reached amazing levels. Even middle income taxpayers now face tax rates of 40 to 50 percent on each additional dollar earned.

The high and rising marginal tax burdens have reduced the rate of return to labor. There has been no increase in real after tax spendable earnings for the average worker since 1965. Extra effort is taxed at record rates. Workers have substituted leisure, early retirement, and nontaxable fringe benefits for added work and added pay.

Saving is also hard hit. The after tax reward to saving is miserably inadequate in view of the great social service that saving performs. Saving is inherently double-taxed. Income is taxed when earned. If it is spent on a good or service, only a small sales tax is incurred. If it is saved, the "service" acquired—interest or dividends—is taxed at rates up to 70 percent. Inflation increases this double tax burden as it pushes taxpayers toward the upper brackets, reducing the reward to saving even further. Taxpayers have substituted consumption for saving, and tax-sheltered saving for ordinary saving. The supply of saving to the stock, bond, and other credit markets for use by ordinary business has been choked off.

Inflation has caused a gross understatement of depreciation, the amount of plant and equipment that is wearing out. As a result, business profits are overstated, and taxes are overpaid by 25 to 30 percent. The rate of return on the use of equipment is reduced, leading to a drop in desired investment. The cost of just standing still increases, as depreciation allowed by the tax code proves inadequate to replace old machinery. Even as overstated taxes and mandated pollution control spending reduce corporate cash flow, firms must dip into that cash flow to pay inflated prices for new machines. Little is left over to raise dividends or make higher interest payments to overcome the reduced desire to save on the part of taxpayers.

The supply of credit to business is further reduced, and the cost of that credit increased, by the increasing preemption of our limited supply of savings by Government borrowing to fund the Federal deficit.

The general profitability of business is further eroded by an enormous regulatory burden, the cost of which is now in the neighborhood of $100 billion a year, almost 5 percent of GNP. This discourages all forms of production. It curbs the use of plant and equipment, labor, land, and inventory, and stifles the reward to training and education. It results in the underemployment of every conceivable factor of production.

How do we fight this situation? There is no great mystery. The methods have been thoroughly studied and are ready to use if we only have the will. Here is the program:

To fight inflation and defend the value of the dollar, curb the creation of new money.

To keep slower money growth from causing a credit crunch and recession, get the Government out of the credit market by curbing the growth of Government spending to end the deficits.

To further increase the supply of credit for real growth, encourage saving by cutting personal tax rates and index the personal income tax to keep inflation from undoing the tax cut. Institute a credit for additional saving to offset the double taxation which saving now faces.

To encourage business to use the added saving to produce real growth, enact replacement cost or indexed depreciation. Encourage the employment of all inputs in their most efficient uses by cutting corporate tax rates to discourage the use of shelters. Index the corporate tax brackets to keep inflation from undoing the tax cut.

To prevent the taxation of illusory capital gains due only to inflation, adjust the purchase price of capital assets for inflation when calculating taxable gains.

To reduce our soaring regulatory burden, enact the following reforms. Abolish existing regulations that are excessive, duplicative or contradictory. Require that regulations be drafted to minimize costs to consumers and businessmen. Establish a regulatory budget, which puts a cap on the cost each Federal agency or department could impose on the private sector.

To increase work effort and the supply of labor, reduce personal tax rates and index the income tax to keep inflation from undoing the tax cut.

To make untrained workers employable, institute a wage subsidy for the hiring of unskilled workers, putting the hard core unemployed into real training programs in the private sector. Delay further increases in the minimum wage in order to prevent thousands of teenagers and unskilled workers from being priced out of the market.

That is the program. It is infinitely more flexible than the stop-and-go policies of recent years. It can fight unemployment and inflation simultaneously. It will produce sustainable real economic growth and higher living standards for the first time in nearly a decade.

Here is a description of the bills.

PERSONAL TAX RATE REDUCTION

Increased tax credits or rebates, or wage guarantees, do nothing to increase the rate of return, the reward after taxes, to additional labor or saving. Only reduction of the marginal tax rates in each bracket, the rates that apply to added earnings due to added effort, can do that. The first section of the new Kemp-Roth bill provides for real marginal tax rate reduction for the first time since 1964. I do not reintroduce that bill here.

However, it should be considered to be part of a sound program to increase work effort and total saving, and to redirect saving out of shelters and into America's ordinary cash-starved businesses. A tax reduction bill of this size is only slightly larger than the tax increases that will be generated in the next few years due to social security tax increases and the effects of inflation in pushing people into higher tax brackets. Kemp-Roth is not large enough to work through the stimulation of demand. It works primarily because it is the right shape to stimulate supply.

INDEXING THE PERSONAL INCOME TAX

Each year, as incomes rise to keep up with the cost of living, millions of workers find themselves in higher tax brackets. The increased tax burden often robs the worker of any real increase in spendable earnings. In fact, today's average worker has had no real increase in real spendable earnings, after taxes and inflation, since 1965. That is 14 years of stagnant real spendable income even though nominal wages have more than doubled.

Because of higher tax brackets, many workers are discouraged from accepting overtime labor bargains for nontaxable fringe benefits, including more time off. Spouses who might seek part-time work find the added income taxed at high rates, and stay home. Saving is discouraged, as inflation erodes the principal and higher tax brackets steal the interest. Tax shelters are now used by millions who once had no need for them. Others simply spend. Growth rates of employment and real income are reduced.

Under the current Tax Code, tax revenues rise about 16 percent every time prices rise by 10 percent. The extra 6-percent rise in revenue is due to "bracket creep" as inflation pushes taxpayers into higher tax brackets. Bracket creep has effectively repealed the Kennedy tax cut and subsequent tax reductions. Today, because of bracket creep, a worker has to demand a cost-of-living raise of 10.5 percent to keep up with 9-percent inflation plus higher taxes due to bracket creep.

Indexing prevents inflation from pushing taxpayers into higher tax brackets just because they receive a cost-of-living increase. Indexing would hold Government revenues to a 10-percent increase when prices rose 10 percent. Thus, it does not deny the Government the revenue needed to keep up with prices. It simply denies the Government its automatic windfall from inflation.

Under the bill, each December, the Secretary of the Treasury would calculate the percent by which the average Consumer Price Index, for the 12 months ending September 30 of that year, had risen to the average Consumer Price Index for the 12 months ending September 30, 1978. All fixed dollar amounts in the income tax tables would be increased by that percent; the personal exemption, the "zero tax bracket"—that is, the standard deduction—and all the income levels which separate one tax bracket from the next, would be adjusted. This is the standard textbook method for accurately insuring that the same real income always faces the same real tax rate, both on average and at the margin. It ends the current system under which taxpayers on average have faced tax rates on additional income which are 1 or 2 percent higher each year. It ends the bracket creep problem which nurtures tax shelters, consumption, and leisure at the expense of work effort and straightforward saving and investment. It gives workers a chance for real wage increase even without double-digit wage demands. Without indexing, no program of wage guidelines has any chance of success.

The indexing bill I am introducing begins in 1980, to keep the new tax rates for 1979, enacted in the Revenue Act of 1978, from being increased by inflation. However, even these 1979 tax rates are too high. Ideally, these rates would be reduced sharply to restore the work and investment incentives lost since 1964, and to roll back the use of tax shelters. Thus, a tax rate reduction program, such as has been proposed by Senator ROTH and Congressman KEMP, should be enacted, with indexing to take effect thereafter. The new Roth-Kemp bill includes just such a proposal for indexing to take effect in 1983 after 3 years of tax rate reduction.

If rate reduction is not enacted, immediate indexing becomes imperative. Indexing would not roll back the use of tax shelters nor restore incentives lost to previous taxflation. Only rate reduction can do that. However, indexing would prevent the further deterioration of spendable earnings and savings due to future taxflation.

INDEXING CAPITAL GAINS

This bill, modeled after the Archer amendment to the Revenue Act of 1978, would adjust the basis of capital assets for inflation in determining gains and losses for tax purposes. It would involve increasing the purchase price of our asset by the percent increase in the Consumer Price Index since the asset was levied on purely illusion "gains" due to inflation.

Capital gains have been eroded by inflation to such an extent that most reported capital gains are really losses when adjusted for inflation. Prof. Martin Feldstein reported to the Joint Economic Committee on an exhaustive study of capital gains reported in 1973 tax returns. Taking all returns into account, the reported nominal gains of $4.6 billion were in fact real losses of nearly $1 billion, yet all the reported gains were taxed. Worse yet, the bulk of this overtaxation fell on middle-income taxpayers. The Tax Code was never intended to operate in this way. On average, on those "gains" which were still gains even after adjusting for inflation, the real effective tax rate was doubled. Those who paid taxes on real losses were, in effect, subject to a capital levy, a tax rate in excess of 100 percent.

As was pointed out in the 1978 Joint Economic Report:

> Capital gains are already overtaxed. They are not ordinary income, and we should not be trying to tax them as if they were.
>
> Capital gains occur when the price of an earning asset rises. The price increase is generally caused by a perceived increase in the future earnings of the asset. Those future earnings will be taxed when they occur. To tax the rise in the asset's value as well as the future earnings is to double tax those earnings. For this reason, no major nation treats capital gains as ordinary income.

To add to this double-taxation by imposing taxes on the portion of gains due to inflation raises the effective tax rate well above rates intended in the tax code. In fact, taxing real capital losses means we impose a tax in excess of 100 percent on the "profit" from many transactions. This combination of inflation plus a tax on capital transfers has "locked-in" thousands of investors and sharply reduced trading of all types of property. As a result, as several studies show, the Government is actually losing more money because of discouraged activity than it gained by raising capital gains tax rates in 1969.

More importantly, the country has lost out on a great deal of growth because saving and the efficient allocation of capital have been retarded.

INDEXING THE CORPORATE INCOME TAX BRACKETS

The Revenue Act of 1978 created a graduated corporate income tax. Rates are 17 percent on the first $25,000 in profit, 20 percent on the second $25,000, 30 percent on the third, 40 percent on the fourth, and 46 percent on profit above $100,000. However, if these brackets of $25,000 each are not widened to keep pace with inflation, small businesses will be inflated into high tax brackets in only a few years, reducing rates of return and discouraging real expansion. It takes only 10 years for inflation of 7 percent to double a profit figure, yet that doubled profit is worth no more than the original profit.

At the current inflation rate of 9 percent, doubling occurs in only 8 years. This bill widens the corporate tax brackets to keep pace with the gross national product implicit price deflator. This is analogous to indexing the personal income tax brackets by adjusting them for increases in the Consumer Price Index.

INDEXING DEPRECIATION, REDUCING AND RESTRUCTURING CORPORATE TAXES

This bill, submitted by Representative STOCKMAN in the 95th Congress, is designed to restore the rates of return to business investment and to the production of goods which inflation and rising taxes have destroyed. It is needed if there is to be sufficient incentive to use our existing industrial capacity, and to put additional labor, capital, and other resources into actual production. It is needed to make suppliers willing to respond to the demand we have created. Without such a response, demand produces nothing but further inflation.

INDEXING DEPRECIATION

Depreciation must be indexed to keep up with inflation if business is to recover the cost of replacing worn out equipment. This bill provides for indexed or replacement-cost straightline depreciation, repealing the inadequate asset depreciation range and accelerated depreciation provisions now in the code. Under present law, the purchase price of a machine is written off over several years. But, over those years, inflation erodes the value of the dollars written off. The firm never writes off the full real cost of the machine, because the dollars written off in later years have less value than the dollars originally paid out at the time of purchase. This increases the effective cost of the machine, which reduces the firm's rate of return to investment and reduces its desire to invest. This under-depreciation prevents the deduction of a real cost of business, and, thus, overstates the real profit of the firm. Therefore, the firm pays excessive taxes, which cripples its cash flow and reduces its ability to invest.

As inflation has increased, underdepreciation of inventory and equipment has assumed alarming proportions. In 1969, the sum of the inventory valuation adjustment and capital consumption adjustment, the amount of overstatement of corporate profits, was $2 billion, out of profits of $81 billion. In the first half of 1978, at annual rates, the overstatement of profits was $36 billion out of $146 billion. In 9 years, the overstatement of profits has risen from 2.5 to 25 percent of profits, drastically increasing taxes and decreasing rates of return on capital investment and production.

In fact, in recent years, effective tax rates on the real profits of such basic industries as steel, utilities, communications, and transportation have actually exceeded 100 percent. Failure to adjust depreciation for inflation has imposed taxes of several billion dollars on phantom profits in struggling industries with real losses.

For industry in general, effective tax rates on real profits have increased from roughly 40 cents on each dollar, after the tax cuts of 1962 and 1964, to roughly 50 or 60 cents by 1977. These are increases of 25 to 50 percent over the 1965 rate. No wonder supply is less responsive to demand than it used to be.

Indexing depreciation on a straightline basis for inflation or replacement cost—whichever is less—is a concrete application of dozens of studies and suggestions made by tax and growth experts over the last 20 years. The principles are universally understood and have been studied to death. This bill provides a convenient and simple means of putting these principals of sound tax policy into practice.

Straightline replacement cost or indexed depreciation is the only adequate

method of restoring rates of return on investment in a nondiscriminatory, nondistorting fashion. The asset depreciation range and accelerated depreciation provisions already in the law are completely inadequate by some $15 billion, to compensate for the distorting effects of inflation. It would take 1 year write-offs of short-lived assets, and 5-year write-offs of long-lived assets, to come close to coping with the problem, and such provisions would open up recapture questions and misallocations of resources easily avoided by using replacement cost methods.

CUTTING CORPORATE TAX RATES

Replacement cost depreciation is designed to eliminate a peculiar tax bias against the use of machinery, as opposed to other inputs, in the production process. Corporate tax rate reduction is needed to raise the rate of return to output in general, simultaneously increasing the rate of return on the utilization and upgrading of all inputs, including labor, labor training, machinery, R. & D., inventory, and structures. This bill reduces the tax rates on corporations as follows:

Taxable income	Current law	Under the bill
0 to $25,000	17	14
$25,000 to $50,000	20	17
$50,000 to $75,000	30	25
$75,000 to $100,000	40	33
$100,000 and over	46	38

A reduction in the corporate tax rate increases the amount of after-tax income left to a firm, however, it expands output. The firm will increase its use of factors in the most efficient way, not confining itself to adding machines instead of men, or holding more inventory instead of improving forecasting and management techniques.

RESTRUCTURING OF CORPORATE TAXES

In theory, a common low tax rate applied to a common tax base for the whole corporate sector would eliminate the biases and distortions alluded to above, and maximize growth. Most experts regard corporate rate reduction as preferable in this regard to the credits and special deductions in the present code. This bill achieves a common tax rate, and helps to finance deep corporate tax cuts and replacement cost depreciation, by repealing nearly all major corporate tax loopholes, including the investment tax credit, DISC, the intangible drilling expense deduction, excess depletion allowances for minerals, rapid amortization of pollution control equipment and other similar preferences.

The common base of taxable income is provided by permitting depreciation allowances to be indexed to current replacement costs. This will put all industries—whether capital—or labor-intensive, or whether employing long- or short-lived assets—on a common ground for the purpose of calculating taxable income.

Finally, the bill lowers the corporate tax rate to 40 percent in order to provide across-the-board incentives for increased investment.

For most of our industry, the drop in the corporate rate to 40 percent is enough to raise the rate of return on investment by more than the investment tax credit, which the bill repeals. The money saved by repeal of the ITC pays for the rate reduction, and the rate reduction also raises the rate of return on hiring and training labor, and on structures, inventory, and R. & D. Giving firms replacement cost depreciation further raises the return on capital goods.

Other loopholes dropped are of little value in raising output. They are mostly lump-sum transfers to certain types of firms. The transfers do not generally reduce costs on added output significantly and so are more in the nature of windfalls than spurs to output. In each case, the affected firms gain far more from the package than they lose.

This bill is of great benefit to basic industry now suffering from underdepreciation—steel, textiles, autos—good for employment, good for growth and wages, and good tax reform because it removes distortions while strengthening general incentives.

SAVINGS ACT OF 1979

In order to provide the credit markets with additional funds for the financing of economic growth, the Savings Act of 1979 is designed to encourage and to assist Americans to save and invest—activities which many of our citizens find next to impossible in an inflationary period.

The bill allows a tax credit of 50 percent for additions to all types of bank and savings accounts, stock and taxable bond holdings, insurance, and assets of small businesses. It will sharply increase the reward to saving, and will, for the first time in years, allow many of our citizens to have a real return after taxes and inflation on their savings. It will enable many people to set aside sufficient funds for the purchase of a home, payment of tuition or medical expenses, a secure retirement, and the many other goals our citizens have worked so hard to reach, only to be cheated out of them by taxes and inflation.

While helping savers to reach these goals, this bill will help the country reach its goals of full employment and no inflation. By adding to the supply of saving, the bill makes possible the funding of far more investment in plant and equipment, the modernization of thousands of more factories, and the creation of hundreds of thousands of additional jobs each year. By increasing productivity and the demand for labor, this will make American industry more competitive with foreign firms even while providing real wage increases for American workers. By funding the investment out of saving, instead of through money creation by the Federal Reserve, and by increasing efficiency and the supply of goods, the bill will reduce inflation.

The United States has long had the lowest rate of saving and investment in the Western World. As a consequence, every other major Western nation has a better employment record, and a faster rate of growth of real wages and fringe benefits than the United States.

WAGE INCREASES, INVESTMENT, AND SAVING

	1965–75 percent change in real wages and fringe benefits [1]	Investment as percent of GNP—Averages, 1960–73		Household savings ratios, 1976 estimate (percent)
		Total	Total minus home-building	
United States	15.7	17.5	13.6	6–8
Canada	48.5	21.8	17.4	10–12
Japan	138.9	35.0	29.0	24–26
France	77.4	24.5	18.2	16–18
Germany	78.1	25.8	20.0	14–16
Italy	116.4	20.5	14.4	22–24
United Kingdom	53.9	18.5	15.2	12–14

[1] Includes pension programs and other fringe benefits.

Sources: Bureau of Labor Statistics, OECD.

Last year, before the Joint Economic Committee, a panel of experts on growth and capital formation zeroed in on the bias in the tax code against saving. Income is taxed when earned. If it is consumed, it purchases a service or a product with little added tax. If it is saved, the service—interest or dividends—is taxed a second time at higher tax rates. The experts recommended removing saving from taxable income as the best way to return the tax code to neutrality between consumption and saving. Taxes would remain on the earnings of saving, but we would no longer be double-taxing both saving and its earnings. This bill is a major step in that direction.

The bill recognizes the difficulty lower income taxpayers have in saving by providing a tax credit rather than an exemption. Lower income taxpayers would receive a credit on all eligible savings.

Middle and upper bracket taxpayers have historically saved higher percentages of their incomes than lower bracket taxpayers. To sharply reduce the cost of the bill, these taxpayers would receive a credit only on eligible savings done in excess of the normal percent of income saved by people in their income brackets.

This savings credit will restore the attractiveness of straightforward saving in basic U.S. industry, small business, and homebuilding, as compared to inefficient but tax-sheltered projects. A 50-percent credit doubles the reward to such taxable investment and saving for any given interest rate or dividend. Thus, this credit will produce a reallocation of saving into projects of the greatest value in terms of economic growth and modernization of American plant and equipment.

Savings is the key to noninflationary economic growth. Growth is the key to full employment, rising living standards, and a sound social security system.

The first part of the bill creates a nonrefundable credit against the personal income tax equal to 50 percent of eligible net saving—defined below—insofar as the saving exceeds certain required levels.

The required levels, called threshold saving amounts, are based on the taxpayer's adjusted gross income less personal exemptions. The thresholds—see table—rise with income to reflect the fact that as a family's income rises, its

saving, as a percent of its income, also rises. Only saving in excess of the threshold level is eligible for the credit.

Adjusted gross income less exemptions	Percent of income less exemptions which saving must exceed to qualify
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

Thus, a family earning $9,000 which saves $500 in eligible assets receives a 50-percent tax credit on the full amount. A family earning $18,000 would be expected to save 3 percent, or $540, before being eligible for the credit. If it saved $1,000, it would receive a credit on the $460 in excess of the required $540. A family earning $36,000 would be expected to save 5 percent, or $1,800, before being eligible for the credit. If it saved $3,000, it would receive a credit on the excess $1,200.

The bill then defines eligible net savings as the sum of net saving less ineligible debt.

Net saving is:

First. Saving in certain business: The taxpayer's share in the increase in book value—largely cash increases, inventory increases, investment in additional equipment and structures—of small businesses such as partnerships, proprietorships, and closely held corporations, plus purchases of and loans made to small business. These amounts are readily available, since they are already calculated for tax purposes;

Second. Saving in liquid assets: Saving in checking accounts, savings accounts, and savings bonds. Amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions at the end of the year would be compared to the amounts on deposit at the end of the previous year. The net increase would be part of eligible net savings, as would savings bond purchases less redemptions;

Third. Saving in certain investment assets: Stock purchases minus sales, and purchases of taxable bonds—Federal or private sector—minus sales are eligible. These records are already kept for tax purposes;

Fourth. Savings in mortgage assets and investment real estate: Investment in mortgages or real estate, plus improvements, less loans repaid or property sold; and

Fifth. Saving in company savings plans, retirement plans, and life insurance: Payments into plans or on premiums, less withdrawals from or borrowing against such plans or policies.

Ineligible debt must be subtracted from net saving. Not only is debt a form of "negative" saving, but this provision prevents borrowing on existing assets to make deposits solely to get the tax credit. Ineligible debt is debt acquired in the tax year other than for the purchase or repair of a home or other property or the payment of medical or tuition expenses of the taxpayer or dependents.

Another safeguard is a recapture provision for credits on savings not left in some form of eligible assets for 5 years. This provision would not apply to withdrawal from savings for retirement income.

The income levels attached to each threshold percent would be indexed to prevent inflation from making the credit harder to receive over time.

FEDERAL SPENDING LIMITATION

This bill amends the Budget Act to require that spending ceilings in future budget resolutions for fiscal years 1980, 1981, 1982, and 1983 not exceed, respectively, 21, 20, 19, and 18 percent of each years' projected GNP, except by vote of two-thirds of each House of Congress.

REGULATION

One of the most serious problems facing our economy is the stifling effect on profits, incentives, and investments from Federal regulations.

Over the past decade, we have witnessed a huge explosion of Federal rules and regulations. In the mid-1950's, some 10,000 pages were published in the Federal Register each year. By 1970, 15 years later, that number had doubled to 20,000. but, by 1977, the number of pages added was 65,000. Today, the cumulative Federal Registers fills 52 large shelves, and totals over 800,000 pages, and is growing. In fact, Federal regulation is America's No. 1 growth industry.

Shelf space to house these regulations is not what concerns me. What concerns me is the costs these regulations impose on our economy.

In a recent study for the Joint Economic Committee, Murray Weidenbaum, professor at Washington University in St. Louis, put the private sector compliance costs at $97.9 billion. In addition, the agency administrative costs total $4.8 billion.

Much of this $102 billion regulatory burden is well intentioned. Concerns over safety, the environment, and consumer protection are legitimate concerns. But, it is time we applied some cost-benefit analyses to these regulations. There must be situations where the cost burdens imposed on society by these regulations exceed the benefits to society.

A number of witnesses who testified before the Joint Economic Committee last year made a strong point of the fact that Federal regulation aggravates our inflation problem. Higher prices due to regulation stem from two sources: First, the direct dollar expense of compliance with the regulations, currently costing nearly $100 billion in the aggregate, about 7 percent of personal consumption expenditures—as a micro example, Government safety and pollution-control devices add $660 to the price of the average automobile. Second is the adverse impact on productivity—when scientists and researchers are diverted from the constructive pursuits for which they are trained and qualified, to collective data and filling out forms for Government agencies, productivity declines. Edward F. Denison of the Brookings Institution has estimated that, in recent years, Government regulations have caused a loss of approximately one-fourth of the potential annual increase in productivity. This reduced output-per-person, of course, exacerbates our already disturbing inflationary pressures.

Something must be done. Americans want these burdens removed; they want action now.

REGULATION REFORM LEGISLATIVE IN 1978

Last year, we made a beginning in the battle to rein-in galloping regulations and the galloping inflation they generate. Senator BENTSEN and some of his colleagues in the Senate and I and some of my colleagues in the House introduced four bills designed to reduce or eliminate contradictory regulations and to reduce the cost of Federal rules and regulations.

The Senate version of one of these bills, S. 3263 in the Senate and H.R. 14371 in the House, was added as an amendment to S. 2, entitled the "Sunset Act of 1978"—section 704. S. 2 was adopted by the Senate, but no action was taken on this bill in the House in the 95th Congress.

I hope the final outcome will be different this Congress.

The regulatory reform package I am introducing today is varied, covering four aspects. It is designed to alter our Federal regulatory system. It introduces accountability—both in the Federal agencies and in the Congress. It introduces a system for abolishing existing regulations which are excessive, duplicative, contradictory, or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. It seeks to reduce the cost of individual rules and regulations, both in direct tax costs and in the indirect costs of complying with them. The four bills are entitled: the Regulatory Conflicts Elimination Act of 1979, the Independent Agencies Regulatory Improvements Act of 1979, the Regulatory Cost Reduction Act of 1979, and the Federal Regulatory Budget Act of 1979.

Briefly, this is what each bill does:

The Regulatory Conflicts Elimination Act of 1979: Under this legislation, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with one another. At the start of each fiscal year, the President and the head of each agency will submit to Congress his recommendations for resolving or eliminating duplication or conflicts among these rules or regulations. The recommendations will go into effect 60 days following their submission unless Congress disapproves. The GAO will evaluate the President's recommendations as well as each agency's progress in implementing the recommendations.

It is senseless for a businessman to be put squarely between the rock and the hard place where complying with one regulation requires violating another.

This legislation is designed to eliminate the irrationality of overlapping and contradictory regulations.

The Independent Agencies Regulatory Improvements Act of 197: My second bill fills a void in regulatory reform which arose when President Carter issued his Executive Order 12044 last March 23, 1978. When that order was issued, the independent agencies were not covered by its provisions on constitutional grounds. My legislation brings 17 independent agencies—it includes the Federal Reserve—under the provisions of that March 23, 1978, Executive order it incorporates the basic provisions of that order. It directs the Federal agencies to improve existing and future regulations. It calls for an analysis of new major regulations, including a study of economic consequences for the economy, for individual industries, for geographical regions or for levels of government. Regulations requiring analysis are those which result in: First, an annual effect on the economy of $100 million or more; or second, a major increase in costs or prices for individual industries or georaphic regions. In general, the Executive order calls for greater clarity of language, increased oversight, early warning announcements to the public, and opportunities for public involvement and comment.

THE REGULATORY COST REDUCTION ACT OF 1979

Under this legislation, the regulatory agencies—the independent regulatory agencies as well as those in the executive branch—will be required to meet their regulatory objectives in the most cost-effective manner available.

Congress generally fails to impose a cost-effectiveness requirement in most measures establishing new regulatory programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources.

We need to clean up our environment, we need to make our highways safe, we need to improve the health and safety of our work places. But, if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other important goals.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish a regulatory impact analysis in the Federal Register to back up their existing regulations. The only regulations exempt from this requirement are those dealing with military affairs, agency managment, and procurement.

Regulation on its face is bad enough. But onerous regulation, not founded on least-cost principles, frustrates business and hurts consumers. If we have to have regulation, enactment of this bill will assure that it is at least efficient regulation.

THE REGULATORY BUDGET ACT OF 1979

My final bill would amend the Congressional Budget Act of 1974 to require the Congress to establish a regulatory budget, along with an administrative budget, which sets for each agency or department the maximum costs of compliance with rules and regulations promulgated by that agency or department. This bill, each year, forces the President and Congress to put a cap on the costs each agency could impose on the private sector, similar to ceilings imposed on the costs of administering the agencies. In addition, it sets as an objective a reduction in the cost of compliance with Federal regulations of 5 percent per year for 5 years.

It establishes a formal mechanism within the framework of the Congressional Budget Act passed 5 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews, with ample opportunity for public input.

What we are dealing with here is ministrative budget—on-budget items. process. First, we have the regular administrative budget—"on-budget" items. Second, we have 15 off-budget activities, totaling about $12 billion in fiscal 1979. Third, my bill requires an accounting for $98 billion worth of "off-off-budget" items, namely the costs of compliance with Federal regulations. These costs have the same effect as a tax imposed on businesses.

My bill will remove the ignorance surrounding the actual magnitude of costs imposed on the private sector by Federal regulations. This bill, and the other bills I am introducing, would force the Federal agencies to account for their rules, to assess what associated costs exist, and to toe the line in minimizing their costs.

The congressional budget process has worked well in serving to stress the need for spending restraint by Congress. It has increased Congress' ability to assess the current status of the Federal budget, and to project—and thereby control—future spending levels.

It is my hope that the Federal Regulatory Budget Act will yield similar benefits in reining in the runaway cost of burgeoning Federal regulations. There is little question that such restraints are long overdue. It is my conviction that adopting the Congressional budget process is the best and most effective way to impose these restraints.

DEFERRAL OF NEXT MINIMUM WAGE INCREASE

On January 1, 1979, another increase in the minimum wage, from $2.65 to $2.90 per hour, took effect and is expected to add 0.5 percent to the inflation rate. This is the estimate of Federal Reserve Chairman G. William Miller, in hearings before the Joint Economic Committee last summer. The analysis that went into that figure is as follows:

> There will be upward pressure on wage rates from workers above the minimum who want to maintain their traditional relative wage position and from noncovered workers who attempt to emulate the gains made by covered workers. . . . Since no additional productivity gain can be expected to accompany any minimum wage adjustment, unit labor costs will be boosted by a comparable amount, and historical evidence suggests that about two-thirds of the rise in unit labor costs is passed through into higher overall prices. In addition, these higher prices will have secondary effects on other wages that are linked to prices through escalator clauses. . . . Thus, if the January, 1979, minimum wage increase was deferred, the rise in prices could be reduced by nearly one-half percentage point from that which would have occurred otherwise."

Next January 1, 1980, another increase to $3.10 per hour is scheduled to go into effect. The same inflationary results will take place.

This minimum wage increase will have a severe impact on many groups in our society. Not only is there expected to be another inflationary effect, but the sharp increase in labor costs for positions paying the minimum wage will cause the elimination of thousands of jobs. Many small businesses will be forced to close, rather than pay the increase in the minimum wage.

In light of the above analysis, and because of my deep concern over our No. 1 economic problem—inflation—I am joining Representative DOUGLAS BARNARD, JR., today, in introducing legislation to postpone the scheduled 1980 increase in the minimum wage for 2 years.

This is not a heartless proposal. Inflation is the cruelest tax of all. And the prospect of unemployment for thousands of marginal workers makes the scheduled increase in the wage minimum a very questionable policy action.

This bill will not merely defer the inflationary impact of the next hike. It will give Congress the opportunity to study in depth the entire concept of minimum wages and their automatic increase.

STRUCTURAL UNEMPLOYMENT

There is one economic problem that is most devastating to society. That problem is structural unemployment—that is, unemployment essentially caused by low skills; skills so few and so minimal that the person literally faces a life of unemployment, or at best part-time employment.

It is because of the present desperate situation and inevitable and hopeless future, that the structurally unemployed present this country with a severe test.

To meet this test, I am introducing a bill that will deal squarely with structural unemployment. This bill puts to use our most potent weapon in fighting this or any economic problem—the private sector.

By the private sector I do not mean just business, but the entire private sector—labor, business, schools, religious organizations, citizen groups, and other members of the local community. Under this bill, these aspects of the private sector will combine the work together to match the structurally unemployed with available jobs. This community combination has proved highly successful in many localities across the country for the opportunities industrialization centers, the Committee for Economic Development, and other organizations that deal directly with structural unemployment.

The bill provides a wage subsidy paid to employers for training and employment. States would approve acceptable

employer programs and petition the Secretary of Labor for the subsidy money. The subsidy, which begins at 50 percent of the wage, is decreased at 6 month intervals until it ends after 2 years of employment.

I stress that this subsidy would only be paid if training is provided. Training is the key to the solution. If structural unemployment is defined as being caused by low skills, then any bill that does not stress training is a waste of time and money. This bill will establish training as a requirement in order to provide the structurally unemployed with what they need most.

The bill also establishes a priority system for granting these subsidies to private employers; assuring the subsidies will go to the areas where they are most needed and will be most successful.

The first priority established by this bill is the targeting of subsidies to areas of high unemployment. It is an unfortunate fact of our economy that structural unemployment is most severe in the most desperate of economic situations, where the structurally unemployed not only lack skills, but face a job market so depressed that they have only a small chance of receiving employment or training. They have lost man's most important defense—hope.

The second priority is for small business. The Joint Economic Committee has heard time and time again over the years that the most hopeful solution to this structural unemployment problem is small business. The reasons are simple. Every community has a great number of small businesses whose condition and needs are most known to the rest of the community. These are the employers that are most responsive to wage subsidies. If only one-third of the 10 million small businesses in the United States would hire just 1 new employee each, we would more than solve our overall unemployment problem.

As I said earlier, the concept of community is very important to solving the problem of structural unemployment. The biggest problem in any training and employment program is the location of jobs and job retention. Local, private organizations that draw together various aspects of the community to solve the problem of structural unemployment have shown a far greater success in placing people in permanent jobs than any Federal Government training program. Accordingly, this bill offers its final priority to those employers who use these community organizations in finding employees. This priority guarantees that the hired worker will be carefully matched to the specific job. And just as important, these organizations will provide the support services after employment which are so critical to the newly hired, low-skill employee. The use of these organizations—called intermediate organizations—separate this bill from other employment and training bills. Judging from the unmatched success of intermediate organizations, it makes this a superior bill.

This bill has an important provision that guarantees that the subsidies will help those who need it the most.

This provision addresses the question of who is eligible for the subsidy. In other words, who is structurally employed? This bill uses a simple but reliable definition for structural unemployment that prevents the loss of time and effort just trying to figure out who can be hired under the subsidy.

Eligibility is defined as being out of work for at least 5 weeks and exhausting or being monetarily ineligible to receive unemployment compensation. Thus, the bill identifies workers who have been out of work for a long time and workers who have such low skills that their spotty pattern of employment provides them with only a short time period of unemployment compensation. This simple definition would include youths who have never held a job and, therefore, are not eligible for unemployment compensation. Likewise eligible would be the growing number of women who, by personal choice or economic hardship, have returned to the labor market after an absence of many years and with low marketable skills.

Highly skilled workers would not be eligible under this definition unless they faced dire economic circumstances. The reason is that highly trained workers who lose their job would receive unemployment compensation for a long period of time. Only if the highly trained worker was unemployed until unemployment compensation ran out would that person be eligible for subsidized employment.

Another important feature of this bill which improves efficiency is a minimum paperwork provision. This provision provides that no State will receive any Federal money for job subsidization until that State has assured the Secretary of Labor that its modus operandi requires a minimum of paperwork on the part of the employer. This unique feature ingrains administrative efficiency in the program at its inception. This is far different than other bills that start a program and then find out it is impossible to administer.

In conclusion, we must solve this problem of structural unemployment because our slumping economy needs the input of these workers.

But, most crucially, we must solve this problem to help millions of people who find their lives robbed of security, opportunity, and, most of all, hope.

INTRODUCTION OF RESOLUTION REQUIRING FEDERAL GOVERNMENT TO OPERATE UNDER A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 10 minutes.

Mr. ARCHER. Mr. Speaker, in each Congress in which I have served, I have sponsored a proposed constitutional amendment which would—except in times of declared national emergency—require the Federal Government to operate under a balanced budget.

On this, the opening day of the 96th Congress, I am again submitting this proposal.

I also want to urge my colleagues, a number of whom I am sure will be introducing similar proposals of their own, to join me in calling for immediate Judiciary Committee hearings on the overall subject. One hundred and forty-two Congressmen joined me in making a similar request last summer, and I am optimistic that still more will do so now.

Today I also take pride in acting on behalf of the people of my home State of Texas in formally submitting to the House of Representatives resolutions passed by the Texas Legislature, on June 16, 1977, and August 4, 1978, calling on the Congress to convene a constitutional convention in order to adopt an amendment requiring a balanced Federal budget. I respectfully request that these petitions be referred to the House Judiciary Committee for appropriate consideration.

We in Texas are firmly committed to fiscal responsibility in the management of our State government's tax dollars and have placed a firm constitutional requirement on our own State spending. We believe very strongly that the Federal Government must operate under similar constraints in an effort to bring inflation under control.

THE DIPLOMATIC RECOGNITION OF THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. DERWINSKI) is recognized for 10 minutes.

Mr. DERWINSKI. Mr. Speaker, the most controversial foreign policy development in the last 3 months has been the decision of the Carter administration to recognize the People's Republic of China (PRC) entirely on their terms. I believe that time will demonstrate that this step was badly handled, ill-timed, and as a result will prove counterproductive for the United States. I wish to raise a few points with regard to this agreement that I feel are pertinent.

Last month when we were not in session, the President announced that the United States and the People's Republic of China had arranged for the exchange of diplomatic representatives. He had agreed to three demands on the part of the Chinese: The severance of diplomatic relations with the Republic of China on Taiwan, unilateral termination of our mutual defense treaty, and the withdrawal of U.S. troops from Taiwan. In return, the United States would be permitted to delay the termination of the defense treaty for a year (required, in fact, by the terms of the treaty).

I have expressed my hope in the past that the United States and the PRC would be able to develop eventually a relationship of mutual benefit. Normalization of diplomatic relations, I said, "would help bolster the hopes for peace throughout the world." I believe the United States should continue to insist upon the right of the Taiwan Chinese to continue to exist as a free and independent nation, without fear of attack from the mainland. This normalization of relations with China does not assure the security of Taiwan. We have only "the confident judgement" of the administration, as quoted by the press, that Peking will not attempt to enforce its claim on Taiwan by force.

The impetuosity of the agreement overtook the planning process for carrying out both the new agreement itself and our old agreements with Taiwan. Its curious timing prevented—or avoided—consultation with the Congress which will have to help in facilitating those very agreements.

However, the administration's action cannot be undone. We have been presented with a new "simple reality," to use the President's phrase. It is our responsibility now to devise and to take the steps that will assure the peace and prosperity of our Chinese friends on Taiwan, promote our own interests, and hopefully enhance the prospects for all Asia.

The President, announcing the new relationship with mainland China, spoke of our continuing ties with Taiwan. "Congress," he said, "will be asked to play a key role in maintaining U.S. programs and relations with Taiwan." Let us now begin to play the role that the President asks of us.

It is in our own interest to protect the $4.5 billion of U.S. investments on the island of Taiwan. We must assure also that Taiwan keeps representation in international organizations and that it not suffer sanctions because of its new status. The value of our trade with Taiwan in 1977 was $7.4 billion (our trade the same year with the U.S.S.R., incidentally, after 45 years of recognition, was about $2 billion). For a long time to come we will benefit far, far more from our economic relations with Taiwan than with the PRC.

Taiwan is a little country that has made itself the world's 22d largest trading nation and the 12th largest trading partner of the United States. This trade is providing substantial employment to American workers. The United States must not lose these trade advantages by the administration's handling of our commercial relations with Taiwan.

There are other "simple realities" to consider as well in our relations with China and Taiwan. Our economy is in no condition today to give up its flourishing trade with Taiwan nor is it in any condition to finance an inefficient Communist economy on the mainland with long-term cheap credits. Let us continue to strengthen our economic and cultural ties with the Chinese on Taiwan as the President has asked.

It is obvious that the mainland Chinese need us more than we need them. The PRC is a backward peasant nation led by a mercurial leadership, and it is beset by internal disorder. It desperately needs foreign trade and technology to develop into a modern nation. If the PRC wants to trade, by all means let us trade. We must remember, however, that China lacks foreign exchange. It will be hard put to pay for what it buys. We will have to take a lot of their cheap consumer goods—textiles, for example—for a long time to pay for our machinery. Long-term credits to China will be inflationary for us—and risky.

We now recognize the PRC. That cannot be changed. But if I had a few dollars to spend, I would invest them in Taiwan; I would not bet on the economic future of mainland China.

In addition, Mr. Speaker, I believe it is accurate to say that most editorial commentary and objective reporting from reputable journalists tends to be critical of the way in which the administration has handled the China issue. One of the more interesting commentaries on this issue was by Chicago Turbine's Mike Lavelle in his column of January 9th, which I wish to insert in conclusion to my remarks:

[From the Chicago Tribune, Jan. 9, 1979]

BLUE-COLLAR VIEWS—CHINA IS A THREAT TO U.S. LABOR

(By Mike Lavelle)

Among all the stories in our newspapers and news magazines dealing with our recognition of Red China was one that quoted a banker as saying that one advantage that American businessmen would have with the potential labor force in Red China was that the population could be "shifted around" to meet the labor requirements of American industries setting up shop there. Not exactly a liberal view.

The picture of someone drooling over Red Chinese coolies is to me mostly associated with dippy movie actresses and warped college kids, not conservative businessmen. But a buck is a buck—and God bless coolie labor.

The current enchantment with communist China is not shared by one segment of the American population. Jacob Sheinkman, the secretary-treasurer of the Amalgamated Clothing and Textile Workers Union of America, testified last year before the International Trade Commission in Washington. He said, "Chinese workers earning as little as $35 a month, and apprentices earning as little as $8.50 a month, were making it possible for China to export cotton work gloves to the United States at prices that undermine the domestic industry. That aggressive and calculated entry into the American cotton glove market has made China the second biggest supplier on the American market. It has caused an erosion of American jobs by taking away 20 percent of the American market."

There is a part of Sheinkman's testimony that ought to horrify all but the dullest and dumbest minds:

"Workers in China are assigned as families, and, as so many pieces of equipment. They have no means of improving their conditions of work or rates of pay, since collective bargaining or strikes are considered traitorous acts against the state."

The situation is going to get worse for the Chinese workers as their commissars push them to produce for the American market, and for the profits of their new capitalist buddies. It will also get worse for American workers as they lose their jobs to cheap, oppressed coolie labor.

Sheinkman also pointed out in his testimony that the concept of paid overtime is alien to a system wherein "the worker is required to work long hours without additional pay on the basis that such work is a patriotic duty to the state. Production under such a system amounts to output by indentured labor."

Arthur Gundersheim, the clothing and textile workers' union specialist on imports and exports, commented that "the consumer market in Red China does not exist to the extent that American businessmen think it does. For one thing, the people are too poor. They will simply take our machinery and pay us back with textile goods!"

One has to assume that as soon as the commissars can train the docile coolie masses how to make transistor radios, the Red Chinese will swallow up whatever American market the Japanese have not taken.

Give it a few more years and you will soon see American workers marching in the streets to protest against coolie labor taking their jobs away. It ought not to be an anti-Chinese demonstration but rather anti-coolie-labor.

The irony is that the first American ambassador to Red China is likely to be Leonard Woodcock, the former head of the United Auto Workers. If only Woodcock would treat the Communist China leadership as though it were a branch of General Motors on the other side of the negotiating table.

No, I'm not cheering. I do not care for coolie labor nor do I care to see unemployed American workers.

In all the stories that I have read, the labor aspect seems to be ignored. Maybe some people see nothing wrong with coolie labor, as long as it has a Marxist tone to it.

EMERGENCY FOOD AND FIBER SUPPLY STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HIGHTOWER) is recognized for 5 minutes.

Mr. HIGHTOWER. Mr. Speaker, I have introduced today what I consider is the most vital piece of legislation to be considered this year. The bill, titled the "Emergency Food and Fiber Supply Stabilization Act of 1979," is similar to legislation I introduced and worked for last year. It was defeated last year and as a result many farmers had to sell out and go to town to find jobs to support their families. Often they had to leave the small rural communities and find work in the larger cities like Amarillo, Wichita Falls, Dallas, and Houston.

This means more pressure on the urban job markets, loss of income for our rural areas, more farmland in the hands of corporate and foreign investors.

Farm prices are up some. Not enough to save a great number of producers that are now on the brink of bankruptcy. The increased prices do not help my cotton farmers and wheat farmers that have no produce to sell. And still, we have done nothing to prevent the roller coaster from taking off again for prices and supplies. The extreme gyrations we have seen over the past 5 years are hard on consumer and producer alike.

Today our granaries are full. The 3-year reserve program the administration implemented last year has held the price above the disastrous levels of 1977. If we do not begin to adjust the supplies the Federal Government is going to be back in the grain business after 1981 the way it was in the late fifties and early sixties.

The bill I have introduced today will provide that stability. You are all familiar with the concept we debated on the floor of this House last spring. If a farmer wants to be guaranteed a certain price for what that farmer produces, a certain amount of the cropland must be held out of production.

If the producer wants or needs parity, an equal price for his product compared to the price of other goods and services, the land held out of production must be equal to 50 percent of normal or intended production.

There will be the cry, "the taxpayer cannot afford parity." The farmer can no longer afford anything less. The beauty of this legislation is, it will cost the tax-

payer no more than current programs. The higher the target price, the less the farmer produces. The less produced, the higher the market price. The higher the market price, the less budget exposure for the tax dollar.

Another point in favor of this legislation is our trade balance. We all know the beating we are taking in this country on the dollar value of imports versus exports. If we would sell our poducts at the true value instead of prices depressed by programs designed to keep farm prices low, we could be pulling ourselves out of the deficit problem. If we were selling our wheat for $4.50 a bushel instead of $3.50 a bushel, the dollar flow would be far greater than it is now.

It does this country and our farmers no good to export for less than it costs us to produce that commodity. My farmers can no longer afford to carry this load.

Many of my farmers will be back this year to plead their case with those of you here today. Many are not back because they have sold their farms. If we do not come to the aid of the American farmer, we will do them and this country a tragic disservice.●

ACTION FOR ALASKAN FEDERAL LANDS: A PARTNERSHIP OF CONGRESSIONAL AND PRESIDENTIAL ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I am delighted to join Mo UDALL, JOHN SEIBERLING, and many of our colleagues as an original cosponsor of H.R. 39. It is a tragedy this strong conservation bill, in the form approved so overwhelmingly by the House, did not reach the President's desk in 1978.

I am particularly glad to join in support of this new, updated version of H.R. 39, because it has been refined in several key points. As Members of the House will recall, we were unable to consider a number of important strengthening amendments during the final hours of debate on the House floor last May. I am certain that those amendments would have been adopted, had the time on a Friday afternoon not simply run out on us.

Much of the revision which has occurred in this bill is a result of adjustments made to incorporate the national monuments which President Carter established in his historic Alaska conservation decision of December 1. Faced with congressional inaction—or I should say, Senate inaction—and an impending termination of critical interim protection of these lands, the President used powers the Congress had given him for exactly such a purpose to designate a number of the House-passed national park system and other units as "national monuments."

In our new H.R. 39, each of those national monuments is incorporated and legislatively confirmed, as well as being retitled. With only the most minor exceptions, the bill makes no boundary changes over the carefully drawn boundaries which the President proclaimed—and he, of course, used lines substantially the same as the boundaries the House approved last May.

As we proceed with this legislation, I only hope that every Member of Congress will reflect upon the fact that our three branches of government have cooperated beautifully in meeting the challenge of protecting the national interest lands in Alaska .The President made proposals, responding to direction the Congress gave him in the 1971 Native Claims Settlement Act. The House then reviewed and revised those proposals, and overwhelmingly adopted H.R. 39, a strong and balanced conservation measure of which we all were very proud. Because the Senate failed to act, the expiration of the congressionally set deadline approached in mid-December and would have led to severe difficulties had interim protection for the lands terminated. At the request of many Members of the Congress, the President then utilized authorities the Congress had given to him for just such purposes to proclaim these national monuments, protecting lands this House had already made it very clear it wanted protected. Similarly, the Secretaries of the Interior and Agriculture took additional steps, also using withdrawal authorities given to them for exactly this kind of situation, to protect the balance of the lands under consideration in the Congress—and thus to protect congressional prerogatives.

President Carter's December 1 decisions are of momentous importance and will rank him as one of our greatest conservation Presidents, just as our votes for H.R. 39 last May have lasting historic significance.

For the information of my colleagues, I think it is important that we have the basic documents of the President's December 1 actions. Therefore, I ask unanimous consent to include in the RECORD at this point the text of the President's statement, a related White House fact sheet, and the texts of the specific proclamations creating the new national monuments in Alaska. I also include in the RECORD, a recent Department of the Interior statement announcing temporary regulations or the management of these lands. These, I want to emphasize, are regulations which track well with the management direction we adopted in the House-passed bill.

It is high time to complete action on this historic conservation legislation. I commend Mo UDALL and JOHN SEIBERLING, who are two of the giants in the history of conservation in the House, and I join them in urging prompt action to approve this strong Alaska Federal lands protection bill:

THE WHITE HOUSE FACT SHEET

Today the President took several actions to protect proposed National Parks, Wildlife Refuges and Wilderness Areas in Alaska. He urged Congress to act promptly next year to pass Alaska lands legislation and announced administrative actions designed to protect these areas and to preserve the Congress' options for action next year.

The President's actions include the designation of 17 National Monuments covering approximately 56 million acres and additional protections on the remaining proposed National Wildlife Refuges and proposed National Forest Wilderness areas.

BACKGROUND

Under the Alaska Native Claims Settlement Act of 1971, Section 17(d)2 authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by the Congress as additions to the National Park, Wildlife Refuge, Wild and Scenic River and National Forest systems. Such "d-2" withdrawals were made on December 17, 1973, leaving the Congress until December 17, 1978, to act, under the five-year limitation on the "d-2" withdrawal authority.

The Carter Administration came forward with detailed legislative proposals in early 1977. These proposals included 13 National Parks, 14 National Wildlife Refuges, and 7 National Forest Wilderness Areas. The 95th Congress made a great deal of progress toward passing a comprehensive Alaska lands bill. The House passed the Alaska legislation on May 19, 1978, by a vote of 277–31. The Senate Energy and Natural Resources Committee reported out a bill, but lack of time and a threatened filibuster prevented final passage.

Since adjournment of the Congress, 146 members of the House and Senate have asked the President to take action to protect the lands so that mineral entry, State land selections and other threats do not jeopardize the integrity of these important areas.

AREAS AFFECTED

The President has signed proclamations designating 17 National Monuments under the 1906 Antiquities Act. These areas include parts of all 13 of the proposed National Parks, 2 of the 14 proposed National Wildlife Refuges, and 2 of the 7 proposed National Forest Wilderness areas. They include approximately 56 million acres of land. These areas are designated in order to preserve their extraordinary scientific, historic and cultural values. They also contain some of the world's most beautiful scenery and plentiful wildlife. These designations will be permanent until modified or superseded by Congressional action.

NATIONAL MONUMENTS PROCLAIMED BY THE PRESIDENT

	Acres
1. Aniakchak	350,000
2. Bering Land Bridge	2,600,000
3. Cape Krusenstern	560,000
4. Denali	3,890,000
5. Gates of Arctic	8,220,000
6. Glacier Bay	550,000
7. Katmai	1,370,000
8. Kenai Fjords	570,000
9. Kobuk Valley	1,710,000
10. Lake Clark	2,500,000
11. Noatak	5,800,000
12. Wrangell-St. Elias	10,950,000
13. Yukon-Charley	1,720,000
Total	40,790,000
14. Yukon Flats	10,600,000
15. Becharof	1,200,000
Total	11,800,000
16. Admiralty Island	1,100,000
17. Misty Fiords	2,285,000
Total	3,385,000
Total acreage	55,975,000

(Note: Areas #1–13 are proposed National Park areas, #14–15 proposed Wildlife Refuge areas, and #16–17 are proposed National Forest Wilderness Areas.)

The President also directed the Secretary of the Interior to take the necessary procedural steps under the Federal Land Policy and Management Act to designate as National Wildlife Refuges the remaining 12 proposed refuge areas. These areas cover approximately 40 million acres. The 12 areas included in this directive are:

	Acres
1. Arctic Range	9,900,000
2. Copper River	690,000
3. Innoko	3,720,000
4. Kanuti	1,480,000
5. Kenai Moose Range	160,000
6. Koyukuk	2,080,000
7. Nowitna	1,560,000
8. Selawik	3,220,000
9. Tetlin	770,000
10. Togiak	1,180,000
11. Yukon Delta	13,710,000
12. Alaska Marine Resources	460,000
Total acreage	38,930,000

The President also noted that Secretaries Andrus and Bergland have already taken temporary steps to protect all of the areas in Congressional and Administration proposed conservation units. Under Section 204(e) of the Federal Land Policy and Management Act, Secretary Andrus issued emergency withdrawals on November 16 on all of the Interior Department lands covered by Congressional or Administration proposals to protect them from mineral entry and State selection. These three-year withdrawals cover approximately 105 million acres and will remain in force with the President's actions under the Antiquities Act. Secretary Bergland has also taken steps under Section 204(b) of the Federal Land Policy and Management Act to segregate the 11 million acres covered by Administration and Congressional proposals for National Forest Wilderness areas to protect these lands from mineral entry and State selection. These two-year segregations also remain in force with the President's actions.

STATEMENT BY THE PRESIDENT

Our nation has been uniquely blessed with a vast land of great natural beauty and abundant resources. Once these gifts seemed limitless. As our people have spread across the continent and the needs for development reach once distant frontiers, we realize how urgent it is to preserve our heritage for future generations.

Today I have taken several actions to protect Alaska's extraordinary Federal lands. Because of the risks of immediate damage to these magnificent areas, I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year.

Passing legislation to designate National Parks, Wildlife Refuges, Wilderness Areas and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. There is strong support for such legislation in the Congress. In the 95th Congress, the House of Representatives overwhelmingly passed an Alaska bill. A bill was reported out of the Senate Committee, but time ran out and the Senate was unable to finally pass a bill. Because existing "d-2" land withdrawals under the 1971 Alaska Native Claims Settlement Act expire on December 17, much of the land to be protected by legislation would be unprotected and perhaps irrevocably lost if I did not act now.

Accordingly, along with Secretaries Andrus and Bergland, I have taken the following actions:

I have signed proclamations under the Antiquities Act of 1906 designating as National Monuments 17 of the most critical areas proposed for legislative designation—13 proposed National Parks, two proposed Wildlife Refugees and two proposed National Forest Wilderness areas.

These areas, totaling approximately 56 million acres, contain resources of unequalled scientific, historic and cultural value, and include some of the most spectacular scenery and wildlife in the world. The Antiquities Act has been used in the past to preserve such treasures, for example by President Teddy Roosevelt who designated the Grand Canyon in this way. The monuments I have created in Alaska are worthy of the special, permanent protections provided by the Antiquities Act. They will remain permanent Monuments until the Congress makes other provisions for the land.

I have directed Secretary Andrus to proceed with necessary steps to designate National Wildlife Refuges for the remaining twelve proposed refuge areas, an additional 40 million acres.

Secretaries Andrus and Bergland have already taken steps under Section 204 of the Federal Land Policy and Management Act to withdraw or segregate all of the areas covered by either Congressional or Administration proposals from mineral entry and selection by the State of Alaska. I have directed that these withdrawals remain in place.

Each of the areas protected by these actions is exceptional and valuable. Among the treasures to be preserved are the nation's largest pristine river valley, the place where man may first have come into the New World, a glacier as large as the State of Rhode Island and the largest group of peaks over 15,000 feet in North America. Breeding areas of the Great Alaska brown bear, caribou and Dall sheep, and of ducks, geese and swans that migrate through the other 49 States each year will also be protected.

In addition to preserving these natural wonders, historical sites and wildlife habitats, our actions will ensure that Alaskan Eskimos, Indians and Aleuts can continue their traditional way of life, including hunting and fishing.

In Alaska we have a unique opportunity to balance the development of our vital resources required for continued economic growth with protection of our natural environment. We have the imagination and the will as a people to both develop our last great natural frontier and also preserve its priceless beauty for our children and grandchildren.

The actions I have taken today provide for urgently-needed permanent protections. However, they are taken in the hope that the 96th Congress will act promptly to pass Alaska lands legislation.

PRESIDENTIAL DOCUMENTS—TITLE 3—PRESIDENT

[Proclamation 4611, Admiralty Island National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Admiralty Island is outstanding for its superlative combination of scientific and historic objects. Admiralty Island contains unique resources of scientific interest which need protection to assure continued opportunities for study.

Admiralty Island has been continuously inhabited by Tlingit Indians for approximately 10,000 years. Archeological sites and objects are plentiful in the areas of Angoon Chaik, Bay, Whitewater Bay and other bays and inlets on the island. These resources provide historical documentation of continuing value for study. The continued presence of these natives on the island add to the scientific and historical value of the area.

The cultural history of the Tlingit Indians is rich in ceremony and creative arts and complex in its social, legal and political systems. Admiralty provides a unique combination of archeological and historical resources in a relatively unspoiled natural ecosystem that enhances their value for scientific study.

Subsequent to exploration and mapping by Captain George Vancouver at the end of the 18th century, Russian fur traders, Yankee whalers, and miners and prospectors have left objects and sites on Admiralty which provide valuable historical documentation of white settlement and exploitation of the island and its resources. Admiralty Island is rich in historic structures and sites, including whaling stations, canneries, old mining structures and old village sites, for example, Killisnoo Village where a whaling and herring saltery station were established in 1880.

Unusual aspects of the island ecology include its exceptional distribution of animal species, including dense populations of brown bears and eagles, but excluding entirely—because of the island's separation from the mainland—a large number of species indigenous to the general area. This peculiar distribution enhances the island's value for scientific study.

The unique island ecology includes the highest known density of nesting bald eagles (more than are found in all the other States combined); large numbers of Alaska brown bear; and the largest unspoiled coastal island ecosystem in North America. Admiralty Island was added to the Tongass National Forest in 1909, and specific portions of the island have been designated as bear and eagle management areas and numerous scientific studies of the bear and eagle habitat have been conducted by scientists from around the world. The island is an outdoor living laboratory for the study of the bald eagle and Alaska brown bear.

Protection of the entire island, exclusive of the Mansfield Peninsula, is necessary to preserve intact the unique scientific and historic objects and sites located there. Designation of a smaller area would not serve the scientific purpose of preserving intact this unique coastal island ecosystem.

Hunting and fishing shall continue to be regulated, permitted and controlled in accord with the statutory authorities applicable to the Monument area.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the United States to be National Monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Admiralty Island National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area described on the document entitled "Admiralty Island National Monument (Copper River, Meridian)", attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,100,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the Monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this Monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public lands laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this Monument and for the proper administration of the Monument in accordance with applicable laws.

The establishment of this Monument is subject to valid existing rights, including, but not limited to, valid selections under the

Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the National Monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4612, Aniakchak National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Aniakchak Caldera is located in the heart of the Alaska Peninsula. It is so unexpected a feature that it remained unknown to all but the Natives of the region until about 1920. With its average diameter of approximately six miles, Aniakchak is one of the world's largest calderas.

In the interior of the caldera are textbook examples of certain volcanic features such as lava flows, cinder cones, and explosion pits. Also lying within the caldera is Surprise Lake which is fed by warm springs and is uniquely charged with chemicals. Surprise Lake is the source of the Aniakchak River, which cascades through a 1,500 foot gash in the caldera wall and downward for 27 miles to the Pacific Ocean.

The flanks of the caldera provide a geological and biological continuum by which to make a comparative study of the formation of the caldera and the significant process of biological succession of both plant and animal species occurring in the vicinity of the caldera, an area that was rendered virtually devoid of life forms by a major eruption of the volcano in 1931.

The caldera is also climatologically unique in that, because of its topography and setting, it appears to be able to generate its own weather. A striking phenomenon known as cloud "niagaras" occurs frequently as strong downdrafts form over the caldera walls.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological, climatological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Aniakchak National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Aniakchak National Monument on the map numbered ANIA-90,006 attached to and forming a part of this Proclamation. The area reserved consists of approximately 350,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, rights confirmed in Section 15 of the Act of January 2, 1976 (89 Stat. 1145), and valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4613, Becharof National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES: A PROCLAMATION

This monument on the Alaska Peninsula supports one of the densest known populations of the great Alaska brown bear. This area encompasses habitat used by a discrete population of bears for denning and foraging, both north and south of Becharof Lake.

At the southern end of Becharof Lake, several hundred bears concentrate during salmon spawning season. Certain of the bears make their dens in the area on islands a few feet above the water level, a unique phenomenon of great interest in the study of this great carnivore. Deeply worn bear trails also indicate decades of extensive use, making this area important to the study of the bears' long term habits and population fluctuation. Rich salmon spawning habitats and the presence of such prey species as caribou and moose are key factors in the intensive use of the area by the bears.

The biology of the brown bears, their habitat and associated plant and animal species within the monument, together with other ecological features of the area, combine to offer excellent opportunities for scientific study and research.

The area is interesting and significant geologically, as it contains one of Alaska's most recent volcanically active areas, the Gas Rocks under Mount Peulik. Studies here of recent volcanism may contribute to the growing understanding of this powerful geological force.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Becharof National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Becharof National Monument on the map numbered FWS-81-00-0414 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,200,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any public land order effecting a withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1616(d)(1); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of sport hunting, and of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population or to sport hunting of a particular fish or wildlife population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4614, Bering Land Bridge National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES: A PROCLAMATION

The Bering Land Bridge, now overlain by the Chukchi Sea, the Bering Sea and Bering Strait, was the migration route by which many plants, animals, and humans arrived on the North American continent. The monument hereby created has within it an invaluable record of this migration.

There are found here rich archeological sites giving evidence of human migration during the periods the Bridge was water-free. Also found are paleontological sites providing abundant evidence of the migration of plants and animals onto the continent in the ages before the human migrations. The arctic conditions here are favorable to the preservation of this paleontological record from minute pollen grains and insects to the large mammals such as the mammoth.

The monument is also the summering area for a number of Old World bird species, which feed and nest in the area. It is one of the few places in North America where ornithologists are able to study these species.

The diversity of the soils, topography, permafrost action and climate within the monument leads to an excellent representation of varied, yet interrelated tundra plant communities. Their proximity and diversity make the area a prime outdoor laboratory.

The area is also rich in volcanics. Here is the opportunity to study unique Arctic lava flows which erupted through deep permafrost. The tubes and cracks of these flows are now filled with the sheen of permanent ice. In the Devil Mountain area are the uniquely paired maar explosion craters which were formed by violent explosions resulting from the steam pressure released when the hot volcanic ejecta contacted the water and ice that covered this wetland area. These craters are now crystal clear lakes bounded by a shoreline of volcanic ash, cinders and scoria.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, paleontological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Bering Land Bridge National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Bering Land Bridge National Monument on the map numbered BELA-90,006 attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,590,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton* Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4615, Cape Krusenstern National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The area of northwest Alaska known as Cape Krusenstern contains an archeological record of great significance. The Cape's bluffs and its series of one hundred fourteen horizontal beach ridges hold an archeological record of every major cultural period associated with habitation of the Alaska coastline in the last 5000 years.

The unglaciated lands lying inland, including the Kakagrak Hills, the Rabbit Creek area and others, have an older archeological record dating back to pre-Eskimo periods of at least 8000 years ago. This continuum of evidence is of great historic and scientific importance in the study of human survival and cultural evolution.

There are in this area examples of other unique natural processes. The climatological conditions are conducive to the formation of Naleds, one spectacular example of which occurs in the area. In the same inland area at Killikmak Creek is found the only known Alaskan example of a still recognizable Illinoisian glacial esker, a formation which is over 100,000 years old.

The unique geologic process of erosion and sediment transport in this area created and continues to create the beach ridges in which is preserved the archeological record of the beach civilizations. Also found in the area is a wide variety of plant and animal species, from the marine life along the shoreline and its lagoons to the inland populations such as musk-oxen, Dall sheep, caribou and many smaller species.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a

value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Cape Krusenstern National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Cape Krusenstern National Monument on the map numbered CAKR-90,008 attached to and forming a part of this Proclamation. The area reserved consists of approximately 560,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 4972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4616, Denali National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

In the creation of Mount McKinley National Park the southern half of the mountain's massif was inadvertently excluded from the Park. The creation of Denali National Monument will bring within the protection of the National Park System the entirety of this, the highest peak on the North American continent. This face markedly differs from the north side for it has a more gradual rise and a significant system of glaciers. It is also the approach route used historically by those seeking to scale Mount McKinley.

Certain of the glaciers on the south face are among the largest in Alaska, reaching up to 45 miles in length. Yet, only the very uppermost parts are presently within the National Park. Their protection is enhanced by the creation of this monument.

In the southwest area of the monument hereby created are the geologically unique Cathedral Spires. From this granitic pluton mass radiate eight major glacial troughs exhibiting cirques and headwalls rising 5,000 feet from their bases.

The monument also protects significant habitat for the McKinley caribou herd which has provided a basis for scientific study since the early twentieth century. Associated with the herd in this ecosystem are other scientifically important mammals such as grizzly bear, wolf and wolverine.

The Toklat River region includes a unique area of warm springs which attracts an unusual late run of Chum salmon. This run provides an important late fall food source for the grizzly bear population of the area which, because of its accessibility, has been the subject of many scientific studies.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Denali National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Denali National Monument on the map numbered DENA-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 3,890,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, Dec. 5, 1978]

[Proclamation 4617, Gates of the Arctic National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Lying wholly north of the Arctic Circle, the Gates of the Arctic National Monument hereby created preserves an area containing a wide variety of interior arctic geological and biological forms. The essence of the geology of the area is its great diversity. There are excellent examples of glacial action which formed U-shaped valleys and morraine-dammed lakes. In contrast are the fissure-shaped precipices of Ernie Creek and the tilted limestone blocks along the northern edge of the Brooks Range.

Associated with these various land forms is a progression of ecosystems representing a continuum of communities from the boreal spruce forest and riparian shrub thickets in

the south to the arctic tussock tundra in the north. These communities of plants and undisturbed animals offer excellent opportunities for study of natural interaction of the species.

The monument also protects a substantial portion of the habitat requirements for the Western Arctic caribou herd which uses ancient routes through the mountains for migration. This herd, which has suffered severe population losses recently, is of great value for the study of the population dynamics relating to both the decline and recovery of the herd.

The archeological and historical significance of the area is demonstrated by the studies which have revealed evidence of human habitation for approximately 7,000 years. Several known traditional Indian-Eskimo trade routes run through the monument area giving the promise of further important archeological discoveries. In the Wiseman and Ernie's Cabin mining regions in the south are offered opportunities for historical study of the life of the Alaskan pioneer miner of the early twentieth century.

The land withdrawn and reserved by this Proclamation for the protection of the biological, geological, archeological, historical, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends upon subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Gates of the Arctic National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Gates of the Arctic National Monument on the map numbered GAAR-90,011 attached to and forming a part of this Proclamation. The area reserved consists of approximately 8,220,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[PROCLAMATION 4618 ENLARGING THE GLACIER BAY NATIONAL MONUMENT, DECEMBER 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Glacier Bay National Monument was created by Presidential Proclamation in 1925 and was enlarged in 1939 and again in 1955. It protects the great tidewater glaciers and a dramatic range of plant communities. The enlargement accomplished by this Proclamation furthers the protection of the array of geological and ecological interests in the area.

This addition includes the northwesterly side of Mount Fairweather, the highest peak in this part of Alaska, and the Grand Plateau Glacier, both significant to students of glaciology.

The Alsek River corridor provides the only pass through the coastal mountain range for 120 miles. This is the route by which large mammals first entered this isolated area and is used by a significant percentage of the Alaska bald eagle population en route to the Klukwan area where they winter.

The addition also protects two botanically significant areas. In the hills flanking Grand Plateau Glacier live the oldest plant communities in southeast Alaska which survive because the area escaped both glaciation and inundation. Also important to the study of ecological succession are the mature aquatic vegetative communities of the pre-neoglacial lakes in the Deception Hills area.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological, and other phenomena enumerated above supports now, as it has in the past, a unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the area added to the Glacier Bay National Monument by this Proclamation.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved for inclusion in the Glacier Bay National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Enlargement of Glacier Bay National Monument on the map numbered GLBA-90,005 attached to and forming a part of this Proclamation. The area reserved consists of approximately 550,000 acres, and is necessary to ensure the proper care and management of the objects the monument was established to preserve and those added by this Proclamation. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this addition are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this addition is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*) and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamtion shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Furthermore, nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement, of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this addition, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthor-

ised persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4619, Enlarging the Katmai National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

In 1912, Mount Katmai gave vent to an extremely violent volcanic eruption. To preserve this excellent example of recent volcanism and ash deposition, Katmai National Monument was established in 1918. In the ensuing years it was recognized that in addition to the volcanoes, the area included a significant population of Alaskan brown bear and important spawning grounds for the Bristol Bay red salmon. The area was enlarged in view of these features in 1931, 1942 and 1969.

Continued research has revealed that the bear population is more mobile than originally believed. By the addition made hereby, a viable gene-pool population of the Alaskan brown bear can be protected free from human harassment. The addition closes a fifteen mile gap between the former monument boundary and the McNeil River State Game Sanctuary thereby completing the protection of the range of this population of the world's largest carnivore.

The enlargement also protects the headwaters of the drainages which provide the spawning grounds for the red salmon. By protecting the quality of the water in these watersheds, the drama of the salmon run, a phenomenon of great scientific interest over the years, may be perpetuated.

The land withdrawn and reserved by this Proclamation for the protection of the biologic and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein, because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the area added to Katmai National Monument by this Proclamation.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national manuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 341), do proclaim that there are hereby set apart and reserved for inclusion in the Katmai National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Enlargement of Katmai National Monument on the map numbered KATM-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,370,000 acres, and is necessary to ensure the proper care and management of the objects the monument was established to preserve and those added by this Proclamation. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this addition are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this addition is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Furthermore, nothing in this Proclamation is intended to modify, revoke or abrogate the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this addition, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4620, Kenai Fjords National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Kenai Fjords National Monument borders the Gulf of Alaska and includes the Harding Icefield and extensions of mountain peaks out into the sea. The area holds a significant opportunity for geologic study of mountain building and for scientific study of ecological variations from an icecap environment to a marine shoreline environment.

The Harding Icefield, one of the Nation's major icecaps, continues to carve deep glacial valleys through the Kenai Mountains. The mountains themselves illustrate tectonic movement through uplift and subsidence over geologic time. Former alpine valleys are now fjords, and former mountain peaks are now tips of islands and vertical sea stacks.

Between the fjords, richly varied rain forest habitats offer opportunities to study life forms adaptable to the wet coastal environment. On the land these include mountain goat, black bear, otter, ptarmigan, and bald eagle. The area is extremely rich in sea bird life of interest to ornithologists and in marine mammals which come to feed in the fjords from their hauling and resting places on nearby islands. The recovery of the sea otter population from almost total extermination to relatively natural populations in this area is of continuing scientific interest.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Kenai Fjords National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Kenai Fjords National Monument on the map numbered KEFJ-90,008 attached to and forming a part of this Proclamation. The area reserved consists of approximately 570,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4621, Kobuk Valley National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Kobuk Valley and its environs, an area located in the northwest interior of Alaska, contains important archeological data and biological and geological features of great scientific significance.

Archeological features within the area illustrate an unbroken continuum of human adaptation to the natural environment from the early pre-Eskimo people of 10,500 years ago to present-day local residents. Scientists recently discovered more than 100 dwellings occupied in about 1250 A.D., comprising the largest settlement of its kind. The Onion Portage Archeological District is located within the area, and is listed on the National Register of Historic Places. Archeological research at Onion Portage has yielded evidence of more than 10,000 years of human occupation.

The area contains the Great and Little Kobuk Sand Dunes, which lie north of the Arctic Circle and include both active and stabilized dunes. Scientific studies of the dunes show them to be older than 33,000 years, and several plants have been found in association with the dunes environment which are scientifically unusual in the area. The Great Kobuk Sand Dunes attain a height of 100 feet.

The inclusion of the watersheds on the north and south of the Kobuk River protects a uniquely representative series of interrelated plant communities. There is here an essentially unspoiled laboratory for the study of the northern boreal forest.

A rich variety of wildlife also occurs within the area. Major portions of the northwest arctic caribou herd move through the area in spring and fall migrations. The area also includes one of only two significant populations of the Alaskan sheefish. The water environment is habitat for nesting waterfowl, moose, and muskrat. A relatively dense population of grizzly and black bears, wolf, wolverine, fox, otter, and other northern furbearing mammals range over the entire area.

The land withdrawn and reserved by this Proclamation for the protection of the archeological, geological, biological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with these objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is one of the values to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Kobuk Valley National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Kobuk Valley National Monument on the map numbered KOVA-90,-010 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,710,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence livestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands hereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4622, Lake Clark National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

An area in south-central Alaska contains examples of geological phenomena associated with two major mountain chains, the Alaska Range and the Chigmit Mountains, in an array that includes jagged peaks and two symmetrical, steaming volcanoes. These volcanoes, Redoubt and Iliamna, have been listed on the National Registry of Natural Landmarks.

The area's land forms also contribute to an outstanding example of ecological diversity in zones which remain relatively unspoiled for continued scientific research. Large mammals such as moose, caribou, Dall sheep, grizzly bear, black bear, and wolverine occur in natural populations. Whistling swans nest and rare trumpeter swans assemble in the area. Other birds, including bald eagle, gyrfalcon, osprey, and endangered peregrine falcon, breed within the area. Seabird colonies occur along the coast. One of the most stable natural populations of caribou in Alaska, the Mulchatna herd, calves and migrates within the area, offering significant opportunities for scientific study of this mammal.

Sockeye salmon runs within the area are exceptional. The area includes the upper drainage of the Kvichak River System, which is the single most productive spawning and rearing habitat for red salmon in the world, and the subject of scientific research for many years.

Historical resources of the area are significant. Kijik Village, on the shore of Lake Clark is the site marking the first known Russian exploration of the region in the late eighteenth century. The area holds great promise for the discovery of further evidence defining the impact of the Native-European contacts.

The land withdrawn and reserved by this proclamation for the protection of the geological, archeological, historical, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with these objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Lake Clark National Monument all lands including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Lake Clark National Monument on the map numbered LACL-90,009 attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,500,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument

upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument, and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4623, Misty Fiords National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Misty Fiords is an unspoiled coastal ecosystem containing significant scientific and historical features unique in North America. It is an essentially untouched two million-acre area in the Coast Mountains of Southeast Alaska within which are found nearly all of the important geological and ecological characteristics of the region, including the complete range of coastal to interior climates and ecosystems in a remarkably compact area.

Among the objects of geologic importance are extraordinary deep and long fiords with sea cliffs rising thousands of feet. Active glaciers along the Canadian border are remnants of the massive ice bodies that covered the region as recently as about 10,000 years ago, at the end of the Pleistocene epoch. However, there have been periodic glacial advances and retreats in more recent historic periods. Some of the area has been free from glaciation for only a short period of time, creating the unusual scientific phenomenon of recent plant succession on newly-exposed land with the accompanying animal species. The Behm Canal, the major inlet at the heart of the area, is more than fifty miles long and extraordinary among natural canals for its length and depth.

The watershed of the Unuk River, which comprises the northern portion of the Misty Fiords area, has its headwaters in Canada. It is steeply mountainous and glaciated and contains the full range of ecosystems and climates from interior to coastal. Mineral springs and lava flows add to the uniqueness of the area and its value for scientific investigation. South of the Unuk, the Chickamin River System and the Le Duc River originate in active glaciers and terminate in Behm Canal. Further south, Rudyerd Bay Fiords and Walker Cove are surrounded by high, cold lakes and mountains extending eastward to Canada.

First inhabitants of Misty Fiords may have settled in the area as long ago as 10,000 years. The area contains cutural sites and objects of historical significance, including traditional native hunting and fishing grounds. Later historical evidence includes a mid-1800's military post-port entry on Tongass Island and a salmon cannery in Behm Canal established in the late 1800's.

Misty Fiords is unique in that the area includes wildlife representative of nearly every ecosystem in southeast Alaska, most notably bald eagles, brown and black bears, moose, wolves, mountain goats and Sitka black-tailed deer. Numerous other bird species nest and feed in the area, notably falcons and waterfowl. Misty Fiords is a major producer of all five species of Pacific salmon and is especially important for king salmon. Numerous other saltwater, freshwater and anadromous fish species and shellfish are plentiful in this area, which is an extraordinarily fertile interface of marine and freshwater environments. Unusual plant-life includes Pacific silver and subalpine fir trees near the northern limit of their range. The area includes an unusual variety of virgin forests, ranging from coastal spruce-hemlock to alpine forests.

As an intact coastal ecosystem, Misty Fiords possesses a collective array of objects of outstanding value for continuing scientific study. The boundaries of the area follow watershed perimeters and include the smallest area compatible with protection of this unique ecosystem and the remarkable geologic and biological objects and features it contains.

Hunting and fishing shall continue to be regulated, permitted and controlled in accord with the statutory authorities applicable to the monument area.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, at his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the United States to be National Monuments, and to reserve as part thereof parcels of lands, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Misty Fiords National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area described on the document entitled "Misty Fiords National Monument (Copper River Meridian)", attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,285,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the Monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this Monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this Monument and for the proper administration of the Monument in accordance with applicable laws.

The establishment of this Monument is subject to valid existing rights, including, but not limited to, valid selection under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under section 17 (d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the National Monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, Dec. 5, 1978]

[Proclamation 4624, Noatak National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Noatak River basin is the largest mountain-ringed river basin in the Nation still virtually unaffected by technological human activity. This basin has been designated as a Biosphere Reserve under the United Nations' auspices, in recognition of its international importance for scientific study and research.

The area includes landforms and ecological variations of scientific interest. The Grand Canyon of the Noatak River is a dissected valley 65 miles long. The area contains the northwesternmost fringe of boreal forest in North America, and is a transition zone and migration route for plants and animals between subarctic and arctic environments. The diversity of the flora is among the greatest anywhere in the earth's northern latitudes.

The Noatak Valley area contains a rich variety of birdlife including several Asian species. The area is crossed twice a year by two-thirds of the Western Arctic caribou herd, and is prime habitat for the barren ground grizzly bear, moose, and several predator species.

Nearly 200 archeological sites, dating as far back in time as 5,000 years, are within the area. They give promise of future discoveries leading to a deeper understanding of the area's prehistory.

The Noatak basin is an area where indigenous plants and animals perpetuate themselves naturally, in a freely functioning ecosystem. Protection of this area will assure the preservation of an essential base against which scientists may judge environmental dynamics of the future.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends upon subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Noatak National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Noatak National Monument on the map numbered NOAT-90,004 attached to and forming a part of this Proclamation. The area reserved consists of approximately 5,800,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska v. Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4625, Wrangell-St. Elias National Monument, Dec. 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

An area of southeastern Alaska adjacent to the International Boundary with Canada contains a variety of landforms, including high mountain peaks and steep canyons, with associated geological, ecological, biological, and historical phenomena of great importance.

The area includes the greatest assemblage of mountain peaks over 14,500 feet in elevation found in the Nation, the nation's second highest mountain (Mount St. Elias, at 18,008 feet) several inactive and one active volcano (Mount Wrangell), and an active glacial complex, including some of the largest and longest glaciers in the Nation. The high mountain peaks and glaciers offer an excellent opportunity for glaciological studies. The Malaspina Glacier is listed on the National Registry of Natural Landmarks.

Thermal features in the area include the mud cones and hot springs on the western base of Mount Drum. More complete undeveloped river systems exist here than in any other land area in the Nation, with more than 1,000 miles of powerful running, silt-laden rivers.

Biologically unique subspecies of flora and fauna have developed in the Bremner and Chitina River Valleys. As a result of their isolation by virtue of ice fields and the Copper River, these areas are virtually ecological islands in which development of subspecies is largely unaffected by interchange with outside plant and animal species.

Wildlife populations include the largest population of wild mountain sheep in North America, moose, mountain goat, and a nonmigratory population of caribou. The area is the only part of Alaska where four of the five identifiable forms of bear occur, including the interior grizzly, the coastal brown bear, the black bear, and the rare, blue-color phase of the black bear called glacier bear. Along the coast of the Gulf of Alaska bald eagles and a large and varied shorebird population occur.

Cultural development within the area is of interest to archeologists and historians. Three major culture areas converge here, each with distinctive cultural patterns: the North Athapascans, the Pacific Eskimo, and the Chugach. Mining history is evidenced by the Kennecott Copper Works, a National Historic Landmark.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological, and other phenomenia enumerated above supports now, as it has in the past, a unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Wrangell-St. Elias National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Wrangell-St. Elias National Monument on the map numbered WRST-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 10,950,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the national stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4626, Yukon-Charley National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Yukon-Charley National Monument, an area in east-central Alaska, includes a combination of historic and scientific features of great significance. The Upper Yukon River basin contains historic remains of early mining activity, and includes outstanding paleontological resources and ecologically diverse natural resources, offering many opportunities for scientific and historic study and research.

The area provides breeding habitat for the endangered peregrine falcon, and may produce about one-fourth of the known individuals of the *anatum peregrine* subspecies in its northern habitat. Wildlife also include isolated wild populations of Dall sheep, moose, bear, wolf, and other large mammals. Nearly 200 species of birds, including 20 different raptors, are present in the area.

Geological and paleontological features within the area are exceptional, including a nearly unbroken visible series of rock strata representing a range in geologic time from pre-Cambrian to Recent. The oldest exposures contain fossils estimated to be 700 million years old, including the earliest forms of animal life. A large array of Ice Age fossils occurs in the area.

Within the area is the Charley River basin, parts of which were unglaciated, preserving relict Pleistocene plant communities. The Charley River is considered to be one of the cleanest and clearest of the major rivers in Alaska, and thereby offers excellent opportunities for scientific studies. In the upper Charley River basin, artifacts occur dating back possibly 11,000 years, attesting to the presence of ancient hunters who were the ancestors of the modern Athapascan people.

The land withdrawn and reserved by this Proclamation for the protection of the historical, archeological, biological, geological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Yukon-Charley National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Yukon-Charley National Monument on the map numbered YUCH-90,009 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,720,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4627, Yukon Flats National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Yukon Flats National Monument exemplifies the largest and most complete example of an interior Alaskan solar basin with its associated ecosystem. The mountain-ringed Yukon Flats basin straddles the Arctic circle and is bisected by the Yukon River.

The physiography of this basin, coupled with the continuous sunlight of the summer months, results in a climatological phenomenon in the basin of warmer summer temperatures and less cloudiness, precipitation and wind than in surrounding areas. These factors produce a lush wetland area which makes the Yukon Flats basin one of North America's most productive wildlife habitats. The pristine ecological nature of the Yukon Flats offers an excellent opportunity for study of the factors contributing to the immense productivity of the solar basin areas.

The Yukon Flats contributes significant populations of several species of waterfowl to all four of the continent's flyways, including 10–25 percent of the North American breeding population of canvasback ducks. This area is also significant for its capacity to provide nesting for ducks displaced from Canadian pothole provinces in drought years. The productive, migration flows and key habitat for particular species offer abundant scientific research possibilities.

Additionally, the area produces a unique race of salmon which migrate over 2,000 miles from the sea to spawn. This genetic capability is unknown elsewhere.

From prehistoric times, the area's rich populations of furbearers have attracted humans to the area. The establishment of Fort Yukon, the first English speaking settlement in Alaska, was directly related to the Hudson Bay Company's fur trade. The area's preservation offers to the scientists the opportunity to investigate the life and society of the peoples which utilized these resources.

The land withdrawn and reserved by this Proclamation for the protection of the geological, historical, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting; and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Yukon Flats National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Yukon Flats National Monument on the map numbered FWS-81-00-1514 attached to and forming a part of this Proclamation. The area reserved consists of approximately 10,600,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public

land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any public land order effecting a withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1616 (d)(1); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of sport hunting, and of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population or to sport hunting of a particular fish or wildlife population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hands this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, vol. 43, No. 234—Tuesday, December 5, 1978]

TEMPORARY REGULATIONS FOR NEW ALASKA MONUMENTS ISSUED

The Department of the Interior today issued temporary regulations for 15 new national monuments in Alaska aimed at giving short term guidance on issues such as subsistence and access on the new monuments.

"These regulations have the dual function of protecting the great natural treasures of Alaska and the lifestyle of the rural people who often depend on local plants, animals, birds and fish for their livelihood," said Secretary of the Interior Cecil D. Andrus.

Secretary Andrus added that public comment would be sought and hearings would be held before permanent regulations are issued in early spring.

The temporary regulations were issued, Secretary Andrus said, in order to modify existing National Park Service regulations which may have barred, among other things, subsistance activities by local rural residents and in-holders, and routes and methods of access to areas within and across the new national monuments.

Existing regulations covering general use of park service areas remain in force wherever they are not altered by the new temporary regulations. Existing regulations, for example, cover such specific activities as mining and access for mining purposes within and across the new national monuments.

Temporary regulations are also necessary for the management of monuments under the jurisdiction of the Fish and Wildlife Service because of the absence of any existing applicable regulations.

President Carter established these monuments, along with two others to be managed by the U.S. Forest Service, on December 1 under provisions of the Antiquities Act of 1906.

All but two of the 15 monuments managed by the Interior Department will be managed as units of the National Park system by the National Park Service. The remaining two will be managed by the Fish and Wildlife Service.

In his proclamation establishing the areas, President Carter said, "the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument."

All units, except Kenai Fjords, where there is no record of subsistence activity, will be open to subsistence hunting, fishing and trapping.

Under the temporary regulations, the use of off-road vehicles and airplanes will continue to be allowed where such uses are traditional and established, or reasonable and appropriate in the exercise of a valid property right. Airplanes may not be used, however, for subsistence purposes.

Use of nets, except landing nets, and certain kinds of bait, is banned for sport fishing in the national park monuments in Alaska as is generally the case in park areas. Such restrictions do not apply in the two wildlife monuments.

The temporary regulations bar commercial trapping in the national park monuments. Because the 1978–79 trapping season is already underway, though, and in order to prevent undue economic hardship, the acting National Park Service area director for Alaska, Robert Petersen, has determined that existing commercial trapping under state permits will be permitted to continue for this season.

"Although the number of commercial trappers is small, the hardship that such late notice would work on them would be unfortunate," the acting director said.

In addition state permitted trapping at the current level will be permitted to continue in the wildlife monuments for this season.

The 15 new Alaska national monuments managed by the Interior Department are: Aniakchak NM (350,000 acres); Bering Land Bridge NM (2.6 million acres); Cape Krusenstern NM (560,000 acres); Denali NM (enlargement of Mount McKinley National Park 3.9 million acres); Gates of the Arctic NM (8.2 million acres); Glacier Bay NM (enlargement 550,000 acres); Katmai NM (enlargement 1.4 million acres); Kenai Fjords NM (570,000 acres); Kobuk Valley NM (1.7 million acres); Lake Clark NM (2.5 million acres); Noatak NM (5.8 million acres); Wrangell-St. Elias NM (11 million acres); Yukon-Charley NM (1.7 million acres); Yukon Flats NM (10.6 million acres); Becharof NM (1.2 million acres).

Yukon Flats and Becharof will be managed by the Fish and Wildlife Service. All the others will be managed by the National Park Service.●

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, as we open the 1st session of the 96th Congress, I very much regret that I must rise to again introduce H.R. 39, the "Alaska National Interest Lands Conservation Act."

It is regrettable that this House must once again take up this greatest of land conservation issues in our history. I regret it because I am so proud of what the House of Representatives did for the protection of the peoples' land in Alaska last year. We passed H.R. 39 then, and in those 3 days of debate and voting last May, we wrote perhaps the proudest achievement in the history of this body, in the field of land and wildlife conservation.

While I regret that the Senate was prevented from completing action on that House-passed bill last year—a House-passed bill on which the sentiment of this body is so very clear and so very strong—I am nonetheless pleased to be joined today by nearly 100 of our colleagues as original cosponsors of this new H.R. 39.

Today, on the first day of its introduction, the bill JOHN SEIBERLING and I are offering for Alaska Federal land protection is being cosponsored by more Members of the House than joined us on the bill in all of the 2 years of the 95th Congress.

This, like the historic and overwhelming votes last year, marks the breadth and depth—and growth—of support for a strong Alaska lands bill.

THE PEOPLE'S LAND

To each of our colleagues who have joined today in cosponsoring this Alaska lands bill, I simply express my appreciation. I know that the American people support this strong bill, so I know that those joining us in early support and commitment will receive also the grateful appreciation of the people. Back home in our individual districts across this land, the people understand (perhaps even better than we) the very real values that their lands in Alaska hold for them and for the quality of their lives. They feel (perhaps even more than we) the high responsibility of stewardship, the obligation to pass these stupendous natural places on to future generations of Americans and of our fellow citizens of this Earth. The people want this strong, solid Alaska Federal lands protection bill. They look to us in the Congress to fulfill our special role as "trustees" of their inheritance, and as trustees for the legacy of wild land and wildlife that they wish to leave for their children's children.

The bill JOHN SEIBERLING and I and our colleagues are introducing today will be the first focus for the work of the full Committee on Interior and Insular Affairs. It is a matter of top priority for the House of Representatives.

A REFINEMENT OF THE HOUSE-PASSED BILL

This bill is not unfamiliar to those Members returning to the House in this new session of Congress. It is, in fact, a refinement of the basic bill which the House passed overwhelmingly last May. The refinements, which I will explain in detail, respond to the circumstances which have changed since the House

acted. For the benefit of new Members, I intend to review the history and some of the issues involved in H.R. 39.

But first, let me outline the contents of this bill.

THE LANDS WE PROTECT

In reviewing the acreage we propose for protection in each land classification, I want to remind my colleagues that Alaska is a whole subcontinent, 375 million acres big.

Of this 375 million acres, we have already given more than 150 million acres to the people of Alaska. In addition, another very sizable portion will remain in Federal land status for development (under the Bureau of Land Management and the Forest Service) and is available for development, without impact from this bill. Only a small portion of Alaska's 375 million acres has been protected by Congress in already existing national parks and wildlife refuges (such as Mount McKinley National Park and the Arctic National Wildlife Range). Finally, there are 56 million acres of federally owned lands which have been dedicated as national monuments for park and refuge protection, as a result of Presidential action which became necessary when the Senate failed to complete action on our House-passed bill last year.

Those recent Presidential proclamations of national monuments (which I will explain in greater detail) were basically a confirmation of the decisions the House of Representatives had already taken when it passed H.R. 39 last year.

NATIONAL PARK SYSTEM LANDS

In the bill I am introducing today, we simply confirm the protection of 41 million acres of national monuments which the President dedicated for management by the National Park Service. We retitle these areas as "national parks," a classification only the Congress can confer. Together with other national parks and national monuments already existing in Alaska, we will have a total of 48 million acres of National Park System lands in that State. Of this total, the bill will provide full statutory wilderness protection for 42.2 million acres in the new and already existing units. This is virtually the same acreage of wilderness classification for park system lands which the House approved last year.

NATIONAL WILDLIFE REFUGE SYSTEM LANDS

In the bill the House passed last year, we established some 76.8 million acres of new national wildlife refuges. Two of these areas are now dedicated as national monuments as a result of Presidential action in December, and are being administered by the U.S. Fish and Wildlife Service. These are the Becharof National Monument and the Yukon Flats National Monument. Our new bill simply confirms the protection of those lands, retitling them as "national wildlife monuments" to stress their particular purpose for wildlife preservation. They total 11.8 million acres.

In addition, the bill provides national wildlife refuge classification for 55.8 million acres of other lands, virtually all of which were approved for that status in the House-passed bill last year. Thus, the total acreage of new wildlife refuges provided for in this bill, together with the two national monuments we confirm and retitle, is less than the total refuge acreage in last year's bill. This is because we have provided for two smaller wildlife refuges (the Teshekpuk National Wildlife Refuge and the Utukok National Wildlife Refuge) encompassing only the prime wildlife habitat areas in what was, in the House-passed bill last year, a single larger "North Slope National Wildlife Refuge" in the area of the existing national petroleum reserve on the North Slope.

Within this total of new wildlife refuge lands, retitled national monuments, and existing wildlife refuges and ranges in Alaska, this bill provides for 35.2 million acres of statutory wilderness protection.

NATIONAL FOREST WILDERNESS

In southeast Alaska our bill overlays wilderness designation on the two national monuments, Admiralty Island and Misty Fjords—two areas of particular importance, both of which were protected in the House-passed bill last year. In addition, we include as wilderness 1.3 additional acres of lands on the Tongass National Forest which were approved last year by the House. Finally, on the Tongass National Forest we also include new areas totaling some 1 million acres, which are lands proposed as wilderness by the administration as a result of the Tongass land management plan for a total of about 6.4 million acres of wilderness. On the Chugach National Forest we again include some 1.6 million acres as wilderness, again lands as proposed by the administration.

Thus, on existing national forest land in southeast Alaska we propose full wilderness protection for a broad spectrum of lands which cumulatively have been endorsed by either the administration, the House, or the Senate Energy Committee.

ACREAGE SUMMARY

This bill provides for a total of 49.6 million acres of new national park system lands and new national wildlife refuge system lands. In addition, it confirms the protection under those two systems for another 52.6 million acres in existing national monuments. We also redesignate portions of existing reserved Federal lands as new refuge units (the Copper River, Teshepuk and Utukok refuges), all of which total 7.7 million acres. The bill makes relatively small additions of unreserved Federal lands to the two existing national forests in southeast Alaska, additions which total 2.74 million acres. Finally, within national forest lands which are, of course, already reserved, we designate for statutory wilderness protection some 9 million acres (which includes lands within the two national monuments on Admiralty Island and the Misty Fjords).

In total then, the land protection provided for in this bill, including confirmation of park and refuge system monuments already dedicated and some smaller reclassification of existing reserved lands, is about 110 million acres. In addition, we designate portions of these lands and portions of the existing national forests in southeast Alaska for the additional protection given by congressional wilderness classification.

These land areas have each been carefully defined, following our guiding principles of ecosystem integrity and administrative rationality. Those modest refinements we have made which differ from the House-passed bill of last year are necessary mainly to accommodate the new national monuments and to update the bill on the basis of new information. (After the main body of my remarks, I am appending an overall summary of the bill and a table of the acreages involved.)

HISTORY IN EVERY VOTE

Several points about this bill merit reemphasis, so let me repeat some of the things I said last May 17, as I opened debate on H.R. 39 on the House floor.

I said then that there would be history in every vote on this legislation. That remains true in 1979.

This challenge of conservation we face in our Federal domain in Alaska is enormous. This is the greatest land and wildlife conservation opportunity ever to be placed before the House of Representatives. Last year, the House acquitted itself splendidly in meeting this challenge. I have every confidence that we shall do so again, and promptly, in this session. In a way not generally true of the day-to-day legislation which comes before this body, H.R. 39 poses an opportunity of truly historic dimensions. In this, the House of Representatives has led the way.

As long as any of us serve in this House, we shall vote on no more vital, more far-reaching, more memorable conservation bill.

As others have said, the votes on this bill will indeed be "the land and wildlife conservation votes of the century."

THE SEIBERLING SUBCOMMITTEE

The bill the House passed last year was a carefully prepared compromise measure. As a result of the finest subcommittee work I have ever observed, led by an indefatigable—and indefatigably fair—gentleman, JOHN SEIBERLING, the House produced a balanced and strong bill.

The Seiberling subcommittee gave H.R. 39 the most complete, most thorough review any conservation bill has ever received. Commensurate with the scale and reach of the Alaska lands themselves, the Seiberling subcommittee set out to build a record in depth, not only on the details of each proposal and the administrative issues involved, but also on the views of the people of Alaska and of the rest of the American people who, in common, are the owners and trustees of these Federal lands in Alaska.

In all, the Seiberling subcommittee spent 25 days in Alaska (and individual Members made additional trips as well). We did not just hold one day of hearings, or just one week. We did not just visit Alaska's urban centers. We held hearings all across Alaska: in the citizens of Anchorage and Fairbanks, in the towns of Sitka and Ketchikan and others, in the villages of Bethel and Kozebue and Togiak and others, and on to far smaller Native villages and gathering places in the "bush," where

we held less formal but transcribed "town meetings." We heard not only from the leaders of government and the captains of industry and from the chambers of commerce, but also from the common people: The workers in the mill towns of southeast Alaska, the fishermen, and the Native peoples who maintain their subsistence lifestyle and culture living close to the land. All in all over 1,000 Alaskans testified.

THE VIEW OF ALASKANS

It will interest my colleagues to know that opinion on this legislation—on the larger, more inclusive, all-wilderness version of H.R. 39 we started within in January of 1977—was sharply and rather evenly divided among Alaskans. As is true in other States where the frontier passed only recently, opinions on growth, preservation, balance and development were strongly held and of great diversity. Support for that strongest version of H.R. 39, even before we scaled it down, was as strong and as widespread among Alaskans as was the opposition. Many individual Alaskans told us, in our hearings, in our "town meetings," and just in encounters along the way in our travels, to above all protect the land and the way of life as it exists today. To them, that is Alaska.

Of course, the Seiberling subcommittee did not confine its search for opinion to Alaska. After all, the lands we are considering in this legislation are not the lands of the State of Alaska, nor the lands of private owners or of Native groups in Alaska. We have already provided very generously for those purposes with other land grants for the State, with accelerated development of millions of acres of Federal lands, and with a just settlement of the Native land claims. Rather, this land considered in H.R. 39 is the residual—the Federal land the rest of us save for ourselves and for the future. This is the land which remains in common ownership by the Federal Government after all our generosity to the State and the people of Alaska. Surely we should consult the opinion, too, of the rest of the American people.

THE PEOPLE WANT A STRONG ALASKA LANDS BILL

The Seiberling subcommittee also held full-day hearings in five regional centers across the "lower 48." Hearings were held in Washington, D.C. (drawing witnesses from all across the East), in Chicago (with witnesses from throughout the Midwest), in Atlanta (hearing citizens from every Southern State), in Denver (drawing witnesses from throughout the mountain West, and as far as from my own hometown of Tucson), and in Seattle (with witnesses from the whole length of the west coast States). About 1,000 witnesses were heard in the "lower 48" hearings. Every shade of opinion was expressed, but the overwhelming weight of citizen testimony favored our original, most-inclusive, all-wilderness version of H.R. 39—by a 4-to-1 margin.

What is absolutely clear from the impressive record compiled by JOHN SEIBERLING and the subcommittee is that American people in every region of the "lower 48" attach the utmost importance to the fate of their lands in Alaska. They care deeply that we in Congress make careful, thoughtful decisions which reflect the national interest in these federally owned park and refuge-caliber wildlands.

HOUSE FLOOR ACTION

After we completed our markup and reported H.R. 39, the bill was sequentially referred for a period to the Committee on Merchant Marine and Fisheries. That committee, too, engaged in careful hearings and review of the bill, and in detailed markup. Ultimately, we took to the floor a bill which merged the major features of both committees. That bill, with some strengthening amendments, but without a single weakening amendment, passed the House of Representatives on May 19, 1978, by a vote of 277 to 31.

THE "YOUNG AMENDMENT"

Prior to the vote on final passage, we had a detailed debate and major rollcall votes on two weakening amendments, which would have created intolerable, conflict-ridden State inholdings in the midst of national parks and national wildlife refuges, violating our careful work to define ecosystem-protecting boundaries. The Young amendment was defeated, 251 to 141.

I should add, since this argument about purported State selection rights in these national interest lands, may arise again, just these two points:

First, in 1958 the Congress granted the new State of Alaska a gift of Federal land, as a statehood grant. This was far and away the most generous grant ever given a new State: 104,000,000 acres. (That contrasts with the 10 million acres Arizona received upon statehood.) But it was even more generous, for with it we gave the State of Alaska the privilege of selecting from any vacant and unreserved Federal land (whereas other States received checkerboard sections in fixed locations) which are vacant and unappropriated at the time of selection. We did not assert an overriding claim by the Federal Government to prime development lands; we allowed the State to select such lands. This is why the State of Alaska and not our beleaguered Federal Treasury receives the revenues from the oil leases on the land at Prudhoe Bay—because the Congress gave the State of Alaska the privilege of selecting that land as its own.

Unfortunately, some in the State of Alaska now are energetically making the argument that their statehood selection privileges, in addition to being more generous than that for any other State, also gave the State an absolute first right to select any land it wanted, ahead of any competing claim (such as those for the "national interest lands)."

This is simply not the case. The State may exercise its selection entitlements, but others—including the Federal Government—may certainly be making arrangements for the permanent dedication of their lands. In the 1971 Alaska Native Claims Settlement Act—which every member of the Alaska congressional delegation vigorously supported—we provided for Federal withdrawals under both subsection 17(d)(1) and subsection 17(d)(2), involving "national interest" and "public interest" lands. The State may, of course, express an interest in selecting from among these categories of federally withdrawn land, but as our committee report last year stressed, for the State—

> to assume that by expressing an interest the lands [in a "d-1" withdrawal] automatically become available is not an accurate interpretation of the legislative history of the 17(d) withdrawals.

In the case of the "d-2" withdrawals, the legislative history is equally clear, again quoting our committee report:

> . . . while the State may indicate an interest in selecting certain of these withdrawn lands, the priorities for land selection and conveyance there are: Village corporations first; the "National Interest" second; Regional corporations third; and the State of Alaska last."

In short, the Federal Government does not stand in line behind the State of Alaska in this matter. I for one believe that it exudes an excessively ungrateful attitude for some Alaskans to now argue that in protecting our own park and refuge lands on the Federal domain in Alaska, the rest of the American people are somehow violating the Statehood Act commitments to the State.

NOW THE "BEIRNE INITIATIVE"

The second point I want to make about the "Young amendment" idea of creating State-selected inholdings in the midst of new parks and refuges in Alaska is this: Things have changed for the worse since we voted on this issue last May. Then, those of us opposed to the Young amendment pointed out that even State-owned inholdings in the midst of conservation system areas create potential for real management and protection difficulties. We expressed our worry that the ultimate development of such lands might not always remain within State control, and that there could be no guarantees of compatible management of these lands.

Well, in November of 1978 the voters of Alaska confirmed our worst fears on this score. They passed the "Beirne initiative" which, under the guise of a sort of State "Homestead Act," proposes to give tracts of State-owned lands, totaling up to 30 million acres, to Alaskan applicants. If this initiative stands expected court tests, such State-owned inholdings within Federal parks and refuges could become wide open to immediate transfer out of State ownership into private hands, in small and fragmented parcels. Without any plans. Without any controls. Without any zoning. In short, we would end up with private inholdings and developments in the middle of our Federal conservation system areas, without any guarantee at all of future compatible management and development, indeed with the almost certainty of incompatible development.

Mr. Speaker, any Member of this House familiar with the exhorbitant prices we are forced to pay to acquire conflict-ridden inholdings in our existing parks and refuges in the "lower 48" can only wince at the prospect now offered by a combination of the Young amendment and the Beirne initiative. We would be faced with buying back,

with money from the taxpayers' pockets, lands the taxpayers now own, after having given those lands away free and clear to the State of Alaska. A more outrageous prospect I find hard to imagine. I do not find it hard to imagine what our own constituents will think if we permit such inholdings to be established, only to have to buy them (and their developments) back later, at enormous expense out of the pockets of the very people who own those lands right now.

There never was a good argument for the Young amendment. Now there is an even more obvious argument against it.

THE "MEEDS AMENDMENT"

The other major attempt to weaken H.R. 39 on the House floor last year was the Meeds amendment, offered by my good friend, the former Congressman from Washington, Lloyd Meeds. This amendment attempted to cut the acreage of wilderness dedications within the new parks and refuges created by the bill. In fact, it would have sliced the wilderness acreage in half. That was rejected by the House, 240 to 119.

Wilderness is what these lands in Alaska are all about. No where else on our land mass and indeed, perhaps on the entire planet, can we or our successors ever again preserve wilderness in its original form on so vast a scale. Here, for probably the last time, we can preserve whole ecosystems and whole wildlife habitats intact, in units which match the scale of the mighty Brooks Range and the sweep of the great Arctic Plain. This is important. It is obviously important to the American people, as the outpouring of support for this legislation so vividly demonstrates. It is important because our people have a fundamental, deep attachment to their land and to these greatest of our wild places, even at a distance. If the tradeoff were wilderness or our economic salvation, we might be forced to violate our last great wilderness. But, here in Alaska, we are not so poor that we must sacrifice our last great wilderness, nor as a society are we so rich (in the nonmaterial sense) that we can afford to disenfranchise future generations of their natural heritage.

In the refined bill I am introducing today, we have increased the total acreage in the protected wilderness classification. We do this simply because we recognize that it is this wilderness classification, laid on top of the general park or refuge designation, which also gives us a statutory guarantee for the perpetuation of the last, greatest wilderness of the Alaskan frontier.

This increase in the wilderness classification (which particularly involves our wildlife refuge areas) is also wise because it takes account of the kind of parks and refuges and forests the American people want in Alaska. I am convinced that our people want wilderness parks, and wilderness refuges, and a fair sampling of wilderness forests. I am convinced that those who will go to these areas in the future, and those who will read of them and dream of them from afar, will want to see and to know these great expanses as wilderness, and as the refuge of wilderness wildlife.

Finally, I have revised the wilderness portion within the areas designated by this bill also in recognition that the House was not able to reach a vote on amendments which would have accomplished this purpose. Because we took 2 days to dispose of the weakening amendments, and because we finished the bill on a Friday, time simply ran out before we could take up amendments which would have expanded the wilderness category, especially within the national wildlife refuges. I am confident these amendments would have been approved and therefore, in order to assure that the House has an opportunity to work its will on this matter this year, I have adjusted the wilderness acreage accordingly.

THE SENATE AND H.R. 39

The Senate never voted on H.R. 39.

In 44 markup sessions, the Senate Committee on Energy and Natural Resources severely cut away at the carefully balanced House-passed bill. After seemingly interminable delays (which were the fruits of a 2-year-long deliberate strategy of delay by the Alaska delegation), the Energy Committee finally reported its bill in the last weeks of the session, too late for any hope of floor scheduling. As a result, those Senators not members of the committee never had a chance to express their judgments on what the committee had done is severely weakening the House-passed bill. Major strengthening amendments which were prepared by numerous Senators could never reach a vote.

Mr. Speaker, the last word from the House of Representatives on an Alaska lands bill was spoken by that 277-to-31 vote on final passage, and by the huge margins rejecting any cut in wilderness acreage or any creation of State-owned inholdings within new park and refuge system units. That will remain our last word to the Senate until we vote again, until they vote on the Senate floor, and until the appointed managers for the two bodies meet in open and formal conference.

Frankly, Mr. Speaker, I think we all know how this Alaska lands issue is going to come out, in general terms. The will of the House of Representatives has been unmistakable, and is even more so today. I am encouraged by the sentiment I expect to see prevail when the Senate reaches its floor votes on these questions. And I am especially gratified by the splendid partnership we have seen on this issue between all three branches of the Federal Government since the adjournment of the last Congress.

PRESIDENTIAL LAND PROTECTION

The Congress, or at least the House, made its will very clear last May. The Senate was blocked from taking final action. Therefore, it was essential that the President act to avoid dangers to the land and wildlife we seek to protect. The December 18, 1978, deadline on interim protection for these lands posed real and very serious threats to the status quo.

In an effort to block Presidential action, the State of Alaska filed a Federal lawsuit in early October. At that point, before the executive branch could complete its procedures and act, it was necessary for the court to rule on motions by the State to temporarily restrain or enjoin the President from acting. I am pleased that an Alaskan Federal district judge, sitting in Alaska, ruled on November 27, dismissing the State's motions and writing at the conclusion of his opinion:

> The ultimate decision on public lands has been delegated to the Congress by Article I of the Constitution and the public interest lies in allowing the Congress to make the ultimate decision. That interest will be hindered if the status quo of the concerned lands is not maintained until the Congress can render that decision.

Thus, on December 1, the President did take action. He acted to protect these Federal lands in Alaska. Upon the advice of Secretary of the Interior Andrus and Secretary of Agriculture Bergland, at the urging of 133 Members of the House and 20 Senators—and in response to the petition of more than 1,500 civic, conservation, and sportsmen's organizations in every State.

The President invoked authorities given him in the 1906 Antiquities Act. I want to emphasize that Congress fully intended to give Presidents this broad land protection authority, as evidenced by the fact that we particularly avoided limiting this Antiquities Act authority in the 1976 Federal and Policy and Management Act, in which we curtailed many other executive land withdrawal powers.

PROTECTING CONGRESSIONAL OPTIONS

Some, including my good friends in the Alaska delegation, have sought to portray the President's action established 56 million acres of national monuments on federally owned lands in Alaska as "an abuse of executive powers." This was no abuse, for the President was acting in full consultation with congressional leaders, and in full partnership with the obvious will of the House of Representatives—and with the blessing of the court. He acted to protect lands this House had fully debated and voted—by huge margins—to protect. He was not invading congressional prerogatives, but protecting congressional options. He was assuring permanent protection for critical lands which had been included in the House-passed bill, precisely to assure that the status quo on those lands would be protected in the interim (however long) until the Congress could overcome minority delaying strategies and complete action. This was no abuse of executive powers, but a splendid partnership among all three branches of the Federal Government, for the protection of a clear national interest. And it was splendid and historic leadership by President Carter.

BALANCE IN ALASKA

Mr. Speaker, 2 years ago when I introduced the first, much larger and more totally protective version of H.R. 39, I said that—

> Today, Alaska is the embodiment of a larger public debate taking place within our society—the debate over the development of a wise and lasting national resource policy. The need for a comprehensive national resource use policy—including carefully addressing the element of resource conservation and preservation—is perhaps more glaringly apparent in the State of Alaska than in any other region of the country.

In H.R. 39, we have found the right balance. Though final congressional action remains to be completed this year, the House has shown the way with a sound and balanced bill. That bill, in the refined version introduced today, reflects the product of 2 years of legislative work by two major committees of this body. It also reflects both the redressing of an existing imbalance toward development of Alaska's Federal lands and a sound compromise with the resource needs of this Nation and the people of Alaska.

In the first place, this bill redresses a serious existing imbalance. The Congress has gone to great lengths to favor the development and prosperity of Alaska and its people. We have responded promptly and generously to every pro-development request we have received from that State—to the request that we clear the way for the trans-Alaska oil pipeline (which we did promptly in Public Law 95–153); to the request for systematic exploration of the national petroleum reserve on the North Slope (which we mandated in Public Law 94–258); to the request for expedited consideration of a proposed Alaska Natural Gas Transportation System (which we responded to in Public Law 94–586); to forest development in southeast Alaska (which we heavily subsidize every year through low stumpage fees, and on and on. We have given up millions upon millions of acres of Federal land as a gift to welcome the new State of Alaska into the Union in 1958 (in Public Law 85–508), and we have settled the confusion over aboriginal land claims by passing the Alaska Native Claims Settlement Act, (Public Law 92–203).

Now, in the name of simply restoring a balance to all this development and land transfer out of Federal ownership, we have a clear obligation to the national interest in these other lands and their superb natural values.

Moreover, this bill already involves many compromises.

"LOCK-UP": THE BIG LIE

We have spent 2 years in careful study as we have located the boundaries of new park and refuge units on the Federal lands in Alaska. We have been very deliberate in examining every resource conflict and adjusting boundaries in accordance with individual assessments by the committees as to the tradeoffs between such resources and the surface values of these lands for park, refuge, and wilderness purposes. In this process, we have recognized, too, that so much of the rest of Alaska's 375 million acre land mass offers these same resources, and are not impacted at all by H.R. 39.

Mr. Speaker, as a result of this painstaking work, approximately 65 percent of the land with metallic mineral potential in Alaska will be outside any of the lands included in H.R. 39; 80 percent of all the land in Alaska will be open to possible development; 87 percent of all the land in Alaska can be opened to sport hunting and to trapping; 90 percent of all the "favorable" and "high potential" oil and gas lands onshore in Alaska are totally outside the conservation areas in this legislation; and 100 percent of all Federal land in Alaska will be available for scientific mineral assessment by our expert Government agencies—the U.S. Geological Survey and the Bureau of Mines—and such assessment is specifically provided for in H.R. 39 and core drilling for geologic information would be authorized everywhere except in units of the national park system.

So much for the "big lie" about economic stragulation and resource "lock-up."

As one who is deeply concerned over the need of the Nation for new sources of minerals as well as the need of the Nation for national parks, wildlife refuges, national forests, and wild rivers, I believe that there is more than enough land in Alaska—Federal, State, Native—to let us satisfy all of these national goals, and this bill provides a proper balance among these competing national needs.

STATES RIGHTS

But are not we being unfair, somehow, to the State of Alaska. Should not other States, particularly public land States, be worried about this? The answer is "No."

On this question of States rights, I will simply repeat what I had to say when I opened floor debate on H.R. 39 last May—

> THE ISSUE OF STATES RIGHTS
>
> Let us just put this issue in its proper perspective: Here we have the most significant, the most historic, the most far-reaching land and wildlife conservation legislation ever placed before this body. We should not be surprised to find every narrow, privileged interest coming in here to try to get some of this land.
>
> Have we in this Congress been unfair to the State of Alaska and its people? Do they have some special claim to more of our Federal land in Alaska that all of your constituents own?
>
> Frankly, I am getting a bit tired of the special pleading of some voices in the State of Alaska. The simple fact is that the United States has been more generous with that State than with any other State in the Union.
>
> First, the United States bought Alaska from the Russians in 1867—and the taxpayers of the rest of the country paid for that.
>
> Then Alaska was admitted to the union in equality with every other State. But we went way, way beyond equality: the United States gave Alaska the largest, richest statehood land grant in history. The United States gave Alaska a whole California—104 million acres. And Alaska got it right off the top, with priority selection opportunity to high-grade the best, richest lands, to mine them, to log them, to do anything they wanted with them. In contrast, my home State Arizona received only 10 million acres at statehood.
>
> You in Alaska have Prudhoe Bay, not the taxpayers and Treasury of the rest of the country. You have been up and down every valley in Alaska, using every bit of resource data you can get to pick out the very best.
>
> Then we lifted the great uncertainty over your future in Alaska by settling the legitimate land claims of the first Alaskans, the proud Native Indians, Eskimos, and Aleuts. We settled their claims with Federal land and with a lot of Federal money.
>
> And, of course, we go beyond that year after year, every time we pass a budget and appropriate the tax revenues of all the American people around here. We give you in Alaska a larger share—by more than twice as much over any other State—of the per capita Federal expenditures in this whole country. Truly, we have given Alaska a kind of "most-favored-State" status.
>
> We have been fair to the State of Alaska—far, far fairer than to any other State in the Union. There is no basis what so ever for any feeling of obligation or "states rights" to this most favored State.
>
> Certainly the views of Alaskans are important in this whole debate and I want to assure my colleagues here today that we have modified this bill to accommodate, to the fullest extent possible, the wishes of the State of Alaska.

It is certainly true that some lands with economic potential will be closed to development by H.R. 39. Our parks and refuges and wilderness areas are not intended to be exclusively wastelands of utterly no value for any other use. To capture the richness and diversity of the scenic wonders and wildlife habitat of Alaska's Federal lands, we must weigh surface values against other values for development. Those lands which remain in this legislation as parks and refuges and wilderness areas do so because of their extremely high habitat, scientific, scenic, and recreational values—which are simply not compatible with logging, mining, oil drilling, and the like.

A CHEAP ENVIRONMENTAL VOTE

At the time of final passage of H.R. 39 last year, one of its few opponents exclaimed that these were just "cheap environmental votes." Nothing could be further from the truth.

Certainly I do not always agree with every position of this country's environmental, conservation, and sportsmen's groups. But I am well acquainted with the leaders of such groups as the Alaskan Coalition, Friends of the Earth, the National Audubon Society, the National Wildlife Federation, the National Parks and Conservation Association, the Wilderness Society, and the Sierra Club. When these groups tell us—as they do—that to them the votes on this Alaska legislation are "the land and wildlife conservation votes of the century," then I find it hard to believe they and their followers around the country think of these as "cheap votes." I know from my own travels and from my own constituents that a very broad spectrum of the American people are aware of this Alaska lands legislation and are highly supportive of what it seeks to accomplish. The active support of such organizations as the United Mine Workers of America, the National Association of Senior Citizens, the Garden Club of America, the Oil, Chemical and Atomic Workers International, the American Littoral Society, the United Automobile Workers, and the National Speleological Society, and of regional groups such as the Ozark Society, the Federation of Western Outdoor Clubs, and the Appalachian Mountain Club—not to mention Alaskan groups by the dozens—all testify to the broad public interest in this legislation.

CONCLUSION

Mr. Speaker, this Alaska national interest lands issue goes beyond the drawing of boundaries and the totaling up of acreage. It speaks to the heart of our public land policy—how much and what type of land we are willing to protect in return for having demanded so much in terms of resource development. It speaks to our responsibility as stewards of the land, to provide future generations not merely fragmented remnants of our natural heritage, but with whole, intact, truly magnificent ecosystems.

Today, these parts of Alaska are the last great unspoiled pieces of America still within our power to save for the future.

As I said here on the House floor last May, there are some who will remain vehemently opposed to this legislation—in any form. Regardless of the concessions that have been made, they will always try to "up the ante" by demanding even more concessions. Indeed, as Senator STEVENS candidly admits in an interview published in the December issue of Alaska Industry magazine, his delaying tactics last year blocked a bill containing greater concessions to parochial Alaska interests than "most people in Congress" were prepared to give.

Perhaps the rest of us would not be so concerned about our land in Alaska if it were a different time and a different place, if we still had other Alaskas to develop and to exploit. But, there are no more Alaskas. There will be no more opportunity after this, on so vast a scale. Thus, each of us in this House must ask, as we come to vote again on H.R. 39: Have we as a nation learned anything? Have we been sufficiently enlightened by our past mistakes in the "lower 48"? Or have we forgotten the lessons of Appalachia, the devastated landscapes, the 50,000 miles of once pristine rivers now rendered useless? Have we forgotten the timber barons of another era who left us millions of acres of denuded forests? Have we forgotten the buffalo whose limitless numbers were decimated to the brink of extinction in one short decade?

I would like to think we have learned; that our Nation is still great enough to have it both ways.

We can set aside the last remaining vast areas of wilderness and wildlife habitat to meet our obligations to present and future generations, and yet be responsible and flexible enough to assure that there are other lands to explore and develop, with care and sensitivity, to meet our material needs, too.

The tide of modern technological development is about to sweep over Alaska. The discovery of oil at Prudhoe Bay a decade ago is only the most obvious of a whole rash of developments now underway or being readied for implementation. All this is causing a rapid change in the Alaskan lifestyle. Not in our generation, nor ever again, will we have a land and wildlife conservation opportunity approaching the scope and importance of this one.

This time, given one great last chance, let us strive to do it right.

SUMMARY OF PROVISIONS OF ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

GENERAL SUMMARY

The bill is based upon the legislation (H.R. 39) passed by the House of Representatives in the 95th Congress after being reported (in slightly differing form) by the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries. It also builds upon the foundation laid by President Carter when, by proclamations of December 1, 1978, he designated 17 areas which were included in the House bill as new National Monuments.

Thus, the bill confirms the National Monuments established by the President, and in addition designates additional units of the National Wildlife Refuge, National Forest, and National Wild and Scenic Rivers Systems. (The overall acreage so redesignated or designated, however, is about 15 million acres less than would have been similarly designated by enactment of the House bill of last year.)

There are a number of differences between the House bill of last Congress and the new bill. These are the result of developments which have occurred since the House acted in May, 1978. For example, since the House acted, the U.S. Forest Service has completed its studies under the Tongass Land Use Management Plan, and information and suggestions developed through the program have been incorporated into proposed wilderness designations in the Tongass National Forest.

Another difference between last year's bill and this one also results from new developments. During the past year the Department of the Interior, under the leadership and direction of Secretary Cecil Andrus and Assistant Secretary Guy Martin, has acted to streamline its procedures and to remove administrative or legal obstacles to an accelerated transfer to the Alaska Natives and the State of Alaska of the lands to which they are entitled under the Alaska Native Claims Settlement Act and the Alaska Statehood Act. As recently as January 4, Secretary Andrus announced an expedited conveyance of most of the land due the State under the Statehood Act, promised to rescind a number of public land orders inhibiting such conveyances, and increased the staff assigned to process Alaska's land applications. Thus, the new bill omits many of the complicated provisions which were intended to produce just such an acceleration of land conveyances, although it does include a number of other provisions which will improve the administration of the Alaska Native Claims Settlement Act. I have great confidence that Secretary Andrus and the Department of the Interior will continue to move toward a rapid transfer of undisputed land selections to the State, and to a speedy implementation of the Settlement Act's provisions for land transfers to Alaska Natives. Of course, our Committee will monitor developments in this area, and if there is reason to believe that new legal tools are needed for the Secretary to meet this goal, we will be ready to propose such legislation, so that past delays in completing the land transfers to the Natives can be eliminated.

TITLE-BY-TITLE SUMMARY

TITLE I—FINDINGS, POLICY, AND DEFINITIONS

The first title contains the Congressional findings and declarations of policy which underlie the entire bill, and defines a number of the most important terms which are used throughout the bill.

There are 12 findings, upon which are based 7 general policies.

The first finding sets forth the legislative background for the bill, namely the Alaska Statehood Act and the Alaska Native Claims Settlement Act.

The second finding is that while Presidential and other administrative actions have properly and appropriately provided for the protection of nationally and internationally significant resources of the public lands in Alaska, Congressional action is required to afford complete protection which the resources merit.

The third finding notes the fact that wilderness is a distinguishing characteristic of the public lands in Alaska, is central to the continuation of Alaska's cultural values, and merits preservation, but that it is under increasing pressure from threatened intrusions and incompatible activities.

The fourth finding notes that several wildlife species, including ones threatened, endangered, or depleted elsewhere, depend for their survival on the maintenance of wilderness habitats in Alaska.

The fifth finding is that selective representation of diverse natural communities, including pristine, free-flowing rivers, should be preserved as units of Federal land conservation systems.

The sixth finding is that the world is losing wilderness habitats and associated values at an alarming rate, so that the wilderness and wilderness habitats in Alaska have a global importance and their permanent protection is a reasonable and attainable national objective.

The seventh finding notes that the continuation of the opportunity for subsistence uses by Natives of Alaska of renewable resources on public lands and Native lands is essential to their physical, economic, and cultural existence.

The eighth finding is that continuation of the opportunity for subsistence uses of renewable resources on public lands by other rural residents in Alaska is essential to their physical, economic, and traditional existence.

The ninth finding notes that the subsistence situation in Alaska is unique, because of the frequent absence of practical alternative means to replace the food supplies and other items gathered from the renewable resources of the public lands by persons dependent on subsistence uses.

The tenth finding notes the threatened situation of continued subsistence uses, as a result of population pressures, wildlife population declines, increased access to remote area, and taking of fish and wildlife in ways inconsistent with proper management principles.

The eleventh finding is that it is necessary for Congress to protect and provide for continued subsistence uses on public lands by Alaska Natives and other residents of rural Alaska.

The twelfth finding is that the national interest in proper regulation, protection, and conservation of the fish and wildlife on the public lands and continuation of the opportunity for a subsistence way of life require establishment of an administrative structure enabling local people to have a meaningful role in conservation and utilization of fish and wildlife and the management of subsistence uses on the public lands.

Policies

Based on the findings, there are set forth seven basic policies.

The first is that it is necessary to immediately designate or redesignate public lands in Alaska for inclusion in the systems of National Parks, National Forests, National Wildlife Refuges, Wild and Scenic Rivers and the National Wilderness Preservation System Taken together, these units are able to assure the realization of a number of specific goals: the preservation of unrivaled scenic, wildlife, and geologic values associated with natural landscapes; the management in a natural state of extensive unaltered arctic tundra, boreal forest, and coastal rainforest ecosystems; the protection and preservation of cultural values of both Native and non-Native people and the renewable resources related to their subsistence needs; the maintenance of sound populations of, and habitat for, a number of wildlife species, including species which need extensive undeveloped areas; the protection and interpretation of historic and archeological sites; the maintenance of wilderness resource values; maintenance of multiple watershed, flora, fauna, and subsistence values; and the preservation of free-flowing rivers. In addition the units will maintain opportunities for scientific research in undisturbed ecosystems.

The second policy relates to the planning, management, and administration of the conservation system units, and states that in these processes intangible values shall be considered on an equal basis with values which can be quantified; sound ecological principles shall be adhered to; and full public participation shall be encouraged.

The third policy is that the public should have access to the public lands in Alaska, including access to the conservation system units consistent with the purposes for which the units are established.

The fourth policy is that management policies on the public lands in Alaska are to cause the least adverse impact possible on rural people who traditionally and consistently depend on subsistence uses of the resources of such lands, consistent with management of fish and wildlife in accordance with recognized scientific principles and the purposes of the conservation system units.

The fifth policy is that nonwasteful subsistence uses of fish and wildlife and other renewable resources by rural residents is to be the first priority consumptive use of such resources on the public lands in Alaska.

The sixth policy is that Federal lands managers, so far as possible and lawful, in managing subsistence activities and renewable resources, are to cooperate with adjacent land owners and land managers.

The seventh policy is that the Federal government in implementing this Act, is to give continuing consideration to the interest of the State of Alaska (and its subdivisions) and the Native corporations in maintaining a viable economy and providing employment for citizens of Alaska.

Definitions

Section 103 contains definitions of 20 of the terms used repeatedly in this bill. One of the most important is the definition of "public lands". Because only "public lands" are added to the conservation system units, although other lands may be within the boundaries of such a unit, this definition is intended to make it clear the establishment or expansion of the conservation system units will not involve the taking of any State lands or any Native selections. Thus the tentatively-approved State selections under the Statehood Act, as well as the lands which the State has received or will receive under that or other Acts, are excluded from the definition of "public lands." (And, of course, lands already patented into State or private ownership also excluded.) Similarly, valid Native selections are not included in "public lands," even though the lands may not yet have been conveyed to the Native corporations entitled to receive them under the Alaska Native Claims Settlement Act.

Another term is "conservation system unit," which means any unit in Alaska of the National Park System, National Wildlife Refuge System, Wild and Scenic Rivers System, or National Wilderness Preservation System and includes those units which exist now, those units which would be established by the bill, the additions to existing units which would be made by the bill, and any units or additions added later.

TITLE II—NATIONAL PARK SYSTEM

The 13 National Monuments which President Carter designated as units of the National Park System are redesignated as National Parks. In addition, three new Park System units are designated as National Preserves (Lake Clark National Preserve, Bering Land Bridge National Preserve, and Noatak National Preserve): these are to be administered in the same manner as National Parks, except that sport hunting could be permitted under regulation. In addition, Glacier Bay National Monument is redesignated as a National Park and the Denali National Monument is combined with Mt. McKinley National Park into Denali National Park.

Appropriate parts of the National Parks are designated as wilderness.

TITLE III—NATIONAL WILDLIFE REFUGE SYSTEM

The Yukon Flats and Becharof National Monuments, designated by President Carter for administration by the U.S. Fish and Wildlife Service, are redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units of the National Wildlife Refuge System conform closely to the lands and waters withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act and which the Secretary is in process of withdrawing permanently. Appropriate portions of the National Wildlife Refuge units are designated as wilderness areas.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning an unusually concentrated population of bald eagles in the Chilkat River area of southeastern Alaska. Each study is to be aimed at determining whether additional measures should be taken for proper protection of these populations.

TITLE IV—NATIONAL FOREST SYSTEM

Section 401 adds 1.450 million acres of public lands to the Tongass National Forest; and adds 1.290 million acres of public lands to the Chugach National Forest.

Appropriate areas, based on the results of the Tongass Land Use Management Plan, and recently completed studies of the Chugach National Forest, are designated as wilderness. A wilderness study area, in the Chugach National Forest, is designated the purpose of which is to provide information and reach decisions not only on wilderness values, but aquaculture needs, alternative land selections for Chugach Native corporations, and numerous other proposed and potential activities in the Prince William Sound area. The U.S. Forest Service, Department of Agriculture has assured me that designation of appropriate wilderness units in the Chugach and Tongass National Forests will not interfere with the timber industry or affect current related employment in Southeast Alaska.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to enable timber harvesters in Alaska to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

TITLE V—NATIONAL WILD AND SCENIC RIVERS SYSTEM

The bill designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study for possible future inclusion in the system. (Other rivers inside the national parks and national wildlife refuges are specified as wild or scenic rivers.)

TITLE VI—FEDERAL-STATE COORDINATION

This title provides for creation of an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal and State landowners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

TITLE VII—SUBSISTENCE

This title is based on the House-passed bill of 1978, with some refinements drawn from the corresponding sections of the bill reported last year by the Senate Committee on Energy and Natural Resources. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and wildlife on the public lands in Alaska so as to ensure that persons who are dependent upon such resources for their subsistence would have a priority for so using those resources, should it be necessary to impose restrictions on taking. As with last year's bill, there are provisions for appropriate federal oversight of this State responsibility, insofar as the public lands and their resources are concerned. As was the case with corresponding provisions of the 1978 bill, this title clearly enhances, rather than contradicts, the State's fish and wildlife management responsibilities—and in this regard it goes beyond the existing law which would otherwise apply on many portions of the public lands in Alaska.

TITLE VIII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of this title deal with access and with mineral assessments and mineral rights.

Transportation and access

The bill provides for the applicability of existing laws governing access to or on national parks, national wildlife refuges, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholders. It authorizes access for mineral assessment on all public lands in Alaska. It provides for snowmobile access across wild and scenic rivers and it permits the Secretary to authorize the construction of an oil or gas pipeline across wild and scenic rivers in Alaska. Furthermore, it guarantees rights to traditional access across conservation system units.

Mineral assessment and rights

This title also includes a mandate to the Secretary of the Interior that he assess the mineral potential of all public lands in Alaska—both outside and inside conservation system units. The bill would permit the use of core drilling for geologic information in conservation system units except those in the National Parks System. Additionally, the bill mandates that the Secretary provide access for mineral assessment activities, including those under the National Uranium Resource Evaluation program. The bill authorizes the Secretary to utilize private companies to carry out all or any portion of these mineral assessment programs. The title has an explicit recognition of all valid existing mineral rights on public lands

within conservation system units, and explicit permission for holders of such rights to carry out activities related to the exercise of such rights.

TITLE IX—IMPROVEMENTS IN ADMINISTRATION OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve administration of that Act. These provisions are based upon similar recommendations of the Senate Energy and Natural Resources Committee which were included in the bill which that Committee reported last fall. They deal with a number of problems in the administration of the Alaska Native Claims Settlement Act, a topic which our Committee, through oversight hearings by the Subcommittee on General Oversight and Alaska Lands, explored during the last Congress.

The Senate Committee's reported bill also included a number of proposed land-exchange provisions which reportedly have been suggested to that Committee by the Department of the Interior and other parties (such as the State of Alaska and one or more Native corporations) who would have been involved in the various exchanges. While I believe that most if not all of these proposals have merit and deserve to be carried out, since our Committee has never had an opportunity to examine these or to hear testimony concerning their details, I have not included them in the bill I am introducing today. I do expect that our Committee will be looking at these as we consider this legislation, with an eye to including such of them as we believe merit enactment.●

Mr. EDWARDS of California. Mr. Speaker, when historians look back on the 96th Congress, they will no doubt praise it for its wisdom and vision. I say this with no reservations because I know this Congress is on the eve of giving final approval to the most important piece of conservation legislation this century, the Alaskan lands bill.

Mr. Speaker, one of the great disappointments of the 95th Congress was the Senate's failure to complete action on H.R. 39, the Alaska National Interest Lands Conservation Act. This historic measure was carefully crafted by my respected colleagues MORRIS UDALL, JOHN SEIBERLING, JOHN MURPHY, and ROBERT LEGGETT, and it passed the House by an overwhelming 277 to 31 vote last May.

In the wake of the Senate's failure to act on H.R. 39, 126 Members of the House, led by MORRIS UDALL, wrote the President asking that he take strong Executive action to continue protection of Alaskan national interest lands. Members of the Senate wrote a similar letter to President Carter. The letter stated in part:

(W)e applaud your Administration's announced commitment to protect Alaskan lands—and encourage you to use the strongest executive authority—specifically, your authority under the Antiquities Act of 1906 to establish national monuments.

Mr. Speaker, on December 1, 1978, President Carter responded boldly by designating 15 national monuments in Alaska. Establishment of these monuments protects Alaska's invaluable wildlife and wilderness—what the Los Angeles Times in a recent editorial called "every American's heritage." President Carter's unprecedented action earned him the accolade as "the greatest conservation President of all time."

Now Mr. Speaker, the 96th Congress has the chance to achieve similar fame. The responsibility is upon us once again as it was last year, to protect this pristine area. All of us are confronted each and every day with the changes brought by modern technology. Today, each Member has a color TV in his or her office to watch the day-to-day proceedings on the House floor. Computers, printing machines, and complex telecommunication systems illuminate each of our offices. While these changes are good and will continue, I think this age offers a new dimension in American advancement—the preservation of our scenic and wild areas. When our grandkids and their grandkids look back at the 96th Congress, I know they will marvel at our ability to reach out to protect these ever-shrinking areas. The realization of the fact that these areas will be lost unless we the Congress act, should be the impetus for making the Alaskan lands bill a top priority in 1979. When President Carter took these actions regarding proclamation of monuments, he said:

. . . they are taken in hope that the 96th Congress will act promptly to pass Alaska lands legislation.

The full text of President Carter's statement is included here for the RECORD:

STATEMENT BY THE PRESIDENT

Our nation has been uniquely blessed with a vast land of great natural beauty and abundant resources. Once these gifts seemed limitless. As our people have spread across the continent and the needs for development reach once distant frontiers, we realize how urgent it is to preserve our heritage for future generations.

Today I have taken several actions to protect Alaska's extraordinary Federal lands. Because of the risks of immediate damage to these magnificent areas, I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year.

Passing legislation to designate National Parks, Wildlife Refuges, Wilderness Areas and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. There is strong support for such legislation in the Congress. In the 95th Congress, the House of Representatives overwhelmingly passed an Alaska bill. A bill was reported out of the Senate Committee, but time ran out and the Senate was unable to finally pass a bill. Because existing "d-2" land withdrawals under the 1971 Alaska Native Claims Settlement Act expire on December 17, much of the land to be protected by legislation would be unprotected and perhaps irrevocably lost if I did not act now.

Accordingly, along with Secretaries Andrus and Bergland, I have taken the following actions:

—I have signed proclamations under the Antiquities Act of 1906 designating as National Monuments 17 of the most critical areas proposed for legislative designation—13 proposed National Parks, two proposed Wildlife Refuges and two proposed National Forest Wilderness areas.

These areas, totaling approximately 56 million acres, contain resources of unequalled scientific, historic and cultural value, and include some of the most spectacular scenery and wildlife in the world. The Antiquities Act has been used in the past to preserve such treasures, for example by President Teddy Roosevelt who designated the Grand Canyon in this way. The Monuments I have created in Alaska are worthy of the special, permanent protections provided by the Antiquities Act. They will remain permanent Monuments until the Congress makes other provisions for the land.

—I have directed Secretary Andrus to proceed with necessary steps to designate National Wildlife Refuges for the remaining twelve proposed refuge areas, an additional 40 million acres.

—Secretaries Andrus and Bergland have already taken steps under Section 204 of the Federal Land Policy and Management Act to withdraw or segregate all of the areas covered by either Congressional or Administration proposals from mineral entry and selection by the State of Alaska.

Each of the areas protected by these actions is exceptional and valuable. Among the treasures to be preserved are the nation's largest pristine river valley, the place where man may first have come into the New World, a glacier as large as the State of Rhode Island and the largest group of peaks over 15,000 feet in North America. Breeding areas of the Great Alaska brown bear, caribou and Dall sheep, and of ducks, geese and swans that migrate through the other 49 States each year will also be protected.

In addition to preserving these natural wonders, historical sites and wildlife habitats, our actions will ensure that Alaskan Eskimos, Indians and Aleuts can continue their traditional way of life, including hunting and fishing.

In Alaska we have a unique opportunity to balance the development of our vital resources required for continued economic growth with protection of our natural environment. We have the imagination and the will as a people to both develop our last great natural frontier and also preserve its priceless beauty for our children and grandchildren.

The actions I have taken today provide for urgently-needed permanent protections. However, they are taken in the hope that the 96th Congress will act promptly to pass Alaska lands legislation.

It is my genuine hope that the House can start the new year, and the new Congress, with a ringing endorsement of President Carter's action and the legislation drafted by MORRIS UDALL and others. To that end, I am today joining MORRIS UDALL and my many other colleagues as a cosponsor of the Alaska National Lands Conservation Act.

Mr. Speaker, let us all rise to this occasion and once again overwhelmingly approve this measure. History will judge favorably these efforts to protect Alaska and her wilderness.

The full text of the Los Angeles Times editorial entitled, "Every American's Heritage" is included here for the RECORD:

EVERY AMERICAN'S HERITAGE

President Carter has put a double lock on 56 million acres of primitive federal lands in Alaska to compel that state's politicians and developers to accept a reasonable plan for the management of one of the world's most magnificent scenic resources.

Carter's designation of the vast area as national monuments, off-limits to mineral exploration and logging, is without precedent. It is far greater in scope than the cumulative actions taken 75 years ago by President Theodore Roosevelt in creating the national park system.

Together with an additional 54 million acres, withdrawn from development by Interior Secretary Cecil D. Andrus three weeks ago, the protection of federal lands in Alaska now covers 170,000 square miles, an area larger than California.

The President's executive order more than doubles the size of the national park system and adds more than 10 million acres to the national wildlife refuge system.

Carter was facing a deadline. Under the Alaska Native Claims Settlement Act of 1971, Congress had until Dec. 16 to assign permanent use designations to the massive tracts. But Democratic Sen. Mike Gravel was responsible for killing the necessary legislation earlier this year. In the absence of a law, many of the tracts would have become open for state claims or for mineral and oil exploration if Carter had done nothing. Andrus' earlier withdrawal of the full 110 million acres by administrative action would have been binding for only three years and would have become immediately vulnerable to challenge in the courts. But the President's action accords permanent protection to 56 million acres and only Congress can act to reduce or enlarge the preserves.

Predictably, Gravel said Carter's decision would cause grave economic dislocations within Alaska by foreclosing development of its natural resources. But that argument ignores the Administration's findings that 90 percent of high potential oil and gas areas and 70 percent of the most promising hard-rock mining areas would remain open for exploration.

The 56 million acres now under permanent protection as national monuments were chosen because of their unique scenic importance, and include wild rivers, lakes, rain forests, glaciers, tundra and the largest number of mountain peaks over 15,000 feet in North America.

The lands are also the habitat of many species of wildlife—caribou, wolves, waterfowl, mountain sheep, walruses and polar bears.

The areas in dispute were federal preserves long before Alaskan statehood and belong to all the people of this country. But Gravel and developmental interests continue to insist that the state should have an excessive control over their future.

Carter is amenable to compromise. He said he signed the executive order "in the hope that the 96th Congress will act promptly to pass Alaska lands legislation." It is probable however—and also desirable—that Administration agreement to appropriate development would affect only the 54 million acres under Andrus' temporary protection, although Congress has the authority—barring a presidential veto—to open up sections of the new national monuments as well.

Gravel is fighting a losing battle. If he returns to his obstructionist tactics at the next session, he will be threatening the very economic interests he claims to be defending.

The Administration is agreeable to reasonable resource development in tracts where it will not cause unacceptable ecological damage. But until there is legislation identifying those areas, no mining or lumbering can take place.

If Gravel thwarts congressional action again next year he—not the Administration—must accept the blame for the serious impact it will have on Alaska's economy.

FOREIGN AID—IT IS ALIVE AND WORKING IN ITALY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 10 minutes.

● Mr. ANNUNZIO. Mr. Speaker, we have all heard horror stories about the misuse of foreign aid. These stories range from corruption in foreign countries in connection with the handling of the foreign aid money to countries who accept our foreign aid and then do everything in their power to work against us, either politically or economically. In fact, almost all the stories that we hear lately concern the negative aspects of foreign aid.

Today, I am happy to report on a positive note concerning the foreign aid extended to Italy in connection with the 1976 earthquake.

For those who do not like to listen to or read long speeches, let me give you the bottom line first and then fill in the details.

The $50 million voted by the Congress for use in rebuilding the earthquake area in the Friuli region of Italy is being used in a most constructive manner. It is being used for schools and old people's homes, and the U.S. taxpayers are getting the full measure of their dollar investment. There is no scandal connected with the program and the Italian people are most grateful for this country's help.

Mr. Speaker, the results of the U.S. $50 million investment in the rebuilding of the earthquake region are truly a tribute to a small group of Americans working without publicity or plush surroundings, and the determination of the people in the earthquake area who would not give up but chose to remain and rebuild their homes and their lives.

On May 6 and again on September 15, 1976, the Friuli, one of Italy's proudest but least known to outsiders, region was ravished by earthquakes registering 6 plus on the Richter scale. The Friuli is a region of diverse geography centered on the cities of Udine and Pordenone in northeast Italy and reaching from the Adriatic to the borders of Austria and Yugoslavia. Its 1.2 million people carry on a long tradition of democracy, hard work, self-reliance and pride. The Friulani preserve their own identity even to the point of having their own language, Friulano, a combination of Celtic, Latin, and modern Italian, virtually incomprehensible to their non-Friuli countrymen.

The damage and casualties from the earthquake was spread out over an area of almost 2,000 square miles. When the horror was over there were 939 dead, 2,400 injured, 32,000 people left homeless and the homes of 150,000 people seriously damaged. Material damage was estimated at $3.3 billion and losses in earnings at another $1.6 billion.

Shortly after the first quake I introduced legislation which was cosponsored by 67 Members of this body, appropriating $25 million for relief and rehabilitation in the earthquake area. Of that amount $1 million was spent within a month for medicines and emergency supplies. The remaining $24 million was allocated for construction of four centers for the aging and eight schools.

The decision to proceed with this building program followed exhausted analysis of other possible uses of the funds. Hundreds of projects advocated by many different public and private groups were eliminated from consideration because their results were uncertain. Prefabricated structures, which would inevitably have disappointed the people of the Friuli because of their appearance and their surprisingly high cost, were avoided. Schools were an obvious priority for without them many parents of school-age children would have elected to leave the region.

Construction of centers for the aged was another natural priority given the large number of elderly and the difficulties which they faced in finding shelter. Many of the elderly saw their life's savings, invested in their houses, vanish and they could not, given their age, earn the necessary money to rebuild.

When the second tremor struck on September 15, 1976, all of the U.S. funds had been committed mainly for projects in the province of Udine which had borne the brunt of the first shock. No funds remained to offset the new losses which hit the province of Pordenone and Carnia with particular severity. Recognizing this, the Congress provided an additional $25 million in late 1977 as part of the 1978 Foreign Assistance Act. Most of these funds were quickly committed.

Because the initial funding program had been so successful it was decided to follow basically the same arrangement with the second appropriation. Thus, $22 million in new funds were earmarked for six additional schools and three more centers for the elderly. The remaining funds are being held in reserve to cover contingencies for both the first and second program.

When the funds were first approved by Congress the responsibility for dispensing the earthquake aid was given to the Agency for International Development which is headed by our former colleague, John Gilligan. He appointed Mr. Arturo G. Costantino to be Director of the Italian earthquake recovery program. It was Mr. Costantino who developed the program for concentrating money and energy into building schools and centers for the aging. And much of the credit for the success for the program must go to Mr. Costantino.

In late November of last year it was my privilege and honor to visit the earthquake area to officiate at ceremonies turning over the first school financed by the United States to the city of Maniago Libero. Most of the city's 10,500 residents attended the ribbon-cutting ceremony and everyone from Mayor Domenico Pitton to the schoolchildren themselves expressed gratitude to the United States for its help in rebuilding their town.

At the dedication ceremonies I emphasized the long friendship of the United States and Italy, the large number of Italian immigrants who have contributed so much to make the United States what it is today and the pride I shared with the people of Maniago that we had together built such a fine school.

Later I visited other construction sites and had an opportunity to meet with the mayor of Gemona, a city virtually wiped out by the two earthquakes. Although many of the structures of the town were destroyed, the spirit of the town was best

typified by its mayor, Ivano Benvenuti, who told me that his town would rebuild and carry on.

We also visited Osoppo where the town's mayor, Valentino Trombetta, showed me the large school being built there with U.S. funds.

I was not able to visit all of the building sites, but I did visit AID headquarters in the earthquake region and saw scale models of all of the projects. Every one of the projects is designed to blend in with local architecture. And the leaders in each community were given an opportunity to help in planning the structures.

I might add that the AID headquarters in the earthquake region are themselves an important story. The offices are small and spartan by modern standards, and are located on the outskirts of Udine in a factory operated by an Italian subsidiary of the Carnation Milk Co. which wanted to contribute to the American effort. The entire office setup costs the American taxpayers only $1.

It might be assumed that because of the large number of dollars involved in this program, and the vastness of the undertaking that a huge staff is required, just the opposite is true. The AID program in the earthquake area consists of only four professionals and a secretary. Working with Mr. Costantino are Mike Vogel, formerly AID's chief, the Office of Engineering; Tullio A. Biagini, who is responsible for liaison with the many townships and Italian private and public agencies involved in the program; and John Saccheri, an engineer who serves as liaison for the architects and construction firms involved in the projects.

Mr. Speaker, in closing let me point out that in many countries visiting Americans are greeted with "Yankee Go Home" signs. In the earthquake region of Italy, however, I saw an entirely different type sign. In the center of every town where a U.S. project was underway was a huge sign written in both English and Italian featuring the Italian and American flag. The signs, which in many cases were 8 feet tall, expressed gratitude to the United States for its help and compassion. Perhaps in a much simpler language the sign would say, "Yankee, Thank You Very Much."●

HONORING MARTIN LUTHER KING, JR.

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today is the 50th anniversary of the birth of the late Dr. Martin Luther King, Jr. As one who worked on civil rights cases in the early 1960's, his cause has a special meaning to me. His tireless, well-organized, and inspiring campaigns to obtain equal rights for black Americans and to eliminate poverty and social injustice still serve as a model to all of us today in our search for peace and harmony among ourselves and among people of all nations.

He brought Americans together to work side by side for social reform and encouraged others, such as women's groups, to fight for equal rights.

Today, his birthday, is a fitting time for Congress and the entire country not only to honor him with words, but also to reaffirm by deeds our commitment to his dream for a just, decent America.●

NONDISCRIMINATION IN INSURANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, as this new 96th Congress convenes, I invite all Members of the House to cosponsor the bill I introduced today, "Nondiscrimination in Insurance Act of 1979."

The single objective of this bill is to prohibit insurance companies from discriminating against applicants for insurance and persons who are insured, on the basis of race, color, religion, sex, or national origin.

I. DESCRIPTION OF THE BILL

I drafted this bill along the pattern of three existing laws which now prohibit such kinds of discrimination in—

Employment: Title VII, Civil Rights Act of 1964 (42 U.S.C. 2000e);

Housing: Title VIII, Civil Rights Act of 1968 (42 U.S.C. 3601);

Credit: Equal Credit Opportunity Act (15 U.S.C. 1691).

Under this bill, a person alleging that an insurance company has committed an unlawful discriminatory action—an action specified in the bill on the basis of race, color, religion, sex, or national origin—must first file the charge with the appropriate State agency, if the State has a law prohibiting such discriminatory action and an agency to administer that law. If the State has no such law or agency, or if the State agency doesn't resolve the charge, the complainant must file the charge with the Federal Trade Commission (FTC). If the FTC fails to resolve the charge, either the FTC or the complainant may then institute a court action. The bill provides only civil sanctions—injunctive and monetary—it has no criminal sanctions—and will apply only to the future and not be retroactive to periods prior to its effective date.

II. WHY THIS BILL SHOULD BE ENACTED

The business of insurance is rife with discrimination—against blacks in connection with accident and casualty and health insurance—and against both men and women, in different ways, in life insurance and annuities. The insurance industry (which formerly discriminated quite openly against blacks on the grounds that blacks have higher mortality rates, were more irresponsible or negligent, or were otherwise economically burdensome to insure) no longer makes such arguments, but nevertheless continues to discriminate against blacks in more subtle ways. However, sex discrimination in the insurance industry is still blatant and widespread. It is time to end such kinds of discrimination in insurance.

III. THE INSURANCE INDUSTRY'S ARGUMENTS FOR CONTINUED SEX DISCRIMINATION ARE UNJUSTIFIED

The insurance industry argues that sex discrimination is justified because "women as a group have longer life expectancy than men as a group." The same justification can be made for discrimination against blacks because white persons as a group have a longer life expectancy than black persons as a group. However, such discrimination is now, and should be, totally rejected.

Furthermore, that justification is based on a distortion of the "average" woman and the "average" man. The fact is that most men and women can be paired at death age. For example, the Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF) filed figures in the Supreme Court Manhart case (discussed below) concerning the survival experience of 100,000 males and 100,000 females retiring at age 65. TIAA-CREF's figures showed 86,193 women had the same death age as 86,193 men, 13,807 more males than females died at ages 66–80, and 13,807 more females than males died at ages 81–100.

Thus, because less than 14 percent of the women did not match the death ages of the men, all women receive lesser monthly retirement benefits than all the men, and all men receive more monthly retirement benefits than all the women. A reverse type of discrimination occurs in life insurance lump-sum payments, that is, because less than 14 percent of the men did not match the death ages of the women, all men pay higher premiums for life insurance than women, and in those cases where the men elected joint and survivor benefit plans, the men suffered a greater reduction in their annuities than all women annuitants who elected the same plan.

The insurance industry computes life insurance and annuity rates and benefits almost exclusively on the basis of sex, and disregards other more accurate classification criteria, such as smoking habits, physical condition, geographic location, family health history, recreational and occupational activities, et cetera.

Recent court decisions involving suits by employees and retirees against employers have ruled that title VII of the Civil Rights Act of 1964, which prohibits sex discrimination in employment, prevents the use of sex-based differentials in the rates and benefits under annuity and pension plans, including those operated or supported by insurance companies for employers. On April 25, 1978, the U.S. Supreme Court squarely rejected the insurance industry's argument that group discriminatory treatment as to insurance rates and pension benefits can be justified on the basis of actuarial tables indicating longer life expectancy for a group (females, or white persons) than for another group (males, or black persons). *Los Angeles Dept. of Water & Power* v. *Manhart*, 435

U.S. 702, 98 Sup. Ct. 1370, 55 L. Ed. 2d 657. This case involved an employer-operated pension plan requiring women employees to make greater payments than men employees to the pension plan. The Supreme Court ruled that the title VII statutory prohibition against sex discrimination focuses "on the individual" and therefore "precludes treatment of individuals as simply components of a racial, religious, sexual, or national class . . . Even a true generalization about the class is an insufficient reason for [treating differently] an individual to whom the generalization does not apply" because "there is no assurance that any individual woman [or man] . . . will actually fit the generalization . . ." The Supreme Court noted: "Many women do not live as long as the average man and many men outlive the average woman."

On December 18, 1978, the U.S. Court of Appeals, First Circuit, ruled that the same reasoning prohibits lesser monthly annuity payments to women than to men who had contributed equal amounts to the pension fund administered by the insurance company (TIAA-CREF). *Equal Employment Opportunity Commission* v. *Colby College and TIAA-CREF* (No. 78-1010).

It is also significant that two major government agencies interpret existing laws and Executive orders which prohibit race and sex discrimination in employment as prohibiting sex differentiation among employees in connection with pensions, insurance, et cetera, which are fringe benefits in their employment relations. This has been the clear cut position of the Equal Employment Opportunity Commission since at least 1972 in its administration of title VII of the Civil Rights Act of 1964. And on August 25, 1978, the Labor Department which has heretofore followed an ambiguous "either/or" test in administering the Equal Pay Act of 1963 and Executive Orders 11246 and 11375, announced that it intends to adopt the same test as that of the Equal Employment Opportunity Commission concerning sex differentiated pensions and insurance provided as fringe benefits in employment. (43 Fed. Reg. 38029 and 38057.)

Making the nondiscrimination rule applicable to all insurance, whether or not employment related, would not harm the insurance industry. It can easily develop nonsex-based rates and payments by adjustments to reflect the mortality and disability experience of the total population rather than separately for men and for women. Indeed, the very purpose of insurance is to spread risks, not to impose discriminations not warranted by the individual's own circumstances.

In any event, sex discrimination, like race discrimination, should be abolished as a matter of national policy.

I invite all Members to cosponsor this bill. I intend, after a reasonable time for responses, to ask that my bill be reprinted to list all cosponsors.●

WILLIAM CRAWFORD GORGAS: THE HEALTH SCIENTIST WHO MADE CONSTRUCTION OF THE PANAMA CANAL POSSIBLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the Capital City of our great Nation has many organizations in various fields of science, among them the Gorgas Memorial Institute of Tropical and Preventive Medicine, of which Dr. Jack W. Millar is president.

This institution, established in 1921 at the suggestion of President Porras of Panama, was named in honor of Maj. Gen. William Crawford Gorgas, former Chief Health Officer of the U.S. Canal Zone (1904–13), and member of the U.S. Isthmian Canal Commission, 1907–13, whose leadership and work transformed the then disease ridden Isthmus into the model of tropical health and sanitation that made construction of the Panama Canal possible.

Since 1929 the Gorgas Institute has supervised the operation in Panama City, Republic of Panama, of the Gorgas Memorial Laboratory, a biomedical facility, which performs research and training related to diseases of the tropics, their causes and prevention. It also has an extensive research library on these subjects available for use by scholars and investigators of all nations, particularly those of the Western Hemisphere.

On the evening of September 26, 1978, at the Pan American Union in Washington, D.C., the Institute celebrated the 50th anniversary of the founding of the Gorgas Memorial Laboratory in an outstanding program before a distinguished gathering that included many eminent authorities in tropical diseases and related subjects, with Dr. Millar presiding.

As a preliminary, the U.S. Navy Band Sea Chanters gave an impressive rendition of "Songs of the Sea." The invocation was by the Very Reverend Francis B. Sayre, Jr., associate director of the Woodrow Wilson International Center for Scholars.

Mr. Speaker, it was my privilege to have delivered the opening address on that occasion in which I attempted to place the life and achievements of Gorgas into historical perspective.

The scientific address that followed was by the Nobel Laureate, Thomas H. Weller, M.D., professor of tropical health, Harvard School of Public Health, who gave the first lecture in the institute's newly inaugurated Fred L. Soper Lecture Series, entitled "The Field of Tropical Medicine and Research in the Field: Perfectionism at the End of the Line."

Dr. Weller's illuminating paper will be published as an early issue of the American Journal of Tropical Medicine and Hygiene. Copies will be available upon request at the Gorgas Memorial Institute, 2007 I St., NW., Washington, D.C. 20006.

Since 1914 the United States has performed the vital functions of maintaining, operating, sanitating, and protecting the Panama Canal. Of these tasks the importance of sanitation cannot be overstressed for diseases in nearby jungles and rain forests are potential endemic dangers. Their reservoirs and the animals that live in them and the diseases are transmitted by insects, most significantly mosquitoes for yellow fever, malaria, and dengue fever.

During recent voluminous Panama Canal debates in the Senate, the health and sanitation angles of the canal question did not receive their due attention and were largely ignored. The facts involved will no doubt raise these questions: In the event the United States abdicates its control over the Canal Zone who will perform the vital function of keeping sanitation at its past high standards of effectiveness? And what will be consequences of failure to much of the Western Hemisphere, including Central America and the United States? The situations that would be presented cannot be ignored with impunity.

Mr. Speaker, I quote my September 26, 1978, address as part of my remarks:

WILLIAM CRAWFORD GORGAS: A TRIBUTE

(By Representative DANIEL J. FLOOD)

President Millar, Members of the Board of Directors and Advisory Scientific Board of the Gorgas Memorial Institute, Distinguished Guests, Ladies and Gentlemen:

As one whose interest in the problems of the Isthmus of Panama was inspired in early youth as the result of occasional visits in my grandfather's home in Hazleton, Pennsylvania, by former President Theodore Roosevelt, I deem it both an honor and privilege to be a special guest of the scientific organization named in honor of the great medical leader whose contributions to health and sanitation are matters of international fame—General William Crawford Gorgas.

It was my fortune to have spent many hours listening to the former President telling about some of his problems in acquiring the U.S. Canal Zone and launching the Panama Canal. That great American leader naturally became my youthful ideal and inspired in me an enduring interest in the canal subject that has increased over the years.

To paraphrase the late Dr. Franklin Martin, a close associate of General Gorgas and a former president of this institute, I may say that to try to describe the distinguished career of General Gorgas and its consequences is to attempt the infinite. I shall not make that effort for the details of his brilliant achievements are historic and are carried in the principal libraries of the world.

The Gorgas Memorial Laboratory in Panama City, R.P., is located in one of the most oppressive climates as well as highly strategic areas of the western hemisphere. Its contributions in scientific knowledge under the direction of the Gorgas Memorial Institute have made it an indispensable rampart for protecting the countries north of the Panama Canal, including the United States, against the deadly perils of tropical disease epidemics of which there have been a number of tragic examples in the largest seaports of the United States.

The widely disseminated scientific reports of the institute and laboratory concerning

the transmission of tropical diseases were key factors in safeguarding the health and lives of the members of our Armed Forces serving in the tropical islands of the Southwest Pacific during World War II, thus, they were vital contributions to victory in that hard fought struggle.

Today, this splendid organization with its laboratory is spreading the benefits of their scientific endeavors far and wide, attaining universal acclaim. Its expanding library at the Gorgas Memorial Laboratory has become a key central American medical reference center, specializing on the diseases of the tropics, their control and prevention. Its visiting scientists and trainees obtain knowledge and disciplined judgment that can only be developed from experience in a tropical setting such as that at Panama.

Were General Gorgas to return to earth today what would he find?

He would see that the lessons he learned at Havana and applied so efficiently on the isthmus have not been forgotten but have been greatly augmented.

He would encounter increased recognition of the fact that it was his work in health and sanitation in the Canal Zone that made construcion of the Panama Canal possible.

He would see in Panama City a laboratory the work of which has made it one of world importance, especially for the western hemisphere.

He would find a great hospital in the Canal Zone at Ancon named in his honor still following along the scientific paths that he laid out.

He would see his name permanently enshrined in the hall of fame for great Americans.

He would find in the congress a strong support for this vital organization—a support that traces back to former congressman Maurice H. Thatcher, an associate of General Gorgas on the Isthmian Canal Commission that supervised the construction of the Panama Canal and Governor of the Canal Zone, 1910–13 and, finally, the honorary president of the Gorgas Memorial Institute to which he devoted so much of his time and talents.

No better tribute has been paid to General Gorgas than this poem by Governor Thatcher:

GORGAS

God's own Samaritan, intrepid, true;
With Christly sympathy and love for all,
And wisely skilled,—he wrote health's page anew,
And lifted from the earth its foulest pall.
Where pestilence and plague took direst toll,
His magic touch brought life and strength and joy;
In Isthmian realms, where rival oceans roll,
His blessed arts for good he did employ;
And lo! The link that joins the waters twain
(The way to Ind, thru all the age hid!)
Grew into form, and stretched from main to main,
By reason of the deathless work he did.—
And more than this—the wondrous deeds he wrought,
The texts became whereby the world is taught!

(October 14, 1936) ●

LEGISLATION TO STRENGTHEN THE GENERAL ACCOUNTING OFFICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, today I am introducing a bill which will strengthen Congress monitoring of Federal agency operations and programs, by strengthening the General Accounting Office. The GAO serves an essential role as an investigative and auditing arm of Congress. We can discharge our oversight responsibilities better by insuring that the GAO has the ability to conduct thorough and effective investigations of executive branch activities. Several provisions of this bill work toward that goal.

First, the bill provides GAO with additional authority to audit unvouchered accounts, which can be spent solely on the signature of the President or some other designated official. Second, it will strengthen the Office's existing authority to enforce access to the material it needs to audit executive agency programs. Third, it also will provide a new mechanism for appointment of the Comptroller General and his Deputy, insuring a congressional voice in the future selection of these officials and underscoring the GAO's role as the investigative agent of the Congress. Fourth, the bill will limit the delays GAO experiences in sending its draft reports to executive agencies for their comments. Finally, another provision will bring the accounting and audit procedures of the Inspectors General in the Departments of Health, Education, and Welfare and Energy into conformity with the Comptroller General's guidelines.

In the last Congress, the House unanimously passed a measure containing most of these provisions, but it died in the closing hours of the session in the other body. I hope that this bill will be approved promptly by both Houses of Congress early in this session.●

MONETARY CONTROL BILL OF 1979 CAN AID IN INFLATION BATTLE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, I am today introducing the monetary control bill of 1979, designed to help the Federal Reserve in its battle against inflation by improving its ability to control the money supply.

Continuing doubts about the ability of the Federal Reserve to reduce the rate of growth of the money supply without bringing on a recession contributes heavily to present nervousness about the economy. With inflation running nearly 10 percent, we must waste no time in arming the Federal Reserve with the best weapons available for improving management of the money supply.

The bill would improve monetary control by arresting the erosion of deposits over which the Federal Reserve has control. These reserves are now dwindling as banks pull out of the System because of the cost of membership. The Federal Reserve's position is that reserves are necessary for good monetary control. To wit: When the Fed issues a new dollar in reserves to the banking system, by buying Government securities or through a discount loan to a bank, the new dollar can be loaned out, redeposited in another bank, and loaned out again in an endless chain of uncontrolled deposit expansion, unless part of that dollar is tied up in required reserves each time it is deposited.

The monetary control bill of 1979 would improve management of the Nation's money supply in two ways additional to meeting the Fed's position on the requirement of reserves noted above:

First. It would authorize the Federal Reserve to obtain more timely and complete information on deposits in the Nation's banks and savings institutions. Currently, only Federal Reserve member banks—38 percent of the Nation's banks with 72 percent of the deposits—and no thrift institutions report, leaving the Fed with woefully inadequate information on the size of the money supply at any given time.

Second. It replaces a hodgepodge of reserve rates with more uniform rates. Currently, member banks are subject to reserve rates ranging from 7 to 16.25 percent on checking accounts, depending upon the size of the bank; between 0 and 3 percent on savings deposits; and between 0 and 6 percent on longer term certificates of deposit. Thus, when the Federal Reserve takes action to raise or lower reserves, it cannot accurately predict the effect on the money supply because the money is shifting around among deposits with various reserve rates.

Under the proposed legislation, reserve rates would be set at 9.5 percent for checking accounts—including savings accounts from which funds can be drawn by check or by automatic transfer to checking accounts; 3 percent on savings deposits; 1 percent on long-term certificates of deposit; and 8 percent on short-term certificates of deposit. The Federal Reserve could alter these rates within limited ranges, but only for the purpose of monetary control.

The bill would not only fight inflation but would keep the Federal deficit under control. Some proposals for attacking the problem of monetary control and eroding Federal Reserve membership would have induced banks to "stay with the Fed" by paying interest on reserves. Such interest payments could amount to as much as several billion dollars annually to the taxpayer, and an addition to the Federal deficit. This bill would restrict the cost to the Treasury and the deficit to approximately $172 million a year, according to administration estimates—a reasonable price to pay.

The bill would also eliminate competitive inequities between Federal Reserve member banks and other banks. Currently, the burden of maintaining reserves at the Federal Reserve—idle funds on which the banks earn no interest—is borne entirely by banks that are members of the Federal Reserve System. Under the proposed legislation, all banks with more than $50 million in checking account deposits or $50 million in time and savings deposits would be subject to reserve requirements. The $50 million exemptions will be indexed to assure that banks exempted by this legislation from having to hold reserves will by and large

remain exempt. However, since vault cash would count toward meeting reserve requirements, most banks with less than $200 million in deposits would have no need to post reserves with the Federal Reserve. Some 232 large banks which are not now members would have to begin posting reserves. However, a great many more small- and medium-sized member banks—nearly 4,664—would be freed of the present need to post reserves.

In summary, 95 percent of the Nation's 14,618 banks would be completely free of the need to hold reserves with the Federal Reserve.

At the same time, member banks which would continue to have to hold reserves would have their reserve requirements substantially reduced. Instead of a maximum of 16.25 percent on checking account deposits, they would have to hold only 9.5 percent. A typical $300 million-deposit bank, for instance, would have its reserve requirements reduced by some $7 million, money which it could put out in loans.

All commercial banks would be entitled to borrow from the Federal Reserve, whether members or not. Thrift institutions which have transactions accounts—savings accounts on which checks can be drawn—also would be entitled to borrow from the Federal Reserve. The Federal Reserve, which now provides free services such as check clearing to member banks, would begin charging for such services.

The new bill contains three changes from a substantially similar measure which passed the House Banking Committee September 19, 1978: First, it includes automatic transfer accounts at commercial banks in the same category of reserve requirements as checking accounts, since both are part of the Nation's basic money supply; second, it also includes in this category savings accounts at thrift institutions on which checks can be written, since these are also part of the basic money supply (a change which, beause of the $50 million exemption, affects few if any thrift institutions, but recognizes the potential growth of such accounts); and third, it provides lower reserves on passbook savings accounts, since these do not represent "ready money," offset by slightly higher ratios on checking accounts. This keeps reserve requirements on about 68 percent of the Nation's bank deposits.

The Federal Reserve supports the basic principles of the bill, but would prefer a somewhat different approach than exempting the first $50 million of demand deposits and $50 million of time deposits from any reserve requirement. Instead, the Fed would prefer that there be no exemption (except perhaps for the smallest institutions) and that the Fed would pay interest on the amounts below $50 million in each category. It would pay interest at the same rate it earns on its portfolio, currently 6.75 percent. The Fed's proposal requires serious consideration, and the subject will be addressed at forthcoming hearings.

Hearings on the monetary control bill will begin immediately, with representatives of the bank regulatory agencies testifying first. The witnesses are:

9:30 a.m., Monday, January 22, 1979: Robert Carswell, Deputy Secretary, Department of the Treasury.

2 p.m., Tuesday, January 23, 1979: Robert McKinney, Chairman, Federal Home Loan Bank Board.

9 a.m., Wednesday, January 24, 1979: G. William Miller, Chairman, Board of Governors, Federal Reserve System.

The Comptroller of the Currency, Federal Deposit Insurance Corporation and National Credit Union Administration will submit written reports. Representatives of the trade associations affected will testify in the next few weeks.

Others wishing to testify should write to the staff director of the House Banking, Finance and Urban Affairs Committee, Paul Nelson, 2129 Rayburn House Office Building, Washington, D.C. 20515, prior to January 26, 1979.●

RELIGIOUS AND CHARITABLE DONORS' TAX JUSTICE ACT OF 1979—PROVIDING A TAX CREDIT FOR CHARITABLE CONTRIBUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, according to section 170 of the Internal Revenue Code of 1954, an individual is allowed to claim as an itemized deduction the amount of charitable contributions to religious, educational, public or scientific organizations with a maximum allowable deduction of 50 percent of adjusted gross income. Today, I am introducing a bill that would allow individuals to elect a nonrefundable tax credit of $500 ($1,000 for a joint return) in lieu of this deduction.

The reasons for the bill are clear: to provide greater equity in our current tax system, to maintain the Nation's nonprofit sector of the economy, and to insure continued private choice in gift giving. It has long seemed to me highly unfair that a person of means can get a tax deduction for his charitable giving, while the low- and middle-income citizens are discriminated against so systematically in our Tax Code and are given no incentive for charitable gifts. This legislation is designed to overcome that inequity.

An additonal reason for this legislation is to give relief that is clearly constitutional to those interested in alleviating the financial pressures on private and parochial education and the parents who send their children to private and parochial schools. The tuition tax credit, which I have supported in the past, is the most direct aid to them, but this device is of very doubtful constitutionality and, at any rate, probably cannot pass over the President's certain veto. The charitable tax credit provides a constitutional avenue for those who choose to direct their charitable giving to private and parochial schools to do so, helping resolve the financial plight of these institutions and relieving the pressures that lead to higher tuition. Again, a question of equity is involved since wealthy taxpayers can already take tax deductions for gifts to such schools or even directly to their churches and synagogues, while this advantage is denied ordinary taxpayers. Accordingly, this may provide a more effective, legal fair, and acceptable way of addressing the private and parochial school problem.

Under present law, only taxpayers who itemize their deductions accrue any tax deduction benefits; no allowance for charitable giving is provided taxpayers who claim the standard deduction and no meaningful provision is made for middle-income taxpayers' charitable contributions. According to the National Committee for Responsive Philanthropy, "half—49 percent—of the Government's 'tax expenditures' for charitable contributions are made to reduce the tax bills of a tiny 1.4 percent of the United States' most affluent taxpayers—while only 14 percent of the Government's 'tax expenditures' in this category are made to induce 83.5 percent of the United States' lower and average income taxpayers to continue private charitable moneys."

The chart follows:

DISTRIBUTION OF FEDERAL TAX INCENTIVES FOR CHARITABLE CONTRIBUTIONS, BY EXPANDED INCOME CLASS, SELECTED TAX EXPENDITURES AFFECTING INDIVIDUALS, FISCAL YEAR 1977

Tax expenditures for charitable contributions	By expanded income class [1] (millions of dollars)		
	0–$20,000	$20,000–$50,000	$50,000 and up
For education	19	121	385
Percent	4	23	73
For health	70	255	465
Percent	9	32	59
For all other	657	1,578	1,700
Percent	17	40	43
Totals	746	1,954	2,550
Percent	14	37	49
Proportion of 1977 individual tax returns	83.5	15.1	1.4

[1] Source: U.S. Treasury Department.

Once it could have been argued that the standard deduction is a lump sum allowance, in lieu of itemizing, and more than compensates for amounts which could otherwise be itemized; thus no inequity exists. This argument is no longer viable especially in light of the current, seemingly endless, inflationary spiral plaguing our economy. Indeed, the recent campaign to encourage more taxpayers to opt for the standard deduction for the sakes of simplification and alleged monetary gain is, at the same time, resulting in denying more taxpayers tax deductions for their charitable contributions. In essence, the charitable deduction is emerging as another "rich man's loophole."

The inequitable nature of the current charitable deduction policy goes beyond the simple, unfair distinction between those who itemize and those who do not. By virtue of our marginal tax rate structure, the Federal subsidy of taxpayers' contributions increases as taxable incomes rise. A deduction reduces the amount of income subject to tax. Therefore, under the current procedure, for example, a family of four, filing a joint return with an income of $16,500—approximately the income of the average American family according to the most recent Government study—would save 22 cents for every $1 given to charity,

whereas a person in the highest tax bracket would save 70 cents for every $1 contributed. The inequity is blatant. For these reasons alone, the mere extension of the charitable deduction to all taxpayers, regardless of whether or not they itemize, would be inadequate to establish a more equitable tax system. This proposal, put forth in the 95th Congress, although a step in the right direction, would still skew benefits increasingly in favor of those in the higher income brackets.

A tax credit, on the other hand, is subtracted from actual taxes already due. A tax credit could be claimed by all taxpayers, regardless of whether they itemize; and all taxpayers claiming the credit would accrue equal tax benefits. Under my plan, all taxpayers claiming the credit would receive a sum equal to at least 50 percent of their charitable contributions, with a maximum credit of $1,000 or their total liability, whichever is less.

With specific regard to charitable gift giving, complete substitution of the deduction with a credit would create other inequities while putting a great strain on general revenues. However, mixing the two tax policy tools insures optimum advantages for the donors, the receiving nonprofit organizations, and the Federal Government. Let me cite the following:

According to a Department of Treasury report entitled "Charitable Contributions under the Federal Individual Income Tax System: Alternative Policy Options," complete substitution of the tax credit for a charitable deduction would not discriminate among donors on the basis of income, but would discriminate among donors of cash and donors of their own services. For example, when a person in the 60-percent tax bracket contributes $1,000 of his earnings to charity, the net cost to him under deductibility is $400; similarly, if he earns $1,000 less in order to use his time to give his services to charity, the net cost is also $400. Under a 30-percent tax credit, however, his net cost would be $700 in the first instance, but only $400 in the second. No one will argue that cash gifts are necessarily more beneficial to charities than gifts of time and service. By allowing taxpayers to opt for a deduction or a credit, they will not be discouraged from providing their services or forced to decide between cash gifts or nothing.

According to the same Department of Treasury report, eliminating the deduction would have some important effects on the level and composition of private philanthropic giving. The following chart enumerates the various affects on different types of charitable institutions:

[Figures: Percentage decline in charitable contributions*]

Donee category:	
Religion	22
Education	48
Hospitals	46
Health and welfare	27
Other	33
Total giving	26

* Simulations are for 1970 and are based on the Treasury tax model for that year. Included in the "Other" category are libraries, museums, musical, literary and scientific organizations, and zoos.

However, shifting from pure deductibility to an optional tax credit would have the following effects:

TABLE 7.—EFFECTS OF OPTIONAL 30 PERCENT AND 50 PERCENT TAX CREDITS, FOR ALL TAXPAYERS AND FOR ITEMIZERS ONLY, ON INCOME TAX REVENUES AND CHARITABLE CONTRIBUTIONS, 1970

[In billions of dollars]

Optional tax credit (percent)	Income tax revenues	Charitable contributions: Amount	Charitable contributions: Percent	Percentage increase in contributions to: Hospitals and education	Percentage increase in contributions to: Religion and health and welfare
Credit Granted to All Taxpayers					
30	−$2.96	$3.45	20	8	19–22
50	−11.41	13.26	77	42–44	76–83
Credit Granted to Itemizers Only					
30	−1.31	1.53	9	4	9–10
50	−7.17	8.38	48	32–34	50–52

Source: Feldstein simulations based on the 1970 Treasury Tax File.

In other words, complete elimination of the charitable deduction could have the effect of severely reducing contributions to education and hospitals. However, as the chart above demonstrates, the optional tax credit of 50 percent would increase giving to all major groups of charity—by 30 to 34 percent for hospitals and education and by 74 to 83 percent for health and welfare organizations and religion.

It is true that the cost to general revenues of providing an optional tax credit for charitable contributions could be considerable. However, most of the additional cost could be obviated by installing a floor whereby an individual could not opt for a tax credit for below a certain percentage of one's adjusted gross income; the floor would be a function of a taxpayer's past and present record of charitable giving and income. In my opinion, the advantages of the tax credit far outweigh the alleged disadvantages.

The nonprofit sector of our political economy fills a void in our system that business and government, by virtue of their vested interests and missions, cannot even attempt to fill. I fully agree with the judgment of the Filer Commission on Private Philanthropy and Public Needs expressed in its report of 1975:

Government incentives to giving are appropriate because giving provides an important mode of citizen expression. By contributing to non-profit organizations, a citizen says with his money what needs should be met, what objectives pursued, what values served. Every contributor exercises, in a profound sense, a form of self-government that parallels, complements and enriches the democratic process itself.

In addition, as the National Committee for Responsive Philanthropy reports:

As the standard deduction has been utilized by more and more taxpayers over the years, the percentage of taxpayers who qualify to itemize charitable contributions has substantially decreased from 48 percent in 1970 to 23 percent currently.

In other words, as the deductions become available to a smaller and smaller group of affluent taxpayers, they not only accrue the vast majority of the benefits, but also they decide the kinds of nonprofit organizations supported. "Philanthropic resources will tend toward institutions and causes favored by the rich," as stated by the editor and principal writer of the Filer Commission report, Wade Green, in an article which appeared in the New York Times last year.

An optional tax credit for charitable contributions, such as that I am proposing today, would provide the additional encouragement to charitable gift giving vital to maintaining the nonprofit sector. The magnitude of the increase in charitable giving is similar to an estimate by the Harvard Institute of Economic Research that a 30-percent optional Federal tax credit for charitable contributions—with no maximum limit—would increase total giving by 20 percent.

While my optional tax credit for charitable contributions bill does not offer solutions to all the inequities in the present system, it does address, in an optimum way, some of the major difficulties in maintaining the Nation's nonprofit sector, insuring continued broad-based private choice in gift giving and doing both in the most equitable manner.

H.R. —

A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect, in lieu of the deduction for charitable contributions, a credit against income tax for 50 percent of such contributions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Religious and Charitable Donors' Tax Justice Act of 1979".

SEC. 2. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

"(a) GENERAL RULE.—In the case of an individual who elects to have this section apply for the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the aggregate qualified charitable contributions paid during the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) to a taxpayer for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for the taxable year shall not exceed the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section (other than the credits allowable by sections 31, 39, and 43).

"(c) QUALIFIED CHARITABLE CONTRIBUTION DEFINED.—The term 'qualified charitable contribution' means any amount which would (but for subsection (d)) be allowable as a deduction under section 170 (determined without regard to subsection (b) of such section).

"(d) DENIAL OF DEDUCTION.—Any charitable contribution paid by the taxpayer during a taxable year for which this section applies shall not be taken into account by the taxpayer under section 170 (relating to charitable, etc., contributions and gifts) for any taxable year.

"(e) ELECTION.—The election under subsection (a) shall be made at such time and in such manner as the Secretary may by regulations prescribe."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for charitable, etc., contributions and gifts."

(2) Subsection (h) of section 170 of such Code (relating to disallowance of deduction in certain cases) is amended to read as follows:

"(h) DISALLOWANCE OF DEDUCTIONS IN CERTAIN CASES.—

"(1) For disallowance of deductions for contributions paid during taxable years for which credit is elected for such contributions, see section 44D(d)."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "44B and 44C" and inserting in lieu thereof "44B, 44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1978.●

LEGISLATION TO PRESERVE INTENT OF CONGRESS WITH RESPECT TO FEDERAL FUNDS FOR INTERSTATE HIGHWAY PROJECTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, I am introducing a bill today to preserve the intent of Congress with respect to expenditures of Federal funds for Interstate highway projects which are terminated.

Specifically, it is intended to clarify the fact that the Department of Transportation lacks statutory authority for its new regulations exempting States from requirements to reimburse the Treasury for Federal expenditures made in connection with certain projects.

This issue is not new to Members who served in the 95th Congress. Last year, with enactment of Public Law 95-599, the Surface Transportation Assistance Act of 1978, we relieved the States of payback requirements provided that the rights-of-way originally acquired for the interstate project later terminated were converted to such alternative uses as public conservation or recreation areas, transportation projects or other purposes in the public interest.

But we carefully limited the provision, contained in section 107(f), to those projects which had already been withdrawn prior to the date of enactment of the act, November 6, 1978.

Less than 2 weeks later, ignoring existing law, long-standing policy and the explicit statements of intent by the managers of the 1978 act, DOT chose to rely instead on an OMB circular dealing with disposition of surplus property and rushed out final regulations prohibiting payback in the case of projects withdrawn in the future.

I will not rehash the issue; it has been debated for years, and the Congress has acted. This bill should be passed promptly in defense of sound, congressionally enacted policy and of the principle that the laws of the United States are written by the Congress of the United States and not the Department of Transportation or the Office of Management and Budget.

I urge Members to support the bill, which I suspect may reach the floor pretty early in this session.●

LEGISLATION ASSURING THAT VA REMAIN THE SINGLE ONE-STOP SERVICE AGENCY FOR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, today, I am introducing a bill, along with the distinguished ranking minority member of the full committee, the Honorable JOHN PAUL HAMMERSCHMIDT of Arkansas, which would assure that the Veterans' Administration remain the single one-stop service agency for veterans and their survivors.

There has been what seems to me to be a concentrated effort on the part of the General Services Administration to force the Administrator of Veterans' Affairs to transfer operations of the Veterans' Administration Records Processing Center at St. Louis, along with millions of active and potential claims files, to the jurisdiction of that agency. The bill is a very simple one. It would require that the Administrator maintain jurisdiction over and custody of all veterans records which are first, active or second, can reasonably be assumed will become active. It would in no way change the present operation of the agency and would permit continued transfer of closed files to the various Federal record centers for storage once further veterans benefits were no longer payable.

This is important since the Veterans' Administration has a unique ability to render the services necessary for the folders now at the Records Processing Center. These folders have been defined as the less active folders, yet hundreds of calls are made daily requiring reference to the folders to establish entitlement to urgently needed hospital care, eligibility for burial in national cemeteries, and expedited transfer of folders to regional offices for processing of claims for new or increased benefits.

Mr. Speaker, at the time this records processing center was established in the mid-1950's and the records were for the first time permanently transferred away from local regional offices, the national veterans' service organizations were promised that any needed information would only be a telephone call away from a responsible and responsive VA employee. To give custody of these records to an agency which, in the past, has not been known for its efficiency and responsiveness, would not only break faith with commitments made in the past but would be a giant step toward destruction of the "one-stop agency" concept long recognized by the Congress and cherished by all concerned with service to this Nation's veterans.

I have monitored the progress of the talks between the Administrator and the General Services Administration, and I must tell you that I am not satisfied with the discussions thus far. If we do not have a firm commitment from the Administrator soon, I can assure the Members of the House that the Committee on Veterans' Affairs will report this measure to the House without delay. This matter is vitally important to veterans and their dependents who must rely on the delivery of timely benefits and services.

H.R. —

A bill to amend title 38, United States Code, to provide that the records of all active or potentially active claims for benefits under laws administered by the Veterans' Administration shall be maintained by the Administrator of Veterans' Affairs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 3 of title 38, United States Code, is amended by inserting after section 236 the following new section:

"§ 237. Records Processing Center

"(a) There is in the Veterans' Administration a Records Processing Center. The Administrator shall maintain in the Records Processing Center the records of all claims for benefits under laws administered by the Veterans' Administration that (1) are not maintained in the Central Office or regional offices or other field offices of the Veterans' Administration, and (2) are currently active claims or could reasonably be anticipated to become active claims. The Administrator shall by regulation prescribe standards to be followed in determining whether a claim for benefits is currently active or could reasonably be anticipated to become active. Notwithstanding any other provision of law, records of any claim determined by the Administrator pursuant to such regulations to be a currently active claim or a claim that could reasonably be anticipated to become active may not be transferred out of the jurisdiction of the Administrator.

"(b) Records of any claim for benefits under laws administered by the Veterans' Administration determined by the Administrator pursuant to such regulations to be neither a currently active claim nor a claim that could reasonably be anticipated to become active may be transferred to the Administrator of General Services pursuant to law.".

SEC. 2. The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by inserting after the item relating to section 236 the following new item:

"237. Records Processing Center.".●

JUDICIAL TENURE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 5 minutes.

● Mr. PEASE. Mr. Speaker, the functions of the Federal judiciary in our constitutional government are critical. The power residing in the Justices of the Supreme Court and the Federal judges is great. The importance of the independence and integrity of the Federal judiciary cannot be overesti-

mated. The size of the Federal judiciary has far outgrown that contemplated by the Founding Fathers. And there exists a compelling need to reinforce public confidence in the character and the professional conduct of Federal judges.

All of these factors point toward the need for legislation to establish within the judicial branch of government a system for dealing with allegations of misconduct or disability among Federal judges.

I venture to guess that most of us at one time or another have heard from disgruntled constituents, litigants and attorneys concerning Federal judges. For lack of anywhere else to file their complaints, they come to us. Today I am introducing a bill that would fill this void by creating a system whereby allegations about Federal judges could be filed with a responsible, judicial body that has both the means and the ability to investigate and take appropriate action.

Briefly, this bill establishes a procedure within the Federal judiciary for investigating and resolving allegations that a Federal judge is not conforming to "good behavior" or is suffering from a permanent mental or physical disability that seriously interfers with the performance of his official duties. This is accomplished through two-tiered judicial disciplinary system which investigates and takes appropriate action on complaints filed against a judge of the United States. Allegations could only be considered if they related to the conduct or condition of a judge which are connected with the judicial office or which prejudice the administration of justice by bringing the judicial office into disrepute. Complaints filed by persons unhappy with a judge's procedural rulings or stemming from personal disagreements with the merits of a judge's decision could not be considered.

An investigation of a complaint against a judge could result in the involuntary retirement, removal, or censure of the judge or the dismissal of the complaint.

There is a school of thought which contends that Federal judges can only be removed from office by impeachment for "bribery, treason, or other high crimes and misdemeanors." On the other hand, a competing school of thought argues that the "good behavior" clause of article III, section 1 of the Constitution needs to be defined by law so as to provide supplementary grounds for removing Federal judges from office.

Much scholarly debate has centered on these divergent constitutional interpretations. Ample historical and legal precedents have been cited in defense of each interpretation. Now is the time for the Congress to give thoughtful consideration to the approach provided in this bill as a way of establishing the constitutional parameters under which the conduct and conditions of Federal judges can be evaluated. The public is criticizing the Federal judiciary as never before, so the need for arriving at a delineation of the constitutional standard of "good behavior" is greater now than ever before.

Personally, I am persuaded there are strong arguments in defense of the constitutionality of this bill. It does not undermine the separation of powers doctrine, in my opinion, since that doctrine refers to the independence of the judiciary as an institution from the two other branches of government. It does not refer to the independence of judges from their peers. After all, under the procedures established in this bill, judges suspected of misconduct or disability would be judged by other Federal judges.

The bill is also practical. The system that would be established for handling allegations of misconduct or disability among Federal judges parallels those already in use in 47 States, the District of Columbia, and Puerto Rico.

In introducing this bill today, I hope to elicit support from my colleagues for what I feel is a responsible approach to coping with a growing public concern. I also hope this bill will encourage the House Judiciary Committee to come to grips in this 96th Congress with several issues related to judicial conduct and disability.●

PARTIAL PUBLIC FINANCING OF HOUSE GENERAL ELECTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

● Mr. MIKVA. Mr. Speaker, it is my honor today to introduce on behalf of myself and 131 of my colleagues on both sides of the aisle H.R. 1, a bill to provide partial public financing of House general elections.

This bill, Mr. Speaker, is the product of many years of effort. It contains what we believe are the best elements of previous proposals introduced by Representatives JOHN ANDERSON, THOMAS FOLEY, BARBER CONABLE, MORRIS UDALL, PHILLIP BURTON, and FRANK THOMPSON, JR., plus many new features.

Basically, the system we are proposing is similar to the Presidential primary public financing system which has proved so effective. The proposal would authorize matching of small contributions up to $100 and would provide a ceiling on the overall amount of money a candidate could spend. The bill would cover House general elections only beginning in 1980.

Since the measure is similar to bills we missed considering by only 17 votes last session, I will not spend time now reviewing the various provisions but will insert a summary of the measure at the end of my remarks. Instead, Mr. Speaker, I would like to focus my remarks on the need for this legislation.

A Democratic Study Group of campaign reports filed with the Federal Election Commission by 180 candidates in 90 races shows an astronomical increase in spending for congressional elections.

The Democratic Study Group study indicates that nearly half of these candidates—80 or 44 percent—spent more than $200,000 in 1978. That represents a 300 percent increase over 1974 when only 20 candidates spent in excess of $200,000.

Similarly, the number of candidates spending more than a quarter of a million dollars on their campaigns rose from 8 in 1974 to 46 in 1978—an increase of 475 percent.

And where it was unheard of in 1974 to spend more than a half million dollars on a House race, 6 candidates exceeded that amount in 1978. In fact, the biggest spender in 1978 spent $1.3 million in an unsuccessful effort to win election to the House.

The following table shows the increase in heavy spending over the past three elections:

Total spending

	Over $200,000	Over $250,000	Over $500,000
1974	20	8	0
1976	32	15	3
1978 [1]	80	46	6

[1] 1974 and 1976 data covers all 435 House races. 1978 data covers only 90 races. Thus when all 435 House races are in, the increase in spending will be even more dramatic.

The above data clearly shows that campaign spending is out of control—and this fact alone warrants enactment of public financing legislation because that is the only way, in light of the Supreme Court verdict, that we can impose a ceiling on campaign spending.

There is another compelling reason for enactment of this legislation which is the disturbing increase in the role of special interest groups in financing our elections.

We have all read the rash of newspapers stories since the November elections noting the massive increase in special interest money in the 1978 elections.

While complete data will not be available for some time yet, it is clear that the amount of special interest money in the 1978 campaigns set an all-time record, and that the amount of such money poured into House campaigns alone has tripled or quadrupled in the past two elections.

Not only are candidates becoming more dependent on such funds to finance their campaigns, there is a growing perception that such money unduly influences legislative decisions with the result that both individual Members and Congress as an institution are being tarnished by our present system of financing campaigns.

An illustration of the increased role of special interest funds can be seen in a Democratic Study Group survey of 130 candidates in 65 races; 60 of these candidates—(52 incumbents and 8 nonincumbents)—also ran 2 years ago. The comparison between the amount of special interest PAC money these 60 candidates received in 1976 and the amount they received in 1978 is dramatic:

In 1976, 60 candidates received an average of $41,000 each in special interest PAC funds; in 1978 they received an

average of $56,000 each—an increase of $15,000 per candidate or 37 percent.

The same pattern holds up when one compares the top 25 recipients of special interest funds 2 years ago with the top 25 recipients in 1978. The top 25 in 1976 received an average of $75,000 each in special interest contributions while the top 20 in 1978 received an average of $90,000 each.

Mr. Speaker, there is nothing we can do about the increasing role of special interest money until we provide some alternative source of funds for candidates to finance their campaigns—and that is one of the prime purposes of public financing. The measure we are proposing would establish a mixed system of public, private, and party financing of House general elections.

Public financing would enhance the importance of contributions from individual citizens on the local level, while reducing the need for candidates to depend on big money contributions from Washington based special interest groups and other out-of-State sources.

At this point, Mr. Speaker, I would like to insert a summary of the provisions of H.R. 1:

SUMMARY OF H.R. 1

PARTIAL PUBLIC FINANCING JANUARY 1979

1. Coverage and Effective Date.—Covers House general elections only, beginning in 1980.

2. Spending Limitations.—Limits overall spending to $150,000 plus 20% for fundraising and 10% for one mailing within the district. Also prohibits candidates from using more than $25,000 in personal funds.

3. Matching Funds.—Authorizes payments to candidates to match contributions of $100 or less received during the election year. The aggregate of matching fund payments to a candidate could not exceed 40% of the spending ceiling. Also, at least 80% of the contributions used for matching purposes must come from persons who reside in that state.

4. Eligibility Requirement.—Requires candidates who wish to receive matching funds to sign an agreement within 10 days after being nominated for election that they will comply with the $25,000 personal funds limit and the $150,000 overall spending limit. Candidates also would be required to apply for $1,000 in matching funds at this point in order to make the agreement binding in the eyes of the court.

5. Payment Procedure.—Provides a simplified procedure for obtaining matching payments in order to reduce the FEC's administrative burden and to expedite payments to candidates within 48 hours after making proper application. All payments except the last would be made in increments of $10,000. In other words, a candidate would be required to raise $10,000 in small contributions in order to receive each $10,000 matching payment. After each general election, the FEC would conduct an examination and audit of the campaign accounts of 10% of the eligible candidates who are selected by means of a scientific statistical method of random selection. An examination and audit also would be conducted whenever the commission, by a vote of four members, determines there is reason to believe a violation may have occurred.

6. Protection Against Excessive Spending By Non-Participants.—If a candidate does not opt into the public financing system and then spends more than $25,000 in personal funds or more than $75,000 overall, the spending limit is removed for the opposing candidate(s) who is participating in the public financing system and the opposing candidate is eligible to receive additional matching funds.

7. Protection Against Excessive Independent Expenditures.—If the aggregate of independent expenditures and internal communication expenditures against a candidate exceed $33,000, the spending limit is waived for that candidate.

8. Rules for Handling Matching Funds.—All matching funds must be deposited in a separate checking account which shall contain matching fund payments only, and all expenditures shall be by check drawn on that said account. Matching funds may only be used to defray campaign expenses for the general election in which they were received, and all matching funds unexpended 60 days after the election must be refunded to the U.S. Treasury.

9. Prohibitions.—Matching fund payments may not be made to any candidate who is unopposed. Also, matching funds may not be used to repay loans or to make payments to the candidate, the candidates immediate family or to any organization 10 percent of which is owned by the candidate or members of his immediate family.

10. Financing.—Matching fund payments would be derived from the same source as for Presidential election financing—the voluntary dollar check-off on federal income tax returns. Funds would not come from general revenues. Public financing of House elections is expected to cost about $25 million per year.

SPONSORS OF H.R. 1—PARTIAL PUBLIC FINANCING

Mr. Mikva, Mr. Anderson of Ill., Mr. Foley, Mr. Conable, Mr. Udall, Mr. Wirth, Mr. Akaka, Mr. Albosta, Mr. Ashley, Mr. Atkinson, Mr. AuCoin, Mr. Barnes, Mr. Bedell, Mr. Bellenson, Mr. Bingham, Mr. Blanchard, Mr. Boland, Mr. Bolling, Mr. Bonior, Mr. Brodhead, Mr. Brown of Calif., Mrs. Chisholm, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Corrada.

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THE MARTIN LUTHER KING, JR., NATIONAL HOLIDAY BILL

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, today is the 50th anniversary of the birthdate of Martin Luther King, Jr. The passing of time ordinarily has a way of tarnishing or weakening the memory of even the greatest leaders, events, and institutions in public life. Such has not been the case with Dr. King. Indeed, in the history of our Nation he is one of a very few national leaders for whom affection, respect, and devotion have grown with the passing of time.

The affection and respect with which he is held owes to a great many qualities: his unshakable faith in human beings; his extraordinary steadiness of character, self-discipline, and self-denial; his dreams and vision of brotherhood and peace, justice and freedom. He was, of course, a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. He was a precocious student in the public schools of Atlanta, and was a lifelong student of theology, at Atlanta's Morehous College, the Crozer Theological Seminary in Chester, Pa., at Harvard and the University of Pennsylvania, and at Boston University where he completed his work as a doctor of philosophy.

He was also, of course, an exceptional political leader, in the Birmingham movement of 1963 to end legal segregation which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome discrimination in housing, and to win a better life for, and bring dignity to, the poor. Martin Luther King, Jr., was awarded the Nobel Peace Prize in 1964—only the third black person, twelfth American, and the youngest person ever to win it. He was, needless to say, one of America's greatest orators, yet he always remained a man of the people.

The combination of these qualities in any one of us would, of course, entitle us to recognition and respect. Yet Dr. King's greatness was more than the sum-total of his qualities of courage, eloquence, moral character, and even wisdom. I suspect that even greater than these qualities was his boundless hope in people, in America, and in the world. No obstacles could distract him from his sense of hope. In this he touched the sympathies of a whole people—and, indeed, the world—that for much of human history has lived tragically without much or any hope. "This is our hope. This is the faith that I go back to the South with," Dr. King

declared 15 years ago on the steps of Lincoln's Memorial:

With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day.

This anniversary, then, is not merely the observance of a single man, however great the moral force of his character and however vast the imprint he left on the history of the world. It is, after all, a celebration of his vision, of his hope for us becoming better human beings and creating a better world, which we all share in, and aspire to, as human beings. This observance celebrates the extent to which he transformed a Nation—and, indeed, the world—through action upon his ideals, and for this reason his example grows stronger with each passing year.

Nearly 11 years have passed since Dr King's tragic assassination in Memphis. In this period of time hundreds of States, cities, and institutions across the Nation have made his birthdate a time of formal observance. What remains to be done is to make Dr. King's birthday a national holiday to permit the Nation as a whole to commemorate his life and to reflect upon, and rededicate itself to, the ideals that he lived and gave his life for.

It remains for us and future generations to complete his great work. It has become a matter of urgency to infuse once again this Nation, especially its young, with a sense of hope and the sense of responsibility to improve its life, at a time when so many individuals are filled with confusion, disbelief, indifference, and despair. For these and other reasons a national holiday on Dr. King's birthday would be the most appropriate way to restore hope and rededicate the Nation to his ideals.

Each year following his death I have introduced a bill to designate Dr. King's birthday a national holiday. In the 95th Congress, 104 Members from both parties cosponsored the Martin Luther King, Jr. national holiday bill. This year, in the 96th Congress the bill will be reintroduced in the House, and Senators EDWARD M. KENNEDY and BIRCH BAYH will introduce an identical bill in the Senate, which already has won considerable support. Speaking in Atlanta on Sunday, January 14, 1979 President Jimmy Carter strongly endorsed the legislation and voiced the hope that before years' end he would be able to sign it into law.

The text of the Martin Luther King, Jr. national holiday bill follows:

H.R. —

A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6103 of title 5, United States Code, is amended by inserting immediately below "January 1, New Year's Day." the following:

"January 15, the birthday of Martin Luther King, Junior.".

Mr. Speaker, I yield now to the chairman of the Committee on the Judiciary, the distinguished gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I am pleased to join with my distinguished colleague, a Member of the Committee on the Judiciary, the Honorable JOHN CONYERS, in this effort to bring about a national holiday, a public legal holiday honoring the memory of a man to whom America owes such a debt of gratitude for bringing to us, with his great courage and his wisdom and his enlightened teaching, a new sense of conscience in America.

Mr. Speaker, Martin Luther King would have been 50 years old today if he had not been senselessly gunned down in Memphis 11 years ago. He was the leader of a movement toward social justice that has spread to all corners of the Earth.

It is long overdue for the Congress to officially recognize the tremendous contributions which Dr. King made to our society. I believe that 1 day a year should be set aside in his honor. That is why I am introducing legislation to make January 15 a legal, public holiday for all Americans.

This day will provide a time for all Americans to reflect on the meaning of the civil rights movement in the past and in the present. Dr. King's dream has not been totally realized, but his example provides us with the inspiration to continue his fight for an America where all citizens are equal under the law and enjoy equal opportunity.

A national holiday is most appropriate for this great modern patriot of the Republic. The social and political advancements enjoyed by numerous minority groups in America today are results of Dr. King's dedication, leadership and ultimate sacrifice.

Mr. Speaker, the American people can fulfill his legacy and our own ideals by paying respect to his memory. I am very pleased by President Carter's support for this legislation and I urge my colleagues to join in this effort to honor Dr. King.

Mr. CONYERS. Mr. Speaker, I yield to my friend and colleague, the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Speaker, I join with my colleagues today in paying tribute to Dr. Martin Luther King, Jr. We are here to commemorate what would have been his 50th birthday. He was a man whose struggle for peace and justice not only reached black America but America as a Nation.

Walking in the light of such world peace leaders as M. K. Gandhi, Dr. King's meritorious actions for peace earned him respect and admiration the world over. His attainment of the Nobel Peace Prize in 1956 was an indication to the world of Dr. King's goals and aspirations for all humankind.

Although his assiduous call for peace, freedom, and equality was prematurely interrupted by an act of violence, we cannot afford to let the call for the realization of equality in America go unheeded. We must rededicate ourselves to the principles Dr. King articulated, and construct our efforts to incorporate these principles into American life.

In closing, Mr. Speaker, I would like to say that although we make mention of Dr. King's greatness, we have failed to put it in the perspective in which it belongs. We have failed to make the date of his birth a national holiday. This is not only an injustice to the human being that Dr. King was, but an injustice to those who carry on his struggle.

Mr. CONYERS. Mr. Speaker, I yield now to a member of the Committee on the Judiciary, the distinguished gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman and commend him for his initiative in introducing again this resolution, which I hope this Congress will put into law, to make Dr. King's birthday a national holiday. I can think of no private citizen for whom this tribute is more appropriate than Dr. Martin Luther King, one of the truly great Americans of this century.

I have a personal feeling about it, because it was 9 years ago today that I chose to announce that I was going to be a candidate for election to the Congress of the United States.

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I chose that day advisedly because it conveyed, I thought, a message as to the kinds of causes and the kinds of values I wanted to be identified with.

Dr. King was not only a great champion of equal human rights for all people but he was also a strong opponent of the Vietnam war. While we still have a long way to go on equal rights, Congress has a strong record of constructive legislation in that field. And Congress did, though belatedly, measure up to its responsibilities and legislated an end to our involvement in the Vietnam war.

Dr. King also stood for making human needs the first priority of our society. In one statement of his which quoted in my release 9 years ago, he said that our country had a shameful order of priorities, in which human needs were placed behind the demands the military-industrial complex and the needs of the poor and the weak were placed below the demands of powerful interests in this country. In this respect, the Congress has yet to measure up to the proper order of priorities.

Now we have a new Congress, which is going to be faced with the most severe budgetary constraints we have seen in decades. As a result, we are going to be tested as never before as to what our priorities are. When the rumors have it that the executive branch is going to recommend a budget in which social programs are cut across the board and the military budget is increased, then I can only ask my colleagues to compare that with the order of priorities that the great

Martin Luther King would have urged us to follow and take heed of his words.

Mr. Speaker, the distinguished gentleman from Michigan (Mr. CONYERS) has never ceased speaking and working for the values and the goals exemplified by the life and the teachings of Martin Luther King. We are indebted to him for reminding us that Dr. King's life has continued significance for all who believe in freedom, equality, peace, nonviolence, and a humane society. We need this national holiday to help all people to renew their commitment to the principles for which Dr. King lived and died.

Mr. CONYERS. Mr. Speaker, the utterances of the gentleman from New Jersey (Mr. RODINO), the gentleman from California (Mr. DELLUMS), and the gentleman from Ohio (Mr. SEIBERLING), I think, indicate the great feeling that has really been carried on by many millions of Americans who have lo all these years since 1968 been celebrating Dr. King's birthday.

Fifteen States now regularly observe Martin Luther King's birthday as a holiday, as well as scores of cities. This is an incredible phenomenon in the wake of the usual experience that with a hero, after years pass, the celebration of his memory understandably becomes weaker and weaker. That has not been the case with the subject of our instant motion or resolution here. Indeed, ironically and wonderfully, the support for Dr. King grows each year, and now it seems to me in this 96th session of Congress the time has come, the anvil is hot, and I urge all my colleagues to join in supporting this historic resolution.

● Mr. FORD of Tennessee. Mr. Speaker, today, Dr. Martin Luther King, Jr., would have celebrated his 50th birthday had he not met with his untimely death in Memphis.

The ideals that Dr. King stood for, supported, and lived by are ideals which we must not only remember, but also fight for in 1979. Dr. King sought justice for black Americans and worked for peace and against poverty on behalf of all. He had dreams that one day all of us would be able to live as one Nation, under God. He had dreams that one day, there would truly be liberty and justice for all. And, he had dreams that one day everyone would realize that the progress of America is reflected in the progress of each group and individual within it.

As we commemorate the significance of this day, I want you to know that I am remembering Dr. King not only by embracing his philosophy in the Congress, but also as I cosponsor legislation to make his birthday a national holiday.

We must let the Nation and the world know that on this date and everyday, we have not and will not forget the struggle of Dr. King. We as Americans must let the meaning of Dr. King's life continue to touch every city, every town, and every heart because Dr. King's work did exactly that.

No, his struggle has not ended with his death. It is only just begun.

So, today—let us pledge ourselves as the governing body of this land—to support my colleague from Missouri, Congressman CLAY, who introduced an overdue measure to make January 15 a national holiday honoring a great American.●

● Mr. RANGEL. Mr. Speaker, it is with a sense of history and great pride that I rise on this day to commemorate the birthday of Dr. Martin Luther King, Jr.

Today marks what would have been the 50th birthday of Dr. King, a great American and leader, who made many contributions to this country and world. He left us all too soon. Had not an assasin's bullet deterred his life, he would still be here today to champion the social causes to which he was so committed. It is, indeed, a great tradegy that he is gone, but for us he is still cherished and remembered.

I urge all Americans who believe in freedom, justice, equality, and human dignity to pay homage and tribute to this distinguished American who gave his life to achieve these goals for all mankind, and to remind them of the profound love and national pride that was associated with his life.

Dr. King's strong commitment to his religion gave him the strength and courage to seek that which was wrong and make it right. For those efforts he became a deserving recipient of the 1964 Nobel Peace Prize. He was not only a civil rights leader of black America, but a universal leader for the human rights of all oppressed people—regardless of race, color, creed, sex, religion, or national origin.

As this day also marks the beginning of the 96th Congress, I urge my brothers and sisters of this body, while they are examining the Federal budget for 1980, not to preclude support for those social causes and programs for which this great man so diligently worked and to continue the American dream for all Americans in the spirit of Dr. Martin Luther King, Jr.●

● Mr. CLAY. Mr. Speaker, today marks the opening session of the 96th Congress and the anniversary of the birth of one of America's greatest black leaders, the late Dr. Martin Luther King, Jr. Americans will always remember Dr. King as the man who translated impossible dreams into living realities. He was a man of the people who devoted his life to improving the lives of his brothers and sisters. A pioneer in his mission, Dr. King was a spokesman for the millions of poor and disadvantaged American citizens at a time when helping the unfortunate was not yet a popular or fashionable cause. Dr. King's work inspired a great awakening in the United States. His achievements shook our Nation and the world.

With courage, dignity, a singlemindedness of purpose and a deep faith, Martin Luther King, Jr., struggled throughout his entire adult life to achieve equality and justice for all Americans, whether blacks in the South, Puerto Ricans in New York, poor whites in Appalachia, or Chicanos in the West. Dr. King dedicated his life to removing all vestiges of racism, discrimination, and inequality wherever they might exist, and by enlightening all elements of American society, he sought to reorder and redirect this Nation's priorities to achieve that wonderful dream of which he so eloquently spoke.

When Dr. King left our world, he left us a legacy. He left us with a new direction, he articulated our goals, and, perhaps most importantly, he crystalized in a movement the ideas of millions of individual Americans.

As we join today in commemorating this noble man, it is my privilege to share with my colleagues a poem, written by Mr. Bolden Lawson of Memphis, Tenn., which I feel captures the spirit of compassion and concern which characterized the life of the late Dr. Martin Luther King, Jr.

WE WILL NEVER FORGET YOU, DR. MARTIN LUTHER KING

(By Bolden E. Lawson, Mar. 29, 1978)

Born, in Atlanta, Ga. Jan. 15th, nineteen hundred and twenty nine,
A year, when the depression, stopped the hands of time.
It was a time, when people, stood in soup lines to eat,
Eating out of garbage cans, many had no place to sleep.
Insufficient clothes to wear, people begged, in the streets,
No jobs, no money, some had no shoes, to wear on their feet.
Martin, with a message, into this world, you would bring,
We will never, forget you, Mr. Martin Luther King.

Not born of the rich, to your mission, you engaged,
Enrolled in public school, because God, had set the pace.
Entered, Morehouse College, to obtain, a higher degree,
Attended, the Crozel Theological Seminary, to learn God's decree.
Went to Boston University and the University of Pennsylvania too,
Received your Doctors, from Harvard, but the final test, was not yet, though.
Oh Martin, you never realized, this world could be so mean,
We will never, forget you, Mr. Martin Luther King.

You took a ride, for freedom, on a Montgomery, Alabama bus,
To rid the nation, of prejudice, racism, that had segregated us.
When bombing, burning, plagued city's, day and night,
Nonviolence, you preached, upholding the battle of freedom, was your fight.
Simplicity and valor, steadfast you held, the world would confess,
And deep down, in our hearts, Martin, you are not dead yet.
Until this earth, passes away and there not a robin, left to sing,
We will never, forget you, Mr. Martin Luther King.

The march on Washington, in 1963, lingers still in our minds,
Your speech near the Lincoln Memorial was right on time.
Winning the Nobel Peace Prize, in nineteen hundred and sixty four,
There was so many people, that felt, you was moving too slow.

Your deep rooted dream, is embedded, in
the minds of all people,
Holding these truths to be self evident, that
all men, are created equal.
This land of liberty, my country, tis of thee,
of freedom, we sing,
We will never, forget you, Mr. Martin Luther
King.

Giving your life, for the people you led, I
have a dream, you said,
A forever whispering wind, whisper's, your
dream, is not yet, dead.
Dreaming of a land, where all people, could
live in harmony.
A world in which we live, where all men,
could be free.
Dream's never dreamt, where Blacks and
Whites walk hand in hand,
Where peace, love and freedom, reign,
through out the land.
Deserving honors fit for a king, you left a
record, spotless and clean,
We will never, forget you, Dr. Martin Luther
King.

In Memphis, Martin, you made your last
and final stop,
On the balcony, of the Lorraine Motel, the
whole world, heard a shot.
I am not afraid, Martin, you said, for I have
seen, the promise land,
And the whole world knows, that you was, a
God fearing, humble man.

The freedom bell, is ringing, in every city
and every State,
Blacks and Whites, Jews and Gentiles,
Protestants and Catholics, its not too
late.
Let's join in, the people spiritual, free at
last, let us all sing,
We will never, forget you, Dr. Martin Luther
King.

I would also like to take this opportunity to join my colleagues on the Congressional Black Caucus and urge the 96th Congress to pass the legislation introduced by Representative JOHN CONYERS to make January 15 a national holiday in tribute to the late, great Dr. Martin Luther King, Jr.●

● Mrs. CHISHOLM. Mr. Speaker, on this 15th birthday of our great leader, Rev. Martin Luther King, Jr., it is appropriate that we pause and take stock of the progress this country has achieved toward meeting the objectives to which Dr. King dedicated his career and life.

Largely due to the efforts of Dr. King and his followers, the Nation can take comfort in the fact that some of the more obvious forms of discrimination such as the legal restrictions enshrined in the Jim Crow Laws have now been eliminated from our system of justice. Indeed, Dr. King's valiant efforts to secure and protect the rights belonging to blacks and other minorities by virtue of their citizenship in this country have in most instances been acknowledged by the courts. In principle, blacks can now vote in our public elections, serve on juries, frequent theatres, restaurants and hotels of our choice, ride passenger trains; and we are no longer compelled to serve in segregated military units. At the same time that we acknowledge these important political and social gains, we must also candidly admit that the full promise of Dr. King's dream of total emancipation of his race has not been achieved in any meaningful way.

The legacy of the forced segregation of the races and centuries of unequal treatment is evident in almost every aspect of American life today.

Ten years after the Kerner Commission report which identified the causes of racial unrest in this country, we must sadly acknowledge that black youngsters today continue to have a life expectancy which is shorter by more than 5 years than that of a white child. The mother of a black child is over three times more likely to die of complications of childbirth, and the infant mortality rate for blacks is nearly twice that for whites. In terms of income, the average black family earns only 60 percent of the median salary of a white family; and the percentage of blacks who live in families with incomes below the poverty line is nearly four times greater than that of whites.

I am certain that Dr. King would be outraged by the unemployment situation confronting our community in 1979. Like Dr. King, I am especially sensitive to the bleak occupational prospects for black and other minority youth. We know for example, that the unemployment rate of black teenagers has swelled to upward of 35 percent nationally. In some instances, our young people must face the prospect of never gaining access to the labor market—not because these youth are not eager to obtain jobs but because they lack the education and skills necessary to compete with their more affluent peers for the limited number of positions ayailable.

The relationship between these shocking statistics and the history of unequal treatment afforded to the Afro-American cannot be denied. Consistent with the spirit and thrust of Dr. King's deep commitment to the poor people of this Nation. We must rededicate ourselves to identify and implement stategies which begin not only to address the problems of inflation but also, and perhaps more importantly, formulate bold and creative solutions which respond to the acute needs of blacks, unemployed teenagers, and other victims of racial oppression.

Just today, I listened to the words of Dr. King, as just before his untimely death, he spoke out against the move afoot in America to retreat from our constitutional commitment to equality of opportunity. Dr. King spoke of our Constitution as a promisorial note which serves as a strong guarantee of an equal opportunity to live the American dream. As leaders of our Government, we cannot allow America to default on this note by retreating from the pursuit of equal opportunity. Too many of my colleagues have found it fashionable to attack affirmative action and other instruments for acquiring access and opportunity. Before we can attack instruments for change, such as affirmative action, we should look at the manifestations which this terrible history of discrimination has taken. I hope that as we move into the 96th Congress, my colleagues will remember that although we live in a period which seeks to limit Government and spending, we also serve in a constitutional democracy, and we have an obligation to form a more perfect society. This will not be done by balancing the budget on the backs of America's poor.

Obviously the problems we face have no easy answers, but they also will not be solved by pursuing the course of benign neglect. Many of the inequities in this society which Dr. King so eloquently dramatized still exist. I pray that as a body we will move to address these inequities forthrightly, and that we not attempt to ignore the turmoil which swells in the disadvantaged communities of this Nation.

Let me conclude my remarks by urging each Member of this body to support the bill introduced by Mr. CONYERS to designate January 15, Dr. King's birthday, a national holiday. Those of us who were among the 104 cosponsors of this legislation in the 95th Congress have sought passage of this bill to enable citizens to engage in activities on this day which symbolize the high ideals to which Dr. King dedicated his life's work. I know that this legislation has the President's endorsement, and I sincerely hope that now—a decade after the tragic events in Memphis—we will finally pass this bill.

● Mr. ADDABBO. Mr. Speaker, today we honor the birthday of a great American, the late Dr. Martin Luther King. Except for the assassin's bullet, who destroyed this good man in the prime of his life, Dr. King would be with us today on this, his 50th birthday.

Many of us in this Chamber have cosponsored legislation which would commemorate Dr. King's birthday as a national holiday. I would hope that this legislation might pass this House in the months to come because I believe it is in the national interest to always remember this man who taught all of us the true meaning of brotherhood and who set for the Nation the example of what nonviolent protest can accomplish.

To aid my colleagues, I ask unanimous consent to include in the RECORD an article from today's issue of the New York Times which sums up well, I believe, the meaning of Dr. King's life.

REMEMBERING MARTIN LUTHER KING

Many Americans today commemorate the 50th birthday of the late Martin Luther King, principal spokesman for the civil rights movement until his assassination in 1968. That movement has been transformed in the years since his death.

The venerable National Association for the Advancement of Colored People is struggling financially and has been forced to cut programs and dismiss 10 percent of its staff. The Congress of Racial Equality, far removed from its nonviolent tradition, is in trouble with the law. When members of the Southern Christian Leadership Conference, the group Dr. King headed for many years, protested Federal budget cuts yesterday as President Carter received the Martin Luther King award in Atlanta, it was the first word from them in a long time. Most civil rights groups are struggling to exist; only the Urban League, which has never relied on mass action seems intact.

It is as if the bullet that struck Martin Luther King had ricocheted through his movement. But it was not Dr. King's passing that caused the disarray. In a sense, the movement is the victim of its own success.

An expanded black middle class has emerged and its members are moving up in corporations, Government and the professions. Blacks are voting in larger numbers—though still less than whites—and winning important offices. Marion Barry, a militant activist in the 1960's, was inaugurated this month as mayor of the nation's capital. There are now black mayors in six major cities; 17 blacks sit in Congress and others hold statewide office. They are displacing leaders who emerged more informally through church and protest groups.

Not long ago, the victims of racial discrimination could turn for aid only to organized civil rights groups. Now, Government has become a major advocate for minorities. Race relations in the urban South have progressed to the point where they are as good—or poor—as those elsewhere.

Blatant acts of racism and violence have all but vanished, and so have their conspicuous advocates—the Bull Connors who provided the easy targets for organizing resistance and remedy. For many of these reasons, as William Wilson, a sociologist, argues in "The Declining Significance of Race," civil rights groups can no longer expect broad support for racial appeals.

Yet, for all the progress, black family income was 59 percent of that of whites in 1976, about where it was in 1970. The economic problems reflected in such figures are more intractable than segregated lunch counters. No one knows how to deal with the hardcore underclass in the inner city. Black unemployment is still twice the national average, and unemployment among urban minority youths is around 40 percent.

And despite impressive political victories, blacks are insufficiently represented in proportion to their numbers. Moreover, some gains of the earlier period are being eroded by inflation and by the fight against it. In city after city the poor, including many blacks, are being asked for disproportionate sacrifices to save the economy. There is growing belief in black America that race relations are deteriorating under the economic strain.

The movement that Martin Luther King led can claim enormous progress toward his dream of a new racial order in America. But the challenge for his successors is how to consolidate those gains and to attack the many surviving problems caused by racism. It is worth remembering what genius it took to rally so many divergent forces to a common purpose.

—ROBERT CURVIN.●

● Mr. STEWART. Mr. Speaker, I am pleased to join in the recognition of the anniversary of Dr. Martin Luther King's birthday. Half a century after this great leader's birth it is appropriate to remind our Nation of this prophet's still unfulfilled dream.

On August 28, 1963, Dr. Martin Luther King addressed over 200,000 people who gathered in the largest civil rights demonstration in the history of the United States.

Near the end of the March on Washington he delivered at the Lincoln Memorial what is perhaps the greatest speech in the entire civil rights movement.

The "I Have a Dream" speech echoed the Bible, the Constitution, and the national anthem. It gathered and welded together the urgent aspirations which Dr. King shared so deeply with our people. He assured the multitude of pilgrims that the prophecy of equality and freedom for all would yet come true.

Now over 10 years after Dr. King's death, some elements of the dream which he projected are beginning to become fulfilled. We have seen great progress toward achieving open housing, equal opportunity, voting rights, and recognition of our black heritage.

Yet today much still remains to be done to fulfill the dream. The most pressing problems facing this country's black and minority population concern unemployment and poverty. Without jobs and income we cannot achieve economic equality.

Too few young Americans know much about Dr. King and his life's work as a leader, a Nobel Peace Prize winner, a prophet, and a friend of all humanity.

Observing his birthday as a Federal holiday would stimulate schools, community and civic organizations, and individuals to discover his unique and invaluable contribution to American life. It would encourage everyone to examine and respect Dr. King's quest for justice and his vision of equality.

Honoring Dr. King by establishing his birthday as an official national holiday would give renewed official emphasis and commitment to fulfilling his dream.

When the dream becomes reality and the pledge of America's promised equality is finally made good, then and only then will all Americans be free.

On that day, Dr. King declared, both blacks and whites, people of all religions and all races, will have been emancipated. And on that day, then we all will sing, "Free at last! free at last! thank God Almighty, we are free at last!" ●

LEGISLATION TO INCREASE FEDERAL SHARE OF WELFARE COSTS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am today introducing a bill to increase the Federal takeover of State welfare costs. This bill will require the Federal Government to pay 75 percent of the total costs incurred by each State and will thus provide much needed aid to financially hard-pressed State and local governments.

Although welfare payments for the needy is a national problem and the cost of dealing with it should quite properly be borne by the Federal Government, the Federal Government pays different amounts of welfare costs in different States. Thus, the Federal Government pays only 49 percent of welfare costs in my own State of New York, but pays almost 83 percent of the welfare costs in Mississippi. This disparity is grossly unfair and places a disproportionate burden on the taxpayers in low-reimbursement States such as New York.

My bill will equalize Federal payments at 75 percent of the cost. This will mean for most States a substantial increase in Federal help for welfare payments. New York State, for example, would gain an additional $400 million a year from the Federal takeover of welfare alone. In addition, cities and counties will also gain significantly. New York City, for example, would receive an additional $150 million a year; Nassau County would receive $20 million.

The long-term effect of the 75 percent Federal reimbursement is that jobs will be saved and police, fire, education, and other vital services will be maintained. In addition, State and local taxes will be minimized.

Mr. Speaker, the time has come for the Federal Government to assume a larger share of the burden it has imposed on State and local governments. Although I believe the Federal Government should pay for 100 percent of welfare costs, this bill is an important first step toward achieving this goal.

The text of the bill follows:

H.R. —

A bill to amend title IV of the Social Security Act to increase the minimal Federal matching rate under the aid for families with dependent children program to 75 percent

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Increased Federal Share of Welfare Costs Act of 1979".

SEC. 2. (a) Section 403(a) of the Social Security Act (42 U.S.C. 603(a)) is amended—

(1) by striking out "October 1, 1956" in the matter preceding paragraph (1) and inserting in lieu thereof "October 1, 1979";

(2) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including expenditures for premiums under part B of title XVIII for individuals who are recipients of money payments under such plan and other insurance premiums for medical or any other type of remedial care or the cost thereof); and";

(3) by amending paragraph (3) to read as follows:

"(3) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a)(1) of this Act other than services the provision of which is required by section 402(a)(19) to be included in the plan of the State; and";

(4) by amending paragraph (5) to read as follows:

"(5) in the case of any State, an amount equal to 75 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children."; and

(5) by striking out "or (2)" in the sentence following paragraph (5).

(b)(1) Section 403(d)(1) of such Act (42 U.S.C. 603(d)(1)) is amended by striking out "subparagraph (A) of".

(2) Section 409(b) of such Act (42 U.S.C. 609(b)) is amended by striking out "and (4)".

(c) The amendments made by subsections (a) and (b) shall apply to amounts expended, under a State plan approved under part A of title IV of the Social Security Act, on and after October 1, 1979.●

AMENDING RULEMAKING PROCEDURES FOR FEDERAL COURTS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this

point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the rulemaking procedures for the Federal courts. By amending the Rules Enabling Act, this bill seeks to insure that Federal court rules, which critically affect the rights of our citizens, will receive careful consideration and reflect public participation.

Under present law, Federal court rules are supposedly promulgated by the Supreme Court. Such rules then go into effect automatically unless Congress, by statute, changes them. In fact, the Supreme Court does not fashion the rules. Instead, they are promulgated by the advisory committees of the Judicial Conference, a group composed of Federal judges. The Supreme Court does little more than rubberstamp the rules proposed by the Conference.

Justice Douglas said of the process in his dissent to the Federal Rules of Evidence:

> (T)his Court does not write the Rules, nor supervise their writing nor appraise them on their merits, weighing the pros and cons . . . Those who write the Rules are members of a Committee named by the Judicial Conference. The members are eminent; but they are the sole judges of the merits of the proposed Rules, our approval being merely perfunctory. In other words, we are merely the conduit to Congress. Yet the public assumes that our imprimatur is on the Rules, as of course it is.

Another problem occurs under the present system. Even though the Supreme Court does not deliberate on the rules, the fact that it approves them means that the Court is then placed in the awkward positions of deciding on their validity when the rules are challenged in a particular case.

Furthermore, the rules which come to the Supreme Court for approval have often not been as good as they could be. One reason is that the Judicial Conference drafts rules without the benefit of widespread comment by the bar and interested public. The advisory committees to the Judicial Conference, which do the actual drafting, are often made up of law professors and appelate judges. They do not include enough experienced trial lawyers or represent an adequate cross-section of interests.

The Judicial Conference generally adopts rules behind closed doors. It does not have published procedures. Until recently, no public hearings were held and the record of advisory committee votes on particular rules and dissenting views were never made public.

The best evidence of the inadequacy of the rulemaking procedure is that four times in the last 5 years the Congress has had to step in and revise the proposed rules.

Under the present system, however, it is difficult for Congress to block the rules. Unless it passes a statute within 90 days, the rules go into effect automatically. This means that bad rules can go into effect by default if both Houses cannot agree, or one House fails to act or the President refuses to sign the bill. The burden should not be on Congress to stop bad rules but on the proposers to show the rules are good.

My bill would reform the present rulemaking procedures. First, it would take the rulemaking power away from the Supreme Court which does not exercise that power anyway. Second, it would give the responsibility for proposing rules to the Judicial Conference which does exercise that power now.

In addition, my bill would open up the process by which the Judicial Conference adopts rules so that the rules promulgated will have the benefit of widespread comment from the bar and the public. Specifically, the bill would require that the Judicial Conference establish regular procedures—through publication in the Federal Register—for promulgating rules. It would further require that when the Judicial Conference decides to consider rules changes that it publish 90 days before their formal consideration, a list of the changes under consideration and the issues raised by such changes in the Federal Register and Federal Rules Decisions.

The Judicial Conference would be required to seek affirmatively wide-ranging comment from the public and the bar, receive written comments, and hold public hearings on rule changes. It would then be required to publish a record of the votes taken within the Conference on particular rules and publish any dissenting views.

Finally, the bill provides that rules promulgated by the Judicial Conference would not go into effect until approved by the Congress.

The bill, in my judgment, will substantially improve the quality of the rules promulgated for Federal courts and relieve Congress of its present burden of preventing the damage that ill-considered rules could cause.

The text of my bill follows:

H.R. —

A bill to amend the provisions of title 18 and 28 that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the Judicial Conference, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rules Enabling Act Amendments Act of 1979".

CRIMINAL CASES

SEC. 2. Chapter 237 of title 18 of the United States Code is amended to read as follows:

"Chapter 237.—RULES OF CRIMINAL PROCEDURE

"Sec.
"3771. Power of Judicial Conference.
"3772. Effect of laws and prior rules.
"3773. Manner of prescribing rules.
"3774. Effect of rules.

"§ 3771. Power of Judicial Conference

"(a) The Judicial Conference of the United States shall have the power to prescribe, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings, before or after verdict or otherwise, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for the Districts of the Canal Zone and the Virgin Islands, in the Supreme Court of Puerto Rico, in proceedings before United States magistrates, in the United States courts of appeals.

"(b) This section does not give the Judicial Conference the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application is made not later than the tenth day after the date of entry of such plea, and before sentence is imposed.

"(c) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right to trial by jury as at common law and as declared by the Constitution of the United States.

"§ 3772. Effect of laws and prior rules

"(a) The right of appeal shall continue in those cases in which appeals are authorized by law, but the rules made under this chapter may prescribe the times for and the manner of taking appeals, preparing records and bills of exceptions, and the conditions on which supersedes or bail may be allowed.

"(b) Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this subsection takes effect.

"§ 3773. Manner of prescribing rules

"Rules prescribed under this chapter shall be prescribed in the same manner as rules prescribed under chapter 131 of title 28.

"§ 3774. Effect of rules

"The Judicial Conference may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.".

CASES OTHER THAN CRIMINAL CASES

SEC. 3. Chapter 131 of title 28 of the United States Code is amended—

(1) in section 2071, by striking out "Supreme Court." and inserting in lieu thereof the following: "Judicial Conference of the United States under an Act of Congress.";

(2) by striking out section 2072 and all that follows through section 2076 and inserting in lieu thereof the following:

"§ 2072. Power of Judicial Conference

"(a) The Judicial Conference of the United States (hereinafter in this chapter referred to as the 'Judicial Conference') shall have the power to prescribe from time to time, by general rules—

"(1) the pleading, practice, and procedure of the district courts and courts of appeals of the United States in civil actions, including admiralty and wartime cases, and appeals in such cases;

"(2) the pleading, practice, and procedure in proceedings for the review by the courts of appeals of decisions of the Tax Court of the United States;

"(3) the pleading, practice, and procedure for the judicial review of or enforcement of orders of administrative agencies, boards, commissions, and officers;

"(4) the practice and procedure under the Bankruptcy Act; and

"(5) rules of evidence, in the form of amendments to the Federal Rules of Evidence.

"(b) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right of trial by jury as at common law and as declared by the seventh amendment to the Constitution.

"§ 2073. Effect of prior rules

"Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this section takes effect.

"§ 2074. Manner of prescribing rules

"(a) The Judicial Conference shall publish from time to time in the Federal Register a description of the procedures the Judicial Conference adopts with respect to the functions of prescribing rules under this chapter. Such procedures shall be in conformity with this section. The Judicial Conference shall also submit such description to any appropriate private publishers of regularly issued materials published for the legal community for inclusion in such materials.

"(b) The Judicial Conference shall publish in the Federal Register, and submit to private publishers as described in subsection (a) of this section, not later than ninety days before the date on which formal consideration is to be given to a proposed rule under this chapter, a notice of such proposal, including a list of issues that the proposal raises and any copy of the proposal, if such copy is then available. No rule that concerns an issue to be listed under this subsection shall be adopted by the Judicial Conference until after such issue is listed in such list and such list has been published in accordance with this subsection and furnished in accordance with subsection (c) of this section.

"(c) The Judicial Conference shall seek comment on the proposal from a wide variety of persons and organizations that may be affected by the adoption of the proposal. The Judicial Conference shall in addition furnish to the extent practicable the notice list, and copy required by subsection (b) of this section to organizations representing those segments of the legal community that are concerned or have in the past indicated a concern with matters the proposal affects, and to an appropriate committee of each House of Congress.

"(d) The Judicial Conference shall accept and consider timely written comments on such proposals. The Judicial Conference shall hold hearings (and maintain available to the public a transcript of such hearings) on matters before it for consideration under this chapter.

"(e) The number of votes in favor of and opposing the adoption of a rule that is adopted by the Judicial Conference shall be recorded and published in the Federal Register and submitted to private publishers as described under subsection (a) of this section together with the adopted rule, any dissenting views submitted in a timely fashion, and an explanation of why such rule was adopted and why any changes were made if such changes were made to the rule as proposed by an advisory committee.

"(f) Rules adopted under this chapter shall not take effect until they have been approved by Act of Congress.

"§ 2075. Effect of rules

"The Judicial Conference may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.";

and

(3) so that the table of sections reads as follows:

"Sec.
"2071. Rulemaking power generally.
"2072. Powers of Judicial Conference.
"2073. Effect of prior rules.
"2074. Manner of prescribing rules.
"2075. Effect of rules.".●

LEGISLATION TO CLOSE LOOPHOLE IN EQUAL PAY ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing legislation today to plug a loophole in the Equal Pay Act that allows unjustifiable wage discrimination.

Six years ago a Federal appeals court construed the Equal Pay Act to permit an employer to pay different salaries to men and women even though they perform the same services. The court allowed salesmen who sold men's clothes to be paid higher salaries than saleswomen who sold women's clothes in the same store.

In permitting this discrimination, the court relied on an exception to the Equal Pay Act, which does not mandate equal pay when "based on any other factor than sex." The "other factor" here was the claim that the sale of men's clothing was more profitable than the sale of women's clothing. The Supreme Court refused to review the case.

I believe this interpretation of the "other factors" clause is an unwarranted departure from the purpose of the Equal Pay Act, which is to mandate equal pay for equal work. It allows wholesale sex discrimination in wages, simply on the assertion of vague, hard-to-ascertain "business reasons."

I therefore, propose in my bill to narrow the "any other factor" provision by specifically excluding profitability as a factor upon which employers can base a wage differential between employees. My bill would, however, retain the other exceptions to the Equal Pay Act which permit wage differentials based on merit or seniority systems, measures of quantity and quality of production, or other factors not based on sex. Thus, employers would remain free to establish reasonable, work-related, or seniority based pay scales.

Discrimination in wage practices is one of the fundamental abuses that must be ended in order to secure equal treatment for women in America. Women now make up more than 40 percent of the work force. Yet in the retail sales industry, for example, female retail sales workers earned only 51.9 percent of what male retail sales workers made, as of late 1974. By limiting the other factor provision in the Equal Pay Act, we can help these women achieve the economic equality that is long overdue.

I urge my colleagues to support this important legislation.

The text follows:

H.R. —

A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that Act may have wage differtials based on sex of the employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Pay Reform Act of 1979".

SEC. 2. Section 6(d)(iv) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)(iv) is amended by striking out "other factor other than sex" and inserting in lieu thereof "other factor (other than sex), but economic profitability, to the employer, of goods produced, handled, sold, or otherwise worked on in such jobs shall not be such a factor".●

LEGISLATION TO ELIMINATE CREDIT REDLINING ON BASIS OF GEOGRAPHY

Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill that would put an end to present practice of credit redlining on the basis of geography. It would insure that consumer credit is not withheld from creditworthy people merely because of where they live.

A newspaper recently reported that a Detroit couple, with an annual income of $50,000, was denied a gasoline credit card, because they live in an older section of the city. It is intolerable that individuals, otherwise eligible for credit, are denied credit just because they live in a particular city neighborhood that a bank or credit card company does not like.

Credit redlining on a geographic basis is discriminatory and unfair. In addition, consumer credit redlining, like mortgage and insurance redlining, undermines efforts to keep our cities alive.

My bill which amends the Equal Credit Opportunity Act, would halt consumer credit redlining by prohibiting the denial of consumer credit on grounds of geography. The Equal Credit Opportunity Act now prohibits credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, receipt of welfare funds, or the exercise of any right under the Equal Credit Opportunity Act.

My legislation would help insure that people are not arbitrarily denied consumer credit. It would require that applicants for credit be judged on their merits and not on the discriminatory criterion of geographic location. I urge prompt passage of my bill.

The text follows:

H.R. —

A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701(a) of the Equal Credit Opportunity Act is amended by striking out "or" at the end of paragraph (2) thereof, by striking out the period and inserting "; or", and by inserting at the end thereof the following:

"(4) on the basis of the geographical location of the applicant's residence (other than any extension of credit which is secured by real property which is the applicant's residence).".●

FEDERAL GRAND JURY PRACTICE REFORM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing legislation to reform several serious problems related to Federal grand jury practice.

At present, there are no specific limits on the length of time a person can be imprisoned for refusing to answer questions posed by the grand jury. If held in civil contempt, a witness may be imprisoned for the life of a grand jury—up to 18 months. Moreover, when the grand jury's term expires, nothing prevents the witness from being resubpenaed before a new grand jury, questioned again, and subjected to another 18-month period of imprisonment.

Significantly, a judge acting alone can-

not imprison a witness for criminal contempt for more than 6 months. My bill brings civil contempt in line with criminal contempt and limits imprisonment to 6 months. It also prohibits reimprisoning a witness for refusing to answer questions for which he has already been held in civil contempt and imprisoned.

A second major problem is that courts are provided no standards upon which to decide the place of imprisonment for contempt of a Federal grand jury. Because a person can be subpenaed to appear before a Federal grand jury anywhere in the United States, he can be imprisoned for civil contempt far from his family, home, or attorney. This has caused some extraordinarily harsh results in the past. For example, in the case of the Fort Worth Five, five New York residents were summoned to testify before a Federal grand jury in Fort Worth, Tex. These men were held in contempt and imprisoned in Texas for almost a year and a half. Since the families of all five men and their principal attorney were in New York, imprisonment in Texas posed a serious problem. My bill permits a witness held in civil contempt to apply for a transfer of his place of imprisonment on a showing of hardship.

Furthermore, a person held in civil contempt is sometimes incarcerated in State prisons or county jails. These jails are often substandard. My bill requires that, unless a witness consents, imprisonment must be in a Federal facility.

Although many other major reforms have been suggested with respect to Federal grand jury proceedings, I suggest we begin by correcting the problems I have outlined above.

The text of my bill follows:

H.R. —

A bill to amend titles 18 and 28 of the United States Code to provide that an individual appearing before certain grand juries can be imprisoned for contempt for no more than 6 months, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Contempt Reform Act of 1979".

SEC. 2. Section 1826 of title 28, United States Code, is amended to read as follows:

"§ 1826. Recalcitrant witnesses

"(a)(1) Whenever a witness in any proceeding before or ancillary to any court or grand jury of the United States refuses without just cause shown to comply with an order of the court to testify or provide other information, including any book, paper, document, record, recording, or other material, the court, upon such refusal and after a hearing at which the witness may be represented by counsel, may, if the court finds that such refusal was without just cause, hold the witness in contempt and order the witness to be imprisoned.

"(2) Any imprisonment for refusal to give testimony or provide information pursuant to this subsection shall be at a Federal correctional institution unless the witness agrees to confinement at a non-Federal institution designated by the Attorney General.

"(3) Upon a showing of need or hardship, the court ordering such imprisonment may grant a request by the witness to be imprisoned at a suitable correctional institution near the place of residence or employment of the witness or the witness' family or relatives or the attorney of the witness.

"(4) Any imprisonment for refusal to give testimony or provide information pursuant to this subsection shall continue until such time as the witness is willing to give such testimony or provide such information except that no period of such imprisonment shall exceed the lesser of—

"(A)(i) in the case of a court proceeding, the life of the court proceeding before which such refusal to comply with the court order occurred, or

"(ii) in the case of a grand jury, the term of the grand jury, including extensions, before which such refusal to comply with the court order occurred; or

"(B) six months.

"(5) No hearing shall be held under this subsection unless ten days' notice is given to the witness who has refused to comply with the court order under this subsection, except that a witness subpenaed for a trial may be given a shorter notice of not less than five days if the court, upon a showing of special need, so orders.

"(b) No person imprisoned under this section for refusal to testify or provide other information concerning any transaction, set of transactions, event or events may be again imprisoned under this section or under section 401 of title 18, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.

"(c) Any person confined pursuant to subsection (a) of this section shall be admitted to bail or released in accordance with the provisions of chapter 207 of title 18, United States Code, pending the determination of an appeal taken by such person from the order of imprisonment, unless the appeal is patently frivolous. If the person has not been released on bail or otherwise released, any appeal from an order of imprisonment under this section shall be disposed of as soon as practicable, pursuant to an expedited schedule, and in no event more than thirty days from the filing of such appeal. If the appellate court shall fail to dispose of the appeal of a person who remains confined within thirty days, the person shall automatically be released on his or her personal recognizance pending disposition of the appeal.

"(d) In any proceeding conducted under this section, counsel may be appointed in the same manner as provided in section 3006A of title 18, United States Code, for any person financially unable to obtain adequate assistance.

"(e) A refusal to answer a question or provide other information before a grand jury of the United tSates shall not be punishable under this section or under section 401 of title 18, United States Code, if the question asked or the request for other information is based in whole or in part upon evidence obtained by an unlawful act or in violation of the witness' constitutional rights or of rights established or protected by any statute of the United States.".

SEC. 3. (a) Chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 403. Refusal of a witness to testify in a grand jury proceeding

"No person who has been imprisoned or fined by a court of the United States under section 401 of this title for refusal to testify or provide other information concerning any transaction, set of transactions, event, or events in a proceeding before a grand jury (including a special grand jury summoned under section 3331 of this title) impaneled before any district court of the United States may again be imprisoned or fined under section 401 of this title or under section 1826 of title 28, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.".

(b) The table of sections for chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"403. Refusal of a witness to testify in a grand jury proceeding.".●

UNSPENT GOVERNMENT APPROPRIATIONS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, as a member of the House Budget Committee, I have become extremely concerned about the growing size of the appropriations which are not spent by Federal departments and agencies. These unspent or "unobligated balances" will total almost $47 billion by the end of fiscal year 1979, an amount greater than the estimated Federal budget deficit.

Today I am introducing a bill that will enable Congress to reduce these unspent balances. My bill requires the President in his budget to describe his efforts to reduce unobligated balances. Congressional committees must provide the Budget Committees with an accounting of the unobligated balances resulting from their budgetary recommendations and what they have done to reduce these balances. In connection with the first concurrent resolution, the House and Senate Budget Committees must also report on the unobligated balances and what steps have been taken to cut them.

These procedures should help reduce unobligated balances. The President and the congressional committees are required for the first time to focus on the problem; in addition they must propose solutions.

Unobligated balances occur throughout the Government. The Department of Defense, for example, is expected to have at least $21 billion in unobligated funds by the end of fiscal year 1979 (almost half the Federal total of unobligated balances). In addition, these Defense Department balances have been increasing each year. In 1972 they were $12 billion; in 1979 they are expected to soar to $21 billion, an increase of 75 percent.

Other Federal agencies are also guilty. By the end of fiscal year 1979, the Department of Energy is expected to have unobligated balances of more than $13 billion and the Department of Transportation more than $7 billion.

If the integrity of the budget process is not to be undermined, agencies' annual requests must be based on realistic assessments of what they can obligate in that year and they must be required to spend their appropriations in a timely manner. In addition, we must insist that these agencies and departments spend what they have previously requested before coming to the Congress for additional funds.

During last year's debate on the second concurrent resolution for fiscal year 1979, I offered an amendment that would have reduced unobligated balances by 10 percent. Although I subsequently withdrew my amendment, because it would have imposed serious practical difficulties on the appropriations process, it received strong bipartisan support and represented an attractive and sensible approach to reducing waste in Federal spending.

This bill represents a further effort to cut down the massive size of unobligated balances and make our appropriations and budgetary process more responsible.

The text of the bill follows:

H.R.—

A bill to amend the Congressional Budget Act of 1974 to require that certain information with respect to unobligated balances of budget authority be included in the report accompanying the first concurrent resolution on the budget each year (as well as in the annual reports submitted by other committees to the Budget Committees of the House and Senate, and in the President's annual budget)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(d) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (7);

(2) by redesignating paragraph (8) as paragraph (9); and

(3) by inserting after paragraph (7) the following new paragraph:

"(8) a statement of the steps that have been and will be taken (under the concurrent resolution and otherwise) to reduce unobligated balances of budget authority under Federal programs, and an estimate of the level of unobligated balances of budget authority that will exist under programs within each major functional category, at the end of the fiscal year to which the resolution relates, as a result of the recommendations contained in the resolution and the report; and".

SEC. 2. Section 301(c)(2) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "(A)" before "the estimate"; and

(2) by inserting before the period at the end thereof the following: ", and (B) an estimate of the unobligated balances of budget authority that will remain at the end of the fiscal year beginning October 1 of such year under programs within the jurisdiction of such committee, an estimate of the extent to which those unobligated balances of budget authority will be greater or less than the unobligated balances of budget authority remaining under such programs at the end of the fiscal year during which the report is submitted, and a statement of what steps will be taken to reduce the unobligated balances of budget authority under such programs".

SEC. 3. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(14) a statement of the steps which are being taken to reduce the unobligated balances of budget authority under programs within each major functional category.".

SEC. 4. The amendments made by this Act shall be effective January 1, 1980.●

PROTECTION OF SOCIAL SECURITY BENEFIT INCREASES

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing today a bill to insure that social security recipients do not lose benefits from federally assisted programs because of increases in social security payments.

Under present law, increases in social security benefits are counted as income for the purposes of participation in other Federal aid programs. Thus a person whose income increases as a result of higher social security benefits may lose entitlement to such programs as medicaid, public housing, and food stamps. Others may receive reduced supplemental security income benefits.

Because of this treatment, cost-of-living increases in social security benefits, which were intended to allow senior citizens to keep pace with today's rampaging inflation, will produce no additional income for many social security recipients, and will actually lower the income of some.

My bill would rectify this injustice by requiring both State and Federal agencies to disregard social security benefit increases for purposes of benefits under federally assisted programs. It would guarantee that social security recipients actually get the benefit increases to which they are entitled and which Congress intended.

We have seen too many instances in which the Federal Government gives benefits with one hand and takes them away with the other. I believe that when Congress provides increases in social security payments in order to help senior citizens cope with inflation it does not intend to see those increases nullified by reductions in other benefits. I urge my colleagues to support my bill so that America's elderly will not suffer further from this absurd inequity in the social security law.

The text of the bill follows:

H.R.—

A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, and recipients of assistance or benefits under certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1974 increases in monthly social security benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612 of the Social Security Act (relating to supplemental security income benefits) is amended by adding at the end thereof the following new subsection:

"Special Rule for Social Security Benefit Increases

"(c) In determining the income of any individual (or his eligible spouse) who is entitled for any month to a monthly benefit under the insurance program established by title II of this Act, there shall be excluded any part of such benefit which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of this Act (regardless of any concurrent increase in the benefits payable under this title which may result from the operation of section 1617), or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of this Act.".

SEC. 2. Section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) In addition to the requirements imposed by subsection (a) as a condition of approval of a State plan for aid and services to needy families with children, there is hereby imposed the requirement (and the plan shall be deemed to require) that, in the case of any individual found eligible (as a result of the requirement imposed by this subsection or otherwise) for aid to families with dependent children for any month who also receives in such month a monthly insurance benefit under title II of this Act which is increased (or is greater than it would otherwise be) by reason of a cost-of-living increase in benefits occurring after December 1974 pursuant to section 215(i) or any other increase in benefits, enacted after December 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3), the sum of the aid to families with dependent children received by him for such month, plus the monthly insurance benefit received by him in such month, shall not be less than the sum of—

"(1) the aid to familes with dependent children which would have been received by him for such month under the plan as in effect for December 1974, plus

"(2) the monthly insurance benefit which was or would have been received by him for December 1974, plus the amount by which such benefit (effective for months after December 1974) was or would have been increased by such cost-of-living increase or general benefit increase,

whether this requirement is satisfied by disregarding a portion of his monthly insurance benefit or otherwise.".

SEC. 3. (a) Subsection (g) of section 415 of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying paragraph (1)(G) of this subsection, shall disregard any part of such benefits which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

(b) Section 503 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying subsection (a)(6) of this section, shall disregard any part of such benefits which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to

section 215(1) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(1)(3) of such Act.".

SEC. 4. Notwithstanding any other provision of law, in the case of any individual who is entitled for any month to a monthly benefit under the insurance program established by title II of the Social Security Act, any part of such benefit which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215 (i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(1)(3) of such Act, shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of such individual or his or her family or the household in which he or she lives—

(1) for participation in the food stamp program under the Food Stamp Act of 1964, or for surplus agricultural commodities under any Federal program providing for the donation or distribution of such commodities to low-income persons,

(2) for admission to, occupancy of, or fixing or adjusting rent for low-income housing under the United States Housing Act of 1937, or

(3) for any other aid or assistance in any form under a Federal program, or a State or local program financed in whole or part with Federal funds (including the Federal-State programs of aid and assistance under titles I, X, XIV, and XVI of the Social Security Act where such programs are effective), which conditions such eligibility to any extent upon the income or resources of such individual, family, or household,

or for purposes of determining the amount or extent of such participation or such aid, assistance, or benefits.

SEC. 5. The amendments made by the first section of this Act shall apply with respect to benefits for months after the month in which this Act is enacted. The amendments made by section 2 of this Act shall be effective with respect to calendar quarters beginning on or after the date of the enactment of this Act. The amendments made by section 3 of this Act shall apply with respect to annual income determination made pursuant to sections 415(g) and 503 (as in effect both on and after June 30, 1960) of title 38, United States Code, for calendar years after 1974. Section 4 of this Act shall be effective with respect to benefits, aid, or assistance furnished after the month in which this Act is enacted.●

RENEWING THE COUNTERCYCLICAL REVENUE SHARING PROGRAM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, the countercyclical revenue sharing program has been one of the most important methods by which the Federal Government has provided fiscal relief to State and local governments that have been hard hit by high unemployment. I am introducing a bill today that will reauthorize this vitally needed program and will concentrate its benefits on those governments that need them most.

Because the countercyclical program expired in September 30, 1978, and was not extended in the last Congress, States and localities were denied Federal funds that were specifically designed to help them deal with high unemployment and soaring inflation.

Even worse, the Carter administration specifically instructed many cities to include these funds in their 1979 budget. New York City, for example, was told to expect $140 million for fiscal year 1979, and Buffalo was told to plan on over $3 million. Both cities counted on these funds in their fiscal plans and the failure to provide them created serious fiscal difficulties for these cities. If the administration believes it is important to fulfill the pledges it has made to foreign countries, it should also be steadfast in fulfilling the promises it made to our own cities.

My bill changes the old countercyclical program in one important respect: State and local governments with an unemployment rate of 6 percent or higher will continue to receive countercyclical revenue sharing funds regardless of the national unemployment rate. This will target the funds to those localities that continue to lag behind the country as a whole economically and will allow the aid to be used by those governments most in need. New York City will receive $60 million a year.

Significantly, the fiscal year 1979 congressional budget already includes $550 million for the countercyclical program. Thus, this bill, which costs $550 million, is in no way a "budget breaker."

It is important to put the relatively moderate cost of this vital program in perspective. The cost overrun of a single Trident submarine is $750 million—$200 million more than the entire countercyclical revenue sharing program. If we can afford to build a Trident, we can surely afford to save our cities.

The Federal funds added by my bill will save jobs and prevent reductions in police, fire, education, and other essential services. At a time when many of our cities, including New York, are experiencing serious fiscal difficulties, it would be irresponsible for the Federal Government to withhold this critical program.

I strongly urge my colleagues support for this important legislation.

The text of the bill follows:

H.R. —

A bill to amend title II of the Public Works Employment Act of 1976 to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Antirecession Supplementary Fiscal Assistance Amendments of 1979.".

SEC. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(8) that a supplementary antirecession fiscal assistance program which aids local governments requiring fiscal relief constitutes an essential element of a sound Federal fiscal policy.".

SEC. 3. (a) The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"Subtitle A—Antirecession Fiscal Assistance"

(b) Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following:

"Subtitle B—Supplementary Fiscal Assistance

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 231. (a) IN GENERAL.—The Secretary shall, in accordance with the provisions of this subtitle, make payments to local governments with unemployment rates above 6 percent.

"(b) PAYMENTS TO RECIPIENT GOVERNMENTS.—The Secretary shall pay, not later than 5 days after the beginning of each calendar quarter for which payments are authorized under subsection (a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the first 8 calendar quarters beginning after September 30, 1978, $137,500,000, for the purpose of making payments to local governments under this subtitle.

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If the average rate of unemployment for any local government is below 6 percent during a calendar quarter, no amount may be paid to that local government under this subtitle for the third calendar quarter of the 3-calendar-quarter period which begins with such calendar quarter, or for any subsequent calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Amounts may be paid under this subtitle for any calendar quarter beginning after a calendar quarter for which payments are suspended under paragraph (1) and for which the average rate of unemployment for each local government equals or exceeds 6 percent.

"ALLOCATION OF SUPPLEMENTARY AMOUNTS

"SEC. 232. (a) ALLOCATIONS TO LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—The Secretary shall allocate amounts appropriated under the authorization contained in section 231(c) an amount for the purpose of making a payment to each local government, equal to the sum of—

"(A) the total amount appropriated for the calendar quarter multiplied by the applicable local government percentage, and

"(B) any supplemental allocation under section 206.

"(2) Applicable local government percentage.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount.

by the sum of such products for all local governments.

"(3) SPECIAL LIMITATION.—If the amount which would be allocated for a calendar quarter to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection for such quarter.

"(4) SUPPLEMENTARY ANTIRECESSION FISCAL ASSISTANCE PAYMENT NOT IN EXCESS OF $10,000 TO BE COMBINED WITH GENERAL REVENUE SHARING PAYMENT.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with

the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) REALLOCATION OF UNDISTRIBUTED AMOUNTS.—If, for any calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts payable to local governments because of the limitation contained in subsection (c)(3) or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the calendar quarter and pay to each such local government an amount which bears the same ratio to the amount of the excess as the amount of the payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all local governments for the calendar quarter without regard to this subsection.

"(c) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any unit of local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter was equal to or less than 6 percent.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts may be paid under this subtitle to any local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the local government exceeds 6 percent.

"(d) For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) of section which is defined or described in paragraph (3) of section 203(c) shall have the meaning given to it in that paragraph.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"SEC. 233. The provisions of sections 204, 205, 207, 208, 210(b), 211, 212, 213, and 214 shall apply to funds authorized under this subtitle.".●

COMMITMENT OF CRIMINALLY INSANE IN FEDERAL SYSTEM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to authorize the commitment of the criminally insane in our Federal system. At the present time in Federal courts, once people are acquitted of a violent crime because of insanity, they still must be released even if they pose an imminent threat to the life or physical safety of others. My bill would plug up this serious loophole in our Federal criminal law.

Under my bill, people who have committed violent crimes and are found likely to commit other such crimes can be hospitalized and treated rather than being turned loose to harm others.

My bill also attempts to assure that the procedures for commitment in such cases are fair and just. Thus, it sets up a two-step hearing process. Once a person is acquitted of a violent crime on grounds of insanity, the judge must first hold a hearing to determine if the person poses a likely danger to the safety of others. To make such a determination, the court is required to appoint two professional examiners and the acquitted person is entitled to designate a third examiner of his choice.

If the court finds that the acquitted person poses a danger to society, a second hearing is held to determine the facility to which he will be committed and the appropriate treatment. At the hearings, the acquitted person is entitled to be represented by counsel, to call witnesses and to cross-examine them. His fifth amendment right against self-incrimination is preserved.

My bill has another unique feature designed first, to insure that the mental institution in fact provides treatment and second, to safeguard against dangerous or inhumane treatment. Specifically, my bill creates a commitment review committee—made up of lay and professional persons—to review the adequacy and appropriateness of the treatment. The review committee may, if it wishes, evaluate the treatment at the request of the person who is being committed; it must review the treatment in cases involving shock therapy, behavior therapy using aversive stimuli or psychotropic drugs.

This proposed legislation, I believe, strikes an appropriate balance between the need to protect society from the criminally insane who have committed violent crimes and are likely to commit violent crimes again and the rights of such persons to due process, fair procedures, and safe and adequate treatment.

It is important that Congress deal promptly with this serious problem and I would urge speedy and favorable consideration of this measure.

The text follows:

H.R. —

A bill to amend title 18, United States Code, to provide for cases of persons acquitted of certain Federal offenses by reason of insanity

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 18, United States Code, is amended by adding immediately after part V the following new part:

"PART VI.—PERSONS ACQUITTED OF SERIOUS OFFENSES ON THE BASIS OF INSANITY

"SEC.

"7001. Procedure on acquittal on the basis of insanity.
"7002. Examination of acquitted person.
"7003. Right to counsel.
"7004. Custody during examination period.
"7005. Examiners' reports.
"7006. Hearing on commitment.
"7007. Hearing on treatment.
"7008. Commitment Review Committees.
"7009. Report and hearing.
"7010. Privacy of records.
"7011. Prohibition of transfer to a penal institution.
"7012. Maximum period of commitment.
"7013. Definitions.

"§ 7001. Procedure on acquittal on basis of insanity

"(a) If in a court of the United States a person is found not guilty of a violent offense only because such person was insane at the time of the commission of such offense, the fact of such insanity shall be noted in the verdict and such person shall be subject to the procedures set forth in this part.

"(b) After judgment is entered upon a verdict containing a notation of insanity described in subsection (a), the court shall immediately order the acquitted person to be examined in accordance with this part.

"§ 7002. Examination of acquitted person.

"(a)(1) When the court issues an order under section 7001(b) with respect to an acquitted person, the court shall appoint two examiners to examine such person.

"(2) In addition to the two examiners appointed pursuant to paragraph (1), an acquitted person may be examined by any examiner chosen by such person. The fees and expenses of each such examiner shall be paid by such person.

"(3)(A) If the court determines that the acquitted person is financially unable to obtain an examiner under paragraph (2), the acquitted person may petition the court, not later than ten days after the date on which the court issues an order under section 7001 (b) with respect to that acquitted person, to appoint an examiner.

"(B) The court shall appoint an examiner designated by an acquitted person unless the court determines the appointment of such examiner would cause unreasonable delay or expense.

"(4) The court shall pay any expenses necessarily incident to an examination by an examiner appointed pursuant to paragraph (1) or (3).

"§ 7003. Right to counsel

"An acquitted person has the right to be represented by counsel at every stage of any proceeding conducted under this part. If such person is financially unable to obtain counsel, the court shall pay the fees of an appointed counsel and any expenses necessarily incurred by such appointed counsel incident to the representation of such person.

"§ 7004. Custody during examination period

"During the period beginning at the time the court issues an order under section 7001 (b) and ending at the time the hearing conducted in accordance with section 7006 is concluded, the acquitted person shall be confined to a mental treatment facility if—

"(1) the court determines that because of a mental disease or defect of such person, the release of such person is more likely than not to create a danger of bodily harm to other persons; or

"(2) such confinement for such period of time is necessary to conduct an examination authorized by this part.

"§ 7005. Examiners' reports

"(a) Each examiner appointed or chosen under section 7002(a) shall file with the court, and supply to such person or any attorney representing such person, a report satisfying the standards prescribed under subsection (b). An examiner shall file such report—

"(1) not more than thirty days after the date on which such examiner is appointed or chosen; and

"(2) not more than forty-five days after the date on which with respect to such person judgment is entered upon a verdict containing a notation described in section 7001(a).

"(b)(1) The examiner's report filed pursuant to subsection (a) shall be divided into two portions, each of which shall be separately sealed.

"(2) One portion of such report shall be

designated as the commitment material and shall contain—

"(A) a summary of the techniques, processes, and tests used in examining and evaluating the acquitted person with respect to whom such report is filed; and

"(B) detailed findings with respect to the mental and emotional condition of such person and a description of the factual information upon which such findings are based.

"(3) A second portion of such report shall be designated as the treatment material and shall contain—

"(A) the opinion of the examiner as to the prognosis for treatment of such person;

"(B) the opinion of the examiner as to whether such person should be confined to a mental treatment facility or have the status of out-patient is recommended; and

"(C) the recommendation of the examiner as to any treatment appropriate for such person, the expected length of the period during which any such treatment is necessary, and an identification of mental treatment facilities available to administer any such treatment.

"(c) Immediately after the examiner's report is filed pursuant to subsection (a), the commitment material contained in such report shall be made available for examination by the acquitted person with respect to whom such report is filed, and any attorney representing such person.

"§ 7006. Hearing on commitment

"(a) Not later than 60 days after the date on which judgment is entered upon a verdict containing a notation described in section 7001(a), unless the acquitted person consents to any delay, a hearing shall be conducted by the court to determine whether the acquitted person is to receive treatment from a mental treatment facility.

"(b)(1) At any hearing described in subsection (a), an acquitted person shall have the right to present evidence, subpena witnesses, and confront and cross-examine witnesses.

"(2) An acquitted person shall have the right to refuse to testify at any hearing described in subsection (a).

"(c) At the conclusion of presentation of the evidence at any hearing described in subsection (a), the court shall determine if the United States has proved by clear and convincing evidence that because of a mental disease or defect of the acquitted person, it is more likely than not that the release of such person would create a danger of bodily harm to other persons.

"(d) If the court does not determine under subsection (c) that the release of the acquitted person would create a danger of bodily harm of other persons, the court shall order such person released forthwith.

"§ 7007. Hearing on treatment

"(a) If the court makes a determination under section 7006(c) that it is more likely than not that the release of such acquitted person would create a danger of bodily harm to other persons, the court shall examine the treatment material relating to that person and shall make such material available to the acquitted person, the attorney representing such acquitted person, and the United States attorney. As soon as practicable after such material has been so examined and made available, the court shall conduct a hearing to determine the mental treatment facility to which such person shall be committed. At any such hearing, an acquitted person shall have the right to present evidence, subpena witnesses, and cross-examine witnesses.

"(b) Not later than seven days after the date on which a hearing on treatment is concluded, the court shall commit the acquitted person with respect to whom such hearing is conducted to a mental treatment facility for treatment—

"(A) as an outpatient; or

"(B) as a resident patient.

"§ 7008. Commitment Review Committees

"(a) An acquitted person may refuse any treatment under this part.

"(b) There is established in each judicial district of the United States a Commitment Review Committee (hereinafter in this part referred to as the 'Committee') which shall be composed of five members appointed by the Secretary of Health, Education, and Welfare (hereinafter in this part referred to as the 'Secretary').

"(c) Subject to subsection (c)(2), the Committee shall be composed of—

"(1) a psychiatrist;

"(2) a clinical psychologist;

"(3) a mental health professional other than a psychiatrist or clinical psychologist;

(4) a citizen who resides in the judicial district in which such Committee is established and who is not employed or trained in any profession named in paragraph (1), (2), or (3); and

"(5) an attorney.

"(d)(1) Each member of a Committee shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (as provided in section 5332 of title 5, United States Code) for each day during which such member performs duties of such Committee.

"(2) A member of a Committee may not be an officer or employee of the United States.

"(e)(1) The Committee shall review the treatment of an acquitted person in accordance with this subsection.

"(2) The Committee may review on its own motion, and shall review, at the request of such person or any agent in fact representing such person, the treatment of an acquitted person to determine if the Committee should recommend to the court that such person should be transferred to another mental treatment facility, should receive different treatment, or should be released. If the Committee makes such a recommendation, the court shall promptly hold a hearing to consider the Committee's recommendation.

"(3)(A) If the mental treatment facility to which an acquitted person has been committed proposes to administer to such person any treatment described in subparagraph (B), the Committee shall review such proposal to determine if the acquitted person lacks the capacity to make an informed decision with respect to treatment and, if the Committee finds the lack of such capacity, shall recommend to the court whether such treatment should be administered.

"(B) Treatment of an acquitted person is subject to review pursuant to subparagraph (A) if such treatment is—

"(i) electroconvulsive therapy;

"(ii) behavior therapy involving aversive stimuli or substantial deprivations; or

"(iii) psychotropic medication—

"(I) the prescribed dosage of which exceeds levels recommended by the Food and Drug Administration;

"(II) two or more types of which are to be administered to such person simultaneously; or

"(III) with respect to which a pharmacist, physician, or pharmacologist has made a written declaration that potential hazards outweigh potential benefits to such person.

"§ 7009. Report and hearing

"(a)(1) Not later than six months after the date on which an acquitted person is committed to a mental treatment facility pursuant to section 7007(b), and at the conclusion of each one-year period thereafter, such facility shall file with the court, with the attorney representing the United States in proceedings under this part dealing with such person, and with any attorney representing such person a written report dealing with the current mental condition of such person. Such report shall contain—

"(A) a summary of treatment methods used and medication administered;

"(B) an analysis of any change in condition of such person;

"(C) an opinion as to whether because of a mental disease or defect of such person, the release of such person would create a substantial danger of bodily harm to other persons;

"(D) a description of factual information upon which the opinion rendered pursuant to subparagraph (C) is based; and

"(E) future treatment plans with respect to such person.

"(b) Not later than 30 days after the date on which the court receives a report described in subsection (a), the court shall conduct a hearing to determine if because of a mental disease or defect of the acquitted person with respect to whom such report is filed, it is more likely than not that the release of such person would create a danger of bodily harm to other persons. If the court determines that such person should remain confined, the court shall determine if such person should be transferred to a different mental treatment facility or if the status of such person as a resident patient or outpatient should be changed.

"(c) Any hearing conducted pursuant to subsection (b) shall be conducted in the same manner and subject to the same requirements as any hearing conducted pursuant to subsections (b) and (c) of section 7006.

"(d) An acquitted person may petition the court for examination by an examiner chosen by such person in preparation for a hearing conducted pursuant to subsection (b). Such examiner may be chosen and compensated by such person or appointed in the same manner and under the same terms and conditions prescribed for the appointment of examiners under section 7002(a).

"§ 7010. Privacy of records

"Except as otherwise provided in this part, any report to the court or other filing made with respect to an acquitted person under this part shall not be placed in that person's court record but shall be maintained separately and be made available only to such persons as the court in the interest of justice may direct.

"§ 7011. Prohibition of transfer to a penal institution

"At no time, under this part, shall the court order that an acquitted person be placed in a penal or correctional institution.

"§ 7012. Maximum period of commitment

"The maximum period of time that an acquitted person may be committed for treatment under this part is the period ending on the earliest date such person would be eligible for release on parole if such person had been sentenced to the maximum term of imprisonment which could have been imposed for commission of the offense of which such person was acquitted.

"§ 7013. Definitions

"For purposes of this part the following definitions apply:

"(1) The term 'psychiatrist' means a physician who has completed three years of residency training in psychiatry in a program approved by the American Medical Association.

"(2) The term 'clinical psychologist' means a person who has received a doctoral degree in a clinical program accredited by the American Psychological Association and who has at least three years experience in the treatment and diagnosis of serious mental diseases or defects.

"(3) The term 'examiner' means a psychiatrist or a clinical psychologist.

"(4) The term 'mental treatment facility' means any hospital, clinic, or other institution which is accredited by the Joint Commission on the Accreditation of Hospitals and which is devoted primarily to the diagnosis, treatment, or rehabilitation of persons with mental diseases or defects.

"(5) The term 'lacks the capacity to make an informed decision with respect to treatment' means the inability of a person, by reason of mental disease or defect, to achieve a rudimentary understanding of the purpose, nature, and possible consequences of mental treatment, after any other person has made conscientious efforts at explanation.

"(6) The term 'acquitted person' means a person who is found not guilty of a violent offense because such person was insane at the time of the commission of such offense.

"(7) The term 'violent offense' means an offense involving serious bodily harm to others or a substantial risk of such harm.

"(8) The term 'mental health professional' means a person who is trained or employed in the area of diagnosis, treatment, or rehabilitation of persons with mental diseases or defects.".

(b)(1) The table of parts for such title 18 is amended by adding at the end thereof the following new item:

"VI. Persons Acquitted of Serious Offenses on the Basis of Insanity ---------- 7001".

(2) The table of chapters for such title 18 is amended by adding at the end thereof the following new item:

"PART VI.—PERSONS ACQUITTED OF SERIOUS OFFENSES ON THE BASIS OF INSANITY".

SEC. 2. There are authorized to be appropriated for the purposes of this Act such sums as may be necessary.

SEC. 3. The amendments made by this Act shall become effective on the date 180 days after the date of enactment of this Act.●

MEDICARE COVERAGE FOR BREAST CANCER

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, every 15 minutes an American woman dies of breast cancer. The incidence of this disease has reached staggering proportions. Breast cancer is expected to strike about 1 in every 15 American woman, and half of these women will die of the disease. A number of these deaths might be prevented by early detection of the cancer.

Today I am introducing a bill to provide medicare coverage for breast cancer detection. My bill will insure that virtually every elderly woman, regardless of financial means, will be able to help protect herself against this disease.

Medicare coverage is not now available for preventive examinations even though the risk of breast cancer increases dramatically with age. Women between the ages of 60 and 70 are 10 times more likely to develop breast cancer than women of 30 and twice as likely as women of 40.

Without medicare, many elderly women may not be able to afford examinations. Sixty percent of our elderly woman live below the poverty level. For them, as well as others, medicare coverage for breast cancer detection may mean the difference between life and death.

Lives may be lengthened if breast cancer is detected early enough. Mammography and xeromammography are new tests that have proved effective for elderly people in the early detection of breast cancer. Physical examination by a physician is still one of the most useful diagnostic methods.

The bill I am introducing today would provide medicare coverage for one mammography and xeromammography per year and one physician's examination every 6 months.

I urge enactment of this bill. The text follows:

H.R. —

A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1862(a)(7) of the Social Security Act is amended by inserting "(subject to the last sentence of this subsection)" after "routine physical checkups".

(b) Section 1862(a) of such Act is further amended by adding at the end thereof (after and below paragraph (13)) the following new sentence:

"Paragraph (7) shall not be applicable to expenses incurred for (i) a mammography or xeroradiomammography (given for the purpose of detecting breast cancer) if the individual receiving it has not undergone a similar procedure on a routine basis during the preceding twelve months, or (ii) a physical examination of the breast by a physician (given for such purpose) if the individual receiving it has not had such an examination on a routine basis during the preceding six months.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.●

SUPPLEMENTAL HOUSING ALLOWANCE FOR NEEDY UNDER SSI

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I have on numerous occasions pointed out the failure of the supplemental security income (SSI) program to meet the needs of many poverty-stricken, aged, blind, and disabled Americans. I am introducing today legislation to provide relief, through a supplemental housing allowance, to those people who have suffered most under SSI—persons who cannot meet their most basic living expenses because of the high rents or housing costs they are forced to pay.

A fundamental defect in SSI stems from its structure as an income program. Benefits are uniform, determined without regard to the actual living costs of individual recipients. Thus, people whose living costs are relatively high receive the same benefits as those with lower expenses, and as a consequence often cannot make ends meet.

On the basis of experience with my own constituents, I have found that the greatest financial burden facing the elderly and disabled poor is the cost of housing. In my district, for example, I have encountered elderly individuals living alone paying rents as high as $150 or $160 a month. I might note that such a rent is not unusual nor does it represent luxury housing. A person in those circumstances whose monthly income is $239 may, after paying for gas and electricity, a telephone, and personal necessities such as soap, aspirin, toilet paper, and laundry, have less than $1 a day with which to purchase food.

This situation is not unique to New York. An elderly person in Texas paying $100 in rent out of a $178 benefit and a blind couple in Illinois facing monthly mortgage payments of $160 out of a benefit of $267 are in the same desperate condition.

This crisis in housing costs for the aged, blind, and disabled poor is likely to grow worse in the coming years. The President's energy program and the actions of the OPEC nations will cause major increases in the costs of gas, electricity, and home and water heating. The elderly and disabled poor living on SSI will not be able to meet these rising costs.

My bill will prevent this intolerable hardship by providing a supplemental housing allowance of up to $50 per month for an individual or couple whose rent or housing costs exceed one-third of monthly income. It would allow a couple paying $160 for rent or mortgage out of a total monthly income of $267 to receive an additional $50 per month. Such a payment would, for many recipients, make the difference between desperation and survival.

I would stress that this bill is not an extravagant measure. It uses 33⅓ percent of gross income as a trigger for eligibility while public housing requires tenants to pay no more than 25 percent of an adjusted income. The Department of Labor estimates that rent for a low-income couple should amount to 27 percent of income. The housing supplement would thus be crucial to SSI recipients who face extremely high housing costs. My bill retains the basis structure of SSI as an income program, but gives it the flexibility to meet the needs of recipients while avoiding a costly general benefit increase.

Mr. Speaker, I believe that the minimal test of our decency and humanity as a nation is in how we treat our most helpless people—the aged, blind, and disabled poor. The bill I am introducing today is an effort to meet that test. I urge its passage.

The text follows:

H.R. —

A bill to provide a supplementary housing allowance to supplemental security income recipients

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTARY HOUSING BENEFITS

"SEC. 1619. (a) In addition to other benefits under this title, the Secretary shall grant full financial assistance to any individual who makes application therefor, who is an eligible individual for purposes of this title, and whose annual housing expenses exceed 33⅓ per centum of his or her annual income (which for purposes of this section shall include benefits paid under section 1611 and any income which would otherwise be excluded pursuant to section 1612(b)).

"(b) For purposes of this section, an individual's annual housing expenses shall consist of such individual's annual expenses for rent or for mortgage payments and real

estate taxes, together with such individual's annual expenses for gas and electric utilities and home and water heating.

"(c) The benefit under this section shall be payable at a rate which is the lesser of—

"(1) $600, or

"(2) the amount by which such individual's annual housing expenses exceed 33⅓ per centum of his or her annual income.

"(d) If two aged, blind, or disabled individuals are husband and wife (which shall be determined in accordance with section 1614 (d)) and are not living apart from each other, only one of them may be qualified to receive benefits under this section; and the income and annual housing expenses of the other shall be included for purposes of determinations under this section to the same extent as they would be if such determinations involved eligibility for and amount of benefits under section 1611.

"(e) The Secretary shall administer this section and shall prescribe such regulations as may be necessary or appropriate to effectuate its purposes and conform its administration, to the maximum extent feasible, to the general administration of the supplemental security income benefits program under this title.".●

LEGISLATION TO ELIMINATE IMMIGRATION DISCRIMINATION AGAINST FATHERS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to change a provision of the immigration law that discriminates against fathers. Under section 101(b)(1) of the Immigration and Nationality Act, an illegitimate child can be brought into the United States by its mother, or even by an unrelated stepmother. The child cannot, however, be brought in by its natural father. Even when its mother has died or abandoned it, the illegitimate child cannot be brought into the United States by its U.S. citizen father.

Similarly, illegitimate children who are U.S. citizens may bring their mothers or stepmothers to the United States, but not their fathers.

This is blatant sex discrimination against fathers. The immigration law says in effect that the father of an illegitimate child is not a "parent" and that his illegitimate child is not a "child." But saying so does not make it so. Fathers can have a deep and abiding relationship with their children regardless of whether they were married to the mothers of these children. To pretend otherwise is cruel and inhumane. It is blatantly discriminatory to deny a father, solely on the basis of his sex, rights that a mother has.

The law is not designed to protect against false paternity claims since the natural father is not even permitted to offer proof of paternity. It is not designed to prevent "kidnaping" of illegitimate children by parents without legal custody since their mothers or stepmothers are not required to prove an award of custody and the father is not even permitted to do so. The law is not designed to keep children out of the hands of unfit parents since the mother or stepmother need make no proof of fitness. The law reflects, rather, a destructive and irrational stereotyping by sex: rights are given to a mother or stepmother but denied to a father without any justification.

This discriminatory law is, I believe, unconstitutional as well. Only 3 years ago the U.S. Supreme Court decided a very similar case in Stanley against Illinois. Under Illinois law the father of an illegitimate child was denied custody of his child even though the child's mother was dead. The Illinois statute preferred to place the illegitimate child in an orphanage rather than permit the natural father to have custody. The Supreme Court found such discriminatory treatment unconstitutional and held that the father of an illegitimate child must be considered a parent under the law.

More recently the Supreme Court said:

> It is no less important for a child to be cared for by its . . . parent when that parent is male rather than female. And a father, no less than a mother, has a constitutionally protected right to the "companionship, care, custody and management of the children he has sired and raised. . . .

Section 101(b)(1) of the immigration law works a continuous hardship on illegitimate children and their fathers who wish to be together.

I would urge prompt passage of my bill so that we can accord fathers and their natural children the due process and equal protection of the law guaranteed to them by our Constitution.

The text of the bill follows:

H.R. —

A bill to amend section 101(b) of the Immigration and Nationality Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b)(1) is amended—

(1) by striking out clause (C);

(2) by redesignating clauses (D), (E), and (F) as (C), (D), and (E), respectively; and

(3) by striking out the semicolon at the end of the clause redesignated as (C) by paragraph (2) of this section and by inserting in lieu thereof "or natural father; or".●

LEGISLATION TO ELIMINATE DISCRIMINATION AGAINST WORKING WIDOWS UNDER SOCIAL SECURITY

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing today an amendment to the social security laws to remedy present discrimination against widows who have worked.

At present a widow who has worked is faced with a difficult problem: She may receive either her own old-age benefit or a widow's benefit based on her husband's earnings—but not both. Since the widow's benefit is usually the larger, she will ordinarily receive that benefit and thereby lose her own contributions to the social security trust fund. As a result, most working widows collect exactly the same benefit as widows who have never worked.

The unfairness inherent in the law is clear. Not only does the working widow collect no more than the widow who did not work, but she also loses everything she has contributed to the trust fund over the years. I think this law is an unfair restriction on the working spouses' right to receive social security benefits they have paid for through the payroll tax.

Under my bill, the working woman would be entitled to collect both her own old-age benefit and her widow's benefit when her husband dies. The bill would equally apply to men, allowing those eligible to collect a widower's benefit also to collect an old-age benefit.

In recent years we have witnessed a number of significant changes in the social security laws designed to end discriminatory treatment of women. The need for continued improvement is underscored by the disturbing fact that six out of 10 elderly women who live alone have incomes below the poverty line. My bill would be an important step toward providing a decent standard of living for widows and eliminating inequities by recognizing that the working woman should collect benefits she has earned in her own right as well as those the law provides her as a surviving spouse.

The text follows:

H.R. —

A bill to amend title II of the Social Security Act to provide that an individual may simultaneously receive (without any reduction or offset) both an old-age or disability insurance benefit and a widow's or widower's insurance benefit

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202(k)(3)(A) of the Social Security Act is amended by inserting "(except a widow's or widower's insurance benefit)" after "any other monthly insurance benefit".

SEC. 2. (a) Section 202(e)(1) of the Social Security Act is amended—

(1) by adding "and" after the comma at the end of subparagraph (B),

(2) by striking out "and" at the end of subparagraph (C),

(3) by striking out subparagraph (D),

(4) by striking out ", dies, becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of such deceased individual," in the matter following subparagraph (F) and inserting in lieu thereof "or dies,", and

(5) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(b) Section 202(f)(1) of such Act is amended—

(1) by adding "and" after the comma at the end of subparagraph (C),

(2) by striking out subparagraph (E),

(3) by striking out ", dies, or becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of his deceased wife," in the matter following subparagraph (G) and inserting in lieu thereof "or dies,", and

(4) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

(c)(1) Section 202(e)(6) of such Act is amended by striking out "(1)(F)" and inserting in lieu thereof "(1)(E)".

(2) Section 202(f)(7) of such Act is amended by striking out "(1)(G)" and inserting in lieu thereof "(1)(F)".

(d) Section 226(h)(1)(B) of such Act is amended by striking out "subparagraph (F)" and "subparagraph (G)" and inserting in lieu thereof "subparagraph (E)" and "subparagraph (F)", respectively.

SEC. 3. Section 202(k)(3)(A) of the Social Security Act (as amended by the first section of this Act) is amended—

(1) by inserting "(i)" after "(A)"; and

(2) by adding at the end thereof the following new clause:

"(ii) If any individual entitled both to an old-age or disability insurance benefit and a widow's or widower's insurance benefit for any month is also entitled for such month to one or more other benefits under the preceding provisions of this section, his or her widow's or widower's insurance benefit (or the largest such benefit) shall be considered the largest benefit to which he or she is entitled under subsections (b) through (h) of this section for purposes of subparagraph (B) of paragraph (2) or subparagraph (B) of this paragraph, and he or she shall not be entitled to any benefit under subsections (b) through (h) other than such widow's or widower's insurance benefit (or the largest such benefit), unless (as determined under regulations prescribed by the Secretary) the total amount of the benefit or benefits which such individual actually receives for such month under this title would be greater without the application of this clause, in which case this clause shall be disregarded and all of the other provisions of this subsection shall apply."

SEC. 4. The amendments made by this Act shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, and, in the case of individuals who are not entitled to benefits under such title for the month in which this Act is enacted, only on the basis of applications filed on or after the date of the enactment of this Act.●

ASSISTANCE TO IMPROVE HOUSING AND PREVENT NEIGHBORHOOD DETERIORATION

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing legislation to assist responsible community organizations, including nonprofit corporations, in their efforts to improve housing in their own communities and prevent neighborhood deterioration.

The bill authorizes funding for neighborhood improvements by community organizations. The Secretary of Housing and Urban Development would be empowered to make community restoration grants to local governments which in turn would allocate this money to help neighborhood development, identify and publicize available housing services, and secure financial assistance for their neighborhood improvement efforts.

The bill authorizes a maximum of $5 million a year for the next 3 fiscal years and contains auditing and evaluation provisions to insure the efficient and honest use of funds.

Neighborhood preservation activities of community groups deserve Federal support for two reasons.

First, there is ample evidence that local community groups, when they have sufficient financial resources, can make impressive strides toward community restoration. For example, a neighborhood in my congressional district, Prospect-Lefferts Gardens, dramatically reversed its physical and economic decline and is well on the way to becoming a viable integrated residential community. Similar successes in other cities were recorded in recent congressional hearings on the National Neighborhood Policy Act.

Unfortunately, neighborhood groups that can develop adequate private funding sources are the exception, not the rule. Community residents and institutions are often not willing to lend significant financial support to their neighborhood organization until it achieves visible results—results that it, ironically, cannot achieve without such support. Also, funding for restoration activity is generally least available in neighborhoods where it is most needed. The bill seeks to alleviate these financial problems by providing needed money to organizations that show a real capacity for neighborhood improvement.

Second, the bill will foster resident interest in the process of community restoration, an interest that will be crucial to the success of future Federal programs. Secretary Harris has pledged to make HUD programs more responsive to neighborhood development and restoration, and a recent law has established a National Commission on Neighborhoods. These initiatives aim to produce future Federal policies and programs more attuned to neighborhood objectives.

To be effective, however, these new initiatives will have to be coordinated with other private community development efforts at the neighborhood level. Effective neighborhood organizations can be the essential point for this coordination.

The bill I introduce today is consistent with the approach of the 1974 Housing and Community Development Act. It allows power over disbursement of grant funds to be retained in the hands of local elected officials. It maximizes the options available to local governments by permitting them to invest in neighborhood preservations efforts without jeopardizing their current usage of community development block grants. The bill employs the 1974 act's criteria for determining the eligibility of local government units.

I hope the bill will receive careful and favorable consideration.

The text of the bill follows:

H.R.—

A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing grants to be used to fund local programs designed to improve housing and prevent neighborhood deterioration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Restoration Act".

SEC. 2. The Housing and Community Development Act of 1974 is amended by adding the following new section at the end thereof:

"FUNDING OF NONPROFIT NEIGHBORHOOD ORGANIZATIONS

"SEC. 119. (a) The Secretary may make grants to units of general local government for the purpose of funding the activities, as described in subsection (b), of any nonprofit community organization which, as determined by the unit of general local government receiving the grant, (1) has a demonstrated record of effective action in providing neighborhood service or improving housing or preventing neighborhood deterioration within the jurisdictional boundaries of such unit of general local government, and (2) has demonstrated a capacity for administering grants effectively and honestly.

"(b) Funds received by a unit of general local government under this section shall be made available by such unit to any nonprofit community organization described in subsection (a). Such organization shall use such funds to support activities (including the payment of salaries and incidental expenses) by the organization which are designed to—

"(1) unite the community in support of specific housing goals for a neighborhood;

"(2) encourage and facilitate community participation in planning community development activities and making community development decisions;

"(3) inform homeowners, landlords, and tenants of available housing services; and

"(4) stabilize neighborhoods and assist neighborhood residents in securing Federal, State, and local financial assistance and in securing aid from private lending institutions for improving housing and community development.

"(c) In making grants under this title, the Secretary shall consider—

"(1) whether the proposal contained in the application by the unit of general local government is reasonably calculated to have a positive effect on the preservation, stabilization, or improvement of neighborhoods; and

"(2) the actual, or potential for, deterioration within the neighborhoods located in such unit of general local government.

"(d) Any grant made by a unit of general local government to any nonprofit community organization under this section may not exceed $50,000 in any fiscal year, and no more than one such grant may be made to the same organization within a fiscal year.

"(e) In addition to other authorizations for appropriations in this title, there is authorized to be appropriated not to exceed $5,000,000 for each of the fiscal years 1978, 1979, and 1980 for the purpose of carrying out the provisions of this section.

"(f) For purposes of this section, the term 'nonprofit community organization' means any organization, whether incorporated or not, which meets criteria prescribed, by rule, by the Secretary for the purposes of this section, as determined by a unit of general local government.

"(g) The Secretary shall insure that the effectiveness of each grant made under this section is evaluated and that appropriate procedures are created for auditing, and accounting for, all moneys received and spent by units of general local government and nonprofit community organizations funded under this section. As a condition of receipt of any funds under this section, the Secretary shall require that a unit of general local government and a nonprofit community organization shall agree to make available books or other records which pertain to the receipt and expenditure of any funds so received.".●

AMENDING FEDERAL COURT RULES ENABLING ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the Rules Enabling Act, and thus the rulemaking procedures for the Federal courts. The bill has two objectives: The first is to insure that Federal court rules, which

critically affect the rights of our citizens, will be proposed only after the most careful consideration and with the benefit of public participation. The second is to strengthen the ability of Congress to disapprove ill-advised rules.

Under present law, Federal court rules are promulgated by the Supreme Court, but they are in fact drafted by the Judicial Conference, a group composed of Federal judges.

The rules which come to the Supreme Court for approval have often not been as good as they could be. One reason is that the Judicial Conference drafts rules behind closed doors without the benefit of widespread comment by the bar and interested public. It does not have published procedures. Until recently, no public hearings were held and the record of advisory committee votes on particular rules and dissenting views were never made public.

The best evidence of the inadequacy of the rulemaking procedures is that four times in the last 5 years Congress has had to step in and revise the proposed rules.

My bill addresses these problems by opening up the process by which the Judicial Conference adopts rules so that the rules promulgated will have the benefit of widespread comment from the bar and the public. Specifically, the bill would require that the Judicial Conference establish regular procedures—through publication in the Federal Register—for promulgating rules. It would further require that when the Judicial Conference decides to consider rule changes that it publish, 90 days before their formal consideration, a list of the changes under consideration and the issues raised by such changes in the Federal Register and Federal Rules Decisions.

The Judicial Conference would be required to seek out comments from the public and the bar and hold public hearings on rule changes. It would then be required to publish a record of the votes taken within the Conference on particular rules and publish any dissenting views.

Under the present system, it is difficult for Congress to block proposed rules, no matter how ill-advised they may be. Unless a statute is passed within 90 days, the rules go into effect automatically. This means that bad rules can go into effect by default if both Houses cannot agree, one House fails to act, or the President refuses to sign the bill. In my judgment, these procedures are inconsistent with the responsibility of the Congress—coequal with that of the Judicial Branch—to provide rules for the operation of the courts. My bill would resolve this problem by allowing for disapproval of the rules by one House.

The bill, I believe, will substantially improve the quality of the rules promulgated for Federal courts and relieve Congress of its present burden of preventing the damage ill-considered rules could cause.

The text of the bill follows:

H.R.—

A bill to amend the provisions of title 18 and 28 that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the United States Supreme Court, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rules Enabling Act Amendments Act of 1979".

CRIMINAL CASES

SEC. 2. Chapter 237 of title 18 of the United States Code is amended to read as follows:

"Chapter 237.—RULES OF CRIMINAL PROCEDURE

"Sec.
"3771. Power of Supreme Court.
"3772. Effect of laws and prior rules.
"3773. Manner of prescribing rules.
"3774. Effect of rules.

"§ 3771. Power of Supreme Court

"(a) The Supreme Court of the United States shall have the power to prescribe, upon the recommendation of the Judicial Conference of the United States, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings, before or after verdict or otherwise, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for the Districts of the Canal Zone and the Virgin Islands, in the Supreme Court of Puerto Rico, in proceedings before United States magistrates, in the United States courts of appeals.

"(b) This section does not give the Supreme Court of the United States the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application is made not later than the tenth day after the date of entry of such plea, and before sentence is imposed.

"(c) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right to trial by jury as at common law and as declared by the Constitution of the United States.

"§ 3772. Effect of laws and prior rules

"(a) The right of appeal shall continue in those cases in which appeals are authorized by law, but the rules made under this chapter may prescribe the times for and the manner of taking appeals, preparing records and bills of exceptions, and the conditions on which supersedes or bail may be allowed.

"(b) Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this subsection takes effect.

"§ 3773. Manner of prescribing rules

"Rules prescribed under this chapter shall be prescribed in the same manner as rules prescribed under section 2074 of title 28.

"§ 3774. Effect of rules

"The Supreme Court of the United States may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.".

CASES OTHER THAN CRIMINAL CASES

SEC. 3. Chapter 131 of title 28 of the United States Code is amended—

(1) in section 2071, by inserting after "Supreme Court" the second place it appears the following: "under an Act of Congress.";

(2) by striking out section 2072 and all that follows through section 2076 and inserting in lieu thereof the following:

"§ 2072. Power of Supreme Court

"(a) The Supreme Court of the United States, upon the recommendation of the Judicial Conference of the United States (hereinafter in this chapter referred to as the 'Judicial Conference') shall have the power to prescribe in accordance with section 2074 from time to time, by general rules—

"(1) the pleading, practice, and procedure of the district courts and courts of appeals of the United States in civil actions, including admiralty and wartime cases, and appeals in such cases;

"(2) the pleading, practice, and procedure in proceedings for the review by the courts of appeals of decisions of the Tax Court of the United States;

"(3) the pleading, practice, and procedure for the judicial review of or enforcement of orders of administrative agencies, boards, commissions, and officers;

"(4) the practice and procedure under the Bankruptcy Act; and

"(5) rules of evidence, in the form of amendments to the Federal Rules of Evidence.

"(b) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right of trial by jury as at common law and as declared by the seventh amendment to the Constitution.

"§ 2073. Effect of prior rules

"Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this section takes effect.

"§ 2074. Manner of prescribing rules

"(a) The Judicial Conference shall publish from time to time in the Federal Register a description of the procedures the Judicial Conference adopts with respect to the functions of the Judicial Conference under this chapter. Such procedures shall be in conformity with this section. The Judicial Conference shall also submit such description to any appropriate private publishers of regularly issued materials published for the legal community for inclusion in such materials.

"(b) The Judicial Conference shall publish in the Federal Register, and submit to private publishers as described in subsection (a) of this section, not later than ninety days before the date on which formal consideration is to be given to a proposed rule under this chapter, a notice of such proposal, including a list of issues that the proposal raises and any copy of the proposal, if such copy is then available. No rule that concerns an issue required to be listed under this subsection shall be recommended to the United States Supreme Court by the Judicial Conference until after such issue is listed in such list and such list has been published in accordance with this subsection and furnished in accordance with subsection (c) of this section.

"(c) The Judicial Conference shall seek comment on the proposal from a wide variety of persons and organizations that may be affected by the adoption of the proposal. The Judicial Conference shall in addition furnish to the extent practicable the notice, list, and copy required by subsection (b) of this section to organizations representing those segments of the legal community that are concerned or have in the past indicated a concern with matters the proposal affects, and to an appropriate committee of each House of Congress.

"(d) The Judicial Conference shall accept and consider timely written comments on such proposals. The Judicial Conference shall hold hearings (and maintain available to the public a transcript of such hearings) on matters before it for consideration under this chapter.

"(e) The number of votes in favor of and opposing the adoption of a rule that is recommended to the Supreme Court of the United States by the Judicial Conference shall be recorded and published in the Federal Register and submitted to private publishers as described under subsection (a) of this section together with the recommended rule, any dissenting views submitted in a timely fashion, and an explanation of why such rule was recommended and why any changes were made if such changes were made to the rule as proposed by an advisory committee.

"(f)(1) Rules adopted by the Supreme Court of the United States under this chapter shall not take effect until they have been reported to the Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May, and until the expiration of one hundred and eighty days after the date of such reporting. Such a rule so reported shall not take effect if either House adopts before the expiration of such one-hundred-and-eighty-day period a resolution stating in substance that such House disapproves such rule.

(2) Any rule creating, abolishing, or modifying an evidentiary privilege shall have no force or effect unless such rule or amendment is approved by Act of Congress.

"§ 2075. Effect of rules

"The Supreme Court of the United States may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect."; and

(3) so that the table of sections reads as follows:

"Sec.
"2071. Rulemaking power generally.
"2072. Powers of Supreme Court.
"2073. Effect of prior rules.
"2074. Manner of prescribing rules.
"2075. Effect of rules.".

TECHNICAL AMENDMENTS TO OTHER ACTS

SEC. 4. (a) Section 22(b) of the Organic Act of Guam (48 U.S.C. 1425(b)) is amended by striking out "pursuant to section 2072" and all that follows through "bankruptcy cases" and inserting in lieu thereof the following: "pursuant to chapter 237 of title 18 of the United States Code in criminal cases and pursuant to chapter 131 of title 28 of the United States Code in civil, admiralty and bankruptcy cases".

(b) Section 25 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1615) is amended by striking out "pursuant to section 2072" and all that follows through "bankruptcy cases" and inserting in lieu thereof the following: "pursuant to chapter 237 of title 18 of the United States Code in criminal cases and pursuant to chapter 131 of title 28 of the United States Code in civil, admiralty and bankruptcy cases".●

THE TAX EQUITY ACT OF 1979

(Mr. CORMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CORMAN. Mr. Speaker, today I am introducing H.R. 1040, the Tax Equity Act of 1979. Fourteen Members of the House expressed their wish to cosponsor the bill with me. They are: Mr. ANDERSON of California, Mr. BOLLING, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of California, Mr. JOHNSON of California, Mr. MAGUIRE, Mr. NOLAN, Mr. RODINO, Mr. ROSENTHAL, Mr. STUDDS, and Mr. WON PAT.

The 95th Congress opened with heady anticipation of continuing the tax reform momentum begun in the 94th. The new President proposed ambitious reform, which was applauded by many, but unfortunately was mostly rejected. Not only did Congress fail to approve any significant reform, but it reversed some essential reforms enacted in past years.

As a result, tax reformers' hopes are not high for the 96th Congress. The most we may be able to do is hold the line against any further erosion of the law. Nevertheless, reform is not dead, and it must not be abandoned. The need for closing loopholes and unraveling complexity is greater than ever. It is most important to continue to have a model for true comprehensive reform before us and H.R. 1040, the Tax Equity Act meets that purpose. First introduced in 1971, it remains one of the most complete proposals for broad reform of the tax code. Ten of its provisions were enacted in the 94th Congress and the remaining proposals address some of the still most frequently abused preferences in law.

H.R. 1040 would repeal such glaring loopholes as the Domestic International Sales Corporation (DISC), asset depreciation range (ADR), the capital gains exclusion and the exclusion of interest on State and local bonds. Ending these preferences would go a long way toward making the tax code more equitable and less complex, and their repeal would raise approximately $30 billion in revenue in 1979. It is doubtful that any of this will happen in the cautious atmosphere of the 96th Congress, but I do think it is important not to lose sight of our ultimate goals.

The prime objective of all tax reformers is to make the code more equitable, that is to insure everyone is taxed according to ability to pay. We began to establish preferences within the code in order to better define a taxpayer's real ability to pay. To look only at income would be unfair. Certain other factors have to be considered such as expenses incurred in producing income, family size and even unusual medical costs. Unfortunately, over the years, these basic considerations have been joined by other preferences that severely strain the limit of credibility. The problem with many of them is that they are available only to a select group of taxpayers usually in the higher income brackets.

The liberalization of the treatment of capital gains that took place last year is a perfect example of law that chiefly benefits the wealthy. Of the $2.5 billion revenue loss incurred by these changes, 78 percent will benefit taxpayers with incomes of $50,000 and over. While we were able to hold the line against new tax breaks for tuition costs and charitable gifts, the special deductions granted to Americans working abroad will lower taxes for a very small number of taxpayers while losing an estimated $250 million in revenue annually. Preferences such as these provide tax cuts that are unevenly distributed among taxpayers. The revenue lost could provide significant savings for all Americans if applied across the board in the form of general tax cuts.

Some of the preferences found in the tax code were put there to accomplish certain social goals. Many of them have actually backfired by directing capital into investments that are not economically sound, but which provide tax shelters for wealthy investors. The Tax Reform Act of 1976 accomplished a great deal in closing up tax shelters in the areas where the most abuse has occurred. The Revenue Act of 1978 went further by limiting opportunities for sheltering in all other areas except for one notable exception—real estate. Investors in real estate enjoy a multitude of tax breaks that were established in the hope of providing employment in the construction industry. However, most have served chiefly to make speculators wealthy. In addition, these tax preferences have contributed to the shocking rise in real estate prices which have far outstripped even the soaring rates of inflation we have seen in the past few years. One very important provision of H.R. 1040 would extend the limits enacted in 1978 to investments in real estate activity.

Taxes, like every other family expenditure, hit hardest at those in the lowest income brackets. A 1977 Brookings Institute study showed that all American families earning $50,000 and less paid out almost the same percentage—about 30 percent—of their incomes in taxes, including Federal, State, and local income taxes, payroll taxes, property taxes, and sales and excise taxes. This leaves little discretionary income for someone who earns less than $10,000 a year, but is not nearly so painful for those in the $50,000 bracket. Of course, the regressivity of such taxes as the sales and payroll taxes make this picture as bleak as it is. The Federal income tax is relatively progressive compared to the others. But it could be made less burdensome for those in the lower brackets by eliminating tax preferences that make a mockery of our progressive rate system by reducing the effective tax rate of high income taxpayers.

There are times when a tax reformer must make the difficult choice between simplicity and equity. A key section of the Tax Equity Act required just such a choice. The concept of a tax credit in place of a deduction has long been an ideal, since a credit affords the same dollar value for all taxpayers whereas the value of a deduction depends on income level. One of the most important sections of the bill in the past has provided that a credit against taxes can be taken on the aggregate amount of personal exemptions and personal deductions including the standard deduction for those who do not itemize. A problem arose this year because in 1977 Congress replaced the standard deduction with the zero bracket amount. Since the zero bracket amount simply renders a certain amount of income nontaxable, there would be nothing in current law for nonitemizers to take a credit on, if the credit in H.R. 1040 were enacted. The choice was between the simplified tax tables made possible with the zero bracket amount and the equity of the tax credit. The choice was made in favor of equity and thus H.R. 1040 regretfully calls for the repeal of the efficient zero bracket amount.

The 30-percent credit provided for in H.R. 1040 would mean lower taxes for families of four earning $26,300 or less. Specifically, a credit system means that

the $1,000 personal exemption which now reduces the taxes of someone in the highest bracket by $700 and in the lowest bracket by only $140 would be worth a uniform $300 to all. A $2,000 doctor's bill would mean $600 to any taxpayer instead of anywhere from $280 to $1,400. In short, the value of personal expenses in reducing tax liability would no longer be dependent on the taxpayer's income. The move to a credit is one of the cornerstones of the bill and certainly the amount of equity it provides more than offsets the loss of simpler tax tables.

Many of the preferences H.R. 1040 would repeal not only are unfair, but also are frequently the most complex. One provision would provide immense simplification if enacted. That is section 101 which repeals the capital gains exclusion thereby eliminating a host of provisions considered among the most complicated in the code. Although the tide was running the other way in the past Congress, when the capital gains exclusion was increased from 50 to 60 percent, there is still serious doubt about the wisdom of giving capital gains preferential treatment over earned income. The only consideration that should be given is for that portion of the gain attributable to inflation. H.R. 1040 would allow a 6-percent adjustment to the basis of the property sold, for every year it was held.

The third object of the bill and some would say the prime one is to raise revenue to pay for the costs of Government. This is something on everyone's mind these days with talk of an austere Federal budget and drastically reduced Government spending. There are two ways to reduce the budget deficit, either by cutting spending or by increasing revenue. While everyone would agree there is certainly fat to be trimmed from the Federal budget, the cuts must not be so deep as to endanger important Government programs. This Government has a responsibility to take care of the aged, the poor, the sick and the environment all of us share. A reasonable amount must also be allowed for national defense which cost us over $103 billion last year. Budget cutting must be done with care and compassion.

Revenue raising is the other side of the coin and H.R. 1040 offers ways to make it less painful. We cannot increase taxes for the inflation-squeezed American wage earner, but billions could be raised just by ending a few of those tax preferences that benefit only high income taxpayers. The President's goal is to cut the budget deficit for fiscal year 1980 by $8.8 billion from this year's deficit. That is considerably less than could be raised by repealing the tax preferences mentioned above.

The choice is an obvious one, but it will take courage and persistence to achieve. Although tax reform is not likely to be the rallying cry for this Congress, we must not give up. There is much to be done in the interest of equity and simplification. Current demand for fiscal restraint makes the need for raising new revenue more pressing than ever. I hope my colleagues will give serious thought to the Tax Equity Act and all it embodies. Tax reform is not a popular course, but we cannot afford to avoid it for too long.

A summary of the bill follows:

SUMMARY OF CONTENTS OF H.R. 1040

Section 1—Short title, etc.

This section provides that the Act may be cited as the Tax Equity Act of 1979, and the sections contains a table of contents of the bill.

Section 2—Technical and conforming changes

This section provides that the Secretary of the Treasury shall, within 90 days after the date of the enactment of the Act, submit to the Committee on Ways and Means a draft of any technical and conforming changes in the Internal Revenue Code which should be made to reflect the substantive amendments made by the bill.

Section 3—Treaties

This section provides that every amendment made by the Act shall apply notwithstanding that its application may be contrary to the provisions of some treaty in effect on the date of the enactment of the Act.

TITLE I—CAPITAL GAINS AND LOSSES

Section 101—Repeal of alternative tax on capital gains

This section repeals the alternative tax on capital gains for both individuals and corporations. As a result of this section and other amendments made by title I of the bill, capital gain income (for taxable years beginning after 1977) will not receive preferential treatment and will be taxed as ordinary income. (Section 301 of the bill reduces the maximum rate of tax on individuals from 70% to 50%.)

Section 102—Tax treatment of capital gains

While capital gain income will be taxed as ordinary income under the amendments made by the bill, this section provides for a limited exemption from tax depending on the length of time the property has been held before it is sold. The exemption is granted in deference to the fact that if an asset has been held a long time, the gain measured by dollars is attributable to some extent to the declining value of the dollar and does not represent increased purchasing power for the taxpayer.

This section allows an adjustment for inflation by providing, in effect, that in computing the gain on a sale of property, the taxpayer can add to the tax basis of the property 6 percent of the tax basis of the property (at the time of the sale) for each year the property was held after it was held for one year. More precisely, it is provided that the adition to the tax basis shall be one-half of 1 percent of the tax basis for each full month the property was held after it had been held for one year. Thus, if the property is held for less than 13 full months, nothing is added to the tax basis in computing gain. If the property is sold after being held 64 full months (5 years and 4 months) 26% of the tax cost (51 months at one-half of 1 percent) would be added to the basis in computing gain. Since there is no compounding of the 6 percent annual adjustment for inflation, if an asset has been held for 1 year prior to its sale, the 6 percent adjustment merely offsets a compounded inflation rate of 4½ percent.

This provision for not taxing the gain to the extent attributable to inflation app'ies not only to capital assets but also to property used in a trade or business, such as a plant, machinery, or other depreciable equipment. It does not apply, of course, to property held for sale to customers in the ordinary course of business.

This section of the bill repeals a number of provisions in the Internal Revenue Code which become deadwood when capital gains are treated as ordinary income. Complicated provisions, such as those dealing with collapsible corporations and the recapture of depreciation deductions on sale of property at a gain, are not needed when preferential treatment of capital gains is eliminated. No greater blow can be struck for the cause of simplification of the income tax laws than to repeal, as the bill does, the preferential income tax treatment of capital gains.

Section 103—Limitation on deduction of capital losses

Under existing law, capital losses are deductible only against capital gains plus, in the case of an individual, $3,000 of other income. This section of the bill provides that capital losses of a corporation are deductible only against gains from the sale of capital assets and property used in a trade or business. In the case of an individual, capital losses will be deductible only against such gains plus $3,000 of other income. Under present law, a long-term capital loss of $2 will offset only $1 of an individual's ordinary income. Under the bill, a capital loss of $1 will offset $1 of ordinary income (subject to the $3,000 limitation). Gains from the sale of property used in a trade or business do not include gains from the sale of property held primarily for sale to customers or gain from the sale of animals.

Section 104—Capital loss carrybacks and carryovers

This provision grants relief to an individual who has an unused capital loss of at least $10,000 by allowing him to carry it back to the 3 preceding taxable years. Cases have arisen where a large capital gain in 1 taxable year is followed by a large capital loss in the following year which may never be deducted even with the unlimited carryforward.

Under present law, if a corporation has an unused capital loss of only a few hundred dollars, this unused loss must be carried back to the 3 preceding taxable years, with resulting refunds if there are net capital gains in any of the 3 years. It cannot be carried forward if it can be used up on a carryback. This section of the bill changes existing law by providing that a corporation (like an individual) cannot carry back an unused capital loss unless it exceeds $10,000.

The bill provides that the carryback is elective with the taxpayer, whether an individual or a corporation. This will make the carryback provision less of an administrative burden on the Internal Revenue Service for in many cases the taxpayer would rather not file a claim for refund of taxes paid in a prior year if the loss can be used on a carryover.

In the case of an individual, the carryover can be used to offset ordinary income up to $3,000 a year, but on a carryback the capital loss can be used only to offset capital gains. In the case of the death of an individual the bill provides that the net capital loss for the year of his death can be carried back even though the loss is less than $10,000.

Under present law, a capital loss of a corporation can be carried over only to 5 taxable years following the year of the loss. Under the bill, a corporation (like an individual) will have an unlimited carryover of a capital loss.

Section 105—Capital gains and capital loss defined

This section amends the Code by striking out the definitions of short-term and long-term capital gains and losses since under the bill no distinction is made between short-term and long-term gains and losses. However, the bill defines the terms "capital gain" and "capital loss" since the deduction of capital losses is limited as explained above. The bill retains the definition in existing law of the term "capital asset".

Section 106—Election to include certain unrealized gains in gross income

Under present law if a decedent dies with unused capital losses, the losses cannot be

carried over and used by his estate or heirs. However, in the case of unrealized gains from appreciated property, the Tax Reform Act of 1976 provided for a carryover of the decedent's tax basis so that the unrealized gain may subsequently be taxed when the estate or heirs sell the appreciated property.

This section of the bill provides that if a decedent has unused capital losses at his death (including capital losses carried over to his last taxable year), and the decedent also had unrealized capital gains, the executor or administrator of his estate can elect to include in gross income in the decedent's last taxable year the gain the decedent would have realized if he had sold the appreciated property on the date of his death for its fair market value. The gain so included, however, cannot exceed the amount of the unused capital losses. Thus, if unrealized gain on a capital asset is included in income for the decedent's last taxable year, no income tax will be incurred because the gain will be offset by the unused losses. But the decedent's estate or heirs will benefit because the bill provides that the decedent's tax basis in the capital asset—in determining the tax basis to be carried over to his estate or heirs—will be increased by the amount of the unrealized gain included in the decedent's last taxable year.

Since the effect of the carryover basis provisions has been postponed to apply only to property passing from decedents dying after December 31, 1979, this section of the bill would not be affective until after that date.

Section 107—Tax treatment of gain on certain sales of patents

Since capital losses will continue to be deductible only against capital gains (plus an additional $3,000 in the case of an individual), it is important that ordinary income is not classified as capital gain income. Under existing law, gain on the sale by an individual of a patent is treated as capital gain even though the taxpayer is a professional inventor. This section of the bill repeals this provision, so that the sale of a patent by the person whose personal efforts created the patent will be treated as ordinary income and not capital gain income, just as the sale of a copyright produces ordinary income under existing law.

In addition, this section provides that capital gain treatment will not be granted in any case where the owner (whether a corporation or an individual) of a patent enters into an agreement (whether or not it constitutes a sale, license, or assignment) under which the seller or assignor of the patent receives payment measured by a percentage of the selling price of articles produced by the buyer or transferee of the patent or where the amounts received by the seller or transferor are measured by production, sale, or use by the assignee of licensee. Periodic receipts of this kind with respect to the sale or transfer of a patent are properly treated as royalty income rather than capital gain income.

TITLE II—INCOME DERIVED FROM EXTRACTION OF MINERALS

Section 201—Repeal of percentage depletion

This section of the bill repeals percentage depletion for all minerals, including the limited allowance under existing laws for oil and gas, effective with taxable years beginning after December 31, 1979.

Section 202—Deduction of intangible drilling costs and other exploration and development expenditures

This section of the bill liberalizes the deduction of exploration expenditures for oil and gas. Under present law, intangible drilling and development costs are deductibles as incurred, but geological and geophysical costs are capital expenditures to be recovered through the depletion allowance (or as a loss upon abandonment). This section provides that all expenses incurred for the exploration and development of all minerals, including oil and gas, are deductible at the election of the taxpayer, so long as the expenditures do not have the effect of sheltering from tax income from nonmineral sources.

To deal with the problem of the tax shelter, this section provides that the aggregate deduction for exploration and development of mineral properties during the taxable year cannot exceed the taxpayer's aggregate taxable income for the year from mineral properties (computed without regard to the deduction for exploration and development). Losses on drilling a dry hole, however, will continue to be deductible without regard to the limitation. Any amount disallowed as a deduction under this limitation will be treated as an amount expended in the following year for the exploration and development of mineral properties. In the normal situation, this limitation will not limit the deduction in the case of the taxpayer who is in the business of operating mineral properties, but it will put a stop to the current practice of peddling drilling funds as tax shelters to taxpayers who are not in the business of operating mineral properties.

Section 203—Income from mineral properties located outside the United States

Under existing law, if a taxpayer goes into a foreign country to explore for and develop oil and gas wells or a mine, the deductible costs of exploration and development can be applied against income from sources within the United States. If the venture is successful and the mineral properties produce profits, the credit for foreign income taxes imposed upon those profits will, on the basis of past experience, completely offset the U.S. tax on those profits. The net result is that the United States Treasury loses revenue on account of the exploration and development in foreign countries of mineral properties and receives no revenue (because of the foreign tax credit), when the mineral properties produce profits. Moreover, if there is a loss on account of the expropriation of mineral properties by a foreign government, the deductible loss in the usual case has the effect of reducing the income taxes otherwise payable on income from sources within the United States.

To eliminate the losses to the Treasury on account of the exploration, development, and expropriation of foreign mineral properties, this section of the bill provides—

(1) a taxpayer will not include in his tax return amounts derived from the operation of a mineral property located outside the United States.

(2) no deduction shall be allowed for amounts chargeable to income so excluded from the tax return, or for any amount expended for the exploration or development of any mineral property located outside the United States, and

(3) losses on the sale, abandonment or expropriation of mineral properties located outside the United States shall be allowed only to the extent of gains from the sale of mineral properties located outside the United States.

The exclusion from gross income will not apply to profits derived from processing minerals after reaching the so-called cutoff point used in the past for percentage depletion purposes. Thus, profits from transporting minerals or in producing gasoline or refined metals will not be exempt. In addition, the exclusion from gross income will not apply to royalties received on mineral properties located outside the United States or to dividends on stock of any corporation operating mineral properties outside the United States.

TITLE III—REFORM MEASURE AFFECTING PRIMARILY INDIVIDUALS

Section 301—50-percent maximum rate for individuals

Under present law, the maximum rate of tax on individuals is 70 percent. This section of the bill reduces the maximum rate to 50 percent. This reduction is justified in the light of the other provisions of the bill which broaden the income tax base, particularly the taxation of capital gains as ordinary income, and the elimination of the tax shelters allowed under present law.

Section 302—Credit against tax for personal exemptions and nonbusiness deductions

In the past, the bill has provided a credit against tax for the personal exemptions and other personal deductions, including the standard deduction, in lieu of existing deductions for such items. Since Congress replaced the standard deduction with the zero bracket amount in 1977, this section repeals the zero bracket amount and provides a standard credit allowance in amounts equal to the present zero bracket amounts, that is 3400 for joint returns and $2300 for single persons and heads of households.

A credit of 30 percent of the aggregate amount of the personal deductions is allowed by this section. The personal deductions include the deductions for personal exemptions, interest and taxes on non-business indebtedness (such as taxes and interest on the taxpayer's home), deductions for charitable contributions, and deductions for medical expenses. In the case of a nonitemizer, the 30 percent credit will be applied to the amount of the standard credit allowance plus the amount of his personal exemptions. The credit will not be allowable with respect to alimony payments which would continue to be deductible from gross income as under existing law.

The credit is more equitable than deductions in that each taxpayer receives the same benefit for his personal exemption and the Treasury will "contribute" the same amount to all taxpayers with respect to deductible personal expenditures. Under present law, the $1000 personal exemption is worth $700 to the individual in the highest bracket and only $140 to someone in the lowest bracket. Under the bill everyone would get a $300 tax credit regardless of income. A $500 doctor bill would mean $150 to everyone rather than anywhere from $70 to $350 depending on one's tax rate.

A credit of 30 percent of personal deductions in place of deducting such amounts from gross income will reduce the income taxes of taxpayers in the lower brackets. For example, a married couple with two children having an adjusted gross income below $28,300 would have a reduction in their income taxes.

A limit is provided on the amount of credit which may be taken on account of interest and taxes paid on an individual's personal residence (or residences). Not more than $10,000 of such interest and taxes will qualify for the 30 percent credit. In the ordinary case this limitation will not come into play unless the residence has a value of more than $100,000 and is heavily mortgaged.

This section provides that the President may increase or decrease the 30-percent rate if he decides that it is in the public interest to do so. If he decides that taxes on individuals should be reduced for a temporary period, he could proclaim an increase in the 30-percent rate, and if he believes that the taxes should be increased for a temporary period, he could proclaim that the 30-percent rate be decreased. The increase or decrease, however, cannot exceed 2 percentage points.

Any increase or decrease in the 30-percent rate by the President would not take effect if either House of the Congress, within a 60-

day period after announcement of the proposed change in rate, passes a resolution stating in substance that a change in the 30-percent rate is not favored.

This section of the bill also provides that if the taxpayer is claiming a child as a dependent (and thereby receiving a credit of $300 against tax—30 percent of $1,000), the parent shall include in his gross income any income received by the child during the year from a trust created by the parent, and also any dividends, interest, or royalties received by the child from any property given to him by the parent. Income which is so taxed to the parent would not be taxed to the child. This provision would not apply if the parent does not choose to claim the child as a dependent.

This section also increases the credit against tax for child care from 20 percent to 30 percent.

Section 303—Denial of certain tax preferences to shareholder-employees of closely held corporations

This section of the bill eliminates three kinds of abuses which have arisen when an employee owns the corporation which "employs" him.

A self-employed farmer cannot deduct the cost of maintaining his residence on the farm. Such items as depreciation, repairs, heat, and insurance premiums on his house are not deductible; and he cannot deduct the cost of groceries consumed on the farm by his family. But, apparently all these personal and family expenses can be deducted if he incorporates — even though he elects subchapter S so that the corporation is not subject to tax. The Tax Court held that an individual owning all of the stock of a corporation which owned a 35,000-acre ranch in Montana was not taxable on the value of meals and lodging furnished to his family on the ranch by the corporation (and deducted by the corporation) because it was for the convenience of his corporation that he and his wife lived on the ranch and occupied the ranch house. This section of the bill provides that a shareholder-employee of a corporation cannot exclude (under sec. 119 of the Internal Revenue Code) from gross income the value of lodging and meals furnished to him by the corporation. A shareholder-employee is defined as an employee or officer of a corporation who owns 5 percent or more of the stock of the corporation.

If a doctor, lawyer, or other self-employed individual incorporates his business and then adopts a plan for the corporation to pay all medical, dental and hospital bills of any shareholder-employee (including members of his family), under existing law the payments are deductible by the corporation and are excluded from the gross income of the shareholder-employee, even though the plan does not cover employees who own no stock in the corporation. This section of the bill provides that such family expenses paid by the corporation for the benefit of the shareholder-employee will be included in his gross income unless employees who are not shareholder-employees received 75 percent or more of all such payments made by the corporation during the year.

In the case of any self-employed person, his deduction for pension contributions for his own benefit under an H.R. 10 plan is limited to 15 percent of his earned income, with a maximum deduction of $7,500 a year. But, if the doctor, lawyer, dentist, or other self-employed person incorporates his business, the H.R. 10 limitations do not apply unless the corporation elects to be taxed under subchapter S. This section of the bill extends the rule applicable to a shareholder of a subchapter S corporation, and provides that the shareholder-employee of any corporation must include in his gross income any amount contributed by his corporation for his benefit in excess of the H.R. 10 limits. This rule will not apply, however, if more than 75 percent of the contributions made during the year by the corporation under the pension plan are for the benefit of employees who are not shareholder-employees.

Section 304—Repeal of $100 dividend exclusion

This section repeals the provision in present law that allows an individual to exclude from gross income $100 of dividends received on corporate stocks.

Section 305—Deductions for attending foreign conventions

This section disallows expenses of travel (including meals and lodging) of an individual in connection with attending a convention held outside the United States. As a general rule, such expenses are incurred primarily for pleasure rather than business. Thus, expenses of lawyers attending the American Bar Convention in London in 1971 would have been disallowed if the amendment had been in effect.

Section 306—Vacation homes

The Tax Reform Act of 1976 substantially reduced the tax abuse which arose when vacation homes acquired for personal pleasure were rented out for part of the year in order to generate tax deductions to shelter income other than the rents received. The Act, however, still permits a vacation home to be used in some cases as a tax shelter. For example, if the taxpayer uses the vacation home for only 10 days during the year and rents it out for only 20 days, he can deduct without limitation against outside income, two-thirds of the depreciation and other annual expenses for the entire year. This section of the bill in further tightening up on the use of a vacation home as a tax shelter, provides in the case of the above example, that the deduction for depreciation, repairs, and insurance premiums for the year will be reduced from two-thirds to 40/365ths of such expenses (two times the number of days of rental divided by the number of days in the taxable year.)

Section 307—Farm losses

In order to deal more effectively with the problem of farm losses as a tax shelter, this section of the bill provides that farm losses can be deducted against nonfarm income only to the extent of $10,000 a year. Any amount of a farm loss which is disallowed under this provision will be treated as an expense of farming in the following taxable year.

This limitation on the deduction of a farm loss will not apply to a taxpayer whose nonfarm income is less than $20,000.

Section 308—Computation of earnings and profits on a consolidated basis

Some conglomerate companies have been paying dividends which are not fully taxable because the parent company does not have sufficient earnings and profits to cover the distribution although the consolidated group had earnings and profits during the year greater than the amount distributed. This section of the bill provides that the earnings and profits of a parent corporation for a year shall not be less for dividend purposes than the earnings and profits of the consolidated group for the year.

Section 309—Dividend on certain sales of stock

The Tax Court held that if a transaction is described in section 304 of the Code (which can produce dividend income if stock of one controlled corporation is sold to another controlled corporation) and is also described in section 361 (dealing with tax-free exchanges), then section 361 applies and not section 304. This section of the bill changes the rule of the Tax Court case and provides that the tax-free provisions of section 351 do not apply to the extent the application of section 304 produces an amount taxable as a dividend.

Section 310—Tax treatment of stock options granted by employer

The Tax Reform Act of 1976 achieved a major reform by repealing the special tax treatment previously allowed for stock options granted by corporations to officers and other highly compensated employees. However, the managers of the House and Senate conference on the Tax Reform Act made a disturbing statement in reporting the conference agreement. The conferees requested the I.R.S. to make every reasonable effort to determine a fair market value for a stock option at the time it is granted when an employee elects to report such value in his tax return, "particularly in the case of an option granted for a new business venture." Any adoption of this suggestion would create a major loophole. The repeal of the stock option provision was a reform because it requires an executive to include in gross income, when he exercises the option, the difference between the value of the stock acquired and the option price. The suggestion of the conferees, if adopted, would eliminate any tax at the time of exercise. This section of the bill will insure than an executive will have taxable income when he exercises a stock option by providing that a stock option will not have an ascertainable fair market value at the time it is granted unless the option is traded on a stock exchange or over the counter.

Section 311—Treatment of trust income payable to children of grantor

Under present law, a father can, in effect deduct on his income tax return gifts to his children if he makes a gift out of income from stocks and agrees to do so for at least 10 years. To get that result, the parent need merely transfer stock to himself as trustee and agree to pay out to his children the income from that stock for 10 years, at which time the stock will be returned to him free of the trust. Use of short-term trusts in this manner is commonplace with affluent taxpayers who can afford to give some of their dividend income to their children.

This section of the bill provides that the income of such a trust will be taxed to the grantor (if he has a reversionary interest) so long as the income is payable to a child who is under the age of 21 years or who is attending college and is a dependent of the taxpayer for purposes of the credit for personal exemptions.

Section 312—Extension of at risk rule to real estate

The Revenue Act of 1978 significantly expanded the at risk rule which is designed to prevent a taxpayer from deducting losses in excess of his actual economic investment in an activity. However, the rule still does not apply to investment in real estate where opportunities for tax shelters are abundant. This section of the bill provides that the at risk rule will also apply where the principal activity is investing in real estate.

Section 313—Underpayments of estimated tax

This section provides that an individual cannot base his estimated tax payments on the prior year's tax (or at the current year's rates applied to the prior year's facts) if in any one of the 3 preceding taxable years the tax shown on his return was in excess of $100,000.

Section 315—Partnership to be treated as corporation upon filing registration statement with Security and Exchange Commission

A key element in the syndication of tax shelters is that the business venture is treated for tax purposes as a limited partnership, so the tax losses can be passed through and be deducted by the limited partners. In a recent year registered filings with the Securities and Exchange Commission of partnership tax shelter offerings in oil drilling funds, real estate programs, cattle feeding, and the like, were in excess of $3.2 billion. Perhaps any partnership which depends primarily on limited partners for the capital of the venture should be treated as a corporation—the limited partner is like the preferred shareholder of a corporation. But at a minimum, any partnership which is required under the securities laws to register its offerings with the Securities and Exchange Commission should be treated as a corporation, and this section of the bill provides that if a registration statement is filed with the SEC or any comparable State agency, after July 1, 1979, and offers units of participation or other interests in a partnership, the partnership shall be treated as a corporation for taxable years ending after the date of the filing of the registration statement. The enactment of this provision would put an end to the interstate sale of large syndicated tax shelters.

TITLE IV—REFORM MEASURES AFFECTING PRIMARY CORPORATIONS

Section 401—Repeal of investment credit

The investment credit is a massive subsidy to corporations for their purchase of machinery and equipment, nearly all of which would be purchased in the absence of the subsidy. This section of the bill terminates the investment credit, effective with respect to property placed in service on or after January 1, 1980.

Section 402—Repeal of asset depreciation range system

In 1962, the Treasury issued guidelines specifying the number of years over which different kinds of assets could be depreciated. Through the "reserve ratio test", a direct link was maintained between the depreciation claimed by taxpayers and the actual "wearing out" of equipment. Taxpayers were not allowed to depreciate for tax purposes more rapidly than they were actually replacing the equipment.

In January, 1971, the Treasury announced some major changes. Businessmen were allowed to take guideline lives 20 percent shorter than previously. Thus, an asset which previously had a guidline life of 10 years could now be depreciated over 8 years. In addition, the reserve ratio test was repealed. These changes were given legislative approval in the Revenue Act of 1971.

This section repeals the ADR system and reinstates the reserve ratio test.

Section 403—Depreciation deduction not to exceed book depreciation

Under present law, a corporation cannot use the LIFO method of valuing inventories for income tax purposes unless it uses the same method in reporting its earnings to shareholders. The obvious rationale of this rule is that if LIFO is not considered by a corporation as a correct method for reporting earnings to shareholders, then that corporation is not entitled to use the LIFO method in reporting its earnings on the tax return.

For a similar reason, this section of the bill provides that a corporation cannot take depreciation deductions for a taxable year in an aggregate amount in excess of the depreciation taken into account in reporting earnings for the year to shareholders. Thus, if a corporation on its books computes depreciation for equipment on a straight-line basis with a 30-year life, it cannot have a larger deduction on the tax return by using the double declining balance method or a shorter life. Moreover, in the case of a publicly held company whose annual report to shareholders is certified to by independent certified public accountants, it can generally be presumed that the charge for depreciation recorded on the books is a fair and honest estimate of the actual cost of depreciation for the year. If a larger deduction for depreciation is allowed on the tax return, then the depreciation allowance becomes a subsidy and not a reasonable allowance for the exhaustion of machinery and equipment.

In the case of an affiliated group of corporations, regulations will prescribe whether the report by the common parent corporation to its shareholders, rather than the report of subsidiaries to the parent, will be taken into account for purposes of this amendment.

Section 404—Deduction for repairs limited to amount recorded on books

This section of the bill, for the reasons set forth in the preceding section dealing with depreciation, prohibits the deduction by a corporation of an expenditure for repairs if the corporation capitalizes the expenditure on its books for the purpose of reporting to shareholders its earnings and profits for the year.

Section 405—Limitations on dividends received deductions

Subsection (a) of this section of the bill provides that the dividends received deduction cannot exceed 85 percent of taxable income (computed without regard to the net operating loss carryback). The chief effect of this is to change present law which allows a full deduction for 85 percent of dividends received if this deduction will produce or increase a net operating loss for the taxable year. The amendment also provides that any amount disallowed for the taxable year because of the net income limitation shall be allowed as a deduction for the following taxable year if there is sufficient taxable income in that year. This gives the taxpayer a carryover which he does not have under present law.

Subsection (b) provides that dividends received from an unaffiliated corporation shall be reduced (for purposes of the dividends received deduction) by the amount of any interest on indebtedness incurred or continued to purchase or carry the stock of the unaffiliated corporation. An unaffiliated corporation is any corporation except one that is a component member of a controlled group of corporations which includes the taxpayer.

This section of the bill also provides that if the aggregate amount of dividends received during the year from unaffiliated corporations (after first being reduced by any interest paid as provided in the preceding paragraph) exceeds the amount of dividends paid by the corporation during the taxable year, no dividends received deduction shall be allowed with respect to the excess. Thus, if no dividends are paid by the taxpayer, no dividends received deduction can be claimed for dividends received from unaffiliated corporations. However, the amount which is so disallowed shall be treated as a dividend received in the following year for purposes of the dividends received deduction. Moreover, if dividends paid during a taxable year exceed the dividends received during the year from unaffiliated corporations, the amount of the excess will be treated as a dividend paid in the following year for purposes of the dividend received deduction.

Section 406—Use of appreciated property to redeem stock

Under present law, if a corporation redeems stock with appreciated property, gain is recognized except in certain cases. One of the exceptions is where stock or securities are distributed pursuant to a court proceeding under the antitrust laws. This section provides that the stock or securities must have been acquired before January 1, 1970, in order for the exception to apply. It is not believed corporations which have violated the antitrust laws should have a tax benefit not available to other corporations who distribute appreciated securities.

Section 407—Recognition of gain on sales in connection with certain liquidations

If a corporation adopts a plan of complete liquidation and the liquidation is completed within 12 months, under existing law (section 337 of the Internal Revenue Code) the corporation is not taxed on gains realized on the sale of property during the period of liquidation. Gains on sale of inventory, however, are exempt from tax only if the inventory is sold in bulk to one purchaser.

This section makes three amendments to section 337. First, it is provided that section 337 shall apply only if at the time of the adoption of the plan of liquidation the corporation has less than 16 shareholders.

Second, it is provided that gain on the sale of inventory shall be taxable even though section 337 otherwise applies.

The third change deals with the problem which has been presented in some cases where shareholders of the liquidating corporation transferred, after adoption of the plan to liquidate and before the corporation distributes its tax-free gains, some or all of their stock to tax-exempt charities (usually their private foundations). This amendment of section 337 insures that one tax will be imposed in such cases by providing that if tax-exempt organizations receive X percent of the amounts distributed in liquidation, then the same percent of the gains realized by the corporation during the course of the liquidation will be subject to tax at the corporate level.

Section 408—Certain transactions disqualified as reorganizations

This section of the bill provides that there cannot be a tax-free reorganization if the shareholders of the smaller company involved in the transaction end up with less than 20 percent of the voting stock of the surviving corporation in a merger or of the acquiring corporation in the case of a so-called B reorganization (stock-for-stock) or a so-called C reorganization (stock-for-assets). If a conglomerate company whose stock is listed on the New York Stock Exchange issues less 20 percent of its voting stock to acquire the stock or assets of a company whose stock is not listed, it is more realistic to treat the shareholders of the unlisted company as having sold out for a marketable security rather than having taken part in a reorganization of their company. (A similar provision was contained in the House version of the Internal Revenue Code of 1954.)

Section 409—Repeal of special treatment of bad debt reserve of financial institutions

This section of the bill provides that banks and other financial institutions that now are allowed to take special deductions for reserves for bad debts will, in the case of taxable years beginning after 1979, compute any addition to a reserve for bad debts on the basis of the actual experience of the taxpayer, the rule which is applied to all other corporations.

Section 410—Taxation of undistributed profits of foreign corporations

At the present time, American corporations do not have to pay income taxes to the Federal Government on the earnings of their controlled foreign subsidiaries so long as the earnings are undistributed. These earnings, however, are generally taken into account by the parent company in reporting earnings to its shareholders. This tax deferral constitutes an important incentive for U.S. corporations to set up plants in foreign countries. This section of the bill provides for the taxation on a current basis of the undistributed earnings of controlled foreign corporations.

Section 411—Repeal of the tax exemption for a DISC

A U.S. corporation can now set up a paper corporation (known as a DISC) and escape the corporate income tax on one-half of its profits from exports by channeling the sales through the DISC. This section of the bill would repeal the tax exemption for DISC corporations and thereby increase revenues by over $1 billion a year.

Section 412—Involuntary conversions

This section provides that if gain on an involuntary conversion of property is not recognized because the taxpayer purchases stock of a corporation owning property of the kind which was converted, the basis of that property in the hands of the corporation shall be reduced by the amount of gain not recognized on account of the purchase of the stock.

Section 413—Computation of underpayments of estimated tax

This section of the bill provides that a corporation cannot compute its estimated income tax payments on the basis of the prior year's tax (or on the basis of the prior year's facts and the current year's rates) if in any one of the 3 preceding taxable years the tax shown on its return was in excess of $300,000.

Section 414—Disallowance of deductions attributable to tax exempt interest of banks

When an individual borrows money to purchase tax exempt bonds, the interest on the loan is disallowed as a deduction. In the case of a bank, however, it is next to impossible to trace its use of borrowed funds, and as a result, all the interest paid by the bank is deducted even though tax exempt bonds generally comprise about 10 percent of the bank's assets and some of the bonds were surely acquired with the borrowed funds.

This section of the bill provides that interest paid by banks, and other financial institutions to depositors and other creditors will be disallowed as a deduction by the same percent which their investments in tax exempt bonds bear to their total assets. For example, if 8% of a bank's assets are in tax exempts, then 8% of its interest payments would be disallowed as a deduction.

TITLE V—REFORMS AFFECTING INDIVIDUALS AND CORPORATIONS

Section 501—Minimum tax

This section makes a number of changes in the minimum tax. First, it repeals the provision of existing law that allows regular income taxes to be deducted from the items of tax preference.

Second, the following items are added to the list of items which constitute tax preferences:

(1) Tax-exempt interest on State and local bonds (issued before January 1, 1980).

(2) The credit against the United States tax allowed for foreign income taxes.

Finally, this section of the bill strikes from existing law the provisions which treat tax preferences attributable to foreign sources more favorably than preferences attributable to sources within the United States.

Section 502—Shareholder use of corporate property

Considerable uncertainty exists over the tax treatment of interest-free loans from a corporation to its controlling shareholders and the rent-free use by shareholders of corporate property. The Tax Court has held that an interest-free loan produces no taxable income to the shareholder or the corporation, even though the funds loaned by the corporation were producing taxable income prior to the loan. This section of the bill provides that an interest-free loan or a rent-free use of corporate property by a controlling shareholder shall be treated in the same manner as if the shareholder paid to the corporation a reasonable rate of interest on the loan, or a reasonable rent for use of the property, and as if the corporation then made a cash distribution of a like amount to the shareholder.

Section 503—Deduction for depreciation based on equity in rental real estate

This section provides that in the case of a building which the taxpayer rents to others, the deduction for depreciation cannot exceed the taxpayers equity in the building and the land. That is, no additional deductions for depreciation will be allowed (including existing buildings) to the extent it would reduce the adjusted basis of the building below the unpaid balance of the mortgage on the land and building (minus the tax cost of the land). However, until the depreciation deductions equal the equity, the depreciation would be computed on the entire cost of the building and not on the amount of the equity. This amendment would not apply to a building if the primary use is by the taxpayer and not the tenants. This amendment would reduce the attractiveness of real estate ventures as tax shelters for investors.

Section 504—Charitable gifts of appreciated property

Under existing law, if capital assets which have appreciated in value are given to a private foundation, the charitable deduction is reduce by 40% of the long-term capital gain the individual would have had if he had sold the property at fair market value. However, in the case of gifts of non-capital assets to any charitable organization, the amount of the charitable deduction is reduced by the amount of the ordinary gain the taxpayer would have received if he had sold the property at fair market value. Since Title I of the bill eliminates the preferential treatment of capital gain income, this section of the bill provides that if appreciated property (whether or not a capital asset) is contributed to any charitable organization, the amount of the charitable contribution shall be reduced by the amount of gain which would have been realized if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution). In computing the amount of such gain, there will be excluded the amount of any gain which is exempt from tax under the provisions of section 1202 of the Code, as amended by section 1202 of this bill.

Section 505—Capital expenditures in developing fruit or nut groves or vineyards

Present law requires the capitalization of expenditures incurred during the development stage in planning citrus or almond groves. This section of the bill extends the rule of capitalization of expenses incurred before the time when the productive stage is reached in the case of any other fruit or nut grove or any vineyard planted after December 31, 1975.

Section 506—Repeal of tax exemption for ships under foreign flag

This section of the bill repeals the provisions of existing law which state that a nonresident alien or a foreign corporation (even though 100 percent owned by a U.S. corporation or an American citizen) is not taxable on income derived within the United States from the operation of ships documented under the laws of a foreign country which grants an equivalent exemption to United States citizens or corporations.

Section 507—Tax litigation to be handled by Internal Revenue Service

Under existing law, the Internal Revenue Service conducts tax litigation in the Tax Court of the United States, but the Justice Department handles all tax litigation in the District Courts, the Court of Claims, Circuit Courts of Appeal, and in the Supreme Court. The Justice Department, rather than the I.R.S., decides whether a refund suit should be defended, whether an appeal from an adverse decision should be taken, and whether a petition for certiorari in a tax case should be filed in the Supreme Court. The charge has been made that Justice Department lawyers often consider their win/loss record rather than the importance of the tax issue involved in deciding whether or not to argue a case. Moreover, the role of the Justice Department over tax litigation deprives the Internal Revenue Service in many cases of the right to decide when and how a certain tax issue should be presented to the Courts. Since it is believed that a smoother implementation of I.R.S. tax policy will be achieved if attorneys in the Internal Revenue Service are in charge of tax litigation, this section of the bill provides that the Commissioner of Internal Revenue will be in charge of all civil proceedings in any court (including the Supreme Court) involving internal revenue taxes.

TITLE VI—REFORMS AFFECTING PRIVATE FOUNDATIONS AND ESTATE AND GIFT TAXES

Section 601—Private foundations

Under present law the distinction between "public charities" and private foundations is significant because public charities are not subject to the same restrictions on their activities as are private foundations and contributions to public charities receive more favorable treatment in certain circumstances than contributions to private foundations. In addition, a private foundation pays a tax of 2% on its investment income. The term "public charity" includes not only certain types of organizations described by function—such as churches, schools, and hospitals—but also organizations which normally receive as substantial part of their support from governmental units or the general public.

Current regulations of the I.R.S. have been criticized on the ground they allow some charities, which Congress intended to be treated as private foundations, to be classified as public charities. As an example, the I.R.S. ruled that under its regulations interpreting 509(a)(3), a certain trust was not a private foundation even though 75 percent of its income could be distributed as the trustees saw fit between six different organizations named in the trust instrument as permissible beneficiaries of the trust.

This section of the bill provides that in no case shall a trust be treated under section 509(a)(3) as a public charity if the trustees have discretion to distribute as they see fit more than 50 percent of the trust income between two or more organizations named in the trust instrument as permissible beneficiaries.

This section of the bill also makes the requirements for being considered "publicly supported" more stringent than present regulations by providing that a person's contributions will be considered as public support only to the extent that they do not exceed one-half of one percent of the organization's support. It also strengthens the rules concerning treatment of contributions by related parties. This change, for example, will require that contributions of brothers and sisters of a contributor be treated as made by the contributor for purposes of the public support tests. Also this section of the bill prevents loosely affiliated trusts or funds from being treated as one organization for purposes of meeting the public support tests by requiring that the trusts of funds be under substantial common control in order to be treated as one organization.

Section 602—Transfers taking effect at death

Before the enactment of the 1954 Code, if a taxpayer transferred property to a trust which provided that the income should be accumulated during the grantor's life and upon his death the trustee should pay the corpus and accumulated income to his children, such a transfer was included in the decedent's gross estate as a transfer taking effect at death. The 1954 Code provided that such a transfer will be included in the gross estate only if the decedent retained a reversionary interest equal to 5 percent of the value of the property. This section of the bill strikes out the 5-percent reversionary interest test since it is completely a nonsequitur in a statute which imposes an estate tax on a lifetime transfer of an interest which can be possessed or enjoyed only by surviving the transferor. This amendment would apply to transfers made after December 31, 1978.

Section 603—Compensation payable after decedent's death

Under existing law, a highly compensated corporate executive can arrange his compensation so that part of what he earns will pass to his family without being included in his gross estate. For example, in order to obtain or retain the services of the corporate executive, the corporation agrees that upon his death it will pay an annuity to his widow for a period of years or so long as she lives. Upon his death the value of the annuity payable to his widow will not be subject to the estate tax if the decedent never had a prospective interest in the annuity payments if he had continued to live. Clearly, in such a case, the annuity payments to the widow were earned by the decedent's services rendered to the corporation, and the exclusion of such payments from the gross estate constitues a serious loophole available to highly compenated corporate executives. This section of the bill closes that loophole. Under the amendment, there will be included in the gross estate the value of an annuity or other payment (including proceeds of life insurance) receivable by any beneficiary, by reason of surviving the decedent, under an agreement or plan of the decedent's employer which arose out of services rendered by the decedent, whether or not the beneficiary has an enforceable right to receive the annuity or other payment.

In the case of annuities paid out of tax-exempt pension funds, which are now excluded from the gross estate under section 2039(c) to the extent attributable to the employer's contributions, this section of the bill provides that the section 2039(c) exclusion shall apply only if the annuity payments go to the decedent's surviving spouse.

Section 604—Life insurance included in gross estate

No loophole in the estate tax can compare with that offered by life insurance. Under existing law, unlimited amounts of insurance can be passed on at death to the family of the decedent free of estate tax. If the decedent takes out insurance on his own life and gives the insurance policies to members of his own family, he can continue to pay during his lifetime all the premiums on the insurance and no estate tax will be paid at his death. And no gift tax will be paid on the premium so long as the annual premium per donee is not more than $3000 ($6000 in case of married insured.) Thus, a father age 40, for an annual premium of $6000 can acquire and give to his child a 5-year renewable term life insurance policy which will provide more than $1.3 million of insurance. If he dies while the insurance is in force, $1.3 million will go to the child free of any estate or gift tax, even though all the premiums were paid by the insured.

This section of the bill provides that life insurance on the decedent's life will be included in his gross estate in the proportion that the premiums paid by the decedent or his spouse bears to all premiums paid for the insurance. However, premiums paid before 1977 by the insured or his spouse will not be included in the numerator of the fraction, but will be included in the denominator.

This section of the bill also provides that insurance on the decedent's life will be included in his gross estate—without regard to the premium payment test—if his surviving spouse possessed at his death incidents of ownership in the policy. However, if the insurance proceeds pass to the surviving spouse and the insurance would qualify for the marital deduction if the insurance were included in the gross estate, the insurance will not be included in the gross estate by reason of incidents of ownership in, or premiums paid by the surviving spouse.

Section 605—Charitable deductions in the case of estate tax

The first amendment made by this section of the bill places a limitation on the charitable deduction for estate tax purposes, similar to what we have for the income tax. Under present law, a decedent can give his entire estate to a private foundation created by his will, and no Federal estate tax will be imposed. This amendment provides that the aggregate charitable deduction shall not exceed the greater of $1,000,000 or 50 percent of the gross estate reduced by the debts of the decedent and the expenses of administration.

The second amendment deals with the interplay of the charitable deduction and the marital deduction for estate tax purposes. The marital deduction cannot exceed 50 percent of the adjusted gross estate (gross estate less debts, losses, and expenses of administration). Cases have arisen where executors have claimed, in order to raise the amount of the adjusted gross estate for purposes of the marital deduction, that transfers made to charities during the decedent's lifetime were includable in the gross estate. Increasing the gross estate for such lifetime transfers produced no estate tax for the charitable deduction was increased by the same amount, but a larger maximum deduction was allowed for bequests to the surviving spouse. This amendment provides that in computing the adjusted gross estate there shall be excluded any transfer made by the decedent during his lifetime if an estate tax charitable deduction is allowed for that transfer.

Section 606—Charitable deduction for gift tax purposes

Since the enactment of the tax Reform Act of 1969, a gift tax is imposed in certain cases if the donor gives an interest in property to charity but retains for himself an interest in the same property. Thus, if a valuable painting is given to the National Gallery of Art subject to the right of the donor to retain possession of the painting for his lifetime, a charitable deduction is not allowed for either the income tax or the gift tax. While a deduction for income tax purposes in such a case is properly disallowed, it is not believed a gift tax should be imposed on the gift to charity, so long as no third party is given an interest in the painting. This section of the bill amends section 2522(c) of the Internal Revenue Code of 1954 to allow a charitable deduction for gift tax purposes in such a case. The amendment provides, however, that if the donor, after making such a gift to charity, thereafter transfers the interest he retained to a third party (not a charity), the donor shall then be considered as having made the transfer to charity and the third party at the same time, so that a gift tax would be imposed on the interest transferred to charity.

TITLE VII—STATE AND LOCAL OBLIGATIONS

Section 701—Repeal of exemption for interest on new issues of State and local bonds

This section of the bill provides that interest on State and local bonds issued after December 31, 1979, will not be exempt from Federal income taxation. In the case of interest on State and local obligations issued before January 1, 1980, such interest will continue to be exempt from taxation, but section 501 of the bill provides that such interest will be treated as an item of tax preference for purposes of the minimum tax.

Section 702—United States to pay 35 percent of interest yield on State and local obligations

This section provides that the Federal Government will pay 35 percent of the interest yield on State and local obligations issued after December 31, 1979. The payment of interest by the Federal Government will not apply in the case of any industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code). This section provides that upon the request of the State or local government, the liability of the United Staes to pay interest to the holders of the bond shall be handled through the assumption by the United States to pay a separate set of interest coupons issued with the bond. Otherwise, the obligation of the United States to pay 35% of the interest yield will be made directly to the issuer of the obligation.

TITLE VIII—WITHHOLDING OF INCOME TAX ON DIVIDENDS AND INTEREST

Section 801—Withholding of income tax at source on dividends and interest

Income taxes are now deducted and withheld on payments of wages and salaries but not on dividends or interest. In 1962, the Ways and Means Committee decided, as a matter of fairness, that recipients of dividends and interest should pay their taxes no less than those who receive wage and salary income and the tax should be paid just as promptly. The Revenue Bill of 1962, as passed by the House, provided for the withholding of tax on dividends and interest, and this section of H.R. 1040 contains provisions substantially identical to the withholding provisions in the 1962 bill. In 1962, the committee estimated that such withholding of tax would increase annual tax collections by about $650 million. With the great increase since then in the amount of dividend and interest payments, it is believed that the withholding of tax on such income would now increase revenues more than $1 billion annually.

FEDERAL INDIVIDUAL INCOME TAX BURDEN [1]—SINGLE PERSON AND MARRIED COUPLE WITH NO, 1, 2, AND 4 DEPENDENTS
(ASSUMING DEDUCTABLE PERSONAL EXPENSES OF 23 PERCENT OF INCOME)

Adjusted gross income [2]	Tax liability														
	Single person			Married couple with no dependents			Married couple with 1 dependent			Married couple with 2 dependents			Married couple with 4 dependents		
	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change
$3,000	0	0	0	0	0	0	−$299	−$299	0	−$299	−$299	0	−$299	−$299	0
5,000	$250	0	−$250	0	0	0	−499	−499	0	−499	−499	0	−499	−499	0
6,000	422	$44	−378	$84	0	−$84	−500	−500	0	−500	−500	0	−500	−500	0
8,000	787	460	−327	374	0	−374	−26	−250	−$224	−166	−250	−$84	−250	−250	0
10,000	1,177	925	−252	702	$99	−603	534	0	−534	374	0	−374	84	0	−$84
12,500	1,585	1,391	−195	1,152	624	−528	972	324	−648	792	24	−768	454	0	−454
15,000	2,047	1,960	−87	1,625	1,206	−419	1,415	906	−509	1,233	606	−627	873	6	−867
17,500	2,547	2,602	+55	2,029	1,662	−367	1,819	1,362	−457	1,609	1,062	−547	1,220	462	−758
20,000	3,115	3,279	+164	2,457	2,189	−268	2,223	1,889	−334	2,013	1,589	−424	1,593	989	−604
25,000	4,364	4,824	+460	3,399	3,396	−3	3,141	3,096	−45	2,901	2,796	−105	2,421	2,196	−225
30,000	5,718	6,604	+886	4,477	4,826	+349	4,197	4,526	+329	3,917	4,226	+309	3,357	3,626	+269
35,000	7,220	8,619	+1,399	5,705	6,523	+818	5,385	6,223	+838	5,065	5,923	+858	4,435	5,323	+888
40,000	8,886	10,732	+1,846	7,052	8,328	+1,276	6,682	8,028	+1,346	6,312	7,728	+1,416	5,657	7,128	+1,471
50,000	12,559	15,042	+2,483	10,183	12,394	+2,211	9,753	12,094	+2,341	9,323	11,794	+2,471	8,463	11,194	+2,731
60,000	16,392	19,352	+2,960	13,602	16,638	+3,036	13,112	16,338	+3,226	12,634	16,038	+3,404	11,774	15,438	+3,664
70,000	20,242	23,662	+3,420	17,375	20,948	+3,573	16,885	20,648	+3,763	16,395	20,348	+3,953	15,415	19,748	+4,333
80,000	24,092	27,972	+3,880	21,178	25,258	+4,080	20,678	24,958	+4,280	20,178	24,658	+4,480	19,188	24,058	+4,870
90,000	27,942	32,282	+4,340	25,028	29,568	+4,540	24,528	29,268	+4,740	24,028	28,968	+4,940	23,028	28,368	+5,340
100,000	31,792	36,592	+4,800	28,878	33,878	+5,000	28,378	33,578	+5,200	27,878	33,278	+5,400	26,878	32,678	+5,800

[1] Computed without reference to the tax tables.
[2] Wage or salary and/or self-employment income.

Note: Details may not add to totals because of rounding.
Source: Staff of the Joint Committee on Taxation. ●

THE HEALTH SECURITY ACT OF 1979

(Mr. CORMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CORMAN. Mr. Speaker, today I have introduced the Health Security Act of 1979, H.R. 21, along with 24 Members of the House of Representatives. The cosponsoring Members on this first day of the 96th Congress are the following:

Mr. Pepper, Mr. Stark, Mr. Addabbo, Mr. Anderson of California, Mr. Bonker, Mr. Clay, Mr. Conyers, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Kildee, Mr. Lehman, Mr. Minish, Mr. Moakley, Mr. Myers of Pennsylvania, Mr. Oberstar, Mr. Reuss, Mr. Rodino, Mr. Rosenthal, Mr. Thompson, Mr. Weaver, Mr. Weiss, and Mr. Won Pat.

For the last 10 years a broad coalition of organizations and millions of individuals have united in developing the health security program and working for its enactment. The program reflects the highest standards and is as ambitious as attainable.

Last month, the Democratic Party, in midterm conference, reaffirmed its support for comprehensive national health insurance with universal and mandatory coverage. The program is to be publicly financed by a combination of employer-employee payroll taxes and general revenues. Let there be no doubt that health security is the only program which satisfies that pledge.

The struggle against the strong vested interests of the large health care industry and the health insurance companies has often been difficult and frustrating. But Americans have set their sights high and the best in national health insurance is too valuable to sacrifice for the allure of expediency.

Some Americans enjoy the best medical care. Now the American people want quality medical care available to all and the best system in the world for its delivery and financing.

It is imperative that, at this crucial juncture in the consideration of national health insurance, the commitment to the principles of health security be strengthened.

The Health Security Act reflects two fundamental objectives. The first is that every American should be assured access to appropriate health care. To eliminate income, residence, employment status, and age as barriers to health services, health security will establish uniform and comprehensive benefits without the usual insurance premiums, exclusions, deductibles, or copayments. Age, employment status, economic circumstanes will be irrelevant.

It is essential that NHI coverage be universal-compulsory and provided under one publicly financed and administered program. Everyone must enjoy uninterrupted coverage and make contributions accordingly. Only then can the program accommodate the ever-changing circumstances of individuals. Means testing, however subtle, must be avoided.

The second precept is that a national health program must go beyond insuring health care to the more difficult, but central, problems of securing health care. In other words, a national health insurance program must introduce improvements in the organization, availability and quality of services.

The success with health care reforms is dependent on the leverage of a single universal program and the open decisionmaking process and accountability of a public program.

Health security will establish a broad system for health care in the United States, not just be a new method for paying the bills for doctors and hospitals.

The program will be a working partnership between the public and private sectors. Care will be provided by physicians, hospitals, and other private providers in the same way it is done today. The health security program is not a national health service in which the Government owns the facilities and employs the personnel.

The national health insurance debate has been sidetracked far too long by the sham argument about cost. Instead of a serious and forthright discussion about the merits of the various legislative proposals, the American people have suffered the dishonesty of a range of counterfeit cost estimates.

The issue is not what proposals are less expensive than others, because the American public knows who pays the final bill. The important point is that we are now spending about $200 billion for health care and that amount will almost double in 5 years. This tab is picked up by each of us as patients, taxpayers, and consumers.

The Federal budget impact cannot be ignored. However, national health insurance would rechannel present financing, not be new expenditures for the economy. Gimmicks which may be used in an attempt to disguise the cost of health care would only serve to hinder the proper objectives of national health insurance.

Thus, the primary issue is whether the stark economics of health care are allowed to go unchecked or whether responsible public policy decisions will be made to reform the health care delivery system.

National health insurance is not needed, in the form of health security or any other program, because we as families or a nation need to spend more money to obtain necessary health services. We spend more per capita and use more of the Nation's resources for health purposes than any other nation in the world.

Support for comprehensive national health insurance arises out of the increasing need to spend our health care dollars more effectively and efficiently. The rapid and uncontrollable increases in medical costs under the existing methods of receiving and paying for care have become too burdensome.

The litany of facts and figures about

the rising health expenditures need not be repeated. In short, health costs have outstripped general economic growth as well as workers' wages.

The design of the Health Security Act is to improve and protect health, while maintaining health expenditures within reasonable limits. Initially, as all Americans obtain access to needed care under health security, some increase in expenditures can be expected.

Health security is the only health program that contains realistic mechanisms for effectively containing and directing health expenditures. Through a national and regional budgeting process under which hospitals budget their costs and doctors stick to established fee schedules, increases in health expenditures will be kept within reasonable limits and directed to meet changing health needs.

Encouraging prepaid health programs, preventive medicine, early diagnosis, and outpatient treatment will substantially improve the quality of health care and result in less costly care than if present arrangements are allowed to continue.

Under Health security, people will pay for services when they are well and working, not at the time of illness. A full range of preventive, routine, and catastrophic health services will be available when they are needed, not delayed until they can be afforded. Providers will be paid in full directly from the Health Security Trust Fund. The patient will receive no bills for extra charges.

The total health costs will be distributed through the equitable and proven social insurance system with employers-employees contributions and the Federal general revenue sharing the cost. There will also be a tax on nonearned income to cover the nonworking wealthy and assure that contributions are made according to ability to pay. As a result, a family's health costs will be predictable and easily budgeted.

It has been alleged that a program that does not impose deductibles and coinsurance, will result in high rates of unnecessary use of health resources. There is no evidence that this would happen, and in Canada the evidence is to the contrary. Slight increases in utilization occurred under Canada's health system when deductibles were removed, but these soon leveled off. Canada's experience clearly demonstrates that the paperwork and costs of administering deductibles results in more waste than savings.

Health security will actively encourage more efficient organization and equal distribution of existing health manpower and provide funds for special training of health professionals and allied personnel. A resources development fund would be established to support innovative health programs, particularly in manpower, education, training, and group practice development.

Fifty years of experience has provided clear indications that a system of private health insurance, even if it is expanded as proposed in some bills or heavily regulated as in others, will not assure uninterrupted protection or provide access to quality health care for everyone. A program of employment-based coverage through private carriers cannot assure the needed level of coverage.

Private insurance, a major contributor to our Nation's health care problems, cannot now be employed as part of the solution.

There is a widely held misconception that private health insurance covers the needs of American workers and their families. Yet of the total amount spent for personal health care, private insurance pays only 28 percent.

The Congressional Budget Office reports that less than half the Nation has major medical coverage and is "reasonably well protected against high expenses." A full 18 million citizens were found to be completely unprotected by either private insurance or public programs. Much of the rest of the population has their fingers crossed with an inadequate policy in the back pocket.

A role for the private sector in national health insurance as administrative or fiscal agents is workable. But the continuation of private underwriting defies justification. Private underwriting is unwarranted under NHI as the element of risk is removed from the provision of health services. In addition, retention of private insurers thwarts the objective of universal coverage and creates massive administrative difficulties in providing continuous coverage.

As lawmakers, we know the necessity for negotiating a sound and workable program which can be enacted as soon as possible. There are provisions of the health security program which could be modified in a manner acceptable to the principles of health security. Such things as phasing in of benefits beginning with maternal and child health, a role for private insurers as fiscal and administrative agents, a stronger role for State governments in program operation, and a public insurance corporation with an opt-out feature to private insurers could be devised.

But compromises which damage the social insurance nature of health security will be strongly resisted.

During congressional consideration of national health insurance, the opportunities to approve incremental improvements to the health system should be used fully. Substantial progress has been made in recent years and more progress can be made in the 96th Congress as hospital cost containment, medicare-medicaid reforms, health planning, child health, clinical lab standards, and other health legislation is approved.

I include the following section-by-section analysis for the further information of my colleagues:

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TITLE I—HEALTH SECURITY BENEFITS

Part A—Eligibility for benefits

(Sections 11–12.) Every resident of the U.S. (and every non-resident citizen when in the U.S.) will be eligible for covered services. Reciprocal and "buy in" agreements will permit the coverage of groups of non-resident aliens, and in some cases benefits to U.S. residents when visiting in other countries.

Part B—Nature and scope of benefits: covered services

(Section 21.) Every eligible person is entitled to have payments made by the Board for covered services provided within the United States by a participating provider.

(Section 22.) All necessary professional services of physicians (including preventive care) are covered wherever furnished, with one quantitative limitation. Psychiatric services to an ambulatory patient are covered without limit if the patient seeks care in the organized setting of a group practice organization, a hospital out-patient clinic, or other comprehensive mental health clinic. In these kinds of organized settings, peer review and budgetary controls can be expected to curtail unnecessary utilization.

If the patient is consulting a solo practitioner, however, there is a limit of 20 consultations per benefit period. In communities where psychiatric services are in especially short supply, the Board may prescribe referral or other nonfinancial conditions to give persons most in need of services a priority of access to solo practitioners.

(Section 23.) Comprehensive dental services (exclusive of most orthodontial) are covered for children under age 15, with the covered age group increasing by two years each year until all those under age 25 are covered. (Persons once covered remain covered for the rest of their lives). This benefit is limited initially because, even with full use of dental auxiliaries, there is insufficient manpower to provide dental benefits to the entire population. However, the Board may expand the benefits more rapidly if availability of resources warrants, and the Board is required within seven years of the effective date of the legislation to establish a timetable for phasing in benefits for the entire population. To encourage the development of groups which provide comprehensive medical and dental services or comprehensive dental services, the Board may phase in dental benefits more rapidly for the enrollees of those groups.

(Section 24.) In-patient and out-patient hospital services and services of a home health agency are covered for the duration of the services, and skilled nursing home services are covered for limited periods. Pathology and radiology services are specifically included as parts of institutional services, thus reversing the practice of Medicare. Domiciliary or custodial care is specifically excluded in any institution, thus necessitating the two important restrictions on payments for institutional care:

(1) Payment for skilled nursing home care is limited to 120 days per benefit period, except that this limit may be increased either when the nursing home is owned or managed by a hospital and payment for care is made through the hospital's budget or for all nursing homes affiliated with hospitals. It is not practical to assume that the majority of nursing homes and extended care facilities in the country will be able to implement effective utilization review and control plans in the first years of Health Security. The demand for essentially domiciliary or custodial care in nursing homes is so overwhelming that an initial arbitrary limit on days of coverage is necessary. Extension of the benefit is authorized when this becomes feasible.

(2) Some hospitals do not provide optimal active treatment to their psychiatric patients but rather maintain them in a custodial setting. If Health Security provides unlimited coverage for patients in these hospitals, it might tend to freeze the level of care instead of stimulating these institutions to upgrade their medical care performance. Therefore, the psychiatric hospital benefit is limited to 45 days of *active treatment* during a benefit period.

(Section 25.) The bill provides coverage for two categories of drug use: prescribed medicines administered to in-patients or out-patients within participating hospitals or to enrollees of comprehensive health service organizations, and drugs necessary for the treatment of specified chronic illnesses or conditions requiring long or expensive drug therapy. This will provide coverage of most drug costs for individuals who require costly drug therapy.

The bill requires the Board and the Secretary of HEW to establish two lists of approved drugs. There will be a broad list of approved medicines available for use in institutions and by comprehensive health service organizations and a more restricted list which is available for use outside such organized settings. The restricted list shall stipulate which drugs on it shall be available for treatment of each of the specified chronic diseases. No such restrictions shall be placed upon drug therapy within an institutional setting.

Use of the restricted list will meet the most costly needs for drug therapy while restraining unnecessary utilization. The benefit is more liberal where adequate control mechanisms exist.

(Section 26.) The appliances benefit is similar in concept and operation to the drug benefit, subject to a limitation on aggregate cost. The Board shall prepare lists of approved devices, appliances or equipment which it finds are important for the maintenance or restoration of health, employability or self-management (taking into consideration the reliability and cost of each item). The Board will also specify the circumstances or the frequency with which the item may be prescribed at the cost of the Health Security program.

(Section 27.) The professional services of optometrists and podiatrists are covered, subject to regulations, as are diagnostic or therapeutic services furnished by independent pathology laboratories and radiology services. The care of a psychiatric patient in a mental health day care service is covered for up to 60 days (day care benefits are unlimited if furnished by a group practice organization, by a comprehensive mental health center, or by an approved mental health day care service). Ambulance and other emergency transportation services are covered, as well as non-emergency services where (as in some sparsely settled areas) transportation is essential to overcome special difficulty of access to covered services.

Supporting services such as psychological, physiotherapy, nutrition, social work and health education are covered if they are part

of institutional services or are furnished by a group practice organization, individual practice association or certain public or non-profit organizations. This establishes the important principle that these and other supporting services should be provided as part of a coordinated program of health maintenance and care. Participating psychologists, physical therapists, social workers, etc. will not be permitted to establish independent practices and bill the program on a fee-for-service basis. This is intended to assure that services of this nature are provided as part of an organized plan of treatment and relate to the overall care of the patient.

In addition to services available from hospitals, mental health centers or other providers, free-standing alcohol, drug abuse, family planning and rehabilitation centers would be recognized as providers if such centers have an agreement with the Board.

(Section 28.) Health services furnished or paid for under a workmen's compensation law are not covered. Reimbursement for loss of earnings is so closely interlocked with the health services aspects of workmen's compensation that absorption of the health services portion could have the effect of delaying findings of eligibility for income payments.

School health services are covered only to the extent provided in regulations.

The Board may exclude from coverage medical or surgical procedures which are essentially experimental in nature. Individuals who enroll in a comprehensive health service organization or enroll with a primary practitioner accepting capitation payments are not covered for services from other providers (except as specified in regulations). Surgery primarily for cosmetic purposes is excluded from coverage.

The services of a practitioner are not covered if they are furnished in a hospital which is not a participating provider. This is intended to discourage physicians from admitting patients to hospitals which do not meet program standards.

Part C—Participating providers of services

(Section 41(a).) Participating providers are required to meet quality of care standards established in this title or by the Board under Part H. They must comply with requirements the Board finds necessary, to assure that their employees enjoy employment rights and working conditions similar to those of other workers. In addition, they must provide services without discrimination, make no charge to the patient for any covered service, and furnish data necessary for utilization review by professional peers, statistical studies by the Board and by the Commission on the Quality of Health Care and verification of information for payments.

(b) A provider's participation may be terminated under procedures described in part G of the bill.

(c) If a provider is merged, consolidated or reorganized, pre-existing employment rights shall be subject to reasonable requirements by the Board for protection of employees' rights.

(Section 42(a).) Practitioners licensed when the program begins are eligible to practice in the State where they are licensed. All newly licensed applicants for participation must meet national standards established by the Board in addition to those required by the State. While stopping short of creating a Federal licensure system for health professionals, this will guarantee minimum national standards. A state-licensed practitioner who meets national standards will be qualified to provide Health Security covered services in any other state.

(b) For purposes of this title a doctor of osteopathy is a physician, as is a dentist when performing procedures which, in generally accepted medical practice, may be performed by either a physician or a dentist.

A doctor of optometry or podiatry qualified in accordance with subsection (a) is a physician when furnishing services which are covered services in accordance with regulations issued under Section 27(a) and which he is legally qualified to furnish in the state in which he furnished them.

(Section 43.) This section establishes conditions of participation for general hospitals similar to those required by Medicare. Two requirements not found in the Medicare program are: (1) that the hospital must not discriminate in granting staff privileges on any grounds unrelated to professional qualifications; (2) that the hospital establish a pharmacy and drug therapeutics committee for supervision of hospital drug therapy. Medicare allows any hospital accredited by the Joint Commission on the Accreditation of Hospitals (if it provides utilization review) to participate in the program, thus in effect delegating to the Commission the determination whether the standards are met. This title requires all participating hospitals to meet standards established by the Board.

(Section 44.) Psychiatric hospitals will be eligible to participate if the Board finds that the hospital (or a distinct part of the hospital) is engaged in furnishing active diagnostic, therapeutic and rehabilitative services to mentally ill patients. Psychiatric hospitals are required to meet the same standards as those prescribed for general hospitals in section 43, and such other conditions as the Board finds necessary to demonstrate that the institution is providing active treatment to its patients. These standards will exclude costs incurred by state mental institutions to the extent they serve domiciliary or custodial functions.

(Sections 45 and 46.) Section 45 establishes conditions of participation for skilled nursing homes similar to those established for extended care facilities under Medicare. Important differences, however, are the requirement for affiliation with a participating hospital or group practice organization (see Section 51(b)) and changes in the requirements for utilization review (see Section 50). Under Section 46 participation by home health agencies will be limited to public agencies and non-profit private organizations—proprietary home health agencies are specifically excluded.

(Section 47.) Subsection (a) describes a group practice organization (one type of health maintenance organization) which undertakes to provide an enrolled population either with complete health care or, at the least, with complete Health Security services (other than mental health or dental services) for the maintenance of health and the care of ambulatory patients. The bill, in its aim to improve the methods of delivery of health services, places much emphasis on the development of new organizations of this kind and the enlargement of old ones.

Other requirements are spelled out in this section: The organization must furnish medical services (and dental services if they are included) through prepaid group practice. Other services must be furnished by staff of the organization or by contractors for whom the organization assumes responsibility, except that institutional services may be provided by arrangements with other participating providers at the expense of the group practice organization. The organization must be non-profit, but it may utilize proprietary providers in fulfilling its responsibilities.

All persons living in or near a specified service area will be eligible to enroll during an annual open enrollment period, subject to the capacity of the organization to furnish care. Services must be reasonably accessible to persons living within the specified service area. Periodic consultation with representatives of enrollees is required, and they must be given opportunity to participate in policy formulation and in evaluation of operation. Professional policies and their effectuation, including monitoring the quality of services and their utilization, are to be the responsibility of a committee or committees of physicians (and other health professionals where appropriate). Health education and the use of preventive services must be stressed, and consumers are to be employed so far as is consistent with good medical practice. Charges for any services not covered by Health Security must be reasonable. Finally, the organization must pay for services furnished by other providers in emergencies, either within the service area of the organization or elsewhere, but may meet this requirement to the extent feasible through reciprocal arrangements with other organizations.

Subsection (b) makes clear that the organization, or professionals furnishing services for it, may also serve non-enrollees, with payment to be made to the organization, or, at its request, to such professionals.

(Section 48.) An individual practice association (another type of health maintenance organization) must be a non-profit organization, sponsored by a local medical society, which meets the conditions for participation by a group practice organization other than the requirement of group practice. Physicians practicing in the area (and dentists if dental services are furnished) must be permitted to become members, subject only to criteria, approved by the Board, relating to professional qualifications. For services to enrollees, professional members may be compensated by the association by whatever method, including fee-for-service, may be agreed upon by it and its members.

Subsection (b) provides that a professional member may furnish services to persons not enrolled in the association and receive payment from the Board on the same basis as independent practitioners, except that if he is paid by capitation, salary, or stipend by the association, the payment for services to non-enrollees is to be made to the association.

(Section 49.) This section deals with several classes of health organizations that vary widely, even within a single class, in their structure and in the scope of the services which they offer. Because statutory specifications cannot well be tailored to so many variables, the section sets forth only a general statement of the kinds of organizations to which it relates and leaves participation of each organization to a case-by-case decision of the Board on such terms as the Board deems proper.

Subsection 49(a)(1) permits the participation of community health centers or the like which, though furnishing a broad range of ambulatory services, do not serve an enrolled or otherwise predetermined population and may not meet some other requirements of section 47(a). Subsection (a)(2) authorizes the Board to deal separately with the primary care portion of a system of comprehensive care where it is necessary to rely on arrangements with other providers, rather than on a unified structure, to round out the other elements of the system. Where organizations meeting the requirements of section 47(a) or 48(a) are not available, these two paragraphs of section 49(a) give the Board flexibility in furthering one of the bill's prime objectives, the development and broad availability of comprehensive services furnished on a coordinated basis.

Because of the extent to which mental health services are separated from other health care, subsection (a)(3) permits the Board to contract directly with public or other non-profit mental health centers and mental health and day care services.

If a state or local public health agency is providing preventative or diagnostic services, such as immunization or laboratory tests, the Board may under subsection (a)(4) con-

tract with it for the continuance of these services.

In accordance with regulations, the Board may contract with free standing ambulatory treatment centers for alcoholism and/or drug abuse; for family planning services; and for rehabilitation services.

In the field of private practice, physicians, dentists or other practitioners may group themselves in a clinic or in any number of other ways, and it may be more convenient both to them and to the Board to regard them as an entity than to deal with each practitioner separately. Subsection (a)(8) permits this. The Board will have wide discretion in contracting with such entities subject to the limitation that, like other organizations described in section 49(a), the entity may not (under section 88(a)) be paid on a fee-for-service basis. Practitioners who elect that method of payment may of course pool their bills for submission to the Board, but there is no reason to contract with a unit for the payment of fees to it.

Subsection (b) makes clear that agreements with the Board under this section shall not (unless expressly so stipulated) preclude practitioners furnishing services under the agreements from furnishing other services as independent providers.

(Section 50.) This section specifies the general conditions under which independent pathology laboratories, independent radiological services, providers of drugs, devices, appliances, equipment, or ambulance services may qualify as providers. As under Medicare, a Christian Sciences Sanatorium qualifies if operated, or listed and certified, by the First Church of Christ, Scientist, Boston.

(Section 51.) The requirements of utilization review in hospitals and skilled nursing homes are similar to those in Medicare. The review is designed to serve a dual purpose: identification of misuses of institutional services with a view to their termination, and a focusing of attention on the efficient utilization of institutional resources. Section 51(a) strengthens the educational aspect of the process by requiring that records of reviews be maintained and statistical summaries of them be reported periodically to the institution and its medical staff (and, on request, to the Board). The review committee will consist of two or more physicians, with or without other professional participation; and in the case of hospitals, will normally be drawn from the medical staff unless for some reason an outside group is required. For skilled nursing homes, on the other hand, section 51(c) departs from Medicare by permitting as an alternative that the Committee be established by the State or local public health agency under contract with the Board, or failing that, by the Board. If the nursing home operates under a consolidated budget with a hospital, the review will be made by the hospital committee. Like Medicare, Section 51(d) and (e) call for review of specific long-stay cases as required by regulations, and notification to the institution, the attending physician, and the patient when a decision adverse to further institutional services is made.

(Section 52.) Subsection (a) of Section 52 requires a participating skilled nursing home to have an agreement with at least one participating hospital for the transfer of patients and medical information. Subsection (b) requires that, two years after the beginning of health benefits, skilled nursing homes and home health service agencies, affiliate with a participating hospital or group practice organization. Unless the medical staff of the hospital or organization undertakes to furnish the professional services in the nursing home or the professional services of the home health service agency, that medical staff or a committee of it must assume responsibility for these services. Subsection (c) allows the Board to waive the application of either of these requirements to a skilled nursing home or a home health agency which the Board finds essential to the provision of adequate services, if lack of a suitable hospital or organization within a reasonable distance makes a transfer or an affiliation agreement impracticable.

(Section 53.) If the construction or substantial enlargement of a hospital, skilled nursing home, or ambulatory care facility has been undertaken after December 31 of the year of enactment, without either a State certificate of need or a prior approval by a planning agency designated by the governor of the State or the Board, section 53 precludes the institution from participating in the Health Security program, except that in case of enlargement, the Board may permit participation subject to reduction in reimbursement for services. This should greatly strengthen state and local health planning agencies.

(Section 54.) This section prohibits double recovery in malpractice litigation by stipulating that no damages will be awarded to the injured party for remedial services which are available without cost under the Health Security program.

(Section 55.) Institutions of the Department of Defense and the Veterans' Administration, and institutions of the Department of Health, Education, and Welfare serving merchant seamen or Indians or Alaskan natives, are excluded from serving as participating providers, as is also any employee of these institutions when he is acting as an employee. The Board will, however, provide reimbursement for any services furnished (in emergencies, for example) by these institutions or agencies to eligible persons who are not a part of their normal clientele. It will also provide reimbursement for services furnished by members of the National Health Service Corps.

(Section 56.) This section overrides, for purposes of the Health Security Program, State laws of several kinds which inhibit the utilization or the mobility of health personnel, cloud the legality of so-called "corporate practice" of health professions, or restrict the creation of group practice organizations.

The first three paragraphs of subsection (a), while stopping short of creating a system of Federal licensure for health personnel, will greatly facilitate both the interstate mobility of State licensees and the effective use of ancillary personnel in the furnishing of health care. The dispensations contained in these paragraphs will be available to persons who meet national standards established by the Board.

Paragraph (1) permits a physician, dentist, optometrist, or podiatrist, licensed in one State and meeting the national standards, to furnish Health Security benefits in any other State, the scope of his permissible practice being governed by the law of the State in which he is practicing. This paragraph obviates the difficulty and cost which a practitioner may encounter, especially where reciprocity of licensure is not available, in taking up practice in a State in which he has not been licensed.

Paragraph (2) grants a similar authority to other health professional and non-professional personnel. For occupations such as pharmacy and professional nursing, which are subject to licensure in all States, a person can avail himself of this paragraph only if he is licensed in one State and meets the national standards; in other cases, where licensure is not universally required, compliance with national standards is sufficient.

The restrictions which many professional practice acts impose on the use of lay assistants, and the legal uncertainties which often deter such use, discourage practices that can increase greatly, without sacrifice of safety, the volume of services which professionals can render. Accordingly, paragraph (3) of subsection (a) enables the Board to permit physicians and dentists, participating in public or non-profit hospitals and group practice organizations, to use ancillary health personnel, acting under professional supervision and responsibility, to assist in furnishing Health Security benefits. Such assistants may do only things which the Board has specified, and may be used only in the context of an organized medical staff or medical group. Persons employed as assistants must meet national standards for their occupations, and satisfy special qualifications that the Board may set for particular acts or procedures.

To encourage salaried practice and the integration of professional practitioners into well-structured organizations for the delivery of health services, paragraph (4) of subsection (a) does away with the "corporate practice" rule insofar as it concerns participating public or other non-profit hospitals and group practice organizations. These institutions may employ physicians or make other arrangements for their services, unless in the unlikely event that the lay interference with professional acts or judgments should be threatened. No conflict of interest results from such arrangements; in the non-profit setting loyalty to employer and loyalty to patient run parallel.

Some state laws place restrictions of one kind or another on the incorporation of group practice organizations. When these restrictions prevent the State incorporation of an organization meeting the strict requirements of the Health Security Act, section 56(b) empowers the Secretary to incorporate it for purposes of the Act. Except for the special restrictions, State law will govern the corporation.

Part D—Trust fund; allocation of funds for services

(Section 61.) By section 406(a) of the present bill, section 1817 of the Social Security Act, creating the Federal Hospital Insurance Trust Fund, is amended and transferred to become section 61 of the Health Security Act. The fund will thus become the Health Security Trust Fund, succeeding to the assets and liabilities of both Medicare trust funds, and receiving the proceeds of the health security taxes imposed by title II of the Health Security Act and the authorized appropriations from general revenues equal to 100 percent of those tax receipts.

The Fund will also receive recoveries of overpayments, and receipts from loans and other agreements. To implement the role of the Trust Fund, the Managing Trustee (the Secretary of the Treasury) will make payments from the Trust Fund provided for under Title I, as the Board certifies, and with respect to administrative expenses as authorized annually by the Congress.

(Section 62.) The Health Security program is intended to operate on a budget basis overall. Accordingly, subsection (a) requires the Board to determine for each fiscal year, the maximum amount which may be available for obligation from the Trust Fund. The amount so determined in advance shall not exceed the smaller of two stated limitations. The first limit is fixed on 200% of the expected net receipts from all the health Security taxes (i.e., the tax receipts augmented by 100% thereof, to be appropriated into the Fund from general revenues of the Government). The second limit, applicable to each fiscal year after the first year of benefit operation is an amount equal to the estimated current obligations, subject to certain adjustments. Adjustments will reflect change expected in: (A) the price of goods and services; (B) the number of eligible persons; (C) the number of participating professional providers, or the number or capacity of institutional or other participating providers so far as such changes are not already adequately reflected; and (D) the expected cost of program administration.

In the interest of prudent fiscal management, subsection (b) requires the Board to restrict its estimate of the amount available for obligation in the next fiscal year (in accordance with subsection (a)) if the Board estimates that the amount in the Trust Fund at the beginning of the next fiscal year will be less than one-quarter of the total obligations to be incurred for the current year, and that such restriction will not impair the adequacy or quality of the services to be provided. Also, the Board is required to reduce its alternative estimate of the maximum amount to be available if it finds that the aggregate cost to be expected has been reduced (or an expected increase has been lessened) through improvement in organization and delivery of service or through utilization control.

Subsection (c) provides against various other contingencies which may result in increase or decrease in the estimate of the maximum amount to be available for obligation in a next fiscal year. The amount may be modified before or during the fiscal year: if the Secretary of the Treasury finds that the expected Health Security tax receipts will differ by 1 percent or more from the estimate used under subsection (a); or if the Board finds that either its factors of expected change or the cost of administration is expected to differ from the estimate by 5 percent or more; or if an epidemic, disaster or other occurrence compels higher expenditure than had been expected. If, as a result, the maximum estimate has to be increased, the Board shall promptly report its action to the Congress with its reasons.

(Section 63.) Subsection (a) provides that separate accounts shall be established in the Health Security Trust Fund—a Health Services Account, a Health Resources Development Account, and an Administration Account, as well as a residual General Account. Subsection (b) provides that in each of the first two years of program operation, 2 percent of the Trust Fund shall be set aside for the Health Resources Development Fund; and the allocation shall increase by 1 percent at two-year intervals to 5 percent within the next 6 years. The money in this account will be used for the planning and system improvement purposes described in part F.

(c)(d) After deducting the amount approved by Congress and transferred to the Administration Account, the remainder of the monies shall be allocated to the Health Services Account, and shall be used for making payment for services in accordance with Part E.

(Section 64.) This section provides for allocation of the Health Services Account among the regions of the country. (a) The allocation to each region shall be based on the aggregate sum expended during the most recent 12-month period for covered services (with appropriate modification for estimated changes in the price of goods and services, the expected number of eligible beneficiaries, and the number of participating providers). (b) In allocating funds to the regions the Board shall seek to reduce, and over the years gradually eliminate, existing differences among the regions in the average per capita amount expended upon covered services (except when these reflect differences in the price of goods and services). To accomplish this, the Board will curtail increases in allocations to high expenditure regions and stimulate an increase in the availability and utilization of services in regions in which the per capita cost is lower than the national average. (c) A contingency reserve of up to 5% may be withheld from allocation. If the remaining funds available are inadequate, allocations will be reduced pro rata. (d) Allocations may be modified before or during a fiscal year if the Board finds this is necessary.

(Section 65.) The Board will divide the allocation to each region into funds available to pay for: institutional services; physician services; dental services; furnishing of drugs; furnishing of devices, appliances and equipment; and other professional and supporting services, including sub-funds for optometrists, podiatrists, independent pathology laboratories, independent radiology services, and other items. The percent allocated to each category of service may vary from region to region. In determining allocation to these funds they will be guided by the previous years' expenditures for each category of service but also take into account trends in the utilization of services and the desirability of stimulating improved utilization of preventive and ambulatory services.

(Section 66.) These regional funds will be sub-divided among the health service areas in each region, primarily upon the basis of the previous years' expenditure for each kind of service. Again, the Board will gradually attempt to achieve the equalization of services within each region by restraining the increase of expenditures in high cost areas and channeling funds into health service areas with a low level of expenditures.

(Section 67.) Before or during a fiscal year, the division of regional funds by classes of service or the allotments to health service areas may be modified if necessary or if indicated by newly acquired information.

Part E—Payment to providers of services

(Section 81.) Payments for covered services provided to eligible persons by participating providers will be made from the Health Services Account in the Trust Fund.

(Section 82.) This section delineates methods of paying professional practitioners. Every independent practitioner (physician, dentist, podiatrist, or optometrist) shall be entitled to be paid by the-fee-for-service method (subsection (a)), the amounts paid being in accordance with relative value scales prescribed after consultation with the professions (subsection (g)). Each physician engaged in general or family practice of medicine in independent practice may elect to be paid by the capitation method if he agrees to furnish individuals enrolled on his list with all necessary and appropriate primary services, make arrangements for referral of patients to specialists or institutions when necessary, and maintain records required for medical audit; and independent dentist practitioners may elect the capitation method of payment similarly (subsection (b)).

These requirements in connection with capitation payments are intended to assure that the physician (or dentist) provides to his patients all professional services within the range of his undertaking and secures other needed services by referral. Through regular medical audits, the Board will monitor the level and quality of care provided.

When necessary to assure the availability of services in a given area, subsection (c) permits paying practitioners a stipend in lieu of or as a supplement to other methods of compensation. This method of payment will be used selectively by the Board, mainly to encourage the location of practitioners in remote or deprived areas. Practitioners may also be reimbursed for the special costs of continuing education required by the Board and for maintaining linkages with other providers—for example, communication costs. Incentives under this provision will encourage physicians to improve the quality and continuity of patient care, even if the physician does not participate in a group practice. The Board may pay for specialized medical services on a per session or per case basis, or may use a combination of methods authorized by this section.

Subsection (d) defines the capitation method of payment.

Subsections (e), (f), (g). These subsections describe the method to be used in applying, as between practitioners electing the various methods of payments, the monies available in each health service area for payment to each category of professional providers. From the amount allocated to each service area, the Board will earmark funds sufficient to pay practitioners receiving stipends and for the professional services component of institutional budgets, such as hospitals. The remainder of the money will be divided to compute the per capita amount available for each category of service (i.e., physicians, dentists, podiatrists, optometrists) to the residents of the area. This per capita amount in each category will fix the capitation payments to organizations that undertake to provide the full range of services in that category to enrolled individuals. Lesser amounts will be fixed for more limited services. For example, if the per capita amounts available for physicians and dental services are $65 and $25, respectively, primary physicians accepting capitation payments will receive the percentage of that $65 which is allocated for primary services, a medical society-sponsored individual practice association would receive the entire $65 for physician services, dentists furnishing all covered services would receive the $25 allocated for dental services, and organizations which undertake to provide all physician and dental services to enrolled individuals will receive $90 for each enrolled individual.

The budget per capita amount for each type of covered service (physician, dental, etc.) will be divided between the categories of providers of service according to the number of individuals who elect to receive care from those providers. For example, in a city of 100,000 people, 25,000 may enroll in a group practice organization. Using the figures cited in the example above, the Board will pay the group practice organization $1,625,000 ($65×25,000) for physician services. The other 75,000 individuals elect to receive their physician services from solo, fee-for-service practitioners. The Board will create a fund of $4,875,000 ($65×75,000) to pay all fee-for-service bills submitted by physicians in that community, in accordance with relative value scales and unit values fixed by the Board. The fund for fee payments will be augmented to the extent that some capitation payments have been lowered because they cover only primary services, and may be augmented further where a substantial volume of services is furnished, on a fee basis, to non-residents of the area.

Subsection (h) authorizes the Board to experiment with other methods of reimbursement so long as the experimental method does not increase the cost of service or lead to overutilization or underutilization of services.

(Section 83.) Hospitals will be paid on the basis of a predetermined annual budget covering their approved costs. To facilitate review of these budgets, the Board will institute a national uniform accounting system. Subsection (b) stipulates that the costs recognized for purposes of the budget will be those incurred in furnishing the normal services of the institution except as changed by agreement, or by order of the Board under section 134. This will enable the Board, on the basis of State and local planning, to eliminate, gradually, wasteful or duplicative services, and also to provide for an orderly expansion of hospital services where needed.

Physicians and other professional practitioners whose services are held out as available to patients generally (such as pathologists and radiologists) will be compensated through the institutional budget, whatever the method of compensation of such practitioners and whether or not they are employees of the hospital. This departs from the practice in Medicare which allows independent billing by such physicians. The in-

stitution's budget may also be increased to reflect the cost of owning or operating an affiliated skilled nursing home, or home health service agency. Hospital budgets will be reviewed by the Board, locally or regionally, which may permit participation by representatives of the hospitals in each region. Budgets may be modified before, during, or after the fiscal year if changes occur which make modification necessary.

(Section 84.) If an entire psychiatric hospital is found by the Board to be providing active treatment to its patients, and the institution is therefore primarily engaged in providing covered services to eligible beneficiaries, it will be paid on the same basis as a general hospital (on the basis of an approved annual budget). Otherwise the Board will negotiate a patient-day rate to be paid for each day of covered service provided.

(Section 85.) This section provides that skilled nursing homes and home health agencies will be paid on an approved annual budget basis. The Board may specify uniform systems of accounting and may prescribe the items to be used in determining approved costs and the services which will be recognized in budgets.

(Section 86.) Reimbursement for drugs will be made to the dispensing agent on the basis of an official "product price" for each drug on the approved list, plus a dispensing fee in the case of an independent pharmacist. The official product price will be set at a level which will encourage the pharmacy to purchase substantial quantities of the drug (this should result in significant reductions in the unit cost of each drug). The official price may be modified regionally to reflect differences in cost of acquiring drugs. The Board will establish dispensing fee schedules for reimbursing independent pharmacies. These schedules will take into account regional differences in costs of operation, differences in volume, level of services provided and other factors.

(Section 87.) Subsections (a) and (b) provide that a group practice organization or individual practice association will be paid a basic capitation rate multiplied by the number of enrollees. The amount of the capitation rate will be determined by the per capita amounts available for the several professional services in the area, and a rate fixed by the Board as the average reasonable and necessary cost per enrollee for other covered services.

Subsection (c) fixes capitation amounts for institutional services based on per diem rates derived from the budgets of participating institutional providers or institutions with which the organization or association may have a contractual agreement. The organization or association will be entitled to share in up to 75% of any savings which are achieved by lesser utilization of institutional services by its enrollees. Entitlement to such savings is conditional upon a finding that the services of the organization or association have been of high quality and adequate to the needs of its enrollees, and that the average utilization of hospital or skilled nursing services by the enrollees of the organization or association is less than the use of such services by comparable population groups not so enrolled but under otherwise comparable circumstances. This money may be used by the organization or association for any of its purposes, including the provision of services which are not covered under the Health Security program.

Subsection (e) directs the Board to allow organizations and associations to reinsure with the Board against catastrophic costs incurred on behalf of any one enrollee, against some or all of the costs of institutional care which it contracts out, and against some or all of the costs of out-of-area services.

Subsection (f) permits the Board to make an additional payment to a group practice organization for the cost of clinical education or training provided by the organization.

(Section 86.) Subsection (a) provides that an organization or agency with which the Board has entered into an agreement under section 49 (such as a neighborhood health center, a mental health center, or local public health agency furnishing preventive or diagnostic services) may be paid by any method agreed upon other than fee-for-service.

Subsection (b) provides that independent pathology or radiology services may be paid on the basis of an approved budget or such other methods as may be specified in regulations.

Subsection (c) leaves the method of payment for other types of supporting services to be specified in regulations.

(Section 89.) This section provides that the Board will reduce payments to institutional providers in accordance with findings by the Secretary that a facility or any part of a facility has not been built in compliance with the area health plan.

(Section 90.) All participating providers will be paid from the Health Services Account in the Trust Fund at such time or times as the Board finds appropriate (but not less often than monthly). The Board may make advance payment to providers for working funds.

Part I—Development fund

Subpart 1—Planning: Funds to improve services and to alleviate shortage of facilities and personnel.

(Section 101.) This section sets forth the purposes of subpart 1 of Part F. The subpart enables the Board, through selective financial assistance, to stimulate and assist in the development of comprehensive services, the education and training of health personnel who are in especially short supply, and the betterment of the organization and efficiency of the health delivery system. In carrying out these functions, the Board is to be guided by the planning with respect to health facilities and the organization of services under title XV of the Public Health Services Act. With respect to the supply and distribution of health personnel, the Board will rely on planning conducted by the Secretary.

(Section 102.) This section places on the Secretary a continuing duty to plan for improvement of the supply and distribution of health personnel, and to do this in consultation both with the health planning agencies and with appropriate professional organizations.

(Section 103.) In administering subpart 1, this section stipulates, the Board will give priority to improving comprehensive health services for ambulatory patients through the development or expansion of group practice organizations and community health centers, and primary care centers (where full service organizations are impractical), the recruitment and training of personnel, and the strengthening of coordination among providers of services. Funds will not be used to replace other Federal financial assistance, and may supplement other assistance only to meet specific needs of the Health Security program. Other Federal assistance programs are to be administered when possible to further the objectives of Part F, and the Board may provide loans or interest subsidies to help the beneficiaries of other programs to meet the requirements for non-Federal funds.

(Section 104.) Help of several kinds will be available under this section for the creation or the enlargement of group practice organizations to serve an enrolled population on a capitation basis, agencies such as neighborhood health centers which need not require enrollment in advance, primary care centers, or organizations furnishing comprehensive dental services. Grants may be made to any public or other non-profit organization (which need not be a health organization) to help meet the cost, other than construction cost, of establishing such organizations, and to existing organizations to help meet the cost of expansion: the maximum grants being, in the former case 90 percent of the cost, in the latter 80 percent. Technical assistance may also be provided for these purposes. Loans may be made for the cost of necessary construction, subject to the same 90 and 80 percent limitations on amount. Finally, start-up costs of operation of these organizations may be underwritten, for five years in the case of organizations which must build up an enrollment to assure operating income, and in other cases until the Health Security program begins payment for services in the first year of entitlement to benefits. The effect of these several provisions is to reduce sharply, if not eliminate, the financial obstacles which have heretofore impeded the growth of group practice and similar organizations

(Section 105.) This section contains a series of provisions to assist in the recruitment, education, and training of health personnel. The Board will establish priorities to meet the most urgent needs of the Health Security system, but the priorities will be flexible both as between different regions and from time to time. Professional practitioners will be recruited for service in shortage areas, both urban and rural, and in group practice organizations, and such practitioners may be given income guarantees. Other Federal assistance for health education and training will be availed of, but the Board may supplement the other assistance if the Board believes it inadequate to the needs, until Congress has had opportunity to review its adequacy. The training authorized includes retraining. It also includes the development of new kinds of health personnel to assist in furnishing comprehensive services, and the training of area residents to participate in personal health education and to serve liaison functions and serve as representatives of the community in dealing with health organizations. Grants may be made to test the utility of such personnel, and to assist in their employment before the effective date of health benefits. Education and training are to be carried out through contracts with appropriate institutions and agencies, and suitable stipends to students and trainees are authorized. Physicians will be recruited and trained to serve as hospital medical directors. Finally, special assistance may be given, both to institutions and to students, to meet the additional costs of training persons disadvantaged by poverty, membership in minority groups, or other cause.

(Section 106.) This section authorizes special improvement grants: first, to any public or other nonprofit health agency or institution to establish improved coordination and linkages with other providers of services; and, second, to the organizations described in section 104 to improve their utilization review, budget, statistical, or records and information retrieval systems, to acquire equipment needed for those purposes, or to acquire equipment useful for mass screening or for other diagnostic or therapeutic purposes.

(Section 107.) This section provides that loans under part F are to bear 3 percent interest and to be repayable in not more than 20 years. Other terms and conditions are discretionary with the Board, except for required compliance with the Davis-Bacon Act. Repayment of loans made from general appropriations will go to the general fund of the Treasury; repayment of later loans will revert to the Health Resources Development Account in the Trust Fund.

(Section 108.) This section specifies that payments under part F shall be in addition to, and not in lieu of, payments to providers under part E.

Subpart 2—Programs of Personal Care Services

(Section 111.) The purpose of this subpart is to encourage and assist in the development of community programs of maintaining in their own homes, by means of comprehensive health and personal care services, disabled or chronically ill persons who otherwise require or are likely to require institutional care. It is intended that a grant be made in any community that can develop a satisfactory program and such non-Federal financing as the Board finds appropriate.

(Section 112.) This section authorizes grants to public or nonprofit agencies for this purpose, each program being designed to serve a substantial urban or rural population. Grants may be made for up to four years.

(Section 113.) The services to be provided include, in addition to covered health services, combinations of personal care services (such as homemaker and home maintenance services, laundry, meals-on-wheels and other dietary services, help with transportation and shopping). Different services may be provided in different programs. Full coordination with existing community health or personal care programs is required. Committees are to be established, consisting of professionals and representatives of users of the services, to screen applications for assistance and monitor utilization.

(Section 114.) Grantees must evaluate their programs with respect both to benefits to users of the services and to the fiscal impact on the Health Security system. The Board is also to evaluate each program and summarize its conclusions in its annual reports to Congress.

(Section 115.) Within three years the Board is to report to Congress on this program with an evaluation of its operation. The Board is to submit also its recommendations of methods of developing, as widely and rapidly as practicable, personal care services where they are then lacking, with a view to making such services generally available throughout the United States; its recommendations with respect to the continuing financial support of such programs; and its recommendations on the role of the Health Security program in providing long-term institutional care and in providing personal care services in lieu thereof.

Subpart 3—Availability of Funds

(Section 120.) For the two-year "tooling-up" period, appropriations of $200 and $400 million are authorized for financial assistance. Beginning with the effective date of health benefits, percentages of the Trust Fund expenditures will be earmarked for such assistance (section 63). From that date on, the leverage of these expanding funds will supplement and reinforce the incentives, which are built into the normal operation of the Health Security program, for improvement of the organization and methods of delivery of health services.

Part G—Administration

This part of the bill creates an administrative structure within the Department of Health, Education and Welfare with responsibility for administration of the Health Security program. Program policy will be made by a five-member Board, under the supervision of the Secretary of HEW. The Board will be assisted by a National Health Security Advisory Council which will recommend policy and evaluate operation of the program, and an Executive Director who will serve as Secretary to the Board and chief administrative officer for the program. Administration of the program will be decentralized among the HEW Regional Offices. Regional and local health services advisory councils will advise on all aspects of the program in their regions and local areas. The Board may also appoint such professional or technical committees as necessary.

(Section 121.) This section establishes a five-member full-time Health Security Board serving under the Secretary of Health, Education, and Welfare. Board members will be appointed by the President with the advice and consent of the Senate, for five-year overlapping terms. Not more than three of the five appointees may be members of the same political party. A member who has served two consecutive terms will not be eligible for reappointment until two years after the expiration of his second term. One member of the Board shall serve as chairman at the pleasure of the President.

(Section 122.) This section charges the Secretary of HEW and the Board with responsibility for performing the duties imposed by this title. The Board shall issue regulations with the approval of the Secretary. It is required to engage in the continuous study of operation of the Health Security program; and, with the approval of the Secretary, to make recommendations on legislation and matters of administrative policy, and to report to the Congress annually on administration and operations of the program. The report will include an evaluation of adequacy and quality of services, costs of services and the effectiveness of measures to restrain the costs. The Secretary of HEW is instructed to coordinate the administration of other health-related programs under his jurisdiction with the administration of Health Security, and to include in his annual report to the Congress a report on his discharge of this responsibility.

The Office of Personnel Management is instructed to make every effort to facilitate recruitment and employment, to work in the Health Security Administration, of persons experienced in private health insurance administration and other pertinent fields.

Subsection (g) authorizes the Board to establish fifty positions, carrying salaries in the GS-16 to GS-18 range, in the professional, scientific, and executive service, to meet the need for highly qualified personnel both in research and development activities and in administration. It is expected that about half of these positions would be used for high-level administrative assignments, and the other half for the most responsible professional and scientific work of the Board.

(Section 123.) This section creates the position of an Executive Director, appointed by the Board with the approval of the Secretary. The Executive Director will serve as secretary to the Board and shall perform such duties in administration of the program as the Board assigns to him. The Board is authorized to delegate to the Executive Director or other employees of HEW any of its fuctions or duties except the issuance of regulations and the determination of the availability of funds and their allocations to the regions.

(Section 124.) This section provides that the program will be administered through the regional offices of the Health Security Board. It also directs the Board to establish local health service areas which shall be the same as the health service areas under title XV of the Public Health Service Act, except that with the approval of the Secretary the Board may divide such an area into two or more areas for the purposes of the health security program. These areas are to serve as local administrative units, with a local office in each, and perhaps suboffices. One of the responsibilities of these offices will be to investigate complaints about the administration of the program.

(Section 125.) Subsection (a) establishes a National Health Security Advisory Council, with the Chairman of the Board serving as the Council's Chairman and 20 additional members not in the employ of the Federal Government. A majority of the appointed members will be consumers who are not engaged in providing and have no financial interest in the provision of health services. Members of the Council representing providers of care will be persons who are outstanding in fields related to medical, hospital or other health activities or who are representatives of organizations or professional associations. Members will be appointed to four-year over-lapping terms by the Secretary upon recommendation by the Board.

Subsection (b) authorizes the Advisory Council to appoint professional or technical committees to assist in its functions. The Board will make available to the Council all necessary secretarial and clerical assistance. The Council will meet as frequently as the Board deems necessary, or whenever requested by seven or more members, but not less than four times each year.

Subsection (c) provides that the Advisory Council will advise the Board on matters of general policy in the administration of the program, the formulation of regulations and the allocation of funds for services. The Council is charged with responsibility for studying the operation of the program, and the utilization of services, with a view to recommending changes in administration or in statutory provisions. They are to report annually to the Board on the performance of their functions. The Board, through the Secretary, will transmit the Council's report to the Congress together with a report by the Board on any administrative recommendations of the Council which have not been followed, and a report by the Secretary of his views with respect to any legislative recommendations of the Council.

(Section 126.) To further provide for participation of the community, the Board will appoint an advisory council for each region and local area. Each such Council would have a composition parallel to that of the National Council; and each will have the function of advising the regional or local representative of the Board on all matters relating to the administration of the program.

(Section 127.) The Board is authorized to appoint standing committees to advise on the professional and technical aspects of administration with respect to service, payments, evaluations, etc. These committees will consist of experts drawn from the health professions, medical schools or other health educational institutions, providers of services, etc. The Board is also authorized to appoint temporary committees to advise on special problems. The committees will report to the Board, and copies of their reports are to be made available to the National Advisory Council.

(Section 128.) Subsection (a) requires the Board to consult with appropriate State health and other agencies to assure the coordination of the Health Security program with State and local activities in the fields of environmental health, licensure and inspection, health education, etc.

Subsection (b) requires the Board, when ever possible, to contract with States to survey and certify providers (other than professional practitioners) for participation in the program. This is similar to Medicare except that the Board may establish the qualifications of persons making the inspections.

Subsection (c) authorizes the Board to contract with State agencies to undertake health education activities, supervision of utilization review programs, and programs to improve the quality and coordination of available services in that State.

Subsection (d) requires the Board to reimburse States for the reasonable cost of performing such contract activities and authorizes the Board to pay all or part of the cost of training State inspectors to meet the qualifications established by the Board.

Subsection (e) directs the Board to make inspections if a State is unable or unwilling to do so.

Subsection (f) calls for the publication of the results of the inspections.

(Section 129.) The Board is authorized to provide technical assistance either directly or through contract with a State to skilled nursing home and home health service agencies to supplement the skills of their permanent staff in regard to social services, dietetics, etc.

(Section 130.) Subsection (a) charges the Board with responsibility for informing the public and providers about the administration and operation of the Health Security program. This will include informing the public about entitlement to benefits and the nature, scope, and availability of services. Providers would be informed of the conditions of participation, methods and amounts of compensation, and administrative policies. In support of the program's effort to improve drug therapy, the Board is authorized with the approval of the Secretary, to furnish all professional practitioners with information concerning the safety and efficacy of drugs appearing on either of the approved lists (Section 25) indications for their use and contraindications. Information of this nature is not now always available to practitioners.

Subsection (b) requires the Board to make a continuing study and evaluation of the program, including adequacy, quality and costs of services. Subsection (c) authorizes the Board directly or by contract to make statistical and other studies on a national, regional, or local basis of any aspect of the title, to develop and test incentive systems for improving quality of care, methods of peer review of drug utilization and of other service performances, systems of information retrieval, budget programs, instrumentation for multiphasic screening or patient services, reimbursement systems for drugs, and other studies which it considers would improve the quality of services or administration of the program.

Subsection (d) authorizes the Board to enter into agreements with providers to experiment with alternative methods of reimbursement which offer promises of improving the coordination of services, their quality or accessibility.

(Section 131.) Severe discrepancies exist today between the national need for various kinds of health manpower and the availability of clinical facilities to train such personnel. Certain specialties (such as surgery), in which there is a surplus of manpower, monopolize clinical training facilities to the disadvantage of specialties in short supply (such as family practice), thus perpetuating the imbalance between supply and demand. This section gives the Board authority to bring the availability of clinical training facilities into balance with national or regional manpower needs by issuing training priorities for institutional providers participating in the program.

(Section 132.) This section authorizes the Board to make determinations of who are participating providers of service, determinations of eligibility, of whether services are covered, and the amount to be paid to providers. The Board is granted authority to terminate participation of a provider who is not in compliance with qualifying requirements, agreements, or regulations. But unless the safety of eligible individuals is endangered, the provider shall be entitled to a hearing before the termination becomes effective.

(Section 133.) This section establishes procedures for hearings and for judicial review, similar to those under the Social Security Act.

(Section 134.) This section has one of the bill's most important provisions with respect to achieving improvement in coordination, availability, and quality of services. It greatly strengthens state and local planning agencies and gives the Board authority to curtail inefficient administration of participating institutional providers.

The Board may direct a participating provider (other than an individual practitioner) that, as a condition of participation, the provider add or discontinue one or more covered services. For example, if two hospitals are operating maternity wards at low occupancy rates, the Board may require that one hospital cease to provide such service. A provider may be required to provide services in a new location, enter into arrangements for the transfer of patients and medical records, or establish such other coordination or linkages of covered services as the Board finds appropriate.

In addition, if the Board finds that services furnished by a provider are not necessary to the availability of adequate services under this title and that their continuance is unreasonably costly, or that the services are furnished inefficiently (and that efforts to correct such inefficiency have proved unavailing) the Board may terminate participation of the provider.

No direction shall be issued under this section except upon the recommendation of, or after consultation with, the appropriate state health planning agency. And no direction shall be issued under this section unless the Board finds that it can be practicably carried out by the provider to whom it is addressed. The Board is required to give due notice and to establish and observe appropriate procedures for hearings and appeals, and judicial review is provided.

Part H—Quality of care

This part authorizes the Board, and charges it with the duty, to maintain and enhance the quality of care furnished under the Act. Section 141(a) sets forth this authority and this duty, to be discharged with the advice and assistance of, and in collaboration with, the Commission on the Quality of Health Care created by an amendment of the Public Health Service Act contained in title III of the present bill.

Regulations are to be issued before health security benefits become effective, and thereafter to be upgraded as rapidly as is practicable. Subsection (b) states as the objective the highest quality of care attainable throughout the nation, with exceptions to quality requirements only when necessary to avoid acute shortages of services. Subsection (c) calls for collaboration with the Commission, and stipulates that failure to follow its recommendations shall be submitted to the Secretary and that, unless he directs the Board to adopt the recommended regulations, the reasons for not doing so must be published by the Board.

(Section 142.) The Board is to issue regulations for continuing professional education for physicians, dentists, optometrists, podiatrists. Reports of compliance will be required and, after warning, practitioners may be disciplined for failure to comply.

(Section 143.) Subsection (a) provides that major surgery, and other procedures specified in regulations, are not covered services unless they are performed by a specialist, and (except in emergencies) are, to the extent prescribed in regulations, performed on referral by a physician engaged in general practice. Specialists, according to subsection (b) are those certified by the appropriate national specialty boards, with a five-year period allowed board-eligible physicians to obtain certification, and with a "grandfather" exception for certain physicians practicing when health security benefits go into effect.

Subsection (c) authorizes the Board to require, except in acute emergencies, consultation with an appropriate specialist, as a prerequisite to specified surgical procedures; in such cases subsection (d) enables the Board to require pathology reports and clinical abstracts or discharge reports.

(Section 144.) Subsection (a) requires that practitioners furnishing services on behalf of institutional or other providers meet the same qualifications of independent practitioners. Subsection (b) authorizes the Board to make additional requirements, in the interest of the quality care and of safety of patients, for providers other than professional practitioners. This is like the authority given the Secretary under the Medicare law, but with the notable difference that standards of the Joint Commission on the Accreditation of Hospitals constitute a minimum for Board requirements, rather than a maximum as under Medicare. Exceptions are permitted only, as stated in section 141, to avoid acute shortages of services.

(Section 145.) Although the provisions relating to professional standard review organizations, in the Social Security Act, are repealed by section 405 of the bill, the Board is authorized, on recommendation of the Commission on the Quality of Health Care, to use organizations previously designated by the Secretary for the purposes of monitoring the quality of services. The Board may also use similar organizations approved by it in the future.

(Section 146). In exercising its authority under part H the Board is directed to take into account the findings of the Secretary's Commission on Medical Malpractice, and to seek to reduce the incidence of malpractice and to improve the availability of malpractice insurance.

Part I—Miscellaneous provisions

(Section 161.) This section contains definitions of certain terms used in the title.

(Section 162.) This section creates the offices of Deputy Secretary of Health, Education and Welfare and an Under Secretary for Health and Science in the Department of Health, Education and Welfare, and abolishes the office of Under Secretary of Health, Education and Welfare.

(Section 163.) This section stipulates that the effective date for entitlement for benefits will be October 1, of the second calendar year following enactment.

(Section 164.) Subsection (a) provides that an employer will not be relieved, by the enactment of the Health Security Act, of any existing contractual or other obligation to provide or pay for health services to his present or former employees and their families. An employer whose cost under such a contract, immediately before health security taxes go into effect, exceeds the cost to him of paying those taxes is required by subsection (b) to apply the excess, during the remaining life of the contract, first to the payment of health security taxes on behalf of his employees. If an excess still remains after meeting this obligation, and after an allowance for the cost of any continuing obligation to pay for health services not covered by Health Security, subsection (c) requires the employer to pay the amount of this excess to those employees, former employees, and survivors who are beneficiaries of the pre-existing contract; but by agreement with the employees or their representatives, these funds may be applied to other employee benefits. Computations of the amounts involved are to be made on a per capita basis, as defined in subsection (d).

TITLE II—HEALTH SECURITY TAXES

Part A—Employment taxes

(Section 201.) Effective on January 1 of the second year after enactment, subsections (a) and (b) convert the existing Medicare hospital insurance payroll taxes into Health Security taxes and set the rates at 1 percent on employees and 3.5 percent on employers. Subsection (c) sets the wage base for the employment tax at 150 percent of the Social Security wage base (or a tax base at present of $34,350). This subsection defines covered employment to include all substantial groups now excluded from social security tax coverage, except that State and local governments are excluded from the tax on employers.

(Section 202.) This section makes a number of conforming and technical amendments. Chief among these are provision for refund of excess taxes collected from an employee, who has held two or more jobs, on wages aggregating in a year more than the amount of the wage base; exclusion of Health Security contributions from agreements with State governments for the social security coverage of State and Municipal employees (since these employees will contribute to Health Security through payroll taxes); and exclusion of Health Security contributions from agreements for the coverage of United State citizens employed by foreign subsidiaries of United States corporations (since these employees will not benefit materially from Health Security in its present form).

(Section 203.). This section excludes from the gross income of employees, for income tax purposes, payment by their employers of part or all of the Health Security taxes on the employees.

(Section 204.) This section spells out the effective dates of the new payroll tax provisions.

Part B—Taxes on self-employment income and unearned income

(Section 211.) Effective at the beginning of the second calendar year after enactment, this section converts the existing Medicare self-employment tax into a Health Security self-employment tax, sets the rate at 2.5 percent, and sets the maximum taxable self-employment income at 150 percent of the Social Security Wage Base.

(Section 212.) Effective on the same date, this section adds a new 2.5 percent Health Security tax on unearned income (unless such income is less than $400 a year), subject to the same maximum on taxable income as is applicable to the employee and self-employment taxes. Taxable unearned income is adjusted gross income up to the stated maximum, minus income already taxed for Health Security purposes (excluding certain items of income (notably social security benefits) specifically excluded from the other taxes and excluding $5,000 in unearned income for persons over age 60.)

(Section 213.) This section makes appropriate changes in nomenclature and in the requirements of tax returns, including reports of estimated tax liability under the new tax on unearned income.

(Section 214.) This section details the specific effective dates of the taxes imposed by this part.

Part C—Income tax deductions for medical care

(Section 221.) This section amends the Internal Revenue Code so that no medical deductions shall be allowed for the cost of medical care which is covered by the Health Security Act on or after the effective date of health security benefits.

TITLE III—COMMISSION ON THE QUALITY OF HEALTH CARE

(Section 302.) This title creates a Commission on the Quality of Health Care in order to improve health care in the United States. The Commission's function is:

To develop methods of measuring health care;

To develop standards for promoting health care of high quality;

To encourage the use of such measurements and standards under the Health Security Act.

(Section 302.) This section adds to the Public Health Service Act a Title XIX, entitled "Commission on the Quality of Health Care."

(Section 1901, Public Health Service Act.) Subsection (a) establishes a Commission on the Quality of Health Care within the Department of Health, Education and Welfare. The Commission will consist of eleven members who are to be appointed by the Secretary after consultation with the Health Security Board.

Subsection (b) describes the requirements for the membership of the Commission. Seven of the members appointed must be representatives of health providers or representatives of non-governmental organizations that are engaged in the process of developing standards relating to the quality of health care. Four members must be representatives of consumers who are not engaged in and have no financial interest in the delivery of health care services. Commission members will be appointed for five year overlapping terms. Subsection (c) requires the Secretary to designate the Chairman of the Commission, who serves at the pleasure of the Secretary. Subsection (d) authorizes the Commission to employ needed personnel and appoint advisory committees. It also stipulates the conditions of employment and rates and terms of compensation.

(Section 1902, Public Health Service Act.) Subsection (a) defines the primary responsibilities of the Commission. The Commission is directed to initiate and continuously develop methods to assess the quality of health care delivery and use of such assessments to maintain and improve the quality of health care delivery under the Act. The Commission is required to submit its findings and recommendations to the Secretary and the Health Security Board.

Specifically, the Commission is required to:

(1) collect data on a systematic and nationwide basis on the (A) qualifications of health personnel and the adequacy and ability of health care facilities to provide quality health care; (B) the patterns of health care practices in actual episodes of care; (C) the utilization patterns for components of the health care system; and (D) the health of patients during and at the end of actual episodes of care and the relationship of the various factors outlined above to the health of such patients;

(2) use the data it collects to develop statistical norms and ranges to describe the factors outlined in paragraph (1). Such norms and ranges may be developed on a national or regional basis, for particular population groups, or on any other basis.

(3) use such statistical norms and ranges as a basis for developing standards (and acceptable deviation from such standards) that will be useful in measuring, controlling, and improving the quality of health care; and

(4) make recommendations to the Secretary and the Health Security Board on the proper use of these standards. Such recommendations may also be used by the Secretary or the Board when developing proposals to amend the Health Security Act.

When carrying out its duties under the provisions of this subsection, the Commission is directed to give first priority to the quality of care delivered for those illnesses or conditions which have high incidence of occurrence within the population and which are responsive to medical or other treatment.

Subsection (b) requires the Commission to conduct a broad health care research program. Specifically, the objectives of the program are to:

(1) improve technologies for assessing health care quality;

(2) compare the quality of health care under alternative health delivery systems and methods of payment;

(3) analyze the effects of consumer health education and preventive health services.

(4) continue the studies made by the Secretary's Commission on Medical Malpractice. In this respect, the Commission is also required to evaluate any of the recommendations of the Secretary's Commission which the Health Security Board has put into effect or any other measures that the Board has established, which pertain to the incidence of malpractice, malpractice insurance, or malpractice claims;

(5) obtain other information that will be useful in order to accomplish the purposes of this new title of the Public Health Service Act and title I, part H, of the Health Security Act (concerning the maintenance and improvement of the quality of health care delivered under the Health Security Act).

Subsection (c) authorizes the Commission to provide technical assistance to enable providers to furnish the Board with information required by it for purposes of the Commission. The Commission is also authorized to provide technical assistance to providers who are developing and carrying out quality control programs.

(Section 1903, Public Health Service Act.) This section directs the Commission, even before it has developed standards under the preceding provisions, to give advice and recommendations to the Health Security Board concerning quality health care regulations.

(Section 1904, Public Health Service Act.) This section authorizes the Secretary to establish twenty-five positions on the staff of the Commission, carrying salaries in the GS-16 to GS-18 range, in the professional, scientific, and executive service, to meet the needs for highly qualified personnel in the research and development activities of the Commission.

TITLE IV—REPEAL OR AMENDMENT OF OTHER ACTS

(Section 401.) This section repeals the Medicare and Federal Employee Health Benefit statutes on the date Health Security benefits become effective, but stipulates that this shall not affect any right or obligation incurred prior to that date.

(Section 402.) This section requires that after the effective date of benefits, no State shall be required to furnish any service covered under Health Security as a part of its State plan under Medicaid, and that the Federal government will have no responsibility to reimburse any State for the cost of providing a service which is covered under Health Security. After the effective date of benefits, the Secretary of HEW shall prescribe the new minimum scope of services required for State participation in Medicaid. To the extent the Secretary finds practicable, the new minimum benefits will be designed to supplement Health Security—especially with respect to skilled nursing home services, dental services and the furnishing of drugs.

(Section 403.) This section provides that funds available under the Vocational Rehabilitation Act or the Maternal and Child Health title of the Social Security Act shall not be used to pay for personal health services after the effective date of benefits, except to pay for services which are more extensive than those covered under Health Security.

(Section 404.) This section makes applicable to Health Security the provisions in the Social Security Act requiring reduction in reimbursement for care in facilities which have made substantial capital expenditures found by a State planning agency to be inconsistent with standards developed pursuant to the Public Health Service Act. Because the provision will continue to apply to the residual programs under titles V and XIX of the Social Security Act, the reductions will continue to be determined by the

Secretary and his determinations are made binding on the board, as provided in section 89 of the bill.

(Section 405.) This section repeals the provisions in the Social Security Act relating to professional standards review organizations. Section 145 of the bill permits the use of such organizations already designated by the Secretary, and approved by the Board and use of similar organizations in the future.

(Section 406.) Subsection (a) amends section 1817 of the Social Security Act, creating the Federal Hospital Insurance Trust Fund, and transfers it to become section 61 of the Health Security Act under the title "Health Security Trust Fund". Subsection (b) extends to the Health Security system the provisions of section 201(g) of the Social Security Act, authorizing annual Congressional determination of amounts to be available from the respective trust funds for the administration of the several national systems of social insurance. Subsections (c) and (d) contain conforming and technical provisions.

(Section 407.) This section makes a number of changes in title XV of the Public Health Service Act, National Health Planning and Resources Development Act. Under subsection (a), the DHEW Under Secretary for health and science replaces the Assistant Secretary on the National Council on Health Planning and Development, and the Chairman of the Health Security Board is added to the Council. Subsection (b) strikes out a requirement of coordination with Professional Standards Review Organizations, in view of the repeal of the PSRO provisions of the Social Security Act. Review and approval or disapproval of Federal grants and contracts by health systems agencies (subject to final decision by the Secretary) is extended by subsection (c), to include Health Security Board grants and contracts under Part P of title I. Finally, section 1526 providing for grants for State demonstrations in rate regulation is repealed, since the Health Security Board will be fixing the amount of payments to participating providers of services.

(Section 408.) This section establishes the salary levels for the Deputy Secretary and the Under Secretary for Health and Science, Department of Health, Education, and Welfare, the Chairman of the Health Security Board, members of the Health Security Board and members of the Commission on the Quality of Health Care, and the Executive Director of the Health Security Board.

(Section 409.) This section removes the operations of the Health Security Trust Fund from the administrative budget of the United States, and directs that these operations be reported and projected in a separate statement, as was done with the Social Security trust funds until recently. The Government contribution to be shown as an expenditure in the administrative budget.

TITLE V—STUDIES RELATED TO HEALTH SECURITY

(Section 501.) This section directs the Secretary of Health, Education and Welfare in consultation with the Secretary of State and the Secretary of the Treasury to study the coverage of health services for United States residents in other countries.

(Section 502.) Subsection (a) directs the Secretary of HEW to study means of coordinating the federal health care programs for merchant seamen, and for Indians and Alaskan natives, with the Health Security benefits program. The Secretary and the Administrator of Veterans' Affairs shall conduct a similar study of the means of coordinating veterans health care programs with the Health Security benefits program. A joint study is to be conducted, with the Secretary of Defense, relating to the program of care, in civilian facilities, of the dependents of military personnel. Reports to the Congress and any legislative recommendations arising from the studies are required within three years after the enactment of the Health Security Act.

Subsection (b) requires the respective Secretaries and the Administrator to consult with representatives of the affected beneficiary groups, and to include a summary of their views in the reports to Congress.

With respect to the joint study to determine the most effective method of coordinating the Veterans' Administration Health Program with the Health Security program established under this bill, it is important to understand that there is no intention to require the integration of the VA program into the Health Security Program. Rather, the section recognizes that any national health security or health insurance program would be so pervasive as to require other federal health programs such as those of the Veterans' Administration to be effectively coordinated with them. Through such coordination, needless duplication and expenditures can be avoided.

(Section 503.) This section authorizes the appropriation of money needed for conducting the studies authorized in this title, and the use of experts and consultants and advisory committees, and of contracts for the collection of information or the conduct of research.●

□ 1610

GENERAL LEAVE

Mr. HANCE. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from Arizona (Mr. UDALL).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE IMPORTANCE OF PANAMA CANAL TREATY IMPLEMENTING LEGISLATION

(Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, one of the major legislative matters to be considered in the first session of the 96th Congress will be the implementation of the Panama Canal treaty arrangement approved by the Senate in 1978. After extensive debate on the canal issue, the Senate approved the treaty concerning the permanent neutrality and operation of the Panama Canal on March 16 and then the Panama Canal Treaty on April 18, 1978. Instruments of treaty ratification were exchanged on June 16, 1978 but the legally effective date of the exchange is March 31, 1979 as a result of the Brooke reservation. Thus, the new canal treaty arrangement is scheduled to enter into force on October 1, 1979.

The operating authority of the Panama Canal under the new treaty arrangement will be a U.S. Government agency called the Panama Canal Commission. The specifics of that commission, as well as a myriad number of other related matters, have been committed to the United States by the Panama Canal Treaty and thus will be the subjects of the treaty implementing legislation.

The executive branch has fashioned a legislative proposal for implementing the treaties. Drafts of the proposal have been available for some time and the final proposal has not yet been submitted to the Congress.

I am introducing today an alternative proposal for implementing the new canal treaty arrangement. The alternative proposal will, alongside the executive's, stimulate discussion and make available to the concerned committees viable options in the canal matter.

The overall aim of the proposal which I am introducing is the same as that of the executive proposal—to fulfill our new treaty responsibilities with Panama while protecting U.S. interests in the canal for the next generation.

The proposal I present today was conceived after thorough study of the treaties, present and past law respecting the Panama Canal and Canal Zone, and the requirements for operation and maintenance of the canal in the years ahead. While I am confident of the value of the provisions in this proposal, I offer them not as any panacea but rather as an alternative for equal consideration by all concerned. Based on the hearings and studies of this bill along with the proposal to be submitted by the executive branch in the next few months, it is anticipated that the best possible legislation will emerge.

Whatever the terms of the legislation ultimately adopted, it is important to realize that implementing legislation must be treated expeditiously. If this legislation can be enacted in late spring or early summer, the Panama Canal Commission can be properly constructed. Without any implementing legislation at the time the new treaty arrangement enters into force, the interests of the United States on the Isthmus of Panama may be considerably impaired.

I want to take just a few moments to review with my colleagues some of the major features of the bill I am introducing today providing for the maintenance and operation of the canal under the 1977 treaty. The principle distinguishing features of the bill are:

First. The provision for operation of the canal by a noncorporate agency instead of continuing the Panama Canal company under another name;

Second. The return to the requirement that revenues of the canal be paid into the Treasury and that expenditures be made pursuant to annual appropriations;

Third. The centralization of administrative authority and responsibility in the Secretary of Defense; and

Fourth. Provision for Presidential appointment and Senate confirmation of the key officials of the agency and members of the various policymaking bodies provided for by the treaty, such as the supervisory board, the consultative committee and the committee on the environment.

The provisions for a noncorporate agency subject to the financial controls applicable to the Government agencies has several subsidiary effects of importance in maintaining close congressional oversight over the canal operations, a

matter that will assume increasing importance with the passage of time. Under my proposal, the accounts of the Panama Canal Company are to be established in accordance with the policies and procedures prescribed by the Comptroller General to reflect all costs of operation of the canal and related facilities.

This arrangement makes possible the elimination of fiscal provisions now included in title 2 of the Canal Zone code which were devised for the special financial structure of the Panama Railroad Company and which are unnecessary and inappropriate under the arrangement applicable to noncorporate agencies that pay their revenues into the Treasury and make expenditures authorized by appropriations. This arrangement also makes irrelevant the issue whether the agency should be required to pay into the Treasury interest on the Government's investment and amounts necessary to amortize that investment, inasmuch as all revenues of the canal are paid into the Treasury and expenditures are made from appropriations after regular congressional scrutiny. This point assumes special importance in view of the probability that tolls for use of the canal cannot be increased to cover all costs of operation of the canal over the period of U.S. control provided by the treaty.

The feasibility of operation of the canal with the organizational features incorporated in the bill I propose has been demonstrated by the successful operation of the canal under that arrangement for the 37-year period from completion of the canal until 1951.

The section-by-section analysis of the bill shows the source of the various provisions and indicates their relationship to the organization provisions of title 2 of the Canal Zone code before and after the 1950 amendments, as well as those of the draft prepared in the executive branch.

Because of the complexity of the bill and the extremely limited time that will be available for action by the Congress, I include copies of my bill and of the section-by-section analysis to be printed in the RECORD at this point:

H.R. —

A bill to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Panama Canal Act of 1979".

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SEC. 2. PURPOSE OF ACT.—It is the purpose of this Act to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States set forth in the Panama Canal Treaty between the United States of America and the Republic of Panama signed on September 7, 1977 (hereinafter in this Act referred to as the "Panama Canal Treaty of 1977") and the agreements relating to that treaty signed on the same date (hereinafter in this Act referred to as the "related agreements").

SEC. 3. APPLICABLE LAWS.—

(a) Except as otherwise provided in this Act, the provisions of the Canal Zone Code (and regulations issued pursuant to such Code), and other laws applicable in the Canal Zone (and regulations issued pursuant to such laws) before the date on which the Panama Canal Treaty of 1977 enters into force, by virtue of the territorial jurisdiction of the United States in the Canal Zone, shall continue in force on or after such date only for the purpose of the exercise of the authority vested in the United States by such Treaty and related agreements.

(b) No provision of law or regulation referred to in subsection (a) shall be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal agreements.

(c)(1) Subject to the provisions of paragraph (2) of this subsection, the following terms appearing in those laws and regulations continued in effect by subsection (a) of this section shall, in the application of such laws and regulations to transactions, occurrences, or status on or after the effective date of this Act, be deemed to refer to the following:

(A) "Canal Zone" shall be deemed to refer to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(B) "Canal Zone waters" and "waters of the Canal Zone" shall be deemed to refer to "Panama Canal waters" and "waters of the Panama Canal", respectively.

(C) "Government of the Canal Zone" or "Canal Zone Government", shall be deemed to refer to the United States of America.

(D) "Governor of the Canal Zone" or "Governor", wherever the reference is to the Governor of the Canal Zone, shall be deemed to refer to the Panama Canal Commission.

(E) "Panama Canal Company" or "Company", wherever the reference is to the Panama Canal Company, shall be deemed to refer to the Panama Canal Commission.

(F) In chapter 57 of title 5 of the Canal Zone Code, "hospitals" and "Health Bureau" shall be deemed to refer, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date of this Act, and to the organizational unit operating such hospitals.

(G) In chapter 57 of title 5 of the Canal Zone Code, and in section 4784 of title 6 of such Code, "health director" shall be deemed to refer to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date of this Act.

(2) Any reference set forth in paragraph (1) of this subsection shall apply except as otherwise provided in this Act or unless (A) such reference is inconsistent with the provisions of this Act, (B) in the context in which a term is used such reference is clearly not intended, or (C) a term refers to a time before the effective date of this Act.

TITLE I—ADMINISTRATION AND REGULATIONS

PART 1—ADMINISTRATION

Chapter 1.—PANAMA CANAL COMMISSION

SEC. 101. PANAMA CANAL COMMISSION.—There is established as an agency and instrumentality of the United States the Panama Canal Commission. The Commission shall, under the general supervision of the Board established by section 102 of this Act, and subject to the direction of the Secretary of Defense, be responsible for the maintenance and operation of the Panama Canal and the facilities and appurtenances related thereto.

SEC. 102. SUPERVISORY BOARD.—

(a) The Panama Canal Commission shall be supervised by a Board which shall act under the direction of the Secretary of Defense. The Board shall be composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members shall be nationals of the Republic of Panama. No member of the Board other than the Secretary of Defense or his designee shall hold any other office in or be employed by the Government of the United States or of the Republic of Panama.

(b) The President shall appoint the members of the Board, by and with the advice and consent of the Senate. Each member of the Board so appointed shall hold office at the pleasure of the President, and, before assuming the duties of such office, shall take an oath faithfully to discharge the duties of his office. Members of the Board shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c) The Board shall hold meetings as provided in regulations adopted by the Panama Canal Commission and approved by the Secretary of Defense. A quorum for the transaction of business shall consist of a majority of the Board members of which a majority of those present are nationals of the United States.

SEC. 103. ADMINISTRATOR.—

(a) The Administrator of the Panama Canal Commission shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President.

(b) The Administrator shall be paid compensation at the rate established for positions described in section 5316 of title 5 of the United States Code.

SEC. 104. DEPUTY ADMINISTRATOR AND CHIEF ENGINEER.—

(a) There shall be a Deputy Administrator and a Chief Engineer of the Panama Canal Commission, both of whom shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator and the Chief Engineer shall perform such duties as may be prescribed by the President.

(b) The Deputy Administrator and the Chief Engineer shall each be paid compensation at a rate of pay established by the President which does not exceed the rate of basic pay in effect for grade 18 of the General Schedule under section 5332 of tile 5 of the United States Code.

SEC. 105.—CONSULTATIVE COMMITTEE.—

(a) There is established a Panama Canal Consultative Committee to advise the United States Government and the Government of Panama on matters of policy affecting the operation of the Panama Canal. The Consultative Committee shall be composed of five representatives of the United States and five representatives of the Republic of Panama.

(b) Members of the Committee representing the United States shall be appointed as follows:

(1) Two members shall be appointed by the President pro tempore of the Senate.

(2) Two members shall be appointed by the Speaker of the House of Representatives.

(3) One member shall be appointed by the President. The two members of the Committee appointed by the President pro tempore of the Senate and by the Speaker of House of Representatives, respectively, shall not be members of the same political party. Members of the Committee representing the Republic of Panama shall be appointed by the President upon recommendations of the Government of Panama. Members of the Committee shall serve at the pleasure of the appointing officer. Members of the Committee shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c)(1) The Consultative Committee shall submit in writing to the President any action it proposes with respect to any change in the maintenance, operation, or management of the Panama Canal. The President shall transmit such proposal, with his comments thereon, to each House of Congress. Such proposal shall be delivered to the Secretary of the Senate, if the Senate is not in session, and to the Clerk of the House of Representatives, if the House is not in session. Except as provided in paragraph (2) of this subsection, such proposed action may not be taken if, within 90 calendar days of continuous session of Congress after the date on which the proposal is transmitted to the Congress, either House of Congress adopts a resolution, the matter after the resolving clause of which is as follows: "That the —— disapproves the proposed action dealing with the matter —— which was transmitted to Congress on ——", the blank spaces therein being appropriately filled.

(2) If, at the end of 60 calendar days of continuous session of Congress after the date the proposed action of the Consultative Committee is transmitted to the Congress, no committee of either House of Congress has reported or been discharged from further consideration of a resolution disapproving the proposed action and neither House has adopted such a resolution, the proposed action may be taken immediately.

(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the proposed action.

(4) For purposes of this subsection—

(A) continuity of session shall be broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment or more than 3 days to a day certain shall be excluded in the computation of the 60 and 90 calendar day periods.

SEC. 106. JOINT COMMISSION ON THE ENVIRONMENT

(a) The President may establish a Joint Commission on the Environment to be composed of not more than three representatives of the United States and three representatives of the Republic of Panama. The Joint Commission shall periodically review the implementation of the Panama Canal Treaty of 1977 with respect to its impact on the environment, and shall make recommendations to the United States Government and the Government of Panama with respect to ways to avoid or mitigate adverse environmental impacts resulting from actions taken pursuant to such Treaty.

(b) Representatives of the United States on the Joint Commission on the Environment shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Members of the Commission shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

SEC. 107. TRAVEL EXPENSES.—While away from their homes, regular places of business, or official stations in performance of services under this chapter, members of the Supervisory Board, and the representatives of the United States on the Panama Canal Consultative Committee and on th Joint Commission on the Environment shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 (b) of title 5 of the United States Code.

SEC. 108. CONTROL BY ARMED FORCES IN TIME OF WAR.—In time of war in which the United States is engaged, or when, in the opinion of the President, war is imminent, such officer of the Armed Forces as the President may designate shall, upon the order of the President, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all its adjuncts, appendants, and appurtenances. During a continuation of this condition, the Commission shall be subject to the order and direction of the officer so designated, in all respects and particulars as to—

(1) the operation of the Canal; and

(2) all duties, matters, and transactions affecting the areas and installations made available to the United States by the Panama Canal Treaty of 1977 and related agreements.

SEC. 109.—AUTHORITY OF THE AMBASSADOR.—

(a) The Ambassador of the United States to the Republic of Panama shall coordinate with the Republic of Panama the transfer to the Republic of Panama of those functions to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) The Panama Canal Commission shall not be subject to the direction or supervision of the Ambassador of the United States to the Republic of Panama, but the Commission shall keep the Ambassador fully and currently informed with respect to all activities and operations of the officers and employees of the Commission.

Chapter 3.—EMPLOYEES

Subchapter I.—Panama Canal Commission Personnel

SEC. 120. APPOINTMENT AND COMPENSATION; DUTIES.—

(a) Except as provided by sections 103 and 104 of this Act, and in accordance with subchapter II of this chapter—

(1) the Panama Canal Commission may appoint, fix the compensation of, and define the authority and duties of, officers, agents, attorneys and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, equipment, and the conduct of operations incident thereto; and

(2) individuals so appointed shall be employed and shall serve under such conditions of employment, including matters relating to transportation, medical care, quarters, leave and computation thereof, and work hours, as shall be prescribed by the President.

(b) Officers and employees in other departments and agencies of the Government of the United States, including officers and other individuals in the armed forces, as defined in section 2101(2) of title 5, United States Code, may, if appointed under this section or under sections 103 or 104 of this Act, serve as officers or employees of the Commission.

SEC. 121. TRANSFER OF FEDERAL EMPLOYEES.—The head of any department or agency of the Government of the United States, including the United States Postal Service, is authorized to enter into agreements for the transfer or detail to the Panama Canal Commission of any permanent employee of the agency. Under regulations which shall be prescribed by the Office of Personnel Management, any employee who is so transferred or so detailed shall, upon completion of his tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority, or other rights or benefits to which he would have been entitled had he not been so transferred or so detailed.

SEC. 122. COMPENSATION OF INDIVIDUAL IN THE UNIFORMED SERVICES.—(a) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Panama Canal Commission is in the uniformed services, as defined in section 2101(3) of title 5, United States Code, the amount of the official salary paid to him as an officer in the uniformed services shall be deducted from the amount of salary or compensation which is fixed by or pursuant to law for those respective offices.

(b) Except as provided in subsection (a) of this section, individuals appointed to or employed in positions in the Panama Canal Commission who are under assignment for those purposes by such a uniformed service shall not be paid by the Panama Canal Commission any amount in excess of their pay from the uniformed service for the period of that service.

(c) The Panama Canal Commission shall annually pay to the such uniformed services amounts sufficient to reimburse each of those services for the official salary paid to any individual in their service for the period of appointment or employment by the Commission.

SEC. 123. DEDUCTION FROM COMPENSATION OF AMOUNTS DUE FOR SUPPLIES OR SERVICES.—Amounts due from officers and employees, whether to the Panama Canal Commission or contractor, for transportation, board, supplies, or any other service, may be deducted from the compensation otherwise payable to them, and may be paid to the authorized parties or credited to the appropriation out of which the transportation, board, supplies, or other service was originally paid.

SEC. 124.—COST OF LIVING ALLOWANCE.—Each officer or employee of the Panama Canal Commission shall be paid an allowance to offset the increased cost of living which may result from the withdrawal of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges five years after the date on which the Panama Canal Treaty of 1977 enters into force. The amount of the allowance shall be determined by the Commission.

SEC. 125. EDUCATIONAL TRAVEL BENEFITS.—The Panama Canal Commission may provide by regulation for round trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States by dependents of employees of the Commission who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any one-year period.

SEC. 126. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

SEC. 127. INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NON-CITIZENS.—

(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title, relating to civil service retirement, chapter 87 of such title, relating to life insurance, and chapter 89 of such title, relating to health insurance, are inapplicable to individuals who are not citizens of the United States, who are hired by the Panama Canal Commission after the effective date of this Act, and who are covered by the Social Security of the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) Section 8701(a)(B) of title 5, United States Code, is amended to read as follows:

"(B) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such individual was an employee for the purpose of this chapter on the day before the effective date of the Panama Canal Act of 1979 by virtue of service with a Federal agency in the Canal Zone.".

(c) Section 8901(1)(ii) of title 5, United States Code, is amended to read as follows:

"(ii) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such individual was an employee for the purpose of this chapter on the day before the effective date of the Panama Canal Act of 1979 by virtue of service with a Federal agency in the Canal Zone.".

Subchapter II—Wage and Employment Practices

SEC. 141. DEFINITIONS.—As used in this subchapter:

(1) "department" means—

(A) the Panama Canal Commission; and

(B) an Executive agency (as defined in section 105 of title 5, United States Code) which makes an election under section 142 (b) of this Act;

(2) "position" means those duties and responsibilities of a civilian nature under the jurisdiction of a department which are performed in the Republic of Panama;

(3) "employee" means an individual holding a position; and

(4) "continental United States" means the several States of the United States of America and the District of Columbia.

SEC. 142. APPLICABILITY OF THE PANAMA CANAL EMPLOYMENT SYSTEM.—

(a) The Panama Canal Commission shall conduct its wage and employment practices in accordance with—

(1) the principles established in the Panama Canal Treaty of 1977 and related agreements and the provisions of this chapter and other applicable law; and

(2) the Panama Canal Employment System and the regulations promulgated by,

and under the authority of, the President in accordance with this chapter.

(b) The head of an executive agency other than the Panama Canal Commission may elect in whole or in part to have the Panama Canal Employment System made applicable to personnel of his agency in the Republic of Panama.

(c) To the extent he deems appropriate, the President may—

(1) exclude any employee or position from this subchapter or from any provision of this subchapter; and

(2) extend to any employee, whether or not the employee is a citizen of the United States, the same rights and privileges as are provided by applicable laws and regulations for citizens of the United States employed in the competitive civil service of the Government of the United States.

SEC. 143.—EMPLOYMENT STANDARDS.—The head of each department shall establish written standards for—

(1) the determination of the qualifications and fitness of employees and of individuals under consideration for appointment to positions; and

(2) selection of individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, the regulations referred to in section 155(a) of this Act, and the Panama Canal Employment System.

SEC. 144.—INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM

Notwithstanding any other provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System together with the regulations prescribed thereunder shall continue in effect until such time as the Panama Canal Employment System is established pursuant to section 149 of this Act.

SEC. 145. COMPENSATION.—

(a) The head of each department, in accordance with this subchapter, shall establish, and from time to time may revise, the rates of basic compensation for positions and employees under his jurisdiction.

(b) The rates of basic compensation may be established and revised in relation to the rates of compensation for the same or similar work performed in the continental United States or in such areas outside the continental United States as may be designated in the regulations referred to in section 155 of this Act.

(c) The head of each department may grant increases in rates of basic compensation in amounts not to exceed the amounts of the increases granted, from time to time, by or under statute in corresponding rates of compensation in the appropriate schedule or scale of pay. The head of the department concerned may make the increases effective as of such date as he designates but not earlier than the effective date of the corresponding increases provided by or under the statute.

SEC. 146.—UNIFORM APPLICATION OF STANDARDS AND RATES.—The established employment standards and rates of basic compensation established pursuant to sections 143 and 145 of this title shall be applied uniformly, irrespective of whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

SEC. 147. RECRUITMENT AND RETENTION REMUNERATION.—

(a) In addition to basic compensation, additional compensation may be paid, in such amounts as the head of the department concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) was employed before the effective date of this Act by the Panama Canal Company, the Canal Zone Government, or any department in the Canal Zone;

(2) is an employee who was recruited outside of the Republic of Panama for placement in his position; or

(3) is a medical doctor employed by the Department of Defense or the Panama Canal Commission if, in the judgment of the head of the department concerned, the recruitment and retention of the medical doctor is essential.

(b) Any employee described in more than one paragraph of subsection (a) of this section may qualify for a recruitment or retention differential under only one of such paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic compensation for the same or similar work performed in the continental United States by individuals employed by the Government of the United States.

(d)(1) Section 5921 of title 5, United States Code, is amended—

(A) in paragraph (3), by striking out "President;" and inserting in lieu thereof "President, but does not include an employee assigned to work in the Republic of Panama for the Panama Canal Commission or an Executive agency which makes an election under section 142(b) of the Panama Canal Act of 1979;"; and

(B) in paragraph (6), by striking out "the Canal Zone,".

(2) Section 5925 of title 5, United States Code, is amended by inserting "to an employee" after "granted" the first place it appears.

SEC. 148. BENEFITS BASED ON COMPENSATION.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium compensation;

(5) annual leave benefits; and

(6) any other benefits related to basic compensation; the basic compensation of each employee who is a citizen of the United States shall include the rate of basic compensation established for his position plus the amount of any increase in basic compensation or allowance provided under section 145 or 147 of this Act.

SEC. 149. MERIT AND OTHER EMPLOYMENT REQUIREMENTS.—(a) Subject to this subchapter, and taking into account any recommendation of the Panama Canal Commission, the President—

(1) shall establish the Panama Canal Employment System; and

(2) may, from time to time, amend or modify the provisions of the System, including provisions relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and individuals under consideration for appointment to positions.

(b) The Panama Canal Employment System shall—

(1) be subject to and as limited by the Panama Canal Treaty of 1977 and related agreements, be based on the merit of the employee or individual and upon his qualifications and fitness to hold the position concerned;

(2) conform generally to policies, principles, and standards for the competitive service (as defined in section 2101 of title 5, United States Code); and

(3) include provision for appropriate interchange between the Panama Canal Employment System and such competitive service.

SEC. 150.—SALARY PROTECTION UPON CONVERSION OF COMPENSATION BASE.—Whenever the rate of basic compensation of an employee heretofore or hereafter established in relation to rates of compensation for the same or similar work in the continental United States is converted under authority of section 145 of this Act to a rate of basic compensation established in relation to rates in areas other than the continental United States in the manner provided by section 145(b) of this Act, he shall, pending transfer to a position for which the rate of basic compensation is established in relation to rates of compensation in the continental United States in the manner provided by section 145(b) of this Act, and as long as he remains in the same position or in a position of equal or higher grade, continue to receive a rate of basic compensation not less than that to which he was entitled immediately prior to the conversion.

SEC. 151. REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL.—An employee may request at any time that the department in which he is employed—

(1) review the classification of his position or the grade or pay level for his position, or both; and

(2) revise or adjust such classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedure of the department.

SEC. 152. SAME; PANAMA CANAL BOARD OF APPEALS; DUTIES.—

(a) There shall be, in conformity with this subchapter, and as prescribed by regulation promulgated by the President or his designee, a Panama Canal Board of Appeals. The regulations shall provide for, in accordance with this subchapter, the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 153 of this Act. The decisions of the Board shall conform to the provisions of this subchapter.

SEC. 153. SAME; APPEALS TO BOARD; PROCEDURE; FINALITY OF DECISIONS.—

(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made under section 151 of this Act. The appeal shall be made in writing within a reasonable time, as prescribed in regulations prescribed by, or under the authority of, the President, after the date of the transmittal by the department to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a) of this section, a personal appearance before the Board by the employee, or by his representative designated for the purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the department concerned; and

(3) transmit copies of the decision to the employee concerned or to his designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The department concerned shall take action in accordance with the decision of the Board.

SEC. 155. ADMINISTRATION BY THE PRESIDENT.—

(a) The President shall prescribe regulations necessary and appropriate to carry out

the provisions of this subchapter and, in the case of any Executive agency which makes an election under section 142(b) of this Act, coordinate the policies and activities under this subchapter of the agency.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out his coordination responsibility under subsection (a) of this section; and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in him by this subchapter.

SEC. 156.—APPLICABILITY OF OTHER LAWS.—This subchapter does not affect the applicability of—

(1) the provisions of sections 1302, 2108, 3305, 3306, 3309–3319, 3351, 3363, 3501–3504, 7511, 7512, and 7701 of title 5, United States Code, relating to preference eligibles, with respect to individuals who were preference eligibles on the date of the enactment of this Act;

(2) section 7501 of title 5, United States Code, relating to removal or suspension from the competitive service, with respect to individuals who were in the competitive service on the date of the enactment of this Act; and

(3) subsection (a) of section 5544 of title 5, United States Code, relating to wage-board rates and overtime, with respect to individuals who were subject to such subsection on the date of the enactment of this Act.

Subchapter III—Conditions of Employment and Placement

SEC. 202. TRANSFERRED EMPLOYEES.—

(a)(1) With respect to employees of the Panama Canal Company or the Canal Zone Government who are transferred to employment in the Republic of Panama with the Panama Canal Commission or any other agency of the Government of the United States, the terms and conditions of employment set forth in paragraph (2) of this subsection shall be generally no less favorable, on or after the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government immediately before such date.

(2) The terms and conditions of employment referred to in paragraph (1) of this section are the following:

(A) wage rates;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction in force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severence pay benefits.

(3) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 3(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) is amended by adding at the end thereof the following new sentence: "This section does not apply with respect to teachers who were employed by the Canal Zone Government school system immediately before the effective date of the Panama Canal Act of 1979 and who were transferred to a teaching position.".

(2) Section 6(a) of such Act (20 U.S.C. 904(a)) is amended by adding at the end thereof the following: "This section does not apply with respect to teachers who were employed by the Canal Zone Government school system immediately before the effective date of the Panama Canal Act of 1979 and who were transferred to a teaching position.".

(c) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof the following: "areas in the Republic of Panama used or regulated by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

SEC. 203.—PLACEMENT.—

(a) A citizen of the United States—

(1) who, immediately before the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date during the life of the Panama Canal Treaty of 1977 for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate placement to vacancies with the United States Government in the United States.

(b) A citizen of the United States—

(1) who, immediately before the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, was an employee of an agency of the Government of the United States in the Canal Zone other than the Panama Canal Company or the Canal Zone Government;

(2) whose position is eliminated as the result of implementing the Panama Canal Treaty of 1977; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded the placement assistance provided in subsection (a) of this section.

(c) The Office of Personnel Management shall establish and administer a Federal Government-wide placement program for all eligible employees who request appointment to positions under this subsection.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

SEC. 205.—EARLY RETIREMENT ELIGIBILITY.—

(a) Section 8336 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) is subsection (c)(1); and

(2) by adding at the end of subsection (c) the following new paragraph:

"(2) A law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who—

"(A) is separated from the service before January 1, 2000, and, upon separation, meets the age and service requirements specified in paragraph (1) of this subsection; or

"(B) is separated not more than two years before the date or which he would meet such age and service requirements but for such separation; is entitled to an annuity.".

(b) Section 8336 of title 5, United States Code, is further amended—

(1) by redesignating subsection (h) as subsection (k); and

(2) inserting after subsection (g) the following new subsections:

"(h)(1) An employee of the Panama Canal Commission or of an executive agency conducting operations in the Canal Zone or the Republic of Panama to whom this subsection applies and who is separated from the service before January 1, 2000—

"(A) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, after completing 20 years of service;

"(B) voluntarily, after completing 25 years of service or after becoming age 50 and completing 20 years of service; or

"(C) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, or voluntarily, not more than two years before he would have met the age and service requirements specified in subparagraph (B) of this paragraph; is entitled to an annuity.

"(2) This subsection applies to an employee only if the employee—

"(A) was employed by the Canal Zone Government or the Panama Canal Company immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

"(B) has been employed without a break in service since the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force by the Panama Canal Commission or by an executive agency conducting operations in the Canal Zone or the Republic of Panama.

"(i)(1) An employee of the Panama Canal Commission or of an executive agency conducting operations in the Canal Zone or the Republic of Panama, to whom this subsection applies and who is involuntarily separated from the service before January 1, 2000, except by removal for cause on charges of misconduct or delinquency, as a result of the implementation of the Panama Canal Treaty of 1977—

"(A) after completing 20 year of service; or

"(B) not more than two years before the employee would have met the age and service requirements specified in subparagraph (B) of subsection (h)(1) of this section but for such separation;

is entitled to an annuity.

"(2) This subsection applies to an employee only if the employee—

"(A) was employed in the Canal Zone by an executive agency other than the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification, or the entry into force, of the Panama Canal Treaty of 1977; and

"(B) has been employed without a break in service since the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force by the Panama Canal Commission or by an executive agency conducting operations in the Canal Zone or the Republic of Panama.

"(j) For the purpose of subsections (h) and (i) of this section, 'executive agency' includes the Administrative Office of the United States Courts and the Smithsonian Institution.".

SEC. 206.—EARLY RETIREMENT COMPUTATION.—Section 8339 of title 5, United States Code, is amended:

(1) in subsection (f), by inserting after "subsections (a)–(e)" the following: "and (n)";

(2) in subsection (i), by inserting after "subsections (a)–(h)" the following: "and (n)";

(3) in subsections (j) and (k)(1), by inserting after "subsection (a)–(i)", each time it appears, the following: "and (n)";

(4) in subsection (l), by inserting after "subsections (a)–(k)" the following: "and (n)"; and

(5) in subsection (m), by inserting after "subsections (a)–(e)" the following: "and (n)"; and

(6) by adding at the end thereof the following new subsections:

"(n) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or the Canal Zone Government immediately before the date on which the Panama Canal Treaty of 1977 enters into force and who transfers without a break in service to a position in the Panama Canal Commission or in another executive agency in the Republic of Panama, is computed, with respect to the period of that service performed after the entry into force of the Panama Canal Treaty of 1977 and before any break in such service, by adding—

"(1) the product of multiplying 2½ percent of the employee's average pay by so much of such service as does not exceed 20 years; plus

"(2) the product of multiplying 2 percent of the employee's average pay by so much of such service as exceeds 20 years.

"(o) The annuity computed under subsection (n) of this section for an employee who was employed as a law enforcement officer or firefighter shall be increased by $8 for each full calendar month of such service in the Republic of Panama after the entry into force of the Panama Canal Treaty of 1977 and before the completion by the employee of 20 years of service as a law enforcement officer or firefighter.

"(p) The annuity computed under this subchapter for an employee who—

"(1) served as a law enforcement officer or firefighter in the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

"(2) does not qualify for retirement under section 8336(c) of this title;

shall be increased by $12 for each full calendar month of such service before the entry into force of the Panama Canal Treaty of 1977 and before the completion by the employee of 20 years of service as a law enforcement officer or firefighter.".

SEC. 207. NONCITIZEN RETIREMENT TRANSFER TO SOCIAL SECURITY SYSTEM OF THE REPUBLIC OF PANAMA.—

(a)(1) Subject to subsection (b) of this section, and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay, to such extent or in such amounts as may be provided in advance in appropriation Acts, to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement Fund under section 8334 (a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual, with respect to whom this subsection applies, who—

(A) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of the Panama Canal Treaty of 1977 and related agreements; and

(B) becomes employed under the Social Security System of the Republic of Panama through the transfer of a function of activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least five years of Federal service under the United States Civil Service Retirement System;

(B) is not eligible for an immediate retirement annuity, and does not elect a deferred annuity under the United States Civil Service Retirement System; and

(C) elects to withdraw the entire amount of his contributions to the United States Civil Service Retirement System and to transfer such amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) of this subsection shall not exceed the entire amount of the individual's contribution withdrawn from the United States Civil Service Retirement Fund.

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in implementation of Article IV of the Panama Canal Treaty of 1977, the President, or his designee, may pay to the Republic of Panama, in accordance with such regulations as the President or his designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, amounts necessary to purchase, or to supplement the purchase of, a retirement equity in the Social Security System of the Republic of Panama for the benefit of each employee of the United States Forces in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on or before the date on which the Panama Canal Treaty of 1977 enters into force in an agency or instrumentality of the Government of the United States in the Republic of Panama (including, with respect to employement before such date, the area formerly known as the Canal Zone);

(C) who, for any period of such employee's service in such agency or instrumentality before the date on which the Panama Canal Treaty of 1977 enters into force, was not covered, by reason of such service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) whose period of service referred to in subparagraph (C) of this paragraph was of such a nature that such employee would have been covered at that time by the Social Security System of the Republic of Panama had such law been applicable.

(2) The retirement equity referred to in paragraph (1) of this subsection with respect to any employee will cover retroactively, from the date on which the Panama Canal Treaty of 1977 enters into force, all periods of service by such employee in agencies and instrumentalities of the Government of the United States in the Republic of Panama (including the area known before such date as the Canal Zone) during which such employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama and during which such employee's service was of such a nature that the employee would have been covered by the Social Security System of the Republic of Panama had such law been applicable.

SEC. 208. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—

(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b) of this section, such cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before the effective date of this Act pursuant to section 181 of the Canal Zone Code (as in effect immediately before the effective date of this Act), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) of this section and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same per centum, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after the date of the enactment of this Act as increased by annuity increases made after such date of enactment under section 8340(b) of title 5, United States Code.

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a) of this section, under section 181 of the Canal Zone Code (as in effect immediately before the effective date of this Act), or under the Act of July 8, 1937, referred to in subsection (a) of this section. The term "widow" as used in this section includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 per centum of the rate at which cash relief, inclusive of any additional payment under subsection (b) of this section, would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a)(1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 209.—APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211.—LEAVE FOR JURY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220.—LAW ENFORCEMENT, CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD, AND RELATED EMPLOYEES.—

(a) For the purposes of sections 125, 202, 203, 205, and 206 of this Act, including any amendment made by such sections, the United States attorney for the district of the Canal Zone and the Assistant United States attorneys and their clerical assistants, and the United States marshal for the district of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in such positions before the date on which the Panama Canal Treaty of 1977 enters into force and as employees of the Panama Canal Commission with respect to service in such positions on or after such date.

Subchapter VII—Labor-Management Relations

SEC. 225.—LABOR-MANAGEMENT RELATIONS.—The provisions of chapter 71 of title 5, United States Code, shall not apply with respect to employees of the agencies or instrumentalities of the Government of the United States whose posts of duty are located in the area comprising the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force, which area is within the land and water areas the use of which is made available to the United States pursuant to such treaty. In lieu of such provisions, the Secretary of Defense shall prescribe regulations which shall provide, equally for all such employees, for collective bargaining between employee representatives and management officials in such agencies or instrumentalities. Such regulations shall incorporate the provisions of sections 7102, 7106, 7116, 7120, and 7131 of such title 5. Such regulations shall include such provisions as are necessary, and shall be administered, so that such employees shall have the right to bargain collectively under the same conditions and with respect to the same subject matter as are applicable with respect to such right in connection with the civil service within the continental United States.

Chapter 5—FUNDS AND ACCOUNTS

Subchapter I—Funds

SEC. 231.—CANAL ZONE GOVERNMENT FUNDS.—On the effective date of this Act, any unexpended balances of the appropriation accounts appearing on the books of the Government as "Operating Expenses, Canal Zone Government (38-0116-0-1-806)" and "Capital Outlay, Canal Zone Government (38-0118-0-1-806)" shall be covered into the general fund of the Treasury, and any appropriations to which expenditures under such accounts have been chargeable before such effective date are repealed. The Panama Canal Commission may, to such extent or in such amounts as are provided in appropriation Acts to the Commission for such purpose, pay claims or make payments chargeable to such accounts, upon proper audit of such claims or payments. There are authorized to be appropriated to the Panama Canal Commission such funds as may be necessary to pay claims and makes payments pursuant to this section.

SEC. 232.—PANAMA CANAL COMPANY FUNDS.—

(a) On the effective date of this Act, the account appearing on the books of the Government as the "Panama Canal Company Fund" (38-4060-0-3-403) shall be terminated, and any unexpended balances under such accounts as of that date shall be covered into the general fund of the Treasury.

(b) On or after the effective date of this Act, tolls for the use of the Panama Canal and all other receipts of the Panama Canal Commission that, before such effective date, would have been credited to the accounts appearing on the books of the Government as the "Panama Canal Company Fund" (38-4060-0-3-403) shall be deposited in the Treasury as miscellaneous receipts.

(c) No funds may be appropriated to or for the use of the Panama Canal Commission, nor may any funds be obligated or expended by the Commission for any fiscal year, unless such appropriation, obligation, or expenditure has been specifically authorized by law.

(d) The Panama Canal Commission may, to such extent or in such amounts as are provided in advance in appropriation Acts, enter into contracts in order to carry out its functions.

SEC. 233. EMERGENCY FUND.—

(a) On the effective date of this Act, the Secretary of the Treasury shall establish and thereafter shall maintain in the Treasury a fund to be known as the "Panama Canal Emergency Fund". There are authorized to be appropriated, for deposit in such Fund (1) for the fiscal year beginning on October 1, 1979, $10,000,000, and (2) for any fiscal year beginning on or after October 1, 1980, such additional sums as may be necessary.

(b) The Panama Canal Commission may make withdrawals from the fund by check in order to defray emergency expenses and to insure continuous operation of the Panama Canal, if funds appropriated for the operation and maintenance of the Canal are insufficient for such purposes. Any withdrawal from the fund or expenditure made under this subsection shall be reported forthwith by the Commission to the Congress and to the Office of Management and Budget.

Subchapter II—Accounting Policies and Audits

SEC. 234.—ACCOUNTING POLICIES.—The Panama Canal Commission shall establish and maintain its accounts pursuant to the Accounting and Auditing Act of 1950 (31 U.S.C. 65 et seq.) and the provisions of this chapter. Such accounts shall specify all revenues received by the Commission, including tolls for the use of the Canal, and all expenses of maintenance and operation of the Panama Canal and of its complementary works, installations and equipment, including depreciation, amortization of the right to use assets made available to the United States under the Panama Canal Treaty of 1979, payments to Panama under the Panama Canal Treaty of 1977, expenditures for capital plant replacement, expansion and improvement, and interest on the investment of the United States as shown in the accounts of the Panama Canal Company at the close of business on the day before the effective date of this Act, and as increased by the amount of additional appropriations, and reduced by the amount of payments into the Treasury, which are made with respect to such investment.

SEC. 235.—REPORTS.—The Commission shall, not later than January 31 of each year, submit to the President and the Congress, a financial statement and a complete report with respect to the maintenance and operation of the Panama Canal during the preceding fiscal year.

SEC. 236.—AUDIT BY GENERAL ACCOUNTING OFFICE.—

(a) Financial transactions of the Panama Canal Commission shall be audited by the General Accounting Office pursuant to the Accounting and Auditing Act of 1950. In conducting any audit pursuant to such Act, the appropriate representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission and necessary to facilitate such audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. An audit pursuant to such Act shall first be conducted with respect to the fiscal year in which this Act becomes effective.

(b) The Comptroller General shall, not later than six months after the end of each fiscal year, submit to the Congress a report of the audit conducted by the Comptroller General with respect to such fiscal year. Such report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit, based on the accounts of the Commission established pursuant to this chapter; a statement of income and expense; a statement of sources and application of funds; and such comments and information as the Comptroller General considers necessary to keep the Congress informed of the operations and financial transactions of the Commission, together with such recommendations with respect to such operations and transactions as the Comptroller General considers advisable. The report shall identify specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried out or made and has not been authorized by law. The Comptroller General shall submit a copy of each such report to the President, to the Secretary of the Treasury, and to the Commission.

Subchapter III—Interagency Accounts

SEC. 240.—INTERAGENCY SERVICES; REIMBURSEMENTS.—

(a) The Panama Canal Commission shall reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the Commission's employees, and the Employees' Compensation Fund, Bureau of Employee's Compensation, Department of Labor, for the benefit payments to the Commission's employees, and shall also reimburse other Government agencies for payments of a similar nature made on its behalf.

(b) The Department of Defense shall reimburse the Panama Canal Commission for

amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

(c) Notwithstanding any other provision of law, appropriations (for any fiscal year beginning after September 30, 1979) of the Department of Defense, or such other agency or agencies as may be designated for this purpose by the President, shall be made available for conducting the educational and health care activities, including kindergartens and college, carried out by the Canal Zone Government and Panama Canal Company before the effective date of this Act, and for providing the services related thereto to the categories of persons to which such services were provided before such effective date. Amounts so expended by an agency for furnishing services to an employee of any other agency and the dependents of such employee (less amounts payable by such employee) shall be fully reimbursable to the agency furnishing the services from appropriations of the agency bearing the cost of the compensation of the employee concerned.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission may furnish personnel, records, and other services to the military post offices whenever appropriate to assure the proper distribution, rerouting, or return of such mail.

Subchapter IV—Postal Accounts

SEC. 241.—TERMINATION OF POSTAL SERVICE; DISPOSITION OF FUNDS.—

(a) The postal service of the Canal Zone maintained and operated pursuant to chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, is terminated, and all funds of the postal service of the Canal Zone shall be covered into the United States Treasury as miscellaneous receipts.

(b) Securities of the United States acquired by investment of funds of the Canal Zone postal service under chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, shall be redeemed by the Secretary of the Treasury and the face amount thereof, with any accrued interest, shall be paid into the general fund of the United States Treasury.

SEC. 242.—POSTAL SAVINGS CERTIFICATES.—

(a) Interest on postal savings certificates issued before the effective date of this Act under chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, and interest on deposit money orders issued in lieu of such certificates before such effective date, shall cease to accrue on the anniversary dates of the respective certificates occurring in the 12-month period beginning on the effective date of this Act.

(b) In the settlement and payment of any postal savings account under this subchapter, including all interest accrued thereon, which is maintained in the name of a deceased, presumed dead, or incompetent depositor, or which is determined to be payable to—

(1) a minor;

(2) a person adjudicated mentally incompetent or under other legal disability; or

(3) the estate of a person who is deceased or presumed dead,

the payment of such account, or any appropriate share thereof, may be made to a legal representative of the depositor, or to a legal representative of the person or property of a claimant described in paragraph (1), (2), or (3). If there are no outstanding guardianship or administration proceedings concerning the person or estate of the depositor, or the person or estate of such claimant, payment shall be made to the person who is otherwise qualified to receive payment according to the laws of descent and distribution in effect in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force. Payment made under this subsection shall be a bar to recovery by any other claimant of amounts so paid.

SEC. 243. SETTLEMENT OF POSTAL ACCOUNTS.—

(a) During the fiscal year beginning on the effective date of this Act, the Panama Canal Commission shall, to the extent practicable, settle and pay the accounts, discharge the obligations, and otherwise conclude the affairs of the Canal Zone postal service terminated by section 241(a) of this Act.

(b) Obligations of the postal service referred to in subsection (a) may be paid from any funds appropriated to the Commission.

SEC. 244.—MONEY ORDERS UNPAID AFTER TWENTY YEARS.—Money orders issued by the Canal Zone postal service may not be paid after 20 years from the last day of the month of original issue. Claims for unpaid money orders are forever barred unless received by the Panama Canal Commission within the 20-year period.

Subchapter V—Accounts With Republic of Panama

SEC. 250.—PAYMENTS TO PANAMA.—

(a) The Panama Canal Commission shall pay to the Republic of Panama those payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. Such payments shall be made from appropriations for such purpose.

(b) In determining whether operating revenues exceed expenditures for the purpose of payments to Panama under paragraph 4(c) of such Article XIII, such operating revenues in a fiscal period shall be reduced by (1) all expenditures of such period as shown by the accounts established pursuant to section 234 of this Act and (2) the accumulative sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of expenditures of the Commission over operating revenues.

SEC. 251.—TRANSACTIONS WITH REPUBLIC OF PANAMA.—The Panama Canal Commission may, on a reimbursable basis, provide to the Republic of Panama materials, supplies, equipment, work, or services, including water and electric power, requested by the Republic of Panama, at such rates as may be agreed upon by the Commission and the Republic of Panama. Payment for such materials, supplies, equipment, work, or services may be made by direct payment by the Republic of Panama to the Panama Canal Commission or by offset against amounts due the Republic of Panama by the United States.

SEC. 252.—DISASTER RELIEF.—If an emergency arises because of disaster or calamity by flood, hurricane, earthquake, fire pestilence, or like cause, not foreseen or otherwise provided for, and occurring in the Republic of Panama in such circumstances as to constitute an actual or potential hazard to health, safety, security, or property in the areas and installations made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may expend available funds appropriated to the Commission, and utilize or furnish materials, supplies, equipment, and services for relief, assistance, and protection.

Chapter 7—CLAIMS FOR INJURIES TO PERSONS OR PROPERTY

Subchapter I—General Provisions

SEC. 271.—SETTLEMENT OF CLAIMS GENERALLY.—

(a) Subject to type provisions of this chapter, the Panama Canal Commission may adjust and pay claims for injury to, or loss of, property or for personal injury or death, arising from the operation of the Panama Canal or related facilities and appurtenances.

(b) No claim for an amount exceeding $60,000 shall be adjusted and paid by the Commission under the provisions of this chapter.

(c) An award made to a claimant under this section shall be payable out of any moneys appropriated for or made available to the Commission. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by the claimant of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim.

(d) Except as provided in section 296 of this Act, no action for damages on claims cognizable under this chapter shall lie against the United States or the Commission, and no such action shall lie against any officer or employee of the United States. Neither this section nor section 296 shall preclude actions against officers or employees of the United States for injuries resulting from their acts outside the scope of their employment or not in the line of their duties, or from their acts committed with the intent to injure the person or property of another.

(e) The provisions of section 1346(b) of title 28, United States Code, and the provisions of chapter 171 of such title shall not apply to claims cognizable under this chapter.

Subchapter II—Vessel Damage

SEC. 291.—INJURIES IN LOCKS OF CANAL.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew or passengers of vessels, which may arise by reason of their passage through the locks of the Panama Canal under the control of officers or employees of the United States. Damages may not be paid where the injury was proximately caused by the negligence or fault of the vessel, master, crew, or passengers. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel, whether it is permanent or temporary in character. A vessel is considered to be passing through the locks of the Canal, under the control of officers or employees of the United States, from the time the first towing line is made fast on board before entrance into the locks and until the towing lines are cast off upon, or immediately prior to, departure from the lock chamber.

SEC. 292.—INJURIES OUTSIDE LOCKS.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels which may arise by reason of their presence in the Canal, or waters adjacent thereto, other than the locks, when the injury was proximately caused by negligence or fault on the part of an officer or employee of the United States acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal, and when the amount of the

claim does not exceed $60,000. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. In the case of a vessel which is required by or pursuant to regulations prescribed pursuant to section 1331 of this Act to have a Panama Canal pilot on duty aboard, damages may not be adjusted and paid for injuries to the vessel, or its cargo, crew, or passengers, incurred while the vessel was under way and in motion, unless at the time the injuries were incurred the navigation or movement of the vessel was under the control of a Panama Canal pilot.

SEC. 293.—MEASURE OF DAMAGES GENERALLY.—In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included—

(1) actual or estimated cost of repairs;

(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for the time the vessel is undergoing repairs;

(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire; and

(4) other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

Agent's fees, or commissions, or other incidental expenses of similar character or any items which are indefinite, indeterminable, speculative, or conjectural may not be allowed. The Panama Canal Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary.

SEC. 294.—DELAYS FOR WHICH NO RESPONSIBILITY IS ASSUMED.—The Panama Canal Commission is not responsible, and may not consider any claim, for demurrage or delays caused by—

(1) landslides or other natural causes;

(2) necessary construction or maintenance work on Canal locks, terminals, or equipment;

(3) obstruction arising from accidents;

(4) time necessary for admeasurement;

(5) congestion of traffic;

(6) time necessary for investigation of marine accidents; or

(7) except as specially set forth in this subchapter, any other cause.

SEC. 295.—SETTLEMENT OF CLAIMS.—

(a) Subject to subsection (b) of this section, the Panama Canal Commission, by mutual agreement, compromise, or otherwise, may adjust and determine the amounts of the respective awards of damages pursuant to this subchapter. Such amounts shall be payable promptly out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. Acceptance by a claimant of the amount awarded to him shall be deemed to be in full settlement of such claim against the Government of the United States.

(b) The Panama Canal Commission shall not adjust and pay any claim for damages for injuries arising by reason of the presence of the vessel in the Panama Canal or adjacent waters outside the locks where the amount of the claim exceeds $60,000, but shall submit the claim to the Congress by a special report containing the material facts and the recommendation by the Commission thereon.

SEC. 296.—ACTIONS ON CLAIMS.—A claimant for damages pursuant to section 291 of this Act who considers himself aggrieved by the findings, determination, or award of the Panama Canal Commission in reference to his claim may bring an action on the claim against the Commission in the United States District Court for the Eastern District of Louisiana. Subject to the provisions of this chapter and of applicable regulations issued pursuant to section 1331 of this Act relative to navigation of the canal and adjacent waters, such actions shall proceed and be heard by the court without a jury according to the principles of law and rules of practice obtaining generally in like cases between private parties and other agencies of the United States Government. Any judgment obtained against the Panama Canal Commission in an action under this chapter shall be paid out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. An action for damages cognizable under this section shall not lie against the United States or the Commission, otherwise, nor in any other court, than as provided in this section; nor may it lie against any officer or employee of the United States or of the Commission.

SEC. 297. INVESTIGATION OF ACCIDENT OR INJURY GIVING RISE TO CLAIM.—Notwithstanding any other law, a claim may not be considered under this subchapter, or an action for damages lie thereon, unless, prior to the departure from the Canal of the vessel involved—

(1) the investigation by the competent authorities of the accident or injury giving rise to the claim has been completed; and

(2) the basis for the claim has been laid before the Panama Canal Commission.

SEC. 298.—BOARD OF LOCAL INSPECTORS.—

(a) The President shall provide for the establishment of a Board of Local Inspectors of the Panama Canal Commission which shall perform. In accordance with regulations prescribed by the President—

(1) the investigations required by section 297 of this Act; and

(2) such other duties with respect to marine matters as may be assigned by the President.

(b) In conducting any investigations pursuant to subsection (a) of this section, the Board of Local Inspectors may summon witnesses, administer oaths, and require the production of books and papers necessary for such investigation.

Chapter 9—PUBLIC PROPERTY

SEC. 371.—ASSETS AND LIABILITIES OF PANAMA CANAL COMPANY.—All property and other assets of the Panama Canal Company shall revert to the United States on the effective date of this Act, and, except as otherwise provided by law, the United States shall assume the liabilities of the Panama Canal Company then outstanding. The Commission may use such property, facilities, and records of the Panama Canal Company as is necessary to carry out its functions.

SEC. 372. TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES.—

(a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred between departments and agencies of the United States, with or without reimbursement, such facilities, buildings, structures, improvements, stock, and equipment located in the Republic of Panama, and used for their activities therein, as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee.

(b) The Panama Canal Commission may enter into cross-servicing agreements with any other agency of the United States for the use of facilities, furnishing of services, or performance of functions.

(c) The Panama Canal Commission, any other agency or department of the United States, and any United States court in the Republic of Panama may transfer any of the records (or copies thereof) of the Commission, or of such agency, department, or court, as the case may be, including records acquired from the Canal Zone Government or the Panama Canal Company (including vital statistics records) to any other agency or department of the United States or to any other court of the United States and, in coordination with the Ambassador and with his approval, to the Government of the Republic of Panama.

(d) The provisions of this section shall apply to the Smithsonian Institution.

SEC. 373.—DISPOSITION OF PROPERTY OF THE UNITED STATES.—

No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

SEC. 374.—TRANSFER OF PROPERTY TO PANAMA.—On the date on which the Panama Canal Treaty of 1977 enters into force, the Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to such treaty. Property transferred pursuant to this section may no include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

Chapter 11—TOLLS FOR USE OF CANAL

SEC. 411. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.—

(a) President is authorized, subject to the provisions of this chapter, to prescribe and from time to time change—

(1) the rules for the measurement of vessels for the Panama Canal; and

(2) the tolls that shall be levied for the use of the Canal.

(b) Such rules of measurement and tolls prevailing on the effective date of this Act shall continue in effect until changed as provided in this chapter.

SEC. 412.—BASES OF TOLLS.—

(a) Tolls on merchant vessels, army and navy transports, colliers, tankers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of one hundred cubic feet each of actual earning capacity determined in accordance with the rules for the measurement of vessels for the Panama Canal, and tolls on other floating craft shall be based on displacement tonnage. The tolls on vessels in ballast without passengers or cargo may be less than the tolls for vessels with passengers or cargo.

(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including interest, depreciation, amortization of the investment of the United States in the Canal, payments to Panama pursuant to paragraph 5 of Article III and paragraphs 4(a) and (b) of Article XIII of the Panama Canal Treaty of 1977, and requirements for plant replacement, expansion and improvements.

(c) The President of the United States may require vessels operated by the United States, including warships, naval tenders, colliers, tankers, transports, hospital ships, and other vessels owned or chartered by the United States for transporting troops or supplies, and ocean-going training ships owned by the United States and operated by State nautical schools, to pay tolls. If, however, they are not required to pay tolls, the tolls thereon shall nevertheless be computed and the amounts thereof shall be treated as revenues of the Panama Canal for the purpose of prescribing the rates of tolls and computing the amount of the payment to the Republic of Panama pursuant to paragraph 4(a) of Article XIII of the Panama Canal Treaty of 1977 and section 250 of this Act.

(d) The levy of tolls is subject to the provisions of section 1 of article III of the treaty between the United States of America and Great Britain signed November 18, 1901, of article I of the treaty signed between the United States of America and the Republic of Columbia signed April 6, 1914, and of articles II, III, and VI of the Treaty Concerning Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977.

SEC. 413.—PROCEDURES.—

(a) The Panama Canal Commission shall publish in the Federal Register notice of any proposed change in the rules of measurement or rates of tolls referred to in section 411(a). The Commission shall give interested parties an opportunity to participate in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the notice. The notice shall include the substance of the proposed change and a statement of the time, place, and nature of the proceedings. At the time of publication of such notice, the Commission shall make available to the public an analysis showing the basis and justification for the proposed change, which, in the case of a change in rates of tolls, shall indicate the conformity of the existing and proposed rates of tolls with the requirements of section 412 of this Act.

(b) After consideration of the relevant matter presented the Commission may revise the proposed rules of measurement or rates of tolls, as the case may be, except that, in the case of rates of tolls, if such revision proposes rates greater than those originally proposed, a new analysis of the proposed rates shall be made available to the public, and a new notice of the revised proposal shall be published in the Federal Register apprising interested persons of the opportunity to participate further in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the new notice. The procedure set forth in this subsection shall be followed for any subsequent revision of the proposed rates by the Commission which proposes rates higher than those in the preceding proposal.

(c) After the proceedings have been conducted pursuant to subsections (a) and (b) of this section, the Commission shall publish in the Federal Register a notice of the changes in the rules of measurement or rates of tolls, as the case may be, to be recommended to the President.

(d) Upon publication of the notice pursuant to subsection (c), the Commission shall forward a complete record of the proceedings, with the recommendation of the Commission, to the President for his consideration. The President may approve, disapprove, or modify any or all of the changes in the rules of measurement or rates of tolls recommended by the Commission.

(e) Rules of measurement or rates of tolls prescribed by the President pursuant to this chapter shall take effect on a date prescribed by the President which is not less than 30 days after he publishes such rules or rates in the Federal Register.

(f) Action to change the rules of measurement for the Panama Canal or the rates of tolls for the use of the Canal pursuant to this chapter shall be subject to judicial review in accordance with chapter 7 of title 5 of the United States Code.

SEC. 414.—INTERIM TOLL ADJUSTMENT.—

(a) After the effective date of this section, the Panama Canal Company may, only in accordance with the procedures set forth in section 413 of this Act for making changes in tolls by the Panama Canal Commission and the President, propose rates of tolls calculated to cover the costs of maintaining and operating the Panama Canal during the first fiscal year of operation beginning on the effective date of this Act. Such proposed rates shall be calculated in accordance with the provisions of section 412(b) of this Act. Such proposed rates of tolls shall be submitted to the President for approval in accordance with section 413 of this Act, except that the President may establish an effective date for such rates which is less than 30 days after the publication in the Federal Register required in subsection (e) of such section.

(b) If change in rates proposed by the Panama Canal Company do not become effective before the date on which the Panama Canal Treaty of 1977 enters into force, the proposed changes of the Panama Canal Company and any proceedings conducted with respect to such proposal before the effective date of this Act shall be considered to be proposed changes in rates of the Panama Canal Commission as fully as if such changes had been proposed originally by the Commission pursuant to this chapter.

(c) This section shall take effect on the date of the enactment of this Act.

PART 2—REGULATION

Chapter 11.—GENERAL REGULATIONS

SEC. 701.—AUTHORITY OF PRESIDENT.—The President may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for the operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the use of aircraft;

(2) the possession and use of alcoholic beverages;

(3) exclusion and removal of persons; and

(4) health and sanitation.

SEC. 702.—AUTHORITY OF COMMISSION.—The Panama Canal Commission may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the keeping and impounding of domestic animals;

(2) fire prevention;

(3) the sale or use of fireworks;

(4) the use of roads and highways;

(5) photographing of areas, objects, installations, and structures;

(6) swimming in the Panama Canal and adjacent waters; and

(7) the protection of wildlife; hunting and fishing.

Chapter 12.—SHIPPING AND NAVIGATION

Subchapter I—Operation of Canal

SEC. 1331.—OPERATING REGULATIONS.—The President may prescribe, and from time to time amend, regulations governing—

(1) the operation of the Panama Canal;

(2) the navigation of the harbors and other waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal;

(3) the passage and control of vessels through the Panama Canal or any part thereof including the locks and approaches thereto;

(4) pilotage in the Canal or the approaches thereto through the adjacent waters; and

(5) the licensing of officers or other operators of vessels navigating the waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal.

Subchapter II—Inspection of Vessels

SEC. 1351.—VESSELS SUBJECT TO INSPECTION.—With the exception of private vessels merely transiting the Panama Canal, and of public vessels of all nations, vessels navigating the waters of the Panama Canal shall be subject to an annual inspection of hulls, boilers, machinery, equipment, and passenger accommodations.

SEC. 1352.—FOREIGN VESSELS.—With respect to a foreign vessel of a country which has inspection laws approximating those of the United States, any such vessel having an unexpired certificate of inspection duly issued by the authorities of such country shall not be subject to an inspection other than that necessary to determine whether the vessel, its boilers, and its lifesaving equipment are as stated in the certificate of inspection. A certificate of inspection may not be accepted as evidence of lawful inspection under this section unless similar privileges are granted to vessels of the United States under the laws of the country to which the vessel belongs.

SEC. 1353. REGULATIONS GOVERNING INSPECTION.—The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

TITLE II.—TREATY TRANSITION PERIOD

Chapter 1.—LAWS CONTINUED IN FORCE

SEC. 1501. LAWS, REGULATIONS, AND ADMINISTRATIVE AUTHORITY.—To the extent not inconsistent with the Panama Canal Treaty of 1977 and related agreements and the provisions of this Act, the Canal Zone Code and other laws, regulations, and administrative authority of the United States applicable in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in force for the purpose of the exercise of the United States of law enforcement and judicial jurisdiction during the transition period provided for in Article XI of the Treaty (hereinafter in this Act referred to as the "transition period").

Chapter 2.—COURTS

SEC. 1511. JURISDICTION.—

(a) During the transition period, the jurisdiction of the United States District Court for the District of the Canal Zone and the magistrates' courts under title 3 of the Canal Zone Code shall be continued, subject to the limitations set forth in Article XI of the Panama Canal Treaty of 1977.

(b) For purposes of the exercise of the jurisdiction provided in Article XI of the Panama Canal Treaty of 1977, the United States District Court and magistrates' courts referred to in subsection (a) shall construe the terms "United States citizen employees", "members of the United States Forces", "civilian component" and "dependents" as such terms are defined in the Panama Canal Treaty of 1977 and related agreements, and shall construe the term "areas and installations made available for the use of the United States' to mean (1) the Panama Canal operating areas and housing areas described in Annex A to the Agreement in Implementation of Article III of that Treaty, (2) the Ports of Balboa and Cristobal described in Annex B to that Agreement, and (3) the Defense Sites and Areas of Military Coordination described in Annex A to the Agreement in Implementation of Article IV of that Treaty.

SEC. 1512. DIVISION AND TERMS OF DISTRICT COURT.—The United States District Court for the District of the Canal Zone may conduct its affairs at such places within the areas made available for the use of the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

SEC. 1513. TERMS OF CERTAIN OFFICES.—Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Canal Zone Code, in the term of office of a district judge, magistrate, United States attorney, or United States marshal appointed after the date of enactment of this Act shall extend for a period of 30 months beginning on the date on which the Panama Canal Treaty of 1977 enters into force, and any such term shall be subject to such extension of time as may be provided for the disposition of pending cases by agreement between the United States and the Republic of Panama, pursuant to the last sentence of paragraph 7 of Article XI of the Panama Canal Treaty of 1977.

SEC. 1514. RESIDENCE REQUIREMENTS.—Sections 5(d), 7(d), 41(d) and 45(d) of title 3 of the Canal Zone Code, the second sentence of section 42 of such title, and the second sentence of section 82(c) of such title, which provisions require that certain court officials reside in the Canal Zone, are hereby repealed.

SEC. 1515. SPECIAL DISTRICT JUDGE.—

(a) Section 6 of title 3 of the Canal Zone Code is amended to read as follows:

"6. Special district judge

The chief judge of the judicial circuit of the United States in which the district court lies may designate and assign a special district judge to act when necessary—

(1) during the absence of the district judge;

(2) during the disability or disqualification of the district judge because of sickness or otherwise to discharge his duties; or

(3) when there is a vacancy in the office of district judge.".

(b) Each designation and assignment by the chief judge under subsection (a) shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

SEC. 1516. MAGISTRATES' COURTS.—

(a) The two magistrates' courts established pursuant to section 81 of title 3 of the Canal Zone Code and existing immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in operation for a period of 30 months beginning on such date unless terminated during such 30-month period under subsection (b) of this section.

(b) During the 30-month period referred to in subsection (a), the President may terminate one or both magistrates' courts, together with the positions of magistrate and constable corresponding thereto, if the President determines that the workload is insufficient to warrant continuance of either or both courts. If one of the courts is so terminated, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the terminated court and shall take custody of and administer all records of the terminated court.

(c) If both magistrates' courts are terminated under subsection (b)—

(1) the United States District Court for the District of the Canal Zone shall exercise the jurisdiction of the magistrates' courts;

(2) all records of the magistrates' courts shall be transferred to and shall be considered to be records of the district court;

(3) a criminal action that otherwise would have come within the original jurisdiction of the magistrates' courts shall be instituted in the district court by a complaint executed pursuant to section 3701 of title 6 of the Canal Zone Code, and the law and rules applicable in the district court shall thereafter apply;

(4) all other criminal actions shall be instituted in the district court by the filing in each case of an information pursuant to chapter 213 of title 6 of the Canal Zone Code; and

(5) the provisions of section 172 of title 3 and sections 3801–3806 of title 6 of the Canal Zone Code, relating to preliminary examinations, shall not apply.

Chapter 3.—ATTORNEYS

SEC. 1521. OATH OF ATTORNEYS.—Section 543 of title 3 of the Canal Zone Code is amended to read as follows:

"543. Oath of Attorneys Admitted to Bar

Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge.".

Chapter 4.—TRANSITION AUTHORITY

SEC. 1531. TRANSITION AUTHORITY OF PRESIDENT.—Except as expressly provided to the contrary in this Act, in any other statute, or in the Panama Canal Treaty of 1977 and related agreements, any authority necessary for the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the President.

TITLE III—GENERAL PROVISIONS

Chapter 1—CEMETERIES

SEC. 1601.—ADMINISTRATION OF COROZAL CEMETERY.

(a) On or after the effective date of this chapter, the President may enter into an agreement with the Republic of Panama for the administration by the American Battle Monuments Commission of such part of Corozal Cemetery in the Canal Zone as encompasses the remains of citizens of the United States. Such agreement shall provide for the administration of such part of Corozal Cemetery by the American Battle Monuments Commission free of all taxes and other charges and without compensation to the Republic of Panama, and in accordance with the pratcices, privileges and immunities associated with the administration of cemeteries outside the United States by the American Battle Monuments Commission, including the display of the flag of the United States.

(b) Upon the conclusion of the agreement with the Republic of Panama referred to in subsection (a) of this section, the President may transfer to the American Battle Monuments Commission the administration of such part of Corozal Cemetery as encompasses the remains of citizens of the United States.

SEC. 1602. DISINTERMENT AND REINTERMENT OF REMAINS OF UNITED STATES CITIZENS.—

(a) On or after the effective date of this chapter, the President may provide for—

(1) the removal of the remains of citizens of the United States from Mount Hope Cemetery in the Canal Zone to such part of Corozal Cemetery in the Canal Zone as encompasses the remains of citizens of the United States, or, upon the request of the next of kin, for the transportation of such remains from Mount Hope Cemetery to the United States for reinterment; and

(2) upon the request of the next of kin not later than thirty months after the date on which the Treaty between the United States and Panama Concerning the Permanent Neutrality and Operation of the Panama Canal, signed September 7, 1977, enters into force, the transportation to the United States for reinterment of the remains of citizens of the United States interred in Corozal Cemetery.

(b) The remains of any United States citizen whose next of kin objects in writing to the Secretary of the Army not later than three months after the date of the exchange of the instruments of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, signed September 7, 1977, may not be removed from Mount Hope Cemetery under subsection (a) of this section. Before the date on which such Treaty enters into force, the President shall fully advise the next of kin objecting under this subsection of all available options in reference to the remains of United States citizens and of the implications of such options.

SEC. 1603. COSTS.—

(a) The President may provide for the removal and reinterment of the remains of United States citizens pursuant to this chapter through any agency of the United States. The costs of such removal and reinterment may be paid out of any appropriations available to such agencies and shall not be treated as expenditures for the maintenance and operation of the Panama Canal for purposes of section 412 of this Act.

(b) Costs paid from appropriated funds pursuant to subsection (a) of this section shall include costs incurred for disinterment, preparation, cremation, transportation, and reinterment, but may not include costs incurred for caskets, urns, funeral home services, vaults, plots, or crypts, which costs shall be borne by the next of kin.

SEC. 1604. EFFECTIVE DATE.—

The provisions of this chapter shall take effect on the date of the enactment of this Act.

Chapter 2—IMMIGRATION

SEC. 1611.—SPECIAL IMMIGRANTS.—

(a) Section 101(a)(27)) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who is resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year or more, and his accompanying spouse and children; or

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been faithfully employed by the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissability to the United States, is

amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27)."

(c) The amendments made by this section shall take effect on the date of the enactment of this Act.

Chapter 3—AMENDMENTS; REPEALS; EFFECTIVE DATE

SEC. 1621.—CONFORMING AMENDMENTS.—

(a) Clause (vii) of section 5102(a) of title 5 of the United States Code is amended to read as follows:

"(vii) the Panama Canal Commission; or".

(b) The second sentence of section 403(a) of title 39 of the United States Code is amended by striking out "Except as provided in the Canal Zone Code, the" and inserting in lieu thereof "The".

(c) Section 3401(b) of title 39 of the United States Code is amended by inserting "or" immediately before "the Virgin Islands" and by striking out "or the Canal Zone,".

(d) Section 3402 of title 39 of the United States Code is amended—

(1) in subsection (a) by striking out "(a)" and by striking out "each post office in the Canal Zone postal service" and inserting in lieu thereof "each military post of the United States Forces in the Republic of Panama"; and

(2) by striking out subsection (b).

(e) Section 3682(b)(5) of title 39 of the United States Code is amended by striking out "the Canal Zone and".

(f) Section 1 of title II of the Act of June 15, 1917 (50 U.S.C. 191), is amended—

(1) by striking out the second paragraph; and

(2) in subsection (b) of the last paragraph by striking out "the Canal Zone,".

(g) Section 1 of title XIII of the Act of June 15, 1917 (50 U.S.C. 195), is amended by striking out "the Canal Zone and".

(h) The first section of the Act of August 9, 1964 (50 U.S.C. 196), is amended by striking out ", including the Canal Zone,".

(i) Title I of the Act of November 27, 1973 (87 Stat. 636), is amended by striking out the heading "Payment to the Republic of Panama" and all that follows that relates to that heading.

SEC. 1622.—REPEALS.—The following provisions of law are hereby repealed:

(1) Title 2 of the Canal Zone Code.

(2) Sections 2 and 3 of title 3 of the Canal Zone Code.

(3) Subchapter III of chapter 237 of title 6 of the Canal Zone Code.

(4) Subsection (d) of section 38 of the Arms Export Control Act (22 U.S.C. 2778(d)).

(5) Section 4 of the Act of November 15, 1941 (50 U.S.C. 191b).

SEC. 1623. EFFECTIVE DATE.—Except as provided in sections 202, 203, 414, 1511, 1604, and 1611 of this Act, the provisions of this Act shall take effect on the date on which the Panama Canal Treaty of 1977 enters into force.

SECTION-BY-SECTION ANALYSIS,
PANAMA CANAL ACT OF 1979

Section 1. This section provides a short title, the "Panama Canal Act of 1979". That title is consistent with the popular name of the basic legislation governing the operation of the canal since its completion, the Panama Canal Act of August 24, 1912.

Section 2. Purpose of Act. This section emphasizes the basic purpose of the Act to provide for the operation and maintenance of the Panama Canal and for the exercise of the rights and performance of duties of the United States under the 1977 treaties. This statement of the purpose is substantially broader than that found in section 1 of the Executive Branch draft, in that it recognizes the responsibilities of Congress under the Constitution that are broader than implementation of the treaty.

Section 3. Applicable Laws. Although title two of the Canal Zone Code certain provisions of the general laws of the United States are repealed by section 1611 of the bill, titles 1, and 3 through 8 of the Canal Zone Code and other general laws now applicable in the Canal Zone are left in effect for purposes of exercise by the United States of authority recognized by the treaty. Sections 3(a) and 3(b) based on paragraphs (a) and (b) of section 401 of the Executive Branch draft, recognize that such provisions of law, insofar as they are applicable by virtue of the territorial jurisdiction of the United States in the Canal Zone prior to the 1977 treaty, continue in force only for the purposes of exercising the authority vested in the United States by the treaty.

Paragraph (c), based on Executive Branch sections 2(c) and 511, provides for changes in terminology in the laws continued in force by paragraph (a) to conform to the requirements of the treaty, and the provisions of title 2 of the Canal Zone Code as revised and incorporated in title 1 of this Bill, such as substitution of the name "Panama Canal Commission" for that of the "Panama Canal Company" as the agency operating the canal, and in some cases for the name of the separate Government agency now called the "Canal Zone Government", and for the title of the head of that agency, the "Governor of the Canal Zone."

The term "Government of the Canal Zone", however, would be replaced by the term "United States of America". Unlike "Canal Zone Government" which is the name of a government unit, "Government of the Canal Zone" is the generic term for the local governmental authority in the present Canal Zone. To the extent that this authority could be exercised under the Treaty, it will inhere in the United States. Finally, insofar as laws of the United States which refer to the Canal Zone apply to events occurring after the effective date of the new Treaty, the phrase "Canal Zone" is redefined to refer to areas and installations used or regulated by the United States pursuant to the Treaty.

TITLE I—ADMINISTRATION AND REGULATION

Part I. Administration

Chapter 1. Panama Canal Commission

This chapter restores the concept under which the canal operated until 1951, that the agency operating the canal is subject to the same fiscal and administrative controls as are applicable to Government agencies generally. The most conspicuous effect of this arrangement is that all revenues derived from the operation of the canal are to be paid into the Treasury and expenditures are to be made pursuant to Congressional authorization and appropriations.

Section 101. Panama Canal Commission. The treaty (Article III, paragraph 3) provides that the United States will carry out its responsibilities for operation of the Canal by means of a United States Government agency called the "Panama Canal Commission" constituted by and in conformity with the laws of the United States (Article III, paragraph 3), and that upon entry into force of the treaty, the Government agencies known as the Panama Canal Company and Canal Zone Government will cease to operate (Article III, paragraph 10).

Section 101 of the Bill replaces the Panama Canal Company by a new agency called the Panama Canal Commission. The new agency will be subject to the laws of the United States applicable generally to other Government departments and agencies other than those established as Government corporation Control Act. Apart from that general provision of section 101 that the agency is established for the maintenance and operation of the Canal and the facilities and appurtenances related thereto, the authority and responsibilities of the agency are spelled out by the further provisions of the bill and by the general laws of the United States referred to above.

Section 101 differs from the Executive Branch draft which continues the Panama Canal Company under a new name—the Panama Canal Commission—subject to most of the statutory provisions which now govern the Company, as amended in some particulars. (See Executive Branch 201 and Executive Branch Section-by-Section Analysis, chapter 1 of title II.)

Section 101 also differs from the Executive Branch draft in the express provision for operations of the Commission to be carried out under the direction of the Secretary of Defense. The Executive Branch draft leaves unchanged the provision of the present law that the interests of the United States as owner of the corporate agency shall be represented by the President of the United States or such officer as he may designate, called the "stockholder" (2 Canal Zone Code 62). Under this provision the President has in the past designated the Secretary of the Army as stockholder (35 CR 3.2) but as a practical matter the Secretary of the Army has exercised that delegated authority subject to the direction of the Secretary of Defense. Section 101 continues this arrangement by placing the responsibility for Executive oversight of canal operations in the Secretary of Defense who may, if he so desires, delegate the responsibility in whole or in part to the Secretary of the Army.

Although it is not contemplated that the provisions of this section will make the Panama Canal Commission a part of the Department of Defense, it is considered that consolidation of oversight responsibility in the Secretary of Defense is particularly appropriate in view of the relationship of that responsibility to the related duties of the Secretary of Defense in respect to the protection and defense of the Canal under the provisions of the 1977 treaties.

Section 102. Supervisory Board. Paragraph 3(a) of Article III of the treaty provides that the Panama Canal Commission "shall be supervised by a Board" consisting of nine members, five of whom shall be nationals of the United States and four of whom shall be nationals of Panama.

Section 102 of the bill establishes such a board. Consistent with the provisions of section 101 establishing the Commission as such, section 102 provides that the Board shall supervise the Commission under the direction of the Secretary of Defense. Except for the Secretary of Defense or an officer of the Department of Defense designated by him, the section limits membership on the Board to persons who are not officers or employees of either the United States or Panama. Experience with the operations of the Panama Canal Company with Boards of Directors selected predominantly from the private sector and other Boards composed predominantly of Government officials suggests that orientation of the members of the Board to private business and professional experience is preferable to a parochial approach resulting from identification with the particular interests of one or another department of the Government. Coordination of matters of Government policy with other departments and agencies is required in the management of all Government agencies, and the means for effecting that coordination will be available to the Panama Canal Commission through established channels.

Paragraph (b) of section 102 provides for appointment of the supervisory board by the President with Senate confirmation. Provision that the members serve at the pleasure of the President, without fixed terms, reinforces other provisions of the bill intended to insure that the operation of the Canal will be fully responsive to U.S. Government policy.

Section 102(b) continues the requirement of 2 C.Z. Code 63, applicable to the Board of Directors of the Panama Canal Company, that the members of the Board take an oath faithfully to discharge the duties of their office. This requirement, also continued in the same form in Executive Branch 205, requires an oath substantially less comprehensive than that established for officers of the United States by 5 U.S.C. § 3331, although the oath prescribed by the latter section is that now administered to members of the Board of Directors of the Panama Canal Company.

Section 102(c) provides that the Commission shall hold meetings in accordance with "regulations" rather than by-laws adopted by the Commission. The subsection also requires approval of the regulations by the Secretary of Defense, a requirement not included in the corresponding provision of Executive Brance 206.

Section 102(c) of this bill also includes the requirement of Executive Branch 206 that a quorum of the board include a majority of members who are United States nationals. There is no corresponding provision in 2 C.Z. Code 63, probably because appointment of directors who were not citizens of the United States was not contemplated at the time that section was enacted and later amended.

Section 103. Administrator. Paragraph 3(c) of Article III of the 1977 treaty provides that the United States shall "employ" a United States national as "Administrator" of the Commission, and a Panamanian national as Deputy Administrator through December 31, 1989, and that thereafter a Panamanian national shall be employed as Administrator and a U.S. national as Deputy Administrator. The treaty contains no provision defining the duties of either position.

Section 103 provides for appointment of the Administrator by the President with the advice and consent of the Senate. The section establishes the tenure of the appointee as subject to the pleasure of the President, to reinforce the control of the operation by the United States. In the absence of any inconsistent provision of the bill, the treaty provisions in regard to the nationality of the Administrator would continue in effect.

Section 103(b) establishes the compensation of the Administrator at Level 5 of the Executive Pay Schedule.

Section 103 differs from Executive Branch 207, which does not provide for Senate confirmation of the Administrator but does provide that the Administrator shall be the Chief Executive Officer of the Commission. Executive Branch 207 contains no provisions on tenure or compensation.

Section 103 differs from the Executive Branch draft (E.B. 207) in that E.B. 207:

(a) Does not provide for Senate confirmation of the President's appointment of the Administrator;

(b) Provides that "subject to the direction and under the supervision of the Board," the Administrator shall be the Chief Executive Officer of the Commission;

(c) Does not make any provision in regard to compensation of the Administrator;

(d) Combines provisions for the appointment of the Administrator and Deputy Administrator in one section.

Section 104. Deputy Administrator and Chief Engineer. This section provides for appointment by the President with confirmation by the Senate of (1) a Deputy Administrator (a position established by paragraph 3(c) of Article III of the treaty) and (2) a Chief Engineer. The section provides that both these officials shall perform duties prescribed by the President and shall be paid at rates not exceeding Grade 18 of the General Schedule.

The fact that the treaty expressly contemplates appointment of an Administrator and a Deputy Administrator, does not of course, preclude provision for appointment of other officers or action by the Congress, the President, or other official to establish the duties of all the officers of the Commission.

The fact that the maintenance and operation of the canal primarily involves engineering problems suggests the desirability of appointment of a competent engineer as a senior official in the administration of the canal organization. This factor has been recognized in provisions for the organization of the agency operating the canal from the time of its construction.

Section 105. Consultative Committee. Paragraph 7 of Article III of the 1977 treaty provides that the United States and Panama "shall establish" a Panama Canal Consultative Committee composed of an equal number of representatives of each country to "advise" the two countries on matters of policy affecting the Canal's operation including tolls policy, employment and training policies to increase the participation of Panamanian nationals in the operation of the Canal, and international policies on matters concerning the Canal. Recommendations of the Committee are to be transmitted to the two Governments "which shall give such recommendations full consideration in the formulation of such policy decisions."

Paragraph 7 of Article III of the treaty presents difficult problems in the formulation of legislation to provide for operation of the Canal.

The treaty does not establish the consultative committee but provides that the two Governments shall do so. The function of the committee specified by the treaty is to advise the United States and Panama on the basic policies that lie at the core of the operation of the canal. The subject matter specified by the treaty for consideration of the consultative committee, i.e. policies in regard to tolls, employment and international matters concerning the canal, embrace matters that are committed to the United States by paragraph 2 of the same Article of the treaty and committed by the Constitution to the legislative power of the Congress to regulate commerce and establish regulations governing use of the property of the United States.

It follows that the function of the consultative committee contemplated by the treaty is a legislative function and under the Constitution the power to establish the Commission and prescribe its duties rests with the Congress.

The purpose and effect of the provision of paragraph 7 of Article III, that the consultative committee shall advise the United States and Panama on matters of policy affecting the canal's operation and that the two Governments shall give such recommendations full consideration in the formulation of policy decisions is unclear, inasmuch as the policy matters on which the committee is to give advice are those committed by the treaty to the United States alone and are not matters for decision by the Government of Panama.

Section 105 of the bill resolves the question raised by paragraph 7 of Article III of the treaty by establishing the Panama Canal Consultative Committee composed of five representatives of the United States and an equal number of representatives of the Republic of Panama. Two of the members representing the United States on the committee are to be appointed by the President *pro tempore* of the Senate, two members are to be appointed by the Speaker of the House, and one member is to be appointed by the President. Members of the Committee representing the Republic of Panama are to be appointed by the President on recommendation of the Government of Panama. All members of the Committee will serve at the pleasure of the appointing officer.

Members of the Committee are to serve without compensation but may be paid a per diem and travel expenses for travel required in performance of service for the Committee, in accordance with section 107 of the bill.

Section 105(c) provides for submission of the Committee's advice to the Congress through the President before any action is taken to make effective any change in the maintenance and operation or management of the canal based on the advice of the Committee and that such action shall not become effective if disapproved by resolution of either the House or the Senate. This provision will enable the Congress to consider the advice of the Committee on matters that are essentially legislative in nature and take such legislative action as may be appropriate.

Section 101(d) of the Executive Branch draft provides only that the President shall designate and the Secretary of Defense shall coordinate the participation of representatives of the United States to the consultative committee "to be established" under paragraph 7 of Article III of the Treaty.

Section 106. Commission on the Environment. Paragraph 2 of Article VI provides that a Joint Commission on the Environment shall be established with equal representation "from" the United States and Panama to review implementation of the treaty and make recommendations for protection of the environment from adverse effects resulting from actions taken pursuant to the treaty.

Section 106 of the bill authorizes the President to establish the Joint Commission contemplated by paragraph 2 of Article VI of the treaty, composed of not more than three representatives of the United States and three representatives of the Republic of Panama. The representatives of the United States on the Commission are to be appointed by the President, subject to confirmation by the Senate, and will serve at the pleasure of the President. Members of the Commission will serve without compensation but may be paid necessary travel expenses under section 107.

Section 101(a) of the Executive Branch draft provides only that the President shall appoint the representatives of the United States to the Commission "to be established" under paragraph 2 of Article VI of the treaty.

Section 107. Travel Expenses. This section provides that members of the Supervisory Board and members representing the United States on the Panama Canal Consultative Committee and Joint Commission on the Environment, all of whom will serve without compensation under the provisions of the bill, may be paid travel expenses in the same manner as persons employed intermittently in Government service under 5 U.S.C. § 5703(b).

There is no comparable provision in the Executive Branch draft.

2 Canal Zone Code 63(b) which would be left in effect by the Executive Branch draft, now provides that members of the Board of Directors of the Panama Canal Company may be paid a "reasonable" per diem allowance in lieu of expenses in connection with meetings of the Board or in connection with time spent on social service of the Company and travel expenses, in amounts established by the Board with the approval of the stockholder, without regard to the Travel Expense Act of 1949, as amended (now 5 U.S.C.).

Section 107 of this bill is a provision commonly included in legislation estab-

lishing boards, commissions and other bodies the members of which serve without compensation.

Section 108. Control by Armed Forces in Time of War. This section continues in effect a provision originally enacted as section 13 of the Panama Canal Act of August 24, 1912 (37 Stat. 569) authorizing the President to order the Armed Forces of the United States to assume exclusive authority over the operation of the canal in time of war or when, in the opinion of the President, war is imminent. The provision is presently incorporated in section 34 of title 2 of the Canal Zone Code. Since the opening of the canal, the authority vested in the President by this provision has been invoked by the President in the first and second World Wars. (Unnumbered Executive Order of April 9, 1917; Executive Order No. 8232 of September 5, 1939).

The Executive Branch draft repeals section 34 of title 2 of the Canal Zone Code in paragraph (a) of section 103 headed "Security Legislation" and includes no comparable provisions elsewhere in the draft. The section-by-section analysis of the Executive Branch draft, prepared by the Department of State, describes section 34 as a section that "deals with the authority of the President . . . over certain military activities within the Canal Zone" and states that the section is repealed "to reflect the termination of the Canal Zone and of the Office of the Governor." The analysis of the section goes on to add that "after the effective date of the treaty, authority over the U.S. Forces in Panama will be exercised in accordance with the normal chain of command."

The purpose of section 108 and its predecessor provisions is to integrate operation and defense of the United States in time of war or when war is imminently threatened. The section has nothing to do with what laws apply for the government of the area in which the canal is located. It does not provide for martial law or affect the military chain of command in that area; it does make the operation of the canal subject to control by the military officer designated and subjects the officials in charge of the peacetime operation of the canal to the order and direction of the officer so designated.

Nothing in the 1977 treaty affects the power of the United States to provide for control of the operation of the canal by the Armed Forces in time of war or in time of peace. The treaty provides for operation of the canal through an agency of the United States established by and in conformity with the laws of the United States. Provisions of the treaty for protection of the canal by United States and Panama in no way restrict the authority of the United States to enact laws providing for operation of the canal with appropriate consideration of the circumstances affecting that operation in time of war or when war is imminent.

Section 109. Authority of the Ambassador. This section, based on section 102 of the Executive Branch draft, excludes the Panama Canal Commission from the operation of 22 U.S.C. 2680a(1) which provides that the U.S. Ambassador to a foreign country shall have full responsibility for the "direction, coordination, and supervision" of all U.S. Government officers and employees in that country, except personnel under the command of a United States area military commander.

This provision is obviously inconsistent with the provisions of this bill, or of any legislation establishing authority and responsibility for operation of the canal in a government agency with a prescribed organizational structure that does not include the Ambassador as the supervisory authority.

On the other hand section 109(a) reenacts for the canal organization the provision of 22 U.S.C. 2680(a)(3) requiring a government agency in a foreign country to keep the U.S. Ambassador currently informed with respect to the activities and operations of its officers and employees in that country, but without the provision that the agency shall insure that its officers and employees comply with all "applicable directives" of the Ambassador.

Section 109 of this bill substitutes the Panama Canal Commission for the Administrator in the language adopted from section 102 of the Executive Branch draft.

Chapter 3. Employees

This chapter follows the form and organization of chapter 7 of title 2 of the Canal Zone Code. Some provisions of chapter 7 of title 2 of the Canal Zone Code are reenacted with appropriate changes in terminology required by the 1977 treaty and other provisions of this bill.

Chapter 7 of title 2 of the Canal Zone Code now contains five subchapters headed, respectively:

I. Canal Zone Government Employees.
II. Panama Canal Employees.
III. Wage and Employment Practices.
IV. Retirement and Other Benefits.
V. Miscellaneous.

This bill consolidates subchapters I, II, and V of the Canal Zone Code chapter 7 into one subchapter headed "Panama Canal Commission Personnel" and contains a total of six subchapters as follows:

I. Panama Canal Personnel.
II. Wage and Employment Practices.
III. Conditions of Employment and Placement.
IV. Retirement.
V. Leave.
VI. Application to Related Personnel.
VII. Labor-Management Relations.

Special provisions for the benefit of employees affected by the treaty included in the Executive Branch draft have been incorporated without substantial change. The explanation of those sections has been taken from the sectional analysis accompanying the Executive Branch draft.

Subchapter I—Panama Canal Personnel

Section 120. Appointment and Compensation; Duties. This section, based on 2 CZ Code 101 and 121, with appropriate changes in terminology required by the 1977 treaty, authorizes the Panama Canal Commission to appoint, fix the compensation of, define the duties and conditions of employment of personnel necessary to operate the canal, other than the Administrator, the Deputy Administrator and Chief Engineer who would be appointed by the President under sections 103 and 104 of the bill.

Section 4 of the Panama Act of August 24, 1912 (37 Stat. 561) authorized the President to operate the canal, through a Governor and such other persons as he might deem competent to perform the various duties involved. This authority was rephrased in section 81 of title 2 of the Canal Zone Code which provided that all persons, other than the Governor, necessary for the maintenance and operation of the canal should be appointed by the President or by his authority, be removable at the pleasure of the President, and receive compensation established by the Congress "until such time as Congress may by law regulate the same." The President exercised his authority under this section by Executive Order No. 1888 of February 2, 1914, "Providing Conditions of Employment for the Permanent Force For The Panama Canal". Section 3 of the Act of July 9, 1937 (50 Stat. 487) confirmed the construction given to the employment provisions of the Panama Canal Act (as incorporated in 2 CZ Code (1934) § 81, that the authority of the President under that section extended to prescribing conditions of employment in addition to compensation.

Under its New York charter, the Panama Railroad Company had, of course, the power to appoint necessary officers, employees, agents and attorneys. These powers were continued in the Act of June 29, 1948 reincorporating the Company under the Government Corporation Control Act (62 Stat. 1076) in a new section 248 of title 2 of the Canal Zone Code (1948) enumerating the general powers of the corporation.

The 1950 legislation changing the name of the corporation to Panama Canal Company" and transferring operation of the waterway to the Company did not substantially change the employment powers of the corporation (64 Stat. 1038).

The provisions of 2 CZ Code (1934 ed) § 81, as amended, authorizing the President to appoint and establish the conditions of employment of employees of the Panama Canal agency were continued in effect for the agency, renamed the Canal Zone Government.

The powers of the corporation and of the President were affected by legislation enacted in 1958 to carry into effect certain provisions of the 1955 treaty with Panama (Public Law 85-550, approved July 25, 1958, 72 Stat. 405). When the Canal Zone Code was revised in 1962, the employment provisions derived from the Panama Canal Act of August 12, 1914 were shown in section 101 of title 1, and the employment provisions derived from the 1948 Act reincorporating the Panama Railroad Company were carried into section 121 of title 1. The provisions based on the 1958 legislation were shown in subchapters III and IV of the 1962 edition of the Code.

Section 120(a) of the bill authorizes the Panama Canal Commission to employ the personnel necessary for carrying on the functions of the Commission. Paragraph (a) of the section also includes provision for continuation of the authority of the President to establish conditions of employment for the employees of the Commission in language adapted from the law applicable to the non-corporate agency operating the canal prior to 1950 (2CZ Code (1934 ed) § 81, as amended).

Paragraph (b) of the section, based on 2 CZ Code (1934 ed) § 82, and 2 CZ Code (1963 ed) 121(b), authorizes employment of other government employees and armed forces personnel to serve as officers and employees of the Commission.

Section 121. Transfer of Federal Employees. This section is based on section 306 of the Executive Branch draft. The section-by-section analysis accompanying that draft includes this explanation of the section:

"Section 306. Transfer of Federal Employees to Commission.—

"This section would authorize heads of federal agencies to enter into agreements to transfer or detail their employees to the new Panal Canal Commission for periods of up to five years. Affected employees would be entitled to reemployment with their original agencies without loss of those pay, seniority or rights or benefits to which they would have been entitled had they remained with such agencies. This provision would help implement Article X(5) of the Treaty, which requires the United States to rotate, with certain exceptions, at a maximum of five-year periods, U.S. citizens and other non-Panamanians hired after the Treaty effective date."

Section 122. Compensation of Persons in Uniformed Services. This section continues the provisions of 2 CZ Code 201 concerning compensation of persons in the military, naval or public health service serving with the Panama Canal Company or Canal Zone Government. Changes in terminology are made in the section to conform to the organizational changes provided for by other sections of the bill. 2 CZ Code is amended in similar fashion by section 304 of the Executive Branch bill.

Section 123. Deduction From Compensation of Amounts Due for Supplies or Services. This section continues in effect, with appropriate changes in terminology, provisions found in 2 Canal Zone Code sections 103 and 122, providing for payroll deductions of amounts due to the Canal Zone Government or Panama Canal Company, respectively by officers and employees of those agencies.

Section 301(a) of the Executive Branch draft accomplishes a similar result by repealing present section 122 and renumbering section 103 as section 122, with appropriate changes in terminology.

Section 124. Cost of Living Allowance. Since the time of construction of the canal, the United States Government agencies building and operating the canal have provided sales stores to supply the requirements of employees engaged in the operation. This practice is required to be discontinued by Article III of the treaty and the Annex referred to in paragraph 4 of Article III. However, paragraph 3 of Article XIII of the Agreement in Implementation of Article III of the Treaty permits the United States to furnish similar services to U.S. employees of the Commission in military commissaries and post exchanges for a period of five years after entry into force of the treaty. On the expiration of that five year period such employees will be required to buy exclusively from Panamanian sources and a sharp increase in their cost of living at that time is anticipated.

Section 124 of the bill authorizes payment to U.S. citizen employees of the Commission of a cost of living allowance when eligibility to buy from U.S. military sources comes to an end.

The section is identical to section 324 of the Executive Branch draft.

Section 125. Educational Travel Benefits. This section would entitle dependents of United States citizen employees of the Panama Canal Commission who are eligible for educational travel benefits, to one round trip each year for undergraduate studies in the U.S. until they reach their 23rd birthday. This benefit to employees would provide incentives for employees to stay in their jobs under the new Treaty arrangements. The section is based on section 323 of the Executive Branch draft.

Section 126. Privileges and Immunities of Certain Employees. Paragraph 3 of Article VIII of the Panama Canal Treaty permits the United States to designate not more than 20 officials of the Panama Canal Commission who, with their dependents, will be entitled to enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States is required to furnish the Republic of Panama with current lists of such persons. This provision of the treaty does not of course, confer diplomatic status on the persons selected to receive these privileges.

This section of the bill provides that the persons selected to receive the privileges shall be designated by the Secretary of Defense, as the U.S. official responsible for oversight of the Commission. The section also provides that the list of persons designated by the Secretary of Defense will be submitted to Panama through the Department of State.

Section 105 of the Executive Branch draft provides that the Secretary of State will designate the persons who are to receive the privileges and furnish the list of such persons to Panama.

Section 127. Inapplicability of Certain Benefits to Certain Non-Citizens. The text of this section is based on section 328 of the Executive Branch draft, headed "Applicability of Benefits to Non-Citizens". The analysis accompanying that draft explains the purpose and effect of the section as follows:

"Section 328. Applicability of benefits to Noncitizens.—This section would effect technical amendments to conform certain provisions of personnel law to the new Treaty provisions concerning non-United States citizen employees of the Panama Canal Commission hired after the Treaty effective date who would be covered by the social security system of the Republic of Panama. See Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977. The amendments would make inapplicable to such persons the provisions of title 5 of the United States Code dealing with compensation for work injuries, retirement, life insurance, and health insurance. Coverage under such provisions would continue for non-United States citizen federal employees who had such coverage immediately prior to Treaty effective date."

Subchapter II—Wage and employment practices

This subchapter is a revision of subchapter III of title 2 of the Canal Zone Code which incorporated the provisions of Public Law 85-550 (72 Stat. 405) enacted in 1958 to carry into effect certain provisions of the 1955 treaty with Panama, and agreements accompanying that treaty. Subchapter II of this bill makes changes in the wage and employment system set up by the 1958 legislation as required to conform to the requirements of the 1977 treaty and accompanying agreements. The changes are generally those recommended in various sections of title III of the Executive Branch draft, although in form the organization of that title is somewhat different, as indicated by the analysis of the sections of this and subsequent subchapters.

Section 141. Definitions. This section reenacts the provisions of 2 CZ Code 141, with changes in the definitions of the words "department" and "position" when read with section 142(b) to which it refers. The effect of the change in the definition of "department," is to eliminate the requirement that the Panama Canal Employment System, established by section 142 apply to all U.S. Government Departments and agencies operating in the Canal Zone, and instead make the system applicable to the Panama Canal Commission and such other departments and agencies as may elect to adopt the system.

The definition of "position" is amended to reflect the elimination of references to the Canal Zone as a geographical entity and substitute the "Republic of Panama".

Section 141 of the Canal Zone Code (as renamed "Panama Canal Code") is similarly amended by section 302 of the Executive Branch draft.

Section 142. Applicability of Panama Canal Employment System. This section incorporates, with certain changes described below, the provisions of section 303 of the Executive Branch draft, substituting a Panama Canal Employment System for the general rules governing wage and employment practices in the Canal Zone provided by 2 CZ Code 142 as added by section 3 of the Act of July 25, 1958 (72 Stat. 405), enacted to implement certain provisions of an agreement accompanying the 1955 treaty with Panama. Section 303 of the Executive Branch draft is explained in the section by section analysis accompanying that draft as follows:

"Section 303. Panama Canal Employment System.—

"Section 142(a) of title 2 of the present Canal Zone Code prescribes the general standards governing the system of wage and employment practices governing the Panama Canal Company, the Canal Zone Government and all other U.S. agencies in the present Canal Zone. In place of this general Canal Zone system, section 142(a) would be revised and divided into two parts. First subsection (a) would require the Panama Canal Commission to conduct its wage and employment practices in accordance with the Panama Canal Employment System. The latter system, like the present Canal Zone Merit System, would be established in accordance with applicable Treaty requirements, provisions of law, including in particular section 149 of title 2 of the Panama Canal Code (see, analysis to section 307), and regulations promulgated by or under the authority of the President. The views and recommendations of the Panama Canal Commission with respect to any proposed regulation would have to be sought and taken into account. This would give the Commission a voice in the formulation of applicable employment standards, particularly those affected by the Panama Canal Treaty of 1977.

"Subsection (b) would give other executive agencies (as defined in 5 U.S.C. § 105) in Panama which have their present employment practices governed by the Canal Zone Merit System, the option of electing in whole or in part either to continue under the Panama Canal Employment System, or to adopt their own employment system, e.g., the system otherwise applicable to the agency's employees worldwide."

Paragraph (c) of section 142 of this bill would continue in effect the present provisions of 2 CZ Code 142(b) that authorize the President to exclude any employee or position from any provision of the subchapter and to extend to any employee, whether or not a citizen of the United States the same rights and privileges as those extended by applicable laws and regulations for United States citizens employed in the competitive civil service. These provisions are deleted in the amendment of the section proposed in section 303 of the Executive Branch draft.

Section 143. Employment Standards. This section reenacts, with appropriate changes in terminology to conform the language to other provisions of the bill, 2 CZ Code 143, requiring written standards for determination of qualifications and fitness of employees and applicants, and selection of individuals for appointment, promotion, or transfer.

2 CZ Code 143 is not amended by the Executive Branch draft.

Section 144. Interim Application of Canal Zone Merit System. This section is based on section 304 of the Executive Branch draft, explained in the section by section analysis accompanying that draft as follows:

"Section 304. Continuation of Canal Zone Merit System.—

"This section would continue the Canal Zone Merit System beyond the Treaty effective date if necessary and until such time as the Panama Canal Employment System is established under section 303 of this Bill. This will permit both continuity and an orderly transition in employment practices."

The Canal Zone Merit System was established by Executive Order 11171 of August 18, 1964 (35 CFR 251.21).

Section 145. Compensation. This section reenacts the provisions of 2 CZ Code 144 (a)-(c) authorizing heads of departments to establish and adjust rates of compensation for employees. Subsection (c) of 2 CZ Code 144, limiting compensation to not more than 25% in excess of compensation for similar work in the United States, is eliminated by this section of the bill and transferred to section 147, providing for overseas and recruitment differentials in addition to basic compensation. This section, based on section 305 of the Executive Branch draft, would be applicable not only to the Panama Canal Commission, but also to any department or agency of the United States electing to adopt the Panama Canal

Employment System pursuant to section 142(b).

Section 146. Uniform Application of Standards and Rates. This section, with appropriate changes in internal references to other sections of the bill, reenacts the provisions of 2 CZ Code 145, requiring uniform application of the employment standards and rates of basic compensation without regard to whether the applicant or employee is a citizen of the United States and Panama. 2 CZ Code 145 would be left in effect by the Executive Branch draft.

Section 147. Recruitment and Retention Remuneration. This section provides for payment to certain employees of "recruitment and retention remuneration" in addition to basic compensation with a limitation of total compensation to not more than 25% above rates paid for similar work in the United States. Subsections (a) and (b) are based on the provisions of section 306 of the Executive Branch draft, amending 2 CZ Code 146. In reference to that amendment the section by section analysis accompanying the Executive Branch draft states:

Section 146 is then revised to conform to the new Treaty provisions concerning additional remuneration that may be paid as overseas recruitment and retention differentials (a) to persons already employed on the Treaty effective date, and (b) to persons thereafter recruited outside of Panama for a position in Panama. Section 146 is also revised to provide for the possibility of granting additional remuneration in the form of an overseas recruitment and retention differential to medical doctors employed by the Department of Defense and Panama Canal Commission. The present section authorizes a tax allowance intended to equalize the take-home basic compensation of United States citizens and non-United States citizens and an overseas "tropical" differential, with an overall ceiling of 25%. The proposed revision would allow payment in such amounts as the head of the agency concerned determined should be paid as overseas recruitment and retention differentials. Without this authority to pay incentive differentials, the Panama Canal Commission, as well as other United States Government agencies in the Republic of Panama, might have difficulty in recruiting and retaining both United States and non-United States citizens, particularly in certain critical skills, which are necessary for the continued effective operation of the Canal and essential support activities."

Subsection (c) makes inapplicable to persons employed in Panama by the Panama Canal Commission or an agency that elects to be covered by the Panama Canal Employment System under section 142(b), the provisions of title 5 of the U.S. Code governing payment of overseas differentials to employees of the United States generally. This provision is included in section 330(b) of the Executive Branch draft.

Section 148. Benefits Based on Compensation. This section reenacts 2 CZ Code 148, with appropriate changes in internal references. The effect of the section is to provide for the use of an employee's full compensation, including any differential, for purposes of computation of retirement and other benefits. 2 CZ Code 148 would be left in effect by the draft bill proposed by the Executive Branch.

Section 149. Merit and Other Employment Requirements.—This section amending 2 CZ Code 149 is based on section 307 of the Executive Branch draft bill. The section by section analysis accompanying that draft explains the purpose of the amendment as follows:

"Section 307. Merit and Other Employment Requirements.—This would amend section 149 of title 2 of the redesignated Panama Canal Code, relating to the merit standard and other employment system requirements. Subsection (a) would authorize the President by regulation to amend or modify the Panama Canal Employment System consistent with section 142(a) as amended by section 303 of this Bill. As in the latter section, the views and recommendations of the new Panama Canal Commission would have to be sought and taken into account.

"Subsection (b) combines the subsections (b) and (c) of the present section 149, and makes revisions required by the Treaty. In particular, the merit standard for personnel decisions would be limited by the requirements in Article X of the Treaty establishing certain preferences for Panamanians. Apart from such limitations, however, the merit standard would continue to apply. As with the present Canal Zone Merit System, the Panama Canal Employment System would be required to conform generally to policies, principles and standards established under the Civil Service Act, and could provide for interchange of U.S. citizen employees between this employment system and the competitive civil service."

Section 150. Salary Protection Upon Conversion of Compensation Base. This section reenacts 2 CZ Code 150, as added by section 11 of the Act of July 25, 1958 (72 Stat. 409), affording protection against reductions in pay for employees whose basic rate of compensation is changed from comparability to the rate paid in the United States to another basis. The section would also continue in effect, without specific reference, by the draft bill submitted by the Executive Branch.

Section 151. Review and Adjustment of Classification, Grades and Pay Level. This section is a reenactment of 2 CZ Code 151, as added by section 12 of the Act of July 25, 1958 (72 Stat. 409), providing for administrative review, upon request of an employer, of his classification, grade or pay level. The section would also be continued in effect under the draft bill submitteed by the Executive Branch.

Section 152. Same; Panama Canal Board of Appeals; Duties. This section reenacts 2 CZ Code 152, as added by section 12 of the Act of July 25, 1958, establishes a Board of Appeals, to be appointed by the President or his designee, to hear appeals of employees from adverse determinations under section 151, as provided in section 153. The provisions of this section would also be continued in effect under the draft bill submitteed by the Executive Branch.

Section 153. Same; Appeals to Board; Procedure; Finality of Decisions. This section reenacts, with appropriate changes in terminology, the provisions of 2 CZ Code 153, as added by section 12 of the Act of July 25, 1958 (72 Stat. 409) regulating the processing of employee appeals from adverse determinations under section 151. The provisions of this section would be continued in effect under the draft bill submitted by the Executive Branch.

Section 155. Administration by the President. This section reenacts with certain changes, 2 CZ Code 155, as added by section 15 of the Act of July 25, 1958 (72 Stat. 411) providing for administration of the subchapter under regulations issued by the President. The changes in the section are those provided in section 308 of the Executive Branch draft described as follows in the section by section analysis accompanying that draft:

"Section 308. Regulations, Examining Office.—

"This section would amend section 155 of title 2 of the present Canal Zone Code, which now authorizes the President to coordinate and promulgate regulations concerning the employment practices of departments and agencies in the Canal Zone. As amended, the section would require interagency coordination only in the event that an executive agency other than the Panama Canal Commission elected to participate in the Panama Canal Employment System under section 142 (b) as revised by section 303 of this Bill.

"Subsection (b) as amended would authorize the President to establish, in conjunction with the Panama Canal Employment System, a central examining office like the one presently in the Canal Zone. However, such an office would be required to be a part of the Panama Canal Commission and to perform functions relating to recruitment, examination and determination of qualification standards in accordance with the Panama Canal Treaty and related agreements, particularly Article X of the Treaty."

Section 156. Applicability of Other Laws. This section reenacts 2 CZ Code 156, as added by section 17 of the Act of July 25, 1958 (72 Stat. 411), which now provides that nothing in provisions incorporated in this subchapter affect the application of the Veterans' Preference Act of 1944; section 6 of the Lloyd-LaFollette Act of August 24, 1912, or, to the extent applicable to certain classes of employees on the date of the Act, section 23 of the Independent Offices Appropriations Act, 1935 or section 205 of the Federal Employees Pay Act of 1945. The section has been revised to reflect the effect of codification and enactment into positive law of title 5 of the United States Code by the Act of September 6, 1966 (80 Stat. 378).

The Executive Branch draft would leave 2 CZ Code 156 in effect without amendment.

Subchapter III—Conditions of employment and placement

Section 202. Transferred Employees. Paragraph (a) of this section, a new section providing protection of employees against loss of benefits in transfers brought about by the 1977 treaty, is taken from section 321 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that bill describes the purpose and intent of that section as follows:

"Section 321. Transferred Employees.—This section would add a new section 202 to title 2 of the Canal Zone Code, requiring that, pursuant to Article X(2)(b) of the Treaty, specified terms and conditions of employment applicable to employees of the Canal Zone Government and the Panama Canal Company who are transferred to employment with the Panama Canal Commission be generally no less favorable than those applied to them prior to the Treaty. This protection would also be extended to employees transferred to other U.S. agencies in Panama."

Paragraphs (b) and (c) incorporate provisions of section 330 (c) and (d), respectively, of the Executive Branch draft bill, both of which relate to provisions of the U.S. Code affecting employees who will be transferred as a result of the treaty.

Paragraph (b) amends two provisions of title 20 of the U.S. Code relating to rates of pay and leave of teachers employed in the Department of Defense to make such provisions inapplicable to teachers employed by the Canal Zone Government who are transferred to the Department of Defense overseas school system.

Paragraph (c) amends three sections of title 5 of the U.S. Code relating to severance pay (§ 5595), relocation of transferred employees (§ 5724a), and compensation for injury or death of an employee (§ 8102) to change references to the Canal Zone to references to areas in Panama used or regulated by the United States pursuant to the 1977 treaty. These provisions represent specific applications of the general formula set out in section 3(c) of the bill.

Section 203. Placement. This is a new section providing for assistance in placement in other employment for United States citizen employees of the Panama Canal Company or Canal Zone Government who are separated on the effective date of the treaty or thereafter during the life of the treaty, and for United States citizen employees of any U.S. Government agency in the Canal Zone whose positions are eliminated as a result of the treaty. The section is based on section 322 of the draft bill submitted by the Executive Branch and is described as follows in the analysis accompanying that draft:

"Section 322. Placement.—This section would add a new section 203 of title 2 of the Canal Zone Code, according appropriate placement assistance including priority placement to vacancies with the United States Government in the United States, for United States citizen employees of the Canal Zone Government and Panama Canal Company who on or any time after the Treaty effective date separate from employment for any reason other than misconduct or delinquency and are not placed in other appropriate positions with the United States Government in Panama. Subsection (b) extends the placement assistance contained in subsection (a) to employees of other U.S. agencies in Panama whose positions are eliminated as a result of implementation of the Treaty. Subsection (c) directs the Civil Service Commission to develop and administer a placement program for all eligible employees who request assistance."

Subchapter IV—Retirement

Section 205. Early Retirement Eligibility. This section amends the Civil Service Retirement Act to provide early retirement of employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission or any Executive agency in the Canal Zone who are involuntarily separated as a result of the treaty, or in the case of employees of the Panama Canal Company and Canal Zone Government, who voluntarily retire and who meet the age and service requirements set out in the section. Annuities are computed under the provisions of section 206.

Section 206. Early Retirement Computation. This section amends the civil service retirement act to provide more liberal computation of retirement annuities for employees who retire under section 205.

Sections 205 and 206 are based on sections 325 and 326 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that bill contains the following explanation of the purpose and intent of the provisions of these two sections:

"Employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission and any Executive agency in the Canal Zone, who are involuntarily separated or scheduled to be separated as a result of implementation of the Treaty will be eligible to retire if they have 18 years service and are 48 years old. Persons employed by the Panama Canal Company or the Canal Zone Government prior to the exchange of instruments of ratification of the Treaty or prior to its effective date, including some employees who are transferred to the Panama Canal Commission or an Executive agency in the Republic of Panama, and who have at least 18 years of service and are 48 years old or who have 23 years of service at any age elect to voluntarily retire if they do not wish to continue Federal employment in the Republic of Panama. There will be no reduction in the computation of the annuity because of the age at which an employee retires.

"Employees of the Panama Canal Company or Canal Zone Government who continue employment with the new Panama Canal Commission or other Executive agency in the Republic of Panama will have their annuity computed at 2½ percent for each full year they continue in such employment after the effective date of the Treaty up to a maximum of 20 years.

"Law enforcement officers and firefighters with at least 18 years of service as law enforcement officers or firefighters and who are at least 48 years of age when separated will have their annuities computed at 2½ percent for each year of service (up to 20 years). Employees who separate prior to completing 18 years of law enforcement or fire service and reaching 48 years of age will have their annuities increased by $12 for each month of law enforcement or fire service (not to exceed 20 years) prior to the effective date of the Treaty. Law enforcement officers and firefighters will receive an additional annuity of $8 for each month of such service after the entry into force of the Treaty until they have served a total of 20 years as law enforcement officers or firefighters."

Section 207. Non-Citizen Retirement; Transfer to Panama Social Security System. This section is derived from section 329 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that draft describes the purpose and intent of the section as follows:

"Section 329. Non-U.S. Citizen Retirement.—Subsections (a) and (b) relate to persons separated from employment with the present Canal agencies or the Panama Canal Commission, as a result of the implementation of the new Treaty and related agreements, who become employed under the Social Security System of the Republic of Panama through the transfer of a function or activity or through a job placement assistance program. This provision would implement Article VIII(3) of the Agreement in Implementation of Article III of the Panama Canal Treaty, and would apply regardless of the employee's nationality. In the cases specified in this section, the United States would pay matching funds to the social security system of Panama to aid in the purchase of a retirement equity in the Panama system. The matching funds would come from the United States Civil Service Retirement Fund.

"Subsection (c) would implement the requirements of paragraph 2 to Annex C of the Agreement in Implementation of Article IV of the Panama Canal Treaty. That provision requires that non-U.S. citizen employees not covered by the Civil Service Retirement System, and employees paid by non-appropriated fund instrumentalities, be covered by the Panamanian social security system with contributions from U.S. employer agencies. It also requires the United States to request legislation to pay each such employee a retirement similar to that of the Panamanian social security system. Subsection (c) implements these requirements by authorizing the purchase of a retirement equity or supplement for such employees under the Panamanian social security system. The provision will serve to provide retirements to nonappropriated fund employees working at Departments of Defense installations (e.g., cafeteria and hospital workers), pursuant to the Treaty. As understood during the Treaty negotiations, the provisions would apply retroactively to cover service prior to the Treaty effective date."

Section 208. Cash Relief to Certain Former Employees. This section is based on 2 CZ Code 181 which was derived from the so-called "Cash Relief Act" of July 8, 1937, (50 Stat. 478), as amended by the Act of September 26, 1950 (64 Stat. 1038); the Act of February 20, 1954 (68 Stat. 17); the Act of July 25, 1958 (72 Stat. 410); the Act of July 14, 1960 (74 Stat. 552); the Act of November 2, 1977 (80 Stat. 1106); and the Act of July 24, 1970 (84 Stat. 470).

The 1937 cash relief act provided small annuities for employees of the Panama Canal (the agency) who were not citizens of the United States and hence at that time not covered by the Civil Service Retirement Act, and who were separated from employment because of disability resulting from age or disease. Employees of the Panama Railroad Company were not covered by the Act, but its provisions were extended by administrative action of the Company to its non-citizen employees. After the names of the Panama Canal Agency and Panama Railroad Company were changed to "Canal Zone Government" and "Panama Canal Company" by the Act of September 26, 1950, the 1955 treaty with Panama undertook to bring the non-citizen employees of both agencies under the Civil Service Retirement System.

This was accomplished prospectively by the Act of July 25, 1958 listed above, but the cash relief act, as amended remained applicable to employees of the Canal Zone Government who had been separated from employment prior to October 5, 1958, the effective date of the Act. Conforming to past practice, the Panama Canal Company continued to apply the cash relief act to its non-citizen employees separated from employment prior to October 5, 1958. The other amendments listed provided for changes in the computation of the annuity under the cash relief act and extended its benefits to widows of deceased employees who had been eligible for such benefits.

Section 208 provides for continuation of the benefits provided by the cash relief act to eligible employees separated before October 5, 1958 but includes in the law former employees of the Panama Railroad Company or Panama Canal Company in view of the discontinuance of those government agencies that up to now have provided the benefits by administrative action. The conditions for eligibility and amount of the payments now authorised by 2 CZ Code § 181 remain unchanged.

2 CZ Code § 181 would apparently be left in effect unchanged under the provisions of the draft bill submitted by the Executive Branch.

Section 209. Appliances for Employees Injured Prior to September 7, 1916. This section continues in effect provisions of 2 CZ Code § 182 for purchase of prosthetic appliances for persons injured in the service of the Isthmus Canal Commission or of the Panama Canal prior to the date of enactment of the U.S. Injury Compensation Act of September 7, 1916 (39 Stat. 712) which authorized furnishing such appliances to injured employees of the Government generally including employees of the Panama Canal and Panama Railroad Company and their successor agencies. The provision was originally incorporated in 2 CZ Code (1934 ed.) § 124, as added by section 4 of the Act of August 12, 1949 (63 Stat. 602).

2 CZ Code § 182 would not be affected by the draft bill submitted by the Executive Branch.

Section 211. Leave for Jury or Witness Service. This section corresponding to section 330(a) of the draft bill submitted by the Executive Branch amends 5 U.S.C. § 6322(a) providing for leave of Government employees for jury or witness service. Section 6322(a) is now applicable to employees in the Canal Zone, and this section of the bill substitutes the phrase "the Republic of Panama" to conform to the provisions of the treaty.

Subchapter VI—Application to related personnel

Section 220. Law Enforcement, Canal Zone Civilian Personnel Policy Coordinating Board, and Related Employees. Paragraph (a) of this section provides that the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants and the U.S. Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be treated the same as employees of the Panama Canal Commission for the purposes of sections of the bill providing for

protection of transferred employees (§ 62), placement of employees (§ 203), and early retirement (§§ 205, 206). The provision does not include the Judge and other personnel of the U.S. District Court.

Under section 220(b), the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the manager of the Central Examining Office and their staffs are to be considered for purposes of all provisions of the Act as employees of the Panama Canal Company before service prior to the entry into force of the treaty and as employees of the Panama Canal Commission for service after that date.

Section 220 of the bill is derived from section 327 of the draft bill submitted by the Executive Branch. The purpose and intent of the section is described in the analysis accompanying that draft as follows:

"Section 327. Employees of Related Organizations.—This section is necessary to extend to employees mentioned in this section the same benefits that the preceding sections would provide for Panama Canal Commission employees. These employees have always been so treated in matters such as these and the policy should continue."

Section 6 of Executive Order 7676 of July 26, 1937 (2 C.F.R. 1223) extended to the U.S. District Court for the Canal Zone and its personnel, including the District Attorney and Marshal, the conditions of employment and perquisites applicable to employees of the Panama Canal.

The Canal Zone Personnel Policy Coordinating Board is presently constituted and functions under regulations issued by the Secretary of the Army (35 C.F.R. § 253.4–253.5) pursuant to authority vested in the President by 2 CZ Code 142(b) and delegated to the Secretary of the Army by Executive Order 11171 of August 18, 1964 (35 C.F.R. 251.2).

Subchapter VII—Labor-Management relations

Section 225. Labor-Management Relations. This section makes inapplicable the provisions of chapter 71 of title 5 of the U.S. Code to U.S. Government employees in the areas the use of which is made available to the United States by the treaty. In lieu of those provisions, the section authorizes the Secretary of Defense to prescribe nondiscriminatory regulations incorporating certain provisions of chapter 71 of title 5 and providing for collective bargaining between employee representatives and management officials.

Chapter 5—Funds and Accounts

Subchapter I—Funds

Section 231. Canal Zone Government Funds. Paragraph 10 of Article III of the treaty provides that on entry into force of the treaty, the United States Government agency known as the Canal Zone Government shall cease to operate in territory of Republic of Panama now known as the Canal Zone.

As shown in Attachment B, the agency known as the Canal Zone Government was originally established by the Panama Canal Act of August 24, 1912 to maintain and operate the Panama Canal. In 1951 that function of the agency was transferred to the Panama Canal Company and the Canal Zone Government continued to perform the various duties connected with the canal government of the Canal Zone. In view of the provision of the 1977 treaty for discontinuance of operation of the agency in the Canal Zone the provisions of title 2 of the Canal Zone Code (§ 31–33) establishing the agency and defining the powers and duties of the Governor are repealed by section 1611 of this bill and by section 106(a) of the Executive Branch draft.

Under this section when the agency is discontinued on entry into force of the treaty, unobligated balances of Canal Zone Government appropriation accounts are to be covered into the general fund of the Treasury. The section also authorizes appropriations to the Panama Canal Commission for payment of claims chargeable to the discontinued accounts.

Section 232. Panama Canal Company Funds. Paragraph 2(d) of Article III of the treaty provides that in the operation of the canal, the United States may "Establish, modify, collect and retain tolls for the use of the Panama Canal and other charges, . . .".

Paragraph 10 of Article III provides that on entry into force of the treaty, the United States Government agency known as the Panama Canal Company shall cease to operate in the territory now known as the Canal Zone.

The Panama Canal Company presently operates the Panama Canal subject to the provisions of the Government Corporation Control Act and title 2 of the Canal Zone Code, under which all revenues from the operation are deposited in the Treasury or approved depository banks and are made available for expenditure for the purposes of the corporation by annual appropriation acts.

Under this section, when the Company ceases to operate on the effective date of the treaty the account of the Panama Canal Company in the Treasury will be abolished and any unobligated balances in the account are to be covered into the general fund of the Treasury. Thereafter, under paragraph (b) of the section, tolls for the use of the Canal and all other receipts of the Panama Canal Commission will be deposited in the Treasury as miscellaneous receipts.

Paragraph (c) of this section requires annual authorization and appropriations for expenditure or obligation of funds by the Panama Canal Commission similar to the requirements imposed on other departments and agencies by law (e.g., 10 USC 138) and the Rules of the House of Representatives.

The method of financing the operation of the canal provided by this section conforms to the arrangement in effect from the time of the opening of the canal in 1914 to the transfer of operation of the waterway to the Panama Canal Company, the Government corporation whose operations in Panama are required by the treaty to be discontinued. The provisions of the section are in *pari materia* and are to be read with the other sections of this chapter and of chapter 11 governing tolls for use of the canal.

Section 201 of the Executive Branch draft amends the charter of the Panama Canal Company by changing the name of the corporation to "Panama Canal Commission" and declaring the renamed corporation to be the successor the Panama Canal Company. Section 210 of the Executive Branch draft amends section 66 of title 2 of the Canal Zone Code to provide that all property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other U.S. Government agencies or to the Republic of Panama "or otherwise disposed of" shall be the property and assets of the Panama Canal Commission which assumes the liabilities of the Company and of the Canal Zone Government. Under provisions of sections 65 and 66 of title 2 of the Canal Zone Code, which are left undisturbed by the Executive Branch draft, the Commission would have broad authority to dispose of such assets and property subject to review by the Congress only in the course of consideration of the annual budget program of the corporation.

Section 233. Emergency Fund. This section provides for a Panama Canal Emergency Fund of $40 million to be established in the Treasury. Under the provisions of paragraph (b) the Panama Canal Commission could make withdrawals from the fund by check to defray emergency expenses and to insure continuous operation of the canal if funds appropriated for the maintenance and operation of the canal prove to be insufficient for that purpose. This authority is comparable to the authority granted to the Panama Railroad by the Act of June 29, 1948 (62 Stat. 1076) to borrow from a special fund in the Treasury established by a deposit of $10 million of Company funds therefore invested by the Company in the Government securities.

Paragraph (b) requires a prompt report to Congress and the Office of Management and Budget of emergency withdrawals from the fund and expenditures made pursuant to the section. Paragraph (c) authorizes additional deposits into the fund in amounts appropriated for that purpose.

The Executive Branch draft would continue in effect section 71 of title 2 of the Canal Zone Code which now authorizes the Panama Canal Company to borrow up to $40 million from the Treasury "for any of the purposes of the Company" without limiting the use of such borrowing authority to emergency situations.

SUBCHAPTER II—ACCOUNTING POLICIES AND AUDITS

Section 234. Accounting Policies. This section requires the accounts of the Panama Canal Commission to be kept in accordance with the provisions of this chapter and of the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 65, et. seq.), which provides that the Comptroller General shall prescribe the principles, standards and related requirements for accounting to be observed by each executive agency. (31 U.S.C. 66(a)).

The section further requires that the accounts of the Commission show all revenues and expenses of the Commission, including interest on the investment of the United States in the Panama Canal.

Section 234 is closely related to the provisions of section 232, under which all revenues of the Canal operation will be paid into the Treasury and all expenses will be paid from appropriations, and the provisions of section 412 of this bill providing the basis for establishing tolls for use of the canal.

The provisions of this section when read with sections 232 and 412 are consistent with and accomplish the purposes of the reservation numbered (6) in the resolution of ratification of the Panama Canal treaty adopted by the Senate on April 18, 1978 requiring the Commission to reimburse the Treasury for interest on the investment of the United States in the Canal unless it is otherwise provided by legislation enacted by the Congress.

Interest on the investment of the United States in the canal has been recognized as a cost of operation since the canal was opened. Interest was shown in the accounts of the Panama Canal agency during the period prior to 1951 when all revenues were paid into the Treasury and all costs were paid from annual appropriations, the arrangement that would be continued by this bill. After 1951, the Panama Canal Company was required by its corporate charter (2 CZ Code 62) to reimburse the Treasury for interest on the investment.

Section 202 of the Executive Branch draft would repeal section 62(e) of title 2 of the Canal Zone Code, requiring reimbursement of the Treasury for interest on the investment, and make necessary changes in other provisions of sections 62 and 412 to reflect that change in policy.

Interest on the investment of the United States in the canal, computed in accordance with the present provisions of section 62 of title 2 of the Canal Zone Code, and at the rate established by the Treasury for fiscal year 1978 amounts to approximately $20 million a year.

Section 235. Reports. This section requires the Panama Canal Commission to submit annual reports and financial statements to the President and the Congress. No similar requirement is included in the present law or in the Executive Branch draft, although as a matter of practice the agency operating the Panama Canal has consistently published annual reports of operation, including financial statements.

Section 236. Audit by General Accounting Office. Paragraph (a) of this section provides for audit of the financial transactions of the Panama Canal Commission in accordance with the Accounting and Auditing Act of 1950, as amended. (31 U.S.C. 67)

Paragraph (b) requires the Comptroller General to make annual reports of the audit to the Congress, incorporating the same elements as those required by 31 U.S.C. §§ 850 and 851 for reports of audits of wholly owned Government corporations, now applicable to the Panama Canal Company, and which would continue to be applicable to the Panama Canal Commission under the Executive Branch draft.

Subchapter III—Interagency accounts

Section 240. Interagency services; Reimbursements. Paragraph (a) of this section is a restatement of section 69 of title 2 of the Canal Zone Code originally enacted as Sec. 252 of title 2 of the 1934 edition of the Code in section 2 of the legislation incorporating the Panama Railroad under the Government Corporation Control Act (62 Stat. 1076). When section 252 was reenacted as section 69 of the 1962 edition of the Code, a provision requiring the Panama Canal Company to reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the corporation's employees was omitted as unnecessary because of the inclusion of that requirement in the legislation governing the retirement fund for government agencies generally (now 5 U.S.C. 8334(a)(1)).

Section 8334(a)(1) is limited to Government contributions to the retirement fund matching the employees' contributions of 7 percent of the employees' basic pay. The requirement of section 240(a) of this bill that the Commission reimburse the retirement fund for "Government contributions" is not limited to the matching contribution by the agency but would apply to all payments into the fund by the U.S. Government on behalf of employees of the Commission, including the matching contribution and the addition to the fund of the early retirement provisions included in chapter 3 of this title.

Paragraph (b) of section 240 is based on section 232(a)(1) of title 2 of the Canal Zone Code which now requires the Department of Defense to reimburse the Panama Canal Company for the cost of maintaining defense facilities for that Department.

Paragraph (c) based on section 212(b) of the Executive Branch draft makes appropriations of the Department of Defense or of other agencies available for educational and health care activities now carried on by the Canal Zone Government but which may not be provided by the Panama Canal Commission under Article III of the treaty and paragraph 4 (XII) and (XIII) of the Annex referred to in paragraph 4 of Article III of the treaty. The last sentence of section 240 (c) of the bill provides for reimbursement of the agency furnishing the services by the employing agency for amounts expended for such services.

Subchapter IV—Postal accounts

Section 241. Discontinuance of Postal Service; Disposition of Funds. Chapter 73 of title 2 of the Canal Zone Code (sections 1131–1143) provides for operation by the Canal Zone Government of a postal service including money order and postal savings systems. The operations of the Canal Zone Government are required to be discontinued by paragraph 10 of Article III of the Treaty, and the Annex to the Treaty referred to in paragraph 4 of Article III includes postal services as one of the activities that may not be continued by the Panama Canal Commission (Annex, par. 4(a)(XIV)).

Under sections 1137–1139 of title 2, funds received from the issuance of money orders and postal savings certificates may be deposited in the Treasury and deposit any banks or invested in securities of the United States.

Paragraph (a) of section 241 of the bill, discontinues the Canal Zone postal service and provides for payment of the funds of the postal service into the Treasury as miscellaneous receipts. Paragraph (b) of section 241 provides for redemption by the Treasury of the securities acquired by investment of postal service funds and payment of the proceeds into the general fund of the United States.

Paragraph (a) of section 242 provides for the discontinuance of payment of interest on postal savings certificates. Paragraph (b) provides for settlement of postal savings certificate accounts maintained in the names of deceased depositors, minors and persons under legal disability. The provisions of this paragraph are based on 39 USC 5226 (P.L. 89–377, March 28, 1966. 80 Stat 96), providing for settlement of discontinued postal savings accounts by the U.S. Postal Service.

Section 243 provides for settlement and payment of the accounts of the discontinued Canal Zone postal service by the Panama Canal Commission and authorizes payment of the obligations of the postal service from funds appropriated to the Commission.

Section 244 continues the provisions of 2 CZ Code 1142 barring payment of money orders 20 years after the date of issue.

Section 245, based on section 341(d) of the Executive Branch draft, provides for delivery of mail addressed to the Canal Zone through military post offices in the Republic of Panama, and authorizes the Commission to furnish personnel, records and other services to military post offices whenever appropriate for the handling of such mail.

Section 341 of the Executive Branch draft discontinues the Canal Zone postal service but provides that the Commission will continue to administer the funds of the postal service under the provisions of chapter 73 of title 2 of the Canal Zone Code. Conforming amendments in the provisions of U.S. Code referring to the Canal Zone that would be effected by section 341(e) of the Executive Branch draft are included in section 1611 of this bill.

Subchapter V—Accounts with Republic of Panama

Section 250. Payments to Panama. Paragraph (a) authorizes the Panama Canal Commission to pay the Republic of Panama from appropriations for that purpose payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Treaty. This provision reflects the requirement of Article I, section 9, clause 7 of the Constitution, and the uniform practice of this Government recognizing the necessity of appropriations for treaty payments, including the payments made to the Republic of Panama under previous treaties.

Paragraph (b), with certain changes, establishes the basis for payments to Panama under paragraph 4(c) of the Treaty providing for the annual payment to Panama of an amount of up to $10 million per year to the extent that Canal operating revenues exceed expenditures of the Panama Canal Commission, including amounts paid pursuant to the Treaty. The Treaty further provides that in the event Canal operating revenues "in any year" do not produce a surplus sufficient to cover this payment, the unpaid balance is to be paid from "operating surpluses" in future years.

Paragraph (b) of section 250 defines expenditures for purpose of this payment by reference to the expenses of operation required by section 234 to be shown in the accounts of the Commission.

Section 250(b) and section 234 of the bill include the categories of expense enumerated in section 203(a) of the Executive Branch draft, with the addition of interest, depreciation, and amortization of use rights, but without the provision for including as an expenditure recoveries from tolls in excess of expenses in the first part of the period projected for continuance of a newly established rate of tolls.

Both this section 250(b) and section 203 (a) of the Executive Branch draft include as an expense of a given year accumulative amounts of losses in prior years.

Section 251. Transactions with the Republic of Panama. This section authorizes the Panama Canal Commission to provide to the Republic of Panama materials, supplies, equipment, work or services, including water and electric power at rates agreed upon by the Commission and the Republic of Panama. The section further provides that payment for such materials, supplies, equipment, work or services may be effected by direct payment to the Commission or by offset against amounts due to the Republic of Panama by the United States.

This section expands the scope of section 234 of title 2 of the Canal Zone Code that now provides for the sale of potable water to Panama by the Panama Canal Company at rates agreed on by the United States and Panama. Section 212(d) of the Executive Branch draft amends section 234 by substituting the Commission for the Panama Canal Company without further changes in the section.

Section 252. Disaster Relief. This section continues the provisions of section 235 of title 2 of the Canal Zone Code with appropriate changes in terminology to reflect the jurisdictional and organizational changes effected by the Treaty and other provisions of this bill.

Chapter 7. Claims for Injuries to Persons and Property

Subchapter I—General Provisions

Section 271. Settlement of Claims Generally. Paragraph (a) of Section 271 provides authority to the Panama Canal Commission for settlement of claims generally, subject to the other provisions of this chapter. Authority for settlement of vessel accident claims is covered in detail in subchapter II. The scope of the section is generally comparable to that of 2 CZ Code 271, as amended by the Act of January 2, 1975 (88 Stat. 1973).

Paragraph (b) limits the authority of the Commission to settlement of claims of $60,000 or less, the limit made applicable to claims for vessel accidents outside the locks when the canal was operated by a noncorporate agency. The history of this limitation as shown in the analysis of section 292, *infra*.

Paragraph (c) provides for payments of awards made to claimants out of moneys appropriated for or made available to the Commission, and provides that the acceptance of the award is final and conclusive and constitutes a release of any claim against the United States or any employees of the United States arising out of the matter involved in the claim. This paragraph generally follows the language of paragraph (b) of 2 CZ Code 271, as amended.

Paragraph (d) expressly precludes any action against the United States or any officer or employee of the United States on claims cognizable under this chapter except for the consent to suit against the United States on

claims for accidents in the locks authorized by section 296.

Subchapter II—Vessel Damage Claims

Section 291. Injuries in locks of Canal. This section continues the present provisions of 2 CZ Code 291 with appropriate changes in terminology to reflect the organizational changes resulting from the treaty and other provisions of the bill. The section also incorporates the amendment included in section 260(d)(2) of the Executive Branch draft changing the phrase "Damages may not be allowed and paid for injuries to any protrusion beyond the side of a vessel . . ." to read "Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel . . ." This amendment appears to be desirable in view of the obvious purpose of the provision and a decision by the U.S. District Court for the Canal Zone that the present language limits the exception to protrusions beyond the amidships section of the vessel and that the entire hull cannot be considered the "side" of the vessel. (*United Fruit Company* v. *Panama Canal Co.*, D.C.C.Z. 1965, 243 F. Supp. 410.)

Section 260(d)(2) of the Executive Branch draft amends section 291 of title 2 of the Canal Zone Code to condition the payment of damages for injuries to vessels in the locks on negligence of employees of the Commission—the rule now prevailing in the case of injuries to vessels outside the locks. The present provisions of section 291 for payment of damages for injuries in the locks subject only to reduction in proportion to negligence or fault attributable to the vessel, master, crew or passengers was originally enacted in section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) and have been in effect continuously since that time. The basis for the rule is that the ship, while in the locks, is within the exclusive control of the employees of the agency operating the Canal, except to the extent that the ship's engines are used at the direction of such employees. Under the proposed language of the Executive Branch draft, proof that the injuries did not result from the negligence or fault of employees of the Commission would relieve the Commission (and hence the United States) of liability.

Section 292. Injuries outside locks. This section reenacts section 292 of title 2 of the Canal Zone Code with appropriate changes in terminology and with an amendment which limits the authority of the Commission to adjust and pay claims for vessel damage outside the locks to claims not in excess of $60,000, corresponding to the limit previously applicable to the authority of the Panama Canal to settle such claims.

Under sec. 5 of the Panama Canal Act of Aug. 24, 1912 (37 Stat. 562) the authority of the agency operating the Canal (known as the Panama Canal) was limited to claims for injuries occurring in the locks. This provision was carried into section 10 of title 2 of the Canal Zone Code (1934 ed.) but in 1940 the section was amended to authorize adjustment and payment of claims for not more than $60,000 for injuries occurring outside the locks caused by negligence on the part of any employee of the Panama Canal. Claims for more than $60,000 were required to be submitted to Congress by a special report containing the material facts and the recommendation of the Governor of the Panama Canal, the executive head of the agency (Act of June 13, 1940, 54 Stat. 387).

When operation of the Canal was transferred to the Panama Canal Company in 1951, section 10 of title 2 of the Canal Zone Code was amended to eliminate the $60,000 limitation previously applicable to settlement of claims for vessel damage outside the locks (Act Sept. 26, 1950, 64 Stat. 1039). This provision was incorporated in section 292 of the Canal Zone Code when the Code was revised in 1962.

Sections 292 and 295 of the bill would restore the $60,000 limitation on the authority of the agency to make settlements of claims for vessel damage outside the locks. Under section 295 claims for more than $60,000 would be submitted to the Congress for consideration.

Section 293. Measure of damages generally. This section would reenact the provisions of paragraph (c) of C.Z. Code 293, as added by the Act of September 26, 1950 (64 Stat. 1039), the legislation that transferred responsibility for operation of the Canal to the Panama Canal Company. Prior to 1950, the provisions of this section were contained in Rules 94 and 95 of Executive Order 4314 of September 25, 1925, prescribing rules for navigation of the Canal pursuant to authority vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562), subsequently incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.) and now found in 2 C.Z. Code 1331.

This section has been construed by the U.S. Court of Appeals for the 5th Circuit as establishing rules for recovery of damages substantially parallel to that accorded by general maritime law. *Gulf Oil Corp.* v. *Panama Canal Company*, 481 F. 2d 561 (5th Cir. 1973).

Section 260(e) of the Executive Branch draft would amend 2 C.Z. Code 293 by restricting the damages recoverable in certain relatively minor respects in accordance with administrative construction of the present language which the Court of Appeals refused to follow in the Gulf Oil case.

Section 294. Delays for which no responsibility assumed. This section reenacts the provisions of 2 C.Z. Code 294 as added by section 3 of the Act of September 26, 1950 (64 Stat. 1039), which incorporated into the law the provisions of Rule 96 of Executive Order 4314 of September 25, 1925, prescribing rules for the navigation of the Canal pursuant to authority vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562), subsequently incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.) and now found in 2 C.Z. Code 1331.

Section 260(f) of the Executive Branch draft amends 2 C.Z. Code 294 by adding a new provision excluding liability for delays caused by "time necessary for investigation of marine accidents." Inasmuch as the section applies only when the investigation has established that the vessel accident is the responsibility of the Commission, as the agency of the United States operating the Canal, it is difficult to follow the rationale of exclusion of this element of the damage from reimbursement by the United States.

Section 295. Settlement of claims. This section is based on the provisions of the second paragraph of section 10 of title 2 of the Canal Zone Code (1934 ed.) as amended by the Act of June 13, 1940 (54 Stat. 387). When operation of the waterway was transferred to the corporate agency called the Panama Canal Company, this section was amended to eliminate the $60,000 limitation on the authority of the agency to settle claims for injuries occurring outside the locks, and the provision for payment of the amount of the settlement out of funds appropriated to the agency (Act, Sept. 26, 1950, sec. 3 (64 Stat. 1039), 2 C.Z. 295).

This section and section 292 restore these provisions. Claims for more than $60,000 for damage occurring outside the locks are required to be submitted to Congress for disposition as provided in the 1940 legislation.

Section 296. Actions on Claims. Inasmuch as under the Treaty and the provisions of this bill the United States operates the Canal through one of its government agencies, actions against the United States or the agency operating the Canal for damage to vessels using the Canal are precluded except to the extent the United States consents to be sued. (*Lonergan* v. *United States*, 303 U.S. 33 1938); *Compagnie Generale Transatlantique* v. *Governor of the Panama Canal* 90 F. 2d 225 (C.C.A. 5th, 1934).

In the corporate charter enacted by Congress listing the powers of the Panama Railroad Company as a government corporation, Congress continued the corporation's amenability to suit generally. (Act June 29, 1948, sec. 2 (62 Stat. 1076); 2 C.Z. Code 65.) This consent to suit against the government corporation did not in any way involve suits for damage to vessels using the Canal which was operated by a different agency (the Panama Canal) and remedies for damage to vessels in the Canal were confined to those provided by 2 C.Z. Code 10 (1934 ed.) as amended by the Act of June 13, 1940 (54 Stat. 387).

The Federal Tort Claims Act of 1946 continued authority in Federal agencies to settle tort claims for $1,000 or less and authorized suit against the United States in such claims (Act of August 2, 1946, secs. 403, 410 (60 Stat. 843), 28 U.S.C., 1940 ed., secs. 921, 931).

The Act applied to tort claims against the Panama Canal agency generally, but section 421 of the 1946 tort claims law made the Act inapplicable to "(g) any claim arising from injury to vessels, or to the cargo, crew, or passengers of vessels which passing through the locks of the Panama Canal or while in Canal Zone waters". (28 USC, 1940 ed. 943)

In 1949 Congress made the Federal Tort Claims Act inapplicable to claims arising from the activities of the Panama Railroad Company (Act July 16, 1949 (63 Stat. 444), 28 USC 2680). This exemption had nothing to do with claims for damage to vessels in the Panama Canal which were governed by 2 U.S.C. 10, and excluded from the Federal Tort Claims Act by 28 USC, 1940 ed. 943, as noted above.

When the Act of September 26, 1950 transferred the operation of the waterway to the Panama Railroad Company (under its new name "Panama Canal Company") and changed the name of the government agency previously known as the Panama Canal to the "Canal Zone Government" the Federal Tort Claims Act remained applicable to the Canal Zone Government, but the provision of the Tort Claims Act excluding from the coverage of that Act claims for damage to vessels in the Panama Canal was repealed by the 1950 legislation, in view of the general exclusion from the Tort Claims Act of any claims arising from the activities of the Panama Railroad Company (renamed the Panama Canal Company (Act Sept. 26, 1950, sec. 13, 64 Stat. 1042).

As explained in the sectional analysis of the 1950 legislation submitted with the draft bill by the Governor of the Panama Canal, "This subparagraph [28 USC 1940, ed. 2680 (g)] is being listed for repeal because, with the transfer of canal operation to the corporation these claims will run against the corporation; and all claims against the corporation are excluded from the Federal Tort Claims Procedure by subparagraph (m) of section 2680, as added by the Act of July 16, 1949 (Public Law 172, 81st Cong.), which excepts any claim arising from the activities of the Panama Railroad Company (Panama Canal Company)". [Hearings, Subcommittee on Panama Canal, Committee on Merchant Marine and Fisheries, House of Representatives, 81st Congress, 2nd Session on H.R. 8677, p. 22.]

In view of this background, section 296 follows generally the provisions of the 1940 amendment of 2 C.Z. Code (1934 ed.) sec. 10, limiting consent to suit on vessel accident claims to those based on injuries occurring in the locks. Venue of such actions in the U.S. District Court for the Eastern District of Louisiana, since under the 1977 Treaty and title 4 of this bill the District Court for the

Canal Zone will no longer exercise civil jurisdiction in new cases. Actions brought under section 296 are to be tried to the court and are to proceed and be heard in accordance with the principles of law and rules of practice applicable between like cases between private parties and other agencies of the Government. As in the 1940 legislation, any judgment obtained in such an action is payable out of moneys appropriated or allotted for maintenance and operation of the Panama Canal.

The last paragraph of section 296 is based on the concluding provision of the 1940 amendment of 2 C.Z. Code (1940 ed.) sec. 10 now incorporated in the next to the last paragraph of 2 C.Z. Code 296.

Section 260(g) of the Executive Branch draft continues the provisions of 2 C.Z. Code 296, providing for actions on vessel damage claims arising outside the locks as well as those arising in the locks.

Section 297. Investigation of accident or injury giving rise to claim. This section continues the provisions of 2 C.Z. Code 297 with appropriate changes in terminology required by the geographic and organizational changes made by the treaty and other provisions of this bill.

Section 260(h) of the Executive Branch draft adds a provision to section 296 that lack of knowledge that an accident giving rise to a claim has occurred "does not exclude noncompliance with the requirements of this section." This provision reflects a construction of the language of the present section unsuccessfully urged on the Court of Appeals for the 5th Circuit in litigation involving a claim for damage that occurred in the Canal Zone but was not discovered until after the vessel left the Canal Zone. (*Gulf Oil Corp.* v. *Panama Canal Company*, 407 F. 2d 24 [C.A. 5, 1969]).

Sec. 298. Board of Local Inspectors. This section continues the Board of Local Inspectors for investigation of claims arising out of accidents to vessels using the canal and the performance of such other duties as may be assigned to the Board. The Board of Local Inspectors was originally established by Executive Order of the President in 1909 and, pursuant to authority vested in the President by the Panama Canal Act of August 24, 1914, to prescribe regulations governing operation of the canal (incorporated in section 701 of this bill), since 1915 the Board has been charged with responsibility for investigation of accidents to vessels using the canal.

Section 298 authorizes the Board to summon witnesses, administer oaths and require the production of books and papers necessary to the investigation of claims for vessel accidents. These powers are currently conferred on the Board, along with other Boards and officers, by 2 C.Z. Code §§ 1101 and 1102, repealed by section 1611 of this bill.

Chapter 9—Public Property

The key element in this chapter is the provision of Article IV, section 3, clause 2 of the Constitution providing:

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; . . ."

The meaning and effect of this provision of the Constitution was the subject of extensive discussion and debate during the consideration by the Senate of the 1977 treaties. See, for example, Hearings Before the Committee on Merchant Marine and Fisheries, House of Representatives, 95th Congress, 2d Session, Serial No. 95–32, "Power of Congress to Dispose of U.S. Property."

Section 371. Assets and Liabilities of Panama Canal Company. This section provides that all property and other assets of the Panama Canal Company shall revert to the United States on the effective date of the Act and that the United States generally assumes the liabilities of the Company at that time.

Although the United States Government, as sole owner of the corporate agency named the Panama Canal Company, is the beneficial owner of all property of the corporation, the Panama Railroad as a private corporation created by the State of New York had acquired certain property interests that the corporation owned at the time of acquisition of the stock in the corporation by the United States. For example, the Panama Railroad had acquired extensive rights in real property on the Isthmus of Panama, and in addition it owned the railroad across the Isthmus of Panama, ocean-going ships operated between the United States and the Isthmus of Panama, and extensive personal property. See Annual Report, Panama Railroad Company, 1951; *New York ex rel. Rogers* v. *Graves*, 299 US 401.

In successive acts of Congress involving the status of the Panama Railroad Company and its successor, the Panama Canal Company, this property has been treated as if it were the separate property of the corporation. For example, Section 2 of Public Law 808, 80th Congress, approved June 29, 1948 (62 Stat. 1076), incorporating the Panama Railroad Company added a new section 251 to title 2 of the Canal Zone Code (1934 ed.) reading as follows:

"251. TAKING OVER OF ASSETS AND LIABILITIES OF, AND DISSOLUTION OF, NEW YORK COMPANY; RELEASE OF UNITED STATES TREATY RIGHTS IN ASSETS.—The corporation is authorized and directed to take over the assets and assume the liabilities of the New York company as of July 1, 1948. To accomplish the transfer of such assets to, and the assumption of such liabilities by, the corporation, and to accomplish the dissolution of the New York company, the two corporations are authorized and directed to take, under the supervision of the stockholder, whatever action shall be determined to be appropriate and necessary, whether by agreement, transfer, merger, consolidation, dissolution, or otherwise. Effective upon the transfer of such assets and the assumption of such liabilities, there are hereby released and transferred to the corporation all the right, title, and interest, in and to such assets, which the United States now has or may hereafter acquire by virtue of the convention of November 18, 1903, between the United States and the Republic of Panama; and, specifically, there are hereby released to the corporation any and all reversionary rights of the United States in the lands of the corporation located in the cities of Panama and Colon, Republic of Panama."

Section 10 of Public Law 841, 81st Congress, transferring the responsibility for operation of the waterway to the corporation added a new section numbered 256 in title 2 of the Canal Zone Code (1934 ed.), reading as follows:

"256. AUTHORIZATION FOR TRANSFER OF PANAMA CANAL TO CORPORATION.—The President is hereby authorized to transfer to the corportation the Panama Canal, together with the facilities and appurtenances related thereto, and any or all of the facilities and appurtenances heretofore maintained and operated by the Panama Canal under authority of section 51 of title 2 of the Canal Zone Code, as amended by section 2 of the Act of August 12, 1949 (ch. 422, 63 Stat. 601), and all or so much as he may determine to be necessary of the personnel, property, records, related assets, contracts, obligations, and liabilities of or appertaining to the said Canal and the aforesaid facilities or appurtenances, and such transfer shall be deemed to have been accepted and assumed by the corporation without the necessity of any act or acts on the part of the corporation except as otherwise stipulated in the provisions of section 246 of this title."

The quoted provisions of the 1948 and 1950 acts are reflected in the current edition of the Canal Zone Code in section 68 to title 2, reading as follows:

§ 68. Rights in assets taken over upon dissolution of Panama Railroad Company; liabilities

"(a) The Panama Canal Company shall possess all the right, title, and interest in and to the assets taken over, as of July 1, 1948, from the Panama Railroad Company, since dissolved, which the United States then possessed or, by virtue of the convention of November 18, 1903, between the United States and the Republic of Panama, thereafter acquired or may hereafter acquire, and which, pursuant to law, were released and transferred, as of July 1, 1948, to the Company.

"(b) Subsection (a) of this section does not apply to any right, title, or interest transferred or conveyed to the Republic of Panama after July 1, 1948, under applicable provisions of law or of any convention or treaty.

"(c) The Company is responsible for the payment and discharge of all remaining liabilities of the Panama Railroad Company, which, as authorized by law, the Company assumed as of July 1, 1948."

Also indicative of the concept of separate ownership of its assets by the corporate entity, as distinguished from that of its owner (the United States) are certain provisions of section 65(a)(6) of title 2 of the Canal Zone Code authorizing the corporation to acquire and "sell, lease, exchange, money mortgage or otherwise dispose of, and deal in lands, leaseholds, and any interest, estaste, or rights in real, personal or mixed property . . ." and section 62(f) of title 2 commencing: "(f) The Panama Canal Company shall account for its surplus, as follows: . . ."

This bill eliminates any concept of distinction between the United States and the Panama Canal Commission in respect to ownership of the Panama Canal and the assets associated with its maintenance and operation. None of the present provisions of title 2 of the Canal Zone Code tending to indicate separate ownership of such assets by the Commission are continued in effect and section 371 is included to assure that technically the title to all property of the Panama Canal Company is vested in the United States.

A similar provision covering the property of the Canal Zone Government is unnecessary inasmuch as there has never been any indication that that Government agency had an existence separate from that of the United States insofar as concerns property and other assets administered by the agency.

Section 210 of the Executive Branch draft not only perpetuates the appearance of recognition of ownership by the agency of the property and other assets used in the operation of the Canal, but also amends section 68 of title 2 to provide that such property and other assets of the Panama Canal Company and Canal Zone Government, not otherwise disposed of, "shall be the property and assets of the Panama Canal Commission." (emphasis supplied).

The Executive Branch draft extends to the Panama Canal Commission the practically unlimited authority now vested in the Panama Canal Company by 2 C.Z. Code 65(a)(6) to acquire and dispose of property.

Section 372. Transfers and Cross Servicing Between Agencies. Paragraph (a) of this section continues the authority for interagency transfers of property located in Panama now provided by 2 C.Z. Code 372 with appropriate changes in terminology required by the Treaty and other provisions of the bill. Provisions of the existing Code section relating to the valuation of property transferred without exchange of funds are omitted as unnecessary in view of the changes in accounting effected by chapter 7 of the bill.

Paragraph (b) of section 372, based on section 106(b) of the Executive Branch draft, authorizes transfers of records by U.S. Government agencies and Panama to other agencies of the Government or to the Republic of Panama.

Section 213(a) of the Executive Branch bill includes a provision, omitted from this section of the bill, that transfers without exchange of funds are subject to 2 C.Z. Code 63 relating to accounting for the U.S. investment in the Panama Canal Company. Section 373(b) of that draft authorizes cross-servicing agreements between the Panama Canal Company and other government agencies for the use of facilities, furnishing of services or performance of functions. This provision has been omitted from section 372 of this bill as unnecessary in view of the provisions of the Economy Act of 1932, 31 USC 686, authorizing such cross servicing agreements between government agencies generally.

Sec. 373. Disposition of property of the United States. This section is based on the provision of Article IV, Section 3, clause 2 of the Constitution that "The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States; . . ." Article XIII of the 1977 Treaty purports to transfer the right, title and interest of the United States "with respect to all real property" on a time schedule set out in the Treaty beginning on the effective date of the Treaty and concluding on termination of the Treaty when the canal and all remaining property related to operation of the canal is to be transferred. Article V of the Agreement in Implementation of Article III of the Treaty contains detailed provisions in regard to the transfer to Panama of title to the railroad and ports of Balboa and Cristobal under Article XIII of the Treaty.

Notwithstanding the views expressed during consideration of the Treaty that these provisions of the Treaty are self-executing, under the quoted provision of the Constitution the Panama Canal and other property of the United States in the area heretofore known as the Canal Zone can be conveyed only by or pursuant to legislation enacted by the Congress. [For extensive analysis of the constitutional issue see Hearings, Committee on Merchant Marine and Fisheries, 95th Congress, Serial No. 95–32, "Power of Congress to Dispose of U.S. Property."] Even if the Treaty provisions for conveyance of this property were regarded as self-executing, the subsequently enacted provision of section 273 requiring authorization by the Congress for the transfer of the property in question would be controlling. [See The Cherokee Tobacco, 11 Wall. 616 (1870); Head Money Cases, 112 U.S. 580, 598 (1884)]

The Executive branch draft apparently follows the views expressed by the Department of State and Department of Justice at the hearings in regard to the Treaty to the effect that the Treaty provisions for transfer of property are self-executing (Hearings, Serial No. 95–32, *supra*, pp. 45–100, *passim*) and no provision is made in that draft to provide Congressional authority for such transfers.

Sec. 374. Transfer of property to Panama. This section authorizes the transfer to Panama of the property which the United States has undertaken by Article XIII of the Treaty to transfer on the effective date of the Treaty, viz. "the Panama Railroad and such property that was located in the former Canal Zone but is not within the land and water areas the use of which is made available to the United States of America pursuant to this treaty."

The second sentence of the section excluding from the transfer buildings and other facilities, except housing, the use of which is retained by the United States, outside the areas made available for use of the United States, is based on the final section of paragraph 2(a) of Article XIII of the Treaty. Such facilities and installations are described generally in paragraph 3 of Article III of the Agreement in Implementation of Article II of the Panama Canal Treaty (Department of State, Selected Documents, No. 6B, p. 2) and more specifically in paragraph 3 of Annex A to that Agreement (Selected Documents, No. 6B, p. 21).

The areas and installations now in the Canal Zone that are made available by the Treaty for use by the United States are described in paragraph 1 of Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty (see Document No. 6,B p. 17); the boundaries of the parts of Balboa and Cristobal are described in Annex B of the Agreement (*Ibid*, p. 22); and the accessory facilities and instalations outside the areas made available for use by the United States which the United States may continue to use are described in paragraph 3 of Annex A to the Agreement (Ibid, p. 21).

The real property that Article XIII of the Treaty transfers to Panama on the effective date of the Treaty can be definitely identified only by comparison of the area described in the Treaty as those made available for use by the United States with the present area of the Canal Zone defined by the Boundary Convention between the United States and Panama, signed October 22, 1914 (38 Stat. 1893) as modified by the convention, regarding the Colon Corridor and certain other corridors signed May 24, 1950 (TIAS 3180), and by Articles VI and VII of the Treaty between the United States and Panama signed January 25, 1955 (TIAS 3297), all of which are abrogated by paragraph 1(c) of Article I of the Panama Canal Treaty. See Agreed Minute to the Panama Canal Treaty (Sel. Docs., No. 6C, pp. 49–50).

Chapter 10—Tolls for Use of Canal

Chapter 10 incorporates the subject matter of the present provisions of sections 411 and 412 of title 2 of the Canal Zone Code concerning the prescription of rates of tolls and the bases of such tolls (Secs. 411 and 412). In addition, the chapter includes new provisions on the procedures to be followed in changing rates of tolls and measurement rules (Sec. 413), and authorizes an interim adjustment in tolls rates in anticipation of changes in financial results of operation after the effective date of the Treaty (Sec. 414).

* * * * *

Sec. 411. Prescription of measurement rules and rates of tolls. Paragraph (a) of section 411 authorizes the President to prescribe and change rates of tolls for use of the canal and rules for the measurement of vessels for the Panama Canal on which tolls are based. This authority was vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 560) until the authority was transferred to the Panama Canal Company subject to final approval by the President, by the Act of September 26, 1950 (64 Stat. 1042). Under the basic authority of the Panama Canal Act, subsequently codified in sections 411 and 412 of the Canal Zone Code (1934 ed.), the President prescribed the rates of tolls and measurement rules by Proclamation or Executive Order. [Proc. 1225 of Nov. 13, 1912; Proc. 2247 of Aug. 25, 1937 (tolls); Proc. 1258 of Nov. 21, 1913; Proc. 2248 of Aug. 28, 1937 (measurement rules).] Restoration of the President's authority to prescribe tolls and measurement rules is consistent with the concept of this bill that the United States will operate the canal through a noncorporate agency similar to that used for the purpose before enactment of the 1950 legislation.

Paragraph (b) of section 411 continues in effect the existing measurement rules and rates of tolls until changed in accordance with the provisions of this chapter.

Section 230 of the Executive Branch draft amends 2 CZ Code 411 to continue in the Commission the present authority of the Panama Canal Company to prescribe tolls and measurement rules, but changes the period of notice of changes from six months as now provided in the section to three months. The period of notice for changes in tolls and measurement rules is one of the subjects coverd by section 413 of this bill prescribing procedures for such changes.

Sec. 412. Bases of tolls. Paragraph (a) of this section reenacts without change the language of 2 CZ Code 412(a) which in turn is based on the Act of August 24, 1937 (50 Stat. 750). The effect of this paragraph is to continue the Panama Canal measurement ton of 100 cubic feet of earning capacity as the basis for assessing tolls on vessels susceptible of measurement in that manner, and displacement tonnage as the basis for assessing tolls on war ships and other floating craft not susceptible of measurement in terms of tonnage of earning capacity. The paragraph also continues authority for lower tolls for vessels in ballast in comparison to laden vessels, without prescribing any limitation on such differentiation.

Paragraph (b) of section 412 prescribes the formula for calculating rates of tolls following the format of 2 CZ Code 412(b) in its present form, but add to the elements of cost to be recovered from tolls (1) amortization of the investment of the United States in the canal; (2) payments to Panama under the 1977 Treaty, except the "contingent payment" under paragraph 4(c) of Article XIII; and (3) capital requirements for plant replacement, expansion and improvements. The paragraph continues the requirement of the present section for inclusion of interest as one of the elements of cost to be recovered from tolls. See Reservation No. 6, incorporated in the Senate resolution of ratification of the Panama Canal Treaty.

Paragraph (c) of section 412 continues the provision of the present law authorizing the President to require U.S. Government vessels and state operated training ships to pay tolls. The second sentence of the paragraph provides that if such ships are not required to pay tolls, the amount of the tolls is to be computed and treated as canal revenues for purposes of prescribing rates of tolls and calculatnig the payment to Panama under paragraph 4(a) of Article XIII of the Treaty, and section 250 of the bill. The latter provison is new.

Paragraph (d) is a revision of 2 CZ Code 412(d) to conform the language of the Treaty to the new treaty relationship with Panama by eliminating references to the treaties abrogated by the 1977 Treaty and substituting references to the new treaties.

Paragraph (e) reenacts the provision of 2 CZ Code 412(e) excluding interest during construction from capital investment for interest purposes in the calculation of tolls. This provision was added to the tolls formula by section 12 of the Act of September 26, 1950 (64 Stat. 1042) in recognition of the value of the canal to the United States Government apart from its value to commercial users. See H. Rept. No. 2935, 81st Cong., 2nd Sess, p. 5.

Section 232(a) of the Executive Branch draft substantially revises the tolls formula now provided by 2 CZ Code 412(b). The revised tolls formula eliminates interest as an element of cost to be recovered from tolls, but includes new elements, including (1) "amortization of use rights;" (2) "unrecovered past costs;" (3) capital reserve funds; and (4) funds necessary to establish reserves "for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect."

Sec. 413. Procedures. This section establishes procedures to be followed in effecting

changes in measurement rules and tolls. 2 CZ Code 411 now requires six months' notice of proposed changes in rules of measurement or rates of tolls, during which period a "public hearing" is required. The requirement of six months' notice first appeared in section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) authorizing the President to prescribe and change rates of tolls with the proviso that tolls, when prescribed, should not be changed, "unless six months' notice thereof shall have been given by the President by Proclamation." There was no requirement in the 1912 Act for nature of changes in measurement rules and no requirement for a public hearing as a part of the procedure for changing rates of tolls. In 1934, the authority of the President to change rates of tolls after six months' notice and the provisions in reference to the measurement of vessels for tolls purposes were reenacted in sections 411 and 412 of title 2 of the Canal Zone Code. In 1937, the provisions of 2 CZ Code 412 were amended to provide for payment of tolls on the basis of net vessel tonnage determined in accordance with measurement rules prescribed by the President "as may be modified by him from time to time by Proclamation" with the proviso that the basic measurement rules could not be changed "except after public hearing and six months' public notice of such change." (50 Stat. 750) As a result, after the 1937 legislation changes in rates of tolls by the President required six months' notice but not a public hearing, while changes in measurement rules required six months' notice and a public hearing.

In 1946, Congress enacted the Administrative Procedures Act (60 Stat. 238) applicable to government agencies generally for the purpose, among others, of providing for public participation in the rule making process as defined to include the prescription of rates and practices bearing thereon. Section 4 of the 1946 Act setting up the procedures for rule making, now codified in 5 USC 553, expressly excludes matters relating to public property and, the Attorney General has held that this exclusion applies to proceedings to change Panama Canal tolls and measurement rules.

In 1950, when the authority to change rates of tolls and measurement rules was transferred from the President to the Panama Canal Company, subject to approval by the President, the requirement for six months' notice and a public hearing was made applicable to changes in tolls as well as changes in measurement rules. (Act Sept. 26, 1950, Sec. 11, 64 Stat. 1042)

In 1974, the Panama Canal Company adopted administrative rules applicable to the procedures for changing tolls and measurement rules that are based on and consistent with the rule making provisions of the Administrative Procedure Act (35 CFR 70.1–70.5) and the requirements of 2 CZ Code 411 for six months' notice and a public hearing.

Sec. 413 of this bill adopts procedures for changing tolls and measurement rules that are generally consistent with applicable provisions of the Administrative Procedures Act (as codified in title 5 of the U.S. Code). Paragraph (a) of section 413 provides for initiation of the proceeding to change rates of tolls or measurement rules by notice of the proposed changes published by the Panama Canal Commission in the Federal Register. The Commission is required simultaneously to make available the financial data justifying the proposed changes, to give interested parties an opportunity to prevent written data, views or arguments, and to hold a public hearing not less than 30 days after publication of the notice.

Paragraph (b) of section 413, permits the Commission to revise the proposed measurement rules or rates of tolls after consideration of relevant matter presented after the initiation of the proceeding, but if rates of tolls higher than those originally proposed are deemed necessary, a new analysis of the proposed rates is required and, in effect, the proceedings must be recommended with a new notice in the Federal Register giving interested parties the opportunity to participate further in the proceedings and a new hearing is required not less than 30 days after the date of publication of the new notice.

Under paragraph (c), when, after consideration of relevant matter presented, the Commission finds that the proposed measurement rules or rates of tolls meet the requirements of the applicable statutes, the Commission is required to publish in the Federal Register a notice of the proposed changes to be recommended to the President.

Paragraph (d) provides that after the notice required by paragraph (c), the record of the proceeding and recommendation of the Commission be forwarded to the President who may approve, disapprove or modify the proposed measurement rules or rates of tolls recommended by the Commission.

Under paragraph (e) the changes in the measurement rules or rates of tolls take effect on the date prescribed by the President, not less than 30 days after publication of notice in the Federal Register.

Paragraph (f) of section 413 provides for judicial review of changes in measurement rules or rates of tolls in accordance with the provisions of the Administrative Procedures Act codified in chapter 7 of title 5 of the U.S. Code.

Section 230 of the Executive Branch draft amends 2 CZ Code 411 to reduce the period of notice for changes in measurement rules or rates of tolls from six months to three months without provision for other procedural changes.

Sec. 414. Interim toll adjustment. This section would authorize the Panama Canal Company to initiate changes in rates of tolls calculated to cover the cost of maintaining and operating the canal through the first fiscal year following the effective date of the Act. Under paragraph (d) the tolls formula and procedures that would be applicable after the Treaty goes into effect would apply to the interim proceeding. Under paragraph (b) of the section, if the proceedings under the section are not completed before the effective date of the Treaty, the proposal and all proceedings thereon will be treated as the proposal of the Commission.

Under paragraph (c), the section becomes effective immediately upon enactment.

Section 231 of the Executive Branch draft authorizes the Panama Canal Company to change the rates of tolls in order to insure that such rates are adequate to meet the requirements of 2 CZ Code 412 (as provided in that draft) on the effective date of the Treaty. The only procedure requirements laid down by section 231 of the Executive Branch draft are provisions for three months' notice "if and to the extent time permits" during which period a public hearing shall be conducted.

Part 2—Regulation

Under Article III of the 1903 Treaty between the United States and Panama, the United States was granted all the rights, power and authority within the Canal Zone that the United States would possess "if it were the sovereign of the territory." In the exercise of that authority, the Congress enacted the Panama Canal Act of August 24, 1912, authorizing the President to govern the Canal Zone (Sec. 4) and prescribe regulations governing the operation of the canal and the passage and control of vessels through the canal (Sec. 5). This regulatory authority, as supplemented by subsequent enactments usually authorizing regulations on specific subjects, was incorporated in various sections of the Canal Zone Code (1934 ed.). In 1950, when responsibility for operation of the canal was transferred by Congress to the Panama Canal Company, that agency assumed the authority theretofore vested in the President to prescribe regulations governing the operation of the canal (Act Sept. 26, 1950, 64 Stat. 1038, 1049).

In the revision of the Canal Zone Code in 1962, provisions specifically authorizing regulations on various subjects, including those associated with the Government of the Canal Zone, were generally consolidated in part 2 of title 2, although provisions conferring regulatory authority are found in numerous other provisions of the title.

The 1977 Panama Canal Treaty abrogates the 1903 Treaty (Act I), but grants to the United States "the rights necessary to regulate the transit of ships through the canal" (Art. I, par. 2), to "make and enforce all rules pertaining to the passage of vessels through the canal and other rules and regulations with respect to navigation and maritime matters" [Art. III, par. 2(c)]; "regulate relation swith employees of the United States Government" [Art. III, par. 2(e)]; and "issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related Agreements" [Art. III, par. 2(g)].

On the other hand, under par. 1 of Article IX of the Treaty, the law of Panama applies in the areas made available for use by the United States under the Treaty, although par. 8 of Article IX provides that "The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation or international agreement or take any other action which purports to regulate or would otherwise interfere with the exercise on the part of the United States of America of any right granted under this Treaty or related agreements." Article XI of the Treaty provides that the Republic of Panama shall reassume plenary jurisdiction over the Canal Zone, although in certain areas and for certain purposes the criminal and civil laws of the United States will apply concurrently with those of Panama for a transition period of 30 months.

Paragraph 7 of Article XI provides that "The laws, regulations and administrative authority of the United States of America applicable in the former Canal Zone immediately prior to the entry into force of this Treaty, shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of exercise by the United States of America of law enforcement and judicial jurisdiction only during the transition period. The United States of America may amend, repeal, or otherwise change such laws, regulations and administrative authority. . ."

This bill, following the organization of title 2 of the Canal Zone Code incorporates in part 2 regulatory provisions not covered in the other provisions of title 2. Authority to regulate based on the right to exercise the powers of sovereignty over the territory incorporated in the Canal Zone under the 1903 Treaty has been eliminated. Part 2 in this bill consists of two chapters, headed respectively "General Regulations" and "Shipping and Navigation."

Chapter 11. General Regulations

Section 701. Authority of President. This section authorizes the President to issue regulations applicable within the areas and installations made available to the United States for operation and protection of the canal on the following subjects that are considered to have a reasonable relation to the exercise of the rights granted to the United States by the Treaty:

1. Use of aircraft. Although the present provisions of 2 CZ Code 701, authorizing the President to issue regulations governing aircraft and aeronautical activities in the Canal Zone are based on a Congressional declaration of sovereign rights in the air space over

the Canal Zone no longer applicable under the 1977 Treaty, certain aspects of the use of aircraft in the Canal Zone are obviously directly related to the operation and protection of the canal and hence within the regulatory authority of the United States under the Treaty.

2. Possession and use of alcoholic beverages. The possession and use of alcoholic beverages in the areas used for operation and protection of the canal by persons either engaged in such operations or permitted to be within such areas are matters directly affecting the operation and protection of the canal and, as such, subject to the regulatory authority of the United States. Authority for issuance of regulations in this subject is now incorporated in 2 CZ Code 731, 732.

3. Exclusion and removal of persons. The efficient operation of the canal and the protection of the canal make necessary the regulation of entry into such areas and the right to remain therein. 2 CZ Code 841–843 authorizes the President to issue regulations on the entry of persons into the Canal Zone and deportation from the Canal Zone, based generally on the powers of the United States under Article III of the 1903 Treaty, but this section provides a narrower authority consistent with the provisions of the 1977 Treaty.

4. Health and sanitation. The issuance of regulations covering health of employees and sanitation of the areas made available for operation and protection of the canal is directly related to the successful accomplishment of those activities and hence within the regulatory authority sanctioned by the Treaty. Authority under present law is provided in 2 CZ Code 911.

Sec. 702. Authority of Commission. This section authorizes the Panama Canal Commission to prescribe regulations applicable within the areas and installations made available to the United States for operation and protection of the canal. The regulations authorized by the section relate directly to the exercise of the rights and responsibilities of the United States under the 1977 Treaty covering the following subjects (the Canal Zone Code reference for existing authority is shown in parenthesis following each entry):

1. the keeping and impounding of domestic animals (2 CZ Code 811).
2. fire prevention (2 CZ Code 931).
3. sale or use of fireworks (2 CZ Code 951).
4. use of roads and highways (2 CZ Code 1001).
5. photographing of areas, objects, installations or structures (2 CZ Code 1051).
6. swimming in the Panama Canal and adjacent waters (2 CZ Code 1411).
7. protection of wildlife, hunting and fishing (2 CZ Code 1471–1474; 1491).

Chapter 13—Shipping and Navigation

Subchapter 1—Operation of canal

Sec. 1331. Operating regulations. This section is based on section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) as amended and incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.), with changes in terminology required by the 1977 Treaty. As indicated above, the 1977 Treaty expressly authorizes the United States to issue and enforce regulations on these subjects [Art I, par. 3; Art III, par. 2 (c) and (d)]. The section is substantially the equivalent of the present provisions of 2 CZ Code 1331, with the addition of the operation of the canal as one of the subject matters of regulations authorized by the section. This restores to the President the regulatory authority transferred to the Panama Canal Company by the Act of September 26, 1950 (64 Stat. 1042) See 2 CZ Code 66 (a)(1).

Section 211 of the Executive Branch draft would amend 2 CZ Code 1331 by transferring the regulatory authority provided by the section from the President to the Panama Canal Commission. Regulations governing operation of the canal are not included, presumably on the assumption that such authority would continue under 2 CZ Code 66(a)(1).

Subchapter II—Inspection of vessels

Sec. 1351. Vessels subject to inspection. This section, based on 2 CZ Code 1351, provides for inspection of vessels navigating the waters of the canal, with the exception of vessels that are merely transiting the canal and public vessels. The regulations presently in effect are published at 35 CFR, Part 121. Sec. 1351 is not amended by the Executive Branch draft, except insofar as the terminology may be affected by sec. 2(c) of that draft.

Sec. 1352. Foreign vessels. This section, based on 2 CZ Code 1352, provides for reciprocal recognition of certificates of inspection of foreign vessels having inspection laws approximating those of the United States. Sec. 1352 is not amended by the Executive Branch draft except insofar as the terminology may be amended by sec. 2(c) of that draft.

Sec. 1353. Regulations governing inspection. The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

TITLE II. TRANSITION PERIOD

Article XI of the Treaty provides for immediate resumption of "plenary jurisdiction" over the Canal Zone by Panama on the effective date of the Treaty, but that for a "transition period" of 30 months after that date the laws of the United States apply concurrently with the laws of Panama in certain of the areas and installations made available by the Treaty for use by the United States. The extent of the application of U.S. law, the jurisdiction of U.S. courts now established in the Canal Zone, and the police power of the United States in the affected areas and installations are defined and limited by the Article. Title 4 is included in the bill to provide the legislative basis for the exercise by the United States of the rights conferred by Article XI.

Chapter 1—Laws Continued in Force

Sec. 1501. Laws, regulations and administrative authority. This section is a paraphrase of the first sentence of paragraph 7 of Article XI of the treaty. It is more limited than the similar language of section 3 of the bill, in that it refers to laws continued in force *"for the purpose of the exercise by the United States of law enforcement and judicial jurisdiction"* during the transition period (emphasis supplied), whereas the operation of section 3 is not so limited. On the other hand, the laws continued in force by section 3 are those now applicable "by virtue of the territorial jurisdiction of the United States in the Canal Zone" whereas section 1502 continues, for the transition period, all laws, regulations and administrative authority applicable in the Canal Zone prior to the entry into force of the Treaty, to the extent such laws, regulations and administrative authority are consistent with the Treaty and the other provisions of this Act.

Section 401 of the Executive Branch draft corresponds to section 3 of this bill which, as noted, departs somewhat from the language and purposes of paragraph 7 of Article XI of the Treaty.

Chapter 2—Courts

Sec. 1511. Jurisdiction. This section continues the jurisdiction of the district court and magistrates' courts established by title 3 of the Canal Zone Code, subject to the limitations provided in Article XI of the Treaty, with changes in terminology to conform to the Treaty provisions.

This section is based on paragraphs (b) and (c) of section 402 of the Executive Branch, with some changes in phraseology in paragraph (b). Paragraph (a) of section 402 of the Executive Branch draft is omitted as unnecessary.

Section 1512. Divisions and Terms of District Court. This section, based on section 403 of the Executive Branch draft, authorizes the district court for the district of the Canal Zone to conduct its business at such places within areas made available to the United States by the Treaty, and at such times as the district judge may designate. 2 CZ Code 2, establishing two divisions of the district court, and 2 CZ Code 3, requiring that terms of the court be held in each division, are repealed by section 1611 of the bill.

Section 1513. Terms of Certain Offices. This section limits the terms of a U.S. District Judge, magistrate, U.S. attorney or marshal appointed after the date of the Act to a period ending 30 months after the Treaty enters into force, corresponding to the length of the transition period. Extensions necessary for the disposition of pending cases under paragraph 7 of Article XI of the Treaty are authorized.

The section is based on section 404 of the Executive Branch draft.

Section 1514. Residence Requirements. This section, based on section 405 of the draft bill submitted by the Executive Branch, repeals sections of title 3 of the Canal Zone Code requiring the District Judge (Sec. 5(d)), the clerk of the U.S. District Court (Sec. 7(d), the United States Attorney (Sec. 41(d)), marshal (Sec. 45(d)), to reside in the Canal Zone.

Sec. 1515. Special district judge. This section, based on section 406 of the Executive Branch draft, amends section 6 of title 3 of the Canal Zone Code, which now authorizes the President to appoint a special district judge to act during the absence of the district judge from the Canal Zone or during periods of disability or disqualification of the judge. This section of the bill transfers the appointing authority from the President to the Chief Judge of the judicial circuit of which the district court is a part and authorizes such an appointment when there is a vacancy in the office, an occasion not now covered by 2 CZ Code 6.

Sec. 1516. Magistrate's court. This section, based on section 407 of the Executive Branch draft, limits the operation of the magistrates' courts to the duration of the transition period. Paragraph (b) of the section authorizes the President to abolish one or both of the magistrates's courts during the transition period, and paragraph (c) provides for transfer to the district court of the functions of a magistrates' court abolished under the section.

Chapter 3—Attorneys

Sec. 1521. Oath of attorneys. 2 CZ Code 543 now prescribes the text of the oath to be taken by applicants on admission to the Canal Zone Bar. The prescribed oath now commences with a recital that the applicant recognizes and accepts the "supreme authority of the United States of America in the Canal Zone." Section 1510 of the bill, based on section 408 of the Executive Branch draft, amends this section of the Code to eliminate the text set out in the section, and authorizes the district judge to prescribe an appropriate oath.

Chapter 4—Transition Authority

Sec. 1531. Transition authority of the President. This section, except as expressly otherwise provided, vests in the President any authority necessary to the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Treaty.

Section 409 of the Executive Branch draft vests such authority in the Commission with

an additional qualification in effect authorizing the President to provide otherwise by Executive Order.

TITLE III. GENERAL PROVISIONS

Chapter 1—Cemeteries

This chapter provides legislative authority for the disinterment and reinterment of the remains of U.S. citizens now interred in the Canal Zone contemplated by Reservation 3 (B) in the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted on March 17, 1978 (Cong. Rec., March 16, 1978, p. S3857). Item (a), XII of paragraph 4 of the Annex to the Panama Canal Treaty, referred to in paragraph 4 of Article III of the Treaty, includes among the activities and operations not to be carried out by the Panama Canal Commission upon the date of entry into force of the Treaty: "(XII) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services."

The two cemeteries now located in the Canal Zone are not included in the areas made available by the Treaty for use by the United States.

Sec. 1601. Administration of Corozal Cemetery. Paragraph (a) of this section authorizes the President to enter into an agreement with the Republic of Panama for administration of that part of Corozal Cemetery as encompasses the remains of citizens of the United States. The authorization of the agreement and terms to be included therein conform to the provisions of paragraph 1 of the Reservation referred to above.

Paragraph (b) of the section authorizes the President to transfer to the American Battle Monuments Commission the administration of that part of Corozal Cemetery covered by the agreement referred to in paragraph (a).

Sec. 1602. Disinterment and reinterment of remains of United States citizens. This section, in accordance with paragraph 3(B) of the reservation referred to, authorizes (1) disinterment of remains of citizens of the United States from Mt. Hope Cemetery and reinterment of such remains in Corozal Cemetery, and (2) removal of remains of U.S. citizens from Corozal Cemetery to the United States for reinterment.

Sec. 1603. Costs. This section authorizes the President to provide for payment of the costs incurred pursuant to this chapter out of any appropriations available to any agency of the United States designated by the President. Such costs are excluded from the calculation of tolls under section 412 of title 1 of the bill.

The subject matter of this section is treated in section 502 of the Executive Branch draft.

Chapter 2—Immigration

Sec. 1611. Special immigrants. This section, based on section 410 of the Executive Branch draft, would amend sections 101(a)(27) and 212(d) of the Immigration and Nationality Act [8 USC 1101(a)(27) and 1182(d)] to permit immigration as "special immigrants" by (1) employees of the Panama Canal Company or Canal Zone Government who are residents of the Canal Zone on the effective date of the Treaty and have performed at least one year's service, and his accompanying spouse or children; or (2) Panamanian nationals (regardless of residence) who have been retired from U.S. Government service in the Canal Zone with not less than 15 years' service. Paragraph (b) of section 1606, amending 8 USC 1182(d) waives the provisions of paragraphs (7) and (15) of subsection (a) of that section for aliens seeking to enter the United States as special immigrants under the terms of this section.

The sectional analysis accompanying the Executive Branch bill explained the purpose of this section as follows:

"This proposal arises from a desire to provide retired employees and employees presently living under U.S. jurisdiction in the Canal Zone with an opportunity to immigrate to the United States if they so choose. Many of these persons have been historically affiliated with the United States presence and have not become fully assimilated into Panamanian society. The bulk of those eligible for immigration will be persons retired from their employment with the United States Government."

Chapter 3—Amendments, Repeals, Effective Date

Sec. 1621. Conforming amendments. This section provides for amendments of certain general laws of the United States now applicable in the Canal Zone in such manner as either to make the amended provision inapplicable or conform the terminology of the provision to that of the 1977 Treaty or other provisions of the bill. Such amendments are not exclusively confined to this section. Section 3(c) contains a generalized provision for changes in terminology that are, as a general rule, appropriate throughout the body of laws now applicable in the Canal Zone and where special provision is desirable and the significance and effect of such amendments can be shown more clearly as part of or along with substantive provisions in other sections of the bill, this has been done.

Sec. 1622. Repeals. This section consolidates provisions for outright repeal of certain statutes or parts of statutes now applicable in the Canal Zone. As in the case of the conforming amendments collected in section 1621, all repeals are not exclusively confined to this section, but where the inclusion of a repealing provision with a substantive provision serves to clarify the total effect of a substantive provision, the two have been combined in other sections of the bill.

Paragraph (a) of section 1622 repeals title 2 of the present Canal Zone Code in its entirety. The provisions of title 1, other than those of section 31 incorporated in section 1503 of this bill, are either inappropriate or unnecessary in the limited circumstances resulting from the jurisdictional changes effected by the 1977 Treaties.

Provisions of title 2 that continue to be relevant under the Treaty and other provisions of the bill are incorporated into the bill so that the full text of the applicable law will appear fully from the provisions of the bill without the necessity for comparing and reconciling the provisions of this legislation with other provisions of title 2 left in effect but not mentioned or merely cited in the legislation.

Paragraph (a) of section 1622 also repeals sections 2 and 3 of title 3 and sections 5081–92 of title 6 of the Canal Zone Code. 3 CZ Code 2 and 3 establish the Balboa and Cristobal Divisions of the U.S. District Court for the District of the Canal Zone and require terms of the court to be held in each division. The subject matter of these sections is covered by section 1512 of the bill. 6 CZ Code 5081–92 provide for extradition between the Canal Zone and Panama. This extradition becomes inappropriate and unnecessary in view of the provisions of the 1977 Treaty abrogating the treaties establishing the Canal Zone and restoring to Panama complete jurisdiction over the area now included in the Canal Zone.

Paragraph (b) of section 1622, based on section 103 of the Executive Branch draft, repeals parts of two general laws now applicable in the Canal Zone as follows:

Subsection (d) of section 38 of the Arms Control Act (Act June 30, 1976 (90 Stat. 744, as amended; 22 USC 2778) which extends licensing provisions of that Act to arms exports from the Canal Zone;

Section 2 of the Act of November 14, 1941 (55 Stat. 763; 50 USC 191b) which refers to and protects from impairment the authority of the Governor of the Canal Zone to regulate the anchorage and movement of vessels under 50 USC 121, as amended by section 1621 to eliminate such authority.

Sec. 1623. Effective date. This section establishes the effective date of the Act to coincide with the effective date of the Treaty, except for sections 202, 203, 414, 1511, 1604 and 1611, which become effective on the date of enactment. Sections 202 and 203 provide benefits for employees whose employment is affected by the Treaty; section 414 authorizes the commencement of proceedings to increase tolls under the formula that will apply after the Treaty goes into effect; section 1511 limits the terms of newly appointed officers of the Canal Zone courts to the duration of the transition period of 30 months following the entry into force of the Treaty; section 1604 provides for the disinterment and reinterment of the remains of U.S. citizens now interred in Canal Zone cemeteries; and section 1611 provides for facilitation of immigration of certain employees in the Canal Zone.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. LEHMAN (at the request of Mr. WRIGHT), after 3 p.m. today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MICHEL) to revise and extend their remarks and include extraneous material.)

Mr. GOLDWATER, for 5 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. SYMMS, for 5 minutes, today.
Mr. MCCLORY, for 10 minutes, today.
Mr. BROWN of Ohio, for 60 minutes, today.
Mr. ARCHER, for 10 minutes, today.
Mr. DERWINSKI, for 10 minutes, today.

(The following Members (at the request of Mr. HANCE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. MITCHELL of Maryland, for 60 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. DINGELL, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. BROOKS, for 5 minutes, today.
Mr. UDALL, for 10 minutes, today.
Mr. CLAY, for 5 minutes, today.
Mr. REUSS, for 20 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. FISHER, for 5 minutes, today.
Mr. HOWARD, for 5 minutes, today.
Mr. ROBERTS, for 5 minutes, today.
Mr. PEASE, for 5 minutes, today.
Mr. HIGHTOWER, for 5 minutes, today.
Mr. PHILLIP BURTON, for 10 minutes, today.
Mr. CHARLES H. WILSON of California, for 5 minutes, today.
Mr. MIKVA, for 5 minutes, today.
Mr. FORD of Tennessee, for 5 minutes, today.
Mr. CONYERS, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. MURPHY of New York, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $8,781.15.

Mr. CORMAN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $3,088.

Mr. CORMAN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $4,246.

(The following Members (at the request of Mr. MICHEL) and to include extraneous matter.)

Mr. JEFFORDS.
Mr. KEMP in four instances.
Mr. LENT in three instances.
Mr. SEBELIUS.
Mr. WYDLER in three instances.
Mr. WHITEHURST.
Mr. CARTER in two instances.
Mr. CONTE.
Mr. GRADISON in two instances.
Mr. MCEWEN.
Mr. MCCLORY in three instances.
Mrs. SMITH of Nebraska in two instances.
Mr. SYMMS.
Mr. COLLINS of Texas in three instances.
Mr. RINALDO in two instances.
Mr. WAMPLER in two instances.
Mr. GRASSLEY in two instances.
Mr. DERWINSKI in four instances.
Mr. MICHEL in three instances.
Mr. DORNAN.
Mr. ANDERSON of Illinois in two instances.
Mr. GINGRICH.
Mr. FORSYTHE.
Mr. BOB WILSON in three instances.
Mr. TREEN.
Mr. RUDD.
Mr. MOORHEAD of California.

(The following Members (at the request of Mr. HANCE) and to include extraneous matter:)

Mr. ST GERMAIN.
Mr. ASPIN in 15 instances.
Mrs. BYRON in 10 instances.
Mr. HOLLAND in five instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. HAMILTON in 10 instances.
Mr. BARNES.
Mr. CORMAN in two instances.
Ms. HOLTZMAN in 10 instances.
Mr. FLORIO.
Mr. LEVITAS in seven instances.
Mr. CLAY in 15 instances.
Mr. HARRIS in two instances.
Mr. DINGELL in five instances.
Mr. ROBERTS.
Mr. MCCORMACK.
Mr. WEISS in 10 instances.
Mr. MCDONALD in 10 instances.
Mr. STUMP.
Mr. BROOKS.
Mr. BRODHEAD in two instances.
Mr. VENTO.
Mr. ADDABBO.
Mr. COTTER in three instances.
Mr. VOLKMER in two instances.
Mr. FOUNTAIN.
Mr. OTTINGER in two instances.
Mr. GUDGER.
Mr. ZEFERETTI.
Mr. EDWARDS of California.
Mr. WOLFF.
Mr. BIAGGI in three instances.
Mr. PICKLE in five instances.
Mr. CHARLES H. WILSON of California.
Mr. BLANCHARD.
Mr. RANGEL in 10 instances.
Mr. PEPPER in two instances.
Mr. VANIK.
Mr. BRADEMAS in five instances.
Mr. MAZZOLI.
Mr. ROSE.
Mr. FLIPPO.
Mr. PEYSER.
Mr. CONYERS.

ADJOURNMENT

Mr. HANCE. Mr. Speaker, as a further mark of respect to the deceased, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 23 minutes p.m.), the House adjourned until Thursday, January 18, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Submitted January 15, 1979*]

1. A communication from the President of the United States, transmitting a report on efforts to resolve the Cyprus dispute, pursuant to section 620(x)(2) of the Foreign Assistance Act of 1961, as amended (89 Stat. 509) H. Doc. No. 96–5); to the Committee on International Relations and ordered to be printed.

2. A letter from the Secretary of Agriculture, transmitting a summary of the Department's weather-water allocation study, pursuant to section 1460 of Public Law 95–113; to the Committee on Agriculture.

3. A letter from the Secretary of Agriculture, transmitting a report on improving soils with organic wastes, pursuant to section 1461 of Public Law 95–113; to the Committee on Agriculture.

4. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of November 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. 96–6); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of December 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–7); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of January 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–8); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Deputy Director, Office of Management and Budget, transmitting a report that the appropriation to the Veterans' Administration for "Readjustment benefits," for fiscal year 1979 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

8. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Canal Zone Government for "Operating Expenses" for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation and that the Panama Canal Company Fund has been reapportioned on a basis which indicates a necessity for an increase in the statutory "Limitation on General and Administrative Expenses," pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

9. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for compensation and pensions and general operating expenses for the Veterans' Administration has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

10. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Justice for "Fees and expenses of witnesses," for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

11. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for salaries and expenses to the U.S. Customs Service, Department of the Treasury has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

12. A letter from the Secretary of the Interior, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

13. A letter from the Deputy Secretary of Defense, transmitting notice of authorization of deficiencies to be incurred during the last quarter of fiscal year 1978 in the appropriations for "Operations and maintenance" for the Army and Marine Corps, pursuant to section 3732(b) of the Revised Statutes, as amended (80 Stat. 993); to the Committee on Appropriations.

14. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of additional lands in Westside Water District Improvement District No. 1, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

15. A letter from the Assistant Secretary of Defense, transmitting notice of the proposed obligation of certain funds available in the Army Stock Fund for war reserve stocks, pursuant to section 834 of Public Law 95–457; to the Committee on Appropriations.

16. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the third quarter of fiscal year 1978 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 95–111; to the Committee on Appropriations.

17. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of transfers of funds appropriated for health care purposes, pursuant to section 854 of Public Law 95–111; to the Committee on Appropriations.

18. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended September 30, 1978, pursuant to section 819 of Public Law 95–111; to the Committee on Appropriations.

19. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1978, and the Military Construction Appropriation Act, 1978, during the period April 1, 1978–September 30, 1978, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 834 and 109 of the respective acts; to the Committee on Appropriations.

20. A letter from the Comptroller General of the United States, transmitting his review of the rescission of budget authority contained in the message from the President dated September 28, 1978 (House Document No. 95–388), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 96–9); to the Committee on Appropriations and ordered to be printed.

21. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority contained in the message from the President dated October 2, 1978 (House Document No. 95–392), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 96–10); to the Committee on Appropriations and ordered to be printed.

22. A letter from the Deputy Comptroller General of the United States, transmitting his review of the proposed rescission, deferrals, and revisions of previous proposed deferrals of budget authority contained in the message from the President received this date (dated November , 1978, House Document No. 96–), pursuant to section 1014 (b) and (c) of Public Law 93–344 (H. Doc. 96–11); to the Committee on Appropriations and ordered to be printed.

23. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 7, 1978 (House Document No. 96–3), pursuant to section 1014 of Public Law 93–344 (H. Doc. 96–13); to the Committee on Appropriations and ordered to be printed.

24. A letter from the General Counsel, U.S. General Accounting Office, transmitting a report on proposed rescission funds made available for obligation and allotted to the Unemployment Trust Fund and other funds (recission proposal R78–7); to the Committee on Appropriations.

25. A letter from the Director of ACTION, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679 (i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

26. A letter from the Architect of the Capitol, transmitting a report on his expenditures during the period April 1 through September 30, 1978, pursuant to section 105(b) of Public Law 88–454; to the Committee on Appropriations.

27. A letter from the Secretary of Defense, transmitting the initial allocation of civilian personnel among the military departments and defense agencies for fiscal year 1979, pursuant to section 501(b) of Public Law 95–485; to the Committee on Armed Services.

28. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the operation of the special pay program for medical officers of the commissioned corps of the Public Health Service, pursuant to 37 U.S.C. 313; to the Committee on Armed Services.

29. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period April 1, 1978 to September 30, 1978, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

30. A letter from the Deputy Secretary of Defense, transmitting notice of approval of annual compensation rates in excess of $45,000 for officials of the Institute for Defense Analyses, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

31. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the fourth report on the Selected Reserve reenlistment bonus test program, pursuant to 37 U.S.C. 308b(e); to the Committee on Armed Services.

32. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a statistical status report on the fiscal year 1978 Selected Reserve Reenlistment Bonus Test Program in the Army National Guard and the Army Reserve, and an initial report on the fiscal year 1979 Incentive Program for the Selected Reserve, pursuant to 10 U.S.C. 2134, 37 U.S.C. 308b(e), and 37 U.S.C. 308c(e); to the Committee on Armed Services.

33. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period November 15, 1978 to February 15, 1979, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

34. A letter from the Deputy Assistant Secretary of Defense for Military Personnel Policy, transmitting the annual report for fiscal year 1978 on aviation career incentive pay, pursuant to 37 U.S.C. 301a(e); to the Committee on Armed Services.

35. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

36. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

37. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 8 construction projects to be undertaken by the U.S. Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

38. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 38 construction projects to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

39. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 24 construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

40. A letter from the Assistant Secretary of Defense (Comptroller), transmitting amendments to the list of contract award dates for the period September 15–December 15, 1978, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

41. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Netherlands (transmittal No. 79–1), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

42. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Federal Republic of Germany (transmittal No. 79–2), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

43. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Federal Republic of Germany (transmittal No. 79–3), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

44. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ending September 30, 1978, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

45. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense equipment and facilities during fiscal year ending September 30, 1978, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

46. A letter from the Administrator, General Services Administration, transmitting a copy of a preliminary report prepared by an Advisory Panel on Stockpile Policy regarding methods of sale of stockpile materials; to the Committee on Armed Services.

47. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense personnel and administrative expenses for fiscal year 1978, pursuant to section 205(f) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2285 (f)); to the Committee on Armed Services.

48. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain obsolete toxic chemical munitions at Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91–121 (50 U.S.C. 1512); to the Committee on Armed Services.

49. A letter from the Secretary of the Army, transmitting the annual report of the U.S. Soldiers' and Airmen's Home for fiscal year 1977 and the report of the 1978 annual General Inspection of the Home, pursuant to the acts of March 3, 1883, and March 4, 1909 [24 U.S.C. 42, 59]; to the Committee on Armed Services.

50. A letter from the Acting Secretary of the Army, transmitting a report on Army military construction contracts awarded without formal advertisement during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

51. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of a certain

naval vessel and for other purposes; to the Committee on Armed Services.

52. A letter from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting the semiannual report for the period April 1–September 30, 1978 on Army research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

53. A letter from the Assistant Deputy Chief of Naval Material (Contracts and Business Management), Headquarters Naval Material Command, Department of the Navy, transmitting the semiannual report for the period October 1, 1977–September 30, 1978 on Navy research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

54. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting a report on Air Force military construction contracts awarded without formal advertisement during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

55. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting a report on the highest amounts of Architect-Engineers contracts awarded by the Air Force during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

56. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports and SAR summary tables for the quarter ended September 30, 1978, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

57. A letter from the Secretary of Housing and Urban Development, transmitting the annual report on Indian and Alaska Native housing and community development programs, pursuant to section 4(d)(2) of Public Law 89–174, as amended (91 Stat. 1148); to the Committee on Banking, Finance and Urban Affairs.

58. A letter from the Assistant Attorney General, Antitrust Division, transmitting the annual report for calendar year 1978 on administration of the Truth In Lending Act, pursuant to section 114 of the Consumer Credit Protection Act; to the Committee on Banking, Finance and Urban Affairs.

59. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c), Public Law 95–118; to the Committee on Banking, Finance and Urban Affairs.

60. A letter from the Chairman, Cost Accounting Standards Board, transmitting the progress report of the Board for fiscal year 1978, pursuant to section 719(k) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

61. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed new cost accounting standard entitled "Part 416—Accounting for Insurance Costs—a Cost Accounting Standard which establishes criteria for the measurement of insurance costs, the assignment of such costs to cost accounting periods and their allocation to cost objectives," pursuant to section 719(h)(3) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

62. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on the export expansion facility program for the quarter ended September 30, 1978, pursuant to Public Law 95–630; to the Committee on Banking, Finance and Urban Affairs.

63. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during August and September 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

64. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting a proposed regulation to implement sections 909 and 911 of the Electronic Fund Transfer Act, pursuant to section 904 of the Consumer Credit Protection Act, as amended (92 Stat. 3730); to the Committee on Banking, Finance and Urban Affairs.

65. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's tenth annual report on truth in lending, pursuant to section 114 of the Consumer Credit Protection Act; to the Committee on Banking, Finance and Urban Affairs.

66. A letter from the acting Chairman, the Renegotiation Board, transmitting the 23d annual report of the Board, covering fiscal year 1978, pursuant to section 114 of the Renegotiation Act of 1951, as amended; to the Committee on Banking, Finance and Urban Affairs.

67. A letter from the Mayor of the District of Columbia, transmitting the 1978 Alcoholism State Plan for the District of Columbia, pursuant to Public Law 90–452; to the Committee on the District of Columbia.

68. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the amount of appropriations that would be needed for fiscal year 1979 in order to provide public service jobs for 20 percent of the number of unemployed in excess of 4 percent, pursuant to section 602 of the Comprehensive Employment and Training Act, as amended (92 Stat. 2006); to the Committee on Education and Labor.

69. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act of 1972, covering calendar year 1977, pursuant to section 426(b) of the Federal Coal Mine Health and Safety Act of 1969, as amended (86 Stat. 155); to the Committee on Education and Labor.

70. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on poverty-related research and demonstration projects, for fiscal year 1977, pursuant to section 232(b) of the Community Services Act of 1974 (81 Stat. 703); to the Committee on Education and Labor.

71. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of interpretation of title I of the Elementary and Secondary Education Act requirements for the establishment of parent advisory councils and the selection of their members, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

72. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the program governing children of migratory agricultural workers or migratory fishermen, pursuant to section 431((d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

73. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the education information centers program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

74. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting an interim draft report on the implementation of the Education for All Handicapped Children Act of 1975, pursuant to section 618(d)(1) of Public Law 94–142; to the Committee on Education and Labor.

75. A letter from the Chairperson, Community Education Advisory Council, Department of Health, Education, and Welfare, transmitting a copy of the Council's final report evaluating the community education program, pursuant to section 405(g)(6) of Public Law 93–380; to the Committee on Education and Labor.

76. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the 30th annual report of the Service, covering fiscal year 1977, pursuant to section 202(c) of the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

77. A letter from the Director, Hoover Institution on War, Revolution, and Peace, transmitting the final report on the expenditure of funds on the construction and equipping of the Herbert Hoover Federal Memorial Building, pursuant to section 4 of Public Law 93–585; to the Committee on Education and Labor.

78. A letter from the Chairman, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting the Foundation's 1977–78 annual report, pursuant to section 13(b) of Public Law 93–642; to the Committee on Education and Labor.

79. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the status of action on the recommendations of the Commission on Federal Paperwork during the period from April 1 to July 1, 1978, pursuant to section 3(d) of Public Law 93–556; to the Committee on Government Operations.

80. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on improving the distribution of information on Federal assistance programs, pursuant to section 9 of Public Law 95–220; to the Committee on Government Operations.

81. A letter from the Secretary of the Treasury, transmitting the combined statement of receipts, expenditures and balances of the U.S. Government for fiscal year 1978, pursuant to section 15 of the Act of July 31, 1894, and section 114 of the Act of September 12, 1950; to the Committee on Government Operations.

82. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

83. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering fiscal year 1978 on surplus real property disposed of to public health and educational institutions under section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, pursuant to section 203(o) of the act; to the Committee on Government Operations.

84. A letter from the Acting Assistant Secretary, Department of the Treasury, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

85. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system for the Federal Bureau of Investigation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

86. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Criminal Division, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

87. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

88. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

89. A letter from the Assistant Attorney General for Administration, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Service Act of 1949, as amended; to the Committee on Government Operations.

90. A letter from the Assistant Attorney General (Antitrust Division), transmitting the annual report on identical bidding in advertised public procurement, pursuant to section 7 of Executive Order 10936; to the Committee on Government Operations.

91. A letter frfom the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

92. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

93. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

94. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

95. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

96. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

97. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

98. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

99. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting his quarterly report for the period July 1 to September 30, 1978, pursuant to section 204(b) of Public Law 94–505; to the Committee on Government Operations.

100. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

101. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

102. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

103. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

104. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

105. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

106. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

107. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

108. A letter from the Director, Procurement and Contracts Management Directorate, Department of Energy, transmitting, a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

109. A letter from the Chairman, U.S. Civil Service Commission, transmitting notice of a proposed new records system for the Office of Personnel Management, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

110. A letter from the Chief of the Procurement and Property Management Branch, Administrative Services Division, Community Services Administration, transmitting a report on the agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

111. A letter from the Assistant Director for General Services, Facilities and Support Services Division, U.S. Environmental Protection Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

112. A letter from the Chief, Records Management Division and Privacy Liaison Officer, Federal Communications Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

113. A letter from the Deputy Administrator, General Service Administration, transmitting a followup report on actions taken on recommendations made by the Commission on the Review of the National Policy Toward Gambling, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

114. A letter from the Deputy Administrator, General Services Administration, transmitting a followup report on actions taken on the recommendations made by the Commission on Olympic Sports, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

115. A letter from the Deputy Administrator of General Services, transmitting a report on the donation of Federal surplus personal property to States and local organizations for public purposes, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended (90 Stat. 2454); to the Committee on Government Operations.

116. A letter from the Acting Administrator, General Services Administration, transmitting a followup report on the recommendations contained in the report of the Board of Visitors, U.S. Naval Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

117. A letter from the Director, International Communication Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

118. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on NASA's disposal of certain foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

119. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

120. A letter from the General Counsel, Federal Trade Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

121. A letter from the General Counsel, Federal Trade Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

122. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

123. A letter from the Deputy Administrator, Veterans' Administration, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

124. A letter from the Director, ACTION, transmitting a report on the Agency's zero-base paperwork project, to the Committee on Government Operations.

125. A letter from the Director, ACTION, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

126. A letter from the Chairman, Copyright Royalty Tribunal, transmitting a report on the Tribunal's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

127. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting the committee's recommendations concerning Federal organization for marine and atmospheric affairs; to the Committee on Government Operations.

128. A letter from the Director of Administration, Nuclear Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

129. A letter from the Comptroller General of the United States, transmitting a report on Federal agencies of the Government

need for improving method of collecting amounts owed by the public (FGMSD-78-61, October 20, 1978); to the Committee on Government Operations.

130. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during September 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

131. A letter from the Comptroller General of the United States, transmitting a report describing ways that Federal agencies can achieve greater collections and savings by more effectively resolving auditors' findings (FGMSD-79-3, October 25, 1978); to the Committee on Government Operations.

132. A letter from the Comptroller General of the United States, transmitting a report on the audited accounts of the United States Capitol Historical Society for the year ended January 31, 1978, pursuant to section 451 of the Legislative Reorganization Act of 1970 (40 U.S.C. 193m-1) (GGD-79-2, December 5, 1978); to the Committee on Government Operations.

133. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during November 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

134. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which it is the duty of any officer or department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. No. 96-14); to the Committee on House Administration and ordered to be printed.

135. A communication from the President of the United States, transmitting a proposal for the designation of 1.9 million acres in portions of the Bitterroot, Boise, Challis, Nesperce, Payette, and Salmon National Forests, Idaho, as the River of No Return Wilderness, pursuant to section 3(b) of the Wilderness Act of 1964; to the Committee on Interior and Insular Affairs.

136. A letter from the Secretary of the Interior, transmitting the 1978 annual report on mining and minerals policy, pursuant to section 2 of Public Law 91-631; to the Committee on Interior and Insular Affairs.

137. A letter from the Secretary of the Interior, transmitting notice of delays in the preparation of reports on wild and scenic river studies of the Buffalo and Obed Rivers, Tenn., Pine Creek in Pennsylvania, and the Youghiogheny River, Md., required by paragraphs (3), (15), (18), and (27) of section 5(a) of Public Law 90-542; to the Committee on Interior and Insular Affairs.

138. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to the Union Oil Co. of California, pursuant to section X 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

139. A letter from the Secretary of the Interior, transmitting the first annual progress report on management of the California Desert Conservation Area, pursuant to section 601(i) of Public Law 94-579; to the Committee on Interior and Insular Affairs.

140. A letter from the Secretary of the Interior, transmitting a report on the water conservation opportunities study, pursuant to section 1(c) of Public Law 95-18; to the Committee on Interior and Insular Affairs.

141. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to Sun Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

142. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to the Mesa Petroleum Co., pursuant to section 10 (b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

143. A letter from the Acting Secretary of the Interior, transmitting notice of the bidding system to be used and the tracts to be offered in Outer Continental Shelf lease sale No. 51, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 640); to the Committee on Interior and Insular Affairs.

144. A letter from the Acting Secretary of Agriculture, transmitting a report of activities and further revisions to the regulations governing operations under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, pursuant to section 408(d)(3) of the act (91 Stat. 957); to the Committee on Interior and Insular Affairs.

145. A letter from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting the development plan and stream classification for the Obed Wild and Scenic River in Tennessee, pursuant to section 3(b) of the Wild and Scenic Rivers Act (82 Stat. 908); to the Committee on Interior and Insular Affairs.

146. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of Sisseton-Wahpeton Sioux judgment funds awarded in docket 363, Second Claim (1867 Treaty and 1872 Agreement), before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

147. A letter from the Director, Office of Territorial Affairs, Department of the Interior, transmitting the annual report for fiscal year 1978 on the administration of the Guam development fund, pursuant to section 6 of Public Law 90-601; to the Committee on Interior and Insular Affairs.

148. A letter from the Director, Office of Water Research and Technology, Department of the Interior, transmitting notice of the selection of Alamogordo, N. Mex., and Virginia Beach, Va., for further study as potential sites for desalination demonstration plants, together with a copy of the consultant's analysis of 37 potential sites, pursuant to section 2(b) of Public Law 95-84 and section 411 of Public Law 95-467; to the Committee on Interior and Insular Affairs.

149. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in docket No. 169, *The Creek Nation* v. *The United States;* to the Committee on Interior and Insular Affairs.

150. A letter from the Clerk, U.S. Court of claims, transmitting the court's final determination in docket No. 272, *The Creek Nation* v. *United States;* to the Committee on Interior and Insular Affairs.

151. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in dockets No. 15-D, *the Pottawatomie Tribe of Indians, the Prairie Band, et al,* Plaintiffs, *Potawatomi Indians of Indiana and Michigan, Incorporated,* Intervenors, v. *The United States of America,* Defendant; to the Committee on Interior and Insular Affairs.

152. A letter from the Clerk, U.S. Court of Claims, transmitting the Court's final determination in dockets Nos. 133A and 302, *the Ottawa Tribe, and Guy Jennison et al, as Representatives of the Ottawa Tribe* v. *United States;* to the Committee on Interior and Insular Affairs.

153. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in dockets No. 13-E, *James Strong, et al., as the Representatives and on behalf of all Members by Blood of the* v. *The United States;* to the Committee on Interior and Insular Affairs.

154. A letter from the Clerk, U.S. Court of Claims, transmitting the final award of the court in docket Nos. 216, 15-L and 29-I, *Citizen Band of Potawatomi Indians of Oklahoma, et al and Related Cases,* v. *The United States;* to the Committee on Interior and Insular Affairs.

155. A letter from the Clerk, U.S. Court of Claims, transmitting the final award of the court in docket No. 314-B, *The Peoria Tribe of Oklahoma* v. *The United States;* to the Committee on Interior and Insular Affairs.

156. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting the Council's annual report for the period covering fiscal year 1976 and the transition quarter together with fiscal year 1977, pursuant to section 202(b) of Public Law 89-665 to the Committee on Interior and Insular Affairs.

157. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the fourth quarter of fiscal year 1978, pursuant to section 8 of the Board for International Broadcasting Act of 1973, as amended (90 Stat. 832); to the Committee on International Relations.

158. A letter from the Secretary of State, transmitting a report on U.S. policy toward the Soviet Union, pursuant to section 34(c) of Public Law 95-384; to the Committee on International Relations.

159. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a report on all sales under the Arms Export Control Act, other than to members of the North Atlantic Treaty Organization, Japan, Australia, and New Zealand, of major defense articles or services for $25 million or more, which are considered eligible for approval during fiscal year 1979, pursuant to section 25(d) of the Arms Export Control Act; to the Committee on International Relations.

160. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting proposed country allocations of military assistance and of international military education and training for fiscal year 1979, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

161. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense articles to the Government of Singapore, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

162. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin defense articles to the Netherlands Governments, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

163. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Morocco for permission to transfer certain U.S.-origin defense articles to the firm Euro World of California, Inc., pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

164. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Norway for permission to transfer certain U.S.-origin defense articles to

Greece, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

165. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Spain for permission to transfer U.S.-origin military equipment to the Government of Morocco, pursuant to section 3(a) of the Arms Export Control Act, as amended, to the Committee on International Relations.

166. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of defense articles sold commercially under a contract in the amount of $25 million or more (transmittal No. MC-7-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

167. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the production of certain military equipment in Japan (MC-1-79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

168. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the production of certain military equipment in Korea (MC-2-79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

169. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on excess defense articles delivered to foreign governments during the transition quarter, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

170. A letter from the Assistant Secretary of State for Economic and Business Affairs, transmitting a report on the national trade control systems of COCOM countries as they stood April 15, 1978, pursuant to section 302(b) of the Mutual Defense Assistance Control Act of 1951 (Battle Act); to the Committee on International Relations.

171. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

172. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

173. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

174. A letter from the Assistant Secretary of Agriculture, transmitting a report on the status of planned programing of Public Law 480, title I commodities as of December 31, 1978, pursuant to section 408(b) of the act (91 Stat. 552); to the Committee on International Relations.

175. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to the Netherlands (transmittal No. 79-1), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

176. A letter from the Acting Director, Defense Security Assistance Agency, transmitting an insert to the report on foreign military sales for the 3d quarter of fiscal year 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

177. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to the Federal Republic of Germany (transmittal No. 79-2), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

178. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the Federal Republic of Germany (transmittal No. 79-3), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

179. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the Netherlands (transmittal No. 79-5), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

180. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of September 30, 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

181. A letter from the Director, Defense Security Assistance Agency, transmitting a report on foreign military sales for fiscal year 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

182. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's allocations of funds appropriated for fiscal year 1979, by country or international organization and by program, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

183. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report concerning the status of aid-recipient countries regarding delinquencies in their dues, assessments and other obligations to the United Nations, pursuant to section 620(u) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

184. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report regarding the status of the International Disaster Assistance Account for the fourth quarter of fiscal year 1978, pursuant to section 492 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

185. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the programing and obligation of funds for relief and rehabilitation assistance to Romanian earthquake victims, pursuant to section 495(D)(e) of the Foreign Assistance Act of 1961, as amended (91 Stat. 46); to the Committee on International Relations.

186. A letter from the Senior Adviser and Director for International Narcotics Control, Department of State, transmitting a report on the proposed changes in allocations of fiscal year 1979 funds for the international narcotics control program, pursuant to section 653 of the Foreign Assistance Act; to the Committee on International Relations.

187. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on International Relations.

188. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

189. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

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195. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

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197. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

198. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

199. A letter from the Chairman, Board of Foreign Scholarships, transmitting the Board's 15th annual report, covering calendar year 1977, pursuant to section 107 of the Mutual Educational and Cultural Exchange Act of 1961; to the Committee on International Relations.

200. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the Commission's an-

nual report for calendar year 1977; to the Committee on International Relations.

201. A letter from the Assistant Attorney General, Antitrust Division, transmitting a report on the antitrust aspects of activities of advisory committees to the Interstate Compact to Conserve Oil and Gas, pursuant to section 2(b) of Public Law 94-493; to the Committee on Interstate and Foreign Commerce.

202. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on State compliance with medicaid utilization control requirements, covering the quarter ended March 31, 1978, pursuant to section 1903(g)(6) of the Social Security Act, as amended (91 Stat. 1205); to the Committee on Interstate and Foreign Commerce.

203. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the activities of the Department under title IX of the Public Health Service Act relating to heart diseases, cancer, stroke, and kidney disease, and grants and services to States, pursuant to section 227 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

204. A letter from the Secretary of Health, Education, and Welfare, transmitting the 1977 report on the administration of the Public Health Service, pursuant to section 511 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

205. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on family planning services and population research, pursuant to section 1009(a) of the Public Health Service Act, as amended (89 Stat. 307); to the Committee on Interstate and Foreign Commerce.

206. A letter from the Secretary of Health, Education, and Welfare, transmitting the Surgeon General's report for 1979 on smoking and health, pursuant to section 8(a) of the Public Health Cigarette Smoking Act of 1969; to the Committee on Interstate and Foreign Commerce.

207. A letter from the Secretary of Health, Education, and Welfare, transmitting a survey report on medical, nursing and osteopathic school admissions policy relating to abortions or sterilizations, pursuant to section 7 of Public Law 95-215; to the Committee on Interstate and Foreign Commerce.

208. A letter from the Secretary of Transportation, transmitting a preliminary report on the state of the railroad industry, pursuant to sections 504 and 901 of the Railroad Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

209. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held in San Francisco, Calif., on January 17; to the Committee on Interstate and Foreign Commerce.

210. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program held on November 8, 1978, in White Plains, N.Y., on November 9, 1978, in New York, N.Y., and on November 10, 1978, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

211. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program held on November 27 and 28, 1978, in Paris; to the Committee on Interstate and Foreign Commerce.

212. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of retail gasoline for July 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

213. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products for July 1978, pursuant to section 4(a)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

214. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products and retail gasoline for August 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

215. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of retail gasoline for September 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

216. A letter from the Administrator, Energy, Information Administration, Department of Energy, transmitting a quarterly report for the period July-September 1978, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of Public Law 93-319, as amended; to the Committee on Interstate and Foreign Commerce.

217. A letter from the Chairman, Federal Energy Regulatory Commission, Department of Energy, transmitting, a report on the implementation and actions taken under the Emergency Natural Gas Act of 1977, pursuant to section 12(b) of Public Law 95-2; to the Committee on Interstate and Foreign Commerce.

218. A letter from the Chairman, Federal Regulatory Commission, Department of Energy, transmitting interim regulations to implement certain sections of the Natural Gas Policy Act of 1978; to the Committee on Interstate and Foreign Commerce.

219. A letter from the Director, Office of Hearings and Appeals, Department of Energy, transmitting a quarterly report on private grievances and redress, covering the fourth quarter of fiscal year 1978, pursuant to section 21(c) of Public Law 93-275; to the Committee on Interstate and Foreign Commerce.

220. A letter from the President, Communications Satellite Corporation, transmitting the 15th annual report on the operations, activities, and accomplishments of (Comsat), pursuant to section 404(b) of Public Law 87-624; to the Committee on Interstate and Foreign Commerce.

221. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's views on S. 2, the Sunset Act of 1978, pursuant to section 27(k)(2) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

222. A letter from the Director of Congressional Relations, U.S. Consumer Product Safety Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 27(j) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

223. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the preliminary survey of surface impoundments and their effects on ground water quality in the United States, pursuant to section 1442(a)(8)(C) of the Public Health Service Act, as amended (88 Stat. 1683); to the Committee on Interstate and Foreign Commerce.

224. A letter from the Chairman, Federal Trade Commission, transmitting the 63d annual report of the Commission, covering fiscal year 1977, pursuant to section 6(f) of the Federal Trade Commission Act; to the Committee on Interstate and Foreign Commerce.

225. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 36731 (Sub-No. 28), liquefied petroleum gas, Flomaton, Ala., to Western Trunk Line Territory, within the initially specified 7-month period, and that the Commission seeks an extension until February 15, 1979, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

226. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in docket No. 36952, Electrical Appliances, San Juan to Dallas, Minneapolis, and East St. Louis, within the initially specified 7-month period, and seeking an extension until April 5, 1979, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

227. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of July 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

228. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's financial report for the month of July 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

229. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of August 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

230. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of September 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

231. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of September 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committees on Interstate and Foreign Commerce.

232. A letter from the President, U.S. Railway Association, transmitting the Association's fourth quarterly report, pursuant to section 202(e)(2) of the Regional Rail Reorganization Act of 1963, as amended (91 Stat. 1423); to the Committee on Interstate and Foreign Commerce.

233. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on September 21 and 22, 1978, pursuant to 28 U.S.C. 331 (H. Doc. No. 96-15); to the Committee on the Judiciary and ordered to be printed.

234. A letter from the Attorney General, transmitting the annual report for calendar year 1977 on the administration of the Foreign Agents Registration Act of 1938, as amended, pursuant to section 11 of the act; to the Committee on the Judiciary.

235. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

236. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

237. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

238. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

239. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

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243. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

244. A letter from the Director, Bureau of the Census, Department of Commerce, transmitting a report on the survey of registration and voting in the November 1976 elections in jurisdictions covered by the Voting Rights Act Amendments of 1975, pursuant to section 207(c) of the Voting Rights Act of 1965, as amended (89 Stat. 404); to the Committee on the Judiciary.

245. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a statement on the Equal Rights Amendment, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

246. A letter from the Secretary, Federal Trade Commission, transmitting the second annual report on the operation of the premerger notification provisions of the Clayton Act, pursuant to section 7A(j) of the act, as amended (90 Stat. 1394); to the Committee on the Judiciary.

247. A letter from the Director, Federal Judicial Center, transmitting the recommendations of the Board of the Federal Judicial Center to the Judicial Conference of the United States on the Federal court library system, pursuant to 28 U.S.C. 623(b); to the Committee on the Judiciary.

248. A letter from the Deputy Comptroller General of the United States, transmitting a report and recommendation concerning the claim of Mr. James C. Wilkinson, an employee of the Department of the Interior, for reimbursement, pursuant to the act of April 10, 1928 (45 Stat. 413, 31 U.S.C. 236); to the Committee on the Judiciary.

249. A letter from the Chairman, Copyright Royalty Tribunal, transmitting the Tribunal's first annual report, covering fiscal year 1978, pursuant to 17 U.S.C. 808; to the Committee on the Judiciary.

250. A letter from the corporation agent, Legion of Valor of the U.S.A., transmitting a report on the audit of the organization's accounts for the year ended April 30, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

251. A letter from the chairman, Little League Baseball, Inc., transmitting the annual report of the corporation for fiscal year 1978, including an independent certified audit, pursuant to section 14b of Public Law 88-378; to the Committee on the Judiciary.

252. A letter from the president, National Safety Council, transmitting the report of the audit of the Council's financial transactions for the fiscal year ended June 30, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

253. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the report of the audit of the books of the Quartermaster General of the VFW for the fiscal year ended August 31, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

254. A letter from the Secretary of the Interior, transmitting the annual report of the Fish and Wildlife Service and administration of its functions under the Marine Mammal Protective Act of 1972, covering the period June 22, 1977 to March 31, 1978, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

255. A letter from the Secretary of Transportation, transmitting, a report on special pay to Coast Guard officers holding positions of unusual responsibility and of critical nature during calendar year 1978, pursuant to 37 U.S.C. 206(f); to the Committee on Merchant Marine and Fisheries.

256. A letter from the Chairman, Migratory Bird Conservation Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 3 of the act of February 18, 1929, 16 U.S.C. 715b; to the Committee on Merchant Marine and Fisheries.

257. A letter from the Acting Director, Arms Control and Disarmament Agency, transmitting a report on scientific and professional positions established in the Agency during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

258. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the annual report on scientific and engineering positions established during fiscal year 1978 under the authority of section 203(c)(2)(A) of the National Aeronautics and Space Act of 1958, as amended, pursuant to section 206(b) of the act of October 4, 1961; to the Committee on Post Office and Civil Service.

259. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report covering the period ending September 30, 1978, together with the yearend summary for fiscal year 1978, on the Commission's hiring and promotion of minorities and women, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended (91 Stat. 1482); to the Committee on Post Office and Civil Service.

260. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Agana River Project, Guam, in partial response to section 106 of the River and Harbor Act of 1970 (H. Doc. No. 96-16); to the Committee on Public Works and Transportation.

261. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Root River Basin, Minn., in partial response to section 6 of the 1936 Flood Control Act, as amended, and section 11 of the Flood Control Act of 1946 (H. Doc. No. 96-17); to the Committee on Public Works and Transportation.

262. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Gulfport Harbor project, Mississippi, in response to a resolution by the Senate Committee on Public Works and section 304 of the River and Harbor Act of 1965 (H. Doc. No. 96-18); to the Committee on Public Works and Transportation.

263. A letter from the Secretary of the Army, transmitting the Corps of Engineers phase I design memorandum for the Libby reregulating dam power units, Kootenai River, Mont., pursuant to section 1(a) of Public Law 93-251 (H. Doc. No. 96-19); to the Committee on Public Works and Transportation and ordered to be printed.

264. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Rahway River and Van Winkles Brook, in partial response to resolutions of the House and Senate Committees on Public Works (H. Doc. No. 96-20); to the Committee on Public Works and Transportation.

265. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Robinsons Branch, Rahway River at Clark, Scotch Plains, and Rahway, N.J., in partial response to resolutions of the Senate and House Committees on Public Works adopted November 25 and December 11, 1969, respectively (H. Doc. No. 96-21); to the Committee on Public Works and Transportation and ordered to be printed.

266. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Santa Fe River and Arroyo Mascaras, in response to resolutions of the House and Senate Committees on Public Works (H. Doc. No. 96-22); to the Committee on Public Works and Transportation.

267. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Atlantic coast of New York City from Rockaway Inlet to Norton Point, in partial response to Public Law 71-84 and section 2 of Public Law 71-520 (H. Doc. No. 96-23); to the Committee on Public Works and Transportation.

268. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on harbor modification on the Cleveland Harbor, in response to a resolution of the House Committee on Public Works and Transportation (H. Doc. No. 96-24); to the Committee on Public Works and Transportation.

269. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Saw Mill Run, Pittsburgh, Pa., in

response to a resolution of the House Committee on Public Works and Transportation (H. Doc. No. 96–35); to the Committee on Public Works and Transportation.

270. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the upper Cheyenne River and tributaries, S. Dak. and Wyo., in response to resolutions of the Senate and House Committees on Public Works adopted January 23 and May 8, 1964, respectively; to the Committee on Public Works and Transportation.

271. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Blair and Sitcum Waterways, Tacoma Harbor, Wash., in partial response to section 209 of the Flood Control Act of 1962 (H. Doc. 96–26); to the Committee on Public Works and Transportation.

272. A letter from the Secretary of the Army, transmitting the findings of the Chief of Engineers on Blair and Sitcum Waterways, Tacoma Harbor, Wash., pursuant to section 101(c) of Public Law 94–587; to the Committee on Public Works and Transportation.

273. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Chehalis River at South Aberdeen and Cosmopolis, Wash., in partial response to a resolution of the House Committee on Flood Control (H. Doc. 96–27); to the Committee on Public Works and Transportation.

274. A letter from the Deputy Under Secretary of the Army, transmitting the annual report on the status of cooperation agreements on water resource projects, pursuant to section 221(e) of Public Law 91–611; to the Committee on Public Works and Transportation.

275. A letter from the Secretary of Transportation, transmitting the Department's final conclusions on the impact of the trans-Alaska pipeline construction traffic on the Alaska highway system, pursuant to section 151(a) of Public Law 94–280; to the Committee on Public Works and Transportation.

276. A letter from the Assistant Secretary of Transportation for Governmental Affairs, transmitting a report on each proposed and each final regulation that the Department of Transportation expects to publish in the Federal Register during the upcoming 6-month period; to the Committee on Public Works and Transportation.

277. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting the Agency's semiannual report on the effectiveness of the civil aviation security program, covering the period January 1–June 30, 1978, pursuant to section 315(a) of the Federal Aviation Act of 1958, as amended (88 Stat. 415); to the Committee on Public Works and Transportation.

278. A letter from the Chairman, Civil Aeronautics Board, transmitting the Board's annual report for fiscal year 1977, pursuant to section 205 of the Federal Aviation Act of 1958; to the Committee on Public Works and Transportation.

279. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the national water quality inventory report for 1977, pursuant to section 305(b) of the Federal Water Pollution Control Act, as amended (86 Stat. 854); to the Committee on Public Works and Transportation.

280. A letter from the Administrator of General Services, transmitting a prospectus proposing the continued lease of space at 820 Elkridge Landing Road, Friendship, Md., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

281. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of a letter the Board sent to the Office of Management and Budget requesting a partial exemptiton to the hiring limitation imposed by the President on October 24, 1978, pursuant to section 304 (b)(7) of Public Law 93–633; to the Committee on Public Works and Transportation.

282. A letter from the Secretary of Commerce, transmitting the fourth annual report on implementation of the Federal Fire Prevention and Control Act of 1974, covering calendar year 1977, pursuant to section 16 of the act; to the Committee on Science and Technology.

283. A letter from the Under Secretary of Energy, transmitting a preliminary application and system design study of solar photovoltaic applications at Federal installations, pursuant to section 208(a)(1) of Public Law 95–238; to the Committee on Science and Technology.

284. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period January 1, 1978 through June 30, 1978, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Technology.

285. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–April 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

286. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–May 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

287. A letter from the Under Secretary of Defense (Research and Engineering); transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–June 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

288. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Department of Defense procurement from small and other business firms for October 1977–July 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

289. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1977 through August 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

290. A letter from the Administrator, Small Business Administration, transmitting the Agency's annual report for fiscal year 1977, together with the Agency's balance sheets, lists of approved loans and contracts, and other statistical data, pursuant to 15 U.S.C. 639(a)(b), and 687(g)(2); to the Committee on Small Business.

291. A letter from the Administrator of Veterans' Affairs, transmitting a report on the need for computing the percentage of students enrolled in courses at educational institutions who are receiving Federal grants, pursuant to section 305(a)(3) of Public Law 95–202; to the Committee on Veterans' Affairs.

292. A letter from the Administrator of Veterans' Affairs, transmitting the annual report for fiscal year 1978 on the nature and disposition of all cases in which an institution approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission or intimation, pursuant to 38 U.S.C. 1796(d); to the Committee on Veterans' Affairs.

293. A letter from the Administrator of Veterans' Affairs, transmitting a report on the need for legislative or administrative action on standards of progress to qualify for VA educational benefits, pursuant to section 305(b)(2)(B) of Public Law 95–202; to the Committee on Veterans' Affairs.

294. A letter from the Administrator of Veterans' Affairs, transmitting reports covering fiscal year 1978 on exchange of medical information and sharing of medical resources, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

295. A communication from the President of the United States, transmitting his determination to provide import relief with respect to high carbon ferrochromium which differs from that recommended by the U.S. International Trade Commission, pursuant to section 203(b)(1) of the Trade Act of 1974 (H. Doc. 96–28); to the Committee on Ways and Means and ordered to be printed.

296. A communication from the President of the United States, transmitting his determination that import relief for the U.S. unwrought, unalloyed copper industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–29); to the Committee on Ways and Means and ordered to be printed.

297. A communication from the President of the United States, transmitting his determination that import relief for the domestic bicycle tire and tube industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–30); to the Committee on Ways and Means and ordered to be printed.

298. A communication from the President of the United States, transmitting his determination that import relief for the U.S. artificial bait and flies industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–31); to the Committee on Ways and Means and ordered to be printed.

299. A communication from the President of the United States, transmitting his determination to provide import relief with respect to iron or steel bolts, nuts, and large screws which differs from that recommended by the U.S. International Trade Commission, pursuant to section 203(b)(1) of the Trade Act of 1974 (H. Doc. No. 96–32); to the Committee on Ways and Means and ordered to be printed.

300. A communication from the President of the United States, transmitting notice of several trade agreements reached in the Tokyo Round of multilateral trade negotiations, pursuant to section 102(e)(1) of the Trade Act of 1974 (H. Doc. No. 96–33); to the Committee on Ways and Means and ordered to be printed.

301. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report of the Industry Sector Advisory Committees on the United States-Indian Tropical Products Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

302. A letter from the Executive Director, Advisory Committee for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting the committee's report on the United States-United Mexican States Bilateral Trade Agreement entered into on December 2, 1977, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

303. A letter from the Executive Director, Advisory Committee for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting the committee's report on the United States-Indian Bilateral Trade

Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

304. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the United States-United Mexican Bilateral Trade Agreement entered into on December 2, 1977, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

305. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the United States-Indian Tropical Products Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

306. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1980; to the Committee on Ways and Means.

307. A letter from the Vice Chairman, U.S. International Trade Commission, transmitting the Commission's 18th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MIKVA (for himself, Mr. ANDERSON of Illinois, Mr. FOLEY, Mr. CONABLE, Mr. UDALL, Mr. WIRTH, Mr. AKAKA, Mr. ALBOSTA, Mr. ASHLEY, Mr. ATKINSON, Mr. AUCOIN, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOLAND, Mr. BOLLING, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CONTE, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. DICKS, Mr. DIXON, Mr. DONNELLY, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DRINAN, Mr. ECKHARDT, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAZIO, Mrs. FENWICK, Mr. FISHER, Mr. FLOOD, Mr. FOLEY, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GEPHARDT, Mr. GILMAN, Mr. GIAIMO, Mr. GLICKMAN, Mr. GORE, Mr. GREEN, Mr. GUDGER, Mr. HALL of Ohio, Mr. HANLEY, Mr. HARKIN, Mr. HARRIS, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. JEFFORDS, Mr. JENRETTE, Mr. KOGOVSEK, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LELAND, Mr. LOWRY, Mr. LUKEN, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MAGUIRE, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. NELSON, Mr. NOLAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEASE, Mr. PEPPER, Mr. PETTIS, Mr. PREYER, Mr. PRICE, Mr. PRITCHARD, Mr. RANGEL, Mr. RATCHFORD, Mr. REUSS, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHANNON, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. ST GERMAIN, Mr. STOCKMAN, Mr. STUDDS, Mr. SWIFT, Mr. TRAXLER, Mr. VAN DEERLIN, Mr. VANIK, Mr. VENTO, Mr. WALGREN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. WOLPE, Mr. WON PAT and Mr. YATES):

H.R. 1. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

By Mr. BLANCHARD (for himself, Mr. MINETA, and Mr. GEPHARDT):

H.R. 2. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; to the Committees on Government Operations and Rules.

By Mr. PHILLIP BURTON:

H.R. 3. A bill to amend the act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER (for himself and Mr. HAWKINS):

H.R. 4. A bill to amend title VII of the Civil Rights Act of 1964 to provide protection against employment discrimination to older Americans, and for other purposes; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 5. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 6. A bill to preserve and promote the resources of the Connecticut River Valley, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 7. A bill to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL (for himself, Mr. KASTENMEIER, and Mr. SEIBERLING):

H.R. 8. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEDERER:

H.R. 9. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition for elementary and secondary education; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. EDWARDS of California, Mr. CONYERS, Mr. DANIELSON, Mr. DRINAN, Ms. HOLTZMAN, Mr. MAZZOLI, Mr. HARRIS, Mr. HUGHES, and Mr. RAILSBACK):

H.R. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 11. A bill to amend the Saccharin Study and Labeling Act to extend from 18 to 36 months the period during which the Secretary of Health, Education, and Welfare may not take certain action restricting the continued use of saccharin as a food, drug, and cosmetic to the Committee on Interstate and Foreign Commerce.

H.R. 12. A bill to amend the Federal Food, Drug, and Cosmetic Act to delete certain requirements applicable to food additives and color additives; to the Committee on Interstate and Foreign Commerce.

Mr. CONABLE:

H.R. 13. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 14. A bill to amend titles II and XVIII of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to restore the long-range soundness of the old age, survivors and disability insurance system, to repeal special statutory increases in the earnings base (leaving such base subject to annual adjustment as under prior law), to provide mandatory social security coverage for Federal employees, to establish a working spouse's benefit, to make appropriate adjustments in social security tax rates (generally lowering the OASDHI rate through this century) and in Disability Insurance Trust Fund allocations, and to provide for partial financing of the Hospital Insurance program from general revenues; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CONYERS (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON of California, Mr. AUCOIN, Mr. BINGHAM, Mr. BOLAND, Mr. BOLLING, Mr. BRADEMAS, Mr. BRODHEAD, Mr. BROWN of California, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CORMAN, Mr. COTTER, Mr. DELLUMS, Mr. DERRICK, Mr. DIGGS, Mr. DIXON, Mr. DODD, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Mr. FISH, Mr. FISHER, Mr. FITHIAN, Mr. FLOOD, Mr. FORD of Tennessee, Mr. FOWLER, Mr. GARCIA, Mr. GINGRICH, Mr. GONZALEZ, Mr. GRAY, Mr. HALL of Ohio, Mr. HAWKINS, Mr. HOLLENBECK, Mr. HOWARD, Mr. JACOBS, Mr. JENKINS, Mr. JOHNSON of California, Mr. KILDEE, Mr. LELAND, Mr. LLOYD, Mr. MCHUGH, Mr. MAGUIRE, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PRITCHARD, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SABO, Mr. ST GERMAIN, Mr. SEIBERLING, Mr. SIMON, Mrs. SPELLMAN, Mr. STARK, Mr. STEWART, Mr. STOKES, Mr. THOMPSON, Mr. WEAVER, Mr. CHARLES WILSON of Texas, Mr. WON PAT, and Mr. YATRON):

H.R. 15. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 16. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS (for himself and Mr. HANSEN):

H.R. 17. A bill to provide for and maintain the continued existence of a viable U.S. sugar industry; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. ULLMAN:

H.R. 18. A bill to amend the act of October 20, 1976, relating to payments to local governments based upon certain public lands within the boundaries of the jurisdiction of such governments, to include payments for lands on which are located a bombing range utilized primarily by aircraft stationed outside of the State in which the range is located; to the Committee on Interior and Insular Affairs.

H.R. 19. A bill to validate Federal reclamation contracts and written representations relating to repayment of allocated costs; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, and Mr. FORSYTHE):

H.R. 20. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CORMAN (for himself, Mr. PEPPER, Mr. STARK, Mr. ADDABBO, Mr. ANDERSON of California, Mr. BONKER, Mr. CLAY, Mr. CONYERS, Mr. DIGGS, Mr. DRINAN, Mr. EDWARDS of California, Mr. FASCELL, Mr. KILDEE, Mr. LEHMAN, Mr. MINISH, Mr. MOAKLEY, Mr. MYERS of Pennsylvania, Mr. OBERSTAR, Mr. REUSS, Mr. RODINO, Mr. ROSENTHAL, Mr. THOMPSON, Mr. WEAVER, Mr. WEISS, and Mr. WON PAT):

H.R. 21. A bill to create a national system of health security; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. BENNETT:

H.R. 22. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes; to the Committee on Armed Services.

H.R. 23. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS:

H.R. 24. A bill to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes; to the Committee on Government Operations.

By Mr. CARTER:

H.R. 25. A bill to authorize necessary flood control measures at locations in Kentucky, Virginia, and West Virginia, on an expedited basis, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PERKINS (for himself, Mr. THOMPSON, and Mr. HAWKINS):

H.R. 26. A bill to establish an additional position of Assistant Secretary of Labor; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 27. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to extend the authorizations of appropriations contained in such acts; to the Committee on Education and Labor.

H.R. 28. A bill to amend the Domestic Volunteer Service Act of 1973 to extend certain authorizations of appropriations made by such act; to the Committee on Education and Labor.

By Mr. STUDDS:

H.R. 29. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 30. A bill to repeal the Foreign Intelligence Surveillance Act of 1978; jointly, to the Committees on the Judiciary and the Select Committee on Intelligence.

H.R. 31. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 32. A bill to amend part B of title XVIII of the Social Security Act to provide for fair hearings on disputed medicare claims by an impartial person other than a carrier; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. LEDERER:

H.R. 33. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 34. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 35. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 36. A bill to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 37. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO:

H.R. 38. A bill to amend the Home Owners' Loan Act of 1933 to prohibit Federal Savings and Loan Associations from making variable rate and rollover mortgages and to authorize the Federal Home Loan Bank Board to permit such Associations to issue graduated payment and reverse annuity mortgages; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL (for himself, Mr. SEIBERLING, Mr. PHILLIP BURTON, Mr. BRADEMAS, Mr. STUDDS, Mr. FISH, Mr. PATTERSON, Mr. RANGEL, Mr. BRINKLEY, Mr. CONTE, Mr. VENTO, Mr. KOSTMAYER, Mr. SIMON, Mr. RODINO, Mr. WEAVER, Mr. HUGHES, Mr. CARR, Mrs. SPELLMAN, Mr. GUDGER, Mr. BONKER, Mr. PATTEN, Mr. DAVIS of South Carolina, Mr. BARNES, Mr. WIRTH, Mr. DANIELSON, Mr. BOLAND, Mr. MOAKLEY, Mr. GREEN, Mr. BEILENSON, Mr. CORRADA, Mr. CONYERS, Mr. HOWARD, Mr. MIKVA, Mr. CORMAN, Mr. VANIK, Mr. BRODHEAD, Mr. MINETA, Mr. WAXMAN, Mr. BINGHAM, Mr. FOWLER, Mr. REUSS, Mr. VAN DEERLIN, Mr. HARKIN, Mr. ASPIN, Mr. ROSENTHAL, Mr. LEHMAN, Mr. MARKEY, Mr. DERRICK, Mr. HAWKINS, Mr. KILDEE, Mr. DELLUMS, Mr. ROE, Mr. DRINAN, Mr. BLANCHARD, Mr. FISHER, Mr. EDWARDS of California, Mr. HARRIS, Mr. KASTENMEIER, Mr. LONG of Maryland, Mr. MAGUIRE, Mr. DOWNEY, Mr. WALGREN, Mr. PEASE, Mr. OTTINGER, Mr. RICHMOND, Mr. MOTTL, Mr. MOORHEAD of Pennsylvania, Mr. EDGAR, Mr. GLICKMAN, Mr. SABO, Mr. JEFFORDS, Mr. GARCIA, Mr. HALL of Ohio, Mr. SCHEUER, Mr. BONIOR, Mr. MITCHELL of Maryland, Mr. WOLFF, Mr. HOLLENBECK, Mr. TRAXLER, Mr. PANETTA, Mr. JENRETTE, Mr. FLORIO, Mr. ANDREWS of North Carolina, Mr. GEPHARDT, Mr. FASCELL, Mr. DUNCAN of Tennessee, Mrs. SCHROEDER, Mr. GRADISON, Mr. JOHN BURTON, Mrs. PENWICK, and Mrs. BYRON):

H.R. 39. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and to the Committee on Merchant Marine and Fisheries for a period ending not later than March 19, 1979.

By Mr. BINGHAM:

H.R. 40. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs; to the Committee on the Judiciary.

By Mr. RAHALL (for himself and Mr. PERKINS):

H.R. 41. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake flood control measures in the Tug and Levisa Forks of the Big Sandy River and the Cumberland River, W. Va. and Ky., and of Grundy, Va.; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL:

H.R. 42. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act, and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Interstate and Foreign Commerce.

H.R. 43. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

H. R. 44. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 45. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 46. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 47. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rate of dependency and indemnity compensation for survivors of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 48. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

By Mr. ERLENBORN:

H.R. 49. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Ms. HOLTZMAN:

H.R. 50. A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that act may have wage differentials based on sex of the employees; to the Committee on Education and Labor.

By Mr. MARKEY (for himself and Mr. DINGELL):

H.R. 51. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 52. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 53. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. SYMMS (for himself, Mr. WHITEHURST, Mr. BOB WILSON, Mr. McDONALD, Mr. KINDNESS, Mr. HANSEN, Mr. GUYER, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. DEVINE, Mr. COLLINS of Texas, Mr. BADHAM, Mr. HAGEDORN, and Mr. GEPHARDT):

H.R. 54. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, to promote the efficient and fair treatment of new drug applications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. HOLT (for herself, Mr. BURGENER, and Mr. MICHEL):

H.R. 55. A bill to improve the congressional budget process by the establishment in the House of Representatives of a two-step budget procedure for the consideration of a first required concurrent resolution on the budget; to the Committee on Rules.

By Mrs. HOLT:

H.R. 56. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. NATCHER:

H.R. 57. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. CONABLE:

H.R. 58. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 59. A bill to provide competition in the domestic crude oil market; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 60. A bill to amend title 23 of the United States Code relating to the withdrawal of routes or portions thereof on the Interstate System; to the Committee on Public Works and Transportation.

By Mr. HORTON:

H.R. 61. A bill to amend title 5 of the United States Code to improve agency rulemaking by establishing paperwork control mechanisms, by expanding opportunities for public participation, and by enabling the President to delay the implementation of certain rules for 1 year to allow a more comprehensive analysis of congressional intent and public impact, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. HORTON (for himself, Mr. BROOKS, and Mr. STEED):

H.R. 62. A bill to improve the economy and efficiency of the Government and the private sector by improving Federal paperwork management, and for other purposes; to the Committee on Government Operations.

By Mr. HORTON:

H.R. 63. A bill to amend title 39 of the United States Code for the purpose of establishing a new procedure for fixing rates and classes of mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STOKES:

H.R. 64. A bill to provide a special program for financial assistance to national community-based organizations of demonstrated effectiveness, in order to provide 1 million new jobs and job training opportunities, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. DERRICK (for himself, Mr. AKAKA, Mr. ANNUNZIO, Mr. BURGENER, Mr. CARR, Mr. CLEVELAND, Mr. D'AMOURS, Mr. DERWINSKI, Mr. DICKS, Mr. DUNCAN of Oregon, Mr. EMERY, Mr. ERTEL, Mr. FASCELL, Mr. FRENZEL, Mr. GEPHARDT, Mr. GIAIMO, Mr. GUDGER, Mr. GUYER, Mr. HOLLAND, Mrs. HOLT, Mr. HYDE, Mr. JACOBS, Mr. JENRETTE, Mr. JONES of Oklahoma, Mr. KINDNESS, Mr. LEE, Mr. LENT, Mr. LUKEN, Mr. McCORMACK, Mr. McHUGH, Mr. MAGUIRE, Ms. MIKULSKI, Mr. OTTINGER, Mr. PATTERSON, Mr. PRITCHARD, Mr. PURSELL, Mr. ROUSSELOT, Mr. SANTINI, Mr. SKELTON, Mr. WHITTAKER, Mr. WINN, and Mr. WON PAT):

H.R. 65. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. PERKINS:

H.R. 66. A bill to amend the Vocational Education Act of 1963 to extend the authorizations of appropriations contained in such act; to the Committee on Education and Labor.

H.R. 67. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 68. A bill to protect the constitutional rights of those subject to the military justice system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

H.R. 69. A bill to amend the Federal Election Campaign Act of 1971 to provide that, with respect to any Federal election, no expenditure may be made by any candidate or political committee unless there are sufficient funds in the checking account maintained by such committee to pay the amount of such expenditure and all other checks drawn on such account and unpaid, and for other purposes; to the Committee on House Administration.

By Mr. FINDLEY (for himself, Mr. PEPPER, and Mr. HAWKINS):

H.R. 70. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that individuals who are 40 years of age or older shall be protected by the provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. O'BRIEN:

H.R. 71. A bill to amend section 553 of title 5, United States Code, to improve Federal rulemaking practice by creating procedures for regulatory issuance in two or more parts; to the Committee on the Judiciary.

H.R. 72. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

By Mr. ROSENTHAL:

H.R. 73. A bill to amend title 5, United States Code, to provide for the establishment of a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio:

H.R. 74. A bill to establish a program of Federal grants to encourage the employment and training of unemployed individuals; to the Committee on Education and Labor.

H.R. 75. A bill to establish a procedure to reduce the cost of compliance with Federal rules and regulations by requiring the adoption of the most cost-effective alternative; to the Committee on the Judiciary.

H.R. 76. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on Rules.

H.R. 77. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies; to the Committee on the Judiciary.

H.R. 78. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON of California:

H.R. 79. A bill to amend title 39, United States Code, to provide that the chairmen of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. OBEY (for himself, Mr. BALDUS, Mr. KASTENMEIER, Mr. JEFFORDS, and Mr. ASPIN):

H.R. 80. A bill to amend section 201 of the Agriculture Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. RODINO (for himself and Mr. DANIELSON):

H.R. 81. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. CORRADA (for himself and Mr. WON PAT):

H.R. 82. A bill to amend the Social Security Act to provide that Federal assistance to Puerto Rico, the Virgin Islands, and Guam under the AFDC, child welfare, and social services programs shall be furnished on the same basis (under the same formula and without specific dollar ceilings) as in the case of other States, and to amend section 228 of such act to extend to Puerto Rico, the Virgin Islands, and Guam the program of special benefits at age 72 for certain uninsured individuals; to the Committee on Ways and Means.

H.R. 83. A bill to amend title XVI of the Social Security Act and related laws to extend the supplemental security income benefits program to Puerto Rico, the Virgin Islands, and Guam on the same basis as the States; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 84. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of

the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. MURPHY of New York, Mr. TREEN, Mr. SNYDER, Mr. JONES of North Carolina, Mr. PRITCHARD, Mr. DE LA GARZA, Mr. YOUNG of Alaska, Mr. PATTERSON, Mr. BAUMAN, Mr. GINN, Mr. LENT, Mr. HUBBARD, Mr. EVANS of Delaware, Mr. BONKER, Mr. FORSYTHE, Mr. D'AMOURS, Mr. EMERY, Mr. OBERSTAR, Mr. DORNAN, Mr. HUGHES, Mr. TREIBLE, Ms. MIKULSKI, Mr. BONIOR, Mr. AKAKA, Mr. BOWEN, and Mr. ZEFERETTI):

H.R. 85. A bill to provide a comprehensive system of liability and compensation for oil-spill damage and removal costs, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. BOB WILSON:

H.R. 86. A bill to amend section 907 of title 37, United States Code, relating to pay and allowances of enlisted members of the uniformed services who are appointed officers, and for other purposes; to the Committee on Armed Services.

By Mr. SMITH of Iowa:

H.R. 87. A bill to require the consideration of environmental and other factors, and the stockpiling and replacement of soil on all public works projects and highway and other projects which are federally assisted, on federally held land, and on projects which affect commerce among the States, or the general welfare and quality of life of the Nation; jointly to the Committees on Public Works and Transportation, and Agriculture.

H.R. 88. A bill to clarify the eligibility of certain small businesses for loans under the Small Business Act, to aid, protect, and preserve small businesses in meat production and marketing, and for other purposes; jointly to the Committees on Agriculture, and Small Business.

H.R. 89. A bill to amend the Commodity Exchange Act to require public disclosure of certain information relating to sales of commodities for export, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, and Mr. MCDADE):

H.R. 90. A bill to amend the Small Business Act and Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. SMITH of Iowa (for himself and Mr. CONTE):

H.R. 91. A bill to change the method and procedure of selling all meat commodities; to provide for licensing and regulating of market price reporting services; to insure proper market for sales and thereby prevent manipulation of prices in meat trading (selling) and the creation of a Meat Industry Standards Board to implement these objectives; to research the establishment of a centralized national market system; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 92. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. AKAKA (for himself and Mr. HEFTEL):

H.R. 93. A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian Natives, and for other purposes; to the Committee on Education and Labor.

By Mr. HARSHA:

H.R. 94. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

By Mr. YATES:

H.R. 95. A bill to designate the Indiana Dunes National Lakeshore as the "Paul H. Douglas Indiana Dunes National Lakeshore"; to the Committee on Interior and Insular Affairs.

By Mr. COLEMAN (for himself, Mr. DANNEMEYER, Mr. KRAMER, Mr. HYDE, Mr. LEE, Mr. TREEN, Mr. O'BRIEN, Mr. SCHULZE, Mr. MONTGOMERY, Mr. MOTTL, Mr. LAGOMARSINO, Mr. MYERS of Indiana, Mr. BADHAM, Mr. BUCHANAN, Mr. DORNAN, Mr. YOUNG of Florida, Mr. SENSENBRENNER, Mr. WALKER, Mr. YOUNG of Alaska, Mr. GRISHAM, Mr. CORCORAN, Mr. BOB WILSON, Mr. SHUMWAY, Mr. CHENEY, Mr. SEBELIUS, Mr. HILLIS, Mr. APPLEGATE, Mr. DAN DANIEL, Mr. COLLINS, of Texas, Mr. ROUSSELOT, Mr. WINN, Mr. RUDD, and Mr. YATRON):

H.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. STEED (for himself, Mr. JONES of Oklahoma, Mr. ENGLISH, Mr. WATKINS, Mr. EDWARDS of Oklahoma, and Mr. SYNAR):

H.J. Res. 3. Joint resolution designating November 4, 1979, as "Will Rogers Day"; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H.J. Res. 4. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.J. Res. 5. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

By Mr. LATTA (for himself, Mr. SOLOMON, Mr. KRAMER, Mr. ROUSSELOT, Mr. DAVIS of Michigan, Mr. DORNAN, Mr. BAFALIS, Mr. SENSENBRENNER, Mr. HYDE, Mr. GUYER, Mr. LAGOMARSINO, Mr. GRISHAM, Mr. MILLER of Ohio, Mr. RUDD, Mr. DEVINE, Mrs. HOLT, Mr. SNYDER, and Mr. SEBELIUS):

House Joint Resolution 6. Joint resolution proposing an amendment to the Constitution to prohibit the Congress from making any law which would cause the total amount of the expenditures by the United States in any fiscal year to exceed the total amount of the revenues received during that fiscal year, and which would require the Congress to provide a reasonable sum of money in each fiscal year to be applied on the repayment of the national debt; to the Committee on the Judiciary.

By Mr. DANIELSON:

House Joint Resolution 7. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. LEVITAS:

House Joint Resolution 8. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. BOLAND:

House Joint Resolution 9. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. DERWINSKI:

House Joint Resolution 10. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. BENNETT:

House Joint Resolution 11. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

H.J. Res. 13. Joint resolution proposing amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. BAFALIS (for himself, Mr. LOTT, Mr. MOTTL, Mr. DANIEL CRANE, Mr. GUYER, Mr. ROBERT W. DANIEL, Jr., Mr. KINDNESS, Mr. TREEN, Mr. WINN, Mr. YOUNG of Florida, Mr. HYDE, Mr. HAGEDORN, Mr. MONTGOMERY, Mr. ROUSSELOT, Mr. DEVINE, Mr. DORNAN, Mr. STOCKMAN, Mr. DUNCAN of Tennessee, Mr. MATHIS, Mr. BUCHANAN, Mr. LENT, Mr. HUCKABY, Mr. BENJAMIN, Mr. MURPHY of Pennsylvania, Mr. BADHAM, Mr. IRELAND, Mr. BUTLER, Mr. LAGOMARSINO, Mr. SCHULZE, Mr. VANDER JAGT, Mr. KELLY, Mr. COLLINS of Texas, Mr. MARTIN, Mr. ANDREWS of North Dakota, Mr. SNYDER, Mr. CLEVELAND, Mr. BURGENER, Mr. GRASSLEY, Mr. ENGLISH, Mr. EDWARDS of Alabama, Mr. CHARLES WILSON of Texas, Mr. MARRIOTT, Mr. LATTA, Mr. SYMMS, Mr. O'BRIEN, Mr. ROBINSON, Mr. BAUMAN, Mr. ASPIN, Mr. GOLDWATER, Mrs. HOLT, Mr. SPENCE, Mr. MCDONALD, Mr. HARSHA, Mr. JACOBS, Mr. MOORE, Mr. RUNNELS, Mr. BEARD of Tennessee, Mr. CHAPPELL, Mr. DAVIS of Michigan, Mr. CAMPBELL, Mr. GINGRICH, Mr. SENSENBRENNER, Mr. LEE, Mr. SOLOMON, Mr. KRAMER, Mr. GRISHAM, Mr. SHUMWAY, Mr. LOEFFLER, Mr. HINSON, Mr. LUNGREN, Mr. WALKER, Mr. HOLLAND, Mr. HOPKINS, Mr. BROYHILL, Mr. WHITTAKER, Mr. BROOMFIELD, Mr. RUDD, Mr. ICHORD, Mr. WHITEHURST, Mr. EDWARDS of Oklahoma, Mr. MADIGAN, Mr. REGULA, Mr. HANSEN, Mr. MCCLOSKEY, Mr. SHUSTER, Mr. LIVINGSTON, Mr. SEBELIUS, Mr. QUAYLE, Mr. WYLIE, Mr. TAYLOR, Mr. EVANS of Delaware, Mr. HAMMERSCHMIDT, Mr. WAMPLER, Mr. LUJAN, Mr. YOUNG of Alaska, Mr. STANGELAND, Mr. DICKINSON, Mrs. SMITH of Nebraska, Mr. MITCHELL of New York, and Mr. HALL of Texas):

H.J. Res. 14. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H. Con. Res. 2. Concurrent resolution establishing a Commission on Legislative-Judicial

Relations; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H. Con. Res. 3. Concurrent resolution expressing the sense of the Congress that "Our American Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American Merchant Marine; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF (for himself, Mr. RODINO, Mr. BIAGGI, Mrs. COLLINS of Illinois, Mr. DE LA GARZA, Ms. MIKULSKI, Mr. NEAL, Mr. MURPHY of Illinois, Mr. RANGEL, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. ZEFERETTI, Mr. AKAKA, Mr. BEARD of Tennessee, Mr. GILMAN, Mr. GUYER, Mr. FASCELL, Mr. DORNAN, Mrs. BOGGS, and Mr. RAILSBACK):

H. Res. 13. Resolution providing for the establishment of the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. HAGEDORN:

H. Res. 14. Resolution to amend the Rules of the House of Representatives to require that each introduced bill and resolution contain a statement of the constitutional basis of authority for the bill; to the Committee on Rules.

By Mr. WHITE (for himself, Mr. GRAMM, and Mr. LOTT):

H.J. Res. 15. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.J. Res. 16. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ABDNOR:

H.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.J. Res. 18. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO:

H.J. Res. 20. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. ARCHER:

H.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. BEDELL:

H.J. Res. 22. Joint resolution proposing an amendment to the Constitution of the United States to provide 4-year terms for Members of the House of Representatives, and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. MCDONALD, Mr. SYMMS, Mr. PAUL, Mr. ASHBROOK, and Mr. COLLINS of Texas):

H.J. Res. 23. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

By Mr. BENNETT:

H.J. Res. 24. Joint resolution proposing an amendment to the Constitution to provide for the direct election of the President and the Vice President, and to authorize Congress to establish procedures relating to the nomination of Presidential and Vice-Presidential candidates; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.J. Res. 25. Joint resolution to authorize the President to proclaim the week of June 29 through July 5 as "Why I love America Week"; to the Committee on Post Office and Civil Service.

By Mr. CLAUSEN:

H.J. Res. 26. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President, and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes, and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

H.J. Res. 28. Joint resolution authorizing the President to designate October 7, 1979, as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.J. Res. 29. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations shall not exceed revenues of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.J. Res. 30. Joint resolution to provide independence for Puerto Rico; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN:

H.J. Res. 31. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.J. Res. 32. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 33. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. GINN:

H.J. Res. 35. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war and economic emergency declared by the Congress, expenditures of the Government may not exceed revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.J. Res. 36. Joint resolution to provide for the convening of an International Conference on Communication and Information, and for other purposes; to the Committee on International Relations.

H.J. Res. 37. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 38. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. GRAMM:

H.J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States which prohibits the Congress from making any law which causes the total amount of money expended by the United States in any fiscal year to exceed the total amount of revenue of the United States received during that fiscal year; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 42. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority to the Committee on the Judiciary.

H.J. Res. 43. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 44. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 45. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HANSEN:

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 48. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 49. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. HILLIS:

H.J. Res. 50. Joint resolution proposing an amendment to the Constitution of the United States to provide a 6-year term for President and for Vice President and a 3-year term for Representatives and to limit the total number of years for which Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 52. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

By Mrs. HOLT (for herself, Mr. DICKINSON, Mr. MARTIN, and Mr. ROUSSELOT):

H.J. Res. 53. Joint resolution to amend the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. HYDE:

H.J. Res. 55. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. DAVIS of Michigan, Mr. DERWINSKI, Mr. DOUGHERTY, and Mr. YOUNG of Missouri):

H.J. Res. 56. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.J. Res. 57. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. KAZEN:

H.J. Res. 58. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 60. Joint resolution proposing an amendment to the Constitution of the United States relating to the compensation of Senators and Representatives, providing that no increase in compensation shall take effect earlier than the following Congress; to the Committee on the Judiciary.

H.J. Res. 61. Joint resolution proposing an amendment to the Constitution of the United States to prohibit any Member of Congress sentenced for conviction of a felony during a session of Congress from continuing to serve as a Member of such Congress after the date of such sentencing; to the Committee on the Judiciary.

H.J. Res. 62. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 63. Joint resolution proposing an amendment to the Constitution of the United States to require a two-thirds vote of each House to increase taxes; to the Committee on the Judiciary.

By Mr. LENT:

H.J. Res. 64. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. LLOYD:

H.J. Res. 65. Joint resolution proposing an amendment to the Constitution of the United States providing that the terms of office of Members of the House of Representatives shall be 4 years, and for other purposes; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 66. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. MARRIOTT:

H.J. Res. 68. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 18, 1979, as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. MONTGOMERY, Mr. JENRETTE, Mrs. HOLT, Mr. PRICE, Mr. EDWARDS of California, Mr. GINN, Mr. LAGOMARSINO, Mr. BALDUS, and Mr. JOHNSON of California):

H.J. Res. 69. Joint resolution designating the "square dance" as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

Mr. MITCHELL of New York:

H.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer and religious instruction; to the Committee on the Judiciary.

H.J. Res. 71. Joint resolution to authorize and request the President to proclaim the second week in April of each year as "National Medical Laboratory Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 72. Joint resolution to authorize and request the President to proclaim May 7 of each year as a National Day of Prayer; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of California:

H.J. Res. 73. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. MOTTL:

H.J. Res. 74. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

By Mr. NEAL:

H.J. Res. 75. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or grave national emergency as determined by the Congress, expenditures of the United States in each fiscal year shall not exceed 20 percent of the gross national product for the preceding calendar year, and expenditures of the United States in each fiscal year shall not exceed revenues of the United States for that fiscal year; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.J. Res. 76. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 77. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 78. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

H.J. Res. 79. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day"; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 80. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1979, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SMITH of Iowa:

H.J. Res. 81. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. SNYDER:

H.J. Res. 82. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. SPENCE:

H.J. Res. 83. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.J. Res. 84. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. SYMMS:

H.J. Res. 85. Joint resolution proposing the Bricker amendment to the Constitution of the United States relative to force and effect of treaties and Executive agreements; to the Committee on the Judiciary.

By Mr. TREEN (for himself, Mr. MCCLORY, Mr. LIVINGSTON, Mr. MOORE, Mr. QUAYLE, Mr. SNYDER, Mr. ROUSSELOT, Mr. SIMON, Mr. WALKER, Mr. MONTGOMERY, Mr. HALL of Texas, Mr. KINDNESS, Mr. LOTT, Mr. BURGENER, Mr. SHUSTER, Mr. BADHAM, Mr. LAGOMARSINO, Mr. SEBELIUS, Mr. WINN, Mr. RUDD, Mr. O'BRIEN, Mr. DAN DANIEL, Mr. MARRIOTT, Mr. YOUNG of Florida, Mr. DEVINE, Mr. COLLINS of Texas, and Mr. MCDONALD):

H.J. Res. 86. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.J. Res. 87. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. VOLKMER (for himself and Mr. YOUNG of Missouri):

H.J. Res. 89. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. VOLKMER (for himself, Mr. YOUNG of Missouri, and Mr. GEPHARDT):

H.J. Res. 90. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WHITE:

H.J. Res. 91. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 92. Joint resolution calling for a wildlife preserve for humpback whales in the West Indies; to the Committee on International Relations.

By Mr. WON PAT:

H.J. Res. 93. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WYLIE:

H.J. Res. 94. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1985, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 95. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1983, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 96. Joint resolution to amend the Constitution of the United States to provide Federal budget outlays made by the United States after September 30, 1984, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 97. Joint resolution to amend the Constitution of the United States to provide that Federal expenditures and budget outlays shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 98. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1982 shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 99. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 100. Joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri (for himself, Mr. GEPHARDT, Mr. VOLKMER, and Mr. HYDE):

H.J. Res. 101. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Con. Res. 4. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H. Con. Res. 5. Concurrent resolution relative to the evaluation of certain strategic nuclear capabilities of the United States and Russia; jointly, to the Committees on Armed Services and International Relations.

By Mr. BINGHAM:

H. Con. Res. 6. Concurrent resolution authorizing a bust or statue of Martin Luther King Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. COLLINS of Texas:

H. Con. Res. 7. Concurrent resolution to provide, subject to certain exceptions, that the House of Representatives may meet only on certain days; to the Committee on Rules.

By Mr. DRINAN:

H. Con. Res. 8. Concurrent reoslution urging the participation of the United States in the review of the United Nations Charter, and for other purposes; to the Committee on International Relations.

By Mr. EVANS of Georgia:

H. Con. Res. 9. Concurrent resolution disapproving a proposed revenue procedure of the Internal Revenue Service relating to private tax-exempt schools; to the Committee on Ways and Means.

By Mr. GUYER:

H. Con. Res. 10. Concurrent resolution to express the sense of Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia; to the Committee on International Relations.

H. Con. Res. 11. Concurrent resolution expressing the sense of Congress with respect to the Internal Revenue Service's proposed procedure on private tax-exempt schools; to the Committee on Ways and Means.

By Mr. HANSEN:

H. Con. Res. 12. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on International Relations.

H. Con. Res. 13. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIS:

H. Con. Res. 14. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

H. Con. Res. 15. Concurrent resolution to create the Claude Pepper senior citizen intern program; to the Committee on House Administration.

By Mrs. HOLT:

H. Con. Res. 16. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. LLOYD:

H. Con. Res. 17. Concurrent resolution expressing the sense of the Congress that buildings should be accessible to the handicapped; to the Committee on Education and Labor.

By Mr. MITCHELL of New York:

H. Con. Res. 18. Concurrent resolution to provide for the procurement and display in the Capitol of a facsimile of the Constitution of the United States; to the Committee on House Administration.

H. Con. Res. 19. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic churches in Ukraine; to the Committee on International Relations.

By Mr. YOUNG of Florida:

H. Con. Res. 20. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. BAFALIS:

H. Res. 15. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

By Mr. DELLUMS:

H. Res. 16. Resolution creating a special committee to study the status of land grants from the King of Spain and the Government of Mexico; to the Committee on Rules.

By Mr. DRINAN:

H. Res. 17. Resolution expressing the sense of the House of Representatives with respect to the selection of a site other than the Soviet Union for the 1980 summer Olympic games; to the Committee on International Relations.

By Mr. EDGAR:

H. Res. 18. Resolution expressing the sense of the House of Representatives with respect to the United Nations Conference on the Law of the Sea and urging the establishment of a Common Heritage Fund; to the Committee on International Relations.

By Mr. GUYER:

H. Res. 19. Resolution to reaffirm the use of our national motto on currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 20. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

H. Res. 21. Resolution ot amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANSEN:

H. Res. 22. Resolution expressing the sense of the House with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in

the Canal Zone; to the Committee on Merchant Marine and Fisheries.

H. Res. 23. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 24. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the cost, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. HORTON (for himself, and Mr. STEED):

H. Res. 25. Resolution amending clause 7 of rule XIII of the Rules of the House; to the Committee on Rules.

By Mr. KOSTMAYER:

H. Res. 26. Resolution amending the Rules of the House of Representatives to provide that the Committee on Standards of Official Conduct shall promptly report a resolution recommending the expulsion of any Member who has been convicted by a court of record for the commission of a crime for which a sentence of 2 or more years' imprisonment may be imposed, if such conviction has become final; to the Committee on Rules.

H. Res. 27. Resolution amending the Rules of the House of Representatives to provide that any Member who has been convicted of crime and sentenced to 2 or more years in prison and who has exhausted all appeals of such conviction shall refrain from participation in any business of the House; to the Committee on Standards of Official Conduct.

By Mr. LAGOMARSINO:

H. Res. 28. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. LOTT (for himself, Mr. RHODES, Mr. ANDERSON of Illinois, Mr. MICHEL, Mr. EDWARDS of Alabama, Mr. QUILLEN, Mr. DEVINE, and Mr. SHUSTER):

H. Res. 29. Resolution providing for the establishment of a Select Committee on the Committee System; to the Committee on Rules.

By Mr. McDONALD:

H. Res. 30. Resolution to establish a Select Committee to Investigate Illegal or Unethical Practices of the Internal Revenue Service; to the Committee on Rules.

By Mr. MITCHELL of New York:

H. Res. 31. Resolution concerning the Safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. NEAL:

H. Res. 32. Resolution to establish a Select Committee on Inflation; to the Committee on Rules.

By Mr. O'BRIEN:

H. Res. 33. Resolution to establish a Select Committee on Handicapped Individuals; to the Committee on Rules.

By Mr. PEYSER:

H. Res. 34. Resolution to request the Speaker of the House of Representatives to establish a Task Force on Federal Regulatory Practices; to the Committee on Rules.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H. Res. 35. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs; to the Committee on House Administration.

By Mr. ROBINSON:

H. Res. 36. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. ROE:

H. Res. 37. Resolution to create a congressional senior citizen intern program; to the Committee on House Administration.

By Mr. SCHEUER (for himself and Mr. ERLENBORN):

H. Res. 38. Resolution establishing a Select Committee on Population; to the Committee on Rules.

By Mr. VANIK (for himself, Mr. FINDLEY, Mr. LONG of Maryland, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BENJAMIN, Mr. BUCHANAN, Mr. CORRADA, Mr. DRINAN, Mr. EDWARDS of California, Mr. ERTEL, Mr. GORE, Mr. HARRIS, Mr. JONES of Oklahoma, Mr. LOWRY, Mr. LUKEN, Mr. MARKEY, Mr. MOTTL, Mr. RINALDO, Mr. SKELTON, Mr. WEISS, Mr. WINN, Mr. GINN, Mr. GEPHARDT, Mr. GONZALEZ, and Mr. DUNCAN of Tennessee):

H. Res. 39. Resolution to establish a Select Committee on Inflation; to the Committee on Rules.

By Mr. WEISS:

H. Res. 40. Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein; to the Committee on Rules.

By Mr. WHITE:

H. Res. 41. Resolution relating to voluntary pooling of clerk-hire funds; to the Committee on House Administration.

By Mr. YOUNG of Florida:

H. Res. 42. Resolution to reaffirm the use of our national motto on coins and currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 43. Resolution to reaffirm the use of the phrase, "Under God", in the Pledge of Allegiance to the Flag of the United States; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

1. By the SPEAKER: Memorial of the General Assembly of the State of New Jersey, relative to extending the anti-recession fiscal aid program; to the Committee on Government Operations.

2. Also, memorial of the Legislature of the Commonwealth of Puerto Rico, relative to their repudiation of the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's status; to the Committee on Interior and Insular Affairs.

3. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their repudiation of interference by Representatives of Communist Cuba in the affairs of Puerto Rico in the United Nations Organization's Decolonization Committee; to the Committee on Interior and Insular Affairs.

4. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to the Overseas Private Investment Corporation extending loans to U.S. companies for viable economic projects in the Northern Mariana Islands; to the Committee on International Relations.

5. Also, memorial of the Legislature of the State of Texas, requesting that Congress propose, or alternatively, call a convention for the purpose of proposing an amendment to the Constitution of the United States requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

6. Legislature of the State of Texas, reaffirming its earlier call for an amendment to the Constitution of the United States requiring a balanced annual Federal budget; to the Committee on the Judiciary.

7. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their support of granting citizens of Washington, D.C., full representation in the U.S. Congress; to the Committee on the Judiciary.

8. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their support of measures before the Congress that authorize the use of the Spanish language in the Federal Court of Puerto Rico; to the Committee on the Judiciary.

9. Also, memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to congressional authorization of the use of the Spanish language in the Federal Court for the District of Puerto Rico; to the Committee on the Judiciary.

10. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to requesting the U.S. Government to declare an open-sky policy for the Commonwealth of the Northern Mariana Islands to the Committee on Public Works and Transportation.

11. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to expressing their appreciation to the U.S. Congress for disapproving a rider to H.R. 13511 which would have denied their residents of benefits under title XVI of the Social Security Act; to the Committee on Ways and Means.

SENATE—*Monday, January 15, 1979*

The 15th day of January being the day prescribed by Public Law 95–594, 95th Congress, 2d session, for the meeting of the 1st session of the 96th Congress, the Senate assembled in its Chamber at the Capitol at 12 o'clock meridian.

The VICE PRESIDENT. The Senate will come to order. The Chaplain will offer the prayer.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our fathers, God of history, God of the Scriptures, and God of inner experience, draw us together this day by our common loyalty to Thee. May the beginning day for some be a new beginning for all.

Keep us ever mindful of who we are, what our duties are, and the people who put us here. Lift our vision beyond ourselves and our party to the larger realm of our common humanity. Keep us true to truth and faithful to our best selves. Make us unashamed of old values and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

unafraid of new ones. Strengthen our homes and make them sanctuaries of enduring love.

Give us a part in the spiritual renewal of America, in the restoration of the moral law and in the recovery of an elevated patriotism. Endow us with an abiding sense of servanthood. Bestow Thy higher wisdom upon the President and all who serve in the government of the Nation this day and always.

In Thy holy name we pray.

Now in keeping with a first day tradition of the Senate will you join with me in the Lord's prayer, praying in unison?

"Our Father, who art in heaven, Hallowed be Thy name. Thy kingdom come. Thy will be done, On earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, As we forgive those who trespass against us. And lead us not into temptation, But deliver us from evil. For thine is the kingdom, and the power, and the glory, for ever." Amen.

CREDENTIALS—RESIGNATIONS AND APPOINTMENTS

The VICE PRESIDENT. The Chair lays before the Senate the letters of resignation of six Senators and certificates of appointment of six Senators to fill the vacancies caused by these resignations.

Without objection, the reading will be waived and the documents will be printed in the RECORD.

The documents ordered to be printed in the RECORD are as follows:

U.S. SENATE,
Washington, D.C., December 13, 1978.

Hon. J. STANLEY KIMMITT,
Secretary of the Senate,
Washington, D.C.

DEAR MR. SECRETARY: Enclosed herewith find copy of my letter of resignation to the Governor of Montana effective the close of business on the 14th day of December, 1978.

I am immensely proud to have been a member of the Senate and to have had the opportunity to represent the State of Montana.

I am most grateful for your many courtesies and the kindness shown to me and my staff during my stay here in Washington. I thank you sincerely for your most uncommon friendship.

Very truly yours,

PAUL G. HATFIELD.

U.S. SENATE,
Washington, D.C., December 13, 1978.

Hon. JAMES O. EASTLAND,
President Pro Tempore, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith find copy of my letter of resignation to the Governor of Montana effective the close of business on the 14th day of December, 1978.

I am immensely proud to have been a member of the Senate and to have had the opportunity to represent the State of Montana.

I am most grateful for the many courtesies and the kindness you have shown me during my stay here in Washington, and I thank you sincerely for your most uncommon friendship.

Very truly yours,

PAUL G. HATFIELD.

U.S. SENATE,
Washington, D.C., December 13, 1978.

Hon. THOMAS L. JUDGE,
Governor of the State of Montana,
Helena, Mont.

DEAR GOVERNOR JUDGE: Please accept this letter as my resignation as United States Senator from the State of Montana, effective the close of business on the 14th day of December, 1978.

Very truly yours,

PAUL G. HATFIELD.

STATE OF MONTANA,
OFFICE OF THE GOVERNOR.

CERTIFICATE OF APPOINTMENT

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, MAX BAUCUS, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January 1979, caused by the resignation of Senator Paul G. Hatfield.

THOMAS JUDGE,
Governor.

Attest:

FRANK MURRAY,
Secretary of State.

U.S. SENATE,
Committee on Foreign Relations,
Washington, D.C., November 30, 1978.

Hon. WALTER F. MONDALE,
Office of the Vice President,
The White House, Washington, D.C.

DEAR MR. VICE PRESIDENT: This is to advise you that I intend to resign my position as United States Senator, effective at twelve noon on Saturday, December 23rd. As President of the Senate, I wanted you to be advised of this decision.

Very truly yours,

JAMES B. PEARSON,
U.S. Senator.

The VICE PRESIDENT,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I resign as United States Senator for the State of Kansas December 23, 1978 at 12:00 noon.

JAMES B. PEARSON.

NOVEMBER 30, 1978.

RESIGNATION NOTIFICATION

Hon. ROBERT F. BENNETT,
Office of the Governor, State Capitol, Topeka, Kans.

DEAR GOVERNOR: This is to advise you that I will resign my position as United States Senator for the State of Kansas, effective at twelve noon, Saturday, December 23, 1978.

Very truly yours,

JAMES B. PEARSON,
U.S. Senator.

CERTIFICATE OF APPOINTMENT

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Kansas, I, Robert F. Bennett, the Governor of said State, do hereby appoint Nancy Landon Kassebaum, a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of James B. Pearson, is filled by election as provided by law.

Witness: His excellency our Governor Robert F. Bennett, and our seal hereto affixed at Topeka this 23rd day of December, in the year of our Lord 1978.

By the Governor:

ROBERT F. BENNETT,
Governor.

RALPH BAUER,
Secretary of State.

U.S. SENATE,
Washington, D.C., December 27, 1978.

Hon. WALTER F. MONDALE,
The Vice President,
The Capitol, Washington, D.C.

DEAR MR. VICE PRESIDENT: I hereby resign as United States Senator from the State of Mississippi, said resignation to take effect immediately.

I am proud to have had the privilege of representing the great people and the great State of Mississippi for many years.

I take this action to help my successor to gain some seniority in the great task which he is now beginning.

Sincerely,

JAMES O. EASTLAND,
U.S. Senator.

MISSISSIPPI,
Executive Department, Jackson.

CERTIFICATE OF APPOINTMENT

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Mississippi, I, Cliff Finch, the Governor of said State, do hereby appoint Senator-Elect Thad Cochran, Jackson, Mississippi, a Senator from said State to represent said State in the Senate of the United States until January 3, 1979, when the vacancy therein shall have been filled as provided by law, vice Senator James O. Eastland, resigned.

Witness: His Excellency our Governor, and our seal hereto affixed at Jackson, Mississippi, this 27th day of December, in the year of our Lord 1978.

By the Governor:

CLIFF FINCH,
Governor.

HEBER WADNER,
Secretary of State.

U.S. SENATE,
Washington, D.C., December 21, 1978.

Hon. RUDY PERPICH,
Governor of Minnesota,
St. Paul, Minn.

DEAR GOVERNOR PERPICH: I hereby resign as a United States Senator from the State of Minnesota effective the close of business on Friday, December 29, 1978.

In accordance with Senate rules, I have notified Senator James O. Eastland, President Pro Tempore of the Senate of my resignation, and have enclosed a copy of my letter to him.

With warmest personal regards.

Sincerely,

WENDELL R. ANDERSON.

U.S. SENATE,
Washington, D.C., December 21, 1978.

Hon. JAMES O. EASTLAND,
President Pro Tempore, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I herewith tender my resignation as a member of the United States Senate from Minnesota effective the close of business on Friday, December 29, 1978.

Sincerely,

WENDELL R. ANDERSON.

STATE OF MINNESOTA,
OFFICE OF THE GOVERNOR,
St. Paul, December 26, 1978.

Hon. WALTER F. MONDALE,
Vice President of the United States,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I have decided to appoint Rudy Boschwitz from this state to represent Minnesota in the Senate of the United States caused by the resignation of Wendell R. Anderson.

Included with this letter is a Certificate of Appointment for your purposes.

Thank you.

Sincerely,

RUDY PERPICH,
Governor.

STATE OF MINNESOTA,
Executive Department.

CERTIFICATE OF APPOINTMENT

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Minnesota, I, Rudy Perpich, the governor of said State, do hereby appoint Rudy Boschwitz a Senator from said State to represent said State in the Senate effective December 30, 1978 for the unexpired term ending at noon, on January 3, 1979, caused by the resignation of Wendell R. Anderson.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at St. Paul this 26th day of December, in the year of our Lord 1978.

By the governor:

RUDY PERPICH,
Governor, State of Minnesota.
JOAN ANDERSON GROWE,
Secretary of State.

U.S. SENATE,
Washington, D.C., December 29, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: This is to notify you that I have today informed the Governor of the State of Wyoming of my resignation as a member of the United States Senate, effective midnight, December 31, 1978.

A copy of my letter to Governor Herschler is enclosed.

Very truly yours,

CLIFFORD P. HANSEN,
U.S. Senator.

U.S. SENATE,
Washington, D.C., December 29, 1978.

Hon. ED HERSCHLER,
Governor of the State of Wyoming,
Cheyenne, Wyo.

DEAR GOVERNOR HERSCHLER: I hereby announce my resignation as a United States Senator effective midnight, December 31, 1978.

Yours truly,

CLIFFORD P. HANSEN,
U.S. Senator.

WYOMING,
Executive Department Cheyenne,
December 29, 1978.

Mr. STAN KIMMITT,
Secretary of the Senate,
Washington, D.C.

DEAR STAN: Pursuant to our telephone conversation of today I am enclosing herewith a Certificate of Appointment for Alan K. Simpson as a senator from the State of Wyoming to fill the vacancy created by the resignation of Senator Clifford P. Hansen.

I was advised this morning by Senator Hansen that he is transmitting a letter of resignation to you and that such resignation will become effective as of midnight December 31, 1978. I assume that by the time you receive the enclosed certificate you will have received Senator Hansen's letter of resignation.

In the event that you require additional information or have other requirements I would appreciate it if you would so advise.

With every best wish and kindest regards, I am

Yours sincerely,

ED HERSCHLER.

WYOMING,
Executive Department, Cheyenne.

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the constitution of the United States and the laws of the State of Wyoming, I, Ed Herschler, the Governor of said state, do hereby appoint Alan K. Simson, as Senator from said state, to represent said state in the Senate of the United States until the vacancy therein caused by the resignation of Senator Clifford P. Hansen is filled as provided by law.

Witness: His excellency our Governor Ed Herschler, and our seal hereto affixed at Cheyenne, Wyoming, this 1st day of January, in the year of our Lord, 1979.

By the Governor:

ED HERSCHLER,
LINDA MOSLEY,
Deputy Secretary of State.

U. S. SENATE,
Washington, D.C., December 26, 1978.

Hon. WALTER F. MONDALE,
President of the Senate
Washington, D.C.

DEAR MR. PRESIDENT: I hereby submit my resignation from the Senate effective at midnight, January 1, 1979.

With kind personal regards,

Sincerely,

WILLIAM L. SCOTT,
U.S. Senator.

U.S. SENATE,
Washington, D.C., December 26, 1978.

Hon. JOHN N. DALTON,
Governor of Virginia,
Richmond, Va.

DEAR GOVERNOR: Enclosed is a copy of a letter to the President of the Senate submitting my resignation to be effective at midnight, January 1, 1979.

As indicated in our informal conversation, this notification should provide sufficient time for you to appoint Senator-elect John Warner so that he will have seniority over incoming senators who take the oath of office shortly after noon on January 3rd.

With kind personal regards,

Sincerely,

WILLIAM L. SCOTT,
U.S. Senator.

COMMONWEALTH OF VIRGINIA,
Office of the Governor, Richmond.

CERTIFICATE OF APPOINTMENT

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify, pursuant to the power vested in me by the Constitution of the United States and the laws of the Commonwealth of Virginia, I, John N. Dalton, the Governor of said State, do hereby appoint John W. Warner, a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of William L. Scott, is filled by election as provided by law.

Witness: His Excellency, our Governor, John N. Dalton, and our seal hereto affixed at Richmond this 2nd day of January, 1979.

By the Governor:

JOHN N. DALTON,
Governor.
FREDERICK GRAY, JR.,
Secretary of the Commonwealth.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of 33 Senators elected for 6-year terms beginning on January 3, 1979, and the credentials of two Senators elected for unexpired terms. All certificates, the Chair is advised, are in the form suggested by the Senate except the ones from Louisiana and Delaware, which use a different form but contain all the essential requirements of the form suggested by the Senate. There being no objection, the reading of the 35 certificates will be waived, and they will be printed in full in the RECORD.

The certificates ordered to be printed in the RECORD are as follows:

To the President of the Senate of the United States:

This is to certify that on the Seventh day of November, 1978, William L. Armstrong was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd of January, 1979.

Witness: His excellency our Governor Richard D. Lamm, and our seal hereto affixed at this Twenty-eighth day of December, in the year of our Lord 1978.

RICHARD D. LAMM,
Governor.

Attest:

MARY ESTILL BUCHANAN,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to Certify: That on the 7th day of November, 1978, The Honorable Howard H. Baker, Jr., was duly chosen by the qualified electors of the State of Tennessee a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Ray Blanton, and our seal hereto affixed at Nashville, this 3d day of January, in the year of our Lord 1979.

By the Governor:

RAY BLANTON,
Governor.
GENTRY CROWELL,
Secretary of State.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

Know Ye That I, Thomas L. Judge, Governor of the State of Montana, do hereby certify that at a General Election held in the State of Montana, on the 7th day of November, A.D. 1978, pursuant to Section 23-4018 of the Revised Codes of the said State, Max Baucus was duly elected to the office of United States Senator in and for the State of Montana, having received the highest number of votes for said office as appears from a certified copy of the abstract of votes cast at said election now on file in my office.

And by virtue of the power vested in me by the Constitution, and in pursuance of the laws, I do hereby commission the said Max Baucus to be United States Senator and authorize and empower him to execute and discharge all and singular, the duties appertaining to said office, and enjoy all the privileges

and immunities thereof for a period of six years, beginning January 3, 1979.

In testimony whereof, I have hereunto subscribed my hand and caused the Great Seal of the State of Montana to be affixed at Helena, the Capital, the 24th day of November, in the year of our Lord, One Thousand Nine Hundred Seventy-eight and in the Two Hundred Third year of the Independence of the United States.

By the Governor:

THOMAS JUDGE,
Governor.
FRANK MURRAY,
Secretary of State.

DOVER, DEL.,
January 4, 1979.

Hon. J. S. KIMMITT,
Secretary of the Senate,
Washington, D.C.

DEAR MR. SECRETARY: I am pleased to transmit to you a Certificate of the Election of the Honorable Joseph R. Biden, Jr. as Senator of and for the State of Delaware in the Senate of the United States.

Sincerely yours,

PIERRE S. DU PONT,
Governor.

By Authority of The State of Delaware

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

Be it Known, An election was held in the State of Delaware, on Tuesday, the seventh day of November, in the year of our Lord one thousand nine hundred and seventy-eight that being the Tuesday next after the first Monday in said month, in pursuance of the Constitution of the United States and the Laws of the State of Delaware, in that behalf, for the election of a Senator for the people of the said State, in the Senate of the United States.

Whereas, The official certificates or returns of the said election, held in the several counties of the said State, in due manner made out, signed and executed, have been delivered to me according to the laws of the said State, by the Superior Court of the said counties; and having examined said returns, and enumerated and ascertained the number of votes for each and every candidate or person voted for, for such Senator, I have found Joseph R. Biden, Jr. to be the person highest in vote, and therefore duly elected Senator of and for the said State in the Senate of the United States for the Constitutional term to commence at noon on the third day of January in the year of our Lord one thousand nine hundred and seventy-nine.

I, Pierre S. du Pont, IV, Governor, do therefore, according to the form of the Act of the General Assembly of the said State and of the Act of Congress of the United States, in such case made and provided, declare the said Joseph R. Biden, Jr. the person highest in vote at the election aforesaid, and therefore duly and legally elected Senator of and for the said State of Delaware in the Senate of the United States, for the Constitutional term to commence at noon on the third day of January in the year of our Lord one thousand nine hundred and seventy-nine.

Given under my hand and the Great Seal of the said State, in obedience to the said Act of the General Assembly and of the said Act of Congress, at Dover, the 4th day of January in the year of our Lord one thousand nine hundred and seventy-nine and in the year of the Independence of the United States of America the two hundred and third.

PIERRE S. DU PONT,
Governor.
GLENN KENTON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, David L. Boren was duly chosen by the qualified electors of the State of Oklahoma a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor David L. Boren, and our seal hereto affixed at Oklahoma City, Oklahoma this 25th day of November, 1978.

By the Governor:

DAVID L. BOREN,
Governor.

Attest:

JEROME W. BYRD,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Rudy Boschwitz was duly chosen by the qualified electors of the State of Minnesota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at St. Paul this 20th day of December, in the year of our Lord 1978.

By the governor:

RUDY PERPICH,
Governor.
JOAN ANDERSON GRAINE,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Bill Bradley, was duly chosen by the Qualified Electors of the State of New Jersey a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His Excellency our Governor Brendan T. Byrne, and our Seal hereto affixed at Trenton, this 5th day of December, in the year of our Lord 1978.

By the Governor:

BRENDAN BYRNE,
Governor.
DONALD LAN,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Thad Cochran was duly chosen by the qualified electors of the State of Mississippi a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency, our governor Cliff Finch, and our seal hereto affixed at Jackson, Mississippi, this 8th day of November, A.D., 1978.

By the Governor:

CLIFF FINCH,
Governor.
HELEN LAUNER,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, William S. Cohen was duly chosen by the qualified electors of the State of Maine a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Jame B. Longley, and our seal hereunto affixed at Augusta, Maine this seventh day of December, in the year of our Lord 1978.

By the Governor:

JAMES B. LONGLEY,
Governor.
MARKHAM L. GARTLEY,
Secretary of State.

TO THE PRESIDENT OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Pete Domenici was duly chosen by the qualified electors of the State of New Mexico a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Jerry Apodaca, and our seal hereto affixed at the Executive Offices in Santa Fe, New Mexico, the Capital, this 5th day of December, in the year of our Lord 1978.

By the Governor:

JERRY APODACA,
Governor.
ERNESTINE D. EVANS,
Secretary of State.

SAINT PAUL, MINN.,
December 12, 1978.

Vice President WALTER F. MONDALE,
Office of the Vice President,
Old Executive Office Building,
Washington, D.C.

DEAR MR. VICE PRESIDENT: On November 7, 1978 David Durenberger was duly chosen by the people of Minnesota to complete the unexpired term of the late Hubert H. Humphrey.

Included with this letter is a Certificate of Election for your purposes.

Thank you.

Sincerely,

RUDY PERPICH,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, David Durenberger was duly chosen by the qualified electors of the State of Minnesota a Senator for the unexpired term ending at noon on the third day of January, 1983, to fill the vacancy in the representation from said State in the Senate of the United States caused by the death of Hubert H. Humphrey.

Witness: His excellency our governor, Rudy Perpich, and our seal hereto affixed at St. Paul this 12th day of December in the year of our Lord 1978.

By the Governor:

RUDY PERPICH,
Governor.
JOAN ANDERSON GROWE,
Secretary of State.

TO THE PRESIDENT OF THE UNITED STATES SENATE:

This is to certify that on the 7th day of November, 1978, J. James Exon was duly chosen by the qualified electors of the State of Nebraska a Senator from said State to represent said State in the Senate of the United States for a term of six years beginning on the 3rd day of January, 1979.

Witness: His excellency our governor J. James Exon, and our seal hereto affixed at Lincoln this 4th day of December, in the year of our Lord 1978.

By the governor:

J. JAMES EXON,
Governor.
ALLEN J. BEERMANN,
Secretary of State.

SALEM, OREG.,
January 3, 1979.

Hon. J. S. KIMMITT,
Secretary of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. KIMMITT: Enclosed you will find a Certificate attesting to the election of the Honorable Mark O. Hatfield as United States Senator for a six year term.

The subject election was held in the State of Oregon on the 7th day of November, 1978.

Sincerely,

NORMA PAULUS.

TO THE PRESIDENT OF THE UNITED STATES SENATE:

This is to certify that on the 7th day of November, 1978, Mark O. Hatfield was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor, Robert W. Straub, and our seal hereto affixed at Salem, Oregon, this 3rd day of January, in the year of our Lord 1979.

By the Governor:

ROBERT W. STRAUB,
Governor.

NORMA PAULUS,
Secretary of State.

MONTGOMERY, ALA.,
November 20, 1978.

TO THE PRESIDENT OF THE UNITED STATES SENATE:

This is to certify that on the 7th day of November, 1978, Howell Heflin was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

GEORGE C. WALLACE,
Governor.

Witness: His excellency our governor, George C. Wallace, and our seal hereto affixed at Montgomery this 20th day of November, in the year of our Lord 1978.

AGNES BAGGETT,
Secretary of State.

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify that the State Board of Elections met on Tuesday, the 28th day of November, A.D., 1978, in accordance with Chapter 163 of the General Statutes of North Carolina, at which time the Board did open, canvass and judicially determine the returns of the votes cast in the election held on Tuesday, Novembr 7, 1978, and certified to me that Jesse Helms was duly elected United States Senator from North Carolina for the term of six years, beginning January 3, 1979.

In witness where of, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this the 29th day of November, 1978.

THAD EURE,
Secretary of State.

RALEIGH, N.C.,
December 22, 1978.

Hon. JESSE HELMS,
Raleigh, N.C.

DEAR SENATOR HELMS: By letters to you and the Secretary of the Senate on November 29, 1978, I enclosed certificates of your election to the United States Senate "for the term of six years, beginning January 1, 1979." The Secretary of the Senate has called my attention to the requirement that the beginning date of the term should read January 3, 1979.

Enclosed is a substitute certificate meeting the requirement to take the place of the one previously issued. A like certificate is going to the Secretary of the Senate with copy of this letter.

Sincerely,

THAD EURE.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the Seventh day of November, 1978, Jesse Helms was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the Third day of January, 1979.

Witness: His excellency our governor James B. Hunt, Jr., and our seal hereto affixed at the Capitol this eleventh day of December, in the year of our Lord 1978.

By the governor:

JAMES B. HUNT, JR.,
Governor.

THAD EURE,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Walter Huddleston was duly chosen by the qualified electors of the State of Kentucky, a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor Julian M. Carroll, and our seal hereto affixed at Frankfort this 27th day of November, in the year of our Lord 1978.

JULIAN M. CARROLL,
Governor.

DREXELL R. DAVIS,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, nineteen hundred and seventy-eight Gordon J. Humphrey was duly chosen by the qualified electors of the State of New Hampshire a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventy-nine.

Witness: His Excellency, our Governor Meldrim Thomson, Jr. and our Seal hereto affixed at Concord this twenty-second day of November, in the year of our Lord nineteen hundred and seventy-eight.

MELDRIM THOMSON, Jr.,
Governor.

By the Governor, with advice of the Council:

WILLIAM M. GORDON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1978, Roger W. Jepsen was duly chosen by the qualified electors of the State of Iowa a Senator from Iowa to represent Iowa in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

In testimony whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Iowa to be affixed. Done at Des Moines this 11th day of December in the year of our Lord one thousand nine hundred and seventy-eight.

ROBERT V. RAY,
Governor.

MELVIN D. SYNHORST,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that J. Bennett Johnston having received a majority of votes cast at the primary election held September 16, 1978 and having been unopposed at the general election held November 7, 1978, was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventy-nine.

Witness: This excellency, our Governor Edwin Edwards, and our Seal hereto affixed, at Baton Rouge, this 21st day of November, in the year of our Lord, nineteen hundred and seventy-eight.

EDWIN EDWARDS,
Governor.

By the Governor:

PAUL J. HARDY,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, nineteen hundred seventy-eight Nancy Landon Kassebaum was duly chosen by the qualified electors of the State of Kansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred seventy-nine.

Witness: The Honorable Robert F. Bennett, our Governor, and our seal hereto affixed at Topeka this twenty-ninth day of November, in the year of our Lord nineteen hundred seventy-eight.

By the Governor:

ROBERT F. BENNETT,
Governor.

Secretary of State.

TO THE PRESIDENT OF THE UNITED STATES SENATE:

This is to certify that on the seventh day of November, 1978, Carl Levin was duly chosen by the qualified electors of the State of Michigan a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Given under my hand and the Great Seal of the State of Michigan this sixth day of December in the Year of Our Lord One Thousand Nine Hundred Seventy-Eight and of the Commonwealth One Hundred and Forty-Two.

By the Governor:

WILLIAM G. MILLIKEN,
Governor.

RICHARD H. AUSTIN,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, James A. McClure was duly chosen by the qualified electors of the State of Idaho a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor John V. Evans, and our seal hereto affixed at Boise, Idaho this twenty-seventh day of November, in the year of our Lord 1978.

By the Governor:

JOHN V. EVANS,
Governor.

PETE T. CENARRUSA,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Sam Nunn was duly chosen by the qualified electors of the State of Georgia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor, George Busbee, and our Seal hereto affixed at the State Capitol in Atlanta, Georgia, this 15th day of December, in the year of our Lord 1978.

By the Governor:

GEORGE BUSBEE,
Governor.

BEN W. FORTSON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Claiborne deB. Pell was duly chosen by the qualified electors of the State of Rhode Island a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our governor J. Joseph Garrahy, and our seal hereto affixed at Providence this 22d day of December, in the year of our Lord 1978.

By the governor:

J. JOSEPH GARRAHY,
Governor.

ROBERT F. BURNS,
Secretary of State.

PROVIDENCE, R.I.

Hon. ROBERT F. BURNS,
Secretary of State,
Providence, R.I.

HONORABLE SIR: This is to certify that on the seventh day of November, nineteen hundred and seventy-eight, Claiborne DeB. Pell of Newport was duly chosen by the electors of the State a Senator to represent said State in the Senate of the United States for the term of six years, beginning on the second day of January, nineteen hundred and seventy-nine.

In testimony whereof, we have hereunto set our hands and caused our seal to be affixed in the City of Providence this 6th day of December in the year of our Lord one thousand nine hundred and seventy-eight.

Board of Elections: Harry F. Curvin, Chairman; Frank Williams; James J. McGrath, and Clinton H. Wynne.

Attest:

FRANCIS J. RAO,
Secretary.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Charles H. Percy was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor James R. Thompson has signed and our seal hereto affixed at Springfield, Illinois this 1st day of December, in the year of our Lord 1978.

JAMES R. THOMPSON,
Governor.

ALAN J. DIXON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Larry Pressler was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

In witness whereof, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, this Twenty-Seventh Day of November, in the Year of Our Lord, Nineteen Hundred and Seventy-Eight.

HARVEY WOLLMAN,
Governor.

Attest:

LORNA B. HERSETH,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, the Honorable David H. Pryor was duly chosen by the qualified electors of the State of Arkansas as a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1979, the vote being:

Honorable David Pryor	385,896
Mr. Tom Kelly	80,847
Mr. John G. Black	35,973
Mr. William P. Rock	113

Witness: His Excellency our Governor David Pryor, and our Seal hereto affixed at Little Rock, Arkansas, this 20th day of November, in the year of our Lord 1978.

By the Governor:

DAVID H. PRYOR,
Governor.

WINSTON BRYANT,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, Jennings Randolph was duly chosen by the qualified electors of the State of West Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our Governor John D. Rockefeller IV, and our seal hereto affixed at Charleston this eighteenth day of December, in the year of our Lord 1978.

JOHN D. ROCKEFELLER IV,
Governor.

A. JAMES MANCHIN,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Al Simpson was duly chosen by the qualified electors of the State of Wyoming a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor Ed Herschler, and our seal hereto affixed at Cheyenne this 15th day of November, in the year of our Lord, 1978.

By the Governor:

ED HERSCHLER,
Governor.

THYRA THOMSON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, Ted Stevens was duly chosen by the qualified electors of the State of Alaska a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witnessed by:

JAY S. HAMMOND,
Governor.

In testimony whereof, I have hereunto set my hand and affixed hereto the Seal of the State of Alaska, at Juneau, the Capital, this 13th day of December A.D. 1978.

LOWELL THOMAS, Jr.,
Lieutenant Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Donald Stewart was duly chosen by the qualified electors of the State of Alabama a Senator for the unexpired term ending at noon on the 3rd day of January, 1981, to fill the vacancy in the representation from said State in the Senate of the United States caused by the death of Jim Allen.

GEORGE C. WALLACE,
Governor.

Witness: His excellency our governor, George C. Wallace, and our seal hereto affixed at Montgomery this 20th day of November, in the year of our Lord 1978.

AGNES BAGGETT,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, J. Strom Thurmond was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the Term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor James B. Edwards, and our seal hereto affixed at Columbia, South Carolina, this 30th day of November, in the year of our Lord 1978.

JAMES B. EDWARDS,
Governor.

O. FRANK THORNTON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, nineteen hundred seventy-eight, John Tower was duly chosen by the qualified electors of the State of Texas, a Senator from said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred seventy-nine.

Witness: His excellency our Governor of Texas, and our Seal hereto affixed at Austin, Texas, this 7th day of December, 1978.

DOLPH BRISCOE,
Governor.

Attest:

STEVEN C. OAKS,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1978, Paul E. Tsongas was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from the Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the 3d day of January 1979.

Witness: His excellency our governor Michael S. Dukakis, and our seal hereto affixed at Boston, Massachusetts this 6th day of December, in the year of our Lord 1978.

By the governor:

MICHAEL S. DUKAKIS,
Governor.

PAUL GUZZI,
Secretary of the Commonwealth.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, nineteen hundred and seventy-eight, Paul E. Tsongas was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from said Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventeen-nine.

Witness, His Excellency our Governor, Michael S. Dukakis, and our seal hereto affixed at Boston, this sixth day of December, in the year of our Lord nineteen hundred and seventy-eight.

MICHAEL S. DUKAKIS,
Governor.

PAUL GUZZI,
Secretary of the Commonwealth.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, John W. Warner was duly chosen by the qualified electors of the Commonwealth of Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our Governor, John N. Dalton, and our seal hereto affixed at Richmond this twenty-seventh day of November, in the year of our Lord 1978.

JOHN N. DALTON,
Governor.

FREDERICK GRAY, JR.,
Secretary of the Commonwealth.

The VICE PRESIDENT. If Senators to be sworn in will now present themselves at the desk in groups of four as their names are called, in alphabetical order, the Chair will administer the oath of office.

The clerk will call the names.

The legislative clerk called the names of Mr. ARMSTRONG, Mr. BAKER, Mr. BAUCUS, and Mr. BIDEN.

These Senators, escorted by Mr. HART, Mr. SASSER, Mr. MELCHER, and Mr. ROTH, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, and Mr. COCHRAN.

These Senators, escorted by Mr. BELLMON, former Senator Mrs. Muriel Humphrey, Mr. WILLIAMS, and Mr. STENNIS, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. COHEN, Mr. DOMENICI, Mr. DURENBERGER, and Mr. EXON.

These Senators, escorted by Mr. MUSKIE, Mr. SCHMITT, former Senator Mrs. Humphrey, and Mr. ZORINSKY, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. HATFIELD, Mr. HEFLIN, Mr. HELMS, and Mr. HUDDLESTON.

These Senators, escorted by Mr. PACKWOOD, Mr. STEWART, Mr. MORGAN, and Mr. FORD, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, and Mrs. KASSEBAUM.

These Senators, escorted by former Senator Mr. Maurice J. Murphy, Jr., Mr. CULVER, Mr. LONG, and Mr. DOLE, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. LEVIN, Mr. MCCLURE, Mr. NUNN, and Mr. PELL.

These Senators, escorted by Mr. RIEGLE, Mr. CHURCH, Mr. TALMADGE, and Mr. CHAFEE, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. PERCY, Mr. PRESSLER, Mr. PRYOR, and Mr. RANDOLPH.

These Senators, escorted by Mr. STEVENSON, Mr. MCGOVERN, Mr. BUMPERS, and Mr. ROBERT C. BYRD, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. SIMPSON, Mr. STEVENS, Mr. STEWART, and Mr. THURMOND.

These Senators, escorted by Mr. WALLOP, Mr. GRAVEL, Mr. HEFLIN, and Mr. HOLLINGS, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. TOWER, Mr. TSONGAS, and Mr. WARNER.

These Senators, escorted by Mr. BENTSEN, Mr. KENNEDY, and Mr. HARRY F. BYRD, JR., respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 1 Leg.]

Armstrong	Goldwater	Nelson
Baker	Gravel	Nunn
Baucus	Hart	Packwood
Bayh	Hatch	Pell
Bellmon	Hatfield	Percy
Bentsen	Hayakawa	Pressler
Biden	Heflin	Proxmire
Boren	Heinz	Pryor
Boschwitz	Helms	Randolph
Bradley	Hollings	Ribicoff
Bumpers	Huddleston	Riegle
Burdick	Humphrey	Roth
Byrd,	Inouye	Sarbanes
Harry F., Jr.	Jackson	Sasser
Byrd, Robert C.	Javits	Schmitt
Cannon	Jepsen	Schweiker
Chafee	Johnston	Simpson
Chiles	Kassebaum	Stennis
Church	Kennedy	Stevens
Cochran	Laxalt	Stevenson
Cohen	Leahy	Stewart
Cranston	Levin	Stone
Culver	Long	Talmadge
Danforth	Lugar	Thurmond
DeConcini	Magnuson	Tower
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	McClure	Warner
Durkin	McGovern	Weicker
Eagleton	Melcher	Williams
Exon	Metzenbaum	Young
Ford	Morgan	Zorinsky
Garn	Moynihan	
Glenn	Muskie	

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The VICE PRESIDENT. A quorum is present. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for trying to get order.

NOTIFICATION TO THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 1

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

The VICE PRESIDENT. Pursuant to Senate Resolution 1, the Chair appoints the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from Tennessee (Mr. BAKER) as members of a committee to join with the committee of the House of Representatives to wait upon the President of the United States and inform him that a quorum is assembled and that Congress is ready to receive any communication he may be pleased to make.

Mr. ROBERT C. BYRD. Mr. President, reporting on my behalf from the committee of two Senators, Mr. BAKER and myself, appointed by the Vice President to call upon the President to inform him that the Senate was organized, that there was a quorum present, that the Senate was ready to do business, and was ready to receive instructions and advice, I now report back that the committee's functions—Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD (continuing). That the committee's responsibilities have been fulfilled; that Senator BAKER and I have called upon the President and informed him that the Senate is organized; that a quorum has been established; that the Senate is ready to do business; and that the Senate awaits his instructions and advice.

He expressed his appreciation to the minority leader and to me for the splendid service that had been rendered by the Members of the 95th Congress, and indicated that he felt that if this Congress measured up to that Congress it would, indeed, be a Congress in which the American public would be proud.

He stated that the state of the Union address would be delivered on January 23, and he wished every Member of this body a good year. We in turn, wished him our best for his health and indicated our willingness and desire to cooperate with him in every way that we could.

I yield to the distinguished minority leader.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the majority leader for yielding. It was my pleasure to join with the distinguished majority leader in waiting on the President as the precedent, and this resolution dictate, to advise him that we were organized and prepared to transact the business of the country.

I would add only this to the good report made by the majority leader: As the President indicated his appreciation for past cooperation, for my part I assured him that in the future as it is possible to cooperate those of us on this side will do so enthusiastically. In those cases where it was not possible to agree, I indicated that we would disagree in good grace and without rancor.

The President expressed his understanding and I expressed my respect to him on behalf of the minority and pledged that together we would all do our best to effectuate policy for this country.

I thank the majority leader for yielding.

NOTIFICATION TO THE HOUSE

Mr. BAKER. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

The Senator from Virginia.

SENATE JOINT RESOLUTION 3—MUTUAL DEFENSE TREATIES

Mr. HARRY F. BYRD, JR. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I wonder if the Senator will let me proceed.

Mr. HARRY F. BYRD, JR. Does the majority leader object?

Mr. ROBERT C. BYRD. I am willing to let the clerk state the resolution.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that approval by the Senate of the United States is required to terminate any Mutual Defense Treaty between the United States and another nation.

Mr. ROBERT C. BYRD. Mr. President, I object to the further consideration of that resolution at this time.

The VICE PRESIDENT. Objection having been heard, the resolution will be held at the desk pending second reading.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I am sorry that the majority leader was not informed in advance of the Senator's intention to introduce that resolution. I believe the distinguished majority whip is to be recognized at this time.

HOUR OF DAILY MEETING

Mr. CRANSTON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 3

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

ELECTION OF PRESIDENT PRO TEMPORE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 4

Resolved, That the Honorable Warren G. Magnuson, a Senator from the State of Washington, be, and he is hereby, elected President of the Senate pro tempore, to hold office during the pleasure of the Senate, in accordance with the resolution of the Senate adopted on the 12th day of March 1890 on the subject.

UP AMENDMENT NO. 1

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 1:

On page 1, line 1, strike "Warren G. Magnuson, a Senator from the State of Washington," and insert in lieu thereof "Milton R. Young, a Senator from the State of North Dakota,".

Mr. ROBERT C. BYRD. Mr. President, I have no better friend in this Senate than MILTON YOUNG. I served with him on the Appropriations Committee for 20 years. He is my friend, and a friend walketh closer than a brother. But I am sure that the Senator will understand that I will have to oppose the amendment. I would hope we would have a voice vote. I do not want to table the amendment. I would not do that. I will simply ask my colleagues to reject the amendment.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will speak for only a moment. I see the distinguished Senator from Washington on his feet. I would prefer to hear his statement.

I would only say that I do not intend to ask for a record vote on instructions of the distinguished Senator whose name has been placed in nomination. He does not want that. But in keeping with tradition and precedent, in keeping with the vitality, aspirations, and ambitions of those of us on this side of the aisle, I thought we would get in practice.

[Laughter.]

The VICE PRESIDENT. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I have served with the Senator from North Dakota for many, many years, since the first day he arrived on a railroad train from North Dakota. He and I were discussing this matter just a few minutes ago. We did not want to start the session with controversy right away, so we both agreed that it would be put into the RECORD that on this vote, not a rollcall vote but a voice vote, we would both be listed as voting present.

Mr. ROBERT C. BYRD. Mr. President, I will not attempt to invoke any rule that requires a Senator to state why he does not vote.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. YOUNG. I deeply appreciate the comments that have been made. I would like to have a voice vote, but I do not think I have enough votes. It so happens that both the Senator from Washington and I were born in North Dakota. We hate to lose the Senator. I wound up serving as ranking Republican on the Appropriations Committee with the Senator from Washington as chairman, and we have had a wonderful relationship, and I am happy the chairman will be elected.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 4) was agreed to.

ADMINISTRATION OF OATH

The VICE PRESIDENT. The Senator from Washington will, pursuant to the provisions of the Senate resolution, approach the rostrum, and I appoint Mr. YOUNG as a committee of one to escort the President pro tempore to the rostrum for the purpose of taking the oath.

The Honorable WARREN G. MAGNUSON, escorted by Mr. JACKSON and Mr. YOUNG, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President.

[Applause, Senators rising.]

The VICE PRESIDENT. If the Chair may first observe, the oath was taken on a Bible signed by King Olaf.

NOTIFICATION TO THE PRESIDENT

Mr. INOUYE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 5

Resolved, That the President of the United States be notified of the election of the Honorable Warren G. Magnuson, a Senator from the State of Washington, as President of the Senate pro tempore.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution, (S. Res. 5) was considered and agreed to.

NOTIFICATION TO THE HOUSE

Mr. STEVENS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 6

Resolved, That the House of Representative be notified of the election of the Hononable Warren G. Magnuson, a Senator from the State of Washington, as President of the Senate pro tempore.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 6) was considered and agreed to.

SECRETARY FOR THE MAJORITY

Mr. ROBERT C. BYRD. Mr. President, I have some additional resolutions and requests.

I send a resolution to the desk and ask that it immediately be considered.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 7

Resolved, That Walter J. Stewart be and he is hereby elected Secretary for the Majority of the Senate, beginning January 15, 1979.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 7) was considered and agreed to.

TRIBUTE TO JAMES H. DUFFY

Mr. ROBERT C. BYRD. Mr. President, I send to the desk another resolution and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

Mr. ROBERT C. BYRD, for himself, Mr. CRANSTON, Mr. INOUYE, Mr. BAKER, and Mr. STEVENS, proposes the following resolution:

S. RES. 8

Whereas, James H. Duffy has faithfully served the Senate as the Secretary for the Majority, the Senate wishes to express its appreciation for his dedicated service as an officer of the Senate, and for his previous years of service as Counsel to the Senate Committee on Rules and Administration.

Whereas, the said James H. Duffy at all times has discharged the important duties and responsibilities of his Office with great efficiency and diligence; and

Whereas, his exceptional service and his continuous dedication to duty have earned for him our esteem and our affection: Now, therefore, be it

Resolved, That James H. Duffy is hereby commended for his lengthy, faithful, and outstanding service to the Senate.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to James H. Duffy.

Mr. ROBERT C. BYRD. Mr. President, Robert E. Lee once declared, "Duty is the sublimest word in our language." Society depends, in a large measure, upon those who do their duty and fulfill their responsibilities, without fanfare and often without recognition.

Today, however, I want to commend a man who has fulfilled his duties and responsibilities in the Senate for nearly a quarter century, and is now leaving to accept a Presidential appointment. During his years of service in the legislative branch, he has distinguished himself by his faithfulness, graciousness and thoroughness.

For the past 2 years, James H. Duffy has been the secretary to the majority. He has been responsible for many of the tasks that make it possible for the Senate to function smoothly. As many of our colleagues can testify, Jim Duffy has efficiently, courteously, and modestly carried out his duties, and I want to thank him for the services that he has rendered to the majority and to the Senate.

Prior to becoming the secretary to the majority, Mr. Duffy served 20 years as Chief Counsel of the Senate Subcommittee on Privileges and Elections, and 2 years on the staff of the majority whip. In those capacities, he won the friendship and the admiration of innumerable Senators and staff colleagues alike.

He contributed substantially to the drafting of legislation and reports to the Senate on major reforms of Federal election laws, and the creation of the Federal Election Commission. He also was responsible for conducting investigations and reporting recommendations to the Senate relative to contested elections.

Jim Duffy is a native of Rhode Island, where he was educated and practiced law following his graduation from law school in Boston and service in the Army during World War II. He is a family man, blessed with a lovely wife and two fine children.

I am sure that all of my colleagues join me in congratulating Jim Duffy as he departs the Senate to serve in his new role. I am confident that he will earn new distinctions for himself in the years ahead, and that he carries with him the best wishes of all his friends on Capitol Hill.

THE VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution (S. Res. 8) was considered and agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent—may we have order in the Senate?

THE VICE PRESIDENT. May we have order? The Senate will suspend to receive a message from the President of the United States.

Mr. ROBERT C. BYRD. Mr. President, am I recognized?

The VICE PRESIDENT. The Senator has the floor.

Mr. ROBERT C. BYRD. I do not yield for that purpose.

The VICE PRESIDENT. Objection is heard.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on today morning business may be transacted by being presented at the desk.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I have already gotten consent that today morning business can be transacted at the desk, bills, joint resolutions and other resolutions, concurrent resolutions, simple resolutions, may be introduced at the desk; statements by Senators may be introduced at the desk.

Mr. President, I ask unanimous consent that my previous request providing for the introduction of bills, resolutions, and statements at the desk be in order until 5 p.m. today.

The PRESIDING OFFICER (Mr. CRANSTON). Without objection, it is so ordered.

ORDER FOR THE REFERRAL OF TREATIES AND NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress it be in order to refer treaties and nominations on the days when they are received from the President, even when the Senate has no executive session that day.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON ETHICS TO MEET DURING SENATE SESSIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress, the Ethics Committee be authorized to meet at any time during the session of the Senate. This would put the Ethics Committee in the same category as the Appropriations Committee and the Budget Committee now enjoy.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR RECEIPT OF BILLS, JOINT RESOLUTIONS, CONCURRENT RESOLUTIONS AND SIMPLE RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the 96th Congress Senators may be allowed to bring to the desk bills, joint resolutions, concurrent resolutions and simple resolutions.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR TIME LIMITATION ON ROLLCALL VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress there be a limitation of 15 minutes each on any rollcall vote with warning signal to be sounded at the midway point, beginning at the last 7½ minutes, and when rollcall votes are of 10-minutes duration the warning signal be sounded at the beginning of the last 7½ minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

STANDING ORDER TO RECEIVE REPORTS AT THE DESK DURING 96TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the 96th Congress it be in order for the proper members of the staff to receive reports at the desk when presented by a Senator at any time during the day of the session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I would hope to have the attention of the Members at this point. They may relax. I do not intend to pull any fast ones at the moment.

[Laughter.]

I am about to send to the resk a resolution which would change certain rules of the Senate. I will be speaking for a few minutes and Members may take it easy. But I would like to have their attention.

I believe the time has come for the Senate to modify Senate rule XXII. At the present time, there is no Senate rule XXII, for all intents and purposes. Cloture may be invoked on a matter and, after having been invoked by 60 Senators—a constitutional three-fifths—that matter may be drawn out interminably by a single Senator, by two or three Senators, or by a larger group of Senators.

They may offer dilatory motions and amendments in spite of the rule. They may call up 100 amendments, 200 amendments, 500 amendments, 1,000 amendments, any number of amendments. There is no rule providing for a second cloture motion to stop the kind of so-called debate.

Thus, one Senator, two Senators, three Senators, or a minority of Senators of any number may thwart the will not only of a majority but of a three-fifths majority of the Senate, which, having voted for cloture, signifies its will that the debate shall come to a close and that the pending matter shall be acted upon one way or another.

I do not believe that this is in the national interest, and I do not believe it is fair play. The majority of the Senate is entitled to fair play. Three-fifths of the Senators who vote in a given instance to invoke cloture are entitled to fair play. They are entitled to see a matter come to a final decision at some point after a reasonable amount of debate. All Senators are entitled to offer motions and amendments, but not to abuse the rules of the Senate and to impose upon the courtesy of their colleagues and make the Senate a spectacle before the Nation.

And so, Mr. President, I have come to the conclusion, after a lot of wrestling with my own conscience, that the time has come to do something about this situation.

We live in the 20th century, and we live near the end of the 20th century. We are about to begin the 8th decade of the 20th century. I say to you that certain rules that were necessary in the 19th century, and in the early decades of this century must be changed to reflect changed circumstances.

It is becoming more and more necessary, as we face this mad rush of life and today's new issues, international and domestic, that the Senate have rules that will allow it to deal with these issues effectively, in a timely and orderly fashion.

It is now possible for the Senate to engage in at least two filibusters on any given issue. If the majority leader moves to take up a bill on the calendar, he can only do so by unanimous consent, or by motion, which is debatable—except within a tiny time frame within the first 2 hours of a new legislative day, and under certain circumstances only. Otherwise, on that motion to proceed to debate, the debate is unlimited. It makes the majority leader and the majority party the subject of the minority, subject to the control and the will of the minority. I am not speaking of a minority necessarily as a party, but it makes the majority leader subject to the will of a minority of Senators: as few as one Senator on either side of the aisle. If I move to proceed—or if any future majority leader moves to proceed to take up a matter, and unless he works it into that infinitesimally small time frame within the first 2 hours of a new legislative day—then one Senator can hold up the Senate for as long as he can stand on his feet.

Time and time again I seek to bring up bills on the calendar. Time and time again I am confronted with situations in which it is said, "Such-and-such a Senator is not here; he has a hold on that bill."

"Well, let us go to another bill."

"Well such-and-such a Senator has a hold on that bill, and he is not here, either."

"Well, let us go to this other bill."

"Well, such-and-such a Senator will object to that. He is here, but he will object."

So what kind of predicament is the majority leader in? He can move, but he is put in the position of making a debatable motion, so that any single Senator or any group of Senators, however small, can talk until such time as cloture is invoked.

So this rule needs to be changed to allow the leader of the majority party to move to take up a matter and, after a reasonable period for debate, proceed to vote on the motion to proceed. A majority of the Senate can vote to proceed to take up the matter, or can vote to reject the leader's motion. In any event, it gives the majority party and the majority leader an opportunity to work to get the business of the Senate transacted in timely and orderly fashion.

The present rule of the Senate allows two filibusters on any matter: A filibuster on the motion to proceed, and a filibuster on the particular matter once it is before the Senate. I say before all the world that Senators have a right to filibuster a matter, but the filibuster should be on the merits. There should not be a filibuster on the mere motion to proceed to take up the matter. If the opposition has 41 votes, they can kill any bill by filibustering the bill or resolution itself. They should not put the Senate through the misery of a double filibuster: A filibuster on the motion to proceed; and then, if the matter is taken up, a filibuster on the bill itself. They should allow the Senate to proceed to the consideration of the matter, and then conduct their filibuster. Otherwise, the Senate is put to the test of cloture after

cloture after cloture, on the motion to proceed and, if cloture is invoked, then cloture to shut off debate on the matter itself.

One filibuster is enough. If a minority of the Senate has enough votes, 41, to kill a bill, it should allow the bill to at least be brought up for debate on the merits.

This matter of the filibuster has gotten to the point that the Senate is continually being faced with the filibuster threat. The mere threat of a filibuster, these days, is nearly as bad as the filibuster itself. We have seen, in the last 9 years since 1970, more filibusters conducted in the Senate than occurred in the previous 30 years. I cannot make that statement with assurance of absolute accuracy, but I will not miss it by much. I will say it again: The Senate, beginning in 1970, inclusive of 1970, has seen more filibusters than were conducted in the 30 years prior to 1970. Let me just discuss that for a moment.

In 1935 there were three filibusters, and in 1 subsequent year between 1935 and 1970 there were three filibusters. So in each of 2 years out of the period 1935 through 1970, there were three filibusters. There were at least 10 years during that period in which no filibuster occurred at all in any one of the 10 years—not a 10-year period, but 10 separate years. There were another 10 or 11 or 12 years during that period of time in which one filibuster occurred—only one in each of such year. And there were a few years in which two filibusters occurred in each year.

But we have reached the point now where every year we can expect 4, 5, 6, and as many as 10. I believe that in one recent year there were as many as 10 or more filibusters. Yes; in 1975 there were 12 filibusters, according to the information I hold in my hand.

Now we are becoming more and more the victim of this ingenious procedure that allows, first, a filibuster threat; second, the filibuster on the motion to proceed; third, the filibuster on the matter itself; and fourth and finally, the cost cataclysmic and divisive filibuster of all, the postcloture filibuster.

Now, Senators know what happened the year before last on the filibuster on the natural gas pricing bill. A small number of Senators utilized the rules and created a situation in which the bill would have been killed had the majority leader not used extraordinary procedural tactics to save that bill. If I had to do it all over again tomorrow, I would do it over again tomorrow. But Senators know what happened. It created bad feelings. It was a very divisive thing.

I can understand that some Senators were outraged at the procedures that I used to save that bill. But if I had not used those procedures, the conference report on that bill would not have reached the floor at the end of the last session, and we would not have passed that bill. I did what I thought I had to do. In exactly the same circumstances, I would do it all over again, and I would understand the outrage that would meet that effort.

Now, ladies and gentlemen, my colleagues, this postcloture filibuster is the kind of thing that creates ill feelings and deep divisions in the Senate. It is fractious; it fragments the Senate, it fragments the party on either side of the aisle, and it makes the Senate a spectacle before the Nation. It is not in the national interest.

So these are among the rules that I propose to modify, or to change.

There is not change which I have proposed which is not a reasonable change and which I cannot, as majority leader, stand up here and justify.

Now, I am going to yield to the minority leader in a few minutes, but I am not quite ready to yield to anyone at this moment.

I have been majority leader 2 years. I was majority whip 6 years, and I was secretary of the Democratic conference for 4 years.

In those 12 years out of my 20 years in the Senate, I dare to say that it cannot be challenged that I have stayed on this floor more than any other Senator since the first Senate met in 1789. I have stayed on this floor more than any other Senator in all of the history of the Senate for an equal given period of time—12 years.

I know pretty well what the Senate rules and precedents are. No man ever becomes a master of them. But I know something about them. Having been in the leadership for 12 years, I know what the difficulties are of having to lead the Senate.

The minority leader has a different responsibility to some degree. He, too, must share the responsibility of leading the Senate. He has cooperated, and we have worked together well. I can say the same for the distinguished minority whip, and I do not have a better friend in the Senate than TED STEVENS. He is my ranking minority member on my Appropriations Subcommittee on the Department of the Interior.

These are men I love, and I value their friendship. I appreciate the cooperation and the courtesies that they have extended to me.

The minority leader does have some of the responsibilities of keeping the legislative process moving, and he has worked with me in that regard. But he has a responsibility, also, of protecting the members of his party. He carries out his responsibilities exceedingly well. He is to be commended. I understand the function and the role of the minority party. It has an adversary role in many instances. There are instances in which, thank heavens, we have worked together. In most instances we do, and that is in the best interest of the Nation. There are times when the minority feels it is in the best interests of the Nation that they take an adversary role, and I respect them for that.

But I say to Senators that the majority has the responsibility of leading. The majority has the responsibility of keeping the legislative process moving. I can tell Senators that after 12 years in the leadership, I am only proposing changes that make it reasonably possible for the majority party, the majority leader, and, in certain instances, the majority of the Senate—forgetting party for a moment—the majority of the Senate on both sides to work its will on matters, especially after cloture has been revoked. It is for this combination of reasons that I am offering this resolution today.

I base this resolution on article I, section 5 of the Constitution. There is no higher law, insofar as our Government is concerned, than the Constitution. The Senate rules are subordinate to the Constitution of the United States. The Constitution in article I, section 5, says that each House shall determine the rules of its proceedings.

Now we are at the beginning of Congress. This Congress is not obliged to be bound by the dead hand of the past.

Take rule XXXII, for example, the second paragraph thereof which says that the rules of this Senate shall continue from Congress to Congress until changed in accordance with these rules.

That rule was written in 1959 by the 86th Congress. The 96th Congress is not bound by the dead hand of the 86th Congress.

The first Senate, which met in 1789, approved 19 rules by a majority vote. Those rules have been changed from time to time, and that portion of Senate rule XXXII that I just quoted was instituted in 1959. So the Members of the Senate who met in 1789 and approved that first body of rules did not for one moment think, or believe, or pretend, that all succeeding Senates would be bound by that Senate. The Senate of the 86th Congress could not pretend to believe that all future Senates would be bound by the rules that it had written. It would be just as reasonable to say that one Congress can pass a law providing that all future laws have to be passed by two-thirds vote. Any Member of this body knows that the next Congress would not heed that law and would proceed to change it and would vote repeal of it by majority vote.

I am not going to argue the case any further today, except to say that it is my belief—which has been supported by rulings of Vice Presidents of both parties and by votes of the Senate—in essence upholding the power and right of a majority of the Senate to change the rules of the Senate at the beginning of a new Congress.

I have not always taken that position, but I take it today in the light of recent bitter experience. The experience of the last few years has made me come to a conclusion contrary to the one I reached some years ago.

Now, Mr. President, I am going to offer a resolution, and I am going to make a motion, and I am not going to press the Senate into any vote today. I do not want to proceed in such a fashion. I want the Senate to take a week or 10 days to debate this resolution, and let any Senator any amendment that he wishes to offer. Let the Senate vote on amendments, and then vote up or down on the resolution. Vote it down if it is the majority of the Senate's wish. If the majority of the Senate wants to amend it, so be it.

If the majority of the Senate does not like a single provision I have put in that resolution that is quite the Senate's prerogative, and I will bow to the will of the Senate. I do not want to be pushed into a situation where a majority of the Senate at the beginning of a new Congress will change the rules. But I make this prediction:

The majority of the Senate may not back me up today. This is the opening day, and we will recess so that we will still be in the opening legislative day when we come back on Thursday. I make a prediction that if the majority of the Senate does not back me up in this effort, if we, cannot get a time agreement; if we cannot work out something—but I feel that we can, that is why I am not going to press it to a vote today; I feel that we can work out a resolution; I believe that there are members of the minority who want to see something done about this postcloture situation; I want to be a reasonable man; I do not want to be put in the corner of having a proceed by majority vote.

But I will say this to Senators: I might have to do just that, and I am going to leave the way open to do that, and if I do that and fail, I will not be ashamed of having tried. If a majority of the Senate does not want to change the rules, I will have done what I think is best. But the time will come when every Member of the Senate will rue the day that we did not change that rule XXII in such a way that these very devisive postcloture situations can be eliminated and the Senate can get on to work its will and serve the national interests.

I predict further that if these postcloture filibusters continue, the day will come when the majority of this Senate will rise up and will strike down that rule and will change it; and there may then be greater and more far-reaching changes proposed than I have proposed today.

I may not be around here when that happens, but a majority of the Senate is not going to be patient much longer and the Nation is not going to stand for government by postcloture filibuster on the part of one, two, three or a small minority of the Senate, flaunting the will and defying the will and thwarting the will of the majority of Senators who have voted to invoke cloture on a given matter.

So, I say to Senators again that the time has come to change the rules. I want to change them in an orderly fashion. I want a time agreement. But, barring that, if I have to be forced into a corner to try for a majority vote, I will do it because I am going to do my duty as I see my duty, whether I win or lose.

If 51 Senators do not back me up in that, I will have done my duty. They will have done theirs as they see fit. I believe that they will come to see that, if we can only change an abominable rule by a majority vote, that it is in the interests of the Senate and in the interests of the Nation that the majority must work its will. And it will work its will.

Having said that, I say no more today. I will certainly yield to the distinguished minority leader. I want to retain my right to hold the floor. I want to protect myself in this matter. I do not relish the idea of hogging the floor, but I do want to protect my position in this situation.

It is not my intention to put the Senate to the test today. I intend only to call up the resolution and make a motion to proceed to its consideration. Then it will be my intention to move to recess over until Thursday, thus giving the minority leader and myself and other Senators an opportunity to discuss it.

So, Mr. President, I do not intend to yield the floor today, and I do not say that dictatorially or dogmatically, I just say it out of necessity; I am going to protect the rights of the minority leader—I send to the desk a privileged resolution to amend the standing rules of the Senate, and I move that pursuant to article I, section 5 of the Constitution, the Senate proceed to its immediate consideration without debate of the motion.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 9

Resolved, That paragraph 1 of rule III of the Standing Rules of the Senate is amended by striking out all after the words "unless by unanimous consent" and inserting in lieu thereof the following: "or on motion decided without debate. Motions to correct the Journal shall be privileged, shall be confined to an accurate description of the proceedings of the preceding day, and shall be determined without debate."

SEC. 2. That rule VIII of the Standing Rules of the Senate be amended by inserting a new sentence at the end of section 2, as follows: "Debate on such motions made at any other time shall be limited to thirty minutes, to be equally divided and controlled by the Majority and Minority leaders."

SEC. 3. That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph: "The demand for the reading of an amendment when presented to the Senate for consideration, including House amendments, may be waived on motion decided without debate when the proposed amendment has been identified by the clerk and is available to all Members in printed form."

SEC. 4. That rule XVIII of the Standing Rules of the Senate is amended—

(1) by inserting after "QUESTION" in the caption a semicolon and the following: "GERMANENESS";

(2) by inserting "1." before "If"; and

(3) by adding at the end thereof the following new paragraph:

"2. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment other than the reported committee amendments which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. Such a motion shall be privileged and shall be decided without debate.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the committee which reported such bill or resolution) which is not germane or relevant to the subject matter of such bill or resolution, or to the subject matter of an amendment proposed by the committee which reported such bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may, prior to ruling on any such point of order entertain such debate as he considers necessary in order to determine how he shall rule on such point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) The provisions of this paragraph shall not apply to amendments subject to the rules of germaneness and relevancy contained in paragraph 4 of rule XVI and paragraph 2 of rule XXII."

SEC. 5. A. That (a) line 5 of the first paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out "or the unfinished business," and in the line above inserting "or" before the words "other matter pending before the Senate," and lines 6 and 7 of the second paragraph of paragraph 2 is amended by striking out ", or the unfinished business.".

(b) The second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows: "After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a threefifths affirmative vote of the Senators duly chosen and sworn. At any time ofter ten hours of consideration, any remaining time may be reduced, but to not less than ten (10) hours, by the adoption of a motion, decided without debate, by a threefifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.".

(c) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following: "After cloture has been invoked, no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks.".

B. That Rule XXII of the Standing Rules of the Senate be amended by inserting a new paragraph at the end of section 2 as follows:

"After September 1 of each calendar year until the end of the session, the application of the provisions of section 2 of rule XXII shall be modified to provide that if a proper motion to invoke cloture has been filed pursuant to section 2, it shall be in order to proceed immediately to the consideration thereof, and after three hours of debate, equally divided and controlled by the Majority and Minorty Leaders, the Senate shall proceed to vote on the adoption of that motion, and if that question shall be decided

in the affirmative by a three-fifths vote of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate shall be the unfinished business to the exclusion of all other business until disposed of. All other provisions of section 2 of rule XXII shall be applicable to any question on which cloture is invoked pursuant to this paragraph."

SEC. 6. That rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following: "The demand for the reading of a conference report when presented may be waived on motion decided without debate when the report is available to all Members in printed form.".

SEC. 7. That section 133(f) of the Legislative Reorganization Act of 1946, as amended, be amended to strike the words: "at least three calendar days (excluding Saturdays, Sundays and legal holidays)" and insert in lieu thereof the words: "at least two calendar days (excluding Saturdays, Sundays, and legal holidays, except when the Senate is in actual session on such days)".

SEC. 8. That (a) the Committee on Rules and Administration is authorized and directed to provide for installation of an electronic voting system in the Senate Chamber.

(b) The expenses incurred in carrying out the provisions of subsection (a) shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee of Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, there is one area that I modify. I modify on page 3 the words "to recommit." Strike those words.

Mr. President, before I yield to the distinguished minority leader, and I beg his indulgence—if I may have the attention of all Senators—I said that I would attempt to get a unanimous-consent agreement.

I ask unanimous consent that the Senate proceed immediately to the consideration of the resolution, that during the consideration of the resolution, debate on any amendment be limited to 2 hours, to be equally divided between and controlled by the mover of such and the Senator from West Virginia (Mr. BYRD); that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 1 hour, to be equally divided between and controlled by the mover of such and the Senator from West Virginia (Mr. BYRD); *Provided*, In the event the Senator from West Virginia (Mr. BYRD) is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee; *Provided further*, That no amendment that is not germane to the provisions of the said resolution shall be received; *Provided further*, That the Senate proceed to vote on the question of agreeing to the resolution no later than 3 p.m. on Tuesday, January 23, 1979, without further amendment, motion, point of order, or appeal, unless pending, with the exception of one request to ascertain the presence of a quorum; *Provided, further*, That on each day between now and the time for final action on the resolution when the Senate meets, there be 6 hours allotted for debate on the resolution, to be equally divided between and controlled, respectively, by the majority leader and the minority leader; that the said Senators, or either of them, may, from the time under their control on the question of agreeing to the resolution, allot additional time to any Senator during consideration of any amendment, debatable motion, appeal, or point of order.

That completes my request.

Mr. President, I do not lose the floor by virtue of Senators reserving the right to object. Am I correct?

The VICE PRESIDENT. The Senator is correct.

Mr. ROBERT C. BYRD. I do not yield for any purpose other than reservations for rights to object or for an objection.

I yield now to the distinguished minority leader.

Mr. BAKER. Mr. President, reserving the right to object, I begin, if I may, by commending the majority leader for——

Mr. ROBERT C. BYRD. Mr. President, before the Senator begins, I yield to the distinguished minority leader not for the purpose of his reserving the right to object, but for the purpose of his making a statement. That is, if he wishes to reserve the right to object, he may object. I do not want to put him under that condition. I do not yield for any purpose other than a statement or a reservation or an objection.

Mr. BAKER. That will save torturing some verbs in the course of this presentation.

Mr. President, I begin by commending the majority leader for his judgment and discretion in approaching this matter in this manner.

I will say in a few moments a few things about the unanimous consent request and the restrictions that I believe it lays on us. But I am genuinely pleased and happy that the majority leader has chosen to proceed in what I think is a more deliberate and profound way than might otherwise have been the case.

As is his custom, the majority leader advised me in advance of his intention to proceed on the first day with proposals for rules changes. On last Friday, he delivered to me a copy of the resolution which he has now offered, together with a section-by-section analysis.

It seems to me that his options were clear: that he could proceed, as he described, under the precedent and rules of the Senate, as he interprets them and as previous Presiding Officers have interpreted them.

I am speaking particularly of the situation in 1975, when the then occupant of the chair, Vice President Rockefeller, indicated that the question of the adoption of a rules change by majority vote presented a constitutional question which must be presented to the Senate. The effect of that ruling and subsequent motions, in the view of this Senator, was to provide the unhappy circumstance whereby the rules of the Senate might not only be changed by majority vote on the first day, but also, it is possible to do so without debate.

I reiterate: I am pleased that the majority leader has not chosen to do that. We are approaching a matter of some delicacy and difficulty with a degree of care which is also characteristic of the majority leader.

Mr. President, I do not know what we can agree to on this side, and I will elaborate that point in just a moment. But before I do that, I point out, as I am sure most of our colleagues are aware and will recall, that in the case of the most recent post-cloture filibuster, it was the majority leader and the minority leader, with the distinguished occupant of the chair, the Vice President, in the chair at the time, who managed to establish a line and series of precedents that created the possibility to at least accelerate the disposition of the controversy and conflict.

The point of the matter is that this is not, nor has it been, a matter that is purely partisan in its character. I rather suspect that there may be as many Members on his side of the aisle as there are on my side of the aisle who have a concern for that precedent and how it may affect us in the future. But that is, at best, only tangential and collateral to the matter that is before us now.

The matter at hand, in my view, is this: How can we avoid reiterating an unfortunate precedent, meet the procedural challenge of these times, and promote the best interchange of ideas between us to create a new rules situation with which we all can live, whether we are in the majority or the minority, now or in the future?

Mr. President, I can only speculate how the Members of the Senate on this side of the aisle will react to this resolution in detail; therefore, I will not do that. Rather, I will advise the minority leader and my colleagues that today, in anticipation of this dilemma, I have appointed an ad hoc committee, to be chaired by the Senator from Alaska (Mr. STEVENS), consisting as well of the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from North Carolina (Mr. HELMS), to serve in an ad hoc capacity, to examine this proposal and propose to our conference our reaction, in an appropriate way, at the proper time.

Mr. President, I am not sure, frankly, that that can be undertaken with the deliberation that I believe it requires in order to bring this matter to a conclusion on January 23.

I hope would that there might be some flexibility in that timing. I would hope, for instance, that we might proceed on some basis that would give us a discretion to determine a final date, or, rather, even to leave the request without a final disposition date and to limit instead the consideration of amendments which may be proposed.

This is, of course, a matter which addresses itself to the majority leader and in no way suggests that I disapprove of what he has done because I recognize his responsibility. But I am sure he recognizes mine as well, because the protection of minority rights happens to be my special province in this Congress at this time.

I would hope that he would consider eliminating that provision of the unanimous-consent request for a final determination, as I understood his request, on January 23.

Mr. President, I have a number of amendments I prepared in anticipation

of this resolution. I do not propose to offer them now. I think I could not do so under the rules except to offer them for printing, under the restrictions which would occur by reason of the yielding by the majority leader to me for a special purpose. But I think it is likely there will be a series of other amendments.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator, of course, may send those amendments to the desk for their printing.

Mr. BAKER. I thank the Senator.

Mr. ROBERT C. BYRD. I continue to hold the floor but I yield for the stated purpose to the distinguished minority leader.

Mr. BAKER. Mr. President, I believe that is all I have to say at this time except to say that I share with the majority leader the belief that the post-cloture filibuster, a creature of fairly young age and recent development, is one that the Senate has not focused on adequately. I am prepared to do that and I want to do that. I believe we can do that. I am less sanguine about the possibility of dealing with the rules of the Senate which deal with matters before the invocation of cloture. I indicate this present frame of mind only by way of information to the majority leader.

Mr. JAVITS. Will the Senator yield?

Mr. BAKER. I see the distinguished Senator from New York on his feet. I wonder if the majority leader will consider yielding to him to speak on this matter.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from New York, reserving my right to the floor. I know that the distinguished Senator from New York wants to make only a similar statement. I yield only for that purpose.

The VICE PRESIDENT. The Senator from New York.

Mr. JAVITS. Mr. President, I might first state what I think ought to be done, and then to discuss the question. I think the precedent which was laid down when we began to fight the battles to amend rule XXII goes back 22 years, the length of my service here in the Senate. I believe the majority leader and the minority leader will find it highly artificial to proceed as he has to proceed today, by keeping his right to the floor and yielding only for very limited purposes, et cetera. This was preserved by Mike Mansfield by a unanimous-consent agreement. I hope it will be again. There was freedom of give and take. There was one unanimous-consent agreement which would be the rights of the majority leader to be fully preserved including the right for a summary vote on a motion to take up as well as the right to decide by a majority what should be the rule.

Second, I believe that the Senate can change what it did before. I am having our staff of this side run it down, but I believe in 1959 when we wrote into rule XXXII that the Senate Rules cannot be changed except according to rule XXII, I said at the time that it was pure rhetoric and that the Senate, of course, could change its rules because that was, in my judgment, and has been for 20 years, the dictate of the Constitution. Of course, I would have to maintain that position, and I believe it is the proper position under the Constitution.

That being said, I also would like to suggest to both Senators, because they have both shown a very equitable frame of mind as indeed they should, if possible, that it is going to be quite difficult to draft what we should do on the floor. The one thing upon which we should agree is a time limit because otherwise it might never be done. We should reserve the right of the Senate to vote on the constitutional issue because we would have to vote again to undo what it did before in the vote in 1975.

Within that framework, I deeply believe that it is going to take collaboration between the two sides with the best brains we have and the best outside brains we can consult to develop what we ought to do. I will say why.

While I consider what took place horrendous in terms of frustrating the will of the Senate and endangering the Nation perilously through the fact that we might not have passed any energy bill at all, though Lord knows as on Senator I think we have done infinitely too little and if I were President I would ration gasoline in this country tomorrow, but be that as it may I believe that equally horrendous without its being witting and without impugning remotely the patrotic motivation of the majority leader, was the sweeping aside of every right of the minority or of any Senator and not considering amendments, motions, requests for quorums, all of which went down the drain in one torrent.

This Government is built not only upon solarity but upon justice. Justice requires opposing briefs. That was a way of obliterating opposing briefs. I deeply belive, with all respect, we have to be as solicitous, if not more solicitous, about that right, about that freedom which we have to amend or to move even if it is a pain and an anguish as we do to facilitate our business.

(Mr. CRANSTON assumed the chair.)

Mr. JAVITS. I believe it can be done, I say to Senator BYRD. The human mind can contrive ways to meet this problem. Mr. BAKER has ideas, I am sure I have, and our committee will have.

Therefore, I conclude as I began, that this is an extremely critical effort. I see quite a few new Members in the Chamber. I hope they will realize how important this is to them. They will be here a lot longer when many of us are gone. They will have to live under these rules which will be prepared, manacles put upon our wrists, in their original pristine form even as we hear their form today.

I would suggest, therefore, that the majority leader and the minority leader contrive the unanimous-consent request which will give us the auspices for conducting this debate freely and easily and being able to work our will without constraints which at the moment are upon us. That has been done before and it can be done again.

Second, that we agree on a date by which this matter is to be determined. I believe that, again, that can be contrived. My belief would be that it is a matter, as I believe Senator BAKER indicated, of a month or a month and a half, something like that. Committees will have to be organized and begin to function.

Third, that we having appointed a small committee I would most respectfully suggest that it might be a good idea for the majority as well so that the two committees might meet together, might exchange ideas, might negotiate, might get all the expertise they humanly can. Then the Senate would vote on the constitutional question at a given time and then proceed to vote on amendments and motions up or down, again under unanimous consent, which would assure us we are not going to have a post-filibuster filibuster notwithstanding our unanimous-consent agreement.

Mr. President, I am deeply oppressed by the lawless state into which the Congress has fallen. There are reasons for it and the reasons are very impressive, of incompetence, of banality, of crime, and of the general dereliction in what the public perceives to be our services. I am a lawyer so that ancient adage applies to us: It is not what the facts are, we may be very virtuous, but it is what the jury thinks they are, and that is what the jury thinks they are.

I deeply believe, Senator BYRD, may I say to both of you, that we are starting in a very auspicious way if we deal with this question, and I hope that decency, the cooperation, the consideratenesss with which we deal with it will begin to restore us in the eyes of our fellow countrymen.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, if the Chair will withhold putting that question at the moment, I am very impressed by what both the distinguished minority leader and the distinguished Senator from New York have said. I am particularly impressed by the suggestion by the Senator from New York that there be a time limit—that there be a final vote. I have said Tuesday, January 23. I am not wedded to that date. It can be Tuesday or a month from then so far as I am concerned. I certainly would want to remove the constraints that obtain at the moment on all Senators.

I am willing to try to work out an agreement that will assure a vote without a filibuster, but a vote. If it is 6 weeks from today, that is all right with me, but I want a vote on this resolution. I want the Senate to have its opportunity to work its will on it, to make whatever changes the majority of the Senate feel necessary. That is all I am asking. I am asking for the majority of the Senate on both sides of the aisle to have its day, and then let us vote.

Now, I believe that, if I understand the distinguished Senater from New York correctly, that if there is going to be an objection to a final vote on the 23d, perhaps we had better just recess now and go out for a couple of days, and work out a time agreement that does provide a date for a final vote, and then proceed in accordance with that kind of agreement. If that is the consensus, I will not press

any further with this request at this time. It is a request that gives us something to work with. I will leave it pending, and as soon as Senators have had their say on this matter, I will then move to recess for 2 days. In the meantime, perhaps, we can work out a time frame that will be suitable to all Senators. I am very agreeable to that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. I think the Senator ought to withdraw the request because it means an overhanging problem for everybody to be on the qui vive.

The Senator's rights are fully preserved. He still will have the floor, and he will when we recess. The Senator can have it when we come back by unanimous consent, and I would not leave that pending.

Other than that I agree with the Senator.

Mr. ROBERT C. BYRD. I shall withdraw the request. The reason I am going to withdraw this request is that I believe that reasonable minds are going to prevail, and I think there are 100 reasonable minds in this Senate.

Based on what the distinguished Senator from New York has said, I think this is a reasonable way to approach the matter. I hope that we can work out an agreement that would allow us a final vote on this resolution.

I am not wedded to the 23d. I just want a final vote on the resolution. I want Senators to have the opportunity to debate it. I want them to have an opportunity to amend it. I want them to have an opportunity to vote on it up or down as amended, if amended and, therefore, for the time being, with the understanding that I still hold the floor, I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor—and I do not lose the floor by asking unanimous consent—that a section-by-section analysis of the resolution to amend certain rules of the Senate be inserted in the RECORD. Of course, this analysis does not include the last provision in the resolution that dealt with electronic voting, but that speaks for itself.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE ENCLOSED RESOLUTION TO AMEND CERTAIN RULES OF THE SENATE

1. Section 1 of the resolution proposes to amend Rule III of the Senate to make motions to suspend the reading of the Journal in order without debate. Under the existing rules this can only be done by unanimous consent. Motions to correct the Journal would also be in order and not debatable under the proposed change.

2. Section 2 of the resolution would amend Rule VIII to provide that debate on motions to proceed to the consideration of any matter made at any time outside of the morning hour would be limited to not to exceed 30 minutes, to be equally divided and controlled by the majority and minority leaders, whereas under the existing procedure there is no limitation of debate on such motions.

3. Section 3 would amend Rule XV to provide that where an amendment is available to all members in printed form when presented, the demand for its reading may be waived by a majority without debate.

4. Section 4 of the resolution would amend Rule XVIII of the Senate by providing that during the consideration of a bill or resolution it would be in order to move without debate by a ⅗th vote that all subsequent floor amendments be required to be germane except for amendments recommended by the committee reporting the bill. Since there is a germaneness requirement on general appropriations bills under Rule XVI, paragraph 4 and under Rule XXII once cloture has been invoked on a matter, the provisions of this section would not apply in those two situations.

5. Section 5 of the resolution would amend paragraph 2 of Rule XXII to provide for a fixed time limitation on a measure or matter upon which cloture has been invoked. The fixed time of 100 hours of consideration would apply to all action including votes, quorum calls, etc., and at the end of that time no amendments, motions, etc., not then pending would be in order. However, one live quorum call to establish the presence of a quorum would be in order. The one hundred hour limitation could be increased or decreased on motion without debate by an affirmative vote of 60 Senators. However, a motion to reduce could not be made until after at least 10 hours of consideration of the measure on motter, and if then reduced it may not be to less than 10 hours, which time would be divided between the majority and minority leaders.

Rule XXII would also be amended by striking out in three places the expression "or the unfinished business". This is to conform the rule to the existing precedent that the measure or matter, including the unfinished business, must be before the Senate when a cloture motion is filed on it.

Rule XXII is proposed to be further amended to provide that after September of each calendar year, if a cloture motion is filed the Senate may proceed to its immediate consideration instead of having to wait 2 days, and after 5 hours of debate, the Senate would proceed to vote on such motion.

6. Section 6 would amend Rule XXVII to provide that when a conference report is available to all members in printed form, the demand for its reading when presented may be waived on motion without debate.

7. Section 7 would amend 133(f) of the Legislative Reorganization Act of 1946 by providing that the "3-day rule" on committee reports be changed to "2 days", excluding Saturdays, Sundays and legal holidays except when the Senate is in session on such days. Under the current rule, Saturday, Sundays and legal holidays are exempt from the computation of the 3 days in any event.

Mr. DOLE said subsequently: Mr. President, on January 15, we discussed proposed changes in the rules. I think the distinguished minority leader and the majority leader worked out some accommodation of discussing proposed changes. Perhaps we can work out some agreement on proposed changes.

Mr. President, the resolution proposed by the distinguished majority leader puts several distressing constraints on the minority. When I say minority, however, I do not necessarily mean myself and my colleagues on this side of the aisle. The legislation before us now can threaten a minority of 1 or a minority of 49. It can tread on the rights of the minority, whether that minority is the minority party or a minority of Senators. And it is the function and the duty of the U.S. Senate to protect the minority, to assure that each Senator is guaranteed the right to express his views, no matter how solitary or unpopular they may be. The result of this carefully devised system, I admit, is to slow down the process of legislation, which may prove frustrating to those who would prefer to see our business whisked through with a minimum of time and a maximum of results visible to the constituency.

But, Mr. President, the Senate is a body committed to the principle of free and unlimited debate. The trend of proposed rules changes in the past, particularly of rule 22, has been to gradually limit and narrow the extended debate rule and the few remaining devices available to the minority in the Senate today. This legislation means to further limit those devices and reduce the rights of the minority. On the surface, these changes seem harmless enough. They smooth out the flow, they quicken the pace, they iron out what the majority regards as the "wrinkles" in our legislative process. The Senator from Kansas feels, however, that these seemingly minor changes will serve, in the end, to rob the minority of its few remaining recourses and bestow an unfair advantage on the majority that is inequitable and unjust to the American people.

Mr. President, part of the genius of our political system is that the minority is in a better position to help shape public policy in our country than are parliamentary bodies of most other nations. The U.S. Senate is unique in that way. And I do not think that the American people are willing to forgo that distinctive mark of our democratic society. I think we owe it to our constituencies to uphold the rights of the minority and the equity of our political system.

The legislation proposed by the distinguished Senator from West Virginia seeks once again to curtail those privileges enjoyed by the minority. The resolution also fails to uphold the rights of individual Senators. It would grant the minority leader and majority leader an opportunity to control debate on a motion to proceed. Frequently, however, the side of an issue which needs airing and which could benefit from extended discussion might not include the leader of either the minority or majority. In that event, the opposition would not be protected.

RULE XXII

The resolution also presents a very serious alteration of rule 22. It would not only limit the amount of available time to each Senator, but would also create a situation in which some Senators could be cut completely out of their right to offer amendments. Because of the provision that quorum calls be charged against the maximum time limit, there is no guarantee that each senator will have time to speak.

This piece of legislation also shortens the waiting period after the filing of a cloture petition—it changes the period—from 2 days to "proceed immediately to the consideration thereof, and after 3 hours of debate, equally divided and controlled by the majority and minority leaders, the Senate shall proceed to vote." A cut of the time for consideration from 2 days to 3 hours is a substantial reduction. I doubt if meaningful debate on an issue can always be accomplished in 3 hours.

SUSPENSION OF READING OF JOURNAL

Senator BYRD's legislation also provides that the reading of the Journal and of amendments and conference reports be dispensed with by a nondebatable motion, as well as by unanimous consent. The absence of any debating time in these instances only sets the stage for parliamentary abuse on the part of the majority. It seems to me that the Senate cannot very well decide such an issue without some discussion, even if it be limited to only 10 minutes. It is evident that these proposed changes could prove very restricting to the minority and form part of a pattern for maneuvering on the part of the majority.

The right to free expression belongs to all the Senators in this Chamber and is seriously threatened by this resolution. If we allow this right to be stifled we drastically reduce the effectiveness of the Senate and its usefulness to society. I strongly recommend to my colleagues on both sides of the aisle that we reject this legislation and to allow the Standing Rules of the Senate to remain as written until they can be thoroughly reviewed by the Rules and Administration Committee and by the full Senate.

Mr. President, one thing the Senator from Kansas might suggest is that we ought to work out something to avoid what many consider an unnecessary number of rollcall votes in this body. I hope that my new colleagues who join us in the Senate might ponder the necessity of repeated votes—vote after vote after vote—when there is no real reason for the same.

As I understand it, there was a time in this body when that determination was made by the distinguished leaders, the minority leader and the majority leader would decide many times whether or not a rollcall vote was necessary.

If that is not totally satisfactory, perhaps the ranking majority member and the ranking minority member on committees might join in a request for rollcall votes.

But I do believe when we talk about an effective and orderly flow of business in the Senate of the United States, we can all think of interruptions we have had during very important Senate hearings. We have had to rush back and forth to the floor. I would certainly cooperate as one Member of this body if we could work some accommodation, as far as the rollcall votes are concerned. Perhaps the leaders do not want that great responsibility, but maybe those of us who share responsibilities as ranking minority members or majority members on the committees might work with the leaders in the Senate to see if we cannot in some way hold down the number of rollcalls we have almost on a daily basis.

When I first came to the Senate, I think it was around 200 and some. I do not know the exact number last year, but I guess it was well up to 400 or 500 rollcalls.

Mr. BAKER. Will the Senator yield?

Mr. DOLE. I yield to my colleague, the distinguished minority leader.

Mr. BAKER. Mr. President, I could not agree with the Senator from Kansas more. I think that not only are many rollcalls unnecessary, but I think, frankly, a lot of them are impositions on the Senate and its membership.

I would be more than happy to work out some sort of de facto arrangement, de facto rule or arrangement, to provide, as he suggests, that the majority leader and the minority leader might consult with the ranking members of the jurisdictional committees, or effective committees, and decide whether the rollcalls were, in fact, desirable, or not.

I suppose we could never totally enforce it, but we could establish a good precedent, if our colleagues would back us up.

I applaud the Senator from Kansas for his suggestion. I represent to him that I would be more than pleased to do that. I will certainly explore that at the first opportunity on our side and will communicate it, as well, to the majority leader and his side and hope we can carry the Senator from Kansas' suggestion into effect.

Mr. DOLE. I thank the distinguished minority leader.

It is a matter we discussed, as he recalls, briefly, a few weeks ago.

Mr. President, I might also correct the record, there were 520 rollcall votes in 1978.

I think we might have survived with 200 or 250. Maybe the 520 were necessary, but I doubt it. I doubt that many of my colleagues, as they look back on it, feel the votes they may have asked for were totally necessary.

ROUTINE MORNING BUSINESS

PROPOSED AMENDMENT TO THE TARIFF ACT—MESSAGE FROM THE PRESIDENT—PM 5

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

I am today transmitting to the Congress a proposal for legislation to extend until September 30, 1979, the authority of the Secretary of the Treasury under Section 303(d) of the Tariff Act of 1930 to waive the application of countervailing duties. The Secretary's authority to waive the imposition of countervailing duties expired on January 2, 1979. Extension of this authority is essential to provide the Congress with time to consider the results of the Tokyo Round of Multilateral Trade Negotiations (MTN). Failure to extend this authority is likely to prevent the reaching of a conclusion to these negotiations and could set back our national economic interests. Accordingly, I urge that the Congress enact the necessary legislation at the earliest possible date.

As stipulated by the Congress in the Trade Act of 1974, negotiation of a satisfactory code on subsidies and countervailing duties has been a primary U.S. objective in the Tokyo Round. We have sought an agreement to improve discipline on the use of subsidies which adversely affect trade. I am pleased to report that in recent weeks our negotiators have substantially concluded negotiations for a satisfactory subsidy/countervailing duty code which includes: (1) new rules on the use of internal and export subsidies which substantially increase protection of United States agricultural and industrial trading interests, and (2) more effective provisions on notification, consultation and dispute settlement that will provide for timely resolution of disputes involving trade subsidies in international trade.

My Special Representative for Trade Negotiations has informed me that negotiations on almost all MTN topics have been substantially concluded, and that those agreements meet basic U.S. objectives. However, final agreement is unlikely unless the waiver authority is extended for the period during which such agreements and their implementing legislation are being considered by the Congress under the procedures of the Trade Act of 1974.

Under current authority, the imposition of countervailing duties may be waived in a specific case only if, inter alia, "adequate steps have been taken to eliminate or substantially reduce the adverse effect" of the subsidy in question. This provision and the other limitations on the use of the waiver authority which are currently in the law would continue in effect if the waiver authority is extended. Thus, U.S. producers and workers will continue to be protected from the adverse effects of subsidized competition.

A successful conclusion to the MTN is essential to our national interest, as well as to the continued growth of world trade. If the waiver authority is not extended, such a successful conclusion will be placed in serious jeopardy. Accordingly, I urge the Congress to act positively upon this legislative proposal at the earliest possible date.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1979.*

COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a summary of the Weather-Water Allocation Study; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2. A communication from the Acting Secretary of Agriculture, reporting, pursuant to law, as to the aggregate value of all agreements entered into under Title I of the Agricultural Trade Development and Assistance Act (Public Law 480) during fiscal year

1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report entitled "Improving Soils with Organic Wastes"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4. A communication from the Assistany Secretary of Agriculture, reporting, pursuant to law, the status of planned programming of Public Law 480, Title I commodities as of December 31, 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5. A communication from the Secretary of the Interior, reporting, pursuant to law, on an overobligation which occurred in the Bureau of Indian Affairs; to the Committee on Appropriations.

EC-6. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, the third-quarter fiscal year 1978 report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products; to the Committee on Appropriations.

EC-7. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a final award in favor of The Creek Nation in the sum of $7,718,427.92 entered in the Creek Nation v. United States, Docket No. 272, by the Indian Claims Commission on September 22, 1978; to the Committee on Appropriations.

EC-8. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $16.8 million of funds available in the Army Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC-9. A communication from the Secretary of State, reporting, pursuant to law, on efforts the President and the Secretary of State have made to encourage the provision of adequate liability insurance by diplomatic missions to the United States against the risks of "loss or injury arising from the wrongful acts or omissions of the employees of such missions in the United States"; to the Committee on Appropriations.

EC-10. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a report of final award of the Indian Claims Commission in *The Creek Nation* v. *The United States*, in the amount of $1,115,706.20; to the Committee on Appropriations.

EC-11. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, that the authority provided in section 3732 of the Revised Statutes, 41 U.S.C. 11, was used to incur obligations during the last quarter of fiscal year 1978 in certain appropriations; to the Committee on Appropriations.

EC-12. A communication from the Deputy Comptroller General of the United States, reporting, pursuant to law, on the National Center for Productivity and Quality of Working Life, Travel Reimbursement Limitation; to the Committee on Appropriations.

EC-13. A communication from the Director, Agency for Volunteer Service, ACTION, reporting, pursuant to law, a technical violation of Section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

EC-14. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Veterans Administration for "Readjustment benefits" for the fiscal year 1979, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-15. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, transfers of amounts appropriated to the Department of Defense recently made pursuant to the authority granted in Section 854 of the Department of Defense Appropriation Act, 1978; to the Committee on Appropriations.

EC-16. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement for the quarter July 1, 1978, through September 30, 1978; to the Committee on Appropriations.

EC-17. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Treasury for "Salaries and expenses," United States Customs Service for the fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-18. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the Ottawa Tribe in the sum of $563,624.21 entered in The Ottawa Tribe, and Guy Jennison et al, as Representatives of the *Ottawa Tribe* v. *United States*, Nos. 133A and 302, by the Indian Claims Commission, August 17, 1978; to the Committee on Appropriations.

EC-19. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final awards entered in favor of plaintiffs in certain cases by the Indian Claims Commission on September 20, 1978; to the Committee on Appropriations.

EC-20. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Canal Zone Government for "Operating Expenses" for the fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation and that the Panama Canal Company Fund has been reapportioned on a basis which indicates a necessity for an increase in the statutory "Limitation on General and Administrative Expenses"; to the Committee on Appropriations.

EC-21. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1978, and Section 109 of the Military Construction Appropriation Act, 1978 during the period April 1, 1978–September 30, 1978, to make payments under contracts for any program, project, or activity in a foreign country except where, after consultation with a designee of the Secretary of the Treasury, it was determined that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law was not feasible for the reason that the Treasury Department was not holding excess foreign currencies in the country involved; to the Committee on Appropriations.

EC-22. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the plaintiffs in the sum of $116,-144.00 entered in *The Peoria Tribe of Oklahoma* v. *The United States*, No. 314-B, by the Indian Claims Commission, September 29, 1978; to the Committee on Appropriations.

EC-23. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the plaintiffs and intervenor in the sum of $888,623.04 entered in *Citizen Bank of Potawatomi Indians of Oklahoma, et al. and. Related Cases* v. *The United States*, Nos. 216, 15-L and 29-I, by the Indian Claims Commission, September 26, 1978; to the Committee on Appropriations.

EC-24. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on a construction project to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC-25. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 8 construction projects to be undertaken by the U.S. Air Force Reserve; to the Committee on Armed Services.

EC-26. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 38 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC-27. A secret communication from the Assistant Secretary of Defense, transmitting, pursuant to law, 53 Selected Acquisition Reports (SARs) and the sar Summary Tables for the quarter ending September 30, 1978; to the Committee on Armed Services.

EC-28. A communication from the Acting Director, Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter of Offer to the Federal Republic of Germany for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-29. A communication from the Secretary of the Army, reporting, pursuant to law, on a plan prepared to dispose of the remaining Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-30. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, a supplemental submission to the consolidated Defense Related Employment Report for fiscal year 1977; to the Committee on Armed Services.

EC-31. A confidential communication from the Assistant Secretary of Defense, transmitting, pursuant to law, contract award information amending the report covering the period September 15, 1978 to December 15, 1978; to the Committee on Armed Services.

EC-32. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, that no real or personal property acquisitions of emergency supplies and equipment were acquired during the quarter ending September 30, 1978; to the Committee on Armed Services.

EC-33. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of a certain naval vessel, and for other purposes to the Committee on Armed Services.

EC-34. A communication from the Acting Secretary of the Army transmitting, pursuant to law, the annual report of Department of the Army contracts for military construction awarded without formal advertisement, 1 October 1977 through 30 September 1978; to the Committee on Armed Services.

EC-35. A communication from the Secretary of Defense, reporting, pursuant to law, comparing the President's fiscal year 1979 Budget request with the initial allocation of the statutory civil authorization; to the Committee on Armed Services.

EC-36. A communication from the Principal Deputy Assistant Secretary of Defense (MRA&L), transmitting, pursuant to law, on the Selected Reserve Reenlistment Bonus Test Program authorized in section 403 of the Defense Authorization Act of July 30, 1977, for the cumulative period January 1 through July 31, 1978; to the Committee on Armed Services.

EC-37. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to The Netherlands for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-38. A communication from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting, pursuant to law, a report on Department of the Army Research and Development Contracts for $50,000 or more which were awarded during the period 1 April 1978 through 30 September 1978; to the Committee on Armed Services.

EC-39. A communication from the Associate Director, Legislative Liason, Department of the Air Force, transmitting, pursuant to law, reports concerning military construction contracts awarded by the Air Force without formal advertisement for the periods October 1, 1977, through September 30, 1978; to the Committee on Armed Services.

EC-40. A communication from th Assistant Deputy Chief of Naval Material (Contracts and Business Management), transmitting, pursuant to law, the Department of the Navy s semiannual report of research and development procurement actions of $50,000 and over, covering the period 1 October 1977 through 30 September 1978; to the Committee on Armed Services.

EC-41. A communication from the Director, Defense Civil Preparedness Agency, transmitting, pursuant to law, a report of Financial Contributions to the States, Personnel and Administration for the fiscal year ending September 30, 1978; to the Committee on Armed Services.

EC-42. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on the Financial Contributions Program, Equipment and Facilities for fiscal year ending September 30, 1978; to the Committee on Armed Services.

EC-43. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, reports in compliance with the Aviation Career Incentive Act of 1974, as codified in 37 U.S.C. 301a; to the Committee on Armed Services.

EC-44. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, on the annual compensation of officers or employees (Federal Contract Research Center) in excess of $45,000 from federal funds; to the Commitee on Armed Services.

EC-45. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 24 construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC-46. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on contract award dates for the period November 15, 1978 to February 15, 1979; to the Committee on Armed Services.

EC-47. A communication from the Secretary of the Army, transmitting, pursuant to law, the annual report of the United States Soldiers' and Airmen's Home for fiscal year 1977 and a report of the Annual General Inspection of the Home, 1978, by the Inspector General of the Army; to the Committee on Armed Services.

EC-48. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report of actions taken by the Eximbank from July 1, 1978 through September 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-49. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Administration of U.S. Export Licensing Should Be Consolidated To Be More Responsive To Industry," October 31, 1978; to the Commtitee on Banking, Housing, and Urban Affairs.

EC-50. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, its tenth Annual Report on Truth in Lending; to the Committee on Banking, Housing, and Urban Affairs.

EC-51. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a proposed regulation implementing sections 909 and 911 of the Electronic Fund Transfer Act, Public Law 95-630, and the analysis of the economic impact of the proposed sections of the regulation on participants in EFT systems; to the Committee on Banking, Housing, and Urban Affairs.

EC-52. A communication from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, a progress report of the Cost Accounting Standards Board for the year ended September 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-53. A communication from the Assistant Attorney General Antitrust Division, transmitting, pursuant to law, a report on the enforcement of Title I of the Consumer Credit Protection Act of 1968 (Public Law 90-321) for calendar year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-54. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on Indian and Alaska Native Housing and Community Development Programs; to the Committee on Banking, Housing, and Urban Affairs.

EC-55. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of September 1978, on total itemized revenues and expenses, revenues and expenses of each train operated, and revenues and total expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-56. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of October 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-57. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report of contracts negotiated under 10 U.S.C. 2304(a)(11) during the period April 1, 1978 to September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-58. A communication from the Administrator, National Aeronautics and Space Administration transmitting, pursuant to law, information with respect to contracts negotiated by NASA under 10 U.S.C. 2304(a)(11) and (16) for the period January 1, 1978 through June 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-59. A communication from the President, Communications Satellite Corporation, transmitting, pursuant to law, a report on the operations, activities and accomplishments of COMSAT; to the Committee on Commerce, Science, and Transportation.

EC-60. A communication from the Acting Secretary of the Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36731 (Sub-No. 28), Liquified Petroleum Gas, Flomation, Alabama, to Western Trunk Line Territory, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-61. A communication from the Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Surface Impoundments and Their Effects on Ground-Water Quality in the United States—A Preliminary Survey"; to the Committee on Commerce, Science, and Transportation.

EC-62. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a copy of the Commission's letter to the Director, Office of Management and Budget, concerning S. 2, the Sunset Act of 1978; to the Committee, Science, and Transportation.

EC-63. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report for calendar year 1978 on the utilization of the authority granted in 37 U.S.C. 306 (to pay special pay to U.S. Coast Guard officers holding positions of unusual responsibility and of critical nature); to the Committee on Commerce, Science, and Transportation.

EC-64. A communication from the Chairman, Migratory Bird Conservation Commission, transmitting, pursuant to law, a report of the Migratory Bird Conservation Commission for fiscal year ending September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-65. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of September 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-66. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on total itemized revenues and expenses, revenues and expenses of each train operated, and revenues and total expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-67. A communication from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting, pursuant to law, recommendations concerning Federal organization for marine and atmospheric affairs; to the Committee on Commerce, Science, and Transportation.

EC-68. A communication from the President, United States Railway Association, transmitting, pursuant to law, its quarterly report for July 1, 1978 through September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-69. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of August 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-70. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, a copy of the Board's letter to the Office of Management and Budget appealing the resource levels provided by OMB for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-71. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the implementation of the Federal Fire Prevention and Control Act of 1974; to the Committee on Commerce, Science, and Transportation.

EC-72. A communication from the Admin-

istrator, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report on the Effectiveness of the Civil Aviation Security Program for the period January 1 to June 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC–73. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, a copy of the Board's request to the Office of Management and Budget for a partial examption to the hiring limitation imposed by the President on October 24, 1978; to the Committee on Commerce, Science, and Transportation.

EC–74. A communication from the Chairman, Federal Trade Commission, transmitting, pursuant to law, the Commission's annual report covering its accomplishments during the fiscal year ended September 30, 1977; to the Committee on Commerce, Science, and Transportation.

EC–75. A communication from the Chairman, Civil Aeronautics Board, transmitting, pursuant to law, the Board's annual report covering fiscal year 1977; to the Committee on Commerce, Science, and Transportation.

EC–76. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC–77. A communication from the Secretary of the Interior, reporting, pursuant to law, that Sunmark Exploration Company, a division of Sun Oil Company (Delaware), has submitted an application to the Department for repayment of rental totaling $17,280.00 for lease OCS–G 2750, East High Island Block 365, offshore Texas; to the Committee on Energy and Natural Resources.

EC–78. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The United States and International Energy Issues," December 18, 1978; to the Committee on Energy and Natural Resources.

EC–79. A communication from the Under Secretary, Department of Energy, transmitting, pursuant to law, a report entitled "Application and System Design Study for Cost-Effective Solar Photovoltaic Systems at Federal Installations," November 1978; to the Committee on Energy and Natural Resources.

EC–80. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports on (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products; and (2) Petroleum Market Shares: Report of Sales of Retail Gasoline; to the Committee on Energy and Natural Resources.

EC–81. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–82. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the Development Plan and Stream Classification for the Obed Wild and Scenic River in Tennessee; to the Committee on Energy and Natural Resources.

EC–83. A communication from the Deputy Assistant Secretary for Environment, Department of Energy, transmitting, pursuant to law, a report on Plutonium Air Transportable Package Model PAT–1; to the Committee on Energy and Natural Resources.

EC–84. A communication from the Secretary of the Interior, reporting, pursuant to law, that Union Oil Company of California has submitted an application to the Department for repayment of one year's rental totaling $17,280 for lease OCS–G 2481, Destin Dome Block 206, offshore Florida; to the Committee on Energy and Natural Resources.

EC–85. A communication from the Assistan Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Westside Water District, Improvement District No. 1, and that the lands to be irrigated are suceptible to the production of agricultural crops by means of irrigation; to the Committee on Energy and Natural Resources.

EC–86. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, a report on the implementation and actions taken under the Emergency Natural Gas Act of 1977 (Public Law 95–2); to the Committee on Energy and Natural Resources.

EC–87. A communication from the Director, Office of Territorial Affairs, Department of the Interior, transmitting, pursuant to law, a report of the administration of the Guam Development Fund during 1978, as submitted by the Governor of Guam; to the Committee on Energy and Natural Resources.

EC–88. A communication from the Secretary of the Interior, transmitting proposed amendments relating to Title II, National Park System, Alaska National Interest Lands Conservation Act; to the Committee on Energy and Natural Resources.

EC–89. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on Petroleum Market Shares; Report on Sales of Refined Petroleum Products, July 1978; to the Committee on Energy and Natural Resources.

EC–90. A communication from the Administrator, Energy Information Administration, transmitting, pursuant to law, a report on sales of retail gasoline, July 1978; to the Committee on Energy and Natural Resources.

EC–91. A communication from the President of the United States, transmitting, pursuant to law, a proposal to designate a 50.4-mile segment of the Illinois River within the Siskiyou National Forest in Oregon as an element of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

EC–92. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–93. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "First Progress Report to the Congress, California Desert Conservation Area"; to the Committee on Energy and Natural Resources.

EC–94. A communication from the President of the United States transmitting, pursuant to law, a proposal to designate a 1.9 million acre River of No Return Wilderness on portions of the Bitterroot, Boise, Challis, Nezperce, Fayette and Salmon National Forests in Idaho; to the Committee on Energy and Natural Resources.

EC–95. A communication from the Director, Office of Hearings and Appeals, Department of Energy, transmitting, pursuant to law, the quarterly report on private grievances and redress; to the Committee on Energy and Natural Resources.

EC–96. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the Fish and Wildlife Service on the administration of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361, 86 Stat. 1027 (1972)) for the period June 22, 1977, to March 31, 1978; to the Committee on Commerce, Science, and Transportation.

EC–97. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Projected Timber Scarcities in the Pacific Northwest: A Critique of 11 Studies," December 12, 1978; to the Committee on Energy and Natural Resources.

EC–98. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products; and (2) Petroleum Market Shares: Report on Sales of Retail Gasoline; to the Committee on Energy and Natural Resources.

EC–99. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on the Interstate Compact to Conserve Oil and Gas; to the Committee on Energy and Natural Resources.

EC–100. A communication from the Chairman, Advisory Council on Historic Preservation, transmitting, pursuant to law, its report covering fiscal year 1976 with its transition quarter (July 1, 1975, to September 30, 1976) and fiscal year 1977; to the Committee on Energy and Natural Resources.

EC–101. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "Water Conservation Opportunities Study, September 1978"; to the Committee on Energy and Natural Resources.

EC–102. A communication from the Secretary of the Interior, reporting, pursuant to law, that Mesa Petroleum Company has submitted an application to the Department for repayment of rental totaling $17,280.00 for lease OSC-G 2410, High Island Block A-313, offshore Louisiana; to the Committee on Energy and Natural Resources.

EC–103. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report for the period July through September 1978 concerning imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; to the Committee on Energy and Natural Resources.

EC–104. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities; to the Committeee on Environment and Public Works.

EC–105. A communication from the Chairman, United States Nuclear Regulatory Commission, Advisory Committee on Reactor Safeguards, transmitting, pursuant to law, a report on the safety research program; to the Committee on Environment and Public Works.

EC–106. A communication from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report entitled "Progress in Environmental Quality"; to the Committee on Environment and Public Works.

EC–107. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the final conclusions of the Department regarding the impact of trans-Alaska pipeline construction traffic on the Alaska highway system; to the Committee on Environment and Public Works.

EC–108. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, the National Water Quality Inventory Report for 1977; to the Committee on Environment and Public Works.

EC–109. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for 820 Elkridge Landing Road, Friendship, Maryland; to the Committee on Environment and Public Works.

EC–110. A communication from the Deputy Under Secretary, Department of the Army, transmitting, pursuant to law, a report concerning required cooperation agreements on water resource projects; to the Committee on Environment and Public Works.

EC–111. A communication from the Director, Hoover Institution on War, Revolution and Peace, transmitting, pursuant to law, a report on the expenditure of funds on the Herbert Hoover Federal Memorial Building by the Hoover Institution; to the Committee on Environment and Public Works.

EC–112. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a memorandum of understanding delineating respective agency responsibilities in the conduct of epidemiological planning studies; to the Committee on Environment and Public Works.

EC–113. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on contracts per section 11, Public Law 95–601, NRC's 1979 Authorization Act; to the Committee on Environment and Public Works.

EC–114. A communication from the Director, Office of Water Research and Technology, Department of the Interior, transmitting, pursuant to law, a report entitled "Evaluation of Technical Material and Information for Potential Desalting Demonstration Plants," December 1978; to the Committee on Environment and Public Works.

EC–115. A communication from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting, pursuant to law, the Committee's report on the US-Indian Tropical Products Agreement which was consummated by an exchange of letters on July 26, 1978; to the Committee on Finance.

EC–116. A communication from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting, pursuant to law, the Committee's report on the Agreement on Trade Matters Between the United States and the United Mexican States, signed in Washington, D.C., on December 2, 1977; to the Committee on Finance.

EC–117. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the final report on the "advantages and disadvantages of extending coverage under Title XVIII of the Social Security Act to urban or rural comprehensive mental health centers and to centers for treatment of alcoholism and drug abuse; to the Committee on Finance.

EC–118. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief for the domestic bicycle tire and tube industry is not in the national economic interest, and explaining the reasons for his decision; to the Committee on Finance.

EC–119. A communication from the Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's annual report for fiscal year ending September 30, 1978; to the Committee on Finance.

EC–120. A communication from the Chairman, The Renegotiation Board, reporting, pursuant to law, pertaining to the Board's annual report; to the Committee on Finance.

EC–121. A communication from the Special Representative for Trade Negotiations, transmitting, pursuant to law, reports of the Industry Sector Advisory Committees on the US-Indian Tropical Products Agreement, which was concluded on July 26, 1978; to the Committee on Finance.

EC–122. A communication from the Secretary of Health, Education, and Welfare transmitting pursuant to law, the Department's fourth report on State Medicaid program compliance with section 1903(g) of the Social Security Act; to the Committee on Finance.

EC–123. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his determination that import relief for the U.S. Artificial Bait and Flies Industry is not in the national economic interest and explaining the reasons for his decision; to the Committee on Finance.

EC–124. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief on unwrought, unalloyed copper is not in the national economic interest, and explaining the reasons for his decision; to the Committee on Finance.

EC–125. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his determination to provide import relief for the U.S. High Carbon Ferrochromium Industry and explaining the reasons for his decision; to the Committee on Finance.

EC–126. A communication from the Vice Chairman, Unitd States International Trade Commission, transmitting, pursuant to law, its sixteenth quarterly report on trade between the United States and the nonmarket economy countries; to the Committee on Finance.

EC–127. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision to modify the import relief recommendation of the U.S. International Trade Commission (USITC) by proclaiming increased tariffs of 15 percent on iron or steel bolts, nuts, and large screws for a three-year period and giving the reasons for his decision; to the Committee on Finance.

EC–128. A communication from the President of the United States, transmitting proposals relating to international trade; to the Committee on Finance.

EC–129. A communication from the Acting Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's report covering the fiscal year ending September 30, 1978; to the Committee on Finance.

EC–130. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "Combined Statement of Receipts, Expenditures and Balances of the United States Government for the fiscal year ended September 30, 1978"; to the Committee on Finance.

EC–131. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the oil and gas lease Sale No. 51, central and western Gulf of Mexico, scheduled to be held on December 19, 1978; to the Committee on Energy and Natural Resources.

EC–132. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report required by Title VII, Public Law 95–118; to the Committee on Foreign Relations.

EC–133. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Independent Review and Evaluation at the Asian Development Bank," October 16, 1978; to the Committee on Foreign Relations.

EC–134. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–135. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–136. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (IBRD); to the Committee on Foreign Relations.

EC–137. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, increased budget level for Radio Free Europe/Radio Liberty, Inc., because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC–138. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–139. A communication from the Senior Adviser and Director for International Narcotics Control, Department of State, transmitting, pursuant to law, planned changes in allocations of fiscal year 1979 funds authorized and appropriated for the International Narcotics Control Program; to the Committee on Foreign Relations.

EC–140. A communication from the Assistant Administrator for Legislative Affairs, Department of State, transmitting, pursuant to law, a report required under Section 653(a) of the Foreign Assistance Act of 1961 as amended; to the Committee on Foreign Relations.

EC–141. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, for the information of the Senate, on the tragedy in Guyana; to the Committee on Foreign Relations.

EC–142. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–143. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–144. A communication from the Chairman, Board of Foreign Scholarships, transmitting, pursuant to law, a report entitled "Report on Exchanges"; to the Committee on Foreign Relations.

EC–145. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–146. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–147. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (BRD); to the Committee on Foreign Relations.

EC–148. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60

days after the execution thereof; to the Committee on Foreign Relations.

EC-149. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-150. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (BRD); to the Committee on Foreign Relations.

EC-151. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-152. A communication from the Assistant Secretary for Economic and Business Affairs, Department of State, transmitting, pursuant to law, a report summarizing the trade controls of COCOM countries, current to April 15, 1978; to the Committee on Foreign Relations.

EC-153. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments for the fourth quarter of fiscal year 1978, and the cumulative status for the year, October 1, 1977 through September 30, 1978; to the Committee on Foreign Relations.

EC-154. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-155. A communication from the Secretary of State, transmitting, pursuant to law, a report on United States policy toward the Soviet Union; to the Committee on Foreign Relations.

EC-156. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the disposal of certain foreign excess property; to the Committee on Governmental Affairs.

EC-157. A communication from the Mayor, The District of Columbia, transmitting, pursuant to law, the 1978 Alcoholism State Plan; to the Committee on Governmental Affairs.

EC-158. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Electric Energy Options Hold Great Promise for the Tennessee Valley Authority," November 29, 1978; to the Committee on Governmental Affairs.

EC-159. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Was the Effect of the Emergency Housing Program on Single-Family Housing Construction?" November 21, 1978; to the Committee on Governmental Affairs.

EC-160. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Evaluation of Four Energy Conservation Programs—Fiscal Year 1977," November 21, 1978; to the Committee on Governmental Affairs.

EC-161. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the positions which NASA has established as of September 30, 1978, pursuant to the authority provided in Section 203(c)(2)(A) of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2473(c)(2)(A)); to the Committee on Governmental Affairs.

EC-162. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, the sixth quarterly report covering the activities of his office for the period July 1 to September 30, 1978; to the Committee on Governmental Affairs.

EC-163. A communication from the Chairman, United States Postal Service, reporting, pursuant to law, on compliance with the Government in the Sunshine Act for calendar year 1978; to the Committee on Governmental Affairs.

EC-164. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Auditing Medicaid Nursing Home Chains," January 9, 1979; to the Committee on Governmental Affairs.

EC-165. A communication from the Deputy Administrator, General Services Administration, transmitting, pursuant to law, a report of personal property donated under section 203(j) of the Federal Property and Administrative Services Act; to the Committee on Governmental Affairs.

EC-166. A communication from the Assistant Attorney General for Administration, Department of Justice, reporting, pursuant to law, its intention to modify an existing system of records; to the Committee on Governmental Affairs.

EC-167. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of the Implementation of the National Health Planning and Resources Development Act of 1974," November 2, 1978; to the Committee on Governmental Affairs.

EC-168. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Management Weaknesses Cry Out for Alternatives to Deliver Programs and Services to Indians to Improve Their Quality of Life," October 31, 1978; to the Committee on Governmental Affairs.

EC-169. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Action by the Environmental Protection Agency Needed to Enforce Industrial Compliance With Water Pollution Control Discharge Permits," October 17, 1978; to the Committee on Governmental Affairs.

EC-170. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Bail Process Fosters Inequities," October 17, 1978; to the Committee on Governmental Affairs.

EC-171. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Victims of Unfair Business Practices Get Limited Help From the Federal Trade Commission," October 17, 1978; to the Committee on Governmental Affairs.

EC-172. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fundamental Changes Needed to Improve the Independence and Efficiency of the Military Justice System," October 31, 1978; to the Committee on Governmental Affairs.

EC-173. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Fly America Act Should Allow More Agency Discretion in Authorizing Use of Military-Flag Air Carriers to Conduct Business Overseas," October 31, 1978; to the Committee on Governmental Affairs.

EC-174. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Getting a Better Understanding of the Metric System—Implications if Adopted by the United States," October 30, 1978; to the Committee on Governmental Affairs.

EC-175. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a Department of the Navy proposed new system of records; to the Committee on Governmental Affairs.

EC-176. A communication from the General Counsel, Federal Trade Commission, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-177. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Action is Needed on Auditors' Findings—Millions Can Be Collected or Saved," October 25, 1978; to the Committee on Governmental Affairs.

EC-178. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of September 1978; to the Committee on Governmental Affairs.

EC-179. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reserved Water Rights for Federal and Indian Reservations: A Growing Controversy in Need of Resolution," November 16, 1978; to the Committee on Governmental Affairs.

EC-180. A communication from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting, pursuant to law, reports on Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-181. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, an Office of the Secretary of Defense proposed new record system; to the Committee on Governmental Affairs.

EC-182. A communication from the Records Management Division and Privacy Liaison Officer, Federal Communications Commission, transmitting, pursuat to law, a report on a revised system of records; to the Committee on Governmental Affairs.

EC-183. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Patent and Trademark Fees Need to be Raised," November 14, 1978; to the Committee on Governmental Affairs.

EC-184. A communication from the Deputy Administrator, Veterans Administration, transmitting, pursuant to law, a report on its activities in the disposal of foreign excess property covering the period October 1, 1977 through September 30, 1978; to the Committee on Governmental Affairs.

EC-185. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Getting a Better Understanding of the Metric System—Implications if Adopted by the United States," October 20, 1978; to the Committee on Governmental Affairs.

EC-186. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Free Legal Services for the Poor—Increased Coordination, Community Legal Education, and Outreach Needed," November 6, 1978; to the Committee on Governmental Affairs.

EC-187. A communication from the General Counsel, Securities and Exchange Commission, transmitting, pursuant to law, a report relating to the modification of one of the systems of records; to the Committee on Governmental Affairs.

EC-188. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Community-Managed Septic Systems—A Viable Alternative to Sewage Treatment Plants," November 3, 1978; to the Committee on Governmental Affairs.

EC-189. A communication from the Director, Office of Administration, United States Nuclear Regulatory Commission, tranmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC-190. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-191. A communication from the General Counsel, Federal Trade Commission, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-192. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-193. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of November 1978; to the Committee on Governmental Affairs.

EC-194. A communication from the Acting Assistant Secretary for Administration, Department of the Treasury, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-195. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Issues Concerning Air Force KC-10A Advanced Tanker/Cargo Aircraft," January 5, 1979; to the Committee on Governmental Affairs.

EC-196. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the factors which contribute to the Navy's favorable readiness posture for the submarine launched ballistic missile force, as well as measures which could be taken to improve these areas and the potential applicability to other Navy programs; to the Committee on Governmental Affairs.

EC-197. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Federal Strategy is Needed to Help Improve Medical and Dental Care in Prisons and Jails," December 22, 1978; to the Committee on Governmental Affairs.

EC-198. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Navy's Submarine Launched Ballistic Missile Force is Highly Ready," December 21, 1978; to the Committee on Governmental Affairs.

EC-199. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Need for Uniform Security Measures in Transporting Arms, Ammunition, and Explosives," December 21, 1978; to the Committee on Governmental Affairs.

EC-200. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Labor Needs to Manage its Workplace Consultation Program Better," December 18, 1978; to the Committee on Governmental Affairs.

EC-201. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How to Dispose of Hazardous Waste—A Serious Question That Needs to be Resolved," December 19, 1978; to the Committee on Governmental Affairs.

EC-202. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Adjustment Assistance to Firms Under the Trade Act of 1974—Income Maintenance or Successful Adjustment?" December 21, 1978; to the Committee on Governmental Affairs.

EC-203. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, AID's fiscal year 1978 report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-204. A communication from the Director, Procurement and Contracts Management Directorate, Department of Energy, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-205. A communication from the Director, International Communication Agency, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-206. A communication from the Assistant Director for General Services, Facilities and Support Services Division, United States Environmental Protection Agency, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-207. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-208. A communication from the Chief, Procurement and Property Management Branch, Administrative Services Division, Community Services Administration, transmitting, pursuant to law, a report on utilization of foreign excess property for fiscal year 1978; to the Committee on Governmental Affairs.

EC-209. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-210. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on full-time permanent employees hired and promoted; to the Committee on Governmental Affairs.

EC-211. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Are the Capabilities of the Selective Service System?" December 14, 1978; to the Committee on Governmental Affairs.

EC-212. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on a new proposed system of records; to the Committee on Governmental Affairs.

EC-213. A communication from the Acting Administrator, General Services Administraton, transmitting, pursuant to law, responses on a report of meeting, Board of Visitors, United States Naval Academy made to the President in May 1977; to the Committee on Governmental Affairs.

EC-214. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Liberal Deposit Requirements of States' Social Security Contributions Adversely Affected Trust Funds," December 18, 1978; to the Committee on Governmental Affairs.

EC-215. A communication from the Deputy Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation concerning the claim of Mr. James C. Wilkinson, an employee of the Department of the Interior; to the Committee on Governmental Affairs.

EC-216. A communication from the Acting Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report for calendar year 1978 on the fourteen scientific or professional positions authorized for establishment in the agency; to the Committee on Governmental Affairs.

EC-217. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed new system of records by the Defense Logistics Agency; to the Committee on Governmental Affairs.

EC-218. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on improving the distribution of information on Federal assistance programs; to the Committee on Governmental Affairs.

EC-219. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Financial Statements of the Panama Canal Company and the Canal Zone Government for Fiscal Periods 1977, Transition Quarter, and 1976," November 30, 1978; to the Committee on Governmental Affairs.

EC-220. A communication from the Director, Agency for Volunteer Service, ACTION, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-221. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Labor Department Should Reconsider its Approach to Employment Security Automation," December 28, 1978; to the Committee on Governmental Affairs.

EC-222. A communication from the Chairman, Copyright Royalty Tribunal, transmitting, pursuant to law, a report on implementation of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-223. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "State and Local Government Productivity Improvement: What is the Federal Role?" December 6, 1978; to the Committee on Governmental Affairs.

EC-224. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Government's Severence Pay Programs Need Reform," December 7, 1978; to the Committee on Governmental Affairs.

EC-225. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "State Department Office of Inspector General, Foreign Service, Needs to Improve its Internal Evaluation Process," December 6, 1978; to the Committee on Governmental Affairs.

EC-226. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-227. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the United States Capitol Historical Society for the Year Ended January 31, 1978; to the Committee on Governmental Affairs.

EC-228. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a proposed modification to an existing system of records; to the Committee on Governmental Affairs.

EC-229. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the United States Capitol Historical Society for the Year Ended January 31, 1978"; to the Committee on Government Affairs.

EC-230. A communication from the Assistant Attorney General for Administration,

Department of Justice, transmitting, pursuant to law, a report of the FBI's intention to more adequately describe records in the FBI Central Records System by creating a new system of records; to the Committee on Governmental Affairs.

EC-231. A communication from the Deputy Administrator, General Services Administration, transmitting, pursuant to law, comments on a report of the President's Commission on Olympic Sports made to the President in January 1977; to the Committee on Governmental Affairs.

EC-232. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the Administration's efforts to reduce paperwork during the period from April 1 to July 1, 1978; to the Committee on Governmental Affairs.

EC-233. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of the Federal Aviation Administration's Microwave Landing System," October 19, 1978; to the Committee on Governmental Affairs.

EC-234. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report of a proposed new system of records by the Department of the Army; to the Committee on Governmental Affairs.

EC-235. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-236. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-237. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need for greater emphasis on solving environmental problems at U.S. overseas military facilities; to the Committee on Governmental Affairs.

EC-238. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Worker Adjustment Assistance Under the Trade Act of 1974 to New England Workers Has Been Primarily Income Maintenance," October 31, 1978; to the Committee on Governmental Affairs.

EC-239. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting pursuant to law, a proposed new system of records for the Drug Enforcement Administration; to the Committee on Governmental Affairs.

EC-240. A communication from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-241. A communication from the Deputy Administrator, General Services Administration, transmitting, pursuant to law, comments on a report of the Commission on the Review of the National Policy Toward Gambling, made to the President in October 1976; to the Committee on Governmental Affairs.

EC-242. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Government Needs to do a Better Job of Collecting Amounts Owed by the Public," October 20, 1978; to the Committee on Governmental Affairs.

EC-243. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report of proposed new system of records for the Department of the Army; to the Committee on Governmental Affairs.

EC-244. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed new system of records for the Defense Mapping Agency; to the Committee on Governmental Affairs.

EC-245. A communication from the Assistant Secretary for Administration, Department of Transportation, transmitting, pursuant to law, a proposed modification of an existing system of records; to the Committee on Governmental Affairs.

EC-246. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Regulation of Propane and Naphtha: Is It Necessary?" October 24, 1978; to the Committee on Governmental Affairs.

EC-247. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on poverty-related research and demonstration projects delegated to the department as of July 1973; to the Committee on Human Resources.

EC-248. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on "Progress Toward A Free, Appropriate Public Education"; to the Committee on Human Resources.

EC-249. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on "Alcohol and Health"; to the Committee on Human Resources.

EC-250. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, notice of interpretation of Title I, ESEA requirements for the establishment of parent advisory councils and the selection of their members; to the Committee on Human Resources.

EC-251. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a document entitled "Educational Information Centers Program—HEW Final Regulation, Title IV-A-5 of the Higher Education Act of 1965, as amended"; to the Committee on Human Resources.

EC-252. A communication from the Chairman, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, the foundation's annual report for 1977-1978; to the Committee on Human Resources.

EC-253. A communication from the Chairman, The Ohio White House Conference on Library and Information Services, transmitting, pursuant to law, its recommendations of the delegates to the national conference; to the Committee on Human Resources.

EC-254. A communication from the Chairperson, Community Education Advisory Council, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "An Evaluation of the Community Education Program"; to the Committee on Human Resources.

EC-255. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, relative to the Comprehensive Employment and Training Act; to the Committee on Human Resources.

EC-256. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1977 report on the administration of the Public Health Service; to the Committee on Human Resources.

EC-257. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the administration of the Black Lung Benefits Act; to the Committee on Human Resources.

EC-258. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulation for Title I, Elementary and Secondary Education Act, Part 116d—Governing Children of Migratory Agricultural Workers or Migratory Fishermen; to the Committee on Human Resources.

EC-259. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the operation of the special pay program for medical officers of the Commissioned Corps of the Public Health Service; to the Committee on Human Resources.

EC-260. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the activities carried on under the provisions of Title IX and sections 314(a), 314(b), 314(c), 314(d), and 314(e) of Title III of the Public Health Service Act; to the Committee on Human Resources.

EC-261. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a policy interpretation regarding the applicability of Title IX of the Education Amendments of 1972 to collegiate athletics; to the Committee on Human Resources.

EC-262. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the Survey Report on Medical, Nursing and Osteopathic School Admissions Policy Relating to Abortions/Sterilizations; to the Committee on Human Resources.

EC-263. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Family Planning Services and Population Research, that was prepared based on 1976 data gathered by the program; to the Committee on Human Resources.

EC-264. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the need for and feasibility of establishing an American Indian School of Medicine; to the Select Committee on Indian Affairs.

EC-265. A communication from the Assistant Secretary, Indian Affairs, Department of the Interior, reporting, pursuant to law, on adjustments or eliminations of reimbursements charges of the Federal Government existing as debts against individual Indians or Indian tribes; to the Select Committee on Indian Affairs.

EC-266. A communication from the Assistant Secretary, Indian Affairs, Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of Sisseton-Wahpeton Sioux judgment funds in Docket 363, Second Claim (1867 Treaty and 1872 Agreement), before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC-267. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of October 2 through October 31, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-268. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-269. A communication from the Chief Commissioner, United States Court of Claims, reporting, pursuant to law, on *Rawleigh Moses & Co., Inc.* v. *The United States*, Congressional Reference No. 1-77; to the Committee on the Judiciary.

EC-270. A communication from the Chief Commissioner, United States Court of Claims, reporting, pursuant to law, on *Carl Johnstone, Jr.* v. *The United States*, Congressional Reference No. 1-73; to the Committee on the Judiciary.

EC-271. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on identical bidding in advertised public procurement; to the Committee on the Judiciary.

EC-272. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on the administration of the Foreign Agents Registration Act for the calendar year 1977; to the Committee on the Judiciary.

EC-273. A communication from the Director, Bureau of the Census, Department of Commerce, transmitting, pursuant to law, a report entitled "Registration and Voting in November 1976—Jurisdictions Covered by the Voting Rights Act Amendments of 1975"; to the Committee on the Judiciary.

EC-274. A communication from the Corporation Agent, Legion of Valor of the United States of America, Inc., transmitting, pursuant to law, its financial statement for fiscal year ending April 30, 1978; to the Committee on the Judiciary.

EC-275. A communication from the President, National Safety Council, transmitting, pursuant to law a report of audit of financial transactions for the fiscal year ended June 30, 1978; to the Committee on the Judiciary.

EC-276. A communication from the Executive Secretary, National Music Council, transmitting, pursuant to law, a report of audit for the fiscal period ending April 30, 1978; to the Committee on the Judiciary.

EC-277. A communication from the Certified Public Accountant, American Veterans of World War II, National Headquarters, transmitting, pursuant to law, a report of financial statement, August 31, 1978; to the Committee on the Judiciary.

EC-278. A communication from the Chairman, Copyright Royalty Tribunal, transmitting, pursuant to law, its first annual report for fiscal year ending September 30, 1978; to the Committee on the Judiciary.

EC-279. A communication from the President, National Safety Council, transmitting, pursuant to law, their 1978 "Report to the Nation"; to the Committee on the Judiciary.

EC-280. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of December 1 through December 27, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-281. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting pursuant to law, reports covering the period of November 1 through November 30, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-282. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period June 16 through June 30, 1977, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-283. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-284. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-285. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-286. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of the Freedom of Information and Privacy Acts on Law Enforcement Agencies," November 15, 1978; to the Committee on the Judiciary.

EC-287. A communication from the Director, The Federal Judicial Center, transmitting, pursuant to law, the Center's annual report for fiscal year 1978; to the Committee on the Judiciary.

EC-288. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order in the case of an alien who has been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-289. A communication from the Chief Justice of the United States, transmitting, pursuant to law, the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on September 21 and 22, 1978; to the Committee on the Judiciary.

EC-290. A communication from the Vice Chairman, Federal Election Commission, transmitting, pursuant to law, correspondence which was sent to the Office of Management and Budget; to the Committee on Rules and Administration.

EC-291. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, a copy of correspondence which was sent to the Office of Management and Budget; to the Committee on Rules and Administration.

EC-292. A communication from the Administrator, U.S. Small Business Administration, transmitting, pursuant to law, its 1977 annual report of activities and accomplishments; to the Select Committee on Small Business.

EC-293. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 through June 1978; to the Select Committee on Small Business.

EC-294. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to May 1978; to the Select Committee on Small Business.

EC-295. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to July 1978; to the Select Committee on Small Business.

EC-296. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to April 1978; to the Select Committee on Small Business.

EC-297. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to August 1978; to the Select Committee on Small Business.

EC-298. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report on the necessity and desirability of including recipients of Federal grants other than from the Veterans Administration in the 85-15 ratio computation; to the Committee on Veterans' Affairs.

EC-299. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, reports concerning Exchange of Medical Information and Sharing of Medical Resources programs of the Veterans Administration for fiscal year 1978; to the Committee on Veterans' Affairs.

EC-300. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report for fiscal 1978 on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation; to the Committee on Veterans' Affairs.

EC-301. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report entitled "Progress or Abuse—A Choice," a study to investigate the need for legislative and administrative actions regarding standards of progress provisions of the G.I. bill and class session requirements of the Veterans Administration Regulations; to the Committee on Veterans' Affairs.

EC-302. A communication from the Architect of the Capitol, transmitting, pursuant to law, a semiannual report; which was ordered to lie on the table and to be printed.

EC-303. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, December 1978; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Committee on Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Finance, and the Committee on Governmental Affairs, jointly, pursuant to order of January 30, 1975.

EC-304. A communication from the Comptroller General of the United States, commenting, pursuant to law, on the President's First Special Message for Fiscal Year 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, and the Committee on Governmental Affairs, jointly, pursuant to order of January 30, 1975.

EC-305. A communication from the Direc-

tor, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, November 1978; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, and the Committee on Governmental Affairs, jointly, pursuant to order of January 30, 1975.

EC-306. A communication from the General Counsel, General Accounting Office, reporting, pursuant to law, on the status of budget authority that was proposed, but rejected, for rescission; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Human Resources, jointly, pursuant to order of January 30, 1975.

EC-307. A communication from the Comptroller General of the United States, commenting on the President's 11th Special Message for fiscal year 1978 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Human Resources, jointly, pursuant to order of January 30, 1975.

EC-308. A communication from the Deputy Comptroller General of the United States, commenting on the President's Second Special Message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

EC-309. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, January 1979; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, and the Committee on Human Resources jointly, pursuant to order of January 30, 1975.

PETITIONS

The VICE PRESIDENT laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-1. A concurrent resolution adopted by the legislature of the State of Michigan; laid on the table:

"HOUSE CONCURRENT RESOLUTION No. 668

"Whereas, There can be no doubt that the single most important issue facing America today is jobs for our people. That the federal government has thus far seemingly ignored this, the very paramount problem which permeates virtually every fiber of our society, is absolutely appalling. This is especially true in light of the President's avowed commitment to human rights; and

"Whereas, In recent years, the awesome effects of high unemployment have come to the fore and the ensuing economic sociological, and psychological damage done has wreaked havoc on the well-being of the country. This fact is undeniably an intolerable affront to a nation that purports to be the greatest in the world; and

"Whereas, It is a national tragedy of the highest magnitude that not all our people can find work and that unemployment is allowed to erode an individual's sense of self-respect, dignity, and pride. Unemployment is the most tortuous barb inflicted on the human psyche and literally undermines all sense of hope. Indeed, this situation cannot and must not be tolerated any longer; and

"Whereas, In addition to the grievous ruination of the individual's state of mind and economy, the entire society suffers drastically from high unemployment. The financial burden borne by literally every level of government and the loss to private business erodes the very foundations of our fiscal strength; and

"Whereas, Indeed, the crime of this abhorrent situation is that there is work that needs doing and needs doing now. We have hardly begun to fulfill the tremendous potential that is the apparent American birthright. It is sinful that the able-bodied, sound-minded, and willing hands and hearts of men and women unable to find work lay dormant; and

"Whereas, This scenario is an attestation of the urgency with which the Humphrey-Hawkins Full Employment Bill (H.R. 50 and S. 50) must be made law. This landmark piece of legislation would place employment as a goal of the highest priority. And surely this dilemma dictates that nothing less than the highest calling of effort and policy be implemented; and

"Whereas The Humphrey-Hawkins Full Employment Bill utilizes specific programs and guidelines to greatly reduce both unemployment and inflation. Moreover, this desperately needed plan commits all the nation's resources to achieving maximum employment. One cannot overemphasize what this restoration of the human right to work will mean to the poor, discouraged, discriminated against, and minorities; and

"Whereas, Nowhere in this country has the crushing burden of unemployment been more keenly felt than in Michigan. The cyclical nature of our economy has left us prey to the individual and collective horrors of unemployment and has ravaged the security and stability of many among us; and

"Whereas, Anything less than the policy of maximum employment set forth in the Humphrey-Hawkins Full Employment Bill is a sham on the notion of government serving the people's needs. Thus we call on the Congress and President to heed the words of the late Senator Hubert Humphrey, when he uncategorically and succinctly declared, "This legislation is a must . . . an indispensable step toward economic justice"; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature hereby memorialize Congress in the strongest terms to swiftly enact the Humphrey-Hawkins Full Employment Bill (H.R. 50 and S. 50); and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate and the Speaker of the United States House of Representatives and to each member of the Michigan Delegation to the Congress of the United States."

POM-2. A resolution adopted by the Board of Directors of the Church Council of Greater Seattle, Seattle, Wash., relating to national defense; to the Committee on Armed Services.

POM-3. A resolution adopted by the City Council of the City of Philadelphia, Pa. relating to a site for rehabilitation of the U.S.S. *Saratoga* and other carrier vessels in its Service Life Extension Program; to the Committee on Armed Services.

POM-4. A resolution adopted by the Puerto Rico Bar Association, San Juan, Puerto Rico, relating to presence of the U.S. Navy in the Island of Vieques; to the Committee on Armed Services.

POM-5. A resolution adopted by the Legislature of the State of New Jersey; to the Committee on Armed Services:

"SENATE RESOLUTION

"Whereas, On November 1, 1942, while heroically resisting a determined enemy onslaught near the Matanikau River on Guadalcanal, United States Marine Corps Corporal Anthony Casamento was seriously and grievously wounded by 14 bullets and innumerable grenade fragments.

"Whereas, Anthony Casamento's single-handed action prevented his position from being overrun, protected his wounded comrades from a murderous bayonet slaughter, and kept the enemy forces from gaining a commanding ridge position from which a withering fire on the rest of the battalion; and,

"Whereas, By any reasonable standard, such valiant efforts would more than qualify Anthony Casamento for the Medal of Honor; and,

"Whereas, in 1965 the Board of Decorations and Medals of the Department of the Navy recognized the heroism of Anthony Casamento and unanimously recommended that he receive the Medal of Honor; and,

"Whereas, In spite of this recommendation by the Board, the testimony of eyewitnesses and the obvious merit and justification of awarding the Medal of Honor to Anthony Casamento, the Department of the Navy has inexplicably refused to give its necessary endorsement to such award; and,

"Whereas, Members of the House of Representatives, the United States Senate, countless veterans from the Armed Forces of the United States, and many concerned American citizens are requesting that this matter be reopened and consideration again be given to awarding Anthony Casamento the Medal of Honor; and,

"Whereas, This effort is being spearheaded in New Jersey by the Corporal Phillip A. Reynolds Detachment of Marine Corps League in Freehold, which has brought this matter to the attention of the New Jersey State Senate; and,

"Whereas, The Senate of the State of New Jersey, on the eve of the 37th Anniversary of Pearl Harbor, wishes to add its collective voice to those already raised in requesting that the case of Anthony Casamento be reopened and consideration again be given to awarding him the Medal of Honor; now, therefore,

"Be It Resolved by the Senate of the State of New Jersey:

"That the Senate does hereby memorialize the President of the United States and the Congress of the United States to do everything within their power to have the case of Anthony Casamento re-examined and that serious consideration be made on awarding him the Medal of Honor; and,

"Be It Further Resolved, That duly authenticated copies of this resolution, signed by the President of the Senate and attested by the Secretary, be forwarded to the President of the United States, the Vice President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the House of Representatives, the Chairman of the House of Representatives Committee on Armed Forces, the Chairman of the Senate Committee on Armed Forces, each member of Congress elected from New Jersey, the Corporal Phillip A. Reynolds Detachment of the Marine Corps League, and Anthony Casamento."

POM-6. A joint resolution adopted by the Legislature of the First Northern Marianas Commonwealth Legislature; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION

"Whereas, the Commonwealth of the Northern Mariana Islands is strategically located and forms a crossroad for aviation travel to and from the continental United States and the Orient; and

"Whereas, several airlines have expressed an interest in establishing landing and passenger rights at the Saipan International Airport so that passengers can debark and embark on Saipan while others seek permission to land at the airport for refueling purposes; and

"Whereas, the Commonwealth of the Northern Mariana Islands has limited natural resources and it is imperative that it establish, within the next several years, a tax base sufficient to support its growing requirements and to reduce its financial dependence upon the United States of America; and

"Whereas, at the present time, the Saipan International Airport is being under-utilized and, as a result, its operational costs are extremely high; and

"Whereas, the establishment of an open-sky would have the positive effect of increasing tourism, of providing additional needed revenue to the Commonwealth of the Northern Mariana Islands and of providing the travelling public with a beautiful primary or lay-over destination; now therefore,

"Be it resolved, by the First Northern Marianas Commonwealth Legislature, First Regular Session, 1978, that the United States Government be and hereby is requested to declare an open-sky policy for the Commonwealth of the Northern Mariana Islands; and

"Be it further resolved that the Senate President shall certify and the Senate Clerk shall attest to the adoption hereof and thereafter transmit a copy to the President of the United States, the Secretary of the U.S. Department of State, the Secretary of the U.S. Department of Interior, the Speaker of the United States House of Representatives, the President of the United States Senate, the Representative to the United States for the Commonwealth of the Northern Mariana Islands, the Secretary of the U.S. Department of Commerce and to the Chairman of the U.S. Civil Aeronautics Board."

POM-7. A resolution adopted by the First Northern Marianas Commonwealth Legislature, to the Committee on Finance:

"A HOUSE RESOLUTION

"Whereas, it has come to the attention of the members of the House of Representatives of the First Northern Marianas Commonwealth Legislature that the United States Congress has disapproved a rider to H.R. 13511, said rider having the effect of denying to the residents of the Commonwealth of the Northern Mariana Islands the benefits of Title XVI of the Social Security Act, as amended; and

"Whereas, Subsection 1 of Section 502 of Public Law 94-241, The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America provides, in part, that ". . . Title XVI of the Social Security Act shall be applicable to the Commonwealth of the Northern Mariana Islands"; and

"Whereas, the Covenant was executed in good faith by representatives of the United States of America and representatives of the Northern Mariana Islands; and

"Whereas, the Supplemental Security Income program has provided valuable and needed assistance to the aged, the blind and the disabled within the Commonwealth; and

"Whereas the members of the United States Congress have responded to the needs of the people of the Northern Mariana Islands and have disapproved this rider which would have imposed severe and undue hardship on the aged, the blind and the disabled; now, therefore,

"Be it resolved by the House of Representatives of the First Northern Marianas Commonwealth Legislature, Second Regular Session, 1978, that the sincere appreciation of the House of Representatives of the First Northern Marianas Commonwealth Legislature is hereby expressed to the Congress of the United States in disapproving a rider to H.R. 13511, as said rider would have had the effect of denying to the residents of the Commonwealth of the Northern Mariana Islands the benefits of Title XVI of the Social Security Act, as amended; and

"Be it further resolved that the Speaker of the House of Representatives shall certify and the House Clerk shall attest to the adoption hereof and thereafter transmit certified copies to the Honorable President of the U.S. Senate; the Honorable Speaker of the U.S. House of Representatives, Thomas O'Neill; Honorable Al Ullman, Chairman of the House Ways and Means Committee; Honorable Barber B. Conable, Jr., Ranking Minority Leader of the House Ways and Means Committee; Honorable Phillip Burton, Chairman, House Subcommittee on National Parks and Insular Affairs; Honorable James A. Burke, Chairman, House Subcommittee on Social Security; Honorable Dan Rostenkowski, Chairman, House Subcommittee on Health; Honorable Charles A. Vanik, Chairman, House Subcommittee on Trade; Honorable James C. Corman, Chairman, Subcommittee on Public Assistance and Unemployment Compensation; and to the Honorable Edward DLG. Pangelinan, Representative to the United States for the Commonwealth of the Northern Mariana Islands."

POM-8. A resolution adopted by the Southeastern Association of State Highway and Transportation Officials, Nashville, Tenn., commending Congress for the enactment of the Surface Transportation Act of 1978; to the Committee on Environment and Public Works.

POM-9. A resolution adopted by the Italian American Labor Council, New York, N.Y., relating to NATO; to the Committee on Foreign Relations.

POM-10. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on Foreign Relations:

"RESOLUTION

"To repudiate the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's political status, since we consider that the determination of our political destiny is a matter of the exclusive jurisdiction of the people of Puerto Rico and the people of the United States of America, and to repudiate the active participation of several of our compatriots who instigated the approval of said Resolution.

"STATEMENT OF MOTIVES

"The United Nations Decolonization Committee recently approved a Resolution regarding the political status of Puerto Rico. Although it is true that said Resolution has been the subject of multiple and varied interpretations in regard to its content and its projections, what is clearly evident is that a group of nations that is totally unaware of the Puerto Rican reality pretends to dictate to us the patterns of political destiny which would be to our best advantage.

"Aside from the question as to whether it can be interpreted that said Resolution declares Puerto Rico to be a 'colony', it is obvious that its philosophy is absolutely contrary to the principle of permanent union to the United States of America, a principle which time and again has been clearly established at the polls and in the heart of the people of Puerto Rico. It is really astonishing that the Resolution proposes the elimination of the permanent ties between the United States and Puerto Rico, but it is even more amazing that the highest leaders of the Popular Democratic Party, though its Past President, Rafael Hernández Colón, have joined the separatist forces of Juan Mari-Bras to encourage and achieve the approval of the Resolution by a group of communist dictatorships which are completely hostile to the United States of America and to the democratic principles upheld by that great Nation, and ignoring the federated statehood, which is the ideological alternative supported by the majority of the people of Puerto Rico.

"This House of Representatives repudiates the unwarranted interference of that group of communist countries in the internal affairs of Puerto Rico. It is consternated by the active participation of several of our fellow-citizens who, in a complete reversal of their supposed political convictions, now pretend to disjoin us from the United States.

"Be it resolved by the House of Representatives of Puerto Rico:

"Section 1. To repudiate the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's status, because we consider that it is an unwarranted interference in our internal affairs, since the determination of our political destiny is a matter of the exclusive jurisdiction of the people of Puerto Rico and the people of the United States of America.

"Section 2. To repudiate the active participation of several of our fellow-citizens who instigated the approval of said Resolution.

"Section 3. A certified copy of this Resolution shall be sent to the Secretary-General of the United Nations, to the President of the United States, the House of Representatives and the Senate of the United States, the United States Ambassador at the United Nations, the Decolonization Committee of the United Nations and the information media of the country, for its publication."

POM-11. A resolution adopted by a delegation of members of the Southern Legislators Conference of the Council of State Governments, New Orleans, Louisiana, relating to the Republic of China; to the Committee on Foreign Relations.

POM-12. A joint resolution adopted by the First Northern Marianas Commonwealth Legislature; to the Committee on Foreign Relations:

"HOUSE JOINT RESOLUTION

"Whereas, the Overseas Private Investment Corporation was formed by the United States Congress to provide funding assistance to U.S. companies that locate in and assist developing countries in improving their economic institutions by providing developmental loans for viable economic projects; and

"Whereas, since its formation in 1971, the Overseas Development Corporation has made great strides towards bringing the U.S. business community closer to nations that are less developed and that are less familiar with potential opportunities for the future; and

"Whereas, basic to the well-being of any country is the viability of its economic development; and

"Whereas, under provisions of the Covenant to Establish the Commonwealth of the Northern Mariana Islands it was envisioned that the Northern Mariana Islands would become self-sufficient, and to this end, the United States Government agreed to provide a certain level of financial assistance for a specified period of time until private investment could be encouraged; and

"Whereas, in order to expedite the development of the economy, several potentially via-

ble economic projects have been identified, but cannot be implemented because of the lack of start-up capital; and

"Whereas, several potential investors have expressed a deep interest in investing in the Northern Mariana Islands, but have not met with any success in obtaining sufficient capital to ensure the viability of these economic ventures; and

"Whereas, since the Northern Mariana Islands is undeveloped and since it is an integral part of the United States political family, every possible assistance should be extended to potential U.S. investors in the Northern Mariana Islands; now, therefore,

"Be it resolved by the First Northern Marianas Commonwealth Legislature, Second Regular Session, 1978, that the Overseas Private Investment Corporation be and it hereby is requested to extend its economic development loan programs to United States Companies that have identified viable economic projects in the Northern Mariana Islands; and

"Be it further resolved that the Speaker certify to and the Clerk attest the adoption hereof and thereafter transmit copies of the same to the President of the United States of America, the Speaker of the United States House of Representatives and the President of the United States Senate, the Chairman of the Board of Directors of the Overseas Private Investment Corporation at 1129 Twentieth Street, N.W., Washington, D.C. 20527, the Secretary of the United States Department of the Interior, the Chairman of the House Committee on Interior and Insular Affairs, the Chairman of the Senate Committee on Energy and Natural Resources, and to the Representative to the United States for the Commonwealth of the Northern Mariana Islands."

POM-13. A resolution adopted by the Legislature of the State of New York; to the Committee on Foreign Relations:

"LEGISLATIVE RESOLUTION

"Whereas, About the year 1000 B.C. Jerusalem was captured by David, founder of the joint kingdom of Israel and Judah, and the city became a Jewish capital; and

"Whereas, David's son, King Solomon, extended the city and built his Temple therein and this holy undertaking determined the sacred character of Jerusalem as a center of holiness for the Jewish people; and

"Whereas, Down through the centuries of history the city of Jerusalem has been sacked and despoiled, its king deported and its sacred Temple destroyed by adversaries of the Jewish people; and

"Whereas, The Jewish people have never forgotten the Holy City and its existence is memoralized in the Bible with the passage: "If I forget thee O Jerusalem, let my right hand forget its cunning", and

"Whereas, For Jews throughout the world, Jerusalem is the focus of age-old yearnings, a living proof of ancient grandeur and a center of national and religious renaissance; now, therefore, be it

"Resolved, That this legislative body respectfully memorializes the Congress, the President and the Secretary of State of the United States, to immediately recognize Jerusalem as the capital of the state of Israel and take such formal diplomatic steps to implement this decision and further to take such other action as may be necessary to insure that the city of Jerusalem remain the undivided capital of Israel thereby bringing to fruition the vow of Israeli Prime Minister Menachem Begin to the Israeli people that "Jerusalem will remain undivided for all generations and until the end of the world"; and be it further

"Resolved, That copies of this Resolution be transmitted to the Congress, the President and the Secretary of State of the United States."

POM-14. A petition from a citizen of San Diego, California, relating to national health care; to the Committee on Human Resources.

POM-15. A petition from a citizen of Borger, Texas, relating to national health care; to the Committee on Human Resources.

POM-16. A resolution adopted by the American Legion, in support of the Central Intelligence Agency and the Federal Bureau of Investigation; to the Select Committee on Intelligence.

POM-17. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"RESOLUTION

"STATEMENT OF MOTIVES

"Senate Bill 1315 approved by the Senate of the United States on November 8, 1977, authorizes the use of the Spanish language in the Federal Court for the District of Puerto Rico. The same purpose is pursued in House Bill 13950 which was filed at the House of Representatives by our Resident Commissioner in Washington, the Honorable Baltasar Corrada del Rio. The approval of this legislation by the Congress would allow the Federal Court for the District of Puerto Rico to determine the occasions on which the proceedings must be conducted in Spanish in order to achieve better administration of justice.

"The constitutional right to due process of law is not adequately guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, and therefore does not fully understand what is said, nor can he add to his own defense.

"Another way in which the use of English has an adverse effect is in the selection of the jury. The limited number of people who can understand complicated juridical processes in English, causes the jury panel to be made up of persons that do not represent a true cross-section of our Community.

"The Spanish language is our vernacular, and that of two billion inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

"The House of Representatives of Puerto Rico understands that the approval of these measures which are now before the Congress, would be a determining factor in achieving more just and efficient proceedings in the Federal Court for the District of Puerto Rico.

"Be it resolved by the House of Representatives of Puerto Rico:

"Section 1. The absolute support of the House of Representatives of Puerto Rico of the measures before the Congress of the United States to authorize the use of the Spanish language, our vernacular, in the proceedings of the Federal Court for the District of Puerto Rico is hereby expressed.

"Section 2. A copy of this Resolution, duly translated into English, shall be sent to the President of the United States of America, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Resident Commissioner of Puerto Rico at Washington, and all the information media of Puerto Rico for their publication."

POM-18. A concurrent resolution adopted by the Legislature of American Samoa; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 116

"Whereas, notwithstanding the tremendous help of the U.S. House of Representatives and all its fine supporters and co-sponsors of the American Samoan Non-Voting Delegate Bill (H.R. 13702) we would like to especially thank two hard-working Senators who helped immeasurably in securing passage of the bill through the Senate; and

"Whereas, United States Senators Daniel K. Inouye and Spark M. Matsunaga have always displayed their friendship and loyalty to our Territory of American Samoa through their efforts in our behalf; and

"Whereas, it took time away from other important subjects and issues, but they were equal to the task of their never flagging aid and assistance; and

"Whereas, they had less time within which to effect a happy conclusion of the measure; and

"Whereas, we the Fono, for the people of American Samoa wish to particularly thank those bold dedicated and fearless friends of American Samoa in the U.S. Senate, Senators Daniel K. Inouye and Spark M. Matsunaga.

"Now, therefore, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

"That, the entire Fono, on behalf of the people of the Territory of American Samoa, thanks and especially commends United States Senators Daniel K. Inouye and Spark M. Matsunaga from the Aloha State of Hawaii, our sister jurisdiction, for their able and kind assistance in securing passage through the Senate of our Non-Voting Delegate bill (H.R. 13702); and

"Be it further resolved, that the Secretary of the Senate is directed to send copies of this resolution to: Honorable Walter F. Mondale, President of the Senate; Honorable Daniel K. Inouye, Member of Appropriations, Commerce, Science and Transportation Committee; Honorable Spark M. Matsunaga, Member, Energy and Natural Resources, Finance and Veterans' Affairs Committee; Honorable Peter Tali Coleman, Governor of American Samoa; and Honorable A. P. Lutali, Delegate-at-Large to the U.S. Government."

POM-19. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"RESOLUTION

"STATEMENT OF MOTIVES

"Senate Bill 1315 approved by the Senate of the United States on November 8, 1977, authorizes the use of the Spanish language in the Federal court for the District of Puerto Rico. The same purpose is pursued in the House Bill 13950 which was filed at the House of Representatives by our Resident Commissioner in Washington, the Honorable Baltasar Corrada del Rio. The approval of this legislation by the Congress would allow the Federal Court for the District of Puerto Rico to determine the occasions on which the proceedings must be conducted in Spanish in order to achieve better administration of justice.

"The constitutional right to due process of law is not adequately guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, and therefore does not fully understand what is said, nor can he add to his own defense.

"Another way in which the use of English has an adverse effect is in the selection of the jury. The limited number of people who can understand complicated juridical processes in English, causes the jury panel to be made up of persons that do not represent a true cross-section of our Community.

"The Spanish language is our vernacular, and that of two million inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

"The House of Representatives of Puerto Rico understands that the approval of these measures which are now before the Congress, would be a determining factor in achieving more just and efficient proceedings in the Federal Court for the District of Puerto Rico.

"Be it resolved by the House of Representatives of Puerto Rico:

"Section 1. The absolute support of the House of Representatives of Puerto Rico of the measures before the Congress of the United States to authorize the use of the Spanish language, our vernacular, in the proceedings of the Federal Court for the District of Puerto Rico is hereby expressed.

"Section 2. A copy of this resolution, duly translated into English, shall be sent to the President of the United States of America, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Resident Commissioner of Puerto Rico at Washington, and all the information media of Puerto Rico for their publication."

POM-20. A resolution adopted by the Puerto Rico Chapter of the Federal Bar Association, in support of the appointment of a jurist from Puerto Rico to the newly created fourth judgeship position in the U.S. Court of Appeals for the First Cricuit; to the Committee on the Judiciary.

POM-21. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"SENATE RESOLUTION 319

"That the Senate of Puerto Rico in its session of Tuesday, October 24, 1978, approved Senate Resolution 319, which reads as follows:

"RESOLUTION

"For this High Body to express its complete support of the Congressional measures that authorize the use of the Spanish language in the Federal Court of Puerto Rico.

"STATEMENT OF MOTIVES

"Senate Bill 1315 and House Bill 10129 provide for the use of the Spanish language in the Federal District Court of Puerto Rico. If such legislation is approved as suggested, the Federal Court of Puerto Rico could exercise its discretion to hold court in Spanish or English, as it may deem necessary or convenient.

"We believe that every accused person should have the right to understand everything that is said or alleged in the Court perfectly, particularly if it is against him. The plaintiff must understand it so that he can help in his own defense.

"Language is also vitally important from the viewpoint of trial by jury. It is generally known that the plaintiff has the right that the jury that is to judge him represents the various segments of society as far as possible so that he may have a better opportunity for a fair and impartial trial. In Puerto Rico, the language barrier imposes a severe limitation on this, since the jurors in our Federal Court must have a complete command of English in order to be able to understand and analyze the evidence, and although we know that a great majority of the people of Puerto Rico are bilingual, there are sectors of the population, nevertheless, that do not have command of the English language.

"On the other hand, language difficulties limit the number of lawyers who may conduct lawsuits in the Federal Court, which in turn, means that the plaintiffs have less opportunities to contract defense attorneys.

"The Senate of Puerto Rico considers that the obligation to hold trials in English in the Federal Court is contrary to the plaintiff's right to a fair and impartial trial before the Judge who presides over the Court, and before the jurors who represent the civil society. Nothing should impede the attainment of a civil right that is so fundamental and essential in our present system of government.

"Be it resolved by the Legislature of Puerto Rico:

"Section 1. To express its unconditional support of the measures before the Congress that authorize the use of the Spanish language in the Federal Court of Puerto Rico.

"Section 2. To remit a copy of this Resolution to the President of the United States, the President Pro Tempore of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Resident Commissioner of Puerto Rico in the United States, and all the news media of our country."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOLE (for himself and Mr. MCGOVERN):

S. 1. A bill to improve farm income, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MUSKIE (for himself, Mr. ROTH, Mr. GLENN, Mr. ROBERT C. BYRD, Mr. CRANSTON Mr. BIDEN, Mr. PERCY, Mr. PELL, Mr. HATFIELD, Mr. BAUCUS, Mr. BELLMON, Mr. BAYH, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. HARRY F. BYRD, Jr., Mr. CANNON, Mr. CHAFEE, Mr. CHILES, Mr. CHURCH, Mr. COHEN, Mr. CULVER, Mr. DANFORTH Mr. DECONCINI, Mr. DOMENICI, Mr. DURENBERGER, Mr. DURKIN, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GARN, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. KENNEDY, Mr. JAVITS, Mr. LAXALT Mr. LEAHY, Mr. MCCLURE, Mr. MCGOVERN, Mr. MATHIAS, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. MORGAN, Mr. NUNN, Mr. PACKWOOD, Mr. PRESSLER, Mr. PRYOR, Mr. SIMPSON, Mr. STAFFORD, Mr. STEVENS, Mr. STEWART, Mr. STONE Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS, and Mr. ZORINSKY):

S. 2. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HELMS:

S. 3. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. MCGOVERN, and Mr. JAVITS):

S. 4. A bill to provide assistance and coordination in the provision of child care services for children living in homes with working parents, and for other purposes; to the Committee on Human Resources.

By Mr. CHILES:

S. 5. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Governmental Affairs.

By Mr. LEAHY:

S. 6. A bill to amend the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 7. A bill to amend title 38, United States Code, to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOLE:

S. 8. A bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, District of Columbia, and to members thereof; to the Committee on Foreign Relations.

By Mr. JACKSON:

S. 9. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAYH (for himself, Mr. HATCH, Mr. BAUCUS, Mr. BENTSEN, Mr. CHAFEE, Mr. CRANSTON, Mr. DOLE, Mr. GRAVEL, Mr. HATFIELD, Mr. INOUYE, Mr. KENNEDY, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. RIEGLE, Mr. STONE, and Mr. WILLIAMS):

S. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 11. A bill to amend the Alaska Native Claims Settlement Act to provide clarifications and improvements in the provisions thereof; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. HUMPHREY, Mr. LUGAR, Mr. MCCLURE, Mr. SCHMITT, Mr. TOWER, Mr. HELMS, Mr. GOLDWATER, and Mr. JEPSEN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Finance.

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

By Mr. CHURCH:

S. 14. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LEVIN:

S. 15. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WEICKER:

S. 16. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the Office of President and to limit federal campaign contributions and expenditures to the year in which a federal election is held; to the Committee on Rules and Administration.

By Mr. MCCLURE:

S. 17. A bill to provide for and maintain the continued existence of a viable United States Sugar Industry; to the Committee on Finance.

S. 18. A bill to amend the Internal Revenue Code of 1954 to provide individuals a

credit against income tax for certain amounts of savings; to the Committee on Finance.

By Mr. BAYH:

S. 19. A bill for the relief of Silbert Anderson; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 20. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Human Resources.

By Mr. WEICKER:

S. 21. A bill to terminate public financing of Presidential campaigns; to the Committee on Finance.

By Mr. PROXMIRE:

S. 22. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations; to the Committee on Commerce, Science, and Transportation.

By Mr. CHURCH:

S. 23. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 24. A bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements; to the Committee on Finance.

By Mr. BAYH (for himself, Mr. KENNEDY, Mr. GLENN, Mr. DOLE, and Mr. PERCY):

S. 25. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 26. A bill for the relief of Samuel S. H. Leung, his wife Carol O. K. Leung, and his sons Johnny C. Y. Leung and Jimmy C. M. Leung; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 27. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin; to the Committee on Armed Services.

By Mr. INOUYE:

S. 28. A bill for the relief of Librado Perez; to the Committee on the Judiciary.

By Mr. HATCH:

S. 29. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Human Resources.

By Mr. HELMS:

S. 30. A bill to repeal section 11(n) of the Federal Reserve Act (12 U.S.C. 248(n)); to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HART:

S. 31. A bill to provide for a reduction in individual tax rates in calendar years 1980 through 1982 and thereafter, provided that targets limiting the growth of Federal spending and limiting the Federal deficit are achieved; to the Committee on Finance.

By Mr. PRESSLER:

S. 32. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. MCCLURE, Mr. TOWER, Mr. GARN, Mr. HATCH, Mr. COCHRAN, Mr. SCHMITT, Mr. SIMPSON, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. ARMSTRONG, and Mr. HELMS):

S. 33. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Finance.

S. 34. A bill entitled the "Spending Limitation Act of 1979"; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

By Mr. HELMS:

S. 35. A bill to repeal the Credit Control Act (12 U.S.C. 1901 et seq.); to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PROXMIRE:

S. 36. A bill to abolish the Small Business Administration, and for other purposes; to the Committee on Governmental Affairs.

S. 37. A bill to repeal a section of Public Law 95-630; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MCCLURE:

S. 38. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 39. A bill to amend the Bank Holding Company Act and the Bank Merger Act to restrict the activities in which registered bank holding companies may engage and to control the acquisition of banks by bank holding companies and other banks; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. FORD (for himself, Mr. HUDDLESTON, and Mr. DECONCINI):

S. 40. A bill to extend the period for SBA disaster low interest loans from October 1, 1978 to October 1, 1979; to the Select Committee on Small Business.

By Mr. FORD (for himself and Mr. HUDDLESTON):

S. 41. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Kentucky, to the Board of Education, Bell County, Kentucky; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 42. A bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. WALLOP, Mr. DURKIN, Mr. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MELCHER, and Mr. SIMPSON):

S. 43. A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

By Mr. HATCH:

S. 44. A bill entitled the "Fair Treatment for Skilled Trades Act of 1979"; to the Committee on Human Resources.

By Mr. MCCLURE:

S. 45. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any crime of violence and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. STONE:

S. 46. A bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States; to the Committee on Foreign Relations.

By Mr. HATFIELD:

S. 47. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, Mr. HUDDLESTON, and Mr. FORD):

S. 48. A bill to authorize flood control and flood protection measures for the Tug Ford and Levisa Fork of the Big Sandy River, West Virginia and Kentucky and the Cumberland River, Ky.; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 49. A bill for the relief of Fon-Chiau Shih; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 50. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN:

S. 51. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

S. 52. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

S. 53. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies, and for other purposes; to the Committee on Governmental Affairs.

S. 54. A bill to reduce the costs of Federal regulations, and for other purposes to the Committee on Governmental Affairs.

By Mr. BENTSEN (for himself, Mr. LONG, Mr. CHILES, Mr. STENNIS, Mr. ZORINSKY, and Mr. JOHNSTON):

S. 55. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 56. A bill for the relief of Cheh-Hsiung Chen; to the Committee on the Judiciary.

S. 57. A bill for the relief of Sun Ok Kim, Ok Lyun Kim, Koang Hi Kim, Chin Hi Kim, Hyun Soo Kim; to the Committee on the Judiciary.

S. 58. A bill for the relief of Joseph Y. Quijano, his wife Marichu Larrazabel Quijano, and his son, Franz Joseph Quijano; to the Committee on the Judiciary.

S. 59. A bill for the relief of Bounrid Vongphacdy, Phouangchith Vongphacdy, Chanmany Vongphacdy, Chandara Vongphacdy, Khamwa Phixanoukan; to the Committee on the Judiciary.

S. 60. A bill for the relief of Mr. Sushil Kuman Garg; to the Committee on the Judiciary.

S. 61. A bill for the relief of Mrs. Shu-Yung Gloria Kaw; to the Committee on the Judiciary.

S. 62. A bill for the relief of Graciela Castillo; to the Committee on the Judiciary.

S. 63. A bill for the relief of Mr. and Mrs. B. William Magallanes; to the Committee on the Judiciary.

S. 64. A bill for the relief of Mrs. Etsuko Kogachi Bowman; to the Committee on the Judiciary.

S. 65. A bill for the relief of Faatoaga Laufou; to the Committee on the Judiciary.

S. 66. A bill for the relief of Shon Ning Lee; to the Committee on the Judiciary.

By Mr. BAYH (for himself, Mr. BAKER, Mr. BELLMON, Mr. BURDICK, Mr. CHAFEE, Mr. CRANSTON, Mr. DANFORTH, Mr. DECONCINI, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRAVEL, Mr. HATFIELD, Mr. HUDDLESTON, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. LEAHY, Mr. MAGNUSON, Mr. MATHIAS, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. PACKWOOD, Mr. PELL, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RIBICOFF, Mr. RIEGLE, Mr. STAFFORD, Mr. STEVENSON, Mr. TSONGAS, Mr. WILLIAMS, and Mr. ZORINSKY):

S.J. Res. 1. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself and Mr. GOLDWATER):

S.J. Res. 2. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. HARRY F. BYRD, JR. (for himself, Mr. THURMOND, and Mr. WARNER):

S.J. Res. 3. Joint resolution regarding mutual defense treaties (which was read the first time).

By Mr. LUGAR:

S.J. Res. 4. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 5. Joint resolution proposing an amendment to the Constitution to provide expenditures of the Government may not exceed the revenues of the Government during any fiscal year, and for limits on Federal spending and taxing; to the Committee on the Judiciary.

By Mr. STENNIS:

S.J. Res. 6. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. ARMSTRONG:

S.J. Res. 7. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues; to the Committee on the Judiciary.

By Mr. CRANSTON:

S.J. Res. 8. Joint resolution to establish a national policy for the taking of predatory or scavenging mammals and birds on public lands, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MCCLURE:

S.J. Res. 9. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

S.J. Res. 10. Joint resolution to require a balanced budget; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself and Mr. NUNN):

S.J. Res. 11. Joint resolution to amend the Constitution relating to a balanced budget; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

S.J. Res. 13. Joint resolution to amend the Constitution of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself and Mr. MCGOVERN):

S. 1. A bill to improve farm income, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD AND AGRICULTURE ACT OF 1979

Mr. DOLE. Mr. President, today I am pleased to introduce the Food and Agriculture Act of 1979. This legislation, I believe, is especially pertinent and timely; 1978 was a tough year financially for our farmers. The farm problem has not gone away and will not go away quickly. Many farmers are still suffering severe financial losses and are bearing the major brunt of inflation.

YEAR OF PARTIAL RECOVERY

The year 1978 was a year of partial recovery for agriculture. The recovery, though, was not fast enough or strong enough. There were some modest improvements in price and income levels for some commodities.

NET INCOME

U.S. farmers will have a total net income of about $27 billion for 1978, up from $20.3 billion in 1977. However, the total is modest when one takes the inflation out of it. In 1967 dollars, 1978 total net farm income is worth only about $13.5 billion.

Purchasing power is still the bottom line for farmers and, as of December 15, farm prices averaged only 72 percent of parity. This is a definite improvement over the 63 percent of parity figure in September 1977, but still far short of a fair and reasonable return, considering the cost of production, living expenses, and the rate of inflation.

There is a need for new farm legislation. Farmers are not receiving an adequate return on their investment and time. Many farmers are having to sell all or part of their farming operation to pay debts. The family farm system, so vital to the future of our country, is in serious economic condition.

BACKS AGAINST THE WALL

Without new farm legislation, American farmers could spend all of 1979 with plenty of clouds on the horizon:

First, the probability of double-digit inflation again in 1979 will cause farmers' cost of production to continue to rise.

Second, the possibility of a recession could cause the demand for farm products to fall off and decrease the price of farm products.

Third, the near 15 percent OPEC price hike will cause a new spiral in energy costs for farmers. Gasoline delivered to the farm in eastern Kansas in May of 1977 cost 52 cents per gallon. In May of 1978 it was 58.3 cents per gallon and in January of 1979 had risen to 63.1 cents per gallon. It is predicted to go to 65.1 cents per gallon by May of this year. Diesel fuel was 41.4 cents per gallon in May of 1977 and is predicted to be almost 46 cents per gallon by May of 1979.

Fourth, interest costs to farmers are at record high levels. Farmers in Kansas are paying from 10 to 12½ percent for the money they borrow. With the present economic conditions farmers are borrowing record amounts of capital. Farmers start 1979 with $136 billion in outstanding debt and the prospect that debt service outlays will cost them more than $11 billion during the year. This will be a terrible drag on the farmers cash flow problem.

Farmers Home Administration loans to farmers are at an all-time high. The demand outstrips the supply. The loans made only to farmers who cannot obtain credit from private sources.

Too many of our Nation's family farmers are in deep financial trouble and will remain so in 1979 unless the Congress acts and acts quickly. Increased farm income and a significant decrease in the inflation rate are both needed before the farmer will be in an improved financial situation.

The administration is trying to convince everyone that farmers are now well off. This is not the situation. The farmers' economic situation is still critical. Farmers cannot pay their bills with the smooth public relations program from the White House to convince Americans that farmers are well off financially.

The Food and Agriculture Act of 1979 I introduce today contains several basic provisions:

1. VARIABLE TARGET PRICE PROGRAM

This program is designed to support the family farm by bringing about increased market prices for farm products while keeping enough supplies of food products on hand to supply our domestic and foreign markets and food for peace programs.

Whenever the Secretary of Agriculture formulates a set-aside program he will set a schedule of set-asides and target prices. The farmer then chooses the price he needs for his crop and then sets aside the respective percentage of the acreage as set by the Secretary.

The program applies this variable target price concept to wheat, feed grains, and upland cotton. The higher the established (target) price the producer needs for his crop, the greater the amount of cropland on the farm a producer voluntarily sets aside. The producer shall qualify for an established price equal to 100 percent of the parity price for the commodity if the producer voluntarily sets aside from production the maximum percentage of set-aside as prescribed by the Secretary.

This program thus provides for a variable schedule of target prices, when there is a set-aside, ranging from the established (target) price now provided in law to an established price of 100 percent of parity for the maximum set-aside of cropland.

This program will allow farmers to set aside different percentages of their cropland depending on their cost of production and their own management decisions about how to maximize their farm income. The program will significantly help small family farmers to survive.

This variable target price program will not be a costly one. It should not cost any more than present set-aside programs but will provide farmers with much more flexibility in their farming operations. It should also improve the market price of the respective farm commodities. The program is designed to assist family farmers in their battle to stay alive economically in this time of low farm prices, high interest rates, rising fuel costs, and double digit inflation. The program is not costly nor inflationary.

Farmers have to cover their costs of production and make a profit in the long run to stay in business. It is in the best interests of American consumers that family farmers stay in business and produce food. We cannot refuse to raise farm prices under the banner of fighting inflation when farmers are losing money. The battle to save our family farmers is

one worth fighting and worth winning. When we win this fight all Americans win. There will be an adequate supply of fairly priced farm products. We will have the largest food supply possible at the lowest price possible.

2. MILK PRICE SUPPORT

The statutory authority for support of manufactured dairy products at 80 percent of parity, contained in the 1977 Agriculture Act, expires on March 31, 1979. Last September, Secretary Bergland set the support rate for the marketing year beginning October 1, 1978, and ending September 30, 1979, at 80 percent of parity.

If Congress does nothing to extend or change the law, USDA will have the option on October 1, 1979, to set the support level for the new marketing year beginning October 1, 1979, as low as the statutory minimum of 75 percent of parity.

This provision will extend the authority contained in the 1977 Food and Agriculture Act providing that the price supports for milk be no less than 80 percent of parity. This level has proved an acceptable level to maintain dairy production without stimulating overproduction.

3. SUGAR PRICE SUPPORT

This provision will require the Secretary of Agriculture to set the price support loan for sugar at a percent of parity equal to 16.5 cents per pound. This provision extends the de la Garza amendment to the 1977 Food and Agriculture Act and expresses the intent that the Secretary maintain the market price as near as possible to this figure by the use of quotas and import fees to minimize the loan level as a market price determinant.

In October 1978, because of the conflict with administration sugar policy, we were unable to pass meaningful sugar legislation. To date, the administration has not proposed any new solutions and therefore, I feel an increase in the loan provision is necessary and appropriate to provide the farmers the assurances they need and deserve. Without this we could become as dependent on imported sugar as we are on imported oil. I am sure Chairman LONG of the Finance Committee will come up with alternative approaches that will be considered in the Finance Committee. It is important we move ahead with this approach at this time.

4. FOOD STAMP PROGRAM

It is extremely important that we repeal the authorization ceiling, or "cap" in the food stamp program. The current services cost estimate for fiscal years 1980 and 1981 is substantially above the legislated authorization levels. If such action is not taken, benefits will be cut sharply to all 16 million participants the last quarter of next year—and every other year where economic conditions are worse than was predicted.

In a very real sense, legislating a specific authorization level is fundamentally inconsistent with the goals and structure of the food stamp program. The food stamp program is unique in its ability to respond quickly to changing economic conditions. An increase or decrease in the cost of food or the unemployment rate will immediately impact on the cost of the program. A study of the program found that a 1-percent increase in the unemployment rate will increase participation in the food stamp program by 500,000 to 750,000. In short, it is almost impossible to predict with any degree of accuracy the cost of the program in future years. The participants of the program should not have to bear the burden of poor economic forecasts and management.

The primary motivation for requiring a "cap" was to hedge against the elimination of the purchase requirement costing more than it was originally estimated to cost. USDA is just now in the process of implementing the new food stamp law. However, it is clear that the new, and unfortunately, higher current services cost estimate for the 1980 food stamp program is the result of changing economic conditions and not the structure of the 1977 program.

If greater oversight of the program is desired, other options are available to the Congress. Under the current law, the program expires in 2 years, 1981. The program will have to be extended at that time, which provides an excellent opportunity to review the approach adopted in 1977 and to change it if it is not satisfactory. If we are still not sure, the program can be extended for only a short period of time.

In addition to repealing the cap, the bill addresses the need to achieve greater efficiency in the food stamp program. State error rates are still too high. Questions have been raised by the General Accounting Office over the authorization of retailers which sell only token amounts of staple foods. Food stamp redemption controls need strengthening. Investigation of suspected violations should be expedited.

In my opinion, substantial savings could be achieved by greater efficiency in these areas, particularly from lowering the error rates. If we are able to save $100 to $150 million, not only is it that much less of a burden on the taxpayer, but we improve the public image of the program.

This legislation requires, therefore, that the Secretary conduct an intensive investigation of these issues and report back to Congress within a few months. While I am normally skeptical about asking for studies, with the food stamp program the precedent is rather good. It was S. Res. 58 which was passed in the 94th Congress that laid the foundation for the overall reform of the program.

5. PUBLIC LAW 480 AMENDMENT

Public Law 480 or food-for-peace legislation was signed by President Eisenhower in 1954 with his strong endorsement. Since then over $30 billion worth of farm commodities have been exported under its provisions.

The great value of this program, in terms of assisting hungry and malnourished people in developing countries is impossible to comprehend. It is one of the great practical humanitarian steps of all time.

This is a time when the hungry of the world need food and our farmers need markets. In order to achieve the twin objectives of helping the hungry and malnourished in developing nations while helping American farmers expand their markets, this provision will establish a Public Law 480 minimum quantity of 7 million tons for each of the next 3 fiscal years.

I believe that Public Law 480, title I countries could use considerably more food assistance than these minimums. Certainly export supplies are more than adequate. This provision will meet these goals and should contribute to a more even flow of food assistance throughout the fiscal year since the minimum amounts will be provided for in the budgetary process rather than being subject to the whims of the Office of Management and Budget.

6. NATIONAL AGRICULTURAL PRODUCTION COST BOARD

This provision would establish a National Agricultural Production Cost and Statistical Standards Board for the purpose of implementing and standardizing the cost of production information as it relates to agricultural production. This would be a one-time 3-year board.

I believe there is a high degree of urgency relating to the development of both method and standards in the analysis of agricultural costs as they are developed at the production level.

The advent of the Agricultural Act of 1973 and the subsequent act of 1977, which mandated the Secretary of Agriculture to conduct cost of production studies provided only very sketchy directions as to standards and methodology.

Under these circumstances it is surprising that the studies which were conducted in 1974 and published in 1976 were of any significant value considering the speed with which they were assembled. There are areas in these studies which leave the agricultural community in a very apprehensive frame of mind. Cost of production statistics need to be resolved from the standpoint of accuracy as well as to their validity at the producer level.

Legislation to establish a board was introduced last year by Senator ROBERT MORGAN of North Carolina. I have included this bill within this legislation because I think it is important enough to warrant consideration in an omnibus bill.

Senator MORGAN has notified me that he intends to introduce his bill again later this week. This will provide the Congress with the option of considering the board under separate legislative authority. I believe this board is in the best interest of farmers and the Nation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1979".

TITLE I—PRICE SUPPORT FOR WHEAT, FEED GRAINS, AND UPLAND COTTON; GRAIN RELEASE PRICES

VARIABLE TARGET PRICE PROGRAM FOR 1980 AND 1981 CROPS

SEC. 101. Effective only with respect to the 1980 and 1981 crops of wheat, feed grains, and upland cotton, title I of the Agricultural Act of 1949, as amended (7 U.SC. 1421–1445g), is amended by adding at the end thereof a new section as follows:

"1980 AND 1981 WHEAT, FEED GRAIN, AND UPLAND COTTON TARGET PRICES

"SEC. 113. Notwithstanding any other provision of this Act, the Secretary shall formulate, announce, and put into operation for each of the 1980 and 1981 crops of wheat, feed grains, and upland cotton for which a set-aside program is in effect a program under which the level of the established price to be paid to any producer shall be based on the amount of cropland that such producer voluntarily elects to set aside from production. The higher the established price the producer elects to receive, the greater the amount of cropland on the farm the producer must set aside from production in order to qualify for such higher established price. If a producer elects to receive the maximum established price, which shall be equal to 100 per centum of the parity price for the commodity concerned, the producer must set aside from production a percentage of the cropland on the farm equal to the highest set-aside percentage prescribed by the Secretary under the set-aside program.".

GRAIN RELEASE PRICES

SEC. 102. (a) Effective only for the 1980 and 1981 crops of wheat and feed grains—

(1) Section 110(b)(5) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e(b)(5)), is amended by striking out "wheat has attained a specified level which is not less than 140 per centum nor more than 160 per centum of the then current level of price support for wheat or such appropriate level for feed grains, as determined by the Secretary" and inserting in lieu thereof "the commodity has attained a specified level which is not less than 90 per centum of the current parity price for such commodity".

(2) Section 110 (b)(6) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e (b)(6)), is amended by striking out "is not less than 175 per centum of the then current level of price support for wheat of such appropriate level for feed grains as determined by the Secretary under this Act" and inserting in lieu thereof "is not less than 105 per centum of the current parity price for such commodity".

(b) Effective only for the 1980 and 1981 crops of wheat and feed grains, section 110 (d) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e (d)), is amended by striking out "150 per centum of the then current level of price support for such commodity" and inserting in lieu thereof "90 per centum of the parity price for such commodity".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 103. Effective only for the marketing years for the 1980 and 1981 crops of wheat and feed grains, the language following the third colon in the third sentence of section 407 of the Agricultural Act of 1949, as amended by section 408 of the Food and Agriculture Act of 1977 (7 U.S.C. 1427), is amended by striking out "115 per centum of the current national average loan rate" and inserting in lieu thereof "90 per centum of the current parity price".

TITLE II—MILK PRICE SUPPORT

SEC. 201. The second sentence of subsection (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446 (c)), is amended by striking out "March 31, 1979" and inserting in lieu thereof "March 31, 1981".

TITLE III—SUGAR PRICE SUPPORT

SEC. 301. Effective only with respect to the 1979 through 1981 crops of sugar beets and sugar cane, section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended—

(1) by striking out in the first sentence "honey, and milk" and inserting in lieu thereof the following: "honey, milk, sugar beets, and sugar cane"; and

(2) by adding at the end thereof a new subsection (g) as follows:

"(g) (1) The price of the 1979 through 1981 crops of sugar beets and sugar cane, respectively, shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 70 per centum nor less than 57 per centum of the parity price therefor, except that in no event may the support level be less than 6.5 cents per pound raw sugar equivalent. In carrying out the price support program authorized by this subsection, the Secretary shall establish minimum wage rates for agricultural employees engaged in the production of sugar.

"(2) Notwithstanding any other provision of law, the Secretary may suspend the operation of the price support program authorized by this subsection whenever the Secretary determines that an international sugar agreement is in effect which assures the maintenance in the United States of a price for sugar not less than 16.5 cents per pound raw sugar equivalent.".

TITLE IV—FOOD STAMP PROGRAM

SEC. 401. The first sentence of section 18 (a) of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended to read as follows: "To carry out the provisions of this Act, there are hereby authorized to be appropriated such sums as may be necessary for the fiscal years ending September 30, 1980, and September 30, 1981.".

SEC. 402. The Secretary shall conduct a study of the food stamp program. The Secretary shall report the results of such study to Congress by July 1, 1979, with recommendations for legislative changes that will:

(1) reduce error rates by increasing the accuracy of eligibility determinations;

(2) provide more effective monitoring and control of food coupon redemption; and

(3) provide more timely investigation and resolution of suspected violations.

The Secretary may include in the report any other recommendations the Secretary deems desirable.

TITLE V—PUBLIC LAW 480

SEC. 501. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new section 406 as follows:

"SEC. 406. (a) In order more adequately to meet the food requirements of hungry and malnourished people in the developing countries, a minimum aggregate quantity of seven million metric tons of United States farm commodities shall be exported under titles I, II, and III of this Act during each of the following fiscal years: fiscal year 1980, fiscal year 1981, and fiscal year 1982. This aggregate quantity requirement shall not affect the title II minimum quantities required under section 201(b) of this Act, since those minimums shall be a part of the total minimum requirement for all titles.

"(b) The export of an aggregate quantity of seven million metric tons of each such fiscal year under titles I, II, and III shall be mandatory unless (1) export supplies are not available as determined under section 401 (a) of this Act; or (2) food needs of developing countries do not merit such quantity as gauged by (A) a lack of request for food assistance by the developing countries, or (B) a determination by the Food and Agriculture Organization of the United Nations that unfilled food requirements of the developing nations are less than seven million metric tons during such fiscal year.

"(c) Should less than the minimum quantities required by this section be exported because of the criteria in subsection (b) of this section, the President shall report to the appropriate committees of Congress the specific reasons for such shortfall.".

TITLE VI—NATIONAL AGRICULTURAL PRODUCTION COST AND STATISTICAL STANDARDS BOARD

ESTABLISHMENT OF BOARD; COMPOSITION

SEC. 601. (a) There is hereby established an advisory board to be known as the "National Agricultural Production Cost and Statistical Standards Board" (hereinafter in this title referred to as the "Board").

(b) The Board shall be composed of sixteen members appointed by the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary").

(c)(1) The terms of the members first taking office shall expire (as designated by the Secretary at the time of appointment) as follows: four at the end of one year, four at the end of two years, four at the end of three years and four at the end of four years. Thereafter terms of all members shall be four years, except that the term of any person appointed to fill a vacancy on the board shall be appointed only for the unexpired term of such member's predecessor.

(2) The Secretary shall appoint persons to the Board who are producers of one or more commodities designated as feed grains, food grains, sugar crops, cotton, tobacco, livestock, or livestock products.

(3) Persons appointed to the Board shall have proven their competence to serve on such board by having demonstrated to the Secretary that they consistently manage their agricultural operation with the assistance of an enterprise cost system that reflects accurate costs of production for their operations and that they have a high level of comprehension relating to the functional aspects of such a system.

(4) The Secretary shall appoint at least one person to the Board who, by virtue of education, experience, and training, has extensive knowledge of matters relating to the cost of producing agricultural commodities.

(5) The Secretary shall designate, by and with the advice and consent of the Senate, one member of the Board to serve as chairman and one member to serve as vice chairman for the term of the appointment of such member.

(6) The Secretary shall also appoint one person to represent the interests of the consumers on the Board.

(7) No person may serve as a member of the Board for more than two consecutive terms.

FUNCTION OF THE BOARD

SEC. 602. (a) It shall be the function of the Board to coordinate and assist in the development and improvement of cost of production and financial statistical standards that relate to the production of agricultural commodities in the United States.

In carrying out such function, the Board shall—

(1) counsel with the various economic agencies of the Department of Agriculture, universities, and producers groups for the purpose of developing adequate coordinated standards among these parties for the measurement of production cost components that relate to the production of agricultural commodities;

(2) review the adequacy and accuracy of cost of production formulas, including the information relied upon in arriving at such formulas that have been developed by the Department of Agriculture for the purpose of determining the cost of producing the various agricultural commodities, and counsel with those involved in the development of such formulas and make recommendations for improvements in such formulas;

(3) review the adequacy of the parity formula, counsel with those involved in the analysis of the data used in such formula, and make recommendations for improvements in the formula and in related areas that may require improvement;

(4) review the adequacy of agricultural financial statistics that are being compiled by the Department of Agriculture, counsel with those involved in these compilations, and make recommendations that the Board believes will improve the accuracy of such statistics;

(5) advise the Secretary whether the cost of production formulas used by the Departmnt of Agriculture in connection with the administration of its price support programs are fair and accurate and recommend to the Secretary how such formulas might be improved including, when necessary, the submission of findings on actual costs of production; and

(6) advise the Secretary, at the Secretary's request, on such other matters that may relate to price targeting, price support operations, or the disposition of surplus agricultural commodities.

(b) The Secretary shall report to the Board on the disposition of its recommendations, including reasons for not implementing the recommendations of the Board.

(c) The Board shall submit annually to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report discussing the activities of the Board during the preceding year, including any findings or recommendations made to the Secretary with respect to its duties set forth in this title. The Board shall include in each such report a list of the recommendations made to the Secretary and the disposition made by the Secretary of such recommendations.

(d) The Board shall meet at least twice annually or more often if such meetings are necessary to meet the purposes of this Act.

OFFICE SPACE, EQUIPMENT; STAFF

Sec. 603. The Secretary shall provide the Board with such office space, equipment, and staff as may be necessary for the Board to perform its functions under this Act.

COMPENSATION; TRAVEL EXPENSES

Sec. 604. No member of the Board may receive any compensation for such member's services as a Board member, but may be paid travel expenses, including per diem in lieu of subsistence, as provided in the regulations issued under section 7 of the Federal Advisory Committee Act.

EXPIRATION OF BOARD

Sec. 605. The Board and the authority provided under this title shall expire December 31, 1983.

Mr. McGOVERN. Mr. President, I do not think the Nation will ever see the day when improvements to our food and fiber programs are not appropriate. Though the Congress passed a monumental omnibus farm bill in the first session of the 95th Congress, we came back with several changes in the second session with respect to commodity programs.

And so in the 96th Congress there is need for improvement in several areas, not all of which are necessarily associated with the commodity end of the Department's business. Farmers are constantly visiting my office and I am on a regular basis talking to farmers on trips to my home State. Without question, there is still uncertainty and unrest in the farm community. Though the parity ratio has improved somewhat over the past year, the composite ratio has only recently edged up to 72 percent and this has largely been due to improved prices for livestock. The parity index for wheat farmers still stands at a ridiculously low 55 percent and corn is but 54 percent. Given an annual wheat crop averaging about 2 billion bushels and corn crops in the 6 billion bushel range, the prices received by farmers can hardly be called encouraging.

With those thoughts in mind, I have worked closely during the recess with my good friend from Kansas (Mr. DOLE), and we have fashioned a housekeeping bill for the Department covering a broad range of departmental interests which we feel would be useful and constructive. We hope that the Department will give our suggestions its serious and sympathetic attention. I can assure the Secretary of Agriculture that the provisions of this bill would be looked on by farmers as partial answers to a good many of their questions.

VARIABLE TARGET PRICE PROGRAM

There are few who question that the target price system is here to stay. Many of us question the figures the Department will accept as target goals. There are few even at the Department who will seriously state that the present target price on wheat, for instance, remotely resembles the cost of producing a bushel of wheat.

With that thought in mind, Senator DOLE and I are suggesting that there be a provision of law that cranks more flexibility into the target price system. Title I of the Food and Agriculture Act of 1979 provides authority for the Secretary in years in which there is a set-aside program in effect to formulate a program whereby a farmer who chooses to participate in the farm program may receive a higher target price by taking additional land out of production. The legislation itself contains no formulas nor does it contain numbers. It does, however, direct the Secretary to "formulate, announce, and put into effect for 1980 and 1981 a plan for wheat, feed grains and cotton." The higher the established price the producer voluntarily elects to receive, the greater the amount of cropland the producer must set aside—the maximum amount a product could receive would be 100 percent of the parity price for the commodity concerned.

We view this provision as an effective production control tool for the Department and an opportunity for the farmer to vary his cultivation practices and receive a decent price for that portion of his crop which he chooses to put into production. Certainly it is a valid experiment to give the farmer a choice. Additionally, flexibility in the administration of farm programs has been generally found to be more desirable than rigid practices.

In the event this program is adopted, adjustment is necessary in the release prices for the grain reserve. Section 102 of this bill contains such a provision by providing release figures in terms of current parity for the commodity rather than percentages of the acquisition figures. Section 103 makes the same adjustment for Commodity Credit Corporation sales price restrictions by providing that sales under the present lot at 115 percent of the current national average loan rate be changed to 90 percent of the current parity price for that portion of CCC inventories acquired under the flexible target price program.

MILK PRICE SUPPORT

Title II of the bill concerns itself with the milk program and is only technical in nature. The 80 percent of parity support program is scheduled to expire and this provision merely extends it through March 31, 1981.

There should be little controversy in this title. The current milk program works well and the dairy community, I understand, is satisfied with it. The fact of the matter is that farmers in the dairy business find themselves among the healthiest economic sectors of Americal agriculture. The program should be continued according to its present provisions.

SUGAR PRICE SUPPORT

I confess to my colleagues that sugar is not a commodity that raises high sentiments in South Dakota. I can state without fear of contradiction that there is not a single sugar beet grower in my State. Nevertheless, it is an important agricultural commodity throughout many portions of the country and a major crop to South Dakota's closest neighbors, North Dakota and Minnesota. Title III of the Food and Agriculture Act of 1979 supports sugar through loans or purchases at a level not in excess of 65 percent nor less than 52.5 percent of parity with an absolute floor of not less than 16.5 cents per pound raw sugar equivalent.

Though the sugar problem is not one I must face in talking to South Dakota farmers, I am acutely aware of the severe economic distress in sugar growing areas. Sugar, be it beet or cane, is an expensive crop to grow; machinery costs are high and current price returns are tragically low. Many beet growers have simply sold out or switched to other crops. If we are to maintain a viable sugar industry in the Nation we simply must provide the financial incentives to remain in business.

FOOD STAMP PROGRAM

Title IV of this legislation would prevent a serious, impending food stamp problem that could drastically reduce benefits to all 16 million food stamp recipients.

The Food Stamp Act of 1977 established specific authorization ceilings based on the economic forecasts at the time. Unfortunately, the forecasts underestimated the food price inflation we have experienced in recent years and the predicted rise in the unemployment rate—the two factors that have the greatest impact on the cost of the program.

Food prices are now expected to rise almost 50 percent between 1977 and 1981. Unemployment is also expected to rise this year and next, with each 1 percent increase raising participation by 500,000 to 750,000 persons.

In short, it is extremely difficult to legislate specific authorization levels for a program which is intended to respond quickly to economic fluctuations. It was a poor idea to attempt to do so, and the cap should be repealed.

NATIONAL AGRICULTURAL PRODUCTION COST AND STATISTICAL STANDARDS BOARD

The Food and Agriculture Act of 1977 for the first time introduced the phrase "cost of production" into the lexicon of American agriculture. The great debate is on the variables involved in cost of production. Few could agree on formulas and there were just about as many conclusions as there were analysts.

Even today, farmers throughout the country seriously question the economic models used by the Department in computing cost of production. Though it is probably the aim of the Department to ultimately replace parity with cost of production as a guideline for commodity supports, I personally can inform the Department that parity is alive and well in South Dakota. It is as ingrained in their minds as their love for the land and the opportunity given to them to make things grow.

Given the state of cost of production at the Department of Agriculture, might it not make some sense to let the farmers in on it? Title VI of the Food and Agriculture Act of 1979 establishes a National Agricultural Production Cost and Statistical Standards Board of 16 members appointed by the Secretary and requires that such members be producers of grains or livestock or cotton. The function of the Board is to advise the Secretary on financial statistical standards which relate to the production of agricultural commodities. It just might be that if there is input from actual producers, the Department might change the attitudes it has developed in the past.

So that there is no criticism of the Board being more Government, let me hasten to point out that the members serve without compensation save travel costs and Government per diem. In some respects, this is a case of "let's let the farmers play in their own ball game" rather than allowing all the pocketbook decisions to be left in the hands of Department of Agriculture employees who have no real stake in the outcome of the game.

I know that there is support for this concept out in the country and I think that it should be adopted.

PUBLIC LAW 480—FOOD FOR PEACE

As a former Administrator of the Food for Peace Program in the early 1960's, I continue to maintain an active interest in its progress. Over the last 24 years, $30 billion of farm commodities have been exported under this program. Unfortunately, in recent years the level of exports has fallen to an average of only 4 to 5 million metric tons under the three titles of the program. The tendency has been to cut back in fiscally short years or in years when there is a drop in production.

In order to fulfill the humanitarian intentions of this program, it is our judgment that the intent of the Congress could best be served if the Congress mandated a minimum level of participation. This assures the continuity of the program as well as giving underdeveloped countries advance knowledge of what they can expect. It also tends to place a greater level of control in the Congress than in the administration. For this reason, this title of the bill provides for a minimum of 7 million metric tons to be placed in the stream in each of the coming fiscal years.

Mr. President, I feel that this bill addresses itself to agriculture's pressing problems and urge its adoption.

By Mr. MUSKIE (for himself, Mr. ROTH, Mr. GLENN, Mr. ROBERT C. BYRD, Mr. CRANSTON, Mr. BIDEN, Mr. PERCY, Mr. PELL, Mr. HATFIELD, Mr. BAUCUS, Mr. BELLMON, Mr. BAYH, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. HARRY F. BYRD, Jr., Mr. CANNON, Mr. CHAFEE, Mr. CHILES, Mr. CHURCH, Mr. COHEN, Mr. CULVER, Mr. DANFORTH, Mr. DECONCINI, Mr. DOMENICI, Mr. DURENBERGER, Mr. DURKIN, Mr. EAGLETON, Mr. EXON, Mr FORD, Mr. GARN, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. KENNEDY, Mr. JAVITS, Mr. LAXALT, Mr. LEAHY, Mr. MCCLURE, Mr. MCGOVERN, Mr. MATHIAS, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. MORGAN, Mr. NUNN, Mr. PACKWOOD, Mr. PRESSLER, Mr. PRYOR, Mr. SIMPSON, Mr. STAFFORD, Mr. STEVENS, Mr. STEWART, Mr. STONE, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS, and Mr. ZORINSKY):

S. 2. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; to the Committee on Governmental Affairs.

SUNSET ACT OF 1979

Mr. MUSKIE. Mr. President, it is with a sense of great expectation that I am reintroducing the Sunset Act of 1979, along with many cosponsors.

I do so with a sense of optimism because at the end of the 95th Congress, the Senate passed the Sunset bill by a margin of 87 to 1, and I hope that we will witness a similar endorsement early in this Congress of this extremely important legislation.

We have just come through an election year in which one of the overriding concerns of the American public was that Government is not working as well as it should. People expect more from their tax dollars than they are getting. Sunset can provide a way for Government to discipline its appetite for tax dollars, and do a better job with the resources at its command.

In the simplest sense, sunset proposes nothing more than a process through which Congress can begin to exercise greater control over the product of its legislative efforts—the hundreds of individual programs we have created over the years and which affect the daily lives of all Americans in so many ways.

In its most far-reaching sense, sunset proposes nothing less than to make Government more effective, by improving the quality of services which Government programs are intended to provide.

Sunset attacks the notion that Government programs, once enacted, should remain forever on the books. Instead it proposes that a program should continue only if Congress decides that it is needed and is still working well. If a program cannot meet these conditions, it goes out of business.

Under sunset, virtually all Federal programs would come up for a systematic review and reauthorization on a rotating 10-year basis. The bill also proposes that similar programs be considered at the same time. That way we can see whether dozens, and sometimes hundreds of programs in a particular area are still needed.

I believe sunset should be enacted for a number of reasons:

First, it would complement the budget process as an important weapon in bringing Government spending under control, and thus provide an important tool in the fight against inflation.

Second, it would strengthen the congressional authorization process, the most important policy process the Congress has.

Third, it would enhance the ability of the Congress to respond to changing national problems and priorities.

And, fourth, it would respond rationally and responsibly to the public mood which demands that Government programs be brought under control and that tax dollars be spent more effectively.

In 1978, we made little, if any, progress in streamlining and simplifying the many programs on the books. Committee reform has helped. But we still have a number of Federal programs which are conflicting or overlapping.

State and local governments continue to cite excessive program fragmentation and redtape as a major obstacle to effective policy. And the GAO continues to churn out evidence of wasted dollars because of a program structure which has grown needlessly complex.

Mr. President, perhaps the most compelling reason for enacting sunset legislation is the need to bring Government spending under control in the battle against rising inflation.

What does sunset have to do with inflation? Clearly the public understands the nexus between the two. According to the latest Harris survey 76 percent of the American people view Federal spending as the principal cause of inflation. And a look at the projection for

future budgets bolsters the case for the public's concern.

As part of its 5-year projection for the first budget resolution for this year, the Budget Committee calculated the potential cost of 31 new program initiatives likely to come before Congress between now and 1983. The list was by no means exhaustive. But it did include such major items as national health insurance and additional defense expenditures.

The committee found that between 1980 and 1983, these 31 initiatives could cost as much as $416 billion in new spending. The committee also found, as did CBO, that with a moderate rate of growth between now and then, we could expect only about $120 billion in additional revenues to pay for these new demands.

Many of the initiatives the committee studied are programs we need—and the public wants to have, and there will undoubtedly be others before the next decade is out.

Yet with the economy approaching full capacity—and with inflation on the rise—spending increases of the magnitude projected by the committee are clearly out of the question.

It is obvious from these numbers that we can only afford new programs by making selective cuts in programs we now have but which we may not need. It would require a commitment from every one of us to put our favorite programs to the test—to see if they are still needed, or if they are working well. And whether we like it or not, the burden rests with us.

It is the Congress which sets national policy, through the programs we enact. If those programs have grown unresponsive and ineffective, it is we who must bear the blame. For it is our job not just to initiate new programs—but also to insure that old programs are working as well as they should.

Sunset offers us a unique opportunity to provide the extra spending discipline we need.

The sunset bill I have proposed is geared very specifically to the way Congress works. It seeks to remedy a congressional problem by building upon existing congressional processes—and to use those processes more fully to help us do a better job.

In spite of the mystique of sunset, the approach taken in the bill now before us is very simple indeed.

Title 1 sets out a 10-year five-Congress schedule for the review and reauthorization of all Federal programs, with only a few exceptions. Within this schedule, programs are grouped by budget function and subfunction, in order to encourage review of programs with related purposes during the same period of time.

The bill requires that programs, including those now permanent—save the few exceptions—be specifically reauthorized in accordance with the schedule. To enforce this requirement, title 1 also provides that a point of order would lie against consideration of an appropriation for any program not so reauthorized.

These two provisions—the reauthorization requirement and the schedule for review—taken together, are the essence of the sunset bill. Either provision without the other would leave the process incomplete.

In formulating this legislation, Mr. President, we had two very simple goals in mind. We wanted to force a regular congressional decision on Federal programs, and we wanted those decisions to be made in a broader context than that in which they are made today.

To promote these goals, we sought a process as flexible as possible. We wanted a framework in which Congress could continue to do what it does best—to make political judgments and decisions about public policy.

We worked from the assumption that no reform, no matter how well-intentioned or conceived, will work unless Congress wants it to. We realized that better decisionmaking cannot be legislated, it can only be encouraged and made easier to accomplish.

The bill before us meets these tests. It establishes a limited, precise process. But beyond a minimal threshold it does not dictate how that process should be carried out. I stress this point, Mr. President, because of concerns I have heard that sunset is too heavyhanded an approach.

The legislation now before us has come a long way in the past 3 years. Those of us who have worked on it have learned a great deal about the nature of the Federal program structure. Through this learning process, many who were once skeptical have been convinced that the need for sunset is real.

In an important way, having at our disposal the knowledge to make informed decisions concerning legislation we enact, is what sunset is all about.

The extent of support for the Sunset idea is evidenced by the fact that legislation was cosponsored by more than one-half of the Senate and well over 100 Members cosponsored it in the House in both the 94th Congress and 95th Congress. The bill has been approved by both the Committee on Governmental Affairs and the Rules Committee only after the most careful scrutiny, and then, in the final days of the last Congress, it was endorsed in this Chamber by an overwhelming vote.

More than anything else, Mr. President, sunset has opened up a much-needed dialog in the Congress on the important task of making Government more effective and efficient. We welcome all who would like to join us in this undertaking because we believe it is one in which liberals and conservatives alike have a vital stake.

Mr. President, I ask unanimous consent that the text of S. 2 be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sunset Act of 1979".

SEC. 2. The purposes of this Act are—

(1) to require that most Government programs be reauthorized according to a schedule at least once every ten years;

(2) to limit the length of time for which Government programs can be authorized to ten years;

(3) to bar the expenditure of funds for Government programs which have not been provided for by a law enacted during the ten-year sunset reauthorization cycle; and

(4) to encourage the reexamination of selected Government programs each Congress.

SEC. 3. (a) For purposes of this Act:

(1) The term "budget authority" has the meaning given to it by section 3(2) of the Congressional Budget Act of 1974.

(2) The term "permanent budget authority" means budget authority provided for an indefinite period of time or an unspecified number of fiscal years which does not require recurring action by the Congress, but does not include budget authority provided for a specified fiscal year which is available for obligation or expenditure in one or more succeeding fiscal years.

(3) The term "Comptroller General" means the Comptroller General of the United States.

(4) The term "agency" means an executive agency as defined in section 105 of title 5, United States Code, except that such term includes the United States Postal Service and the Postal Rate Commission but does not include the General Accounting Office.

(5) The term "sunset reauthorization cycle" means the period of five Congresses beginning with the Ninety-seventh Congress and with each sixth Congress following the Ninety-seventh Congress.

(b) For purposes of this Act, each program (including any program exempted by provision of law from inclusion in the Budget of the United States) shall be assigned to the functional and subfunctional categories to which it is assigned in the Budget of the United States Government, fiscal year 1979. Each committee of the Senate or the House of Representatives which reports any bill or resolution which authorizes the enactment of new budget authority for a program not included in the fiscal year 1979 budget shall include in the committee report accompanying such bill or resolution (and, where appropriate, the conferees shall include in their joint statement on such bill or resolution), a statement as to the functional and subfunctional category to which such program is to be assigned.

(c) For purposes of titles I, II, III, and V of this Act, the reauthorization date applicable to a program is the date specified for such program under section 101(b).

TITLE I—REAUTHORIZATIONS OF GOVERNMENT PROGRAMS

SEC. 101. (a) Each Government program (except those listed in section 103) shall be reauthorized at least once during each sunset reauthorization cycle during the Congress in which the reauthorization date applicable to such program (pursuant to subsection (b)) occurs.

(b) The first reauthorization date applicable to a Government program is the date specified in the following table, and each subsequent reauthorization date applicable to a program is the date ten years following the preceding reauthorization date:

Programs included within subfunctional category and first reauthorization date:

254 Space, Science, Applications and Technology.
272 Energy Conservation.
301 Water Resources.
352 Agriculture and Research Services.
371 Mortgage Credit and Thrift Insurance.
376 Other Advancement and Regulation of Commerce.
501 Elementary, Secondary, and Vocational Education.
601 General Retirement and Disability Insurance.
602 Federal Employment Retirement and Disability.

703 Hospital and Medical Care for Veterans.
806 Other General Government.
851 General Revenue Sharing, September 30, 1982.
051 Department of Defense—Military.
053 Atomic Energy Defense Activities.
154 Foreign Information and Exchange Act.
251 General Science and Basic Research.
306 Other Natural Resources.
351 Farm Income Stabilization.
401 Ground Transportation.
502 Higher Education.
553 Education and Training of Health Care Work Force.
701 Income Security for Veterans.
752 Federal Litigative and Judicial Activities.
802 Executive Director and Management.
803 Central Fiscal Operations, September 30, 1984.
054 Defense Related Activities.
152 Military Assistance.
155 International Financial Programs.
253 Space Flight.
255 Supporting Space Activities.
274 Emergency Energy Preparedness.
302 Conservation and Land Management.
304 Pollution Control and Abatement.
407 Other Transportation.

Programs included within subfunctional category, and first reauthorization date:

504 Training and Employment.
506 Social Services.
554 Consumer and Occupational Health and Safety.
704 Veterans Housing.
751 Federal Law Enforcement Activities.
801 Legislative Function.
852 Other General Purpose Fiscal Assistance, September 30, 1986.
153 Conduct of Foreign Affairs.
271 Energy Supply.
303 Recreational Resources.
402 Air Transportation.
505 Other Labor Services.
551 Health Care Services.
604 Public Assistance and Other Income Supplements.
702 Veterans Education, Training, and Rehabilitation.
753 Federal Correctional Activities.
805 Central Personnel Management.
902 Other Interest, September 30, 1988.
151 Foreign Economic and Financial Assistance.
276 Energy Information, Policy and Regulation.
372 Postal Service.
403 Water Transportation.
451 Community Development.
452 Area and Regional Development.
453 Disaster Relief and Insurance.
503 Research and General Education Aids.
552 Health Research.
603 Unemployment Compensation.
705 Other Veterans Benefits and Services.
754 Criminal Justice Assistance.
804 General Property and Record Management.
901 Interest on the Public Debt, September 30, 1990.

(c)(1) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which authorizes the enactment of new budget authority for a program for a period of more than ten fiscal years, for an indefinite period, or (except during the Congress in which such next reauthorization date occurs) for any fiscal year beginning after the next reauthorization date applicable to such program. Notwithstanding the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of considering an amendment to the bill or resolution which would make the authorization period conform to the requirement of such sentence.

(2)(A) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which provides new budget authority for a program for any fiscal year beginning after the first (or any subsequent) reauthorization date applicable to such program under paragraph (b), unless the provision of such new budget authority is specifically authorized by a law which constitutes a required authorization for such program.

(B) For the purposes of this subsection, the term "required authorization" means a law authorizing the enactment of new budget authority for a program, which complies with the provisions of paragraph (1) and is enacted during the Congress in which the reauthorization date for such program occurs, or during a Congress after such date and prior to the Congress in which the next authorization date for such program occurs.

(3) No new budget authority may be obligated or expended for a program for a fiscal year beginning after the last fiscal year in a sunset reauthorization cycle unless a provision of law providing for the continuation of such program has been enacted during such sunset reauthorization cycle.

(4) Any provision of law providing permanent budget authority for a program shall cease to be effective (for the purpose of providing such budget authority) on the first reauthorization date applicable to such program.

(5) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which provides new budget authority for a program unless the bill or resolution, or amendment thereto, (or the report which accompanies such bill or resolution) includes a specific reference to the provision of law which constitutes a required authorization for such program. Notwithstanding the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of considering an amendment which provides such reference to the appropriate provision of law.

SEC. 102. (a) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which has been reported by a committee and which authorizes the enactment of new budget authority for a program for a fiscal year beginning after the next reauthorization date applicable to such program, unless a reauthorization review (to the extent the committee or committees having jurisdiction deem appropriate) of such program has been completed during the Congress in which the reauthorization date for such program occurs (or during a subsequent Congress when such required authorization is considered), and the report accompanying such bill or resolution includes a separate section entitled 'Reauthorization Review' recommending, based on such review, whether the program or the laws affecting such program should be continued without change, continued with modifications, or terminated, and also includes, to the extent the committee or committees having jurisdiction deem appropriate, each of the following matters:

(1) Information and analysis on the organization, operation, costs, results, accomplishments, and effectiveness of the program.

(2) An identification of any other programs having similar objectives, and a justification of the need for the proposed program in comparison with those other programs which may be potentially conflicting or duplicative.

(3) An identification of the objectives intended for the program, and the problems or needs which the program is intended to address, including an analysis of the performance expected to be achieved, based on the bill or resolution as reported.

(4) A comparison of the amount of new budget authority which was authorized for the program in each of the previous four fiscal years and the amount of new budget authority provided in each such year.

(b) It shall not be in order in either the Senate or the House of Representatives to consider a bill or resolution, or amendment thereto, which authorizes the enactment of new budget authority for a program for which there previously has been no such authorization unless the report accompanying such bill or resolution sets forth, to the extent that the committee or committees having jurisdiction deem appropriate, the information specified in subsection (a) (2) and (3).

(c) Each committee having legislative jurisdiction over a program included in section 103 shall conduct a review of such program of the type described in subsection (a) at least once during each sunset reauthorization cycle, during the Congress in which the reauthorization date applicable to such program occurs, and shall submit to the Senate or the House of Representatives, as the case may be, a report containing its recommendations and other information of the type described in subsection (a) to the extent that the committee deems appropriate. It shall not be in order to consider a bill or resolution reported by the committee having legislative jurisdiction which authorizes the enactment of new budget authority for such program unless such report accompanies such bill or resolution, or has been submitted during the Congress in which the reauthorization date for such program occurred as provided in section 101(b), whichever first occurs.

SEC. 103. (a) Section 101(c) shall not apply to the following:

(1) Programs included within functional category 900 (Interest).

(2) Any Federal programs or activities to enforce civil rights guaranteed by the Constitution of the United States or to enforce antidiscrimination laws of the United States, including but not limited to the investigation of violations of civil rights, civil or criminal litigation or the implementation or enforcement of judgments resulting from such litigation, and administrative activities in support of the foregoing.

(3) Programs which are related to the administration of the Federal judiciary and which are classified in the fiscal year 1979 budget under subfunctional category 752 (Federal litigative and judicial activities).

(4) Payments of refunds of internal revenue collections as provided in title I of the Supplemental Treasury and Post Office Departments Appropriation Act of 1949 (62 Stat. 561), but not to include refunds to persons in excess of their tax payments.

(5) Programs included in the fiscal year 1979 budget in subfunctional categories 701 (Income security for veterans), 702 (Veterans education, training, and rehabilitation), 704 (Veterans housing), and programs for providing health care which are included in such budget in subfunctional category 703 (Hospital and Medical care for veterans).

(6) Social Security and Federal employee retirement programs including the following:

(A) Programs funded through trust funds which are included with subfunctional categories 551 (Health care services), 601 (General retirement and disability insurance), or 602 (Federal employee retirement and disability).

(B) Retirement pay and retired pay of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the Reserve components thereof, retainer pay for personnel of the Inactive Fleet Reserve; and payments under section 4 of Public Law 92-425 and chapter 73 of title 10, United States Code (survivor's benefits), classified in the fiscal year 1979 budget in subfunctional category 051 (Department of Defense-military).

(C) Retirement pay and medical benefits for retired commissioned officers of the Coast Guard, the Public Health Service Commissioned Corps, and the National Oceanic and Atmospheric Commissioned Corps and their

survivors and dependents, classified in the fiscal year 1979 budget in subfunctional category 551 (health care services) or in subfunctional category 306 (other natural resources).

(D) Retired pay of military personnel of the Coast Guard and Coast Guard Reserve, members of the former Lighthouse Service, and for annuities payable to beneficiaries of retired military personnel under the retired serviceman's family protection plan (10 U.S.C. 1431–1446) and survivor benefit plan (10 U.S.C. 1447–1455), classified in the fiscal year 1979 budget in subfunctional category 403 (Water transportation).

(E) Payments to the Central Intelligence Agency Retirement and Disability Fund, classified in the fiscal year 1979 budget in subfunctional category 054 (Defense-related activities).

(F) Payments to the Civil Service Retirement and Disability Fund for financing unfunded liabilities, classified in the fiscal year 1979 budget in subfunctional category 805 (Central personnel management).

(G) Payments to the Foreign Service Retirement and Disability Fund, classified in the fiscal year 1979 budget in subfunctional category 153 (Conduct of foreign affairs).

(H) Payments to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, classified in the fiscal year 1979 budget in various subfunctional categories.

(I) Administration of the retirement and disability programs set forth in this section.

(b) If a question is raised in the Senate with respect to the application of any paragraph of subsection (a) to any bill, resolution, or amendment, or to any provision of law, the Presiding Officer shall submit the question to the Senate for decision.

SEC. 104. (a) It is the sense of the Congress that all programs should be considered and reauthorized in program categories which constitute major areas of legislative policy. Such authorizations should be for sufficient periods of time to enhance oversight and the review and evaluation of Government programs.

(b) The reauthorization schedule contained in section 101(b) may be changed by concurrent resolution of the two Houses of the Congress (except that changes in the schedule affecting permanent appropriations may be made only by law).

(c) All messages, petitions, memorials, concurrent resolutions, and bills proposing changes in section 101(b) and all bills proposing changes in section 103(a), shall be referred first to the committee with legislative jurisdiction over any program affected by the proposal and sequentially to the Committee on Rules in the House of Representatives or to the Committee on Rules and Administration in the Senate as provided for in subsection (d).

(d) Except as provided in subsection (f), the Committee on Rules in the House of Representatives or the Committee on Rules and Administration in the Senate shall report any concurrent resolution or bill referred to it under the provisions of subsection (c) and which previously has been reported favorably by a committee of legislative jurisdiction within thirty days (not counting any day on which the Senate or the House of Representatives is not in session), beginning with the day following the day on which such resolution or bill is so referred, with its recommendations.

(e) The recommendations of the Committee on Rules or the Committee on Rules and Administration pursuant to subsection (d) or (f) shall include a statement on each of the following matters:

(1) The effort the proposed change would have on the sunset reauthorization schedule.

(2) The effect the proposed change would have on the jurisdictional and reauthorization responsibilities and workloads of the authorizing committees of Congress.

(3) Any suggested grouping of similar programs which would further the goals of this Act to make more effective comparisons between programs having like objective.

(f) Any concurrent resolution or bill proposing a change in section 101(b) or 103(a) which has been reported by a committee before July 1, 1980, shall be referred in the House to the Committee on Rules and in the Senate to the Committee on Rules and Administration. Such committee shall report an omnibus concurrent resolution or bill containing its recommendations regarding the proposed changes by August 1, 1980, and consideration of such bill or resolution shall be highly privileged in the House of Representatives and privileged in the Senate. The provisions of subsections (c) and (d) of section 1017 of the Impoundment Control Act of 1974, insofar as they relate to consideration of rescission bills, shall apply to the consideration of concurrent resolutions and bills proposing changes reported pursuant to this subsection, amendments thereto, motions and appeals with respect thereto, and conference reports thereon.

(g) It shall not be in order in the Senate or the House of Representatives to consider a bill or resolution reported pursuant to subsection (b), (c), (d), or (f) which proposes a reauthorization date for a program beyond the final reauthorization date of the sunset reauthorization cycle then in progress. Notwithstanding, the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of considering an amendment which meets the requirements of this subsection.

TITLE II—PROGRAM INVENTORY

SEC. 201. (a) The Comptroller General and the Director of the Congressional Budget Office, in cooperation with the Director of the Congressional Research Service, shall prepare an inventory of Federal programs (hereafter in this title referred to as the 'program inventory').

(b) The purpose of the program inventory is to advise and assist the Congress in carrying out the requirements of titles I and III. Such inventory shall not in any way bind the committees of the Senate or the House of Representatives with respect to their responsibilities under such titles and shall not infringe on the legislative and oversight responsibilities of such committees. The Comptroller General shall compile and maintain the inventory, and the Director of the Congressional Budget Office shall provide budgetary information for inclusion in the inventory.

(c) Not later than January 1, 1980, the Comptroller General, after consultation with the Director of the Congressional Budget Office and the Director of the Congressional Research Service, shall submit the program inventory to the Senate and House of Representatives.

(d) In the report submitted under this section, the Comptroller General, after consultation and in cooperation with and consideration of the views and recommendations of the Director of the Congressional Budget Office, shall group programs into program areas appropriate for the exercise of the review and re-examination requirements of this Act. Such groupings shall identify program areas in a manner which classifies each program in only one functional and only one subfunctional category and which is consistent with the structure of national needs, agency missions, and basic programs developed pursuant to section 201(1) of the Budget and Accounting Act, 1921.

(e) The program inventory shall set forth for each program each of the following matters:

(1) The specific provision(s) of law authorizing the program.

(2) The committees of the Senate and the House of Representatives which have legislative or oversight jurisdiction over the program.

(3) A brief statement of the purpose or purposes to be achieved by the program.

(4) The committees which have jurisdiction over legislation providing new budget authority for the program, including the appropriate subcommittees of the Committees on Appropriations of the Senate and the House of Representatives.

(5) The agency and, if applicable, the subdivision thereof responsible for administering the program.

(6) The grants-in-aid, if any, provided by such program to State and local governments.

(7) The next reauthorization date for the program.

(8) A unique identification number which links the program and functional category structure.

(9) The year in which the program was originally established and, where applicable, the year in which the program expires.

(10) Where applicable, the year in which new budget authority for the program was last authorized and the year in which current authorizations of new budget authority expire.

(f) The inventory shall contain a separate tabular listing of programs which are not required to be reauthorized pursuant to section 101(c).

(g) The report also shall set forth for each program whether the new budget authority provided for such programs is—

(1) authorized for a definite period of time;

(2) authorized in a specific dollar amount but without limit of time;

(3) authorize without limit of time or dollar amounts;

(4) not specifically authorized; or

(5) permanently provided,

as determined by the Director of the Congressional Budget Office.

(h) For each program or group of programs, the program inventory also shall include information prepared by the Director of the Congressional Budget Office indicating each of the following matters:

(1) The amounts of new budget authority authorized and provided for the program for each of the preceding four fiscal years and, where applicable, the four succeeding fiscal years.

(2) The functional and subfunctional category in which the program is presently classified and was classified under the fiscal year 1979 budget.

(3) The identification code and title of the appropriation account in which budget authority is provided for the program.

SEC. 202. The General Accounting Office, the Congressional Research Service, and the Congressional Budget Office shall permit the mutual exchange of available information in their possession which would aid in the compilation of the program inventory.

SEC. 203. The Office of Management and Budget, and the Executive agencies and the subdivisions thereof shall, to the extent necessary and possible, provide the General Accounting Office with assistance requested by the Comptroller General in the compilation of the program inventory.

SEC. 204. Each committee of the Senate and the House of Representatives, the Congressional Budget Office, and the Congressional Research Service shall review the program inventory as submitted under section 201 and not later than March 1, 1980, each shall advise the Comptroller General of any revisions in the composition or identification of programs and groups of programs which it recommends. After full consideration of the reports of all such committees and officials, the Comptroller General in consultation with the committees of the Senate and the House of Representatives shall report, not later than May 1, 1980, a revised program inventory to the Senate and the House of Representatives.

SEC. 205. (a) The Comptroller General, after the close of each session of the Congress, shall revise the program inventory and report the revisions to the Senate and the House of Representatives.

(b) After the close of each session of the Congress, the Director of the Congressional Budget Office shall prepare a report, for inclusion in the revised inventory, with respect to each program included in the program inventory and each program established by law during such session, which includes the amount of the new budget authority authorized and the amount of new budget authority provided for the current fiscal year and each of the five succeeding fiscal years. If new budget authority is not authorized or provided or is authorized or provided for an indefinite amount for any of such five succeeding fiscal years with respect to any program, the Director shall make projections of the amounts of such new budget authority necessary to be authorized or provided for any such fiscal year to maintain a current level of services.

(c) Not later than one year after the first or any subsequent reauthorization date, the Director of the Congressional Budget Office, in consultation with the Comptroller General and the Director of the Congressional Research Service, shall compile a list of the provisions of law related to all programs subject to such reauthorization date for which new budget authority was not authorized. The Director of the Congressional Budget Office shall include such a list in the report required by subsection (b). The committees with legislative jurisdiction over the affected programs shall study the affected provisions and make any recommendations they deem to be appropriate with regard to such provisions to the Senate and the House of Representatives.

SEC. 206. The Comptroller General and the Director of the Congressional Budget Office shall include in their respective reports to the Congress pursuant to sections 202(f) and 702(e) of the Congressional Budget Act of 1974 an assessment of the adequacy of the functional and subfunctional categories contained in section 101(b) for grouping programs of like missions or objectives.

SEC. 207. (a) The Director of the Congressional Budget Office shall tabulate and issue an annual report on the progress of congressional action on bills and resolutions reported by a committee of either House or passed by either House which authorize the enactment of new budget authority for programs.

(b) The report shall include an up-to-date tabulation for the fiscal year begining October 1 and the succeeding four fiscal years of the amounts of budget authority (1) authorized by law or proposed to be authorized in any bill or resolution reported by any committee of the Senate or the House of Representatives, or (2) if budget authority is not authorized or proposed to be authorized for any of the five fiscal years, the amounts necessary to maintain a current level of services for programs in the inventory.

(c) The Director of the Congressional Budget Office shall issue periodic reports on the programs and the provisions of laws which are scheduled for reauthorization in each Congress pursuant to the reauthorization schedule in section 101(b). In these reports, the Director shall identify each provision of law which authorizes the enactment of new budget authority for programs scheduled for reauthorization and the title of the appropriation bill, or part thereof, which would provide new budget authority pursuant to each authorization.

TITLE III—PROGRAM REEXAMINATION

SEC. 301. (a) Each committee of the Senate and the House of Representatives periodically shall provide through the procedure established in section 302, for the conduct of a comprehensive reexamination of selected programs or groups of programs over which it has jurisdiction.

(b) In selecting programs and groups of programs for reexamination, each committee shall consider each of the following matters:

(1) The extent to which substantial time has passed since the program or group of programs has been in effect.

(2) The extent to which a program or group of programs appears to require significant change.

(3) The resources of the committee with a view toward undertaking reexaminations across a broad range of programs.

(4) The desirability of examining related programs concurrently.

SEC. 302. (a)(1) The funding resolution first reported by each committee of the Senate in 1981, and thereafter for the first session of each Congress, shall include a section setting for the committee's plan for reexamination of programs under this title. Such plan shall include each of the following matters:

(A) The programs to be reexamined and the reasons for their selection.

(B) The scheduled completion date for each program reexamination: *Provided*, That such date shall not be later than the end of the Congress preceding the Congress in which the reauthorization date applicable to a program occurs as provided in section 101 (b), unless the committee explains in a statement in the report accompanying its proposed funding resolution the reasons for a later completion date, except that reports on programs scheduled for reauthorization during the 97th Congress and selected for reexamination in a committee's plan adopted in 1981 may be submitted at any time until February 15, 1982.

(C) The estimated cost for each reexamination.

(2) The report accompanying the funding resolution reported by each committee in 1981 and thereafter for the first session of each Congress, shall with respect to each reexamination include in its plan both the following matters:

(A) A description of the components of the reexamination.

(B) A statement of whether the reexamination is to be conducted (i) by the committee, or (ii) at the request and under the direction of or under contract with, the committee, as the case may be, by one or more instrumentalities of the legislative branch, one or more instrumentalities of the executive branch, or one or more nongovernmental organizations, or (iii) by a combination of the foregoing.

(3) It shall not be in order to consider a funding resolution reported by a committee of the Senate in 1981, and thereafter for the first session of a Congress unless—

(A) such resolution includes a section containing the information described in paragraph (1) and the report accompanying such resolution contains the information described in paragraph (2); and

(B) the report required by subsection (c) with respect to each program reexamination scheduled for completion during the preceding Congress by such committee has been submitted for printing.

(4) It shall not be in order to consider an amendment to the section of a funding resolution described in paragraph (1) reported by a committee for a year—

(A) if such amendment would require reexamination of a program which has been reexamined by such committee under this section during any of the five preceding years;

(B) if such amendment would cause such section not to contain the information described in paragraph (1) with respect to each program to be reexamined by such committee; or

(C) if notice in writing of intention to propose such amendment has not been given to such committee and the committee on Rules and Administration in the Senate not later than January 20 of the calendar year in which such year begins or the first day of the session of the Congress in which such year begins, whichever is later. The notice required by this subparagraph shall include the substance of the amendment intended to be proposed and, if such amendment would add one or more programs to be reexamined, shall include the information described in paragraphs (1) and (2) with respect to each such program. This subparagraph shall not apply to amendments proposed by such committee or by the Committee on Rules and Administration, as the case may be.

(b) In order to achieve coordination of program reexamination each committee shall, in preparing each reexamination plan required by subsection (a), consult with appropriate committees of the Senate or appropriate committees of the House of Representatives, as the case may be, and shall inform itself of related activities of and support or assistance that may be provided by (1) the General Accounting Office, the Congressional Budget Office, the Congressional Research Service, and the Office of Technology Assessment, and (2) appropriate instrumentalities in the executive and judicial branches.

(c) Each committee shall prepare and have printed a report with respect to each reexamination completed under this title. Each such report shall be delivered to the Secretary of the Senate not later than the date specified in the resolution and printed as a Senate document. To the extent permitted by law or regulation, such number of additional copies as the committee may order shall be printed for the use of the committee. If two or more committees have legislative jurisdiction over the same program or portions of the same program, such committees may reexamine such program jointly and submit a joint report with respect to such reexamination.

(d) The report pursuant to subsection (c) shall set forth the findings, recommendations, and justifications with respect to the program, and shall include to the extent the committee deems appropriate, each of the following matters:

(1) An identification of the objectives intended for the program and the problem it was intended to address.

(2) An identification of any trends, developments, and emerging conditions which are likely to affect the future nature and extent of the problems or needs which the program is intended to address and an assessment of the potential primary and secondary effects of the proposed program.

(3) An identification of any other program having potentially conflicting or duplicative objectives.

(4) A statement of the number and types of beneficiaries or persons served by the program.

(5) An assessment of the effectiveness of the program and the degrees to which the original objectives of the program or group of programs have been achieved.

(6) An assessment of the cost effectiveness of the program, including where appropriate, a cost-benefit analysis of the operation of the program.

(7) An assessment of the relative merits of alternative methods which could be considered to achieve the purposes of the program.

(8) Information on the regulatory, privacy, and paperwork impacts of the program.

(e) A report submitted pursuant to this section shall be deemed to satisfy the reauthorization review requirements of title I.

SEC. 303. (a) Each department or agency of the executive branch which is responsible for the administration of a program selected for reexamination pursuant to this title, shall, not later than six months before the completion date specified for reexamination reports pursuant to section 302(a)(1)(B), submit to the Office of Management and Budget and to the appropriate commit-

tee(s) of the Senate and the House of Representatives a report of its findings, recommendations, and justifications with respect to each of the matters set forth in section 302(d), and the Office of Management and Budget shall submit to such committee(s) such comments as it deems appropriate.

(b) With respect to programs selected for review pursuant to a plan adopted by a committee in 1981, the respective committees and department or agency may provide for a more appropriate time for submission of the report required by this section.

SEC. 304. For the purposes of this title:

(1) The term "funding resolution" means, with respect to each committee of the Senate, the first authorization resolution reported by such committee for a year under section 133(g) of the Legislative Reorganization Act of 1946, or any action taken in lieu of such funding resolution, which in any event shall occur not later than May 15.

(2) An amendment to a funding resolution includes a resolution of the Senate which amends such funding resolution.

TITLE IV—CITIZENS' COMMISSION ON THE ORGANIZATION AND OPERATION OF GOVERNMENT

SEC. 401. There is authorized to be established, as an independent instrumentality of the United States, the Citizens' Commission on the Organization and Operation of Government (hereinafter in this title referred to as the "Commission").

SEC. 402. It is hereby declared to be the policy of the Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, agencies, independent instrumentalities, and other authorities of the executive branch of the Government.

SEC. 403. (a) The Commission shall conduct a nonpartisan study and investigation of the organization and methods of operation of all departments, agencies, independent instrumentalities, and authorities of the executive branch of the Government in the following major policy areas:

(1) International affairs and defense.
Functions:
050—National defense.
150—International affairs.
(2) Resources and technology.
Functions:
250—General science, space, and technology.
270—Energy.
300—Natural resources and environment.
(3) Economic development.
Functions:
350—Agriculture.
370—Commerce and housing credit.
400—Transportation.
450—Community and regional development.
(4) Human resources.
Functions:
500—Education, training, employment, and social services.
550—Health.
600—Income security.
700—Veterans benefits and services.
(5) General Government.
Functions:
750—Administration of justice.
800—General Government.
850—General purpose fiscal assistance.
900—Interest.

The Commission shall make such recommendation as it determines necessary to—

(1) increase the effectiveness of Government services, programs, and activities by changing the structure and execution of administrative responsibilities;

(2) improve delivery of services through elimination of needless duplication or overlap, consolidation of similar services, programs, activities, and functions, and termination of such services, programs, and activities which have outlived their intended purpose;

(3) maintain expenditures at levels consistent with the efficient performance of essential services, programs, activities, and functions;

(4) simplify and eliminate overlaps in agency regulatory functions by review of the laws, regulations, and administrative reports and procedures; and

(5) determine the appropriate responsibilities of each level of government, the manner and alternative means for each level of government to finance such responsibilities, the forms and extent of intergovernmental aid and assistance, and the organization required for proper balance and division of respective Federal, State, and local government roles, responsibilities, and authorities.

(b) The Commission shall submit to the President, the Committee on Governmental Affairs of the Senate, and the Committee on Government operations of the House of Representatives such interim reports as it deems advisable, and, not later than four years after the appointment and qualification of a majority of the Commission Members, a final report setting forth the Commission's findings and recommendations. The final report of the Commission shall include the comments of the appropriate congressional committees.

(c) At least once every year for two years after the submission of the final report, the Comptroller General shall report to the Congress on the status of actions taken on the Commission's final report.

SEC. 404. (a) The Commission shall be composed of fifteen members appointed from among individuals with extensive experience in or knowledge of United States Government as follows:

(1) Five members appointed by the President by and with the advice and consent of the Senate.

(2) Five members appointed by the President pro tempore of the Senate, three upon recommendation of the majority leader and two upon recommendation of the minority leader of the Senate.

(3) Five members appointed by the Speaker of the House of Representatives, three upon recommendation of the majority leader and two upon recommendation of the minority leader of the House.

(b)(1) Two members appointed under subsection (a)(1) shall be appointed to serve as Chairman and Vice Chairman (as provided in paragraph (2) of this subsection) and shall not engage in any other business, vocation, or employment. Such two members shall not be of the same political affiliation.

(2) The member described in paragraph (1) who is, when appointed, not of the same political affiliation as the President shall serve as Chairman of the Commission and the other such member shall serve as vice Chairman of the Commission.

(c) Of the members appointed and qualified under subsection (a)(1) other than the members to whom subsection (b) applies, not more than two shall be of the same political affiliation.

(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(e) Eight members of the Commission shall constitute a quorum, but the Commission may establish a lesser number to constitute a quorum for the purpose of holding hearings.

SEC. 405. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable.

(b)(1) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or such member. Any member of the Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances to witnesses summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney may proceed by information for the prosecution of such person for such offense.

(c) The Commission is authorized to secure directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government, available information which the Commission deems useful in the discharge of its duties. All departments, agencies, independent instrumentalities, and other authorities of the executive branch of the Government shall cooperate with the Commission and furnish all information requested by the Commission in accordance with existing law.

SEC. 406. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission shall have the power—

(1) to appoint and fix the compensation of an Executive Director and such additional staff personnel as it deems necessary in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, and—

(A) in the case of the Executive Director, at a rate equal to that of level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of not more than three additional staff members, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

SEC. 407. (a) The Chairman of the Commission shall receive compensation at a rate equal to the rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the Vice Chairman shall receive compensation at a rate equal to the rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) All other members of the Commission who are not officers or employees of the Federal Government shall receive compensation at the rate of $200 for each day such member is engaged in the performance of the duties vested in the Commission.

(c) Members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of the Commission.

SEC. 408. The Commission shall cease to exist ninety days after the submission of its final report.

SEC. 409. There is authorized to be appropriated until September 30, 1984, without fiscal year limitations, the sum of $4,000,000 to carry out the provisions of this title.

SEC. 410. The Commission shall be subject to the Federal Advisory Committee Act.

TITLE V—REGULATORY IMPACT

SEC. 501. (a) The Congress finds that the Government regulation can at times be more of a burden than a benefit to American consumers, American businesses, and to the American economy as a whole.

(1) Regulatory policies often have contributed to inflation through approval of regulations not commensurate with the public interest, frequently without due consideration of the relative costs and benefits involved in such decisions, without due consideration of the competitive impact of such decisions, or without adequate provision for public participation in such decisions.

(2) Some regulatory policies harm both industry and consumers by denying businesses the chance to compete and by depriving consumers of the lower prices and diversity of services that greater competition can present.

(3) Too often, regulatory agencies have neglected critical economic issues, and failed to set clear priorities, articulate cogent policies, or to integrate planning into operational functions. As a result, certain agencies have fostered a pattern of red tape, stagnation, and waste, which has led to public frustration and confusion.

(4) Frequent use of inefficient after-the-fact case-by-case adjudication, rather than general rulemaking, by most regulatory agencies has burdened business with excessive paperwork and unreasonable delays, impaired the ability of many industries to adopt to changing market conditions and beneficial new technology, and contributed to price rises, inefficiencies, and misallocations of resources.

(5) By consistently failing to take consumer and business interests adequately into account and by arbitrarily limiting the operation of the free enterprise system, regulatory agencies too often have poorly served the public interest in disregard of their congressional mandates.

(b)(1) It is the purpose of this title to require over a period of ten years the President to submit once in each Congress and to encourage the Congress to act upon, a plan designed to prevent unnecessary or harmful regulation which has led to inflationary consumer prices, a reduction of competition in the providing of important goods and services, and other economic inefficiencies that disrupt the operation of a free enterprise system without correspondingly benefiting the health, safety, or economic welfare of the Nation.

(2) It is the further purpose of this title to require that regulation by the Federal Government be systematically and comprehensively reviewed and modified so as to assure that such regulation, where it is necessary, is aimed at and structured to achieve substantial benefits to the Nation exceeding the costs thereof, and toward this end, that each regulatory agency perform its mandated responsibilities in the most effective and least dilatory and costly manner so as to maximize the intended benefits to the Nation.

AGENCY REFORM PLANS

SEC. 502. (a) Not later than the first day of February in the first session of the Ninety-seventh Congress, the Ninety-eighth Congress, the Ninety-ninth Congress, the One-hundredth Congress, and the One-hundred and first Congress, the President shall submit an analysis containing the information required to be included under subsection (b) and the President shall submit a legislative plan containing the information called for in subsection (c) as follows:

(1) By April 1, 1981, a plan with respect to regulation of securities, trade practices, banking and finance, and communications matters by the following agencies:
(A) Securities and Exchange Commission.
(B) Federal Trade Commission.
(C) Office of Comptroller of the Currency.
(D) Federal Deposit Insurance Corporation.
(E) Federal Communications Commission.

(2) By April 1, 1983, a plan with respect to regulation of surface transportation and safety matters by the following agencies:
(A) National Highway Traffic Safety Administration.
(B) Interstate Commerce Commission.

(3) By April 1, 1985, a plan with respect to regulation or environmental, occupational, and food and health safety matters by the following agencies:
(A) Food and Drug Administration.
(B) Consumer Product Safety Commission.
(C) Environmental Protection Agency.
(D) Occupational Safety and Health Administration.

(4) By April 1, 1987, a plan with respect to regulation of air transportation matters by the following agencies:
(A) Civil Aeronautics Board.
(B) Federal Aviation Administration.

(5) By April 1, 1989, a plan with respect to regulation of energy and maritime transportation by the following agencies:
(A) Federal Maritime Commission.
(B) Federal Energy Regulatory Administration.
(C) Nuclear Regulatory Commission.

(b) An analysis submitted by the President pursuant to subsection (a) shall contain the following information with respect to agencies or designated units thereof which are referenced in paragraphs (1) through (5) of subsection (a)—

(1) the purposes for which each agency was established;

(2) significant changes which have occurred in the areas regulated by each agency, the impact of such changes on the effectiveness of the agency, and the continued appropriateness of those original purposes;

(3) the net impact of the agency and the degree to which it has accomplished its purposes;

(4) the timeliness of agency decisionmaking;

(5) the cost-effectiveness and efficiency of the operations of each agency;

(6) the extent to which agency actions may contribute to inflation; and

(7) consideration of practical alternative approaches to achieving presently demonstrated regulatory needs.

(c) A legislative plan submitted by the President pursuant to subsection (a) shall include specific legislation following up on the analysis earlier submitted by the President with respect to agencies or designated units thereof which are referenced in paragraphs (1) through (5) of subsection (a), and may include—

(1) recommendations for the transfer, consolidation, modification, or elimination of agency functions;

(2) recommendations for organizational, structural, and procedural reforms;

(3) recommendations for the merger, modification, establishment, or abolition of agencies or their enabling legislation;

(4) recommendations for eliminating or phasing out outdated, overlapping, or conflicting agency rules and mandates;

(5) recommendations for alleviating agency delays;

(6) recommendations for increasing public participating in agency proceedings;

(7) recommendations for making agency regulation more cost-effective; and

(8) recommendations for increasing economic competition.

(d) The plans submitted by the President pursuant to subsections (a) and (c) shall be referred to the committee(s) of the House of Representatives and the Senate with legislative jurisdiction over the agencies affected by the plan(s).

(e) The "Reauthorization Review" required by section 102(a) shall include a new section (5) as follows:

(5) a comparison between the recommendation of the committee and the regulatory reform plan submitted pursuant to this title, and the basis for the committee recommendation, for the program or agency which would be reauthorized by the legislation which this report accompanies.

(f) Along with each plan submitted by the President pursuant to subsections (a) and (c), the President shall report on the cumulative impact on specific industry groupings of all Government regulatory activity reviewed to that date. The report shall include recommendations to ensure that the cumulative impact of Government regulation is in the Nation's best interests. Wherever practicable, in the formulation of each plan, the President shall give explicit consideration to the particular impact of Government regulatory activity on the following relevant industry groupings:

(1) transportation and agriculture industries;

(2) mining, heavy manufacturing, and public utilities industries;

(3) construction and light manufacturing industries; and

(4) communications, finance, insurance, real estate, trade, and service industries.

LEGISLATIVE AGENCY REVIEW

SEC. 503. (a) The Comptroller General of the United States and the Director of the Congressional Budget Office shall submit, contemporaneously with the submission of the analysis required under subsection 502 (b), a report assessing each of the agencies to be included in the plan submitted by the President with respect to the same criteria set forth in that subsection.

(b) The Comptroller General of the United States and the Director of the Congressional Budget Office shall submit to the Congress not later than June 1 of each year in which a plan is submitted by the President as provided in subsections 502 (a) and (c) of this title, a complete and thorough analysis of such plan.

TITLE VI—GOVERNMENT ACCOUNTABILITY

SEC. 601. (a) At the beginning of the ninety-seventh Congress and every two years thereafter the President shall submit to the Congress a report on the management of the executive branch (hereinafter called the Management Report). The Management Report shall be submitted as part of the budget on the same day as the budget is transmitted to the Congress under section 201 of the Budget and Accounting Act, 1921.

(b) It is the intent of Congress that the President shall be granted full discretion in the design of the Management Report provided that—

(1) Programs shall be—

(i) designated within each executive department and within each independent establishment, according to their relative effectiveness, as "excellent", "adequate", or "unsatisfactory", and

(ii) ranked as to their effectiveness relative to all other programs within each category in that executive department or within that independent establishment.

(2) The designation and ranking of programs as to relative effectiveness shall be determined by the degree to which each program's statutory objective is being met, which shall be based on—

(i) the clarity of the statutory design and objective upon which the program is based,

(ii) the overall design of the program as effectuated by the responsible executive department or independent establishment, and

(iii) the overall quality of the management of the program by the responsible executive department or independent establishment.

(c) The Management Report shall include the President's reasons for the program designations and rankings he has made.

(d) The Management Report shall include a list of those programs or areas the President recommends for administrative or congressional improvement during that Congress.

(e) The Management Report shall include the report of the Director of the Office of Management and Budget required under section 602 of this Act, including the President's recommendations and proposed actions pursuant to it.

SEC. 602. (a) The Director of the Office of Management and Budget (hereinafter called the Director) shall provide an evaluative report on Federal programs to the President which shall be forwarded to the Congress by the President with his Management Report.

(b) In his report the Director shall identify any programs that are contradictory to other Federal programs and recommend corrective legislation. The Director shall also recommend the termination or modification of any programs whose relative ineffectiveness no longer justifies continued Federal expenditures or only justifies a lower level of Federal expenditures.

SEC. 603. The President may from time to time submit to the Congress reports supplementary to the Management Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the purposes of this Act. The Director may, from time to time, submit to the President reports supplementary to the report required by section 602.

SEC. 604. (a) For the purposes of this title:

(1) The term "program" means an organized set of activities carried out pursuant to separate statutory authorization or for which Federal expenditures are specifically allocated by the Federal Government, and which can be evaluated in terms of relative effectiveness in pursuing a governmental goal, but shall not include national foreign intelligence activities.

(2) The term "executive department" shall have the meaning given it in section 101 of title 5, United States Code.

(3) The term "independent establishment" shall have the meaning given it in section 104 of title 5, United States Code, except that it includes the United States Postal Service and the Postal Rate Commission but does not include the General Accounting Office or the Independent Regulatory Agencies.

TITLE VII—MISCELLANEOUS

SEC. 701. Section 206 of the Budget and Accounting Act, 1921 (31 U.S.C. 15), is amended by inserting immediately before the period a comma and "or at the request of a committee of either House of Congress presented after the day on which the President transmits the budget to the Congress under section 201 of this Act for the fiscal year".

SEC. 702. Nothing in this Act shall require the public disclosure of matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order, or which are otherwise specifically protected by law. In addition nothing in this Act shall require any committee of the Senate to disclose publicly information the disclosure of which is governed by Senate Resolution 400, Ninety-fourth Congress, or any other rule of the Senate.

SEC. 703. (a) The provisions of this section and sections 101(a), 101(b), 101(c)(1), 101(c)(2), 101(c)(5), 102, 103(b), 104(a), 104(c), 104(d), 104(e), 104(f), 104(g), title III (except section 303) section 705, and section 706 of this Act are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) is any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) In the Senate, paragraphs (2) and (5) of section 101(c) shall also be treated as amendments to rule XVI of the Standing Rules of the Senate.

(c) Any provision of this Act which is enacted as an exercise of the rulemaking power of the Senate may be waived or suspended in the Senate by a majority vote of the Members voting.

SEC. 704. (a)(1) To assist in the review or reexamination of a program, the head of an agency which administers such program and the head of any other agency, when requested, shall provide to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program such studies, information, analyses, reports, and assistance as the committee may request.

(2) Not later than six months prior to the first reauthorization date specified for a program in section 101(b) the head of the agency which administers such program or the head of any other agency, when requested by a committee of the Senate or House of Representatives, shall conduct a review of those regulations currently promulgated and in use by that agency which the committee specifically has requested be reviewed and submit a report to the Senate or the House of Representatives as the case may be, setting forth the regulations that agency intends to retain, eliminate, or modify if the program is reauthorized and stating the basis for its decision.

(3) On or before October 1 of the year preceding the Congress in which occurs the reauthorization date for a program, the Comptroller General shall furnish to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program a listing of the prior audits and reviews of such program completed during the preceding six years.

(4) Consistent with the discharge of the duties and functions imposed by law on them or their respective Offices or Service, the Comptroller General, the Director of the Congressional Budget Office, the Director of the Office of Technology Assessment, and the Director of the Congressional Research Service shall furnish to each committee of the Senate and the House of Representatives such information, analyses, and reports as the committee may request to assist it in conducting reviews or evaluations of programs.

(b)(1) On or before October 1 of the year preceding the Congress in which occurs the reauthorization date for a program, the President, with the cooperation of the head of each appropriate agency, shall submit to the Congress a "Regulatory Duplication and Conflicts Report" for all such programs scheduled for reauthorization in the next Congress.

(2) Each such regulatory duplication and conflicts report shall—

(A) identify regulatory policies, including data collection requirements, of such programs or the agencies which administer them, which duplicate or conflict with each other or with rules or regulations or regulatory policies of other programs or agencies, and identify the provisions of law which authorize or require such duplicative or conflicting regulatory policies or the promulgation of such duplicative or conflicting rules or regulations;

(B) identify the regulatory policies, including data collection requirements, of such programs which are, or which tend to be, duplicative of or in conflict with rules or regulations or regulatory policies of State or local governments;

(C) contain recommendations which address the conflicts or duplications identified in subsections (A) and (B).

(3) The regulatory duplication and conflicts report submitted by the President pursuant to this subsection shall be referred to the committee(s) of the House of Representatives and the Senate with legislative jurisdiction over the programs affected by the reports.

SEC. 705. (a) For purposes of this section and title I, the term "required authorization waiver resolution" means only a resolution of the Senate or the House of Representatives—

(1) which is introduced by the chairman of a committee pursuant to subsection (b);

(2) which waives the provisions of subsection 101(c)(2) of this Act for the purpose of allowing consideration of a bill or resolution providing a new budget authority for a program for not more than one fiscal year in an amount which does not exceed the amount of new budget authority required to maintain the current level of services being provided during the fiscal year preceding the fiscal year for which new budget authority would be provided; and for purposes of this section, such current level of services shall be determined initially from the report submitted to the Congress pursuant to section 605 of the Congressional Budget Act of 1974 and shall be certified by the Director of the Congressional Budget Office; and

(3) the matter after the resolving clause of which is as follows: "That it is in order in the Senate (House of Representatives) to consider a bill (resolution) providing new budget authority for for the fiscal year in an amount not to exceed $." (with the first blank space being filled with identification of the program; the second blank space being filled with the fiscal year for which the new budget authority would be provided; and the third blank space being filled with the amount of new budget authority necessary to maintain the current level of services for such program for the fiscal year preceding the fiscal year for which such new budget authority would be provided).

(b) The chairman of the committee of the Senate or the House of Representatives having legislative jurisdiction over a program or programs shall introduce a required authorization waiver resolution for such program or programs not later than the fifth day (not counting any day on which the Senate or the House, as the case may be, is not in session) following the occurrence of either of the following:

(1) A bill authorizing the enactment of new budget authority for the same program or programs has been under consideration for not less than fifteen hours, including debate on the motion to consider the authorization bill, and no limitation of debate has been agreed to; or

(2) A bill authorizing the enactment of new budget authority for the same program or programs has been vetoed by the President and such veto has been sustained by either the Senate or the House of Representatives.

(c) A required authorization waiver resolution relating to a program introduced in, or received by, the Senate or the House of Representatives shall be referred to the appropriate committee of the Senate or the House of Representatives, as the case may be; except that any resolution introduced, received after September 1 of the second session of a Congress shall immediately be placed on the appropriate calendar. With respect to any resolution still pending before a committee on September 1, of the second session of a Congress, the committee shall be automatically discharged and the resolution placed on the appropriate calendar.

(d) The provisions of section 912 of title 5, United States Code, relating to the consideration of resolutions of disapproval of reorganization plans shall apply in the House of Representatives and the Senate to the consideration of required authorization waiver resolutions.

SEC. 706. The Committees on Governmental Affairs and on Rules and Administration of the Senate and the Committees on Government Operations and on Rules of the House of Representatives shall review the operation of the procedures established by this Act, and shall submit a report not later than December 31, 1986, and each five years thereafter, setting forth their findings and recommendations. Such reviews and reports may be conducted jointly.

SEC. 707. There are hereby authorized to be appropriated through fiscal year 1990 such sums as may be necessary to carry out the review requirements of titles I and III and the requirements for the compilation of the inventory of Federal programs as set forth in title II.

Mr. BIDEN. Mr. President, I am pleased to join today with Senator MUSKIE and others in reintroducing Sunset legislation and urging its prompt adoption by the Senate.

When adopted, it will provide Congress with an essential tool for reviewing the need for Federal programs; controlling the growth of Federal spending; alleviating the overkill of regulatory activity; and restraining the sprawling Federal bureaucracy. I know that is a lot to claim for one proposal. But I have been working on this idea for years—as has my friend and colleague from Maine—and I am convinced it can lead to more effective and responsible congressional control over our Government, without sacrificing a single essential Government service. In fact, it should enhance the provision of truly necessary Government services.

Simply stated, the bill would terminate most Federal spending programs automatically on a regular schedule. Then, after a careful review by the appropriate Senate committee, the Senate and the Congress would decide whether to continue the program—or modify it—or terminate it. The two parts go together—the possibility of termination forces a review—and the review assures that the decision to continue or not continue the program will be a rational one. It is really a very simple mechanism—like all good mechanisms. It is also good because it builds on the existing practice of reauthorization.

We need legislation of this kind because the American people know we are not doing our job of stemming the tide of Government growth in this country. They know we are not doing our best to provide effective programs to meet their needs, but are choosing the easy way of trying to overwhelm problems with a multitude of duplicative programs. This is clear from my constituent mail. I think the perennially low performance ratings that Congress gets shows this. So I have felt for a long time that Congress should act to control government before the electorate forces action upon us.

In considering this legislation it is important that the Senate dispense with further lengthy review and discussion. Sunset passed the Senate overwhelmingly last fall and it must do so again early this year. The ideas behind sunset are not new or difficult to understand. Both Senator MUSKIE and I introduced our original versions of sunset legislation in the 94th Congress. These proposals were studied by two Senate committees and a staff study group representing all committees. The Senate debated them at length before passing the legislation in 1978.

The history of sunset in the Senate is a long one. It is a history filled with careful study and lengthy hearings, but also, unfortunately, with delays which prevented its final passage in 1976 and again in 1978. I do not see how there can be further profitable study of this legislation. Rather, it is time for the Senate to pass it promptly so that the House of Representatives will have adequate time to consider and adopt it.

The sunset process is of particular importance right now because of the bleak outlook for Federal finances over the next few years. Congress is about to embark on the difficult course of bringing Federal spending under control; balancing the budget; and reducing the tax burden. It will not be easy. If we are to put our Government's financial affairs in order, it is essential that we use every available means to restrain Federal spending and eliminate waste and duplication. Four years of work on the sunset concept has convinced me that it is an essential tool. With the present rate of Federal spending we cannot get it too soon.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to be an original cosponsor of S. 10, a bill to protect the civil rights of institutionalized persons. In brief, the bill gives to the U.S. Attorney General the authority to institute civil action in an appropriate U.S. district court in instances where the constitutional and Federal statutory rights of institutionalized persons have been violated. I would like to thank the primary sponsors of this bill, the Senator from Indiana (Mr. BAYH) and the Senator from Utah (Mr. HATCH) for the work that they have done on this bill.

This legislation has the support of the National Association for Retarded Citizens, the Mental Health Association, the American Bar Association, and other legal organizations. The problems addressed with this legislation have nagged our society for years. I am hopeful this bill will extend the basic rights most of us take for granted to those who are now denied them.

In the past, the Attorney General has occasionally intervened to litigate on behalf of the mentally ill, the mentally retarded, juvenile delinquents, and the incarcerated in instances where abuse has occurred. Sometimes the Federal district courts have requested the help of the Attorney General. Recent court rulings have questioned the Attorney General's authority to become involved when civil rights of institutionalized persons have been violated. This bill would provide him with explicit authority, if all possible alternatives have been used.

I wish to make clear, however, that the Attorney General is not free to intervene until all State measures have been exhausted to resolve the problems. The Attorney General may not become involved until State grievance procedures have been used, and he must inform the State of the resources available to correct the substandard conditions.

The bill makes it very clear that the Attorney General may become involved only as a last resort, when State and local authorities have proven unable or unwilling to correct the injustices. Ideally, the Attorney General should never need to intervene.

However, experience has shown that many States have a poor record of protecting the institutionalized person. Oftentimes, it is a forgotten constituency, a neglected group of citizens which society finds easy to overlook. In addition, some States' attorneys general are bound by law to defend the agencies responsible for the unconstitutional conditions. It is simple to understand how conflicts of interest can occur.

Mr. President, this legislation is not radical, but it seeks to protect persons in our society who traditionally have been the most helpless, the most dependent, and therefore the most vulnerable. The institutionalized oftentimes do not know their rights, have no access to legal aid, and may be punished if they attempt to complain of their treatment.

After careful review of this legislation, I feel that appropriate measures have been taken to insure that the Attorney General may not intervene until every attempt has been made to correct the problem at the State level. Certainly, I have no wish to increase Federal participation in State matters, but where there is evidence that constitutional rights have been violated under the current system, then there needs to be redress. I believe this bill, S. 10, offers that correction, and I urge my colleagues to join in support of this legislation .

By Mr. HELMS:

S. 3. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application

of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

Mr. HELMS. Mr. President, when, by the terms of article V, the legislatures of two-thirds of the States petition Congress to call a convention for proposing amendments, Congress is obligated to provide for such a convention. This procedure does not involve State "memorials" to Congress which give rise to no more than a moral obligation on the part of Congress and have no legal effect. The legislation which I am introducing implements article V by establishing procedures for a constitutional convention.

One of the most significant questions in this issue is whether once two-thirds of the States have acted, can Congress call a convention limited solely to the consideration of a single, specified amendment or can the convention, once brought into existence, revise the entire Constitution.

Of course, there is nothing to prevent State legislatures from submitting petitions calling for a general or so-called "wide-open" convention. In fact, several States have done so. But to transform every petition asking for a specific amendment into a call for a convention of general jurisdiction, constitutes a strained and simplistic interpretation of article V at odds with the drafting of article V and the constitutional powers of the States.

Article V is reduced to a dead letter and absurdity if Congress is forced to call a general convention to rewrite the entire Constitution after receiving, for example, calls from 12 States seeking a balanced, 10 States limiting taxes and 12 more States seeking to limit Presidential tenure. The fact that Congress has received over 350 different convention calls and has not yet acted to call a general convention, suggests that a specific convention call mandates a limited convention.

In 1971, the Senate Judiciary Committee reported that it was the responsibility of Congress "to enact legislation which makes article V meaningful" and not to make the constitutional convention "a dead letter."

In 1973, a special study committee of the American Bar Association concluded that it is important and proper for Congress to establish procedures for implementation of an article V convention and "improper to place unnecessary and unintended obstacles in the way of its use." I believe that distorting the intention of the framers of the Constitution to require that any convention called under article V must be a general convention is just such an unnecessary obstacle.

As James Madison explained in Federalist No. 43, article V "guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the State governments to originate the amendment of errors as they may be pointed out by experience." The Founding Fathers clearly intended the convention method to be a workable, although not easy, method of balancing inaction in Congress.

During the last Congress I introduced S. 1880, the Federal Constitutional Convention Procedures Act. This legislation, with the exception of several technical changes, is identical to that introduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr., which passed the Senate in 1971 and 1973. It is identical to the legislation which I am introducing today.

Writing in the Michigan Law Review 10 years ago, Senator Ervin wisely stated: "the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the States to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the States to originate the amendment of errors pointed out by experience, as Madison expected them to do."

My legislation specifically provides that upon receipt of valid applications from two-thirds of the States requesting a convention on the same subject, Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment for which the convention is being called. My bill further provides that the convention may not propose amendments on other subjects, that the delegates to the convention must take an oath to that effect, and that if it does propose amendments in violation of the act, Congress may refuse to submit them to the States for ratification.

I believe that when a significant number of States call on Congress to propose a convention limited to a specific subject, that Congress will either limit the jurisdiction of such a convention or act favorably on the proposed amendment.

This legislation provides an evenhanded, nonpartisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes do not favor or assist any particular call for a constitutional convention. Support of this proposal should not be viewed as support or opposition to any presently proposed constitutional amendment or convention call.

Mr. President, perhaps the best analysis of the problems involved in proposing amendments through a constitutional convention was written by former Senator Ervin for the March, 1968, issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was recently reprinted in the spring, 1977, issue of the Human Life Review.

Mr. President, I ask unanimous consent that the following excerpts from former Senator Ervin's article and the text of the bill be printed at this point in the RECORD.

There being no objection the excerpts and bill were ordered to be printed in the RECORD, as follows:

S. 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 or section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or, if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after the receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4 of this Act, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and the Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that usbject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There are hereby authorized to be appropriated such sums as may be necessary for the payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the legislative branch and the judicial branch, except that no declaratory judgment may be required, shall provide such information and assistance as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of a majority of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND THE TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b)(1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such

other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

THE CONVENTION METHODS OF AMENDING THE CONSTITUTION

(By Sam J. Ervin, Jr.)

Article V of the Constitution of the United States [1] provides that constitutional amendments may be proposed in either of two ways—by two-thirds of both houses of the Congress or by a convention called by the Congress in response to the applications of two-thirds of the state legislatures. Although the framers of the Constitution evidently contemplated that the two methods of initiating amendments would operate as parallel procedures, neither superior to the other, this has not been the case historically. Each of the twenty-five constitutional amendments ratified to date was proposed by the Congress under the first alternative. As a result, although the mechanics and limitations of congressional power under the first alternative are generally understood, very little exists in the way of precedent or learning relating to the unused alternative method in article V. This became distressingly clear recently following the disclosure that thirty-two state legislatures had, in one form or another, petitioned the Congress to call a convention to propose a constitutional amendment permitting states to apportion their legislatures on the basis of some standard other than the Supreme Court's "one man-one vote" requirement. The scant information and considerable misinformation and even outright ignorance displayed on the subject of constitutional amendment, both within the Congress and outside of it—and particularly the dangerous precedents threatened by acceptance of some of the constitutional misconceptions put forth—prompted me to introduce in the Senate a legislative proposal designed to implement the convention amendment provision in article V . . .

III. QUESTIONS RAISED BY THE BILL

Before going to specific issues and matters of detail, it seems appropriate to discuss briefly two threshold problems posed by the bill: whether the Congress has the power to enact such legislation, and, if it does, what policy considerations should guide it in exercising such power.

I have no doubt that the Congress has the power to legislate about the process of amendment by convention. The Congress is made the agency for calling the convention, and it is hard to see why the Congress should have been involved in this alternative method of proposal at all unless it was expected to determine such questions as when sufficient appropriate applications had been received and to provide for the membership and procedures of the convention and for review and ratification of its proposals. Obviously the fifty state legislatures cannot themselves legislate on this subject. The constitutional convention cannot do so for it must first be brought into being. All that is left, therefore, is the Congress, which, in respect to this and other issues not specifically settled by the Constitution, has the residual power to legislate on matters that require uniform settlement. Add to this the weight of such decisions as *Coleman* v. *Miller*,[9] to the effect that questions arising in the amending process are nonjusticiable political questions exclusively in the congressional domain, and the conclusion seems inescapable that the Congress has plenary power to legislate on the subject by amendment by convention and to settle every point not actually settled by article V of the Constitution itself.

With respect to the second problem, within what general policy limitations that power should be exercised, I think the Congress should be extremely careful to close as few doors as possible. Any legislation on this subject will be what might be called "quasi-organic" legislation; in England it would be recognized as a constitutional statute. When dealing with such a measure, it is wise to bear in mind Marshall's well-worn aphorism that it is a Constitution we are expounding and not get involved in "an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must [be] seen dimly, and which can best be provided for as they occur." [10] This approach is reflected at several points in the bill, notably in its failure to try to anticipate and enumerate the various grounds on which Congress might justifiably rule a state petition invalid, and its failure to prescribe rigid rules of procedure for the convention. In addition, I think the Congress, in exercising its power under article V, should bear in mind that the Framers meant the convention method of amendment to be an attainable means of constitutional change. This legislation can be drawn so as to place as many hurdles as possible in the way of effective use of the process; or it can be drawn in a manner that will make such a process a possible, however improbable, method of amendment. The first alternative would be a flagrant disavowal of the clear language and intended function of article V. I have assumed that the Congress will wish to take the second road, and the bill is drawn with that principle in mind.

OPEN OR LIMITED CONVENTION?

Perhaps the most important issue raised by the bill is the question of the power of the Congress to limit the scope and authority of a convention convened under article V in accordance with the desires of the states as set forth in their applications. This was, as I have noted, one of the issues that most troubled me when I first heard of the efforts by the states to call a convention.

It has been argued that the subject matter of a convention convened under article V cannot be limited, since a constitutional convention is a premier assembly of the people, exercising all the power that the people themselves possess, and therefore supreme to all other governmental branches or agencies. Certainly, according to this argument, the states may not themselves, in their applications, dictate limitations on the convention's deliberations. They may not require the Congress to submit to the convention a given text of an amendment, nor even a single subject or idea. For the convention must be free to "propose" amendments, which suggests the freedom to canvass matters afresh and to weigh all posibilities and alternatives rather than ratify a single text or idea. The states may in their applications specify the amendment or amendments they would hope the convention would propose. But once the Congress calls the convention, those specifications would not control its deliberations. The convention could not be restricted to the consideration of certain topics and forbidden to consider certain other topics, nor could it be forbidden to write a new constitution if it should choose to do so.

I will concede that such an interpretation can be wrenched from article V—but only through a mechanical and literal reading of the words of the article, totally removed from the context of their promulgation and history. My reading of the debates on article V at the Philadelphia Convention and the other historical materials bearing on the intended function of the amendment process [11] leads me to the opposite conclusion. As I understand the debates, the Founders were concerned, first, that they not place the new government in the same straightjacket that inhibited the Confederation, unable to change fundamental law without the consent of every state.

The amendment process, rather a novelty for the time, was therefore included in the Constitution itself. Second, the final form of article V was dictated by a major compromise between those delegates who would utilize the state legislatures as the sole means of initiating amendments and those who would lodge that power exclusively in the national legislature. The forces at the convention that sought to limit the power of originating amendments to the states were at first dominant. The original Virginia Plan, first approved by the convention, excluded the national legislature from participation in the amendment process. On reconsideration, the forces that would limit the power of origination of amendments to the national legislature became prevalent. The arguments on both sides were persuasive: the improprieties or excess of power in the national government would not likely be corrected except by state initiative, while improprieties by the state governments or deficiencies in national initiative. In the spirit that typified power would not likely be corrected except by the 1787 Convention, the result was acceptance of a Madison compromise proposal which read, as the final article was to read, in terms of alternative methods.

It is clear that neither of the two methods of amendment was expected by the Framers to be superior to the other or easier of accomplishment. There is certainly no indication that the national legislature was intended to promote individual amendments while the state legislatures were to be concerned with more extensive revisions. On the contrary, there is strong evidence that what the members of the convention were concerned with in both cases was the power to make specific amendments. They did not appear to anticipate a need for a general revision of the Constitution. And certainly this was understandable, in light of the difficulties that they had in finding the compromises to satisfy the divergent interests needed for ratification of their efforts.

Footnotes at end of article.

Provision in artcile V for two exceptions to the amendment power underlines the notion that the convention anticipated specific amendment or amendments rather than general revision. For it is doubtful that these exceptions could have been expected to control a later general revision.

This construction is supported by references to the amendment process in the *Federalist Papers*. In *Federalist No. 43*, James Madison explained the need and function of article V as follows:

That useful alterations will be suggested by experience, could not but be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the Convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the state governments to originate the amendment of errors as they may be pointed out by the experience on one side or on the other . . .

Apart from being inconsistent with the language and history of article V, the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the states to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the states to originate the amendment of errors pointed out by experience, as Madison expected them to do. Alternatively under that construction, applications for a limited convention deriving in some states from a dissatisfaction with the school desegregation cases, in other because of the school prayer cases, and in still others by reason of objection to the *Miranda* rule, could all be combined to make up the requisite two-thirds of the states needed to meet the requirements of article V. I find it hard to believe that this is the type of consensus that was thought to be appropriate to calling for a convention.

The bill provides that state petitions to the Congress which request the calling of a convention under article V shall state the nature of the amendment or amendments to be proposed by such convention. Upon receipt of valid applications from two-thirds or more of the states requesting a convention on the same subject or subjects, the Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment or amendments for the consideration of which the convention is being called. The convention may not propose amendments on other subjects and if it does, the Congress may refuse to submit them to the states for ratifications. . . .

MAY CONGRESS REFUSE TO CALL A CONVENTION?

Perhaps the next most important question raised by the bill is whether the Congress has any discretion to refuse to call a convention in the face of appropriate applications from a sufficient number of states.

Article V states that Congress "shall" call a convention upon the applications of the legislatures of two-thirds of the states. I have absolutely no doubt that the article is peremptory and that the duty is mandatory, leaving no discretion to the Congress to review the wisdom of the state applications. Certainly this is the more desirable construction, consonant with the intended arrangement of article V as described in the preceding section of this article. The founders included the convention alternative in the amending article to enable the states to initiate constitutional reform in the event the national legislature refused to do so. To conceded to the Congress any discretition to consider the wisdom and necessity of a particular convention call would in effect destroy the role of the states.

The comments of both Madison and Hamilton, subsequent to the 1787 Convention, sustain this construction. In a letter on the subject, Madison observed that the question concerning the calling of a convention "will not belong to the Federal Legislature. If two-thirds of the states apply for one, Congress cannot refuse to call it: if not, the other mode of amendments must be pursued." [12] Hamilton, in the *Federalist No. 85*, stated:

By the fifth article of the plan the congress will be *obliged*, "on the application of the legislatures of two-thirds of the states, (which at present amounts to nine) to call a convention for proposing amendments, which *shall be valid* to all intents and purposes, as part of the constitution, when ratified by the legislatures of three-fourths of the states, or by conventions in three-fourths thereof." The words of this article are peremptory. The Congress "*shall* call a convention." Nothing in this particular is left to the discretion. . . .

SUFFICIENCY OF STATE APPLICATIONS

Assuming the Congress may not weigh the wisdom and necessity of state applications requesting the calling of a constitutional convention, does it have the power to judge the validity of state applications and state legislative procedures adopting such applications? Clearly the Congress has some such power. The fact alone that Congress is made the agency for convening the convention upon the receipt of the requisite number of state applications suggests that it must exercise some power to judge the validity of those applications. The impotence or withdrawal of the courts underlines the necessity for lodging some such power in the Congress. The revelant question, then, concerns the extent of that power.

It has been contended that Congress must have broad powers to judge the validity of state applications and that such power must include the authority to look beyond the content of an application, and its formal compliance with article V, to the legislative procedures followed in adopting the application. The counterargument is that to grant Congress the power to reject applications particularly if that power is not carefully circumscribed would be to supply it with a means of avoiding altogether the obligation to call a convention. The result would be that the Congress could arbitrarily reject all applications on subjects it did not consider appropriate for amendment, leaving us in effect with only one amendment process. . . .

One further important point should be mentioned. Most of the states obviously do not now understand their role in designating subjects or problems for resolution by amendment, and many of them do not even know where to send their applications. By setting forth the formal requirements with respect to content of state applications and designating the congressional officers to whom hey must be transmitted, the bill furnishes guidance to the states on these questions and promises to avert in the future some of the problems that have arisen in the current effort to convene a convention. The bill also requires that all applications received by the Congress be printed in the *Congressional Record* and that copies be sent to all members of Congress and to the legislature of each of the other states. In this way, the element of congressional surprise can be eliminated, and each state can be given prompt and full opportunity to join in any call for a convention in which it concurs.

Footnotes at end of article.

THE ROLE OF STATE GOVERNORS

The argument has been made that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests on the claim that article V intended state participation in the process to involve the whole legislative process of the state as defined in the state constitution. I do not agree with that argument. We do not have here any question about the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of heeding the voice of the people of a state in expressing the possible need for a change in the fundamental document.

Closely analogous court decisions support this interpretation. The Supreme Court in *Hawks* v. *Smith, No. 1* [14] interpreted the term "legislatures" in the ratification clause of article V to mean the representative lawmaking bodies of the states, since ratification of a constitutional amendment "is not an act of legislation within the proper sense of the word." [15] Certainly the term "legislature" should have the same meaning in both the application clause and the ratification clause of article V. Further support is found in the decision in *Hollingsworth* v. *Virginia*,[16] in which the Court held that a constitutional amendment approved for proposal to the states by a two-thirds vote of Congress need not be submitted to the President for his signature or veto.

The bill therefore provides specifically that a state application need not be approved by the state's governor in order to be effective.

MAY A STATE RESCIND ITS APPLICATIONS?

The question of whether a state should be allowed to rescind an application previously forwarded to the Congress is another of the political questions to which the courts have not supplied answers and presumably cannot. The Supreme Court has held that questions concerning the rescission of prior ratifications or rejections of amendments proposed by the Congress are determined solely by Congress.[17] Presumably, then, the question of rescission of an application for a convention is also political and nonjusticiable. Although the Congress has previously taken the position that a state may not rescind it prior ratification of an amendment, it has taken no position concerning rescission of applications. My strong conviction is that rescission should be permitted. Since a two-thirds consensus among the states at some point in time is necessary in order for the Congress to call a convention, the Congress should consider whether there has been a change of mind among some states that have earlier applied. Moreover, an application is not a final action, since it serves merely to initiate a convention, and does not commit even the applicant state to any substantive amendment that might eventually be proposed.

The bill therefore provides that state may rescind at any time before its application is included among an accumulation of applications from two-thirds of the states, at which the obligation of the Congress to call a convention becomes fixed. Incidentally, the bill also provides that a state may rescind its prior ratification of an amendment proposed by the convention up until the time there are existing valid ratifications by three-fourths of the states, and that a state may change its mind and ratify a proposed amendment that it previously has rejected . . .

The Congress and the courts have agreed that constitutional amendments proposed by the Congress and submitted to the states for ratification can properly remain valid for ratification for a period of seven years. It has been felt that there should be a "reasonably contemporaneous" expression by

three-fourths of the states that an amendment is acceptable in order for the Congress to conclude that a consensus in favor of the amendment exists among the people, and that ratification within a seven-year period satisfies this requirement.[16] Presumably, the same principle should govern the application stage of the constitutional amendment process . . .

CALLING THE CONVENTION

The bill provides that the Secretary of the Senate and the Clerk of the House of Representatives shall keep a record of the number of state applications received, according to subject matter. Whenever two-thirds of the states have submitted applications on the same subject or subjects, the presiding officer of each house shall be notified and shall announce the same on the floor. Each house is left free to adopt its own rules for determining the validity of the applicants, presumably by reference to a committee followed by floor action. Once a determination has been made that there are valid applications from two-thirds or more of the state legislatures on the same subject or subjects, each house must agree to a concurrent resolution providing for the convening of a constitutional convention on such subject or subjects. The concurrent resolution would designate the place and time of meeting of the convention, set forth the nature of the amendment or amendments the convention is empowered to consider and propose, and provide for such other things as the provision of funds to pay the expenses of the convention and to compensate the delegates. The convention would be required to be convened not later than one year after adoption of the resolution.

. . . the bill has been amended to require that delegates be elected—not appointed—and that they be elected by the same constituency that elects the states' representatives in Congress. Under the amended bill, each state will be entitled to as many delegates as it is entitled to Senators and Representatives in Congress. Two delegates in each state will be elected at large and one delegate will be elected from each congressional district in the manner provided by state law. Vacancies in a state's delegation will be filled by appointment of the governor.

CONVENTION PROCEDURE AND VOTING

The bill provides that the Vice President of the United States shall convene the constitutional convention, administer the oath of office of the delegates and preside until a presiding officer is elected. The presiding officer will then preside over the election of other officers and thereafter. Further proceedings of the convention will be in accordance with rules adopted by the convention. A daily record of all convention proceedings, including the votes of delegates, shall be kept, and shall be transmitted to the Archivist of the United States within thirty days after the convention terminates. The convention must terminate its proceedings within one year of its opening unless the period is extended by the Congress by concurrent resolution.

Finally, the bill provides that amendments may be proposed by the convention by a vote of a majority of the total number of delegates to the convention. The alternative would be to impose a two-thirds voting requirement analogous to the requirement for congressional proposal of amendments. However, article V does not call for this, and I think that such a requirement would place an undue and unnecessary obstacle in the way of effective utilization of the convention amendment process.

RATIFICATION OF PROPOSED AMENDMENTS

The bill provides that any amendment proposed by the convention must be transmitted to the Congress within the thirty days after the convention terminates its proceedings. The Congress must then transmit the proposed amendment to the Administrator of General Services for submission to the states. However, the Congress may, by concurrent resolution, refuse to approve an amendment for submission to the states for ratification, on the grounds of procedural irregularities in the convention or failure of the amendment to conform to the limitations on subject matter imposed by the Congress in the concurrent resolution calling the convention. The intent is to provide a means of remedying a refusal by the convention to abide by the limitations on its authority to amend the Constitution. Of course, unlimited power in the Congress to refuse to submit proposed amendments for ratification would destroy the independence of the second alternative amending process. Therefore, the Congress is explicitly forbidden to refuse to submit a proposed amendment for ratification because of doubts about the merits of its substantive provisions. The power is reserved for use only with respect to amendments outside the scope of the convention's authority or in the case of serious procedural irregularities.

Ratification by the states must be by state legislative action or convention, as the Congress may direct, and within the time period specified by the Congress. The Congress retains the power to review the validity of ratification procedures. As noted earlier, any state may rescind its prior ratification of an amendment by the same processes by which it ratified it, except that no state may rescind after that amendment has been validly ratified by three-fourths of the states. When three-fourths of the states have ratified a proposed amendment, the Administrator of General Services shall issue a proclamation that the amendment is a part of the Constitution, effective from the date of the last necessary ratification.

IV. CONCLUSION

There is some evidence that the current effort to require the Congress to call a convention to propose a reapportionment amendment has failed and that the danger of a consitutional crisis has passed. The two additional applications needed to bring the total to thirty-four have not been received and there is a strong likelihood that some applicant states will rescind their applications. Even if this is the case, however, the need for legislation to implement article V remains. There may well be other attempts to utilize the convention amendment process and, in the absence of legislation, the same unanswered questions will return to plague us. The legislation therefore is still timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues objectively, uninfluenced by competing views on state apportionment or any other substantive issue.

Some have argued that the convention method of amendment is an anomaly in the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process. It should not, however, be undermined by erecting every possible barrier in the way of its effective use. Such a course would be a disavowal of the clear language and history of article V. The Constitution made the amendment process difficult, and properly so. It certainly was not the intention of the original Convention to make it impossible. Nor is it possible to conclude that the Founders intended that amendments originating in the states should have so much harder a time of it than those proposed by Congress. As I have pointed out, that issue was fought out in 1787 Convention and resolved in favor of two originating sources, both difficult of achievement, but neither impossible and neither more difficult than the other. My bill seeks to preserve the symmetry of article V by implementing the convention alternative so as to make it a practicable but not easy method of constitutional amendment.

FOOTNOTES

[1] The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate. *U.S. Const. Art. V.*

[9] 307 U.S. 433 (1939).

[10] *McCulloch v. Maryland*, 17 U.S. (4 Wheat.) 316, 407, 415 (1819).

[11] *E.g.*, LEGISLATIVE REFERENCE SERV., LIBRARY OF CONGRESS, THE CONSTITUTION OF THE UNITED STATES OF AMERICA; ANALYSIS AND INTERPRETATION, S. Doc. No. 39, 88th Cong., 1st Sess. 135–36 (1964); THE FEDERALIST Nos. 43 & 85 (J. Cooke ed. 1961); L. ORFIELD, AMENDING THE FEDERAL CONSTITUTION (1942); THE RECORDS OF THE FEDERAL CONVENTION OF 1787 (M. Farrand ed. 1937). The revelant excerpts from these and other sources are printed as an appendix to the *Hearings on the Federal Constitutional Convention Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary*, United States Senate, Oct. 30 and 31, 1967.

[13] U.S. BUREAU OF ROLLS AND LIBRARY, DOCUMENTARY HISTORY OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA V, 141, 143, *quoting* Madison's letter to Mr. Eve, dated Jan. 2, 1789.

[14] 253 U.S. 221 (1920).

[15] *Id.* at 229.

[16] 3 U.S. (3 Dall.) 378 (1798).

[17] *Coleman v. Miller*, 307 U.S. 433, 448–49 (1939).

[18] *Dillon v. Gloss*, 256 U.S. 368 (1921).

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. MCGOVERN, and Mr. JAVITS):

S. 4. A bill to provide assistance and coordination in the provision of child-care services for children living in homes with working parents and for other purposes; to the Committee on Human Resources.

CHILD CARE ACT OF 1979

Mr. CRANSTON. Mr. President, as chairman of the Subcommittee on Child and Human Development, I am pleased to introduce S. 4, the proposed Child Care Act of 1979. Joining me in cosponsorship are the chairman of the Human Resources Committee (Mr. WILLIAMS) who has provided steadfast support to the efforts of the Subcommittee on Child and Human Development on behalf of children, the ranking majority member of the subcommittee (Mr. RIEGLE), who has provided great support for the subcommittee's activities, and my colleague from South Dakota (Mr. MCGOVERN), whose concern for children is also well-known.

Mr. President, this bill is the culmination of more than 2 years of work in developing Federal legislation in this area. During the winter of last year, the subcommittee held a series of four hearings in California and Washington, D.C., to solicit the comments of parents, child-care providers, and other concerned with the welfare of children about the need for Federal legislation in the child-care area and how best to shape such legislation. Over 50 witnesses appeared and numerous others have forwarded written testimony to be included as part of the hearing record. Those testifying included representatives of the administration, State officials, child-care service providers, researchers, and representatives from such organizations as the Children's Defense Fund, the Child Welfare League, the Day Care and Child Development Council of America, the National Association for Child Development and Education, the League of Women Voters, the National Council of Jewish Women, the Coalition of Labor Union Women, the American Home Economics Association, the American Academy of Pediatrics, and the California Children's Lobby. The subcommittee heard witnesses from all over the United States—from Arizona, California, Colorado, Connecticut, Florida, Kansas, Maryland, New Jersey, New York, Pennsylvania, Virginia, and Washington, and received written communications from numerous individuals from other States.

Following these hearings, on August 24, I presented to the Senate a floor statement summarizing the information derived from the hearings and outlining my thoughts on the direction new child-care legislation should take. That statement appears at pp. 27650–27657 of the daily edition.

NEED FOR MORE PROGRAMS

In my August 24 statement, Mr. President, I pointed out that the strongest theme to emerge from the hearings was the need for more child-care programs. Witness after witness told of the difficulties that parents face in trying to find good child care they can afford, of the long waiting lists for all type of child-care programs, and of the lack of funds to start new programs or to expand existing ones. Statistics released by the U.S. Department of Labor in March of 1977 estimated that there were then 6.4 million children in the Nation under the age of 6 whose mothers were working and 22.4 million children from 6 to 17 years with working mothers. Yet, according to 1976 HEW data, there are only 1.6 million licensed child-care openings, including center-based and family-based child care, available throughout the Nation.

In recent years, the number of working mothers of children under the age of 18 has dramatically increased from approximately 42 percent in 1970 to 53 percent in 1978—an increase of 26 percent in 8 years—and it continues to rise each year. For example, 1977 data from the Department of Labor indicate that 40.9 percent of all mothers of children under the age of 6 were in the labor force; this percentage had increased to 43.7 percent by March 1978—an increase of almost 7 percent in a single year. The percentage of labor force participation by mothers of children ages 6 to 18 also increased from 58.3 percent in 1977 to 60 percent in 1978—an increase of almost 4 percent.

Mr. President, I include in the RECORD at this point a chart providing a detailed breakdown, by age, showing the increasing participation of working mothers in the labor force in every category between 1977 and 1978.

Age of child	March 1977	March 1978	Percent change
0 to 18	50.7	52.9	+4.3
6 to 17	58.3	60.0	+2.9
(14 to 17)	(59.1)	(59.6)	+.8
(6 to 13)	(58.0)	(60.2)	+3.8
0 to 6	40.9	43.7	+6.8
(3 to 5)	(48.9)	(50.4)	+3.1
(0 to 3)	(35.1)	(39.1)	+11.3

Source: Bureau of Labor Statistics.

These figures illustrate without any doubt that a majority of mothers of children under the age of 18 are in the labor force and that the precentage of working mothers—patricularly mothers of younger children is growing every year. Yet, our witnesses clearly indicated that there has been no corresponding growth in the availability of licensed child care for the children of these working parents. Indeed, quite the contrary appears to be true. Existing programs are severely overtaxed, lengthy waiting lists prevail for admission to ongoing programs, and there is a great deal of uncertainty about what is happening to the hundreds of thousands of children whose mothers are working and for whom there simply are not enough licensed child-care openings. Census data tells us that at least 2 million school-age children between the ages of 7 and 13 are simply left alone without any supervision; and that another 20,000 pre-school children under the age of 6 are left alone while a parent works.

CALIFORNIA STATISTICS

Mr. President, since my August statement I have been presented with additional data on the dimensions of the child-care problem in my own State of California. A commission formed by Wilson Riles, the California Superintendent of Public Institutions, very recently completed a study that concludes that, in the 5-year period between 1978 and 1984, despite the decline in birth rate, the number of children under 14 years in California whose mothers work will increase by 215,000. By 1984, 52.4 percent of children under 6 years in California will have mothers who work—compared to 40.4 percent in 1978, and 61.1 percent of children over 6 years in California will have mothers who work—compared to 53.5 percent in 1978.

In addition, 24 percent of children under 14 years of age will be living in a one-parent family in California by 1984. The study reports that at present there are 1 million children in California who have working mothers and who need care and are unable to care for themselves. This figure excludes 372,000 children who may not need care while the mother works because another relative is available to care for them.

Yet, in California there are only 124,000 subsidized child-care spaces and 169,000 other licensed child-care spaces. This means that out of 1 million children in California whose mothers work, less than one-third or approximately 300,000 children can be served in licensed child care. If population trends and social indicators continue to follow the same trends across the Nation, the growing unmet need for child-care services may soon be reaching crisis proportions.

EXISTING FEDERAL CHILD-CARE PROGRAMS

Mr. President, the Federal Government presently subsidizes child care either directly through social services programs aimed at welfare recipients and families living below the poverty line or indirectly through the child-care tax credit under the Internal Revenue Code. It is estimated that the Federal Government contributes about $500 million a year to the cost of child care through the child-care tax credit. However, because of the nature of the tax credit and the structure of our tax system—the credit is not refundable and, on the average, four person families with incomes below $7,500 do not pay any Federal income taxes—the credit is largely of use to middle and upper income families. According to the Congressional Budget Office, two-thirds of the tax expenditure funds went to families with incomes over $15,000.

The major direct Federal spending for child care is through title XX of the Social Security Act. This program, aimed primarily at welfare recipients and families living below the poverty line, provides for a number of social services for these families; one of the authorized uses to which these funds may be put is child care. HEW estimates that in fiscal year 1977 about $800 million of the $2.7 billion for title XX was used for child-care services.

There are, additionally, a number of smaller federally supported programs involving child care aimed at welfare recipients or families living below the poverty line, such as the Head Start program and programs administered by such agencies as the Community Services Administration, the Department of Agriculture, the Department of the Interior, and the Department of Housing and Urban Development. Some of these programs are focused upon special populations, such as Native Americans through the Department of the Interior programs, or provide specialized support to child-care programs, for example, the child-care food program operated by the Department of Agriculture. Overall, the Congressional Budget Office has estimated that the Federal Government provides about $1.8 billion in direct spending for child care or child-care-related services under these various programs.

However, Mr. President, our present Federal activities provide little or no assistance to low-income working families, whose incomes are too low to benefit from the tax credit and too high to qualify for assistance under title XX or other programs targeted at welfare recipients or below-poverty-line families. These families, struggling to stay in the labor force—and off welfare—are often unable to receive any financial help for child care and are unable to find reasonable quality child care at prices they can

afford in the present marketplace. Indeed, the data indicate that there are not sufficient licensed child-care spaces available for families who can afford them, let alone those who cannot.

Finally, not only are many low-income working families who need assistance in finding reasonable quality child care left out of most Federal programs, the Federal Government's participation in the area of child care can best be characterized as an assortment of fragmented programs spread throughout a half dozen Federal agencies, with numerous conflicting and overlapping regulations, excessive redtape, and an overall absence of coordination or focus. There are virtually no activities by the Federal Government to provide any substantial assistance to the States in upgrading their child-care programs, to transmit innovative and cost-effective technique from one State to another, or to coordinate Federal policy and activities in the area of child care.

PURPOSES OF S. 4

Mr. President, the purpose of the proposed Child Care Act of 1979 is to promote the availability and diversity of quality child-care services for all children and families who need such services and provide assistance to the States in improving the quality of and coordination among child-care programs, and generally foster increased coordination of programs at the local, State, and Federal levels. The bill is also designed to provide mechanisms to facilitate an assessment of the extent of the need for child-care services throughout the Nation, both within the next few years and thereafter.

Additionally, and fundamentally, the bill is aimed at strengthening the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable care facility or arrangement. Much of the testimony received by the subcommittee in developing this legislation focused upon how important adequate child care is to supporting families where both parents must work and single-parent households. Finally, as I discussed at length in my August 24 statement, increasing adequate child-care services can have broader social impact in such areas as reduction of juvenile vandalism, delinquency, and alcohol and drug abuse.

SUMMARY OF S. 4, THE PROPOSED "CHILD CARE ACT OF 1979"

Mr. President, for the benefit of my colleagues, let me briefly describe the provisions of our bill.

Section 1 establishes the short title of the bill as the Child Care Act of 1979.

Section 2 sets forth the findings and purposes of the act which are to provide assistance to the States in improving the quality of and coordination among child-care programs and provide additional resources for child-care services; to provide mechanisms for assessing the extent of the need for child-care services in the Nation; to promote coordination at all governmental levels of child-care programs and other services for children and their families; to promote the availability and diversity of quality child-care services for all children and families who need such services; to provide assistance to families whose financial resources are insufficient to pay the full cost of necessary child-care services; and to strengthen the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable care facility or arrangement.

Section 3 provides that nothing in the act shall be construed to authorize any public agency or private organization or any individual associated therewith to interfere with, or to intervene in, any child-rearing decision of parents.

Section 4 provides for State participation under the act through the submissions to the Secretary of Health, Education, and Welfare of a State plan which provides for the specification of a State agency to be responsible for administration and oversight of the State plan which is to be designed to meet the need for child-care services within the State for pre-school children and school-age children, with special attention to meeting the need for services for migrant children, handicapped children, children with limited English-language proficiency, and other groups of children having special needs. The State agency specified under the plan is also to be responsible for coordinating, to the maximum extent feasible, the provision of services under this act with other child-care programs and services assisted under any State or other Federal provision of law, and with other appropriate services, including health and nutritional services, available to such children under other Federal and State programs.

Section 4 also provides that funds shall be distributed within the State, in accordance with the plan developed, to child-care providers who are licensed by the State and meet the quality standards developed by the Secretary for all child-care programs receiving Federal funds under this act. The distribution of these funds to eligible child-care providers may be by grant or contract or by alternative payment arrangements, such as vouchers. Section 4 further provides that priority will be given to child-care providers that provide priority for services for children on the basis of family need, taking into account factors such as family income, family size, and special needs of children from households with a single parent and, that to the maximum extent feasible, provide for an economic mix of children enrolled in the program. The State agency is also charged with the responsibility of distributing funds to a variety of child-care providers in each community, including both child-care centers and family day-care providers. The State plan also must provide for a fee schedule for services provided, based upon family income and size, as well as establishment of procedures for data collection to show how the child-care needs of the State are being met by programs assisted under the act, and the degree of unmet child-care needs within the State.

Section 4 specifically provides that the State plan must include the provision, by grant or contract, for the establishment or support of information and referral services to assist parents in securing child-care services, and for the training of child-care personnel. It also provides that the State plan must include provisions for the development and implementation of State licensing of child-care providers, establishment of procedures for meaningful parental involvement in State and local planning, monitoring and evaluation of programs and services provided under the act, and assurances that funds received under the act will be used to supplement, and not supplant, existing Federal funds used for the support of child-care services and related programs. Section 4 provides that, for each fiscal year, the State may not use more than 10 percent of the funds received for administration of the program.

Section 4 further provides, as part of the State plan requirements, for the establishment of a State advisory panel on child care, composed at least of 25 percent parents of children receiving child-care services under the act, at least 25 percent representatives of child-care providers within the State, including representatives of different types of child-care programs, and at least 25 percent professionals in the field of child development and related fields.

The State advisory panel is responsible for advising the State agency on the preparation of, and policy matters arising in the administration of, the State plan, and for the review and evaluation of child-care programs and services provided under the act and other provisions of the law, and may prepare and submit, through the State agency, recommendations to the Secretary. Section 4 provides for sufficient funds to be made available under the State plan for the State advisory panel to carry out its functions and to obtain the services of such professional, technical, and clerical personnel as necessary.

Section 4 provides that the Secretary shall approve any State plan which meets the requirements set forth in the act, and provides that the Secretary may not disapprove any State plan, except after reasonable notice, an opportunity to correct deficiencies in the plan, and notice of an opportunity for a hearing on the grounds for the disapproval. Finally, section 4 provides that the specified State agency shall provide the Secretary with a concise report on an annual basis describing activities, results, and performance of the State agency in meeting the objectives of the State plan and the purposes of the act.

Section 5 relates to the national administration of the act. The Secretary is directed to designate an identifiable administrative unit within HEW and an individual within that administrative unit to be responsible for carrying out the provisions of this act and for coordination of other activities within HEW relating to child care. The Secretary is also directed to make available to such unit such staff and resources as are necessary to carry out effectively its functions under the act. Section 5 also provides for the establishment of a National

Advisory Panel on Child Care Needs and Services, consisting of not less than 25 percent parents of children receiving child-care services under the act, not less than 25 percent representatives of child-care providers, including representatives of different types of child-care programs, and not less than 25 percent professionals in the field of child development and related fields. One-third of the members serving on the National Advisory Panel shall be individuals who are serving on, or have served on, a State advisory panel established under the act.

The National Advisory Panel is made responsible for reviewing Federal policies with respect to child-care services and advising the Secretary with respect to the standards developed for programs receiving assistance under the act.

Section 5 further provides that the Secretary, with the assistance of the National Advisory Panel, shall prepare not later than 12 months after the date of enactment of the act, proposed standards to be applied to programs receiving assistance under the act. Section 5 provides that the proposed standards shall cover factors having a demonstrated impact on the quality of child care, including, but not limited to, such factors as group size and composition in terms of the number of teachers and the number and ages of children, the qualifications of the child-care providers, and the physical environment, parental involvement, and necessary support services for child-care programs. These standards shall be published in the Federal Register for public comment and distributed to each State advisory panel and State agency designated or established under the act.

Mr. President, I have received several inquiries as to how the proposed standards under this act will relate to the Federal Interagency Day Care Regulations—FIDCR—which are currently being revised by HEW and are applicable to child-care programs receiving assistance under title XX of the Social Security Act. As my colleagues know, last year HEW submitted a report to Congress on the appropriateness of the FIDCR. The report concluded that Federal regulation of federally supported day care is appropriate and suggested that consideration be given to extending the revised requirements to all child care supported with Federal funds.

The report also suggested that the existing regulations be rewritten to improve their ability to further the well-being of children. The efforts now underway in HEW to rewrite these regulations appear to be in line with the guidelines for standards set forth in this act. It is my expectation that the FIDCR—when eventually completed—would be appropriate for application to programs supported under this act and that the same standards will be applied to all child-care programs supported by Federal funds.

However, in light of the undue delays and length of time that it has taken HEW to complete its appropriateness report and begin the ask of rewriting FIDCR, our bill has been drafted in such a manner as to stand alone at this point in time without any cross-reference to FIDCR. During the process of refining and moving forward with this act, if FIDCR should be completed and issued in final form, we may well decide to make appropriate references to those regulations in this legislation.

Section 6 provides authority to the Secretary to make direct grants or contracts to public and private organizations for the support of innovative, demonstration child-care projects in such areas as night-time care, and care for sick children, migrant children, handicapped children and children with limited English-language proficiency, or other special needs populations. Section 6 provides for evaluation of projects funded under this section and authorizes the Secretary to establish regulations to carry out these provisions.

Section 7 provides that States receiving assistance under the act shall submit to the Secretary a report outlining the current status of child-care licensing within the State, the deficiences, if any, in the existing licensing program, a plan by the State to expand its licensing program, and the types of assistance the State requires to make improvements in its licensing program. Section 7 provides that each State will make this report not less than 12 months after it first receives a payment under the act. Section 7 authorizes the Secretary to make grants to the State for the purpose of developing, improving, or implementing its child-care licensing program. Section 7 also provides that the Secretary, with the assistance of the National Advisory Panel, shall develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers.

Section 8 provides that the Secretary is authorized to make grants to and enter into contracts with institutions of higher education, State and local public agencies, and private organizations to provide training programs for child-care providers and employees. Section 8 also authorizes the Secretary to provide technical assistance to the States in the planning, developing, and coordinating of child-care services, in the development, expansion and implementation of State licensing of child-care programs, and in the development and conduct of teacher or child-care provider training programs.

Section 9 provides for an allotment of 1 percent of the sums appropriated for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands and allocation of the remainder of the sums appropriated among the States based equally upon, first, each States's relative proportion of children living in homes in which both parents are employed or the child resides with only one parent and that parent is employed, and, second, its relative proportion of children who reside in households having incomes which are equal to or less than one-half of the median income of the United States for families of the same size.

Section 9 also provides for reallotment of any State's allotment which is not utilized.

Section 10 provides for the Secretary to make payments to each State having a plan approved under section 4 in the amount allotted under section 9 and provides that payments under the act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

Section 11 authorizes the Secretary, after reasonable notice and opportunity for hearing, to withhold payments to any State where there has been a substantial failure to comply with any provision or any requirement set forth in the State plan of that State or of any applicable provision of this act. Section 11 authorizes the Secretary in his discretion to limit further payments to the State in such cases to programs or projects under the State plan, or portions thereof, not affected by such failure.

Section 12 provides for the Secretary to carry out reviews and evaluations of the programs and activities carried out under this act and conduct studies on child-care needs for the purpose of providing information aimed at enabling the Congress and the executive branch to agree upon specific, realistic objectives and expectations for programs and activities under the act, assure that programs and activities established and carried out under the act at the Federal, State, and local levels are likely to achieve progress toward such objectives and expectations, provide that sufficient data is obtained to measure progress under the act and to make such data available to the Congress and the executive branch, and to enable Congress and the executive branch to better understand the child-care needs of the Nation and how best to meet these needs in a cost-effective fashion. Section 12 directs the Secretary, in carrying out these functions, to consult with appropriate committees of the Congress and members of the executive branch, examine representative samples of actual programs, identify or develop cost-effective programs, and determine how the results of such reviews and evaluations can best be disseminated and utilized to achieve the purposes outlined. Section 12 also directs the Secretary to prepare and transmit to the President and the Congress on or before March 1 of each year a concise report of activities and progress under the act.

Mr. President, the evaluation and oversight provisions of our bill were developed with the assistance of the General Accounting Office. Last year, the Comptroller General released a report with respect to improving congressional oversight efforts. That report outlined a process for planning and carrying out congressional oversight programs. GAO staff provide great assistance to us in designing and drafting these provisions, and I am deeply appreciative of their efforts to assist us in building effective oversight mechanisms into our legislative efforts.

Section 13 sets forth definitions of the various terms utilized in the act. A

"child" is defined as any individual who has not attained the age of 15. A "parent" includes any natural parent, foster parent, or legal guardian with whom the child resides.

Section 14 authorizes the appropriation of such sums as may be necessary for fiscal year 1980 and for each of the four succeeding fiscal years to carry out the provisions of the act. Section 14 further provides that of the sums appropriated for any fiscal year, 75 percent shall be used for making grants under section 4, relating to grants for carrying out the State plan, 5 percent shall be used for making grants under section 6 relating to demonstration projects, 5 percent shall be used for making grants under section 7, relating to licensing assistance; 5 percent shall be used for making grants or contracts under section 8(a) relating to training programs, and 10 percent shall be used for carrying out the provisions of sections 5, 8(b), and 12 relating to national administration—including the reasonable expenses of the National Advisory Panel on Child Care Needs and Services—and training and technical assistance. Section 14 also provides that no funds are authorized to be appropriate for any fiscal year unless funds appropriated for the preceding fiscal year to carry out part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, are at least equal to the funds appropriated for such part for fiscal year 1979.

CONCLUSION

Mr. President, I believe that the proposed Child Care Act of 1979 addresses an important—and ever-growing—need in this country for a comprehensive, coordinated approach to child care. I know that there will be some who will question the feasibility of proposing a comprehensive child-care bill at this time of budget constraints. Yet, there is simply no question that the demand and need for child care will continue to grow. If we take steps today to design an efficient and cost-effective mechanism for meeting those needs, the ultimate savings will far outweigh the short-term expenditure. Indeed, child care itself is a long-term investment in the future. Short-term expenditures may be almost immediately offset by increased tax revenues derived from parent earnings and reductions in governmental and other expenditures necessitated by the effects of lack of adequate child-care arrangements. Some social costs such as juvenile vandalism, delinquency, and child abuse and neglect may also be reduced by prudent and cost-effective investments in child care today.

Mr. President, I am deeply grateful to the many individuals and organizations who participated in our hearings a year ago and who provided us with their insights and guidance on the development and formulation of this legislation. I believe that with the introduction of this legislation we are taking a major step toward enactment of a meaningful child-care measure which is so sorely needed and so long-awaited. I look forward to working with my colleagues and all of the interested individuals and organizations toward that end. We have scheduled hearings before the Subcommittee on Child and Human Development on this legislation on February 6 and 21, and plan to continue the process of refining and perfecting the bill after those hearings.

Mr. President, I ask unanimous consent that the text of S. 4 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Care Act of 1979".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the number of children living in homes where both parents work or where children are living with a single parent who work has increased dramatically over the last ten years;

(2) the number of licensed child-care openings is far short of the number required for children in need of child-care services;

(3) existing child-care programs are frequently filled to capacity and often have long waiting lists admission;

(4) the lack of available child-care services results in many children being left—some all day—without adequate supervision;

(5) rise in school vandalism, juvenile alcoholism, and serious juvenile crimes has been accompanied by an increase in the number of school-age children with working parents and without resources for afterschool supervision;

(6) many parents are unable to afford adequate child-care services and do not receive any financial assistance for such services through any established program;

(7) the years from birth to age six are especially important in the development of a child and the care children receive during this period is critical to the developmental process;

(8) making adequate child-care services and all natives available for working parents promotes and strengthens the well-being of families and the national economy; and

(9) there is a lack of coordination among existing child-care programs receiving Federal and State assistance and among such programs and other programs providing services to children and their families, and an absence of a coordinated administration of child-care programs and services at the Federal level.

(b) Recognizing that the parent is and must continue to be primary influence in the life of the child and that the parent must have ultimate responsibility for decisions on how child will be raised, it is the purpose of the Act—

(1) to provide assistance to States in improving the quality of and coordination among child-care programs and provide additional resources for child-care services;

(2) to provide mechanisms for assessing the extent of the need for child-care services in the Nation;

(3) to promote coordination at all governmental levels of child-care programs and other services for children and their families;

(4) to promote the availability and diversity of quality child-care services for all children and families who need such services;

(5) to provide assistance to families whose financial resources are insufficient to pay the full cost of necessary child-care services; and

(6) to strengthen the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable care facility or arrangement.

PROTECTION OF PARENTAL RIGHTS

SEC. 3. Nothing in this Act shall be construed to authorize any public agency or private organization or any individual associated therewith to interfere with, or to intervene in, any child-rearing decision of parents.

STATE ACTIVITIES

SEC. 4. (a) Any State desiring to participate in a program authorized by this Act shall submit to the Secretary a plan, not less often than biennially, in such detail and form as the Secretary deems necessary. Each such plan shall—

(1) specify the State agency to be designated or created as the State agency which will, either directly or through arrangements with other State or local public agencies, act as the State agency responsible for the administration and oversight of the plan submitted under this subsection;

(2) provide that the specified State agency will—

(A) make an assessment of child-care needs in the State and an assessment of the effectiveness of programs and services under this Act and other provisions of law in meeting such needs;

(B) develop a plan designed to meet the need for child-care services within the State for preschool children and school-age children, with special attention to meeting the need for services of migrant children, handicapped children, children with limited English-language proficiency, and other groups of children having special needs;

(C) coordinate, to the maximum extent feasible, the provisions of services under this Act with other child-care programs and services assisted under any State or other Federal provisions of law, and with other appropriate services, including health and nutritional services, available to such children under other Federal and State programs; and

(D) prepare the reports required under subsection (d) of this section;

(3) provide that—

(A) funds under this Act will be distributed within the State in accordance with the plan submitted to the Secretary under this section and will be used for services provided only by child-care providers which—

(i) are licensed in the State or have applied for a renewal of such license and are determined by the State to be likely to be approved for renewal; and

(ii) meet the standards prescribed under section 5(c);

(B) funds will be distributed to eligible child-care providers by contract or grant, or may be distributed through vouchers issued to parents for use by parents with eligible child-care providers or other alternative payment arrangements; and

(C) priority will be given to child-care providers in the State that provide assurances that—

(i) priority for services will be given to children on the basis of family need, taking into account family income, family size, and the special needs of children from households with a single parent; and

(ii) each such child-care program will, to the maximum extent feasible, provide for an economic mix of children enrolled;

(4) provide that funds will be distributed, to the maximum extent feasible, to a variety of child-care providers in each community, including, but not limited to, child-care centers and family day care providers;

(5) provide for the establishment of fee schedules based upon the services provided and family income adjusted for family size for children receiving services assisted under this Act;

(6) provide for the establishment of procedures for data collection and evaluation designed to show (in a manner not inconsistent with guidelines established by the Secretary)—

(A) how the child-care needs of the State are being met by programs assisted under this Act,

(B) the degree to which child-care needs are not being met by programs assisted under this Act or other programs,

(C) the extent to which the availability of child care has been increased, including, but not limited to, measures of licensed child-care openings and of the extent to which existing programs are filled, and the numbers and average time associated with waiting lists for admission to existing programs,

(D) how the purposes of the Act and the objectives of the State set forth in each State plan are being met;

(7) provide, by grant or contract, for the support or establishment of information and referral services to assist parents in securing child-care services;

(8) provide, by grant or contract, for training programs for child-care personnel;

(9) establish procedures for the development and implementation of State licensing of child-care providers in accordance with the criteria prescribed pursuant to section 7(a);

(10) establish procedures for meaningful parental involvement in State and local planning, monitoring, and evaluation of programs and services provided under this Act;

(11) provide assurances that funds received under this Act will be used to supplement, and not supplant, existing Federal funds used for the support of child-care services and related programs;

(12) provide, for each fiscal year, that the State will use for administration of the State plan for such fiscal year an amount not to exceed 10 per centum of the funds distributed to such State, except that in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, the State will use an amount not to exceed 5 per centum of the funds distributed to such State, for administrative costs; and

(13) provide for the establishment of a State Advisory Panel in accordance with subsection (b) of this section and specify the amount of funds to be allocated to such panel.

(b)(1) The State Advisory Panel on Child Care established by the State shall be composed of not less than sixteen members—

(A) of which at least 25 per centum will be parents of children receiving child-care services assisted under this Act,

(B) of which at least 25 per centum will be representatives of child-care providers within the State, including representatives of different types of child-care programs, and

(C) of which at least 25 per centum will be professionals in the field of child development and related fields.

(2) The State Advisory Panel shall—

(A) advise the State on the preparation of, and policy matters arising in the administration of, the State plan submitted under subsection (a) of this section,

(B) review and submit comments to the State agency on the State plan, and

(C) review and evaluate child-care programs and services under this Act and other provisions of law in the State and the progress of such programs and services in meeting the needs of the State in the provision of child-care services and make recommendations, as appropriate, on the development of State standards and policies relating to child-care programs and the provision of child-care services,

and may prepare and submit, through the State agency created or designated under clause (1) of subsection (a) of this section, such recommendations and evaluations, together with such additional comments, as that State agency deems appropriate, to the Secretary.

(3) Each State Advisory Panel shall meet within thirty days after the beginning of each fiscal year and establish the time, place, and manner of its future meetings, except that such panel shall have not less than two public meetings each year at which the public is given an opportunity to express views concerning the administration and operation of the State plan.

(4) Each State Advisory Panel shall be authorized to obtain the services of such professional, technical, and clerical personnel and to contract for such other services as may be necessary to enable the panel to carry out its functions under this Act. The Secretary shall assure that funds sufficient for the purpose of this paragraph are made available to each panel from funds available for the administration of the State plan.

(c) The Secretary shall approve any State plan, and any modification thereof, if (after approval of the first such plan) the State agency has complied with the provisions of subsection (d) of this section and if such plan complies with the provisions of subsections (a) and (b) of this section, and the Secretary shall not disapprove any State plan except after reasonable notice an opportunity to correct deficiencies in the plan and notice of an opportunity for a hearing.

(d) For the purpose of providing information to the Secretary and the Congress to aid in their oversight of the implementation and effectiveness of programs under this Act, the State agency specified under subsection 4(a)(1) of this Act shall prepare to submit to the Secretary not later than December 1 of each year, a precise report describing their activities, results, and performance in meeting the objective of the State plan and the purposes of the Act. The report submitted under this subsection shall contain the results of the data collection, reviews, and evaluations of the plan pursuant to subsections (a)(6) and (b)(2)(C) of this section.

NATIONAL ADMINISTRATION

SEC. 5. (a)(1) The Secretary shall designate an identifiable administrative unit and an individual in charge of such unit within the Department of Health, Education, and Welfare to carry out the provisions of this Act and to coordinate other activities within the Department of Health, Education, and Welfare relating to child care.

(2) The Secretary shall make available to such unit such staff and resources as are necessary to carry out effectively its functions under this Act.

(b)(1) The Secretary shall establish within six months after the date of enactment of this Act within the Office of the Secretary a National Advisory Panel on Child Care Needs and Services which shall be composed of not less than sixteen members—

(A) of which at least 25 per centum will be parents of children receiving child-care services under this Act,

(B) of which at least 25 per centum will be representatives of child-care providers, including representatives of different types of child-care programs, and

(C) of which at least 25 per centum will be professionals in the field of child development and related fields.

and not less than one-third of the members serving on the National Advisory Panel shall be individuals who are serving on, or have served on, a State Advisory Panel established by a State under section 4(b).

(2) The National Advisory Panel shall review Federal policies with respect to child-care services and shall make recommendations to and advise the Secretary with respect to the standards developed by the Secretary pursuant to subsection (c) of this section.

(3) The Secretary shall provide such personnel and technical assistance as may be required to permit the National Advisory Panel to carry out its functions under this section.

(4) Members of the National Advisory Panel who are not regular full-time employees of the United States shall, while attending meetings and conferences of the National Advisory Panel or otherwise engaged in the business of the National Advisory Panel, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for GS-18 in section 5332 of title 5, United States Code, including traveltime; and, while so serving on the business of the National Advisory Panel away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 title 5, United States Code, for persons employed intermittently in the Government service.

(c)(1) The Secretary shall, wih the assistance of the National Advisory Panel, not later than twelve months after the date of enactment of this Act, prepare and develop proposed standards to be applied to programs receiving funds under this Act. The standards developed pursuant to this subsection shall cover factors having a demonstrated impact on the quality of child care including but not limited to—

(A) group size and composition in terms of the number of teachers and the number and age of children,

(B) the qualifications of the child-care provider,

(C) the physical environment,

(D) parental involvement, and

(E) necessary support services.

(2) The Secretary shall publish the proposed standards in the Federal Register after distribution of the proposed standards to each State panel and State agency designated or established under section 4(a)(1).

(3) After taking into consideration any comments received by the Secretary with respect to the regulations proposed under paragraph (1) of subsection (c) of this section but in no event later than 12 days after the Secretary publishes proposed standards under paragraph (2) of subsection (c) of this section the Secretary shall publish in the Federal Register final standards to be applied to programs receiving funds under this Act.

DEMONSTRATION PROJECTS

SEC. 6. (a) The Secretary is authorized to make grants to and enter into contracts with public agencies and private projects organizations to support innovative demonstration child-care, including projects providing night time care, care for sick children, migrant children, children with limited English-language proficiency, handicapped children, or other special needs populations. No grant may be made under this subsection unless adequate funds are included in such grant to evaluate and report to the Secretary on the effectiveness of the approach of the program receiving assistance in meeting the child-care needs of the families being served.

(b) No grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary determines necessary. The Secretary is authorized to establish regulations to carry out the provisions of this section.

LICENSING IMPROVEMENT GRANTS

SEC. 7. (a) Each State receiving assistance under this Act shall prepare a report to be submitted to the Secretary outlining the

current status of child-care licensing within the State, deficiencies, if any, in the existing licensing program, the plan of the State for expanding its licensing program to cover all types of child-care providers (except where children are being cared for in their own homes, by a relative, or on a less than full-time basis in a noncommercial, neighborhood setting, such as a cooperative play group or occasional child-care arrangements) and the types of assistance the State requires to make improvements in its licensing program.

(b) The Secretary is authorized to make grants to States submitting a report under subsection (a) of this section for the purpose of developing, improving or implementing it child-care licensing program. No grant may be made under this section unless the State submits an application to the Secretary therefor at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(c) The Secretary shall, with the assistance of the National Advisory Panel on Child Care Needs and Services and with the cooperation of the National Conference of Uniform Commissioners of State Laws, develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers.

TRAINING AND TECHNICAL ASSISTANCE

SEC. 8. (a)(1) The Secretary is authorized to make grants to and enter into contracts with institutions of higher education, State and local public agencies, and private organizations to provide preservice and inservice training to teachers and administrative personnel involved in child-care programs, to recruit and train low-income parents for child-care positions, to provide specialized training in early childhood education for certified elementary school teachers who are unemployed, to train information and referral workers, to train persons providing services to handicapped children, immigrant children, and children with limited English-language proficiency, and to develop and improve teacher certification criteria for child-care programs.

(2) The Secretary is authorized to provide technical asistance to States in planning, developing, and conducting child-care services, in the development, expansion, and implementation of State licensing of child-care programs, and in the development and conduct of teacher or child-care-provider training programs with special attention to the factors described in paragraph (1) of this subsection.

(b) No grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

ALLOTMENTS

SEC. 9. (a) From the sums appropriated pursuant to section 14(a) for each fiscal year, the Secretary shall allot not more than one per centum among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs.

(b) From the remainder of such sums, the Secretary shall allot—

(1) to each State the amount which bears the same ratio to 50 per centum of such remainder as the number of children living in homes in which—

(A) both parents of such child are employed, or

(B) the child resides with only one parent and that parent is employed,

in such State bears to the number of such children in all States; and

(2) to each State an amount which bears the same ratio to 50 per centum of such remainder as the number of children who reside in households having incomes which are equal to or less than oen-half of the median income of the United States for families of the same size, as determined in accordance with criteria established by the Secretary, in such State bears to the number of such children in all States.

For the purpose of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(c) That portion of any State's allotment under subsection (a) for a fiscal year which the Secretary determines will not be required for the period such allotment is available shall be available for reallotment from time to time on such date during such period as the Secretary may fix to other States in proportion to the original allotment of such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum of the Secretary estimates will be needed in such State and will be used for such period for carrying out State plans approved under this Act, and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) of this section for such year.

PAYMENTS

SEC. 10. (a) From the amounts allotted to each State under section 9 of this Act, the Secretary shall pay to each State having a plan approved by him under section 4 a grant in an amount equal to the total sums to be expended by the State under the plan for the fiscal year for which the grant is to be made.

(b) Payments under this Act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

WITHHOLDING OF GRANTS

SEC. 11. Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State, finds—

(1) that there has been a failure to comply substantially with any provision or any requirements set forth in the State plan of that State approved under section 4: or

(2) that in the operation of any program or project assisted under this Act there is a failure to comply substantially with any applicable provision of this Act, the Secretary shall notify such State of the findings and that no further payments may be made to such State under this Act (or in the discretion of the Secretary that further payments to the State will be limited to programs or projects under the State plan or portions thereof, not affected by such failure) until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

REVIEW AND EVALUATION

SEC. 12. (a) The Secretary shall make reviews and evaluations of the programs and activities carried out under this Act (to be conducted by persons not directly or indirectly involved in administration of the programs or activities to be reviewed or evaluated) and conduct studies of child-care needs for the purpose of providing information aimed at—

(1) enabling the Congress and the Executive Branch to agree upon specific, realistic objectives and expectations of achievement for programs and activities carried out under this Act;

(2) determining whether the programs and activities established and carried out under this Act at the Federal, State, and local levels will be likely to achieve progress toward such objectives and expectations;

(3) assuring that sufficient data necessary to ascertain such progress is collected and made available to the Congress and the Executive Branch; and

(4) improving the capability of the Congress and the Executive Branch to understand child-care needs in the Nation and how best to meet such needs in a cost-effective fashion.

(b) In carrying out reviews, evaluations, and studies under this section, the Secretary shall—

(1) ascertain the specific objectives and expectations for achievement regarding programs and activities carried out under this Act of appropriate managers and policymakers in the Executive Branch and of appropriate committees of the Congress;

(2) examine a representative sample of the actual operation and results of such programs and activities at the Federal, State, and local levels;

(3) compare the objectives and expectations for achievement with the actual operation and results of programs and activities, including comparisons of the objectives of State plans with the actual operation and results under such plans and an assessment of the effects of increased availability of child care (including changes in the incidence of child abuse, school vandalism, and juvenile delinquency, and other relevant effects such as in health status, school attendance, and school performance);

(4) identify or develop programs and activities, or parts of programs and activities, that are able, or are likely to be able, to achieve in a cost-effective fashion progress toward such objectives and expectations; and

(5) determine how the results of such reviews, evaluations, and studies can best be disseminated and utilized to achieve the purposes described in subsection (a) of this section.

(c) The Secretary shall prepare and transmit to the President and the Congress on or before March 1 of each year a concise report containing—

(1) a statement of specific, realistic objectives and expected progress toward such objectives over the next year for the programs and activities carried out under this Act, and a statement relating such objectives and expected progress to the purposes of this Act;

(2) the results of all comparisons made under subsection (b)(3) of this section, including comparisons necessary for judging the effectiveness with which State plans, and the objectives of such plans, are carried out at the State and local levels;

(3) the results of efforts under subsection (b)(4) of this section, including options or recommendations (or both) with respect to any legislative action deemed necessary or desirable for achieving the purposes set forth in subsection (a) of this section; and

(4) plans for reviews, evaluations, and studies under this section for the ensuing year, including a statement detailing the programs and activities (or parts thereof) carried out under this Act to be the subject of such activities.

(d) The Secretary shall prepare and transmit to the President and the Congress not later than four years after the date of enactment of this Act a report on child-care needs in the Nation. Such report shall include, but not be limited to, a summary of the results of data collection under sections 4(a)(6)(A), 4(a)(6)(B), and 4(b)(2)(C) and any studies of child-care needs conducted by the Secretary under this section, a summary of other relevant research on child-care needs, and an analysis of options for more fully meeting such needs including options for legislative action.

(e) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the completion of a program, project, or activity authorized or assisted under this Act, have access for the purpose of audit and examination to any books, documents, papers, and records of recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants authorized to be made under this Act.

DEFINITIONS

SEC. 13. As used in this Act—

(1) "child" means any individual who has not attained the age of fifteen;

(2) "parent" includes any natural parent, foster parent, or legal guardian with whom the child resides;

(3) "Secretary" means the Secretary of Health, Education, and Welfare; and

(4) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. (a) There are authorized to be appropriated for fiscal year 1980, and for each of the four suceeding fiscal years such sums as may be necessary for carrying out the provisions of this Act. Of the sums so appropriated for any fiscal year, 75 per centum shall be used for making grants under section 4, relating to grants for carrying out the State plan; 5 per centum shall be used for making grants under section 6, relating to demonstration projects; 5 per centum shall be used for making grants under section 7, relating to licensing assistance; 5 per centum shall be used for making grants or contracts under section 8(a), relating to training programs; and 10 per centum shall be used for carrying out the provisions of sections 5, 8(b), and 12 relating to national administration (including the reasonable expenses of the National Advisory Panel on Child Care Needs and Services) and training and technical assistance.

(b) No funds are authorized to be appropriated for any fiscal year unless funds appropriated for the preceding fiscal year to carry out part A of title V of the Economic Opportunity Act of 1964 relating to Project Head Start, are at least equal to the funds appropriated for such part for the fiscal year 1970.

Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator CRANSTON, in cosponsoring the "Child Care Act of 1979," a measure designed to improve and expand quality child care services to children and their families in this country. Essentially, this legislation embodies many of the recommendations that were made by witnesses that testified before the Subcommittee on Child and Human Development on child care issues during the 95th Congress. The Senate Committee on Human Resources' Subcommittee on Child and Human Development held extensive hearings examining the role of the Federal Government in child care to determine what changes should be made to make the ongoing Federal effort more responsive to those who must have child care services but cannot afford them without assistance.

As we all know, the Federal Government has long been involved in the provision of child care services. The effort to provide critical child care services to American families has been intense, but sadly still falls far short of meeting the ever-burgeoning needs in this area. Senator CRANSTON has ably demonstrated in his statement that millions of children of all ages are in need of appropriate child care services because of working parent(s).

Statistics released by the U.S. Department of Labor in March of 1977 and data from DHEW in 1976 estimate that there were 6.4 million children in the Nation under 6 years of age whose mothers work. This data also illustrates that there are 22.4 million children from 6 to 17 years of age whose mothers work. In light of this data it seems quite shocking that there are only 1.6 million licensed child care openings available in the entire country. The programs are overtaxed, insufficient, and often result in young children that are left alone without any supervision whatsoever.

An evaluation of current Federal activities reveals that there is a scarcity of assistance to low-income working families. While struggling to stay off of welfare assistance and in the labor force, these low-income families find the door closed to reasonably priced quality child care. Unfortunately, the approach to child care for low- and moderate-income families has been scattershot or fragmented at best. To address this problem, "The Child Care Act of 1979" has been drafted to assist in improving the coordination and quality of child-care programs on the local, State, and Federal level. This measure would also seek to promote a diverse selection of quality child-care services for all children and families who need such services.

The need for an augmented effort to expand child care services is undeniable. In my own State of New Jersey, child care advocates have been strident in their commitment to improve and expand existing child care services. The consensus is, there is a need for an increased role of the Federal Government to expand existing child care services. To illustrate, Commissioner Ann Klein, of the Department of Human Services stated:

> We believe that the greatest need of this State, and probably of most others, is for a general increase in the level of Federal support for day care programs.

Day care services in New Jersey have expanded over the past decade, but the demand for child care services, for low and moderate working women has catapulted out of sight. While there is insufficient data to pinpoint the exact extent of the need in New Jersey, Commissioner Klein stated in her testimony before the Subcommittee on Child and Human Development:

> One study conducted during April through June 1976 by R. L. Associates for the New Jersey Department of Human Services estimated that there were 250,000 children in single-parent households in need for some type of day care. This group was described as having the "severest need" because of the correlation between the "frustrations and difficulties of one-adult, poor families and all kinds of social pathologies from child abuse to children in trouble with the police."
>
> Another study conducted in three communities in Union County, New Jersey, revealed that 71 percent of the families with children age 12 or younger needed some form of day care. In this study, 77 percent of the mothers who were employed during the past year said they needed day care, and 42 percent had problems with day care that interfered with their employment.

A provision in this new bill would address this problem of insufficient data and would facilitate the assessment of the need for child care services throughout the country.

In Newark, N.J., it is estimated that at least 13,000 children are in need of full-time child care because of working parents in training. Subcommittee witness, Rebecca Doggett Andrade of the Tri-City Citizen Union for Progress, Inc., stated:

> This figure does not include parents who would like early childhood programs for educational and social purposes. Nor does this figure include any calculation of how many of the 77,000 children in public school need after-care.

In the past, the consideration of child development legislation invoked the protest of individuals that interpreted that approach to abrogate or interfere with the rights and responsibilities of parents in the rearing of their children. This proposed child care bill is based on the family as the primary and most significant influence on children and one of the most important institutions in our country, and would in no way interfere with the rights of the family. In fact, an essential provision of the bill ensures the protection of parental rights and declares,

> Nothing in this Act shall be construed to authorize any public agency or provide nonprofit organization or any individual associated thereto to interfere with, or to intervene in, the child rearing decision of parents.

Grace Ibanez de Friedman of the Puerto Rican Congress, another New Jersey witness, states before the Child and Human Development Subcommittee,

> Good child care involves the parent intimately. He/she should make policy decisions about who should care for and help develop the child and under what conditions. . . .

Fundamentally, the bill is fashioned to strengthen the functioning of families by seeking to assure that parents are not forced to place a child in an unacceptable or undesirable care facility or arrangement because of the lack of adequate resources or facilities.

Mr. President, I believe that the adoption of this comprehensive child care bill can provide the needed initiative to: upgrade existing child care programs; expand child care eligibility criteria to include those groups most in need of such services; improve the coordination of the myriad overlapping child care programs; increase the level of funding to the States for the development and expansion of child day care services to day care has long been viewed by many individuals as an essential support service that meets a variety of social, educational, health and employment needs for many families. Thus, it is my view that the funds which could be made available to States and local communities under this measure for child care services are critical to our economy country. This bill represents a sound and and to the working parents of this realistic approach to an urgent national problem.

MR. RIEGLE. Mr. President, I am

pleased to join with Mr. CRANSTON in introducing the Child Care Act of 1979. Our bill provides essential assistance and coordination in improving the quality and quantity of child care services, especially for children with working parents.

As members of the Subcommittee on Child and Human Development during the 95th Congress, Chairman CRANSTON and I have confronted the problems of millions of American families where both parents (or the only parent) must work outside the home. Many child development specialists have advocated varied programs to deal with this problem, but congressional inaction has resulted only in a dearth of workable programs designed to improve child care services. The Child Care Act of 1979 is a comprehensive approach that I feel will be effective, efficient, and, most of all, humane through targeting assistance to families with working parents.

Millions of children with either both parents or their only parent working require some form of assistance, especially through arrangements that accommodate single-parent families. Parents deserve assurances that their children will be safe and well cared for, at a cost the individual family can afford.

One of the most important features of this bill is the clear protection of parental rights, enforcing our national tradition against intervention in parental child-rearing decisions. In addition, parents and their representatives will participate in State and National advisory panels to assure that their needs, and those of the children being served, are met.

The Congress has historically neglected the need for child care services in this Nation. In so doing, we have ignored the crying need to improve the environment for developing our greatest natural resource—our children.

Mr. McGOVERN. Mr. President, I am pleased to be a cosponsor of the "Child Care Act of 1979". In this, the International Year of the Child, I cannot think of a better way for Congress to demonstrate its commitment to children than to offer legislation enabling parents to provide their children with the best care possible.

I commend Senator CRANSTON for seeing the need for such services and working to create what I feel is a much needed service for children and families. This bill requires States desiring to participate in a program authorized by the Child Care Act, to develop a plan which will best meet the needs for child care services in the State for preschool children and school-age children. Among other things it requires coordination at all levels of government with other child care programs and services, and promotes a diversity of child care arrangements.

I am pleased that this bill also provides for mechanisms to assess the extent of the need for child care services in this country. For too long, government, both at the State and Federal level, has been throwing money at programs with little justification for their need. At a time when fiscal austerity is uppermost in people's minds, we child care advocates must have the hard facts as to why our policies are needed.

It is exciting to think that in a few years each State could have a coordinated child care plan and would know how many children needed child care, how many were receiving care, the type of care received, and what the effects of that care have on the family. Our commitment to children should be such that each State is aware of the needs of children and families and have coordinated efforts to see that families are receiving these services.

By Mr. CHILES:

S. 5. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Government Affairs.

Mr. CHILES. Mr. President, today, I am introducing the Federal Acquisition Reform Act. This legislation repeals the two basic laws governing Federal purchasing and replaces them with a single, modern statute which is designed to stimulate competition and encourage innovation.

The Federal Acquisition Reform Act builds on legislation, S. 1264, that I introduced during the 95th Congress. The Subcommittee on Federal Spending Practices held 5 days of hearings on S. 1264 and heard testimony from 20 witnesses representing the executive branch, the General Accounting Office, the academic community, the legal community, and the private sector. The subcommittee also received more than 80 written comments on the bill from a wide range of interested parties. As a result of the hearings and comments, as well as extensive discussions with executive agencies and the General Accounting Office, the subcommittee revised S. 1264, and the revised version was adopted by the Senate Governmental Affairs Committee and reported to the full Senate. At that time the Armed Services Committee expressed its interest in reviewing S. 1264. We agreed to refer the bill to that committee in order to benefit from the experience and expertise their oversight of the Defense Department's procurement activities has provided them with. A special working group, headed by Senator MORGAN and Senator GOLDWATER, conducted 2 days of hearings on the bill, but the Congress adjourned before the committee could take further action on the bill. During the last several months, the subcommittee has worked to accommodate the concerns raised during these Armed Services Committee hearings. I believe that these concerns have been handled in large part, and am confident that, if any differences remain, they can be quickly resolved.

Senator PROXMIRE submitted his views on S. 1264 during the Armed Services Committee hearings, and his comments reflected a thoughtful, comprehensive, and balanced assessment of the bill. We have worked with the Senator from Wisconsin and his capable staff during the past several months and I feel that, as a result of our discussions, the bill has been and will continue to be improved.

The Federal Acquisition Reform Act was not drafted overnight. Its origins date back to the 2½ years of work by the Commission on Government Procurement. The Commission, a congressionally created bipartisan body composed of experts from the private sector and the public sector issued its final report in 1973. Late in 1976, I took a first effort to implement the legislative recommendations of the Procurement Commission by introducing a bill, S. 3005. That bill was revised and reintroduced in the 95th Congress as S. 1264. The legislation I am introducing today has benefitted from this extensive consideration and review. It is, I believe, a mature, balanced bill which is ripe for consideration by the full Senate and for enactment into law.

Before outlining some of the changes incorporated into this bill, let me say that the major objectives of the bill remain unchanged. This bill would consolidate and modernize the statutory framework governing Federal procurement, and establish a single, simple procurement regulation with Government-wide applicability. It vests the authority to promulgate and to revise that regulation with one agency, the Office of Federal Procurement Policy, to insure that the current fragmentation of procurement regulations does not reoccur.

It severely restricts the use of detailed specifications in purchase descriptions and encourages the use of simple functional purchase descriptions. It places restrictions on the use of sole source procurement by requiring the marketplace rather than the Agency to determine if competition exists. It insures equity and fairplay in the award of contracts by establishing a statutory base for the General Accounting Office's resolution of bid protests. Finally, it streamlines and rationalizes Government audit and surveillance efforts by focusing them on large contractors, and providing a measure of relief from complex Government requirements for smaller contractors who operate competitively.

A major addition to the bill, which comes out of our investigations into the corruption of GSA, is a series of provisions designed to insure accountability on the part of agency employees and of contractors.

A new provision of the bill calls for the Office of Federal Procurement Policy, in consultation with the Office of Personnel Management, to issue a code of conduct for Government employees who are involved in Federal contracting. The code of conduct is designed to apply to all Government acquisition personnel and will set out methods of compliance with this legislation, as well as listing prohibited actions in the acquisition process. Agency Inspectors General are to investigate alleged violations of the code, and violators will be subject to disciplinary action in accordance with the Civil Service laws.

Section 306 has been revised to make it unlawful for a contractor to deprive the Government of the benefit of a true and free audit. Contractors who violate this provision will be subject to a range of penalties, including termination of the contract for default, debarment, fines, and imprisonment.

Finally, section 508 has been modified to require agencies to refer suspected contractor violations of criminal laws, as well as antitrust laws, to the Justice Department for appropriate action. It also now vests the responsibility for investigating such violations on the Federal Bureau of Investigation, in order to insure that there is an identifiable unit within the Government responsible for such investigations.

There are a number of laws and regulations on the books today which allow action to be taken against persons who violate the law while participating in the acquisition process. The GSA investigations have shown that these laws simply are not being enforced or even worse, that no one seems to understand that such laws exist. I have included new sanctions in this legislation for these reasons. First I believe that a statute which established basic policies and procedures for the Federal acquisition process should also contain provisions which set out penalties for violations of its provisions.

It helps assure that the implementation of new procurement procedures and the promulgation of penalties for violating those procedures takes place at the same time, and establishes a link between the two from the contract. Second, I believe that it is important to indicate who the Congress expects to enforce these sanctions. By vesting a great measure of this responsibility in agency inspectors general and the FBI, we facilitate congressional oversight of the acquisition process and create focal points within the executive branch to which allegations of violations may be referred.

I have also revised that provision of the bill which deals with multiple award schedules. Currently, GSA lists thousands of items on multiple award schedules, and the Government purchases over $2 billion of mostly commercial supplies each year through these schedules. The recent investigations into the purchasing practices of GSA have revealed serious problems with the operation of the multiple award schedule program, and have indicated that a more effective program could have saved the Government significant amounts of money. I want to stress that the language in the bill today is by no means set in concrete. It simply indicates the direction in which I think the Government needs to move on multiple award schedules. I believe that the present system could be vastly improved by reducing the number of items on the schedules, by stressing price, not discounts, as the basis for awards, and by creating stringent justification procedures whenever an agency wants to use anything but the lowest priced items. The General Accounting Office is reviewing the current multiple award schedule program, and plans to have a study completed sometime this spring. I have begun to look at the procurement system of our States to see how they operate, and to determine if there are lessons the Federal Government can learn from the States. One important step we should take is to stress market research and analyses in Federal purchasing. The Federal Government ought to look before it leaps, so to speak, and that means using market research to estimate the Government's needs, determine what products can meet these needs, who sells these products and how they can be most effectively obtained.

The limitations on discussions in competitive negotiations which is in section 303 of S. 1264 has been modified. As revised, it now strikes a balance by permitting full and meaningful discussions during negotiations while prohibiting those abusive practices, like auctioneering and technical leveling, which have compromised the integrity of the system and led to buy-ins and cost overruns in the past.

The issue of U.S. purchases from foreign governments and interested organizations has not been addressed in the bill. I understand the concern certain executive agencies, especially the Department of Defense, have over the absence of such a provision.

As I have indicated in the past, however, the impact such a provision would have on efforts to achieve a measure of commonality of equipment with our NATO partners makes it appropriate that any proposal be reviewed by the Armed Services Committee. I understand that that committee has been looking into this very problem and I would plan to give great weight to any proposals it makes to resolve this important problem.

NEED FOR LEGISLATION

In the last fiscal year the Federal Government spent over $80 billion on the purchase of supplies and services in more than 15 million contract actions. The Defense Department alone used more than 35,000 persons in over 600 offices in spending $65.2 billion for the acquisition of products and services. Yet, these activities, which are immense in scope and in economic impact, are controlled by two different 30-year-old laws, each of which has been amended at different times without regard to the other. Furthermore, past reforms in procurement have focused on a particular aspect of the process, or have attempted to redress a symptomatic abuse in the system. This fragmented approach has resulted in a dual regulatory system, one for the military agencies and another for civilian agencies. Studies by the Commission on Government Procurement revealed more than 30 troublesome inconsistencies between the two regulatory systems.

For example, major inconsistencies include:

Competitive discussions: The Armed Services Act requires but the Federal Property Act does not, that proposals for negotiated contracts be solicited from a maximum of qualified sources, and that discussions be conducted with all sources in a competitive range.

Truth in negotiations: The Armed Services Act requires but the Federal Property Act does not, that contractors and subcontractors submit cost or pricing data.

Negotiation authority for research and development: Both acts require agency head approval to negotiate research and development contracts. Under the Armed Services Act someone below the head of the agency can approve contracts up to $100,000. Under the Federal Property Act, the limit is $25,000.

Negotiation of certain contracts involving high initial investments: The Armed Services Act includes, but the Federal Property Act does not, an exception to the advertising requirement for negotiating certain contracts requiring high initial investment.

Specifications accompanying invitations for bid: The Armed Services Act states that an inadequate specification makes the procurement invalid. Comparable language is not found in the Federal Property Act.

I could go on for hours citing other examples of restrictions, inconsistencies, and areas for which there is no guidance whatsoever. These inconsistencies have been magnified in the flowdown from statute to regulation to actual practice. This cripples the Government by creating confusion and paperwork with acts to inhibit many businesses, especially small ones, from competing for Government contracts.

This procurement reform legislation seeks to substitute effective competition for regulation in Federal spending.

Nearly everyone shares the popular resentment over Government regulations—and in no area is the damage greater than in Federal contracting.

But although it is popular to call for eliminating Government regulations, we have to think for a moment. These regulations grew for an apparent reason: To gain control and accountability. In Federal spending practices, the regulatory controls grew, I believe, because effective competition was dying as the primary control mechanism.

It is not enough to eliminate regulations, we need to put effective competition back to work in their place. That is why the new contracting legislation is aimed at relieving a range of Government surveillance requirements—but only for those companies who operate in a competitive environment.

If you believe half of the business complaints about being buried under Government paperwork, private firms should welcome this approach. Contractors who do business with the Federal Government will have to stand up and be counted in the harsh light of open competition, however, and I am afraid our current contracting policies have gotten some big contractors' eyes adjusted to doing business by cost-plus candlelight.

The bill also seeks to design Federal spending practices to unleash a technological offensive to meet the Nation's needs.

Unless and until we can begin to unstack the layers of managers and management from Congress on down, and unless and until we begin to put wide-open competition to work instead of enforced regulatory stagnation, and unless and until we do these things—we are going to continue to crush our most invaluable and scarce national resource: the creative talent of American businesses.

Talk about American industrial productivity. Talk about standard of living.

Talk about agricultural output. Talk about balance of trade and strength of the American dollar shifting military balance. Talk about any of these things, and the odds are that one word will constantly appear: technology. New products and new services to meet growing needs.

Federal spending practices set the economic tone for this country. They set the rules by which major corporations lean to do business, especially high technology firms which are heavily, if not totally, dependent on Federal nourishment.

This new Federal acquisition legislation is designed to convert those Federal spending practices from insensible inhibitors into positive promoters of new technology. It is founded on the proposition that the Federal Government ought to contract with the person offering the best product at the lowest price, not the fellow most adept at filling out forms.

Mr. President, I ask unanimous consent that the bill be placed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 5

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Federal Acquisition Reform Act."

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Declaration of policy.
Sec. 3. Definitions.

TITLE I—REGULATORY GUIDANCE

Sec. 101. Acquisition methods.
Sec. 102. Regulatory compliance.
Sec. 103. Contracting Officers Compliance Code; Enforcement.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

Sec. 201. Criteria for use.
Sec. 202. Invitation for sealed bids.
Sec. 203. Evaluation, award, and notifications.

TITLE III—ACQUISITION BY COMPETITIVE NEGOTIATON

Sec. 301. Criteria for use.
Sec. 302. Solicitations.
Sec. 303. Evaluation, award, and notifications.
Sec. 304. Noncompetitive exceptions.
Sec. 305. Price and cost data and analysis.
Sec. 306. Access to records by Executive Agencies and the Comptroller General.

TITLE IV—ACQUISITION BY SIMPLIFIED SMALL PURCHASE METHOD

Sec. 401. Criterion for use.
Sec. 402. Solicitations and awards.

TITLE V—GENERAL PROVISIONS

Sec. 501. Contract types.
Sec. 502. Warranty against contingent fees.
Sec. 503. Cancellations and rejections.
Sec. 504. Multiyear contracts.
Sec. 505. Advance, partial, and progress payments.
Sec. 506. Remission of liquidated damages.
Sec. 507. Determination and findings.
Sec. 508. Enforcement and Penalty.
Sec. 509. Government surveillance requirements.
Sec. 510. Maintenance of regulations.
Sec. 511. Payment of funds due.
Sec. 512. Publication of intent.
Sec. 513. Revisions of thresholds.
Sec. 514. Sunset for specifications.
Sec. 515. Minority business participation.
Sec. 516. Limitation on contract claims.

TITLE VI—DELEGATION OF AUTHORITY

Sec. 601. Delegation within an executive agency.
Sec. 602. Joint acquisitions.

TITLE VII—PROTESTS

Sec. 701. Purpose.
Sec. 702. Jurisdiction.
Sec. 703. Proceedings.
Sec. 704. General provisions.
Sec. 705. Judicial review.

TITLE VIII—APPLICABILITY OF SUBSEQUENT LAWS

Sec. 801. Applicability.
Sec. 802. Separability.

TITLE IX—AMENDMENTS AND REPEALS

Sec. 901. Amendments.
Sec. 902. Repeals.

DECLARATION OF POLICY

Findings

SEC. 2. (a) The Congress hereby finds that—

(1) the laws controlling Federal purchasing have become outdated, fragmented, and needlessly inconsistent;

(2) these deficiencies have contributed to significant inefficiency, ineffectiveness, and waste in Federal spending;

(3) a new consolidated statutory base is needed, as recommended by the Commission on Government Procurement;

(4) further, existing statutes need to be modernized to focus on effective competition and new technology in that—

(A) national producivity rests on a base of competitive industry applying new technology in its goods and services; and

(B) Federal spending practices can encourage the Nation's business community by stimulating effective competition and the application of new technology.

Policy

(b) It is the policy of the United States that when acquiring property and services for the use of the Federal Government, the Government shall, whenever practicable rely on the private sector, and shall act so as to—

(1) best meet public needs at the lowest total cost;

(2) maintain the independent character of private enterprise by substituting the incentives and constraints of effective competition for regulatory controls;

(3) encourage innovation and the application of new technology as a primary consideration by stating agency needs and analyzing the market so that prospective suppliers will have maximum latitude to exercise independent business and technical judgments in offering a range of competing alternatives;

(4) maintain and expand the available Federal supply base by judicious acquisition practices designed to assure Government contracting with new and small business concerns to the maximum practicable extent;

(5) make available for review and examination those pertinent Federal laws and regulations applicable to the awards of contracts and those which may impact the performance of contracts, including, for example, Federal laws and agency rules relating to air and water cleanliness requirements, and to occupational safety requirements;

(6) provide opportunities to minority business firms to grow through Government contracts;

(7) initiate large scale productions only after the item or equipment to be acquired has been proven adequate by operational testing;

(8) provide contractors with the opportunity to earn a profit on Government contracts commensurate with the contribution made to meeting public needs and comparable to the profit opportunities available in other markets requiring similar investments, technical and financial risks and skills;

(9) rely on and promote effective competition; to insure the availability to the Government of alternative offers that provide a range of concept, design, performance, price, total cost, service, and delivery; and to facilitate the competitive entry of new and small sellers. Effective competition is generally characterized by—

(A) timely availability to prospective sellers of information required to respond to agency needs;

(B) independence of action by buyer and seller;

(C) efforts of two or more sellers, acting independently of each other, to respond to an agency need by creating, developing, demonstrating, or offering products or services which best meet that need, whether that need is expressed as an agency mission need, as a desired function to be performed, performance or physical requirements to be met, or as some combination of these; and

(D) absence of bias or favoritism in the solicitation, evaluation, and awards of contracts.

DEFINITIONS

SEC. 3. For purpose of this Act—

(a) The term "acquisition" means the acquiring by contract with appropriated funds of property or services by and for the direct benefit or use of the Federal Government through purchase, lease, or barter, whether the property or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition includes such related functions as determinations of the particular agency need; solicitation; selection of sources; award of contracts; contract financing; contract performance; and contract administration.

(b) The term "executive agency" means an executive department as defined by section 101 of title 5, United States Code; an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5 United States Code; the United States Postal Service; and a wholly owned Government Corporation as defined by section 846 of title 31, United States Code (but does not include the Tennessee Valley Authority or the Bonneville Power Administration).

(c) The term "agency head" means the head of an executive agency as defined in subsection (b).

(d) The term "contracting officer" means any person who, either by virtue of his position or by appointment in accordance with applicable regulations, has the authority to enter into and administer contracts and make determinations and findings with respect thereto. The term also includes the authorized representative of the contracting officer, acting within the limits of his authority.

(e) The term "property" includes personal property and leaseholds and other interests therein, but excludes real property in being and leaseholds and other interests therein.

(f) The term "total cost" means all resources consumed or to be consumed in the acquisition and use of property or services. It may include all direct, indirect, recurring, nonrecurring, and other related costs incurred, or estimated to be incurred in design, development, test, evaluation, production, operation, maintenance, disposal, training, and support of an acquisition over its useful life span, whether each factor is applicable.

(g) The term "functional specification" means a description of the intended use of a product required by the Government. A functional specification may include a statement of the qualitative nature of the product required and, when necessary, may set forth those minimum essential characteristics and standards to which such product must conform if it is to satisfy its intended use.

(h) The term "unsolicited proposal" means a written offer to perform a proposed effort, submitted to an agency by an individual or organization solely on its own initiative with the objective of obtaining a contract, and not in response to an agency request or communication.

TITLE I—REGULATORY GUIDANCE

ACQUISITION METHODS

SEC. 101. Except as otherwise authorized by law, an executive agency shall acquire property or services in accordance with the criteria set forth in this Act.

REGULATORY COMPLIANCE

SEC. 102. (a)(1) The Administrator for Federal Procurement Policy is authorized and directed, pursuant to the authority conferred by the Office of Federal Procurement Policy Act and subject to the procedures set forth in such Act—

(A) to promulgate a single, simplified, uniform Federal regulation implementing this Act and to establish procedures for insuring compliance with this Act and such regulation by all executive agencies within two years after the date of enactment of this Act;

(B) to review such regulation on a regular basis and issue revisions as necessary;

(C) to make periodic studies in order to determine whether agency compliance with this Act has been efficient and effective; and

(D) to establish and oversee a program to reduce agency use of detailed product specifications.

(2) In promulgating and revising the regulation required under paragraph (1), the Administrator for Federal Procurement Policy shall—

(A) utilize the procedures established under subsections (b) and (c) of section 8 of the Office of Federal Procurement Policy Act, and shall transmit the report required by such subsections to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Government Affairs of the Senate, and the Committee on Government Operations of the House of Representatives; and

(B) utilize the procedures established under section 14(b) of such Act to provide for open public meetings.

(b) The Administrator for Federal Procurement Policy shall include in his annual report required under section 8(a) of the Office of Federal Procurement Policy Act a report of his activities under this section, including his assessment of agency implementation of and compliance with the requirements of this Act (including, for example, specific reductions in the use of detailed specifications pursuant to this Act), and recommendations for revisions in this Act or any other provision of law.

CONTRACTING OFFICERS' COMPLIANCE CODE; ENFORCEMENT

SEC. 103. (a) The Office of Federal Procurement Policy after consultation with the Office of Personnel Management, shall establish a code of conduct with respect to which all contracting officers employed by executive agencies shall be subject, to insure that all laws, rules and regulations relating to the acquisition of property and services are complied with.

(b) The code of conduct established under subsection (a) shall—

(1) establish guidelines and standards for, and set forth actions which are prohibited in, the acquisition of property or services by contracting officers;

(2) set forth procedures and methods of compliance with the provisions of this Act and regulations prescribed under it; and

(3) contain such other matters as are necessary to insure compliance with laws, rules and regulations relating to the acquisition of property or services.

(c)(1) The Inspector General of an executive agency or another employee designated by the agency head shall receive any allegation of a violation of the code of conduct by a contracting officer of that agency and shall investigate the allegation to determine whether there are reasonable grounds to believe that a violation has occurred.

(2)(A) If, in connection with any investigation under paragraph (1), the Inspector General or designated employee determines that there is reasonable cause to believe that a criminal violation has occurred, the violation shall be reported to the Attorney General and the agency head.

(B) If, in connection with any investigation under paragraph (1), the Inspector General or designated employee determines that there is reasonable cause to believe that any violation of the code of conduct or any law, rule, or regulation has occurred which is not a criminal violation, the violation shall be reported to the agency head.

(d) The agency head shall review any matter referred to him under subsection (c) and, if he determines it necessary, shall take—

(1) an action under chapter 75 of this title or other disciplinary or corrective action in the case of a contracting officer covered by such chapter, or

(2) an action similar to actions described in paragraph (1) in the case of other contracting officers.

(e) Each executive agency shall provide contracting officers with such information with respect to the code of conduct established under this section as is necessary to enable such officers to comply with the code.

(f)(1) At the close of each calendar year each executive agency shall report to the Office of Federal Procurement Policy on the number and disposition of investigations conducted under subsection (c).

(2) The Office of Federal Procurement Policy shall review the reports received under paragraph (1) and shall compile and submit to the Congress a report on the investigations conducted under subsection (c) by all executive agencies and their disposition, together with any recommendations for legislation which the Office finds appropriate.

(g) The General Accounting Office shall from time to time review on a selected basis the methods of carrying out and disposing of investigations by executive agencies under this section to determine if the agencies are complying with the requirements of this section and shall periodically report its findings to the Congress and the Office of Federal Procurement Policy.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

CRITERIA FOR USE

SEC. 201. The competitive sealed bids method shall be used in the acquisition of property and services when all of the following conditions are present—

(1) the anticipated total contract price exceeds the amount specified in title IV of this Act for use of the simplified small purchase method;

(2) the agency need can be practicably defined in terms not restricted by security requirements or proprietary design;

(3) the private sector will provide a sufficient number of qualified suppliers willing to compete for and able to perform the contract;

(4) suitable products or services capable of meeting the agency need are available so as to warrant the award of a fixed price contract to a successful bidder selected primarily on the basis of price;

(5) the time available for acquisition is sufficient to carry out the requisite administrative procedures.

(6) the property or service is to be acquired within the limits of the United States and the Territories, Commonwealths; and

(7) the price for the property or service has not been established by or pursuant to law or regulation.

INVITATION FOR SEALED BIDS

SEC. 202. (a) The invitation for sealed bids shall be publicized in accordance with section 512 of this Act and shall be issued in such a way that—

(1) the time prior to opening the bids will be sufficient to permit effective competition; and

(2) the invitation will be accessible to all interested or potential bidders; however, eligibility to participate in the bidding may be restricted to concerns eligible to participate in small business set-asides or other such authorized programs.

(b) The invitation shall include a description of any factors in addition to price that will be considered in evaluating bids.

(c) To the maximum extent practicable and consistent with needs of the agency, functional specifications shall be used to permit a variety of distinct products or services to qualify and to encourage effective competition.

(d) The preparation and use of detailed product specifications in a purchase description shall be subject to prior approval by the agency head. Such approval shall include written justification, to be made a part of the official contract file, delineating the circumstances which preclude the use of functional specifications and which require the use of detailed product specifications in the purchase descriptions.

(e) The contracting officer may request the submission of unpriced technical proposals and subsequently issue an invitation for sealed bids limited to those bidders whose technical proposals meet the standards set forth in the original invitation.

EVALUATION, AWARD, AND NOTIFICATIONS

SEC. 203. (a) All bids shall be opened publicly at the time and place stated in the invitation.

(b) Award shall be made to the responsible bidder whose bid conforms to the invitation and is most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that, for cogent and compelling reasons, it is in the Government's interest to do so.

(c) Notice of award shall be made in writing by the contracting officer with reasonable promptness and all other bidders shall be appropriately notified.

TITLE III—ACQUISITION BY COMPETITIVE NEGOTIATION

CRITERIA FOR USE

SEC. 301. The competitive negotiation method shall be used in the acquisition of property and services when—

(1) the anticipated total contract price exceeds the amount specified in title IV of this Act for use of the simplified small purchase method; and

(2) the acquistion does not meet the criteria set forth in section 201 of this Act for use of competitive sealed bids.

SOLICITATIONS

SEC. 302. (a) Solicitations for offers shall be issued to a sufficient number of qualified sources so as to obtain effective competition and shall be publicized in accordance with section 512 of this Act, with copies of the solicitation to be provided or made accessible to other interested or potential sources upon request; however, eligibility to respond to the

solicitation may be restricted to concerns eligible to participate in small business set-asides or other such authorized programs.

(b)(1) Each solicitation shall include both the evaluation methodology and the relative importance of all significant factors to be used during competitive evaluation and for final selection. In any case, if price is included as a primary or significant factor, the Government's evaluation shall be based where appropriate on the total cost to meet the agency need.

(2) Any changes in the evaluation factors or their relative importance shall be communicated promptly in writing to all competitors.

(c) To the maximum extent practicable and consistent with agency needs, solicitations shall encourage effective competition by—

(1) setting forth the agency need in functional terms so as to encourage the application of a variety of technological approaches and elicit the most promising competing alternatives,

(2) not prescribing performance characteristics based on a single approach, and

(3) not prescribing technical approaches or innovations obtained from any potential competitor.

(d) If either the Government or an offeror, identifies inadequacies in the solicitation which cause misunderstandings of the agency's needs or requirements, clarification of intent shall be made to all offerors in a timely fashion and on an equal basis.

(e) The preparation and use of detailed product specifications in a solicitation shall be subject to prior approval by the agency head. Such approval shall include written justification to be made a part of the official contract file, delineating the circumstances which preclude the use of functional specifications and which require the use of detailed product specifications.

EVALUATIONS, AWARD, AND NOTIFICATIONS

SEC. 303. (a) Written or oral discussions shall be conducted with all offerors who submit proposals in a competitive range. An initial offer may be accepted without discussion when it is clear that the agency need would be satisfied on fair and reasonable terms without such discussions, and the solicitation has advised all offerors that award may be made without discussions. Discussions shall not disclose the strengths or weaknesses of competing offeror, or disclose any information from an offeror's proposal which would enable another offeror to improve his proposal as a result thereof. Auction techniques are strictly prohibited. Auction techniques include, but are not limited to, indicating to an offeror a price which must be met to obtain further consideration, or informing him that his price is not low in relation to another offeror, or making multiple requests for best and final offers.

(b) When awards are made for alternative approaches selected on the basis of the factors contained in the solicitation, whether for design, development, demonstration, or delivery, the contractors shall be sustained in competition to the maximum extent practicable until sufficient test or evaluation information becomes available to narrow the choice to a particular product or service.

(c) Until selection is made, information concerning the award shall not be disclosed to any person not having source selection responsibilities, except that offerors who are eliminated from the competition may be informed prior to awards

(d) Awards shall be made to one or more responsible offerors whose proposal(s), as evaluated in accordance with the terms of the solicitation are most advantageous to the Government. Notification of award to all unsuccessful offerors shall be made with reasonable promptness.

(e) Notwithstanding any other provision of this Act, the use of multiple award type schedules is authorized. However, competitive methods shall be used: (1) to limit the number of items on such schedules which meet the same need, and (2) to obtain the lowest competitively priced items which meet the minimum essential needs of the government.

NONCOMPETITIVE EXCEPTIONS

SEC. 304. (a) Compliance with the procedures prescribed in sections 302 and 303 is not required if the contract to be awarded stems from acceptance of an unsolicited proposal, or if the agency head determines that it is in the best interest of the Government to enter into a noncompetitive contract: *Provided*,

(1) That such determination, together with the reasons therefor, is in writing, and conforms with regulations issued by the Administrator for Federal Procurement Policy, pursuant to section 102(a)(1); and

(2)(A) for all contracts except those stemming from the acceptance of an unsolicited proposal, notice of intent to award such a contract shall be publicized pursuant to section 512 at least thirty days in advance of solicitation of a proposal from the prospective contractor; or, at least thirty days in advance of the proposed award date, when earlier notice is impracticable. Such notice shall include a description of the property or services to be acquired, the name of the prospective source, the time for accomplishment of the work, and the reason for selection of the source. If, after such notice, other sources demonstrate an ability to meet the requirements for the work to be performed, a solicitation or an invitation for sealed bids shall be issued to all such prospective offerors;

(B) in the case of those contracts stemming from the acceptance of an unsolicited proposal, notice of intent to award such a contract shall be publicized prior to award, pursuant to section 512 of this Act. Such notice shall include a description of the property or service to be acquired, the name of the prospective source, and the time for accomplishment of the work.

(b) Where there is no commercial usage of the product or service to be acquired under this section, and the agency head determines that substantial follow-on provision of such product or service will be required by the Government, the agency head shall, when he deems appropriate, take action through contractual provision, or otherwise, to provide the Government with a capability to establish one or more other competitive sources.

PRICE AND COST DATA AND ANALYSIS

SEC. 305. (a)(1) The term "price data" means actual prices previously paid, contracted, quoted, or proposed, for materials or services identical or comparable to those being acquired, and the related dates, quantities, and item descriptions which prudent buyers and sellers would reasonably expect to have a significant effect on the negotiation of a contract price or payment provisions.

(2) The term "cost data" means all facts which prudent buyers and sellers would reasonably expect to have a significant effect on the negotiation of a contract price or payment provisions. Such data are of a type that can be verified as being factual, and are to be distinguished from judgmental factors. The term does, however, include the facts upon which a contractor's judgment is based.

(3) The term "price analysis" means the process of examining and evacuating a price without evaluation of the individual cost and profit elements of the price being evaluated.

(4) The term "cost analysis" means the element-by-element examination and evaluation of the estimated or actual costs of contract performance, and involves analysis of cost data furnished by an offeror or contractor and the judgmental factors applied in projecting from such data to the offered price.

(b) The contracting officer shall obtain price data and shall use price analysis techniques to analyze and evaluate the reasonableness of a negotiated prime contract price or of a price adjustment pursuant to a modification thereto where—

(1) the price is expected to be $500,000 or less;

(2) the price is based on an established catalog or market price of a commercial item sold in substantial quantities to the general public; or

(3) there has been a recent comparable competitive acquisition.

(c) In the case of subcontracts, when any of the conditions in subsection (b) applies, price data shall be obtained and price analysis techniques shall be used to analyze and evaluate the reasonableness of—

(1) a subcontract price—where evaluation of a subcontract price is necessary to insure the reasonableness of the prime contract price, or

(2) a subcontract price adjustment pursuant to a prime contract modification.

(d) Except as provided in subsection (b)(2) and (3), cost data shall be obtained and cost analysis techniques shall be used to analyze and evaluate the reasonableness of prices—

(1) whenever the price of a negotiated prime contract or a price adjustment pursuant to a contract modification is expected to exceed $500,000; or

(2) for any subcontract price or price adjustment pursuant to a modification thereto in excess of $500,000 which forms part of a negotiated prime contract price or higher tier subcontract price.

(e) Notwithstanding subsection (b) hereof, the contracting officer may obtain cost data and use cost analysis techniques when authorized under circumstances set forth in regulations issued by the Administrator for Federal Procurement Policy pursuant to this Act.

(f) Contractors and subcontractors shall submit in writing such price data, or cost data as are required to be obtained pursuant to this section. Regulations issued by the Administrator for Federal Procurement Policy may authorize identification in writing of price data and cost data, in lieu of actual submission, under specified circumstances.

(g) Any prime contract or subcontract or modification thereto for which price data or cost data are required shall contain a provision that the price to the Government, including profit or fee, shall be adjusted to exclude any significant sums by which it may be determined by the contracting officer that such price was increased because of reliance on data which were inaccurate, incomplete, or noncurrent as of the date of submission or other date agreed upon between the parties (which date shall be as close to the date of agreement on the negotiated price or payment provisions as is practicable).

(h) The requirements of this section do not apply to contracts or subcontracts where the price negotiated is based on adequate price competition, prices set by law or regulation, or, in exceptional cases, where the head of the agency determines that the requirements of this section may be waived and states in writing his reasons for such determination.

ACCESS TO RECORDS BY EXECUTIVE AGENCIES AND THE COMPTROLLER GENERAL

SEC. 306. (a) Until three years after final payment under a contract or a subcontract negotiated or amended under this title, an executive agency is entitled to inspect the plants and examine any books, documents, papers, records, or other data of the contractor and his subcontractors which involve transactions relating to the contract or subcontract or to the amendment thereof, including all such books, records, and other data relating to the negotiation, pricing, or performance of the contract or subcontract.

(b) Until three years after final payment under a contract or a subcontract negotiated or amended under this title, the Comptroller General of the United States or his authorized representative is entitled to inspect the plants and examine any books, documents, papers, records, or other data of the contractor and his subcontractors which directly pertain to and involve transactions relating to the negotiation, pricing, or performance of the contract or subcontract.

(c)(1) The provisions of subsection (b) may be waived for any contract or subcontract with a foreign contractor or subcontractor, if the agency head determines, with concurrence of the Comptroller General, that such waiver would be in the public interest. The concurrence of the Comptroller General or his designee is not required—

(A) where the contractor or subcontractor is a foreign government or agency thereof or is precluded by the laws of the country involved from making its books, documents, papers, or records available for examination; or

(B) where the agency head determines, after taking into account the price and availability of the property or services from sources in the United States, that the public interest would be best served by waiving the provisions of subsection (b).

(2) If the provisions of subsection (b) are waived for a contract or subcontract based on a determination under paragraph (1)(B), the agency head shall submit a written report concerning such determination to the Congress.

(d) Multiple inspections and examinations of a contractor or subcontractors by more than one executive agency shall be eliminated to the maximum extent practicable by coordinating inspection and examination responsibilities in accordance with regulations to be issued or authorized by the Administrator for Federal procurement policy pursuant to this Act.

(e)(1) Whoever, by collusion, understanding, or arrangement, deprives or attempts to deprive the United States of the benefit of a true and free audit of the books of a contractor shall be fined not more than $20,000 or imprisoned for not more than five years, or both.

(2) In accordance with such rules, regulations, or orders as the Administrator for Federal Procurement Policy may issue or adopt, the agency head may—

(A) recommend to the Attorney General that appropriate proceedings be brought to enforce the provisions of this section;

(B) cancel, terminate, suspend, or cause to be cancelled, terminated, or suspended, any contract, or portion or portions thereof, for failure of a contractor or subcontractor to comply with the provisions of this section; or

(C) refrain from entering into further contracts, or extensions or other modifications of existing contracts with any contractor who fails to comply with the provisions of this section, until such contractor has satisfied the agency head that such contractor will comply with the provisions of this section.

(3) If an agency head terminates a contract under paragraph (2)(B), such termination shall be considered a termination for default.

(4) The action of an agency head under paragraph (2)(B) or (2)(C) shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.

TITLE IV—ACQUISITION BY SIMPLIFIED SMALL PURCHASE METHOD

CRITERION FOR USE

SEC. 401. (a)(1) Whenever the anticipated total contract price for the acquisition of property or services does not exceed $10,000, a contracting officer may utilize—

(A) the simplified small purchase method established pursuant to this title; or

(B) one of the competitive methods established under title II or III.

(2) The Administrator for Federal Procurement Policy shall prescribe the procedures to be utilized by the agencies for the simplified small purchase method.

(b) The contracting officer shall choose the method for the acquisition of property or services under subsection (a) which is most advantageous to the Government.

(c) A contracting officer may not, for the purpose of utilizing the simplified small purchase method permitted under subsection (a), divide a contract with a total anticipated contract price in excess of $10,000 into smaller contracts which each have an anticipated contract price of less than $10,000.

SOLICITATIONS AND AWARDS

SEC. 402. The contracting officer shall use the simplified small purchase method established pursuant to this title to obtain competition to the maximum extent practicable, and may award the contract to the offeror whose offer is most advantageous to the Government. The provisions of this section shall not be applied so as to eliminate effective screening of proposed acquisitions for appropriate application of small business set-aside or other procedures designed to assist small businesses.

TITLE V—GENERAL PROVISIONS

CONTRACT TYPES

SEC. 501. (a) Contracts may be of any type or combination of types, consistent with the degree of technical and financial risk to be undertaken by the contractor, which will promote the best interests of the Government except that the cost-plus a percentage-of-cost system of contracting shall not be used under any circumstances.

(b) The preferred contract type shall be fixed price consistent with the nature of the work to be performed and the risk to be shared by the Government and the contractor.

(3) cancel a request for proposal and reject all offers.

(b) When requested, the agency head shall fully inform any unsuccessful offeror or bidder of the reasons for the rejection of his offer or bid.

MULTIYEAR CONTRACTS

SEC. 504. (a) Except as otherwise provided by law, an agency may make contracts for acquisition of property or services for periods not in excess of five years, when—

(1) appropriations are available and adequate for payment for the first fiscal year; and

(2) the agency head determines that—

(A) the Government need for the property or services being acquired over the period of the contract is reasonably firm and continuing; and

(B) such a contract will service the best interests of the United States by encouraging effective competition or promoting economics in performance and operation; and

(C) such a method of contracting will not inhibit small business participation.

(b) The Administrator for Federal Procurement Policy may grant exceptions to the five-year limitation imposed by subsection (a) upon the certification, in such form and of such content as the Administrator may require, by the agency head that such exception is in the best interests of the Government. A copy of each such certification and each exception granted shall be delivered to the chairman of the House Committee on Government Operations, the Senate Committee on Governmental Affairs, and the Committees on Appropriations of the House of Representatives and the Senate, respectively.

(c) Any cancellation costs incurred must be paid from appropriated funds originally available for performance of the contract, or currently available for acquisition of similar property or services, and not otherwise obligated, or appropriations made available for such payments.

ADVANCE, PARTIAL, AND PROGRESS PAYMENTS

SEC. 505. (a) Any executive agency may make advance, progress, partial, or other payments under contracts.

(b) Advance and progress payments under contracts with small business concerns shall be granted where possible and to the extent practicable under the circumstances existing for each acquisition. Provisions limiting advance and progress payments to small business concerns may be inserted into solicitations.

(c) Payments under subsections (a) and (b) shall not exceed the unpaid contract price.

(d) When progress payments are made, the Government shall have title to the property acquired or produced by the contractor and allocable or properly chargeable to the contact. Notwithstanding any other provisions of law, the title acquired by the Government under this section may not be divested by any action of the contractor or by a proceeding in bankruptcy, and may not be encumbered by any lien or security interest.

(e) Advance payments under subsection (a) or (b) shall not be made in excess of the amount required for contract performance, and may be made only upon adequate security and a determination by the agency head that to make such advance payments would be in the public interest. Such security may be in the form of a lien in favor of the Government on the property contracted for, on the balance in an account in which such payments are deposited, and on such property acquired for performance of the contract as the parties may agree. A lien established under this section is paramount to any other liens.

(f)(1) Payments under subsections (a) or (b) in the case of any contract, other than partial, progress, or other payments specifically provided for in such contract at the time such contract was initially entered into, may not exceed $25,000,000 unless the appropriate committees of the Senate and the House of Representatives have been notified in writing of such proposed payments and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such committees and neither House of Congress has passed a resolution stating in substance that that House does not favor the payments contained in the notification submitted pursuant to this subsection.

(2) The provisions of sections 908, 910, 911, and 912 of title 5, United States Code, shall apply to any resolution considered under this subsection. For the purposes of the preceding sentence—

(A) all references in such sections to "reorganization plan" shall be treated as referring to "payments contained in the notification submitted under section 505(e) of the Federal Acquisition Act of 1979", and

(B) all references in such sections to "resolution" shall be treated as referring to a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the (name of the resolving House of Congress) does not approve of the payments contained in the notification

submitted on ———, 19—, under section 505 (e) of the Federal Acquisition Act of 1979", the blank spaces therein being appropriately filled.

(3) For the purposes of this subsection—

(A) continuity of session is broken only by an adjournment sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of calendar days of continuous session.

REMISSION OF LIQUIDATED DAMAGES

SEC. 506. Upon the recommendation of the Agency head the Comptroller General of the United States may remit all or part, as he considers just and equitable, of any liquidated damages provided by the contract for delay in performing the contract.

DETERMINATIONS AND FINDINGS

SEC. 507. (a) Determination, findings, approvals, and decisions provided for by this Act may be made with respect to contracts individually or with respect to classes of contracts and shall be final.

(b) Each determination, approval, or decision shall be based upon written findings of the officer making the determination, approval, or decision, and shall be retained in the official contract file.

ENFORCEMENT AND PENALTY

SEC. 508. (a) If the contracting officer or any other agency employee has reason to believe that any bid, proposal, offer, or action by a contractor in carrying out the provisions of a contract or subcontract or amendment thereto evidences a violation of the criminal or antitrust laws, the matter shall be referred, in accordance with the procedures of the executive agency, to the Attorney General of the United States for appropriate action.

(b) The agency head shall make available to the Attorney General information which the Attorney General considers necessary and relevant to any investigation, prosecution, or other action by the United States under criminal or antitrust laws.

(c) The agency head shall render needed assistance to the Attorney General in any investigation and prosecution commenced in connection with activities under this Act.

(d) The Federal Bureau of Investigation is primarily responsible for the investigation of collusive bidding and other improper conduct under this Act that may give rise to the commencement of investigation, prosecution, or other action under the criminal or antitrust laws. The provisions of the preceding sentence shall not preclude appropriate action by other executive agencies, including the Federal Trade Commission, the Internal Revenue Service, and the Securities and Exchange Commission.

GOVERNMENT SURVEILLANCE REQUIREMENTS

SEC. 509. (a) Notwithstanding any other provisions of law, an agency shall, upon application by a contractor, waive the requirements listed in 509(c) for that part of a contractor's operation which is separately managed and accounted for if, for the contractor's most recent fiscal year, more than 75 per centum of the business of the activity, as measured by total revenues is conducted under commercial and/or competitive Government contracts. To be competitive for purposes of this section, the Government contracts must be firm fixed-price or fixed-price with escalation with price the deciding factor in the award.

(b) The waiver provided in 509(a) shall not be granted if the contractor's activity for the most recent fiscal year, had costs incurred of over $10,000,000, under Government contracts where the contract prices were based on estimated or actual costs. This category would include such contracts as cost reimbursement type contracts, firm fixed-price contracts negotiated without price competition, fixed-price incentive contracts, and time and material contracts.

(c) The waiver provided for in 509(a) shall apply to any or all of the following:

(1) reviews of contractor management and procurement systems;

(2) determinations of reasonableness of indirect overhead costs;

(3) the provisions of section 103 of the Act of August 15, 1970 (84 Stat. 796, as amended; 50 U.S.C. App. 2168);

(4) advance agreements for independent research and development and bid proposal activities.

(d) The waiver period shall not exceed two years without reconsideration by the Agency. The waiver may be canceled at any time or may be withheld altogether if the Agency head makes a written determination that the waiver should not apply. Any such cancellation shall have prospective effect only.

(e) The waiver provided for in 509(a) shall not affect the General Accounting Office access-to-records authority as set forth in section 306 of this Act.

MAINTENANCE OF REGULATIONS

SEC. 510. Notwithstanding any provision of law, any regulation of any executive agency in effect on or before the date of the enactment of this Act which is affected by any provision of, or amendment or repeal made by, this Act shall remain in effect until the earlier of—

(1) its repeal by order of the Administrator for Federal Procurement Policy, or

(2) the date two years after the date of the enactment of this Act.

An agency shall not amend any regulation referred to in the preceding sentence without the prior approval of the Administrator.

PAYMENTS OF FUNDS DUE

SEC. 511. A clause shall be included in every contract awarded by the United States pursuant to this Act which shall provide for interest to be paid by the Federal Government to the contractor on any amount due to the contractor for more than thirty days. No amount shall be considered due until (1) the Government agency office designated in the contract for submission of invoices has received a proper invoice and any substantiating documentation required. Interest shall accrue and be paid at a rate which the Secretary of the Treasury shall specify as applicable to the period beginning on July 1, 1979, and ending on December 31, 1979, and to each six month period thereafter. Such rate shall be determined by the Secretary of the Treasury, taking into consideration current private commercial rates of interest for new loans maturing in approximately five years.

PUBLICATIONS OF INTENT

SEC. 512. It shall be the duty of the Secretary of Commerce, and he is empowered, to obtain notice of all proposed acquisitions of above $10,000, from any executive agency engaged in acquisitions in the United States; and to publicize such notices in the daily publication "United States Department of Commerce Synopsis of the United States Government Proposed Procurement Sales, and Contract Awards", immediately after the necessity for the acquisition is established; except that nothing herein shall require publication of such notices with respect to those acquisitions—

(1) which for security reasons are of a classified nature; or

(2) which involve perishable subsistence supplies; or

(3) which are for utility services and the acquiring agency in accordance with applicable law has predetermined the utility concern to whom the award will be made; or

(4) which are of such unusual and compelling emergency that the Government would be seriously injured if notice were required to be publicized thirty days in advance of the proposed contract award date. In all such cases, notice shall be published at the earliest practicable opportunity; or

(5) which are made by an order placed under an existing contract; or

(6) which are made from another Government department or agency, or a mandatory source of supply; or

(7) for which it is determined in writing by the procuring agency, with the concurrence of the Administrator, Small Business Administration, that advance publicity is not appropriate or reasonable.

REVISIONS OF THRESHOLDS

SEC. 513. At least every three years beginning with the third year after enactment of this Act, the Administrator for Federal Procurement Policy shall review the prevailing costs of labor and materials and may revise the amounts stated in sections 305, 401, 509, and 512 or any prior revisions thereof, not withstanding any other provision of law, to reflect an increase or decrease by at least 10 per centum in the costs of labor and materials. At least sixty days in advance of its effective date, the Administrator shall report to Congress any such revision which by itself, or cumulatively with earlier increases, represents 50 per centum or more increase.

SUNSET FOR SPECIFICATIONS

SEC. 514. All specifications shall be reviewed at least every five years, and shall be canceled, modified, revised, or reissued as determined by such review.

MINORITY BUSINESS PARTICIPATION

SEC. 515. The Administrator for Federal Procurement Policy is authorized and directed to initiate, in consultation with the Small Business Administration, periodic reviews of acquisition programs within the executive branch with the objective of making minority business participation in government contracting more effective and assuring that minority businesses have full opportunity to compete for Government contracts. Targets should be set which reflect the Government's commitment to increasing minority business participation in Federal contracting.

LIMITATION ON CONTRACT CLAIMS

SEC. 516. Any claim by an executive agency against a contractor under a provision of a contract awarded by the agency pursuant to this Act shall be made within six years from the date of final payment under the contract.

TITLE VI—DELEGATION OF AUTHORITY

DELEGATION WITHIN AN EXECUTIVE AGENCY

SEC. 601. Each agency head may delegate any authority under this Act, provided that such delegation is made in accordance with regulations established by the Administrator for Federal Procurement Policy. Delegation of authority to make determinations under sections 202, 302(e), 304, 305, 306, and 509 shall be maintained at the highest organizational level practicable in order to protect the integrity of the acquisition process consistent with the nature and the size of the acquisition decision. The authority in section 702(b) to authorize the award of a contract notwithstanding a protest pending before the Comptroller General may not be delegated below the level of Assistant Secretary or comparable level.

JOINT ACQUISITIONS

SEC. 602. (a) To facilitate acquisition of property or services by one executive agency for another executive agency, and to facilitate joint acquisition by those agencies—

(1) the Agency head may, within his agency, delegate functions and assign responsibilities relating to the acquisition;

(2) the heads of two or more executive agencies may by agreement delegate acquisition functions and assign acquisition responsibilities from one agency to another of those agencies or to an officer or employee of another of those agencies; and

(3) the heads of two or more executive agencies may create joint or combined offices to exercise acquisition functions and responsibilities.

(b) Subject to the provisions of section 686 of title 31, United States Code—

(1) appropriations available for acquisition of property and services by an executive agency may be made available for obligation for acquisition of property and services for its use by any other agency in amounts authorized by the head of the ordering agency and without transfer of funds on the books of the Department of the Treasury;

(2) a disbursing officer of the ordering agency may make disbursement for any obligation chargeable under subsection (a) of this section, upon a voucher certified by an officer or employee of the acquisition agency.

TITLE VII—PROTESTS

PURPOSE

SEC. 701. Under the authority contained in the Budget and Accounting Act, 1921, as amended, protests shall be decided in the General Accounting Office if filed with that Office in accordance with this title. For purposes of this title, the term "protest" means a challenge to a solicitation, or to the award or proposed award of any contract to be financed by appropriated funds for the acquisition by an agency of property or services or for any sale or lease by an agency and the term "agency" means an executive department as defined by section 101 of title 5, United States Code; an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5, United States Code; the United States Postal Service; a wholly owned Government corporation as defined by section 846 of title 31, United States Code (but does not include the Tennessee Valley Authority or the Bonneville Power Administration); and any department or agency or other activity of the Federal Government whose accounts are subject to settlement by the Comptroller General of the United States pursuant to the Budget and Accounting Act, 1921, as amended.

JURISDICTION

SEC. 702. (a) In accordance with the procedures issued pursuant to section 704, the Comptroller General shall have authority to decide any protest submitted by an interested party or referred by any agency or Federal instrumentality. An interested party is a firm or an individual whose direct economic interest would be affected as contractor or subcontractor by the award or nonaward of the contract.

(b) No contract shall be awarded after the contracting activity has received notice of a protest to the Comptroller General while the matter is pending before him: Provided, *however*, That the head of an agency may authorize the award of a contract notwithstanding such protest, upon a written finding that the interest of the United States will not permit awaiting the decision of the Comptroller General: *And provided further*, That the Comptroller is advised of such finding prior to the award of the contract.

(c) With respect to any solicitation, proposed award, or award of contract protested to him in accordance with this title, the Comptroller General is authorized to declare whether such solicitation, proposed award, or award comports with law and regulation.

PROCEEDINGS

SEC. 703. (a) To the maximum extent practicable, the Comptroller General shall provide for the inexpensive, informal, and expeditious resolution of protests.

(b) Each decision of the Comptroller General shall be signed by him or his delegee and shall be issued under the authority of the Comptroller General to settle the accounts of the Government under the Budget and Accounting Act, 1921, as amended. A copy of the decision shall be furnished to the interested parties and the executive agency or agencies involved.

(c) There shall be no ex parte proceeding in protests before the Comptroller General or his representative, except that this subsection shall not be deemed to preclude informal contacts with the parties for procedural purposes.

(d) The Comptroller General is authorized to dismiss any protest he determines to be frivolous or which, on its face, does not state a valid basis for protest.

(e) Where the Comptroller General has declared that a solicitation, proposed award, or award of a contract does not comport with law or regulation, he may further declare the entitlement of an appropriate party to bid and proposal preparation costs. In such cases the Comptroller General may remand the matter to the agency involved for a determination as to the amount of such costs. Declarations of entitlement to monetary awards shall be paid promptly by the agency concerned out of funds available for the purpose.

GENERAL PROVISIONS

SEC. 704. The Comptroller General shall issue such procedures, not inconsistent with this title, as may be necessary in the execution of the protest decision function. He may delegate his authority to other officers or employees of the General Accounting Office.

JUDICIAL REVIEW

SEC. 705. Any person adversely affected or aggrieved by the action, or the failure to act, of an agency, or of the Comptroller General, with respect to a solicitation or award hereunder may obtain judicial review thereof to the extent provided by sections 702 through 706 of title 5, United States Code, including determinations necessary to resolve disputed material facts or when otherwise appropriate.

TITLE VIII—APPLICABILITY OF SUBSEQUENT LAWS

APPLICABILITY

SEC. 801. No law enacted after the date of enactment of this Act, including any limitation in any appropriation bill or any limitation of any provision authorizing the appropriation of funds, may be held, considered, or construed as amending any provision of this Act, unless such law does so by specifically and explicitly amending or superseding a specific and separately referenced provision of this Act.

SEPARABILITY

SEC. 802. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

TITLE IX—AMENDMENTS AND REPEALS

AMENDMENTS

SEC. 901. (a) The Agriculture Department Appropriation Act, 1923, is amended by striking out ", after due advertisement and on competitive bids," in the first proviso on the page at forty-second Statutes at Large, page 517 (7 U.S.C. 416).

(b) Section 101(d) and 104 of the Department of Agriculture Organic Act of 1944 (58 Stat. 734, 736; 7 U.S.C. 430, 432) are amended by striking out "in the open market".

(c) Section 2356(b) of title 10, United States Code, is amended by striking out the last sentence.

(d) Sections 4504 and 9504 of title 10, United States Code, are each amended by striking out everything after "United States" and inserting in lieu thereof a period.

(e) Sections 4505 and 9505 of title 10, United States Code, are each amended by striking out the second sentence.

(f) Clause (2) of section 502(c) of the Act of August 10, 1948 (62 Stat. 1283; 12 U.S.C. 1701c(b)(2)), is amended by striking out ", without regard to section 3709 of the Revised Statutes".

(g) Section 502(e) of the Act of December 31, 1970 (84 Stat. 1784; 12 U.S.C. 1701z-2(e)), is amended by striking out ", without regard to section 3709 of the Revised Statutes,".

(h) Section 708(h) of the Act of June 27, 1934, as amended August 10, 1948 (62 Stat. 1279; 12 U.S.C. 1747g(h)), is amended by striking out the proviso at the end.

(i) Section 712 of the Act of June 27, 1934, as amended August 10, 1948 (62 Stat. 1281; 12 U.S.C. 1747k) is amended by striking out "and without regard to section 3709 of the Revised Statutes".

(j) Section 208(b) of the Act of June 26, 1934, as amended October 19, 1970 (84 Stat. 1014; 12 U.S.C. 1788(b)), is amended by striking out the last sentence.

(k) Clause (4) of section 2(b) of the Act of July 18, 1958 (72 Stat. 386; 15 U.S.C. 634 (b)(4)), is amended by striking out: "Section 3709 of the Revised Statutes, as amended (41 U.S.C., section 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator or as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000.".

(l) Section 3 of the Act of April 24, 1950 (64 Stat. 83; 16 U.S.C. 580c), is amended to read as follows:

"SEC. 3. The Forest Service is authorized to make purchases of (1) materials to be tested or upon which experiments are to be made or (2) special devices, test models, or parts thereof, to be used (a) for experimentation to determine their suitability for or adaptability to accomplishment of the work for which designed or (b) in the designing or developing of new equipment: *Provided*, That not to exceed $50,000 may be expended in any one fiscal year pursuant to this authority and not to exceed $10,000 on any one item or purchase.".

(m) Section 2(b)(1) of the Act entitled "An Act to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation", approved October 9, 1962 (76 Stat. 753; 16 U.S.C. 1052), is amended by striking out ", without regard to the provisions of section 3709 of the Revised Statutes of the United States (41 U.S.C. 5,".

(n) Section 224(a) of the Act of November 8, 1965 (79 Stat. 1228; 20 U.S.C. 1034(a)), is amended by striking out ", and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5),".

(o) Section 7 of the Act of December 20, 1945, as amended October 10, 1949 (59 Stat. 621; 22 U.S.C. 287e), is amended by striking out ", all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5)".

(p) Section 707 of the Act of August 13, 1946 (60 Stat. 1019; 22 U.S.C. 1047), is amended by striking out ", without regard to section 3709 of the Revised Statutes".

(q) Section 22(e)(7) of the Act of December 29, 1970 (84 Stat. 1613, 29 U.S.C. 671(e)(7)), is amended by striking out ", and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), or any other provision of law relating to competitive bidding."

(r) Section 6(b) of the Act of August 31, 1954 (68 Stat. 1010; 30 U.S.C. 556(b)), is amended by striking out "and without regard to the provisions of section 3709, Revised Statutes (41 U.S.C. 5)".

(s) Section 1820(b) of title 38, United States Code, is amended by striking out "sec-

tion 5 of title 41" and inserting in lieu thereof the "Federal Acquisition Act of 1977" and by deleting "if the amount of such contract exceeds $1,000.".

(t) Selection 5002 of title 38, United States Code, is amended by substituting a period for the comma after "work" and striking out the remainder of the section.

(u) The Act of October 10, 1940, as amended (54 Stat. 1109; 41 U.S.C. 6a, b(a), is amended by striking out section 2, and by striking out "without regard to the provisions of section 3709 of the Revised Statutes, as amended," in subsection (a). The Act of July 27, 1965 (79 Stat. 276; 41 U.S.C. 6a–1) is amended by striking out any and all references to section 3709 of the Revised Statutes in sections relating to Architect of the Capitol.

(v) Section 11 of the Act of June 30, 1936 (49 Stat. 2039, renumbered section 12 in 66 Stat. 308, 41 U.S.C. 45), is amended to read as follows:

"SEC. 12. The provisions of this Act requiring the inclusion of representations with respect to minimum wages shall apply only to purchases or contracts relating to such industries as have been the subject matter of a determination by the Secretary of Labor.".

(w) Section 356(b) of the Act of July 1, 1944, as added October 18, 1968 (82 Stat. 1175; 42 U.S.C. 263d(b)), is amended by striking out the references to section 3709 of the Revised Statutes and 41 U.S.C. 5 in clause (3), and by striking out the parenthetical phrase "(by negotiation or otherwise)" in clause (4).

(x) Section 1(b) of the Act of October 14, 1940 (54 Stat. 1126; 42 U.S.C. 1521(b)), is amended by striking out the reference to section 3709 of the Revised Statutes in the first parenthetical phrase, and by striking out the first provisio and inserting in lieu thereof; "*Provided*, That the cost plus a percentage of cost system shall not be used.".

(y) Section 202(b) of the Act of October 14, 1940 (55 Stat. 362; 42 U.S.C. 1532(b)), is amended by striking out the reference to section 3709 of the Revised Statutes, and by adding the following proviso at the end of paragraph 1532(b); "*Provided*, That the cost plus a percentage of cost system shall not be used.".

(z) Section 309 of the Act of September 1, 1951 (65 Stat. 307; 42 U.S.C. 1592h), is amended by striking out clause (a), and amending clause (b) to read as follows:

"(b) the fixed-fee under a contract on a cost-plus-a-fixed-fee basis shall not exceed 6 per centum of the estimated cost;".

(aa) Section 103(b)(4) and 104(a)(2) of the Act of July 14, 1955, as amended November 21, 1967 (81 Stat. 486, 487; 42 U.S.C. 1857 (b)(4), b–1(a)(2)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code.

(bb) Secton 31(b) of the Atomic Energy Act of 1954 (68 Stat. 927; 42 U.S.C. 2051(c)) is amended to read as follows:

"(c) The Commission may make available for use in connection with arrangements made under this section, such of its equipment and facilities as it may deem desirable.".

(cc) Section 41(b) of the Atomic Energy Act of 1954 (68 Stat. 928; 42 U.S.C. 2061(b)) is amended by striking out the last three sentences in this section.

(dd) Section 43 of the Atomic Energy Act of 1954 (68 Stat. 929; 42 U.S.C. 2063) is amended by striking out the following: "without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.".

(ee) Section 55 of the Atomic Energy Act of 1954 (68 Stat. 931; 42 U.S.C. 2075) is amended by striking out the second and third sentences in this section.

(ff) Section 66 of the Atomic Energy Act of 1954 (68 Stat. 933; 42 U.S.C. 2096) is amended by striking out the following: "Any purchase made under this section may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.".

(gg) Section 203(e) of the Act of April 3, 1970 (84 Stat. 115; 42 U.S.C. 4372(e)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code.

(hh) Section 703 of the Act of June 29, 1936 (49 Stat. 2008; 46 U.S.C. 1193), is amended by striking out subsection (a), by striking out "For the construction, reconstruction, or reconditioning of vessels, and" in subsection (c), and by renumbering subsections (b) and (c) as (a) and (b), respectively.

(ii) Section 8(a) of the Act of September 30, 1965 (79 Stat. 894; 49 U.S.C. 1638(a)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code, in paragraph (1), and by striking out paragraphs (3) and (4).

(jj) Section 5012 of title 38, United States Code, is amended by striking out the second sentence in subsection (a) and all of subsection (c).

(kk) Section 832(g) of title 16, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$10,000".

(ll) Section 2075 of title 42, United States Code, is amended by striking out the second sentence and the third sentence in this section.

(mm) Section 6009(d) of title 42, United States Code, is amended by striking out the last sentence.

(nn) Section 286d(a)(7) of title 42, United States Code, is amended by striking out "without regard to section 529 of title 31 and section 5 of title 41".

(oo) Section 287b(c)(3) of title 42, United States Code, is amended by striking out "without regard to section 529 of title 31 and section 5 of title 41".

REPEALS

SEC. 902. The following statutes or provisions of statutes are repealed.

Chapters 135 and 137 and sections 4535, 7522, and 9535 of title 10, United States Code; section 637(e) of title 15, United States Code; section 7 of the Act of May 18, 1938 (52 Stat. 406; 16 U.S.C. 833f); section 7 of the Act of March 3, 1875, as amended (18 Stat. 450; 25 U.S.C. 96); section 3 of the Act of August 15, 1876, as amended (19 Stat. 199; 25 U.S.C. 97); sections 602(d)(3) and 602(d)(10) of the Federal Property and Administrative Services Act as amended (40 U.S.C. 474 (3), (8), (10), and (19); sections 10(a) and 10(b) of the Act of September 9, 1959 (73 Stat. 481; 40 U.S.C. 609(a), (b)); section 3735 of the Revised Statutes (41 U.S.C. 13); section 3653 of the Revised Statutes, as amended by the Act of July 7, 1884 (23 Stat. 204; 41 U.S.C. 24); title III of the Federal Property and Administrative Services Act of 1949 as amended (41 U.S.C. 251 et seq.); 41 U.S.C. 254(b); section 10(a) of the Act of September 5, 1950 (64 Stat. 591; 41 U.S.C. 256a); section 242m(f) of title 42, United States Code; section 292f of title 42, United States Code; section 300c–11(b)(4) of title 42, United States Code; section 300c–22(d) of title 42, United States Code; section 300d–5(d) of title 42, United States Code; section 300e–2(g) of title 42, United States Code; section 300e–3(h) of title 42, United States Code; section 510(a) of the Act of July 15, 1949 (63 Stat. 437; 42 U.S.C. 1480 (a)); section 6(e) of the EURATOM Cooperation Act of 1958 (72 Stat. 1005; 42 U.S.C. 2295(e)); section 1345(b) of the Act of August 1, 1968 (82 Stat. 585; 42 U.S.C. 4081(b)); section 404 of the Act entitled "An Act to authorize appropriations during the fiscal year 1969 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, approved September 20, 1968 (82 Stat. 849); section 403c of title 50, United States Code.

By Mr. LEAHY:

S. 6. A bill to amend the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. Mr. President, I have introduced legislation today which would continue the current price support levels for dairy products for an additional 3 years.

The Agricultural Act of 1949 as amended established a price support program for milk at a price level that the Secretary of Agriculture—

. . . determines necessary to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production and assure a level of farm income adequate to maintain productive capacity sufficient to meet future anticipated needs.

This basic legislative directive to the Secretary focuses on maintaining dairy production on U.S. farms so as to meet the demands of American consumers.

At the time the Food and Agriculture Act of 1977 was passed, the minimum dairy price support level as set at 80 percent of parity, an increase over the 75 percent minimum provided under the 1949 act. This provision was made effective only through March 31, 1979, however, rather than through 1981 as was the case with most provisions of the 1977 legislation.

The shorter term of the provision was for a sound reason. Conditions in the dairy industry can, and do, change rapidly. By adopting the higher minimum support level for a 2-year period, it was felt that it would provide for an assessment of conditions this year, 1979, and afford the opportunity to make whatever adjustments were necessary.

As the 96th Congress convenes, we face a situation where the demand for milk and dairy products is very strong, economic alternatives are reasonably good for dairy farmers and there is a need to put force behind the legislative directive embodied in the dairy price support law. For these reasons, I am introducing legislation which will continue the 80 percent of parity minimum price support level through September 30, 1981. Milk production in 1978 totaled 122.3 billion pounds, slightly under 1977. With rising demand, however, we have seen substantial price increases for milk and dairy products over the past year. The surest way to avoid excessive price increases at the consumer level is to take those actions that will assure the needed production to meet market demand.

Total consumption of milk in all forms reached a record 119.5 billion pounds in 1978, 3 billion pounds above 1977. Per capita consumption was at the highest level since 1971. A major factor in these increases has been the rising price of meat. This has resulted in a sharp increase in cheese consumption as consumers have turned to dairy products as a source of animal protein.

In recent weeks, we have heard the predictions of continued rising meat prices through the coming year. This will maintain pressure on milk supplies and continue the strong demand trend.

While the meat price situation encourages increased consumption of dairy products, it also works to discourage or or restrain milk production. Higher beef prices have encouraged the culling of dairy herds and are providing a strong economic alternative for dairy farmers who might be considering leaving the business in favor of an enterprise that is less confining, less demanding in terms of daily attention. Utility cow prices on the Omaha market averaged $20.59 per hundredweight in November 1976, $23.80 in November 1977, and were up to $39.30 in November 1978. This strong demand for beef will encourage continued heavy culling of dairy herds, tending to slow any expansion of milk production.

The continuation of the 80 percent of parity minimum price support will provide dairy farmers the level of price assurance needed to maintain and expand production to meet market needs. It will not result in milk price increases. The present price support level is $9.64 per hundredweight for manufacturing grade milk. The market price for that milk last month was $10.35 per hundredweight. It is estimated that 80 percent of parity next April 1 will be $10.08 per hundredweight (3.5 percent butterfat) and that it will reach about $10.55 by October 1, 1979.

Despite the relatively favorable milk price level, dairy farmers are faced with rising production costs. Major feed items—the major cost factor in a dairy operation are up from a year ago. On the Chicago market, corn was 15 cents a bushel higher in November than a year earlier. Soybean meal, the industry's major protein supplement was $15 per ton higher. A 16 percent protein dairy ration was up $1[illegible] per ton from 1977.

Recent discussion of milk and dairy product price levels have indicated the price increases taking place due to increased demand. They have not, however, placed the prices for these products in perspective with other food prices or all consumer prices. For October 1978, the Consumer Price Index stood at 200.9 (1967 equals 100). The all food segment of the index was 216.8. The index for all dairy products was 191.1. Thus, while the prices for these products have increased, they still lag behind the overall level of consumer prices and trail the prices for all foods by an even greater margin.

Dairying is a long-term enterprise which depends on stability of market as a major requirement. By acting to provide the level of price assurance called for in my bill, we can maintain that level of price assurance. On this basis, dairy farmers can make the commitment to their operations that will bring forth the milk needed by the consumers of the Nation.

We are not talking here about increasing the level of price assurance. This is simply an extension of the provision of the 1977 Food and Agriculture Act.

By Mr. CRANSTON:

S. 7. A bill to amend title 38, United States Code, to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' HEALTH CARE AMENDMENTS OF 1979

Mr. CRANSTON. Mr. President, I am today introducing, for appropriate reference, S. 7, the proposed "Veterans' Health Care Amendments of 1979," a bill to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes.

BACKGROUND

This legislation is the culmination of a 7-year effort by the Senate Veterans' Affairs Committee and the Senate to improve health services to our Nation's veterans. It incorporates provisions to establish a program of readjustment counseling for Vietnam-era veterans, to enhance the VA's drug and alcohol treatment and rehabilitation programs, and to provide for a new program of preventive health-care services for veterans with service-connected disabilities. I have introduced legislation containing susbtantially similar provisions in the previous four Congresses—S. 2108, 92d Congress; S. 284, 93d Congress; S. 2908 94th Congress; and S. 1693, 95th Congress—and each time the Senate passed these provisions, but the House did not act on them. Thus, the effort of the Senate Veterans' Affairs Committee and the Senate to provide these greatly needed services has been frustrated.

This year, however, I am confident that we will be able to achieve enactment. As evidenced at the close of the last Congress, the need for the programs is now more widely and clearly recognized than ever before. The administration requested readjustment counseling and drug and alcohol treatment legislation, which I introduced in the Senate as S. 3021, on May 2, 1978, and S. 3101, on May 18, 1978, respectively. Subsequently, the President, in his message to Congress on Vietnam-era veterans on October 10, 1978, urged the Congress to enact his proposals—which are very similar to those that I am introducing today—for a program of readjustment counseling for Vietnam-era veterans and for VA authority to contract with community halfway houses, therapeutic communities, and psychiatric residential treatment centers for the treatment and rehabilitation of veterans with drug and alcohol dependency or abuse disabilities.

In addition, Mr. President, I am extremely pleased that the leadership of the House Veterans' Affairs Committee is now fully supportive of these programs as well. Before the close of the last session of Congress, in an effort to achieve enactment of these measures I entered into extensive negotiations with the chairman of the House Veterans' Affairs Committee's Subcommittee on Medical Facilities and Benefits (Mr. SATTERFIELD). As a result, we fashioned an extensive package of veterans health-care legislation that, I believe, represents a fair and reasonable compromise of the concerns of the two bodies regarding health-care programs, and would be of tremendous value and benefit to our Nations' veterans. In addition to provisions for readjustment counseling, alcohol and drug abuse treatment, and preventive health services, it incorporated, with modifications, the major provisions of H.R. 5025, the proposed Veterans' Administration Medical Facilities Acquisition Act, as passed by the House in the 95th Congress, requiring approval by the House and Senate Veterans' Affairs Committees of construction or acquisition of major VA health-care facilities. It also contained amendments to title 38 of the United States Code relating to other veterans' health-care benefits and administrative and personnel matters. Unfortunately, due to the parliamentary logjam in the House and the Senate at the end of the last session, clearance of this measure was not achieved. Although I was deeply disappointed that the legislation was not enacted last session, I was very gratified with the assurances I received from Chairman SATTERFIELD and the chairman of the House Veterans' Affairs Committee (Mr. ROBERTS) that they would do everything possible to achieve passage of this legislation early in the 96th Congress.

SUMMARY OF PROVISIONS

Mr. President, the bill being introduced today represents a further refinement and revision of the agreement we reached last session. I would like to summarize briefly the highlights of this legislation.

READJUSTMENT COUNSELING FOR VIETNAM-ERA VETERANS

Mr. President, S. 7 would provide for the establishment of a program of readjustment counseling to any veteran who served on active duty during the Vietnam era who requests such counseling within 2 years from discharge or release or within 2 years after the date of enactment, whichever is later. The bill also would provide that, in the event of another declaration of war, the Administrator would be required to recommend to the Congress, within 6 months of such declaration, whether the readjustment counseling program should be extended to veterans of such war. Necessary followup mental-health services would be authorized, including services for family members of eligible veterans where essential to the effective treatment and rehabilitation of the veteran.

With respect to former service personnel who are not eligible for readjustment counseling services because they were discharged or released from active-duty service under conditions other than honorable or who would otherwise be ineligible, the legislation would require the VA to provide referral services to help them use non-VA mental health services and, if pertinent, to advise such individuals of their right to apply for reviews of their discharges which might lead to eligibility for VA benefits. Provision is also made for the Chief Medical Director to train such professional, paraprofessional, and lay personnel as are necessary to carry out this program effectively and for the Administrator to cooperate with the Secretary of Defense in notifying veterans of potential eligibility under the program.

DRUG AND ALCOHOL DEPENDENCE OR ABUSE PROGRAM

Mr. President, S. 7 would also provide for the establishment of a special pilot program for the treatment and rehabilitation of veterans with alcohol or drug dependence or abuse disabilities. Under this program, the Administrator would, for a period of 5 years, be authorized to contract for alcohol and drug treatment for veterans in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities. A report on the Administrator's findings and recommendations based on the first 3 years of the experience under the pilot program would be required.

In addition, the VA would be directed to cooperate with the Secretary of Labor and the Director of the Office of Personnel Management with respect to employment opportunities for rehabilitated former addict veterans. In the cases of former service personnel who are not eligible for VA alcohol and drug treatment and rehabilitation services, because they were discharged or released from active-duty service under conditions other than honorable or who would otherwise be ineligible, the legislation would require the VA to provide referral services to help them use non-VA services and, if pertinent, to advise such individuals of their right to apply for reviews of their discharges which might lead to eligibility for VA benefits. Finally, certain procedural safeguards would be provided for the treatment of active-duty service personnel by the VA prior to the end of their enlistments or tours of duty.

PREVENTIVE HEALTH-CARE SERVICES

Mr. President, the proposed measure would also establish a 5-year pilot program of preventive health services providing for: First, the provision of such preventive health-care services as the Administrator may deem feasible and appropriate for veterans with a 50-percent-or-more disability rating and for veterans receiving treatment involving a service-connected disability; second, the use of interdisciplinary health-care teams in providing such services; third, a maximum expenditure of $25 million in any fiscal year to carry out this program; and fourth, inclusion of a comprehensive report on this program in the Administrator's annual report to the Congress.

EXAMINATION FOR SERVICE-CONNECTED DISABILITIES

Mr. President, this legislation would clarify the statutory hierarchy of outpatient treatment priorities in section 612(i) of title 38, United States Code, by providing that medical examinations for service-connected disability compensation claims be included in the third priority for outpatient care along with nonservice-connected care for veterans with service-connected disability ratings. In addition, it would make clear that examinations for eligibility for service-connected health care would also be included in the third priority.

OUTPATIENT DENTAL SERVICES FOR FORMER POW'S AND 100-PERCENT SERVICE-CONNECTED DISABLED VETERANS

Mr. President, the proposed legislation would extend all outpatient dental-care benefits eligibility to veterans who were prisoners of war for more than 6 months or who have 100-percent service-connected disabilities. These provisions are derived from H.R. 898 and H.R. 12018 which were introduced in the House last Congress.

SERVICE-CONNECTED CARE FOR FILIPINO VETERANS IN THE UNITED STATES

Mr. President, the bill would provide eligibility for Commonwealth Army veterans and new Philippine Scouts to receive hospital care, nursing home care, and medical services for their service-connected disabilities at VA facilities in the United States. The anomalous situation presently exists that these Filipino veterans of World War II, while eligible for VA-financed care in the Philippines—although no funds for such purposes have been appropriated for the current fiscal year—are not eligible for any VA care in the United States, even if the care would be for service-connected disabilities and they had become citizens of this country. This provision would authorize service-connected care for these Filipino veterans in VA facilities in the United States and is derived from section 303 of H.R. 5029 as passed by the Senate last Congress.

NONSERVICE-CONNECTED CONTRACT CARE

Mr. President, the proposed legislation would restore limited authority to expand the circumstances under which veterans would be eligible for contract outpatient treatment—so-called fee-basis care—for non-service-connected disabilities, by revising certain amendments to chapter 17 of title 38 made by Public Law 94-581, the Veterans' Omnibus Health Care Act of 1976. It would provide that, if the general conditions for the provision of contract care are satisfied—that facilities are incapable of providing the required care in an economical fashion, because of geographic inaccessibility—veterans eligible for regular aid-and-attendance or housebound benefits may be provided fee-basis care if, on the basis of a physical examination, it is determined that "the medical condition of such veteran precludes appropriate treatment in a VA-operated or other Government facility."

Second, the measure would provide specific authority for contract diagnostic services necessary to make determinations of eligibility for "obviate" care at VA facilities that do not have the capability of performing such diagnostic services.

These provisions are derived from section 101 of H.R. 5027 as passed by the Senate last Congress.

REPORT ON CONTRACT CARE

Mr. President, this bill would provide for a full report on the VA's use of its contract care authorities, to be submitted annually on February 1, beginning in 1980.

CONVENTION HEALTH CARE

Mr. President, S. 7 would authorize the Administrator to contract with veterans' organizations recognized by the VA under section 3402 of title 38 to furnish emergency medical services at the national conventions of such organizations. The provision of such services would be on a reimbursable basis except that no reimbursement would be required for health-care services rendered to veterans entitled under law to such care. This provision was included as section 307 in the Senate-passed version of H.R. 5029 in the last Congress.

CONSTRUCTION AND ACQUISITION OF MEDICAL FACILITIES

Mr. President, as I have indicated, this legislation includes, with modifications, the provisions of H.R. 5025, the proposed "Veterans' Administration Medical Facilities Acquisition Act of 1977," which was passed by the House in the 95th Congress. A major feature of this part of the bill would provide the House and Senate Committees on Veterans' Affairs with a substantial role in the planning for and the approval of funding for major VA medical facilities as part of the congressional authorization and appropriations processes. Thus, the bills would provide that "no appropriation shall be made" for the construction, alteration, or acquisition of any VA medical facility costing more than $2 million, or for the lease of any medical facility at an annual rental of more than $500,000, without the House and Senate Veterans' Affairs Committees having adopted resolutions approving the project. This process would apply to both administration-requested projects and those initiated by the Congress.

In order to obtain the committees' approval for a particular administration-proposed facility, the Administrator would submit to the committees a "prospectus" for the facility, which would include a detailed description of the project, including cost estimates. If funds were not appropriated for a facility within 1 year after approval, either committee would be able to rescind approval, by resolution, before an appropriation is made.

This legislation is also designed to make needed improvements in planning for construction and acquisition of VA medical facilities by requiring the VA to submit two annual reports to the committees, a June 30 report—containing a 5-year plan for construction, replacement, and alteration of the most needed new or replacement medical facilities, a priority listing of the 10, or more, hospitals most needed, and general plans for each such medical facility—and a January status report of all approved but uncompleted facilities.

In addition, the bill would, first, require that construction and equipment cost increases of more than 10 percent must be approved by subsequent committee resolutions; second, require that the committees be notified, in advance, of any proposed reprograming of funds; and third, establish and authorize appropriations for a revolving fund for garage and parking construction projects involving expenditures of $2 million or less at VA medical facilities.

Mr. President, S. 7 would also recodify and make various minor, technical, and conforming amendments to the provisions of title 38, United States Code, relating to the construction and acquisition of VA facilities.

STANDARDS FOR FOREIGN ADOPTIONS

Mr. President, S. 7 would require, in order for VA benefits to be paid to or on behalf of a child who was adopted and is residing outside the United States, that there be certain assurances that the adoptive parent actually assumed the parental role and responsibilities. Thus, it would require that the adoptive child be under age 18 at the time of the adoption, be receiving one-half or more of such child's annual support from the veteran, be residing with the veteran except in certain specified circumstances, and not be residing with the child's natural parent unless the natural parent is the veteran's spouse. After the veteran's death, such an adoption would be recognized for VA benefits purposes only if the veteran was entitled to and did receive a dependent's allowance or similar benefit for the child at any time during the year before the veteran's death, or if the above requirements were met for at least 1 year prior to the veteran's death. This provision is derived from section 201 of H.R. 5029 as passed by the Senate last Congress.

STUDY OF BENEFITS PAID OUTSIDE THE UNITED STATES

Mr. President, the bill would also require the VA to conduct, in consultation with the Secretary of State, a comprehensive study of the issues involved in the payment of benefits to persons residing outside the 50 States and the District of Columbia. This study would be required to be performed in conjunction with a similar study, mandated by section 308 of Public Law 95-588, the Veterans' and Survivors' Pension Improvement Act of 1978, regarding the payment of pension benefits overseas. S. 7 would require both reports to be combined for submission. This provision is also derived from H.R. 5029 as passed by the Senate—section 203.

MISCELLANEOUS PROVISIONS

Mr. President, the proposed legislation would also make some changes in title 38 of the United States Code with respect to administrative and personnel matters. Specifically, it would, first, permit payment by non-Federal agencies, organizations, and individuals for travel expenses of certain VA employees in connection with their official duties in certain limited circumstances; second, provide for confirmation by the Senate of the Deputy Administrator of Veterans' Affairs; third, make technical revisions in the provisions relating to benefits for overseas VA employees; and, fourth, make amendments relating to the salary schedules of the Department of Medicine and Surgery to conform those schedules, as set forth in title 38, to the October 7, 1978, Federal pay raise contained in Executive Order 12087.

EFFECTIVE DATES

Mr. President, the majority of provisions in S. 7 would become effective on October 1, 1979. These include, in order to comply with the provisions of the Congressional Budget Act of 1974, the provisions relating to readjustment counseling for Vietnam-era veterans, drug and alcohol dependence or abuse programs, preventive health-care services, outpatient dental-care services, and service-connected care for Filipino veterans in the United States. Also included are the provisions relating to the construction and acquisition of medical facilities, except that the first annual VA report of its 5-year plans for the construction, replacement, and alteration of medical facilities would be due on June 30, 1979, and this legislation would not apply to any VA medical facility construction, alteration, or acquisition that is approved by the President before October 1, 1979.

The provision requiring Senate confirmation of the Deputy Administrator of Veterans' Affairs would take effect on July 1, 1979.

The remaining provisions in the bill, including those relating to examinations for service-connected disabilities, nonservice-connected contract care, emergency medical services at certain conventions, standards for foreign adoptions, the study of benefits paid outside the United States, and employee travel expenses, would take effect upon enactment.

HEARINGS SCHEDULED

Mr. President, the Committee on Veterans' Affairs will hold hearings on S. 7, the proposed "Veterans' Health Care Amendments of 1979" on Thursday, January 25, at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building. After we have had an opportunity to hear from the administration, veterans' organizations, and other individuals and groups wishing to comment on this legislation, I would hope to bring the bill through the committee and to the floor very rapidly.

Mr. President, I ask unanimous consent that the text of S. 7 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 7

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Health Care Amendments of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—HEALTH SERVICES PROGRAMS

PRIORITY FOR MEDICAL EXAMINATIONS FOR SERVICE-CONNECTED DISABILITIES

SEC. 101. Clause (3) of section 612(i) is amended by inserting "(including any veteran being examined to determine the existence or rating of a service-connected disability)" before the period.

DENTAL SERVICES AND TREATMENT FOR CERTAIN VETERANS

SEC. 102. Subsection (b) of section 612 is amended—

(1) by striking out "or" at the end of clause (5);

(2) by striking out the period at the end of clause (6) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new clauses:

"(7) from which any veteran of World War I, World War II, the Korean conflict, or the Vietnam era who was held as a prisoner of war for a period of not less than six months is suffering; or

"(8) from which a veteran who has a service-connected disability rated as total is suffering.".

READJUSTMENT COUNSELING PROGRAM FOR VETERANS OF THE VIETNAM ERA

SEC. 103. (a)(1) Subchapter II of chapter 17 is amended by inserting after section 612 the following new section:

"§ 612A. Eligibility for readjustment counseling and related mental health services

"(a) Upon the request of any veteran who served on active duty during the Vietnam era, the Administrator shall, within the limits of Veterans' Administration facilities, furnish counseling to such veteran to assist such veteran in readjusting to civilian life if such veteran requests such counseling within two years after the date of such veteran's discharge or release from active duty or two years after the effective date of this section, whichever is later. Such counseling shall include a general mental and psychological assessment to ascertain whether such veteran has mental or psychological problems associated with readjustment to civilian life.

"(b)(1) If, on the basis of the assessment furnished under subsection (a) of this section, a physician employed by the Veterans' Administration (or, in areas where no such physician is available, a physician carrying out such function under a contract or fee arrangement with the Administrator) determines that the provision of mental health services to such veteran is necessary to facilitate the successful readjustment of the veteran to civilian life, such veteran shall, within the limits of Veterans' Administration facilities as defined in section 601(4)(A), (B), and (C)(vi) of this title, be furnished such services on an outpatient basis under the conditions specified in clause (1)(B) of section 612(f) of this title. For the purposes of furnishing such mental health services, the counseling furnished under subsection (a) of this section shall be considered to have been furnished by the Veterans' Administration as a part of hospital care. Any hospital care and other medical services considered necessary on the basis of the assessment furnished under subsection (a) of this section shall be furnished only in accordance with the eligibility criteria otherwise set forth in this chapter (including the eligibility criteria set forth in section 611(b) of this title).

"(2) Mental health services furnished under paragraph (1) of this subsection may, if determined to be essential to the effective treatment and readjustment of the veteran,

include such consultation, counseling, training, services, and expenses as are described in section 601(6)(B) of this title.

"(c) Upon receipt of a request for counseling under this section from any individual who has been discharged or released from active military, naval, or air service but who is not eligible for such counseling, the Administrator shall—

"(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining mental health care and services from sources outside the Veterans' Administration; and

"(2) if pertinent, advise such individual of such individual's rights to apply to the appropriate military, naval, or air service and the Veterans' Administration for review of such individual's discharge or release from such service.

"(d) The Chief Medical Director may provide for such training of professional, paraprofessional, and lay personnel as is necessary to carry out this section effectively, and, in carrying out this section, may utilize the services of paraprofessionals, individuals who are volunteers working without compensation, and individuals who are veteran-students (as described in section 1685 of this title), in initial intake and screening activities.

"(e) The Administrator, in cooperation with the Secretary of Defense, shall take such action as the Administrator considers appropriate to notify veterans who may be eligible for assistance under this section of such potential eligibility.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 612 the following new item:

"612A. Eligibility for readjustment counseling and related mental health services.".

(b) In the event of a declaration of war by the Congress after the date of the enactment of this Act, the Administrator of Veterans' Affairs, not later than 6 months after the date of such declaration, shall determine and recommend to the Congress whether eligibility for the readjustment counseling and related mental health services provided for in section 612A of title 38, United States Code (as added by subsection (a) of this section) should be extended to the veterans of such war.

PILOT PROGRAM FOR TREATMENT AND REHABILITATION OF VETERANS WITH ALCOHOL OR DRUG DEPENDENCE OF ABUSE DISABILITIES

SEC. 104. (a) Subchapter II of chapter 17 is amended by adding at the end thereof the following new section:

"§ 620A. TREATMENT AND REHABILITATION FOR ALCOHOL OR DRUG DEPENDENCE OR ABUSE DISABILITIES; PILOT PROGRAM

"(a)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may conduct a pilot program under which the Administrator may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities of eligible veterans suffering from alcohol or drug dependence or abuse disabilities. Such pilot program shall be planned, designed, and conducted by the Chief Medical Director, with the approval of the Administrator, so as to demonstrate any medical advantages and cost effectiveness that may result from furnishing such care and services to veterans with such disabilities in contract facilities as authorized by this section, rather than in facilities over which the Administrator has direct jurisdiction.

"(2) Before furnishing such care and services to any veteran through a contract facility as authorized by paragraph (1) of this subsection, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

"(b) The Administrator, in consultation with the Secretary of Labor and the Director of the Office of Personnel Management, may take appropriate steps to (1) urge all Federal agencies and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment and training opportunities for veterans who have been provided treatment and rehabilitative services under this title for alcohol or drug dependence or abuse disabilities and have been determined by competent medical authority to be sufficiently rehabilitated to be employable, and (2) provide all possible assistance to the Secretary of Labor in placing such veterans in such opportunities.

"(c) Upon receipt of an application for treatment and rehabilitative services under this title for an alcohol or drug dependence or abuse disability from any individual who has been discharged or released from active military, naval, or air service but who is not eligible for such treatment and services, the Administrator shall—

"(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining treatment and rehabilitative services from sources outside the Veterans' Administration; and

"(2) if pertinent, advise such individual of such individual's right to apply to the appropriate military, naval, or air service and the Veterans' Administration for review of such individual's discharge or release from such service.

"(d)(1) Any person serving in the active military, naval, or air service who is determined by the Secretary concerned to have an alcohol or drug dependence or abuse disability may not be transferred to any facility in order for the Administrator to furnish care or treatment and rehabilitative services for such disability unless such transfer is during the last thirty days of such member's enlistment period or tour of duty, in which case such care and services provided to such member shall be provided as if such member were a veteran. Any transfer of any such member for such care and services shall be made pursuant to such terms as may be agreed upon by the Secretary concerned and the Administrator, subject to the provisions of the Act of March 4, 1915 (31 U.S.C. 686).

"(2) No person serving in the active military, naval, or air service may be transferred pursuant to an agreement made under paragraph (1) of this subsection unless such person requests such transfer in writing for a specified period of time during the last thirty days of such person's enlistment period or tour of duty. No such person transferred pursuant to such a request may be furnished such care and services by the Administrator beyond the period of time specified in such request, unless such person requests in writing an extension for a further specified period of time and such request is approved by the Administrator.

"(e) The Administrator may not furnish care and treatment and rehabilitative services under subsection (a) of this section after the last day of the fifth year following the fiscal year in which the pilot program authorized by such subsection is initiated.

"(f) Not later than March 31, 1983, the Administrator shall report to the Committee on Veterans' Affairs of the Senate and House of Representatives on the findings and recommendations of the Administrator pertaining to the operation through September 30, 1982, of the pilot program authorized by this section.".

(b) The table of sections at the beginning of chapter 17 is amended by adding after the item relating to section 620 the following new item:

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities; pilot program.".

PILOT PROGRAM OF PREVENTIVE HEALTH-CARE SERVICES

SEC. 105. (a) Chapter 17 is amended by adding at the end thereof the following new subchapter:

"Subchapter VII—Preventive Health-Care Services Pilot Program

"§ 661. Purpose

"The purpose of this subchapter is to provide for a preventive health-care services pilot program under which the Administrator may attempt to (1) ensure the best possible health care for certain veterans with service-connected disabilities rated at 50 per centum or more and for certain veterans being furnished treatment involving a service-connected disability under this chapter, by furnishing to such veterans feasible and appropriate preventive health-care services, and (2) to determine the cost-effectiveness and medical advantages of furnishing such preventive health-care services.

"§ 662. Definition

"For the purposes of this subchapter, the term 'preventive health-care services' means—

"(1) periodic medical and dental examinations;

"(2) patient health education (including nutrition education);

"(3) maintenance of drug use profiles, patient drug monitoring, and drug utilization education;

"(4) mental health preventive services;

"(5) substance abuse prevention measures;

"(6) immunizations against infectious disease;

"(7) prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature;

"(8) genetic counseling concerning inheritance of genetically determined diseases;

"(9) routine vision testing and eye care services;

"(10) periodic reexamination of members of likely target populations (high-risk groups) for selected diseases and for functional decline of sensory organs, together with attendant appropriate remedial intervention; and

"(11) such other health-care services as the Administrator may determine to be necessary to provide effective and economical preventive health care.

§ 663. Preventive health-care services

"(a)(1) In order to carry out the purpose of this subchapter, the Administrator, within the limits of Veterans' Administration facilities and in accordance with regulations which the Administrator shall prescribe, may furnish to any veteran described in section 612(f)(2) of this title, and to any veteran receiving care and treatment under this chapter involving a service-connected disability, such preventive health-care services as the Administrator determines are feasible and appropriate.

"(2) In connection with preventive health-care services furnished under paragraph (1) of this subsection, the Administrator, in accordance with regulations which the Administrator shall prescribe, may institute appropriate controls and carry out followup studies (including research) to determine the medical advantages and cost-effectiveness of furnishing such preventive health-care services.

"(b) In carrying out the pilot program provided for by this subchapter, the Administrator may not furnish preventive health-care services after the last day of the fifth fiscal year following the fiscal year in which such program is initiated.

"(c) In carrying out this subchapter, the Administrator shall emphasize the utilization of interdisciplinary health-care teams composed of various professional and paraprofessional personnel.

"(d) The Administrator may not expend more than $25,000,000 in any fiscal year to carry out the program provided for in this subchapter or, in any fiscal year in which such program is in effect for a period of less than a full fiscal year, not more than an amount that bears the same ratio to $25,000,000 as such period (considered as a fraction of a year) bears to one year.

"§ 664. Reports

"The Administrator shall include in the annual report to the Congress required by section 214 of this title a comprehensive report on the administration of this subchapter, including such recommendations for additional legislation as the Administrator considers necessary.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"SUBCHAPTER VII—PREVENTATIVE HEALTH-CARE SERVICES PILOT PROGRAM

"661. Purpose.
"662. Definition.
"663. Preventative health-care services.
"664. Reports.".

HOSPITAL AND NURSING HOME CARE AND MEDICAL SERVICES WITHIN THE UNITED STATES FOR COMMONWEALTH ARMY VETERANS AND NEW PHILIPPINE SCOUTS

SEC. 106. (a) Subchapter IV of chapter 17 is amended by redesignating section 634 as section 635 and by inserting after section 633 the following new section:

"§ 634. Hospital and nursing home care and medical services in the United States

"The Administrator, within the limits of Veterans' Administration facilities, may furnish hospital and nursing home care and medical services to Commonwealth Army veterans and new Philippine Scouts for the treatment of the service-connected disabilities of such veterans and scouts.".

(b) The table of sections at the beginning of chapter 17 is amended by striking out the item relating to section 634 and inserting in lieu thereof the following new items:

"634. Hospital and nursing home care and medical services in the United States.
"635. Definitions.".

EFFECTIVE DATE OF CERTAIN PROVISIONS

SEC. 107. The amendments made to title 38, United States Code, by sections 102, 103, 104, 105, and 106 of this Act shall be effective on October 1, 1979.

TITLE III—CONTRACT-CARE PROGRAMS

DEFINITION OF "VETERANS' ADMINISTRATION FACILITIES"

SEC. 201. (a) Paragraph (4) of section 601 is amended—

(1) by inserting "or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph" before the semicolon at the end of subclause (ii) of clause (C);

(2) by striking out "or" after the semicolon at the end of subclause (iv) of clause (C), and striking out the period at the end of such clause and inserting in lieu thereof a semicolon and the following new subclauses: "(vi) mental health services described in section 612A of this title for a veteran in Alaska or Hawaii; or (vii) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, the provision of medical services at independent Veterans' Administration outpatient clinics to obviate the need for hospital admission."; and

(3) by adding below clause (C) the following new sentence:

"In the case of any veteran for whom the Administrator contracts to provide treatment in a private facility pursuant to the provisions of this paragraph, the Administrator shall periodically review the necessity for continuing such contractual arrangement pursuant to such provisions.".

(b) Not later than February 1, 1980, and annually thereafter, the Chief Medical Director of the Veterans' Administration shall submit to the appropriate committees of the Congress, through the Administrator of Veterans' Affairs, a full report on the implementation of section 601(4)(C)(v) of title 38, United States Code, and the amendments made by this section, and on the numbers of veterans provided contract treatment (and the average cost and duration thereof) in each State (as defined in section 101(20) of title 38, United States Code) in the categories described in the following provisions of such title: sections 601(4)(C), 610(a), 612(a), 612(f)(1)(A), 612(f)(1)(B), 612(f)(2), 612(g), 612A (as added by section 103(a)(1) of this Act), and section 620A (as added by section 104(a) of this Act).

EMERGENCY MEDICAL SERVICES AT NATIONAL CONVENTIONS OF RECOGNIZED VETERANS' SERVICE ORGANIZATIONS

SEC. 202. Section 611 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator may contract with any organization recognized by the Administrator for the purposes of section 3402 of this title to provide for the furnishing by the Administrator, on a reimbursable basis (as prescribed by the Administrator), of emergency medical services to individuals attending any national convention of such organization, except that reimbursement shall not be required for services furnished under this subsection to the extent that the individual receiving such services would otherwise be eligible under this chapter for medical services.".

TITLE III—CONSTRUCTION, ALTERATION, LEASE, AND ACQUISITION OF MEDICAL FACILITIES

REVISION OF AUTHORITY FOR CONSTRUCTION, ALTERATION, LEASE, AND AQUISITION OF MEDICAL FACILITIES

SEC. 301. (a) Subchapter I of chapter 81 is amended to read as follows:

"SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

"§ 5001. Definitions

"For the purposes of this subchapter:

"(1) The term 'alter', with respect to a medical facility, means to repair, remodel, improve, or extend such medical facility.

"(2) The terms 'construct' and 'alter', with respect to a medical facility, include such engineering, architectural, legal, fiscal, and economic investigations and studies and such surveys, designs, plans, working drawings, specifications, procedures, and other similar actions as are necessary for the construction or alteration, as the case may be, of such medical facility and as are carried out after the completion of the advanced planning (including the development of project requirements and preliminary plans) for such facility.

"(3) The term 'medical facility' means any facility or part thereof which is, or will be, under the jurisdiction of the Administrator for the provision of health-care services (including hospital, nursing home, or domiciliary care or medical services), including any necessary building and auxiliary structure, garage, parking facility, mechanical equipment, trackage, facilities leading thereto, abutting sidewalks, accommodations for attending personnel, and recreation facilities associated therewith.

"(4) The term 'committee' means the Committee on Veterans' Affairs of the House of Representatives or the Committee on Veterans' Affairs of the Senate, and the term 'committee' means both such committees.

"§ 5002. Acquisition of medical facilities

"(a) The Administrator shall provide medical facilities for veterans entitled to hospital, nursing home, or domiciliary care or medical services under this title.

"(b) No medical facility may be constructed or otherwise acquired or altered except in accordance with the provisions of this subchapter.

"(c) In carrying out this subchapter, the Administrator—

"(1) shall provide for the construction and acquisition of medical facilities in a manner that results in the equitable distribution of such facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility; and

"(2) shall give due consideration to excellence of architecture and design.

"§ 5003. Authority to construct and alter, and to acquire sites for, medical facilities

"(a) Subject to section 5004 of this title, the Administrator—

"(1) may construct or alter any medical facility and may acquire, by purchase, lease, condemnation, donation, exchange, or otherwise, such land or interests in land as the Administrator considers necessary for use as the site for such construction or alteration;

"(2) may acquire, by purchase, lease, condemnation, donation, exchange, or otherwise any facility (including the site of such facility) that the Administrator considers necessary for use as a medical facility; and

"(3) in order to assure compliance with section 5010(a)(2) of this title, in the case of any outpatient medical facility for which it is proposed to lease space and for which a qualified lessor and an appropriate leasing arrangement are available, shall execute a lease for such facility within 12 months after funds are made available for such purpose.

"(b) Whenever the Administrator considers it to be in the interest of the United States to construct a new medical facility to replace an existing medical facility, the Administrator (1) may demolish the existing facility and use the site on which it is located for the site of the new medical facility, or (2) if in the judgment of the Administrator it is more advantageous to construct such medical facility on a different site in the same locality, may exchange such existing facility and the site of such existing facility for the different site.

"(c) Whenever the Administrator determines that any site acquired for the construction of a medical facility is not suitable for that purpose, the Administrator may exchange such site for another site to be used for that purpose or may sell such site.

"§ 5004. Congressional approval of certain medical facility acquisitions

"(a) In order to ensure the equitable distribution of medical facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility—

"(1) no appropriation may be made for the construction, alteration, or acquisition (not including exchanges) of any medical

facility which involves a total expenditure of more than $2,000,000 unless such construction, alteration, or acquisition is first approved by a resolution adopted by each committee; and

"(2) no appropriation may be made for the lease of any space for use as a medical facility at an average annual rental of more than $500,000 unless such lease is first approved by a resolution adopted by each committee.

"(b) In the event that the President or the Administrator proposes to the Congress the funding of any construction, alteration, lease, or other acquisition to which subsection (a) of this section is applicable, the Administrator shall submit to each committee, on the same day, a prospectus of the proposed medical facility. Such prospectus shall include—

"(1) a detailed description of the medical facility to constructed, altered, leased, or otherwise acquired under this subchapter, including a description of the location of such facility;

"(2) an estimate of the cost of the United States of the construction, alteration, lease, or other acquisition of such facility (including site costs, if applicable); and

"(3) an estimate of the cost to the United States of the equipment required for the operation of such facility.

"(c) The estimated cost of any construction, alteration, lease, or other acquisition that is approved under this section may be increased by the Administrator in the contract for such construction, alteration, lease, or other acquisition by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction, alteration, lease, or other acquisition costs, as the case may be, from the date of transmittal of such prospectus to the committees to the date of contract, but in no event may the amount of such an increase exceed 10 per centum of such estimated cost.

"(d) In the case of any medical facility approved for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section for which funds have not been appropriated within one year after the date of such approval, either such committee may by resolution rescind its approval at any time thereafter before such funds are appropriated.

"(e) In any case in which the Administrator proposes that funds be used for a purpose other than the purpose for which such funds were appropriated, the Administrator shall promptly notify each committee, in writing, of the particulars involved and the reasons why such funds were not used for the purpose for which appropriated.

"(f) The Administrator may accept gifts or donations for any of the purposes of this subchapter.

"§ 5005. Structural requirements

"(a) Each medical facility (including each nursing home facility for which the Administrator contracts under section 620 of this title and each State home facility constructed or altered under section 5031 of this title) shall be of fire, earthquake, and other natural disaster resistant construction in accordance with standards which the Administrator shall prescribe on a State or regional basis after surveying appropriate State and local laws, ordinances, and building codes and climatic and seismic conditions pertinent to each such facility. When an existing structure is acquired for use as a medical facility, it shall be altered to comply with such standards.

"(b)(1) In order to carry out this section, the Administrator shall appoint an advisory committee to be known as the Advisory Committee on Structural Safety of Veterans' Administration Facilities', on which shall serve at least one architect and one structural engineer who are experts in structural resistance to fire, earthquake, and other natural disasters and who are not employees of the Federal Government.

"(2) Such advisory committee shall advise the Administrator on all matters of structural safety in the construction and altering of medical facilities in accordance with the requirements of this section and shall review and make recommendations to the Administrator on the regulations prescribed under this section.

"(3) The Associate Deputy Administrator, the Chief Medical Director or the designee of the Chief Medical Director, and the Veterans' Administration official charged with the responsibility for construction shall be ex officio members of such advisory committee.

"§ 5006. Construction contracts

"(a) The Administrator may carry out any construction or alteration authorized under this subchapter by contract if the Administrator considers it to be advantageous to the United States to do so.

"(b)(1) The Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms, to the extent that the Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

"(2) No corporation, firm, or individual may be employed under the authority of paragraph (1) of this subsection on a permanent basis.

"(c) Notwithstanding any other provision of this section, the Administrator shall be responsible for all construction authorized under this subchapter including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

"§ 5007. Reports to congressional committees

"(a) In order to promote effective planning for the orderly construction, replacement, and alteration of medical facilities in accordance with the comparative urgency of the need for the services to be provided by such facilities, the Administrator shall submit to each committee an annual report on the construction, replacement, and alteration of medical facilities. Such report shall be submitted to the committees on the same day, which shall not be later than June 30 of each year (beginning in 1979) and shall contain—

"(1) a five-year plan for the construction, replacement, or alteration of those medical facilities that, in the judgment of the Administrator, are most in need of construction, replacement, or alteration;

"(2) a list, in order of priority, of not less than ten hospitals that in the judgment of the Administrator, are most in need of construction or replacement; and

"(3) general plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each medical facility included in the five-year plan required under clause (1) of this subsection or the list required under clause (2) of this subsection.

"(b) The Administrator shall submit to each committee not later than January 31 of each year (beginning in 1981) a report showing the location, space, cost, and status of each medical facility the construction, alteration, lease, or other acquisition of which has been approved under section 5004(a) of this title and, in the case of the second and each succeeding report made under this subsection, which was uncompleted as of the date of the last preceding report made under this subsection.

"§ 5008. Contributions to local authorities

"The Administrator may make contributions to local authorities toward, or for, the construction of traffic controls, road improvements, or other devices adjacent to a medical facility if considered necessary for safe ingress or egress.

"§ 5009. Garages and parking facilities

"(a) The Administrator may construct, alter, operate, and maintain, on reservations of medical facilities, garages and parking facilities for the accommodation of privately owned vehicles of employees of such facilities and vehicles of visitors and other individuals having business at such facilities.

(b)(1) The Administrator may establish and collect (or provide for the collection of) fees for the use of such garages and parking facilities at such rate or rates which the Administrator determines would be reasonable under the particular circumstances; but no fee may be charged for the accommodation of any publicly or privately owned vehicle used in connection with the transportation of a veteran to or from any medical facility for the purposes of examination or treatment or in connection with any visit to any patient in such facility. Employees using such garages shall make such reimbursement therefor as the Administrator may deem reasonable.

"(2) The Administrator may contract, by lease or otherwise, with responsible persons, firms, or corporations for the operation of such parking facilities, under such terms and conditions as the Administrator shall prescribe, and without regard to the laws concerning advertising for competitive bids.

"(c)(1) There are authorized to be appropriated such amounts as are necessary to finance in part the construction, alteration, operation, and maintenance of garages and parking facilities (other than the construction or alteration of any garage or parking facility involving the expenditure of more than $2,000,000). Amounts appropriated under the authority of this section, and all income from fees collected for the use of such garages and parking facilities, shall be administered as a revolving fund to effectuate the provisions of this section, but only to the extent provided for in appropriation Acts.

"(2) The revolving fund shall be deposited in a checking account with the Treasurer of the United States, except that such amounts thereof as the Administrator may determine to be necessary to establish and maintain operating accounts for the various garages and parking facilities may be placed in depositories selected by the Administrator.

"§ 5010. Operation of medical facilities

"(a)(1) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than one hundred and twenty-five thousand hospital beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of eligible veterans. The Administrator shall staff and maintain, in such a manner as to ensure the immediate acceptance and timely and complete care of patients, sufficient beds and other treatment capacities to accommodate, and provide such care to, eligible veterans applying for admission and found to be in need of hospital care or medical services.

"(2) The Administrator shall maintain the bed and treatment capacities of all Veterans' Administration medical facilities so as to ensure the accessibility and availability of such beds and treatment capacities to eligible veterans in all States and to minimize delays in admissions and in the provision of hospital, nursing home, and domiciliary care, and of medical services furnished pursuant to section 612 of this title

"(3) The Chief Medical Director shall periodically analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care and medical services but are rejected or not immediately admitted or provided such care or services, and the Administrator shall annually advise each committee of the results of such analysis and the number of any additional beds and treatment capacities and the appropriate staffing and funds therefor found necessary to meet the needs of such veterans for such necessary care and services.

"(b) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than twelve thousand beds during fiscal year 1980, and during each fiscal year thereafter, for the furnishing of nursing home care to eligible veterans in facilities over which the Administrator has direct jurisdiction. The beds authorized by this subsection shall be in addition to the beds provided for in subsection (a) of this section.

"(c) When the Administrator determines, in accordance with regulations which the Administrator shall prescribe, that a Veterans' Administration facility serves a substantial number of veterans with limited English-speaking ability, the Administrator shall establish and implement procedures, upon the recommendation of the Chief Medical Director, to ensure the identification of sufficient numbers of individuals on such facility's staff who are fluent in both the language most appropriate to such veterans and in English and whose responsibilities shall include providing guidance to such veterans and to appropriate Veterans' Administration staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

"§ 5011. Use of Armed Forces facilities

"The Administrator and the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy may enter into agreements and contracts for the mutual use or exchange of use of hospitals and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate such facilities properly, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number established or approved on June 22, 1944, plus the estimated number required to meet the load of eligibles under this title, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

"§ 5012. Partial relinquishment of legislative jurisdiction

"The Administrator, on behalf of the United States, may relinquish to the State in which any lands or interests therein under the supervision or control of the Administrator are situated, such measure of legislative jurisdiction over such lands or interests as is necessary to establish concurrent jurisdiction between the Federal Government and the State concerned. Such partial relinquishment of legislative jurisdiction shall be initiated by filing a notice thereof with the Governor of the State concerned, or in such other manner as may be prescribed by the laws of such State, and shall take effect upon acceptance by such State.

"§ 5013. Property formerly owned by National Home for Disabled Volunteer Soldiers

"If by reason of any defeasance or conditional clause or clauses contained in any deed of conveyance of property to the National Home for Disabled Volunteer Soldiers, which property is owned by the United States, the full and complete enjoyment and use of such property is threatened, the Attorney General, upon request of the President, shall institute in the United States district court for the district in which the property is located such proceedings as may be proper to extinguish all outstanding adverse interests. The Attorney General may procure and accept, on behalf of the United States, by gift, purchase, cession, or otherwise, absolute title to, and complete jurisdiction over all such property.

"§ 5014. Use of federally owned facilities; use of personnel

"(a) The Administrator, subject to the approval of the President, may use as medical facilities such suitable buildings, structures, and grounds owned by the United States on March 3, 1925, as may be available for such purposes, and the President may by Executive order transfer any such buildings, structures, and grounds to the control and jurisdiction of the Veterans' Administration upon the request of the Administrator.

"(b) The President may require the architectural, engineering, constructing, or other forces of any of the departments of the Government to do or assist in the construction and alteration of medical facilities, and the President may employ for such purposes individuals and agencies not connected with the Government, if in the opinion of the President such is desirable, at such compensation as the President may consider reasonable.

"§ 5015. Acceptance of certain property

"The President may accept from any State or other political subdivision, or from any person, any building, structure, equipment, or grounds suitable for the care of disabled persons, with due regard to fire or other hazards, state of repair, and all other pertinent considerations. The President may designate which agency of the Federal Government shall have the control and management of any property so accepted.".

(b)(1) Subchapter II of chapter 81 is amended by redesignating sections 5011, 5012, 5013, and 5014 as sections 5021, 5022, 5023, and 5024, respectively.

(2) Section 5022(b) (as so redesignated) is amended by striking out the comma and "clinical, medical, and out-patient treatment" after "administrative".

(c) The table of sections at the beginning of chapter 81 is amended by striking out the item relating to subchapter I and all that follows through the item relating to section 5014 and inserting in lieu thereof the following:

"SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

"Sec.
"5001. Definitions.
"5002. Acquisition of medical facilities.
"5003. Authority to construct and alter, and to acquire sites for, medical facilities.
"5004. Congressional approval of medical facility acquisitions.
"5005. Structural requirements.
"5006. Administrative provisions.
"5007. Reports to congressional committees.
"5008. Contributions to local authorities.
"5009. Garages and parking facilities.
"5010. Operation of medical facilities.
"5011. Use of Armed Forces facilities.
"5012. Partial relinquishment of legislative jurisdiction.
"5013. Property formerly owned by National Home for Disabled Volunteer Soldiers.
"5014. Use of federally owned facilities; use of Federal and non-Federal personnel.
"5015. Acceptance of certain property.

"SUBCHAPTER II—PROCUREMENT AND SUPPLY

"5021. Revolving supply fund.
"5022. Authority to procure and dispose of property and to negotiate for common services.
"5023. Procurement of prosthetic appliances.
"5024. Grant of easements in Government-owned lands.".

EFFECTIVE DATES

SEC. 302. (a) The amendments made by this title shall take effect on October 1, 1979, but shall not apply with respect to the acquisition, construction, or alteration of any medical facility (as defined in section 5001 (3), as added by section 301(a) of this Act) if such acquisition, construction, or alteration (not including exchange) was approved before such date by the President.

(b) The provisions of section 5007(a), as added by section 301(a) of this Act, shall take effect on the date of the enactment of this Act.

TITLE IV—BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

CHILDREN ADOPTED UNDER LAWS OF FOREIGN COUNTRIES

SEC. 401. Paragraph (4) of section 101 is amended—

(1) by inserting "(A)" before "The" and redesignating clauses (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(2) by adding at the end of such paragraph the following new subparagraph:

"(B) For the purposes of subparagraph (A) of this paragraph, in the case of an adoption under the laws of any jurisdiction other than a State (as defined in section 101(20) of this title and including the Commonwealth of the Northern Mariana Islands)—

"(i) a person residing outside any of the States shall not be considered to be a legally adopted child of a veteran during the lifetime of such veteran (including for purposes of this subparagraph a Commonwealth Army veteran or new Philippine Scout, as defined in section 1766 of this title) unless such person—

"(I) was less than eighteen years of age at the time of adoption;

"(II) is receiving one-half or more of such person's annual support from such veteran;

"(III) is not in the custody of such person's natural parent, unless such natural parent is such veteran's spouse; and

"(IV) is residing with such veteran (or in the case of divorce following adoption, with the divorced spouse who is also an adoptive or natural parent) except for periods during which such person is residing apart from such veteran (or such divorced spouse) for purposes of full-time attendance at an educational institution or during which such person or such veteran (or such divorced spouse) is confined in a hospital, nursing home, other health-care facility, or other institution; and

"(ii) a person shall not be considered to have been a legally adopted child of a veteran as of the date of such veteran's death and thereafter unless—

"(I) at any time within the one-year period immediately preceding such veteran's death, such veteran was entitled to and was receiving a dependent's allowance or similar monetary benefit under this title for such person; or

"(II) for a period of at least one year prior to such veteran's death, such person met the requirements of clause (i) of this subparagraph.".

STUDY OF BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

SEC. 402. (a) The Administrator of Veterans' Affairs, in consultation with the Secretary of State, shall carry out a comprehensive study of benefits payable under the

provisions of title 38, United States Code, to persons who reside outside the fifty States and the District of Columbia. The Administrator shall include in such study—

(1) an analysis of the issues involved in the payment of such benefits to persons who reside outside the fifty States and the District of Columbia, together with analyses of such aspects of the economy of each foreign country and each territory, possession, and commonwealth of the United States in which a substantial number of persons receiving such benefits reside as are relevant to such issues (such as the rate of inflation, the standard of living, and health care, educational, housing, and burial costs);

(2) an analysis of the issues involved in the payment of such benefits as the result of adoptions under laws other than the laws of any of the fifty States or the District of Columbia;

(3) an analysis of the amounts and method of payment of benefits payable to persons entitled, by virtue of sections 107 and 1765 of such title, to benefits under chapters 11, 13, and 35 of such title;

(4) estimates of the present and future costs of paying monetary benefits under such title to persons described in clauses (1) and (3);

(5) an evaluation of the desirability of continuing to maintain the Veterans' Administration Regional Office in the Republic of the Philippines, taking into consideration (A) the current and expected future workload of such office, (B) the estimated cost in fiscal years 1981 through 1985 of continuing to maintain such regional office, (C) the feasibility and desirability of transferring appropriate functions of such regional office to the United States Embassy in the Republic of the Philippines, and (D) a provisional plan, which the Administrator shall develop, for the closing of such office and so transferring such functions, together with cost estimates for fiscal years 1981 through 1985 for the implementation of such plan assuming that such office is closed before October 1, 1981; and

(6) an evaluation of the effects of the amendments to such title made by section 501 of this Act.

(b) Not later than February 1, 1980, the Administrator shall report to the Congress and to the President on the results of such study together with the Administrator's recommendations for resolving the issues to be analyzed and evaluated in such study.

(c) The Administrator shall (1) carry out the study required under subsection (a) of this section in conjunction with the study required under section 308(a) of the Veterans' and Survivors' Pension Improvement Act of 1978 (Public Law 95-588), and (2) submit the reports of such studies as a combined report.

TITLE V—MISCELLANEOUS PROVISIONS

ACCEPTANCE OF PAYMENT FOR TRAVEL OF EMPLOYEES

SEC. 501. Section 4108 is amended by adding after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of law, the Administrator may prescribe regulations establishing conditions under which officers and employees of the Department of Medicine and Surgery who are nationally recognized principal investigators in medical research may be permitted, in connection with their attendance at meetings or in performing advisory services concerned with the functions or activities of the Veterans' Administration, or in connection with acceptance of significant awards or with activity related thereto concerned with functions or activities of the Veterans' Administration, to accept payment, in cash or in kind, from non-Federal agencies, organizations, and individuals, for travel and such reasonable subsistence expenses as are approved by the Administrator pursuant to such regulations, to be retained by such officers and employees to cover the cost of such expenses or deposited to the credit of the appropriation from which the cost of such expenses is paid, as may be provided in such regulations.".

CONFIRMATION OF DEPUTY ADMINISTRATOR OF VETERANS' AFFAIRS

SEC. 502. (a) The first sentence of section 210(d) is amended by striking out "by the Administrator" and inserting in lieu thereof "by the President, by and with the advice and consent of the Senate".

(b) The amendment made by subsection (a) shall take effect on July 1, 1979.

OVERSEAS AUTHORITIES

SEC. 503. (a) Section 230 is amended by striking out subsection (c).

(b) Section 235 is amended—

(1) in the matter preceding clause (1), by striking out "or to the Veterans' Administration office in Europe, established pursuant to section 230(c) of this title,";

(2) in clause (2), by striking out "and (7)" and inserting in lieu thereof "(7), and (11)"; and

(3) by inserting after clause (5) the following new clauses:

"(6) Section 5724a(a)(3) of title 5 (relating to subsistence expenses for 30 days in connection with the return to the United States of the employee and such employee's immediate family).

"(7) Section 5724a(a)(4) of title 5 (relating to the sale and purchase of the residence or settlement of an unexpired lease of the employee when transferred from one station to another station and both stations are in the United States, its territories or possessions, or the Commonwealth of Puerto Rico).".

(c)(1) The section heading of section 235 is amended by striking out "oversea" and inserting in lieu thereof "overseas".

(2) The item relating to section 235 in the table of sections at the beginning of chapter 3 is amended by striking out "oversea" and inserting in lieu thereof "overseas".

CONFORMING AMENDMENTS TO REFLECT PREVIOUS ADJUSTMENTS MADE IN DEPARTMENT OF MEDICINE AND SURGERY SALARY SCHEDULES

SEC. 504. (a) Subsection (a) of section 4107 is amended to read as follows:

"(a) The annual rates or ranges of rates of basic pay for positions provided in section 4103 of this title shall be as follows:

"SECTION 4103 SCHEDULE

"Chief Medical Director, $68,909.

"Deputy Chief Medical Director, $66,104.

"Associate Deputy Chief Medical Director, $63,315.

"Assistant Chief Medical Director, $61,449.

"Medical Director, $52,429 minimum to $59,421 maximum.

"Director of Nursing Service, $52,429 minimum to $59,421 maximum.

"Director of Podiatric Service, $44,756 minimum to $56,692 maximum.

"Director of Chaplain Service, $44,756 minimum to $56,692 maximum.

"Director of Pharmacy Service, $44,756 minimum to $56,692 maximum.

"Director of Dietetic Service, $44,756 minimum to $56,692 maximum.

"Director of Optometric Service, $44,756 minimum to $56,692 maximum.".

(b) Paragraph (1) of subsection (b) of such section is amended to read as follows:

"(1) The grades and annual ranges of rates of basic pay for positions provided for in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

Director grade, $44,756 minimum to $56,692 maximum.

"Executive grade, $41,327 minimum to $53,729 maximum.

"Chief grade, $38,160 minimum to $49,608 maximum.

"Senior grade, $32,442 minimum to $42,171 maximum.

"Intermediate grade, $27,453 minimum to $35,688 maximum.

"Full grade, $23,087 minimum to $30,017 maximum.

"Associate grade, $19,263 minimum to $25,041 maximum.

"NURSE SCHEDULE

"Director grade, $38,160 minimum to $49,608 maximum.

"Assistant Director grade, $32,442 minimum to $42,171 maximum.

"Chief grade, $27,453 minimum to $35,688 maximum.

"Senior grade, $23,087 minimum to $30,017 maximum.

"Intermediate grade, $19,263 minimum to $25,041 maximum.

"Full grade, $15,920 minimum to $20,699 maximum.

"Associate grade, $13,700 minimum to $17,813 maximum.

"Junior grade, $11,712 minimum to $15,222 maximum.

"CLINICAL PODIATRIST AND OPTOMETRIST SCHEDULE

"Chief grade, $38,160 minimum to $49,608 maximum.

"Senior grade, $32,442 minimum to $42,171 maximum.

"Intermediate grade, $27,453 minimum to $35,688 maximum.

"Full grade, $23,087 minimum to $30,017 maximum.

"Associate grade, $19,263 minimum to $25,041 maximum.".

By Mr. DOLE:

S. 8. A bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof; to the Committee on Foreign Relations.

UNITED STATES-CHINESE RELATIONS AND THE ISSUE OF SECURITY

Mr. DOLE. Mr. President, much effort has been made by the Carter administration in the past few days to downplay the suddeness with which our agreement to normalize relations with mainland China evolved. The administration has consistently tried to link Carter's abrupt decision with the Nixon and Ford initiatives, highlighted by the Shanghai Communique, as part of an inevitable evolution leading to the Friday night bombshell. But the fact that there were no lengthy or well-handled negotiations with Peking is borne out by this point: The United States did not gain a single advantage in the exchange.

Presidents Nixon and Ford could have made this same agreement long ago in the negotiating process, but they were not willing to cave in to the Communist bargaining demands. The chief obstacle was always the status of our longtime ally and friend, the Republic of China on Taiwan. But Mr. Carter found it expedient to abandon Taiwan without a warning to its government or consultation with our own.

GREAT POTENTIAL FOR UNITED STATES-PEKING TIES

The resultant public criticism of the President's action makes it easy to misunderstand the position of those who oppose the abrogation of military and political ties with Taiwan in order to gain the recognition with Peking. There are tremendous potential benefits for the American people in a closer relationship with the 1 billion Chinese on the continent. As a representative of a Midwestern State with large farming interests, I am keenly aware of the economic advantages increased trade might bring, as well as the cultural and strategic benefits that would accrue to the United States. It is already apparent that the administration plans to use these potential gains to beat down the opposition and confuse the real issue. This issue is not the diplomatic recognition of Peking. It is the manner in which the negotiations were consummated and the price that was demanded in payment.

The United States cannot afford to abandon good allies and friends for short-term political expediency. The international perception of our own country as an honorable, reliable Nation, willing to abide by its agreements and to stand firm for its principles, is bound to suffer. This is especially true with a perceived reduction in strength of the United States vis-a-vis the Soviet Union, and the withdrawal of U.S. forces from Vietnam, Korea, and the Panama Canal.

RETURN OF THE IMPERIAL PRESIDENCY

Jimmy Carter had pledged to conduct important foreign policy negotiations openly, "with the participation of Congress from the outset." While it is true that sometimes the delicate nature of negotiating prohibits immediate public disclosure, in this case the President has made only token efforts to consult with Congress, even after the passage of the Dole-Stone amendment by a vote of 94 to 0 in the Senate. This amendment specifically expressed the sense of the Senate, and later the sense of the Congress that any new relationship with Peking and Taiwan be first discussed with Congress, precisely because so many Members of Congress were deeply concerned about the safety of Taiwan and our economic and strategic interests in Asia.

During the Carter-Ford debates, Mr. Carter said he "would never let that friendship (with Peking) stand in the way of preservation of the independence and freedom of the people of Taiwan." Yet the President received absolutely no commitment from Peking in this latest agreement that the safety of Taiwan would be assured. In fact, Mr. Carter agreed with the mainland position that Taiwan was a part of China and that its future would, therefore, become an internal matter for the Chinese to decide themselves. Naturally, the President does not believe an invasion of the island republic is imminent. For the moment it better suits the purpose of the current ruling elite in Peking to let matters stand as they are. The future of the Republic of China is left very much in doubt, however.

Over the next 5 years, China, by its enhanced world prestige and position after U.S. recognition, can further isolate Taiwan. With the inevitably reduced flow of modern weapons to Taipei, and the concomitantly increased gains in technology on the mainland, China will then be able to virtually dictate terms to the island they outnumber 45 to 1.

To take one small example: When Red China entered the worldwide satellite communication system, they demanded that all matters regarding Taiwan be cleared by Peking. This would have meant that the Republic of China would be barred from modern, international communications and would have seriously hampered the island's business economy. Only strong U.S. action prevented this from becoming true. We can expect this same ploy to occur over and over again in every conceivable international organization or group. Yet when the United States no longer officially recognizes Taiwan, can we expect to be able to prevent it? The future of Taiwan looks bleak indeed.

In the meantime, Peking has adroitly played its "U.S. card" in its dealings with the Soviet Union, and delayed indefinitely the previously certain SALT II rapprochement between Carter and Brezhnev. Only the Red Chinese have received any benefits in this latest example of Carter diplomacy. They had much to gain and lost nothing—why should they not agree to our recognition.

CLOSER TIES OF POTENTIAL VALUE

As it stands now, not only did we not receive any concessions from Peking, we did not even make sure the United States would be in a position to take advantage of the potential benefits of normalization. Under the proper circumstances I am very much in favor of normalizing our relationship with the Peoples' Republic of China. The possible cultural and trade benefits are enormous, but we must first make certain the Communists are going to deal on equal terms with us. Other nations that have established relations with Peking have learned that trade with China is usually a one-way street. The Chinese have far to come to reach Western standards of living, and analysts say they are two generations away from being able to buy consumer goods in any significant quantities.

Nevertheless, I believe opportunities for economic exchange are possible. I would first like to see Peking agree to accept credits from foreign trading partners. I would like to see that American buying and selling offices are allowed to open on the continent. I would like to make certain that U.S. financial institutions have the chance to handle trade transactions between our two countries. There are many details such as these that must be carefully worked out. They had not been fully worked out when the decision was made to jettison Taiwan.

SOCIAL BENEFITS IN NORMALIZATION

China should carry some of the responsibilities of expanded world participation if it is to stand in the forefront of the world political scene. It is my intention to require China to join with other nuclear nations in banning atmospheric tests, which are frequently made in China, to the peril of the health of the citizens throughout the world. Expanded travel and communication with the Chinese people should broaden their knowledge of Western culture. This open-door policy may lead to some alleviation of China's extremely repressive human rights activities. In the area of financial responsibility, the Carter administration has failed to get a commitment from Peking to settle more than $200 million in U.S. claims against the Chinese Communist Government. This point must be resolved.

The most significant failure of our negotiating team however, was in not insuring that our strategic interests in the Pacific and the future of the people of Taiwan will continue to be secure. Since President Carter's announcement on December 15 extending diplomatic recognition to mainland China, the present ruling elite in Peking have made many vague or contradictory statements about their intentions toward the Republic of China on Taiwan. The recognition of the Peoples' Republic of China has great potential for good between our two countries and for the world in general. However, it must be the role of the Senate to ascertain the conditions from which our future relations will have to grow. We must be sure our essential interests and commitments are met.

These two measures I am introducing are intended to clarify and structure our relations with the Republic of China. The resolution provides a basis for the continued security of Taiwan and the bill calls for a governmental liaison identical to the one provided for the Peoples' Republic of China in 1973. The United States has a long tradition of friendship and alliance with the Republic of China which has served well our continuing strategic interests in the Asian Pacific. We have additionally many strong cultural and financial ties with the people of Taiwan represented by some 59 treaties with Taipei. I am sure you will agree the United States must act to insure not only the security of Taiwan from aggression, and the maintenance of our own strategic capability in the region, but to protect the reputation of our Nation within the world community as one who honors our commitments.

Mr. President, I ask unanimous consent that the text of my bill and resolution be printed in the RECORD.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested, under such terms and conditions as he determines and consonant with the purpose of continuing diplomatic relations with the Republic of China, to extend, or to enter into an agreement extending, to any principal liaison office of the Republic of China that may be established in Washington, District of Columbia, or to any branch offices in the United States that may be established, and to the members thereof, the same privileges and immunities, subject to corresponding conditions and obligations, as are enjoyed by diplomatic missions accredited to the United States and by members thereof.

S. Res. 13

Whereas the United States and the Republic of China and their peoples have been allies for more than 25 years;

Whereas the President unilaterally gave notice to the Republic of China that the United States intended to terminate on January 1, 1980, the Mutual Defense Treaty between the United States of America and the Republic of China;

Whereas the United States established diplomatic relations with the People's Republic of China on January 1, 1979;

Whereas the governments of the Republic of China and the People's Republic of China claim sovereignty over the same territory;

Whereas the continued security and stability of the Asian Pacific region, and especially the continued peace and prosperity of the people of the Republic of China, is of major strategic interest to the United States; and

Whereas the United States seeks to maintain such confidence as is essential to financial investment in such region and as is essential to making commercial agreements between the United States and the Republic of China and between the United States and the People's Republic of China: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Government of the United States—

(1) does not condone any threat or use of force in any attempt to unify the Republic of China and the People's Republic of China;

(2) does not recognize the right of either the Government of the Republic of China or the Government of the People's Republic of China to subvert the other by means of the use of force or the threat of an imminent use of force;

(3) should, in accordance with its constitutional processes, take all steps necessary to assist the Republic of China in ensuring its security and the security of the United States in the event of an act of aggression by the People's Republic of China against the Republic of China;

(4) should interpret any interference by any country with the commercial or cultural programs or military or economic assistance programs between the United States and the Republic of China as an unfriendly act and should react accordingly; and

(5) should use its voice and vote in each international organization of which the United States is a member to prevent the exclusion or the removal of the Republic of China from membership in each such organization.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

By Mr. JACKSON:

S. 9. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

Mr. JACKSON. Mr. President, I am introducing today the Alaska National Interest Lands Conservation Act. The bill is identical, except for technical corrections, to H.R. 39 as reported by the Committee on Energy and Natural Resources on October 9, 1978 (S. Rept. 95–1300). I believe it is one of the most important Federal land policy proposals ever considered by the Congress. It is the product of intensive consideration by the committee of Alaska land issues over the last 5 years, including the longest markup (46 meetings) ever conducted by the committee.

The principal purpose of this legislation is to designate approximately 100 million acres of Federal land in Alaska for protection of their resource values under permanent Federal ownership and management. Enactment of this bill would more than double the size of the National Park System and the National Wildlife Refuge System. It would triple the size of the National Wilderness Preservation System. It would virtually complete the public land allocation process in Alaska which began with the Statehood Act of 1958 which granted the State the right to select approximately 104 million acres of public land. This Federal land disposal process was continued by the Alaska Native Claims Settlement Act which granted Alaska Natives the right to select approximately 44 million acres of Federal land.

In order to carry out the principal purpose, the bill includes a number of other significant provisions, which together with the land designations are discussed in the following summary of major provisions. I ask unanimous consent that the summary of major provisions be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS

Title I—Purposes, Definitions, and Maps—Sets forth the purposes of the bill and spells out general definitions and map references.

Title II—National Park System—Establishes or expands 14 management units of the National Park System totaling 44.33 million acres. Sets out specific rules for management and use of these areas.

Title III—National Wildlife Refuge System—Establishes or expands 12 management units from the National Wildlife System totaling 35.79 million acres. Sets out specific rules for management and use of these areas.

Title IV—National Conservation Areas—Establishes 4 national conservation areas totaling 7.37 million acres and one national recreation area comprising an additional million acres, to be administered by the Secretary of Interior through the Bureau of Land Management. Sets out specific rules for management and use of these areas.

Title V—National Forest System—Establishes one new National Forest of 5.4 million acres, adds 3.04 million acres to existing National Forests, and establishes a 1.2 million acre Seward National Recreation Area in the existing Chugach National Forest. Sets out specific rules for management and use of these areas.

Title VI—National Wild and Scenic Rivers System—Designates 24 rivers or river segments as components of the Wild and Scenic Rivers System and designates 10 rivers for study for possible inclusion in the System. Sets out specific rules for management and use of these areas.

Title VII—National Wilderness Preservation System—Designates 37.2 million acres as part of the National Wilderness Preservation System and designates 3 million acres for wilderness study. Sets out specific rules for management and use of these areas.

Title VIII—Subsistence Management and Use—Recognizes the importance of subsistence uses of fish, wildlife and other resources by many Alaskans. Establishes a statutory preference for subsistence resource use over other uses including sport hunting and fishing. Establishes a special management system to assure that the preference is implemented.

Title IX—Implementation of Alaska Native Claims Settlement Act and Alaska Statehood Act—Expedites conveyance of Federal lands to Alaska Natives and the State of Alaska so as to fulfill the land grants made under the Alaska Native Claims Settlement Act and the Alaska Statehood Act.

Title X—Federal North Slope Lands Study Program—Recognizes the unique combination of wilderness, wildlife, and oil and gas values on the Alaska North Slope by directing a special study of all Federal lands in the area to assure that all elements of resource use and preservation will be presented to Congress at the same time. Includes a special oil and gas exploration program on the Arctic National Wildlife Range, an oil and gas leasing program for non-North Slope Federal lands and a mineral resource assessment program.

Title XI—Transportation and Utility Systems In and Across, and Access Into, Conservation System Units—Establishes special procedures for allowing access for transportation and other purposes across and into conservation system units. Recognizes the need to balance protection of the resources and the need for access to permit development of Federal, State and private lands not included in such units.

Title XII—Federal-State Cooperation—Establishes an Alaska Land Use Council as an innovative vehicle for Federal and State cooperation in the management of Federal and State lands. Also authorizes special cooperative agreements for wildlife refuges and designates the Bristol Bay Cooperative Region as a unique experiment in Federal-State cooperation in land and resource management.

Title XIII—Administrative Provisions—Contains a variety of specal management provisions dealing with various land management systems and other specific management concerns.

Title XIV—Amendments to the Alaska Native Claims Settlement Act and Related Provisions—Contains a number of amendments to the Alaska Native Claims Settlement Act which will simplify administration of that Act and assure that the Natives receive full benefits which the Congress intended in the original law. Also authorizes a number of specific land selections which will benefit both the Natives and the Federal Government. Two of the amendments related to Native taxation issues and originally included in this title have become Public Law and have therefore been deleted from the text of this bill (See P.L. 95–600, the Tax Reform Act of 1978).

Title XV—National Need Mineral Activity Recommendation Process—Establishes a special procedure under which the President, with Congressional approval, can permit mineral exploration, development and extraction which is prohibited under existing law, but may be needed to meet future national needs.

Mr. JACKSON. Mr. President, I ask that a summary of the acreage differences between the committee reported bill and the House-passed bill be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

*Designation and acreage, Alaska national interest lands**

	Senate Committee	H.R. 39 passed by House
National Park System:		
Parks and monuments	20.677	27.172
Preserves	20.532	15.548
Recreation areas	2.655	0.000
Total	43.864	42.720
National Wildlife Refuge System	35.790	76.050
National Conservation Areas (BLM):		
Conservation areas	7.370	0.000
Recreation area	1.000	0.000
National Forest System:		
New forest	5.820	0.000
Forest additions	3.040	2.740
Recreation area in existing forest	1.412	0.000
National Wilderness Preservation System:		
Wilderness in parks and monuments	22.682	32.170
Wilderness in preserves	7.098	9.520
Wilderness in wildlife refuges	4.354	19.933
Wilderness in forests	2.888	3.919
Total wilderness	37.022	65.542
Wilderness Study Areas:		
Forest	2.00	
Preserve	1.04	
Rivers or Segments:		
National Wild and Scenic Rivers System:		
Rivers or segments in parks or monuments	10	0
Rivers or segments in other conservation units (preserves, refuges, NRA's)	15	18
Rivers or segments outsider of larger units	6	10
Study rivers	10	15

*Acreage is in millions and federal lands only.

BACKGROUND AND LEGISLATIVE HISTORY

Mr. JACKSON. My colleagues will recall that this legislative proposal arises from certain provisions of the Alaska Native Claims Settlement Act (ANCSA), signed into law on December 18, 1971. As its primary purpose the ANCSA extinguishes all the aboriginal claims of the Alaska Natives and provides them with land (44 million acres) and money ($926 million).

In addition, the act recognizes that the settlement of Native claims must be accompanied by careful planning and management of the remaining public lands in Alaska. Of particular importance is section 17(d)(2) which establishes a process to preserve the so-called national interest lands in Alaska—lands which possess unique wildlife, wilderness, scenic, scientific, cultural, and historical values of national significance. This provision authorized the Secretary of the Interior to withdraw up to 80 million acres of land to be studied for possible addition to the four national conservation systems. It also required all legislative proposals arising from such studies to be submitted to the Congress within 2 years, by December 18, 1973, and provided a 5-year period continuation of the Secretarial withdrawals which considered the legislation. During this period, land withdrawn under section 17(d)(2) would not be subject to transfer out of Federal ownership under the public land laws.

During the 95th Congress, the Committee on Energy and Natural Resources considered several proposals for "d–2" legislation. Hearings were held in Washington and workshops were held in Alaska on the national interest lands and related issues. Finally, the committee conducted extensive markup sessions from July through September in an attempt to meet the December 18, 1978 deadline for expiration of the withdrawals. In an attempt to expedite enactment, House and Senate leaders, the Alaska delegation and the administration reached agreement on compromise legislation during the last week of the 95th Congress. Unfortunately, the full Senate was not able to consider either the committee's bill or the proposed compromise because of a threatened filibuster by one Senator.

Because Congress did not enact legislation before the statutory deadline, the President and the Secretaries of the Interior and Agriculture took several actions to protect the key Federal lands in Alaska, until Congress acts.

I ask unanimous consent that the White House factsheet on those actions be printed in the RECORD at the end of my statement.

Mr. President, consideration of Alaska lands legislation will be a top priority of the Committee on Energy and Natural Resources. Further delay in reaching a comprehensive settlement of land use designations in the State of Alaska can only be detrimental to the citizens of that State and to the national interest. I believe the approach adopted by the Committee on Energy and Natural Resources last year strikes a reasonable balance between protection of nationally significant and fragile land, wildlife, fish and other resource values and the national and State of Alaska's needs to permit careful, planned development of other federally owned oil, gas, hardrock minerals, and timber resources.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACTSHEET

Today the President took several actions to protect proposed National Parks, Wildlife Refuges and Wilderness Areas in Alaska. He urged Congress to act promptly next year to pass Alaska lands legislation and announced administrative actions designed to protect these areas and to preserve the Congress' options for action next year.

The President's actions include the designation of 17 National Monuments covering approximately 56 million acres and additional protections on the remaining proposed National Wildlife Refuges and proposed National Forest Wilderness areas.

BACKGROUND

Under the Alaska Native Claims Settlement Act of 1971, Section 17(d)2 authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by the Congress as additions to the National Park, Wildlife Refuge, Wild and Scenic River and National Forest systems. Such "d–2" withdrawals were made on December 17, 1973, leaving the Congress until December 17, 1978, to act, under the five-year limitation on the "d–2" withdrawal authority.

The Carter Administration came forward with detailed legislative proposals in early 1977. These proposals included 13 National Parks, 14 National Wildlife Refuges, and 7 National Forest Wilderness Areas. The 95th Congress made a great deal of progress toward passing a comprehensive Alaska lands bill. The House passed the Alaska legislation on May 19, 1978, by a vote of 277–31. The Senate Energy and Natural Resources Committee reported out a bill, but lack of time and a threatened filibuster prevented final passage.

Since adjournment of the Congress, 146 members of the House and Senate have asked the President to take action to protect the lands so that mineral entry, State land selections and other threats do not jeopardize the integrity of these important areas.

AREAS AFFECTED

The President has signed proclamations designating 17 National Monuments under the 1906 Antiquities Act. These areas include parts of all 13 of the proposed National Parks, 2 of the 14 proposed National Wildlife Refuges, and 2 of the 7 proposed National Forest Wilderness areas. They include approximately 56 million acres of land. These areas are designated in order to preserve their extraordinary scientific, historic and cultural values. They also contain some of the world's most beautiful scenery and plentiful wildlife. These designations will be permanent until modified or superseded by Congressional action.

National monuments proclaimed by the President

	Acres
1. Aniakchak	350,000
2. Bering Land Bridge	2,600,000
3. Cape Krusenstern	560,000
4. Denali	3,890,000
5. Gates of Arctic	8,220,000
6. Glacier Bay	550,000
7. Katmai	1,370,000
8. Kenai Fjords	570,000
9. Kobuk Valley	1,710,000
10. Lake Clark	2,500,000
11. Noatak	5,800,000
12. Wrangell-St. Elias	10,950,000
13. Yukon-Charley	1,720,000
Subtotal	40,790,000
14. Yukon Flats	10,600,000
15. Becharof	1,200,000
Subtotal	11,800,000
16. Admiralty Island	1,100,000
17. Misty Fiords	2,285,000
Subtotal	3,335,000
Total acreage	55,975,000

(Note: Areas Nos. 1–13 are proposed National Park areas, Nos. 14–15 are proposed Wildlife Refuge areas, and Nos. 16–17 are proposed National Forest Wilderness Areas.)

The President also directed the Secretary of the Interior to take the necessary procedural steps under the Federal Land Policy and Management Act to designate as National Wildlife Refuges the remaining 12 proposed refuge areas. These areas cover ap-

proximately 40 million acres. The 12 areas included in this directive are:

	Acres
1. Arctic Range	9,900,000
2. Copper River	690,000
3. Innoko	3,720,000
4. Kanuti	1,480,000
5. Kenai Moose Range	160,000
6. Koyukuk	2,080,000
7. Nowitna	1,560,000
8. Selawik	3,220,000
9. Tetlin	770,000
10. Togiak	1,180,000
11. Yukon Delta	13,710,000
12. Alaska Marine Resources	460,000
Total acreage	38,930,000

The President also noted that Secretaries Andrus and Bergland have already taken temporary steps to protect all of the areas in Congressional and Administration proposed conservation units. Under Section 204(e) of the Federal Land Policy and Management Act, Secretary Andrus issued emergency withdrawals on November 16 on all of the Interior Department lands covered by Congressional or Administration proposals to protect them from mineral entry and State selection. These three-year withdrawals cover approximately 105 million acres and will remain in force with the President's actions under the Antiquities Act. Secretary Bergland has also taken steps under Section 204 (b) of the Federal Land Policy and Management Act to segregate the 11 million acres covered by Administration and Congressional proposals for National Forest Wilderness areas to protect these lands from mineral entry and State selection. These two-year segregations also remain in force with the President's actions.

By Mr. BAYH (for himself, Mr. HATCH, Mr. BAUCUS, Mr. BENTSEN, Mr. CHAFEE, Mr. CRANSTON, Mr. DOLE, Mr. GRAVEL, Mr. HATFIELD, Mr. INOUYE, Mr. KENNEDY, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. RIEGLE, Mr. STONE, and Mr. WILLIAMS):

S. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. BAYH. Mr. President, today I am introducing legislation designed to give statutory authority to the Justice Department to initiate suit to enforce constitutional and other federally guaranteed rights of institutionalized persons. I am joined in this effort by Senator HATCH and 19 of our colleagues. This legislation codifies the authority exercised by the Department in the past to intervene in and to initiate civil actions on behalf of persons confined to mental hospitals, prisons, mental retardation facilities, reformatories for juvenile delinquents, facilities for emotionally disturbed children and long-term care facilities.

Similar legislation was introduced and reported by the Senate Committee on the Judiciary, but not considered by the full Senate in the 95th Congress. A companion bill, H.R. 9400, was passed by the House.

Our Nation's institutionalized citizens are uniquely unable to assert and protect their own rights. Because of mental or physical handicap or the sheer weight of despair brought on by living in dehumanizing conditions this class of people we seek to help protect through this legislation frequently lacks the ability to gain access to the legal and financial resources necessary to obtain access to justice and fair treatment.

Recognizing this, the Justice Department has, during the past decade, brought a number of actions against State institutions, successfully documenting widespread deprivations of residents' constitutional and Federal rights, and compelling State officials to upgrade conditions of confinement and treatment.

These abuses we seek to reduce are not insignificant nor are they merely technical. A brief look at the cases brought on behalf of the institutionalized highlight the need for continued participation by the Justice Department. In the landmark case of Wyatt against Stickney, the Justice Department's ability to engage in long-term discovery was instrumental in developing a record of institutionwide abuses to which inmates of mental hospitals were being subjected. Retarded persons were tied to their beds at night and confined to straitjacket for years. One woman was confined in a straitjacket for 9 years losing the use of both of her arms. At one institution, inadequate staff, insufficient supervision and uncontrolled brutality of other inmates resulted in the deaths of four residents.

In the course of litigation brought to correct abuses in a State's juvenile reformatories, a Federal court found the State juvenile system rampant with officially sanctioned brutality, including beatings, tear gassings, and placement in homosexual dormitories as a form of punishment (Morales against Turman).

Following Wyatt and other cases in which the Department participated, a number of States adopted statutes providing a right to treatment for mentally ill institutionalized persons, and a series of Federal court cases further substantiated right to such treatment. The Department of Health, Education, and Welfare followed suit by adopting many of the standards first enunciated in Wyatt and conditions for participation in federally funded programs of care for the mentally handicapped. Judge Johnson, who initially ordered the Department to appear as amicus curiae in Wyatt, was sufficiently impressed to commend Government lawyers for having "performed exemplary service for which this court is indeed grateful."

The first serious setback to these efforts came in 1976 when a Federal district court in Maryland dismissed a suit brought by the Justice Department concerning the conditions at the Rosewood State Hospital for the mentally retarded. In United States against Solomon, the court held that the Justice Department lacked inherent or commonlaw authority to sue to enforce constitutional and Federal rights of hospital inmates. Following the Solomon decision, a Federal district court in Montana dismissed another suit initiated by the Department challenging conditions in a State mental retardation hospital, again declaring that, absent express statutory authority, the Department lacked standing to sue.

This bill creates no new substantive rights, nor does it open the doors of the Federal courthouse to a new class of litigants. Under the standards we have proposed, the authority of the Department to bring suit on behalf of the institutionalized is limited to cases alleging widespread deprivations of constitutional and Federal rights and then only in the presence of "egregious or flagrant conditions." Clearly, the intent of this legislation is not to provide the Justice Department with standing to bring suit to redress minor or unimportant technical regulations. S. 10 is designed to redress the most horrendous of conditions, conditions which sometimes deprive institutionalized persons in this country of the very right to life itself.

JAILS AND CORRECTIONAL FACILITIES

This bill includes protection of the rights of persons in jails and correctional facilities. During Judiciary Committee consideration of S. 1393 in 1978 an amendment was offered and accepted that limited coverage of inmates in correctional facilities to constitutional abuses. Another amendment was offered to eliminate totally inmates of jails and correctional facilities from coverage in this bill, and I feel it appropriate to respond at this time to those who would suggest that inmates of correctional facilities do not belong in this legislation.

I agree with many of my colleagues who know that the American people do not wish to send those convicted of crimes to a country club environment. I want to emphasize that the effect of the Justice Department suits in the case of jails and correctional facilities would not be to create such an environment. In 1976, a Federal district court found in one State facility "as many as six inmates packed in 4-foot by 8-foot cells with no beds, no lights, no running water, and a hole in the floor for a toilet which could only be flushed from the outside (Pugh against Locke)."

Obviously we are not saying that prisoners should be fed steak but, rather that they should be fed meals nutritious enough to sustain life and health. We are not asking that each prisoner have a private bath but rather that there be adequate sanitary facilities to sustain minimum standards of health.

Ours is a society dedicated to human rights and humane principals. It is not now, nor has it ever been the intention of the American people to torture or abuse those we have placed in our correctional institutions. In most State penal institutions there is no reason for concern. Yet, in some of our correctional facilities, especially our jails, such abuse is precisely what is being done either through neglect or deliberate actions which establish what can only be described as subhuman living conditions.

STATES' RIGHTS

There have been a few who have said that any legislation in this area would be an unwarranted intrusion on the part of the Federal Government into the business of the States.

Mr. President, if a retarded child is fed from a common bowl of gruel at such speed that the child chokes to death, if 100 percent of the inmates of an institution contract hepatitis within 6 months of institutionalization, if inmates of mental institutions are murdered by fellow inmates because of lack of supervision; and if the State puts forth no effort to right such unconscionable wrongs; then, Mr. President, I believe and apparently many of my colleagues in both the Senate and the House believe, it is not only the business of the Federal Government, but the duty of the Federal Government to intervene to protect the rights of its citizens under our Federal Constitution.

A glance at the list of cosponsors of S. 10, as well as the bill itself, makes clear that legitimate concerns for States' rights were fully protected in this bill. We have spent many hours refining and changing the original bill to insure that every reasonable effort will be made to allow States to correct unconstitutional conditions first and that even then litigation will take place only in the presence of a pattern or practice of the most egregious violations of rights of those in our Nation's institutions.

Before a suit can be brought the Attorney General must certify to the court that he has pursued with the State informal methods of changing conditions, that he has advised the State of technical and financial assistance available from the Federal Government and that he is satisfied that the State has had a reasonable period of time to make a reasonable effort to provide relief and has not done so.

There are children who have been institutionalized from infancy in institutions where they are physically abused, malnourished, and neglected, where every day of their lives they know nothing but fear and indifference. To grow to adulthood in such an environment, your spirit long since dead, and finally to die physically as well as spiritually, perhaps long before your time, is a horror I cannot personally even begin to comprehend. Yet we condemn too many of our citizens to just such an existence.

Mr. President, I am hopeful that S. 10 will be considered by the Senate early in this Congress and that we will enable the Justice Department to continue its distinguished work in helping our most helpless of citizens live free from fear and with the dignity due them by virtue of their humanity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 10

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Whenever the Attorney General has reasonable cause to believe that any State or political subdivision, official, employee, or agent thereof, or other person acting on behalf of a State or political subdivision of a State is subjecting persons residing in an institution, as defined in section 6, to egregious or flagrant conditions (conditions which are willful or wanton or conditions of gross neglect) which deprive such persons of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing such persons to suffer grievous harm, and that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States may institute a civil action in any appropriate United States, district court against such party for such equitable relief as may be appropriate to insure the full enjoyment of such rights, privileges, or immunities, except that such equitable relief shall be available under this act to persons residing in an institution as defined in section 6(a)(3) only insofar as such persons are subjected to conditions which deprive them of rights, privileges, or immunities secured or protected by the Constitution of the United States. The Attorney General shall sign the complaint in such action.

SEC. 2. (a) At the time of the commencement of an action under section 1, the Attorney General shall certify to the court—

(1) that at least 30 days previously he has notified in writing the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution of—

(A) the alleged conditions which deprive rights, privileges, or immunities secured or protected by the Constitution or laws of the United States;

(B) the supporting facts giving rise to the alleged conditions, including the dates or time period during which such conditions are alleged to have existed;

(C) the measures which he believes may remedy the alleged conditions;

(2) that he or his designee has made a reasonable effort to consult with the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution, or their designees, regarding financial, technical or other assistance which may be available from the United States to assist in the correction of such conditions;

(3) that he has endeavored to eliminate the alleged conditions and pattern or practice of resistance by informal methods;

(4) that he is satisfied that the appropriate officials have had a reasonable time to take appropriate action to correct such conditions, taking into consideration the time required to remodel or make necessary changes in physical facilities or relocate residents, reasonable legal or procedural requirements, and any other extenuating circumstances involved in correcting such conditions; and

(5) that he believes that such an action by the United States is of general public importance and will materially further the vindication of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States.

(b) Any certification made by the Attorney General pursuant to this section shall be signed by him.

SEC. 3. (a) Whenever an action has been commenced in any court of the United States seeking relief from conditions which deprive persons residing in institutions of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing them to suffer grievous harm and the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States, may intervene in such action upon motion by the Attorney General in accordance with the Federal Rules of Civil Procedures.

(b) Any motion to intervene made by the Attorney General pursuant to this section shall be signed by him.

SEC. 4. No person reporting conditions which may constitute a violation under this Act shall be subjected to retaliation in any manner for so reporting.

SEC. 5. The Attorney General shall include in his report to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, United States Code, a statement of the number, variety, and outcome of all actions instituted or in which the Attorney General has intervened pursuant to this Act.

SEC. 6. As used in this Act—

(a) "institution" means—

(1) any facility for mentally ill, disabled, or retarded persons;

(2) any facility for chronically ill or handicapped persons, including any State-supported intermediate or long-term care or custodial care facility;

(3) any jail, prison, or other correctional facility, or any pretrial detention facility; or

(4) any facility in which juveniles are placed awaiting trial or in which juveniles reside for purposes of receiving care or treatment, or for any other State purpose.

(b) Privately owned and operated facilities shall not be deemed "institutions" under this Act unless persons reside in such facilities as a result of State action.

(c) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

SEC. 7. Provisions of this Act shall not authorize promulgation of regulations defining standards of care.

Mr. BENTSEN. Mr. President, I am pleased to join today in introducing S. 10. This legislation will give the Attorney General express statutory authority to initiate legal actions to protect the civil rights of institutionalized persons.

It creates no new substantive rights. It allows the Justice Department to bring action to enforce existing rights where a pattern and practice of violation has been established.

It allows action only where the violations have been flagrant and systematic, where great harm has been inflicted on numerous people. It will allow prison actions only where a constitutional right has been denied. It will allow actions involving institutions housing the retarded, the mentally ill, neglected children and others where Federal statutory rights have been denied.

Mr. President, the quality of a civilization can be judged by the way it treats its most helpless members. In recent years we have seen examples of abuse in institutions that shock the conscience and violate our respect for the rule of law.

I stand second to none in my desire to see hardened criminals receive the punishment they deserve. The most vicious and violent should receive long and certain punishment. We must enact sentencing reforms to insure that punishment is both certain and fair. I will shortly reintroduce legislation to move us towards these goals.

Yet our prisons must meet constitutional standards. Our Bill of Rights is a bill of obligations. There can be no re-

treat from the rule of law. When constitutional rights have been denied, it should be the responsibility of the Justice Department to act.

The case is even more compelling when the abuses harm those who have done no wrong, when suffering afflicts those who are dependent on society for care.

There has been too much suffering among the neglected children, the retarded, the mentally ill, and other institutionalized persons.

Most State officials work long and hard and deserve to be commended. We owe a great debt to those countless people who labor to provide care for those who need it.

Yet adequate care is not always provided. Funds are spent on other priorities. Attention is given to other concerns. Scores of cases reveal helpless people enclosed in walls of alienation and fear.

They come for healing yet find pain. They come for hope yet find despair. They come for attention, yet find eyes that do not see and ears that do not hear.

Today we must increase our efforts to improve these conditions. S. 10, which we introduce today, will help by allowing the Attorney General to see that our laws are enforced, that the most intolerable conditions are eliminated.

To my friends who share my concern with the rights of our States, I repeat that action can only be taken when a pattern and practice of abuse has been disclosed. The Federal Government must make every effort to provide technical and financial assistance to States, to attempt to solve these problems without litigation. Notice must be given before actions are initiated, providing and I hope encouraging good faith cooperative efforts to improve conditions. The American idea of States rights is consistent with the American notion of human rights.

Mr. President, let me briefly describe the kind of widespread violations that S. 10 is addressed to.

Consider the Wyatt case, involving a mental institution. Here the court found a shortage of personnel, and inadequate care for the residents.

Retarded persons were chained to their beds at night, when employees could not be found to care for them. Toilet paper was locked up to avoid cleaning work. One patient was in a straitjacket for 9 years and lost the use of both arms.

Consider the Willowbrook case, involving a home for the mentally retarded. Evidence demonstrated the massive overdrugging of children. Some of the weaker were beaten by the stronger. Children suffered the loss of eyes, bitten off ears, broken teeth. One cerebral palsy victim spent 16 years at Willowbrook, mistakenly diagnosed as mentally retarded.

These cases demonstrate widespread abuses against great numbers of people. They are the extreme kind of case, the rare instance of great damage, that S. 10 seeks to remedy.

It is important that the great resources of our Justice Department be used to insure that our laws are enforced. The Justice Department has investigative resources, technical competence, and legal expertise unavailable to private parties. S. 10 will put those resources to use in those relatively few cases where they are urgently needed.

It will foster judicial economy and sound management when litigation is necessary. The Attorney General will be free to select cases that merit close attention, where legal action would yield the most positive results.

Mr. President, let me conclude with a thought about simple justice. Winston Churchill, speaking to a dangerous enemy of a different era, said: "What kind of a country do they think we are?".

We spend so much time criticizing ourselves here in America that we forget what a good and great country we are. We believe in justice. We believe in human rights. We believe in opportunity for each of our citizens.

It is impossible to example the cases that have come to light and not feel a sense of compassion, and responsibility.

The mentally ill must not be chained to their beds at night, or forced to consume inadequate meals in minutes

Retarded children must not burn to death in fires, because conditions were bad, because attention was not given.

We must not allow some of the most dependent people in America to be among the most forgotten, or the most abused.

In the case of criminals, they should know that they will be punished, and that the punishment will be fair. In the case of the retarded, the ill, the neglected, they should know that they will receive our compassion because they compel our concern.

This is the great strength of the American Nation.

We share a minimum standard of decency that knows no ideology, no party label, no partisanship, no bias. Today, the institutionalized persons reach out for help.

Together, let us reach back.

Mr. CRANSTON. Mr. President, I am pleased to join the Senator from Indiana (Mr. BAYH) and my other colleagues as a cosponsor of this bill to authorize, in certain instances, an action or intervention by the Attorney General where certain institutionalized individuals whose rights under the Constitution or laws of the United States are being deprived.

Mr. President, I believe strongly that S. 1393 could be of immense benefit to institutionalized children, and elderly, and handicapped—particularly mentally ill and mentally retarded—individuals, as well as incarcerated individuals.

Since 1971, the Justice Department has successfully brought suit on several occasions on behalf of such individuals. For example, in 1976, Justice successfully challenged Louisiana with respect to State policies concerning dependent children Gary W. against Stewart. Justice's discovery revealed that children were physically abused, handcuffed, chained, tied-up, kept in cages, and overdruged with psychotropic medication.

In 1974, the Justice Department appeared in a Texas suit, United States against Solomon, with respect to the State's juvenile detention facilities. The court determined that the staff of such facilities was engaged in a widespread practice of beating, slapping, kicking, and otherwise physically abusing juvenile inmates, in the absence of any exigent circumstances. Brutality was found to be a regular occurrence encouraged by those in authority.

Unfortunately, when the Justice Department's authority to initiate an action on behalf of institutionalized individuals was first challenged in a district court in Maryland that court ruled that absent express statutory authority the Attorney General lacked standing to initiate such an action, United States against Solomon. Since then, the Maryland district court decision has been upheld on appeal, and a district court in Montana has ruled likewise, United States against Mattson. Thus, in both instances in which the Attorney General's standing to bring an action for other than incarcerated persons has been challenged, the Attorney General has lost.

Mr. President, as chairman of the Subcommittee on Child and Human Development of the Human Resources Committee, I chaired hearings on January 4, 1979, in San Francisco on the abuse and neglect of children. Despite repeated stories of incidents of serious and brutal maltreatment of children residing in institutional settings, there does not appear to have been any systematic examination of the nationwide scope of this problem. This is all the more troublesome because many institutionalized children are supported by Federal funds, such as those provided under title IV–A and title XX of the Social Security Act.

Testimony at that hearing revealed that children are being confined in iron cages, held in solitary confinement in leg irons and handcuffs, tear gassed and placed—as punishment—in dormitories with older inmates who sexually abuse them. Testimony also indicated that children are often confined in institutions which rely on physical punishment and food deprivation as well as solitary confinement under the guise of treatment techniques.

Mr. President, enactment of this bill could offer a new and highly valuable avenue to provide protection for these children. I strongly support the bill and look forward to working with my colleague from Indiana (Mr. BAYH) on behalf of its favorable consideration in the Senate.

Mr. METZENBAUM. Mr. President, I am pleased to join my good friend and chairman of the Senate Judiciary Subcommittee on the Constitution in introducing S. 10. Senator BAYH has shown great leadership in this vitally important area. Since this measure was debated extensively during the last session, I hope the Senate will act quickly on it this year.

By authorizing the Attorney General of the United States to initiate civil actions on behalf of institutionalized persons, S. 10 provides for the redress of important constitutionally guaranteed rights. The courts have ruled that these rights include: The right of mentally ill patients to receive individualized treatment; the right of prison inmates to be protected from cruel and unusual conditions of confinement; and, in general, the right to be granted every privilege or immunity guaranteed by Federal law. Further, this legislation clearly states that the Attorney General will be authorized to act only in the most severe cases, where the violation is a documented pattern or practice.

The law regarding institutionalized persons has evolved largely as a result of the Department of Justice's litigation program—a program which has been emasculated by court decisions holding that the Attorney General has no authority to sue, unless such authority is granted by legislation. S. 10 would correct this situation.

This bill would redress institutionalized persons' most fundamental rights. For example, the landmark case of Wyatt against Stickney grew out of nightmarish conditions where patients in a mental hospital were tied to their beds at night for no other reason than the lack of sufficient staff to care for them. Patients were denied the use of toilet paper and were instead required to walk naked—like vehicles in carwash—through streams of water or were hosed down by fellow inmates. Other cases provide still more gruesome examples of cruelty and exploitation. I refer my colleagues to the hearing record on S. 1393. Last year's version of this bill, for numerous examples of mistreatment and the subsequent suffering of innocent patients and inmates.

When legislation of this kind is proposed, there can be no disagreement regarding its ultimate goal. However, some may question whether it is proper for the Federal Government to challenge the States in a court suit involving State-run institutions, while I believe that questions of federalism and comity must be considered, countervailing reasons suggest that the Federal Government is the appropriate entity to protect constitutional rights.

First, it is clear that the Congress is authorized to enforce other constitutional guarantees under section 5 of the 14th amendment. The rights at issue here are fundamental. Second, the Attorney General, acting through the Civil Rights Division of the Justice Department, has a record of effectiveness in this area. In almost every case in which the Department participated, the plaintiffs have prevailed on the merits and the courts have ordered relief. In addition, the Department—working with other Federal agencies—possesses the resources, expertise, and staying power to prepare and litigate these cases properly. Finally, in most instances, the Department was asked to participate in these cases as a friend of the court. This indicates the importance of the Department's counsel to the courts.

It is vital that the Congress pass this bill to insure that the rights of the institutionalized are not violated nor neglected. The protection of the basic human rights of these individuals may well depend on our willingness to enact effective legislation.

● Mr. DOLE. Mr. President, the Senator from Kansas is pleased to be an original cosponsor of S. 10, a bill to protect the civil rights of institutionalized persons. In brief, the bill gives to the U.S. dress. I believe this bill, S. 10, offers that Attorney General the authority to institute civil action in an appropriate U.S. district court in instances where the constitutional and Federal statutory rights of institutionalized persons have been violated. I would like to thank the primary sponsors of this bill, the Senator from Indiana (Mr. BAYH) and the Senator from Utah (Mr. HATCH) for the work that they have done on this bill.

This legislation has the support of the National Association for Retarded Citizens, the Mental Health Association, the American Bar Association and other legal organizations. The problems addressed with this legislation have nagged our society for years. I am hopeful this bill will extend the basic rights most of us take for granted to those who are now denied them.

In the past, the Attorney General has occasionally intervened to litigate on behalf of the mentally ill, the mentally retarded, juvenile delinquents, and the incarcerated in instances where abuse has occurred. Sometimes the Federal district courts have requested the help of the Attorney General. Recent court rulings have questioned the Attorney General's authority to become involved when civil rights of institutionalized persons have been violated. This bill would provide him with explicit authority, if all possible alternatives have been used.

I wish to make clear, however, that the Attorney General is not free to intervene until all State measures have been exhausted to resolve the problems. The Attorney General may not become involved until State grievance procedures have been used, and he must inform the State of the resources available to correct the substandard conditions.

The bill makes it very clear that the Attorney General may become involved only as a last resort, when State and local authorities have proven unable or unwilling to correct the injustices. Ideally, the Attorney General should never need to intervene.

However, experience has shown that many States have a poor record of protecting the institutionalized person. Oftentimes, it is a forgotten constituency, a neglected group of citizens which society finds easy to overlook. In addition, some States' attorneys general are bound by law to defend the agencies responsible for the unconstitutional conditions. It is simple to understand how conflicts of interest can occur.

Mr. President, this legislation is not radical, but it seeks to protect persons in our society who traditionally have been the most helpless, the most dependent, and therefore the most vulnerable. The institutionalized oftentimes do not know their rights, have no access to legal aid, and may be punished if they attempt to complain of their treatment.

After careful review of this legislation, I feel that appropriate measures have been taken to insure that the Attorney General may not intervene until every attempt has been made to correct the problem at the State level. Certainly, I have no wish to increase Federal participation in State matters, but where there is evidence that constitutional rights have been violated under the current system, then there needs to be recorrection, and I urge my colleagues to join in support of this legislation.●

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 11. A bill to amend the Alaska Native Claims Settlement Act to provide clarifications and improvements in the provisions thereof: to the Committee on Energy and Natural Resources.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS OF 1979

Mr. STEVENS. Mr. President, May I introduce a set of omnibus amendments to the Alaska Native Claims Settlement Act. These amendments, provide for a series of changes in landmark legislation originally passed in 1971 which settled the land claims of Alaska's Eskimos, Aleuts, and Indian communities. Seven years of implementation of this act have provided the background for these amendments which have been agreed upon by an Alaska Native Claims Settlement Act working group consisting of representatives of the Department of Interior, the State of Alaska, Alaska Federation of Natives, and the Joint Federal-State Land Use Planning Commission for Alaska. The amendments which I introduce today were all the products of this working group and were included as part of title 14 of the Senate Energy Committee's Alaska d–2 lands legislation last year. Other amendments are also under consideration by the Settlement Act working group and may be added to this legislation during the hearing and markup process.

I am pleased to introduce these amendments which provide refinements of the Alaska Native lands claims legislation. Since its passage, the Settlement Act, a bold and new congressional approach to American Indian legislation, has proven to be a workable and worthwhile experiment. The interested parties have worked closely on these amendments and have produced a good series of recommendations to improve the implementation of the Settlement Act in the future. It is my hope that this legislation can move rapidly through the Senate and be enacted into legislation in the near future. Mr. President, I ask unanimous consent that the amendments that I submit today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 11

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Alaska Native Claims Settlement Act Amendments of 1979".

STOCK ALIENATION

SEC. 2. (a) Section 7(h)(3) of the Alaska Native Claims Settlement Act is amended to read as follows:

"(3)(A) On December 18, 1991, all stock previously issued shall be deemed to be canceled, and shares of stock of the appropriate class shall be issued to each stockholder share for share subject only to such restrictions as may be provided by the articles of incorporation of the corporation, or agreements between corporations and individual shareholders.

"(B) If adopted by December 18, 1991, restrictions provided by amendment to the articles of incorporation may include, in addition to any other legally permissible restrictions—

"(i) the denial of voting rights to any holder of stock who is not a Native, or a descendant of a Native, and

"(ii) the granting to the corporation, or to the corporation and a stockholder's immediate family, on reasonable terms, the first right to purchase a stockholder's stock (whether issued before or after the adoption of the restriction) prior to the sale or transfer of such stock (other than a transfer by inheritance) to any other party, including a transfer in satisfaction of a lien, writ of attachment, judgment execution, pledge, or other encumbrance.

"(C) Notwithstanding any provision of Alaska law to the contrary—

"(i) any amendment to the articles of incorporation of a regional corporation to provide for any of the restrictions specified in clause (i) or (ii) of subparagraph (B) shall be approved if such amendment receives the affirmative vote of the holders of a majority of the outstanding shares entitled to be voted of the corporation, and

"(ii) any amendment to the articles of incorporation of a Native corporation which would grant voting rights to stockholders who were previously denied such voting rights shall be approved only if such amendment receives in addition to any affirmative vote otherwise required, a like affirmative vote of the holders of shares entitled to be voted under the provisions of the articles of incorporation.".

(b) Section 8(c) of such Act is amended to read as follows: "(c) The provisions concerning stock alienation, annual audit, and transfer of stock ownership on death or by court decree provided for regional corporations in section 7, including the provisions of section 7(h)(3), shall apply to Village Corporations; except that audits need not be transmitted to the Committee on Interior and Insular Affairs of the House of Representatives or to the Committee on Energy and Natural Resources of the Senate.".

(c) At the end of section 1696(h)(1) of title 43, United States Code, insert immediately before the period the words: "or by a stockholder who is a member of a professional organization, association, or board which limits the ability of that stockholder to practice his profession because of holding stock issued under this Act".

VESTING DATE FOR RECONVEYANCES

SEC. 3. (a) Section 14(c)(1) of the Alaska Native Claims Settlement Act is amended by inserting "as of December 18, 1971" after "title to the surface estate in the tract occupied".

(b) Section 14(e)(2) of such Act is amended by inserting "as of December 18, 1971" after "title to the surface estate in any tract occupied".

(c) Section 14(c)(4) of such Act is amended to read:

"(4) the Village Corporation shall convey to the Federal Government, State, or to the appropriate Municipal Corporation, title to the surface estate for airport sites, airway beacons, and other navigation aids as such existed on December 18, 1971, together with such additional acreage and/or easements as are necessary to provide related governmental services and to insure safe approaches to airport runways as such airport sites, runways, and other facilities existed as of December 18, 1971.".

BASIS IN THE LAND AND RESERVES FROM LAND

SEC. 4. Section 21(c) of the Alaska Native Claims Settlement Act is amended to read as follows:

"(c)(1) The receipt of land or any interest therein pursuant to this Act or of cash in order to equalize the values of properties exchanged pursuant to subsection 22(f) shall not be subject to any form of Federal, State, or local taxation. The basis for computing gain or loss on subsequent sale or other disposition of such land or interest in land for purposes of any Federal, State, or local tax imposed on or measured by income shall, at the option of the recipient, be—

"(A) the fair market value of such land or interest in land at the time of receipt; or

"(B) the amount realized on the sale or other disposition of such land or interest in land adjusted, by means of the price deflator index for the gross national product published by the United States Department of Commerce, to the time of receipt of such land or interest in land adjusted as provided in section 1016 of the Internal Revenue Code of 1954 (relating to adjustments to basis).

"(2) All rents, royalties, profits, and other revenues or proceeds derived from real property interests received pursuant to this Act shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation: *Provided*, That with respect to any such revenues or proceeds received by a Native individual, Native group, or Village or Regional Corporation with respect to which deduction for depletion would otherwise be allowable under section 611 of the Internal Revenue Code of 1954 (relating to allowance of deduction for depletion) or any corresponding provision of State and local law, the amount of such deduction shall be the greater of—

"(A) an amount equal to the deduction as determined by such section 611, using as the basis on which the depletion is to be allowed with respect to any property that basis provided in section 21(c) of this Act for purposes of computing the gain or loss on subsequent sale or other disposition of such property; or

"(B) an amount equal to the amount of such revenue adjusted, by means of the price deflator index for the gross national product published by the United States Department of Commerce, to the time of receipt of the property interest from which the revenue is derived; or

"(C) an amount equal to the deduction computed pursuant to section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion).".

FISCAL YEAR ADJUSTMENT ACT

SEC. 5. (a) Moneys appropriated for deposit in the Alaska Native Fund for the fiscal year commencing on October 1, 1978, and, thereafter, shall, for the purposes of section 5 of Public Law 94-204 only, be deposited into the Alaska Native Fund on the first day of the fiscal year for which the moneys are appropriated, and shall be distributed at the end of the first quarter of the fiscal year in accordance with section 6(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605(c)) notwithstanding any other provision of law: *Provided*, That the money appropriated for fiscal year 1979 shall be deposited into the Alaska Native Fund on the first day of the 1979 fiscal year or shall be deposited into the Fund within ten days after the enactment of this Act if such enactment occurs after October 1, 1978, but shall not be distributed, in any event, until the end of the second quarter of the 1979 fiscal year notwithstanding any other provision of law.

(b) Notwithstanding section 38 of the Fiscal Year Adjustment Act or any other provisions of law, interest earned from the investment of appropriations made pursuant to the Act of July 31, 1976 (Public Law 94-373; 90 Stat. 1051), and deposited in the Alaska Native Fund within thirty days after enactment of this Act and shall be distributed as requested by section 6(c) of the Alaska Native Claims Settlement Act (45 U.S.C. 1605 (c)).

UNDERSELECTIONS

SEC. 6. Section 22(j) of the Alaska Native Claims Settlement Act is amended by identifying the existing paragraph as paragraph (1) and adding a paragraph (2) to read as follows:

"(2) Where lands selected and conveyed, or to be conveyed, to a Village Corporation are insufficient to fulfill the Corporation's entitlement under subsection 12(b), 14(a), 16(b), or 16(d), the Secretary is authorized to withdraw twice the amount of unfulfilled entitlement and provide the Village Corporation ninety days from receipt of notice from the Secretary to select from the lands withdrawn the land it desires to fulfill its entitlement. In making the withdrawal, the Secretary shall first withdraw public lands that were formerly withdrawn for selection by the concerned Village Corporation by or pursuant to subsection 11(a)(1), 11(a)(3), 16(a), or 16(d). Should such lands no longer be available, the Secretary may withdraw public lands that are vacant, unreserved, and unappropriated, except that the Secretary may withdraw public lands which had been previously withdrawn pursuant to subsection 17(d)(1). Any subsequent selection by the Village Corporation shall be in the manner provided in this Act for such original selections.".

RETAINED MINERAL ESTATE

SEC. 7. Section 12(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)) is amended by adding a new paragraph (4) to read as follows:

"(4) Where the public lands consist only of the mineral estate, or portion thereof, which is reserved by the United States upon patent of the balance of the estate under one of the public land laws, other than this Act, the Regional Corporations may select as follows:

"(A) Where such public lands were not withdrawn pursuant to subsection 11(a)(3), but are surrounded by or contiguous to lands withdrawn pursuant to said subsection and filed upon for selection by a Regional Corporation, the Corporation may, upon request, have such public lands included in its selection and considered by the Secretary to be withdrawn and properly selected.

"(B) Where such public lands were withdrawn pursuant to subsection 11(a)(1) and are required to be selected by paragraph (3) of this subsection, the Regional Corporation may, at its option, exclude such public lands from its selection.

"(C) Where the Regional Corporation elects to obtain such public lands under subparagraph (A) or (B) of this paragraph, it may select, within ninety days of receipt of notice from the Secretary, the surface estate in an equal acreage from other public lands withdrawn by the Secretary for the purpose. Such selections shall be in units no smaller than a whole section, except where the remaining entitlement is less than six hundred and forty acres, or where an entire section is not available. Where possible, selections shall be of lands from which the subsurface estate was selected by that Regional Corporation pursuant to subsection 12(a)(1) or 14(h)(9) of this Act, and, where possible, all selections made under this section shall be contiguous to lands already selected by the Regional Corporation or a Village Corporation. The Secretary is authorized, as necessary, to withdraw up to two times the acreage entitlement of the in lieu surface estate from vacant, unappropriated, and unreserved public lands from which the Regional Corporation may select such in lieu surface estate except that the Secretary may withdraw public lands which had been previously withdrawn pursuant to subsection 17(d)(1).

"(D) No mineral estate of in lieu surface estate shall be available for selection within the National Petroleum Reserve—Alaska or within Wildlife Refuges as the boundaries of those refuges exist on the date of enactment of this Act.".

CONVEYANCES OF PARTIAL ESTATES

SEC. 8. (a) Section 14(h)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h)(1)) is amended by replacing the existing paragraph with the following paragraph to read as follows:

"(1) The Secretary may withdraw and convey to the appropriate Regional Corporation fee title to existing cemetery sites and historical places. Only title to the surface estate shall be conveyed for lands located in a Wildlife Refuge, when the cemetery or historical site is greater than 640 acres."

(b) Section 14(h)(2) and 14(h)(5) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(H)(2) and (h)(5)) are amended by adding to the end of each section "unless the lands are located in a Wildlife Refuge."

(c) Section 14(h)(6) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616 (h)(6)) is modified by adding at the end thereof the following sentence: "Any minerals reserved by the United States pursuant to the Act of March 8, 1922 (42 Stat. 415), as amended, in a Native Allotment approved pursuant to section 18 of this Act during the period December 18, 1971 through December 18, 1975, shall be conveyed to the appropriate Regional Corporation, unless such lands are located in a Wildlife Refuge or in the Lake Clark areas as provided in section 12 of the Act of January 2, 1976 (Public Law 94-204), as amended.".

(d) Section 14(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h)) is amended by adding at the end thereof the following new paragraphs:

"(9) Where the Regional Corporation is precluded from receiving the subsurface estate in lands selected and conveyed pursuant to paragraph (1), (2), (3), or (5), or the retained mineral estate, if any, pursuant to paragraph (6), it may select the subsurface estate in an equal acreage from other lands withdrawn for such selection by the Secretary. Selections made under this paragraph shall be contiguous and in reasonably compact tracts except as separated by unavailable lands, and shall be in whole sections, except where the remaining entitlement is less than six hundred and forty acres. The Secretary is authorized to withdraw, up to two times the Corporation's entitlement, from vacant, unappropriated, and unreserved public lands, including lands solely withdrawn pursuant to section (d)(1), and the Regional Corporation shall select such entitlement of subsurface estate from such withdrawn lands within ninety days of receipt of notification from the Secretary.

"(10) Notwithstanding the provisions of subsection 22(h), the Secretary, upon determining that specific lands are available for withdrawal and possible conveyance under this subsection, may withdraw such lands for selection by and conveyance to an appropriate applicant and such withdrawal shall remain until revoked by the Secretary.

"(11) For purposes set forth in subsections (h)(1), (2), (3), (5), and (6), the term Wildlife refuges refers to Wildlife Refuges as the boundaries of those refuges exist on the date of enactment of this Act.".

(e) Any Regional Corporation which asserts a claim with the Secretary to the subsurface estate of lands selectable under section 14(h) of the Alaska Native Claims Settlement Act which are in a Wildlife Refuge shall not be entitled to any in lieu surface or subsurface estate provided by subsections 12(c)(4) and 14(h)(9) of such Act. Any such claim must be asserted within one hundred and eighty days after the date of enactment of this Act. Failure to assert such claim within the one-hundred-and-eighty-day period shall constitute a waiver of any right to such subsurface estate in a Wildlife Refuge as the boundaries of the refuge existed on the date of enactment of the Alaska Native Claims Settlement Act.

ESCROW ACCOUNT

SEC. 9. (a) Subsection (a) of section 2 of Public Law 94-204 (89 Stat. 1146) is amended to read as follows:

"SEC. 2. (a) (1) During the period of the appropriate withdrawal for selection pursuant to the Settlement Act, any and all proceeds derived from contracts, leases, licenses, permits, rights-of-way, or easements, or from trespass occurring after the date of withdrawal of the lands for selection, pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act, shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting Corporation or individual entitled to receive benefits under such Act.

"(2) Such proceeds which were received, if any, subsequent to the date of withdrawal of the land for selection, but were not deposited in the escrow account shall be identified by the Secretary within two years of the date of conveyance or this Act, whichever is later, and shall be paid, together with interest payable on the proceeds from the date of receipt by the United States to the date of payment to the appropriate Corporation or individual to which the land was conveyed by the United States: *Provided*, That interest shall be paid on the basis of semi-annual computation from the date of receipt of the proceeds by the United States to the date of payment with simple interest at the rate determined by the Secretary of the Treasury to be the rate payable on short-term obligations of the United States prevailing at the time of payment: *Provided further*, That any rights of a Corporation or individual under this section to such proceeds shall be limited to proceeds actually received by the United States plus interest: *And provided further*, That moneys for such payments have been appropriated as provided in subsection (e) of this section.

"(3) Such proceeds which have been deposited in the escrow account shall be paid, together with interest accrued by the Secretary to the appropriate Corporation or individual upon conveyance of the particular withdrawn lands. In the event that a conveyance does not cover all of the land embraced within any contract, lease, license, permit, right-of-way, easement, or trespass, the Corporation or individual shall only be entitled to the proportionate amount of the proceeds, including interest accrued, derived from such contract, lease, license, permit, right-of-way, or easement, which results from multiplying the total of such proceeds, including interest accrued, by a fraction in which the numerator is the acreage of such contract, lease, license, permit, right-of-way, or easement which is included in the conveyance and the denominator is the total acreage contained in such contract, lease, license, permit, right-of-way, or easement; in the case of trespass, the conveyee shall be entitled to the proportionate share of the proceeds, including a proportionate share of interest accrued, in relation to the damages occurring on the respective lands during the period the lands were withdrawn for selection.

"(4) Such proceeds which have been deposited in the escrow account pertaining to lands withdrawn but not selected pursuant to such Act, or selected but not conveyed due to rejection or relinquishment of the selection, shall be paid, together with interest accrued, as would have been required by law were it not for the provisions of this Act.".

(b) Section 2 of Public Law 94-204 (89 Stat. 1146) is amended by adding a new subsection to read as follows:

"(e) There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.".

SELECTION REQUIREMENTS

SEC. 10. Subsection (a)(2) of section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a)(2)), is amended by adding to the end of that subsection the following: "Provided that the Secretary, in his discretion, and upon the request of the concerned Village Corporation, may waive the whole section requirement where—

"(A) (i) a portion of available public lands of a section is separated from other available public lands in the same section by lands unavailable for selection or by a meanderable body of water;

"(ii) such waiver will not result in small isolated parcels of available public land remaining after conveyance of selected lands to Native Corporations; and

"(iii) such waiver would result in a better land ownership pattern or improved land or resource management opportunity; or

"(b) the remaining available public lands in the section have been selected and will be conveyed to another Native Corporation under this Act.

FIRE PROTECTION

SEC. 11. Subsection (e) of section 21 of the Alaska Native Claims Settlement Act (43 U.S.C. 1620(e)) is amended by inserting the words "corporation organized under section 14(h)(3)," after "Native group," by replacing the comma following the citation "(64 Stat. 967, 1100)" with a period, and by making a revised sentence out of the remaining phrase by striking the words "and" and "also", replacing the comma after the word "lands" with the words "they shall", and replacing the word "forest" with "wildland."

SHAREHOLDER HOMESITES

SEC. 12. Section 21 of the Alaska Native Claims Settlement Act is amended by adding a new subsection at the end thereof, as follows:

"(1) A real property interest distributed prior to December 18, 1991, by Village Corporation to a shareholder of such Corporation pursuant to a program to provide homesites to its shareholders, shall be deemed conveyed and received pursuant to this Act: *Provided*, That the land received is restricted by covenant for a period not less than ten years to single-family (including traditional extended family customs) residential occupancy, and by such other covenants and retained interests as the Village Corporation deems appropriate; *Provided further*, That the land conveyed does not exceed one and one-half acres: *Provided further*, That the shareholder receiving the homesite, if the shareholder subdivides the land received, shall pay all Federal, State, and local taxes which would have been incurred but for this subsection, together with simple interest at six percent per annum calculated from the date of receipt of the land to be paid to the appropriate taxing authority.".

RECONVEYANCE TO MUNICIPAL CORPORATIONS

SEC. 13. Section 14(c)(3) of the Alaska Native Claims Settlement Act is amended by striking out the semicolon at the end and inserting in lieu thereof the following new language: "unless the Village Corporation and the Municipal Corporation or the State in trust can agree in writing on an amount which is less than one thousand two hundred and eighty acres: *Provided further*, That any net revenues derived from the sale of surface resources harvested or extracted from lands reconveyed pursuant to this subsection shall be paid to the Village Corporation by the Municipal Corporation or the State in trust: *Provided, however*, That the word "sale", as used in the preceding sentence, shall not include the utilization of surface resources for governmental purposes by the Municipal Corporation or the State in trust,

nor shall it include the issuance of free use permits or other authorization for such purposes;".

SUPPLEMENTAL APPROPRIATION FOR NATIVE GROUPS

SEC. 14. The Secretary shall pay by grant to each of the Native Group Corporations established pursuant to section 14(h)(2) of the Alaska Native Claims Settlement Act and finally certified as a Native Group, an amount not more than $100,000 or less than $50,000 adjusted according to population of each Group. Funds authorized under this section may be used only for planning development, and other purposes for which the Native Group Corporations are organized under the Settlement Act.

RELINQUISHMENT OF SELECTIONS PARTLY WITHIN CONSERVATION UNITS

SEC. 15. Whenever a valid State or Native selection is partly in and partly out of the boundary of a conservation system unit, notwithstanding any other provisions of law to the contrary, the State or any Native Corporation may relinquish its rights in any portion of any validly selected Federal land, including land underneath waters, which lies within the boundary of the conservation system unit. Upon relinquishment, the Federal land (including land underneath waters) so relinquished within the boundary of the conservation system unit shall become, and be administered as, a part of the conservation system unit. The total land entitlement of the State or Native Corporation shall not be affected by such relinquishment. In lieu of the lands and waters relinquished by the State, the State may select pursuant to the Alaska Statehood Act as amended by this Act, an equal acreage of other lands available for such purpose. The Native Corporation may retain an equal acreage from overselected lands on which selection applications were otherwise properly and timely filed. A relinquishment pursuant to this section shall not invalidate an otherwise valid State or Native Corporation land selection outside the boundaries of the conservation system unit, on the grounds that, after such relinquishment, the remaining portion of the land selection no longer meets applicable requirements of size, compactness, or contiguity, or that the portion of the selection retained immediately outside the conservation system unit does not follow section lines along the boundary of the conservation system unit. The validity of the selection outside such boundary shall not be adversely affected by the relinquishment.

ALASKA TOWNSITES

SEC. 16. (a) Effective on and after the date of enactment of this Act, all lands which are located in patented townsites or which are the subject of an application for patent under the Acts of March 3, 1891 (43 U.S.C. 732), or May 25, 1926 (43 U.S.C. 733–736), are withdrawn from further entry.

(b) The townsite trustee shall convey all unoccupied lands in the townsite for which he still retains title, without charge, to the home rule or first- or second-class city, if any, incorporated under the laws of the State of Alaska for the community in which the townsite was originally entered. Any remaining unobligated trust funds shall also be transferred by the trustee to the city.

(c) Where a community has not incorporated a city under the laws of the State of Alaska, or a city does not wish to receive conveyance of the unoccupied lands in the townsite pursuant to subsection (b) of this section, the townsite trustee shall convey all unoccupied lands in the townsite for which he still retains title, without charge, to the State of Alaska for the community in which the townsite was originally entered, to be administered in the same manner as provided by Alaska law for administration of lands conveyed to the State of Alaska pursuant to section 14(c)(3) of the Settlement Act. Any remaining unobligated trust funds shall also be transferred by the trustee to the State. If, subsequent to conveyance of the unoccupied lands in the townsite to the State of Alaska, the community in which the townsite was originally entered incorporates a city under the laws of the State of Alaska, the State will convey to the city all unoccupied lands in the townsite for which it still retains title, without charge, together with any unobligated trust funds. This procedure will also apply in the event a city previously declining conveyance of unoccupied lands in the townsite indicates to the State its desire to receive conveyance.

(d) The Secretary shall proceed to process any pending townsite entry which has been filed by the townsite trustee and issue patent, if appropriate, to the townsite trustee. After the issue of patent to the townsite trustee, the provisions of this section shall apply. In order to protect valid existing rights, the townsite trustee shall administer and discharge his trust on all tracts lawfully occupied on the date of this Act in accordance with the rules and regulations which governed such administration prior to the repeal of the Townsite Act.

LIMITATIONS

SEC. 17. Except as specifically provided in this Act, (i) the provisions of the Alaska Native Claims Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

Mr. GRAVEL. Mr. President, since the passage of the Alaska Native Claims Settlement Act (ANCSA) in 1971, there have arisen many problems in interpreting and implementing the complex provisions of the act. Last year I introduced similar legislation designed to clarify and correct these problems, which have resulted in numerous court suits and overall delay in conveying the land due Native corporations under the terms of ANCSA. Some of the provisions of this bill were passed in the tax bill last Congress, but most were caught up in the Alaska lands legislation dealing with new conservation system areas which failed in the final moments of the last Congress.

However, this legislation in most respects is outside the domain of the better known "d–2" or Alaska lands legislation. Passage of ANCSA amendments is vitally needed and should be considered with or without passage of an Alaskan lands bill.

The conveyance of some 44 million acres of land in Alaska promised Alaskan Natives is long overdue and swift passage of this legislation will go far in achieving the goals set forth in the 1971 act. I am pleased to join my colleague from Alaska in sponsoring this legislation and urge the Senate to act positively on the bill early this session.

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. HUMPHREY, Mr. LUGAR, Mr. MCCLURE, Mr. SCHMITT, Mr. TOWER, Mr. HELMS, Mr. GOLDWATER, and Mr. JEPSEN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Finance.

TAX EQUALIZATION ACT

Mr. DOLE. Mr. President, despite all the political rhetoric about tax cuts during the 95th Congress, more than 80 percent of the American taxpayers can expect a tax increase this year. The increase, which will approach $10 billion, comes after Congress passed a major tax reduction in hopes that it would pacify taxpayers crying out for lower taxes.

TAXFLATION

Mr. President, inflation is our number one tax problem. As inflation increases, a taxpayer's income must also increase to enable the family to buy the same amount of goods and services. But, as nominal income rises, the taxpayer is pushed into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that no gain in purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Although the taxpayer is earning more money to keep up with inflation, his real standard of living may actually decline.

INDEXING

Mr. President, the legislation I introduced today is designed to insulate taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the cost of living. The tax equalization act would adjust the personal income tax rates, the personal exemption and the zero bracket amount to reflect increases in the cost of living as measured by the consumer price index during the previous year. The Tax Equalization Act is effective beginning with tax years after 1980, and will remain in effect for 4 years, at which point Congress will have an opportunity to review and determine whether to continue the indexing adjustments.

Mr. President, the effects of taxflation are dramatic. Consider the dilemma of a family of four who earns $15,000 in 1979. Assuming an inflation rate of 8 percent in 1979, the family has to earn $1,200 more in 1980, or $16,200, just to stay even with inflation. But, the family does not really stay even. While their income increases by 8 percent, their income taxes actually increase by $258, or more than 12 percent.

The impact of tax inflation becomes more dramatic as the taxpayer climbs the economic scale. A family with a $30,000 a year income in 1979 will have to earn $2,400 more in 1980 to keep pace with an 8 percent inflation rate. But, at an income of $32,400, the family tax bill will rise $888.

TAX EQUALIZATION

Mr. President, the way to stop these unlegislated increases is to index the tax system. Indexing is a simple concept. As inflation increases, the tax system is adjusted to prevent individuals from being pushed into higher tax brackets. For example, under the Tax Equalization Act, if the inflation rate for 1979 were 8 percent, the personal exemption would increase from $1,000 to $1,080.

VESTED INTEREST

The Government has a vested interest in inflation. For each percentage increase in the inflation rate, the Federal Government can expect an additional $1.5 billion in new tax revenues. According to the Joint Committee on Taxation, taxflation will increase taxes by nearly $10 billion in 1979 and an additional $11.9 billion in 1980. This yearly windfall bonus allows Congress to continually expand the role of Government without having explicitly to increase taxes to finance the programs it generates. The Tax Equalization Act, by depriving Congress of inflation-induced revenues, will encourage fiscal restraint and decrease the size of Government.

Many of the opponents of tax indexing have stated that such adjustments would be conceding defeat in our battle against inflation. This, of course, is nonsense. Indexing, by itself, will neither cause nor cure inflation. In fact, it may help to reduce the major impediment in our ability to control inflation—excessive Federal spending.

WAGE DEMANDS

Indexing may have a positive effect. It may help to keep wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic reasons for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase simply to maintain the actual value of their take-home pay.

PUBLIC SUPPORT

Mr. President, Congress, from time to time, has reduced taxes in order to compensate for inflation. However, these reductions are often no more than a redistribution of the tax burden. A study released to the Senate Finance Committee indicates that the American people agree that indexing is a better way to reduce taxes than the current ad hoc decreases. A study released to the Senate Finance Committee last summer indicated that 57 percent of the American public preferred indexing to the periodic tax cuts the Government has made from time to time to keep taxes in line with inflation.

Mr. President, there are a number of other countries that have already adopted some form of tax indexing. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, The Netherlands and, recently, Australia. In the United States, Colorado and California have already initiated indexed tax systems for the collection of their State income tax.

Mr. President, the Tax Equalization Act is designed to establish a simple and modest approach which will offer both the Congress and the American people an opportunity to evaluate indexing on its merits. The bill which I introduce today does not address the issues of indexing for capital gains and making allowances for the inadequacy of depreciation. These issues are more complex but I intend to address them in subsequent legislation.

INCREASED REALITY

Mr. President, the Senator from Kansas believes that tax indexing will soon become a reality. Last year, the House of Representatives passed a bill to prevent the Federal Government from taxing inflation on capital gains. Although this was not enacted into law, it was a significant step for indexing and an indication of things to come. Last year, during the consideration of the Revenue Act of 1978, an amendment which I introduced with a number of my distinguished colleagues received wide bipartisan support. Although my proposal did not pass, it did garner more votes than the widely publicized 33 percent across-the-board tax cut.

Mr. President, the administration and congressional free-spenders cannot ignore the compelling arguments for indexing much longer. The American taxpayer understands the reasons that his taxes are increasing and that the Federal Government is the prime beneficiary. The American public will not stand for the congressional ritual of cutting taxes in election years.

Indexing is the logical and responsible way to end the see-saw syndrome of automatic and unlegislated tax increases caused by inflation. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 12

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act shall be known as the Tax Equalization Act.

SEC. 2. ADJUSTMENT TO INDIVIDUAL TAX RATES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

(1) IN GENERAL—

"(A) TAXABLE YEARS BEFORE 1984.—Not later than December 15 of each calendar year before 1983, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(B) TAXABLE YEARS AFTER 1983.—The tables prescribed under subparagraph (A) for taxable years beginning in 1983 shall also apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning after 1983.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1)(A) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1978.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(b) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the minimum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

SEC. 3. COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—

"(1) for the calendar year in which the taxable year begins, or

"(2) in the case of a taxable year beginning after December 31, 1982, for calendar year 1983.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

SEC. 4. ADJUSTMENTS IN WITHHOLDING.

(a) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1983, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year. The tables prescribed under the preceding sentence for 1983 shall also apply with respect to wages paid after 1983."

(b) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1983, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year. The table prescribed under the preceding sentence for 1983 shall also apply to wages paid after 1983."

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

SEC. 5. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return"

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

SEC. 6. EFFECTIVE DATES.

(a) The amendments made by sections 1, 2, and 4 of this Act shall apply to taxable years beginning after December 31, 1979.

(b) The amendments made by section 3 of this Act shall apply to remuneration paid after December 31, 1979.

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; to the Committee on Governmental Affairs.

SPENDING LIMITATION ACT

Mr. DOLE. Mr. President, the most pressing and serious problem facing the Congress as we reconvene for the start of the 96th Congress is the expanding role of Government. The American people are tired of seemingly limitless Government spending, ever increasing taxing and a rapidly growing national deficit.

EXCESSIVE FEDERAL SPENDING

Mr. President, the public wants more efficient and smaller Government. The overwhelming approval in California last year of the proposition 13 ballot initiative signaled a beginning. In the November elections, voters in 12 out of 16 States approved proposals to limit Government spending or taxes.

The Federal Government has so far not heeded these warnings. Congress continues to increase spending, maintain unwarranted deficits and legislate higher tax rates. The bill which I introduce today is designed to restore fiscal sanity and sound economic planning.

GOVERNMENTAL EXPENDITURES

Mr. President, the range of governmental activities has been increasingly expanding. In 1929, governmental expenditures—the combined Federal, State, and local spending—was 11 percent of our gross national product. Government spending as a percentage of gross national product rose to 20 percent in 1940, 23 percent in 1950, 30 percent in 1960, 35 percent in 1970 and nearly 38 percent last year.

Mr. President, the growth in Federal spending has been incredible. In fiscal years 1962, Federal outlays were slightly over $100 billion. In less than decades from that time, the President of the United States will submit a budget almost 5½ times that number. To demonstrate how outrageous Federal spending has become, the Government has increased new Government outlays by $130 billion in the last 3 years.

NATIONAL DEBT

This tremendous increase in spending has brought about a dramatic growth in our national debt. In fiscal year 1975, the Federal debt stood at $544 billion. However, in only a short period of time, it is likely that the national debt will soon approach $900 billion. Federal spending in the current fiscal year is up dramatically. However, if off-budget agencies are included, the figures appear even more dramatic. It is apparent that Federal spending, which has by all sane standards become out of control, needs to be cut back.

The expanding role of Government has led to a proliferation of Government agencies, regulations and bureaucratic morass. At least 90 Federal agencies are involved in issuing Government regulations. Funds allocated for regulation in this year's Federal budget amount to $4.5 billion—more than twice the expenditure in 1974. Some economists have said that Government regulation increases the price of goods and services in the United States by as much as $100 billion a year.

BALANCED BUDGET

Mr. President, since 1950, the Federal budget has been balanced in only 5 years and the Government has not balanced the budget at all in this decade. These budget deficits indicate a lack of a coherent fiscal policy. In fact, we seem to run a deficit no matter what the state of our economic affairs. Mr. President, I am introducing several proposals today. They include: Limits on Federal spending, taxes, and a mandate for a Federal balanced budget. I believe that my approach is a sensible one to a chronic problem.

SPENDING AS PERCENTAGE OF GNP

Mr. President, under the projected fiscal year, Federal spending will be approximately 22 percent of gross national product, the sum of all goods and services produced in the United States. The Senator from Kansas believes that that level, over the long run, is too high. My proposal calls for a limit on Federal spending as a percent of gross national product. The Senator from Kansas believes that it is time to return the percentage of Federal expenditures, as it relates to gross national product, to its historical level of 18 percent. The spending limitation act requires the Government to decrease spending as a percent of gross national product until it reaches the 18 percent level in 3 years. In order to maintain some flexibility, spending may rise if the increase is approved by two-thirds of both Houses of Congress.

Mr. President, to complement the spending limitation, I am introducing a counterpart initiative to limit taxes. Under my proposal, the Congress' ability to raise revenue is similarly limited to 18 percent of gross national product. This limit will act to curb Federal spending and insure potential tax relief to the overburdened taxpayer.

TAXING LIMITATION

Mr. President, the American people have had enough. They have had enough of big Government—inflation—and high taxes. The taxpayers' revolt that started in California and spread across the country is only the beginning. The taxpayers across the country are sending a message. Unless we in Washington listen, we will be faced with the same consequences.

Mr. President, the Senator from Kansas is also submitting initiatives to balance the Federal budget. It has been shown time and time again that the public overwhelmingly supports a federally balanced budget. According to a recent survey, more than 80 percent of Americans favor requiring the Congress to balance expenditures with revenue each year.

FEDERAL DEFICIT

The persistence of substantial deficits has been largely responsible for our serious inflation problem. When a government sustains a budget deficit, it is putting more money into the economy than it is extracting. It is no surprise, that when the deficit is as large as it is now at a time of economic expansion, that inflation would be accelerating. The reduction of the deficit would help suppress inflation. However, a balanced budget by itself may not result in smaller Government or lower taxes. For this reason, it is necessary not only to balance the budget, but also to reduce expenditures and taxes.

As a third prong of the Spending Limitation Act, I am calling for a federally balanced budget. In order to provide some flexibility because of economic circumstances, the budget may be unbalanced in every 2 of 5 years. However, if the budget is unbalanced, the deficit must be made up within 2 years.

CONSTITUTIONAL AMENDMENT

Mr. President, the Spending Limitation Act amends the 1974 Congressional Budget Act. However, I am also introducing a constitutional amendment for a balanced budget. This proposal is similar to the bill being introduced. It requires fiscal responsibility but allows sufficient flexibility for the Congress to respond to economic and other contingencies.

Mr. President, in order to reduce the role of government and control inflation, we must take bold action. My plan would bring about the goals which the American people support while permitting needed flexibility.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 13

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Congressional Budget Act of 1974 (31 U.S.C. 1321–1332) is amended by inserting after section 301 the following new sections:

"LIMITATIONS ON TOTAL BUDGET OUTLAYS AND FEDERAL REVENUES

"SEC. 301A. (a) PERCENTAGE OF GROSS NATIONAL PRODUCT.—Beginning with the fiscal year ending on September 30, 1980, the appropriate level of total budget outlays and the appropriate level of Federal revenues set forth in any concurrent resolution on the budget for a fiscal year shall not exceed the following percentages of the Gross National Product at the close of such fiscal year as projected by the Director of the Congressional Budget Office and reported by him, from time to time, to the Committees on the Budget of the House of Representatives and the Senate:

"(1) 21 percent, for the fiscal year ending on September 30, 1980,

"(2) 19½ percent, for the fiscal year ending on September 30, 1981, and

"(3) 18 percent, for the fiscal year ending on September 30, 1982, and for each fiscal year thereafter.

"(b) NATIONAL EMERGENCIES.—The provisions of subsection (a) shall not apply to a concurrent resolution on the budget for a fiscal year if such concurrent resolution contains a section stating the existence of a national emergency necessitating the waiver of such provisions, but on the question of agreeing, in either the House of Representatives or the Senate, to any such concurrent resolution, or to the report of a conference committee on any such concurrent resolution, the affirmative vote of two-thirds of the Members present and voting, by rollcall vote, shall be required.

"BUDGET DEFICITS

"SEC. 301A. (a) TWO-THIRDS VOTE REQUIRED.—Beginning with the fiscal year ending on September 30, 1980, if the concurrent resolution on the budget for a fiscal year required by section 301, and any succeeding concurrent resolution on the budget for the same fiscal year, sets forth a deficit in the budget as appropriate, or the report of a conference committee on any such concurrent resolution recommends a deficit in the budget as appropriate, on the question of agreeing, in either the House of Representatives or the Senate, to such concurrent resolution or such conference report the affirmative vote of two-thirds of the Members present and voting, by rollcall vote, shall be required.

"(b) NOT MORE THAN TWO DEFICITS IN FIVE YEARS.—Beginning with the fiscal year ending on September 30, 1980, it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year which sets forth a deficit as appropriate, or the report of a conference committee on any concurrent resolution on the budget which recommends a deficit as appropriate, if, for more than one fiscal year out of the preceding four fiscal years, total budget outlays exceeded total Federal revenues. In the case of a concurrent resolution on the budget for a fiscal year which is being considered before the close of the preceding fiscal year, the amount of total budget outlays and Federal revenues for such preceding fiscal year shall be based on estimates made by the Director of the Congressional Budget Office and furnished by him, from time to time, to the committees on the Budget of the House of Representatives and the Senate.

"(c) DEFICITS MUST BE MADE UP IN TWO YEARS.—If for any fiscal year, beginning with the fiscal year ending on September 30, 1980, total budget outlays exceed total Federal revenues—

"(1) the concurrent resolution on the budget for the succeeding fiscal year (or, if necessary, the succeeding two fiscal years) shall set forth an amount of appropriate surplus equal to the amount of such excess; and

"(2) it shall not be in order, in either the House of Representatives or the Senate, to consider any concurrent resolution on the budget for the second succeeding fiscal year unless such concurrent resolution sets forth an amount of appropriate surplus equal to the amount of such excess, reduced by the amount by which total Federal revenues exceeded total budget outlays for the first succeeding fiscal year.

For purposes of paragraph (2), in the case of a concurrent resolution on the budget for the second succeeding fiscal year which is being considered before the close of the first succeeding fiscal year, the amount of total budget outlays and Federal revenues for the first succeeding fiscal year shall be based on estimates made by the Director of the Congressional Budget Office and furnished by him, from time to time, to the Committees on the Budget of the Senate and the House of Representatives.".

SEC. 2. Section 904(b) of the Congressional Budget Act of 1974 is amended by striking out "title III or IV" and inserting in lieu thereof "title III (except sections 301A and 301B) or title IV".

By Mr. CHURCH:

S. 14. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION REFORM ACT OF 1979

Mr. CHURCH. Mr. President, I am pleased to reintroduce the Reclamation Reform Act, a bill which was subjected to hearings last year and must be acted on by the Congress this year.

This bill is the product of a bipartisan effort to address the problems which have developed in our Federal reclamation laws—problems which Congress has the duty to correct.

The subject of controversy is the Reclamation Act of 1902 which established two basic requirements for an individual to get water delivered to his land on a Federal reclamation project. First, he had to live on or near the land. This requirement was later interpreted to require residency within 50 miles of the land. Second, he could not receive water on more than 160 acres held in fee. The law did not address any limitation on leased land.

These requirements were sound and meaningful in 1902. At that time, 160 acres was about all a family could handle efficiently with a mule and plow. The residency requirement was equally effective in stimulating the population of the vast reaches of western land and in excluding land speculators from the Federal projects.

But 77 years have elapsed since adoption of the 1902 act. Tremendous changes in the economics of agriculture have taken place. Since circumstances have changed, the law must change to conform to the realities of present-day farming. Unless the Congress acts before the end of this year, thousands of reclamation project family farms will be thrown into chaos by court ordered rules strictly enforcing the outdated 1902 law.

The problems in the existing law are numerous:

Ambiguities in the 1902 Act have permitted benefits of the program to go to speculators and profiteers instead of farmers.

The residency requirements of the law have not been enforced and many farmers now live well over 50 miles from their farms. Some farmers have retired and live hundreds of miles from their farms while others have conveyed title to the land to their children living in other parts of the country.

Existing law does not deal directly with leasing on reclamation projects although the Secretary of the Interior has proposed certain restrictions.

160 acres is no longer an economic farm unit for most farmers. As a result, they have been forced to acquire title to additional land in the name of their spouses or children or they have leased additional acreage in order to operate an economic farm unit.

Individuals receiving even minimal amounts or supplemental Federal water deliveries may be subjected to the acreage limitations and requirements of Federal reclamation law.

Other ambiguities abound. As a result of the current state of the law and recent court decisions which led the Secretary of the Interior to promulgate proposed regulations to force the sale of "excess" lands, farmers on reclamation projects are confused and dismayed. No one knows what to expect. Many farmers find they are unable to secure financing for the coming year's crops due to the uncertainty.

An updating of the law is essential if farmers are to return to the business of farming with assurance that their water will not be shut off.

ACREAGE LIMITATIONS

An acreage limitation should be established for farm operations which will replace the current outmoded 160-acre restriction on individual ownership. Such a limitation would insure that the benefits of the reclamation program will be spread among as many farmers as feasible, while permitting them to operate a viable farm unit without having to play a shell game with title to the land. Moreover, an absolute limit on size, whether the land is leased or owned, will be much easier to understand and enforce than present law.

Accordingly, my bill would replace the existing acreage restriction of 160 acres per individual with an absolute maxi-

mum farm size of 1,280 acres, owned or leased in any combination.

Under existing law, as interpreted by the Secretary of the Interior, it should be observed that a family of four could control 1,280 acres, by leasing 640 and holding an additional 640 in fee. Today, in other words, the size of the family determines the size of the farm.

QUALIFIED RECIPIENTS

In order to allow for family partnerships and family corporations, without opening the door to large corporate businesses, my bill would restrict such combinations to no more than 25 persons.

If the operators desired to set up a family corporation, as many farmers do, they would not face the disadvantage present law inflicts on them. Under the Secretary's proposed regulations, a corporation could only own 160 acres, while a family of four could own 640. Thus, by incorporating, the family would have to divest 480 acres or be in violation of the law. This is manifestly unfair.

In addition, my bill would not require individual members of a farm family to own portions of the farm. To illustrate: A farm family (father, mother and dependents) would be treated as an individual for purposes of the acreage limitations. Thus, the family could obtain federally delivered water on a reclamation project for up to a maximum of 1,280 acres, no matter who in the family actually held title to the land.

Moreover, whatever legal entity is formed to hold the land, its benefits may not flow to more than 25 persons, nor could that entity obtain project water for a farm of more than 1,280 acres. The holdings of the entity would be deemed those of each beneficiary for purposes of determining compliance with the acreage limitations. For example, if a corporation had 10 shareholders and controlled 1,280 acres, each shareholder would be deemed the holder of 1,280 acres for purposes of the acreage limitations.

In addition, the Secretary would be given authority to limit the number of landholders that any person, firm, or business could manage for the benefit of another on reclamation projects. This will further limit access by large corporations, and help preserve a pattern of family-operated farms.

RESIDENCY

The residency requirement of existing law does little to assure that the benefits of the project will go to those who intend to actually farm the land; it merely requires that an owner live within a certain distance from the owned reclamation lands. As a result, a person living within 50 miles of reclamation land may purchase that land without ever intending to farm it. This permits speculators to invest in Federal reclamation projects and reap windfall profits from land benefited by project water without ever intending to farm the land. This is contrary to the goals of the program.

The legislation I am introducing today would abolish the residency requirement, since it is no longer effective in assuring that the benefits of the program go to people involved in agricultural production. Those who acquire land on reclamation projects in the future would be required to derive income from the agricultural production of their land rather than from renting it out at a fixed fee. This proprietorship test would apply for a period of 10 years, after which an operator could sell or lease the land to another qualified recipient, if he so desired.

This proprietorship test will discourage speculators seeking quick profits from the appreciation of reclamation land while insuring that those who actually depend upon farming for their livelihood will enjoy the benefits of the program.

EQUIVALENCY

Not all land on Federal reclamation projects is of equivalent productive capacity. As a result, some allowance should be made for lands of lesser productive capacity in applying the acreage limitations.

It would be wrong to treat all reclamation land alike. In fact, as reclamation projects have been built in the past, land tracts have been classified according to various criteria, such as the fertility of the soil, elevation, slope, growing season, and other physical characteristics. This was done to determine the ability of farmers on less productive land to meet repayment charges.

My bill would direct the Secretary to make appropriate increases in the acreage limitation, beyond 1,280 acres, for lands of lesser productivity than class 1 land, by utilizing these same criteria.

REPAYMENT OF CONSTRUCTION CHARGES

This bill also provides that, upon the scheduled repayment of the irrigators' portion of a projects' construction charges, the acreage limitation will no longer apply. The provision reaches two contractual situations.

The first consists of those contracts with the Government which contain a clause detailing the manner in which the irrigators, by speeding up payment of construction charges or by some other means, may exempt themselves from the acreage limitations. A number of these contracts have been approved by Congress and thus have the force of law. However, a number of others have not been so approved, and, as a result, may be ineffectual in exempting districts which have paid out in advance. My bill would give these districts the benefit of their bargain, and put them on an equal basis with those that have already secured the approval of Congress.

The second category of contracts covered by this provision contains no language terminating acreage limitations upon payout. Under my bill, once the irrigators have repaid their debt to the Government, the acreage limitations would no longer apply.

Another feature of the bill is its requirement that, upon payout, the Secretary is to issue a recordable document to be placed in the records of the county in which the land is located stating that the acreage limitations no longer are applicable to that land. This will remove the cloud from the title to lands in projects where the irrigators' obligation to the Federal Government has been fully repaid.

COMMINGLING

One problem not addressed by this legislation is commingling, where federally delivered water is mixed with water from non-Federal sources. I believe this problem should be dealt with and intend to work with concerned irrigators in an effort to devise a workable solution. I will be looking to them for guidance as this bill progresses.

FRAMEWORK UPON WHICH TO BUILD

I realize that this legislation does not contain all the answers to the complicated problems inherent in an outdated reclamation program, which has been unevenly administered through the years. I view this bill as a framework upon which to build, as Congress strives to resolve some very complicated issues.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 14

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be a supplement to the Act of June 7, 1902, and Acts supplementary thereof and amendatory thereto (43 U.S.C. 371), hereinafter referred to as the Federal reclamation laws, and this Act may be cited as the "Reclamation Reform Act of 1979".

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "qualified recipient" means an individual, including his or her spouse, or dependents thereof, within the meaning of the Internal Revenue Code (26 U.S.C. 152), or any legal entity directly benefiting twenty-five persons or less, that is a citizen of the United States and that owns or leases a landholding.

(c) The term "individual" means any person, including his or her spouse, or dependents thereof within the meaning of the Internal Revenue Code (26 U.S.C. 152).

(d) The term "landholding" means one or more tracts of land owned or leased by any person which are served with a water supply pursuant to a contract with the Secretary.

ACREAGE LIMITATION

SEC. 3. (a) Any provision of the Federal reclamation laws which establishes a limitation on acreage to be served with a water supply to the contrary notwithstanding, a landholding of any qualified recipient which consists of one thousand two hundred and eighty acres or less shall be considered to be within the acreage limitation of the Federal reclamation laws.

(b) No individual shall benefit directly from the delivery of water to landholdings in excess of the acreage limitations of the Federal reclamation laws.

(c) Each individual who would benefit directly from the delivery of water to a landholding of a legal entity must qualify as a qualified recipient in order for such lands to be eligible to be served with a water supply.

(d) The Secretary may, in his discretion, by rule, impose a limitation on the number of landholdings that may be managed on behalf of a qualified recipient by another person.

(e) Except to the extent that they are inconsistent with the provisions of this Act, the other Federal reclamation laws, including those provisions relating to the implementation of the acreage limitations, shall remain in full force and effect.

(f) Nothing in this Act shall repeal or amend other statutory exemptions from any acreage limitations of the Federal reclamation laws.

EQUIVALENCY

SEC. 4. Wherever an average limitation is imposed by Federal reclamation law, the Secretary shall (upon request of a qualified recipient or other contracting entity representing one or more qualified recipients) designate by rule the acreage of a landholding which may receive water at one thousand two hundred and eighty acres of class 1 land or the equivalent thereof in other lands of lesser productive potential. Standards and criteria for determination of land classes pursuant to this authority shall take into account all factors which significantly affect the economic feasibility of irrigated agriculture, including but not limited to, soil characteristics, crop adaptability, costs of crop production and length of growing season: *Provided*, That this section shall not apply to any project, unit or division of a project or repayment contracting entity if the average frost-free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand two hundred and eighty acres.

RESIDENCY NOT REQUIRED

SEC. 5. Notwithstanding any other provision of law, a qualified recipient shall not be required to be a resident on or near a landholding in order for such landholding to be eligible to receive water pursuant to a contract with the Secretary.

REPAYMENT OF CONSTRUCTION CHARGES

SEC. 6. (a) The acreage limitation provisions of the Federal reclamation laws shall cease to apply to any landholding upon completion of the repayment required by the terms of any contracts with the Secretary relating to the delivery of water supplies to such landholding for agricultural use.

(b) The Secretary shall provide, upon request of any owner of a landholding for which repayment has occurred, a certificate acknowledging that the landholding is free of the acreage limitations of the Federal reclamation laws. Such certificate shall be in a form suitable for entry in the land records of the county in which such landholding is located.

LEASING RESTRICTIONS

SEC. 7. (a) Lands which are leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary shall be considered to be a part of such party's ownership or landholding for purposes of applying the acreage limitation of the Federal reclamation laws.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived income as a qualified recipient from such landholding for agricultural production rather than a fixed rental for a period of not less than ten years: *Provided, however*, That the Secretary may permit such leasing after a shorter period of time upon application of a lessor if the Secretary determines that hardship or other mitigating circumstances warrant such permission.

(c) Lands which were leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary on January 1, 1978, in excess of the acreage limitation of the Federal reclamation law may continue to receive a water supply until the expiration of the lease or ten years, whichever is shorter.

DELIVERIES OF WATER

SEC. 8. (a) One year after the date of enactment of this Act, no lands may receive water pursuant to a contract with the Secretary, except as otherwise provided in the Federal reclamation laws, unless such lands comprise a landholding which is within the acreage limitation of the Federal reclamation laws.

(b) Lands held by a charitable or religious not-for-profit organization and receiving water supplies pursuant to a contract with the Secretary as of January 1, 1978, may continue to receive such water supplies.

ADMINISTRATIVE PROVISIONS

SEC. 9. (a) The Secretary is hereby authorized and directed to amend any provision of any contract between the Secretary and another party existing upon the date of enactment of this Act which is inconsistent with the provisions of this Act, upon the request of said other party.

(b) Determinations made by the Secretary pursuant to the authority granted in this Act shall be in accordance with the provisions of the Administrative Procedure Act, chapter 5 of title 5, United States Code.

By Mr. LEVIN:

S. 15. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Housing, and Urban Affairs.

Mr. LEVIN. Mr. President, today I am introducing a bill to prohibit the blatantly unfair practice of credit card redlining. Companies engaged in this practice give lower point ratings for the purpose of issuing credit cards to applicants if they reside within certain regions of this country or within specific zip codes within these regions. In other words, geography, rather than individual credit history now help determine an individual's acceptability for credit.

The result of using such a scoring system is to deny credit to persons, who are otherwise acceptable, on the basis of where in America they reside.

Such a state of affairs does not do justice to the ideals or the unity of our country.

Mr. President, I ask unanimous consent that the text of the bill and the three newspaper articles describing the practice be printed in the RECORD.

There being no objection, the bill and the articles were ordered to be printed in the RECORD, as follows:

S. 15

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Consumer Credit Protection Act is amended by adding at the end thereof the following:

"(e) It shall be unlawful for a card issuer, as defined in section 103, to discriminate against any person with respect to any aspect of the issuance or use of a credit card, as defined in section 103, on the basis of the place of residence of that person.".

[From the Washington Post, July 20, 1977]

"REDLINING" WITH CREDIT CARDS

We were intrigued by a story we read the other day about a husband and wife in Detroit with a combined yearly income of $50,000 who have been unable to get a credit card from the Mobil Oil Corporation. The reason is that Mobil, like a lot of other credit corporations, uses geographic location as one measure of "credit worthiness," and the couple in question lives in an older relatively poor section of Detroit. Mobil says that it divides the country into regions and can determine statistically in which regions people are more likely to default on credit. It says that its tri-state Midwest region, which includes Michigan, has a history of poor "credit experience." Other corporations acknowledge that they make similar judgments by using zip codes as an important test of a person's credit acceptability.

Now, it is true that the country has done much in the past few years to clean up unfair and arbitrary credit-rating practices. Through the Equal Credit Opportunity Act, a lot of flagrant credit discrimination has been identified and is on the way out. But the test of residential location apparently is still with us—and widely used. One reason is that the law does not prohibit discrimination on that basis. That's why the various federal agencies that regulate the credit corporations argue that they have no way to stop the practice—so long as it doesn't clearly take the form of discrimination against any one race or sex.

There is a particularly disturbing aspect to this problem—apart from the effects of this form of discrimination on individuals—and that is the area-wide effect, especially on inner-city neighborhoods. In practical terms, the determination of a person's entitlement to credit based on a region, a state or the location within a city is a form of "redlining"—a term more often associated with discriminatory mortage lending, but applicable in this instance. At a time when local and federal officials are developing programs to get more people to live in cities—and in older neighborhoods in particular—a denial of credit to otherwise credit worthy residents of the areas concerned is, to say the least, unhelpful.

Serious consideration ought to be given to amending the Equal Credit Opportunity Act so that geographic location does not remain a basis for discrimination. Credit worthiness should be determined uniformly and on the individual merits, not by the arbitrary application of tests having only to do with where the credit-seeker happens to live.

[From the New York Times, June 16, 1977]

"REDLINING" CHARGED IN CREDIT DENIAL TO DETROIT COUPLE

(By Reginald Stuart)

DETROIT, June 15.—In what has been criticized as a flagrant case of credit card "redlining," a Detroit couple with an annual income of $50,000 has been denied a Mobil Oil Company credit card because the couple lives in Detroit and because the husband's occupation was not considered a good credit risk.

Isaac Selick, a retired Detroit police officer who is now a security guard and private detective, and his wife, Aileen, a member of the staff of the Detroit superintendent of public schools, received their rejection notice recently in the form of a computer printout. Part of the letter read as follows:

"Mobil uses a scoring system which was developed by analyzing the credit history of thousands of accounts, so that we could identify and assign values to those characteristics which best indicate credit performance. The values assigned to these characteristics are then applied to the responses given on each application, thereby producing an overall score.

"Each applicant's composite score is then compared to what our past experience has found to be the minimal acceptable total. Unfortunately, your composite score was below the minimum required for approval. The major areas where you scored the lowest were:

"Credit experience in your general geographical area.

"Credit experience in your occupational category."

"REDLINING OF THE WORST ORDER"

Carl Levin, who is president of the Detroit City Council and an outspoken opponent of redlining, said the letter and refusal to grant the Selicks a credit card "is nothing short of incredible and constitutes redlining of the worst order."

The term "redlining" grew out of the practice on the part of some banking or insurance officials of lining off poor or rundown sections of a city, making it difficult if not impossible for persons living in those sections—often members of minority groups—to obtain insurance or a loan for home improvements. Banking and insurance officials maintain that the practice is based on sound business principles and not on neighborhood or racial discrimination, but many people living in such neighborhoods dispute this.

W. B. Blackwell, manager of credit for the Mobil Oil Credit Corporation based in Kansas City, Mo., said the system used in evaluating the Selicks' application "is accurate, fair and objective."

SCORING SYSTEM NOT UNUSUAL

Mr. Blackwell, who said the system had been in use for at least four years, added that the geographical area referred to in the printout was Michigan. However, Mrs. Selick said that when she called Mobil several days ago inquring about the system, she was told by an account representative that ZIP codes were used in evaluating applications.

The Selicks' experience of being rejected based on a computerized scoring system is not rare. In trying to answer criticism of using a single person to evaluate and judge the credit merits of applicants, large retail credit operations have turned to scoring systems such as the one used by Mobil. The system is also being studied by commercial consumer lending operations as a replacement for the use of an individual.

An official of the Federal Reserve Board in Washington, which designs regulations regarding consumer credit standards, said today that the system used in rejecting the Selicks was perfectly legal.

"The law prohibits discrimination based on race, color, sex, religion and national origin," the official said, "but does not prohibit decision based on economic factors. Creditors are under no legal obligation to extend credit to anybody."

[From the Wall Street Journal, Aug. 8, 1977]

FTC INVESTIGATES BIG CREDIT CARD ISSUERS FOR POSSIBLE BIAS AGAINST APPLICANTS

WASHINGTON.—Major credit-card issures are being investigated by the Federal Trade Commission for possible discrimination against card applicants because of their race, sex or other factors.

The investigation disclosed over the weekend by FTC Commissioner Elizabeth Hanford Dole, will cover among other areas, the practices of "oil companies, retailers and certain travel and entertainment card companies," the commission said.

Speaking to the National Association of Women Lawyers in Chicago, Mrs. Dole said the FTC believes "racial discrimination in retail credit may be more widespread than was previously suspected."

One technique that the commission staff plans to examine is the practice of using a credit card applicant's postal zip code in determining whether to issue a card. By comparing zip codes with census tract information, "we may find that the use of zip codes as a credit scoring system results in a disproportionately larger number of rejections for blacks than for white applicants," Commissioner Dole said.

Another possible violation of the Equal Credit Opportunity Act cited by Mrs. Dole involves differentiating between applicants on the basis of sex. She indicated that the FTC staff would look for instances where waiters get more favorable treatment as applicants than waitresses, say, or where companies use different standards in writing credit histories for men than for women.

Also to be explored by the commission, Mrs. Dole added, is possible discrimination against the elderly and those on public assistance. In addition, it will investigate "indirect, unintentional" discrimination such as the use of telephone listings to determine credit worthiness—a criterion that discriminates against married women whose telephones are listed in their husbands' names, she told the women lawyers.

An FTC staff lawyer said that the investigation should begin to produce results by next spring that could be the basis for complaints against specific companies, if the commission deems such charges justified.

Separately, the FTC said it has authorized a staff investigation into whether door-to-door salesmen are complying with the commission's "cooling-off" rule.

The three-year-old rule requires door-to-door salesmen and others who make sales outside their places of business to give consumers a three-day cooling-off period during which buyers may cancel sales without penalty or fee. The rule applies to goods or services costing $25 or more.

The investigation also will determine whether the commission should attempt to obtain redress for consumers in such cases. The study doesn't imply violations of the law have occurred, commission spokesman said.

By Mr. WEICKER:

S. 16. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the Office of President and to limit Federal campaign contributions and expenditures to the year in which a Federal election is held; to the Committee on Rules and Administration.

PRESIDENTIAL PRIMARY ACT

Mr. WEICKER. Mr. President, I am reintroducing today legislation to rationalize the Presidential nominating process. This legislation, entitled the "Presidential Primary Act," originally introduced in the 95th Congress, would establish a nationwide Presidential primary to be held in August of each Presidential election year and restrict contributions to campaigns for Federal office to the year in which the election is held.

By adopting this legislation we will achieve two essential reforms in our election process. First, we will drastically reduce the length of Presidential campaigns and thereby reduce their cost. Second, we will increase voter participation in the selection of Presidential candidates.

Mr. President, the basic problem of Presidential campaigns has always been this: Presidential campaigns are too long. A campaign of inordinate length requires money in inordinate amounts. Long campaigns translate into big money.

The Presidential Primary Act would attack the problem at its source—time. In order to be placed on the national primary ballot, Presidential candidates would be required to file, by June 30, a petition signed by qualified voters of their party plus unaffiliated voters, totaling one percent of the total vote in the last Presidential election. The national Presidential primary for each party would be held on the first Tuesday in August. If no candidate received 50 percent of the vote, a runoff election between the top two finishers of each party would be held on the third Tuesday in August. Vice Presidential candidates selection would continue in the manner each party desired. Thus, within a 2-month period, the Presidential ticket for major political parties would be established. By contrast, in 1976, for example, there were 30 primaries, held on 13 different dates beginning on February 24 (New Hampshire) and ending on June 8 (California, New Jersey and Ohio—a period of 15 weeks).

A major aspect of the bill is the end of the partial disenfranchisement of unaffiliated voters. Under this proposal they will be allowed to vote in the party primary of their choice. State laws governing elections limit the participation of unaffiliated voters to an "end of the road" choice between two alternatives presented by the major parties. Preferential treatment is given the party affiliated at the expense of unaffiliates, who comprise more than a third of all registered voters. Under color of State law a major segment of our citizenry has been effectively disenfranchised from a vital and integral part of their right to participate in the political process. The time has come to bring democracy to presidential primaries by giving everyone—independents as well as Republicans and Democrats—the chance to participate from the beginning.

Mr. President, America has always been a nation of dreamers and doers. Not content with "what might have been," we have attempted throughout our history to wed promise to practice, to forge from our ideals the courage to try. What I have proposed today is beyond the pale of politics as usual. What it will cost in stability in the short-term, I believe it will repay in the long-term by greater enfranchisement, participation, and electoral sanity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 16

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Primary Act."

FINDINGS

SEC. 2. The Congress finds that—

(1) the procedure by which candidates are nominated for election to the Office of President is an essential and inseparable part of the process by which the people of the United States choose their President, and

(2) it is necessary and proper for the Congress to provide by legislation for the regulation of that procedure in order to protect the integrity of the Presidential election process.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "State" means the District of Columbia and each of the several States of the United States; and

(2) "political party" means a political party whose candidates for election as President and Vice President in the next preceding Presidential election received at least 5 per centum of the total number of votes cast in that election for all candidates for election to such offices. For purposes of this paragraph, a vote cast for an individual seeking election as an elector of the President and Vice President who is affiliated with a political party or who is pledged to cast his electoral vote for the candidates of a political party for election to such offices shall be considered to be a vote cast for the candidates of that party for election as President and Vice President.

NATIONAL PRIMARY

SEC. 4. (a) An election for the nomination of candidates of political parties for election to the Office of President shall be held in each State on the first Tuesday in August of each year in which a Presidential election is to be held.

(b) The election shall be conducted in each State by officials of that State charged with conducting public elections. Any voter who is eligible to vote for the election of electors of the President and Vice President shall be eligible to vote in the Presidential primary election. No voter shall be eligible to vote for the nomination of a candidate of a party if that voter is registered as member of a different political party. Any voter, not registered as a member of a political party, may vote for the nomination of any one candidate of any political party.

(c) If the law of any State makes no provision for the registration of voters by party affiliation, voters in that State shall register their party affiliation for purposes of this primary in accordance with procedures prescribed by the Attorney General.

(d) Within five days after the Presidential primary election, the chief executive of each State shall certify to the President of the Senate the name and party affiliation of each individual for whom votes were cast in the election and the number of votes received by that individual. The certification shall be transmitted under seal to the President of the Senate, who, in the presence of the Speaker of the House of Representatives and the majority and minority leaders of both Houses of the Congress and within five days after all certificates have been received, shall open all the certificates and cause to have published in the Congressional Record the aggregate number of votes cast for each individual.

QUALIFYING

SEC. 5. (a) No individual shall be a candidate for nomination for President except in the primary of the party of his registered affiliation. An individual's name, together with this party affiliation, shall appear on the Presidential primary ballot in each State if he qualifies under subsection (b), but shall not appear on such ballot in any State if he fails to qualify under subsection (b).

(b) In order to qualify to have his name appear on the Presidential primary ballot in each State, an individual must file, not later than the thirtieth day of June of the year in which the Presidential primary election is to be held, a petition with the President of the Senate which meets the requirements of subsection (c).

(c) A petition filed under subsection (b) meets the requirements of this subsection if it has been signed, after the last day of the calendar year preceding election year by qualified voters, as certified by the chief executive officer of the State, equaling to at least 1 per centum of the total vote cast in the previous Presidential election: *Provided,* That signatures of persons, who are members of a political party other than the political party whose nomination the candidate seeks, shall be invalid.

NOMINATION BY PRIMARY

SEC. 6. If any individual receives 50 per centum or more of the total number of votes cast for all candidates for nomination by his party in the Presidential primary election conducted under section 4, he shall be the candidate of that party for election as President in the Presidential election to be held that year. If no individual receives more than half the total number of votes cast by members of his party in such election, a second primary shall be held in accordance with the provisions of section 7.

SEC. 7. (a) If a second primary must be held, it shall be held on the third Tuesday following the first primary. The second primary shall be conducted in the same manner as the primary described in section 4, except that the candidates for the nomination of a political party for election to the Office of President whose names appear on the ballot in the second primary shall be those two candidates for the nomination of that party who received the greatest and next greatest number of votes cast in the first primary for all candidates for the nomination of that party.

(b) The candidate who receives the greatest number of votes cast in the second primary shall be the candidate of the political party for election to the Office of President in the Presidential election to be held that year.

DEATH OR RESIGNATION OF NOMINEE

SEC. 8. (a)(1) If the candidate of a political party for election as President dies or resigns the nomination before the nomination by that party of a candidate for election as Vice President, his successor shall be nominated by the convention of that party as if no individual has been nominated by the members of that party in the Presidential primary election.

(2) If the candidate of a political party for election as President dies or resigns the nomination after the nomination by that party of a candidate for election as Vice President, the individual nominated as a candidate for election as Vice President shall resign the vice-presidential nomination and become the candidate of that party for election as President.

(b) If the candidate of a political party for election as Vice President dies or resigns, or if the candidates of that party for election as President and Vice President both die or resign, a national committee of that party composed of a delegation of each State shall choose the candidate for Vice President, or both candidates (as the case may be), by vote. In taking that vote, the delegation from each State shall have one vote. A quorum for the purposes of voting under this subsection consists of a delegate or delegates from two-thirds of the States, and a majority of all States shall be necessary to a choice.

REGULATIONS

SEC. 9. The Attorney General shall prescribe such regulations as may be necessary to carry out the provisions of sections 3 through 8 of this Act.

LIMITATION ON CAMPAIGN FUND-RAISING AND CAMPAIGN EXPENDITURES TO CALENDAR YEAR OF ELECTION

SEC. 10. Title III of the Federal Election Campaign Act of 1971 is amended by inserting after section 320 (2 U.S.C. 441a) the following new section:

"LIMITATION ON CONTRIBUTIONS AND EXPENDITURES PRIOR TO ELECTION YEAR

"SEC. 320A. (a) Neither a candidate nor any of his authorized political committees—

"(1) may accept a contribution for use in connection with the campaign of that candidate for nomination for election, or for election, to Federal office before the first day of January of the calendar year in which the election is held to which that campaign relates, or

"(2) may make an expenditure for or on behalf of the candidate in connection with such campaign—

"(A) before the first day of January of the calendar year in which the election is held to which a campaign relates, or

"(B) out of funds derived directly or indirectly from contributions accepted in violation of the provisions of paragraph (1).

"(b) For purposes of this section, amounts received by or for the benefit of a candidate for nomination for election, or election, to Federal office which remain unexpended after the payment of debts incurred in connection with a campaign shall, if used to make expenditures in connection with a later campaign, be treated as having been received after the first day of January of the year in which the election is held to which the later campaign relates.

"(c) No person shall make a contribution to or for the benefit of an individual who is a candidate for nomination for election, or for election, to Federal office before the first day of January of the year in which the election is held in which that individual is a candidate.".

By Mr. McCLURE:

S. 17. A bill to provide for and maintain the continued existence of a viable U.S. sugar industry; to the Committee on Finance.

SUGAR ACT OF 1979

Mr. McCLURE. Mr. President, unless the Congress and President of the United States take immediate, meaningful action, the U.S. domestic sugar industry is doomed to virtual extinction. This statement is more than prophecy, it is fact—fact which has already seen a most painful beginning.

On Monday, November 20, 1978, U and I Inc., a pioneer sugar processor in the Intermountain West, announced it is getting out of the sugar business and has put its four processing plants up for sale. Located at Idaho Falls, Idaho; Garland, Utah; and Toppenish and Moses Lake, Wash., the four plants employ some 2,290 individuals on a full and part-time basis. Over 4,500 farmers and farm workers contract their sugar beets with the four plants, and in 1978, U and I pumped nearly $134.2 million into the economies of the three States.

U and I is going out of business because of "low sugar prices and the failure of Congress to enact helpful legislation." And it won't be long before other sugar processors follow U and I's lead, as virtually all of the domestic sugar industry in the United States has been selling its product below the cost of production since late summer of 1976.

As the processors go under, the sugar farmers of this country will be faced with some tough decisions. Will they plant other crops or go out of business altogether? The former choice would seem better than the latter, yet there are many dangers of switching to other crops. First, the expense of switching can be more than many farmers can bear, especially in these times of low farm prices and high machinery costs and interest rates. Second, and perhaps most important, many crops that sugar farmers may wish to switch to are currently themselves over produced.

In my own State of Idaho, for example, the majority of growers near the Idaho Falls plant will be able to switch from sugar beets to potatoes, wheat or barley—all of which are now greatly overproduced and receiving below cost of production prices. The fact is, many banks will not finance growers into other losing operations; thus, the latter choice of going out of business will, in many cases, be prevalent. One thing this country does not need is the loss of more family farming operations.

Another thing this country neither needs nor can afford is the loss of our domestic sugar industry. There is little doubt that if our domestic industry loses control of the U.S. sugar market, foreign

nations will step in to fill the gap and grab the control. This is basic economic sense and a lesson we should have learned only too well from our friends in OPEC. Though perhaps not as important as petroleum, sugar is nevertheless one of this country's basic commodities, and we will continue to buy it, regardless of its source. Again, commonsense dictates that once someone controls the market, they can—and usually will—control the price.

If any of my colleagues or the President is concerned about the current price of sugar, or its future price under new meaningful legislation, then they better begin thinking about the sugar price dictated by a group of foreign sugar importers. I can guarantee it will be high, and I can also guarantee the American people will be screaming at each and every one of us why we did not save our domestic sugar industry while we still had a chance.

We still do have a chance, Mr. President, and what I am proposing today as I introduce The Sugar Act of 1979—Senate bill 17—will not only assure a viable industry for our sugar growers and processors, but will also assure a constant supply of sugar at extremely reasonable prices for the consumers of this country. Oftentimes as I have traveled through Idaho and the West these past 2 years, growers and processors alike asked why the Congress did not reinstate the old Sugar Act. Although there were minor problems with this legislation, the fact is it served both the industry and the consumer very well for over 25 years.

S. 17 is thus an up-dated version of the Sugar Act of 1948. Rather than rely on price supports—or tax dollars—the Sugar Act relies on a system of import quotas and fees. Domestic consumption and production are determined by USDA, and foreign nations are allocated the remaining demand. Supply is kept at a level only barely below demand, thus assuring a fair price to the grower, the processor and the consumer. The mechanism to control and operate this legislation still exists at USDA, so the passing of S. 17 would in no way create another governmental bureaucracy.

Mr. President, let me reiterate that if the Congress does not act swiftly, our sugar industry is doomed. If the Congress does not force the President to act swiftly and in a positive manner, our sugar industry is doomed. Jobs are at stake. An entire American industry is at stake. Indeed, a way of life for thousands is at stake. We must act now.

Mr. President, I ask unanimous consent that the text of S. 17 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 17

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Sugar Act of 1979."

SUBCHAPTER I. DEFINITIONS

SEC. 101. DEFINITIONS. For the purposes of this chapter—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.

(e) The term "direct-consumption sugar" means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of syrup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble non-sugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) the "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972;

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of the subsection.

(i) The term "total sugar content" means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from Hawaii, Puerto Rico, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugar cane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of the harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

(n) The term "to be further refined or improved in quality" means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, after such hearing and upon such notice as he may by regulations prescribe, to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this subsection and whether sugars of specific qualities are raw sugar within the meaning of subsection (d) of this section, or direct-consumption sugar within the meaning of subsection (e) of this section.

(o) The term "continental United States" means the States (except Hawaii) and the District of Columbia.

(p) The term "mainland cane sugar area" means the States of Florida and Louisiana.

SUBCHAPTER II. QUOTA PROVISIONS

SEC. 201. Annual estimate of consumption in continental United States; price objective; "parity index" and "wholesale price index" defined—

(a) The secretary shall determine for each calendar year, beginning with 1979, the amount of sugar needed to meet the requirements of consumers in the continental United States and to attain the price objective set forth in subsection (b) of this section. Such determination shall be made during October of the year preceding the calendar year for which the determination is being made and at such other times thereafter as may be required to attain such price objective.

(b) The price objective referred to in subsection (a) of this section is a price for raw sugar which would maintain the same ratio between such price and the average of the parity index (1967=100) and the wholesale price index (1967=100) as the ratio that existed between (1) the simple average of the monthly price objective calculated for the period September 1, 1970, through August 31, 1971, under this section as in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1971, and (2) the simple average of such two indexes for the same period.

(c) For purposes of subsection (b) of this section—

(1) The term "parity index (1967=100)" means the Index of Prices Paid by Farmers for Commodities and Services, including Interest, Taxes, and Farm Wage Rates, as published monthly by the Department of Agriculture.

(2) The term "wholesale price index" means such index as determined monthly by the Department of Labor.

SEC. 202. Establishment of revision of quotas—

Whenever a determination is made, pursuant to section 201 of this title, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

Domestic Sugar-Producing Areas

(a)(1) For domestic sugar-producing areas, by apportioning among such areas 6,820,000 short tons, raw value, as follows:

[In percent]

Area:	*Short tons, raw value*
Domestic beet sugar	49.3
Mainland cane sugar	22.3
Hawaii	16.1
Puerto Rico	12.3

(2) To or from the sum of 4,883,120 short tons, raw value, of the quotas for the domestic beet sugar and mainland cane sugar areas there shall be added or deducted, as the case may be, an amount equal to 65 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States pursuant to section 201 of this title for the calendar year is greater than or less than 11,000,000 short tons, raw value. Such amount shall be apportioned between the domestic beet sugar area and the mainland cane sugar area on the basis of the quotas for such areas established under paragraph (1) of this subsection.

(3) Notwithstanding the foregoing provisions of this subsection, whenever the production of sugar in Hawaii or Puerto Rico in any year results in there being available for marketing in the continental United States in any year sugar in excess of the quota for such areas for such year established under paragraph (1) of this subsection, the quota for the immediately following year established for such area under such paragraph shall be increased to the extent of such excess production, except that in no event shall the quota for Hawaii or Puerto Rico, as so increased, exceed the quota which would have been established for such area at the same level needed to meet the requirements of consumers under the provisions of this subsection. Whenever sugar produced in Hawaii or Puerto Rico in any year is prevented from being marketed or brought into the continental United States in that year for reasons beyond the control of the producer shipper of such sugar, the quota for the immediately following year established for such area under paragraph (1) of this subsection and the preceding sentence shall, within the limitations of the preceding sentence and section 207 of this title, be increased by an amount equal to (A) the amount of sugar so prevented from being marketed or brought into the continental United States, reduced by (B) the amount of such sugar which has been sold to any other nation instead of being held for marketing in the continental United States.

(4) Beginning with 1979 or as soon thereafter as the quota or quotas can be used, there shall be established for any new continental cane sugar producing area or areas a quota or quotas of not to exceed a total for all such areas of 100,000 short tons, raw value, subject to the requirements of section 302 of this title.

Republic of the Philippines

(b) For the Republic of the Philippines, in the amount of 1,910,000 short tons, raw value.

Foreign Countries

(c)(1) For foreign countries other than the Republic of Philippines, an amount of sugar, raw value, equal to the amount determined pursuant to section 201 of this title less the sum of the quotas established pursuant to subsection (a) and (b) of this section.

(2) For Ireland, in the amount of 5,500 short tons, raw value, of sugar. The quota provided by this paragraph shall apply for any calendar year only if the Secretary obtains such assurances from such country as he may deem appropriate prior to September 15 preceding such calendar year that the quota for such year will be filled with sugar produced in such country.

(3) For individual foreign countries other than the Republic of the Philippines and Ireland, by prorating the amount of sugar determined under paragraph (1) of this subsection, less the amounts required to establish a quota as provided in paragraph (2) of this subsection for Ireland, among foreign countries on the following basis:

(A) For countries in the Western Hemisphere:

Country:	*Per centum*
Dominican Republic	17.76
Mexico	15.70
Brazil	15.31
Peru	10.92
West Indies	5.73
Ecuador	2.26
Argentina	2.12
Costa Rica	1.92
Colombia	1.89
Panama	1.79
Nicaragua	1.79
Venezuela	1.72
Guatemala	1.65
El Salvador	1.20
Belize	0.95
Haiti	0.86
Bahamas	0.75
Honduras	0.33
Bolivia	0.18
Paraguay	0.18

(B) For countries outside the Western Hemisphere:

Country:	*Per centum*
Australia	5.27
Republic of China	2.20
India	2.12
South Africa	1.50
Fiji	1.16
Mauritius	.78
Mozambique	.78
Thailand	.39
Malawi	.39
Malagasy Republic	.31

Suspension of Diplomatic Relations; Additional Imports; Reduction of Quotas; Proration; Assurances of Filling Quotas

(d) Notwithstanding any other provision of this chapter—

(1)(A) Whenever and to the extent that the President finds that the establishment or continuation of a quota or any part thereof for any foreign country would be contrary to the national interest of the United States, such quota or part thereof shall be withheld or suspended, and such importation shall not be permitted. A quantity of sugar equal to the amount of any quota so withheld or suspended, and such importation shall not be permitted. A quantity of sugar equal to the amount of any quota so withheld or suspended shall be prorated to the other countries listed in subsection (c)(3)(A) of this section (other than any country whose quota is withheld or suspended) on the basis of the percentages stated therein.

(B) The quantities of sugar prorated pursuant to the foregoing provisions of this subsection shall be designated as temporary quotas and the term "quota" as defined in this chapter shall include a temporary quota established under this subsection.

(2)(A) Whenever the Secretary finds that it is not practicable to obtain the quantity of sugar needed from foreign countries to meet any increase during the year in the requirements pursuant to subsections (b) and (c) of this section and the foregoing provisions of this subsection, such quantity of sugar may be imported on a first-come, first-served basis from any foreign country, except that no sugar shall be authorized for importation from Cuba until the United States resumes diplomatic relations with that country and no sugar shall be authorized for importation hereunder from any foreign country with respect to which a finding by the President is in effect under paragraph (1)(A) of this subsection: *Provided,* That such finding shall not be made in the first nine months of the year unless the Secretary also finds that limited sugar supplies and increases in prices have created or may create an emergency situation significantly interfering with the orderly movement of foreign raw sugar to the United States in authorizing the importation of such sugar the Secretary shall give special consideration to countries which agree to purchase for dollars additional quantities of United States agriculture products. In the event that the requirements of consumers under section 201 of this title are thereafter reduced in the same calendar year, an amount not exceeding such increase in requirements shall be deducted pro rata from the quotas established pursuant to subsection (c) of this section and this subsection.

(B) Sugar imported under the authority of this paragraph (2) shall be raw sugar, except that if the Secretary determines that the total quantity is not reasonably available as raw sugar, he may authorize the importation for direct consumption of so much of such quantity as he determines may be required to meet the requirements of consumers in the United States.

(3) No quota shall be established for any country, other than Ireland, for the year following a period of twenty-four months, ending June 20 prior to the establishment of quotas for such year, in which its aggregate imports of sugar equaled or exceeded its aggregate exports of sugar from such country to countries other than the United States.

(4) Whenever in any calendar year any foreign country fails, subject to such reasonable tolerance as the Secretary may determine, to fill the quota as established for it pursuant to this chapter, the quota for such country for subsequent calendar years shall be reduced by the smaller of (i) the amount by which such country failed to fill such quota or (ii) the amount by which its exports of sugar to the United States in the year such quota was not filled was less than 115 per centum of such quota for the preceding calendar year: *Provided,* That (i) no such reduction shall be made if the country has notified the Secretary before June 1 of such year (or, with respect to events occurring thereafter, as soon as practicable after such event), of the likelihood of such failure and the Secretary finds that such failure was due to crop disaster or other force majeure, unless such country exported sugar in such year to a country other than the United States, in which case the reduction in quota for the subsequent years shall be limited to the amount of such exports, as determined by the Secretary, and (ii) in no event shall the quota for the Republic of the Philippines is reduced to an amount less than nine hundred and eighty thousand short tons, raw value, of sugar.

(5) Any reduction in a quota because of the requirements of paragraphs (3) and (4) of this subsection shall be prorated to other foreign countries in the same manner as deficits are prorated under section 204 of this title. For purposes of determining unfilled portions of quotas, entries of sugar from a foreign country shall be prorated between the temporary quota established pursuant to paragraph (1) of this subsection and quota established pursuant to subsection (c) of this section.

(6) If any foreign country fails to give assurance to the Secretary, on or before December 31, 1978, that such country will fill the quota as established for it under subsection (c)(3) of this section and paragraph (1) of this subsection for years after 1978, the quota for such country for such years shall be reduced to the amount which the country gives assurance that it will fill for such years. The portion of the quota for such country for which such assurance is not given shall be withdrawn for such years and a quantity of sugar to such portion shall be prorated to other foreign countries in the same manner as deficits are prorated under

section 204 of this title. For purposes of applying paragraph (4) of this subsection, any reduction in the quota of a foreign country under this paragraph shall be disregarded.

Reestablishment of Suspended Quotas

(e) Whenever the President finds that it is no longer contrary to the national interest of the United States to reestablish a quota or part thereof withheld or suspended under subsection (d)(1) of this section or under section 408(c) of this title such quota shall be restored in the manner the President finds appropriate: *Provided*, That the entire amount of such quota shall be restored for the third full calendar year following such finding by the President. The temporary quotas established pursuant to subsection (d)(1) of this section shall, notwithstanding any other provision of this section, be reduced prorata to the extent necessary to restore the quota in accordance with the provisions of this subsection.

Charge to Quotas Upon Reestablishment of Diplomatic Relations or Reduced Consumer Requirements

(f) Whenever any quota is required to be reduced pursuant to subsection (e) of this section or because of a reduction in the requirements of consumers under section 201 of this title, and the amount of sugar imported from any country or marketed from any area at the time of such reduction exceeds the reduced quota, the amount of such excess shall, notwithstanding any other provision of this section, be charged to the quota established for such country or domestic area for the next succeeding calendar year. Sugar from any country which at the time of reduction in quota has not been imported but is covered by authorizations for importation issued by the Secretary not more than five days prior to the scheduled date of departure shown on the authorization shall be permitted to be entered and charged to the quota established for such country for the next succeeding calendar year.

Authority to Limit Quarterly Quotas; Adjustment of Consumer Requirements

(g)(1) The Secretary is authorized to limit, on a quarterly basis only, the importation of sugar within the quota for any foreign country during the first quarter of 1980 if he determines that such limitation is necessary to achieve the objectives of the chapter.

(2) The Secretary is not authorized during the last three quarters of 1980 and in any full year thereafter except as provided herein, to limit the importation of sugar within the quota for any foreign country through the use of limitations applied on other than a calendar year basis.

(3) In order to attain on an annual average basis the price objective determined pursuant to the formula specified in section 201 of this title, the Secretary shall make adjustments in the determination of requirements of consumers in accordance with the following provisions: (A) the determination of requirements of consumers shall not be adjusted whenever the simple average of the prices of raw sugar for seven consecutive market days is less than 4 per centum (or, in the case of any seven consecutive market day period ending after October 31 of any year and before March 1 of the following year, 3 per centum) above or below the average price objective so determined for the preceding two calendar months; (B) the determination of requirements of consumers shall be adjusted to the extent necessary to attain such price objective whenever the simple average of prices of raw sugar for seven consecutive market days is 4 per centum or more (or, in the case of any seven consecutive market day period ending after October 31 of any year and before March 1 of the following year, 3 per centum or more) above or below the average price objective so determined for the preceding two calendar months; and (C) the determination of requirements of consumers for the current year shall not be reduced after November 30 of such year, but any required reduction shall instead be made in such determination for the following year. If in the twelve-month period ending October 31 of any year after 1972 the average price of raw sugar is less than 99 per centum of the price objective determined pursuant to the formula set forth in action 201 of this title then, with respect to each subsequent calendar year, the Secretary is authorized after November 30 of the preceding year to limit, on a quarterly basis only, the importation of sugar within the quota of any foreign country during the first or second quarter, or both, of such subsequent year if he determines that such limitation is necessary to achieve the objectives of the chapter.

(4) The Secretary is not authorized to issue any regulation under this chapter restricting the importation, shipment, or storage of sugar to one or more particular geographical areas.

(5) The imposition of limitations on a quarterly basis under this subsection shall not operate to reduce the quantity of sugar permitted to be imported for any calendar year from any country below its quota for that year.

Native Growth Requirement for Sugarbeets and Sugarcane

(h) The quota established for any foreign country and the quantity authorized to be imported from any country under subsection (d)(2) of this section may be filled only with sugar produced from sugarbeets or sugarcane grown in such country.

SEC. 203. Estimates for consumption in Hawaii and Puerto Rico; quotas—

In accordance with such provisions of section 201 of this title as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

Sec. 204. Revision of proration upon productive deficiency of quota area—

(a) The Secretary shall, at the time he makes his determination of requirements of consumers for each calendar year, and as often thereafter as the facts are ascertainable by him but in any event not less frequently than each 90 days after the beginning of each calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area or country will not market the quota for such area or country. Whenever the Secretary determines that any domestic area or foreign country listed in section 202(c)(3)(A) of this title will not market its quota, he shall revise the quota for the Republic of the Philippines by allocating to it an amount of sugar equal to 30.08 per centum of the deficit, and shall allocate an amount of sugar equal to the remainder of the deficit to the countries listed in section 202(c)(3)(A) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries: *Provided*, That if the Secretary determines the Republic of the Philippines will not fill its share of any deficit determined under the foregoing provisions of this subsection, he shall allocate such unfilled amount to the countries listed in section 202(c)(3)(A) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries. If the Secretary determines that neither the Republic of the Philippines nor the countries listed in section 202(c)(3)(A) of this title can fill all of any such deficit, he shall apportion such unfilled amount on such basis and to such foreign countries as he determines is required to fill such deficit. If the Secretary determines that any foreign country with a quota established pursuant to section 202(c)(3)(B) or section 202(c)(4) of this title will not market the quota for such area or country, he shall revise the quota for the Republic of the Philippines by allocating to it an amount of sugar equal to 30.08 per centum of the deficit, and shall allocate an amount of sugar equal to the remainder of the deficit to the countries listed in section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries: *Provided*, That if the Secretary determines the Republic of the Philippines will not fill its share of any deficit determined under the foregoing provisions of this subsection, he shall allocate such unfilled amount to the countries listed in section 202(c)(3)(B) of this title can fill all of any such deficit, he shall apportion such unfilled amount on such basis and to such foreign countries as he determines is required to fill such deficit. If the Secretary determines that the Republic of the Philippines will not market its quota, he shall allocate an amount of sugar equal to the deficit to the countries listed in section 202(c)(3) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries. Deficits shall not be allocated to any country whose quota has been suspended or withheld pursuant to subsection (d)(1) of section 202 of this title. In determining and allocating deficits the Secretary shall act to provide at all times throughout the calendar year the full distribution of the amount of sugar which he has determined to be needed under section 201 of this title to meet the requirements of consumers. In making allocations for foreign countries within the Western Hemisphere under this subsection, special consideration shall be given to those countries purchasing United States agricultural commodities. Notwithstanding the foregoing provisions of this subsection, if the President determines that such action would be in the national interest, any part of a deficit which would otherwise be allocated to countries listed in section 202(c) of this title may be allocated to one or more of such countries with a quota in effect on such basis as the President finds appropriate.

(b) The quota established for any domestic area or any foreign country under section 202 of this title shall not be reduced by reason of any determination of a deficit existing in any calendar year under subsection (a) of this section: *Provided*, That the quota for any foreign country shall be reduced to the extent that it has notified the Secretary that it cannot fill its quota and the Secretary has found under section 202(d)(4) of this title that such failure was due to croo disaster or other force majeure.

(c) Nothwithstanding the foregoing provisions of this section and section 211(c) of this title if the Secretary determines that Hawaii or Puerto Rico will be unable to fill its quota established under section 203 of this title for marketing for local consumption on a day-to-day basis he shall allocate

a total amount of sugar not in excess of such deficit to the domestic beet sugar area or the mainland cane sugar area or both to be filled by direct consumption or raw sugar as he determines to be required for local consumption.

SEC. 205. Allotments of quotas or prorations—Authorization; method; modification—

(a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this chapter, is necessary to assure an orderly and adequate flow of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by alloting to persons as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, Hawaii, or Puerto Rico or may import or bring into continental United States for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane, limited in any year when proportionate shares were in effect to processings to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302 of this title, pertained; the past marketings or importations of each such person: and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary is authorized in making such allotments, whenever there is involved any allotment that pertains to a new or substantially enlarged existing sugar beet processing facility serving a locality or localities which have received an acreage allotment under section 302(b)(3) of this title or that pertains to a sugar beet processing facility described in section 302(b)(9) of this title, to take into consideration in lieu of or in addition to the foregoing factors of processing, past marketings and ability to market, the need for establishing an allotment which will permit such marketing of sugar as is necessary for reasonably efficient operation of any such sugar beet processing facility during each of the first three years of its operation. The Secretary is also authorized in making such allotments of a quota for any calendar year to take into consideration, in lieu of or in addition to the foregoing factors of processing, past marketings, and ability to market, the need for establishing an allotment which will permit such marketing of sugar as is necessary for the reasonably efficient operation of any nonaffiliated single plant processor of sugarbeets or any processor of sugarcane and as may be necessary to avoid unreasonable carryover of sugar in relation to other processors in the area: *Provided*, That the marketing allotment of any such processor of sugarbeets shall not be increased under this provision above an allotment of twenty-five thousand short tons, raw value, and the marketing allotment of a processor of sugarcane shall not be increased under this provision above an allotment equal to the effective inventory of sugar of such processor on January 1 of the calendar year for which such allotment is made: *Provided further*, That the total increases in marketing allotments made pursuant to this sentence to processors in the domestic beet sugar area shall be limited to twenty-five thousand short tons of sugar, raw value, for each calendar year and to processors in the mainland cane sugar area shall be limited to sixteen thousand short tons of sugar, raw value, for each calendar year. In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made. If allotments are in effect at the time of a reduction in a domestic area quota for any year, the amount marketed by a person in excess of the amount of his allotment in the next succeeding year for such person, and any allotment established for such person for the next succeeding year shall be reduced by such excess amount.

Appeal to Courts; Grounds

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the Circuit in which the appellant resides in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revision any allotment made to him.

Same; Initial Procedure

(c) Such appeal shall be taken by filing with said court, within 30 days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the record upon which the decision complained of was entered, as provided in section 2112 of Title 28, and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

Same; Intervention

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

Same; Hearing; Review

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however*, That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 347 of Title 28, by appellant, by the Secretary, or by any interested party intervening in the appeal.

Same; Costs

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Sugar-containing products or mixtures and beet sugar molasses—Authority of Secretary to reduce importation; determination that importation substantially interferes with objects of chapter—

(a) If the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this chapter, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in from any country or area to a quantity which he determines will not so interfere: *Provided*, That the quantity to be imported or brought in from any country or area in any calendar year shall not be reduced below the average of the quantities of such product, mixture, or beet sugar molasses annually imported or brought in during such three-year period as he may select for which reliable data of the importation or bringing in of such product, mixture, or beet sugar molasses are available.

Reduction of Importation in Absence of Reliable Data

(b) In the event the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this chapter and there are no reliable data available of such importation or bringing in of such product, mixture, or beet sugar molasses for three consecutive years, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in annually from any country or area to a quantity which the Secretary determines will not substantially interfere with the attainment of the objectives of this chapter. In the case of a sugar-containing product or mixture, such quantity from any one country or area shall not be less than a quantity containing one hundred short tons, raw value, of sugar or liquid sugar.

Factors To Be Considered in Making Determinations of Substantial Interference; Rulemaking Requirements

(c) In determining whether the actual or prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico will not substantially interfere with the attainment of the objectives of this chapter, the Secretary shall take into consideration the total sugar content of the product or mixture in relation to other ingredients or to the sugar content of other products or mixtures for similar use, the costs of the mixture in relation to the cost of its ingredients for use in the continental United States, Hawaii, or Puerto Rico, the present or prospective volume of importations relative to past importations, the type of packaging, whether it

will be marketed to the ultimate consumer in the identical form in which it is imported or the extent to which it is to be further subjected to processing or mixing with similar or other ingredients, and other pertinent information which will assist him in making such determination. In making determinations pursuant to this section, the Secretary shall conform to the rulemaking requirements of section 1003 of Title 5.

SEC. 207. Amount of quota to be filled by direct-consumption sugar—

Hawaii

(a) The quota for Hawaii established under section 202 of this title for any calendar year may be filled by direct-consumption sugar not to exceed an amount equal to 0.342 per centum of the Secretary's determination for the preceding year issued pursuant to section 201 of this title.

Puerto Rico

(b) The quota for Puerto Rico established under section 202 of this title for any calendar year may be filled by direct-consumption sugar not to exceed an amount equal to 1.5 per centum of the first eleven million short tons, raw value, of the Secretary's determination for the preceding year issued pursuant to section 201 of this title, plus 0.5 per centum of any amount of such determination above eleven million short tons, raw value, except that 126,033 short tons, raw value, of such direct-consumption sugar shall be principally of crystalline structure.

Philippine Islands

(c) Not more than fifty-nine thousand nine hundred and twenty short tons, raw value, of the quota for the Republic of the Philippines may be filled by direct-consumption sugar.

Ireland; Panama; Allocations and Prorations

(d) None of the quota established for any foreign country other than the Republic of the Philippines and none of the deficit prorations and apportionments for any foreign country established under or in accordance with section 204(a) of this title may be filled by direct-consumption sugar: *Provided*, That the quotas for Ireland, and Panama may be filled by direct-consumption sugar to the extent of five thousand three hundred and fifty-one short tons, raw value, for Ireland and three thousand eight hundred and seventeen short tons, raw value, for Panama.

Hawaiian and Puerto Rican Local Consumption

(e) This section shall not apply with respect to the quotas established under section 203 of this title for marketing for local consumption in Hawaii and Puerto Rico.

Suspension

(f) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of this subchapter applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 406 of this title unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

SEC. 208. Liquid sugar foreign quotas—

A quota for liquid sugar for foreign countries for each calendar year is established as follows: two million gallons of sirup of cane juice of the type of Barbados molasses, limited to liquid sugar containing soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) of more than 5 per centum of the total soluble solids, which is not to be used as a component of any direct-consumption sugar but is to be used as molasses without substantial modification of its characteristics after importation, except that the President is authorized to prohibit the importation of liquid sugar from any foreign country which he shall designate whenever he finds and proclaims that such action is required by the national interest.

SEC. 209. Prohibited acts—All persons are prohibited—

Importation in Excess of Foreign Quotas

(a) From bringing or importing into the continental United States from any foreign country or any other area outside the continental United States (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota or proration has been filled;

Transportation in Excess of Domestic Quota

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

Marketing in Hawaii and Puerto Rico in Excess of Quota Therefor

(c) From marketing in either Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

Exceeding Allotments or Prorations

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration or allocation of any quota, made to them pursuant to the provisions of this chapter;

Importation of Sugar or Liquid Sugar into Virgin Islands

(e) From bringing or importing into the Virgin Islands for consumption therein, any sugar or liquid sugar in excess of one hundred pounds in any calendar year produced from sugarcane or sugar beets grown in any area other than Puerto Rico, Hawaii, or the continental United States.

SEC. 210 Terminology of determinations—Raw value to govern—

(a) The determinations provided for in sections 201 and 203 of this title, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208 of this title, shall be made or established in terms of raw value.

Sugar to Include Liquid Sugar

(b) For the purposes of this subchapter, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 of this title and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. Credit against quota—Credit upon exportation of imported sugar—

(a) Sugar or liquid sugar entered into the United States, including Puerto Rico, under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

Exportation Defined

(b) Exportation within the meaning of sections 1309 and 1313 of Title 19 shall be considered to be exportation within the meaning of this section.

Domestic Quota To Be Filled With Products of Local Beets and Cane

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area.

SEC. 212. Exception to quota provisions—

The provisions of this subchapter shall not apply to the first ten short tons, raw value, of direct consumption sugar or liquid sugar imported from any foreign country, other than the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes.

SUBCHAPTER III—CONDITIONAL PAYMENT PROVISIONS

SEC. 301. Conditions of production—

The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

Proportionate Share Production

(a) That there shall not have been marketed (or processed), except for livestock feed, or for the production of livestock feed, as determined by the Secretary, an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, if farm proportionate shares are determined by the Secretary pursuant to the provisions of section 302 of this title of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carryover inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. Quantity of sugar; time for payments—Amount as determined by Secretary—

(a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, if farm proportionate shares are determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carryover inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

Determination of Proportionate Share of Farm; Sugar Beet Production History, Disposition; New Sugar Beet Areas, Acreage Allocation, Publication in Federal Register; Transfer of Sugarcane Production Record for Land in Puerto Rico

(b)(1) The Secretary shall determine for each crop year whether the production of sugar from any crop of sugarbeets or sugarcane will, in the absence of proportionate shares, be greater than the quantity needed to enable the area to meet its quota and provide a normal carryover inventory, as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar from such crop normally would be marketed. Such determination shall be made

only with respect to the succeeding crop year and, beginning with the 1979 crop year, only after due notice and opportunity for an informal public hearing. If the Secretary determines that the production of sugar from any crop of sugarbeets or sugarcane will be in excess of the quantity needed to enable the area to meet its quota and provide a normal carryover inventory, he shall establish proportionate shares for farms in such areas areas as provided in this subsection. In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of the sugarbeets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar (within proportionate shares when in effect) and the ability to produce such sugarbeets and sugarcane. In establishing proportionate shares for farms in the mainland cane sugar areas, the Secretary may establish separate State acreage allocations, may determine and administer the proportionate shares for farms in one State by a method different from that used in another State, may include in such State allocation an acreage reserve to compensate for anticipated unused proportionate shares, may make conditional allocations to farms from such reserve and establish conditions which must be met in order for such allocations to be final, may make an adjustment in a State's allocation in any years to compensate for a deficit or surplus in a prior year if the actual amount of unused proportionate shares in such State for such prior year was larger or smaller than such anticipated amount of unused proportionate shares, and, in establishing State allocations and farm proportionate shares, may use whatever prior crop year or years he considers equitable in his consideration of past production.

(2) The Secretary may also, in lieu of or in addition to the foregoing factors, take into consideration with respect to the domestic beet sugar area the sugarbeet production history of the person who was a farm operator in the base period, in establishing farm proportionate shares in any State or substantial portion thereof in which the Secretary determines that sugarbeet production is organized generally around persons rather than units of land, other than a State or substantial portion thereof wherein personal sugarbeet production history of farm operators was not used generally prior to 1962 in establishing farm proportionate shares. In establishing proportionate shares for farms in the domestic beet sugar area, the Secretary may first allocate to State (except acreage reserved) the total acreage required to enable the area to meet its quota and provide a normal carryover inventory (hereinafter referred to as the "national sugarbeet acreage requirement") on the basis of the acreage history of sugarbeet production and the ability to produce sugarbeets for extraction of sugar in each State. The personal sugarbeet production history of a farm operator who does, or becomes incapacitated, shall accrue to the legal representative of his estate or to a member of his immediate family if such legal representative or family member continues within three years of such death or incapacity the customary sugarbeet operations of the deceased or incapacitated operator. If in any year during this period sugarbeets were not planted by such legal representative or member of the family, production history shall be credited to such year equal to the acreage last planted by the deceased or incapacitated farm operator.

(3) The allocation of the national sugar beet acreage requirement to States for sugar beet production, as well as the acreage allocation for new or substantially enlarged existing sugar beet processing facilities, shall be determined by the Secretary after investigation and notice and opportunity for an informal public hearing.

(4) Whether farm proportionate shares are or are not determined, the Secretary shall, insofar as practicable, protect the interests of new producers who are cash tenants, share tenants, adherent planters, or sharecroppers and of the producers whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions.

(5) Whenever the Secretary determines it necessary for the effective administration of this subsection in an area where farm proportionate shares are established in terms of sugarcane acreage, he may consider acreage of sugarcane harvested for seed on the farm in addition to past production of sugarcane for the extraction of sugar in determining proportionate shares as heretofore provided in this subsection; and whenever acreage of sugarcane harvested for seed is considered in determining farm proportionate shares, acreage of sugarcane harvested for seed shall be included in determining compliance with the provisions of section 301(b) of this title, notwithstanding any other provisions of such section.

(6) For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico.

(7) In order to protect the sugarbeet production history for farm operators (or farms) who in any crop year, because of a crop-rotation program or for reasons beyond their control, are unable to utilize all or a portion of the farm proportionate share acreage established pursuant to this section, the Secretary may reserve for a period of not more than three crop years the production history for any such farm operators (or farms) to the extent of the farm proportionate share acreage released. The proportionate share acreage so released may be reallotted to other farm operators (or farms), but no production history shall accrue to such other farm operators (or farms) by virtue of such reallocation of the proportionate share acreage so released.

(8) The Secretary is authorized to reserve from the national sugar beet acreage requirements the acreage required to yield 25,000 short tons of sugar, raw value, for any sugar beet processing facility which closed during 1978, if he is satisfied that such facility will resume operations and will be operated successfully and that the area which will serve such facility is suitable for growing sugar beets. The Secretary shall allocate the acreage provided for in this paragraph to farms on such basis as he determines necessary to accomplish the purposes for which such acreage is provided under this paragraph.

(9) The Secretary shall credit to the farm of any producer (or to the producer in a personal history State) who has lost a market for sugar beets as a result of (A) the closing of a sugar beet factory in any year after 1976; (B) the complete discontinuance of contracting by a processor after 1976 in a State; or (C) the discontinuance of contracting by a processor after 1976 in a substantial portion of a State in which the processor contracted a total of at least 2,000 acres of the 1976 crop of sugar beets, an acreage history (or production history) for each of the next three years equal to the average acreage planted on the farm (or by the producers) in the last three years of such factory's operation or processor's contracting, and any unused proportionate share shall not be transferred to other farms (or producers).

New Cane Sugar Areas; Publication in Federal Register

(c) In order to enable any new cane sugar producing area to fill the quota to be established for such area under section 202(a)(4) of this title, the Secretary shall allocate an acreage which he determines is necessary to enable the area to meet its quota and provide a normal carryover inventory. Such acreage shall be fairly and equitably distributed to farms on the basis of land, labor, and equipment available for the production of sugarcane. The acreage allocation for any year shall be made as far in advance of such year as practicable, and the commitment of such acreage to the area shall be irrevocable upon issuance of such determination by publication thereof in the Federal Register, except that, if the Secretary finds in any case that construction of sugarcane facilities and the contracting for processing of sugarcane has not proceeded in substantial accordance with the representation made to him as a basis for his determination in accordance with and upon publication in the Federal Register of such findings. In making his determination for the establishment of a quota, the Secretary shall base such determination upon the firmness of capital commitment and the suitability of the area for growing sugarcane and, where two or more areas are involved, the relative qualifications of such areas under such criteria. If proportionate shares are in effect in such area in the two years immediately following the year for which the sugarcane acreage allocation is committed for any area, the total acreage of proportionate shares established for farms in such area in each such two years, shall not be less than the larger of the acreage committed to such area or the acreage which the Secretary determines to be required to enable the area to fill its quota and provide for a normal carryover inventory.

SEC. 303. Acreage abandonment and crop deficiency—

In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302 of this title, the Secretary is also authorized to make payments, on the conditions provided in section 301 of this title with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respects to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. Computation of payments; recipients thereof—Base rate—

(a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

Farm Unit as Basis of Calculation

(b) All payments shall be calculated with respect to a farm which, for the purposes of this chapter, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management and other pertinent factors.

Total Payment

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and

liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value and the reduction in the base rate of payment per hundredweight of such portion:

350 to 700	$0.05
700 to 1,000	0.10
1,000 to 1,500	0.20
1,500 to 3,000	0.25
3,000 to 6,000	0.275
6,000 to 12,000	0.30
12,000 to 30,000	0.325
More than 30,000	0.50

Persons Entitled to Payments

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however*, That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further*, That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. Cooperation with Secretary by certain agencies—

In carrying out the provisions of subchapter II of this chapter and this subchapter, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. Finality of Secretary's determinations—

The facts constituting the basis for any payment, or the amount thereof authorized to be made under this subchapter, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. Territorial application—

This subchapter shall apply to the continental United States, Hawaii and Puerto Rico.

SUBCHAPTER IV—ADMINISTRATIVE PROVISIONS

SEC. 401. Expenditures by Secretary—

For the purposes of this chapter, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this chapter, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. Appropriations; availability of funds—

(a) There is authorized to be appropriated for each fiscal year for the purposes and administration of this chapter the funds necessary to make the payments provided for in subchapter III of this chapter and other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of this chapter.

(b) All funds available for carrying out this chapter shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this chapter. The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to persons eligible to receive payments under subchapter III of this chapter: *Provided*, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amounts thereof from appropriations available for the purpose of carrying out such program.

SEC. 403. Rules and regulations; violations; publication of Secretary's determinations; independent weighmasters—

(a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this chapter. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this chapter shall, upon conviction, be punished by a fine of not more than $100 for each such violation.

(c) Whenever the Secretary determines that such action is necessary to protect the interests of the United States, consumers of sugar, or the exporters of sugar, he is authorized to require, in accordance with such rules and regulations as he may prescribe, any or all shipments of imported sugar to be weighed by persons not controlled, directly or indirectly, by any person having a direct financial interest in such sugar.

SEC. 404. Jurisdiction of courts—

The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this chapter or of any order or regulation made or issued pursuant to this chapter and, except as provided in sections 205 and 306 of this title, to review any regulation issued pursuant to this chapter in accordance with chapter 7 of Title 5. If and when the Secretary shall so request, it shall be the duty of the several United States attorneys, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees and forfeitures provided for in this chapter. The remdies provided for in this chapter shall be in addition to, and not exclusive of any of the remedies or penalties existing at law or in equity.

SEC. 405. Forfeitures—

(a) Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209 of this title, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 of this title have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (1) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (2) of that quantity brought or imported into the continental United States after the quantities specified in section 207 of this title have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) of this title and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality, shall forfeit to the United States a sum equal to 1 cent per pound for each pound, raw value, of such sugar in excess of that part of the direct-consumption portion of the applicable quota or proration or allotment thereof remaining unfilled at the time of such determination, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

Seizure of Property of United States citizens; Discrimination in Taxation and Other Exactions; Restrictive maintenance or operational conditions; remedial measures; duration of suspension; allocation of suspended quantities

(c) In any case in which a nation or a political subdivision thereof has, on or after January 1, 1961, (1) nationalized, expropriated, or otherwise seized the ownership or control of the property or business enterprise owned or controlled by United States citizens or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this chapter) not imposed or enforced with respect to the property or business enterprise of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States, or (3) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this chapter), or has taken other actions, which have the effect of nationalizing, expropriating or otherwise seizing ownership or control of such property or business enterprise, or (4) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under international law toward such citizen or entity, including the prompt payment to the owner or owners of such property or business enterprise so nationalized, expropriated or otherwise seized or to provide relief from such taxes, exactions, conditions or breaches of such international agreements, as the case may be, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President may withhold or suspend all or any part of the quota under this chapter of such nation, and either in addition or as an alternative, the President may, under such terms and conditions as he may prescribe, cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States from such nation in an amount covered into the Treasury of the United States into a special trust fund, and he shall use such fund to make payment of claims arising on or before January 1, 1961, as a result of such nationalization, expropriation, or other type seizure or action set forth herein, except that if such nation participates in the quota for the West Indies, the President may suspend a portion of the quota for the West Indies which is not in the quota for the West Indies which is not in excess of the quantity imported from that nation during the preceding year, until he is satisfied that appropriate steps are being

taken, and either in addition or as an alternative he may cause to be levied and collected an impost in an amount not to exceed $50 per ton on any or all sugar sought to be imported into the United States from such nation for the payment of claims as provided herein. Any quantity so withheld or suspended shall be allocated under section 202(d)(1)(A) of this title. With respect to any action taken during 1961 in any of the categories set forth in this subsection, the provisions of this subsection relating to levying and collecting an impost shall apply only if the President so determines.

SEC. 409. Surveys and investigations by Secretary; producer-processor and producer-labor contracts—

Whenever the Secretary determines that such action is necessary to effectuate the purposes of this chapter, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor or producer.

SEC. 410. Same; general conditions and factors; publication of information—

The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this chapter and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this chapter.

SEC. 411. Regulations to carry out international sugar agreements restricting importations of sugar from foreign countries—

The Secretary is authorized to issue such regulations as may be necessary to carry out any articles of an International Sugar Agreement (ratified by and with the advice and consent of the United States Senate), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate.

SEC. 412. Authorization and Appropriations—

There is hereby authorized to be appropriated for each fiscal year for the administration of this Act such amounts as the Congress determines necessary.

SEC. 413. Termination—

The provisions of this Act shall terminate on December 31, 1984.

By Mr. McCLURE:

S. 18. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Finance.

SAVINGS ACT OF 1979

Mr. McCLURE. Mr. President, Americans are saving far less of their money than citizens in other industrial countries. Studies indicate that American willingness to save has been diminishing over the last 10 years. This trend is especially alarming at a time of growing uneasiness over the U.S. economy. Today I am introducing a bill which I believe will reverse this dangerous trend.

The bill is entitled the Savings Act of 1979. It is designed to encourage and assist Americans to save and invest. These activities have become next to impossible for many of our citizens because of the rate of inflation we are experiencing.

The bill allows a tax credit of 50 percent for additions to all types of bank and savings accounts, stock and taxable bond holdings, insurance, and assets of small businesses. For many years our tax system has encouraged consumption by penalizing savings. This bill will sharply increase the reward for saving, and will, for the first time in years, allow many of our citizens to have a real return after taxes and inflation on their savings. Many Americans have attempted to set aside sufficient funds for the purchase of a home, payment of tuition or medical expenses, a secure retirement, as well as many other goals, only to be robbed of their hard work by taxes and inflation. This bill would enable Americans to reap the fruits of their hard work.

Much of the inflation we have faced today is a result of attempting to fund investment and economic growth through money creation by the Federal Reserve. This bill, by adding to the supply of saving, facilitates far more investment in plant and equipment out of savings and therefore would reduce inflation. We have declared full employment and no inflation as national goals. These goals can be achieved through economic growth—greater investment in plant and equipment, the modernization of thousands more factories, and the creation of hundreds of thousands of additional jobs each year all can be accomplished as this bill creates the incentives to reallocate savings into projects of the greatest value in terms of economic growth.

The United States has long had the lowest rate of saving and investment in the Western World. As a consequence, every other major Western nation has a better employment record, and a faster rate of growth of real wages and fringe benefits than the United States. The U.S. after-tax rate of saving hovers around 5 percent while Canada has a saving rate of 9.8 percent, West Germany 14 percent and Japan over 21 percent. It should not be surprising to note that these nations actively encourage saving. For example, Canada permits tax exempt deposits in special savings accounts. Germany subsidizes interest rates in a similar program. Japan, as part of its new budget package to promote more rapid growth, will allow a tax deduction for stock purchase of up to $5,000. The nationwide benefits from such programs appear to be high. There is no reason why the United States should not enjoy the same gains.

Last year, before the Joint Economic Committee, a panel of experts on growth and capital formation focused on the bias our tax code has against savings. Income is taxed when earned. If it is saved, the service (interest or dividend) is taxed a second time at higher tax rates. The experts recommended removing saving from taxable income as the best way to return the tax code to neutrality between consumption and saving. Taxes would remain on the earnings of saving, but we would no longer be double-taxing both savings and its earnings. This bill is a major step in that direction.

We all recognize the difficulty lower income taxpayers have by saving. This bill recognizes that by providing a progressive tax credit rather than an exemption or deduction. Lower income taxpayers would receive a credit on all eligible savings. While middle and upper bracket taxpayers, who have historically saved higher percentages of their incomes, would receive a credit only on eligible savings done in excess of the normal percent of income saved by people in their income bracket. By establishing this credit on the marginal savings, we sharply reduce the cost of the bill, while encouraging additional savings.

The savings credit will result in a shifting of saving from the current ineffective but tax-sheltered projects to a straightforward saving in basic U.S. industry, small business and homebuilding. A 50-percent credit restores the attractiveness of straightforward saving by doubling the reward to such taxable investment and saving for any given interest rate or dividend. Thus, this credit will produce a reallocation of saving into projects of the greatest value in terms of economic growth and modernization of American plant and equipment.

An increase in saving is essential to capital formation and would achieve the orderly and sustained growth of the economy we all seek. Removing tax disincentives to employment and investment is an essential precondition for meeting the Nation's social and environmental goals. This savings proposal will spur the Congress to get right to the heart of our economic problems. It will provide the key to full employment, rising living standards, and produce a substantial increase in the U.S. growth rate for years to come.

I ask unanimous consent that my bill, a technical explanation, and a Wall Street Journal article which documents the poor performance of the United States in saving and growth be printed in the RECORD.

There being no objection, the bill and the material were ordered to be printed in the RECORD, as follows:

S. 18

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44B the following new section:

"SEC. 44C. ELIGIBLE NET SAVINGS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the excess of—

"(1) the eligible net savings of the taxpayer for the taxpayer year, over

"(2) the threshold saving amount of the taxpayer for such year.

"(b) THRESHOLD SAVING AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term 'threshold saving amount' means an amount equal to the modified adjusted gross income of the taxpayer for the taxable year multiplied by

the applicable percentage determined in accordance with the following table:

"If the modified adjusted gross income is:	The applicable percentage is
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

"(2) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income minus the deductions allowed by section 151 (relating to personal exemptions).

"(c) ELIGIBLE NET SAVINGS.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible net savings' means the excess at the close of the taxable year of net savings over ineligible debt.

"(2) INELIGIBLE DEBT.—For purposes of paragraph (1), the term 'ineligible debt means the sum at the close of the taxable year of net increases in debt of the taxpayer other than debt for—

"(A) the purchase or repair of real property,

"(B) the repair of property, and the purchase of insurance, securing any debt of the taxpayer, or

"(C) the payment of medical and tuition expenses of the taxpayer, his spouse, or any dependent of the taxpayer.

"(d) NET SAVINGS.—For purposes of this section, the term 'net savings' means the sum of items described in paragraphs (1), (2), (3), (4), and (5).

"(1) SAVINGS IN CERTAIN BUSINESS.—The taxpayer's share of the change in the book value of a farm or nonfarm proprietorship, partnership, or closely held corporation, plus new money invested in such businesses, plus purchases of new businesses less sales, plus changes in loans to such businesses in the taxable year.

"(2) SAVING IN LIQUID ASSETS.—

"(A) SAVING IN CHECKING ACCOUNTS.—The change in the balances in the taxpayer's personal checking accounts between the end of the preceding taxable year and the end of the taxable year.

"(B) SAVING IN SAVINGS ACCOUNTS.—The change in the balances in the taxpayer's savings accounts at savings and loan institutions, mutual savings banks, credit unions, and commercial banks between the end of the preceding taxable year and the end of the taxable year.

"(C) SAVING IN U.S. SAVINGS BONDS.—The purchases of nonmarketable bonds issued by the United States minus redemptions in the taxable year.

"(3) SAVING IN CERTAIN INVESTMENT ASSETS.—

"(A) SAVING IN PUBLICLY TRADED STOCK.—Purchases of common and preferred stock in domestic corporations (other than closely held corporations), shares in mutual funds and other investment companies, and shares in investment clubs, plus increases in credit balances at security dealers, less sales of such stock and shares, less increases in debit balances at security dealers, less increases in loans secured by such stocks either newly purchased or formerly held, in the taxable year.

"(B) SAVING IN CERTAIN MARKETABLE SECURITIES.—The saving in marketable securities, consisting of—

"(A) the net of amounts loaned less the principal payments received during the year on loans secured by marketable securities,

"(B) the net of purchases of, plus improvements in, less sales of, and less changes during the year in debt secured by, marketable securities owned by the taxpayer, other than owned homes and real estate connected with a business or profession. Included are houses owned for investment purposes, properties put to commercial use, structures used for industrial purposes, and undeveloped land held for investment or building purposes.

"(5) SAVING IN COMPANY SAVINGS PLANS, RETIREMENT PLANS, AND LIFE INSURANCE.—The saving in company savings plans, retirement, and life insurance, consisting of—

"(A) the net of contributions by members of the consumer unit to savings plans sponsored by companies for which they worked, less lump sum withdrawals;

"(B) the net of the taxpayer's contributions to retirement plans less lump sum withdrawals from such plans, not including social security contributions; and

"(C) premium payments on, less borrowing against, whole life or term life insurance.

An amount shall not be taken into account under this subsection for the taxable year if a deduction for such amount is allowed under this chapter for such year.

"(e) INCREASE IN TAX WHERE ELIGIBLE NET SAVING IS LESS THAN ZERO.—

"(1) IN GENERAL.—If for any taxable year the eligible net saving of the taxpayer is less than zero, the tax imposed by this chapter for the taxable year shall be increased by an amount equal to the lesser of—

"(A) an amount equal to 50 percent of the excess of—

"(i) zero, over

"(ii) the eligible net savings of the taxpayer for such year,

"(B) an amount equal to the amount of the credit allowed by subsection (a) for the period of 5 taxable years preceding the taxable year.

"(2) EXCEPTIONS.—

"(A) INDIVIDUALS WHO ATTAIN AGE 65.—

"(i) IN GENERAL.—Paragraph (1) shall not apply to any individual who has attained age 65 before the close of the taxable year and who makes an irrevocable election, at such time and in such manner as the Secretary may by regulations prescribe, not to seek the benefits of this section for all subsequent taxable years.

"(ii) SATISFACTION OF AGE REQUIREMENT BY ONE SPOUSE.—In the case of a husband and wife who file a joint return under section 6013 for the taxable year, if—

"(I) one spouse satisfies the age requirement of subparagraph (A), and

"(II) both spouses make the election under such subparagraph,

both spouses shall be treated as satisfying such age requirement.

"(B) NO DOUBLE RECOVERY OF CREDIT.—For purposes of applying subparagraph (B) of paragraph (1) for the taxable year (hereinafter in this subparagraph referred to as the 'computation year'), if—

"(i) there was an increase in tax under paragraph (1) for any taxable year preceding the computation year (hereinafter in this subparagraph referred to as a 'prior computation year'), and

"(ii) any taxable year in the 5-year period described in such subparagraph (hereinafter in this subparagraph referred to as a 'base period year') is taken into account under paragraph (1) both with respect to the computation year and a prior computation year,

then the amount taken into account under such subparagraph (B) for the computation year shall be reduced by the increase in tax for the prior computation year to the extent that such increase exceeds the credit allowed by subsection (a) for base period years described in clause (ii).

"(f) SPECIAL RULES.—For purposes of this section—

"(1) INFLATION ADJUSTMENT FOR MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—Not later than December 1 of each calendar year, the Secretary shall prescribe a table which shall apply in lieu of the table contained in subsection (b)(1) with respect to taxable years beginning in the succeeding calendar year.

"(B) METHOD OF PRESCRIBING TABLE.—The table prescribed under subparagraph (A) with respect to subsection (b)(1) for taxable years beginning in a calendar year shall be the same as the table contained in such subsection except the amounts of modified adjusted gross income (as in effect for the immediately preceding calendar year) shall be increased by an amount equal to the product of each such amount of modified adjusted gross income and the price index percentage for such preceding year.

"(C) DETERMINATION OF PRICE INDEX PERCENTAGE.—

"(i) PRICE INDEX PERCENTAGE DEFINED.—For purposes of this paragraph, the term 'price index percentage' means, with respect to any calendar year, the percentage (if any) by which—

"(I) the price index for such year exceeds

"(II) the price index for the immediately preceding calendar year.

"(ii) PRICE INDEX DEFINED.—For purposes of this paragraph, the term 'price index' means, with respect to any calendar year, the average of the monthly Consumer Price Indexes for All Urban Consumers published by the Bureau of Labor Statistics for the 1-year period ending on September 30 of such year.

"(2) APPLICATION WITH OTHER CREDITS.—The credits allowed by subsection (a) for the taxable year shall not exceed the amount of tax imposed by this chapter for such year, reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43."

(b)(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44B the following new item:

"Sec. 44C. Eligible net savings."

(2) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, and 43."

(3) Subsection (b) of section 6096 (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44B" and inserting in lieu thereof "44B, and 44C".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1978.

DESCRIPTION OF SAVINGS ACT OF 1979

The first part of the bill creates a nonrefundable credit against the personal income tax equal to 50 percent of Eligible Net Saving (defined below), insofar as the saving exceeds certain required levels.

The required levels, called Threshold Saving Amounts, are based on the taxpayer's adjusted gross income less personal exemptions. The thresholds (see Table) rise with income to reflect the fact that as a family's income rises, its saving, as a percent of its income, also rises. Only saving in excess of the threshold level is eligible for the credit.

Adjusted gross income less exemptions:	Percent of income less exemptions which saving must exceed to qualify
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

Thus, a family earning $9,000 which saves $500 in eligible assets receives a 50 percent tax credit on the full amount. A family earning $18,000 would be expected to save 3 percent, or $540, before being eligible for the credit. If it saved $1,000, it would receive a credit on the $460 in excess of the required $540. A family earning $36,000 would be expected to save 5 percent, or $1,800, before being eligible for the credit. If it saved $3,000, it would receive a credit on the excess $1,200.

The bill then defines Eligible Net Savings as the sum of Net Saving less Ineligible Debt.

Net Saving is:

(1) Saving in Certain Business—

The taxpayer's share in the increase in book value (largely cash increases, inventory increases, investment in additional equipment and structures) of small businesses such as partnerships, proprietorships, and closely held corporations, plus purchases of and loans made to small business. These amounts are readily available, since they are already calculated for tax purposes;

(2) Saving in Liquid Assets—

Saving in checking accounts, savings accounts, and savings bonds. Amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions at the end of the year would be compared to the amounts on deposit at the end of the previous year. The net increase would be part of Eligible Net Saving, as would savings bond purchases less redemptions;

(3) Saving in Certain Investments Assets—

Stock purchases minus sales, and purchases of taxable bonds (Federal or private sector) minus sales are eligible. These records are already kept for tax purposes;

(4) Savings in Mortgage Assets and Investment Real Estate—

Investment in mortgages or real estate, plus improvements, less loans repaid or property sold; and

(5) Saving in Company Savings Plans, Retirement Plans, and Life Insurance—

Payments into plans or on premiums, less withdrawals from or borrowing against such plans or policies.

Ineligible Debt must be subtracted from Net Saving. Not only is debt a form of "negative" saving, but this provision prevents borrowing on existing assets to make deposits solely to get the tax credit. Ineligible Debt is debt acquired in the tax year other than for the purchase or repair of a home or other property or the payment of medical or tuition expenses of the taxpayer or dependents.

Another safeguard is a recapture provision for credits on savings not left in some form of eligible assets for five years. This provision would not apply to withdrawal from savings for retirement income.

The income levels attached to each threshold percent would be indexed to prevent inflation from making the credit harder to receive over time.

[From the Wall Street Journal, May 17, 1978]

AMERICANS SAVE FAR LESS OF THEIR EARNINGS THAN CITIZENS ELSEWHERE, AND THE GAP GROWS

(Alfred L. Malabre, Jr.)

Americans are saving far less of their money than citizens in other industrial countries.

At a time of growing uneasiness over the U.S. economic outlook, the disparity has received few headlines. Yet it is enormous, and it has grown over the years. Many economists find the pattern deeply disturbing.

A willingness to save, of course, is fundamental to economic growth. Paul A. Samuelson, the Nobel-laureate economist at Massachusetts Institute of Technology, has observed that "to the extent that people are willing to save—to abstain from present consumption and wait for future consumption—to that extent society can devote resources to new capital formation."

DIVERSE TRENDS

American willingness to save is low, as the accompanying chart shows, and it has been diminishing. Meanwhile, saving rates abroad have risen. The following table traces these diverse trends over the last decade. In the six major industrial countries, it pinpoints consumer savings, as a percentage of consumer disposable or after-tax income.

RATE OF SAVING

It is impossible to know whether the propensity to save will continue to decline in America, or keep expanding abroad. Inevitably, much will depend on the extent to which governmental polices tend to encourage or discourage savings. And who can foresee with precision the economic plans that political leaders may be hatching?

Whatever does develop, the present disparity is significant on a number of counts. It suggests a greater *potential* for economic growth aboard than in America. "If people don't save, there can't be sufficient investments, and eventually economic growth suffers," says Martin S. Feldstein, president of the National Bureau of Economic Research, a nonprofit business-analysis organization based in New York.

Noting the remarkable rise of savings in Canada, Robert Baguley, an economist at Royal Bank of Canada in Montreal, declares: Canadians possess the capability to decrease their spending sharply." No such cushion exists in the U.S., says Paul Wachtel, an economics professor at New York University. "There is a strong argument that Americans should be saving more."

To many analysts, the relatively low rate of saving in America suggests that the U.S. economy is particularly susceptible, in the event of brisk expansion in coming months, to interest-rate increases. By the same token, these analysts maintain that interest rates are likely to rise relatively little in countries where a large portion of income is being plowed into savings. Sharply climbing interest rates, of course, act to inhibit economic activity inasmuch as they discourage borrowing for business expansion projects, homebuilding and other endeavors.

Economic growth in America has indeed tended to lag during the last decade. This is apparent, for instance, in data showing industrial production, an economic indicator expressed in physical terms and therefore not distorted by rising prices. Since 1967, industrial production in the U.S. has risen slightly over 40%. Among the major countries, only Britain shows a smaller gain. The comparable increase in Japan is 97%. West Germany, France and Canada also show far larger gains than the U.S.

By no coincidence, capital spending in the U.S. is relatively small in terms of overall economic activity. Last year, according to a U.S. Commerce Department analysis, capital investment amounted to 17% of America's gross national product. This was a lower percentage than for any other major nation. The report shows the latest comparable rates to be 30% in Japan, 23% in France and Canada, 21% in West Germany and 19% in Britain.

International comparisons of economic data, to be sure, involve a particularly high degree of risk. It is easy to find oneself comparing oranges and apples. Different countries compile statistics in different ways. Definitions vary from country to country. Statistics involving savings are no exception.

ORANGES AND APPLES

"These are somewhat messy statistics that should not be taken as precisely accurate," warns Gerard Villa, consulting economist of Banque Bruxelles Lambert in Brussels. He notes, for example, that in much of Western Europe "spending by self-employed small businessmen on their own businesses is counted as a part of personal savings." This would not normally be so in the U.S., he adds.

Such distinctions, however, are hardly sufficient to explain the large lag in savings in America. "This is not simply a case of comparing oranges and apples," declares Edward F. Denison, an economist at the Brookings Institution, a nonprofit business-research group based in Washington. "People really do save much higher percentages of their incomes abroad than in the U.S."

There is no single explanation for this U.S. tendency to spend or the propensity elsewhere to save. Various factors appear to be at work.

Mr. Feldstein, who also teaches economics at Harvard University, maintains that Americans have relatively extensive insurance against old age through such programs as Social Security. He finds the U.S. coverage "substantially greater" than, for example, in Japan. Not surprisingly, he says, the typical Japanese worker feels obligated to set aside a relatively large fraction of pay for the retirement years.

BIG BONUSES

Mr. Denison notes that workers in some countries derive a considerable percentage of their yearly pay through annual or semi-annual bonuses. In Japan, he says, bonus money recently has approximately one-quarter of annual earnings. No precise figures are available, but he estimates that the comparable U.S. rate is "far lower." Bonus money, he explains, is likelier to be put into savings than regular pay.

The sharp rise of saving in Canada apparently reflects in part governmental efforts to induce thrift. Mr. Baguley of Royal Bank of Canada mentions, for example, the advent of government-sponsored plans, set up within the last decade, that provide tax breaks on various forms of saving. One plan encourages saving for retirement and another saving for home-buying.

Tax considerations are cited by many analysts. U.S. taxation of capital gains, for instance, is deemed relatively heavy. And this, many observers claim, acts to discourage key forms of saving in America. Mr. Villa maintains that the absence of a Belgian capital-gains tax on individual savings is a major reason that his country's saving rate is up around 18%. Countries that either exempt such gains from taxation or levy less of a tax than Uncle Sam also include Australia, West Germany, Italy, Japan, the Netherlands, Britain, Sweden, France and Canada.

Proposals have recently been in the Congress to trim capital-gains taxation in the U.S. However, the Carter administration makes clear that it opposes such measures. The dispute has caused a delay in congressional consideration of President Carter's entire tax "reform" package.

Demographic factors may also work to hold the U.S. saving rate below levels elsewhere. Over the next decade, forecasters project an increase of only 470,000 among Americans aged 45 to 64, a group that tends to save a relatively high percentage of income. In the period, a 6.4 million increase is foreseen among Americans aged 25 to 44, years when only a small portion of income typically is saved. Generally, these demographic patterns are more pronounced in the U.S. than in other industrial countries.

By Mr. MATSUNAGA:

S. 20. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Human Resources.

POET LAUREATE OF THE UNITED STATES

Mr. MATSUNAGA. Mr. President, I am introducing today a bill which would amend the National Foundation on the Arts and the Humanities Act of 1965 to establish the office of Poet Laureate of the United States.

The proposed Poet Laureate would be appointed by the President from among poets whose work reflects the qualities and attributes associated with the historical heritage, achievements and future potential of the United States. He or she would serve for a term of 5 years and would be compensated at a rate set by the President. I envision the office as being largely honorary with, perhaps, nominal compensation.

The United States is one of the few great nations in the world which has failed to give official recognition to its great poets. England, from which we inherited most of our cherished democratic traditions, officially created the position of poet laureate in the 17th century. However, the "unofficial" origin of the honorary position dates back to the reign of King Henry III in the 13th century. Japan and China also gave official recognition to their greatest poets long ago. In our own country, poets such as Carl Sandburg, Robert Frost, Walt Whitman, Henry Wadsworth Longfellow, Archibald MacLeish, Robert Penn Warren, Phyllis McGinley, and James Dickey have captured the American spirit in a unique and timeless way. Such contributions to our national heritage should be encouraged and stimulated. By creating the post of Poet Laureate, we would give the many young and relatively unknown American poets of today something to which they could aspire. We would be telling them that we value their contributions as much as those of the other builders of our Nation—engineers, scientists, explorers, statesmen, tradesmen, and others.

Mr. President, I hope that my bill will be given early, favorable consideration by Congress, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new section:

"POET LAUREATE OF THE UNITED STATES

"SEC. 15. (a) There is established the office of Poet Laureate of the United States. The Poet Laureate shall perform such duties as the President shall prescribe, but the duties so prescribed shall not impair the continuation of the creative work of the individual chosen to be Poet Laureate.

"(b) The Poet Laureate of the United States shall be appointed by the President after consideration of the recommendations of the National Council on the Arts from among poets whose works reflect the qualities and attributes associated with the historical heritage, present achievement, and future potential of the United States. The Poet Laureate shall be appointed for a term of five years, and shall receive compensation at a rate to be set by the President."

By Mr. WEICKER:

S. 21. A bill to terminate public financing of Presidential campaigns; to the Committee on Finance.

Mr. WEICKER. Mr. President, I am reintroducing today legislation that would repeal those sections of the law which created the tax check-off system and the public financing of Presidential campaigns.

From the start, I have believed that public financing was a mistake. This proposal reflects my long-held belief that public financing of Presidential campaigns, rather than being a reform, is a dangerous step toward control by the Federal Government of the elective process.

With the best of intentions, the Congress enacted campaign reform legislation calling for direct Federal subsidies to Presidential candidates. However, that accommodates rather than eliminates the problem. The problem is long time translating into big money. Public financing only pays the blackmail imposed by that sin.

Matching funds have kept floundering Presidential campaigns afloat beyond their time. They have allowed one issue candidates and those with only a marginal chance of success to overspend their budgets, knowing that Uncle Sam would pick up the tab. Mr. President, allowing the Federal Government to bankroll everybody who wants to be President is a subsidy that can only sap the vitality of a free society whose excellence depends on the survival of the fittest ideas.

One measure of a candidate is his or her ability to generate contributions for public office, Candidates should sell their ideas to win, not just be a warm body and rely on the Federal dole. Worse, public financing gives Congress control of the campaign war chests of Presidential challengers. The Campaign Reform Act was drafted in 1974, with the Congress and White House controlled by different parties. Under these circumstances, each candidate of a major political party would receive $20 million in a general election, plus compensation for inflation. When the Nation elects a President with a large majority of his own party in the Congress, who can say that the formula for allocating funds will always remain the same? And what about enforcement? Once we handed the Congress the political purse-strings, the people no longer have the final say. Instead, politicians are monitoring politicians. Not a healthy situation.

Mr. President, the dangers of public financing were recognized by the majority of the Watergate Committee when they opposed enactment of that decision. In a brief filed by the appellants in the Supreme Court in Buckley against Valeo these dangers were clearly described:

> Grave dangers to the future of democratic government result from direct payments to parties and candidates. Democracy depends largely on free political competition and the freedom to form, join or leave political organizations. Once a party becomes officially sponsored by the government or government begins to determine the allocation of political resources, that freedom is endangered.

The experience to date with the tax check-off to finance Presidential campaign funds indicates little interest and enthusiasm among the people. Only 26 percent of the taxpayers chose to direct the $1 of their taxes owed for 1976 to the campaign fund. For the taxable year 1977, approximately 27.5 percent of the taxpayers exercised this option thus far, and remember Mr. President, the only deterrent to this clever program is the wasted effort by the stroke of a pen.

With almost three-fourths of the American people saying no to check-offs, it is time the Congress reexamined the policy of paying checks out to Presidential candidates.

I understand there are those who would want to extend the Federal financing principle to senatorial and congressional campaigns. How long will it be before nondesignated general funds are used?

I confess, with today's myriad of unresolved needs, I find financing political campaigns rather far down on my priority list. If we have become so devoid of initiative, ideas and courage that the American people are walking away from today's politicians, then it is time to get out rather than monetarily assure a continued presence.

Mr. President, it was a sad day indeed when this body decided to let the Government support the candidates rather than the people. It is now time to end public financing, and let the people, not the Government, carry the campaign.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 21

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

(b)(1) Part VIII of subchapter A of chapter 61 of such Code (relating to designation of income tax payments to Presidential Election Campaign Funds is repealed.

(2) The table of parts for such subchapter is amended by striking out the item relating to part VIII.

(c)(1) The repeal made by subsection (a) takes effect on January 1, 1979, except that such repeal shall not affect the authority of the Federal Election Commission or of the Secretary of the Treasury to require repayments from candidates under section 9007 (b) or 9038(b) of the Internal Revenue Code of 1954 (both relating to repayments).

(2) The repeal and amendment made by subsection (b) apply to taxable years beginning after December 31, 1978.

(d) Amounts remaining in the Presidential Election Campaign Fund established under section 9006(a) of the Internal Revenue Code of 1954 at the close of business on December 31, 1979, shall be covered into the general fund of the Treasury as receipts from the tax imposed by chapter 1 of such Code.

By Mr. CHURCH:

S. 23. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

PLANT VARIETY PROTECTION ACT

Mr. CHURCH. Mr. President, I am introducing legislation to amend the Plant Variety Protection Act of 1970. These are important amendments which will strengthen the ability of our agricultural sector to develop new and unique varieties of edible plants.

The Plant Variety Protection Act authorized the establishment of a Plant Variety Protection Office in the Department of Agriculture. The purpose of this office was to issue certificates of plant variety protection to assure developers of novel plant varieties the exclusive rights to sell, reproduce, import or export such varieties or use them in the production of hybrids for a period of 17 years.

Based on experience with this act, the USDA submitted proposed legislation to the Congress on October 10, 1978, These amendments, 21 in all, would further clarify wording and adjust the act to better fit the experience gained. The major substantive change accomplished by these amendments is the deletion of section 144. Deletion of this section will allow protection to be given to breeders and developers of six vegetable crops. Okra, celery, peppers, tomatoes, carrots, and cucumbers were not given protection by the 1970 act. Adoption of these amendments will extend the act's protection to these vegetable varieties. Because these amendments were received from the USDA so late in the session, they were not introduced last year.

By refining the terminology of the act, these amendments will make the act more easily understood by its users and is not expected to have any significant regulatory impact.

These amendments are endorsed by the Department of Agriculture and are supported by the American Seed Trade Association and many plant seed research and development activities across the country. A companion bill is being introduced in the House by the Honorable E "KIKA" DE LA GARZA.

Enactment of these amendments will enable the Plant Variety Protection Act to more efficiently function and will extend its protection to vegetable crops deserving of similar protection.

Mr. President, a fine example of the beneficial effect of the Plant Variety Protection Act can be found in the development of the sugar snap pea. This pea is an entirely new vegetable developed by Dr. Calvin Lamborn of the Gallatin Valley Seed Co. in Twin Falls, Idaho. The incentive to proceed with the breeding of this unique new pea was provided by the 1970 act. Similar examples abound across our land.

Part of our heritage of a productive agricultural base has been our ability to develop new and better varieties of seeds. The Plant Variety Protection Act has been an important instrument in renewing efforts in that direction. The amendments I offer today will further strengthen and insure the development of many new varieties of edible plants for our expanding population.

Mr. President, I ask unanimous consent that the text of the Plant Variety Protection Act amendments be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 23

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (7 U.S.C. 2321) of the Plant Variety Protection Act is amended by striking the words "a bureau" and inserting in lieu thereof the words "an office".

SEC. 2. Section 5 (7 U.S.C. 2325) of such Act is hereby repealed.

SEC. 3. Section 8 (7 U.S.C. 2328) of such Act is amended by striking the word "officers" and inserting in lieu thereof the word "examiners".

SEC. 4. Section 9 (7 U.S.C. 2329) of such Act is amended by striking the words "published specifications" and inserting in lieu thereof the word "descriptions" and by striking "and a file of such other scientific and technical information as may be necessary or practicable".

SEC. 5. Section 10(a)(1) (7 U.S.C. 2330(a)(1)) of such Act is amended by striking the words "specifications for plant variety protection" and inserting in lieu thereof the words "descriptions of plant varieties protected".

SEC. 6. Section 10(b) (7 U.S.C. 2330(b)) of such Act is hereby repealed.

SEC. 7. Section 10(c) (7 U.S.C. 2330(c)) of such Act is redesignated as 10(b) and is amended by striking the words "the useful arts" and inserting in lieu thereof the words "plant breeding".

SEC. 8. Section 10(d) (7 U.S.C. 2330(d)) of such Act is redesignated as 10(c) and is amended by striking from the second sentence each time it appears the word "specifications" and inserting in lieu thereof the word "descriptions".

SEC. 9. Section 11 (7 U.S.C. 2331) of such Act is amended by striking the word "specifications" and inserting in lieu thereof the word "descriptions".

SEC. 10. Section 31 (7 U.S.C. 2371) of such Act is amended by striking all after the first sentence and inserting the following:

"Such fees shall be deposited into the Treasury as miscellaneous receipts. There are hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this Act."

SEC. 11. Section 52(3) (7 U.S.C. 2422(3)) of such Act is amended by striking the last sentence.

SEC. 12. Section 56 (7 U.S.C. 2426) of such Act is amended by changing the period at the end of the second sentence to a comma and adding the following:

"the name of the applicant, and whether the applicant specified that the variety is to be sold by variety name only as a class of certified seed."

SEC. 13. Section 57 (7 U.S.C. 2427) of such Act is amended by inserting after the phrase "for the publication of" the words "information regarding".

SEC. 14. Section 63(b) (7 U.S.C. 2463) of such Act is amended by deleting the term "seventeen years" in the first sentence and inserting in lieu thereof "eighteen years".

SEC. 15. Section 84 (7 U.S.C. 2484) of such Act is amended to read as follows:

"SEC. 84. Correction of Plant Variety Protection Office Mistake.

"Whenever a mistake in a certification of plant variety protection incurred through the fault of the Plant Variety Protection Office is clearly disclosed by the records of the Office, the Secretary may issue a corrected certificate of plant variety protection, stating the fact and nature of such mistake, without charge. Such certificate of plant variety protection shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form."

SEC. 16. Section 85 (7 U.S.C. 2485) of such Act is amended by deleting "certificate of" from the heading, by inserting before the word "certificate" the second time it appears therein the word "corrected" and by striking the words "of correction in the manner and with attachment of copies as in section 84."

SEC. 17. Section 91(b) (7 U.S.C. 2501(b)) of such Act is amended by striking the word "specification" in the second sentence and inserting in lieu thereof the word "description".

SEC. 18. Section 93(a) (7 U.S.C. 2503(a)) of such Act is amended by striking the word "specification" and inserting in lieu thereof the word "description".

SEC. 19. Section 127 (7 U.S.C. 2567) of such Act is amended by striking the phrase "the words 'Propagation Prohibited'" and inserting in lieu thereof the phrase "either the words 'Unauthorized Seed Multiplication Prohibited' or the words 'Unauthorized Propagation Prohibited'".

SEC. 20. Section 128(a)(3) (7 U.S.C. 2568(a)(3)) of such Act is amended by adding the word "either" followed the words "propagation prohibited" and inserting in lieu thereof the words "'Unauthorized Seed Multiplication Prohibited' or 'Unauthorized Propagation Prohibited'" and by striking the words "a statement of this basis being promptly filed with the Secretary if the phrase is used beyond testing and no application has been filed."

SEC. 21. Section 144 of such Act is deleted.

By Mr. CHURCH:

S. 24. A bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements; to the Committee on Finance.

Mr. CHURCH. Mr. President, today I have again introduced legislation to repeal restrictions on the sale of .22 caliber ammunition which are part of the 1968 Gun Control Act.

Over the years, the Treasury Department has consistenty supported my legislation. This position is especially notable given the Department's failed attempt at backdoor Federal gun control last year. At least in the instance of .22 caliber ammunition, the gun controllers at Treasury are taking a sensible stand.

A short review of the history of this matter explains the obvious appeal of my legislation. The unfortunate 1968 Gun Control Act—which I strongly opposed—contained certain recordkeeping requirements for firearms and ammunition. Almost immediately thereafter, in 1969, Congress enacted an amendment repealing these ill-advised requirements for sporting rifles and shotguns and ammunition for them.

In adopting that amendment, Congress sustained my belief that these reporting requirements created a useless and unnecessary burden on the Treasury Department itself, on firearms dealers,

and on the Nation's sportsmen. Unfortunately such requirements still remain for .22 ammunition as it may be used for sporting rifles. My legislation simply adds .22 caliber ammunition to the older repeal provision.

I have always felt that it is an important responsibility of the Congress to eliminate unnecessary provisions of the law. In this case—and in these times—it is the Senate's best effort to repeal restrictions which are regarded by all concerned as wasteful and intrusive Government nitpicking and burdensome and meaningless paperwork.

From another perspective, these recordkeeping requirements are worse than worthless because they actually detract from a legitimate Government objective—the fight against crime. Treasury Department officials have testified that they know of no instance "where any of the recordkeeping provisions relating to sporting-type ammunition—including .22 caliber rimfire ammunition—has been helpful in law enforcement." The Justice Department confirmed that:

> There is not a single known instance, as we have learned from our discussions with IRS, with the firearms people there, not a single known instance where any of this record keeping has led to a successful investigation and prosecution of a crime.

It is clear that the restrictions on .22 ammunition which have remained in the law are just as much ill-conceived hindrances to the fight against crime as the restrictions which were repealed in 1969. As the Treasury Department gun controllers have testified in their own self-interest:

> The record keeping requirements have become so burdensome that they tend to detract from the enforcement of the firearms laws.

Just what does this recordkeeping involve? Under the 1968 Gun Control Act, it is unlawful for a federally licensed dealer to sell or deliver ammunition without making a record showing the name, age, and residence of the purchaser. In addition, all dealers are required to maintain such records of importation, production, shipment, receipt, sale, or other disposition of ammunition as may be provided by regulations. These regulations have required licensees to record: The date of transaction; the name of the manufacturer; the caliber, gage or type of component; the quantity of ammunition transferred; the name, address, and date of birth of the purchaser; and finally, the method used by the licensee to establish the identity of the purchaser.

On their face, these restrictions on .22 ammunition are useless, and more, a deterrent to the fight against crime by the waste of effort their enforcement entails. With the outcry against needless statutes and bureaucracy, repeal of these restrictions would end a senseless harassment, involving the most popular type of sporting ammunition in the United States. I urge the Senate to support my legislation and ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 24

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4182(c) of the Internal Revenue Code of 1954 (relating to records) is amended by inserting ".22 caliber rimfire ammunition," after "rifles generally available in commerce,".

By Mr. BAYH (for himself, Mr. KENNEDY, Mr. GLENN, Mr. DOLE, and Mr. PERCY):

S. 25. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

Mr. BAYH. Mr. President, I rise on this most historic occasion to submit a bill to the Senate which will establish January 15, the birthday of Dr. Martin Luther King, Jr., as a national holiday.

It is only fitting that such legislation be introduced in the Senate and the House of Representatives on Dr. King's 50th birthday. And it is only proper that this distinguished body act expeditiously in adopting it. Making Dr. King's birthday a national holiday seems to me to be the very least we can do to show our great debt of gratitude for the lesson he taught all Americans willing to listen and learn.

He taught us that our democratic principles were seriously impaired if they did not apply to all Americans. He reminded us that the values of freedom, equality and liberty could not justly be denied to any group of Americans, lest we all lose a degree of the same values. He reminded us of our history; of George Washington, Thomas Jefferson Abraham Lincoln, Harriet Tubman, Sojourner Truth, Frederick Douglas, Franklin Roosevelt, Harry Truman, John F. Kennedy, Lyndon B. Johnson, and of the sacrifices they made to liberty and freedom.

From the darkness of a Birmingham jail, he taught us that laws and justice were sometimes at odds and did not always complement each other. Further, he always accepted, with pride, dignity, and courage, the consequences of his acts. It came as something of a revelation to many good intentioned Americans when Dr. King demonstrated that justice is a creation of God while laws are manmade, and the latter being subject to the errors of man are inferior to justice. As a result of his work many laws were drastically changed so that justice might prevail. One only need look in the lunch counters, neighborhoods, and schools in previously segregated sections of the country for evidence of this man's work.

Dr. King further taught us that the teachings of Christ were still the most effective methods by which to confront one's adversaries. He employed the Christian ethic of love thy neighbor and turn the other cheek as a means to attain his ends. Utilizing the Ghandian tactic of nonviolence, Dr. King boldly and bravely confronted his enemies and calmly convinced them of the errors in their ways. He taught us that violence and hatred appeal to the baser nature of man and that patience and understanding will ultimately triumph in the eternal struggle between good and evil.

He touched the conscience of all Americans in a way that was painful but not damaging. He demonstrated that in an era of hatred, violence, and bloodshed, love can prevail. He made us understand that if we contend to be a civilized society that we had better begin to treat our neighbors in a civilized manner. This is a lesson that can well be applied nationally as well as internationally. And for teaching us that nonviolence is the superior form of negotiation, he truly does deserve the title of prophet of nonviolence.

And finally he taught us that our dream of an ideal America can be a reality if only we work at making it so. As he stood at the Lincoln Memorial on August 28, 1963, and shared his vision with America, he touched this country in a way it had never been touched in its entire history. He shared with us his dream of black children, whites and all children, holding hands as they walked on the red clay of Georgia, oblivious to racial distinctions and prejudice. He prophesied that the day would come when all God's children would be free and equal. It is because of his vision and his work that we are much closer to a purely just and equal society. And it is because he shared his dreams with us and then went out and tried to make those dreams a reality that I introduce this legislation which would simply be our humble way of saying thank you to one of the great men in American history. "Greater love hath no man than that he lay down his life for that of another." And so it was with Martin Luther King, Jr.

Mr. KENNEDY. Mr. President, I join in support of the legislation introduced by my colleague, Senator BAYH, to designate January 15, Dr. Martin Luther King's birthday, as a national holiday, and I pledge to do all I can as chairman of the Senate Judiciary Committee to insure that this legislation is brought before the full Senate at the earliest possible opportunity.

Citizens of the United States and persons throughout the world are deeply indebted to Dr. King for his worldwide leadership in the struggle for freedom, justice, and dignity for all peoples everywhere. It is entirely fitting, therefore, that today on this 50th anniversary of his birth, we should pledge to honor his life and his great works by declaring his birthday a national holiday.

Dr. King was perhaps the greatest apostle of change of our time. Through his example, millions drew hope that their dreams of a better life could be fulfilled. Above all, by his deep commitment to nonviolence, he demonstrated that peaceful change was possible in society, and that effective leadership could bring an end to even the greatest obstacles of oppression and discrimination. In honoring Dr. King, therefore, we honor the highest tradition of our Nation and our history.

Mr. President, this past Friday, January 12, 1979, I had the honor to visit Atlanta and to participate in the weeklong celebration sponsored by the Martin Luther King Center for Social Change, commemorating the 50th anniversary of the birth of Dr. King. I ask unanimous consent that the text of my address at

the Ebenezer Baptist Church may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS OF SENATOR EDWARD M. KENNEDY

It is a special honor for me to be here with you on this historic occasion and to stand in the pulpit of Ebenezer Baptist Church on the 50th Anniversary of the birth of Dr. Martin Luther King, Jr.

I am proud to participate in this program that pays tribute to one of the most gifted and extraordinary Americans this country has ever produced in its long and magnificent history.

I thank Congressman Walter Fauntroy of the District of Columbia for his introduction. Walter began alongside Dr. King. In keeping with the tradition of the movement, Walter has "never let nobody turn him around." And never was that inspiring quality more evident than in Walter's leadership last year in Washington, guiding the successful effort to persuade the Senate and the House of Representatives to enact the D.C. Voting Rights Amendment.

The honor of being here in Atlanta on this symbolic day is also heightened by my affection and respect for Daddy King, whose friendship, leadership and counsel have meant so much to me and so many others who share his goals.

I also pay special tribute to Coretta King and her children. Her continuing leadership and example have become one of the brightest beacons in the civil rights movement of our time, guiding all of us toward the better nation and world that she and Dr. King have seen so clearly.

In addition, I am proud of my role as a trustee of the Martin Luther King Center for Social Change, which holds such great promise for all who seek non-violent answers to the complex barriers facing human rights. The conclusion of the first three phases of this fine complex is an auspicious beginning. I pledge my full support for the completion and endowment of the Center, and I urge all Americans to join in completing "Freedom Hall," the final phase of the building program.

The spirit of Dr. King is here with us this afternoon. We honor the greatness of his leadership in the struggle to secure equal rights for all Americans. We honor the courage by which, against great odds and opposition, he moved this country to a nobler path of conscience and morality. And we also honor the strength of his commitment to these goals.

Those qualities—leadership, courage and commitment—have rarely, if ever, been combined in such high degree in any American in our history. Through those qualities, America has achieved enormous progress in recent years in human rights and civil rights, both at home and overseas. And through those qualities as well, countless others have been inspired to take up the cause of Dr. King and work to achieve his dream.

In one of his last speeches in Atlanta in 1968, in words that are now inscribed on the walls of Morehouse College, he spoke of his role:

"Yes, if you want to say that I was a drum major, say that I was a drum major for justice, say that I was a drum major for peace, say that I was a drum major for righteousness."

As a nation, we can pay no greater tribute to Dr. King than to carry on his work, so that his dream of freedom and justice will be fulfilled for the benefit not only of citizens in our own land, but in all other lands as well.

But there is a separate honor we can bestow on Dr. King that is both deserved and overdue. And those of us who serve in Congress are in a position to achieve it. When the new session of Congress opens on Monday, I pledge to do all I can, as Chairman of the Judiciary Committee in the Senate, to insure that legislation is enacted in this anniversary year, declaring that the birthday of Martin Luther King is a national holiday in every city, town and village of these United States.

Dr. King's roots were here, in the soil of Georgia, in the Ebenezer Baptist Church and in the hearts of his people in this state. But in a larger sense, his roots knew no boundary of section, creed, or color. He reached out to Americans everywhere and to peoples of all nations with his message of freedom, justice and dignity, and he led them to a better world.

He was America's first ambassador for human rights to those in other lands. He understood that the struggle for freedom anywhere is the struggle for freedom everywhere. And for his work, at the age of 35, he became the youngest person ever to win the Nobel Peace Prize.

As Americans, we are proud of the early leadership he provided to the worldwide movement for human rights, even as we take pride today in the leadership and momentum that President Carter has given to this cause.

In this country, Dr. King took his message to many different regions. I recall the personal bonds he established with the people of Massachusetts. As a young man, Dr. King came from Morehouse College in Georgia to Boston University in Massachusetts to complete his education and religious training. It was there, at the Twelfth Baptist Church in Roxbury, that he met Coretta Scott, the great partner who shared his life and dream and who carries on his work today. Twelfth Baptist is renowned for another reason too, as the site of a final stop on the underground railway that delivered so many brothers and sisters into freedom from the chains of slavery in the nineteenth century.

And I recall how Dr. King came back again to Boston in 1965, with his message of twentieth century freedom for all of those still bound by the chains of economic, social and political deprivation. He spoke to the Massachusetts Legislature. He inspired the leaders and the people of our Commonwealth with the power and the eloquence of his message.

He warned against inaction and delay. "The time is always right to do right," he said.

His message was clear. It could not be ignored. "Now is the time," he said, for action on voting rights and housing rights and so many other basic rights that had been denied to so many for so long.

In 1965, as in 1979, there were many who said that now was not the time. Although the cause was just, they said, there were other needs and other goals. The dream must be deferred, they said—deferred to a future day when progress might more easily be resumed.

But Dr. King rejected those counsels of delay. "Now is the time," he said. In 1963, in his famous "Letter From a Birmingham Jail" to the white clergymen who had urged delay, he wrote with great eloquence that delay was not acceptable, that the dream could no longer be deferred, that the movement must go on, that justice would forever be denied unless people had the courage to insist that "Now is the time."

Frederick Douglas, born a slave, said it well during the struggles of another era:

"If there is no struggle, there is no progress. Those who profess to favor freedom and yet deprecate agitation are men who want crops without plowing up the ground. They want the rain without thunder and lightening. They want the ocean without the awful roar of her mighty waters. Power concedes nothing without demand. It never has and it never will."

Now, in 1979, nearly a century after the death of Frederick Douglas, a decade after Dr. King's triumphant leadership, the debate goes on in our own day and generation. The lives and well-being of millions of our citizens are waiting for our answers.

The question is where we stand. Do we defer the dream? Do we deny the call? Do we watch reluctantly from the sidelines while progress slows and hope grows dim again? Or do we stand with Frederick Douglas? Do we stand with Dr. King? Do we keep the flame alive? Do we raise up the fallen standard and hold it high again?

Let the workshops of this conference send their message to a waiting nation, the eloquent message of Dr. King, the message that now is the time.

Now is the time to redeem the promise of the Humphrey-Hawkins Act. Let us join wholeheartedly in the fight against inflation. But let us insure that the fight is fair. And let us join as well in achieving the goal of full employment for all our people.

Now is the time to adopt the Equal Rights Amendment, and end the age-old discrimination against women in our society.

Now is the time to extend the full rights of American democracy and representative government to the people of the nation's capital, by ratifying the District of Columbia Voting Rights Amendment as part of the Constitution of the United States.

Now is the time to reduce the monopoly power of massive selfish interest groups over our economy. We can end the excessive burden of government regulation that stifles competition. We can bring modern new vitality to one of our society's most important strengths, the free enterprise system that built this nation and made it great.

Now is the time to adopt a program of universal and comprehensive national health insurance, capable at last of controlling the soaring cost of health care and bringing decent quality health care within the reach of every man, woman and child in our society.

Now is the time to promote human rights and democracy in the world, and to struggle against racism, not just in the United States but in Southern Africa and wherever else it scars the human spirit.

Now is the time as well to move forward on the other great goals we share with Dr. King—goals in areas like education and housing, the cities, crime and drug control, energy and transportation, and all the other unfinished business of our society.

Now is the time, in ways like these, to honor the memory of Martin Luther King.

Near the end of Pilgrim's Progress there is a passage that tells of the death of Valiant:

Then, he said, "I am going to my Father's; and though with great difficulty I am got hither, yet now I do not regret me of all the trouble I have been at to arrive where I am. My sword I give to him that shall succeed me in my pilgrimmage, and my courage and skill to him that can get it. My marks and scars I carry with me, to be a witness for me, that I have fought his battle who now will be my rewarder."

When the day that he must go hence was come, many accompanied him to the riverside, into which as he went he said, "Death, where is thy sting?" and as he went down deeper, he said "Grave, where is thy victory?" So he passed over, and all the trumpets sounded for him on the other side.

Black and white, north and south, on this fiftieth anniversary occasion, let us answer the call of Dr. King. Let us heed his example of leadership, courage and commitment. Let us work together, confident that we can fulfill the dream and be free at last.

By Mr. RANDOLPH:

S. 27. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to pro-

vide for the deposit of moneys received from the sale of such tin; to the Committee on Armed Services.

Mr. RANDOLPH. Mr. President, today I am introducing a bill which calls for the release of 35,000 long tons of tin from the U.S. stockpile. The strategic materials stockpile currently contains over 200,500 long tons of tin. Of that total, only 32,500 long tons are necessary to fulfill the stockpile goals pursuant to the Strategic and Critical Materials Stockpiling Act. Thus, there are 168,000 long tons of tin which could be made available for sale without jeopardizing our national defense goals.

I am concerned with our oversupply of tin in the stockpile, as this is economic waste. I am also concerned with the fate of the domestic tin-plated steel industry in West Virginia. This industry provides jobs for more than 5,000 workers in West Virginia. The jobs of these West Virginians, as well as other Americans, are threatened by the artificially high price of tin imported into this country. These high prices are the result of action by commodity speculators in the world tin markets.

In January 1976 the average price of tin was $3.01 per pound. Today, 2 years later, the price has risen to $6.36 per pound—an increase of over 100 percent. If this legislation is not passed, the price promises to go even higher.

Legislation authorizing the sale of tin passed both the House and the Senate in the 95th Congress. In the Senate, this was in the form of an amendment, which I cosponsored with Senator CHURCH, to the sugar bill and was lost in the rush to adjournment. As soon as this fact reached the trade press, speculators pushed the price of tin to $7.35 per pound. Failure to pass this legislation will, once again, push tin prices to higher levels. This will have an inflationary impact on food prices throughout the United States.

Total consumption of tin in the United States is approximately 61,000 tons per year. The tin plate canning industry uses approximately 18,500 tons of that total usage. West Virginia uses over 4,000 tons to produce tin-plated steel. During the past 2 years, the cost to purchase tin by this one industry in West Virginia has increased by $26,640,000. These increased costs are borne by U.S. consumers. The price of tin has increased due to two factors: A shortfall of tin supply in the world market, and fluctuation of tin prices by commodity speculators. Today the supply levels are near world demand for the first time in several years. Therefore, I believe that a release of tin would have a moderating effect on these escalating tin prices.

I urge the Senate to expedite the passage of this bill. In addition to authorizing disposal of 35,000 tons of tin, it provides that money received from this disposal will be held in a special account in the U.S. Treasury. The utilization of these funds will be determined upon passage of the Strategic and Critical Materials Stockpiling Act, which is expected to be acted on during the 96th Congress.

By Mr. HATCH:

S. 29. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Human Resources.

Mr. HATCH. Mr. President, it has been well established that one of the ways to slow down the spiral of inflation is to reduce Federal spending, or at least to assure that the Federal Government obtains full value for the money it spends. Since all of us are concerned about inflation, I invite your support of a bill I am introducing today to repeal a Federal law that makes Government an accomplice in cost and price excesses in the construction industry. The subject is the Federal prevailing wage law, more commonly referred to as the Davis-Bacon Act.

In essence, the Davis-Bacon Act provides that contractors performing federally funded or assisted projects must agree to pay a specific rate of wages as established by the Secretary of Labor. This rate schedule is determined by the use of a formula which seeks to find a rate of wages that is comparable to actual wages of the local area. During the Great Depression, the intent of the act was to prevent contractors from low-wage areas from coming into higher wage areas with workers who would displace local people. Unfortunately, this law remained in effect after the depression and over the years has been responsible for billions of tax dollars being wasted. I believe construction employees and employers alike deserve a law for the 1980's and beyond and not an antiquated relic of the 1930's.

Although maladministration and excessive special influence have long characterized the act's history, I believe that the heart of the problem lies in the adverse economic consequences created by setting artificial wage rates for an area that does not reflect wages actually paid in that area. It is a fact that in many instances, wage rates paid to as few as 30 percent of construction workers in the area will determine the so-called prevailing rate for Davis-Bacon work. This is possible under the 30-percent rule which was not in the original act but, rather, was instituted by a former Secretary of Labor in 1935 through administrative fiat.

My bill seeks to restore the original intent of Congress, which is to preserve local working conditions and pay practices. Further, it will provide for greater opportunity for small business and minority contractors and their employees to participate in Federal work.

A recent General Accounting Office draft report states that the unnecessary cost to the taxpayer is some $715 million a year. In addition to the direct cost of Davis-Bacon, the GAO report estimated total public and private administrative costs at about $215 million a year. However, the most adverse effect of the Davis-Bacon Act is its "spillover" inflationary impact on local construction wages paid on private work. This private sector cost of Davis-Bacon is estimated by the Economic Policy Center of the U.S. Chamber of Commerce at $1.78 billion a year; on new home building alone, at $470 million annually.

This brings the Davis-Bacon inflationary annual price tag to $2.7 billion. Therefore, repeal of this outmoded and now unnecessary statute clearly should be one of the top priority matters before Congress.

For years, concerned legislators have been urging repeal or revision of this archaic law. Now the GAO, an independent branch of the Federal Government, has added their voice to the clamor for sensible change.

Here is what the GAO says:

Congress should repeal the Davis-Bacon because:

Significant changes in economic conditions and the economic character of the construction industry, since 1931, plus the passage of other wage laws make the act unnecessary.

After nearly 50 years, Labor has not developed an effective program to issue and maintain current and accurate wage determinations and it may be impractical to ever do so.

In summary, I urge my colleagues to join me in demonstrating to the American people our resolve to eliminate this kind of inflation by regulation. Throughout this new Congress, I will be investigating the countless areas in which the Federal regulatory bureaucracy adds to the overwhelming cost of living burdens now borne by our productive citizens. Let this bill be our first genuine step toward elimination of inflation by regulation.

Mr. President, for the information of my colleagues I ask unanimous consent that a recent editorial from the New York Times dated December 29, 1978, criticizing the Davis-Bacon Act be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAKING FEDERAL CONSTRUCTION EXPENSIVE

Even as Alfred Kahn, the White House inflation fighter, pleads for wage moderation from unions, Labor Department officials are policing the earnings of workers on Federal construction projects, lest unskilled laborers willing to accept $4.50 an hour get less than $9.50, or pipelayers happy to take home $8 are paid less than $10.

The source of this bizarre contradiction is the Davis-Bacon Act, which requires Federal construction wages to match local "prevailing" rates. According to a new report by the General Accounting Office, the law costs the taxpayers about $715 million annually and serves no useful purpose.

The Davis-Bacon Act was passed at the nadir of the Depression to protect local construction workers from outside competitors willing to slave for peanuts. Whatever the merits of the act at the time, there is no justification for such interference with private markets today. In 1977, the Labor Department made "prevailing wage" determinations for more than 15,000 federally funded projects. According to the G.A.O.'s reckoning, the department guessed high on about 40 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Government's expenditures for construction.

The inflationary impact of the regulations may in fact have been much greater. By forcing contractors to pay premium wages on Federal jobs, the Government made it difficult for those same contractors to pay their crews less on private construction. Industry leaders guess that the law may raise costs in the $170-billion construction industry by more than 10 percent.

Since the only effect of the Davis-Bacon

Act is to provide a bonus for some construction workers at the public's expense, the best possible reform would be to erase it from the books. That, unfortunately, would be extraordinarily difficult; not surprisingly, organized labor bitterly opposes repeal since the law reduces the incentive of contractors to hire nonunion workers.

An alternative is to amend the act and require the Labor Department to justify its estimates and provide a speedly appeals process. As the courts now interpret the statute, department decisions, however arbitrary, cannot be challenged. If all legislative initiatives fail, one remedy remains: the President can demand that Federal administrators bend over backward to reduce the inflationary impact of this harmful measure.

By Mr. HELMS:

S. 30. A bill to repeal section 11(n) of the Federal Reserve Act (12 U.S.C. 248 (n)); to the Committee on Banking, Housing, and Urban Affairs.

STANDBY CREDIT CONTROLS SHOULD BE REPEALED

Mr. HELMS. Mr. President, at the end of the 95th Congress, I introduced legislation which would repeal the Credit Control Act of 1969.

I did so with the hope that the Treasury Department would have an opportunity to consider the bill in the 3 months between Congress adjournment and beginning of the new Congress. Unfortunately, Treasury has not done so.

I also asked the chairman of the Federal Reserve Board, the Honorable William E. Miller for his views and he agreed that the dislocations caused by credit controls would be disruptive and costly to the economy. He felt, however, that standby controls should stay on the books, stating:

The distortion which such wide-ranging credit controls would produce, both during and after the period when they were in effect, makes them unacceptable except under the most exigent circumstances. You have questioned whether the present authority should even be on the books.

In my view, the shortcomings of mandatory credit controls are so well known as to assure that they would be used only in an emergency situation. If such a situation arose, and selective credit controls appeared to be necessary, it would be helpful to have the authority for such controls already in place. Moreover, the fact that mandatory controls could be imposed may well contribute to the success of voluntary guidelines, which of course are a much better means for generating desired flows of credit. For these reasons, the standby authority contained in the Credit Control Act probably serves a useful purpose.

I am glad that Chairman Miller agrees with the assessment that the controls would impose massive costs on the economy. But, his arguments in favor of standby credit controls could easily be used in support of standby controls over wages and prices. I do not believe that the Chairman of the Fed has advocated such controls, but there may be some inconsistency in not advocating standby controls for wages and prices if we are to have standby controls for credit. I frankly view such controls as mere treatments of the symptom of inflation—not treatment of its cause.

One sure way for the Federal Government to cause more trouble than it eliminates is to attack a problem by treating the outward manifestations and not the root causes.

Today we hear more and more people saying that wage-and-price controls can be effective to stop inflation. It is as if we say allowing no thermometer to register above 98.6° is going to stop fevers. As President Carter himself has said:

Wage and price controls, mandatory wage and price controls, would be ill-advised and also counterproductive. I don't think they would work.

We know that there is now on the books no emergency authority allowing the President to impose wage-and-price controls. I hope there will never be such controls. They could only serve to further mask the real culprit: The U.S. Government. Specifically, the culprit is inordinate Federal spending, causing Federal deficits and expansion of the money supply brought on by the Federal Reserve System's monetization of those growing Federal deficits. Without Federal deficits, we could expect more responsibility from our monetary authorities. We could expect rational, noninflationary monetary policies.

I find, however, that there remains on the books in the Federal Code an onerous piece of legislation which purports to be a means of "combating inflation." In fact, it is little more than a means of providing total Federal control of the financial system of this country. I speak of Public Law 91–151, the Credit Control Act of 1969.

In 1969, the Nation was beginning to suffer from the inflation caused by the "guns and butter" Federal deficits of the late 1960's. In S. 2577—Public Law 91–151, the Congress approved a bill initially aimed at expanding earlier legislation relating to "disintermediation" of funds from savings and loan associations to banking institutions. The main controversy evidently centered around housing credit, and the bill provided for increased authorization for the Federal Home Loan Bank lending. Of interest is that there is almost no record of debate on one portion of the bill, title II, which provides for massive controls over all issuance of credit. Portions of 12 U.S.C. 1904 and 1905 read as follows:

§ 1904. Credit controls.

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

§ 1905. Extent of control.

The Board, upon being authorized by the President under section 1904 of this title and for such period of time as he may determine, may by regulation

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

In other words, if the President declares that "such action is necessary * * * for * * * controlling inflation," he might set all kinds and varieties of restrictions on the normal utilization of credit.

It is nothing more than price controls on money. The interest rate charged on money is no more than the price charged for "renting" money.

That this bill was passed so swiftly, and evidently with such little controversy, indicates that often Congress does not give serious enough consideration to the problems it addresses.

During consideration by the Senate of this proposal, I hope we can call on the expertise of our colleagues who worked to effect the passage of the "National Emergencies Act," Public Law 94–412, a proper and important piece of legislation which repealed numerous laws which gave the President vast powers under various "states of emergency" declarations. I hope that the good work that was done to limit the arbitrary authority of the executive branch might be used as a foundation to further trim this power now held by the President. In my mind it could be used for little, if any, good.

In developing the case for this bill, there is the entire question of academic opinion. I have a feeling that there would be precious few scholars and experts in the fields of finance and economics who could support such exercise of power except under the most dire of circumstances.

I would like very much to find out what the administration thinks of this bill. I would hope, of course, that the President would advocate elimination of this authority so as to be consistent with his opposition to wage-and-price controls.

I hope that early consideration will be given to this legislation. I am committed to an outright repeal of this law unless it can be shown that there is some great national interest served by continuation of this authority.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD. First, a Library of Congress summary of the Credit Control

Act of 1969, dated September 27, 1974; second, the full text of 20 U.S.C. 1901–09 including notes, from the United States Code annotated excerpts; and third, the text of my bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEGISLATIVE AUTHORITIES ENACTED BY THE CONGRESS WHICH GIVE THE EXECUTIVE BRANCH POWERS TO STABILIZE THE ECONOMY AND COMBAT INFLATION

CREDIT CONTROL ACT OF 1969

Purpose. To grant *permanent* authority to the President to control the extension of credit, when necessary, to (1) lower interest rates and fight inflation; (2) help housing, small business and employment; and (3) increase the availability of mortgage credit.

Major provisions

Whenever the President determines that action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, he may authorize the Board of Governors of the Federal Reserve System to regulate and control any or all extensions of credit.

The Board, upon being authorized by the President and for such period of time as he may determine, may by regulation:

(1) Require transactions or persons or classes of either to be registered or licensed.

(2) Prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) Provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) Prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens or any relevant documents.

(5) Prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) Prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase or other extension of credit.

(7) Prescribe the maximum rate of interest, maximum maturity minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) Prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) Prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits and other adjustments or special situations.

(10) Prescribe maximum ratios applicable to any class or either creditors or borrowers or both, of loans of one or more types or of all types:

(A) To deposits of one or more types or of all types.

(B) To assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

The Act has no expiration date.

Implementation of authority

This standby authority for selective credit controls was enacted in response to concern that the unrestricted extension of particular forms of credit in excessive volume, based only on the highest interest rate creditors can obtain, not only raises the level of interest rates generally but results in a serious distortion of the whole credit picture. It was contended that short of direct lending by government itself, there was no mechanism available for channeling credit into those activities which national policy requires, such as low- and moderate-income housing, small business firms and other areas of the economy which operate at a distinct disadvantage during periods of tight money and sharply rising interest rates. To date this standby authority has not been invoked by the President. However, in this connection it should be noted that in October 1971 President Nixon, pursuant to the authority of the Economic Stabilization Act of 1970, established the Committee on Interest and Dividends (CID). The function of this committee, which was chaired by the Chairman of the Federal Reserve Board, was to administer voluntary programs for restraint of interest rates and dividends. Aside from these voluntary efforts, the President has refrained from invoking his authority to apply mandatory controls on interest rates and corporate dividends. The activities of the CID were terminated with the expiration of the Economic Stabilization Act on April 30, 1974.

In addition, it should be noted that on September 16 of this year, the Board endorsed a set of guidelines proposed by the Federal Advisory Council (an advisory body composed of leading bankers, one from each Federal Reserve district) that would encourage banks to allocate more funds to housing and other high-priority needs of the economy. The main objective would be to divert funds from highly speculative ventures and other business purposes deemed less essential to the economy at this time. In endorsing this proposal the Board made it clear that it had not adopted a formal system of credit allocation. Nonetheless, banks do take such guidance seriously, realizing that if such voluntary measures should fail to accomplish a more appropriate distribution of loanable funds, the Board might be compelled to take formal action. As noted above the authority for such action rests in the Credit Control Act of 1969.

CHAPTER 20.—CREDIT CONTROL [NEW]

Sec.
1901. Definitions.
1902. Rules and regulations by the Board of Governors of the Federal Reserve System.
1903. Interest.
1904. Credit controls.
1905. Extent of control.
1906. Reports; production of records.
1907. Injunctions for compliance.
1908. Civil penalties.
1909. Criminal penalty.

§ 1901. Definitions.

(a) The definitions and rules of construction set forth in this section apply to the provisions of this chapter.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.

(c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(d) The term "person" means a natural person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(f) The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

(g) The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes any rental-purchase contract and any contract or arrangement for the bailing or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise partcipating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any person to whom credit is extended.

(j) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

(k) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(l) Any reference to any requirement imposed under this title of any provision thereof includes reference to the regulations of the Board under this chapter or the provision thereof in question.

Pub. L. 91–151, Title II, § 202, Dec. 23, 1969, 83 Stat. 376.

Short Title. Section 201 of Pub. L. 91-151 provided that: "This title [enacting this chapter] may be cited as the 'Credit Control Act'."

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1902. Rules and regulations by the Board of Governors of the Federal Reserve System

The Board shall prescribe regulations to carry out the purposes of this chapter. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith. Pub. L. 91–151, Title II, § 203, Dec. 23, 1969, 88 Stat. 376.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1903. Interest

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit. Pub. L. 91–151, Title II, § 204, Dec. 23, 1969, 88 Stat. 377.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1904. Credit controls.

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks and any other agencies, Federal or State, which are available and appropriate. Pub. L. 91–151, Title II, § 205, Dec. 23, 1969, 83 Stat. 377.

References in Text. This Act, referred to in subsec. (b), is Pub. L. 91–151, which, in addition to enacting this chapter, amended sections 461, 461 note, 1425b, 1431, 1724, 1727, 1728, 1813, 1817, 1821, 1823 of this title and section 2158 of Title 50 App. and enacted provisions set out as notes under sections 1724, 1727, and 1813 of this title and section 633 of Title 15, Commerce and Trade.

Delegation of Functions. Functions of the President under section 203(a)(3) of the Economic Stabilization Act of 1970, as amended [set out as a note under this section], and functions of the Chairman of the Cost of Living Council under said Act, respecting energy matters, delegated to the Administrator of the Federal Energy Office, see section 4 of Ex. Ord. No. 11748, Dec. 4, 1973, 38 F.R. 33575, set out as a note under section 754 of Title 15, Commerce and Trade Council on Wage and Price Stability. Pub. L. 93–387, Aug. 24, 1974, 88 Stat. 750, as amended by Pub. L. 93–449, § 4(e), Oct. 18, Aug. 9, 1975, 89 Stat. 411; Pub. L. 95–121, Oct. 1974, 88 Stat. 1367; Pub. L. 94—78, § § 2 (a), 3–7, 6, 1977, 91 Stat. 1091, provided:

"[Section 1.] That this Act may be cited as the 'Council on Wage and Price Stability Act.'

NOTE.—Annotations relating to the Council on Wage and Price Stability Act and the Economic Stabilization Act has been deleted.

§ 1905. Extent of control

The Board, upon being authorized by the President under section 1904 of this title for such period of time as he may determine, may by regulation.

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

Pub. L. 91–151, Title II, § 206, Dec. 23, 1969, 88 Stat. 377.

References in Text: This Act, referred to in pars. (3) and (5), is Pub. L. 91–151, which, in addition to enacting this chapter, amended sections 461, 461 note, 1425b, 1431, 1724, 1727, 1728, 1813, 1817, 1821, 1828 of this title and sections 2158 of Title 50 App. and enacted provisions set out as notes under sections 1724, 1727, and 1813 of this title and section 633 of Title 15, Commerce and Trade.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§1906. Reports; production of records

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this chapter, or concerning circumstances related to such extensions of credits, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this chapter. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this chapter including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

Pub. L. 91–151, Title II, § 207, Dec. 23, 1969, 83 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1907. Injunctions for compliance

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any person to comply with a regulation of the Board under this chapter.

Pub. L. 91–151, Title II, § 208, Dec. 23, 1969, 83 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

INDEX TO NOTES

Irreparable injury, 2.
Remedies, 3.
Scope of remedy, 1.

1. Scope of remedy:

Executive order creating the construction industry stabilization committee deals only with instance in which illegal wage increase is about to be implemented; and this section providing for injunctive relief is limited to those situations in which an agency of the United States seeks such relief; and, accordingly, neither this section nor executive order authorized contractor's action to compel union to submit proposals to contractor within framework of executive order, to compel union to exhaust its available administrative remedies and to enjoin union from engaging in any work stoppage or strike. Heavy Contractors Ass'n Inc. v. International Union of Operating Engineers, AFL–CIO, Local 571, D.C. Neb. 1971, 328 F. Supp. 897.

2. Irreparable injury:

In order to issue injunction against wage increase in excess of 5.5% without prior approval of the Pay Board, there was no need that irreparable injury be shown, and it was enough if the statutory conditions were satisfied. U.S. v. Great Atlantic & Pacific Tea Co., D.C. Md. 1972. 342 F. Supp. 272.

In view of Price Commission's order which maintained status quo and protected plaintiffs from irreparable injury by its refund and rollback provisions until final agency action, plaintiffs could not show irreparable injury required for injunctive relief against telephone company's increases in rates. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1973, 339 F. Supp. 198, affirmed 468 F. 2d 1401.

3. Remedies:

Administrative remedies provided by 1971 amendments to Economic Stabilization Act, this chapter were full and adequate to preclude injunctive relief until such administrative remedies had been exhausted. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1972, 339 F. Supp. 198, affirmed 468 F. 2d 1401.

§ 1908. Civil penalties

(a) For each willful violation of any regulation under this chapter, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding $1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

Pub. L. 91–151, Title II, § 209, Dec. 23, 1969, 33 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

INDEX TO NOTES

Amendments, 1.
Defenses, 3.
Retroactive effect, 2.

1. Amendments:

Amendment of section of Economic Stabilization Act of 1970, set out as a note under section 1904 of this title, to authorize imposition of two sanctions upon violator provides both a purely penal measure intended to obtain compliance with Act and a civil penalty denominated as such with element of scienter obviated from proof of offense, and entire section as amended allows alternative means of enforcement, one with a less exacting standard of proof. U.S. 1. Futura, Inc., D.C.Fla., 1972, 339 F.Supp. 162.

2. Retroactive effect:

Defendants, who violated this chapter by negotiating and paying wage increase in excess of 5.5% without prior approval of the Pay Board, were subject to civil penalties, even though amendment to this chapter providing for such penalties was added after the contract had been negotiated, where the penalty was civil in nature, and the defendants continued to be in violation of the law after the amendment became effective. U.S. v. Great Atlantic & Pac. Tea Co., D.C.Md., 1972, 342 F.Supp. 272.

3. Defenses:

Contention of employer that, although it knew it was violating the law when it negotiated and paid wage increase in excess of 5.5% without prior approval of the Pay Board, it made the payments because there appeared to be no viable alternative to achieve a settlement of a strike did not entitle the employer to escape civil penalties where, upon measuring the culpability of the parties, it appeared that the course of conduct of each party was determined by economic considerations which best served that party's interest. U.S. v. Great Atlantic & Pac. Tea Co., D.C.Md., 1973, 343 F.Supp. 272.

§ 1909. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than $1,000 or imprisoned not more than one year, or both.

Pub. L. 91–151, Title II, § 210, Dec. 23, 1969, 83 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

By Mr. HART:

S. 31. A bill to provide for a reduction in individual tax rates in calendar years 1980 through 1982 and thereafter, provided that targets limiting the growth of Federal spending and limiting the Federal deficit are achieved; to the Committee on Finance.

TAX REDUCTION AND SPENDING LIMITATION ACT OF 1979

Mr. HART. Mr. President, today I am reintroducing a proposal for yearly tax cuts in 1980, 1981, and 1982. These cuts will go into effect only if the growth of Federal spending is held to preestablished levels.

SENATE PASSED LAST YEAR

Today, the first day of the 96th Congress, I am reintroducing my proposal for tax cuts tied to restraints on Federal spending. I first introduced this proposal on October 5 of last year during consideration of the tax bill. The Senate passed a very similar proposal offered by several Senators on October 10, but it was dropped in conference with the House. This year I hope we can work together, so that a proposal of this type is signed into law.

The overriding economic challenge facing the United States today is inflation, and although tax bills always have a special significance, the legislation which Congress considered last year was particularly important. Our highest priority in enacting the Revenue Act of 1978 was to adopt tax cuts of a responsible size—large enough to protect taxpayers against both the payroll tax increase scheduled for this year and the tax increase caused by inflation, yet small enough to prevent further fueling of our already unacceptable rate of inflation.

As you know, we did not succeed in these goals. The negative effects of inflation and of the new social security taxes will take away the benefits of last year's tax cuts. As a result, in 1979, a majority of all taxpayers will pay more in taxes than they did in 1978.

Clearly, we need more tax relief. If we are to provide such relief responsibly without accelerating inflation, however, we must also cut Federal spending.

Last year the Congress did a good job of paring down the fiscal year 1979 Federal budget. It cut $12 billion off the President's original request. This year the President intends to exert more leadership in paring the budget even further, and the Congress should be a full partner.

PHILOSOPHY OF BALANCE

The philosophy of my proposal is very simple. Targets would be established for the level of Federal spending in 1980, 1981, and 1982. If spending is held to these targets, precisely measured tax cuts will occur automatically. To ensure that inflation is not fueled, further conditions on the Federal deficit, and the ratio of Federal spending to GNP would have to be met.

The targets would limit the growth of Federal spending approximately to the rate of inflation from 1980 through 1982. Over this period, taxes could be cut 29 percent from the 1978 levels. Because of the spending reductions, taxes can be reduced without causing more inflation. The Federal deficit should nearly be eliminated in 1982, and will be in slight surplus in 1983. The ratio of Federal spending to GNP will decline from 21.2 percent in 1980 to 18.6 percent in 1983.

The proposal is very specifically derived from economic projections of future growth, especially as propelled by tax cuts themselves. However, I am well aware that we just cannot project precisely several years in advance. Therefore, this proposal, or any other, will have to be modified as we go along. The important thing is that we decide as a Nation to climb the hill. Along the way, we can decide to choose another path, if economic conditions warrant it.

If the Nation's economic growth path continues as projected by economic models last fall, we can cut taxes in annual steps amounting to a 29 percent cut by 1982, and balance the budget at the same time. This is possible only if Federal spending is limited approximately to the rate of inflation.

BACKGROUND—INFLATION AND HIGH TAXES

During the past 7 years, many Americans have lost what was once an indomitable faith in the future of the U.S. economy and their own place in that future. Seven years ago, people assumed that if their income had doubled by today, they would be able to achieve most of their hopes and dreams with that increased spending power. The economy over the past 7 years has dealt a cruel blow to the hopes of most Americans.

Although average household income has almost doubled in 7 years, the sad truth is that actual purchasing power has not. In fact, it has barely increased at all. Three-fourths of the increase in average income has been swallowed by inflation. The remainder has been nearly wiped out by increased Federal, State, and local taxes.

Understandably, people are frustrated and are lashing out at most public and private institutions. They want an end to this seemingly endless cycle of inflation, high taxes, and diminishing purchasing power.

The current mix of high inflation and high taxes aggravates another problem facing our economy — low productivity. Over the past decade, business investment and expansion has stagnated, holding the level of output—or productivity—which was the basis for this Nation's high standard of living. Lower productivity, in turn, fuels inflation further. Solving these problems will be extremely difficult. Although people desire Federal tax cuts and sharply reduced inflation, they also want the continued benefits of most Federal programs. It would be easy to say that massive tax cuts are possible without simultaneously exercising discipline on Federal pending, but is political demagoguery—and economic nonsense. Tax cuts which double the Federal deficit will not help the taxpayer. Doubling the deficit will stampede inflation to such a degree that inflation will cause more injury than the tax cuts can heal.

During debate on the tax bill last year, I proposed that the way to stimulate our economy without fueling inflation is to control the growth of Federal spending at the same time taxes are cut. This approach requires difficult decisions by Congress and the American people. Those constituents who want lower taxes must be willing to help their elected officials pare Federal spending. Tougher priorities must be established to determine which Federal programs can be curtailed in order to construct a leaner budget. And even more importantly, we must find ways to keep the cost of existing high-priority programs from mushrooming beyond reasonable and responsible levels.

CONTROL FEDERAL SPENDING

Federal spending must be controlled if we are to cut taxes without increasing the Federal deficit to more inflationary levels. Currently, the Federal budget is projected to grow by about 8 percent per year into the mid-1980's. About 6 percent of this projected growth will be caused by inflation, which leaves 2 percent for expanding existing programs.

Contrary to much political rhetoric, Federal spending cannot be arbitrarily cut across the board. In fact, we must oppose such action. Arbitrary spending cuts are reckless, since they could require cuts in programs—such as research in preventative medicine, and development of new energy sources—where almost everyone would agree we need to spend more. Instead, we must establish clear priorities and weed out old program which have outlived their usefulness. I believe we do not need to expand Federal spending by 2 percent in the coming years.

But where should we hold the line? Although it is not part of this legislative proposal, I have some suggestions. First, we must note that Government spending is divided into two categories: Goods and services—for example, military hardware and troops, transportation, health research, education, Federal employes, and so forth—and transfer payments—direct payments to individuals or to third parties such as physicians and hospitals.

REDUCE PURCHASES OF GOODS AND SERVICES

Last year, spending for goods and services increased by 8 percent. The first element of my proposal to bring spending under control is to restrict the growth of purchases of goods and services to just 4 percent per year during 1980 and 1981. Because inflation is expected to be 6 percent during these years—according to administration and CBO projections, we must actually reduce goods purchased by 2 percent per year. After 1981, I propose that the growth of goods and services be limited to no more than the rate of inflation, so there will be no net change in the actual amount of goods purchased.

Less than half of the Federal budget goes to purchase goods and services for use by the Federal Government. Approximately half the Federal budget is money which is transferred directly to individuals to help pay for living expenses—payments such as medical care, housing, food stamps, retirement, and so forth.

Only 9 years ago, these transfer payments were only half as large as Federal spending on goods and services. Since then, the transfer payments budget has grown twice as fast as goods and services. Now, transfer payments budget are 15 percent greater than purchases of good and services.

Three transfer payment programs demonstrate this growth. In the last half decade, spending on medicare increased by 37 percent annually, medicaid increased by 25 percent annually, and social security increased by 20 percent annually. These three programs together now cost over $100 billion per year.

Transfer payments have mushroomed for three reasons. First, the portion of the population which is retired, unemployed, or disabled has grown. Second, the amount and scope of public assistance programs has grown. And, third, inflation has greatly increased the cost of all necessities, especially medical services, much of which are now paid by medicare or medicaid.

REDUCE GROWTH OF TRANSFER PAYMENTS

Currently, Federal transfer payments are projected to grow by more than 9 percent a year, and they are expected to increase from 43 percent of the current Federal budget to 47 percent by 1983. To avoid a large Federal deficit, this growth rate must be trimmed. But it must be trimmed without impairing the well-being of those people needing and deserving the assistance.

The challenge is how. As with the goods and services budget, this restraint cannot be imposed by arbitrary percentage cuts, which necessarily would create human suffering. Instead, those programs which do not target aid to those most in need and are inefficient can and must be made to work. The administration of public assistance programs can and must be reformed and restructured, so that the needy are helped and abuses are eliminated. We must deliver more aid and less bureaucracy for our public assistance dollars.

Total spending on transfer payments must be controlled to allow growth of 8 percent, not 9 percent, per year, as projected. Reducing expenditures by 1 percent per year is possible without reducing benefits to any needy persons.

Anyone who suggests that Federal spending be controlled has the responsibility to suggest categories where these controls will be most effective. I am preparing a preliminary list of areas where reform can reduce the cost of needed programs without harming those that deserve assistance.

TIE TAX CUTS TO SPENDING RESTRAINT

Spending restraint and tax cuts must be tied together legislatively because the issues are tied together economically. If tax cuts are not matched by spending controls, then they will be matched by rampant inflation. Tax cuts plus more inflation would be worse than no tax cuts at all. In fact, the legislation which I propose contains a provision that would allow tax cuts only if Federal spending is held within the limits established for each calendar year.

In summary, this is a new proposal to further an old idea: You do not get something for nothing. You do not get tax cuts without inflation unless you are willing to control Federal spending. The American taxpayer wants frugal budgets effectively managed. The American taxpayer also wants lower taxes to reduce the burden of Government during this period of inflation-eroded purchasing power.

No single plan will solve all of our economic problems. But this proposal would directly address the most critical and complex economic difficulties. Most of all, a plan of this type can go a long way toward reestablishing public confidence in an efficient Government.

FURTHER REFINEMENT

The specific proposal I am introducing today is for your discussion and your suggestions. Over the next couple of weeks, I plan to integrate the President's budget for 1980 and his trim budget deficit into this proposal. In February I plan to introduce an updated version, taking into account the latest economic data for the projected growth of the economy.

During the next few weeks I strongly ask for your suggestions to improve this proposal.

By Mr. ROTH (for himself, Mr. McCLURE, Mr. TOWER, Mr. GARN, Mr. HATCH, Mr. COCHRAN, Mr. SCHMITT, Mr. SIMPSON, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. ARMSTRONG, and Mr. HELMS):

S. 33. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Finance.

S. 34. A bill entitled the "Spending Limitation Act of 1979"; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

ROTH-KEMP II

Mr. ROTH. Mr. President, I am today introducing a legislative package to provide across-the-board tax cuts for all Americans and to limit the growth rate of Federal spending.

The Tax Reduction and Spending Limitation Acts, which are also being introduced today in the House of Representatives by Congressman JACK KEMP, are cosponsored in the Senate by Senators McCLURE, TOWER, GARN, HATCH, COCHRAN, SCHMITT, SIMPSON, GOLDWATER, HUMPHREY, ARMSTRONG, and HELMS.

This legislative package, which we call Roth-Kemp II, combines limits on Federal spending as a percent of GNP with across-the-board tax rate reductions of 10 percent a year for 3 years and tax indexing to avoid future tax increases.

Unless taxes and spending are reduced, the economy faces continued inflation and the prospects of a deep recession. Real growth in GNP is projected to fall in 1979, and inflation is expected to increase at near double-digit levels. Consumer spending and business investment are expected to decline as interest rates climb. The increasing tax burden, from higher social security taxes and inflation pushing workers into higher tax brackets, will retard economic growth and push the economy into a recession during the second half of 1979.

The President's budget for the upcoming fiscal year is expected to call for spending of $533 billion, tax revenues of $504 billion and a budget deficit of approximately $30 billion. This budget represents a spending increase of about 7.5 percent and an increase in Government tax revenues of nearly 13 percent.

By refusing to endorse tax cuts, the President is trying to reduce the budget deficit by increasing taxes on the American people. This policy drains money out of the private economy and contributes to the prospects of a recession.

The administration is attempting to curb inflation by slowing economic growth, a policy which will result in a recession and increased unemployment.

I reject this policy. I believe inflation can be reduced and economic growth can be stimulated by removing the tax drag on the economy and slowing the growth rate of Federal spending, as we are proposing to accomplish in Roth-Kemp II.

TAX REDUCTION ACT

Part I of Roth-Kemp II would reduce individual tax rates across-the-board by 10 percent a year for 3 years. Once tax rates are reduced a tax indexing system would go into effect to keep tax rates down and avoid future automatic tax increases caused by inflation.

The tax rate reductions would provide substantial tax relief to all taxpayers. When fully effective, individual tax rates would be reduced from the present rates ranging between 14 and 70 percent to rates ranging between 10 and 50 percent. These rate reductions are designed to reduce the high rates of taxation now strangling economic growth, choking off private initiative, pushing up prices, and retarding savings, investments and the creation of new jobs.

By increasing the incentive to work, save, and invest, the tax rate reductions will expand the production of goods and services, ease inflationary pressures, and create millions of jobs in the private economy.

When fully effective, Roth-Kemp II would reduce the tax burden of all taxpayers by approximately 30 percent. According to the Joint Committee on Taxation 66 million tax returns will receive a tax reduction averaging $724.

IMPACT OF ROTH-KEMP II ON FAMILY OF 4

Income	Present tax	Proposed tax	Tax cut
$10,000	$374	$265	$109
$12,500	792	558	234
$15,000	1,233	877	357
$17,500	1,609	1,146	463
$20,000	2,013	1,435	578
$25,000	2,901	2,082	819
$30,000	3,917	2,854	1,063
$35,000	5,065	3,698	1,368
$40,000	6,312	4,595	1,717
$50,000	9,323	6,809	2,514

IMPACT OF ROTH-KEMP II ON SINGLE PERSONS

Income	Present tax	Proposed tax	Tax cut
$5,000	$250	$177	$74
$6,000	422	293	130
$8,000	787	542	246
$10,000	1,177	830	348
$12,000	1,585	1,140	445
$15,000	2,047	1,467	580
$17,500	2,547	1,832	715
$20,000	3,115	2,232	883
$25,000	4,364	3,150	1,215
$30,000	5,718	4,139	1,579
$35,000	7,220	5,217	2,003
$40,000	8,886	6,370	2,516
$50,000	12,559	8,911	3,648

Source: Joint Committee on Taxation.

Substantial tax cuts are needed to offset the substantial social security and inflation-induced tax increases facing

the American people. The following chart shows the Joint Committee on Taxation's static revenue impact of the tax rate reductions between 1980 and 1983.

TAX CUTS

[In billions of dollars]

	1980	1981	1982	1983
Calendar year	26.8	55.1	99.0	118.8
Fiscal year	16.6	44.3	82.3	111.3

These static revenue estimates assume that economic growth and inflation will continue to push taxpayers into higher tax brackets, increasing the size of the revenue loss. Based on 1978 income levels, the actual revenue losses are estimated to be $18.6 billion in 1980, $31.9 billion in 1981, and $47.7 billion in 1982.

The following chart shows the net tax cuts after offsetting social security and inflation tax increases from the static tax cuts over the next 4 fiscal years.

TAX CUTS VS. TAX INCREASES

[In billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Tax cuts	16.6	44.3	82.3	111.3
Tax increases	13.8	33.4	52.9	69.0
Net tax cuts	−2.8	−10.9	−29.4	−42.3

Rather than redistributing income, these tax rate reductions will provide substantial tax relief to all taxpayers. In fact, the Roth-Kemp II rate reductions will actually increase the progressivity of the tax system. The following chart shows the percentage of Federal income taxes paid by various income groups under present law and the percentage of the tax cut received by each income group under Roth-Kemp II.

Income groups	Percent of taxes paid	Percent of tax cut
0 to $10,000	4.9	5.5
$10,000 to $15,000	9.4	9.9
$15,000 to $20,000	13.2	13.8
$20,000 to $30,000	24.4	24.8
$30,000 to $50,000	21.3	21.5
$50,000 to $100,000	13.0	13.0
$100,000 and over	13.9	11.4

As this chart shows, the Roth-Kemp II tax cuts provide tax relief based on the amount of taxes paid. For example, approximately 73 percent of all Federal income taxes are paid by those earning less than $50,000 a year, and approximately 75 percent of the tax relief under Roth-Kemp II would go to those earning less than $50,000.

Mr. President, I believe these tax cuts are urgently needed. The recently-passed tax bill was not a tax cut at all. Because it failed to offset the 1979 social security and inflation tax increases, virtually every family of four earning more than $8,000 a year will pay higher taxes this year.

Although President Carter does not believe we need a tax cut this year, the Federal tax burden will increase significantly to near record levels under our present tax laws. Unless taxes are reduced, Federal taxes as a percent of the gross national product will exceed 20 percent for the first time in 10 years. In fact, only twice in the last 25 years—during the 1969–70 tax surcharge—was the tax burden as high as it will be during the upcoming fiscal year.

The following table compares the projected tax burdens under present law if taxes are not reduced with that under Roth-Kemp II.

Fiscal year	Projected GNP	Current law		Roth-Kemp II	
		Revenues	Percentage	Revenues	Percentage
1980	2,515	505	20.1	492	19.6
1981	2,804	571	20.4	540	19.3
1982	3,131	643	20.5	585	18.7
1983	3,488	720	20.6	641	18.3

The following chart shows the levels of Federal taxes and the percent of GNP over the last 25 years:

TAXES AS PERCENT OF GNP

Fiscal year	GNP	Tax revenues	Percent
1979	2,292.0	448.0	19.6
1978	2,043.0	401.0	19.6
1977	1,835.0	356.9	19.5
1976	1,624.3	299.2	18.4
1975	1,454.6	281.0	19.3
1974	1,359.2	264.9	19.5
1973	1,237.5	232.2	18.8
1972	1,110.5	208.6	18.8
1971	1,019.3	188.4	18.5
1970	959.0	193.7	20.2
1969	903.7	187.8	20.8
1968	829.9	153.7	18.5
1967	774.4	149.6	19.3
1966	721.1	130.9	18.1
1965	657.1	116.8	17.8
1964	616.2	112.7	18.3
1963	576.3	106.6	18.5
1962	546.9	99.7	18.2
1961	508.3	94.4	18.6
1960	497.3	92.5	18.6
1959	473.3	79.2	16.7
1958	442.1	79.6	18.0
1957	432.7	79.9	18.5
1956	411.0	74.5	18.1

As these figures show, the substantial tax cuts under Roth-Kemp II are needed to reduce the Federal tax burden to the levels in effect during most of the last 25 years.

TAX INDEXING

Title II of the Tax Reduction Act would institute a tax indexing system to avoid future tax increases by reducing personal income taxes by the rate of inflation. Under this provision, the income tax brackets and personal exemptions would be adjusted, or indexed, to reflect the increase in the rate of inflation, as measured by the Consumer Price Index.

Once tax rates are reduced, tax indexing is needed to insure that taxpayers will no longer be forced to pay higher taxes simply because inflation pushes them into higher tax brackets.

Under our progressive tax system, an individual whose wage increases merely keep up with inflation will actually lose purchasing power. This is because the wage increase will push the worker into a higher tax bracket.

For example, a family of four now earning $20,000 pays $2,013 in Federal income taxes. If inflation increases 7 percent this year, the family will receive a cost-of-living raise to $21,400. Yet, even though the family's wages have just kept pace with inflation, the wage increase will push the family into a higher tax bracket and increase its tax bill to $2,200. So, even though this family had no increases in real earnings, the hidden tax of inflation reduces the family purchasing power by $187.

This hidden tax of inflation increases the tax burden of all taxpayers. And the main beneficiary of these nonlegislated tax increases is the Federal Government.

For years, the Federal Government has relied on inflation to supply the Government with a continually growing supply of tax revenues.

The hidden inflation tax has allowed the Government to create more and more spending programs, and enabled Congress to enact politically popular tax cuts every election year.

But these tax cut charades, such as the one enacted last October, do not provide real relief to the working taxpayers of this country. It is the pickpocket theory of taxation. The Government proposes tax cuts with one hand while the other hand reaches into the taxpayers' pockets and removes their wallets.

Tax indexing will put an end to this taxation without representation.

SPENDING LIMITATION ACT

Part II of Roth-Kemp II would restrain the growth rate of Federal spending to specified percentages of the gross national product. Under the Spending Limitation Act, Federal spending as a percent of GNP would be limited to 21 percent in fiscal 1980, 20 percent in fiscal 1981, 19 percent in fiscal 1982, and 18 percent in fiscal 1983. These spending limitations would restrain the growth of Federal spending to less than 7 percent a year. For fiscal year 1980, this bill calls for a "no-growth budget" and cuts of some $10 billion below the administration's expected budget levels.

When I entered Government service in 1967, the Federal outlays were $158.2 billion. This year's outlays are expected to reach $533 billion. This is an increase of 237 percent since 1967.

Last October, the President told the American people something they have known for a long time. The Government is a major cause of inflation. The President promised that the Government would "take the lead in fiscal restraint."

Now it is time for the President to practice what he preaches. It is time for the President to enforce his anti-inflationary measures on the Federal Government. If the President can tell the American people how much money they can earn, then the American people can tell the President how much of their hard-earned money the Government can spend.

The budget approved last year was the highest in our Nation's history—$496 billion. This year, there is every indication that the President's budget will set a new record—it will call for an increase to $533 billion. This is an increase of almost 7.5 percent.

The President was correct in saying that Government spending sets an example. I think a 7.5 percent increase

in 1 year is the worst example we could have. It is an insult to the American people to demand in one breath that wages increase by less than 7 percent, and in another breath announce that the budget will increase by 7.5 percent.

This is why I am proposing a budget significantly lower than the President's. I believe Government must begin to clean up its own house before it has any right to look the American people in the eye and demand that they cut back.

That is why I am proposing the budget be reduced by an additional $10 billion. In so doing, the budget would be $523 billion, an increase of only 5.4 percent. If the President is serious about the Government setting an example, and I hope he is, then the best example I know of would be for the President's budget to be significantly below the 7 percent limit on wages the President has demanded of the American people.

There is no question that hard choices are necessary to reduce the Federal budget. Political pressure will be great to increase spending in particular programs. I am disappointed that this pressure has affected the President's budget in the area of CETA. One billion dollars which the President originally intended to cut from CETA's budget, has now been restored by the President. This unfortunate action must be reversed.

The President has set an ultimate goal that Federal outlays will not exceed 21 percent of the GNP. However, the President's budget would exceed this goal (21.2 percent). My proposed budget would be below the 21 percent goal.

For those who would criticize my cuts as being overly excessive, I would like to point out that it represents a 2 percent reduction from the President's proposed budget. I find it hard to believe that we cannot cut the President's budget by at least 2 percent. I am afraid to think of the consequences if we do not cut the President's budget.

[In billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Present spending levels	533	575	623	669
Roth-Kemp II	523	560	595	628
Spending cuts	−10	−15	−28	−41

While the spending limitations under this bill would curb the growth of Federal spending, they would not require Draconian slashes in Government programs. These limitations would merely restrain the growth rate of Federal spending to less than 7 percent a year.

In addition, the spending limitations will restore Federal spending levels as a percent of GNP to the levels in effect prior to the spending excesses of the last 5 years.

For example, excluding the last 5 years, the only year in the last 25 years that spending exceeded 21 percent of GNP was in 1968 during the Vietnam war buildup.

Prior to 1975, spending as a percent of GNP was below 20 percent in 12 out of the preceding 19 years. And in 1965, the year of the Kennedy tax cuts, spending was 18 percent of GNP. The following chart shows the levels of Federal spending and GNP over the past 25 years:

SPENDING AS PERCENT OF GNP

Fiscal year	GNP	Spending	Percent
1979	2,292.0	496.6	21.7
1978	2,043.0	452.3	22.1
1977	1,835.0	402.8	22.0
1976	1,624.3	365.6	22.5
1975	1,454.6	326.1	22.4
1974	1,359.2	269.6	19.8
1973	1,237.5	247.1	20.0
1972	1,110.5	232.0	20.9
1971	1,019.3	211.4	20.7
1970	959.0	196.6	20.5
1969	903.7	184.5	20.4
1968	829.9	178.8	21.5
1967	774.4	158.3	20.4
1966	721.1	134.7	18.7
1965	657.1	118.4	18.0
1964	616.2	118.6	19.2
1963	576.3	111.3	19.3
1962	546.9	106.8	19.5
1961	508.3	97.8	19.2
1960	497.3	92.2	18.5
1959	473.3	92.1	19.5
1958	442.1	82.5	18.7
1957	432.7	76.7	17.7
1956	411.0	70.4	17.1

Mr. President, the enactment of these two bills would signal an end to the high taxes and big Government spending policies of the past few years. If Roth-Kemp II is enacted taxes will be substantially reduced, the growth of Federal spending will be curbed, and the Federal budget will be balanced by fiscal 1983. The following chart shows the estimated spending and revenue levels under Roth-Kemp II. The revenue levels assume a feedback of only 20 percent in the first year and 30 percent in the following years.

BUDGET UNDER ROTH-KEMP II

[Billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Spending	523	560	595	628
Revenues	492	540	585	641
Deficit (−) or surplus (+)	−31	−20	−10	+13

Mr. President, Roth-Kemp II would allow us to fight inflation and recession at the same time. According to a study by Chase Econometrics Associates, real economic growth would average 3.6 percent between 1980 and 1983 if Roth-Kemp II was adopted, compared to real growth of only 1.5 percent this year.

The Chase study also found that the tax and spending cuts would reduce the inflation rate from close to 9 percent to 5.9 percent, reduce the unemployment rate by 1.6 percent, and create 8.3 million jobs between 1980 and 1983.

Mr. President, Roth-Kemp II would combine the tax cuts needed to stimulate real economic growth with the spending restraints needed to curb inflation, and I urge my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the texts of these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 33

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Reduction Act of 1979."

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL TAX RATES

SEC. 101. Reduction in rates.

(a) In General.—Section 1 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) General Rule.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b)(2) of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year, and

"(4) a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax equal to one-half the tax which would be determined for an individual described in paragraph (1) with the same taxable income.

"(b) Applicable Schedules.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 2,

"(B) individuals described in subsection (a)(2) is schedule 3, and

"(C) individuals described in subsection (a)(3) is schedule 1.

"(2) Application of schedules to taxable years.—

"(A) Calendar year 1980.—The schedules in effect for taxable years beginning in 1980 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$2,300	$0+	.0%	$0
$2,300–	$3,350	$0+	12.0%	$2,300
$3,350–	$4,400	$126+	14.0%	$3,350
$4,400–	$6,550	$273+	16.0%	$4,400
$6,550–	$8,600	$617+	17.0%	$6,550
$8,600–	$10,700	$965+	20.0%	$8,600
$10,700–	$12,900	$1,385+	23.0%	$10,700
$12,900–	$15,550	$1,889+	24.0%	$12,900
$15,550–	$18,200	$2,505+	26.0%	$15,550
$18,200–	$23,500	$3,194+	30.0%	$18,200
$23,500–	$30,600	$4,784+	34.0%	$23,500
$30,600–	$43,400	$7,198+	39.0%	$30,600
$43,400–	$55,300	$12,190+	44.0%	$43,400
$55,300–	$81,800	$17,426+	49.0%	$55,300
$81,800–	$108,300	$30,411+	54.0%	$81,800
$108,300		$44,721+	59.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$3,400	$0+ .0%	$0	
$3,400–	$5,500	$0+12.0%	$3,400	
$5,500–	$7,600	$252+14.0%	$5,500	
$7,600–	$11,900	$546+16.0%	$7,600	
$11,900–	$16,000	$1,234+19.0%	$11,900	
$16,000–	$20,200	$2,013+22.0%	$16,000	
$20,200–	$24,600	$2,937+25.0%	$20,200	
$24,600–	$29,900	$4,037+28.0%	$24,600	
$29,900–	$35,200	$5,521+33.0%	$29,900	
$35,200–	$45,800	$7,270+39.0%	$35,200	
$45,800–	$60,000	$11,404+44.0%	$45,800	
$60,000–	$85,600	$17,652+49.0%	$60,000	
$85,600–	$109,400	$30,196+53.0%	$85,600	
$109,400–	$162,400	$42,810+58.0%	$109,400	
$162,400–	$215,400	$73,550+61.0%	$162,400	
$215,400		$105,880+63.0%	$215,400	

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$2,300	$0+ .0%	$0	
$2,300–	$3,350	$0+12.0%	$2,300	
$3,350–	$4,400	$126+13.0%	$3,350	
$4,400–	$6,500	$262+15.0%	$4,400	
$6,500–	$6,550	$577+16.0%	$6,500	
$6,550–	$8,600	$585+16.0%	$6,550	
$8,600–	$10,700	$924+18.0%	$8,600	
$10,700–	$10,800	$1,302+19.0%	$10,700	
$10,800–	$12,900	$1,321+20.0%	$10,800	
$12,900–	$14,900	$1,751+21.0%	$12,900	
$14,900–	$15,550	$2,181+23.0%	$14,900	
$15,550–	$18,200	$2,331+24.0%	$15,550	
$18,200–	$19,100	$2,967+26.0%	$18,200	
$19,100–	$23,500	$3,201+27.0%	$19,100	
$23,500–	$28,800	$4,411+31.0%	$23,500	
$28,800–	$30,600	$6,054+33.0%	$28,800	
$30,600–	$34,100	$6,657+36.0%	$30,600	
$34,100–	$43,400	$7,917+39.0%	$34,100	
$43,400–	$44,700	$11,544+41.0%	$43,400	
$44,700–	$55,300	$12,083+44.0%	$44,700	
$55,300–	$58,900	$16,747+46.0%	$55,300	
$58,900–	$81,800	$18,421+49.0%	$58,900	
$81,800–	$84,500	$29,642+51.0%	$81,800	
$84,500–$108,300		$31,033+53.0%	$84,500	
$108,300–$161,300		$43,766+58.0%	$108,300	
$161,300–$214,300		$74,771+60.0%	$161,300	
$214,300		$106,571+61.0%	$214,300	

"(B) Calendar year 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$2,300	$0+ .0%	$0	
$2,300–	$3,350	$0+11.0%	$2,300	
$3,350–	$4,400	$115+13.0%	$3,350	
$4,400–	$6,550	$252+15.0%	$4,400	
$6,550–	$8,600	$574+16.0%	$6,550	
$8,600–	$10,700	$902+18.0%	$8,600	
$10,700–	$12,900	$1,280+20.0%	$10,700	
$12,900–	$15,550	$1,720+21.0%	$12,900	
$15,550–	$18,200	$2,277+24.0%	$15,550	
$18,200–	$23,500	$2,913+28.0%	$18,200	
$23,500–	$30,600	$4,397+30.0%	$23,500	
$30,600–	$43,400	$6,527+35.0%	$30,600	
$43,400–	$55,300	$11,007+40.0%	$43,400	
$55,300–	$81,800	$15,767+45.0%	$55,300	
$81,800–$108,300		$27,692+50.0%	$81,800	
$108,300		$40,942+55.0%	$108,300	

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$3,400	$0+ .0%	$0	
$3,400–	$5,500	$0+11.0%	$3,400	
$5,500–	$7,600	$231+13.0%	$5,500	
$7,600–	$11,900	$504+15.0%	$7,600	
$11,900–	$16,000	$1,149+17.0%	$11,900	
$16,000–	$20,200	$1,846+20.0%	$16,000	
$20,200–	$24,600	$2,686+23.0%	$20,200	
$24,600–	$29,900	$3,698+25.0%	$24,600	
$29,900–	$35,200	$5,023+30.0%	$29,900	
$35,200–	$45,800	$6,613+35.0%	$35,200	
$45,800–	$60,000	$10,323+40.0%	$45,800	
$60,000–	$85,600	$16,003+44.0%	$60,000	
$85,600–$109,400		$27,267+48.0%	$85,600	
$109,400–$162,400		$38,691+52.0%	$109,400	
$162,400–$215,400		$66,251+55.0%	$162,400	
$215,400		$95,401+56.0%	$215,400	

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$2,300	$0+ .0%	$0	
$2,300–	$3,350	$0+11.0%	$2,300	
$3,350–	$4,400	$115+12.0%	$3,350	
$4,400–	$6,500	$241+14.0%	$4,400	
$6,500–	$6,550	$535+15.0%	$6,500	
$6,550–	$8,600	$543+15.0%	$6,550	
$8,600–	$10,700	$861+16.0%	$8,600	
$10,700–	$10,800	$1,207+17.0%	$10,700	
$10,800–	$12,900	$1,225+18.0%	$10,800	
$12,900–	$14,900	$1,613+19.0%	$12,900	
$14,900–	$15,550	$1,993+20.0%	$14,900	
$15,550–	$18,200	$2,126+22.0%	$15,550	
$18,200–	$19,100	$2,709+24.0%	$18,200	
$19,100–	$23,500	$2,925+25.0%	$19,100	
$23,500–	$28,800	$4,047+27.0%	$23,500	
$28,800–	$30,600	$5,505+30.0%	$28,800	
$30,600–	$34,100	$6,045+32.0%	$30,600	
$34,100–	$43,400	$7,182+35.0%	$34,100	
$43,400–	$44,700	$10,437+38.0%	$43,400	
$44,700–	$55,300	$10,925+40.0%	$44,700	
$55,300–	$58,900	$15,165+42.0%	$55,300	
$58,900–	$81,800	$16,695+44.0%	$58,900	
$81,800–	$84,500	$26,885+47.0%	$81,800	
$84,500–$108,300		$28,154+49.0%	$84,500	
$108,300–$161,300		$39,816+53.0%	$108,300	
$161,300–$214,300		$68,171+55.0%	$161,300	
$214,300		$97,321+55.0%	$214,300	

"(C) Calendar year 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$2,300	$0+ .0%	$0	
$2,300–	$3,350	$0+10.0%	$2,300	
$3,350–	$4,400	$105+11.0%	$3,350	
$4,400–	$6,550	$220+12.0%	$4,400	
$6,550–	$8,600	$478+14.0%	$6,550	
$8,600–	$10,700	$765+16.0%	$8,600	
$10,700–	$12,900	$1,101+17.0%	$10,700	
$12,900–	$15,550	$1,475+19.0%	$12,900	
$15,550–	$18,200	$1,979+22.0%	$15,550	
$18,200–	$23,500	$2,562+25.0%	$18,200	
$23,500–	$30,600	$3,887+28.0%	$23,500	
$30,600–	$43,400	$5,875+33.0%	$30,600	
$43,400–	$55,300	$10,099+38.0%	$43,400	
$55,300–	$81,800	$14,621+43.0%	$55,300	
$81,800–$108,300		$26,016+48.0%	$81,800	
$108,300		$38,736+50.0%	$108,300	

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$3,400	$0+ .0%	$0	
$3,400–	$5,500	$0+10.0%	$3,400	
$5,500–	$7,600	$210+11.0%	$5,500	
$7,600–	$11,900	$441+13.0%	$7,600	
$11,900–	$16,000	$1,000+15.0%	$11,900	
$16,000–	$20,200	$1,615+18.0%	$16,000	
$20,200–	$24,600	$2,371+21.0%	$20,200	
$24,600–	$29,900	$3,295+23.0%	$24,600	
$29,900–	$35,200	$4,514+27.0%	$29,900	
$35,200–	$45,800	$5,945+32.0%	$35,200	
$45,800–	$60,000	$9,337+36.0%	$45,800	
$60,000–	$85,600	$14,449+40.0%	$60,000	
$85,600–$109,400		$24,689+43.0%	$85,600	
$109,400–$162,400		$34,923+47.0%	$109,400	
$162,400–$215,400		$59,833+49.0%	$162,400	
$215,400		$85,803 +50.0%	$215,400	

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		
$0–	$2,300	$0+ .0%	$0	
$2,300–	$3,350	$0+10.0%	$2,300	
$3,350–	$4,400	$105+10.0%	$3,350	
$4,400–	$6,500	$215+11.0%	$4,400	
$6,500–	$6,550	$457+12.0%	$6,500	
$6,550–	$8,600	$463+13.0%	$6,550	
$8,600–	$10,700	$740+14.0%	$8,600	
$10,700–	$10,800	$1,044+15.0%	$10,700	
$10,800–	$12,900	$1,059+16.0%	$10,800	
$12,900–	$14,900	$1,395+17.0%	$12,900	
$14,900–	$15,550	$1,735+18.0%	$14,900	
$15,550–	$18,200	$1,855+20.0%	$15,550	
$18,200–	$19,100	$2,385+21.0%	$18,200	
$19,100–	$23,500	$2,579+23.0%	$19,100	
$23,500–	$28,800	$3,591+25.0%	$23,500	
$28,800–	$30,600	$4,942+27.0%	$28,800	
$30,600–	$34,100	$5,437+30.0%	$30,600	
$34,100–	$43,400	$6,487+32.0%	$34,100	
$43,400–	$44,700	$9,510+35.0%	$43,400	
$44,700–	$55,300	$9,965+37.0%	$44,700	
$55,300–	$58,900	$13,887+39.0%	$55,300	
$58,900–	$81,800	$15,309+41.0%	$58,900	
$81,800–	$84,500	$24,812+44.0%	$81,800	
$84,500–$108,300		$26,000+45.0%	$84,500	
$108,300–$161,300		$36,829+48.0%	$108,300	
$161,300–$214,300		$62,534+49.0%	$161,300	
$214,300		$88,769+50.0%	$214,300	

TITLE II—INFLATION ADJUSTMENT

SEC. 201. Inflation Adjustments to Individual Tax Rates.

(a) General Rule.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) Adjustments in Tax Tables so that Inflation will not Result in Tax Increases.—

"(1) In General.—FOR TAXABLE YEARS AFTER 1982—Not later than December 15 of each calendar year beginning in 1982, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(2) Method of Prescribing Tables.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table, by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) Cost-of-Living Adjustment.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for calendar year 1981.

"(4) CPI for any Calendar Year.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) Consumer Price Index.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(b) Definition of Zero Bracket Amount.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) Zero Bracket Amount.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

SEC. 202. Cost-of-Living Adjustments in Amount of Personal Exemptions.

(a) General Rule.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) Exemption Amount.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

" * * * the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—for the calendar year in which the taxable year begins.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

SEC. 203. Adjustments in Withholding.

(a) In General.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year."

(b) Percentage Method of Withholding.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall not later than December 15 of each calendar year, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year."

(c) Withholding Allowances Based on Itemized Deductions.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

SEC. 204. Return Requirements.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

SEC. 205. Effective dates.

(a) The amendments made by sections 201, 203, and 204 of this Title shall apply to taxable years beginning after December 31, 1982.

(b) The amendments made by section 203 of this Act shall apply to remuneration paid after December 31, 1982.

S. 34

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Spending Limitation Act."

SEC. 2. Add to the Congressional Budget and Impoundment Control Act of 1974 the following new section:

"SEC. 312. Notwithstanding any other provision of this Act, in calendar years 1979 through 1982, the total amount of Federal outlays agreed to in the second concurrent resolution on the Budget or any further concurrent resolution on the Budget adopted by Congress under section 310 of the Congressional Budget and Impoundment Control Act of 1974 (referred to elsewhere in this section as the 'budget resolution') for the fiscal year which ends within such next calendar year shall not exceed, unless waived by a two-thirds vote in each House of Congress, the following percent of the projected gross national product projected by the Congressional Budget Office for that fiscal year on the basis of the budget resolution for that fiscal year:

"21.0% in FY 1980.

"20.0% in FY 1981.

"19.0% in FY 1982.

"18.0% in FY 1983.

By Mr. HELMS:

S. 35. A bill to repeal the Credit Control Act (12 U.S.C. 1901 et seq.); to the Committee on Banking, Housing, and Urban Affairs.

REPEAL THE POWER TO SEIZE GOLD

Mr. HELMS. Mr. President, in the depth of the depression, Congress made a number of changes in the law which were subsequently repealed or revised.

In 1973, Congress acted to restore the freedom of Americans to own gold. At that time, Congress did not address the subject of a little-known provision of the Federal Reserve Act, 12 U.S.C. 248(n). This subsection is as follows:

(n) Exchange of gold coin, bullion, and certificates for other currency on order of Secretary of Treasury; costs; penalties.

Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise.

I believe this subsection should have been repealed when the freedom to own gold was restored.

I asked the Chairman of the Federal Reserve Board, William E. Miller for his thoughts on this bill and he responded saying:

DEAR JESSE: Thank you for your letter of December 14 requesting views on the proposed repeal of 12 U.S.C. 248(n), which grants the Secretary of Treasury authority to call in gold from private holders. I have no objection to the proposal.

Sincerely,

BILL.

The Treasury Department has, as we know, adopted a policy of reducing the

monetary role of gold. Therefore, it seems anachronistic to keep the arbitrary authority over gold which supposedly has no monetary role. But even if we were on a gold coin standard, this extraordinary power would be unjustifiable.

Finally, some with whom I have discussed this bill feel that the Congress can again vote to confiscate gold. That is true. However it would require an overt act of Congress before that authority could be exercised. Today all that is needed is "adjustment" undefined except as to somehow protect the "currency system."

I introduce this bill today, at the beginning of the 96th Congress so that opinions can be requested from appropriate agencies, businessmen, academicians, and interested citizens, so that early in the 96th Congress action can be taken on this archaic piece of law.

Mr. President, I ask unanimous consent that the brief text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 35

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Credit Control Act (12 U.S.C. 1901 et seq.) is repealed.

By Mr. McCLURE:

S. 36. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, I am today introducing two bills designed to bring about a fair and effective answer to the problem of criminal misuse of firearms. By any standard the Gun Control Act of 1968 has failed to halt the increase in violent crimes which plagues our country. The reason for that failure, I suggest, is that the Gun Control Act of 1968 is fundamentally misdirected. It burdens the law-abiding citizen who obtains firearms through legal channels while affecting not at all the criminal who long before 1968 was barred from legally possessing guns.

It is easy to erect obstacles to those who want to buy firearms for hunting or target practice or defense of their home and family. These people want to obey the law. But these people have nothing whatever to do with the crime problem. Yet, they, not the professional criminal, are the victim of gun control laws. So I propose that we redirect Federal gun laws to deter this criminal behavior without infringing on the tranditional right of law-abiding Americans to keep and bear arms. To do this I offer two bills. The first simply repeals a law that has failed, the Gun Control Act of 1968. The second bill imposes a mandatory 5- to 10-year prison sentence on anyone who uses a gun to commit a crime of violence.

The bill is carefully drafted to avoid Federal intrusion into areas of criminal law best handled by the States. I would like to see similar mandatory sentence provisions enacted at the State level. It can be a first step toward the rebuilding of our criminal justice system into an effective deterrent to crime. I introduced similar bills during the 95th Congress, and was pleased to see that the principles behind these bills made significant gains. During consideration of the criminal code reform legislation, the Senate adopted several amendments I offered to refine the mandatory sentencing provisions and strengthen the rights of law-abiding gun owners. Congress also cut the budget of the Bureau of Alcohol, Tobacco, and Firearms and blocked their plan to impose national registration of firearms transactions. We voted to continue the civilian marksmanship program and forced the withdrawal of a nominee with extreme antigun views to head the LEAA.

These victories were made possible by the vigilance of millions of Americans who were willing to make their voices heard in defense of traditional American values.

By Mr. PROXMIRE:

S. 39. A bill to amend the Bank Holding Company Act and the Bank Merger Act to restrict the activities in which registered bank holding companies may engage and to control the acquisition of banks by bank holding companies and other banks; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, this legislation which I introduce today for reference to the Committee on Banking, Housing, and Urban Affairs, will effectively bring under control the concentration of banking resources into fewer hands and the expansion of bank holding companies beyond banking and into commerce and industry.

This Nation is best served by markets that are competitive and a financial system that fairly dispenses credit into all sectors of the economy. Competitive markets are usually characterized by a maximum number of competitors, no one or group of which has a dominant share of the market which enables them to set monopolistic prices. A financial system that is to be depended upon to fairly dispense credit into the economy must not itself compete in commerce and industry lest its credit judgments be affected by the equity stake that it has in those industries.

Bank holding companies have been the subject of major congressional legislation passed in 1956 and 1970 to insure these goals. Unfortunately, there is significant evidence that further refinements to these laws are necessary again if we are to assure competitive financial and nonfinancial markets.

Bank holding companies dominate our banking system. They now control over 70 percent of all banking deposits. The largest of these have experienced explosive growth. During the 25-year period from 1950 to 1975, the 10 largest of these institutions increased their control of all bank deposits in the Nation from under 20 percent to about 30 percent. Moreover, many State and local banking markets are highly concentrated with a few bank holding companies dominating banking activities.

This state of affairs is bad enough, but it has been compounded by bank holding company expansion into businesses outside of banking. Witness after witness from the insurance, data processing, auto leasing, securities, mutual fund, armored car and courier, travel agency and real estate industries, appearing in support of this legislation in the past testified as to the unfair competition posed to their industries by bank holding companies whose subsidiary banks are engaged in making loans. Unfair competition arises because many customers will prefer to give their commercial business to a bank which also dispenses credit, even at a higher price, rather than to purchase their services from a nonbank competitor. Tie-in sales, whether coerced or voluntary, distort our economy and free market. This distortion means that trade is no longer carried out on the basis of price, quality, and service but on the basis of hoped-for favoritism.

This legislation will cure the deficiencies in the current situation. First, this legislation will prohibit bank holding companies from acquiring any banks if they already have 20 percent of the banking assets in any State. This will require the dominant holding companies in State markets to grow internally, not by taking over competitors. Consumers will benefit by more competitive banking markets.

Second, this legislation will require that holding companies restrict their nonbank activities to those that are directly related to banking. This represents a significant tightening of current law under which banks are permitted to engage in activities that are merely closely related to banking. Moreover, this legislation will require that bank holding companies prove that entry into nonbank fields will produce substantial public benefits to the public, which clearly and significantly outweigh possible adverse effects.

There is substantial evidence that bank holding company expansion has had adverse effects on competition in both bank and nonbank markets. Bank holding company banks, while experiencing similar growth rates to independent banks, have riskier portfolios and lower capital ratios. The evidence also is that bank holding company mortgage banking and consumer finance subsidiaries operate with lower capital ratios than their competitors in these nonbank fields. This legislation will put the burden of proof on bank holding companies to show that the public will benefit before they are allowed to expand into nonbank fields.

Mr. President, this legislation has been the subject of numerous hearings in the Banking Committee in the last two Congresses. In the last Congress, the Banking Committee was responsible for the passage of two pieces of landmark banking legislation: the International Banking Act and the Financial Institutions Regulatory and Interest Rate Control Act. In the closing days of the last Congress, legislation to control some specific aspects of bank holding company expansion passed both the House and the Senate in the same form but in different pieces of legislation. Because of the complexity of the end of session, bank holding company reform could not be achieved.

House members have stated that control of bank holding companies will be a

priority item in that body. This legislation will provide the focus for the Banking Committee. Mr. President, this legislation enjoys substantial support. The Independent Bankers Association and the mutual savings banks testified in favor of control of expansion of bank holding companies. Strong support for this legislation comes from the various nonbank industries I have previously referred to which are the victims of unfair competition by bank holding companies.

Mr. President, I commend this important legislation to my colleagues for their support and I ask unanimous consent that the statement I have previously made introducing this legislation in previous Congresses be printed in the RECORD following my remarks because those remarks are as fully applicable to the need for this legislation today as when I made them.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMPETITION IN BANKING ACT OF 1977

Mr. PROXMIRE. Mr. President, I am today introducing a bill for reference to the Committee on Banking, Housing and Urban Affairs to control the concentration of the banking resources of the Nation into fewer hands and to put brakes on the unbridled growth of bank holding companies into nonbanking fields.

The legislation titled the "Competition in Banking Act of 1977" is identical to legislation which I sponsored in the 94th Congress (S. 2721).

My statement in support of the bill on the floor of the Senate on December 1, 1975, is fully applicable today. The Senate Banking Committee held 2 days of hearings on this bill last year. Strong statements in support of the provisions of the bill were made by spokesmen for the various commercial industries into which bank holding companies have expanded and competed unfairly. Such industries included insurance, and insurance agency, data processing, securities, automobile leasing, travel agencies, courier and armored car, and realtors.

Chairman Burns has been quoted in the public press as having said that if he had to do it all over again, he would fight for a tougher bank holding company bill than the Bank Holding Company Act Amendments of 1970. Chairman Burns expressed the desire for a much more restrictive legislative scope to the kinds of nonbank businesses that bank holding companies should be permitted to engage. I could not agree more with the distinguished Chairman of the Federal Reserve in this regard. This bill will do the job.

Bank holding companies will continue to be permitted to engage in nonbanking activities outside the geographic areas applying to their subsidiary banks. But, under the bill, such activities must be shown to be directly related to banking and shown to have significant public benefits that clearly outweigh possible adverse effects such as unfair competition or concentration of resources. In making determinations as to which activities are permissible for bank holding companies the Federal Reserve will be required to do so on the record. Ex parte communications are forbidden.

The testimony before the committee on this bill last year was that a cosy relationship exists between the bank regulators and the banks which results in unfair treatment to bank competitors in the marketplace. The marriage between the banks and the bank regulators must be broken. This bill will accomplish this purpose with respect to bank holding companies. On a broader level, however, I believe that the bank regulatory agencies should be consolidated into a single agency which has the will to protect the public interest.

Bank holding companies have come to dominate the business of banking. The largest institutions acquired an increasing share of the Nation's banking resources over the past several years and State markets are highly concentrated. Yet banking institutions operate in a protected market where entry is restricted and capital is highly leveraged by the use of depositors' funds. In these circumstances great care needs to be taken so that banks do not unfairly compete in industries outside of banking. Many customers will naturally prefer to purchase their commercial services from banks which also dispense credit rather than to purchase such services from nonbank enterprises. This is not competition based on quality and price but rather smacks of an involuntary tie-in. We cannot allow our commercial markets to be distorted in this fashion. This bill provides the needed public protections.

To deal with concentration of banking resources, this bill amends the bank merger laws to prohibit any further bank acquisitions by a banking organization already holding 20 percent of the banking deposits in any State.

Mr. President, the Senate Banking Committee did not have the time to complete the record on this legislation in the last Congress. My intent is to complete the record in this Congress and to see this bill become law.

COMPETITION IN BANKING ACT OF 1975

Mr. PROXMIRE. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs, a bill to amend the Bank Holding Company Act of 1956 and 1970 and to amend the provisions of the Bank Merger Act of 1966. This bill will accomplish basic reforms in the law governing the structure of banking in this Nation. The bill arises out of a need to restrict the further acquisition of banks by bank holding companies and other banks, and to restrict further the scope of activities that may be engaged in by bank holding companies to insure a safe and sound banking system, responsiveness to consumer needs, and a healthy line of demarcation between banking and commerce.

Mr. President, this bill amends the antitrust laws applying to the acquisition of banks by bank holding companies and to the merger of banks in order to control the concentration of banking resources in the Nation and to bring a measure of increased competition in the public interest to the banking industry. The bill will also amend the laws applicable to bank holding company expansion into what has unfortunately been regarded as permissible "nonbank" activities to restrict permissible activities to those that are "directly" related to banking.

The need to control the concentration of banking resources and increased competition in the banking industry is both undeniable and urgent.

Bank holding companies increasingly dominate the business of banking in this Nation. During the period 1968 to 1974 total bank deposits increased from $434 billion to $698 billion. Over this period the portion of holding company control of bank deposits went from $166 billion—38 percent—to $492 billion—71 percent. One bank holding company expansion, brought within the purview of control under Federal law in 1970, makes up a substantial portion of this growth. I wish to point out for your special note, Mr. President, that multibank holding company control of total bank deposits increased over this period from $58 billion to $280 billion. Bank holding company acquisitions of existing banks accounted for 73 percent of all acquisitions of banks at the end of 1973. These statistics underscore the inexorable movement toward control of our banking system by bank holding companies.

An analysis of the growth of large banking institutions reveals that over the course of the past 25 years, the 10 and 25 largest banking institutions have increased their share of the Nation's bank deposits from 20 percent and 30 percent, respectively, to 29 percent and 39 percent. The 10 largest institutions were responsible for the major portion of this increase in concentration of resources. Moreover, many statewide, local, and major markets have remained highly concentrated.

Make no mistake about it, Mr. President, the concentration of banking resources is not a matter of esoteric academic concern.

Where resources become concentrated, competition is reduced. The consumer, the builder, the small businessman, the homeowner, the municipal borrower, all bear the brunt of decreased competition in the form of higher costs on the money they borrow or in the form of reduced services. In its drive for growth, the focus of the banking system has all too frequently shifted to a high-profit oriented philosophy. We have gone through an unfortunate and debilitating era of "go-go" banking in which sensible rules of prudence have been cast aside in favor of speculation to earn high rates of return.

In the process of funding speculative areas of the economy, banking institutions have all too often misallocated the credit resources of the Nation which they hold in trust in the public interest. The public trust aspects in banking have been much forgotten principles. The fair operation of the banking system is basic to the needs of the economy. The operation of the antitrust laws as presently constituted have not been adequate to the task of increasing competition in the banking industry in the public interest. The antitrust laws relating to banking must, therefore, be revised if we are to cope with the problem of increased concentration, a problem which holds no promise of abating without legislative action.

Bank mergers or holding company acquisitions of a bank would be prohibited under this bill if the resultant company would control more than 20 percent of the banking assets held by banks or holding companies within States in which the company is located. An exception is provided for mergers or acquisitions which have been found to be necessary in order to prevent the failure of a bank and if less anticompetitive alternatives are not available. The Justice Department is given an independent right to seek injunctions in court for mergers or acquisitions which violate the 20 percent standard. Mr. President, this provision is necessary if we are to prevent the Nation's banking resources from coming under the control of oligopolies in individual States. The bill further gives to the bank regulatory agencies the discretion to deny anticompetitive mergers or acquisitions not violating the Sherman Act, the Clayton Act, or the 20 percent standard if the public benefits of such anticompetitive transactions are not clearly outweighed in meeting community convenience and needs. Mr. President, 33 banking institutions holding bank assets of about $107 billion, representing 12 percent of the Nation's deposits, would be covered by the 20 percent prohibitory standard.

Arthur Burns, the distinguished chairman of the Federal Reserve Board has reportedly stated that if he had to do it all over again, he would fight for a tougher bank holding company bill than the Bank Holding Company Act of 1970. Chairman Burns was stated to have expressed a desire for a much more limited legislative scope to the kinds of business a bank holding company could enter.

I agree with these statements which have been attributed to Chairman Burns. There is need to restrict the kinds of business in which bank holding companies may engage. In my view, bank holding companies should only engage in the business of offering banking services. This bill will serve to limit bank

holding companies to those activities "directly" related to banking and will preserve the line between banking and commerce.

Bank holding companies are permitted to engage in a number of activities which are not "directly" related to banking. They underwrite certain types of insurance, act as insurance agents, act as investment advisors to real estate investment trusts and lease-and-market automobiles. Such activities are primarily commercial in nature and are not "directly" related to the business of accepting deposits or making loans. Instead of financing business and commerce, banks have themselves engaged in the business and commerce of the Nation.

To some extent, our fragmented regulatory structure has contributed to this situation. We have the example of the Federal Reserve denying a bank holding company permission to engage in a particular activity on the ground that the activity was not closely related to banking and the Comptroller permitting a subsidiary national bank of the holding company to engage in the same activity under the incidental powers clause of the national banking laws. This practice would be specifically outlawed by this bill. The Federal Reserve would be the final authority in such matters. Of course, on a broader level, my proposal for the establishment of a Federal Bank Commission would put such practices to rest once and for all by eliminating this competition-in-laxity among our Federal regulators.

When bank holding companies go beyond banking and engage in commerce, credit is misallocated and the potential for unsafe or unsound banking practices arises. The holding company no longer acts as a source of strength to the banks in the holding company. As a matter of fact, the bank subsidiaries in such situations are often called upon to rescue these nonbank operations from the consequences of their speculations and mismanagement. One need only examine the real estate investment trust experience to see first hand just how badly the public interest has been served by these speculations.

This bill will require the bank holding company and all of its subsidiaries to be adequately capitalized. Bank holding companies will be required to disclose their intra-corporate dealings to protect competition and the public interest.

Many of the industries into which bank holding companies have expanded recently are industries characterized by smaller producing units. In these circumstances, competitors should be given the opportunity to develop a record upon which the Federal Reserve Board will be bound before allowing bank holding companies to expand their services. This bill will require the Federal Reserve to apply the provisions of the Administrative Procedure Act to issuance of regulations and orders in its administration of the Bank Holding Company Act. Before the Board could approve any activity by a bank holding company, it would have to make two findings: first, that the proposed activity is directly related to banking; and second, that the proposed transaction is likely to produce significant benefits to the public which clearly and significantly outweigh possible adverse effects.

Existing bank holding company laws have allowed banking organizations to expand the geographic distribution of their services from coast to coast by establishing subsidiary offices across State lines. Bank holding company entry into nonbank activities under existing law has proliferated in recent years. Entry by acquisition has gone from 6 in 1970 to 606 in 1974. De novo entry into such activities has gone from 71 in 1971 to 524 in 1974. Care needs to be taken that the public interest will be served by such expansion and that existing business relationships will not be altered contrary to the public interest by methods of unfair competition or credit misallocation. This bill will accomplish these public purposes.

By making the Administrative Procedure Act applicable to Federal Reserve Board proceedings, parties in interest, including consumer groups, will be enabled to build a record to determine if the public interest will in fact be served in particular instances. These provisions will require the Board to tailor its orders precisely to the needs of the public. This bill gives the Federal Reserve continuing enforcement authority over its orders. Should the public interest fail to be served at any point, the Federal Reserve could require corrective action. Where the Federal Reserve fails to act, unreasonably, an appeal may be taken to a Federal Reserve to maintain continuous surveillance over bank holding companies and their subsidiaries to insure that their public interest functions will be served.

By Mr. FORD (for himself, Mr. HUDDLESTON, and Mr. DECONCINI):

S. 40. A bill to extend the period for SBA disaster low-interest loans from October 1, 1978, to October 1, 1979; to the Select Committee on Small Business.

INTEREST RATE ON DISASTER LOANS

Mr. FORD. Mr. President, this legislation which Senator HUDDLESTON, Senator DECONCINI, and I are proposing relates to the interest rate on certain disaster loans granted by the Small Business Administration. Public Law 95–89, had provisions respecting the interest rates on loans to repair or replace residences and to repair damage on personal property. That change permitted low-interest loans for disasters occurring on or after July 1, 1976, and prior to October 1, 1978. This change would extend the termination date on these low-interest loans to October 1, 1979.

In December of 1978, devastating floods hit a major portion of central Kentucky. Record floods were experienced in the capital city of Frankfort. The major damage in the 37 counties affected was to primary residences. For those families with outstanding loans, even with low-interest rates, the loss is tragic. Many of these families were aware that the 1977 amendment was enacted to grant relief after the April 1977 floods that hit southeastern Kentucky and West Virginia. Special relief had been granted for the low-interest rates, but this legislation had terminated October 1, 1978, only 2 months before the December floods.

This legislation will simply extend the low-interest rates to cover this flood and any of the others that might occur in the remainder of the current fiscal year.

It is important to recognize that these funds are not grants, but low-interest loans. Many of the individuals suffering losses will not only be required to repay this loan, but other outstanding loans that existed when the tragedy occurred.

It retains the same interest rates that were authorized for disasters occurring between July 1, 1976, and October 1, 1978.

Mr. HUDDLESTON. Mr. President, it is one of the most longstanding and proudest traditions of our Government to readily respond to the needs of those who fall victim to disaster in a compassionate manner. Unfortunately, these efforts are being undermined by a return to the old procedure of granting Small Business Administration disaster loans at interest rates very near the prevailing rate for private loans.

During the 95th Congress I, along with several other Senators, introduced legislation which reduced the interest rate for most SBA disaster loans to 3 percent or less. Although this change was a part of Public Law 95–89, It was only applicable to those loans for disasters occurring on or after July 1, 1976, and prior to October 1, 1978. This termination date now returns us to the old process of ignoring the fact that disaster victims are people with special needs brought about by circumstances beyond their control.

The devastating floods which hit over 30 counties in the State of Kentucky in 1978 have emphasized the need to continue low-interest disaster loans for the victims. The reduction in interest rates was intended to provide greater equity for disaster victims by insuring that the interest rates and the terms of the loans remain low enough for relief to be accessible to those who need it most. Those individuals who lose property and income, because of a disaster need this additional helping hand in order to restore their lives to a semblance of that which existed prior to a disaster in as short a time as possible.

The legislation which Senator FORD and I are introducing today would merely extend the termination date for low interest SBA disaster loans until October 1, 1979. In other words, we would continue for a limited time to grant disaster loans to victims under the same terms and conditions that existed for similar disaster victims prior to October 1, 1978.

Spiraling inflation rates have pushed interest rates for private loans into the double-digit range, and interest rates for disaster loans have been pulled upward along with them. These inflated interest rates have in effect added an additional burden to these recent disaster victims which did not exist for previous victims. I do not believe that it is fair or compassionate for these people to be forced by uncontrollable circumstances to take out loans with inflated interest rates. In order to maintain an effective disaster program, it is essential that the interest rates and the terms of the loan remain low enough for relief to be accessible to those in greatest need.

By Mr. FORD (for himself and Mr. HUDDLESTON):

S. 41. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. FORD. Mr. President, Senator HUDDLESTON and I are today introducing legislation to transfer 47.04 acres of Forest Service land to the Bell County Board of Education. Currently, Bell County has two high schools located in a flood plain. These schools have sustained significant

damage from flood waters. If this bill is passed, the Bell County Board of Education will be able to replace both schools with a new, more secure, facility.

Mr. President, this matter cannot be solved administratively. The Department of Agriculture has determined that legislation is necessary to achieve the transfer of this land.

The Bell County Board of Education has sought this property for over a year. They are hoping to begin construction on the new high school in the spring of 1979. I urge expeditious and favorable consideration on this legislation.

Mr. HUDDLESTON. Mr. President, I take great pleasure in joining my colleague, Senator FORD, in sponsoring legislation which would remove a reversion feature from certain lands in Bell County, Ky., conveyed earlier by the Secretary of Agriculture under the authority of the Bankhead-Jones Farm Tenant Act of 1937. In particular, this legislation stipulates that these lands will be used exclusively for educational purposes by the Bell County Board of Education and permits the board to replace two flood-prone school buildings.

Bell County has two high schools which are located in the flood plain on the banks of the Cumberland River. Every time the river floods or there is high water school officials are faced with removing mud and debris, replacing expensive teaching supplies, and repairing structural damage, all of which make returning to a flooded school building unpleasant. The damages to these school buildings and the county administration building from the April 1977 flood were assessed at more than $1.1 million by the Department of Health, Education, and Welfare. This school system can ill afford to finance such expenses and is looking forward to consolidating the two existing high schools into a single facility that would provide the educational program students deserve.

Through considerable correspondence with Department of Agriculture officials I learned the Department has no authority to release the title for this land and that special legislation would be required to accomplish this action. A year and a half has passed since this land was originally conveyed to the Bell County School Board and school officials remain helpless in their efforts to finance the construction of a new school building without the enactment of this legislation. Therefore, I cannot emphasize too strongly the urgency of this situation and urge my colleagues to join with me in supporting this legislation.

By Mr. HATCH (for himself, Mr. WALLOP, Mr. DURKIN, Mr. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MELCHER, and Mr. SIMPSON):

S. 43. A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

NATIONAL SKI PATROL SYSTEM RECOGNITION ACT

Mr. HATCH. Mr. President, I am pleased to introduce for the consideration of the 96th Congress a bill extending full recognition and gratitude to the National Ski Patrol System. As a nonprofit, volunteer organization of over 23,000 individuals, the Ski Patrol has been credited with saving the lives of skiers and winter sports enthusiasts with their expert rendering of emergency medical aid, research and rescue techniques, and avalanche control efforts.

In following up previous research to support this measure, I have discovered many other reasons to act upon this bill. Among them is the fact that during World War II the "Tenth Mountain Division" was established at the behest of the National Ski Patrol by Gen. George C. Marshall to patrol the slopes of Germany and assist in the rescue of American military personnel. Today, the National Ski Patrol System's International Division includes 200 members in 9 patrols, 6 in West Germany, and 1 each in Spain, Italy, and Israel. These patrols concentrate on insuring the safety and enjoyment of skiing and winter outdoor activity for U.S. Government employees and American military personnel and their families.

The National Ski Patrol System is also unique in that it has helped to foster friendly relations with foreign countries. Exchanges of ideas, training aids and sometimes patrollers themselves, have taken place with Australia, Chile, Canada, and New Zealand.

The National Ski Patrol has maintained a written understanding of cooperation with the American Red Cross and has worked hand in hand with such Federal agencies as the U.S. Forest Service and National Highway Traffic Safety Administration. It should be noted that the NSPS has assumed near total responsibility for avalanche control on lands under the jurisdiction of the U.S. Forest Service and the U.S. Park Service. To illustrate the importance of this cooperation, I ask unanimous consent that letters from the U.S. Forest Service, the U.S. National Highway Traffic Safety Administration, and the statement of understanding with the American Red Cross be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., June 14, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: We have been requested by telephone to furnish information concerning the National Ski Patrol System and how they relate to National Forest lands.

The National Ski Patrol System (NSPS) has a longstanding record of assistance to the Forest Service, ski area operators, law enforcement officials, medical personnel, and the general public at National Forest ski areas. NSPS volunteers provide rescue and first aid services, snow safety training, avalanche control, and other assistance at many areas. Their activities give long-term stability to winter safety programs at ski areas where many employees change seasonally. We understand the NSPS provides similar services at ski areas administered by the Department of the Interior and at U.S. Armed Forces recreation areas overseas.

The NSPS has provided invaluable assistance in developing avalanche forecasting and control methods, and in-training for avalanche control and rescue. They sponsor a basic and advanced avalanche course annually. The basic course provides training in the recognition of avalanche hazards and basic rescue techniques. The recipients of this training are better able to more safely participate in winter sports such as cross-country skiing. They can also offer their services in organized rescue of persons missing or caught in avalanches. The advanced avalanche course, on the other hand, trains NSPS members in methods of forecasting and control of avalanches and trains them to be team leaders in rescue operations.

Ski area operators are responsible for controlling avalanches and other snow safety work at the individual ski areas. The Forest Service inspects these activities under the terms of the special use permit. The NSPS volunteers assist the ski area operator in performing these activities, thereby, reducing operating expenses and public costs.

Whether it be downhill skiing, cross-country skiing, or general winter mountaineering activities, the NSPS continues to promote user safety and enjoyment of National Forest and other lands suited to winter activities.

Sincerely,

OWEN I. JAMISON
(For JOHN R. MCGUIRE, *Chief*).

U.S. DEPARTMENT OF TRANSPORTATION,
Washington, D.C., May 24, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: It has been brought to our attention that the National Ski Patrol has submitted a request to become nationally chartered.

The Department of Transportation's Emergency Medical Services program was authorized under the Highway Safety Act of 1966 to develop standards and guidelines and provide funding assistance to upgrade the prehospital emergency medical services system. There are numerous organizations involved in a State's emergency medical services system including hospitals, ambulance and rescue services, American National Red Cross, American Heart Association and, in many areas, the National Ski Patrol.

The National Ski Patrol has had over the years a very unique role to play. Their members cooperate with the local ambulance services in providing lifesaving emergency medical care to injured individuals, stabilizing these individuals and transporting them to a location where the victim could safely be transported by ambulance to the hospital emergency department.

A large number of National Ski Patrol members are also members of volunteer ambulance and rescue squads. The high level of patient care required in the ambulance services obviously benefits the winter wilderness.

We support the request of the National Ski Patrol for a charter.

Sincerely,

CHARLES F. LIVINGSTON,
Acting Associate Administrator,
Traffic Safety Programs.

STATEMENT OF UNDERSTANDING BETWEEN NATIONAL SKI PATROL SYSTEM AND THE AMERICAN NATIONAL RED CROSS WITH RESPECT TO FIRST AID AND SAFETY TRAINING

PURPOSE

The purpose of this statement of understanding is to strengthen and maintain the cooperative working relationships between the National Ski Patrol System (hereafter referred to as NSPS) and its divisions, regions, and patrols and The American National Red Cross (hereafter referred to as ANRC) and its areas, divisions, and chapters in providing first aid training and cooperative assistance in time of emergencies. It suggests

a pattern by which they may coordinate their personnel and service facilities, and it provides a broad framework for cooperation between the organizations.

AUTHORITY

This statement of understanding is established by mutual agreement of the NSPS and the ANRC, and shall be considered as a commitment of cooperative assistance until such time as either party may desire to dissolve the relationship.

RECOGNITION

The ANRC recognizes the NSPS for its commitment to ski safety and to rescue of persons injured in the winter environment and the valuable assistance it can provide in the promotion of injury prevention and public education in first aid.

The NSPS recognizes the ANRC as an agency through which the American people voluntarily extend assistance to individuals and organizations in need of first aid and safety training.

Both organizations in their voluntary capacity recognize that first aid and safety training is a continuing need of the community at large. Both organizations accept a responsibility to meet this need.

ORGANIZATION OF THE AMERICAN NATIONAL RED CROSS

The national headquarters of the ANRC is located in Washintgon, D.C. For administrative purposes, the ANRC divides the continental United States into four administrative areas. Area offices of the national organization are located as follows: Eastern Area, Alexandria, Virginia; Southeastern Area, Atlanta, Georgia; Midwestern Area, St. Louis, Missouri; and Western Area, San Francisco, California. Each area office has an administrative staff.

Area jurisdictions are sub-grouped into divisions, which report administratively to the area office. Divisions are made up of groups of chapters, which report administratively to a division headquarters chapter. The chapter is the local unit of the ANRC and is responsible for all local activities of the ANRC within its territory, subject to the policies and regulations of the national organization. There are approximately 3,200 chapters across the United States.

ORGANIZATION OF NATIONAL SKI PATROL SYSTEM

The national headquarters of the NSPS is located in Denver, Colorado. For administrative purposes, there are 10 divisions throughout the United States and the world, with each having jurisdiction covering a specific geographical territory. Division offices are located in the following areas: Alaska, Central-US, Eastern-US, Far Western-US, Intermountain-US, International, Northern-US, Pacific Northwest-US, Southern-US, and Rocky Mountain-US. Each Division office has an administrative staff and some have field staff members. Each Division office reports to the national office.

The patrol is the local unit of the NSPS and is responsible for all local activities of the NSPS within its territory, subject to the policies and regulations of the national office. There are approximately 870 local patrols throughout the United States and the world. Division jurisdictions are sub-grouped into Regions, which report to the Division office. Regions are made up of groups of patrols who report to a Regional headquarters office.

METHOD OF COOPERATION

In order that the ANRC and the NSPS may work in harmony in providing quality training and promotion of safety, the organizations have agreed as follows:

1. Continuing liaison will be maintained between the ANRC and the NSPS at all levels.

2. The NSPS recognizes the ANRC Advanced First Aid and Emergency Care course completion certificate as being the desired minimum level training for initial membership into a patrol (effective 1978). (The NSPS recognizes the ANRC Standard First Aid and Personal Safety completion certificate as an interim minimum entrance requirement.)

3. Each organization will encourage their local units to work toward mutual service to the community.

4. If previously agreed upon at the local level, NSPS physical facilities and equipment may be utilized by the ANRC during training and vice versa.

5. The NSPS and the ANRC will work together closely on a national level in the development of materials and programs in those subject areas which fall within the realm of the respective organizations.

6. The ANRC may utilize the feedback from volunteer and professional NSPS staff to assist in the development of first aid and safety materials and other related projects which fall within the subject areas of joint concern to both organizations when applicable and mutually agreed upon.

7. The NSPS may utilize the expertise of volunteer and professional staff of the local ANRC to assist in first aid and other assignments where their expertise is applicable and mutually agreed upon.

8. The NSPS recognizes that the ANRC is dependent primarily upon voluntary public financial support to carry out its program. Therefore, the NSPS will encourage its members to support ANRC fund appeals.

9. The ANRC recognizes that the NSPS is dependent primarily upon voluntary public financial support to carry out its program. Therefore, ANRC will encourage its members to support NSPS fund appeals.

10. The NSPS and the ANRC are cognizant of the need for continuing interpretation necessary to good public understanding of first aid and safety training. To this end, the NSPS will appraise its membership of the capabilities of the ANRC and of the necessity of local planning for cooperative action. The ANRC will advise its chapters of this statement of understanding, urging contact and continued liaison with the NSPS.

11. Recognizing the need for advising the public of the work of both organizations, the ANRC will attempt to inform the public of the cooperative effort between the NSPS and the ANRC. The NSPS will likewise utilize its public resources to inform the public of the cooperative effort.

12. The NSPS agrees to cooperate with ANRC by sharing available specialized capabilities in the event of regional, local, or national disasters wherever these resources may be needed.

This statement of understanding is in force as of the date indicated below and shall remain in effect until terminated by written notification from either party to the other.

Approved: October 16, 1975.

HARRY G. POLLARD, Jr.,
National Director, National Ski Patrol System.

GEORGE M. ELSEY,
President, American National Red Cross.

Mr. HATCH. As further evidence of the Ski Patrol's effectiveness in promoting safety and providing necessary, life-saving first aid, 25 members of the NSPS Nordic Ski Patrol have been selected to patrol the Nordic ski events for the 1980 Winter Olympic Games at Lake Placid, N.Y. The world's best sportsmen and women require the world's best protection from possible injury during competition. Mr. Ronald MacKenzie, President of the 1980 Winter Olympics, wrote to me last year endorsing our efforts to secure passage of a similar bill. His comments are based on his professional involvement with outdoor recreation and competitive sport as well as his firsthand association with the National Ski Patrol. I ask unanimous consent that Mr. MacKenzie's letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

XIII OLYMPIC WINTER GAMES, 1980,
Lake Placid, N.Y., May 26, 1978.

Hon. ORRIN G. HATCH,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HATCH: I am writing to request your support of S1571.

The National Ski Patrol System has been a way of life and of service in many areas outside its initial purpose. In these forty years it has proved itself.

There are now many thousands of these dedicated, trained and available men and women across the country.

I was an early leader in the N.S.P.S. and member of the group which convinced the armed services to create the 10th Mountain Division in World War II. I recruited many to serve in Winter Warfare Infantry Units. I hold National Ski Patrol #201 and served 25 years as Section Chief in the Adirondack Mountain Section of New York State.

In my opinion a federal charter to such a deserving body is certainly well deserved.

Sincerely,

RONALD M. MACKENZIE,
President.

Mr. HATCH. But the National Ski Patrol System's best accomplishment is its on-going concern for the safety and pleasure of those millions of Americans who enjoy skiing, mountaineering, and other winter sports. With patrol units in 42 of the 50 States, and an ever-increasing number of people who are found on the ski slopes every year, the broad impact of their work is obvious. I am certain that other Senators have letters and statements bearing testimony to the fine job the Ski Patrol has been doing for us, and many Senators may have had personal experiences with the NSPS. I invite my colleagues to join Senators WALLOP, DURKIN, HUMPHREY, LAXALT, LEAHY, MELCHER, SIMPSON, and me in support for this legislation. In closing, I ask unanimous consent that a letter from Mayor Ted Wilson of Salt Lake City be inserted in the RECORD, as well as articles from the Salt Lake Tribune and Deseret News and the text of the bill itself. I wish to point out that this measure provides only for recognition and a congressional charter, and does not authorize any expenditure of Federal funds.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALT LAKE CITY,
January 4, 1977.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR ORRIN: I was particularly pleased to learn that you have joined as a sponsor of S. 1571, which would provide a federal charter for the National Ski Patrol System. I have been acquainted with the National Ski Patrol System for some years since I was a junior racing coach, and called upon their services several times. They are a very fine group of dedicated volunteers and professional people, and they provide to our ski system a critical and vital service.

Again, congratulations for helping out in every way you can on this bill.

Best personal regards and happy New Year.

Sincerely,

TED L. WILSON,
Mayor.

[From the Salt Lake Tribune, April 10, 1978]

AN OVERDUE "THANK YOU"

Another ski season has come and gone and the National Ski Patrol System is still lacking something it urgently needs—A national charter.

For several past sessions ski patrollers affiliated with the National Ski Patrol System have patiently asked Congress to grant their organization a charter, similar to those held by the American Red Cross, the Boy Scouts of America, the Girl Scouts of America and other voluntary, non-profit charitable and philanthrophic organizations.

A federal charter would substantially reduce the amount of red tape the 24,000 to 25,000 members of the National Ski Patrol System now endure in complying with increasingly complex state incorporation and tax laws. Presently, to establish its non-profit, and thus tax exempt, status in states where it maintains affiliated ski patrols, the NSPS must file separate articles of incorporation and other documents.

This diverts time and funds, both voluntary, from the local patrols' primary work—promoting skiing safety, rescuing injured skiers, maintaining avalanche control work, plus winter and, yes, summer mountain search and rescue work.

Languishing at the moment in the Senate Judiciary Committee is a straight forward, 10-page bill, S. 1571, that would grant the NSPS the national charter it has deservedly earned in some 40 years of dedicated service to the injured, lost skiers and other outdoor recreationists of this country.

Granting a national charter would under provisions of S. 1571, federally incorporate the National Ski Patrol System enabling it to join in civil suits, make and carry out contracts, acquire and lease property and borrow money for its corporate purposes.

More important, perhaps, is what S. 1571 would not do. It would not provide NSPA with any federal tax subsidies or permit profit-making or partisan political activities.

And, it would relieve ski patrollers of the onerous tax task of complying with a multiplicity of state laws dealing with incorporation of non-profit organizations. This would be a real time and money saver for a group of people who have given up countless hours, days and weeks of skiing for fun in order to make the ski slopes considerably less hazardous for millions of other Americans.

Prompt and favorable reporting by the Judiciary Committee of S. 1571, equally swift enactment by the House and Senate would be a belated, but sincere "thank you" to the 25,000 or so ski patrollers, along with their predecessors who have given dedicated and selfless service to a sizeable part of the American public. That "thank you" is, in reality, about 40 years overdue.

[From the Salt Lake Tribune, Oct. 3, 1978]

HERE'S A SWITCH: SKI PATROL YELLS FOR HELP

(By Craig Hansell)

On November 5, 1977, Snow Basin ski patroller Ray E. Storey saved the life of a 14-year-old heart attack victim while attending a football game in Ogden.

The story is not unusual. In fact, it is but one of eight lifesaving feats performed by ski patrollers in the Intermountain Area last year.

What if there were no National Ski Patrol? Well, there probably would be some accident victims who wouldn't be alive today. And we are not just talking about skiers and people who use the mountains.

Of the eight known incidents where ski patrollers are credited with saving lives last year in the Intermountain area, five of the life-saving services were rendered off the ski slopes and nationally 28 patrollers were credited with using their expertise to save lives.

EXTRA MEASURE OF SAFETY

Even people who have never seen snow or heard of the National Ski Patrol have gained an extra measure of safety because of the nation's 23,151 well-trained ski patrollers.

But now the NSPS needs help. The organization that has amassed an impressive fount of safety knowledge and has served America for two generations is finding it harder and harder to make ends meet. The pinch of inflation and rising insurance costs are threatening the NSPS.

And for the third time the NSPS is seeking aid in the form of a national charter similar to those granted to the American Red Cross and the Boy Scouts of America.

But for the third time the bill is in danger and it may never have a fair chance to be exposed to the congressional process.

It seems the bill, sponsored by Senator Thomas J. McIntyre (D-N.H.) and co-sponsored by a bi-partisan group of 24 other Senators, is stuck in the Senate Judiciary Committee.

The bill, with a quarter of the senators as its sponsors is bogged down in Senator James O. Eastland's (D-Miss.) committee, and if it doesn't surface before Saturday, the NSPS will have to wait for Senator Edward Kennedy to take the helm of the Senate Judiciary before it gets its day in the sun.

With Utah Senator Orrin Hatch as one of the bill's strongest supporters, the bill has made definite headway, only to be stalled in committee.

While there is no skiing in Eastland's home state, the merits of the NSPS are not restricted to the ski slopes alone.

Three similar measures are also meeting with some difficulty in the House Judiciary Committee.

Meanwhile, inflated costs are creeping into the NSPS coffers. In 1977 the insurance costs amounted to $46,534 while the same coverage in 1978 came to $86, 640.

Senate Bill 1571 will not be a total cure all for the NSPS finances, but it will open the door to greater service to Americans and a continuation of the 40-year tradition of safety provided by the group.

[From the Deseret News (Salt Lake City, Utah) June 22, 1978]

PASS THE SKI PATROL CHARTER

You see them during the skiing season at the resorts—pulling an injured skier off the mountain in a toboggan, marking dangerous places, checking for avalanche dangers, making sure at the end of the day that all the skiers are off the mountain.

They're ski patrol members. And while June may seem a strange season to talk about skiing, the topic is timely because the National Ski Patrol is trying to obtain a charter from Congress.

A charter would help eliminate much of the red tape the patrol now has to go through to establish its non-profit status whenever it wants to organize a local affiliate. The present situation makes it increasingly tough to keep interest in the volunteer organization.

But the charter proposal has been languishing in Congress for three years now. Perhaps the best explanation of the long wait is then-President Lyndon Johnson's 1966 veto of a charter for another group. He thought the group in question was not deserving of such national recognition.

Since then, Congress has been loath to grant any other federal charters. Some Congressmen have pointed out that tax exemptions are now granted under the Internal Revenue Code, and that charters are sometimes abused as well as of little purpose.

That idea seems to be changing. Utah Senator Orrin Hatch, a member of the Senate Judiciary Committee considering the charter, says he is "convinced that we will be able to secure action on S. 1571 (the charter application) very soon. Momentum has been picking up here in the Senate."

A charter most certainly would help the Ski Patrol in prestige and fund-raising to promote its volunteer work. And without the patrol's services, the ski slopes could be much more dangerous than they are now.

By Mr. HATCH:

S. 44. A bill entitled the "Fair Treatment for Skilled Trades Act of 1979"; to the Committee on Human Resources.

FAIR TREATMENT FOR SKILLED TRADES ACT OF 1979

Mr. HATCH. Mr. President, I am pleased to reintroduce on the first day of this Congress the Fair Treatment for Skilled Trades Act of 1979. This is legislation I introduced in the prior Congress, the premise of which is simple and straightforward—to unshackle the thousands of skilled tradesmen in our society who find themselves trapped in unwanted industrial unions for the purpose of collective bargaining by virtue of the NLRB's Mallinckrodt decision, 162 NLRB 387. This bill is one of several bills I will introduce in the labor field during this Congress which is an integral part of a more comprehensive program to guarantee greater individual freedom in the workplace.

Because of Mallinckrodt, the Board has seldom found craft severance for these skilled tradesman proper, because of the unnecessarily restrictive criteria developed by their 1966 case. As a result, these unique employees are deprived by decisional law of the opportunity to join together as an appropriate bargaining unit. They are in essence discriminated against in the selection of a bargain representative when compared to the treatment afforded other kinds of employees under the National Labor Relations Act.

There is need for the legislation I propose. The impact of this entire and lengthy charade foisted on American industry by the Board has been devastating. Our skilled work force has lost its mobility. Apprentice programs are a farce or nonexistent, productivity among the trades of major industry is at an all time low, the trades are used as a pay-off to those who do favors for the industrial unions and work is farmed out to outside contractors and jobbing shops, because it is far cheaper. Our skilled work force continues to decrease in number while the demand grows, and employers surround the workplace with partially trained people, adding to the inflationary spiral, increasing the cost to consumers and limiting our industrial ability to compete with foreign competition. While unemployment is a major question, the demand for highly skilled labor is at an alltime high. Since the numbers of skilled men continue to shrink, soon the ability of even the jobbing shops to meet the demands from American industry will no longer be possible. If a national emergency were to take place now, America's skilled work force would be hard-pressed to meet the challenge, because there is simply not enough of them.

Research into the intent of the Congress when it passed the Taft-Hartley Act shows that the NLRB has succeeded in completely circumventing the law. What we have is a decisional misinter-

pretation of the law. The intent of section 9(b)(2) was to attain stability by allowing employees the right of choice. The so-called stability that has been attained by virtue of Mallinckrodt is caused by denying employees that right. The two methods are diametrically opposed.

Accordingly my bill seeks to return these employees to the original intent of section 9(b)(2) of the NLRA to provide for their unrestricted right to associate with similar employees for collective bargaining by overruling the restrictive criteria of the Mallinckrodt case. It is truly an amendment which protects the rights of employees by guaranteeing them via secret ballot the chance to exercise a free choice as to which unions and units are best suited from their viewpoint for bargaining without being "lumped" into an overall bargaining group.

The data obtained from the NLRB since the issuance of the Mallinckrodt decision in December of 1966 demonstrates that the severence question has been before the Board on 71 occasions. The Board has denied severance in 63 of these cases while granting the request for severance for only 8. It is interesting to see the results of the eight cases in that employees voted to sever from the overall bargaining unit on six occasions while voting against severance on two other occasions. The data seems to evidence the desire of skilled tradesmen to separate from an overall unit whenever the opportunity presents itself.

In those few places where craft severance has been attained in industry the history is worth examining. Few strikes have taken place. Serious consideration is given to the welfare of the employer. Class distinction between employer and employee is not a problem, nor is it promoted. It also shows that attained bargaining rights for the trades, creates the kind of long-range stability, based on the right to choose which is so desirable. Craft severance on a multicraft basis or severance on an individual craft basis can be factually projected as being far better for everyone concerned, except perhaps the leadership of the industrial unions, who have fought so long to prevent it.

Without a genuine right to choose a union and a bargaining unit for the trades, part of whose primary responsibility would have to be the welfare, mobility, ability, and replacement of our skilled work force, the situation will continue.

The reasons supporting the changes in the law are serious and deserve attention, but the moral aspects of this question are equally as important. The situation wherein our Government has sanctioned the captivity of our Nation's skilled work force should be abhorrent to every American, regardless of political persuasion. It is a policy which should not be tolerated in a free labor society and must be abolished. Equal and fair treatment for skilled tradesmen is a concept which must prevail.

By Mr. STONE:

S. 46. A bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States; to the Committee on Foreign Relations.

Mr. STONE. Mr. President, I am today introducing legislation which would extend to the representatives of the Republic of China full diplomatic privileges and immunities as are enjoyed by the representatives of other nations with whom the United States has diplomatic relations.

It appears, Mr. President, that in seeking to normalize relations with the People's Republic of China, the administration wants to avoid granting any legal or official standing of any kind to the representatives of the Republic of China who will continue to conduct their nation's business in the United States.

In view of the long history of friendship our Nation has with the Republic of China and its citizens, this is improper and unfair. Normalization of our relations with the People's Republic of China should not require the United States to ignore any future governmental relationship with the Republic of China.

This bill would insure that the United States would accord the Republic of China something more than simply a vague "unofficial" relation with the United States. In addition, it is only fair that the same rules which applied to the Liaison Office for the People's Republic of China before diplomatic recognition, now apply to the Republic of China. The authorized representatives of that nation working in the United States are entitled to full diplomatic privileges and immunities. This is exactly what my bill, if enacted, would accomplish.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 46

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested, under such terms and conditions as he determines, to extend to the members of all offices representing the Republic of China in the United States the same privileges and immunities, subject to corresponding conditions and obligations, as enjoyed by diplomatic missions accredited to the United States and by members thereof.

By Mr. HATFIELD:

S. 47. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

SIMPLIFORM TAX ACT

Mr. HATFIELD. Mr. President, you will recall that on August 1, 1977, I introduced the Simpliform Tax Act (S. 1969). This bill is similar to a proposal I presented to the Platform Committee of the 1972 Republican National Convention. I have also offered it as legislation in prior Congresses. Today I am introducing a modified version of the bill.

Without engaging in a section-by-section analysis of the bill, let me point out that its intent is best summarized by its title—to radically reform and simplify that portion of the Internal Revenue Code relating to individual income taxes, as well as the forms used to file annual tax returns. The premise of "Simpliform" is that heretofore piecemeal "reform" efforts have failed—that special interests have inhibited the Congress from taking the radical steps necessary to untangle the maze we refer to as the Internal Revenue Code.

Basically, the bill repeals many of the complex provisions now contained in the Tax Code, such as tax deduction provisions which are often no more than tax shelters inequitably administered; restructures personal income tax rates; and substitutes a simple five-line calculation for the computation of individual income taxes. Under the "Simpliform" system virtually every taxpayer would be able to figure his or her own taxes without having to incur the expense and inconvenience of retaining a tax consultant.

Furthermore, passage of "Simpliform" would restore progressivity to the tax system, and affirm Adam Smith's basic criteria for a good tax: That it be "certain, convenient, cost little to collect * * *" I would submit that the Internal Revenue Code in its present form falls far short of those goals—that its complexity has long since overcome its effectiveness.

Today I am reintroducing the Simpliform Tax Act with one significant change. There has been a great deal of discussion in Congress concerning the role of the Tax Code in stimulating private philanthropy. Charitable contributions are the life blood of many institutions. Under current law, donors are rewarded for certain kinds of contributions with an opportunity to use the donations to offset a portion of their taxable income. While "Simpliform" suggests that many special provisions add to the complexity and inequity of our current tax laws and return forms, it is difficult to justify the prohibition of all tax incentives for behavior as worthwhile as charity.

The question is how to continue tax incentives for charity within the philosophical framework of "Simpliform." Many of the present tax deductions provide incentives for behavior which is beneficial to the individual in the long-run anyway. And often these tax breaks are unavailable to lower-income taxpayers, since only those who qualify to itemize their deductions may avail themselves of the deductions.

A tax incentive for charitable contributions, however, involves an entirely voluntary expenditure usually for a public purpose. Nonprofit organizations often offer services that would otherwise be left to Government to provide. While they may share the same social goals, charities can often be more effective than Government due to their proximity to those served and their moral commitment. To the extent that the Tax Code encourages private-sector involvement in social problem-solving, the Government's responsibility will be reduced. That, in itself, is strong justification for this tax proposal.

According to the National Council on Philanthropy, Americans donated about $32 billion in 1977. This figure may have topped $35 billion in 1978. While it is impossible to know all the various motives for these gifts, certainly a significant factor must be the tax deductions

that are presently available. While I firmly believe that contributions to religious institutions should be based on personal faith and not on financial reward, nonsectarian organizations should not be penalized by changes in the Tax Code.

Therefore, I have revised "Simpliform" to add a fifth line computation. This would consist of a tax credit equal to 20 percent of charitable donations, not to exceed 10 percent of total adjusted gross income. The Internal Revenue Service would continue to certify the kinds of contributions that would qualify under this provision.

Not only does this proposal meet the standards of simplicity and equity contained in "Simpliform," but it will actually broaden the scope of tax incentives for gift giving. As a credit rather than a deduction, all taxpayers will be able to participate. As my colleagues are aware, one of the greatest problems facing charities today is the diminishing base of contributors caused by increases in the zero bracket amount of income. While these increases simplify the filing of tax returns and reduce the number of taxpayers who itemize their deductions, they negate the tax incentive for charitable contributions.

According to reports I have received from both the Library of Congress and the Treasury Department, the revenue impact of the new tax credit within the context of "Simpliform" should not exceed the revenue loss incurred as a result of itemized deductions. Treasury estimates the revenue impact of a 20-percent credit to be about $4.7 billion annually, and the Library of Congress projects an even smaller loss of about $3 billion. It is important to point out here that the determination of exact figures is difficult due to the large number of variables present. The change in the tax structure itself provided for in "Simpliform" would undoubtedly affect contribution behavior. It is also impossible to determine how many new taxpayers would participate as a result of the expanded availability of the tax credit vis-a-vis the tax deduction. Nevertheless, it seems safe to assume that the revenue loss caused by the creation of this tax credit will almost certainly be less than the $5.8 billion that we will lose in the current fiscal year as a result of itemized deductions.

Believing in the worthwhile function of private sector charities in our society, and recognizing the need for the proper use of incentives in stimulating charitable behavior, I am proposing today this revised version of the Simpliform Tax Act. While for purposes of simplification I would rather not have added this fifth-line computation, I recognize the dependency of many institutions on the gifts of a supporting public. This new proposal recognizes and accommodates that need.

Mr. President, the need for tax reform has not been changed by recent tax law changes. The enormous cost to society of compliance with the present Tax Code is unacceptable. The special treatment of many forms of income encourages noneconomic behavior by taxpayers simply to receive tax benefits. And the progressiveness of the tax, accepted by most Americans as fundamental to tax justice, is greatly reduced by the special treatment of many forms of income. In short, "Simpliform" is needed today more than ever before.

Mr. President, I ask unanimous consent that the text of the bill and the remarks I made prior to my introduction of the Simpliform Tax Act on August 1, 1977, be printed in the RECORD.

There being no objection, the bill and remarks were ordered to be printed in the RECORD, as follows:

S. 47

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Simplification Tax Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act a reference is made (by way of amendment, repeal, or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

(c) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

EFFECTIVE DATE

SEC. 2. Except as otherwise provided the amendments and repeals made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

REPEALS

SEC. 3. (a) The following provisions in chapter 1 (relating to normal taxes and surtaxes) are repealed:

(1) Section 37 (relating to credit for the elderly).

(2) Section 41 (relating to contributions to candidates for public office).

(3) Part VI of subchapter A (relating to minimum tax for tax preferences).

(4) All sections in part III of subchapter B (relating to items specifically excluded from gross income), except—

(A) section 101 (relating to certain death benefits),

(B) section 102 (relating to gifts and inheritances),

(C) section 104 (relating to compensation for injuries or sickness),

(D) section 105 (relating to amounts received under accident and health plans),

(E) section 106 (relating to contributions by employer to accident and health plans),

(F) section 109 (relating to improvements by lessee on lessor's property),

(G) section 110 (relating to income taxes paid by lessee corporation),

(H) section 115 (relating to income of States, municipalities, etc.),

(I) section 118 (relating to contributions to the capital of a corporation),

(J) section 122 (relating to certain reduced uniformed services retirement pay), and

(K) section 124 (relating to cross references to other Acts).

(5) Part V of subchapter B (relating to deductions for personal exemptions).

(6) Section 163 (relating to interest).

(7) Section 164 (relating to taxes).

(8) Section 170 (relating to charitable, etc., contributions and gifts).

(9) All sections in part VII of subchapter B (relating to additional itemized deductions for individuals) except—

(A) section 211 (relating to allowance of deductions),

(B) section 212 (relating to expenses for production of income), and

(C) section 215 (relating to alimony, etc., payments).

(10) Subchapter D (relating to deferred compensation, etc.).

(11) Section 911 (relating to earned income from sources without the United States).

(12) Section 6013 (relating to joint returns of income tax by husband and wife).

(b) All provisions of law (other than the provisions of subtitle A of the Internal Revenue Code of 1954, as amended by this Act), and all administrative regulations or rulings which exempt or exclude items of income of individuals from the tax imposed by such subtitle A shall have no force or effect for taxable years beginning after the date of the enactment of this Act.

RATE OF TAX ON INDIVIDUALS

SEC. 4. Part I of subchapter A of chapter 1 (relating to tax on individuals) is amended to read as follows:

"PART I—TAX ON INDIVIDUALS

"Sec. 1. Tax imposed.
"Sec. 2. Community property laws not to apply.
"Sec. 3. Cross references relating to tax on individuals.

"SECTION 1. TAX IMPOSED.

"(a) BASIC TAX.—There is imposed on the taxable income of every individual a tax of 10 percent.

"(b) SURTAX.—There is imposed on the taxable income of every individual a surtax in accordance with the following table:

"If the taxable income is:	The surtax is:
Over 10,000 but not over $15,000.	5% of the excess over $10,000.
Over $15,000 but not over $20,000.	$250, plus 10% of the excess over $15,000.
Over $20,000 but not over $25,000.	$750, plus 10% of the excess over $20,000.
Over $25,000 but not over $50,000.	$1,500, plus 20% of the excess over $25,000.
Over $50,000 but not over $100,000.	$6,500, plus 25% of the excess over $50,000.
Over $100,000 but not over $500,000.	$19,000, plus 30% of the excess over $100,000.
Over $500,000 but not over $1,000,000.	$169,000, plus 35% of the excess over $500,000.
Over $1,000,000------	$344,000, plus 10% of the excess over $1,000,000.

"(c) NONRESIDENT ALIENS.—In the case of a non-resident alien individual, the tax imposed by subsection (a) and (b) shall apply only as provided by section 871 or 877.

"SEC. 2. COMMUNITY PROPERTY LAWS NOT TO APPLY.

"For purposes of this subtitle, the income of a married taxpayer shall be determined without regard to the property laws of any State under which any part of the income of a married individual is treated as the income of his spouse.

"SEC. 3. CROSS REFERENCES RELATING TO TAX ON INDIVIDUALS.

"(1) For rates of tax on nonresident aliens, see section 871.

"(2) For computation of tax where taxpayer restores substantial amount held under amount held under claim of right, see section 1311.".

PERSONAL EXEMPTION CREDIT

SEC. 5. (a) Subpart A of part IV of subchapter A of chapter 1 is amended by adding before section 45 the following new section:

"SEC. 44C. PERSONAL EXEMPTION.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed to an individual as a credit against the tax imposed by this subtitle for the taxable year an amount equal to—

"(1) $250 for the taxpayer,

"(2) $250 for the spouse of the taxpayer (unless such spouse files a separate return), and

"(3) $250 for each dependent of the taxpayer who is 16 years of age or older.

"(b) DEFINITION OF DEPENDENT.—For purposes of this section, the term 'dependent' means any of the following individuals over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer (or is treated under subsection (c) or (e) as received from the taxpayer):

"(1) A son or daughter of the taxpayer, or a descendant of either,

"(2) A stepson or stepdaughter of the taxpayer,

"(3) A brother, sister, stepbrother, or stepsister of the taxpayer,

"(4) The father or mother of the taxpayer or an ancestor of either,

"(5) A stepfather or stepmother of the taxpayer,

"(6) A son or daughter of a brother or sister of the taxpayer,

"(7) A brother or sister of the father or mother of the taxpayer,

"(8) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer,

"(9) An individual (other than an individual who at any time during the taxable year was the spouse, determined without regard to subsection (c), of the taxpayer) who, for the taxable year of the taxpayer, has as his principal place of abode of the home of the taxpayer and is a member of the taxpayer's household, or

"(10) An individual who—

"(A) is a descendant of a brother or sister of the father or mother of the taxpayer,

"(B) for the taxable year of the taxpayer receives institutional care required by reason of a physical or mental disability, and

"(C) before receiving such institutional care, was a member of the same household as the taxpayer.

"(c) RULES RELATING TO DEFINITION OF DEPENDENT.—For purposes of this section—

"(1) The terms 'brother' and 'sister' include a brother or sister by the halfblood.

"(2) In determining whether any of the relationships specified in subsection (a) or paragraph (1) of this subsection exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child satisfies the requirements of subsection (b)(9) with respect to such individual), shall be treated as a child of such individual by blood.

"(3) The term 'dependent' does not include any individual who is not a citizen or national of the United States unless such individual is a resident of the United States, of a country contiguous to the United States, of the Canal Zone, or of the Republic of Panama. The preceding sentence shall not exclude from the definition of 'dependent' any child of the taxpayer—

"(A) born to him, or legally adopted by him, in the Philippine Islands before January 1, 1956, if the child is a resident of the Republic of the Philippines, and if the taxpayer was a member of the Armed Forces of the United States at the time the child was born to him or legally adopted by him, or

"(B) legally adopted by him, if, for the taxable year of the taxpayer, the child has as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household, and if the taxpayer is a citizen or national of the United States.

"(4) A payment to a wife which is includable in the gross income of the wife under section 71 or 682 shall not be treated as a payment by her husband for the support of any dependent.

"(5) An individual is not a member of the taxpayer's household if at any time during the taxable year of the taxpayer the relationship between such individual and the taxpayer is in violation of local law.

"(d) MULTIPLE SUPPORT AGREEMENTS.—For purposes of subsection (b), over half of the support of an individual for a calendar year shall be treated as received from the taxpayer if—

"(1) no one person contributed over half of such support;

"(2) over half of such support was received from persons each of whom, but for the fact that he did not contribute over half of such support, would have been entitled to claim such individual as a dependent for a taxable year beginning in such calendar year;

"(3) the taxpayer contributed over 10 percent of such support; and

"(4) each person described in paragraph (2) (other than the taxpayer) who contributed over 10 percent of such support files a written declaration (in such manner and form as the Secretary may by regulations prescribe) that he will not claim such individual as a dependent for any taxable year beginning in such calendar year.

"(e) DETERMINATION OF MARITAL STATUS.—For purposes of this section—

"(1) the determination of whether an individual is married shall be made as of the close of his taxable year; except that if his spouse dies during his taxable year such determination shall be made as of the time of such death; and

"(2) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(f) CROSS REFERENCES.—

"(1) For definitions of 'husband' and 'wife', as used in subsection (c)(4), see section 7701 (a)(17).

"(2) For deductions of estates and trusts, in lieu of credit under this section, see section 642(b).".

(b) The table of sections for such part is amended by inserting before the item relating to section 45 the following:

"Sec. 44C. Personal exemption.".

(c) Section 143(b)(1) is amended by striking out "deduction" and inserting "credit", and by striking out "section 152" and "section 151" and inserting in each place "section 44C".

(d) Section 46(a)(4)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 44C (relating to personal exemptions), and".

(e)(1) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) ESTATES AND TRUSTS.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b).".

(2) Section 172(d) is amended by striking out paragraph (8).

(f) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 44C a deduction under section 642(b)" and by inserting "CREDIT FOR" before "PERSONAL" in the heading thereof.

(g) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 44C (relating to credit for personal exemptions).".

(h) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(i) Paragraph (3) of section 873(b) (relating to nonresident aliens) is amended to read as follows:

"(3) CREDIT FOR PERSONAL EXEMPTION.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 44C.".

(j) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(k) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(l) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(m) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(n) Section 63 (relating to definition of taxable income) is amended to read as follows:

"SEC. 63. TAXABLE INCOME DEFINED.

"For purposes of this subtitle, the term 'taxable income' means gross income minus the deductions allowed by this chapter.

(o) Section 441(f)(2)(B)(iii) (relating to change in accounting period) is amended—

(1) by striking out "deductions" the second place it appears and inserting in lieu thereof "credits";

(2) by striking out "and" after "365,"; and

(3) by striking out "and by adding the zero bracket amount,".

(p) Section 443(b)(1) (relating to computation of tax on change of annual accounting period) is amended—

(1) by striking out "deductions" the second place it appears and inserting in lieu thereof "credits";

(2) by striking out "12," and inserting in lieu thereof "12 and"; and

(3) by striking out ", and adding the zero bracket amount".

(q) Section 613(A)(d)(1) (relating to limitation on percentage depletion based on taxable income) is amended by striking out "(reduced in the case of an individual by the zero bracket amount)".

(r) Section 667(b)(2) (relating to tax on amount deemed distributed by trust in preceding years) is amended to read as follows:

"(2) Treatment of loss years.—For purposes of paragraph (1), the taxable income of the beneficiary for any taxable year shall be deemed not to be less than zero.".

(s) Sections 862(b) and 904(a) are each amended by striking out the last sentence.

(t) Section 1211(b)(1)(A) (relating to limitation on capital losses) is amended by striking out "reduced (but not below zero) by the zero bracket amount".

GAINS AND LOSSES ON PROPERTY HELD AT DEATH OR TRANSFERRED BY GIFT

SEC. 6. (a) Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new sections:

"SEC. 85. GAINS AND LOSSES ON PROPERTY AT TIME OF DEATH.

"(a) IN GENERAL.—Upon the death of an individual, there shall be taken into account in computing taxable income for the taxable period in which falls the date of his death, a

percentage (determined under subsection (c)) of the gains and losses which would have been realized and taken into account in computing taxable income (of the decedent or some other person) if all the property (other than property described in subsection (b)) required to be included in determining the value of the decedent's gross estate under chapter 11 had been sold immediately before his death at the estate tax fair market value. This subsection shall not apply unless the aggregate amount of such fair market value exceeds $60,000.

"(b) EXCLUDED PROPERTY.—Subsection (a) shall not apply to—

"(1) property which passes or has passed from the decedent to his surviving spouse and which qualifies for the deduction provided by section 2056;

"(2) property which passes or has passed to a corporation, organization, or other entity described in section 2055 and which qualifies for the deduction provided by such section;

"(3) items of gross income in respect of a decedent described in section 691; or

"(4) any other property includable in the gross estate of the decedent under chapter 11 for which basis is not provided for in section 1014(a).

"(c) RULES FOR APPLICATION OF SUBSECTION (a).—For purposes of subsection (a)—

"(1) The estate tax fair market value of property is the fair market value of the property at the date of the decedent's death, or, in the case of an election under section 2032 or 2032A, its value at the application valuation date prescribed by that section.

"(2) If the aggregate adjusted basis of all property subject to the provisions of subsection (a) is less than $60,000, and the gains under subsection (a) (without the application of this paragraph) exceed the losses, then the aggregate adjusted basis of such property shall be increased to $60,000.

"(3) Losses shall be taken into account without regard to the provisions of section 1091.

"(4) The percentage of gains and losses taken into account shall be determined in accordance with the following table:

"For taxable years beginning:	The percentage is:
Less than 1 year after the date of enactment of the Simpliform Tax Act	0 percent.
1 year or more but less than 2 years after such date	20 percent.
2 years or more but less than 3 years after such date	40 percent.
3 years or more but less than 4 years after such date	60 percent.
4 years or more but less than 5 years after such date	80 percent.
5 years or more after such date	100 percent.

"(d) TIME FOR FILING RETURN.—If subsection (a) applies to the taxable year, the time for filing the return for such year shall be the date 9 months after the date of the decedent's death if such date is later than the time prescribed in section 6072 for filing such return.

"(e) LIABILITY WITH RESPECT TO PROPERTY TRANSFERRED BEFORE DEATH.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be entitled, unless the decedent directs otherwise in his will, to recover from the transferee of such property the amount of income tax imposed with respect to such gain.

"SEC. 86. GAINS AND LOSSES ON INTER VIVOS GIFTS.

"(a) IN GENERAL.—In the case of the transfer of property by an individual by inter vivos gift, there shall be taken into account in computing taxable income for the taxable period in which the transfer was made, the gain or loss which would have been realized and taken into account in computing taxable income if the taxpayer had sold the property at its fair market value at the time of the transfer.

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to a transfer of property, to the extent that, at the time of the transfer, the aggregate fair market value of—

"(A) property (including the transferred property) held by the taxpayer, and

"(B) property previously transferred by the taxpayer after the date of the enactment of the Simpliform Tax Act.

does not exceed $60,000.

"(2) GIFTS TO SPOUSE.—Subsection (a) shall not apply to a transfer of property to the taxpayer's spouse.".

(b)(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(3) Section 1015 (relating to basis of property acquired by gifts and transfers in trust) is amended by adding at the end thereof the following new subsection:

"(c) PROPERTY SUBJECT TO TAX UPON TRANSFER.—If the property was acquired by a gift in a transfer to which section 85(a) (relating to gains and losses on inter vivos gifts) applied, the basis shall be the fair market value of the property at the time of the transfer.".

(4) Section 6161(a) (relating to extension of time for paying tax) is amended—

(A) by inserting "or income tax for a decedent's final taxable period" after "estate tax" in paragraph (1),

(B) by inserting "AND INCOME TAX ON GAINS AT DEATH" after "ESTATE TAX" in the heading of paragraph (2), and

(C) by inserting after "chapter 11," in paragraph (2)(A) "or of any part of the tax imposed by chapter 1 attributable to the application of section 84,".

(5) Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended—

(A) by inserting "AND INCOME TAX ON GAINS AT DEATH" after "ESTATE TAX" in the heading, and

(B) by redesignating subsections (j) and (k) as (k) and (l), respectively, and by inserting after subsection (i) the following new subsection:

"(j) TAX ON GAINS AT DEATH.—Under regulations prescribed by the Secretary, the provisions of this section shall apply with respect to so much of the tax imposed by chapter 1 as is attributable to the application of section 85 (relating to gains and losses on property at time of death) in the same manner as it applies to the tax imposed by section 2001.".

(c) Section 85 of the Internal Revenue Code of 1954 (as added by subsection (a)) and the amendments made by paragraphs (1), (2), (4), and (5) of subsection (b) shall apply with respect to decedents dying after the date of the enactment of this Act. Section 86 of such Code (as added by subsection (a)) and the amendments made by paragraphs (3) of subsection (b) shall apply with respect to transfers of property by inter vivos gift after such date.

TREATMENT OF CAPITAL GAINS

SEC. 7. (a) Section 1201(b) (relating to other taxpayers) is amended by inserting "or an individual" after "other than a corporation".

(b) Section 1202 (relating to deduction for capital gains) is amended by inserting "or an individual" after "other than a corporation".

(c) Section 1211 (relating to limitation on capital losses) is amended by—

(1) inserting "or INDIVIDUAL" after "CORPORATIONS" in the heading of subsection (a) and inserting "or an individual" after "a corporation" in the text of subsection (a),

(2) inserting "or an individual" after "other than a corporation" in paragraph (1) of subsection (b), striking out subparagraph (B) of such paragraph, and redesignating subparagraph (B) as (C), and

(3) striking out paragraph (2) and redesignating paragraph (3) as (2).

SPECIFIC INCLUSION IN GROSS INCOME

SEC. 8. (a) Part II of subchapter B of chapter 1, as amended by section 6, is amended by adding at the end thereof the following new section:

"SEC. 87. SOCIAL SECURITY AND WELFARE PAYMENTS.

"There shall be included in gross income monthly insurance benefits paid under title II of the Social Security Act to the taxpayer and any other cash benefits paid (other than a lump sum payable on account of death) to the taxpayer under such Act or any other Act of the United States or of any State providing for the payment of money to individuals in order to enable them to purchase food, clothing, and shelter and otherwise provide for their general welfare.".

(b) The table of sections of such part is amended by adding at the end thereof the following new item:

"Sec. 87. Social security and welfare payments.".

(c) Section 74 (relating to prizes and awards) is amended to read as follows:

"SEC. 74. PRIZES AND AWARDS.

"Gross income includes amounts received as prizes and awards, including amounts received as scholarships and fellowship grants.".

(d)(1) Section 274(a) (relating to entertainment, amusement, or recreation expenses) is amended to read as follows:

"(a) ENTERTAINMENT, AMUSEMENT, OR RECREATION.—No deduction otherwise allowable under this chapter shall be allowed for any item with respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with such activity. For purposes of this subsection—

"(1) dues or fees to any social athletic, or sporting club or organization shall be treated as items with respect to facilities, and

"(2) an activity described in section 212 shall be treated as a trade or business.".

(2) Section 274(e) (relating to specific exceptions to application of subsection (a)) is amended by striking out paragraph (1) (relating to business meals).

CREDIT FOR CHARITABLE CONTRIBUTIONS

SEC. 9. (a) Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable), as amended by section 5 of this Act, is amended by adding before section 45 the following new section:

"SEC. 44D. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount of the deduction which would be allowable to the taxpayer under section 170 (as in effect on the day before the date of the enactment of the Simpliform Tax Act).

"(b) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for the taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or

letter designation than this section, other than the credits allowable by sections 31, 39 and 43.".

(b) The table of sections for such subpart is amended by inserting before the item relating to section 45 the following new item:

"SEC. 44D. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.".

MISCELLANEOUS AMENDMENTS

SEC. 10. (a) Section 62 (relating to adjusted gross income defined) is amended by striking out paragraphs (3) and (8) and redesignating paragraphs (4), (5), (6), (7), and (9) as (3), (4), (5), (6), and (7), respectively.

(b) The text of section 63 (relating to taxable income defined) is amended to read as follows: "For purposes of this subtitle the term 'taxable income' means gross income minus the deductions allowed by this chapter.".

WITHHOLDING

SEC. 11. (a) Section 3402 (relating to income tax collected at source) is amended by—

(1) striking "GENERAL RULE." in paragraph (m), and

(2) amending subsection (a) to read as follows:

"(a) REQUIREMENT OF WITHHOLDING.—Every employer making payment of wages shall deduct and withhold upon such wages (except as otherwise provided in this section) a tax determined in accordance with tables prescribed by the Secretary.".

(b) Subsection (o) to extension of withholding to certain payments other than wages) is amended by—

(1) striking "GENERAL RULE." in paragraph (1) and inserting in lieu thereof "SUPPLEMENTAL UNEMPLOYMENT COMPENSATION BENEFITS AND ANNUITIES.",

(2) redesignating paragraphs (1) through (3) as (2) through (4), respectively,

(3) striking "paragraph (1)" in paragraph (3)(A) (as redesignated by this Act) and inserting in lieu thereof "paragraph (2)", and

(4) inserting before paragraph (2) (as redesignated by this Act) the following new paragraph:

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, any person making a payment of interest, a dividend, or any other payment subject to tax under chapter 1, shall deduct and withhold upon such payment a tax of 10 percent. For purposes of this chapter (and so much of subtitle F as relates to this chapter) any such payment shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.".

SIMPLIFORM TAX OF 1977

Mr. President, perhaps the most enduring issue before the U.S. Congress has been the need for tax reform and simplification. Most of my colleagues agree that tax reform and simplification is necessary, but when we set out to do it, conflicting interests result in a tax code even more incomprehensible than before.

During the last year the Congress has taken action on two major tax "reform" or "simplification" bills. The Tax Reform Act of 1976 and the Tax Reduction and simplification Act were discussed by my colleagues with every good intention of carrying out what their titles imply. These bills left us, however, with a tax code still seemingly ready to crumble under its own weight. Now we are awaiting the Carter administration's own views on tax reform, with a new push for tax legislation expected later this year or early next year. What will be the result of this new debate? If past history is any indication, Congress will once again fail to significantly reduce the burden of a complex and often inequitable tax code on the citizens of this country.

For this reason, Mr. President, I am sending to the desk today a bill which would totally restructure the individual income tax system. The Simpliform Tax Act, which I am introducing is similar to the bill I proposed in the last Congress, and to the concept originally offered to the Republican Platform Committee in 1972.

Few would deny that the Federal income tax system is an indispensible tool for gathering revenue and redistributing income. Since it was first authorized by the 16th amendment to the Constitution in 1913, it has played a leading role in our Federal revenue system. Individual and corporate income taxes are expected to provide 52 percent of the revenue for the fiscal year 1978 Federal budget. State and local governments have also employed income taxes to supplement other forms of revenue.

Nearly 200 years ago Adam Smith offered a helpful set of criteria for a "good tax." He said:

It should be certain, convenient, cost little to collect, and be based on the capacity of the taxpayer.

There is little question that our income tax system is currently falling well short of those goals.

In the first place, income taxes are not certain in the sense of being clear and indisputable to the ordinary taxpayer. The layman who itemizes his deductions must struggle through a very complex tax form or turn to a professional tax preparer or Internal Revenue Service employee for assistance. Even the experts, who work with the Tax Code every day, frequently disagree or make errors about the application of tax laws to an individual. The complexity of the forms required for filing a return with itemized deductions violates the principle of convenience. While some progress has been made toward simplying income tax forms, they remain far too inconvenient and complex. The person who can afford to employ a tax accountant to handle his personal taxes benefits more than those who cannot afford such services.

Of greatest concern to me, however, in offering the simpliform tax proposal, is the failure of the present system to genuinely reflect the capacity to pay. The Internal Revenue Code is still formally based upon the principle of the ability to pay. That is, the rates are scaled upwards along with income. There is nothing sinister or un-American about this committee to income redistribution. From the very adoption of income tax laws, it has been asumed that the funds to meet the social and economic needs of those with little or no income must come from the higher tax rates of the wealthy.

The failure of the individual income tax to be genuinely progressive in this country is best seen by considering the total tax bills, particularly including the regressive payroll tax. This combined analysis, however, is not necessary to demonstrate the failings of the individual income tax. The public exposure of the minimal income tax payments of public figures over the last several years has dramatized the failings of our tax code. Quite apart from the ethical and legal questions about the tax payments of particular individuals, the point is that the intent of the tax has been violated when a wealthy person pays little or no tax and a person of modest income surrenders $1 in $5 to the Federal Government.

It should not be thought that income tax underpayment is limited to a few highly publicized cases. In fact, studies by the Brookings Institution have indicated that the tax paid by those with income of six figures and above does not average more than 30 percent, in spite of a statutory rate up to 79 percent. Recent attempts to correct the problem by means of a minimum tax have not solved the fundamental problem. The result of this nonprogressive tax is a serious imbalance of income in a country that supposedly values equal opportunity. Studies conducted in 1970 indicate that the wealthiest 10 percent of the population receives 29 percent of the personal income and own 56 percent of the wealth. In contrast, the poorest 10 percent receive 1 percent of the income and owe more than they own.

The feature of the tax laws which allows most people, regardless of income, to keep their tax rate in the 20-percent range is, of course, the generous array of deductions, credits, and exemptions. Tax reform groups have been warning us about the violation of the progressive tax principle and now two significant studies from both the legislative and executive branches lend weight to their arguments.

The Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of Congress completed a study in October 1974 of Federal subsidy programs. This excellent document prepared under the direction of the subcommittee chairman, the distinguished Senator from Wisconsin (Mr. PROXMIRE) covers the full range of direct cash payments, credit subsidies, and inkind distributions. Of greatest significance in reference to tax policy is the section on tax subsidies, that is, those provisions of the law which allow an individual or firm engaging in a specific market activity to make smaller tax payments to the Government than would otherwise be made. Having dealt with items which allow reduced tax payments for such things as capital gains, charitable contributions, and medical expenses, the committee estimated that nearly $60 billion was retained by individuals and corporations in fiscal year 1975 because of tax subsidies. Undoubtedly, the figure was even higher in fiscal year 1976.

Of even greater interest is the disclosure by the Office of Management and Budget of a similar listing of tax breaks called tax expenditures in the "special analysis" to the fiscal year 1978 budget. The disclosure of this information is required by the Congressional Budget Act of 1974. Tax expenditures are defined in this report as "revenue losses attributable to a special exclusion, exemption, or deduction from gross income or to a special credit, preferential rate of tax, or deferral of tax liability." It is correctly pointed out that tax expenditures are best seen as alternatives to budget outlays. They are used to encourage specific behavior by individuals and organizations by distributing to such individuals and organizations tax money which would normally be placed in the public coffers.

Of greatest interest in the context of individual income tax reform is the fact that almost 40 percent of the tax expenditures expected for fiscal year 1978 will go to individuals. Even allowing for a margin of error in these estimates—or this year, budget revisions by the new administration—the amount is enormous compared to the total expected receipts from individual income taxes in fiscal year 1978, which totals about 39 percent of total receipts, or an estimated $171.2 billion.

Tax expenditures and subsidies, then, are responsible for short-circuiting a supposedly progressive income tax. We agonize over finding the funds to appropriate a few million dollars for various worthy programs, but do not bother to regularly review the system of hidden appropriations in the form of tax expenditures or tax subsidies.

These new studies speak eloquently of the need for tax reform, as do the economic problems of our country and the world. President Carter has promised a tax reform package to the American people before the end of 1977. The Congress will probably begin considering tax legislation early in 1978. While I do not pretend that tax reform, whether achieved by my plan or any other, will cure all our economic ills, I do

insist that it be considered as a necessary component of current as well as long-range economic policy.

Despite the well-intentioned efforts of the Congress to achieve comprehensive tax reform last year and on a more limited basis earlier this year, we were hindered by the resistance to basic tax reform from many sectors. Item-by-item reform, in my opinion, is always doomed to failure. Beneficiaries of tax loopholes will continue to bring pressure to bear in order to protect laws that are advantageous to themselves.

For these reasons, Mr. President, I offer Simpliform as one solution to the failings of the individual income tax. I am leaving to others the needed reforms in the corporate income tax, the payroll tax, and the estate and gift taxes. My plan would complement efforts to reform these other taxes, as well as to overhaul our welfare and income maintenance programs.

For most people, Simpliform would substitute a four-line calculation for the present complex form 1040. It replaces 27 tax brackets with nine, and four tax tables with one. It provides one tax credit for adults in place of a series of exemptions under present law. No technical assistance would be needed in most cases to complete the tax forms, and the process of filing returns and receiving refunds would be quick and inexpensive.

The reform features of Simpliform are even more important than the simplification gains. The multitude of individual tax subsidies would be eliminated in favor of a lower, but progressive tax rate. While the personal tax credit would mean that a couple with income under $5,000 would pay no tax, the basic tax rate would be 10 percent for those with income above $5,000. As income moved above $10,000, the progressive feature would be implemented by means of a surtax, which would reach a total of 50 percent for incomes in excess of $1 million. While upper income people who have been benefiting from various deductions would be subject to more tax under Simpliform, their tax rate would not surpass 30 percent unless their income exceeded $50,000.

Simpliform would also achieve some profound gains in fairness and equity. Personal tax credits are much more equitable than exemptions, for they always carry the same dollar value. The present personal exemptions provide four times as much tax saving for the wealthy as for the lower-income person. Simpliform's restriction of credits to adults removes the tax disadvantage from the single and childless taxpayers. The advantages enjoyed by the homeowner over the renter are eliminated, at least from the tax law. While these and other tax advantages under present law may actually be consistent with American goals and values, the problem is that these deductions always benefit the wealthy more than the middle- and lower-income person. As in the case of personal exemptions, the person in the higher tax bracket gains more from deductions than the lower-income person.

There are those who are troubled at the thought of tampering with some tax subsidies, such as reduced rates for capital gains and deductions for charitable contributions. Actually, reduced rates for capital gains would no longer be necessary for most people, because their lower Simpliform rate would be comparable to the reduced capital gains rate.

The elimination of deductions for contributions to charitable organizations should not be seen as a threat to the many worthy causes benefiting from these deductions. In some cases, such as educational institutions and health agencies, support should be provided by means of the direct and responsible route, that of appropriations. This could be done without seriously increasing the tax burden of the average person. Those organizations which should not be directly subsidized, such as religious groups, would continue to rely on the voluntary contributions of their supporters. Those who deeply believe in the goals and values of such groups will not cease their support because of the loss of the tax deduction. Moreover, the typical taxpayer would have additional funds for such purposes, because of the tax savings under Simpliform.

A person can easily compare the effect of Simpliform on his own income tax obligation by a quick exercise in arithmetic and a comparison with his 1976 return. Simpliform is calculated by multiplying income by the appropriate tax rate and subtracting the number of $250 adult tax credits. While those now subtracting large deductions from an income over $20,000 will probably pay more tax, they can depend on the rate not exceeding a reasonable figure and are assured of fairness in the amount that they pay. The modest income family, the single person, and the typical senior citizen can count on paying less tax under Simpliform, and can also be assured of fairness in what they pay.

Mr. President, I submit Simpliform in the hope that it will be given thorough consideration. Other tax reform plans will be offered and I am happy to have them considered as well, hoping that they too will be thorough and simple. Let us not become so preoccupied with short-range economic solutions that we neglect the urgent goal of true comprehensive tax reform.

Mr. President, I ask unanimous consent that an article by Henry M. Wriston which appeared in the April 13, 1977, issue of the Christian Science Monitor entitled "The Scandalous Form 1040," as well as an article in the April 1977 issue of Harper's by Peter Meyer entitled "A Short History of Form 1040" appear in the RECORD at this time.

[From the Christian Science Monitor, Apr. 13, 1977]

THE SCANDALOUS FORM 1040

(By Henry M. Wriston)

Income tax time invites rage. To be constructive anger should spark a concerted demand for fundamental reform. No thousand-page "amendment" will do; it only makes the taxpayer more frustrated. No draftsman can write so large a volume without providing many "loopholes."

The demand should be for clarity. The bill should raise taxes and avoid attempts at social engineering, which belongs, if anywhere, in separate legislation. The present law has so many purposes, some incongruous with others, that it makes the constructs of the late Rube Goldberg seem models of simplicity and elegance of design. In its present form the income tax law shows Congress to be the enemy of thrift, generosity, common sense and even good morals. It is as though Congress had purposely incorporated into law some of the widely advertised bad habits of certain members.

There is no excuse for a statute so long and so complex that its purported authors cannot expound it. Millions watching TV heard the director of the Internal Revenue Service admit that some passages were obscure to him. And the chairman of one of the responsible committees conceded that he found a passage he could not recall approving.

Most citizens are ready to render unto Caesar that which bears his image and superscription. We have a right, indeed a duty, to denounce a quagmire of needlessly involved requirements which expose to us to penalties for perjury, for lateness and other entrapments. It is intolerable, moreover, to face a law which virtually requires a retired teacher to employ a lawyer, an accountant, a banker or a wizard—or a team of them, to guide him through a legal maze so complex that even experts get confused. I have paid penalties for "'errors" when I felt sure the IRS auditors were as likely to be wrong as my own experts were said to have been. The needless cost to the taxpayer arising from poor congressional draftsmanship is an unreasonable burden on the innocent. It is an added impost which arises from no fault of the citizen but from carelessness on the part of Congress.

The President of the United States told the senators and representatives in joint session assembled that, on the average, they each cost a million dollars a year for salary, staff, pension and other expenses. At that heavy price it is insufferable to have Congress enact a statute which confuses the taxpayer and endows an ever growing bureaucracy as well as a generation of lawyers, et al. who make a living out of penetrating obscurity.

Senators blather about the aged ad nauseum. "Senior citizens," they proclaim, must be treated with compassion. I am one of the aged who consider the scandalous stimulation of inflation by acts of Congress a heavy, needless burden upon those of us who are retired. Added to the weight of taxation it is unendurable. What we need is a law which we can read, understand, and obey at no extra cost occasioned by the inepitude of costly Job's counselors in Washington.

While imposing unnecessary punishment upon the hapless citizen, Congress wonders why it is not held in high esteem. How can the public have confidence in legislators who turn out volumes of sticky flypaper and call the mess law? Each member took an oath to "perform to the best of my ability." Then they enact a tax statute that make a mockery of their oath. If that law is the best they can do they should all resign forthwith. At an annual cost of a million dollars apiece we have a right to demand clarity of language, readable prose. No senator can stand in his place (among the six or eight colleagues who normally attend) and assert he has met that elementary test. No representative (between Tuesday and Thursday, his normal week) can say "under penalty of perjury" that he has even tried to meet that modest obligation. No one who voted for this convoluted abomination can pretend he tried to be clear. Whatever else he had in mind, conveniences of the taxpayer was not on the list.

The Congress voted a premium on immortality. President Carter, speaking in the Department of Agriculture, made the offhand comment that some in his audience were living in sin. That quaint expression clearly puzzled his hearers. When he clarified it by suggesting that those who were so living should get married, the response was laughter. Did not the President know that, by congressional ukase, marriage would result in a tax penalty? That was part of a "reform" bill. It was made the law of the land by a Congress which, in exchange for "30 pieces of silver" they were too craven to vote themselves, is now taking an exceedingly elementary course in "ethics," and making heavy weather of it.

Finally, consider the cost of this legislative monstrosity. It calls to mind a passage in the Declaration of Independence, he "has erected a multitude of New Offices and sent hither swarms of officers to harass our people and eat out their substance." The sheer bureaucratic cost of administering this atrocious caricature of "a government of laws, not of men" boggles the mind. When to this first cost is added the time and effort of the taxpayer, his aides, and then the auditors, the cost of obedience to law is staggering.

The President characterized this law as a scandal. Too long we have submitted to taxation without lucidity. It is time for Congress to write a statute an honest citizen can understand.

[From Harper's, April 1977]

A SHORT HISTORY OF FORM 1040

On October 11, 1913, Edward S. Beach dashed off an angry letter to the New York Times. He called President Wilson "the father of spies," and thanked the "whole brood of predatory politicians for the coming espionage." Beach was convinced that the new tax law would unleash upon the country a whole "army of Federal spies whose nose will be stuck into the affairs of every man suspected of having an income of $3,000 or more a year."

Unfortunately for Beach, the vast majority of Americans earned much less than $3,000 a year in 1913. In fact, they welcomed a law which promised to police the incomes of the rich, a measure which would redistribute the wealth and equalize the tax burden. The week before Beach's letter, Congress had attempted to do just that.

With its newly acquired Sixteenth Amendment powers, Congress wrote the first income-tax law of the century, an appendage to the Underwood-Simmons Tariff Act which reduced the tariff to its lowest level since the Civil War. Rep. Cordell Hull, chief draftsman of the income tax, had called the tariff an "infamous system of class legislation." The new tax, he argued, would rectify the inequities of a system which was "virtually exempting the Carnegies, the Vanderbilts, the Morgans and the Rockefellers with their aggregated billions of hoarded wealth." Congressman Hull, also boasted that the new law was brief. In less than fifteen pages, Congress spelled out the income-tax requirements for both corporations and individuals. Only on net incomes above $3,000 (roughly equivalent to $17,550 today), said Congress, would the "normal tax" of 1 percent be leveled. An additional tax ranging from 1 to 6 percent was imposed on amounts in excess of $20,000 (about $117,000 today). In the first full year of enforcement of the new law, the tax burden fell to a scant 357,000 people—less than one-half of 1 percent of the population. Few could complain. At a time when the per capita annual income of the gainfully employed hovered near $900, the weight of the tax ballast fell clearly to those most able to pay.

On January 5, 1914, the Treasury Department unveiled the individual income-tax blank. Form 1040, together with its instructions—four pages in all—read like a Dick-and-Jane primer. It was short enough to be reproduced, instructions included, in four columns of a single page of the New York Times. (The next day two New Jersey gentlemen filed the Time's clippings, dutifully filled in, with their local revenue agent.) The original 1040 form is no less a relic of simpler times than the 1913 law itself. But the majority of the country, it seems, once granted a reprieve from taxation in 1913, sighed in relief and promptly fell asleep. From a perspective granted by six decades of tax increases and bureaucratic expansion, it appears that something has run amok.

Rep. Charles A. Vanik was born just a few months before the passage of the first income-tax law. He now sits on the House Ways and Means Committee, but believes that "there is an Alice-in-Wonderland quality in speaking of a voluntary tax system when nearly half of the nations' taxpayers feel that they must get or pay others to help them complete their own returns." The phenomenal proliferation of law, loophole, litigation, and juridicial exegesis has spawned a huge tax industry. It gathers its capital from legal conundrums. "The tax system and support for it," as Vanik points out, "is being smothered by the endless forms, instructions, and complexities of present tax law."

During 1975 the weekly Internal Revenue Bulletin notified its subscribers of 576 revenue rulings, 66 revenue procedures, 27 public laws relating to Internal Revenue matters, 31 committee reports, 3 executive orders, 42 Treasury decisions, and a host of other addenda. What does this catalogue of IRS statistics and tax-law twists and turns do for taxpayers? It insures that millions of them run to the doors of their preparers each year for guidance.

But even this recourse is not safe. A report reluctantly released by the IRS last year revealed that the experts, too, are confused. Three out of four tax returns filed by paid preparers—attorneys, public accountants, CPAs, commercial preparers—for those with incomes between $10,000 and $50,000 contain mistakes. Even the IRS errs on 79 out of each 100 returns it completes for the middle-income taxpayer.

Altogether the IRS audits a couple of million returns each year. And each year the American taxpayer comes up short—$5.3 billion in 1975. Countless millions more contain mathematical errors, most of which increase the taxpayer's liability when corrected. (The word countless is a slight exaggeration because there are very few things which the IRS doesn't count.) The mistakes, whether made innocently or fraudulently, speak less than optimistically either about our ability to comprehend our tax responsibilities or our desire to tolerate them.

So Congress bemoans the muddle in the IRS while the service pleads for simplification of the law. Commissioner Donald Alexander once told a Ways and Means subcommittee that taxpayers couldn't "find their way through the maze that Congress intended for them." Though the Tax Reform Act of 1976 was the most extensive overhaul of the system since the Internal Revenue Code of 1954, it did little to de-maze the law. As a result, the commissioner was forced back to the drawing board to relay the good news to 1977 taxpayers. "Completing your return this year," he writes, "could be more difficult."

The instructions for page one of this year's 1040 comprise nearly four pages. If the taxpayer perseveres that far he will have already encountered 15 "cautions" and "notes," as well as 206 "if" clauses and been referred to another 39 forms, schedules, and related IRS publications. If he had a question about estimated itemized deductions for alimony expenses, for example, and had a copy of the new law at hand he might turn to Code Section 3402(m)(2)(A) for explanation:

"The term 'estimated itemized deductions' means the aggregate amount which he reasonably expects will be allowable as deductions under chapter 1 (other than the deductions referred to in sections 141 and 151 and other than the deductions required to be taken into account in determining adjusted gross income under section 62 other than paragraph (13) thereof) for the estimation year."

As the figures show, most taxpayers will pay an expert to make their mistakes.

The code remains our basic tax document, a legal farrago that, as one IRS spokesman has said, "defies human understanding." Prior to last year's Reform Act it was barely compactible into a single bulky volume. The amending legislation is itself nearly 1,000 pages long. There are also volumes of Income Tax Regulations (the Treasury Department's interpretation of the code), volumes of revenue Rulings (the IRS's interpretation of specific situations), and more volumes of court decisions. It's no wonder that such an imposing tax industry has risen to interpret, administer, and exploit that document.

How many different livelihoods depend on the legal tax jargon? Nine percent of the 218,146-member American Bar Association are considered tax specialists. The IRS itself employs more than 800 attorneys; some 200 lawyers work in the Justice Departments' Tax Division. Hundreds of commercial tax preparers (in the Manhattan Yellow Pages alone, seventy-five entries crowd under the "Tax Preparation" heading) vie for the $600 million that Americans pay annually for their services. H. & R. Block, "the income tax people," last year prepared 10 percent of the more than 85.5 million individual income tax returns. Twenty research centers across the country find sustenance in tax specializing, as do 14 tax associations and some 300 journals and periodicals. And not to be forgotten in the enumeration is the IRS and its 82,000 employees, 4,050 different forms, and hundreds of publications.

The latest development in the tax imbroglio industry is the electronic law libraries. Their services are increasingly valuable as a means of sorting through what otherwise would be reams of paper. The Lexis Library of Meade Data Central, Inc., for example, has nearly 300 subscribers throughout the country. In a matter of seconds any one of them may requisition the latest tax regulation or court decision from an IBM 370/155 computer. Not surprisingly, Meade's most frequent patron is the Internal Revenue Service.

It has taken less than sixty-four years to slide into a system which warrants Mr. Beach's wrath. In the meantime we seem also to have slipped "through the looking-glass" and come upon a system bereft of manageability, not to mention comprehensibility. But Lewis Carroll said it best. "'Curiouser and curiouser!' cried Alice. . . . 'Now I'm opening out like the largest telescope that ever was! Good-bye, feet!'"

THEN AND NOW

	1914	1975	Percentage change
U.S. population	97 million (est.)	214 million	120
U.S. labor force	34.8 million (est.)	94.8 million	172
Total Internal Revenue collections.	$415.6 million ($2.43 billion today).	$293.8 billion	172
Individual income tax collected.	$41.04 million ($24 billion today).	$156.4 billion	551
Number of individual returns.	357,515	85,518,719	23,800
Percent of population taxed	Less than 0.5 percent	40 percent	
Percent of labor taxed	1 percent	90 percent	
Tax per capita	$4.28 ($25.03 today)	$1,375	5,390

	1914	1975	Percentage change
Tax per return	$114.80 ($671.58 today)	$1,840	173
IRS employees	4,000	82,000	1,950
IRS employees per capita	1:24,250	1:2609	829
IRS forms	45 (est.)	4,050	8,900
ABA members	8,033 (1913)	218,146	2,600
IRS lawyers	1	800	799
Tax-related court cases	4,731	43,687	820
IRS costs	$6.8 million ($39.7 million today).	$1.58 billion	3,900
Number of words of law	10,000 (good est.)	750,000 (good guess)	7,400

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, Mr. HUDDLESTON, and Mr. FORD):

S. 48. A bill to authorize flood control and flood protection measures for the Tug Ford and Levisa Fork of the Big Sandy River, West Virginia and Kentucky and the Cumberland River, Kentucky; to the Committee on Environment and Public Works.

BIG SANDY RIVER FLOOD CONTROL ACT OF 1979

Mr. HUDDLESTON. Mr. President, I wish to state my strongest possible support for the emergency flood control authorization for the Tug and Levisa Forks of the Big Sandy River and the Cumberland River in Kentucky and West Virginia.

Nearly every human activity in the Big Sandy and Cumberland River Basins is affected by persistent repetition of flooding. In the past 5 years, five major floods have occurred taking 11 lives and resulting in $277 million in damages. The existing flood control system, mostly in the Levisa Fork Basin, prevented at least $175 million in damages. Nevertheless, the destruction that did occur caused severe economic disruptions and social distress, with thousands of families left homeless and hundreds of businesses totally destroyed. Relatively flood-free lands for rebuilding communities essentially are nonexistent, particularly in this area. The proposed projects would provide a high degree of protection at least sufficient to protect against the April 1977 flood. The projects also would provide protection to a substantial amount of developable land which otherwise would be subject to frequent flooding. Development of housing on these relatively flood-free acreages would ease the critical housing shortage—over 42 percent of all eastern Kentucky housing units are classified as substandard due primarily to withstanding continued flooding.

This legislation would authorize the Corps of Engineers to design and construct, at Federal expense, floodwalls, levees and other appurtenant facilities in those areas hit hardest by the repeated flooding on the Tug and Levisa Forks of the Big Sandy River and their tributaries and on the Cumberland River and its tributaries. It is my understanding that this authorization does not include any new flood control dams.

I wish to emphasize that this legislation is not limited in its application to the communities included in the legislative language. There are a number of unnamed Kentucky communities located along the Big Sandy River and the Cumberland River that have been severely damaged by repeated disastrous flooding. The welfare of the people who live in these communities is just as important as that of residents of those communities mentioned in the legislation. I would like to make clear that the authorization contained in the legislation allows the corps to dredge, deepen, clear, and snag the Big Sandy River, including both the Tug Fork and the Levisa Fork and their tributaries and the Cumberland River and its tributaries. So I want to again make this point for purposes of legislative history.

I believe it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous Presidential declarations in the past. In anticipation of this authorization, at my request the Senate Appropriations Committee included language in the 1978 Public Works Appropriations Act directing the corps to use available funds to proceed with this work as soon as Congress approves the authorization. I quote the language:

The Committee understands the emergency situation existing in portions of Kentucky, West Virginia and Virginia which suffered one of the most disastrous floods experienced in the area on April 3-4 of this year. The committee believes it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous Presidential disaster declarations in the past. The committee is aware that section 119 of S. 1529 would authorize funds to deal with these disasters and this legislation is currently moving through the Congress toward enactment. The committee would expect the Secretary of the Army to be alerted to this legislation so that the Department of the Army would be in a position to initiate the appropriate budget request at the earliest possible date. For its part, the committee would be willing to entertain and consider reprogramming requests or budget requests in an early fiscal year supplemental request for relief of these disastrous conditions. In addition, the committee expects the Corps of Engineers to submit to appropriate committees of the Congress within six months its schedule and plan for flood protection measures to be undertaken.

This emergency flood control legislation is absolutely vital and should receive the very highest priority.

By Mr. HATFIELD:

S. 50. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

BEVERAGE CONTAINER REUSE AND RECYCLING ACT OF 1979

Mr. HATFIELD. Mr. President, today I am introducing the "Beverage Container Reuse and Recycling Act of 1979." Since I introduced this bill in the 95th Congress, three more States, Delaware, Connecticut, and Iowa, have passed legislation to require refundable deposits on beverage containers. This brings the total number of States encouraging reuse and recycling of beverage cans and bottles to seven.

This is the third time I have introduced similar legislation to the U.S. Congress. Good sense should dictate that we pass national legislation to address a national problem. Manufacture, bottling, consumption, and disposal of beverages are done, by and large, on a geographic basis, not a political one. Yet, the problem created by the disposal of approximately 80 billion beverage containers each year is being addressed by a plethora of State, county, and local ordinances, each one slightly different from the other.

In the 96th Congress, the opportunity exists for us to face a nationwide problem, correct it with relatively little cost, and reap tangible benefits the first year.

Each year 360 trillion Btu's of energy is expended in the manufacturing of beverage containers in the United States. Under this legislation, 32 to 43 percent of that figure could be saved through the return of bottles and cans. By 1985, approximately 210 million tons of refuse will yearly fill our land. Under this bill, we will have the means to recycle approximately 10.5 million tons of refuse, through the simple device of a mandatory deposit on beverage containers.

Since I introduced this bill in the last Congress, the General Accounting Office has released its study, "Potential Effects of a National Mandatory Deposit on Beverage Containers." That study reconfirms reports by the Federal Energy Administration (in October of 1976) and the Environmental Protection Agency findings, prior to the EPA approval of guidelines establishing a system of refundable deposits on all beer and soft drink containers sold on Federal facilities. The GAO study notes that much of the pressure to switch from returnable to nonreturnable containers comes from intermediate customers, stores and distributors, rather than the ultimate consumer. It speculates that the consumer may have had little effect on the industry choice of container type.

Mr. President, this bill will not infringe on any citizen's convenience. He or she will still have the option of discarding beverage containers. It will only obligate each user who discards a bottle or can to pay something nearer to the true cost of that decision to discard. Conversely, it will provide incentive to those who choose to participate in the cleanup of our land, the recovery of resources and the saving of scarce energy.

For centuries, we have had the luxury of ignoring the indirect costs of our use of our planet. That is a luxury we can no longer afford. We must become stewards of the Earth. If our stewardship is to be wise rather than rapacious, we must give value for value. We must balance our consumption of the Earth's resources with renewal of those resources, wherever possible. Where resources are not renewable, we must use no more than a reasonable share, and reuse what we can.

This bill is both a symbolic and substantive step in that direction.

Mr. President, I ask unanimous consent that a general summary of the impacts of a returnable beverage container proposed by the Environmental Action Foundation, as well as a question and answer sheet prepared by the EPA be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BOTTLES & SENSE

(Researched and written by Patricia Taylor; edited and produced by Nancy Sachs, Carol Greenslit, Kathleen Painter, Davida Daemon; Production consultants: Philip Michael, Peg Averill; drawings by Michael Merchant)

The returnable bottle is a wonderful invention whose time has come—again. We

didn't fully appreciate the returnable 15 years ago when it was the only way to buy beer and soft drinks. So nobody raised a fuss when the container manufacturers and brewers shifted to throwaway bottles and cans.

Over the past five years, however the returnable bottle has looked better and better to Americans who are tired of seeing throwaways littering their landscape. And it's not only the possibility of reducing litter that makes the returnable look good: it's a great money saver for the consumer, as well as an energy and materials saver.

The consumer doesn't buy a deposit bottle—he *borrows* it. No wonder returnables are cheaper than throwaway cans and bottles! A returnable bottle can be refilled an average of 15 times. No wonder returnables are more energy saving and materials conservative than throwaways. (We could save 115,000 barrels of oil a day and 7 million tons of reusable materials each year if we returned to returnables nationwide.)

The refillable bottle is making a comeback across the country as more and more cities, counties and states pass laws which require a deposit on all beverage containers. It's only a matter of time before refillable cans and bottles will be as fully available and in use as they were before the throwaway ethic began. Returnables make sense for today: they're a simple way to save energy, money and materials at a time when all of these resources are scarce.

The proliferation of one-way, throwaway beverage containers places a heavy and unnecessary burden on our national energy resources. According to the U.S. Environmental Protection Agency (EPA), we *waste* 224 trillion BTU's of energy each year manufacturing throwaway beer and soft drink cans and bottles. (1) That's enough energy to furnish all the electrical energy needs of New York and Chicago residents for an entire year. And it would be enough energy to meet the combined yearly requirements of 185 million people living in Asia, Africa and Central America. (2)

The Citizen's Advisory Committee on Environmental quality recognized the need for federal leadership in effective energy conservation. Therefore, the Committee recommended to the President that national legislation be enacted to require a refundable deposit on all beverage containers. Citing the energy shortage as "a critical national problem," the Committee reported that "refillable" beverage containers provide an inexpensive, . . . and energy-saving alternative to . . . energy-wasting disposable beer and soft drink containers." (3)

John Sawhill, former Administrator of the Federal Energy Administration, has said, "there are few other instances . . . where energy savings of this magnitude could be achieved as easily in terms of required capital investment and employment dislocations . . ." (4) Despite findings by government and private researchers of the potential for dramatic energy savings from nationwide returnable can and bottle use, we continue to produce billions of throwaways each year. So many, in fact, that one percent of our total national energy consumption is used solely to package the "leisure beverages" we drink.

Although some industry officials promote volunteer recycling and municipal resource recovery facilities as effective ways to reduce energy loads in the beverage industry, their claims are not borne out in fact. While recycling containers in some cases does use less energy than manufacturing new ones, refilling returnable containers uses much less energy than recycling. One throwaway can or bottle requires three times more energy to deliver the same amount of beverage than a returnable glass bottle used 10 times, less than the national average number of returns.

Footnotes at end of article.

Energy Use of Different Containers

Environmental Impact:	Energy (million BTUs)
15 Trip Glass (Returnable)	15
All Steel	35
Bi-metallic Can	54
One-way Glass	63
Aluminum Can	80

Source: Midwest Research Institute under EPA contract.

Throwaway cans and bottles are an energy luxury we can no longer afford. With a nationwide all-returnable system, we could easily cut energy consumption in the beverage industry by 50 percent. Through a dramatic change in driving habits, Americans recently succeeded in saving 200,000 barrels of oil a day under the 55 mph speed limit conservation measure. By simply returning to returnables, we could save an additional 115,000 barrels of oil each day. (5)

MATERIALS

Manufacturing throwaways is a wasteful and expensive habit. One throwaway can or bottle uses four to six times more raw materials than one returnable bottle refilled 15 times, the current national average. Millions of tons of potentially useful materials end up discarded as garbage or litter.

In 1975, the U.S. beverage container industry used 7 million tons of glass, 2 million tons of steel and 500,000 tons of aluminum to make beer and soft drink containers, most of which were used once and thrown away. These materials represent a phenomenal 45 percent of all glass, six percent of all aluminum and two percent of all steel produced in the United States.(6) As William Coors, president of the nation's fourth largest brewery, recently testified, "We aren't going to have the materials in which to market our product if we don't start getting our containers back."(7)

Unless the "throwaway ethic" is reversed, the need for raw materials imports will continue to grow. Scientist Glenn T. Seaborg recently called for better planning of materials policy. "As economic growth and industrialization accelerate over much of the world, the competition for mineral supplies will increase and the developing countries will exert more control over . . . their mineral resources. This situation has the seeds for crisis. . . ." (8)

Dependence on overseas suppliers for materials is especially critical in the aluminum industry. The U.S. currently imports 85 percent of its aluminum and bauxite, the raw material used to make aluminum. When bauxite prices rose recently, Alcoa cut back production of aluminum for housing, construction materials, airplanes and household foil. Aluminum was still available, however, for beer can manufacture, one of the top three categories of aluminum consumption in the United States. (9)

It is time to recognize the folly of using precious imported materials to make throwaway beverage containers. Returning to returnables would safeguard these limited materials and more sensibly allocate our nation's resources.

LITTER

In 1973, over 60 billion beer and soft drink containers were manufactured in the United States. That figure will climb to 80 billion in 1985. (10) One beverage container in four ends up as litter on our landscape. (11) The ugliness of littered beer cans and broken pop bottles along roadsides, in parks and on beaches prompted the passage of beverage container legislation in the states of Oregon, South Dakota and Vermont. In addition, Oberlin, Ohio; Bowie and Montgomery County, Maryland; Berkeley, California; Cayuga County, New York; Fairfax and Loudon Counties, Virginia have all passed legislation curbing throwaways.

Beverage containers make up between 60 and 80 percent of litter by volume and 20 and 40 percent by item count (when one beer can equals one gum wrapper). (12) The efforts of container manufacturers and the brewing and soft drink industries to educate the public against littering have had little impact. Anti-litter laws around the country have proven unenforceable.

Beverage container legislation has been in effect in Oregon and Oberlin, Ohio since 1972 and in Vermont since 1973. Litter surveys in both states have shown substantial reductions in total litter and in beverage container litter. Of the littered beverage containers found by the Vermont State Department of Highways, only 25 percent were sold in Vermont; the rest were brought in by out-of-state tourists. (13)

The economic incentive of a deposit has now been shown to effectively reduce beverage container litter. About $535 million is currently spent each year for litter pick-up around the county.(14) A deposit on beverage containers provides a financial incentive to clean up littered containers. People will once again collect beer and soft drink containers along the roadsides and return them for extra spending money.

Buying returnables is a vote against litter and a positive action for a more beautiful America.

SOLID WASTE

The growth rate of throwaways is astronomical. The manufacture of throwaway cans and bottles has grown eight times faster than actual consumption of beer and soft drinks. Between 1955 and 1973, the number of containers produced skyrocketed 488 percent, while consumption of beer and soft drinks increased only 58 percent. (15)

Cutting down on wastes is a critical problem for cities and counties responsible for solid waste collection and disposal. Beverage containers are the fastest growing category of municipal solid waste, increasing eight percent annually. Although some states and localities have enacted their own legislation to control throwaways, the growing solid waste burden must ultimately be dealt with by the nation as a whole. Endorsing this philosphy, the National League of Cities/U.S. Conference of Mayors resolved that, "Unless we reduce the total volume of solid waste generated nationally, local governments will continue to be overburdened with the flow and financing of the nation's solid waste."

As the flow of materials increases, we can expect contined expansion of the amount of waste requiring disposal, according to the National Commission on Materials Policy. The Commission recommends that "the amount of solid waste be increasingly reduced where possible by methods of recycling, reuse and recovery."(16)

Recycling centers have been set up in many communities around the country in an attempt to recover some of the aluminum, glass and steel wasted in throwaway beverages container production. Facilities to mechanically recover aluminum and glass from solid waste are now being developed. Voluntary centers have been particularly encouraged by those in the beverage container business. Rather than curtail their expanding production of throwaway cans and bottles, these industries are eager to promote the image of citizens as litter-collectors.

However only one in seven aluminum cans is actually recycled; 10 billion of them continue to find their way onto refuse piles and roadsides every year. In 1973, only three percent of the steel cans were recycled. (17) Most steel cans can't even go through the recycling process because their aluminum flip-tops contaminate the steel, making recovery uneconomical.

Mechanical systems for the separation of glass and aluminum have not yet been demonstrated on a commercial scale. Even if the technology is successfully developed,

most municipalities will not be able to afford these facilities and their construction will take many years. Therefore, resource recovery of a substantial portion of the country's throwaway cans and bottles in the near future is impossible.

It has been argued that a nationwide returnable system would reduce the aluminum can content and hence lower the market value of municipal waste available for recycling. Energy researcher Bruce Hannon of the University of Illinois has said that this logic is like having "each person swallow a little platinum to increase the value of sewage" so that the sewage treatment plant can operate efficiently. (18) In fact, there is no conflict between resource recovery systems and a nationwide returnable system. According to the EPA, "changing the composition of municipal waste through mandatory deposit legislation would not significantly affect the economics of most resource recovery plants." (19)

Our first priority should be to get rid of what we don't need; then when the technology is available, we should recover the rest. In the meantime, manual separation of recyclable materials by citizens is a viable alternative to expensive, energy-intensive resource recovery operations. With a nationwide deposit system, we could ensure that six to seven million tons of materials would be returned for reuse and recycling each year.

THE CONSUMER

Buying beer and soft drinks in returnable glass bottles instead of throwaways is a good way to save money. In New York state alone, consumers could save close to $40 million each year under mandatory deposit legislation.(20) That's how much extra they now spend for the "convenience" of throwaway containers. On the average, equivalent amounts of beverage sell for two or four cents more in a throwaway can or bottle than in returnables.

The reason for the higher prices is that the major expense in throwaway container production goes for packaging—not for labor, ingredients or transportation. According to a survey conducted by market analysts Sanford C. Bernstein & Co., "packaging is the major factor in the production of beer," accounting for as much as 56 percent of the costs while the ingredients account for only 12 percent.(21) But with returnable bottles, the consumer saves money by borrowing the expensive packaging.

Currently it is difficult for consumers who want to save money to find returnables on store shelves. In Washington, D.C., for example, an Environmental Action survey found that less than 15 percent of the 361 liquor stores surveyed carried beer in returnables. And where beer was available in returnables, it was sold only in 24-bottle cases in one or two brands. The situation is similar—and often worse—in other communities around the country.

In January, 1975 the Falstaff Brewing Co. launched the first marketing of returnables in 12-bottle cases. According to Falstaff Vice-Chairman Joseph Griesedick, "Returnable bottles are the most economical for the consumers and the brewer." He noted that consumers would pay only $2.50 for a 12-bottle case of returnables as compared with $3.13 for the same amount of beer in cans—a 5-cent-per-bottle savings.(22)

Returnable savings hold true in the soft drink industry as well. The president of Coca-Cola, USA, testified before the Senate Judiciary Committee: "Coke sold in food stores in non-returnable packages is priced, on the average, 30 to 40 percent higher than Coca-Cola in returnable bottles. The difference lies essentially in the different costs of packaging. The cost of returnables is spread over many uses; the cost of the non-returnable package is absorbed in one use."(23)

Footnotes at end of article.

Obviously many beverage-related industries prefer to continue this upwardly spiraling system of more throwaways and higher prices. Such industries no longer have to pay the costs of refilling and reusing beverage containers which are higher than the cost of the beverage ingredients. And as taxpayers, consumers must also foot the bill for collection and disposal of throwaways.

Attitude surveys and the experiences of Oregon and Vermont have shown that consumers are more than willing to forego "convenience" packaging for a return to returnables. The first nationwide poll on the issue of returnables was recently conducted by the Opinion Research Corporation for the Federal Energy Administration (FEA). An overwhelming 73 percent of those polled favored a law requiring that all soft drinks and beer be sold in returnable bottles and cans.

In Michigan, a private poll conducted for Governor William Milliken found that 73.3 percent of the people favored a state law banning the sale of non-returnable bottles and cans.(24) And, in the state of Oregon, an opinion poll taken one year after enactment of that state's law found 91 percent of the people approved, while only five percent voiced any disapproval at all.(25)

Consumers have found other reasons, in addition to saving money, for returning to returnables. The safety hazards of throwaway cans and bottles are a source of serious concern to consumers. In its spring, 1975 hearings, the Consumer Product Safety Commission verified that throwaway bottles break more easily than returnables. The Commission pointed out that splintering or exploding glass beverage bottles were responsible for 11,000 hospital emergency cases in one year. Detachable, "flip-top", "pull-top" tabs on metal cans are also a safety hazard to people who step on them or swallow them, according to the Journal of the American Medical Association.(26) The state of California recently passed legislation prohibiting the use of detachable openings on beverage cans, and detachable flip-tops would be outlawed under national beverage container legislation.

Nationwide use of returnables would shift the cost of litter collection and container disposal back to the manufacturers and consumers of beverages, relieving the growing burden being placed on the general public. Returning to returnables would also mean a healthy financial boost for the nation's consumers.

EMPLOYMENT IMPACT

Thousands of workers have lost their jobs in the brewery and soft drink industries because of throwaways, according to Anthony Sapienza, president of Brewery and Soft Drink Workers Union Local 1164. "It requires fewer workers to process these containers than returnable bottles," Sapienza said in announcing his union's support of beverage container legislation. He added that "steelworkers make the throwaway cans, glass workers make the bottles, but we lose the jobs."(27)

Twenty-six thousand three hundred workers lost their jobs in the brewing industry between 1956 and 1974.(28) Concentration and consolidation in the beverage industry, along with the shift to throwaway containers, have led to the shutdown of many brewing and soft drink bottling companies. In 1935, for example, there were 765 brewing plants in the U.S. but by 1974, only 99 plants remained. These are owned by 55 companies, six of which control 68 percent of the market.(29) This trend is also being followed in the soft drink industry. Seven thousand nine hundred workers lost their jobs in the soft drink industry between 1970 and 1974.(30) Coca Cola plans to phase out 900 franchised bottling plants across the country and replace them with 78 centralized plants by 1980.

A recent development in beverage containers will mean even greater job loss in the future. The plastic bottle is already being used by soft drink manufacturers and is expected to capture 10 percent of the throwaway container market by 1980. The rapid introduction of this container will mean job losses for workers in the glass and can industries, as manufacturers in the brewing and soft drink industries switch to plastics.

A report commissioned by the Environmental Protection Agency predicts that continued expansion of the throwaway beverage container system will lead to further loss of jobs. (31) The job losses which have already occurred in the beverage container industry were the result of "natural" free market forces. Clearly, if we allow these market forces to prevail, thousands more workers in the soft drink, brewing and container manufacturing industries are bound to suffer major job losses and dislocation.

Passing national mandatory deposits legislation will affect the jobs of workers now manufacturing throwaway cans and bottles. Although the proposed legislation does not ban the manufacture of throwaway bottles and cans, it is expected that there will be a shift to the use of refillable bottles and recyclable cans. Thus the production of throwaway bottles and cans would be reduced. The Research Triangle Institute has estimated that after a five-year implementation period for the proposed law, about 90 percent of the containers sold would be refillable and 10 percent would be cans. During this period, the Institute estimated that 39,000 jobs would be lost; (32) yet at the same time, using RTI's methodology, approximately 107,000 new jobs would be created for small bottlers, distributors, truckers and retail clerks.

In every study conducted on the employment impact of federal or state beverage container legislation, there has been a net increase in employment. However, many of the jobs generated by a returnable system can not be substituted for jobs under a throwaway system, although many are of equal pay rate. Therefore, provision should be made for retraining and relocating displaced workers, while those presently unemployed gain the thousands of new jobs created by a shift to returnables.

It's true that there will be some job dislocations with a shift to returnables as there were in the past with the shift to throwaways. But by going back to returnables, jobs will be created instead of lost.

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QUESTIONS AND ANSWERS ON RETURNABLE BEVERAGE CONTAINERS FOR BEER AND SOFT DRINKS

(Waste Reduction Branch, Resource Recovery Division, Office of Solid Waste Management Programs, U.S. Environmental Protection Agency, July 1975)

1. *What are returnable beverage containers?*

Returnable beverage containers are containers that are accepted for return after use. Usually a cash deposit is paid when the beverage is purchased and refunded when the container is returned. The purpose of the deposit is to provide an incentive for the return of the container either for refilling or for recycling of the container materials.

2. *What are the environmental and resource conservation benefits of returnable beverage containers?*

The return of beverage containers reduces the generation of beverage container waste and litter. Reuse and recycling of containers reduces air and water pollution resulting from the production of containers, and conserves energy and materials.

3. *What is mandatory beverage container deposit legislation?*

Mandatory deposit legislation is a law or ordinance which requires a deposit on all beverage containers sold in a particular jurisdiction.

4. *Is there mandatory deposit legislation in existence today?*

Three States have enacted mandatory deposit or returnable container laws for beer and carbonated soft drinks: Oregon, Vermont and South Dakota.

In Oregon, a refund value of 2 cents is carried by all "certified" containers, which can be reused by more than one manufacturer. All other containers carry a refund value of 5 cents. Metal containers with detachable tab tops are banned.

In Vermont, all beer and soft drink containers carry a refund value of at least 5 cents. The manufacturer or distributor is also required to pay the retailer a fee of 20 percent of the deposit (1 cent per 5 cent-deposit container) to cover the costs of handling the returned containers. In January 1977 nonrefillable bottles will be banned in Vermont, as will metal containers with detachable tops and non-biodegradable container carriers.

South Dakota has passed a law which requires that every beverage container sold in that State, subsequent to July 1, 1976 shall be either a reuseable container or a container which is biodegradable.

Several communities including Bowie, Maryland; Loudoun County, Virginia and Ann Arbor, Michigan have passed similar laws which have not been implemented due to legal challenges.

5. *Does mandatory deposit legislation eliminate the use of the metal can as a beverage container?*

Mandatory deposit legislation does not prohibit the use of metal cans. However, in Oregon, after passage of the law, the use of refillable bottles increased and the use of cans decreased. For soft drinks, refillable bottles increased from 53 percent of the market prior to the law to 88 percent of the market in the year following the law.[1] Soft drink cans decreased from 40 percent of the market to 12 percent.[2] Refillable beer bottles increased from 31 percent of the market before the law to 96 percent afterwards.[3] Beer cans declined from 40 percent to 3.5 percent.[4] The use of nonrefillable glass bottles was practically eliminated for both beer and soft drinks.

In Vermont comprehensive data on pre-law and post-law container usage is not available. However, as of April 1975, cans and nonrefillable bottles were still being sold for both beer and soft drinks, but a trend towards more widescale use of refillable bottles for soft drinks has been reported.[5]

Nationwide in 1972 approximately 89 percent of all soft drinks were packaged in refillable bottles, 27 percent in nonrefillable bottles and 34 percent in cans.[6] For beer the figures are approximately 18 percent for refillable bottles, 24 percent for nonrefillable bottles and 58 percent for cans.[7] The market mix of containers varies significantly for different geographic regions.

Mandatory deposit legislation would probably result in a shift towards the increased use of refillable bottles. Nonrefillable glass bottles may well disappear from the market (however for larger sizes nonrefillable bottles may remain). Cans would probably decline in market share but would remain in some quantities, especially in areas where they are currently predominant.

6. *How much solid waste can be prevented by such laws?*

On a national basis, beer and soft drink containers accounted for 8 million tons of solid waste in 1973.[8] This represented 6 percent of total municipal (household and commercial) waste. Beverage containers are a rapidly growing segment of municipal waste, with an estimated growth rate of 10 percent per year from 1962 to 1972.[9]

If 90 percent of the containers bearing a deposit were returned for refilling or recycling, there would be a reduction in beverage container waste of 70 to 75 percent, or 5 to 6 million tons on a national basis.

7. *What about littered beverage containers?*

Most studies show that beer and soft drink containers comprise between 20 to 30 percent of roadside litter by item count.[10 11 12] However many other littered items are smaller and less visible than beverage containers and degrade more rapidly in the natural environment. On a volume basis, which is a better measure of litter visibility, beverage containers have been found to represent 62 percent of highway litter.[11] For the year following enactment of deposit legislation, beverage container litter decreased by 66 percent in Oregon and by 67 percent in Vermont.[13 a]

Footnotes at end of article.

8. *How much energy could be saved by use of returnable containers?*

Beverage containers that are refilled or recycled save energy and materials. A glass beverage container used 10 times consumes less than one-third of the energy of nonreusable containers used to deliver the equivalent quantity of beverage.[14] Aluminum and all-steel cans that are recyled save 78 and 39 percent, respectively, of the energy required to manufacture a can from virgin raw materials.[15]

The energy that would be saved through mandatory legislation depends upon the resulting container mix and the return and recycling rates for the containers. For example, if national mandatory deposit legislation had been in effect in 1973, and if the bottle and can container mix had not changed, and if 90 percent of all bottles had been returned and refilled and 80 percent of all cans had been recycled, approximately 151 trillion British Thermal Units (BTU) of energy would have been saved. If on the other hand in 1973 refillable bottles had represented 80 percent of the market share (and bottle and cans had been returned and recycled at the above rates) approximately 209 trillion BTU's of energy would have been saved.[16]

9. *How significant are these energy savings?*

A saving of 209 trillion BTU's is equivalent to the energy content of 39 million barrels of oil. It is also equal to about one-half of the energy used in producing the current mix of beverage containers. While this amounts to a saving of just 0.3 percent of total national energy use, it is important to note that it is of similar magnitude to the saving achievable through other energy conservation measures currently being considered. For example, it is equivalent to one-half of the energy saving that can be achieved from strict enforcement of a 55-mile per hour speed limit nationwide.[17]

10. *How much materials could be saved through the use of returnable containers?*

If in 1973 90 percent of all bottles had been refilled, and 80 percent of all cans had been recycled, between 5 and 6 million tons of raw materials would have been saved that year. This would represent a savings of 3.8 to 4.6 million tons of glass, 1.1 to 1.3 million tons of steel and 300,000 to 350,000 tons of aluminum.[18]

11. *How would a returnable system affect beer and soft drink prices?*

Beer and soft drinks sold in refillable containers are generally cheaper to the consumer than beverages in one-way bottles and cans. Savings in the range of $.03 to $.05 per 12 ounce container have been frequently observed.[13 19 20 21] However, it has been argued that the costs of handling and transporting returned containers are not fully reflected in retail prices. These costs have been estimated to range from less than $.01 to $.02 per container.[22 23] Therefore, even if these costs are assumed not to have been reflected and are added, beverages in refillable containers cost less to the consumer. To the extent that mandatory deposit legislation induces a shift to refillable bottles, average prices for beer and soft drinks should decline.

However, it should be pointed out that a rapid widescale shift to an all refillable bottle system would require considerable equipment changeover in the brewing and soft drink industries and would result in additional costs that could be passed on to the consumer. If the transition to refillables takes place gradually over a period of years, the costs of rapid changeover would be avoided.

12. *How many times do containers have to be returned before energy and cost savings are achieved?*

For an energy saving to be achieved from use of a refillable bottle, it must make at least four trips or have a return rate of 75 percent.[24] Refillable bottles generally become cheaper than one-way containers at return rates of 80 percent (5 trips), although this varies from bottler to bottler.[25]

In Oregon one year after passage of the deposit law, refillable soft drink containers were returned at a 96 percent rate,[26] and refillable beer containers at an 80 to 95 percent rate.[27 28] Approximately 65 to 70 percent of all cans were being returned and this rate was increasing.[26 28] Detailed data are not available from Vermont, although several bottlers have indicated return rates of 90 to 95 percent.[5]

The subject of average national return rates for refillable bottles is a matter of considerable debate. An estimate calculated by dividing container fillings by container purchases results in an average return rate during the period 1963 to 1972 of 94 percent for soft drinks and 96 percent for beer.[29] These figures may not represent actual return rates since bottle inventories may have been changing. Furthermore, these figures include both "on-premise" beverage consumption (in taverns and restaurants) where return rates would be expected to be higher than for "off-premise" consumption (e.g. beverages purchased from supermarkets or retail stores). Another estimate indicates soft drink container trippage of 10 to 15[30] (return rate of 90 to 94 percent) and a beer container trippage of 18[31] (return rate of 95 percent).

In any case, for a mandatory deposit system it appears reasonable to expect a return rate for beer and soft drink containers that would be much greater than that necessary for energy and cost savings.

13. *How would a mandatory deposit law impact on the beverage production, container manufacturing and distribution industries?*

The impacts of mandatory deposit legislation upon industry would depend upon the extent of the change in the market mix of containers and the time period over which this change takes place. Most estimates of economic impact have been based upon the extreme assumption of a complete and sudden switch to refillable bottles. Under these circumstances, facilities for the production, storage eand distribution of one-way containers, not convertible to returnable systems, would become obsolete and would have to be replaced. Glass and metal container production would decline. Bottlers and brewers would initially have to invest in additional bottle washing equipment and refillable container lines. Additional transportation costs would be incurred for the distribution of beverages and the return of containers. Some retailers would need additional storage space and would have to add employees to handle returned containers.

Based on 1969 data in an industry-sponsored study of the impacts of a ban on nonrefillables, tax writeoffs would amount to $1.3 billion, and total new investments $1.2 billion.[32] More recently the brewing industry has claimed "conversion costs" of $5 billion for a sudden switch to refillables and a ban on one-way containers.[33]

The 1969 study indicated that cost increases in the brewing and soft drink bottling industries would be more than offset by container cost savings.[34] Some of these savings could also be passed on to beverage distributors and retailers to offset increased costs in these sectors. The study found that the aggregate cost to all sectors of the industry (beverage producers through retailers, inclusive) would be $250 million in the first year of a ban, but would actually become a $40 million gain in subsequent years due to container savings.[34]

Tax losses and new investment requirements would be lower for a mandatory de-

posit system in which nonrefillable containers were not completely eliminated. Capital losses would be reduced if time were allowed for normal amortization of current investments over a period of years. A 1975 study for the State of New York, assuming a 3 year phase-in to a market mix of 80 to 90 percent refillables, concluded that new investment requirements in that period would be $53 million per year, compared to a normal investment requirement of $30 million per year with no legislation.[38]

It should also be noted that normal industry competition resulting in changes in relative container prices or introduction of new container types (such as the plastic bottle) could have similar impacts on the container industries.

14. *What would be the effect of National mandatory deposit legislation on employment?*

The impact of mandatory deposit legislation upon employment would also depend on the rate of change of container useage. A rapid shift toward the use of refillable bottles would eliminate some jobs, primarily skilled positions in the container manufacturing industries. It has been estimated that a complete ban of nonrefillable containers in 1969 would have resulted in the loss of 60,000 jobs that year.[39] However it was also estimated that the establishment of a returnable system would also create a roughly equal number of new jobs, primarily jobs of lower skill classification and pay, in the retail and distribution sectors of the economy.[40] It is important to note that the employees displaced would not be directly transferable to these new jobs. Employment dislocations would be reduced if nonrefillable bottles and metal cans continued to be sold or if the change in container useage took place over a period of time. A transition period would allow natural attrition in employment to absorb some of the job losses. Also it would provide time for employment to shift to other plants or industries manufacturing other containers or similar products. For example, it has been estimated that a gradual transition over a 5 year period to a 90 percent reduction in nonrefillable containers would result in the loss of 39,000 positions.[41] A 10 year transition to a similar market would result in the loss of about 17,000 positions.[42]

Studies conducted for the States of Maryland, Minnesota, New York, Connecticut, Illinois, Michigan and Maine all found that the job gains in the retail and distribution sectors would be greater than the losses in container manufacturing.[43-44] In New York, for example, a job gain of 5,200 and a loss of 1,200 jobs was predicted, with a net annual payroll increase of $35 million.[45]

In Oregon, where a deposit law is in effect, one study estimated an addition, of 175 to 200 new jobs and a loss of 340 to 427 existing jobs but not not estimate job increases in retail stores.[46] Another study estimated a net job gain of 365 jobs (including retail).[47]

15. *Is mandatory deposit legislation at cross-purposes with plants built for the recovery of energy and materials from waste?*

A resource recovery plant processes mixed municipal waste in order to extract materials and other products which can be sold. Changing the composition of municipal waste through mandatory deposit legislation would not significantly affect the economics of most resource recovery plants. Approximately 80 percent of the municipal waste stream is organic materials—paper, plastics, etc. This fraction should be the primary concern of a resource recovery facility, as it represents the bulk of the waste, and provides the bulk of revenue ($10 to $15 per ton of waste processed) needed to make resource recovery economically feasible.[48]

As a maximum result of mandatory deposit legislation, glass in the waste stream could be reduced by about 35 to 45 percent, ferrous metal wastes could be reduced by 15 percent, and, where use of aluminum cans is substantial, aluminum wastes could decline by 30 to 45 percent. Under favorable market conditions, gross revenues from the beverage container fraction of the waste stream amount to about $1 to $2 per ton of waste processed. When the costs of recovering and transporting these fractions are considered, the net revenue contribution is considerably less. Removal of the beverage container fraction through a mandatory deposit system would probably not cause a net revenue reduction in excess of $1 per ton of waste processed.[49]

It should be emphasized that recovery technologies for glass and aluminum are for the most part not yet fully demonstrated and markets for recovered glass and metal resources have just begun to be developed. In light of the uncertainties of separating and marketing aluminum and glass from solid waste, beverage container legislation does not entail undue risk for the installation of resource recovery facilities.

Resource recovery system feasibility should not be decided solely on the basis of glass, aluminum and steel recovery economics. Other more important factors are the general uncertainty regarding future markets (especially for the organic fraction) and the institutional obstacles to organizing and implementing a venture of this sort. A significant number of future recovery investment decisions should not be adversely impacted by mandatory deposit legislation.

16. *Are there other mechanisms, such as the litter tax enacted by the State of Washington, that will achieve benefits similar to a mandatory deposit law?*

Litter taxes are generally very small taxes (a fraction of a cent per product) imposed at the time of sale of products likely to be littered. Such taxes could provide additional revenues to collect litter along streets, highways, and recreational areas. The major shortcoming of a litter tax is that it does not create a disincentive for littering (the tax is paid regardless of whether the individual purchasing the product litters the item or not). Furthermore, such a mechanism would not reduce the generation of solid waste, nor would it result in savings of energy or materials. Thus while a litter tax is not incompatible with mandatory deposit legislation, it is not a substitute for such legislation.

17. *Is there a sanitation problem in storing used containers?*

While there is a possibility of insect problems associated with the storage of bottles and cans containing beverage residues, it should be noted that returnable containers have been used for many years without significant adverse public health impacts. If public health laws and sanitation codes are strictly enforced, and containers are picked up on a frequent and timely basis, such problems should be minimized.

18. *Isn't there a loss of convenience to the consumer?*

A deposit law does not require return of the container, but does make the consumer who discards the container pay the amount of the deposit. A study for the State of Oregon found that 87 percent of those surveyed found no inconvenience with returnables.[50] Furthermore this survey found that 91 percent of the respondents approved of the legislation and only 5 percent voiced any disapproval at all.[51]

19. *What is the position of the U.S. Environmental Protection Agency on mandatory deposit legislation at the Federal, State and local levels?*

The U.S. Environmental Protection Agency has testified in favor of the adoption on a nationwide scale of a mandatory deposit system for beer and soft drink containers.[52] Based upon several years of analysis and observations in the States which have enacted mandatory deposit laws, it is concluded that a mandatory deposit program would result in significant conservation of energy and materials, and a reduction in solid waste and litter caused by beverage containers. A sudden shift to a returnable system, however, would likely result in excessive economic disruption and unemployment. To minimize the adverse economic repercussions, it is recommended that a nationwide system be phased in over an extended period of time.

While ideally such legislation should be national, State-level legislation, based upon the experience in Oregon and Vermont, also appears to be effective in achieving the benefits. Below the State-level, ordinances requiring mandatory container deposits would probably be effective in large regions, counties or metropolitan areas. Not enough experience has been acquired to indicate whether local ordinances for smaller communities would be effective.

EPA neither supports nor opposes State or local deposit legislation. EPA favors national legislation in this area and has decided not to promote the adoption of State or local laws, which may be superseded by a national law at a later time. Furthermore the Agency does not have the resources to analyze the economic impacts of different State laws. However, EPA does not oppose State or local deposit legislation that is designed to reduce negative employment and economic impacts and contains provisions anticipating possible national laws.

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SOURCE REDUCTION

Mr. HATFIELD. Mr. President, returnable beverage containers are not a new concept. As recently as 1960, 95 percent of our soft drinks and 50 percent of our beer were packaged in refillable containers of which a deposit was paid. Today 79 percent of the beer and two-thirds of the soft drinks sold in the United States are packaged in "one-way" or throwaway containers.

Our consumption of beverage containers has far outdistanced the consumption of the beverages themselves. For example, in 1959, 15.4 billion beverage containers were consumed. During the following 13 years when per capita consumption of these beverages increased 33 percent, the use of beverage containers increased by a whopping 221 percent—to 55.2 billion by 1972. In 1973, the figure increased to 60 billion and could go to 80 billion by 1980.

It is predicted that we could save 5.2 million tons of glass, 1.5 million tons of steel, and 530,000 tons of aluminum annually by switching to a returnable system. The materials used for these containers equal 45 percent of all glass, 6 percent of all aluminum, and 2 percent of all steel purchased in this country. In testimony before the Idaho State Legislature, William Coors, president of Adolph Coors Brewing Co., made the following statement:

> We aren't going to have the materials in which to market our product if we don't start getting our containers.

LITTER AND SOLID WASTE

Beverage container litter amounted to between 54 and 70 percent of the litter in Oregon prior to 1972. On a national basis cans and bottles consist of between 60 and 80 percent by volume of total litter and 20 to 40 percent by piece count. While the antilittering attitude that the industry is trying to instill through programs such as Keep America Beautiful is commendable and should be encouraged, but that alone is simply not enough.

Solid waste has quickly become a premier environmental issue. It is a problem we are now just beginning to understand and cope with. Passage of this legislation would signal a willingness on the part of this body to make a direct commitment to reducing solid waste. The National League of Cities and the U.S. Conference of Mayors have endorsed the need for solid waste reduction. They made the following prediction:

> Unless we reduce the total volume of solid waste generated nationally, local governments will continue to be overburdened with the flow and financing of solid waste.

On October 26, 1976, the Oregon Journal published the results of a litter survey which they conducted. Ten 1-mile stretches of road with comparable traffic volume in Oregon and Washington where compared. It was determined that Washington roads have 7.5 times more litter than Oregon roads, probably due to Oregon's deposit law. I ask unanimous consent that the complete survey be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

OREGON BOTTLE BILL CUTS LITTER ACCORDING TO JOURNAL SURVEY

(By Dean Smith)

Washington highways have 7.5 times more bottle and can litter than comparable roads in Oregon, the Oregon Journal has discovered in a special survey on the eve of bottle bill balloting in four states.

Comparing 10 one-mile road sections of comparable use and traffic volume, the Journal found an average of 294 containers per mile in Washington against 39 in Oregon.

Both states have claimed that their anti-litter programs—which in Washington includes a Model Litter Control Act that emphasizes public education and in Oregon the bottle bill—have substantially reduced litter.

Statistics generated in the two states are being used in emotional campaigns in Maine, Michigan, Massachusetts and Colorado where voters will consider ballot measures Nov. 2 patterned after the Oregon law, now in its 5th year.

The Journal tally, which considered only bottle and can litter, showed that few 5-cent returnable beer or soft drink cans were tossed along the 10 miles of Oregon roads inventoried.

Of the 209 cans found in the state, only 11 (or 5.3 per cent) were refundable. The other cans found apparently were purchased outside of Oregon, or were bought before the bottle bill took effect in October, 1972.

The survey, compiled with the help of volunteer students from Tigard High School and Portland State University, could not arrive at a similar comparison for discarded bottles.

It did show that a high number of all-aluminum cans, which are newer to the marketplace than other types of cans, were found in Washington.

Of the 1,968 cans turned up in Washington, 69.7 percent were non-deposit aluminum. In Oregon, 26.2 percent of the 209 cans retrieved were aluminum.

Survey tallies also showed that wine bottles—under consideration for inclusion under the bottle bill—constituted 4.8 percent of Oregon's discards and only 1 percent of those in Washington. Whisky bottles represented 2.2 percent of Oregon's total and less than one percent of the Washington litter.

Bottle bill proponent Don Waggoner, ex-president of the Oregon Environmental Council, said the newspaper's findings confirmed his long-held suspicions.

"It confirms what we've been seeing in Oregon and Washington," Waggoner said, "which is that the bottle bill is in fact working and significantly reducing can and bottle litter."

Not convinced of that conclusion is Portland attorney George Wagner, who represents several can companies and the Oregon Beverage Industry Task Force.

Wagner, noting that litter pickups had occurred on the Oregon survey sites more recently than in Washington, said that Washington has a "superior antilitter program" which is working well.

"Since Oregon cleans up after litterers much more frequently than Washington," Wagner said, "the Journal litter survey found more total litter in Washington than in Oregon. This is a measure of cleanliness, not littering."

Washington Gov. Dan Evans says his state has reduced its total litter by 66 percent since 1971, based on estimates of littering before the litter act took effect.

Former Oregon Gov. Tom McCall, meanwhile, has been claiming in the East that Oregon's litter was reduced by 47 percent after the bottle bill.

The Journal study was not able to determine to what extent the differing anti-litter programs have curbed the rate at which litter is dropped along roadways in the two states.

Officials at Washington's Department of Highways and Department of Ecology, which both conduct litter pickup programs, say they do not keep accurate records on exact highway locations cleaned.

In only one case—Oregon's Highway 224 and Washington's Highway 6—was litter collected on nearly the same date.

On the Oregon route, 97 beer and soft drink containers were found and on the Washington road a total of 144.

Illustrated by the survey is the fact that Oregon emphasized roadside cleanup more than Washington, in spite of the fact that more tax dollars are spent on litter programs in Washington.

The Oregon Highway Division spent $633,000 on litter removal during fiscal year 1975–76, while its Washington counterpart spent $460,162 during the same period.

In addition, Washington spent $724,438 for funding education, advertising and litter collection programs during the fiscal year, according to Mike Aarhaus, assistant program director for the litter act. That money comes from a small tax assessed on litter producing industries, he said.

Linda Bradford, a DOE official, said much of the litter collection funded by the act this summer was performed in state parks and other non-highway areas.

Although the bottle bill has strong public support in Oregon, it has fared poorly thus far elsewhere, with only Vermont passing a similar law.

Industry opponents reportedly will spend $300,000 in Maine, at least $750,000 in Michigan and as much as $1.3 million in Massachusetts to defeat the ballot measures.

Proponents have raised only a fraction of that to boost the refund laws, sources in those states report.

The measure is on the ballot as an initiative in Michigan and a referendum in the other states.

In all but Colorado it would ban pull-top cans, and would institute a minimum 5-cent per container refund in all four states. (Oregon requires only a 2-cent refund on certified containers able to be used by more than one manufacturer.)

For the Journal survey, volunteers went to pre-designated survey miles and picked up only the "observable" litter seen while walking along the highway shoulder.

The sites were chosen based on their average daily traffic load, similarity in the type of road (2-lane versus 4-lane, for example) and the nature of travel it generated.

All carbonated soft drink and malt beverage containers were collected—along with wine and whisky bottles—and were returned for tabulation.

In the case of broken glass containers, only the neck portions were retrieved to avoid counting a single container more than once. Bottle caps, pull-tab tops and other beverage-related litter were not collected.

In Oregon, the data showed 165 beer cans, 44 soft drink cans, 159 beer bottles, 17 soft drink bottles, 20 wine bottles and 9 whisky bottles.

In Washington, 1,273 beer cans, 695 soft drink cans, 806 beer bottles, 161 soft drink bottles, 31 wine bottles and 22 whisky bottles were recovered.

Compilations of the survey data are available by writing the Journal, 1320 SW Broadway, Portland, 97201.

OREGON, WASHINGTON ROADSIDES COMPARED

	Average daily cars	Containers	Days since last pickup
OREGON HIGHWAYS			
Oregon 26, 9 miles west of Buxton	3,200	27	65–74
Oregon 47, 5 miles south of Vernonia	915	13	100
Oregon 99W, 2 miles south of Dundee	9,300	11	78–108
Oregon 126, 9 miles east of Springfield	2,650	85	+365
Oregon 26, 4 miles east of Wemme	3,800	48	86
Oregon 99E, 4 miles south of Woodburn	6,500	34	111
Oregon 219, 10 miles north of Newberg	1,200	23	66
Oregon 224, 8 miles west of Eagle Creek	3,400	97	74
Oregon 221, 4 miles south of Dayton	1,050	17	78–108
Oregon 6, 4 miles west of Gales Creek	2,500	30	65–74
Total (for 10 miles)	34,515	385	.....
Averages (per mile)	3,452	38.5	.....
WASHINGTON HIGHWAYS			
Washington 14, 4 miles west of Stevenson	3,275	343	[1] 156
Washington 140, 8 miles north of Washougal	980	339	[1] 217
Washington 502, 4 miles west of Battleground	5,000	306	[1] 217
Washington 503, 4 miles east of Woodland	2,300	591	[1] 217
U.S. 101, 3 miles north of Hoquiam	3,900	423	(2)
U.S. 101, 2 miles south of Raymond	6,300	232	(2)
Washington 603, 4 miles north of Winlock	1,300	149	[1] 139
Washington 6, 5 miles west of Chehalis	3,000	144	73–80
Washington 41, 12 miles north of Longview	990	253	[1] 217
Washington 504, 8 miles east of Castle Rock	1,300	155	[1] 217
Total (for 10 miles)	28,345	2,935	.....
Averages (per mile)	2,835	293.5	.....

[1] Estimates only. [2] Undetermined.

Note: The Washington Highway Department said crews worked portions of these highways at the approximate time indicated, but kept no records of the exact mileposts actually cleaned up by foot patrols.

ENERGY

Mr. HATFIELD. Mr. President, another problem created by the continued use of nonreturnables, and one that has taken added significance over the past few years, is the waste of energy resources due to our willingness to discard perfectly good glass and metal containers after one use. By switching to returnables, we could reduce the container industry's energy consumption by 42 percent and save between 80,000 and 125,000 barrels of oil per day.

According to the testimony of the U.S. Environmental Protection Agency during hearings on my returnable beverage container bill before the Senate Commerce Committee in May 1974, the manufacture of one-way bottles and cans wastes the equivalent energy needs for 1 year of all the residents of New York and Chicago. While reducing this wasteful energy consumption would by no means solve our energy problems, this amendment offers us the opportunity to make significant progress on this critical national problem.

In a study released by the Federal Energy Administration (now DOE) it is predicted that cans will continue to have a significant share of the market in beverage containers and there will be significant reduction in materials use and energy consumption. Based on a return rate of 10 trips for refillable bottles—and it is conceivable that the rate could be higher as has been the case in Oregon—the study predicts energy savings of about 81,000 barrels, which is about 44 percent of the total energy that will be used by the entire beverage container industry.

The study also contains additional figures that indicate an increase of 156,000 jobs primarily in distribution and retailing, along with a decrease of about 38,000 jobs in the container and metals industry, leaving a net increase of 118,000 jobs. These labor statistics collaborate with the experience we have had in Oregon with our own deposit law, and present favorable prospects for success for a national law. Returnables can and do work. The FEA study bears this out.

I ask unanimous consent that the FEA executive summary be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ENERGY AND ECONOMIC IMPACTS OF MANDATORY DEPOSITS: EXECUTIVE SUMMARY SEPTEMBER 1976

ACKNOWLEDGEMENTS

This project was conducted by the Research Triangle Institute, Research Triangle Park, North Carolina, pursuant to Contract No. CO-0450175-00 with the Federal Energy Administration. The statements, findings and conclusions presented in this report do not necessarily reflect the view of the Federal Energy Administration.

Tayler H. Bingham, RTI, was the project manager for this study. Working with him were Bun Song Lee, Paul F. Mulligan and Philip C. Cooley. Franklin Associates, Ltd., was a subcontractor. At Franklin Associates, William E. Franklin, Robert G. Hunt and Marjorie A. Franklin were primarily involved. Personnel at Franklin Associates were responsible for the materials presented in appendixes D, G, H, I and parts of appendix M.

Morris J. Zusman, Federal Energy Administration, was project officer. Michael Loube, also of the Federal Energy Administration, assisted in the review of this study. Their interest, guidance and critical reviews are very much appreciated.

Many individuals in other government agencies, industry, labor organizations, environmental groups, and in research provided important data, insights and reviews of both the methodology (at an early meeting at RTI) and/or critical reviews of the draft version of this study. Their efforts are very much appreciated. Likewise we owe a debt to other published studies of this issue which also were important sources of data.

EXECUTIVE SUMMARY

1.0 Overview

The subject addressed by this study is the impact of proposed mandatory national beverage container deposit legislation—commonly referred to as "bottle bill" legislation. The study examines specific impacts that the imposition of a 5-cent refundable deposit on all beer and soft drink containers (refillable bottles, nonrefillable bottles and cans) would have on the total beverage related industry.

The study is not a comprehensive cost-benefit analysis of mandatory deposit legislation, but rather examines three major areas of potential impact. These impact areas are

(1) changes in annual energy consumption, (2) changes in capital investment requirements (in terms of fixed plant and equipment), and (3) changes in labor requirements (in terms of jobs and earnings). These impacts are developed for those industries in the total beverage system that would be most affected by changes caused by a mandatory deposit. The industries included are: retailers, beverage producers and distributors, container manufacturers, and producers of basic steel and aluminum.

It is important to recognize at the outset that this legislation would not ban any specific container type. Rather, it would create an incentive for consumers to return all types of empty beverage containers for a deposit refund. However, the response of consumers to the deposit incentive (and its requirement to bring containers back) is expected to cause shifts among the types of containers sold.

To develop the potential impacts, the report first projects energy, capital and labor requirements of the beverage industry assuming no deposit legislation is passed. These baseline projections are then compared to projections of what might happen after a deposit law. Results are reported for a 1982 steady-state situation, assuming that: (1) a law would be implemented in the late 1970's and (2) by 1982 transitory effects will have been dissipated.

2.0 Organization

The report is composed of a summary, three primary chapters and 13 supporting appendices.

Due to the controversial nature of this subject an early draft version of this study was sent to various individuals—in other government agencies, industry, labor, environmental groups, research, and to other knowledgeable and interested persons—for critical review and comment. Their comments and suggestions have been incorporated whenever possible in this final report. For the interest of the reader, these extensive comments have been printed verbatim in Appendix L of the study. Specific questions and issues brought out by these comments are addressed in Appendix M. For any reader not fully aware of the controversy this issue has generated, we suggest a close reading of these appendices.

3.0 Approach

The impact of a deposit law depends primarily on two factors: the technical interrelationships between container types and their respective requirements for energy, capital and labor; and the behavioral (market) responses of producers and consumers to the deposit incentive to return the empty container.

Data does exist to estimate the energy, capital and labor requirements of the beverage container system as a function of the total beverage consumed in each specific type of container (based on a specific trippage of refillable bottles and return rate of cans). This study has identified and measured the technical requirements associated with the production and use of each container type. This was done starting with mining the raw materials and continuing through manufacturing, use and disposal of the container, including a loop for recycling or reuse as appropriate.

The behavioral/market response determines the extent and direction of any impact caused by a deposit law. Unfortunately no data exist to predict with any degree of accuracy what the market response to a deposit law is likely to be. However, it is assumed that under a deposit system the market share represented by nonrefillable bottles will fall to zero since, to the consumer, there is no intrinsic difference between a one-way bottle or a refillable bottle when both have an associated deposit. Because cans, on the other hand, are intrinsically different from bottles, being lighter weight, easier to stack and not subject to breakage, it is believed that cans will continue to have a significant share of the market.

What has been done is to establish a set of parameters from which many possible market responses can be evaluated. Three parameters essentially capture the total behavioral market response. These are: the can market share, the can return rate, the refillable bottle return rate (proportion of containers returned) or trippage. Each scenario of possible market responses can be described by a unique set of parameter values.

4.0 General findings

The continuation of current trends in the beverage industry without the imposition of a deposit law will mean that in 1982, the base year for which impacts are examined, that the production and distribution of beverage will require 383 $\times 10^{12}$ Btu's of energy (about one-half of one percent of the Nation's total energy consumption), $7.3 billion in capital investment, and 369,000 jobs yielding $4.1 billion in labor earnings.

A deposit law could change these projections since the refillable bottle system, when the bottles are returned, is a comparatively labor and capital intensive system; the nonrefillable bottle and can systems are relatively materials and energy intensive. Therefore, any market shift toward refillable bottles with the bottles returned would tend to reduce materials and energy usage while increasing capital and labor requirements. Shifts toward nonrefillable bottles and cans would tend to have the opposite effects.

The increased usage of recycled materials or increases in refillable bottle trippage would tend to reduce the amount of materials required and conserve energy resources for the total beverage system. Over time technological innovations are reducing per-unit energy, labor and material requirements for all container types. The parametric curves displaying the potential impacts of the deposit legislation have these innovations embodied in them. Beyond these general statements the impact of a deposit law will depend on the extent and direction of the behavioral response.

5.0 Parametric relationships

Figures 1 through 5 present the three impacts examined in the study: figure 1, energy; figure 2 capital; figures 3, 4 and 5 labor. Because the impacts are not identical for beer and soft drinks, the impacts are presented for each beverage. To obtain the total impact of beverage container legislation the impacts for beer and soft drink must be added together. The curves are all parametric, showing the impact as a function of the can market share and the container return rate. In order to minimize the number of curves that would have to be displayed, the bottle and can return rates have been assumed to be identical. The subsequent paragraphs discuss the rationale for this assumption.

Figure 1 presents the net energy impacts of the beverage container legislation. This figure can be read, as all the other impact figures, by selecting a can market share and a container return rate. The figure is entered on the x (horizontal) axis at the can market share assumed after a deposit law is passed. A vertical line is projected until it intersects with the container return rate selected. A horizontal line is projected from the intersection point to the y (vertical) axis to read the impact. Figure 1, as all the impact curves, shows what the estimated 1982 can market share is projected to be without a deposit law. The numbers 1 and 2 on the curves correspond to two illustrative scenarios (discussed below) that are used as a means to aid the discussion in subsequent paragraphs.

The wide range of impacts at the extremes of the possible market response points out one reason why this legislation has been so controversial. Figure 1 shows that under differing scenarios the energy impact could be either positive or negative. At one extreme, if all consumers switched to refillable bottles (a zero can share) and discarded them (a zero return rate) energy consumption would increase by 322 x 10^{12} Btu annually or 155,000 barrels of oil equivalent daily. (This value is obtained by entering figure 1a (the beer panel), at the zero can share point and the zero return rate reading 100 Btu x 10^{12} on the y axis and adding it to the 220 Btu x 10^{12} that is read in a similar manner from the soft drink curve). At the other extreme, if all consumers switched to refillable bottles and always returned them, energy consumption would be reduced by 292 x 10^{12} Btu annually or 141,000 barrels of oil equivalent per day.

Neither extreme is realistic. If all refillable bottles are discarded, producers would find it cheaper to package in one-way containers because unless refillable bottles are returned several times, they are more expensive to use. The other extreme is also unrealistic since some bottles will be broken or chipped and some consumers will not return bottles under any circumstances.

(NOTE.—Figures 1-5 are not printed in the RECORD.)

The format for figures 2 through 5 is similar to that for figure 1. In figure 2 the net change in the value of the capital stock for each post deposit law can market share—container return rate combination is shown. Figure 3 presents the net aggregate employment impacts.

Because jobs are gained in some industries and lost in others, aggregating the industries, as was done in developing figure 3, masks the impacts on the individual industries. Therefore, figure 4 presents the net employment impacts disaggregated into each of the six industries considered: glass container manufacturers, can manufacturers, steel manufacturing, aluminum manufacturing, beverage production and distribution, and retailing. These impacts are presented only for the extreme return rates; both beer and soft drinks are shown in the same panel. It is assumed that workers within any industry are substitutable, for example, the same workers can make a one-way bottle or a refillable bottle. In one case, 4f retailing, employment is insensitive to the market shares and ony sensitive to the return rate. Figure 5 is the complement to figure 3. It shows the net aggregate impact on earnings.

6. Illustrative scenarios

This study uses two illustrative scenarios to indicate how to use the parametric curves. The scenarios were chosen to avoid extreme values and provide the reader with two complete estimates of the impact of a deposit law that fall within the broad range of what can be considered to be a reasonable behavioral response to beverage container legislation. However, the reader is again reminded that figures 1–5 provide the vehicle for examining the impact of any scenario.

To place the behavioral responses assumed for the two illustrative scenarios into perspective, and to allow the reader some insight for making his own assumptions, a few observations are first in order.

6.1 Key behavioral parameters

1) Refillable Bottle Return Rate—Currently this rate is about 0.9 or ten trips per bottle. It has declined over time. When the refillable bottle was the primary container, trippage rates of 30–40 were reportedly obtained. Two offsetting factors have to be evaluated to estimate the impact that a deposit law would have on trippage. First, since all stores would accept bottles back under

a deposit law the ease of returning the bottles would be greatly increased thus suggesting a higher trippage. Second, present one-way container purchasers who switched to refillables might still be inclined to discard them which would argue for lower trippage. The assumptions chosen for the two illustrative scenarios, continuing todays trippage rate or reducing trippage by half seem to fall within a reasonable range of expected outcomes after a deposit law is in place.

2) Can Return Rates—In most of the nation there currently are collection centers for the recycling of aluminum cans. Aluminum can collection centers, offering three-fourths of a cent per can, today receive approximately 25 percent of all aluminum beverage cans sold. The aluminum industry protects this rate to continue increasing rapidly in the future years. In the state of Oregon, which has a deposit law, about 70 percent of all cans are returned.

Under a national law the can return rate will depend on a number of key factors. Since individuals currently purchasing cans generally value the convenience of immediately discarding the container, low return rates would be obtained if this behavior continued. However, from a convenience standpoint, cans should be easier to return than bottles, since they are lighter and require less space. In addition, since cans may be returned even in a damaged condition, it will be relatively easy for scavengers to collect cans from waste or litter. Thus, while it is possible that a greater proportion of cans than bottles would be discarded by the initial consumer, it is also possible that the can return rate could be higher than the bottle return rate. With this background, the assumptions used in the illustrative scenarios—80 or 90 percent returns—seem to fall within a reasonable range of future (1982) expectations. Any return rate from zero to infinity can be found using the parametric curves. However, the parametric curves presented in the study tie the can and bottle return rates together, under the assumption that the consumer or scavenger will generally return either container at approximately the same rate.

3) Can Market Share—By 1982 the can market share is projected to be 59 percent. With the imposition of a deposit law, and the likely (and assumed for this report) demise of nonrefillable bottles, the can market share could either rise or fall. Nonrefillable bottle consumers may switch to purchasing cans. This could lead to continued growth in can sales. In addition, since can makers and beverage producers currently have a large capital investment in equipment dedicated to handling cans, the bulk of which cannot be shifted to other uses, they will no doubt face significant incentives to maintain the can as a competitive container in the beverage market. Arguing for a lower can share is the fact that the imposition of a deposit will require can consumers to incur either some new inconvenience by returning cans or dispose of the cans, thus forfeiting the deposit and paying a higher price. This might lead to reductions in the can market share. However, since consumers perceive cans as having some unique attributes (safer and lighter than bottles), total or near total elimination of the can will probably not occur.

Based on the foregoing it has been assumed in the two illustrative scenarios that the can volumes stop growing after legislation; for scenario 1, can sales fall to the 1976 can volume, while for scenario 2 can volume falls to half the 1976 level. This represents a decline of 20 and 65 percent respectively from the projected 1982 levels without a deposit law. In any event, using the parametric curves any can market share from zero to 100 percent may be examined.

6.2 Technical reasons for impacts

In developing any particular scenario (the two scenarios used are illustrative) the reader must keep in mind the basic assumptions used in this study. These are:

1. Beverage markets are reasonably competitive.
2. Cans and bottles will be returned at the same rate.
3. The current prices of beer and soft drinks by container reflect the actual costs of each plus a normal return on investment.
4. The relative shares of the can market for steel or aluminum containers will be unaffected by the imposition of a deposit law.
5. The market share represented by nonrefillable bottles will fall to zero after a deposit law.
6. All returned containers will be either recycled or reused, as appropriate.

Combining these assumptions and the specific behavioral responses assumed for the illustrative scenarios yields the following results (table 1 presents the complete results).

6.3 Illustrative scenario 1

Behavioral response assumed: The 1982 quantity of can sales equal 1976 can sales; cans and refillable bottles are both returned at a rate similar to the current average return rate for refillable bottles; 0.9, for refillable bottles (this return rate implies a trippage of 10 for refillable bottles). Using the parametric curves, the resulting impact of these assumptions on energy, capital, employment and labor can be found.

Energy: Consumption would be reduced about 168×10^{12} Btu annually or 81,000 barrels of oil equivalent daily, compared with 1982 projections of energy use without deposit legislation. This savings is equal to 44 percent of the energy that would have been used by the beverage industry.

Capital: Requirements would be increased by $624 million. This is an increase of 11 percent over capital needs without deposit legislation.

Labor: Employment increases of 156,000, primarily in beverage distribution and retailing, and decreases of 38,000 in container and metals manufacturing for a net increase of 118,000 jobs. This represents an increase of 32 percent in total employment for the beverage related industries. Total labor income increases by $879 million or 22 percent. This smaller income gain is due to the slight reduction in average earnings per employee since the jobs gained are generally less skilled and lower paying than those in the original job structure.

6.4 Illustrative scenario 2

Behavioral response assumed: The 1982 quantity of can sales falls to one-half of the 1976 sales level; cans and refillable bottles are both returned at a 0.8 return rate (this implies an equivalent trippage of five, about one-half the current refillable bottle trippage rate).

The parametric curves can be used to determine the impacts of this illustrative scenario. The results are displayed in table 1.

TABLE 1.—SUMMARY OF THE NET ENERGY AND ECONOMIC IMPACTS OF MANDATORY DEPOSITS: ILLUSTRATIVE SCENARIOS, 1982

	1982 baseline value	Scenario 1 (canned beverage sales equal to 1976 value; container return rate of 0.9) [1]	Scenario 2 (canned beverage sales equal to ½ of 1976 value; container return rate of 0.8) [1]
Beverage consumption rate: 10^9 ounces annually	1,893.5	−3.6	−3.5
Container production rate:			
10^9 units annually	90.6	−33.6	−48.6
Glass containers	18.0	−12.2	−1.6
Refillable	2.4	+3.4	+14.1
Nonrefillable	15.7	−15.7	−15.7
Cans	72.5	−21.3	−47.0
Steel	42.0	−12.8	−27.5
Aluminum	30.5	−8.4	−19.5
System energy requirements: [2] 10^{12} Btu annually	383	−168	−144
System capital requirements: [2] 10^9 dollars	7,303	+824	+2,006
System labor requirements: [2]			
Net employment 10^3 jobs	369	+118	+117
Jobs gained	NA	156	166
Jobs lost	NA	38	49
Labor earnings 10^9 dollars annually	4,080	+879	+936

[1] The values reported in this column represent deviations from the baseline trends reported in the first column.
[2] Major direct and indirect industries.
NA—Not applicable.

Source: Research Triangle Institute.

Capital: Requirements would be increased by slightly more than $2 billion.

Labor: Employment increases by a net 117,000 jobs (increases of 166,000 jobs and decreases of 49,000). Total labor income increases by $936 million.

The impacts described have their basis in the assumptions and behavioral responses assumed. The following short discussion represents the reasons and logical format that yield these results. This same process should be followed to examine and evaluate the impacts obtained from any scenario taken from the parametric curves.

Energy—In the case of the illustrative scenarios, energy savings are due to the increased use of refillable bottle and in the recycling of cans. Reuse of bottles avoids the raw material extraction and processing stages of production, as well as the materials and container-fabrication stages. Energy savings are also obtained from recycling metal since recycling bypasses the raw materials extraction and processing stages and lowers energy needs in the refined materials processing steps. This is of particular significance in the case of aluminum cans.

Capital—In the case of the illustrative scenarios, increased capital needs are due to additional space and handling required to return containers as well as the fact that refillable bottle lines are more expensive per unit of output.

Labor—In the case of the illustrative scenarios, additional labor is required at the retail and the beverage producer and distributor level, both to handle and transport returned containers.

6.5 Sensitivity of Results

Although the parametric curves can be used to examine the sensitivity of the impact of a deposit law across the total range of market response, it is convenient to use the two illustrative scenarios to highlight the sensitivity of the impacts to large perturbations in the market response.

With the exception of capital, all of the impacts are inelastic with respect to market responses in the range of the illustrative scenarios. For a 50 percent change in the can share of the market and a 50 percent change in the trippage (the market response

changes going from illustrative scenario 1 to illustrative scenario 2), the energy impact changes only 14 percent, the jobs gained change only 6 percent, the jobs lost change 29 percent, the net jobs gained change 1 percent and the net labor earnings change 6 percent. The major shift is in capital requirements which change 143 percent. There is, however, no a priori basis for assuming that any particular scenario will in fact occur, which is why the parametric curves have been developed, allowing for the identification and examination of other scenarios.

It is apparent that within this broad range of potential market responses the impact of a deposit law on energy and labor is relatively constant.

7.0 Qualifications

In evaluating the conclusions of this research, the reader should keep in mind that the beverage production and distribution system is very complex and that packaging has a critical effect on the system. Any attempt to describe the system in terms of only three markets each for beer and soft drinks (the refillable bottle, nonrefillable bottle, and metal can markets), as is done in this study, is bound to ignore many factors that will influence the final set of impacts obtained if mandatory deposit legislation is enacted on a national scale. Furthermore, the set of impacts analyzed in this study, while it includes some of the more important issues, does not necessarily provide the complete set of impacts required for a comprehensive cost-benefit evaluation of mandatory deposits. Nevertheless, the material presented can provide an important input to an informed decision-making process.

IMPACT ON THE CONSUMER

Mr. HATFIELD. Mr. President, now let us consider the impact of throwaways on the individual shopper. The use of returnables adds to the expense of the beverage being purchased. The average price of a beverage in a returnable container is about 2 cents less than one purchased in a one-way bottle and about 5 cents less than in a can. When you buy a no-deposit, no-return bottle or can and discard it after use, you are paying for the total cost of packaging that beverage. When you purchase your beer or soft drink in a returnable container, however, you are actually borrowing the package, and sharing its cost with 15 or as many as 20 other consumers, as is the case in Oregon.

Lest we be accused of trying to regulate the marketplace by mandating the use of returnables, let me point out to my colleagues that the industry, through advertising and production policy, has convinced the consumer of the "convenience" of nonreturnables. For this reason, you are hard pressed to find beer and soft drinks sold in reusable containers in most areas of the country. In most stores today you have no choice but to purchase your favorite beverage in a nonreturanble container.

According to Mr. Joseph Griesedieck, the vice chairman of Falstaff Brewing Corp.:

Returnable bottles are the most economical for the consumers and the brewer.

Mr. J. Lucien Smith, the president of Coca-Cola, made the following statement before the Senate Judiciary Committee:

Coke sold in food stores in non-returnable packages is priced, on the average, 30 to 40% higher than Coca-Cola in returnable bottles. The difference lies essentially in the different costs of packaging. The cost of returnables is spread over many uses; the cost of the non-returanble package is absorbed in one use.

Mr. President, I ask unanimous consent that the "Price Comparison Survey of Beer and Soft Drinks in Refillable and Nonrefillable Containers," prepared jointly by the EPA and the League of Women Voters, be printed in the RECORD at this point.

Mr. President, I also ask unanimous consent that several other statements attesting to Oregon's success be printed in the RECORD. Included among these are statements by Mr. Don Waggoner; the Environmental Action Foundation's pamphlet, "All's Well on the Oregon Trail"; and an article for Sierra Club Bulletin by Nancie Fadeley entitled, "Oregon's Bottle Bill Works!"

There being no objection the material was ordered to be printed in the RECORD, as follows:

INTRODUCTION

During the past several years, there has been a great deal of interest in requiring a refundable deposit on beer and soft drink containers. The deposit would serve as an incentive for the consumer to return the empty container, so that it could be reused or recycled. In general, a returnable beverage container system is expected to result in an increased market share for refillable glass bottles as compared to nonrefillable bottles and cans.

One of the questions associated with a returnable beverage container system is the impact it would have on beverage costs. There have been a few comparison price surveys that indicate that beverages in refillable bottles are sold at lower overall prices for the consumer. However, these surveys have tended to concentrate on individual market areas and have generally contained only a limited number of price comparisons. In order to obtain more information on a broader basis, the League of Women Voters (LWV), in conjunction with the U.S. Environmental Protection Agency (EPA), undertook this price survey to compare beverages in refillable bottles with beverages in nonrefillable bottles and cans.

BACKGROUND

The information gathering device was a questionnaire. See Appendix IV, on which the respondents were asked to obtain comparable price data for beverages in refillable and nonrefillable containers. In addition to the price comparison data, the League members were asked to report the number of beverage brands available in refillables and nonrefillables in the store where the price data was obtained. Of the 65 questionnaires mailed to League members, 34 were returned, which is a response rate 52.3 percent. The returned questionnaires were completed between June and August, 1975.

The beverage price questionnaire was also used to collect container price comparisons data on soft drinks in the Washington, D.C., area during May, 1975. A supplementary survey of beer prices was undertaken in August, 1975, in order to obtain a complete survey of beverage prices in the Washington, D.C., area. The results of both of these surveys have been included in this report.

SUMMARY

Beverages in refillable bottles are definitely cheaper for consumers than beverages sold in nonrefillable containers, according to the results of each of the three price comparison surveys in this report.

Consumers in the Washington, D.C. area could save an average of 4.4 cents per container, or 26 cents per six-pack, if they purchased soft drinks in refillables. The purchase of soft drinks in eight-packs would save consumers an average fo 63.2 cents, or 7.9 cents per container.

Purchasers of beer could realize savings ranging from 60 cents to $2.00 per case with the purchase of regular beer in refillables in the Washington, D.C. area. They could also economize on their premium beer purchases by buying in refillable bottles. The average potential price savings observed was 55 cents per case with premium beer.

Savings averaging five cents per container, or 10 cents per six-pack, were reported by the League members for soft drinks in 7-ounce to 16-ounce refillables. Consumers could economize even more by buying soft drinks in 32-ounce refillable bottles, which were an average 16.8 cents per container less expensive than soft drinks in the same size nonrefillables.

The League members also reported that soft drinks were generally available in refillable containers, but the brand and size selection was considerably less than the selection that was available in nonrefillables. Beer, however, was available in refillable bottles in only a limited number of instances.

Of the surveys taken in the Washington, D.C. metropolitan area, only the beer survey obtained information on the availability of refillables. The data collected showed that in Washington, D.C., 37.5 percent of the stores surveyed carried refillables, while in the surrounding areas of Virginia and Maryland the percentages were 38.4 percent and 20.6 percent respectively. In addition, except for one grocery store chain, which offered beer in six-packs with refillable bottles, beer in refillables was sold only by the case.

LEAGUE OF WOMEN VOTERS PRICE SURVEY

Brand availability

The consumer generally has a choice in deciding upon the type of package in which to purchase soft drinks, according to the information supplied by the League members. However, except for a few instances, soft drinks in refillable containers are limited in both the range of sizes and the number of brands available when compared with nonrefillable containers.

Two notable exceptions, where refillable containers outnumber nonrefillables, are Oregon and Vermont. In both of these States, all beverages are sold in containers carrying deposits and the majority of these containers are also refillable.

While the consumer generally has a choice of purchasing soft drinks in refillable containers, this same opportunity does not occur with beer. Of the 14 outlets included in this survey that sold beer, only four carried beer in refillable containers, and even then the selection was limited.

Price comparisons

Direct Comparison. Again, the refillable container was shown to be the lowest cost type of package in which the consumer could purchase beverages with one exception. In one instance, the price of a soft drink in refillable and nonrefillable containers was found to be equal, (Table V).

Consumers could have economized on their soft drink purchase in the 7-ounce to 16-ounce size range by purchasing their soda in refillables. Savings with such purchases were found to range from one cent to ten cents per container, or six to 60 cents per six-pack. On a percentage basis, consumer savings were from 4.6 percent to 57.8 percent, while average savings with refillable bottles in the smaller sizes was five cents per container, or 30 cents per six-pack, See Table V–A.

The one instance where refillables and nonrefillables sold for the same price was for a soft drink in the 28-ounce intermediate size, see Table V–B. This was the only direct

comparison in this size, and therefore it is not possible to offer an explanation for this occurrence. It is noteworthy that this is the only instance in the three surveys where a beverage in a refillable container was not less expensive than the same beverage in a similar sized nonrefillable container.

The largest potential savings for consumers of soft drinks is in the 32-ounce size container, (Table V–C). In this size beverage container, savings ranging from 14 to 18 cents per container were reported, or in percentage terms from 40.5 percent to 66.7 percent. The average price differential for the 12 price comparisons was 16.8 cents per container.

For beer, price savings from 30 to 65 cents per case of 24 containers were reported by the League members. This translates into savings in percentage terms of 4.6 percent to 12.0 percent. The average price reduction with refillables was 45 cents per case, see Table V–D.

TABLE V.—(SUMMARY: APPENDIX III–A)
SOFT DRINKS—DIRECT COMPARISONS

TABLE V–A

Volume: 7-oz to 16-oz; Size: 6 and 8 Packs

(Number of Observations: 24)

Savings per refillable container (cents):	
Range:	
Low	1.0
High	10.0
Percent savings per refillable container (cents):	
Range:	
Low	4.6
High	57.8
Average savings per refillable container (cents)	5.0

TABLE V–B

Volume: 28-oz; Size: Single Container

(Number of Observations: 1)

Savings per refillable container (cents)	0

TABLE V–C

Volume: 32-oz; Size: Single Container

(Number of observations: 12)

Savings per refillable container (cents):	
Range:	
Low	14.0
High	18.0
Percent savings per refillable container (cents):	
Range:	
Low	40.5
High	66.7
Average savings per refillable container (cents)	16.8

BEER—DIRECT COMPARISONS

TABLE V–D

Volume: 2-oz; Size: 24-Container Case

(Number of Observations: 3)

Savings with refillable containers per case (cents):	
Range:	
Low	30.0
High	65.0
Percent savings with refillable containers per case:	
Range:	
Low	4.6
High	12.0
Average savings with refillable containers per case (cents)	45.0

Indirect Comparisons. The indirect price comparison data presented in this section is not as easy to interpret as the direct price comparison data presented in the previous section. This is due to the introduction of each beverage price variables as differences in container and pack size, in addition to the cost differences attributable to the use of refillable or nonrefillable containers.

For this reason, the data in Appendix III–B must be examined carefully so that erroneous conclusions are not drawn from the data.

In those instances that the container pack and size comparisons are within a reasonable range, the price differentials between the refillable and nonrefillable containers are relatively easy to interpret. The remainder of the price comparisons were included to provide some further information on the cost per ounce for different types of packages, container sizes, and pack configurations.

While interpretation of the data in this section may not be as straight forward as interpretation of the direct comparisons, the indirect comparisons do indicate that beverages in refillable bottles are available at a lower cost to the consumer than beverages in nonrefillable bottles, assuming that the beverages are packaged in containers of nearly the same size and pack configuration.

APPENDIX III.—LEAGUE OF WOMEN VOTERS SURVEY

APPENDIX III–A: SAME BRANDS, CONTAINER, VOLUME, AND PACK SIZE

Location: Brand: Type of container	Size of container (ounces)	Containers per pack	Price	Deposits	Net price	Price per container	Savings per refillable container	Percentage savings per refillable container
7-OZ CONTAINERS: 6 PACK								
California—San Francisco:								
Canada Dry:								
RET	7	6	$1.45	$0.30	$1.15	$0.1917	$0.0566	29.5
NR	7	6	1.49		1.49	.2483		
10-OZ CONTAINER: 6 PACK								
Virginia—Richmond:								
Pepsi:								
RET	10	6	1.65	.60	1.05	.1750	.0867	49.5
NR	10	6	1.57		1.57	.2617		
South Dakota—Vermillion:								
Canada Dry:								
RET	10	6	1.24	.30	.94	.1567	.0250	16.0
NR	10	6	1.09		1.09	.1817		
12-OZ CONTAINER; 6 PACK								
California—San Francisco:								
Mug Root beer:								
RET	12	6	1.29	.30	.99	.1650	.0833	50.5
NR	12	6	1.49		1.49	.2483		
Colorado—Aurora:								
Pepsi:								
RET	12	6	1.26	.30	.96	.1600	.0517	32.3
NR	12	6	1.27		1.27	.2117		
Coke:								
RET	12	6	1.26	.30	.96	.1600	.0517	32.3
NR	12	6	1.27		1.27	.2117		
7-Up:								
RET	12	6	1.17	.30	.87	.1450	.0533	36.8
NR	12	6	1.19		1.19	.1983		
Hawaii—Honolulu:								
7-Up:								
RET	12	6	1.37	.30	1.07	.1783	.0533	29.9
NR	12	6	1.39		1.39	.2316		
Coke:								
RET	12	6	1.37	.30	1.07	.1783	.0533	29.9
NR	12	6	1.39		1.39	.2316		
Pepsi:								
RET	12	6	1.37	.30	1.07	.1783	.0800	44.9
NR	12	6	1.55		1.55	.2583		
Dr. Pepper:								
RET	12	6	1.37	.30	1.07	.1783	.0833	46.7
NR	12	6	1.57		1.57	.2616		
Montana—Chester:								11.5
Coke:								
RET	12	6	2.25	.95	1.30	.2167	.0250	
NR	12	6	1.45		1.65	.2417		
Pepsi:								
RET	12	6	2.25	.95	1.30	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		
Mountain Dew:								
RET	12	6	2.25	.95	1.30	.2167	.0250	11.5
NR	12	6	1.45		1.65	.2417		
Dad's Root Beer:								
RET	12	6	2.25	.95	1.30	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		

APPENDIX III—A: SAME BRANDS, CONTAINER, VOLUME, AND PACK SIZE—CONTINUED

Location: Brand: Type of container	Size of container (ounces)	Containers per pack	Price	Deposits	Net price	Price per container	Savings per refillable container	Percentage savings per refillable container
Fresca:								
RET	12	6	$2.25	$0.95	$1.80	$0.2167	$0.0250	11.5
NR	12	6	1.45		1.45	.2417		
Dr. Pepper:								
RET	12	6	2.25	.95	1.80	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		
Squirt:								
RET	12	6	2.25	.95	1.80	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		
Virginia—Richmond:								
Coke:								
RET	12	6	1.20	.30	.90	.1500	.0867	57.8
NR	12	6	1.42		1.42	.2367		
12-OZ CONTAINER, 1 CASE—SOFT DRINK AND BEER								
Pennsylvania—Allison Park:								
Pepsi:								
RET	12	24	7.00	2.50	4.50	.1875	.0729	38.9
NR	12	24	6.25		6.25	.2604		
Budweiser:								
RET	12	24	7.50	1.00	6.50	.2708	[1] .0125 [2] .0188	[1] 4.6 [2] 6.9
NR-Bottle	12	24	6.80		6.80	.2833		
NR-can	12	24	6.95		6.95	.2896		
Iron City:								
RET	12	24	6.40	1.00	5.40	.2250	.0271	12.0
NR	12	24	6.05		6.05	.2521		
16-OZ CONTAINER, 6 PACK								
New Hampshire—Nashua:								
Coke:								
RET	16	6	1.73	.60	1.13	.1833	.0550	30.0
NR	16	6	1.43		1.43	.2383		
16-OZ CONTAINER, 8 PACK								
Michigan—Rochester:								
Pepsi:								
RET	16	8	2.19	.40	1.79	.2238	.0225	10.1
NR	16	8	1.97		1.97	.2463		
Diet Pepsi:								
RET	16	8	2.09	.40	1.69	.2113	.0100	4.7
NR	16	8	1.77		1.77	.2213		
Virginia—Richmond:								
Pepsi:								
RET	16	8	2.45	.80	1.65	.2063	.1000	48.5
NR	16	8	2.45		2.45	.3063		
28-OZ CONTAINER, SINGLE CONTAINER								
California—San Francisco:								
Canada Dry:								
RET	28	1	.73	.20	.53	.5300	0	0
NR	28	1	.53		.53	.5300		
32-OZ CONTAINER, SINGLE CONTAINER								
Louisiana—Shreveport:								
Dr. Pepper:								
RET	32	1	.44	.10	.34	.34	.15	44.1
NR	32	1	.49		.49	.49		
7-Up:								
RET	32	1	.44	.10	.34	.34	.15	44.1
NR	32	1	.49		.49	.49		
Coke:								
RET	32	1	.44	.10	.34	.34	.15	44.1
NR	32	1	.49		.49	.49		
Minnesota—Roseville:								
7-Up:								
RET	32	1	.53	.20	.33	.33	.22	66.7
NR	32	1	.55		.55	.55		
North Dakota—Bismark:								
Sprite:								
RET	32	1	.52	.15	.37	.37	.15	40.5
NR	32	1	.52		.52	.52		
7-Up:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Diet 7-Up:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Coke:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Pepsi:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Diet Pepsi:								
RET	32	1	.52	.15	.17	.37	.18	48.6
NR	32	1	.55		.57	.57		
Texas—Dallas:								
Dr. Pepper:								
RET	32	1	.36	10	.26	.26	.15	57.7
NR	32	1	.41		.41	.41		
Texas—Irving:								
Coke:								
RET	32	1	.43	.10	.33	.33	.14	42.4
NR	32	1	.47		.47	.47		

[1] Bottle. [2] Can.

CONSUMER PREFERENCE

Mr. HATFIELD. Mr. President, if, as the industry maintains, their continued production of nonreturnables reflects the preference of the consumer, why, in a nationwide poll on the issue of nonreturnables recently conducted by Opinion Research Corp. for the Federal Energy Administration, did 73 percent of those polled favor a law requiring that all soft drinks and beer be sold in returnable containers? I submit to my colleagues that the consumer is aware of the advantages of the returnable bottle or can. In Oregon an astounding 91 percent of the citizens have registered their approval of returnables. Similarly, consumers nationwide would eagerly adapt to the new system.

EMPLOYMENT

It is predicted that a net gain of between 80,000 and 118,000 jobs by 1982 with substantial increases in payrolls and labor income—about 22 percent according to the Federal Energy Administration—would result if this bill becomes law. This would be very helpful to an industry already plagued by employment problems due to the recent trend toward larger centralized brewing and soft drink plants at the expense of many thousands of jobs in smaller community breweries and bottling companies. With the 3-year phase-in provided for in this legislation, transitional problems should be minimized.

THE OREGON EXPERIENCE

Now that we have discussed the concept of returnables and their impact on solid waste, energy, the consumer, and employment, we are fortunate enough to be able to put all of this into the context of "real world" experience. In October 1972, legislation banning nonreturnables became law in Oregon. Our experience has been one of outstanding success, as evidenced by opinion polls and the comments of consumers, retailers, and distributors.

Bottles are being returned at a 90 percent rate and cans at an 80 percent rate. No increase in beer or soft drink prices has been attributable to the Oregon deposit law. In a study conducted by Don Waggoner of the Oregon Environmental Council, the Oregon law was shown to have reduced roadside litter 39 percent on a piece count basis and 42 percent on a volume basis after 2 years. Beverage container litter was reduced by 83 percent during those same 2 years with no change in litter cleanup expenditures.

We are saving 1.4 trillion Btu's annually in Oregon. This is enough energy to satisfy the home heating requirements of 50,000 Oregonians or to generate 130 million kilowatt hours of electricity worth $2.8 million annually. Moreover, there was a net gain of 365 full-time jobs, hardly substantiating the gloomy forecasts offered by many prior to adoption of the Oregon law.

Mr. President, I ask unanimous consent that three reports on the success of the Oregon beverage container law appear in the RECORD. The first, "Oregon's Bottle Bill: 2 Years Later," was prepared by Don Waggoner of the Oregon Environmental Council in 1974 and revised in May 1975. The second, "The Economic Impact of Oregon's Bottle Bill" is the work of Dr. Charles M. Gudger and Dr. Jack C. Bailes, professors at Oregon State University's School of Business and Technology. The third, a compilation of information contained in previous studies of the Oregon Beverage Law by the Oregon Department of Environmental Quality in 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OREGON'S BOTTLE BILL TWO YEARS LATER

(By Don Waggoner)

FOREWORD

Oregon's Bottle Bill was passed by the Oregon legislature in 1971. It became effective on October 1, 1972, and the results following implementation have been the center of much controversy ever since. It had been challenged in the courts and declared constitutional by both the District Court and the Court of Appeals in Oregon. In May 1974, the Oregon State Supreme Court refused to review the Court of Appeals decision. On May 22, 1974 an announcement was made that no appeal would be carried to the United States Supreme Court, thereby ending any further challenge to the Law's constitutionality.

The length of time between legislative adoption and the effective date of the bill gave ample opportunity to review the before and after consequences of this Act. Two separate major studies regarding the outcome have been completed and released.[1] [2] Litter studies which were started one year prior to the bill's effective date were continued for two years following the effective date. There has been a wealth of information, misinformation, fact and conjecture which has ben generated on this subject.

Why so much interest in Oregon's Bottle Bill? The reason goes well beyond the boundaries of Oregon. It has been interpreted by both supporters and opponents as symbolic in the effort to reverse the move toward the "throw away society". It has been argued that the bill would not work and further that it has not worked. Others have agreed with former Governor Tom McCall when he called the bill a "rip roaring success".

This report has been written with several purposes in mind. First, it is intended to provide a detailed discussion regarding the implementation of Oregon's Bottle Bill for use by others who might consider similar legislation. Second, the analysis points out areas of confusion or disagreement which have arisen and attempts to clarify them. The overall goal has been to document the value of container refund legislation in a world with finite resources that are being rapidly and, in the case of beverage packaging, unnecessarily depleted.

SUMMARY OF CONCLUSIONS

The major conclusions of this report have been summarized as follows:

1. Roadside litter was reduced overall 26% on a piece count basis and 35% on a volume basis the first year after the Bill went into effect. During the second year, the reduction increased to 39% overall by piece count and 47% by volume.

2. Beer and soft drink beverage container litter was reduced by 72% during the first year and by 83% during the second year following the Act's October 1, 1972 effective date.

3. No increase in enforcement activities was observed which would affect littering rates.

4. No changes in litter pickup expenditures were observed.

5. For beer, returnable bottles captured 96% of the market after the Act was implemented compared to 36% before. Nonreturnable bottles, which had held 31% of the market previously, were eliminated and can sales dropped from 33% to 4%.

6. For soft drinks, returnable bottles moved from 53% of the market before the October 1, 1972 date to 88% the year following and 91% two years after. Non-returnable bottles, which had held 7% of the market were removed from the market. Cans moved from 40% to 12% one year later and 9% of sales two years later.

7. A "Littering Index" which shows the relative littering rate for deposit beverage containers shows that beer cans have 16 times the chance of being littered as does a soft drink returnable bottle.

8. Return rates continue to improve for the certified compact eleven ounce "stubby" bottle. 1974 data shows a 93% return rate which compares a 96% return rate for soft drink bottles. As a result, trippages for beer and soft drink refillables are 15 and 24 respectively.

9. Beer sales continue on historical growth trends following the first year adjustment which occurred due to the move from larger cans and bottles to the eleven ounce "stubby".

10. Beer prices in Oregon were slightly higher than in Washington following an increase at the end of 1974. Prior to that time no significant differentials existed.

11. Soft drink sales have been strongly affected by large price increases caused by sugar price variations. Prices remain comparable between Oregon and Washington with large differentials between cans and non-returnables and the cheaper returnable packages.

12. Employment has been increased as a result of the Act. An approximate net increase of 55 to 365 full-time jobs have been created.

13. The economic effect on industry has been small. Other factors not related to the bottle bill have been far more important. Direct consequences of the Act have been estimated to have caused an operating income change ranging between a negative 6.8% to a positive 3.1% based on total sales at retail.

14. Energy savings as a result of a move from 43% refillables to 94% are significant. 1.4 trillion BTU's are being saved annually, enough to provide the home heating needs for 50,000 Oregonians or to generate 130 million Kilowatt hours of electricity worth $2,800,000 annually.

PROVISIONS OF THE LAW

The Act covers all beer and carbonated soft drink beverage containers sold at retail after October 1, 1972. It requires that a refund be paid to any person presenting empty soft drink or beer bottles or cans for refund. A minimum five cent refund is required except for certified standard reusable (refillable) containers where the minimum refund is two cents. The pull tab can is prohibited. For the complete text of the Law as passed in 1971 and amended in 1973, see Appendix A. It should be noted that the Law did not ban cans nor did it require deposits. It does have the effect, however, of encouraging reusable containers and in fact, deposits have been charged on all beer and soft drinks.

The provision to encourage a standard reusable container was included to attempt to retain the then existing "stubby" beer bottle. It was also hoped that it would promote the emergence of a similar bottle for soft drinks. The compact eleven ounce "stubby" had been in wide use by the regional breweries for some time. Since any brewery could wash, fill and attach its own label for each refill, sorting by the retailer and distributor was held to a minimum.

Shortly after the Bottle Bill became effective, more than twenty different brand labels were being attached to the "stubby" by regional and shipping brewers. It could therefore be said that "In Oregon, only the label and the beer were different—the bottle was the same".

No move by soft drink bottlers has been made to establish a certified container. None is expected because the spread between a refund of two cents and new soft drink container cost of more than ten cents is much larger than for the "stubby" which has a new cost of approximately five cents. Bottlers want to insure that their reusable bottles return. Therefore, since the October 1, 1972 effective date of the Bill, refunds have been increased from five cents to seven cents and in some cases ten cents on soft drink bottles of sixteen ounces or less. Similarly, quart-size bottles have increased from ten cents to fourteen and twenty cents.

APPLIED DECISION SYSTEMS STUDY

The provisions of the Bottle Bill as enacted in 1971 require that a review of the consequences be made for presentation to the 1975 legislature. To fulfill this requirement, bids were requested from consultants in early 1973. Applied Decision Systems, a Massachusetts firm was awarded the contract on November 1, 1973.

The draft copy of the ADS[2] report was released on September 3, 1974. Hearings were held on September 12 to receive testimony regarding the draft. Conclusions regarding litter reductions were challenged as being too small and economic consequences were alleged to have been misstated. Finally, on one important industry segment, the retailer grocer, ADS had not been able to obtain sufficient data to permit its inclusion in the economic analysis. Subsequently a number of changes were made to the draft. A second hearing was held on October 8, 1974. Additional testimony was received at this hearing and it became apparent that a great deal more research would be needed to resolve the controversies which had developed.

The special legislative committee which had been established to review the report finally acted unanimously to accept the ADS report with the following motion proposed by Representative Hansell. . . . "So I would move that the committee recommend to the Fiscal Officer and the Emergency Board that the ADS Report, as amended be accepted with the following provisions: that the Fiscal Office have an introduction to the report stating the history of the report and the limitations that are connected with it, and in addition that by accepting the ADS report the Fiscal Office and the Legislature disclaim any responsibility for the accuracy of the figures or the data that is used. In addition, that all statistics and data that are contained as a part of it have a prior statement as to the percent of industry that was contacted, the percentage that responded, and the percentage of the total industry that is represented. That in addition we have clearly emphasized that these questionnaires by their very nature were voluntary."

Discussion on the motion included Representative Hansell's statement that . . . "my purpose in doing this is that we get away from the idea that this is an official report and that the Oregon Legislature has completely approved . . .".

Opponents of the concept of container refund legislation have referred to the ADS[2] report as the "official study". In a release[3] dated September 19, 1974 by Rockey/Marah-Public Relations two pages of copy contain the word "official" in regard to the ADS study eight times. Others have also used the term "official" to describe the study. A California Beer Wholesalers Association release[4] dated October 24, 1974 bears the heading "Official Study Disputes 'Bottle Bill' Success." Nevertheless, the position of the ADS study is that it was paid for by the State of Oregon but any conclusions have not been endorsed or supported by the State. In short, the ADS study must be able to stand item by item on its own merit.

GUDGER AND BAILES STUDY

Professors Charles M. Gudger and Jack C. Bailes authored a report entitled "The Economic Impact of Oregon's Bottle Bill".[1] This report, issued in March 1974, was supported in part by the National Science Foundation Institutional Grant for Science. It does not consider litter reduction but does review economic aspects in considerable detail.

OREGON LITTER SURVEYS

In October of 1971, litter surveys were begun on 30 randomly selected one mile sites throughout the state highways of western Oregon. The following Oregon State Highway Division map has been modified to show the locations of each of the 30 sites. See Appendix B for additional details regarding each of the test sites. The survey was continued for three years with the last pickup in early September 1974.

Although the thirty sites remained unchanged throughout the test period, the ways in which the litter picked up was tabulated did vary over the period. In general, each change provided more detailed information. For example, during the period October 1971 through September 1972, which will be referred to as "BEFORE", there were five categories of tabulation. During the period November 1972 through September 1973, which will be called "TRANSITION", there were six categories. This change was required because the beer and soft drink can became a refund container as a result of the provisions of the "bottle bill". Finally, during the period November 1973 through September 1974, "AFTER", there were some fourteen breakdowns in the tabulations. See Appendix C, D, E for facsimiles of the data collection sheets. Throughout, the basic groupings were not changed. Rather, greater detail was being supplied within these groupings. Figure I summarizes the categories used.

FIGURE I.—LITTER TABULATION CATEGORIES

Before, October 1971 to September 1972	Transition, November 1972 to September 1973	After, October 1973 to September 1974
More than 5 cent deposit bottles.	More than 5 cent deposit bottles.	Quart bottles (deposit over 5 cents).
5 cent deposit bottles.	5 cent deposit bottles.	5 cent deposit soft drink bottles.
	5 cent deposit cans.	5 cent deposit beer cans.
		5 cent deposit soft drink cans.
2 cent deposit bottles.	2 cent deposit bottles.	2 cent deposit beer bottles.
All other beverage containers.	All other beverage containers.	Nonreturnable beer cans.
		Nonreturnable soft drink cans.
		Nonreturnable beer bottles.
		Nonreturnable soft drink bottles.
All other litter	All other litter	Other cans (miscellaneous).
		Other bottles (miscellaneous).
		Paper beverage related containers—6 pack, case (etc.).
		Miscellaneous litter.
Total items	Total items	Total items.

RESULTS

Litter rates for all items during the transition period show a 26% reduction over the before period based on piece counts. Similarly the after period shows a 39% reduction over the before period. Littering rates for beverage containers showed a 72% reduction during the transition period and an 83% reduction for the after period. Figure II summarizes the results of the litter reduction computations.

It should be remembered that these reductions are for state highway sections. Other areas such as parks, trails, streams, beaches and county and city roads were not included in the test sites. It should also be noted that the results are based on piece counts only. Thus a cigarette butt is given equal weight in the tabulations to the far more visible beverage can.

Two conclusions may now be drawn:

1. Cans are more likely to be littered than bottles.

2. Beer containers are more likely to be littered than soft drink containers.

In each instance the margin is very dramatic. For beer, a can is 4.9 times as likely to be littered as a bottle. For soft drinks the margin is 7.1 times. A beer container is 2.4 times as likely to be littered as a soft drink container.

Finally, a beer can generates 12.9% of total deposit litter with only 2.3% of total sales for a "Littering Index" of 5.61. The soft drink bottle generates only 14.1% of total deposit litter even though it amounts to 39.0% of total sales for a "Littering Index" of 0.36. Thus the beer can has 16 times the probability of being littered as a soft drink bottle. The results can therefore be summarized as "People tend to litter beer cans".

TRIPPAGE

It is very difficult to actually determine the number of round trips which a reusable container makes before it is broken or discarded. No records are maintained on any specific bottle to determine this figure. However, a term known as "trippage" has been developed and is widely used by both the beer and soft-drink industry. "Trippage" is defined as 100% divided by the percentage of containers which fail to return after each filling. Thus, a single-use container's trippage would be 100% divided by 100% or 1 trip. Similarly, a return of half would result in 100% divided by 50% or 2 trips. Finally, a 95% return rate would give a trippage of 100% divided by 5% or 20 trips. For refillables, the actual number of reuses would be somewhat lower than the "trippage" figure calculated here, since breakage in the brewery or bottling plant reduces the quantity that can be refilled.

ADS[2] concluded that before the Bottle Bill became effective there was an 82 percent return rate on the standard 11 ounce "stubby" bottle which was widely used in the Northwest. This is equivalent to a trippage of 5.6 trips. During the transition period, ADS found that returns increased to 95 percent for the regional breweries (a trippage of 20 trips) and 29 percent for the major three national breweries serving Oregon in the "stubby" containers (1.4 trips) to give an overall return rate of 86 percent or 7 trips for the total of all breweries studied.

During the year 1974, return rates for five regional breweries increased[1] [2] to 101 percent (a trippage of infinity) while those of four of the major shipping brewers increased to 57 percent. This left an average return rate for the certified "stubby" containers of 93.1 percent and a trippage of 15.

For soft drinks, ADS[2] concluded that return rates were 95.7 percent for before and 95.9 percent for transition. Recent information indicates no change in the return rate, giving a trippage of approximately 24 for both transition and after.

PUBLIC ACCEPTANCE

Six hundred in depth interviews were held with Oregon consumers in September 1973. The results of these interviews have been well documented in the ADS[2] report. They showed overwhelming acceptance by those interviewed. Ninety-five percent of the persons interviewed had an opinion regarding the Bottle Bill and 95 percent of those with an opinion voiced approval. For additional information the reader is referred to the ADS[2] report and Volume I of the supporting materials for that report.

Footnotes at end of article.

Footnotes at end of article.

BEER SALES—TOTAL OREGON ANNUAL BEER SALES BY VOLUME [11]

FIGURE XI.—ANNUAL OREGON BEER SALES

Year	Annual sales (thousands of barrels)	Percent increase over previous year
1968	1,151.3	1.57
1969	1,228.5	6.71
1970	1,314.6	7.01
1971	1,395.8	6.18
1972	1,469.6	5.29
1973	1,489.8	1.37
1974	1,574.3	5.67

It can be seen that beer sales increased at a relatively uniform annual rate after 1968 through 1972. During the first full year immediately following the Bottle Bill, the rate of increase was only 1.37 percent. However, during 1974, the second full year following the Bottle Bill's date, the increase again rose at the historical rate of 5.67 percent. The ADS study used the period three months before the Act went into effect and nine months after its effective date to compare to previous growth rates. They concluded that the Act had caused a long-term change in the trend of beer sales.

While it is true that there was a slight reduction from historical increases during the TRANSITION year, it is very important to further analyze the reasons for this change.

One of the goals of the supporters of the Bottle Bill was to encourage a switch away from single-use containers back to reusables. This is indeed what happened. The reusable "stubby" 11 ounce bottle increased from 48 percent of total beer sales by container in 1971, to 89 percent in 1973 and 90 percent during the first nine months of 1974. By comparison, 12-ounce cans were moving from 25 percent of the market during 1971, to 2 percent during 1973 and 3 percent during the first nine months of 1974. Similarly, the 16-ounce can changed from 8 percent in 1971 to 1 percent in both 1973 and 1974. In addition, the 12-ounce bottle which captured 14 percent of the market in 1971, moved to 6 percent in 1973 and dropped further to 3 percent in 1974. Sales of reusable quarts remained at 2 percent to 3 percent throughout the period.

The net effect of these changes was to move to a significantly smaller container. Thus, although fillings increased by 13 percent between 1971 and 1973, container barrelage increased only 7.7 percent. Putting it another way, barrelage per 1000 fillings decreased by nearly 5 percent between 1971 and 1973. Since it is likely that a consumer sits down to have a "beer or two" rather than "12-ounces" or "16-ounces" of beer, it is not surprising that the shift to 11-ounce "stubbies" brought with it a relative drop in beer sales measured by barrelage.

The 11-ounce "stubby" was already in general use in Oregon in 1972 when the switch to reusable containers took place. Had the standard container been a 12-ounce bottle, then it is likely that essentially no change in historical patterns would have taken place.

It is interesting to note that beer sales for Oregon have followed a virtually identical pattern to those of its northern neighbor, Washington State. Between 1970 and 1974 Oregon experienced a 19.69 percent increase while Washington [14] obtained a 19.25 percent increase. Similarly, both Oregon and Washington experienced an identical increase of 5.67 percent between 1973 and 1974. It can thus be stated that the Bottle Bill does not appear to have had any appreciable effect on beer sales in Oregon except that caused by reduction in average container size during 1973.

Footnotes at end of article.

BEER PRICES

Recent years have been marked by a large increase in beer prices both in Oregon and nationally. Inflation in virtually every aspect of the brewing industry has brought about these increases. It is thus difficult to evaluate the specific increases, if any, that should be attributed to the Bottle Bill. The decrease in purchase of new containers constituted a reduction in costs. On the other hand, increased handling costs for reusable containers was an offset to these savings. Nevertheless, prices for comparable packages of beer sold in Oregon compared to those in Washington, which does not have refund legislation, were essentially equal throughout both the TRANSITION and AFTER periods. This was true in spite of several increases in both States. Both Oregon Distributors and Retailers increased the percentage markups over their costs during this period. Between 1971 and August 1974, regional brewery price increases of 20.5 percent for the "stubby" 6-pak resulted in a 29.5 percent increase by the Distributors and a 31.4 percent increase posted by the Retailers.

In late December, 1974, regional brewery price increases on the "stubby" 6-pak of 4.9% became 4.9% increases at the distributor level and a 7.2% increase to Oregon consumers. Prices increased only approximately 5% in Washington State. Therefore, prices for beer are approximately 2 to 3% higher per ounce in Oregon for Regional brands on comparable sizes compared to Washington. Washington State has a sales tax of 5% while Oregon has none.

SOFT DRINK SALES

The ADS [3] report detailed a shift from canning operations to franchised bottlers between 1972 and 1973. It concluded that there was probably no net change in packaged soft drink sales between the two years. It is extremely difficult to obtain precise information regarding Oregon soft drink sales. Nationally, soft drink sales stabilized in 1974 with no increase in sales reported.[15] No specific information is published for Oregon. Since 1973, sugar price increases have required significantly increased prices of soft drinks, and this has adversely affected the sale trends of soft drinks both in Oregon and nationally. Consequently, it can be concluded that during 1974, whatever minor impacts the Bottle Bill had on soft drink sales have been completely overshadowed by price considerations.

SOFT DRINK PRICES

Soft drink prices have been subject to extreme inflationary increases of up to 50% in the Northwest. Nevertheless, prices in Washington are comparable to those found in Oregon and there is a significant cost differential between reusable and one-way containers. In Washington, the one-way container is priced between 20% and 25% more per ounce for the same brand in the same size package compared to reusable containers. In Oregon it is difficult to compare refillables to single-use containers of the same size and brand. Comparing an 8-pak 16-ounce returnable package to a 6-pak 12-ounce can package of the same brand, however, the cans cost approximately 50% more per ounce. The same is true in Washington between these two packages.

EMPLOYMENT INCREASES

Two researchers have directed themselves to the employment impacts of the Bottle Bill. Drs. Gudger and Bailes [1] considered retailers, soft drink bottles, brewers, distributors, can manufacturers, and bottle manufacturers. ADS [3] was unable to obtain sufficient information from retailers and failed to include the employment increases for common carrier trucking man hours but did obtain information regarding all other groups.

Drs. Gudger and Bailes concluded that there were increased man hours during the Transition period compared to Before which amount to a net full time increase of 365 people as shown in Figure XII.

FIGURE XII.—EMPLOYMENT IMPACT, GUDGER & BAILES

Production labor	−350
Truck driving	+140
Warehouse and handling	+575
Total	+365

Initially, ADS [3] referred readers to Gudger and Bailes for the retail portion of the employment picture. Recent estimates provided by Jim Glauthier of ADS [16] for both retailers and common carrier trucking have been included in Figure XIII. These figures are somewhat different from those given above partly because these are estimates of jobs lost or gained, not equivalent increases based on hours worked. For example, in the Retailers group, it was estimated by ADS that fifty percent of the increased hours expended did not require additional hiring but was instead done by existing personnel spending longer hours or more efficient use of persons already employed. As a result the estimate of 200 to 250 increase in jobs is half the total that would have been used by Gudger and Bailes.

FIGURE XIII.—EMPLOYMENT CHANGES ADS

	Change	
	Minimum	Maximum
Soft drinks	+82	+98
Brewers	+50	+60
Distributors	+43	+50
Can manufacturers	−140	−162
Bottle manufacturers	−200	−200
Common carrier trucking	+20	+20
Retailers	+200	+250
Total	+55	+116

ECONOMIC EFFECT ON INDUSTRY

Both ADS [3] and Drs. Gudger and Bailes [1] evaluated the economic consequences in great detail. Their methods used were different in many respects and their conclusions also varied significantly. Manufacturing and distributing soft drinks and beer is a very complicated industry process. Unfortunately, because it is a very competitive industry, some data is considered confidential and has not been made available to any researchers. Secondly, some information was made available to ADS which has not and will not be made available to others. These facts make it very difficult to compare the results of these two reports. The net impacts for the sectors studied will be tabulated as shown in Figure XIV.

FIGURE XIV.—CHANGES IN OPERATING INCOME DUE TO THE BOTTLE BILL

[In thousands of dollars]

	Gudger & Bailes	Ads	
		Minimum	Maximum
Glass bottle manufacturers	−264	+68	+106
Can manufacturers	−350	−2,252	−2,463
Brewers	+5,328	−912	−1,182
Beer distributors	−589	−661	−1,498
Soft drink bottlers	+2,765	−3,116	−3,553
Retailers	−2,946	(1)	(1)
Total	+3,944	−6,873	−8,590

[1] Not stated.

It can be seen that the two reports found widely different impacts. On Operating Income, Gudger & Bailes reported an improvement of $3,944,000 while ADS concluded that there was a $6,873,000 to $8,590,000 decrease. The most critical differences stem from conclusions regarding return rates or "Trippage" changes as a result of the Bill. ADS concluded that there was virtually no change in soft drink returns of approximately 96% while Gudger and Bailes concluded that the return rates rose from 80% to 92%. Similarly, for beer, ADS concluded that return rates increased from 82% to 86% while Gudger and Bailes used a change of from 75% to 95% in their calculations.

These differences cause very large impacts on the container purchase costs for the brewer and bottler. For example, Gudger and Bailes calculated a $16,184,000 savings in container costs to the brewers and bottlers. The much smaller changes found by ADS resulted in smaller savings for these sectors. Consequently, the negative impacts on bottle and can manufacturers who lost business could not be balanced off against savings for the brewery and bottler in the ADS analysis.

It is different to resolve this discrepancy. As was noted earlier under "Trippage", return rates on stubby beer bottles did increase to 95% in 1974. However, it does appear that soft drink return percentages have remained essentially unchanged by the Act.

Total beer and soft drink sales for 1973 at retail were $126,000,000.[1] The increased profit found by Gudger and Bailes is therefore 3.1% of total sales. By comparison, the loss shown by ADS is 5.4% to 6.8% of total sales. When the savings to the consumer as a result of more frequent purchases of the less expensive soft drink returnable packages is also considered, the impact on the consumer will be very small indeed. Other factors, such as increased raw materials and container costs and general inflationary pressures have had far greater consequences than the shift back to refillables.

ENERGY SAVINGS

Refillable containers are somewhat bulkier than single use containers. Consequently, more labor is needed to handle them. In addition, the extra sorting, handling and cleaning steps involved in the return to the bottler or brewery for reuse also require additional labor. By comparison, the single use container requires more energy in mining, transportation, molding, reduction, smelting and metal forming processes required for each use. Thus, the refillable system is a labor intensive one while the single use system is energy intensive.

Refillable containers have grown from approximately 43% of the soft drink and beer market to approximately 94% during the second year after the Act went into effect. Based upon a recent EPA report "Resources and Environmental Profile Analysis of Nine Beverage Container Alternatives" [17] using Oregon container mix changes, return rates and recycling experience, energy savings have been computed (See Appendix N). This analysis shows that approximately 1,400 Billion BTU's are being saved each year as a result of the Bottle Bill.

This is equivalent to the average Oregon home heating needs of 12,000 units that heat with natural gas or the population of a residential community of approximately 50,000 people. Alternatively, if this energy were converted to electricity, then the annual savings would total approximately 130 million kilowatt hours. If electricity rates were at the approximate average national rate [18] of 2.2 cents per kilowatt hour, this would then total $2,800,000 savings annually.

CONCLUSION

This combination of decreased consumption of energy plus increased employment as a result of the "return to the returnable" is very significant. One characteristic of convenience packaging is that it often causes energy intensive alternatives to be substituted for those which are labor intensive. Thus, energy requirements are increased, while at the same time, jobs are eliminated.

It is regrettable but true that many existing jobs and very large corporate investments are dependent upon the continuation of the wasteful practices of the "no-deposit—no return" concept. More new jobs would be created by a return to refillables than would be lost. However, this fact does not soften the impact upon the specific individual who must abandon old skills and perhaps move to a new community and a new job. This is a general problem which is as yet unsolved but which must be dealt with as our society abandons the wasteful patterns of recent years.

It is perhaps ironic that the highly visible consequences of the "throwaway" being literally thrown away on our roadsides has prompted a new awareness of the more general problems which are caused by the acceptance of the "throw-away ethic". The focus of the debate will likely shift over time from litter reduction to energy conservation and source reduction and the attendant employment increases.

Now that the results of the "Oregon Experiment" are in it is hoped that they will be used by other lawmakers as a guide to enactment of similar legislation. As a nation we we are becoming increasingly aware that our resources are finite—not unlimited. Concepts such as container refund legislation can play an important role in the much needed effort to reestablish an equilibrium with our environment as well as prevent the further erosion of our employment base.

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THE ECONOMIC IMPACT OF OREGON'S "BOTTLE BILL"

(By Charles M. Gudger, Ph. D. and Jack C. Bailes, Ph. D.)

CHAPTER ONE.—INTRODUCTION

1.1. *The Oregon Law.*—On October 1, 1973 a new law, popularly known as "The Oregon Bottle Bill" went into effect in the State of Oregon. This law imposes new regulations on carbonated beverage (malt beverage and soft drink) containers. Its primary purpose was to encourage the use of refillable containers and thus reduce the litter and solid waste associated with disposable beverage containers. The main provisions of the law are as follows:

1. All carbonated beverage containers (with the exception noted below) sold in the state must have a minimum refundable deposit of five cents.

2. Refillable containers used by more than one beverage manufacturer may be certified by the Oregon Liquor Control Commission. A certified container can have a minimum refundable deposit of two cents.

The original law used terminology to the effect that such containers shall be certified upon application by manufacturers. The effect has been that there are, at present, two certified bottles—the 11-ounce brown "stubby" beer bottle and the quart "twist top" beer bottle. No soft drink bottles have been proposed for certification. Obviously, bottles of special shape or with permanently embossed brand identification do not qualify under this provision.

3. The deposit on any carbonated beverage container must be refunded by any retailer or wholesaler who sells that kind, brand, and size of beverage.

In effect this means that containers do not have to be returned to the particular dealer who originally sold the beverage and collected the deposit. In the case of wholesalers, certified bottles have removable labels and are are being redeemed by wholesalers of competing brands.

4. Metal containers having detachable parts cannot be sold in the state.

In effect, this bans the sale of "ring pull" or "flip top" cans. Some new designs of beverage cans such as the "push top" that has disc shaped sections that are pushed into the can, but do not detach, are being marketed in the state. Most of the beverage cans being sold have solid tops that are opened with the standard beverage can opener. It will be noted that cans, although not refillable, must have a minimum deposit of five cents.

5. The law contains provisions for enabling the establishment of cooperative redemption centers to be used by groups of retailers or wholesalers.

No attempt has been made, however, to establish such a center anywhere in the state.

The "Bottle Bill" was widely hailed by environmentalists as a significant step in reversing the very great increase in litter and solid waste represented by packaging materials. It was opposed (moderately by some and vigorously by others) by all sectors of industry that were directly affected by it. Its constitutionality continues to be challenged in the courts to the present time. Some of the opposition, in fact much of the question of constitutionality, is based on the perception of these businesses that they are being singled out and thus are being discriminated against whereas other businesses are responsible for much greater volumes of waste and are not being subjected to similar regulation. As one soft drink bottler, who is not particularly opposed to the bill, stated "After all, the only real difference between a bottle and a piano crate is

that few piano crates are thrown out of cars. Both are packaging materials, and the disposal of both results in environmental problems."

Additional opposition was based on considered opinion that the law would be, at best, only minimally effective in reducing litter. Further, different legislation was proposed (a tax on litter-prone package materials) that was felt to be more effective and less costly to directly affected business.

1.2 *Purpose of This Investigation.*—As with almost all environmental legislation, one of the major questions is that of what its cost will be in relation to what benefits it will bring. In the case of the Oregon Bottle Bill, the cost to government for enforcing legislation of this nature is minimal. The cost to the public as consumers is greatly dependent upon whether business costs are increased and are reflected in higher prices. (Consumer costs associated with returning containers and with having funds tied up in deposits are seen to be so small for individual consumers as to be insignificant.) The major question, then, concerns the economic impact of the law on the industries that produce and market carbonated beverages and on those industries that supply them. This report is primarily addressed to answering this latter question.

The primary objective of this study has been to conduct an independent investigation of the economic impact of the Oregon Bottle Bill on directly affected businesses. Those businesses include Container Manufacturers, Malt Beverage Brewers, Malt Beverage Distributors, Carbonated Beverage (soft drink) Bottlers, and Retailers of malt and carbonated beverages. Determination of the economic effects of the Bottle Bill is necessary for an objective evaluation of the Oregon Bottle Bill. It would not be appropriate to consider only the environmental impact of such legislation, as alternative programs (i.e. with similar reductions of litter, solid waste, or resource usage) may have differing economic implications. It is also important that a study of economic effects of the Bottle Bill be conducted by independent researchers. Conflicting projections and statements issued from industry or environmental associations have not aided objective evaluations.

The specific economic factors to be considered by this study include the following:

1. Changes in sales volumes of malt and carbonated beverages.
2. Changes in container sales mix of malt and carbonated beverages.
3. Return rates of refillable containers.
4. Changes in sales volumes of glass and metal beverage containers.
5. Price changes for malt and carbonated beverages.
6. Changes in production, distribution, and retail costs of operation.
7. Capital losses and changeover costs.
8. New capital investment.
9. Competitive changes—number of brands on the market.

1.3 *Sources of Cost Data—Methodology.*—Starting shortly after the Bottle Bill went into effect, extensive interviews were conducted with representatives of all sectors of the businesses directly affected by the bill in order to determine the affected cost elements of each type of operation. From this information, preliminary questionnaires were designed to elicit the specific data required. Whenever possible, these questionnaires contain checks for intrenal consistency. For example, pre and post-Bottle Bill information on elements such as space, sales volume, and labor cost, was requested so that the consistency of replies could be ascertained. Also, the questionnaires provided means of checking accuracy between sectors. For example, information on return rates, sales volumes, prices, etc., was requested from each industry level so that accuracy of replies could be judged. Industry representatives were most cooperative in reviewing the questionnaires for relevance, for completeness, and for understandability, and provided helpful advice as to industry record keeping practices which aided greatly in wording questions in a way that would make them more readily answered.

Preliminary questionnaires were then personally administered to at least 5 percent of the proposed samples to discover and correct any further problems with terminology, structure, or unwarranted difficulty. From this information, questionnaires were printed and distributed to 100 percent of the licensed malt beverage distributors, 100 percent of licensed soft drink bottlers, and 400 retailers in the state. The retailer sample included 300 grocers and 100 vending machine operators and taverns. All parts of the retailer sample were stratified geographically to assure that all areas—coastal resort, border, high and low population density areas, etc.—were represented. Brewers and container manufacturers with significant market shares in Oregon were interviewed directly by the principal investigators.

Follow up questionnaires were sent to all who did not respond to the initial inquiry, and the investigators attended various industry meetings in order to explain the study and encourage reply. The response rate on mailed questionnaires was expectedly low from businesses that were not significantly affected by the bill, for example, taverns and vending machine operators (service stations) responded at 12 percent and 22 percent rates respectively. Other mailed questionnaire response rates ranged from 32 percent to 48 percent. Whenever practical, atypical data from the replies were checked by personal interview or by telephone. Consequently, it was necessary to exclude very little data from the calculations.

CHAPTER FOUR.—SUMMARY AND CONCLUSIONS

4.1 *Introduction.*—This chapter summarizes the economic effects of The Oregon Bottle Bill on malt beverage brewers, malt beverage distributors, soft drink bottlers, retailers, and manufacturers of beverage containers. These results are based on empirical data collected for the year 1973, and include the effects of the bill on operating income, capital losses and changeover costs, and new investment. Further conclusions are presented concerning the economic impact of the Bottle Bill on the Oregon State Government and on the malt and carbonated beverage consumers of Oregon. Finally, implications are drawn as to the impact of the Bottle Bill on litter, solid waste, and employment.

4.2 *Summary of the Economic Impact of The Bottle Bill on Business:*

4.2.1 *Operating Income.*—Table 4–1 presents the effect of the Bottle Bill on the operating incomes of thoee business sectors directly affected by the legislation.

TABLE 4–1.—CHANGES IN OPERATING INCOME IN 1973 DUE TO THE BOTTLE BILL

Industry	Change in operating income	Direction of change
Glass bottle manufacturers	$264,000	Decrease.
Can manufacturers	350,272	Do.
Malt beverage brewers	5,328,383	Increase.
Malt beverage distributors	589,000	Decrease.
Soft drink bottlers	2,764,675	Increase.
Retailers	2,945,825	Decrease.
Total change for all industries	3,943,961	Increase.

Source: Oregon State University bottle bill survey.

4.2.2 *Capital Losses and Changeover Costs.*—All industry segments reported zero or insignificant capital losses. This was due to the localization of the Bottle Bill to the state of Oregon and the transferability of physical capital (e. g., vending machines) or capital usage (e.g., use of can lines for beer sold in markets adjacent to Oregon). There are potential capital losses for equipment within the state of Oregon used solely for canning soft drinks, however such losses have not been realized to date. The largest of these possible capital losses would involve the $600,000 book value of canning equipment owned by Emerald Canning Company. The market value of that equipment was unavailable. Those changeover costs that have been reported are shown below:

Soft Drink Bottlers	$75,000
Retailers	99,627
Total Changeover Costs	$174,627

Those changeover costs shown for retailers represent the cost of inventory that did not conform to the requirements of the Bottle Bill and could not be sold after September 30, 1972.

4.2.3 *New Investment.*—The Bottle Bill has resulted in new capital investments in several industry segments, however it has not been possible in all cases to determine the portion of actual increased investment that was necessitated by the bill. New trucks and bottling, washing, or filling equipment may have provided for capacity in excess of that required by the implementation of Oregon's Bottle Bill. Nevertheless, Table 4–2 shows the reported new investment in returnable bottle float for brewers; in truck and bottle handling equipment for beer distributors; in returnable bottle float, trucks, bottle washing and bottle filling equipment for soft drink bottlers; in bottle sorting and handling equipment for retailers.

TABLE 4-2.—NEW CAPITAL INVESTMENT NECESSITATED BY THE BOTTLE BILL

Industry	Amount of investment	Type of investment
Malt beverage brewers	$1,300,000	Bottle float.
Malt beverage distributors.	550,000	Trucks, bottle handling equipment.
Soft drink bottlers	3,310,000	Bottle float, trucks, bottling equipment, washing equipment.
Retailers	193,000	Bottle sorting and handling equipment.
Total new capital investment.	5,353,000	

Source: Oregon State University bottle bill survey.

4.3 *Economic Impact of The Bottle Bill on State Excise Tax Revenues.*—Early projections concerning the effects of the Bottle Bill predicted a decline in state excise tax revenue of up to $.5 million a year (Wagner, p. 24). This prediction was based on the expected negative sales effect of the Bottle Bill. Since the actual 1973 Oregon malt beverage sales records do not support the hypothesis of depressed beer sales, there is no evidence that excise taxes have been affected.

4.4 *Economic Impact of The Bottle Bill on Oregon Consumers.*—The actual net cost to Oregon consumers of beer and soft drinks in 1973 was not significantly different from what it would have been given pre-Bottle Bill market conditions. This was the case even though there was a price increase in 1973 for both beer and soft drinks in returnable bottles. The average price increase amounted to approximately 11 percent for all brands of beer in returnable bottles, and to 7.6 per cent for all brands of soft drinks in returnable bottles. The 1973 prices of soft drinks and malt beverages in cans were unchanged from their 1972 prices. However, the prices of beer and soft drinks in returnable bottles were still lower than the prices of those beverages in cans. This price differential

favoring returnable bottles and the increases in percentages of beer and soft drinks sold in returnable bottles have offset the effect of the 1973 price increases. As shown in Table 4–3, the total expenditure in 1973 by Oregon consumers for beer and soft drinks increased by $183,550 over what they would have spent under 1972 prices and sales mixes. This increase amounts to .1 percent of the actual total expenditure in 1973. If the 1973 price increase is assumed to be due to the Bottle Bill, then the bill has had only an insignificant effect on the total amount spent by Oregon consumers for beer and soft drinks. In Chapter Two, it was concluded that the Bottle Bill did not cause the price increases; under this assumption, the Bottle Bill has resulted in significant savings to consumers. Table 4–3.

TABLE 4-3.—TOTAL EXPENDITURE BY OREGON CONSUMERS FOR SOFT DRINKS AND MALT BEVERAGES

	Soft drink	Malt beverage	Total
Actual expenditure in 1973	$49,246,800	$76,462,000	$125,708,800
Expenditure in 1973 assuming prebottle bill sales mix and prices	49,980,000	75,545,250	125,525,250
Increase (decrease) in beverage expenditure.	−733,200	+916,750	+183,550
Change as percent of actual	−1.5	+1.2	+0.1

Source: Oregon State University bottle bill survey.

When a returnable container is not returned, the amount of the deposit is an additional cost to the consumer. The Bottle Bill has resulted in both brewers and soft drink bottlers selling a much higher percentage of returnable bottles, and in a required deposit on beverage cans. However, under the Bottle Bill, the return rates for returnable bottles have substantially increased. The net effect has been a decrease of $266,000 in deposit losses by consumers. Table 4–4 compares the actual 1973 deposits lost with the 1973 estimated deposit losses assuming pre-Bottle Bill sales mixes and return rates.

TABLE 4-4.—OREGON CONSUMERS' LOSSES ON CONTAINER DEPOSITS FOR SOFT DRINK AND MALT BEVERAGE

	Soft drink	Malt beverage	Total
Actual deposits lost in 1973	$1,497,000	$635,660	$2,133,660
Deposit losses in 1973 assuming prebottle bill sales mixes and return rates	1,800,000	593,850	2,393,850
Increase (decrease) in deposit losses due to bottle bill	−303,000	+41,810	−261,190

Source: Oregon State University bottle bill survey.

It is clear that the Bottle Bill has not caused significant economic losses to consumers, rather it may have been responsible for economic gains. On the other hand, consumers have suffered a loss of choice of soft drink and malt beverages in convenience oriented packaging. In addition, consumers are required to expend some effort and perhaps cost to obtain refunds of deposits on returnable containers. The effect of the Bottle Bill on consumer economic utility could not be determined without extensive consumer attitude surveys. This research study did not collect consumer attitude data, however the following sections discuss three additional areas—solid waste, litter, and employment—where the Bottle Bill could affect consumer utility. Even though this report does not provide direct evidence of consumer attitude, it has shown increased return rates, beverage sales in accordance with trends, and that retailers conspicuously did not report consumer complaints. These findings would at least tend to refute any hypothesis of negative consumer attitude toward the Bottle Bill.

4.5 *Solid Waste and Litter.*—Beverage containers sold and not returned eventually enter the solid waste stream either as disposed trash or as litter. Returned containers that are not refilled are not considered to contribute to solid waste in that they are recycled. From the sales mix and return rates under pre and post-Bottle Bill conditions, we can calculate the number of containers entering the solid waste stream annually and the difference resulting from the Bottle Bill. These figures are summarized in Table 4–5.

TABLE 4-5.—NUMBER OF BEVERAGE CONTAINERS PER YEAR IN SOLID WASTE

Type of container	Prebottle bill conditions	Postbottle bill conditions	Reduction
Bottles:			
Beer:			
Nonrefillable	89,910,000	458,800	
Returnable	26,692,500	17,556,600	
Soft drink:			
Nonreturnable	18,000,000	0	
Returnable	36,000,000	21,840,000	
Total bottles	173,602,500	39,855,400	133,747,100
Cans:			
Beer	161,320,000	3,478,000	
Soft drink	102,000,000	8,100,000	
Total cans	263,320,000	11,578,000	251,742,000
Total beverage containers	436,922,500	51,433,400	385,489,100

Source: Oregon State University bottle bill survey.

The Bottle Bill has resulted in an 88 percent reduction in the number of beverage containers in solid waste. It has been estimated that the beverage container share of solid waste disposal cost is 93.3 million dollars per year (Bingham and Mulligan, p. 22). This estimate is perhaps somewhat overstated in that it compares the proportion of beverage containers to all solid waste and uses that proportion of total disposal costs. Obviously a reduction in one type of waste would not necessarily result in a similar reduction in total cost. Others, however, have estimated the cost of collection and disposal of beverage containers to be $176 million (Midwest Research Institute, p. 6). Using the lower figure, however, and considering that Oregon's share of the total beverage market is approximately 0.8 percent, the savings in solid waste disposal costs would be $656,832 per year.

The effect of the bill on roadside litter is even more pronounced. The Oregon Highway Division has conducted monthly litter counts on 26 to 30 one-mile sections of highways since October, 1971. These surveys indicate at least a 92 percent reduction in item count of beverage containers littered (Governor's Litter Composition Survey). Moreover, 66 percent of containers littered recently are non-returnables—either from other states, or purchased prior to the effective date of the bill. Despite any question concerning interpretation of the survey data, it is apparent that beverage container litter has been reduced by at least as much as has beverage container solid waste. It has been conservatively estimated that 5 percent of the beverage containers in the solid waste stream are littered (Bingham and Mulligan, p. 31). Using this percentage, the saving on litter pick-up amounts to a minimum of $366,000 per year assuming no change in frequency or intensity of litter cleanup. Perhaps more realistically, others have estimated national beverage litter collection costs at 86 million dollars (Bingham and Mulligan, p. 34). Applying the Oregon market share and the indicated reduction in litter to this figure results in an estimated saving of $632,000 per year.

4.6 *Employment.*—There has been much speculation as to the effect of the Bottle Bill on the loss of employment in skilled jobs and the gain in unskilled employment (Wagner, Midwest Research Institute, Bowman). In the industry sectors considered in this report, container manufacturers have reduced production employment as have contract canners. Soft drink bottlers and brewers have increased production employment due to increases in washing and sterilizing, and because bottling is more labor intensive than canning. Increases in transportation and delivery costs have added to truck driver employment. The increased handling, sorting and storing of returned containers has added to warehouse and handling employment. Total effects are outlined in Table 4–6.

TABLE 4–6.—*Operating employment effects of the bottle bill*

Production Labor	Decrease	(350)
Truck Driving	Increase	140
Warehouse and Handling	Increase	575
Total Employment	Increase	365

Source: Oregon State University Bottle Bill Survey.

The above figure does not include employment in industries supplying the required new capital-machinery, buildings, trucks, etc., but only that labor expended in on-going operations in the beverage and container industries. Administrative and clerical labor has not been estimated, but it is doubtful that needs in these areas would be lowered by the legislation. The total annual payroll addition represented by the net increase shown in Table 4–6 is estimated to be $1,600,000.

4.7 *Conclusions.*—The Oregon Bottle Bill was adopted with the objective of reducing litter and solid waste by encouraging the use of refillable beverage containers. It was hoped that the means selected would be effective in accomplishing the objective and result in minimum losses to business, minimum costs to government, and minimum cost and inconvenience to consumers. The findings of this study indicate that the objective is being met very well and that the costs are well below anticipated levels.

As to effectiveness: The use of refillable containers has increased from 44.6% in 1972 to 93.15% in 1973. Beverage container solid waste and litter has been decreased by 88%.

As to its cost to businesses: It cannot be demonstrated that the bill has caused reduction in sales volumes. Container manufacturers, beer distributors, and retailers have experienced adverse economic effects, but total operating income for all business sectors combined has been increased by $3.93 million per year due to the bill. Businesses have suffered capital losses and changeover costs of $175,000 and have made new investments of $5.35 million.

As to cost to government: Income tax revenues should be slightly higher due to the increased business income and increased employment and payroll. Excise tax revenues have not been affected. Costs of enforcement of the legislation are minimal. For the same frequency and intensity of collection and disposal, solid waste and litter costs are down substantially.

As to cost and inconvenience to consumers: Carbonated beverage price increases in Oregon cannot be demonstrated to be caused by the Bottle Bill. Yet considering price increases and deposit losses, the total expenditure of Oregon consumers for the same quantity of beverages in 1973 is $75,000 less than in 1972. This study has made no attempt to survey consumer attitudes. On the assumption that what consumers actually do is more indicative of their real attitude than what they say they will do, we conclude that consumers do not perceive great inconveniences resulting from the bill.

Given its objectives and constraints, the Oregon Bottle Bill has been highly successful. Whether other approaches would be as effective or as efficient can be determined only by other experiments.

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OREGON'S BOTTLE BILL; THE 1977 REPORT

OFFICE OF THE GOVERNOR,
Salem, Oreg.

We, in Oregon, are proud of the success of the Bottle Bill, the first of its kind in the nation.

Not only has our natural environment benefited from the law, but our economy has gained as well. By sharing the information we have gained from our experience, we hope you will see the value and application of similar legislation for yourselves.

BOB STRAUB,
Governor.

OUTLINE OF LAW

ORS 459.810 to 459.890

The basic provisions of the Oregon law, commonly called the "Bottle Bill" are:

1. "Beverage" is defined as beer, malt beverage, mineral water, soda water, and carbonated soft drinks.

2. All "beverage" containers must have a minimum refund value clearly marked, paid by distributor to dealer, and by dealer to consumer.

3. Dealers and distributors may not refuse to accept and refund the deposit on empty "beverage" containers of the kind, size, and brand which they sell.

4. A "certified" beverage container is reusable by more than one manufacturer; capacity and shape may be set by the Oregon Liquor Control Commission.

5. Minimum refund value of each container is 5¢, except for "certified" containers, for which the minimum refund is 2¢.

6. Metal "beverage" containers with pull tabs that are detachable without the aid of a can opener may not be sold or offered for sale.

7. Redemption centers may be established by any person in order to accept returned containers.

(See Appendix for copy of law.)

SUMMARY

The Bottle Bill works in Oregon. The evidence that it is valid and effective is overwhelming. There is no basis for the rumors and misinformation continually circulated by Bottle Bill opponents across the country as they attempt to discredit the Oregon success and to stop other states' legislation. A few facts should dispel these distortions; formidable data backs our statements. Among these facts are:

Beverages sold in returnable containers cost less, as they always have, not only in Oregon but all through the nation. Post-Bottle Bill beverage price increases, associated with runaway sugar prices and general inflation, occurred in Washington and California as well as in Oregon.

Sales have not fallen. They have increased. Weather and the availability of disposable income have their usual effects on beverage sales.

Employment has increased as a result of this legislation. A study sponsored by the Federal Energy Administration projects increased employment nationwide as a result of a proposed national Bottle Bill.

State highway department expenditures for litter collection remain stable. And litter has been reduced. Clerical errors involved in the 1972–74 highway department litter survey, long since corrected, are still being trotted out by the beverage industry as evidence against the Bottle Bill.

The aluminum can has not disappeared from Oregon, nor has any container been banned. After an initial slowing in sales, beverage cans are once again claiming their share of the market in Oregon.

Oregonians support the Bottle Bill with an enthusiasm usually reserved for popular sports, motherhood and the flag. They are not disenchanted or embittered, as some industry representatives would have us believe.

The Bottle Bill gives some Americans a chance to demonstrate their real priorities: a good life and clean environment based not on consumerism but on conservation. The public does not demand a throwaway economy; it has merely responded to aggressive advertising and marketing techniques which promote waste of natural resources.

The existence of a Bottle Bill, with its high public support and participation, has greatly enhanced community awareness of and commitment to environmental concerns. It has facilitated recycling and resource recovery operations in the State, as well as public acceptance of solid waste management programs, public involvement in community air quality standards, and public protection of open spaces.

EFFECT ON SOLID WASTE AND ROADSIDE LITTER

380 million fewer beverage containers are disposed of in Oregon each year because of the Bottle Bill. It has been calculated that the number of containers entering the solid waste stream has been reduced by 88 percent as a result of the law. A Portland garbage hauler commented that the volume of household garbage on his route diminished by 7–10 percent when the law went into effect.

NUMBER OF BEVERAGE CONTAINERS PER YEAR IN SOLID WASTE

Type of container	Prebottle bill conditions	Post-bottle bill conditions	Reduction
Bottles:			
Beer:			
Non-returnable	89, 910, 000	458, 800	.....
Returnable	26, 692, 500	17, 556, 600	.....
Soft Drink:			
Nonreturnable	18, 000, 000	0	.....
Returnable	36, 000, 000	21, 840, 000	.....
Total bottles	173, 602, 500	39, 855, 400	133, 747, 000
Cans:			
Beer	161, 320, 000	3, 478, 000	.....
Soft drink	102, 000, 000	8, 100, 000	.....
Total cans	263, 320, 000	11, 578, 000	251, 742, 000
Total beverage containers	436, 922, 500	51, 433, 400	385, 489, 100

Source: Oregon State University bottle bill survey.

Oregonians take great pride in the beauty of their state. They are especially proud when tourists remark that there is noticeably less roadside litter in Oregon than in neighboring states. This fact has been substantiated by several surveys. One of these was carried out in late 1976 by an Oregon newspaper, collecting and comparing litter from Oregon highways and those of its neighbor, Washington. They found 7.5 times more bottle and can litter in Washington. Roadside litter reduction was the original goal of the law and is also the most obvious result.

To document the level of the law's success, a survey of roadside litter amount (by volume and piece) and content was carried out on highways throughout the state, as provided in the bill. The survey was conducted by the State Highway Division along 30 randomly selected one-mile sites in Oregon, for one year before and two years after the law went into effect. When all the figures were in and comparable factors were checked for accuracy, they showed a significant reduction in beverage container litter. The reduction after one year was 72%, after two years 83%. The trend was clear: the Bottle Bill was indeed producing the desired result. There was no necessity for, nor had provision been made to continue the survey beyond these three years; costs of recording and analyzing masses of data made its continuation impractical.

The Oregon State Highway Division continues its normal highway program of roadway maintenance, right-of-way maintenance, litter collection, and so on. Over the past five years, litter collection costs have risen only 1.5% annually, well below the rate of inflation, from $589,076 in 70/71 to $633,353 in 75/76. These figures include the costs of the Oregon Youth Litter Patrol, which is funded through the sale of "vanity" license plates.

The dramatic reduction in visual pollution along Oregon highways is a result of the greatly reduced volume of beverage container litter. The number of bottles and cans found on comparable test sites before the law amounted to 22,639; after the law had been in effect for two years, the count on the same sites was down to 3,748. Not only are cans and bottles the most visible sort of litter; they are also the least biodegradable. Natural conditions can recycle a tin can to dust in 100 years, an aluminum can in 500 years, and a glass bottle in one million years.

LITTER COMPOSITION ON OREGON'S HIGHWAYS BEFORE AND AFTER THE BOTTLE BILL

	1971–72				1973–74			
	Item count	Percent of total litter	Cubic feet	Percent of total litter	Item count	Percent of total litter	Cubic feet	Percent of total litter
Deposit beverage containers	2, 829	4	NA	NA	2, 099	4.3	NA	NA
Nonreturnable containers	19, 810	25	NA	NA	1, 649	3.4	NA	NA
Total beverage containers	22, 639	29	678	42	3, 748	7.7	112	13
Other items	56, 605	71	928	58	44, 862	92.3	735	87
Total	79, 244	100	1, 606	100	48, 610	100.0	847	100

Source: Oregon Highway Division.

ENERGY SAVINGS DOCUMENTED

The critical need to conserve energy has begun to receive national attention from both press and government. Bottle Bill proponents have long been aware of the need to look at all energy costs of container reuse, accounting for raw materials acquisition, manufacturing and cleaning processes, and transportation at each stage. Taking into account total resource patterns, energy savings resulting from the shift to returnables have been significant. A net saving of 1.4 trillion BTU's per year has been realized in the new system in Oregon alone, enough to supply the heating needs of 50,000 Oregonians. Much higher savings would be realized with a national bottle bill. A Federal Energy Administration-sponsored study projects a savings of 144 to 169 trillion BTU's annually, equivalent to 70,000 to 80,000 barrels of oil per day saved nationally.

Higher return rates result in higher energy savings, of course. In Oregon, returnable soft drink bottles are reused about 24 times and beer bottles about 20 times. At this rate, the returnable bottle system uses one third the energy consumed in the throwaway system. Added energy savings are obtained from recycling those bottles that are not refilled. The return rate for cans in Oregon is very high, at 80%; the recovered metals are recycled, for additional savings. According to industry figures, the manufacture of aluminum from virgin materials requires 20 times the energy needed for recycling aluminum.

ENERGY SAVING CALCULATIONS—OREGON 1974

	Percent recycled	Container energy per gallon consumed [1] (Btu)	Container size (ounces)	Container energy per filling (Btu)	Container mix 1971 (percent)	Total container for 1974 with 1971 mix (millions of fillings)	Container mix 1974 (percent)	Total containers for 1974 with 1974 mix (millions of fillings)	Difference in container use (millions of fillings)	Energy requirement change (billions of Btu)
Beer:										
Returnable bottles	95	30, 730	12	2, 880	36	144	96	384	+240	+691
Nonreturnable bottles	0	64, 380	12	6, 040	31	124	0	0	−124	−749
Can—aluminum	[2] 15	75, 030	13	7, 620	33	132	0	0	−132	−1006
Aluminum	[3] 70	38, 630	13	3, 920	0	0	4	16	+16	+63
Subtotal—beer					100	400	100	400	.....	−1, 001
Soft drink:										
Returnable bottles	96	11, 230	16	1, 404	53	159	91	273	+114	+160
Nonreturnable bottles	0	53, 010	10	4, 141	7	21	0	0	−21	−87
Can—bimetal	[4] 0	53, 220	12	4, 989	40	120	4	12	−108	−538
Can—all steel	[3] 70	31, 340	12	2, 937	0	0	5	15	+15	+44
Subtotal—soft drinks					100	300	100	300	.....	−421
Total energy consumption change										−1, 422

[1] Based upon data from—Resource and Environmental Profile Analysis—of 9 beverage container alternatives [17].
[2] National average percent recycled of 15 pct [17].
[3] Gudger and Bailes [1].
[4] Although the percent returned to retailers is approximately 70 pct, very few are recycled.

Source: Oregon's bottle bill 2 yr later. Oregon Environmental Council, 1974.

PUBLIC HEALTH AND SAFETY

According to all government agencies charged with inspection and enforcement of health and sanitation standards, no problems related to the Bottle Bill have been reported, nor has any new staff been added to implement the law. Distributors and dealers are managing the flow of returned containers, efficiently sorting and handling them, with no adverse effect on health and safety standards in stores or other outlets.

Public health is protected by this law as it outlaws metal beverage containers with pull tabs. The result has been to make Oregon's recreation areas cleaner and safer. Oregon has fine public beaches that run the entire length of the coast; the Bottle Bill has helped to keep them and our campgrounds and wilderness areas free of sharp metal and broken glass which are a hazard to the health and safety of people and animals.

IMPROVING THE EMPLOYMENT PICTURE

Employment in Oregon increased as a consequence of the Bottle Bill. New jobs were created in brewing, soft drink bottling, transportation and retail sales, while bottle and can manufacturing positions were reduced as the demand for containers dropped. An estimated net increase of $1,600,000 in annual payroll ensued, with its accompanying economic benefit to the community.

EFFECT OF BOTTLE BILL ON OREGON EMPLOYMENT

Production labor	Decrease	(350)
Truck driving	Increase	140
Warehouse and handling	do	575
Total employment	Increase	365

Source: Oregon State University bill survey.

A study by Gudger and Bailes estimates a gain of 365 jobs, calculated from all segments of the economy. The lowest estimate, 135 jobs gained, is from a study by ADS which was based on inadequate data, having failed to elicit enough responses from enough industry sectors.

Improving the employment picture in Oregon was not the initial goal of the Bottle Bill but has been a welcome effect.

THE ECONOMY: SALES UP, PRICES DOWN

The net economic effect of the Bottle Bill on Oregon consumers and beverage-related industries has also been positive. Excise tax records show increased beer sales. Soft drink manufacturers, distributors, and retailers reported a sales increase in 1973 over 1972 of over 10%. This figure is well above the national trend for this economically depressed period. Total operating income for all beverage-related business sectors combined was increased by $3.93 million per year in the two years following the effective date of the law. Beverage sales and price fluctuation are dependent on many factors other than refund legislation, factors which have always influenced the market, such as weather, sugar prices, spendable income, inflation, and labor costs.

Oregon consumers save money with the shift to refillable containers. The price for beverages in cans has traditionally been as much as 50% per ounce higher than for the same beverages in refillable bottles. These prices of beverages in refillable containers were compared with non-reused containers in an EPA-sponsored study in 24 States. Beer and soft drinks in refillable bottles were shown to be definitely cheaper, from 5% to 58% less, depending on the size of the container, with greater savings going to larger sizes.

Nationally, the manufacture of disposable beverage containers has grown eight times faster than the consumption of beer and soft drinks. The beverage industry believes that convenience packaging is largely responsible for sales growth; they resist refund legislation, fearing it will cut into sales volume. However, in Oregon none of these grave economic consequences predicted by the beverage industry has occurred; Oregon's economy is the better for the Bottle Bill.

OREGON BEER CONSUMPTION

Fiscal year	Gallons (millions)	Population (millions)	Consumption (gallons per capita)
1964	27.8	1.856	14.97
1965	30.0	1.906	15.73
1966	31.7	1.972	16.07
1967	33.7	2.001	16.84
1968	35.1	2.006	17.49
1969	35.7	2.055	17.37
1970	39.4	2.081	18.93
1971	40.6	2.091	19.41
1972	44.8	2.143	20.90
1973	46.3	2.183	21.20
1974	46.5	2.224	20.90
1975	48.5	2.266	21.40
1976	52.3	2.299	22.74

Source: Oregon Liquor Control Commission.

ENFORCEMENT

The Oregon refund law is self-sustained and self-implementing, a proper law which is in effect publicly administered.

There have been no enforcement problems associated with the refund law. Its highly efficient design, based on positive reinforcement, creates built-in incentives for complying. The 18-month phase-in period, between passage and implementation, gave retailers and consumers time to understand the law's mechanisms. Complaints are rare, usually resolved informally. No state or local government agency has added staff or incurred significant added expense for enforcement of this law. Enforcement power was charged to the Oregon Liquor Control Commission; they report only five retailers prosecuted in as many years since the law went into effect.

RECYCLING AND RESOURCE RECOVERY

Recycling centers, both commercial and non-profit, have continued to flourish in Oregon since the law went into effect. Since 1970, the number of recycling programs in the state has risen to 325. Bottle Bill opponents had predicted that it would cut into voluntary recycling and discourage the harvest of other recyclable waste products. In fact, the reverse is true; the public has been educated by the Bottle Bill to recycle other items. Public participation is the basis for recycling; beverage containers are not essential to economic operation of recycling centers.

Eighty percent of beverage cans are returned in Oregon; while they are not refilled, they are recycled. Several recycling companies service beer and soft drink dealers, collecting the returned aluminum, steel, and glass containers and processing them in preparation for recycling.

The Bottle Bill has not hindered the planning or implementation of resource recovery processing facilities as part of solid waste management in Oregon. Today's technology allows recovery of energy and some materials from municipal wastes; as it develops, it must become complimentary to the concepts of recycling and reuse, if it is to conserve resources rather than serve as an end in itself. Resource recovery from solid waste cannot rely on any one source of waste, such as beverage containers, and remain economically viable.

The Recycling Information Office of the Oregon Department of Environmental Quality has served as an information exchange for the public and recyclers throughout the state since 1973. Their Recycling Switchboard lists all recycling and resource recovery operations in the state; a monthly bulletin, guides for recycling projects, fact sheets, and market lists are available for recyclers, legislators, environmental groups, educators, public officials, and interested citizens.

PUBLIC ACCEPTANCE

Public acceptance is the real measure of the Bottle Bill's effectiveness. In Oregon 90% of the population approve of the law, and 95% participate in its implementation, as illustrated by the high container return rate. Energy is saved; money is saved; bottler, consumer and environment gain.

Convenience plays an important role in the Bottle Bill's popularity; containers are commonly returned to the store where they were bought, making returns easy for the consumer and the retailer. Another advantage is reduction of household garbage volume and collection cost. And, of course, pride in a cleaner landscape continues to inspire Oregonians to prefer the refillable container system.

The public opinion surveys underscore the persistence of the Bottle Bill's popularity. One, conducted by Applied Decisions Systems in 1973, showed that 95% of those interviewed had an opinion of the law and, of those, 95% approved by law. The second survey, by the Seattle Post-Intelligencer in 1975, showed 90% in Oregon in favor of the bill, and in Washington, a neighboring state, 68% in favor of an Oregon-type refund law for their state.

Oregon retailers and distributors have cooperated and supported this new law from the start, making the transition smooth. Retailers continue to handle the returns themselves rather than requesting the creation of redemption centers as provided for in the law.

Government officials and politicians look favorably on the Bottle Bill. There has been no attempt to repeal this popular piece of legislation; instead, modifications to increase its scope in various ways have been proposed in each session of the state legislature. The fact that the Bottle Bill has not increased the costs of government nor expanded the bureaucracy enhances its popularity with public and officials alike.

APPROVAL/DISAPPROVAL OF BOTTLE BILL

[In percent]

	Approve	Disapprove	No opinion
1973:			
All Oregon respondents	90.8	4.7	4.5
Oregon soft drink consumers	90.8	4.6	4.6
Oregon beer consumers	90.3	5.0	4.7
1975:			
All Oregon respondents	89.9	4.1	6.0
All Washington respondents	68.0	23.6	8.4

Sources: Applied Decisions Systems Study, 1973; Seattle Post-Intelligencer, 1975.

Note: Additional information available. See bibliography.

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For more information, call or write:
Oregon Department of Environmental Quality
Recycling Information Office
1234 SW Morrison Street
Portland, Oregon 97205

COMPARISONS OF BEVERAGE PRICES IN OREGON AND WASHINGTON, OCT. 18, 1976

	Safeway Store		Vancouver Food Center, Vancouver, Wash.	Thriftway, Portland, Oreg.
	Vancouver, Wash.	Portland, Oreg.		
Ritz:				
6 pack, 11 oz bottles	$1.58	$1.58	$1.59	$1.58
6 pack, 12 oz cans	1.68	1.69	1.69	(1)
32 oz, quart	.58	.56	.63	.56
12 pack, 11 oz bottles	3.08	3.14		3.14
12 pack, 12 oz cans	3.28	3.35	3.35	(1)
Olympia:				
6 pack, 12 oz bottles	1.58	[2] 1.58	1.59	[2] 1.58
6 pack, 12 oz cans	1.68	1.69	1.69	(1)
32 oz, quart	.58	.56	.63	.56
12 pack, 12 oz bottles	3.08	[2] 3.14		[2] 3.14
12 pack, 12 oz cans	3.28	3.35	3.35	(1)
Rainier:				
6 pack, 11 oz bottles	1.58	1.58	1.59	1.58
12 pack, 11 oz bottles	3.08	3.14		3.14
Budweiser:				
6 pack, 12 oz bottles	1.68	[2] 1.72	1.69	[2] 1.72
6 pack, 12 oz cans	1.78	1.84	1.79	1.82
32 oz, quart	.68	.65		(1)
12 pack, 12 oz bottles	3.48	[2] 3.39		[2] 3.39
Coca-Cola:				
6 pack, 12 oz cans	1.49	1.49		
8 pack, 16 oz bottles	1.85	1.85		
26 oz bottle	3/1.09	3/1.09		
7-Up:				
6 pack, 12 oz cans	1.49	1.49		
8 pack, 16 oz bottles	1.85	1.85		
28 oz bottle	3/.99	3/1.09		
Pepsi Cola:				
8 pack, 16 oz bottles	1.85	1.85		
26 oz bottle	3/.99	3/1.09		
Tab:				
8 pack, 16 oz bottles	1.85	1.85		
32 oz bottle	3/1.09	3/1.09		
Cragmont: 12 oz cans	6/.99	6/.99		

[1] No cans.
[2] 11 oz.
[3] No quarts.

Note: Vancouver prices do not include the 5.1 percent Washington sales tax. Portland prices do not include the minimum deposit.

Source: Oregon Department of Environmental Quality Recycling Information Office.

OREGON JOURNAL ROADSIDE LITTER SURVEY, 1976

	Average daily cars	Beverage containers in litter	Days since last pickup
OREGON HIGHWAYS			
0-1	3,200	27	65-74
0-2	915	13	100
0-3	9,300	11	78-108
0-4	2,650	85	365+
0-5	3,800	48	86
0-6	6,500	34	111
0-7	1,200	23	66
0-8	3,400	97	74
0-9	1,050	17	78-108
0-10	2,500	30	65-74
Totals for 10 mi	34,515	385	
Averages per mi	3,452	38.5	
WASHINGTON HIGHWAYS			
W-1	3,275	343	[1] 156
W-2	980	339	[1] 217
W-3	5,000	306	[1] 217
W-4	2,300	591	[1] 217
W-5	3,900	423	(2)
W-6	6,300	232	(2)
W-7	1,300	149	[1] 139
W-8	3,000	144	73-80
W-9	990	253	[1] 217
W-10	1,300	155	[1] 217
Totals for 10 mi	28,345	2,935	
Averages per mi	2,835	293.5	

[1] Estimates only.
[2] Undetermined.

Source: Oregon Journal, Oct. 25, 1976.

Mr. HATFIELD. Mr. President, I also ask unanimous consent that several other statements attesting to Oregon's success be placed in the RECORD. Included among these are statements by Mr. Don Waggoner, the Environmental Action Foundation's pamphlet, "All's Well on the Oregon Trail," and an article for Sierra Club Bulletin by Nancie Fadeley entitled, "Oregon's Bottle Bill Works."

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From Environmental Action]

ALL'S WELL ON THE OREGON TRAIL

A REFUTATION

In late 1975 the Aluminum Company of America (Alcoa) produced the pamphlet *Trouble on the Oregon Trail*. This publicity piece which angered environmentalists across the country is an effort to convince citizens and government representatives that the bottle bill in Oregon is a failure. Alcoa would have us believe that Oregon's litter has increased since passage of the bottle bill and that the bill is causing serious economic problems.

The truth is that Oregon's experience has been almost entirely positive. Increased employment, reduced consumer costs, less litter, lowered energy consumption and improved quality of the life have all followed the law. Let's look at the facts.

A RIP ROARING SUCCESS

Oregon's bottle bill became effective in October 1972. Under the law, all carbonated beverage containers (cans and bottles) carry a refund value. Dealers are required to pay a refund for any container they stock in that particular type and size. Soft drink and beer cans with detachable pull-tab openers were banned. Certified containers which can be reused by different bottlers carry a 2-cent deposit rather than the usual 5-cents.

The constitutionality of the law was challenged in Oregon courts and upheld. Oregon's ex-governor Tom McCall refers to it as a "rip-roaring success." And polls have shown that 91% of the consumers in Oregon favor the bill.

LESS LITTER UNDER THE LAW

Alcoa presents a chart entitled "Last of the Oregon Litter Counts" in which they compare the average number of litter items found during the summer of 1973 (the first year after the bill) to the average number found in the following year. This chart shows a 52% increase in beverage container litter.

Alcoa draws its figures from a study prepared by George Wagner (an independent consultant) of the Oregon Highway Department's litter counts. Wagner's data has been found to be "inaccurate" for many reasons by the U.S. Environmental Protection Agency (EPA). In his study Wagner compared a significantly under-estimated recount of litter for the first year after the bill was passed to an over-estimated litter count for the second year.

Furthermore, EPA has stated that "since litter data is available for the entire three-year period (before enactment, first and second year after) it is not necessary, nor is it advisable to depend upon a comparison for one three-month period in two successive years after the law's enactment . . .", as Alcoa has done in its chart.

According to EPA, the Oregon Environmental Council's study of the highway department litter collection, "provides the most complete and reliable information on the impact of the bottle bill on litter in the State of Oregon."

There were twice as many returnables sold after the bill than before and yet there was a 26% reduction in the number of returnables found in litter. And, the 83% reduction in total beverage container litter after two years of the law is most significant.

Alcoa would like to give credit for any litter reduction to an "all out effort" made by citizens and government in Oregon and not to the bill.

Alcoa claims that the state highway department quadrupled expenditures on litter clean-up. In fact, funds expended by the highway department on litter clean-up have remained almost constant from 1970 to 1974.

Alcoa's figures on litter citations are also misleading. They use figures which include citations for recreational vehicle sewage.

Alcoa also refers to "hundreds of young people" on patrol picking up litter in Oregon as a possible explanation for litter reduction. They refer to the Youth Litter Corps, SOLV (Save Oregon from Litter and Vandalism)

and KOL (Keep Oregon Livable). These programs could not have had any effect on state litter surveys. The state surveys took place on 30 randomly selected one-mile sections of highways which were surveyed and picked-up early each month. No other litter crew was permitted to clean these test sections.

The fact that beverage container litter decreased by 82% in the first two years of the bottle bill while other litter only decreased by 21% shows that the bottle bill with its financial incentive has been more effective than general anti-litter programs in Oregon.

Trouble on the Oregon Trail states that bottle bills do not ". . . even propose to deal with all the sources of litter." This is true. The bottle bill in Oregon does not attempt to deal with gum wrappers, cigarette butts or any other type of litter except beer and soft drink containers. However, the results of a survey conducted in three Oregon cities before the bill took effect showed that beverage containers comprised 56% by volume of all littered items. They are the most visible and the most dangerous portion of litter.

The container industry is fond of using "piece-count" litter surveys in order to prove that their products do not represent a large portion of litter. Piece-count surveys often include non-manmade items, such as dead animals, leaves and twigs. Such surveys give every item the same value, implying that a gum wrapper is as much of an eye sore as a can or bottle.

BOTTLES AND CENTS

Earnings. Alcoa claims "earnings were down." They are referring to beverage industry earnings which they claim were down by $7 million. Alcoa's data came from a study prepared by Applied Decision Systems (ADS), a Massachusetts consulting firm. Alcoa erroneously calls the ADS report "Oregon's official study." Although ADS was paid by the state for their study, its conclusions have not been endorsed or supported by the state.

Another study prepared by Professors Gudger and Bailes of Oregon State University (OSU) found that business experienced a $4 million increase in operating revenue after the bottle bill. Included is the substantial saving to malt brewers and soft drink bottlers who no longer found it necessary to buy as many cans and bottles.

Consumer Prices. Alcoa asserts that consumers in Oregon are paying more for beer and soft drinks due to the bottle bill. However, both ADS and OSU conclude that although some beverage prices have increased there is no reason to attribute any price rise to the law. Beer and soft drink prices in Oregon remain comparable to prices in neighboring Washington where there is no bottle bill.

Sales. In claiming "sales were down", Alcoa states that sale of private label and warehouse soft drinks dropped 40%. Private label and warehouse soft drinks are the "house brands" which comprised only about 20% of the market before the bottle bill. These beverages were packaged almost entirely in throwaways.

ADS found no change in soft drink sales for the first two years of the bill.

It is true that most stores in Oregon no longer carry as many brands, or as many different kinds and sizes of containers as they did before the law went into effect. But every major domestic beer, and most foreign beers remain on the market. ADS surveyed Oregon consumers and found that only 7% thought the bottle bill had limited their choice of soft drink brands. In addition only 4% expressed negative sentiments toward this brand limitation.

Costs. Stating "costs were up", Alcoa refers to the capital investments paid by industries to switch from throwaways to returnables. This is true but it should be remembered that capital investments were also required when industry switched from returnables to throwaways in the first place. In addition, these extra investment costs are invariably passed on to consumers and do not necessarily constitute a loss to industry.

Employment. Alcoa cites job losses ranging from 165 to 227 in the first year of the bottle bill. This information came from ADS. Alcoa neglects to report that since ADS received little co-operation from retailers, the extensive job gains in retail operations were not calculated. ADS did estimate that there was an addition of a "potentially large number of jobs and overtime hours in retail stores . . ." as a result of the bill.

OSU went into employment impacts in more detail. They found that 350 jobs were gained for truck driving and 575 jobs gained for warehouse and handling giving a balance of 365 additional jobs. They also noted additional employment increases for industries supplying new capital for returnables, such as machinery and trucks.

Small Businesses. It is true that storing and handling returnables can create some problems for retailers but grocers can pass on increases in handling costs to the consumer. Innovations such as the interchangeable "stubby" bottle are making the returnable system more convenient for retailers. The "stubby" is being refilled by all brands of beer interchangeably and its standard size and shape make it easy to stack and handle.

There is no Oregon store, large or small, that has gone out of business as a result of the bottle bill.

Alcoa claims that eight of Oregon's 29 bottlers have sold out within two years of the bill. This is proportional to the number of independent small bottlers selling out to large concerns nationwide, regardless of legislation. It should be noted that selling out is different from going out of business. No bottling plant in Oregon has shut down since the bottle bill was passed.

WHAT ALCOA DIDN'T TELL US

In addition to litter reduction, Oregon has experienced other environmental benefits from the bottle bill.

Energy. Don Waggoner of the Oregon Environmental Council has estimated that Oregon is saving approximately 1,400 billion BTU's each year as a result of the law. This is equivalent to the gas used for home heating by approximately 50,000 people in Oregon annually.

Solid Waste. The OSU study concluded that Oregon has experienced a significant reduction of beverage containers in garbage. Before the bill's enactment, 436,922,500 soft drink and beer containers contributed to Oregon's solid waste every year. After the bottle bill only 51,433,400 containers per year became waste—a reduction of 88%.

PROMISING ALTERNATIVES

It's no surprise that Alcoa suggests resource recovery technology and the Action Research Model from Keep America Beautiful (KAB) as alternatives to bottle bills.

KAB's Action Research Model (ARM), which Alcoa wholeheartedly endorses, is another attempt to draw public attention away from the materials and energy wastefulness of throwaway containers.

KAB's approach is two-pronged. First: convince the public that the only problem with containers is litter and since cans and bottles make up only a small percentage (they use piece-count litter surveys), bottle bills do not help litter reduction. Second: convince the public that litter reduction is achieved by programs such as ARM. They do not, however, show any concrete evidence that ARM is working.

Represented on the Board of Directors of the National Center for Resource Recovery are most of the same corporations that make up KAB—including Alcoa. Resource recovery is a high technology, expensive process of recovering materials and/or energy from solid waste. Although it is a technology that is still in the experimental stage, great hopes are seen for it in the future.

Oregon believes that there is no inherent conflict between their bottle bill and resource recovery. The Oregon State Solid Waste Management Plan, in its effort to achieve 90% recycling by 1982, includes the building of at least a half dozen resource recovery facilities.

ADDRESS BY DON WAGGONER, PAST PRESIDENT, OREGON ENVIRONMENTAL COUNCIL TO THE SIXTH ANNUAL COMPOSTING-WASTE RECYCLING CONFERENCE

Good morning. I am very pleased to be able to be with you today and talk to you about Oregon's bottle bill. We are proud of its success here in Oregon.

The bottle bill concept approaches the problem of human waste by reducing the total amount of waste that is generated. This is the principle of source reduction and is simply summarized with the statement, "Don't make it in the first place." Those of you who read Rodale's "Environmental Action Bulletin" are well aware that Oregon's bottle bill has been extremely successful in this regard.

The Act covers carbonated soft drinks and beer and requires that a refund be paid by the retailer for empty beer and soft drink containers. In order to encourage the use of standard reusable containers, a minimum 2¢ refund is required on all bottles which are certified as being used by more than one manufacturer. For all other beverage containers (including cans) a 5¢ minimum refund is required. The law was passed in 1971 and its success in moving Oregon out of the flip-top, pull-tab, throw-away society has been nothing short of dramatic.

The beer can, which held 33% of the market in Oregon has moved to 4%. The nonreturnable beer bottle, which held 31% of the market has been virtually eliminated and the returnable, refillable beer bottle has increased from 36% to 96% of the market.

For soft drinks, a similar pattern has occurred. Cans held 40% of the market prior to the Act. They moved to only 9% of total sales during the second year after the Act's effective date. Non-returnable soft drink bottles are completely off the market and the returnable, refillable soft drink container moved from 53% to 91% of the total soft drink market.

As this has occurred the statement which alleges that "They'll never bring them back anyway" has been roundly disproved. Soft drinks enjoy a 96% return rate and the certified reusable container, the 11 ounce "stubby" enjoys a 93% return rate for the five regional breweries and four of the major shipping brewers.

This, is source reduction at its very best. During 1974, as a direct result of Oregon's bottle bill, there was a reduction of container purchases by bottlers and brewers of 81%. The solid waste stream was therefore reduced by three hundred and fifty million containers.

Now, it is conventional marketing wisdom that decreasing the different types of packages in which the product is offered will reduce sales. The same conventional wisdom tells us that effectively eliminating single use "convenience" packaging by putting a 5¢ refund value on that container will also reduce sales. This simply hasn't happened in Oregon. Beer sales continue to increase as they have in the past and there is no evidence to indicate that soft drink sales have been adversely affected.

As a nation, we are beginning to accept the fact that there *really is* an energy crisis. Further, we are coming to the realization that our natural resources are limited. Finally, there is a spreading revulsion against

the highly visible litter which these throwaway beverage cans and bottles bring to our roadsides, our trails, our rivers, our lakes and our beaches.

Back in 1971, the Oregon bottle bill was enacted by a couragous and foresighted Oregon Legislature. At that time, very few people were concerned about conservation of our national resources and energy. The book "Limits to Growth" had not yet been published. OPEC had not yet shocked the industrialized nations by their price increases. However, Oregonians were becoming increasingly incensed at the litter, the most visible portion of which is often beverage containers. After all, aren't those containers designed to catch our eye?

Thus, litter reduction was the primary reason for Oregon's bottle bill. Without the promise of a significant litter reduction, I am certain that Oregon's landmark legislation could not have been passed. As it was, it was close, very close, but it did pass. The lobbying against its passage was intense, just as it has been in every city, county and state that has considered bottle bills across the country. I am sure that every argument with one exception that has been used throughout the United States was used here in Oregon.

One argument, however, was *not* used in Oregon. That argument is the one that is now being used time and time again throughout the United States. It goes something like this—"Oregon's bottle bill has failed. Litter has increased. Costs have increased. There has been a net job loss. Sales are down and the consumer is no longer able to purchase the aluminum can."

A recent effort which typifies the attack on the Oregon bottle bill is the ALCOA leaflet entitled "Trouble on the Oregon Trail". Perhaps some of you have seen this as it has been widely distributed. I would like to spend several minutes discussing the specific content of this leaflet since it is at the same time one of the most blatant and one of the most often used documents in the campaign to defeat bottle bills throughout the country. The ALCOA pamphlet starts out by stating that despite early reports of success, that the true, negative aspects of the bill are now coming out. It then details some of the anti-litter efforts which have been underway in Oregon. It speaks of the citations and warnings being handed out by police to litterers and mentions that litter clean up costs increased between 1969 and 1973. It also states that in 1973 hundreds of young people were on patrol picking up litter. Thus, it lays the foundation of a picture of Oregon as a state that is somehow different from other states, and which was making major changes which would have been expected to reduce litter even without a bottle bill.

What it fails to say however, is that there was a very elaborate test program which was established to carefully monitor any changes in roadside litter during the year prior to the bill's effective date and for two years following the October 1, 1972 effective date of the bill. The pamphlet implies that there may have been an increase in enforcement activities. This was simply not true. During the first full year immediately following the bottle bill's implementation, litter related warnings and citations actually decreased.

In a similar fashion, the litter expenses are misleading. They suggest that the increase of litter pick up expenditures could have resulted in some change to the litter reduction results. The truth is that the 30 test sites which were randomly selected from state highways in western Oregon were carefully controlled so that any increases or decreases in litter pick-up expenditures would not have effected them in any way.

Under a heading "Twilight on the Trail" the ALCOA pamphlet has been printed in two versions. The first version showed beverage container litter going up by 90% between the first and second years of the bottle bill. (The summer of 1973 and the summer of 1974). The second version which is the result of a printing revision of October, 1975 shows an increase of 52% in beverage container litter. Both of these figures are entirely unjustified. The correct result using comparable data is that there was not an increase at all but instead, a decrease of 20% between these two years.

It will be very illustrative of the tactics which have been used by the anti-bottle bill lobby if we examine this particular claim in some detail. Briefly, two separate studies which were well known to give results which could not be successfully compared have indeed been compared. It is thus, a classic "apples and oranges" comparison.

The first study lasted three years. Litter deposited on 30 one mile sections was picked up monthly or semi-monthly and tallied in the field. I will refer to these tallies as "field counts." The important thing to note is that the three year's data is comparable. Consistant methods were used throughout the full three years of the study. The study started one year before the act took effect and continued for two years after the October 1, 1972 effective date.

The second study covered only the period during the first year after the Act went into effect, it consisted of an additional tabulation of a portion of the field count data. The method used was that after the field tabulations had been made the litter was sent to Salem for a recount. There, only the first twenty-five of the field sites received in Salem were tabulated.

For various reasons, some of which are not completely understood, the Salem counts were significantly and consistantly lower than the field counts. As a result the only conclusions which can be drawn out of the Salem counts are volume relationships between various kinds of litter. However, any direct comparisons between the Salem recounts and the field counts will lead to completely misleading conclusions. This was well known by all persons who have been carefully following the results of Oregon's bottle bill. The Applied Decisions Systems report, one of the principal studies made to evaluate the Act's effectiveness, discusses this at some length in their final report.

Nevertheless, the percentage increases found in ALCOA pamphlets do use the Salem recount in their calculations. Therefore, they have a low base for the first year after the bill went into effect. It then relies upon the field count which utilizes the consistent method of counting for the second year after the bill's effective date.

An earlier report released on December 20th, 1974 by the Oregon Beverage Industry Task Force went even further and claimed a 127% increase. This report not only paired the low Salem recount against the field counts but further contained a basic error in interpreting the data which was provided by the Oregon State Highway Department.

It is significant to note that nowhere in this pamphlet is there a reference to the fact that this "apples and oranges" Salem recount versus field count comparison basis is being used. Rather, a footnote states that "information in this article is from the Oregon Highway Division survey". It is true that this data was provided by the Oregon Highway Division. However, at no time did the Highway Division ever *summarize, compare* or *draw conclusions* regarding their data. Instead, the conclusions were drawn by persons who *used* the Highway Department's raw data, unknowingly made gross errors in dealing with the data and then subsequently chose to compare incompatible surveys. It is difficult to avoid the conclusion that this amounted to deliberate deception with the apparent goal of showing that the bottle bill had been a failure.

The section "Twilight on the Trail" in ALCOA's October, 1975 version ends with the paragraphs "By September, 1974 littering with beverage containers increased 52% while other litter not covered by the Oregon bottle bill dropped 26%. The litter count was discontinued." The clear implication is that the litter count was discontinued as a result of data which was unfavorable to Oregon's bottle bill. The fact is that in October of 1973 it was decided that litter would be picked up for another year. During September of 1974 it was simply reaffirmed that sufficient data had been developed. There is absolutely *no* foundation to the suggestion that the litter count was discontinued because of a souring of the results.

The comparable field count versus field count comparisons show a continuing decline during the second year after the bill went into effect compared to the first. Comparing the year before the Act and two years after, there was a total reduction of 83% for beverage container litter and 21% for other items. This results in a 39% reduction on total litter by piece count and a 47% reduction by volume two years after the Act went into effect. Thus, the 83% reduction in beverage can and bottle litter is even slightly larger than the 81% reduction of total cans and bottles entering the solid waste stream here in Oregon following the major switch to returnable, refillable containers.

The second major ALCOA charge is economic. The "Trouble on the Oregon Trail" pamphlet states that earnings were down, sales were down, jobs were lost, costs were up, businesses were hit and consumers took it on the chin.

It is true that earnings were down some. It is an inevitable fact that source reduction techniques result in elimination of the production of certain items. This results in losses by those companies that were making the now unnecessary products. However, a large portion of the losses in pre-tax earnings which were detailed are a result of a convention used by soft drink bottlers in "writing down the container to deposit." Thus, if a bottler purchases a bottle for 15¢ and the deposit is only 5¢, he immediately charges the difference between 15¢ and 5¢ as a direct reduction of his earnings. Since the Act has gone into effect, the refund has been increased from 5¢ to 10¢ on soft drink returnables of 16 ounces or less and from 10¢ to 20¢ on larger bottles. Following the same logic of the "write down to refund" convention it would appear reasonable that it would now be necessary to "write up the value to refund". It is likely that this simple minipulation would result in more increases in pre-tax earnings being shown than the total losses previously detailed.

The statement that sales of private label and warehouse soft drinks dropped 40% completely ignores the fact that franchised bottler sales, such as Pepsi and 7-UP increased significantly to balance off the private label and warehouse sales decrease.

The statement that "Jobs were lost" ignores the increase in jobs at the retail grocer level and increases in common carrier trucking. In the Applied Decision Systems study it was specifically noted that the impact of the additional handling and sorting of the retail grocer was not included. The ADS report has simply been used directly by ALCOA without stating that the largest area of employment increase had been omitted. When common carrier trucking and retail grocer impacts are included the net change becomes an *increase* of 55 to 365 people. The lower figure assumes that fifty percent of the increased hours expended by the retail grocers resulted in existing personnel merely working longer hours. The 366 net increase is based on equivalent full time employees based on extra hours worked. No mention of this was made in the ALCOA release.

To state that costs were up completely ignores the fact that literally millions of containers did not have to be purchased. Thus, in fact costs were *down*. This is the reason why consumers actually profited from the change. If we look at consumer price level in Oregon and Washington since the bottle bill became effective, we find only slight cost differentials between comparable packages. The only significant differences have been that Oregonians are buying more refillables. For soft drinks, there has been and continues to be a significant difference between the unit cost of a refillable compared to the unit cost of a throw-away. Since Oregonians purchase a higher percentage of the lower unit cost refillables, they have actually saved money.

Finally, to suggest, as ALCOA does, that "8 of the 29 bottlers sold out within two years" as a direct result of the bottle bill is again misleading. Beginning in 1973, the large increase in sugar prices caused the retail prices of soft drinks to go up all over the United States. This resulted in a profit squeeze nationally. In some cases an actual reduction in volume ocurred as consumers resisted the price increases. Consequently, this was a difficult time for soft drink bottlers throughout the country. The important thing to note is that these bottling plants, even though they were sold, are still operating. One contract canner did close his can plant but he also owned the Coca Cola franchise for the area and he continued to bottle Coca Cola.

Nationally, the period since 1950 has been a very bad time for soft drink bottlers. Over 60 percent of all soft drink bottlers went out of business in the period 1950 to 1974. The throw-away container contributed in no small part to this decline. During the same period, soft drink sales increased 276 percent. The source for these figures is the National Soft Drink Association as published in September, 1974 in the magazine Beverage Industry's 1974–1975 Annual Manual.

ALCOA is not the only group which has been distributing this type of misleading information. The Aluminum Association has recently reprinted the October, 1975 version of ALCOA's pamphlet intact and is now distributing it. Recently the national Chief Executive Officer of Pepsico, Donald M. Kendal, has used the Aluminum Association's pamphlet in an answer to concerns raised by a man in Pennsylvania.

Kaiser Aluminum has also used much of the same type of information in their book entitled "At Issue—The Beverage Container", published in February, 1976. You may by now have asked yourself "Who has been developing and providing this misinformation?" The answer is "only ALCOA, Kaiser and the Aluminum Association know for sure". A further related question is "How long will it be before they recognize and acknowledge their errors and correct their literature?' I do not believe that the presidents of ALCOA and Kaiser Aluminum are consciously sanctioning this deplorable wholesale broadcasting of misinformation. While I am certain that they would like to increase their sales of aluminum cans, I simply am not convinced that they are so irresponsible that they would knowingly engage in this kind of misrepresentation. In this post Watergate era, responsible corporate citizens simply cannot afford to deal with anything other than fact. My conclusion is that those at the head of these corporations simply do not know the truth about what their companies are distributing.

Therefore, I urge each of you to write the President and other responsible executives of these companies and ask them what the sources are for their literature. Tell them you do not believe the statements made in their releases and pamphlets can be substantiated and ask them to review them. The reason why the ALCOA pamphlet got changed from the 90% to the 52% beverage container litter increase was that Hugh Considine, president of National Can was informed that the information stating that there was a 127% beverage container litter increase which he was providing to his stockholders was inaccurate. He promptly ordered a change made. A new release was issued on August 11, 1975 by National Can. However, they still didn't get their facts straight, since they were still incorrectly showing an increase rather than the decrease which actually occurred. In October, 1975 ALCOA changed their pamphlet to coincide with the National Can position.

Please join with me in this effort to convince the businesses who are engaged in fighting the container refund concept to at least use a factual base for their arguments. I plan to enter into a dialogue with their executives and I urge you to join me. Should you find new examples of gross misrepresentations I would welcome your bending me a copy of your letter.

I am convinced that the truth will ultimately be understood. Container refund legislation points the way to the future. The Oregon Experiment has proven that a financial incentive to return a container results in increased sales in refillable containers and it helps bring the container back. Refillable containers with Oregon's return rates permitted Oregonians to save 1.4 trillion BTU's in 1974. This is equivalent to the annual energy savings to provide the annual home heating needs for 50,000 Oregonians heating with natural gas.

This source reduction concept and others like it must be substituted for the use-it-once, throw-it-away philosophy which has become all too prevalent. If we permit experiments such as Oregon's bottle bill to flounder after their successful introduction simply because half-truths and mis-information muddy the water, our society's options for solving the very real energy and resource crisis which confront us are greatly reduced. We must not let that happen. Oregon's bottle bill is a small but important step towards showing the ways in which we kick the excessive energy consumption habit. We cannot afford to let the success of container refund legislation which has been so impressively demonstrated here in Oregon slip through our fingers.

[From Sierra Club Bulletin, July/August 1976]

OREGON'S BOTTLE BILL WORKS!

(By Nancy Fadely)

Contrary to widely circulated rumors, we still drink beer and pop in Oregon, having found that they are just as refreshing in returnable containers as they were in the nonreturnables that used to litter the state.

Consumption of these beverages has continued to increase since October 1972, when the Oregon "bottle bill," which requires a deposit on all beer and soft-drink containers sold in the state, became law. The only pattern the Oregon Liquor Control Commission can find in the fluctuation of beverage sales relates not to the availability of returnable or nonreturnable containers, but to weekend weather: the hotter the weekends, the higher the sales.

Only once since the initiation of the bottle bill have sales dropped below the pre-nonreturnable era. That was in December 1972, a time distinguished by distinctly non-beer-drinking weather. Beer sales in Oregon dropped almost thirteen percent that cold December; at the same time, the neighboring state of Washington—which has no bottle bill—experienced a *twenty*-percent drop in beer consumption.

Sales figures for soft drinks are harder to obtain because the Oregon Liquor Control Commission doesn't keep track of them, but available information suggests that consumption of carbonated beverages in Oregon continues to follow national trends.

Consumers benefit when they don't have to pay for nonreturnable containers. Gloomy forecasts that the bottle bill would cause prices to soar have proved to be incorrect. A bottle of pop does not cost more in Oregon today than in pre-bottle-bill days—it also costs more in Washington, Idaho and California. Prices in Oregon are comparable to, or lower than, prices across state lines. Contrary to the insistence of the anti-bottle-bill lobby, which spends an estimated twenty million dollars annually to fight the spread of the bottle-bill idea, inflation and the soaring costs of sugar, not the bottle bill, have caused beverage prices to rise.

Forecasts that the bottle bill would hurt Oregon's economy also were wrong. In a study of the economic impact of the legislation, Charles Gudger and Jack Bailes, professors of business administration at Oregon State University, found that although some jobs were lost, twice as many were created. The emphasis has been switched from manufacturing new containers to handling, recycling and refilling old ones—a turn from energy-intensive to labor-intensive activities.

The Oregon AFL–CIO, which opposed the bottle bill when it was introduced in 1971, no longer fights it. There have been no attempts at repeal. Instead, there is considerable talk about expanding the bottle-bill idea to other containers.

Bill Wessinger, who heads Oregon's major brewery, Blitz-Weinhard, has become one of the bottle bill's most enthusiastic supporters. "We haven't bought a new bottle since the bottle bill began," he said. Blitz refills returned bottles—ninety-six million a year—and passes some of the savings on to retailers to cover increased handling costs. Blitz isn't the only brewery to find that new beer is fine in old bottles. Others in the Northwest immediately discovered the savings resulting from reuse. Recently, Budweiser—bottled in Los Angeles—has begun paying a premium price for returnables, trucking them a thousand miles south for refilling.

In spite of inflation, litter pick-up costs in Oregon have not increased since pre-bottle-bill days; roadside and recreation areas, while not immaculate, no longer look littered. Vacationing Oregonians return with reports that they are startled to see litter along roadsides in other states. Tourists vacationing in Oregon seem just as startled by the lack of litter and frequently write the governor to ask what secret method the state has for keeping its roadsides so clean.

Opponents of bottle bills in other states have played with Oregon's litter-count figures in an attempt to discredit such legislation as a way of reducing litter. They have been unwittingly assisted by the poor way in which the state's litter surveys were done. For example, some crews counted even twigs as litter; others did not distinguish between milk containers, which have no deposit, and beer bottles, which do. Another factor complicating before-and-after counts was the publication of which sections of highways were being monitored. Later, other sections had to be selected in order to avoid possible tampering which would affect results. Worst of all, it was only after the litter surveys were under way that those in charge realized that the total volume of litter was a more significant measure than the number of pieces. (A cigarette butt, for example, should not count the same as a beer bottle.) Other complications involved construction activities, snow cover, delayed pickup dates, and discrepancies between counts in the field and those conducted at headquarters.

Nevertheless, analysis of reliable data shows significant decreases in beverage-container litter (by far the most conspicuous kind of roadside litter). Indeed, Oregon's roadsides look cleaner than those of other states. Comparisons of Oregon litter counts with those of neighboring states further confirm the value of the bottle bill in reducing litter.

Oregonians have also begun to realize that the bottle bill is energy legislation of the best sort: it takes less energy to recycle or reuse a container, even when it is shipped to Los Angeles for refilling, than it does to make a new one. At a time of increasing world shortages of various resources and commodities, the bottle bill provides a model for the kind of constructive legislation we can enact today. Last year, when home-canning jars were in short supply, America produced—and threw away—8.5 *billion* disposable soft-drink bottles, plus billions more for beer. At the same time, industries are threatened with shortages of aluminum, as well as the energy necessary to produce aluminum products even as throw-away cans continue to fill up America's landfills—another limited resource.

Ask any Oregonian and you'll learn that the Oregon bottle bill is the most popular piece of legislation ever enacted in the state. Young and old, indoor and outdoor types, liberals and conservatives—all know about and like to talk about the bottle bill. So much citizen awareness about a piece of legislation is truly unusual.

Recently, a survey was taken of 601 Oregonians to discover consumer attitudes about the bottle bill. Even though this survey began by pointing out objectionable features, such as the bother of returning features, such as the bother of returning containers and of paying deposits, ninety-one percent of those responding were in favor of the law. Only five percent of those questioned had any unfavorable reactions at all, and only two percent expressed outright opposition. Other public-opinion surveys reveal similar support.

Oregonians' enthusiastic endorsement of the bottle bill is a clear refutation of industry's insistence that Americans demand throwaway packaging. The returns from Oregon indicate that perhaps Americans have embraced the throw-away ethic largely because industry has not offered opportunities for return and reuse.

There is not a single Oregon politician who doesn't boast of his or her support for the bottle bill. Former Governor Tom McCall (a Republican) calls it "a rip-roaring success." Governor Robert W. Straub (a Democrat) has said, "Most Oregonians just wish it went further."

Mr. HATFIELD. Mr. President, the General Accounting Office study, completed in December of 1977, attempts to assess the direct effects of a national beverage container deposit on American industry and the consumer. In an effort to examine the range of possibilities in the effect the mandatory deposit will have, the GAO assessed two extremes of container mixes. One end of the scale was assumed to be the present mix of 52 percent bottles and 48 percent cans and the other was assumed to be the expected shift by manufacturers to a mix of 80 percent bottles and 20 percent cans. The final result might be anywhere between these two extremes.

With these as parameters, the GAO reached conclusions which should give us all pause to consider the opportunity we have to live in a more conservative mannner without sacrificing convenience.

The GAO estimates that even during a 3-year changeover period to returnable containers, cost savings would more than offset the costs of handling returnables, plus the cost of changing filling equipment from one-way bottles to refillables. After the 3-year changeover, GAO estimates that industry as a whole would save between $1.3 billion and $1.9 billion the following year. The savings would accrue to the bottlers. Increased handling costs to distributors and stores would have to be offset by them.

The effects on the environment would be beneficial. U.S. iron ore requirements could be reduced by 2 to 3 million tons. Bauxite use could be reduced by 1 to 1.4 million tons. Energy use could be reduced by 116 trillion to 156 trillion BTU's. The effect on the consumer would be minimal. The consumer will still have the opportunity to discard, but that opportunity will be more expensive. However, addressing that issue, the report notes that the return rate for refillable containers has never dipped below 90 percent from 1947 until 1975, nationally. Also, it publishes the rate for the State of Oregon since the passage of the Oregon bottle bill. Oregonians returned over 92 percent of their bottles and cans in 1976.

The alternative to this situation is probably one where the use of nonreturnable containers increases. The GAO report cites one prediction that the packaged beer market would increase its use of nonreturnable containers to 97 percent of total output, and the soft drink manufacturers would increase use of nonreturnables to 63 percent of the total by 1985, if the Federal Government does not intervene. As part of an effort to prevent such a situation from developing, I ask unanimous consent that these portions of the General Accounting Office study be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Report to the Congress by the Comptroller General of the United States]

POTENTIAL EFFECTS OF A NATIONAL MANDATORY DEPOSIT ON BEVERAGE CONTAINERS

CHAPTER 6.—CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

A mandatory deposit system that imposes a deposit on all beer and soft drink containers would convert the present beverage system from less than 30-percent refillable containers to one with 100-percent returnable and/or refillable containers. Several conclusions can be drawn from our analysis of what this conversion would involve.

First, we estimated that beverage container litter would be reduced about 80 percent under this system. This translates into a possible 7 to 27 percent reduction in total litter. The solid waste reduction would be about 4 percent of the estimated 1985 post-consumer refuse, or about 8 million tons. The estimated reductions in litter and solid waste under the assumed mandatory deposit depend primarily on the change from a combined returnable and one-way container system to a completely returnable system.

Second, the consumer who did not return the container and therefore did not receive a refund of the deposit would pay more to have the privilege of throwing the container into the waste stream. Because a mandatory deposit system places a deposit on all containers, the amount of deposit not reclaimed by consumers would increase.

Third, certain business costs would increase due to handling a greater number of empty containers from the retail store to point of refilling or recycling. The eventual container mix and return rates would make some difference in how much these costs increased, but the capital, equipment, space, and labor costs to handle the returned containers would definitely rise under a mandatory deposit system because of the 100-percent coverage of a deposit law. If there were no substitution of refillable containers for one-way containers under a mandatory deposit law, then the costs of supplying beverages would go up by the amount of the costs brought about by handling previously nonreturnable containers. Even though we view the container mix which would evolve after implementation of a mandatory deposit low as uncertain, we did assume that, as a minimum, refillable bottles would replace one-way bottles (Mix I). This change would create container cost savings which would help offset the rise in business costs noted above.

We analyzed the cost changes for the beverage industry for both the changeover period, assumed to be 3 years after implementation, and for a single year after changeover. Analysis of a larger change in container mix, with refillable bottles also substituting for many one-way metal cans (Mix II), had similar results. The analysis of the costs for the single year after the changeover (1981) showed that Mix I could be about $1.3 billion less costly than continuing the present way of packaging beverages, and that Mix II could be about $1.9 billion less.

The overall conclusion is that legislating a mandatory deposit on all soft drink and beer containers would reduce solid waste and litter, increase the level of retained deposits, and increase the business costs of handling returned containers.

Other changes, including raw material use, energy use, business costs for filling containers, and container costs depend on the container mix. The container mix, which will be determined by the beverage companies, may not change much after implementation of a mandatory deposit.

AGENCY COMMENTS

The draft report was sent to four Federal agencies for review and comment. This reflects the many areas which would be affected if a mandatory deposit law were enacted and implemented. Their comments are reproduced in appendix IV.

The Federal Energy Administration (now part of the Department of Energy) suggested that the potential for lower costs in the beverage system should mean, given competitive markets, that consumer prices would be lower. They suggest that this should be highlighted in our final report. We note in chapter 4 that there seems to be potential for lower prices, but do not believe that there exists enough evidence of a direct link between lower industry costs and lower consumer prices to predict that a mandatory deposit system will result in lower prices.

The Department of Commerce is concerned that we did not examine all the options which could achieve all or part of the purported benefits of mandatory deposit legislation, but rather concentrated on the effects of an option which we felt would be before the Congress for decision in the near future. The specific comments of the Commerce Department about the draft report are reproduced in appendix IV.

The Environmental Protection Agency and the President's Council on Environmental Quality agreed with the presentation of material in our draft report.

NONFEDERAL COMMENTS

In addition to the Federal agencies which commented on the draft report, several industry groups, individuals, and environmental groups were asked to comment on and review the draft.

The industry groups, which included the

U.S. Brewer's Association and the National Soft Drink Association took issue with some aspects of the draft report. We have attempted to answer these criticisms in appendix V. We believe that each assumption which had to be made to analyze a potential Federal action is reasonable and that the analysis which flows from the assumptions is representative of the effects of a national mandatory deposit system as described in the report.

The industries which would bear the brunt of the economic adjustments agree that legislative action should continue to explore ways to combat the problems of increasing solid waste burdens and depletion of raw materials. However, the policy trade-offs for such actions are not well documented and for that reason possible policy alternatives should not be disregarded just beacuse there are other ways of achieving some of the same effects.

The environmental groups and individuals who responded to the draft report were in general agreement with the presentation.

RECOMMENDATIONS

The report was intended to compile in one study the major effects which would result from such a mandatory deposit system and to analyze the degree to which these effects would occur. The analysis we have made indicates that there are positive and negative aspects to the effects of a mandatory deposit system. The ultimate question of the appropriateness of a Federal mandatory deposit law must be answered by the Congress. We do have several recommendations to the Congress should it consider enacting such legislation.

Only by treating all containers equally can the system provide positive results because it is necessary to have as many containers as possible, whatever the mix, returned for reuse. Most legislative proposals call for such treatment, but we emphasize it since any beverage container not included would tend to negate the environmental benefits.

Many allocation formulas are possible, and the executive agency designated as the implementing agency should be responsible for its design. Prime considerations should be administrative ease of implementation and equity of the allocation.

A problem in assessing the effects of the various States' mandatory deposit systems has been the lack of good data on the period before and after implementation of the system. Such analyses will keep the responsible agency informed about the effectiveness of the program and the need for any changes. Measurements should be taken of litter and solid waste, beverage industry changeover costs, costs of goods sold, can recycling, and employment changes.

Returned cans cannot be refilled; they are valuable only as scrap. The price the bottlers and breweries would receive for the scrapped cans is less than the deposit which they could retain if the cans were not picked up from the retailer, this means that there will be no economic incentive to pick up the cans. In addition, the legislation should provide some mechanism to encourage the recycling of these cans once they are returned. Without recycling, some of the environmental benefits of a mandatory deposit system will not be realized.

FLIP-TOP HAZARDS

Mr. HATFIELD. Mr. President, I now ask unanimous consent that two articles which discuss the impacts of flip tops on the health of humans and wildlife be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Journal of the American Medical Association]

ALUMINUM "POP TOPS" A HAZARD TO CHILD

(By John D. Burlington, M.D.)

In a 3½-year period, seven children have been treated for complications of ingestion or aspiration of pull tabs from aluminum beverage cans. One child died from a fistula between the esophagus and a branch of the aortic arch, and two children suffered esophageal perforation with local abscess formation. Since aluminum absorbs X-rays poorly, the pull tabs cannot be seen in frontal projection if they overlie vertebral bodies. Any toddler with unexplained alteration of feeding habits or persistent respiratory symptoms requires evaluation for an aspirated or ingested foreign body. (JAMA 235:2614–2617, 1976).

Physicians have been alerted by Alexander et al.[1] Glass and Goodman, and others to suspect esophageal foreign bodies in children with unexplained respiratory symptoms. Radiopaque objects are easily detected by routine roentgenographic examination of the neck and mediastinum, but radiolucent objects still go undetected. The advent of radiolucent plastic toys that are frequently included in breakfast cereal or popcorn as "prizes" has produced a substantial number of esophageal obstructions and perforations in children. To this list of child health hazards producing esophageal obstruction with radiolucent objects, we must now add the ubiquitous metal strips removed from "pop top" beverage cans. These shiny pieces of metal, which litter the ground of parks and picnic areas, prove irresistible to curious toddlers or children crawling in the grass. They place the attractive new objects into their mouths and all too frequently swallow or aspirate them. While many pull tabs undoubtedly pass undetected through the gastrointestinal tract, this report outlines the case histories of seven children in whom they lodged in the esophagus or were aspirated into the airway. In none was the ingestion witnessed or suspected. Six of the children survived their encounter, but one bled to death from erosion of the pull tab through the esophagus into a branch of the innominate artery.

REPORT OF CASES

CASE 1.—A 13-month-old boy was brought to his pediatrician because of a two-week history of inability to take any table food or other solids. He had been able to drink liquids up until four hours prior to being seen. At that time he was unable to swallow his saliva. Chest roentgenograms demonstrated a column of food and air bubbles extending upward from the level of the aortic arch. He underwent esophagoscopy under general anesthesia and a large amount of food was removed from the upper portion of the esophagus. A sharp metal strip from a pop top lying at the base of the food column was removed through the esophagoscope. There were local ulcerations in the esophagus, but no evidence of perforation. His recovery was uneventful, and no stricture or other complication developed.

CASE 2.—An 11-month-old boy was seen because of high fever, difficult respiration, and inability to swallow liquids. On admission to the hospital, his temperature was 40 C rectally, and he was extremely ill. A chest roentgenogram showed mediastinal widening and fluid in the left hemithorax. Aspirated fluid showed mixed flora on Gram stain and yielded a mixture of Gram-positive and Gram-negative organisms. After 12 hours' chest drainage, rehydration, and infusion of intravenous antibiotics, he remained extremely ill. A limited barium swallow examination showed considerable distortion of the upper third of the esophagus in the region of the thoracic inlet and extravasation of contrast material into the mediastinum. After further rehydration, he underwent a right thoractomy and exploration of the upper esophagus. The region between the aortic arch and the thoracic inlet was densely fibrotic, and an abscess cavity continuous with the esophagus contained a free-floating metallic strip from a pop top. The stiff and inflamed edges of the esophageal perforation were loosely approximated with interrupted sutures of 4/0 wire. Large anterior and posterior chest tubes were placed in the right portion of the chest, with the tips near the area of perforation. A Stamm gastrostom was placed for alimentation, and a sump catheter was inserted into the nasopharynx to minimize passage of saliva down the esophagus.

The esophageal closure leaked a small amount of saliva from the third through the seventh day but ultimately sealed completely. On the ninth day, the tube in the left side of the chest was removed, and on the tenth and 14th days the tubes in the right side of the chest were removed. A rather long stricture from the thoracic inlet to the region of the aortic arch developed, which required several dilations starting one month after his original surgery. After five dilations, the esophagus assumed approximately normal caliber, and he had no further difficulties in swallowing. The gastrostomy tube was removed approximately nine months after the original operation and two months after his last dilation.

CASE 3.—A 4-month-old infant was admitted because of a coarse, hacking cough and wheezing respirations. The initial diagnosis of croup or epiglottitis could not be confirmed by lateral roentgenograms of the airway. When his symptoms worsened, he underwent laryngoscopy before an endotracheal tube was passed to relieve his airway obstruction. Wedged between the vocal cords was a rolled-up metallic portion of a beverage can top. This was removed with forceps, and an endotracheal tube was passed into his airway. Forty-eight hours later, the endotracheal tube was removed, and he had no further difficulties.

CASE 4.—A 2-year-old boy was seen for a history of difficulty in swallowing for at least one year. He supposedly had had several normal barium swallow examinations, although our initial study showed a distortion of the esophagus in the portion between the thoracic inlet and the aortic arch. There appeared to be deviation of the esophagus to the left and an apparent diverticulum or duplication of the esophagus extending to the right. Fluoroscopy showed the entire area somewhat stiffened, and peristalsis was abnormal.

An exploratory operation was performed after esophagoscopy showed only the deviation and stiffening of the esophagus. Through a right thoracotomy, the upper portion of the esophagus was mobilized, although it was deeply encased in scar. To the right and posterior portion of the esophagus lay a fairly, large abscess cavity in which a pull tab was lodged, surrounded by pus and old food. There was no mucosal lining, but at operation it was not possible to differentiate a perforation with abscess formation from the diverticulum that had become a repository for the metal strip and food.

The cavity was excised as much as possible, and the esophagus was closed primarily with interrupted sutures of 4/0 wire. A large chest tube was left in place, with its tip near the suture line, and a sump catheter was placed in the nasopharynx. A small amount of saliva

Footnotes at end of article.

was present in the chest tube from the second to the fifth day, although a diatrizoate meglumine swallow examination performed on the tenth day showed no further leakage. The chest tube was consequently removed, and he required four dilations of a long stricture that occurred in the region of the perforation. This slowly resolved, and although his follow-up has been sporadic, he has remained asymptomatic.

CASE 5.—An 11-month-old boy was brought to the emergency room about one hour after onset of an episode of coughing and intermittent cyanosis. This had begun during a family picnic at a public picnic ground. On admission to the hospital, he had coarse breath sounds and marked dyspnea. Chest roentgenogram, including inspiratory and expiratory x-ray films to rule out a foreign body, were all interpreted as normal. He was placed in mist and given postural drainage and bronchial dilators without relief. On the following morning, he underwent bronchoscopy, and the metallic tab of a pop top was removed from the region of the carina. His convalescence was uneventful.

CASE 6.—A 13-month-old girl appeared in the emergency ward, unable to swallow her own saliva. Chest roentgenograms showed mediastinal widening, with a tiny amount of fluid in the left of the chest. A diatrizoate meglumine swallow examination showed complete obstruction of the esophagus at the level of the aortic arch but no extravasation of contrast material. After eight hours of rehydration and infusion of intravenous antibiotics, she underwent esophagoscopy and had a large amount of old food removed from her esophagus. After the food had been removed, it was not possible to pass the esophagoscope through a narrow portion of the esophagus. This scope was removed and a 3½ F bronchoscope inserted. Through the telescope, a small, metallic foreign body could be identified deeply embedded in granulation tissue. At this point, the endoscopy was discontinued, and the patient was returned to the recovery room.

On the following day, with two units of cross-matched blood on hand and with thoractomy instruments in the operating room, the endoscopy was repeated, and the metallic foreign body was removed uneventfully. There was a small amount of bleeding but no evidence of perforation. She was watched carefully in the intensive care area for 48 hours, with a nasopharyngeal sump tube in place, while receiving intravenous fluids and antibiotics. After 48 hours, the diatrizoate meglumine study was repeated and showed a small but distorted lumen in the esophagus and no extravasation of contrast material. By the fourth day, she was afebrile, and her vital signs had returned to normal. She then began a diet of clear liquids and advanced to a soft diet over the next 48 hours.

Two weeks later, she was admitted because of inability to swallow her saliva, and on examination she had food impacted above a stricture in her esophagus. The food was removed through an esophagoscope, and a filiform dilator was passed through the area of the stricture. The filiform dilator was followed with dilators up to 12 F. and then a No. 8 polyethylene feeding catheter was inserted through the nostril into her stomach. She received tube feedings for approximately one week and then underwent an esophageal dilation again. Over the next three months, the stricture slowly softened, and she required no further dilations. She is now asymptomatic.

CASE 7.—An 11-month-old boy had been seen in several different emergency rooms over a period of ten days because of noisy breathing and diminished intake of food and liquid. Numerous chest roentgenograms were taken, including a study of the entire airway from nasopharynx to mainstem bronchi. These were interpreted as normal. On the day of admission, he had passed several tarry stools, and his hematocrit reading dropped from 36% to 14%. Transfusion with packed red blood cells in the intensive care area raised his hematocrit reading to 25%. After six hours of stable vital signs, he suddenly became ashen, his blood pressure dropped to unobtainable levels, and bradycardia developed. Resuscitation required 450 ml of saline and 250 ml of packed red blood cells, approximately one blood volume for this 10-kg child, administered over approximately 25 minutes. When his resuscitation was complete, he began to vomit large volumes of bright red blood, and his abdomen distended rapidly.

With a preoperative diagnosis of upper gastrointestinal bleeding probably originating from the stomach, he was taken to the operating room. Rapid exploration of his stomach and the duodenum showed blood to be welling up from the esophagus. Examination of the lumen of the esophagus showed no evidence of mucosal tears suggestive of a Mallory-Weiss syndrome of esophageal varices. A sterile proctoscope inserted in the distal portion of the esophagus showed only that bright red blood was gushing down from above. The incisions were closed with a single running suture. The patient underwent esophagoscopy from above but bleeding was so brisk that no information was obtained.

Through a left thoractomy, the distal portion of the esophagus was freed up from the diaphragm to the arch if the aorta. An umbilical tape tied about the esophagus just below the aortic arch showed that the bleeding was coming from above. The upper portion of the esophagus between the thoractic inlet and the aortic arch was then freed up, and external compression here demonstrated that the bleeding was from behind the aortic arch. The portion of the esophagus below the arch was opened linearly, and with a finger in the esophagus, bleeding could be temporarily tamponaded by pressing upwards against the aortic arch. During the hurried dissection of the aortic arch in an attempt to control bleeding, blood loss exceeded our ability to replace it, and the patient lost all vital signs. Each time the patient was resuscitated the massive bleeding recurred, and after 20 minutes be had fixed, dilated pupils, so further efforts were abandoned.

At postmortem examination, there was a deep ulceration within the esophagus that conformed exactly to the metallic tab of a pop top. There was also a large perforation of the esophagus into the region of the aortic arch, although no direct communication could be demonstrated with the aorta. Presumably the sharp irregular tip of the metal strip had eroded through into one of the great vessels or perhaps a bronchial vessel. The foreign body was not obtained from the gastrointestinal tract at the time of autopsy, although retrospective review of the chest roentgenograms taken several days before showed a metalic object in the esophagus behind the aortic arch that conformed in outline to a metal pull tab.

COMMENT

Thin strips of aluminum that become lodged in the esophagus are particularly difficult to detect roentgenographically unless they are looked for specifically.[3] Flat objects such as coins invariably become oriented transversely in the esophagus since this represents its greatest diameter.[4] In children, most objects that do not pass the esophagus become impacted at the thoracic inlet or above the aortic arch where the esophagus overlies the vertebral column. Thus, the outline of foreign bodies in this portion of the esophagus is projected over the image of the vertebrae in routine posteroanterior or anteroposterior chest roentgenograms.

Alexander et al[1] have shown that absorption of X-rays by a substance is roughly proportional to its density. Thus, fat is less dense than water, and small shards of glass with a density of 2.4 to 2.8 may not be detectable roentgenographically when imbedded in tissue. Aluminum with a density of 2.7 has much the same radiodensity as glass, so that the pull tabs, which are made of aluminum 0.2 mm thick, show only a faint shadow on an ordinary roentgenogram. In the lateral projection, a pull tab in the esophagus presents 14 mm of aluminum in its greatest diameter, so that recognition should be facilitated. Viewing this portion of the esophagus without interference from projection of the arms and shoulders takes special effort in positioning the patient.

Since many of the ingestions or aspirations involving toddlers are not witnessed by an adult, the history obtained by the first physician to see the child may not suggest a foreign body. However, persistent respiratory symptoms and any change in eating habits should be evaluated by posteroanterior and lateral chest roentgenograms with inspiratory-expiratory views if indicated. The neck and nasopharynx should be included in all such examinations. If these are normal and there is no evidence of mediastinal abscess or free air, a contrast study of the esophagus using thickened barium will frequently show plastic, fish bones, or an aluminum foreign body lodged in the esophagus.

The metal strip from a pop top is usually bent into a hook shape as it is removed from the can. When the ring separates from the bent metal strip, it leaves a serrated edge and two sharp corners. Thus, if diagnosis is delayed, these sharp edges will perforate the esophagus and cause mediastinitis or erode into the mediastinal vessel. Safety pins lodged in the esophagus have caused aortic arch perforation and acute cardiac tamponade,[5] but since they are made of spring steel, they are more readily identified roentgenographically than are aluminum pull tabs. All parents must be cautioned about the hazard of discarded pull tabs just as they are now about the hazards of the open safety pin left within an infant's reach during a diaper change.

[From the Defenders of Wildlife, June 1975]

DEADLY THROWAWAYS—PLASTIC SIX-PACK BINDERS AND METAL PULL TABS DOOM WILDLIFE

(By Penny Ward)

A big brown pelican is cruising Florida's coastal salt flats hunting for food. He dives at a shadow in the water, snaps at it, and in a moment finds his prey choking him. It somehow wraps around his neck, then loops over his bill. In panic, the pelican flies back to his roost in the mangroves and claws at his adversary. Soon his foot is entangled. The pelican continues to fight, but in a little while he is dead, strangled by his mysterious antagonist.

The pelican mistook a plastic six-pack can binder for a fish. He became another wildlife victim of an unthinking and uninformed person, who probably tossed the plastic trash into the water without knowing it could harm a wild animal.

Wild creatures are beginning to suffer the fallout of our burgeoning solid waste litter. The "throwaway" beverage container is the chief villian. "No-deposit, no-return" litter grows about eight percent annually. Last year some *three billion* throwaways ended up on our roadsides and recreation areas. Even our most pristine reserves have become the

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final resting places for millions of easy-to-tote containers and their by-products, the flip-top pull-tabs and plastic six-pack binders.

While humans see this litter as an aesthetic blight, animals see it as a possible source of food. "The big problem with plastic can binders is that grazing and wading birds are curious and nibble or dive at them," says Frank Kenney, of the U.S. Fish and Wildlife Service. "They manage to tangle them over their heads, a foot gets involved, and they strangle in the ensuing fight."

The tame, curious brown pelican—already a candidate for the endangered species list—is among the most vulnerable to such entrapment. But many states have recorded similar deaths among other types of waterfowl. Aside from the pelican, the most common victims are gulls, ducks, and geese.

If entanglement doesn't strangle the bird, it may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of a seagull he saw in Chesapeake Bay. "The bird had the plastic rings jammed between the mandibles of his bill and stretched over the back of his head. He could fly, but of course he couldn't eat. I watched him for days but couldn't get close. I knew he was doomed."

Some entangled animals may be able to function, but they become social outcasts. Michigan biologists found a Canada goose with plastic rings merely threaded loosely over his neck. Though he was healthy, the rest of the geese on the lake picked on him unmercifully. The gander was eventually caught and the rings removed, but it was too late to solve his marital problems. His mate and goslings had found the trash decoration so bizarre that they had abandoned him.

Small birds have similar problems with the little pull-tab rings from beverage cans. Some species find them attractive as nesting materials. A member of Washington, D.C.'s Audubon Naturalists Society tells of a cardinal found dead with a pull-tab ring jammed over its face. She thinks that the bird was partially blinded and died of exposure or exhaustion.

These sparkling little rings are also attractive to fish—in fact, some fishermen use them as spinners ahead of bait. Biologists in Michigan and California have discovered fingerling trout girdled by pull-tab rings. They theorize the fish struck at the shiny rings, missed, shot through and got stuck. In both cases the trout were about six inches long. Miracles of growth, the fish were still quite active when discovered, though the rings were slowly cutting their bodies in half.

Bigger fish sometimes swallow the rings, which they perceive as food or as aggravating intruders in their territories. Pull-tabs are occasionally discovered by sportsfishermen in the stomachs of panfish, trout, salmon, and other fish which "strike," as opposed to bottom feeders which "taste." The ring may just ride along harmlessly inside the fish, but if pushed into the digestive tract, it can fatally lacerate or impact the system. (Interestingly, major hospitals across the U.S. report pull-tabs showing up in human stomachs, inadvertently swallowed by a person who'd dropped the tab into the can. They are difficult to detect by X-ray and often require major surgery to remove.)

All grazing animals domestic and wild, accidentally eat bits of trash. Ranchers who lease state or federal lands which permit public recreation are particularly concerned about the dangers litter poses to their herds—dangers often revealed during autopsy. E. P. Harvey, general manager of a large family ranch operation which includes five wildlife refuges in the Southwest, has for many years studied the problem. "Domestic animals will chew, taste, smell, and investigate all sorts of things," Harvey says. "They'll eat nails, pull-tabs, plastic items, small can lids, wire bones, and plastic bags." Harvey says that while ingested litter rarely kills an animal unless the object punctures the digestive tract or impacts the bowel, the trash diet leaves the animal in poor physical condition.

"We know a good deal about domestic animals ingesting harmful objects, but little about wildlife," Harvey says. "From observation, however, we know wildlife is interested in the same things as domestic animals, so we can assume the results are similar."

The beverage container itself—steel, aluminum, or glass—creates special hazards. Broken bottles and cans cripple livestock and wildlife. Horseback riders hesitate to ride in road ditches for this reason.

While wild animals are more alert and cautious than their domestic counterparts, rancher Harvey says that in some instances deer and antelope put their feet through beverage cans. When the hoof breaks through, the sharp edges can cut off the blood supply, crippling the animal or causing an open wound. "The lameness may lead to death by predation or severe weather, or the wound can become the target of fatal insect infection."

Perhaps these litter-related tragedies don't comprise a major threat to wildlife, yet the examples recorded are only the tip of the iceberg. The incidents are symptoms of a deteriorating environment. The condition of our wildlife is an index of the quality of our own lives.

A growing threat to animals, litter is already a plague to humans. Our wayside litter amounts to as much as four million tons per year, and we spent $200 million per year to retrieve it. About 35% of the total, 1.4 million tons, is made up of throwaway bottles and cans. And it compounds every day because glass and aluminum virtually never break down in the environment. The litter not only clutters our roadsides, but it defaces our most pristine areas. An outdoorsman who feels he's exploring an area where no one has trod is likely to find an empty beer can that dictates otherwise. Some remote backpacking trails glitter with bottles, cans, and pop tops.

Believing that what we can't see won't hurt us, some people have turned our lake and river bottoms into dumps. In 1972, Dan Carleson, a fishery biologist for the Oregon Game Commission, made a series of dives to survey the bottom of that state's serene and beautiful Diamond Lake. He found a underwater nightmare. Carleson calculated that the lake bottom was strewn with 44,500 empty beverage containers.

And Carleson could only count bottles and cans which were visible. Silt has a tendency to slowly bury its garbage. "We found that as our knees and swim fins sank into the ooze we bumped into a tremendous amount of litter that settled into the bottom," Carleson said. Commenting on Carleson's report, the editor of the *Oregon Game Bulletin* lamented, "It appears that at the rate we're going, Diamond Lake could become a landfill."

This garbage, settled into lake and stream bottoms, causes frequent injuries to swimmers and waders. It also presents road hazards to fish. Fish have accidents too, but they are seldom discovered or recorded. A few years ago a biologist for the Oregon Game Commission found a beer can containing about 50 dead hatchling trout in the Rogue River. He theorized the trout either were attracted by their blurred reflections in the metal, or perceived the dark hole in the can top as shelter. Once they followed the leader inside, they became lost in the crowded darkness and suffocated.

A fisherman at Oregon's Unity Reservoir last winter hauled out a three-pound rainbow trout wedged tightly in a broken beer bottle. And a Michigan fisherman hooked a tormented 21-inch pike which was being slowly decapitated by a six-pack binder encircling its body.

Nowadays litter creates more than an aesthetic barrier between human beings and nature. It creates physical barriers in the forms of barbed wire, locked gates, and no-trespassing signs. The Pennsylvania Fish Commission reports, "Litterbugs are largely responsible for posting by private landowners along our streams and lakes." The story is the same in other states—more and more land is being closed to public access as landowners lose patience with those who litter their property.

Litter is the most obvious sin throwaways commit against our society; it isn't the greatest. More serious sins are the wanton waste of our energy and resources. Last year Americans used over *60 billion* disposable beverage containers. The amount of electrical and fossil-fuel energy squandered in manufacturing these throwaways is staggering. According to studies based on 1972 figures—when we used eight billion *fewer* containers than last year—our throwaways cost enough energy to heat two million three-bedroom homes in the mid-Atlantic states for eight months. In other terms, the throwaways used enough energy to satisfy the annual electrical needs of 9.1 million people. In comparison to a returnable container system, in which a bottle makes about ten round trips between consumer and bottler, our throwaway system costs the equivalent of five million gallons of gasoline per day. That means, in effect, that the equivalent of 4½ ounces of gasoline is wasted in making each 12-ounce container. The figures for aluminum cans are more shocking still: To use an aluminum can, we waste the energy equivalent of *more than half the can's capacity in gasoline.*

In 1972 beverage container production required two million tons of steel, 6.2 million tons of glass, and 575,000 tons of aluminum. This use accounts for 45 percent of all glass and 8 percent of all aluminum production in the country, and is the biggest single demand on our glass and aluminum supplies. While world supplies of these resources are not critically short, we depend on foreign countries for 33 percent of our iron ore, and 84 percent of our bauxite. In these politically troubled times, such dependency is dubious.

The convenience of throwaways isn't free. Consumers pay the price. With a disposable container we actually pay three times. Once when we purchase it, once when we dispose of it, and once to have it laid to rest.

Beverages in throwaways are as much as 40 percent more expensive than drinks in returnable/refillable bottles. According to the beverage industry's own figures, 56 percent of the cost of a container of beer is the container itself. Americans spend about $1.5 billion per year for the throwaway luxury, but because of price-marketing procedures in many stores, they're not apt to be aware of it. For example, eight throwaway bottles of soda may be marked $1.61. Eight equivalent returnables may also be marked $1.61, but the consumer will get back 40 cents, or 25 percent of the purchase price, when he returns the bottles.

Even after it has been purchased, the throwaway keeps on costing. Once the beverage container is emptied, there it is—a throwaway to be throwaway. Beverage containers make up the most rapidly growing category of waste in the national trash can. They comprise about seven percent of the total of our garbage, second only to newspapers. (Garbage means solid waste thrown in trash cans as opposed to waste which becomes litter.) EPA projects that at current rates Americans will toss out 11.3 million tons of beverage containers in 1976. If the cost per ton to collect and dispose of solid waste remains stable, getting rid of all those bottles and cans will cost us nearly $200 million annually by the Bicentennial.

We are the world's leading garbage-producing nation. New York, for example, creates more garbage than London and Tokyo combined. While New York's population rose only 1.5 percent since 1960, its garbage production rose 42 percent. We are running out of space for all that garbage. A 1973 survey by the National League of Cities revealed that nearly half our cities will run out of refuse landfill capacity by 1978.

The throwaway came to us about 15 years ago, in an age of opulence. Its initiation into society accompanied big gaudy cars and gasoline wars. The term energy shortage hadn't been coined. Our resources appeared never ending, and national environmental concern was still many years off.

But today big gaudy cars and gasoline wars have left the scene, and many people think the throwaway should do likewise. In recent years over 350 bills to regulate beverage containers have been introduced in Congress, or at state and local levels. Oregon, Vermont, and South Dakota already restrict throwaways. Several other states are close to passing bills. Scores of cities and counties have passed such legislation, which at all levels has been upheld in court tests.

The Oregon bottle bill was enacted in late 1972. It required a mandatory five-cent deposit on beverage containers, and banned pull-tab rings. Oregon's success with the bill prompted Republican Senator Mark Hatfield to introduce federal legislation requiring a mandatory deposit and banning of pull-tab rings. The bill (S. 613) would be phased in nationally over a three-year period.

Hatfield's bill is rapidly gaining support, but it is bitterly opposed by the steel, glass, aluminum, and container industries, along with soft drink bottlers and brewers. Fearing the inconvenience and possible loss in profits, these groups spend millions each year to fight container legislation.

The manufacturers say that such legislation will raise prices, lower consumption, create unemployment, and fail to reduce litter. Certainly the change would create initial logistical problems for industry. The net result, however, appears worth the effort. Oregon reports that beverage prices have risen since 1972—but they've risen everywhere, largely due to increased sugar prices. Oregon's beverage prices are in line with those of neighboring Washington state, which does not yet have a bottle bill. Beer and soft drink sales in Oregon continued to climb after the law was enacted. Significantly, Oregon also reports the shift to returnables resulted in a net gain in employment. While there was a shift in the types of jobs, the move created more total jobs in industries. In fact, Maryland's Council of Economic Advisors recently projected that if Maryland returned to returnables, there'd be a net increase of 1,500 jobs generating $18.5 million in personal income.

Both Oregon and Vermont report a heartening decrease in litter following container legislation. Oregon initially reported beverage container litter down 80 to 90 percent, and recently reported total litter has dropped as much as 46 percent. Lake Diamond may not become a landfill after all. Vermont's Agency of Environmental Conservation reports that even opponents of their bottle bill now agree that legislation has greatly decreased beverage-related litter along that state's roadsides.

The Vermont agency reports that the opposition attempted to cloud the litter reduction issue by counting containers placed in roadside trash receptacles along with highway litter, and comparing the tally with pre-bottle law statistics which counted only roadside litter. Despite statistical games, reason dictates people are much less likely to throw away something of specific value than something intended to be thrown away.

The industries opposing container legislation point to recycling and cleanup campaigns as alternatives. Recycling, however, does not yet offer sufficient monetary reward to be successful. Only half a cent is usually offered for cans, the more recyclable of the two container types. Only 15 percent of all aluminum cans made it back to recyclers last year. The statistics for glass are worse. There are only about 100 glass recycling centers in the entire U.S. Old glass is only worth about $20 a ton, and takes more money and energy to recycle. The expense and logistics of hauling materials in for recycling has dampened the volunteer enthusiasm which sprung out of Earth Day movements. In too many cases, cities and charity organizations which sponsored recycling campaigns wound up losing money.

Certainly recycling centers are growing as cities begin to realize there's money and energy in municipal trash. And recycling does save energy and resources. When the EPA examined the various energy requirements of nine beverage container systems, it found that the pull-tab aluminum can, with a 15-percent rate of recycling, was ranked ninth, the worst, for delivering 1000 gallons of beer. A returnable/refillable glass bottle system was ranked first.

Recycling is most valuable as a complement to a system which produces less waste in the first place. A return to returnables is in fact the ultimate in recycling. It places a significant rather than a token bounty on containers. A deposit container which is extravagantly discarded becomes someone else's nickel. And when a ten-trip returnable comes to the end of its journey, it can then be recycled.

Clean-up campaigns, like recycling, are also valuable follow-ups, but they will not eliminate litter by themselves. Two of the largest national campaigns are "Keep America Beautiful" and "Pitch In." KAB is sponsored largely by beverage container industries and their suppliers, along with retail food distributors and fast food chains. "Pitch In" is sponsored by the American Brewers Association. While any clean-up effort is to be praised, these industry campaigns are no more than we might expect from the initiators of the problem. And although both organizations claim to work toward litter reduction, they actually lobby against legislation to eliminate throwaways.

Industry argues that litter is a behavioral problem which can be solved through education. Yet it's difficult to imagine anyone who has not been exposed to antilitter propaganda. In fact, containers themselves now bear a message reading "Please Don't Litter." But the problem increases. Without nipping waste production in the bud, our litter problem won't go away.

Proponents of beverage container legislation are winning inch by inch. Several recent surveys at both state and national levels indicate that citizens overwhelmingly favor returning to returnables. Their chances of doing so voluntarily are slim, since in most areas very few beverages are available in returnable bottles.

Although concerned citizens view container legislation at state and local levels as a step in the right direction, they believe the most logical and desirable legislation is Hatfield's Senate Bill 613. A federal law would create national uniformity and eliminate a series of drawn-out battles. In the minds of many, it's an idea whose time has come.

Opponent industries will suffer some pains as a result of change, but it's difficult to imagine that these corporate giants won't land on their feet. Manufacturers might well do better to spend time and money on positive efforts to facilitate the move to a returnable system. They could create a short, squatty space-saving bottle, standardized for use by more than one distributor. The label would still identify the product, and the standardization would solve sorting and distribution problems.

Several franchised bottlers have recently voluntarily switched to returnables, and realized increases in sales and profit. Joyce Beverages in Chicago made the switch in 1973. During the first year, sales of Joyce's Orange Crush were up 87%.

A 7-UP bottler recently stated in a beverage industry newsletter, ". . . if by our own volition, we got rid of the pull-top can and throwaway bottles, we'd make fortunes. While at corporate levels beverage industries still reject the idea, local franchised pioneers of the switch are pleased with the results.

It's unlikely many of us will resent the switch to returnables, given what we've to gain. This is, after all, the only planet we have. Its condition is a good index to the quality of our lives. Our fellow creatures—the birds, animals, and fish—must rely on our intelligence and rational behavior to protect their world and ours.

Mr. HATFIELD. Mr. President, several articles and editorials have appeared in various newspapers and periodicals concerning aspects of the beverage container issue. I ask unanimous consent that these be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

BRING BACK THE 5-CENT DEPOSIT

Should every can and bottle of soda and beer carry a 5-cent deposit against its return? It seems like a small question until you hear the arguments pro and con; large stakes ride on the answer. A bill to require the nickel deposit seems headed for a vote in the New York State Senate this week and the Assembly soon after. Oregon, South Dakota, Vermont and all Federal installations have had a deposit system for some time; Connecticut appears close to adopting one; the voters of Michigan and Maine approved of deposits last fall, while the voters of Massachusetts and Colorado demurred. The issue boils down to whether consumers can be induced to return their drink containers—to the benefit of the environment, the energy supply and the stock of natural resources—or whether the dislocations in a major industry and the ingrained habits of consumers would merely raise everyone's costs and cause as much social harm as good.

The proposed New York bill would leave customers free to choose drinks in bottles or cans, but only those who return them would retrieve the nickel deposit. Five cents may not justify the bother for some, but it's 30 cents on a six-pack. And what a thriftless consumer would toss away, an eager youngster would likely claim. The bottles he brings back would be refilled and the cans would be recycled.

The sponsors of the bill expect that, with time to prepare and with experience, the bottling and canning industries would not only adjust to the reuse and recycling of containers but also bring their considerable technological skill to the cause of conservation. When consumers and legislators began to object to the annoying pull-tabs on our streets and roadways, the industry was moved soon enough to produce a push-down can opener to eliminate the litter. Each container brought back would save both the energy and the resources needed to produce another five or six or ten containers, depending on the number of round trips from plant to home. One study before the New York Legislature predicts a saving of 7 million barrels of crude oil a year from a lively traffic in returns, enough to run 200,000 cars.

Oregon, which pioneered with this legis-

lation, has achieved a 90 percent return rate of beer and soft-drink containers. It has also reduced the roadside litter in beverage containers by two-thirds, for a net reduction of 10 percent in all road littering, despite the growth in other careless disposal. Why not, then, put deposits on all bottles and cans? Because it is the beverage containers that are most likely to wind up as litter, that can be most readily standardized for easier reprocessing, and, most important psychologically, that were once accepted by the public as deposit items.

The bottlers and canners have argued mightily against these bills, promising rapid strides in waste recycling, as well as cans of much lighter weight that will require less energy, steel and aluminum. They argue that the savings in large cities would be much less than elsewhere because of the constraints on transport and collection, thus reducing reuse from 10 times to perhaps only four. Even those who concede some marginal savings in energy and resources doubt that they warrant the inconvenience to consumers, the hardships to retailers, the retooling of their industries and the ensuing costs in lost jobs and in the higher prices of soda and beer.

The sponsors of the New York bill reply that dislocations and new investments would be temporary, that more people would be employed in handling the containers than would be lost in manufacturing them and that the true costs to the consumer must be measured not only in the price of a drink but in the cost of collecting litter and garbage and of wasting energy and resources.

Laymen, including legislators, may find these rival calculations dismying. In the end they must choose, particularly when the market that has been left to its own devices has shifted the costs of both litter and waste to the community, rewarding its most wasteful members. It may be a close call on the available evidence but experience elsewhere and the desirable social momentum argue strongly for passage of this measure.

Ideally, the rules ought to be national. Our major distributors of drinks and their container producers need to operate across state borders to achieve economies of scale. But they also need an incentive to share society's concerns and costs and to help Congress enact uniform standards for which all can plan and prepare. The passage of this measure in New York would go a long way toward forcing Federal action and wiping out the state-to-state confusion. Society clearly means to arrest the ugly litter in bottles and cans, to conserve on materials and to save energy in the process. It seems ready to require the cooperation of consumers in this effort. A law in New York would require the collaboration of industry as well.

BOTTLE BILL IS KEY TO THE FUTURE

(By Michael Frome)

The returnable bottle is on its way back into America's life-style, which is cheering news.

It means the throwaway age and its nasty habits are nearing their end. A more welcome blessing for travelers I cannot imagine.

The key to the future is in the "bottle bill"—a law placing a mandatory deposit on all beer and soft drink containers, whether metal, glass or plastic, to encourage purchasers to return them for reuse or recycling. Oregon in 1972 and Vermont one year later took the lead and proved this system will work. It shows in their strikingly clean roadsides and recreation areas.

Additional states, as well as counties, cities and Canadian provinces, have followed the lead in requiring container deposits. Still others are preparing to act. Pressure is building for Congress to produce a national bottle bill covering the entire nation.

A uniform national mandatory deposit system is the only long-range solution to the throwaway container crisis. This is the principle behind the national bottle bill sponsored by Vermont Rep. James Jeffords. Sen. Gary Hart of Colorado has introduced a similar bill, the National Materials Policy Act of 1977, which would place a disposal charge on containers, packaging materials and paper.

Returnables make sense for our time as a means of conserving energy and increasingly scarce raw materials. As matters now stand manufacturers produce more than 60 billion throwaway beverage containers yearly. (That's one per day, year-round for every citizen!) A returnable bottle, however, can be refilled an average of 15 times. With a nationwide deposit system we could insure reuse or recycling of six to seven million tons of glass, steel and aluminum each year.

9TH ANNUAL BOAT SHOW TO OFFER 400 SAILBOATS, CHARTER PLANS

Fly-sail vacations will be featured offerings at the 9th annual Southern California Sailboat Show Saturday through Oct. 30 at the Long Beach Convention Center, where more than 400 sailboats will be showcased.

The fly-sail plan can be used to make arrangements for the boat you want to use on vacation at such destinations as Tahiti, the Virgin Islands, Bahamas and Puerto Rico, with or without a charter captain.

Any way you look at it, the trashing of America has been a sorry chapter in history, with a high price tag on "convenience" and the freedom to pollute.

A couple of years ago, for instance, officials of Rocky Mountain National Park, the jewel of Colorado, tallied two million visitors and estimated they left behind 175 tons of litter every single day. It's been the same everywhere, with plastic cups, paper plates, beer cans and broken bottles scarring roadsides, beaches, campgrounds, lakes and streams.

Even in remote backcountry it's difficult to escape the sight of one kind of throwaway or another, just where you least expect it. Those shiny detachable "flip tops" have caused shocking widespread damage to fish and birds.

It doesn't have to be that way. While the deposit system was being tested at Yosemite National Park last summer, 1.3 million beverages were sold. Out of every 10 containers, seven were returned for refund, accounting for 30 tons of recyclable raw materials. Starting in January, any beverage you buy on federal land, whether park, forest or military base, will have to be in a refillable container with deposit included in the purchase price.

BITTER RESISTANCE

Despite widespread support for returnables, glass and can manufacturers, big beer and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and public relations schemes to block effective container legislation, defending the right to throwaway as if it was one of the five freedoms.

Now they've promoting something called a litter tax, such as Washington state has tried with little success. It's the kind of thing that requires a police officer to catch a litterer in the act. The tax only provides funds to pick up litter, while the returnable system prevents it.

The throwaway establishment has seen its efforts to undermine bottle bills in Oregon and Vermont backfire. People can see that returnables cost less than throwaways, that new jobs are created throw recycling and refilling. The ranks of brewers, bottlers and marketers aren't even solid any longer, certainly not tough enough to meet the fights on all fronts.

A recent poll conducted by the Des Moines Register and Tribune showed 75% of Iowans in favor of the Oregon-type bottle bill. A private poll taken by an influential legislator, Floyd H. Millen, recorded support of 87.2% of his constituents.

The Iowa House of Representatives has already voted for mandatory deposits on bottles and cans and Gov. Bob Ray is pressing for action in the Senate. The country plainly can take the bottle bill one state at a time or shift into high gear for a national law. It's strictly a question of time.

MAKE THE BOTTLE BAN NATIONWIDE

Remember when a favorite summer pastime of youngsters was to roam the neighborhood in search of discarded soft-drink bottles, which were immediately returned to the local grocer for a little spending money? In Oregon, the first state to ban throw-away bottles in 1972, industrious youngsters have again rediscovered that forgotten "gold mine" in backyards and alleys. In addition to producing smiling youngsters, Oregon's bottle bill also has saved vitally needed energy that would have gone into making more throwaways, increased the number of jobs primarily in the transportation and bottle-handling industries, and has reduced by almost 90 percent the cans and bottles that used to litter Oregon's highways.

Oregon officials say they found that the incentive not to throw away a beverage can or bottle also spilled over to affect other litter as well. People aren't throwing away candy wrappers and other trash as much as they did before. And despite the loud protests from bottle and can manufacturers who have spent heavily in Oregon and elsewhere to fight anti-throwaway bills, a recent survey indicated that 93 percent of Oregon's residents are pleased with the bill and its results.

Sen. Robert Packwood of Oregon, who is sponsoring a bill that would ban the use of throw-aways all across the United States and require a five-cent refundable deposit on all beverage containers, has just received important new ammunition which, in effect, says that the beneficial effects of Oregon's bottle bill would be repeated nationally if Congress enacted the proposed legislation.

A study by the General Accounting Office, the investigating agency of Congress, indicated a national throw-away ban could save up to 80,000 barrels of oil a day, would conserve millions of tons of glass, aluminum, and steel used in producing containers, and would reduce U.S. dependency on bauxite imports which go into manufacturing aluminum. It would also reduce soft-drink and other beverage prices by more than $1.8 billion a year. Feared job losses in the container industry would be more than offset by increased employment in beverage production and distribution.

Four states have or are in the process of putting into effect throw-away bans, and some 40 states in all have wrestled with the proposition. The new GAO study appears to squelch the arguments most frequently put forward by opponents—i.e., that loss of jobs would wreak economic havoc and that the five-cent deposit would not be incentive enough for returning reusable containers. The opposite has proved true in Vermont and Oregon. Likewise the state-by-state approach advocated by some opponents appears to have little merit; a national uniform law would be easier, more convenient and more economical for beverage manufacturers in the long run.

Clearly the beauty of uncluttered landscapes and the urgent need to conserve energy wherever possible are reason enough for Congress to ban throw-aways—not to mention all those smiling youngsters in Oregon with change in their pockets.

DO BOTTLE BILLS REALLY WORK?

(By Richard Wein and John Marshall)

Aside from the obvious point that litter just plain looks bad recent government studies have revealed that the willful waste of empty beverage containers is costly in terms of energy and natural resources consumption. And these costs appear to be significant.

According to projections made by the Environmental Protection Agency, a nationwide system that encouraged the return and recycling of bottles and cans would result in a savings of half a million tons of aluminum, 1.5 million tons of steel, 3.2 million tons of glass, and almost 50 million gallons of oil a year.

To date, five states (Oregon, Vermont, South Dakota, Michigan, and Maine)—plus all government-owned parks and reservations—have passed strict laws designed to stimulate the recycling of bottles and cans by requiring a cash deposit (or refund) on all beer and soft-drink containers sold within their boundaries.

This year, similar container-deposit legislation—often referred to as "bottle bills"—narrowly missed passage in Connecticut and Massachusetts, and related proposals are currently under consideration in most other states and at the Federal level as well. It all adds up to a determined and impressive legislative effort to curb what has been only half-facetiously referred to as the "throw-away mentality" of the American public.

Like most legislation of far-ranging consequences, the various bottle bills currently being proposed across the country have precipitated heated debates and sharply conflicting claims over their effectiveness.

On the one hand, spokesmen for the bottle and can-producing industry—often joined by beverage manufacturers and distributors and retail grocers—vigorously oppose container-deposit legislation on the grounds that such measures tend to eliminate jobs while simultaneously raising the cost of doing business. Most environmentalists, on the other hand, look upon the non-returnable bottle and can with about as much relish as a gourmet surveying a fly floating in his soup.

Somewhere between these poles of vested interest stands the average consumer: harassed, and thirsty.

If there is any place where the controversy surrounding bottle legislation has settled into a semblance of objectivity, it must be in either Oregon or Vermont. Not only have these two states pioneered beverage-container-deposit legislation, they have also lived with the consequences of this act for a combined total of nearly a decade.

Although the widespread use of returnable containers predates current legislative efforts in this direction, it was more than a quarter of a century, it was not until the late 1960s that a small group of Oregon environmentalists began lobbying for a comprehensive statewide bottle law.

Their efforts were finally rewarded in the spring of 1971 when the Oregon legislature passed a law banning flip-top cans and prohibiting the sale of containers of beer or carbonated soft drinks without a minimum two-cent refund.

As in Oregon, impetus for a Vermont bottle law was spawned by public concern for growing litter levels within the state.

In 1970, largely owing to the vocal support of local college studies, Gov. Deane C. Davis sponsored the first state Green-Up Day, during which all Vermonters were encouraged to voluntarily pick up trash along roadways, riverbanks, and hiking trails.

Although Green-Up Day continued to be an annual rite of spring for the next few years, the enthusiasm of local residents for this form of public garbage collection soon began to wane.

Then, in the summer of 1971, just at a time when the seeds of discontent with Green-Up Day were first beginning to sprout, a young girl named Gatey Graves cut her foot on a broken bottle at a fishing access near Lake Champlain.

Gatey's father happened to be a lawyer as well as a member of the Vermont legislature. Outraged by what had happened to his daughter, Graves went straight to his study and drafted a bill that would require the recycling of all bottles purchased within the Green Mountain State.

In the face of one of the most intensive lobbying campaigns ever seen in Vermont, the Graves Bill—altered to include a minimum five-cent deposit on beer and soft-drink cans as well as bottles—became state law at the twenty-fourth hour of the last day of the 1972 legislative session.

Besides the mandatory deposit, the original Vermont bottle law carried the provision that a fee of 20 percent of that deposit (amounting to roughly one cent per bottle or can) be paid to the retailer as compensation for the extra work involved in collecting and storing the empty containers.

The law was amended in 1975 to include a ban on flip-top cans, nonbiodegradable plastic rings for six packs, and nonrefillable beer and soda bottles.

As in Oregon, the Vermont over-the-counter price for beer and soft drinks was marked up to include the deposit (refund), which is returned to the consumer when he or she brings the empty containers back to the retailer. Having collected these bottles and cans, it becomes the retailer's responsibility to pass them along to the distributor, who has the option of recycling them, dumping them, or carting them back to a beverage manufacturer to be refilled.

Despite the differences in implementation, the original intent of the Oregon and Vermont bottle laws was the same: to reduce litter. And both states have certainly accomplished that goal.

During the first year that the bottle law was in effect in Oregon, beverage-container refuse along roadsides dropped by 72 percent. In Vermont the reduction of landscape litter has been even greater.

According to Donald Webster, Vermont's director of environmental conservation, just about all the beverage containers collected for refund in the state are currently being recycled.

In Oregon, where empty nonrefillable bottles have had a sad history of winding up in town dumps, the Carter Distributing Company of Albany, Ore., has recently installed a four-thousand-dollar glass-crushing machine and is now smashing thousands of nonrefillables a week and selling the glass to the Owens-Illinois Corporation.

Perhaps one of the most confusing, misunderstood and generally maligned aspects of bottle legislation has been its effect upon the consumer.

Vermont's Donald Webster points out that in 1974–75 the beverage-container-manufacturing industry, in an all-out attempt to denigrate beverage-container-deposit legislation, engaged in a campaign of "resistance, misinformation, coercion, and distortion, not only in Vermont, but it all other parts of the country where similar legislation might be considered." And last fall, Vermont's US Rep. James Jeffords noted that during referenda campaigns in Michigan, Maine, Massachusetts, and Colorado, opponents of beverage-container-deposit legislation stated publicly and in numerous radio and television advertisements that the law in Vermont was costing the average family approximately a hundred dollars a year.

According to Jeffords, this hundred-dollar-a-year cost figure is "totally incorrect" and he cites as evidence of the basic economy of refillables the testimony of Coca-Cola president J. Lucian Smith Jr. before the House Subcommittee on Monopolies and Commercial Law.

"Coca-Cola sold . . . in nonreturnable packages is priced, on the average, 33 percent higher than Coca-Cola in returnable bottles." Smith told the Washington lawmakers. "The difference lies essentially in the different costs of the packaging: the cost of returnables is spread over many uses; the cost of nonreturnable package is absorbed in one use."

Given these circumstances, Jeffords has computed that, far from losing money because of the bottle law, the average Vermont family actually saves about 60 dollars a year by purchasing beer and soft drinks in returnable bottles and cans. In Oregon, officials estimate that their container legislation saves enough electrical energy to meet the annual home-heating needs of 50,000 residents.

Although there appears to be little doubt that the average consumer will wind up being the beneficiary of bottle laws in Oregon and Vermont, the legislation has forced beverage manufacturers and distributors in both states to invest substantial amounts of cash in converting their operations to comply with stricter legal standards.

Beverage manufacturers, for example, have had to purchase expensive washing and labeling equipment for refillable glass bottles. And distributors have found it necessary not only to buy extra trucks to collect empty containers, but also to hire extra personnel to sort the empties that have been collected.

Yet despite the extra work and money that the bottle laws in Oregon and Vermont have cost the distributors, most of them appear to be living, if not happily, at least placidly, with the legislation.

These firms write off the extra expenses incurred for trucks, personnel, and the like to "overhead," and pass them along to the retailer. Since all distributors must remain competitive with one another, thirsty Vermonters and Oregonians rarely see very much of this overhead reflected in the prices they pay for beer and soft drinks.

These days, when distributors and beverage manufacturers in Vermont and Oregon talk about bottle laws, they are more apt to talk about discrimination than balance sheets.

As Vermont Bottlers' spokesman Lee Kilburn puts it: "Any law that's forced on one industry, when you're trying to solve your total solid-waste and litter problem, isn't fair. We're part of the solid-waste problem and we're part of the litter problem; but we're not the total cause of either one of these problems."

It is Kilburn's contention that if beer and soft-drink bottles and cans must carry a deposit, then all other metal and glass food containers should be marked for deposit as well.

Perhaps the single largest interest group to be affected by the bottle laws in Vermont and Oregon is the retail grocers—the owners and operators of stores large and small who collectively serve as the front-line shock troops for the entire deposit-return system.

It is the retail grocer who sells the beer and soft drinks to the public and who reaps the rewards of empty containers. It is the retail grocer who must find sufficient space in his establishment to store these empties until the distributor arrives to cart them away. And it is the retail grocer who on many occasions has helplessly watched competitors in neighboring states without bottle law siphon off his business by radically undercutting his prices.

According to a report prepared by two economics professors at Oregon State University, the operating income for grocery stores and super markets in that state dropped by about $3 million during the first year the

bottle law was in effect. Concurrently, Oregon retailers had to make one-time capital investment of nearly $200,000 to pay for bottle-sorting-and-handling equipment and the construction of space for container storage.

It is hardly surprising, therefore, that retailers remain the largest single body of critics of the Oregon bottle law.

Vermont retailers appear to be just as concerned about storage as their counterparts in Oregon, but like Oregonians, they have lived with this problem for a number of years and have learned, by necessity, how to cope with it.

As Bernie Nadeau, the owner of a small grocery store in Middlebury puts it: "If you have everything set up, ample storage space, and the right kind of help, the bottle law is all right."

What Nadeau and many other Vermont retail grocers do complain about is the 20 percent handling fee they receive from the distributor for taking in, sorting, and storing the empty bottles and cans. "It's not enough," says Nadeau. "For my operation the handling charge has not covered the cost of dealing with the bottles."

Not all Green Mountain grocers—particularly those doing business in border areas of the state—are as soft on the Vermont bottle law as Bernie Nadeau. That's because following passage of the legislation, many of these grocers found that local customers started shopping in neighboring states where the price of beer and soft drinks was not inflated by a mandatory container deposit.

This disturbing trend has been particularly evident along the Vermont-New Hampshire border where, according to Jim Holmes (the executive secretary of the Vermont Retail Grocers' Association), some small businessmen have experienced a 50 percent drop in beer sales since the bottle law went into effect.

One man who doesn't need to be reminded of such statistics is Dan Fraser, an owner of Dan and Witt's Store in Norwich.

Dan and Witt's is located almost within a beer can's throw of the New Hampshire border and less than a dozen miles from a Granite State shopping center.

Fraser won't say how much business he's lost to his competitors in New Hampshire, who not only have no mandatory container-deposit legislation but also operate under a more favorable beverage sales-tax arrangement than exists in Vermont. But he does have some hard words for the Green Mountain lawmakers who, he feels, are responsible for his loss of business to New Hampshire.

"The people in Montpelier," he says, "don't care about any business on the border. The ones that make the laws, that is. No wonder they've got a big shopping center just over in West Lebanon, N. H. They're there to collect all the business from Vermont. And those people up in Montpelier don't realize that."

Donald Webster, sitting behind his desk in a state office building hard by the Vermont capital dome does not dispute Fraser's claims of retail border jumping.

"Some of it had to occur," says Webster, who also points out that prior to the passage of the bottle law, Vermont had a 25 cents-per-gallon tax on beer while New Hampshire's beer tax was less than half that amount. But today, Webster notes, the malt-beverage tax differential between New Hampshire and Vermont is about six cents. "So," he says, "logic dictates that border crossing isn't really worth it."

Webster's logic notwithstanding, there are a handful of enterprising Vermont retailers who are actually making money from the state's bottle law.

These are the owners of discount beverage stores and redemption centers, which, during the last five years, have appeared near almost every major Green Mountain population center.

These discount redemption centers sell beer and wine like other grocery stores, but they have also been specially set up to receive, sort, and store vast quantities of empty beverage containers.

By making it more convenient for customers to return their empties, these establishments take in far more beer bottles and cans than they sell. Since the Vermont bottle law requires distributors to pay retailers upwards of a penny "handling charge" per container, the redemption centers have the potential of making substantial profits on bottles and cans that they never sold in the first place.

The discount beverage store and redemption center has yet to make an appearance in Oregon, since the state does not have a malt-beverage tax—and its neighbors do have one—Oregonians are not tempted to cross borders to buy beer.

According to the public-opinion polls taken in Oregon and Vermont, residents of both states overwhelmingly support beverage-container legislation as a means of cleaning up the environment, conserving energy, creating jobs, and bringing about consumers savings.

THE ABC'S ABOUT BEVERAGE CONTAINERS

(By Mark Sullivan)

A. CONTAINERS AND THE OVERALL WASTE PROBLEM

As the nation's largest conservation education organization, the National Wildlife Federation (NWF) is concerned about waste in any form. In recent years, America has increasingly become a throwaway society. Everyday, more products are introduced, designed exclusively to be used once and then thrown away. A few years ago, people would have scoffed at the notion of disposable lighters or entire razors (not just blades) that are used until dull and then tossed into the trash. Durability is out. Disposability is in.

We find it difficult to accept the argument that this is progress. In an age when reminders of our dependence upon wise use of our natural resources come in the form of higher prices and loss of income and employment, conservation is more essential than ever before.

Finding alternatives to our wasteful habits requires national attention. Education is necessary to make the public aware that their consumer choices play a vital role in conservation. It will take time to find and implement many of the other needed conservation measures, but there are some areas in which obvious and logical alternatives are currently available. One of the most visible and nagging problems is the waste of beverage containers for beer and soft drinks.

Changing the present system for marketing beer and soft drinks can yield energy savings equal to 81,000 or more barrels of oil per day plus conserve material resources annually of 5.2 million tons of glass, 1.5 million tons of steel and 500,000 tons of aluminum. Also, changing the system could actually create between 80,000 and 118,000 additional jobs, save consumers as much as $1.8 billion annually and provide other desirable benefits in the form of reduced litter and solid waste. Most surprising, however, is that the proposed change is not so much a new idea as it is an old idea reconsidered, placing refundable deposits on containers as an incentive for their return for reuse and recycling!

B. REFILLABLES VS. THROWAWAYS

Not so many years ago, soft drinks and beer came almost exclusively in bottles designed to be used, washed and refilled over and over again. In fact, as late as 1960, 95 percent of all soft drinks and 50 percent of all beer was sold in refillable bottles. With refillable bottles the consumer buys only the beverage. The container is borrowed. A deposit is paid to encourage the consumer to return the container. Even if the purchaser does not return the container, the deposit provides the incentive for someone else to bring it in to claim the deposit. Persons 20 years old and older may remember collecting bottles for spending money in their childhood.

Studies commissioned by various federal and state agencies have found that refillables are used an average of 15 return trips each. That means the cost of the container is shared by all 15 users.

About 15 years ago, non-refillable containers (both bottles and cans) began to appear in large numbers on store shelves. Advertisements emphasized convenience. With non-refillables the purchaser did not have to pay a deposit or return the empty container. When used, the container could simply be discarded. These non-refillables were immediately dubbed "throwaways."

And "throwaway" is what people do with most of them. If the consumer is conscientious, the empty container goes into a trash receptable. If not, it ends up as litter. With returnables there was at least the incentive for someone to pick them up for the deposit. Throwaways provide little incentive for their collection. Now the only way they are picked up is when tax dollars are spent for litter cleanup or a volunteer group, like the Boy Scouts, has a litter pickup campaign. Litter is only one of the more visible adverse impacts of throwaways. If litter is what we gain, what is lost and who loses?

C. TAXPAYERS

Municipal and state expenditures for refuse cleanup cannot be provided to pick up all trash. When money is available, it is usually allotted to handle refuse on a priority basis. If only a small amount of money is available, it will be used first to pick up the biggest, most glaring refuse, such as junk autos and abandoned appliances. Roadside litter is of a lower priority and pickup will be concentrated upon major or scenic highways. Money is rarely available to clean up back roads, city side streets or alleys. Funds are never available for picking up litter on private lands. Farmers, for example, find litter on their land a special nuisance. Broken bottles can cut tractor tires: cans can get caught in farm machinery and cause expensive damage.

One suggested solution has been to increase litter collection expenditures. Preventing as much litter as possible in the first place, however, is most important. The Environmental Protection Agency (EPA) estimates that 4.1 billion beer and soft drink containers were littered in 1975 and that this figure will exceed 5 billion by 1980. EPA estimates that beer and soft drink containers currently comprise 20–30% of all litter by piece count and 40–60% by volume. If a substantial segment of the beverage container portion of litter can be avoided, limited funds for litter cleanup will go much further. Besides, even if litter can be cleaned up, it then becomes a disposal problem.

The cost of litter pickup is only one facet of the beverage container liability to the taxpayer. The overwhelming bulk of throwaway containers goes into our municipal trash collection and disposal systems. Taxes or user fees are charged to the public to handle that trash. Trash disposal is the second most costly municipal service—behind education but ahead of such vital services as police and fire protection. The EPA estimates that 8 million tons of beer and soft drink containers were thrown away in 1976. These accounted for 8.5% of the manufactured goods in the municipal waste stream. Tax dollars were spent to pick these up, haul them and put them into already over-burdened and expensive municipal landfills.

Containers which are refilled or recycled cause neither litter nor solid waste.

D. THE CONSUMER

If the price of a refillable bottle is shared by all of the users, the price of the throwaway is borne entirely by the single user. Actually, when beer or a soft drink is purchased in a throwaway, the consumer is buying the container as well as the beverage. The container will cost around seven cents (glass a little less, metal a little more). A recent survey conducted for EPA of soft drink bottles alone found that soft drinks in non-refillables cost consumers almost 1½ times more than in refillables.

If the consumer recycles, can the cost of the throwaway container be recovered? Some of it, yes, but only a very small portion. Even recycled aluminum, the most valuable of the containers, is worth only a fraction of what the consumer paid for the container. At 15–20¢ per pound recovered aluminum is valuable, but it takes 23 beer and soft drink containers (12 oz. equivalents) to make a pound of aluminum!

This low value helps to account for the very disappointing recycling rates nationwide.

In 1975, less than 16% of the aluminum beer and soft drink containers purchased were recycled. Steel container recycling was below 5% and the glass rate even lower. Even aluminum, for which one major beer distributor will pay ¾¢ per can, does not provide adequate economic incentive for most consumers to recycle.

E. NATURAL RESOURCES

In 1975, Americans purchased over 65 billion throwaway beer and soft drink containers. That amounts on an average to more than 300 containers for each man, woman and child in the nation. Worse still, the trend toward throwaways has yet to peak. The U.S. Department of Commerce estimates that by 1980, over 90 billion throwaways will be used annually. In 1975, over 80% of beer and 66% of soft drinks consumed were sold in throwaways.

In 1975, EPA estimates that 1.5 million tons of steel, 6.8 million tons of glass and 475,000 tons of aluminum were manufactured from raw materials to make beer and soft drink containers. It is estimated that this usage will increase to 1.7 million tons of steel, 8.2 million tons of glass and 643,000 tons of aluminum by 1980. If our current recycling efforts doubled, this increase would not even be offset. Can we afford for such a depletion of our resources to continue? William Coors, whose company pioneered the aluminum beer container, addressed this when he told the Idaho legislature in 1974, "We are not going to have the materials to market our product, if we don't start getting our containers back."

In addition to our material resources, we must also consider the waste of what is fast becoming our most precious resource—energy.

F. ENERGY

Energy is required to remove the virgin materials from the earth, to transport them to factories, to make each container, to wash each container (whether brand new or to be refilled), to transport the containers to the stores, power the delivery truck (whether empty or loaded with containers to be recycled or refilled), to pick up the litter, to haul the throwaways to disposal, and to shred and compact the throwaways in the disposal site. This energy is lost forever.

A refillable glass bottle used only ten times requires less than ½ of the energy for the equivalent beverage marketed in throwaways. While using refillables requires even less energy than making cans out of recycled metal. It must be noted that just using recycled aluminum and steel would save 78% and 39%, respectively, of the energy required to make cans from virgin resources. Clearly, using refillable bottles and maximizing the recycling of cans would save energy, but how much energy does the beverage industry use?

In fact ½ of 1% of our nation's entire energy consumption is currently used just in the production and distribution of beer and soft drinks. EPA estimates that in 1975, 465 trillion BTUs of energy were used by the beverage container industry. By 1980, the figure is projected to surpass 580 trillion BTUs. A substantial portion of that energy is derived directly from petroleum and natural gas. In the winter of 1973–74 and then again in the winter of 1976–77, severe shortages first of petroleum and then natural gas triggered an economic downturn, yet we continue to waste precious energy on throwaways!

G. ALTERNATIVES

It is clear that we cannot just ban beverage containers. They are a necessity. Ideally, the public should use fewer non-refillable containers and recycle those that are used. The beverage container industry contends that it is only responding to consumer demand, and that it would not sell so many throwaways if people did not want so many of them. Why then are so many throwaways sold?

Increasingly, consumers are not being given the choice to use refillables, because many beverages are not available in refillables, and many stores will not stock them or accept them for refund. Recycling is stymied because recycling centers are inconveniently located and may cost the consumer so much in time, effort, and transportation that recycling just doesn't make economic sense.

Prices of throwaways are misleading and seem cheaper than they in fact are. They do not include costs for litter cleanup and solid waste disposal, which the public pays later. In fact, those of us who use refillables or recycle throwaways subsidize the rest of the population who do not. We pay for their mess!

But the major blame lies with the public. The beverage industry notes that when given the choice between refillables and throwaways, the buying public chooses throwaways. We must take the time to evaluate all of the factors and consider them in their proper perspective. We cannot afford to be lazy. We must reject the argument that "convenience" is progress, and remember that throwing away, even when we clean it up, is wasteful!

Providing the public with the stimulus to reuse and recycle is the obvious answer. Conservationists have examined the situation and found that the solution may well have been *behind* us, in our not too distant past. The reason why the all-refillable system was so successful and why even today the return rate for refillables remains at around 90%, is the economic incentive to return the containers provided by the deposit. This is the basis for what has become known as the "bottle bill" concept.

H. "BOTTLE BILLS"

"Bottle bill" is the common term used for any measure requiring payment of a minimum deposit for the container when a beverage is purchased.

Contrary to what many people believe, bottle bills do not ban throwaway containers. As a result of bottle bills, consumers tend to buy fewer non-refillables for logical reasons. Throwaway bottles become non-competitive. Why buy a throwaway bottle if you have to pay a deposit? You might as well use a refillable because then you only borrow the container and get your deposit back when you return it. If you return the throwaway you get back your deposit, but not the price you paid for the container. The single attraction of the throwaway bottle for consumers is lost. The same can be said for the beverage industry. If bottles must be accepted for return, refilling is cheaper than recycling.

Beverages in cans, especially all-aluminum ones, will still be competitive because cans have some other attractions besides being disposable. They are lighter and will not break. The deposit provides the needed incentive to return the can for recycling. Since cans can be flattened and take up little storage space, some people find the extra cost for the container worthwhile, because they are easier to save and return in bulk for the deposits.

Bottle bills are currently in effect in many places, nationally and even in other countries. Five Canadian provinces, for example, have bottle bills. Some have been enacted on a local level (Bowie, Maryland; Mill Valley, California for example), but the most effective bottle bills in this country have been enacted at the state level.

In 1972, Oregon led the way when its legislature enacted its landmark "bottle bill." Two other states (Vermont and South Dakota) took the state legislative route to their respective bottle bills. When the legislature failed to act in four states where popular referenda were allowed, conservationists took their case to the people in November of 1976. Despite massive publicity campaigns mounted by the opponents the public approved bottle bills by large margins in two states (Maine, 58%; Michigan 63%). In the two other states, the referenda were defeated (Massachusetts, 49%; Colorado, 32%).

I. VARIATIONS ON THE BOTTLE BILL

While all of these bottle bills have the container deposit concept in common, they are not identical.

Oregon's bill included a prohibition against cans with detachable pull tabs. Other bottle bills have followed this pattern, and, in fact, three states that do not have deposit legislation (California, Minnesota and Virginia) have prohibited the tabs. To accommodate this, the industry introduced the push-button lid which accomplishes the same objective as the pull-tab without detaching.

Other bottle bills have prohibited the plastic rings used for marketing cans. Both pull tabs and plastic rings are annoying sources of litter and a particular menace to both humans and wildlife. The tabs, for example, are easily swallowed and since they cannot always be detected by x-ray, are especially dangerous. Fish and other animals can also swallow tabs. Birds can get their heads caught in plastic rings and die of starvation.

Some bottle bills provide a modest handling allowance for retailers to offset their expenses in handling returned containers. Others provide the incentive of a lower deposit on standardized containers that can be filled by more than one distributor because this streamlines handling. Some require that containers have a stamp indicating the deposit and signifying that they were purchased in a particular state or community, in order to guarantee their acceptance for refund and to keep track, especially in small states, of containers from surrounding states that carry no deposit.

J. OPPOSITION TO BOTTLE BILLS

As is the case with any measure requiring change, not everybody likes bottle bills. In fact, the bottle bill opposition is well organised, well financed and vocal. Their arguments must be considered. Some are not easily brushed aside.

Opponents note that a major reason for the switch to throwaways was to improve sanitary conditions in stores. They argue that a deposit system will cause a return to piles of filthy bottles around stores. This, of course, is not so much a weakness of returnables as it is of the way stores handle them.

A change such as the deposit requirement will cause initial dislocations and some immediate expenses (storage space and per-

haps equipment) and some additional costs (perhaps extra employees to handle refillables), especially for distributors and retailers.

As noted, some of the bottle bills make special provision to cover these costs. All allow for a transition period to minimize the disruptions. These costs by no means outweigh the financial benefits to consumers or compare to the overall benefits.

Proponents note that there were massive dislocations when the beverage industry shifted to throwaways. Many jobs were lost and a lot of small, predominantly local, beer and soft drink bottlers went out of business. In fact, as throwaways take over more of the market, this trend continues. There were over 700 brewing plants in the U.S. before World War II. Today there are less than 100!

The most often heard opposition to bottle bills is the claim that they do not work, are economically disastrous and cause massive unemployment. Perhaps the best way to approach this is by looking at the record.

K. BOTTLE BILL EXPERIENCES

Two states (Oregon and Vermont) have had bottle bills in effect since 1972 and 1973, respectively, and have been the subjects of innumerable investigations. But, as former Oregon Governor Tom McCall notes in his travels around the country expounding on Oregon's bill, it is hard to argue with "a riproaring success."

In Oregon, in the year following the enactment of the bottle bill, beverage container litter was reduced by 72%, reducing total volume of litter by 35%. In the second year, these figures increased to 83% and 47% respectively. In Vermont beverage litter dropped 67% in the first year, despite the fact that the industry resisted the bill by continuing to market beverages in throwaways almost exclusively.

In both states the increases in beverage prices that have occurred since enforcement of the bottle bill have paralleled those nationwide due to higher sugar and grain prices and other factors unrelated to the bottle bill. In Oregon, sales of beer and soft drinks have kept pace with sales trends nationally. In Vermont, opponents attributed a drop in sales of beer and soft drinks to the bottle bill, but an EPA report noted that the primary cause was poor ski conditions which resulted in reduced tourist spending in the State.

Vermont is small and its beverage supplies come almost exclusively from distributors in surrounding states. The bottle bill effect upon energy and employment there has been hard to calculate. Oregon, on the other hand, is larger both in size and population, so the effects of its bottle bill have been possible to gauge. Studies in Oregon show that while there was a shift in employment from some segments to others, there was a net gain in both jobs and labor income as a result of its bottle bill. Annual savings equivalent to 1.4 trillion BTUs of energy (enough to satisfy the annual heating needs of 50,000 Oregonians) and a reduction of 86% in the number of beverage containers going into Oregon's solid waste disposal system were achieved.

Surveys have also found that while there are definitely costs for sanitary handling of containers, these costs have been much lower than had been anticipated. In fact, one Oregon grocery chain has become so enthusiastic that it sends representatives around the country to speak in favor of bottle bills!

Perhaps the greatest testimony to the success of the bottle bill experiments in both Oregon and Vermont is public acceptance. In both states, recent opinion surveys have found that 9 out of 10 people like the bottle bill in their state. Also, the public is cooperating. Return rates for refillable bottles are exceeding expectations and recycling of cans is phenomenal compared to voluntary recycling programs.

Yosemite National Park in California is serving as a voluntary test site for EPA's federal facilities deposit guidelines. The results of this test have received outstanding publicity nationwide. The average stay of a visitor in Yosemite is only 2½ days. This does not provide much time for educating people about the system. A remarkable 7 out of 10 container return rate has been accomplished. This success has encouraged EPA about the potential for full implementation of its guidelines.

With bottle bills in operation in several states, the momentum for bottle bills is picking up elsewhere. More than 20 additional states will consider beverage container deposit measures in 1977. Coupled with EPA's guidelines, the proliferation of bottle bills around the country does add credence to one complaint of the bottle bill opponents. Since each bill is different, the beverage industry is forced to meet different requirements in different states. Conservationists see this as one more argument in favor of their ultimate goal, a national bottle bill.

L. NATIONAL BOTTLE BILL

The advantages of a federal bill are obvious. Not only would the standardizing of deposits and other requirements make the bottle bill less difficult for the industry, it would also yield more efficient conservation results than a piecemeal state-by-state approach. The EPA has projected the following potential effects of a national beverage container deposit law phased in by 1980:

Reduction in roadside litter by 60–70% of container litter and total litter by 20–40% (by item count or volume).

Reduction in annual municipal solid waste by 7 million (at least 5% of the total) annually.

Reduction in total U.S. energy consumption of over 245 trillion BTUs annually.

Savings in virgin raw materials of 5.2 million tons of glass, 1.5 million tons of steel and 500,000 tons of aluminum annually.

Consumer price savings of about 2.5¢ per 10-ounce beverage serving.

Net increase in employment of 80,000 jobs.

EPA is not the only one looking at the potential savings from a national bottle bill.

Searching for ways to conserve energy without causing economic disruption, the Federal Energy Administration (FEA) commissioned a $100,000 study of the potential impacts of a national bottle bill phased in by 1982. Released in the Fall of 1976, the 760-page report entitled *Energy and Economic Impacts of Mandatory Deposits* provided an unparalleled analysis of the beverage industry. The study projected findings assuming such things as improvements in the throwaway system technology to reduce energy consumption. The study also assumed conservative return trip rates for refillables. It noted that the beverage industry currently is energy and technology intensive while a deposit system relies more on employment and less on machines. The study also found that the industry uses substantial amounts of energy derived directly from especially precious sources such as petroleum and natural gas. Some of the study's projections for a mandatory deposit bottle bill include:

Savings of $1.8 billion annually for consumers.

A net increase of 118,000 jobs with an accompanying annual increase in labor income of $879 million.

Energy savings equivalent to 81,000 barrels of oil per day. This is comparable to the 200,000 barrels per day savings that would result from strict enforcement of the national 55 mph speed limit and represents 44% reduction in the energy usage of the beverage industry.

Environmental Action, Inc. (EA) a national lobbying organization leading the bottle bill fight, and Rep. James Jeffords (Vt.), sponsor of the national bottle bill, used the FEA study to determine what effect a national bottle bill might have had were it in effect during the harsh winter of 1977. EA and Jeffords estimate that 30–50 billion cubic feet of natural gas alone would have been saved, alleviating the natural gas shortage. EA noted, "If a national beverage container deposit law had been in effect this year, we would have saved more natural gas than is used by the city of Washington, D.C., plus the states of Maine, New Hampshire and Vermont" in a year.

The FEA study also noted that the energy required to return refillables is marginal because consumers do so on regular shopping trips and retailers load them on returning delivery trucks.

Support for a national bottle bill is coming from other quarters as well. The National Commission on Supplies and Shortages, a bipartisan study group established by Congress, chaired by Donald Rice of the Rand Corporation (and including among its 11 members the Secretary of the Treasury, the Director of the Office of Management and Budget, the Chairman of the President's Council of Economic Advisors, two Senators and two members of the House of Representatives) recommended in its final report issued in December, 1976, that a national bottle bill be enacted.

The Unfinished Agenda: The Citizen's Policy Guide to Environmental Issues, a task force report commissioned by the Rockefeller Brothers Fund and released in early 1977, not only endorses the beverage container deposit concept as an excellent conservation measure for immediate implementation, but adds that this approach might well be applicable in other areas besides beverage containers, citing specifically other packaging materials, appliances and electronic equipment. The task force recommends serious consideration of a national "bottle bill" for automobiles as an excellent answer to the abandoned auto problem.

M. THE CHALLENGE

Bottle bills on a state-by-state basis or on a national level are not the complete answer to waste. Though less, there still will be litter and solid waste to confront, requiring both recycling and acceptable disposal methods. We must also learn to reduce the waste of energy and resources in a variety of other areas. Conservation, however, is the key, the point from which we must proceed.

The bottle bill concept offers a tailor-made remedy for one of the most visible and unnecessary forms of waste. The bottle bill is conservation at its purest. Few conservation measures, as the plant closures and other severe emergency steps taken during winter of 1977 vividly demonstrated, boast such minimal disruption to the economy while providing additional benefits to society. Conservationists know that the bottle bill is not the complete answer, but it is an excellent place to start.

N. FURTHER INFORMATION

To learn more about bottle bills contact:

Office of Solid Waste, U.S. Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460.

Recycling Information Office, Department of Environmental Quality, State of Oregon, 1234 S.W. Morrison, Portland, Oregon 97205.

Vermont Agency of Environmental Conservation, P.O. Box 489, Montpelier, Vermont 05602.

O. CITIZEN ACTION

For more information on citizen action on bottle bills contact:

Michigan United Conservation Clubs, P.O. Box 30235, Lansing, Michigan 48909.

Natural Resources Council of Maine, 51 Chapel Street, Augusta, Maine 04330.

Maine Audubon Society, Gilsland Farm, 120 Old Route 1, Falmouth, Maine 04105.

Oregon Wildlife Federation, P.O. Box 4552, Portland, Orgeon 97208.

Oregon Environmental Council, 2637 S.W. Water Ave., Portland, Oregon 97201.

Vermont Natural Resources Council, 26 State Street, Montpelier, Vermont 05602.

Environmental Action, Inc., 1346 Connecticut Ave., N.W., Washington, D.C. 20036.

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RETURNING TO "RETURNABLES"

Perpetuation of what has become almost an American tradition—the attitude of "make it, use it, throw it away"—has received a boost from the Massachusetts House of Representatives.

The House refused to endorse an initiative petition measure banning use of nonreturnable bottles. In doing so it soothed national container industry fears that, if the Bay State joins Oregon and Vermont in requiring that beverages be sold in returnable bottles, the rest of the nation might soon follow suit.

In 1973 the average American used 71 "six-packs" of beverages. One out of every four of those containers ended up as trash. Bottles and cans account for approximately 50 percent of the national litter problem.

At the same time surveys on the impact of bottle laws in Vermont and Oregon show that 90 to 95 percent of the returnable beverage containers are being reused. In Oregon overall litter has dropped 39 percent, while beverage, container refuse has plunged 83 percent.

In Massachusetts the AFL–CIO opposed the bottle bill, saying it would result in loss of up to 1,000 jobs in the bottle-making trade. Yet a Federal Reserve Bank of Boston report concludes that there would be a net gain in employment, although primarily in less-skilled, lower-paid retailing jobs. It indicates an over-all benefit to the state's economy.

On a national scale, a draft Federal Energy Administration report concludes that requiring deposits on beverage containers would result in economic gain.

Fortunately, the issue is not dead in Massachusetts. Backers of the proposal can place it on the November, 1976, ballot if they collect a little over 9,000 signatures, which should not be difficult. Meanwhile several other states, including Maine, New York, Maryland, and Virginia, are now considering similar bottle legislation.

The most effective way to curb litter, aside from convincing people not to toss it down in the firstplace, is to make it too costly for the needless litterer.

Bay State citizens and indeed all Americans ought to realize that legislative bans on disposable bottles mean both the creation of jobs and a litter-free landscape.

BOTTLE BILLS WINNERS AND LOSERS

(By Ellen Stern Harris)

While most of us were paying close attention to the fate of the candidates earlier this month, we may not have noticed the outcome of ballot issues in states other than our own. Frequently these results can serve as an important indication of developing trends that may, in time, affect our own state's decision-makers.

Nationwide, consumer and environmental groups had their eyes on Michigan, Maine, Massachusetts and Colorado. Each of these states had measures listed that were patterned after the Oregon and Vermont bottle bills requiring deposits on beverage containers to encourage recycling. In Massachusetts, the bottle bill lost by one-half of one percent and in Colorado by a whopping 60 percent.

TREMENDOUSLY ENCOURAGED

And yet the public interest groups are tremendously encouraged. That's because in Maine, where the container industry outspent the citizen organizations by 30–1, 58 percent of the voters approved a bottle measure. The greatest victory, however, was in Michigan where 63 percent of the electorate enacted such a law—in spite of the industry expenditure of an estimated $3 million in an attempt to defeat the deposit requirement.

William W. Sadd, president of the Washington, D.C.-based Glass Packaging Institute,

said, "The industry is obviously concerned. We anticipate that consumer prices in Michigan and Maine will rise as a result of higher prices associated with changes in the distribution system. Nonetheless," he added, "this industry stands ready to supply the returnable bottles needed for the changeover—just as we have always tried to supply what the market demands."

The Environmental Protection Agency, concerned with the energy wasted by not reusing bottles as well as the litter problems throw-away containers cause, has adopted regulations requiring a 5-cent deposit on soft drink and beer bottles and cans sold on all federal facilities beginning next September.

EPA expects savings of 2,000 barrels of oil per day plus an annual savings of 80,000 tons of glass, 24,000 tons of steel and 6,000 tons of aluminum from just this example of enlightened consumerism. Military bases and national parks such as Yosemite (where this program has already gotten under way) will lead the way in demonstrating that returnable bottles are "in" once again.

As for the EPA's official position with regard to expanding such programs: "EPA favors national mandatory deposit legislation, phased-in, to minimize employment and other economic dislocations. It does not oppose similar state and local legislation, as long as it includes such provisions and anticipates possible national legislation in this regard." Marvin Schlackman of EPA's regional office in San Francisco told me.

If you have followed the battles to get California's legislature to approve a bottle bill, you may recall that this year its author, Sen. Omer Rains (D-Ventura), was unable to get the votes needed even to pass its first committee hurdle. He will, nevertheless, reintroduce it as SB4 in January, according to proponent Fritzi Bernstein, solid waste subcommittee chairman for the Sierra Club in Los Angeles.

ENVIRONMENTAL BURDEN

What amazes me is how we can continue to accept the economic and environmental burdens connected with producing and distributing containers that hold liquids for human consumption containing little if any nutritive value. It seems a question of fairness when, whether or not you choose to purchase such drinks, you are required to pay for the cost of disposing of the containers discarded by others. That's because these expenses are all included in the county and city's budgets. Disposal costs are paid for out of local governments' general funds that include our increased property taxes. Renters also feel the pinch as landlords frequently justify additional rent increases based on higher property taxes.

Trucking solid waste to landfills, located farther and farther from urban areas, means higher governmental costs for fuel and more smog being generated. In addition, what few scenic canyons remain near population centers are increasingly being usurped for use as landfills.

Besides the bottle-bill approach, other aspects of solid waste are receiving accelerated attention from various segments of government and industry. Next week: barriers to the recycling of newspapers.

Today, bottle-bill advocates are pushing basically similar legislation across the nation. They have made hundreds of efforts to enact bills—from Congress down to City Hall. South Dakota has passed container legislation due to go into effect in July. The District of Columbia's council adopted a bill in 1974, only to have the mayor veto it. The federal Environmental Protection Agency backs a national bill. So do such diverse organizations as the National League of Cities and the U.S. Conference of Mayors, the League of Women Voters and the United Auto Workers.[1]

The backers now see more than trash involved. They say that America has become a throwaway society, has lost the pioneer ethic of "waste not, want not." They see the bottle bill as a way to begin recapturing national thriftiness. In their scenario, if we refilled 90 percent of beverage bottles and recycled eight of ten beverage cans, the country would annually save from five to six million tons of basic resources (glass, steel, aluminum) and energy equivalent to 39 million barrels of oil.

There is also the issue of cost to the consumers. In 1972, the president of Coca-Cola, U.S.A., told Congress: "Coke sold in food stores in nonreturnable packages is priced, on the average, 30 to 40 percent higher than in returnable bottles." Why? Soft drink cans cost about seven cents each. The Pepsi-Cola franchiser in Portland, Ore., figures that using refillable bottles again and again reduces the container cost *per filling* to less than a penny, compared with four to seven cents for throwaways. A 1971 study by Prof. Bruce Hannon at the University of Illinois concluded that changing from throwaways to refillables would save consumers about $1.4 billion a year.[2]

[From Reader's Digest, March 1976]

CAN THIS LAW STOP THE TRASHING OF AMERICA?

(By Earl and Miriam Selby)

In the last 15 years, a revolution has swept through the U.S. soft-drink and beer industries. Back in 1960, we drank 95 percent of our soda pop and 50 percent of our packaged beers from refillable bottles—the kind that could be brought back for the deposit and then used over and over. Today, 79 percent of packaged beer and two out of three soft drinks are sold in cans and "no-deposit, no return" bottles, which are used once and then thrown away.

As a result, America is living amid the offal of the beer and beverage industry. Consider:

We are now using about 60 *billion* beverage throwaways a year. These cans and bottles add some nine million tons of trash to our national garbage can.

Using what it called conservative estimates, the Research Triangle Institute of North Carolina reported that in 1969 more than two billion beverage containers found their way to the national roadside. Since then, the total may have reached three billion. Such throwaways account for 20 to 40 percent of all litter.

Several years ago, a metals company offered a dime a pound for empty aluminum beer and pop cans. In 14 weeks, Billy R. Hall, a Dallas cement-finisher, and his wife salvaged almost a quarter of a million cans from the streets and alleys of their city.

A 1975 California study put that state's current litter *injuries* at 300,000 per year. The predominant causes: broken beer and pop bottles and pull-tab openers from cans.

[1] Bottle bills include various provisions. Oregon's law banned the pull-tab can altogether, on the ground that the tab was dangerous, unsightly and omnipresent in litter. Vermont initially did not ban the pull-tabs, but now has banned both them and nonrefillable bottles, starting in 1977.

[2] The impact of containers on the cost of beer is immense. A 1973 article in *Beverage Industry* said that for three of the largest brewers—all heavily into non-returnable cans and bottles—containers constituted 56 percent of their average manufacturing expenses. This was almost three times the amount spent on labor, and nearly four times the cost of the beer's agricultural ingredients.

How do we avoid this trashing of America?

In the early 1970s, two states—Vermont and Oregon—pioneered a kind of legislation that has come to be known as "the bottle bill." This legislation led to a deposit-and-refund system on beer and carbonated soft-drink containers, cans included. The theory was that it would encourage everyone to return containers to the beverage network so they could be refilled or recycled, thus cutting down on litter and also lightening the overburdened garbage can.

How did the idea work? In Oregon, according to a study by Massachusetts' Applied Decision Systems (ADS), beer and pop roadside trash declined 66 percent within one year of passage of the bottle bill; *all* litter declined 11 percent. Another study by Don Waggoner, past president of the Oregon Environmental Council, indicated that two years after the bottle bill the state's beverage trash was down 83 percent; all litter, 39 percent. In Vermont, the highway department reports that can and bottle litter declined 76 percent in one year; all litter, 33 percent.

Such a change, however, especially on a national scale, would hit certain giant industries with megaton force. Here is the reason:

There was a time when a brewer's territory was limited to the distance that a team of horses—and later a truck—could cover in a day. Throwaways changed all that. No longer concerned about getting containers back to the plant, brewers could ship a thousand miles or more, enabling the big ones to invade the local markets of smaller rivals. From 184 in 1958, the number of brewers shrank to 55 in 1974. Eight beer manufacturers now control nearly three-quarters of the market. If throwaways were banned, these giants would be hard hit.

The ADS survey provided another insight into why the beverage industry fights for throwaways. In 1972, big national brewers charged an average wholesale price of $2.50 in Oregon for a case of beer in 11-ounce, refillable bottles. For a case of 12-ounce throwaway cans, the average wholesale price was $3.20. On the bottled beer, the brewers included a mark-up for themselves of 32 cents over the cost of manufacturing. On the cans, the mark-up was 74 cents. The mark-ups for soft drinks were even larger.

It is easy to see why most big beverage makers and bottlers have fought bottle bills. They have been joined by can and glass makers, beer wholesalers, supermarket chains, and the large unions of steel, glass and aluminum workers. It has been a costly fight. William Coors, whose brewery is the only major beer maker to favor deposit legislation, has publicly put the spending at $20 million a year. There is no doubt about the campaign's success. Of hundreds of efforts to enact bottle bills, only three states and a scattering of local jurisdictions have succeeded. And most of the county and city laws have been suspended, pending court tests.

The bottle bill has done much to detrash Oregon and Vermont. Nonetheless, there are serious questions that can be raised. Here, in mini-debate form, are some of them, with replies summarizing both the industry position and that of the bottle-bill advocates.

1. Won't consumers lose "convenience" and "freedom of choice"?

Industry: Beer and soft-drink makers adopted throwaways because the consumer wanted them. Though consumers may tell pollsters they favor returnables, in the marketplace they buy non-returnables because they want the convenience. They should be allowed to choose.

Advocates: Throwaways are "convenient" chiefly for the beverage industry's biggest customer: food outlets, which avoid the cost of handling returnables. As for the consumer's supposed preferences, a survey in Oregon found that only 12 percent of consumers felt it was inconvenient to pay deposits and return empties. Only seven percent thought the bottle bill limited their choice of soft drinks—three percent for beer.

2. Does a bottle bill cost jobs?

Industry: A national bottle bill would throw from 60,000 to 160,000 people out of work. As chairman William F. May of the American Can Co. says, this nation is too deeply committed to the one-way, no-deposit, no-return container to go back to the refillable system.

Advocates: Though there would be dislocations, overall a bottle bill *creates* employment because of the additional workers needed by beer and soft-drink makers and distributors. Anyway, did industry shed tears when throwaways allowed big brewers to swallow smaller plants and eliminate some 20,000 jobs? When Vermont's AFL-CIO leadership tried to get support for fighting that state's bottle bill, the rank and file turned it down.

3. What about the impact on industry?

Industry: It would be catastrophic. Can and bottle plants would lose billions in sales. In Oregon alone, the ADS study reported, can makers lost about $10 million in one year's sales, and it was expected that glass sales, after a spurt to meet the need for new refillables, would go down another $3.6 million.

Advocates: The bottle bill doesn't mean the end of beverage-can sales. Now that progress is being made toward an ecologically sound nondetachable opener for cans, metal containers could be expected to retain about 20 percent of the market. Besides, as the Oregon Court of Appeals told American Can and other industry litigants: "With every change of circumstance in the marketplace, there are gainers and there are losers. There will be new gainers and new losers as the industry adapts to the ban."

Industry: We estimate that converting to refillable systems—dismantling can lines, getting new equipment—would cost $5 billion. That's intolerable.

Advocates: A few years ago, the industry hired Midwest Research Institute of Kansas City to determine the impact of a ban on throwaways. MRI estimated aggregate impact (including new equipment and additional labor) for brewers, beer distributors, bottlers and retailers in the first year to be a loss of $247 million. By the second year, however, lower container costs with a refillable system were seen as yielding an aggregate gain of $37 million.

Industry: The extra costs of handling returnable bottles could be devastating to small grocers. And a flood of returnables would overwhelm the storage capacities of supermarkets. Also, stores would be exposed to vermin-ridden containers.

Advocates: There is some inconvenience for grocers in handling returns. However, when a group of Vermont grocers claimed losses because of the bottle bill, a court upheld the law and dismissed the suit. Vermont grocers already get, for handling costs, a 20-percent allowance on the deposit. Oregon's legislature, on the other hand, has not seen the need to authorize such an allowance. And neither state has yet cited any store as a health hazard for having empty beverage containers.

4. What about consumer prices?

Industry: They would have to go up, because of the tremendous costs of converting plants to refillables.

Advocates: If industry converted to returnables, it would save money, because it would be paying less per use for containers. With these savings, prices could be reduced. A widely accepted estimate is that a bottle could be refilled ten times.

Industry: The trouble with all those "savings" is that they are based on the assumption that people will return bottles. A refillable bottle may make only two or three round trips between plant and consumer in big cities, as few as five or eight elsewhere.

Advocates: When industry was arguing against a government proposal to destroy bottles bearing outlawed cyclamate labels, it said the containers lasted five years. An Arizona bottler says he gets about 50 round trips per bottle.

Besides these questions, there is one more point to consider. What do the people of Oregon and Vermont think of their bottle laws? In Vermont, every attempt to repeal or cripple the law has been defeated. The ADS public-opinion poll for Oregon says: "'Overwhelming' is virtually the only word to describe Oregon's approval of the bottle bill. Nine in ten people (91 percent) said they approved, and only one in 20 voiced any disapproval at all."

All right, says industry, but that was a poll. There have been eight legislative votes in other states involving the bottle bill, and the bill has been turned down every time.

[From the Reader's Digest, May 1976]

THE LOBBY THAT BATTLES THE BOTTLE BILLS

(By Earl and Miriam Selby)

A "bottle bill" is a piece of federal, state or local legislation aimed at helping America kick the habit of throwing away 60 billion beer and soda-pop cans and bottles every year. To stem this nine-million-ton tide of trash, the typical bottle bill proposes that all beverage containers—cans included—carry deposits with mandatory refunds, so they will be returned for refilling or recycling. Advocates of bottle bills argue that they will cut down on litter and trash, conserve energy and resources, and save consumers more than a billion dollars a year.

On the surface, those promises seem so attractive that one wonders why we haven't embraced a nationwide bottle bill. A partial answer may be found in what happened in two localities when bottle bills came up against the lobby supported by the beverage and container industries:

In 1970, in Washington State, college professor Robert Keller triggered a statewide vote on a bottle bill. He and his group had $600 to spend on their cause. The lobby had $300,000. It inundated the state with commercials, advertising and other material. The bottle bill lost.

In Florida, a Dade County (Miami) survey estimated that a typical mile of a major Dade street is littered with 17,850 cans each year. A young county commissioner, Harvey Ruvin, proposed a bottle bill. His side had $1700—plus whatever free air time they could get under the federal "Fairness Doctrine"—to tell their story to the public. The lobby had $180,000—most of it from outside of Dade County—to mount a spectacular advertising blitz using 19 newspapers, 20 radio stations and four television outlets. In November 1974, the voters turned the bottle bill down.

William K. Coors, the only major brewer who favors deposit legislation, estimates that industry pours out $20 million a year to battle the bottle bill and to promote its own alternatives. Support is drawn from the can and bottle makers, the beer and pop industries, certain supermarket chains, and large unions of steel, glass and aluminum workers. With a total annual budget of $7.5 million, the United States Brewers Association alone can call on its lawyers, economists, consultants, think-tank researchers and field representatives to help quash a bottle bill. Such money and firepower are hard to overcome.

Thus, bottle-bill advocates have lost every one of the eight elections involving the bill. In all, there have been hundreds of efforts in Congress and the states to enact various forms of bottle-bill or other beverage-container legislation. To date, only the Oregon, Vermont and South Dakota legislatures plus a scattering of local jurisdictions, have succeeded. (South Dakota's law is not scheduled to become effective until 1978.)

The success of the lobby can be explained not only by its munificent war chest, but also by its shrewd tactics. Consider:

The lobby plays hard, and for keeps. In New York City, a group known as the Environmental Action Coalition received $350,000 in support over a period of three years from industry—Pepsi-Cola, the Can Manufacturers Institute, the Aluminum Association and other keepers of the lobby—to educate the public on such industry-endorsed goals as recycling and resource-recovery programs. In the spring of 1975, however, the Coalition endorsed the bottle bill as a companion to resource recovery. Since then, it has received almost nothing from the lobby.

The lobby can be devious. It sometimes submarines discussion of a bottle bill by raising unwarranted fears. Mayonnaise jars are a favorite tactic. William Ginn, a leader in Maine's struggle to get rid of throwaway containers, was startled when a brewers' spokesman he was debating on radio referred to such jars, implying that the bill could lead to deposit on them, although nothing in the legislative proposal even remotely supported this. Ginn got so caught up in the Mayonnaise question that by the time he recovered himself he had lost the debate. Says Ginn: "I know—now—what the technique is: confuse the public by making it unsure as to just what the bottle bill is. You don't vote for what you have doubts about."

The lobby uses time-consuming court challenges. In Bowie, Md., the city council passed a bottle bill. The lobby sued to overthrow the bill. Four years went by before the lobby was defeated in the courts.

The lobby hides its identity. Its politically active committees frequently bear names that give no indication that they are industry-supported. In Washington State, the lobby called itself Citizens Committee Against Initiative 256; in Maryland, the the Maryland Council on Environmental Economics; in Eau Claire, Wis., the Eau Claire Consumer Information Committee; in Florida, the Dade Consumer Information Committee. When Dade County environmentalists protested that this last name was misleading because the committee was not a consumer group, an industry spokesman stated that the name was proper because the committee was trying to get information to consumers.

The 1974 Florida battle deserves further attention because Dade County was so strategically important. With more than a million and a half residents, and up to 12 million tourists annually, the Miami area accounts for nearly one percent of the U.S. beverage market, consuming the contents of 490 million throwaway cans and bottles every year. If Dade went for the bottle bill—and if tourists brought word of the law back home—the domino effects could ripple everywhere.

So out went the lobby's call for money. In a single week, the Dade Consumer Information Committee collected $96,200, with individual contributors going as high as $7000. Florida law, however, limits donors in single-issue fights to $1000. The lobby was therefore forced to return $61,000. Milwaukee's Joseph Schlitz Brewing Co., which had sent in $2800, got $1800 back. A bit later, the Dade committee received $1000 from a malt company and $800 from a Wisconsin firm selling ducklings. Both are owned by Schlitz. From St. Louis, Anheuser-Busch (Budweiser)

chipped in $1000. So did seven of its transportation subsidiaries, and a can company partially owned by the brewer. Total: $9000. For this single election in one county the lobby eventually financed the Dade committee with $150,000, drawn from 23 states as far away as Washington and California.

How to use the money? First, the committee hired public relations counselor Richard Rundell to coordinate its campaign. A man with 20 years' experience in Florida politics, Rundell laid down this basic strategy: "Keep the campaign *local* by using Miami people who can tell audiences, 'I am one of you. Big business happens to be against this [the bottle bill], but so am I and so should you be.'"

At Rundell's suggestion, a public-opinion poll was taken to orient the campaign. The poll found that while voters strongly endorsed a deposit on bottles, they were five-to-four against a deposit on cans. The lobby therefore concentrated its advertising firepower on can deposits. In one ad, the headline implied that *all* cans, not just beverage containers, would be subject to deposit.

The lobby fastened on inflation as the umbrella for its campaign. It claimed that fighting the bottle bill was "fighting inflation," since a deposit raised the cost. It did not mention that deposits would be refunded—nor that nationally franchised soft drinks already on local shelves in deposit bottles were generally cheaper than the same brand in throwaways.

Many supermarkets put stickers on all six-packs of beverages, saying the bottle bill would raise the price 30 cents (the deposit). The Winn-Dixie grocery chain, which financed its own campaign with $30,000, printed anti-bottle-bill statements on paper bags, so a shopper carrying one became a walking billboard for the lobby.

The lobbly touched off memories of fights over "forced busing" by calling the bottle bill the "forced deposit" law. A young black man was hired to broadcast commercials against the bottle bill and to rebut claims that the bill would help save the environment. "We made it clear," Rundell wrote in the *Public Relations Journal*, "that we felt some of our minority groups didn't have much of an environment to worry about."

Indeed, the well-organized lobby was on the attack in so many places, in so many ways, that the environmentalists never could catch up. Before the campaign, the lobby's own poll had predicted that the bill would pass, possibly by two-to-one. The actual vote, after the lobby finished its three weeks of intensive work, was 57 percent against it.

The lobby isn't always that successful. But, as in Vermont, even when it loses the first battles, it keeps the war going. Shortly after Vermont inaugurated the deposit system in 1973, beer distributors boosted their prices in the state by 60 cents a case, exclusive of deposits. Twenty-four cents were mandated in the law to repay grocers for handling container returns. And the other 36 cents? Gov. Thomas Salmon, an advocate of the bottle bill, hung them on the lobby. He charged it was grabbing for profits in an "overt attempt to anger the Vermont public by substantial increases in the price," an anger which could then be funneled into a drive to repeal the bottle bill.

Having seen something of how the beer and soft-drink lobby works, and so often wins, who can doubt its power?

CONCLUSION

Mr. HATFIELD. Mr. President, the no-deposit, no-return attitude that dominates more and more packaging ignores the energy and solid waste problems in the idolization of convenience. Beverage containers are a good place to reject this wasteful ethic in an area where we know we can succeed.

I realize that an extensive amount of materials have been offered for the RECORD this afternoon. It was my intention in this presentation to compile all the arguments in favor of this legislation at one time so that my colleagues, their staffs and others who use the RECORD would have a comprehensive review of the issue for easy reference.

In conclusion, Mr. President, I ask that the Beverage Container Reuse and Recycling Act of 1979 appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 50

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Beverage Container Reuse and Recycling Act of 1979."

FINDINGS AND PURPOSES

SEC. 2. Congress finds and declares that:

(1) The failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of important national energy and material resources.

(2) The littering of empty beverage containers constitutes a public nuisance, safety hazard, and esthetic blight and imposes upon public and private agencies unnecessary costs for the collection and removal of such containers.

(3) Empty beverage containers constitute a significant and rapidly growing proportion of municipal solid waste, disposal of which imposes a severe financial burden on local governments.

(4) The reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on individuals, local governments, and the environment.

(5) A uniform national system for requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers when empty.

DEFINITIONS

SEC. 3. For the purposes of this Act:

(1)(A) The term "beverage" means beer or other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form and intended for human consumption.

(B) The term "beverage container" means a container designed to contain a beverage under pressure of carbonation.

(C) The term "refundable beverage container" means a beverage container which has clearly, prominently, and securely affixed to, or printed on, it (in accordance with section 4) a statement of the amount of the refund value of the container.

(2)(A) The term "consumer" means a person who purchases a beverage in a beverage container for any use other than resale.

(B) The term "distributor" means a person who sells or offers for sale in commerce beverages in beverage containers for resale.

(C) The term "retailer" means a person who purchases from a distributor beverages in beverage containers for sale to a consumer or who sells or offers to sell in commerce beverages in beverage containers under pressure of carbonation to a consumer.

(3) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(4) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof,

(B) within the District of Columbia or any territory of the United States, or

(C) which affects trade, traffic, commerce, or transportation described in subparagraph (A) or (B).

(5) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

REQUIRED BEVERAGE CONTAINER LABELING

SEC. 4. No distributor or retailer may sell or offer for sale a beverage in a beverage container under pressure of carbonation unless there is clearly, prominently, and securely affixed to, or printed on, it (in accordance with regulations prescribed by the Administrator) a statement of the amount of the refund value of the container, such amount being not less than 5 cents.

RETURN OF REFUND VALUE OF BEVERAGE CONTAINERS

SEC. 5. (a)(1) If a consumer tenders for refund an empty and unbroken refundable beverage container to a retailer who sells (or has sold at any time during the period of six months ending on the date of such tender) a brand of beverage which was contained in the container, the retailer shall promptly pay the consumer the amount of the refund value stated on the container.

(2) If a retailer or consumer tenders for refund an empty and unbroken refundable beverage container to a distributor who sells (or has sold at any time during the period of six months ending on the date of such tender) a brand of beverage which was contained in the container, the distributor shall promptly pay the person the amount of the refund value stated on the container.

(b) The opening of a beverage container in a manner in which it was designed to be opened shall not, for purposes of this section, constitute the breaking of the container.

RESTRICTION ON METAL BEVERAGE CONTAINERS WITH DETACHABLE OPENINGS

SEC. 6. No distributor or retailer may sell or offer for sale a beverage in a metal beverage container a part of which is designed to be detached in order to open such container.

RESTRICTION ON METAL BEVERAGE CONTAINERS WITH DETACHABLE OPENINGS

SEC. 7. (a) Except as otherwise provided in this section, State or political subdivision thereof may establish or continue in effect any law respecting a refund value of beverage containers sold with a beverage under pressure of carbonation to the extent the Administrator determines the law is consistent with this Act.

(b) No State or political subdivision thereof may, for purposes of determining the amount of any tax imposed by such State or subdivision on the sale of any refundable beverage container, taken into account any amount charged which is attributable to the refund value of such container, if a statement of such refund value is affixed to or printed on the container in accordance with section 4.

(c) A State may require that a distributor pay a retailer for the tender of a refundable beverage container an amount, in addition to the amount of the refund value required to be paid under section 5(a)(2), for the retailer's handling or processing of the container.

(d) Subsection (a) does not prevent a State or political subdivision thereof from establishing or continuing in effect any law respecting a refund value on containers other than for beverages.

SEC. 8. Whoever violates any provision of section 4(a), 5(a), or 6 shall be fined not more than $1,000, or imprisoned for not more than 60 days, or both, for each violation.

S. 50 BEVERAGE REUSE AND RECYCLING ACT OF 1977

SEC. 9. (a) The provisions of Section 4, 5 and 7 shall apply only with respect to beverages in beverage containers sold or offered for sale in interstate commerce on or after three years after the date of enactment of this Act.

(b) The provisions of Section 6 shall apply only with respect to beverages in beverage containers sold or offered for sale in interstate commerce on or after one year after the date of enactment of this Act.

By Mr. BENTSEN:

S. 51. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

S. 52. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

S. 53. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies, and for other purposes; to the Committee on Governmental Affairs.

S. 54. A bill to reduce the costs of Federal regulations, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY REFORM

Mr. BENTSEN. Mr. President, one of the charges leveled against King George III of England in the Declaration of Independence was that—

He has erected a Multitude of new Offices and sent hither Swarms of Officers to harass our People . . .

Ironically, millions of Americans make precisely the same charge against the Federal Government today 202 years after the signing of the Declaration of Independence.

In recent years, our pluralistic, regionally diverse society has sometimes had difficulty uniting to develop a consensus on the most pressing problems we face as a nation. It is truly ironic that today a consensus has been reached in all parts of this great Nation and among just about every group of Americans that one of our most pressing problems is the incredible tendency of our own Government to expand and intrude.

The overwhelming majority of Americans support the legitimate efforts of Government to clean up our air, to keep our water pure, and to improve the quality of life for all citizens. I support these goals. I have fought for them. What I oppose are unwarranted, confusing, and unreasonable regulations which strangle individual freedom and individual initiative and give no consideration to cost/benefit ratios.

Excessive Federal regulation is an engine of inflation. But there is a deeper, more alarming casualty of excessive regulation, one that attacks the vital center of the American economy. Our well-being as individuals and as a society rests in part on our historic ability to generate rising real incomes for all—wages and salaries that stay ahead of prices. We have been almost unique in attaining a sustained rise in real incomes throughout our history. No other nation in history has done so well for so long. The key to this enviable record has been rising productivity—the ability and willingness of American entrepreneurs to innovate, to bear risks, to invest in technology which enables workers to produce more this year than last, and more next year than this year.

Productivity and risk-taking are the twin pillars of our bountiful economy.

But, they are subject to breakdowns, to a weakening of intensity and spirit. And we have seen just that occurring in the past decade, in part due to strangulating Federal regulations.

Entrepreneurs are so concerned with filling out forms and complying with this or that rule that their innovative energies are being squandered, dissipated—not on efforts to raise productivity, but rather on Federal regulations. Their freedom to dream, to innovate, to succeed is being shackled in a sea of redtape from Washington. They are becoming an endangered species, one Washington seems bent on eliminating rather than helping.

Talking about excessive regulation is easy. The hard part is crafting specific, effective remedies to reduce the burden—the cost of regulations—without jeopardizing regulatory objectives. I made a start in 1978 at that job. In 1978, I was privileged to have the overwhelming support of my colleagues in the Senate for three pieces of legislation we passed to impose some order on the chaotic Federal regulatory system. But, the real work lies ahead. There is no question in my mind that this work must be done. Taxpayers, consumers, entrepreneurs are simply fed up with hand-wringing public officials who decry the cost of regulation without offering specific proposals to make the system more efficient and effective.

The regulatory reform legislative package I am introducing today is varied. Mr. President, this is a package designed to fundamentally alter our Federal regulatory system. It introduces accountability—both in Federal agencies and in the Congress—for new regulations. It introduces a system for abolishing existing regulations which are excessive or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. And, it mandates an aggressive Federal effort to seek out and eliminate existing rules or regulations which duplicate or conflict with one another.

THE REGULATORY CONFLICTS ELIMINATION ACT

Under this legislation, which passed the Senate in 1978 as an amendment to the sunset bill, S. 2, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with rules or regulations promulgated by other Federal agencies. At the start of each fiscal year, the President will submit his recommendations for resolving or eliminating duplication or conflicts among rules or regulations at the Federal level. The recommendations affecting Federal agencies go into effect 60-days following their submission unless disapproved by Congress. The GAO will evaluate the OMB report, the President's recommendations as well as each agency's progress in implementing those recommendations.

It is simply outrageous for a small businessman to confront the impossible situation where complying with one regulation requires violating another. My legislation is designed to eliminate the irrationality of conflicting or overlapping regulations.

REGULATORY COST REDUCTION ACT

Under this legislation, regulatory agencies—the independent regulatory agencies as well as those in the executive branch—will be required to meet their regulatory objectives in the most cost-effective manner available.

Congress has sadly failed to impose this requirement in most measures establishing new regulatory programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources. We need to clean up our environment, we need to make our highways safe, we need to improve the healthfulness and safety of our work places. But if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other goals—to raise the standard of living of the middle-income American taxpayer, to alleviate the poverty of disadvantaged Americans, to strengthen our military or to revitalize our cities and rural communities. Each $1 billion spent unnecessarily on achieving the goals of a regulatory agency—when a less costly but equally effective alternative is available—is $1 billion that we could otherwise devote to worthwhile goals. We may be a wealthy nation, but as our taxpayers and voters have recently told us, things at home are tight and there just is not any money to burn.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish an extensive regulatory impact analysis in the Federal Register to back up their existing regulations, with the same goal in mind.

INDEPENDENT AGENCIES REGULATORY IMPROVEMENTS ACT

Under this legislation, independent agencies will be required to follow the same procedures in developing rules and regulations as are now required of the Executive agencies under the provisions of Executive Order 12044 issued by President Carter on March 23, 1978. For constitutional reasons, independent agencies are exempted from the provisions of the Executive order; my bill would bring them into line with the regulatory procedures called for in this Executive order without relinquishing any congressional authority to the President.

This Presidential order establishes a mechanism for the review of proposed rules and regulations designed to permit broad comment and participation in rulemaking activities. This mechanism would be uniform across Cabinet departments. My legislation would significant-

ly enhance this commendable effort by President Carter by making the regulatory review mechanism uniform across almost all of the other Federal agencies.

FEDERAL REGULATORY BUDGET ACT

This legislation will force the President and Congress each year to put a cap on the amount of regulatory costs each agency can impose on the non-Federal sector, just as we now do in the fiscal budget. This would force agencies to choose the least costly way of achieving regulatory goals.

The bill establishes a formal mechanism within the framework of the Congressional Budget Act passed 5 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews and ample opportunity for public input.

Mr. President, my legislative efforts are not aimed at the legitimate efforts of Government to clean up our environment, to protect consumers or to improve worker health and safety. They are aimed instead directly at excessive, unnecessary, and unreasonable Federal regulation. They are undertaken in the Jeffersonian spirit of allowing our citizens the freedom to regulate their own lives.

I ask unanimous consent that the text of each bill I have introduced today be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 51

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—REGULATORY BUDGET PROCEDURE

"STATEMENT OF FINDINGS AND PURPOSE

"SEC. 1101. (a) The Congress finds that—

"(1) Federal rules and regulations often impose excessive costs of compliance upon the non-Federal sector;

"(2) Federal rules and regulations have grown in number and scope so rapidly that the agencies and the Congress have not had an adequate opportunity to examine the costs of compliance with such rules and regulations; and

"(3) it is the responsibility of the Congress to determine the appropriate levels of costs of compliance with Federal rules and regulations.

"(b) It is the purpose of this title to require the Congress to establish, for each fiscal year, a regulatory budget for each agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency. It is the intent of Congress, for each of the first five years for which a regulatory budget is prepared, to impose a budget which will result in reducing the total costs of compliance with Federal rules and regulations by 5 percent per year.

"DEVELOPMENT OF REGULATORY COSTS ANALYSIS PROCEDURES

"SEC. 1102. (a) The President shall, in consultation with the Business Advisory Council established pursuant to subsection (g)—

"(1) establish criteria for use in the determination of which rules or regulations are rules or regulations within the meaning of this title and furnish such criteria to the head of each agency; and

"(2) develop methods of determining the costs of compliance with rules or regulations and furnish such methods to the head of each agency.

"(b) In developing the methods required under subsection (a)(2), the President shall, after consultation with the Business Advisory Council—

"(1) take such action as may be necessary to insure that such methods are based upon the most accurate available statistical and accounting knowledge and techniques; and

"(2) provide, to the maximum extent feasible, that such methods are uniform for all agencies while taking into account the different functions of each agency.

"(c)(1) At least ninety days before the submission of the criteria and methods required under subsection (a) to the head of each agency, the President shall—

"(A) publish such criteria and methods in the Federal Register in order to solicit public comments thereon for a period not in excess of forty-five days; and

"(B) submit such criteria and methods to the Comptroller General, the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director for their review and comments.

"(2) The Comptroller General, the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director shall submit comments and recommendations concerning the criteria and methods submitted pursuant to paragraph (1)(B) within forty-five days of the receipt of such criteria and methods.

"(d) Each year, at a time and in a manner consistent with the provisions of sections 1103 and 1104, the President shall review and update the criteria and methods established under this section in accordance with the procedures established in this section.

"(e) The President may delegate his responsibilities under this section to the Director of the Office of Management and Budget.

"(f) The head of each agency shall utilize the criteria and methods developed by the President under this section to carry out the functions required under section 1103.

"(g)(1) The President shall, in accordance with the Federal Advisory Committee Act (5 U.S.C. App.), establish a Business Advisory Council to provide such information and advice as he may require to carry out his responsibilities under subsections (a) and (b) of this section.

"(2) The Council shall be composed of not less than 25 nor more than 50 members selected by the President. Such members shall include representatives of each major industrial and commercial sector, and shall include individuals from each geographic region. Such individuals shall include members from enterprises of various sizes, and shall include, to the extent possible, individuals from businesses affected by each of the major areas of Federal regulation.

"(3) The President shall provide the Council with necessary clerical and other supportive services and shall cause the minutes of meetings of the Council to be duly published. Members of the Council, other than full-time employees of the Federal Government, while attending meetings of the Council or otherwise serving at the request of the Council or the President away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government serving without pay.

"REGULATORY COST COMPLIANCE REPORTS

"SEC. 1103. (a)(1) Each year, the head of each agency shall conduct a study of the costs of compliance with rules and regulations promulgated by that agency. The head of each agency shall utilize the criteria established by the President under section 1102 in conducting the study required under this subsection.

"(2) The head of each agency shall submit a report to the President, the Congress, and the Comptroller General by the November 10 preceding the beginning of each fiscal year. The report shall contain the results of the study required under paragraph (1), and shall contain a statement of—

"(A)(i) the costs of compliance for the fiscal year ending on the September 30 prior to the date on which the report is submitted;

"(ii) a comparison of the costs of compliance for such fiscal year with the regulatory budget, if any, established for such fiscal year under section 1105; and

"(iii) a full explanation for any costs of compliance which exceeded the regulatory budget for such fiscal year; and

"(B) the estimated costs of compliance for the fiscal year in progress when the report is submitted and for the succeeding fiscal year—

"(i) with rules and regulations of such agency in effect on the date on which the report is submitted;

"(ii) with rules and regulations of such agency which are to be issued, or are expected to be issued, after the date on which the report is submitted; and

"(iii) with all rules and regulations of such agency as specified in clauses (i) and (ii).

"(b) By May 15 of each year, the Comptroller General shall review the reports required by subsection (a), and shall submit a report to the Congress containing the results of such review. Such report shall identify (1) any inadequacies in the reports submitted by the head of each agency, and (2) any errors in estimates of the costs of compliance specified in such reports.

"REGULATORY BUDGET RECOMMENDATIONS

"SEC. 1104. The budget transmitted pursuant to section 201(a) of the Budget and Accounting Act, 1921, for each fiscal year, shall include a regulatory budget for each agency which shall contain recommendations for the maximum costs of compliance with all rules and regulations of each agency during the fiscal year for which the budget is submitted. If the proposed regulatory budget for any agency is lower than the estimated total costs of compliance determined by the agency head under section 1103(a)(2)(B), the Budget message shall recommend specific actions which may be taken during such fiscal year to reduce the costs of compliance with the rules or regulations of such agency.

"REGULATORY BUDGET RESOLUTION

"SEC. 1105. (a)(1) On or before September 15 of each year, the Congress shall complete action on a concurrent resolution to establish a regulatory budget for each agency which sets the maximum costs of compliance with all rules and regulations promulgated by each agency which will be in effect during the fiscal year beginning on October 1 of such year. In developing such regulatory budget, the Congress shall utilize the reports submitted by the head of each agency pursuant to section 1103(a), the report submitted by the Comptroller General pursuant to section 1103(b), and the recommendations submitted by the President pursuant to section 1104.

"(2) The provisions of section 305 shall apply to the consideration of concurrent resolutions required under this subsection.

"(b) On or before July 15 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House, each standing committee of the Senate (and each other committee of the Senate which has legislative jurisdiction) shall submit to the Committee on the Budget of the Senate, and the Joint Economic Committee and Joint Committee on Internal Revenue Taxation shall submit to the Committees on the Budget of both Houses its views and estimates with respect to the establishment of the maximum costs of compliance with rules and regulations which relate to matters within the respective jurisdiction or function of such committee or joint committee.

"(c) In developing the concurrent resolution required under subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and receive testimony from among Members of Congress and such appropriate representatives of the agencies, the general public, and national organizations as the committee deems desirable. On or before August 15 of each year, the Committee on the Budget of each House shall report to its House the concurrent resolution required under subsection (a) for the fiscal year beginning on October 1 of such year.

"REPORTS AND SUMMARIES OF CONGRESSIONAL ACTION

"SEC. 1106. (a) Whenever a committee of either House reports a bill or resolution to its House, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director, which contains an estimate of the costs of compliance with the rules or regulations required to carry out the provisions of such bill or resolution.

"(b) The Director shall issue periodic reports detailing and tabulating the progress of congressional action on bills and resolutions which will create costs of compliance as a result of rules or regulations required to carry out the provisions of such bill or resolution. Such report shall include—

"(1) an up-to-date tabulation, by agency, of the costs of compliance with rules or regulations required to carry out the provisions of each such bill or resolution on which Congress has completed action;

"(2) an up-to-date status report on all bills and resolutions which would create such costs of compliance; and

"(3) an up-to-date comparison, by agency, of the maximum costs of compliance established for each agency pursuant to section 1105 with the costs of compliance—

"(A) with rules or regulations in effect on the date of such report; and

"(B) with rules or regulations required to carry out the provisions of bills or resolutions on which Congress has completed action.

"NEW LEGISLATION MUST BE WITHIN REGULATORY BUDGET

"SEC. 1107. (a) After the Congress has completed action on the concurrent resolution required under section 1105 for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which would result in additional costs of compliance in such fiscal year, or any conference report on such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report; would cause the level of costs of compliance for any agency to exceed the maximum costs of compliance established for that agency in the concurrent resolution required under section 1105.

"(b) For purposes of subsection (a), the costs of compliance during a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

"(c)(1) The committee of the Senate which reports any bill or resolution may, at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. The Committee on the Budget shall report the resolution to the Senate, within ten days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such ten-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

"(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

"(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to that bill or resolution referred to in the resolution.

"DEFINITIONS

"SEC. 1108. For purposes of this title—

"(1) the term 'agency' has the meaning given to it by section 551(1) of title 5, United States Code;

"(2) the term 'Comtproller General' means the Comptroller General of the United States;

"(3) the term 'costs of compliance' means, with respect to an agency, the costs imposed upon the non-Federal sector as a result of compliance with rules or regulations promulgated by that agency, including wages, salaries, benefits, capital costs, rents, interests, State and local taxes, and costs due to data collection and recordkeeping, preparation and submission of forms, data, and reports, purchase of necessary equipment, management time, training, and changes in the quality or mixture of raw materials or output, except that such term does not include normal business or recordkeeping costs which would exist in the absence of such rules or regulations;

"(4) the term 'Director' means the Director of the Congressional Budget Office;

"(5) the term 'non-Federal sector' means an individual, partnership, association, corporation, business trust or legal representative thereof, organized group of individuals, labor organization, State or territorial government or branch thereof, or political subdivision of a State or territory or a branch thereof; and

"(6) the terms 'rule and regulation' mean any rule as defined in section 551(4) of title 5, United States Code.

"EFFECTIVE DATE

"SEC. 1109. The provisions of this title shall take effect on the date of its enactment, except that the provisions of sections 1103 through 1107 shall apply only with respect to the first fiscal year beginning at least eighteen months after the date of enactment of this title, and succeeding fiscal years.".

(b) Section 1(a) of such Act is amended—

(1) by striking out the word "and" before "title X", and

(2) by inserting before the period a comma and the following: "and title XI may be cited as the 'Regulatory Budget Act of 1979'.".

(c) Section 1(b) of such Act is amended by adding at the end of the table of contents the following new items:

"TITLE XI—REGULATORY BUDGET PROCEDURE

"Sec. 1101. Statement of findings and purpose.
"Sec. 1102. Development of regulatory costs analysis procedures.
"Sec. 1103. Regulatory costs compliance reports.
"Sec. 1104. Regulatory budget recommendations.
"Sec. 1105. Regulatory budget resolutions.
"Sec. 1106. Reports and summaries of congressional actions.
"Sec. 1107. New legislation must be within regulatory budget.
"Sec. 1108. Definitions.
"Sec. 1109. Effective date.".

(d) Section 904(a) of such Act is amended by striking out "and 1017" and inserting in lieu thereof "1017, 1105, 1106, and 1107".

S. 52

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Regulatory Conflicts Elimination Act of 1979."

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds and declares that—

(1) duplication among Federal rules, regulations, and data collection requirements often impose excessive and unnecessary costs and burdens on the private sector;

(2) conflicts between rules or regulations promulgated by the different executive departments and independent agencies impose excess costs on the private sector, create uncertainty, result in unintentional violations by persons required to comply with such rules and regulations, and create a disregard for the spirit and intent of such rules and regulations; and

(3) such duplicative and conflicting rules or regulations are a source of inefficiency in government, thereby reducing the productivity of government employees and increasing Federal taxes.

(b) It is the purpose of this Act to reduce or eliminate duplicative and conflicting rules or regulations among Federal agencies.

DEVELOPMENT OF REGULATORY COST ANALYSIS PROCEDURES

SEC. 3. (a) The President, in a time and manner consistent with his responsibilities under section 5, shall—

(1) establish criteria for use in the determination of which rules or regulations are within the definition of rule or regulation established in section 7; and

(2) determine criteria for use by the heads of the Federal executive departments and independent agencies in examining the costs of compliance with Federal rules or regulations.

(b) The President shall transmit the criteria developed under this section to the head of each executive department and independent agency.

ANALYSIS OF REGULATORY DUPLICATION AND CONFLICT

SEC. 4. Each year, at a time to be specified by the President in accordance with his re-

sponsibilities under section 5, the Director of the Office of Management and Budget, in cooperation with the head of each executive department and independent agency, shall submit to the President, the Congress, and the head of each independent agency a regulatory duplication and conflicts report. Each regulatory duplication and conflicts report shall—

(1) identify specific rules or regulations, including data collection requirements, of each executive department or independent agency which are duplicative of or conflict with the rules or regulations of any other executive department or independent agency, and identify the provisions of law which authorize or require the promulgation of such duplicative or conflicting rules or regulations;

(2) determine the costs of compliance with the rules or regulations of each executive department or independent agency which are duplicative or conflicting rules or regulations;

(3) contain recommendations for—

(A) modifying, eliminating, or consolidating duplicative rules or regulations among the executive departments and independent agencies; and

(B) resolving conflicting rules and regulations among the executive departments and independent agencies; and

(4) report on actions taken by each department or agency during the fiscal year prior to the fiscal year for which the report is made, and the actions which each department or agency is undertaking or planning to undertake during the fiscal year for which the report is made, to modify or eliminate duplicative or conflicting rules and regulations in accordance with the recommendations submitted under section 5.

REGULATORY CONFLICTS REDUCTION RECOMMENDATIONS

SEC. 5. (a) On or before October 1 of each year, beginning with the fiscal year 1980, the President and the head of each independent agency shall prepare and transmit to the Congress and the Comptroller General a report containing recommendations for modifying or eliminating duplicative or conflicting rules or regulations promulgated by, in the case of the President, each of the executive departments, and in the case of the head of each independent agency, that agency.

(b) Recommendations submitted by the President and the head of each independent agency to the Congress pursuant to this section shall be implemented by the President or the head of each independent agency, as appropriate, at the end of the first period of sixty calendar days of continuous session of Congress after the date on which such recommendations are transmitted to the Congress unless, between the date of transmittal and the end of the sixty-day period, the Congress passes a concurrent resolution which states in substance that the Congress disapproves any part or all of the recommendations submitted under this section.

REVIEW BY THE COMPTROLLER GENERAL

SEC. 6. (a) Within thirty days after the receipt of the reports required under section 5, the Comptroller General shall submit a review of such reports to Congress. Such review shall include—

(1) an evaluation of the report of the Director of the Office of Management and Budget submitted under section 4;

(2) an evaluation of the recommendations submitted under section 5; and

(3) an assessment of the efforts of each department or agency to modify or eliminate duplicative or conflicting rules or regulations during the fiscal year prior to the fiscal year for which the report is submitted under section 5.

(c)(1) The Comptroller General shall acquire directly from the head of any department, independent agency, or other authority of the executive branch of the government information which he considers necessary to carry out the provisions of this Act.

(2) All executive departments, independent agencies and instrumentalities, or other authorities of the executive branch of the Government shall cooperate with the Comptroller General and furnish all information requested to the extent permitted by law.

DEFINITIONS

SEC. 7. For purposes of this Act—

(1) the terms "rule and regulation" mean any "rule" as defined in section 551(4) of title 5, United States Code;

(2) the term "duplicative rule or regulation" means rules or regulations promulgated by Federal agencies which are designed to—

(A) attain the same or similar regulatory objectives;

(B) acquire the same or similar information or statistics; or

(C) encourage or discourage the same or similar courses of action by the private sector;

(3) the term "conflicting rules or regulations" means rules or regulations promulgated by Federal agencies which require different courses of action in the same or similar situations, or require the private sector to violate one rule or regulation in order to fully and faithfully be in compliance with another rule or regulation;

(4) the term "Comptroller General" means the Comptroller General of the United States;

(5) the term "costs of compliance" means the costs imposed upon the private sector as a result of compliance with rules or regulations promulgated by any Federal agency;

(6) the term "private sector" means an individual, partnership, association, corporation, business trust or legal representative thereof, an organized group of individuals, or labor organization, which is not part of, or directly funded as, an entity of a Federal, State, or local government department, agency, or other instrumentality;

(7) the term "independent agency" means an agency of the United States having quasi-legislative or quasi-judicial powers, as determined by the Director of the Office of Management and Budget; and

(8) the term "executive department" means the executive departments identified in section 101 of title 5, United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

S. 53

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Agencies Regulatory Improvements Act of 1979".

STATEMENT OF POLICY AND PURPOSES

SEC. 2. (a) It is the policy of the Congress that rules or regulations issued by the independent regulatory agencies—

(1) be as simple and clear as possible;

(2) achieve legislative goals efficiently and effectively; and

(3) not impose unnecessary burdens on the economy, on individuals, public or private organizations, or State or local governments.

(b) It is the purpose of this Act to establish a procedure for the development of rules or regulations by the independent regulatory agencies which insures that—

(1) the need for and purpose of a rule or regulation are clearly established;

(2) the head of each agency and other officials responsible for policymaking within each agency exercise effective oversight over the promulgation of rules or regulations;

(3) opportunities exist for early participation and comment concerning rules or regulations by Federal agencies, State or local governments, businesses, organizations, and individuals;

(4) alternatives are considered and analyzed before rules or regulations are issued; and

(5) compliance costs, paperwork, and other burdens on the public are minimized.

DEVELOPMENT OF REGULATORY ISSUANCE PROCEDURES

SEC. 3. (a) Each agency head shall review and revise the procedures of the agency for the development of rules and regulations, and shall modify such procedures in a manner which minimizes paperwork and which is in accordance with the provisions of this Act. Each agency head shall, in the modification and revision of such procedures, incorporate the procedures specified in subsection (b) and section 4.

(b) Each agency head shall develop procedures to give the public an early and meaningful opportunity for participation in the development of rules and regulations. In developing such procedures, the agency head shall consider—

(1) the publication of an advance notice of proposed rulemaking;

(2) the holding of open conferences or public hearings;

(3) the sending of notices of proposed regulations to publications likely to be read by affected individuals and groups; and

(4) the direct notification of interested parties.

PROCEDURES FOR SIGNIFICANT REGULATIONS

SEC. 4. (a)(1) At least twice each year, each agency head shall publish in the Federal Register an agenda of significant rules or regulations under development or review by the agency. On the first Monday in October of each year, each agency head shall publish in the Federal Register a schedule specifying the times during that fiscal year when the agendas will be published. Each agency head may publish supplements to the agendas at other times during the year if necessary, but shall take such action as may be necessary to insure that the required agendas are complete.

(2) Each agenda published in accordance with paragraph (1) shall include—

(A) a description of the rules or regulations being considered by the agency;

(B) the need for and legal basis of each proposed rule or regulation;

(C) the status of rules or regulations listed on prior published agendas;

(D) for each rule or regulation, the name and telephone number of an agency official who is knowledgeable concerning such rule or regulation;

(E) if possible, a statement as to whether a regulatory analysis will be required for a rule or regulation analyze alternative approvisions of section 5; and

(F) a list of rules or regulations scheduled to be reviewed in accordance with the provisions of section 6.

(b) Prior to the development of any significant new rule or regulation, each agency head shall review the issues concerning the rule or regulation, analyze alternative approaches to the rule or regulation, develop a tentative plan for obtaining public comment concerning the rule or regulation, and establish target dates for the completion of steps in the development of the rule or regulation. An agency head may not delegate his responsibilities under this subsection to another official or employee of the agency.

(c) Each agency head or agency official responsible for the promulgation of rules and regulations shall approve significant rules or regulations prior to their publication for public comment in the Federal Register. Such approval shall be based upon a determination that—

(1) the proposed rule or regulation is needed;

(2) the direct and indirect effects of the rule or regulation have been adequately considered;

(3) alternative approaches have been considered and the least burdensome of the acceptable alternatives has been chosen;

(4) public comments have been considered and adequate responses have been prepared;

(5) the rule or regulation is written in plain English and is understandable to the parties required to comply;

(6) an estimate has been made of the reporting burdens or recordkeeping requirements which will be required for compliance with the rule or regulation;

(7) the name, address, and telephone number of a knowledgeable agency official is included in the statement to be published with the rule or regulation; and

(8) a plan has been developed for the evaluation of the rule or regulation after its issuance.

(d) In the case of significant rules or regulations, each agency head shall include in the procedures for public participation developed pursuant to section 3(b) a sixty-day period for public comment on proposed rules or regulations, and shall require that in cases where a sixty-day comment period is not possible by reason of an emergency, or is barred by statute or court order, the publication of the proposed rule or regulation include brief statement of the reasons for a shorter time period.

(e)(1) Each agency head shall establish criteria for the identification of significant rules or regulations. Such criteria shall include—

(A) the type and number of individuals, businesses, organizations, State or local governments, and other institutions to be affected by the rule or regulation;

(B) the compliance and reporting requirements likely to be required as a result of the rule or regulation;

(C) the direct and indirect effects of the rule or regulation, including the effect on competition; and

(D) the relationship of the rule or regulation to the rules or regulations of other programs and agencies.

(2) If an agency head determines that a rule or regulation does not meet the criteria established pursuant to paragraph (1) for a significant rule or regulation, he shall include a statement to that effect in the Federal Register at the time the rule or regulation is proposed.

REGULATORY ANALYSIS

SEC. 5. (a) Each agency head shall prepare a regulatory analysis for significant rules or regulations which may have major economic consequences for the general economy, individual industries, geographic regions, or levels of government (as described in clauses (1) and (2)). Each agency head shall establish criteria for the determination of which rules or regulations will require a regulatory analysis. Such criteria shall require that a regulatory analysis be performed for each rule or regulation if such rule or regulation will result in—

(1) an annual effect on the economy of $100,000,000 or more; or

(2) a major increase in the expenses of individual industries, levels of government, or geographic regions.

The provisions of the preceding sentence shall not preclude any agency head from performing a regulatory analysis for any rule or regulation.

(b) Each regulatory analysis shall include—

(1) a succinct statement of the problem to be addressed by the rule or regulation;

(2) a description of the major alternative ways of dealing with the problem considered by the agency;

(3) an analysis of the economic consequences of each alternative considered by the agency; and

(4) a detailed explanation of the reasons for the choice of the alternative utilized in the rule or regulation.

(c) Each agency head shall establish procedures for the development of a regulatory analysis and for public participation and comments regarding such analysis. Each agency head shall include with the public notice of a proposed rule or regulation an explanation of the alternative selected or favored for use in the proposed rule or regulation and a short description of the other alternatives considered. Each agency head shall also include with such notice a statement describing how an individual may obtain a copy of the draft regulatory analysis prepared concerning the proposed rule or regulation.

(d) Each agency head shall prepare a final regulatory analysis which shall be made available to the public on the date of publication of the final rule or regulation.

(e) The provisions of this section shall not apply to rulemaking proceedings pending on the date of enactment of this Act if the agency head has prepared an economic impact statement in accordance with the provisions of Executive Order 11821, issued November 27, 1974, and Executive Order 11949, issued December 31, 1976.

REVIEW OF EXISTING REGULATIONS

SEC. 6. (a) Each agency head shall periodically review the rules and regulations of the agency to determine whether such rules and regulations conform with the purposes and policies of this Act as stated in section 2. Each agency head shall utilize the procedures established in section 3 through 5 to carry out the review of such rules and regulations.

(b) Each agency head shall develop criteria for the selection of rules and regulations to be reviewed in accordance with the provisions of subsection (a). Such criteria shall include—

(1) the continued need for the rule or regulation;

(2) the type and number of complaints or suggestions received concerning the rule or regulation;

(3) the burdens imposed on parties directly or indirectly affected by the rule or regulation;

(4) the need to simplify or clarify the language of the rule or regulation;

(5) the need to eliminate overlapping and duplicative rules or regulations; and

(6) the length of time since the rule or regulation has been evaluated and the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule or regulation.

(c) Within sixty days of the date of enactment of this Act, each agency head shall publish the criteria for selection of rules and regulations to be reviewed and a list of possible rules or regulations to be selected for review in accordance with the provisions of this section. Rules or regulations selected for review after the selection of rules or regulations for the initial listing under this section shall be included in the semiannual agency agendas required under section 4.

IMPLEMENTATION

SEC. 7. (a) In carrying out the provisions of this Act, each agency head shall consider a series of closely related sets of rules or regulations as one rule or regulation.

(b)(1) Within sixty days of the date of enactment of this Act, each agency head shall prepare a draft report concerning the efforts of the agency to implement the provisions of this Act. Such draft report shall include—

(A) a brief description of the procedures of the agency, in effect on the day before the date of enactment of this Act, for the development of rules or regulations and the changes in such procedures made to comply with the provisions of this Act;

(B) the criteria of the agency for defining significant rules or regulations;

(C) the proposed criteria of the agency for the identification of which rules or regulations require regulatory analysis; and

(D) the proposed criteria of the agency for the selection of rules and regulations to be reviewed, and a list of rules or regulations that the agency will consider in its initial review.

(2) Each agency head shall publish the draft report required under this subsection in the Federal Register in order to solicit public comment thereon. Each agency head shall transmit a copy of such draft report to the Comptroller General.

(3) After receiving public comment on the draft report in accordance with paragraph (2), each agency head shall revise such report as may be appropriate and transmit such revised report to the Comptroller General. Unless notified by the Comptroller General that the report misstates or omits necessary elements of the report, such report shall be submitted for publication in the Federal Register.

(c) The Comptroller General shall monitor the implementation of the provisions of this Act by the agencies. The Comptroller General shall report at least semiannually to the President and the Congress on agency compliance with the provisions of this Act, including an analysis of its effectiveness. Within two years from the date of enactment of this Act, the Comptroller General shall report to the President and the Congress concerning any further legislation necessary to achieve the purposes of this Act.

APPLICABILITY

SEC. 8. The provisions of this Act shall not apply to—

(1) rules or regulations issued in accordance with section 556 and 557 of title 5, United States Code;

(2) rules or regulations issued with respect to a military or foreign affairs function of the United States;

(3) matters related to agency management or personnel; and

(4) rules or regulations related to procurement by the Federal Government.

DEFINITIONS

SEC. 9. As used in this Act—

(1) the terms "rule" and "regulation" mean any rule as refined in section 551(4) of title 5, United States Code;

(2) the term "agency" means the independent regulatory agencies of the United States, including the Civil Aeronautics Board, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Federal Mine Safety and Health Review Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, and the Securities and Exchange Commission; and

(3) the term "Comptroller General" means the Comptroller General of the United States.

S. 54

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Regulatory Cost Reduction Act of 1979".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds and declares that—

(1) Federal rules and regulations have grown in number and scope without sufficient emphasis on minimizing the costs of compliance with such rules and regulations;

(2) many government programs and policies are adopted with inadequate understanding of their direct and indirect costs to the public and with little consideration of these costs in relation to the benefits to be achieved;

(3) inflation in the United States is at least in part attributable to government programs and policies which impose excessive regulatory costs on business and the public;

(4) agencies can often achieve desired regulatory objectives through various alternative regulatory and other methods and can minimize excessive regulatory costs by choosing the least costly of such alternatives; and

(5) resources, both public and private, devoted to the achievement of regulatory objectives are not available for the fulfillment of other human needs, including alleviation of poverty, provision of health care and education, revitalization of urban areas, prevention of crime, creation of productive jobs, provision of adequate housing, and strengthening of the national defense, and thus should be devoted to regulatory objectives in the most cost-effective and least wasteful manner.

(b) Therefore, it is the purpose of this Act to control the cost of government regulation by establishing a procedure which will insure that, whenever possible, alternatives are considered and analyzed before rules or regulations are issued and that regulatory objectives are achieved in the most cost-effective and least wasteful manner.

DEVELOPMENT OF REGULATORY COST-EFFECTIVENESS ANALYSIS PROCEDURES

SEC. 3. (a) Within one year after the date of enactment of this Act, the President shall—

(1) establish criteria for use in the determination of which rules and regulations are within the definition of rule or regulation established in section 10, and furnish such criteria to the head of each agency; and

(2) develop methods of determining the costs of compliance with Federal rules and regulations and methods of comparing the cost-effectiveness of alternative ways of achieving regulatory objectives, and furnish such methods to the head of each agency.

(b) In developing the methods under subsection (a)(2), the President shall—

(1) take such action as may be necessary to insure that such methods are based upon the most accurate available statistical and accounting knowledge and techniques; and

(2) provide, to the maximum extent feasible, that such methods are uniform for all agencies while taking into account the different functions of each agency.

(c)(1) At least ninety days before the submission of the criteria and methods required under subsection (a) to the head of each agency, the President shall—

(A) publish such criteria and methods in the Federal Register in order to solicit public comments thereon, for a period not in excess of forty-five days; and

(B) submit such criteria and methods to the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office for their review and comments.

(2) The Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office shall submit comments and recommendations concerning the criteria and methods submitted pursuant to paragraph (1)(B) within forty-five days of the receipt of such criteria and methods.

(d) The President may delegate his responsibilities under this section to the Director of the Office of Management and Budget.

(e) The head of each agency shall utilize the criteria and methods devloped by the President under this section to carry out their functions under this Act.

REGULATORY COST-EFFECTIVENESS REQUIREMENT ESTABLISHED

SEC. 4. The Congress authorizes and directs that, to the extent feasible and to the extent permitted by law, the head of each agency shall, whenever alternative methods exist for achieving a regulatory goal or objective, utilize the most cost-effective method of achieving such regulatory goal or objective, unless the head of the agency determines that the national interest requires the use of a less cost-effective alternative.

REGULATORY IMPACT ANALYSIS MANDATED

SEC. 5. (a) The Congress authorizes and directs that, for all rules or regulations meeting the criteria established under the provisions of section 3 (a), the head of the issuing agency shall prepare a draft regulatory impact analysis, which shall include—

(1) a succinct statement of the problem to be addressed by the rule or regulation, including the provision or provisions of law authorizing or requiring the rule or regulation;

(2) a description of the major alternative ways of dealing with the problem considered by the agency;

(3) an analysis of the economic and social consequences of each alternative considered by the agency, including the estimated compliance cost of each alternative;

(4) a detailed explanation of the reasons for the choice of the alternative utilized in the rule or regulation.

(b) If the alternative utilized in the rule or regulation is not the least-costly or most cost-effective alternative, the draft regulatory impact analysis shall include a detailed statement justifying the alternative utilized and shall explain in detail how the national interest required the choice of the alternative utilized.

(c) For the alternative utilized in the rule or regulation, the draft regulatory impact analysis shall also include—

(1) a statement of the recordkeeping and paperwork burden of the rule or regulation;

(2) a statement of the economic impact of the rule or regulation, including its impact on inflation, investment, productivity, employment, the environment, the public welfare, and other economic objectives;

(3) a statement examining its relative impact on large and small businesses;

(4) a list of federal rules or regulations which overlap or conflict with the rule or regulation; and

(5) a cost-benefit analysis of the rule or regulation, whenever the head of the agency determines that such an anlysis is possible.

(d) Each agency head shall establish procedures for the development of a draft regulatory impact analysis and for public participation and comments regarding such analysis. In developing such procedures, the agency head shall consider—

(1) the publication of an advanced notice of proposed rulemaking, with publication of the draft regulation impact analysis;

(2) the holding of open conferences or public hearings on the draft regulatory impact analysis;

(3) the sending of notices to publications likely to be read by affected or interested individuals and groups; and

(4) the direct notification of interested parties.

(e) Each agency head shall prepare a final regulatory impact analysis which shall be made available to the public on the date of publication of the final rule or regulation, which shall also contain the agency's actions on comments and recommendations made by the public in response to the draft regulatory impact analysis.

(f) The provisions of this section shall not apply to rulemaking proceedings pending on the date of enactment of this Act if the agency head has prepared an Economic Impact Statement in accordance with the provisions of Executive Order numbered 11821, issued November 27, 1974, and Executive Order numbered 11949, issued December 31, 1976.

REVIEW OF EXISTING REGULATIONS

SEC. 6. (a) Within five years after the date of enactment of this Act, each agency head shall review the existing rules and regulations of the agency to determine whether such rules and regulations conform with the purposes and policies of this Act. Each agency head shall utilize the procedures established in this Act to carry out the review of such rules and regulations.

(b) Each agency head shall utilize the criteria established in section 3(a) for the selection of rules and regulations to be reviewed in accordance with the provisions of subsection (a). Within sixty days after the criteria established in section 3(a) are furnished to the head of each agency, each agency head shall publish a list of rules or regulations to be selected for review in accordance with the provisions of this section.

(c) In addition to the information required under section 5, the draft and final regulatory impact analyses for existing rules and regulations shall include—

(1) an analysis of the degree to which technological change, economic conditions or other factors have changed since the date on which the rule or regulation was promulgated, the degree to which such changes have altered the continued need for the rule or regulation, and the degree to which such changes have made possible the adoption of alternatives which did not exist or were not considered at the time of the original date of promulgation; and

(2) if, after review of an existing role or regulation, the agency head determines that an alternative way of achieving the regulatory goal or objective should be implemented, an analysis of how the change in the regulation can be implemented with the least cost and disruption to those affected by the change.

(e) Each agency head shall, insofar as is possible and to the extent permitted by law, endeavor during the review of existing rules and regulations to—

(1) eliminate unnecessary, outmoded or excessively costly rules and regulations;

(2) simplify or clarify the language of such rules and regulations;

(3) eliminate overlapping and duplicative rules and regulations;

(4) eliminate or rewrite rules and regulations which conflict with or fail to implement the purposes of the enabling legislation.

IMPLEMENTATION

SEC. 7. (a) In carrying out the provisions of this Act, each agency head shall consider a series of closely related sets of rules or regulations as one rule or regulation.

(b)(1) Within one year after the date of enactment of this Act and annually thereafter at a time to be designated by the President, each agency head shall prepare a draft report concerning the efforts of the agency to implement the provisions of this Act. Such draft reports shall include—

(A) a brief description of the procedures of the agency, in effect on the day before the date of enactment of this Act, for the development of rules and regulations and the changes in such procedures made to comply with the provisions of this Act;

(B) a description of actions taken, if any, during the preceding year to increase the cost-effectiveness of the agency's rules or regulations, including a summary of all regulatory impact analyses prepared during the preceding year pursuant to the requirements of sections 5 and 6;

(C) a description of actions which the agency plans to undertake during the upcoming year to increase the cost-effectiveness of its rules or regulations, including a list of all existing rules or regulations to be reviewed during the upcoming year pursuant to the requirements of section 6; and

(D) an estimate of the costs of compliance with the agency's rules or regulations both at the beginning and end of the preceding year, and projected costs for the upcoming year.

(2) Each agency head shall publish the draft report required under this subsection in the Federal Register in order to solicit public comment thereon. Each agency head shall transmit a copy of such draft report to the President.

(3) After receiving public comment on the draft report in accordance with paragraph (2), each agency head shall revise such report as may be appropriate and transmit such revised report to the President for his approval prior to publication of the final report in the Federal Register. Copies of the final report will also be transmitted to the President of the Senate, the Speaker of the House of Representatives and the Comptroller General.

(c) The Comptroller General shall monitor the implementation of the provisions of this Act by the agencies. The Comptroller General shall report at least annually to the President and the Congress on agency compliance with the provisions of this Act, including an analysis of its effectiveness. Within three years from the date of enactment of this Act, the Comptroller General shall report to the President and the Congress concerning any further legislation necessary to achieve the purposes of this Act.

APPLICABILITY

SEC. 8. The provisions of this Act shall not apply to—

(1) rules or regulations issued with respect to a military or foreign affairs function of the United States;

(2) matters related to agency management or personnel;

(3) rules or regulations related to procurement by the Federal Government; and

(4) rules or regulations issued in response to an emergency or which are governed by short-term statutory or judicial deadlines, except that in the case of rules or regulations within the provisions of this clause, the agency shall publish in the Federal Register a statement of the reasons why it is impracticable or contrary to the public interest for the agency to issue the rule or regulation in accordance with the procedures established in this Act, including the name of the agency official responsible for the determination.

JUDICIAL REVIEW

SEC. 9. Judicial review of a final regulation as otherwise prescribed or permitted by law may include review of whether such regulation was promulgated in compliance with this Act, but only to determine whether such regulation was promulgated with deliberate or capricious disregard for the provisions of this Act.

DEFINITIONS

SEC. 10. For the purposes of this Act.—

(1) the terms "rule" and "regulation" mean any "rule" as defined in section 551(4) of title 5, United States Code;

(2) the term "agency" includes each authority as defined by section 551(1) of title 5, United States Code;

(3) the term "Comptroller General" means the Comptroller General of the United States; and

(4) the term "cost effective method or alternative" means the method of achieving a regulatory goal or objective with the minimum cost, where such cost shall be the sum of the costs incurred by the administering agency plus the costs incurred by all individuals, partnerships, associations, corporations, business trusts or legal representatives thereof, organized groups of individuals, labor organizations, States or territorial governments or branches thereof, or political subdivisions of States or territories or branches thereof as a result of complying with a rule or regulation, except that such costs shall not include normal business or recordkeeping costs which would exist in the absence of such rule or regulation.

By Mr. BENTSEN (for himself, Mr. LONG, Mr. CHILES, Mr. STENNIS, Mr. ZORINSKY, and Mr. JOHNSTON):

S. 55. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

MEAT IMPORT ACT OF 1979

Mr. BENTSEN. Mr. President, today I am again introducing a long overdue piece of legislation. The Meat Import Act of 1978 was passed overwhelmingly by the 95th Congress. It passed the Senate by voice vote and passed the House by 289 to 66, but was vetoed by the President after adjournment.

Thus, now in 1979 we must again seek a solution to the problems created by our current meat import law. This law and its administration have worsened the problems of our livestock industry and our consumers by magnifying the boom and bust cycle of the cattle market. The current law lets in more imports when domestic meat supplies are high and prices are low. This further depresses prices and drives even more cattlemen, and especially our smaller and younger ranchers, out of business. These low prices cause a larger-than-necessary reduction in our cow herd, with the result that during the inevitable boom phase of the cycle supplies are shorter and prices are higher. Any housewife will point out the impact in the supermarket, and especially the fact that these prices never seem to go down as far or as fast as they go up. The rancher loses also during high prices, because consumers switch to other foods such as chicken or pork, and many of them do not switch back to beef after new eating habits are formed, even when the price of beef goes back down.

Also, the current law calls for a reduction in beef imports when our domestic supplies decrease and prices are thus high, an action which would only drive prices even higher. This results in the President taking action to raise or suspend the meat import quotas. Such action must sometimes be taken, but under the current law the threat of Presidential action is always hanging over the cattle market, and the tremendous political pressures which are attracted by such power have resulted in such actions being taken in 7 of the last 9 years. This has given our producers anything but a stable market, with a resulting loss in confidence and efficiency.

Last summer, for example, the cattle industry had just broken out of some of the worst years in its history, and the ranchers who had not succumbed to their massive losses of the past 4 years were once again starting to operate at a profit. Then in June, President Carter announced a 200-million-pound increase in the beef import quotas. The effect on supermarket prices was minimal, but the impact on the cattle market was immediate and dramatic.

The real blow of this decision was not the additional meat imports. The real damage was done by the message to the rancher that he would be sacrificed readily when a little extra help was needed to reduce the monthly inflation statistics. No matter that his low prices had for months before masked increases in nonfood items and lowered the overall increase in the Consumer Price Index. The ranchers got the message, and the resulting lack of confidence has reduced our cow herd to the levels of 1969 and led Secretary of Agriculture Bob Bergland to call on producers to rebuild their herds. The roller-coaster ride only gets more violent, and everyone loses. Consumers pay higher prices, and more small ranchers are forced out of business.

Congress recognized last year that this must stop, that our beef supplies and thus prices must be stabilized through a countercyclical meat import formula such as in the bill which I introduced last year. The Congress also recognized that the formula meant little if the quotas were still subject entirely to expected or unexpected actions by the President, so it provided some restraints on the President's discretion and authority.

We found out that the President would not go along with that, that he was not willing to give up the broad authority which Presidents have used so often. And so the bill was vetoed and the consumer and the cattleman were both left on this roller coaster of prices.

Mr. President, this problem of cattle cycles has gone from bad to worse, and we do a disservice to both ranchers and consumers if we sweep it under the rug because a bill was vetoed. I have come back today with another bill which I believe will provide needed protection to both producers and consumers and which endeavors to reach a more workable arrangement on this question of Presidential discretion.

The major problem with the current authority of the President is that it has sometimes been used at the wrong time. When low prices have moved the cattle cycle into its liquidation phase, the resulting increased cow slaughter depresses prices even further. Presidential action to increase imports at this point can have a severe impact on prices, which in turn prolongs and deepens the liquidation. This causes the inevitable upturn to be unusually violent, with more impact on consumer prices.

The President has said that he must have authority to increase imports to protect consumers when domestic supplies are inadequate. The countercyclical formula is intended to do this, but he still wishes to retain his authority just in case. My bill will allow this. It will leave the President his existing authority during the expansion phase of the cattle cycle, which is the period when domestic supplies are short and the countercyclical formula is increasing imports. If the formula does not do the job during this time of shortage, then the President can take action.

During the liquidation phase of the cycle, however, the President could raise the quotas only in case of a national emergency or natural disaster. This is a time of large domestic supplies and low prices, and so there should be no need to suspend the quotas. Also, this is the time when the market is most vulnerable to disruption. A loss of confidence by producers here makes that coming low point even lower, and makes the next high much higher. The whole point of this bill is to avoid that boom-and-bust cycle. Suspension of the quotas during this period would defeat the whole purpose of the countercyclical concept, and so should be done only under extreme circumstances.

These different periods can be distinguished easily, because the countercycle fraction in the formula is a good indication of which phase the cycle is in. Thus, when the fraction is 1.0 or above, the formula is increasing imports and the President would have the authority to increase them further. When the fraction is below 1.0, imports are being decreased in response to domestic oversupply and low prices, and the President would be able to open the import floodgates only in a true emergency or natural disaster. The only other change from last year's bill is a requirement for a 30-day comment period before any Presidential action to increase imports becomes effective. This will lessen the shock of such actions and provide for needed public input into what have previously been closed door decisions.

The need for this legislation was recognized the 95th Congress, which passed the corrective legislation by an overwhelming margin. The Congress by that vote served notice on the President that the market needed protection from Presidential actions. This bill retains that needed protection, and it also gives the President the authority to act to prevent shortages. It is a good bill, a reasonable bill, and should be speedily passed and implemented to prevent even worse price gyrations than we have seen during this last cattle cycle.

Mr. President, I ask unanimous consent that the text of the bill along with a brief summary be printed in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 55

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979'.

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat),

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)), and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1978 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1968 through 1977; and

"(2) adjusted further under subsection (d).

For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.53, and 100.55 of such Schedules entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1978 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year; and

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase domestic cow beef means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1978, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) owuld be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actaul entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e)(1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President is required to limit by proclamation, upon giving thirty days notice by publication in the Federal Register, the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e)(1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (c)(2) is less than 110 percent of the aggregate quantity estimated by him under subsection (c)(1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g) The President may, after providing opportunity for public comment by giving thirty days notice by publication in the Federal Register of his intention to so act, suspend any proclamation made under subsection (f), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—

(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the nation of the economic well-being of the domestic cattle industry;

(2) the supply of articles of the kind described in subsection (b)(2) will be inadequate to meet domestic demand at reasonable prices: or

(3) trade agreements entered into after the date of enactment of this Act ensure that the policy set forth in subsections (c) and (d) will be carried out.

Any such suspension shall be for such periods, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection."

"(h) Notwithstanding the previous subsections, the total quantity of meat articles which may be entered into the United States during any calendar year may not be increased by the President if the fraction described in subsection (d) for that calendar year yields a quotient of less than 1.0, unless—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f)(1), and any increase in such quantity provided for under subsection (g), among supplying countries on the basis of the shares of the United States market for meat articles such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may affect the trade in meat articles. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

SEC. 3. Section 2 shall take effect January 1, 1980.

SEC. 4. The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1979."

SUMMARY OF BENTSEN BEEF BILL

A. Countercyclical formula. Same as vetoed bill.

Average Imports 1968–1977 times 3 yr. moving avg. domestic beef production; average domestic beef 1968–1977 times 5 yr. moving avg. per capita supply of domestic cow beef; 2 yr. moving avg. per capita supply of domestic cow beef.

B. Presidential Discretion.

1. Same as under current law during years when the 5/2 countercyclical fraction in the formula is 1.0 or above.

2. When the fraction is below 1.0 the President could suspend quotas only in the case of a national emergency or in case of a shortage caused by a natural disaster, as in the original Senate bill.

This would protect producers during the liquidation phase, when prices are low and supplies are high. During this phase the countercyclical formula restricts imports where the old formula increased them. This is the phase when the domestic industry most needs help.

C. Import Floor.

Same as final version of the bill, 1.2 billion pounds per year. Administration had sought 1.3 billion pound floor.

D. Live Cattle Imports.

Carcass weight of live cattle imports would be excluded from domestic production base, as in vetoed bill.

E. Slightly Processed Beef.

Loophole allowing importation of fresh beef outside the quota if it has been slightly processed is closed, as in prior bills.

F. Thirty-day notification is required before any Presidential action.

By Mr. BAYH (for himself, Mr. BAKER, Mr. BELLMON, Mr. BURDICK, Mr. CHAFEE, Mr. CRANSTON, Mr. DANFORTH, Mr. DECONCINI, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRAVEL, Mr. HATFIELD, Mr. HUDDLESTON, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. LEAHY, Mr. MAGNUSON, Mr. MATHIAS, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. PACKWOOD, Mr. PELL, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RIBICOFF, Mr. RIEGLE, Mr. STAFFORD, Mr. STEVENSON, Mr. TSONGAS, Mr. WILLIAMS, and Mr. ZORINSKY):

S.J. Res. 1. A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

Mr. BAYH. Mr. President, as we begin the 96th Congress, we once again approach the time for a Presidential election, and once again we must drag out the strange mechanism for choosing our President and Vice President which is known as the electoral college. It was a compromise measure in the beginning which never worked as intended, and it has been the object of criticism and concern ever since. For 200 years our country has steadily moved to allow greater participation by its citizens in the selection of its leadership. Only with the choice of President and Vice President have we failed to give Americans a stronger and more equitable voice. Direct popular election is a logical step in that process. Today with the support of many of my colleagues I am introducing our proposal for this much needed electoral reform. We come from both sides of the aisle and represent many political philosophies.

Direct election is a measure which has been studied intensively in the Senate for well over a decade, but has only once reached the Senate floor. It was not allowed to come to a vote in 1970 although it was approved in the House by a vote of 339 to 70. I am confident that the 96th Congress will debate and pass this joint resolution by the necessary two-thirds vote, to be ratified by the States, and thereby finally provide our political system with a safe and fair means of electing the President and Vice President.

Mr. President, the electoral college is not harmless. If, as its defenders like to say, it has worked, it has worked oftentimes in strange ways. It carries with it always the risk that it may not work at all. Three times in the past a President was elected who did not win the popular vote. The country survived, although in the troubled times of 1876 there were serious threats of insurrection. Of course, no one can foretell with accuracy what would be the reaction in the United States in the second half of the 20th century if the duly elected President were not the popular vote winner. But we should be thinking about it. There have been three near-misses in the last five elections. When we consider our present day increased suffrage, widespread education, ever-present communications systems, and perhaps most importantly popular dissatisfaction with and distrust in national leadership and the political process, it is reasonable to predict that there would be a political crisis. There is nothing speculative in the view that the mandate of the President to lead would be severely, perhaps irreparably, weakened.

Electing a President who is not the popular vote winner is only one danger presented by the electoral college. There is little that would happen in our political life that could be more destructive of public confidence if the election should fail to produce a President and thereby be thrown into the House of Representatives. The one vote cast per State in the House could well invalidate the will of the people altogether since some States may have voted for a candidate of a party which is not the majority party of their House delegation. For States with even-numbered House delegations there is the additional danger of a tie vote which would mean the discounting of that State's vote completely under the present contingency procedure.

The prospects are excellent that a contingency election under the electoral college system would take place in a political quagmire. It was widely feared in 1968, for example, that the entry of George Wallace into the Presidential race would force a decision of the election in the House of Representatives, with all the political dealing and delay that might entail. It is worth noting, however, that Wallace had an additional election scenario in mind. In interviews in 1968, Wallace indicated that he felt that he might be able to swing the election to the candidate of his choice by "delivering" his electors. The prospect of the presidency being brokered in this manner might well embarrass and frighten all of us. As for the deals which a contingency election in the House might inspire, a reading of the diary of John Quincy Adams in the period between early December 1824, when it was clear that there was no electoral vote winner, and the 36th ballot in the House which resulted in his presidency, is enough to frighten the most hardened political observer.

Finally, Mr. President, the electoral college is inimical to our political life because unlike any other election in the United States from county commissioner to U.S. Senator, in a Presidential election all votes do not count the same. Under the electoral college, one American's vote is not equal to another's, simply on the basis of where he happens to live. Only with the direct election system would all votes be equal. The electoral college's strange alchemy of apportioning electoral votes plus its "winner-take-all" rule produces the anomolous result that, for example, a citizen from Iowa's vote is actually worth less than his neighbor's in Illinois, but more than his neighbor's in Nebraska. This effect is contrary to our experience in all other elections and the principles behind our form of Government.

The inequities inherent in the electoral college are also contrary to voter participation. The electoral college system is a disincentive for voter turnout, and this is reflected in the way presidential campaigns are conducted. It makes no difference to a Presidential candidate how many people show up on election day in any State so long as he receives a plurality of one, for that one extra vote determines the outcome of the State's bloc of electoral votes. The votes constituting the plurality over the winner's vote of one are actually worthless. Conversely, all the votes for the loser are not simply lost; they are in effect recast for the winner along with the State's bloc of electoral votes.

These inequities are of great practical consequence to the way campaigns are run and thus on the degree of encourage-

ment by candidates for voter participation. With the electoral college, some States are inherently more influential than others, helping a candidate to decide where he will spend his time and effort. Therefore he will, in all likelihood, ignore much of the Plains and Mountain States and the South. If he reasonably expects to either win or lose a State, however, he will probably write it off as well. Thus, few Democratic candidates go to Massachusetts or Rhode Island, or Republicans to Wyoming. The electoral college gives neither the candidate nor the national party any incentive to either work to turn out the vote in those States, or widen the margin of victory if he expects to win, or narrow it if he expects to lose. There is no advantage in building significant margins of victory. As an example of how this works, in 1976 Mr. Ford picked up 45 electoral votes in California with a 127,000 plurality. Mr. Carter earned 45 electoral votes in five Southern States with a 1,044,000 plurality.

Winning under direct election, however, depends precisely on a party's ability to get out the vote and to build sizable pluralities in every community simply because every vote counts and therefore no State or population can easily be ignored.

Mr. President, there is little doubt that the American society is ready to abolish the electoral college and establish direct election in its place. Over 80 percent of the American people who expressed their opinion in the most recent Gallup and Harris polls approved of the direct election amendment. Support was overwhelming in all regions of the country. The 1977 surveys showed overwhelming popular approval of those responding to the questions in every region of the Nation and among Democrats, Republicans, and Independents. The amendment has been endorsed by an array of national organizations including the American Bar Association, the U.S. Chamber of Commerce, AFL–CIO, UAW, League of Women Voters, Common Cause, National Federation of Independent Business, National Small Business Association, National Farmers Union. In the 95th Congress it was cosponsored by 45 Senators, including 28 Senators from small States. It has broad support in the House where it passed by an 83 percent vote in 1969.

In the next several weeks I intend to announce the rest of those Senators who are cosponsoring this proposed amendment and at that time I would like to describe the strong efforts of many of my colleagues over the years to establish direct election. I am sure they join me in my belief that in 1979 the time has come to replace the strange mode of Presidential election which was left to us in the last harried hours of the constitutional convention. It is time, Mr. President, that we in Congress take the action that a great majority of our constituents long have supported and for which many of our colleagues have labored, and pass the direct election amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the proposed legislation and a section-by-section analysis.

There being no objection, the joint resolution and summary were ordered to be printed in the RECORD, as follows:

S.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"SEC. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish uniform residence qualifications.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".

DIRECT ELECTION OF THE PRESIDENT

SECTION-BY-SECTION ANALYSIS

The resolution contains the customary provisions that the proposed new article to the Constitution shall be valid as part of the Constitution only if ratified by the legislatures of three-fourths of the states within seven years after it has been submitted to them by the Congress.

Section 1 of the proposed article would abolish the electoral college system of electing the President and Vice President of the United States and provide for their election by direct popular vote. The people of every state and the District of Columbia would vote directly for President and Vice President. This section prevents a candidate for either office from being paired with more than one other person. Candidates must consent to run jointly.

Section 2 provides that voters for President and Vice President in each state must meet the qualifications for voting for the most numerous branch of the state legislature in that state. The term "electors" is retained, but instead of referring to the electoral college, the term henceforth means qualified voters, as it does in existing provisions dealing with popular election of members of Congress. This clause also permits the legislature of any state to prescribe less restrictive residence requirements and is necessary in order to prevent invalidation of relaxed residence requirements already or hereafter adopted by the states for voting in Presidential elections.

The Congress is also empowered to establish uniform residence qualifications. This authority would in no way affect the provisions dealing with residency requirements in Presidential elections adopted as part of the Voting Rights Act of 1970. The District of Columbia is not referred to in section 2 because Congress now possesses the legislative power to establish voting qualifications for the District under article I, section 8, clauses 17 and 18.

Section 2 is modeled after the provisions of article I, section 2, and the 17th amendment to the Constitution regarding the qualifications of those voting for Members of Congress. As a result, general uniformity within each state regarding the qualifications for voting for all elected federal officials is retained. Use of the expression "electors of the most numerous branch of the state legislature" does not nullify by implication of intent the provisions of the 24th amendment that bar payment of a poll tax or any tax as a requisite for voting in federal elections. The Supreme Court, moreover, has held that a poll tax may not be enacted as a requisite for voting in state elections as well, *Harper* v. *Board of Supervisors*, 383 U.S. 663 (1966).

Section 3 requires that candidates obtain at least 40 percent of the whole number of votes cast to be elected President and Vice President. The expression "whole number of votes cast" refers to all valid votes counted in the final tally. Section 3 further provides that if no pair of persons receives at least 40 percent of the whole number of votes cast for President and Vice President, a popular runoff will be held among the two pairs of persons who receive the highest number of votes.

Section 4 embodies provisions imposing duties upon Congress and the states in regard to the conduct of elections. The first part of this section requires the state legislatures to prescribe the time, place, and manner of holding Presidential elections and entitlement to inclusion on the ballot—subject to a reserve power in Congress to make or alter such regulations. This provision is modeled after similar provisions in article I and the 17th amendment dealing with elections of members of Congress. States will continue to have the primary responsibility for regulating the ballot. However, if a state sought to exclude a major party candidate from appearing on the ballot—as happened in 1948 and 1964—the Congress would be empowered to deal with such a situation.

Section 4 also requires Congress to establish by statute the days for the regular election and any runoff election, which must be uniform throughout the United States. This conforms to the present constitutional requirement for electoral voting (article II, section 1), to which Congress has responded by establishing a uniform day for the election of electors (3 U.S.C. 1).

Section 4 further requires Congress to prescribe the time, place and manner in which the results of such election shall be ascertained and declared. The mandatory language is comparable to the mandatory duties imposed upon the states to provide popular election machinery for members of Congress. In implementing this section, Congress may choose to accept state certifications of the popular vote as it now accepts electoral vote certifications under the provisions of 3 U.S.C. 15. Federal enabling legislation will be required to provide the specific legislative details contemplated in the broad constitutional language of the amendment.

Section 5 empowers Congress to provide by legislation for the death, inability or withdrawal of any candidate for President and Vice President either before or after a regular runoff election, but before a President or Vice President has been elected. Once a President and Vice President have been elected, existing constitutional provisions would apply. Thus, the death of the President-elect would be governed by the 20th amendment and the death of the Vice President-elect would be governed by the procedure for filling a Vice Presidential vacancy contained in the 25th amendment. Section 5 also empowers the Congress to provide by legislation in case of the death of both the President-elect and Vice President-elect.

Section 6 provides that the article shall take effect two years after ratification. Since state and federal legislation will be necessary to fully implement and effectuate the purposes of the proposed amendment, a reasonable period of time should be provided between the date of ratification and the date on which the amendment is to take effect.

Section 7 confers on Congress the power to enforce this article by appropriate legislation. The power conferred upon Congress by this section parallels the reserve power granted to the Congress by numerous amendments to the Constitution. Any exercise of power under this section must not only be "appropriate" to the effectuation of the article but must also be consistent with the Constitution.

Mr. DOLE. Mr. President, the Senator from Kansas joins as a cosponsor to Senate Joint Resolution 1, the proposed constitutional amendment to establish direct election of the President and Vice President. That candidates for these two positions should be selected by direct election is an idea which I have long supported. I am hopeful that early in this Congress we shall have the opportunity to debate this issue, and to vote on final passage of Senate Joint Resolution 1.

HISTORY

The electoral college system was provided for in the Constitution because at one time it seemed the most fair way to select the President and Vice President. Alexander Hamilton apparently expressed the prevailing view when he wrote that the small number of persons selected from the general population would most likely have the ability and intelligence to select the best persons for the job. I have no doubt but that in the 18th century, the electoral college was well suited for our country. However, already by the early 19th century, misgivings were being voiced about the college.

The skepticism seems to be related to the formation of political party candidates, and the difference they made in the selection of the President and Vice President. In the years since then, the electoral college has remained in use. It has served us fairly well—except for three times when it allowed a candidate to gain the Presidency who did not have the most popular votes.

There have been numerous other elections in which a shift of a few thousand votes would have changed the outcome of the electoral college vote, despite the fact that the would-be winner came in second place in popular votes. Mr. President, I think we are leaving a little too much to chance, and to hope, that we will not witness yet another unrepresentative election.

SMALL STATES

Many persons have the impression that the electoral college benefits those persons living in small States. I feel that this is somewhat of a misconception. Through my experiences with the Republican National Committee and as a Vice Presidential candidate, it became very clear that the populous States with their large blocks of electoral college votes were the crucial States. It was in these States that we focused our efforts.

Were we to switch to a system of direct election, I think we would see a resulting change in the nature of campaigning. While urban areas will still be important campaigning centers, there will be new emphasis given to smaller States. Candidates will soon realize that all votes are important, and votes from small States carry the same import as votes from large States. That to me is one of the major attractions of direct election. Each vote carries equal importance.

Direct election would give candidates incentive to campaign in States that are perceived to be single party States. For no longer will minority votes be lost. Their accumulated total will be important, and in some instances perhaps even decisive.

SUMMARY

The objections raised to direct election are varied. When they are analyzed, I think many objections reflect not so much satisfaction with the electoral college, but rather a reluctance to change an established political system. While I could never advocate change simply for the sake of changing, neither should we defer action because we fear change.

In this situation, I think the weaknesses in the current system have been demonstrated, and that the prudent move is to provide for direct election of the President and Vice President.

I hope that the Senate will be able to move ahead on this resolution. As long as we continue with the electoral college system we will be placing our trust in an institution which usually works according to design, but which sometimes does not. There are remedies available to us, and I trust the Senate will act to correct this weakness in our political system.

By Mr. DECONCINI (for himself and Mr. GOLDWATER):

S.J. Res. 2. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

Mr. DECONCINI. Mr. President, I am today introducing a constitutional amendment prohibiting deficit financing on the part of the Federal Government except in situations of grave national emergency declared by the Congress. Senator GOLDWATER joins me in cosponsor of this measure.

The content of the amendment we are suggesting, Mr. President, is well known. It would simply require the imposition of an income surtax to raise whatever additional revenues may be necessary to keep the budget in balance. This surtax would take effect for the calendar year following any fiscal year in which outlays exceeded revenues unless the Congress, by a two-thirds vote of those present and voting, declares a state of national emergency and suspends it in whole or in part. It would, thus, provide an uncomplicated and eminently practicable procedure for restoring responsible fiscal management to the Federal system.

It is becoming abundantly clear, Mr. President, that we cannot continue to live beyond our means as a nation. The old maxim, "There's no such thing as a free lunch," is as fundamentally valid for government as it is for any other institution or group. At some point, the laws of economics demand a settling of accounts. The costs of providing goods and services, whether in the private or public sector, may be temporarily postponed, but they cannot be avoided forever.

For too long the Federal Government has been operating as if it were exempt from the basic economic relationship. Deficit has been piled upon deficit, and in the process, the national debt has reached astronomical, indeed, almost incomprehensible magnitudes.

At the end of fiscal year 1977 the gross Federal debt stood at $785,583,000,000, which equals $3,571 for every man, woman, and child in this country. Yet, as astounding as these figures are, they understate the volume of public indebtedness in the United States. Thus, in 1976, the last year for which complete data have been compiled, the net Federal debt amounted to $515.8 billion. Off budget, but federally sponsored credit agencies had outstanding obligations of another $81.4 billion. At the same time, State and local governments were liable for $236.3 billion, Thus, 2 years ago, aggregate public debt in the United States came to a monumental $833.5 billion. The entire gross national product for that year, Mr. President, was only slightly more than double this amount, that is $1,750,000,000, and the interest on the Federal debt for that year was $27.2 billion, which was 7 percent of total outlays and a little over half of the deficit for that year.

The intervening biennium has brought over $100 billion in additional Federal deficits alone.

We cannot afford, Mr. President, to continue mortgaging the future in this manner. It is time to call a halt and bring this Nation's fiscal affairs back under some semblance of control. That is what the amendment I am introducing today intended to accomplish. It is imperative that we act promptly and expeditiously on this matter. Further delay can only worsen the economic and financial disarray with which we are confronted.

No one, to be sure, favors deficit financing as a matter of principle. Just the opposite is usually the case. I am sure that none of my colleagues think that deficits are desirable per se. At most, some may consider budgetary unbalances a necessary evil under certain economic conditions. Indeed, there is general agreement among my collegues, and for that matter, most public officials from the President on down, as to the need for a balanced Federal budget. Yet, despite this seemingly overwhelming consensus, a consensus that I believe has been forming for some time, we have been unable to achieve it. In fact, deficit financing has become a virtual addiction in the Federal sector.

In only 9 of the last 31 years has the Federal budget been in the black. Worse still, outlays have exceeded receipts in every budget in this decade and the gap has widened dramatically since fiscal year 1974. In that year, the Federal deficit was $4.7 billion. In fiscal year 1975, it jumped to $45 billion and then shot to $65 billion in 1976. It has since hovered in the range between $40 and $55 billion.

The economic consequences have been as disruptive as they should have been predictable. Inflationary pressures have sharply intensified, compounding economic uncertainties, exacerbating social conflict and unrest, and raising the specter of coercive governmental interference in the private enterprise system. This instability in turn has discouraged capital formation and stunted the growth of productivity in American industry.

The consequences have been sluggish domestic growth coupled with chronically unfavorable trade balances and a dangerously weakened dollar.

The reason it has proved so difficult to accommodate the Federal budget to these economic realities, in my judgment, have less to do with ideology or political chicanery than is commonly supposed. They inhere, instead, in certain characteristics of the institutional system through which the budget is formulated.

Let me elaborate briefly. The focus in the existing budgetary process is almost exclusively on expenditures. We estimate revenues and try to adjust outlays accordingly. But there is no direct and explicit mechanism for coordinating revenue decisions with particular authorization and funding decisions. To be sure, the congressional budget process directs attention in a general sort of way to these relationships. But, to all intents and purposes, the process of forming tax policy still involves a different set of actors, roles, and interests than do the budgetary and appropriations processes. Moreover, even when tax policy remains relatively consistent, revenues may fluctuate owing to economic circumstances. The upshot is that the revenue side of the budget is, as a practical matter, uncontrollable. And, if budget receipts cannot be definitely known, they can, in a sense, be ignored, for recourse can always be had to additional borrowing to cover the costs of expanding existing programs or instituting new ones.

This temptation to resort to the easy expedient of deficit financing is rendered all the more appealing by the fact that, at any given time, approximately 80 percent of the Government's expenditures are uncontrollable.

It is, of course, always difficult to reach agreement as to where the requisite changes and reductions should be made. Reasonable people may well disagree as to the merit of this or that program or agency. Moreover, every program has its clients, supporters, and advocates.

Taken in combination, these factors mean that a strategy which relies solely on reducing government spending to achieve a balanced budget suffers from severe handicaps.

The amendment I am introducing today would establish a procedure for coordinating tax and spending decisions and thus serve to make the real costs of governmental programs unmistakeably clear. It would, therefore, create a direct and compelling incentive for keeping a much tighter rein on Federal expenditures. It would, I believe, help to insure the kind of tough discipline that will be necessary to get Federal overspending under control and reverse the tendency toward unlimited growth in the public sector.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Senate Judiciary Committee to hold indepth public hearings on this most pressing of economic issues affecting the well-being of all Americans.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Governments during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".

By Mr. LUGAR:

S.J. Res. 4. A joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

Mr. LUGAR. Mr. President, the cost of living crisis is not a new one, but a majority of Americans now realize that it has reached such dangerous proportions that our basic political and economic institutions are threatened. The time for courageous and effective action is at hand.

Since 1967, the purchasing power of the dollar has been cut in half. Eighty-one percent of the American public expresses support for a constitutional amendment to require a balanced Federal budget. For the first time, a majority holds Government principally to blame for inflation. Twenty-two State legislatures have petitioned Congress for a constitutional amendment on this subject. 1978 saw the passage of proposition 13, seven other States tax or spending limits, and the defeat of a number of prominent liberal, pro-spending Senators. Yet Congress in the same year passed a budget which proposed spending of $39 billion more than revenues.

Congressional inability to restrain itself from extravagant spending, even in the face of runaway inflation, has exasperated average citizens and seasoned observers alike, and has spawned a host of proposed remedies. Some would raise taxes to match revenues. Some would flatly prohibit unbalanced budgets except in times of war or declared national emergency. Still others would limit the yearly increase in Federal spending to some figure, such as the percentage increase in the gross national product, without reference to budget balance or imbalance. Each of these ideas enjoys a degree of support in the country, but, after extensive study of the range of alternatives, I have come to favor a different approach.

The heart of the overspending dilemma is political and structural, a fundamental fact with which reformers must contend. The growing awareness by numerous groups that they can organize successful raids on the public treasury, and their increasing sophistication in doing so, has rendered a simply majority for the spending of public money far too easy to attain. The pressures for more spending are as intense and tightly focused as a laser; the sentiment for restraint is as diffused as ceiling light.

Legislative rules frequently apply a familiar procedural device to situations in which restraint is difficult, pressures intense, and in which the subject matter involves departure from an important norm. The device is the supermajority—the requirement of more than a mere 50 percent plus one vote—and it is ideally suited to the most crucial single decision made by Congress each year, the passage of the Federal budget.

The resolution which I introduce today proposes a constitutional amendment to prohibit an unbalanced budget, except by a two-thirds vote of those present and voting in both Houses of Congress. I submit that this amendment would address effectively the principal crisis confronting American government in the modern era, and would do so with the dignity, clarity, and flexibility befitting any change in the basic charter of our democracy.

The Constitution abounds with precedent for such a "supermajority" requirement. Two-thirds majority of both Houses are currently required to override a Presidential veto of a bill, to override a Presidential veto of a congressional resolution, or to propose a Constitutional amendment to the state legislatures. Two-thirds vote of both Houses was required by the 14th amendment to admit to Congress any individual who had participated in the Civil War on the Confederate side. The votes of a four-fifths majority are required to block a listing of the yeas and nays on a congressional vote.

Two-thirds vote of the Senate is constitutionally required to convict a Federal official upon impeachment. Two-thirds of the Senate must approve any treaty. Two-thirds of either House must concur before a Member can be expelled. And, at the subconstitutional level, the Senate rules are filled with supermajority requirements for such issues as cloture of debate or the designation of a special order.

The supermajority amendment would have virtues which elude other proposals aimed at the spending inflation dilemma. It is simple to express and simple to understand. It is simple to implement; the required vote on the Second Budget Resolution reduces to a single vote the final determination of the overall Federal spending level, and could serve as the balanced budget vote.

The amendment would involve no disruption of established congressional procedures. The only difference would be the reaffirmation of the principle that a balanced, noninflationary budget is such an important norm and a national goal, that those who would deviate from it must carry a greater-than-usual burden of proof.

In practice, the two-thirds amendment will enjoy one more advantage which leads me to prefer it over available alternatives. It will be flexible, and adaptable to changing conditions, in that it does not require a balanced budget every year, but instead significantly increases the burden of proof necessary to unbalance it. There is no requirement that a Presidential emergency be declared first, or that taxes automatically increase to cover the additional spending—only that the budget evidence convince two-thirds, rather than one-half, of those voting if a deficit is to be established. Thus, in times of severe economic recession, when economists might agree that additional spending or a tax cut is appropriate, nothing would prevent this result as long as the economic case is strong enough to persuade two-thirds of both Houses of Congress.

The ravages of perpetual overspending are now too clear for dispute. Now is the time, before the petitions of 34 State legislatures force an unpredictable constitutional convention over this issue, to rectify the structural infirmity which has permitted inflation to continue to grow. It is time to establish that the stewardship of the tax dollar, and of the relinquished personal freedom which that dollar represents, is as important as a treaty or a veto override, and that those who would inflate our currency must at least make an abnormally convincing case before the Government printing presses roll.

By Mr. STENNIS:

S.J. Res. 6. A joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

PAY-AS-YOU-GO CONSTITUTIONAL AMENDMENT

Mr. STENNIS. Mr. President, I am introducing a joint resolution proposing a constitutional amendment which would require the Federal Government to terminate deficit financing and operate on a pay-as-you-go basis. This resolution is identical with Senate Joint Resolution 180 of the 94th Congress and Senate Joint Resolution 26 of the 95th Congress. These resolutions were offered and championed primarily by the distinguished former Senator from Nebraska, Mr. Curtis. They were cosponsored by me and many other Senators.

Mr. President, I want to commend the former Senator from Nebraska for the work he has done in this important field. He started the ball rolling and brought public recognition to the problem. I intend to do what I can to follow through to bring the matter to a successful conclusion.

Before discussing the provisions of this resolution, Mr. President, let me mention one simple fact that will make the dimensions of the problem clear. The fact is this: From $382 billion at the end of the fiscal year 1970 our staggering national debt will have increased to a currently estimated $840 billion at the end of fiscal year 1979. This is an increase of $458 billion in 9 short years, an average of about $50 billion a year. I doubt that this is the heritage that any of us had planned to leave our children and grandchildren.

Let me briefly explain this proposed constitutional amendment. It is clear and it is simple. More than that, it is workable. It mandates the Congress to balance the budget every year. But it goes further; it has a built-in self-enforcing provision.

Under the amendment the President would be required, within 20 days after the close of the fiscal year, to determine whether there is a deficit, and, if so, the amount of it. It would then be required that a surtax be levied for the calendar year following the year in which the deficit was incurred in an amount sufficient to offset the deficit. This surtax would be expressed as an added percentage of the income tax of all individuals and corporations. Under the amendment neither the President nor the Congress would be authorized or empowered to levy the surtax; it would automatically be imposed under the authority of the Constitution.

In short the amendment would be self-executing. No discretion on the part of anyone would be involved. If expenditures exceeded revenues a surtax would have to be levied for the following calendar year to balance the budget. The rate of surtax would be determined by the President as a mathematical calculation and no judgmental decision by the President or the Congress would be required.

The sole exception from the requirement for a balanced budget would be that it could be set aside by a three-fourths vote of all Members of each House in case of a grave national emergency. This would be a proper and necessary safety valve available in such cases as a state of declared war or a serious national depression.

This amendment has a special merit, Mr. President. It makes it clear and plain that any Member of Congress who votes for appropriations that result in a deficit is automatically and simultaneously voting for a tax increase. Under the proposal one follows the other as the night follows the day and the taxpayers who bear the burden of the tax increase will know who imposed it on them.

I submit, Mr. President, that complete and utter disaster is not an overstated description of what can happen if we follow the same fiscal course that we have followed for the last quarter of a century and if we fail to bring Federal spending under control. I endorsed the Congressional Budget Act of 1974. It was a great step forward and it has worked well. I applaud it. With it the Congress at last broke into the clear in reasserting its constitutional control of the purse strings and entering the field of Federal fiscal policymaking in a really meaningful way. However, it is apparent that the Budget Act alone will not stop deficit spending. The discipline and firm restraint that this proposed constitutional amendment would provide is, in my opinion, essential if we are to bring about the fiscal responsibility and budgetary control which is absolutely necessary to the economic well-being of our country.

We do not often find a Member of Congress who will openly express opposition to a balanced Federal budget. Instead, the argument is that we cannot do it yet; that the time is not right. There is always some superficially plausible argument to support the claim that we cannot take immediate steps to balance the budget. This will be true as long as there are special interests, special groups, and special constituencies which make huge demands on the public coffers. We must bite the bullet and say that the fast and loose buck stops here.

I know that there are a number of other measures proposed which have as their purpose bringing the budget under control and eliminating deficit financing. Certainly all of them should be fully and completely explored and considered and if any of them has more merit than the constitutional amendment which I am proposing I will certainly be glad to support them.

Mr. President, I am not going to burden the record with a long and detailed recital of facts and figures. We are all aware of the stark and sad financial history which has been written by deficits piled on top of deficits and an ever-growing national debt. I do want to point out that since 1950 the Federal budget has been in balance on only five occasions. We have had a deficit in every year but one since 1960. The result is and was inevitable. Like the ordinary citizen who does not manage his finances properly, and imprudently and continuously spends more than he earns, we find ourselves deeper and deeper in debt. The consequences of this are made plain by the unpalatable and unpleasant fact that the amount we will pay this year as interest on the national debt is more than the entire Federal budget for fiscal year 1950.

I believe, Mr. President, that it will give a great and positive boost to our economy when we embark upon the course of balancing the budget. If everyone knew that the United States had its finances under control it would create confidence at home and abroad. I believe that the U.S. dollar, which has been so weak in recent times, would be bolstered and strengthened. We all know that the potential of this country is tremendous. Our possibilities are unlimited. Private enterprise and our system of government are not failing institutions. The future will be bright if we reverse the practice of continuous deficit financing.

We are all aware of the extent, depth, and vigor of the taxpayers' revolt. The taxpayers are dissatisfied both with the crushing burden of taxes and the quality of government which they receive. The action of the California voters on proposition 13 still reverberates and causes aftershocks throughout the Nation. It dramatizes the plight and intensity of the feeling of the taxpayers.

When we discuss the tax revolt evidenced by the action on proposition 13 in California, and many elections in other States, we should realize that this stems, in part, from the fact that one of the largest and most important elements in the soaring inflation which we have experienced is taxation. Between 1972 and 1976, food prices increased by 44 percent; housing rose by 36 percent; transportation jumped 44 percent; personal care increased 36 percent; and medical care rose 42 percent.

In comparison with these figures taxes soared by a whopping 75 percent. These facts and statistics, along with the growing dissatisfaction with the quality of government, explain the tax revolt that has been growing and that threatens to erupt in this country. The unrest and discontent will surely grow and grow unless something is done to lighten the tax burden. It is not only within our power but it is our duty to take action that will give effective relief to the taxpayers and, at the same time, eliminate the tremendous deficits we have seen in the Federal budget in recent years and curb the growth of the astronomical national debt.

There could be little dispute that high taxes and continued deficit financing lead to inflation. Inflation, unless controlled, can drag us into a depression, and send the unemployment rate soaring. When inflation is rampant it takes all of the income of many of our citizens to provide the bare necessities of life for themselves and their families.

I believe that the amendment which I propose today is an idea whose time has come. The people are beginning to express themselves through the ballot box. In addition, at least 22 State legislatures have already called for a constitutional amendment with the same basic purpose as the resolution which I am proposing. Other States have indicated that they intend to take the same action.

Mr. President, we should start now—at this very moment—to advance toward a pay-as-you-go constitutional amendment. At best it will take several years to get the constitutionally-required two-thirds vote in both the House and the Senate and have the amendment ratified by three-fourths of the States. This means that, even if the Senate passes this resolution during this session, its effective date will still be several years down the road, so that the Congress would have time to act to bring the budget into balance.

Mr. President, the extent to which Federal expenditures have swollen is strikingly indicated in the case of the Department of Health, Education, and Welfare. HEW's $182 billion budget for fiscal year 1979 is the third largest in the world. It is surpassed only by those of the United States and of the Soviet Union.

The message we have received from the grassroots is loud and clear. Its meaning is unmistakable. Legislators on both the State and national level should hear and heed it. The smoldering anger and frustration of those who pay the taxes will only increase unless relief is forthcoming and forthcoming soon. The average middle-income taxpayer will not tolerate much longer increasingly large tax bites being taken out of his pocketbook to pay for spending programs that grow ever larger and which he feels are wasteful and unnecessary.

Mr. President, we are faced with a grave situation requiring drastic action. It is time to cry "halt." Returning to a course of fiscal integrity and responsibility will require courage and steadfastness. Certainly there is no easy answer. However, at this time I believe that the best answer lies in the adoption of a constitutional amendment such as I propose here today. This would effectively prevent the Congress from continuing to mortgage the Nation's future so extravagantly. I believe that the rewards which will come into our country as a result will be great. I hope that the Senate will take early and affirmative action on the resolution I have proposed.

By Mr. McCLURE:

S.J. Res. 9. A joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, today I am introducing a constitutional spending limitation amendment to limit the amount of our tax money which the Federal Government may spend. This amendment will provide protection against oppressive taxation in the same way the Bill of Rights protects our civil liberties and political rights. Now is the time to halt the growth of Government

and a constitutional limit on the spending power of Government is the best way to do it.

Unless we change the direction of this country, government at all levels will take 54 percent of every dollar we make by 1984. High taxes are choking the economy by penalizing productivity, thrift, and investment. Limiting the size of Government is essential if we are to get the economy moving at full capacity again. But important as the economic effects of this amendment are, the most important benefit will be the preservation of this country as the land of the free where, as George Washington said, Government is the servant, not the master of the people. No one is free if he does not own the fruits of his labor. Limiting the power of Government to spend our money is the most important issue we face. It will be the dominant political issue of the next few years. Those of us who have long fought for tax and spending limits are heartened by the many proposition 13 type referendums that were passed in the last election. The voters of these States have shown that big Government is not inevitable. It can be halted. We have a choice.

After 12 years of working in Congress and sponsoring 25 bills to reverse the tax and spend philosophy which dominates Washington, I now believe we have found a way to achieve our goal.

I saw the irresponsible direction Government spending was taking as a freshman Congressman and therefore supported a measure in the 90th Congress to require a single appropriations bill so that we might more closely examine total Government spending and facilitate its control. Throughout my service in Congress, I have supported legislation to limit expenditures and prevent expenditures from exceeding revenues.

This year I will also introduce a constitutional amendment that, following the lead of Senator Curtis, will require a balanced budget. In past years I have supported zero-based budgeting and set legislation because I felt they would help control the rapid increase in Government spending. In 1975 I introduced the Kemp-McClure Jobs Creation Act, a comprehensive tax cut proposal which created the broad consensus that now exists for permanent, across-the-board tax reduction. At that time I said:

> As a nation, we stand at a crossroads. One road, that traveled by Great Britain, has the immediate appeal associated with redistributing existing wealth; but it also holds in store the ultimate pain of sharing not the wealth but the resultant poverty. The other, less frequently traveled road, promises continued progress and gradual enrichment for all members of society. The price of a brighter future is a less profligate present.

Five years ago I joined in sponsoring the Budget Control Act of 1974, and I sought an assignment to the newly created Budget Committee. But by the time we reported our first congressional budget resolution it was clear that although we had created a new budget process, we were still unwilling to control spending. In minority views prepared for the first budget resolution I wrote:

> For literally the first time the Senate has the occasion to specifically address itself to the aggregate budget and national economic policy, especially as it involves the budget. The process itself is an important step toward rationally addressing economic and budget questions, which has for too long been limited to ad-hoc approaches. But it is not the exercise that is important—it is the result that matters!

The result, as I feared in 1974, has been continued runaway growth in the size and cost of Government.

These measures have failed to moderate the growth of big Government because the beneficiaries of our tax dollars are well organized and skillful at manipulating Washington. The Federal Government, in turn, has an insatiable appetite for problems to solve and pressure groups to please. Until now, these forces have overwhelmed the ability of the average American who pays for all this to influence the cause of events. To correct this unbalance, I urge my colleagues in Congress and the State legislatures to amend the Constitution and limit the power of Government to spend our money.

This amendment limits Federal expenditures to one-third of the national income averaged over the past 3 years. National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods and indirect business taxes. The Federal Government is now spending just under 35 percent of that figure. This amendment would result in an immediate reduction of between $10 and $12 billion and more importantly it prevents Federal tax bites from becoming any larger.

I believe that this amendment offers the best instrument for returning this country to the ideals on which it was founded.

By Mr. McCLURE:

S.J. Res. 10. A joint resolution to require a balanced budget; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, there is a good deal of justified alarm about the size of the Federal deficit, which exceeded $50 billion for fiscal 1978. The deficit and our inability to control it are vital issues which have a significant impact on our society and must be faced.

When families or businesses incur repeated and rising operating deficits, bankruptcy inevitably follows. When the Federal Government incurs such deficits, inflation is the inevitable consequence. In an attempt to finance this deficit the Treasury issues obligations that are puchased by the Federal Reserve and in so doing, monetizes the newly created debt. This is done in such a way that Federal spending increases without a compensating reduction in private spending. The outcome of such a series of events is clear—interest rates rise, prices rise and the economy heats up. Further, any borrowing from the private sector to finance the deficit, drains the private economy of the resources and the incentives needed to sustain expansion.

Realizing that the Federal Government is the principal culprit in our current economic difficulty is the first step that must be taken. The sure, but painful, cure for inflation and the inflation-caused recession is simply to slow the rate of growth of the money supply. Unfortunately, this cannot be done without the elimination of recurrent high employment Federal deficits. In turn, deficits cannot be controlled until we recognize two facts: First, money expenditures do not solve social problems, and second, more money spent on a bad idea will not make that idea good. Money alone does not solve problems either for individuals or for nations. New ideas and the reaffirmation of older, but valid financial standards, however, are proven methods of economic problem solving. Today we should turn our attention to principles of fiscal integrity not only because we hope to avoid inflation, but also because we strive to preserve this democracy.

It will take a constitutional amendment to get this Government back to a balanced budget. Despite the best efforts of many of us, the Congress is apparently unwilling to balance the budget on its own. I, therefore, am introducing a constitutional amendment to require a balanced budget. This amendment is the result of many years of effort by Senator Curtis and others.

The citizens of this country have clearly demonstrated its mood on taxation and Government spending. Already, 22 State legislatures have called for a Constitutional Convention for basically the purpose of considering a balanced budget amendment, and other States have indicated that they intended to take the same action. Over 45 such proposals were submitted in the last Congress.

Spending is out of control, primarily because politicians in Congress no longer give equal weight to defending the public purse as to accommodating the pressure groups. Any effort to slow down the increase in Federal spending takes considerable political courage. Those who benefit from some spending program are easily organized into a political pressure group dedicated to continuing and expanding their programs. Now is the time when every program should be examined to see whether or not there are more effective ways of accomplishing its intended results, and whether or not those results might not be better accomplished by returning the responsibilities to local levels of government, or to the voluntary private sector.

Many are unwilling to balance the budget. It would necessitate a reduction in Government spending and in turn reduce the size of Government relative to the private sector. It would be an inroad on the power that has been concentrated in Washington, and a decline in centralized political clout. Yet this is a small price to pay to make fiscal soundness a reality. This proposed amendment will do the job, just as many of our State constitutions require a balanced budget.

Mr. President, I feel it significant that on the opening day of this Congress, Republicans have introduced proposals

that would balance the budget, put a limit on Government spending, index the tax brackets to prevent inflation from increasing the tax burden de facto, a proposal calling for a savings tax credit to allow for sound capital formation and expansion, as well as a one-third tax cut. It is clear that the Republican Party is serious about the economy and making fiscal soundness a reality. I ask my colleagues to join me in supporting these proposals that will return this Nation to the principles of fiscal integrity and preserve this Nation.

By Mr. TALMADGE (for himself and Mr. NUNN):

S.J. Res. 11. Joint resolution to amend the Constitution relating to a balanced budget; to the Committee on the Judiciary.

Mr. TALMADGE. Mr. President, every national survey that I see, ranks inflation and government spending as the No. 1 issue and problem of the United States. Over the past dozen or so years that our Nation has been plagued by inflation, there has been a lot of talk but little action toward reducing massive multibillion dollar deficits year after year after year. During all this time, we have seen the U.S. economy become weaker and weaker. We have seen the American dollar hit bottom. We have seen our friends and allies the world over lose faith in the stability of our Nation and government.

The only way I know to bring about a balanced budget is to prevent Congress from spending money we do not have on programs we do not need.

The only way I know to accomplish this goal is by a constitutional amendment. This approach is favored by an overwhelming majority of the American people.

I have been pushing for such a constitutional amendment for many years and I am today reintroducing my amendment to prohibit deficit spending except in times of emergency specifically declared by Congress.

By Mr. HELMS:

S.J. Res. 13. A joint resolution to amend the Constitution of the United States; to the Committee on the Judiciary.

THE HELMS BALANCED BUDGET AMENDMENT

Mr. HELMS. Mr. President, I submit a resolution to provide that the Constitution be amended to require that Federal outlays do not exceed Federal revenues. In other words, this is a proposal to require a balanced Federal budget.

The discipline this amendment would impose on the Congress and the President is imperative. The cost of not balancing the Federal budget is too high. This proposed amendment would allow deficit spending during a "grave national emergency" by a three-fourths vote of both Houses of Congress.

MORALITY OF BALANCED BUDGETS

The Federal Government has no funds to spend except money taken from the taxpayers, or the demonstrably ruinous deficit financing. It takes either through taxation and other revenue producing activities, or it takes through the financing of budget deficits. Inflation is caused by the monetization of those debts—the excessive creation of money—through the Federal Reserve System purchase and handling of those Federal debt instruments.

When the Federal Government imposes taxes equal to the amount of the expenditures, then citizens can know to what degree they are being burdened to pay for those Federal outlays. Congress has to approve the taxes to match the level of outlays. Congress has to justify expenditures which are popular or necessary with equal taxes, which are never popular.

When the President and the Congress so operate the Federal Government that the politically popular expenditures exceed the politically unpopular taxes, then Congress is hiding the cost of its largess. Politically, it is a "something-for-nothing" pretense. It is about as straightforward as a con-game. It is about as honest as a chain letter that promises windfall wealth. It is the ultimate "free lunch," except there's nothing free about it.

Mr. President, let us not be deluded: inflation is caused by Federal deficit spending, and inflation is the greatest economic disruptor ever conceived by man. And the American people now realize that the evil of inflation is caused by deficit spending.

One major way inflation disrupts the economy is in its destruction of the ability of people to measure relative economic worth. During inflationary periods, the value of currency is not stable, and its utility as the most important standard of measuring value is lost. And when the most important economic standard is corrupted, the other standards in the society come under attack. The relativism inflation imposes on the economy has been paralleled in our time by relativism in other values as well.

Inflation also cripples our society by concentrating economic power in the big corporations and the big unions. Only the big corporations have the power to ride out inflation and the money to pay for economists to aid in overcoming inflation. Only the big unions have the muscle to win gains for union members in times of inflation. In other words, the great competitive vitality that our economy has exhibited in the past is discouraged, because the small businesses are hit hardest by inflation, and the small unions are less able to operate. The innovators are discouraged, and penalized, by government-imposed inflation.

During inflation other centers of power in the society for various educational and charitable work are crippled. The resources of churches, schools, and other non-government groups and organizations are eroded by inflation, and as a result, the good works that once were performed by non-government organizations are now left only to government.

And during an inflationary period, the independence of the individual is undermined. The worker that saves for retirement finds that the value of savings has been cut drastically, and the worker finds government aid the only way to survive.

INFLATION AND THE FOUNDERS

One of the earliest reasons for forming the Union was to preserve the sanctity of contracts between individuals in the various colonies. It was rightly held that for commerce to grow and the Nation to prosper, contracts between citizens should be held enforceable.

But what do we do today?

If I rent a house from someone for a given sum, I am in effect paying a different real amount every month. The lease I signed to rent for a sum certain is being violated regularly—not by either party to that lease, but by the Federal Government which is corrupting the medium of exchange in which that contract is denominated.

By its depreciation of the dollar, the Government has not only eliminated the sanctity of contracts, it has almost made it impossible for a contract to be written in terms of constant value.

An honest dollar is necessary for honest business.

THE ECONOMICS OF BUDGET DEFICITS

Twentieth century budget deficits have been rationalized by politicians because of the allegedly salutary effects that deficits have on the Nation's economy. John Maynard Keynes said that the Government could stimulate economic activity by increasing aggregate demand: that is, by putting money into people's hands through Government deficits. Since Government spending is always politically popular the politicians naturally embraced the economics of Lord Keynes. The less attractive aspects of Keynes' economics were ignored: the inflation, the economic disruptions, and the aggrandizement of Government power.

Keynes' economic theory is today the dominant school of thought in our great Government-supported universities and certainly in the high policy centers of our Government. But, the contemporary Keynesian view of the economy has ceased to fit the facts. The Keynesian policies of stimulation have resulted in inflation and high unemployment—stagflation. When he was asked about these two problems, the Secretary of the Treasury said, "We don't know enough about inflation." It was as if the side effects of Keynesian policies indicated something basically wrong with reality rather than something basically wrong with Keynesian economics.

In a predictably self-righteous editorial last week in the Washington Post the contention was advanced that a balanced budget would put economics back to the era of Calvin Coolidge. The obvious unintentional irony is that it was during Coolidge's administration that Keynes was writing his most important works, and it indeed is the economics of that generation that we must discard.

The "common wisdom" which is held by all practicing Keynesians states that in times of economic slowdowns, the Federal Government should spend more than it takes in to stimulate the economy. Not only are these attempts at stimulation almost always timed wrong,

but the stimulation is almost never accompanied by reciprocal spending cutbacks when the economy is overheated.

Ironically, the Post editorialist overlooked one of the most important tools of demand stimulation—the monetary authority of the Federal Reserve System. And the Fed does not necessarily need the excuse of Federal deficits to expand the money supply.

If the regulation of demand is the axis of economic activity as held by orthodox Keynesians, then the Federal Reserve System should be able to do the job. The politically unattractive part about this is, of course, that the Keynesian politicians would have no excuse for free lunch giveaway programs.

In fact, of course, we are now coming to the realization that the economy is not the simplistic thing that the orthodox Keynesians would have us believe. The economy depends in large part on the kinds of incentives there are for economic activity.

A balanced Federal budget will require Congress to look toward economists that have answers and not excuses. A balanced budget will require that Federal expenditures can justify themselves within the confines of firm spending limits. And, a balanced budget will eliminate the excuse for the scourge of inflation.

The language of my amendment is brief. I believe that the Constitution should not carry involved statute-like verbiage. As a result, however, my proposal does not specifically define the term "outlays." I think that should be clear enough, and I distinctly did not want a Constitutional amendment to get into the nuances of the Budget Act.

The other possible criticism of my amendment is that it does not provide for a phase-in of the balanced budget. Obviously, if our gluttonous Government went on a strict diet tomorrow and ceased running up a deficit of a billion dollars every 10 days, there would be drastic, untoward side effects. But constitutional amendments are not passed in a day. They usually take several years—time enough for Congress to get the message and begin trimming down.

Finally, I think that if Congress does not act and act soon, the various States may go ahead and amend the Constitution by the convention process. Over 20 State legislatures have already approved resolutions calling for a constitutional convention to approve an amendment requiring a balanced Federal budget.

I have also introduced legislation initially sponsored by Senator Sam Ervin of North Carolina which would provide for an orderly constitutional convention process, so that if the States act in this manner, there will be minimal risk from this unprecedented procedure.

Mr. President, I ask unanimous consent that my joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 13

Resolved, by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.

"ARTICLE—"

"SECTION 1. Except when Congress shall determine, by three-fourths of the votes of both Houses thereof, that a grave national emergency exists, the Congress shall assure that the total outlays of the Government during any fiscal year (not including any outlays for the redemption of bonds, notes, or other obligations of the United States) do not exceed the total receipts of the Government during such fiscal year (not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States).".

SENATE CONCURRENT RESOLUTION 1—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SENIOR CITIZEN INTERNS

Mr. ROTH submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 1

Resolved by the Senate (the House of Representatives concurring), that, notwithstanding any limitation imposed by law or other authority, effective January 3, 1979, and until otherwise provided by law, each Member of Congress is authorized to hire one additional employee each year for one of the two-week periods specified under section 5(2). Such employee shall be designated a Claude Pepper Senior Citizen Congressional Intern, hereinafter in this resolution referred to as a "Senior Citizen Intern" or an "Intern".

SEC. 2. A Senior Citizen Intern shall—

(1) be at least 60 years of age on the effective date of the appointment involved;

(2) (A) be a bona fide resident of the State represented by the employing Member, if such Member is a Senator; or

(B) be a bona fide resident of the congressional district represenetd by the employing Member, if such Member is a Representative, a Resident Commissioner in the House of Representatives or a Delegate to the House of Representatives;

(3) serve in the offices of the employing Member in the District of Columbia;

(4) be compensated as provided in section 3(1); and

(5) be subject to the same regulations as an employee hired under the clerk hire allowance of the Member involved, except that such Intern shall not be eligible to participate in any health or life insurance program, or any retirement system, applicable to congressional employees, and shall not accrue leave under any employment provisions applicable to congressional employees.

SEC. 3. Each Member shall have available from the contingent fund of the Senate or the House of Representatives, as appropriate, such sums as may be necessary for payment of—

(1) Senior Citizen Intern compensation at a rate of not more than $300 per week; and

(2) travel expenses for one round trip of each Senior Citizen Intern between the place of residence of such Intern and the District of Columbia, including the actual cost of transportation and other reasonable expenses.

SEC. 4. The positions made available in the first section and the amounts made available under section 3 shall be in addition to any position or amount made available to Members of Congress under any provision of law or other authority.

SEC. 5. The Select Committee on Aging of the House of Representatives and the Special Committee on Aging of the Senate shall, with respect to Senior Citizen Interns in the House of Representatives and the Senate, respectively—

(1) prescribe such regulations as may be necessary to carry out this resolution; and

(2) specify a two-week period in May and a two-week period in September in each year for which appointments may be made under the first section.

SEC. 6. As used in this resolution, the terms "Member of Congress" and "Member" mean a Senator, a Representative, a Resident Commissioner in the House of Representatives, and a Delegate to the House of Representatives.

Mr. ROTH. Mr. President, I submit this resolution with the understanding it will not automatically require additional moneys for the contingent fund of the Senate. Rather, the disbursing officer will fund the program with available moneys first and request additional funding only as necessary to cover the remainder of the cost.

SENATE RESOLUTION 10—SUBMISSION OF A RESOLUTION RELATING TO MUTUAL DEFENSE TREATIES

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 10

Whereas, the Senate amended the International Security Assistance Authorization Act, S. 3075, on July 25, 1978, expressing the sense of the Senate that there should be "prior consultation" between the Senate and the Executive Branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954 with the Republic of China; and

Whereas, the amendment was subsequently broadened to express the "sense of Congress" and was part of the measure signed into law by the President on September 26, 1978;

Whereas, the President on December 15, 1978 declared that notice of termination of the Mutual Defense Treaty would be sent to the Republic of China, without prior consultation with the Senate or with the government of the Republic of China: Now, therefore, be it

Resolved, That the Senate disapproves of the action of the President of the United States in sending notice of termination of the Mutual Defense Treaty with the Republic of China.

SENATE RESOLUTION 11—SUBMISSION OF A RESOLUTION RELATING TO THE REPUBLIC OF CHINA

Mr. DECONCINI submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 11

Whereas, the United States of America and the Republic of China and their respective peoples have enjoyed a relationship of friendship for three decades;

Whereas, the United States of America and the Republic of China have been bound together by a Mutual Defense Treaty since March 3, 1955;

Whereas, the President unilaterally invoked the termination clause of the Mutual Defense Treaty without prior consultation with the Senate;

Whereas, the President in his negotiations with representatives of the People's Repub-

lic of China failed to receive assurances for the future safety and well-being of the government and people of Taiwan:

Now, therefore, let it be Resolved

That the United States of America acknowledges and reiterates its long-standing policy of friendship towards the government and people of Taiwan;

That the United States of America will not tolerate any aggression by the People's Republic of China against the government or people of Taiwan for the purposes of reunification or for any other purpose;

And that in the event of such aggression, the United States of America will take whatever action may be necessary to preserve the independence and freedom of the government and people of Taiwan.

Mr. DECONCINI. Mr. President, I believe that all Members of this body were disconcerted to learn that President Carter invoked the termination clause of the Mutual Defense Treaty of 1955 with the Republic of China without any prior consultation with the Senate. Such an action is virtually without precedent in American history.

Whether the powers conferred upon the President by the Constitution technically are sufficient for the President's action is not the only issue. There is a broader issue that goes to the core of the traditional bipartisan nature of American foreign policy. Bipartisanship requires that the President consult with the opposition party prior to undertaking major foreign policy initiatives. But in the extant case, the President failed even to consult members of his own party. Thus, the decision to recognize the People's Republic has taken on not only a partisan flavor, but has created an atmosphere of confrontation between the Senate and the President.

Thus, I believe, that on the score of consultation alone the President should be made aware of our disappointment. The resolution that I submit today does just that, although its primary purpose is otherwise.

It appears to me that the question of whether the United States should or should not at this juncture in world history recognize the People's Republic of China is at least a debatable one. The American people are most likely divided on the issue, although the march of events suggests that this course moves us in the right direction.

However, whether we agree or disagree over the decision to recognize the People's Republic, I believe the American people are virtually unanimous in their concern for the fate of the people and the government of Taiwan. After three decades of friendship and alliance, the action of the President essentially cuts Taiwan off and allows her to drift in a sea of uncertainty.

Incredibly, the administration, in its negotiations with the People's Republic of China, did not extract any concession regarding the future of Taiwan. I believe that this is merely another example of American negotiating weakness which seems always to be geared towards a result regardless of cost. It is that penchant in our foreign policy that should make each of us cautious over the agreements negotiated.

Every assurance the United States has that the People's Republic will not invade or otherwise coerce the people of Taiwan is based upon extrapolation and reading between the lines. For example, the administration has argued that they do not have the technical capability to launch such an invasion—therefore, an assurance is not necessary. I believe we have all witnessed on the international scene enough examples of the improbable occurring that our foreign policy should not be based upon such so-called technical assessments or the imputation of motives.

In the absence of formal assurances from the People's Republic about the future well-being and safety of the government and people of Taiwan, I believe it is imperative that the U.S. Congress clarify its resolve not to tolerate the use of force, and to continue to honor, in essence, our commitment to insure the continued independent existence of Taiwan, if that is the will of its people. To allow them to stand alone at this critical juncture in their history is unconscionable.

But there is a broader purpose yet in this resolution. By reneging on its historic commitment to protect and defend Taiwan from possible Communist invasion and coercion, the United States is denuded of its credibility as the prime defender of open societies against Communist incursion. It seems to me a very elementary principle that effectiveness in deterring others involves credibility on the part of the potential deterer. Without such credibility, the will of the deterer will be constantly tested. Thus, the President's action in terminating the mutual defense treaty with Taiwan shakes American credibility and invites our opponents to test our resolve.

The resolution I am recommending to my colleagues is a simple one. It merely reaffirms the American commitment to protect and defend the government and people of Taiwan should they be faced with aggression from the People's Republic. It does not preclude the people of Taiwan from choosing to incorporate themselves with the mainland, if that is their wish. But it also will allow them to retain a separate existence and identity, if that is their wish. The United States cannot dictate a two-China policy for China. But we can provide the Taiwanese with the support they will need, if that is the course of action they ultimately decide to pursue.

The realities of world politics will, I believe, lead to the development of two Chinas, just as we have two Germanys and two Koreas. I personally believe that for the foreseeable future this is the best solution to a conflict which has been enduring as it has been deep. Furthermore, the United States should not by its actions assist the Communist regime in Peking from absorbing the pro-Western government of Taiwan.

SENATE RESOLUTION 12—SUBMISSION OF A RESOLUTION RELATING TO UNITED STATES COMMITMENT TO TAIWAN

Mr. DANFORTH (for himself, Mr. YOUNG, Mr. THURMOND, Mr. DOMENICI, Mr. WALLOP, Mr. COCHRAN, Mr. BAYH, Mr. HEINZ, Mr. HAYAKAWA, Mr. SIMPSON, Mr. HELMS, and Mr. STONE) submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 12

Whereas, the United States of America and the People's Republic of China have recognized each other and established diplomatic relations on January 1, 1979;

Whereas, the President notified the Republic of China on January 1, 1979 that the United States will terminate our Mutual Defense Treaty with it on January 1, 1980;

Whereas, in announcing this historic event on December 15, 1978, the President correctly stated that "we will continue to have an interest in the peaceful resolution of the Taiwan issue;"

Whereas, the United States has received no explicit assurances from the People's Republic of China that it will not employ force to reunite Taiwan with the mainland: Now, therefore, be it

Resolved, that it is the sense of the Senate that in the event of military aggression by the People's Republic of China against the people and territory of Taiwan, the United States must—

(a) terminate diplomatic and commercial relations with the People's Republic of China;

(b) provide military assistance to the people of Taiwan on an urgent basis in accordance with constitutional processes;

(c) bring the matter to the prompt attention of the United Nations Security Council with the objective of bringing the hostilities to an immediate end; and

(d) take what other actions are necessary to bring the aggression to an end and thereby secure a peaceful future for the people of Taiwan.

Mr. DANFORTH. Mr. President, on January 1 of this year, the United States and the People's Republic of China (PRC) ended almost 30 years of mutual isolation and established diplomatic relations. The move toward normalized relations began in 1972, with President Nixon's trip to China.

Few would disagree, I think, with the wisdom of normalizing our relations with the People's Republic of China, a country which governs over one-fourth of the world's population. The question is on what terms we recognize the PRC—and that answer rests on what obligation we have to the 17 million people on the island of Taiwan. Under the President's plan, we have agreed to the PRC demand that the United States break formal diplomatic ties and terminate our Mutual Defense Treaty with Taiwan.

Taiwan has relied on the United States ever since it became the refuge of Nationalist Chinese driven from the mainland when the Communists assumed power in 1949. Our Mutual Defense Treaty with Taiwan has assured its stability and security for 25 years. Extensive American trade with Taiwan has helped its leaders establish a thriving economy.

In light of our long-standing relationship with Taiwan, I believe the President should have received definite assurances from the PRC with respect to the peaceful future of Taiwan. The administration has stated that it received no explicit assurances from the People's Republic of China that it will not employ force to reunite Taiwan with the mainland. The agreement the President reached with

the PRC is no different from what we could have had at any time since 1972. In short, I fear that the announced plan runs the risk of undermining the security of our friends on Taiwan and damaging the reputation of the United States as a dependable ally.

There is more at stake in this issue than merely the continued prosperity and security of the 17 million Chinese on Taiwan. America's reputation as a reliable ally is on the line. Taiwan is not alone in its dependence on our support. Korea and Israel rely heavily on our commitments for their security, and we have been urging countries like Egypt and Saudi Arabia to place more trust in us. We have defense treaties with European nations in NATO, and with Southeast Asian countries in SEATO. For these relationships to work, our word must be trusted.

The President stated in a television interview on December 19 that the PRC "know our firm expectations, clearly expressed to them, that the differences between China and Taiwan will be settled peacefully." I do not believe that our unilateral declaration of our expectations represents an adequate security guarantee to Taiwan. Indeed, Chinese Vice Premier Teng Hsiao-Ping recently refused to rule out the use of force against Taiwan if peaceful means fail to achieve unification.

In a widely reported January 5 news conference, Teng stated:

President Carter indicated a wish that unification (of China and Taiwan) be accomplished by peaceful means. We take notice of that wish. At the same time, we make it very clear that the solution is China's internal affair.

We shall try to solve the Taiwan question by peaceful means. Whether or not this can be done is a very complex question. We cannot assume any undertaking that no other means than peaceful will be used to achieve unification of the motherland. We can't tie our hands.

In view of these statements and the absence of any guarantees from the PRC, I am today submitting a resolution which will enhance the future security of Taiwan and not abandon totally our commitment to the people of Taiwan. Joining me in this resolution are Senators YOUNG, THURMOND, DOMENICI, WALLOP, COCHRAN, BAYH, HEINZ, HAYAKAWA, SIMPSON, HELMS, and STONE.

This resolution expresses the sense of the Senate that in the event of military aggression by the PRC against Taiwan, the United States must:

Terminate diplomatic and commercial relations with the PRC;

Provide military assistance to Taiwan on an urgent basis in accordance with constitutional processes;

Bring the matter to the prompt attention of the United Nations Security Council with the objective of bringing the hostilities to an immediate end; and

Take what other actions are necessary to bring the aggression to an end and thereby secure a peaceful future for the people of Taiwan.

Mr. President, recognition of the People's Republic of China and, with it, termination of the defense treaty with Taiwan has been anticipated since the Shanghai Communique of 1972. Better relations with mainland China should enhance America's presence in the world community and no doubt will improve significantly our market for exports—which will help our balance of payments problem. I support these ends—but we must be careful to seek them in a way which does not let down our friends and jeopardize their security.

SENATE RESOLUTION 13—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE CONTINUING RELATIONSHIP OF THE UNITED STATES WITH THE REPUBLIC OF CHINA

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 13

Whereas, the United States and the Republic of China and their peoples have been allies for more than 25 years;

Whereas, the President unilaterally gave notice to the Republic of China that the United States intended to terminate on January 1, 1980, the Mutual Defense Treaty Between the United States of America and the Republic of China;

Whereas, the United States established diplomatic relations with the People's Republic of China on January 1, 1979;

Whereas, the governments of the Republic of China and the People's Republic of China claim sovereignty over the same territory;

Whereas, the continued security and stability of the Asian Pacific region, and especially the continued peace and prosperity of the people of the Republic of China, is of major strategic interest to the United States; and

Whereas, the United States seeks to maintain such confidence as is essential to financial investment in such region and as is essential to making commercial agreements between the United States and the Republic of China and between the United States and the People's Republic of China: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Government of the United States—

(1) does not condone any threat or use of force in any attempt to unify the Republic of China and the People's Republic of China;

(2) does not recognize the right of either the Government of the Republic of China or the Government of the People's Republic of China to subvert the other by means of the use of force or the threat of an imminent use of force;

(3) should, in accordance with its constitutional processes, take all steps necessary to assist the Republic of China in ensuring its security and the security of the United States in the event of an act of aggression by the People's Republic of China against the Republic of China;

(4) should interpret any interference by any country with the commercial or cultural programs or military or economic assistance programs between the United States and the Republic of China as an unfriendly act and should react accordingly; and

(5) should use its voice and vote in each international organization of which the United States is a member to prevent the exclusion or the removal of the Republic of China from membership in each such organization.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDING THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 9

AMENDMENTS NOS. 1 THROUGH 53

(Ordered to be printed and to lie on the table.)

Mr. BAKER submitted 53 amendments intended to be proposed by him to Senate Resolution 9, a resolution to amend the Standing Rules of the Senate.

NOTICES OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Veterans' Affairs will conduct a hearing on S. 7, which I am introducing today, the proposed "Veterans' Health Care Amendments of 1979," on January 25, at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building.

Persons interested in testifying at this hearing should contact Ellen Akst, associate counsel of the committee, at 224-9126.

SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, the Subcommittee on Labor will hold a hearing on plant closings and relocations on Monday, January 22, 1979. The hearing will be held in Newark, N.J., in room 730, Federal Building, 970 Broad Street at 9:30 a.m.

CHESAPEAKE BAY HEARINGS

Mr. MATHIAS. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia will hold a hearing on Federal program coordination related to Chesapeake Bay on January 29 at 10 a.m. in Annapolis, Md. The hearing will be in the Old Appropriations Committee Room in the State capitol building.

ADDITIONAL STATEMENTS

THE 96TH CONGRESS ECONOMIC CHALLENGE

Mr. HELMS. Mr. President, with timing that obviously required a great deal of forethought, the Wall Street Journal last Friday began publication of a column by Paul Craig Roberts.

Craig served with great distinction as economic counsel to Senator ORRIN HATCH; he also gave much helpful advice to many other Members of this body. His new position with the Journal will allow his thoughtful analyses to be shared by hundreds of thousands of readers of that newspaper.

In his inaugural column, I believe Dr. Roberts has set forth the chief issues of an economic nature that will confront the 96th Congress.

In the broadest sense, the question is: "What makes the economy run?" Specifically, the question is: "Does depression-era Keynesianism work in the last quarter of the twentieth century?"

In his inaugural column entitled "The Tax Brake," Craig Roberts goes to the

core of the economic debate: Do the equations of the Keynesians and their dependence on the concept of aggregate demand fit the facts of contemporary economic life? Craig Roberts summarizes the arguments and comes to the conclusion that they do not. He is right.

Mr. President, the new Congress will have to confront major economic problems. This Congress will almost surely be faced with the problem of a recession—I hope it does not, but unfortunately it seems to be a fair prediction.

This Congress will, in all likelihood, be asked to vote on the question of mandatory wage and price controls. I fear that those in this Congress who would rather trust the wisdom of bureaucrats to control the marketplace will urge on this Nation, a kind of dictatorial regulation of the economy to set wages and prices in an attempt to control inflation. In spite of history's lesson that controls do not work and logic's lesson that controls will never work, there will probably be an attempt made to again impose such control.

This Congress must also address the question of the nature of the effects of our highly progressive tax system, and the massive disincentives imposed on the people of this nation. Disincentives discourage output, savings, and economic growth. And, it is these disincentives imposed by the Federal Government that must be debated and, I hope, reduced.

This Congress will be asked to consider a constitutional amendment of seminal economic importance: an amendment to require a balanced budget. The Keynesians defend deficit spending as an economic miracle drug. In fact we have seen the system addicted to this drug to the extent that its horrible side effects of inflation and stagnating economic activity seem to have become acceptable in some minds. The Keynesians have concluded that somehow new solutions are needed for these allegedly new problems. In fact, the new remedies needed are the removal of old ones.

What is needed is the freeing of our economy from massive deficits.

What is needed is the freeing of people from massive disincentives.

What is needed is the freeing of our policymakers from the myopia of Keynesian dogma.

Mr. President, the American people have made it clear for a number of years now that they consider inflation to be the Nation's No. 1 domestic problem. The orthodox Keynesians in our midst have chosen to fudge their democratic principles in this regard and attempt to publicly attack the symptoms of inflation: increases in the price level. They have ignored its causes—inordinate increases in the money supply caused by massive Federal deficits.

Mr. President, the 96th Congress has been given certain instructions by the American people. In many respects they are economic in nature, but in other respects they go to the heart of what philosophers calls the "American Experience." Americans have said that they do not want inflation, that they do want a balanced budget, that they do not want massive regulation. But I think it is that they want government to get off their backs.

If big government was ever a "good thing" then there has been too much of a good thing.

The 96th Congress has an opportunity for innovation in the best sense. Let the 96th Congress begin a trend toward reliance on the free market. Let the 96th Congress adopt a credo:

In all that the people can individually do as well for themselves, government ought not to interfere.

Lincoln said it in 1854. It is no less true today.

Mr. President, I ask that the column by Paul Craig Roberts be printed in the RECORD at the conclusion of my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 11, 1979]

THE TAX BRAKE

(By Paul Craig Roberts)

Keynesian economics began its career full of confidence that if only politicians would accept deficits and the use of the government's budget to manage demand, economic stability would be assured. It was all to be so easy. Whenever demand wasn't sufficient to maintain full employment, government budget deficits would pump up spending and take up the slack in the economy. Whenever spending was so high as to threaten inflation, government budget surpluses would restrain demand.

Today Keynesian economics, the basis for economic policy for the past two decades, is mired in stagflation. The hopes are gone, and the confidence shattered. Unappealing "phillips' curve" trade-offs between inflation and unemployment march back and forth over the shredded banner of economic stability. Today pumping up demand pumps up the price level, and restraining spending pumps up unemployment. Faced with defeat on one front or the other, the policymakers offer the people austerity. Selfishness, Keynesians say is the cause of it all. Labor and business take advantage of demand stimulus to raise wages and prices. Inflation is worsening because people are becoming more selfish.

The exhaustion of Keynesian thought has led to controls, touted as the answer to selfishness. But the real problem is that the Keynesian doctors have been treating only half of the economy. Demand has been managed, but the factors governing the responsiveness of supply to demand have been ignored. Fine-tuning large macro-aggregates took Keynesians away from the foundation of economic science—the effects of prices on behavior. The study of how prices affect behavior was relegated to microeconomics, a smaller concern. In the Keynesian view, production responds to prices in individual markets, but, over all, demand is king.

It was in this way that Keynesians came to ignore the two most important prices governing production. One is the price of leisure in terms of foregone current income, and the other is the price of current consumption in terms of foregone future income. The lower these prices are, the lower production will be.

Both prices are affected by the tax rates on additional earnings. The higher the marginal tax rates, the lower the after-tax rates of return to additional work effort and investment, and the cheaper leisure and current consumption are in terms of foregone income.

In short, high tax rates encourage leisure and consumption and discourage work and saving. This means that, as tax rates rise, supply responds less to an increase in demand. A decline over time in the responsiveness of supply to opportunities to sell is consistent with the rising rate of inflation that has accompanied expansionary monetary and fiscal policies.

For a decade the tax brake has been increasingly applied to production while demand has been stimulated. U.S. Department of Commerce statistics show that the effective tax rate on corporate income has risen significantly over the last decade. And IRS statistics show that the growth of income has moved more and more people into higher brackets. Demand has spurted while supply has lagged.

In an economy with a progressive income tax, the higher the price level, the greater the tax bite on additional earnings. The more rapid the increase in the price level, the quicker the tax bite grows. Corporate income does not escape this effect. Inflation causes the firms' books to understate the cost of inventory, plant and equipment used up in production, thus reporting costs as taxable income. Since tax rates rise with inflation, inflation automatically applies the tax brake to production.

The tax brake is different from the Keynesian idea of "fiscal drag." Fiscal drag results from rising tax rates cutting into disposable income or effective demand, thus hindering spending. The tax brake, however, results from rising disincentives to produce additional income. It applies to production on the supply side of the economy and not to spending on the demand side of the economy.

The tax brake requires that we refine some influential concepts. Whether there is excess capacity or excess demand depends on the rate at which additional income is taxed. If these rates are high, there can be excess demand even though there is excess capacity in the physical sense, as productive factors remain idle for lack of incentive. With income support programs, high marginal rates of taxation on income, and low after-tax returns to saving and investment, it is not surprising that efforts to spend away unemployment only drive up the price level. Stagflation is simply a result of people's responses to the incentives established by government policies.

Studies by Martin Anderson at Stanford and Martin Feldstein at Harvard show that in the U.S. the highest tax rates are borne by people who attempt to get off welfare (as a result of loss of benefits) and by owners of capital (as a result of taxation of nominal gains), while in Sweden high tax rates have driven people so deep into leisure that policymakers are discussing ways of taxing it. Such are the consequences of ignoring the prices that govern production. Before U.S. policymakers propose to fight leisure by taxing it, we should release the tax brake and establish an incentive structure for economic growth.

LOREN BASLER

Mr. CHURCH. Mr. President, every year I host a series of Christmas parties for senior citizens around Idaho as a way of saying thanks to the elderly of the State for all the contributions they make to their communities and for their support of my efforts as chairman of the Senate Aging Committee. In Boise, an old friend, Loren Basler, helps out by leading the singing of Christmas carols.

Loren is now 80 years old, but he is a legend in Idaho. A former football coach, he won many championships for both high school teams and for the College of Idaho before he went on to work with the Veterans' Administration.

The Idaho Statesman in Boise ran a feature story on Loren on Christmas day, highlighting his career. I would like to share it, and I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Idaho Statesman, Dec. 25, 1978]

LOREN BASLER'S STILL GOING STRONG 50 YEARS LATER

(By Jim Poore)

Last week, Idaho Senator Frank Church threw a Christmas party for the senior citizens at the YMCA. Naturally, it made the paper with a picture of Frank, his wife and some senior citizens singing carols.

At first I just glanced at the picture and wondered if it would be Frank Church or Steve Symms who would be throwing a party for me on Christmas when I'm 65. Then the man on the right side of the picture caught my eye—he looked awfully familiar.

Yep, that was him all right—that fierce barrel chest, the strong sense of leadership which hadn't dulled much even though he was clipping along at 80 years of age. Just the kind of guy you'd want to write about on Christmas Day.

Loren Basler looked just as natural directing *Silent Night* as he must have over 50 years ago when he directed Boise High School's football program to astonishing heights.

That may be one of the best kept secrets around Boise these days, that the man who guided Boise High School's football team to 44 straight victories and to four straight state titles is still alive, well and taking charge of things whenever he can.

For a long time, I thought Loren Basler owned a music store called Basler's which used to stand on 11th Street, near Idaho Sporting Goods. It's gone now, but Loren Basler isn't.

"That was my wife's store, I didn't have anything to do with it," said Basler, who had his hands full coaching football, basketball and track at Boise High School.

I had called Basler to ask him what he thought about the plan proposed by the SIC for a state football playoff, a plan that eventually was not acted upon by the A-1 superintendents and thus once again keeps Idaho from having a true state playoff for its large schools.

Basler, however, thought the plan was just fine, and then he started talking about what it was like 50 years ago, when you played football in little padding, without facemasks and when there was a state playoff—not just for the big schools, but for the best the state had to offer.

"It was pretty much up to the schools to make the arrangements and the contracts after they were far enough along in the season to know who was champion in their respective area of the state," Basler said. "It wasn't organized into conferences as such like we have now."

For instance, in 1927, Boise defeated Lewiston for the state championship. For Basler, defeating Lewiston for the championship was a bit ironical—he had coached the team in 1924 before Boise High called. Basler's place at Lewiston was taken by his good friend Sib Kleffner, who later opened a successful sporting goods store in Boise which is the ancestor of McU's.

In 1928, Boise defeated Nampa for the district title and American Falls for the regional title before winning the state championship by default when a meningitis epidemic broke out in Twin Falls. Since Boise had already defeated Twin Falls during the regular season, the Braves were declared champions.

They came back to win it in 1928 and 1930, beating Nampa in 1930 after stopping Fruitland in a playoff game.

Basler coached a lot of young men who grew into Boise's leading citizens. Carl Smith, Jess Swan, John Swan, Bernard Lemp, Wee Willie Smith, Bob Hoobler, Wanek Stein Sr., Ed Elliott, Hank Uranga, Kenneth Robertson, Ted Biladeau, Earl McReynolds and Harold and Irving Schweibert all played for Basler.

After Boise High School, Wee Willie Smith went on to gain the most fame on the football field, running for big chunks of yardage for Idaho in the old Pacific Coast Conference before going on and playing professional football with the New York Giants.

Basler feels one of the reasons he had such success at Boise High School was because he took his football team to McCall every summer for a two or three weeks conditioning program before the season started.

"We'd rent the YMCA camp and we got in shape," Basler said. "We couldn't play football up there, it was against the rules. We went on hikes over steep mountains, did a lot of jogging and racing and a lot of punting and kicking, although it wasn't organized. It was for getting in shape but it was a morale builder too."

Basler left Boise High School after the 1932 season to become head coach at College of Idaho which, at that time, was a real power, playing schools like Idaho. Basler led C of I to the Northwest League championship.

About the school's decision to drop football last year, Basler will only say, "It broke my heart to see them give it up."

In the late '30s, Basler left the C of I. The state board of education had asked him to take a leave of absence to help set up recreation programs in various Idaho towns.

The leave of absence became permanent and Basler never coached another football game.

Basler moved to Weiser to open and direct a vocational trade school before returning to Boise to work for the Veterans Administration. That job took him to Montana and then Seattle before he retired and returned to Boise where he was secretary of the Elks Lodge for many years.

Basler always intended to return to coaching, but it never happened.

"I enjoyed it very, very much," he said. "I was one of those individuals who always seemed endowed with good players, so I was pretty successful. I always thought some day I might go back again, but it never worked out so I could."

Today, you can still see Loren Basler moving around town, with the same steady stride he must have exhibited when he was Coach Basler to those who flocked to the old Public School Field to watch the Braves' dynasty in action.

He still sings in the Wright Methodist Church choir while his wife Evelyn plays the organ. He still goes to all the high school football games and roots for not just Boise, his old team, but the young men at Capital and Borah.

And when Senator Frank Church drops by Idaho, he knows who to reach for to lead the Christmas Carols at the YMCA. Hopefully, Loren Basler will be doing his singing for a lot more Christmases to come.

TRIBUTE TO FORMER SENATOR WENDELL ANDERSON, OF MINNESOTA

Mr. KENNEDY. Mr. President, as the new Congress convenes, all of us regret the absence of our fine colleague and friend from Minnesota, Senator Wendell Anderson.

When Senator Anderson came to the Senate in 1977, he was already a national leader. As an outstanding Governor of Minnesota, he had already made his mark as a leader of the National Governors' Conference and as Chairman of the Democratic Platform Committee in 1976. As Governor of Minnesota, he had also earned an excellent record of leadership in both public and private education, from the elementary to the college level.

Long before proposition 13 captured the attention of the Nation, Senator Anderson understood the challenge. He froze property taxes for senior citizens, and did his best to keep them down for others. Since then, property taxes have climbed more slowly in Minnesota than almost any other State.

In his 2 brief years with us, I worked with Senator Anderson on many different issues, and I gained enormous respect for his leadership and record of service to the people of Minnesota. On the Armed Services Committee, he was an effective advocate of a strong but lean defense. On the Budget Committee, he worked hard to bring the deficit down while meeting the real needs of the Nation. As a member of the Energy Committee, he was a leader in the difficult 2-year struggle to enact a responsible energy policy for America, capable of meeting the Nation's future needs and preventing unjust windfalls to the large oil and gas companies.

Senator Anderson was also an outstanding Senator who was responsive to the people of Minnesota. One of the most complex issues in the past Congress concerned the Boundary Waters Canoe area in Minnesota. No one is ever fully satisfied with a compromise, especially when feelings are running high. But no State ever had a more conscientious or dedicated Senator working to resolve a difficult controversy in his State. And he finally resolved that issue in a way that protected the environment, avoided excessive Federal interference in the State, and was fair to the residents of northern Minnesota.

It was not an easy job, coming to the Senate, filling the shoes of two fine leaders like FRITZ MONDALE and Hubert Humphrey. But the people of Minnesota can be proud of Wendell Anderson. As Governor and Senator, he fit the mold of that State's giants of the past, and we shall miss his leadership here in the future.

VERMONT ROYSTER HONORED; SPEAKS OF PRESS FREEDOM

Mr. HELMS. Mr. President, about 3 weeks before Christmas, I flew back to Washington to attend a dinner honoring one of America's most respected editors, Vermont C. Royster, who has retired as editor of the Wall Street Journal. He is now teaching journalism at the University of North Carolina at Chapel Hill.

Vermont is a native of Raleigh, which is my home also. I think it is safe to say that Vermont Royster has done as much as anyone alive to preserve the credibility of the news media. Throughout his career, he has been responsible, fearless, objective, and well informed—all essential to a great editor.

The occasion on December 5, 1978, at the National Press Club, was the an-

nual Fourth Estate Award dinner. Vermont Royster was the sixth journalist to receive the award. Previous winners, beginning in 1973, were Walter Cronkite, James Reston, John Knight, Jack Stroud, and Herb Block.

In his acceptance speech, Vermont Royster offered some valuable advice to the news media of America. He was not self-righteously lecturing anybody, but he made clear that the first amendment demands that responsibility and freedom be parallel. As he put it:

Freedom of the press is not some immutable right handed down to Moses on Mt. Sinai. It is a political right granted by the people in a political document, and what the people grant they can, if they ever choose, take away.

My background having been the news business, I was heartened, Mr. President, that the distinguished journalists present on that occasion vigorously applauded that and other statements by Mr. Royster.

I hope that my colleagues and others will take time to read Vermont Royster's speech. Mr. President. All of us will profit from it. For that reason, I ask that the text of the address be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY VERMONT ROYSTER

It's hardly necessary for me to say how pleased and honored I am to be here this evening, in this Club, before this audience.

Of all the moments of recognition that may come to a man in his lifetime, none is more deeply felt than that which comes from his peers.

That is especially true for me tonight because of those who have previously received this award. You make me a member of a very distinguished company. For that I am most grateful.

But must confess I am also embarrassed. When I received the invitation to this dinner I did not realize there was a conspiracy afoot—among old friends, my wife and present colleagues—to turn the evening into a "this is your life" affair, one that would make it for me an evening overflowing with nostalgia.

I didn't realize I would have to sit here and listen to people, one of them from my distant past, talk about me. That is embarrassing—even though I accept all words of praise as being richly deserved!

However I am chastened by recalling something Arthur Krock said to me some years ago. He remarked that no newspaperman was ever treated as a "distinguished journalist" until he was either dead or decrepit. And since I am, happily, still alive I am left with that other alternative.

In any event, I have to admit having arrived at an age where one's thoughts about the present are entangled with memories of the past. And it's always dangerous to stir an old man's memories. He is much too apt to bore you with tales of how it was in the "olden days," and to fill the air with lamentations about their passing.

For example, I remember this Club when the room we are now in was little more than an unfinished barn and the Club itself was on the ragged edge of survival.

I remember when the Washington press corps, in total, numbered only a few hundred and you could know almost all of them by sight. There was no radio and television press gallery, not even a gallery to accommodate the periodical press. Today I am stunned by the number of pages it takes in the Congressional Directory to list the accredited press in all its forms; I refuse to use that word "media."

That was not all that was different. I well remember my first Presidential press conference. For the record, the date was Friday, May 15, 1936—more than 40 years ago—and Franklin D. Roosevelt was holding his 298th press conference since becoming President.

I presented my shiny new press credentials to the guard at the Pennsylvania Avenue gate, walked up the winding driveway and entered the West Wing of the White House.

To the left of this room was a modest office for Steve Early, the President's press secretary. Beyond and out of sight were offices for Marvin McIntyre, the President's only other regular aide, and for Missy Le Hand, his private secretary. There were two others, designated as executive clerks. And that was all. The entire White House staff.

The press conference itself was held in the Oval Office. There was only a handful of reporters gathered, lined up behind Fred Storm of the UP, a huge, hulking man who had the privilege of being the first to enter. Occasionally he rapped on the door leading from the reception hall and then laughed loudly at his feigned impatience.

Someone in the crowd joked, "His Excellency is keeping the press waiting!" But it was all good natured. At 22 years old I was awed and envious of the camaraderie.

Actually I had no business being there; the White House was far above my assignment. So I stood in the back trying to hide from Claude Mahoney, The Wall Street Journal's White House correspondent, and Alfred F. ("Mike") Flynn, its senior Washington reporter. I was afraid they would think me too forward for a neophyte.

When the door opened, we gathered around the President's desk, no more than 20 of us. It wasn't a historic press conference. About all I remember of it was some casual talk about how the President was going down the Potomac on the Presidential yacht and would be back Sunday night. There were some desultory questions but I find no notes among my memorabilia. I remember only being overcome at being a few feet away from the President, at being one of the little band entitled to this privilege.

Press conferences of Cabinet officials were equally informal. The Agriculture Department was my first beat and usually only four or five of us would meet with Henry Wallace in his office. No microphones. No snaking cables for lights and television cameras. It was no different with Henry Morgenthau or Harold Ickes or Cordell Hull.

In those days all the major government departments were within easy walking distance—Agriculture, Treasury, State, the White House, even War and Navy—and since The Journal office was then equally informally organized I would often wander to other press conferences, not because journalistic duty demanded it but simply because it was fun and helped give a feel for the whole of government.

Incidentally, I would drift to the State Department for another reason. My wife, Frances, worked there as a secretary when we were first married—and made more money than I did as a Washington correspondent!

The working rules for press conferences were, by and large, those applied by the President. In general we could paraphrase what he said but could use no direct quotes without express permission. He could also give us information "for background only" which we could make use of but not attribute to him. And he kept the privilege of going "off the record" entirely when he chose.

I do not need to tell you how different it is today. That old State Department building has become the Executive Office Building and it houses more staff aides to the President than, in those olden days, there were members of the press corps.

Presidential press conferences are now TV events. The last one I attended was in the time of Gerald Ford, and I swore I would never attend another. Unless you want to get your face on television there's not much point to it.

Press conferences of cabinet officers and other high government officials are also now staged with almost equal panoply.

Though I am reluctant to admit it, there are some gains in the way the new technology has altered the manner of doing things. The ordinary citizen today does get a chance to see the President in action and doubtless to form impressions not just by what the President says but by his style. His grace under pressure, or his lack of it is not wholly irrelevant to his performance as our national leader.

The same is true of course of others in the public arena, a Secretary of State speaking on some matter of foreign policy, an economic adviser testifying before a Congressional committee. Even a 10-second snippet on the evening news tells us something about the person, and that too is not irrelevant to his public performance.

But I am not persuaded that the technological changes are all for the better. President Roosevelt could, and often did, just think out loud without fear that every word was put indelibly on the record. He could share with the reporters around his desk some information that would help them to do their jobs better, help them understand what was involved in some public question. He could, and sometimes did, misstate himself at first expression, as everyone may do in casual conversation, and then on second thought rephrase his remarks.

The modern President has no such latitude. He must live in constant fear of the slip-of-the-tongue. A misstated name from a lapse of memory can be an embarrassment. Awkward phraseology on some matter of public import is beyond recall or correction; it is flashed around the word irretrievably.

One consequence of this, it seems to me, is that Presidents today try to say no more at a press conference than what might be put as well in a carefully drafted statement. The loss here is both to the President and to the press.

The President has lost an opportunity to be frank and open. The press has lost an opportunity to share his thought processes which, without being the stuff of tomorrow's headlines, nonetheless could help them on their own to do a better job of informing their readers and listeners.

I might add, by the way, that the President has also lost the opportunity to deal bluntly with the stupid question, not unknown at a Presidential press conference. Anyway, I cannot imagine President Carter telling a reporter on television that he had asked a silly question and to go stand in the dunce corner, something President Roosevelt didn't hesitate to do.

So much for the changes wrought by technology, with their advantages and disadvantages. There are also, I think, more subtle differences in the relationship between the press and government as it was and as it is. The surface differences capsule more profound changes—in our government, in our craft, and not least in the role this journalistic craft plays in the society in which we live.

I have heard it said that the old relationship between the Washington press corps and the government was too "cosy." The implication is that we were "taken in" by the informality of, let us say, Mr. Roosevelt's press or the more casual relationship between the few regulars around a cabinet officer. That we were too flattered at being admitted as at least semi-insiders, too easily accepting the off-the-record conversation. That all this somehow intimidated us from doing our job.

I don't believe it. The competitive instinct among reporters than was no less than now. On my first beat, Agriculture, Felix Belair of The New York Times knocked naivety out of me in a hurry and he never seemed to be intimidated by Henry Wallace. I never noticed Eddie Folliard of the Post, Turner Catledge of the Times or Harrison Salisbury of the UP passing up a good story out of deference to authority.

Investigative reporting isn't new, either. It was the press that exposed the Teapot Dome scandal. In my time—for one example—Tom Stokes of Scripps-Howard won his Pulitzer for exposing graft and corruption in the WPA. The defeat of FDR's court-packing scheme was due to the spotlight the press kept on it.

But there was one thing about the press then, I think, which was different from today. We did not think of ourselves and the government as enemies.

We were cynical about much in government, yes. We were skeptical about many government programs, yes. We thought ourselves the watchdogs of government, yes. We delighted in exposes of bungling and corruption, yes. But enemies of government? No.

In any event I don't recall hearing much in those days about the "adversary relationship" between press and government. Today I hear the phrase everywhere.

It reflects an attitude that shows in many ways. At these new-style press conferences, including those of the President, the questions often seem less designed to elicit information than to entrap. Even the daily press briefings by Jody Powell have become a sort of duel, an encounter that would have astonished Steve Early and the then White House press regulars.

There appears to be a widespread view that here on one side are we, the press, and over there on the other side are government officials, none of whom can be trusted.

I suppose it's a result of Watergate. We blame everything now on Watergate—much as the Chinese do everything on the Gang of Four.

But it is, I must confess to you, an attitude that leaves me uneasy.

Under our Constitution the three official Estates of the realm are the executive, the legislature and the judiciary. Each has a different role and sometimes they disagree, one with another, about what is proper public policy. But no one supposes that because a President may differ with Congress on a particular matter that they are "enemies" by nature, or that the Supreme Court is an adversary of both. Unless each gives the others a full measure of respect our society would dissolve into anarchy.

The press is not an institution of government. But it is most definitely an institution of our society, made so by the First Amendment to our Constitution. It is not too much to say, I think, that one intent of the First Amendment was to make the press, collectively, a part of the system of checks and balances that helps preserve a free society.

That is, in Macaulay's felicitous phrase, we in the press constitute a Fourth Estate of the realm. But that very phrase "Fourth Estate" implies that we are part of the self-governing process of our society, not something set apart from it.

As such we are permitted—nay, invited—to inform the people what the other Estates are doing and upon occasion to criticize what they are doing. In that last respect, of course, our right is not different from that of other citizens, all of whom are free to speak their minds. We differ from other citizens only in the fact that watching government perform is our full-time occupation.

But that role, or so it seems to me, is not the same thing as casting ourselves as adversaries, enemies even, of government as government. There's a distinction, and an important one, between differing with a President in some editorial or commentary and being an adversary of the Presidency.

To think ourselves adversaries of government as government makes me uneasy for several reasons. For one, if the press collectively thinks itself an adversary of government, why would not the government begin to think of itself as adversary to the press?

We have, in fact, already seen some signs of that. Some of us have been spied upon—our mail opened, our telephones tapped—as if we were agents of some hostile power. Some of us have been hauled into court and thrown into jail.

The reminder here is that in polity, as in physics, every action creates a reaction. We have in turn reacted to this harassment, as well we should. We ought to cry alarm whenever the government, whether the executive or the judiciary, seems bent on intimidating us by harassment. But we ought also, so I think, take care that we in our turn do not over-react.

We should, with all the energy that is in us, defend the rights of all citizens against executive spying. When citizens cannot write to one another freely or speak to one another without fear, then all liberty is endangered.

We should demand for all citizens due process against unwarranted searches and seizures of their private papers. We should hold both the executive and judiciary strictly accountable that the right of the people be secure in their persons, their houses, papers and effects be not violated.

We should insist that no warrants, or subpoenas, be issued against any citizen except upon probable cause, duly supported before the courts and particularly describing why and what is to be seized.

We should be zealous in our protection of all citizens in their right to a public trial by an impartial jury. That means we should take care that nothing we do prejudices the minds of those who will be called to give judgment on a person accused.

That also means, surely, that we should uphold the right of an accused to obtain witnesses in his favor—by compulsory process, if need be, as the Constitution provides.

We should remember that the First Amendment protects the freedom of speech of all citizens, not just our own voices.

That is where we should stand our ground, defending the rights of all.

Beyond that we should be wary.

We should be especially wary of claiming for ourselves alone any exemption for the obligation of all citizens, including the obligation to bear witness in our courts once due process has been observed.

The risk, if we do, is that someday the people may come to think us arrogant. For there is nothing in any part of the Bill of Rights, including the First Amendment, that makes us a privileged class apart.

And it cannot be said too often: Freedom of the press is not some immutable right handed down to Moses on Mt. Sinai. It is a political right granted by the people in a political document, and what the people grant they can, if they ever choose, take away.

But what a precious right that is they have granted us.

So long as the First Amendment stands, the American press, each part choosing what it will, can publish what it will. When we think it necessary to the public weal we can seize upon documents taken from government archives and broadcast them to the world. We can strip privacy from the councils of state and from grand juries. We are free to heap criticism not only upon our elected governors but upon all whom chance has made an object of public attention. We can, if we wish, publish even the lascivious and the sadistic. And we can advance any opinion on any subject.

This is unique among the nations of the world. In what other country is the press so free? Even in that England which is the wellspring of our liberties there remain after 200 years limits upon the freedom of the press.

Only in America are the boundaries of that freedom so broad.

That is why I cherish it and pray the people will never think we abuse it. For there is no liberty that cannot be abused and none that cannot be lost.

Finally, let me say that it has been my good fortune to live in such a country, and for more than forty years to have been a small part of its Fourth Estate.

That is, incidentally, longer than any person now serving in the other Estates of the realm, the Supreme Court, the Congress or those Executive Offices on Pennsylvania Avenue. With a little bit of luck I hope to still be speaking my mind when many of those now serving the other Estates have gone on to other occupations.

So there is no other honor I could receive greater than your expression here this evening that, in the opinion of my peers, I have served well that Fourth Estate.

I am grateful to you for this award. And I thank you for listening.

JOE SAVAGE

Mr. CHURCH. Mr. President, in these days of big Government and impersonal bureaucrats, we often lose sight of the countless citizens who volunteer their time and efforts for the improvement of their communities, serving without pay on public boards and commissions simply because they feel an obligation to their fellow citizens.

Recently, the Times-News in Twin Falls printed a feature story about such a citizen, Joe Savage, and the service he and his father before him provided their community for 32 years as members of the local hospital board.

As Joe Savage was quoted as saying in the article, "It's our civic responsibility."

I would like to share the article, Mr. President, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIKE FATHER, LIKE SON

JOE SAVAGE AND HIS FATHER HAVE BEEN ON HOSPITAL BOARD A TOTAL OF 32 YEARS

(By Lorayne O. Smith)

KIMBERLY.—"I've been accused of walking through surgery with cow manure on my boots."

Joe Savage of Kimberly, whose 12-year service on the Magic Valley Memorial Hospital board ends today, said the story goes that a female board member was once asked during a bridge club session if it was true "that Mr. Savage had to have the manure scraped from his boots before he walked through the surgery department."

This is just one example of the many misconceptions people have about the hospital, Savage said during an interview at his

home here Friday. The former board chairman who was not reappointed for another term was sorting the huge piles of material accumulated through the years into plastic garbage bags to pass on to his as yet unnamed successor.

In the first place, he said, no one just "walks through" the hospital surgery department. The Kimberly rancher said he's only been in surgery twice—once as a patient and when the board was taken on a tour through the department.

Hospital talk, whether misconception or not, has long been part of the Savage family, for Joe was appointed to the board when his father, the late W. B. (Bill) Savage, retired in October, 1966. Together, father and son have served a total of 32 years on the MVMH board. Each served as both treasurer and chairman.

Many people believe that board members are paid, but they serve without reimbursement and no one on the present board "would want it any other way," Savage emphasized, adding, "It's our civic responsibility."

Other citizens erroneously think that the hospital is primarily supported by the county taxpayers, while only 3 percent of the $12 million yearly operating budget actually comes from this source.

But there is one point upon which Savage feels strongly—that a local hospital is best managed by public-minded citizens serving gratis on the hospital board which in turn hires the administrator.

"Doctors know health care, but they don't know hospital administration," he said.

Board members do not in any way provide health care, but after a few year's learning period on the board, the hospital trustees do become knowledgeable on the complexities of hospital management, Savage said.

He also believes, county commissioners should "leave the hospital management to the hospital board" and resents their "going over the board's head" in the current controversy over management by inviting private management firm representatives here to make their proposals.

"They (the commissioners) were pressured by the doctors," he said, whom he again described as "knowing health care but not having expertise to run a hospital."

"It takes three years to learn all the working of a hospital—you don't pick it up in a year," Savage said.

"I don't agree with Ann Cover (county commissioner) on change for the sake of change. If a person is doing a good job he should be allowed to continue," he said.

But Savage does not want to be "too negative" about his not being reappointed to the hospital board of which he has been chairman the past two years.

The former chairman discredits the influence of some 2,000 signatures on petitions presented the commissioners asking them to investigate other private management firms after the board under Savage's leadership last fall turned down proposals from the Hospital Corporation of America (HCA).

He feels people signed the petitions "because they were friends of certain doctors."

One of his principal objections to the HCA proposal was the firm's policy of having 51 percent physician membership on boards of facilities they operate.

He is convinced people in this country do not want their hospital operated by physicians.

Magic Valley Memorial Hospital's history is interwoven with the Savage family. His father, along with other civic leaders such as Clyde Bacon, Pat Parry, Everett Sweeley and Marshall Chapman, was instrumental in obtaining state legislation back in the late 1940s authorizing county commissioners to establish both hospital boards and levy taxes to assist in their operation.

According to C. D. Hiatt of Twin Falls, another former hospital board member, local civic leaders knew it was necessary to have countywide representation on a hospital board to gain support for passage of the $1.5 million bond issue to construct MVMH which was dedicated in September, 1951.

That year Joe Savage was attending the University of Idaho at Moscow. After graduating in 1952 he returned to his home town of Kimberly where he has since lived, operating farms and ranches out of Kimberly, Hansen, Murtaugh and in Gooding county.

While he did not follow hospital affairs too closely in those years, Savage recalls his father was on the original board when MVMH was built.

Asked if hospital business was a household topic during the years when his father was first board treasurer and later chairman, Savage said "to some extent."

But he explained that board members "have access to some information, such as payment writeoffs and anything of a personal nature you wouldn't talk about even to your wife."

Service on the hospital board is a real learning experience, Savage said. With hospital operation and health care becoming steadily more complex, the learning never ends.

"The government regulations will kill you," Savage said. The 1122 review process, part of the Social Security Act, is a good example of the complexity.

Another result of this increased complexity is that now the hospital administrator must bring many problems to the board which have become "too much responsibility for one person to solve."

All this means that hospital board members must donate many hours to their volunteer jobs if they hope to keep abreast of new developments, let alone understand the basics of hospital operation.

He compared a hospital to a small city, with its own laundry, housekeeping, food and maintenance departments. MVMH employs some 500 persons, making it one of the largest employers in the county.

Much of the nitty gritty of hospital board work is carried on through committees, many of which also meet monthly. Savage, as board chairman the past two years, has attended most of these.

The working committees include executive, whose members also constitute the finance committee; building; labor; joint conference, half of whose membership is composed of doctors; and the hospital development and public relations committee.

"To do the very best job, the board chairman should attend all these meetings so you really know what's going on," Savage said, "there's no substitute for being present."

And that's just what Savage has done. In his 12 years of service he has missed only two regular board meetings.

His interest above and beyond the call of duty drew high praise from James Rosenbaum, hospital administrator.

"He not only gave leadership to the board but really contributed a good deal of time and effort to make the hospital a recognized regional institution," the administrator said. "He probably put in more time than the job required because he felt a personal commitment to put in whatever time was necessary, not only to lead the board but to understand a very complex industry."

TRIBUTE TO FORMER SENATOR EDWARD BROOKE OF MASSACHUSETTS

Mr. KENNEDY. Mr. President, for the past 12 years my colleague from the Commonwealth of Massachusetts was Edward W. Brooke.

Throughout this time, on every issue before the Senate, he was a model of concern, sensitivity, courage, and intelligence. He was concerned about the problems of our Commonwealth. He was sensitive to the plight of those in our country who have so much to offer but have not found the way to offer it. He was courageous within his own party and in pursuing his vision. And, in all of these efforts, he applied a fine intelligence.

As a member of the Banking Committee, he was deeply involved in housing and transit. The Brooke amendment kept public housing tenants from paying exorbitant rents. He authored the Federal program through which subsidized housing is financed. So, too, he was a powerful force for the development of urban mass transit.

His work on the Appropriations Committee took him into all areas of Federal funding. In each, his humanity and vision shaped the leadership which he gave to that committee and the Senate. Senator Brooke had a deep commitment to improving the quality of health care, and he was a tireless advocate of greater Federal assistance, especially in the area of cancer research. He also knew the need for communities to gain greater control over their own destinies, and he worked diligently with the Community Services Administration.

Senator Brooke was also a leader of great courage and skill in guiding appropriations for the Departments of Labor and Health, Education, and Welfare through Congress without the abortion and busing restrictions that have been so controversial in recent years.

In his work outside of the committees on which he served, Senator Brooke was also extremely active. He was an outstanding leader on every major civil rights issue of the past decade in the Senate. He was an early supporter of the first SALT agreement. He had the courage to stand up and work against the appointment of Clement Haynsworth and Harold Carswell to the U.S. Supreme Court.

His very presence and success in the Senate was a symbol and encouragement to black Americans and all other minorities to take their places in elective office throughout this country. When he first came to the Senate, in 1966, he was one of a handful of black elected officials in the Nation. There are over 4,500 today, a tribute in large part to the trail he blazed in the Senate.

Massachusetts is losing an outstanding member of the Senate. Our offices were located next to one another for many years, and we worked closely together throughout our service here. As Senator Brooke leaves the Senate, I am confident that his eloquent voice will continue to be heard and that his career will continue to be an inspiration to the Nation. His contributions in the past will be remembered in the better housing in which children live. They will be remembered in the longer lives enjoyed by former cancer victims. They will be remembered by black and white Americans together in the schoolrooms and lunchrooms and voting places of Massachusetts and Mississippi, Connecticut and California, Arkansas and Arizona. They will be remembered as he continues to lead us toward a better and more just America in the future.

Mr. President, I commend my former colleague from Massachusetts for his brilliant record in the Senate, and I wish him great success in his future work.

MARGARET MEAD

Mr. JAVITS. Mr. President, late in 1978 our Nation lost one of its finest personalities and intellects when Margaret Mead, whom I knew well, succumbed to cancer. On the day of her passing, and periodically since, hundreds of thousands of words of tribute have been written about Dr. Mead, including a thoughtful, incisive piece by Alden Whitman of the New York Times.

Yet, none of what has been written about her can even yet capture fully the essence of Margaret Mead. Her contributions to the science of anthropology and thus to our society cannot yet be fully appreciated. Her pioneering methods of research alone will continue to bear the fruit of human enlightenment as others follow in her footsteps, benefiting from her genius.

As a result, Mr. President, Margaret Mead lives on. She is with us in the brilliant studies she conducted on human behavior; she lives on in the many books she has authored, including the first, great book that launched her career, "Coming of Age in Samoa," written in 1928 and which continues to be a best-seller even today; her ideas thrive in the minds of her students whom she stimulated with her zeal and zest for the search for knowledge and truth; and her legacy still shines in exhibits she caused to be erected for thousands to view each year at the American Museum of Natural History in New York City, where she was curator emeritus in the department of anthropology. Her testimony before congressional committees showed all her talent and was of great benefit to our Nation.

Mr. President, Dr. Mead passed away while the Congress was in adjournment. As a result no CONGRESSIONAL RECORD was available for those of us who knew and revered her to extol her contributions to learning and society. I ask at this first opportunity, to do just that by printing in the RECORD of this first day's proceedings of the 96th Congress the obituary from the November 16, 1978, New York Times by Alden Whitman that captured as well as any I have read the full worth and richness of Dr. Mead's long and active career.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

MARGARET MEAD

(By Alden Whitman)

Margaret Mead, the anthropologist, author, lecturer and social critic, died yesterday at New York Hospital after a year-long battle with cancer. She was 76 years old.

Dr. Mead, who was curator emeritus of the department of anthropology at the American Museum of Natural History, had known that she had cancer but remained active at her work until she entered the hospital on Oct. 3, according to a museum spokesman.

President Carter mourned her death in a statement saying that she had "brought the humane insights of cultural anthropology to a public of millions." There were other tributes from Kurt Waldheim, Secretary-General of the United Nations, from Mayor Koch, the Smithsonian Institution, Edward J. Lehman, the executive director of the American Anthropological Association, and Faye Wattleton, president of the Planned Parenthood Federation.

"I'm in the middle of several different things," Dr. Mead said offhandedly a few years ago and reeled off to an inquiring friend a dozen projects that she was pursuing simultaneously. She was not boasting. She was just stating a fact of her life that had been true since early childhood: the slight but sturdy Dr. Mead was possessed of virtually boundless energy, an unquenchable curiosity, a tenacious memory and a genius for organizing her time.

She often gave the impression of being ubiquitous because she was rarely at rest in any one place for very long and because she could not permit a moment to pass unutilized. In all this she had a zest that even in her 70's confounded friends and colleagues of lesser verve.

The American Museum of Natural History, with which she was associated for most of her professional life, once drew up a list of subjects in which she was "a specialist." The list read:

"Education and culture; relationship between character structure and social forms; personality and culture; cultural aspects of problems of nutrition; mental health; family life; ecology; ekistics; transnational relations; national character; cultural change, and cultural building."

The museum might well have added "et cetera," for Dr. Mead was not only an anthropologist and ethnologist of the first rank but also something of a national oracle on other subjects ranging from atomic politics to feminism. She took on (and dismissed with disdain) Dr. Edward Teller, the hydrogen bomb advocate, and she was once described as "a general among the foot soldiers of modern feminism." Insofar as anyone can be a polymath, Dr. Mead was widely regarded as one.

HEADED SCIENCE ASSOCIATION

One evidence of her formidable powers was her election, at the age of 72, to the presidency of the American Association for the Advancement of Science. She was the second woman to head this group, one of the ranking organizations of the country's scientific community. Her stature as a scientist had been assured for many years, albeit somewhat grudgingly because she was a woman in a male-dominated discipline.

For those who saw Dr. Mead in middle age and on, she was a robust, 5-foot-2-inch figure who carried a forked walking stick (she broke her ankle years ago). Her head was topped with fluffy, slightly curly hair cut in bangs, and her feet were shod in plain leather sandals. Her voice was melodious, and her face, with its rimless glasses, was pleasant and open.

Although she could be lacerating, she was more often gentle and witty. She believed civilized mankind to be often ill-informed and pigheaded, yet she usually displayed great compassion for its individual members.

From the publication of her first book, "Coming of Age in Samoa," in 1928, in which she described the values of adolescent love-making in Samoan society, Dr. Mead's name become associated with sexual theory. A good deal of her subsequent writing contended that sexual repression worked against healthy maturation of the young and against successful marriages.

"ECLECTIC CIRCUITRY"

Her anthropological studies also covered other topics and were generally highly regarded as making her an expert in the sociocultural life of primitive peoples. Some, though, were reserved about the seeming contradictory nature of her material. "She illustrates the principle of eclectic circuitry," one critic said.

The number of Dr. Mead's scientific and popular lectures was staggering—110 in one sample 12-month period—and each was different. Her popular lectures, delivered usually to overflow crowds, were sometimes on rather esoteric subjects. "Acculturation Among the Iatmul Tribe of New Guinea" was one of them. ("For years I have been able to guarantee audiences a good address by using words that aren't in home dictionaries," she once said.)

Sometimes she got her audiences mixed up. Once, for example, she spoke learnedly on sex deviations among the Tchambuli to a group of theologians. They took it in good part, as did a men's luncheon club whose members applauded her talk on cultural stability in the South Seas.

Over the years, Dr. Mead lectured, sometimes for no fee, on such subjects as air pollution, hunger, mental hygiene, sex, women's careers, population control, primitive art, the family, nutrition, city planning, military service, tribal customs, alcoholism, child development, architecture, drugs and civil liberties. No matter what the topic, she did her homework. After one talk on tribal customs, a questioner asked about consumption of betel nuts in the Admiralty Islands. There was a ready and long response, as if betel nut problems were her life work.

AN ACTIVE ADVOCATE

Dr. Mead's fellow anthropologists were often uneasy about her. "You wonder what she'll take off on next," one said some years ago. "We know what Dr. Blank will say—he's probably already distributed his paper. But we're never sure about Margaret Mead."

Not only was Dr. Mead unpredictable; sometimes she also did not abide by the rules of behavior that most scientists set for themselves. Anthropology, essentially the study of adaptation, should refrain from influencing the events it observes and interprets, most scientists believe. But Dr. Mead, according to her critics, was not only a student of adaptation but also an active advocate of many specific changes in modern society.

The critics, however, almost universally admired her as a person, however much they were distressed by her as a scholar-activist. They thought she was too scattershot and sometimes self-contradictory. "But then," one critic said, "we do owe a lot to Margaret for putting us on the map."

Some social scientists thought that Dr. Mead was lacking in introspection on the human relations of her field work in the South Seas. "The remarkable thing about Margaret is that she's always been interested in the psychological end of anthropology and is, in fact, one of the leading contributors to the field," a critic said. "But her first love and primary interest is the study of culture, and she never gets to the person in the full sense."

"OH, PIFFLE"

To this and other criticisms, Dr. Mead's usual reaction was, "Oh, piffle." It was said with noticeable spunk, tinged with disdain.

Spunkiness was, indeed, among Margaret Mead's earliest traits. Born in Philadelphia on Dec. 16, 1901, she was the daughter of Edward and Emily Fogg Mead. Her father, who taught economics at the University of Pennsylvania, had hoped for a son and once told his daughter, "It's a pity you aren't a boy; you'd have gone far."

She determined to go to college and did, to De Pauw University, from which she went on to Barnard College to get her Bachelor of Arts degree in 1923.

At Barnard, the young student met Franz Boas, a magnetic man who was one of the

world's ranking anthropologists. He became her mentor, and she became one of his four graduate students at Columbia, where she took her M.A. in 1924 and her Ph.D. in 1929.

"Franz Boas had to plan—much as if he were a general," Dr. Mead recalled, "with only a handful of troops to save a whole country." Dr. Boas thought she ought to work among American Indians, his area of interest, but she wanted to investigate Polynesia.

SPUNKINESS AND GUILE

Her spunkiness won out, assisted by a bit of guile. She suggested to Dr. Boas that he was trying to manipulate her and suggested to her father that her mentor was trying to control his daughter. Dr. Boas gave in, and her father gave her $1,000 for a world trip.

By this time, Dr. Mead was married to Luther S. Cressman, a young seminarian who often joked unhumorously of having to make an appointment to see his wife. They parted temporarily when she went to Samoa in 1926.

On shipboard, there was a love affair with Reo F. Fortune, a New Zealand anthropologist, to whom she was married after a brief reconciliation with Dr. Cressman. Meanwhile she did the field work for and wrote "Coming of Age in Samoa." From the start, it was enormously popular, especially among young people, some of whom were influenced by it to become anthropologists.

The scientific question underlying "Coming of Age in Samoa" was whether "the disturbances which vex our adolescents [are] due to the nature of adolescence itself or the civilization." Her findings suggest that the answer was the civilization. The easy-going ways in Samoa minimized conflict and the incidence of neurotic personalities due to guilt feelings.

TWO DARING CHAPTERS

The book was descriptive rather than statistical. It also included two chapters that daringly applied her findings to modern society, in which she proposed that strait-laced sex attitudes might be relaxed without "accepting promiscuity."

The book has often been attacked in scientific circles as too subjective and lacking the data for verifiable behavior. However, her conclusions were based on detailed observation, and if she did not conduct anthropometric tests or produce statistical surveys she did convey her subjects graphically. A typical sentence read, "Her grandmother is very old; the muscles in her neck are stringy like uncooked pork."

Dr. Mead settled down with the people she was studying. She ate their wild boar, wild pigeon and dried fish; helped to care for ill children, and gained the confidence of her informants. At one time she built a wall-less house so she could observe everything around her.

She possessed a trait unusual in anthropologists of her time, an ability to shed her Western preconceptions. She would sit on the ground for hours without moving as she watched tribal peoples. "She knows how to use her eyes, how to see," said Ken Heyman, a fellow scientist. "She has an uncanny perception for different cultural styles."

BOOKS SHOWED INTUITION

This finely attuned intuition was evident in her books on the seven cultures she studied—Samoan, Manus, Arapesh, Mundugumor, Tchambuli, Iatmul and Balinese. Out of these inquiries came, in addition to "Coming of Age in Samoa," "Growing Up in New Guinea," "Sex and Temperament in Three Primitive Societies," "Balinese Character" and "New Lives for Old." Some of her most extensive studies were done with the Manus—she visited them several times—and they spoke her name as "Makrit Mit."

Dr. Mead's association with tribal peoples was the subject of a notable New Yorker cartoon that depicted a tribal chief handing out books to boys about to be initiated into adolescence. "Rather than go into the details," he was saying, "I'm simply going to present each of you with a copy of this excellent book by Margaret Mead."

The idea behind the cartoon was not far fetched, because the Iatmul peoples once met her at their dock singing "My Darling Clementine" and then carried her off to their village.

Generalizing from her investigations, Dr. Mead said that each culture had its own distinct psychological profile. "Each society," she wrote, "has taken a special emphasis and given it a full and integrated expression at the expense of other potentialities of the human race."

Amid her studies, her life was anything but tranquil. Dr. Mead and her husband, Dr. Fortune, met Gregory Bateson, a British anthropologist, in New Guinea. There was a personal crisis among the three as a result of which there was a divorce, and Dr. Mead and Dr. Bateson were married. They had a daughter, Catherine. They were divorced after about 15 years.

"The Bateson years were probably the richest of her life," a friend of Dr. Mead said, noting that she and her husband were "perfect partners in mind and temperament." Recalling the union in her memoir, "Blackberry Winter," Dr. Mead was wistful about her marriage and its years in Bali, saying:

"I think it is a good thing to have such a model once [as Mr. Bateson] even if the model includes the kind of extra intensity in which a lifetime is condensed into a few short years."

In another recollection, she seemed to fault herself, saying "American women are good mothers, but they make poor wives; Americans are very poor at being attentive to anybody else."

Nevertheless, in their Bali years the couple took and annotated 25,000 photographs. This work, which was done in 1936–38, had a large impact on other anthropologists.

TURNED TO CURRENT ISSUES

Although Dr. Mead had usually adverted to modern society in her books and lectures before 1940, she moved more directly into discussion of her own times in "And Keep Your Powder Dry: An Anthropologist Looks at America," issued in 1942. The book dealt with American character outlined against the background of the seven other cultures she had studied. It increased the demand for her lectures and gave her the chance to speak out on current issues.

One of the issues that she tackled was male-female relationships, her thoughts on which she gathered into "Male and Female: A Study of Sexes in a Changing World," published in 1949. "A vast, turbulent book," Rebecca West said of it. Among its observations was, "Differences in sex as they are known today are based on the bringing up by the mother—she is always pushing the female toward similarity and the male toward difference."

In more recent years, Dr. Mead became an outspoken leader of the feminist movement. Indeed, she felt it her duty to improve people's understanding of themselves and especially women's understanding of themselves. She liked to talk, often with scorching humor, about what she saw as the follies of conventional ways of loving, working, birthing, housing and aging. This sense of mission appeared to many to account for Dr. Mead's restless zeal. "She wanted to be a mother to the world," a friend said.

TAUGHT AT COLUMBIA

In addition to her post at the American Museum of Natural History, she was also adjunct professor of anthropology at Columbia and taught the subject at Fordham.

In addition to her daughter, Mary Catherine Bateson Kassarjian, dean of social sciences at Raza Shah Civar University in Iran, Dr. Mead is survived by a granddaughter, Sevanne, and a sister, Elizabeth Mead Steig of Cambridge, Mass.

Funeral services will be private and burial will be in Buckingham, Pa. A memorial service will be held at 2 P.M. tomorrow in St. Paul's Chapel, Columbia University.

"PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES"

Mr. CHURCH. Mr. President, each year the Senate Committee on Aging publishes a checklist of itemized deductions for individual taxpayers.

A major purpose of this summary is to protect older Americans—as well as younger Americans—from overpaying their taxes.

In addition, the committee wants to assure that taxpayers are completely current concerning any new developments affecting the Internal Revenue Code.

Late last year, the Congress enacted the 1978 Revenue Act which included several important tax relief provisions for all taxpayers, including older Americans.

Most of these provisions will become effective for taxable year 1979. However, some are applicable during 1978, and will be helpful for taxpayers who will prepare their tax returns during the next few weeks.

One of the most important tax relief measures for older Americans is my amendment to permit taxpayers 55 or older to exclude once in their lifetime, up to $100,000 in profit when they sell their homes. The effect of this measure is that practically all elderly persons will not be subject to capital gains tax if they sell their personal residences. This tax savings can provide considerable help for persons preparing for retirement, or those who may want to supplement their social security.

The committee's checklist is not an all-inclusive summary for every conceivable circumstance. This would require a lengthy and complicated document, which may lose some of its value for the typical taxpayer. But, the checklist can help to safeguard individuals from overpaying their taxes, especially those who are not completely current on tax relief provisions.

The checklist is helpful for taxpayers in other ways as well. The summary, for example, provides guidance to determine whether it would be more advantageous to itemize deductible expenses or claim the standard deduction.

In addition, it may be useful for individuals in planning their personal and tax affairs.

Finally, it may even be helpful for taxpayers who have already filed a tax return but overlooked allowable deductions. These persons may still claim items initially omitted by filing an amended return, form 1040X. But, it must be filed within 3 years after the original return was due or filed, or within 2 years from the time the tax was paid, whichever is later.

Mr. President, I ask unanimous consent that the Committee on Aging's checklist of itemized deductions and

summary of tax relief measures for older Americans be printed in the RECORD.

There being no objection, the checklist was ordered to be printed in the RECORD, as follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapists.
Opthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under cercumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if with 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.

TRIBUTE TO FORMER SENATOR DICK CLARK OF IOWA

Mr. KENNEDY. Mr. President, as the 96th Congress convenes, it is without Senator Dick Clark of Iowa.

In his 6 years as a Member of this body, Senator Clark established an outstanding reputation. He was an outspoken voice on many subjects, and during his service with us, we gained immense respect for his integrity, courage, and leadership.

On issue after issue, Dick Clark was often the first to blow the whistle on serious abuses. He earned a well-deserved reputation as Mr. Integrity and Mr. Reform because of his hard work and leadership in areas like the Senate Ethics Code and the effective reforms he sponsored in areas like campaign financing and the Federal lobbying laws. And when a prior administration was tempted to involve our country in the Angolan Civil War, Senator Clark said no—no more Vietnams in Asia, no new Vietnams in Africa, no more sons of Iowa or of any State killed in senseless conflicts overseas.

No Senator cared more about his State or gave it more dedicated service. The farmer, the factory worker, the veteran, the senior citizen, and many others knew they had a Senator who worked for them and cared about their needs.

In his 1972 campaign, Senator Clark walked across Iowa, one of the first Members of the Senate to use that effective method of campaigning. He demonstrated his accessibility to the people, his willingness to listen to their ideas and understand their problems.

Senator Clark was well known for his hard work in many areas, but he felt that his most significant accomplishments were in the area of agriculture. He took pride on his close relationships with the farmers of Iowa. Among his most important accomplishments was his authorship of legislation to end the abuses in commodity regulation. He was also a leader in sponsoring major reforms in packinghouse regulations and in the Nation's grain inspection system.

As a member of the Rules Committee, Senator Clark was a leader in many different efforts to reform the Senate and make it function more effectively. In addition to his outstanding leadership in reforming the campaign financing laws, he played a major role in the reform of the filibuster and seniority rules in the Senate.

It is not only the people of Iowa who have lost a courageous and responsible voice for reform and integrity. Many of us in the Senate have lost a close personal friend as well. Government in Washington may not be all that the people of the Nation would like it to be. But it is a better and more responsive government today because Dick Clark passed this way, and we shall miss his example and his friendship.

JERRY BROWN'S SECOND INAUGURAL

MR. CRANSTON. Mr. President, the headlines on Jerry Brown's Inaugural Address last Monday focused on just one sentence of his lengthy speech—and not unreasonably, since his endorsement of a constitutional amendment to mandate a balanced Federal budget and of a constitutional convention was the most controversial aspect and clearly the news story.

But there was a great deal more to the speech. The Governor's review of the accomplishments and promises of California, of the challenges faced by those who will reach majority in the year 2000, and of the paradoxes of our successes and failures presents a fascinating commentary on where our society is and the alternatives it faces.

Most importantly, Governor Brown calls for sacrifice, for belt tightening, for less reliance on government, for national emphasis on productivity and maximization of each citizen's potential, for reduced governmental interference in our lives, and for enhancement of the quality of our environment.

I invite my colleagues to read the speech in full and ask unanimous consent that it be printed in the RECORD. In addition, I ask unanimous consent that California Joint Resolution Number 2 relative to a balanced Federal budget appear as an appendix to the Governor's speech.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS OF GOVERNOR EDMUND G. BROWN, JR.

The new year on which we now begin is a year of testing. Once again our economy is careening down the path of inflation that inexorably leads to recession. At such a time, it is right to reexamine our assumptions, state clearly our goals, and work confidently for the future.

1979 is the international year of the child. Those born this year will graduate in the class of 2000. What they inherit will depend on the courage and vision we pass on to them. Whether Californians in that year are up among the best or stagnating in the continuing aftershocks of obsolete technology and pervasive foreign imports, that depends on us.

Today we see the ethos of our moment dominated by "getting and spending" rather than innovation and risk. The depressing spirit of the age ungratefully feeds off the boldness of the past. Where there should be saving for the future, I see frantic borrowing. Where there should be investment in productive capacity, I see frenetic consumption.

California has been called the great exception. From the mystic aura of the name itself to the conquest of outer space, California has inspired greatness among its many immigrant people. Gold, forests, rich agricultural fields, high technology, universities of excellence, the Pacific horizon, diverse ethnic groups—all these have converged to keep our state a dream for the hundreds of thousands who still cross our borders each year. In the last four years, 1.5 million jobs have been created and the proportion of people over 16 employed in the wage economy has grown from 56 percent to 61 percent, a participation rate matched rarely anywhere in this country or anywhere else in the world. Over 14 million motor vehicles each month set new records in gallons of gasoline consumed and miles driven over our roads. Our 22 million people produce each year more than the combined effort of the billion people who inhabit India, Pakistan, Indonesia, the Philippines, South Korea, Nigeria and Zaire. We have the most advanced technology, the most stringent environmental laws, a strong legal commitment to equality, the highest transfer payments to those who depend on government and the most advanced labor laws.

Yet the mistrust of our public institutions and mere anxiety about our future economy are more the order than the exception. Three quarters of the people do not trust their government. More than half of the eligible citizens of California again decided not to vote in the last election. Why? Why the anti-government mood? I asked this same question four years ago and now I believe I understand. Simply put, the citizens are revolting against a decade of political leaders who righteously spoke against inflation and excessive government spending but who in practice pursued the opposite course.

It is in this fundamental contradiction between what political leaders have said in their anti-inflation and anti-spending speeches and what they have actually done in their fiscal policies that we find the cause of today's political malaise. The ordinary citizen knows that government contributes to inflation and that runaway inflation is as destructive to our social wellbeing as an invading army.

The economists will argue about the fine points but the people know that something is profoundly wrong when 75 percent of government spending decisions are automatically decided by past formulas and not present lawmakers—formulas that ensure that government and its taxes always keep ahead of inflation.

People know that something is wrong when the federal government stimulates inflation and inflation raises the face value of prices, income and property, so that the taxes on each grow higher and higher. This perverse government money machine has created a fiscal dividend for local, state and federal government and allowed all three to expand faster than inflation and faster than real economic growth. These unauthorized dividends are now being cancelled. The tax revolt is being heard.

There is much to learn about the unprecedented primary vote and victory of Proposition 13. Not the least of which is that the established political union and corporate powers are no match for an angry citizenry recoiling against an inflationary threat to their homes and pocketbooks.

While it is true that the tax revolt has increased the privileges of the few, it has without question inspired the hopes of many. Plain working people, the poor, the elderly, those on fixed incomes, those who cannot keep up with each new round of recession, these are the people who are crying out for relief.

But in their name and in the name of misfortune of every kind, false prophets have risen to advocate more and more government spending as the cure—more bureaucratic programs and higher staffing ratios of professional experts. They have told us that billion dollar government increases are really deep cuts from the yet higher levels of spending they demand and that attempts to limit the inflationary growth of government derive not from wisdom but from selfishness. That disciplining government reflects not a care for the future but rather self-absorption. These false prophets, I tell you, can no longer distinguish the white horse of victory from the pale horse of death.

In this decade government at all levels has increased spending faster than the true rate of economic growth; taxes per $100 of income have climbed steadily. The cure for inflation has been administered with a vengeance. Yet most people feel worse, not better, about their government benefactor. The elderly find their fixed incomes eroding in half; those about to retire fear their future pensions will never keep pace. Ten million California workers see their wages rise but not as fast as prices. Those on welfare obtain larger grants but find more expensive groceries.

It is time to get off the treadmill, to challenge the assumption that more government spending automatically leads to better living. The facts prove otherwise. More and more inflationary spending leads to decline abroad and decadence at home. Ultimately

it will unwind the social compact that forms the basis of our society.

Lord Keynes, in whose name many of the false prophets claim to speak, had this to say on the subject:

"By a process of inflation governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some. . . . There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."[1]

Government, no less than the individual, must live within limits. It is time to bring our accounts into balance. Government, as exemplar and teacher, must manifest a self-discipline that spreads across the other institutions in our society, so that we can begin to work for the future, not just consume the present.

I propose that this year the state government lower the amount of taxes it collects per $100 of income to the level of four years ago. This will require a billion dollar tax cut. Such a tax reduction should, on a percentage basis, give the greatest benefit to renters and those at the lower and middle level of the income scale. A flat tax credit combined with an increase in renter assistance will accomplish this goal.

Some might ask, how did the state obtain this billion dollars? Did the state extract it from new wealth or increased production? Was there a vote of the legislature to levy a new tax? No! Quite simply the perverse money machine of inflation is artificially raising income, property, prices, and profits and combining with pre-existing state law to generate a tax windfall. Unearned, unvoted, and undeserved.

Next, I propose that for the first time since World War II, we actually decrease the number of positions in state government. A reduction of 5000 is reasonable and attainable without significant layoffs. It will mean that in 1980 we will operate government with fewer employees than we did in 1977.

I see this as state government, not working less, but becoming more productive. Jobs in government, education, and health constitute a substantial part of the work done in our state. Yet, it is in these fields where productivity is declining. Each year government employment grows. Each year we spend more money on fewer students. Each year we increase dramatically that amount spent on medical care. Are we better governed? Are we better educated? Are we healthier? Perhaps, but not commensurate with the additional dollars and taxes spent on each. The time has come for California to pioneer and increase productivity in these fields. It is a myth that services such as government, teaching, and curing lay fundamentally beyond those processes which have created our modern agriculture, our electronics, and aerospace. Our higher standard of living comes directly from work that uses the latest tools and the most imagination. Unless we improve the way we learn, the way we heal, and the way we govern, it is inevitable that our standard and quality of life will decline.

We are in the midst of an information revolution that draws its center from the computer and communication industries of California. As the power of the human mind expands through the technology of our own state, the challenge will be to use the new tools to expand learning, to prevent disease and make government leaner as it becomes more effective.

[1] "The Economic Consequences of the Peace," J. M. Keynes.

As government makes itself more productive, it must also strip away the roadblocks and the regulatory underbrush that it often mindlessly puts in the path of private citizens. Unneeded licenses and proliferating rules can stifle initiative, especially for small business. Society is more interdependent and our capacity to harm both nature and ourselves is greater than ever. Yet many regulations primarily protect the past, prop up privilege or prevent sensible economic choices.

These are the rules that should be changed in the ongoing self-examination by each department of government. Where economic incentives, instead of rules, can accomplish the goal, they should be tried.

Finally, in order to ensure that we permanently slow the inflationary growth of government, I will support an appropriate constitutional amendment to limit state and local spending. Such measures are difficult to draft but are justified today in order to recapture a sense of the common interest as opposed to the narrow and special interests that combine to push spending beyond what is reasonable.

I will also support the resolution now pending before the legislature calling upon Congress to propose a constitutional amendment to balance the federal budget or to convene a constitutional convention to achieve this goal.

The roller coaster of inflation followed by recession is out of control. In the last 12 years, leaders of both parties have tried in vain to slow its reckless course. At the same time, states compete with each other to extract more and more federal grants that are financed out of the deficits and not the productivity of the nation. It is, therefore, right that these same states join together to demand a constitutional amendment that will serve as the occasion for finally restraining the inflationary spending of the federal government. The nation, no less than the individual states, must eventually balance its books. The excuse that only annual deficits promote full employment is refuted by the continuing decline in productivity and investment which form the only true base of long term employment.

A constitutional convention to propose an amendment to balance the budget is unprecedented, but so is the paralysis that prevents necessary action.

The time has finally come to balance what we spend with what we produce.

To truly achieve this, we must enlist the talent of all the people in our society. This is what I call investment in human capital—an investment we have yet to fully make. Despite the affluence of California, too many still languish in the backwaters of our society.

We encounter each day the paradox of unfilled jobs existing side by side with unemployed or underemployed people. The challenge is to break down the remaining discriminatory barriers and encourage business, labor and government to provide on-the-job training, apprenticeships, and full upward mobility. We can never reach our full capacity unless we liberate the human spirit and enfranchise all the people of our state—whatever their color, their language, their disability, their age or their sex. To more completely achieve this goal, I will support the necessary changes in our Fair Employment Practices Act, to include prohibitions against discrimination based on sexual preference. The diversity of our people can be a cause of hatred and anxiety or it can be a source of strength and continued advancement. The choice is ours.

As we expand the opportunities for those within our borders, we must recognize the affinity that we have with those beyond. No small part of our present wealth or our future possibilities derives from our location on the Pacific rim. The trade and widening exchange with Mexico, with Canada, and with our more distant neighbors in the far east, offer potential still rarely imagined.

After the first Americans and long before most of our ancestors arrived in California, our neighbors from Mexico were naming our cities and dividing our lands. For too long we have ignored Mexico. Unless we understand that California and Mexico are linked by history, geography, families and a common future, we will miss one of the great opportunities of the next decade.

Let us also not neglect the other forms of life and the natural systems on which we all depend. The soil, the sun, and the water make possible our forests and the wood we take from them, as well as the food that our farmers are able to produce. This timeless bounty will endure only if we have proper reverence and respect for our natural systems. The air can become cancerous, the water polluted, and the soil eroded. It is up to us to so manage growth and technology, that we enhance the quality of our environment, not undermine it to the loss of those who will come after us. Many a civilization has fallen with its forests and eroded with its soil.

I said that 1979 was a year of testing—testing whether these people that fill the freeways of California have the vision to prepare for the year 2000. Is Alexander Solzhenitsyn correct when he says that: "A decline in courage may be the most striking feature which an outside observer notices in the west in our days"? Will we make the sacrifices to protect our land and to create the new energy sources that will power our factories? Will we invest in the information revolution and continue to dominate the conquest of outer space? Will we see beyond the last stereotypes and brace our human diversity?

To all of this I must answer with a resounding yes. California will build for the future, not steal from it. And as we do, we will know in our hearts patriotism is not just defending the country of our fathers, but preparing the land of our children.

SENATE JOINT RESOLUTION NO. 2—RELATIVE TO A BALANCED FEDERAL BUDGET

LEGISLATIVE COUNSEL'S DIGEST

SJR 2, as introduced, Smith. Balanced federal budget.

Urges the Congress of the United States, either acting by consent of two-thirds of both houses or, upon the application of the legislatures of two-thirds of the several states, to call a constitutional convention to propose an amendment to the United States Constitution to require, with certain exceptions, that the total of all federal appropriations may not exceed the total of all estimated federal revenues in any fiscal year.

This measure would also provide that if the constitutional convention is not limited to the topic of a balanced federal budget, this measure would have no effect and be considered a nullity.

Fiscal committee: no

Whereas, With each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, Unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, Knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, Believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, Under Article V of the Constitution of the United States, amendments to the United States Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital; now, therefore, be it

Resolved, by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Legislature of the State of California requests the Congress to prepare and submit to the several states a amendment to the Constitution of the United States, requiring in the absence of a national emergency, as defined by a majority of the Congress to include, but not be limited to: (1) a serious threat to national security; (2) a war; (3) a natural disaster; ad (4) a serious condition of unemployment, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and be it further

Resolved, That, alternatively, the Legislature of the State of California makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the United States Constitution requiring in the absence of a national emergency, as defined by a majority of the Congress to include, but not be limited to: (1) a serious threat to national security; (2) a war; (3) a natural disaster; and (4) a serious condition of unemployment, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and be it further

Resolved, That the Legislature of the State of California conditions this resolution upon the Congress of the United States establishing appropriate restrictions limiting the subject matter of a constitutional convention called pursuant to this resolution to the subject matter of this resolution and, should the Congress of the United States fail to so act, this resolution shall have no effect and be considered a nullity; and be it further

Resolved, That the Legislature of the State of California also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the United States Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the United States Constitution; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the Secretary of State and presiding officer of each house of the legislature of each of the other states in the United States, to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate.

CHANGES IN THE PHILADELPHIA CONGRESSIONAL DELEGATION

Mr. HEINZ. Mr. President, as the 96th Congress convenes, I want to note the presence of two new Members from Philadelphia, Rev. WILLIAM H. GRAY and former State Senator CHARLES DOUGHERTY. Although of different political parties, these two new Representatives typify the strengths of a growing, dynamic city like Philadelphia. Tough, thoughtful, and aggressive are apt characterizations of Congressman GRAY and Congressman DOUGHERTY. I am confident they will serve their city and State well, and I join all Pennsylvanians in welcoming them to the Congress. To further acquaint other Senators with the background and abilities of these two men, Mr. President, I ask that two articles published in the Philadelphia Inquirer, November 9 and November 11, 1978, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Nov. 11, 1978]

THE REVEREND GRAY IS SUDDENLY A POLITICAL FORCE

(By Acel Moore)

To the casual political observer, the victory of the Rev. William H. Gray 3d by a 5 to 1 margin over his Republican opponent, attorney Roland J. Atkins, in Tuesday's general election might seem anticlimatic.

Because the real battle to become congressman-elect from Philadelphia's 2d Congressional District was won last May 16—when Mr. Gray, the 37-year-old pastor of Bright Hope Baptist Church, toppled Rep. Robert N. C. Nix, the 74-year-old, 10-term incumbent in the Democratic primary.

Still, on Tuesday, Mr. Gray did much more than simply trounce his Republican opponent in a heavily Democratic district.

He played a key role—along with state representatives John White Jr. and David P. Richardson—in forming coalitions with white liberals to defeat the Frank Rizzo-backed charter change proposal.

So, Mr. Gray was a winner on all counts Tuesday, and the figures in his district—one of the most ethnically and economically diverse in the city—underscore the growing opinion among the pundits that he has become one of Philadelphia's most powerful politicians.

The charter change went down 13 to 1 in the 2d District, but more importantly, Mr. Gray had the biggest plurality (83 percent) and polled the most votes (127,838) of any congressional candidate in Pennsylvania.

Add to those impressive numbers the fact that, with the defeat of Rep. Joshua Eilberg, none of Philadelphia's four congressmen (Charles Dougherty, who beat Eilberg, and incumbent representatives Raymond Lederer and Michael "Ozzie" Myers) will have more than two-term seniority.

Additionally, of the four, Mr. Gray probably has the closest ties to the Carter administration.

All of these factors will enable Mr. Gray to enter the 96th Congress in January as a freshman with plenty of clout.

Mr. Gray, in the cool, calm manner that has become his trademark, sat casually dressed in a yellow turtleneck sweater in the office of his church at 12th Street and Columbia Avenue Thursday morning.

He was relaxed as he and his secretary, Mrs. Linda Cauthorn, answered a string of phone calls from friends and supporters, congratulating him on his victory.

"The one thing that is significant in Tuesday's election is that we were able to discover that the mutual self-interests of the various ethnic groups are interrelated.

"The challenge now for politicians with vision is to get those groups working together on a national level to solve the problems of massive unemployment, deficiencies in public education and inflation," Mr. Gray said.

During an interview in his office, Mr. Gray was interrupted repeatedly by phone calls. One of those calls was from the speaker of the U.S. House of Representatives, Thomas P. (Tip) O'Neill.

"Yes, Mr. Speaker, I would be interested in serving on any committee that deals with urban problems and international relations," Mr. Gray said into the phone.

After the call, Mr. Gray explained that the Massachusetts Democrat had called to congratulate him and that O'Neill also told him that he had assigned one of his staff to talk to Mr. Gray about committee assignments.

Since his primary victory in May, Mr. Gray has made numerous trips to Washington, including one that occasioned a private session with President Carter.

On other trips, Mr. Gray met with the speaker and other leaders of Congress, including the head of the Black Congressional caucus, Rep. Parren J. Mitchell (D., Md.).

"I plan to be an independent Democrat," said Mr. Gray, characterizing his future role. "I will be much more visible and vocal than my predecessor and will let people know how I stand on various issues."

Mr. Gray said that he plans to commute from Philadelphia to Washington.

"I don't intend to buy a house in the District, nor will I rent an apartment. If I have to stay overnight for crucial sessions and votes I can always stay at my sister's house."

Mr. Gray's sister, Dr. Marian Secundy, is a member of the faculty of Howard University Medical School in Washington.

Mr. Gray also says he intends to spend most Sundays in the pulpit of his church.

It is the church that provided Mr. Gray with his base of strength for his seemingly sudden rise to political prominence.

He is the third-generation Gray to serve as pastor of Bright Hope. His late father, Dr. William H. Gray Jr., and his grandfather, William H. Gray Sr., preceded him.

And Mr. Gray inherited more than his pastoral duties from his father. Political activism was seemingly also part of the estate.

Dr. William H. Gray Jr., former president of Florida A&M University, was also one of Philadelphia's most powerful leaders in the Democratic Party's reform movement under mayors Joseph Clark and Richardson Dilworth.

Mr. Gray took over as pastor of Bright Hope from his father in 1972 and has guided the church to its present position as one of the most influential black Baptist churches in the city. Its 3,000 active members make it second only to the 5,000-member Zion Baptist church, headed by the Rev. Leon Sullivan, founded of the Opportunities Industrialization Center.

Mr. Gray's connections outside of the city include long-standing friendships with UN Ambassador Andrew Young, who, like Mr. Gray, is a Baptist minister; Mrs. Coretta Scott King; Patricia Harris, secretary of the U.S. Department of Housing and Urban Development, and U.S. Rep. Walter Fauntroy (D., Wash., D.C.). All of them came to Philadelphia to campaign on his behalf.

But it is the coalition that formed the backbone of his campaign locally that Mr. Gray boasts most about.

"My support represented a broad cross-section that came from the city's black community. It was from labor, black professionals, and just everyday people in Northwest Philadelphia and Germantown," Mr. Gray said.

Mr. Gray has served on the board of directors of influential civic and non-profit corporations in the city, including the Urban Coalition, Children's Hospital and the Greater Philadelphia Partnership.

"I have worked for many years in the community interest representing my church," said Mr. Gray, who has shown a keen knowledge of the issues of concern in urban Philadelphia.

In the area of housing, Mr. Gray has founded five nonprofit housing corporations, including one that is developing a $4-million senior citizens housing unit in North Philadelphia. Mr. Gray also is the developer of the Philadelphia Mortgage Plan, which is responsible for bank investments of $27 million in inner-city residential mortgages in areas that had been previously red-lined.

One of his strengths as a politician is his ability to be equally at ease in board rooms with the corporate types who populate the upper end of his district in West Mount Airy and Chestnut Hill, and with the community people in the North Philadelphia black ghetto where he grew up.

Mr. Gray, married and the father of three boys, is an individual with diverse interests, and that is reflected by his background. He was a four-letter athlete at Simon Gratz High School who also achieved scholastic honors.

He is a graduate of Franklin and Marshall College and has graduate degrees from both Princeton University and Drew Theological Seminary.

Mr. Gray thinks he is prepared to enter Congress and has done his homework—an issue that his primary opponent Nix concentrated on last May.

Nix, during the bitter primary fight, was quoted as saying: "He won't be able to find the toilet if he is elected to Congress."

"Not only have I found the toilet, but I will be able to find the floor (of the House)" has been Mr. Gray's response.

[From the Philadelphia Inquirer, Nov. 9, 1978]

HE ORGANIZED HIS WAY RIGHT INTO CONGRESS

(By Thomas Ferrick, Jr.)

Some politicians have charisma. Others have a lot of money. Charles Dougherty, Philadelphia's new Republican congressman, has his "phase lines."

Phase lines, for those unfamiliar with Dougherty's style, are an example of the geometric precision—day-by-day, almost minute-by-minute breakdowns—with which the Republican plots his campaigns.

All those phase lines came together Tuesday when Dougherty, a two-term veteran of the State Senate, defeated incumbent U.S. Rep. Joshua Eilberg (D., Pa.) by more than 20,000 votes.

Certainly the phase lines didn't do it all for Dougherty, 41, who won despite a 2-to-1 Democratic registration edge. The federal grand jury that indicted Eilberg last month helped.

But his way of organizing things is an example of what the residents of the 4th Congressional District, which covers all of Northeast Philadelphia, can expect from the man they are sending to Washington.

He is, to begin with, perhaps the most methodical politician in the area—a man who can tell you off the top of his head the exact number of constituent problems he has handled over the last year.

During the campaign, for instance, he assembled in 12 loose-leaf binders an encyclopedia of information about the Fourth District and his opponent (five of the binders were on Eilberg).

"We put together the best campaign any candidate had running for Congress," Dougherty said yesterday with characteristic bluntness.

It is the kind of statement that only a person who has defied the odds three times—and won—can make.

In fact, in his four attempts at public office Dougherty has lost only once—to Eilberg in 1970 when he was trounced by 35,000 votes.

(In that campaign, he spent about $13,000 against the incumbent. This year he raised $130,000.)

How did Charlie Dougherty succeed?

Dougherty himself supplies the answer. "I believe," he said, "that power comes to those who work."

And, Dougherty—a former Marine and Catholic-school teacher—does indeed work. In the State Senate, where he was the only Republican from Philadelphia, he earned the reputation as a man who did his homework and who skillfully succeeded in mastering the legislative process, despite the fact that he was a member of a minority party.

It was in the State Senate that he was stamped with the "conservative" label. It is a title that irks Dougherty but is justified if you study his record on social legislation. He is a vigorous foe of abortion, forced busing and pornography.

But, Dougherty also defies conventional labels. He is, for instance, a strong supporter of organized labor and he is almost a radical, by Pennsylvania Legislature standards, when it comes to supporting innovative programs for delinquents, the mentally ill and the mentally retarded.

Dougherty's politics emerge directly from his personal experiences. He says that his views on dealing with juveniles come from his years as a teacher—first at Northeast Catholic High School and then at Philadelphia Community College and finally as principal at a Catholic reform school for girls.

He says he is sympathetic to unions because he comes from a working-class family. (His father is a retired Teamster.) Likewise, he supports aid for parochial schools and opposes abortion because he is a devout Catholic.

When he graduated in 1959 from St. Joseph's College, where he studied political science, Dougherty joined the Marines because, as he put it, "I liked the discipline and pride." He is a lieutenant colonel in the Marine Corps Reserve.

Dougherty once considered becoming a priest and also toyed with the idea of joining the CIA or the FBI.

Ultimately, however, he decided that politics would be his vocation and he hopes to practice it successfully for a long time to come.

Dougherty is married and has six children. He plans to keep his family in its modest home on Friendship Avenue and commute to and from Washington when Congress is in session.

THE NEED FOR REDUCTIONS IN TAX SPENDING AS PART OF THE BUDGET PROCESS

Mr. KENNEDY. Mr. President, the administration is currently in the home stretch of preparing budget proposals for fiscal year 1980 for submission to Congress. While the precise details of the President's budget are not yet known, a number of indications have emerged that reveal the priorities being established among competing claims for scarce Federal revenues and the drastic reductions that may be in store for health care and other important domestic social programs.

I intend to work in Congress in the months ahead to support the President in his efforts to eliminate unnecessary Government spending and to insure that the anticipated budget deficit is consistent with the Nation's economic and social goals. But I also intend to work to insure that any budget cuts that may be necessary are imposed fairly, so that no group in our society is forced to bear a disproportionate burden of such cuts, and so that reductions in Federal spending reflect the Nation's correct priorities.

Apart from the treatment of individual spending programs, however, there is another aspect of the budget process that reflects a serious omission in the development of the administration's budget. From the information that has become available to the public, it appears that the President and his budget advisers are directing their attention exclusively to cuts in direct Federal spending programs to achieve their target of a $30 billion deficit. The missing ingredient in this budget process is any effort to reduce the massive amount of Federal tax spending.

This approach to the budget is seriously defective. It means that programs involving large amounts of Federal spending have been arbitrarily exempted from budget review and from the threat of budget cuts.

At a time of austerity in Federal spending, it is unfair to concentrate on cuts in direct spending alone, while providing to blank check for all the spending programs contained in the Internal Revenue Code—the tax expenditure programs.

Nothing turns on whether a Federal dollar is spent as a tax subsidy or another form of subsidy. It is a familiar fact that any Federal spending program can be structured either as a direct spending program or as a tax spending program, as demonstrated by the vigorous congressional debate last year between tuition tax credits and direct educational grants as a means of providing increased Federal aid for education.

Federal law now contains almost 100 separate tax expenditure programs, which are listed annually in the tax expenditure budget. Tax expenditures are found in all of the budget categories into which direct spending programs are divided—in some cases, the dollar amount of tax expenditures is equal to, or exceeds, the amount for direct spending programs in the same budget function.

For fiscal year 1980, Federal revenues spent through the tax laws will total approximately $150 billion, while direct expenditures will total approximately $550 billion under the so-called current services budget. Total Federal spending in 1980, therefore—counting both tax spending and direct spending—will reach $700 billion, with tax spending representing over 20 percent of the total.

As a matter of budget policy, therefore, it would be appropriate for any necessary budget cuts to be allocated in a 4-to-1 ratio between direct spending programs and tax spending programs. For example, to reach the administration's target of a deficit of $30 billion for 1980, it is likely that total spending will have to be reduced by approximately $15 to $20 billion. If the cuts are allocated properly, then $12 to $16 billion of the cuts should come from direct spending programs, and $3 to $4 billion of the cuts should come from tax spending programs. Clearly, direct spending programs should not be required to bear the full brunt of any spending cuts that may be necessary.

Tax expenditures have always had a preferred—but undeserved—position in the budget, because they have an automatic first priority in the allocation of Federal revenues. Direct spending programs compete for the revenues left after all the tax expenditures have been funded. Thus, responsible development of the Federal budget must include an evaluation not only of relative priorities among direct spending programs, but also of the priorities involved in tax expenditure programs.

Unfortunately, there is no evidence that the $150 billion tax expenditure budget is even being given consideration as a source of possible spending cuts by the administration in the preparation of the 1980 budget. Yet, the President's $30 billion deficit figure can be reached as easily by cutting tax expenditures programs as by cutting direct expenditure programs. There is no reason why this large component of the Federal budget should be exempted from examination and from bearing its fair share of the fourthcoming austerity that is likely to be imposed.

The Treasury should be required to justify each dollar spent through the tax expenditure budget with the same degree of precision required of all other agencies in justifying their proposals for direct spending programs. In addition, each item in the tax expenditures budget should be reviewed to determine its priority compared to the direct spending programs in the same budget category that are candidates for budget cuts.

Careful review of the tax expenditure budget is also essential because it is the part of the total Federal budget that is rising the most rapidly and that is most clearly out of control. In the current decade, the number of tax expenditure programs has more than doubled, from 40 to nearly 100. Between 1971 and 1978, the total revenues spent through the tax expenditure budget increased from $51 billion to $112 billion, an increase of 141 percent. By contrast, direct spending climbed from $211 billion to $448 billion in the same period, an increase of "only" 112 percent.

I therefore urge both Congress and the administration, as part of the budget process, to examine the tax expenditure budget with the same care they give to the direct spending portion of the budget. I am confident that such study will reveal spending programs in the tax expenditure list that should be cut before some of the proposed direct spending cuts are made.

To demonstrate this point, I have made a preliminary survey of some of the proposed spending cuts that have received publicity in recent weeks. Then, I have examined tax expenditure programs in the same budget areas. This analysis reveals that often, cuts in tax expenditure items can and should be made before direct spending programs are reduced from present levels. Indeed, reduction or elimination of some of the most wasteful tax expenditures could well free up additional funds for direct spending programs that have higher priority. Clearly, however, cuts contemplated in worthwhile, direct programs could more easily and more equitably be made in tax programs in the same budget category.

First. Nutrition. The administration is reportedly planning to cut $400 to $500 million from the food stamp program, the special milk program for schoolchildren, and the school lunch program.

By comparison, the $1 billion tax spending program that subsidizes lavish meals and martini lunches for corporate executives, doctors, lawyers and other high income business persons will apparently remain untouched. Before Congress makes budget cuts in food stamps and school lunch programs for the poor and middle class, or eliminates the milk program, it ought to cut back this lavish tax subsidy which provides food stamps for the rich.

Last year, the President recommended that the deduction for business meals should be limited to 50 percent of the cost of the meal. Congress did not adopt the President's proposal, but the revenue saved would be more than enough to eliminate the need for the currently proposed cuts in the food stamp, school milk and school lunch programs.

It would be unconscionable for Congress and the administration to continue to provide federally subsidized lunches and alcoholic beverages for high income corporate executives, while cutting back on the basic nutritional needs of the poor and the schoolchildren of the Nation. The President should squarely confront Congress with this situation, and insist that the rich must take a place at the rear of the subsidized lunch line, behind the more deserving families of the Nation.

Second. Health care. There has already been extensive discussion and debate over the level of spending for health care in the direct budget. In recent weeks, the administration has restored some of the needed funds. But many important programs are still scheduled for unacceptable cuts, and I am hopeful that the additional funds will be restored as the budget process develops.

By contrast, the tax expenditures that provide health care largely for a privileged few would remain untouched. In fiscal 1980, tax subsidies for health care will exceed $11 billion. Of this amount, $1.5 billion will go to those with the top 1 percent of incomes in the country—those with over $50,000 income annually.

If we are to have an austere budget on health, the question must be faced as to whether these health subsidies for the rich—provided through tax expenditures—have a higher priority than the direct spending programs slated for drastic cutbacks, especially the programs in the areas of biomedical research and aid to medical schools, where cuts are still planned totaling approximately $500 million.

My own view is that we should move forward now to national health insurance, as the best means of controlling costs and providing adequate health care to all our citizens. But until that goal is achieved, we must make the most efficient use of the Federal funds currently available for health care. Paying 50 percent to 70 percent of the medical bills and private health insurance premiums of the highest income families in the country hardly represents a pressing health priority for the Nation. Revenues should therefore be diverted from these tax expenditure programs in order to held fund higher priority direct health care needs.

Third. Housing. Budget cuts are also being considered for federally subsidized low- and middle-income housing, which will reduce housing units by about 20 percent next year. At the same time, tax expenditures for real estate construction will remain untouched, and will total almost $1.3 billion next year. The direct spending programs benefit low- and middle-income people. But over 75 percent of the tax expenditures for real estate go to the 1 percent of individuals with the highest incomes in the country. It is a distortion of the Nation's housing priorities to reduce Federal spending for low-and middle-income persons, but to continue massive Federal spending in the form of real estate tax subsidies for the over-$50,000 income group.

Even worse, only 6 percent of the tax expenditures for real estate is used to fund low-income housing projects. The remaining 94 percent goes to provide Federal subsidies for luxury apartments, high rise office buildings, motels and similar facilities. Congress would certainly not provide indirect subsidies for these real estate projects, and we should not be subsidizing them through the tax laws. Direct subsidies for low- and middle-income persons should be held at present levels and the necessary budget reductions should come from cuts in real estate tax expenditures.

Fourth. Income security. A number of social security programs are apparently also in jeopardy in order to achieve spending cuts of $500–$600 million. Again, tax expenditure programs in the same budget category would remain untouched.

One of the programs scheduled for elimination is the modest $255 survivor's benefit, which will save $220 million in the 1980 budget. By contrast, a current tax expenditure program will provide almost $10 billion of benefits to survivors of decedents in fiscal 1980. This enormous Federal subsidy is made available through the exemption of tax on the gains in property transferred at death. For the top 1 percent of families, the tax subsidy provides an average survivor's benefit of over $5,000, at a cost of over $6 billion. It makes no budget sense to retain these handsome survivor's benefits for the richest families in the Nation, while slashing the meager $255 direct

subsidy that largely goes to low- and middle-income families.

Another direct program to be cut back is the social security benefit for orphaned students. Under present law, students receive benefits until the age of 21. But the administration would phase this down to age 18, for a budget saving of $169 million. There is also a tax expenditure for orphans in the estate tax, which provides a special deduction that benefits orphans through age 21—but only for the wealthiest 2 percent of families in the country, those with the largest estates. The wealthier the parents, the larger is the Federal tax subsidy for their orphaned children. It makes no sense to provide a Federal tax subsidy for children of the country's wealthiest families until they reach 21, but to cut off orphaned students of low- and middle-income parents when they reach age 18. The tax expenditure program should be reduced or eliminated and the direct social security benefit should be retained at present levels.

Other proposed social security cutbacks would reduce minimum benefits for intermittent workers, place a cap on the maximum benefits that a disabled person can receive, and terminate benefits for mothers of dependent children when those children reach 16. These actions are apparently designed to save approximately $250 million in fiscal year 1980. Tax expenditures for private pension plans are, however, to remain unaffected. The tax subsidy for private pension plans will exceed $15 billion in 1980. Over $3 billion of this amount goes to those with incomes above $50,000 a year. Moreover, annual distributions from these plans can be as much as $90,000 per person, many times the social security benefits that are to be cut back. Surely we should be able to agree that a more likely candidate for a budget cut in the pension area is the $3 billion retirement tax subsidy for the rich, instead of direct social security benefits for low and middle income individuals.

Fifth. Education. In addition to the reduction in social security benefits for students discussed above, the administration is reportedly considering a reduction of $200 million in the basic educational opportunity grants program and a larger amount in the Elementary and Secondary Education Act program. Students in middle income families will be the hardest hit by these proposed cuts.

Yet, tax expenditures for education will exceed $1.1 billion in 1980. Of that amount, the 1 percent of families with incomes over $50,000 will receive over $130 million. In short, elimination of tax spending for students from the country's wealthiest families would permit us to come closer to fulfilling the promise of an affordable quality education for students from middle income families. The Nation's priorities are clear, and the budget should reflect them.

Sixth. Employment. The administration reportedly plans a $1 to 2 billion cut in CETA funds, which translates into a loss of 150,000 jobs under the program.

Two tax expenditure programs exist that are intended to stimulate hiring of the unemployed—the WIN tax credit and the targeted jobs tax credit. These two provisions will cost over $600 million in 1980. But, whereas the CETA revenues translate into real jobs, the tax credits have demonstrably produced only a waste of Federal funds and no increase in real jobs. Terminating the tax credit and using the revenues to prevent cuts in CETA hiring would materially improve the efficiency of Federal expenditures designed to reduce unemployment.

As the above examples show, there is considerable overlap among tax spending programs and direct spending programs. Cuts in either type of program can be made to reach the desired level of Federal spending and the budget deficit.

I do not suggest that it will always be preferable to cut a tax expenditure instead of a direct expenditure program. What is essential, however, is that the administration and Congress should remove their budget blinders and examine the entire range of Federal spending programs. The tax expenditure budget contains numerous areas where spending cuts can be made to reach our budget objectives. Neither Congress nor the administration should accept a budget policy that involves drastic new austerity for direct spending programs, while allowing the same old profligacy to continue for tax spending programs.

AN HISTORIC PRECEDENT IS SET

Mr. MATHIAS. Mr. President, January 15, 1979, will long be remembered as an historic day in the annals of the U.S. Senate—indeed in the history of the United States itself.

As NANCY LANDON KASSEBAUM takes her seat in the U.S. Senate, it marks the beginning of a new era. All of Senator KASSEBAUM's predecessors in this body were first elected or appointed to Congress to fill unexpired terms of Members who resigned or died in office.

Senator Margaret Chase Smith, who served with great distinction in the Senate from 1948 to 1973, was first elected to the House of Representatives to complete the term of her deceased husband. But Mrs. KASSEBAUM has become a Member of this body completely on her own. It is an honor and a pleasure to welcome Mrs. KASSEBAUM to this Chamber today. May her tribe increase.

Public attitudes toward women are changing rapidly. This is reflected in a 1975 Gallup poll which showed that 73 percent of the population would support a woman for President, whereas in 1937, only 31 percent of the population would have. The same Gallup poll indicated that 71 percent of Americans believed the country would be as well, if not better governed, if more women held political office. The stage has been set at the grassroots level and I believe we will soon see more women than ever running for political office and running successfully.

Women's representation has increased in State legislatures by nearly 50 percent since 1972. But women are still waging an uphill fight for equal rights and for equal representation in the higher councils of State.

I am happy to report, however, that this has been a vintage year for women in Maryland.

Maryland is a State that has always respected women. It is, in fact, named after a woman—Henrietta Maria, Princess of France and Queen of England. Our capital is named for Queen Anne. Anne Arundel County is named for Lady Baltimore. St. Mary's County, Caroline County, Queen Anne's County, the town of Princess Anne and My Lady's Manor, all bear witness to Maryland's appreciation of women.

After three centuries of slow but deliberate advance in the recognition of women, Maryland has now followed this course to its logical conclusion. A Maryland woman, Margaret Brent, was the first in America to demand the suffrage. Now, four Maryland women—MARJORIE S. HOLT, GLADYS NOON SPELLMAN, BARBARA A. MIKULSKI, and BEVERLY B. BYRON—are members of the first Maryland delegation in the House of Representatives to be equally representative of men and women.

Just as Jeanette Rankin, the first women ever elected to Congress, was successful in her effort to open the political process to women, I am confident that each woman elected to serve in the 96th Congress will make the road easier for those who follow her.

JUDICIAL REVIEW OF VETERANS' ADMINISTRATION DECISIONS

Mr. CRANSTON. Mr. President, in the last Congress, the Senator from Colorado (Mr. HART) proposed a measure, S. 364, providing for judicial review of final Veterans' Administration decisions and for other changes relating to VA procedures. As I stated on July 19 of last year, in remarks appearing at pages 21673–74 of the daily edition of the RECORD for that date, the Committee on Veterans' Affairs held 5 days of hearings on that legislation. From the testimony received at those hearings, it became apparent that, while S. 364 had served very well to focus needed attention on the complex issues of judicial review, administrative procedure, and attorneys' fees, the need existed for a substitute measure more specifically tailored to VA claims, adjudication, and rulemaking processes and to the circumstances of veterans and survivors with claims before the VA.

By July of last year, it became clear that, in light of the time required to complete the drafting of a new measure, the need for further hearings on it prior to committee action, and the very crowded state of the Senate's legislative calendar, there was insufficient time remaining to address this matter effectively during the 95th Congress. Therefore, with the concurrence of my friend from Colorado (Mr. HART), I proposed that committee staff continue its work on the substitute measure and circulate the draft to all interested parties for their comments and criticisms during the fall of 1978 so that early in this Congress, either Senator HART or I would be able to introduce a new measure.

Also, I agreed to schedule hearings on it and bring it to the committee by May 1, 1979, for disposition.

DRAFT SUBSTITUTE MEASURE CIRCULATED AND HEARINGS SCHEDULED

Mr. President, consistent with these plans, committee staff completed a draft of a substitute measure on December 8, 1978, and circulated it for comments. In a cover letter transmitting the draft legislation, I indicated that the new bill would be introduced early this year.

Subsequently, based on the assumption that the substitute measure would be ready for introduction on the first day of this Congress, I gave informal notice that hearings would be conducted on it on January 30.

HEARINGS RESCHEDULED

Mr. President, because the comments on the draft measure were so extensive and helpful, substantial revisions have been necessary and the new bill could not be ready for introduction today. Therefore, introduction is being deferred until next week.

This means that hearings will not be held on January 30. Rather, following introduction of the bill next week, hearings have been rescheduled for February 22, at 9:30 a.m., in room 318 of the Russell Senate Office Building.

Mr. President, as I have previously indicated, I greatly appreciate the strong leadership and commitment that the Senator from Colorado (Mr. HART) has displayed in this important matter and for his most helpful cooperation. I am also extremely pleased that so many organizations and individuals have given such substantial time, effort, and expertise to the issues raised in this legislation.

TRIBUTE TO FORMER SENATOR ROBERT GRIFFIN OF MICHIGAN

Mr. KENNEDY. Mr. President I wish to pay tribute to Senator Robert Griffin, Michigan's former senior Senator and a national Republican leader who is not with us as the 96th Congress convenes. Throughout his distinguished career in this Chamber, Senator Griffin was highly regarded by all his colleagues on both sides of the aisle.

Senator Griffin was only 32 when he was first elected to the House of Representatives in 1956. He was named one of the 10 outstanding young men in America by the U.S. Jaycees in 1960. He won his first full Senate term by nearly 300,000 votes, the largest plurality given a Michigan Republican senatorial candidate in 20 years.

Senator Griffin's political and parliamentary skills and his leadership ability prompted his colleagues to elect him minority whip of the Senate in his first term, in 1969, and he was one of President Ford's most valued counselors on Capitol Hill.

Senator Griffin's record was one of great distinction, especially through his fine work on the Commerce Committee, the Foreign Relations, and the Rules Committee. His continuing efforts on the national student loan program, for example, made it possible for large numbers of students to attend college with the help of low-interest loans repayable after graduation.

Although we differed on a number of issues overthe years, Senator Griffin was always a skillful and extremely well-informed proponent of his views. He was a credit to his party and to the Senate, and I wish him well in the future.

ABOLITION OF THE ELECTORAL COLLEGE

Mr. LEAHY. Mr. President, last summer I testified before the Senate Subcommittee on the Constitution on behalf of the proposed constitutional amendment to abolish the electoral college. I still believe that this amendment is very much needed and today I rejoin my Senate colleagues in cosponsoring this important measure.

The electoral college system and various proportional systems introduced in the 95th session of Congress remove the tally one step from the voter. This leads to a potential distortion of the final total and may permit a candidate who has won the popular vote to lose the election.

Under the direct election method of electing the President, the votes of individual citizens will count directly toward the final total of that particular candidate for the first time in our history. Every vote will be important and will, I believe, strengthen the party system at the local level. It will also be an incentive to increase voter turnout, which has decreased in recent years.

It has been argued that small States will be hurt by the abolition of the electoral college, that they will lose the proportional clout they now command under that system and that emphasis will be placed in any campaign on major States with small States being ignored. I disagree. With every vote counting equally toward the final total, a community the size of Burlington, Vt., will have equal importance to a town that size in New York, Missouri, or California. Thus, it will be equally important for candidates to spend a similar amount of time in small States. To forego these visits might cost them the election.

Therefore, I reaffirm my support of this proposed constitutional amendment and look forward to early passage of the direct election measure in the Senate this session of Congress.

UNIVERSITY OF HARTFORD HOSTS WHITE HOUSE INFLATION FORUM

Mr. RIBICOFF. Mr. President, inflation is the most critical issue facing Congress, the President, and the Nation. America's economic lifeblood and its very security are seriously threatened by soaring prices, a large and longstanding trade deficit, rising taxes, and an inflation rate approaching 10 percent. Inflation, if permitted to continue, will erode important economic gains which have been achieved in recent years.

There are no simple solutions or easy answers. Government alone cannot solve the problem. There must be cooperative action by Government, business, labor, and all sectors of the economy.

Early last month a high-level White House team—Wage and Price Stability Council Chairman Alfred Kahn, Council of Economic Advisers Chairman Charles Schultze, Labor Secretary Ray Marshall, Esther Peterson, the President's special consumer affairs assistant, and Ambassador Robert Strauss—traveled to the campus of the University of Hartford to explain the administration's anti-inflation program. Over 600 Connecticut business, labor, and consumer leaders as well as State and local officials participated in this important forum. Following a 15-minute telephone question-and-answer session with President Carter, there was a candid and useful exchange between the various Connecticut representatives and the administration spokesmen.

The University of Hartford anti-inflation forum was a valuable contribution to the national dialog on this important issue. All sectors of our State's government and economy were able to participate and to exchange their ideas and concerns with the White House officials. I believe my colleagues will be interested in the matters discussed during the Hartford forum, and I ask that a summary of the meeting be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

WHITE HOUSE FORUM ON INFLATION

INTRODUCTION

On November 8, 1978, a White House Forum on Inflation was held at the University of Hartford's Lincoln Theatre in West Hartford, Connecticut. Cohosted by the University of Hartford and the Greater Hartford Chamber of Commerce, the forum was attended by some 800 people, including invited leaders representing business, labor, education, politics, consumer groups, religious organizations, and the community.

After a welcome by University of Hartford President Stephen Joel Trachtenberg and greetings by Hartford Deputy Mayor Nicholas R. Carbone, Mr. Henry Roberts, Chairman of the Greater Hartford Chamber of Commerce, introduced Robert S. Strauss, Inflation Counselor to President Carter. Mr. Strauss presented the groundrules for the forum: (a) presentations by the four member delegation from Washington; (b) responses from three panels representing labor, business, and consumer groups; (c) a question and answer period; (d) a phone call from President Carter, who would answer questions from three individuals and then offer some remarks.

PANELS

Administration: Robert Strauss, Inflation Counselor to the President; Ray Marshall, Secretary of Labor; Charles Schultze, Chairman, Council of Economic Advisors; Esther Peterson, Special Assistant to the President for Consumer Affairs; Alfred Kahn, Advisor to the President on Inflation and Chairman of the Council on Wage and Price Stability.

Labor: Vinnie Sirabella, President, New Haven Labor Council; John Driscoll, President, Connecticut State Labor Council; Donald Ephlin, Director, Region 9, UAW.

Business: Henry Roberts, Chairman, Connecticut General Insurance Corporation;

Wallace Barnes, Chairman, The Barnes Group; John Flannery, President, State Bank for Savings.

Consumer: James G. Harris, Executive Director, Community Renewal Team of Greater Hartford; Walter Adams, Chairman, Connecticut Senior Citizens Association; Marc Caplan, Executive Director, Connecticut Citizen Action Group.

ADMINISTRATION PANEL

Mr. Schultze: Economic Background on Inflation—Government Actions to Control Inflation:

Mr. Schultze briefly discussed his role as Chairman of the Council of Economic Advisors and then observed that the major single way the federal government affects the economy is by the federal budget.

Mr. Schultze went on to present a history of inflation in the United States over the past ten years. During this period inflation has averaged 6½% in this country, while for our major industrial partners in the world the rate has been slightly higher than 7%. Inflation, then, is a world-wide phenomenon, one with strong underlying momentum.

The problems in this country began a decade ago with excessive stimulation of our economy because the Vietnam War, then heating up, had not been financed with a tax increase. Consequently, the inflation rate rose from two to six percent. Applying brakes to the economy in late 1969 resulted in rapidly rising unemployment and then a recession, with inflation continuing right on through. In 1972–73 a too loose budgetary and fiscal policy compounded the problem, which subsequently worsened further due to a world-wide crop shortage and the quadrupling of oil prices by OPEC. The brakes were applied again, resulting in the worst recession in 40 years, but inflation continued unabated, never dipping below 6%.

We need to deal with two sets of factors, according to Schultze: (a) those which heat up the economy excessively, causing inflationary pressures; (b) the momentum or inertia factor of the wage-price spiral, which tends to continue even after the basic causes of inflation have been removed. Given this history and analysis, a two-part balanced program is necessary to deal with inflation:

1. A set of overall economic policies—fiscal, budgetary, monetary—to address the underlying causes of inflation; and

2. Measures established by the government, and complemented by : program for the private sector, to halt the momentum and break the spiral.

Neither the proper, austere budget and moderately restricted economic policies on the one hand, nor voluntary wage and price restraints on the other, can accomplish the job alone. According to Schultze, we need to combine the two major parts of a balanced program in order to continue moderate economic progress while at the same time unwinding inflation.

The federal government's responsibility in this joint policy will be, among other things, to prevent the rise of inflation out of excessive demand in the economy. This will require an austere federal budget and budget policy, but one consistent with maintaining moderate economic growth on a sustainable basis. However, the country cannot afford a boom, a rapid overheating of the economy.

The new federal budget policy will involve reducing the rate of growth of federal expenditures significantly, reducing the federal budget deficit, and moving towards balancing the budget, all with continued moderate, sustainable economic growth. Specifically, where in 1976 federal spending accounted for 22½% of our gross national product, by 1980 it will drop to 21%, according to President Carter's budget to be proposed to Congress in January. The federal deficit, that was $66 billion, or, 4½% of our GNP, in 1976, will be down to $40 billion (2% of the GNP) in 1979 and $30 billion or less by 1980, amounting to about 1% of the GNP.

(Mr. Schultze had just begun to discuss international economic policy when the meeting was interrupted for President Carter's telephone call.)

Telephone Call from President Carter:

With Mr. Strauss moderating, the President took the first question from John Driscoll, President, Connecticut State Labor Council.

DRISCOLL. The President's program with regard to wages is basically self-monitoring, with employers making sure that compensation is held to 7%, but there doesn't appear to be much of a monitoring process for prices. Why not have some kind of built-in controls on prices, perhaps using Federal income tax to provide management an incentive to hold down prices or a penalty if it fails to do so?

President CARTER. After noting improvements for the people of Hartford and Connecticut in both unemployment and inflation since he took office, Mr. Carter responded that his program is a balanced one. The 7% increase in labor wage standards represents a reduction over previous years, as does the price increase standard of about 5¾% (assuming broad compliance), which is ½% below the average of the past few years. The government will be monitoring some 400 to 500 of the nation's leading businesses and will use any legal means necessary to induce compliance; e.g., the arousal of public interest, the awarding of government contracts (an $85 billion a year proposition), etc. The members of labor will be protected. If they comply with the 7% guidelines, by an income tax reduction proportional to any increase in inflation above 7%. Thus real wages will not fall. Mr. Carter plans to do his share by holding down the federal budget, the federal work force, and federal pay, by cutting the federal deficit to less than half of what it was when he ran for office, and by reducing unnecessary federal regulations. With good cooperation from labor and business, the program and the country will succeed.

The second question came from Edward Bates, Chairman, Connecticut Mutual Life Insurance Company.

BATES. After expressing commitment to the voluntary program, Bates offered that in his belief the success of the program depends a lot upon what the government does in its own area. Noting the President's reference to possible additional legislation, he inquired about those areas that might be under consideration, particularly legislation to control inflationary government spending or to relieve the inflationary cost of legislatively mandated regulation.

President CARTER. While the President felt that it was too early to outline specific legislative proposals, he plans to reduce expenditures through a very tight fiscal budget, the one thing directly under his control. He also plans to build upon recent successes in the deregulation of major industries, such as the airlines, and sees deregulation as inserting a higher degree of competition into the free enterprise system. Another area where legislative efforts are possible to achieve an anti-inflationary end is in hospital cost containment. With regard to taxes, the President will not approve reductions in general income taxes in the future until inflation is under control.

The third question was posed by Mary Heslin, Commissioner of the Department of Consumer Protection, State of Connecticut.

HESLIN. What government actions are planned to assist the consumer in two major areas of concern: (1) increasing food prices; (2) rising health care costs?

President CARTER. Top priority in consumer efforts in 1979 will be to pass hospital cost containment legislation, which has already been approved by the Senate, although blocked by special interest groups in the House and in committees. Arousal of public interest will be helpful with this legislation. State legislation on hospital cost containment has already proven effective, as in Connecticut, or New York, where costs have gone down 6%. With regard to food prices, however, regulation would be a very difficult and, in any case, a mistake. Rather, the market forces on a world-wide basis must determine food prices. However, with bumper crops predicted this year in many areas and food stockpiles fairly high, food prices should be more stable than in the past and not as high in 1979 as they were in 1978.

Turning then to general remarks, Mr. Carter expressed his determination to be tough and persistent in his leadership role in the fight against inflation. He stressed the need for support from leaders in business and industry, from public and elected officials, and from the American people generally, who must be made to realize that through cooperation and effort we can succeed in the battle against inflation.

Return to remarks by Mr. Schultze:

On the international economic front, according to Schultze, the decline of the dollar abroad has significantly worsened inflation in this country. The executive branch, working with the Federal Reserve Board and in cooperation with other governments, particularly those of Japan, Germany, and Switzerland, has taken steps to correct this decline. Believing that the U.S. dollar has sunk in value far below what fundamental economic factors justify, these parties have indicated a readiness to intervene on the foreign exchange markets to correct the excessive depreciation. For its part, the United States government is putting together a "war chest" of some $30 billion in foreign currencies to apply towards the effort. Success in strengthening the dollar abroad will do much towards reducing inflation domestically.

Finally, Schultze considered the alternatives to the balanced, two-pronged, long-run program he had described earlier. On the one hand, very severe fiscal and monetary restraints could be applied by themselves, but the history of the past ten years shows that such a strategy, which was tried in 1969–71 and again in 1974–76, is ineffective. On the other hand, mandatory wage and price controls can be applied, but in a country with perhaps 5 million different commodities and services, they are virtually impossible to administer fully and equitably, as we discovered in 1971–72. While either of these alternatives may produce some short-term results, neither is effective for the long haul. The country's ten-year inflation must be attacked with a program that is politically and economically viable, one characterized by patience and a balanced approach, with government and the private sector cooperation.

Mr. Marshall: Explanation of the Administration's Anti-Inflation Program—Wage/Price Standards, Wage Insurance Program:

Emphasizing again the need for government and private sector cooperation, Mr. Marshall went on to explain the private sector component of the program, which is built on several principles:

1. an equitable system which applies to wages and prices both;

2. provision for a low-wage exemption for workers earning less than $4 an hour, along with the real wage insurance program in the event that inflation exceeds 7%;

3. a plan which will provide a flexible alternative to the short-term and ultimately self-defeating controls or recession.

The proposed program is flexible (and so subject to evolution as we learn more about how inflationary pressures and their remedies work in the economy); it is simple (in order to promote understanding of and cooperation with it); and it is long-run, designed to address basic causes rather than symptoms of inflationary pressures.

The numerical wage and price standards suggested for the program are necessary as a guide for concerted, coherent action among all sectors and as yardsticks for evaluation and monitoring if equity is to be maintained. The 7% standard for wages and fringes, which applies to the *average* wage increase for specific employee groups but not necessarily to each individual, is intended for all classes of workers—blue collar and white collar and managerial people, whether in government or private industry. The two exceptions are low-wage exemptions for workers earning $4.00 per hour or less, and wage increases under contracts already signed. The 7% standard can accommodate a cost-of-living factor, evaluated at 6%, which is the rate to be used in contracts with cost-of-living clauses. The price standard—½% below the average increase for 1976 and 1977—likewise applies to the average price of products produced by individual firms, but not the price of individual products. Where a firm cannot meet the standard, a profit margin test will be needed.

The two standards, applied together, should produce a deceleration in inflation. However, given some slippage due to contracts and cost increases already in the pipeline, the theoretical ideal of 5¾% for next year will actually be in the neighborhood of 6 to 6½% if the program is successful. If the program fails to hold inflation under 7%, workers, who may be under a long-term contract, will be protected by the tax refund provisions of the real wage insurance proposal.

Incentives to compliance with the proposed balanced program include, first of all, its reasonableness. Furthermore the Council on Wage and Price Stability will monitor the economy and, in particular, will work closely with the nation's 500 largest companies to assist in the interpretation and application of the standards. The government will encourage compliance in three major ways:

1. by undertaking specific administrative action where there is statutory authority to deal with particular inflationary situations;

2. by focusing and harnessing public attention through various means such as public hearings;

3. by channeling procurement, as a major purchaser of goods and services, to those firms which comply with standards.

Mr. Kahn: Goals of the Administrations' Anti-Inflation Program:

After reiterating the alternatives to the President's program—deep recession or mandatory controls—and further explaining the problems with them, Mr. Kahn set forth the nature of his job. His mission is to rove across the whole geography of government regulatory policy, specifically, and government economic policy, generally, and to call attention to whatever imposes unreasonable and unnecessary burdens on the economy. He will attempt to identify policies that prevent the competitive market from functioning freely; that shelter and create monopoly; that protect and subsidize special interest groups at the expense of the general populace; that interfere with economic progress and growth. And looking at the other side of the coin, he will seek ways to create incentives, improve productivity, and increase economic growth.

In particular, Kahn plans to look hard at those sectors of the economy that have borne with the greatest weight on the consumer:

With regard to food, for example, while bad weather and subsequent price rises based on scarcity are outside of control, there is an enormous range of government policies that can have a positive effect: (1) price supports; (2) acreage limitations; (3) restrictions on imports. There is room for much creativity in the area of income support for farmers, for example, or in increasing the efficiency of food distibution through a reform of the restrictions on entering into trucking.

With regard to housing, there is work to be done cooperatively with unions and contractors to study land form restrictions and building codes, to consider ways of shifting property taxes from improved to unimproved land, to find ways of reversing the declining productivity of the past few years.

With regard to energy and utility bills, while we can't control OPEC or the price of oil, there are internal policies we can pursue that will help, like eliminating the declining block-rate system which provides rewards for consuming more where there is no justification in cost for it, or reducing time of use pricing to reward people for conserving at those times when the costs are high.

And with regard to medical costs, there are some ridiculous methods of pricing and delivering medical care and much work to be done in this area.

Mr. Kahn expressed confidence that we can do what needs doing without turning away the human face of government, without sacrificing the necessary protections of consumers, of workers on the job, of the environment. However, it will be a long-term job, but one at which we can and must succeed because the alternatives are unacceptable.

Ms. Peterson: Consumers' Response to Inflation:

The bottom line in all these concerns, according to Ms. Peterson, is the consumer. Inflation is the biggest fraud there is. It concentrates on the necessities of life and threatens the dignity of the elderly and the poor.

The President's program is designed to reach into the areas of food, health and medical care, housing, and energy. We must be aware as consumers that, for example, 60% of the food dollar is in trucking and other non-farm costs, and that a major part of the inflation in health care is due to third party costs. Clearly, there is room for progress, Peterson feels such as will be achieved if hospital cost containment legislation passes in the next session of Congress.

Regardless, though, of the measures taken in the larger arena by the government and the private sector to stop inflation, individuals and families must become more prudent consumers. Ms. Peterson then indicated pamphlets containing tips and information for consumers which had been included in the folders distributed to the audience. Such information, she felt, would provide ideas to help people cope with inflation while we are all working on the problem.

LABOR PANEL RESPONSES

John Driscoll, President, Connecticut State Labor Council:

Speaking for the A.F.L.-C.I.O. which he represents, Driscoll expressed doubts about the workability of the program. Noting that Connecticut workers have lost 5% in real wages over the past ten years, he maintained that requested wage increases are necessary to keep pace with the rise in living costs and that it is not wages that drive up prices. The emphasis in the plan is too exclusively on wages, in Driscoll's view; it does not address: corporate profits; increases in corporate dividends; increase in executives' compensation; or speculative capital gains, as result, for example, from speculation in real estate.

If Congress cooperates with legislation, and they may not, wages would be held down but price increases would still lead to the demand for mandatory controls. It would be better, Driscoll believes, to have full control of all incomes across the board from the start.

Donald Ephlin, Director, Region 9, United Auto Workers:.

The UAW, according to Ephlin, supports the President's goal, although many aspects of the program are not yet clear. By the time the UAW's large contracts need to be renewed—about a year—the program will have had ample chance to prove if it is workable and equitable.

Mr. Ephlin pointed out that the UAW backs increased productivity through new technology and innovation (a goal of the program), observing that gains in productivity should benefit the workers and the stockholders, and should result in lower prices for the consumer. He went on to endorse the concept of real wage insurance, although suggesting that the lower earning level be increased to $5.25 an hour.

Vinnie Siribella, President, New Haven Labor Council:

The President's program, in Siribella's view, is fundamentally unjust to working people. It provides no guarantee for reducing inflation. It makes no catch-up provision for wages which have been behind. It doesn't consider executives' prerogatives to supplement their salaries with stock options. It permits profits to rise while labor's share continues to slide, since productivity gains benefit owners, not workers or consumers. It does not control foreign import prices. And it allows firms to circumvent the spirit of the plan while adhering to the letter by making slight cosmetic changes in products in order to label them new and raise prices above the standards.

Prices and wages can be controlled only by controlling the profit-making decisions of the major corporations, a principle incorporated in the A.F.L.-C.I.O. recommendations. The President's program is going to be too loosely administered for labor to have confidence in it or to back it at the bargaining table. There are no guarantees that the sacrifices of American workers will result in stabilizing the country's inflationary problem.

BUSINESS PANEL RESPONSES

Henry Roberts, Chairman, Greater Hartford Chamber of Commerce, and Chairman of the Board, Connecticut General Insurance Corporation:

The business panel's position, which Roberts believed to be consistent with the thinking of the Hartford area business community generally, could be found in a brief written statement (attached) available following the meeting.

Mr. Roberts did go on, though, to observe that in the panel's view programs designed to control wages and prices, whether voluntary or mandatory, have failed to deal constructively with inflation. Nevertheless, the panel felt that the President's program of wage and price constraints would have value for a limited time in support of more fundamental actions by the White House, Congress, and the Federal Reserve, and they intended to be supportive.

Wallace Barnes, Chairman, The Barnes Group:

After indicating his support and what he believed would be the support of business for the program, Mr. Barnes attacked mandatory controls as having a dismal record, as being costly and unfair and difficult to administer. They do violence to the free market system, building distortions in wages and prices and killing incentive for constructive, voluntary action.

Voluntary action to accomplish a well-

defined public purpose can be much more effective, Barnes felt, pointing to the vigor and success of such phenomena as Consumerisms, the Environmental Movement, and the Civil Rights Movement.

With the government leading the way, as the President has declared it would, voluntary support from the private sector should work long enough to break the wage-price spiral, giving the government enough time to adopt the necessary monetary policies and spending and regulatory restraints. Once equilibrium is restored after a period of atonement, the free market system with its checks and balances based on supply and demand will be the best permanent controller of inflation.

John Flannery, President, State Bank for Savings:

Rather than wage and price guidelines, Mr. Flannery preferred to comment on the recent rise in the discount rate and the dollar support program. These he saw as well-reasoned, courageous, and appropriate actions to bring the government's resources to bear on inflation, albeit directed primarily at the international money market and the dollar question. Particularly encouraging were the coordination between the Administration and the Federal Reserve Board, despite questions this might raise about the continuing independence of the Board, and Chairman Schultze's indication that the "war chest" is being expanded.

Mr. Flannery did voice concern, though, about the continuing effectiveness of this tactic when its results on domestic credit markets, particularly housing and consumer lending, are felt. He also wondered about the commitment to the program under more adverse conditions than exist presently. The first step, then, must be followed with decisive, imaginative action to reduce the federal deficit, despite the political difficulty of reducing programs or curtailing services. Otherwise, there is a real risk of continued inflation, higher interest rates, and dislocations in credit markets.

Henry Roberts: Summary of the Business Panel's Position:

Business will support the President's program, but more vigorous government actions must be taken than have been to date, and tighter constraints on programs are essential. If business can help in that area, it stands ready.

CONSUMER PANEL RESPONSES

Walter Adams, Chairman, Connecticut Senior Citizens Association:

In view of the prepared statements of his two co-panelists, Mr. Adams simply posed a few questions: (1) How will the President's anti-inflation policy affect the elderly and those on fixed incomes? (2) Will it benefit them, and when will it start to benefit them? (3) Will there be an escalator clause put into Social Security? The questions, Mr. Adams was informed, would be answered after his panel's presentations.

James Harris, Executive Director, Community Renewal Team of Greater Hartford:

Echoing Ms. Peterson, Harris noted that the consumers are the only ones who cannot pass on the burden of inflation to anyone else; they must bear it themselves. Turning then to those on fixed incomes, he explained that these Americans are affected more than any other group by price increases, such as those in food costs. Connecticut welfare grants are based on the 1974 index, and persons on fixed incomes, unlike middle-income people, cannot "buy down"; they are already surviving on essential foods such as rice, beans, grains, etc. Yet the price of these foods, as well as of luxuries like steak, is rising.

Presently, New England imports 85% of all its foods from outside the region, which aggravates high prices because of trucking costs, middlemen, etc. Harris feels we must turn to more small farming in the Northeast, especially since the key to a nutritional diet (and some avoidance of health care costs) is fresh fruit, vegetables, and whole grains. Small programs have been tried in the area, but a concentrated effort, supported by federal and state government, must be mounted to encourage small farming in the region, and Harris asked if there were government programs to encourage New Englanders to grow their own products.

Marc Caplan, Executive Director, Connecticut Citizen Action Group:

After indicating his support for much of the program as it had been outlined, Mr. Caplan focused his remarks on where the average American family feels the impact of inflation. Four of five American families spend 70% of after-tax income on four basic necessities—food, fuel, housing, and health care—and these are the areas that have been skyrocketing, with food up 18%, energy up 15%, mortgage interest rates up 18%, and hospital costs up 9% in the first half of this year alone. Caplan then turned to discuss three areas where myth might be overriding fact:

On the question of regulations . . . the kind of de-regulation in airlines and trucking that the administration is talking about is certainly worth supporting. But health, safety, and pollution regulations, the costs for which increase the cost of living from one-half to one percent, are another matter. Even with a 20% reduction in these kinds of regulations (and the concomitant, significant curtailments in health and safety programs), we would be getting only one-tenth of one percen savings in inflation. Yet it is estimated that 90% of cancer is caused by environmental factors. Clearly, we must look with discrimination at the different kinds of regulations.

On the question of wages . . . in attempting to keep pace with inflation, wages have been part of the problem, but it is a myth that they are the cause. In health, for example, it is doctors' fees, not nurses' and hospital workers' wages, that have been outstripping inflation. The share of the consumer's dollars going to labor has actually been dropping in such areas as hospital charges and housing construction. The alleged effect of wages on inflation must be examined critically.

On the question of economic competition . . . Mr. Caplan supports de-regulation efforts and agrees with the need for competition and the free market, but he is concerned about the anti-competitive practices of concentrations of economic power in some areas, e.g., food (flour, grains, etc.), energy (with big oil even buying up coal, uranium, and the other energy sources). He wonders what vigorous anti-trust action the administration will pursue to prevent massive concentrations of economic power, especially in the four key areas for consumers.

Finally, Caplan commented on what can be done in Connecticut—farm markets, cooperatives, expansion of the recently enacted farm-preservation bill to insure a stable food supply. Vigorous efforts are needed, too, in containing insurance fees and hospital costs (the Hospital Cost Commission is making some progress, although slowed by too much political pressure). And along the lines suggested by Mr. Kahn, the utilities industry in the state must look carefully at projections and real energy conservation programs.

ADMINISTRATION PANEL'S RESPONSE TO QUESTIONS

Ms. PETERSON. Consumers in general, but the aged especially, are hurt by inflation, Peterson agreed, but felt that some help was available through food stamps and other programs. Even such devices as the inflation-fighting pamphlet included in the attendees' folders can help people cope and get the most for their dollars. Of course, the best answer for older people will be to cut the rate of inflation. In the interim, Peterson sees real value in consumers' self-help programs—buying clubs, gardening, and so forth.

Mr. SCHULTZE. Referring to a point made by both the labor and consumer panels, Schultze agreed that inflation has not been caused by wages. In fact, there are few villains totally inside our borders. However, all of us—government, business, labor—in trying to keep up or catch up, play a role in perpetuating inflation. Yet the wage-price spiral hasn't worked, as neither profit margins nor real wages have gone up over the past ten years. The way to catch up is not through higher prices or wages but through a reduced rate of inflation.

The plight of the poor and the aged, which it has been suggested is the most acute with respect to inflation, likewise can be addressed best by a reduction in inflation. In a time when government revenues are in some jeopardy (e.g., Proposition 13, etc.), that is the best way to increase the real incomes of the poor and aged without increasing government expenditures.

Finally, there are those areas which require the major share of consumers' incomes, especially for low income groups, and in which inflation is felt most keenly: food, energy, housing, hospital care. Yet, 60% of the price of food is in the industrial economy—processing, wholesaling, retailing, transportation. And 50 to 70% of the cost of energy is attributable, not to the price of raw energy forms, but to the industrial sector which processes and delivers it. A similar case can be made in housing. In other words, the major areas of cost in these necessities are susceptible to the President's program; wage and price standards apply. As for those areas where they do not—farm prices, OPEC rates, etc.—special measures can in many cases be applied, but a lowered rate of inflation is the best way to reduce the pressures that lead to higher prices in these areas outside of our control.

To sum up, wages are not the cause of inflation, but wages and prices, government, business, and labor, are all part of the cure.

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Mr. Schultze's remarks concluded the formal program. Mr. Kahn then turned the floor over to President Trachtenberg to accept questions from the audience.

TRIBUTE TO FORMER SENATOR FLOYD HASKELL OF COLORADO

Mr. KENNEDY. Mr. President, I would like to pay tribute to a close friend and one of our most distinguished colleagues, Senator Floyd Haskell of Colorado, who is not returning to the Senate. His fine record of service here and the extraordinarily high quality of his work will be remembered well by all of us who knew him and respected his leadership.

With his departure the Senate has lost one of its few real experts on energy. His great ability in this area, especially on the many complex questions involving oil shale made him an undeniable asset in the Senate. He was the floor manager of the Coal Conversion Act, which is designed to accelerate the conversion by the United States to coal as a source of energy. He was the author of the first successful solar energy program to pass the Senate. He was also the creator of the Office of Energy Information in the new Department of Energy. As a result of these and many other efforts, Senator

Haskell played an outstanding role in the Nation's evolving energy policy.

Senator Haskell also worked hard to achieve a coexistence between the need to unearth new energy resources and the equally important need to protect the environment. He was the author of three major wilderness bills. He rewrote the authorizing legislation for the Bureau of Land Management. He was also a pioneer in recent years. Few, if any, Members protect communities affected by energy development.

As a champion of small business, Senator Haskell helped to lead the effort to preserve the Senate Small Business Committee and to give it jurisdiction to report legislation of its own. He also deserves great praise for his authorship of the jobs tax credit legislation in 1977, which has provided major benefits to small business.

Senator Haskell was also a leader in tax reform, and as a member of the Finance Committee he was responsible for many of the most important initiatives in recent years. Few, if any Members of the Senate had a more sophisticated or detailed grasp of the complexities of the Internal Revenue Code than Senator Haskell. He used his skill wisely and effectively for the lasting benefit of the Senate and the average American taxpayer, and we shall miss his leadership in the years to come.

FAIR TRADE OR FREE TRADE?

Mr. HEINZ. Mr. President, I bring to the attention of my colleagues an interesting article by Robert M. Kaus that appeared in the Washington Monthly shortly after the 95th Congress adjourned. In this article, titled "Getting Tough on Trade," Mr. Kaus explodes some of the popular myths about trade policy currently being perpetuated by the Carter Administration. He points out quite accurately the tendency of many in the administration to label anyone who disagrees with them on trade issues as rabid protectionists, regardless of the facts of the situation; and he clearly demonstrates with numerous examples the degree to which the United States is taken advantage of by the protectionist policies of our trading partners. In fact, what Mr. Kaus is saying is that free trade itself is a myth, made so not by our policies but by those of our trading partners. Thus the question for policymakers is not how to maintain free trade, but whether unfree trade will also be unfair, whether we will continue to permit others to take advantage of us and our economy without firm action. This is a thoughtful provocative discussion, which I hope all Senators will read. Mr. President, I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GETTING TOUGH ON TRADE

(by Robert M. Kaus)

Few eyebrows were raised in the last few months when the financial leaders of the free world delivered stern warnings to the United States about its economic policies. If the U.S. wanted monetary stability, they said, we should put our own house in order. It was our balance of trade that was billions in the red, and our currency that was sinking to new lows on world money markets. At the annual convention of the International Monetary Fund, President Carter asked the assembled leaders to be patient—his own "reputation as a leader" was committed to erasing our shameful trade deficit.

We are so used to foreign accusations against the U.S., and so used to agreeing with them, that these latest criticisms probably had a great deal of credibility. Were they justified? Foreign trade and the U.S. deficit have become big issues in Washington. It is important to examine honestly how we got into our current mess, looking especially at the role played by some of the countries that are so quick to remind us of our duties to the free trade system.

Let's start with Japan—the nation that has profited most from the relative openness of the American market. After World War II, Japan's rebuilding effort was guided by a pervasive fear of a trade deficit. The twin principles of Japanese trade policy during this period were free trade abroad (for Japanese exports), and protectionism at home (to avoid foreign competition). Protectionist devices that the most ardent labor "fair trader" wouldn't dare propose in America today—you name them, the Japanese used them. Their economy was sealed off from foreign investment (although for part of the period Japanese investment in the U.S. was *encouraged* by our tax laws). High tariffs were only the first line of Japan's defense against foreign goods—they were backed up by a comprehensive scheme of important quotas and enforced by a protection-minded government bureaucracy, the Ministry of International Trade (MITI)—or the "Ministry of One-way Trade" as it came to be known in foreign business circles. From 1945 to 1965, the Japanese were the renegades of the free trade world.

In 1955 the United States sponsored Japan's official entry into the free trade brotherhood—a membership in GATT (General Agreement on Tariffs and Trade). Only in the mid-60s however, did Japan begin to lower the official trade barriers, encouraged by a booming business of exports to other nations' markets. The tariffs began to fall during the Kennedy Round reductions of 1968. But although Japan's balance of trade had turned favorably in 1965, Japan kept its quota system largely intact until the early 70s. It wasn't until late in this decade that Japan dropped quotas specifically designed to combat America's strength as an exporter in high technology items like computers.

Eliminating all these tariffs and quotas was a great thing—unfortunately it didn't necessarily mean that Japan's market (second largest of non-communist nations) was open to the world. For the contribution of the Japanese to the science of protectionism wasn't in the field of tariffs and quotas. Those hoary devices are highly visible, and in economic circles, pretty disreputable. The Japanese had discovered a far more potent weapon: bureaucracy. If tariffs are easy to argue against, safety standards are not. And so American manufacturers attempting to unload appliances in Japan would be told—so sorry—but the cords were the wrong size. And the motors, too, were unsuited to Japan's peculiar climatic conditions. American pharmaceutical manufacturers discovered that prohibitive new health regulations just happened to spring up in the very product lines where they had a competitive edge.

Indeed, in Japan the "partnership of government and business" that so many American politicians visualize achieved reality. When a non-Japanese manufacturer sought a safety certification for an inexpensive electrical appliance, his application might be routed down to a lower level bureaucrat in MITI whose other activities included looking after the welfare of the Japanese appliance industry. "Because the approval authority is not independent of the ministry concerned," note James Abegglen and Thomas Hout in the current issue of *Foreign Affairs*, "there is substantial room for mistrust and misunderstanding." In other words, it's not rare that the bureaucrat would delay the certification of an import long enough to let the Japanese manufacturers come out with a competing model. Similarly, importers might find that their customers quietly had been given "administrative guidance" to "buy Japanese."

Today, even skeptical U.S. observers believe that many top officers in the Japanese government sincerely want to remove these bureaucratic obstacles. The problem these officials face is getting this message accepted in the ranks of protection-minded lower level bureaucrats and in the more industry-oriented ministries. "Those guys are very insulated, closely tied to the interests they regulate and there is not much improvement," noted one American expert. "It is going to be an extraordinarily slow process." When U.S. manufacturers last year achieved a breakthrough in the production of phosphate fertilizers, MITI responded with an unwritten and unpublished series of administrative "requests" to local consumers that limited U.S. imports dramatically.

Or consider the recent experience of one American entrepreneur, T. R. Cataldo of Micro-Lert Systems International. Cataldo has invented an electric device—a reverse "beeper"—that can be worn around the neck of those who, like epileptics or likely heart attack victims, may need emergency medical assistance. When help is needed, the wearer simply squeezes the device, and it sends out a signal calling a pre-arranged group of doctors or relatives. Cataldo's brainchild has tremendous potential for saving lives and eliminating the need for expensive institutional care. Late last year, on a trip to Japan, Cataldo decided to talk with the Japanese Ministry of Post and Telecommunications about marketing his product. Very interesting, a succession of ministers told him—there was nothing like it in Japan. But approval, unfortunately, would be difficult. Had Mr. Cataldo thought of manufacturing his device in Japan? It would be so much easier to get the product approved if it was licensed to a Japanese producer.

Cataldo had come face-to-face with the so-called "public policy" sector of Japanese industry—a government-run series of utilities and enterprises where "buy Japanese" is an explicit credo rather than a clandestine bureaucratic campaign. The frank public statements to this effect by the head of Japan's telecommunication industry have been a considerable embarrassment to the Fukuda government's attempt to convey a "free trade" image.

It would be unfair, of course, to give the Japanese all the credit for perfecting the bureaucratic hassle as a way to preach free trade but practice protectionism. Most European nations have fostered the art as well. France is notorious for its ingenious restrictions on the import of pharmaceuticals. In Italy, tariff barriers to popular U.S. imports of corduroy and denim aren't insurmountable, but there is a little paperwork needed. The importer must prepare nine copies of an import authorization form and complete (in triplicate) a technical certificate giving the material's fiber and dye content, weight, and so on. These forms then go to an imports office in Rome. After approval there, they go to the Ministry of Finance. After approval there. . . .

OUR BARRIERS ARE VISIBLE

Nevertheless, you are thinking, the United States blocks some imports too. You are right. But consider the following:

The barriers to foreign trade in the U.S. in the postwar era largely took the form of tariffs or negotiated import restraints. So-called "non-tariff barriers"—subsidies for exports, restrictive safety standards, import licenses, burdensome paperwork requirements—are generally conceded to have been much greater in other nations. The 1958–73 Kennedy Round of GATT negotiations successfully lowered tariff barriers dramatically but it deferred action on most nontariff barriers. The result was arguably to benefit the trade surpluses of those nations who relied on the invisible bureaucratic methods of protectionism.

The U.S., Japan, and the European Common Market (EEC) all protect their agricultural sectors, to some degree, from foreign competition. Section 22 of the Agriculture Act of 1923, for example, broadly allows the U.S. to limit imports which "interfere" with programs of the Department of Agriculture. Needless to say, there are plenty of those programs, and the provision has been invoked to protect several U.S. industries—notably dairy and sugar. But the protectionist shields of Japan and the EEC are far less selective, and have a greater restrictive impact on trade than our law. Nevertheless, in both Europe and Japan, the U.S. is repeatedly told that the political clout of local farmers makes broad agricultural liberalization "nonnegotiable."

Like other countries, the U.S. has a "buy domestic" policy of government procurement. But there's a key difference. The American policy is explicit, written in a statute, and the preferential margin is fixed by law. Foreign suppliers are notified of all bids and specifications. The winning bid is published. The advantage accorded any American firm may be readily discovered. In contrast, the discriminatory policies of other countries (again, including the Common Market and Japan) don't incorporate this "due process." Often, U.S. firms aren't told when bids are taken or specifications change. The impact of this *sub rosa* discrimination is much more difficult to measure than our above-board policy.

In the three decades after World War II, the U.S. generally kept its markets open to Japanese products. European nations, in contrast, were quick to abandon free trade principles and erect barriers against Japanese competition. As a result, goods that Japan could have sold in Europe have been diverted to this country. In 1972, Japan claimed only 3.6 percent of total European imports, but 16.3 percent of goods imported to the U.S.

How did all this come to pass? Free-traders in the United States, particularly those involved in ongoing negotiations, portray the situation as a complex one in which each nation has its own dirty hands, and in which the common interest of all is served by a carefully orchestrated, mutual lowering of barriers. Confrontation is to be avoided; above all, no nation should blame any other nation for having played the balance of trade game to its advantage. The whole process is somewhat like a California sensitivity session during the mellow 60s—interdependent, "nonconfrontational," "nonjudgmental."

The big picture view misses is the distorting role of anti-communism in U.S. trade policy after World War II. In 1945 America saw its primary mission in the Far East as the reconstruction of Japan as a stable and prosperous ally. The main goal of our relationship was not a favorable balance of trade with Japan, but a mutual security treaty. It seems crazy now, but in 1962, when the Japanese resurgence was essentially complete, President Kennedy still gave as a central objective of our free trade policy "the need for new markets for Japan and the developing countries." These strategic, rather than economic, objectives dominated our European policy as well. As a rich strong nation, we could afford to look the other way if other nations chiseled a bit behind the rhetoric of free trade—if it helped their economies, so much the better. We adopted a lofty, principled view of international commerce—and even if others didn't play the game by the rules, by golly we would.

This lofty view began to be increasingly unrealistic about 15 years ago, as America's economic dominance waned, and multinational corporations spread advanced industrial techniques around the world. But our complacency was reinforced by a more sophisticated moralism among economists. Many postwar economists just couldn't understand why other countries would want to play the protectionist game. After all, economic theory proved that by denying itself the benefit of cheap foreign goods, a nation which erected trade barriers would only hurt its own interests—even if its trading partners refrained from retaliation. The theory assumed of course that all nations start from a position of full employment—but postwar economists were confident that this could be achieved by the new, sophisticated techniques of deficit spending and monetary control. Looking back on thirty years of chronic unemployment, it's harder to scoff at the foreign politicians who, heedless of economic theory, tried to protect local jobs by keeping exports high and imports low.

In 1973, with the floating of international exchange rates, economic strategists came up with new reasons to discount the impact of foreign protectionism. Any nation that tried to block our imports, it was theorized, would quickly pay the price—as its trade surplus grew, its currency would appreciate and our exports would become cheaper and more competitive. We could stick to our principles and wait for this monetary retribution—or maybe even hasten it by "talking down the dollar," as Treasury Secretary Blumenthal did last year. But in the real world, foreign trade barriers, rather than falling before the threat of dollar devaluation, played a role in frustrating Blumenthal's strategy. If other governments are determined to keep us out of their markets, we won't increase sales no matter how big the bargains we offer. The dollar has been falling for a year and a half; its decline has yet to dramatically boost U.S. exports—and this failure has only sent the dollar down further.

REDNECKS

We are now paying the price, in our massive deficits, for our high-minded view of free trade. The first step towards improving the situation is what it has always been—to realize that the battle for world trade is a grubby fight for goods and jobs, not a spiritual struggle to maintain free trade purity, and that, after sacrificing economic advantage in the name of anti-communism, we have entered the fight late. In short, we should know when we're screwed and not be afraid to screw back in order to stop it.

Yet the lofty view persists. While researching this article, I called up one former State Department official, and asked him if he agreed that the U.S. had allowed itself to get the short end of the stick in trade negotiations. He termed the suggestion "protectionist," and added, "you can get a lot of rednecks to say that, but you can't get anybody *responsible* to say it."

He is more or less right. The near-universal attitude among the international trade intelligentsia is that any attempt to dramatize the ways in which American exports are unfairly blocked is an attempt to promote a narrow-minded protectionism generally associated with the AFL–CIO. Responsible people may know when they're being had, but they would never be seen angry in public, lest they be mistaken for rednecks or disciples of George Meany. To date, the favorite negotiating tactic of the Carter administration and Special Trade Representative Robert Strauss is to achieve freer trade by using the specter of rabid American protectionism as a club with which to threaten the leaders of foreign nations. "Give us equal access to your markets," Strauss implies, "or we won't be able to hold off the crazies in Congress who want to block all imports." American senators traveling to Japan are encouraged to exaggerate the protectionist threat, and every foreign concession is welcomed with a carefully staged sigh of relief—"Let's hope that keeps Congress happy for a while."

What's missing from this scenario is any attempt to generate popular support for the view that free trade is good, but that it's about time that American businessmen received the same treatment in other nations that foreign businessmen generally get over here. Instead, Strauss' office fears that any public outpouring of dissatisfaction will play into the hands of those who don't want free trade at all. In doing so, the administration has deprived itself of one of its most powerful bargaining weapons—the power of public opinion.

The problem was illustrated during the recent trip of a U.S. trade aide to Japan. Strauss wanted to present a set of demands to the Japanese government, but he did not want to provoke a confrontation. So, it was decided to send a low-level official, and General Counsel Richard Rivers got the nod. His conservative personal style was expected to contribute to the nonconfrontational air of the meetings.

But Strauss' advisers had miscalculated the Japanese awareness of trade politics. Rivers' demands leaked to the Tokyo press before his arrival, and this, coupled with negotiations in Washington and the American announcement of planned troop withdrawals from East Asia, turned the low-level mission into a "sensational media event." Rivers' calm presentations were portrayed as aggressive and demanding. By the time he met with Prime Minister Fukuda, the Japanese head of state could introduce him, only half-jokingly, as "the most famous man in Japan."

The point of this incident is not that Strauss' office bungled the mission, but that trade policy is a matter of intense public debate in Japan. The force of the resulting public opinion is one source of Japanese strength in trade negotiations—one reason that they can label some concessions "nonnegotiable." The debate has hardly started over here—how many Americans have heard of the Japanese counterpart of Richard Rivers? And the administration is doing little to stir up public sentiment in support of its policies—preferring to whisper its views to foreign leaders. But a little public righteousness—against foreign barriers to our trade, rather than against "cheap imports"—might be a powerful weapon at the GATT talks.

While we have been petrified by the possibility of a public confrontation with other nations, we haven't been able to use effectively our greatest weapon for breaking down barriers abroad: denial of the vast American market. At any point over the last two decades the aggressive use of this threat might have been extremely effective in bringing down both hidden and visible barriers to our exports. But as long as retaliation is only something that protectionists recommend, the threat isn't very credible.

Effective retaliation need not be heavy-handed. For example, Underwriter's Laboratories, the private American concern that certifies the safety of electrical appliances, has an army of inspectors in Japan, efficiently approving Japanese goods for American export in the comfort of Japanese factories. Japanese safety inspectors, on the other hand, don't make house calls; U.S. manufacturers must still go through the costly process of hiring Japanese agents and sending prototype models to Japan for testing. It wouldn't be difficult for the American government to impose similarly cumbersome requirements on Japanese goods until they gave us the same courtesies we now give them.

These alternatives will be unavailable to any administration as long as it concedes the "hard line" in trade matters to the protectionists. What would be the effect if Robert Strauss stood up and said, "if you don't give us fair treatment, not only will the Congress recommend retaliation—damn it, I'm going to recommend retaliation." How much better would things be now if something like that had been done 15 years ago?

American government policies don't deserve all the blame for our trade decline. Our businessmen had their own lofty view. All too often they preferred to accommodate foreign trade barriers by building plants abroad rather than engaging in the messy task of beating down the barriers from the outside, or hustling American-made goods in spite of those obstacles. Still, it's the government's job to channel the energies of American business in directions consistent with the national welfare. If multinational companies don't care where they make their money, the Departments of State and Treasury should.

Free trade remains a desirable goal—the economists are right when they say it allows international specialization that in the long run will benefit all nations. It is not, however, a self-enforcing mechanism, and we can't afford to sit back and congratulate ourselves on our economic wisdom while our trading partners profitably beat the system. That's how we got into the current mess. To start undoing the damage, we should admit—honestly and publicly—that we can no longer play the free trade game all alone. If free trade is to work, we must be willing to use our economic muscle to ensure that our openness to foreign competition is reciprocated.

TRIBUTE TO FORMER SENATOR WILLIAM HATHAWAY OF MAINE

Mr. KENNEDY. Mr. President, I would like to pay tribute to my close friend and former colleague, Senator William Hathaway of Maine. During his 6 years of outstanding service in the Senate, Senator Hathaway demonstrated a profound concern for the people of Maine and for all Americans.

Senator Hathaway and I served together and worked together on the Human Resources Committee for the past 6 years, and no Member of this body had a better record or was a stronger supporter of the interests of the working man and woman than Senator Hathaway.

He was one of the workhorses of the Senate, with over 200 bills and amendments to his credit enacted into law, an outstanding record for any Senator in a single term.

On the Human Resources Committee, Senator Hathaway was also an effective leader on issues like jobs and health care. On jobs, he worked hard to protect the shoe and textile workers of Maine from the rising tide of imports. He was also a leader in the successful effort to enact the 200-mile fishing limit for the Nation, which has done so much to protect the jobs of the fishermen of his State.

On health care, he was an extremely effective Member of the Senate on the problems of rural areas, especially those with critical shortages of doctors and facilities. He was a leader in the development of the Regional Medical Program Act, the Emergency Medical Services Act, and the Rural Health Clinics Act—all of which have helped to bring better quality health care to the people of Maine and to many other States.

In other major areas as well, Senator Hathaway also made important contributions. As a member of the Finance Committee, he had the best tax reform record of any member of that committee. Again and again, in the committee and on the Senate floor, he was willing to stand up for the average taxpayer, insisting on a fair share of tax relief for the ordinary citizens who have to pay the bill, opposing new loopholes for special interest groups and those rich enough to hire lobbyists to crowd the hearing rooms of Congress.

And on the Senate Small Business Committee as well, Senator Hathaway has been an effective leader, seeking to end the paperwork burdens of excessive Government regulation, insisting that small business get its fair share of Federal contracts, listening to the small business men and women of Maine, making sure that their voices were heard in both Congress and the executive branch of Government.

And finally, as a member of the Senate Intelligence Committee, Senator Hathaway was one of the most important and influential Senators in investigating the CIA, ending its abuses, and requiring its budget to meet the same strict standards of review applicable to every other agency.

But most of all, Senator Hathaway was a decent and compassionate Senator. He never forgot his roots in Maine, and he never forgot the people he represented—the ordinary citizen, the average voter, the men and women throughout the State who needed someone to speak for them and serve them in the Senate. They have lost an outstanding public servant, and all of us will miss him.

TAIWAN

Mr. GARN. Mr. President, as all the world knows, President Carter's Christmas present to the people of Taiwan was the breaking of diplomatic relations and the announcement of his intention to abrogate the Mutual Defense Treaty between the United States and the Republic of China. This action is of doubtful legality, and even more doubtful wisdom. The timing alone, while the Congress was out of session, was an insult to the Congress, and to the people and Government of Taiwan. Even members of the President's own party have criticized his timing; this is not a partisan matter.

The January 15 issue of U.S. News and World Report contains a pro and con debate between Senator GEORGE MCGOVERN and myself over some of the issues involved in this opening to Peking, and I ask that the debate be printed in the RECORD.

There being no objection, the interviews were ordered to be printed in the RECORD, as follows:

PRO AND CON—ENDING TAIWAN TREATY—IS IT LEGAL?

YES—"THE PRESIDENT HAS THE CLEAR AUTHORITY UNDER THE CONSTITUTION

(Interview with Senator George McGovern)

Q. Senator McGovern, why do you think President Carter was acting legally in ending the defense treaty with Taiwan?

A. I think the President has the clear authority under the Constitution to decide on recognition of a government. Constitutionally, he is the government's chief foreign-policy maker. And when he decided to recognize Peking as the legitimate government of China, one could argue this act alone voided any other treaty we had with Taiwan—including the mutual-defense treaty.

There was no argument between Taiwan and the mainland about whether there are one or two Chinas. The only question between them was: Where was the government of China located—on the island of Taiwan in Taipei or on the mainland of China in Peking?

The Carter administration made the judgment that the government, in fact, is in Peking. That judgment follows the doctrine enunciated in the Shanghai Communique signed by former President Nixon in 1972. So I think President Carter can defend his actions on legal grounds.

Q. Does that mean that he can legally abrogate any treaty—including NATO—without consulting the Senate?

A. I suppose that is an open question. But in the case of the Taiwan pact, there was no breaking or abrogation of the treaty. There was a clause that gave either side the authority to terminate it on one year's notice. So the President acted as the treaty itself permitted. Also, we should remember that the purpose of the constitutional draftsmen in requiring Senate ratification of treaties was to make it hard to enter foreign commitments, not necessarily to end them. So if either the President or the Senate can prevent the creation of a treaty, it is logical to expect that just one of the two also ought to be able to bring the treaty to an end.

Q. Did President Carter have a special obligation to consult with Congress in view of a resolution adopted by the Senate in 1977 calling on him to do so?

A. I think he did have this obligation, even if the resolution did not make it compulsory. While I agree with what he did, I disagree with how he did it.

I think he will be able to make it stick, but the President would have been much better advised to consult closely with Congress before he took this step. It was a clear-cut political error. The administration was looking for a diplomatic victory, but it is going to pay for it in terms of lost confidence on Capitol Hill. There will be sharp attacks on the administration, an aggravation of tensions between Congress and the White House.

Q. Will Congress enact a law that would require the President in the future to obtain Senate consent before ending treaties?

A. It is possible that the kind of sentiment we are seeing in Congress over the President's Taiwan actions will be turned into law. This is a setback in terms of the President's standing with Congress and his capacity to work harmoniously with the Congress. He would have been much better advised to take time to prepare the Congress, to prepare the government on Taiwan, to prepare public opinion for the abrupt change in American policy. I don't understand the rush.

Most of my colleagues in the Senate say that normalization of relations with Peking and termination of the defense treaty with Taiwan were inevitable sooner or later, but they expected time for consultation. But the step itself was virtually assured in 1972 when President Nixon went to China.

Q. Would you support such legislation requiring Senate consent for the termination of treaties in the future?

A. I would favor extensive consultation with the Senate by the President, but I don't know that I would vote for a law requiring it or attempting to define what consultation entails in particular cases. I think President Carter and his associates made a mistake in not taking into account the long, peculiar, unique relationship we've had with Taiwan. And I think there should have been detailed and close-in consultation with the Congress.

Q. Do you believe that the administration should have gotten from Peking specific assurances of Taiwan's continued security?

A. It's conceivable that they could have gotten more out of Peking than they did. Regardless of the communiqué, we should continue to stress that all nations ought to have access to the waters between Taiwan and the mainland, and that we would look with the most serious kind of concern on any threat to Taiwan's security. We should underscore our conviction that the wishes of the people on Taiwan should be taken into account.

From the standpoint of Taiwan's security, however, it is very important that the Peking government was willing to go ahead with normalization despite our declared intent to continue supplying arms to Taiwan and to continue commercial and cultural relations with the people on that island. Vice Premier Teng has also made separate assurances that they plan to achieve reunification by peaceful means. So it is not accurate to charge that we are normalizing relations entirely on Peking's terms. Significant concessions were made.

Q. In the absence of an explicit understanding concerning Taiwan's future security, do you expect the Chinese Communists to try to seize the island?

A. No. In the near future, at least, they won't have the military capability to take on Taiwan's very formidable and modern military establishment.

What I fault is the hasty and ill-prepared way in which the decision was handled—the crude diplomacy and the bad politics. I myself have favored for about 25 years that we recognize Peking. What the President has done is to bring American foreign policy into line with the realities we all know are there: that Peking is the government of China, and that the 2 million Chinese refugees on Taiwan are not going to regain control of the mainland. The President made a realistic judgment that in our own interest we ought to recognize Peking.

NO—"A TREATY IS A LAW, AND THE PRESIDENT CANNOT REPEAL A LAW BY HIMSELF

(Interview with Senator E. J. (Jake) Garn)

Q. Senator Garn, why do you claim President Carter's termination of the mutual-defense treaty with Taiwan is illegal?

A. The Constitution clearly says ratification of any treaty requires the advice and consent of the Senate, and that this must be by a two-thirds majority vote. In 1954, the Taiwan treaty was ratified through this procedure. It is my belief that the same process must be followed to end a treaty. After all, a treaty is a law, and the President cannot repeal a law by himself. To do so would violate the Constitution.

Q. But isn't the Constitution silent about the procedure for ending treaties?

A. The Constitution is not specific, although it certainly involves the Senate in the treaty process. This treaty refers to "parties" who are required to act to terminate it, but it does not specify who those "parties" are—whether the President or Congress, or both. There are many cases that show a "party" to a treaty isn't just the President. It is the government, which includes the President and the Congress, or in this case the Senate.

Q. Why didn't the Senate challenge the Chief Executive on earlier occasions when he nullified treaties unilaterally?

A. As I understand it, there was a congressional role in every case where a treaty has been abrogated. This is the first time in our history an American government has renounced a treaty with an ally without any real cause or benefit.

Consider this: If Ronald Reagan became President in 1980, how would Carter feel if Reagan simply said he had decided to abrogate the Panama Canal treaties or the NATO pact? The attitude of Carter and his allies would be entirely different.

Q. Are you as concerned about the moral implications of the President's action as the legal impact?

A. Absolutely. I don't object to recognition of Red China, with its 900 million people. But the President has done it at the expense of 17 million Chinese on Taiwan.

Far beyond the issue of Taiwan's security is the moral credibility of the United States. I think this calls into question the basic integrity of the U.S. in the area of foreign policy.

The moral issues which concern our credibility with our friends and allies are more serious and have far graver ramifications for the future of this country.

Q. How valid is the White House argument that no agreement could have been reached with Peking if Carter had been required to consult formally and openly with Congress?

A. I believe the kind of agreement he made could not have been completed, because I believe it fails to recognize real American and Taiwanese interests. Every concession was made by us. No concessions were made by the Red Chinese. And we held all the chips.

Q. Do you believe that Congress would have insisted upon specific language to protect Taiwan's security as a condition of any recognition of Peking?

A. The Senate, I suspect, would have insisted upon a two-China policy, continuing our recognition of Nationalist China. But even if I'm wrong on that, I believe we would, at the least, have insisted on a mutual-defense treaty with Taiwan.

Q. In the past, many conservatives have argued—as in the case of Angola and arms for Turkey—that it's dangerous for Congress to restrict the President's authority to conduct foreign policy. Don't your present demands amount to the same thing?

A. Not at all. This is much different from arms sales. Here we're talking about a legally binding treaty. I agree that Congress in the day-to-day conduct of foreign policy has been getting too involved. But the distinction in this case is that we are dealing with a treaty approved by the U.S. Senate. The Senate's role in this aspect of foreign policy is required by the Constitution.

Q. Hasn't the administration implicitly guaranteed the future security of Taiwan by assuring it a continued supply of American arms?

A. We've not yet spelled out exactly what those arms sales are going to be.

And even if we sell them a good amount of arms, that certainly won't guarantee them the security they have under a defense pact with the U.S.

Q. Do you think Carter damaged his relations with Congress by acting as he did?

A. There is a damaging perception here that the timing of this announcement was deliberate, that he hastened to achieve an agreement, that it was more important to achieve an agreement for his own political purposes than for what the agreement represented. That's why he was willing to make so many concessions to get it quickly. There was no hurry on the part of the Chinese. The hurry was on our side.

Q. Why was the President in such a hurry?

A. It is widely charged that the President is so interested in political credit, doing things dramatically and rapidly, that the obtaining of an agreement becomes more important than the substance of it.

I think that's why he did it while we were out of session, just before Christmas, when there could be no organized effort against him.

Q. Do you accept the argument that by normalizing relations with Peking, the United States gains greater leverage in dealing with the Soviet Union?

A. No. As a matter of fact, I think the timing has hurt our relations with the Soviet Union, and specifically in the SALT talks. I think the Russians took advantage of this, when agreement had nearly been reached, to make further demands.

And so I believe the result will be that the Carter administrations will make further concessions in SALT, as it has in all of these other negotiations in foreign relations, to get an agreement even if it's to the detriment of the United States.

NANCY LANDON KASSEBAUM

Mr. DOLE. Mr. President, the Senator from Kansas wishes to comment upon his new colleague, the distinguished Senator from Kansas, NANCY LANDON KASSEBAUM.

We bring from the State of Kansas an outstanding lady.

Mr. President, this afternoon, we have witnessed another of those historic moments which have so distinguished this Chamber in the annals of self-government. We have welcomed to our ranks a new colleague, who I predict will earn the warm admiration of her peers as she has won the hearts and minds of her fellow Kansans.

Now much has been made of Senator KASSEBAUM's status as a woman—the first to be elected to the Senate entirely in her own right, the first sent to the Senate from Kansas, the only female Senator in this 96th Congress. It is not surprising that she has been in the limelight during these first few days in Washington. For her election to this body marks an important milestone in the continuing evolution of women in public life.

But, of course, NANCY KASSEBAUM is more than a woman. First and foremost, she is a Kansan. She hails from a proud lineage of service to the people of my State. I am conscious today of a torch being passed, as the Landon family launches the newest chapter in an honored tradition of effective and compassionate leadership.

I might add, part of the proudest moment in the life of Alf Landon was the swearing in of his daughter in Topeka, Kans. He may not have done it as well in 1936, but in 1978 the Landon name was most successful in my State.

So I just say, Mr. President, that we certainly welcome this distinguished colleague. This Senator looks forward, as I know other Senators on both sides of the aisle look forward, to working with our new colleague.

It just seems to me that we are all privileged to have an opportunity to serve with NANCY LANDON KASSEBAUM.

NANCY is her own woman. Her independence and her tenacity are matched only by her intelligence and integrity. As one who has strongly supported her political drives, I am extremely pleased to see her take her seat in the Senate. Her brand of political moderation makes her a welcome addition to the Republican Party and this Congress. Her fresh and original perspective will contribute significantly to our deliberations. For NANCY KASSEBAUM brings to our work a mind that is penetrating as well as thoughtful, and a compassion that does not exclude Government efficiency from its criteria of needs.

The Senator has enunciated clearly her belief that Government should be sensitive to individual need. It should also be sane in spending to meet those needs. These twin principles form the heart and soul of her creative republicanism. It is a philosophy which this old chamber should embrace without reservation.

For now, let me say simply that I look forward to working with Senator KASSEBAUM. I know that I speak for my colleagues when I say welcome aboard. The challenges you face are great. But so are the talents and insights you bring to your new position. In meeting and surmounting those challenges, you confirm the political faith of millions of Americans that women can take their rightful place in society's decisionmaking process. In this room where history is written with every vote taken, every debate decided, you will make history by your very presence.

It is a presence we warmly welcome.

TRIBUTE TO FORMER SENATOR THOMAS McINTYRE OF NEW HAMPSHIRE

Mr. KENNEDY. Mr. President, the absence of Senator Thomas McIntyre of New Hampshire from this chamber in the 96th Congress will be a source of great regret to all of us who served with him and worked with him.

Senator McIntyre and I both came to the Senate in 1962, and we worked closely together for 16 years. In his many years of outstanding service, he earned a solid reputation for his skillful work on national defense. As a member of the Armed Services Committee, he presided in Congress over the cutting edge of America's military strength, the research and development budget so vital to maintain our Nation's future power. And his long experience on the Banking Committee made him a leader on economic issues important to both New Hampshire and the Nation. He was widely known in Congress as the father of the NOW account, one of the most remarkable banking innovations for the benefit of the consumer in many years.

Through his work on the Senate Small Business Committee, Senator McIntyre helped to launch the drive for regulatory reform in Congress. As much as any other single factor, it was Senator McIntyre's investigative hearings that made all of us in Congress understand the crushing burden of Government paperwork, especially on small business.

In many other areas, he was also an effective Senator. He was a pioneer on solar energy, and worked hard to develop a responsible energy policy for the benefit of both New England and the Nation.

Throughout his service, Senator McIntyre was an outstanding Member of the Senate, and we shall miss his friendship and leadership in the years to come.

RECESS TO THURSDAY, JANUARY 18, 1979

Mr. ROBERT C. BYRD. Mr. President, I move the Senate stand in recess until the hour of 12 o'clock meridian on Thursday next.

The motion was agreed to; and at 1:58 p.m. the Senate recessed until Thursday, January 18, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

ALASKA THE REAL ECONOMICS OF THE ALASKA NATIONAL INTEREST LANDS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FISHER. Mr. Speaker, last May the House of Representatives passed by a resounding vote the Alaska National Interest Lands Conservation Act, H.R. 39. I was a strong supporter of that legislation. Like so many of my colleagues, I was dismayed that the Senate was never given a chance to act upon it.

For the benefit of new Members and others who may have missed them, I would like to reiterate the remarks I made last spring on this subject. The President's action on December 1 to assure protection of these lands was commendable, but it does not alter the need for legislation.

As I said last spring, the Alaska National Interest Lands Conservation Act is without doubt one of the major pieces of conservation and land use legislation in the history of the Republic. When the bill becomes law, it will rank in national importance with the Homestead Act of more than a century ago, the establishment of the first national park at Yellowstone in the 1870's, the Reclamation Act of 1902, and other historic and far-reaching laws.

As I said then, I approach the bill from a background and perspective which is probably unique among House Members. I lived and worked in Alaska for several years when I was younger, took part in numerous resource surveys and studies pertaining to Alaska, worked for Senator Ernest Gruening when he was Governor of the territory of Alaska, was a close friend and neighbor in Juneau of Senator Bob Bartlett who was the first senior Senator from Alaska and before that for a long time a delegate in the House, and over the years have followed the fortunes of Alaska and written a good deal about it. I have hunted deer on Admiralty Island, gone fishing out from Homer in Cook Inlet, made studies of the agricultural potential in the Matanuska Valley, hiked in Mount McKinley National Park, spent some days on the Yukon River in a small boat, and even panned for gold out from Fairbanks as a weekend activity. I took some part in the statehood movement, have participated in the annual Alaska science conferences, lectured at the University of Alaska, and supervised many research projects having to do with Alaskan resources.

I cite these personal experiences simply to make clear that I do have a unique background and perspective on this bill. Out of this experience I want to make two principal points.

"LOCK-UP" OF ALASKA

First, with regard to the "lock-up" of resources particularly mineral resources, that some Members think this bill will entail, I simply want to remind you that what Congress locks up Congress can unlock. The key turns both ways in the lock and Congress holds the key. As a result of resources investigations, in which I have participated in other parts of the country, I can say that this charge against resource conservation and protection legislation is a familiar charge. Naturally, private developers will want the maximum of free access to land, water, minerals and other resources. Within some framework of orderly development procedures, they want license to go ahead, and this is understandable. Citizens more generally, whether in Alaska or in other States, have a divided interest: they want cheaper agriculture, timber, fish, minerals, and other products, and they also want the benefit of outdoor recreation, sport fishing and hunting, and wilderness. The two interests frequently conflict and compromises or balances have to be struck.

In my view, a good compromise and balance is achieved in H.R. 39. Around 56 percent of the enormous land area of Alaska will be available for development; these are the 105 million acres of State land plus 44 million acres of Native corporation land, once these acres have been selected. In addition there are 82 million acres of land that would remain under the jurisdiction of the Bureau of Land Management, appropriate parts of which in the normal course will be open for grazing, timber cutting, and other uses. Furthermore, most of the national forest land, some 24 million acres will be subject to appropriate timber harvesting. Hardrock mining under this bill will continue to be eligible on 70 percent or more of the lands with some mineral potential which remains outside the conservation system.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

These acreages which can be developed so far exceed the number of acres now in development or that conceivably will be in development in the next couple of decades that it is hard to imagine that resource and economic development activities in Alaska will be hampered in the slightest degree by the reservations and restrictions in this bill for a long time ahead.

What the bill will do by designating enlarged wilderness areas, not only in the national parks created in the bill but in the wildlife refuges and other protected areas, is to prevent private development from being located anywhere and everywhere without regard to any orderly progression of economic development. In short, developers will have all the land and resources they could possibly work on for many years to come under this bill.

LEAN TOWARD PROTECTION

The second principle point I want to make coming out of my experience in Alaska and in resource studies generally is this: When the question comes down to whether a little more protection, reservation, and conservation would be desirable, or whether a little more resource development would be better, I would say lean toward protection and conservation and the postponing of development unless a strong and compelling case can be made for development now or in the near future. This is the conservative approach, the conservation approach. It says, do not open land and resources up to helter-skelter, here and there development. It says, protect the land at least until the need for development is clear and conservation guidelines have been laid down.

True conservatives, it seems to me, whether Republican or Democrat, in cases like the Alaska land question, should choose to restrain and guide the forces of economic development in a sensible and practical way. The amount of land that by the bill would be assigned to wilderness and, therefore, not open to ordinary forms of development, comes to about 66 million acres. This is an enormous amount of land, but only about 17 percent of the total land area of Alaska. For the most part it is located in the remoter parts, off the beaten track, and would not be economically feasible for development for many years, if ever. It would be much better, in my judgment, to classify these lands as wilderness and incorporate them into National Parks—which are not open for development anyway—National Forests, National Wildlife Refuges, Wild and Scenic Rivers and waterways.

PHONY ARGUMENTS

I cannot speak in detail about all of the areas specified in the bill for protection in various ways. But I think I am in a position to make the general points I have made. The bill in no sense locks up land and its resources for all time. This is a phoney charge that has been used over and over again through our national history. The bill would protect large amounts of Alaska land from immediate and near-term development and would insure an orderly process, under broad congressional authority, for opening any parcels of land for subsequent development. And that is all the bill does.

And finally, as I have said, my long experience with these matters leads me to the persuasion that when in doubt it is wiser to lean toward protection, conservation, and postponing development unless a very powerful case can be made to the contrary. This case, I believe, has not been made and, therefore, the Congress would do well to pass the bill preserving Alaska. I think future generations will be grateful to us if we do.

Mr. Speaker, I commend Congressman UDALL for reintroducing H.R. 39. I am joining him as a cosponsor, and I urge my colleagues to do the same.●

OVERCROWDING IN AMERICA'S PRISONS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ZEFERETTI. Mr. Speaker, the crisis of overcrowding in the American prison system is one of the most pressing problems facing our society today. In far too many instances, inmates are being released from prisons slowly due to the conditions of overcrowding, not because they are rehabilitated or are ready to function as meaningful participants in our society.

The inmate population in this country is continuing to swell with little relief in sight. With the rise in crime over the past few years, the American public has rightfully demanded a crackdown on crime and criminals. In the past 5 years, the number of inmates has jumped from 204,000 to 278,000, an increase of 36 percent.

Despite this skyrocketing rise in the number of prisoners, the facilities available for confining these convicted criminals have not kept pace. Many of the institutions were built more than 50 years ago and are grossly outdated. In many cases, two and three inmates are squeezed into cells designed for a single prisoner. Many State officials are now under court order to reduce overcrowding in already archaic facilities and nearly every State has plans on the drawing boards for new prison facilities. The major stumbling block in building these much-needed correctional institutions is the lack of sufficient funds.

In my own State of New York, recent revisions in our State's criminal code will most likely result in the arrest and detention of an increased number of lawbreakers, particularly juvenile offenders making the adequacy of space paramount and making the cry for new prison construction even greater.

In my view, correctional facilities offer the greatest potential for significantly reducing crime. As an excorrectional officer myself, I can vouch for the validity of the deterrent factor in preventing crime. Simply stated, a potential criminal will think twice before breaking the law if he is aware that he will be arrested and face certain incarceration. However, due to the lack of adequate facilities, judges many times grant suspended or reduced sentences. Parole boards release inmates not because they have been rehabilitated, but because there is a need for space.

This "revolving door" system of justice must be stopped. The American people are exposed to convicted criminals walking our streets because we have nowhere to incarcerate them. There is little doubt that new and better prison facilities are a necessity, but the poor financial condition of many of our State and local governments makes a Federal response to the condition of these institutions a necessity.

For these reasons, I am again introducing the Corrections Construction and Program Development Act of 1978. Enactment of this legislation would provide Federal funds for up to 75 percent of the cost of acquisition, construction and renovation of State, county, and local prison facilities. The Federal Government has the obligation to see that Federal moneys are made available to alleviate the financial burdens preventing the expansion of our correctional facilities.

I urge my colleagues on the Judiciary Committee to give active consideration this Congress to my proposal, for our society must be protected. If we are to address ourselves to the need for an effective criminal justice system, then we must give increased priority to this need for additional Federal, State, and local facilities.

I am confident that such a commitment by my colleagues in Congress will prove effective in reducing recidivism and preventing would-be offenders from engaging in criminal acts. Incarceration can once again become a major deterrent to crime.●

THE 1978 NOBEL PRIZE IN PHYSICS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. RINALDO. Mr. Speaker, late last year, two prominent American scientists who work in my congressional district were awarded, with one other individual, the 1978 Nobel prize in physics. Dr. Arno Penzias and Dr. Robert Wilson, both of whom work as research scientists at Bell Laboratories in Murray Hill, N.J., were cited by the Royal Swedish Academy of Sciences for their discovery of cosmic background radiation, a residual heat that fills the spaces between stars and galaxies.

Their discovery, which is now regarded as confirmation of the "big bang" theory of the origin of the universe, came as a result of work at the most sensitive radio telescope in the world at Crawford Hill Research Labs in New Jersey. In an attempt to determine the origins of our galaxy, Drs. Wilson and Penzias encountered persistent background radiation and theorized that this radiation was the remnant of a cosmic explosion that took place 18 billion years ago, causing the birth of the universe.

This fundamental discovery has helped us to understand the origins of our solar system, our galaxy, and the entire universe. Moreover, since background radiation has a certain directional dependence, its variation can be used to measure the movement of matter through the universe.

Mr. Speaker, I want to extend my heartfelt congratulations to these two brilliant scientists. Their discovery represents years of painstaking labor and experimentation and is a tremendous advance in science. It will open doors for future researchers, and clearly merits the distinction they have received.

As the citation on the Nobel award clearly points out, Arno Penzias and Robert Wilson have helped us to a clearer understanding of the birth of the universe. I am pleased to have this opportunity to salute two outstanding citizens from my State, and wish them every future success in their endeavors.●

THE 15 DO'S AND DON'TS FOR MIDEAST PEACE NEGOTIATIONS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, two top State Department officials will be traveling to the Middle East this week to resume negotiations for an Israeli-Egyptian peace treaty. These meetings, which are to clear the way for ministerial-level meetings to finalize an agreement.

It will be recalled that the talks broke down last month, but since that time both sides have expressed a desire to resume negotiations and both have reiterated their desire and intention to sign a peace treaty.

The administration's enthusiastic endorsement of Egypt's new 11th hour demands even before the Israelis had a chance to study them proved a serious mistake, and it is hoped that will not be repeated. The enormous, one-sided pressure by the United States on Israel is just the opposite of the constructive, fair-minded approach that led to success at Camp David and is so vital if a peace treaty ultimately is to be signed.

The United States, instead of focusing as it should on its own November 11 treaty draft—which Israel has accepted—and seeking to build on that, appears to have abandoned that course and associated itself with the new Egyption demands.

I am pleased the talks are resuming and I am hopeful a treaty can be signed soon. I do not think either side wants to let this important opportunity for peace get away.

To help guide those negotiations, I would like to offer a list of "15 Do's and Don'ts" for all the parties:

THE 15 DO'S AND DON'TS FOR MIDEAST PEACE NEGOTIATIONS

For the United States:

1. Show the same degree of respect and consideration for both parties.

2. Let each party make its own evaluations; don't endorse a proposal before the other side has a chance to study it.

3. Treat Israel as though she, too, had super-rich relatives with enormous oil reserves.

4. Return immediately to the constructive, fair-minded and *patient* approach that led to success at Camp David.

For Egypt:

5. Try to understand Israel's genuine concern for her survival and security after withdrawing from the Sinai.

6. Show Israel tangible assurances that peace can endure for many years to come.

7. Don't put a self-destruct button in the peace treaty by tieing it to the actions of other parties.

8. Don't set a target date for West Bank/Gaza elections and autonomy unless the other parties show a clear-cut willingness to participate.

For Israel:

9. Give Egypt assurance that you will not sign a peace treaty with her and then drag your heels on solving the West Bank/Gaza and Palestinian problems.

10. Try to appreciate the enormous political, financial and military pressures on Egypt from the rest of the Arab world not to sign a peace treaty.

11. Believe President Sadat when he says that lasting peace in the Middle East is not possible without solving the Palestinian problem.

12. Resist the temptation to announce new West Bank settlements because of pique or frustration—that can only make matters worse.

For all:

13. Forget news leaks, temper tantrums, deep background accusations, inflammatory rhetoric and media manipulation. Keep the negotiations out of the public eye.

14. Understand that all sides may have to make concessions that once were considered unacceptable. No one has a monopoly on the truth.

15. Keep the United States as an impartial friend. Direct contacts between Israel and Egypt are to be encouraged because they build understanding and trust.●

MOST JUNKETS SERVE PURPOSE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCLORY. Mr. Speaker, the subject of congressional travel is rarely described in a favorable light in the press or other elements of the news media. An exception is to be found in a December 20, 1978, editorial which appeared in the Elgin Daily Courier News. Entitled "Most Junkets Serve Purpose," the editorial defends the travel of most Members of Congress. For my own part, I can attest to the fact that, as a delegate of many conferences of the Interparliamentary Union, I have been able to serve the interests of our Nation while gaining an enlightened understanding of numerous problems and interests of other nations with whom our own Nation must have contact.

Mr. Speaker, I commend the Daily Courier News on its editorial and have attached it hereafter for the interest of my colleagues in this Chamber:

MOST JUNKETS SERVE PURPOSE

A recent Associated Press story from Washington told about some 29 senators and 59 congressmen traveling abroad at taxpayers' expense in the lull since the November elections.

And many taxpayers will take quick offense, envisioning their representatives basking on the beaches at Waikiki or getting a little skiing in Austria.

But the truth of the matter is most of the jaunts serve a function. Members of Congress must be informed on the problems of other nations. The world has grown too small for provincial political decisions.

Many of the congressmen traveled to the People's Republic of China and to Japan—nations certain to have a pronounced effect on America's future.

The most popular trips for senators were to a NATO conference in Portugal and to the Soviet Union. Again, these are places were four lawmakers could gain important facts vital to their future decisions.

There are, of course, a smattering of our representatives who take advantage of their positions and pack off on pleasure trips in the guise of fact-finding expeditions. They should be found and exposed for what they are—cheats.

Congress has stopped some of this boondoggling by prohibiting those defeated for reelection or retiring from office from going off on trips at government expense.

But, nevertheless, every trip should not be labeled a freebie—a junket.

Some of the corners this nation has painted itself into in the past might well have been avoided if Members of Congress had more firsthand knowledge of the world around us.●

ECONOMIZE BY ELIMINATING CIVIL DEFENSE SPENDING PROPOSAL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. OTTINGER. Mr. Speaker, press attention to the expected budget cut proposals from the administration has reached an all time high in the passed few weeks. In light of the renewed dedication we in the Congress and the President have made to trimming the fat off the Federal budget, I commend to the attention of my colleagues the following editorial which appeared in the New York Times last November that documents succintly one defense program that can justifiably be scrapped:

MR. CARTER'S FALLOUT BISCUITS

The cry of civil defense is about to be heard in the land again. President Carter has been persuaded—bamboozled may be the better word—to throw $2 billion into a Federal program to plan the speedy evacuation of 140 million Americans from large cities in case of nuclear attack. His real concern, of course, is not for the defense of the population against the Russians but the defense of an arms control treaty against the Senate. Still, the idea does no augur well for the President's style of argument in that coming debate.

Our skepticism may be premature, even ungrateful. Mr. Carter may have hit upon an ingenious way to finance his urban policy in a time of stringent budgets. President Eisenhower built the interstate highways in the name of civil defense. And President Kennedy tried to get America moving out of a recession by urging the urban masses to acquire second homes, underground in the backyard. We estimate (in constant dollars) that the proposed expenditure of $2 billion by 1985 would rebuild about 8 miles of one collapsed highway in our city, from which there is now

no orderly egress on the average Friday afternoon. Alternatively, the same sum could upgrade the Amtrak roadbed between New York and Washington for the emergency hauling of millions to, say, Philadelphia. If this be civil defense, we are prepared to make the most of it.

Mr. Carter seems more likely, however, to produce a new army of tin-hat wardens who will push a lot of expensive pins across fancy maps, decorate our highways with a new breed of billboard ("Nuclear Haven, Right Lane, ¼ Mile") and stock our greenbelt meadows with a five-day supply of fallout biscuits. We are not imagining the biscuits. Millions of them are left over, somewhere, from the Kennedy civil defense program that earmarked $700 million (old dollars) for the excavation, identification and provisioning of fallout shelters. The Kennedy planners preferred shelters because, they said, an evacuated population could not escape from radioactive fallout and because even in 1961 the warning time of a missile attack seemed insufficient for a drive across the George Washington Bridge. The shelter program collapsed when moralists pronounced it better to shoot an unsheltered neighbor than to risk overcrowding your own family pit.

This nonsense is being reborn because of the alleged size and pace of the Soviet civil defense effort. The Russians are said to be aiming to hold their urban casualties in a nuclear exchange to a mere 50 million. And this, it is said, proves their intention one day to blackmail us into diplomatic concessions without ever launching an attack. If we, too, could count on casualties below 100 million, the theory goes, we could risk a SALT treaty and still expect to stand firm in a crisis. It is the theory of a mentality that understands the psyche of the American city about as well as its transportation system.●

HATCH REPEAL: SPELL IT P-O-L-I-T-I-C-S

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the major concerns of this Congress is oversight of the implementation of civil service reform. It is my opinion that repeal of the Hatch Act would be a contradiction of the intent inherent in civil service reform.

An editorial in the January 8, Federal Times, very properly addresses the subject of Hatch Act repeal. I wish to insert it at this point:

HATCH REPEAL: SPELL IT P-O-L-I-T-I-C-S

The first issue of *Federal Times* was dated March 3, 1965. And one of the front page headlines read: "Hatch Act Is Target of Two Bills."

The story beneath that headline began: "Legislation has been introduced in Congress which would amend the Hatch Act and allow government employees to play an active role in partisan politics . . ."

So, here we are nearly 14 years later getting ready for Hatch Act debate once again in Congress. Plus ça change, plus c'est la même chose, as Alphonse Karr said of his world, or something, in the 19th century.

Only this year, according to some fighting to axe the Hatch Act, it's not going to be the same old thing. This year they believe they can get Congress to repeal that law. And unlike 1975, when Hatch Act revision reached President Ford's desk, this time they have a man in the White House who has said that he would sign such a bill if one comes his way. It might be noted here, too, that Mr. Carter's most influential adviser on civil service matters, Alan Campbell (Civil Service Commission chairman expected to become director of the new Office of Personnel Management), favors doing away with the Hatch Act.

Well, as a page one story this week suggests, getting Hatch Act repeal through Congress this year may not be an easy job. And we are pleased to note that Rep. Gladys Spellman, a key member of the House Post Office and Civil Service Committee, has decided to listen to her constituents—many of whom are federal workers—on this issue rather than relying on advice from union leaders.

As we have contended for a long time now, the idea that the majority of federal workers is demanding Hatch Act repeal, as some anti-Hatch people continually suggest, is extremely difficult to prove. We find no indication that such is true. The demand, we think, comes primarily from federal and postal union leaders. And understandably so. If there were no Hatch Act, and federal employees could run for public office or serve as campaign managers, union leaders would have infinitely more power than they have now.

Let's remember that the Hatch Act does not keep a federal worker from voting or contributing to any political campaign or putting a campaign sticker on his car.

It does, however, keep a federal employee from soliciting another federal employee—offduty, as well as on—for political campaign funds. Removal of the Hatch Act ban on this would obviously make it easier for a union local official to run for office since he could have his colleagues in his union solicit other union colleagues. Voluntary support, meaning doorbell ringers, is what's needed for a political campaign. And if a union local official is successful battling management or whatever by way of his union position, one would think he might be inspired to test his skill in the outside political arena. This would mean more and more federal workers involved in political campaigns which is not what taxpayers are paying federal workers to do. A political candidate or campaign worker would be able to get leave from his regular work (without pay, to be sure, but not without interruption to regular benefits) and, again, government work would have to be put on the back burner. Is that desirable? We don't think so.

If Hatch restrictions are done away with, we also believe—as we said on this page two years ago—that most federal workers feeling political pressure from the boss would not blow the whistle because to prove such coercion—when it is subtle, not obvious, as it would most usually be—would be difficult and because, as whistle blowers everywhere know all too well, the very act of tooting the whistle puts a man's job in jeopardy, no matter what the so-called rules of the game say.

We also think that political activity by federal workers could lead to a raft of conflict of interest situations. For example, let's say a bureau or division chief at HUD decides to run for elective office in an area where HUD makes grants or oversees zoning. Let's say that the federal worker wants to run for mayor or county zoning commissioner. With an election in mind, he can start campaigning while he's still on his federal job in the office by making decisions concerning that area which will help him politically. His office staff naturally must participate in such decisions or incur his wrath. Once he gets elected he can assure that his successor is someone he can "deal with" at HUD.

With Hatch out the window, you might have a political revolving door where politicians scuttle back and forth between elective and federal jobs, no holds barred. This could lead to influence peddling on a scale we can hardly imagine now.

The way the bill was written last year, foreign intelligence agents, those who enforce laws, and those awarding government contracts, subsidies or licenses will remain Hatched. But as historian Marjorie G. Fribourg has pointed out: "Someone asked [Rep. Carl] Hatch when his bill was being written [in 1938] whether there weren't some government workers who couldn't coerce anyone and shouldn't be restricted. He answered that there is no way to draw a line. Almost every agency affects the lives of multitudes.

He would not have been impressed with the few hard-to-enforce rules in H.R. 10 [the 1978 bill] stating that neither coercion nor abuse of authority (both almost impossible to prove) are not to be used for election purposes. Such rules are no substitute for a healthy nonpartisan spirit in a government office."

The Civil Service Reform Act opens the door for much more politics in the civil service. Repeal of the Hatch Act would put the icing on the cake and increase political activity and buddy-buddyism within the career service tenfold.

We did not always agree with President Ford, but we think Mr. Ford had it right when he vetoed a repeal of the Hatch Act in 1976. And we suggest that the reasons he gave then for doing so are worth remembering. When he vetoed that 1976 bill to do away with the Hatch Act, he said, in part:

"The public expects the government service will be provided in a neutral, non-partisan fashion. This bill would produce the opposite result . . .

"If the prohibitions against political campaigning were removed, we would be endangering the entire concept of employee independence and freedom from coercion which has been largely successful in preventing undue political influence in government programs or personnel management.

"If this bill were to become law I believe pressures would be brought to bear on federal employees in extremely subtle ways beyond the reach of any anticoercion statute so that they would enevitably feel compelled to engage in partisan activity.

"This would be bad for the employee, bad for the government and bad for the public. . . .

"The fundamental objection to this bill is that politicizing the civil service is intolerable."

Too bad that so many congressmen and Mr. Carter, too, do not understand such a fundamental objection.●

AMENDMENT TO MANDATE A BALANCED FEDERAL BUDGET

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. VOLKMER. Mr. Speaker, today I have introduced a joint resolution calling for a constitutional amendment to mandate a balanced Federal budget.

This is an issue that we must face during this session of Congress. Currently, 22 States have passed resolutions calling for a Constitutional Convention for this purpose. This is an indication that such an amendment reflects the support of a great many people throughout the country.

My resolution is strictly an amendment to mandate a balanced Federal budget except in times of national emergency, such as war.

President Carter and many of my colleagues have stated that the Federal Government has to take the lead against inflation. The place to start is with the Federal checkbook.

There will be positive economic consequences when we balance the budget and continue to keep a balanced budget. There will be more faith in the dollar abroad. The American people would have more faith in their Government.

We can win the fight against inflation by our lead in balancing the budget. I think we can accomplish this by 1981.●

SOME REAL SOLUTIONS

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GUDGER. Mr. Speaker, today is an auspicious occasion for all of us. It marks the beginning of a new Congress, and for those newly elected Members, the beginning of a new career.

We also are still in the opening days of a new year, a year of promise and hope, a year in which we hold in our own hands the destiny that will help shape the fulfillment of those promises and hopes. It is largely up to us—in the mental attitude and sense of self-discipline in which we approach the days ahead.

An excellent guide as to how we might set about this can be found in a list of new year's resolutions by newspaper columnist Sydney J. Harris recently published in the Asheville Citizen in my congressional district.

In order that we all might share his sensible and inspirational "game plan" for the coming year, I include the column at this point in the RECORD:

NEW YEAR'S RESOLUTIONS

(By Sydney J. Harris)

Resolutions I'll Try To Keep if You'll Try To Make:

To remember that we all basically want the same things, and our differences are less important than our similarities;

To stop blaming "them" for what is wrong with the world, and to examine more scrupulously our own failure to live up to our beliefs;

To love goodness as much as we hate evil—otherwise, it becomes too easy to turn into a hater instead of a healer;

To keep in mind at all times that "justice" is a seamless web, and not until we assure justice for others do we gain the right to claim it for ourselves;

To know that strength most often discloses itself in gentleness, and weakness in fury;

To refrain from self-congratulations in contributing to charity—rather, to work for the elimination of the deeper conditions that continue to make such charity necessary;

To say no more than we know, to speak no more than we mean, and to give others as much the benefit of the doubt as we expect from them;

To cease imagining that we can change conditions for the better, by "doing" more than we do, without at first "becoming" more than we are;

To understand that what we call "freedom" is not a personal attribute, but a social relation—and that the optimum of freedom for everyone depends upon self-imposed restrictions democratically arrived at;

To look beyond the issues that divide us, and grasp for the ends that unite us—not in mere sentimentality, but as a sheer matter of the survival of our self-destructive species;

To recognize and admit our prejudices freely, and—if it is beyond our power to extirpate them—to discount them as realistically as we discount our limitations of eyesight or hearing or tastebuds;

To accept the hard moral truth that from the moment we do anything creditable in the anticipation of applause or popularity, we have forfeited our right to such credit;

To stop justifying selfishness because "the world is a jungle"—for it can also be a garden, depending on whether one wants to plant and water, or to plunder and uproot; and

Finally, to generalize less, and specify more; to think (and act) in terms of individuals and specifics, not in terms of abstract groups or policies; and, insofar as is humanly possible, to judge ourselves by the strictest demands of justice, and others by the broadest law of mercy.●

FUTURE OF VA MED CARE?

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROBERTS. Mr. Speaker, last year I was joined by an overwhelming majority of the House in a successful effort to maintain the Veterans' Administration medical system at a level that would permit its hospitals and clinics to provide care to eligible veterans.

We restored unwarranted budget cuts called for in the President's budget. Now we return to Washington to find that the Office of Management and Budget has refused to allow the VA to spend the funds Congress appropriated for veterans' medical care.

Veterans across the country are deeply concerned. Many have expressed anxiety about the future of the VA medical care system. In the January 1979 issue of the Washington Action Reporter of the Veterans of Foreign Wars an article spells out the basis for their concern. For the edification of our many colleagues who supported the VA budget increases last year, and for those who may have to deal with the same issue again this year, I wish to reprint that article in the RECORD:

FUTURE OF VA MED CARE?

(By Cooper T. Holt, executive director, V.F.W. Washington Office)

The medical services and hospital, nursing home, and domiciliary care that the American people, through the Congress have committed themselves to provide to the veterans of this Nation's wars is at a critical crossroad. The question is will the VA medical program survive the onslaught of the Carter Administration? This vital and essential program, which the American veteran paid for in blood and sacrifice, is slated for such severe budget and other resource reductions under the guise of inflationary control and "zero based budgeting" that, unless it is reversed, the cuts will force the VA to take care of only service-connected cases.

It is not my intent to downgrade the importance of care for service-connected veterans. The contrary is the case. It is a known fact that service-connected conditions are usually the more long-term chronic ones. A well-rounded program of hospital care and medical services can best be delivered, however, when you have the proper mix of patients, a large number of whom have acute conditions. This is the only way a health care delivery system as large as that of the VA can attract and retain highly qualified health services personnel in sufficient numbers to provide the kinds of programs the American people and the Congress intended for eligible veterans.

For a number of years, it has been the "grand design" of the Office of Management and Budget (OMB) and its predecessor agency, the Bureau of the Budget, to keep cutting away at the quantity of medical services provided veterans. In the early post World War II era, the VA operated in excess of 120,000 hospital beds. Today, the number has been cut to 88,300 according to the President's budget for FY 1979. During the same period the average daily patient census in VA hospitals has dropped from in excess of 112,000 per day to approximately 73,000 per day. At the same time, the number of domiciliary beds has suffered from the same downgrade trend. The number of VA nursing care beds has never reached more than approximately 80 percent of the 10,000 beds mandated by the Congress. Older veterans, requiring nursing home care are being forced out of contract community nursing homes into Medicaid facilities or back into their own homes where the care that can be provided ranges from little, due to the age and health of the spouse, to no care at all.

Now, if all of this shocks you, let me say there is more to come. In his fiscal year 1979 budget requests, President Carter asked for 1,183 additional full-time employees for medical care programs, excluding employees for Medical and Prosthetic Research and the Central Office staff. The Congress in the Appropriations Act for fiscal year 1979 added an additional 2,200 full-time staff years to keep open 3,132 hospital beds the VA intended to close and to man the understaffed outpatient activities. However, at this writing a telephone survey of all VA medical activities reveals that approximately 7,000 fewer staff years have been allotted to all medical facilities than were actually employed in fiscal year 1978.

Now if this is not enough, the Carter Administration has placed a freeze on the employment level and will permit the filling of only one of every two vacancies that occur during this year. It does not take a genius to realize certain health care delivery organizational sections have a high employee turnover rate. Dietetic, nursing and building management activities are to name but a few. Can you visualize what will happen to these activities if only one of each two vacancies are to be filled? Within a matter of weeks these activities will be completely ineffective. In turn, this will cripple the medical facility to a point it would become inoperable. This, of course, fits very well into the "grand design" of OMB as mentioned earlier. Should this happen, then the only viable option would be to contract for essential services for the service-connected veteran and leave the needy, non-service-connected, veteran to obtain whatever care he requires on his own in the private sector. This becomes a real possibility; and if it happens, in my opinion, the VA operated health care delivery system solely for veterans as we know it today will cease to exist.

What can you do about it you may ask yourself? Well, I believe you can do a lot. First, you and your family can each tell your nationally elected officials in Washington your thoughts on the subject. I can tell members of Congress my personal and official thoughts about it; but when you, their constituents back home, tell him, they listen. Second, you can communicate with your comrades, other friends and members of community organizations, giving the American public the facts and seek their support. It is my belief that this is the most effective way of tackling a very real and major threat to your veterans health care program.

National health insurance is still a major legislative conversation piece in Washington. If the downtrend I have outlined in this article is not reversed, you can give odds that the veterans medical program "will be phased into the general delivery of health services in communities across the country" as recommended by the National Academy of Sciences in its $7.3 million study entitled "Health Care for American Veterans."

Let us not allow this to happen.●

THAT ELUSIVE SOVIET QUAGMIRE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, the Carter administration's handling, or better described as mishandling, of foreign affairs is obvious. In my opinion, the overall record of the administration in foreign policy can only be described as disastrous.

I wish to insert into the RECORD at this point an article from the Wall Street Journal of January 4, 1979, by Kenneth L. Adelman. Mr. Adelman, an assistant to the Secretary of Defense in 1976 and 1977, served in Africa from 1972 to 1975, and is presently with the Stanford Research Institute. Mr. Adelman comments on the administration's reaction to Soviet forces in Africa. His remarks follow:

THAT ELUSIVE SOVIET QUAGMIRE

(By Kenneth L. Adelman)

A curious silence followed a most remarkable feat: the sudden near-doubling of formal Soviet treaties with Third World states. In short order, Afghanistan, Ethiopia and Vietnam concluded 20-year "friendship and cooperation" treaties, each adorned a military clause. The Communist initiates of Mozambique and Angola signed up a few years back, following non-Communist Iraq and India.

Soviet aggrandizement in the Third World, once provoking a shrill cry of impending peril in the West, is now greeted by a collective yawn. Commentators, academics, and even administration officials—if mentioning the subject at all—are prone to offer consoling words. Such treaties they say, have all the depth of the paper they're written on because Soviet ties to developing countries last as long as disappearing ink. If proving more indelible, then all the better, since deep Russian military involvement can open the way to the Soviets' own quagmire. Meanwhile, what harm can the Soviets possibly inflict in such impoverished states?

Granted, final judgments must be reserved. After all, Russia is still an adolescent superpower courting states in their infancy of Marxism. Yet one can now detect flaws in such reasoning, which is inspired more by a quest for the fashionable than the factual. "It will never be known," Charles Peguy wrote in 1910, "what acts of cowardice have been motivated by the fear of not looking sufficiently progressive."

HOW THE PLAYERS FEEL

While "progressive" spectators may deem these treaties paper-thin and the Marxism of the new signators skin-deep, the players themselves do not.

After signing on the dotted line, Afghanistan's president told Mr. Breshnev, "Our two countries have assumed, I would say, a qualitatively new character." Likewise, leaders of Afghanistan, Ethiopia, Vietnam, Angola and Mozambique ardently profess their adherence to Marxism, though Westerners may doubt their sincerity. In Finland last year, questions about his brand of "Afro-communism" infuriated Mozambique's president, who denied any such hybrid existed since his state had adopted the "pure form" of "scientific socialism."

Though now burning bright, the romance's flame may soon flicker as Third World leaders see Russian crudeness, racism and economic miserliness close up. African regimes in particular—so it is believed—may be wooed but never truly won.

Indeed, the Soviet engagement in Egypt, Sudan and Somalia was brisk. But these three governments were firmly entrenched in power before inviting the Soviets in and after booting them out. The regimes in Ethiopia, Angola, Mozambique and Afghanistan, in sharp contrast, were placed or retained in power substantially by Russian arms and Cuban mercenaries; Vietnam's government triumphed by Soviet weaponry. Such indispensable aid makes for enduring ties. Sure enough, these five states show no signs of creeping querulousness with Moscow, whose own appetite seems to grow by what it feeds on.

Moreover, brevity does not assure purity. Even a temporary Soviet presence can prove devastating. During less than two decades of Soviet involvement in Egypt, the Middle East suffered three calamitous conflicts. Less than one decade of Soviet chicanery in Somalia spawned the Ogaden invasion, with tragic consequences throughout the Horn. Three years of Soviet-Cuban swashbuckling in Angola made possible two perilous invasions into Zaire's economic heartland.

A Soviet-styled Vietnam—which some Westerners fleefully anticipate—is quite far-fetched. As former Arms Control and Disarmament Ageny director Fred Ikle has written, the American-styled Vietnam occurred because Moscow and Peking showered their comrades with arms to defeat Western-backed forces. The tables cannot be turned so long as Washington denies anything near this scale of aid to thwart Soviet-backed forces. Such were among the "lessons" of Angola 1975 and Somalia 1977.

As to the harm the Soviets can inflict in such backward and brittle outposts: They can militarize volatile areas, providing the means (though not the causes) for the outbreak of full-scale warfare. Such was the case with its former allies, and such remains the case with its present allies.

Lacking any historical economic or political involvement in Africa, Moscow now supplies more than 75% of weapons headed there. It is by Russian arms that Africans are slaying one another—and Cubans are slaying Africans—all across the continent, yet not by Russian aid that they are helping one another. For Moscow turns cold-hearted when asked to help alleviate dismal poverty. As British Foreign Secretary Owen noted: "The value of Soviet aid to developing countries has declined since 1973–74 and debt service payments to the U.S.S.R. now exceed new disbursements to the least-developed countries." Somewhat miraculously, Moscow has transformed foreign aid into an income-generating scheme.

Human rights may be bleak around the Third World, but are most consistently and persistently so within Marxist quarters. No need for words on conditions in Communist Indochina. The heartrending photos of the "boat people" and the flood of refugees from all three Indochinese states—particularly from the genocide of Cambodia's new Dark Ages—suffice.

No photos, however, have been snapped of the 5,000-plus political prisoners languishing in Mozambique's jails and camps. None taken of the harsh repression in Angola, whose president proclaimed last year. "We aren't a bourgeois democracy. From now on, the dictatorship will be a little more strong," and has proven as good as his word. None of the upwards of 30,000 massacred by the grisly Marxist rulers in Ethiopia, including some 5,000 youngsters (aged 12 to 25) herded up and shot in a mere three months time—according to Amnesty International—"their bodies being left until morning with a warning placard attached to them saying. 'This was a counterrevolutionary.'" As Tolstoy said, revolutionaries in power always behave worse than those they replace in part because they come fresh to it.

AS LENIN WROTE IN 1915 . . .

What are the Russians up to? Real Soviet intentions are necessarily shrouded in mystery. For modern psychology teaches that one cannot fathom his or her own real motivations nor those of another individual, let alone those of stodgy septuagenarian bureaucrats in the Kremlin. Their stated intentions, however, are quite apparent—to create a Communist world eventually, with Moscow its Mecca—and their policies towards the Third World quite consistent. In 1915, Lenin presciently wrote that colonial-type "wars of national liberation" would lead to Marxist regimes.

This would help sever the mineral-rich developing world—frequently called by Lenin's heirs "the weakest link in the system of capitalist international economic relations"—from the West. Lenin urged support for such wars "commensurate with [Russia's] own strength," and, quite predictably, Moscow's immersion into the Third World followed on the heels of its vast expansion in military strength.

With Europe stabilized in this century's second quarter (1925–50) and east Asia semi-stabilized in its third quarter (1950–75), other Third World areas—those in south Asia and the Persian Gulf, but particularly in Africa—furnish the ripest opportunities today, in the century's final quarter. Soviet aggrandisement in such regions—as evident by their recent flurry of treaty signings—should provoke more than a collective yawn.●

TRIBUTE TO MR. HARRY E. WOHLFARTH

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to join the Gloucester County Board of Realtors in New Jersey in paying tribute to an outstanding member of their fine organization, Mr. Harry E. Wohlfarth.

Harry is the president of the Gloucester County Board of Realtors for 1978 and has the distinction of being chosen as "Realtor of the Year." This honor symbolizes the excellent service he has provided within his profession, to his community, and to his clients.

Harry is one of those admirable people who has been able to successfully combine both his career and his responsibility to the community. He has served as governor of Moose Lodge; president of the Lions Club and a member of the Planning Board and Zoning Board of Paulsboro, N.J. Surely, Harry's record reflects an individual dedicated in service to others by actively participating and devoting his time and energies in every facet of community life.

I feel that Mr. Wohlfarth has set a fine example to all who have been associated with him and I certainly join in the commendation and recognition he truly diservess.●

DISMISSAL OF ABZUG AS COCHAIR OF NATIONAL ADVISORY COMMITTEE ON WOMEN

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CONYERS. Mr. Speaker, the President's dismissal Friday of Bella Abzug as cochair of the newly created National Advisory Committee on Women is a very disquieting affair. Its significance goes beyond Mrs. Abzug. It raises basic questions about the manner in which the President conducts his office, his tolerance of criticism and dissent, and his ability to reach out to others of qualification in and out of Government for advice on matters of State.

As a three-term Member of Congress, a leader of the women's movement, an opponent of the Vietnam war, crusader for civil liberties, racial justice, open government, and Federal policies to aid the disadvantaged, Bella Abzug established beyond any reasonable doubt an outstanding record of public service. The President first appointed her only last year in recognition of these considerable public accomplishments, and in particular with the knowledge of her leadership in the women's movement and the high regard with which she is held.

The firing of Mrs. Abzug should be examined and judged strictly in public terms. There is no room for personality clash or personal pique, given the circumstances. The President, of course, was well aware of Mrs. Abzug's public views and style, as she was of his. The public facts are these. The Friday meeting was the first of the Advisory Committee. An earlier meeting scheduled for last November was canceled at the last minute, for which Mrs. Abzug was not responsible. Mrs. Abzug as well as the majority of the committee spoke to the President on Friday about their social and economic concerns, in particular offering their views on the dangers of domestic budget cuts to the well-being of women, the poor, and the society in general. A news release had been prepared which was critical of the President on his budget plans. After the meeting with the President, at which Bella voiced support of the meeting's discussion and direction, she was asked to meet with two of the President's assistants who used the occasion to fire her. The preemptory and unjustified manner in which this took place immediately led to the resignation of the other cochair, Carmen Delgado Votaw, and 21 other committee members. More resignations have followed. The resignations cross party, regional, and ideological lines.

Is the meaning of the dismissal of Mrs. Abzug that the President and his administration cannot brook criticism and dissent, particularly in the social and economic area? If so, the President took a most unfortunate action. It is likely that this event will have a chilling effect throughout the Government and with regard to outside organizations that have differences with the President's policy, but who also have to work with the administration. If such is the case, the President ought to reconsider the dismissal.●

STOP PENALIZING LOWER INCOME TAXPAYERS FOR BEING THRIFTY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, it is time our Tax Code stopped penalizing lower income taxpayers for being thrifty. These persons are severely strapped as inflation drives up the cost of the necessities of life such as housing and food. The elderly, blue-collar workers, and young families starting out are some of the persons hardest hit. By taxing the interest on savings earned by such persons, the Government adds to their economic burden.

In recent years the rate of inflation has often exceeded the interest rate on savings accounts. As a result, savings accounts not only do not produce real income for the savers, but the value of the principal is reduced as well. This is a cruel result for people whose low incomes makes it especially difficult to save in the first place.

I am, therefore, today introducing a bill that would exempt from income taxes part of the savings interest earned by lower income persons. The bill would exempt from taxes up to $1,000 in the case of a single individual whose adjusted gross income does not exceed $10,000, up to $1,500 in the case of married persons filing jointly whose income does not exceed $15,000, and up to $750 in the case of a married person filing separately whose income does not exceed $7,500.

By this exemption, the savings that lower income persons painstakingly accumulate can be protected. When they set aside money for a "rainy day," to provide for their retirement, or to educate their children, they can do so with some confidence that the value of their savings will not be lost to inflation and taxes.

The cost of this bill would not be great. It would exempt only a small portion of the total taxable income, and the exemption would be effectively targeted to the lower income persons who require this help. These persons generally cannot benefit from more lucrative types of investments available to more affluent people, or from other provisions of the tax code that shelter income.

I urge my colleagues to join me in sponsoring this bill:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to partially exclude interest from savings from the gross income of certain taxpayers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"SEC. 124. PARTIAL EXCLUSION OF INTEREST FROM SAVINGS.

"(a) GENERAL RULE.—In the case of an individual, gross income does not include interest which (but for this section) would be includable in the gross income of such individual for the taxable year.

"(b) LIMITATIONS.—

"(1) INTEREST LIMITATION.—The amount of interest excluded under subsection (a) from the gross income of a taxpayer for the taxable year shall not exceed—

"(A) $1,000, in the case of a single individual,

"(B) $1,500, in the case of a joint return, or

"(C) $750, in the case of a married individual filing a separate return.

"(2) ADJUSTED GROSS INCOME LIMITATION.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds—

"(A) $10,000, in the case of a single individual,

"(B) $15,000, in the case of a joint return, or

"(C) $7,500, in the case of a married individual filing a separate return,

the amount of interest which may be excluded under subsection (a) from the gross income of such taxpayer (determined after the application of paragraph (1)) shall be reduced by $1 for each $1 of the excess of the modified adjusted gross income of the taxpayer over the amount applicable to such taxpayer under subparagraph (A), (B), or (C).

"(c) SPECIAL RULES FOR MARRIED INDIVIDUALS.—

"(1) COMMUNITY PROPERTY.—This section shall be applied without regard to community property laws.

"(2) DETERMINATION OF STATUS.—For purposes of this section, the determination of whether an individual is married shall be made in the manner prescribed by section 143.

"(d) DEFINITIONS.—For purposes of this section—

"(1) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to paragraph (3) of section 62 or to sections (a) and (b) of section 124.

"(2) INTEREST.—The term 'interest' means any amount (whether or not designated as interest) paid by a bank (as defined by section 581), a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of deposits, investment certificates, or withdrawable or repurchasable shares.".

(b) The table of sections for such part III is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of interest from savings.

"Sec. 125. Cross references to other Acts.".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.●

LET US REPEAL METRIC CONVERSION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. RUDD. Mr. Speaker, I have today introduced a bill to repeal the 1975 Federal law providing for U.S. conversion to the metric system of weights and measures.

The overwhelming majority of Americans do not want their customary system of weights and measures to be replaced by metric units, which are foreign to many of them and no better for everyday use than our own familiar measuring units.

For those people who want to use the metric system, we have had a U.S. law on the books since 1866 which provides for the voluntary use of the metric system. We have operated well under this dual system of customary and metric measurement for more than 100 years, and there seems to be no good reason now for the Federal Government to promote total changeover to metric.

There was great debate over forcing metric upon the American people against their will when Congress passed the Metric Conversion Act of 1975, and brought into being the U.S. Metric Board to "facilitate" the use of metric. It was the clear intent of Congress that changeover to metric was to be purely voluntary, and that no citizen or business was to be coerced—either directly or subtly—to use metric measurement.

But as with many Government programs, this one is already being forced on the people of America. The U.S. Weather Service plans to switch to metric, which will force all newspaper, radio, and television clients in the private sector to start reporting weather in the unfamiliar "celsius" instead of the traditional fahrenheit temperatures.

The Department of Transportation has already tried to switch highway signs on the Nation's roads to metric, but met with a storm of opposition. At some time in the future, unless Congress repeals the metric conversion law, the Federal bureaucracy will likely try again to impose this unwanted change on the American public.

The U.S. Metric Board is supposed to be entirely neutral on the use of metric measurement. But the President appointed several members of a metric advocacy group called the American National Metric Council to the Metric Board, and this private group's former president is now the full-time salaried staff director of the U.S. Metric Board.

The American National Metric Council primarily represents vested interests committed to metric conversion, and this private organization has its own timetable for switching American business and industry to metric measurement.

Now the U.S. Metric Board is in a position to implement the power and resources of the executive branch of the Federal Government in behalf of this objective of a few vested interests, despite the clear intent of Congress that no citizen or business be made to use metric measurement unless they do so on a purely voluntary basis.

Even the Comptroller General of the United States has stated in a recent General Accounting Office report that the existence of the Federal metric conversion law and the U.S. Metric Board is being erroneously perceived as a national policy of metric conversion. This has created an "inevitability syndrome," which is helping the small minority that wants metric to impose its will on unsuspecting people in the economic sector.

The big losers are the American people—the consumers—who will be made to suffer the inconvenience, dislocations, and enormous expense of switching to metric as the metric bandwagon continues to roll.

The GAO report states that the cost in almost every sector of our economy to convert to metric will be enormous, while the purported benefits of switching to metric are either nonexistent in any sector, or so questionable as to make metric conversion a highly dubious objective.

In fact, the GAO surveyed all sectors of the U.S. economy, and reported that no benefits could be found for switching to metric in the following sectors, which can continue operating well under the current dual system of measurement: U.S. world trade, U.S. engineering standards, the fastener industry—screws, bolts, nuts—transportation, automobile dealers, the metal products industry, rubber industry, petroleum industry, aerospace, the appliance industry, paper industry, surveying and mapping, labor, weather reporting, sports, consumers, and government.

The GAO reported that the most ardent proponents of metric conversion to be only vested interests that will themselves benefit from such a change at the expense of the rest of the people—certain Government departments that will regulate and direct the changeover at the Federal and State levels, educators and curriculum producers who would benefit from the change to a different system, thus requiring new textbooks and curriculum materials, and automobile manufacturers and others whose competitive situation might benefit from a measurement system consisting of more diverse and smaller units of measurement.

Certainly any individual or business that wants to use metric measurement should be permitted to do so, and the 1866 metric law has provided for this voluntary use of metric for more than 100 years.

However, the Metric Conversion Act of 1975 has been harnessed by a small minority of metric advocates to promote total implementation of metric measurement in the United States, and abandonment of our customary system, which is not a desirable economic or social objective for our country.

I believe that the interests of our country and its people will be served by repealing the Metric Conversion Act of 1975, so that freedom of choice in this matter will be preserved for our people, and the bureaucratic prometric interests will be unable to continue using the power and resources of the Federal Government to impose an unwanted conversion to metric on the American people.

Mr. Speaker, I commend the General Accounting Office for its good report on this subject, which is entitled "Getting A Better Understanding of the Metric System—Implications If Adopted by the United States"—CED-78-128, October 20, 1978. I urge all my colleagues to benefit from the insights of this 700-page study.

I will be most pleased to have cosponsors for my bill to repeal the Metric Conversion Act of 1975, which I would like to include in the RECORD at this point:

H.R. —

A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Metric Conversion Repeal Act of 1979".

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) the majority of American people do not favor conversion from customary United States weights and measures to the metric system, despite United States involvement as an original signatory party to the 1878 Treaty of the Meter (20 Stat. 709), and the fact that voluntary use of metric measurement standards in the United States has been authorized by law since 1866 (Act of July 28, 1866; 14 Stat. 339);

(2) the Metric Conversion Act of 1975 (89 Stat. 1007) has conveyed to the American public and to the business community the erroneous impression that U.S. conversion to the metric system is national policy, which it is not;

(3) the U.S. Metric Board, created by the Metric Conversion Act of 1975, exists as a promotional vehicle within the Federal Government, using the resources and the power of the Government to influence and encourage conversion to the metric system throughout the United States in violation of the intent of Congress;

(4) several Federal departments and agencies have provoked widespread public opposition by attempting to promote or implement use of metric measurement on highway signs, in weather reporting, in marketing beverages and other products, and through school curriculum materials, also not in keeping with the intent of Congress that use of metric measurement by any sector in the United States be strictly voluntary and not imposed by the Federal Government;

(5) according to an exhaustive study by the Comptroller General of the United States, the cost of metric conversion to the American people would be enormous, while the purported benefits of such conversion are non-existent or questionable in practically every area;

(6) standardization and rationalization of measurements, and other purported benefits ascribed to metric measurement, have occurred throughout the world under the customary system without metric conversion;

(7) there is no evidence that a solely metric system would be better for the U.S. economy, and U.S. economic activity and world trade have not been hampered or injured by a dual system of customary and metric measurement according to the Comptroller General's report;

(8) it is in the interests of the United States to eliminate Federal Government programs or entities, such as those continuing and expanding under the Metric Conversion Act of 1975, when it is clear that their objectives and activities are not supported by the people, or their existence is unnecessary to an overriding public need.

(b) The Congress declares that it is the policy of the United States—

(1) to pursue a vigorous effort to avoid wherever possible undue or harmful socio-economic dislocations as the result of Federal Government programs or actions, such as those needlessly imposed by efforts being advanced under the Metric Conversion Act of 1975; and

(2) to eliminate Federal Government programs or entities that would cause undue socio-economic dislocations, or whose objectives or existence are not supported or needed by the American people.

REPEAL OF METRIC CONVERSION

SEC. 3. The Metric Conversion Act of 1975 (89 Stat. 1007; 15 U.S.C. 205 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), and (k) is repealed.●

DEPOLITICIZING HEALTH CARE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McDONALD. Mr. Speaker, Representative STEVE SYMMS and myself today are introducing a bill to repeal titles XV and XVI of the Public Health Service Act, which were created by Public Law 93-641, the "National Health Planning and Resources Development Act of 1974."

The consequences of Federal health planning will be disastrous and thus Public Law 93-641 should be repealed immediately, for the following reasons.

First, the law provides both, the mechanism and the means for total, centralized control of health care by the Federal Government. Title XV establishes the mechanism by: First, directing the Secretary of the Department of Health, Education, and Welfare to issue guidelines concerning national health planning policy; second, setting "national health priorities", and third, creating a nationwide network of "health systems agencies", "health service areas", and "State health planning and development agencies."

Title XVI provides the means by authorizing Federal aid for developing "health resources"—essentially building new medical facilities or modernizing old ones—and Federal funding for the Health Systems Agencies established in title XV. Acceptance of these funds brings a medical facility under Federal control, if indeed it isn't already taking orders from HEW through prior acceptance of funds from Federal programs such as medicare, medicaid, Hill-Burton, and so forth.

Obviously, this is a major step toward complete nationalization of the health care professions, as was made clear by its proponents:

The important concept embodied in this legislation, that health financing should be closely related to health planning, has subsequently been reflected in almost all major proposals for national health insurance through a series of devices intended to assure that national health insurance does not pay for costly services which the planning process determines are unneeded. (House Report 93-1382, to accompany H.R. 16804, p. 8).

Aside from the intentions of its sponsors, however, Federal health planning by its very nature will lead to total Federal control of health care. One of the law's alleged purposes is to control the cost of health care, which has been rising at a rate higher than that of inflation for the past several yeas. But it attempts to do this by treating the effect, the rising prices, not the cause, which is the Government programs that socialize health care. When payments of medical services are collectivized, as under medicare and medicaid, the individual pays the same amount regardless of the cost and frequency of his own treatments. If health care is "free" on demand, demand soars and prices rise.

The health planners propose to stop this by ordering prices to hold still. They propose "maximum allowable cost" for drugs, and "professional standards review" for the elderly and indigent under medicare and medicaid, to make sure the Government pays for no "unnecessary" services. The Professional Standards Review Organizations, already established by another law, have the authority to control doctors' fees, to review confidential medical records in order to "standardize" allowable medical services, and to review hospital admissions.

Thus "free" medicine for the elderly and indigent is leading directly to Government rationing of health care services to these citizens. And now the health planners are talking about "a series of devices" to insure that the Government "does not pay for costly services which the planning process determines are unneeded," thereby extending Government rationing of health care to everyone.

Such controls, however, will not work unless they are total. Prices will continue to rise so long as the Government continues its involvement in health care, leading the planners to lobby for complete nationalization. There are only two ways to deal with the consequences of the insatiable demand induced by Government health care programs. One is to eliminate the Government programs and allow the market to bring supply and demand back into balance. The other is to give the Government total control over supply.

The health planners leave no doubt which option they chose, and are already claiming Public Law 93-641 to be inadequate. For example, Dr. Charles C. Edwards, former Commissioner of the Food and Drug Administration and former Assistant Secretary for Health at HEW, "renewed his call for a National Health Authority to regulate medicine as a public utility" in a keynote address before a meeting of the American Association for Comprehensive Health Planning last month—American Medical News, July 26, 1976.

"I am suggesting," Dr. Edwards said:

that health planning be merged with health cost regulation. Because without such a merger—without effective cost-containment—health planning, even under the best of circumstances, will remain an exercise in frustration and a bitter disappointment.

Dr. Edwards continued by endorsing "regional rate-setting agencies operating under Federal guidelines."

In other words, health planning will not work unless the Government has total control over the supply of health services, without which those who wish to determine how much, if any, health care each individual American citizen will be allowed, will be "frustrated" and "disappointed."

Second, Federal health planning is politicizing the entire field of health care. Instead of market demand determining and directing the supply of medical facilities and services, these decisions increasingly are being made by government and quasi-government officials. The decision to build a new hospital is not being determined by the demand for medical services by the people in a given area, but by officials of a "health systems agency" who, in conjunction with officials of the "State health planning and development agency" and officials of HEW's appropriate "regional planning center," attempt to determine if their health plans are in accord with the "national health priorities" set by Congress and the "national guidelines for health planning" issued by the Secretary of HEW. Thus decisions affecting the health of millions of people must go through layer after layer of health planners before anything can be done. And since the decision is political, not economic, those with political pull will get the new hospital, if anyone does, not necessarily those who need it most.

Such a system is designed not to provide health services, but to prevent them from being provided.

Third, this law undoubtedly will distort and disrupt the delivery of health services to rural and nonrural areas. Not only do such areas lack the political pull to compete with the more densely populated urban areas, but the "national health priorities" established by Congress discriminate against less populated regions. These priorities, as mandated by section 1502 of title XV, include:

(1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.

(2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).

* * * * *

(7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

Apparently, primary care services are to be provided in rural areas, but other levels of care only on a "geographically integrated" basis. What about a rural hospital which provides intensive care? Must its patients be transferred to urban hospitals? Or what about a rural hospital which wants to add facilities for intensive care? Must it wait until the population in its vicinity reaches some figure arbitrarily determined by a bureaucrat in a regional health planning agency?

Fourth, Public Law 93-641 is uncon-

stitutional, probably on many grounds. At the very least it is a violation of the 10th amendment. In fact, several States have already filed suit charging that the law is an illegal intrusion on a State's rights.

If we continue down the road being paved by Federal health planners, the American people will be denied the right to control their own health. Government planners not only will be setting doctor and hospital fees, but rationing medical care as well. Whether or not someone should have an operation no longer will be a medical decision arrived at by the individual and his doctor, but a political decision arrived at by Government health planners. In Great Britain, where health planners have been in control for many years under the National Health Service, patients are waiting in line for up to a year for a hospital bed to have a needed operation.

This is what Government health planning will lead to in our country if we do not change our course and begin systematically eliminating Government control of health care.

Repealing Public Law 93-641 would be an excellent first step toward depoliticizing the field of medicine.●

SIXTY-FIRST ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ANNUNZIO. Mr. Speaker, January 22, 1979, marks the 61st anniversary of the declaration of independence by the Ukrainian people, who, through terrible years of oppression, have kept alive their belief in the dignity of man.

Chicagoans of Ukrainian descent will commemorate this important day with the Ukrainian Independence Day banquet, Sunday, January 21, 1979, at the Pick Congress Hotel, 520 South Michigan Avenue, in Chicago, sponsored by the Ukrainian Congress Committee of America, Chicago division. Entertainment will be provided by the Ukrainian-American Youth Band and Dance Group, and also by the Ukrainian Democratic Youth String Ensemble.

The executive board of the Ukrainian Congress Committee of America, Chicago division, includes: Dr. Myroslaw Charkewycz, president; Michael Kos, vice president; Julian E. Kulas, executive vice president; Dmytro Bahrey, secretary; and Wasyl Braznyk, treasurer.

January 22 is a day of sadness, not only for the Ukrainians but also for freedom-loving people everywhere, for we know that despite their heroic efforts, the Ukrainians have been thwarted in their struggle to achieve a free nation. Ever since 1709, when Czar Peter the Great of Russia conquered the Ukraine and ruthlessly crushed the intelligentsia, the history of Ukraine has been a story of relentless struggle to throw off Russian domination.

Despite overwhelming odds, the Ukrainian people have never abandoned their hope for freedom or their longing for national independence. Taras Shevchenko, the poet laureate of Ukraine, by our own noble American tradition, was inspired to write against the imperialist and colonial occupation of his native land. And we in America have recognized Shevchenko's patriotism and dedication to liberty by erecting a statue of this great man in 1963 in our Nation's Capital at 23d and P Streets, NW.

In 1776, Americans claimed for themselves the right to determine what their destiny would be, and consequently, we feel a deep and abiding kinship for the Ukrainians, and indeed, all peoples who seek to achieve the goals that we claimed as our right. Although the Ukrainians have not yet achieved their goals, nonetheless, our expression of support for their just and rightful aims will help in some measure to make freedom an attainable and enduring reality for them.

On January 22, 1918, the fondest hopes of the Ukrainians were realized when the Parliament proclaimed the independent Ukrainian National Republic. The reality of freedom was shortlived, however, because by 1922 the Bolsheviks took over where they had left off and resumed persecutions, relocations of whole villages, exiles of significant personages, brutal starvations, and wholesale executions. Through it all, the Ukrainians remained steadfast in their resolve to regain their freedom and national sovereignty.

Today, although the Ukrainians are still under the yoke of foreign domination, I am still confident that one day their love of liberty will triumph, and the Ukraine will once again take her rightful place in the community of free nations.

Mr. Speaker, it is with pride that I join the members of the Ukrainian Congress Committee of America in tribute to the millions of Ukrainians who are continuing their struggle for the blessings of liberty in their own homeland. I am honored to join with Americans of Ukrainian descent in my own 11th District and all over this Nation who continue to cherish the hope of eventual independence and a free Ukraine. The spirit of the people of Ukraine is testimony to the fact that tyranny, in whatever brutal form it manifests itself, cannot conquer the soul of a nation and its people.●

THE 50TH ANNIVERSARY OF ST. AIDAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WOLFF. Mr. Speaker, on November 19, 1978, the Church of St. Aidan in Williston Park, Long Island, within my congressional district, celebrated its 50th anniversary. For half a century, guided by men and women of wisdom, devotion and charity, the parish has flourished and become an integral part of the community life. St. Aidan's Parish School has educated thousands of boys and girls who are now adults and upstanding citizens and continues to prepare our youth for the future. St. Aidan's is a focal point of community activity in Williston Park. It meets not only the religious requirements of the people, but their educational and social needs as well. The priests, brothers, and sisters serve the young, the old, and all those in between with a dedication that is most impressive. There is a warmth in Williston Park that permeates the community. It is generated by the love, the dedication, and the faith implicit in the parish and all of its members.

I am impressed by St. Aidan's. I have a deep respect for its clergy and its parishioners. I was proud to be among them on November 19 when Bishop McGann, Father Kerwin, the pastor, and Monsignor Bermingham, pastor emeritus, celebrated the 50th anniversary Mass. I wish them all continued success and the continuance of God's blessings upon them and their generations to come.●

LOS ANGELES UKRAINIAN CULTURE CENTER

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MOORHEAD of California. Mr. Speaker, during the congressional break, a Los Angeles Ukrainian Culture Center presented a concert in honor of the 60th anniversary of the Proclamation of Independence of Western Ukraine. The following is a statement issued in connection with that concert:

A STATEMENT BY THE BOARD OF DIRECTORS OF THE LOS ANGELES UKRAINIAN CULTURE CENTER

Today our concert is dedicated to three purposes.

First, we commemorate the 60th anniversary of the Proclamation of Independence of Western Ukraine on November 1, 1978.

Second, we pay our respect to the millions of Ukrainians who died during the Bolshevik-inspired, artificial famine of 1932-33.

Third, we express our support for the Ukrainian dissidents who are struggling for human and national rights in Ukraine today.

From the 18th Century until 1917 Ukraine was divided and occupied by the Austrian-Hungarian Empire and the Russian Czarist Empire.

Western Ukraine was under the rule of the Austrian Hapsburg Monarchy. The political rights of the Ukrainian people were limited. Our people were subjected to social discrimination and economic exploitation. The objective of the Austrian authorities was to keep the Ukrainian people politically weak and to exploit them as a cheap source of agricultural labor.

In Eastern Ukraine the situation was much worse because the Russian authorities engaged in a vicious policy of total suppression of the rights and national identity of the Ukrainian people. Ukrainians were subjected to intense political oppression, religious discrimination, and cultural russification. For example, in 1876 the Russian Czar issued a decree forbidding the use of the Ukrainian language. The objective of the Russian authorities was to eliminate the identity of the Ukrainian people and to assimilate them into the Russian state.

Despite hardships and oppression the Ukrainian people survived. In the 19th Century the Ukrainian language blossomed forth in the poetry of Taras Shevchenko and the writings of Lesia Ukrainka and became a powerful vehicle for articulating the aspirations of the Ukrainian people.

In the early years of the 20th Century the desire of the Ukrainian people for freedom and dignity found expression in the writings of Ivan Franko and the leadership of Metropolitan-Archbishop Andre Sheptitsky.

The First World War brought an end to the Austrian and Russian Empires. When the Russian Czarist Monarchy collapsed in 1917 the Ukrainians organized committees to obtain self-government. When the Russian revolutionaries rejected the concept of Ukrainian self-government, the Ukrainians who were under Russian rule proclaimed their independence in Kiev on January 22, 1918.

The weakening of the Austrian Empire provided an opportunity for the people of Western Ukraine to achieve their freedom. On November 1, 1918 they proclaimed their independence in Lviv. Today we observe the 60th anniversary of the Proclamation of Independence of Western Ukraine.

The two Ukrainian Republics united on January 22, 1919 to form the Ukrainian National Republic. Ukraine was attacked by Russian Bolshevik forces, Pro-Czarist Russian forces under General Deniken, and the Polish Army of Generals Haller and Pilsudski.

By 1920 the Ukrainian National Republic was crushed. Ukraine was partitioned. Western Ukraine was taken by Poland except for Carpatho-Ukraine which was taken by Czechoslovakia and Bukovina which was taken by Rumania. Eastern Ukraine was taken by Soviet Russia and forcibly incorporated into the Soviet Union as the Ukrainian Soviet Socialist Republic.

During the Second World War virtually all of the Ukrainian land outside of Soviet borders was seized by the Soviet Red Army and incorporated into the Ukrainian Soviet Socialist Republic. This so-called republic is a puppet government under control of the Kremlin in Moscow.

Soviet rule has been a disaster for the people of Ukraine. Forty-five years ago Stalin and the Soviet apparatus, including the Red Army, the Communist Party, and the NKVD secret police, organized an artificial famine to crush Ukrainian resistance to Russian Communist rule. Grain, cattle, seeds, and tools were taken away from Ukrainian farmers. The countryside was isolated. No one could come out and food could not go into the countryside.

Soon, mass starvation began. Armed resistance was crushed by the Red Army. Many people were shot or deported to Siberia by the NKVD. Millions of Ukrainians died. Eventually the Ukrainian people had to surrender their land and were forced to work on Soviet state farms.

To this day no one knows how many people died during the Great Famine of 1932-33. Alexandr Solshenitsyn, the famous Russian dissident and author of the *Gulag Archipelago*, states that approximately six million Ukrainians died as a result of the artificial famine. Winston Churchill in his memoirs, *The Hinge of Fate*, said that Stalin told him in August, 1942 that there were ten million casualties during the Great Famine. Nikita Khrushchev, one of Stalin's henchmen in Ukraine, in a speech to the 20th Congress of the Communist Party of the Soviet Union in February, 1956, confirmed the full extent of the Great Famine and the political motivation behind it. Western experts, like Professor Clarence A. Manning of Columbia University, estimate that at least three million men, women, and children died of hunger and millions more were deported to Siberia where, in a short time, most of them died from cold, disease, or hunger.

Let us remember and commemorate the loss of millions of victims of Soviet terror in Ukraine during the last sixty years. We solemnly protest the crass violations of human rights and basic freedoms that the Soviet government perpetuates in Ukraine to this very day.

Political freedom does not exist in Ukraine today. The Soviet authorities harrass and intimidate all religious faiths. The Soviet regime pursues a systematic policy of cultural russification aimed at obliterating Ukrainian culture and stamping-out the Ukrainian language.

Let us remember the persecuted human rights dissidents, such as Valentyn Moroz, Irena Stasiv-Kalynets, Reverend Vasyl Romaniuk, and many, many others. Let us remember, the six persecuted members of the Ukrainian Helsinki monitoring group: Mykola Rudenko, Oleksiy Tykhy, Mykola Matusevych, Myroslav Marynovych, Petro Vins, and the most recent victim of Soviet "justice", Lev Lukianenko, who was condemned this year to ten years in a hard labor camp and five years in exile.

Finally, let us remember to give our moral and financial support to the people and organizations that work for the human and national rights of Ukraine. History will judge us for what we do. But, more important, we will judge ourselves for what we did or did not do to support human rights in our time.●

REGULATORY COSTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. PEYSER. Mr. Speaker, a frustrated college administrator grappling with the tentacles of Government red-tape and triplicate forms once said:

If a foreign power really wanted to destroy this country, it could develop a chemical to destroy paper. That would bring us to our knees.

This pressure does not appear to be letting us as the Office of the Federal Register this week reported that 55,000 pages of regulations were issued in 1978 compared to 20,000 in 1970—a 275-percent increase in just 8 years.

The unchecked growth of unnecessary, duplicative, and delayed regulations is contributing heavily to inflation. Higher prices we pay result from expensive production methods required by Government regulation. Unemployment is increasing as companies are forced to close down or reduce output due to costs of meeting more stringent Government standards.

Barry Bosworth, Director of President Carter's Council on Wage and Price Stability, estimates that excessive, unnecessary, and duplicative regulations are the primary reason why the average annual increase in U.S. productivity slowed from 3 percent between 1948 and 1966 to 2 percent since that time.

President Ford's White House figured that the price tag on regulation to each American family is $2,000 in Federal income taxes.

The Commerce Department reports that economic considerations are underrepresented in the formulation of regulatory policy and that the current system may be insensitive to differences in the regional impacts of regulation. The Department also suggests that costs of complying with overly stringent regulations may not be properly balanced by their benefits.

Seven Presidents beginning with President Franklin Roosevelt in 1937 commissioned studies of what is increasingly perceived as a powerful fourth branch of Government—the regulatory agencies. The House and Senate Government Operations Committees have issued similar reports, but unfortunately, little action has followed these efforts.

In 1977, the Appropriations Committee directed the Occupational Safety and Health Administration—OSHA—to eliminate nuisance standards. More recently, President Carter ordered the executive department to reduce and simplify the existing body of Government regulations. These initiatives have encouraged revocation of some regulations such as those requiring horseshoe shaped toilet seats and the mounting of fire extinguishers an exact 42 inches from the floor. Others are currently in review. But as a recent General Accounting Office study recommended, much more needs to be done.

This is why I am introducing a resolution to set up a bipartisan task force to investigate the costs and burdens of Federal regulation. For the first time, members from all House committees overseeing regulatory agencies would come together to make sense out of regulatory policy formulation; to evaluate the numerous recommendations that have already been made; and to spell out their conclusions in specific legislative proposals.

I have long been a proponent of strong health and safety laws and the Occupational Safety and Health Administration, the Environmental Protection Agency, the Consumer Product Safety Commission, the Food and Drug Administration, and other regulatory agencies designed to see that the consuming public is protected in the marketplace. But all too frequently, economic considerations are left out of rulemaking decisions and it is the consumer who pays for the consequences.

Many regulators are simply over ambitious and seek to do more than Congress has requested.

The Employee Retirement Income Security Act is a glaring example of overzealous rulemakers killing a potentially meaningful program—in this case one designed to protect employee's pension rights. Of the 500,000 pension plans in the United States, 150,000 have been dropped since the enactment of ERISA nearly 3 years ago. Many suggest that the reason for this drop is the issuance by three administering agencies, the U.S. Department of Labor, the Internal Revenue Service, and the Pension Benefit Guarantee Corporation, of over 400 temporary and permanent regulations governing pension plans. To the 300,000 small businesses with only 1 to 10 pension participants (neighborhood laundries, corner grocery stores, local dentists, and others), it is impossible to keep

track of such rulemaking without hiring expensive professional help.

The National Park Service at Fort Vancouver in Washington State was prevented from baking and selling bread the way the Fort's occupants did years ago because, said air pollution authorities, the wood burning ovens could not be used—they would put too many contaminants in the air.

The byproduct of "scrubbers" urged by the Government to clean electric powerplants and large industrial furnaces is calcium sulphate. Some estimate that up to 160 square miles of pond for dumping this sour cream-like substance after usage will be necessary by 1980.

Construction of a proposed highway overpass in Indiana was vetoed by OSHA, because the State had failed to conduct a noise abatement study of how the project would disrupt a cemetery that is a quarter of a mile away.

According to a Senate Government Operations Committee study, regulatory delay and indecision is costing the Government, consumers, and industry tens of millions of dollars. Inflated legal fees, taxpayer dollars, and other costs of participation are driving up business costs which in turn increase consumer prices and discourage business investment.

When I first came to Congress in 1970, the Child Protection and Toy Safety Act had already been enacted. When I left at the end of 1976, there were no regulations to implement it. A lawsuit demanding action was filed in 1973. By 1974, there were still no Government standards for mechanical hazards in toys, such as sharp edges and points. Several citizen-plaintiffs brought a Federal suit to force the agency to propose rules within 30 days. The Consumer Product Safety Commission 25 days later proposed regulations, but issued no effective date. In response to industry and consumer uproar, a reappraisal period of more than 2 years ensued. After meeting with industry and consumer groups in 1976, the Consumer Product Safety Commission decided to withdraw its proposed regulations and start all over again. In the interim, the Toy Manufacturers established a new voluntary code for its members which incorporated the design of characteristics the agency had originally considered.

While difficult to estimate, the costs of delay are substantial as estimated by the Toy Manufacturers of America. The agency, too, expended thousands upon thousands of dollars over the years in technical research and legal costs. The CPSC reports that children 8 years and younger experience an average of 43,000 punctures and lacerations requiring hospitalization a year from toy injuries. It is possible that many of these incidents could have been avoided had effective toy safety standards been on the books.

A thousand lawyers who practice regularly before eight major commissions cited "undue delay" as the most common problem of Federal regulation. Administrative agency proceedings average more than 19 months for licensing, 21 months for ratemaking, and over 3 years for enforcement actions. It takes 169 days on the average for licensing and ratemaking to reach the hearing stage and over a year before a hearing is even convened.

The existence of overlapping and confusing jurisdictions, the fault of both the Congress and the regulators, is another burden to the private sector and our economy as a whole. Why should the Federal taxpayer be asked to pay twice to regulate identical functions?

Last year, for instance, OSHA directed the Made-Rite Sausage Co. of Sacramento, Calif. to place protective guards on its meat-blending machine. The guard, however, would have violated Agriculture Department regulations, because it would have made the machine too difficult to clean.

In another instance, one agency demanded grated floors in burtcher shops to reduce the risk of slipping and another, the Department of Agriculture, required smooth floors, because grates increase the hazards of contamination.

The authority over meat products is another confusing example of overlap. The Food and Drug Administration has authority over live animals intended for food supply but the Agriculture Department exercises exclusive jurisdiction over slaughter houses and retains authority while the meat is in process facilities. After the food product leaves the processing plant, it becomes subject to both USDA and FDA jurisdiction. Both regulatory bodies have concurrent jurisdiction over adulterated or misbranded meat products in retail outlets while only FDA has authority to inspect retail premises.

Under my resolution, a bipartisan congressional task force consisting of two members from each committee with jurisdiction over regulatory agencies would look at such questions as: Has the passage of time rendered rules obsolete? Are regulations issued and enforced with adequate appraisals of their economic and social impact? To what extent are regulations unnecessary and duplicative? Does enabling legislation provide an explicit and consistent mandate? By what methods does Congress review the performance of regulatory agencies?

The task force is additionally directed to review existing proposals, past recommendations and prepare legislation to carry out its conclusions and recommendations.

I propose that the task force terminate at the end of the 96th Congress and, therefore, urge early and speedy action on the resolution.●

OPPOSED TO FEDERAL FUNDING OF ABORTION

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ST GERMAIN. Mr. Speaker, I wish to set the record straight on a vote cast in error in the waning hours of the 95th Congress. On October 14, 1978, I intended to vote "nay" to H.R. 12929 making appropriations for the Departments of Labor, Health, Education, and Welfare and related agencies.

My strong antiabortion stance remains unchanged, and I will actively continue to oppose the Federal funding of abortion throughout the 96th and all succeeding Congresses.●

WAGE AND PRICE CONTROLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation to provide the President with standby authority to institute wage and price controls, including restraints on interest rates, dividends, and similar transfers.

The ravages of inflation must be halted now. Every sector of the economy is being damaged by an overall inflation rate that has exceeded 6 percent for each of the past few years. Food and health costs are soaring, with prices for other goods and services continuing to spiral as well. As the purchasing power of the dollar declines, people with low, moderate, and fixed incomes suffer most.

The American people are demanding relief from runaway inflation, and the President has indeed begun to implement a voluntary wage and price standard program. I applaud this step, but it is unlikely to be sufficient to prevent a new surge of double-digit inflation.

For any voluntary program to be effective, there must be a strong option available for enforcing the guidelines. If Congress grants the President this standby authorization, his ability to encourage voluntary economic restraints will be measurably enhanced. Hopefully the President will never need to impose the controls created by this legislation, but it is essential that they be at his disposal should the need arise.

I urge my colleagues to join me in supporting this legislation which will signal our willingness to attack inflation head-on:

H.R. —

A bill to provide authority for the President to stabilize prices, wages, interest rates, and corporate dividends

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Economic Stabilization Act of 1979".

PRESIDENTIAL AUTHORITY

SEC. 2. The President is authorized to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries at levels not less than those prevallinig on January 1, 1979, and to stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth. Such orders and regulations may provide for the making of such adjustments as may be necessary to prevent gross inequities.

DELEGATION

SEC. 3. The President may delegate the performance of any function under this Act to such officers, departments, and agencies of the United States as he may deem appropriate.

PENALTY

SEC. 4. Whoever willfully violates any order or regulation under this Act shall be fined not more than $10,000.

INJUNCTIONS

SEC. 5. Whenever it appears to any agency of the United States, authorized by the President to exercise the authority contained in this section to enforce orders and regulations issued under this Act, that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation or order under this Act, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the agency, any such court may also issue mandatory injunctions commanding any person to comply with any regulation or order under this Act.

EXPIRATION

SEC. 6. The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1982, but such expiration shall not affect any proceeding under section 4 for a violation of any such order or regulation, or for the punishment for contempt committed in the violation of any injunction issued under section 5, committed prior to October 1, 1982.●

LEGISLATIVE OVERSIGHT ACT OF 1979

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERRICK. Mr. Speaker, today I am introducing the Legislative Oversight Act of 1979. This bill attempts to bring about program review, the goal of most "sunset" bills which have been introduced in the House in recent years, in a workable approach to this difficult subject.

We have all recognized the need for improved congressional review of Federal programs. However, we have also realized the problems involved in developing legislation that would not produce a massive additional workload for an already overburdened Congress.

The Legislative Oversight Act of 1979 concentrates the Congress' efforts on the "front-end" of the legislative process, by requiring that program objectives and planned annual accomplishments be stated more clearly and precisely, in quantifiable terms to the extent practicable. Then, through agency reports, the Congress would be in a better position to evaluate program success against its own carefully stated objectives. And finally, when a program is to be reauthorized, the committee of jurisdiction would be required to make an overall assessment of how well, or badly, the program achieved its original objectives and planned accomplishments. This proposal will substantially improve the quality of legislative proposals and make program oversight more meaningful and useful.

The major provisions of this proposed legislation are:

First. All legislation authorizing new budget authority or tax expenditures must contain language which clearly specifies the program's objectives and planned annual accomplishments and requires the administering agency to report annually to the Congress on the extent to which those objectives and planned accomplishments are being achieved;

Second. Committee reports accompanying such legislation must spell out program objectives and planned accomplishments in greater detail, relate the program and its proposed costs and accomplishments to other programs with similar objectives, and justify the need for, appropriate extent of, and expected duration of Federal support of the program;

Third. At the time of program reauthorization, committee reports must also contain an overall assessment of the extent to which the program has achieved its stated objectives;

Fourth. Agency reports on the extent to which programs are achieving their stated objectives would be submitted annually, and would be required to contain information on program costs and accomplishments that permit meaningful comparisons with other programs having similar objectives; and

Fifth. Legislation authorizing new budget authority or tax expenditures could not be effective for more than 5 years.

The Legislative Oversight Act adjusts to the existing workflow of the House and does not impose a substantial new workload burden, which would result from an arbitrary schedule for reviewing all Federal programs on specific dates. And it does not permit committees to avoid the review and evaluation process.

It is my belief that we can pass this bill during this Congress and thus demonstrate to our constituents that the Congress is prepared to undertake a real effort to end ineffective and wasteful Federal programs so that our scarce budget resources may be devoted to higher priority activities.●

OMB DIRECTOR

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BROOKS. Mr. Speaker, today I am introducing legislation to raise the level of the Director of the Office of Management and Budget to Cabinet status. In 1974, Congress recognized that the job of OMB Director is as important as that of a Cabinet officer, when it approved my bill making the OMB Director subject to Senate confirmation. But we have failed to follow through by providing for compensation of the OMB Director at the level of a Cabinet Secretary.

This legislation will correct that oversight. It will upgrade the OMB Director's slot to a level 1 position, and will raise his deputy to a level 2.

I support this bill, because it is fair, and also because principles of sound management say that people carrying equal responsibilities should be at the same level. The OMB Director is the President's chief representative in dealing directly with Cabinet officers on essential budgetary and management issues within the executive branch. He should be treated appropriately. For the same reason, his deputy should be on a par in his dealings with deputies of Cabinet heads and other level 2 officials. I urge support of this bill.●

DISABILITY INSURANCE AMENDMENTS OF 1979

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LEVITAS. Mr. Speaker, today I am introducing a bill to improve the disability insurance program under social security so that it will create a more humane system for the disabled, and, at the same time, save the taxpayers money.

From the humane point of view, we should not write off and consign to our out-of-sight portion of life, those people who enter the disability system. My bill, the Disability Insurance Amendments of 1979, is designed to provide the disabled with true opportunities for rehabilitation that produces contributing citizens, unlike the system today. By the same token, the failure to make periodic redetermination and to emphasize rehabilitation, costs the trust fund and the taxpayers billions of dollars. The estimated savings could be as much as $2.5 billion.

This legislation would provide legal representation for both applicants and the trust fund before the administrative law judge. Today the ALJ must serve as defender of the fund, in some instances, and as the adjudicating official in all instances, in a "nonadversary" proceeding. In addition, the bill would reduce the number of nonentitled individuals who are receiving disability compensation, eliminate work disincentives, liberalize the earnings amount that terminates disability payments, eliminate the secondary waiting period for medicare eligibility and extend trial work periods. Among the bill's principal features is a new definition of disability to replace "permanent" or "nonpermanent" but expected to last at least 12 months." In actuality, most disabilities today are resolved by medical improvement or by the acquisition of new vocational skills, and the approximate termination dates can be predicted with great reliability.

The bill would call for both ending and beginning dates for all disabilities except the "hard core" disabled. Evidentiary requirements which are necessary to provide disability would undergo a change in definition. While most medical evidence in disability cases is hearsay, this bill distinguishes those circumstances in which such hearsay has more or less probative weight. It clarifies the weight to be assigned to psychiatric reports, requiring a distinction between objective

evidence of mental status, and any crediting by the doctor of the truth of the patient's assertions. If there is only minimal clinical evidence of a medical impairment, a determination that disability exists must state the reasons explicitly.

The review process itself would also be changed under this bill, requiring the Secretary of HEW to reinstate his prior practice of full review, but only regarding allowances. Erroneous denials in the State agencies can be corrected during the appeals process. In 1971, HEW changed from a full 100-percent review to a sample review of 5-percent in initial determination and a 10 percent sample in reconsideration determination. Expenditures thereafter mounted from $3.8 billion in 1970 to $12.2 billion in 1978, with commensurate increases in the percentage of beneficiaries compared to insured workers.

What this bill would achieve, at one time, is a savings to society in terms both of productive human resources and in increasingly hard-to-find tax dollars.●

MARVIN GOLDBERGER

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MOORHEAD of California. Mr. Speaker, on October 27, 1978 an outstanding American and atomic scientist, Dr. Marvin ("Murph") Goldberger was inaugurated as President of the California Institute of Technology in Pasadena, Calif. During his inauguration, President Goldberger delivered an address which carried a very deep message for all Americans. The address follows:

STATEMENT OF DR. GOLDBERGER

Mr. Avery, trustees, faculty, students, delegates, distinguished guests, members of the Caltech Community:

Thank you, Dr. Gell-Mann, for your kind introduction. Thanks also to all of you for coming here to be part of this occasion. Some of you are my family, some of you are my oldest friends, some of you are my newest friends, some of you represent institutions I've had the privilege of being associated with in the past, but all of you are friends of Caltech—one of the greatest centers of research and education in the world. All of us here are proud that you have taken time to be with us today.

As most of you know, I have not been here very long—only since the first of July. In these past four months I've had a lot of catching up to do. Unlike many of my wiser (or luckier) colleagues, I had never had any professional connection with Caltech. Of course I have known many people on the faculty and had for over twenty-five years known and admired the two previous presidents—Lee Dubridge and Harold Brown. But everyone who works in scientific research soon learns about the California Institute of Technology through following the contributions to one's own field that are made here, through meeting all the outstanding people who have Caltech association—the former undergraduate or graduate students, and the postdocs, whom one encounters in leading institutions all over the world.

In January of this year I came, at the invitation of the search committee, with my wife for a two and one-half day exposure to the whole Caltech constituency: Faculty, staff, administration, student and trustees. This was at least as difficult as a Ph. D. exam; and I frequently wondered how well I was answering their questions. At the same time, the whole experience was tremendously exciting, simply because I was actually being considered as a serious candidate for the presidency of this institution. Furthermore, the social events we attened gave both my wife and me the feeling of being welcomed by new friends, rather than being looked over critically. After March 6, 1978, at 2:37 p.m. eastern time, when I received a telephone call from Stan Avery telling me I had in fact been chosen for the presidency, we visited Pasadena several times before moving out for good. As you can see, the elapsed time has been short, but we already feel very much at home in the Caltech community and even in the larger community of which Caltech is an important part.

Since that day in March I have been faced with the reality of being the fourth chief executive officer of Caltech. I have been trying hard to learn how the institute works, and how it came to be what everyone knows it is—namely, the best at everything it does. I have been pondering some of the questions addressed to me last January about what I would do if I got the job. I've done some reading and lots of talking to all the different kinds of people who have a stake in Caltech. I've been sorting out some of the ideas on education and research acquired in thirty-five years of experience. I've been worrying about recent national trends and the attitudes in Washington and elsewhere toward support of research. I'd like to share some of these reflections with you.

It seemed reasonable to begin reading about Caltech by going to Robert Millikan's autobiography. In an early address he gives a definition of the institute that is still very much to the point. "The institute is a university in the sense that it has a graduate school in which profound scholarship and the highest order of creative work are found."

"It is a college in the sense that it confers the bachelor's degree and aims to cultivate intensively the humanities through devoting special attention to English, including literature, history, and economics."

"It is a technical school in the sense that it is attempting to give the men (and now we add, obviously, and most emphatically, women) who go out from its walls with such a cultural background and so thorough a training in the fundamentals upon which all engineering rests as will enable them to take an outstanding place in the progress of industry and science."

He went on to say that the Huntington Library, and particularly the Mount Wilson Observatory, were of special importance: "These three things—fundamental and creative science, applications of science, and cultural background make this a unique research and educational enterprise." Aside from some obvious omissions such as JPL and the full panoply of the Hale Observatories, this 1921 definition of Caltech sounds remarkably fresh and accurate.

A number of noteworthy things have happened since Dr. Millikan made these remarks and he played an important role in many of them. One of these was the establishment of a division of biology in 1928, under the leadership of Thomas Hunt Morgan. We shall celebrate the 50th anniversary of this occasion next month with an international symposium. Another was the building in collaboration with the Carnegie Institution of Washington of the great 200-inch telescope at Palomar. The Jet Propulsion Laboratory dates from 1936, when a small group led by Theodore von Karman developed an interest in the basic principles of rocket propulsion. JPL became affiliated with NASA in 1958 and has played and will continue to play a central role in the Nation's space program.

More recently, beginning about 1968 a strong group in the social sciences has developed here which includes economics and political science and both of these activities have vigorous graduate programs. Finally, I should mention the Environmental Quality Laboratory (EQL) which was established in 1971 to carry out multidisciplinary policy studies of important environmental problems.

So much for the past. What now for the future? I once received a letter from a colleague recommending a particular postdoc which ended with the following statement: "Dr. I. is small of stature. But he has a fighting heart." Caltech is small in size, certainly not in stature, and it has and will continue to have a fighting heart. This is fortunate because the competition for the very best people is fierce and, as in other arenas, the strong take from the weak, but the smart take from the strong. I agree strongly with James Conant that the way to wreck a University is to make good appointments. Good appointments are not good enough; it must be only the very best that we care about.

One of the great virtues of Caltech is its smallness. I don't envisage any substantial growth in the near future. At our present size, we can avoid the inerita of larger institutions and we can move quickly when we decide what we want to do. Nevertheless, if there is a good idea in research or in education, our stature gives such innovations great influence.

The basic problem we face is the following: How do we change, staying vital and at the forefront of research and education without much growth? Sir Lawrence Bragg at Cambridge sometime during his long career enunicated two important principles that are worth recalling in this connection: (1) don't try to re-create the glories of the past and (2) don't follow the crowd. We must be sure that the argument that begins with the statement "Caltech has always been strong in . . ." doesn't force us to neglect new initiatives in order to preserve ancient traditions. As for following the crowd, we obviously cannot neglect certain popular demands when we have educational obligations to meet. But in the research area, it is often unprofitable to make radical shifts just to accommodate what may be transient swings. More important, I don't want to be in the position of playing catch-up if it can be avoided. I'd much prefer that others be trying to catch us.

In the course of changing without growing we must occasionally be daring. We have to be prepared to seize opportunities to strike out in new directions, to bring people or programs to Caltech that will make real qualitative changes. This may call for an occasional discrete jump in the size of a particular staff and for special funds. I'm eager to respond to such initiatives from the faculty and I cannot promise to forbear doing some needling if they are not forthcoming.

In a more modest vein, I'd like to mention a few conventional areas that I see as immediate targets for improvement and perhaps even a little change. The first of these has to do with undergraduate education. Our undergraduates are phenomenal. Historically, they have been phenomenally successful using any criteria of success. Since I haven't been here very long, it's not clear that all the impressions I've gathered are entirely accurate, but I feel there is enough truth to what I've heard to express some concerns. In spite of the initiation of the pass-fail option for the freshman year, we lose too many students. No institution can hope to graduate its entire freshman class, but Caltech ought to be able to hold most of the students it selects with such care. There are many reasons for the losses. Let me draw attention to the one that concerns me the most, which is also the one we can do something significant about immediately.

The material in the undergraduate curriculum is necessarily difficult, but it is also

frequently boring and the students become disillusioned and impatient. In an institution like this, where the faculty are engaged in important and absorbing research and scholarship, it is often tempting to avoid giving undergraduate teaching the attention it requires to instill a sense of excitement in the students. I want to urge the senior, most distinguished faculty to undertake this task, but I warn you, It is much more difficult than graduate teaching. I'm sure that our faculty, some of whom I'm told have never taught undergraduates, can cope with the difficulties. Because our students are so exceptional, they deserve the best we have to offer.

It's worth remembering what we are trying to achieve with our undergraduate programs. Some significant fraction of our students will go on to graduate school. Some, particularly in the applied sciences, will go to work in industry. Some will go into law or medicine or politics. The latter is an area where we desperately need technically trained people. As part of the educational experience of all of these different groups, I want to suggest that the faculty consider a requirement of independent study leading to a senior thesis for all students so that they can experience the reality of research and the exhilaration of accomplishment that goes with it.

While I'm on the subject of education, I must say that while our graduate programs are extremely successful, there is no room for complacency. There are some areas in which, to my positive knowledge, we are not attracting the very best graduate students, and we must understand the reasons for this and take corrective steps.

I anticipate significant change in some other areas of our educational and research endeavors in the near future. In his definition of Caltech, Dr. Millikan stressed the importance of the humanities. This is a concept that I feel very strongly about. Lord Ritchie Calder has said, "Science is at best knowledge; it is not wisdom. Wisdom is knowledge tempered with judgment." The study of the humanities can help us immeasurably in our quest for wisdom. There are those at Caltech who believe there should be a major restructuring of the relationship between science and the humanities. I shall work hard with them in the coming months to understand these views. In the meantime I plan to move swiftly to replace those losses we've suffered in recent years in this area. I've promised the new chairman of the Humanities and Social Sciences Division a significant number of senior appointments in the humanities including the currently vacant Dreyfuss professorship. We will work to put together a group that has the typical Caltech uniqueness and distinction. We shall try to capitalize on our great local asset, the Huntington Library, to help us attract scholars of distinction.

We have another great local asset which has not, in my opinion, been exploited by Caltech as effectively as it might be. This is the jet propulsion laboratory. JPL is part of Caltech. It is, of course, far larger than the campus. It has special roles, missions and obligations to its sponsor, the national aeronautics and space administration. The NASA/JPL Association has been an enormously fruitful one for the nation, and we look forward to many more years of collaboration on exciting programs. What I would like to see, however, is an even closer relationship between the campus and JPL than we have now. A substantial number of professors and students are already involved with various aspects of JPL work, but I look forward to our seriously taking advantage of the extraordinary educational opportunity JPL provides us with. To have available a real live laboratory doing technical research, development, and systems implementation at the very limits of technology gives us an incredible advantage over any other educational institution in the country. I shall urge the faculty to look into means by which a solid work-study program—call it what you will—can be instituted for students of applied science, both undergraduate and graduate. I hope we shall also take steps to encourage and increase joint campus/JPL research activities, particularly in the field of energy.

Finally, before leaving this subject of new initiatives, I want to mention that we are about to begin construction on the Braun Cell Biology and Chemistry Laboratories. This will give added impetus to our major programs in biology, immunology, and the neurosciences. We shall also very soon see the start of the Thomas J. Watson, Sr. Laboratories for Applied Physics which will enable us to broaden research activities in this important area. We are initiating a major effort in the physics department aimed at the detection of gravitational radiation. We have a vigorous and growing program in computer science. We are embarking on a major new program in resource geology, an area in which we already have considerable strength, but one to which we are giving new emphasis. This year, as a result of generous support by our trustees, we have also established the Robert P. Sharp professorship in geology.

This all sounds very upbeat, as it is, and I have every confidence that we will succeed in all of these programs. There are, however, some clouds on the horizon of which we must be aware. Consider the outlook for continuing Federal support of research, upon which we count very heavily, just as all the Nation's principal research universities do.

For many years after World War II, basic research in the physical sciences was heavily supported by the Department of Defense and the Atomic Energy Commission. In spite of the disclaimers on the part of the scientists that no new super weapons, like the atomic bomb, were likely to result from the research, many of the defense agencies still secretly believed such weapons might emerge. Right up to very recent times the Congress held those beliefs.

A few years ago the following interchange took place between Senator Pastore and Dr. Robert Wilson, the director of the Fermi National Accelerator Laboratory, at a hearing in connection with that laboratory's 500 billion electron volt proton accelerator:

Senator PASTORE. Is there anything connected with the hopes of the accelerator that in any way involves the security of the country?

Dr. WILSON. No, sir; I do not believe so.

Senator PASTORE. Nothing at all?

Dr. WILSON. Nothing at all.

Senator PASTORE. It has no value in that respect?

And then Dr. Wilson said something which I feel expresses the fundamental aspects of basic research better than anything I've ever heard before or since.

Dr. WILSON. It has only to do with the respect with which we regard one another, the dignity of man, our love of culture. It has to do with those things. It has to do with are we good painters, good sculptors, great poets? I mean all the things that we really venerate and honor in our country and are patriotic about. It has nothing to do directly with defending our country except to help make it worth defending.

Basic research sponsored by the mission-oriented agencies, both defense and non-defense, has dropped off enormously, although there are some hopeful signs of new initiatives being taken by the Department of Defense to once again support research in the universities. Unfortunately congressional pressure in recent times has forced agencies like NASA and the Department of Defense to drop scientific programs. Of even greater significance and importance is the question of principle involved here, that mission-oriented agencies should be concerned only with applications and not with basic research. This is an incredibly short-sighted view.

Let me give one example of the kind of thing that can and did happen because of such short-sightedness. For many years the advanced research project agency (ARPA) in the Department of Defense supported major programs in materials research in universities. Now, just at a time when materials play such a critical role, in solar energy, nuclear energy, controlled fusion, fluidized-bed coal combustions, to name just a few areas, the programs no longer exist.

One of the frontier areas of science is high energy physics. The annual operating budget for the whole effort in the United States is about $200 million. The work is carried out at three major national Laboratories: Brookhaven, Fermilab, and the Stanford Linear Accelerator. The people who do the work have been trained in the universities, and are mostly members of university faculties. The program has been phenomenally successful by any measure; the field is dominated by U.S. scientists; there are important contributions to technology, such as superconducting magnets, high-powered microwave tubes, advances in electronics and computer utilization; and Nobel prises have been won. But shrinking support is beginning to slow the program significantly. The European laboratories in Geneva, known as Cern, and in Hamburg called Desy, are growing rapidly both in facilities and research support.

At the present time, Western Europe is spending almost twice as much as the United States. Now, in all honesty, I must admit that the world will not come to an end if some important discoveries in high energy physics are made in Europe. But I dislike relinquishing supremacy in a fundamental field and I resent policies that inevitably mean we are going to come in second.

An atmosphere of tight spending in scientific research has many unfortunate consequences and dangers. First, good people are discouraged from entering the fields. Second; only the most powerful and best established people get to work with the limited funds and thus the careers of young people are blocked. Third, Federal agencies tend to support their investments in national facilities to the detriment of the universities; this sets up a chain reaction leading to a decline in the quality of research, which in turn leads to a decline in the training of a new generation of scientists.

Fourth, cutbacks in the funding of new instrumentation are particularly dangerous to big science, little science, and to industry; obsolescence of equipment means a decrease in cost effectiveness; training students on such dying equipment makes them less useful to industry; innovation is stifled and what used to be our hallmark—our ability to respond to technological challenges from abroad—is threatened. For example, our computer industry is going to be sorely tried in the near future to stay ahead of Japan. Finally, fifth, in an atmosphere of tight funding there is a tendency to do what is safe and to steer away from the true frontier areas where we can make real quantum jumps in our understanding.

Now what can be done to fight this trend? For too long the scientific community and the universities have adopted the attitude that what they were doing was so obviously good that no arguments had to be presented and that the money would just roll in. This is evidently no longer true and it is not going to be true in the future. Nothing is accomplished by sitting back and wringing our hands about the failure of Congress to appreciate and support research even in the face of a very strong effort on the part of the Carter administration to increase significant-

ly research funds. Nor can the professional societies or the National Academy of Sciences be counted on to plead the case.

We as individual scientists and as university administrators have to take the initiative. We have a great product to sell. We must write articles, give interviews, volunteer to testify before Congress, enlist the help of technologically based industries, enter into arrangements with the media to bring to the people the truly exciting case we have to present about science and education. The future of our country and even that of the world depends on our ability to harness science and technology with wisdom for the common good and to continue to push forward the frontiers of knowledge.

We at Caltech have our work cut out for ourselves. We must continue to rely heavily on Federal support for research and we must help create the atmosphere that will earn it. We must seek innovtaive methods for interactions with industry and support from it for both basic and applied research. We must win support for our programs in the humanities by both deepening and, perhaps at some future time and in some daring fashion, broadening them. We must continue to be the leaders in all of our areas of scientific research. Research carried out in conjunction with teaching forms the cornerstone of the American educational system—in my opinion, the best in the world. We must train students who will be the new and wise leaders in industry, in public affairs, in the universities, and in extending the forefront of knowledge.

This is a heavy responsibility for one small jewel-like institution. But we stand on the heritage of Robert Millikan, Lee Dubridge and Harold Brown. I'm honored and proud to have the opportunity to follow in their footsteps and to build upon the solid foundation of greatness, laid by them. I'll do my very best, and with the help of the whole Caltech family, I think we can reach our goals.●

RECOGNITION OF APPALACHIAN REGIONAL COMMISSIONER'S ACHIEVEMENTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WAMPLER. Mr. Speaker, the opportunity to praise a Government program for its effectiveness and resulting visible improvements seldom arises.

Recognition of the Appalachian Regional Commission's achievements has been widespread, and the Commission's work in improving the standard of living throughout the Appalachian region is notable.

Since the signing of the Appalachian Regional Development Act on March 9, 1965, several important trends have been established through the Commission's efforts in Appalachia. No longer is the population leaving the area—a direct result of the expanding economy and job opportunities made possible through the support for new industry and expansion of established industry in the region. Poverty is decreasing and incomes are increasing at rates faster than the national average. Improvements in education and health in the region correlate with these economic factors and the two are mutually supportive.

With project proposals presented to the Appalachian Region Commission by the States, and through close State/Federal cooperation, Federal funds are best utilized with a minimum of redtape. Transportation, health, education, community and industrial development, and the environment are all areas of major concern in which programs are formulated.

In order to continue the pattern of improvement within the region, which I feel can best be accomplished through the proven efforts of the Appalachian Regional Commission, I am introducing legislation to extend the authorization and appropriations for the ARC for 4 years.

I urge your support of the Commission's fine accomplishments through extension of their mandate.●

REINTRODUCES BILL FOR DEVELOPMENT OF AQUACULTURE

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BREAUX. Mr. Speaker, today I join with Mr. MURPHY of New York, chairman of the House Merchant Marine and Fisheries Committee, and Mr. FORSYTHE to reintroduce a bill to provide for the development of aquaculture in the United States. Although a similar measure easily passed the House and the other body in the 95th Congress, the President chose to undo important congressional initiative by a pocket veto.

The Merchant Marine and Fisheries Committee has held extensive hearings the past several years during which testimony has been received from Federal and State representatives, industry, and academia. In the course of these hearings, we gained a good insight into the problems and constraints associated with the aquaculture industry.

In addition, two comprehensive studies have recently been completed assessing the state-of-the-art technology and the potential for aquaculture in the United States.

Today we are introducing a bill which fairly reflects views expressed in the hearings and reports and one which will help solve many of the problems that exist for this infant industry. With proper direction, coordination, and public support, it is my belief that aquaculture has the potential to augment our natural fisheries resources, to provide the means for producing protein rich food and to stimulate the national economy by providing new job opportunities.

At the present time, aquaculture production amounts to about 10 percent of the total world fish production. In some countries, such as Japan, Russia, and China, aquaculture production contributes significantly to human protein consumption. The United States has been slow to develop aquaculture and only 3 percent of the fish and shellfish products consumed domestically are cultured.

One reason aquaculture has been slow to develop is lack of coordination among the various Federal agencies involved. At the present time, 21 agencies are involved to some extent and in many cases, their efforts overlap and their responsibilities are unclear.

In addition to the lack of coordination at the Federal level of Government, many State and local agencies, regional commissions, and universities are involved in aquaculture. Generally, it is found that each entity proceeds in its own direction without regard for the activities of others. Duplication at the various levels often occurs. Funds and manpower are wasted.

The need to coordinate activities has long been recognized, as is reflected in the memorandum of agreement between the Department of Commerce and the Department of Agriculture which was implemented in 1974. Another agreement between the Department of Commerce and the Department of Interior was entered into in December 1977.

A major provision of this bill is to designate the Secretary of Commerce as the head of an interagency Committee on Aquaculture, in order to offer guidance and direction, and to coordinate activities among the relevant Federal agencies.

Traditionally, this country has been a beef-eating Nation and public support for fish farming has been lacking. People are, however, becoming more aware of the high protein and low fat content in fisheries products and it is estimated that, by the year 2000, the domestic demand will increase by 80 percent.

Fish production has a relatively low energy requirement when compared to other food products such as beef, thereby making fish more affordable. The conversion ratio for species such as trout and salmon is approximately 1.1 pounds of dry food to 1 pound of fish product, compared to 10 pounds of food to 1 pound of beef. One published document reports "that 1 acre of a good estuary area can produce 100 tons of seafood, while 1 acre of top quality pasture can yield only 100 to 250 pounds of beef." It makes sense, then, that throughout the world people are turning to aquaculture to tap additional food resources.

In the past, we have generally believed that we live in a country of plenty, that our resources are almost limitless. Now, however, we find the more desirable fisheries resources off our own coasts are being harvested at or near maximum sustainable yield. In recognition of this, we recently extended our fisheries jurisdiction to 200 miles to regulate the taking of specified species and to allow U.S. fishermen to increase their landings without competition from foreign countries. Time is needed to replenish the natural stocks and in the meantime we will be compelled to import an even greater amount of fish.

Presently, we import in excess of 50 percent of our fish and seafood requirements. It is ridiculous for a country bordered by two oceans, a gulf, and the Great Lakes and having such an extensive river system, to be importing this amount of fish and shellfish to meet its requirements.

Where would we in the United States be if it were not for aquaculture, even as modest as it is at the present time? Would we be importing a larger quantity of our salmon and all of our trout, catfish, and crayfish? It is apparent that aquaculture can be a viable industry. It can and does contribute to our food supply. It can and does create new job opportunities. Other species can be cultured on the same basis with additional research and technical know-how. All the industry needs now is support.

The reintroduced bill provides needed incentives. Individual or small companies wishing to enter the field of aquaculture have often been unable to obtain the necessary capital from the private sector. The loan guarantee provision will allow people to obtain loans if they are unable to secure loans otherwise. This money can be used to purchase or construct facilities, to purchase stock and to operate the business.

The bill provides for federally funded contracts and grants to advance aquaculture. Further, the bill provides for an aquaculture information center.

Heretofore insurance has been unavailable except at a prohibitively high rate. Insurance can now be made available to protect the farmer's and local bank's investment and create an atmosphere of security.

The fact remains that we waited too long in implementing legislation to protect the fisheries resources off our coast. Some of our stocks have reached near depletion. We have the statistics indicating that there will be a worldwide shortage of fisheries products within 3 to 10 years. The opportunity is present to plan ahead and be prepared rather than having to react to a crisis at a later date.

The President's pocket veto of the Aquaculture Act during the last Congress, was a poor decision. It was a serious setback to the development of aquaculture in the United States. The President's action was based primarily on fiscal considerations, which I should add, did not take into account the fact that the act would have stimulated investments, sales, and jobs far and away of greater economic significance than the costs of the programs. The President failed to recognize also the cost savings in increased Government efficiency which would have resulted from enactment. Nonetheless, the reintroduced measure provides for more modest Federal expenditures. The effectiveness of the legislation is diminished accordingly, but it is far better than nothing at all.

I urge your support of this bill to provide for the development of aquaculture in the United States.●

MEAT IMPORT LAWS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRASSLEY. Mr. Speaker, during the final hours of the 95th Congress, the House of Representatives passed legislation (H.R. 11545) which would substantially modify our Nation's meat import laws. The vote was 289 yeas to 66 nays which, I think, can be taken as evidence of the amount of congressional support for this measure. The bill was subsequently passed without amendment by the Senate, sent to the White House for approval and pocket vetoed by the President on November 14, 1978.

The text of the bill I am introducing on this date is, with the exception of a few changes in dates, identical to the legislation approved by the 95th Congress. I realize that some minor modifications or changes may be necessary—few if any bills are signed into law in exactly the same form as introduced. Some of my colleagues may have objections to or wish to modify that portion of the bill which sets a floor or minimum amount of meat to be imported.

My major concern is that we get the legislative process underway as soon as possible. This matter is important, not only to cattlemen and the agricultural community, but also to the millions of Americans who depend on the meat industry for food and nutrition. The text of the legislation follows:

H.R. —

A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979.'

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat),

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs), and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1979 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1969 through 1978; and

"(2) adjusted further under subsection (d).

For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.53, and 100.55 of such Schedule entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1979 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year;

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase 'domestic cow beef' means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1979, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) would be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e)(1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President shall by proclamation limit the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e)(1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is less than 110 percent of the aggregate quantity estimated by him under subsection (e)(1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g)(1) Notwithstanding the preceding subsections, the total quantity of meat articles which may be entered during any calendar year after 1979 (as established for such year under the preceding subsections and effective as of the third calendar quarter of such year) may be—

"(A) increased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is 1.10 or higher; or

"(B) decreased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is .90 or lower.

"(2) For purposes of this subsection, the index ratio for any calendar quarter is the number obtained by dividing the Department of Agriculture Farm Price of Cattle Index for the calendar quarter by the De-

partment of Labor Beef and Veal Price Index for the calendar quarter.

"(3) The Secretary shall compute the average index ratio for the first two quarters of each calendar year after 1979 before the beginning of the third calendar quarter of the year.

"(h) The President may suspend any proclamation made under subsection (f) increase the amount of any total quantity proclaimed under such subsection, or increase the amount of any total quantity established under subsection (g), if—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, not withstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f)(1), and any increase in such quanity provided under subsection (g), among supplying countries on the basis of the shares of the United States marked for meat articles such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may affect the trade in meat articles. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

"(l) The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1980.".

SEC. 2. This Act shall take effect January 1, 1980.●

DAY OF MARTI—APOSTLE OF LIBERTY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FASCELL. Mr. Speaker, January 28, 1979, will be widely celebrated by hundreds of thousands of Cubans and Cuban-Americans as the 125th anniversary of the birth of the great Latin American leader, Jose Marti.

Jose Marti, beloved as the "Apostle of Cuban Independence," is revered as the greatest hero of Cuba's struggle to gain independence from Spain. He was born in Havana in 1853, and began his participation in the revolutionary movement at the age of 15. Although banished in 1881 for his outspoken criticism of Spanish colonialism in Cuba, he continued his work in New York, where he gained renown as a journalist, translator, and skilled orator. He traveled widely, proclaiming his belief in the ideal that "the general happiness of a people rests on individual independence." In 1892, Marti and his followers founded the Cuban Revolutionary Party, and drew up a constitution for the Cuban Republic.

In February of 1895, Marti and his group of followers launched what was to be the final Cuban rebellion. They landed on the coast of Cuba on April 11th, and began a march to Santiago to unite the revolutionists. On May 19th, en route to Santiago, Jose Marti was killed in an attack by a Spanish patrol.

Jose Marti's death served as a further inspiration to his followers to continue the struggle for freedom, and on May 20th, 1902, the flag of an independent Cuba was flown for the first time over the island nation. This event marked the culmination of 75 years of struggle by the Cuban people—a struggle which is a stirring tribute to the courage and dedication of its people. Unfortunately, the suppression of human rights by the Castro government has brought about the need to renew the struggle for Cuban independence. We support the principles of human liberty for which Jose Marti fought—and died—and hope that the right of self-determination will soon be restored to the Cuban people.

On January 28th, the Latin American community of south Florida will host the eighth annual Jose Marti Inter-American parade in the city of Hialeah. The parade is being organized by Mr. Euripides Riera, a well-known and respected civic and social leader in Florida. He is president of the Pan American Chamber of Commerce, executive director of the National Association for the Advancement of Cuban-Americans, and Latin American advisor to Miami's community newspapers. He has been honored by the National Association for the Advancement of Hispanic-Americans and by the U.S. Equal Employment Opportunity Commission for his efforts in promoting the welfare of Latin Americans in the United States and in strengthening relations between the United States and its Latin American neighbors.

Mr. Speaker, Jose Marti was one of our hemisphere's greatest patriots. It is only fitting that we in the United States, which includes so many individuals of Latin American heritage among its citizens, should pay tribute to him.●

CONGRESSIONAL MEDAL OF HONOR WINNER INTERVIEWED

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. COTTER. Mr. Speaker, an article honoring John L. Levitow, a native of Glastonbury, Conn., and the youngest Air Force enlisted man to be awarded the Congressional Medal of Honor, recently appeared in Sergeant's magazine. The interview details Mr. Levitow's heroic behavior on his 180th combat mission in Vietnam, on February 24, 1969.

One of four living Air Force men to to receive the esteemed medal, Mr. Levitow distinguished himself by throwing a live flare out the cargo door of his AC–47 gunship and saving the crew from sure destruction.

At the time, enemy mortar had already ripped the plane and seriously wounded its crew. Mr. Levitow was bleeding seriously from the impact of 40 pieces of shrapnel and the plane had suffered 3,500 holes in its fuselage.

Now 33 years old and the father of two children, Mr. Levitow modestly responds to questions about the dread incident. The following interview is the best testimony to this young man's courage and heroism:

"IF THE HEAT DIDN'T GET US—THE TOXIC GAS WOULD"

(By Edwin J. Kosier)

It's been eight years since John Levitow became the youngest Air Force enlisted man to be awarded the Air Force Medal of Honor (each service has its own). He still has total recall of the events which led to receiving the nation's highest decorations.

As he recalls, Feb. 24, 1969, was a hot and muggy night at Bien Hoa AB, Vietnam. It was a routine flight and the 24-year old airman's 180th combat mission as a loadmaster aboard a AC–47 gunship.

In his own words, this is what happened on that harrowing flight along with some other thoughts relevant to his role in today's society as a Medal of Honor recipient.

Q. Would you describe the beginning of your 180th combat mission?

LEVITOW. It's ironic—the mission I was flying that night was in substitution for another loadmaster. The mission itself was flying an AC–47 gunship. We carried, if I remember right, between 50 and 75 thousand rounds of ammunition and 45 illumination flares. We flew two combat air patrols (CAPS), one was over Bien Hoa area, another was over Saigon, Tan Son Nhut area. The reason for the CAPS was in the event an airplane was needed, we could be automatically diverted from the airbourne patrol to the firing zone.

Q. Specifically, what is a CAP?

LEVITOW. A CAP is a circular type motion over specific destinations. We had two birds (AC–47) automatically go off in early evening and they flew until midnight. In the meantime, two other birds would sit on ground stand-by until midnight. As we would be landing, they would be taking off. We would then act as their back-up.

Q. Did you fly day missions?

LEVITOW. Our ships did not fly gun missions during the day. At 135 knots and 3,500 feet, I think you can see why. The life expectancy of the airplane would be about 30 seconds.

Q. What happened that fateful night?

LEVITOW. We answered a call for aid over Bien Hoa, Long Binh area. We were dropping illumination flares and firing the guns when we were hit. We didn't know what it was. The airplane was rocking and I was thrown against the flare box. I had no recollection that I was wounded at the time. I saw my lead gunner, who was bleeding heavily. I and another guy helped him forward. We were all in a state of shock. We didn't know what the heck happened. The pilot yelled, "What happened, did a flare blow up?" Nobody knew. But that had reminded me that there was a flare (they weigh 27 lbs. and have a 20 second firing fuse) that was about to be dropped.

From this point on I don't remember much. I am only going by hearsay and what I have been told. I know I looked back and that's when I saw the flare. My mind goes blank to the situation, but I am told that I got to the flare and couldn't grab it, so, I ended up by jumping on it, crawling and dragging it about ten feet to the cargo door and throwing the flare out. Apparently, the shrapnel from a mortar that hit the wing had ignited the flare in the airplane. I was later informed that the second the flare was outside of the airplane it had ignited.

Q. Do you believe your Air Force training was the reason for your instant reaction?

LEVITOW. Yes, training plus fear. I had a terrible amount of respect for the flare. When we went through at England AFB, LA, we saw one of these flares placed in the fuselage of an airplane and it burned through in about 10 to 15 seconds. The flare burns at two million candle power, so the heat is quite intense. Magnesium gas from the burning flare is also toxic. It would fill the bird in three or four seconds. So, if the heat didn't get us the toxic gas would have. And if that hadn't, it would have burned down and hit the fuel tank and that would have blown us up. So it was a three-way death certificate.

Q. What about the other people? What were they doing?

LEVITOW. Everybody was still shocked. The comical side of it was not one officer got injured. We had ten people on the airplane, three officers, seven enlisted. Every enlisted man received at least a minor puncture from the shrapnel. But not one officer. I received about 40 pieces of shrapnel throughout my thigh and back. My gunner had well over 80.

Q. Was it a mortar?

LEVITOW. They say it was actually a mortar. We flew into an arch of mortar fire. They thought we might have flown into our own artillery until they found bad metal. The mortar itself put a three-and-one-half-foot hole in the right wing and they stopped counting the patch holes in the fuselage at 3,500. I think you see the picture. Instant air conditioning.

Q. How long were you hospitalized?

LEVITOW. I was in the hospital 16 weeks before going back to Vietnam.

Q. How did you feel about going back to combat?

LEVITOW. I was told somewhere that Air Force regulations stated if you were injured and had less than 90 days to serve you were supposed to go home. Well, I had exactly 81 days left and they gave a nice complimentary ticket to fly back to Vietnam. I got back to Vietnam, checked in, went to the flight surgeon and he looked at me and said "You are not flying." So I spent another six weeks on the ground. I am not a volunteer for anything. But I became so bored that I volunteered to pull CQ (Charge of Quarters). And you know what it is like for an enlisted man to pull CQ. So finally, I talked the flight surgeon into letting me return to flying status. I flew one mission and we took about five hits of .50 calibre in the rear of the airplane.

The next night I reported to my crew. When I got out of the airplane a colonel was giving my airplane commander his checkride. He saw my name tag and he asked me what I was doing flying. I said, "I am a loadmaster on this flight" and he said "No you are not, you are grounded." I asked why? He said "Don't you know you have been recommended for the Medal of Honor." I said, "Yes, I was told that this afternoon, but I didn't believe it." He said "Hey, your recommendation automatically grounds you from any combat. Get out of here!" So, I spent 366 days in Vietnam with a little vacation in the hospital.

Q. Where did you go then?

LEVITOW. Home to Glastonbury, CN.

Q. When were you notified that you were a Medal of Honor recipient?

LEVITOW. Thirty days after I was discharged. I got out Apr. 3, 1970, and on May 3, I got a call from the Pentagon saying I was to come to Washington, D.C., May 14, to receive an award. There is a funny story behind that because I didn't know why I was going to Washington.

Q. You had no idea?

LEVITOW. I knew I was recommended but, I, as any military individual knows, that any recommendation goes from one station to the next, and to the next on the way up. It could have been an Airman's Medal. I finally got the guts to ask the day or so before.

Q. Why do most Medal of Honor recipients dislike talking about it?

LEVITOW. Why? Well the medal has a great influence on an individual's life. You are constantly living with the fact that you have it. When I was in Florida last winter a friend asked the same question. I gave him an example. If I would wreck my car you would read headlines—"Vietnam Medal of Honor veteran wrecks car." If you did it, it wouldn't even be mentioned. In other words, I'm not John Levitow, ordinary citizen, but John Levitow, Medal of Honor recipient. You've got to keep a low profile.

Q. Is there social pressure?

LEVITOW. Yes. Let me give you a quick example. A very good friend of mine, an enlisted Medal of Honor recipient on active duty, got into emotional situations that turned him into an alcoholic. At every social function he would be associating with officers. Naturally, he felt out of place. This constant social pressure made him escape to the bottle. He just wasn't able to cope. He could not adjust. I realize I have social obligations, but I'm very selective of those that I attend.

Q. Do you think your Vietnam tour was worthwhile?

LEVITOW. I am not exactly pleased that I spent 366 days over there and then have us pull out. I feel like I wasted a year. I don't have any regrets to the military itself, but I do regret that 366 days, because I don't know what I accomplished.

Q. What do you have to say about today's airman?

LEVITOW. The enlisted man has very little. He always had. It has always been an officer's service because they are the fly boys, they are the ones who have the so-called primary functions of the Air Force. That is the only way to look at it and I don't mean that bitterly. I am just saying that we are put in an unglamourous position of supporting he officers. Enlisted men know that the officer flying that F–111 or any other airplane, can't fly that bird unless we check that airplane out and support him administratively.

But don't get the idea that enlisted personnel are stupid. I went to the recent Air Force Association convention when they gave 12 outstanding airmen awards. These guys were amazing. A couple had a master's degree and one of them was damned near his doctorate.●

A TIME TO EXPAND THE AQUACULTURE INDUSTRY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FORSYTHE. Mr. Speaker, I have today introduced legislation, with the leadership of the Committee on Merchant Marine and Fisheries, which offers this Nation an opportunity to seize the initiative in the development of a new seafood production industry.

Although the growth in U.S. seafood consumption during the last decade has been dramatic, the increase in U.S. seafood demand in the next 25 years will be explosive. By the year 2000 the United States demand for all fish and shellfish will increase by 80 percent.

To meet this burgeoning demand, the United States imported a record $2.6 billion of fisheries products in 1977. This excessive level of imports constituted approximately 10 percent of the total U.S. trade deficit—a deficit which is a prime contributor to an unacceptable rate of inflation.

To supply the United States with the seafood products that consumers are demanding, it is essential that our domestic fishing industry be developed. The legislation which I am introducing today, the National Aquaculture Act, provides an important vehicle for producing seafood for the U.S. market.

Aquaculture, the rapid growth of fish and shellfish in a controlled environment, has as much potential for meeting U.S. protein needs as agriculture did in the 1880's. Already, the U.S. aquaculture industry is producing annually 20 million pounds of oysters, 30 million pounds of trout, 2.6 million pounds of clams, 60 million pounds of salmon, and 800,000 pounds of shrimp. Because of the legislation I am introducing today, it is expected that these production figures can be increased substantially. In fact, in some cases, it is estimated that production levels could increase by 10 times in the next decade.

The significant fact, however, is that, at the present time, the United States is importing approximately $800 million of seafood products each year which could be produced domestically by the aquaculture industry. The projected increase in U.S. seafood consumption provides an excellent opportunity for the expansion of the U.S. aquaculture industry—in fact, it demands the development of this industry. The implications of a limited domestic supply of seafood are increased prices to the consumer, an inadequate supply of seafood products, an increase in the U.S. balance-of-payments deficit, and continuing fuel to the fires of inflation.

Mr. Speaker, the development of the U.S. fishing industry, including the U.S. aquaculture industry, could reverse these trends and have a salutary effect on the U.S. economy as a whole. In fact, the United States could become a net exporter of seafood products.

If the future of the aquaculture industry is so bright, why must we enact a National Aquaculture Act? Although the answer is not simple, it can be summarized by saying that there is a need to prove to U.S. industry, which is currently investing its available funds in more attractive projects, that acquaculture is commercially feasible. The development of aquaculture for any species is a two-step process. First, it is essential that an understanding of the basic biology of the species be developed. This entails a knowledge of species reproduction, optimal growing temperatures, food mixtures at various stages of development, et cetera. Once this information is available, it is possible to move into the sec-

ond stage of development—an engineering, biological, and economic stage. There is a major difference between growing 100 fish in a laboratory tank and 100,000 fish in an aquaculture facility. The problems of disease, waste disposal, water quality within the system, nutrient mixes, and other factors become magnified. The problems are no longer solely biological.

For many species, the basic biology is known. What is needed is second stage development and here is where the problem lies. Because of the present high risk nature of the fledgling U.S. aquaculture industry, investors are generally reluctant to invest their funds in auqaculture when higher and safer returns are available elsewhere. We are thus confronted with the proverbial chicken and egg situation. Investment money is available to develop the aquaculture industry, but only after second stage development is completed. Yet without this investment capital, second stage development may never be achieved.

It is the purpose of the National Aquaculture Act to provide seed funds to develop the biological and technological capability which the industry needs and to conduct demonstration projects to prove the viability of the aquaculture concept.

Mr. Speaker, the National Aquaculture Act is a temporary program designed to provide seed capital to a young industry. The benefits of this legislation can be measured by an increased supply of seafood to the consumer, a reduction in the level of U.S. sea food imports, an increase in U.S. exports and a reduction in the U.S. inflation rate. I believe that these benefits far outweigh the relatively minor cost of the legislation.

The National Aquaculture Act is a significant and cost-effective legislative initiative and it is my hope that the Congress will take prompt action on the legislation.●

INVITING THE CHIEF JUSTICE TO ADDRESS THE CONGRESS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. HARRIS. Mr. Speaker, in a few days, we will have an opportunity to hear the President of the United States address the Congress and the American people in the 191st state of the Union message. On this important state occasion, the Nation's Chief Executive reports on the success of his administration, the welfare and prosperity of our people, the strength of our defenses, and our relations with other nations. The state of the Union is not a hollow ceremony, nor is it a substitute for our own judgment. It is a time for the leader of the executive branch to share his priorities and concerns with those who are in a position to act upon them.

Today, Mr. Speaker, I am introducing in the House a concurrent resolution extending to the Chief Justice of the United States, in his capacity as leader of our judicial branch, a one-time invitation to appear before a joint session of the Congress to report to the American people on the state of the judiciary.

In the last Congress, we took significant steps intended to guarantee equal rights, reduce the backlog of Federal court cases, amend our bankruptcy laws, reform Federal contracting, provide improved assistance to localities and States in fighting crime, curb abuses in foreign intelligence surveillance, and provide adequate access to legal services for the elderly and to others who cannot normally afford to be represented. In the 96th Congress, Members may be called upon to cast their votes on measures intended to protect human and civil rights, insure equal opportunity, enforce competition in business, reform and revise the criminal code, improve corrections, amend immigration and naturalization laws, and further ease citizen access to the courts. In addition, Members of the other body will be called upon to offer advice and consent to the President with regard to numerous Federal judicial appointments which can broaden the base of our judicial system through a process of merit selection. On these and other measures affecting the judicial system, I believe it is important that Members of Congress act with the advice and counsel of the chief judicial officer of the land.

The idea of a "state of the judiciary" address is not a new one. It was proposed by William P. Rogers in the early 1950's, before his service as Attorney General under President Eisenhower and as Secretary of State under President Nixon. In the last Congress, the idea was revived in the Senate and received favorable subcommittee action. My resolution, the first introduced in the House, would extend on a one-time basis, an invitation for the Chief Justice to speak to a joint session. This honor has been accorded through the years to foreign dignitaries, poets, generals, and astronauts, and national heroes. I hope the Congress will act quickly to invite the Chief Justice.

Regardless of our partisan affiliation, our regional orientation, our committee assignments in Congress, or our political philosophy, each Member shares the concern of our citizens for an orderly and fair society, for the speedy and correct punishment for crimes, for the efficient administration of justice, and for the protection of individual rights. It is appropriate and timely that we should hear the views of the judiciary on these matters as we work together to achieve these goals.●

TRIBUTE TO NAT HOLMAN, "MR. BASKETBALL"

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GREEN. Mr. Speaker, I want to add my voice to those honoring Nat Holman, a constituent of my New York 18th Congressional District, who is known as "Mr. Basketball" to sports fans everywhere.

Nat Holman was honored recently when the School for Sports Coaches and Instructors at the Wingate Institute in Nathanya, Israel, was named for him. The Israel Olympic Committee also presented Mr. Holman with an award in recognition of his years of service in the development of competitive athletics in Israel.

Mr. Holman is a former head basketball coach at CCNY, a past president of the National Collegiate Basketball Coaches Association of America, the author of books on modern basketball and has been our country's emissary to Canada, Mexico, Turkey, Japan, Taiwan, and Korea for basketball clinics and lectures.

In 1949, Mr. Holman was sent by the U.S. Government and the U.S. Committee Sports for Israel to develop the growing popularity and sophistication of basketball coaching and playing in the state of Israel. In his numerous visits, Mr. Holman laid the foundation of modern basketball; thus he was adorned with the title of "Father of Israeli Basketball."

The Holman School trains and prepares Israeli athletes for national and international competition. It is the only school of its kind in the Middle East.

The facility is being built in part with funds raised through the United States Committee Sports for Israel, which has supported the development and expansion of the Wingate Institute since the institute began operations in 1957.

Mr. Speaker, I am proud of the role Nat Holman has played in this effort, and want to salute him and the U.S. Committee Sports for Israel for their outstanding contributions to both the world of sports and Israel.●

SUGAR LEGISLATION

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. SEBELIUS. Mr. Speaker, many of my colleagues from sugar-producing districts last year warned the people of this Nation of the danger involved in failing to pass reasonable sugar legislation. We said that failure to protect our domestic sugar industry would lead to the death of some industry segments and losses of millions of dollars.

That process has begun. Producers in southwest Kansas have decided to close their sugarplant and go out of the sugar business. That means land that was used to produce sugar will now go to produce surplus crops of wheat, corn, and grain sorghum.

To give Members a better understanding of the problems involved, I would like to insert an excellent article into the RECORD. The article was written by Linda Mowery of the Salina, Kans., Journal:

SUGAR BEETS BEATEN IN SOUTHWEST KANSAS

(By Linda Mowery)

The death knell sounded last week for the sugar beet industry in Southwest Kansas when a producers' cooperative decided to terminate its lease on a processing plant in Rocky Ford, Colo.

Two hours later, the American Crystal Sugar Company, owner of the plant, announced the facility would be closed permanently.

"It's a real sad thing, but it was an economic decision that needed to be made," said Gary Baker, a Ulysses sugar beet farmer who is secretary-treasurer of the Colo-Kan Sugar Company, the cooperative.

He offered two reasons for the action: low prices and reduced acreage.

Last year, Baker said, growers received $19.50 a ton. To break even, he estimated that figure should have been from $25 to $27 a ton. He expects the 1978 crop to bring $16 to $18 a ton.

Many growers, he added, have lost $150 to $200 an acre the past three years.

To make the plant economical to operate, Baker said about 20,000 acres of beets would be needed. In 1978, Arkansas Valley producers planted about 15,000 acres of beets. Several years ago, 33,000 acres of beets could be seen in the area.

Northwest Kansas sugar beet growers said they won't be affected by the closing of the Rocky Ford plant. One, however, said the action was symbolic of "the course we're on."

"The sugar industry will continue to diminish as long as returns are what they are," predicted Arvene Eckhardt, Goodland, a state director of the Rocky Mountain States Beet Growers Association of Colorado and Kansas.

Northwest producers contract their beets with Great Western Sugar Company, which has a plant at Goodland. When the Southwest cooperative, comprised of 175 stockholders in Stanton, Grant, Haskell, Kearney and Finney Counties and several Colorado counties, lost money—it came from the producers' pockets.

Also, processing costs at the Rocky Ford plant are more because of the reduced acreage, Eckhardt said.

The Goodland plant handles about 22,000 acres of beets from Sherman, Thomas, Sheridan, Cheyenne and Wallace Counties in Kansas and several counties in Colorado. Three years ago, Eckhardt said, there were 40,000 acres in production, but the local plant couldn't handle that many beets and the cost of transportation to other facilities cut acreage.

"It's hard to really say if there will come a time when sugar beets won't be grown in Northwest Kansas," Eckhardt said. "We have to weigh sugar production with other crops like wheat and milo. We're choosing the better of several evils.

"But Northwest Kansas got along with sugar beets not too many years ago and we could survive again."

Beets began to be grown in the Northwest in the 1950s.

Baker said sugar beet acres in Southwest Kansas will probably be shifted to grain sorghum and wheat. Corn, he added, is becoming unattractive to farmers in his area because of water problems.

He said the plant probably wouldn't close until April because beets are now being sliced and "a lot are in storage or on the ground." Colo-Kan, which probably cannot disband until Aug. 31, 1980, had leased the plant for the past six years and still had two years remaining in a three-year agreement.

Baker said the first Southwest Kansas sugar beet plant was built in 1903 at Garden City. That plant has since closed, as have several others in Southeast Colorado.

Baker believes sugar imports have "destroyed our market."

"I used to think when you tell them (the government) you're going broke and that factories are closing, it would really mean something. It doesn't shake them up at all."

Eckhardt said most sugar beet producers favor legislation which would "level off" the market so "they would get a little return each year rather than one big return maybe every four years."

BILL TO ENCOURAGE ENERGY CONSERVATION EXPENDITURES FOR DWELLINGS OCCUPIED BY TENANTS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DINGELL. Mr. Speaker, I am today introducing a bill which I believe will substantially benefit the Nation's energy conservation efforts and also millions of Americans, both tenants and landlords.

My bill will correct what I believe is an inadvertant oversight when we enacted the five laws which compromise the national energy legislation signed by President Carter on November 9, 1978. I refer to the provision in the Energy Tax Act of 1978 which provided a 15-percent credit to taxpayers for various energy conservation expenditures to make their homes more energy efficient—such as expenditures for insulation, storm windows and doors, equipment, et cetera.

That credit, up to a maximum of $300 for expenditures of up to $2,000, will certainly provide a substantial incentive to millions of people to insulate their homes, and I supported that tax credit.

However, the Energy Tax Act imposed a condition that the residential unit on which the taxpayer made these expenditures must be the taxpayer's principal residence. Although the taxpayer could obtain the tax credit for his energy conservation expenditure regardless of whether he is the landlord or the tenant of the dwelling that he uses as his principal residence, that condition on the tax credit overlooked a real economic fact of life; namely, that very few tenants would spend up to $2,000 in a residence owned by someone else just to get a tax credit of $300 or less. Furthermore, the landlord cannot get a tax credit for energy conservation expenditures on a dwelling unit occupied by the tenant, because the dwelling would not be the landlord's "principal residence." Hence, there are millions of dwelling units occupied by tenants for which the tax credit provision provides virtually no incentive for making energy conservation expenditures.

From an energy conservation point of view, however, it does not make any difference whether 10 taxpayers spend $20,000 for energy conservation measures and receive $3,000 tax credit for 10 buildings which are their principal residences, respectively; or whether the same amount of money is spent for the same kind of energy conservation measures and the same amount of tax credit received, by 1 taxpayer, for the same number of dwellings which are the principal residences of 10 different persons.

My bill would allow the use of the energy conservation tax credit for every residential unit in which the taxpayer installs energy conservation measures even though it is not his principal residence, so long as it is the principal residence of someone. This would encourage landlords to make expenditures for energy conservation work on dwellings occupied by their tenants, and will assure that every dwelling, whether occupied by the owner or a tenant, will be within the coverage, both legally and realistically, of the tax credit incentive.

Of course, my bill also provides that no taxpayer can secure double tax credits by virtue of the energy conservation tax credits provisions and the existing investment credit provisions of the Internal Revenue Code.

I hope the House Ways and Means Committee, which will be considering my bill, will in the near future report it favorably and recommend that it be enacted.●

PRIVATE SCHOOLS DO NOT DESERVE THREAT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, an issue of much controversy is the proposed IRS regulation which would determine a private school's tax-exempt status. This subject was very thoroughly and properly covered recently in an editorial appearing in the West Proviso Herald, a publication serving suburban Cook County. The editorial follows for the Members' special attention:

PRIVATE SCHOOLS DON'T DESERVE THREAT

The Internal Revenue Service is proposing a measure that would further hamper and possibly cripple the private and parochial school system. The proposal would take away a school's tax-exempt status if its enrollment noticeably increased due to white flight from public schools that are under federal desegregation orders. Specifically, the private school's minority enrollment must be within 20 percent of the proportion of minority students in that area's public schools.

While we don't quarrel with the government's interest in achieving integration throughout the public school system, we feel the IRS measure has too much potential for abuse. It ought not to see the light of day.

The very worst part about the proposal is that the burden of proof would be on the private school to show it was not fostering segregation. These schools are burdened enough with financial problems without the need to hire legal help to do the government's work. Surely the IRS has the investigative capacity to determine which schools are violating any law and to prove its case in court.

But that's assuming that the measure is sound in the first place. We don't think it is.

First of all, what "local" public-school area would be used as a point of comparison for a private school's minority percentage. The private and parochial schools have no districts. It is unfair to hang a private school's existence in the balance on the basis of figures that bear no meaningful relation to the private school's enrollment area.

Second, there are any number of reasons why a private school's percentage of minority students might not be as high as a public school's. The IRS presumes a lot when it believes that a "low" figure is due to an effort by that school to maintain segregation. We think it presumes too much.

Also there could be any reason why a school's enrollment might increase. The IRS presumes too much to conclude that an enrollment rise is solely or significantly due to avoidance of public-school integration.

The best way to keep students in the public schools is to keep those schools attractive to students. They need to maintain high standards and be flexible and innovative. In areas where the public schools are not up to par, the schools must be improved. They should not rely on government strictures against nonpublic schools to gain a higher-achieving group of students from which to draw.

The nation needs private and parochial schools just as it needs public schools. We feel some "competition" between private and public schools for enrollment is healthy. Private schools provide a forum for innovation and experimentation that can rub off on public schools.

To threaten removal of a private school's tax-exempt status is to threaten to put it out of business. This would be a tragedy for white and minority students. Increasingly, minority families are choosing private education. In west Proviso Twp., all private elementary schools plus two private high schools that serve the area, are integrated.

Even if an enrollment increase at a private school is to some extent traceable to "white flight" from the public schools, there is no proof that a private school itself would have caused it. The source of such a trend most likely is the parents.

We feel those parents, whatever their motives, have a right to send their children to private schools. These parents pay taxes to support public schools and make an additional sacrifice to send their children to nonpublic schools. The government has no more business thwarting these parents than it does telling them in which town they must live or where they must work.

The IRS proposal probably arose because of the proliferation of all-white "academies" in the South a few years ago during some well-publicized desegregation efforts in the public schools. We don't support the philosophy behind such schools. But we feel the vast majority of private and parochial schools in the country operate responsibly with a firm commitment to the public interest. Integration in private schools, no doubt, will increase if the government just leaves them alone. They should not be threatened for the irresponsible actions of a few.

U.S. Rep. Henry Hyde (R-6th) has come out against the IRS measure. We applaud him for doing so. We hope local residents will let Senators Percy and Stevenson know their feelings on this matter as well. ●

ACCURATELY REFLECT BILL TITLES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am reintroducing today a resolution to require that all bills and resolutions introduced for consideration by the House contain titles which accurately reflect the contents including the specific amounts of authorizations and appropriations contained therein.

In the 95th Congress several legislative matters came before us for consideration and vote which contained major provisions which were not reflected in the bill titles. This situation has been extremely misleading to the public and to Members of Congress, and has denied interested persons the opportunity to participate in the legislative decision-making process by expressing their opinions to their elected representatives. For example, last term I discovered that House Joint Resolution 227, which was titled as an "urgent supplemental appropriation for the Southwestern Power Administration," contained a major funding provision for ERDA which included over $5.5 billion tied to nuclear research and development. The only mention of the provision contained in the bill was the phrase "and for other purposes."

When the House considered H.R. 4088, authorizing appropriations to the National Aeronautics and Space Administration I discovered an authorization for a supersonic transport which had been placed solely in the committee report, but entirely omitted from the text of the bill being considered in the House.

Mr. Speaker, I believe it to be most inappropriate to have before us legislation so obfuscated that it is impossible upon a reading of the bill to tell precisely what it is that a Member is voting on. I am hopeful that this resolution will correct this problem by requiring the title of each legislative matter to contain sufficient information to advise us of its contents:

H. RES. —

Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein.

Resolved, That rule XXII of the Rules of the House of Reepresentatives is amended by adding the following new clause at the end thereof:

"7. The House shall not receive or consider any bill or resolution unless its title accurately reflects its contents including the specific amount of each authorization or appropriation contained therein. Reference to any program, expenditure, authorization or appropriation in a Report accompanying such bill or resolution shall not satisfy the requirements of this rule.". ●

SHOULD THE DISTRICT OF COLUMBIA HAVE SENATORS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MICHEL. Mr. Speaker, the debate over the advisability of passing the constitutional amendment that would grant the District of Columbia full congressional representation is one that goes to the very heart of our governmental system.

The distinguished political scientist Walter Berns, currently a resident scholar at the American Enterprise Institute for Public Policy Research, has written a scholarly and persuasive argument against passage of this amendment. Dr. Berns asks the central question involved: is the amendment, as written, constitutional? He argues eloquently that a proper reading of the constitution demonstrates beyond any doubt that, no matter how well-intentioned the supporters of the amendment may be, the argument for such an amendment simply is not based on constitutional principles.

At this point I want to insert in the RECORD "Rome on the Potomac" by Walter Berns, Harpers, January 1979:

ROME ON THE POTOMAC

Machiavelli pointed out more than 400 years ago that for a city to rise to power "it has ever been necessary to employ fraud." Rome was his exemplar because the Romans were so clever in concealing what they were doing. They entered into alliances with their neighboring states, but always managed to reserve to themselves "the rights of sovereignty, the seat of empire, and the glory of their enterprises."

Someone in Washington has been reading Machiavelli. Like Rome, Washington had a small beginning and became great at the expense of the states surrounding it; again like Rome, it has allied itself with those states in an enterprise of sorts, this one carried on in the name of the rights of man but calculated to accumulate more sovereignty, a larger empire, and greater glory for the Washingtonians who constitute what we still call, however inaccurately, the federal government.

Washington has proposed to the states for their consideration an amendment—it would be the twenty-seventh—granting the District of Columbia full Congressional representation. Whether it passes depends on the ability of its opponents to resist a subtle, but in our day powerful, form of bullying: the accusation that objections to District representation are a cover for an "anti-urban, anti-black, anti-federal" prejudice. This charge of racism, made in print by columnist Garry Wills and more slyly by many Washingtonians, is designed to intimidate Republicans especially, because they have strong partisan reasons to vote against ratification: in the nation's capital there are nine registered Democrats for every Republican.

Republicans control both houses of the legislature in twelve states. But they control one house in four other states, not counting unicameral Nebraska, and a negative vote in at least one house in thirteen states is enough to defeat any Constitutional amendment. Already the Twenty-third Amendment, giving the District the right to choose Presidential electors, assures the Democrats a three-vote headstart in every Presidential election. This proposed Twenty-seventh Amendment is calculated to give Democrats two additional Senators and one or two additional members of the House—a simple enough reason for Republican opposition.

The District is primarily black, but opposition to District representation began in the nineteenth century, when the population was mostly white. Besides, the white population is rapidly increasing as young and childless couples—he a White House staffer and she a rising attorney in Justice's Antitrust Division—move into the city from the Virginia and Maryland suburbs. And it is preposterous to liken the District to Rhodesia and South Africa, as did several witnesses at the House hearings. District residents elect their own mayor and city council, they vote for Presidential electors, and they elect a nonvoting member of the House. The amendment will indeed be opposed by racists, but it will win the support of many politicians eager to avoid the imputation of racism. I think the amendment's proponents exploit this anxiety; nonetheless, there are respectable nonpartisan and nonracist reasons why the amendment should be rejected.

They are, of course, hotly denied in Washington. In the House committees hearings, not a single witness testified against the proposed amendment; everyone favored it, and most, in one way or another, insisted that nothing could be said against it. As one House witness said, "The simple fact is . . . there is not one substantive reason why this legislation should not pass." Passage, it was maintained, is a matter of "simple justice," resting "on the simple principle upon which this great Nation was founded . . . 'no taxation without representation.'" The emphasis here is that Washingtonians, although not permitted to vote for Senators and Representatives, pay income taxes; in fact, one witness said they "pay more than their fair share of taxes." What she meant was they pay higher taxes because "the per capita income for D.C. is higher than the national average." She was right; it is 26 percent higher ($8,067 in 1976, as against the average of $6,399), which suggests that Washingtonians are getting along well even without representation.

"No taxation without representation" is a venerable American slogan, but it is not the principle, simple or otherwise, "upon which this great Nation was founded." According to the Declaration of Independence governments are founded by the people to secure their natural rights of life, liberty, and the pursuit of happiness, and it is up to the people, when adopting a constitution, to decide how these rights are best secured. They can decide on a system of "one man, one vote," which is another formulation of "no taxation without representation." Or, being apprehensive of the majority's unchecked powers, they can heed Madison's advice—as Americans did in 1787—and adopt a constitution with "auxiliary precautions." They can even establish a federal system, or one that Madison described as "neither wholly *national* nor wholly *federal*." In short, they can recognize the legitimacy and necessity of a separation of powers and various checks and balances, but also of more than one principle of representation. This describes the American Constitution, which, in addition to granting representation to the people as people, grants representation to the states as states.

The constitutional case against the proposed Twenty-seventh Amendment rests on Article V, which provides "that no state, without its consent, shall be deprived of its equal suffrage in the Senate." It rests on the "simple" fact, if you will, that the District of Columbia is not a state, and Congress is not proposing to make it a state,* and that to accord the District two Senators would deny all states their equal suffrage. Most witnesses who testified on the proposed amendment ridiculed this argument; Senator Kennedy thought it "shallow at best and pernicious at worst." Apparently they did not understand it. The Congress seems to think that equal suffrage—pertaining to states—means nothing at all, or nothing more peremptory than that the states shall each have two Senators. But as set forth in Article V, equal suffrage of the states is a right that no amendment shall curtail, except with the consent of the states involved. This means that unless a state agrees to a smaller number all the states shall have the same number of Senators; and it also means that only states shall have Senators.

Senator Kennedy and a host of witnesses were correct in seeing that this Article V provision came about as the result of the 1787 convention compromise between large and small states. What he and they did not understand is the principle of the compromise: state sovereignty, or in the words of *The Federalist Papers* (62), state "residuary sovereignty." Although states are *unequal* in wealth, industry, husbandry, virtues and vices, flora and fauna, and, most significantly, in size of population, they are equal with respect to their "stateness," a quality not possessed by the District of Columbia. That states are unequal in "their respective numbers" is recognized in the House of Representatives, where they are unequally represented. That they are equal in their "stateness" is recognized in the Senate, where they are equally represented. The Constitution recognizes the equality of the states as states, and by providing that "no state, without its consent, shall be deprived of its equal suffrage in the Senate," guarantees that "stateness" shall be forever recognized. Now the Congress, in proposing the Twenty-seventh Amendment, has decided otherwise.

Nothing in the Constitution forbids representation of District residents in the House of Representatives, and a case can be made for it. They constitute a considerable number of individuals—690,000 of them—and the House represents individuals according to their numbers. As individuals they are taxed, and as individuals they should be represented; collectively, however, they lack the requirement for Senate representation. Whatever the number of its taxpayers, the District of Columbia may be represented in the Senate only if Congress makes it a state, which it is entitled to do; otherwise, it may be represented only if each state consents to this deprivation of its equal suffrage. The proposed amendment requires the consent not of three-fourths of the states but of all the states, and, as now written, it is unconstitutional.

It is, of course, true that the Seventeenth Amendment, adopted in 1913, reduced the element of state sovereignty possessed in 1787, which Madison called "residuary." Before 1913 Senators were "chosen by the legislatures" of the states, but since then they have been "elected by the people." In principle, Senators now are less representative of their *states* than they were earlier, which is to say, ours is less a federal system than it used to be. But even under the Seventeenth Amendment Senators are elected by the people of the states, and this federalism would be endangered with the adoption of the proposed amendment.

Very much in point is the practice of Senatorial courtesy. In principle, the President appoints federal officers "with the advice and consent of the Senate"; in practice, however, because Senators defer to the wishes of colleagues, officers are appointed with the consent of the Senator or Senators immediately concerned with the office, and, in many cases, they are in fact appointed by those Senators. This is especially true with appointments to federal judgeships. Even if the President initiates an appointment—in some cases he does not—he is likely to consult those Senators from the state in which the court is located before he sends the nomination to the Senate; and to make certain that he is acting with the approval of those Senators, the Senate Judiciary Committee has developed the so-called blue-slip practice. Upon receiving a nomination, this committee informs the concerned Senators—say, Senators Jacob Javits and Daniel Moynihan—that the President has nominated someone to the vacant judgeship on the Federal District Court in New York, and the committee will not even schedule nomination hearings until Javits and Moynihan return the slips indicating their approval. If the Twenty-seventh Amendment is adopted, the two District of Columbia Senators would enjoy the power of appointment to the District Court and, even more significant, to the U.S. Court of Appeals for the District of Columbia Circuit. They would enjoy the perquisites derived from a system in which states as states are represented even though they would not represent a state.

Their decisions respecting these appointments would have national consequences. Some thirty judgeships are involved, but the importance of these courts lies not in the number of their judges. The Court of Appeals, especially, is a national court, second only to the Supreme Court in importance; as with the Supreme Court, the practice has been to staff it with judges from around the country; statute after statute grants it a broad jurisdiction, and no court plays a greater role with federal administrative agencies and their multitudinous regulations. These facts alone are sufficient to demonstrate that the District of Columbia is not simply a locality like any other.

To say that this District, this city, is not represented in the national government is a fiction: this city is the national government; its residents constitute it and live off it. They constitute a faction in the Madisonian sense of that term, a group "united and actuated by some common impulse of passion, or of interest," and I believe this interest is somehow "adverse to the rights of other citizens, or to the permanent and aggregate interests of the [national] community." For example, Washington is, as its residents frequently joke, the country's one recession-proof city: its plant is never shut down; on the contrary, its workers are never unemployed and are almost impossible to fire. There is a constant demand for its goods, because the city has found a way to control the market. Like any other business, it seeks to grow and grow; as I write, the projected budget of one department, Health, Education and Welfare, is alone $181.3 billion. A strategy to check that growth is urgently needed, and the worst course of action is to grant representation to the faction promoting still further growth. Individually, the residents of this city may deserve representation; collectively, however, they constitute an interest that should be checked, even discouraged, and, above all, not represented.

A writer exposes himself to ridicule, and not all of it good-natured, by arguing that the Constitution has some fixed meaning and that we should be bound by it and that we should be bound by its rules for changing it. Garry Wills accuses us of "odd babbling on this subject." But the advocates of constitutional change ought to be receptive to constitutional arguments. At least, such arguments ought to be available to the states where the issues are still pending. There perhaps, if not in Washington, an appeal to the Constitution might still carry some weight.

The states should act in full knowledge of the political stakes, and might do well to ponder the fate of the Italian. "When the other states in Italy finally became aware of the trap into which they had been led," Machiavelli said admiringly, "it was too late for them to do anything, because Rome had become too powerful." ●

* Section I of the proposed amendment reads as follows: "For purposes of representation in Congress, election of the President and Vice President, and Article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State."

DAVID BRODER ON POLITICAL PARTIES AND SINGLE-ISSUE GROUPS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BRADEMAS. Mr. Speaker, much concern is being expressed over the growth of single-issue groups and the

decreased role of the political party system in the United States. David S. Broder, the political columnist for the Washington Post and author of the book, "The Party's Over," has written a thoughtful and provocative article on these subjects. Mr. Broder's essay was published by the Post on Sunday, January 7, 1979. Because the House was not in session and many Members may have missed his article. I would like to call it to the attention of my colleagues.

Following is the text of the article:

LET 100 SINGLE-ISSUE GROUPS BLOOM—THE PAINS THEY CAUSE MAY PUSH POLITICIANS BACK TO THE PARTIES

(By David S. Broder)

Some call them special-interest groups. Some call them single-interest groups. Whatever the name, it's agreed that they're a shame. "Strident and self-righteous," as one senator terms them, the single-issue groups are accused of fragmenting the political consensus, whipsawing conscientious public officials with non-negotiable demands, and generally playing havoc with responsible government and politics.

But if single-cause groups are an evil, they are a necessary evil. In fact, rather than hoping that they can be curbed, as some members of Congress have proposed, it may be better to let such groups flourish and exasperate politicians as much as possible.

I say this in the belief that American politics has reached the point where it has to get worse before it can get better. Specifically, it must become more painful and difficult for politicians and officeholders. And because single-interest groups are making it more painful and difficult, they are helping create the conditions in which responsible politics and government may be reborn.

TWIN PERILS

The complaints about single-interest groups are abundant, if sometimes overstated. When Democratic Sen. Edward M. Kennedy of Massachusetts declared last October that "the Senate and House are awash in a sea of special interest campaign contributions and special interest lobbying," he was probably mixing dreadnaughts and dories, if apples and oranges do not suit his nautical metaphor.

He cited as evidence the growth in political action committees and in their contributions to congressional campaigns.

It is true that the $76 million reported spent by 1,911 independent, nonparty groups in the 1978 elections were records, both in dollars and in numbers of organizations. But many of the largest spenders—the AFL–CIO, the National Conservative Political Action Committee, the American Medical Association for example—have broad political and policy agendas.

Nevertheless, there are certainly narrow, one-cause groups—the opponents of gun control, most notably, but also some conservation, arms-control and equal rights amendments advocates—that raised and spent substantial sums.

The concern about their influence is not misplaced. Groups like these—or the right-to-life organizations, which depend on volunteer workers rather than dollars for their influence—can effectively threaten officeholders with political retaliation because of stands on a single question.

They have demonstrated a capability—at least in some states and some races—to upset not only individual careers but also powerful party organizations. For example, the Minnesota Democratic Farmer-Labor Party, a rich source of national leadership for the past generation, has been riddled by infighting between pro- and anti-abortion groups.

When admitting the destructive power of single-interest groups, however, it is important to stress that their rise represents the *second* stage in the demolition of the party system in the United States, not the first.

The first stage came in the 1950s and 1960s, when ambitious office-seekers found that they could bypass the party and win office from the courthouse to the White House on their own. Now, in the 1970s, issue-concerned citizens are applying the same lesson—not to gain office but to force their policy views on the government. Like the candidates, they are bypassing the party structure and "taking their case directly to the people."

The result is that independent, autonomous officeholders are confronting independent, autonomous interest groups in a kind of unmediated power struggle that leaves the national interest in shreds and helps persuade voters to express their dissatisfaction in the most dramatic way possible—by not voting.

What is not generally perceived is that single-issue groups and single-shot candidates are twin perils to responsible politics and government. In reality, the Gun Owners of America Campaign Committee is no more narrow or selfish in its aims than was the Carter-for-President Committee. The League of Conservation Voters is fundamentally no different in this respect than the Committee for the Re-election of the President. One has the single interest of seeing a certain policy adopted, the other of having a certain candidate elected.

That is an alien notion, I know. But it may be more easily understood by following a short, historical trail to see how we arrived at this point in our politics.

BREAKING THE PATTERN

In the innocent days of the 1940s or 1950s, what would a young man eager for public office do? In most places, he would decide first whether he felt more comfortable as a Democrat or Republican, and then present himself to a party screening or slating committee.

After examining his credentials, the party elders might offer him their support for supervisor or sheriff, for prothonotary or (at a different level) president. But they also might say, "Doubtless you are all the things you claim, but we already have a good candidate for senator, so why don't you run for clerk this year and we'll see how you do in that job." In that way, the party maintained its members loyalties and fresh ambitions were channeled into useful roles.

The young man, of course, understood that he had acquired certain advantages and taken on certain obligations upon being embraced by the party.

His campaign costs would be met in whole or part by the party, which elected contributions from supportive citizens and interest groups. Party precinct workers would push his candidacy as they made the rounds. He would be cloaked with a label, Democrat or Republican, which had broad significance for voters, so that even if they did not know him, they would know he was (or was not) "their kind of candidate."

At the same time, the young man knew that he was no longer a free agent. He had acquired obligations to help promote his party and win votes for his ticket-mates, whatever he thought of their individual merits. A degree of loyalty was expected. His disagreements with party leaders would be expressed privately or, if publicly, in muted tones. When they needed help, he would be available.

He also knew that when the party was popular, he might benefit from the "coattails" of its leaders, and when the party lost the public's confidence, he might be booted out of office—no matter how conscientiously he had done his own job for his constituents.

That is roughly the way the game was played for most of American history in most places in this country.

But after World War II, the pattern changed. It changed because certain smart fellows discovered that they could achieve their ambitions without going through all this rigamarole. Sen. Kennedy's brother John probably wasn't the first, but he was an important trend-setter.

When he returned to Boston from Navy service, Gov. Maurice Tobin and other Democratic Party elders invited the 29-year-old novice to go on the ticket for lieutenant governor. It was a flattering offer, but one Kennedy could refuse. His goal was the House of Representatives, and he plunged into a 10-man primary without asking anyone's permission. While his father pulled strings to mollify some of the old-guard politicians, Kennedy and his young friends put together the organization of political amateurs and volunteers that won the campaign.

It worked for him not only in that first House race, but in later campaigns for the Senate and the presidency—and he was not alone.

Jerry Ford did the same thing in Grand Rapids, taking a House nomination away from a Republican incumbent. Richard Nixon launched his career in California with the same sort of volunteer effort. Jimmy Carter followed the pattern in Georgia.

They and their counterparts made a number of discoveries. They found that volunteers worked harder and were more persuasive in campaigns, than patronage-oriented "soldiers" of the old political machines.

They found that interest groups preferred to give money directly to candidates rather than through the party. They found that people of means who would never have "dirtied their hands" with party politics would contribute to a candidate who had a tasteful cocktail party or after-theater reception. Later, with the development of direct-mail techniques, people like Barry Goldwater, George Wallace and George McGovern found that the wallets of thousands of less affluent citizens could also be tapped to finance individual candidacies.

The new candidates then discovered, more powerful ways of communicating with the voters. Radio and television ads, telephone banks and computerized, targeted mailings carried much more impact than the slate-cards precinct captains used to hand out at the polls.

They discovered—or intensified the use of—an old trick: door-to-door personal campaigning. If they were willing to spend enough time with the voters themselves before a primary, they found, they could beat the organization-backed candidate.

So individuals eager for public office no longer "submit" themselves to a party screening process. They organize to capture a nomination with a full-time, extended primary campaign, and then they announce, as the most recent product of that process announced to his party on the evening he captured its nomination: "My name is Jimmy Carter, and I am running for President of the United States."

A POLITICAL PARTY OF ONE

In office, these new-style politicians behave with an independence appropriate to their manner of acquiring office. They are under no obligation to anyone—and certainly not to others who claim to be "leaders" of their party. This independence of House members has made the job of lining up votes for Democratic legislation far more difficult than it used to be. Those legislators do not feel their fate rests with the voters' judgment on their party, but on them as individuals, and they vote as best suits their individual interests.

Elected executives are no different. Cleveland Mayor Dennis Kucinich ran against the party "establishment" and carried his policy

differences with the Democratic city council to the point of forcing his city into bankruptcy. Newbreed governors from West Virginia's Jay Rockefeller to Illinois' Jim Thompson to California's Jerry Brown have been at odds with their legislatures as often as Carter has with Congress.

What really has developed is a system of independent, autonomous candidates and officeholders, each with a political and governmental agenda of his own—a political party of one.

And now those officeholders are raising a cry of alarm about the invasion of their turf by independent, autonomous issue groups.

"Single-issue politics," says Democratic Sen. John Culver of Iowa, "has, in my judgment, disturbing implications for the nature and quality of political representation in this country."

"Increasingly," he says, "splinter lobbies are forcing upon elected officials and candidates . . . loyalty tests on wide ranges of peripheral matters . . . We have vocal, vehement and well-orchestrated lobbies on abortion, consumer agencies, gun control, labor law reform and a host of other subjects," each judging the officeholder not on his overall record but "by a single litmus test of ideological purity."

More and more, officeholders are demanding protection from what one of them has called the "issues extortionists." They are asking why there is nothing to provide some defense against this crossfire of non-negotiable, special-interest demands.

The blunt answer is that they themselves helped destroy the one institution that historically filled that function—the political party. The officeholders are now being victimized by people who have borrowed their own campaign techniques to use against them.

THE RISE OF THE VIGUERIES

In the old system, the parties served to screen the demands of interest groups as well as to regulate the ambitions of candidates. All groups were invited to present their proposals at platform time, but all understood that platform-writing, like ticket-balancing, was a matter of compromise and tradeoff. Individual goals were likely to be subordinated to the overall aim of maintaining the party in power.

In the last 10 years, however, the issue constituencies, witnessing the success of candidates who bypassed the party, decided they could do the same thing. If your aim was to clean up the rivers, you did not have to establish that as a priority with the Democratic or Republican platform committees. You could form the League of Conservation Voters and run campaigns against "the dirty dozen." So it went if you wanted to ban guns or protect guns, stop abortions or make them more available.

Like the candidates, these groups discovered the effectiveness of organizations built on the disciplined enthusiasm of volunteers. They learned that door-to-door canvassing and church or shopping center leaflets can have tremendous impact when targeted for or against particular candidates.

And they learned even better than the candidate organizations of the 1950s and 1960s how to use computerized direct-mail techniques. It is the ability of these groups to generate mail and money, literally at the push of a button, to support or oppose a particular legislative issue or candidate that makes officeholders most upset.

Richard Viguerie, the owner of the most active direct-mail company, has become, in an astonishingly short time, a political power in his own right. He did his first right-to-work mailing in 1969 and his first antiabortion mailing two years later. But it is only since 1975, he says, that he had begun to "focus in on special-interest clients," and his success so far guarantees an expansion of the technique.

Most of the recent complaints about single-issue groups have come from Democratic liberals. But Anne Wexler, the Carter White House aide who has given several thoughtful speeches about the problems that single-interest groups create for presidential leadership, has been honest enough to admit that she is herself the product of an important single-interest movement, one that was warmly applauded at the time by Democratic liberals.

That movement—Wexler's home ground—was the Vietnam peace movement, which mobilized around that one issue so effectively that it drove a president from office. What worked for the peace movement is now working for the right-to-life movement and other single-cause groups.

A THERAPEUTIC VALUE

For lawmakers subjected to the computerized power of single-interest groups, it can be a frightening experience. Suddenly their offices are flooded with mail warning that unless they vote a particular way on an approaching issue, "we will defeat you next time you run." Suddenly their campaign organizations pick up reports of the district being flooded with disparaging letters—not by their opponent but by some organization they never knew was there.

The politicians' pleas for protection, however, must be scrutinized with care. There are important constitutional rights involved here; the right to petition the government applies equally to organizations with computer mailing techniques as without.

Moreover, there is a therapeutic value in letting the politicians experience the dangers of the kind of politics we have today—a primal struggle for control among single-shot candidates and single-interest groups.

To be sure, it is a brutal, ugly kind of politics, and it is helping turn off the American people in massive numbers. The people are not issue ideologues. They are not candidate fanatics. They are what they have always been—reasonably broad-minded, practical and progressive.

What they hear in the last 10 days of a campaign, whenever they turn on a radio or TV set is a babble of voices saying "vote for me, vote for me, vote for me." What they read, whenever they open their mail, are injunctions to "vote for this, vote for that." Being sensible, most of them are covering their ears against the din, shutting their eyes to all the commands, and tuning out this self-serving racket by turning away from the polls.

What is missing from our politics is the mechanism which once helped organize those voter choices in a sensible fashion, which channeled the individual ambitions of eager aspirants and the conflicting claims of various interest groups into a coherent ticket and platform. That agency was the political party, and it is in a shambles today.

The destruction of the political parties began with the individual officeseekers, and it is they who keep the parties weak today.

They loved free-lance, individualistic politics—until the techniques of free-lance, individualistic politics were turned against them. Now they are saying that something dangerous has been unleashed. They are right—but about 20 years late in their discovery.

The first reaction among officeholders was to try in 1978 to curb the influence of single-interest groups by reducing the amount of money their political-action committees could contribute to congressional campaigns. Their second ploy—sure to be repeated this year—was an attempt to expand taxpayer financing of individual campaigns beyond the presidential level to House and Senate contests.

But before any curbs are put on the role of single-issue groups and before any more public funds are given to single-shot candidates, it seems reasonable to expect officeholders to demonstrate that they are prepared to sacrifice some of their own precious autonomy.

It really has to be one way or the other. If individual candidates are to be allowed to play their own games for their own ends, with blithe disregard of the effects on the governmental and political system, then single-interest groups are not to be denied the same destructive freedom. If single-issue groups are to be brought back within the constraints of party politics, then the candidates must, too.

FRANKLIN'S CHOICE

The tests of their seriousness about reconstructing the party system are very clear:

Are they prepared to submit their own credentials to serious screening by party leaders, or will they continue to insist on their absolute right to pursue any office any time the desire strikes them? Will they continue to legislate increasing numbers of primaries, thereby adding to the incentive for full-time candidates to bypass the party endorsement process, or will they cut back on that destructive change in the nominating system?

As nominees, are they prepared to campaign as members of a party ticket, rather than set up a private political organization of their own? Are they prepared to defend the record of their party, or just their own work on behalf of their own constituents?

Are they prepared to raise money for their party and partake of the party treasury, or will they keep all the funds they can gather for themselves? Will they channel public campaign subsidies through the political parties, rather than giving them to individual campaign committees, as is the case now?

Will they accept a responsibility to cooperate with the leaders of their own party—both legislative and executive—in carrying out the party program? Or will they insist that they are free agents on every vote, responsible only to their own conscience and constituents?

My guess is that few candidates or officeholders are ready to sacrifice their own freedom of action to rehabilitate their party. But it may be that when more of them have been bullied by single-issue lobbyists, threatened by single-interest mailings, and beaten by single-interest machines, they will perceive their need for the protections political parties once offered against these ideological buccaneers.

There is no way to put the genie of single-issues groups back in the bottle. But they are not new to our politics. From the anti-Masons of the 1830s to the anti-saloon leagues of the 1920s, such groups have flourished. In a pluralistic society, with a constitutional guarantee of freedom of speech and association, they have an inevitable and proper role to play.

What is different now is that the political parties are not strong enough to play their equally essential role. As Anthony King, the British journalist and political scientist, has observed, the threat to American government is not partisanship but hyperpluralism. Political parties function to build coalitions, but in today's politics, to use King's phrase, "they are only coalitions of sand."

The lesson the officeholders have to learn was stated at the beginning of the republic by Benjamin Franklin: Either they hang together or they hang separately.

Give them a few more years of the rigors of single-shot candidacies and single-issue movements, and even the dullest politicians will discover the need to reinvent political parties.●

FBI CHIEF ACTS TO SUSTAIN MORALE, REGAIN PUBLIC TRUST

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. EDWARDS of California. Mr. Speaker, I want to commend to my colleagues the remarks of Chief Joseph D. McNamara, chief of police for San Jose, Calif., on the recent decision of FBI Director William Webster to fire two supervisors for their roles in illegal surveillance of the Weather Underground in the early 1970's. The thoughts expressed are even-handed and incisive.

The remarks follow:

[From the San Jose (Calif.) Mercury, Dec. 13, 1978]

FBI CHIEF ACTS TO SUSTAIN MORALE, REGAIN PUBLIC TRUST

(By Joseph D. McNamara)

Recently, FBI Director William Webster announced that two FBI supervisors would be fired and another demoted for their roles in illegal surveillance of the Weather Underground in the early 1970s. He also disclosed that no action would be taken against 58 street agents involved in the break-ins, wiretappings, and mail openings in the investigation.

Webster confided to associates that it was the most difficult decision he had made as director. There is no doubt that his actions have put him squarely in the middle of controversy.

The Weather Underground was a self-proclaimed revolutionary group active in the late 1960s and early 1970s. The group claimed responsibility for a series of bombings including those at the Pentagon and the Capitol. Five suspected members were arrested a year ago by FBI agents, but eight or nine are still fugitives.

Now, Webster is being attacked for not supporting FBI anti-terrorist actions during a crisis. Simultaneously, others accuse him of condoning illegal activities for not taking action against the 58 street agents. His no win position becomes evident when examining the strong views held by both sides.

For example, last year hundreds of active and retired agents picketed, signed petitions, and helped raise legal defense funds for those agents accused of misconduct. These unprecedented actions by FBI personnel are strongly supported by many in local law enforcement with memories of the Weathermen threat and pressure on the FBI to counteract the terrorist bombings. Many Americans with little sympathy for terrorist groups can also be expected to oppose the firings and demotion.

On the other side are FBI critics disturbed by revelations of questionable Bureau activities against Dr. Martin Luther King, anti-war and civil rights groups during the 1960s. Many in this camp have strongly demanded prosecution and discipline for what they believe to be unauthorized and illegal acts by FBI personnel.

Both sides should ponder some historical facts before judging Director Webster. Those opposing any dicipline would do well to recall that classical revolutionary theory counts on an overreaction by authority which lessens public respect for government and enhances the ability of the revolutionary movement to gather new recruits and sympathisers. Those disciplined, in Webster's view, failed in their supervisory responsibilities to prevent overreaction. Webster also cited some of their answers during the investigation as "unworthy of belief," "evasive," or "inconsistent."

Those crying cover-up might consider the fact that FBI agents are charged with protecting the civil rights of Americans. Depriving them of *their* rights to due process is hardly the way to motivate them to protect and respect *our* rights.

Director Webster was correct in not making 58 street agents scapegoats. Punishing them for following orders without any showing of unlawful intent or knowledge would be unfair. Those giving the orders obviously should have known better.

Since his appointment, Webster has asked Congress to provide the FBI with a charter delineating the Bureau's authority. The charter would eliminate doubt about the legality of FBI activities. Agents would know whether or not they were receiving a legal order to be obeyed or one to be questioned or refused.

Director Webster enjoys a well-deserved reputation for fairness and integrity. In October, he addressed the International Association of Chiefs of Police, calling for support of affirmative action in law enforcement. It was a courageous speech which produced a favorable and timely response from an association often characterized as opposed or indifferent to affirmative action.

His disciplinary actions displayed the same kind of courage and concern for credibility in law enforcement. The country needs an FBI that it can be proud of, an agency above reproach. Bill Webster's decision to give 58 street agents the benefit of the doubt reveals his support for FBI personnel trying in good faith to do their jobs. The firings and demotion show his determination that the FBI shall be worthy of the public trust without which it cannot succeed. He deserves our support.●

INDEXING INCOME TAXES

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRADISON. Mr. Speaker, today I am introducing legislation which I believe is the fairest and most pressing revision of our personal income tax structure we can consider in the 96th Congress. This legislation is not lengthy nor complex; in fact, it requires that the Treasury make but one calculation: an index number which will adjust the dollar denumerated values in the personal income tax brackets and personal exemption to bring them in line with the current value of the dollar. This process, also known as indexing, would be unnecessary in a world of stable prices, but in our world of increasing inflation, the lack of indexing imposes a cruel and greedy tax on every taxpayer.

Every taxpayer, whether he receives a cost-of-living increase or not, is currently subject to one of three forms of "bracket creep" as a result of inflation. The most common is the case where a salary increase designed to maintain a constant real value shifts the taxpayer into a bracket with a higher marginal rate. Moreover, even if a raise leaves him in the same bracket, more of his income is taxed at the marginal rate. Finally, with no increase in salary, his real income declines yet his real tax liability does not. The result in each case is a higher real average tax rate. Every taxpayer loses.

Last year, six of our colleagues, three Republicans and three Democrats, joined me in the initial introduction of this legislation. By the end of the 95th Congress, over 100 colleagues cosponsored my bill. Although indexing was not adopted in the 95th Congress, a clear understanding of the issue and strong support for the concept was evident. Today, I am introducing my indexing plan with 42 cosponsors.

That indexing personal income taxes should gain broad bipartisan support is not surprising: There can be no fairer tax mechanism than to tax on the basis of real income.●

CIVIL DEFENSE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

●Mr. ASPIN. Mr. Speaker, toward the end of "Dr. Strangelove," the President and his Pentagon advisers are contemplating the holocaust awaiting them when the retaliatory Russian doomsday machine goes off. Discussion turns to protecting some of the population by evacuation into mineshafts where radioactive fallout cannot penetrate. They wonder whether the Soviets already have mineshafts. Finally, Gen. Buck Turgidson emphatically exclaims: "Mr. President, we must not allow a mineshaft gap."

Film audiences roared with laughter in 1964, but it seems that some advisers in the White House and Pentagon of today are taking Turgidson's warning seriously. For the first time in 15 years, top administration officials are considering civil defense as an integral aspect of the strategic nuclear balance.

The first evidence of this shift came in 1976, when then Secretary of Defense Donald Rumsfeld ominously noted an "asymmetry" in Soviet-American civil defense preparations.[1] One year later, he wrote that this gap could "provide the Soviets with both a political and military advantage in the event of a nuclear crisis.[2] In November 1977, a report commissioned and subsequently endorsed by the Defense Department estimated that to implement a crisis evacuation plan would cost $1.15 billion over 5 years and around $2 billion over 7 years.[3] Last September 29, President Carter signed PD-41, a Presidential decision memorandum committing the United States to modest budget increases for improving our ability to evacuate urban residents and political leaders in the event of nuclear crisis. The memorandum states that civil defense is an element of the strategic balance which can serve to enhance deterrence and stability.[4]

This rebirth of concern for civil defense springs, ostensibly, from a concern about the size and effort of the Soviet civil defense program. The standard

Footnotes at end of article.

nightmare scenario runs as follows: The Soviets evacuate their cities and take measures to protect their industrial plants. The Russian Premier calls the President and forces the United States to give in to Soviet demands by threatening to launch a counterforce strike against the United States. The United States, in a retaliatory strike, would not be able to destroy a significant portion of the—sheltered or evacuated—Soviet population or industry. The U.S. deterrent capability, thus, would be effectively neutralized. The United States would be forced either to succumb to Soviet demands or face losing a nuclear war.

Maj. Gen. George Keegan, retired Director of Air Force Intelligence—and one of the main instigators of the current worries over Soviet civil defense, says:

> Today, because of the civil defense measures in the USSR, I believe the United States is incapable of carrying out its assigned wartime retaliatory tasks of crippling the Soviet industrial economy, the essential civilian-military leadership, nuclear stockpiles, and the basic fighting capacity of the USSR.[5]

In assessing the necessity or desirability of constructing a major U.S. civil defense program to counter Soviet efforts, three questions must be asked. First: Just how intensive or extensive are Soviet civil defense measures? Second: How effective is the Soviet civil defense effort; that is, to what extent might it, if implemented, degrade U.S. deterrent capability? Third: How should the United States respond to all this?

U.S.S.R. CIVIL DEFENSE: HOW MUCH ARE THEY DOING?

The most commonly cited statistic used to illustrate the presumably high priority the Soviets attach to civil defense is that they spend $2 billion a year on their program. However, the figure is misleading.

The U.S. intelligence community estimates that the Soviets spent 400 million rubles on civil defense in 1976—less than 1 percent of their entire defense budget. CIA translated this figure into $2 billion. This translation is not an exchange rate calculation. Rather, it is what it would cost the United States to duplicate the same program. That is, it assumes, among other things, that Soviet civil defense personnel are paid at roughly GS-7 or GS-9 levels, when in fact they are paid rather meagerly. Indeed, whereas about 40 percent of the 400-million-ruble figure goes for personnel, this is true for about 70 percent of the $2 billion number.[6]

Further, the CIA emphasizes that both monetary estimates are "rough approximations . . . affected by uncertainties both in the quantitative data on civil defense programs and in estimates of prices."[7]

To measure the effectiveness or extent of the Soviet civil defense effort in terms of rubles or dollars is neither appropriate nor meaningful. If the Soviets were truly placing high priority on civil defense in its military and economic planning, they would have to be putting great emphasis on first training the civilian population for evacuation and other civil defense measures; second, properly sheltering urban residents and the top political leadership; and third, implementing plans for industrial dispersal and hardening.

Here is where the true extent of effort can most relevantly be gaged. And here is where the Soviets must be given very low marks. An examination of the Soviet civil defense program and the Soviet economy reveals major, often fundamental weaknesses, most of which are not easily, if at all, remediable.

First. Training the civilian population. The Soviets do have a compulsory civil defense education program, involving booklets, lectures, films and practical instruction.[8]

However, there is widespread and acknowledged apathy and skepticism about nuclear-war survival, and practical instruction is limited.[9]

In 1975, the portion of mandatory military affairs education devoted to civil defense was substantially reduced. Materials on the effects of nuclear weapons were dropped from the compulsory course entirely—even though a Soviet manual written the year before stated that knowledge of such effects was prerequisite to any further training.[10]

Soviet sources state that the instilling of a "deep faith" in the effectiveness of civil defense measures is vital to the success of a civil defense program.[11] By this standard, Soviet civil defense training fails. Civil defense is the topic of numerous jokes; apathy is pervasive, the program riddled with bureaucratic indifference and incompentence; factory managers often deliberately schedule exercises during the busiest work periods so they can be postponed, often canceled. CIA Director Stansfield Turner sees "little evidence today of serious efforts at mass indoctrination of the population."[12]

There is absolutely no evidence that the Soviets have carried out massive evacuation drills, nor that they have ever evacuated a single city. Small exercises have been held, usually at a single-factory level. However, no two drills have been held simultaneously; all have involved only one type of transport and all have been preceded by lengthy preparation.[13] It is highly unlikely that evacuation of the 220 cities with populations exceeding 100,000 could be executed in a short time without a single rehearsal.

In short, Soviet civil defense preparedness on this score hardly seems adequate for the task.

Second. Sheltering. There are probably sufficient blast-shelter spaces for all 110,000 "political leaders" in the U.S.S.R., for about 12 percent of the essential workforce, and about 10 percent of the urban population—including the essential workers.[14]

However, Soviet civil defense planners have not taken steps necessary to make most of these shelters effective in the face of a major nuclear war. There is believed to be some food and water stored nearby those shelters for the top leadership, but how much is uncertain. No evidence exists that any food or water is stockpiled at shelters for civilians. People would have to bring at least 2 weeks—perhaps more than 2 months—worth of food and water along with them.[15] The U.S. Defense Civil Preparedness Agency estimates that 3½ gallons of water per sheltered person is absolutely necessary; under adverse weather conditions, five times that much may be needed.

Third. Dispersal and protection. Since U.S. strategic plans aim nuclear weapons at economic and military targets—not against population per se[17]—the most vital element in an effective Soviet civil defense program must be the dispersal and protection of industry. On this score, the Soviet program is particularly weak.

There have been orders to disperse industry and laws placing limits on how many people can live in the major cities, all with little if any consequence.[18] Some dispersal has taken place, most of it east of the Urals. However, this trend is related more to economic necessity than to military strategy. The U.S.S.R.'s western regions are undergoing a depletion of vital resources—particularly of ores, fuels, electrical power resources, and timber. Naturally, therefore, Soviet economic planners are spending massive sums of money exploiting the resources of Siberia and transporting them westward.[19]

At the same time, however, new and large industrial facilities and power plants continue to be constructed in the major cities. New machinery continues to be installed in existing plants. In fact, the latest Soviet 5-year plan allocates more than two-thirds of capital investment for modernization of existing plants. The plan explicitly curtails the growth of new construction in favor of renovating and reequipping old plants. And the building patterns in many industries are becoming not more dispersed, but increasingly dense.

As a CIA report summarizes, "The leadership intends to emphasize concentration and modernization at the expense of traditional patterns of expansive growth."[20] Indeed, since World War II, concentration, specialization, and centralization have been the rule in Soviet economic planning.[21]

In short, Soviet leaders have made little effort to disperse their industrial base so as to make it less vulnerable to nuclear attack. To the extent they have done so at all, military strategy has had little to do with the effort.

Nor have they done much to separate industry from residential areas. Due to limitations in transportation, in fact, the Soviet citizen tends to live closer to his workplace—that is, to economic targets—than his American counterpart.

Collocation of Population Within Industrial Sites[22] *(Cumulative)*

[In percent]

Population within:	*U.S.*	*U.S.S.R.*
1.0 n.m. of industry	9	16
1.5	22	31
2.5	45	44
5.0	65	62

The Soviet population, urban and rural, is no more dispersed than the American population.[23]

As for protecting industry, there are plans to harden vital machinery, however, there is no evidence these plans have gotten off paper. There is no evidence of stockpiling of sandbags or can-

Footnotes at end of article.

opies or anything else that might be used to protect machinery against the effects of nuclear weapons. T. K. Jones, who has made much of Soviet industrial hardening plans, concedes:

> The extent to which the Soviets have implemented such measures is not known; neither do we know of the specifics of the construction techniques referred to . . . (D)escriptions are not sufficiently explicit to estimate the practicality and effectiveness of protective measures for industrial machinery.[24]

After extensive study and analysis, virtually the entire U.S. intelligence community agrees that Soviet plans to disperse and harden industry have simply not been implemented.[25]

U.S.S.R. CIVIL DEFENSE: HOW EFFECTIVE?

To what extent could Soviet civil defense degrade the U.S. deterrent capability—deny to the United States the ability to deliver "unacceptable damage"—or any desired level of damage—to the Soviet society and economy? First, what effect would evacuation and sheltering efforts have on the U.S. capability to kill tens of millions of Soviet citizens? Second, what effect would Soviet civil defense have on the U.S. capability to devastate the Soviet industrial base?

Population. Over the past 15 years, the United States has gradually replaced its large, somewhat "dirty" warheads—optimal for killing people through radiation—with smaller, "cleaner," more accurate weapons—optimal for destroying economic and military targets. Concomitantly, the United States has changed its strategic targeting doctrine from "massive retaliation" to one with "flexible options" for "selective strike" purposes. The United States, in fact, no longer targets Soviet population per se, but rather military and industrial installations. This evolution has been deliberate; trade-offs between population fatalities and military/economic destruction have been consciously chosen. In other words, steps taken by Soviet leaders to protect their citizenry would not fundamentally affect U.S. deterrent capability. U.S. strategic requirements would be satisfied even if Soviet fatalities could be kept very low.

However, even with civil defense measures, several tens of millions of Soviets would die in a nuclear war.

Evacuation and sheltering are absolutely necessary if the Soviets are potentially to save a substantial fraction of their population.[26] However, evacuation would be a highly chaotic and time-consuming process. About 900,000 to 1.3 million people would be needed simply to organize and direct it; most of them would have to be quickly drafted from the population.[27] Whether these people possess the discipline and leadership qualities necessary to perform their tasks—to say nothing of how they are to be selected, located and rounded up—is a dubious matter. Then there is transportation. Roads and railways are very limited in the U.S.S.R. Most railway lines are single track—making two-way traffic impossible—and during a wartime emergency would almost certainly be used to rush troops and supplies into Eastern Europe or the Chinese border. Roughly two-thirds of Soviet roads are unpaved, making for major problems during rain or snow. Outside cities, Soviet highways contain almost no gasoline stations and nothing like the strings of hotels and motels that litter the American countryside.[28]

Highly optimistic estimates of Soviet transportation capacity—assuming full availability and perfect coordination of the mere 2 million cars, trucks and buses, plus all railway cars—still assume that 20 million evacuees will have to walk.[29] Actually, three times that number would still be optimistic.[30] They are expected to walk 30 miles in 1 day, then construct "expedient shelters" in another day or two.[31] The materials required for these shelters include stone, logs, poles, cinder, shovels and so forth.[32] There is no evidence that sufficient supplies are available; or, if they are, that they are conveniently stockpiled, or that many people could manage to walk so far in so short a time while carrying all these materials, particularly in bad weather. And would those who could choose to leave their wives, parents, or children behind? Nor do diagrams in Soviet civil defense manuals suggest that the average person could build these shelters.[33] Even assuming competence, it would take a family from 30 hours to more than a week—depending on the type—to build one.[34] This may be too long to be of any use.

The shelters would, however, be necessary. A successful evacuation that does not also include sheltering would likely result in 60 to 80 million fatalities—or 25 to 33 percent of the Soviet population.[35]

It is unlikely that occupants in shelters already built would fare much better. Even ignoring the shortage of food and water, the shelters' survivability must be rated low.

First, even if some Western analysts are correct in estimating shelter-hardness at 50 to 100 pounds per square inch—psi—in blast-overpressure resistance—Soviet sources note that total damage would be caused by 30 psi,[36] the doors and ventilation systems of the shelter are certainly not so hard. Survivable walls provide no solace if blast and radiation can kill or wound through other entrances.

Further, most urban shelters in the U.S.S.R. lie beneath surface structures. Light blast overpressure—3 to 6 psi—could cause the surface building to collapse, killing or severely injuring most of the people in the basement—and, by removing their roofs, exposing them to the radiation caused by the explosion.

Third, even if the shelter does protect against blast and radiation, chances of survival may still be low because of inadequate air filter systems. A Soviet shelter's air-supply system provides 1.1 cubic feet per minute—cfm—for each person. The Soviet civil defense handbook claims that this is adequate to absorb carbon dioxide and control heat and humidity.[37] Yet the U.S. Defense Civil Preparedness Agency has concluded from shelter experiments that at least 3 cfm are needed to control carbon dioxide and much more than that to keep temperatures at tolerable levels.[38] Oak Ridge scientists believe this deficiency in the air supply system "is the most serious flaw in the whole Soviet civil defense planning." Noting that filter specifications have not changed from those cited in older manuals, the scientists conclude that "the Soviet Union has not conducted mass shelter living experiments or even simulated ones, as has been done in the United States."[39]

For shelters housed in existing buildings, the power for the filtration system is supplied by outside power plants; if the power plant is targeted, the filtration system becomes useless.[40] By Soviet estimates, furthermore, a basement shelter is resistant only to blasts of 7 to 10 psi. Bomb shelters for the essential workforce are totally destroyed at 30 psi.[41] If the industrial plant is targeted, the shelters are so close they would probably be damaged along with the factory.[42]

But let us examine two scenarios that are pessimistic from the United States point of view. In both, the Soviets successfully evacuate their cities, taking a week to do so. Those left behind are sheltered. Everything goes pretty much according to plan. The U.S.S.R. strikes first, destroying 93 percent of American ICBM's, all submarines in port and those bombers not on runway alert. The United States retaliates with most of its remaining weapons, but holds back a reserve force of at least 15 percent of the surviving warheads. The United States aims to hit not population per se, but first military and then industrial targets. In the first scenario, the United States keeps its forces on normal, peacetime alert. In the second scenario, it surges forces to a generated alert—an almost certain event, given the several days of warning during which American leaders could plainly detect massive Soviet evacuation. With a normal peacetime alert, in the mid-1980's, 21 submarines and 98 bombers would survive, in addition to 71 ICBM's; with a generated alert, 28 subs and about 239 bombers would survive, plus the 71 ICBM's.

Even under these circumstances—very optimistic for the Soviets, at least 40 million Soviets would die, depending on the scenario and various other variables. I will analyze the issue of fatalities, in greater detail, in a moment.

If the United States wanted to kill more people, attacking with ground-bursting weapons, or using a portion of the reserve force to attack those who evacuated or to attack urban shelters would raise fatalities substantially.

If the United States wanted specifically to destroy the top leadership, buried in deep and hardened bunkers, this too would be possible. Assuming that the TERCOM inertial-guidance system on cruise missiles is only one-third as accurate as its developers claim, one cruise missile would destroy with virtual certainty any point target, no matter how hardened.[43] Even if the leaders were buried so deeply that the crater effects of an explosion would leave them unscathed, the lid to the shelter would

Footnotes at end of article.

be destroyed or blown off, thereby exposing them to highly intense fallout, prompt radiation from the warhead destroying the lid, or blast effects from possible follow-on weapons.

In short, if American political leaders sought to kill several tens of millions of Russians—or to kill particular Russians, such as Kremlin leaders, while still devastating the Soviet economic base and many military targets, the United States would have little difficulty doing so, regardless of Soviet civil defense programs. This would be true if the United States used substantially fewer warheads than it currently possesses.

INDUSTRIAL BASE

As noted, U.S. targeting doctrine emphasizes destruction of economic targets, not population. Even if the Soviets could protect the vast bulk of their population, doing so would not substantially degrade the capability of the United States to retaliate with a crushing blow. In fact, if the Soviets chose to evacuate their urban population, American political leaders could well be far less reluctant to level Soviet cities in retaliation to a Soviet attack on U.S. missile silos. This would be horrifying for the Soviet regime: the same population with a decimated industrial support base would certainly spark widespread internal revolt, to say nothing of disease, hunger and prolonged socio-economic agony.

Since the United States targets primarily the Soviet economic structure, the key questions regarding the effectiveness of Soviet civil defense is: How well could the Soviet economy be protected? How much of it could survive or be readily repaired? Examination of the Soviet economy leads one to conclude: Not much.

Taking the economy as a whole, a U.S. retaliatory strike could readily destroy more than 60 percent of Soviet industrial capacity, due to effects of blast alone. I will substantiate this later.

To deliver unacceptable damage to the Soviet economy, however, it may not be necessary to destroy that much. This is because the Soviet economy is highly concentrated, specialized and nonredundant. And it is becoming increasingly so.[44] Only 150 plants comprise 50 percent of the Soviet capacity to produce primary metals, chemicals, petroleum, construction equipment, agricultural equipment, railroad equipment, synthetic rubber and electric power generators. Only 400 plants—that is, 400 targets—produce 75 percent of such output.[45]

Virtually every sector of the Soviet economy is highly concentrated, and the great bulk of its productive capacity is located in the large urban centers.[46] In short, the economy is highly vulnerable to an attack employing even a relatively small number of nuclear warheads.

For instance, almost all the chemical plants in the U.S.S.R. are in 25 cities. Sixty percent of all natural steel is produced in 25 plants, the entire Central and Volga regions, with 59 million people, receive most of their electric power from five powerplants, all of them in large cities.

There are only 8 copper refineries, 34 major petroleum refineries, 4 plants that produce the entire aluminum and alumina output. All boiler plants are located in five cities. There are only six turbine generator works, three of them in Leningrad, another in Kharkov. Diesel engines are manufactured in only 5 cities, all with populations exceeding 700,000. The U.S.S.R. has only 17 meat-packing plants. Some 80 percent of the tractors are produced in nine plants; 20 percent are in the huge Kama River truck plant alone, which also makes one-fifth of the U.S.S.R.'s trucks. Almost all engineering work is done in seven cities. Almost all transmission equipment for Siberia powerplants is manufactured in Leningrad, Moscow, Kharkov and Riga. There are only 8 major shipbuilding works, 16 major heavy machine and 15 major agricultural machine-producing plants. The two largest hydroelectric plants, each producing about 2.5 billion kilowatts, are in Kuybyshev and Volgograd, the 9th and 21st largest cities.[47]

In other words, it would not take very many warheads to devastate the bulk of the Soviet economy.

Furthermore, even more than most modern industrial economies, the Soviet system is highly interdependent. Certain sectors vitally depend on other sectors. "Because Soviet planning is characteristically taut," notes a CIA report, "the effects of shortages of widely used materials would reverberate quickly through the economy."[48] The virtual obliteration of key sectors would be particularly debilitative. Destroying the 25 plants that produce 60 percent of the U.S.S.R.'s natural steel would be no difficult task for even a very minor nuclear power, like China.

Soviet industry tends to be geographically, as well as functionally, interdependent. In most regions, large industries are concentrated around major cities, river basins or transshipment axes. Moscow oblast—county, for example, contains 11 other cities with populations exceeding 100,000, all of them industrially dense—all of them vulnerable to the "footprint" of a single MIRV missile.[49]

There are numerous ways that a minor nuclear power, much less the United States—left with thousands of warheads even after a Soviet first strike, could devastate the Soviet Union. Twenty-four well-placed warheads could destroy the Soviet waterway system.[50] Destroying the pipelines and railway networks linking the new industries in the eastern U.S.S.R. with the western regions would, in effect, wipe out decades of hard labor, billions of dollars in investment, and the means of exploiting resources vital to the health of the Soviet economy in coming decades.

INDUSTRIAL HARDENING

The Soviets have determined that hardening industrial facilities is not cost effective.[51] Some machinery can be hardened, but only within certain limits. Canopies provide protection against only 10 psi, and are infeasibly expensive; Earth can protect against 80 psi, but the equipment being protected might corrode in the process; sandbags can protect against 80 psi, but the sand, when blasted, may scatter into the machinery, causing considerable, perhaps irreparable, corrosive damage. Further, the Soviet manual notes that a blasted building "will put equipment out of operation as a result of damage caused by collapsing structures."[52]

Even if machinery could be adequately protected, its more vulnerable support system—spare parts and supplies, transportation and fuel links, et cetera—would likely be wiped out.

There are many important components of the Soviet economy that simply cannot be protected. Soviet civil defense manuals stress that particular enterprises cannot be shut down even briefly, including reactors, blast furnaces, boiler facilities and open-hearth furnaces. Workers at these factories are not allowed to leave; they are instead to be furnished with "remote-control consoles" in shelters at the plant site.[53] These would obviously be highly vulnerable; moreover, there is no reason to believe that they have been installed anywhere.[54]

For still other installations, there are no known protective measures. These include oil refineries, chemical storage plants, steelmaking and petroleum and construction equipment plants, pharmaceuticals, component assembly factories, truck and tractor and rolling-stock manufacturers, repair and spare-part facilities, as well as marshalling yards, transport modes and highway intersections, bridges and tunnels, port facilities and pipelines, airports and shipyards.[55]

The Soviets have taken steps to harden some defense industries—but not enough that they could not be destroyed if deliberately targeted. Even if they survived, they too depend on the rest of the economic infrastructure for support.[56]

In short, as Gen. Samuel Wilson, Director of the Defense Intelligence Agency—DIA—has testified: "Overall, Soviet efforts in industrial protection are unlikely to prevent severe damage."[57]

Some have claimed that the Soviets could rebuild their economy within 2 to 4 years. Indeed, Soviet civil defense manuals strongly emphasize rescue and repair operations.[58] The criteria on which to assess the Soviet capability in this area are fairly straightforward: Leaders planning to do something that might provoke nuclear war, and who want to recover only a few years afterward, must know (a) that they could muster a quick initial rescue and repair effort, (b) that they have sufficient spare parts and replacement capital for industry, as well as (c) lasting food reserves and (d) adequate transportation. The Soviets are severely lacking in all these areas. I will present a detailed analysis of these deficiencies later in this presentation.

Finally, there is a vital political consideration. Even if the 2- to 4-year estimate were correct, that is a long time in the Soviet political context. China could take advantage of the situation and invade, taking back some long lost territory and maybe more. Eastern Europe could break away. Whatever political objectives the U.S.S.R. had sought by de-

Footnotes at end of article.

claring nuclear war would quite likely be nullified. The Kremlin leadership, insecure as it is, must consider these fundamental dangers.

To sum up, the Soviets do have a fairly substantial civil defense program. They spend more and make more preparations than does the United States. However, the U.S.S.R. cannot deny to the United States the ability to fulfill the strategic aims of a retaliatory attack. In assessing whether Soviet civil defense plays a role in the strategic equation, this is the only really important fact.

U.S. RESPONSE: WHAT SHOULD IT BE?

What should the United States response be even if, say, the Soviets suddenly started boosting their civil defense program to unanticipated heights of effectiveness? Does establishing our own huge civil defense program, as some are urging, make sense?

And, what should the United States response be if suddenly the Soviets began evacuating and hardening their industry? Should American populations also be evacuated?

While such a plan may have marginal life-saving benefits, it would contribute little to crisis stability or deterrence. The Soviets could destroy a large portion of American ICBM's and devastate our industrial base, whether or not Americans left town. Since the Soviets would probably not explicitly target people—concentrating instead, like the United States, on military and economic targets, evacuating or sheltering people would not affect strategic capability as the Soviets see it. Further, if it is a Soviet first strike that is worrisome to officials, the Soviets are not likely to target cities in such an attack, in any event.

A more appropriate response to a Soviet evacuation is merely to surge more U.S. forces on-station. Within 2 days, the percentage of nuclear-missile submarines at sea can be raised from 60 to 80 percent. Bombers can be dispersed and the number placed on runway alert

If the U.S.S.R. started making threats in conjunction with evacuation, the United States could always respond: "Renounce your political adventurism at once, or we will merely absorb your nuclear attack, retaliate against very high-value targets with our remaining ICBM's and bombers, and then hold our SLBM's increased from 30 to more than 80 percent. Some could be placed on airborne alert as well.[59] in reserve until your people come out of the shelters and go back to work; then we will let them have it" With increasingly long-range missiles on submarines—which can stay out at sea for longer than 100 days, Soviet antisubmarine warfare efforts would have at most only marginal significance.[60]

Further, new weapons and inertial-guidance software would nullify further efforts to harden industry. At a given radius, the Trident I missile—which will be retrofitted onto 12 Poseidon submarines by the mid-1980's—would create 50 percent greater blast overpressure than would the Poseidon missile. The air-launched cruise missile—ALCM—will exert three times the overpressure.[61] Thus, if the Soviets somehow hardened an industrial facility by a factor of three, all the United States need do is target the plant with an ALCM rather than a Poseidon.

ICBM's, SLBM's, and bombers are all rapidly retargetable, as well. Thus, we could retarget evacuated populations; or—more likely—if the ICBM's aimed at a particular high-value target were destroyed, surviving ICBM's bombs, cruise missiles, or SLBM's could be retargeted to hit them instead.[62]

Footnotes at end of article.

In short, there are plenty of responses available in the U.S. arsenal to counter any Soviet attempts to set their civil defense machinery in motion. Responding with a civil defense effort of our own is neither strategically sound nor necessary.

But what about in peacetime? Some believe that the mere perception of a civil defense gap between the United States and the Soviet Union has political consequences in the quotidian course of international relations.

It has been the aim of this paper to demonstrate that these perceptions are hollow; that they are largely the making of a mere handful of U.S. defense analysts who have shrewdly propagated their studies far and wide; that they have no connection with the findings of the intelligence community or with the widely accessible facts about the Soviet economic structure.

If perceptions matter in international politics, and no doubt they do to some extent, the United States has two choices: (a) It can embark upon a very expensive civil defense program to match misleading perceptions of the Soviet effort; or (b) it can broadcast, loudly and clearly, that Soviet civil defense expenditures could not remotedly alter the strategic balance, that American deterrent capability is sound and secure, and that any Soviet efforts to improve and implement their civil defense plans could readily be countered by our existing retaliatory arsenal.

POPULATION FATALITIES

After a Soviet first-strike, assuming a best-probable case for the Soviets, the United States would be left with the following forces—the first table assuming normal, peacetime alert, the second table assuming a generated alert.

SURVIVING U.S. FORCES—NORMAL PEACETIME ALERT (MID-1980'S)

[Alert level: 60 percent of submarines, 30 percent of bombers, all ICBM. "Number deliverable" is the number surviving the strike, minus those missiles or warheads failing in launch, mid-flight MIRV-separation or fuzing phase]

	Launchers	Warheads	Megatons	Equivalent megatons [1]
ICBM's deliverable:				
Minuteman III	43	129	22	40
Minuteman II	27	27	32	30
Titan II	1	1	9	3
Total ICBM	71	157	63	73
SLBM's deliverable:				
Trident I	197	1,576	158	340
Poseidon	115	1,150	46	135
Total SLBM	312	2,726	204	475

	Launchers	Warheads	Megatons	Equivalent megatons [1]
Bombers deliverable:				
B-52D	18	72	86	79
B-52G/H	34	136	163	149
B-52 (Cruise missile)	31	620	124	212
FB-111	15	30	36	33
Total bombers	98	858	409	473
Total weapons deliverable	481	3,741	676	1,021

[1] Equivalent megatons (EMT) measures blast-area of an explosive yield, and is calculated as the ⅔ power of yield for weapons under 1 Mt, ½ the power of yield for those exceeding 1 Mt.

ASSUMPTIONS

Soviets launch a counterforce strike against entire U.S. strategic nuclear force, using two warheads per target. Due to "fratricide," only one of the warheads can detonate in such a way as to destroy a missile silo, but reliability is markedly increased. Each warhead has 1.2-Mt, with an accuracy of .1 nautical-mile (n.m.) c.e.p.—average-miss-radius. Reliability for one-shot is .85; thus, for two-shots, .98. Thus, Overall Kill Probability—OPK, or PK times r—against Minuteman III and two-thirds of Minuteman II—.91; against one-third of Minuteman II—.97; against Titan II—.98. All submarines in-port and bombers not on runway alert are destroyed.

PRESTRIKE FORCE STRUCTURE
(FOR THE MID-'80S)

550 Minuteman III—3 MIRV warheads; 170 Kt each; .08 cep; .85 r.

450 Minuteman II—1 warhead; 1.2 Mt; .3 cep; .85 r.

54 Titan II—1 warhead; 9 Mt; .7 cep; .8 r.

288 Trident I—in 12 Poseidon subs, 4 Trident subs—16/Poseidon, 24/Trident—8 MIRV warheads/missile; 100 Kt each; .25 cep; .85 r.

304 Poseidon—in 19 Poseidon subs—16/sub—10 MIRV warheads/missile; 40 Kt each; .25 cep; .8 r.

NUMBER POLARIS

79 B-52D—4 bombs; 1.2-Mt each; .1 cep; .75 r+penetration.

53 B-52G—4 bombs; 1.2-Mt each; .1 cep; .75 r+penetration.

96 B-52H—4 bombs; 1.2-Mt each; .1 cep; .75 r+penetration.

120 B-52 (Cruise Missile) (converted B-52G's)—20 cruise missiles; 200 Kt each; .02 cep; .85 r+penetration.

60 FB-III—2 bombs; 1.2 Mt each; .1 cep; .85 r+penetration.

NOTE.—The bomber force also has a total of 1,500 Short-Range-Attack-Missiles (SRAMs) of 200 Kt each. It is assumed in this analysis that they are all used to suppress Soviet air defense. Thus, they are not counted as potential weapons against industrial targets. Also, the number of bombs per bomber represents standard loadings, not maximum loadings. Finally, the number of surviving bomber-warheads is probably an understatement, since cruise-missile bombers (carrying 20 missiles each) will almost certainly be placed on higher alert levels—even in normal peacetime status—than other bombers; however, a constant 30 percent alert status for all bombers is assumed there.

Also, note that the figures for Minuteman III assume no Mark-12A warhead, although they are scheduled to be installed on 300 MM III missiles by the mid-1980s. Mark-12A has 350 Kt. If 300 Minuteman III with Mark-12A were in the force, total megatons would equal 689, total equivalent megatons would equal 1045.

SURVIVING U.S. FORCES—GENERATED ALERT
(MID-1980S)

Assumptions are same as for normal alert, except that 80 percent of SLBM's survive and 70 percent of bombers survive through takeoff; 80 percent are placed on runway alert, but 10 percent of these are assumed to be destroyed on the ground. However, cruise-missile carriers—converted B-52G's—are assumed to be at the front of the runway on alert, so 80 percent of these survive. B-52D's are assumed to be at the back of the runway lines, so only 40 percent of these survive. Again, "Number Deliverable" is the number surviving the strike, minus those missiles or warheads failing in launch, mid-flight, MIRV-separation or fuzing phase.

	Launchers	Warheads	Megatons	Equivalent megatons
ICBM's deliverable:				
Minuteman III	43	129	22	40
Minuteman II	27	27	32	30
Titan II	1	1	9	3
Total, ICBM	71	157	63	73
SLBM's deliverable:				
Trident I	245	1,960	196	422
Poseidon	154	1,540	62	180
Total SLBM	399	3,500	258	602

	Launchers	Warheads	Megatons	Equivalent megatons
Bombers deliverable:				
B-52D	25	100	120	110
B-52G/H	78	312	374	342
B-52 (Cruise missile)	82	1,640	328	561
FB-111	54	108	130	118
Total, bombers	239	2,160	952	1,131
Total weapons deliverable	709	5,817	1,273	1,806
Difference between normal and generated Alert	+228	+2,076	+597	+785
Percent	+47	+55	+88	+77

Sources for both charts.—Aviation Week & Space Technology, October 13, 1975, p. 15; ibid., October 17, 1977 p. 15; ibid., November 20, 1978, p. 22; ibid., August 14, 1978, pp 60–65; Harold Brown, DOD, Annual Report, FY 1979, p. 113; Thomas J. Downey, "How to Avoid Monad and Disaster," Congressional Record, September 20, 1976, p. 31250, Alton Quanbeck & Archie Wood, Modernizing the Strategic Bomber Force (Washington, D.C.: Brookings Institution, 1976, pp. 63–84; Senate Armed Services Committee, Hearings, DoD Authorization for Appropriations for Fiscal Year 1979, Part 2, p. 1029; John B. Shewmaker & Mary R. Tietz, Retaliatory Issues for the U.S. Strategic Nuclear Forces (Washington, D.C.: Congressional Budget Office, June 1978), p. 8; Robert Soule, Counterforce Issues for the U.S. Strategic Nuclear Forces (Washington, D.C.: Congressional Budget Office, January 1978); A. A. Tinajero, Projected Strategic Offensive Weapons Inventories of the U.S. and U.S.S.R. (Washington, D.C.: Congressional Research Service, March 1977). Calculations computed on D.C. Kephart's Damage Probability Computer for Point Targets with P and O Vulnerability Numbers (Santa Monica: Rand Corporation, February 1974).

How many fatalities could a U.S. retaliatory attack against the U.S.S.R. inflict, under these circumstances? Assuming effective Soviet evacuation and sheltering, highly publicized estimates of fatalities have ranged from 5-million—T. K. Jones of Boeing, to "low tens of millions" (CIA), to 23 to 34 million—Arms Control & Disarmament Agency.[63]

These estimates are so wide in range owing to differing underlying assumptions. Fatality estimates, particularly in those relating to fallout, hinge crucially on assumptions concerning such factors as availability and protection-factors of shelters, density and duration of shelter occupation, distance traveled during evacuation, warning time, as well as the nature of the attack, height-of-burst and fission yield of weapons employed, wind direction, and velocity. Slight variations in some of these assumptions can dramatically affect conclusions. Each variable, moreover, involves numerous uncertainties. The programers of the most sophisticated computer models of fallout effects acknowledge that they unavoidably oversimplify and distort, and that it is nearly impossible to know for sure in which direction or to what extent.[64] Estimates of fatalities, in order words, are only as good as the assumptions on which they rest.

First. The Boeing study by T. K. Jones, concluding that as few as 5 million and certainly no more than 25 million fatalities would result from U.S. nuclear retaliation, is perhaps the most widely cited by those in the current debate who argue the case for a massive Soviet civil defense program. The study contains several dubious assumptions;

(a) The United States retaliates with its total surviving force all in one massive salvo.[65] This minimizes the time that people would have to remain in shelters. In reality, salvos would probably be spread out in time, either as a result of graduated escalation or for strategic reasons. For example, one way the United States could retain some leverage after a Soviet first-strike would be, in retaliating, to hold back a substantial reserve force, most likely in the relatively invulnerable SLBM force, and threaten to use these weapons once the Soviets come out of their shelters.

(b) The Soviets walk for a day and dig expedient shelters with protection-factors of 200.[66] A protection-factor is the ratio of radiation-intensity outside the shelter to the intensity inside the shelter. Thus, a shelter with a protection-factor of 200 would attenuate 400 rads to 2 rads. This is a highly unrealistic assumption. A basement provides a protection-factor of only 10 or 20. Surrounding the basement with sandbags or dirt raises it to 40.[67] An expedient shelter hastily built in the countryside would not provide five times as much protection as a reinforced basement. A Defense Department-endorsed study estimates the protection-factor of expedient shelter at 55.[68] This is probably optimistic; even if correct, it means that Jones has understated the amount of radiation evacuees absorb by a factor of 3.6, thereby sharply underestimating the number of fallout fatalities.

(c) Half of the housing in the U.S.S.R. is assumed to survive.[69] This assumption ignores the burnout effect, which would likely affect areas exposed to a mere 3 to 5 psi. Taking burnout into account, it is more likely that 85–90 percent of total Soviet urban housing would be heavily damaged or destroyed—leading to numerous indirect postattack fatalities.[70]

(d) It is assumed that U.S. forces remain on normal, peacetime alert even while Soviets spend a week conspicuously evacuating their cities. The likely fatality levels in the event of a generated U.S. alert are never calculated, although a generated alert is within our means, highly likely, and would give the United States more than an additional 2,000 warheads—a 53-percent increment—and about 597 additional megatons—an 88-percent increase, compared with forces on a normal-alert status.

(e) The Boeing study contains some confusing numbers that make certain of its assumptions impossible to follow. surviving U.S. weapons are said to be capable of destroying only 3 percent of Soviet land mass; yet the 200 largest Soviet cities comprise only about 0.06 percent of total land mass. If the Boeing study is correct, that means we could destroy 50 times the area of every major city in the U.S.S.R. The study also claims that if evacuees sheltered themselves in simple foxholes, the surviving strategic arsenal's lethal area would affect only one-third of 1 percent of Soviet land mass. Still, this constitutes an area 5.2 times larger than that of the 200 largest cities. If people evacuated only 20 to 30 miles outside the cities—as many would in Boeing's study scenario—they would not escape this

Footnotes at end of article.

lethal area.[71] The study also asserts that within a week, radiation levels would be so low that Russians could come out of their shelters for an 8-hour workday in 97 percent of Soviet territory. This 97 percent is probably all the area except the 3 percent that U.S. weapons destroyed; since this 3 percent would hold the bulk of Soviet industry, and since the Russians could not reenter this area within a week, the question must be posed—Where would they go to work? Further, since this "3-percent area"—48 times the area of the 200 largest cities—could certainly encompass the spaces where the evacuees are sheltered, this means they will have to stay in their shelters for longer than a week. Jones, however, assumes they could all be out within a week, and so again underestimates substantially the number of fatalities—here due to starvation, disease, heat exhaustion, et certera.[72]

In sum, Jones assumptions concerning U.S. targeting plans, Soviet shelter protection-factors, percent of houses surviving a nuclear attack, level of U.S. force alert, and various other factors all serve to underestimate, to an extraordinary extent, the number of fatalities and casualties resulting from U.S. retaliation.

Second. The CIA study estimates that, with successful evacuation and sheltering, Soviet casualties could be kept to the "low tens of millions," half of which would be fatalities. Most of the CIA assumptions are classified. Those revealed publicly include the following points touched upon in the preceding sections:

(a) A single salvo of the entire U.S. surviving force.

(b) U.S. forces kept on normal, peacetime alert.

(c) A week's preparation to evacuate and shelter.

The CIA assumes a protection factor, for the evacuated population, similar to that of an upgraded basement—in other words, about 40.[73] This may be excessive, but is more realistic than the Boeing studys. CIA also assumes shelter occupancy of one-half to one square-meter per person, which is quite unrealistic.

The CIA concedes that if the United States went on generated alert, if the attack were stretched out over a longer period, if the evacuation were impeded by adverse weather or transportation difficulties—and all of these contingencies are highly likely—then the number of fatalities would be higher. For instance, if the Soviets had only 2 or 3 days to prepare, casualties would probably reach 50 million, of which at least half would be fatalities. The CIA also notes that "In assessing the protection afforded by their civil defense, the Soviets would take account of these uncertainties."[74]

Third. The ACDA study estimates that, with effective evacuation and sheltering, 23 to 34 million Soviets would still be killed if the United States surged its forces to generated alert; ACDA does not calculate how many would die, under these circumstances, if the United States kept its forces on normal alert, reasoning that, given a week's warning time, no U.S. leader would sit and do nothing. ACDA assumes 80 percent of the Soviet urban population evacuate to rural areas within 115 miles of cities. The other 20 percent go to the best available urban shelters. ACDA also accounts for some medium-term fatalities, assuming that lack of medical care would increase the total killed by 10 percent within 30 days.[75]

Within the parameters of their assumptions, however, ACDA fatality estimates may be too high because the analysts probably overestimate the number of warheads surviving in the U.S. arsenal. They also assume that the United States, in retaliating, holds back a 10 to 15 percent reserve force; the reserve force, in fact, may be even larger.

Still, in another sense, all three studies are more conservative than a reasonable analysis should indulge because they ignore the following factors:

First. The greatest fallout takes place about 30 miles downwind from a nuclear explosion; this has been observed in several nuclear tests, and is called a "hot spot."[76] Since most of the scenarios assume many people to have walked 20 or 30 miles, even high protection-factors may not be sufficient in these "hot" areas. This is ignored in these studies.

Second. All three studies assess only early effects of nuclear weapons—ignoring delayed fallout, the consequences of a massive housing crisis, the destruction of the industrial base that supports a large population, the fact that portions of several cities could not be reentered safely for weeks or months, that ingestion of irradiated food causes more biological damage than radiation absorbed by the body or lungs, that partial ozone depletion—due to the release into the atmosphere of enormous quantities of nitrogen oxides—could lead to vast increases in skin cancers, and other long-term effects of nuclear war.[77] Nor do any of the studies calculate damage caused by fire, firestorms, or induced radiation. Granted, these factors are the most difficult to measure; they may be impossible to predict with any precision. However, to ignore them altogether, simply because they are not susceptible to pocket-calculator computations, is to vastly underestimate population fatalities.

Correcting for all these studies' exceedingly conservative assumptions and taking into account some of the long-term effects—while still assuming quite successful evacuation and sheltering—could easily result in estimates of 30 to 40 million fatalities or more. If something went wrong in the sheltering and evacuation process—if, as is likely, the shelters could not protect—either due to buildings collapsing on top of them or to the air-ventilation system's inability to control heat, humidity and carbon dioxide—fatalities could easily reach 60 to 80 million or more.

INDUSTRIAL DAMAGE

Destroying more than 60 percent of Soviet industrial capacity in a retaliatory nuclear strike would pose no problem for the U.S. arsenal.

Two scenarios will be considered: one where the surviving forces are based on normal, peacetime alert; the other where, preceding the Soviet attack, the United States has placed its forces on a generated alert. The latter is far more likely, since the Soviets would have spent up to a week or longer evacuating their cities, an easily detectable activity. The United States would almost certainly respond by surging more forces on station.

Both scenarios involve the force-structure assumptions cited in the tables in appendix 1.

Most buildings are destroyed at 5 pounds per square inch—psi—of blast overpressure. Some industrial structures require 10 psi or more for total destruction. The following table illustrates the destructive capability of each of the warheads in the arsenal.

NORMAL, PEACETIME ALERT

System	Number deliverable	Destroyed area for single warhead (square miles)		Total area targetable (square miles)	
		5 psi	10 psi	5 psi	10 psi
Trident I	1,576	12.6	5.3	19,858	8,353
Poseidon	1,150	7.2	2.8	8,280	3,220
Bombs[2]	238	66.5	29.2	15,827	6,950
Cruise missiles	620	20.6	8.0	12,772	4,960
Minuteman III	129	18.1	7.5	2,335	968
Minuteman II	27	66.5	29.2	1,796	788
Titan II	1	254.5	109.3	255	109

[1] Takes into account launch, mid-flight and fuzing failures; see table in app. 1 for full assumptions.
[2] Includes bombs from B-52-D's, G's and H's, and FB-111's.

Note: Calculated on nuclear bomb effects computer in back of Samuel Glasstone, ed., "The Effects of Nuclear Weapons," Washington, D.C.: DOD and DOE, 3d ed., 1977.

According to the Department of Defense, the 200 largest cities in the U.S.S.R. hold 62 percent of that nation's industrial capacity. Beyond those 200 cities, marginal returns on industrial damage diminish fairly rapidly.

[1970; in percent]

Number of cities	Population	Industrial capacity
10	8.3	25
50	20.0	40
100	25.0	50
200	34.0	62
400	40.0	72
1,000	47.0	82

The total area encompassing these 200 cities amounts to 5,400 square miles. It would take only 750 Poseidon warheads—or 65 percent of the surviving Poseidons—only 28 percent of the entire surviving SLBM force—to lay down at least 5 psi over the entire area. All the Poseidons and 411 Trident I's—still leaving more than 1,105 SLBM warheads—could lay down at least 10 psi over the entire area.

Due to some inaccuracy—1,500-foot average miss, or "CEP," for both Poseidon and Trident I, there are bound to be gaps and overlaps; some targets may not get hit with full force, others more than necessary. However, two considerations should be kept in mind:

First. Closer to the detonation, the blast overpressure exerted would be much higher than 5 or 10 psi, and targeting plans are doubtlessly such as to create higher overpressures closer to the center of high-value targets that might be somewhat protected; second, the 750 Poseidon—for 5 psi—or all—Poseidon and 2,180 Trident I—for 10 psi—requirement are the numbers needed to destroy, theoretically, everything in the 200 largest cities, not just those areas inside the cities where industry is located. In other words, far fewer warheads would be needed if just the industrial sectors were targeted.

Footnotes at end of article.

In any event, the issue is somewhat academic, since a mere 81 bombs—carried by 21 bombers—would be enough to do the same damage at 5 psi, 185 bombs—47 bombers—are sufficient to lay down 10 psi over all of the 200 largest cities. Bombs have very good accuracies—about 600 feet, so overlaps and gaps would have scant significance.

If the United States surged its forces to a generated alert, the arsenal would have the following capabilities:

GENERATED ALERT

System	Number deliverable	Total area targetable (square miles)	
		5 psi	10 psi
Trident I	1,960	24,969	10,388
Poseidon	1,540	11,088	4,312
Bombs	520	34,580	15,184
Cruise missiles	1,640	33,784	13,120

Note: Minuteman and Titan remain the same as in normal, peacetime alert.

A mere 52 percent of the Trident I force—or all of the Poseidons and 10 percent of the Trident I's or 36 percent of the bombers alone—could cover the 200 largest Soviet cities with at least 10 psi.

A caveat should be noted. If an industrial target is hardened to resist 80 psi or more, its destruction is probably beyond the capabilities of a single Poseidon warhead. However, for any other weapon in the strategic arsenal of today or of the mid-1980's—bombs or cruise missiles, surviving ICBM warheads—even excluding the Mark-12A, and the Trident I SLBM—to be retrofitted onto 12 Poseidon subs, and placed on about 4 Trident subs by the mid-1980's—the radius at which these weapons lay down 80 psi or more exceeds their average miss-radius (CEP). They would have very high probabilities of destroying very hardened industrial targets. Even at 350 psi, a good many of the weapons would have high probability of destroying the target with a single blow.

Kill-Probability (Pk) against industrial targets of: RAND Corporation, February 1974; and Kephart, "VNTK Adjustment Monograph for P-type and Q-type Targets," provided by author.

Weapons	Alert		Pound per square inch				
	Normal	Generated	10	20	40	80	350
Bombs	238	520	0.99	0.99	0.99	0.99	0.99
ALCM[1]	620	1,640	.99	.99	.99	.99	.99
Trident I	1,576	1,960	.91	.87	.81	.70	.59
Minuteman:							
III	129	129	.99	.99	.99	.99	.98
II	27	27	.99	.98	.97	.96	.97

[1] ALCM is estimated to have a CEP of 0.017 nautical miles; however, for purposes of conservatism, we estimate here a degradation of 20 percent.
For weapons profiles, see chart in app. 1.
Calculated with D. C. Kephart, "Damage Probability Computer for Point Targets with P and Q Vulnerability Numbers," R-1380-PR (Santa Monica).

The Pk's are probably understatements, since the calculations assume that the targets are fairly precise points, whereas some industrial facilities may cover somewhat wide areas. Thus, Trident 1 has an 87 percent chance of destroying an entire facility of 10-psi hardness, but a higher chance of destroying a portion of it—which could cause the plant's total destruction, or at least heavy damage. Also the calculation accounts for damage due to blast only, ignoring possible damage due to fire or induced radiation.

Even if some analysts are correct in assuming that much industry—or at least industrial machinery—is hardened to 80 psi, this could not degrade deterrence. If the United States kept its forces on normal, peacetime alert, the above chart indicates that 1,014 surviving warheads in the arsenal would have extremely high chances of destroying such hardened targets; on a generated alert, 2,316 surviving warheads could do so. The same is true if one assumed targets hardened to 350 psi. In a recent article, T. K. Jones claims it is possible to harden industrial machinery to resist, 1,300 psi.[79] This is highly unlikely, but if it is so, on a normal peacetime alert the 238 surviving bombs and 620 surviving cruise missiles would have at least a 99 percent chance of destroying such targets; the surviving Minuteman 111's would have a 95 percent chance—even without the Mk-12A warhead. Assuming a generated alert, the United States, in other words, would have 2,160 weapons capable of destroying—with virtual certainty—machinery hardened to resist even 1,300 psi.

Comparing the quantity and capabilities of America's deliverable nuclear force—following a Soviet first-strike—with data on the high level of concentration in Soviet industry—see text, produces a clear conclusion: The United States has assured capability to destroy the bulk of Soviet industrial capacity, and still have sufficient weaponry left over for redundant targeting and a substantial reserve force besides.

RESCUE AND REPAIR IN SOVIET CIVIL DEFENSE

Rescue and repair. In discussing post-attack rescue and repair, many writers assume that the civil defense crews will be provided with water and food, but without figuring out where it will come from since everybody has taken weeks worth of food into shelters and, presumably, consumed it. In figuring the costs and benefits of aggressively cranking up the civil defense machine for a war-preparing posture, the Soviet leaders would have to assume that the United States, in retaliating, could hold some of its weapons in reserve and possibly launch a second or third salvo, days or even weeks after the first. In such an event rescue and repair operations could be nullified; the crews themselves could be killed.

There is usually also the tacit assumption that hospitals will be left standing, even though, simply due to collateral damage, 80 percent of urban hospitals are likely to be destroyed;[79] that surgical practice can go on, immediately after the attack, just as before, even though the number of patients will be staggering and a certain percentage of doctors and nurses dead.

Transportation facilities and networks will have been destroyed. Heavy tractors and bulldozers will have to be used to clear the roads and remove the rubble from the top of urban shelters. Yet the tractor and bulldozer industries leave much to be desired in the U.S.S.R. Thousands are rejected each year by equipment-processing centers, thousands more break down shortly afterward. They are not built for sustained operations in cold climates; 30 to 40 percent are in constant stand-down position due to maintenance problems.[80]

While the Soviets do have a communications system relating to civil defense operations, radio transmitters and phone lines are apt to be out completely, due to blast, radiation or electromagnetic pulse.

Soviet civil defense handbooks mention protective gasmasks, in four different sizes, as well as protective suits. However, nowhere is it claimed that such gear is adequately distributed nor that, even if this were the case, the sizes are correct. Since "every able-bodied man" must aid in the postattack effort, this is crucial.[81] Additionally, the handbook notes, "In the winter the facepiece may become stiff in extremely cold weather and the inhalation and outlet valve mechanisms may freeze."[82]

There are also assumptions concerning massive decontamination administered to everyone before they can leave an area. Again, the unposed questions: Administered by whom? How can one insure that the decontamination centers or equipment will not themselves be contaminated?

Leon Goure, who has written in great detail of Soviet rescue and repair plans, concedes that the "residential parts of the cities may either be ignored or receive only secondary attention." Further, "little can be done about firestorms."[83] Fires can be started in a variety of ways: directly, by thermal radiation; or indirectly, by blast effects overturning stoves, short-circuiting electrical wires, igniting garbage, and so forth. Firestorms create great winds, of up to 100 miles per hour or more: even with gasmasks, it would be very difficult for firemen to put them out.[84]

SPARE PARTS AND REPLACEMENT CAPITAL

This is an enormous problem in peacetime U.S.S.R. Almost every industry suffers from chronic shortages in spare parts and equipment; 60 percent of machine-investment capital is currently spent on repair. This indicates a widely noticed limitation of the Soviet economy—the leadership's reluctance and inability to develop effective, efficient new technologies, a matter of great importance in a postattack world, especially if one wants to remain a superpower.[85]

Delays plague Soviet industry across sectors. No chemical plant has ever been finished in time. The construction industry is notoriously slow. The Soviets take 11 to 15 years to build a thermal electric generating plant—2½ to 3½ times longer than it takes Americans.[86] These prob-

Footnotes at end of article.

lems are sure to be exacerbated exponentially if the bulk of the Soviet economic infrastructure is vaporized.

LASTING FOOD RESERVES

The Soviets do have some hardened graneries; however, they are not so hard that most survivable U.S. warheads could not destroy them. Nor is it known how much grain is stored in them.[27]

Further, food production and the associated processing industries are geographically separated, particularly for recent agricultural developments. Processing plants, particularly the large modern dairy factories, are located in large cities that are bound to be targeted in nuclear war.[28]

Soviet civil defense information on protecting crop soil is both exiguous and unconvincing. "Good farming practice" is recommended as a way of minimizing induced radiation; such dubious processes as "self-decontamination" are also mentioned.[29]

Even if, as is unlikely, farmland were not affected by fallout, agriculture could not easily be regenerated if many of the small number of chemical factories or tractor manufacturies in the U.S.S.R. were blasted. Permafreeze zones and snow and little rainfall in the topologically finest farm acreage mean that fewer than 100 days per year are agricultural workdays. Even with mechanization and chemicals, labor-output ratios are extremely high in Soviet farms—in some crops, seven times higher than those in the United States.[30]

TRANSPORTATION

The poor quality of the roads, the single-track railways, the limited number of motor vehicles have already been mentioned. Additionally, more than 20 percent of Soviet rail lines are electric, making the power stations at the nodes of the railway—most of them near large cities—vulnerable high-value targets.[31] In the chapter on civil defense in "Military Strategy," Marshal V. D. Sokolovskiy states that "in the majority of cases, aid must be rendered . . . by forces and means from points that have escaped nuclear attack." The civil defense handbook notes that "transport of civil defense units to stricken areas—shall employ city motor transport facilities not involved in evacuating the civilian population and available in the rural one."[32] But (a) whether any cars will not have been used during evacuation, (b) whether these "city motor transport facilities" will still exist, and (c) how, given the quality of the road and rail system, they are to be transported, are three critical uncertainties.

The gas pipelines, carrying energy supplies from the east to the west, on which European Russia relies heavily—and increasingly so in the future, are highly vulnerable and nonredundant.[33] Destroying them would "create the danger of poisoning, fire and explosion."[34] It would take a fairly long time before they could be repaired, thus causing significant delays in the beginning stages of any post-attack recovery effort, which could—psychologically as well as materially—thwart the process entirely.

Finally, the 2- to 4-year recovery-time estimate is derived in highly unrealistic fashion. Using old U.S. civil defense studies, some analysts, such as T. K. Jones, have merely looked up how much time it would take to rebuild the entire steel industry, for example, if half of it is destroyed; they then assume that if that task takes, say, 1 year, it would take double that time to rebuild it if it is entirely destroyed—that is, they unjustifiably assume linearity; they do this with each individual industrial sector, one by one, ignoring synergistic effects that the decimation of certain crucial sectors would have on all others.

FOOTNOTES

[1] Donald Rumsfeld, DoD, *Annual Report*, FY 1977, p. 57.

[2] *Ibid.*, FY 78, p. 107.

[3] House Armed Services Committee, *Hearings on Military Posture and H.R. 10929*, FY 1976, Part 9, April 13, 14, 1978, pp. 10, 25. An unclassified version of the report is *Candidate US Civil Defense Programs*, by System Planning Corporation, for DCPA, March 1978, esp. p. 5, plan D.

[4] Jody Powell, Press Conference, November 13, 1978. According to the *N.Y. Times*, December 2, 1978, p. 2, President Carter has not yet approved the $2 billion program.

[5] *N.Y. Times*, January 3, 1977.

[6] Cf. Director of Central Intelligence (DCI), *Soviet Civil Defense*, July 1978, p. 11.

[7] *Ibid.*

[8] *Grazhdanskaya Oborona* (Civil Defense) (Moscow: Publishing House for Higher Education, 1974), esp. pp. 107-12. Translated by Oak Ridge National Laboratory, Tennessee, July 1975. Cf. also Leon Goure, *War Survival in Soviet Strategy: USSR Civil Defense* (Univ. of Miami, 1976).

[9] Soviet Civil Defense Chief, Marshal Aleksandr Altunin, admits this, stating that the training of command personnel takes place at great delay, and "at low methodological level. . . . (T)he trainees did not receive what was most necessary. The practical portion was poorly organized and . . . stereotyped." (*Voyennyc Znaniia*, October 1976.) Cf. *N.Y. Times*, January 17, 1977.

[10] Goure, p. 198; *Grazhdanskaya Oborona*, p. 108.

[11] Goure, pp. 193–194; *Grazhdanskaya Oborona*, p. 108.

[12] Hearings, Joint Economic Committee, *Allocation of Resources in the Soviet Union and China—1977*, Part 3, June 23, 30, 1977, p. 26.

[13] Goure, pp. 114, 118; DCI, *Soviet Civil Defense* p. 9.

[14] *DCI, Soviet Civil Defense*, p. 2. This assumes spacing of one person per square meter. This is probably optimistic.

[15] Destruction of transportation nodes would delay distribution of food for at least two months after the attack. Cf. U.S. Arms Control and Disarmament Agency (ACDA), *An Analysis of Civil Defense in Nuclear War*, December, 1978, p. 19.

[16] US Defense Civil Preparedness Agency, (DCPA), *DCPA Attack Environmental Manual*, Chapter 7, June 1976, panel 15.

[17] Senate Armed Services Committee, Hearings, *Defense Civil Preparedness Agency*, October 6, 1977, p. 32.

[18] Goure, p. 97.

[19] CIA, *Soviet Economic Problems and Prospects*, July 1977 p. 8.

[20] *Ibid.*, p. 9; Adm. Stansfield Turner, Hearings, Joint Economic Committee, *op cit.*, p. 27. Cf. also J. P. Cole & F. C. German, *A Geography of the USSR: The Background to a Planned Economy*, (London: Butterworths, 2nd ed., 1970), p. 178; Emily Jack, et. al., "Outlook for Soviet Energy," and Alan E. Smith, "Soviet Dependence on Siberian Resource Development," in *Soviet Economy in a New Perspective: A Compendium of Papers Submitted to the Joint Economic Committee*, October 14, 1976, pp. 467, 485.

[21] John Hard, "Summary," *Soviet Economy in a New Perspective*, p. xvii; R. S. Mathieson, *The Soviet Union: An Economic Geography*, (London: Heinemann Educ. Books, 1975), pp. 47, 63–64.

[22] ACDA, p. 5.

[23] *Ibid.*, pp. 3. 4; From 1959 to 1970, the 58 largest cities—those with populations exceeding 250,000—have risen in population by 30%, while the total Soviet population has gone up by 16%. From 1970 to 1974, cities with more than 500,000 population, as well as those from 100–500,000, have risen in population by 14%, while cities smaller than that have risen by only 6%. As for the new towns of Western Siberia, few have retained as much as 40% of their intake. From 1959 to 1967, the able-bodied population of the region declined by 550,000—19% of its initial population. As for the towns in which more industry is located east of the Urals, they have become large metropolitan centers, with populations of 200,000 or more; or many are several small towns bunched very closely together. (Cf. Joint Committee on Defense Production, *Civil Preparedness Review, Part II: Industrial Defense and Nuclear Attack*, April 1977, p. 75; Alan B. Smith, "Soviet Dependence on Siberian Resources Development," *Soviet Economy in a New Perspective*, p. 487; *N.Y. Times*, April 22, 1972, p. 2.

[24] T. K. Jones, *Industrial Survival and Recovery After Nuclear Attack*, submitted to Joint Committee on Defense Production, for Boeing Aerospace Co., November 18, 1976, pp. 17, 20.

[25] Cf. testimony by Adm. Stansfield Turner (CIA) and Gen. Samuel Wilson (DIA), Hearings, Joint Economic Committee, *op. cit.*, pp. 49, 84; DCCI, *Soviet Civil Defense*, pp. 1, 3, 4, 10; ACDA briefing on Soviet Civil Defense.

[26] ACDA estimates that sheltering without evacuation would result in 60–86 million deaths; CIA estimates about 100 million casualties. (ACDA, p. 11; DCA, *Soviet Civil Defense*, p. 11.)

[27] Goure, working from Soviet civil defense documents, reports that all urban residents would go to evacuation assembly centers, for which there is one per 2–3000 urban residents. Each would be staffed by 39–49 persons "selected from the individuals not subject to call-up by the armed forces." People then proceed to embarkment points, near transportation links, manned by 69–81 persons each. Given Goure's figure of 85.4 million urban residents, and given a presumed 80% evacuation rate, or 68.3 million people, there would have to be 23–34,000 centers and a few thousand embarkment points, or 900,000–1.3 million people. (Cf. Goure, pp. 91, 93.)

[28] Cf. Cole & German, pp. 200–10; Hardt, "Summary," *op. cit.*, p. x; Mathieson, p. 186; Jt. Committee on Defense Production, *Civil Preparedness Review, Part II*, p. 69.

[29] Number of vehicles from CIA estimate, cited by Hardt, *op. cit.*, p. x; 20 million estimate from Goure, p. 103.

[30] It has been estimated that 500,000 could be evacuated by train. Only 1.2 million cars and a total of 763,000 trucks and buses exist in the USSR. Assuming that all of these are available for evacuation, and assuming that four people could fit in a car, 10 per truck and 30 per bus, then 14.2 million more people could be evacuated by these means. Thus, 53.6 million would have to walk, assuming 80% evacuation; 62.7 million, if 90% evacuation. This number is probably too low, because some cars would be left behind for the 1–1.5 million directors of the evacuation; many of the trucks and buses would be in disrepair, or would run out of gas on the way; and, with all the tools to be brought along, the person-per-vehicle assumption may be too high.

[31] T. K. Jones, testimony, Hearings, House Armed Services Committee, Civil Defense Panel, *Civil Defense Review*, February-March, 1976, p. 246.

[32] *Grazhdanskaya Oborona*, pp. 21ff; Goure p. 125.

[33] *Grazhdanskaya Oborona*, pp. 21ff. and cover.

[34] Goure, pp. 123, 164; Hearings, *Civil Defense Review*, p. 232; *DCPA Attack Environmental Manual*, Chapter 7, Panel 12.

[35] ACDA briefing on Soviet Civil Defense, November 1976; T. K. Jones, *op. cit.*, p. 248.

[36] *Grazhdanskaya Oborona*, p. 51.

[37] *Ibid.*, p. 19.

[38] *DCPA Attack Environmental Manual*, Ch. 7, panels 3 & 4.

[39] Ed. intro., *Grazhdanskaya Oborona*, p. vi.

[40] Jones, *op. cit.*, p. 248.

[41] *Grazhdanskaya Oborona*, p. 51.

[42] ACDA Briefing on Soviet Civil Defense.

[43] TERCOM accuracy has been estimated at 30 meters CEP (the distance within which 50% of warheads are expected to land). Thus, the estimate in this calculation is 90 meters or about 300 feet. Using RAND's *Damage Probability Computer for Point Targets with P and Q Vulnerability Numbers* (by D. C. Kephart, 1974), one observes that a cruise missile (200 kt) has a kill-probability exceeding .99 against targets of any reasonable (or even unreasonable) hardness. (On cruise missile data, see Kosta Tsipis, "Cruise Missiles, *Scientific American*, February, 1977.)

[44] DCI, *Soviet Civil Defense*, p. 10.

[45] ACDA briefing on Soviet Civil Defense.

[46] Adm. Stansfield Turner, Hearings, Joint Economic Committee, *op. cit.*, p. 27.

[47] Cf. Les Aspin, "Soviet Civil Defense; Myth & Reality," *Arms Control Today*, September 1976; Cole & German, pp. 128, 179, 187–189; Jack and Smith, in *Soviet Economy in a New Perspective*, pp. 467, 485; Joint Committee on Defense Production, *Civil Preparedness Review, Part II*, p. 67; Fred M. Kaplan, "The Soviet Civil Defense Myth," *The Bulletin of the Atomic Scientists*, March 1978, pp. 18-19; Geoffrey Kemp, "Nuclear Forces for Medium Powers, Part I: Targets and Weapons Systems," *Adelphi Paper No. 106* (London: International Institute for Strategic Studies, 1974), p. 6; Mathieson, pp. 115, 117, 128, 134, 141, 146–49, 154–56, 160–61, 167, 230, 603.

[48] CIA, *Soviet Economic Problems and Prospects*, p. 10.

[49] Kemp, p. 13.

[50] Bernard S. Albert, "Constructive Counterpower," *Orbis*, Summer 1976, pp. 343–66.

[51] *Grazhdanskaya Oborona*, p. 54.

[52] Ibid., T. K. Jones, *Industrial Survival and Recovery After Nuclear Attack*, pp. 27, 34, 62–63.

[53] *Grazhdanskaya Oborona*, p. 53.

[54] If they were implemented, they would probably be so near the facility as to be highly vulnerable; if the workers weren't vulnerable, the "remote-control console" cables surely would.

[55] Joint Committee on Defense Production, *Civil Preparedness Review, Part II*, pp. 20, 68.

[56] William H. Kincade, "Repeating History: The Civil Defense Debate Renewed," *International Security*, Winter 1978, p. 119.

[57] Hearings, Joint Economic Committee, *op. cit.*, p. 84.

[58] T. K. Jones, *op. cit.*, p. 84; *Grazhdanskaya Oborona*, pp. 58–88, 99–102.

[59] Cf. House Armed Services Committee, *Hearings on Military Posture, FY 1977*, Part 5, p. 264; Senate Armed Services Committee, *Department of Defense Authorization for Appropriations for Fiscal Year 1978*, Part 10, pp. 6621, 6624.

[60] The nominal 68-day mission can be extended by 50% with rationing. Harold Brown, testimony, HASC, *Hearings on Military Posture, FY 1979*, Part I, p. 473. On inadequacies of Soviet strategic ASW, see Rear Adm. Sumner Shapiro (Dep. Dir., Office of Naval Intelligence), Senate Armed Services Committee, Hearings, *op. cit.*, FY 1979, Part 9, pp. 6662–67; Vice Adm. C. H. Griffiths (Dep. CNO for Submarine Warfare), *ibid.*, Part 2, pp. 1038, 1041; William Perry, testimony, *ibid.*, pp. 1121–22.

[61] ACDA, p. 10. ACDA uses very conservative assumptions regarding cruise missile accuracy, thereby underestimating its destructive capacity, in terms of overpressure-pergiven radius, compared with Poseidons.

[62] Cf. Donald Rumsfeld, DoD, *Annual Report, FY 1978*, p. 124; Gen. David Jones, testimony, House Armed Services Committee, *Hearings on Military Posture and H.R. 10929, FY 1979*, Part 1, p. 892; Vice Adm. C. H. Griffiths, Senate Armed Services Committee, *op. cit.*, Part 2, p. 1030.

[63] The studies are T. K. Jones, *Industrial Survival and Recovery After Nuclear Attack* (see note 24); DCI, *Soviet Civil Defense* (see note 6); ACDA, *An Analysis of Civil Defense in Nuclear War* (see note 15).

[64] Cf. Samuel Glasstone, ed., *The Effects of Nuclear Weapons*, (Washington, D.C.: Departments of Defense and Energy, 3rd ed., 1977), pp. 461–513; Bruce Lennett, *Fatality Uncertainties in Limited Nuclear War*, R-2218-AF (Santa Monica: RAND Corporation, November 1977).

[65] T.K. Jones, Hearings, Joint Committee on Production, *Defense Industrial Base: Industrial Preparedness and Nuclear War Survival*, November 17, 1976, p. 168.

[66] *Ibid.*, pp. 33, 168.

[67] Glasstone, ed., *op. cit.*, p. 441; *DCPA Attack Environmental Manual*, Chapter 7, Panel 21.

[68] System Planning Corporation, *op. cit.*, (see note 3), p. 11.

[69] Jones, *op. cit.*, p. 172.

[70] ACDA, *op. cit.*, p. 7; can be calculated from "Nuclear Bomb Effects Computer," in back of Glasstone, *op. cit.*

[71] Jones, *op. cit.*, pp. 30, 47, 62. The entire Soviet land mass is 8.65 million square miles. The area of the 200 largest cities is 5401 square miles (0.06%). Cf. Geoffrey Kemp, "Nuclear Forces for Medium Powers, Parts II & III: Strategic Requirements and Options," *Adelphi Paper #107* (London: International Institute for Strategic Studies, 1974), pp. 23–26; Joint Committee on Defense Production, *Civil Preparedness Review*, Part II, p. 15.

[72] Jones, *op. cit.*, p. 30.

[73] DCI, *Soviet Civil Defense*, p. 9.

[74] *Ibid.*, p. 5.

[75] ACDA, *op. cit.*, pp. 2, 11, 18. Protection factors are classified, but they appear quite reasonable.

[76] Glasstone, *op. cit.*, p. 420. Glasstone's figures are for much higher-yield weapons than those in the U.S. arsenal; 30 miles is a scaled-down calculation.

[77] On long-term effects, see National Academy of Sciences, *Long-Term Worldwide Effects of Multiple Nuclear-Weapons Detonations*, 1975; also ACDA, op. cit., pp. 7, 11, 14–15, 20, 21; in Glasstone, *passim*.

[78] T. K. Jones and W. Scott Thompson, "Central War and Civil Defense," *Orbis*, Fall 1978, p. 607.

[79] ACDA, *op. cit.*, p. 20.

[80] Earl N. Rubenking, "The Soviet Tractor Industry: Progress and Problems, in *Soviet Economy in a New Perspective*, pp. 601–19.

[81] *Grazhdanskaya Oborona*, pp. 27–32.

[82] *Ibid.*, p. 28.

[83] Goure, p. 177.

[84] Glasstone, p. 646.

[85] Stanley H. Cohn, "Deficiencies in Soviet Investment Policies and the Technological Imperative;" Rubenking; and Francis W. Rushing, "Soviet Chemical Industry: A Modern Growth Sector," in *Soviet Economy in a New Perspective*, pp. 454, 456, 552, 606, 609.

[86] Cohn, p. 458.

[87] Kincade, p. 112; ACDA briefing on Soviet Civil Defense.

[88] Mathieson, pp. 129–30.

[89] *Grazhdanskaya Oborona*, pp. 77–79.

[90] David W. Carey, "Soviet Agriculture: Recent Performance and Future Plans," *Soviet Economy in a New Perspective*, p. 582; Mathieson, pp. 75, 161.

[91] Cole & German, pp. 200, 206–207.

[92] V. D. Sokolovskiy, *Soviet Military Strategy*, tr: Harriet Fast Scott, (NY: Crane Russak & Co., 1975), 3rd ed., 1968, p. 333; *Grazhdanskaya Oborona*, p. 90.

[93] CIA, *Soviet Economic Problems and Prospects*, p. 8; Mathieson, pp. 115, 117.

[94] Soviet civil defense handbook, cited in Hearings, *Civil Defense Review*, p. 242.●

THE CARTER FOREIGN POLICY IS BRINGING INCREASING SOVIET INFLUENCE THROUGHOUT THE WORLD

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LENT. Mr. Speaker, there is a tendency in our preoccupation with each day's events to view them individually, rather than as part of a pattern. In a most perceptive editorial on December 15, 1978, the Wall Street Journal gave us a much needed overview of recent events, and the ominous pattern which they disclose. I commend this editorial to my colleagues as a most thoughtful warning of the dangerous direction in which we are headed. I further urge President Carter and his foreign policy advisers to give careful consideration to this wise summation of the grievous errors they have committed, and to take corrective action before we find ourselves isolated in a Soviet-dominated world.

The editorial follows:

[From the Wall Street Journal, Dec. 15, 1978]

A FINLANDIZED WHITE HOUSE

The term "Finlandization" is no doubt unfair to the Finns, who have maintained more independence of the Soviet Union than most people would have under similarly difficult circumstances. Still, it is in Finland that one sees the political results of a preponderance of Soviet military power—the need for Soviet approval of the politicians to be elected in otherwise democratic elections, the growth of a self-censorship about Soviet society and Soviet policy, the anticipation of Soviet desires so that a confrontation never is forced, and the repeated denial of all of the foregoing.

While one can always argue about degree, these adaptations are perhaps the only policy available to Finland, a nation of only five million on the periphery of Western Europe and in the shadow of Russia. Over the past few years, with the ongoing Soviet military buildup, there have been fears that the Finlandization syndrome would spread over all of Europe. These fears have receded somewhat with the left's defeat in the French elections and the coalescing of NATO to increase its defense expenditures. But in the past few weeks we have seen a remarkable series of incidents that suggest the syndrome has emerged in Washington. Consider:

IRAN

If anyone doubts that military power casts a political shadow, he need only look at the postwar history of Iran. In 1945, the Russians created a puppet regime in Iran's northern province of Azerbaijan, with the Red Army blocking entry of Iranian troops. Under pressure from the U.S., which then had a monopoly on nuclear weapons, the Soviets withdrew.

In 1978, in the midst of an uprising against the Shah, Soviet Party Chairman Brezhnev publicly warned the United States that it would regard as "affecting the interests of its security" any U.S. intervention in Iran, a nation with which the U.S. has a formal military alliance. The White House was angry, but its response consisted primarily

of affirming that the U.S. has no intention of interfering in the internal affairs of Iran.

At his press conference this week, President Carter tried to climb a bit out of the hole dug by the initial response by saying we would also keep others from interfering with the internal affairs of Iran. But even with that, the U.S. has conceded a considerable principle, that Soviet warnings take precedence over U.S. alliances.

CUBA

In 1962 the U.S. used its strategic and local military superiority to face down the Soviets in the Cuban missile crisis. In return for a U.S. pledge not to invade Cuba, the Soviets agreed not to base offensive nuclear weapons there and indeed withdrew not only missiles but bombers then based on the island.

In 1978 the Soviets installed in Cuba the Flogger, a ground-attack version of their MIG-23 aircraft. President Carter publicly defended the Soviet action, saying that the planes can no doubt lift nuclear weapons and deliver them on the United States, but that "whether the planes are outfitted to do so, designed to do it, crews are trained to do it, is an entirely different matter and we don't have any indication that this is the case."

In short, the Soviets have just been assured by the President of the United States that their 1962 pledge depends not on the capability of the weapons system, but on its indeterminable inner outfitting and the training of the crews, and that the U.S. accepts the burden of proof on these matters. The MIG-23s are not militarily decisive, but if "unoutfitted" Floggers can be based in Cuba, it follows that "unoutfitted" Backfire bombers can be too. The latter would be a military development of the kind that caused the 1962 crisis. Again, an enormous point of principle has been almost gratuitously conceded.

AFGHANISTAN

Earlier this year there was a coup in Afghanistan, which installed a government led by the head of the local Communist party. The early interpretations stressed that we really didn't know if this would be a pro-Soviet or nationalist government. Much of this was attributed anonymously to U.S. officials. One problem was that the foreign aid laws require that no aid be given to a Communist nation or unless the President makes a special report to Congress explaining why. The State Department did not want to call Afghanistan Communist because it wanted to continue aid.

By now Afghanistan has signed a 20-year military cooperation treaty with the Soviet Union, parroted the Soviet line as faithfully as the Bulgarians in international forums, instituted an obviously repressive internal regime, and changed its flag to imitate that of the Soviet Union. There has not yet been any move by the White House to either cut off foreign aid or report to Congress as the law requires. Rather than call a Communist government a Communist government, the administration chooses to break the American law.

THE SCREAMING OUTRAGE

Now comes the screaming outrage: China, with or without card games a huge counterweight to the Soviet Union, is turning to the West for both industrial and military technology. This development is bound to complicate Soviet defense problems and ease ours. In particular, the Chinese want to alleviate their defenselessness against a Soviet invasion by acquiring modern aircraft. They have singled out the British Harrier jump-jet, which does not require advanced airfields, and are negotiating a purchase from the British. The Soviets have publicly protested that the British sale would have "serious consequences."

The British also received a protest, NATO sources report, from Harold Brown, Secretary of Defense of the United States. He told his British counterpart, the reports said, the extensive arms sales to China might jeopardize a U.S.-Soviet agreement to strategic arms. The Financial Times described Secretary Brown's public statements on the matters as "equivocal," saying that the sale of defensive weapons was OK while the sale of offensive ones was not, while declining to clearly label the Harrier as the defensive weapon it clearly is in the Sino-Soviet context. This administration has been Finlandized enough that the Soviets have the U.S. Defense Secretary doing their dirty work to intimidate U.S. allies.

COMING ATTRACTIONS

Fresh from these demonstrations of American wit and courage, the Secretary of State is meeting with the Soviet foreign minister to put the final touches on a new strategic arms agreement to be ratified at a Carter-Brezhnev summit. The decisions made on this treaty will determine the U.S.-Soviet strategic balance that Mr. Carter's successor will inherit.

INTRODUCTION OF H.R. 16, NATIONAL HEALTH INSURANCE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DINGELL. Mr. Speaker, I am in support of a program to establish a system of national health insurance and am today reintroducing H.R. 16, the legislative proposal I have sponsored for several Congresses to accomplish what should be one of our major objectives—to insure adequate and reasonably priced health care to all citizens, no matter what their ability to pay.

H.R. 16 is based on legislation my father introduced in Congress in 1943 along with the Murry-Wagner-Dingell bill, portions of which have been enacted—medicare, and certain other provisions.

H.R. 16 reflects plans for improved and extended availability of health care which our Nation requires. This legislation is one of several proposals that are surely to be introduced in the 96th Congress and, while it is not necessarily the exact bill that we should enact, it is introduced to offer a proposal for the Interstate and Foreign Commerce Committee to consider. It is a proposal to stimulate discussion and debate on the subject of national health care in the hope that we can move into the system in the near future.

We, of course, are awaiting action by the administration which has been considering the submission of the President's plan for national health insurance which he announced last July. There has been little opportunity for public debate of health insurance issues and not to any large degree has Congress considered the President's principles.

With H.R. 16 introduced today, and perhaps other proposals, and an apparent plan expected from the administration, there will exist ample legislation upon which the 96th Congress can consider the merits and the form of a national program.

Some will argue against national health insurance claiming that the economic climate of the Government and the Nation is not right, but that attitude, if successful, would deny Congress, the administration and most importantly, the American health consumer adequate opportunity and time to comment upon and debate what is an admittedly controversial and highly complex legislative proposal. The issue will demand time and tedious consideration and a priority of this Congress should be to begin and continue the process.

But, we should do no less for the American people. The people need to hear the debate and Congress must hear of public acceptability.

In any health insurance proposal for the Nation the basic consideration is the method of financing and administration. Estimates I have seen range from $25 to over $75 billion to implement national health insurance for its first year depending upon the program keeping in mind that some of those costs will replace private sector spending. The more time that elapses, the more likelihood of higher and higher cost escalations to the Government and its citizens.

The legislation I have introduced, H.R. 16, covers the entire U.S. population, linking coverage to participation in the work force, eligibility for social security benefits or eligibility for special State plans set up voluntarily by the States for certain low-income groups.

My bill provides comprehensive medical benefits. Services include general hospital inpatient care, outpatient care, physicians' and dental services, physical checkup, home health services, podiatrists' services, physical therapy, as well as coverage for costly prescription drugs and other auxiliary services.

Administration of the program in H.R. 16 would be shared jointly by the three levels of government—Federal, State, and local, with major operating responsibility falling to State and local jurisdictions.

Financing would incur a payroll tax on employers and employees, similar to the social security tax, in addition to general Treasury contributions.●

NEED EXISTS FOR BETTER INSPECTION AND LABELING OF IMPORTED MEAT

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mrs. SMITH of Nebraska. Mr. Speaker, almost 2 billion pounds of red meat of all kinds come into the United States each year from foreign sources. It reaches our consumers in various forms, and because it is consumed, we have an obligation to the people who eat this meat to insure that it is pure and wholesome and that they run no health risk for themselves or their families.

We go to great lengths in the United States to make certain beyond a doubt that all meat for human consumption is

properly inspected and labeled. We inspect the animals for slaughter on the hoof; we inspect the carcass and the internal organs; and we check for the presence of chemical residues. No source of disease or contamination is overlooked. By and large, I feel our Animal and Plant Health Inspection Service—APHIS—does a first-rate job and leaves the consumer free of any worry about the quality and wholesomeness of the domestically produced meat they buy.

Unfortunately, the same thing cannot be said about most of the imported meat. An effort is made, but there is too much latitude in setting standards and following procedures. Products of questionable purity are bound to slip by. There are a total of 20 Department of Agriculture inspectors who are charged with the responsibility of certifying the wholesomeness of that almost 2 billion pounds of imported meat. Twelve of them are stationed in foreign countries; the other eight travel out of Washington. Last year, we received meat imports from 52 countries and there were 1,141 packing plants involved.

The law requires that imported meat be subject to the same standards applied to domestic meat, but that does not always happen. We do not know about the testing of vital organs and issues for harmful residues in imported meat, for instance. Only a small percentage gets this surveillance, and in the random checks which are made, we find enough evidence of impurities and unwholesomeness to cause grave concern about the rest.

Under present labeling requirements, we know the country of origin for imported meat shipments when they reach our shores, but in most instances, there is no way the consumer can tell whether or not she is buying or consuming imported meat by the time it reaches her. The imported meat can go into hamburger, lunch meat, soup, TV dinners and all manner of other processed products, and there is nothing to identify it as imported.

The American consumer and livestock producer deserve better protection than they are presently receiving. To provide it has led to the introduction of legislation by other Members of Congress and myself to require higher inspection standards and better labeling requirements for meat and dairy imports. Today, I am reintroducing the same legislation in the 96th Congress. This bill was the subject last session of a public hearing in Scottsbluff, Nebr. That occurred on November 22, 1977. Assurances were given that additional hearings would be held in Washington, D.C., in 1978, but time pressures were such that those assurances were not kept. I respectfully urge that further hearings be scheduled this year.

Under the provisions of the bill, products in whole or part for human consumption must be properly labeled to let the consumer know they are imported. Tests must be conducted to determine whether imported meat and meat products contain any substance prohibited in domestically produced animal meat and meat products, or whether the imports contain substances—chemicals or chemical residues—in excess of levels permitted in this country by law.

Furthermore, the tests must be conducted in the country from which the articles are being imported by persons who are certified by the same criteria established by the Department of Agriculture for U.S. inspectors. The exporting country must also certify to the Secretary that the imports have been tested in accordance with our regulations and that they do not carry substances prohibited by law in domestic meat.

The bill would also require that U.S. officials sample the imports from time to time, and that the Secretary set assessments and fees to cover the costs of inspection, certification, testing and labeling, and that he have the authority to suspend or revoke the privilege of any exporter who fails to pay the assessment fees.

It should be said that even with all of the effort to upgrade the inspection of imported meat, we must keep in mind that a great deal of these imports arrive in this country frozen or chilled. They are thawed and processed and often frozen again, a procedure discouraged by Department of Agriculture experts. This is all the more reason why these imports must be properly labeled when they reach the point of sale. Then the consumer at least has a chance to choose between the imported product and that which is domestically produced. She can never be quite sure what she is getting when imported meat is involved. She can feel totally safe in buying the American product.

Adopting legislation of this kind will not only provide an insurance policy for the consumer, but it will result in the improvement of economy of our domestic livestock producers. Through more rigid inspection and labeling standards for imports, we would have less foreign meat on the market, and our producers could take up the slack.

There are sound and compelling reasons for taking legislative action to deal with the problem of inspection and labeling of imported meat and dairy products. I welcome cosponsors who will join me in pressing for this action.●

CONGRESS MUST PREPARE FOR CONSTITUTIONAL CONVENTION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCLORY. Mr. Speaker, I rise to introduce the "Federal Constitution Convention Amendment Act" of 1979. I have chosen to act on the first day of the 96th Congress because I believe this bill could very well be the most significant piece of legislation which the new Congress will consider. My belief may not be shared by all my colleagues at this time, but the necessity of action on this important bill will become more and more apparent as each week of the 96th Congress passes.

The high priority which I place on this legislation is due to my belief that very soon the necessary two-thirds of the State legislatures will have voted to convene a constitutional convention. My reading and study of article V makes it clear that Congress must respond to such a mandate and call a constitutional convention.

Article V provides the following:

> The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

While it does much more, the primary purpose of article V is to establish the process whereby the Constitution may be amended. Two methods for amending the Constitution were devised: First. Two-thirds of both Houses of the Congress may propose an amendment or second, two-thirds of the State legislatures may require the Congress to call a constitutional convention. In either case three-fourths of the States, either in convention or the legislatures, must ratify the proposed amendment before it becomes a part of the Constitution.

The framers purposely made the process outlined in article V cumbersome: Amending the Constitution should be undertaken carefully and deliberately, and should reflect a timely and overwhelming consensus of the American people. Thus far, the process has worked reasonably well: Very few amendments have been added to the Constitution over the past 190 years.

One reason that the amending process has served us so well is that only one of the two methods provided by article V has been used. All amendments to the Constitution have been proposed by two-thirds of both Houses of Congress and submitted to the States for consideration.

Several amendments to the Constitution have been initiated because of dissatisfaction with decisions of the Supreme Court which have held statutes in violation of the Constitution. Most notably, the 13th, 14th, 15th, 16th, 18th, and 24th amendments have become part of our Constitution as a direct result of dissatisfaction with the Court's interpretation of the Constituion.

Of course, this is one reason the Founding Fathers established an amending procedure. Generally, the Congress has responded to widespread public concern over a decision of the Supreme Court. However, the framers knew that the Congress would not always be responsive, and provided that the State legislatures could require the Congress to call a constitutional convention. In fact, this method has been tried before with

some surprising results, but no convention has ever been called.

Today, highly organized and well-funded single-issue constituencies are coordinating nationwide efforts to call a constitutional convention because of dissatisfaction with Congress' reluctance to forward constitutional changes to the States for their consideration.

My concern and the reason I am introducing this bill is to establish the necessary machinery for a convention with clearly established procedures formulated by Congress. I do not intend in any way that this bill encourage support for any proposed amendment or convention call effort. In fact, the bill does not address issues confronting amendments currently pending in the State legislatures. I only wish the Congress to act responsibly and be prepared should the States exercise their article V powers.

This legislation is not a new and untested idea. Originally introduced by Senator Ervin in 1967, the bill passed the Senate in 1971 by a vote of 84 to 0 in 1971. The House has never seriously considered the legislation, but this year we will be forced to act if we wish to comply with the provisions of article V. My bill incorporates a few changes to the Senate-passed version. A detailed explanation of the bill's provisions and a section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the title of the act is the "Federal Constitution Convention Amendment Act."

Section 2 provides that a State desiring to invoke article V to call a constitutional convention for the purpose of proposing an amendment to the Constitution must adopt a resolution pursuant to this act requesting such a convention and stating the nature of the amendment it wishes proposed. Pursuant to the requirements of this section, the measure is prospective and not retroactive in operation.

Section 3 provides that the procedure to be used by the State in adopting or rescinding a resolution is the same as that used for enacting State laws of general application except that the approval of the Governor is not required. Any questions arising as to the adoption or rescission of resolutions are matters for determination solely by the Congress as part of its responsibility to determine whether article V has been activated. Of course, Congress has no authority to examine the action of the legislature, except to assure itself that the State has used the procedure specified in section 3.

Section 4 provides that within 30 days of the adoption of a resolution the secretary of state or the equivalent officer of the State must send two certified copies to the Congress, one addressed to the President of the Senate and the other to the Speaker of the House. Each copy must contain the title of the resolution, the date upon which it was adopted, and the exact text of the resolution signed by the presiding officers of each house of the State legislature. Within 10 days of receipt, the President of the Senate and the Speaker of the House must report to their respective Houses the identity of the State making application, the subject of the application and the number of States which have thus far applied with respect to that subject. If Congress is in recess or is adjourned, the announcement would be made when Congress was again in session, and as soon thereafter as possible. The two officers must cause copies of the application to be sent to the presiding officers of each of the Houses of the other States, and to each Member of Congress.

Section 5 provides that applications for the convening of a convention are effective for 7 years from date of receipt by Congress. Whenever within a 7-year period there are in effect valid applications on the same subject from two-thirds of the States all the applications remain in effect until Congress has called the convention.

States may rescind applications by adopting resolutions of rescission in accordance with the procedures of sections 3 and 4. However, attempted rescissions would not be effective after applications have been received by Congress from the requisite two-thirds of the States. Questions concerning the rescission of applications are determined solely by Congress.

Section 6 provides that the Secretary of the Senate and Clerk of the House shall maintain a record of the applications received upon each subject. Whenever applications upon the same subject have been received from two-thirds of the States, they must report in writing to the presiding officer of their respective Houses, and such officer shall report to that House the substance of the report. Periodic reports to each House on the nature and number of petitions received would be advisable, as well.

Each House then determines whether the recitation of the report is correct. Upon such determination it is the constitutional duty of each House under article V to agree to a concurrent resolution calling for the convening of a constitutional convention. The resolution shall set forth the nature of the amendment the convention is to consider and designate the time and place for the convention. Copies of the resolution are to be sent to the State Governors and to each House of each State legislature. The convention must be convened within 1 year of the adoption of the resolution.

Section 7 provides that each State shall elect two delegates-at-large and one additional delegate from each congressional district in the State, in accordance with its usual procedures for the election of Senators and Representatives. Vacancies are filled by appointment of the State Governor. The secretary of state or each State or equivalent officer shall certify to the Vice President of the United States the name of each delegate. Delegates will enjoy the same privileges as do members of Congress under article 1, section 6. Delegates are to be compensated for service and travel and related expenses as provided for in the convening resolution.

Section 8 provides that the Vice President of the United States is to convene the convention and administer the oath of office. Each delegate is required to take an oath not to propose or vote in favor of any proposed amendment relating to a subject other than that named or described in the concurrent resolution. This is consistent with the position that the convention's authority is limited by the States' conferral of authority.

Names of the officers of the convention are to be transmitted to the Speaker of the House and President of the Senate. The convention may adopt rules of procedure not inconsistent with this act. Congress is authorized to appropriate funds for the expense of the convention: the Administrator of the General Services Administration is directed to provide the required facilities; and Congress, executive departments, and agencies are required to provide information required by the convention, except as otherwise provided by law.

Section 9 provides that each delegate to the convention has one vote. A daily verbatim record of proceedings must be kept, and the vote of each delegate must be recorded. The convention shall terminate within 1 year of the first meeting unless extended by resolution of Congress. Records of the convention's proceedings are to be transmitted to the Archives within 30 days of the termination of the convention.

Section 10 provides that amendments may be proposed by a vote of two-thirds of the total number of delegates to the convention. No amendments with respect to a subject different from that stated or described in the resolution calling the convention may be proposed and any questions relating to this point are to be determined solely by Congress.

Section 11 provides that within 30 days of the end of the convention the exact text of any amendments proposed by the Convention must be transmitted to Congress. Upon receipt of a valid proposed amendment, Congress must adopt a concurrent resolution directing the Speaker of the House and the President of the Senate to send the proposed amendment to the Administrator of the General Services Administration. The resolution shall also prescribe the time and manner of ratification by the States. Congress may adopt a concurrent resolution disapproving the submission of the proposed amendment to the States, but only on the grounds (1) that it relates to or includes a subject different from that stated or described in the resolution calling the convention, or (2) that the procedures used by the convention were not in substantial conformity with the provisions of this act. This conforms to the fact that, under article V, Congress has no power to review or veto any action of the convention because of doubts or disapproval on the on the grounds of policy. Congress' sole function is ministerial. Of course, Congress is under no obligation to transmit an amendment if the convention has exceeded its authority by proposing amendments if the convention has exceeded its authority by proposing amendments on subjects other than those designated, or if there were procedural irregularities at the convention of a substantial nature so as to make the actions of the convention ineffective.

If Congress has not adopted a concurrent resolution either transmitting or disapproving the transmission of the proposed amendment within 90 days of continuous session following its receipt, the President of the Senate and Speaker of the House nonetheless are obligated to transmit the proposed amendment to the Administrator of the General Services Administration.

This is to assure that Congress may not impede or block the transmittal to the States for the reasons of disapproval of the wisdom of the proposal. The Administrator of the General Services Administration must submit to the States a certified copy of the proposed amendment and any concurrent resolution adopted by Congress setting forth the time and manner for ratification along with a copy of this act.

Section 12 provides that amendments submitted in accordance with this act are valid as a part of the Constitution when ratified by three-fourths of the States within the time and according to the manner, by State legislature or State convention, as Congress directs by concurrent resolution. If the transmittal is made in the absence of a concurrent resolution, ratification is by State legislature and within 7 years of transmittal. Ratification by a State legislature shall be according to its own rules for such actions, but does not require the approval of the Governor. Certified copies of State ratifications must be sent promptly to the Administrator of the General Services Administration.●

TUITION TAX CREDITS

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRADISON. Mr. Speaker, today I am introducing the Tuition Tax Credit Act of 1979, a bill to provide tax credits for tuition paid for all levels of education. This bill contains not only credits for college tuition, to which both the House and Senate agreed on their respective floors and in conference committee, but also credits for elementary and secondary tuition which the House has strongly supported twice in the last session. When the Tuition Tax Credit Act of 1979 was debated on the House floor, the House voted to adopt the Vanik amendment. And, when a conference report was drawn up without credits for elementary and secondary education, the House passed my motion to recommit the bill to conference committeee with instructions that credits be available for all levels of education.

The Tuition Tax Credit Act of 1979 provides tax credits for college tuition at the same level which conferees proposed last year: 35 percent of tuition up to $100 in 1979, $150 in 1980, and $250 in 1981 and 1982. Credits for elementary and secondary education are the same as the levels in my motion to recommit: 35 percent of tuition up to $50 this year, and $100 in the three following years.

The need for tax credits at all levels of education is great. Educational expenses have skyrocketed in recent years, to the point where all families, and especially middle income families, need relief. For instance, costs for public 4-year colleges rose 57.2 percent from 1971–77, while at the same time, expenses for private 4-year colleges rose 63.2 percent. For families in the $15,000 to $25,000 income range, who do not qualify for educational grants, these rising costs often mean that they cannot send their children to the college of their choice. We are fast approaching a situation in our country where only the affluent, the very poor, or the very bright will be able to attend college.

Just as important as credits for college tuition are credits for elementary and secondary education. While grants and loans help pay college tuition for lower income families, there is no relief from the burden of elementary and secondary education costs. Half the parents of children in private elementary and secondary schools have incomes of less than $17,000 a year. Although many private school tuitions are as low as a few hundred dollars a year, many families have to scrimp on basic necessities to meet these costs. Often these same parents are staggering under the heavy load of property taxes which pay for the public schools in their area—schools which they do not use. Sometimes their child has special needs which require an educational approach different from that offered by the local public schools. Sometimes the public schools simply are not doing an adequate job. But whatever their reasons for choosing nonpublic education, these parents need the tax credit not only to ease their financial burden but more importantly, to show them that the Federal Government is doing its part, along with State and local governments, in developing an even-handed approach to financing public and nonpublic education.

Parents ought to have a choice about where their children go to school. Most will continue to use the public schools as I did for my elementary and secondary education. But when they feel it would be in their children's best interests, parents ought to be able to turn to nonpublic alternatives. Maintaining the education diversity that makes us all richer requires not only that parents have the right to use alternative institutions, but that they be able to afford to exercise this right. Both public and nonpublic education will benefit from this healthy competition. Indeed the heavy burden of financing public education is reduced when nonpublic education lowers the number of students in public systems. The tuition tax credit embodies our belief that many educational options ought to exist and be encouraged.

The constitutionality of tuition tax credits at the elementary and secondary levels has been questioned. I do not know what the Court will decide; its record on this issue is uneven, contradictory and bewildering. This bill provides for an expedited review of the constitutionality of the tax credit concept. Until such a court test occurs there is no way to be certain of the result. I firmly believe, however, that it is up to the Court to decide the constitutionality of these credits—not the Congress, not the President, and certainly not the Secretary of Health, Education, and Welfare. Our job here is to legislate to the best of our ability and to devise the most appropriate Government responses to the needs and problems of our citizens. We should concentrate on this task and leave to the Supreme Court its job of subsequently reviewing the product of our efforts.

Tuition tax credits are an effective answer to the problem of rising educational costs. With a tax credit, benefits accrue directly to the taxpayer without bureaucratic redtape, and with low administrative overhead. Tax credits offer a solution which is not only urgently needed, but also is simple, straightforward, and above all, fair.●

HOUSE ACTION CAN CORRECT FLAW IN MEDICAID LAW

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FLIPPO. Mr. Speaker, action by the House can correct a flaw in the present medicaid law and protect the medicaid eligibility of needy older Americans who are on Federal pensions. The legislation I am introducing will solve a problem which has been encountered by a small group of senior citizens with limited incomes. These aged Americans currently suffer severe consequences as a result of being declared ineligible for medicaid benefits because of small cost-of-living increases in their monthly Federal pension payments. This imperfection in current law frustrates the intent of Congress to provide coverage to those senior citizens.

A clear example of the need for change in this law came home to me in stark terms in Huntsville, Ala. A stroke victim confined to a nursing home was declared ineligible for medicaid benefits due to a $6.14 cost-of-living increase in his monthly Federal pension check. A small increase to try and meet inflation meant financial catastrophe for this man and his family. A "Catch 22" situation developed, where despite obvious need, there was no means by which arbitrary rules could be broken. He lost, as have others in this situation, hundreds of dollars in needed medicaid benefits.

The loss of individuals caught in this trap cannot be measured simply in terms of dollars. This man and others are deprived of health care at a time when they desperately need it. It is difficult to excuse turning persons out of a nursing home when they cannot care for themselves. The burden which results on families or the dire situation of those with no family are inexcusable. The inequities which individuals and families must bear due to this quirk of law are incalculable.

This legislation would protect the medicaid eligibility rights of those receiving Federal retirement or disability benefits. Those who receive cost-of-living increases in Social Security, railroad retirement, or Veterans' Administration benefits would not be arbitrarily cut from the medicaid eligibility rolls.

A Library of Congress study I requested shows that the value of the medicaid benefits lost may be significantly greater than the increase received in the retirement-disability program benefit. This Library of Congress study examines the workings of these programs, especially the social security program, in order to show the effect of a social security benefit increase. To reach a better understanding of this legislation I submit the examination by the Congressional Research Service of how eligibility for medicaid benefits is established.

"States having medicaid programs must cover the 'categorically needy'. In general, categorically needy individuals are persons receiving cash assistance payments under the aid to families with dependent children programs (AFDC) or aged, blind, or disabled persons receiving benefits under the supplemental security income program (SSI). A State must cover under medicaid all recipients of AFDC payments. A State is, however, provided certain options—based, in large measure, on its previous coverage levels—in determining the extent of coverage for persons receiving Federal SSI benefits and/or State supplementary SSI payments. Some States provide medicaid coverage for all SSI recipients; others have chosen to limit medicaid coverage to those SSI recipients who would have been eligible based on the standards in effect in the State in January 1972.

"In addition to these categorically eligible persons, States may cover additional persons, such as the 'medically needy'—those whose income and resources are large enough to cover daily living expenses, according to income

levels set by the State, within certain limits, but not large enough to pay for medical care, providing that they are aged, blind, disabled, or members of families with children. A person establishes eligibility for medicaid benefits as a 'medically needy' person by incurring medical expenses equal to the difference between his income and the level set by the State."

The Library of Congress study detailed the effects of social security cost-of-living increases for several classes of individuals. We can see that there are several cases where coverage is lost. Whether the eligibility for medicaid is affected by an increase in his social security benefit is dependent on a number of factors. The study details these factors. "Such factors include: Whether he is a welfare (AFDC or SSI) recipient; whether he resides in a State with a 'medically needy' program; and, if he is an SSI recipient, whether all SSI recipients in the State are automatically eligible for medicaid benefits."

The Library of Congress study also explains what occurs in various situations to a social security recipient who receives a cost-of-living increase.

A. CATEGORY 1—THE SOCIAL SECURITY RECIPIENT IS NOT A RECIPIENT OF AFDC OR SSI

First. If his State provides medicaid coverage only to the "categorically needy," he is ineligible for medicaid benefits. The increase in social security benefits does not affect his medicaid eligibility.

Second. If the State has a medically needy program, it has set an income level at or below which an individual may establish medicaid eligibility. If the individual's income is greater than this amount, he must incur medical expenses equal to the difference between his income and the State-set level in order to become eligible for medicaid. An increase in his social security benefit means that the individual will have to incur that much greater medical expenses in order to reduce his income to that State-set level.

B. CATEGORY 2—THE SOCIAL SECURITY RECIPIENT IS AN AFDC RECIPIENT AND HIS SOCIAL SECURITY INCREASE RENDERS HIM INELIGIBLE FOR AFDC BENEFITS

First. If he resides in a State that provides medicaid coverage only to welfare recipients, the loss of AFDC means that he automatically loses his medicaid coverage. The value of the lost medicaid may be significantly greater than the amount gained in social security benefits.

Second. If he resides in a State that provides medicaid coverage to the medically needy as well as to the categorically needy, he loses his automatic entitlement to medicaid, but may be able to establish medicaid eligilibilty by incurring medical expenses equal to the difference between his income and the State's medically needy standard.

C. CATEGORY 3—THE SOCIAL SECURITY RECIPIENT IS ALSO AN SSI RECIPIENT AND THE SOCIAL SECURITY INCREASE RENDERS HIM INELIGIBLE FOR SSI BENEFITS

First. If he resides in a State that automatically provides medicaid coverage to all SSI recipients he is protected by the provisions of Public Law 94-566, which provides that SSI recipients will be prevented from losing medicaid eligibility solely because of future cost-of-living increases in social security benefits.

Second. If he resides in a State that has chosen not to automatically cover all SSI recipients under medicaid, the provisions of Public Law 94-566 are not applicable. However, SSI law requires that if a State does not cover all SSI recipients under medicaid it must provide medicaid coverage to all persons (regardless of their SSI status) who: First, meet the applicable definition of age, blindness, or disability, and second, incur medical expenses equal to the difference between their income and the State's applicable income level. Therefore, the individual may be able to establish medicaid eligibility by incurring sufficient medical expenses.

OTHER RETIREMENT/DISABILITY BENEFIT INCREASES

Increases in VA benefits, railroad retirement, and the like have the same effect on medicaid eligibility as social security increases except that the provisions of Public Law 94-566 are applicable only to social security increases.

It is important to note at this point that this medicaid eligibility protection has been afforded to individuals receiving supplemental security income (SSI) benefits. This was accomplished in section 503 of the Unemployment Compensation Act Amendments of 1976 (Public Law 94-566). This section amended 42 U.S.C. 1396a and provided for the "Preservation of Medicaid Eligibility for Individuals who Cease to be Eligible for Supplemental Security Income Benefits on Account of Cost-of-Living Increases in Social Security Benefits."

It is only equitable to extend this treatment to needy individuals who are receiving social security, railroad retirement or Veterans' Administration benefits. This had been made a provision in the last Congress of the child health assurance program amendments which was reported from the Interstate and Foreign Commerce Committee. I was grateful then for the leadership of my former colleague Paul G. Rogers of Florida on the Subcommittee on Health and the Environment for including this medicaid eligibility protection in this legislation.

The Congress must now act to see that the inadequacy of the current law is rectified as soon as possible. This bill would amend title XIX of the Social Security Act to provide that future increases in social security benefits, railroad retirement benefits, veteran benefits, or other benefits of a similar nature would be disregarded in determining an individual's income for purposes of medicaid eligibility.

Older Americans deserve the assurance that they will not lose the level of assistance they deserve and have qualified for due to a slight increase in a cost-of-living raise or similar adjustment in a pension. As the law stands now we give with one hand take with the other. The increase may amount to a small pittance to try and keep pace with the ravages of inflation. The loss may be catastrophic.

The social costs of ignoring this problem are too high for our Nation to bear. We cannot allow the inadequacy of current provisions to endanger the benefits that some retired citizens are receiving under medicaid. Our aged citizens deserve the benefits of the pensions that they worked for and earned. These aged individuals also deserve the freedom from the fear of losing medicaid benefits due to arbitrary income requirements.●

BROKEN PROMISES LITTER ROAD TO CHINA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, the Federal Times is a publication which specializes in news and information of interest to Federal Government employees. This publication is well-known for the diversity and lively spirit of its columnists.

One such columnist, Fred Reed commented on the President's China policy in his column in the January 8, 1979 edition of the Federal Times. I wish to insert it at this point for the Members' special attention:

BROKEN PROMISES LITTER ROAD TO CHINA

Regarding our current adventure with China, a few thoughts:

Our breaking relations with Taiwan is regarded by some as an exercise in realpolitik. Realpolitik is a German approach, widely practiced elsewhere, which recommends garroting one's grandmother if it is to one's advantage—that is, shaping one's policy with regard only to realities, among which morality is not included.

Realpolitik is a junior State Department official's substitute for a dueling scar: It conveys a manly swagger, yet is more genteel than a tattoo. It tends to be invoked when an official wants to do something which is morally distasteful. When he wants to stop doing something distasteful, such as bombing Asian villagers, he invokes compassion.

But dropping Taiwan is not even good realpolitiks.

China needs us more than we need China. We are not decades behind the world in our technology, nor do we have a large number of Soviet troops on our borders. We do not particularly need anything that China exports, although she needs practically everything that we export. We may have reasons for recognising China, and for trading carefully with her, but we are in a position to do it on our terms.

The pressure for breaking relations with Taiwan has sprung from neither realpolitiks nor compassion-politics, but from flaky-politics—that is, from emotional and ideological considerations, applied inconsistently to differing parts of the world. For example, many of Washington's older commentators are simply mad at Chiang Kai Shek, whose China lobby bulldozed Congress for years. But Chiang is dead.

Personalizing politics is naive. Mistaking a nation for a decreased generalissimo is idiotic. It is also unfair. Chiang Kai Shek by most accounts would have been unfit to run a good elevator, much less a country, but the present Nationalists are doing an admirable job of running the country. Taiwan is among the few genuinely developing countries in the world.

Morally, the inconsistency of those who favored dumping Taiwan is contemptible.

To argue for abandoning Taiwan on the grounds that it is a dictatorship is not an untenable position, perhaps even admirable in the sense that absolute pacifism is admirable. Yet it is logically absurd to drop Taiwan, a dictatorship, in order to recognize China, a worse dictatorship. And of course China is the chief prop of Cambodia, a nation which would arouse the admiration of Hitler.

Those who want to de-recognize Taiwan generally want to recognize Vietnam, which is so repressive that its people tend to leave on anything that floats. Selective morality is little morality.

The obvious parallel is with Israel, another small country that makes relations difficult with a large number of Arabs. The parallel is so obvious that commentators who favored de-recognizing Taiwan have fallen over themselves to make a distinction between the two. There is none. Both are successful nations of 30 years standing, guilty of little and depending on us for survival. One may argue that Israel is safe because she enjoys broad support in the U.S. So did Taiwan. The difference is that Taiwan lacked support in the upper regions of government. Israel does not, yet. If I were an Israeli, watching the rising price of oil, Taiwan would seem an unwholesome precedent.

The suddenness of Mr. Carter's announcement was a deliberate attempt, apparently successful, to circumvent the will of the people—else why did he not proceed publicly with politically profitable fanfare? Government without the will of the people is called autocracy. Carter has spoken highly of participatory democracy. He seems to practice it only when he has the votes.

The notion that a President can abrogate a treaty is interesting in its implications. One imagines the next conservative President simply abolishing SALT and the Panama treaties. Then a liberal President would do away with NATO and . . . gosh, wouldnt' that be exciting?

We would do well to maintain a realistic view of China and the Chinese. Americans tend to patronize the Chinese. Historically our missionaries regarded them as half-human and wondered whether they had souls. "The starving Chinese," unable to feed themselves, are part of our folklore. My generation grew up with the expression "fouled up like a Chinese windmill" and with derisive jingles beginning "Ching Chong Chinaman, sitting on a fence . . ." I see the same condescension, be slightly veiled, in the American reaction to photos of Chinese children dancing in Peking: "Aren't they darling, and so cute . . ."

In fact the Chinese are tough, immensely capable people with a tradition through the millenia of believing that other nations should be vassals of China. The communist regime feels the same way, having conquered Tibet, invaded India, taken indirect part in several wars, and generally behaving as an ambitious power. She is totalitarian. We should treat her with friendship if possible, certainly with respect and caution.

One might reasonably ask to what extent we want to assist in the technological advancing and arming of an ambitious nation with four times our population.●

A CAMPAIGN SPEECH I'D LIKE TO HEAR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. SYMMS. Mr. Speaker, this is an interesting speech written by Benjamin Stein which was not used in any campaign. It actually appeared in the Los Angeles Herald Examiner on November 5, 1978. I think this speech has many merits and states what many Americans feel, but what many politicians are afraid to say.

People are tired of welfare abuse, the ineffective criminal justice system, social engineering in the education system and the growth of inflation which hits older Americans the hardest.

The article reads as follows:

A CAMPAIGN SPEECH I'D LIKE TO HEAR

(By Ben Stein)

During this year's gubernatorial campaign, I have watched the debates and listened to the newscasts and read the newspapers and I have been disappointed. Neither the governor nor the attorney general said the things that I hoped they might say. Perhaps some day a candidate will give a speech like this and I will know that we are going somewhere:

Ladies and gentlemen. I stand here before you to tell you that our government is simply not working in all of its key areas and to lay out for you the steps I will take to make it start doing what it was intended to do.

First, my friends, this country has not been in a depression for almost 40 years. The measures that were dreamed up to relieve the distress of the Depression—and did not work then—are certainly unnecessary now. We no longer need to give workers governmental jobs because the private sector cannot find work for them. Indeed, our problem today is just the opposite. The jobs are there, ready, waiting, and unfilled. But the government, including the government of the state of California, has encouraged our able-bodied men and women to stay idle so effectively that our employers cannot find willing workers.

To solve the problem, I will do the following if elected:

I will immediately freeze all state hiring at present levels and will attempt to cut state employment by 10 percent per year for each year of my term, even if this takes action by the State Legislature. Everyone in this state knows that non-uniformed state employees generally produce nothing useful. I see no reason why the working people of California should continue to support those who produce nothing, and I will put a stop to it.

I will propose legislation drastically curtailing eligibility for welfare payments for all of those not disabled by age or clearly evident disease. It is simply outrageous that the taxpayers of California should support people who can work and do not, and I will put a stop to it. I will not listen to those who call this a racist or discriminatory action. The true racists are those who believe that certain groups cannot survive without being patronized. Under my administration, citizens of every race and background will have the chance to grow as people by the most salutary of all public acts—work.

My administration will simply cut off payments to those who are able bodied two months after I take office. If there are conflicts with federal law, we will fight the legal battles all the way to the Supreme Court. I will not tolerate making the working people of this state pick up the tab for ruining the lives of people who will not work. In our California, we will not force the taxpayers and breadwinners to pay for the loafers and the bums.

I will propose legislation shortening the length of time for the payment of state unemployment benefits to a maximum of four weeks for families with no children and six weeks for families with children. Unemployment taxes are paid by people who work and I will not allow the proceeds to go for supporting people who do not choose to work. In America, in California in 1978, anyone who wants to get a job can get a job. The unemployment insurance system has been perverted beyond belief so as to provide year long vacations for the cunning and the indolent at the expense of the hardworking. I will not allow this obscenity to continue. There is no room in this state for the moochers and the cheats.

Second, dear friends, I know and you know that we have lost a precious freedom in this state's large cities. We are no longer able to walk the streets or sleep in our beds in peace. Violent crime intrudes upon our serenity and confidence all of the time. We can no longer laugh at the cities of the East. Our streets have become jungles as well.

Accordingly, if elected, I will take the following steps:

I will propose legislation to amend our state's criminal justice system in several respects. First, I will ask that the distinction between youthful offenders and adult offenders be ended. I am nauseated by true stories of 16-year-olds who murder and who are sent to camps for a few months and let out to murder again. That is not justice at all. That is a blot upon civilization. In my administration, people of any age who kill or rape or maim will be treated alike—with the utmost severity. There will be no free rides for teen-age killers and rapists. Once convicted, they can expect to be treated like the animals they are.

Second, I will ask that the system of indeterminate sentences be terminated. That system has led to horrifyingly light sentences for the most barbaric crimes. We will have fixed, severe sentences that will keep the criminal off the streets for a long time. Whatever other functions prisons may do in my administration, they will keep vicious brutes from terrorizing innocent people on the street. A man in San Quentin cannot harm a child in Glendale.

Third, I will review the sentencing practices of all judges hearing criminal cases in California. When I find a judge who has consistently given unduly light sentences to dangerous criminals, I will do everything I can to replace that judge with someone who respects the innocent as much as the guilty.

The system of law under which the criminal is out of jail before the victim is buried is over for good if I become governor.

Ladies and gentleman, the educational system of this state was once the envy of all America. Today, it is a disgrace. In all of the great cities of this state, students are more preoccupied with their physical safety than with learning. Teachers have long ago lost the dedication which is necessary for any meaningful instruction in far too many of our classrooms. Year by year, the abilities of our students decline, and with that decline goes our hopes for the future.

The ultimate debasement of our schools occurred this year when busing came to Los Angeles. The school system was used as a monstrous tool to tear children from their families and neighborhoods in the name of an arcane and evil social experiment. As a result, that system, the largest in this state, lies in ruins.

If I am elected, I will propose legislation which will authorize the state to pay to every parent of every school-age child, the amount which the state would spend on that child on a pro-rated basis if the child does not attend the public schools. The money would be payable into the accounts of any private school (including parochial) in this state. The only hope of avoiding a generation of brainwashed, tampered with illiterates is an efflorescence of a private school system in which teachers taught, children learned without fear, and social tinkerers kept their hands off.

I am confident that the ingenuity of man can find a way to insulate children from the follies of their elders within the educational establishment. If the method I outlined above does not work, I will not rest until I find a method that does work.

Fourth, I am appalled at the fear that grips our older citizens when they contemplate their financial futures. These people have worked and sacrificed to make this country great and to keep us free. They have built our houses and factories and grown our food. Now, as they retire, they dread living longer than their savings will last. Inflation destroys their security day by day.

Unfortunately, there is little I can do for them as governor, because inflation is manufactured in Washington. But what I can do, I will.

First, I will propose legislation halving the rate of state income tax on all persons of any income level above the age of 65. The state takes far too much money from every class of citizens, but the burden on the aged is especially intolerable.

Second, I will propose legislation to eliminate entirely all property taxes for homeowners over the age of 65 on their primary residence. For years, the state has been forcing older people into shabby rented rooms by raising their property taxes. It is an unnecessary and cruel fate, and I will put an end to it.

Well, no one is ever going to give a speech like this, so I might as well forget it before I get carried away.●

REGULATION OF SMOKE DETECTORS CONTAINING RADIOACTIVE ISOTOPES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am introducing two bills today which would regulate the sale of a widely used variety of smoke detector containing radioactive isotopes. I urge my colleagues to join me by cosponsoring these important bills.

One bill would prohibit the interstate sale of the ionization smoke detector. These devices which account for about 75 percent of all currently marketed smoke detectors, contain a highly radioactive substance, usually americium–241.

A number of highly respected scientists and radiologists have pointed out that this material, a waste product from the nuclear cycle, represents a serious threat to human health and to the environment. Americium–241 is, for example, 53 times more radioactive by weight than plutonium–239. It has a half-life of 458 years, meaning that it will retain its potentially lethal properties for several centuries. Ingestion of even a minute amount of americium–241 can cause cancer.

A safe and reliable alternative to the ionization type detector is currently available. This is the photoelectric variety which does not contain any radioactive material and has been shown to be effective in providing early alerts.

The other bill that I am introducing today would, as an interim measure, help to alert the millions of consumers who purchase smoke detectors to the potentially serious radiation hazard the ionization model presents. This bill would require manufacturers of ionization smoke detectors to affix to their product and its packaging a notice which states: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed." A recognized symbol for radioactivity would also have to appear on the product.

Prospective purchasers of smoke detectors would be given essential information on the possible risks associated with these products. Forewarned by this notification, a consumer would then be free to choose between the ionization device or a comparably effective model which operates on a photoelectric principle and which contains no radioactive material.

There is no justification for continuing to sanction the sale and distribution of an unlabeled device which significantly increases radiological health hazards. These bills are important consumer product safety initiatives that will help safeguard public health and environmental quality. I hope that my colleagues will recognize the danger posed by the ionization smoke detector, and act accordingly by cosponsoring these bills.

H.R. —

A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considered banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any ionization device which—

(1) is designed to detect the presence of smoke in the atmosphere; and

(2) contains any radioactive isotope;

shall be considered to be a banned hazardous substance for purposes of the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.), and shall be subject to the prohibitions established in section 4 of such Act (15 U.S.C. 1263) and to the other provisions of such Act.

SEC. 2. Any person who violates the provisions of section 4 of the Federal Hazardous Substances Act (15 U.S.C. 1263), in connection with the manufacture of the device specified in the first section of this Act, or in connection with the introduction or delivery for introduction of such device into interstate commerce, shall be subject to the penalties established in section 5 of such Act (15 U.S.C. 1264).

SEC. 3. The device specified in the first section of this Act shall be liable to seizure in accordance with the provisions of section 6 of the Federal Hazardous Substances Act (15 U.S.C. 1265).

H.R. —

A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person engaged in the packaging or labeling of any ionization smoke detection device for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled ionization smoke detection device, to distribute or to cause to be distributed in commerce any such device if such device is not labeled in a manner which complies with the requirements of section 2.

SEC. 2. (a) Any ionization smoke detection device distributed in commerce shall bear a label which—

(1) includes a recognized symbol indicating the presence of radioactive material; and

(2) bears the following statement: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed.".

(b) The label required in subsection (a) shall be affixed to the outside back panel or portion of any ionization smoke detection device, and to any package containing such a device.

SEC. 3. Any violation of the first section of this Act shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act and shall be subject to enforcement under section 5(b) of the Federal Trade Commission Act.

SEC. 4. For purposes of this Act—

(1) the term "commerce" means—

(A) commerce between any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, and any place outside thereof; and

(B) commerce within the District of Columbia or within any territory or possession of the United States not organized with a legislative body;

but such term does not include exports to foreign countries; and

(2) the term "ionization smoke detection device" means any device which—

(A) is designed to detect the presence of smoke in the atmosphere; and

(B) contains any radioactive isotope.

SEC. 5. The provisions of this Act shall apply to any ionization smoke detection device which is available for retail sale in commerce after the date of the enactment of this Act.●

SUNSET ACT OF 1979

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

Mr. BLANCHARD. Mr. Speaker, today Representatives MINETA and GEPHARDT and I—along with 73 other cosponsors—are introducing H.R. 2, the Sunset Act of 1979.

It is time now, in this Congress, for the House of Representatives to make a serious commitment to such legislation.

The background work has already been done. Our sunset legislation and its Senate companion bill, sponsored by Senator MUSKIE, were first introduced in the 94th Congress. The bills have undergone extensive review by House and Senate panels over the past two Congresses. And at the close of the last session, the Senate sunset bill, S. 2, was passed by the Senate by an overwhelming vote of 87 to 1.

Sunset provides Congress with an effective, orderly process to seriously review Federal spending. At the same time, it provides a workable way of addressing the growing realization within Congress itself of the need for genuine oversight. It is designed to give Congress the tools it needs to exercise its budgetary responsibilities.

We lack such tools now. The present system under which we operate is haphazard. Three-fourths of the Federal budget is termed "uncontrollable," meaning that it will be spent automatically without any congressional action. Eight hundred of more than 1,200 programs are permanent, never coming under any regular congressional review. Programs within the same budget subfunction frequently have various dates of expiration—if they have any at all—and various committee jurisdictions—allowing very little opportunity for systematic review.

While the reforms of the 1974 Budget Act have enabled Congress to make informed decisions about overall levels of Federal spending and revenues, there remains a gap in dealing in an informed way with individual parts of the Federal budget Sunset legislation will fill that gap.

Two of the many reasons why "Sunset" should be a priority of this Congress are revealed by the economic and social policy debates occurring in Washington and throughout the land. First, to the extent that continuous Federal budget deficits fuel inflation—how are we to end that chronic problem? Certainly not by rhetoric—that has gone on long enough. The fact is that the Congress does not have a process which requires review of the 1,200 Federal programs in place. Without such a process, we will have no real budget control. Sunset will help give us that control. Another serious issue is how are we going to finance new policy initiatives or fully fund worthwhile existing programs?

The evidence shows that if we are to find the money for these endeavors we will have to weed out programs that are duplicative or wasteful—because, simply speaking, the money for new initiatives is very limited. The Senate Budget Committee recently calculated the potential cost of 31 new programmatic initiatives likely to come before Congress over the next 5 years including national health care. They found that from 1980 to 1983, those 31 programs could cost as much as $416 billion, and that we can only expect to have available $120 billion in new revenues to pay for them. Given these figures, Congress could soon have to choose the lesser of two evils: either to reject new programs and initiatives in existing programs, or to pay for them by raising taxes or by raising the Federal deficit. It would be foolish to follow either of those courses, and the public reaction would prevent such conduct anyway.

Sunset legislation offers a workable alternative. Its key aim is to identify programs that are wasteful or no longer useful, and make needed room for more effective funding of worthwhile programs.

The bill we are introducing today is virtually identical to the Senate-passed sunset bill, with the addition of a provision to include tax expenditures under a sunset review. It includes the following provisions:

Require that all Federal programs be reviewed and reauthorized at least once every 10 years;

Terminate funding for any program which Congress does not reauthorize;

Require the review and reauthorization of similar programs at the same time and in relation to each other;

Establish an explicit, but flexible, review procedure for committees to follow in determining the appropriate funding level for programs they authorize;

Exempt from the reauthorization requirements certain Federal retirement programs to which individuals have contributed in anticipation of later return; and

Require the House Ways and Means and the Senate Finance Committees to draw up a similar review and reenactment cycle for tax expenditures.

Further action on sunset legislation is essentially up to the House of Representatives—and we believe that the House is ready to make this commitment. One hundred and eighty Members sponsored the bill in the 95th Congress. In addition, the results of a poll by Common Cause show that more than two-thirds of House Members support sunset legislation for Federal programs and tax expenditures.

We cannot afford to postpone sunset any longer—the task before us is clear and a commitment to effective action must now be made.

TO AMEND TITLE 23, U.S. CODE, RELATING TO ENERGY-IMPACTED PUBLIC ROADS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WAMPLER. Mr. Speaker, today I am introducing a bill to amend chapter 1 of title 23 of the U.S. Code to add a new section concerning energy impacted public roads.

Last year, language identical to that in the bill I am introducing was included in the House version of the Surface Transportation Assistance Act of 1978. However, this important language was deleted during the House-Senate conference and was therefore absent in the final version which was signed into law.

Although the bill will assist in the repair and construction of public roads used in the transport of several energy resources such as oil, natural gas and coal, my emphasis at this time in introducing the measure is to stress the need for assistance on our coal-haul roads. The very nature and location of coal mining necessitates the use of trucks, and therefore highways and roads, as the chief mode of transportation for this vital and abundant energy resource.

Many of my constituents have written to me regarding their opposition to imposing a national severance tax on coal to provide the funds for the upgrading and repair of these roads. However, I also do not feel that this is the method by which improvements should be financed. Additional taxes on the coal industry, already dogged by Federal intervention and regulation, can only have a further negative effect on production of this much needed energy resource. To prevent the further counterproductivity which would be caused by such a tax, the legislation I am introducing would authorize the use of moneys from the Highway Trust Fund for fiscal years 1979, 1980, 1981, and 1982. It will be in the interest of the general public, both from a safety viewpoint and from an energy resources viewpoint, to improve these roads.

In order to prevent impediments to the timely transportation and delivery of coal, and to assure the safety of all who utilize the highways and roads over which coal is hauled, immediate assistance for upgrading or constructing the effected transportation arteries is necessary. My bill will provide this assistance, and I am hopeful that early hearings can be held on the issue I have presented.●

UNTRUE MYTHS ABOUT AGING

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRASSLEY. Mr. Speaker, older citizens in our society have long been the brunt of a range of myths concerning what happens to us as we age. Many of the more ridiculous of these have fortunately been disproved in recent years, but others persist.

In a recent Associated Press story—which appeared in the Waterloo, Iowa Courier and was datelined Madison, Wis.—Prof. Fred Lengfeld, chairman of the University of Wisconsin extension program on aging, was extensively quoted on the work he has done in the area of aging myths. As we consider the merits of allowing the House Select Committee on Aging to continue its work, I ask that we keep the article, and the work of Professor Lengfeld, in mind. It is evidence to me that our older citizens are as much in need of special representation in the Congress as they ever have been, and that the work of our committee is far from complete. The text of the article follows:

MADISON, WIS.—True or false? People over the age of 65:

(a) often feel physically miserable;

(b) have more auto accidents;

(c) are often bored, isolated and lonely;

(d) are more religious.

All the answers are false, according to Professor Fred Lengfeld, chairman of the University of Wisconsin Extension program on aging.

Lengfeld says scientific studies he did with other researchers turned up repeated popular myths about old people.

For instance, he says, younger people tend to think their lives and interests will change in later life.

One study showed that UW-Madison undergraduates' favorite activities are things like horseback riding or sailing or basketball. But when listing what leisure activities they actually pursued most often, UW-Madison undergraduates listed napping, walking, eating and conversation, in that order.

A similar survey among the elderly, Langfeld says, showed their most common leisure activities were napping, walking, eating and conversation, in that order.

"Our educational institutions have spent too much time on the present and the past but not enough time has been spent on the future," says Lengfeld, himself a spry 62-year-old whose career spans four decades of physical education and coaching.

Here are some of Lengfeld's examples of "myths and realities" about the nation's more than 20 million persons aged 65 or above:

Besides vision and hearing, touch is the other of the five senses which most often diminishes as a person ages.

Only 15 percent of the elderly live below poverty levels.

Physical strength often declines in old age, but many authorities believe that stems primarily from reduced exercise.

Only 4.8 percent of the nation's aged—65 or older—live in long-stay institutions such as nursing homes.

Older people may take longer to learn something new, but given adequate time they learn it at least as efficiently as the young.

Twelve percent of the elderly hold paying jobs. Nineteen percent are involved in volunteer work.

Older workers are more dependable and have fewer accidents.

Lengfeld relates a favorite story, about attending a recent senior citizens' group dance where an elderly woman dropped dead of a heart attack in the midst of a vigorous polka.

Instead of widespread horror, he says, most of the elderly dancers simply nodded to each other saying, "Wasn't that a nice way for her to go?"

The anecdote, Lengfeld says, sums up a lot of what it means to be old.

"Death is very common and it's just part of the performance," he says. "It's indicative, again, of how tough old people really are." ●

FLOOR STATEMENT OF THE HONORABLE MARIO BIAGGI, CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION, UPON INTRODUCTION OF A BILL ON OIL POLLUTION LIABILITY AND COMPENSATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to provide a comprehensive system of liability and compensation for damage caused by oil pollution—and for removal costs. As you no doubt are aware, this has become necessary due to the failure of the Senate to act on the extensive work we completed here in the House on September 12, 1977, during the 95th Congress, when we passed H.R. 6803.

This legislative initiative actually had its inception over 10 years ago when the tank vessel *Torrey Canyon* grounded off the southwest coast of England in 1967. In that incident, approximately 100,000 tons of crude oil were spilled into the ocean and ultimately fouled the shores of the British Isles and the coast of France.

The oil pollution problem was again highlighted in 1969 when a production platform off Santa Barbara, Calif., suffered a blow-out which lasted for many days and discharged considerable amounts of oil before it could be brought under control.

Since then, numerous other casualities have highlighted the oil pollution problem and the need for a national and comprehensive oil spill liability and compensation scheme.

While existing oil pollution legislation permits compensation for cleanup and removal cost, there is no legislation which adequately and timely compensates those who have been victimized.

One particular casualty, the grounding of the very-large crude carrier, *Amoco Cadiz*, of 228,513 deadweight tons, off the coast of France on March 16, 1978 is the most recent and most memorable reminder of the need to establish such a system as soon as possible. It is absolutely necessary to provide for adequate compensation to those parties who suffer damage from the effect of oil pollution incidents occurring along our coasts and in the waters of the United States.

Prevention of oil spills is still considered to be the most effective means of protecting our coastal and estuarine environment from damage. The Port and Tanker Safety Act of 1978—which I was privileged to sponsor and pursue during the 95th Congress—should be very effective in this area of prevention. However, we cannot preclude the possibility of oil spills occurring due to mechanical failures and the carelessness of individuals.

In the United States, the public's concern has led to the enactment of a number of measures to improve the quality of our waters and control pollution. The Water Quality Improvement Act of 1970—which was subsequently amended by the Federal Water Pollution Control Act Amendments of 1972—and most recently amended by the Clean Water Act of 1977—declared, as a national policy, that there should be no discharges of oil into or upon our waters. In addition to numerous specific measures for the protection of the marine environment, they established liability on the part of spillers for the costs of cleanup. These acts, however, do not address themselves to the question of any damages other than for the costs of cleanup.

Three other Federal statutes have been enacted which do address the problems of liability for damages. In the Trans-Alaska Pipeline Authorization Act, the Congress in 1973—for the first time—addressed in Federal statute the issue of liability for damages other than cleanup costs. We created a compensation fund available to respond to damage caused by oil pollution from vessels moving TAP's oil to ports in the continental United States.

A similar scheme of liability and compensation was also established in the Deepwater Port Act of 1974 for oil pollution damage from offshore facilities constructed pursuant to the act or from vessels at those facilities.

Recently, the Congress—in enacting the Outer Continental Shelf Lands Act Amendments of 1978, during the last days of the 95th Congress—established a similar liability and compensation scheme for oil pollution damage related to ICS activities.

The Coast Guard has already proposed enabling regulations for the establishment of a federally administered Outer Continental Shelf Fund to provide compensation for losses which are not otherwise compensated. These regulations detail requirements for the establishment of financial responsibility, settlement and adjudication of claims, notification of oil pollution incidents, designation of pollution sources, and many other related provisions.

These measures are necessary to insure that funds are available to pay for the prompt removal of any oil spilled or discharged as a result of OCS activities—and to compensate for any damage to public and private interests caused by such spills or discharges when, for whatever reason, payment is not made by those responsible for the source of the oil pollution.

While this offshore fund legislation focuses on oil pollution incidents arising in connection with OCS activities, it contains parallel provisions to the House-passed bill, H.R. 6803, which was not acted upon by the Senate during the latter part of the 95th Congress.

The bill I am introducing today likewise parallels these provisions and will expand the scope of coverage to include virtually all marine oil pollution from vessels and from onshore facilities. My proposal, which has been generally referred to as super fund legislation, would continue the imposition of strict liability on persons responsible for an oil spill—while creating a domestic compensation fund that would be available to settle claims in excess of a spiller's liability.

The concepts of super fund have had broad support from the users of oil—from the oil industry itself—from the insurance industry, who does the underwriting—and from many environmental groups. The passage of H.R. 6803 by the House during the last Congress—by a recorded vote of 332 to 59—is a significant attestation of support.

The bill I am introducing today should continue to receive overwhelming bipartisan support. The bill:

Establishes strict liability for the owners and operators of the source of oil discharges;

Creates a backup compensation fund to respond to damage claims which are not satisfied;

Provides for maintaining the fund at a level of between $150 and $200 million by the collection of a fee—not to exceed 3 cents per barrel of oil received—from the owners of the oil;

Provides for superseding duplicative funds and procedures which now exist in various Federal and State statutes;

Provides for evidence of financial responsibility sufficient to satisfy the maximum amount of liability; and

Provides a simple and workable claims settlement procedure.

I reiterate my prior conviction that this bill is practicable in application—and fully considers the needs of those who have been victimized by oil pollution. I firmly believe that we must act now in the public interest and provide a comprehensive oil pollution liability and compensation scheme—the often referred to super fund.

One might ask "why has this legislative initiative—if it has broad support—met strenuous opposition by our colleagues in the Senate?" Before commenting, I might note that only a limited number of our colleagues and their staffers in the Senate have voiced opposition—but those few have been successful in preventing enactment of this important legislation in the last two Congresses.

Prior to discussing the issues which prevented enactment, I would like to discuss the study by the attorney general on the methods and procedures for implementing a uniform law providing liability for cleanup costs and damages caused by oil spills from ocean-related sources. This study was reported to the Congress on July 3, 1975.

As many of you might recollect, during Congress' consideration of the Deepwater Port Act of 1974 (Public Law 93-627, enacted on January 3, 1975), the weaknesses in oil spill liability and compensation laws became indisputedly evident. The Senate, in particular, adopted a provision which required that "the study shall give particular attention to methods of adjudicating and settling claims as rapidly, economically, and equitably as possible."

I believe that the Attorney General's study and his report have served as valuable background to the intricate legal problems associated with oil pollution liability and compensation. I further believe that the bill we passed in the last Congress and the bill I am introducing today have considered or adopted all of the recommendations in the report.

One of the major issues which received and continues to receive considerable attention is the question of preemption of State laws.

It has been claimed that, by permitting the States to establish liability schemes and other requirements as they see fit, the States—on an individual basis—can develop such strict requirements that the owners and operators of all modes of transportation—that is, vessel, truck, train, and pipeline—and the owners and operators of storage, transfer, and processing facilities will exercise such extreme care and diligence that there will be no oil pollution. This is simply not true. This is what I call emotional reasoning, completely without foundation, in fact.

The simple fact is that in any business or industrial activity there is a recognized potential for damage with attendant liability. Even the homeowner or renter recognizes that he can cause damage to a visiting guest and can be made liable for those damages .

The issue of liability touches all of us in our day-to-day activities, and we protect ourselves by obtaining the necessary insurance. The transportation industry—the oil industry—any industry, like the homeowner or renter, protects itself with insurance.

No matter what liability limits are established—and no matter who, State or Federal, establishes them, the end line is insurability. For example, if a vessel operator cannot obtain insurance, then there will be no vessels carrying the needed oil. The same can be said for the other modes of transportation. A case in point is the history of the oil pollution liability law in the State of Florida.

While the Supreme Court upheld some provisions of that law, the inability to insure to meet these provisions—and the resultant loss of vessel transportation of oil—created a serious oil distribution problem that was only remedied when these provisions were not enforced. As a matter of fact, they were eventually brought in parallel with existing Federal law, where they remain today.

It is also argued that the States should have the right to maintain their own funds—to charge their own fees—and to provide for the payment of any economic or natural resources damages they see fit.

No one argues with this right, and no one wants to see an erosion of State power. However, one must think of the consuming public—the ones who will, in the end, pay for whatever liability and compensation scheme or schemes are developed.

A patchwork of oil spill liability and compensation laws on the Federal and State levels can only create excessive bureaucracies and a quilt of paperwork which would stretch beyond the imagination.

How can the various affected industries and transportation modes be able to cope with fifty or more liability and compensation schemes and funds which I am sure are going to be varied and complex? The burden we are imposing—if we do not preempt State laws in this field—will only create a greater burden on you and I—the paying consumer. I sympathize with those who advocate State's rights, but I have considerably more sympathy for the paying consumer.

I believe we must ask ourselves, "What do we really want and how can that best be achieved?"

First, we must consider what damage should be made compensable.

Second, we must examine the limit of liability we want to impose.

Third, we want to make sure that, no matter what the damage is, there will be funds available for compensation.

Fourth, although we want the oil industry to pay for the creation of a fund, it must be recognized that the user of oil—the consumer—in the end will be paying through increased cost of the product.

I believe my bill provides for a simple and practicable system for the compensation of a broad range of oil pollution damage. It also imposes reasonable and insurable limits of liability on the owner or operator of the particular transportation mode or facility—thereby making him the front-line payer in most instances, and insuring front-line responsibility for responding to an oil pollution incident.

In those cases wherein damage claims are not satisfied, there is a compensation fund of up to $200 million available as a backup. The creation of the super fund will be through the imposition of a fee on oil received which should be adequate to meet all anticipated contingencies. Further, once the fund reaches its limit, the interest alone should generate sufficient capital—thereby reducing or eliminating the fee and, in turn, removing another burden from the consumer.

Another issue is the one of hazardous substances. There is no denying that hazardous substances threaten the public and the environment. However, the issues of hazardous susbtance pollution enforcement, liability, and compensation are highly complex and contain a number of problems which are not found in the development of an effective oil pollution enforcement, liability, and compensation program.

Despite passage of the Federal Water Pollution Control Act Amendments in 1972, this Nation has not had an effective hazardous substance program—even though the legislation we developed in 1972 was well-intended. It does absolutely no good to enact requirements which can not be enforced due to technical unfeasibility and impracticability.

To highlight the problem of enforcement for hazardous substance pollution—and without considering the issues of liability and compensation—it is history that the Environmental Protection Agency has not, until very recently, been able to even agree on a list of hazardous substances.

Once the list was published and enforcement began, the courts enjoined the enforcement actions as being patently arbitrary and capricious. A "quick fix" to the Federal Water Pollution Control Act in the waning days of the 95th Congress might permit an effective enforcement program; however, this is yet to be proven.

Hazardous substances is not only a subject unto itself—separate and apart from oil pollution—but is also full of complex subdivisions and degrees of hazard within themselves. Certainly, it can be agreed that the probability and extent of damage that can be created by—say, certain acids—is completely different than the probability and extent of damage that can be created by chlorine gas and, again, different from liquefied natural gas. Even within the compressed gas field itself there are differences in probability of damage between certain related gases.

In addition, it is my understanding that the administration has established a task force to study the numerous issues related to hazardous substances liability and compensation—and that the same issues are also the subject of extensive conferences in the international maritime community through the Inter-Governmental Maritime Consultative Organization.

In summation, I believe the hazardous substance problem is a separate and highly complex one that should be handled by separate legislation after everyone has been given an opportunity to be heard. This would permit the establishment of a fair and equitable hazardous substances liability and compensation scheme—coupled with an aggressive and effective enforcement program.

I had hoped that, during the last Congress, we could have put oil pollution liability and compensation to rest—and then, during the 96th Congress, we could have concentrated on hazardous substances legislation. This has not been the case. However, I once again promise my wholehearted cooperation in addressing this problem as soon as the oil pollution super fund legislation is passed by the Congress.

A third issue which has had extensive review is the limit of liability problem. During the 95th Congress, the hearings on H.R. 6803 and the attendant report clearly documented the rationale for certain limits of liability.

The bill provides that, in the preponderance of incidents, the source of the pollution will be liable for all claims. In those cases where the pollution is extensive, the source of the pollution will be held liable for all claims up to reasonable and insurable limits, while the owner of the oil carries the burden for claims exceeding those limits by contrib-

uting to the fund. Thus, the cost of oil pollution is spread between the owner or operator of the transportation mode or facility from which oil enters the environment—and the owner of the oil which creates the pollution risk.

Ultimately, of course, as I have previously stated, the cost is reflected in large measure in the cost of the product—and is therefore borne by the user of the oil, the consumer.

Different limitations of liability are necessary due to the many varied modes of transportation and facilities. With respect to different limits of liability for various types of vessels, it is readily apparent that a general cargo freighter—carrying only oil bunkers for the vessel's operation—does not present as great a risk of oil pollution as a tank vessel that not only has bunkers on board but also carries a cargo of oil.

The same rationale is applicable to tank barges, which often carry considerably less than a self-propelled tank vessel. However, it must be remembered that limitations of liability do not reduce the amount of funds available for payment of damages, since the fund—which is supported by all oil owners—is available to pay any additional amounts above the limitations.

During the last Congress, there was considerable discussion within both the Subcommittee on Coast Guard and Navigation and the Committee on Merchant Marine and Fisheries on a maximum ceiling of liability for tank vessels. There was eventual agreement on a maximum level of $30 million, because this was reported as being the so-called insurable limit, the limit of coverage that could be provided by the international insurance market.

A fourth issue which I have reviewed and reconsidered is the many purposes which have been advocated for the use of the fund. I still believe that the fund should be established for limited purposes—and should provide an immediate source of available funds for cleanup and should assure reasonable and expeditious compensation to the damaged party.

I do not believe the fund we are establishing should be available for the payment of costs which are of a capital or research nature—and which are normally subject to authorization and appropriation processes.

A fifth issue of a somewhat lesser concern has been the method and procedure for processing claims and the related administration of the fund. The bill is designed to provide for minimal governmental interference—with strong incentives for prompt and equitable settlement using detailed statutory provisions.

I believe that many of these procedures are so important in creating substantial incentives to settle damage claims that they cannot be left to the imagination of the administration through regulatory and rulemaking procedures.

Further, many of these requirements—such as types of claims payable; types of investigative, court, or attorney fees; and the availability of interest charges—are so substantive that we might create a vacuum if they were not included in the bill.

The objectives of my oil spill liability and compensation legislation are to:

Establish one fund at the Federal level that will provide ample money for prompt compensation of oil spill damage;

Establish one set of oil spill liability laws for the entire Nation, covering all types of oil spills from all sources;

Remove the overlaps and bare spots of the present patchwork system; and

Minimize the bureaucracy.

This, in turn, will benefit the one who has been victimized as well as the one who will pay for this compensation—the ultimate consumer of oil.

I, therefore, am introducing legislation similar to H.R. 6803, which was passed by the House during the last Congress, for reconsideration by this Congress.●

NORMAN ROCKWELL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CONTE. Mr. Speaker, shortly after adjournment of the 95th Congress, Norman Rockwell, perhaps this century's best known American artist, died at the age of 84. He lived in Stockbridge, Mass., which lies in my district, for 25 years. Despite his fame, he lived without pretention and mingled in the town's activities. The faces of Stockbridge residents appear often in his paintings. The town people considered him above all else, a good friend and neighbor.

Two Rockwell reproductions hang in my office. One is Freedom of Speech, from the well known series, The Four Freedoms, Freedom of Worship, Freedom from Want, and Fredeom from Fear, based on an address given to Congress by President Roosevelt at the beginning of World War II. The other is a townscape of Stockbridge at Christmastime. Norman Rockwell had many sides and he illustrated many things. His paintings cover a wide range of human actions, actions, reactions, quirks, and foibles. They can be amusing, nostalgic, noble and disarmingly candid. But I would like to mention one thing in particular that he brought to our society, and that is his contribution to the spirit of patriotism in the United States.

Many of us can remember the paintings Rockwell reeled off during World War II serviecmen, Wacs and Waves, that became a popular part of the Nation's war effort. Pride in this country and the democratic spirit emanate from many of his paintings. He was so close to the changing mood and tempo of American life that we can trace in his life work a pictorial essay that spans 65 years of American history, from early flashbacks to World War I, up to Rockwell's depiction of the civil rights campaign of the 1960's. Norman Rockwell cared deeply about America and throughout his career, he quite literally charted every aspect of the American dream.

His portraits are of people who have heritage, loyalty, reverence, pride and compassion.

Although he painted Presidents, his real heroes were the common people. And so we have a friendly doctor who will listen expectantly through his stethescope for the heartbeat of a little girl's doll. And we see a man entering the ballot box on election day who eyes the newspaper photographs of the candidates conscientiously. Clearly, he is undecided about which man is deserving of his vote. Never was human nature shown to such advantage.

There is no place in the world of Rockwell's paintings for wars that should not have been fought, convoluted problems or dashed hopes. There is only the brightness of opportunity. The young soldier telling war stories in a local grocery store is regarded by all with admiration and respect. And when people argue or gossip, it is endearing and somehow humorous.

Since his death, many have been careful to note that Rockwell's penchant for idealization may have ruined his chances of being considered a great artist. But whether he is to be considered by posterity as an artist or an illustrator, he did reach millions of Americans, and this, more because of than in spite of his idealism. His style of perfect optimism was deliberate. He said, "I paint life as I would like it to be." In his work, he had blinders which he held up continually to the bad and the ugly in society because his endeavor was to show the good things about our country and ourselves.

If our efforts could match his optimism in intensity, we might consider ourselves a part of his vision. His work remains, a source of happiness for many and a gentle reminder of the promise and peace in an honest exchange, mutual trust and a sense of community. In the crystal clear expressions of people whose lives are uncomplicated, we can recognize the endurance of loyalty and compassion, the uplifting of the American ideal, and the quality of human life with gratitude.

We of the Berkshire Hills were proud to have him as a friend and neighbor and we will not easily forget him.

[From the Berkshire (Pittsfield, Mass.) Eagle, Nov. 9, 1978]

STOCKBRIDGE MOURNS LOSS OF AN OLD FRIEND

(By Stephen Fay)

STOCKBRIDGE.—The scene this morning in the town that Norman Rockwell adopted 25 years ago was reminiscent of anything but a Rockwell illustration. Where Rockwell saw dignity, humor, befuddlement and joy, today one sees dejection and melancholy. Norman Rockwell, who relied to a great extent on local faces to depicit universal emotions, died last night alone and in bed. He was 84 years old.

Ernest W. Hall, owner of the Red Lion Garage off Main Street, served as the model for Rockwell's 1955 Saturday Evening Post cover illustration entitled "Expense Account," (reproduced on page 10 of today's Eagle). Like so many people in town, Hall has lost a friend.

"I don't know why he picked me," Hall said today, recalling the day the famous illustrator asked him to sit for a picture.

Hall recalls Rockwell's warmth and humor. The painter cracked jokes and visited pleasantly with Hall while he worked away on his canvas. Incredibly, Hall said, Rockwell had him sit for only an hour.

"I guess he knew me pretty well," Hall said.

Rockwell made it his business to get to know people. His afternoon bike rides, his visits with his neighbors and his talks to area groups were recalled with sad pride by many this morning.

"He was a very warm, a very gracious man," said Richard J. Clemens, former state police officer in Lee and Pittsfield, who was depicted in the 1958 Post cover called "The Runaway," (page 10).

Clemens now chief of plant protection at the Pittsfield General Electric plant, said that he and Rockwell used to be neighbors on South Street here, and that Rockwell was glad to meet his neighbors on the street and visit with them. The illustrator created a Christmas card for the Massachusetts State Police. He once had Clemens and another officer over for dinner.

"It's a great loss," Clemens said, "he was a bit of Americana that will never be duplicated."

David H. Wood, curator of the Old Corner House on Main Street, which serves as a museum for many of Rockwell's works, spoke of his old associate and friend this morning, after first coming out of the museum to turn back a bus load of tourists who, like more than 350,000 visitors before them, wanted to view the comic and compassionate works for which Rockwell was famous. The museum will be closed until Monday.

Wood said that Rockwell had been infirm for more than a year. The last time he attempted to paint was last spring, Wood said, when he struggled over to the studio in the yard by the house he shared with his wife of 17 years. The painting on which he had been working depicts an apocryphal incident from the history of Stockbridge. It shows the Rev. John Sargeant with a Stockbridge Indian at the Mission House, Sargeant's home, now located on Main Street here. The painting is still sitting on the easel.

"It will stay there," Wood said.

As to the cause of the artist's death, Wood quoted Mrs. Rockwell: "He died of being 84 years old."

Mr. Rockwell was born in New York City Feb. 3, 1894. He was the son of Jarvis and Mary Hill Rockwell. He served in the U.S. Navy during World War I. An illustrator most of his life, he came to Stockbridge 25 years ago from his former home in Arlington, Vt.

He leaves his wife, Mary (Molly) Leete Punderson, a Stockbridge native; three sons, Thomas R. Rockwell of Freedom Plain, N.Y., Peter B. Rockwell of Rome, Italy, and Jarvis W. Rockwell of Stockbridge and seven grandchildren.

The funeral will be Saturday afternoon at 2 at St. Paul's Episcopal Church. There will be no calling hours. Burial, in Stockbridge Cemetery, will be private.

The family has requested that in lieu of flowers, memorial contributions be made to the Lenox or Stockbridge libraries, or to the American Friends Service Committee.

TIMES CRITIC TAKES A LOOK AT ROCKWELL

(By John Russell)

NEW YORK.—Norman Rockwell was lucky enough to live at a time when the demand for what he could do had no limits. Furthermore, what he could do was what he wanted to do.

"I've always wanted to be an artist," he once said. "I can't remember wanting to be anything else." He also said, when he was a student, that he wanted to be a great illustrator. He worked very hard, he took all the opportunities that came his way, and he happened to be around at a time when the cover of The Saturday Evening Post was an infallible index to popular feeling.

HE CAUGHT THE TIDE

This meant that the tide of life was running Norman Rockwell's way. Fifty years earlier, he would have been a neat and nimble draftsman—no worse and no better than many another. Today, he would be an amiable anachronism. But in the heyday of the weekly magazines Norman Rockwell spoke loud and clear for a majority of the American people, and that majority knew it at once and said "Thank you."

He was perfectly well aware of his good fortune, and he was not at all puffed about it. He never forgot how he had been on stage with Enrico Caruso, when Caruso had been Radames in "Aida" and Norman Rockwell had carried a spear by his side. Caruso had spotted Rockwell as an art student and made a point of being nice to him. Neither Caruso, nor Rockwell, nor anyone else at that time ever dreamed that Rockwell one day would be even more famous than Caruso. And when he was summoned in 1952 to draw Dwight D. Eisenhower at 2½ hours' notice, Rockwell was as nervous as a beginner. He never got spoiled.

Undeniably he appealed to a middlebrow audience that knew nothing of art. He stood by that audience. "I cannot really convince myself," he once said, "that any painting is good unless it is popular." If people did not respond to one of his covers, he took it as a rebuke and worried for days on end as to where he had gone wrong. He knew that he ought to trust his own judgment, but he didn't.

This could have been his downfall, but when he was put to the test he came out on the right side. When Franklin D. Roosevelt defined the four essential freedoms in his annual message to the Congress on January 6, 1941, Norman Rockwell knew that something fundamental was at stake, and he put that speech into images that would strike home across the boundaries of language.

A HUMBLE SPIRIT

When his designs were turned down, as occasionally they were, he took it in almost too humble a spirit. When they went through to universal acclaim, he himself sometimes had second thoughts. "I often caricature when I shouldn't," he would say. "I fail to see the people as real people. I oversimplify. I try to make them too cute."

All that was true, beyond a doubt. But it took a good man to admit it. Norman Rockwell will not live in the history of art; but as a witness to a certain view of America, and of what America should be, he was the right man in the right place at the right time.

NORMAN ROCKWELL, 84, DIES AT HOME

STOCKBRIDGE.—Norman Rockwell America's most famous artist and illustrator, died at his home on South Street last night at 11:30. He was 84.

The slender, white-haired artist continued the struggle to work even as the gathering infirmities of age overtook him. Some years ago he told an interviewer: "When I die, I want to be working on a picture and just fall over." It almost happened that way. On an easel in his nearby studio was a last painting—a humorous depiction of the town's Indian-Colonial heritage he started more than a year ago and never finished.

For years Rockwell had been a familiar sight, bicycling along the Stockbridge roads, often accompanied by his wife Molly. He and his South Street home and studio were obligatory targets for tourists. One, it is said, even climbed into Rockwell's bedroom window hoping to catch a glimpse of his quarry. The artist bore these intrusions with all possible grace.

Rockwell's fame grew over the years to the point where he became an American institution. His appeal spanned virtually every segment of society. The cognoscente sometimes wrinkled their noses at his work, calling him "illustrator" over "artist." For millions of his countrymen, however, he represented all they knew of art.

He let it be known to newspapers that he preferred to be called an illustrator. But, with his ever present sense of humor, he commented in an interview a few years back that when people pressed him in an argument over whether he is an artist or an illustrator. "I let them win the argument."

Despite his fame, which included receiving the 1976 Medal of Freedom, the nation's highest civilian award, he was simply "Norman" to his friends. Fame and humility were matching garments to him.

In 1969, a group of his Stockbridge neighbors purchased and renovated the Old Corner House at Main and Elm streets to provide a site for the display of Rockwell works. He loaned many of them for permanent display there, and the house became such a success that it has attracted 360,818 visitors since it opened.

Rockwell's modesty about his talents bordered on immodesty. In an interview as he neared 80, he called himself "just a hack illustrator who made a lot of money." The comment was classic understatement, implying that his work was easy and superficial.

Few artists paid as much attention to detail. For a Saturday Evening Post cover on the occasion of Charles A. Lindbergh's transatlantic flight in 1927, Rockwell worked for 26 straight hours to salute the event.

For a 1969 commission from Look magazine of Neil Armstrong's first step on the moon, Rockwell traveled to Houston to view the simulated moon surface there to get the most realistic effect.

If his art was enchanting, folksy, warm and unrealistic in social terms, he knew it and was unapologetic. In 1960, he commented at length:

"Maybe as I grew up and found the world wasn't the perfectly pleasant place I had thought it to be, I unconsciously decided that if it wasn't an ideal world, it should be. So I painted only the ideal aspects of the world, pictures in which there were no drunken slatterns of self-centered mothers, but in which there were instead foxy old grandpas who played baseball with the kids, and boys who fished from logs and got up circuses in the back yard. If there were problems, they were humorous problems. The people in my pictures are never mentally ill or deformed. The situations they face are commonplace everyday situations not the agonizing crises and tangles of life."

His work included nearly 400 magazine covers, every Boy Scout calendar but two since 1924, portraits of each president from Warren G. Harding to Richard Nixon, stars like John Wayne, Bing Crosby and commercial clients like fried chicken magnate Col. Harlan Sanders.

He rode the crest of the heyday of magazine illustration, and some of his paintings became as forceful as artillery. His World War II series of paintings of the four freedoms found its way into millions of American homes and typified the effort and goal of war.

In the troubled 1960s, Rockwell began to exhibit a strong social conscience. Themes of poverty, civil rights, the generation gap, the Vietnam War, and the threatened environment flowed from his brushes.

"I'm getting fed up with cute situations," he grumbled.

Norman Rockwell was born in New York City on Feb. 3, 1894, the son of Jarvis Warring and Nancy Hill Rockwell. At 16 he dropped out of high school and joined the Art Students League, where he earned his first commission by doing four Christmas cards for the wealthy Mrs. Arnold Constable. Soon he was illustrating books and getting regular advertising assignments.

At age 22, he went to Philadelphia in hopes of showing his portfolio to George Horace Lorimer, who had built a minor magazine into a giant with two million readers. The magazine was called The Saturday Evening Post. Lorimer bought two paintings for $75 each and approved three sketches for future covers. Rockwell recalled later, "I had arrived."

And indeed he had, for Liberty magazine soon tried to buy him away from the Post, offering him double his fee if he would move. But Rockwell preferred to stay with the first employer who had taken a chance on him, a canny decision since the Post immediately doubled his cover price from $250 to $500. His long-range good sense was borne out as well. Liberty magazine died a pauper's death in 1951.

Rockwell's first marriage ended in divorce. His second wife, Mary, who died in 1959, was the mother of his three sons; Peter, a sculptor; Thomas, a writer; and Jarvis, a modern painter. Six years after Mary's death, Rockwell married Mary L. "Molly" Punderson, a retired teacher.

"I realized a long time ago that I'll never be a Rembrandt," said Rockwell several years ago, "but I start each picture with the same high hopes, and if I never fulfill them, I still try my darnedest. Someone once asked Picasso which was his favorite painting, and he said, 'the next one.' I'll echo that," said Rockwell.

For Norman Rockwell there will no longer be a "next one," but millions of Americans will remember the ones that went before.●

OPPOSITION TO TAX BILL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GONZALEZ. I opposed the tax bill that Congress passed last year because I did not believe that it was fair and equitable. It will not reduce the level of taxes for 80 percent of our citizens, it will not reduce any of the inequities that pervade the tax system and it will not stimulate significant new economy activity.

I was disappointed that we did not make more progress in making our tax system more equitable and I am again proposing legislation that I have introduced in the last two Congresses calling for a limit on Federal income tax of 10 percent on an adjusted gross income of $30,000 or less.

In the past 10 years we have seen prices skyrocket in every area of the family's budget, in food, clothing, gasoline and utilities, but the biggest increase has been in the amount of taxes our citizens must pay. Thoughtful taxpayers find themselves paying more for less and feel that they have absolutely no control over the tax system. They find it more complex each year and as a result two out of every five taxpayers is forced to seek outside help to complete tax forms.

The American tax system is the most successful in the world, because our citizens voluntarily comply with its requirements, and I'm convinced that they do not mind paying taxes as long as they feel they are paying their fair share and that everyone is doing the same. However, each time we amend the system the middle-income taxpayer feels that it is becoming more inequitable and they have reason to believe this. We make numerous changes in the tax system that end up benefiting everyone but the average taxpayer, who is generally not involved in certain financial activities to benefit from these changes. He then ends up feeling as though he is bearing the burden of the tax system and is not happy with this thought.

The measure I am proposing, to have a flat maximum tax rate for those under a certain adjusted gross income will certainly not cure all our economic problems, but it will allow a large portion of our taxpaying population a feeling that they not only can understand the system but that it is more fair and equitable.

I would hope that the House Ways and Means Committee would take the opportunity in this Congress to review my proposal and consider using this simple approach as a steppingstone to true tax reform.●

DEDICATION OF MacARTHUR SQUARE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WHITEHURST. Mr. Speaker, I had the good fortune to attend ceremonies in Norfolk last September 17 to dedicate a city block recently named MacArthur Square in honor of General of the Army Douglas MacArthur. From an impressive beginning when General MacArthur was laid to rest in the rotunda of that city's old courthouse on April 11, 1964, Norfolk's tribute to that great American has been progressively expanded by the addition of three splendidly functional yet architecturally harmonious structures. When, in January of 1978 Norfolk's city council named the entire block MacArthur Square, dedication ceremonies were scheduled for the late summer with Mr. Lowell Thomas, noted world traveler, author, and friend of MacArthur as the principal speaker. Gen. Lemuel C. Shepherd, Commandant of the Marine Corps in the mid-fifties also spoke, paying tribute to MacArthur's strategic brilliance, and at a preceding luncheon sponsored by the Association of the U.S. Army, the Army's Chief of Staff, Gen. Bernard W. Rogers delivered an impressive eulogy. The general's charming and spirited widow, Mrs. Jean MacArthur, was in attendance throughout and at the conclusion of the ceremonies took the microphone to briefly but warmly thank the participants and the audience of 2,000 assembled in the square's plaza for this wonderful tribute.

I am delighted and honored to bring the remarks of General Rogers, General Shepherd, and Mr. Lowell Thomas to a wider audience by printing the remarks in the RECORD.

The remarks follow:

DOUGLAS MACARTHUR MEMORIAL FOUNDATION CEREMONIES DEDICATING MACARTHUR SQUARE IN NORFOLK, VA.

(Address by Gen. Bernard W. Rogers, Chief of Staff, U.S. Army)

General Rogers: Colonel Hall, General Hill, Mrs. MacArthur, Your Excellencies, Members of Congress, Distinguished Guests, Ladies and Gentlemen.

You have honored me in asking that I speak on this occasion. Yours is an important chapter of the Association of the U.S. Army. Your work is valued by those of us in uniform and your chapter has a very special distinction. In having taken the name of a great American, Douglas MacArthur, you perpetuate the memory of a leader whose stature looms larger with each passing year. Somewhat later this afternoon, we will participate in a dedication ceremony which will provide another means to keep his memory bright to new generations of Americans who have not lived through the years he helped to shape.

On this occasion, it seems fitting that we should remind ourselves of the spirit and resolve of a man whose character and achievements have left such an imprint on our world.

Great men are to some extent formed by the circumstances around them. Yet one has the abiding conviction that Douglas MacArthur would have risen to the top in any setting at any time. His was a drive to serve and to succeed that few of us could ever sustain. That this drive was available to America during times of her greatest need must be counted as one of our single national blessings.

Douglas MacArthur does not belong to the United States alone. His service is the heritage of free men everywhere, and though performed in America's name, his actions and inspiration reached more broadly to ensure that men elsewhere could aspire to the dignity and expanse of freedom. He thereby touched the lives of many more millions of people than our forefathers had in mind over two centuries ago, when they dedicated themselves to the cause of liberty.

The challenges which General MacArthur faced during his crowded life were awesome. Men of less determination and ability would have been well satisfied with but a small portion of those he was dealt. Yet General MacArthur rose to each occasion in turn, and over each in turn he prevailed. Some of those major moments I should like to recall.

His record as a cadet at West Point was unmatched, and it set a sure pattern for the career which followed.

By the time the United States had entered World War I, Douglas MacArthur had forged his professional background as a soldier in command and staff, at home and overseas. His deeds with the famous 42d "Rainbow" Division in France are well known, and perhaps best summed up in his citation for an oak leaf cluster to the Distinguished Service Cross which contains this sentence, "On a field where courage was the rule, his courage was the dominant figure."

At war's end, he was called upon to rebuild the Military Academy which had been required to graduate three of its upper classes of cadets in a single year. The honor system, the discipline and the curriculum all had to be freshly and quickly reconstituted. The foundations he laid during his remarkable superintendency left their stamp on the ranks of subsequent cadets who assumed such important roles of leadership during the next World War.

As Chief of Staff of the Army during the first half of the 1930's, General MacArthur faced challenges few in that office face—and I can speak with some authority in that regard. The Depression, disgruntled veterans, a profound national sentiment of anti-militarism, rising danger abroad, inadequate equipment, obsolete doctrine, and demoralized soldiers—these were the fabric of his inheritance. The American Army at the time was smaller than that of either Belgium or Switzerland. The Army he left, though not much larger, formed the tightly-knit, hard, professional cadre around which our nation rallied with such effect several years later.

When General MacArthur then retired to the Philippines he loved, believing his work finished, he did not know the even greater demands that would be made upon him later. Yet when he was called, his response wrote history. The tenacity of his defense of Bataan, the genius of his vast island-hopping campaign across the Pacific, the magnanimity of his far-sighted post-war occupation, and the brilliance of his amphibious landings at Inchon will be studied years hence. They involved enterprises on a scale and of an import given to few to undertake, let alone achieve.

America was General MacArthur's ideal. Service was his calling. And although the military was his medium, the legacy he bequeathed us stretches far beyond the profession of arms. The principles by which he lived can apply to all of us, regardless of occupation or position, if we let them. They can inspire us to reach as he reached, and in the reaching be better citizens and servants of our fellows.

Prime among these principles must be the source of his driving spirit—a deep faith in our system of government and the right of peoples everywhere to pursue their destinies in freedom. His was not an idle patriotism, born solely of books. His was an active patriotism, imbued in his boyhood, nurtured by study, fired by the injustices he saw about him, and given outlet in military service. His patriotism gave him the power to persevere where others might have faltered. It is a faith open to all of us if we but make the effort.

Faith alone, however, cannot move mountains. Courage and hard work can. Courage, General MacArthur had in abundance, and his capacity for work is legendary. Most of us are not given to know the full depth of valor that must be called forth on the field of battle, but all of us must take a special stand at some point in our lives—a stand that defines us as human beings, that makes our lives truly worthwhile, that calls for a moral courage at times more difficult for us to muster than when faced by mortal danger. This kind of courage is open to us, too, if we but try. So is hard work. Hard work is a matter of application. As Edison has said, genius is two percent inspiration and ninety-eight percent perspiration. The question is: are we willing to make the requisite sacrifice?

And finally, no enterprise of great moment can be accomplished alone, without a keen understanding of and ability to work with other people. General MacArthur was a consummate leader and a brilliant manager. He had an intellect with which not many are gifted and an eloquence few possess. But his understanding of what motivates people, and particularly soldiers, can be studied and applied—for the soldiers with whom he dealt, and from whom he extracted such achievement, are little different from those with whom we deal today. His techniques for fostering loyalty or delegating authority can be copied. His methods of inspiring confidence and eliciting that extra margin of effort that brings success are timeless. They, too, can be ours if we choose.

And he, as is true of most men of destiny, had a lady upon whom to lean, to turn to for love, compassion, strength and understanding. She, as so many other wives who have been the solid rock of support of men upon whom the spotlight is focused, remained in the background making a major contribution to our nation for which we all are most grateful. How happy we are that Mrs. MacArthur is with us today!

Yes, Douglas MacArthur is a towering figure, one justly tall in our memory by his character, his beliefs, his aspirations and by his achievements. The value of his service to our nation and to the free world is inestimable. We today have it within us to build on what he did, to draw inspiration from his example, and to devote ourselves to the causes for which he lived. In so doing, we can better ourselves and our service to others. The remembrance being paid to him today is part of that very worthwhile endeavor.

REMARKS OF GEN. LEMUEL C. SHEPHERD AT DEDICATION OF MACARTHUR SQUARE

General Shepherd: Mrs. MacArthur, Mr. Martin, Mr. Thomas, General Anderson, Mr. Ambassadors, Bishop Vashé, Ladies and Gentlemen: I consider it a distinct honor to have been invited to this ceremony and asked to make a few remarks on the Inchon Landing which took place in Korea 28 years ago this month.

The amphibious assault at Inchon has been recorded in history as one of General Douglas MacArthur's greatest military achievements.

His brilliant concept of this operation against what appeared to be insurmountable obstacles, and its successful execution by the Navy and Marine Amphibious Forces, resulted in a military victory that subsequently freed the Republic of South Korea from its enemy occupied territory.

As you may recall, the Korean War erupted without warning on June 28, 1950 with an attack by North Korean forces on South Korea. Within two weeks Seoul, the capital of the country had been captured and disorganized remnants of the South Korean Army had been forced to withdraw to the southern part of the Korean Peninsula.

When the Korean War began, I had just assumed command of the Fleet Marine Forces Pacific with its headquarters at Pearl Harbor, Hawaii.

With the deterioration of the military situation in Korea, Admiral Radford, Commander in Chief of the U.S. Pacific Fleet, became increasingly alarmed. As his senior Marine officer he directed me to fly out to Tokyo to obtain first hand information on the situation and to offer General MacArthur such assistance as the Navy could provide.

Upon my arrival at Headquarters Far Eastern Command, I was escorted into General MacArthur's office.

Apparently the General recalled that I had been the Assistant Commander of the First Marine Division when it landed at Cape Glouchester, New Britain in General MacArthur's initial thrust northward from Australia toward the Philippines.

He immediately began to reminisce about this operation and at the conclusion of our conversation he arose from his chair and, pointing to a map of Korea on the wall of his office, he remarked: "Lem, if I had the First Marine Division under my command I would land it at Inchon and seize Seoul. By cutting the logistic supply lines that pass through this important road center, I would force the North Korean Army to withdraw north of the Han River."

Perceiving the logic of General MacArthur's concept, I said: "General why don't you request the First Marine Division with its supporting air wing be assigned to your command. The Division is under my control as a unit of the Fleet Marine Force Pacific, but I cannot order it to Korea without approval of my Commandant, General Cates, and the authority of the Joint Chiefs of Staff." General MacArthur then said, "Prepare a dispatch to Cates and the Joint Chiefs recommending the First Marine Division and First Marine Air Wing be ordered to Korea for an amphibious landing at Inchon and I will sign it."

This I did. With the subsequent approval of General Cates and the Joint Chiefs of Staff, President Truman authorized the deployment of the First Marine Division and the First Marine Air Wing to Korea.

The date General MacArthur had selected for the amphibious assault at Inchon was September 15th. This was due to the 18 foot rise and fall of the tide in the Han River. The 15th was the only day in September that there would be a flood tide in both the morning and afternoon. When the tide was at ebb, the impassable mud flats in the river would have prevented the debarkation of troops on dry land.

Following World War II the Armed Forces of the United States had been greatly reduced and organized combat units were well below their normal size.

With less than two months before the date selected for the landing, it was a major undertaking for the Marine Corps to fill the depleted ranks of the First Marine Division and its supporting air wing, and to assemble the required supplies to mount out these units at their war strength tables of organization.

Furthermore, it was necessary for the Navy to recommission ships currently in mothballs to transport the troops with their equipment and supplies on the three weeks voyage across the Pacific.

With the "Can Do" resourcefulness of the Marine Corps this was accomplished on schedule and the convoy of ships arrived in the Han River off Inchon on the morning of September 15th.

Before the main landing of the First Marine Division could take place, it was necessary to seize the Island of Walmi-Do at the entrance to the harbor at Inchon.

This was accomplished by the 3rd Battalion, 5th Marines on the morning high tide of the Han River.

General MacArthur had previously requested me to accompany him for the landing operation as his amphibious advisor. During the assault on Warmi-Do, I was standing with him on the bridge of the Mount McKinley off Inchon and we were able to clearly observe the combat that took place several hundred yards away. When word was received that the island had been secured, General MacArthur sent the following message to the participating unitss.

"The Navy and Marines have never shone brighter than this morning."

One of General MacArthur's attributes as a military commander was to give prompt recognition of individual bravery for a job well done. As he was aware that it boosted the morale of his troops.

At high tide in the late afternoon of the 15th, the First Marine Division successfully landed against enemy resistance several miles south of Inchon.

The following day Marine and Army troops of the X Corps captured Inchon against determined resistance of North Korean forces defending the city.

The next objective in MacArthur's plan of attack was the seizure of Seoul some 20 miles away on the north side of the Han River.

To do so it was necessary to overcome the enemy forces defending Yongdupo on the south side of the river opposite Seoul.

Heavy fighting took place before this town was taken.

Since the bridge crossing the Han River between Yongdupo and Seoul had been destroyed, it was necessary for the first Marine Division to make a night crossing of the Han several miles West of Seoul and to attack this city from the North.

It took several days of heavy fighting by Marine and Army troops before Seoul was captured.

A week later the Eighth U.S. Army, which had been advancing against the retreating North Korean forces in the southern part of the Korean Peninsula linked up with the X Corps and the Hammer and Anvil strategy General MacArthur had planned in his concept of the Inchon Landing had proved successful.

On the withdrawal of the North Korean Army above the 38th Parallel, the Republic of South Korea was freed of its invaders and refugees were able to return to their homes. In retrospect, the amphibious assault at Inchon must be considered as a masterpiece in the annals of military history.

The unswerving determination of General MacArthur to carry out the concept he envisioned, made possible by the amphibiously trained Marines serving under his command, characterizes the high military qualities of the distinguished soldier we honor today.

In concluding my remarks, I wish to congratulate Mr. Martin, President of the MacArthur Foundation, who with other prominent citizens of the City of Norfolk had the foresight to obtain General MacArthur's approval for his remains be laid to rest in this impressive and historic old court house, renamed the MacArthur Memorial, and its surrounding grounds which are being dedicated in his name today.

DOUGLAS MACARTHUR MEMORIAL FOUNDATION CEREMONIES DEDICATING MACARTHUR SQUARE IN NORFOLK, VA.

(Address by Mr. Lowell Thomas, author, explorer)

Mr. Lowell Thomas: Mrs. MacArthur, Mayor Thomas, Governor Robb, Ladies and Gentlemen, Mrs. MacArthur just spoke to me a moment ago asking if she could hold my hat, and that brings back a memory. By the way, it's dangerous to invite anyone my age to stand before a microphone because after you pass the 80 milestone everything you say reminds you of something else. Mrs. MacArthur's remark reminded me that a few years ago I left one of these hats on a barroom stool at the Majestic Hotel in Saigon and six months later I got a letter from an Air Force Colonel in Louisiana saying, "I'm wearing a Stetson hat with your name in it and you're *not* about to get it back!" So that's part of the reason why I'm holding on to it. I've left them all around the world.

My wife and I have been much impressed not only with the MacArthur Memorial but with the City of Norfolk. This is my first time here in many years. It's a handsome city indeed. In coming here I've had several bonuses—quite unexpected. I was surprised to find one of my cousins the Mayor of Norfolk. I also was pleasantly surprised to find one of the most interesting personalities of our time here. He's sitting here with you now. You actually have already met him. You know, during the second World War Mrs. MacArthur along with her husband and son and some others were rescued from Manila at the order of President Roosevelt. They were spirited away from Corregidor to Australia so that MacArthur could become the Commander-in-Chief of all our forces in the Pacific. Their getting away from Corregidor was one of the most dramatic episodes of the war, and the man who rescued them in command of the PT boat, is sitting up here in the front row—Admiral Bulkeley.

Admiral Bulkeley, I envy you partly because I had an opportunity to rescue Mrs. MacArthur at the Waldorf Towers in New York one night and I failed. You may recall the "Great Blackout." During that blackout former Postmaster General Jim Farley and I were starting up the stairs to our rooms and on the third floor landing we found Mrs. MacArthur resting. When we asked how much farther she had to go, she said, "Only twenty-six more floors." And you know if I had been as powerful a fellow as John Bulkeley or as powerful as Lt. Governor Robb who is here on the platform with me, or even my cousin, the Mayor of Norfolk, I would have picked her up and carried her those twenty-six floors. But I failed: My golden opportunity slipped by!

I just wanted to pay tribute to Admiral Bulkeley. One of the most remarkable books to appear during World War II was entitled They Were Expendable, telling about the escape from Corregidor.

I first crossed the MacArthur Trail in World War I. Yes, I go back that far. Incidentally, when I reached the age of 80 I decided that I would never again prepare a speech and then when I passed my 85th milestone I decided I would never again make a speech. But I wasn't conscious of the powers of persuasion of one of the most charming ladies of our time, Jean MacArthur.

I wish you could have all been at luncheon today to have heard General Rogers. He and General Shepherd are the two orators for this occasion, General Shepherd, a few moments ago, and General Rogers at the luncheon. They covered much of the MacArthur life history—so I'll merely add a postscript to what you have heard from them.

After the first World War, as you know, Douglas MacArthur became the Superintendent at West Point. I have a farm not far from there and again came in contact with the General. I am something of a football fan. Incidentally, that reminds me of something. I was quarterback of a team the year that the forward pass was invented but the football was shaped differently in those days and we didn't know exactly what to do about it. Alas, we didn't have the famous Red Blaik for a coach. I often went over to West Point to the games and sometimes had luncheon with the Superintendent. Then along came the War with Japan and I next crossed the MacArthur Trail in the Philippines. We all know the dramatic speech he made in Australia when he told the Australians and the Filipinos and the World "I Shall Return." I happened to be in Manila not long after he did return.

Then some years later when Douglas MacArthur and his wife at long last came home to America I had the pleasure of taking the Commander-in-Chief to an unusual event—the first prize fight he had seen in 18 years. He was a fight fan and Gene Tunney and I took him to the Sugar Ray Robinson-Randy Turpin fight. Then in 1949 I had the good fortune to be invited by the Ruler of Tibet—the Dhali Lama—to visit his remote capital on the other side of the Himalayas. On my way to Asia, I stopped in Tokyo and was the guest of General and Mrs. MacArthur. I remember two things about that—one was the General telling me that he envied me—that he wished he could go along to Tibet—that it had been one of his early dreams. The second thing I remember was that when I asked some question about Emperor Hirohito General MacArthur asked me if I would like to spend part of the day with the Emperor. This he arranged. As I look back on it now, I realize that the true Emperor of Japan for some five years was none other than Douglas MacArthur, one of the most extraordinary happenings in all human history.

Later, I came in contact with the MacArthurs on various occasions in New York. This was a period in the General's life when he was attacked from time to time by belittlers. One story illustrates my views on that sort of thing.

There was a very colorful Virginia lady whom you all remember, Nancy Aster. She asked a favor of me on one occasion. Although American born, as you know, she was the first woman ever to be a member of the mother of Parliaments. Lady Aster called me on the overseas telephone and said, "Lowell, I wish you would come over to London and stop the publication of a book. The book is a bitter, vitriolic attack on Lawrence of Arabia and I would like to have you come and stop its publication." I mention this because there have been people—there always seem to be those who want to tear down national heroes, belittle all great men and women.

In the case of Lawrence of Arabia, you no doubt have heard of the many attempts made to belittle him. Actually he was a phenomenon, one of the great men of our time. Lawrence played a key part in winning the first World War—not only for his own nation but for the rest of mankind, because the overthrow of the Turks in which he played a vital role with Allenby, also brought down the Bulgarians, then the Austro-Hungarian Empire, and Germany.

Anyway, I said, "Lady Aster, why do you think I have that kind of muscle in England? You are much more potent there than I am."

However, a few days after that the number one British Press Lord, Lord Beaverbrook, happened to go through New York and I said to him, "When you get back to London here's an assignment for you. Why not get in touch with Lady Aster and help her solve the problem of this vicious attack on Lawrence of Arabia?"

Whereupon Beaverbrook made a remark that I've never forgotten. He said the person who would suffer most from the attack was the man who made it. And then he added:—"There never has been any great person in history who has escaped bitter, vitriolic attack."

As we all know, this has also been true of the great man we are honoring today. And I want to conclude my remarks by saying this: I at one time had an address I made many times. The title of it: *There Are Still Giants Who Walk The Earth*. Of all the giants we have produced in our time there has been none greater than Douglas MacArthur.

DEDICATION OF MACARTHUR SQUARE

(Mrs. Douglas MacArthur's response)

Mrs. MacArthur. Thank you, one and all. You know it is very difficult for me to express my appreciation for the honor that has been shown my General here today. All the tributes paid him, you know, touched me very, very deeply, as you can well imagine it would be difficult for me to thank all those people who have said so many wonderful things about him. It would be hard for me to even begin to thank them. Also, I want to thank all of you people who have come because this is a day that I will always remember and I will always keep it in my heart.

Thank you all and God bless each and every one of you.●

WILL IT BE THIS YEAR?

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. HARRIS. Mr. Speaker, I join the 96th Congress with many major hopes. One of my fondest, however, is that all of my friends in the Soviet Union, with whom I have been corresponding over the past 2 years, can be free to join their loved ones in other parts of the world.

As an honorary member of the board of the Washington Committee for Soviet Jewry, I pledge my efforts to facilitate the reunification of families separated by political boundaries. Many of the individuals who write me for help have served harsh sentences in Soviet prisons and labor camps while others fear they may be on the next train to one of these camps if they continue to express their strong desires to emigrate.

During the course of the next year, I will speak about each case individually under a special order entitled "Helsinki's

Unfulfilled Promise." We want the Soviets to know that the persecution of citizens who are simply trying to claim the rights which have been promised them, will attract worldwide attention.●

INTRODUCTION OF LEGISLATION TO AMEND SECTION 6 OF THE MARITIME ACADEMY ACT OF 1958

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am today introducing an administration bill to amend section 6 of the Maritime Academy Act of 1958. That section now provides that the Secretary of Commerce may make grants of not more than $1,200 per academic year to students at approved State maritime academies or colleges. The bill would convert such grants to loans for all such students in classes entering such State maritime academies or colleges after enactment of the bill.

Section 2 of the Maritime Academy Act of 1958 declares the policy of that act to be the promotion of the policies of the Merchant Marine Act, 1936 by assisting or cooperating with States and Territories in the operation and maintenance of maritime academies or colleges for the training of merchant marine officers. Section 6 requires that the current grants be used to assist students at these schools in defraying the cost of uniforms, books, and subsistence. Since the present statute does not require service in the Armed Forces or the maritime industry in return for the grants, the congressional policy behind the grants may be frustrated by a student's failure to fulfill his moral obligation.

Under the bill, which for the future would convert these grants to loans, the loan recipient would be required to serve after graduation for 5 years in a uniformed service of the United States or the maritime industry, to obtain and maintain for at least 6 years a merchant marine officer's license, and to serve 6 years as a commissioned officer in the Naval Reserve (unless he performs active duty). To the extent that a graduate of a State maritime academy performed the service obligation, the loan would be forgiven. To the extent that a graduate failed to perform the service obligation, he would be required to repay the loan with interest from the date of graduation. If a student left the school for a reason not permitted by the bill, he would be required to repay the loan amounts already received with interest.

The bill also contains a provision, adopted from the Education Amendments of 1976 (90 Stat. 2141; Public Law 94-482), which prevents, except in hardship cases, release by a discharge in bankruptcy of a debt which is a loan under the bill until 5 years after the loan becomes payable.

The bill was proposed to the Congress by the Department of Commerce in Executive Communication 5102, which was received during the last week the House was in session during the 95th Congress. Legislation on this subject was recommended in the Oversight Report on the Federal Government's Role in Merchant Marine Officer Education which was adopted by the Committee on Merchant Marine and Fisheries last fall, and I expect that it will receive early consideration.●

HILLEL BUTMAN—A SOVIET PRISONER OF CONSCIENCE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LENT. Mr. Speaker, during the recent holiday period, I had a poignant meeting with the wife and elder daughter of my Fourth Congressional District's "adopted" prisoner of conscience, Hillel Butman, along with Mrs. Lynn Singer, president of the Long Island Committee for Soviet Jewry. At a time when families the world over gather to share in the joy of the season's holiday traditions, however, our meeting with Eva Butman and 12-year-old Lily was one of sadness, rather than joy, because after more than 8 years, the Butman family remains separated, hostage to Soviet unwillingness to comply with the Helsinki Agreement calling for the free exercise of basic human rights to which the Soviet Union is a signator.

Mrs. Butman traveled to our country from Israel where she and her children have emigrated from the U.S.S.R. She came to meet with those of us who continue to fight for Hillel's freedom, and to plead anew the case for her husband's release from Chistopol Prison—a plea based on the illegality of his confinement which is in direct violation of the terms of his sentence imposed over 8 years ago. Hillel Butman's sentence called for a 10-year term in a "labor camp" rather than a "prison." Thus, the years of prison confinement he has already endured are not consistent with his sentence. Moreover, Hillel has already served well over half of his 10-year sentence, making him eligible for release under Soviet law.

Because Hillel's confinement runs counter to the Helsinki Final Act as well as to Soviet law itself, I have joined in bringing the details of his case to the attention of several officials in our own Department of State: the Honorable Patricia Derian, Assistant Secretary for Human Rights and Humanitarian Affairs; Mr. Robert W. Farrand, Chief Bilateral Affairs, Office of Soviet Union Affairs; and Mr. Charles Salmon, Director, Office of Human Rights. Copies have also been sent to Soviet General Secretary Brezhnev and General Shelokov, Minister of the Interior. A copy of my letter follows, along with letters written on Hillel Butman's behalf by Senator BOB DOLE and Representative BENJAMIN J. GILMAN.

I share my colleagues' anticipation for the Department of State's responses to our pleas for intercession on Mr. Hillel Butman's behalf. Hopefully our own Government will agree that the time has come to push for Hillel's release and reunification with his family and loved ones.

The letters follow:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., December 28, 1978.

Hon. PATRICIA DERIAN,
Assistant Secretary for Human Rights and Humanitarian Affairs, U.S. Department of State, Washington, D.C.

DEAR ASSISTANT SECRETARY DERIAN: This letter is to urge your intercession on behalf of Mr. Hillel Butman, a prisoner of conscience in the Soviet Union since 1970. As one who has taken a personal interest in this case and has writen Hillel, his family, and the Soviets periodically for the past four years, I am deeply concerned that Hillel Butman be released soon from prison and be permitted to emigrate. My concern is also shared by Hon. Edward M. Kennedy, Hon. Robert Dole, Hon. Benjamin A. Gilman, the Long Island Committee for Soviet Jewry, and many others.

The grounds for Hillel Butman's release are strong. First, his imprisonment offends against the Final Act of the Helsinki Conference on Security and Cooperation in Europe, which the Soviet Union signed in 1975. One of the major principles of Basket Three of the Final Act is the pledge to allow for the reunification of families: "The participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with the members of their family."

The Soviet Union, however, has not dealt with the reunification of the Butman family in any way which can even remotely be called "positive and humanitarian." Hillel Butman has already served more than half his sentence and is therefore eligible for release under Soviet law. The Soviet Union's failure to comply with the reunification provision has deeply hurt the Butman family in addition to raising grave doubts over the U.S.S.R.'s willingness to fulfill its other international agreements.

As examples of the burdens the family must bear, consider that Hillel Butman has never seen his second daughter, Geula. He has not seen his 12½ year old daughter, Lily, since she was four. His mother, Sara Butman, who emigrated to Israel in February 1977, passed away only five months later without having seen her son again. Hillel Butman is deeply troubled that his children are "growing up as orphans even though their father is alive," to use his own words from a letter to prison officials. It is this kind of psychological and emotional damage to innocent families that the Helsinki Accords sought to halt.

Not only does Hillel's confinement run counter to international agreement, but also to Soviet law. In May 1971, Hillel was tried, convicted, and sentenced to ten years in a strict regime labor camp. He began serving his sentence in a camp in Mordovia and, in July 1972, he was moved to Perm Camp 35. However, in 1974, he was transferred to Vladimir Prison and, just this past October, he was transferred to Chistopol Prison. Incarceration in prison, however, is in direct violation of his sentence which stipulated labor camp and raises serious questions over the legality of his confinement. Therefore, pending his release, the Soviet Union should at least comply with its own judicial system's sentence of Hillel Butman and should return him to a camp.

For these reasons, the strongest possible effort should be made to obtain Hillel Butman's release and permission to emigrate to Israel. Furthermore, his name should be included in any general amnesty or prisoner exchange agreement between the U.S. and

the Soviet Union. No stone should be left unturned in obtaining Hillel Butman's early release!

Thank you for your attention to this important case.

Sincerely,

NORMAN F. LENT,
Member of Congress.

UNITED STATES SENATE,
December 12, 1978.

NACHALNIKU GLAVNOE UPRAVLENIE, I.T.U., *M.V.D. S.S.S.R., Bolschaya Bronnaya Dom 3, Moscow, R.S.F.S.R., U.S.S.R.*

DEAR DIRECTOR:

You are no doubt familiar with the case of Hillel Butman, who was sentenced in 1970 to ten years in a strict regime labor camp. Since 1970, there have been some developments which I feel warrant a serious reappraisal of his case.

In 1975, the Soviet Union signed the Final Act of the Helsinki Conference on Security and Cooperation in Europe, pledging compliance to the principles therein. One of the major principles of Basket Three of the Final Act is the pledge to allow for the reunification of families:

"The participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family . . ."

In 1973 Hillel Butman's wife, Eva, was allowed to immigrate to Israel. There, she gave birth to their second daughter, whom Hillel has never seen.

There is another development in his case which is of particular interest to me. In 1974, Hillel Butman was transferred from his labor camp in Mordovia to the Vladimir Prison, in violation of his sentence. This incarceration lasted a year. This past October, I am informed that he has once more been transferred to prison, this time to Chistopol. This is again in direct violation of his sentencing to a labor camp and seriously brings the legality of his sentencing into question.

In view of the Soviet Union's pledge to family reunification, in view of the fact that Hillel Butman has served over 8 years of his sentence—over a year in illegal prison confinement, and in view of the Soviet Union's avowed compliance and compassion in the field of human rights, I appeal to you to release Hillel Butman, so that he may immigrate to Israel to join his family. At the very least, he should be returned to a labor camp, as his original sentence stipulated.

I appeal to you for compassion for a man who has already fulfilled over eight years of his ten year sentence.

Sincerely yours,

BOB DOLE,
U.S. Senate.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 11, 1979.

Ms. PATRICIA DERIAN,
New State Building, Washington, D.C.

DEAR MS. DERIAN: I am writing to you on behalf of Hillel Butman, a Soviet Jew in jail since June 1970 for alleged involvement with anti-Soviet organizations, specifically, the circulation of propaganda.

Insofar as Mr. Butman is still separated from his immediate family, seeking only to be united with them in Israel after these many years of both moral and physical persecution, I would hope that you might be able to be of assistance in confronting these blatant and extensive denial of Human Rights, on a general level as well as in reference to this particular case.

For your further review, I am enclosing some background information and would appreciate hearing from you at your earliest possible convenience.

With best wishes,

Sincerely,

BENJAMIN A. GILMAN,
Member of Congress.●

SENIOR CITIZENS HEALTH INSURANCE STANDARDS ACT OF 1979

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BRODHEAD. Mr. Speaker, today I introduced the Senior Citizens Health Insurance Standards Act of 1979, a bill to outlaw gross abuses in the marketing of so-called medi-gap insurance to senior citizens. Medi-gap is a term applied to private insurance which provides more than the minimal coverage provided to senior citizens under medicare.

Congressional hearings before the Senate Special Committee on Aging and the House Select Committee on Aging documented widespread abuse in the sale of such insurance. Among them were the sale of policies which duplicate and overlap medicare coverage, misleading language in policies—for example, a claim to cover nursing home care when, in fact, the type of care provided by 75 percent of the Nation's nursing homes is not covered—and the use of scare tactics by agents. Other abuses uncovered are policies which do not cover some of the most common illnesses of senior citizens on the basis that they are pre-existing conditions and failure to disclose the contents of policies in clear, understandable language.

The House Committee has estimated that senior citizens are being bilked to the tune of $1 billion every year by unscrupulous companies and their agents. I believe this is a national disgrace, and the Federal Government which helped create the problem through the gaps and limitations in medicare has a clear responsibility to act. Some 15 million Americans over 65 purchase supplementary health insurance. Medicare covers only about 38 percent of the health care costs of senior citizens because of gaps and limitations including the deductible for part A hospitalization insurance and the 20 percent co-payment for physician's services under part B. Nor does medicare pay for prescription drugs, eyeglasses, hearing aids, or dentures. The patient must also pay the difference between what medicare calls "reasonable and necessary" and what the physician actually charges.

One of the best indications of whether an insurance company is taking unfair advantage of its clients is the company's loss ratio, for example, the percentage of health insurance premium dollars a company pays out in claims. Blue Cross-Blue Shield and the best private companies return about 90 percent of premiums to the insured in claims. However, companies which have a clear track record of abusing the elderly have shockingly low loss ratios—some as low as 20 to 40 percent.

My bill mandates Federal minimum standards which companies selling medigap insurance to the elderly must meet. It also directs the Secretary of Health, Education, and Welfare to make a comprehensive study of methods to assure that good quality health insurance is available to the elderly at a reasonable price.

Each State must submit a minimum standards plan to the HEW Secretary which will accomplish the following objectives:

First. Insurance companies must return at least 75 percent of premiums in the form of benefits.

Second. Prohibition of the sale of insurance which duplicates medicare coverage.

Third. Drastic limitation on pre-existing conditions.

Fourth. Requirement of full disclosure of all policy provisions to purchaser.

Fifth. Requirement that policies be written in plain and simple language.

The bill utilizes the existing regulatory mechanisms by requiring each State to change its law and/or regulations to meet at least the minimum standards set up by the bill. If the States do not elect to regulate the insurance companies themselves, then the Secretary of HEW shall enforce the minimum standards in that State. Except for some minimal administrative expenses, these vital reforms could be accomplished at no additional costs to the taxpayer.

Despite the widespread evidence of abuse, it would be erroneous to conclude that all insurance companies are guilty of these abuses. In fact, most of the Nation's insurance companies are reputable and market fair health policies.

I wish to extend my highest praise to Representative CLAUDE PEPPER, chairman of the House Select Committee on Aging, and Senator LAWTON CHILES who conducted the Senate hearings for the excellent work they did in uncovering these abuses.

It is my hope that this bill will induce a cooperative effort between the States, the insurance industry, senior citizens groups, and the Congress in an effort to come to grips with this problem.●

AN ABIDING FAITH IN AMERICA

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GINGRICH. Mr. Speaker, although I have been the representative of Georgia's Sixth Congressional District for several weeks now, today it becomes official. January 15 thus takes on a special significance for me because it is the day I am sworn in as a Member of the House of Representatives.

This is a special date for another reason, too. Today marks the 50th anniversary of the birthday of the Reverend Martin Luther King, Jr. My district includes a portion of the city of Atlanta, where Dr. King was born.

Not only is Atlanta Dr. King's birthplace, it is also where much of his life's work was accomplished. He served as the minister at the Ebenezer Baptist Church there. And it is in Atlanta that the Martin Luther King Center for Social Change was established after his tragic death.

On this day I think it is especially appropriate to recall the words Dr. King spoke when he accepted the Nobel Peace Prize on December 11, 1964. He said:

I accept this award with an abiding faith in America and an audacious faith in the future of mankind.

Mr. Speaker, I share Dr. King's faith in America. I am pleased, therefore, to recall his words today and to bring them to the attention of my colleagues as we begin this new session of Congress. At this time I also wish to publicly state my support for two proposals to honor and keep alive the memory of Dr. King.

First, there is a proposal pending to place in the U.S. Capitol building a statue or bust of Martin Luther King, Jr. There are, to date, no black leaders represented among the many great figures from American history who are memorialized in the Capitol. A statue of Dr. King thus would be especially appropriate.

Second, JOHN CONYERS recently reminded us that over 100 Members of Congress last year cosponsored legislation to make Dr. King's birthday a national holiday. I have advised Mr. CONYERS that I wish to have my name added as a cosponsor of that proposal.●

LET PATTY HEARST GO HOME—AND STAY THERE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

LET PATTY HEARST GO HOME—AND STAY THERE

In the days remaining before Christmas, President Carter can do what is right and just and merciful. He can pardon Patricia Hearst.

If anyone technically guilty of a crime has suffered enough, it is Miss Hearst. Dragged kicking and screaming from her apartment by a band of malevolent revolutionaries, she was subjected to unspeakable brutalities while held captive in dark closets and automobiles. Her life was threatened and to save it she consented to say and do things which plainly she would not have done had she been left alone.

The long ordeal of the trial and the pain of her conviction have added to the humiliation and suffering she endured as a pawn of the Symbionese Liberation Army. Miss Hearst did not invite those lunatics to her apartment, nor did she ask to be hauled around the country. She was kidnapped because she was the daughter of a rich man and because her captors knew the kidnapping and their cause would be well publicized.

Tougher individuals than Miss Hearst have cracked under the relentless brainwashing techniques practiced with so much ardor by the partisan zealots who believe there is only a single truth—theirs. None of us can say with certainty that if we had been placed in similar circumstances we would not have done precisely what Miss Hearst did. That goes for the jurors who convicted her of participating in the bank robbery and for the judge who passed the sentence.

Miss Hearst is much more the victim of a crime than its perpetrator. For being the daughter of a rich man, she had to suffer separation from her family, the horror of never knowing whether the fanatics who held her captive would carry out their threats, the derision of an intolerant segment of the public, the interruption of her personal life, the accusatory declamations of the prosecutor at her trial and finally the embarrassment and humiliation of her conviction.

There is no disputing that Miss Hearst stood in the bank lobby holding a machine gun, but she was no more in command of her own thoughts and actions than someone with a gun pointed at his head or a knife at his throat.

Miss Hearst cannot be blamed for wanting to live. That is a noble longing for most of us. At the time she was Tania, the revolutionary, she was frightened and alone and not herself.

In the name of justice, in the cause of humanity, Patricia Hearst should be freed so she can be with her family at Christmas and begin repairing a broken life that unjustly will be her burden for years to come.●

CARTER STRONG-ARM TACTICS THREATEN CHANCES FOR ISRAEL-EGYPT PEACE TREATY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LENT. Mr. Speaker, on this first day of the 96th Congress, I would like to direct the attention of my colleagues to the dangerous disintegration which has taken place with respect to the Israeli-Egyptian peace negotiations.

The recent disruptive events in Iran and Cambodia have to a considerable extent distracted attention from the serious deterioration in the spirit of the Camp David accords, and the lack of progress in ratification of a treaty between the parties.

Indeed, there are those who speculate that the dramatic December 15, 1978 announcement of the U.S. recognition of the Peoples Republic of China was timed precisely to mask the failure to achieve the signing of an Israeli-Egyptian peace treaty due December 17, 1978. But there is a growing recognition that the Carter Administration must shoulder a good deal of blame for the current Israeli-Egyptian impasse, no matter how it tries to hide the fact.

That unpleasant and tragic fact is clear to anyone who reviews the sequence of events which preceded the disruption of the Middle East peace negotiations.

Last September, in the afterglow of the Camp David Summit, President Carter pledged the United States would be a "full partner" in the negotiations needed to achieve a peace treaty between Egypt and Israel. But, as the Washington Post pointed out recently, what was required by Camp David was that American diplomacy serve as "an honest broker. If Washington takes sides, it risks forcing a stallout."

Tragically, inexplicably, Washington took sides. The Carter Administration forced a stallout just as it appeared the problems were about to be resolved. Under the auspices of Secretary of State Cyrus Vance, a draft treaty between Israel and Egypt had been prepared in the context of the Camp David accords. It was then approved by the negotiators and on November 21, 1978, by the Israeli Cabinet. However, Egypt raised several objections to the draft treaty.

Then began the fateful chain of events which led to the present impasse. Secretary of State Vance set out for the Middle East in an attempt to resolve what President Carter called "minor differences." In 3 days of conferences in Cairo with Egyptian President Sadat, Vance found that Sadat, apparently in reaction to pressures from other Arab States, had suddenly shifted his position drastically. Sadat proposed major changes in the draft treaty. Incredibly, Vance not only agreed to the changes, but adopted them as the American position as well, even though they conflicted with the September understandings reached at Camp David.

Vance termed these new ideas "minor clarifications," giving no hint as to their real content, nor to the impact they would have on the Israelis. Prime Minister Begin and his Cabinet rightfully rejected these new demands, but again declared their willingness to accept the draft treaty.

A close examination of the new Egyptian demands reveals the threats they raised to Israel's security. One would force a review and reassessment of the treaty's Sinai military and security provisions after 5 years. Even more deadly was a clarifying provision which would allow Egypt to override its obligation in the treaty to remain at peace with Israel if other Arab States should make war with Israel. A third provision disrupted the Camp David accords by delaying exchanges of ambassadors—the consummating act of diplomatic normalization—until Israel meets a target date for Palestinian self-rule on the West Bank and in Gaza. In this last new demand Sadat injects into the Israeli-Egyptian peace terms and the peace negotiations a condition that will vitally depend on participation by Jordan and the Palestinians, neither of which has shown any willingness to participate in negotiations with Israel.

It is difficult to understand what led the Carter administration to submit to the Arab demands and to embrace these substantive and dangerous—to Israel—changes. But whether it was lack of understanding, concern about Arab oil supplies or just downright stupidity, the Carter administration then compounded its error by launching a campaign of vilification of Israel and praise for Egypt.

In a carefully orchestrated campaign, anonymous White House advisers, Presidential aides," and senior officials let it be known to the press that the President was livid and frustrated by Israel's refusal to accept the Egyptian demands. Unnamed Presidential spokesmen contrasted the "forthcoming Egyptian" attitude with the "intransigent" Israeli stand, while claiming the differences were negligible, minor technicalities. One official went so far as to accuse Prime Minister Begin of falsifying the terms of the new demands. Although

President Carter and Secretary Vance avoided direct public criticism of Prime Minister Begin or Israel, they did characterize the Sadat demands as very generous, constructive, and reasonable.

This attempt to place all of the blame for the stallout on Israel rightly brought a sharp reaction.

The Conference of Presidents of Major American Jewish Organizations—representing 32 American Jewish groups and more than 4 million American Jews—wrote President Carter:

> The manner in which the blame was placed on Israel by our country was distressing . . . such pressure . . . flies in the face of your own wise and significant assurances that our country would never require Israel to agree to conditions that she regards as harmful to her security.

Perceptive Democrats in the Congress, usually supporters of the Carter foreign policy, joined in deploring the Administration actions. Father ROBERT DRINAN denounced the President for "placing undue pressure on the Israeli Government." Senator BIRCH BAYH challenged the administration approach, saying:

> Some statements by U.S. officials have caused some anxiety and left doubts as to our own commitment to fairness.

Equally perceptive were editorial comments in newspapers which usually support the Carter administration. The Washington Star—December 17, 1978—editorialized:

> The U.S. has not of late played the role of honest broker; we have instead sponsored Egypt's new demands . . . President Carter must stop pretending that the hard-headedness of Prime Minister Begin is the only complicating factor. It is not.

The New York Times warned against upsetting the terms of the Camp David agreement, as the Egyptians now propose with American support. In an editorial on December 17, 1978, the unmet target date for the treaty signing, the Times lamented:

> President Carter is justly annoyed. Unjustly, he blames only Israel . . . The strain of trading hard-won territory for an easily altered declaration of peace is hard enough for the Israelis without this added psychological pressure. Camp David envisioned Israel's exchanging every inch of Egyptian territory for a full measure of peace. It is wrong to tamper with that yardstick now.

How true are those words in the New York Times.

It is a tragic irony that the spirit of cooperation and good will among Egypt, Israel, and the United States, which President Carter did so much to develop at Camp David, should now be foundering because of the sudden abandonment of fair mediation by the President and his administration.

I hope and pray that it is not too late to bring back the spirit of Camp David. It is encouraging that both Egypt and Israel express a desire to resume discussions, and that, later this week, State Department officials will travel to the Middle East in a new effort to resolve the differences. Of course, the United States must continue to assist. But it must do so with fairness and with patience. President Carter and Secretary Vance must stop pressuring Israel to make concessions that were not so much as intimated, let alone stated, in the Camp David accords.

It is patently ridiculous to expect the Israelis to give up their main defense buffer—the huge oil-producing Sinai—in exchange for a treaty crafted to self destruct if Israel does not accede to Palestinian demands by a deadline date.

Mr. Speaker, in the name of world peace, I urge President Carter to bring the parties back to the negotiating table and to resume his role as a mediator, rather than an advocate, in order to give the assistance he provided so skillfully in working out the Camp David frameworks for peace. Threats and calumny produce only discord and disagreement, and do a disservice to the cause of peace.●

INTRODUCTION OF LEGISLATION IMPOSING SERVICE OBLIGATIONS OR GRADUATES OF THE U.S. MERCHANT MARINE ACADEMY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am today introducing an administration bill to place service obligations on graduates of the U.S. Merchant Marine Academy. Section 216 of the Merchant Marine Act, 1936 requires the Secretary of Commerce to maintain a Merchant Marine Academy at Kings Point, N.Y., for the instruction and preparation for service in the merchant marine of selected persons as officers thereof. That act provides that the United States pay for cadets' tuition, room and board, uniforms, textbooks, and transportation, but does not require graduates of the Academy to serve the United States for a period of time after graduation in return for their free education.

The statutes authorizing the U.S. Naval Academy, the U.S. Military Academy, the U.S. Air Force Academy, and the U.S. Coast Guard Academy have requirements for a period of service for graduates of those institutions. While Department of Commerce regulations require each cadet to sign an agreement to perform postgraduation service, no provision is made in the regulations for enforcement of the service obligation.

The bill submitted by the Commerce Department would provide that each candidate for each class entering the Academy after enactment agree as a condition of admission to complete the course of instruction at the Academy unless sooner separated by the Academy, and to fulfill the service obligation after graduation. The service obligation would consist of a basic 5-year employment requirement, a requirement to obtain and maintain for at least 6 years an officer's license in the U.S. merchant marine, and acceptance of a 6-year Naval Reserve obligation as a commissioned officer if active duty is not performed in a uniformed service of the United States. The service obligation would, under the bill, be enforced by allowing the Secretary of the Navy to order the cadet or graduate who has broken the agreement to active duty.

The bill was proposed to the Congress in Executive Communication 5101, which was received during the last week the House was in session during the 95th Congress. Legislation on this subject was recommended in the Oversight Report on the Federal Government's Role in Merchant Marine Officer Education which was adopted by the Committee on Merchant Marine and Fisheries last fall, and I expect that it will receive early consideration.●

LEGISLATION ON FLOOD CONTROL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CARTER. Mr. Speaker, today I am introducing legislation to authorize necessary flood control measures to provide adequate protection for those who live in communities on the Cumberland River in Kentucky and on the Levisa and Tug Forks of the Big Sandy River in Kentucky, Virginia, and West Virginia.

After the devastating flood of April 1977, the people of these areas rebuilt with enormous strength and courage their communities, their homes, and their lives, all of which were nearly completely destroyed. Much of the physical evidence of that tragic time has now been erased through their hard work and determination not to give up, but the memory of the devastation is as vivid as ever. Furthermore, the threat of future flooding and renewed destruction has not diminished.

During the previous Congress, I introduced legislation and testified numerous times concerning the urgent need for flood control measures and in support of those who have suffered the threat of annual flooding for far too long. I believe strongly that the need for action to remedy the situation is as great today as it has ever been.

Last year, the Committee on Public Works and Transportation held hearings on this issue. They concluded that the flood control measures sought by the people of these areas of Kentucky, Virgina, and West Virginia are justified.

Mr. Speaker, I wish to include a portion of the committee's report of August 8, 1978, on H.R. 13059, Water Resources Development Act, which contained provisions for necessary flood protection in these areas:

> The areas covered by this section [Sec. 147, Water Resources Development Act of 1978, H.R. 13059] have a long history of floods which have had devastating effects on residents of the area and their property. The flood of April 1977 was the most destructive of all.
>
> The people who live in this area have little choice but to live where they are. The land which they occupy is subject to severe flooding, yet there is virtually no other land available to them. The area is a coal mining area, and the Nation benefits greatly from that resource. Yet the people who live there, who work the mines, who stay because of the employment opportunities afforded by the mines and because of their loyalty and deep affection for the land, their families and ancestry, are repeatedly subjected to losses of lives and property caused by severe flooding.
>
> The uniqueness of the problems of Appalachia, the perseverance and resourcefulness of the people of that region, and the potential of the region and its people to participate in, as well as contribute to, a better way of life, were recognized in the Appalachian Regional Development Act of 1965. Yet, under the terms of traditional economic evaluation criteria, it has not been possible to justify, in economic terms, measures which would alleviate the intense human suffering which occurs repeatedly in the area.
>
> In section 209 of the Flood Control Act of 1970, the intent of Congress was expressed that, in formulating and evaluating water resources development projects, four matters should be considered. These are national economic benefits, regional economic benefits, environmental quality, and the well-being of the people. Section 209 has never been implemented. Water resources projects are still evaluated strictly on the basis of national economic benefits. In the case of flood protection, where the benefits are evaluated as damages prevented, this results in areas with lower property values being denied assistance, because the value of protecting these areas is exceeded by the cost of protection. Yet if an area of higher economic value is involved, the benefits of flood protection would exceed the costs.
>
> The committee feels strongly that national economic benefits should not be sole criterion for determining whether assistance in protection from flood damages is warranted. There are exceptional cases, such as in the area covered by this section, where other factors come into play—environmental considerations, the well-being of the people, and regional development, which help not only that region but the Nation as a whole.
>
> The committee has held numerous hearings and site investigations of the devastation and suffering which has occurred in this area. Accordingly, the committee has concluded that flood protection for the area involved is warranted in consideration of the four objectives set forth in section 209 of the Flood Control Act of 1970. The well-being of the people in the area involved, combined with their contribution to the Nation's energy requirements and its social fabric, mandate that flood protection be provided.

Mr. Speaker, the people of Kentucky, Virginia, and West Virginia remain strongly interested in steps to improve protection against flooding, and they deserve our support. The bill that I am introducing today contains language similar to that reported last year by the Committee on Public Works and Transportation, and I believe that we should now proceed as soon as possible to adopt this legislation.

I urge my colleagues to give this matter their favorable consideration.●

RESTRICTIONS ON RADIOACTIVE MATERIAL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, the hazards posed by highly radioactive nuclear material have been amply documented in recent months. The threat to public health and safety involved in transporting these substances through densely populated communities requires legislative redress.

For this reason, I am today reintroducing legislation which prohibits the Department of Transportation from approving shipments of radioactive material through any geographic area with a population density of more than 12,000 persons per square mile. The only exceptions to this ban would be for radioactive elements to be used in medical diagnosis or treatment within the area or in cases of national emergency.

This legislation is needed because DOT now has the authority to not only sanction such shipments, but also to override State or local law forbidding nuclear waste transport.

In New York City, for example, the municipal health code prohibits shipments of radioactive material except when it is to be used for medical purposes or during a national emergency. But DOT, acting on an appeal from the manager of Brookhaven National Laboratory on Long Island, recently considered pre-emption of the city's regulation, and DOT is now undergoing possible routing regulation adoption.

The New York City Bureau for Radiation Control strongly opposes any erosion of the health code's restrictions. Its director, Dr. Leonard Solon, points out that an accident or sabotage involving nuclear waste cargo in the city could result in up to 10,000 immediate deaths and some 1 million latent cancer fatalities.

A section of the Hazardous Materials Transportation Act of 1974 gives the DOT Secretary the power to pre-empt local and State ordinances such as New York City's. It is this provision which my legislation would amend.

Whatever slight inconvenience this legislation imposes on shippers will be more than offset by the public health and safety safeguards we will be establishing.

Studies undertaken by the Energy Research and Development Administration, the Nuclear Regulatory Commission and the General Accounting Office—as well as by private industry—have indicated the gravity of the threat faced by Americans as nuclear waste products proliferate. We can significantly reduce the risks of a catacylsmic radiation emission by keeping nuclear materials out of our more densely populated communities.

I urge my colleagues to join me in supporting this legislation.

H.R. —

A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Hazardous Materials Transportation Act of 1975 is amended by adding the following new subsection at the end thereof:

"(d) The Secretary shall not issue any regulation, exemption, exception, or inconsistency ruling thereto, the effect of which is to permit the transportation of any radioactive material through or into a geographic area containing a population density greater than twelve thousand persons per square mile, except when the radioactive material involved is to be used for medical diagnosis or treatment in such area, or during a national emergency."●

A NEW MARSHALL PLAN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BARNES. Mr. Speaker, one of the major factors behind instability in the world today is the absence of an interdependent economic system between the industrialized nations and the so-called Third World. By the year 2000, according to World Bank figures, 600 million people will be living in absolute poverty.

I believe quite strongly that the United States needs to do its fair share to remedy this imbalance. We alone can't be expected to feed the world, but we can challenge other nations to join us in a partnership to meet basic human needs. A civilization with the technology to send space craft hurtling to distant planets should also have the wisdom to assure that its children are fed and their parents have an opportunity for a decent life.

Thirty years ago, the United States adopted the Marshall Plan to rebuild a world devastated by war, hunger and disease. We should consider a similar approach today. At present, the United States spends less than 0.27 percent of its gross national product on development assistance, which ranks us only 13th among the 17 Western industrial countries and far below the 0.7 percent target proposed by the United Nations. We can and we must do more.

Mr. Speaker, without endorsing any specific approach at this time I think we should begin a serious debate on these questions in the 96th Congress. One interesting analysis of the possibilities and problems associated with a new Marshall Plan was written by Ronald E. Müller, an economist at American University, and Everett M. Ehrlich, an energy economist, and appeared in the Washington Post of January 7, 1979.

The article follows:

NEEDED: A GLOBAL MARSHALL PLAN

(By Ronald E. Müller and Everett M. Ehrlich)

A notable aspect of American economic policy in recent years has been its defensive nature. Internationally, instead of addressing ourselves to remedies, we have preferred quotas, tariffs and other protectionist palliatives. Similarly, President Carter's November emergency measures to protect the shaky dollar were clearly another admission of crisis rather than a solution to one.

Neither those steps nor others that have been taken are expected to solve the complex underlying problems that have given us persistent "stagflation," or rapid inflation with high unemployment and sagging economic growth. The world is understandably jittery, given the realization, summed up recently by Arthur Burns, that "our economy is no longer working as we once supposed."

The global crisis of confidence, however, has produced an anomaly which contains a significant basis for hope—if only we will take the initiative and seize it, as others have been urging us to do in international economic and political forums.

The anomaly is that investors are holding a global cash pool of at least $500 billion

that they are apprehensive about committing, even though there is a deep need in the United States for new plant and equipment to create jobs and, among Third World countries, a demand for capital goods and technology to help them overcome poverty. There are, for example, an estimated $25 billion to $30 billion of feasible food, mining and energy projects in Third World countries for which no financing is currently available.

The irony of massive unused funds existing side by side with massive unmet needs suggests one approach to the world's economic dilemma which, while not promising to "solve" it in its entirety, is likely to make a major difference. An infusion of this idle wealth into developing nations would allow large segments of the Third World to import from us the capital goods and technology that we produce. This obviously would have a circular effect, stimulating both our own economy and the Third World's and helping poorer nations overcome the mounting short-term debt problem that has curtailed their ability to buy our exports.

What is needed, in short, is a global version of the Marshall Plan in which the industrial world creates new markets for its products by financing poorer nations' development needs, just as we ensured demand for American products 30 years ago through the rebuilding of Europe.

Pooling resources from wealthier nations to invest in poorer ones is, of course, already a central purpose of, already a central purpose of, among others, the World Bank. But for a variety of reasons—ranging from limits on borrowing and lending authority to an inability to resolve disputes that have kept away larger contributions from the oil-rich OPEC countries—existing institutions have failed to attract and make use of that idle $500 billion-plus.

What is needed now is a new and broader mechanism to add to and reinforce existing arrangements.

Europe, Japan, OPEC and non-OPEC Third World countries have in fact made repeated overtures to us to consider such a step. But, unfortunately, we have remained silent.

It should come as no surprise, then, that our economic allies are moving toward going it alone; they have been offering the Third World mini-Marshall Plans on a regional or economic-bloc basis, negotiating bilateral trade, aid and investment agreements, and arranging such special deals as exchanges of their exports for Mexican oil. Half of Japan's exports and 40 percent of Europe's, after all, depend on the Third World—and the poorer nations are struggling to find money to pay for those goods.

Third World markets are of no small concern to the United States, either. As Deputy Secretary of State Warren Christopher remarked in October, "Our exports of manufactured goods to the developing world already exceed our exports of these products to Western Europe, Japan and Communist countries combined. The developing countries are our fastest growing markets and critical sources of raw materials."

The separate moves by our economic partners toward the Third World—combined with what a recent study by the General Agreement on Tariffs and Trade terms "an increase in protectionist pressures to levels that haven't been seen since the Great Depression"—can only give new urgency to a disturbing question: whether our post-World War II economic alliance will be undermined by what some have called a series of "trade, aid and investment wars."

Only last month Sen. Frank Church of Idaho, soon to become chairman of the Senate Foreign Relations Committee, declared: "If we are seeing the end of 'the American Era,' it is not because we have lost the superpower race with the Soviet Union for strategic superiority, but because we are losing our capacity to compete [economically] with our own allies."

The alternative to trade wars and protectionism among allies is growth, and economic growth will be difficult unless the world's idle funds are channeled into productive purposes. Since existing efforts have fallen far short of achieving this, it is clearly in our own interest, as well as in the interest of the rest of the world, to give much more serious consideration to a global version of the Marshall Plan that might provide a large part of the answer.

OPEC IS A KEY

Of the $500 billion-plus that is currently sitting idle in the world, the OPEC oil cartel holds about $110 billion, or more than 20 percent of the total.

OPEC's reluctance to invest in more plant and equipment or other wealth-producing projects has been understandable. The World Bank, while eager to help OPEC recycle more of its funds into developing countries, has yet to raise OPEC's voting power in the bank, which would require a politically difficult and time-consuming change in its constitution. OPEC countries, moreover, are wary of putting up factories or making too many other fixed investments in nations like the United States where, they fear, their assets might be seized if a serious dispute erupted over oil prices and policies.

As a result of these and other factors, less than 40 percent of OPEC's unspent surplus petrodollars have been sunk into productive assets. Just as with private investors in the West, the lion's share of OPEC's savings remain in such defensive havens as real estate, gold and short-term U.S. Treasury bills.

OPEC, of course, has a large vested interest in seeing healthy industrialized economies and a stable dollar; a robust industrial world means a heavy and reliable demand for its oil, and the oil is sold in dollars. But the fact that the immense pool of OPEC and others' savings are now in defensive investments that can be moved virtually overnight is itself a major source of instability in the dollar and of economic uncertainty in general.

Because holders of the rest of the idle $500 billion cannot make commitments without knowing what OPEC will do, securing OPEC's participation is a critical element of all versions of a global Marshall Plan. It is essential to do this, moreover, without significantly disturbing the economic and political relations reflected in existing international economic institutions. Consider, therefore, the following version of such a plan:

A series of "OPEC Development Bonds" would be issued in the United States and in foreign capital markets. OPEC itself would buy 25 percent of the bonds and guarantee them with a Triple A rating, meaning they would offer the best available combination of interest rates and security. The other 75 percent would be offered to banks, insurance companies, pension funds and other private investors, particularly in the Eurocurrency market, where much of the world's cash is housed in an unregulated melting pot.

The money raised by selling these bonds would go into a special fund that could be administered by the World Bank and its affiliates, thereby avoiding the immense chore of establishing an entirely new institution. There, the United States and other industrial member nations would provide a second guarantee for the bonds as well as make their own direct contributions to the special fund.

Each member nation would decide whether its contribution would come from an increase in its overall development assistance budget or from its existing aid outlays. Those that might come from existing contributions would represent only a modest fraction of such spending and certainly would not undermine the wide array of existing development programs. In fact, the special fund in many cases could be coordinated with and reinforce the operations of existing development institutions.

THREE-PARTY DECISIONS

In either case, the initial goal would be to raise, from all sources, up to $20 billion annually, sustained for at least four years. That would make this money available for long-term loans to finance more port, irrigation, food-storage, mining, hydroelectric and other basic development projects in the Third World.

These and other projects, of course, would require more goods and technology from the United States and other industrial nations; trucks, tractors, fertilizer, drills, heavy and light construction machinery, communications equipment, technical planning and financial services, to name a few.

Importantly, the decisions on how this additional money is lent would be made separately—and under separate procedures—from the main operation of the World Bank.

Specifically, OPEC, the industrialized nations which form the Organization of Economic Cooperation and Development (OECD) and the less developed countries themselves would all participate in those decisions. This would assure OPEC of the stronger voice it has been seeking in the use of any large sums it contributes—but without disturbing existing voting power in the World Bank itself.

It also would ensure the necessary voice of the poorer nations in helping determine the best use of the money. If one lesson of the original Marshall Plan was the need for a sustained, long-term financial commitment to make visions of recovery believable, another was the importance of involving the recipients themselves in planning and carrying out the program.

Similarly, the voice of the United States and the other industrialized nations in the OECD would be used to make sure that the money was chiefly invested, on a sound financial basis, in projects using products we export. The United States would likely receive a hefty share of this business, as it had been doing for 20 years. Third World purchases here have slowed in recent years, but this is mainly because the financing hasn't been available, not because the demand hasn't been there.

The importance of this export business should not be underestimated. Swedish calculations show that loans made to non-OPEC Third World countries in 1974–77 resulted in $90 billion of imports from the United States and other OECD nations and saved at least 3 million jobs in those countries. Similarly, a 1976 report by Arnold Packer and Van Ooms for the Senate Budget Committee showed that the 1974–75 U.S. recession would have been far worse had it not been for the developing world's ability to maintain and even increase its purchases of our exports.

Today, every $6 billion increase in Third World purchases of exports from OECD nations expands the industrialized world's gross product by half a percentage point.

More importantly, in the United States the increases in domestic business resulting from development aid have chiefly gone to our industries most in need. Of 39 major industry groups receiving such export orders in 1976 from the Third World, 34 were suffering from high unused production capacity.

Legitimate questions can be raised about the ability of a number of Third World countries to absorb large new infusions of development funds, about whether they have the transportation networks, commercial organizations, communications systems, trained personnel, cultural traditions or political stability to make wise and productive use of such money.

But funds are already being channeled to these nations, and the demand greatly exceeds the supply. Moreover, the absorption problem is already being addressed, at least in part, by new arrangements between Third World governments and multinational corporations, which certainly do have the necessary expertise. Development planners from countries as ideologically diverse as China, South Korea, Algeria, Tanzania and Mexico have learned, sometimes through bitter experience, how to work jointly with the multinationals. This is all the more true when international development institutions like the World Bank act as "honest broker" between the host countries and the corporations, which would be the case with any projects funded by a global Marshall Plan than involved the multinationals.

What must be kept in mind, in addition, is that global Marshall Plan loans would be aimed in large part at financing those very foundations of industrialization—ports, communications, food production, mining, energy—that are the prerequisites for future expansion, and that this would be done at the request of the poorer nations; it would not be imposed on them. No doubt considerable care and sensitivity would be needed in choosing the projects to be funded, but that is the case with all development aid.

Although these and other questions would have to be examined in much greater detail before creation of such a special fund, they are no reason for delaying moves in that direction. We can no longer delude ourselves into thinking that protectionism and other defensive national measures taken under crisis conditions constitute an economic policy, or that we can solve our problems by ourselves in an increasingly global economy.

Leaders in industrial and developing nations say that Washington's excuse for remaining silent so far on proposals for a global approach to "stagflation" is fear of rejection by Congress. But numerous congressional hearings, concurrent House and Senate resolutions on "global stimulation proposals" and a call by Sen. Henry Jackson of Washington State for a Middle East Marshall Plan all suggest that the Congress is searching for precisely such initiatives in this area.

A major impetus for the original Marshall Plan obviously came from national security worries of the Cold War era. Now we have Sen. Church suggesting that our most critical foreign policy issue of the 1980s will be our troubled economy. As he puts it, "a resurgent domestic economy . . . is the key to America's overall position of power and influence in the world." But our own economy depends in large measure on the health of others' economies.

Like the original Marshall Plan, a 1980s versions would not preclude the use of more traditional policies. Rather, it would provide one important new approach to the profound problems of our increasingly interdependent world. The costs of moving in this direction seem slight when compared with the likely benefits: stimulating more exports and jobs for both the United States and our allies, making a significant dent in world poverty and in global "stagflation," and putting American leadership behind a policy that eases protectionist pressures and helps maintain a more open world economy.●

SECRETARY SCHLESINGER SPEAKS ON THE CHALLENGE OF THE COMING WORLD OIL SHORTAGE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCORMACK. Mr. Speaker, on last November 29, Secretary Schlesinger of the Department of Energy delivered a major address to an organization known as The Pilgrims in London. The title of Secretary Schlesinger's address was Long Term Strategic Implications of Energy.

Because of the leading role Secretary Schlesinger plays in formulating energy policy for the United States, his remarks bear considerable weight. In addition, I believe that most observers would agree with Secretary Schlesinger's message: that this Nation, and the Western world in general, is facing an almost unparalleled challenge because of the impending shortage of world supplies of gas and oil. Our response to this challenge must, of course, be to modify our major reliance upon the use of oil and gas, imported or domestic, and to dramatically increase our production of energy from other domestic sources.

For the benefit of all the Members, I submit herewith portions of Secretary Schlesinger's address:

. . . To this point the American people have enjoyed boundless expansion and seemingly limitless resources. There has been no need to face up to the concept of finiteness in resources—as the oil supply/demand balance now requires us to do. Passage of the National Energy Act represents a watershed in that it starts the adjustment of our demands to the means available. It implies recognition that even in the United States our wellbeing, perhaps our survival, depends upon careful attention to our productive resources.

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That turn in the road is forced upon us—all of us—by the limits, physical and political, on prospective oil supplies. Those limits imply conditions dramatically different from those that we have encountered in the last half-century—a period in which oil has increasingly become the dominant energy source for economic expansion—and has gradually altered the Western world's reliance on the more abundant but less convenient coal on which previously it had overwhelmingly depended.

The enormous expansion of economic activity and of international trade, which the industrial world has so spectacularly enjoyed since the close of World War II, took place through the increased usage of oil—and notably cheap oil. (It should also be noted that that expansion of international trade and investment took place within a framework of unparalleled international security, provided in large part by the power of the United States—a subject that deserves further examination.)

But oil is no longer cheap. And within a few years its availability, at least from conventional sources, will no longer increase. That implies that we must be attentive to the motive power of our industrial civilization and must adjust our ways, if over the long haul we are to preserve the economic viability and political stability of our several nations. Adjustments must come—either wisely through adoption of intelligent policy or haphazardly through the appearance of energy shortages with which we would find it difficult to cope.

The implications are obvious. We must take advantage of the time available to make the inevitably time-consuming adjustments of our stock of capital equipment—while there is time—so that we can move smoothly through this difficult transition. Alternatively, in the absence of a smooth transition, we will face serious economic difficulties and political unsettlement. The choice seems clear. It implies that for the decades immediately ahead the energy problem must be placed continuously and prominently on our political agenda. Despite the unavoidable frictions and despite the chore of painstaking attention devoted to an activity seemingly mundane because in the past we could always take it for granted, we have no serious alternative if our free societies are to remain vigorous.

In the past year our estimate of oil availability in the middle 80's has undergone downward revision, reflecting in particular a reduction in prospective OPEC supplies. Oil production worldwide, now running in excess of 60 million barrels a day, should not be counted on to increase by more than 20 percent before reaching its practicable limits.

If oil consumption were to increase at 4 percent per annum, as in recent years, we would have reached capacity limits before the middle 1980s. Even if the growth rate were to be reduced to 2 percent per annum—a substantial accomplishment given where we now stand—we would still reach the crunch point by the early 1990s, a period in which we expect conventional oil production perforce to peak. So the task of adjustment through greater fuel efficiency and the shift to more abundant energy sources is upon us now—and we must effectively exploit the time available.

Too much time has probably been devoted to attempting to determine the precise year in which the ex ante demand will likely overtake prospective supply, whether it be 1985 or later. It has led unduly to millenarian pondering regarding the Day of Reckoning. But that is a variable date depending on how well we do regarding fuel efficiency and alternative sources of supply—and how badly we do in maintaining economic growth. The former are, of course, the instruments of intelligent policy.

Policy can make an effective contribution. The three million barrels a day savings resulting from the provisions of the National Energy Act could defer the period of worldwide oil supply difficulties by as much as two years. In a recent speech Sir David Steel indicated that British Petroleum now projects that as a result of improved governmental policies, better conservation practices, and slower economic growth that we shall get by the middle 1980s and not be in difficulty until around 1990. But it imposes upon us the responsibility for adaptation during the course of the next decade.

In this connection one should note that there is surprising and undue satisfaction taken in slower economic growth as a partial solution to our energy problems. To be sure slow economic growth both defers and provides time for resolution of some critical difficulties regarding energy supply, but it is hardly an acceptable solution. We must not come to regard economic stagnation as a form of deliverance. Soon enough shall we come to recognize anew the serious problems that unsatisfactory economic growth inevitably entails.

There is, however, a further and serious concern. These longer term difficulties of transition—for which we must adopt longer term measures—will constitute our principal problem, only if we are lucky. There is also a nagging worry regarding the possibility of short term interruptions. The principal source of oil supply, on which the health of the international economy depends, lies in the Middle East, a region historically volatile and with a potential for political instability. More than 40 percent of the world's oil passes down from the Persian Gulf through the Straits of Hormus. The embargo of 1973–74 dramatized the growth in our dependence and vulnerability. The Abquaiq fire of 1977 and, more recently and dramatically, the disruptions in Iran's oil fields are vivid reminders of the fragility of the production and logistical system on which the health of the industrial world depends.

Such vivid reminders, unpleasant as they are, are perhaps necessary. As the industrial

world's dependence and vulnerability have risen, its attentiveness has tended to diminish. We have become more vulnerable, not only in the physical and economic sense, but in a geopolitical sense as well.

The texture of strategic relationships in the preeminent oil producing region is in the process of change—and we must be alert to those changes.

You in these Islands—to start with your historic example—were long concerned with the "Lifeline to the East." Increasingly in this century protection of the oil routes first equalled and then superseded communications with the Empire as the central purpose embodied in the concept of the Lifeline. Yet, it was not the only lifeline. Until the 1960s, there was shut-in capacity in Texas and other producing states. So long as you could count on American support, as you did in World War II, energy supplies would be forthcoming. The lifeline was as much a convenience as a necessity. It may have been a lifeline for Anglo-Iranian but it was not a lifeline for Britain itself.

In today's conditions, however, despite the relative immunity provided to Britain by North Sea oil, the oil routes have indeed become a lifeline for Western Europe—and for Japan as well. The United States may have a lesser and perhaps tolerable degree of dependency, but for the industrial democracies taken as a whole, bound together as they are by affection by interests, and by treaty obligations, there is no evading the fact that the Lifeline concept is now both compelling and collective.

In 1968 Britain made the decision to withdraw east of Suez, a process that was completed in 1971. The Shah was persuaded that there should be no external replacement of the British presence, and unilaterally decided to take on the responsibility of Guardian of the Gulf based on the strategic vision of the importance of the Gulf and a need to avoid a vacuum of power. There has been nothing in recent developments that suggests that the underlying strategic issue has been satisfactorily resolved.

The events of this past year have hardly been reassuring: a coup in Afghanistan that is reducing that country to the status of a Soviet satellite, the murders of two chiefs of state in both North and South Yemen, and the further strengthening of Soviet influence in the latter country, the developments in the Horn of Africa with the arrival of Cuban forces and Soviet military leaders, and the subsequent treaty of cooperation. Perhaps the most dramatic of all has been the severe unrest in Iran that has shaken the entire area. The political implications of these disruptions undoubtedly exceed in importance the direct impact on prospective oil supplies.

What our Soviet friends refer to as the "correlation of forces" has scarcely been moving in a satisfactory manner from our standpoint. The stability of what earlier was referred to as the Northern Tier has been badly shaken. Whatever the intent, the pattern of events has created the perception in the Gulf States of the prospect of encirclement.

These are developments that we shall have to ponder.

In the quarter century after World War II, an unprecedented degree of political stability—providing, as a by-product, security for international trade—was attained through the preponderance of American power. In more recent years political stability has depended upon the maintenance of a global balance. On that global balance rests the security of the industrial democracies. And that global balance must rest on something more than a generalized and overall assessment of the indices of power worldwide. It must continue to be one that effectively provides for stability in critical regions of the world.

The intimate connection between energy and security is increasingly accepted, just as is the more obvious connection between economic performance and energy cost and availability. These are not new problems, but they are old problems that have now acquired a new significance. Change means adaptation—or more precisely, makes intelligent adaptation necessary. Like your namesakes, the Pilgrims of 1620, we are entering into an unknown land. Like them also, we must do so with undaunted spirit.

In the long sweep of human history there have been numerous challenges. In recent centuries no nations have more effectively surmounted such challanges than have our own—based as they are on free institutions. The challenges are still there. We should welcome them. For the nations—and the social orders—that The Pilgrims cherish will, we can be confident, effectively respond to such challenges—with courage and with vision.●

ERRORS, TRAUMAS ARE BEING REPEATED

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

ERRORS, TRAUMAS ARE BEING REPEATED

(By Ira C. Eaker)

Many thoughtful citizens now believe, and future historians may confirm, that the Vietnam War was the greatest American tragedy of this century.

"Strategy for Defeat" is the best book I have read on that conflict. The author, Adm. U. S. G. Sharp, was the military man responsible for the operational direction of the Vietnam War for the first four years, as Commander-in-Chief, Pacific.

Hanson W. Baldwin, the able and authoritive retired military editor of the New York Times, wrote a perceptive foreword. Some pertinent quotes follow:

"In effect, the failure to employ properly the tremendously superior U.S. air and sea power in Vietnam accounted for the first defeat in American history.

"The historical blame must be placed squarely where it belongs—not primarily upon our military leaders . . . but upon the very top policy makers in Washington. President Lyndon B. Johnson and his right-hand man in this strategy of equivocation, indeed an architect of it, was then secretary of defense, Robert S. McNamara, with his 'Whiz Kids' and arrogant academicians who surrounded him. These are the men who, with flagrant arrogance or naive wishful thinking, fashioned the policies of defeat in Vietnam. Some of them, unfortunately, have returned to positions of power in Washington today."

Adm. Sharp, in his preface, leaves no doubt about his reasons for writing this significant book when he says, "This book will concern itself in general with the overall strategy of the war . . . in particular with the conduct of the air war over North Vietnam.

"Our air power did not fail us; it was the decision makers. And if I am unsparingly critical of those decision makers, I offer no apology. Looking to the future, the taxpayer and much of his tax dollar is going to support military air power, and he may well ask, 'Why should we spend more money on air power? It did not get the job done in Vietnam.'

"My purpose is to tell those who will listen how air power could have done the job if only it had been used properly, and also to justify its future utility."

Adm. Sharp dispels any notion that this book is a diatribe against civilian control of the military when he says, "I believe unequivocally that civilian authority is supreme under our Constitution."

The author does not spare President Richard Nixon and his secretary of state, Henry Kissinger, for their unfortunate, ill-advised haste in winding down the war, thus abandoning our Asian allies to the holocaust, which has already needlessly sacrified 3 million South Vietnamese, Laotians and Cambodians.

All fair-minded citizens, after reading this book, should agree with its basic conclusions.

"It was folly to commit Americans to combat and then force them to fight without utilizing the means we so richly possessed to win an early victory. We could have brought the Vietnamese War to a successful conclusion in short order early in the game. All we needed to do was assemble the necessary force and then use it the way it was designed to be used."

The reason this book is so critically important today, other than as a historical record, is because the errors and traumas from that conflict are being repeated today and are affecting adversely our present foreign policy and national security.●

BARNEY MILLER

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, aside from today's more serious business, I would like to take a moment to applaud a group of men whose creativity has produced one of the best shows on television today. They live in that elusive "12th Precinct" which provides the background for the Barney Miller series, and which falls within my 17th Congressional District borders in Lower Manhattan. While today's television programing has been called a vast wasteland by many, including myself, these men have proven that we have in this medium an opportunity to express the many problems of our daily lives in a positive, creative, and entertaining fashion.

This year marks the beginning of Barney Miller's fifth year on television, and I believe that this milestone deserves some special recognition for those who have brought the 12th Precinct into our homes.

Danny Arnold is the executive producer and cocreator of the Barney Miller series; without his talents and endless energy, this unique portrayal of life in New York would not be the same.

Besides Danny Arnold, I would like to recognize the star of the series, Hal Linden, a fine actor whose portrayal of Captain of Detectives Barney Miller offers his exceptional view of the compassionate, thoughtful police officer—which is what officers often are, but are not recognized as such by the public.

Yet no series is solely the work of the creator or the star. It has taken the combined efforts of many people to produce this fine show. Max Gail plays the affable Wojo; Ron Glass is the dapper Harris; Steve Landesberg is the erudite Dietrich; Ron Carey is the punctilious Levitt; and James Gregory is the out-of-step Inspector Luger.

It grieves me to report that one member of the cast, Jack Soo—in reality, Gora Suzuki—will no longer be available to us as the philosophical detective Nick Yemana. Jack Soo died last week, after suffering from cancer of the esophagus for over a year, I would like to pay special tribute to his talent in creating such marvelous humor for us all in his performances on the show, as well as in a long career which began as a singer and dancer in a Chinese nightclub, and continued with work as Joey Bishop's "straight man," as well as more than 50 television roles, including many appearances on the Jack Benny Show. He also appeared in both the stage and movie versions of "Flower Drum Song." The entertainment world has lost a fine actor. As Mr. Soo himself joked about his long illness, "it must have been my coffee."

I would like to digress further for a moment to comment on this wonderful American. Born in Oakland, Calif., and raised there, he had the misfortune of beginning his career at a time when being a Japanese-American was considered a terrible thing. But he has proven through his service, as well as that of his brother, Michio Suzuki, a Deputy Commissioner of the U.S. Department of Health, Education, and Welfare, that the Suzuki family of Oakland, Calif., was and is, first and foremost, American. I think it only fitting that we recognize the goodness that they and other Americans of their ancestry have given to their nation, and that we deplore the tragedy that any American's identity be threatened, because of their ancestry. If anything, Gora Suzuki has proven all his life that he truly was an outstanding American citizen. I am proud of his many contributions to our culture and our society.

I would also like to pay tribute to Noam Pitlick, the director of the series, and to the producers, Tony Sheehan and Reinhold Weege, whose outstanding talents have proven to be the reason "Barney Miller" stays viable and relevant.

This series has shown that efforts to deal with very real human problems can have a strong foundation in humor. Far too seldom do we use this tool to truly reflect upon the human condition; such a perspective is the message of this program.

I am proud to have Barney Miller's 12th Precinct in my congressional district, and I hope that law officers nationwide feel themselves to be at least a spiritual part of that unique detective squad whose image gives such pleasure to others.●

MEAT IMPORT ACT OF 1979

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BEDELL. Mr. Speaker, I am today introducing the Meat Import Act of 1979 which would make some improvements in the present method of computing quantitative limitations on the importation of meat and contribute to a more stable environment for the meat production industry.

Last year, both houses passed the Meat Import Act of 1978 in the closing days of the 95th Congress. That legislation, as we all know, was a well-balanced and fair proposal, and I think that the chairman of the Trade Subcommittee, Mr. VANIK, should be commended for the outstanding work he did in assessing the needs of both the cattle industry and the consuming public during the drafting process. Regrettably, the President vetoed the bill after adjournment of Congress, and that action has left a policy vacuum which should be filled.

Unquestionably, the Meat Import Act of 1978 would have gone a long way toward providing needed import stability. Just how much the lack of such stability can adversely affect both producers and consumers has been made clear by developments in the past several months. Last summer, the domestic cattle industry was just beginning to come out of an extended and devastating economic depression—an occurrence that most cattlemen had accepted as a necessary evil associated with the traditional cattle cycle. However, certain governmental actions, most notably in the area of renegotiations of import levels, served to destabilize the market, artificially postpone the long-awaited price recovery and, most importantly, erode producer confidence so extensively that the necessary herd rebuilding activity has been significantly stifled. Neither the producer nor the consumer benefited from such instability in the meat production industry.

The Meat Import Act of 1978, it will be remembered, was designed to improve upon the existing situation by amending the Meat Import Act of 1964 in two general ways. First, it would have established a new quota formula approach that would have operated in a so-called countercyclical manner. This simply meant that quotas would have been allowed to rise in those years when domestic production was low, and to fall when production was high. This approach was more conducive to stabilizing prices and herd numbers. The second major change in the Meat Import Act of 1978 would have brought even more needed stability into the import level formulation process by reducing the possibility for disruptive governmental tampering with import levels. The most important tool it provided in this respect was the "average index ratio". This ratio was to be obtained by dividing the USDA's Farm Price of Cattle Index for the calendar quarter by the Labor Department's Beef and Veal Price Index. The new language would have allowed the President to increase the meat import level by 10 percent only if the average index ratio for the first two calendar quarters was 1.10 percent or higher.

As noted earlier, the President found the Meat Import Act of 1978 unacceptable, citing its restriction of Presidential authority to increase meat imports and its 1.2 billion pound minimum access level, which he considered too low, as the basis for his veto. In fact, in the Memorandum of Disapproval issued by the White House, the President stated that:

> If the Congress had enacted H.R. 11545 without these objectionable provisions, I would have been pleased to sign it. . . .

I have carefully examined the arguments for the veto, as well as those in support of the bill. This assessment has convinced me that the Meat Import Act of 1978 was a good bill and that its enactment would be in the best interests of society as a whole. The existing law, the Meat Import Act of 1964, needs to be changed, for it falls woefully short of its mandate, which is to provide for a stable supply of the high-quality beef that Americans have come to expect. While the President's concern over having his discretionary authority circumscribed is understandable, the figures show that, if the average index ratio had been in operation during the last 10 years, of the 10 times that the Executive has suspended quotas and increased allowable import levels, he would have been prohibited from acting only once. The ratio is reasonable and provides sufficient discretion to the President.

Unfortunately, however, the President and the Congress are at an impasse, and it is unlikely that the act will ever become law unless the Presidential authority language is modified. My proposal responds to the President's objections in this regard without compromising the objective of the Meat Import Act of 1978. It is identical to that legislation except for one important difference regarding the circumstances under which the President could increase imports without the average index ratio reaching 1.10.

The bill I am proposing would allow the President to increase import levels even if the so-called average index ratio stipulated in the bill had not reached 1.10, provided that the President—through the Secretary of Agriculture—informs both the House and Senate Agriculture Committees of his intention, along with the reasons for it, 30 days prior to the date of implementation. If both Houses of Congress do not pass a resolution of disapproval within that 30-day period, the Presidential action would take effect. In addition, language has been added which stipulates that the President should notify Congress 30 days prior to increasing import levels as provided by the bill in the event that the average index ratio reached 1.10. In this case, Congress could not block the proposed increase, just as in last year's bill.

I believe that this compromise proposal merits support for several reasons. First, from the standpoint of the cattle producer, its acceptance would mean that the Meat Import Act, with its countercyclical formula and the more narrowly proscribed parameters of Presidential discretionary authority, could become law. Even if the President were to successfully attempt to increase import levels without the average index ratio climbing to 1.10, the cattleman would benefit from the language I propose in the sense that the "cooling-off" period called for between the time the President announces the proposed action and the

time when it could take effect would do much to prevent the precipitous price declines that characteristically accompany announcements of this type. For instance, the mad dash of selling by speculators would, in all likelihood, be prevented.

And second, from the policy formulation perspective, it offers the principle of prior consultation. I am convinced that many of the ill-advised actions that have been taken in recent months in terms of quota realignments would not have occurred if there had been an institutionalized mechanism for a more thorough airing of the potential ramifications of the proposals before their implementation. All parties—the Executive, Congress, producers and consumers—would stand to benefit from the increased cooperation and discussion that such prior consultation would foster.

In summary, Mr. Speaker, I believe that the Meat Import Act that I am offering today is worthy of the support of all of my colleagues, whether they represent producers or consumers. The compromise language that it contains to satisfy the President's objections to the limiting of his authority to raise import levels is designed to transform the decisionmaking process in the meat import area into a mutual effort that includes the Congress as well as the Executive.

I am convinced that this bill will serve to stabilize annual beef import levels, and thereby induce producers to make the considerable investment risks necessary to pursue herd reconstruction. The end result of this reform is to assure that the American consumer has the stable supply of high quality beef at reasonable prices that has become a trademark of the American food production industry. I hope that all my colleagues will be able to quickly lend their support to this proposal so that it can be swiftly passed and enacted.●

CHINA RELATIONS

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FOUNTAIN. Mr. Speaker, like most of us in this House and around the Nation, I was taken by surprise by the President's sudden and dramatic China announcement on December 15.

At the same time, I was left sincerely troubled, not so much by the decision itself to extend diplomatic recognition to the People's Republic of China as by the timing and the manner in which the decision was made—at the expense of Taiwan, a valuable and trusted friend and ally, and without meaningful "prior consultation" with the Congress called for in section 26 of the International Security Assistance Act of 1978.

Few of us, I believe, could have entertained reasonable doubts prior to December 15 that diplomatic recognition of the PRC was eventually going to take place, especially in the light of President Nixon's 1972 visit to the mainland, the Shanghai Communique, the establishment of official liaison offices, and several other overtures and official exchanges during the Ford and Carter administrations—all of which indicated probable diplomatic recognition at some point.

However, I was hopeful all along—as were many of my colleagues and most of my constituents in North Carolina—that an improved relationship with the PRC, or complete diplomatic recognition, could have been accomplished without abrogating or otherwise impairing our historical friendship with the Republic of China. Regrettably, the President's untimely and premature decision dashed those hopes.

In fact, I have always been a strong supporter not only of maintaining full diplomatic relations with the ROC, but also of not altering or diluting in any way the Mutual Defense Treaty of 1954—unless and until a responsible, equitable, and workable solution to the so-called "two Chinas" problem could have been reached.

All of us knew that many negotiating sessions and much additional hard work would have been needed to arrive at an appropriate accord on the matter. In international affairs especially, difficult challenges require forthright and measured responses without a "rush to judgment" type of atmosphere.

Taken as a whole, however, the December 15 announcement was neither in the paramount interests of the United States nor in the overall interests of peace and security in East Asia and the Western Pacific. Since its establishment 30 years ago, the ROC has preserved the traditional culture of the Chinese people, upheld basic human rights, done its part in shoring up our alliance, supported in every way the free enterprise system, and served as a major trading partner of ours. To have extended diplomatic recognition to the PRC, while concurrently ending unilaterally our diplomatic relations with the ROC and giving notice of terminating the 1954 treaty was unwise and ill-advised.

Within a recent 2-year period, I participated in two factfinding missions to China and the Far East under the auspices of the House International Relations Committee of which I am ranking majority member. The first, in November, 1976, included 3 days in the Republic of China, and the second, in July, 1978, consisted of a 10-day conference in the People's Republic of China. Our 1976 report to the Committee, "Outlook on the Far East," discussed the normalization, economic, defense, and human rights issues which were then current and are familiar to most of us.

The report on the 1978 mission, entitled "A New Realism" and issued by the International Relations Subcommittee on Asian and Pacific Affairs just prior to the President's December 15 announcement, included five principal recommendations by our delegation. The recommendations follow:

(1) The possible implications of China's "new realism" as it affects establishing full diplomatic relations with the United States should be pursued by the administration in a timely manner.

It has been nearly 7 years since the signing of the Shanghai Communique. The question of timing, therefore, is important in order that U.S. inaction—or the appearance of inaction—not help induce a return to the more inflexible attitudes of recent years in China.

(2) An active search for the "grey area" between the fixed positions of both sides on the Taiwan question should be pursued in light of the presently favorable atmosphere perceived by the delegation.

The 1955–56 offer to negotiate a treaty with the United States, combined with informal suggestions to the delegation of willingness to consider negotiations with the Kuomintang, would seem to constitute the boundaries of a "grey area" which could produce favorable results, so long as a positive attitude continues to exist between Washington and Peking.

(3) To foster a continued positive attitude on both sides, the United States and the People's Republic of China should encourage and develop increased exchanges of people and views on official, private, and corporate-business levels.

Such exchanges, particularly when they are designed to increase trade, are both a stimulus to, and an actual component of, the normalization process. The delegation feels that a growing trade and cultural relationship between China and the United States can lead to a genuine bond between our two countries.

Specifically, the delegation now formally recommends what it has already informally suggested: that the administration send the President's Special Negotiator on Trade at the head of an official trade mission to China to follow up and seek to expand on the initiatives being pursued by private corporations and organizations.

The delegation urges a realistic and systematic approach to expanding United States-China relations, particularly in the areas of industrial and scientific exchange, coupled with a careful analysis of the estimated returns to the United States and its interests, particularly in the security area.

(4) The question of normalization should be based on the common bilateral interests and concerns of the United States and the People's Republic of China.

The delegation notes that despite their harsh statements concerning Soviet intentions, PRC leaders stressed that normalization should not be pursued purely as an anti-Soviet measure.

The delegation feels that opposition to the Soviet Union is inadequate to serve as the foundation for a solid relationship between the United States and the People's Republic of China.

(5) The delegation urges upon the administration the necessity of full cooperation with the Congress regarding its normalization plans and policies.

The work of the subcommittee and its predecessor (the Future Foreign Policy Subcommittee) since 1975 including the factfinding mission of July 1978, has been designed to minimize the possibility of divisive debate (as occurred on the Panama Canal Treaty) because the Congress and the American people are unfamiliar with the history and issues involved in normalization, including progress, or lack of it.

In order to avoid unwarranted fears or misunderstandings, the component parts or packages of the normalization process must be recognized and spelled out, particularly those regarding trade, security, and related questions which will require congressional approval, and which in many cases will require congressional initiative.

The delegation recognizes that normalization is a process which may either begin with, or culminate in, an actual exchange of ambassadors, and that the decision regarding this exchange rests with the Executive, but

that its implementation must be a shared process with the Congress.

Mr. Speaker, I ask that my own supplemental statement in the report be included at this point:

SUPPLEMENTAL STATEMENT OF REPRESENTATIVE L. H. FOUNTAIN

While I am in general agreement with the recommendations of the delegation, I want to take this opportunity also to reaffirm my longstanding interest in maintaining cordial relations with our historic friend and allay, the Republic of China. As I have stated on past occasions, I favor continued diplomatic recognition of the Republic of China and preservation of the Mutual Defense Treaty. I oppose sacrificing Taiwan as the price of achieving normalization with Peking, and hope that it will be possible to move toward full diplomatic relations with the PRC without impairing our historical friendship with the ROC.

Also troublesome, Mr. Speaker, is the language of section 26 of last year's international security assistance legislation, Public Law 95–384, which reads as follows:

UNITED STATES-REPUBLIC OF CHINA MUTUAL DEFENSE TREATY

SEC. 226. (a) The Congress finds that—

(1) the continued security and stability of East Asia is a matter of major strategic interest to the United States;

(2) the United States and the Republic of China have for a period of twenty-four years been linked together by the Mutual Defense Treaty of 1954;

(3) the Republic of China has during that twenty-four-year period faithfully and continually carried out its duties and obligations under that treaty; and

(4) it is the responsibility of the Senate to give its advice and consent to treaties entered into by the United States.

(b) It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954.

Let me note also that the conference report on this bill, House Report 95–1546, said the legislative intent of this section was ". . . to make clear that the House of Representatives is to be included in this consultation process."

Whatever consultation there may have been, Mr. Speaker, was inadequate in the sense contemplated by the statute. I do not believe that a few vague references to the negotiations from time to time, plus telephone calls to a few congressional leaders a couple of hours before the President's announcement satisfied the letter and the spirit of section 26. At any rate, at no point before the President went on the air was I consulted by him or by any of his representatives.

In fact, within days of the announcement, I cosigned, along with several colleagues on the International Relations Committee, a letter to the President registering "our concern, displeasure and dismay over the cavalier way in which this decision was conveyed to the Congress."

Mr. Speaker, as a result of the China decision, I fear that some of our allies around the world might for a while simply not believe what our country says. Regrettably, we probably have lost for the time being a good deal of trust, faith, confidence, and credibility placed in us by many of our friends.

Despite my objections and reservations concerning the President's action, however, I stand ready to work with the International Relations Committee, the House, and the executive branch in fashioning responsible legislation to maintain and improve commercial, cultural, educational, and other ties and relations—however unofficial—with the people and leaders of Taiwan. Examples of such legislation would include bills to continue several dozen executive agreements and other treaties between the United States and Taiwan, to continue arms sales to Taiwan, and to grant most favored trade status to Taiwan.●

VICE PRESIDENT MONDALE HONORS ISRAELI AMBASSADOR DINITZ

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, one of the most capable, effective and popular ambassadors ever posted to Washington was Simcha Dinitz of Israel. Last month he completed his assignment in Washington, having served under three Israeli prime ministers and through three American administrations. During that 5-year period I came to know and respect Simcha Dinitz and to call him my friend.

A friend of both Ambassador Dinitz and myself, Vice President MONDALE, has said of him, "no single individual has done more in these crucial years to cement the friendship between the United States and Israe that Simcha Dinitz." I can attest to the truth of that statement from firsthand knowledge.

"Simcha Dinitz brought a breadth of vision—and a singleness of purpose—which time and again have made the difference between success and failure," the Vice President said in a warm, affectionate farewell to Ambassador Dinitz and his charming, intelligent wife, Vivian. I would like to share with my colleagues Vice President MONDALE's farewell tribute to Ambassador Dinitz by inserting his remarks in the RECORD at this point:

REMARKS OF VICE PRESIDENT WALTER F. MONDALE

INTRODUCTORY REMARKS

Thank you very much, Chairman (Marvin) Kay, for that wonderful, generous introduction. I'm certain God will forgive you. I'll have the President put in a good word.

President (Michael) Aaron; Chairman (Marvin) Kay; Executive Director (Stanley) Siegel; my friend, Rabbi (Stanley) Rabinowitz; my good friends, Bob Lipshutz and Ed Sanders; ladies and gentlemen; and our distinguished guests, Simcha and Vivian Dinitz . . .

I am delighted to be here, to join this outstanding organization in honoring two of the best and most decent people we have ever known—Simcha and Vivian Dinitz.

And it's very appropriate that they should be honored by the organization for which Vivian has worked so hard—and which shares the dream of a growing and thriving Israel—the National State of Israel Bond Committee.

I have a great deal of respect for this organization. There are hundreds in Washington which espouse various principles. But very few have supported their goals so tangibly over the years. It was Bond money which built the Port of Ashdod—and made it one of the major seaports in the Western Mediterranean. It was Bond money which helped build the Dead Sea industrial complex and the National Water Carrier. And the latest project—the power station at Haberawill account for over a third of Israel's energy needs.

It's a truly remarkable record of accomplishment. It reflects the deepest promise of peace and growth in the Middle East. And no leader has worked harder or more productively for that dream, than Simcha Dinitz.

As we honor Simcha tonight, I think it's important that we understand what brought him to Washington in the first place. This isn't widely known, but it's a true story: About six years ago, Simcha was already an important leader in Israel. He had served as Minister to Italy and Delegate to the United Nations, and he was working as an advisor to Prime Minister Meir. And one Friday night—about three o'clock in the morning—Simcha was awakened by a phone call from Mrs. Meir. Since it was the Sabbath, he couldn't turn on a light. So he stumbled toward the phone in the dark, tripped over a chair, and broke his toe. And when he told the Prime Minister what had happened, she said, "Simcha. Someday you will learn how to operate in the dark without stubbing your toe. And when you do, I'll send you to Washington."

That was the last time Simcha Dinitz ever stubbed his toe. He's lasted through three Israeli Prime Ministers and three American Administrations. That's what we call survival. And I don't think it's any coincidence that when all of us went to Camp David for those historic talks, Simcha was assigned to stay in the cabin called "Hemlock." They figured he had the best chance.

And he has survived, with great distinction. And it's a measure of that distinction that just a few months ago, Simcha was honored by his Alma Mater, Georgetown University, with a Doctorate of Humane Letters. I want to read you a few lines from the presentation of the Doctore, because they really illustrate the most important qualities of this man. It says:

"Those of us who live in Washington know much about him: his sense of humor, his partisanship for the (Washington) Bullets (even though he did arrange to have them defeated in Israel), his cordial friendship for other ambassadors from the Middle East, his love of classical music, and (most important) his generosity towards his Alma Mater. We also share with him the grief and sorrow that he must feel, as he watches time, diplomacy, and the advancing years eat away at his lifelong ambition to (someday) play at Wimbledon."

Now those are the qualities which earn you a Doctorate of Humane Letters. But there is one additional quality which is Simcha's most outstanding—the one for which he has no rival—and that's Vivian. There's no doubt about it, she's the class of the act . . . so gracious . . . so intelligent . . . so loving . . . and so much a partner in the vital work of representing her country.

The other day I was reading the State Department's background briefing on the various officials and personalities from Israel. They give it to you when you travel there or have a conference here. And the whole

thing is written in this bureaucratic jargon which always put me right to sleep. But when you get to the section on Vivian Dinitz, all of a sudden you're reading that the Ambassador's wife is, quote, A "delightful and charming person." Obviously some State Department Desk Officer was just as charmed and taken as the rest of us. And it isn't hard to see why.

PRAISE FOR DINITZ

So this is a moment which for me is sad as well as happy. For those of us who are elected to public office, it's always a cultural shock to give up your moorings and move to Washington. This is a city always in flux—its people always in transition. And what makes life here most meaningful are the few real friendships you can make here, and the small community of friends you can find.

Since they came here almost six years ago, Vivian and Simcha have been our friends . . . friends to Joan and to our family. So mostly for selfish reasons, I'll be very sorry to see them go. He has been a friend and admirer.

But Simcha's departure is a loss of far more than personal dimension. It's a loss for all of us, because no one—no single individual—has done more in these crucial years to cement the friendship between the United States and Israel—than Simcha Dinitz.

Simcha came to this country at the Threshold of a new era in the Middle East—only days before the Yom Kippur War in 1973. He served through the Sinai I negotiations of 1974—the Sinai II negotiations of '75—and the crucial steps toward understanding at Camp David.

And to all of those endeavors, Simcha Dinitz brought a breadth of vision—and a singleness of purpose—which time and again have made the difference between success or failure. Disraeli said once that the secret to progress is constancy of purpose. And Simcha has brought to his mission those rare personal qualities which can turn our common dreams into tangible realities.

His genius is legendary. His compassion is unbounded. And his eloquence is unparalleled. I remember back in May, when Simcha and I both addressed the national meeting of the American Jewish Committee in New York. It was two weeks after the Middle East arms sale—and the atmosphere was charged with doubt and expectation. But when Simcha spoke with the air of uncertainty lifted, and the monetary differences of policy gave way to a profound identity of purpose.

He talked about the special relationships between our countries—cemented over thirty years of common struggle. He talked about the strength of friendship between freedom-loving nations. And then he said something I've never forgotten, because it proved so prophetic. He said that regardless of temporary differences, that shared allegiance always creates the opportunity for men and women of courage to find a common ground.

SPIRIT OF CAMP DAVID

And if any lesson emerged from Camp David, it was the promise and the force of individual human courage. The acts of individuals can change the course of history.

And Simcha Dinitz has proved that lesson every day of his public life. He said recently that Camp David was a vindication of the role of diplomacy. It was more than that. It was a vindication of the life and work of this man. It was a culmination of the seeds which he has planted over these crucial five years.

And it will succeed. The difficulties remain. The course ahead is uncertain. But we will succeed. We will turn a Framework for Peace into a Treaty of Peace. And with it, we will take a first step toward the larger peace—for all parties who cherish their cradle of civilization in the Middle East.

COMMITMENT TO ISRAEL

I remember back in July when I traveled to Egypt and Israel. Camp David was only a distant dream—and the closer reality was more conflict and more uncertainty. But even in that atmosphere, the people of Israel were not thinking about war. They were thinking and talking about new schools and hospitals—new ways to create jobs and increase farm yields. They were planning for peace.

And when I stood to speak at the Knesset Building—and talked with the leaders of Israel—there was no hint of a nation defensive or in danger. There was only the hope and progress of a working and thriving democracy. And it is that identity of principle—more than anything else—which cements the special relationship between the United States and Israel.

CONCLUSION—DINITZ

Here in this country, Simcha Dinitz has personified that relationship . . . not just the formalities of alliance between two nations . . . but the bonds of friendship between two peoples. For vast numbers of Americans—for Jews and gentiles—for interested organizations and for average citizens—he has been the voice and the symbol of Israel. There is no voice more eloquent—and no better symbol of the dreams and hopes and capabilities of the Israeli people.

When Simcha spoke last month at Georgetown, he left a message for the students, and for all of us. He said:

"Let us hope that out of the common heritage and ethics which guide us all, we (can) derive the necessary strength and wisdom to create a new reality which harbors unparalleled opportunity for all the people of the Middle East."

He was looking beyond the formalities of a negotiated peace. He was thinking about the promise of peace—which can unlock the talents and the resources and the common will of two great and ancient peoples. And when the day comes that peace in the Middle East achieves that grand dimension, all of us will count Simcha Dinitz among its builders.

I want to close where I began—on a personal note. I'm told that in Hebrew, the Word "Simcha" means "rejoicing." And a secondary meaning is an event or a person who brings happiness and rejoicing. To those of us in Washington, Simcha and Vivian have brought happiness. They've brightened our lives. They make us better for having known them. And for that reason above all the others, we will miss you. Peace be with you, and peace be with us all.

Thank you very much.●

INTRODUCING LEGISLATION TO AMEND THE PRICE-ANDERSON ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing legislation to amend the Price-Anderson Act, the 1957 law limiting liability for a nuclear powerplant accident. My bill would remove the act's $560 million compensation ceiling and would require all atomic plant licensees to arrange a combination of individual private policies and an industry-financed insurance pool to cover the balance of claims resulting from a nuclear incident.

The June 26, 1978, Supreme Court decision upholding the constitutionality of Price-Anderson requires affirmative congressional action to protect fully all potential victims of a nuclear disaster. Revoking the $560 million liability limitation, established 21 years ago and never subsequently adjusted for inflation, would also introduce a measure of economic realism to the nuclear industry. Under this legislation, the true costs of atomic energy generation would no longer be artificially deflated through an arbitrary and inequitable cut-off of claim payments.

At present, the $560 million figure is comprised of the amount of private coverage available to a particular plant—about $140 million on the average—and a formula, based on the number of plants in operation, which currently establishes a $310 million industry pool and a $110 million Federal guarantee.

This legislation would amend Price-Anderson in the following ways:

Stipulates that each licensee must obtain the maximum coverage available from private insurers;

Provides that in the event of an accident at a particular plant, this facility's insurance would be the first source of claim payments;

States that if the judgment against a given facility exceeds its private insurance coverage, the plant would then be liable up to the total of its assets;

Requires that if a court determines that the plant's assets are insufficient to meet the full judgement, the industry pool shall cover the balance of outstanding claims;

Mandates that pool participants shall contribute to the cost of the judgement according to a formula based on each licensee's generating capacity, its degree of risk, its total assets and other factors;

Provides that should a court determine that a given plant cannot meet its proportional share to the pool, that plant would then become eligible for long-term Federal loans to be secured against the plant's assets;

Makes explicit that each licensee shall be liable for any incident at its facility resulting in injury to persons and/or damage to property, and

Waives the 20-year statutory limitation on claims resulting from a nuclear incident.

Unlike the Price-Anderson Act which mandates an automatic Federal subsidy for nuclear power insurance, my bill would entail use of Federal funds only in the event of a major catastrophe where victims' claims exceed a plant's private insurance coverage, plant's total assets and the proportional contribution toward an industrywide pool. Even then, Federal moneys would be used only to provide interest-bearing loans.

Price-Anderson was enacted as a means of encouraging private industry to accelerate nuclear power development. That was 21 years ago, and since then more than 60 atomic power plants have been activated in our Nation. The time has come for nuclear power either to stand or fall on its own merits. No other method of energy-generation enjoys a similar liability limitation, and Congress now has a clear duty to end this unfair underwriting of atomic power.

If nuclear energy is indeed as safe as its proponents maintain, then the nuclear industry should be able to convince private insurers to write policies in excess of the current $140 million average amount. Atomic energy advocates should also be willing to back up their claims of a nearly infallible energy source by financing a pool to cover the costs from an accident which they regularly describe as "almost impossible."

I urge my colleagues to join me in this important effort.

H.R. —

A bill to amend the Atomic Energy Act of 1954 to modify certain statutory limitations on the amount of financial protection required with respect to nuclear incidents, to remove the statutory limitation on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Nuclear Incident Liability Reform Act of 1979".

SEC. 2. (a) Section 170 a. of the Atomic Energy Act of 1954 is amended by striking out the second sentence thereof.

(b)(1) The first sentence of section 170 b. of such Act is amended to read as follows: "The amount of financial protection required shall be the maximum amount of liability insurance available from private sources. Such amount shall be redetermined periodically by the Commission on the basis of the cost of living (including the cost of health care).

(2) The third sentence of such section 170 b. is amended to read as follows: "All licenses required to maintain financial protection under this section shall also be required, without regard to the manner in which they obtained other types or amounts of financial protection, to participate in an industry retrospective rating plan. Such plan shall provide for premium charges deferred in whole or in major part until public liability from a nuclear incident exceeds or appears likely to exceed the sum of—

"(1) the level of primary financial protection required of the licensee involved in the nuclear incident, and

"(2) the amount otherwise available from such licensee for the satisfaction of such liability (including all real and personal property of the licensee and any amounts available pursuant to applicable bankruptcy proceedings).

The deferred premium which shall be charged following any nuclear incident under such a plan shall be such amount as is required under rules promulgated by the Commission not later than sixty days after the date of the enactment of the Nuclear Incident Liability Reform Act of 1978. Such amount required under such rules shall be determined according to a formula based on—

"(A) the licensee's generating capacity,

"(B) the degree of risk of nuclear incident associated with the licensee,

"(C) the licensee's total assets, and

"(D) such other factors as the Commission deems appropriate.".

(3) Such 170b. is further amended by striking out the fifth sentence and all that follows and substituting: "If any licensee is unable to meet any assessment of deferred premiums within a reasonable time following any nuclear incident without impairing the provision of electric utility service by such licensee, the Commission may loan such licensee the amount by which such assessment exceeds the amount which the licensee is able to pay without such impairment. Thee loan shall be made upon such terms and conditions as may be established by the Commission except that such loan shall be secured by the liens on assets of such licensee and on the revenues derived therefrom and shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the making of such loan.".

(c) Subsection c. of section 170 of such Act is hereby repealed.

(d) Subsection d. of such section 170 is amended by striking out ", in the amount of $500,000,000" and all that follows down to the period at the end thereof.

(e) Subsections e., f., g., and h. of such section 170 are hereby repealed.

(f) Subsection i. of such section 170 is amended by striking out "which will probably require" and all that follows down through "$560,000,000".

(g) Subsections k. through m. of such section 170 are hereby repealed.

(h) Paragraph (1) of subsection n. of such section 170 is amended to read as follows:

"(1) With respect to any nuclear incident with respect to which financial protection is required under this section and which—

"(a) arises out of, or results from, or occurs in the course, of the construction, possession, or operation of a production or utilization facility, or

"(b) arises out of, or results from, or occurs in the course of transportation of, source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(c) during the course of the contract activity arises out of, or results from, the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material,

the Commission shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons required to obtain financial protection, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant.".

(i) Paragraph (2) of subsection n. of such section 170 is amended by striking out "extraordinary nuclear occurrence" each place it appears and substituting "nuclear incident".

(j)(1) The section heading for section 170 is amended to read as follows:

"SEC. 170. LIABILITY FOR NUCLEAR INCIDENTS.—".

(2) The item relating to section 170 in the table of contents is amended to read as follows:

"Sec. 170. Liability for nuclear incidents.".

SEC. 3. Section 53 e. of the Atomic Energy Act of 1954 is amended by striking out paragraph (8), by striking out "; and" in paragraph (7) and substituting a period, and by inserting "and" at the end of paragraph (6).

SEC. 4. Section 2 i. of the Atomic Energy Act of 1954 is amended by striking out ", and may limit the liability of those persons liable for such losses".

SEC. 5. (a) Section 11 t. of the Atomic Energy Act of 1954 is hereby repealed.

(b) Section 11 m. of such Act is amended by striking out "; and (3)" and all that follows down to the period at the end thereof and by inserting "and" before "(2)".

(c) Section 11 w. of such Act is amended by striking out "indemnified" and substituting "required to obtain financial protection under section 170".

(d) Section 11 p. of such Act is amended by striking out "as the term is used in subsection 170 l., it shall include any such occurrence outside the United States: *And provided further,*".

SEC. 6. The amendments made by this Act shall take effect on the date sixty days after the date of the enactment of this Act and shall apply with respect to all contracts referred to in section 170 d. of the Atomic Energy Act of 1954 and to all licenses referred to in section 170 a. of such Act without regard to whether such contracts were entered into, or such licenses were issued, before, on, or after the date of the enactment of this Act.●

IN MEMORY OF RONALD M. MACKENZIE

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MCEWEN. Mr. Speaker, December 23, 1978, was a sad day for amateur sports enthusiasts throughout the United States and especially in Lake Placid, N.Y. On that day, Ronald M. MacKenzie, president of the Lake Placid Olympic Organizing Committee and lifelong booster of winter amateur sports, died while attending the inaugural ski jump on Lake Placid's new 70-meter hill.

Ron had worked for a lifetime to bring the Winter Olympics back to Lake Placid, N.Y., where they had been held for the first time in the United States in 1932. The opening of the new 70-meter ski jump was another milestone on the road to reaching that goal. It was natural for Ron to be there because he had been a qualified U.S. ski jumping judge for 30 years, and he relished every opportunity to get away from his desk and see the new sports facilities in action.

The ski jumping complex at Intervale, which includes the 70-meter jump, will always stand as a memorial to Ron MacKenzie. Indeed, all the permanent sports facilities being constructed at Lake Placid, N.Y., bear the imprint of Ron's dedication and perserverance to amateur sports. I suspect that nothing could make Ron happier than knowing that thousands and thousands of young men and women will be using all of these facilities to train and compete before, during and long after the 1980 Olympic Winter Games at Lake Placid, N.Y.

Mr. Speaker, I would like to include three very well written editorials from local papers that demonstrate how the people in Ron's community felt about him:

[From the Plattsburgh Press Republican, Dec. 28, 1978]

WE WILL MISS RON MACKENZIE

Lake Placid, the North Country and the entire Olympic world were stunned Saturday to learn that Ronald MacKenzie had died.

Mr. MacKenzie personified everything that was good about friendly international competition. He was a competitor himself and indeed helped make Lake Placid the winter sports capital of North America, if not the world.

His unrelenting passion to boost his hometown was again evident during the past two years during his service as president of the Lake Placid Olympic Organizing Committee. His very presence lent a stature to the tiny village's bid to host this greatest of all international sports events and helped immeasurably in securing the host's role.

It was perhaps fitting, therefore, that his enormous heart gave out in the very shadow of the spectacle he helped create. He died under the 70-meter ski jump that was to be inaugurated that fateful day. In fact he was there to help mark the occasion of the first jump to take place off the brand new structure and its bigger brother beside, the 90-meter jump.

It was also fitting that Mrs. MacKenzie, in her first act as widow, bade the ceremonial jump to take place, as her husband would have wanted.

It is undoubtedly true that an event of the gigantic proportions of the Olympic Games doesn't start and stop on the axis of one man. But if there is a potentially measurable loss to the 1980 Winter Olympics, it is surely the death of Ron MacKenzie.

Lake Placid has lost a benefactor, the Olympic Committee has lost a pivotal leader and all of amateur athletics has lost a close friend.

The world goes on according to the saying. But at least one corner of it goes on a little sadder and a little poorer without Ron MacKenzie.

[From the Saranac Lake, (N.Y.) Adirondack Daily Enterprise, Dec. 27, 1978]

FOND MEMORY OF RONALD MACKENZIE

Most everyone in the area has his own memories of Ronald MacKenzie, the sports patriarch of Lake Placid, who devoted his life to expanding the opportunities for winter sports for the nation's youths.

Upon hearing of his death on Lake Placid's new jumping hill, we thought of a very cold afternoon three years ago cross country skiing on the marvelous Mount Van Hoevenberg trails.

It was mid-week and the trails were virtually deserted. We were four miles in and suddenly there was Ron MacKenzie, at the age of 72 full of life, gliding along the cross country network which he had inspired.

We were puffing along, but Ron was in fine fettle.

Immediately he said, "Let's go take a look at the site for the biathlon."

And so at full tilt we skied to the biathlon site which was then a field full of short pines.

Ron knew all about it—the proposed location of the target area, where the cross country loops would go, and how they would tie into the existing cross country trails.

He knew more about winter sports and loved them more than any man we have ever met.

It was his love of the sports which led Ron to work so hard for the development of Lake Placid as a sporting capital of the world. He had the vision to see what the community could be and the quiet perserverance to make that vision a reality.

Ron MacKenzie was refreshing for his modesty. He was never interested in self-aggrandizement, but rather in providing sporting opportunities for others.

He was known throughout the world as a promoter of winter sports. But here he was known as a quiet, effective man, who loved the out-of-doors and winter sports.

We will all miss him.

In the weeks and months to come the Lake Placid Olympic Organizing Committee should give careful thought to which of the new facilities will be named in his honor as a lasting living memorial to Ronald MacKenzie.

For ourselves, we will see him still, alone in the quiet of the Mount Van Hoevenberg trails.

[From the Lake Placid News, Jan. 3, 1979]

WORDS OF PRAISE

"We are shocked and saddened by the sudden loss of our close and dear friend, Ron MacKenzie. He was a giant among Olympians and an inspiration to all associated with winter sports. His dedication and commitment to excellence will continue to guide us as we strive to make his Lake Placid dream a reality."

Petr Spurney, General Manager, LPOOC

"Lake Placid's reputation as a major international sports center has flourished through the efforts of Ron MacKenzie. The people of our community have long recognized his accomplishments and are truly grateful for his unselfish devotion on their behalf. Their loss is immeasurable. Knowing that he will be remembered in our community as the kind, generous Father of Skiing is an appropriate tribute to his life-long work."

Jack Shea, Supervisor, Town of North Elba

"Although the initial reaction of those of us associated with the XIII Olympic Winter Games is the loss that our organizing committee has suffered, the greater truth is that our community has lost one of its more dedicated sports persons. His major role in our community for the past half century has made Lake Placid the outstanding world-renowned sports center that it has become. The XIII Olympic Winter Games will forever write his name into the anals of international sports where it truly belongs."

Rev. J. Bernard Fell, Executive Director, LPOOC

"The loss of President MacKenzie is not limited to the Lake Placid Organizing Committee or the community; he was loved and respected throughout the international winter sports world. But his devotion to helping the youth of our community through his active involvement in various ski and recreational programs has reached deep into every family in Lake Placid. The loss of Ron MacKenzie is a personal one to each of us in our community."

Robert Peacock, Mayor of the Village of Lake Placid. ●

LATVIAN INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ANNUNZIO. Mr. Speaker, November 18, 1918, was the 60th anniversary of the declaration of independence by the Latvian people. Although Latvia has been occupied by foreign powers throughout most of its history, the people of this nation have maintained their language and cultural identity. In November of 1918 they had their chance for freedom and proclaimed their independence.

The new state, with a population of slightly over 1 million, was in a precarious position from the beginning as it was surrounded by more powerful neighbors. However, Latvia survived and the interwar years marked a rennaissance of Latvian politics and culture. For 22 years the Latvian Government functioned on the basis of a true proportional representation. Numerous political parties, of all opinions, existed and actively contested free and open elections. Latvia was a model democracy. Because the basis of a healthy democracy is an enlightened electorate, Latvians spent over 15 percent of their national budget on education. Free public schools were open to all and by 1940 the literacy rate was over 90 percent.

Mr. Speaker, Mr. Viktors Viksnins, President of the Chicago Latvian Community Center, has forwarded to me a publication entitled, "Latvia," which contains information on life in Latvia now under the brutal yoke of Communist dictatorship, and a portion of that statement follows:

Latvia, along with Estonia and Lithuania, is one of the three Baltic States on the eastern shores of the Baltic Sea. Its territory of 25,000 sq. mi. (about the size of West Virginia) has a population of 2 million inhabitants. The capital city Riga (founded in 1201, present population over 700,000) has always been an important cultural and trade center in Northeast Europe since the Middle Ages.

The Latvian language belongs to the Baltic branch of Indo-European languages. It shares certain linguistic features with some of the other European languages and at the same time retains its own identity apart from the tongues of Germanic and Slavic nations.

The cultural patterns in Latvia have a decidedly Western European orientation, as witnessed by Latvian architecture, art, literature, religion, and the present style of living of Latvian peoples.

Pressed on its borders by their more populous and powerful neighbors, the Latvians have always managed to retain their cultural, if not political, identity and independence. During the past centuries, parts of Latvia have been repeatedly economically ruined and even depopulated by onslaughts of foreign armies fighting for the dominance of Northeast Europe. In 1795 Russia succeeded in bringing the whole Latvian territory under its sole rule. The collapse of Russian and Austro-Hungarian empires at the end of World War I enabled several nations in Central and Northeast Europe (from Czechoslovakia to Finland) to gain their independence. Latvia was proclaimed an independent democratic republic on November 18, 1918, but a war of liberation against German and Russian armies lasting from 1918 to 1920 still remained to be fought. In the Peace treaty of Moscow (August 11, 1920) the Soviet Union renounced "forever" any claims on Latvian territory and pledged to respect its status as a sovereign nation.

However, a secret agreement between Nazi Germany and the Soviet Union, the Molotov-Ribbentrop Pact of 1939, divided their spheres of influence and showed the cynical disregard of the Soviets for the treaties they had signed with its militarily weaker neighboring states. In June 1940, while France was being overrun by the German armies, the Soviet Union lost no opportunity in occupying the 3 defenseless Baltic States—Estonia, Latvia and Lithuania. Following the Soviet plan, a hasty sham "election" was held in July, 1940, with only one list of Moscow approved communist candidates. Other candidates were rejected and even jailed on the charge of being "political opportunists". In August, 1940 Latvia was forced to become a Soviet republic, a dependent part of the U.S.S.R., and the Latvian people were denied their constitutional rights to express their will. The United States formally declared on July 23, 1940 that it does not recognize the forcible incorporation of Estonia, Latvia and Lithuania into the Soviet Union. A year of terror, economic plunder and mass deportations of Latvians followed.

The subsequent clashes of Soviet and Nazi armies on Latvian soil brought devastation to the country. After the end of World War II, Latvia and many other Eastern European countries still remain occupied by the only old-fashioned colonial empire left intact in the 20th century—the Soviet Union. In the meantime, numerous African and non-Russian Asian nations have gained independence. For all the non-Russian "republics" within the Soviet empire, sovietization also means russification and a loss of cultural independence. In Latvia, even the little decisions affecting everyday lives of the local population are made not in Riga, but in Moscow. Russian overseers, who have been sent to Latvia, have more real power than the local Latvian Communist party functionaries.

The russification process in Soviet occupied Latvia is prominently evident in education: textbooks used in Latvian schools are mainly translations from the Russian. Higher education can be obtained only if a student is a member of communist youth organizations. Less than one half of teachers in rural areas have college degrees.

Free expression in literature and art is discouraged. Unless writers, poets, artists, and musicians follow the approved political doctrine, their works are not published or performed openly. Deviations from the prescribed course of action are met with restrictions upon the authors' and artists' activities and personal lives.

As a result of religious discrimination, membership in the Latvian Lutheran church has decreased from 1 million prior to Soviet occupation to 0.3 million during the late 1960's; only 50 of the 259 churches are still used for religious services. In many parishes, christening, confirmation, and wedding ceremonies have not been performed for years. The communists are applying pressure to discard even last rites and burial services. Despite all this, there is evidence that Latvian youth displays a deep religious conviction.

Nationalism continues to be a most dangerous threat to the Soviet system. Lack of help from the Western nations has left the younger generation of nationalistic Latvians with only one alternative: to seek more power inside the communist system for more independence from the Soviet Union. Their immediate concern is to stop the influx of Russian workers that are brought into Latvia as a result of heavy industrialization. At the same time, educated Latvian youths are assigned positions elsewhere in the Soviet Union. This process will eventually lead to loss of national identity; Latvians will become a minority in their native country. The restlessness in the non-Russian parts of the Soviet empire forces the Soviet leaders to ruthlessly suppress even the slightest movement toward national independence. Nevertheless, the Latvians, Estonians, Lithuanians and other oppressed nations are looking for opportunities to rid themselves of the Soviet Russian domination.

As a further step to eliminate persistent nationalistic loyalties, the Soviet leaders have begun a controversial consolidation of its national planning regions that may ultimately erode the identity of individual Soviet ethnic republics. Under this plan, Latvia, Estonia, and Lithuania, as well as the Byelorussian Republic would be combined with the adjoining Leningrad and Moscow regions into a new north-central planning region.

Mr. Speaker, many Latvians emigrated to America over the years because of the brutal oppression of their homeland. They brought their hopes of freedom to this great country in addition to their ethnic heritage and culture, arts, science, history, and knowledge, and have contributed much to the present wealth and greatness of our land. The liberty that we enjoy in America, however, has been denied those who remain in Latvia, and I am honored to join Latvian-Americans in the 11th District, which I am proud to represent, and all over this Nation in their fervent hope that the people of Latvia will soon achieve their freedom once again.●

BILL STEIGER: A STORY THAT SHOULD HAVE BEEN TOLD

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

BILL STEIGER: A STORY THAT SHOULD HAVE BEEN TOLD

(By David S. Broder)

It is a cliche in the political-reporting business that every one of us carries around in his head a list of stories that he would have given his eyeteeth to have written. Some are scoops on which you were beaten. Some are exposes for which you wish you could claim credit. But the most uncomfortably remembered stories are those where you might have said—but did not—that somebody is doing a helluva job in public office.

Bill Steiger had done that kind of a job ever since he came to the House of Representatives in 1966 as a 28-year-old freshman Republican from Oshkosh, Wis. He died last week, after a heart attack, at age 40. The sense of personal loss that I share with his other friends and admirers is compounded by the regret that this column was not written earlier—not for Steiger's sake, but for the greater credibility that it might have had with the young people for whom he had a special concern.

They are awfully cynical about politics and politicians these days. On the college campuses that I have visited in the past few weeks, the students are very familiar with the real names and cases of Congressman Kickback and Senator Shakedown, and they ask, in world-weary voices, why the voters reelect such men and why Congress seats them. They don't ask about the Steigers of the world—and for a good reason. We haven't told them nearly as much about them. And we should have.

Steiger was 13 when he learned that he had diabetes. He lived as long as he did by injecting insulin twice a day. Despite it, he was unstinting in the energy that he poured into politics and public office. By the time he was an undergraduate at the University of Wisconsin, his friend and classmate, John Bibby, recalls, "Bill has done so much in campus politics and state and national Young Republican politics that our professors discussed things with him as they would with a political pro."

He was graduated in June, 1960, and the next November was elected to the state Assembly. There, he became a leading proponent of a state open-housing law that was finally passed in his third term. It was a strange issue for a man from a district that then included only 189 nonwhites, but Steiger was never a parochial politician.

In 1966, he ran against an incumbent Democratic congressman who had opposed federal open-housing laws and tried to make that an issue against Steiger. The voters were wiser than the opponent thought, and gave Steiger the first of his seven House victories.

During his House service, Republicans were always in a minority. In that situation, it is easy and tempting to vote against every program not desired by the dominant interests in your district. Steiger did not do that. He took the far harder course of searching out ways to shape basic legislation and push national policy in directions that he thought it should go. In doing so he became, as his Wisconsin Democratic colleague, Rep. David R. Obey (a legislator of comparable quality), said, "the Republican who was the most effective bridge between the parties in Congress."

Working with Sen. Harrison A. Williams, Jr. (D-N.J.), he devised the compromise that permitted passage of the Occupational Safety and Health Act in 1970. Working with Sen. Spark M. Matsunaga (D-Hawaii), he succeeded in 1971 in legislating the end of the draft and the start of the volunteer Army. Working with then-Sen. Walter F. Mondale (D-Minn.), he was instrumental in gaining passage of the program providing legal services to the poor.

Steiger was a reformer who understood the importance of knowing the rules. He was an "institutional man," devoted to the House and to the Republican Party. His respect for them made him willing to work long hours against great odds to improve their functioning.

As his reputation inside Congress grew, so did the opportunities to cash in by accepting lucrative outside job offers. Another friend, Rep. Barber M. Conable Jr. (R-N.Y.), recalls that Steiger turned down an industrial-foundation post that would have doubled his congressional salary and provided financial security for his wife and young son. Instead, he stayed at his work. In leading the successful fight this year for reduction in capital-gains taxes, over the opposition of President Carter and the Democratic congressional leadership, he won acclaim from financial circles that managed to overlook his earlier constructive work in the social-policy area.

Methodically, as always, Steiger used his new role as a sought-after speaker on the national GOP fund-raising circuit as a way to mobilize support for his next major goal: the nomination and election of his friend George Bush to the Presidency.

Steiger was a man of exceptional talent, integrity and drive. But there are more than a few of his kind in politics. It would honor his memory if we occasionally wrote about them, too—before they die.●

THE 1979 ACREAGE LIMITATION REPEAL ACT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. STUMP. My Speaker, today, I am introducing the 1979 Acreage Limitation Repeal Act. This effort will once and for

all put to rest the problem that we have been experiencing regarding the limitation which has been placed on the amount of water that a person might receive from Federal reclamation projects. Purely and simply, it is a comprehensive bill to repeal the 160-acre limitation and remove the residency requirement.

This obsolete law, enacted in 1902, has at best been very loosely enforced. We like to analogize this situation to the State legislator who discovered an obsolete State law which says that motor carriages must pull over to the side of the road when they approach within 100 yards of any horse or horse-drawn vehicle. Now that State law had not been enforced for over 75 years. The legislator brought this obsolete law before a committee of the State legislature. Rather than repeal the obsolete law, the committee elected to increase the distance that the motor carriages had to pull over from 100 to 500 yards.

Mr. Speaker, we have the same situation as it relates to the Acreage Limitation Act of 1902 and subsequent acts. Some are suggesting that we increase the limitation from 160 acres to some other magic number. However, we are dealing with an obsolete law that has been loosely enforced. While the original purpose was meritorious, it has long since served its purpose.

As presently interpreted by the courts, the 1902 Reclamation Act will limit farm income, abuse private property rights, set up a Government-run lottery for land, dictate to whom one can sell, sanction a philosophy of land redistribution, limit farmers to some arbitrary farm operational size, and destroy the free enterprise incentive. As Senator WALLOP so succinctly stated on March 10, 1978:

> The problems with the present excess land laws are many. One hundred sixty acres is no longer an economical farm unit for virtually all lands within reclamation projects. Variations in productive potential of various lands are ignored in all but a few isolated instances. Residency requirements are unduly strict. The limitations apply equally to those receiving only a supplemental supply of water, as well as those who are dependent on water from Federal reclamation projects. Many irrigators are now being denied the benefit of payout contracts which they entered into in good faith. Their Government has breached its faith.

While the social experimenter flippantly tried to give the opposite impression, the family farm is not an obsolete concept. It is the rule. Corporate farming is the exception. The 160-acre limitation, together with the residency requirement, the Interior Department would like to impose is tantamount to expropriation by the Government of private property.

The 1979 Acreage Limitation Repeal Act allows continued control of ownership in reclamation areas, but would not place a limit on the size of farming operations. I do not believe it was the intent of the 1902 Reclamation Act to limit farm income by controlling the business end of the operation.

Last year over 70 Members of the House and Senate cosponsored this legislation with Senator GOLDWATER and me. Further, on March 9, 1978, the Arizona State Legislature passed senate concurrent memorial 1003, urging the Congress to amend the Reclamation Act of 1902 to eliminate or modify acreage limitations and remove residency requirements relating to farmland irrigated with water from Federal reclamation projects. Following is the senate concurrent Memorial:

SENATE CONCURRENT MEMORIAL 1003

(A concurrent memorial urging the Congress of the United States to amend the Reclamation Act of 1902 to eliminate or modify acreage limitations and eliminate residency requirements relating to farmland irrigated with water from federal reclamation projects)

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, in 1902, Congress enacted a Reclamation Act, 32 Stat. 388, to provide irrigation systems for farmlands in the arid West; and

Whereas, section five of such Act prescribed in limitation of one hundred sixty acres owned by an individual farmer eligible to receive irrigation water from a reclamation project; and

Whereas, section five of such Act limited sales of such land to bona fide residents residing in the neighborhood of such land; and

Whereas, such limitations have been only sporadically enforced by the United States Department of the Interior; and

Whereas, because of the lack of enforcement of such law, many people have acquired legitimate interests in land and water in excess of authorized limits; and

Whereas, the Department of the Interior, under court order, has proposed regulations which would strictly enforce the limitations in the future and force persons holding excess lands to dispose of them in a manner and to persons dictated by the Department; and

Whereas, under the proposed regulations, an owner of excess land would be forced to sell it for a price well below its true market value; and

Whereas, under the proposed regulations, an owner of excess land would be prohibited from even leasing back such lands after disposition; and

Whereas, because of inflation and the state of commercial agriculture, one hundred sixty acres is an unrealistic limitation on agricultural holdings to the point of being arbitrary and capricious; and

Whereas, many reclamation statutes provide exceptions to the acreage limitations and such lack of uniformity may raise constitutional questions; and

Whereas, reclamation systems on Indian reservations contain no such limitation even though most of such land is under long-term lease to non-Indians; and

Whereas, strict application of the limitations at this late date will be clouded by litigation for years to come; and

Whereas, across-the-board application of the acreage limitation does not take into consideration substantial economic variations depending on the crop grown, the type of soil, the length of the growing season, the elevation and latitude of the land, the salinity of the water and many other factors; and

Whereas, the original purposes of the acreage limitation to distribute the benefits of reclamation projects, promote family farms and preclude speculation underwritten by Federal investments are now largely obsolete, moot or nugatory; and

Whereas, imposition of the residency requirement, not enforced since the Omnibus Adjustment Act of 1926, 44 Stat. 636, would work great hardship on many people who have developed alternative lifestyles in reliance on Federal policy; and

Whereas, in the State of Arizona nearly thirty thousand acres of land would have to be transferred to comply with the proposed regulations; and

Whereas, the appearance of unpredictability of Federal policy may and the application of the proposed regulations would severely affect the marketability of all reclamation lands. Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the Congress of the United States amend the Reclamation Act of 1902 to eliminate the acreage and residency limitations contained in section five of such Act.

2. That, as an alternative to eliminating the acreage limitation, the Congress of the United States amend such Act to revise the acreage limitation substantially upward and to authorize acreage equivalency provisions to include consideration of farm economics, the cost of operation and viable farm sizes for all crops in all areas affected by the Act.

3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

Mr. Speaker, I invite any Member to join me in sponsoring this piece of legislation. The time has come to do away with this outdated, difficult to enforce, and unnecessary law. The 1979 Acreage Limitation Repeal Act will do just that. In short, it will provide reasonable restrictions in return for the use of public investment.●

CONSUMER FOOD LABELING ACT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, I really do not care to know Coca-Cola's famous secret formula or how to put the snap, crackle, and pop in Rice Krispies or just how the colonel blends those secret herbs and spices for his chicken or why nobody does not like Sara Lee.

But I do want to know what is in each of these products and every other package of processed food on the supermarket shelves. It is not a matter of curiosity. It is a matter of necessity and of right.

As many as one in every four Americans has a need to know what is in the food he or she eats. Most often it is for reasons of health, but it may also be for religious, philosophical, or economic reasons.

Yet we are denied the basic instrument needed to protect us: information.

If you are a parent with a child allergic to a wide variety of food ingredients, how do you protect your child from sickness? Read food labels? Forget it. Most food labels conceal more than they reveal, and that is no accident.

It is because the food manufacturers do not want us to know what they are putting into those packages. They have spent millions of dollars protecting those secrets—all to our detriment.

Now I am not talking about secret formulas, the trade secrets that must be protected from competitors. What I am concerned about is a simple list of ingredients—not the unique recipe.

That is of little value to a competitor—his labs probably worked the data out long ago. Printing an ingredient list is a long way from revealing a secret formula. After all, simply knowing what is in a Coke or a sauce or a fine French pastry does not reveal just how it is made.

The persistent refusal of the food manufacturers to share with their customers the identity of ingredients in the foods they sell amounts to one of the largest and most callous coverups ever perpetrated.

Business' contempt for its customers has caused needless pain and suffering for millions of Americans. Sadly, Government has been a coconspirator.

Our present food labeling laws and regulations of the Food and Drug Administration are so full of loopholes and exceptions that they are virtually useless. Some foods are fully labeled as to contents, but there is no way for consumers to tell whether the information on a food label is complete.

FDA, now under new leadership, has taken some small, cautious steps to rectify the problem, but it contends it lacks the legislative authority to make any significant changes such as mandating full ingredient disclosure.

Some 350 products—known as standardized foods—are exempt from complete labeling disclosure. Their ingredients are spelled out in FDA regulations. Optional ingredients are permitted for inclusion but their presence need not always be labeled. These anachronistic rules date back nearly 40 years to when homemakers were intimately involved in the preparation of foods such as mayonnaise, peanut butter, cheeses, fruit jellies, and bread.

Nonstandardized foods do not have to tell all, either. Some must list only selected ingredients. And even those that are supposed to reveal everything actually are exempt from listing the names of spices, flavorings, and colorings they contain—and we are all aware of the problems associated with the latter two, particularly those linked with cancer.

Compounding the problem is the fact that there is no way for the consumer to tell which food is in which disclosure category.

To clear up the confusion and give consumers the information they need and are entitled to, I am today introducing the Consumer Food Labeling Act (H.R. 42). It not only requires full disclosure labeling but it also mandates listing the percentage of every ingredient as well.

The Nation's leading allergists, nutritionists, and health professionals have called for full disclosure food labeling. They know how ineffective it is to tell their patients to avoid certain ingredients when it is impossible to determine which foods contain them.

One result of full disclosure labeling might be to make processors more cautious about using certain ingredients, particularly questionable additives, in the first place.

But it is not enough that all ingredients and their percentages be listed. Changes in a product's composition also must be revealed. Many persons become ill each year because ingredient changes are made in familiar products but consumers are not informed. H.R. 42 calls for a notice to appear on labels warning users when products have been changed. Unlike the meaningless "New and Improved" slogan found on so many packages, which give the shopper no hint as to what is actually different—probably the price is new and the profits are improved—the label should have to identify specifically all changes.

Food producers and processors cannot be permitted to avoid revealing ingredients on the grounds it would be impractical for them or would reveal trade secrets. The coverup must end. The public health and welfare must take precedence.

The Consumer Food Labeling Act also calls for other information to protect and inform the food-buying public.

TITLE I

Truth in food labeling requires foodmakers to show on their labels all ingredients by percentage, including all additives and preservatives, and by their common or usual names.

TITLE II

Nutritional labeling requires that any packaged consumer food product be labeled by the producer with the following information:

First, nutritional statements including fat content, vitamin and protein value, fats and fatty acids, calories, and other nutritional data;

Second, the net weight and drained weight of canned or frozen products packaged in a liquid medium;

Third, the major ingredients, by percentage and weight, of any combination food item.

TITLE III

Open dating perishable food requires that all packaged perishable and semiperishable foods be prominently labeled to show clearly the date beyond which it should not be sold and the optimum storage conditions at home. It also provides that overage products can be sold but only if they are safe, separated from other items and clearly identified as being beyond the expiration date.

TITLE IV

Consumer food grading requires a uniform system of retail quality grade designations for consumer food products based upon quality, condition and nutritional value.

TITLE V

Marketing practices disclosure required labels on foods, drugs, and cosmetics to contain the name and place of business of the true manufacturer, packer and distributor.

TITLE VI

Unit and item pricing requires retailers to make the actual selling price on the product itself, regardless of the possible presence of computer pricing codes, and requires disclosure on the package or shelf of the unit (ounce, pound, quart, et cetera) price of packaged groceries. Small retailers are exempted.

TITLE VII

New ingredient notification requires manufacturers to print notices on all food labels that will alert consumers to ingredient changes.

TITLE VIII

Misleading brand names prohibits the use of product brand names that could mislead or deceive the consumer. Advertising such names would violate the Federal Trade Commission Act unless the manufacturer can demonstrate that the product lives up to its name.

Informative food labeling is not a luxury. As I pointed out earlier, it is a matter of necessity for millions of Americans who suffer food allergies, who must control their diets for medical reasons and who want to know a food's ingredients because of religious conviction.

But more than that, every consumer has a right to know what is in the food he or she eats, and there is no justifiable reason for concealing that information.●

PREEMPTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am introducing today a bill to eliminate the Department of Housing and Urban Development's "preemption" regulation.

Initially issued in 1975, this regulation (24 CFR 403) permits HUD to override local rent control ordinances affecting multifamily housing projects insured, subsidized, or owned by HUD-FHA. Preemption occurs when, upon the application of a landlord, a federally protected mortgage is judged by HUD to be in jeopardy.

What is most threatening about preemption is that it places no limits on potential rent increases. Thus we have a situation where the Federal Government has the power to level exorbitant rent increases on city residents, bypassing in the process the local regulations designed to protect those tenants. It is obviously a backdoor attempt by the Federal Government to undermine rent control and should not be tolerated.

In New York City preemption threatens 500,000 tenants in 200,000 apartments. But while New York faces perhaps the biggest threat from preemption, this regulation is a potential danger to any city with rent control or stabilization laws. Boston, for example, has already been the site of a major court case—City of Boston against Hills—involving preemption, and HUD has tried to invoke preemption at several places in northern New Jersey. Los Angeles, Chicago, or Washington are equally susceptible to this bureaucratic lawmaking process.

In response to the public outcry surrounding this dubious policy HUD re-

cently proposed and adopted new, revised regulations—see Federal Register July 24, 1978, page 32104—in an attempt to placate localities affected by preemption. However, the rewritten regulation did little to improve the then-existing rules.

The changes do not remove the anti-tenant, prolandlord biases that have marked the entire preemption policy. It failed to formulate adequate due process provisions, left unchanged the patent unfairness of the jeopardy formula, set no standards for returning a preempted building to local rent controls, and omitted any consideration of the right of localities to govern themselves.

While the regulation does require a landlord to notify tenants of a preemption request and also gives tenants access to the application and a 30-day period to respond to the request, it does not insure that tenants will have an equal voice during consideration of a preemption application. The regulation does not require that the validity of a landlord's claim of financial jeopardy be examined impartially at a formal adversary proceeding. It does not give tenants the opportunity to analyze the owner's records. And it fails to set any objective criteria for determining when and why local legal remedies may be insufficient to address the claim of jeopardy.

The 30-day review period recommended by the regulation does not afford either a local rent board or the tenants of a building facing preemption enough time to assess the application fully. The New York City Conciliation and Appeals Board, for example, often requires more than 30 days to conduct a thorough review of a request for exemption from local rent controls. It also seems arbitrary and unfair to compel tenants to develop formal response within 30 days.

The regulation further permits landlords to impose preemption rent increases without regard to the impact of such a sudden and often steep rent hike on tenants and on the building's stability. The rule likewise establishes no clearly defined process for returning a preempted building to local rent jurisdiction once the jeopardy factor has been eliminated.

Tenants' rights during and after preemption are not delineated by the regulations. What is the status of senior citizen rent increase exemptions, established by New York City law, under preemption? To whom does a tenant appeal for redress of grievances during preemption? Why does the regulation not stipulate that a landlord must provide full services during and after preemption? Does HUD plan to assist older tenants and others living on fixed or low incomes who will be unable to pay sharp rent increases?

Perhaps the major flaw underlying both the preemption policy and its modifications is the failure to define what constitutes "jeopardy." The present formula is not an adequate measure of a building's financial status. It was devised long before that preemption rule was promulgated and it was never intended to serve as a reliable gage of a landlord's assertion of financial difficulties.

The jeopardy formula assumes a vacancy rate of 5 percent of a building's rent roll, even though many buildings in New York and other cities have actual rates that are far lower. The formula also sets an artificially high management allowance of 5 percent although current metropolitan rates are lower. It uses estimated figures wholly unrelated to the actual known expenses for such items as debt service and return on investment. It does not include miscellaneous income derived from property. It uses estimated replacement allowances which are often inflated, and it does not mandate examination of cost allocations ascribed to a particular building where costs are shared among several properties owned by one mortgagor.

HUD's regulation should have specifically exempted from its preemption policy those localities such as New York City which have established a body of law applicable to assertions of financial hardship. President Nixon exempted New York City from the rent-level component of his 1971 wage and price controls since it was widely recognized that the city had a rent stabilization system responsive to the economic climate and thus should not be subject to Federal rent criteria.

Instead of perpetuating its misguided preemption policy, HUD should improve its standards for approving and monitoring FHA mortgages and it should institute an early warning mechanism for forecasting financial problems in an insured building. Owners should be counseled by HUD on management procedures which would enable them to avoid jeopardy in the first place.

The availability of the preemption option encourages poor management and places the onus of landlord laxity on tenants. Continuation of this policy also undermines local self-governance and misplaces the power to regulate rents with unaccountable bureaucracies.

My bill prohibits the Federal Government from authorizing rent increases above the limit established by local laws. Abolishing preemption is not only necessary for protecting the integrity of State and local housing regulations, it is an essential means of preventing a middle-class urban exodus.

H.R. —

A bill to provide that the Secretary of Housing and Urban Development may not approve any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That after the enactment of this Act, the Secretary of Housing and Urban Development may not approve any increase in rental charges for any dwelling unit in federally assisted housing in a jurisdiction subject to State or local rent regulations unless the amount of such increase shall have been previously approved pursuant to such regulations.

SEC. 2. For purposes of this Act—

(1) the term "rental charges" includes any utility or other charge which any person may be required to pay to the owner of any dwelling unit in connection with such unit;

(2) the term "federally assisted housing" means any rental housing with respect to which (A) mortgages are insured or held by the Department of Housing and Urban Development, or (B) rental assistance payments are made, directly or indirectly, under any Federal program or under any State or local program financed with Federal funds; and

(3) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Canal Zone, the Virgin Islands, Guam, the Northern Mariana Islands, or any other territory or possession of the United States.●

INTRODUCTION OF THE NATIONAL AQUACULTURE ACT OF 1979

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I am introducing the National Aquaculture Act of 1979 together with Congressmen BREAUX and FORSYTHE.

Humankind has farmed the fishes for over 2,000 years. The culturing of Carp in China has been documented as early as 475 B.C. Yet the husbandry of aquatic organisms under controlled circumstances, an ancient idea, has had only haphazard, short-lived application in the United States.

A position of U.S. Commissioner of Fish and Fisheries was not created until 1871; in 1885 the first commercial marine hatchery was built at Woods Hole, Massachusetts. The first efforts of American aquaculture were directed at renewing depleted waters by the introduction of hatchlings and fertilized eggs, and by 1905 the original hatchery and two additional ones in New England had released 3 billion juvenile fish.

The U.S. aquaculture effort has greatly expanded on these early enterprises and new programs have been directed toward rearing marine species past the period immediately following hatching. This approach has required the development of artificial environments and nutrient mixes that promote the growth and survival of larval and juvenile fish. The aquaculture industry focuses on the culturing of oysters, mussels, shrimp, clams, catfish, trout, salmon and other marine species which have successfully been reared in aquaculture facilities.

However, in contrast to advanced production in some countries, aquaculture in the United States accounts for only 3 percent of all fish and shellfish consumed domestically. With the U.S. importing over 60 percent of its fish for human consumption, it is immediately apparent that large economic benefits would accrue to this country in the forms of a healthier balance of trade and less strain on existing capture fisheries if this Government would encourage much more extensive aquaculture.

This is not being done, and what is being accomplished is taking place almost in spite of the diffusion of laws and

agencies charged with responsibility for the aquaculture industry. The National Aquaculture Act is designed to bring rationality to Government implementation of, and encouragement to, the farming and ranching of marine species.

Annual landings of edible fish by U.S. fishermen—about 2.4 billion pounds—have remained relatively constant since 1960. Traditional stocks of marine resources, once thought to be unlimited, are now estimated at a maximum level of global harvest of 100 to 150 million metric tons. Fish catches of such resources currently exceed 64 million metric tons commercially and are increasing.

With finite marine resources and a seemingly infinitely expanding human appetite for protein due to population growth, it is incumbent on the United States as an advanced country with access to the appropriate technology to increase greatly its aquaculture production. The potential protein production per unit area of water has been estimated to be up to 5,000 times that of a similar area in pasture used for beef production, and the conversion by fish of feed to edible protein is done much more efficiently than by those mammals husbanded by man on dry land.

An early example of the United States encouraging its people to eat fish was a poster published during World War I by the then-U.S. Food Administration. It read:

Save the products of the land—eat more fish—they feed themselves.

Naturally, in aquaculture humans have to feed the fish, but the point is made: Expensively raised grain goes much further in the never-ending battle to grow protein when it is converted into fish protein than when it is converted into mammal protein. In a world starved for protein and usually short of grain, this is a vital point.

Aquaculture needs firm, rational encouragement from the Federal Government if it is to succeed and grow in the way it should. It is hardly a risk-free business: even under controlled circumstances aquaculture is at the mercy of nature, and it should be Government policy to aid in a fair way those entrepreneurs who take on the risks of the business.

However, at present, 11 Federal agencies have been identified as having direct involvement with aquaculture, and some 10 other agencies have programs which are indirectly related. Several of these agencies and components within these agencies have conducted research and development within the framework of specific missions, yet any coordination that has taken place has been primarily to avoid undesirable overlaps. However, far more serious than the overlaps have been the gaps because of lack of proper coordination and direction.

The bill will closely parallel H.R. 9370, the National Aquaculture Act which passed the House and Senate late in the second session of the 95th Congress and which the President pocket vetoed on October 19 of last year. However, as introduced today, the bill will remedy the lack of coordination by having one agency, the Department of Commerce, spearhead the development of a national aquaculture policy and the national plan for implementing that policy. The vetoed bill called for a national council composed of the secretaries of Commerce, Agriculture, and the Interior to assume this leadership.

The Secretary of Commerce, in consultation with the secretaries of the Interior and Agriculture, the chief executive officers of other Federal agencies with related interests, and any appropriate regional fishery management council and State agency, would be required to establish a national aquaculture development plan within 18 months.

In the plan, aquatic species which can be cultured on a commercial basis would be identified and the actions to be undertaken for each species in the way of research and development of actual methods of raising such species would be reviewed annually to see if any were now considered of doubtful value, and to add any which new knowledge and experience showed to be of potential value.

The three Secretaries—Commerce, Interior, and Agriculture—are then charged with implementing the national aquaculture development plan by carrying out under their respective jurisdictions any program established under the act. They would be required to provide educational, advisory, and technical services to interested public and private organizations; to consult and cooperate with interested individuals and organizations regarding the development of aquaculture technology; and to produce and sell at cost seed stock for aquatic species when privately produced seed stock is not readily available.

In addition, each Secretary is charged, incidental to his or her implementation of any program under the plan, to conduct scale tests and, if necessary, to construct, operate, and maintain developmental aquaculture facilities for the purpose of assessing the biological and economic feasibility of any aquaculture system.

The Secretary of Commerce would establish an Aquaculture Information Center which would function as a national clearinghouse for the collection and dissemination of scientific, technological, and economic information relating to aquaculture. The Secretary would also maintain an inventory of public and private aquaculture carried out in the United States, and would arrange for the mutual sharing of aquaculture information with foreign countries. And the Secretary would report to Congress on a biennial basis on the existing capture fisheries and any adverse effects on them caused by aquaculture enterprises significantly aided under the act. In the report to Congress would be recommendations to ameliorate any adverse impact.

The bill would also establish an interagency Committee on Aquaculture under the chairmanship of the Secretary of Commerce and made up of the Secretaries of the Interior, Agriculture, and Energy, the Administrators of the Environmental Protection Agency and the Small Business Administration, the Commissioner of Food and Drugs, the Chief of Engineers, and the Governor of the Farm Credit Administration. The committee would provide for a continuing exchange of information among the agencies and would insure that the agencies are carrying out aquaculture-related programs under their respective jurisdictions in compliance with the requirements of the act.

The three Secretaries would be authorized to make grants to or to contract with any other Federal agency, any State agency or political subdivision of a State, and individuals. The amount of any grant could not exceed one-half the estimated cost of the project.

Loans would be guaranteed by the Secretary of Commerce for the purpose of financing the construction of aquaculture facilities, the acquisition of stocks for such a facility, initial operating expenses, and marketing operations exclusively for aquaculture products and for refinancing existing loans for the above purposes. The aggregate unpaid principal amount of all obligations guaranteed and outstanding at any time could not exceed $200 million—the vetoed bill authorized $300 million.

Additionally, the bill provides for an insurance program to insure owners of aquaculture facilities if such insurance is not available at reasonable rates in the commercial market. The insurance would insure owners against loss of or damage to facilities or stocks, and against bodily injury or property damages caused by facilities or stocks. The face value of all insurance outstanding at any one time could not exceed $150 million—the vetoed bill authorized $250 million.

A Federal Aquaculture Assistance Fund would be created in the Treasury to be used as a revolving fund for carrying out and administering the loan guarantee and insurance programs.

In addition to the assistance programs, there would be authorized to be appropriated to the Department of Commerce not to exceed $11 million for fiscal year 1980, $14 million for fiscal year 1981 and $14 million for fiscal year 1982. And to the Departments of Agriculture and the Interior, not to exceed $3 million each for fiscal year 1980, $5 million each for fiscal year 1981, and $5 million each for fiscal year 1982. The President, in his veto message stated that he felt that, with the various existing aquaculture programs already in place and under administration by the various agencies, it was not necessary at this time to superimpose a more expensive set of programs onto the existing ones.

This bill, the National Aquaculture Act, acknowledges the existence of the welter of aquaculture programs but seeks to rationalize them, organize them, and corral them in such a way that they can be scrutinized on the whole for the purpose of improving them by either enlarging them or trimming them as experience directs.

The White House pointed out that the Interagency Subcommittee on Aquaculture of the Federal Council on Science and Technology already exists to coordinate the aquaculture programs of the Federal Government. However, this group has no legislative sanctions to back itself with, as would the Interagency

Committee on Aquaculture as proposed in this bill.

The National Aquaculture Act addresses several areas not mentioned by the President but which were brought home to the Committee on Merchant Marine and Fisheries during hearings on the subject.

Testimony received from the industry indicated that technical or economic information on certain species having potential for aquaculture is lacking and, consequently, industry is reluctant to invest in these species. Researchers testified that prototype facilities may be necessary in order to develop this kind of information. This is addressed in section 5(b)(1)(A) of the bill.

Both the aquaculture industry and researchers indicated more funds should be devoted to support overall aquaculture research. This would be in addition to funds now being spent on ongoing activities.

There is a generalized feeling in the venture capital sector that aquaculture has been tried and does not work. This overgeneralization has created an environment in which it is difficult to raise private capital. The reputation has come from past failures which have resulted from natural disasters, disease, lack of operating capital, and an absence of technical or economic data. The Small Business Administration and Farmers Home Administrations both lend money to aquaculture entrepreneurs but the SBA has a very inadequate loan limit, and the FmHA does not lend to new-technology, high-risk businesses. The problem of capital is addressed in sections 9 and 10 of the bill.

The President's veto message recited some of the Federal agencies responsible for aquaculture but did not address itself to the large concern of duplication of effort, lack of coordination and the overlaps and gaps in the agencies' programs. The Merchant Marine and Fisheries Committee believes what is needed for aquaculture to achieve its full potential is the development of a national plan and a national policy with one agency—the Department of Commerce—spearheading the plan. Commerce is the most experienced fish management agency of Government and has been most intimately involved in the research and development of aquaculture, both plant and animal.

Aquaculture is an idea whose time is overdue. The National Aquaculture Act proposes an all-out effort in the direction of creating a widespread, vital aquaculture industry. The moneys required by the bill are not out-and-out expenditures by the Treasury, lost to any other purpose. Rather they are moneys invested in one form or another, to be retrieved under normal circumstances by the Treasury through repayment plans and additional revenues. It is significant to note that the bill assumes that the aquaculture industry, once built up, will cease to need financial attention from the Government. The authorizations, except for the loan guarantee program, will terminate after 3 years.

America needs aquaculture. Aquaculture needs Government. And this Government needs a rational, orderly policy on the subject. The National Aquaculture Act provides that policy. Every single fish we grow on purpose represents one we do not import; every single fish we grow represents low-calorie, inexpensive, high-grade protein; every fish we grow is a triumph of technology over hunger.●

TRIBUTE TO MARTIN LUTHER KING

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FOWLER. Mr. Speaker, 11 years after his tragic death in Memphis, the loss of Dr. Martin Luther King, Jr., remains immeasurable. This, the 50th anniversary of his birth on Atlanta's Auburn Avenue, is an appropriate time to remember his record of achievement and to rededicate ourselves to the principles which guided his life.

Dr. King's career as the primary catalyst and most eloquent spokesman for this country's civil rights movement began in the region where oppression of blacks was most evident. As a young pastor of a Baptist church in Montgomery, Ala., Dr. King lead the successful bus boycott in that city before going on to form the Southern Christian Leadership Conference. He returned to Atlanta in 1960 to join his father in the copastorship of the Ebenezer Baptist Church. From that pulpit, Dr. King continued to attack the attitudes and policies of racial discrimination while insisting that struggles could be won through civil disobedience and peaceful demonstration. He led marchers through dangerously hostile crowds and was frequently jailed for his efforts. Rejecting the rhetoric of violent confrontation, Dr. King rightfully maintained that a struggle won through bloodshed was not worth winning.

Martin Luther King, Jr. received worldwide acclaim for his efforts. In 1964, he was awarded the Nobel Peace Prize, the only Georgian to be so honored. The son and grandson of Baptist ministers, Dr. King preached a social activism that was deeply rooted in the principles of Christian tolerance and charity. He saw that black Americans could only win the struggle against racial oppression by emembracing rather than despising their enemies.

Early on, Dr. King realized that the work of desegrating lunch counters, buses, and schools was relatively simple compared to the task of bringing blacks and other minorities into the mainstream of American economic life; 11 years after his death, that mission is still far from complete. As we begin the 96th Congress, I urge my colleagues not to forget the broad disparities which still exist between rich and poor in our Nation. While no government can guarantee affluence to all its citizens, we can and must continue to work to insure equality of opportunity in all phases of American life. We, as representatives of a diverse people, must direct our efforts toward a day when all Americans have a fair chance to earn their daily bread.

We commemorate the birth of Dr. King with sorrow at his death but with hope for his dream. His vision of a nation freed from poverty and injustice stands before us. It is our task to make his dream reality.●

SOLVING CAPITAL FORMATION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. PICKLE. Mr. Speaker, I am introducing a bill that I believe will materially help solve the problem of capital formation by encouraging stockholders to plough back their dividends into the company. This bill also represents a first step in the direction of reducing the impact of double taxation of corporate earnings distributed as dividends.

My bill provides for the deferral of any current Federal tax on dividends reinvested in original issue stock under a qualified dividend reinvestment plan. The stock received on reinvestment of such dividend would, instead, be regarded as the equivalent of a stock dividend and taxed on the same basis as a conventional stock dividend.

A problem that our economy has faced since the mid-1960's, and particularly since 1973, is the downward drift of fixed business investment relative to the Nation's output of goods and services. My bill would provide a tax incentive that would provide a stimulus in this direction at a relatively small—and only an initial—cost. According to a study done by Robert R. Nathan Associates in July of 1978 this would increase national output on the order of $10 billion, stimulate business fixed investment by close to $3.5 billion and add the equivalent of 200,000 jobs per year. The revenue loss to the U.S. Treasury is estimated, considering only present participation in dividend reinvestment plans to be in the range of $300 to $400 million the first year. They estimate that the revenue loss in its first full year to be around $1 billion, but within the third or fourth year there is estimated to be a net revenue gain to the Treasury on the order of $1.5 billion to $2 billion.

This is not a new idea, it was proposed earlier as part of the National Energy Bill, although in that version it would have applied only to capital starved utility companies. My bill would apply to any company that had a qualified dividend reinvestment plan but would not allow a company to go out and buy stock from the open market in order to qualify.

Today if a person received a stock dividend it is not taxable. However, any cash dividend is taxable, even if the stockholder immediately reinvests it in a qualified stock plan. My bill would simply defer the tax on any dividend that was immediately reinvested until the stock was sold. This would encourage people to reinvest their dividends in the company. There are obvious advantages—it would improve capital formation, it would reduce the double tax on dividends, it is fair to the participant and encourages individual savings to provide supplemental income for retirement.●

HOUSE OF REPRESENTATIVES—*Thursday, January 18, 1979*

□ 1100

The House met at 11 o'clock a.m.

Rev. Walter J. Ungerer, First Presbyterian Church, Kokomo, Ind., offered the following prayer:

Eternal Father, Creator and Sustainer of the universe, we gather today in this great Chamber to work. Admittedly, some of us are tired from the activities of the night and the burdens the morning hours have brought. Some of us may desire to be elsewhere, either with family or friends or because we are apprehensive of the responsibility laid upon us. Cause us to know the peace that comes from You and the hope that is ours who trust.

As we begin our daily routine help us to distinguish between truth and error, justice and injustice. Help us to listen to one another and to experience the joys of dialog and communication.

We especially pray for our new colleagues who seek to understand their leadership roll and come to us with a fresh enthusiasm. We pray for those of our number who may be ill and absent from us but, above all we ask as we begin this session we might sense Your presence and guidance in all we do. We pray in and through Him who gives life, Jesus the Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule 1, the Journal stands approved.

SWEARING IN OF MEMBERS

The SPEAKER. Will the Members-elect who have not taken the oath present themselves in the well and raise their right hand to take the oath?

Messrs. PRITCHARD, MARKS, BUCHANAN, SOLARZ, NICHOLS, BEVILL, and KASTENMEIER presented themselves at the bar of the House and took the oath of office.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

REV. WALTER J. UNGERER

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, it is a privilege and an honor to have my minister, Walter J. Ungerer, pastor of the First Presbyterian Church of Kokomo, Ind., deliver the opening prayer in the House this morning.

Mr. Ungerer is the senior minister of the First Presbyterian Church in Kokomo and has held that position since March of 1977. Prior to that time for the preceding 5 years, he served in the same capacity at Northfield Presbyterian Church in Northfield, Ohio. He has also served as the student minister at Olivet Presbyterian Church in Brooklyn, N.Y., and as the assistant and associate minister of the Webster Presbyterian Church in Webster, N.Y.

He is a graduate and holds degrees from the Northeastern Bible College, Nyack College, New Brunswick Theological Seminary, and Princeton Theological Seminary.

Mr. Ungerer has had a unique background growing up in the heart of Brooklyn, N.Y., under very depressed conditions. In his youth he was actually a member of various street gangs. In fact, he is presently writing an autobiographical book called "The Window" which is based on these experiences.

He has been very active and has served on numerous committees of his denomination. While in Ohio, he served as chairman of the board of Man to Man Associations which is a prison rehabilitation program and for his work was given a resolution which was written into the Ohio Senate records recognizing his work and ministry at the Northfield Church and his work with prison rehabilitation.

In 1962, he married Janet Mildred Hagmann, of Irvington, N.J. The Ungerer's have three children—Cheryl Lyn, age 12; Walter John, age 10, and Brian Alan, age 9.

Reverend Ungerer has authored books, traveled extensively, and both he and his wife have devoted their time to work camp experiences for young people. He has led workshops in church leadership.

Certainly, it is a pleasure, as well as an honor to have him with us today.

□ 1105

NADIYA SVITLYCHNA—HEROIC UKRAINIAN FIGHTER

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I would like to pause in the business of the House to ask my colleagues to join with the city of Philadelphia in welcoming Nadiya Svitlychna, the first Ukrainian woman dissident to be allowed by the Soviet Government to emigrate from Ukraine.

It is most appropriate that this valiant freedom fighter has chosen to live in the City of Brotherly Love—the cradle of American liberty. And it is highly fitting that Nadiya's welcoming ceremony to Philadelphia will take place on January 22, 1979, the 60th anniversary of the Proclamation of Ukraine in 1918.

The indomitable will of Nadiya Svitlychna and her family exemplifies the freedom-loving spirit of the Ukrainian people; a spirit which cannot be extinguished by the brutal totalitarian measures of the Soviet regime. Nadiya and her brother Ivan, a well-known Ukrainian poet and literary critic, have both braved the horrors of Soviet labor camps. Their "crimes" were an unyielding belief that Ukrainian culture and tradition be allowed to exist and flourish in the sovereign Nation of Ukraine.

January 22, 1979, will indeed be a day of mixed emotions. There is joy, on this the 60th anniversary of the Proclamation of Independence of Ukraine in 1918. Yet, there is infinite sadness, because the Soviet regime chooses to treat this declaration of freedom and sovereignty as if it does not exist. We feel tremendous happiness that Nadiya Svitlychna and her two sons, Ivan and Yarema, will now be able to live as free people in a free nation. Yet, our happiness is tempered by the knowledge that Ivan Svitlychna and all Ukrainians are still suffering under the yoke of Soviet oppression.

In first arriving to this country, Nadiya Svitlychna declared that "I want to believe that in welcoming me to America, you greet a part of Ukraine in me." Entwined in that part of Ukraine within you, Nadiya, is a spirit which will fight against oppression no matter how strong or brutal the tyrant. I join with my colleagues in the House of Representatives in saluting Nadiya Svitlychna, whose courage in the face of totalitarianism will serve as an inspiration not only to her fellow Ukrainians, but to oppressed people all over the World.

OMB SETS UP TELEPHONE "HOTLINES" FOR WHISTLEBLOWERS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I was pleased to read in yesterday's Washington Post of plans by the Office of Management and Budget to set up telephone "hotlines" for Federal employees who want to blow the whistle on mismanagement, waste, or corruption. OMB Director James T. McIntyre has, apparently, decided to implement vigorously the whistleblower protection provisions of the Civil Service Reform Act of 1978 (Public Law 95-454).

Responding to frequent charges of bureaucratic inefficiency and illegality, the 95th Congress voted to protect Federal employees who disclose evidence of violations of laws, rules, or regulations as well as evidence of mismanagement, gross waste of funds, abuse of authority, or substantial and specific dangers to public health or safety. In addition to protecting employees who speak out about wrongdoing, the law passed last

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

year mandated the establishment of dissent channels which employees could use in anonymity to report abuse. In concert with the Inspector General Act of 1978 (Public Law 95–452), the Civil Service Reform Act provided confidentiality and job protections for Federal workers who take information of wrongdoing to the Inspector General of an agency or another official designated by the head of an agency to receive these allegations.

Hence, Mr. McIntyre's instruction to agency heads requiring the designation of an official to receive complaints about waste, fraud, and error represents vigilant enforcement of congressional intent. The administration went a couple of steps farther by proposing the establishment of an employee hotline. I commend the administration for its aggressive efforts to make the civil service law work.

THE 1979 CALENDAR FOR 96TH CONGRESS, 1ST SESSION

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the calendar for the 96th Congress, 1st session, including the dates of our Washington work periods and our home district work periods, may appear at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The calendar for the 96th Congress, 1st session, is as follows:

THE 1979 CALENDAR FOR 96TH CONGRESS, 1ST SESSION

January 15: Congress convenes.

January 15 through February 8: Washington work period: Congress convenes; state of Union address; organize House, organize committees.

January 22: Receive President's budget.

February 9 through February 12: District work period.

February 12: Lincoln's Birthday.

February 13 through April 12: Washington work period.

February 19: Washington's Birthday (no business).

March 15: Committees submit reports to Budget Committee on fiscal year budget.

April 12 through April 22: District work period.

April 15: Easter Sunday.

April 23 through May 25: Washington work period.

May 15: Complete action on first budget resolution; deadline for reporting fiscal 1980 authorization bills.

May 26 through May 29: District work period.

May 28: Memorial Day.

May 30 through June 29: Washington work period.

June 30 through July 8: District work period.

July 4: Independence Day.

July 9 through August 2: Washington work period.

August 3 through September 4: District work period (under statute).

September 3: Labor Day.

September 5 through September 28: Washington work period.

September 10: Spending legislation completed.

September 15: Complete action on second budget resolution.

September 25: Reconciliation process completed.

September 29 through October 8: District work period.

October 1: Fiscal year begins.

October 8: Columbus Day.

October 9 through October 20: Washington work period.

October 20: Adjournment target.

RETIREMENT OF CHARLES W. HACKNEY, JR.

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, today our senior reading clerk, Charles W. Hackney, Jr., leaves the House after 38 years of distinguished service. Charlie left his home in North Carolina in 1941 to serve as a page in the House Democratic cloakroom.

Charlie joined the Navy during World War II. After the war he attended college under the Navy ROTC program and continued in the Navy Reserve for 25 years until retirement at the rank of commander. Charlie spent 1 year with the General Accounting Office after discharge and then returned to the Democratic cloakroom as assistant manager, a position he held until 1963 when he was selected majority reading clerk from a field of more than 30 applicants.

Charlie was highly valued by the majority leadership during his many years in the cloakroom as a loyal and industrious floor assistant. Among his innovations was the weekly whip notice which he personally printed and which has become so highly developed and significant in the ensuing years.

Charlie and Harriet Hackney were married 9 years ago and they have five children. Charlie is loved by all his associates for his shy but always friendly manner, his total absence of complaint or criticism and his complete loyalty to and faith in the House of Representatives.

● Mr. ROSTENKOWSKI. Mr. Speaker, today our senior reading clerk, Charles W. Hackney, Jr., leaves the House after 38 years of distinguished service. Charlie's close association with the House dates back to 1941 when he left his native North Carolina to serve as a page in the Democratic cloakroom.

With the outbreak of World War II, Charlie joined the Navy. Immediately after the war he attended college under the Navy ROTC program and continued in the Navy Reserve for 25 years until retirement at the rank of commander. Charlie spent 1 year with the General Accounting Office after discharge and then returned to the Democratic cloakroom as assistant manager, a position he held until 1963 when he was selected majority reading clerk from a field of more than 30 applicants.

Charlie was highly valued by the majority leadership during his many years in the cloakroom as a loyal and industrious floor assistant. Among his innovations was the weekly whip notice which he personally printed. This weekly source of information has gone on to become a most essential legislative tool.

Charlie is loved by all his associates for his shy but always friendly manner. He is a man of complete good nature—one who has refrained from complaint or criticism of his colleagues.

Mr. Speaker, there is little question that Charlie Hackney will be sorely missed. I close my remarks by wishing this gentleman of the first rank good luck on his future endeavors. I hope he will come back often to see his many friends in this Chamber.●

PROTESTING RECENT STATEMENTS OF AMBASSADOR YOUNG

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, it is with sadness that I rise today to protest the recent statements attributed to my friend and colleague, Andy Young, for I have the highest personal regard for him. Although I think he is well-intentioned, I must protest, because I believe his recent statements serve to undermine U.S. policy in the Middle East.

The very same day that Yasser Arafat was calling for an intensified guerrilla war against Israel in order to defeat the Camp David accords, and what he called "U.S.-Zionist plots," a published interview with Ambassador Young quoted him as saying that the PLO's U.N. Representatives are "very skilled politicians and very intelligent, decent human beings." These "decent human beings" are the same ones that espouse the destruction of the peace process through bloody violence against Israel's civilian population, and have called, year after year, for the annihilation of Israel. Just this morning a PLO bomb reportedly killed 21 people in a Jerusalem marketplace.

Ambassador Young also praised the decision to allow the PLO representation at the U.N. as a very successful one. It has most certainly been an unmitigated success for the PLO's campaign of hatred against Israel. I would like to remind my colleagues that in the 95th Congress, this body voted to eliminate PLO propaganda committees at the U.N. This body voted in the Foreign Relations Authorization Act that:

> The President should direct the United States Ambassador to the United Nations to use all means at his disposal to obtain action by the General Assembly to terminate the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights.

These are the two PLO propaganda committees at the U.N., one of which, the special unit, is located in the office of the Secretariat. I must remind Ambassador Young that what I just quoted is public law.

I am drafting legislation, which will be submitted soon, to reduce the U.S contribution to the U.N. by that amount, approximately $190,000, which represents the U.S. share of the budget for those two committees. I am seeking cosponsors for this legislation, and I urge my colleagues to send a message to the United Nations by cosponsoring this resolution, that the people of the United States will not stand for the representation at the U.N. of this terrorist group which seeks war, and not peace, and

seeks to undermine this Nation's efforts to bring peace to the troubled Middle East.

As for Andy Young, I think it is time that he learned that the "personal opinions" of public officials, concerning official U.S. policy, are bound to be interpreted by most people as official U.S. Government policy. This is not the first time his publicly stated, "private" opinions have been seen as undermining the administration's policies.

WALKER CALLS FOR ANTICRIMINAL PENSION BILL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I have today introduced legislation to prohibit any Federal officials convicted of a felony from receiving a Federal pension. A bipartisan group of 15 of our Members have joined me in this effort.

The need for such action is obvious. We have seen the uncovering of a monumental scandal in a major Federal agency, the indictment and conviction of elected Federal officials, and the developing potential that several more persons in Washington who have violated the public trust will be convicted.

Confidence in Congress and Government sags all across the country when Federal officials who rob and rip off the taxpayers are permitted to continue feeding at the public's trough.

A serious injustice is done to the American people when their hard-earned tax dollars are used to provide retirement comfort for convicted criminals.

The place to correct this injustice is the Congress. The way to correct it is with strong reform legislation. The time to correct it is now.

FREE AND FAIR TRADE ACT OF 1979

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today introducing the Free and Fair Trade Act of 1979 because of my concern for the international trade problems currently plaquing our country.

Over the last several years an increasing number of American firms are finding themselves the victims of unfair foreign competition. As a result, these firms have sought relief through the provisions of the trade act of 1974. Regrettably, this relief has not been forthcoming and the provisions of the antidumping act of 1921, as amended, have not supplied adequate mitigation from the unfair trade practices which are so injurious to our economy. The aim and purpose of our antidumping law is a correct one: the elimination of less than fair value sales causing injury to American industry. However, this intent has been lost because of ineffective and time-consuming implementation of this law.

Our dumping laws are reminiscent of the dinosaur which became extinct. When the dinosaur was stabbed in one of its extremities it took a long time for the impulse to be recorded by the brain and for some defensive action to be taken. By this time, fatal damage had already been inflicted. By the same token, our economy is threatened with extinction because the same type of slow reaction to foreign intrusion is taking place.

The clear purpose of my legislation is to amend the antidumping statutes to provide streamlined, clear, fair, and expeditious means of attacking dumping practices and to provide a real deterrent to importers and foreign producers contemplating actions these statutes make unlawful. This bill will continue the process, begun in the Trade Act of 1974, of assuring a swift response to unfair trade practices by tightening the enforcement procedures in existing law.

The legislation I am introducing today is not protectionist in nature. It embraces, rather than abandons, the goal of free trade. It would help foster free and fair competition by offering effective remedies for dealing with such marketplace distortions as predatory pricing and anticompetitive practices on the part of foreign manufacturers.

Any trade legislation must be dedicated to the principle that free trade must mean fair trade. That free competition must also mean fair competition. It is not free trade and it is not fair trade if Americans play by the rules and our foreign competitors do not.

My proposal would restore these noble principles of free trade and fair competition by speeding up the enforcement of the Antidumping Act of 1921 through a number of important administrative changes and by offering a deterrent to those who desire to "dump" their products in the future.

In short, my bill offers four important amendments to the Antidumping Act of 1921. These are: First, impose a 9-month time limit instead of the current 13-month limit on Treasury Department investigations; second, refer all antidumping petitions to the International Trade Commission at the time an affirmative preliminary determination is made by the Treasury Department; third, require the Treasury Department to retroactively withhold appraisement on foreign goods 1 month after the Treasury Department commences an investigation; and fourth, impose a 12-month deadline on the customs service for assessment of dumping duties.

This bill does not expand the scope of existing unfair trade statutes. Instead, it seeks to simplify—expedite—clarify—and make reliable the procedures under which domestic industries may obtain relief from unfair trade practices.

It has often been said that justice delayed is justice denied. I believe this proposal will offer justice without penalizing our foreign trading partners who do not violate our trading laws and may go a long way toward reducing our current trade deficit which is the largest in our history.

For the sake of our American economy and for the sake of the thousands of individuals facing unemployment as a result of unfair foreign competition, I urge you to take a long, hard look at this legislation and assist me in my efforts to amend the Antidumping Act of 1921 in a constructive manner.

Thank you, Mr. Speaker, for allowing me to address this serious, pressing problem.

□ 1115

TO PROVIDE LOW INTEREST RATES ON SBA DISASTER LOANS

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker and Members of the House, I introduced on the beginning day of this session, on Monday, January 15, 1979, H.R. 114. H.R. 114 would embody section 113, title I, of H.R. 11445 of the 95th Congress which was passed by both Houses but which was pocket-vetoed by the President on October 25, 1978.

My bill, H.R. 114—which I encourage the cosponsorship and support of by all of the Members of this body—would allow section 113 to be enacted into law. This section dictates a 3-percent interest rate on the first $55,000 and the cost of money to the Government in excess of that amount for disaster loans to people who have suffered as a result of a Presidential or SBA-declared disaster, and a 5-percent interest rate on the first $250,000 with the cost of money in excess for a business affected by a disaster.

Since the October veto by the President of the United States we have had two disasters in California and there have been disasters in Louisiana, Kentucky, West Virginia, and Arizona. Once again, I urge the support of all of the Members for this legislation and ask for their cosponsorship so that the victims of these disasters in areas throughout the United States might be recompensed by the U.S. Government.

MAKING THE 96th CONGRESS AN OVERSIGHT CONGRESS

(Mr. SHUSTER asked and was given permission to address the House for 1 mintue and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, today I have introduced a sense of the House resolution which will make the 96th Congress an "oversight Congress." This resolution which I introduced in the House Republican conference was unanimously adopted by House Republicans. Therefore, it is now up to the majority party in this body to determine whether this issue will again be put on the "back burner" or whether it will, at long last, receive positive action. This should not be a partisan matter. Not one of us sitting here today can fail to hear the message from American citizens and taxpayers across the country. It comes through loud and clear. They are demanding we strip away the layers of waste, inefficiency, bureaucracy and red-tape that have grown like barnacles on the hull of our Ship of State. With runaway inflation, one of the highest tax

burdens in our Nation's history, and reckless Government spending, the time has long since passed for the Congress to begin to take its oversight responsibility more seriously. I urge and challenge the Democrat majority in the House to join with Republicans in adopting this resolution.

The American people are crying out for a tighter, leaner, more efficient and cost-effective Government. There is a virtual taxpayers' revolution in our country. The present Democrat administration has given much lipservice to "streamlining the bureaucracy." As he campaigned for the Presidency, President Carter promised time and time again to fight waste and inefficiency in Washington. He devoted hours of political rhetoric against what Mr. Carter called the "horrible bureaucratic mess in Washington." This resolution gives the Democrats the opportunity to turn that rhetoric into reality. The American people are watching and waiting to see whether it is done.

LEARNING LANGUAGES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, to judge from President Carter's remarks about inflation yesterday, he has secretly been taking language lessons. He is learning, however haltingly, to talk Republican.

He said that the best thing he can do for the poor is to fight inflation. This is an old Republican proverb and it was pleasant to hear the President say these words even though he seemed obviously uncomfortable saying them.

During his election he was speaking differently, talking about multibillion-dollar inflationary "full employment" programs and other economically ruinous schemes.

But, as he himself said on September 24, 1976, "Economics is a very complicated business. Not many people understand it." It is now clear he was referring to himself and to all other political figures spouting the same line.

EXPRESSING DISMAY AT WASHINGTON POST'S PUBLISHING FULL-PAGE CARICATURE OF DON FRASER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

Mr. FINDLEY. Mr. Speaker, I take this minute to express my dismay and deep regret at the decision of the Washington Post of yesterday to publish the full-page advertisement of the Unification Church. This advertisement appeared on page A9 of the January 17 issue of the Post.

The message of the ad was a legitimate response to the final report of a subcommittee of the Committee on International Relations headed by our former colleague, Don Fraser; and I would not question the right of the newspaper to accept a message of that sort and also the other message in the ad, which was a sales pitch for a new publication issued by the church.

However, I do express my great dismay that a newspaper of prestige and dignity like the Washington Post would print a dreadful caricature of a former colleague of ours, Don Fraser of Minnesota, a man who is noted for his kindness and decency, for his gentle manner, for his courage and diligence, for his compassion, and for his consideration of the views of others.

Mr. Speaker, I can not believe that the Washington Post was in such great need of money that it had to accept an ad with the ugly caricature of Mr. Fraser. As a former newspaperman myself, I know the discretion that a newspaper has in accepting or rejecting ads of that sort.

I was a colleague of Don Fraser of Minnesota for 16 years. I know him perhaps as well as does any other Member of this body, and I feel that his departure is a great loss to this body. His investigation of the Unification Church was very much in the public interest, and hope that others of this body will carry on the task that he so well advanced.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am so happy to hear the remarks of the gentleman from Illinois (Mr. FINDLEY). I would like to associate myself with his every word.

Mr. FINDLEY. Mr. Speaker, I thank the gentlewoman from New Jersey.

PERSONAL EXPLANATION

Mr. COURTER. Mr. Speaker, on rollcall No. 3, the vote on the previous question on adopting the House rules for the 96th Congress, I am recorded as not voting. I was present and voted "no."

Mr. Speaker, I ask that this statement appear in the permanent RECORD.

PROVIDING FOR PAYMENT OF GRATUITY TO MRS. JANET D. STEIGER, WIFE OF LATE HON. WILLIAM A. STEIGER

Mr. THOMPSON. Mr. Speaker, I send to the desk a resolution (H. Res. 46), relating to the payment of a gratuity to the wife of the late William A. Steiger and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 46

Resolved, That there shall be paid out of the contingent fund of the House a sum equal to the annual compensation of a Representative in Congress as a gratuity to Janet D. Steiger, wife of the Honorable William A. Steiger, late a Representative from the State of Wisconsin.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, the resolution, as is the one following, is self-explanatory.

Rather than delaying the payment of this entitlement until next summer, when the supplemental appropriation bill is enacted, the resolution provides for the immediate payment of the gratuity.

The resolution is identical to resolutions adopted in the House in October of 1978, covering gratuity payments to the survivors of late Representatives Goodloe Byron and Ralph Metcalfe.

The minority has agreed to this provision, and I urge the immediate adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1125

PROVIDING FOR PAYMENT OF GRATUITY TO THE CHILDREN OF THE LATE REPRESENTATIVE LEO J. RYAN

Mr. THOMPSON. Mr. Speaker, I send to the desk a resolution (H. Res. 47) relating to the payment of a gratuity to the children of the late Representative Leo J. Ryan, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 47

Resolved, That there shall be paid out of the contingent fund of the House a sum equal to the annual compensation of a Representative in Congress as a gratuity to Shannon J. Ryan, Patricia E. Ryan, Erin M. Ryan, Kevin L. Ryan, and Christopher R. Ryan, children of the Honorable Leo J. Ryan, late a Representative from the State of California. Such gratuity shall be divided equally among the children named in the preceding sentence.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING FUNDS FOR THE STANDING AND SELECT COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON. Mr. Speaker, I send to the desk a resolution (H. Res. 49) authorizing funds for the standing and select committees of the House of Representatives, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 49

Resolved, That (a) there shall be paid out of the contingent fund of the House, in accordance with subsection (b), for the period beginning January 3, 1979, and ending March 31, 1979, such sums as may be necessary for the continuance of necessary projects, activities, operations, and services, by contract or otherwise, including payment of staff salaries for services performed, by each standing or select committee established in the Rules of the House.

(b) Each committee referred to in subsection (a) shall be entitled, for each month during the period specified in subsection (a), to payments out of the contingent fund of the House in amounts equal to one-twelfth of the total amount authorized for use by such committee during the second session of the Ninety-fifth Congress.

SEC. 2. (a) Except as provided in subsection (b), in the case of any former select committee of the House—

(1) which was established by resolution during the Ninety-fifth Congress; and

(2) for which a reestablishing resolution is introduced in the Ninety-sixth Congress;

such committee shall be entitled, for each month during the period specified in subsection (a) of the first section, to payments out of the contingent fund of the House, for the purposes specified in subsection (a) of the first section, in amounts equal to one-twelfth of the total amount authorized for use by such committee during the second session of the Ninety-fifth Congress.

(b) In the case of the former Select Committee on Assassinations, the unexpected balance of funds for the operation of such committee during the second session of the Ninety-fifth Congress shall be available to the Clerk of the House for the purpose of completing the final report of such committee not later than March 31, 1979. The Clerk is authorized to employ such persons as may be necessary and to expend the funds referred to in the previous sentence for completion of the report. Representative Louis Stokes is authorized to exercise the authority of the former select committee with respect to the handling of classified materials relating to the operations of such committee.

SEC. 3. The entitlement of any standing or select committee of the House to payments under this resolution shall cease on the effective date of the primary expense resolution adopted with respect to such committee.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to rules and regulations promulgated by the Committee on House Administration.

SEC. 5. Notwithstanding any provision of law, Rule of the House, or other authority, from January 3, 1979, until the election of the chairman of the committee involved in the Ninety-sixth Congress—

(1) the Member of the House who was chairman of a committee of the House which was in existence at the close of the Ninety-fifth Congress (if such Member is a Member of the House in the Ninety-sixth Congress); or

(2) in any other case, the ranking majority party member of such committee who was serving on such committee at the close of the Ninety-fifth Congress (and is a Member of the House in the Ninety-sixth Congress); may approve payments under this resolution under rules and regulations promulgated by the Committee on House Administration.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. I thank the gentleman for yielding.

I would just like to clear up for the record—and I am sure the membership in general would be interested to learn—what this will do as far as the Select Committee on Assassinations is concerned and what unexpended funds they might have, and what this will enable them to do. As the gentleman well knows, there is firm agreement by all concerned that the committee died at the end of the last Congress. Will the gentleman enlighten us?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding. If the gentleman will agree to the unanimous consent request, I am prepared to explain the resolution and to answer the questions the gentleman raised.

Mr. Speaker, section 1 of the resolution will authorize each standing committee of the House, and the two permanent select committees established in the rules of the House, to expend necessary moneys from the contingent fund until the House is able to adopt primary expense resolutions covering such committees, or until March 31, 1979.

Section 2 is broken down into two paragraphs. Paragraph (a) provides the basis for authorizing the former select committees of the 95th Congress, with the exception of the former Select Committee on Assassinations which is dealt with in paragraph (b), to expend moneys from the contingent fund until the committees are reconstituted and funded by resolution, or until March 31, 1979. There are six former select committees which would be covered by the language in paragraph (a). They are the Select Committees on Energy, Ethics, Population, Outer Continental Shelf, Congressional Operations, and Narcotics Abuse and Control. The Select Committees on Energy and Ethics are not expected to seek reconstitution. The other committees have indicated their intention to seek reconstitution, and each would qualify under paragraph (a) upon the introduction of a reconstitution resolution. There are approximately 100 staff persons currently employed by these four select committees.

Paragraph (b) of section 2 authorizes the Clerk of the House to oversee the completion of the report of the former Select Committee on Assassinations on or before March 31, 1979, using unexpended funds authorized for use by such committee during the 2d session of the 95th Congress.

□ 1130

This provision is a recognition of the need to complete the final report of the committee without reconstituting it. The gentleman from Ohio (Mr. STOKES), the distinguished chairman, is authorized to deal with the classified material necessary for the publication of the report in the possession of the clerk and others.

Section 3 provides that funds spent by all committees under the continuing resolution shall be debited against the amounts authorized in the primary expense resolutions.

Section 4 requires compliance with the Regulations of the Committee on House Administration and any rules necessary to administer the continuing resolution.

Section 5 provides that a returning chairman, or if there is no returning chairman, then the next ranking majority party member, be authorized to sign the vouchers and certifications necessary to make payments under the continuing resolution until such time as a chairman is duly elected for the 96th Congress.

This provision is essential to insure the timely payment of routine and continuing expenditures, including January committee payrolls, which must be processed prior to the earliest date upon which the House is scheduled to consider action on committees.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, if the distinguished chairman of the Committee on House Administration will yield, I was wondering if the distinguished chairman could tell us how much unexpended funds are available to be drawn on and expended by the Committee on Assassinations?

As I recollect, we have appropriated and authorized some $5.5 million so far. I was wondering how much of that is left.

Mr. THOMPSON. Mr. Speaker, the staff informs me that the latest accounting shows approximately $100,000.

Mr. DICKINSON. All right, now, with the $100,000, the Subcommittee on Assassinations will stay in existence, at least the clerical help will until March; is that correct?

Mr. THOMPSON. May I clarify that for my distinguished friend?

Mr. DICKINSON. Yes, please.

Mr. THOMPSON. First of all, I am the former chairman of the Committee on House Administration at the moment.

Mr. DICKINSON. I do not think that will be a permanent situation at all.

Mr. THOMPSON. I hope not.

The Select Committee on Assassinations no longer exists. No resolution has been introduced for its reconstitution. The gentleman from Ohio (Mr. STOKES), the distinguished chairman, is authorized to handle the classified information. The remainder of the moneys are under the control of the Clerk of the House, without any further appropriation, for the sole purpose of completing the necessary and voluminous reports by March 31.

Mr. DICKINSON. I understand what the gentleman is saying, if the gentleman will yield further; but it was my understanding last September and October, that we were authorizing additional funds to allow the Select Committee on Assassinations to continue its existence until the end of the year, so that they might then have completed their reports and done everything necessary for the successful termination of that committee.

I assume something has happened in the interim that would make that impractical or impossible.

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield further, the gentleman is quite correct. In October it was determined that there were insufficient funds to continue the number of hearings which continued until approximately the first of this year.

□ 1135

A very careful review was done of the financial situation of the Committee on Assassinations, and on October 14 a specific agreement was arrived at by the gentleman from New Jersey, the Speaker, and the chairman of the Assassinations

Committee, the gentleman from Ohio (Mr. STOKES), with the specific understanding that the committee would continue to exist until January 3, 1979, that it would not be reconstituted, and that approximately $100,000 would remain for completion of the reports.

It developed, I might say to the gentleman from Alabama (Mr. DICKINSON), that so much testimony was taken, especially in the last days, that to have terminated without completion of the reports would not make any logical sense. So the agreement was reached whereby the rather modest sum left would be used for the sole purpose of completing and printing the remaining reports.

Mr. DICKINSON. Mr. Speaker, I thank the committee chairman.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I would like to thank the gentleman from New Jersey (Mr. THOMPSON) for his explanation, but I would also hope that the $100,000 remaining is adequate in every respect for the printing of these Assassination Committee reports. I agree with the gentleman that it would serve no purpose at this point not to publish the committee's findings, such as they may be.

But I might also use this occasion, which I hope is the last such occasion, to remind the Members that at the time of the formation of this select committee those of us who 2 years opposed the creation of the committee predicted the ultimate findings would not lead to a settlement of the many questions surrounding the Kennedy and King deaths. Indeed the reason for the formation of the select committee advanced by its proponents was that its main purpose was to settle these questions and doubts. That was the major justification for $6 million worth of appropriations. So now, $6 million later, we have a report to which we will look forward eagerly, of course, since it costs $100,000, due on March 1. That report will do exactly the opposite of what its authors intended, that is, create even more doubts.

I think this is proof that this kind of congressional forum is not proper for the resolution of national questions of this nature.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I certainly will yield to the distinguished chairman of the committee.

Mr. THOMPSON. Mr. Speaker, the gentleman from New Jersey is not privy to what will be contained in the final reports. The gentleman from New Jersey did, of course, support the resolution, unlike my friend, the gentleman from Maryland (Mr. BAUMAN), but I can assure my friend, the gentleman from Maryland, that as far as the gentleman from New Jersey is concerned, there will be no further funding.

Mr. BAUMAN. We find ourselves in agreement once again, and I thank the gentleman for his statement.

Mr. THOMPSON. That does not happen very often, and I am delighted that on this first day we are in agreement. I do not expect that will continue, but I hope once in awhile it will happen.

Mr. BAUMAN. Perhaps we should embrace in the well.

Mr. THOMPSON. I would rather not.

Mr BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Is there objection to the original request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Does the gentleman from New Jersey (Mr. THOMPSON) seek time on the resolution?

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolutions just considered and agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the retirement of our great friend, Charlie Hackney, the majority reading clerk.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PROPOSAL FOR LEGISLATION TO EXTEND AUTHORITY OF SECRETARY OF THE TREASURY TO WAIVE APPLICATION OF COUNTERVAILING DUTIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–34)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress a proposal for legislation to extend until September 30, 1979, the authority of the Secretary of the Treasury under Section 303(d) of the Tariff Act of 1930 to waive the application of countervailing duties. The Secretary's authority to waive the imposition of countervailing duties expired on January 2, 1979. Extension of this authority is essential to provide the Congress with time to consider the results of the Tokyo round of Multilateral Trade Negotiations (MTN). Failure to extend this authority is likely to prevent the reaching of a conclusion to these negotiations and could set back our national economic interests. Accordingly, I urge that the Congress enact the necessary legislation at the earliest possible date.

As stipulated by the Congress in the Trade Act of 1974, negotiation of a satisfactory code on subsidies and countervailing duties has been a primary U.S. objective in the Tokyo round. We have sought an agreement to improve discipline on the use of subsidies which adversely affect trade. I am pleased to report that in recent weeks our negotiators have substantially concluded negotiations for a satisfactory subsidy/countervailing duty code which includes: (1) new rules on the use of internal and export subsidies which substantially increase protection of United States agricultural and industrial trading interests and (2) more effective provisions on notification, consultation and dispute settlement that will provide for timely resolution of disputes involving trade subsidies in international trade.

My Special Representative for Trade Negotiations has informed me that negotiations on almost all MTN topics have been substantially concluded, and that those agreements meet basic U.S. objectives. However, final agreement is unlikely unless the waiver authority is extended for the period during which such agreements and their implementing legislation are being considered by the Congress under the procedures of the Trade Act of 1974.

Under current authority, the imposition of countervailing duties may be waived in a specific case only if, inter alia, "adequate steps have been taken to eliminate or substantially reduce the adverse effect" of the subsidy in question. This provision and the other limitations on the use of the waiver authority which are currently in the law would continue in effect if the waiver authority is extended. Thus, U.S. producers and workers will continue to be protected from the adverse effects of subsidized competition.

A successful conclusion to the MTN is essential to our national interest, as well as to the continued growth of world trade. If the waiver authority is not extended, such a successful conclusion will be placed in serious jeopardy. Accordingly, I urge the Congress to act positively upon this legislative proposal at the earliest possible date.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1979.*

□ 1140

ADJOURNMENT TO MONDAY, JANUARY 22, 1979, AT 12 O'CLOCK NOON, AND ADJOURNMENT FROM MONDAY, JANUARY 22, 1979, TO TUESDAY, JANUARY 23, 1979, AT 8 O'CLOCK P.M.

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next, and that when the House adjourns on Monday, it adjourn

to meet at 8 p.m. on Tuesday, January 23, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED BY THE TWO HOUSES AND FOUND TRULY ENROLLED, NOTWITHSTANDING ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, January 22, 1979, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SIXTH REPORT OF UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I am pleased to transmit, as requested by section 4 of Public Law 94–110 of October 13, 1975, the Sixth Report of the United States Sinai Support Mission, describing operations of the U.S. early warning system in the Sinai Desert. The Mission's activities are an important part of the disengagement arrangements between Egypt and Israel concluded in September 1975.

The cost of operating the Sinai Support Mission during Fiscal Year 1978 was $11.7 million, about a half million dollars less than the amount appropriated. The estimated budget for Fiscal Year 1979 remains at $11.7 million.

At the request of the Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, this report includes a brief review of the applicability of the United States early warning system concept to other areas of the Middle East. It concludes that the basic approach to early warning employed in the Sinai could be successful elsewhere, provided the parties directly concerned want and are willing to support it.

Talks now under way in Washington between Egypt and Israel are likely to result in substantial changes in the United States' role in the Sinai. I will consult closely with the Congress as these and subsequent talks proceed, in order to insure that the peacekeeping efforts of the United States continue to advance the goal of permanent peace in the Middle East.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT OF UNITED STATES GOVERNMENT ACTIVITIES IN THE UNITED NATIONS AND ITS AFFILIATED AGENCIES DURING CALENDAR YEAR 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I am pleased to send Congress this report of United States Government activities in the United Nations and its affiliated agencies during calendar year 1977.

This 32nd annual report strengthens my conviction that the United Nations is of great and growing importance to the conduct of U.S. foreign relations. We cannot effectively advance world peace and our other national interests if we ignore the potential of this global organization.

Ambassador Andrew Young called the 1977 General Assembly the "most constructive session in many years." It was largely free of the wasteful tactics of confrontation that had marred other recent sessions.

The other organs of the United Nations and the various specialized agencies also made progress on many of the difficult issues that humanity faces.

I am proud of the role we played in encouraging this constructive atmosphere. We are committed to resolving problems through reason and discussion, not confrontation.

Our national interests are best served by such cooperation, and by listening with respect to the problems of all nations, large and small. Our delegations paid particular attention to the views of those developing nations which make up two-thirds of the UN's membership and worked with them to identify points of common concern.

The interests of America and of many other UN members coincided in the search for peace in the Middle East and southern Africa, the promotion of human rights, the Panama Canal Treaties, and economic development to help meet the basic human needs of more than a billion of the world's people.

One of my first acts as President was to invite UN Secretary General Kurt Waldheim to the White House, and I have discussed international issues with him on a number of occasions since then. During 1977, I was also privileged to speak at the United Nations twice—once during March, and again at the opening of the 32nd General Assembly in September. Also while in New York, I took the occasion to sign the two United Nations human rights covenants which for many years had lacked U.S. signature.

Secretary of State Cyrus Vance has taken extraordinary pains—including direct participation in Security Council and General Assembly meetings—to make the United Nations an increasingly vital factor in the conduct of this country's foreign relations. And Ambassador Young has worked with great skill and unusual effectiveness in improving our relationship with the UN and its member states.

Events in the United Nations system will not always go the way that this country might desire. The changing makeup of these organizations, the increasing diffusion of global power and the growing complexities of all issues make this inevitable. But those occasions should not make us withdraw our support, for the UN reflects the reality of the world in which we must live. We should, instead, feel challenged to develop imaginative and thoughtful new approaches in our diplomacy so as to advance our interests, and to play a constructive role in the world community. In particular, we need to continue demonstrating our faith in the basic purposes of an organization whose strength and effectiveness are essential to us and to the world.

The attached report details U.S. positions and policies on the issues which arose in the UN system during 1977. It includes:

—The extensive conduct of the so-called "North-South" dialogue—the discussion of economic and other issues between industralized countries and the developing nations;

—Our support for the social and economic development activities—including those of the UN Development Program. Some 90 percent of the funds expended by the UN system benefit these activities;

—U.S. efforts to support new progress on human rights throughout the UN system;

—Preparations for the 1978 special General Assembly session devoted to disarmament;

—The adoption by consensus of a General Assembly resolution on aircraft hijacking, to make the world's airways safer for people everywhere;

—The beginning of extensive efforts against great odds to pursue peaceful settlements in Namibia and Rhodesia; and

—U.S. ratification and support of a new UN specialized agency—the International Fund for Agricultural Development—which will provide new resources to improve food production and nutrition in low-income countries and can benefit us by stabilizing the global food market.

Also included in this document is an analysis of the U.S. decision to withdraw from the International Labor Organization in November 1977. I took this decision with regret, since U.S. interests in international organizations are better met through membership and active participation than through withdrawal. Nevertheless, since announcement in 1975 of U.S. intention to withdraw, we believed that insufficient progress had

been made in resolving a number of difficulties in operation of the ILO. I still hope that the United States can return to the ILO when its operations clearly return to the organization's basic purposes.

Finally, among the activities of 1977—but not included in this report—was steady work within the Administration on ways that the United States can work to strengthen the United Nations. My report on that topic, sent to the Congress on March 2, 1978, outlines reforms which can make the United Nations even more effective as the world's major forum for discussion and action on global issues.

I welcome the continuing interest of the Congress in U.S. participation in the United Nations, and I urge its increased moral backing and financial support as the United States addresses in the United Nations the increasingly difficult issues that lie ahead.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT ON PAY ADJUSTMENT FOR FEDERAL STATUTORY PAY SYSTEMS IN OCTOBER 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–35)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying paper, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

In accordance with the provisions of section 5305 of title 5 of the United States Code, I hereby report on the pay adjustment I am ordering for the Federal statutory pay systems in October 1978.

The Secretary of Labor, the Director of the Office of Management and Budget and the Chairman of the Civil Service Commission, who serve jointly as my agent for Federal pay, found that an increase averaging 8.4 percent would be appropriate if comparability with private enterprise salary rates for the same levels of work were to be achieved. The Advisory Committee on Federal Pay recommended that the findings of my agent be implemented.

After considering the findings of my agent and the recommendation of the Advisory Committee on Federal Pay, I determined that an across-the-board increase of 5.5 percent was dictated by economic conditions affecting the general welfare and transmitted to the Congress the alternative plan to that effect called for by section 5305(c) of title 5 of the United States Code. On October 7, 1978, I signed the Executive order to implement this increase.

I am transmitting herewith copies of the reports of my Pay Agent and the Advisory Committee on Federal Pay, the alternative plan, and the Executive order I promulgated to put this pay adjustment into effect.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

□ 1145

APPOINTMENT AS MEMBERS OF BOARD OF REGENTS TO THE SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 United States Code, 42 and 43, the Chair appoints as members of the Board of Regents to the Smithsonian Institution the following Members on the part of the House: The gentleman from New Jersey (Mr. THOMPSON), the gentleman from California (Mr. MINETA), and the gentleman from Massachusetts (Mr. CONTE).

COMMUNICATION FROM COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C., January 2, 1970.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following items on October 4, 1978:

BUILDING PROJECT SURVEY

Omaha, Nebraska.

11(b) RESOLUTION

Queens, New York.

LEASES

1320 Wilson Boulevard, Arlington, Virginia.
Crystal Plaza No. 2, Arlington, Virginia.
Ballston Center, Towers II, Arlington, Virginia.
120 Church Street, New York, New York.
2025 M Street, N.W., Washington, D.C.
150 Causeway, Boston, Massachusetts.
106 Wynn Drive, Huntsville, Alabama.

The original and one copy of the authorizing resolutions are enclosed.

Sincerely,

HAROLD T. (BIZZ) JOHNSON,
Chairman.

SPECIAL ORDER OF MR. CONABLE TO FOLLOW SPECIAL ORDER OF MR. ZABLOCKI ON THURSDAY, JANUARY 25

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that the special order granted for the gentleman from New York (Mr. CONABLE) on Thursday, January 25, 1979, immediately follow that of the gentleman from Wisconsin (Mr. ZABLOCKI) on that same date, in order that they may pay tribute to the late Honorable William A. Steiger.

The SPEAKER pro tempore (Mr. MATSUI). Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 1110

ALABAMA'S TEXTILE INDUSTRY THREATENED FROM TWO SOURCES

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, I am very pleased to return to Washington to represent the people of Alabama's Third Congressional District. As you are aware this is a predominantly textile oriented area, depending on the mills to keep our fragile economy stable, but all is not well in my area of Alabama. Many mill workers are on short hours, some have been laid off entirely and those remaining on the job do not know from one week to the next if their full-time pay checks will turn into unemployment checks the following weeks.

In the past 2 years nearly 2,500 workers have been laid off from three mills in my congressional district alone. The future for the remaining mills is not good. Without a doubt the health and future stability of Alabama's textile industry will be one of my major concerns during the 96th Congress.

The problems are complex but the Birmingham News, in the Sunday, December 3, 1978, edition, very succinctly outlines two of the major factors damaging todays textile industry, the regulations imposed by agencies of the U.S. Government and the encroachment of foreign goods on our domestic market.

Because of the importance of this problem I am submitting a copy of this article for printing in the CONGRESSIONAL RECORD. I hope that all Members of this legislative body take a few minutes to read this very fine article for it will provide a great understanding of the problems facing the textile industry.

[From the Birmingham News, Dec. 3, 1978]

GOVERNMENTAL REGULATION, FOREIGN COMPETITION—ALABAMA'S TEXTILE INDUSTRY THREATENED FROM TWO SOURCES

(By Brett Guge)

The Alabama textile industry is an $860-million-a-year business that is the financial backbone for many small towns throughout the state.

Now it is being menaced both from within this country and from without by forces that threaten to close mills or to make them greatly reduce work forces.

The U.S. government is blamed by industry executives for many of the problems—primarily for the constant battery of new regulations that textile executives say are difficult and expensive to meet.

Also hurting textile makers badly, in Alabama and elsewhere, is a growing wave of cheaply produced, inexpensively priced, imported textile goods.

"This business isn't any fun anymore," says one long-time Alabama textile baron.

The problem is really a national one. In 1978, according to statistics released by the American Textile Manufacturers Institute in Washington, D.C., more than 330,000 textile workers across the country were either on "short time"—working less than 40 hours weekly—or out of work altogether.

There are 100,000 textile and apparel manufacturing workers in the state, making Alabama the fifth largest textile producer in the nation.

Despite growing problems, the Alabama textile industry has fared reasonably well in terms of plant closings and layoffs, according to Tod Eden, executive vice president of the Alabama Textile Manufacturers Association Inc. in Montgomery.

But there are ominous signs that something is amiss:

The closing of a 700-employee plant, Olympia Mills, in Tuscaloosa in 1976, due largely to import competition.

Layoffs in May of 200 workers at West Point Pepperell's Fairfax plant, which has been all but phased out.

A cutback early this year from 700 to only 30 workers at one point at Handley Textiles in Roanoke. The firm has since switched from weaving heavy industrial cloth to producing yarn, and the work force is back up to 120.

The closing last November of a 200-employee Dan River Co. plant in Clanton.

A current cutback at Talladega's Bemis Co. mill, from a previous high of 1,200 employees to around 900, with more layoffs possible due to falling profits.

Many of the workers at these and other plants are offered early retirement, or transfer to another mill in the same company. Inevitably, however, some are simply let go.

Industry officials say the hardest-hit area for layoffs and closings, by far, has been in the production and sale of heavy woven cloth often used in industry: Canvas, duck and some denims.

"We were affected very much by industrial fabric imports," says Charles Eichelberger, a spokesman for Handley Textiles Inc. in explaining his firm's drastic work force cutbacks.

Workers at heavy-cloth mills in Alabama are usually paid about $5 per hour. Their working conditions, even such things as the amount of dust in the air, are heavily regulated.

Those two factors do not mean that Alabama-made industrial cloth is priced too high, but it is considerably more expensive than, for instance, the same cloth made by Koreans working for 50 cents an hour—with no expense-boosting government regulations with which to contend.

"We can spend at least half our capital money in meeting certain government regulations," moans Murray Williamson, assistant manager at the Bemis Co. plant in Talladega.

Towns like Talladega depend heavily on mills such as Bemiston, the name for Williamson's plant. Bemiston came to Talladega in 1929, when the town, like the rest of America, was on hard times.

"It came here and started employing in the Depresssion years," says retiring Plant Manager C. P. Eldred. "If it had not been for the Bemis Co., and the Bemis Co. payroll during those years, I don't know what would have happened to Talladega."

Since that time, the company built a model mill vollage around the plant, eventually selling the houses to workers. Bemis Co. has donated a recreation center and a school building to the City of Talladega, and literally thousands of Talladegans have worked there.

But now, Bemiston is fighting for its very life.

Williamson says imports and government regulations have hurt Bemiston and other textile plants. But he says he just can't swallow those two factors being the whole problem.

The denim industry, he says, oversupplied itself during the blue jean boom of the early 1970s. Fashions have changed, and many companies that geared up for massive denim production are now regretting it.

Other, more subtle changes in market demand have hurt in some areas, he adds. Take, for instance, basketball shoes.

"Five years ago, every basketball team that you saw, from the pre-teens to the pros, wore canvas basketball shoes," says Williamson. "(Now), you go out and try to find them. They don't make them any more. Those shoes . . . that the baskeball players are wearing are leather shoes (or simulated leathers.)"

Still, imports and government regulations remain at the top of textile industry's hate list.

A spokesman for American Textile Manufacturers Institute says imported textile goods are about as high in quality as the same materials made in America.

"The basic problem is that they are simply produced at costs much lower than ours," says the spokesman. "For the most part, they are very comparable products."

He says there are two basic ways by which the United States tries to control imports and keep its more than $5 billion deficit in textiles trade from growing larger.

One is through tariffs, which are taxes on imported goods. Naturally, the higher the traiff, the less profitable it is for foreign dealers to import.

The other means is called the "Multi-Fiber Arrangement," a complicated series of agreements between the United States and a number of other countries to regulate textile trade.

Loopholes in these agreements have allowed import excesses to creep in, says the ATMI spokesman.

"We don't believe (they've) been administered diligently," he says. "There's been a good deal of slippage."

□ 1150

THE REIGN OF KING CRIME

The SPEAKER pro tempore (Mr. MATSUI). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, the reason I importune the House at this time is because I feel that this is a matter of great and serious implication not only to my district and my area that I have the honor to represent but also to the entire Nation. It is a subject matter that I have addressed in special orders to the House since 1970, off and on. The matter of crime has reached such proportions in our country that it is my contention that unless this matter is addressed in the most forceful way in a matter of national priority that in effect what we have is the reign of King Crime in the United States, both organized as well as unorganized, but the special reference that I wish to address my remarks to today has to do with the organized, highly sophisticated form of crime.

In 1970 as a matter of fact I took exactly 47 occasions to address myself to the specific case of the Justice Department and the Deputy Assistant Attorney General, who was a former attorney general of the State of Texas. It was not until after the 45th speech that the administration then of John Mitchell and President Nixon was compelled to fire the Deputy Attorney General, and only because I spoke out.

It was a grievous situation. It pinpointed the malodorous practice, particularly one which has been very much more practiced since the adoption of the omnibus crime control bill, so-called, of 1970 and the deal that then was attempted and in effect successfully foisted on the people of Texas and the Nation because of the connivance of the Deputy Attorney General and assistant district attorney in the Southern Judicial District in Houston, Tex., and a financier in Texas who had gypped the public and the innocent investors out of millions of dollars in the so-called Sharpstown scandal.

□ 1155

It was I who focused on the Sharpstown scandal and it was I who exposed the peculiar combination between the schemers and defrauders and the Justice Department. At that time I made the outright allegation that organized crime had successfully penetrated the highest levels of the Federal Government. I reiterate that charge today.

Now, then, that triggers off the latest, most disturbing, and far more disturbing thing than anything that happened between 1970 and 1976, because of the latest attacks, for example, in my district, on the assistant district attorney on the Federal level in charge of the prosecution of the international drug traffickers in the western judicial district, are insidious to say the least, and another attack, under similar conditions, on another Federal district attorney here in the District of Columbia—both yet unresolved. The attack on the assistant district attorney of the western district, Mr. Kerr, is still unsolved. And it was the first direct insult and direct challenge on the part of organized crime to the law enforcement agencies of the United States, that they are vulnerable. In fact, and indeed, they are, because here we have the men that we are charging with enforcing our law hiding in fear, as the assistant district attorney, Mr. Kerr, is to the present day. He is under what you could call custodial protection while the criminals roam the land in and out of Texas and in and out of Mexico freely.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I am happy to yield to the distinguished gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I want to thank the gentleman from Texas (Mr. GONZALEZ) for bringing to the attention of this House and to the American people the important problem that exists through the impact of organized crime and their hold on the law enforcement people of this Nation, and who clearly threaten the existence of effective law enforcement in this country.

I think the gentleman should be commended for centering the attention of this House on this problem.

Mr. GONZALEZ. Mr. Speaker, I thank my colleague, the gentleman from New York (Mr. WOLFF) for his comments. Coming from him it is a real compliment because he is the leader and he has exhibited leadership in this area in very specific instances having to do with the international drug traffic.

But my concern is also personal. In 1970, because of the relationship that I have been very privileged to have with my constituency, I was informed of something that was new in the area, and, indeed, as it turns out, clearly it looks like my home district of San Antonio became a way station.

My district has never been an area of any kind of a concentrated, organized crime scene. San Antonio has been exempt up until these last years when it became a way station when the heroin traffic from France was temporarily plugged on the Canadian border and the eastern seashore, and then they began to get what they call brown heroin from Latin America, mostly through the Mexican border points at the Texas border, also California, but particularly at that time in Texas.

□ 1200

The city of San Antonio became a way station, not a center, but a way station. As it turned out, the papers would report the finding of bodies in certain isolated areas in and out of my district; and apparently, mysteriously, they would not account for what was happening.

I was tipped off that it was connected with a ring then across the border in the city of Nuevo Laredo and that in that area the hit men would get in their cars, cross this border, in a matter of 3 or 3½ hours would be in San Antonio and make the hit, and in another 3½ hours would be safe across the border, defying the local law enforcement officials, who lacked any kind of ability to control them.

I then went before the local grand jury, the Bexar County grand jury. I visited the grand jury again in 1971 and twice in 1972 I alerted the grand jury. I was the only one who was so doing at the time that, in the meanwhile, for the first time a ring had been forming in the San Antonio area and was going not only into way-station operations, but into the actual importation and peddling of the drug.

This turned out to be the Carrasco ring, and then national news was made about 3 years ago, when Carrasco, holed up in the penitentiary, perpetrated the attempted escape of the century and was killed, alongside, unfortunately, of two women and another innocent employee of the Texas prison system.

Late last year, in the autumn and in the late summer, the San Antonio papers again began to report finding individuals murdered gangster fashion; and, believe it or not, in the same areas as those who had been murdered in 1970, 1971, and 1973 in similar fashion.

Again I received information that there was a recrudescence of the remaining factions, including some of the lieutenants of the old Carrasco ring, plus an insidious overtone coming from the north, Chicago, and this area.

We have a new twist in crime, and that is the international stolen-vehicle or automobile, and the so-called stolen parts, which are "shopped," as it is known, into the southern Republics in exchange for drugs. This situation has now been backed up by organized crime, with particular concentrated effort in the city of El Paso, which is about 600 miles from my district; and again, my district has become a sort of way activity.

I announced that information, as received by me, clearly indicated that, again, the hits were being made in a similar fashion and for the same reason. For example, with respect to two of the individuals who were found murdered gangster fashion, the police were and continue to be mystified, because they have no kind of previous record, unlike the victims in 1970, 1971, and 1973. However, when my information came in, I found out that it was the case of those two which triggered the present flurry of activity, and that both had one thing in common: They were engaged in the automobile-sale business. They were both hit for the same reason.

I stated that this was more insidious than the situation in 1970, 1971, or 1973 because this time we really have organized crime going into this billion dollar business, which is what it is now and what it has become just in the last 3½ years.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I am glad to yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, I congratulate the gentleman for focusing attention on this rather remarkable and unique development in the whole crime picture. Traditionally, the criminal element would operate with the knowledge that there was peril of apprehension.

Mr. GONZALEZ. That is right.

Mr. BIAGGI. They would accept it at that, but there has been a change. Now the organized crime elements have involved themselves in multibillion dollar undertakings which are as important that they have come to regard human life as less than worthy of any consideration. Anything which jeopardizes their undertaking justifies any action that they think appropriate.

□ 1205

We have seen throughout the country and throughout the world the elimination of opponents, the elimination of competition, the elimination of any hazard. That refers to criminals. It refers to law enforcement people, and refers to their own colleagues in their own organizations. What makes this experience distinctive is that an arrogance has developed. An arrogance has developed in the whole crime picture that those involved in these multibillion-dollar undertakings simply do not give a damn for any individual if he jeopardizes their business. We have witnessed where they have been able to infiltrate law enforcement agencies, especially in Washington where they have a bureau of informants who are supposed to be kept in a highly classified position, the absence of which the whole law enforcement structure would falter.

Informants are critical. Those informants have been most valuable in the prosecution of crime. But now we find that when we have informants making revelations, in short order, either before the criminal trial or thereafter, in vengeance those informants are assassinated. They have been able to infiltrate and obtain that information.

We have held hearings in the Coast Guard Committee of which I am chairman in relation to narcotics and the transportation of marihuana, and the Coast Guard to their credit confiscated 3½ million pounds last year, which gives us an idea of just how important a business this is, despite the contention of some that it is harmless trafficking.

We have statements and testimonies of criminals who have been apprehended and cooperated with us, who state that when they wanted information, they just made a call to their friends in the various law enforcement agencies. So it highlights the sophistication of their whole operation. But the one word that should infuriate all Americans is the "arrogance" of these people who dare assume a posture of being above the law in every regard, where they assault the whole structure to a point where they will kill the law enforcement men in the field, threaten the prosecutor or in fact kill him, threaten the judge or in fact inflict harm. In that direction and to those facts we should address ourselves and reinforce and recommit our energies to the extinction of those who participate in this area.

I thank the gentleman for yielding.

Mr. GONZALEZ. I wish to thank the distinguished gentleman from New York (Mr. BIAGGI), as well as the former speaker on the subject matter, his colleague from New York, but particularly the gentleman from New York who has just spoken, who himself has a tremendous background in law enforcement experience and has been the congressional voice on the subject matter of domestic crime, as the gentleman from New York (Mr. WOLFF), internationally.

I am deeply grateful. What the gentleman has said is very true. It is what I have been trying to say, not as eloquently as my distinguished colleague, the gentleman from New York, but which has in essence encapsulated what I have been trying to say in all these words. It is the most serious threat that we in the Congress and those out of the Congress and those in the executive branch have today. We can worry about communism and Russia and all of that, but I tell my colleagues, this is the real threat. This is aimed at the heart of our social structure. This is what our Government is supposed to be all about. If our Government cannot protect a citizen and cannot protect its own agents charged with the enforcement of the law, then I do not know what it is that we have that we can define as government.

□ 1210

This is why I importune the House. It is more insidious even than what the gentleman has just said, because the challenge has been made overtly.

The assistant Federal district attorney, I am sure, could have been murdered successfully, because believe it or not, an M-1 gun was used out of the rear of a van in the early morning when he was leaving his home to go to his employment. His actual prosecution was taking place in the El Paso area. Subsequent to that, a lawyer was murdered in El Paso. His case is not unconnected with this.

You might say, "Fine. You knew about all this. You have been worried about it since autumn. What have you done about it?"

Well, I did something. I felt and feel now that unless the Executive Office on the highest level, the President himself, and on the enforcement level the Attorney General, unless they give this national priority, the cases will not be resolved. The heat of intense public indignation should be daily concentrated.

Well, you would be surprised. I was criticized and attacked. Of course, it was by our local opposition, our local officer, saying that publicity was not desirable. I believe it is indispensable in this case, because it is the only thing that can aid us in bringing the organized criminal and his syndicate to bay.

Right now they are roaming free. They control the situation. They actually are

superior to our ability to enforce the law. This is a clear defiance. It is a challenge. Organized crime has passed the gauntlet. Therefore, I addressed myself to Mr. Eizenstat, the Chief of Domestic Policy for the President. I wrote him immediately. I addressed the Honorable Griffin Bell, the Attorney General, in Texas, and I wish to submit a copy of that letter for the RECORD at this point. Mr. Stewart Eizenstat's letter was at least 3 weeks earlier than the one to the Attorney General.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 21, 1978.

Hon. GRIFFIN B. BELL,
The Attorney General, Department of Justice, Washington, D.C.

DEAR GENERAL BELL: Nothing could be more intolerable to a lawful society than callous attacks upon its law enforcement officers. An assault on a law enforcement officer is an assault upon all law enforcement.

One month ago, an Assistant U.S. Attorney was attacked by gunmen in front of his San Antonio home. There is no question that the attackers intended to destroy this man, or at the very least destroy his effectiveness in prosecuting drug cases. The victim lived, with only minor wounds, but he is not able to carry on his work, since the perpetrators have not been arrested and, indeed, there are no signs that they will be. Assistant U.S. Attorney Kerr is in hiding, for all intents and purposes, a fugitive. That the prosecutor should be forced to hide while his attackers go free, roaming at will, undermines the work of all prosecutors and investigators everywhere. For if those charged with enforcing the law cannot be assured of their own safety, neither can anyone else. No prosecutor, under the circumstances we have today, can be willing to investigate major crimes fully and prosecute them vigorously.

Your Department receives discretionary funds to cover extraordinary situations, and it is plain that wanton attacks upon U.S. Attorneys are unprecedented.

I am asking that you give this question your most urgent attention, and that no effort be spared to find and bring to justice those who so brazenly attacked Jim Kerr. To facilitate this, I ask that you offer a reward of $50,000 for information that will lead to the arrest and prosecution of those responsible, and that you finance it from discretionary funds available to you.

As long as your own prosecutors cannot feel safe in the performance of their duties, they cannot be effective in their work. The very existence of law enforcement is threatened, and with it, the existence of a free society. Liberty requires that citizens feel secure and safe from wanton attacks. You should recognize this situation for what it is: unprecedented, intolerable and demanding of the most vigorous and extraordinary response of which this government is capable.

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

I did not receive an answer in what I consider to be reasonable time, which was almost a month, and finally I did, but not before I had to write a second letter to Mr. Eizenstat. I said that sometime back I wrote him a letter suggesting, among other things, such things as improvement in border control so that the United States could improve its effectiveness against drug traffickers.

Since that time there have been assaults against U.S. attorneys who are engaged in drug prosecutions and the attackers are remaining free, while the victims are in hiding. This indicates the low opinion these criminals have of our law enforcement programs.

I had written Mr. Eizenstat even before the assault on the district attorney. It was when I predicted this kind of assault that I was laughed at and mocked. I have a personal interest, because I happen to believe that we as elected political figures are just as vulnerable and will be down the line. We will be in line, just like the assistant district attorneys are right now. Why would organized crime go after a lowly assistant district attorney? The assistant district attorney is not even the Attorney General, if it is not intimidation. They could easily have murdered him, as they did when they pumped 29 bullets into his car. He ducked underneath the panel and therefore received only minor wounds.

□ 1215

The attack on the assistant district attorney of the District of Columbia was similar. He was not killed. I cannot help but believe it was done by professionals. They could have done it.

So their message is clear. The subsequent message is that the attack on the attorney in El Paso is not unrelated. Yet from any public discussion one would not think so.

Carrasco, the criminal, the great drug traffic peddler, whom we can unfortunately claim as San Antonio's contribution—he was the one and only—when he was holed up in the prison yard shortly before they were shot or shot to death, he was interviewed by a radio news correspondent, and he denounced only one individual. That was me.

Why? Why did Carrasco, there at the end of his rope, denounce me of all the people he could have denounced? He could have denounced the prosecutors. Why did he denounce me?

So I have more than just a passing interest, because I, too, received a series of threats, two of them emanating from the FBI, as reported. I have spoken on that subject matter before on the floor of the House, so I will not make further reference to it, but given my experience with that, I feel very keenly for this poor district attorney, because there is nothing more harrowing when we know how vulnerable and how unprotected a citizen can be.

We simply must raise the bulwark of protection against this type of criminal activity. It is inexcusable not to, if we want to preserve any kind of viable, democratically free society.

This is the issue. I think we must pursue it. I am delighted that I have had the joinder of the two leaders here in the Congress on this subject matter. I indeed did seek and I have been delighted to seek a personal meeting with both Mr. Eizenstat and Mr. Bell in order to impress both with the need that the National Government, from the President on down, including the Attorney General, that they give this national priority. Unless they do, the current case in San Antonio and the case in the District of Columbia of the prosecutor, I predict, will not be solved any more than Jimmy Hoffa's disappearance has been solved.

Mr. Speaker, I yield back the balance of my time.

CRITICISM OF WORK OF THE SELECT COMMITTEE ON POPULATION

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, I find it incumbent upon myself to publicly express some reservations about some of the conclusions and recommendations contained in the reports which have been issued by the Select Committee on Population. Although I was a member of the committee during the 95th Congress, I am not in agreement with all of the conclusions which were reached.

While much of the committee's work was of high quality, I fear that it may have been eroded by the manner in which the final reports were prepared. While the members of the committee were given a preliminary draft of each report, and their comments were solicited, there was no opportunity to review a final draft before it was printed. Since 16 Members of Congress had the opportunity to suggest changes, the final version of any report could differ substantially from the first draft.

Having reviewed the final reports, I am left with the feeling that my own input was not always taken into account. Indeed, in several specifics, I find myself in disagreement with the conclusions and recommendations contained in the reports.

□ 1220

JAPAN: BULLHEADED TRADE PARTNER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, one of my chief concerns as a Member of the House has been the U.S. trade position with Japan. Agriculture interest in my congressional district have long sought a market for their products in Japan, but have had little success in achieving this end. There are many American industries in the same boat, and frankly, I am disappointed that efforts to establish greater United States-Japanese cooperation on matters of international commerce have not gone well.

After the adjournment of the 95th Congress, I was privileged to travel to Japan with a delegation of Congressmen to meet with Japanese officials on this important issue. While I now have a greater understanding of Japan's trade policy with the United States, I left their country with a strong sense of frustration.

Last year the United States ran an $8 billion deficit with Japan, while the Japanese managed a trade surplus of $12 billion with the United States. Their surplus with the world community amounts to $26 billion, and it is likely that compatible figures will be realized this year. Meanwhile, there are projections that our trade deficit with Japan will increase by 50 percent in 1979. The critical problem of a declining U.S. dollar can be

attributed, by and large, to the protectionist trade practices of Japan.

The trade barriers imposed by the Japanese are deep-rooted and virtually impenetrable. My colleague in the House, Oklahoma Representative JAMES R. JONES, chairman of the Ways and Means task force on United States-Japanese trade, has incisively calculated the direction of our relations with Japan on trade. In his view, unless the Japanese open the door to American goods or pull the reins on the shipment of their wares to the United States, then the United States will have no alternative but to impose tough barriers of its own.

I believe a less bullheaded posture by Japan would not only benefit American business, but would enhance the prospect of favorable action by Congress on the Geneva trade package. But the ball is clearly in Japan's court. A little less propaganda about the progress Japan has made in buying American, and a little more substantive purchasing is essential. The Japanese Government must change some of its own policies as well—selling U.S. wheat at a 100-percent markup, for example, does not exactly excite the Japanese consumer. American cigarettes are priced 500 percent above cost, and ridiculous product standards set by the Japanese delay the marketing of many goods by up to 18 months. All of this has to change.

As the 96th Congress convenes, I look forward to both the House and Senate giving this matter the full attention it deserves. As far as I am concerned any hope for a congressional seal of approval on the Geneva talks hinges on a less adamant Japanese trade policy.●

PRODUCTIVITY IMPROVEMENT IN STATE AND LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I was pleased to note the recent publication of a report to the Congress by the General Accounting Office entitled "State and Local Government Productivity Improvement: What is the Federal Role?" This GAO report—GGD-78-104 of December 6, 1987—clearly states the importance of productivity improvement efforts in terms of "getting more bang for the buck" from State and local governments.

The Federal Government ought to do all it can to encourage improved productivity at the State and local levels and, as the report states, assist by: First, developing a general management improvement program to assist State and local productivity improvement programs and to sponsor research and development that is of national interest; second, improving the Federal grants system so that productivity improvement is rewarded; and third, establishing a strong Federal focal point for State and local productivity improvement to lead the entire Federal effort. This last point is particularly relevant in view of last October's termination of the National Center for Productivity and Quality of Working Life which had been established in 1975 by Public Law 94-136.

I think that the key point made by the GAO report is that while Federal encouragement of State and local productivity improvement efforts may involve Federal expenditures, those expenditures would be far outweighed by the benefits to the entire public sector. In this era of proposition 13, I think it is particularly important for State and local governments to do what they can to improve productivity and for the Federal Government to encourage that effort. One area where the Federal Government can assist is through the development of a national productivity clearinghouse which could assist State and local governments as well as the private sector by informing them of successful productivity efforts around the country. The GAO made just such a recommendation in its December 12, 1978, report—FGMSD-79-4—entitled "Development of a National Productivity Clearinghouse."

As a member of the House Committee on Post Office and Civil Service, I would especially encourage the newly created Office of Personnel Management, through its administration of the Intergovernmental Personnel Act, to strongly support State and local efforts to improve productivity. Further support for this kind of effort has been announced in the National Governors' Association 1978-79 Policy Positions which state that—

The federal government must dedicate itself fully to simplifying program management through the reduction of regulations and enactment of statutory changes to improve efficiency, effectiveness, and productivity.

Productivity improvement efforts require a certain amount of political courage because such efforts are often difficult to initiate and sometimes prove their worth only in the long run. I think that such efforts are important and I will do everything I can to encourage the Federal Government as well as government officials of Illinois and its local units of government to improve their productivity.

Mr. Speaker, at this point, I would like to include in the RECORD the Digest conclusions and recommendations of the December 6, 1978, GAO Report GGD-78-104, "State and Local Government Productivity Improvement: What is the Federal Role?":

CONCLUSIONS

The Federal Government should encourage and support State and local government efforts to improve their productivity.

Although the Federal Government cannot provide the primary stimulus or impetus for State and local productivity improvement efforts, direct Federal financial and technical assistance can be valuable to State and local governments with sufficient internal management interest.

This assistance must be part of a broader Federal general management improvement program for State and local governments consisting of:

Funds for a limited seed money grant program for State and local general management improvement.

Increased funds for national research and development programs in public management, including development of better measurement systems and alternative approaches to public service delivery.

Improved dissemination of information to State and local governments on management improvement techniques, comparative performance rates, and other productivity-related statistics.

However, the major Federal impact on State and local productivity itself is achieved through the grants system. At this point, the structure and strictures of the grants system exert a primarily negative impact on productivity. However, due to the growing fiscal importance of Federal grants for State and local governments, the grants system can be harnessed to provide positive incentives for improved productivity in functions aided.

There is a need for a more effective broker in the Federal Government who can articulate the management needs of State and local governments and effectuate needed changes in Federal programs and policies which either directly or indirectly affect State and local productivity. A central broker, or focal point, could work to institutionalize a concern for productivity in the Federal Government's ongoing relationships with State and local governments.

RECOMMENDATIONS

To the President

The President should establish a focal point at the Federal level with clear authority to oversee and provide stronger leadership for Federal efforts assisting State and local management improvement and productivity. It is important that the President also seek adequate funding for the focal point commensurate with this responsibility. The Civil Service Commission, soon to become the Office of Personnel Management, would be the most appropriate organizational location for this focal point.

To the Congress

The Congress should institute fundamental changes in the grants system by removing negative barriers retarding State and local government productivity and by incorporating positive incentives to reward improved productivity in existing and future grant programs where appropriate.

The Congress should also amend the Intergovernmental Personnel Act to authorize funding for general management improvement projects for State and local governments and provide funding to the Bureau of Labor Statistics needed to measure State and local productivity trends under the general direction of the proposed Federal focal point.

To the Director, Office of Management and Budget

The Director, Office of Management and Budget, with the assistance of the proposed focal point, should lead a Government-wide effort to promote increased concern for productivity in Federal assistance programs. This Government-wide effort should primarily focus on encouraging the use of positive productivity incentives in grant programs where appropriate and beneficial.

Agency comments

The Office of Management and Budget found it difficult to take a position on GAO recommendations at this time. It suggested that the appropriate Federal role in State and local productivity improvement be studied by the new Cabinet-level Productivity Council.

It is regrettable that in the Executive Order outlining a national productivity program to carry on the functions of the National Center, a Federal focal point was not designated to deal with State and local productivity. GAO fears that Federal involvement in this crucial area could dissipate. While the Office of Management and Budget indicated that the National Productivity Council, created by the Executive order, would undertake a study of State and local productivity improvement, a Federal leadership vacuum will be created until the study is completed and the Council considers any future recommendations.

The Civil Service Commission found the report useful and endorsed its recommendation to locate a Federal focal point for State and local productivity within the Commission. Major public interest groups supported GAO's conclusions and recommendations in joint letters to the Assistant to the President for Intergovernmental Affairs, the Office of Management and Budget, and the Civil Service Commission.

While GAO's recommendations have budgetary implications for the Federal Government, the payoff to the entire public sector from an effective short would far outweigh these costs. In fact, it is somewhat ironic that the Federal effort to enhance State and local productivity has suffered with the funding reductions in relevant research and development efforts at the Federal level at a time when the public's demands for less costly and more efficient Government are growing.●

ECONOMIC JUSTICE FOR HOMEMAKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 15 minutes.

Mrs. HECKLER. Mr. Speaker, over a year ago efforts began in Massachusetts to develop a nationwide essay contest on subject "A Practical Program to Achieve Economic Justice for Homemakers." Under the leadership of Prof. Frank Genovese of Babson College in my congressional district, the essay contest has attracted widespread attention, provoking more than 6,000 inquiries—proof of the depth of the national concern to correct the economic injustice women suffer under many of our outmoded laws.

More than 1,000 essays were considered for judgment offering a wealth of ideas, statistics, and information that show the rising need for Congress to act to provide ways for homemakers to achieve the economic equity they deserve.

These essays showed that the changing socioeconomic conditions have resulted in a higher frequency of four disruptive events often faced by women: death of spouse, dissolution of marriage, disability, and depreciation of employment skills. Since many homemakers possess neither the assets in their own name nor adequate marketable skills, they are generally vulnerable in these four situations. This vulnerability is magnified because public and private insurance coverage for these events depends on an employment record and are unavailable to homemakers. Whatever protection she has comes from the traditional view that the male's role is that of provider and protector and this protection is inadequate in many cases.

Traditionally men and women have shared in the production of goods and services for the family with the home as the focal point of this production. If the husband's production could be spared, he sold it in the marketplace where industrialization eventually concentrated the base of economic power. Work outside the home generated direct wage income to the family; home production did not. Most women stayed at home to care for the family and this choice of a workplace profoundly affected women's position in society and their economic status.

Today, the homemaker still produces goods and services for in-home consumption but because this production is never marketed, no exchange price exists. No revenues are generated, she receives no explicit income, and—in the end—she has acquired no assets. Without clearly established prices that can only result from activity in the marketplace, society has no standard measure for work. Unfortunately, many Federal policies have historically equated the information vacuum with a lack of value rendering the homemaker an invisible uncounted and unrewarded part of the production system.

Several recent trends make this failure to recognize the homemakers' efforts increasingly untenable and the lack of an economic base undesirable. In 1920 the divorce rate per 1,000 population was 1.6; in 1960 the rate was 2.2; by 1976 the rate had jumped to 5.5. Typical problems of the homemaker in a dissolution situation are a small share of a small asset base, often irregular income from child support and/or alimony, and inadequate current earning power.

Homemakers should participate in the Social Security system and receive specific credit as a homemaker. The concept is to make the homemaker self-employed, and thus eligible for at least some social security coverage in her own right. In offering my first legislative initiative of the 96th Congress, I seek to deal with this inequity of homemakers.

The bill I am introducing today recognizes the significant contributions homemakers have made to the well-being of the Nation through not only their housekeeping activities but family and financial management as well, and amends the social security system to provide benefits for homemakers. This is a first step in achieving long overdue economic justice for homemakers and I urge the Congress to make this matter a priority by quickly scheduling hearings on this national problem.

□ 1225

Mr. WEAVER. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Speaker, I was glad that I was on the floor to hear the gentlewoman's remarks. They are excellent. I want to associate myself with them, and support her in her fight.

Mrs. HECKLER. I thank the gentleman for his kind remarks, and hope that he will cosponsor this bill.

THE CONGRESSIONAL AWARD PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, on Monday I introduced a bill to establish a congressional award program patterned after the Duke of Edinburgh's Award in England. Last session, Senator WALLOP of Wyoming and I sought to gather congressional support for this program and were successful in attracting 51 House and 35 Senate cosponsors. Those of you who were here last year will remember the congressional reception which was held on October 13 to promote the award at which we were honored by the presence of His Royal Highness Prince Philip, the Duke of Edinburgh. The occasion was a success and we were pleased by the increased interest for the program in both Houses.

When I reintroduced the congressional award program on Monday, already 31 of last year's cosponsors had advised me that they would again cosponsor this worthwhile scheme. It is my hope that many more of my colleagues will join me in supporting the bill so that it may receive swift action by the Congress.

Our award program is designed to recognize the achievements of young people and increase their knowledge of government while at the same time focusing their energies in helping others and broadening their own horizons. It will give national recognition to their achievements and will create a real avenue of communication between the young and Members of the Congress and Government. The award would accomplish these goals with the help and cooperation of the older generation through step-by-step fulfillment of certain requirements.

This is a voluntary program; the young people who would participate will not belong to it as members of an organization. They can earn their awards by themselves, or with the guidance of designated organizations.

As the legislation is currently written, young people between the ages of 14 and 23 would be eligible to earn bronze, silver, and finally gold medals by satisfying requirements in the areas of public service, exploration and personal interests. The qualifying standards are defined in terms of proficiency, perseverance, or sustained effort. Successful completion in many cases may depend more on persistence than on "brains" or athletic prowess. A handicap should not deter anyone from taking part or prevent anyone from obtaining an award.

There are three awards which may be earned by participants of differing age and maturity. There is no necessity to progress from one to the other, and thus either the bronze, silver, or gold award program may be entered directly. The bronze award is for individuals in the 14 to 16 age range and is a time to discover what their capabilities in the three areas are and what new goals they can achieve. The silver award, for those above 16, has as its goal achievement of a higher level of proficiency in public service, personal interests, and exploration as well as increased time requirements. The gold award, for those above 19, requires one to take the major role in planning the goals of any area with less supervision and direction. The goals are in part perseverance and the pursuit of excellence, however that may be defined for the activity. Considerable is expected, both in the time demands and levels of endeavor. It is the culmination of the award program.

For each level of Congressional Award, those taking part would have to meet the requirements of three sections: public service, personal interests, and exploration. Each of the three sections prescribes different kinds of activity. While the choice of activities within a section may vary, the names of the sections are the same for the bronze, silver, and gold.

As I mentioned earlier, enabling legislation for the award was introduced during the 95th Congress and enjoyed bipartisan support. During the last session 32 Governors, 25 big-city mayors, and 50 national, State, and local organizations have indicated their support or interest.

The award will require no Federal appropriation. A nonprofit Congressional Award Foundation has been established for the sole purpose of the award. The fundraising campaign to attract voluntary donations in support of the program has begun to be successful. Dr. Frank Arlinghaus, Jr., the chairman of the committee for the establishment and promotion of the Congressional Award, has assembled a group of dedicated individuals to work on the program. An 18-month pilot program has been planned and is ready to go.

Mr. Speaker, there is no single program or group of programs of this caliber with these goals that currently operates in America. The award will enhance the following ideas by the dimension of national recognition: to value by appreciation, to cultivate by leadership, and to preserve by commitment.

Mr. Speaker, I hope that the House will have the opportunity to act favorably on this legislation during the 96th Congress. I include the proposed bill to be printed in the RECORD.

H.R. —

A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Award Program Act".

ESTABLISHMENT OF THE CONGRESSIONAL AWARD

SEC. 2. There is hereby established a program to be known as the Congressional Award. The Congressional Award shall be administered by a Congressional Award Board (hereinafter referred to as the "Board") and a Director (hereinafter referred to as the "Director").

CONGRESSIONAL AWARD MEDALS

SEC. 3. (a) There are established three Congressional Award Medals to be designed gold, silver, and bronze awards. The medals shall be of such design and materials as the Board may prescribe.

(b) The Director shall arrange for the presentation of the awards, including participation by Members of Congress and opportunities for the exchange of information and views among award recipients and Members of Congress and the executive branch.

FUNCTIONS

SEC. 4. The Board is authorized to—

(1) initiate and administer in the United States and its territories a program open to young people aged fourteen through twenty-three (with exceptions to be made by the Board) designed to promote youthful initiative, achievement, and excellence in the areas of expedition fitness, personal creative development, and public service;

(2) set the standards of achievement required for young people to qualify as recipients of the gold, silver, and bronze Congressional Award Medals;

(3) establish procedures for the selection of individuals to be awarded the Congressional Award Medals, and designate the recipients of such medals;

(4) delineate the role, if any, of State directors in administering the Congressional Award;

(5) arrange appropriate ceremonies at the State and national levels for the presentation of the Congressional Award; and

(6) establish such policies and programs for the Congressional Award as may be appropriate to carry out the provisions of this Act.

(b) The Board shall prepare and submit an annual report to the Congress before January 31 of each year summarizing the activities of the Congressional Award and making appropriate recommendations. Minority views and recommendations, if any, of members of the Executive Committee of the Board shall be included in such reports.

MEMBERS OF THE BOARD

SEC. 5. (a) The Board shall consist of fifteen members, to be appointed by a Commission consisting of the majority and minority leaders of the Senate, and the Speaker and the minority leader of the House of Representatives.

(b) The Commission shall appoint individuals to the Board who are active in one of the fields of concern of the Congressional Award. The Commission shall, in making appointments to the Board, consider any recommendations submitted by the Committee for the Establishment and Promotion of the Congressional Award or by the members of the Board then in office.

(c) Members of the Board shall serve for a term of five years, except that seven of the members first appointed shall serve for a term of three years and eight of the members first appointed shall serve for a term of five years, as designated by the Commission at the time of appointment. Members of the Board, except members whose terms are designated by the Commission at the time of appointment, may serve until their successors are appointed. Any individual chosen to fill a vacancy on the Board shall be appointed only for the unexpired term of such vacancy. A vacancy on the Board shall not impair its power to function.

(d) The Board shall establish an Executive Committee and may delegate to such Committee or the Director such powers and functions as the Board deems appropriate.

(e) The Board shall meet annually on June 15, unless, prior to May 1 of any year, the Chairman has set a date for the annual meeting for a day in June in that year other than the fifteenth. The Board shall meet at such other times as the Chairman may determine. The Chairman shall call a meeting whenever one-third of the Board requests a meeting in writing. Each member shall be given notice of the call of any meeting by registered mail or certified mail mailed to his last known address of record not less than fifteen days prior to such meeting.

(f) A majority of the members of the Board shall constitute a quorum.

(g) The Chairman and the Vice Chairman of the Board shall be elected at the annual meetings of the Board occurring in even-numbered years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Board shall elect a member to fill such vacancy at the next meeting of the Board following the date on which the vacancy occurred.

(h) The Board is authorized to appoint from among its members or otherwise such committees as may be necessary and to assign to such committees such functions as may be appropriate to assist the Board in carrying out the provisions of this Act.

DIRECTOR OF THE CONGRESSIONAL AWARD

SEC. 6. (a) The Director of the Congressional Award (referred to in this Act as the "Director") shall be appointed by a two-thirds vote of the Board. The Director shall serve for a term of five years unless removed by a two-thirds vote of the Board.

(b) The Director may from time to time authorize any State director appointed pursuant to section 7 or any other officer or employee of the Congressional Award to perform any of the functions of the Director, including functions delegated to him by the Board, except that the Director may not redelegate policymaking functions delegated to him by the Board.

(c) The Director shall, in consultation with the Board—

(1) formulate programs to carry out the policies of the Congressional Award; and

(2) establish such divisions within the Congressional Award as may be appropriate.

(d) The Director shall be an ex officio member of the Board.

STATE AWARD DIRECTORS

SEC. 7. State award directors (referred to in this Act as a "State director") may be appointed for each State and territory or groups of States and territories of the United States by a two-thirds vote of the Board. The Board shall make such appointments from lists of candidates submitted to the Board by the Director. The Director shall compile such lists from recommendations solicited from a representative number of public and private youth organizations within such State or group of States. Members of the Board may make nominations for State award directors.

ADMINISTRATIVE PROVISIONS

SEC. 8. The Board shall have the authority, within the limits of available resources and donated funds, to take such action as may be necessary to carry out the provisions of this Act, including the authority—

(1) to prescribe such rules and regulations as may be necessary concerning the operations, organization, and personnel of the Congressional Award;

(2) to seek funds and resources only from institutions and sources other than the Government;

(3) to make such expenditures as may be necessary for administering the provisions of this Act;

(4) to enter into contracts or other arrangements, or modifications thereof, for the carrying out of such activities as may be necessary to carry out the purposes of this Act, except that no contract may be entered into for an amount in excess of the amounts available to the Board in any fiscal year;

(5) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by grant, sale, lease, or loan property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act;

(6) to receive and use funds donated from any source, if such funds are donated without restriction or without restriction other than that the funds donated be used in furtherance of one or more purposes among the purposes of the Congressional Award; and

(7) to accept and utilize the services of voluntary and uncompensated personnel.

EMPLOYMENT OF PERSONNEL

SEC 9. (a) The Director shall, in accordance with such policies as the Board shall from time to time prescribe, appoint such other personnel as may be necessary to carry out the provisions of this Act, and may compensate such personnel from the donated funds of the Congressional Award.

(b) The Director shall not engage in any other business, vocation, or employment while serving as Director. Neither the Director nor any other personnel of the Congressional Award may hold any office in, or act in any capacity for, any organization, agency, or institution with which the Congressional Award enters into any contract or other arrangement under this Act, except with the approval of the Board.

(c) A person holding any other office in any branch of the Government may serve as a member of a committee created by the Board, but shall not receive remuneration for services as a member of such committee during any period for which he receives compensation for such other office of the Government.

A TRIBUTE TO FLOYD F. HEDLUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, on January 12, 1979, Floyd F. Hedlund concluded 41 years of service with the U.S. Department of Agriculture. Since 1961 he served as Director of the Fruit and Vegetable Division of USDA's Agricultural Marketing Service. He was responsible for supervising various marketing programs including market news, marketing agreements and orders, and standardization and grading programs, as well as regulatory programs, including the Perishable Agricultural Commodities Act.

Mr. Hedlund was active in international agricultural affairs, representing the United States at many conferences and meetings and completing assignments for the Agency for International Development and the Central Treaty Organization.

Mr. Speaker, too often we hear of government employees who are nonproductive and merely add another layer of bureaucracy and redtape between government agencies and the people they are supposed to serve. Mr. Hedlund, on the contrary, has made valuable contributions to agriculture. The USDA itself has cited him on four occasions, and twice awarded him its highest honor, a Distinguished Service Award for exceptional service.

The people of the 15th Congressional District of California, who I am proud to represent, produce over 200 different agricultural commodities. A great number of these are specialty crops. Mr. Hedlund has done an outstanding job administering the programs under which these crops are produced, and consequently, done an outstanding job for the people of the 15th district.

Mr. Speaker, I am proud to have known and worked with this man, and I wish Floyd and his wife, Dolly, a happy, well-deserved retirement from government service.●

FAIR DEBT COLLECTION PRACTICES ACT—IT WORKS AND HELPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, when I first introduced the Fair Debt Collection Practices Act some 4 years ago, it was greeted with almost universal criticism by the debt collection industry. Many in the industry contended that the act would do nothing but help deadbeats while others suggested that passage of the Act would result in some 400 debt collection agencies going out of business. My investigations that led up to the introduction of the act showed me that neither of these positions were valid.

First, almost every debt collector that I talked to said that the deadbeat, that is a person who absolutely refuses to pay a just debt, would not be helped or hurt by this act since a deadbeat won't pay regardless of what types of collection methods are used. Many collection agencies shy away from even trying to collect debts from known deadbeats since they know they will only be wasting their time.

I also talked to many well-run debt collection agencies and found out that nothing in my legislation would cause them to make changes in their operations that would result in the company being unable to collect a debt. A large number of collectors told me that they already followed all of the provisions in my bill and because of that the act would not hurt them at all.

During our hearings on the legislation we heard from Mr. Jack Fletcher, president of United Creditors Service of Nashville, Tenn. I had never met Mr. Fletcher prior to his appearance, but I quickly became impressed with the manner in which he approached his occupation. I found him to be a most honorable and straightforward individual and one who represented the best in his industry.

In his testimony he pointed out that the act would not hurt his company nor did he feel that it would cause problems for many collectors. He did feel that some of the recordkeeping requirements in the original bill would cause problems for smaller companies. It was primarily because of the suggestions made by Mr. Fletcher that many of the recordkeeping provisions that would have overloaded the small collector with paperwork were eliminated.

Since the Fair Debt Collection Practices Act has been in effect, I have made it a point to periodically check to make certain that the act is meeting its intent without causing undue problems for creditors and that the act is not preventing the legitimate collection of debts. In that regard, I would like to share with the Members of the House portions of a letter that I received last month from Mr. Fletcher.

In part he writes:

> Your records will show that during your hearings on 95–109 we stated "we realize that we have rotten apples in our barrel" because the collection industry is no different than any other and of course this even goes as high as The United States Congress.
>
> I believe that most people in our industry will now say that the Fair Debt Collection Practices Act helped to clean up our apple barrel. I can only speak for our company and say that our operation is very little different than it was twenty some years ago, in fact, 1978 will probably be one of the best years in the history of the company.

Mr. Speaker, I submit that when a gentleman of the caliber of Mr. Fletcher states that the Fair Debt Collection Practices Act has not only failed to hurt his company, but that during the first year the law was in effect his company concluded what may have been its most successful year in its history, then the act must be a success.

In conclusion, let me point out that when the act was signed I said on the floor of this House that the Fair Debt Collection Practices Act may well be the most important thing to happen to the debt collection industry. It will give it status, it will give it a benchmark with which to judge its operations, and it will make certain that unscrupulous competitors will not be allowed to operate. Most importantly, it will make certain that the honest and reputable debt collectors, of which there are many, will not have to worry that some fly-by-night phone and desk operation will be able to use cutthroat tactics and steal business.

It is a good act, it is on act of which all the Congress can be proud. And the act will succeed because of the outstanding quality of the men such as Jack Fletcher.●

THE UNITED STATES—A WASTEFUL SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

Mr. WEAVER. Mr. Speaker, I intend to address the House from time to time on the matter of the coming depression. If we do not curb our excesses, the economy will curb them for us.

Waste is an economic sin, and we are a sinful society. We are certainly a wasteful society, a throwaway society. Our garbage cans overflow. We cannot find places to bury our waste. We drive huge clunker cars, one person to a car. In motels we see the air cooling turned on at the same time the heating is on.

Of course, this is our fault, but as individuals who want to change, waste is forced upon us by packaging that we cannot avoid, by garbage collection systems that make individual efforts futile, by chemicals that make waste unusable, and by pricing systems in our so-called free market that force us to waste energy and other resources.

Our culture, our very economy, has waste built into it, each reinforcing the other, making us as individuals sloppy and lazy from habit and training, or lack thereof, and from the perceived futility of individual effort.

We live in a world that is changing while we as individuals and we as a society are not changing.

Mr. Speaker, our natural resources are running out or becoming exhorbitant in price. Yet, we as a society and as individuals continue our pattern of waste into the high price era. Our Government makes no effort to lead us away from this extremely dangerous pattern of waste. Indeed, with its huge, extravagent, and deficit spending, it is the prime culprit.

So, we go down the primrose path of ever-increasing inflation, dangerous inflation, putting in jeopardy our economy, our political institutions, our very well-being.

The first step is to make it possible for the individual to conserve; in other

words, change those laws, regulations, marketing systems, ways of doing business that force waste on us, that reward the exploiter and penalize the concerned. As an example, in my Fourth Congressional District of Oregon, the Bureau of Land Management has a small wooden bridge which is declared to be unsafe. They say they must, by regulation, put in a $100,000 steel bridge to replace it. They do not have the money, so they are not going to put the bridge in at all.

The people there would like to put a few wooden stringers across, shore up the pilings and do the job for a couple hundred dollars by themselves, but no, the regulation by the Bureau of Land Management makes this impossible, makes it impossible for people to make do for less.

□ 1230

So, Mr. Speaker, I say that unless we curb our excesses the economy will curb them for us, and the coming depression will come only too soon.

THE ADMINISTRATION'S REAL WAGE INSURANCE PROGRAM: A MULTIBILLION-DOLLAR LOSER

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, the administration's real wage insurance proposal promises more inflation than it cures. The $8 to $15 billion drain on the Treasury to pay for it is likely to raise the cost-of-living by more than 1 percent. This makes the program self-defeating. The Treasury loss would have to come out of cutbacks in critical areas of public spending or by adding to the debt and deficit.

The administration's proposal cannot be considered as a temporary expedient. The plan would become a permanent addition to the Tax Code at a cost of incredible billions in the future. If Congress indexes incomes to inflation, it must also index income taxes to inflation. The resulting attrition of Federal revenue could create an inflationary explosion in new borrowing.

The administration's bill is likely to become a carrier pigeon for all kinds of tax concepts and special interest loopholes. In the last Congress we managed to survive a large scale assault on the fiscal integrity of the country. We will not succeed in 1979 if the administration persists in this dangerous scheme.

The selective tax-cut provisions provided through so-called real wage insurance would be denied to millions of Americans who suffer most through inflation: the unemployed, the self-employed, and the millions whose earnings do not increase. The proposal would be unfair and cruel to those excluded from the program who would have to pay higher taxes for the benefit of those who are advantaged.

The Congress should consider alternate proposals—perhaps a penalty tax on those who prod inflation. Congress should establish select committees on inflation to conduct hearings on price and wage abuse. Congress can effectively engage in legislative jaw-boning. The exposure of price and wage greed would go to the heart of the problem.

WILSON REINTRODUCES CHARITY DISCLOSURE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, today I am reintroducing an important piece of consumer protection legislation which received wide attention in the last Congress—the charity disclosure bill.

This legislation, H.R. 41 in the 95th Congress, would require organizations seeking charitable contributions from the general public to disclose at the time of solicitation what the specific charitable purpose actually is, and how much of the money raised by the organization in the previous year went to this purpose as opposed to fundraising, management and other expenses.

I do not think that it is necessary to detail the long list of charity scandals which make this legislation necessary, suffice it to say that there has been a very real problem which not only has resulted in millions of dollars being stolen and wasted, but has also shaken public confidence in the vitally important work which is done by all legitimate voluntary agencies.

For this reason, H.R. 41 was endorsed in the last Congress by many reputable charities, including the American Heart Association, the National Kidney Foundation, Save the Children Federation and the American Lung Association.

The concept was also strongly backed by the Charitable Trust Committee of the National Association of Attorneys General. Attorney General William Scott of Illinois, who has prosecuted several major charity frauds, told my subcommittee in 1977 that a Federal charity disclosure law is desperately needed to supplement State law enforcement efforts in this regard.

Mr. Speaker, in the last Congress there were some scare tactics used against this bill by certain groups which opposed any form of disclosure to the public.

I intend to pursue this issue in the 96th Congress and work out any lingering concerns responsible groups have with this concept.

I would welcome any constructive comments from interested parties as we move toward enactment of the bill. The text of the bill follows:

H.R. —

A bill to amend title 39, United States Code, to require the furnishing of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 30 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3012. Soliciting charitable contributions by mail

"(a) Any charitable organization which solicits, in any manner or through any means, the remittance of a contribution by mail, shall include with such solicitation the following information:

"(1) the legal name and the principal business address of the charitable organization making the solicitation;

"(2) the purpose of the solicitation and the intended use of the contribution solicited;

"(3) the obligation of the charitable organization to furnish information in accordance with the provisions of subsection (d) of this section;

"(4) in the case of any charitable organization which is not subject to the provisions of paragraph (6) of this subsection, the percentage of all contributions for the charitable purpose of the organization which were directly applied to such charitable purpose after deducting all fundraising and management and general costs during the most recent complete fiscal year of the organization, except that if the solicitation is made during the 6-month period immediately following the close of such fiscal year, such costs may be based upon the fiscal year preceding such fiscal year;

"(5) in the case of a federated fundraising organization, the percentage of all contributions distributed or allocated by such organization to its member organizations, during the most recent complete fiscal year of the organization which were directly applied by such member organizations to the charitable purpose involved, after deductions described in paragraph (4) of this subsection are made by such federated fundraising organization and by its membership organizations, except that if the solicitation involved is made during the 6-month period immediately following the close of such fiscal year, information relating to such portion of contributions may be based upon the fiscal year preceding such fiscal year; and

"(6) a statement which specifically indicates the period during which the charitable organization has been in operation and specifies that such organization is not required to comply with the requirements of paragraph (4) in the case of any charitable organization which has not been in operation for a period which includes one complete fiscal year and the 6-month period immediately following such fiscal year.

"(b)(1) In the case of a written solicitation which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section, the information required to be included with such solicitation by subsection (a) of this section shall be presented in language which is readily understandable by those persons to whom the solicitation is directed, shall be located in a conspicuous place on such solicitation, and shall appear in conspicuous and legible type in contrast by typography, layout, or color with other printed matter on such solicitation.

"(2) In the case of a solicitation which is subject to the provisions of subsection (a) of this section and which is made through the use of radio or television communications, the information required to be included with such solicitation by subsection (a) of this section—

"(A) shall be presented in language which is readily understandable by those persons to whom the communication is directed;

"(B) in the case of a radio communication, shall be clearly audible;

"(C) in the case of a television communication, shall (i) appear in lettering of sufficient size to be readily legible to the viewer; (ii) be shown against a background which does not impair the legibility of such communication; (iii) remain in view for a period sufficient to enable the viewer to read such communication; and (iv) if presented in audio form, be clearly audible;

"(D) if such solicitation is made as part of a fund-raising program which is 4 hours or more in duration, shall be presented at least once during each 4-hour segment or portion thereof; and

"(E) in the case of any noncommercial educational broadcast station, shall be presented at least once during each 4-hour period of broadcasting if any such solicitation is made during such period by such station.

"(3)(A) Any solicitation which is made through the use of radio or television communications and which does not exceed 60 seconds in duration shall not be subject to the provisions of this section;

"(B) Any solicitation which—

"(i) appears in any newspaper, magazine, or other periodical without charge to the charitable organization involved, as a public service by the owner or publisher of such newspaper, magazine, or other periodical; and

"(ii) does not exceed 2 column inches in length and contains less than 20 words of text;

shall not be subject to the provisions of subsection (a) of this section.

"(4) For purposes of this subsection, the term 'noncommercial educational broadcast station' has the meaning given it in section 397(7) of the Communications Act of 1934.

"(c)(1) Any charitable organization which makes a solicitation which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section, or any charitable organization which receives any grant or allocation from any federated fund-raising organization which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section, shall, upon request by the Postal Service, furnish to the Postal Service such audit reports, accounts, or other information as the Postal Service may require to establish or verify information which such organization is required to include in solicitations in accordance with subsection (a) of this section.

"(2) The provisions of paragraph (1) of this subsection shall not be construed to authorize the Postal Service to require any charitable organization specified in paragraph (1) of this subsection to furnish audit reports, accounts, or other information—

"(A) at regular intervals specified by the Postal Service; and

"(B) which is not required by the Postal Service in connection with a specific need to establish or verify information which such organization is required to include in solicitations in accordance with subsection (a) of this section.

"(d) Any charitable organization which makes a solicitation which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section shall, no later than 30 days after the receipt of a request from any person receiving such solicitation, furnish to such person a pertinent financial statement prepared in accordance with generally accepted accounting principles, for the most recent complete fiscal year of the organization, which is reasonably sufficient to verify any information included in the solicitation involved in acordance with paragraphs (3), (4), and (5) of subsection (a) of this section. If the solicitation involved is made during the 6-month period immediately following the close of the most recent complete fiscal year of the charitable organization, then the financial statement required by the preceding sentence may be based upon the fiscal year preceding such fiscal year.

"(e) Accounting methods and procedures to be used by charitable organizations to assure compliance with the provisions of this section shall conform to any generally accepted accounting principles applicable to the field of operation of the charitable organizations involved.

"(f) Any charitable organization which has revenues from any source, in addition to receipts from contributions, may, for purposes of complying with the provisions of paragraph (4) of subsection (a) of this section, apportion management and general costs, other than fundraising costs, between receipts from contributions and receipts from other sources.

"(g) The provisions of this section shall not apply to any bona fide membership organization, including any local religious congregation or parish, with respect to any solicitation for contributions by mail made by such organization exclusively to the members of such organization.

"(h) The provisions of this section shall not apply to—

"(1) any school, college, or university with respect to any solicitation for contributions made by such institution exclusively to its students, alumni, faculty, members of governing bodies or boards and appointed committees, or a member of the family of any such individual;

"(2) any hospital or other health care facility with respect to any solicitation for contributions made by such hospital or facility exclusively to its professional staff and other personnel, board of trustees, members of appointed committees, or a member of the family of any such individual; or

"(3) any charitable organization which is authorized by, and exclusively makes expenditures to or for the benefit of, a school, college, university, or hospital or other health care facility, with respect to any solicitation for contributions made by such organization exclusively to—

"(A) any individual specified in paragraph (1) of this subsection, in the case of a charitable organization which is authorized by, and exclusively makes expenditures to or for the benefit of, a school, college, or university; or

"(B) any individual specified in paragraph (2) of this subsection, in the case of a charitable organization which is authorized by, and exclusively makes expenditures to or for the benefit of, a hospital or other health care facility.

"(i) Notwithstanding any other provision of this title, the Postal Service shall not have any authority to prescribe any rule or regulation to carry out the provisions of this section.

"(j) For purposes of this section—

"(1) the term 'charitable organization' means any person (including any individual, organization, partnership, association, trust, society, foundation, group, corporation, or any combination of them) which is organized, or which claims to be organized, for any charitable, benevolent, philanthropic, humane, patriotic, scientific, literary, medical, religious, or educational purpose, or for the prevention of cruelty to children or animals, or for any other eleemosynary purpose;

"(2) the term 'contribution' means the promise, grant, gift, or pledge of any money or property of any kind, for any charitable, benevolent, philanthropic, humane, patriotic, scientific, literary, medical, religious, or educational purpose, or for the prevention of cruelty to children or animals, or for any other eleemosynary purpose;

"(3) the term 'federated fundraising organization' means a charitable organization established for the purpose of raising and distributing money for and among affiliated charitable organizations in any case in which affiliation with, or membership, in such organization does not confer operating authority and control by any individual charitable organization upon any other individual charitable organization;

"(4) the term 'membership' does not include any case in which an organization confers a membership on any person solely as a consideration for making a contribution; and

"(5) the term 'written solicitation' includes any request for the remittance of a contribution which is made through the use of any letter (other than a letter to any individual with whom the individual transmitting such letter is personally acquainted), circular, notice, brochure, advertisement, or other written material which is (A) mailed or delivered by any means to the individual receiving the solicitation; or (B) displayed in any newspaper, magazine, or other periodical or printed matter, or which is displayed on any billboard, poster, or other device for the display of written, printed, or graphic matter.".

(b) The table of sections for chapter 30 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3012. Soliciting charitable contributions by mail.".

SEC. 2. Section 3005(a) of title 39, United States Code, is amended by inserting immediately after "means of false representations," the following: "or for a charitable purpose without complying with the provisions of section 3012 of this title,".

SEC. 3. (a) Except as provided in subsection (b), this Act shall take effect 18 months after the date of the enactment of this Act.

(b) The provisions of paragraph (4) and paragraph (5) of section 3012(a) of title 39, United States Code, as added by subsection (a) of the first section of this Act, shall take effect 3 years after the date of the enactment of this Act.●

RESOLUTION CALLING FOR ASSESSMENT OF SO-CALLED MULTIPLE AIM POINT SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

○ Mr. BEDELL. Mr. Speaker, last fall I introduced a resolution calling on the President to establish a highlevel commission to make a thorough evaluation of the appropriateness of the so-called MAP (multiple aim point) system. Since that time, the MAP basing mode proposal has been subjected to considerable scrutiny by the general public, and much opposition has been expressed to its implementation. Recent reports indicate, however, that MAP is still very much alive. In fact, it is one of two options that has been presented to the President as the prime candidates for the mobile missile basing mode, with the final decision being set for sometime in early April. The second option is the air mobile/transportable mode.

In light of these new realities, I have introduced an expanded resolution calling for an assessment of both proposed basing modes—MAP and the airborne mode—to be conducted within the context of a comprehensive analysis of widely perceived realinements in the relative strategic balance between the United States and the Soviet Union. This resolution allows the President the option of either appointing a new commission or designating a body that is already in existence, with the requirement that either group be comprised of experts on defensive weapons systems from both the military and civilian strategic communities, interested representatives of the general public, and concerned Members of Congress, and accurately reflect the various dimensions of the debate sur-

rounding the need for new strategic weapons systems.

There can be little question that the balance between United States and Soviet nuclear capabilities has changed significantly over the past several years and that we are entering an important transition stage. Whereas the U.S.S.R. had the distinct quantitative edge and the United States the unquestionable qualitative superiority, the two have gradually come together. The Soviets have made qualitative advances, especially in the area of MIRV accuracy, which bring into question all of the once-ironclad assumptions underlying our strategic triad system.

One of the most frequently challenged assumptions these days is that each leg of the triad—land, air, and sea—is roughly equivalent in terms of survivability. There are many who would have us now believe that the 1,054 land-based ICBM's in the US. nuclear arsenal could be, for all practical purposes, negated by a Soviet counterforce strike. They thus argue that the fixed-site basing mode that is used to house U.S. ICBM's is unacceptably vulnerable to enemy warheads and that a new mobile missile is imperative if the U.S. strategic land force, which is crucial to the credibility of our nuclear deterrent, is to be maintained.

U.S. policymakers find themselves having to choose between two distinct types of basing modes that would, it is claimed, make our ICBM's less vulnerable: Either the MAP system or the airborne approach, which is otherwise referred to as the air mobile/transportable basing mode. Both options would entail great expenditures of resources, financial and natural, and the implementation of either is sure to have awesome implications for every American. Yet, when measured in relation to the tremendous costs and ramifications of each of the basing mode options, the scope and quality of the public debate on their merits has been sadly restrictive, and I believe that it is Congress duty to broaden and enliven that debate as much as possible. My resolution is designed to serve that end.

Some who read this statement might ask why there is so little reference to the development of a new U.S. ICBM. The reason is simple: the failure of policymakers to come up with an acceptable mobile basing mode whatever other type that may finally emerge—means that the alleged strategic dilemma facing the United States in regard to land-based ICBM vulnerability still has not been solved. Consequently, I have chosen to emphasize almost exclusively the importance of thoroughly evaluating the basing mode option.

Unfortunately, neither of the basing mode frontrunners is able to withstand close scrutiny. Both raise serious questions in terms of their cost and likely effectiveness.

The solution advocated by MAP's proponents is to reduce our land-based ICBM vulnerability by dispersing and hiding the true location of the missiles. One of the early proposals put forth to achieve this objective—the trench system in which the missile would have been transported on an underground railroad system—was soon found to suffer from serious flaws, not the least of which was the distressing proneness of the system to a knockout blow by just a few Soviet warheads. Consequently, the trench proposal gave way to the MAP, or multiple aim point, concept, which has been analogized by many to a giant (and deadly) "shell game." This approach would involve the construction of thousands of vertical silos, among which approximately 200 missiles would be shuttled covertly so as to prevent the Soviets from determining their precise location. Proponents also call for the production of a new missile, such as the MX or a "common missile" (so-called because it would use a hybrid of the MX and Trident submarine missiles and could be adapted for both land and sea usage), to go into these silos as a further demonstration of American "determination."

The MAP idea is "full of holes" in more ways than one. First, taken to its logical conclusion, the MAP system would transform the Midwest and West (the sites for the silos) into a veritable "sponge" that would serve to "absorb" Soviet warheads in the event of a nuclear exchange. Second, at a time when Government spending is decried as excessive and inflationary, the MAP price tag has been estimated anywhere from $20 to $50 billion, a figure which represents considerable opportunity cost in terms of forgone development in other important areas. Third, there is justification for the concern that MAP's inherent contradiction between its immediate objective of deception and the arms control requirement of verification would erode any basis that exists for a successful transition toward meaningful arms reduction. Fourth, the implementation of the MAP basing mode would have negative impact on the productivity and land use patterns of the affected area. Total land requirements have been projected to be somewhere near an area the size of the State of Connecticut—over 5,000 square miles. The security measures that would be required to protect the inviolability of the secret missile locations have not been precisely identified, but are sure to be sweeping.

Those who advocate the airborne mode of mobile missile basing, including the President's science adviser, have sought to respond to MAP's glaring shortcomings by promoting a basing approach that would involve "housing" the missile in an aircraft specially designed for quick takeoff and landing. Yet, the airborne mode is also very vulnerable to criticism. The Department of Defense's Defense Science Board has rejected the airborne proposal out of hand (admittedly, the DSB has already gone on record as supporting MAP, so that its objectivity can be questioned). Some of the glaring weaknesses that it identified were cost (the air mobile/transportable basing mode would cost at least $50 billion, as compared with the DSB estimate of $25 to $30 billion for MAP) and vulnerability. In fact, a recent National Security Record report from the Heritage Foundation noted that the missile being launched from this mode "would be vulnerable to barrage attacks of its escape areas by depressed-trajectory submarine launched ballistic missiles." The Soviet Union has already tested such depressed-trajectory SLBM's and its ability to deploy them at some time in the future is not in question. Yet another question is that of the potential fuel requirements of the airborne approach, a consideration which will take on increasing importance as time goes on.

The failure to correct the vulnerability dilemma does not haunt only the airborne mode. MAP is just as prone to circumvention and obsolescence. Without a SALT agreement that would put a meaningful limit on the allowable numbers of reentry vehicles each side could have, the system would be worthless. If the Soviets were free to proliferate an unlimited number of RV's they could negate MAP by simply targeting each additional silo in order to be sure of getting the "real thing." In the event that this were to happen, the United States would be much worse off than it was before MAP.

Mr. Speaker, at the very least, the two prime candidates for replacement of our present fixed-site basing of land-based ICBM's have enough shortcomings to warrant further scrutiny. The disastrous consequences of an ill-advised move toward adoption of either of these options should be evident to all. I believe that the representative commission that I call for in my resolution would be able to make a significant contribution toward arriving at the optimum decision.

Further, it is clear that a rational decision on the appropriateness of the proposed basing modes cannot be made independently of an assessment of the validity of those claims which contend that United States-Soviet nuclear balance has been so drastically changed that the backbone of the U.S. nuclear deterrent—our land-based ICBM's—is in dire jeopardy. I firmly believe that such an Earth-shattering proposition should be exhaustively evaluated, with not one shred of its underlying assumptions being taken for granted. Hopefully, my colleagues will share this belief and, by supporting this resolution, will involve Congress and the informed public in the effort to determine the optimum course for U.S. strategic development.●

A BILL TO EXTEND AUTHORITY TO WAIVE IMPOSITION OF COUNTERVAILING DUTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, today the House received a message from the President requesting the Congress to extend for a temporary period the authority under the Trade Act of 1974 of the Secretary of the Treasury to waive the imposition of countervailing duties on foreign subsidized imports, which expired on January 2 of this year. In response to this request, I am introducing a bill, cosponsored by a number of my colleagues on the Ways and Means Committee, which will extend that authority retroactively from January 3 until October 20, or until legislation implementing the international agreement or agreements on subsidy practices is enacted or either House of Congress defeats such implementing legislation, whichever occurs first.

Any waiver determinations in effect on January 2 would remain in effect during the extension period unless the waiver conditions under existing law are no longer met and the determination is revoked by the Secretary. The retroactive waiver authority would also apply to any countervailing duty determinations made after January 2 and before October 20 which the Secretary determines have met the waiver conditions under the Trade Act. Congress would retain the right to disapprove any use of the waiver authority in individual cases as provided under current law.

In the Trade Act of 1974 Congress mandated timely countervailing duty action by the Secretary of the Treasury against foreign subsidized imports into the United States. At the same time Congress included authority for the Secretary of the Treasury to waive countervailing duties during the 4-year period which expired on January 2 for the express purpose of enabling the negotiation of international rules to discipline the use of subsidy practices as they affect trade in agricultural and industrial products and procedures for timely and effective resolution of international disputes in this area. Reaching such an international agreement has been a primary U.S. objective in the multilateral trade negotiations conducted in Geneva on tariff and nontariff barriers during the past 4 years.

The President has recently notified the Congress that negotiations on a subsidy/countervailing duty code have been substantially concluded. The committee will be watching closely further developments on this code and other trade agreements still under negotiation that deal with subsidy practices with a view to their early finalization in Geneva as we proceed with consideration of the waiver extension.

In the closing hours of last session Congress came very close to approving an extension of the waiver authority before it expired. Since January 2 the Secretary of the Treasury has required affected importers of products previously subject to waiver to post bonds or letters of credit to cover the contingent liability of the penalty duties. As stated in his message to the Congress the President regards extension of the waiver authority during the period Congress considers implementation of the MTN results under the special expedited procedures of the Trade Act as necessary to final conclusion of the negotiations themselves. In fact, failure to extend the waiver authority would, in his view, place conclusion of the negotiations in serious jeopardy. The bill I am introducing differs in only one respect from the substance of the President's request: it would extend the waiver authority until October 20, the projected adjournment date of the Congress this year, rather than until September 30. I believe the extra 3 weeks is necessary to insure that Congress has had sufficient time in what will be a heavy legislative schedule to complete consideration of the MTN implementing legislation this year, and to avoid the possibility of having to deal with the waiver issue again.

I am very hopeful we can act quickly and positively on this measure. Our Subcommittee on Trade has already announced public hearings beginning February 7. Its consideration by the full committee is of first priority. I urge my colleagues in the House to join us in approving the President's request as soon as possible. Under the condition which the waiver authority is exercised American firms and workers are protected from the adverse effects of subsidized competition. Most importantly, this action will permit these very important trade negotiations to be concluded soon and their merits considered by the Congress.●

THE SAN CARLOS INDIAN WATER STORAGE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, for over 2 years the users of Gila River water have strained to produce an acceptable compromise to cure finally and forever the occasional die-off of all the fish in the San Carlos Reservoir. They have not been successful. I believe the Congress itself must now take responsibility for preventing this needless waste of resources. The fish crop, worth nearly a million dollars, lies under a threat that those with storage rights in the reservoir will claim the last drop of that lake. I intend not to let that happen again.

The San Carlos Tribe, with less than 6,000 acre-feet appropriated to it, has been the only water user that has showed a willingness to allow the sportsmen and the boaters of Arizona to have a permanent lake in which to enjoy their pursuits. If, under this bill, the tribe were ever to become entitled to additional water, up to 10 percent of the reservoir would be available to it. I want to point out that the reservoir has never been more than 80 percent full since it was built 50 years ago. I believe that all this unused storage should be put to the beneficial use of the tens of thousands of Arizona citizens who picnic, boat, fish, and swim in the lake each year. This lake is the best bass-breeding body of water in my State, and I intend to let it perform at capacity.●

THE 96TH CONGRESS MUST SUBMIT A BUDGET-BALANCING AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. GUDGER) is recognized for 5 minutes.

● Mr. GUDGER. Mr. Speaker, I am today introducing a resolution calling for an amendment to the Constitution of the United States to require a balanced budget except in national emergency years as certified by Congress. This resolution is similar to certain other budget-balancing resolutions presented in the 95th Congress, but not reported out of the House Committee on the Judiciary to which assigned. It is distinguishable, however, in that it: First, limits the time for ratification to 3 years; second, limits deficits to 10 per centum and 5 per centum respectively in the 2 fiscal years following the date of ratification; and third, requires full compliance with the act—that is, a fully balanced budget—within the third fiscal year after ratification, subject to the national emergency exception noted. It is also substantially distinguishable from other introductions in that it does not establish a fixed retirement machinery for the then outstanding gross national indebtedness. Instead, it calls upon the President to certify the amount of such indebtedness to Congress not later than 30 days after the close of the third fiscal year following ratification and that he accompany this with his "recommendations for the systematic and timely discharge of said indebtedness."

Thus, the resolution addresses the real problem—mandating a balanced budget—but leaves the Chief Executive and Congress free to develop plans for discharging the cumulative national debt in a manner appropriate to the circumstances then existing after the budget has been brought into balance. The proposed amendment is simple, direct, and objective.

Senior Members of Congress will probably concur that the 95th Congress appropriately deferred consideration of budget-balancing resolutions offered in that session in view of the pressing need to consider extension of ERA-ratification time and the amendment calling for District of Columbia representation. Furthermore, during the full biennium of the 95th Congress, the national budget was out of balance and it seemed to be the consensus of economic opinion that a balanced budget could not be foreseen before the fiscal year 1982. Now, however, in this period of recommitment to fiscal austerity, the goal of achieving a balanced budget within 3 to 5 years seems attainable. If so, it appears that the 96th Congress should seriously consider this resolution I am submitting today calling for a balanced-budget amendment subject to the short-term ratification of 3 years and triggering debt retirement thereafter. Furthermore, 29 States now maintain a balanced State budget either because of State tradition or State constitutional limitation, and recent polls indicate that 81 percent of the American people desire a balanced Federal budget and would support a budget-balancing amendment if the ratification process involved public referendums.

Even more compelling is the fact that 22 States have already adopted resolutions applying to Congress to call a constitutional convention to consider a budget-balancing amendment. Indeed, yesterday the Senate of my home State of North Carolina passed such a constitutional convention resolution and

it is expected that North Carolina and two other States may complete legislative actions on such resolutions within the month. With substantially all State legislatures now in session, it is apparent that a very real possibility exists that the 34 States necessary to achieve the two-thirds required to compel Congress to convene a constitutional convention might be realized by summer of this year.

An alarming feature of an article V constitutional convention derives from the fact when such a convention is called by the Congress on the "application of the legislatures of two-thirds of the several States," the convention is "for proposing amendments" to the Constitution and there is no language in article V which allows the applications emanating from the State legislatures or the act of Congress calling the convention to limit its authority to consideration of a single amendment. Indeed, the majority opinion of legal scholars seems to conclude that such a convention could take up and consider any constitutional amendment advanced by any delegate and could result in the adoption of a vast number of amendments by the convention.

Accordingly, it is my strong conviction that the 96th Congress needs to enact at an early date a resolution submitting a budget-balancing amendment to the several States for ratification so that the process of ratification can be underway before public demand for a budget-balancing amendment has the effect of inciting the legislatures of another 12 States to adopt constitutional convention resolutions, thereby forcing the Congress to call such a convention. The idea of an article V constitutional convention with authority to undertake and debate a vast battery of proposed amendments reflecting the ingenuity or rancor of its most extreme delegates is a fearsome prospect. Such a convention could be a dangerous and politically disruptive experience at any time in our Nation's history, but now it appears particularly hazardous when inflation, unemployment, international stress and uncertainty, and instruments of nuclear war characterize the times. We submit and believe that this resolution which we are offering today is timely and should be adopted by the requisite two-thirds vote of each House of Congress.●

NATIONAL PRAISE, SUPPORT FOR PROTECTION OF PEOPLE'S ALASKA LAND TREASURES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, one of the most important items of business which remained unfinished at the end of the 95th Congress was final action to assure the proper protection for the "crown jewels" of the American people's land holdings in Alaska. The bill which the House passed, 277 to 31, in May 1978, under the outstanding leadership of our colleague (Mr. UDALL), never reached the floor of the Senate—and an attempt to continue interim protection of the lands in question, which the House passed on the final day of the last session, was killed by a threatened filibuster by one Senator. Thus, the task was not completed in the last Congress.

However, thanks to the courageous and entirely proper actions of President Carter and Secretaries Andrus and Bergland in extending the protection of the Antiquities Act and other statutes to these key Federal lands in Alaska, the new Congress will have an opportunity to start afresh and to finish the job.

Specifically, in November, Secretary of the Interior Cecil Andrus, using a statutory emergency authority, issued a public land order which withdrew from mineral entry and from State selection for up to 3 years all Federal lands within the conservation system units which would have been protected under our bill, the administration's original proposals, or the Senate committee's proposals. On December 1, President Carter designated about 56 million acres of Federal lands as national monuments under the Antiquities Act which will give more permanent protection to key areas in Alaska, including two areas within existing national forests which were outside the scope of the emergency withdrawals. And Secretary of Agriculture Bob Bergland has acted to have additional forest areas closed to mineral entry, while administratively deferring any steps toward timber harvest, in order to preserve the status quo pending congressional action.

Mr. Speaker, there can be no doubt that by these actions the President and his administration have acted with a high regard for the national interest, meaning the interest of all the American people of this and future generations. As one newspaper editorial put it:

Future generations may remember that it was William H. Seward who bought Alaska, but Jimmy Carter who saved it.

And that was only one of a great many expressions of approval which have come from all parts of the country. For the benefit of all our colleagues, I am having included in the RECORD a sample of newspaper editorials and columns which have commended the President and the Secretaries for their actions.

Still, there remains much to be done. We in the Congress must finish the job, so that the "best of the best" of Alaska's wilderness treasures may be set aside and protected, and so both the State and the Nation can proceed with settlement and growth of Alaska on the basis of certainty and balance.

Following these remarks are a number of newspaper editorials and columns commenting on the actions of the administration and the responsibilities of Congress to complete the work:

[From the Cleveland Plain Dealer, Dec. 5, 1978]

CARTER'S ALASKAN ACT

By putting 56 million acres of Alaska's federally-owned lands under the protection of the National Park system last week, President Carter acted firmly—and properly—where Congress was unable to tread.

It was not a complete victory for the environmentalists. They wanted all of the more than 100 million acres at stake to be put under park protection.

It certainly was not a victory for the mining, oil and logging companies and Alaskan state interests seeking immediate economic development in the land of the midnight sun. The rest of the land cannot be touched without court battles or voluntary transfer of the land from the federal government to the state.

Both the state of Alaska and its native Alaskans had been given the right to select land under previous acts of Congress. Congress also gave itself a limit of Dec. 16 to determine how much of the federal land it wanted to keep for what purposes.

When Congress failed to act in October after two years of wrangling, the threat existed that none of the land would be reserved by the federal government. A land rush was expected on Dec. 18. And land that Congress later might decide would become parks, forests, wildlife refuges and wilderness areas would have to be bought back from new, private owners.

Last month Interior Secretary Cecil D. Andrus closed 100 million acres of federal land to commercial development for three years, about a third of the state. It would give Congress more time to decide what to do with the land before private claims were staked out on it.

But the problem with Andrus acting under the Bureau of Land Management Organic Act of 1976 was that it had never been tested in the courts, as had the law under which Carter acted. Alaska had threatened suit to free the land for development.

Carter chose key areas out of the 100 million acres to set aside under the Antiquities Act of 1906. It designates the land as National Monuments, which are the same as National Parks that are created by Congress. The Grand Canyon and Death Valley National Parks were first established as monuments by presidents.

The moves by Carter and Andrus will force Congress to reapproach the issue in its next session, and hopefully resolve it. Andrus said he would start releasing some land to Alaska. The interests of both environmentalists and economic developers must be fairly balanced by Congress.

ALASKA: PRESIDENT CARTER'S EXECUTIVE ACTION SAVES OUR LAST GREAT WILDERNESS

Future generations may remember that it was William H. Seward who bought Alaska, but Jimmy Carter who saved it. The president's executive action to set aside 56 million acres there in 17 national monuments has doubled the national park system at a stroke, and lifted him high as a hero of the American conservation movement.

Mr. Carter's action, along with earlier steps taken by his Interior secretary, Cecil Andrus, withdraws more than 100 million acres from mining, drilling and logging, and forestalls the state of Alaska from claiming it for development or homesteading—just before the Dec. 18 deadline when the temporary protection afforded the land by a past administration was due to expire.

Congress will eventually designate the lands involved as parks, preserves, wildlife refuges and national forests, probably very much along the lines of what the Carter administration has already done. In the end, what will be saved are some of our planet's most magnificent, unspoiled landscapes and its richest wildlife breeding grounds: the most enduring gift Americans of this generation could ever make to the future.

During the long debate in the past Congress over the Alaskan lands, there were many reasons cited for preserving them, including the growing demand for outdoor recreation areas, the need to protect migratory fish and wildlife populations, the opportunity they offer for research in biology, geology and archeology. But the most important reasons for saving them more likely have to do with the American spirit.

It was the encounter with the New World wilderness that shaped our history, our literature, and what, in our optimistic moments, we think of as our sense of destiny and greatness. Americans will always have a need to know that somewhere their wild frontier still exists, on an immense, mythic scale; and to believe that someday they or their children may meet it. That somewhere is Alaska; and now we will always have it.

[From the Nashville Tennessean, Dec. 8, 1978]

PROTECTING ALASKA LANDS

President Carter is to be commended for his far-sighted action in placing more than 56 million acres of Alaska's federal lands in the National Park System.

These lands, plus an additional 54 million acres of federal holdings, were withdrawn from development two weeks ago by Mr. Cecil D. Andrus, the Secretary of the Interior. Mr. Andrus used a section of the Bureau of Land Management Organic Act that freezes them for only three years.

Mr. Carter has placed a second lock on the lands by designating them as national monuments under the Antiquities Act of 1906.

The 56 million acre action was the largest National Park designation any president has ever made.

"Because of the risks of immediate damage to these magnificent areas, I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year," Mr. Carter said.

The 110 million acres withdrawn from development include virtually all of the areas in the administration's Alaska Lands Bill submitted to Congress last spring. The bill was blocked in the closing days of the last session.

Under the Alaska Native Claims Settlement Act of 1971, Congress had until Dec. 16 to decide which sections of Alaskan lands would become national parks or monuments, which of the streams would be protected and which sections would be classified as wilderness areas.

When it failed to act, many of these areas would have been open for state claims or for mineral and oil exploration. Mr. Carter and Secretary Andrus have prevented that and given the Congress time to act.

Conservationists were especially pleased that the president recognized the urgent need to safeguard the spectacular Misty Fjords, the important waterfowl nesting grounds of Yukon Flats and the virgin rain forests of Admiralty Island.

Mr. Carter's significant and farreaching action to safeguard irreplaceable natural treasures for the future deserves the applause of all Americans.

[From the New York Times, Dec. 8, 1978]

RESCUING ALASKA'S LANDS

(By John B. Oakes)

President Carter made history last week when, in the most far-reaching environmental initiative ever undertaken by executive order of an American President, he seized an opportunity handed him by Congressional default to protect nearly 100 million acres of the finest remaining natural, scenic and wildlife areas in the United States.

Congress failed in the last hours of its last session to adopt any protective legislation for Alaska at all—due largely to the obstructive tactics of one man, Alaska's Senator Gravel—or even to extend the temporary protection which it had previously granted to these Federal lands.

Mr. Carter thereupon resorted to a 72-year-old law that had been used many times before by Presidents (including both Roosevelts) for the same purpose, but never on so magnificent a scale. He created by Presidential proclamation 17 "national monuments" totaling 56 million of Alaska's most spectacular and most fragile acres, which thus became part of the National Park System—more than doubling it in size.

At the same time, Mr. Carter directed Secretary of the Interior Cecil D. Andrus to set up (subject only to Congressional veto) national wildlife refuges on another 39 million of Alaska's threatened acres, also more than doubling the size of that element in the nation's conservation system.

The total of about 95 million acres thus protected by the Presidential action comes reasonably close, both in quantity and quality, to the minium of approximately 100 million acres of selected mountain, river and forest land that most conservationist experts on Alaska had hoped Congress would protect by law at the session just ended. It excluded, incidentally, the overwhelming majority of the state's potential oil, gas and mineral-bearing areas.

But the fight to preserve the most ecologically fragile parts of the Alaska wilderness from various forms of intrusion, ranking from mining and lumbering to "sport hunting" and real-estate speculation, is not over.

The attack on the Carter-Andrus program is already under way in the courts, and it will be pursued with vigor by Alaska's hungry politicians and multifarious special interests next year when Congress is called on to ratify or modify the President's actions. Serious attempts will be made to reduce the boundaries of the newly established conservation areas and also to pare down the degree of protection afforded to wilderness values as well as to the "subsistence rights" of native Eskimos, Aleuts and Indians.

But the entire psychology of the coming Congressional battle has been altered by Mr. Carter's action. Since the major potential park areas have now been established by proclamation, it will obviously be more difficult to destroy them than it was to block them before they were created, as was done in the Senate a few weeks ago. The advantage now lies with the defenders of what has been done rather than with those who have up to now succeeded in preventing anything from being done.

However, the leading Alaska conservationists in Congress—such as Udall of Arizona and Seiberling of Ohio in the House, and Durkin of New Hampshire in the Senate—have a lot more to do than merely fend off attacks on the Carter-Andrus proposal. Legislation is needed to give special wilderness status (which the President alone does not have power to grant) to many millions of acres within the areas he has designated for inclusion in the national conservation system, as well as to major tracts in the Alaska Peninsula and in southeast Alaska that ought to have been included but unfortunately were left out.

Meanwhile, nobody need be deceived into thinking that the people of Alaska—numbering less than half a million or about the population of Buffalo in an area more than twice the size of Texas—are being deprived of valuable resources that rightfully belong to them. They aren't.

At the time of statehood, they were allotted 100 million acres of Federally-owned land—more than one-fourth of Alaska's surface—in the most generous grant to any new state in American history. Although Alaska has already obtained some of the most valuable of these acres (Prudhoe Bay among them) it also wants for development (or giveaway, as mandated in a recent referendum) some of the most crucially important areas now reserved for conservation purposes. These it must not get.

It is not the Alaskans who are being deprived of what is rightfully theirs. Nor are the oilmen or the miners or the loggers, who already have or will have two-thirds of the state at their disposal.

Those who will be truly deprived—if Congress fails to support and strengthen the President's hand—are the people of all the United States (including Alaska) who own these lands. It is for their benefit that this irreplaceable treasure house of natural beauty and unique ecological value must be protected now and for the future.

[From the San Diego (Calif.) Evening Tribune, Dec. 20, 1978]

PRESIDENT PROTECTS ALASKAN WILDERNESS

President Carter has taken courageous action to protect Alaskan wilderness lands in the public interest. But there remains a need for Congress to enact strong Alaska legislation in the next session.

On Nov. 16, Secretary of the Interior Cecil Andrus ordered an emergency three-year withdrawal of 110 million acres of Alaskan wildlands.

On Dec. 1, the president used the Antiquities Act of 1906 to set aside 56 million acres, more than half the 110 million total, as permanent national monuments.

These were bold and decisive actions to protect the public interest. They were necessary because the Congress failed to act on an Alaskan lands bill and a Dec. 17 deadline was approaching under the Alaskan Native Claims Settlement Act of 1971. The legal effect of allowing the deadline to pass was not entirely clear but it might have opened all unprotected federal land in Alaska to mineral claims and other private development.

The great land of Alaska, so vast that it is hard for anyone from the lower 48 to imagine its size, is a national heritage that must be protected from the boomers and the boosters who would plunder it for profit with a heedless fury like that of the stampeding miners in the Klondike gold rush.

But the Andrus and Carter actions are little better than an interim stopgap. To protect Alaska's grandeur for future generations of Americans, Congress must act in an orderly way to create new national parks, new wilderness areas, new national wildlife refuges, new wild and scenic rivers, and to protect them in perpetuity.

[From the Chicago Tribune, Dec. 6, 1978]

THE NATIONAL INTEREST IN ALASKA

Congress adjourned without enacting the Alaska National Interest Lands Conservation Act even though existing provisions for Alaskan conservation were to expire this month. President Carter has plugged the resulting loophole by decisively asserting the national interest in Alaska. He has taken steps to protect 106 million acres from immediate exploitation.

By proclaiming 17 new national monuments consisting of 56 million acres, President Carter has at one stroke doubled the size of the national park system. Designation as a national monument has no expiration date. In addition, 39 million Bureau of Land Management acres are protected for up to 20 years. And 11 million acres of national forest land in southeastern Alaska are withdrawn from the usual "multiple use" classification for up to two years, pending later decisions.

The Alaskan lands bill passed by the House [by a vote of 277 to 31] protected about 100 million acres, less than all-out conservationists wanted but more than most Alaskan politicians were prepared to accept. In the Senate, Sen. Ted Stevens [R., Alaska] was able to eviscerate the House compromise in Senate committee. Then Sen. Mike Gravel [D., Alaska] at the last minute prevented extension of existing deadlines. So it was executive action or nothing. The Alaska senators had created that dilemma for the President, who has chosen national interests over state interests as understood by the Alaskan delegation in Congress.

Occasion for legislation concerning Alaskan land remains. Designations as wilderness and long-term legislative classification of public lands outside the national parks and monuments remain on the agenda.

The administration can be congratulated for preserving the continuity of national interests in Alaska—a continuity that would have been interrupted had both the executive and legislative branches of the federal government failed to act this year. The acreage the administration has protected, though vast, is not out of proportion to the size and nature of Alaska or to the national consensus as reflected by the bill passed by the House of Representatives.

Alaska developers still have access to the greater part of Alaska, including of course the generous grant of public land to the state. That grant contained the parts of Alaska most nearly ripe for development. The developers may also take consolation in the thought that, though natural habitats lost now are gone for good, what is conserved now can be mined, paved, drained, or cut over later.

[From the Bergen County (N.J.) Record, Dec. 6, 1978]

SAVING ALASKA FOR ALL

The Carter administration has kept its pact with posterity, putting 110 million acres in Alaska off-limits to bulldozers and drilling rigs—the largest withdrawal of public lands in U.S. history.

Two weeks ago, Interior Secretary Cecil Andrus used his administrative powers to freeze development of the acreage—about one-third of the state's total—for three years. Last Friday, President Carter designated 56 million of those acres as part of the national park system.

He acted under the Antiquities Act of 1906, which permits presidents to protect areas of historic or scientific interest. Oil and mineral exploration, timbering, and hunting are barred, unless Congress determines otherwise. The areas preserved are a bountiful inventory of majestic scenery and vast wilderness. The untouched Yukon River valley, for example, is home to swarms of creatures—grizzlies, caribou, and trumpeter swans—that are near extinction elsewhere.

The Antiquities Act protection had been advocated by conservationists who see it as the surest way to protect national natural treasures from future tampering. Since its passage, the act has been used by every president except Richard Nixon to secure for future generations such wonders as the Grand Canyon, the Carlsbad Caverns, and Acadia National Park on the coast of Maine.

The balance of the reserved land—54 million acres—is protected for a maximum of three years, while Congress weighs the competing claims of developers and conservationists about how the land shall be used. A careful compromise seven years in the making, was passed last spring by the House. It left wide swaths for hunting, cutting timber, and mineral exploration, and gave the state an advisory voice in protection for various areas.

The legislation was scuttled in the Senate by Sens. Mike Gravel and Ted Stevens of Alaska. Their argument, stripped of finery, was that home rule for 450,000 Alaskans was paramount. As if to show what a bad idea that is, the state's voters in November approved a homesteading referendum that amounts to a giveaway of precious lands already ceded to the state by the federal government.

The obstructionism of the Alaska senators caused Congress to miss a court-set deadline of mid-December for a determination of how to allot to Alaska the 103 million acres it was ceded by the federal government at the time of statehood.

The House bill would have solved this difficult question. The Gravel-Stevens intervention has made it imperative for the administration to use its powers to save the nation's last wilderness. For nearly half the land involved, of course, the rescue is only temporary, and the fight must begin again with the new Congress. We applaud the administration's actions as farsighted and forthright.

[From the Washington Post, Dec. 19, 1978]

A GIFT OF LAND

(By Marquis Childs)

President Carter has given us all a fine Christmas present and we owe him the warmest thanks. It is the kind of present that grows in value with each passing year so that our grandchildren, their children and succeeding generations will know its rare quality.

This was what Carter did when he put 56 million acres of scenic land in Alaska under federal jurisdiction. It is almost the last heritage of the unspoiled wilderness that once covered the entire continent. The president's action came on a deadline to hold off the land speculators and exploiters determined to have all of Alaska as their preserve.

Besides the extraordinary beauty of the lands set aside, they contain the last great unpolluted river basins in the United States and the only remaining great forests. The range of wildlife, birds, 37 species, and animals is incalculably rich.

The preservation of this unspoiled treasure for future generations takes on added importance when measured against the waste of land resources in the continental United States. Secretary of Agriculture Bob Bergland recently quoted a figure of 15,000 tons of top soil a second pouring out through the mouth of the Mississippi River. He called the loss of soil and ground water a national disaster.

The president early this year sent up to Congress an Alaskan lands bill to preserve up to 60,000,000 acres of the national heritage. It was passed by the House in May by a vote of 277 to 31. In the Senate it ran up against the opposition of Mike Gravel, (D-Alaska). Gravel's threat to filibuster persisted until the turbulent end of the session when he held out against what had seemed a reasonable compromise by senators and members of the House, including Sen. Ted Stevens, (R-Alaska).

Gravel, who made his fortune in land speculation, was acting for the land grabbers and the exploiters. As the record shows, since the territory was made a state in 1959 the speculators and developers have little reason to complain that a part of the heritage is being saved.

Before statehood, virtually all of Alaska's 375 million acres were in federal ownership. The federal government has turned over to the state 103 million acres and another 44 million to the natives so they can pursue their subsistence lifestyle. In both cases they have selected the best known mineral, oil and agricultural lands, about 40 percent of Alaska free of federal restrictions.

As Secretary of Interior Cecil Andrus pointed out, all the lands available for development add up to an area twice the size of Texas. Never before has the federal government made such a munificent gift.

The administration will send to the 96th Congress in January a new Alaska lands bill. Gravel may thwart it or, between the House backing a strong bill and the Senate a watered-down version, nothing at all may come out. But the president's order designating 17 national monuments and parts of national parks and wildlife refuges will stand. In 1906 Theodore Roosevelt, one of the nation's greatest conservationists, designated the Grand Canyon in Arizona as a national monument and that has been its status ever since.

At the time Alaska became a state, the 49th to enter the union only a few months ahead of Hawaii, there were doubts about statehood conferred on such a vast empty territory with a minute population. Gravel represents 400,000 citizens of Alaska, the smallest population of any state. Less than 1 percent of the 375 million acres has been developed, which makes the loud complaint of the exploiters sound absurd.

So much of the past is locked in this rich wilderness, a treasure for science and history. A sitka spruce, three and a half feet in diameter, was a seedling when Columbus set sail for the New Land. That great tall tree is a prime nestling place for the bald eagle now extremely rare in the continental United States.

This last frontier is the breeding ground for the largest herd of free roaming animals, the Porcupine Caribou. The herd has been estimated at 120,000 and in migration it has been observed to cover an area three miles wide and 15 miles long. They migrate in order to exist on sparse vegetation. Specialists believe that development of their habitat would break up the herd, which might never form again, thereby destroying a pattern thousands of years old.

Most of us may never see such wonders as the Gates of the Arctic, Yukon-Charley and the Bering Land Bridge, but our grandchildren may see them. And besides, it is a comfort just to know they are there in the state in which they were created. So Merry Christmas, Mr. President, and the thanks you rarely receive in the impossible office (Harry Truman's definition) you hold.

[From the St. Paul Pioneer Press, Dec. 5, 1978]

CARTER SAVES ALASKA LANDS

In a move that missed the headlines and TV coverage it deserved, President Carter last Friday more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history.

What the President did was set aside 56 million acres of Alaska in new national monuments, under authority of the Antiquities Act of 1906, passed when Theodore Roosevelt, long considered the foremost conservationist ever to sit in the White House, was President. Until Friday, the National Park system had contained about 33 million acres; the oldest and largest single park, Yellowstone, contains 2,200,000.

It was no overstatement, then, when the head of the Alaska Coalition, a private conservation group which has been fighting for the preservation of the Alaskan wilderness, said "President Carter has now replaced Teddy Roosevelt as the greatest conservation President of all time."

There was "poetic justice" in Mr. Carter's turning to the 1906 law. It had been passed to save Indian art in the Southwest from vandals and exploiters, but the powers it gave the President were later used when Congress failed to act on preserving priceless natural wonders. The Grand Canyon, for example, was first set aside under the Antiquities Act. In the last session of Congress, Alaska's senators had succeeded in blocking passage of the Alaska Lands bill, which would have set aside nearly 100 million acres in parks, wildlife preserves and national monuments. An emergency authority invoked by the Secretary of the Interior protected these lands from developers and the state of Alaska until the President acted under the Antiquities law. That emergency protection will continue, at least until the next congressional session, for the remaining nearly 44 million acres.

Alaska's politicians are upset, of course. Its three-man congressional delegation is furious, and even Gov. Jay Hammond, considered something of a moderate—as Alaskans in general go—on conservation issues, is upset.

Hammond is especially concerned because the President's order bans sport hunting on 40 million acres. Sport hunting furnishes a livelihood for numbers of Alaskans who act as guides and pilots for well-heeled hunters from the "Lower 48." Hammond has promised to fight the presidential order in the courts, but over the years courts have uniformly sustained the President's powers under the Antiquities Act.

The next move is up to Congress, which is left with narrowed alternatives. It can now go ahead and encompass the original 100 million acres in a comprehensive lands bill, designating some of the new "monuments" as national parks, others as wildlife reserves, and so on, as the original bill provided. It can balk and refuse to go beyond the President's order of last week. What it apparently cannot do, however, is cancel what the President already has done.

Congress' failure to act this year was a bitter blow to conservationists and environmentalists all over this country, for Alaska truly is the last frontier and offers the nation a magnificent opportunity to avoid a calamitous repetition of the "rape and ruin" exploitation that has characterized so much of our history. In this critical time, President Carter, acting on his often-repeated pledge to save the Alaskan lands, reached back to a law passed more than three-quarters of a century ago. "Sweet are the uses of adversity."

[From the Long Island (N.Y.) Newsday, Dec. 5, 1978]

MEETING AN ALASKA DEADLINE

Present and future Americans owe President Carter and his interior secretary many thanks for acting to keep a portion of Alaska's vast wilderness from being further exploited. Congress had failed to act despite a Dec. 16 deadline for deciding the future of Alaska's federal lands.

Rather than sit back and do nothing, Carter last week took the caribou by the antlers, so to speak, and designated some 56 million acres as national monuments. They're included in the 110 million acres Interior Secretary Cecil Andrus withdrew for study last month, freezing any development there for three years.

"Because of the risks of immediate damage to these magnificent areas," Carter said, "I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year."

We hope Congress won't take "unhampered" to mean that all deadline pressures are off. Various pro-Alaska development groups have already gone to court to nullify the administration's actions, and the issue badly needs a final settlement.

The administration says it intends to send the next Congress a bill similar to this year's. Extensive hearings were held this year, and we urge the new legislators to rely on the work already done to achieve a speedy solution.

[From the Missoula (Mont.) Missoulian, Dec. 4, 1978]

PRESIDENT DOES THE RIGHT THING FOR OUR GREATEST WILDERNESS

President Carter has now put the Alaska lands issue smack back where it belongs in the lap of Congress.

In 1971 Congress itself set a deadline. It would sort out the issue of who gets to do what with Alaska's vast federal lands by Dec. 16, 1978.

Not untypically, Congress dithered and dawdled the years away. Millions of acres were designated for use by the state, native tribes, and resource developers.

But this year the issue centered on 110 million acres whose fate remained undecided. There was harsh deadlock. The House passed a bill reserving much of the 110 million acres for parks, recreation areas, wild life refuges or wilderness.

The bill went to the Senate where, with the help of Montana's Sen. John Melcher, those opposed to the bill—principally Alaska's own senators—dithered and dawdled and prevented Senate action on the bill.

Without action by Congress, the 110 million acres would be thrown open after Dec. 16 to state claim or to exploitation by oil and mining companies. The land would be thrown open, that is, unless the executive branch stepped in to block development.

That has now been done. First Secretary of the Interior Cecil Andrus froze the land by protecting it under the Bureau of Land Management Organic Act, which preserves from development, for three years, land under consideration for wilderness status.

But conservationists were urging the president to employ the Antiquities Act, which would protect the land as national monuments permanently unless Congress acted to change their status.

Now Carter has thrown the protective mantle of the Antiquities Act over 56 million acres. The other 54 million acres are protected under the Organic Act. The problem is smack back in the lap of Congress.

Where it belongs. Good for Carter.

—Sam Reynolds

[From the Baltimore (Md.) Sun, Dec. 10, 1978]

ALASKAN LANDS SAVED

Conservationists are hailing President Carter as the greatest conservation president since Theodore Roosevelt. They have good reason. With a stroke of the executive pen, the President invoked the 1906 federal Antiquities Act (a Roosevelt legislative initiative) and proclaimed that 56 million acres of federal lands in Alaska now have national monument status. The President also instructed Interior Secretary Andrus to designate as national wildlife refuges another 40 million acres. His action followed earlier moves by Mr. Andrus and Agriculture Secretary Bergland to protect 116 million acres of Alaska land that otherwise might have been subject to mineral or other development upon expiration of temporary protections on December 16.

The new actions set aside a bloc of lands for protection from development larger, by far, than any ever so designated in man's history. These actions are so far-reaching that they fairly can be said to represent a major effort to shift the nation from acceptance of heedless, reckless frontier-type development toward the realistic proposition that man risks destroying his own habitat if he does not treat the land and nature kindly. Alaska may be the last frontier. But on the protected lands it will not be a frontier blighted by the boomtowns, by the extermination of entire species and by the ugly mounds of mine tailings of earlier frontiers. The President's action will make it possible for Americans in the year 2000—and perhaps in 3000—to know what a true wilderness really is like, to see wild caribou and grizzly bears in their unsullied native habitats.

The executive actions by no means settle all the details. The President has made it clear that he acted because time to protect the Alaska lands had run out on the 95th Congress—but that he hopes for action from the 96th. What that Congress needs to do is to decide, in detail, which lands should be placed in various categories of protection according to their sensitivity to environmental insult. But now that the lands enjoy the protection conferred by the presidential and secretarial orders, the 96th Congress will not face the extreme developer obstructionism that made it impossible for the 95th Congress to act. There will be future skirmishes in Congress over Alaska lands, but the major battle has been won—thanks to the President.

[From the Philadelphia (Pa.) Inquirer, Dec. 5, 1978]

CARTER'S SPLENDID STAND ON ALASKAN WILDERNESS

President Jimmy Carter established his environmental conservation credentials as unequivocal and unyielding when he extended federal protection to 56 million acres of Alaskan wilderness late last week. Charles Clausen, executive director of the Alaska Coalition, a private environmental group, was well within the arguable bounds of history in declaring that Mr. Carter "has now replaced Teddy Roosevelt as the greatest conservation president of all time."

Mr. Carter's designation of the acres as national monuments, under the executive authority of the 1906 Antiquities Act, in addition to lesser and more uncertain protection which Secretary of the Interior Cecil D. Andrus previously imposed on 54 million more acres, preserves area as large as the entire state of California from commercial, mineral and petroleum development. If nothing upsets those actions, they will constitute by far the largest single act of wilderness preservation in history.

Mr. Carter's courageous decision, however, carried substantial political costs. Response from Alaska's principal political forces was immediate and strongly negative.

Sentiment within Alaska and among supporters of mineral and "other commercial development adamantly opposes the preservation measures. If it prevails, that position, understandably reflecting an appetite for vast material prosperity, unquestionably would serve short-term Alaskan economic interests. It would, however, forsake forever the present potential for preserving a magnificent natural heritage for future generations.

The opposition will not cease now. Within hours after Mr. Carter announced his decision, Sen. Mike Gravel, the Alaska Democrat, charged that the President had "overstepped the bounds of the law," and that efforts would be continued in the courts to gain commercial access to much of, the land in question.

"The Antiquities Act," said Mr. Gravel, "was not intended for huge withdrawals of this kind. I feel quite sure these withdrawals will not hold up under a court test."

Mr. Carter did not choose his action as the most favored response to the threat of commercial plunder of Alaska's wilderness. He strongly had urged passage of legislation to accomplish the same essential end and the House of Representatives supported him. The Senate, however, largely because of the obstructionism of Sen. Gravel and his Republican colleague, Sen. Ted Stevens, blocked passage of an acceptable Alaska Lands Bill in the 95th Congress's waning days.

Friday, Mr. Carter pledged a renewed effort to pass such a bill in the new Congress. That effort, he said, will have his administration's "highest environmental priority"—a commendable commitment which should be pressed unrelentingly.

Mr. Carter has taken his stand on firm historic ground. It would be more desirable politically, however, if the Congress demonstrated the same commitment to the future by enacting a law which would accomplish the same result.

The prospect for such legislation will be influenced importantly by senators and representatives from states far removed from the arctic wilderness—among them those of the Northeast. The next few weeks will be an appropriate time for those who are devoted to preserving what little is left of the unspoiled surfaces of the earth to make their

concerns known to legislators in both the House and the Senate.

[From the Grand Rapids (Mich.) Press, Dec. 4, 1978]

ALASKA SAFE FOR NOW

President Carter has acted decisively to protect and preserve broad portions of Alaska's most spectacular inland and coastal landscape. With powers granted him under the 1906 Antiquities Act, the president designated 17 areas of the state as national monuments.

Of these, 13 are potential national parks, two are wildlife refuges and two are national forest wilderness regions. In all, 56 million acres are affected. Mr. Carter's move on Friday more than doubles the size of the national park system.

At the same time, the president ordered Interior Secretary Cecil Andrus to set aside for 20 years an additional 39 million acres for 12 other wildlife sanctuaries. Mr. Carter also approved Agriculture Secretary Bob Bergland's recent action protecting for two years 11 million acres which might otherwise have been exploited by mining interests or acquired by the state of Alaska.

Aimed at preserving what the president called "our last great natural frontier," the Friday proclamation was prompted by the inability of the 95th Congress to work out an understanding with the state of Alaska as to which lands should remain under federal jurisdiction. Had Mr. Carter not acted by Dec. 18, a 1971 law would have permitted the Legislature in Juneau to begin claiming the remaining 29 million acres to which it is entitled under the 1958 Alaska Statehood Act.

President Carter has said his designations will remain "until modified or superseded by congressional action." Clearly he wants the legislative branch to settle this matter once and for all.

Alaska Sens. Mike Gravel and Ted Stevens describe the executive order as unnecessary and excessive. But it was their filibuster threat which discouraged the Senate from adopting a House-passed bill which would have set aside 129 million acres in Alaska for parks, wildlife refuges, national forest wilderness areas and wild and scenic rivers. The president had to act as he did; the alternative was the very real possibility that excessive mining, logging, oil and gas drilling and other forms of development would be permitted by the state of Alaska.

Mr. Carter is to be applauded for what he has done. Certainly his action reflects the wishes of the House of Representatives. Not only did that body adopt an Alaska bill last May by an overwhelming vote, 277–31, but 130 congressmen wrote the president in mid-November urging him to use whatever powers were at his disposal "to ensure that the decisions concerning these public lands are made by the people's representatives, and not by private interests." Twenty senators voiced a similar desire.

Also to be commended for their efforts in developing among the American people an awareness of the great issues at stake in this controversy are members of the Alaska Coalition. Together with the Wilderness Society, Sierra Club, the National Parks and Conservation Association, Friends of the Earth and the National Audubon Society, the Coalition lobbied effectively to persuade lawmakers and the White House to preserve Alaska's national interest wildlands.

[From the Los Angeles Times, Dec. 6, 1978]

EVERY AMERICAN'S HERITAGE

President Carter has put a double lock on 56 million acres of primitive federal lands in Alaska to compel that state's politicians and developers to accept a reasonable plan for the management of one of the world's most magnificent scenic resources.

Carter's designation of the vast area as national monuments, off-limits to mineral exploration and logging, is without precedent. It is far greater in scope than the cumulative actions taken 75 years ago by President Theodore Roosevelt in creating the National Park System.

Together with an additional 54 million acres, withdrawn from development by Interior Secretary Cecil D. Andrus three weeks ago, the protection of federal lands in Alaska now covers 170,000 square miles, an area larger than California.

The President's executive order more than doubles the size of the National Park System and adds more than 10 million acres to the national wildlife refuge system . . .

The 56 million acres now under permanent protection as national monuments were chosen because of their unique scenic importance, and include wild rivers, lakes, rain forests, glaciers, tundra and the largest number of mountain peaks over 15,000 feet in North America . .

The areas in dispute were federal preserves long before Alaskan statehood and belong to all the people of this country. But Sen. Mike Gravel (D-AK) and developmental interests continue to insist that the state should have an excessive control over their future.

Carter is amenable to compromise. He said he signed the executive order "in the hope that the 96th Congress will act promptly to pass Alaska lands legislation." It is probable, however—and also desirable—that Administration agreement to appropriate development would affect only the 54 million acres under Andrus' temporary protection, although Congress has the authority—barring a presidential veto—to open up sections of the new national monuments as well. . . .

[From the Seattle (Wash.) Post-Intelligencer, Dec. 11, 1978]

CARTER AND ANDRUS ACT ON ALASKA

At the first of the month, President Carter classified 56 million acres of Alaskan wilderness as part of the national monument system, thereby banning mining and other development.

All of the lands are within 110 million acres of federal land that a month earlier Secretary of Interior Cecil Andrus had frozen for development.

Both actions stemmed from Congress' inability at the last moments of the last session to pass a law putting about 100 million acres of Alaska into the National Park and Wilderness system.

Such a bill passed the House 277–31 but was stymied in the dying days of the Senate, despite compromise trimming and wording put forth by Sen. Henry M. of this state. The reason for the bill's death was simple. Sen. Mike Gravel of Alaska threatened a filibuster and those familiar with his past efforts along this line knew he is wonderfully capable of speaking forever about nothing.

At the time, Alaskan politicians who thought the Senate bill would be the best they could get were infuriated by Gravel's stubbornness. But now the official voices in Alaska are venting their ire at the president and Andrus, who both said they acted to protect unique Alaskan wilderness because they feared development would begin before Congress got back to considering an Alaskan lands bill anew.

Much of the reaction in Alaska is reflexive and stems from many sources. People who have lived in Alaska for long, and the very tiny group who were born and reared there, are used to what seem dictatorial orders from Washington, D.C.

A major land set-off from the Carter administration strikes Alaskans, even the large percentage who have been there for only a short time, on a most sensitive nerve.

One outcry turns around the notion that "Alaska is for Alaskans," as if their immense state (bigger than the 12 other Wetern states put together) is some kind of private preserve for the half million people who live there. This response, while emotionally satisfying and understandable, avoids the question of what rights all the rest of the citizens of the United States have in the unique, immense and magnificent parts of Alaska in question.

There also has been reflexive response from commercial and industrial interests, both in and out of Alaska. This argument goes that the land set-offs forever deny the nation the vast oil and mineral wealth (yet undiscovered mainly) that may be in the set-off areas.

This argument demands consideration. It should be noted that the Senate bill that Sen. Gravel threatened out of existence allowed for certain kinds of development should it be demonstrated that commercially valuable resources existed. It also has to be noted that exploitation of Alaska's renewable and nonrenewable resources has provided the state's main value in the eyes of many outsiders—fish, fur, gold, silver, copper, oil. Seattle has large and deep commercial ties to the 49th state.

The portions of Alaska that Carter and Andrus set off do not entirely lend themselves to the argument that immense resources are being denied to exploitation.

To begin with, many of the areas are, like Mount Rainier, valuable mainly for their esthetic and scientific character. No one has suggested that enlarging Mount McKinley National Park will stifle much commerce, not setting off the Aniakchak volcanic crater nor enlarging the volcanic Valley of the Ten Thousand Smokes.

In the main, the set-off areas have not been developed because even before federal restrictions no one could find much in them to make money from.

However, some magnificent hunks of wilderness do have resource potentials. The new Gates to the Arctic National Monument leads into the arctic oil fields. The Yukon Flats National Monument contains historical gold mining areas and hydroelectric dam potentials, however uneconomic these might be now. Other river area setoffs make the eyes of oil prospectors glow.

But taken as whole, the lands that Carter and Andrus have put aside until Congress acts amount to rare and fragile and unique wilderness areas that to date have hardly produced a nickel for anybody. Their value for this and future generations cannot be measured, no more than the value of Mount Rainier or the Grand Canyon can be measured.

Congress can overturn everything that the Carter administration has done, and no doubt there will be new Alaskan land bills, just as there will be plenty of room to compromise between legitimate Alaskan and commercial desires and the desires of the nation as a whole.

It also should be remembered that vast areas of Alaska, some with even better resource prospects, remain to be developed and exploited. Indeed since the land set-offs will force a geographical focusing of capital for resource development in the state, it may turn out that what Carter and Andrus have done is sitmulate the Alaskan economy in certain areas.

It hardly needs to be said that if the set-offs continue they will be a great boon to Alaska's already bustling tourist industry.

Carter and Andrus basically have done right. They have given the nation and Alaska time to think out what should be done with some of the finest wilderness terrain in the world.●

□ 1220

ANDREW YOUNG SPEAKS OUT WISELY

(Mr. FINDLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FINDLEY. Mr. Speaker, the U.S. Ambassador to the U.N., Andrew Young, as reported in today's press, spoke wisely when he noted the importance of communicating with Palestinians and mentioned with approbation the quality of Palestinian personnel assigned to the United Nations.

For several years I have lamented the policy under which our Government has refused to communicate even informally with the acknowledged spokesmen for the Palestinians, the Palestine Liberation Organization.

I therefore welcome the views expressed by Ambassador Young and hope they will lead soon to regular U.S. communication with the PLO. The Palestinian problem is the key to the settlement of Mideast problems. At least, that is my view and the view of many serious students of the mideast. How can we hope to bring about a reconciliation of Palestinian attitudes with those of other principals in that troubled region unless we at least begin to talk.

The experiences I have had the past year in direct discussions with Yasser Arafat, head of the PLO, and with other PLO officials have convinced me that the administration can advance the peace process by beginning regular communication with the PLO.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 1 hour today; and to revise and extend his remarks.

(The following Members (at the request of Mr. MILLER of Ohio) to revise and extend their remarks and include extraneous materials:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. BROWN of Ohio, for 30 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

Mr. CONABLE, for 60 minutes, on Thursday, January 25.

Mrs. HECKLER, for 15 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Ms. HOLTZMAN, for 5 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. LEDERER, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. WEAVER, for 5 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. ZABLOCKI, for 60 minutes, on January 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SEIBERLING, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,737.

(The following Members (at the request of Mr. MILLER of Ohio) and to include extraneous matter:)

Mr. CONABLE.
Mr. SHUSTER.
Mr. YOUNG of Alaska.
Mr. GILMAN in five instances.
Mr. FORSYTHE.
Mr. WINN.
Mr. JEFFORDS.
Mr. MICHEL in two instances.
Mr. SYMMS.
Mr. DERWINSKI in four instances.
Mr. RHODES in two instances.
Mr. LENT.
Mr. LATTA.
Mr. LAGOMARSINO in three instances.
Mr. CARTER.
Mr. FRENZEL in three instances.
Mr. EVANS of Delaware.
Mr. GRASSLEY.
Mr. VANDER JAGT.
Mr. ANDERSON of Illinois.
Mr. KEMP in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous material:)

Mr. VENTO in three instances.
Ms. HOLTZMAN in 10 instances.
Mr. DRINAN in 12 instances.
Mr. HOWARD in five instances.
Mr. CORMAN in five instances.
Mr. DE LA GARZA in 10 instances.
Mr. WEISS in six instances.
Mr. ST GERMAIN.
Mr. WOLFF.
Mr. PICKLE in 10 instances.
Mr. MURPHY of New York.
Mr. HOLLAND in five instances.
Mr. MCDONALD in six instances.
Mr. ROSE in five instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BLANCHARD in two instances.
Mr. ECKHARDT.
Mr. MAZZOLI.
Mr. ROBERTS.
Mr. LAFALCE.
Mr. SKELTON.
Mr. MOAKLEY in five instances.
Mr. LEVITAS in three instances.
Mr. FORD of Tennessee in two instances.
Mr. MONTGOMERY.
Mr. STEED.
Mr. CLAY.
Mr. CONYERS.
Mr. YATRON.
Mr. PEPPER in three instances.
Mr. SIMON in three instances.
Mr. BINGHAM in five instances.
Mr. AUCOIN.
Mr. BEDELL.
Mr. AMBRO.
Mr. UDALL in two instances.
Mr. EDWARDS of California.

ADJOURNMENT TO MONDAY, JANUARY 22, 1979

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until Monday, January 22, 1979, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Introduced January 15, 1979]

By Mr. CHAPPELL:

H.R. 96. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instructions without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 97. A bill to amend title XVIII of the Social Security Act to provide for the administration and judicial review of claims (involving the amount of benefits payable) which arise under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 98. A bill to amend title 38 of the United States Code so as to treat certain expeditionary campaigns as periods of war for the purposes of such title; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ:

H.R. 99. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 100. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex, or national origin; to the Committee on Interstate and Foreign Commerce.

By Mr. ANNUNZIO:

H.R. 101. A bill to amend the Omnibus Crime Control and Save Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 102. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 103. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 with respect to the terms of office of officers of local labor organizations; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 104. A bill to provide for uniform standards for trucks carrying freight in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H.R. 105. A bill to amend the Internal Revenue Code of 1954 to increase the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. AUCOIN, Mr. BARNARD, Mr. BONIOR of Michigan, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. CORCO-

HAN, Mr. CORRADA, Mr. ERTEL, Mr. FOUNTAIN, Mr. JONES of Oklahoma, Mr. LENT, Mr. LEVITAS, Mr. MCHUGH, Mr. MADIGAN, Mr. MARTIN, Mr. MAZZOLI, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. PATTERSON, Mr. ROSE, Mr. SPENCE, Mr. CHARLES H. WILSON of California, and Mr. WON PAT):

H.R. 106. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H.R. 107. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 108. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 109. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 110. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. DE LA GARZA, and Mr. HUBBARD):

H.R. 111. A bill to provide for the operation and maintenance of the Panama Canal and provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977; jointly, to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service.

By Mr. ARCHER:

H.R. 112. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 113. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BADHAM (for himself, Mr. GUYER, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. PURSELL, Mr. UDALL, Mr. MCCORMACK, Mr. HUBBARD, Mr. GAISHAM, and Mr. HYDE):

H.R. 114. A bill to amend the Small Business Act to reduce interest rates on certain amounts of disaster loans made with respect to disasters occurring on or after October 1, 1978, and before October 1, 1982; to the Committee on Small Business.

By Mr. RODINO:

H.R. 115. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. BAFALIS:

H.R. 116. A bill to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Ways and Means.

By Mr. BARNARD (for himself, Mr. ROUSSELOT, Mr. JONES of Oklahoma, Mr. GUYER, Mr. IRELAND, Mr. DORNAN, Mr. FRENZEL, Mr. LAGOMARSINO, Mr. CORCORAN, Mr. BROWN of Ohio, Mr. LENT, Mr. MCDONALD, and Mr. WALKER):

H.R. 117. A bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. BEDELL:

H.R. 118. A bill to amend the Agriculture Act of 1949 to require that the proclamation made by the Secretary of Agriculture with respect to the national program acreage for feed grains to be made no later than October 15 of each year for crops harvested in the next succeeding calendar year; to the Committee on Agriculture.

H.R. 119. A bill to amend chapter 35 of title 44, United States Code, to require a biennial justification for the continued use of any form used to solicit information from private persons and State and local government agencies; to the Committee on Government Operations.

H.R. 120. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 121. A bill to amend title 10, United States Code, to regulate the discharge of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 122. A bill to make eligible for annuities payable under section 4 of Public Law 92-425 (relating to the Armed Forces survivor benefit plan) persons who became widows during the 18-month period following the effective date of such law; to the Committee on Armed Services.

H.R. 123. A bill to provide Federal grants to assist elementary and secondary schools to carry on programs to teach the principles of citizenship and ethics; to the Committee on Education and Labor.

H.R. 124. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 125. A bill to establish a series of six regional Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States; to the Committee on House Administration.

H.R. 126. A bill to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places; to the Committee on Interior and Insular Affairs.

H.R. 127. A bill to establish the U.S. Agency for World Peace within the Department of State; to the Committee on International Relations.

H.R. 128. A bill to provide for disclosures by lobbyists, and for other purposes; to the Committee on the Judiciary.

H.R. 129. A bill to subject certain nationals or citizens of the United States to the jurisdiction of the U.S. district courts for their crimes committed outside the United States and to provide for the apprehension, restraint, removal, and delivery of such persons; to the Committee on the Judiciary.

H.R. 130. A bill to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount of controversy requirement in Federal question cases, and for other purposes; to the Committee on the Judiciary.

H.R. 131. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his or her minor child shall be fined not more than $1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

H.R. 132. A bill to amend chapter 313 of title 18 of the United States Code to improve the system dealing with mental defectives charged with offenses against the United States; to the Committee on the Judiciary.

H.R. 133. A bill to prohibit any act or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor; to the Committee on the Judiciary.

H.R. 134. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 135. A bill to amend title 5, United States Code, to permit present and former civilian employees of the U.S. Government to receive civil service annuity credit for retirement purposes for all their periods of services to the United States (Federal Government, Uniformed Services and District of Columbia Government) including such service which was covered by social security, regardless of eligibility for social security benefits; to the Committee on Post Office and Civil Service.

H.R. 136. A bill to amend the Federal Aviation Act of 1958 to require regulations prohibiting air carriers from dispensing alcoholic beverages and tobacco without charge to passengers aboard air carrier aircraft; to the Committee on Public Works and Transportation.

H.R. 137. A bill to require the submission to Congress of research proposals prior to the expenditure of Federal funds; to the Committee on Science and Technology.

H.R. 138. A bill to provide for a Veterans' Administration general medical and surgical hospital at Jacksonville, Fla., and to achieve cooperation with the University of Florida College of Medicine in its activities in Jacksonville; to the Committee on Veterans' Affairs.

H.R. 139. A bill to provide for a national cemetery in Duval County, Fla.; to the Committee on Veterans' Affairs.

H.R. 140. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 141. A bill to amend the Internal Revenue Code of 1954 to provide that no individual shall pay an income tax of less than 10 percent of his net income which exceeds $30,000 for any taxable year; to the Committee on Ways and Means.

H.R. 142. A bill to amend title XVI of the Social Security Act to provide that an alien may not qualify for supplemental security income benefits unless he not only is a permanent resident of the United States but has also continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 143. A bill to amend title 10, United States Code, and the Public Health Service Act, as amended, to provide for adjustments in the benefits afforded participants in the Armed Forces health professions scholarship program; jointly, to the Committees on Armed Services and Interstate and Foreign Commerce.

By Mr. GRASSLEY:

H.R. 144. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 145. A bill to provide that payments for military retired pay shall be made by

the Civil Service Commission and that appropriations for such purpose shall be made to the Civil Service Commission; jointly, to the Committees on Armed Services and Post Office and Civil Service.

H.R. 146. A bill to amend the National Security Act of 1947 to define more specifically the jurisdiction of the Central Intelligence Agency, and for other purposes; jointly, to the Committees on Armed Services, and the Permanent Select Committee on Intelligence.

H.R. 147. A bill to abolish the National Security Council, and for other purposes; jointly, to the Committees on Armed Services; and the Permanent Select Committee on Intelligence.

H.R. 148. A bill to amend the Defense Production Act of 1950, as amended; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, and Post Office and Civil Service.

By Mr. BINGHAM:

H.R. 149. A bill to amend the Internal Revenue Code of 1954 to deny the deduction for amounts paid or incurred to advertise certain products which are sold with health warnings; to the Committee on Ways and Means.

By Mr. BOLAND:

H.R. 150. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 151. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 152. A bill to amend the Public Health Service Act to improve the national cancer program and to authorize increased appropriations for such program for the next 4 fiscal years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 153. A bill to amend the Public Health Service Act to improve the national cancer program and to authorize increased appropriations for such program for the next 4 fiscal years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 154. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

H.R. 155. A bill to amend title 38, United States Code, to establish a program to provide direct loans to veterans for residential solar energy systems and certain other energy conservation improvements; to the Committee on Veterans' Affairs.

H.R. 156. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

H.R. 157. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination by card issuers against any shipment for a credit card on the basis of such applicant's occupation or the location of such applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

H.R. 158. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 159. A bill to amend title 28 of the United States Code to provide that the courts of the United States shall have jurisdiction to review decisions of the Administrator of Veterans' Affairs; to the Committee on the Judiciary.

By Mr. STUMP:

H.R. 160. A bill to remove residency requirequirements and acreage limitations applicable to land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. BRODHEAD:

H.R. 161. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 162. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

H.R. 163. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 164. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BRODHEAD (for himself and Mr. EVANS of Georgia):

H.R. 165. A bill to direct the Secretary of Health, Education, and Welfare to provide Federal minimum standards for health insurance for the elderly, and to amend title XVIII of the Social Security Act for the purpose of directing the Secretary to study methods of further improving the regulation of health insurance for the elderly and to evaluate methods by which the medicare program could more fully meet the health insurance needs of the elderly; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BROOKS:

H.R. 166. A bill to recognize the Cabinet status of the Director of the Office of Management and Budget, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of California:

H.R. 167. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. BROWN of Ohio:

H.R. 168. A bill to amend the Congressional Budget and Impoundment Control Act of 1974; to the Committee on Rules.

H.R. 169. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 170. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio:

H.R. 171. A bill to amend the Internal Revenue Code of 1954 to provide for tax reform, and for other purposes; to the Committee on Ways and Means.

H.R. 172. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 173. A bill to amend the Internal Revenue Code of 1954 to provide for inflation adjustments in the corporate tax rates; to the Committee on Ways and Means.

H.R. 174. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself, Mr. LOTT, and Mr. ROBINSON):

H.R. 175. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned, to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 176. A bill to amend the Clean Air Act and the Federal Water Pollution Control Act to provide that compliance orders shall include cost-benefit analyses; to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

H.R. 177. A bill to assist in combating crime by reducing the incidence of recidivism, providing improved Federal, State, and local correctional facilities and services, strengthening administration of Federal corrections, strengthening control over probationers, parolees, and persons found not guilty by reason of insanity, and for other purposes; to the Committee on the Judiciary.

H.R. 178. A bill to authorize the Secretary of the Interior to classify and inventory wetland resources, to measure wetlands contribution of natural wetlands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 179. A bill to provide for a Veterans' Administration hospital in the Halifax area of Volusia County, Fla.; to the Committee on Veterans' Affairs.

H.R. 180. A bill to establish the Mineral Conservation Research and Development Commission within the National Science Foundation, and to provide for the inventory of major nonfuel raw materials and the development of substitute materials; to the Committee on Science and Technology.

H.R. 181. A bill to amend titles II and XVIII of the Social Security Act to eliminate the requirement that an individual must have been entitled to disability benefits for at least 24 consecutive months in order to qualify for medicare on the basis of disability; to the Committee on Ways and Means.

H.R. 182. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility for disability insurance benefits or the disability freeze; to the Committee on Ways and Means.

H.R. 183. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works and Transportation.

H.R. 184. A bill to provide for study of a certain segment of the Oklawaha River for potential addition to the national wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

H.R. 185. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiv-

ing benefits thereunder; to the Committee on Ways and Means.

H.R. 186. A bill to provide Federal assistance to States to enable them to provide day care services for children from needy families where the parents are working, training, or incapable of self-support; to the Committee on Education and Labor.

H.R. 187. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 188. A bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

H.R. 189. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

H.R. 190. A bill to provide for the establishment of a national cemetery in Florida; to the Committee on Veterans' Affairs.

H.R. 191. A bill to authorize the Attorney General to exchange criminal record information with certain State and local agencies; to the Committee on the Judiciary.

H.R. 192. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

H.R. 193. A bill to amend title 28 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon acts or omissions of United States employees, and for other purposes; to the Committee on the Judiciary.

H.R. 194. A bill to amend the Freedom of Information Act to exempt naval nuclear propulsion information from disclosure in the absence of a finding that such disclosure will not be inimical to the interests of the United States; to the Committee on Government Operations.

H.R. 195. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received by members of certain firefighting and rescue units; to the Committee on Ways and Means.

H.R. 196. A bill to amend the Export-Import Bank Act of 1945 to authorize the President of the United States to suspend credit for exports to certain countries; to the Committee on Banking, Finance and Urban Affairs.

H.R. 197. A bill to amend title XIX of the Social Security Act to impose certain requirements relating to the discharge or transfer of medicaid patients from skilled nursing or intermediate care facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 198. A bill to discontinue issuance of the $2 U.S. note; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CLAUSEN:

H.R. 199. A bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so; to the Committee on Education and Labor.

By Mr. COLLINS of Texas:

H.R. 200. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to certain reporting and disclosure requirements; to the Committee on Education and Labor.

H.R. 201. A bill to reduce the number of individuals employed by the Federal Government in Executive agencies in or near the District of Columbia; to the Committee on Post Office and Civil Service.

H.R. 202. A bill to establish a 10-year moratorium on the construction, alteration, acquisition, or leasing of certain buildings for use by Federal agencies in the Greater Washington area; to the Committee on Public Works and Transportation.

H.R. 203. A bill to amend the Congressional Budget Act of 1974 to assure a balanced budget by requiring that Federal expenditures be limited to Federal revenues under the congressional budget process; to the Committee on Rules.

H.R. 204. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 205. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 206. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 207. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 208. A bill to provide that Federal taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

H.R. 209. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; to the Committees on the Judiciary, and Education and Labor.

By Mr. COLLINS of Texas (for himself and Mr. MOORHEAD of California):

H.R. 210. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

By Mr. CORRADA (for himself and Mr. WON PAT):

H.R. 211. A bill to amend the Social Security Act to increase the dollar limitations and Federal medical assistance percentages applicable to the medicaid programs of Puerto Rico, the Virgin Islands, and Guam; jointly, to the Committes on Interstate and Foreign Commerce and Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 212. A bill entitled the "Fair Treatment for Skilled Trades Act of 1979"; to the Committee on Education and Labor.

H.R. 213 A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 214. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE (for himself, Mr. DERWINSKI, Mr. GUYER, Mrs. HOLT, Mr. KRAMER, Mr. LAGOMARSINO, Mr. MILLER of Ohio, Mr. SYMMS, and Mr. DUNCAN of Tennessee):

H.R. 215. A bill to amend the Internal Revenue Code of 1954 to provide a credit for tuition paid for higher education; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 216. A bill to modify the project for navigation on the Southern Branch of Elizabeth River, Va.; to the Committee on Public Works and Transportation.

H.R. 217. A bill to terminate authorization for a portion of the Nansemond River project, Virginia; to the Committee on Public Works and Transportation.

By Mr. DANIELSON:

H.R. 218. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 219. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 220. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 221. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 222. A bill to amend chapter 5, subchaper II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 223. A bill to amend chapter 5 of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 224. A bill to provide for equitable waiver in the compromise and collection of Federal claims; to the Committee on the Judiciary.

H.R. 225. A bill to amend the Immigration and Nationality Act to provide that any person who pays any compensation to an illegal alien shall be subject to a criminal fine; to the Committee on the Judiciary.

H.R. 226. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide a 2-year extension of Federal assistance to Indochina refugees and to provide Federal assistance beyond 2 years to any Indochinese refugee who is under 18 years of age; to the Committee on the Judiciary.

H.R. 227. A bill to amend subsection (a) of section 2737 of title 10, United States Code, and for other purposes; to the Committee on the Judiciary.

H.R. 228. A bill to amend chapter 44 of title 18 of the United States Code to penalize the use of a cutting or stabbing weapon in the commission of a felony, and to increase the penalties for the use of firearms in the commission of a felony; to the Committee on the Judiciary.

H.R. 229. A bill to amend title 28, United States Code, to provide for a declaratory judgment in certain cases involving public utilities; to the Committee on the Judiciary.

H.R. 230. A bill to amend chapter 171 of title 28, United States Code, to alter procedures with respect to certain malpractice suits against Federal medical personnel, and for other purposes; to the Committee on the Judiciary.

H.R. 231. A bill to amend title 28 of the United States Code to establish a Federal cause of action for and Federal court procedures with respect to aviation activity, and for other purposes; to the Committee on the Judiciary.

H.R. 232. A bill to amend title 28, United States Code, to increase to $50,000 the

amount of an award which an agency may determine, without the approval of the Attorney General; to the Committee on the Judiciary.

H.R. 233. A bill to repeal sections 3478 and 3479 of the Revised Statutes (31 U.S.C. 204 and 205), which impose a requirement upon persons prosecuting claims, either as attorney or on their own account, to take the oath of allegiance and to support the Constitution of the United States; to the Committee on the Judiciary.

H.R. 234. A bill to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible; to the Committee on the Judiciary.

H.R. 235. A bill to amend the act of August 24, 1935 (commonly referred to as the "Miller Act") to provide for additional protection to persons supplying labor and material in the prosecution of work provided for in contracts for the construction, alteration, or repair of any public building or public work of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 236. A bill to transfer responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given; to the Committee on the Judiciary.

H.R. 237. A bill to amend the General Revision of Copyright Law, and for other purposes; to the Committee on the Judiciary.

H.R. 238. A bill to provide that certain annuity payments made pursuant to the Civil Service Retirement Act shall be fixed at the nearest penny; to the Committee on Post Office and Civil Service.

H.R. 239. A bill to provide that no relocation payments made under the Uniform Relocation Assistance Act shall be paid to persons who are unlawfully present in the United States; to the Committee on Public Works and Transportation.

H.R. 240. A bill to place Arlington National Cemetery within the National Cemetery System; to the Committee on Veterans' Affairs.

H.R. 241. A bill to amend title 38, United States Code, so as to authorize furnishing of memorial markers for graves in private cemeteries wherein the remains of an honorably discharged serviceman are not recoverable; to the Committee on Veteans' Affairs.

H.R. 242. A bill to amend title 38 of the United States Code in order to require the Administrator of Veterans' Affairs to pay a $150 allowance to any State or any agency or political subdivision of a State in reimbursement for expenses incurred in the burial of each veteran in any cemetery owned by such State or agency or political subdivision of a State, if the cemetery or section thereof is used solely for the interment of veterans; to the Committee on Veterans' Affairs.

H.R. 243. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for certain salaries and other compensation paid for personal services; to the Committee on Ways and Means.

H.R. 244. A bill to amend the Internal Revenue Code of 1954 to disallow deductions from gross income for salary paid to aliens illegally employed in the United States; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 245. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 246. A bill to direct the Attorney General to establish special drug forces for the purpose of providing temporary emergency law enforcement assistance to States and local governments; to the Committee on the Judiciary.

H.R. 247. A bill to require the submission prior to publication in the Federal Register, to the appropriate committees of the Congress, of all regulations proposed to be promulgated by Federal departments and agencies; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 248. A bill to establish the office of Assistant Secretary of Defense for Equal Opportunity, and for other purposes; to the Committee on Armed Services.

H.R. 249. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

H.R. 250. A bill to amend title 10, United States Code, to provide for identification of positions in the Department of Defense which can be filled by civilian employees and to prohibit assignment of active-duty military personnel to such positions unless such personnel meet the civilian qualifications for such positions, and for other purposes; to the Committee on Armed Services.

H.R. 251. A bill to amend the Civil Rights Act of 1964 to eliminate employment discrimination on the basis of military discharge status; to the Committee on Education and Labor.

H.R. 252. A bill to amend the Budget and Accounting Act of 1921 to provide for investigations and expenditure analyses of the use of public funds; to the Committee on Government Operations.

H.R. 253. A bill to provide for the receipt of testimony and information from executive agencies and bodies; to the Committee on the Judiciary.

H.R. 254. A bill to amend chapters 5 and 7 of title 5, United States Code, to require formal rulemaking procedures in the establishment of grant, loan, benefit, and contract practices, to authorize payment of expenses to certain participants in administrative proceedings, to waive sovereign immunity where judicial relief other than money damages is sought, and to require the establishment of enforcement procedures for grant-in-aid programs; to the Committee on the Judiciary.

H.R. 255. A bill to prevent lawless and irresponsible use of firearms, by requiring national registration of firearms, by establishing minimum standards for licensing possession of firearms, and to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns; to the Committee on the Judiciary.

H.R. 256. A bill to establish minimum prison and parole standards in the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 257. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 258. A bill to exonerate and to provide for a general and unconditional amnesty for certain persons who have violated or are alleged to have violated laws in the course of protest against the involvement of the United States in Indochina, and for other purposes; to the Committee on the Judiciary.

H.R. 259. A bill to amend title 38, United States Code, to provide for the entitlement to veterans' benefits of Americans who fought in the Abraham Lincoln Brigade during the Spanish Civil War, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 260. A bill to help preserve the separation of powers and to further the constitutional prerogatives of Congress by providing for congressional review of executive agreements; jointly, to the Committees on International Relations and Rules.

H.R. 261. A bill to reorganize the intelligence community of the executive branch of the Government, create an Intelligence Research and Analysis Agency, and prevent future intelligence abuses by Federal agencies, and for other purposes; jointly, to the Committees on Armed Services, Judiciary, Permanent Select Committee on Intelligence, and Ways and Means.

By Mr. DERWINSKI (for himself, Mr. BENJAMIN, Mr. ANNUNZIO, Mr. CONTE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. FARY, Mrs. HOLT, Mr. HYDE, Mr. LAGOMARSINO, Mr. MCCLORY, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MURPHY of Illinois, Mr. RUDD, Mr. UDALL, Mr. BOB WILSON, and Mr. WINN):

H.R. 262. A bill to authorize the construction and maintenance of the Gen. Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. DICKINSON:

H.R. 263. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 264. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of computing the residential energy credit, the taxpayer may take into account qualified energy conservation expenditures with respect to any dwelling unit which is owned by the taxpayer and which is the principal residence of any individual other than the taxpayer; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 265. A bill to amend the Federal Reserve Act to allow the President to appoint an individual to serve on the Federal Reserve Board whom he intends to designate as chairman who is from the same Federal Reserve district as a current member of the Board; to the Committee on Banking, Finance and Urban Affairs.

H.R. 266. A bill to amend the Federal Reserve Act to shorten the term of members of the Board of Governors of the Federal Reserve System from 14 years to 8 years, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 267. A bill to amend the Federal Reserve Act and the Federal Deposit Insurance Act to extend the 2-year prohibition on employment of bank regulators by insured banks and member banks to include bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

H.R. 268. A bill to amend the Truth in Lending Act to require biannual examinations of creditors, to require public disclosure of certain information obtained in such examinations, to require persons affected by violations of the act to be so notified, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 269. A bill to establish a Consumer Savings Disclosure Act in order to provide for uniform and full disclosure of information with respect to the computation and payment of earnings on certain savings deposits; to the Committee on Banking, Finance and Urban Affairs.

H.R. 270. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration, and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

H.R. 271. A bill to amend title VII of the

Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

H.R. 272. A bill to amend section 411 of the Higher Education Act of 1965 to exclude from eligibility calculations for basic grants the value of a family's residence; to the Committee on Education and Labor.

H.R. 273. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities designed to achieve conservation and nonuse of energy and materials, and for other related educational purposes; to the Committee on Education and Labor.

H.R. 274. A bill to amend the act of September 24, 1959, to limit congressional members of the Advisory Commission on Intergovernmental Relations to single 2-year terms; to the Committee on Government Operations.

H.R. 275. A bill to amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes; to the Committee on International Relations.

H.R. 276. A bill to amend the Arms Export Control Act to change the method of determining the period of time for adopting a concurrent resolution of Congress objecting to a proposed sale under such act; to the Committee on International Relations.

H.R. 277. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates; to the Committee on Interstate and Foreign Commerce.

H.R. 278. A bill to authorize grants under the Safe Drinking Water Act to public water systems to clean and update waterlines for purposes of meeting requirements under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 279. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the regulation of tobacco products under that act in the same manner as food is regulated under that act; to the Committee on Interstate and Foreign Commerce.

H.R. 280. A bill to provide for an annual report to Congress on the effect of cigarette smoke upon nonsmokers; to the Committee on Interstate and Foreign Commerce.

H.R. 281. A bill to strengthen the warning label required on cigarette packages, extend such warning to cigarette advertisements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 282. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; to the Committee on Interstate and Foreign Commerce.

H.R. 283. A bill to secure and protect the freedom of the press from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

H.R. 284. A bill to amend chapters 5 and 7 of title 5 of the United States Code to provide for the award of reasonable attorney fees, expert witness expenses, and other costs reasonably incurred in proceedings before Federal agencies, and for other purposes; to the Committee on the Judiciary.

H.R. 285. A bill to substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse handguns by restricting the availability of such handguns for law enforcement, military purposes, and for certain approved purposes including sporting and recreational uses; to the Committee on the Judiciary.

H.R. 286. A bill to enhance the personal safety of U.S. citizens and to reduce crime by providing for a Federal system of registration and licensing of all firearms, and for a ban on the sale, manufacture, or importation of certain handguns; to the Committee on the Judiciary.

H.R. 287. A bill to carry out the principles of the Helsinki Final Act pertaining to freedom of travel and emigration, by providing that aliens who are associated with certain political organizations or who advocate certain political beliefs shall not be eligible to receive visas and excluded from admission into the United States, or deported from the United States, because of such association or beliefs; to the Committee on the Judiciary.

H.R. 288. A bill to amend the copyright law to secure the rights of authors of pictorial, graphic, or sculptural works to prevent the distortion, mutilation, or other alteration of such works, and for other purposes; to the Committee on the Judiciary.

H.R. 289. A bill to amend title 5 of the United States Code for the purpose of removing the restriction on the use of recording clocks to record time of employees of executive departments in the District of Columbia; to the Committee on Post Office and Civil Service.

H.R. 290. A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transportation.

H.R. 291. A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States; to the Committee on Small Business.

H.R. 292. A bill to establish an independent agency to administer the internal revenue laws; to the Committee on Ways and Means.

H.R. 293. A bill to establish a health protection tax on cigarettes, and for other purposes; to the Committee on Ways and Means.

H.R. 294. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 295. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 296. A bill to amend the Trade Act of 1974 to require the International Trade Commission to examine and report on the probable impact on domestic retail prices of remedies recommended by the Commission pursuant to import relief investigations; to the Committee on Ways and Means.

H.R. 297. A bill to suspend for 2 years the duty on wood excelsior imported from Canada; to the Committee on Ways and Means.

H.R. 298. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices in homes, neighborhood and community structures, small businesses, and facilities owned or occupied by nonprofit organizations; jointly, to the Committees on Banking, Finance and Urban Affairs, and Small Business.

H.R. 299. A bill to amend the Office of Federal Procurement Policy Act to require the payment of interest by Federal agencies on overdue payments to small business concerns; jointly, to the Committees on Government Operations and Small Business.

H.R. 300. A bill to regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

H.R. 301. A bill to amend the Internal Revenue Code of 1954 to provide for judicial review of certain interpretations of the Federal tax laws; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 302. A bill to provide that in civil actions where the United States is plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 303. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 304. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments; to the Committee on Public Works and Transportation.

H.R. 305. A bill to amend the Internal Revenue Code of 1954 to require the Internal Revenue Service to pay certain costs incurred by a taxpayer during a tax audit if the audit does not result in additional tax liability; to the Committee on Ways and Means.

H.R. 306. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Ways and Means.

H.R. 307. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 308. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. EDWARDS of Alabama:

H.R. 309. A bill to limit the growth rate of Federal spending; to the Committee on Rules.

H.R. 310. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

H.R. 311. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the individual income tax for certain expenses of higher education; to the Committee on Ways and Means.

H.R. 312. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 313. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. THOMPSON (for himself and Mr. CORMAN):

H.R. 314. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Education and Labor.

By Mr. EDWARDS of California:

H.R. 315. A bill to amend section 557 of title 5, United States Code, to provide for the disclosure of agency findings and recommendations in bank chartering and branching proceedings and in other related proceedings and to make the provisions of subsection (d) (relating to ex parte communications) applicable to such proceedings; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.R. 316. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to require, prior to disposal, that notice and first right of refusal be given to certain previous owners of surplus real property; to the Committee on Government Operations.

H.R. 317. A bill to discourage the prevention of the marketing of certain patented means for energy conservation; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 318. A bill to establish a national adoption information exchange system; to the Committee on Education and Labor.

H.R. 319. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

H.R. 320. A bill to prohibit fuel adjustment clauses in electric utility rate schedules; to the Committee on Inerstate and Foreign Commerce.

H.R. 321. A bill to establish an energy program to provide energy stamps to low- and moderate-income households to help meet the costs of rising fuel bills; to the Committee on Interstate and Foreign Commerce.

H.R. 322. A bill to amend title 18, United States Code, to make unlawful the search of places and the seizure of things in the possession or control of a person who is not suspected of committing a criminal act; to the Committee on the Judiciary.

H.R. 323. A bill to secure and protect the freedom of the press from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

H.R. 324. A bill to amend title 18, United States Code, to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a nonprofit organization, and for other purposes; to the Committee on the Judiciary.

H.R. 325. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

H.R. 326. A bill to amend the Immigration and Nationality Act to facilitate the admission of aliens for temporary employment; to the Committee on the Judiciary.

H.R. 327. A bill to require the inspection of certain towing vessels, and for other purposes; to the Committee on Merchant Marines and Fisheries.

H.R. 328. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 329. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 330. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 331. A bill to revise the laws governing appointments to the service academies so as to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

H.R. 332. A bill to amend titles IV, XI, and XIX of the Social Security Act to increase the Federal matching rate for purposes of reimbursement to States under the program of aid to needy families with children and medical assistance; jointly, to the Committee on Ways and Means, Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 333. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 334. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 335. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Interstate and Foregin Commerce.

H.R. 336. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and International Relations.

By Mr. FISH (for himself, Mr. MOORHEAD of California, and Mr. HORTON):

H.R. 337. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. FLIPPO:

H.R. 338. A bill to amend title XIX of the Social Security Act to continue medicaid eligibility for certain individuals by disregarding certain involuntary increases in income; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD:

H.R. 339. A bill to provide authorizations for the Department of State, and for other purposes; to the Committee on International Relations.

By Mr. GINN:

H.R. 340. A bill to provide parity to farmers and to prevent interruptions in the supply of food to American consumers; to the Committee on Agriculture.

H.R. 341. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 342. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 343. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. GOLDWATER:

H.R. 344. A bill to amend the Fair Credit Reporting Act dealing with depository institutions and privacy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 345. A bill to amend the Fair Credit Reporting Act dealing with consumer credit and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 346. A bill to amend the Fair Credit Reporting Act dealing with insurance institutions and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 347. A bill to amend the Family Educational Rights and Privacy Act (20 U.S.C. 1232) to provide for the protection of the privacy of personal information, and for other purposes; to the Committee on Education and Labor.

H.R. 348. A bill to amend the Farm Labor Contractor Registration Act of 1963 to provide that labor organizations which provide employment referral services and other similar services to assist migrant workers in obtaining agricultural employment shall be considered to be farm labor contractors for purposes of such Act; to the Committee on Education and Labor.

H.R. 349. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

H.R. 350. A bill to establish a Federal Information Practices Board to review and report on fair information and privacy practices of governmental and nongovernmental entities; to the Committee on Government Operations.

H.R. 351. A bill to establish an independent Federal Aviation Agency, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 352. A bill to amend the Airport and Airway Development Act of 1970 to make privately owned public use airports eligible for funding under the act; to the Committee on Public Works and Transportation.

H.R. 353. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for a national service life insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

H.R. 354. A bill to amend the Internal Revenue Code of 1954 dealing with privacy; to the Committee on Ways and Means.

H.R. 355. A bill to amend the Internal Revenue Code of 1954 in order to encourage small corporate employers to establish retirement pension plans for their employees and to provide worthwhile benefits for them under such plans; to the Committee on Ways and Means.

H.R. 356. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for the use of a passenger automobile in a carpool; to the Committee on Ways and Means.

H.R. 357. A bill to amend the Internal Revenue Code of 1954 to exempt certain additional aircraft museums from Federal fuel taxes and the Federal tax on the use of civil aircraft, and for other purposes; to the Committee on Ways and Means.

H.R. 358. A bill to restrict the use of Social Security Act account numbers as governmental or universal personal identifiers; to the Committee on Ways and Means.

H.R. 359. A bill to provide for the privacy of certain public assistance and social service records used or maintained by State and private agencies under programs receiving Federal financial assistance; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, and Ways and Means.

H.R. 360. A bill to amend title XI of the Social Security Act to provide for the confidentiality of personal medical information created or maintained by medical care institutions providing services under the medicare or medicaid programs, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 361. A bill to amend the Social Security Act to provide for the protection of the privacy of personal medical information maintained by certain medical care institutions; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 362. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 363. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

H.R. 364. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress during certain periods before elections; to the Committee on Post Office and Civil Service.

By Mr. GRADISON (for himself, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. BUCHANAN, Mr. BURGENER, Mr. CAMPBELL, Mr. CONABLE, Mr. CORCORAN, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. FRENZEL, Mr. GOLDWATER, Mr. GREEN, Mr. GUYER, Mr. HORTON, Mr. HYDE, Mr. IRELAND, Mr. JEFFORDS, Mr. KELLY, Mr. KEMP, Mr. KINDNESS, Mr. LENT, Mr. LEVITAS, Mr. LUKEN, Mr. MARTIN, Mr. MCEWEN, Mr. MOORE, Mr. MILLER of Ohio, Mr. MURPHY of Pennsylvania, Mr. O'BRIEN, Mr. QUAYLE, Mr. ROBINSON, Mr. SEBELIUS, Mr. SPENCE, Mr. STOCKMAN, Mr. SYMMS, Mr. TREEN, Mr. VANDER JAGT, Mr. WALKER, Mr. WHITEHURST, and Mr. BOB WILSON):

H.R. 365. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. ROUSSELOT, Mr. DERWINSKI, and Mr. FRENZEL):

H.R. 366. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 367. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 368. A bill to guarantee the confidentiality of sources of information of the news media and to protect certain rights of privacy of individuals; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. GUYER:

H.R. 369. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

H.R. 370. A bill to amend the Truth in Lending Act to require that contracts and agreements respecting credit transactions subject to the act be written in clear and understandable language; to the Committee on Banking, Finance and Urban Affairs.

H.R. 371. A bill to amend the Elementary and Secondary Education Act of 1965 to provide assistance for the establishment of basic standards of educational proficiency applicable to public school students; to the Committee on Education and Labor.

H.R. 372. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the requirements of such act with respect to employers shall apply to the Occupational Safety and Health Administration; to the Committee on Education and Labor.

H.R. 373. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

H.R. 374. A bill to amend title VII of the Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

H.R. 375. A bill to improve agency responsiveness to citizen complaints and inquiries, to require submission to Congress of information on administrative procedures used to handle citizens complaints and inquiries, and for other purposes; to the Committee on Government Operations.

H.R. 376. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

H.R. 377. A bill to amend the Communications Act of 1934 to prohibit making unsolicited commercial telephone calls to persons who have indicated they do not wish to receive such calls; to the Committee on Interstate and Foreign Commerce.

H.R. 378. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

H.R. 379. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.R. 380. A bill to secure and protect the rights of citizens and protect freedom of the press; to the Committee on the Judiciary.

H.R. 381. A bill to prohibit any act or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor; to the Committee on the Judiciary.

H.R. 382. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians, registered nurses, and aircraft employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

H.R. 383. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary

H.R. 384. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 385. A bill to amend title 39, United States Code to establish a reduced rate of postage for certain mail matter of private individuals; to the Committee on Post Office and Civil Service.

H.R. 386. A bill to prohibit the expenditure of Federal funds for the conversion to the metric system of measurements posted on highways without a direct authorization by the Congress for such expenditure; to the Committee on Public Works and Transportation.

H.R. 387. A bill to amend the Metric Conversion Act of 1975 to provide that the functions of the Federal Government with respect to the metric system shall be limited to coordinating the conversion to such system in areas of industries which desire it, and keeping the public informed thereon, without encouraging in any way the adoption or use of such system; to the Committee on Science and Technology.

H.R. 388. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 389. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by speech-impaired or hearing-impaired individuals for use of toll telephone service by means of teletypewriters; to the Committee on Ways and Means.

H.R. 390. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

H.R. 391. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

H.R. 392. A bill to amend section 44A of the Internal Revenue Code of 1954 to allow all qualifying individuals to take into account employment-related expenses incurred for services outside the taxpayer's household in determining the credit for expenses for certain household and dependent care services under such section; to the Committee on Ways and Means.

H.R. 393. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

H.R. 394. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

H.R. 395. A bill to increase the period during which certain private foundations may continue to hold their May 26, 1969, interests in certain public utilities without being subject to the excise tax on excess business holdings; to the Committee on Ways and Means.

H.R. 396. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to allow farmers to participate in the management and inspection of property being rented to others without causing their rental income to be treated as covered self-employment income; to the Committee on Ways and Means.

H.R. 397. A bill to amend title II of the Social Security Act to extend the period during which the monthly earnings test is applicable in the case of a farmer who retires in 1 year but does not sell the crops produced in that year until the following year; to the Committee on Ways and Means.

H.R. 398. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 399. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 400. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 401. A bill to prevent Federal enforcement of racial quotas; jointly, to the Committees on the Judiciary, and Education and Labor.

H.R. 402. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; to the Committees on the Judiciary and Education and Labor.

H.R. 403. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 404. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 405. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

H.R. 406. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and related purposes; jointly, to the Committees on International Relations, the Judiciary, and Public Works and Transportation.

By Mr. HAMMERSCHMIDT:

H.R. 407. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 408. A bill to amend title 38 of the United States Code to provide that progressive muscular atrophy developing a 10 percent or more degree of disability within 7 years after separation from active service during a period of war shall be presumed to be service connected; to the Committee on Veterans' Affairs.

H.R. 409. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 410. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 411. A bill to authorize veterans loan guaranty benefits notwithstanding usury provisions of State constitutions or statutes, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 412. A bill to amend title 38, United States Code, in order to revise the provisions therein relating to the construction, alteration and acquisition of medical facilities under the jurisdiction of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. HANSEN:

H.R. 413. A bill to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry; and for other purposes; to the Committee on Agriculture.

H.R. 414. A bill to establish standards of fair practices that shall be observed by handlers and associations of producers in their dealings in agricultural products; to the Committee on Agriculture.

H.R. 415. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 416. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 417. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

H.R. 418. A bill to facilitate the implementation of monetary policy and to promote competitive equality among commercial banks; to the Committee on Banking, Finance and Urban Affairs.

H.R. 419. A bill to repeal limits on interest paid on savings, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 420. A bill to provide for steady, noninflationary growth in the money supply; to the Committee on Banking, Finance and Urban Affairs.

H.R. 421. A bill to amend the Federal Reserve Act to provide authority for Federal Reserve banks to lend obligations to the Secretary of the Treasury and for the Secretary of the Treasury to borrow such obligations to meet the Treasury's short-term cash needs; to the Committee on Banking, Finance and Urban Affairs.

H.R. 422. A bill to provide for further diversification of the Federal Reserve Boards of Directors, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 423. A bill to amend the Federal Reserve Act to provide that the Chairman and Vice Chairman of the Board shall continue to serve until their successors are designated and have qualified; to the Committee on Banking, Finance and Urban Affairs.

H.R. 424. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings be released to the general public 5 years after the date of the meeting to which they relate; to the Committee on Banking, Finance and Urban Affairs.

H.R. 425. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

H.R. 426. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Secretary of Labor may conduct inspections at the workplace of an employer only after the issuance of a search warrant; to the Committee on Education and Labor.

H.R. 427. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shooting sports, and for other purposes; to the Committee on Education and Labor.

H.R. 428. A bill to amend the Occupational Safety and Health Act of 1970 to exempt small businesses having no more than 10 full-time employees or the equivalent thereof, and does not have an occupational injury incidence rate exceeding 7 per 100 full-time employees based upon the annual Bureau of Labor Statistics survey of 3- and 4-digit standard industrial classification code industries; to the Committee on Education and Labor.

H.R. 429. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 430. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

H.R. 431. A bill to provide that the Secretary of the Interior and the Attorney General shall not withhold water deliveries from any beneficiary of a Federal reclamation project for the purpose of achieving conformity with the reclamation rules and regulations proposed by the Bureau of Reclamation, Department of the Interior, until January 1, 1980; to the Committee on Interior and Insular Affairs.

H.R. 432. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 433. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 434. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

H.R. 435. A bill providing that any State legislature which rescinds its ratification of a proposed amendment to the Constitution shall not be considered to have ratified the amendment; to the Committee on the Judiciary.

H.R. 436. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 437. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 438. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

H.R. 439. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 440. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

H.R. 441. A bill to prohibit the transfer or other disposal of any veterans' cemetery located in the Canal Zone without the specific authorization of Congress; to the Committee on Veterans' Affairs.

H.R. 442. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from active military service under less than honorable conditions are administratively upgraded under the revised standards as implemented by the Department of Defense's special discharge review program; to the Committee on Veterans' Affairs.

H.R. 443. A bill to amend the Internal Revenue Code of 1954 to provide for tax reductions and reforms; to the Committee on Ways and Means.

H.R. 444. A bill to amend the Internal Revenue Code of 1954 to exempt dividends from Federal taxation, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; to the Committee on Ways and Means.

H.R. 445. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes; to the Committee on Ways and Means.

H.R. 446. A bill to provide tax relief to persons whose property was destroyed or damaged as the result of the collapse of the Teton Dam; to the Committee on Ways and Means.

H.R. 447 A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 448. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 449. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

H.R. 450. A bill to prohibit the importation of Ugandan products into the United States; to the Committee on Ways and Means.

H.R. 451. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

H.R. 452. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment, and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly to the Committees on the Judiciary and Education and Labor.

H.R. 453. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 454. A bill to provide the congressional authorization required by clause 2, section 3, article IV of the Constitution, for the transfer to Panama of the property of the United States in the Canal Zone; to authorize the appropriations required by clause 7, section 9, article I of the Constitution, to implement that transfer of U.S. property, including the transfer of military installations and of cemeteries in which U.S. veterans are interred, the closing of the Canal Zone courts, and the assumption by the U.S. Postal Service of the functions of the Canal Zone postal service; to otherwise provide legislatively the authorizations not provided pursuant to clause 2, section 2, article II of the Constitution which are necessary to implement the Panama Canal Treaty of 1977 and related agreements; and for other purposes jointly; to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service.

By Mr. HIGHTOWER:

H.R. 455. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1979 through 1981 crops; to the Committee on Agriculture.

By Mr. HILLIS:

H.R. 456. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 457. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony, and to increase the penalties in certain related existing provisions, to lower certain age limits from 21 years to 18, and to eliminate certain recordkeeping provisions with respect to ammunition; to the Committee on the Judiciary.

H.R. 458. A bill to amend the Internal Revenue Code of 1954 to allow taxpayers to treat certain federally required nonproductive expenditures as not chargeable to capital account and as currently deductible to the Committee on Ways and Means.

H.R. 459. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly, to the Committee on Ways and Means and Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself, Mr. BROYHILL, Mr. HEFNER, Mrs. BOUQUARD, Mr. APPLEGATE, Mr. MOORE, Mr. NICHOLS, Mr. EMERY, Mr. LEVITAS, Mr. BARNARD, Mr. MICHAEL O. MYERS, Mr. MOAKLEY, Mr. LEDERER, Mr. JENRETTE, Mr. HOLLENBECK, Mr. MONTGOMERY, Mr. ADDABBO, Mr. MATHIS, Mr. RICHMOND, Mr. MURTHA, Mr. PREYER, Mr. D'AMOURS, Mr. BEVILL, Mr. JENKINS, Mr. ANNUNZIO, Mr. LOTT, Mr. HILLIS, Mr. BEARD of Tennessee, Mr. RANGEL, Mr. STUDDS, Mr. CORRADA, Mr. ST GERMAIN, Mr. EDWARDS of Alabama, Mr. CHARLES WILSON of Texas, Mr. MAGUIRE, Mr. DUNCAN of Tennessee, Mr. SPENCE, Mr. MURPHY of New York, Mr. YATRON, Mr. DERRICK, Mr. MARTIN, Mrs. HECKLER, Mr. GUDGER, Mr. RINALDO, Mr. WALKER, Mr. FLORIO, Mr. PRICE, Mr. MYERS of Indiana, Mr. McDONALD, Mr. McCORMACK, Mr. ERTEL, Mr. BENJAMIN, Mr. DAN DANIEL, Ms. MIKULSKI, Mr. GARCIA, Mr. HALL, Mr. WOLFF, Mr. STRATTON, Mr. BURLISON, Mr. BONIOR, Mr. RAHALL, Mr. ROE, Mr. EVANS of Georgia, Mr. KILDEE, Mr. ALEXANDER, Mr. ANDREWS of North Carolina, Mr. LEE, Mr. EVANS of Delaware, Mr. ROSE, Mr. DICKINSON, Mr. BOLAND, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. FOUNTAIN, Mr. PATTERSON, Mr. CHAPPELL, Mr. HOWARD, Mr. KAZEN, Mr. RUNNELS, Mr. CAMPBELL, Mr. GINN, Mr. GAYDOS, Mr. SKELTON, Mr. ROSENTHAL, Mr. BAFALIS, Mr. DAVIS of South Carolina, Mr. AKAKA, Mr. WHITLEY, Mr. RODINO, Mr. WAMPLER, Mr. KINDNESS, Mr. OTTINGER, Mr. McDADE, Mr. LUKEN, Mr. NOWAK, Mr. EDGAR, Mr. CLEVELAND, Mr. ROBINSON, Mrs. HOLT, Mr. BRINKLEY, Mr. HUCKABY, Mr. NEAL, Mr. TAYLOR, and Mr. PICKLE):

H.R. 460. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 461. A bill to amend the Food Stamp Act of 1964 to prohibit any individual from receiving food stamps who receives at least one-half of his income from any other individual who is a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

H.R. 462. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 463. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 464. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to provide emphasis within the National Institute on Alcohol Abuse and Alcoholism for families of aclohol abusers and alcoholics; to the Committee on Interstate and Foreign Commerce.

H.R. 465. A bill to provide a remedy for sex discrimination by the insurance business with respect to the availability and the scope of insurance coverage for women; to the Committee on Interstate and Foreign Commerce.

H.R. 466. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 467. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 468. A bill to amend title IV of the Civil Rights Act of 1964 to prohibit federally ordered assignment of teachers or students on racial and other similar grounds; to the Committee on the Judiciary.

H.R. 469. A bill to repeal section 3108 of title 5, United States Code, which prohibits the employment by the United States and the District of Columbia of individuals employed by detective agencies; to the Committee on Post Office and Civil Service.

H.R. 470. A bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans cemeteries, and to provide for transportation of bodies to a national cemetery; to the Committee on Veterans' Affairs.

H.R. 471. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses paid by him for the education of any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

H.R. 472. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

H.R. 473. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

H.R. 474. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

H.R. 475. A bill to assure the continued dedication of the United States to quality education and the neighborhood school concept; jointly, to the Committees on the Judiciary and Education and Labor.

By Ms. HOLTZMAN:

H.R. 476. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

H.R. 477. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing grants to be used to fund local programs designed to improve housing and prevent neighborhood deterioration; to the Committee on Banking, Finance and Urban Affairs.

H.R. 478. A bill to amend title II of the Public Works Employment Act of 1976 to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Government Operations.

H.R. 479. A bill to amend titles 18 and 28 of the United States Code to provide that an individual appearing before certain grand juries can be imprisoned for contempt for no more than 6 months, and for other purposes; to the Committee on the Judiciary.

H.R. 480. A bill to amend the provisions of titles 18 and 28 of the United States Code that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the U.S. Supreme Court, and for other purposes; to the Committee on the Judiciary.

H.R. 481. A bill to amend the provisions of titles 18 and 28 of the United States Code that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the Judicial Conference, and for other purposes; to the Committee on the Judiciary.

H.R. 482. A bill to amend title 18, United States Code, to provide for cases of persons acquitted of certain Federal offenses by reason of insanity; to the Committee on the Judiciary.

H.R. 483. A bill to amend section 101(b) of the Immigration and Nationality Act; to the Committee on the Judiciary.

H.R. 484. A bill to amend title II of the Social Security Act to provide that an individual may simultaneously receive (without any reduction or offset) both an old-age or disability insurance benefit and a widow's or widower's insurance benefit; to the Committee on Ways and Means.

H.R. 485. A bill to amend title IV of the Social Security Act to increase the minimal Federal matching rate under the aid for families with dependent children program to 75 percent; to the Committee on Ways and Means.

H.R 486. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, and recipients of assistance or benefits under certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1974 increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 487. A bill to provide a supplementary housing allowance to supplemental security income recipients; to the Committee on Ways and Means.

H.R. 488. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 489. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; Committee on Ways and Means.

H.R. 490. A bill to amend the Congressional Budget Act of 1974 to require that certain information with respect to unobligated balances of budget authority be included in the report accompanying the first concurrent resolution on the budget each year (as well as in the annual reports submitted by other committees to the Budget Committees of the House and Senate, and in the President's annual budget); jointly, to the Committees on Government Operations and Rules.

By Mr. HORTON:

H.R. 491. A bill to amend the Export Administration Act of 1969 to prohibit exporting to Uganda of goods subject to control under that act; to the Committee on International Relations.

H.R. 492. A bill to prohibit the importation of Ugandan products into the United States; to the Committee on Ways and Means.

H.R. 493. A bill to amend the Tariff Schedules of the United States in order to prohibit the importation of coffee which is the product of Uganda; to the Committee on Ways and Means.

By Mr. HORTON (for himself and Mr. LEE):

H.R. 494. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 495. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

H.R. 496. A bill to provide for public financing of election campaigns for the House of Representatives, and for other purposes; to the Committee on House Administration.

H.R. 497. A bill to amend the Clean Air Act to authorize assistance to States for purposes of reducing asbestos levels in the interior of school buildings; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD (for himself, Mr. GEPHARDT, Mr. WINN, Mr. PICKLE, Mr. OBERSTAR, Mr. WHITEHURST, Mr. DUNCAN of Oregon, Mr. WON PAT, Mr. RODINO, Mr. AKAKA, Mr. MITCHELL of Maryland, Mr. FLOOD, Mr. WOLFF, Mr. STOKES, Mr. FORSYTHE, Mr. SOLARZ, Mr. HAWKINS, Mr. JACOBS, Mr. JOHNSON of California, Mr. NOLAN, Mr. HUBBARD, Mr. JEFFORDS, Mr. DERWINSKI, Mr. LAGOMARSINO, Mr. RICHMOND, Mr. LEVITAS, Mr. DOWNEY, Mr. O'BRIEN, Mr. WATKINS, Mrs. HECKLER, and Mr. RANGEL):

H.R. 498. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. HUGHES:

H.R. 499. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 500. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

H.R. 501. A bill to amend title 18 of the United States Code for the purpose of prohibiting the sale of children in interstate or foreign commerce; to the Committee on the Judiciary.

H.R. 502. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the recapture of unused proceeds of certain grants; to the Committee on the Judiciary.

H.R. 503. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

H.R. 504. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 505. A bill to amend the Agricultural Act of 1949 for purposes of providing that milk shall continue to be supported at not less than 80 percent of the parity price for milk until October 1, 1981, and for other purposes; to the Committee on Agriculture.

By Mr. JEFFORDS (for himself and Mr. PERKINS):

H.R. 506. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the 15-percent residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 507. A bill to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KASTENMEIER:

H.R. 508. A bill to promote competition in the production of coal, uranium, and geothermal power; to the Committee on the Judiciary.

H.R. 509. A bill to establish a Federal Oil and Gas Corporation; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. KILDEE (for himself, Mr. BRODHEAD, Mr. CONYERS, Mr. BONIOR of Michigan, Mr. BAFALIS, Mr. LEDERER, Mr. TRAXLER, and Mr. WOLPE):

H.R. 510. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of a certain portion of amounts received as annuities, pensions, or other retirement benefits by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 511. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures to the extent such expenses may be deducted by Members of Congress; to the Committee on Ways and Means.

H.R. 512. A bill to amend title 5 of the United States Code to improve the quality of agency rulemaking by establishing a uniform procedure for the congressional review of agency rules, to expand the opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. LAGOMARSINO:

H.R. 513. A bill to amend the Surface Mining Control and Reclamation Act of 1977 with respect to designation of lands unsuitable for noncoal mining; to the Committee on Interior and Insular Affairs.

H.R. 514. A bill to provide for the establishment of a National Voluntary Health Insurance Act; to the Committee on Interstate and Foreign Commerce.

H.R. 515. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 516. A bill to provide that no increase in pay for Members of Congress shall take effect without a recorded vote in each House; jointly, to the Committees on Post Office and Civil Service and Rules.

H.R. 517. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 518. A bill to reduce social security payroll taxes by amending the Social Security Act and the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 519. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 520. A bill to direct the Secretary of the Treasury to compensate States and units of local government for the loss of real property tax revenues due to the tax-exempt status of certain real estate property owned or occupied by foreign countries and international organizations; to the Committee on Government Operations.

H.R. 521. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 522. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 523. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 524. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation; jointly, to the Committees on Ways and Means, and Government Operations.

By Mr. LEHMAN:

H.R. 525. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 526. A bill to amend the Land and Water Conservation Fund Act of 1965, relating to the issuance to certain disabled individuals of lifetime admission permits to certain areas within the National Park System and national recreation areas; to the Committee on Interior and Insular Affairs.

H.R. 527. A bill to amend title 5, United States Code, to provide that any Federal employee who, at the time of retirement does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within 1 year after retiring; to the Committee on Post Office and Civil Service.

H.R. 528. A bill to amend title 5, United States Code, to provide survivor annuities to subsequent spouses of certain additional classes of deceased annuitants who died after making available survivor annuities for previous spouses at time of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 529. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 530. A bill to provide for a national cemetery in the area of Broward County or Dade County, Fla.; to the Committee on Veterans' Affairs.

H.R. 531. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 532. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 533. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LEVITAS:

H.R. 534. A bill to require the Comptroller General of the United States to carry out audits of expenditures and financial transactions of Members, officers, and standing committees of the House of Representatives; to the Committee on House Administration.

H.R. 535. A bill to amend title 18, United States Code, to further restrict the interception of certain wire or oral communications; to the Committee on the Judiciary.

H.R. 536. A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all officers and employees of the United States and its instrumentalities other than those in the judicial branch; to the Committee on Ways and Means.

H.R. 537. A bill to provide coverage under the Federal old-age survivors, and disability insurance system for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

H.R. 538. A bill to amend the Social Security Act and the Rehabilitation Act of 1973 to provide provisional definitions of disability of varying duration, to eliminate work disincentives in programs affecting workers, and for other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. LLOYD:

H.R. 539. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 540. A bill to establish a system of protection against catastrophic health care costs; to the Committee on Ways and Means.

H.R. 541. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62 $3,000 of interest received during any taxable year; to the Committee on Ways and Means.

H.R. 542. A bill to amend the Internal Revenue Code of 1954 to allow a deduction of not more than $1,500 for amounts paid or incurred for maintaining a household a member of which is a dependent of the taxpayer who has attained the age of 65; to the Committee on Ways and Means.

H.R. 543. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 544. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 545. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; to the Committees on Government Operations and Rules.

By Mr. LUKEN:

H.R. 546. A bill to amend chapters 2 and 21 of the Internal Revenue Code of 1954 and title II of the Social Security Act to improve the financing of the social security programs by adjusting old-age, survivors, and disability insurance and hospital insurance tax rates, increasing the allocations for disability insurance purposes, repealing the recently enacted statutory increases in the contribution and benefit base, and permitting the two old-age, survivors, and disability insurance trust funds to borrow from each other when necessary to make benefit payments and continue full operation; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 547. A bill to amend chapter 21, title 18, United States Code, so as to place certain limitations on the exercise of the contempt power by the courts of the United States; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 548. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 549. A bill to amend the Federal Water Pollution Control Act to facilitate contract enforcement and for other purposes; to the Committee on Public Works and Transportation.

H.R. 550. A bill to amend the Federal Water Pollution Control Act to limit the exercise of the contempt powers of the courts of the United States in environmental disputes; to the Committee on Public Works and Transportation.

By Mr. McCLOSKEY:

H.R. 551. A bill to require a reduction in the salaries of Members of Congress and individuals paid under the Executive Schedules for any calendar year by an amount which reflects the budget deficit of the Federal Government, if any, in the fiscal year ending in such calendar year; to the Committee on Post Office and Civil Service.

Mr. McCORMACK:

H.R. 552. A bill to provide for the alleviation of high ground-water conditions in and adjacent to the town of Moses Lake, Wash., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H.R. 553. A bill to provide that existing regulations issued by the Secretary of Labor with respect to occupational exposure to cotton dust shall cease to be effective and that any future regulations with respect to such exposure shall be subject to congressional disapproval; to the Committee on Education and Labor.

H.R. 554. A bill to reduce expenditures by the Federal Government, except expenditures for national defense and national security, for the fiscal year 1979; to the Committee on Government Operations.

H.R. 555. A bill to require the Comptroller General of the United States to audit annually the gold held by the United States on the first day of each fiscal year and to report his findings to the Congress; to the Committee on Government Operations.

H.R. 556. A bill to insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the 14th amendment, by eliminating Federal court jurisdiction over forced school attendance; to the Committee on the Judiciary.

H.R. 557. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any Federal felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 558. A bill to amend section 154 of title 23, United States Code, to increase the national maximum speed limit to 65 miles per hour; to the Committee on Public Works and Transportation.

H.R. 559. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

H.R. 560. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment for the amount exempted from gift tax; to the Committee on Ways and Means.

H.R. 561. A bill to limit eligibility for appointment and admission to any U.S. service academy to male individuals; jointly, to the Committees on Armed Services, and Merchant Marine and Fisheries.

By Mr. McDONALD (for himself and Mr. SYMMS):

H.R. 562. A bill to repeal titles XV and XVI of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS (for himself and Mr. WAMPLER):

H.R. 563. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

By Mr. MAZZOLI:

H.R. 564. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

H.R. 565. A bill amending title 5 of the United States Code to improve agency rule making by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. MIKVA:

H.R. 566. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, where authorized, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

By Mr. MILLER of Ohio:

H.R. 567. A bill to authorize the construction of such facilities as deemed necessary by the Secretary of the Army (acting through the Chief of Engineers) in the vicinity of Logan and Nelsonville, Ohio, for the purpose of providing adequate flood protection to this area; to the Committee on Public Works and Transportation.

H.R. 568. A bill to terminate the authorization of the Salt Creek Dam and Reservoir project, Ohio; to the Committee on Public Works and Transportation.

H.R. 569. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 570. A bill to amend the Agricultural Act of 1970 for the purpose of authorizing the Secretary of Agriculture to include hay as a disaster reserve; and for other purposes; to the Committee on Agriculture.

H.R. 571. A bill to amend the Federal Civil Defense Act of 1950 to authorize appropriations for the purposes of such act for fiscal years 1980 through 1986; to the Committee on Armed Services.

H.R. 572. A bill to direct the Secretary of Defense to make veterans with service-connected disabilities and their surviving spouses eligible for commissary and post exchange privileges; to the Committee on Armed Services.

H.R. 573. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 574. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

H.R. 575. A bill to award one preference point to National Guard and Armed Forces Reserve veterans applying for employment in the competitive service; to the Committee on Post Office and Civil Service.

H.R. 576. A bill to provide financial aid to local fire departments in the purchase of advanced firefighting equipment; to the Committee on Science and Technology.

H.R. 577. A bill to amend title 38 of the United States Code to remove the time limitations within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 578. A bill to amend title 38, United States Code, to increase from 1 year to 7 years the period after a veteran is separated from military service during which development of Parkinson's disease will be presumed to be service-connected; to the Committee on Veterans' Affairs.

H.R. 579. A bill to amend title 38, United States Code, to include insomnia within the list of chronic diseases for which compensation may be provided under such title for a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 580. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 581. A bill to amend the Internal Revenue Code of 1954 to provide that the special expenses incurred in maintaining a retarded or handicapped individual shall be allowable as a medical deduction without regard to the 3-percent floor; to the Committee on Ways and Means.

H.R. 582. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks for farm purposes; to the Committee on Ways and Means.

H.R. 583. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him for special education furnished to a child or other minor dependent who is physically or mentally handicapped; to the Committee on Ways and Means.

H.R. 584. A bill to amend the Internal Revenue Code of 1954 to exempt from Federal income taxation a trust established by a taxpayer for the purpose of providing care for certain mentally incompetent relatives of the taxpayer; to the Committee on Ways and Means.

H.R. 585. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

H.R. 586. A bill to amend title II of the Social Security Act to provide for the computation of benefits thereunder on the basis of the worker's 3 years of highest earnings; to the Committee on Ways and Means.

H.R. 587. A bill to amend title XVI of the Social Security Act to provide for the exclusion from income, for purposes of determining eligibility and amount of benefits under the supplemental security income program, of income received by reason of employment in a sheltered work setting; to the Committee on Ways and Means.

H.R. 588. A bill to amend title XVI of the Social Security Act to provide that increases in social security benefits shall be disregarded in determining an individual's eligibility for supplemental security income benefits, and to provide that support and maintenance furnished a mentally retarded individual living in another person's household shall not constitute income to him for supplemental security income benefit purposes; to the Committee on Ways and Means.

H.R. 589. A bill to amend title XVI of the Social Security Act so as to make the supplemental security income benefits program more effective, and benefits under such program more realistically available, for mentally retarded persons; to the Committee on Ways and Means.

H.R. 590. A bill to amend title XVI of the Social Security Act to provide for the exclusion from income, for purposes of determining eligibility and amount of benefits under the supplemental security income program, of certain earned income received by reason of employment in a sheltered work setting; to the Committee on Ways and Means.

H.R. 591. A bill to amend title XVI of the Social Security Act to provide that payments of tuition, fees, or other training costs by any person for a mentally retarded adult individual attending a school for the retarded shall not be treated as income of such individual in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

H.R. 592. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to repeal the requirement that workers may not be covered under certification of eligibility to apply for such assistance unless they are totally or partially separated from adversely affected employment within 1 year before the date of petitioning for such certification; to the Committee on Ways and Means.

H.R. 593. A bill to amend the Tariff Schedules of the United States in order to increase the rate of duty on certain boxes, cases, and chests lined with textile fabrics; to the Committee on Ways and Means.

H.R. 594. A bill to provide for the recycling of used oil, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. MOLLOHAN:

H.R. 595. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale

of such tin; to the Committee on Armed Services.

H.R. 596. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 597. A bill to amend Title 38 of the United States Code, to permit the exchange of 5-year level premium term policies of national service life insurance to special endowment at age 96 plans; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD of California:

H.R. 598. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

H.R. 599. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

H.R. 600. A bill to incorporate United Service Organizations, Inc.; to the Committee on the Judiciary.

H.R. 601. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 602. A bill to amend the Defense Production Act of 1950 to include synthetic fuels which may be used as fuels under title III; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York:

H.R. 603. A bill to amend section 6 of the Maritime Academy Act of 1958; to the Committee on Merchant Marine and Fisheries.

H.R. 604. A bill to impose service obligations on graduates of the U.S. Merchant Marine Academy; to the Committee on Merchant Marine and Fisheries.

By Mr. NEAL:

H.R. 605. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purpose and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Finance and Urban Affairs.

H.R. 606. A bill to direct the President to establish a Liaison Office of the U.S. Government on Taiwan with responsibility for representing U.S. interests on Taiwan, such Liaison Office to be comparable to the Liaison Office which the United States maintained in Peking prior to U.S. recognition of the People's Republic of China; to the Committee on International Relations.

H.R. 607. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. NOWAK:

H.R. 608. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 609. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

H.R. 610. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 611. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 612. A bill to amend section 404(b) of the Federal Aviation Act of 1958 to provide that no physically handicapped individual shall be denied air transportation solely because of such physical handicap, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 613. A bill to terminate the authorization of a navigation project on the Illinois Waterway, Ill. and Ind.; to the Committee on Public Works and Transportation.

H.R. 614. A bill to amend the Internal Revenue Code of 1954 to allow individuals an income tax credit for certain expenses of elementary or secondary education; to the Committee on Ways and Means.

H.R. 615. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 616. A bill to amend the Internal Revenue Code of 1954 to treat adoption fees in the same manner as medical expenses for income tax purposes; to the Committee on Ways and Means.

H.R. 617. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deduction allowed for such contributions; to the Committee on Ways and Means.

H.R. 618. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 619. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 620. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if he is otherwise qualified and it would not reduce total family benefits) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 621. A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect, in lieu of the deduction for charitable contributions, a credit against income tax for 50 percent of such contributions; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 622. A bill to establish a procedure, in addition to impeachment, for the removal of certain members of the judiciary of the United States whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution of the United States, to establish additional procedures for the retirement of certain disabled members of the judiciary of the United States, and for ther purposes; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 623. A bill to amend the Older Americans Act of 1965 as amended, to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging; to the Committee on Education and Labor.

H.R. 624. A bill to further amend the Older Americans Act of 1965, as amended, to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis, and for other purposes; to the Committee on Education and Labor.

H.R. 625. A bill to amend the Older Americans Act and the Public Health Service to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 626. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that volunteers serving in the Service Corps of Retired Executives may provide services to certain home health agencies; to the Committee on Education and Labor.

H.R. 627. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. ADDABBO, Mr. BAFALIS, Mr. BENJAMIN, Mr. BINGHAM, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CLAY, Mr. CLEVELAND, Mr. CLINGER, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. DANIELSON, Mr. DELLUMS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. JONES of Oklahoma, Mr. LEHMAN, Mr. MILLER of California, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. RANGEL, Mr. RODINO, Mr. ROSENTHAL, and Mr. SEIBERLING):

H.R. 628. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a deduction for their contributions to such plans or for their contributions to individual retirement savings plans; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 629. A bill to establish within the Department of Health, Education, and Welfare, a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal home health programs available to them; to the Committee on Interstate and Foreign Commerce.

H.R. 630. A bill to amend title XIX of the Social Security Act to permit one or more county governments in a State to provide for additional medical assistance under the State's medicaid plan; to the Committee on Interstate and Foreign Commerce.

H.R. 631. A bill to amend various laws relating to civil rights to extend their protection to the elderly, and for other purposes; to the Committee on the Judiciary.

H.R. 632. A bill to eliminate mandatory retirement provisions applicable to certain individuals employed in the civil service and in certain other positions in the Federal Government; to the Committee on Post Office and Civil Service.

H.R. 633. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

H.R. 634. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a highway vehicle will be determined in the same manner as the business deduction for such expenses; to the Committee on Ways and Means.

H.R. 635. A bill to amend the medicare

program to provide for reimbursement for certain extended care services; to the Committee on Ways and Means.

H.R. 636. A bill to amend title XX of the Social Security Act to provide for the reallotment of unused social services funds, in any fiscal year, to States which will use such funds during the succeeding year in furnishing services aimed at preventing or reducing inappropriate institutional care by making home or community care available; to provide additional Federal matching for multipurpose senior center programs; and to provide for the standardization of eligibility requirements for the funding of senior centers; to the Committee on Ways and Means.

H.R. 637. A bill to amend the Social Security Act to revise and expand various provisions relating to home health and other long-term care services under the medicare program, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Ways and Means.

H.R. 638. A bill to amend the Public Health Service Act to revise the program of assistance for health maintenance organizations, to encourage the enrollment of medicare beneficiaries and medicaid recipients, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 639. A bill to amend title XVIII of the Social Security Act to provide long-term care services as a part of the hospital insurance program, to encourage the creation of community long-term care centers to assist in providing such services, and for other purposes; jointly, to the Committees on Inter-Interstate and Foreign Commerce and Ways Means.

H.R. 640. A bill to amend title XVIII of the Social Security Act to make coverage for mental illness available on the same basis as coverage for physical illness under medicare, and to provide coverage for certain psychologists' services under the supplementary medical insurance benefits program; to amend title XVI of such act to deal more effectively with abuses involving supplemental security income recipients with histories of mental illness in certain long-term care institutions; and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 641. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 642. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 643. A bill to amend the Social Security Act to provide that any patient of a long-term care institution participating in the medicare or medicaid program, or otherwise receiving funds under that act, shall have the right to terminate his or her contract with such institution upon giving reasonable advance notice, and to expressly prohibit such an institution from requiring any patient to turn over to it any income received by him or her after such notice is given; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 644. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 645. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for preventive services furnished in the screening, testing, diagnosis, and treatment of individuals for hypertension; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 646. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, hearing aids, physical checkups, and foot care among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 647. A bill to amend title XVIII of the Social Security Act to provide for the enforcement of standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 648. A bill to amend title XVIII of the Social Security Act to reduce certain deductibles and coinsurance under the medicare program and to fund such reductions from general revenues; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 649. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for services provided in a rehabilitation facility for the blind, and for services furnished to blind individuals by mobility therapists and rehabilitation teachers; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself and Mr. MOLLOHAN):

H.R. 650. A bill to amend the Public Health Service Act to provide additional programs of assistance for health personnel training programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 651. A bill to amend title 23 of the United States Code to provide Federal funds for projects on energy impact roads; to the Committee on Public Works and Transportation.

H.R. 652. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 653. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross estate of any individual benefits payable under certain State judicial plans, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. ARCHER, Mr. ROUSSELOT, Mr. DUNCAN of Tennessee, Mr. HOLLAND, Mr. LOTT, Mr. BADHAM, Mr. BAFALIS, Mr. MARTIN, Mr. HORTON, Mr. KINDNESS, Mr. BUCHANAN, and Mr. SLACK):

H.R. 654. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 655. A bill to provide a comprehensive program to improve cargo security for property being transported in interstate and foreign commerce; jointly, to the Committees on Interstate and Foreign Commerce, the Judiciary, Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. RICHMOND:

H.R. 656. A bill to provide Federal assistance to screen those workers (and members of their families) exposed to asbestos who cannot otherwise receive the screening under a workman's compensation, health insurance, or other program; to the Committee on Education and Labor.

H.R. 657. A bill to establish a commission to identify, designate, preserve, and protect cemeteries, monuments, and historic buildings which are located abroad and which are associated with the foreign heritage of U.S. citizens; to the Committee on International Relations.

H.R. 658. A bill to amend title II of the Social Security Act to provide that the marriage of a disabled individual receiving child's insurance benefits shall not operate to terminate his or her entitlement to such benefits if the marriage is to a civil service retirement or survivor annuitant, just as it would not terminate such entitlement if it were to another social security beneficiary; to the Committee on Ways and Means.

H.R. 659. A bill to establish the Federal Municipal Bond Guarantee Administration to guarantee municipal bonds, and to provide that the interest on certain government obligations shall be taxable income; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. RINALDO:

H.R. 660. A bill to amend the Immigration and Nationality Act to authorize certain courts which have naturalization jurisdiction to retain up to $20,000 of the fees collected in naturalization proceedings held in such courts in any fiscal year; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.R. 661. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

H.R. 662. A bill to amend the Truth in Lending Act to eliminate the inclusion of agricultural credit; to the Committee on Banking, Finance and Urban Affairs.

H.R. 663. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 664. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

H.R. 665. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 666. A bill to establish the authorized area of Shenandoah National Park; to the Committee on Interior and Insular Affairs.

H.R. 667. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

H.R. 668. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 669. A bill to amend the Communications Act of 1934 to authorize interstate toll service connection between small telephone companies without a certificate of public convenience and necessity; to the Committee on Interstate and Foreign Commerce.

H.R. 670. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 671. A bill to amend section 1951, title 18, United States Code, Act of July 3, 1946; to the Committee on the Judiciary.

H.R. 672. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining officials documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

H.R. 673. A bill to provide for the exclusion from the United States of aliens affiliated with terrorist organizations, to require investigations of registered agents of such organizations, and for other purposes; to the Committee on the Judiciary.

H.R. 674. A bill to provide for the establishment of a U.S. Court of Labor-Management Relations which shall have jurisdiction over certain labor disputes in industries substantially affecting commerce; to the Committee on the Judiciary.

H.R. 675. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians, registered nurses, and aircraft employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

H.R. 676. A bill to amend the Federal Salary Act of 1967, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 677. A bill relating to collective-bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

H.R. 678. A bill to amend the Small Business Emergency Relief Act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts for the lease of real property; to the Committee on Small Business.

H.R. 679. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 680. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 681. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 682. A bill to amend the Internal Revenue Code of 1954 to encourage the use of alcohol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing alcohol for use as such a fuel, and for other purposes; to the Committee on Ways and Means.

H.R. 683. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 684. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 685. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 686. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 687. A bill to amend title II of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that title (or under title XVIII of such act), in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants; to the Committee on Ways and Means.

H.R. 688. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 689. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 690. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Rules.

H.R. 691. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 692. A bill to provide for permanent tax rate reductions for individuals and to amend the Congressional Budget and Impoundment Control Act to limit Federal Budget Authority and Budget Outlays in fiscal years 1980, 1981, 1982 and 1983; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

By Mr. ROBINSON (for himself and Mr. WAMPLER):

H.R. 693. A bill to amend the Federal Meat Inspection Act with respect to custom slaughtering; to the Committee on Agriculture.

By Mr. ROE:

H.R. 694. A bill to amend the National Housing Act and other Acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 695. A bill to amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 696. A bill to amend the Older Americans Act of 1965 to provide that the Commissioner of the Administration on Aging may make grants to assist older persons adversely affected by natural disasters, and for other purposes; to the Committee on Education and Labor.

H.R. 697. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

H.R. 698. A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs; to the Committee on Education and Labor.

H.R. 699. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who had current connections with the railroad industry, had at least 5 years of service, and had attained the age of 65 as of the effective date of such act; to the Committee on Interstate and Foreign Commerce.

H.R. 700. A bill to amend title XIX of the Social Security Act to improve the early and periodic screening, diagnosis, and treatment program; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. Con. Res. 21. Concurrent resolution to invite the Chief Justice of the United States to appear before a joint session of the Congress to report on the state of the judiciary; to the Committee on Rules.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Introduced January 15, 1979*]

308. A letter from the Secretary of Agriculture and the Secretary of the Army, transmitting notice of the intention of the Departments of the Army and Agriculture to interchange lands at Lake Cumberland project, Kentucky, pursuant to 70 Stat. 656 16 U.S.C. 506a; jointly, to the Committees on Agriculture, and Public Works and Transportation.

309. A letter from the Chairman, Federal Election Commission, transmitting copies of correspondence sent to the Office of Management and Budget, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; jointly, to the Committees on Appropriations, and House Administration.

310. A letter from the Vice Chairman, Federal Election Commission, transmitting copies of correspondence sent to the Office of Management and Budget, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; jointly, to the Committees on Appropriations, and House Administration.

311. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of a letter the Board sent to the Office of Management and Budget appealing the amounts provided for fiscal year 1980, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Appropriations, and Public Works and Transportation.

312. A letter from the Comptroller General of the United States, transmitting a report on fundamental changes needed to improve the independence and efficiency of the military justice system (FPCD-78-16, October 31, 1978); jointly, to the Committees on Government Operations and Armed Services.

313. A letter from the Comptroller General of the United States, transmitting a report on Selective Service System manpower delivery requirements of the Department of Defense (FPCD-79-4, December 14, 1978); jointly, to the Committees on Government Operations and Armed Services.

314. A letter from the Comptroller General of the United States, transmitting a report the Navy's submarine launched ballistic missile force as being at a high level of readiness (LCD-78-439A, December 21, 1978); jointly, to the Committees on Government Operations and Armed Services.

315. A letter from the Comptroller General of the United States, transmitting a report on issues concerning Air Force KC-10A advanced tanker/cargo aircraft (PSAD-79-8, January 5, 1979); jointly, to the Committees on Government Operations and Armed Services.

316. A letter from the Comptroller General of the United States, transmitting a report on financial status of major Federal acquisitions September 30, 1978 (PSAD-79-14, January 11, 1979); jointly, to the Committees on Government Operations and Armed Services.

317. A letter from the Comptroller General of the United States, transmitting a report assessing the impact of the Federal Government's effort to stimulate single-family housing construction through the Government National Mortgage Association, Department of Housing and Urban Development (CED-78,155, November 21, 1978); jointly, to the Committees on Government Operations and Banking Finance and Urban Affairs.

318. A letter from the Comptroller General of the United States, transmitting a report on the Federal Government's role in promoting productivity of State and local governments (GGD-78-104, December 6, 1978); jointly, to the Committee on Government Operations and Banking, Finance and Urban Affairs.

319. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the management of the workplace consultation program by the Occupational Safety and Health Administration (HRD-78-155, December 18, 1978); jointly, to the Committees on Government Operations, and Education and Labor.

320. A letter from the Comptroller General of the United States, transmitting a report on weaknesses in management of Federal Indian programs (CED-78-166, October 31, 1978); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

321. A letter from the Comptroller General of the United States, transmitting a report discussing the origin and nature of reserved water rights on Federal and Indian Reservations, the controversial questions and issues surrounding them, and proposals suggested for resolving them (CED-78-176, November 16, 1978), jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

322. A letter from the Secretary of the Treasury, transmitting the second formal report by the Department on significant unsettled claims against foreign governments oy the U.S. Government and its agencies through March 31, 1978, pursuant to a recommendation by the House Committee on Government Operations; jointly, to the Committees on Government Operations, and International Relations.

323. A letter from the Comptroller General of the United States, transmitting a report on recommendations to improve the coordination of population assistance to developing countries by the Department of State and the Agency for International Development (ID-78-54, December 29, 1978); jointly, to the Committees on Government Operations and International Relations.

324. A letter from the Comptroller General of the United States, transmitting a report recommending that Congress amend the Export Administration Act to be more responsive to U.S. industry by directing that export control management responsibility be centralized in the Department of Commerce (ID-78-60, October 31, 1978); jointly, to the Committees on Government Operations and International Relations.

325. A letter from the Comptroller General of the United States, transmitting a report on the needs of the State Department's Office of Inspector General, Foreign Service, to improve its internal evaluation process (ID-78-19, December 6, 1978); jointly, to the Committees on Government Operations and International Relations.

326. A letter from the Comptroller General of the United States, transmitting a report describing legislative and management conditions that have hindered the Federal Trade Commission's consumer redress activities under the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act (HRD-78-140, October 17, 1978); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

327. A letter from the Comptroller General of the United States, transmitting a report on the Federal regulation of propane and naphtha (EMD-78-73, October 24, 1978); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

328. A letter from the Comptroller General of the United States, transmitting a report discussing status of the implementation of the National Health Planning and Resources Development Act of 1974 (HRD-77-157 November 2, 1978); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

329. A letter from the Comptroller General of the United States, transmitting a report on anticipated problems in implementing the Resource Conservation and Recovery Act of 1976 (CED-79-13, December 19, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

330. A letter from the Comptroller General of the United States, transmitting a report on problems in auditing medicaid nursing home chains (HRD-78-158, January 9, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

331. A letter from the Comptroller General of the United States, transmitting a report discussing several ways to make Federal bail decisions fairer and more consistent (GGD-78-105, October 17, 1978); jointly, to the Committees on Government Operations and the Judiciary.

332. A letter from the Comptroller General of the United States, transmitting a report discussing improvements in efforts of the Legal Services Corporation in providing free civil legal services to the poor (HRD-78-164, November 6, 1978); jointly to the Committees on Government Operations and the Judiciary.

333. A letter from the Comptroller General of the United States, transmitting a report discussing the need to raise fees in the U.S. Patent and Trademark Office because of increased operating costs in this Office (CED-78-163, November 14, 1978); jointly, to the Committees on Government Operations and the Judiciary.

334. A letter from the Comptroller General of the United States, transmitting a report on more effective action by the Environmental Protection Agency needed to enforce industrial compliance with water pollution control discharge permits (CED-78-182, October 17, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

335. A letter from the Comptroller General of the United States, transmitting a report on status of the Federal Aviation Administration's microwave landing system; jointly, to the Committees on Government Operations and Public Works and Transportation.

336. A letter from the Comptroller General of the United States, transmitting a report recommending amending the International Air Transportation Fair Competitive Practices Act of 1974 to allow more agency discretion in authorizing use of foreign-flag air carriers overseas (LDC-78-235, October 31, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

337. A letter from the Comptroller General of the United States, transmitting a report discussing the benefits and obstacles concerning septic systems as viable waste water treatment alternatives to central sewage treatment plants (CED-78-168, November 3, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

338. A letter from the Comptroller General of the United States, transmitting a report recommending many energy supply and demand options that the Tennessee Valley Authority (TVA) should pursue as a leader of the electricity sector (EMD-78-91, November 29, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

339. A letter from the Comptroller General of the United States, transmitting a report on the implications if the United States converts to the metric system (CED-78-128A, October 20, 1978); jointly, to the Committees on Government Operations and Science and Technology.

340. A letter from the Comptroller General of the United States, transmitting a report discussing worker adjustment assistance under the Trade Act of 1974 to New England workers affected by import competition (HRD-78-153, October 31, 1978); jointly, to the Committees on Government Operations and Ways and Means.

341. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of the firm adjustment assistance program administered by the Department of Commerce (ID-78-53, December 21, 1978); jointly, to the Committees on Government Operations and Ways and Means.

342. A letter from the Comptroller General of the United States, transmitting a report on liberal deposit requirements of States' social security contributions adversely affected trust funds (HRD-79-14, December 18, 1978); jointly, to the Committees on Government Operations and Ways and Means.

343. A letter from the Comptroller General transmitting a report on need for uniform security measures in transporting arms, ammunition, and explosives (LCD-78-237, December 21, 1978); jointly, to the Committees on Government Operations, Armed Services, and Interstate and Foreign Commerce.

344. A letter from the Comptroller General of the United States, transmitting a report recommending the Labor Department reconsider its approach to employment security automation (HRD-78-169, December 28, 1978); jointly, to the Committees on Government Operations, Education and Labor, and Ways and Means.

345. A letter from the Comptroller General of the United States, transmitting a report on 11 studies of projected timber scarcities in the Pacific Northwest (EMD-79-5, December 12, 1978); jointly, to the Committees on Government Operations, Agriculture, and Interior and Insular Affairs.

346. A letter from the Comptroller General of the United States, transmitting a report on a Federal strategy to help improve medical and dental care in prisons and jails (GGD-78-96, December 22, 1978); jointly, to the Committees on Goevrnment Operations, Interstate and Foreign Commerce, and the Judiciary.

347. A letter from the Comptroller General of the United States, transmitting a report on four energy conservation programs for fiscal year 1977 (EMD-78-81, November 21, 1978); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

348. A letter from the Comptroller General of the United States, transmitting a report

on the Asian Development Bank in establishing an independent review and evaluation system of its programs and activities (ID-78-49, October 18, 1978); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and International Relations.

349. A letter from the Comptroller General of the United States, transmitting a report on the Federal Government's severance pay programs and unemployment insurance (FPCD-78-68, December 7, 1978); jointly, to the Committees on Government Operations, Armed Services, Post Office and Civil Service, and Ways and Means.

350. A letter from the Comptroller General of the United States, transmitting a report on the United States and international energy issues (EMD-78-105, December 18, 1978); jointly, to the Committees on Government Operations, International Relations, Interstate and Foreign Commerce, and Ways and Means.

351. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a copy of the memorandum of understanding between the Commission and the Environmental Protection Agency concerning epidemiological research on the health effects of low-level ionizing radiation, pursuant to section 5(b) of Public Law 95-601; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

352. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's annual report on the use of contractors, consultants, and the National Laboratories, pursuant to section 11 of Public Law 95-601; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

353. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the 14th report on abnormal occurrences at licensed nuclear facilities, pursuant to section 208 of Public Law 93-348; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

354. A letter from the Chairman, Advisory Committee on Reactor Safeguards, U.S. Nuclear Regulatory Commission, transmitting a report on Reactor Safeguards on the Commission's safety research program, pursuant to section 29 of the Atomic Energy Act of 1954, as amended (91 Stat. 1483); jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

355. A letter from the Secretary of State, transmitting a report on insurance coverage of diplomatic missions to the United States, pursuant to section 510(1) of Public Law 95-148; jointly, to the Committees on International Relations, and Appropriations.

356. A letter from the Comptroller General of the United States, transmitting a report on environmental problems with U.S. overseas military activities (CED-78-175, October 16, 1978); jointly, to the Committees on Government Operations, and Armed Services.

357. A letter from the Comptroller General of the United States, transmitting a report on the readiness of the Navy's submarine launched ballistic missile force (LCD-78-429, December 21, 1978); jointly, to the Committees on Armed Services, and Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Introduced January 15, 1979]

By Mr. ROE:

H.R. 701. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 702. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for attention to the special problems of prevention, treatment, and other aspects of crimes against the elderly; to the Committee on the Judiciary.

H.R. 703. A bill to amend various laws relating to civil rights to extend their protection to the elderly, and for other purposes; to the Committee on the Judiciary.

H.R. 704. A bill to amend the Internal Revenue Code of 1954 to provide for adjustment in the dollar limitations for purposes of the retirement income credit in order to make the tax benefits accorded to retirement income comparable to those accorded to social security income; to the Committee on Ways and Means.

H.R. 705. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

H.R. 706. A bill to amend title II of the Social Security Act to provide in certain cases for an exchange of credits between the old age, survivors, and disability insurance system and the civil service retirement system so as to enable individuals who have coverage under both systems to obtain maximum benefits based on their combined service; to the Committee on Ways and Means.

H.R. 707. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 708. A bill to amend title II of the Social Security Act to provide that all benefits based upon the attainment of age will be payable at age 60, subject to actuarial reduction; to the Committee on Ways and Means.

H.R. 709. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 710. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

H.R. 711. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 712. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods, and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

H.R. 713. A bill to amend title XVI of the Social Security Act to direct the Secretary, in determining the extent to which the value of an individual's home is excludable for purposes of establishing his or her eligibility for supplemental security income benefits, to take into account regional variations in the market prices of homes and to make periodic adjustments reflecting changes in land and home values; to the Committee on Ways and Means.

H.R. 714. A bill to amend part A of title XVIII of the Social Security Act to authorize payment for emergency inpatient hospital services furnished outside the United States, to a qualified individual whose principal residence is within the United States, without regard to where the emergency occurred; to the Committee on Ways and Means.

H.R. 715. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to taxpayers who contribute the right to use certain real property to charitable organizations for outpatient geriatric clinics or for multipurpose senior centers; to the Committee on Ways and Means.

H.R. 716. A bill to amend the Internal Revenue Code of 1954 to treat the amounts paid for custodial care by institutions of certain dependents as amounts paid for medical care; to the Committee on Ways and Means.

H.R. 717. A bill to provide joint and survivors' annuity benefits under private pension plans based upon the participant's vested benefit; jointly, to the Committees on Education and Labor, and Ways and Means.

H.R. 718. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 719. A bill to establish within the Department of Health, Education, and Welfare a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal health programs available to them, and to crease within the Department an Assistant Secretary for Elderly Health with responsibility for all health and health-related matters involving the elderly; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 720. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 721. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

H.R. 722. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 723. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for occupational therapy services, whether furnished as a part of home health services or otherwise; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 724. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 725. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses and the reduction of club nails; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 726. A bill to amend title XVIII of the Social Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 727. A bill to amend title XVIII of the Social Security Act with respect to the types of transportation for patients which may be included in the definition of medical and other health services under such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 728. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 729. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 730. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 731. A bill to amend the Agricultural Act of 1949 to provide that milk shall continue to be supported at not less than 80 per centum of the parity price for milk until October 1, 1981, and for other purposes; to the Committee on Agriculture.

By Mr. ROUSSELOT (for himself and Mr. SYMMS):

H.R. 732. A bill to repeal the Emergency Petroleum Allocation Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H.R. 733. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 734. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $1,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 735. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $2,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 736. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

H.R. 737. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROUSSELOT (for himself, Mr. SYMMS, and Mr. HANSEN):

H.R. 738. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. RUDD (for himself, Mr. MADIGAN, and Mr. DEVINE):

H.R. 739. A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007); to the Committee on Science and Technology.

By Mr. SANTINI:

H.R. 740. A bill to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 741. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on certain food products to disclose the total sugar content thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING:

H.R. 742. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

H.R. 743. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 744. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

H.R. 745. A bill to amend the Clayton Act to prohibit restraints of trade in the transportation of petroleum, and for other purposes; to the Committee on the Judiciary.

H.R. 746. A bill to amend the Clayton Act to prohibit the suppression of certain technology, and for other purposes; to the Committee on the Judiciary.

H.R. 747. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 748. A bill to assist in the handling of reserves of agricultural commodities and for other purposes; to the Committee on Agriculture.

H.R. 749. A bill to repeal the 1976 Official Standards for Grades of Carcass Beef; to the Committee on Agriculture.

H.R. 750. A bill to authorize loans for study at nonprofit institutions of higher education; to the Committee on Education and Labor.

H.R. 751. A bill to amend the Internal Revenue Code to regulate and prevent multiple taxation of certain kinds of income; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, and Mr. MCDADE):

H.R. 752. A bill to amend title 18 of the United States Code to make it a Federal offense to kill a Small Business Administration employee engaged in the performance of his official duties; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, and Mrs. FENWICK):

H.R. 753. A bill relating to the loading and unloading in the transportation of perishables and exempt commodities, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. SMITH of Nebraska:

H.R. 754. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles; and for other purposes; to the Committee on Agriculture.

By Mr. SOLOMON:

H.R. 755. A bill to require biennial reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Government Operations.

H.R. 756. A bill to amend the Internal Revenue Code of 1954 to require that an annual report on the effects of inflation (or deflation) on the Federal income tax be transmitted to the Congress; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 757. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. STENHOLM:

H.R. 758. A bill to amend title XVIII of the Social Security Act to provide flexibility in the application of standards to rural hospitals; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. STOKES:

H.R. 759. A bill to require that discharge certificates issued to members of the Armed Forces not indicate the conditions or reasons for discharge, to limit the separation of enlisted members under conditions other than honorable, and to improve the procedures for the review of discharges and dismissals; to the Committee on Armed Services.

H.R. 760. A bill to require that any person holding a federally related home mortgage shall provide certain services and follow certain procedures before instituting foreclosure proceedings with respect to such mortgage; to the Committee on Banking, Finance and Urban Affairs.

H.R. 761. A bill to amend the Public Health Service Act to provide for the establishment of a Division of Minority Mental Health Programs within the National Institute of Mental Health, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 762. A bill to establish a program providing financial assistance to low-and moderate-income households with regard to utility costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

H.R. 763. A bill to prohibit psychosurgery in federally connected health care facilities; to the Committee on Interstate and Foreign Commerce.

H.R. 764. A bill to amend title XVI of the Social Security Act to provide that benefits under the supplemental security income program shall be in amounts equal at least to the poverty level, to allow each spouse in an eligible couple to receive such benefits in his or her own right, to reduce from 65 to 60 the age of eligibility for such benefits, to provide an effective method for replacing lost or stolen benefit checks, and to make various other improvements in the administration of such programs; to the Committee on Ways and Means.

H.R. 765. A bill to amend title II of the Social Security Act to remove the present ceiling on the contribution and benefit base with a partial exemption from social security taxes for low-income workers, to increase the minimum benefit, to provide full benefits at a reduced age for members of groups with less than average life expectancy, to repeal the earnings test, to provide mandatory coverage for Federal employees, and to make other improvements in the old-age survivors, and disability insurance programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 766. A bill to amend the Economic Stabilization Act of 1970 to establish an Economic Stabilization Board, to stabilize prices, wages rents, and interest rates at levels prevailing on the date of enactment of these amendments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 767. A bill to stabilize prices, rents, wages, salaries, profits, dividends, interest rates, and other economic transfers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 768. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn or fiber, and for other purposes; to the Committee on the Judiciary.

By Mr. STUDDS:

H.R. 769. A bill to amend the Emergency Petroleum Allocation Act of 1973 to extend price controls on domestically produced crude oil for a period of 24 months; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS (for himself, Mr. HANSEN, and Mr. McDONALD):

H.R. 770. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. SYMMS (for himself, Mr. McDONALD, and Mr. HANSEN):

H.R. 771. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 772. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

H.R. 773. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 774. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 775. A bill to amend the Internal Revenue Code of 1954 to increase the limitations on the deduction of expenditures by farmers for clearing land; to the Committee on Ways and Means.

H.R. 776. A bill providing that certain foreign losses which were economically incurred before December 31, 1975, will not be subject to the loss recapture rules of the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. THOMPSON:

H.R. 777. A bill to extend the benefits of Federal labor relations acts to public employees and their employers; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 778. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 779. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) in at least 1 year after 1978; to the Committee on Ways and Means.

H.R. 780. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. WALKER:

H.R. 781. A bill to improve the level of nutrition of households which participate in the food stamp program by authorizing the use of food stamps only to purchase nutritious foods, and for other purposes; to the Committee on Agriculture.

H.R. 782. A bill to forbid the use of quotas to deny opportunities in education or employment; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. WAMPLER:

H.R. 783. A bill to amend title 23, United States Code, relating to energy impacted public roads; to the Committee on Public Works and Transportation.

H.R. 784. A bill to amend the Appalachian Regional Development Act of 1965 to extend the authorizations of appropriations contained in such act; to the Committee on Public Works and Transportation.

By Mr. WEISS:

H.R. 785. A bill to amend the Internal Revenue Code of 1954 to partially exclude interest from savings from the gross income of certain taxpayers; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. NOLAN, Mr. WAXMAN, and Mr. ROSENTHAL):

H.R. 786. A bill to provide authority for the President to stabilize prices, wages, interest rates, and corporate dividends; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEISS (for himself, Mr. BONIOR of Michigan, Mrs. CHISHOLM, Mr. DOWNEY, Mr. GARCIA, Ms. HOLTZMAN, Mr. MARKEY, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SOLARZ, Mr. WOLFF, and Mr. ZEFERETTI):

H.R. 787. A bill to provide that the Secretary of Housing and Urban Development may not approve any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEISS (for himself and Mr. THOMPSON):

H.R. 788. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 to require reporting by certain employee associations; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mr. BEDELL, Mr. CONYERS, Mr. DELLUMS, Mr. EDWARDS of California, Mr. FISH, Ms. HOLTZMAN, Mr. MIKVA, Mr. RICHMOND, and Mr. WEAVER):

H.R. 789. A bill to amend the Atomic Energy Act of 1954 to modify certain statutory limitations on the amount of financial protection required with respect to nuclear incidents, to remove the statutory limitations on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEISS (for himself, Mr. DELLUMS, Mr. EDWARDS of California, Mr. GUYER, Ms. HOLTZMAN, Mr. JENRETTE, Mr. MAGUIRE, Mr. MARKEY, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PATTERSON, Mr. SCHEUER, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. WHITEHURST, and Mr. WOLFF):

H.R. 790. A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS (for himself, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. SOLARZ, and Mr. STARK):

H.R. 791. A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considered banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS (for himself, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CLAY, Mr. DELLUMS, Mr. GARCIA, and Mr. MOAKLEY):

H.R. 792. A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. WHITE:

H.R. 793. A bill to authorize the Secretary of the Army to acquire certain private and State-owned lands in Texas, in exchange for Government-owned lands; to the Committee on Armed Services.

H.R. 794. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

H.R. 795. A bill to amend the Occupational Safety and Health Act of 1970 to exempt employers of 10 or fewer regular employees, to require the issuance of warnings to employers of 25 or fewer regular employees for the first instance violations, and to bar the assessment of penalties where fewer than 10 violations are cited; to the Committee on Education and Labor.

H.R. 796. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 797. A bill to permit the Tigua Indian Tribe of Texas to file with the U.S. Court of Claims any claim of such tribe for compensation for lands allegedly taken from such tribe by the United States without the payment of adequate compensation; to the Committee on Interior and Insular Affairs.

H.R. 798. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 799. A bill to amend section 106 of title 4 of the United States Code relating to State taxation of the income or residents of another State; to the Committee on the Judiciary.

H.R. 800. A bill to amend the Immigration and Nationality Act to provide for the issuance of nonimmigrant visas to certain aliens entering the United States to perfrom services or labor of a temporary or seasonal nature under specific contracts of employment and fair employment conditions; to require an immigrant alien to maintain a permanent residence as a condition for entering and remaining as an immigrant of the United States; and for other purposes; to the Committee on the Judiciary.

H.R. 801. A bill to eliminate the offset against social security benefits in the case

of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

H.R. 802. A bill to extend from 6 months to 24 months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States; to the Committee on Ways and Means.

H.R. 803. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

By Mr. WHITEHURST:

H.R. 804. A bill to amend section 907 of title 37, United States Code, relating to pay and allowances of enlisted members of the uniform services who are appointed officers, and for other purposes; to the Committee on Armed Services.

H.R. 805. A bill to provide a basic allowance for quarters for certain members of the armed services while on field or sea duty; to the Committee on Armed Services.

H.R. 806. A bill to establish a National Zoological Foundation; to the Committee on Merchant Marine and Fisheries.

H.R. 807. A bill to include in the definition of law enforcement officer contained in title 5, United States Code, employees whose duties include both the investigation, apprehension, or detention of criminals and the protection of human lives and property; to the Committee on Post Office and Civil Service.

H.R. 808. A bill to amend the Congressional Budget of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

H.R. 809. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 810. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

H.R. 811. A bill to amend the Internal Revenue Code of 1954 to encourage the use of methanol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing methanol and by providing that fuels which are at least 10 percent methanol will not be subject to the Federal excise taxes; to the Committee on Ways and Means.

H.R. 812. A bill to assist former spouses of Federal employees in obtaining court-ordered payments; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Mr. ROE):

H.R. 813. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 814. A bill to amend title 10, United States Code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

H.R. 815. A bill to amend title 10, United States Code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

H.R. 816. A bill to amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service under chapter 67 of that title; to the Committee on Armed Services.

H.R. 817. A bill to provide retirement annuities for certain widows of members of the uniformed services who died before the effective date of the Survivor Benefit Plan; to the Committee on Armed Services.

H.R. 818. A bill to amend title 37, United States Code, to authorize family separation allowance for members in the pay grade of E-4 and below with dependents; to the Committee on Armed Services.

H.R. 819. A bill to provide for the advance payment of station housing allowances for members of the uniformed services assigned overseas; to the Committee on Armed Services.

H.R. 820. A bill to amend the Public Health Service Act to provide financial assistance to medical facilities for treatment of certain aliens; to the Committee on Interstate and Foreign Commerce.

H.R. 821. A bill to amend title 5, United States Code, to credit time spent in the Cadet Nurse Corps during World War II as creditable service for civil service retirement; to the Committee on Post Office and Civil Service.

H.R. 822. A bill to amend title 38 of the United States Code to provide an alternative method for computing dependency and indemnity compensation in order to insure that in certain instances the survivors of deceased veterans receive an amount of compensation equal to that to which they would have been entitled if such veterans had been civil service employees killed while performing job-related functions; to the Committee on Veterans' Affairs.

H.R. 823. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

By Mr. CHARLES H. WILSON of California:

H.R. 824. A bill to amend title 39, United States Code, relating to transportation of mail on U.S. vessels; to the Committee on Post Office and Civil Service.

H.R. 825. A bill to amend title 39, United States Code, to require the furnishing of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 826. A bill to amend title 39, United States Code, to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970; to the Committee on Post Office and Civil Service.

H.R. 827. A bill to establish dispute resolution procedures and an arbitration board to settle disputes between organizations of supervisors and other managerial personnel and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

H.R. 828. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 829. A bill to require that specific alien and citizenship status information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating provisions of the act, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 830. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 831. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Interior and Insular Affairs.

H.R. 832. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to an educational fund for the benefit of the taxpayer's children; to the Committee on Ways and Means.

H.R. 833. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

H.R. 834. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who rent their principal residences; to the Committee on Ways and Means.

H.R. 835. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

H.R. 836. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain social security taxes; to the Committee on Ways and Means.

H.R. 837. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 838. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals whose employers make contributions to pension plans a deduction for their contributions to employer pension funds and to allow certain individuals to establish modified individual retirement plans when the employer-employee pension contributions are small; to the Committee on Ways and Means.

H.R. 839. A bill to amend the Internal Revenue Code of 1954 to allow a deduction in computing gross income for theft losses sustained by individuals, for certain amounts paid to protect against theft, for medical expenses caused by criminal conduct, and for funeral expenses of victims of crime; to the Committee on Ways and Means.

H.R. 840. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors or deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

H.R. 841. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 842. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 843. A bill to amend the Internal Revenue Code of 1954 to allow a deduction or credit against tax to individuals and corporations for certain expenses incurred in the conversion of pilot lights to a system of manual ignition in certain gas appliances; to the Committee on Ways and Means.

H.R. 844. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for taxicab fares paid by disabled individuals; to the Committee on Ways and Means.

H.R. 845. A bill to provide payments to States for public elementary and secondary education and to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. WON PAT:

H.R. 846. A bill to amend title 10, United States Code, to increase the number of appointments to the service academies to which the Delegate in Congress from Guam is entitled; to the Committee on Armed Services.

H.R. 847. A bill to provide Federal assistance to cities with high concentrations of foreign-born persons, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 848. A bill to waive the visa requirements for aliens visiting Guam for not more than 15 days; to the Committee on the Judiciary.

H.R. 849. A bill to amend the Internal Revenue Code of 1954 to provide that the pension plan reserves of a life insurance company shall include amounts allocable to certain trusts forming part of a pension, profit sharing, or stock bonus plan all of the participants of which are residents of Guam; to the Committee on Ways and Means.

H.R. 850. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, to adjust the rates of such taxes for old-age and survivors insurance and hospital insurance purposes, to provide for reductions in the amount of such disability benefits to take account of the recipient's need as determined on the basis of his family income, to improve disability determination procedures, and for other purposes; to the Committee on Ways and Means.

By Mr. WYLIE:

H.R. 851. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed, to reduce regulatory burdens, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 852. A bill to amend the Truth in Lending Act to provide privacy protection for consumers using electronic funds transfer services; to the Committee on Banking, Finance and Urban Affairs.

H.R. 853. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; to the Committees on Government Operations and Rules.

H.R. 854. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and that a fixed percentage of 1 percent of Federal budget outlays each year shall be used for the reduction of the national debt; jointly, to the Committees on Government Operations and Rules.

H.R. 855. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and that a fixed percentage of 2 percent of Federal budget outlays each year shall be used for the reduction of the national debt; jointly, to the Committees on Government Operations and Rules.

H.R. 856. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and that a fixed percentage of 3 percent of Federal budget outlays each year shall be used for the reduction of the national debt; to the Committees on Government Operations and Rules.

H.R. 857. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress, and that, at the termination of a declaration of war or economic necessity declared by Congress, a fixed percentage of 2 percent of Federal Budget Outlays each year shall be used for the reduction of the national debt to the level of the debt before the declaration; jointly, to the Committees on Government Operations and Rules.

H.R. 858. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit the total of all Federal expenditures and outlays to 20 percent of gross national product after September 30, 1982, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 859. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit after September 30, 1982, the total of all Federal expenditures and outlays for a given fiscal year to 20 percent of gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; and to phase in the discipline steadily during the interim years; jointly, to the Committees on Government Operations and Rules.

H.R. 860. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit the total of all Federal expenditures and outlays to 20 percent of gross national product after September 30, 1983, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 861. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit after September 30, 1983, the total of all Federal expenditures and outlays for a given fiscal year to 20 percent of gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress, and to phase in the discipline steadily during the interim years; jointly, to the Committees on Government Operations and Rules.

H.R. 862. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit the total of all Federal expenditures and outlays to 20 percent of gross national product after September 30, 1984, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 863. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit after September 30, 1984, the total of all Federal expenditures and outlays for a given fiscal year to 20 percent of gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress, and to phase in the discipline steadily during the interim years; jointly, to the Committees on Government Operations and Rules.

H.R. 864. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 7 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 865. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 8 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 866. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 9 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 867. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 10 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 868. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 11 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

By Mr. YATES:

H.R. 869. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, in any manner affecting interstate or foreign commerce except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

H.R. 870. A bill to prohibit commercial flights by supersonic aircraft into or over the United States until certain findings are made by the Administrator of the Environmental Protection Agency and by the Secretary of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 871. A bill to amend chapter 1 of title 26, United States Code, to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 872. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

H.R. 873. A bill to encourage increased use of public transit systems by amending chapter 1 of title 26, United States Code, to allow a credit against individual income taxes for funds expended by a taxpayer for payment of public transit fares from his or her residence to his or her place of employment and from his or her place of employment to his or her residence; to the Committee on Ways and Means.

H.R. 874. A bill to amend title 42, United States Code, chapter 7, subchapter II to reduce from 20 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 875. A bill to provide a penalty for unlawful assault upon policemen, firemen, and other law enforcement personnel, and for other purposes; to the Committee on the Judiciary.

H.R. 876. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

H.R. 877. A bill to amend section 700 of title 18, United States Code, relating to desecration of the flag of the United States; to the Committee on the Judiciary.

H.R. 878. A bill to provide that pay adjustments for Members of Congress may take effect no earlier than the beginning of the Congress next following the Congress in which they are approved; to the Committee on Post Office and Civil Service.

H.R. 879. A bill to amend title 38, United States Code, to provide that remarriage of the widow of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 880. A bill to provide for national cemeteries in the central west coast area of the State of Florida; to the Committee on Veterans' Affairs.

H.R. 881. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 882. A bill to amend title XVI of the Social Security Act to provide that a burial plot or crypt shall be excluded from an individual's resources in determining his or her eligibility for SSI (and medicaid) benefits; to the Committee on Ways and Means.

H.R. 883. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1978 level; to the Committee on Ways and Means.

By Mr. ZEFERETTI:

H.R. 884. A bill to provide assistance for the construction, acquisition, and renovation of State and local prison facilities, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[Introduced January 15, 1979]

By Mr. ANNUNZIO:

H.R. 885. A bill for the relief of the Continental Chemiste Corp.; to the Committee on the Judiciary.

H.R. 886. A bill for the relief of Modern Life and Accident Insurance Co. of Chicago; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 887. A bill for the relief of Elizabeth Berwick and Alexander Berwick, her husband; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 888. A bill for the relief of Chunchai Letasz; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 889. A bill for the relief of Naomi Chiu; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 890. A bill for the relief of Yick Bong Au Yeung; to the Committee on the Judiciary.

H.R. 891. A bill for the relief of Barbara Laws Smith; to the Committee on the Judiciary.

H.R. 892. A bill for the relief of Ramona Castro Flores Vda. de Guzman; to the Committee on the Judiciary.

H.R. 893. A bill for the relief of Ellen and Horst Bliedung; to the Committee on the Judiciary.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 894. A bill for the relief of Gina Marie S. Hernandez; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 895. A bill for the relief of Maria Auxilio Arrieta Davila; to the Committee on the Judiciary.

H.R. 896. A bill for the relief of Joseph J. Andrews; to the Committee on the Judiciary.

H.R. 897. A bill for the relief of P. S. Seymour-Heath; to the Committee on the Judiciary.

H.R. 898. A bill for the relief of Rodney L. Herold and others; to the Committee on the Judiciary.

H.R. 899. A bill for the relief of Mr. and Mrs. Aaron Wayne Ogburn; to the Committee on the Judiciary.

H.R. 900. A bill for the relief of Grace Maria Salazar Santos; to the Committee on the Judiciary.

H.R. 901. A bill for the relief of John A. Townsley; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 902. A bill for the relief of Mrs. Dorothy S. Eaton; to the Committee on the Judiciary.

H.R. 903. A bill for the relief of Leticia Tongohan Pellerin; to the Committee on the Judiciary.

H.R. 904. A bill for the relief of Paul Sakwa; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 905. A bill for the relief of Richard B. Port; to the Committee on Armed Services.

By Mr. FISH:

H.R. 906. A bill for the relief of Grace M. Caporino, Pamela Caporino, and Melanie Caporino; to the Committee on the Judiciary.

H.R. 907. A bill for the relief of Louis Rizzo; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.R. 908. A bill for the relief of Rosario M. Stancil; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 909. A bill for the relief of Stefano de Asarta; to the Committee on the Judiciary.

H.R. 910. A bill for the relief of Simon Marriott; to the Committee on the Judiciary.

H.R. 911. A bill for the relief of Francesco da Conturbia-Rota; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 912. A bill for the relief of Mordechai Dror; to the Committee on the Judiciary.

H.R. 913. A bill for the relief of Joseph P. Mahady; to the Committee on the Judiciary.

H.R. 914. A bill for the relief of Dr. Ching W. Tang; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 915. A bill for the relief of Dr. Emmanuel Najera Macaraeg and his wife, Aurora C. Macaraeg; to the Committee on the Judiciary.

H.R. 916. A bill for the relief of Dr. Ricardo B. Maddela and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

H.R. 917. A bill for the relief of Dr. Kok Liong Tan and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

By Mr. HYDE:

H.R. 918. A bill for the relief of Maryrose and Rosemary Evangelista; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 919. A bill for the relief of Camille Joseph Paul; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 920. A bill to authorize the Secretary of the Interior to convey certain lands in Placer County, Calif., to Mrs. Edna C. Marshall, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 921. A bill to authorize the Secretary of the Interior to rectify a public land transaction; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 922. A bill for the relief of Felipe B. Manalo and Maria Monita A. Manalo; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 923. A bill for the relief of Raul Lopez Maldonado; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.R. 924. A bill for the relief of Frank Ciccarone; to the Committee on the Judiciary.

H.R. 925. A bill for the relief of Leah Mi Cohen; to the Committee on the Judiciary.

H.R. 926. A bill for the relief of Vassilios Stamatacos; to the Committee on the Judiciary.

By Mr. LATTA:

H.R. 927. A bill for the relief of Dr. Ka Chun Wong, and his wife, Marilyn Wong; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 928. A bill for the relief of Antonio Lopez Rodriguez; to the Committee on the Judiciary.

H.R. 929. A bill for the relief of Eun Kyung Cho and Hei Kyung Cho; to the Committee on the Judiciary.

H.R. 930. A bill for the relief of the New York Institute of Technology; to the Committee on the Judiciary.

H.R. 931. A bill for the relief of Norman Shubinsky; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 932. A bill for the relief of Doris Mauri Coonrad; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 933. A bill for the relief of GFM Co.; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.R. 934. A bill for the relief of Brian Hall and Vera W. Hall; to the Committee on the Judiciary.

H.R. 935. A bill for the relief of Jesse Kuo Tang and Sharon Kuo Tang; to the Committee on the Judiciary.

H.R. 936. A bill for the relief of Kit Tung; to the Committee on the Judiciary.

By Mr. NATCHER:

H.R. 937. A bill for the relief of Doctor Orlando Fusilero Bravo; to the Committee on the Judiciary.

H.R. 938. A bill for the relief of Doctor Kok Liong Tan and his wife, Glorio Siao Tan; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 939. A bill for the relief of Henry Sherman Ochshorn; to the Committee on the Judiciary.

H.R. 940. A bill for the relief of Elsie Stevens; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 941. A bill for the relief of Neil R. Fairbanks; to the Committee on the Judiciary.

By Mr. STANTON:

H.R. 942. A bill for the relief of Helga M. Methena; to the Committee on the Judiciary.

By Mr. STEED:

H.R. 943. A bill for the relief of Lystra Umilta Downs; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.R. 944. A bill for the relief of Dr. Ricardo Mateo Rodriguez; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 945. A bill for the relief of Reverend Harold A. Kirchenbauer; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 946. A bill for the relief of Maria Estela Sims; to the Committee on the Judiciary.

H.R. 947. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Bomar* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

H.R. 948. A bill for the relief of Maria Corazon Samtoy; to the Committee on the Judiciary.

H.R. 949. A bill for the relief of Welita F. Sebastian; to the Committee on the Judiciary.

H.R. 950. A bill for the relief of Jordao Rodrigues Da Silva; to the Committee on the Judiciary.

By Mr. YATES (by request):

H.R. 951. A bill for the relief of Dong Hwan Kim; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 952. A bill for the relief of Phyllis T. Pontrelli; to the Committete on the Judiciary.

By Mr. DANIELSON:

H. Res. 44. Resolution to refer the bill for the relief of P. S. Seymour-Heath to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[Introduced January 15, 1979]

12. By the SPEAKER: Memorial of the Senate of the State of New Jersey, relative to the award of a Medal of Honor to Anthony Casamento; to the Committeee on Armed Services.

13. Also, memorial of the Legislature of the State of Michigan, relative to the Humphrey-Hawkins Full Employment Act; to the Committeee on Education and Labor.

14. Also, memorial of the Legislature of the Territory of Guam, relative to air service by All Nippon Airway to Guam; to the Committee on Public Works and Transportation.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

[Introduced January 15, 1979]

1. By the SPEAKER: Petition of The National Association of State Departments of Agriculture, Washington, D.C., relative to Congress implementing certain policy positions adopted by the Association at their annual meeting; to the Committee on Agriculture.

2. Also, petition of Birmingham Audubon Society, Birmingham, Ala., relative to approving the President's veto of the Public Works Bill, opposing certain uneconomic water projects; to the Committee on Appropriations.

3. Also, petition of city council of Philadelphia, Pa., relative to awarding contract for rehabilitation of the U.S.S.R. *Saratoga* to the Philadelphia Naval Shipyard; to the Committee on Armed Services.

4. Also, petition of board of supervisors of Milwaukee County, Milwaukee, Wis., relative to the Humphrey-Hawkins bill; to the Committee on Education and Labor.

5. Also, petition of American Council on the Teaching of Foreign Languages, Inc., New York, N.Y., relative to second language learning in the United States; to the Committee on Education and Labor.

6. Also, petition of the board of supervisors of the county of Los Angeles, Calif., relative to policy guidelines for new legislation involving administration of State-Federal programs; to the Committee on Government Operations.

7. Also, petition of the village board of trustees, Green Island, N.Y., relative to requesting that future State and Federal mandated programs be funded by the mandating body; to the Committee on Government Operations.

8. Also, petition of town board, Babylon, N.Y., relative to renewal of Antirecession Funds under title II of the Public Works Employment Act of 1976; to the Committee on Government Operations.

9. Also, petition of the town board of Smithtown, N.Y., relative to renewal of Antirecession Funds under the Public Works Employment Act of 1976; to the Committee on Government Operations.

10. Also petition of the town board of Southold, N.Y., relative to renewal of Antirecession Funds under the Public Works Employment Act of 1976; to the Committee on Government Operations.

11. Also, petition of the town board of East Hampton, N.Y., relative to renewal of Antirecession Funds authorization; to the Committee on Government Operations.

12. Also, petition of Hudson County Central Labor Council, AFL-CIO, Jersey City, N.J., relative to supporting the Federal Antirecession urban aid programs for economically depressed cities; to the Committee on Government Operations.

13. Also, petition of Valinupo J. Ala'llima, Pago Pago, American Samoa, relative to alleged election fraud on American Samoa; to the Committee on Interior and Insular Affairs.

14. Also, petition of the council, city of New York, N.Y., relative to funds for rehabilitation of Ellis Island, to the Committee on Interior and Insular Affairs.

15. Also, petition of the assembly of the Kenai Peninsula Borough, Soldotna, Alaska, relative to opposing the use of the Antiquities Act of 1906 to effect land withdrawals by Presidential Executive order creating national monuments in Alaska; to the Committee on Interior and Insular Affairs.

16. Also, petition of the Grand National Assembly of the Socialist Republic of Romania, Bucharest, relative to lasting peace; to the Committee on International Relations.

17. Also, petition of Michael H. O'Keefe, Chairman, Delegation to the Republic of China, Southern Legislators Conference of the Council of State Governments, New Orleans, La., relative to China; to the Committee on International Relations.

18. Also, petition of the 1978 Winter Camp at Lake Texoma Resort, Norman, Okla., relative to China; to the Committee on International Relations.

19. Also, petition of the Holy Synod of the Church of Cyprus, relative to human rights in Cyprus; to the Committee on International Relations.

20. Also, petition of the Italian-American Labor Council, Inc., New York, N.Y., relative to the North Atlantic Treaty Organization; to the Committee on International Relations.

21. Also, petition of the board of Alderman, city of Somerville, Mass., relative to continuing the Caspar alcohol education program; to the Committee on Interstate and Foreign Commerce.

22. Also, petition of the city council, Philadelphia, Pa., relative to drug laws; to the Committee on Interstate and Foreign Commerce.

23. Also, petition of the General Assembly of the Orthodox Presbyterian Church, Philadelphia, Pa., relative to abortion; to the Committee on the Judiciary.

24. Also, petition of Women in Communications, Inc. Austin Tex., relative to citizens' rights under the first and fourth amendments to the Constitution; to the Committee on the Judiciary.

25. Also, petition of Mr. Clifford Barrister, New York, N.Y., relative to redress of grievances; to the Committee on the Judiciary.

26. Also petition of Walter F. Gibbs, commissioner for boating, Pennsylvania Fish Commission, Reno, Pa., relative to the use of Federal taxes on motor fuels and gasoline used in recreational motorboats for maintenance of boating related projects; to the Committee on Merchant Marine and Fisheries.

27. Also, petition of the Puerto Rico Manufacturers Association, Hato Rey, Puerto Rico, relative to holding down shipping transportation costs; to the Committee on Merchant Marine and Fisheries.

28. Also, petition of the National Council of the Churches of Christ in the U.S.A., New York, N.Y. (relative to making Dr. Martin Luther King, Jr.'s birthday a Federal holiday; to the Committee on Post Office and Civil Service.

29. Also, petition of the Young Crusaders, First United Methodist Church, Lafayette, La., relative to designation of their organization as U.S. missionaries; to the Committee on Post Office and Civil Service.

30. Also, petition of the council, the city of New York, N.Y., relative to funds for major improvements in New York Harbor; to the Committee on Public Works and Transportation.

31. Also, petition of the Urban Area Citizens' Advisory Committee of the Toledo Metropolitan Area Council of Governments, Toledo, Ohio, relative to Federal-aid interstate funds for the Ohio Turnpike; to the Committee on Public Works and Transportation.

32. Also, petition of New Haven Minority Contractors Assistance Associates, Inc., relative to alleged discriminatory practices against minority contractors; to the Committee on Small Business.

33. Also, petition of Richard W. (Dick) Rylander, Sacramento, Calif., relative to redress of grievances; to the Committee on Ways and Means.

34. Also, petition of the Jefferson County Association of Retired School Employee Charles Town, W. Va., relative to inflation, ethics, and crime; jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

35. Also, petition of The American Legion, National Headquarters, Indianapolis, Ind., relative to reaffirming their support for the Central Intelligence Agency and the Federal Bureau of Investigation; jointly, to the Committees on the Judiciary and Permanent Select Committee on Intelligence.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Submitted January 18, 1979]

358. A letter from the Deputy Secretary of Defense, transmitting five reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

359. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 12, 1978 (H. Doc. No. 96–4), pursuant to section 1014 (b) and (c) of Public Law 93–344 [H. Doc. No. 96–36]; to the Committee on Appropriations and ordered to be printed.

360. A letter from the commander, Naval Facilities Engineering Command, Department of the Navy, transmitting the annual report for fiscal year 1978 on military construction contracts awarded by the Navy on other than a competitive bid basis to the lowest responsible bidder, and the top 10 architect-engineer firms, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

361. A letter from the Secretary of Housing and Urban Development, transmitting the second annual report on the urban homesteading program, pursuant to section 810(e) of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

362. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during October and November 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

363. A letter from the District of Columbia Auditor, transmitting a report on the policy for retiring and replacing general-purpose motor vehicles, pursuant to section 455 of Public Law 93–198; to the Committee on the District of Columbia.

364. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final administrative and technical regulations for the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

365. A letter from the Director, National Institute of Education, Department of Health, Education, and Welfare, transmitting the final report of the Panel for the Review of Laboratory and Center Operations, pursuant to section 405(f)(3)(B)(iii) of the General Education Provisions Act, as amended (90 Stat. 2229); to the Committee on Education and Labor.

366. A letter from the Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting a report on the activities of the Office of Federal Procurement Policy for the period January 1977 through September 1978, pursuant to section 8(a) of Public Law 93–400; to the Committee on Government Operations.

367. A letter from the Secretary of the Interior, transmitting a report on the disposal of surplus Federal real property for park, recreation, and historic monument purposes during fiscal year 1978, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

368. A letter from the Administrator of General Services, transmitting a report on the disposal of surplus Federal real property for historic monument purposes during fiscal 1978, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

369. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

370. A letter from the Acting Director, Office of Administrative Services, Department of Commerce, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

371. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

372. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system for the Department's Executive Secretariat and changes to an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

373. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting notice of seven new records systems and amendments to two existing systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

374. A letter from the Sergeant at Arms, U.S. House of Representatives, transmitting his annual report of funds drawn by him, the application and disbursement of the sums, and balances remaining in his hands as of January 15, 1979, pursuant to section 7 of the act of October 1, 1890 (26 Stat. 646); to the Committee on House Administration.

375. A letter from the Assistant Secretary of the Interior, transmitting financial statements of the Colorado River Basin project for fiscal year 1978, pursuant to section 404 of the Colorado River Basin Project Act of 1968; to the Committee on Interior and Insular Affairs.

376. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a report on cancellations of debts of Indians and Indian tribes owed to the United States, covering fiscal year 1978, pursuant to the act of July 1, 1932 (48 Stat. 564); to the Committee on Interior and Insular Affairs.

377. A letter from the Clerk, U.S. Court of Claims, transmitting notice that certification has been made to the General Accounting Office of the payment of judgments entered in docket Nos. 15–E, 29–C, and 338, *The Pottawatomie Tribe of Indians and Related Cases* v. *The United States*; to the Committee on Interior and Insular Affairs.

378. A letter from the Clerk, U.S. Court of Claims, transmitting notice that certification has been made to the General Accounting Office of the payment of judgments entered in docket No. 315, *The Kickapoo Tribe of Kansas, etc.* v. *The United States*; to the Committee on Interior and Insular Affairs.

379. A letter from the Secretary of State, transmitting a report reviewing various aspects of the U.S. role in maintaining the security of the Republic of Korea, pursuant to section 668 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

380. A letter from the Director, Defense Security Assistance Agency, transmitting a list of proposed training requirements for fiscal year 1979 under the international military education and training program scheduled to be conducted outside the United States, pursuant to section 542 of the Foreign Assistance Act of 1961, as amended (90 Stat. 732); to the Committee on International Relations.

381. A letter from the Secretary of Transportation, transmitting recommendations for redirection of the Northeast corridor improvement project; to the Committee on Interstate and Foreign Commerce.

382. A letter from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting the 1978 annual report on electric utility rate design and energy management initiatives, pursuant to section 206 of Public Law 94–385; to the Committee on Interstate and Foreign Commerce.

383. A letter from the Chairman, Federal Trade Commission, transmitting a report concerning the effectiveness of cigarette labeling, current practices and methods of cigarette advertising and promotion, and recommendations for legislation pursuant to section 8(b) of the Public Health Cigarette Smoking Act; to the Committee on Interstate and Foreign Commerce.

384. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

385. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting an update on the Commission's report on the status of women and minorities in television, pursuant to section 104(b) of Public Law 95–315, as amended; to the Committee on the Judiciary.

386. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a policy statement adopted by the Board regarding expanded rulemaking procedures; to the Committee on the Judiciary.

387. A letter from the Clerk, U.S. Court of Claims, transmitting a report on all judgments rendered during fiscal year 1978, pursuant to 28 U.S.C. 791(c); to the Committee on the Judiciary.

388. A letter from the Librarian of Congress, transmitting a report on scientific and professional positions at the Library of Congress during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

389. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1978, pursuant to section 402 of Public Law 89–809; to the Committee on Ways and Means.

390. A letter from the Chairman, National Commission on Unemployment Compensation, transmitting the interim report of the Commission; to the Committee on Ways and Means.

391. A letter from the Comptroller General of the United States, transmitting a report on the Navstar Global Positioning System (PSAD–79–16, Jan. 17, 1979); jointly, to the Committees on Government Operations and Armed Services.

392. A letter from the Comptroller General of the United States, transmitting a report on the Office of Education's process for establishing school eligibility to apply for participation in Federal aid programs (HRD–78–120, Jan. 17, 1979); jointly, to the Committees on Government Operations and Education and Labor.

393. A letter from the Comptroller General of the United States, transmitting a report on the Nation's petroleum refining capacity (EMD–78–77, Jan. 15, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

394. A letter from the Comptroller General of the United States, transmitting a report on minority set-aside provisions for local public works projects (CED–79–9, Jan. 16, 1979); jointly to the Committees on Government Operations and Public Works and Transportation.

395. A letter from the Comptroller General of the United States, transmitting a report on techniques used in other countries to provide adjusting assistance to workers, firms, and communities affected by disruptions caused by increased imports (ID–78–43, Jan. 18, 1979); jointly, to the Committees on Government Operations and Ways and Means.

396. A letter from the Comptroller General of the United States, transmitting a report on the Social Security Administration's efforts to recover overpayments to retirement, survivors, and disability insurance beneficiaries (HRD–79–31, Jan. 17, 1979); jointly, to the Committees on Government Operations and Ways and Means.

397. A letter from the Secretary of Health,

Education, and Welfare, transmitting a copy of the report on the need for and feasibility of establishing an American Indian school of medicine, pursuant to section 601 of Public Law 94-437; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

398. A letter from the Secretary of the Interior, transmitting recommendations for a program to assure that individuals employed on the Outer Continental Shelf are properly trained to operate or supervise pollution-prevention equipment, pursuant to section 607 of Public Law 95-372; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

399. A letter from the Chairman, U.S. Railway Association, transmitting justifications for (1), a 1979 supplemental appropriation (2), a 1980 appropriation for administrative expenses and (3), additional appropriations for purchase of ConRail securities; jointly, to the Committees on Interstate and Foreign Commerce and Appropriations.

400. A letter from the Secretary of Health, Education, and Welfare, transmitting the final report on the advantages and disadvantages of extending coverage under title XVIII of the Social Security Act to urban or rural comprehensive mental health centers and to centers for treatment of alcoholism and drug abuse, pursuant to section 4 of Public Law 95-210; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Submitted January 18, 1979]

By Mr. ANDERSON of California (for himself, Mr. AKAKA, Mr. ASHLEY, Mr. BINGHAM, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CORMAN, Mr. CORRADA, Mr. COTTER, Mr. COUGHLIN, Mr. DELLUMS, Mr. DORNAN, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mr. FARY, Mr. FLOOD, Mr. FOWLER, Mr. GIBBONS, Mr. GREEN, Mr. HAWKINS, Mr. HOLLENBECK, Mr. JACOBS, Mr MIKVA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOTTL, Mr. OTTINGER, Mr. PATTERSON, Mr. RANGEL, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. ROYBAL, Mr. RUSSO, Mr. SEIBERLING, Mr. STARK, Mr. STUDDS, Mr. VAN DEERLIN, Mr. VENTO, Mr. WAXMAN, Mr. WON PAT, and Mr. ZEFERETTI):

H.R. 953. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Interstate and Foreign Commerce.

By Mr. ANDREWS of North Dakota:

H.R. 954. A bill to prohibit the acquisition of land by the use of eminent domain for fish and wildlife enhancement in connection with the Garrison Diversion Unit of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK:

H.R. 955. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. BEDELL:

H.R. 956. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and state and local governments as a result of the enactment of such proposed legislation; to the Committee on Rules.

By Mr. BIAGGI:

H.R. 957. A bill entitled "Victims of Crime Act of 1979"; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 958. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Finance and Urban Affairs.

H.R. 959. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

H.R. 960. A bill to amend the Internal Revenue Code of 1954 to permit the voluntary withholding of income taxes from certain payments under employer wage continuation plans: to the Committee on Ways and Means.

H.R. 961. A bill to amend the Internal Revenue Code of 1954 to encourage employment and the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

H.R. 962. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a deduction for their contributions to individual retirement savings plans; to the Committee on Ways and Means.

H.R. 963. A bill to amend title II of the Social Security Act to make the monthly retirement test available in limited circumstances in the case of certain beneficiaries, to amend the technical requirements for entitlement to medicare, and for other purposes; to the Committee on Ways and Means.

H.R. 964. A bill to amend title II of the Social Security Act to provide a more equitable method of determining average monthly wages for purposes of computing disability insurance benefits in the case of certain individuals who qualify for such benefits before attaining age 31; to the Committee on Ways and Means.

H.R. 965. A bill to amend title II of the Social Security Act to make it clear that the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) is available to every beneficiary in at least 1 year after 1977; to the Committee on Ways and Means.

H.R. 966. A bill to amend title XVI of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under such title, in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare; to the Committee on Ways and Means.

H.R. 967. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; to the Committee on Ways and Means.

H.R. 968. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, with the new method of financing being gradually phased in over a 3-year period, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 969. A bill to modify the Galveston Channel 40-foot project for navigation in Galveston Bay, Tex.; to the Committee on Public Works and Transportation.

H.R. 970. A bill to amend the Clayton Act and the Internal Revenue Code of 1954 with respect to punitive damages received by private litigants under the Clayton Act, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. BROWN of Ohio:

H.R. 971. A bill to provide that adjustments to the pay of Members of the Congress based on adjustments to rates of pay under the General Schedule under title 5 of the United States Code shall not take effect without the express approval by both Houses of the Congress; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio (for himself and Mr. PEASE):

H.R. 972. A bill to provide that adjustments to the pay of Members of the Congress shall take effect at the beginning of the Congress following the Congress in which they are approved, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois:

H.R. 973. A bill to amend the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 974. A bill to amend the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 975. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums (to be administered by a newly created Assistant Secretary in the Department of Housing and Urban Development), to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 976. A bill to permit Federal financial assistance provided by section 8 housing to be made available in Chicago, Ill., through existing Federal programs without regard to criteria which presently prohibit the use of such assistance for such purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 977. A bill to provide that certain services under the Older Americans Act of 1965 be delivered by personnel trained in the field of aging and to encourage the development of training programs in the field of aging under the Higher Education Act of 1965; to the Committee on Education and Labor.

H.R. 978. A bill to prohibit the export of certain militarily significant items to the Republic of South Africa and to provide for notification to the Congress of the proposed issuance of a validated license for an export to the Republic of South Africa, with each House of Congress being able to prevent the issuance of any such license by adoption of a resolution of disapproval; to the Committee on International Relations.

H.R. 979. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

H.R. 980. A bill to amend title 18 of the United States Code to provide penalties for assaults against the elderly that result in medical expenses paid by the United States; to the Committee on the Judiciary.

H.R. 981. A bill to amend the Immigration and Nationality Act to require that any alien who has been detailed for further inquiry or who has been temporarily excluded shall have the right to be represented by counsel from the time of such detention or exclusion; and for other purposes; to the Committee on the Judiciary.

H.R. 982. A bill to amend title 5, United States Code, to require certain Federal agencies to provide to certain employees notice of procedures through which such employees may challenge actions taken against them by such agencies; to the Committee on Post Office and Civil Service.

H.R. 983. A bill to amend chapter 4 of title 23, United States Code, to authorize the Secretary of Transportation to make incentive grants to any State which uses certain information relating to auto safety devices in its procedure for the issuance of motor vehicle operating permits; to the Committee on Public Works and Transportation.

H.R. 984. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for certain elderly individuals whose spouses have died; to the Committee on Ways and Means.

H.R. 985. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to establish an emergency Federal economic assistance program, to authorize the President to declare communities of the Nation which meet certain economic and employment criteria to be economic disaster communities, and for other purposes; jointly, to the Committees on Public Works and Transportation and Banking, Finance and Urban Affairs.

H.R. 986. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. CORCORAN:

H.R. 987. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. CONABLE.

H.R. 988. A bill to amend section 4941(d)(2)(G) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 989. A bill to amend the Internal Revenue Code of 1954 to allow States to deny unemployment compensation payable to individuals on the basis of services performed as substitute teachers; to the Committee on Ways and Means.

H.R. 990. A bill to amend and revise provisions of the Internal Revenue Code of 1954 relating to nonprofit organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 991. A bill to amend the Metric Conversion Act of 1975 to provide that the functions of the Federal Government with respect to the metric system shall be limited to coordinating the conversion to such system in areas or industries which desire it, and keeping the public informed thereon, without encouraging in any way the adoption or use of such system; to the Committee on Science and Technology.

By Mr. PHILIP M. CRANE (for himself and Mr. DORNAN):

H.R. 992. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

H.R. 993. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 994. A bill to prohibit any State from imposing a tax on the income derived by any individual from services in the Federal area within such State if such individual is not a resident or domiciliary of such State or of any other State which imposes a tax on income; to the Committee on the Judiciary.

H.R. 995. A bill to amend title 4 of the United States Code to restrict the authority of any State to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State; to the Committee on the Judiciary.

H.R. 996. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 997. A bill to amend the copyright law, title 17 of the United States Code, to create public performance rights with respect to sound recordings, and for other purposes; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.R. 998. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt State prison farms from paying of marketing quota penalties; to the Committee on Agriculture.

By Mr. DE LA GARZA (for himself, Mr. BURGENER, Mr. COELHO, Mr. CORRADA, Mr. FASCELL, Mr. GRASSLEY, Mr. GUDGER, Mr. HANSEN, Mr. HIGHTOWER, Mr. KOSTMAYER, Mr. LEE, Mr. MADIGAN, Mr. MATHIS, Mr. MINETA, Mr. NICHOLS, Mr. PANETTA, Mr. ROBERTS, Mr. STENHOLM, Mr. SWIFT, and Mr. WHITEHURST):

H.R. 999. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 *et. seq.*) to clarify its provisions, and for other purposes; to the Committee on Agriculture.

By Mr. DORNAN:

H.R. 1000. A bill to amend the Internal Revenue Code of 1954 to provide for tax reductions and reforms; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

H.R. 1001. A bill to curb inflation by providing for the reduction of the annual rates of pay for Members of Congress and for certain appointed Federal officials, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1002. A bill to amend the Internal Revenue Code of 1954 to provide that the tax exemption of certain charitable organizations and the allowance of a deduction for contributions to such organizations shall not be construed as the provision of Federal assistance; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 1003. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. UDALL, and Mr. FUQUA):

H.R. 1004. A bill to authorize appropriations to the Department of Energy and the Federal Energy Regulatory Commission pursuant to section 660 of the Department of Energy Organization Act, and for other purposes; title I and II to the Committee on Interstate and Foreign Commerce; title III to the Committee on Interior and Insular Affairs; title IV concurrently to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce; title V concurrently to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce and Science and Technology; title VI concurrently to the Committees on Interstate and Foreign Commerce and Science and Technology; and titles VII and VIII concurrently to the Committees on Interior and Insular Affairs, International Relations, Interstate and Foreign Commerce, and Science and Technology.

By Mr. ECKHARDT:

H.R. 1005. A bill to amend the Magnuson-Moss Federal Trade Commission Improvement Act to extend the protections contained in such act to owners of new passenger motor vehicles, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 1006. A bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California (for himself, Mr. MCCLOSKEY, and Mr. MINETA):

H.R. 1007. A bill to amend the Copyright Act of 1976 to provide copyright protection for imprinted design patterns on semiconductor chips; to the Committee on the Judiciary.

By Mr. EVANS of Delaware:

H.R. 1008. A bill to permit the review of regulatory rules and regulations by the Congress; to the Committee on Government Operations.

H.R. 1009. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. EVANS of Georgia:

H.R. 1010. A bill to abolish the Environmental Protection Agency; to the Committee on Government Operations.

By Mrs. FENWICK:

H.R. 1011. A bill to provide that increases in rates of pay for Members of Congress, and other financial benefits specifically applicable to Members of Congress, may take effect only if approved by the Congress and deferred until the beginning of the following Congress; to the Committee on Post Office and Civil Service.

By Mrs. FENWICK (for herself and Mr. MOLLOHAN):

H.R. 1012. A bill to reduce the tax on marriage by amending the Internal Revenue Code of 1954 to provide that a married individual who files a separate return may be taxed on his or her income at the same rate as an unmarried individual; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself and Mr. MITCHELL of New York):

H.R. 1013. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. FLOOD:

H.R. 1014. A bill to provide that the U.S. Canal Zone shall be represented by a Delegate to the House of Representatives; to the Committee on Merchant Marine and Fisheries.

By Mr. FORD of Tennessee:

H.R. 1015. A bill to amend title XVIII of the Social Security Act to include dental care among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Heans and Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 1016. A bill to amend title 10 of the United States Code in order to establish Optometry Corps in the Army and the Navy and to provide a separate optometric service within the Air Force; to the Committee on Armed Services.

H.R. 1017. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 1018. A bill to amend the Occupational Safety and Health Act of 1970 to provide that where violations are corrected within

the prescribed abatement period no penalty shall be assessed; to the Committee on Education and Labor.

H.R. 1019. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services to obtain excess property from the United States; to the Committee on Government Operations.

H.R. 1020. A bill to terminate any phosphate leases issued pursuant to the Mineral Leasing Act of February 25, 1920, as amended, and rights to such leases within the Osceola National Forest and to direct the Secretary of the Interior to take action with respect to the same; to the Committee on Interior and Insular Affairs.

H.R. 1021. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1022. A bill to repeal the Gun Control Act of 1968, to reenact the Federal Firearms Act, to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 1023. A bill to amend the Miller Act to authorize the payment of attorney fees and litigation cost to a prevailing plaintiff from performance bonds furnished by Federal contractors; to the Committee on the Judiciary.

H.R. 1024. A bill to provide for the issuance of a commemorative postage stamp in honor of the 51st anniversary of the creation of the Future Farmers of America; to the Committee on Post Office and Civil Service.

H.R. 1025. A bill to amend title 39, United States Code, to require the U.S. Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

H.R. 1026. A bill to direct the Administrator of General Services to provide for the construction of a public building in Tallahassee, Fla.; to the Committee on Public Works and Transportation.

H.R. 1027. A bill to authorize and direct the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States at the Jim Woodruff Dam and Reservoir project, Fla.; to the Committee on Public Works and Transportation.

H.R. 1028. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 1029. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 1030. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount to outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1031. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits which are due an individual who dies without leaving an eligible spouse shall be paid to the person or persons who paid the expenses of such individual's last illness and burial; to the Committee on Ways and Means.

H.R. 1032. A bill to provide for fair and equitable compensation of professional employees in the performance of technical support service contracts; jointly, to the Committees on Armed Services and Government Operations

H.R. 1033. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly, to the Committees on the Judiciary and Rules.

H.R. 1034. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1035. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. FUQUA (for himself and Mr. HUTTO):

H.R. 1036. A bill to provide for a Veterans' Administration outpatient clinic at an appropriate location in northwest Florida; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ:

H.R. 1037. A bill to amend title II of the Social Security Act so as to liberalize the conditions covering eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. GUDGER:

H.R. 1038. A bill to provide for the protection of Palmer's Chapel within the Great Smoky Mountains National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. HECKLER:

H.R. 1039. A bill entitled "Homemakers Social Security Benefits Act"; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. ANDERSON of California, Mr. BOLLING, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of California, Mr. JOHNSON of California, Mr. MAGUIRE, Mr. NOLAN, Mr. RODINO, Mr. ROSENTHAL, Mr. STUDDS, Mr. WON PAT, Mr. ROYBAL, and Mr. SEIBERLING):

H.R. 1040. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. KILDEE:

H.R. 1041. A bill to amend part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to extend death benefits to public safety officers who die as a result of conditions arising out of or exacerbated by official duty; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 1042. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. HAMMERSCHMIDT:

H.R. 1043. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

H.R. 1044. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. BALDUS, Mr. JOHN L. BURTON, Mr. OBEY, Mr. STUDDS, Mr. BROWN of California, Mr. PANETTA, Mr. SIMON, Mr. NOLAN, Mr. STARK, Mr. JEFFORDS, Mr. SEIBERLING, Ms. HOLTZMAN, Mr. MINETA, and Mr. HARKIN):

H.R. 1045. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. DANIELSON, Mr. MAZZOLI, Mr. SANTINI, Mr. MCCLORY, and Mr. RAILSBACK):

H.R. 1046. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. HARRIS, and Mr. RAILSBACK):

H.R. 1047. A bill to provide for consistent standards relating to standing to bring suit in Federal courts; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 1048. A bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fee for the storage or disposal of hazardous wastes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1049. A bill to provide a comprehensive scheme of compensation for victims injured as a result of toxic pollutants; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. GLICKMAN (for himself, Mr. MATHIS, Mr. HEFNER, Mr. FOUNTAIN, Mr. ROSE, Mr. PREYER, Mr. AKAKA, Mr. ENGLISH, Mr. BROWN of California, Mr. ERDAHL, Mr. WOLPE, Mr. GUDGER, and Mr. JONES of North Carolina):

H.R. 1050. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture.

By Mr. KAZEN (for himself and Mr. LEATH of Texas):

H.R. 1051. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 1052. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1053. A bill to require the payment of interest by Federal agencies on overdue contract payments, to amend the Office of Federal Procurement Policy Act, and for other purposes; to the Committee on Government Operations.

H.R. 1054. A bill to terminate any phosphate lease or rights issued or pending under serial No. Riverside 04843 pursuant to the Mineral Leasing Act of February 25, 1920, as amended, within the Los Padres National

Forest; to the Committee on Interior and Insular Affairs.

H.R. 1055. A bill to amend the Administrative Procedure Act to provide that rulemaking hearings required by statute which primarily concern a single unit of local government, geographic area, or State be held within such unit, area, or State; to the Committee on the Judiciary.

H.R. 1056. A bill to prohibit vessels transporting Alaskan oil from using routes through the territorial and international waters northward of the Santa Barbara Channel Island; to the Committee on Merchant Marine and Fisheries.

H.R. 1057. A bill to amend title 39, United States Code, to provide for the mailing of correspondence to Members of the Congress free of postage, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1058. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 1059. A bill to require authorization of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

H.R. 1060. A bill to amend title XVIII of the Social Security Act for the purpose of improving certain provisions of the medicare program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 1061. A bill to improve the safety of products manufactured and sold in interstate commerce, to reduce the number of death and injuries caused by such products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1062. A bill to prohibit the use of expenditure of Federal funds for the conversion of weather information to the metric system without a direct authorization by the Congress; to the Committee on Science and Technology.

H.R. 1063. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Goverment pensions, as added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 1064. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 1065. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

H.R. 1066. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LEVITAS:

H.R. 1067. A bill to establish an Office of Regulatory Review in the General Accounting Office to assist the Congress in evaluating the economic impact of agency rules; to the Committee on Government Operations.

By Mr. MCCLORY:

H.R. 1068. A bill to amend the National Security Act of 1947, as amended, to protect foreign intelligence information from unauthorized disclosure; to the Permanent Select Committee on Intelligence.

By Mr. MCCORMACK:

H.R. 1069. A bill to authorize the acquisition of lands, easements, rights-of-way, and complete relocations associated with Canyons 1 and 2 at Wenatchee, Wash.; to the Committee on Public Works and Transportation.

By Mr. MATHIS:

H.R. 1070. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. MOAKLEY (for himself, Mr. BROOKHEAD, Mr. EDWARDS of California, Mr. KILDEE, Mr. LONG of Louisiana, Mr. LOTT, Mr. NOLAN, Mr. RICHMOND, Ms. SCHROEDER, and Mr. WEAVER):

H.R. 1071. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. NEAL:

H.R. 1072. A bill to provide that certain funds which may be available for programs relating to the health effects of smoking shall be redirected for research on any potentially harmful properties of tobacco, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PICKLE:

H.R. 1073. A bill to amend the Truth in Lending Act to provide that a creditor may not be held civilly liable under the act if the creditor is in good faith in substantial compliance with the provisions of the act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1074. A bill to amend section 501 of the Internal Revenue Code of 1954 to provide tax exemption for an association operated exclusively to provide workmen's compensation for State and local employees; to the Committee on Ways and Means.

By Mr. PICKLE (for himself and Mr. DE LA GARZA):

H.R. 1075. A bill to amend the Internal Revenue Code of 1954 to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. HIGHTOWER, Mr. KAZEN, Mr. LEATH, of Texas, Mr. GRAMM, Mr. WYATT, and Mr. STENHOLM):

H.R. 1076. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 1077. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the Champus program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1078. A bill to amend title 10 of the United States Code to permit Senior Reserve officers' training programs to be established at public community colleges; to the Committee on Armed Services.

H.R. 1079. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 1080. A bill to amend section 709 of title 32, United States Code, to provide increased job protection for certain civilian National Guard technicians, and for other purposes; to the Committee on Armed Services.

H.R. 1081. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 1082. A bill to remove from the Supreme Court of the United States and the district courts of the United States jurisdiction over any case relating to voluntary prayer in any public school or public building; to the Committee on the Judiciary.

H.R. 1083. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1084. A bill to amend the Railroad Retirement Act of 1974 to change benefit eligibility requirements so that individuals who have completed 30 years of service as an employee and have attained the age of 55 years are eligible and so that certain other individuals who have attained the age of 55 years and are related to employees are also eligible; to the Committee on Interstate and Foreign Commerce.

H.R. 1085. A bill to amend the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to provide epileptics medicine for the treatment of epilepsy; to the Committee on Interstate and Foreign Commerce.

H.R. 1086. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

H.R. 1087. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

H.R. 1088. A bill to amend the Congressional Budget Act of 1974 to reestablish the fiscal integrity of the Government of the United States through the establishment of controls with respect to the levels of its revenues and budget outlays and the preparation of the budget, to provide for 5-year estimates of the cost of reported bills to State and local governments, and for other purposes; to the Committee on Rules.

H.R. 1089. A bill to amend title 38, United States Code, to provide that monthly annuity payments under the Railroad Retirement Act of 1975 shall not be included as income for the purpose of determining eligibility for or the amount of certain veterans' pension and dependency and indemnity compensation benefits; to the Committee on Veterans' Affairs.

H.R. 1090. A bill to amend title 38, United States Code, to provide veterans' benefits in the case of any veteran who during the period beginning on June 1, 1914, and ending on May 8, 1916, served in Mexico, on the borders thereof, or in the water adjacent thereto; to the Committee on Veterans' Affairs.

H.R. 1091. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 1092. A bill to amend title 38, United States Code, to require that burials be permitted in national cemeteries on weekends and holidays; to the Committee on Veterans' Affairs.

H.R. 1093. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness; to the Committee on Way and Means.

H.R. 1094. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his

higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

H.R. 1095. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 1096. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 1097. A bill to amend the Internal Revenue Code of 1954 to provide to individuals who have attained the age of 62 a refundable credit against income tax for increases in real property taxes and utility bills; to the Committee on Ways and Means.

H.R. 1098. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by an individual for dependent care services to enable him to perform volunteer services for certain organizations; to the Committee on Ways and Means.

H.R. 1099. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

H.R. 1100. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 1101. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 1102. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 1103. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1104. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 1105. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits thereunder shall continue through the month of his or her death (without affecting any other person's entitlement to benefits for that month), in order to provide such individual's family with assistance in meeting the extra death-related expenses; to the Committee on Ways and Means.

H.R. 1106. A bill to require authorizations of new budget authority for Government programs at least every 6 years, to provide for review of Government programs every 6 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 1107. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1108. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1109. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1110. A bill to amend title XVIII of the Social Security Act to eliminate all the deductibles, coinsurance, and time limitations presently applicable to benefits thereunder; to eliminate medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insurance benefits (so that all benefits under such title will be financed from general revenues); to provide payment for eye care, dental care, hearing aids, prescription drugs, prosthetics, one physical checkup a year, preventive care, diagnosis of breast cancer, services of certain psychologists, services of registered nurses, and certain other items not now covered; and to provide for the administrative and judicial review of claims (involving the amount of benefits payable) which arise under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1111. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1112. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1113. A bill to amend the Social Security Act to provide for the payment of services by psychologists, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. RICHMOND (for himself, Mr. AKAKA, Mr. BINGHAM, Mr. BONIOR, Mrs. BOUQUARD, Mr. DICKS, Ms. FERRARO, Mr. HORTON, Mr. IRELAND, Mr. JENRETTE, Mr. KILDEE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. NOLAN, Mr. OTTINGER, Mr. PERKINS, Mr. PRICE, Mr. PRITCHARD, Mr. RODINO, Mr. ROSENTHAL, Mr. THOMPSON, Mr. TRAXLER, and Mr. WAXMAN):

H.R. 1114. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. ROE:

H.R. 1115. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

H.R. 1116. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 1117. A bill to amend the National Housing Act and other Acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1118. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1119. A bill to amend section 8 of the U.S. Housing Act of 1937 for the purpose of reducing the amount of rent required to be paid by elderly families residing in dwelling units assisted by Federal contributions authorized by such section; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1120. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1121. A bill to provide assistance and coordination in the provision of child-care services for children living in homes with working parents, and for other purposes; to the Committee on Education and Labor.

H.R. 1122. A bill to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 1123. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals who are at least 62 years of age; to the Committee on Education and Labor.

H.R. 1124. A bill to amend the Older Americans Act of 1965 to provide assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 1125. A bill to amend the Education of the Handicapped Act to provide tutorial and and related instructional services for homebound children through the employment of college students, particularly veterans and other students who themselves are handicapped; to the Committee on Education and Labor.

H.R. 1126. A bill to amend the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Community on Education and Labor.

H.R. 1127. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes; to the Committee on Government Operations.

H.R. 1128. A bill to provide for grants to States for the payment of compensation to certain elderly individuals who are injured by criminal acts and omissions or who suffer property loss as a result of certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

H.R. 1129. A bill to provide for payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

H.R. 1130. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 1131. A bill to amend title 5, United States Code, to include as creditable services for civil service retirement purposes service as an enrollee of the Civilian Conservation Corp, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1132. A bill to amend the Internal Revenue Code of 1954 to make permanent law the deduction for expenditures to remove architectural and transportation barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 1133. A bill to amend title II of the Social Security Act to increase to $7,200 in the case of an individual under age 65, and to $10,500 in the case of an individual age 65 or over, the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 1134. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

H.R. 1135. A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 25 per centum of his or her income, so as to reduce such expenses to that amount; to the Committee on Ways and Means.

H.R. 1136. A bill to amend the Social Security Act and other acts to make certain that recipients of supplemental security income benefits, recipients of social services, recipients of aid to families with veterans' benefit programs, and certain other Federal and federally assisted programs will not have the amount of such benefits, services, aid, or payments reduced because of increases in monthly social security benefits, and to provide that cost-of-living increases in annuity, pension, retirement, disability, or other employment-related benefits being paid to an individual under a public program, occurring after such individual's initial entitlement to such benefits, shall not be included in such individual's income in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

H.R. 1137. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health-care and related needs of elderly persons in a campus-type setting; jointly to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

H.R. 1138. A bill to amend the Immigration and Nationality Act, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

H.R. 1139. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1140. A bill to amend titles XVIII and XIX of the Social Security Act to include services of licensed (registered) nurses, physician extenders, and nurse practitioners among the services for which payment may be made under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. SCHULZE:

H.R. 1141. A bill to amend the Antidumping Act, 1921, to provide for expedited proceedings under such act, to provide for the withholding of appraisement on imported goods at an earlier time during such proceedings, and for other purposes; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 1142. A bill to permit the burial of Chief Tayac in Piscataway Park, Oxon Hill, Md; to the Committee on Interior and Insular Affairs.

By Mr. STAGGERS:

H.R. 1143. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. STEED:

H.R. 1144. A bill to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the Absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission Dockets numbered 27A, 27B, 241, 289, and 338 to said Tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON (for himself, Mr. CONTE, Mr. MINISH, Mr. ROE, Mr. EDGAR, and Mr. WAXMAN):

H.R. 1145. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 1146. A bill to amend an act entitled "An act for the continuance of construction work on the San Carlos Federal irrigation project in Arizona, and for other purposes," approved June 7, 1924 (43 Stat. 475), to permit the San Carlos Indians to store water at the dam authorized to be constructed by such act; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN (for himself, Mr. ROSTENKOWSKI, Mr. VANIK, Mr. CORMAN, Mr. GIBBONS, Mr. JONES of Oklahoma, Mr. JACOBS, Mr. MIKVA, Mr. FISHER, Mr. FORD of Tennessee, Mr. DOWNEY, Mr. CONABLE, and Mr. FRENZEL):

H.R. 1147. A bill to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties; to the Committee on Ways and Means.

By Mr. VANIK:

H.R. 1148. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations establishing minimum standards with respect to certain electronic equipment that is susceptible to radio frequency energy interference; to the Committee on Interstate and Foreign Commerce.

By Mr. WALKER (for himself, Mr. DANNEMEYER, Mr. DOUGHERTY, Mr. DUNCAN of Tennessee, Mr. ERLENBORN, Mr. GINGRICH, Mr. GREEN, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. MCDONALD, Mr. WINN, Mr. GOODLING, and Mr. DORNAN):

H.R. 1149. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 1150. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the date required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 1151. A bill to modify the navigation project for Lynnhaven Inlet, Bay, and connecting waters, Virginia; to the Committee on Public Works and Transportation.

By Mrs. COLLINS of Illinois:

H.J. Res. 102. Joint resolution to provide for the designation of September as "National Sickle Cell Month"; to the Committee on Post Office and Civil Service.

By Mr. PHILIP M. CRANE:

H.J. Res. 103. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

By Mr. FUQUA:

H.J. Res. 104. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 105. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 106. Joint resolution proposing an amendment to the Constitution of the United States to establish a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 107. Joint resolution requesting the President to proclaim the period of July 16 through 24 of each year as "United States Space Observance"; to the Committee on Post Office and Civil Service.

By Mr. GAYDOS:

H.J. Res. 108. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

By Mr. GUDGER:

H.J. Res. 109. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 110. Joint resolution authorizing the President to proclaim May 1, 1979, "National Bicycling Day"; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H.J. Res. 111. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.J. Res. 112. Joint resolution to commend the United States Jaycees, the St. Albans Jaycess, and Deere and Co., for their participation in the Outstanding Young Farmer Program; to the Committee on Post Office and Civil Service.

By Mr. LAGOMARSINO:

H.J. Res. 113. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 114. Joint resolution proposing an amendment to the Constitution of the

United States to limit the number of consecutive Congresses in which Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. LATTA:

H.J. Res. 115. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

H.J. Res. 116. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of life; to the Committee on the Judiciary.

H.J. Res. 117. Joint resolution designating the composition known as "The Stars and Stripes Forever" as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana:

H.J. Res. 118. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.J. Res. 119. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on International Relations.

H.J. Res. 120. Joint resolution commending the Cuban "Declaration of Freedom"; to the Committee on International Relations.

H.J. Res. 121. Joint resolution to authorize and request the President to proclaim January 28, 1980, as "Day of Marti, Apostle of Liberty"; to the Committee on Post Office and Civil Service.

By Mr. QUILLEN:

H.J. Res. 122. Joint resolution to encourage formation of an international organization for the conservation of whales; to the Committee on International Relations.

H.J. Res. 123. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or threat of war as determined by the Congress; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.J. Res. 124. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. BARNARD (for himself and Mr. MARLENEE):

H. Con. Res. 22. Concurrent resolution expressing the sense of Congress that the new regulations of the Department of Labor with respect to the health and safety training of miners places an undue burden on small operators; to the Committee on Education and Labor.

By Mr. FUQUA:

H. Con. Res. 23. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. QUILLEN:

H. Con. Res. 24. Concurrent resolution expressing the sense of the Congress that the President submit to the Congress a balanced budget; to the Committee on Government Operations.

By Mr. STUMP:

H. Con. Res. 25. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on International Relations.

By Mr. WHITEHURST:

H. Con. Res. 26. Joint resolution pertaining to the methods used on animals in research; jointly, to the Committees on Interstate and Foreign Commerce and Science and Technology.

By Mr. SMITH of Iowa:

H. Res. 45. Resolution to provide funds for the further expenses of the investigations and studies of the Committee on Small Business; to the Committee on House Administration.

By Mr. McDONALD:

H. Res. 48. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. DIGGS:

H. Res. 50. Resolution authorizing the printing of the publication entitled "History of the Committee on the District of Columbia: The Planning, Development, Government and Institutions of the Nation's Capital (1808–1978)"; to the Committee on House Administration.

By Mrs. FENWICK:

H. Res. 51. Resolution providing that the House beauty and barber shops be privately operated on a self-sustaining basis; to the Committee on House Administration.

By Mr. FUQUA:

H. Res. 52. Resolution authorizing the printing of the volume entitled "History of the Committee on Science and Technology, 1959–1979"; to the Committee on House Administration.

By Mr. MURPHY of New York (for himself, and Mr. FORSYTHE):

H. Res. 53. Resolution providing for the establishment of a Select Committee on the Outer Continental Shelf; to the Committee on Rules.

By Mr. SHUSTER (for himself, Mr. RHODES, Mr. MICHEL, Mr. ANDERSON of Illinois, Mr. LOTT, Mr. VANDER JAGT, Mr. QUILLEN, and Mr. DEVINE):

H. Res. 54. Resolution expressing the sense of the House of Representatives that the 96th Congress be an oversight Congress; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[*Submitted January 18, 1979*]

15. By the SPEAKER: Memorial of the Legislature of the State of Michigan, ratifying the proposed amendment to the Constitution of the United States relating to representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

16. Also, memorial of the Legislature of the State of Ohio, ratifying an amendment to the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[*Submitted January 18, 1979*]

By Mr. ANDERSON of California:

H.R. 1152. A bill for the relief of Blanca Rosa Luna de Frei; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.R. 1153. A bill for the relief of Nyoman Rahmawati; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 1154. A bill for the relief of Michelle A. Mudie; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 1155. A bill for the relief of Lillian June Demers; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 1156. A bill for the relief of Sammy Ennabe; to the Committee on the Judiciary.

H.R. 1157. A bill for the relief of Tin Foo Chan (a.k.a. Michael Chan); to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1158. A bill for the relief of James C. Wilkinson; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 1159. A bill for the relief of Dr. R. E. Kalman; to the Committee on the Judiciary.

H.R. 1160. A bill for the relief of Michael D. Howard; to the Committee on the Judiciary.

H.R. 1161. A bill for the relief of Marija Artis; to the Committee on the Judiciary.

H.R. 1162. A bill for the relief of Archibald M. Withers; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 1163. A bill for the relief of Gladys Venicia Cruz-Sanchez; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 1164. A bill for the relief of John and Margaret Diehl, Julie Eastridge, and Jerome and Betty Davis; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. AKAKA, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BALDUS, Mr. BEDELL, Mr. BENJAMIN, Mr. BENNETT, Mr. BEVILL, Mr. BOLAND, Mr. BONIOR, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CAMPBELL, Mr. CARR, Mr. CONTE, Mr. CORRADA, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. DERWINSKI, Mr. DICKS, Mr. DORNAN, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. EDWARDS of California, Mr. EMERY, Mr. ENGLISH, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FASCELL, Mr. FITHIAN, Mr. FOLEY, Mr. FORSYTHE, Mr. FRENZEL, Mr. FUQUA, Mr. GLICKMAN, Mr. GOODLING, Mr. GORE, Mr. GRISHAM, Mr. GUYER, Mr. HAMILTON, Mr. HARKIN, Mr. HEFTEL, Mr. HILLIS, Mr. HOLLENBECK, Mrs. HOLT, Mr. HOWARD, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. ICHORD, Mr. JENRETTE, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. LEVITAS, Mr. LLOYD, Mr. LUKEN, Mr. MARKEY, Mr. MAZZOLI, Mr. McCLOSKEY, Mr. McHUGH, Mr. McKAY, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. NEDZI, Mr. NOWAK, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEASE, Mr. PEPPER, Mr. PRICE, Mr. PRITCHARD, Mr. RAHALL, Mr. RANGEL, Mr. RINALDO, Mr. RUSSO, Mr. SANTINI, Mr. SCHEUER, Mr. STANTON, Mr. STEED, Mr. STUDDS, Mr. TRAXLER, Mr. UDALL, Mr. VENTO, Mr. WALKER, Mr. WEAVER, Mr. WHITEHURST, Mr. WHITLEY, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. WIRTH, Mr. WOLFF, Mr. YATRON, and Mr. ZEFERETTI.

H.R. 21: Mr. BONIOR, Mrs. COLLINS of Illinois, Mr. HAWKINS, Mr. OTTINGER, Mr. PRICE, Mr. ROYBAL, Mr. SEIBERLING, Mr. UDALL, and Mr. WOLFF.

H.R. 660: Mr. AKAKA, Mr. BARNES, Mr. BOLAND, Mr. CARNEY, Mr. DOWNEY, Mrs. FENWICK, Mr. GILMAN, Mr. GUARINI, Mrs. HECKLER, Mr. HORTON, Mr. HOWARD, Mr. LEE, Mr. LENT, Mr. McCLORY, Mr. MAVROULES, Mr. OTTINGER, Mr. PATTEN, and Mr. WOLFF.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

[*Submitted January 18, 1979*]

36. By the SPEAKER: Petition of the National Guard Association of the United States, Washington, D.C., relative to recruiting and retention in the National Guard and other Reserve forces; to the Committee on Armed Services.

37. Also, petition of the Commissioners' Court of Tom Green County, San Angelo, Tex., relative to Goodfellow Air Force Base; to the Committee on Armed Services.

38. Also, petition of the North Atlantic Assembly, Brussels, Belgium, relative to the recommendations, resolutions, and order which were adopted at the Twenty-Fourth Annual Session of the North Atlantic Assembly; to the Committee on International Relations.

39. Also, petition of Arizona Coordination Council of Republican Women, Phoenix, Ariz., relative to China; to the Committee on International Relations.

40. Also, petition of California Library Association, Sacramento, Calif., relative to the late Representatitve Leo J. Ryan; to the Committee on Post Office and Civil Service.

41. Also, petition of the American Association of Retired Persons, Inc., East Hampton, N.Y., relative to (1) proposing a constitutional amendment mandating a balanced budget; (2) indexing Federal personal income tax rates to inflation; (3) implementation of sunset provisions in existing and new legislation; and (4) public financing of Federal elections; jointly, to the Committees on Government Operations, House Administration, the Judiciary, and Ways and Means.

SENATE—*Thursday, January 18, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Apostle Paul, as written in I Thessalonians 5: 17:

Pray without ceasing.

Let us pray:

O God, the Light of all who seek Thee, grant to each of us that illumination without which we walk in darkness. Prompt us to heed the Apostle's word, "to pray without ceasing." We would pray not only in the sanctuary or the convocation of a prayer-breakfast, not only in the spasms of troubled times or in moments heavy with emotion; we would pray hour by hour and moment by moment in our daily vocations. Help us to make sacred all that we do so that the time of prayer is indistinguishable from the time of work and we may see Thee in the broadening purposes of human history. Keep our leaders and the people of this Nation close to Thee that Thy kingdom may be set forward on Earth as it is in heaven. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 18, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I do not want to get the floor and hold it. I have the floor, but I do not want to hold it as I did on Monday.

I have discussed this request with the distinguished minority leader.

SENATE RESOLUTION 9—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with reference to the resolution which I introduced on Monday and the motion I made relative to that resolution, that no motion, no point of order, or any action whatsoever that would impact upon my resolution and my motion be in order today.

I make this request so that I may yield the floor shortly. It will be my intention to ask unanimous consent that Senators may speak on any subject they wish to speak on up to, say, 15 minutes during the remainder of the day, and it will be my intention to ask unanimous consent that the Senate stand in recess at no later than 2 o'clock p.m. today until 12 o'clock tomorrow, and that on tomorrow there be only a pro forma session. I am only stating what my intentions are, not making my request at this time.

That the Senate, on tomorrow, meet merely for the purpose of a pro forma session, that it go out immediately without any debate and without any business being transacted at all; in other words, it would be a 5-second session or something to that extent, and then the Senate would recess over until Tuesday next, at the hour of 12 o'clock noon.

That is what I hope to do.

My consent request would allow Senators to offer bills and resolutions and whatever, but there would be no business transacted other than what I have just stated: the introduction of bills and resolutions and petitions and memorials, and the opportunity to make statements.

The ACTING PRESIDENT pro tempore. Is there objection——

Mr. ROBERT C. BYRD. Mr. President, I have not finished yet. The request I have made is with respect to my resolution, I believe it is Senate Resolution 9, offered on Monday, and with respect to the motion that I made with respect to the introduction of that resolution. I renew that request at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will not object. I think it is a good arrangement, and the majority leader has correctly stated that we have consulted on this proposal this morning. I believe it preserves all his rights with respect to the resolution; it provides all of us on this floor an opportunity to work out a sensible solution; and I will not object.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, could I ask the distinguished majority leader, I assume that the unanimous-consent request which has just been made will not adversely impact on Senate Members who may have resolutions or legislation to present?

Mr. ROBERT C. BYRD. It would not, may I say to my distinguished friend from Virginia, Mr. HARRY F. BYRD, JR. The request as made would simply allow me to make a few other unanimous-consent requests, and then sit down or get out of the Chamber and let other Senators have an opportunity to speak on any subject they wish to speak on. They could offer resolutions, they could introduce bills, make speeches, or offer petitions and memorials. So it would not have that effect.

Mr. HARRY F. BYRD, JR. So other Members of the Senate could proceed as if there were no unanimous-consent request as has just been made by the distinguished Senator from West Virginia, insofar as presenting bills and resolutions and motions thereto?

Mr. ROBERT C. BYRD. Well, presentings bills and resolutions, but not making motions in regard thereto.

Mr. HARRY F. BYRD, JR. Would it preclude a Senator from presenting a bill or a resolution and asking for immediate consideration, at which time——

Mr. ROBERT C. BYRD. No; it would not.

Mr. HARRY F. BYRD, JR. It would not?

Mr. ROBERT C. BYRD. It would not prevent a Senator from calling up a resolution and asking for its immediate

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

consideration, and another Senator objecting thereto.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The ACTING PRESIDENT pro tempore. Is there objection?

Hearing no objection, the unanimous-consent request is agreed to.

ORDER FOR RECESS TODAY NO LATER THAN 2 P.M. UNTIL TOMORROW AT 11 A.M. AND RECESS FROM TOMORROW UNTIL TUESDAY, JANUARY 23, 1979

Mr. ROBERT C. BYRD. Mr. President, if the Chair will protect me, I am going to make some unanimous-consent requests and I do not yield the floor by virtue of making those requests.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate, no later than 2 p.m. today, stand in recess over until tomorrow at the hour of 11 a.m.; and that, at that time, no business be transacted, no statements be in order; that the Senate merely meet and immediately recess until the hour of 12 o'clock noon on Tuesday next.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I shall not object.

I join with the majority leader in this request, if he will permit me to do so. Beginning duties on both sides of the aisle in our respective caucuses and conferences are such that we welcome this additional time.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. I am having my own conference at 2 o'clock p.m. today. This will protect every Member on this side of the aisle to attend that conference.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request is agreed to.

UNANIMOUS-CONSENT AGREEMENT ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when I yield the floor, Senators may be allowed to speak on any subject they wish to speak on and introduce resolutions, bills, petitions, and memorials, and that their speeches be limited to not to exceed 15 minutes today. If a Senator wants to speak 30 minutes, he can get 15 minutes and another Senator will accommodate him by getting recognition for 15 minutes and yielding the 15 minutes to that Senator.

I make that request with the understanding that no motions be in order this afternoon. That does not rule out unanimous-consent requests such as the Senator from Virginia was talking about.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, I am sorry, I did not hear the first part of the request. I apologize for that.

Mr. ROBERT C. BYRD. Yes. I ask unanimous consent that once I yield the floor, which I intend to do shortly, any Senator may speak up to 15 minutes and may offer resolutions, bills, petitions, and memorials; he may ask unanimous consent if he wishes for immediate consideration of any resolution, and so forth, but that no motions be in order during that period, and we shall go out no later than 2 o'clock under the order previously entered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING ECONOMIC REPORT

Mr. ROBERT C. BYRD. Mr. President, before I yield the floor, I have some other unanimous-consent requests to make.

I send to the desk a joint resolution to extend the time for filing the economic report and I ask unanimous consent for the immediate consideration of this resolution. I hope it will not be objected to. It merely extends the time for filing the economic report from January 22 to January 29, one week.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

House Joint Resolution 1, to extend time for filing the Economic Report.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Speaking for the Joint Economic Committee, I gather this affects us. I wonder, has the Senator checked whether that automatically extends the other dates? We are supposed to respond at given times. It can be done later, as a matter of fact, but I wonder if this resolution does that.

Mr. ROBERT C. BYRD. I shall ask the Chair to respond to that.

The ACTING PRESIDENT pro tempore. The Chair advises the Senator that the times for response are set in relationship to the time for the receipt of the report.

Mr. JAVITS. I thank the Chair.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be considered as having been read twice. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 1) was considered, ordered to a third reading, read the third time, and passed.

JOINT SESSION OF THE TWO HOUSES TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Now, Mr. President, I ask that the Chair lay before the Senate a message from the House on House Concurrent Resolution 1. This provides—and I hope there will be no objection to this request—that the two houses of Congress assemble on the 23d of January for the purpose of receiving the President's State of the Union address. I ask the Chair to lay that before the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 1, which was read as follows:

H. CON. RES. 1

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1979, at 9 o'clock postmeridian for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 1) was agreed to.

AMENDMENT OF THE STANDING RULES—S. RES. 14

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution that is a Senate resolution. I ask unanimous consent for its immediate consideration and I object to my own request.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 14) to amend the standing rules.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, I object to my own request.

The ACTING PRESIDENT pro tempore. The objection having been made to the present consideration, the resolution will go over under the rules.

The resolution is as follows:

S. RES. 14

Resolved, That paragraph 1 of rule III of the Standing Rules of the Senate is amended by striking out all after the words "unless by unanimous consent" and inserting in lieu thereof the following: "or on motion decided without debate. Motions to correct the Journal shall be privileged, shall be confined to an accurate description of the proceedings of the preceding day, and shall be determined without debate.".

SEC. 2. That rule VIII of the Standing Rules of the Senate be amended by inserting a new sentence at the end of section 2, as follows: "Debate on such motions made at any other time shall be limited to thirty minutes, to be equally divided and controlled by the Majority and Minority Leaders.".

SEC. 3. That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"The demand for the reading of an amendment when presented to the Senate for consideration, including House amendments may be waived on motion decided without debate when the proposed amendment has been identified by the clerk and is available to all Members in printed form.".

SEC. 4. That rule XVIII of the Standing Rules of the Senate is amended—

(1) by inserting after "QUESTION" in the caption a semicolon and the following: "GERMANENESS";

(2) by inserting "1." before "If"; and

(3) by adding at the end thereof the following new paragraph:

"2. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment other than the reported committee amendments which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. Such a motion shall be privileged and shall be decided without debate.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the committee which reported such bill or resolution) which is not germane or relevant to the subject matter of such bill or resolution, or the subject matter of an amendment proposed by the committee which reported such bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b), with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may, prior to ruling on any such point of order, entertain such debate as he considers necessary in order to determine how he shall rule on such point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) The provisions of this paragraph shall not apply to amendments subject to the rules of germaneness and relevancy contained in paragraph 4 of rule XVI and paragraph 2 of rule XXII.".

SEC. 5. A. That (a) line 5 of the first paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out "or the unfinished business," and in the line above inserting "or" before the words "other matter pending before the Senate," and lines 6 and 7 of the second paragraph of paragraph 2 is amended by striking out ", or the unfinished business,".

(b) The second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.".

(c) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following: "After cloture has been invoked, no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks.".

B. That rule XXII of the Standing Rules of the Senate be amended by inserting a new paragraph at the end of section 2 as follows:

"After September 1 of each calendar year, until the end of the session, the application of the provisions of section 2 of rule XXII shall be modified to provide that if a proper motion to invoke cloture has been filed pursuant to section 2, it shall be in order to proceed immediately to the consideration thereof, and after three hours of debate, equally divided and controlled by the Majority and Minority Leaders, the Senate shall proceed to vote on the adoption of that motion, and if that question shall be decided in the affirmative by a three-fifths vote of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate shall be the unfinished business to the exclusion of all other business until disposed of. All other provisions of section 2 of rule XXII shall be applicable to any question on which cloture is invoked pursuant to this paragraph.

SEC. 6. That rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following: "The demand for the reading of a conference report when presented may be waived on motion decided without debate when the report is available to all Members in printed form.".

SEC. 7. That section 133(f) of the Legislative Reorganization Act of 1946, as amended, be amended to strike the words: "at least three calendar days (excluding Saturdays, Sunday, and legal holidays)" and insert in lieu thereof the words: "at least two calendar days (excluding Saturdays, Sundays, and legal holidays, except when the Senate is in actual session on such days)".

SEC. 8. That (a) the Committee on Rules and Administration is authorized and directed to provide for the installation of an electronic voting system in the Senate Chamber.

(b) The expenses incurred in carrying out the provisions of subsection (a) shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Rules and Administration.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I yield without losing my right to the floor to the distinguished acting Republican leader and I shall yield the floor shortly.

Mr. STEVENS. I thank the majority leader.

RATIFICATION OF SALT II

Mr. STEVENS. Mr. President, it is my firm belief that Senate ratification of a projected SALT II treaty must be contingent on an accord that is equal, balanced, and verifiable. The latter is certain to be one of the major points of controversy during Senate debate.

Although verification is considered a crucial factor, it has been reported that the United States has made a concession to the Soviet Union on encryption that could seriously jeopardize our ability to monitor their compliance with the terms spelled out in the forthcoming treaty. Encryption, a method used by the U.S.S.R. to conceal test data by coding missile telemetry, makes it impossible for the United States to decipher test results.

Rowland Evans and Robert Novak detail the potential ramifications of this latest concession. They also report two additional methods allegedly not prohibited under the proposed SALT II treaty by which the Soviets could thwart verification. Moreover, the U.S. verification ability may be further constrained in the wake of recent stories that the United States is dismantling CIA missile-monitoring devices in Iran.

I ask unanimous consent that the Evans and Novak column, entitled "The 'Encryption' Gamble," which appeared in the Wednesday, January 10 Washington Post, be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 10, 1979]

THE "ENCRYPTION" GAMBLE

(By Rowland Evans and Robert Novak)

A major concession to the Soviet Union that permits the results of test flights of Soviet strategic missiles to be partly concealed from the United States has raised a potent threat to President Carter's hopes for Senate approval of a new strategic arms limitation treaty (SALT II).

Still shrouded in official secrecy, the concession was agreed to by Secretary of State Cyrus Vance during his latest arms-control talks with Soviet Foreign Minister Andrei Gromyko in Geneva three weeks ago. What makes it so serious is its effect on verification—the process by which the United States tries to prove or verify that the Russians are not cheating.

Thus, at stake is an extremely grave issue for Carter and his country: whether Moscow can get away with secret missile tests that could violate the treaty and endanger U.S. and Western safety, something neither Vance nor any other responsible official could conceivably wish to happen.

Verification will be the paramount issue in the Senate when the new SALT agreement is submitted for approval. If President Carter can make a strong case that SALT II is verifiable, Senate approval will still be difficult but perhaps attainable; if Carter cannot make a strong case, SALT II will go the way of the Versailles Treaty.

The concession made by the United States at Geneva permits the Russians to continue "encrypting" in secret code information routinely radioed to ground stations from a missile during its test flight. This information, known as telemetry, is radioed back to earth on 40 to 60 separate radio channels, one channel for each component of the missile, so that Soviet weapons experts can learn the test results.

By far the most important source of U.S. information on Soviet missilery is the test-fight telemetry picked up by U.S. satellites and other monitors as it is radioed back to earth. There was consternation three years ago when the Russians started encrypting test data from the medium-range SS20 mobile missile—but that missile is not covered by SALT.

Last summer, however, the Soviets are known to have encrypted at least one test of their giant SS18 intercontinental missile with 10 independently targeted warheads.

When the United States realized that SS18 test data were being concealed, Central Intelligence Director Stansfield Turner went to Carter and, on the basis of highest national security, urged him to demand a halt. He produced prima facie evidence that the Russians had encrypted most of the 40 to 60 channels of test data radioed back to earth. Indeed, only four channels of this vital information could be "read" by U.S. monitors.

Carter ordered that a formal complaint be made to Moscow, but the Kremlin came back with an air of injured innocence: There is nothing in SALT I that prohibits encryption, they said.

Now, instead of demanding a complete halt to encrypting, the United States agreed at Geneva to ambiguous language allowing encryption except where the information put into secret code has a direct bearing on verification. That theoretically makes the Soviet Union its own policeman. Only the Soviets would know what secret performance data they are concealing, and they could conceal it by claiming it did not deal with specific weapons limitations imposed by the new treaty.

In the closed society of the Soviet Union, nothing is publicly revealed about weapons development. Thus, when the American theory of anticheating verification was first developed in 1972, it meant the right of the United States, through electronic eavesdropping and any other monitoring devices, to establish the truth of Soviet claims about its nuclear missiles.

But today, following the reign of Paul Warnke as director of the Arms Control and Disarmament Agency, verification has been qualified by the word "adequate." All that is now required is to ensure that the United States will discover Soviet cheating before it has "significantly affected" the U.S.-Soviet strategic balance of power.

Vance's concession on encryption shows how far the word "adequate" allows the Soviets to go on concealing perhaps vital parts of their test programs. Even worse, SALT II does nothing to block two other ways in which the Soviets could thwart verification: by sending its flight-test telemetry back to ground by low-powered transmitters, which the U.S. could not monitor; or by not transmitting at all, but encasing the test data in a little black box and retrieving the box after the test.

Given the vivid evidence of Soviet willingness to thwart verification, SALT skeptics and critics are asking why the new treaty ignores these two other tactics, which could deny the United States information that could be vital to its future.

Encryption, with Carter's inadequate answer to it, is by no means the only or even the principal target for anti-SALT senators, but it may become the most important because of its intimate association with verification. The treaty will likely rise or fall on how senators feel about legal rights given the United States to detect Soviet cheating.

For the Soviets, few missile secrets cannot be discovered in the open U.S. society. For the United States, verification is the name of the game to hold Moscow to the letter and spirit of SALT II.

Mr. JAVITS. Mr. President, will the Senator yield on that?

Mr. STEVENS. I am not certain, Mr. President, that I have the right to yield under my present situation.

The ACTING PRESIDENT pro tempore. The Senator is correct. The Senator from West Virginia has the floor and yielded to the Senator from Alaska.

Mr. JAVITS. Mr. President, will the Senator from West Virginia yield to me on this subject?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, many technical questions will arise respecting SALT; for example, this one, which I think that, very wisely, Senator STEVENS has brought up. It was also brought up in Lisbon at the meetings of the North Atlantic Treaty Organization, the NATO parliamentary group. It was also brought up by the Russians, the Russian parliamentary delegation, when a delegation of which I was a member was in Moscow.

The only thing I would ask of the Members of the Senate is that we remember what every lawyer knows: There is always another side to a case and therefore we do not assume that that someone is ringing the alarm bell and the Russians are taking us to the cleaners. I suggest that we keep our minds open. This question is very important. There are other questions equally important and it will be our duty to explore them in the Committee on Foreign Relations and to satisfy the Senate when there is a treaty that it is the right or the wrong thing to do, whatever we think.

That is all I hope. I hope the Members will not assume that somebody suddenly discovered some horrendous thing on which we are being taken. We are very well aware of this and many other things. We will carry the burden. It will be our duty to prove to the Senate that it is our duty to take everything together. That is the one thing I hope very much, that we have this clear in our consideration of SALT II.

We have already had a curtain-raiser on the debate between Senator JACKSON and myself in Europe. It is very healthy. I welcome it. I know we have a responsibility, and I can assure the Senate, if I have anything to do with it, we will discharge it.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I thank the Senate for its indulgence and understanding my getting the floor and holding it. I am now going to yield it.

Before I do, under the consent order entered, I am entitled to 15 minutes, am I not?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent I may yield my 15 minutes—and I am now recognized for it—to Mr. EAGLETON at such time as he is recognized, which will make for him a total of 30 minutes.

He called this morning. He wanted 30 minutes. He can have it in this way and it will not impinge on the rights of other Members.

Mr. STEVENS. Reserving the right to object, I say to the majority leader, Mr. President, we had a request specifically for time from the Senator from Arizona, who wanted 15 minutes. In view of the order that was entered, we did not object on the basis we thought there would be adequate time.

Now we are approaching 12:30. We will recess at 2. With a half-hour coming out of that, there are only four opportunities to be recognized at 15-minutes levels.

I do not object on the basis of my good friend's recognition, but in view of the fact we did not ask for specific recognition for Senator GOLDWATER.

Could we accord him 15 minutes from Senator EAGLETON in order to balance this situation?

Mr. EAGLETON. I will withdraw the 15.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request. Senator EAGLETON's 15 minutes will be sufficient.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. EAGLETON. I yield 1 minute to the Senator from South Carolina.

Mr. HOLLINGS. I want a little bit more than that.

Mr. EAGLETON. I only have 15 minutes. I yield 2 minutes.

(Mr. HOLLINGS' remarks at this point in connection with the introduction of a bill are printed under Statements on Bills and Joint Resolutions.")

PRIVILEGE OF THE FLOOR

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James Lucier of my staff be granted the privilege of the floor during any discussion or vote on Senate Resolution 9 today or any succeeding day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. I yield to the Senator from South Carolina.

ANN STEVENS

Mr. HOLLINGS. Mr. President, the gifts of warmth, enthusiasm, and joy of life are human traits, but individuals differ in their capacity to share them. And rare indeed is that person whose own vitality and humanity can inspire others to discover the same traits in themselves. Such a person was our friend—our good and cherished friend—Ann Stevens.

Mr. President, I do not make comments to get a response from our distinguished colleague from Alaska, but Ann was too much a member of this body and a member of the family of U.S. Senators that we not make some comment here.

At her funeral, whaling captain Oliver Leavitt said that "She was a part of us," and I felt immediately that he had captured the almost universal appreciation people had of Ann. Wherever she went, whomever she met, people felt that way. I saw it in the Eskimo community. I saw it all around Alaska; here in

Washington, and on trips overseas. Her appreciation of other people knew no artificial divisions. She loved people. She loved life. And she lived it with a vitality and grace that won the hearts of all who knew her.

My wife, Peatsy, and I have lost a dear friend—one of the closest we will ever have. The memories of our times together will remain with us always, as will the knowledge that as wife, mother, and citizen, here was a person who contributed in her short life what most of us cannot contribute in many years more.

Our hearts and hands go out to TED and to each of the five Stevens children. We share in their loss as we shared in their happiness. And we share, too, in the special gift of having known a very special person.

Mr. President, Peatsy and I were among those who attended the funeral. We participated in the service, listened to the eulogy, and learned the depth of admiration and friendship which this remarkable woman drew from those around her. I ask unanimous consent that Oliver Leavitt's eulogy, the program of the service, some commentary and news coverage from the Alaska press, and Chaplain Elson's eloquent prayer be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANN: A PART OF ALASKA

(Here is the text of Oliver Leavitt's eulogy for Ann Stevens, given at her funeral here Saturday. Leavitt is a whaling captain from Barrow:)

Ann Stevens shared her enthusiasm for life with us. She was a part of us, whether on a whale hunt or in the quiet of our homes.

She was the counter part of Senator Ted. Her partner's visits were necessarily action and issue oriented. Ann's presence brought calm to rustled waters.

We would like to think that Ann Stevens captured the depth of our spirit. She understood the beauty and silence of the ice, or the contrasting silence of a whale watch. And yet, her eyes would sparkle with the capture of a whale as she joined in the work and enthusiasm of an entire community harvesting its subsistence. She reflected the spirit of our dances, of feasts and festivals. She also understood the dramatic change that we, as a people, are experiencing and was most helpful in translating that change to ourselves and to the world that she knew.

The same person hosted us and helped us feel at home in the much different atmosphere and complexity of our nation's capital.

Somehow we, her friends in the Arctic, feel at peace today. We feel blessed and are happy and thankful that Ann Stevens journeyed our way.

We feel confident that she will continue to be with us in our efforts to meet the challenges of life; and in our own way and custom the story about her will grow as we tell our children about a special lady who was an aide and companion to another special friend of ours.

We, the Eskimo community, appreciate this opportunity to publicly express our gratitude for a friend and to share the common spirit that we feel about her with her relatives and friends.

She lived a great life—and we all shared in it.

STEVENS FUNERAL

CELEBRANTS

The Rev. Norman H. V. Elliott, *Rector, All Saints' Episcopal Church.*

The Rev. James W. Buffington, *Pastor, First Methodist Church.*

The Most Rev. Francis T. Hurley, *Archbishop, Archdiocese of Anchorage.*

Mr. Oliver Leavitt.

Ms. Myrtle Johnson.

Ms. Arlene Ray, organist.

ACTIVE PALLBEARERS

Dave Covich, Warren Elliott, John Katz, Al McDermott, John Monroe, Marco Pignalberi, Jack Roderick, and Mike Spaan.

HONORARY PALLBEARERS

Barbara Andrews, Mrs. Howard Baker, Mrs. Henry Bellmon, Rose Blakely, Ken Brady, Carl Brady, Sr., Carl Brady, Jr., Corrine Blair, Kit Crittenden, Mrs. Marlow Cook, Mrs. Lawton Chiles, Mike Dalton, Karen Fitzgerald, Governor Jay Hammond, Mrs. Ernest Hollings, Wally Hickel, and Mrs. Henry Jackson.

Andy Milner, Gloria McCutcheon, Wilda Marston, Rosemary Messer, Mrs. James McClure, Maxine Nerland, Mrs. Gaylord Nelson, Edie Opinsky, Alice Puster, Marie Pignalberi, Maxine Reed, Matilda Stepovich, Margaret Sullivan, Molly Tryck, Jo Anne Wold, Congressman Don Young, and Mrs. Milton Young.

ANN STEVENS, JOE RUDD

(By Joe Josephson)

The wife (or husband) of a political leader has a difficult task. That others have performed admirably as partners for politicians doesn't make the task easier. In a way, the variety of successful styles which are serviceable models makes the task more confusing.

Eleanor Roosevelt was a public person, an author and lecturer, her husband's eyes and ears and legs, and maybe a spur to his social awareness and conscience.

Bess Truman was a private person. In the midst of all the storms and troubles of Harry Truman's presidency, she helped maintain her husband's perspective on life's values and renewed his strength for struggles yet to come.

Ann Hart, the wife of the late Sen. Phil Hart of Michigan, was a political activist. While her husband served in the Senate, she participated in a peace demonstration at the Pentagon. Sen. Hart didn't mind. He wanted his spouse to follow the dictates of her own conscience in political matters. He thought that Michigan voters who knew him for his own integrity would expect nothing less.

Vide Bartlett made no speeches, wrote no policy papers. But she matched her husband, the late Sen. E. L. (Bob) Bartlett of Alaska, in his love of Alaska's people, Alaska lore and Alaska friendliness. She helped him give warmth to the sometimes stodgy office of a United States Senator. She helped him remember always who sent Bob Bartlett to Washington and in whose service his career was to be dedicated.

Ann Stevens was no stranger to the Washington scene when her husband, Ted, became a Senator. A political science graduate herself, she was familiar with the models I have mentioned, and others. But if she was alert enough to be influenced by good examples, she was genuine enough to do things in her own inimitable way. She steered clear, too, of all pitfalls.

The pitfalls are obvious. When one's partner in marriage comes under attack, as politicians must expect will happen, the spouse can develop life-sapping grudges or hatreds against third parties. The spouse can absorb all the stories from the political partner—stories that are usually rendered in a one-sided or self-serving way, human nature being what it is. The grudges may be held long after the politician has forgotten what the issue really was and has gone on to other problems.

The spouse can be supportive and comforting—to the degree that the political partner is reinforced in his or her shortcomings or biases, instead of encouraged to grow in wisdom and insight.

The spouse can be challenging—the "devil's advocate"—to the extent that the politician sees the spouse as another adversary to be reckoned with.

In an effort to be helpful, the spouse can ignore warning signs that may suggest that the politician partner should really be doing something else, developing new temporary or permanent career interests which offer better opportunities for self-actualization and public service.

The spouse can be overwhelmed by the perceived glitter or perquisites of high public office and help generate a false perspective that places superficialities ahead of purposeful service.

By all of the evidence, in the midst of all of these pitfalls, Ann Stevens carved out a sensible and sensitive role. Probably no woman in Alaska history has met all of the challenges as the partner of a mate in public life with equal success, in each aspect of a well-rounded life. She was wife, mother, friend, adviser, businesswoman. She could organize her time, without losing spontaneity and spark, and without a trace of brusqueness. She was comfortable with the high and the mighty, and with ordinary folks.

She moved with ease from whaling expeditions in the Arctic to receptions at the White House. Although devoted to her husband's Republican causes, she knew the limits of partisanship, and she understood that an incumbent serves all his constituents, regardless of party. We are, to paraphrase Lyndon Johnson, Alaskans first and Republicans or Democrats or independents or Libertarians second.

If these thoughts have been expressed better, and sooner, by others, then I apologize. But sometimes one finds it just necessary to write down the reflections of the heart.

Much has been written, too, about Joe Rudd, the distinguished lawyer who met his death in the same crash. But this column is about the spouses of political people, and the tributes to Joe haven't focused on his own largeness of spirit as the spouse of a state representative, Lisa Rudd.

It's natural that the tributes to Joe Rudd centered upon his expertise as a lawyer and his own community services. But he set an example as a man who encouraged a creative woman to make her own community contributions in her own style, in public life.

He was secure enough about his achievements and his place in the community to do that—to help give Alaskans the benefit of his wife's two terms of service in the Legislature. That was a community contribution by Joe Rudd which may have been overlooked this week. In some ways, it may represent some kind of model for Alaska husbands in a state that needs more talented people, both men and women, in elective office.

There's a lot of work to do in Alaska. Ann Stevens and Joe Rudd set some wonderful examples, examples that should get those of us who are left after them to roll up our sleeves.

ANN "WAS ONE OF US": FRIENDS BID GOODBYE TO MRS. STEVENS

(By Susan Andrews)

"Ann Stevens was one of us," Barrow whaling captain Oliver Leavitt said Satur-

day in a moving eulogy to the wife of Alaska's Sen. Ted Stevens.

"Whether on a whale hunt or in our homes, her presence brought calm to ruffled waters," Leavitt told the family of Ann Cherrington Stevens and more than 600 friends who gathered here for the funeral at First Methodist Church. It was an Episcopal service, conducted by the Rev. Norman H. V. Elliott of All Saints' Episcopal Church.

Mrs. Stevens, 49, died Monday in a plane crash at Anchorage International Airport.

Among the mourners was Tony Motley, who with Sen. Stevens survived the crash in which five lives were lost. Motley has yet to be released from Providence Hospital, where he is being treated for a broken collar bone and other injuries.

Former State Rep. Lisa Rudd also was there. Her husband, Joseph, a prominent Anchorage attorney, was one of the five victims of the crash.

Also present Saturday were parka-clad contingents from Barrow and Nome, and a planeload of mourners from Washington, D.C., including Sens. Howard Baker, Henry M. Jackson, Tom Eagleton, Ernest Hollings and Mrs. Hollings, and Stevens' fellow Alaskan, Sen. Mike Gravel and his wife, Rita, and congressmen, including Rep. John Durkin.

Both Mrs. Jackson and Mrs. Hollings were among the honorary pallbearers.

So were Gov. Jay Hammond, Rep. Don Young, Wally Hickel and Mrs. George Sullivan. Former Anchorage Borough Mayor Jack Roderick was among the active pallbearers

Young, who has worked closely with Stevens on the Alaska land issue for many months, was weeping as he left the church with his wife, Lu.

Stevens and his daughters Beth and Susan, both in black, and sons Walter, Ted Jr. and Ben, sat in the front of the church. They followed the casket as it was moved down the aisle after the service.

Barbara Andrews, who manages the senator's Anchorage office, sat with others of the senator's staff during the service. She walked alone up the aisle afterward, her eyes downcast.

A score of floral arrangements—including one large wreath of greens and two dozen white poinsettia blossoms—were placed at the front of the church. Many of the flowers were later taken to the cemetery, where bitter cold winds tossed them about and bruised them.

Ann Stevens, who took delight in sharing the traditional whale hunt with North Slope Eskimos, "understood the beauty and silence of the ice," Leavitt said in his tribute, recalling that her eyes sparkled when the catch was brought in. "And she reflected the spirit of our dances, feasts and festivities."

Ann also understood the dramatic change the Eskimo people are experiencing, Leavitt said, and she was "most helpful in translating that change" both to the Eskimo people and to people Outside.

And she hosted and "helped us feel at home in a much different atmosphere," he said, when they visited the nation's capitol.

"We feel blessed, happy and thankful that Ann Stevens journeyed our way," Leavitt said. "We are confident she will continue to be with us.

The stories about Ann Stevens will grow, Leavitt said, "as we tell our children of a special lady, who was aide and companion to another special friend of ours. . . . "

"She lived a great life and we all shared in it."

Myrtle Johnson, who runs Stevens' Nome office, described Ann Stevens in Eskimo and then translated it: "a very good woman," she said. And she said "Thank you" to Mrs. Stevens' husband and family for sharing her with them.

"She was a true Alaskan, traveling over the whole state," Ms. Johnson said. "She became a part of us." Though small in stature, Ann Stevens was "mighty in her actions."

Only time will ease the pain her family and friends feel now, she said. "Knowing Ann, she would say 'Pick up the pieces,' the world goes on."

The Most Rev. Francis T. Hurley, archbishop of the Roman Catholic archdiocese of Anchorage, said God's message, "I will raise him up on the last day," highlights the paradox of the Christian on earth, who must prepare for ultimate unity with God but first must respond to the realities and people of the world.

"For all who knew Ann Stevens, the picture emerging here is clear. She was in every sense a Christian woman."

She had "external charm and internal consecration of spirit," he said. "She set a high standard. She moved easily and gracefully among national and international leaders, but with equal grace among those from whence she came. She made it a point to stay in contact. Even on the day of her death, she was sharing her recipes in the newspaper.

"She had deep respect for people," Bishop Hurley said, recounting an incident he had heard of Ann Stevens offering a bus—in the midst of her husband's recent campaign for reelection—to a group of children from St. Mary's. And she invited them to a reception for campaign workers.

"Such poise is possible only when one knows the deep love of husband and children," he said, and one who has "inner harmony with the natural and supernatural." In her, "Truly the grace of God had built on human nature.

"Through Ann Stevens," he said, "we pay tribute to the wives of all public figures."

A memorial service was held at the same time at St. John's Episcopal Church in Ketchikan.

It was snowing and a cold wind was blowing at the brief burial service which followed at Angelus Memorial Cemetery.

"In sure and certain hope of the resurrection to eternal life . . . we commend to Almighty God our sister Ann; and we commit her body to the ground; earth to earth, ashes to ashes, dust to dust," recited Father Elliott.

The VIPs and pallbearers were carried by military car and bus to the cemetery. It took an hour for the slow-moving 100-car procession to make the trip.

The delegation which arrived from Washington by plane Saturday was hosted Saturday evening at dinner at the home of Mr. and Mrs. Al Swalling.

FRIENDS COME TOGETHER TO SAY FAREWELL TO ANN STEVENS

Anchorage townsfolk joined national and state personages Saturday afternoon to say goodbye to Ann Stevens.

The territory was unfamiliar to some.

The ground at Angelus Memorial Park was icy, the wind was bitter. At midafternoon, the huge orange sun dipped behind the Alaska range to the southwest. It was nearly dark and snow was falling when they lowered Mrs. Stevens into the frozen earth.

U.S. Senators, some with their wives, stood ceremoniously as they have many times before at funerals. Their high stations call for them to do so.

Nearly all had tears in their eyes.

Tears flowed also from just plain friends of Ann Stevens. It was a sad afternoon.

Earlier at the crowded funeral in the First United Methodist Church downtown, Tony Motley, who with Sen. Ted Stevens had survived the crash that killed Mrs. Stevens and four others, entered just before the Episcopal rite began. He carried a cane, an arm was in a sling, his face was puffy and nearly colorless.

He was accompanied by his wife Judy, who had come so close to being made a widow Monday afternoon.

Special arrangements had been made to bring Motley from Providence Hospital, where he is still a patient, to the service. Hospital community relations man Chris Beardsley was made responsible for Motley and sat near him up front in the church. Motley was brought downtown more than an hour early so he could rest in one of the church offices before making has appearance.

The widow of Joe Rudd, who also was killed in the crash, was seated on the same row with the Motleys. She was accompanied by Carolyn Guess, a friend of the Rudds who also is the widow of a prominent Alaskan. Her husband, Gene Guess, a one-time candidate for the U.S. Senate, died four years ago.

U.S. Sen. Mike Gravel cut short a trip to Saudi Arabia to be here for the ritual. On his arm was his wife Rita. The Gravels were married in the same sanctuary 19½ years ago.

Lu Young clung tightly to the arm of her husband, U.S. Rep. Don Young. Young was so distraught by Mrs. Stevens' death Monday that he instructed his staff not to put callers through until Tuesday morning.

Gov. Jay Hammond, appearing deep in thought, was the chief state mourner. Also in church were two former governors, Walter Hickel and Keith Miller.

This year's unsuccessful gubernatorial candidates, Tom Kelly and Chancy Croft, with their wives, and Jimmy Drew Lockhart were there.

So was former Lt. Gov. Lowell Thomas Jr. and his wife Tay. And former Lt. Gov. Red Boucher and his wife Vicky. And former Lt. Gov. Bob Ward and his wife, Beverly.

Anchorage Mayor George Sullivan, a former neighbor of the Stevenses, attended. His wife, Margaret, was an honorary pallbearer. Former Anchorage Borough Mayor Jack Roderick was an active pallbearer.

Alaska labor leader Jesse Carr and his wife were at the funeral and at the graveside for the burial.

Members of Stevens' staff in Alaska and in the District of Columbia attended. Barbara Andrews and Gloria McCutcheon, both visibly grieved, were among the few who were given special seats just behind the Stevens family at the cemetery. Former Stevens staff members now living in Anchorage—Jim Crawford and Mike Todd, with his wife, Karen—attended.

Vern Wiggins, director of the Citizens for the Management of Alaska Lands, was at the church. Stevens was en route to a meeting at Wiggins' office when the fatal crash occurred.

"I went into a bar that night and had a drink," he said. "It was the first drink I had had in three years, since I developed this thyroid condition."

There were three nuns from Providence Hospital: Sister Claire Gagnon, Sister Stella Marie and Sister Lucille.

Federal Judge and Mrs. James von der Heydt came. So did district Judge Joe Brewer.

Two generals sat with the distinguished guests: Lt. Gen. Winfield W. Scott Jr., commander of the Alaskan Air Command, and Brig. Gen. Theadore G. Jenes Jr., commander of the 172nd Infantry Brigade (Alaska). Both are new to the state.

Fellow parishioners from All Saints' Episcopal Church, which was too small for the funeral, included the Oakley Browns, the Karl Hahns, Christina von Hoene, Bettie Peck and Mrs. Pat Symonds.

And then there were friends.

The Bob Atwoods, with their daughter, Elaine; the Jim Isbells, the Don Smiths, the Bill Dorcys, the Al Bramstedts, the Richard Anglemyers, the Ken Maynards, the Jack

Andersons, the Bill Nugents, the Ken Humes, the Kent Edwardses, the Bert Halls, the Bill Tobins, the Fred McGinnises, the Bill Arnolds, the Arme Espes, the Bruce Schultheises, the Ken Taylors, the Herb Hilschers, the Lou Simpsons, the Bob Penneys, the Clinton Andrewses, the Charles Towills, the Larry Landrys, the Charles Trycks, the Vern Hickels, the Frank Reed Jrs.

Bill Scott, Tim Sullivan, John Havelock, Ray Waters, Al Augestad, Morris Thompson, Lael Morgan, Brooke Marston, Cliff Groh, Robert Weller, Dorothy Beaulieu, Rep. Tim Kelly, Sen. Mike Colletta, Bill Bittner, Gen. Nick Necrason, Jim Lexo, Bob Hickel, Ron Birch, Jim Parsons, Rose Bolik, Bob Thwing, Ken Sheppard, Kay Fanning, John Parks, Hoyt Cole, Mary Taylor, Clay Beal, Rep. Bob Bradley.

And scores and scores more.

Active pallbearers, in addition to Roderick, were Dave Covich, Warren Elliott, John Katz, Al McDermott, John Monroe, Maco Pignalberi and Mike Spaan.

Honorary pallbearers were Barbara Andrews, Mrs. Howard Baker, Mrs. Henry Bellmon, Rose Blakely, Ken Brady, Carl Brady, Sr., Carl Brady, Jr., Corrine Blair, Kit Crittenden, Mrs. Marlow Cook, Mrs. Lawton Chiles, Mike Dalton, Karen Fitzgerald, Gov. Hammond, Mrs. Ernest Hollings, Walter Hickel, Mrs. Henry Jackson, Andy Milner, Gloria McCutcheon, Wilda Marston, Rosemary Messer, Mrs. James McClure, Maxine Nerland, Mrs. Gaylord Nelson, Edie Opinsky, Alice Puster, Marie Pignalberi, Maxine Reed, Mathilda Stepovich, Margaret Sullivan, Molly Tryck, Jo Anne Wold, Rep. Don Young and Mrs. Milton Young.

Organist at the funeral was Arlene Ray.

PRAYER BY THE REV. DR. EDWARD L. R. ELSON, CHAPLAIN, UNITED STATES SENATE AT THE ORIENTATION FOR NEW SENATE WIVES OF THE NINETY-SIXTH CONGRESS, OLD SUPREME COURT CHAMBER IN THE CAPITOL, JANUARY 16, 1979

Eternal Father, in whom we live and move and have our being;

We thank Thee for all the hallowed memories which cluster about the life of Ann Stevens.

We thank Thee for the life she lived, the witness she gave, the love she revealed, the faith she affirmed.

We thank Thee for the home she made, the children she mothered and the partnership shared with her husband in the affairs of government.

May some measure of her beauty and goodness fall upon each of us that in the days given to us we may serve Thee better.

Now send us to our work and our play and our leisure made strong in the Lord and in the power of His might. Make firm our union with our loved ones at home and at work. Match us in love and in the spirit of service to the needs of this hour. Make us good enough and great enough for our generation. May goodness and mercy follow us all the days of our lives that we may dwell in Thy house forever. Amen.

Mr. EAGLETON. Mr. President, I very much wish to associate myself with the fine remarks of the Senator from South Carolina.

I have known of no finer person in my entire life than Ann Stevens. It was a loss to many of us, especially to my wife. Mrs. Stevens and my wife were, indeed, very close friends.

There is not much more I can say at this time.

Mr. HOLLINGS. I thank my distinguished colleague.

I know that we all join in this.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I wish to associate myself with the remarks, very appropriate, timely and thoughtful remarks, that have been made by Mr. HOLLINGS and Mr. EAGLETON.

Mr. DOLE. Mr. President, the great British philosopher Bertrand Russell one wrote a book called "Marriage and Morals." And in it, he expressed the following maxim—

To fear love is to fear life, and those who fear life are already three parts dead.

Ann Stevens never feared life. She epitomized it. She gave it a joy and nobility that others could only dimly perceive, and she made it more hospitable for all who came in contact with her.

Ann Stevens never feared love. She was blessed with an abundance of that rare gem, along with generosity in sharing it. She shared it with her husband and with five children. She shared it with friends and with all the people of her adopted home, Alaska. They returned her love, and when she left us in a tragic accident several weeks ago, they joined with us in expressing the age-old shock that accompanies the premature death of a good and loving woman.

The ways of the Almighty are indeed beyond our comprehension. The whys of Ann Stevens' passing may never be answered. But the wonders of her life are ours for the contemplation and enjoyment. Memories do not replace a loved one. But no one really dies if they live on in the remembrances of those they knew and loved. We remember Ann now, and she is with us still.

And we are blessed to have with us her loyal and loving husband. TED has our sympathy and our warmest respect. Like his wife, TED is a person of courage, tempered by a warmth that melts partisan prejudice and invites both personal and political intimacy. He has come far, and he has far to go.

To him in his hour of sorrow, a sorrow shared by his friends and colleagues, I would address the famous lines of Robert Frost. "The woods are lovely, dark, and deep, but I have promises to keep. And miles to go before I sleep. And miles to go before I sleep."

Ann Stevens kept all her promises, and more. May her example inspire the rest of us as we travel the miles allotted before we, too, achieve our rest.

Mr. SCHMITT. Mr. President, although a relatively recent addition to the U.S. Senate, having been here for about 2 years, I did get to know the wife of our distinguished minority whip, Ann Stevens, through her graciousness as a hostess and as a person. Never have I run into a woman or a person who was more warm in the hospitality she showed in her home, and more dedicated to the life that she and her partner, TED STEVENS, were leading.

I think this was brought home most forcefully at the very simple but majestic funeral and interment that occurred in Anchorage.

I had the honor and privilege of attending that event. As we went through the proceedings, the friends and neighbors and Ann Stevens and TED STEVENS reiterated in many different ways and eloquent ways the life she had led and the life they had led with her.

Finally, standing in the snow-covered hills of that part of Alaska with those friends and neighbors, I could not help but feel that Ann Stevens was going to be remembered for as long as there are snow-covered hills in Alaska.

I know the great loss the Senator from Alaska, our friend, TED STEVENS, has felt. But it is a loss we all feel, and I hope that he knows, and I am sure he does know, that our hearts are with him and his family.

Mr. THURMOND. Mr. President, I wish to extend to our colleague, Senator TED STEVENS, deepest sympathy on the untimely death of his wife, Mrs. Ann Stevens, in the terrible airplane crash which occurred in Alaska on December 4, 1978.

This crash which also claimed the lives of several others and almost cost Senator STEVENS his life was a great shock. To all of us who have known the Stevens family so well and have associated with them it was particularly shocking.

Mrs. Stevens was a great lady who was a constant source of strength and support for her husband. We in this Chamber, as public figures, know the blessings of a strong helpmate in the performance of our public duties. Mrs. Stevens not only provided devoted sustenance to her husband but also carried on the many and varied activities which are common to Senate wives. Beyond that, however, she was always busy with the work she saw that needed to be done. In the years before her husband was elected to this body, she was very active in the League of Women Voters and its concerns. She continued to share in these concerns after coming to Washington, even though she could no longer participate as a member.

A mother of five children, she was a vital, active woman who gave of her time and her talent for many goals she felt worthy. As a part of the Senate family, for example, she was an integral part of the Senate Wives Club and the activities of that organization.

In recent times, she had undertaken the partial operation of two businesses: first, a flower shop and, then, the restoration of old homes. She put herself into both of these operations with the same enthusiasm and verve that always characterized her activities.

Her death with several friends on a flying trip home to Alaska for Christmas was tragic, but we are, indeed, thankful that our colleague, Senator STEVENS, was spared in this accident.

My wife Nancy joins me in extending our deep sympathy to Senator STEVENS and all of his family on the death of his wife, Mrs. Ann Stevens.

Mr. STEVENS subsequently said: I ask unanimous consent that this statement be printed at the close of the remarks concerning my departed wife. I want to thank all Members of the Senate who

have expressed their condolences not only here today, but to me personally and in writing, on behalf of myself and my children.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. EAGLETON. I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. I thank my friend from Missouri.

SENATE CONCURRENT RESOLUTION 2—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO TERMINATION OF TREATIES

Mr. GOLDWATER (for himself, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. GARN, Mr. HATCH, Mr. HELMS, Mr. LAXALT, Mr. MCCLURE, Mr. SCHMITT, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, Mr. YOUNG, Mr. ROTH, and Mr. HUMPHREY) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 2

Whereas under the Constitution of the United States, treaties are solemn undertakings of the duly established authorities;

Whereas by article VI of the Constitution United States, treaties are solemn undertakings of the duly established authorities;

Whereas by article VI of the Constitution and decisions of the Supreme Court, treaties are deemed to be part of the law of the land;

Whereas article II, section 3, of the Constitution states that the President "shall take care that the laws be faithfully executed";

Whereas the Senate, being a partner with the President to the treatymaking authority, possesses a special interest and role in the method used by the United States for the termination of treaties;

Whereas, in accordance with the separation of powers, the President should not unilaterally terminate a treaty absent a material breach by another party;

Whereas the termination of a defense treaty is a decision of the highest national importance which, under the checks and balances system, should receive the added deliberation provided by the participation of the Senate or Congress;

Whereas, as a matter of actual practice under the Constitution, treaties or obligations thereunder generally have been terminated by the United States only upon notice having been given by the President acting pursuant to or in anticipation of the authorization or direction of the Congress or Senate;

Whereas under United States practice, the Senate and House of Representatives have acted jointly in the enactment of legislation terminating over forty treaties;

Whereas the United States has never terminated a defense treaty with a friendly government: and

Whereas bipartisan support in the United States Senate was instrumental in creating the entire structure of interlocking and interdependent treaties which has helped safeguard the peace and security of the Nation in the period following World War II: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, in accordance with the separation of powers under the Constitution, the President should not unilaterally abrogate, denounce or otherwise terminate, give notice of intention to terminate, alter, or suspend any of the security treaties comprising the post-World War II complex of treaties, including mutual defense treaties, without the advice and consent of the Senate, which was involved in their initial ratification, or the approval of both Houses of Congress.

THE PRESIDENT'S RECOGNITION OF RED CHINA

Mr. GOLDWATER. Mr. President, on December 15, President Carter announced his unilateral decision to recognize Red China, break relations with the Republic of China on Taiwan, and abrogate our defense treaty with her. What the President did is bad enough. But the way he did it, is even worse. For by his actions, the President of the United States has thumbed his nose at a Congress controlled by members of his own party.

In the face of a law he himself signed just last September which calls for prior consultation, he has ignored the Congress. In no way did he consult with us.

He told a few Senators 1 or 2 hours ahead of the event, at the same time he was briefing selected members of the media, what he was going to do; but he did not consult.

He did not allow us to have an opportunity to influence policy. In fact, he deliberately acted while Congress was out of session so that we could not mount any organized answer to his decisions.

The President has belittled the Congress by acting as if he holds the entire wisdom to himself. He only talked with people who shared his views. He did not want to hear the voice of the people.

It is obvious the President was afraid of having a public debate on the issues. "What does the public know?" he seems to have said. The executive branch has all the truth and cannot gain from consulting with others.

Mr. President, this is arrogance at its worst. It is reneging on a promise made to the people before he was elected, that the President would listen to their commonsense opinions and bring the American public into the mainstream of important policy decisions.

And it is a violation of his duty to uphold the Constitution because the President is trying to break the law. He is trying to amend the Constitution without sending the amendment to the States.

The President has taken an unprecedented action. No President has ever terminated a defense treaty. And there is no court decision, that anyone can point to, that says he has power to do it.

A defense treaty is different from other treaties. A defense treaty is tied to the war powers.

The framers of the Constitution viewed the termination of a defense treaty as being equivalent to an act of war. It is a formal act resembling a public declaration of war.

So those of my colleagues who believe the Congress possesses control over the war powers should be very careful they do not allow the President to set a precedent by grabbing control over the interpretation of military treaties.

Moreover, treaties of alliance were mentioned in the same breath as treaties of peace at the Constitutional Convention. The framers believed that treaties of peace would be used as the normal method of declaring a definitive conclusion of a war.

It is inconceivable that the framers intended for the President alone to terminate treaties of peace. In their experience, the repeal of a treaty revived the chance of a resumption of hostilities and gave ground for the other nation to declare war.

Even if the State Department can show a handful of incidents which they claim are precedents for independent Presidential termination of minor treaties, it is clear the President cannot exercise the same power with respect to treaties of peace and alliance, both of which are directly linked to the war powers.

Mr. President, the unfortunate truth is that the State Department has given very poor legal advice to President Carter. I have seen the legal adviser's memorandum. It is actually a legal brief, a one-sided argument that hides from the Secretary of State and the President anything that does not agree with a preconceived policy decision.

The State Department memo is filled with fabrications. It is built on half truths and omissions. For example, it omits a 1941 Attorney General's opinion which told President Roosevelt he could not act under the notice provision of a treaty unless he had authority from the Senate or Congress.

The State Department has not identified any text of the Constitution which states that the President alone can repeal a treaty. And since he is the one who has acted unilaterally, the burden should certainly be on him to prove he has the power. If there is any doubt, he obviously should have come to the Congress to explain his policy wishes, and then sought to work out that policy in cooperation with the Congress.

But no, President Carter has rejected the course of cooperating with the Congress. He has presented us with an accomplished fact—at least until the courts overturn his action, as I fully expect them to do.

Mr. President, I might remind my colleagues that the Constitution is silent on how to repeal an act of Congress. Article I declares how a bill shall become law, but it nowhere states how that law shall be repealed.

Are we now to expect that the President will say that he can terminate a statute enacted by Congress? For a treaty is specifically made equal to an act of Congress by the Constitution. Article VI states that a treaty is placed among "the supreme law of the land."

The answer is obvious. Just as the President cannot break any other law, he cannot repeal a treaty.

In fact, the Constitution expressly tells him he must faithfully carry out a treaty. Article II, section 3, states that the President "shall take care that the laws be faithfully executed." This is exactly the opposite of conferring upon him a power of repealing laws.

Mr. President, there is a very good reason why the framers intended the

treaty termination power to be a shared one. By vesting the power of ending treaties jointly with the President, plus the Senate or Congress, the framers meant to assure that the people would receive greater security. They would have the security that results from the extra caution that accompanies placing a decision in the hands of more than one person. The people would have the security that comes from the added deliberation and consideration which would be given the subject if both the President and Senate had to act on the critical decision of canceling our solemn word as pledged in a formal treaty.

Now, I know the President claims the Taiwan treaty is different. He claims he is acting under a provision of that treaty which allows its termination upon 1 year's notice by either party.

But the President has not told us that nowhere in that treaty is there any reference to "the President of the United States." The treaty only uses the term "party."

This word, of course, means the sovereign authority of the state, who is empowered to perform the specified act. To find out who in our Government possesses that power, we must turn to the Constitution.

So in saying he is the "party" mentioned in the treaty, the President is reasoning in a circle. He is making a self-serving interpretation of the Constitution.

But he cannot do this. The courts have said over and over that it is their province "to say what the law is."

So the President is not only usurping the power of the Senate, he is invading a field reserved to the courts.

Mr. President, there is an important matter of policy involved, too. If the President succeeds in getting away with ending the defense treaty with the Republic of China, he can cancel every treaty we have with another nation.

An isolationist President could pull us out of NATO without any prior consultation. A hawkish President could remove the country from the restrictions of the Nuclear Nonproliferation Treaty, and so on.

Therefore, President Carter's unilateral action is a dangerous precedent for the future. Unless we speak out now, in the courts or in legislation taking a stand in defense of our constitutional rights, we will long regret the missed opportunity and the American people will blame us eternally for our weakness.

Mr. President, at this time I submit a resolution in which I am joined by 15 other Senators.

The PRESIDING OFFICER (Mr. MORGAN). The resolution will be received and appropriately referred.

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. STEVENS. Mr. President, will the Senator permit me to be recognized, so that I may yield my time to the Senator from Missouri?

Mr. HARRY F. BYRD, JR. I also intend to yield time to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I yield my 15 minutes to the Senator from Missouri.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators talking in the aisles will please take their seats.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the able Senator from Arizona for his excellent and powerful speech in the Senate today in regard to the question as to whether a President unilaterally can abrogate a treaty of friendship with another nation.

I will speak on this subject at a later time, but at this time I want to express strong commendation to the Senator from Arizona (Mr. GOLDWATER) for his provocative and thoughtful words this morning.

SENATE RESOLUTION 15—SUBMISSION OF A RESOLUTION RELATING TO MUTUAL DEFENSE TREATIES

Mr. HARRY F. BYRD, JR. Mr. President, on Monday, the Senator from Virginia, the Senator from South Carolina (Mr. THURMOND), and my colleague from Virginia, Senator WARNER, presented a Senate joint resolution dealing with precisely this matter.

Today, these three Senators, plus the Senator from North Carolina (Mr. HELMS) will present in a moment a virtually identical resolution. While the resolution presented on Monday was a Senate joint resolution, I am today presenting a Senate resolution, and I am doing this for parliamentary purposes.

So, at this point I send to the desk a Senate resolution, ask that it be stated, and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I will not object until the clerk states the resolution.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That it is the sense of the Senate that approval of the United States Senate is required to terminate any Mutual Defense Treaty between the United States and another nation.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, is this a simple resolution?

Mr. HARRY F. BYRD, JR. A simple resolution.

Mr. ROBERT C. BYRD. I object, Mr. President, with respect to my friend.

The PRESIDING OFFICER. The resolution will go over, under the rule.

Mr. HARRY F. BYRD, JR. May I ask the Chair to state that again? The resolution goes over under the rule?

The PRESIDING OFFICER. Under the rule.

Mr. WARNER subsequently said: Mr. President, I consider it a great privilege to cosponsor Senate Resolution 15, a resolution concerning mutual defense treaties, submitted by HARRY F. BYRD, JR., the senior Senator from Virginia.

The resolution provides that it is the sense of the Senate that approval of the U.S. Senate is required to terminate any mutual defense treaty between the United States and another nation.

Further, Mr. President, I note my commendation to our distinguished colleague from Arizona, Mr. GOLDWATER, for his comments earlier today with respect to a problem that very definitely needs the wisdom and experience that he has.

Thank you, Mr. President.

Mr. HARRY F. BYRD, JR. Mr. President, I yield the remainder of my time to the Senator from Missouri, who has been very gracious with his time this morning.

IRAN: WHO REALLY LOST

Mr. EAGLETON. Mr. President, in 1976 I visited Iran as part of a Senate delegation. When some of us in the delegation—particularly Senator CULVER and myself—expressed to then Ambassador Helms an interest in asking some hard questions of the Shah, we were advised that we must be cautious in asking any embarrassing questions because it would not be wise to antagonize the Shah. The Shah—the Daddy Warbucks of the Levant—knows best, so we were led to believe.

Following that visit, Senator CULVER and I made the following statement in the delegation's final report:

Despite a foundation of mutual interests, our relations with Iran today are far too dependent on a highly personalized relationship with the Shah . . . U.S. policy over the past 20 years has held and continues to hold that the Shah's responsiveness to our interests depends in large part in our continuing to reassure him, and to make clear to other countries that American relations with him and Iran are extraordinarily close and intimate.

Today, the Shah is gone, and with him the cornerstone of United States Persian Gulf diplomacy for a quarter of a century. We rescued him, nurtured him, fortified him, pandered to him, and inextricably linked our destiny to him. While he reigned, we flourished—or so some thought. Now that he has departed Iran, we are as empty there as is the Pahlavi dynasty. How did all this come to pass? How was Iran lost?

Thirty years ago, the Senate drew battle lines and engaged in serious—often bitter—debate on the "loss" of China. Today we ponder the "loss" of Iran. Now, as then, there are no formula answers. But it is helpful to ponder these riddles in the hope that self-examination will lead to some useful conclusions in the the Shah to Louis XIV. In his words, the New York Times, recently compared event of future Irans.

John Oakes, former senior editor of both monarchs considered themselves "the personification of the state." The Shah always considered himself the piv-

otal force in Iranian society. Small wonder that he was out of touch with the pressing realities of a growing opposition movement in his country. His loyal advisers and our CIA yes-men were always there to support his position and assure him that all was well. And, by our blind acceptance of the Shah as the embodiment of Iran, small wonder that the crisis leading up to his departure eluded us until the very last moment.

But that is not to say the crisis is one that developed at the last moment. For the current turbulent state of affairs in Iran is not a situation which began developing just last week, or just in the last few months, or even just in the last few years. It is a situation we should have seen developing as long as 25 years ago.

Back in 1953, a curious, erratic politician named Mohammad Mossadegh came to power in Iran. He was a super nationalist and suspicious of foreign domination by the British and the Americans and their corporate oil holdings in Iran. He sent the trembling Shah packing in 1953. However, good forture soon smiled on the Shah. This was the heyday of CIA coupmanship. We dispatched Kermit Roosevelt to Teheran, and with a small band of systematic insurrectionists, a few million well-placed dollars, and a modest supply of small arms, we toppled Mossadegh and placed the Shah firmly back on the Peacock throne.

In the early years, the Shah was satisfied to do our bidding, and to respect the geopolitical decisions of British and American oil cartelists. The Shah was our pampered puppet. But then the unexpected happened: the Shah started to think for himself. He perceived himself as the leader of a new Persian Empire. In pursuit of this self-styled legacy, he summoned a galaxy of international celebrities to Persepolis in 1967 for a coronation of sorts. The ostensible occasion was the 2,500th anniversary of the founding of the Persian Empire, but more to the point was the Shah's desire to fix in the eyes of his countrymen and the rest of the world his firm position on the peacock throne. The Village Voice described the Shah's regal gala with appropriate scorn:

> The Shah . . . yearned to be placed in the national historical pantheon ranging back to the ancient Persian kings. And in the eyes of international society, at least, he achieved his ambition with the famed coronation at Persepolis in 1967. Virtually every king was there except Kong. In a tented city a goodly proportion of the executives, chislers, and spongers of western capitalism gathered to marvel and stayed to gorge at a coming-out gala for a regime of unexampled savagery.

Of course, the Shah has not an ounce of royal blood in his veins. His dreams of grandeur were passed on to him by his father, a soldier in the Iranian Army who came to power in a coup in 1921. At that time, the Shah's father assumed Pahlavi as the family name. Pahlavi is the ancient Persian language, and it has a nice ring of royalty and antiquity to it.

And so these new Pahlavic assumed their roles of reincarnated leaders of the Persian Empire. The Shah determined not only to modernize his nation but to catapult it in one fell swoop from the 18th century to the 20th century, from a political and diplomatic backwater to a mini-super power.

His goal was to become the dominant military power of the Persian Gulf with a military might sufficient to ward off the Soviet Union for enough time to allow the United States to land troops in the area.

The Shah's designs for a new Persian Empire required vast amounts of money and arms, however. President Nixon fulfilled half of that demand on his 1972 visit to Teheran, when he promised the Shah not only the F-14 and F-15, but also virtually any other sophisticated U.S. weapon he wanted to buy.

That left only the money to worry about, and our buddy the Shah took care of that in 1973, as he led OPEC in a quadrupling of oil prices. Soon, the arms merchants were trooping to Teheran with their catalogs in hand. As a crowning irony, President Nixon also sent to Teheran our CIA chief, Richard Helms, as ambassador. What better person to hold the Shah's hand than Helms, who was becoming an increasing political embarassment at home anyway?

After all, the CIA had reinvented the Shah in 1953. In 1973, it seemed only logical to send our No. 1 sleuth to Iran.

Thus, in 1973, the Shah appeared to be riding high, enjoying the best of both worlds. On the one hand, he supplied oil to Israel, which gratified the United States. On the other hand, he beat the drums for higher and higher OPEC prices, which fed his grandiose military budget. But what the Shah ignored—and what we saw fit to ignore along with him was the continuing neglect of the Iranian masses which would, in the end, humble the Shah. Iranians, with almost a total illiteracy rate and a per capita income of $160 per year, were caught in the squeeze as long overdue social reforms were neglected in favor of a continuing buildup of expensive arms technology in the Iranian arsenal. The Shah could not possibly begin to absorb all of this technology, and we should have seen that in the end his planes and bombs could not save him from his own people

We placed our destiny in the Shah's hands. His intelligence sources became our sole intelligence sources when, in 1960, we struck a deal with him. In exchange for the right to position surveillance equipment along the Iran-Soviet border, we agreed to rely strictly on Savak—the Shah's dreaded secret police—for any intelligence information on Iran. By doing so, we effectively cut ourselves off from any contact with opposition elements within Iran. But this was the preference of our administration. Whatever the Shah said we accepted at face value. We ignored mounting reports of serious human rights violation in Iran because the Shah simply said it was not so. The Shah would have us believe only that all was calm and that he was firmly in command. As recently as June 1978, the Shah told a U.S. News & World Report interviewer:

> Nobody can overthrow me. I have the support of 700,000 troops, all the workers and most of the people. Wherever I go, there are fantastic demonstrations of support. I have the power and the opposition cannot be compared in strength with the government in any way.

These hollow words must be small comfort to the Shah in exile.

The lid really began to blow for good last year in Iran. The Shah began to do serious battle with a curious alliance. On the one hand, he faced dissidents who felt that his dreams of military and imperial splendor undercut more pressing domestic needs. On the other hand, he faced the backlash of conservative Muslims who resented a modernization program which undercut centuries-old religious traditions. Then, too, there was the Iranian military which wanted to maintain control at any cost. At the peak of the revolution, and continuing until the Shah's downfall, virtually every sector of Iranian society had become involved in the opposition. The Shah's only comfort were his Savak thugs, our CIA yes-men, and a mountain of U.S. military armament that he could not turn on his own people.

And so, at the end, the Shah sat on his majestic arsenal which could stave off the Russians, but not his own people. He has paid for his arrogance and authoritarianism by being compelled to leave his homeland. We are paying for our blind, unquestioning faith in the Shah by being left with no contingency policy in Iran.

Iran was never ours to lose. In our eyes, we equated Iran with the Shah. The Shah has gone, and with him goes U.S. policy. He is alone in exile. We are empty in Iran.

CAMBODIA: AN ONGOING TRAGEDY

Mr. EAGLETON. Once again, Mr. President, war has visited the tiny, bucolic country of Cambodia. This time, thankfully, American troops were not involved in the devastation. Yet we are not entirely removed from today's tragedy in Cambodia. It was American involvement in Cambodia from 1969 to 1973 that transformed a country which Gloria Emerson, former New York Times correspondent, described as ". . . A plump and gentle country where there were small houses on stilts and yellow pagodas" into what Dick Dudman of the St. Louis Post Dispatch recently described as ". . . A Hiroshima without the destruction, a Pompeii without the ashes," as we assess the current damage in Cambodia, we cannot do so without a hard look at the misguided policy we followed there so recently, a policy which drew Cambodia into the southeast Asia conflict and led indirectly to the tragedy of recent days.

Just 5 short years ago—in August of 1973—our senseless involvement in Cambodia ended. But only after we had decimated the country side with nearly half a million tons of bombs. Only after the destruction of homes, entire villages, and entire families. Only after the toll

of 3 years of war and destruction had made refugees of over one-third of Cambodia's population. And only after Congress following up on an amendment I was proud to author, literally forced President Nixon to stop the slaughter in Cambodia.

Our involvement grew out of our own self-serving, desperate interests. Self-serving because we featured ourselves the guarantors of peace and the containers of communism in Southeast Asia, and desperate because the reality of our ever-growing failure in Vietnam caused our policymakers to look for a way to save face. Thus our Commander in Chief—whose house was in a shambles—ordered bombing raids into Cambodia to "Save American lives" and "end the war."

Early in his administration—in 1969—President Nixon had announced that we would steer clear of the extension of the Vietnam war into Cambodian border sanctuaries where Vietcong troops had been positioned for some 3 or 4 years. Shortly after this announcement—and unknown to all but a handful of Nixon advisers—U.S. bombers began conducting secret bombing forays across the Cambodian border. It is no wonder that columnist Anthony Lewis later characterized the 1969 noninvolvement pledges as "One of Mr. Nixon's most brazen lies."

In April 1970, Mr. Nixon announced publicly the planned incursion into the parrot's beak and fish hook sanctuaries, the idea being to rid these border sanctuaries of Vietcong troops. It is estimated that—unknown to all but a few close to the President—the United States already had conducted some 3,500 secret bombing raids between March 1969 and the time of President Nixon's announcement. The April 1970 incursion—which we undertook to "end the war"—destroyed the sanctuaries, all right, but it also drove the Vietcong deeper into Cambodia, thus irreversibly expanding the conflict.

Prince Norodom Sihanouk—Chief of State of Cambodia until he was overthrown in March 1970—was a major victim of the Nixon-Kissinger Cambodia folly. Sihanouk was a master of neutralization. He had carried on a fairly successful balancing act with the United States and China, cultivating relations with both in an effort to maintain Cambodia's neutrality in the war. Sihanouk tried, to no avail, to persuade Nixon to keep American involvement out of Cambodia. In spite of the presence of Vietcong troops and Cambodia's border sanctuaries—which Sihanouk had known about for a few years—he still believed his country could remain detached. But our administration thought differently, and acted accordingly. Thus, Cambodia became irreversibly involved in the Indochina conflict. Sihanouk was replaced by Lon Nol, and in 1975, the Lon Nol regime was replaced by the Pol Pot regime, described by President Carter last year as "the most violator of human rights in the world today." No one knows the full extent of the atrocities committed by that barbaric regime. It is estimated that during Pol Pot's 3 years in power as many as 2 million Cambodians died.

There are many theories about what really happened in Cambodia between 1969 and 1973 when our involvement ended. Some believe that Sihanouk privately supported U.S. bombing raids. He has vehemently denied this. Some feel the CIA engineered the coup which put the pro-Western Lon Nol in power. This too has been denied, although some are quick to point out that the Nixon administration was much more comfortable with Lon Nol in power because he was amenable to U.S. military involvement in Cambodia.

An editorial in the April 1, 1970 Washington Post (following Sihanouk's overthrow and before public announcement of our military involvement in Cambodia), gave this advice:

> It is a fragile moment. If the leaders in Phnom Penh choose to pursue policies which pull Cambodia into the Vietnam whirlpool, that is their privilege. But their choice establishes no requirement on the United States to render its support . . . to lengthen the leash which has limited American military action is virtually to guarantee that pressures and demands will amount to lengthen the leash yet more.

The advice was ignored, and indeed we did lengthen the leash for 3 more years. Finally, in May of 1973, Congress had had its fill of the President's usurpation of the right to make war. On May 31, 1973, the Senate accepted my amendment to the supplemental appropriations bill, mandating an immediate end to our military involvement in Cambodia by stating that no funds appropriated in that bill or any other bill could be used for further military activity in Cambodia or Laos. When the bill finally reached the President—with the Eagleton amendment intact—it was immediately vetoed.

My amendment then was attached to the debt ceiling authorization bill, and again the Senate passed it overwhelmingly. However, the almost certain knowledge that the President would veto yet another money bill sent some of my colleagues in search of a compromise. We finally agreed on a Fulbright substitute for my amendment, which mandated an end to all activity in North Vietnam, South Vietnam, Laos, and Cambodia by August 15, 1973. Finally, the administration had no choice but to abide by the will of Congress. The war which Richard Nixon had hoped history would one day regard as "America's finest hour" was reaching a conclusion, but only after a devastating toll on the countries of Southeast Asia.

Thus, although no American played a direct role in the recent takeover of Cambodia by the Vietnamese, we must accept responsibility for triggering the chain of events leading up to the bloody takeover.

William Shawcross, who covered the Indochina war for the London Sunday Times, recently said of Cambodia:

> If one searched the world for the single country that has endured the most suffering in recent times—and that endures the most today—one would probably have to choose Cambodia. . . . In Cambodia, a former island of peace, a pleasant and gentle land, no one smiles today. Now the land is soaked with tears and blood. . . . Cambodia is hell on Earth.

What little we know of the new regime in Cambodia is not sufficient at this time to determine if the bleak conditions described by Mr. Shawcross will improve. There have been reports that the new leadership will loosen up on some of Pol Pot's brutal tactics and permit such things as urban resettlement and family reunification.

We can only hope that these reports are accurate and that the decade ahead will be kinder to Cambodia. However, if recent history is any indicator, it is likely that Cambodia's suffering is not yet over.

RICHARD DUDMAN REPORTS ON CAMBODIA

Mr. President, the recent tragic events in Cambodia surprised much of the world, partly because of the cloak of secrecy which has draped that nation for almost 4 years. The Communist regime sealed the borders of Cambodia, allowing little in the way of information to get out and no Western reporters to get in.

This cloak of secrecy was lifted slightly in December, when Richard Dudman of the St. Louis Post-Dispatch and Elizabeth Becker of the Washington Post became the first Western journalists to visit Communist Cambodia. For Dudman, who also was the first American journalist to visit Vietnam after the fall of Saigon, this was the 15th working visit to Southeast Asia in the last 12 years.

On an earlier visit to Cambodia, in 1970, Dudman was taken prisoner by Communist guerrillas and held as a prisoner for 40 days. Dudman's December trip was no less fraught with personal danger; the trip ended with terrorist attack, in which Dudman and Miss Becker were fired upon and one member of their party was killed.

Dudman since has written an excellent series of articles, providing a unique glimpse of life in Cambodia just a few days before the outbreak of hostilities. I ask unanimous consent that the Dudman articles, along with his account of the terrorist attack, be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Louis Dispatch, Jan. 15, 1979]

CAMBODIA

(By Richard Dudman)

INTRODUCTION

(The Pol Pot regime came to power in Cambodia by guerrilla warfare, and even while it ruled, it apparently stood ready to return to the jungle if necessary. And today, just 3½ years after hostilities ended, guerrilla warfare is indeed a reality once again.

(A new regime under Heng Samrin was installed by force in Phnom Penh by the Vietnamese Jan. 8 while Pol Pot reportedly was taking to the jungle to organize resistance to the invaders. It is another chapter in the centuries-old history of attempts by one or another of the peoples of Southeast Asia to rule all of that area.

(Richard Dudman, chief Washington correspondent of the Post-Dispatch, and two

other Westerners were permitted by the now-dislodged rulers to visit their country last month in an eleventh-hour effort to present to the world an image of strength and stability, and to drum up support against the Vietnamese assault. Dudman's observations are detailed in this special section. Because of the turn of events, this report may stand as a unique compilation by a Western correspondent of what appears to be but a fleeting moment in the long and tormented history of the peoples of this land.

(The end of this chapter, however, may not be written for many years. Pol Pot's first actions after he gained power in 1975 were designed to reverse history, to turn a land that had been moving into the 20th century into an all-encompassing agrarian, communal society. He drove his people from the cities and towns to farm and build in labor brigades with primitive tools. His regime has been accused of killing hundreds of thousands of Cambodians in the process.

(But these actions left Cambodia with few if any worthwhile military targets for a modern aggressor. The exodus left no major inhabited cities, few factories and not much of a standing army in the Western sense.

(Cambodia's experiment in Cambodian-style Communism may have played out its brief role on the world's stage—unless the guerrilla-type insurgency Pol Pot apparently has returned to can again be victorious, this time against the Vietnamese.)

The Enemy: Vietnam

Cambodia's leaders were preparing for the worst last month while trying to present to the world an image of strength and stability.

They spoke freely of the possibility of having to abandon large parts of the country, perhaps including Phnom Penh, in the face of a full-scale Vietnamese offensive.

If that happened, they told me they would revert to the guerrilla warfare that they had fought from 1970 until their victory of April 17, 1975.

I found Phnom Penh and the other cities still almost totally deserted—little changed in the nearly four years since they were quickly and forcibly evacuated in the days immediately after the 1975 "liberation." Their capture in a Vietnamese thrust would have little but symbolic meaning.

Although Phnom Penh remained the nominal seat of government, the shadowy ministries of the Pol Pot regime seemed to have no fixed headquarters. The old administrative buildings of the former government stood empty.

The officials told us frankly that fear of being targeted for execution was the reason leaders of the regime generally avoided being photographed or interviewed—or even allowed themselves to be identified by name.

For the same reason, the government refused to publish a table of organization or give the names of more than a few of its top officials.

The leaders said fear of assassination also led them to keep secret the details of a shakeup of senior government positions after an attempted coup last May. They preferred to keep their enemies guessing as to who held what job.

Officials spent much of their time moving about the country, explaining that they had to circulate to maintain close touch with the people. But security considerations doubtless figured in this policy as well—in the manner of a hunted man who sleeps in a different bed every night.

In short, the Communist government of the country it renamed Democratic Kampuchea never really rose above the shadowy underground insurgency that it had been before it overthrew the previous, United States-supported government.

Pol Pot and his associates were so secretive that they did not even call their movement the Cambodian Communist party until September 1977, although it had been founded in 1960 or earlier. Until 1977, they called it only "Angka," Cambodian for "The Organization."

Now that the worst has happened, in the "lightning war, lightning victory" that they said the Vietnamese had been plotting all along the prospects are that the ancient country will once more be torn by protracted guerrilla warfare.

The two-week visit by myself and Elizabeth Becker of the Washington Post in December, the first by any non-Communists since the 1975 victory, may also prove to have been the last look by any outsider at Cambodia under the harsh and xenophobic rule of the Pol Pot regime. The major Vietnamese invasion that has now swept across the country began two days after our departure.

The notebooks, photographs, and recollections of Miss Becker and myself, plus whatever his colleagues may make of the meticulous notes of Malcolm Caldwell, the British scholar who accompanied us and was killed in a terrorist attack on our last night in Phnom Penh, may be the only first-hand non-Communist record of a short-lived regime unique in world history.

While the visit amounted to a conducted tour, with strict limits on conversations with ordinary Cambodians and no opportunity to speak with any but a few top government officials, there was plenty of opportunity for observation in tours of 11 of the 19 provinces.

The trip produced fresh insights into the mounting Cambodian-Vietnamese hostilities, the evacuation of the cities, allegations of genocide, and the nature of daily life in a land almost totally closed off from outside inspection.

In a show of confidence, our escorts took us to the border town of Krek, which many Western intelligence estimates were considering to be in Vietnamese hands. Visits to two specific areas where Radio Hanoi had told of current uprisings found peaceful harvest scenes and a small pottery plant operating normally.

In one such spot, the Cambodians had set out a picnic table with chrome and plastic chairs and served orange soda pop and cookies under the trees to demonstrate that they controlled the area. This was at the ancient temple of Banteay Srei, near the historic ruins of Angkor Wat.

But this picture did not come through as sharply as the Cambodians had hoped.

They ignored or refused our requests to visit other border points where Vietnam was widely believed to hold substantial parts of Cambodia. And while we traveled through the country, every venture among the people was treated as a small military operation.

On the road, our Mercedes-Benz sedan was sandwiched between at least two other cars. When we walked through a factory, or a rice paddy, or temple ruins, two khaki-clad guards with pistols under their loose shirts fanned out to protect our flanks.

Officials warned us against wandering off unescorted, even in almost-deserted Phonom Penh. They said there was danger—although unspecified—even though the few persons remaining in the capital presumably had been carefully screened.

When we slipped away several times, believing the warnings to be a mere excuse to keep us from seeing too much, the guards quickly found us and drove us back by automobile to whichever guest house we were occupying at the time.

On one occasion, a guard took Miss Becker by the arm and gently but firmly conducted her home.

Our escorts discouraged visits to private homes on more precise security grounds. They permitted us inside only two occupied houses in the entire two weeks.

When we made an urgent and rather formal request to see more homes and speak with the residents, one of the officials considered the matter for an hour and then replied in sad tones: "You have forced me to tell you something I did not want to tell you. Our people have been subjected to five years of war and much bombing, and their attitude now reflects that experience. We have to go ahead and explain very carefully that these are Americans who come in friendship. We are responsible for your safety."

This little speech drew a private comment from Caldwell, who was a Marxist and a committed believer in the rightness of revolution but also a skeptical and perceptive critic.

"I wonder if the cadres aren't afraid for their own safety when they go among the people," he said.

Despite the restrictions the Cambodians placed on our activities, we were able to gather significant information about the new Cambodia for the first time since the Communist victory of almost four years ago.

At one of the few unscheduled stops on tours of the country, we ignored the objections of our driver and walked through a banana grove to a peasant home. Four young women willingly lined up in front of the thatched house and smiled as we took their picture.

We saw no sign of the resentment mentioned by the official, there or anywhere else in our travels around the country.

Special safety precautions were taken as we approached the border town of Krek on Dec. 13. Three jeeploads of soldiers armed with a submachine gun and an anti-tank recoilless rifle accompanied our limousine.

We took Route 7 southeast from the provincial capital of Kompong Cham. At Suong, still 25 miles from the border, the word was no further stops until Krek. It would be too dangerous.

State Department officials had suggested that I ask the Cambodians to take me along Route 7 to Mimot and Snuol as a test of intelligence reports, many of them from Vietnamese sources and subject to bias.

They had predicated that the Cambodians would not be able to take me even as far as Krek. As we approached the town, however, the area was peaceful and the Cambodians were clearly in control.

Occasional gunfire in the distance was the only reminder that the border was just five miles away to the east and that the front in the shooting war was less than one-quarter that far.

No guns or Cambodian troops could be seen except those in our party. Farmers were harvesting within a mile of where we stood, at the junction where Route 22 heads south toward Tay Ninh in Vietnam and on to Ho Chi Minh City (Saigon). Workmen were repairing the Krek airport landing strip, damaged when the area was overrun in a Vietnamese offensive a year earlier. The sector commander whose entire name was Pin, a tough, 40-year-old man with skin the color of an old penny, pointed south at the fork and said the front was one and one-quarter miles down the road.

How wide was no-man's land? He said there was no distance at all between the two lines: "We are always engaged."

Pin scoffed at the idea of Western analysts that the Vietnamese might be able to take Phnom Penh.

"We have a revolutionary army, and they are noble people with correct leadership," he said. "Even if the Vietnamese use planes and tanks and very sophisticated artillery, with the Soviets backing them, our revolutionary army can wipe them out any time they launch an offensive."

He described the Cambodian strategy by saying that they allowed the Vietnamese to advance some distance, offering only light head-on resistance. Then the Cambodians

would bring in their heaviest force and strike the Vietnamese from both sides.

This was the response to the Vietnamese offensive of December 1977, when he said the Cambodians defeated the Vietnamese strategy of "lightning attack, lightning victory."

Pin said the Vietnamese forces in the sector were far weaker than a year earlier, when they had advanced to a point just east of Suong before the Cambodians drove them back in the "great victory" of Jan. 6.

Vietnamese performance since then suggests that officer Pin either was wrong or else was putting on a brave show. Krek, Suong, Mimot and Snuol, all towns in Pin's military sector, were among the first places reported overrun in the new offensive.

This casts doubt on other things he said. But for what it's worth, he told us malaria and venereal disease, which used to plague his troops, had both been wiped out in recent months. He said Cambodian troops never smoked marijuana, "because it is no good for the spirit of fighting."

Throughout the visit, officials denounced the Vietnamese continually—as did Radio Phnom Penh—as fascists, false Communists, aggressors, "the Cubans of Asia," "country-swallowers," and crocodiles—a "most ungrateful animal, which does not recognize as master the person who feeds it."

The foreign ministry official who toured the country with us took us to a zoo and at one point said, "Come see the Vietnamese prisoners." He led the way to a pit with 60 big crocodiles in it.

At another time, the official said with a straight face that all Vietnamese army officers have three wives—one in Hanoi, another in Saigon, and the third at the front. He complained of a Vietnamese restaurant operator in Paris who had the effrontery to name his place Angkor Wat.

The same official told of a battle in which the Cambodians could not understand why the Vietnamese continued fighting so long, until they advanced and saw the dead enemy soldiers chained to their guns. There was no supporting evidence of this, and Caldwell joined in calling the tale an old chestnut.

At a dinner given by the foreign minister, Deputy Prime Minister Ieng Sary, at former Prime Minister Lon Nol's old palace, Ieng Sary told us that for our own safety we would not be permitted to go to a "hot battlefront." He listed as "hot" Route 7 near the border beyond Krek, Route 22 in the same area, and route 13, which runs from Snuol to the border.

Nowhere in our travels did we see any sizable body of Cambodian troops or weapons, and the only signs we saw of Chinese assistance in the country were two MIGs flying over Phnom Penh one day and a line of 55 Chinese trucks driving north from Kompong Som, where a Chinese freighter had discharged them.

The weekly Chinese plane between Peking and Phnom Penh, a Boeing 707, was full of Chinese in both directions, however, giving support to estimates that China has 20,000 advisers in Cambodia.

For their own part, Cambodian leaders have said repeatedly that they would abandon the cities if necessary and revert to guerrilla warfare.

Where Are The Rich?

In the eyes of much of the world, the most important question about Cambodia is whether the now-dislodged Pol Pot regime systematically killed off entire classes of the population as charged by Vietnam and some Cambodian refugees.

A related question: What has happened to the upper- and middle-class city dwellers, who were forced to join in the quick evacuation of Phnom Penh and other cities immediately after the Communist victory of April 17, 1975?

Two weeks of questioning and observation in 11 of the country's 19 provinces led to the conclusion that the Cambodian revolution must be one of the bloodiest of our era.

But repeated interrogation produced no clear answer to the question of "autogenocide," the term for an alleged methodical execution of much of the entire class of former professionals, tradesmen, civil servants, and soldiers.

It seemed evident throughout this reporter's visit to Cambodia before the recent Vietnamese attack that the new Cambodia's version of Communism had no place in it for anyone who wanted to read, write, or even think independently, or for anyone who wanted to own more that a bare minimum of personal property.

At the same time, the physical condition of life may well have improved for many peasants and former urban workers—possibly for the vast majority of the population, as the regime claimed.

The revolution, an unprecedented leveler, had made conforming a condition of survival.

Cambodia's revolution, surely the most extreme in modern history, evidently had forced former city dwellers to adapt to an austere standard of hard manual labor, no money, no mail system, no telephone service, no books, almost no individual property, no advanced education, little or no religion, and none of the freedoms accepted or at least professed by most of the rest of the world.

Social upheaval had gone well beyond the Chinese precedent at the height of the Great Proletarian Cultural Revolution, when China was in the grip of the faction now denounced as the Gang of Four.

Top officials whom we interviewed acknowledged by clear implication that the revolution had been accompanied by many killings, although they never would give a total figure and certainly gave no confirmation of the estimates of 1 million to 3 million often cited by outsiders.

Thiounn Prasith, the high foreign ministry official who had charge of our visit, disputed the charges of genocide. He asked how the new government could build up the country's agriculture and industry if it killed off all the former soldiers and civil servants when it needed all the manpower it could muster.

Complaining about critics' emphasis on human rights, Prasith said that "some persons pay much attention to the traitors and no attention to the people." He said the Western view seemed to apply the human rights standard to "traitors who killed many people" but to ignore the victims of past killing and repression.

Ieng Sary, the deputy prime minister for foreign affairs, did not bother to deny the charges. He complained angrily, in an interview, that outsiders always wanted to know about the "5 to 20 percent of Cambodians who were well-off before the revolution" and seemed to lack any interest in the great majority who were poor.

He said that some killing could not be avoided after the 1975 "liberation." But he added that, considering the "complicated situation" after the five-year war, the Cambodian Communist party had "solved the problem in a good condition" and had "avoided many more killings."

"Maybe that is not your belief," he went on. "But we are responsible and we grasp the concrete situation in our country. We carry out all our tasks in order to serve the rights of our people, not just the rights of certain groups."

Prime Minister Pol Pot, in his first meeting with non-Communist reporters, avoided the question with these words:

"We consider that 95 percent of the people, both those before liberation and those after liberation, are good.

"Among the other 5 percent who were hesitating, we were able to successfully re-educate and recover more than 4 percent . . . As for the remaining 1 percent, we do our utmost to re-educate them."

The officials insisted that most former city dwellers had been integrated into the rural communal cooperatives or industrial work forces or "trade unions," sometimes after a period of adjustment. They said this differed from the Vietnamese system of segregated re-education camps for suspect elements.

But persistent requests to obtain eyewitness accounts of the mass exodus from the cities and the adaptation to life in the new order produced access only to one man and one other family whose members had lived in Phnom Penh before the revolution.

Interviewed through a Communist interpreter, with local Communist cadres listening, they told routine stories of having voluntarily left the capital and made their way to a hospitable reception in their present cooperatives.

One of these persons was a man named Leng Kry, who was presented to us at a co-op at the village of Preuh Meas in Kompong Cham Province. He said he had worked before the war in a furniture shop owned by a man named Truong Duc, behind Phnom Penh's central market. He said he went to work in the Sam Peou Meas restaurant and later in the Sra Mekong liquor store when wartime inflation made life difficult.

Kry, 45, said he left the capital the day after "liberation" because he had heard life was better under the revolutionaries. He added that he had heard that the capital was full of spies and he did not want to be associated with them.

It took him a week, he said, walking or catching a ride in a car or truck, to reach the co-op with his family. They took along his bicycle and his wife's sewing machine, he said.

Kry said that from the start he worked and ate and attended political meetings with the peasants who were already there.

We neglected to ask what had happened to the bicycle and sewing machine. An official said later that Kry probably still had the use of them but they now would be shared with other members of the co-op.

The Phnom Penh family was brought forth at the Le Bo cooperative in Takeo province, south of the capital. Managers of several co-ops had been telling us that half their members had come from Phnom Penh. But when we asked to meet some of them, they always turned out to be away bringing in the rice harvest.

Neth Yan, his wife, Ken, and their two daughters, 15 and 17, who giggled shyly as we questioned their father in a communal dining hall, had left the capital the afternoon it fell. The father said he had been a soldier in an engineering unit under the former government.

Yan said he changed out of his uniform immediately because he was afraid. (A burst of giggles from the daughters at this.) He said he took the family to Takeo Province because it had been his home originally.

It took him two years to learn to work alongside the farmers, plowing the paddies and transplanting rice seedlings, he said, but eventually he became a full-fledged member of the new society and began taking part in the political meetings held three days a month.

He described these as sessions in which members discussed how to build up the country and the standard of living and then adopted some resolutions about working hard to achieve maximum production.

When we pressed for details of the poli-

tical meetings, his replies grew more formal, as if he had been coached.

Had he been required to engage in self-criticism about his deeds as a soldier? "I had only to learn the spirit of patriotism, to love the country and the people," he said, according to the interpreter. "I did not have to criticize myself."

How did the meeting handle a case where someone had not done his part of the work?

"Nobody is against building up the country," he said.

Wasn't there ever a single member of the cooperative who was only 90 percent perfect?

"No, because what they do is for others," he said.

At a third cooperative, named Kandal Sung, in Kandal Province, again the "responsible members" of the managing committee said about half the co-op members had come from Phnom Penh. They said the evacuees had been immediately mixed with the earlier residents, sharing their houses at first until private houses could be built for the newcomers.

What were some of the names of those who came from Pnnom Penh? There was some consultation with our government escort, and the local cadres finally came up with one name: Meach. The officials began looking at their watches.

We persisted: How well did a rich person adapt to a new life of manual labor?

"Even the rich can learn to build a dam or work on an irrigation project," said one of the committee members.

Could they name one rich man who had come to the co-op and learned to work on a dam or help cultivate a field?

More consultation, and they came up with the name of Sam Bath, a merchant formerly of Phnom Penh. Unfortunately, he was out working and not available for an interview.

So much for our efforts to penetrate the big question in the minds of most Westerners.

A Nation At Work

The new Communist Cambodia became one huge work camp, but its people clearly were not being worked to death and starved to death as foreign critics often charged.

On the bright side, moreover, I found the country in the midst of one of the world's great housing programs. What will become of that program now is open to question.

Prior to the Vietnamese invasion, simple but attractive individual wooden houses in several styles were going up by the thousands all over the country to replace the old thatched huts that used to become infested with insects, mice, and snakes and rot away in a few seasons.

I had lived in some of those old-style peasant huts while I was a captive of Communist guerrillas for a few weeks in 1970. That experience made it possible to contrast the old life in the countryside with life under the new order.

What I found in two weeks of touring Pol Pot's Cambodia—under strict government supervision but with good opportunity for observation—was a regimented life of hard work for most Cambodians, leavened, however, by much improved housing, regular issuance of clothing, and an assurance of apparently adequate food.

I did not find the grim picture painted by the thousands of refugees who couldn't take the new order and fled to Thailand or Vietnam. In this lull between wars, those who remain appeared to be reasonably relaxed at the height of the busy harvest season. They sometimes leaned on their hoes like farm workers everywhere. And they often stared and then smiled and waved at the rare sight of Western faces.

Workers usually appeared to be operating under their own direction. There was no sign of government cadres giving orders or armed guards enforcing the working hours, although individuals seemed to know what was expected.

The daily and monthly schedule was standard throughout the thousands of hamlets and villages scattered about the country. Whistles blew at 5 a.m. to signal time to get up. By 6 or 6:30 a.m., clusters of farm workers gathered on the road to await an open truck to take them to the field to cultivate or harvest rice or other crops. Others walked in long lines along the road and out along the narrow dikes into the rice fields.

At 11 a.m., the midday break began, and the farm workers headed for lunch at one of the huge new communal dining halls. Afterward, many could be seen relaxing or taking naps in hammocks slung under the houses on stilts. Work resumed at 1 p.m.

There could be no doubt that quitting time was 5 p.m. Wherever we were in the country, men, women, and children began filing out of the paddies at that hour to bathe in an irrigation canal, wash clothes, or tend household vegetable plots and then head for the dining hall once more.

Officials said the harvest sometimes required night work, too, when the moon was full. But we saw no work in the fields after dark.

At night, on drives through the countryside, we did see children playing and men and women, changed out of their dusty work clothing, strolling along the road or clustered around small fires in the yards.

Black shirts remained the standard uniform, with black pants for men and black, ankle-length skirts for women. An occasional bright red pair of pants or a bright green or polka dot blouse could be seen. An added touch of color was the red-brimmed palm leaf hat worn by many farm laborers on or off the job.

In addition to the enforcement of communal eating, another drastic changed imposed by the new order was abolition of the weekly work cycle. In its place was a new 10-day schedule, with days off on the 10th, 20th, and 30th of every month.

For two hours or so each holiday morning, the workers could be seen attending political meetings in mess halls or under the trees. These were said to consist of criticism and self-criticism, followed by discussions of how to improve production.

Another pattern of labor, observed only at a distance, consisted of "mobile brigades," in which groups of laborers lived at remote work sites for weeks at a time. Our escorts did not permit a close look, but the brigades' temporary shacks of thatch and sheet metal could be seen where crews were rebuilding a bombed bridge, making road repairs, or harvesting.

Child labor, appearing to begin at the age of 7 or 8, was used systematically, for light farm work such as carrying firewood and tending water buffalo, as well as for factory work. No matter how young a child looked, when asked his age he always replied 13 or 14 if the government interpreter could not supply that answer first.

Authorities left it unclear exactly what education children received under the Pol Pot regime. They apparently were taught to read and write, but the only classrooms we were allowed to visit were in a technical high school in Phnom Penh. No books were in evidence. The children copied their lessons from the blackboard into notebooks.

On one occasion, we were driven at sunset for a perfunctory look at a small irrigation pumping station. The true purpose of the trip became clear when a line of about 100 boys, perhaps 8 to 12 years old, the leaders carrying red Cambodian flags, came marching down the road.

"They are coming home from school," our escort said.

He said they had gone out at 7 a.m. and were returning at 5 p.m. Under questioning, he said that they had been working in the fields as well as studying in the classroom, in a combination of learning and practical experience. He said he did not know how the time was divided.

On another day, in an unplanned encounter, we saw a similar group of children walking along a road, each carrying a heavy branch of firewood. The official guide gave this explanation of the scene:

"Cambodia needs its own technicians. That is why we combine practical experience with study, so that when they grow up they can apply theory to the concrete situation in Democratic Kampuchea (the Pol Pot regime's name for the country).

"If we sent them abroad to study, they would become accustomed to a high living standard and would expect the same standard when they returned."

One of Cambodia's biggest achievements in these three-plus years was its housing program, a sudden mass upgrading of the individual family homes from the standard that has existed for centuries.

At a typical development, carpenters were erecting 16 new wooden houses with tile roofs, set on stilts in the traditional style to keep them above the annual floods. Similar scenes were observed all over the country.

Almost everything needed for the new homes came from the immediate vicinity. Concrete footings to keep the wooden stilts out of the dirt and away from wood-boring insects had been cast just down the road. The roof tiles had been fired at a neighboring kiln.

Workmen were sawing lumber by hand from logs hauled from a nearby teak forest. All the necessary tools—saw blades, hatchets, and hammers—had been made at a local blacksmith shop, mostly from pieces of old U.S. military equipment.

In accordance with Cambodia's policy of self-reliance, everything was supplied on the spot except for two items—steel screws imported from China to install the hinges for the louvered shutters and the whetstones used to sharpen the tools.

The new houses are twice the size of some of the small huts they replace. The new ones, like the old, are one-room affairs, but they sometimes now have a small porch or balcony. Families traditionally use two wooden beds, with slats and fiber mats instead of springs and mattresses. One bed is for the parents and the other is for the children, who may number five or six. Cambodia needs more people and has no birth-control program.

Families sometimes hang a cloth between the beds to provide some privacy.

In some places, the frames of new houses could be seen going up adjoining the old grass shacks. When the new house was finished the family could move right in and demolish the old one.

Although small and simple, the new houses represent a big upward step for the peasants, if a downward step for anyone used to a city house with a bathroom, kitchen, and maybe air conditioning.

The new houses probably meant better living, too, for the hundreds of thousands of country people who were driven into the cities by the five-year war and who had suffered wartime crowding and poverty.

Feeding the People

Aside from the mounting war with Vietnam, the New Cambodia's first priority had been feeding itself. Officials said it had succeeded and the country was even resuming rice exports. The current Vietnamese invasion at the height of the rice harvest, however, throws all projections into doubt.

Until the new offensive, the prospects appeared bright. We saw many new dams and

canals, parts of a crash irrigation program that is bringing new areas under cultivation and permitting two or three rice harvests a year in some areas.

Foreign analysts have been skeptical of government claims of a modest rice surplus in each of the past two years. They have said any exports would be at the cost of hunger or starvation at home.

Refugees, who have accused the Pol Pot government of methodically killing off hundreds of thousands of former city dwellers, said the food allowance for those who remained was far below minimum requirements.

I saw no evidence of starvation, however. My observation of hundreds of ordinary Cambodians suggested that they got an adequate diet, if a plain one.

Government officials refused access to any production or trade specialists for detailed questioning about production claims. They likewise refused to permit me to visit any of the hospitals or many small clinics they say are operating or to interview any public health authority.

Even the most complete figures on rice production, health and nutrition, moreover, would tell nothing about the human cost of increasing food production. This cost includes the forced emergency evacuation of Phnom Penh and other cities, the strict regimentation of those who survived, and the concentration on agricultural production at the expense of freedom to learn, read, travel, and practice religion.

But on the simple question of economic viability, this rich agricultural country once more appeared to be flourishing and potentially prosperous—at least until the Vietnamese invaders moved in.

The conclusion that ordinary Cambodians were adequately fed rested on more than the rather clumsy propaganda efforts of the government. The few persons I could ask about their rice rations replied in Prime Minister Pol Pot's phrase and said they "ate their fill."

We often asked to drop in unexpectedly at a mess hall at mealtime, but the only communal meals we saw had been carefully staged.

At lunchtime at a pharmaceutical plant in Phnom Penh, the workers were sitting at a lavish meal, including huge bowls of rice and four side dishes, plus dessert. They were stiffly picking at the rice, obviously waiting for another tour group of "foreign friends." Side tables were loaded with bunches of bananas and bottles of orange soda pop.

"How often do they get the orange drink?" I asked.

"On holidays," said a government escort, referring to the national days off on the 10th, 20th, and 30th of each month.

But it was Dec. 22, and I asked why they were getting it that day.

"We had some left over from the 20th," was the reply.

Disregarding such stage setting, I could tell the state of nutrition by the common sight of playful small children, sometimes running about naked in dooryards in the hot tropical sunshine, with none of the listlessness or protruding bellies that bespeak starvation or malnutrition.

At a shipyard along the Mekong river at Kompong Cham, three of the builders, men of 54, 60, and 62, looked strong and competent. One of them said he always ate his fill and then smiled as I felt his biceps. His arm was big and muscular.

Hundreds of adults observed closely throughout our travels had the alertness, vitality, and spontaneity that suggested generally good health.

I saw many pregnant and nursing women, who appeared to be in good health. The sight seemed to refute reports by some refugees that life is so austere that most women have become barren and mothers' milk has gone dry.

Rice is the heart of the Cambodian diet, and the country historically has been one of the great rice suppliers of Asia. With the war against the old Lon Nol regime, however, peasants were driven off the land and into the cities. Production dropped, and regular shipments of rice from the United States were needed to feed the swollen city population during the five-year war that ended with Communist victory.

U.S. specialists have acknowledged that the Cambodian claim of reviving rice production to the point of resuming exports would, if true, be a spectacular achievement.

Authorities at the seaport of Kompong Som (formerly Sihanoukville) said Cambodia exported 15,000 tons of rice in 1977, much of it to the Malagasy Republic. They said extensive flooding had cut back 1978 exports. But they said 6,000 tons had gone to Malagasy and 3,000 tons to Singapore nonetheless.

In telling the food story, Cambodian officials put heavy emphasis on dams and irrigation. Water and its mastery, they said, are the keys to solving their food problem. They took us to several new dams, including three large concrete structures they said had been built on a crash basis by thousands of workers using only hand labor.

Dams and related canals have opened many thousands of acres to new rice cultivation and permitted two or even three crops a year in regions where alternate drought and flooding had limited harvests to one a year.

One of the largest of the new dams, the Paryuth, or "Struggle," dam, about 15 miles south of Battambang in western Cambodia, had been an obvious failure, but the Cambodians showed it off proudly anyway. Record floods last September washed out one entire side of a concrete downstream flood wall, and two of the 13 huge buttresses that supported the dam itself had collapsed. The whole structure, which officials said irrigated 41,000 acres, came close to giving way.

The Cambodians attributed the failure to inexperience and boasted that their reaction demonstrated their capacity to learn from mistakes.

Officials said that when the fall floods came, operators of the dam found that a series of lift rods were not strong enough to raise the concrete floodgates and ease the strain on the structure.

An official said general flood damage was just as bad in Cambodia as if was in Laos and Vietnam, which have been seeking emergency foreign aid.

"But we don't cry for help," he said. "We mobilize our people and solve the problem."

We were taken to a rice experiment station in Battambang Province, where laboratory workers tested soil and studied insect pests, using Chinese microscopes and other equipment.

Outside, in experimental plots, workers tended new hybrid strains, tested them for yield, taste, and resistance to disease, sun, and wind, and recorded the time from planting to harvest. Some plots demonstrated the effect of various fertilizers and insecticides.

Before the invasion, seeds were sent out to other parts of the country. Instead of having an extension service, the laboratory rotated workers through its operation and returned them to their home cooperatives to take charge of converting to new methods.

As usual on my trip through Cambodia, the manager of the station insisted that no one there had special training but that all had learned from the wisdom of the peasants. But when I suggested that the chemical laboratotry must have been set up by someone with formal training in chemistry, he acknowledged that to be true.

Strangely, the station had no reporting system on the use of the seed it distributed. When the manager was asked what yields were being achieved in practice, he could recall but a single report dealing with a planting in one province.

Workers at the station demonstrated a simple but ingenious manual rice-planting device being produced for distribution around the country. It planted six rows at a time. When the wooden frame was dragged through a paddy, wooden paddles turned tiny cups that deposited five seeds at a time from six tin hoppers.

My tour of the vast ricelands, often stretching to the horizon, and the dikes and canals dividing the bright green flooded paddies of young seedlings and the golden fields ready for harvest, gave meaning to the slogan heard constantly in Cambodia: "With water we have rice; with rice we have everything."

New Jobs, Old Methods

Agriculture was not everything in the new Cambodia, despite the assertions of some of the refugees and many outside analysts. I saw a wide range of industrial growth—concentrated more in tiny and primitive cottage industries such as brick making, silk spinning, and local blacksmith shops, but including also a fairly sophisticated rubber factory near Kompong Cham.

The foreign ministry official who accompanied us around the country, Thiounn Prasith, said: "The principle of our party is to take agriculture as fundamental and to have capital from agriculture in order to build industry."

He said the plan called for modernizing agriculture within 10 to 15 years and building industry within 15 to 20 years.

What happens now remains to be seen, of course.

Prasith outlined a progressive industrial growth plan, with light industries, such as textile, glass and plywood manufacturing already in operation. Later will come such heavy industry as steel manufacturing, with emphasis on agricultural machinery, he said.

He spoke of the country's urgent need for labor-saving machinery to permit rapid growth; of farm production with limited manpower.

"We have only about 8 million people," he said. "In Kampuchea (Cambodia) there is no family planning. We need more and more people. We would like to have 20 million people in 10 years."

Cambodia placed a high priority on transportation in repairing the damage of the five-year war. It had to start almost from scratch. Most rail lines were wrecked, including the track between the capital and the seaport, recently repaired. Ships had been sunk in rivers. Roads and bridges had been smashed. Oil and gasoline imports had abruptly halted. And there were scarcely any trucks or buses that would run.

Along the main highways, bullock carts far outnumbered the motor vehicles.

Intercity telephone service had not yet been restored at the time of our visit, although makeshift telegraph lines have been strung between provincial capitals and Phnom Penh.

Officials said Phnom Penh had cable links with Singapore and Bangkok and through Peking with other cities of the world.

Partly to test the overseas communication capability, I filed a brief story to St. Louis from Phnom Penh reporting arrival there and telling of a government disclosure that the wartime Viet Cong had its secret headquarters west of the Mekong River rather than just inside Cambodian territory as U.S. intelligence believed at the time. It took the cablegram 2½ days to reach the Post-Dispatch.

One of the most impressive industrial projects was a new railway link between Phnom Penh and the seaport of Kompong

Som. It was designed to cross the Elephant Mountains in the south and parallel Route 4 to the capital.

Reports that the new line was being built were picked up recently by one of the better informed Western embassies in Peking, with the added information that the Chinese were helping with the job.

Other listening posts in Peking had not heard of the project and doubted its existence. However, I saw long rows of stacked cross-ties beside Route 4 and long stretches of the new right-of-way above the often-flooded rice paddies, showing that construction was, indeed, well along. Work apparently had been suspended until the rice harvest was completed.

Only one grader could be seen. Presumably most of the earth moving was by hand, the same way the new Cambodia built its dams.

Whether the Chinese had anything to do with the new project was impossible to determine. Neither Cambodian nor Chinese officials talked readily about the reported aid program.

Another sign of Chinese assistance was a long line of 55 medium-sized trucks on the road from Kompong Som to Kampot. A Cambodian official said they had arrived by ship from China three or four months earlier. He said they had been serviced and now were being driven north to be portioned out two or three to each cooperative.

Two tankers, one Chinese and the other from Singapore, were discharging gasoline and oil into a row of tank cars on a siding at the seaport. The only refinery in Cambodia was severely damaged by American rockets in retaliation for the capture of the Mayagues by the Cambodians in May 1975. The refinery has not been rebuilt.

One of the most advanced industrial plants we visited was the rubber factory at the Chamcar Andong plantation near Kompong Cham. Machines formed latex that had dripped from the rubber trees into a white, continuous belt. Women with shears cut the belt into short sections and hung them on a rack that was then rolled into a big oven.

Other women, crouched on a platform, sorted the cooked rubber into grades and used power presses to pack it into bundles for shipment.

We also were taken to a relatively modern pharmaceutical plant in Phnom Penh that made both conventional medicines and native remedies, from such materials as dried lizards (cough suppressant), pale yellow wood chips (malaria), deer horn (vitamins), and water buffalo horn (rheumatism).

In a more primitive pharmaceutical plant at Kompong Cham, boys and girls who said they were 13 and 14 but looked no older than 10 were punching out tin pill boxes and plastic bottle caps one at a time on hand-operated machines, using old tin cans and shredded plastic as raw material.

Traditional river boats were being built of a teak-like wood at a yard along the Mekong River in Kompong Cham. They were 115-foot cargo ships powered by 250-horsepower diesel engines from China.

Toward the primitive end of the scale was a technical high school in Phnom Penh, where little boys and girls who looked as young as 10 were learning to tear down old automobile starters and generators and rewind the coils.

In a machine shop at the same school, children were shaping and welding sheet metal to turn out hundreds of DDT tanks for use in spraying to protect the rice crop and eradicate malaria.

A Phnom Penh textile mill using 100 Chinese looms that had been installed before the war looked fairly modern and efficient as it turned out bolts of cloth—black for workers' cothing, green poplin for army uniforms, and red for Cambodian flags, so the plant manager said.

But in the next room, a tiny girl with big dark eyes was sitting on the floor producing thread by turning a spinning wheel with her foot.

A scene on Monivong Boulebard in front of our guest house in Phnom Penh was a reminder of the make-do nature of Cambodia's fledgling industry.

An old Dodge truck had broken down. Two men worked on it for a half hour, then tried unsuccessfully to start it by pulling a rope wound around a wheel on the front of the crankshaft, the way a power mower or outboard motor is started.

When that didn't work, they tried pushing, enlisting a half dozen other men. That failed, too.

Finally, another old truck came along, and the men tried hooking it to the broken-down truck with a piece of electrical wire. The wire broke twice, but at last it held, the towed truck gained speed, and the engine started with a gust of blue exhaust.

Our companion Malcolm Caldwell watched the backward methods with a mixture of puzzlement and admiration.

Viewing one such scene, he paraphrased Lincoln Steffens' remark after visiting the Soviet Union in 1919 and said, "I have seen the past and it works."

GOVERNING IN SECRET

Throughout our visit, we tried to penetrate the secrecy and learn how the Kafkaesque economic and governmental system worked.

The regime justified its conspiratorial ways in a 94-page "Black Paper" of "facts and evidences of the acts of aggression and annexation of Vietnam against Kampuchea."

It charged that Vietnam's Politburo had sent agents across the border into Svay Rieng and Kompong Cham provinces, where they conducted secret meetings to prepare to overthrow the Cambodian government and set up a puppet regime under Vietnamese control.

The book listed six of the alleged conspirators, some of them with aliases, including a former counselor at the Vetnamese embassy in Phnom Penh.

So secret was the government structure that members of a factory management committee in Phnom Penh pretended not to remember the name of the minister of commerce. At other times, plant or warehouse managers gave this official's name as Van Rit, although Western sources had understood that a person named Chhour Doeun held this post.

An army regimental commander at the border town of Krek would not give the name of the army chief of staff. There was no reply when we asked Cambodian officials the name of the first vice chairman of the State Presidium, a position provided for in the published constitution.

One revolutionary leader who had been considered dead by some Cambodia-watchers appeared for a boat trip up the Mekong River and a drive to Angkor Wat and other points with our group.

Ok Sakun sometimes spelled Sokhun, was one of the intellectuals, engineers, and economists who often have been said to have been killed in internal purges. He said he worked in the ministry of foreign affairs. He mentioned Hu Nim, minister of information and Hou Yuon, minister of the interior, communal reforms and troops, as other persons who were still active in the government although believed in the West to be missing or dead. Their fate now is uncertain.

Obtaining a few names was difficult enough. Getting to meet them was nearly impossible. Despite repeated requests, I was not permitted to meet any high officials except Prime Minister Pol Pot, probably the top government leader, and Ieng Sary, deputy prime minister for foreign affairs.

I had asked to meet most of the known officials, a total of about 10, including two French-educated sisters who are married to Pol Pot and Ieng Sary and held important positions in their own right. Both are understood to speak English.

I asked in vain to meet the former head of state, Prince Norodom Sihanouk, who managed the country's tightrope neutrality policy until he was ousted in a coup in 1970 and then joined the Communists' popular front as nominal leader of a provisional revolutionary government.

Officials said he had been refusing all requests by visiting delegations who wanted to see him. Besides, he probably was traveling around the country, they said.

When the Vietnamese swept across the country, Sihanouk took refuge in Peking and later went to the United Nations in New York to represent the Cambodians in opposition to the Vietnamese.

My request for a table of organization of both the government and the Cambodian Communist Party was made on the first day of the visit. Foreign specialists were not sure of the makeup or order of rank of members of the Cambodian Central Committee or Politburo.

I understood officials to have promised to provide both lists. When they were not forthcoming, I asked Ieng Sary for them.

"If we were the United States, France or Britain, we could publish this kind of information," he said. "But in Kampuchea during the last three years there have been many moves, many developments.

"Frankly, we do not want to publish the information because we do not want the Vietnamese to hunt down our leaders. We publish names only if very necessary."

His comments may have been prophetic, given subsequent developments. Ieng Sary himself asked for political asylum in Communist China.

Ieng Sary noted that the Cambodian Communist Party was formed 18 years ago but remained secret until two years ago.

Although the leadership was shadowy, officials did provide some information about the country's political organization.

The basic economic and social unit was the cooperative, a communal organization that held the land, tools, vehicles, and most other property. It organized the work in the fields, kilns, foundries, and other workshops that provide for most of the cooperative's needs.

Families lived in individual houses except for mobile work brigades and young, unmarried men and women, who lived in segregated dormitories. Meals were always served communally, often in big dining halls at tables for seven or eight persons.

Officials said the individual cooperatives, which may have included 100,000 persons or more, operated under the direction of provincial and regional committees.

Each committee included a chairman and individuals who were in charge of production, agriculture, industry, social affairs, health, and trade. But the decisions were taken collectively.

They were vague about how members of a committee were selected.

A similar committee operated at the national level. At each level, decisions were made by committee; even the army was said to be run by a committee. The committees always had an odd number of members, to avoid an even split, officials said.

At the top of the hierarchy was Prime Minister Pol Pot, who also was secretary general of the Cambodian Communist Party.

Officials made much of the fact that Pol Pot was perhaps the only national leader in the world whose picture was not seen frequently in public places. Not one picture of the prime minister was seen except in a propaganda film, where he was seen repeatedly, with a big smile, working alongside the field hands.

The reason given was that Cambodi' had no need for a cult of personality. But his official biography, printed in English, seemed intended to build his image. It said he "has a a large spirit of union, shows revolutionary optimism, is deeply and firmly confident in the people, the masses, especially in the poor peasants, (and) likes to live and work in the calm."

He will have need of all those qualities if he has, indeed, gone underground to lead a new guerrilla war against the Vietnamese invaders.

And it should help not to have copies of his picture spread all over the country.

A NIGHT OF TERROR

Gunshots shattered the stillness of the almost deserted city of Phnom Penh. The time was 12:55 a.m. on Dec. 23. It was the start of a three-hour ordeal for Elizabeth Becker and me, the first two American journalists to visit Cambodia since the Communist takeover nearly four years ago.

The third Westerner in the party, Malcolm Caldwell, 47, an economist who specialized in Southeast Asia, did not make it through this ordeal. He was shot to death. The three of us were targets of a terrorist attack, an apparent effort to embarrass the government of Cambodia.

Caldwell, Miss Becker, a reporter of the Washington Post, and I had completed our two-week visit. We were preparing to leave the country, which Miss Becker and I would write about for our newspapers. We were scheduled to fly to Peking the next afternoon and then on to the United States.

The terrorists struck when we were sleeping in a government guest house in Phnom Penh.

Miss Becker was the first to see one of the intruders. Awakened by the first shots, she stepped out of her first-floor room to find herself face to face with a young Cambodian armed with a pistol and submachine gun and wearing an ammunition harness.

He pointed the pistol at her. She screamed, "No, don't!" ran into her room, slammed the door, and hid in the bathroom. Crouched in the tub, she heard sandaled footsteps climbing the stairs to the second floor.

In my second-floor bedroom, I awoke at the first shots, turned on my light, and checked the time. From my window, I could see shadowy figures running back and forth outside the garden wall in the dim glow of the streetlights.

Thinking that the guards had detected a prowler, I stepped into the hall for a better look. A young man with the same weapons later described by Miss Becker was just going out the double doors at the back of the building into a servants' area.

He seemed to motion for me to get out of the way. His gesture made me think he was one of the household guards, and it occurred to me that he had been quick to arm himself in an emergency.

The young man went out of sight, and I stepped through the screen door onto a front balcony for a better view of what was happening in the street. I saw several figures, apparently guards, at least one of them carrying a pistol.

Returning to the hallway, I stepped across to Caldwell's room and knocked. He came to the door. The light was on and he was fully dressed. We consulted briefly and decided we should stay in our rooms with the lights out.

As I began to head for my room, the intruder reappeared at the rear doors, pointed his pistol at me from a distance of about 20 feet and fired. The bullet must have come close.

I ran into my room and slammed the door, standing at one side, where I was shielded by the masonry wall. Two more shots ripped through the wooden door.

After a moment, there were three or four more shots. That must have been when Caldwell and the gunman were killed, but I was not to know the outcome until nearly three hours later.

I flipped out the lights, ran around the bed, and lay on the floor, trying to get under the bed. I could hear someone moving in the house and thought at any moment someone would come in to finish me off. I had no idea whether my two colleagues were alive or dead.

When the house seemed to go silent after a few minutes, I got to my knees and peered out the window. I could see more figures flitting back and forth outside the wall. I tiptoed across the room and turned off the noisy air conditioner, then silently placed a chair by the window and sat watching.

As the minutes passed, I decided that the government must have been overthrown in a coup. Officials had told us of an attempted coup last May. Why else didn't guards come in to check out the grounds and the house? If that had happened, I knew no authority that could protect us and get us out of the country.

Silently, I opened the zipper of my bag and took out a Tiger Milk bar to munch in hopes the nourishment would give me energy and a dose of courage.

It was a time of tension and fear but also one of regret and decision. I was frightened. Eight years earlier, when Communist guerrillas had captured me not many miles from where I sat, I had found it almost a lark, asking how lucky a reporter could be to find himself, safe for the moment, with a unique opportunity to view the other side of the Vietnam war.

This time, it just seemed foolhardy and dangerous, one more test of luck that I didn't need. I hated myself for putting my wife and daughters through a siege of anxiety once more. I decided never to undertake any more hazardous assignments for the Post-Dispatch. And I decided if I got out of this one alive I would take two weeks off for a Caribbean vacation with my wife.

An hour and a half went by. Suddenly there was a fresh burst of activity in the street. I heard the click of weapons being cocked. Additional figures appeared from both directions and six or eight men filed rapidly through the front gate, into the yard and into the house. I could hear them downstairs and see their shadows against the garden wall.

There was a crash of glass shattering, then a sound of broken glass moving across cement, as if someone was slowly sweeping or dragging something.

A few minutes later, I heard steps on the stairs, then a rap at my door. I saw nothing to do but open it. I recognized the three men who stood there as a security man from the foreign ministry and two guards. They clapped me on the shoulder as if to say they were glad to find me all right.

They seemed to be trying to reassure me. I understood them to be trying to say in sign language that Miss Becker and Caldwell also were all right. After checking the bathroom and closets, they gestured that I should remain in the room until someone rapped again.

There was another wait of an hour and a quarter. I could hear movement in the house, with an occasional rap on another door, as if they were checking out the entire building.

I passed part of the time by making notes of everything I had seen and heard to that point. Then I thought of trying to finish a novel I had been reading but dropped that idea when I picked up the book and was reminded of the title. It was John D. MacDonald's "One Monday We Killed Them All."

At 3:45 a.m., one of the government's Mercedes-Benz limousines pulled in front of the house. A figure got out and walked quickly into the house and up the stairs. There was another rap at my door.

It was Thiounn Prasith, the senior foreign ministry official who was in charge of our visit. The usually dapper man looked stricken and bone-tired. He took me by the hand and led me to a couple of chairs.

"Miss Becker is all right, but Mr. Caldwell is dead," he said. "I think you must come and see."

Stepping into the hall, I could see the dead gunman sprawled across the threshold of the open door of Caldwell's bedroom, the weapons beside him.

Walking a few steps farther, I could see into the lighted room. Caldwell lay on his back on the floor beside the bed, his eyes staring, his face ashen. Blood from wounds of the thighs and body soaked his clothing.

The official asked Miss Becker also to view the bodies.

I told Prasith, "I think I must take a picture." He said his people would photograph the scene and asked us to pack our things so that we could be moved to another house.

We drove a few doors to another government house, where we had discussed our program with officials on the first day of our visit. At Prasith's request, we recorded and typed statements of what we had seen and heard.

Prasith told us he had been informed that the gunman had shot himself. (I learned later that Cambodian authorities informed the British government that Cambodian government forces had killed the gunman.)

He said another intruder had been captured and a third had escaped. He said there had been three casualties on the government side: two servants wounded, apparently when the first terrorist shot his way in through the back door, and one soldier killed.

Prasith described the shooting as "a political act to discredit us in the world," and to "show that we cannot protect our friends." He said the terrorists knew that the visit of the first three Westerners to Cambodia was a significant one and that Cambodia's reputation in the world would be greatly damaged if they were assassinated. Only days later that Cambodian regime would be driven into hiding by a Vietnamese assault.

Cambodian Foreign Minister Ieng Sary, in a brief ceremony before we drove to the airport with Caldwell's body to catch the weekly Chinese plane to Peking, gave the same explanation. He called Caldwell a friend of Democratic Kampuchea, the official name of the country, and said the scholar had been working to improve relations between Cambodia and the rest of the world.

Ieng Sary said sadly that the visit had been intended to present to the world the "concrete situation" in his country but that the terrorist incident had "cast a very dark cloud" on this effort.

The Cambodian government later attributed the terrorist act to Vietnam, its enemy in a current war in which there was a temporary lull at the time of our visit.

Questions remained:

Were the terrorists trying to kill all three of us, or was Caldwell the main target? If it was only Caldwell, that would explain why the gunman did not fire at Miss Becker and why he did not follow me into my room. Caldwell, moreover, was known as a friend of Cambodia, while we were recognized as disinterested journalists.

How could the terrorists have gained access to the guest house at 22 Monivong Boulevard in the heart of Phnom Penh, part of a government complex that should have been

one of the most heavily guarded spots in the country? Prasith said there had been three guards on duty at all times, armed with pistols worn under their shirts.

Why the delay of 90 minutes before government forces entered the grounds to secure the house and check on our welfare? Why the additional 75 minutes before we were permitted to leave our rooms and learn what had happened? Prasith showed annoyance at the way the incident had been handled. He said he had not been notified until 2:30 a.m.

Was it in any sense an inside job? Planning the attack and entering the complex would have been difficult without help from someone trusted by the government, especially for an armed man in unusual dress. Miss Becker noted that he wore a black T-shirt and a baseball cap like those worn by American soldiers.

Was there any scene-setting before Miss Becker and I saw the bodies? She reported afterward that she had heard the sound of something heavy being dragged down the stairs and thought she had seen a stain where someone had tried to wipe up blood on the first floor.

Finally, was there any possibility that the government could have arranged the attack? A dispatch from Hanoi later reported that Caldwell had recently turned against Cambodia and conjectured that the government may have wanted to prevent what they feared would be an adverse report.

This seems out of the question. The Cambodian government had everything to lose from the incident. If for some unaccountable reason the authorities had wanted us killed, they could have contrived an accident or ambush to kill us all. And from lengthy conversations with Caldwell up to a few hours of his death, I know that he remained fully sympathetic to the Cambodian revolution.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at that point for a unanimous-consent request?

Mr. EAGLETON. I yield.

AUTHORITY FOR SENATORS TO FILE BILLS, RESOLUTIONS, PETITIONS AND MEMORIALS, AND STATEMENTS FOR THE RECORD UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in view of the fact that the Senate will recess no later than 2 p.m. today, Senators may have until 5 p.m. in which to present for inclusion in the RECORD bills, statements, resolutions, and petitions and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. I yield the floor, and thank my colleagues.

DEATH OF REPRESENTATIVE WILLIAM A. STEIGER, OF WISCONSIN

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Resolution 12.

The PRESIDING OFFICER (Mr. FORD) laid before the Senate a resolution (H. Res. 12), which was read as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable William A. Steiger, a Representative from the State of Wisconsin.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. PROXMIRE. Mr. President, William Steiger, the Representative from the Sixth District of Wisconsin, was a most unusual and remarkable Member of Congress. He was an amazing young man, a very attractive young man; he was 40 years old and looked 25, full of life, with a great sense of humor, extremely popular, very intelligent and able.

I think one of the most respected columnists in this country is James Reston of the New York Times. Mr. Reston published a column on the death of Representative Steiger when he died, and I would like to read briefly from it. He said:

The sudden death of Rep. William Steiger of Wisconsin at the age of 40 has been marked here by an exceptional outpouring of respect and affection for one of the most promising young men in Congress.

Mainly this was a reaction to the magic of his personality, the gifts of his energy and intelligence and the shock of his premature death, but there was something beyond that.

It was not merely that Steiger arrived here 12 years ago as the youngest member of Congress, or that he advanced by diligence to a leading position on the Ways and Means Committee. . . .

The point should not be misunderstood. Steiger was effective in the House of Representatives not because, like John Kennedy at his own age, he had presidential ambitions, but because he didn't. He thought he had plenty to learn and plenty of time. He studied and learned the cards in the congressional deck, and the mystifying techniques of the legislative process. And he worked tirelessly on the substance of taxes, the military security of the Nation and the internal struggles of his party.

Mr. President, this article is one of many fine tributes to Representative Steiger, and I ask unanimous consent that Mr. Reston's full article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEIGER WAS CONCERNED ABOUT HIS GOP

(By James Reston)

WASHINGTON.—The sudden death of Rep. William Steiger of Wisconsin at the age of 40 has been marked here by an exceptional outpouring of respect and affection for one of the most promising young men in Congress.

Mainly this was a reaction to the magic of his personality, the gifts of his energy and intelligence and the shock of his premature death, but there was something beyond that.

It was not merely that Steiger arrived here 12 years ago as the youngest member of Congress, or that he advanced by diligence to a leading position on the Ways and Means Committee. (It is, in a way, that he was a symbol of the problems of youth in a Republican Party dominated by old men.)

The point should not be misunderstood. Steiger was effective in the House of Representatives not because, like John Kennedy at his own age, he had presidential ambitions, but because he didn't. He thought he had plenty to learn and plenty of time. He studied and learned the cards in the congressional deck, and the mystifying techniques of the legislative process. And he worked tirelessly on the substance of taxes, the military security of the nation and the internal struggles of his party.

I cannot pretend to be wholly objective about this modest and engaging young man and his lovely wife Janet Dempsey Steiger. My eldest son, Richard, was his roommate at the University of Wisconsin and best man at their wedding, but sometimes you have to be personal to be understood.

Nobody can say that the Republican Party held him back. His qualities of mind and character were recognized. He was able to take the lead in the battle to reduce the capital-gains tax this year, and he played an important role in the struggle between Gerald Ford and Ronald Reagan at the 1976 Republican presidential nominating convention. But there are limits on the ambitions of youth in the Republican Party that do not exist to the same extent in the Democratic Party.

In congressional politics, the Republicans have been in the minority in both the House and Senate for 41 out of the last 45 years. Only in the 80th Congress from 1947–49 and the 83d from 1953–55 have they been in control. Getting to the top for a young Republican on Capitol Hill can easily be a lifetime career, even the discouraging career of a very long lifetime, which Steiger didn't have.

In presidential politics, the outlook for young Republicans these days is more bleak, and even for middle-aged Republicans like Howard Baker of Tennessee, the Republican leader of the Senate, or Charles Mathias of Maryland or George Bush of Texas, former head of the CIA and ambassador to the United Nations and Peking, the prospects are not very good.

So there is clearly a difference between the parties these days about the age of responsibility in presidential elections. Kennedy captured the Democratic Party almost against its will and took over the White House at the age of 43, the youngest president of the 20th Century except Theodore Roosevelt, who was 42 in 1901 when he took the oath of office.

Again after the Johnson, Nixon and Ford administrations, the Democrats passed over the elders of their party and elected Jimmy Carter at the age of 52. But even now the Republicans are still looking primarily not to the rising generation in their 40s or 50s, but the familiar figures of the past, Reagan, Ford and John Connally, now all in their middle 60s.

It was clear to Steiger and some of the other young hopefuls of the GOP that another divisive battle between the elders of the party for the presidential nomination of 1980 could only hurt the Republican chances of recapturing the White House.

There was even some vague talk about trying to organize a mid-term convention to test the strength not of the Steigers or the men of his generation, but to rally behind Baker or Bush or one of the middle-aged Republican moderates, but nothing came of this and Steiger had given up the idea before he died.

For it was clear to him as it still is to most other Republican leaders that the decisive instruments of power in the Republican Party still lie with the dominant figures of the last Republican convention, particularly with Reagan, and that only hope of younger challengers lies in the primary elections.

It never occurred to Steiger to be one of the challengers, but the thought of change, of debating the issue within the party before staggering into another battle with the same candidates who divided the GOP and lost the last election was at least a fleeting notion that he didn't live to pursue.

At least, he believed that the new generation of Republican leaders should be heard before the party loitered down into another eletction with the same cast of characters, and it's still a pretty good idea.

Mr. PROXMIRE. Mr. President, on behalf of my colleague, Senator NELSON, and myself, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 16), was read as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Steiger, late a Representative from the State of Wisconsin.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

Mr. PROXMIRE. Mr. President, I move the adoption of the resolution.

Mr. TOWER. Mr. President, will the Senator withhold that, and yield to me?

Mr. PROXMIRE. I am delighted to yield to the Senator from Texas.

Mr. TOWER. I want to express my thanks to the distinguished senior Senator from Wisconsin and his colleague (Senator NELSON) for offering this fine tribute to Representative Steiger. He was well-known to those of us on this side of the aisle who had an opportunity to work with him on many substantive matters affecting the economy of the United States, and on many matters that affected the Republican Party.

It was my privilege to work with him, sometimes on the opposite side of the fence, on intraparty matters, but he was a man for whom I always had a tremendous regard, and one man who, although he had no inordinate personal ambitions for himself, engendered so much respect and esteem from his colleagues that I think it is very likely, had he survived, that he would have gone on to very much higher office indeed.

So, on behalf of the Republican side of the aisle, I would like to join with our distinguished colleague from Wisconsin in expressing our sorrow on the loss of this distinguished colleague.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to.

Mr. TOWER. I move to reconsider the vote by which the resolution was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent I may yield briefly to the Senator from North Carolina without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR STONE ON TAIWAN

Mr. MORGAN. Mr. President, on December 17, 1978, Senator RICHARD STONE of Florida, a member of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, was interviewed on the CBS television program, "Face the Nation," concerning President Carter's recognition of the People's Republic of China and the consequences of this decision on the Republic of China on Taiwan. Senator STONE has not only visited the Republic of China and the People's Republic of China, but, as a member of the Senate Foreign Relations Committee, has become a knowledgeable leader with respect to East Asia.

Because of the importance of the decision to normalize relations with the People's Republic of China and its consequences to American foreign policy, I ask unanimous consent that Senator STONE's remarks on this subject be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR RICHARD STONE

HERMAN. Senator Stone, you have had some pretty strong words to say about the President's announcement about recognizing full recognition of Peking; you called it a slap in the face to Taiwan, you called it a direct breach of the actions of the Senate, but what if anything, can you and the Senate do about it?

Senator STONE. I think that what the Senate and I, as a member of the Senate, ought to try to do is to repair the damage done to our credibility as an ally and to strengthen the residual situation of the Republic of China on Taiwan, anti-Communist China, legislatively. For example, in the joint communique, we say that there will be commercial relations but no governmental relations. I doubt that that has to be the case. If we're going to have commercial relations, I think we need some kind of government relations, and we ought to do our best as a Congress to recreate those government relations as far as we can.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on "Face the Nation," with Senator Richard Stone, Democrat of Florida, member of the Foreign Relations Committee, and Chairman of the Subcommittee on Mid-East and South Asian Affairs. Senator Stone will be questioned by CBS News Correspondent, Bernard Kalb, by Jack Germond, Columnist for The Washington Star, and by CBS News Correspondent, George Herman.

HERMAN. Senator Stone, could you be a little more specific in what you think the Senate and the Congress can do legislatively—first of all, do you think you have the votes to oppose or to modify the President's position on China?

Senator STONE. I would doubt that there is sufficient votes to reverse his action. But I think there is more than sufficient votes to stand up for our ally, the Republic of China on Taiwan. The administration has said that we will maintain cultural and commercial relations. We have some forty-nine or fifty agreements with the Republic of China, apart from the mutual defense treaty of 1954. That's going to have to be revised and re-done. That provides the Congress with an opportunity which I believe we do have the votes to sustain, to make sure that they can defend their independence and that we are not seen by the rest of our allies around the world as those who would pull the rug out from under our allies and our alliances.

GERMOND. Senator, conspiciously missing from the agreement with the Chinese is any pledge from them not to use force against Taiwan. You're a member of the Foreign Relations Committee and presumably have been briefed on these things; have you been given any assurances from the White House that there is such an agreement—tacit or otherwise?

Senator STONE. I would hope that there is, but the only official statement by China is this, and I quote from their Peking New China News Agency, their version of President Carter's announcement. Quote, as for the way of bringing Taiwan back to the embrace of the motherland and re-unifying the country, it is entirely China's internal affairs, unquote. Now I would hope that when Teng Hsiao-Ping visits here he will make appropriate assurances to us and that there are, and that there were agreements, but I don't know of any.

KALB. Senator, forgive me for putting my question in these terms, but aren't you living in a dream world and having some sort of soliloquy right now when you think that the Senate can reverse the President on this in any way, and do anything to get the Chinese to accept government-to-government relations between Taiwan and the United States?

Senator STONE. I didn't say that we could reverse the President; I said we couldn't. In terms of——

KALB. No, but on the question, we're talking about the government——

Senator STONE. In terms of our own government to the Republic of China, I think we better. In the future we may need a reliable ally and a reliable base. What happens if the pragmatic policies of Teng Hsiao-Ping and with some in-fighting with the successors of the Mao line of self-reliance—after all, a number of them are still around and that policy could end. Teng Hsiao-Ping himself is seventy-five years old or thereabouts. We well may need a reliable and safe and friendly base offshore the mainland of Asia, and so I think we better do it.

GERMOND. Senator, the implication of what you've been saying in these first questions is that—or it seems to me that it is anyway—is that Carter gave away too much, that we've been too soft in this negotiation. Is that what you think?

Senator STONE. Yes, it is what I think.

I just came back two weeks ago from the Peoples Republic of China where I felt no sense of urgency or immediacy in making this move. To the contrary, I felt the beginnings or the continuation of a process of rapproachment between the Peoples Republic of China and the Republic of China. They had recently attended a joint scientific conference with delegates from the Republic of China; they were modernizing without respect to capitalist philosophy; turnkey jobs with American hotel chains, with Japanese fashion designers, with factories from Hong Kong. These were moves that were going in the right direction and when it comes to military common cause, we already have established that we support their resistance to Soviet expansion.

KALB. Senator, what do you think impelled the Chinese at this particular point to swing that door open so widely toward the United States?

Senator STONE. They have not swung their door any wider towards us than they had before this normalization.

HERMAN. Why did they press for such a fast solution?

Senator STONE. I don't believe that they were pressing for such a fast solution. I just visited there and I didn't sense that at all; on the contrary, I sensed their moving towards us without this solution.

HERMAN. So you feel that the administration sources who are saving in briefings and so forth, and some of them off the record, and background, that the Chinese pressed for a fast solution are trying to mislead the public?

Senator STONE. Well, I didn't sense that pressure at all, and the visible signs were to the contrary. That doesn't mean that there weren't private representations that you have

three more weeks and then we're going to slam the door on you, but it certainly didn't seem that way——

HERMAN. Senator, let me take you in one other direction before we get—during the course of the debate on the amendment which you and Senator Dole sponsored through the Congress, which was to protect relations between the United States and Taiwan, Senator Sparkman, who was the Chairman of the Foreign Relations Committee, received a letter from Secretary of State Vance in which Secretary Vance said, this administration has consulted and will continue to consult with the Congress on developments affecting our security commitment to the Republic of China. Now do you feel that this promise in this letter is being—has been lived up to?

Senator STONE. No, it has not, but it's more than a letter of promise by a vote of ninety-four to nothing, and a later conference committee—slight change to make it the sense of the Congress instead of just the sense of the Senate. The Congress found that that security treaty with the Republic of China on Taiwan aided the stability of East Asia and asked that there should be prior consultation between the Congress and executive branch on any proposed policy changes affecting the continuation of that treaty. There was no such consultation.

KALB. Was there any kind of consultation, Senator?

Senator STONE. They——

KALB. Rather than an informational consultation just prior to the announcement?

Senator STONE. No, they—several hours before the communique, some senior senators and congressmen were called in for a discussion.

KALB. And were told, or were consulted?

Senator STONE. Well, they were told.

GERMOND. Let me go back to the flip side of Bernie's question about who felt compelled to act now. If it is your feeling that the Chinese did not, then obviously we did. Now, why is that? Why did President Carter and this administration feel compelled to act now?

Senator STONE. They're your best source of that answer——

GERMOND. I'm looking for wild speculation.

Senator STONE. The only close and exact speculation I could make is that it was timed to take place before the Congress reconvened and while the Congress was out. This provision of law, which is not legally binding but it certainly expresses the sense of the Congress, was not part of some minor bill. It was part of the International Security Assistance Act of 1978, one of the major bills, signed by the President. Yet this communique was issued on a Friday afternoon, late, on the eve of Christmas when our attention was directed in other directions, and to be consummated before the Congress reconvenes on January 15.

HERMAN. Now what avenues of redress do you have? You've mentioned a few. Let me call your attention—a short list that Senator Javits, who is considered to be one of the best Senate lawyers, has drawn up. He says Congress must confirm an ambassador to Peking. Congress must pass specific legislation to enable United States to engage in commercial and so forth, arrangements with Taiwan. Congress must also satisfy itself of the President's power to abrogate the agreement with Taiwan. Now, do you think you have any chance of winning on any of those three? Or, is there any intention to fight on any of those three?

Senator STONE. I think that the fight should not come with recriminations or in an attempt to deny the President his right to conduct foreign policy. The fight should come in revising our commercial and other relations of which there are forty-nine or fifty such agreements, in a way that will, indeed, establish government relations with our ally and friend and commercial trading partner to the tune of more than six billion dollars a year, while the mainland has less than a billion, and we can do that, and we should do that. We should do that not only in our own interest but in terms of our reputation for being a reliable and trustworthy ally.

KALB. Senator, you seem to suggest that President Carter slipped one passed Congress while Congress was home and the holidays were on. Now, is that correct?

Senator STONE. Yes.

KALB. And what does that do for the sense of cooperation required to get momentum going on legislation and everything else the way we operate.

Senator STONE. Well, it doesn't help us. It was a dramatic stroke of leadership. No question that the President has polls which support the recognition of the Peoples Republic of China. I really think there's little opposition to the diplomatic recognition of the true fact that the Peoples Republic of China control the mainland and have for decades. Where the opposition is, in the country and in the Congress, is to stating that the sole legal government of Taiwan is the mainland government when it isn't.

KALB. When you review, in fact, what has happened, can you isolate anything that President Carter obtained in extending full diplomatic relations to Peking?

Senator STONE. Well, he got normalization with the—at a time before the defense pact is fully cancelled, at a time when notice of one-year cancellation takes place. But to me that is not only a tiny gain, and he also, of course, got an ambassador where we now have a liaison office in both places. But that is a very small gain to pay for the loss of a military alliance and a reliable military base.

GERMOND. What is the attitude that you expressed about the way he handled this, the consultative process and so forth? What is your guess about how that impacts—or is likely to impact on Senate ratification of SALT?

Senator STONE. Well, it doesn't make it any easier. But I think that SALT is going to—is another one of these great issues that has to stand on its own merits. We don't know what is contained in SALT; the negotiations are still not consummated. And we'll have to look at that according to its own provisions when the time comes.

KALB. Senator, you're suggesting a loss of credibility on the part of the United States by taking this action with respect to Taiwan. If that, in fact, is so, what impact does it have on America's powers of persuasion with respect to Israel, toward prodding Israel into an agreement with Egypt?

Senator STONE. It can't help, but I would think that, and I would be glad to discuss the Middle Eastern impact of this in a minute—I think there is one more immediate preoccupation all of us ought to have, and that is, what impact does this have on South Korea? Will they not break relations with the Republic of China in an effort to buddy up to the mainland government, the communist government, and to that extent, won't our American influence be that much more lessened, and isn't South Korea a vital link in the protection of the security of Japan and our own Asian alliance. So I feel that the immediate impact will come first in Asia—there, and in our negotiations for Philippine bases, and in our security relationships with Japan, not our commercial relationships.

KALB. Now on the Middle East——

Senator STONE. Now on the Middle East I think that the immediate impact will be as to our relationship with Iran, as opposed to Israel. There we have a very risky and unstable situation in which for weeks and months we have been assuring the world and our main ally in that area, the Shah, that we support the Shah. If recent statements attributed to Mr. Ball and other senior advisors of the administration are to the effect that the Shah must now bring in to a civilian coalition opposition leadership both from the extreme Moslem leadership and from the radical left group some of the Palestinian supported—and other—and Iraqi supported left group, doesn't that have to be seen in the context of this move with our ally, the Republic of China, and doesn't it also have to be seen in the takeover of effective—and I use the new word now, hegemony, domination—by the Soviet Union of Afghanistan? In other words, the impact on the Middle East is cumulative and our will power, and our firmness in support of our own stated alliance and goals, is called into question. That's the difficulty in this move.

KALB. Does it complicate the American search for peace in the Middle East?

Senator STONE. I—I think it really does. We have to say to Israel, rely on us as a supplier, and as a logistic ally; we will supply you with the most advanced defensive and, if necessary, offensive weapons to protect your situation, and for that you should give up your buffer territory and sign off. That is the dimension that always produced the movement, and the concessions, by Israel. I'm sure that's what produced the great breakthrough that President Carter achieved at Camp David. To the extent that that reliability and trustworthiness is lessened by this move, that makes the further concessions that much harder to——

GERMOND. Do, do you really see any parallel between our, our stake in Israel and Taiwan in view of the American political situation and the influence of Israel and Jewish-Americans in our foreign policy? Now, aren't they totally different things?

Senator STONE. The parallel is in our military basing reliability. In Taiwan, we had a reliable air and naval base with willing allies, even willing to fight on our side with their own people if asked in the recent Asian conflicts. In Israel, we have similarly a reliable air and naval base. We are outnumbered in our Sixth Fleet in the Mediterranean; we have to be very careful to protect not only our own, but Japan's and Europe's oil interest in the Middle East. With a shaky Iran we have to rely on that reliable basing and military strength in Israel and so we need to keep that military alliance. Even if it isn't reduced to a treaty it's even stronger than a treaty in force and effect.

HERMAN. How is all of this going to impact do you think on President Carter's standing, his popularity? I mean, in the end all American policy boils down, sooner or later, in even-numbered years, to politics and votes.

Senator STONE. I think that when you talk about an American President, you can't simply talk about interest groups and voting blocs. We all unite behind the President of the United States in the national interest on the major issues. There's very few issues more important to the well-being of every citizen than the major issue of foreign policy.

HERMAN. If I could just get a word in. You unite the American people, unite behind the President on issues of major issue up until an election comes, then they may decide that he's wrong and unite behind his opponent.

Senator STONE. I would hope that the President's statement, that he has the sincere concern for the well-being of the people who live on Taiwan extends further than that, to a concern for the independence of the country of the Republic of China on Taiwan, which is viable militarily, diplomatically and in every other way. If it does——

HERMAN. How does he show that it does?

Senator STONE. By helping us in the next session of the Congress, repair the damage to our alliance as far as we are able to go.

GERMOND. Alliance with Taiwan?

Senator STONE. Yes. They are a valuable commercial and military ally. We have clearly negotiated our own commitment to continue

commercial relations. In order to do that, we really do have to have some form of government relationship. You can't just trade with someone that's out there, and one of those things that the President's, or his senior people have committed to do, is to make available appropriate weapons. Now he has to help us do that, and if he does that, then I think that would minimize any damage he might otherwise suffer at the polls.

KALB. You know, what we're doing right now is concentrating on China and I would suspect that's precisely what the Carter administration would like us to do, and I think we ought to take a minute to review what happened this past week, Vance's unsuccessful mission in the Middle East. Now I travelled with the Secretary to both Egypt and Israel, and certainly in Israel, there was a sense of outrage as to what they regard as enormous pressure by the Carter administration for Israel to make new concessions. Now is that the way you, as a Senator, saw it back here, and what was the sentiment on the Hill about this?

Senator STONE. Well, you see I would rather not dwell on the recent failures of our diplomacy to obtain the Egyptian-Israeli treaty. It's much too important for finger pointing, or for handwringing, and also it's very hard to wring your hands and point a finger at the same time——

KALB. Yes, but somebody has to analyze——

Senator STONE. Well, I will be glad to analyze what went wrong. What went wrong is, that instead of dwelling on the American draft of a peace treaty based on the Camp David accords, we associated ourselves with additional Egyptian demands. What we therefore need to do, is to return to the American draft, which even in the latest statement of the Cabinet of Israel, they said they're ready to sign that, and renegotiate again with both countries on the basis of that draft, calmly, and at a lower level, and without a focus of heat or pressure. We, must go ahead and get this peace treaty; it's too important to us to let it go.

HERMAN. But we're getting pressure. You've seen all the letters and statements by various members of the Jewish committees—the American-Jewish Committee and others, saying the President is losing the votes of the American Jewish community and so forth—so there is domestic—as I say, everything comes back to politics. There is rising domestic political pressure over this. Somebody in fact is pointing fingers.

Senator STONE. The answer politically to the President to pressures which he puts on Israel or which supporters of Israel put on him is a successful consummation of the Egyptian treaty. If he does that, he'll suffer not at all and he'll gain greatly, and that can be done.

KALB. There is certainly that feeling that the Administration sees the Egyptians as having demonstrated new flexibility, and I think as a matter of fact, they have, and I think what we're watching, in a way, is a getting together but the getting together has hardened positions although the differences are smaller. Do you see it that way, Senator?

Senator STONE. Not quite. I think that there needs to be a reassurance to the Egyptian side against their feeling of isolation from the other Arabs, and a reassurance to Israel that we will indeed be a reliable supporter of theirs should they become menaced in the future, and some low-level, continuing negotiations starting with the American compromise draft based on the Camp David success.

GERMOND. We're down to the last minute. Let me ask you a very brief question. Do you think, in balance—you're a politician, so is the President—that the President has done a wise thing politically in terms of his own situation in the China initiative?

Senator STONE. At this moment, no, but he has a chance to repair any problems he may have by following a constructive approach to rebuilding to the greatest extent possible, our alliance and the survivability of the Republic of China, free anti-communist China on Taiwan—if he'll help us do that, then he'll not suffer at all.

GERMOND. Do you have any assurance the administration is anxious to do that?

Senator STONE. I hope so. I hope they will.

HERMAN. The key word, though, is really to the greatest extent possible. That involves Peking's willingness to go along.

Senator STONE. Not entirely, not entirely. We have not given up our own sovereignty and the Congress has not given up our own prerogatives and I hope we never will.

HERMAN. Thank you very much Senator Stone for being our guest on FACE THE NATION today.

ANNOUNCER. Today on "Face the Nation," Senator Richard Stone, Democrat of Florida, member of the Foreign Relations Committee, and Chairman of the Subcommittee on Mid-East and South Asian Affairs, was interviewed by CBS News Correspondent Bernard Kalb; by Jack Germond, columnist for the Washington Star; and CBS News Correspondent George Herman.

Next week another prominent figure in the news will "Face the Nation."

Mr. PROXMIRE. Mr. President, I happened to see that appearance by Senator STONE on "Face the Nation" and was tremendously impressed; in fact, I wrote Senator STONE to tell him I thought it one of the best appearances on television I had seen in a long time. It happened right after the transaction and the President's announcement, and he showed remarkable knowledge on this very complicated situation, and I thought handled it with remarkable ability.

I agree that it was too bad that the President acted so precipitately without an opportunity for the Senate to act, and agree that the people of Taiwan should be the principal concern of both the Senate and the House of Representatives in the coming months.

RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, for a number of years I have risen on the floor of the Senate almost every day, pleading with the Senate to adopt the Genocide Convention. The Genocide Convention, as we know, was proposed by President Truman in the United Nations more than 30 years ago, and was adopted by the United Nations. Since then, 82 nations have ratified the Genocide Convention. Virtually every great nation in the world except the United States has ratified the Genocide Convention. Every President—President Truman, President Eisenhower, President Kennedy, President Johnson, President Nixon, President Ford, and President Carter—every President since then has pleaded with us to ratify the Genocide Convention. Every religious group—Catholic, Protestant, and Jewish—has asked us to do so.

The American Bar Association, which opposed the Genocide Convention for years, has changed its position and now has enthusiastically pleaded with the Senate to ratify the convention. It is up to us.

This is a basic human rights convention, involving the right to live, to exist, to survive as a people. Mr. President, I intend to continue to speak on this subject until we act on the Genocide Convention. I have talked to the leadership, and it is my understanding that they will consider bringing the Genocide Convention to the floor at a time when we can assure them that we have the votes to act on it.

I have been talking with Senators in the last few weeks; I have talked to most of the Senators who have heretofore been opposed—not all, but many of them—and I think we have a good, strong, fighting chance to adopt the Genocide Convention, and I fervently hope that the Senate this year will act on it. It is about time.

FIRST AMENDMENT CLARIFICATION ACT OF 1979

Mr. PROXMIRE. Mr. President, on Monday, I introduced the First Amendment Clarification Act of 1979, but I did not have time to speak on it.

This bill is similar to a measure I first introduced in January 1975 and then again in January 1977.

The major goal of this legislation is to give fuller meaning to our first amendment's guarantee of freedom of the press by abolishing the so-called fairness doctrine and the equal time rule.

FIRST AMENDMENT: 24 PERCENT EFFECTIVE

The first amendment forbids the Congress from passing any law that might diminish our right to have a free press.

But, unfortunately, Congress has enacted a law which does just that. I refer, of course, to the Communications Act, which has abridged the rights of a part of the free press.

Other means of mass communication—newspapers, magazines, pamphlets, books, and motion pictures—have kept their free press rights. But not broadcasting.

Broadcasting—radio and television—is the preferred source of news for 76 percent of the American people. Yet, because of governmental controls like the fairness doctrine and the equal time rule, broadcasters are second-class citizens when it comes to first amendment rights.

In practical terms, this means that our first amendment is only about 24 percent effective when it comes to freedom of the press. Obviously, we can and must do better.

Freedom of the press is for the benefit of all Americans. If television and radio, the most popular disseminators of news and opinion, continue to be tied down by stifling Government regulation, the people of this Nation will continue to be the losers.

Mr. President, my bill aims to change this situation by giving broadcasters more of the first amendment freedom they deserve.

PURPOSE DEFINED

The first section of my bill defines its purpose: To recognize and confirm the applicability of the first amendment to broadcasting and to strengthen and further the objectives of the first amendment.

This purpose is to be accomplished by removing certain statutory and regulatory restrictions placed on broadcasters operating under the Communications Act of 1934.

Section 2 of my bill deals with the definition of "public interest, convenience, and necessity" under which broadcasters operate.

That phrase in the Communications Act is currently used to make broadcasters accountable to the Federal Communications Commission, after the fact, for everything they put on the air.

My proposal makes it clear that the term "public interest, convenience, and necessity" cannot be construed to give the FCC jurisdiction to require that any person be provided broadcast time, or to require that any viewpoint be given broadcast time.

Section 3 of my bill repeals that part of the Communications Act which permits the FCC to revoke the license of any station that willfully refuses or fails to allow a candidate for Federal office to buy reasonable amounts of broadcast time.

SECTION 315 REPEALED

Section 4 repeals section 315 of the Communications Act of 1934. Section 315 contains both the equal time rule and the basis for the FCC's Fairness Doctrine.

The equal time rule requires that when a candidate for public office is given or sold time, any other candidate for that same office must be given an equal opportunity.

That sounds great. But the equal time rule is an abridgment of the first amendment. It is governmental control over a part of the free press.

The fairness doctrine of the FCC requires that broadcasters afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance.

Unlike the equal time requirement, the fairness doctrine does not call for each viewpoint to receive the same amount of air time. Nor does it require that the other viewpoint be given in the same program.

Again, that sounds fine. But the fairness doctrine, like the equal time rule, violates the first amendment. Once more, a segment of the free press is being regulated by the Government.

PUBLIC BROADCASTING

Section 5 deals with a first amendment problem contained in section 396(g)(1)(A) of the Communications Act of 1934, which authorizes the Corporation for Public Broadcasting to facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, are to be made available to noncommercial educational television or radio stations. But this must be done with "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

Such a Government-imposed standard is inappropriate and undesirable. Trying to enforce it can result in a chilling effect on the free play of ideas which public broadcasting should help promote.

By simply deleting this standard, section 5 of my bill is designed to solve the first amendment problem it poses.

Finally, section 6 of my bill repeals the prohibition on political editorializing by noncommercial educational broadcasting stations. This section of the current law, aimed at licensees, seems clearly unconstitutional.

ABOLISH THE SMALL BUSINESS ADMINISTRATION

Mr. PROXMIRE. Mr. President, on Monday I introduced a bill to abolish the Small Business Administration. Based on the fiscal year 1979 budget estimates, this could reduce the Federal payroll by 4,600 positions and save $2.3 billion in budget outlays. These estimates will change when we receive the President's fiscal year 1980 budget in a few days.

There are a number of reasons why I believe the SBA should be abolished.

First, the Small Business Administration has a history of political favoritism, bad judgment, and biased decisions. It has been a repository of patronage and scandals.

Second, it has helped only a minute number of small businesses in this country, far less than 1 in 100.

Third, many of its programs have been distorted and do not serve the purposes for which they were authorized or intended. The aid to minority businesses program is one such example. Recent hearings under the direction of my colleague Mr. NELSON, indicate that only 7 of the 32 loans ostensibly made to minority businesses actually went to minority businesses.

Fourth, the results under many of its programs have been disastrous. The failure of almost all the businesses allegedly helped by the SBA in the inner cities, or the failure of the SBA to have any knowledge of what happened to them, is illustrative of what is wrong with this agency.

Fifth, the SBA has had a very bad record with loans. Those with large incomes and no need for the loans often receive them, and there are myriad examples of those who should not have gotten a loan under any circumstances but who did receive them and whose businesses failed.

Finally, there is little or no need now for the SBA at all. With the outlawing of redlining by the Congress which is carried out by the banking authorities, with much greater competition in the banking and loan making community, and with the relative ease with which loans to deserving businesses can now be made, the earlier conditions which warranted a Small Business Administration have largely vanished. In too many cases the SBA makes loans to those who have been turned down legitimately by the existing private lending institutions, and do not qualify for a loan under any standards of potential business success or great personal character.

The Federal Government is too big. Spending is excessive. The Federal debt is too high. As the President wants to cut the budget and as Congress wants to cut the budget and the people of the country want to cut the budget, the Small Business Administration, which has lost its way and outlived its usefulness, is the place to start.

BUDGET CUTTING NOT THE ONLY ANSWER TO INFLATION, MONETARY POLICY IS IMPORTANT TOO

Mr. PROXMIRE. Mr. President, it is crucial that we slow down the growth in public spending if we are to come to grips with the present rampaging inflation. The President's projected $530 billion-plus budget with a $30 billion deficit is, in my view, much too high and should be brought into balance. Further, it is my prediction that Congress will cut below the President's proposed budget and that in the end, it will be Congress, the budget cutter, fighting against the various Departments and agencies of the Government who will want appropriations at least as high as the President proposes.

MONETARY POLICY IMPORTANT TOO

As important as fiscal policy and cutting the budget is in getting inflation under control, monetary policy or the growth in the money supply is equally important. This should not be forgotten or overlooked in our effort to bring prices down.

The causes of the present inflation are many, starting with the excessive spending in the Vietnam war, the effect of wage and price controls under the Nixon administration, the OPEC oil price increases, the cost of food, the decline in productivity, and the continuation of inflation due in part to the need for working men and women to catch up with past price increases and hence to demand and get present wage increases which, with the fall in productivity, can be and are often inflationary.

But perhaps as important, if not more important, than any one of these, is the growth in the money supply. Too much money chasing too few goods causes inflation, or adds to inflation. In recent times, the increase in the money supply has certainly been both a cause of the inflation and a major element in its continuation. Yet, very little attention has been paid to monetary policy by comparison with the emphasis in both the Congress and the country on fiscal policy or spending as a cause of inflation. That balance needs to be corrected.

ALBERT'S E. BERGER'S ARTICLE

I therefore wish to draw the attention of the Congress and the public to an article in the December 1978 issue of the Review published by the Federal Reserve Bank of St. Louis entitled, "Is Inflation All Due to Money?" by Albert E. Burger. In it, and especially in table I, Mr. Burger shows how the growth in prices in any 1 year is related to the growth rate of the money supply in the preceding 5 years. The relationships are amazingly similar with a very close relationship between the two.

I am aware of the criticisms that will be made of Mr. Burger's arguments and his tables. It will be said that it represents a monetarist point of view. It will be said that examining what has happened in the past over something like a 5-year span makes predictions of what will happen in the sixth year relatively accurate. It will also be asked, which comes first, the increase in prices or the increase in the money supply? Is it really a cause and effect relationship?

ONE NEED NOT BE A MONETARIST TO REALIZE THE IMPORTANCE OF MONETARY POLICY

I am not only aware of these criticisms, but I share some of them. I am not a monetarist and do not believe that monetary policy alone is the key to price rises or economic well-being.

But I think Mr. Burger's article and arguments are an important offset to the failure to give monetary policy its proper due as a cause of the inflation and a reason for its continuation. One need not be a monetarist to believe that monetary policy is important.

This article is a very thoughtful article by an outstanding expert. I do hope that Senators have an opportunity to review it.

It is important enough that Mr. Burger's article and his arguments should be read. When taken in their proper proportions and giving due weight to the critics, he makes important points and a contribution to the understanding of inflation problem.

I, therefore, ask unanimous consent that his article be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. I hope very much that the policymakers in the Government and economists and financial experts in the private sector will begin to give monetary policy its proper place in the fight against inflation.

Its role has been neglected for too long.

EXHIBIT 1

IS INFLATION ALL DUE TO MONEY?

(By Albert E. Burger)

Inflation is an all-pervasive problem which affects everyone's decisions. Individuals must consider the outlook for prices when planning budgets or wage demands, when deciding whether to buy a house or in what form to hold savings, as well as a multitude of other economic decisions. Also, business is increasingly concerned about the outlook for inflation, especially as it relates to planning and capital investment.[1] It is not surprising, therefore, that persistent inflation has led to increased public demands that something be done to correct the problem.

The current Administration has responded to these demands by announcing an anti-inflation program which includes, among other aspects, a promise to intervene in individual price and wage decisions in an attempt to reduce inflationary pressures. But such an approach, at best, has only a very limited chance for success because it fails to distinguish between two key characteristics of the inflation process. First, there are increases (or decreases) in prices which result from nonmonetary factors that cover a gamut of influences such as the effects of weather on agriculture and actions of foreign oil producers. The basic characteristic of all these nonmonetary factors is that they have a transitory influence on inflation. They have their impact on the level of prices in selected periods, but their influence is either reversed in following periods or ceases to be a cause of period-after-period changes in prices in the same direction. It is the second aspect of inflation, the trend or persistent year-after-year increase of prices, that is really "public enemy number one." This is the aspect of inflation to which corrective economic policy must be directed. Otherwise, all other economic programs to stop inflation will end in frustration.

CONTRASTING EXPLANATIONS OF INFLATION

The rate of change of prices can show considerable short-term fluctuation. For example, the implicit price deflator for gross national product rose at a 5 percent rate in the third and fourth quarters of 1977, accelerated to about a 7 percent rate in the first quarter of 1978, rose further to an 11 percent rate in the second quarter, only to recede back to a 7 percent rate in the third quarter of 1978.

In addition to this variation in the general price index, there are also frequent fluctuations in the prices of individual items included in the general price indexes. Since pronounced swings in the prices of specific goods or services sometimes coincide with fluctuations in the general index of prices, specific items are frequently cited as the cause of the current inflation. Also, because the magnitude and timing of price changes vary from item to item, the blame for inflation is often transferred, from period-to-period, from one item to another. Consequently, a number of explanations of the inflation process have been offered, involving at various times the behavior of such diverse items as steel prices, exchange rate movements, union wage demands, agricultural conditions, changes in minimum wages and even the behavior of the periodically elusive anchovy. Such an analysis provides an everchanging array of inflation villains. The blame for inflation is shifted from Arabs to coffee producers to beef producers to steel producers to specific union leaders to large banks and so on.

Concentration on such short-term oscillations in the various elements of price indexes clouds the issue of the fundamental force behind the persistent increase in the general level of prices. The problem of inflation is much more than an unfortunate sequence of increases in the prices of particular items. Focusing attention on movements in the price of particular items or each wiggle in the general price indexes gives only a description of where and when the general inflationary pressures fall in the economy. The important issue is why prices, on average, continue to rise over an extended period of time.

An explanation of the fundamental source of a continued pressure on prices requires a broader, longer-run perspective that incorporates monetary developments. When the money stock grows too rapidly relative to the rate of increase of goods and services, individuals find themselves holding more money than they demand, given existing income, prices, and yields (including interest rates) on other assets. In the process by which they attempt to pull their holdings of money in line with the quantity demanded, inflation results. To put the matter more simply, when "too much money is chasing too few goods" there will be persistent increases in prices. Consequently, analysis of persistent increases in the general level of prices requires consideration of the growth of the money stock. Such a monetary view contends that although prices can periodically rise or fall sharply due to nonmonetary factors, inflation continues only if these nonmonetary factors recur in succeeding periods, or if there is a continued excessive expansion of money.

The emphasis which is placed on the role of monetary actions in the fight against inflation depends very much on which of these two aspects of price changes is the center of attention. Concentration on movements in individual prices or short-term movements in the general price indexes typically leads to assignment of a limited role to monetary actions, a focus of attention on nonmonetary factors, and the recommendation of some form of direct controls on the prices of specific items. In contrast, consideration of why prices continue to increase period after period, pinpoints the rate of monetary expansion as the prime factor in the fight against inflation.

MONEY AND INFLATION

To illustrate the difference between inflation caused by monetary factors and short-term movements in price indexes caused by nonmonetary factors, consider the following simple monetary guide to inflation:[2]

"The rate of change of prices over the next year is equal to the average rate of growth of the money stock over the previous five years."

The results of using this shorthand representation of the driving force behind the inflation process and its long-run character are presented in Table I.[3] The information in this table shows that, over the period 1953–71, past or trend growth rates of money were a reasonably good guide to the year-to-year behavior of prices. During this nineteen-year period, the average difference between actual yearly inflation and that indicated by the past rate of monetary expansion was only 0.2 percentage point, and in two-thirds of the years the error was 0.5 percentage point or less. On a quarter-to-quarter basis, the rate of change of prices oscillated around the trend rate of inflation. However, the rate of change of prices returned consistently to that dictated by the rate of monetary expansion.

Also during this period, changes in the five-year trend growth of money accurately indicated changes in the year-to-year rate of inflation. As the trend growth of money slowed in the period 1958–63, inflation was reduced. Over the next eight years, the trend growth of money accelerated steadily from less than a 2 percent rate to a 5 percent rate, and inflation rose from less than 2 percent to 5 percent per year.

In contrast to the 1953–71 period, the last six years present some examples of abnormally large differences between changes in the price index and the inflation indicated by past growth rates of money. In particular, 1972 and 1974–75 stand out as glaring exceptions to the previous performance of the monetary guide to inflation. To understand the behavior of inflation since 1971, and how this experience fits into the general monetary explanation of inflation, it is crucial that one clearly understand the effect of nonmonetary factors on the behavior of prices. Specifically, it is very important to realize that, although the level of prices can change, sometimes even for a prolonged period, the rate of change of prices cannot continue to substantially deviate from the rate of monetary expansion.[4]

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[1] John A. Tatom and James E. Turley, "Inflation and Taxes: Disincentives for Capital Formation," this *Review* (January 1978), pp. 2–8.

[2] For other examples of the use of monetary guides to inflation, see Richard T. Selden, "Inflation: Are We Winning the Fight?," Morgan Guaranty Survey (October 1977), pp. 7–13, and Allan Meltzer, "It Takes Long-Range Planning to Lick Inflation," Fortune (December 1977), pp. 96–106.

[3] Annual data are calculated as to the average of the four quarters of data in a given year. For example, the growth rate of prices from 1976 to 1977 on an annual basis is computed by comparing the average of the four quarters in 1977 to the average of the four quarters in 1976.

[4] Even here, however, monetary factors still play a role, although indirectly. Autonomous events can have an effect on the demand for money, which, if not matched by a one-time change in the money supply, result in a one-time increase in the *level* of prices. In such instances, prices rise not because of an excessive increase in the money supply but because of excessive money balances created by a decrease in money demand.

TABLE I.—MONETARY GROWTH AS AN INDICATOR OF INFLATION

Period	Growth rate of money (percent) (1)	Period	Growth rate of prices (percent) (2)	(1)−(2)
1947–52	2.3	1953	1.5	0.8
1948–53	2.7	1954	1.4	1.3
1949–54	3.2	1955	2.2	1.0
1950–55	3.3	1956	3.1	.2
1951–56	2.7	1957	3.4	−.7
1952–57	1.8	1958	1.6	.2
1953–58	1.5	1959	2.2	−.7
1954–59	2.0	1960	1.7	.3
1955–60	1.3	1961	.9	.4
1956–61	1.5	1962	1.8	−.3
1957–62	1.8	1963	1.5	.3
1958–63	2.2	1964	1.6	.6
1959–64	2.2	1965	2.2	0
1960–65	3.1	1966	3.3	−.2
1961–66	3.6	1967	2.9	.7
1962–67	4.0	1968	4.5	−.5
1963–68	4.8	1969	5.0	−.2
1964–69	5.2	1970	5.4	−.2
1965–70	5.1	1971	5.1	0
1966–71	5.5	1972	4.1	1.4
1967–72	6.1	1973	5.8	.3
1968–73	6.2	1974	9.7	−3.5
1969–74	6.1	1975	9.6	−3.5
1970–75	6.2	1976	5.2	1.0
1971–76	6.0	1977	5.9	.1

What special nonmonetary factors in 1972 and 1974–75 operated to cause such large deviations of actual changes in prices from those indicated by past growth rates of money?[6] First, 1972 was a year of price controls. By law, reported prices were not allowed to fully reflect market pressures, especially those pushing prices upward. Under such circumstances, the reported change in prices would be expected to be considerably less than inflation indicated by a monetary guide. From the perspective of a monetary interpretation of inflation, the gap in 1972 between price changes consistent with past money growth (about 5.5 percent) and those reported during wage and price controls (about 4 percent) indicates (1) an upsurge of prices when price controls were removed, and (2) an incentive for transactions to take place at prices above posted prices.

Other major differences between reported changes in prices and those indicated by past monetary expansion occur in the more recent period of 1974–75. Over this period, the level of prices was sharply and unexpectedly raised by the now well-known pricing actions of the major oil-producing nations and the nonmonetary effects of weather on agriculture. The actions of the Organization of Petroleum Exporting Countries (OPEC) resulted in a substantial, unexpected rise in the price of energy. Since energy is a basic input into most production processes, these OPEC actions had a widespread, and unexpected upward effect on costs of production. There was a decrease in the effective productive capacity of the economy. With aggregate demand affected to only a minor extent and real output reduced, the *level* of prices rose sharply.[6] Consequently, the rate of change of prices, computed over the period when these sharp upward adjustments in the level of prices took place, would be expected to be substantially, but temporarily, higher than that indicated by past monetary expansion. As their effect was absorbed in the economy, however, the *rate of change* of prices fell back to that dictated by the trend rate of money growth. Although in 1976–77 inflation returned to the rate dictated by monetary expansion, the *level* of prices remained about 4 percent higher, reflecting the effect of the OPEC actions.

TABLE II.—GROWTH RATES OF SELECTED COMPONENTS OF CONSUMER PRICES

[In percent]

Period	Food prices	Energy prices	All items less food and energy	Monetary rate of inflation
II/70 to IV/72	3.9	3.7	3.1	6
IV/72 to I/74	19.6	22.3	4.6	6
I/74 to III/75	8.8	13.9	9.7	6
III/75 to II/78	6.2	6.9	6.6	6

Table II shows the movement of prices of selected groups of items during the period from mid-1971 to mid-1978. As shown in the table, price increases of all items other than food and energy were held to about a 3–4 percent rate while general price controls were in effect (August 1971 through April 1974). After controls were removed from most items, prices accelerated to about a 10 percent rate, as shown in the period I/74—III/75. Table II also clearly shows that the sharp surge in prices from late 1973 into late 1975 was initially led by the sharp rise in agricultural and energy prices[7] and then was reinforced by the adjustment of prices of all other items resulting from the removal of price controls in early 1974. None of these components of consumer prices (food, energy, all other) continued the sustained double digit rate of increase. Since 1975 the average rate of increase of all these prices has fallen back into line with the sustainable rate indicated by the past rates of monetary expansion.

IMPLICATIONS FOR MONETARY ACTIONS

The above discussion has important implications for assessing the effects of past, current, and prospective monetary actions in the battle against inflation. The experience of the last six years makes it clear that it can be just as misleading to ascribe each and every reported increase in prices entirely to monetary factors as it is to ignore the effect of money on inflation. Consequently, failure to separate the monetary (trend) and nonmonetary (transitory) aspects of inflation can lead to confused demands on policymakers.

To illustrate the importance of this distinction, consider economic developments over the last six years. During the three-year period ended in the second quarter of 1971, the persistent rate of inflation was very much in line with the rate indicated by a monetary guide to inflation. Over the next six quarters, however, prices rose at about a 4 percent rate. Could this fall in inflation be attributed to monetary actions? The answer is no, the fall in reported inflation was strictly due to nonmonetary factors, that is, price controls that went into effect in August 1971.

From early 1973 through early 1975 prices rose very rapidly. From a 4 percent rate, inflation accelerated to about an 8 percent rate in the year ended first quarter 1974. Then, over the next four quarters inflation took another sharp leap upward, averaging 11.6 percent. If one attributes all of these increases in prices during this period to the cumulative effect of past monetary actions, then it appears that the Federal Reserve had let things get seriously out of hand. On the other hand, if the short-run influences of nonmonetary developments on prices are taken into consideration, quite a different conclusion emerges. Careful analysis of the effects on prices of weather, OPEC actions, and the removal of price controls would indicate a sharp rise in the level of prices beginning in late 1973 that was not the result of past monetary actions. The basic rate of inflation, the one determined by the cumulative effect of past monetary actions, remained at about 6 percent.

Early in 1975, inflation dropped sharply, and averaged 6.5 percent over the remainder of the year. Then inflation eased further to a 4.4 percent rate over the first three quarters of 1976. Was this substantial slowing in inflation the result of monetary policy actions? Again the answer is no. The slowing in the rate of change of prices from the double-digit pace of 1974 reflected only that the OPEC actions of late 1973 were not repeated in the following years, the general adjustment of other prices to the removal of price controls had been completed, and favorable agricultural conditions resulted in a sharp drop in the rate of increase of food prices. Did the basic inflation slow to a sustained 4.5 percent rate by late 1976? Again the answer is no. From late 1976 to the end of 1977 inflation returned to a 6 percent rate, the same as that indicated by the trend growth of money.

What was the effect of monetary actions, as measured by the growth of the money stock, on inflation over the six-year period 1972–77? In particular, what was the effect of allowing M1 to grow at about an 8 percent rate from late 1971 to early 1973, then cutting M1 growth to 6 percent for a year, further slashing it to 4 percent for a year, and then progressively reaccelerating M1 growth, first to 5 percent for six quarters, and then to almost 8 percent over the two-year period ended in the third quarter of 1978? Did these gyrations in money growth substantially change the basic rate of inflation? Using the past growth pattern of M1 as a guide to inflation, then again the answer is no. Money had grown at a 6 percent rate over the five years (20 quarters) ended in the fourth quarter of 1971, remained at 6 percent in the 20 quarters ended in early 1975 and by the end of the fourth quarter of 1977 the twenty-quarter growth rate of M1 was still essentially 6 percent.

CONCLUSIONS

In analyzing the inflationary process, one must be careful to avoid shortsightedness. In particular, short-run gyrations in prices must be distinguished from persistent changes in prices. Monetary policy cannot prevent the quarter-to-quarter fluctuations in the price level that naturally result from the dynamics of economic activity. However, concentrating on only these short-run fluctuations in the level of prices can result in falsely blaming nonmonetary factors for a persistent rise in prices. The analysis of inflation then tends to bounce, month-to-month, quarter-to-quarter from one item or sector of the economy to another. Such an approach diverts attention from the role of monetary actions, results in failure to permanently reduce inflation and ultimately means that inflation will return to plague the economy. The monetary actions of the government must be given a key position in any program to permanently reduce persistent inflation.

Over the first half of 1978, prices rose at about a 9 percent rate. Should inflation be expected to continue at this rate? The monetary guide presented in this paper, indicates a persistent inflation of about 6.2 percent for the period III/78—III/79. Some economists would contend that individuals now adapt their expectations of inflation more rapidly than previously, hence, a five-year trend rate of growth for M1 is too long. If the period for calculating the trend rate of money is shortened to four years, the inflation indicated for III/78—III/79 rises to 6.4 percent. Shortening the period further to three years, raises the basic inflation rate to 6.8 percent for the next year. Consequently, the lasting rate of inflation indicated by past monetary developments falls in a fairly narrow range of 6.2–7 percent, nowhere near a 9 percent rate.

However, just because a rough monetary guide to inflation, such as the one presented in this article, does not indicate that past monetary actions have yet cumulated into a 9 percent persistent inflation should not be taken as a cause for rejoicing. A persistent inflation of 6.5–7 percent is still at least three times as fast as any lasting inflation the U.S. economy experienced from the end of World War II through 1965. Furthermore, historical evidence indicates that the development of such a persistent inflation is a rather sluggish process that does not adjust immediately to accelerations or decelerations of the growth of money.[8]

Currently, the trend rate of money growth is being held down by the 5 percent growth rate that prevailed from the third quarter of 1973 to the third quarter of 1976. In sharp contrast, over the last two years (III/76—III/78), the average rate of monetary expansion accelerated to 8 percent. As the effect of the 5 percent growth wears off, if money continues to grow at an 8 percent or faster rate, inflation will rise sharply to a persistent, year-after-year, 8–9 percent rate.

[6] For a more complete technical discussion of the effects of special developments in 1972–74, see Denis S. Karnosky, "The Link Between Money and Prices—1971–76," this *Review* (June 1976), pp. 17–23.

[6] For a technical discussion of the effect of the rise in energy prices, see Karnosky, "The Link Between Money and Prices—1971–76," pp. 17–23; Robert H. Rasche and John A. Tatom, "The Effects of the New Energy Regime and Economic Capacity, Production, and Prices," this *Review* (May 1977), pp. 2–12; and "Energy Resources and Potential GNP," this *Review* (June 1977), pp. 10–24.

[7] Price controls on agricultural products were removed in September 1973. The initial OPEC rise in oil prices came in late 1973.

GOLDEN FLEECE AWARDS FOR OCTOBER, NOVEMBER, AND DECEMBER

Mr. PROXMIRE. Mr. President, unfortunately, the Federal bureaucracy continues to waste taxpayers money even when the Congress is not in session. My Golden Fleece of the Month Awards for October, November, and December demonstrate the perseverance and imagination of our Federal bureaucrats when it comes to wasting Federal funds.

My Fleece of the Month award for October went to the Environmental Protection Agency for spending $38,174 in a 2-year study to find out that runoff from open stacks of cow manure on Vermont farms causes the pollution of the water in nearby small streams and ponds. This research is an example of both solid waste in spending and what the "trickle down" theory of Government is all about.

In this case the award is for redundancy. There is not a dairy farmer in all of Wisconsin or Vermont who did not know the results of findings of this study before it was made. It reminds me of the old saying "She was a cowman's daughter and all the cowmen knew her."

The study, entitled "Alternate Methods of Manure Handling," was carried out at two Vermont sites, one at the University of Vermont Animal Sciences Research Center and another on a dairy farm. The university contributed $29,040 to the project so that the total cost was $67,214. The study also included a questionnaire answered by 874 dairymen "* * * to learn what farmers might do both in the presence and absence of external regulation."

Here are the major conclusions in the words of the report:

The concentrations and amounts of nutrients in runoff from the manure storage facility were high enough to cause deterioration of water quality in small streams and ponds.

The runoff from such a facility should be confined in a lagoon and irrigated on cropland, or

The manure stack should be covered to eliminate the large volume of contaminated runoff.

Covering for the facility should probably be a permanent roof rather than a thin plastic sheet placed directly on the pile. The later is cumbersome and not very efficient.

The key recommendations were:

It is therefore strongly suggested that either the manure storage area be covered or the runoff contained in a lagoon and later irrigated on cropland.

Coming from a dairy State, I strongly favor economical studies with a favorable cost/benefit ratio in support of milk, dairy farmers, or the cow. But I am at a loss to understand what this study found out that every dairy farmer not only in Wisconsin but in Vermont did not already know.

While neither the study nor the conclusions ever make this point, the project officer agreed with the suggestion of my staff that a purpose of the study was how to prevent runoff from manure by inexpensive means.

This is one occasion when the city slickers at the EPA got taken by the "Down Easters" from Vermont. Not only was the manure in this study stacked high, but the deck was stacked even higher against the American taxpayer.

This is one case where there was too much bull and not enough common sense. There was not only a deterioration in water quality but in the thinking of those who authorized this study.

NOVEMBER AWARD TO INTERIOR DEPARTMENT FOR FUNDING WAVE-MAKING MACHINE

I gave my Golden Fleece of the Month award for November to the Bureau of Outdoor Recreation of the Department of the Interior for spending $149,000 to install a wave-making machine in a specially designed double olympic sized swimming pool in Salt Lake City.

This marks a historic moment in American history. It can be said that for the first time Federal bureaucrats are making waves. In the meantime the taxpayers are getting soaked.

According to local officials, the 4-foot surf created by the machine will provide a recreation experience not available in an inland society—an experience of the rushing water of a river or wave action you can only get at the ocean. Based on this rationale, hard pressed taxpayers will next be asked to fund ski slopes in Florida, mountain scenery in Indiana, igloos in Death Valley, or tropical rain forests in Wisconsin.

The gigantic, 180-foot long, 17,500 square foot, fan shaped pool is only part of a larger project that includes a marina, boat ramp, bath house, and parking lot. The cost of the entire project is estimated, at least primarily, at $1,008,000.

Some $500,000 of this amount will be supplied by the Federal Bureau of Outdoor Recreation under a law which calls for developing outdoor recreational resources that are necessary and desirable. Although such amounts are ordinarily matched on a 50-to-50 basis by State, local, and private groups, an additional $300,000 of Federal funds are coming from the community development authority of the Department of Housing and Urban Development.

While apparently legal, here is a situation where Federal funds are matched in part by Federal funds, and the total cost to the State, local and private authorities will be only $208,000. Thus in addition to providing a wave making machine, Federal taxpayers are going to be socked for 80 percent of the cost of this swimming pool and park complex instead of the 50 percent ordinarily required.

This project is merely one of a number of surf making machines paid for in whole or in part by the Federal Government. So the overburdened taxpayer is drowned in the undertow of Federal spending. And other projects similar to the Salt Lake City project have been approved for construction in Kentucky and Mississippi, according to Bureau of Outdoor Recreation officials.

Why should this wave-making pool be funded at all? A project spokesman told us that the surf making machine should help to keep Salt Lake City citizens home where they belong now that the energy crunch has made gasoline expensive. As one official justified the expenditure to my office, "* * * residents will no longer need to jump in their campers and travel 300 miles to feel the rushing water of Flaming Gorge."

As community development funds under the law must go primarily to low and moderate income persons, either the camper-owner residents of the area are impoverished, or the justification is of questionable merit.

Another official justified the project on the grounds that it was an experimental and innovative approach to outdoor recreation.

The Bureau of Outdoor Recreation-provided surf machine and pool are expected to be completed in time for the summer of 1979. Desert surfers will ride the 4-foot swells while mothers and their children splash in the wavelets at pool's edge. So, surf's up in Salt Lake City, but the Federal taxpayers are the ones taking a bath.

DECEMBER AWARD TO OFFICE OF EDUCATION

I gave my Golden Fleece of the Month Award for December to the Office of Education (HEW) for spending $219,592 to develop a "curriculum package" to teach college students how to watch television. The product of the contract, according to its recipient, will enable college students to "* * * distinguish between television's fact and fiction, recognize its various viewpoints, and evaluate its messages."

Rather than teaching the undergrads at Old Siwash how to look at the tube, it would perhaps be better for both students and the taxpayers if this contract went down the tube.

If a student's critical viewing skills have not been sufficiently developed by college age so he or she can understand—in the words of the proposal itself "* * * how weekly viewing of Rhoda affects the

viewer's attitude toward divorce or more broadly toward feminism," one doubts seriously whether development by the Federal Government of this curriculum will help. While students may see an easy A in "TV Viewing 101," the Office of Education deserves a solid F for this contract.

Under its Special Projects Act, the Office of Education—which has in fact developed some outstanding television programs, like Sesame Street and the Electric Company—has let four contracts totaling $823,651 to develop "critical television viewing skills" at the elementary, middle, secondary, and post-secondary school levels. Another $800,000 to train teachers and distribute the materials developed and tested in phase 1 is contemplated.

In view of the amount of violence on television or the attempt of advertisers to aim commercials at children, there may be some justification for the elementary, middle, or secondary level proposals. But the spending of $219,000 for the college program gets such low ratings it should be canceled. If education has failed to endow college students with critical faculties which can be applied to the spectrum of their lives, a series of new courses on how to watch television critically will not provide it.

The college program, to be undertaken by the school of public communication at Boston University, calls for the development of student materials to—

> . . . help viewers to understand the differences and the values of various types of television programming, i.e., commercials, drama, soap opera, situation comedies, documentaries, public affairs, news, (and) sport programs.

The viewer will learn to—

> . . . become aware of the differences between an issue presented in a television drama (fiction) and the same issue treated in a television documentary (fact).

One can envision a proliferation of such grants. This one could be followed by Federal funding to develop college curricula in the "critical skills" needed to watch football, shop for Christmas gifts, or to shovel snow.

In addition the study proposal is replete with the jargon of modern education, psychology, and testing. There are "target populations," the "replaction of results," "impact evaluations," "feedback" from teachers, and "deliverables" under the contract.

The analysis of the field test program is described in the following language:

> A series of univariate and multivariate analyses will be performed in order to delineate the characteristics of the sample in terms of pre-test level of critical viewing skills, as well as sociodemographic and other variables, and the effect of the test curriculum. Among these analyses will be a multiple analysis of variance, with experimental vs. control as the independent variable, and a set of difference (post-minus pre-test) scores assessing selected critical viewing skills as the dependent variable. In addition, multiple regression analysis and cannonical correlation will be used to assess the relationships between the critical viewing skills on one hand, and on the other, sociodemographic and other variables.

Is it possible that those who wrote that paragraph can write materials or textbooks to provide "* * * an understanding of the relation between television programming and the printed word?"

The grant raises a whole series of issues. Should the Government be involved in developing curricula to teach students how to watch the mass media? If needed, why should not it be done by individual university faculties to fit their own specific needs? Why should not the materials be developed and produced by one of the many private textbook publishing houses? Is it clear that college students are, in fact, watching too much television or that they are unable to criticize it intelligently? Should the Federal Government be offering inducements for the proliferation of new courses to substitute for the limited time students have for fundamental subjects?

In my view, in this period of inflation and budget stringency, the money should not be spent at all. There is already ample literature in the field. Why should not college students develop their critical viewing skills by reading Newton Minow, Vance Packard, or Marshall McLuhan rather than having taxpayers' money spent to provide the Office of Education with the results of univariate and multivariate analyses delineating the sociodemographic, dependent and independent variables, all nicely assessed through multiple regressions and cannonical correlations?

OVERSIGHT HEARINGS DURING RECESS

Mr. PROXMIRE. Mr. President, during the recess, our Banking Committee was busy with a number of oversight hearings. I have instructed the staff of the committee to summarize those hearings, particularly the most cogent testimony received, and the conclusions which I draw—and I do not hold the rest of the committee responsible for any of these conclusions—as a result of these hearings. I am submitting those summaries to the Senate for their information, because I think that in each case these affected economic matters that are of great concern to the country, to various groups throughout the economy, to members of the committee and to Members of Congress generally.

I ask that these summaries be printed in the RECORD.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

FOREIGN EXCHANGE TRADING—SUMMARY OF DECEMBER 20TH HEARING AND SUGGESTED FOLLOW-UP

The purpose of the hearing was to explore explanations for the volatility of exchange rates and the drastic depreciation of the U.S. dollar in 1978. Witnesses were invited to state their views on the extent of disorderly foreign exchange trading conditions and divergence of exchange rates from fundamental economic trends. Witnesses were also asked to address: (1) possible collusion by banks to stimulate and profit from sudden rate movements; (2) asset diversification by foreign holders of U.S. dollars, including central banks; (3) the effect of the Eurodollar market on the U.S. dollar's exchange rate; (4) foreign exchange controls and market intervention by foreign central banks; and (5) market inperfections, such as inadequate information, which could contribute to a crowd psychology among traders.

Some witnesses took the view that the dollar's decline had not been excessive through November 1, 1978 and that exchange rates did not fluctuate too widely. Professor Blumberg presented statistical results based on data for 30 currencies over 7 years which showed that exchange rates adjust to changes in relative purchasing power (inflation) with a variable lag of one to twelve months, and adjust faster if currencies are free to float. Professor Aliber and Professor Dunn stressed that anticipations of future rates, and hence future economic policies and trends were the critical factors affecting spot rates. The lack of confidence in U.S. economic policies generally, together with trends in U.S. inflation, budget deficit, trade deficit, and productivity, contribute to pessimism about the future value of the dollar. Blumberg and Dunn agreed that where runs against the dollar had exceeded relative prices the reason was probably asset diversification by foreign dollar holders.

The collusion thesis received no support from the witnesses. It was their unanimous view that collusion to manipulate rates was unlikely and could only influence rates in the short run if it occurred. Professor Aronson, who had heard reports of manipulative "rings" of European banks operating in 1973 and 1974, had no information that such manipulation had been attempted since 1974 and agreed with Dr. Solomon that there was no evidence that U.S. banks had ever been involved in such activities. Existing data on foreign exchange trading are insufficient to reach definite conclusions, however.

Asset diversification by foreign holders of U.S. dollars, especially central banks of developing countries, depressed the dollar more than fundamental economic conditions justified, according to several witnesses (Carli, Dunn, Blumberg). Foreign dollar holdings, both official reserves and Eurodollars, constitute a dollar "overhang" which can descend, driving the exchange rate down, whenever confidence ebbs. Measures to reduce U.S. inflation and the trade deficit can restore confidence for a time, but for the longer term, several witnesses suggested that steps be taken to limit the expansion of dollar assets abroad or at least discourage the conversion of such assets into other foreign currencies. Dr. Carli suggested that an international reserve asset be made available to foreign central banks wishing to switch out of dollars (a substitution account in the International Monetary Fund is one example). Professors Aliber and Dunn proposed that uniform reserve requirements be placed on dollars deposited abroad and domesticalsy—a step which would require the cooperation of foreign monetary authorities.

The witnesses agreed that the Eurodollar market is not a major factor influencing exchange rates, but does complicate U.S. monetary policy. Several witnesses favored reserve requirements on Eurodollar deposits as a device to assist U.S. control of the domestic money supply, but Dr. Carli opposed such action at this time because he does not want to inhibit the Eurodollar market's role in recycling the OPEC surplus.

Foreign exchange controls were opposed unanimously by the witnesses. Views differed on market intervention by central banks: Professor Blumberg opposed intervention except in rare cases of disorderly markets; Professor Aronson favored intervention to smooth rate movements; Professor Aliber proposed that central banks try to keep rates within a very wide band around purchasing power parity.

The witnesses did not view market imperfections as seriously affecting exchange rates. They opposed regulation of foreign exchange trading, including such suggestions as limits on foreign exchange position-taking by banks, licensing of brokers and dealers, and regulation of quotation of bids and offers. They did not oppose measures to require more public information on market transactions.

SUGGESTIONS FOR COMMITTEE ACTION:

1. Additional data on foreign exchange trading is needed in order to increase knowledge of how the market works and to lay to rest rumors that U.S. banks have conspired to drive the dollar down (assuming that is not the case). The Committee staff have met with representatives of the Federal Reserve Board and the Treasury Department to discuss a questionnaire to be addressed to the principal U.S. banks engaged in foreign exchange trading. Data to be obtained would include daily volume of trading, position-taking at end-of-the-day, and maximum position during the trading day for the last quarter of 1978. Quarterly reports on foreign exchange profits and losses over the past few years (which are publicly available) would also be obtained. The data would indicate the level and direction of U.S. bank activity during the period in which the dollar dropped most precipitously as well as whether the banks realized unusual foreign exchange profits. Hearings could be held late in the spring after the data have been analyzed.

2. Senate resolution calling for U.S. representatives to IMF to propose measures to:

A. ensure firm IMF surveillance of exchange rate policies of members;

B. limit asset diversification by central banks by requiring IMF approval for large changes in proportions of reserves held in particular foreign currencies;

C. develop uniform reserve requirements on foreign currency holdings by banks (Eurocurrencies); and

D. provide for the SDR or another international reserve asset to assume gradually the primary role in the international monetary system.

CONCLUSIONS OF MULTIFAMILY HOUSING REHABILITATION HEARINGS

On Thursday, December 21, 1978, the Banking Committee held oversight hearings on multifamily housing rehabilitation. The hearings focused on the problems which adversely affect smaller, existing multifamily buildings whose debt was either initially conventionally financed or insured by FHA, which serve predominantly low- and moderate income tenants, and which tend to be located in older, urban neighborhoods.

PROBLEMS

The testimony of the witnesses, who ranged from Assistant Secretary Simons to a Brooklyn-based nonprofit housing sponsor, indicated that the problem of an increasingly deteriorating or otherwise troubled multifamily housing stock can be traced to a number of factors. These include:

1. Neighborhood decline, as evidenced by high (above 6%) vacancy rates that have been increasing, high (above 20%) annual household turnover, buildings with excessive debt such as short-term balloon payment mortgages, frequent and uncorrected housing code violations, high crime rates and a large welfare population.

2. Operating expenses for individual buildings that continue to significantly lag behind rental income. Operating expenses have typically been increasing at twice the rate of rents. Factors contributing to the gap which make rental housing extremely sensitive, in many urban areas, to shifts in demand; competition from federally-subsidized public housing and other privately-sponsored, heavily subsidized housing (e.g., Section 8); and the sheer inability of tenants to pay higher rents.

3. Lack of financing. Testimony indicated that as rental income becomes an uncertain source of return, the deductions used to shelter other income of the owner becomes extremely important.

These deductions, primarily interest on mortgage debt and writeoffs for depreciation, are an incentive to the owner to stay with a building that is not otherwise paying its way. However, as depreciation brings the owner's tax basis on the property to zero and/or as amortization of mortgage principal begins to exceed interest payments, a sale or refinancing is necessary to enable the owner to recapture the remainder of his equity. In addition, since few owners have reserves for major repairs, a sale or refinancing is often the only means by which major rehabilitation, often deferred for years, can be undertaken. Despite the crucial importance of this process of cyclical financing, many owners of buildings in declining neighborhoods find that mortgage money is not available to them. This lack of money will cause the owner to begin to "milk" the building or to turn to relatively short-term, high interest loans, which often carry balloon payments at the end of the term or to take out second or third mortgages from speculators or their suppliers of goods and services. The absence of a secondary market (except where GNMA mortgage-backed securities are used) has greatly hampered the ability of mortgage bankers and savings and loan associations to make money available.

4. Indifferent or inexperienced owner-managers. Both Irving Kriegsfeld, an apartment owner-manager, and Professor George Sternlieb, of Rutgers University's Center for Urban Policy Research, indicated that a rather large percentage of the owners of these buildings are inexperienced, small-time operators without a thorough knowledge of the economics of owning and maintaining a multifamily property and like to walk away from a possibly salvageable building which encounters difficulties.

5. Overly conservative underwriting and appraisal standards. Both Kathryn Wilde, a nonprofit housing sponsor, and Robert Wettengel, Executive Director of Louisville's community development agency, testified that appraisal and underwriting standards applied both by private lending institutions and by the FHA, itself, have the effect of reducing the availability of even federally-insured loans to owners of multifamily buildings in older urban areas. For example, many inner-city areas are characterized by the mixed commercial and residential land use common in an era when people lived close to where they worked. Yet, commonly-accepted and applied appraisal and underwriting standards stress the desirability of a homogeneous land use pattern. Thus, buildings are often undervalued or entire neighborhoods redlined, with consequent acceleration of deterioration and abandonment of structures that are otherwise sound or could be made sound.

ASSUMPTIONS OF APPROACHES TO RESOLVING THE PROBLEMS

An approach that might be addressed by the Committee must rest, ultimately, on two fundamental assumptions:

1. Continued reliance on the private sector is both inevitable and desirable. More particularly, private investor-owners will continue to be integral to any strategy which seeks to bring about the upgrading and preservation of our multifamily housing stock. It is unrealistic to expect that government ownership of these properties will yield measurable improvements in deteriorating units. Reliance on tenant cooperatives or other community-based nonprofit sponsors is problematic on any large scale. Many tenants lack the interest in or expertise needed to manage multifamily properties. The tax advantages that induce private individuals to purchase and maintain buildings are largely denied low-income, tax-exempt organizations, such as cooperatives. As a result, any approaches must be primarily directed at making long-term investment by the private sector in these units worthwhile.

2. The gap between operating expenses and rents will not likely narrow in the foreseeable future, particularly in buildings serving low- and moderate-income tenants. This will be the case even if tenants were required to pay more than 25 percent of their incomes for rent as is the present, explicit objective of many of our federal subsidy programs such as Section 8, Section 236 and Section 221(d)(3) BMIR. Thus some subsidy will be essential to maintain these buildings as suitable housing for lower income tenants.

POSSIBLE APPROACHES OR SOLUTIONS

At this point, it would appear that the Department of Housing and Urban Development has sufficient tools at its disposal to meet both the problem of incenting private involvement in multifamily housing and to provide, within the limitations of those resources appropriated by Congress, subsidies to cover the rental income-operating expense gap. It would appear, however, that regulatory restrictions and bureaucratic turgidity discourage many small owners from taking advantage of these programs. The role that this Committee can play is continued oversight of HUD's administration of these programs to assure that they are carried out more efficiently and effectively.

Notwithstanding the foregoing conclusion, it would appear that there are some legislative actions that this Committee might take in the future. These include the following:

1. Very serious problems have been raised about the cost efficiency of the Section 8 Substantial Rehabilitation program. According to the Congressional Budget Office, the cost of this program is very nearly equal to that of the new construction Section 8 program, with annual contract authority approaching $5000 per year per unit. It has been alleged that the gut rehabilitation financed by Section 8 is often undertaken when more moderate rehabilitation would be appropriate. The Committee should carefully scrutinize this program with perhaps a legislatively-mandated phasing out or a severe limitation placed on its use. Such an action, however, would have to be accompanied by an assurance of the availability of alternate, less costly programs, such as a tandemed Section 312/Section 8 Existing Housing Certificate, for those buildings which do require substantial rehabilitation.

2. Two witnesses persuasively argued that the Section 223(f) program offers significant potential for facilitating the refinancing of existing debt by owners. However, and with good reason, HUD regulations currently limit the amount of debt that can be refinanced to that whose amortization would exceed no more than 85% of project income. Where income is very low, due to a high proportion of lower-income tenants, this rule makes the program impossible to use. This problem could be resolved either through lowering the borrowing costs, through an interest credit, or by providing a subsidy specifically tailored to the Section 223(f) program which would cover the 15% required spread between amortization and income.

3. A careful look at the reasonableness of the application of Davis-Bacon Act requirements to all multifamily projects above 8 units, regardless of the tenant population to be served or the type of sponsor-developer, will have to be considered. In New York City, many nonprofit sponsors have indicated that the 40% additional labor cost expense imposed by Davis-Bacon has rendered a number of projects infeasible, economically. While some of the problems relate to the Department of Labor's administration of the Act, and while some unions have agreed to work out arrangements that are advantageous to

the sponsor, the very requirement, itself, has continued to be troublesome.

4. Displacement of lower-income tenants as a consequence of rehabilitation (particularly that which results in significantly higher rents) is a concomitant aspect of increased rehabilitation efforts. The Committee cannot avoid confronting this very complex and very important issue.

OTHER ISSUES

A number of issues remain unexplored or, at best, only adumbrated by the testimony at the recent hearings. These will have to be examined by the Committee before it can fully deal with the problem of multifamily housing rehabilitation. These include the following:

1. The importance of certain provisions of the tax code to investor-owners of multifamily housing is substantial. Without them, as noted by Assistant Secretary Simons, "the incentives to the formation of that capital are going to have to come . . . through some other route which would give higher returns to attract that capital." (Transcript page 169) One witness, Irving Krigsfeld, has suggested that additional tax credits should be made available to owners of buildings which serve low-income tenants, much as tax credits are given to employers of low-income workers. A thorough understanding of the role of tax shelter provisions in this field is essential in evaluating the extent to which direct subsidies ought to be relied upon in incenting private investment in these properties.

2. The role of GNMA, FNMA and FHLMC in facilitating the sale of rehabilitation loans in the secondary market was barely discussed at the hearings. As mortgage bankers are the primary source of money for refinancing for multifamily properties, a vigorous secondary mortgage market directly impacts the number and size of loans that will be made available for these structures.

3. The bank regulatory agencies constrain the involvement of banks and savings and loan associations in the multifamily rehabilitation market. For example, Kathryn Wilde informed the Committee that the FDIC's pressures on banks to unload, rather than recast defaulted loans, and Federal Home Bank Board requirements of 25 percent equity for uninsured loans may contribute to disinvestment in multifamily buildings or make more difficult, particularly for low-income cooperatives, the rehabilitation of existing, older buildings. The Committee will have to determine what the proper role the bank regulatory agencies should play in this area.

HEARINGS ON HOUSING OUTLOOK: DECEMBER 22, 1978: FORECAST AND POLICY RECOMMENDATIONS

FORECAST

All of the witnesses forecast that housing starts will decline significantly next year. Most predict a 15 to 20 percent decline during 1979, with production declining from approximately 2.0 million units to 1.6 plus million units. (The annual Federal Home Loan Bank Board Conference settled on a 1.6–1.7 million unit forecast.)

While many observers feel the downturn will be moderate with recovery to a needed 2 plus million units in 1980, some express concern that the expected downturn will snowball in conjunction with a general economic recession, and others fear that recovery will, because of continuing inflation, be slower.

Most forecasters anticipate a sharp reduction in the annual rate between the 4th quarter of 1978, and the 4th quarter of 1979, reaching as low as 1.1 million units next year at this time, a decline of almost 50%. Most foresee a gradual decline in housing activity through 1979 and a recovery in 1980. The optimistic see a rapid upturn of starts early in 1980. The more pessimistic anticipate a gradual recovery. Almost all expressed considerable uncertainty about what would happen after mid-1979.

Greenspan—expects starts to slip 21% for the year reaching a low of less than 1.5 million units annually at years end. He anticipates a rapid recovery, reaching 2.0 million units for the year 1980.

Hudson (Morgan Guaranty Trust)—foresees a general recession and a housing recession in 1979. Overall starts will exceed 1.6 million for the year. But he expects a sharp decline to about 1.4 million units, 30% downturn, by the end of the year. He would probably expect a slower recovery than Greenspan during 1980.

Schechter (AFL–CIO)—anticipates, unless some action is taken, a deep downturn to just over 1.1 (45% decline) million units at the end of the year.

Sumichrast (NAHB)—Looks for a moderate downturn—a decline of 400 thousand units to 1.56 million units for the year. But he is very concerned that it is difficult to control a downturn when tight money is the breaking mechanism.

Thygerson (U.S. League of Savings) HANC (Mutual Savings) Reidy (MBA) and Greenwood (National S&L League)—all agreed on a 1.6–1.7 million unit year. Reidy expects housing demand to weaken noticably, though doesn't look for a major recession. Thygerson foresees a quick rebound in 1980.

Hon. Robt. McKinney—forecasts a slowdown to 1.75 million units with a low of 1.5 million in the 4th quarter. If inflation proves more intractable, starts could average 1.5 million for the year, and decline further to 1.3 million annually in mid 1980.

Secretary Harris—forecasts 1.7 million. The decline in housing starts will have no significant effect on the economy—and not result in a general increase in unemployment. HUD does not foresee a recession but "we are in unknown land," circumstances are different from previous periods of economic uncertainty. The downturn will be sharper in single family starts than in multifamily, largely because of HUD's proposed multifamily production program.

POLICY RECOMMENDATIONS

Almost all of the witnesses agreed that some decline in housing production is needed at this time to assure the long term health of the industry and the general economy. Almost all agreed that reduced government spending is essential to curbing inflation and protecting the dollar. Most agreed that a reduction of the budget deficit—even below the President's initial goal—is likely to benefit housing as well as the general economy over the longer run. Almost all agreed that Federal policy should not rely too heavily on monetary policy: A balance of monetary, fiscal and other policies is needed to spread the impact of deflationary actions on all sectors of the economy instead of permitting housing to bear the major impact.

LEGISLATIVE RECOMMENDATIONS

1. Provide new authority for HUD to require forbearance in cases of default.

2. Provide authority to exempt Federally chartered financial institutions, and FHA–VA guaranteed houses from state usury ceilings.

3. Change Brooke-Cranston authority (which has $1 billion in appropriations standby authorization) in order to assure greater targeting to lower income families.

4. Revise standby authority for program of foreclosure relief or a redrafted Homeowners Loan Program to protect homeowners in case of widespread default.

5. Consider implementation of selective credit controls authorized by the Credit Control Act.

6. Oppose over response by the Federal Reserve Board in utilizing monetary tools to curb inflation.

INDIVIDUAL VIEWS

Greenspan—There appears to be little we can do at this stage but we can focus on appropriate policies for 1980 and beyond. It should not be too difficult to restore budget balance and a non-inflationary environment in which home construction will be viable.

Hudson (Morgan Guaranty Trust)—The principal contribution we can make is to run overall economic policy in a way that avoids stress in the general economy of the kind that is now evolving. We need to seek means to alter the pattern of volatility but unfortunately a good many of the remedies that have been proposed have doubtful merit. We have gradually been improving the capability of mortgage lending institutions to sustain flows of credit.

Schechter (AFL–CIO)—We need to expand subsidized housing production in order to counteract the basic inflationary problem of a shortage of housing. We will need selective credit controls.

Sumichrast (NAHB)—We need a contingency plan to bolster single family construction. And if it gets worse, some means for directing credit into housing construction.

Thygerson (U.S. League)—Expand alternative mortgage institutions and encourage use of variable rate mortgages by all financial institutions. Reappraise need for Federal Mortgage Credit Institutions as a result of success of new private Mortgage credit instruments. Review need for local tax exempt issues for mortgage credit (Chicago Plans). Provide new incentives to induce greater personal savings. Develop a balanced monetary economic stabilization policy—reviewing need for existing federal credit agencies (in addition to federal mortgage credit agencies).

Hanc (Mutual Savings Banks)—Inflation is the chief threat to long term housing health. Need to increase use of VRM's.

Reidy (MBA)—Revitalize FHA. Fiscal restraint. Eliminate usury ceilings. Reduce housing costs—particularly government regulation

Greenwood (National League)—Congress should continue to give Home Ownership opportunity a high priority—public policy should recognize that producing housing is more important than producing most other goods. Policies to curtail housing production and restrict availability of mortgage credit will have disasterous social and economic consequences—and will only serve to further exacerbate the problem of rising housing costs.

Key to curbing inflation is restraining the credit demands of local, State and Federal governments, and raising real growth and productivity.

Eliminate usury ceiling.

Oppose Federal Reserve proposal for a universal reserve requirement for all financial institutions.

Secretary Harris—Support Administration anti-inflation program: "A small, short-term decline in housing is essential for the long-term health of the industry, as well as the general economy." We do not project the need for a safety net—you will not be receiving any recommendations from us which assumes there will be a recession over the next 1½ years—except for one dealing with HUD forebearance power in cases of mortgage defaults.

Hon. Robt. McKinney—Support Administration program, particularly in restraining Federal spending. Need to pursue balanced program and not rely unduly on monetary policy. Eliminate usury ceiling. Maintain Regulation Q. The Federal Home Loan Bank should be prepared to act to reduce reserve requirements, promote advances, etc., in order to maintain the supply of credit if events during the year create painful effects on housing.

OVERSIGHT RECOMMENDATION

Because of the considrable economic uncertainty facing the industry it may be well to hold a followup hearing later this year.

FNMA–FHLMC UNDERWRITING HEARING—SUMMARY AND LEGISLATIVE IMPLICATIONS

I. FHLMC AND FNMA RESPONSES

In general, FHLMC's prepared testimony was quite responsive to a number of the concerns raised in the Committee staff memorandum which had been prepared to help them focus their testimony. In addition, in the Q & A session, Phil Brinkerhoff and his assistant Will Thomas went well beyond the prepared statement and affirmatively responded to a number of additional issues.

On the other hand, FNMA's response was, at best, only marginally responsive.

A summary broken down by issues follows.

Remaining economic life. It was clearly the impetus of these hearings which caused FHLMC to decide on a revision of its policy providing that remaining economic life will only be taken into account if the appraiser can document that it is five years or less. Apparently for several years FHLMC has been purchasing some loans where the term exceeds the remaining economic life but this internal policy had not been incorporated in their published guidelines nor apparently in any formal internal policy document. The new five year rule is a significant breakthrough.

FNMA's testimony, on the other hand, held firm to the concept that the loan term should not exceed the remaining economic life, although in the Q & A session, Oakley Hunter seemed to be on the defensive, and several times indicated that he didn't really have any objection to the new FHLMC approach but believed that FNMA's approach was also acceptable.

Effective Age. FHLMC's prepared statement suggested that effective age would continue to be used in reviewing the appropriateness of loan terms, but in the Q & A, Brinkerhoff and Thomas indicated that this was not correct and that effective age would simply be used as a cross check to check for the internal consistency of the appraisal. If FHLMC sticks by this position as stated in the Q & A, it would be an important reform, since presumably it means that once FHLMC is satisfied with the appraisal estimate of current fair market value, effective age will not be used in reviewing the underwriting decision on the loan, including the appropriateness of the terms of the loan.

There appeared to be no change in FNMA's position on effective age, although Oakley Hunter did concede that it is a subjective judgment.

Chronological Age. In his statement, Brinkerhoff indicated that as used in the current FHLMC guidelines, the use of "age of property" is outdated, and that in FHLMC's new guidelines "the actual age of property will have no material bearing on our decision to buy or reject a loan."

Block by Block Analysis. Both FNMA and FHLMC made favorable comments on the block by block underwriting approach, but both stopped short, in their prepared statements, of agreeing to incorporate the concept in some fashion in their written guidelines. However, in the Q & A, Brinkerhoff appeared to indicate that there would not be a problem in so doing, at least as an illustration.

Maximum financing criteria. FHLMC announced what it described as a major revision in its criteria for maximum financing, but the statement and the Q & A suggested inconsistencies in its new policy, and further clarification will be needed.

Heterogeneous vs. Homogeneous Neighborhoods. Both FHLMC and FNMA in their statements indicated that revisions in their guidelines would be made to prevent unnecessary discrimination against heterogeneous neighborhoods, although the specific guideline language still needs to be formulated.

Focus on Early Years of Loan. In the Q & A session, Brinkerhoff agreed that the FHLMC underwriting guidelines should be revised to focus more on evaluating risk in the early years of the mortgage, with respect to evaluating both the risk of value decline and in evaluating stability of income.

Dollar Value Per Square Foot Language. In the Q & A, in response to a question about whether certain language in the FHLMC guidelines might create a bias against inexpensive homes, Will Thomas of FHLMC admitted that the current language was improper and he indicated that it would be discarded.

II. THE APPRAISER-LENDER PANEL

In addition to its role in providing background to assist in the questioning of FNMA and FHLMC, the appraiser-lender panel in the morning session also developed a record on various underwriting issues which should have broader value. The record breaks new ground on questions relating to the reliability and validity of the use of remaining economic life and effective age as underwriting tools, and it contains the most extensive discussion yet before the Committee of the block by block underwriting approach of the Philadelphia Mortgage Plan.

With respect to remaining economic life, the one strong defender on the panel of the utility of the concept was Charles Akerson, President of the American Institute of Real Estate Appraisers. Yet even Akerson stated, in response to the discussion, that the concept has indeed been greatly misused, and he also acknowledged that the risk of value decline (rather than remaining economic life) would be of primary interest to the underwriter.

In addition to Rene Fougeray's favorable testimony on the Philadelphia Mortgage Plan, both Richard Betts, the appraiser from Berkeley, and Dexter MacBride, Executive Vice President of the American Society of Appraisers, strongly supported the block by block approach to underwriting in their testimony, and specifically mentioned both the Philadelphia Mortgage Plan and the approach in the State of California's Fair Lending Guidelines. (Akerson did not comment on the block by block approach.)

A number of very significant points were brought out in the Q & A to Fougeray's testimony. At several points, Fougeray indicated that the banks in Philadelphia had, in effect, redlined in the past. He also stated that the Philadelphia Mortgage Plan involved a complete revision of underwriting criteria by the banks, and that aggressive efforts were made to communicate to real estate boards and community groups the new availability of loans. Further he indicated that as a result of the plan, a substantial number of loans (at least 4200) have been made that would not have been made in the past, and that these loans have had a good delinquency record.

This experience is consistent with the experience of State licensed savings and loans in California which have been subject to administrative fair lending and anti-redlining regulations and guidelines since August 1976. The California regulations and guidelines required not only reforms in underwriting but also the development of affirmative marketing plans. The development and implementation of these regulations and guidelines has caused more than a 100% increase in the relative share of loans by State licensed S&L's going to neighborhoods which have been categorized as "mortgage deficient", with no apparent delinquency problem.

III. OVERSIGHT FOLLOWUP WITH FHLMC AND FNMA

The immediate next step with FHLMC and FNMA should be to monitor closely and be involved in the process leading to formal adoption of the specific revisions in FHLMC's guidelines. This should involve additional correspondence, further staff discussions as appropriate, and offering specific comments on specific drafts of language revisions. FHLMC has indicated that a complete first draft of their revised guidelines should be ready sometime in January. Once the reforms that FHLMC has indicated it is prepared to make have been translated into a formal revision of FHLMC's published guidelines, further pressures can be brought to bear on FNMA to follow suit.

IV. LEGISLATIVE IMPLICATIONS

In the past, there have been a large number of studies, and much testimony before the Committee, demonstrating the virtual absence of lending by banks and savings and loans in certain neighborhoods. In response to this evidence, the industry has often argued that such patterns of lack of lending are the result of 1) lack of demand; and/or 2) sound business decisions because of the risks involved in lending in such neighborhoods.

The latest hearings have furthered the public dialogue on these issues in several ways. First, they highlighted several underwriting concepts commonly used (relating to remaining economic life and effective age) which can be a bar to loans in older urban neighborhoods even though a strong argument can be made that such underwriting concepts are not reliable or even relevant predictors of loan risk or adequacy of loan security.

Second, the hearings, through Fougeray's testimony, have provided strong evidence that when lenders do make basic reforms in their underwriting criteria, and take meaningful steps to communicate their desire to make loans, they are able to make substantial numbers of loans in older urban neighborhoods that they previously were not making, and without any particular default problem. Thus, when the reforms are made and properly communicated, considerable "demand" suddenly appears, and can be satisfied without undue risk. This is probably the best evidence to date that the concerns about "redlining" have been justified.

While it may be argued that the banks participating in the Philadelphia Mortgage Plan have voluntarily addressed the problem of redlining, and while their successful effort has stirred some interest in a number of other cities, it seems clear that if left on a strictly voluntary basis, the spread of this type of effort to other cities is likely to be relatively slow. While underwriting reforms by FHLMC and FNMA certainly should assist this process, in my judgment by far the most effective way to speed this process of reform is by the adoption and enforcement of anti-redlining regulations and guidelines by financial regulatory agencies. This approach, which has been in effect in California for several years, has produced reforms in underwriting and marketing similar to the Philadelphia experience, with similar results.

The Federal Home Loan Bank Board, in its anti-redlining regulations which took effect in July 1978, has adopted a similar approach. While as yet it is still too early to make any definitive statements on the impact of the Board's regulations, it is clear that if properly enforced these regulations have tremendous potential for addressing the problem of redlining. It should be noted that in oversight hearings on the House side last summer, the Board indicated that its anti-redlining regulations were an important complement to the CRA.

Unfortunately, the bank regulatory agencies have thus far refused to follow the Board's lead in adopting anti-redlining regulations (although the FDIC at least has apparently been giving active consideration to such an initiative). Thus, I recommend that you sponsor anti-redlining legislation which would endorse and build on the Bank Board's initiative by 1) providing a specific statutory base for it; and 2) expand the coverage to include banks.

Key provisions of the legislation would:

1. Prohibit a financial institution from discriminating based on consideration of neighborhood factors, unless the financial institution can demonstrate that such consideration in the particular case is required to avoid unsound lending;

2. Prohibit a financial institution from discriminating based on consideration of the age of the dwelling, but explicitly provide that a financial institution may consider the actual physical condition of the dwelling to the extent required to avoid unsound lending;

3. Provide that each financial institution shall periodically review its marketing programs and practices to ensure that such programs and practices are consistent with the achievement of the purposes of the Act; and

4. Instruct each appropriate regulatory agency to issue appropriate regulations and guidelines to interpret and enforce the Act and to effectuate its purposes.

The legislation could also include other provisions such as civil liability provisions and reports to Congress.

Essentially, the legislation would be nothing new to the savings and loan industry, since they are already under the Bank Board's regulations. The main effect of the legislation would be to instruct the Comptroller of the Currency, FDIC, and the Federal Reserve to follow the Bank Board's lead. Also, by providing a statutory base for the Bank Board's existing regulations, it would strengthen the ability of Congress to engage in oversight on the implementation of the Board's regulations.

While I am sensitive to emerging concerns regarding the level of regulation in our economy, the type of regulation that would flow out of this bill is a good type of regulation in that it has a demonstrated track record of inducing needed reforms in the private sector. Since it has the potential for inducing a substantial amount of sound lending in older urban neighborhoods without relying on any federal subsidy, it also would appear to be a logical initiative on which to focus given existing federal budget realities.

One final comment on legislative implications from the hearings should be noted. At some point it would be desirable to remove the reference to remaining economic life from the FHA 203(b) statutory language. However, since the major problem with the FHA programs has not been redlining but rather inadequate supervision of mortgage bankers, shoddy appraisals and poor underwriting, removing the remaining economic life language does not appear to be a top priority. However, if it can conveniently be done (e.g. in the context of making other reforms in FHA programs) it would certainly be desirable.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 25—MARTIN LUTHER KING, JR. NATIONAL HOLIDAY

Mr. DOLE. Mr. President, today I join several of my colleagues in sponsoring legislation to declare January 15, the birthday of Martin Luther King, Jr., a national holiday.

Today we celebrate the 50th anniversary of the birth of Dr. King. This is a particularly appropriate day on which to initiate efforts to honor this champion of the rights of all people. On this, the Golden Anniversary of his birth, we should recommit ourselves to his golden dream of the brotherhood of all men. As we begin the first few hours of the 96th Congress, we should recommit ourselves to fight Dr. King's battle for equal rights and equal opportunity for all Americans.

Martin Luther King was a remarkable American, a man of vision whose dream of equality and brotherly love moved an entire generation. His efforts to eliminate prejudice and bridge the chasms of hatred in America continue to inspire millions of Americans.

Despite the obstacles and hatred Dr. King encountered, he stuck to the principle of nonviolence. In his struggle for brotherhood and opportunity, Dr. King held true to his philosophy of love and tolerance. He showed us that lasting social change can be achieved through peaceful protest. He reminded us that, as Americans, we must be constantly vigilant in preserving our constitutional heritage of freedom. Dr. King's dream was not simply one of racial harmony. His vision was primarily American. His goals were those of our Founding Fathers—of establishing for all Americans the equal right to "life, liberty, and the pursuit of happiness."

Because of Martin Luther King's unique contributions to American life, I believe it is fitting that we honor him by designating his birthday as a national holiday. It is my hope that a year from now, January 15, will be celebrated in the memory of Dr. King and his eternal vision.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INAUGURATION OF GOVERNOR IN TENNESSEE

Mr. BAKER. Mr. President, I am sure that it has come to the attention of my colleagues that in my State we have had an extraordinary and unprecedented development in State government in the last few hours. I refer, of course, to the administering of the oath of office to Gov. Lamar Alexander 3 days in advance of the time which had been set by the State legislature for his inauguration.

At this time I will not dwell on the details but, rather, I rise to say that I think of this as a sad time for my State; and I wish to take this opportunity to commend the distinguished speaker of our house of representatives in Nashville and the distinguished Lieutenant Governor of Tennessee, who presides over our Senate, and our new Governor for their approach to a difficult situation in an appropriate, careful, and thoroughly bipartisan manner.

While the developments of the last few hours will be studied and examined for many years to come because of their unprecedented nature, I am sure that all the people of Tennessee and scholars and historians in the future will express their approval—indeed, their admiration—for Democratic officials, in the persons of the speaker and the Lieutenant Governor, recommending to and joining a new Republican Governor in the liquidation, in an honorable way, of a difficult and embarrassing situation.

I wish the new Governor well. I send my congratulations and respect to the speaker and the Lieutenant Governor.

Mr. President, I am proud of my State for its exercise of bipartisan responsibility under most difficult and embarrassing circumstances.

Mr. SASSER. Mr. President, I join my able and distinguished colleague in expressing my feeling about what has occurred in our beloved State, not only yesterday but also over a series of days and weeks.

I was saddened and shocked quite profoundly at the news accounts and at the reports that were coming to me from constituents and friends in Tennessee.

I join my distinguished colleague in commending the Lieutenant Governor of the State of Tennessee, the Honorable John Wilder, and the speaker of the house of representatives, the Honorable Ned McWherter, for the courage they displayed and for their dedication to the public interest. I have discussed the events of the past few days in great detail with both of them, as recently as this morning.

The action they took was a result of great soul searching on their part and the result of what I firmly believe is their profound interest in the public good of our beloved State. I commend them for the action they took. Under the circumstances, it was the only course left open to them. It was in the tradition of our native State and in the tradition of great political leaders of the past that our distinguished Lieutenant Governor and the speaker of the house of representatives made this very, very difficult decision.

Mr. President, I wish our new Governor well, as he begins his administration under very difficult circumstances. I pledge to him and to the leadership of our State legislature in Tennessee that I intend to cooperate with the new administration in every way I can to benefit the people of our State.

We are bringing to a close what in the past few weeks has become a sad and tragic chapter in the history of our State. Unfortunately, the achievements of the last administration, which I think have been substantial, will be—and perhaps have been—obliterated in the minds and hearts of the citizens of Tennessee, at least for my lifetime. This also is a tragedy.

But I think the occurrences in our State in the past few hours indicate that the State government there is strong; that the leadership in our legislature is strong; and that we can rededicate ourselves in the coming weeks, months, and years to restoring the faith of our citizenry in a bipartisan effort to once again, strongly and vigorously, move our State government in the right direction.

QUORUM CALL

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION RELATIVE TO THE DEATH OF REPRESENTATIVE LEO J. RYAN, OF CALIFORNIA

Mr. CRANSTON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives.

The PRESIDING OFFICER. The clerk will read the message from the House.

The assistant legislative clerk read as follows:

H. RES. 11

Resolved, That the House has heard with profound sorrow of the death of the Honorable Leo J. Ryan, a Representative from the State of California.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. CRANSTON. Mr. President, on behalf of Senator HAYAKAWA and myself, I send to the desk a resolution relative to the death of Representative Leo J. Ryan, of California, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read as follows:

S. RES. 17

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable Leo J. Ryan, late a Representative from the State of California.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

Mr. CRANSTON. Mr. President, I ask for action now on this resolution, which is a very fitting tribute to a fine Representative from California who died in the line of duty.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IS CONGRESS IN NEW MOOD?

Mr. THURMOND. Mr. President, an editorial comment entitled "Is Congress in 'New' Mood?" recently appeared in the Greenville News/Piedmont, January 14, 1979. This editorial reflects the dynamics of major fiscal and foreign policy issues to be considered in the 96th Congress. I would like to share these observations with my colleagues as I felt this enlightening article would be helpful to them.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS CONGRESS IN "NEW" MOOD?

A widely-expressed opinion holds that the new Congress of the United States which takes up the legislative reins this week is a conservative, fiscally-responsible group of people, reflecting what is called the new mood of the country. We shall soon see, perhaps beginning this week.

What, if anything, the Senate does about threatened moves to kill or drastically restrict the filibuster may give a good idea of what the Senate side of the Capitol will be like.

If the filibuster goes bye-bye, the country will say hello to such non-conservative legislation as bills to streamline unionization procedures, repeal or water down the Hatch act, additional hamstringing regulatory measures and higher appropriations for costly giveaway programs. If senators leave the filibuster as is, prospects for a more responsible Senate will be brighter.

The big test is whether the new Congress can get a tight grip on spending, whacking down on a host of welfare-state programs, and put a bridle on government regulators. Non-productive programs, deficit spending and government regulations have combined to fuel the fires of the inflation which has ravaged all citizens in recent years. These and the idea of getting something for nothing are the root causes of the rising costs and prices which keep Americans on a ruinous financial treadmill.

Ideally the new Congress would set for itself the task of scaling down the size and the scope of the federal establishment and setting up an orderly fixed schedule for the repeal of numerous costly programs, especially those created in the runaway 1960's. Realistically, that may be too much to ask. But it is possible to hope that Congress will move toward fiscal responsibility by shelving any costly new programs, by giving taxpayers some relief from inflation through a system of indexed income tax exemptions and even cutting rates, and by moving toward some deregulation of the private sector.

At the same time the nation wants Congress to do something about the uncertain state of national security, including strategic and conventional military forces, intelligence agencies and the position of this country vis a vis potential enemies.

Congress ought to look long and hard, and with a wary eye, at any new treaty proposals affecting relations with the major powers.

Attention to all foreign nations controlling resources vital to the American economy is required. There is a dire need for the ability and wisdom to distinguish between developments in areas like Southeast Asia, where American interests are minimial, and those in Southern Africa and the Middle East, which have oil and mineral resources vital to this country's economy.

A wise Congress would insist upon a clear statement of American policy outlining those areas which this country will keep open, even if military force is required.

Unfortunately, many Americans do not understand the inseparable relationship of developments in some foreign nations to their own daily lives. Therefore, Congress may be inclined to neglect foreign affairs at a time when the national interest demands attention to what is happening in other parts of the world.

All this adds up to one central question: Will the new Congress signal an end to the sick national mood which has darkened the American scene in the post-Vietnam, post-Watergate era, and help restore the national pride and vitality which made this country the envy of the world.

NEWSWEEK COLUMN BY GEORGE F. WILL

Mr. THURMOND. Mr. President, the January 22, 1979 issue of Newsweek magazine includes an excellent article by columnist George F. Will entitled "Fear of Facing the Truth."

Mr. Will has made some thought-provoking points on the approaching SALT II Treaty and Soviet imperialism in general. As the legislative body responsible for consultation on treaties, Members of the Senate should consider these views carefully.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEAR OF FACING THE TRUTH

(By George F. Will)

When, as lately, America's decline accelerates, it is useful to look back along the downward, crumbling path. Eugene Rostow has done so in The Washington Quarterly, recalling the 1968 Soviet invasion of Czechoslovakia. He was Under Secretary of State, and was struck, then as now, by the attitude prevalent within government that "Soviet action must always be given the benefit of the doubt." That summer, officials resisted the idea that Soviet military maneuvers presaged an invasion. When senior Soviet officials interrupted their August vacations to convene in Moscow, President Johnson assumed they were preparing not an invasion but an invitation (for him to visit Moscow to begin strategic arms limitation talks). Significantly, they were preparing both. They wrongly assumed what they reasonably assume today, that the U.S. Administration would mute its reaction to Soviet conduct, however aggressive, rather than jeopardize SALT negotiations. (Johnson immediately canceled the trip.)

With today's satellites, U.S. officials would have seen unusual markings on tanks and other vehicles in the Soviet maneuvers. Evidence that these were about to go into action against identical tanks and vehicles—those of the Soviet-supplied Czech Army. But many

officials would have resisted any upsetting evidence about the Soviets. Rostow recalls this from the preceding summer:

". . . The first time 'Egyptian' MIG fighters appeared over our Sixth Fleet shortly after the 1967 Six Day War, our monitoring sources reported that the pilots of these 'Egyptian' planes were talking Russian . . . Well, for two weeks our Soviet experts were explaining this away . . . [They said] that these were training flights, that the pilots were Egyptians who had been instructed in Russian by Russian personnel . . . and so on. Of course it soon transpired that the pilots were Russian and those arguments collapsed. But for two weeks they were stubbornly held . . ."

"STABILITY IN IRAN"

Today, the pattern of strikes and unrest in Iran strongly suggests Soviet fingerprints, but while the Soviets broadcast instructions for manufacturing grenades and bombs, U.S. "experts" suggest that the Soviets are primarily interested in "stability" in Iran. How does Rostow explain such willful imperviousness?

"The answer is: fear. The American political class is afraid of living with the evidence of reality, because if you accept that the Russians are embarked on an imperialist course for the indefinite future, if you accept that their military, economic, educational and cultural policies are all geared to the reduction . . . of the ability of the United States and its allies to resist, then you have to do something about it."

What the United States has done since the mid-1960s is invest its hopes in arms control. It has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint. So U.S. arms-limitation efforts have limited . . . U.S. arms. Now The Economist of London warns that the SALT II treaty, designed to run through 1985, "could be the beginning of seven singularly dangerous years."

"A HALF-HOUR CATACLYSM"

The cosmetic equality in permitted totals of launchers conceals, The Economist says, "a large imbalance in Russia's favor." Given existing U.S. arsenals and procurement plans, "by 1985 the United States will be behind Russia both in the over-all total and in some of the most important sub-categories," including "modern large" missiles: the Soviets will be permitted 308 (a force that can carry 3,000 warheads), the U.S. will be permitted none. And SALT II "may leave the United States itself vulnerable to a surprise Russian attack.

"By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow . . . [A] counter-attack against the Soviet missile system would have to depend mainly on the aircraft-carried Cruise missiles permitted under SALT II, which would take ten hours to trundle toward their targets—and even then would destroy not much more than half of the Soviet launching silos."

To say that the Russians would probably not push the button "misses the point of nuclear mathematics:

"The point is that the Russians would not have to. If they know that [an] exchange of Soviet first strike and American counter-strike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American President would know it too; and that he would be paralyzed by his knowledge . . . This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left."

On the crucial question of how the United States sank to this danger, The Economist is too charitable: "Americans were so mesmerized by Vietnam and Watergate that they failed to spot the danger." Not true. The political class had sufficient evidence all along. It also had a desire to disbelieve, and with a few exceptions (such as Sen. Henry Jackson) has shrunk from leadership.

Fred Ikle, former director of the Arms Control and Disarmament Agency, writes that we are in a third postwar phase. From 1945 through 1950, the period of "nuclear monopoly," the U.S. actually had few ready nuclear weapons and was substantially weaker than the Soviet Union in terms of ready land-based power. After North Korea attacked, the U.S. immediately tripled its defense budget, building up air and naval capabilities. After the Cuban missile crisis, the Soviets began a sustained buildup, while Vietnam sapped America's material and moral resources.

IGNORANCE AS A STRATEGY

The Soviet Union has doubled its military budget, in real terms, in the last fifteen years. The U.S. budget in constant dollars is less than it was in 1961. And as Ikle says, this "third-phase shift in the Soviet Union's favor is still under way." In 1965, Defense Secretary McNamara said that "the Soviets have decided that they have lost the quantitative race . . . there is no indication the Soviets are seeking to develop a strategic nuclear force as large as ours." Ikle blames a huge "intelligence failure" in the 1960s for such thinking and for "our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint. For eleven years in a row, the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy."

But Ikle, like The Economist, is too charitable. When people are so wrong for so long on the same subject, in the same direction, the failure is not of intelligence but of will. For such people, ignorance is a strategy. Their problem is not in finding the truth, but in facing it.

THE AUSTRALIAN ECONOMY BENEFITS FROM IMPROVED LABOR-MANAGEMENT RELATIONSHIPS

Mr. THURMOND. Mr. President, the continuing inflationary trend in the United States is receiving major attention as we seek appropriate actions that will provide us the much needed stability in our national economy. The problem is extremely complex and, obviously, we must consider many approaches, relationships, and alternatives.

One approach that has been credited as a major factor in the recent Australian economic turnaround is an unique effort in that country to achieve sharply improved labor-management relationships. Much of the credit for Australia's recently reduced inflation rate is attributed to the work of a new management organization which advocates better cooperation and understanding in labor-management relations through improved communication of business facts to employees. The approach emphasizes consensus and cooperation between management and labor instead of conflict and confrontation.

An article titled, "Australian Turnaround", in the December 1978 issue of the American Legion Magazine provides some discussion of the key elements of this approach toward combating inflation.

Mr. President, in order to share this interesting and informative article with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUSTRALIAN TURNAROUND

(By Joseph Gambatese)

Australia is undergoing an economic turnaround and political shift away from the radical left. What happened, and how, is worth the attention of Americans concerned about the continuing inflationary trend in this country.

Less than six years ago, Australia's inflation rate approached runaway proportions of more than 20 percent a year. Taxes were punitive. Government spending increased an astounding 50 percent in two years. Deficits soared. Labor costs rose 70 times faster than productivity. Unemployment jumped sharply. The strike record was the third worst in the world.

Add to this the threats of nationalization of key industries and you can see why the inflow of foreign capital—the very lifeblood of Australian economic progress—slowed almost to a halt.

Then came the change.

Taxes were cut $1 billion through automatic indexing. The annual increase in budget outlays also were shrunk from 25 percent to 10–11 percent. Interest rates eventually turned downward, dropping from 9.5 to 9.1 percent early this year and headed still lower.

Increases in wages and salaries were slowed down from 15 percent in 1975 to 14.5 percent in 1976, and to 10.3 percent last year. The increases were confined largely to those arising out of a quarterly wage indexing. Even with reduced pay rises, the strike picture improved, the number of workdays lost through strikes falling sharply from 6,300,000 to 1,600,000 over a four-year period.

The effect was visible at the supermarket and in the family budget. The rise in consumer prices was cut in half in three years—from 15.1 percent to 13.5 percent in 1976; to 12.3 percent in 1977, and to an estimated 8 or 9 percent this year.

Believe it or not, the inflation rate, once more than 20 percent, was cut to only 5.2 percent early this year.

Also vitally important is the fact that foreign investment capital began to flow back to Australia. Major U.S. corporations are sinking hundreds of millions of dollars into ore and coal mining, exploration and other ventures. Foreign investment reached a record $1.9 billion in 1977, more than double the previous year.

The turnaround began after Malcolm Fraser was installed as Prime Minister by a coalition of the Country and Liberal Parties, which terminated the three-year Labour government of Gough Whitlam in December 1975. (The Liberal Party name in Australia is a misnomer, actually representing what Americans would consider to be conservative views.)

Naturally, the Fraser administration is getting the recognition it deserves for the remarkable economic comeback.

Describing the Labour government's reign from 1972 to 1975 as "three years of misrule," Robert M. Blieberg, editor of the highly respected Dow-Jones financial weekly, Barron's, commented in the June 19 issue:

"Instead of killing the goose that lays the golden egg, the Liberal (misnomer) government of Malcolm Fraser, unlike its discredited and twice repudiated Labour predecessor, is taking pains to keep the precious thing alive and well."

An important element in Australia's economic recovery, acknowledged by Fraser, is the work of a new management organization which advocates better cooperation and understanding in labor-management relations

through improved communication of business facts to employees. Called "Enterprise Australia," it appropriately came into being about the time Fraser came into power.

The organization's chief executive, Jack T. Keavney, explained its concept, objectives and achievements on a recent visit to this country.

"We are trying a new approach by emphasizing consensus and cooperation between management and labor instead of conflict and confrontation," he said. "And it's working, splendidly, in fact."

A major factor which led to the creation of "Enterprise Australia" was the "polarization to an extent never before known in Australia," which stemmed from the dismissal of the Labour government and the ensuing election of Fraser, a conservative, by a record majority in both Houses. The founders, Keavney said, were motivated by a number of overriding beliefs:

First: There was a need for a "third force" in the labor-management relationship. There were 2,600 trade associations and 262 labor unions, but no organization with credibility on both sides to represent the public interest and act as a catalyst for cooperation.

Second: There was a need to rally the Australian moderates—the great majority—irrespective of their politics or position in the industrial scene. The moderates had to be informed and committed to their hard-won freedoms.

Third: There was a need for a credible organization to build a climate in which moderates could win the day in political parties, business and unions. For instance, there is a plank in the policy of the Federal Labour Party that says: "Recognising that ours is a mixed economy, that the private sector provides employment for a substantial part of the Australian work force, we must create a healthy environment in which business and agriculture can plan on a reasonably long-term basis to receive reasonable returns for investment in order, among other things, to promote innovation and research." Yet this seemed to contradict the opening phrase of the party platform which has, as its objective ". . . the democratic socialization of the means of production, distribution and exchange."

The founders of "Enterprise Australia" believed that ultimately the very fate of Australia would depend on whether those who believed in accommodation with the private sector could win against those who believed that the course Australia should take was the road to nationalization.

Fourth: The founders believed that the field of industrial relations is widely misunderstood. Too many people, including managers and unionists, regarded the managers and employees as two billiard balls that had to come into contact with each other or the game could not go on—that it had to be a conflict situation. The interests of management could be better represented by a circle and those of employees by another circle. Significantly, these circles not only are not far apart, but really intersect—the area of intersection representing the community of interest. If all sections of society—particularly employers and employees—concentrated on areas of common interest, they would find they agreed on many more things, basically, than those on which they disagreed.

Lastly, it was believed that the objectives could not be achieved by the "Hoorah for Free Enterprise!" approach. Company facts and figures—the arithmetic—showing that employees got a "fair share," and getting these and other business facts across in terms employees could understand, would do more good than all the sloganeering in the world. Employees are like anyone else. They can be antagonistic if they get the wrong picture. Properly presented, facts could help create an entirely different climate. And this proved to be the case.

"Enterprise Australia's" first major project was to bring to Australia John Q. Jennings of New York, an internationally known industrial consultant, whose "Jennings Formula" on division of income had proven over and over again, Keavney said, that antagonists could be turned into friends if they had the facts and accepted them.

Jennings had proved his mettle in labor relations as chief federal mediator in Detroit during the heyday there of two of the nation's most aggressive unionists, the Auto Workers' Walter Reuther and the Teamsters' Jimmy Hoffa.

He later became internationally known as a consultant to management on creating economic understanding in employee relations. He urged businessmen to tell their employees the economic facts about their business, with emphasis on how the income derived from a business is split between profits and the cost of employee wages and benefits. This usually served to change negative attitudes toward their employer after they learned, for instance, that employees take home 10 times more than is set aside as profit. And, further, that stockholders who risk their savings receive only part of the profits because some has to be reinvested in the business to keep it profitable and growing, thus protecting existing jobs and creating new ones. The result often was happier employees, more reasonable wage demands, fewer strikes, higher productivity and an undermining of Socialist and Communist propaganda.

Over a period of months in Australia, Keavney arranged for Jennings to explain his communications concept to Prime Minister Fraser, leading federal ministers, and top industrialists and union leaders, including some Communists, in every major city. Follow-up meetings for further discussion were held within the business community and between business leaders and unionists.

Because "Enterprise Australia" was set up by institutions concerned with the development of the free enterprise system, Keavney said it was difficult at first to get the unionists really interested. He ultimately made a breakthrough with R. J. Hawke, president of the Australian Labour Party and of the Australian Trade Union Congress, the counterpart of America's George Meany, AFL–CIO president.

"When I explained to him what we were about," says Keavney, "he agreed it would be a useful contribution—if it worked—and agreed to help me get the cooperation of State Labour Councils.

"We had a highly successful series of meetings, in which prominent political and industrial leaders talked consensus and cooperation, and pulling together for the good of Australia, from the same platform, to mixed groups, including hundreds of unionists."

As a result of Jennings' talks with corporate managers, Keavney points out, many labor-intensive companies are, for the first time in history, issuing annual reports for employees. These reports, usually illustrated, tell in clear detail how the company's income is shared between employees and stockholders, how much is paid out in taxes, for supplies and services and for reinvestment in the business. Workers are usually impressed by the fact that the share that goes for worker compensation is about 10 times the amount that goes for profits.

Fraser has become a strong ally and booster of "Enterprise Australia" and its objectives. On one occasion, addressing a convention of 400 businessmen, he exhorted them to stand up and defend the business system.

"How can I explain to the people that private enterprise is the best system for the average Australian if management cannot be bothered explaining it to their own employees?" he asked.

He suggested they spend less time talking to their government, which he said is committed to free enterprise, and more time talking "to employees who are often skeptical, and who often do not have a clear understanding of the benefits they derive from productive enterprise . . . Employees should not have to read in a newspaper the fate of the firm for which they work."

Another indicator of progress under "Enterprise Australia," besides improved labor relations, is the swing from the radical left to the mainstream of politics which Keavney says was evident at the Labour Party conference last June. One of the two largest states, Victoria, voted to modify the commitment to nationalization in the platform, and the other, New South Wales, supported a proposal to discuss whether the word "socialism" in the platform is relevant now.

One Labour spokesman observed: "The old enemy—capitalists—no longer exist. Today in our society, corporate management has reached the stage where real ownership of capital is all of us sitting. There are no capitalists of a form you can identify."

According to Keavney, responsible leaders of the Labour Party are making it clear that they do not believe "Socialism and nationalism are the proper goals of the Party; rather, that the Party's function is to contribute to the efficient working of our mixed economy."

"Australia is going through its most strike-free period in five years," Keavney points out. "For every trade unionist planning disruption, 10 or more are sitting down with management, trying to promote the common interest."

He said that the popular overseas image of Australian industry continually being held up for ransom by left-wing or Communist officials or condemned by left-wing Labour politicians is no longer valid.

"The tide has turned," he emphasizes, "and it is time that the world knows about it."

"Enterprise Australia" is no longer being seen as "defending business." Keavney sums up. "We are recognized as an organization that is demonstrating to the public that the main beneficiary of private enterprise is the community itself. We are proving this by facts and figures, showing that employees are getting a 'fairer share' than they, or even some managements, knew.

"We are getting people to see that greater productivity is needed if all sections of our society are to enjoy continuing and greater prosperity. As John F. Kennedy used to say, 'A rising tide lifts all boats.'"

Keavney concluded that the philosophy of "Enterprise Australia" is summed up in an old Chinese proverb "Tell me, I'll forget. Show me, I may remember. Involve me, I'll understand."

Jennings says that the help he has given "Enterprise Australia" over the past two years is merely a nationwide version of what he and a partner, Sherman Rogers, did on a citywide basis in Racine and Kenosha, WI and Massillon, OH almost 40 years ago, just before World War II, under the sponsorship of American Legion Posts in those cities. Their work in Wisconsin was financed by contributions from industrialists and others who wanted to correct the national "image" of that part of Wisconsin as being "Little Moscow." It involved an Americanism campaign to bring "Idle Dollars and Idle Men" together for community harmony, and was publicly acclaimed a succes by both employers and unionists.

The Massillon project to weld public opinion into a unified effort to move the city out the economic doldrums of 1939 was paid for by the American Economic Foundation, of which Jennings is now a trustee. The Legion Post was praised for its leadership.

Among Jennings' prominent clients are TRW, Inc., and the Singer Co. in the United States, and, overseas, Britain's Guest, Keen & Nettlefolds, a giant conglomerate known as GKN.

All publish reports to employees with colorful graphics and charts explaining in simple terms where the company's income goes. Highlight of TRW's report, for instance, is that out of every dollar available for payrolls and profits (after other expenses are paid), 91.3 cents goes for payroll and fringe benefits, 4.1 cents goes to stockholders, and 4.6 cents is reinvested in the business. This breakdown is rougly typical of most businesses.

Keavney cites GKN's experience as proof of the effectiveness of the "Jennings Formula," to which the company turned when its Brymbo Steel Works was threatened with nationalization.

"For the first time in their history," he told an American audience, "they turned out an employees annual report that showed, in diagrammatic form, that the work force was already receiving 95 cents out of the 'divisible dollar,' after all outside expenses had been paid.

"They sent this report to the homes of all employees, and then had a polling organization, commonly used by unions, poll the employees as to their views on nationalization. They voted 97½ percent to stay with private enterprise. Since then GKN has not had a strike over pay rates."

More significantly, GKN took full-page ads throughout the British Isles to publicize how employees felt about private ownership of their companies. It also publicized its "division of income" figures in the press, opening the eyes of workers in other corporations. Result: Prime Minister Harold Wilson utilized the publicity to get coal miners' acceptance of an anti-inflation plan limiting wage increases to 10 percent. The threatened nationalization of GKN's steel works never materialized.

The objective of Jennings' communication formula is to correct widespread public misunderstanding of profits, which he rates as "the greatest economic delusion of the century."

Even if the federal government establishes sound fiscal and monetary policies, Jennings warns, "Employee cost-push inflation will continue to plague us until and unless both public and private employers correct the monumental disparity between facts and opinions concerning the distribution of national income and corporate income that exists in the minds of a majority of Americans."

To illustrate the economic ignorance that exists not only among the general public, but also among teachers and college students, Jennings frequently cites examples like these:

When Opinion Research asked a cross section of Americans how they thought corporate income was divided between employee compensation and profits, the answer was 25 percent went to employees and 75 percent for profit. Students of The King's College, at Briarcliff Manor near New York City, polled by Jennings, thought the split was 60–40 in favor of profits.

The facts, according to Jennings, were that 90.6 percent went for employee compensation and the remainder for profits.

A majority—52 percent—of teachers polled by Opinion Research said they believed that the largest portion of national income went to "owners." The facts, according to Jennings, are that 77.3 percent was distributed as employee compensation. Profits amounted to only 7.8 percent. After taxes, profits came to only 3.5 percent.

Americans polled by Opinion Research thought that 10 percent net on sales after taxes would be a "fair" profit, but they believed manufacturers actually made 20 percent. The facts, says Jennings, are that, historically, after-tax profit on sales averages far less than 4 percent.

Chances of the "Enterprise Australia" concept of labor-management relations being accepted in the United States are not promising. Inquiries of national employer and union organizations revealed little interest.

Heath Larry, president of the National Association of Manufacturers, said, "Every country has its own problems. 'Enterprise Australia' apparently is a good thing for Australia. The unions there were sufficiently concerned about their problem to want to cooperate. That won't happen here unless the unions reverse their traditional position of being the last to react."

Al Zack, spokesman for the AFL–CIO, said, "There are so many differences between the Australian and the U.S. systems that it is difficult to see how an American version of 'Enterprise Australia' could flourish. U.S. unions do not fight the free enterprise system, and do not advocate Socialism or nationalization of industry."

Sources at the Chamber of Commerce of the United States were not familiar with "Enterprise Australia," and indicated little interest in it. In a Labor Day message, President Richard L. Lesher did say, however:

"Management and workers are partners in social and economic progress. This is the time for cooperation and mutual understanding rather than divisive actions and the shrill rhetoric of confrontation."

Mr. THURMOND. Mr. President, how long do we have—15 minutes?

The PRESIDING OFFICER. The Senator is correct. He has 5 minutes and 22 seconds remaining.

Mr. THURMOND. Mr. President, in May 1978, the U.S. Court of Military Appeals hosted the Third Annual Homer Ferguson Conference on Appellate Advocacy in Washington, D.C.

One of the conference speakers was Col. Frederick Bernays Wiener, AUS, retired, PH.B., 1927, Brown University; LL.B., 1930, Harvard University; LL.D., 1969, Cleveland-Marshall Law School. He practiced law from 1930 to 1973, privately; and also as an attorney in civilian government service and in the Army Judge Advocate General's Corps. He was assistant to the Solicitor General of the United States from 1945 to 1948.

Colonel Wiener was an advocate before the Supreme Court; and through his efforts, he succeeded in securing reargument and eventual victory in the landmark cases, *Reid* v. *Covert*, 354 U.S. 1 (1957), and Kinsella against Kruger—a companion case. These cases overturned apparently settled law concerning peacetime courts-martial jurisdiction over dependents of military personnel.

Mr. President, Colonel Wiener is one of the most prolific, widely quoted and authoritative writer on military law of this century. His speech at the Third Annual Homer Ferguson Conference, delivered on May 18, 1978, entitled, "Advocacy at Military Law: The Lawyer's Reason and the Soldier's Faith," was not only about appellate advocacy, but it also was on the present activist trend of the U.S. Court of Military Appeals. His remarks were published in the 1978 spring edition, volume 80, Military Law Review, a publication of the Judge Advocate General's School, U.S. Army. I commend this astute evaluation of military law by Colonel Wiener to my distinguished colleagues and to those in our country who are responsible for our military judicial system.

Mr. President, I ask unanimous consent that Colonel Wiener's speech on military law, which was published in the 1978 spring edition of the Military Law Review, be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADVOCACY AT MILITARY LAW: THE LAWYER'S REASON AND THE SOLDIER'S FAITH*

(By Colonel Frederick Bernays Wiener, AUS, Retired**)

I. THE GREATEST SOLDIER-JURIST OF THEM ALL

Part of the title of my talk this afternoon,[1] and many of its themes, are taken directly from the words of one of the most towering figures of modern times, the single individual who without question can be deemed America's outstanding soldier-jurist. I refer of course to Captain and Brevet Colonel Oliver Wendell Holmes, Jr., of the 20th Massachusetts Volunteers, who fought and was three times wounded in the Civil War.[2] At the close of his military service, he commenced the study of law.[3] Soon he became a consummate lawyer, first editing the 12th edition of Kent's *Commentaries*,[4] and then publishing his own classic, *The Common Law*, in 1881.[5] A year later he became a Justice of the Massachusetts Supreme Judicial Court, the highest tribunal in that Commonwealth, where he served for twenty years, for the last three as Chief Justice. Then, in December 1902, he took his seat on the Supreme Court of the United States. And there, for nearly thirty years, he shaped American law, with more grace, and above all with more wisdom, than most of his brethren, then or later. His influence did not cease with retirement in his 91st year, for many of the doctrines that he first set forth in dissent subsequently became law.[6]

Let me recall some of Justice Holmes' most striking passages that are particularly relevant here. In a famous address he said, "it seems to me that at this time we need education in the obvious more than investigation of the obscure."[7] And in one of his early opinions he had declared: "Great constitutional provisions must be administered with caution. Some play must be allowed for the joints of the machine, and it must be remembered that legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts."[8]

"The war," the Justice said years afterwards, "was a great moral experience,"[9] and of course it had an extraordinary impact on his thinking; no place there for soggy, sweet-scented nonsense about military matters. Let me share with you a few of the most striking excerpts from his talks and from his writings.

*An address delivered under the auspices of the United States Court of Military Appeals and of the Military Law Institute at the 3d Annual Homer Ferguson Conference on Appellate Advocacy, at Washington, D.C., 18 May 1978. The opinions and conclusions expressed in this article are those of the author and do not necessarily represent the views of The Judge Advocate General's School or any other governmental agency.

** Ph.B., 1927, Brown Univ.; LL.B., 1930, Harvard Univ.; LL.D., 1969, Cleveland-Marshall Law School. Practiced law, 1930–1973, privately, in government service, and in the Army. Assistant to the Solicitor General of the United States, 1945–1948. Author of books and articles on legal, military, and historical subjects, including CIVILIANS UNDER MILITARY JUSTICE (1967).

Numbered footnotes at end of article.

"If we want conscripts, we march them up to the front with bayonets in their rear to die for a cause in which perhaps they do not believe. The enemy we treat not even as a means but as an obstacle to be abolished, if so it may be. I feel no pangs of conscience over either step. . . .[10]

"Those who have not known what it is to march straight to where you see the bullets striking may talk, if they like, about the trials of civil life being greater than those of war. They may be right. But the men who have been soaked in a sea of death and who somehow have survived, have got something from it which has transfigured their world. They learned in a bitter school honor and faith. They knew the passion of life and the irony of fate.[11]

"The flag is but a bit of bunting to one who insists upon prose. Yet, thanks to Marshall and to the men of his generation—and for this above all we celebrate him and them—its red is our life-blood, its stars our world, its blue our heaven. It owns our land. At will it throws away our lives."[12]

And Justice Holmes had no patience with those who distorted constitutional provisions into attenuated technicalities that subverted justice. In the *Paraiso* case he pointed out that the provision in the Philippine Bill of Rights, drawn almost verbatim from the sixth amendment,[13] "giving the accused the right to demand the nature and cause of the accusation against him does not fasten forever upon those islands the inability of the seventeenth century common law to understand or accept a pleading that did not exclude every misinterpretation capable of occurring to intelligence fired with a desire to pervert."[14]

All of those quotations, and of course many more are available, bear on the themes I propose to discuss with you today under the general heading of Advocacy at Military Law.

For I venture to suggest that the military lawyer is, in a very real sense, a special breed, one who combines with the reason of the lawyer the faith of the soldier. That does not mean that he—or she, because, obedient to the rule laid down in the very first section of the United States Code, the masculine includes the feminine[15]—that does not mean that the military lawyer must be a certified combat hero, or have successfully completed the ranger course, or be able to function as a parachutist, or as a frogman, or as a submariner. If indeed he can actually qualify as any of those, so much the better. After all, two Judge Advocates General of the Army won the Dinstinguished Service Cross in combat, General Blanton Winship in command of an infantry regiment in World War I, General Eugene M. Caffey while leading an Engineer Special Brigade on Utah Beach in Normandy on D-Day in World War II.

My point is that the military lawyer must combine the virtues of both professions that he represents. He must have, first, the resourcefulness of the old-time solo practitioner, and here I quote from Mr. Justice Jackson: ". . . this vanishing country lawyer . . . never quit. He could think of motions for every purpose under the sun, and he made them all. He moved for new trials, he appealed; and if he lost out in the end, he joined the client at the tavern in damning the judge—which is the last rite in closing an unsuccessful case, and I have officiated at many."[16]

In addition, the military lawyer must have, at an irreducible minimum, a high degree of moral courage. He must, of course, treat with respect all of his military superiors. What they direct after discussion must be the guideline of his conduct. But he is bound to be fearless in tendering advice and in stating his opinion. He is bound by the same rules of professional ethics as is his counterpart in mufti.[17] But he should always bear in mind that any behavior or position on his part that is morally pusillanimous constitutes conduct unbecoming a wearer of his country's uniform. Once more to draw on Mr. Justice Holmes, "It is worse to be a coward than to lose an arm. It is better to be killed that to have a flabby soul. The true teaching of life is a tender hard-heartedness which has passed beyond sympathy and which expects every man to abide his lot as he is able to shape it."[18]

Footnotes at end of article.

II. THE ESSENTIAL SUBSTANCE OF ADVOCACY

What is advocacy? Believe me, it is not raising one's voice and shouting in court; it is not putting on a show at trial or on appeal; nor is it arguing one's case to the public before a television microphone. (Time was when the conventions of the profession forbade that latter performance; time also was when a lawyer was not permitted to advertise himself. But they order these matters differently now,[19] and I suppose that the larger firms will soon be placing discreetly worded cards in the yellow pages—or perhaps even on billboards: "Fifty lawyers; no waiting.")

No, advocacy is, very simply, the art of persuasion. It is the process of persuading another, or others, in law always those who constitute a tribunal or fact-finding body, to agree with the position that is being advanced. Sir Winston Churchill, speaking of the thirty most active and fruitful years of his life, referred to them as "years of action and advocacy."[20]

And, very plainly, advocacy needs to be learned. The present Chief Justice's recent denigration of the talents of the bar should not have come as a stunning surprise to any who have regularly listened to counsel in that most august of American tribunals, the Supreme Court of the United States. Thirty-odd years ago, my dear friend and mentor, Mr. Justice Frankfurter, told me privately that four out of every five arguments that he was required to hear were "not good." A decade or so later, when I inquired whether the proportion had changed, he replied in the negative, although he then suggested the word "inadequate."

So, let me assure you, advocacy badly needs to be learned, and so it needs to be taught. I undertook the teaching of it nearly thirty years ago by writing a book that set out the governing principles. It was well received, indeed it won the ultimate accolade of being stolen from library shelves. It was later revised, and then supplemented, and as it is still in print and this is obviously a literate audience, I shall not and need not repeat any of its contents orally.[21]

But, in addition to intimating, as gracefully as possible, that you could profitably dip into that particular volume, let me urge you strongly to go to court, and listen to advocates arguing actual cases. You will learn much from the able lawyers—and at least an equal amount from those who can only be characterized as unable, or even as lamentable. I am not at all ashamed to say that much of what I learned about advocacy and later successfully applied came from observing, and from reflecting on, the mistakes that I had seen others making in court. I say this not because of what the Germans call *Schadenfreude*, pleasure at some one else's discomfiture, but because, by noticing approaches and techniques that obviously failed to convince, I was greatly helped in eliminating from my own presentations everything that had been proved to be obviously self-defeating.

So, time spent listening to arguments in court is always time well spent. Similarly, I would strongly recommend learning the techniques of advocacy by studying the briefs in particular cases, and then comparing them with the opinions in those cases. This will enable you to evaluate the arguments that were persuasive, and to determine why they were, and similarly to assist you in understanding why other contentions proved unpersuasive. The older reporters understood this, and so always set out the text of counsel's arguments. Today, but in very attenuated and hence only marginally helpful form, you can find abstracts of briefs in the Lawyers' Edition of the United States Reports.

By way of making certain of these generalizations more concrete, I shall review with you three types of cases all of which present problems for the advocate. No one needs much help in winning the easy case, except perhaps to heed the admonition that it is poor advocacy to stamp too hard on losing counsel when he is obviously down; any such action is apt to kindle a feeling of sympathy for him, sympathy that might carry over into his case.

I shall discuss with you three situations that are far from easy. First, the uphill case, which is always a challenge. Second, the dream case, where after losing on the first time up, you turn the court around on rehearing. Third, the dilemmatic case, where the court's mind is so firmly closed that there is simply no opening or opportunity for persuasion.

In all of these three categories, I shall be drawing on cases that arose in my own practice. You may conclude from that circumstance that I am now in my anecdotage. You may recognize in my selection the eternal dichotomy between, on the one hand the interesting cases, and, on the other, the other fellow's cases. But I think that I can provide a sounder justification for my selections. Once more to quote Justice Holmes.

"I say these things because I think one of the best things an older man can do for younger men is to tell them the encouraging thoughts his experience has taught him. It is better still if he can lift up their hearts—if after many battles which were not all victories, the old soldier still feels that fire in him which will impart to them the leaven of his enthusiasm".[22]

Indeed, even the invitation to participate in the proceedings of this conference evokes another Holmes remarks: ". . . it is a great pleasure to an old warrior who cannot expect to bear arms much longer, that the brilliant young soldiers still give him a place in their councils of war."[23]

III. THE ADVOCATE'S CHALLENGE: THE UPHILL CASE

What makes a particular case an uphill challenge? Well, it may be weak on the facts, which are unappealing or unconvincing or both; or, while reasonably strong on the actual facts, those are not adequately reflected in the record; or, again, it may be weak on the law, either because many lower courts are opposed, or because the recent precedents in the court where the case is to be heard are, or at least strongly appear to be, essentially unfavorable.

I will discuss with you a single uphill case, a military one in the Supreme Court, *Wade* v. *Hunter*.[24]

Wade and another had been tried for the rape of a German woman, soon after their 76th Infantry Division had entered Germany. After the court-martial had heard evidence and arguments, it reopened, calling for additional, identified civilian witnesses, and continuing the case until they could be produced.[25] But, during the continuance, the war moved on, and the 76th moved with it; this was "The Last Offensive" in the spring of 1945 just before the end of hostilities in Europe.[26]

Accordingly, since it was no longer possible to bring the requested witnesses across the debris of combat to the location that the 76th Division had reached, its Commanding General transmitted the charges to Third Army, recommending retrial by a new court-martial. But the latter unit, which had all but reached the gates of Prague in Czecho-

slovakia, was similarly unable to deal with civilians in the German Rhineland. So it in turn sent the case to Fifteenth Army, the American occupation force in Germany.

Wade and the other soldier were then tried again by a court-martial of Fifteenth Army, which convicted Wade and acquitted the other. A Board of Review in the Assistant Judge Advocate General's Office held that, on the foregoing facts, Wade had been twice placed in jeopardy, and accordingly set aside the conviction. The Assistant Judge Advocate General for the European Theater of Operations disagreed, so the issue, which plainly was not open and shut, was resolved, under the terms of AW 50½ then in force,[27] by the Theater Commander, who sided with the Assistant Judge Advocate General.

Once back in the United States, in the Disciplinary Barracks at Fort Leavenworth, Wade sought habeas corpus, with success in the district court.[28]

Thereafter a recommendation for appeal reached the Department of Justice. But examination of the record there revealed its thinness; it reflected only names of places, and did not show their relationship or distance from each other. Thus the record left the impression that, somehow, the Army had sought and obtained a second bite at the cherry.

How does one improve a record when the case is on appeal? In *Wade*, with the help of historians and cartographers in The Pentagon, there was constructed a map that showed the place of the alleged rape, the place of the first trial, the front line when the 76th Division transferred the charges to Third Army, and the front line when Third Army sent the case to Fifteenth Army. On this was superimposed, to scale, the boundaries of the State of Kansas. And that map was submitted to the district court in support of a motion for new trial.

Well, the motion was denied, but by then the map had become part of the record on appeal. And for that appeal, it was blown up, and placed on an easel in the appellate courtroom.

Let me pause for a moment to explain why it was deemed insufficient to let the judges simply look at the small map in the printed record. Any time that counsel hands a document to the judges to be examined while he is arguing, he is creating competition that will almost completely deflect the attention of his audience. A map, in particular, will prove an overwhelming distraction, as much so as if a tape of someone else's conversation were being played back while counsel is on his feet talking.

With the map in the courtroom, within sight of all the judges, counsel for the government was able to outline the facts by using a pointer. Soon there were questions directed at places on the map. And when counsel for Wade appeared, he too referred continuously to what was on the easel.

As I have said, the case was far from being open and shut. The Tenth Circuit reversed, sustaining the military proceedings 2 to 1,[29] after which the Supreme Court also sustained them, this time by 6 to 3,[30] again after argument that had employed the map.

Consequently, I submit, *Wade v. Hunter* stands as an example of a case that could easily have been lost, what with disagreements in both the military and civilian judicial systems, but which was rescued through effective presentation of the realities, which were then made to prevail over sterile formulas and abstract concepts arising out of a single and essentially equivocal word, "jeopardy." In the end, the same "manifest necessity" that permits a new trial after the first jury has disagreed [31] or after a juror duly sworn is found to be disqualified [32] was held fully applicable to a situation where the first court-marital was unable to complete the trial because of its unit's continuing advance into enemy territory.

It seems appropriate to add that the *Wade* case also constitutes a most convincing exhibit in support of the proposition that there are indeed vast differences between civilian and military justice. In the civilian community, courts meet in established courthouses at fixed locations, and adhere to terms and hearing lists that are prescribed in advance. Contrariwise, the American military community during the last few months of World War II in Europe was constantly on the move as it advanced ever more deeply into the heart of the enemy's homeland. Therefore the *Wade* case not only illustrates techniques of advocacy, it counsels strongly against the doctrinaire application of rules appropriate for a stable civilian community to a fluid, rapidly moving armed force engaged in actual and bitter combat.

IV. THE ADVOCATE'S DREAM: TURNING A COURT AROUND ON REHEARING

To be able to persuade a court to reverse itself on rehearing is indeed a dream, for it does not happen very often.

It did happen in the famous income tax case of the 1890's, but there no opinion on the point had been published after the first argument, the court being equally divided.[33] It happened in a Jehovah's Witnesses case in the 1940's, following a change in the membership of the court.[34] But the only time in the Supreme Court's now 188-year long history that it reversed itself on rehearing following a published opinion and without a controlling change in its membership was in *Reid v. Covert*,[35] a decision with which, I take it, you are all reasonably familiar.

I should suppose that now, more than twenty years after the event, neither that case nor its sequels [36] will raise either hackles or blood pressures in military circles. Believe me, those were once burning issues that then strained even the closest and longest of friendships. But in today's calmer atmosphere and on the present occasion it may be found useful to review some of the problems in advocacy that the rehearing presented.

The details of the two cases appear in detail in the opinions below,[37] and require no recital here, much less still another reargument of either law or fact. Suffice it to say that, after Mrs. Covert had been granted release by the U.S. District Court in the District of Columbia, and Mrs. Smith had been denied release by a U.S. District Court in West Virginia, both cases came to the Supreme Court on an accelerated briefing schedule, after which they were argued late in the term—and very late in the day.[38]

Let me interrupt here to suggest that it is rarely the part of wisdom to ask to advance a case or to join in an adversary's request to do so. Like the "hydraulic pressure" of the so-called "great cases" of which Mr. Justice Holmes spoke,[39] the pressure of time has an equally deleterious effect. For it leads to decision by deadline, which is not good for litigants, any more than it is for courts.

In the first decisions, five justices voted to sustain the military jurisdiction to try the two women, while at the same time declining to consider the scope of the constitutional provision that empowers Congress "To make Rules for the Government and Regulation of the land and naval Forces." [40] Three justices announced a dissent that they had not had time to write.[41] Mr. Justice Frankfurter, reserving judgment, also because of insufficient time to examine the issues, commented on the rationale of the majority decision by saying, "The plain inference from this is that the Court is not prepared to support the constitutional basis upon which the Smith and Covert courts-martial were instituted and the convictions were secured." [42] Or, less elegantly put, there were insufficient votes to hold that the constitutional words, "land and naval Forces," were broad enough to include dependent wives.

When that opinion *dubitante* was orally announced, a knowledgeable lawyer sitting next to me whispered, "That's a command to file a petition for rehearing." And such a petition, which has been published and thus is available for study, was duly and timely filed.[43]

Obviously, it was demonstrably untenable to sustain court-martial jurisdiction without consideration of the constitutional provision conferring such jurisdiction. But—Supreme Court Rule 58(1) stated that "A petition for rehearing . . . will not be granted, except at the instance of a justice who concurred in the judgment or decision and with the concurrence of a majority of the court." Therefore, one justice of the five who constituted the original majority had to be persuaded to change his mind.

Well, Mr. Justice Harlan did change his mind, for reasons that he later set forth with unique candor.[44] To what extent he was influenced by the petition for rehearing, to what extent he was more greatly moved by the importunities of one or more of his brethren, probably no one now living can say. But this much is certain, that unless this one judge had been unusually open-minded, all the untenability of the original holding, and all the analysis and argument advanced in the petition for rehearing, would have been utterly and equally unavailing.

V. THE ADVOCATE'S DILEMMA: COURTS WITH COMPLETELY CLOSED MINDS

When, however, judges' minds are completely closed, every effort at persuasion necessarily fails. Law, history, the force of reasoned argument, whether singly or in combination, are then quite unable to move the immovable.

This was the lesson I learned in *Roman v. Sincock*,[45] the Delaware reapportionment case, one of a series that first announced that the *Baker v. Carr* [46] doctrine of equal apportionment extended to both chambers of state legislatures.

In the "One Man, One Vote" argument that had earlier prevailed, it was contended that the federal analogy of equal state representation in the United States Senate was inapplicable to state legislatures, because, while the Thirteen States had indubitably created the Union, it was the several states that had made their own counties.

Now as a matter of history—genuine, documented history, not the slanted and selective presentation that is properly denigrated as "law office history"—as a matter of demonstrable historical fact, in Delaware that process had been reversed. There it was the "Three Lower Counties on Delaware," thus always referred to in the early Journals of the Continental Congress and in other contemporaneous writings, that, in 1776, had formed "The Delaware State." [47]

Moreover, further research demonstrated a massive infirmity in the proposition that the fourteenth amendment prohibited legislative malapportionment. It was shown that, when Florida was readmitted to Congressional representation in 1868,[48] a Congressman voiced objection to the new Florida constitution. Under that instrument, he said on the floor of the House, Dade County with its last recorded population of only 30—that is where Miami now towers—had representation in the lower house equal to that of Jefferson County, the site of Tallahassee, which had over 3000 people. No such state constitution, he urged, should be approved. He was answered by that stalwart architect of Reconstruction, one of the leaders of the Radical Republicans, Ben Butler of Massachusetts.

Florida's constitution, said Butler, had been carefully considered by the Senate Committee on the Judiciary and by the House Committee on Reconstruction. It had been found republican and proper and to conform in every respect to the fourteenth

Footnotes at end of article.

amendment. The gentleman's objection should be voted down—and voted down it was.[49]

Now, very obviously, that legislative history quite cut out the very heart of the constitutional organism of *Baker v. Carr*. But, since the Court that heard *Roman v. Sincock* believed in *Baker v. Carr*, and since it was determined to apply its apportionment doctrine to both parts of all state legislatures, it simply ignored the 1868 legislative history, which of course was closer to the meaning of the fourteenth amendment than were the judges who sat in the 1960's. No answer to that incident was ventured, because, very obviously, there was none that could be made. So counsel for the Delaware officials obtained, in return for his efforts, only two crumbs of rather wry professional amusement. The first was the look of extreme pain on the countenance of the late Chief Justice when the Ben Butler colloquy was unveiled in open court. The second was an identical look of pain when Mr. Justice Harlan referred to the same incident during the oral announcement of his dissent.[50]

In short, and I think this may be set down as a timeless generalization of universal applicability, it is simply not possible ever to persuade people who resolutely refuse to be persuaded.

VI. APPLICATION OF ALL OF THE FOREGOING TO CURRENT MILITARY LAW

From what I have been able to gather from the USCMA reports and from the literature, I fear that there are indications that the Court of Military Appeals now seems to be suffering from a collectively closed mind as it pursues its self-appointed task of undertaking to "civilianize" or to "judicialize" the military justice system.[51]

Recently, in the course of a workshop on appellate advocacy for prosecutors, I was asked by a young Army JA captain how to treat a question that he had been asked, or had heard asked, by the Court of Military Appeals. In substance, a judge had said, "You have cited cases from our court and from the U.S. Supreme Court. Do you have anything else?"

My suggested reply was, "No, we do not. We have assumed that this court would respect its own precedents, and that it would of course follow the rulings of the highest court in the land."

But, on further reflection, I am not at all sure that this suggested after-the-fact answer was really helpful, essentially because a young lawyer is never as free as an older one to deal with extreme judicial positions. In the military, it is RHIP—rank is the touchstone; but in a courtroom it is AHIP—age. An older layer is allowed much more freedom, particularly when he is well known to the court in question.

But, recurring to substance, what can lawyers usefully say when facing the transformation and restructuring of the military justice system that seems to be in train?

Let me go back once more to Justice Holmes' timeless comment that "we need education in the obvious." [52] And let me touch just briefly on some of the more obvious fundamentals.

The first American military codes go back to the Continental Congress, where John Adams drafted both the Articles of War as well as the Articles for the Government of the Navy. He followed the British Articles of War almost verbatim, because, as he wrote, those provisions had carried the British Empire "to the head of mankind." [53] And Adams, let it be remembered, was not a military man at all. He was a lawyer, one of the ablest in the Colonies.[54]

Following the successful outcome of the Revolution, the Federal Convention met in 1787 to draft the Constitution. Of that body's 55 members, well over half had been in uniform during the arduous and at times apparently hopeless war for Independence. Including Washington, 18 had served in the Continental Army, while 13 more had had militia duty during the long struggle.[55]

Did the framers, in the face of their own searing experiences, undertake to civilianize military justice? They did not. They put military justice into Article I, Section 8, clause 14, and they placed civilian justice into Article III.

Let us turn to Congress, which has legislated on military law under the Constitution since the beginning.[56] Its latest expression is the Uniform Code of Military Justice, last amended in 1968 [57]—and that legislation appears in title 10 of the United States Code, Armed Forces, while civilian justice is dealt with in title 28.

Next, what says the Supreme Court? It was Jeremy Bentham, and here I am quoting from memory, who sneered that jurisprudence was the science of being methodically ignorant of what everyone knew. Well, the Supreme Court has not been fairly subject to that stricture in matters military. Some time back it said, in words frequently reported:

"An army is not a deliberative body. It is the executive arm. Its law is that of obedience. No question can be left open as to the right to command in the office, or the duty of obedience in the soldier. Vigor and efficiency on the part of the officer and confidence among the soldiers are impaired if any question be left open as to their attitude to each other." [58]

Nor should we overlook what the Court said in the second flag salute case: "The Nation may raise armies and compel citizens to give military service . . . It follows, of course, that those subject to military discipline are under many duties and may not claim many freedoms that we hold inviolable as to those in civilian life." [59]

And, let me add, the Supreme Court in recent years has regularly reversed Courts of Appeals that lost sight of those so obvious propositions: *Parker v. Levy*,[60] *Greer v. Sprock* [61] *Middendorf v. Henry* [62] *Schlesinger v. Councilman*,[63] all of these were government appeals in which the judgments of the Courts of Appeals were reversed.

Moreover, any decision that breaks or subverts the chain of command dilutes if indeed it does not nullify the constitutional provision that makes the President the Commander in Chief. [64] In this connection it is well not to ignore the *Swaim* case, a decision notable not only for its dramatic circumstances but even more so for its basic doctrine.[65]

The dramatic feature is that General Swaim remains the only Judge Advocate General—up to now—ever convicted by court-martial. And the doctrinal feature of the decision most significant in the present connection is that the Court sustained the power of the President to convene a general court-martial even though Congress had not specifically conferred such power on him. Why? Because, said the Court, the President is made Commander in Chief by the Constitution. I commend careful study of the *Swaim* case to any who are still inclined to believe that, even when expressly empowered by Congress to do so,[66] the Commander in Chief lacks authority to prescribe even a portion of the *Manual for Courts-Martial*.[67]

Contentions along the foregoing lines doubtless mark the outside limits of any advocate's presentation. It is to be hoped that consideration of the fundamentals that have been outlined may serve to deflect the Court of Military Appeals from its present course of their disregard. It is also to be hoped, both for the state of the armed forces and for the safety of the nation, that the country's highest military tribunal will begin to map a path away from some of its more recent recent novel departures.

But although advocates before that court are under fairly obvious restraints, I am here under no such restrictions. I speak here as one equally retired from law practice and from military status, viewing current problems simply as a concerned citizen, but against a background of over 40 years' experience in and exposure to military law. Justice Holmes once said, "I hate to hear old soldiers telling what heroes they were." [68] But I can at least say, without the slightest immodesty, that my experience with military justice has been multi-faceted. I have served as staff judge advocate; I have occupied every seat in the military courtroom—except one; I have taught military law at a university law school; and in the civil courts I have both defended and challenged the judgments of military tribunals.

And having had that background and experience, I want to emphasize the real, not just the verbal differences, between an armed force and a civilian society. Let me quote from General William Tecumseh Sherman, who was a lawyer long before he became a general.[69]

"I agree that it will be a grave error if by negligence we permit the military law to become emasculated by allowing lawyers to inject into it the principles derived from their practice in the civil courts, which belong to a totally different system of jurisprudence.

"The object of the civil law is to secure to every human being in a community all of the liberty, security, and happiness possible, consistent with the safety of all. The object of the military law is to govern armies composed of strong men, so as to be capable of exerting the largest measure of force at the will of the nation.

"These objects are as wide apart as the poles, and each requires its own separate system of laws, statute and common. An army is a collection of armed men obliged to obey one man. Every enactment, every change of rules which impairs that principle weakens the army, impairs its value, and defeats the very object of its existence. All the traditions of civil lawyers are antagonistic to this vital principle, and military men must meet them on the threshold of discussion, else armies will become demoralized by grafting on our code their deductions from civil practice.[70]

I should add that the basic definition, "An army is a collection of armed men obliged to obey one man," was neither original with Sherman nor with any other military figure. It goes back to John Locke, from whom it was quoted by Dr. Samuel Johnson in his *Dictionary*.[71]

Consequently, as the Supreme Court said in *Orloff v. Willoughby*,[72] "The military constitutes a specialized community governed by a separate discipline from that of the civilian."

And why? Because, while the civil community seeks to achieve the greatest good for the greatest number, the object of an armed force is to send men obediently against the public enemy, to their death if need be.

That is not a palatable fact these days, and so, being unpalatable, the Age of Aquarius deems it something to be ignored. But it cannot be ignored, and so I turn once more to Mr. Justice Holmes. Here is what he said in 1895:

"I have heard the question asked whether our war was worth fighting, after all. There are many, poor and rich, who think that love of country is an old wife's tale, to be replaced by interest in a labor union, or, in the name of cosmopolitanism, by a restless self-seeking search for a place the most enjoyment may be had at the least cost. . . . For my own part, I believe that the struggle for life is the order of the world, at which it is vain to repine. I can imagine the burden changed in the way it is to be borne, but I cannot

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imagine that it will ever be lifted from men's backs. . . . Now, at least, and perhaps as long as man dwells upon the globe, his destiny is battle, and he has to take the chances of war."[73]

That being so—and who is there now alive who can gainsay it?—we must address ourselves to the endless debate on the relationship between justice and discipline in a military community.

That matter was well put in a book on *The Art of War* published precisely three centuries ago, in a passage that graced the frontispiece of an earlier edition of the *Manual for Courts-Martial:*

"Justice ought to bear rule everywhere, and especially in armies; it is the only means to settle order there, and there it ought to be executed with as much exactness as in the best governed cities of the kingdom, if it be intended that the soldiers should be kept in their duty and obedience."[74]

In actual fact, justice and discipline in the military are indivisible, because, as everyone with troop experience has known since the beginning, a unit subjected to injustice is bound to be undisciplined. Hard, even harsh treatment in difficult situations is understandable when fairly administered, and is therefore acceptable. But unjust treatment is certain to destroy morale and hence military effectiveness. In short, just as liberty *and* union are, as Daniel Webster reminded us, one and inseparable in civil relationships, so justice *and* discipline are one and inseparable in the military community.

In this connection, I must draw attention to a recent pronouncement to the effect that military discipline and military justice are not only divisible, but that the line between the two is to be drawn between the summary and the special court-martial. The American bar was recently told that nonjudicial Article 15 action and summary courts-martial involve military discipline, while proceedings before special and general courts-martial pertain to military justice.[75]

Just a glance at the Uniform Code will serve to dispel this newly vouchsafed revelation.

Article 15 of the Code permits most minor miscreants to escape nonjudicial punishment by demanding trial by court-martial. Article 20 further entitles an accused to refuse trial by summary court-martial. Consequently, if the military boundary between justice and discipline is actually located above the summary and below the special court, then every minimal offender other than the maritime mischief-marker—the "member attached to or embarked in a vessel"[76]—can, by his own unilateral and unreviewable act, remove himself entirely from the lowly levels of military discipline and enter upon the rarified uplands of military justice.

So my comment on this novel theory as to the point of separation between military discipline and military justice, a view first unveiled only a few months ago, is that it flies into the face of the Code and is, in consequence, completely mistaken. I doubt if I could deal with that hypothesis any more gently except at the sacrifice of accuracy.

Moreover, I venture to submit, the circumstance that presently the United States has only volunteer armed forces surely does not justify a fundamental restructuring of the Congressionally established system of military justice. For, traditionally as well as historically, the United States has almost always had volunteer forces. Although conscription was indeed considered in October 1814,[77] there was no draft law on the books until 1863, in the Civil War;[78] nor from Appomattox until 1917,[79] nor from the 1918 Armistice until late in 1940, after the fall of France.[80] Remember, if you please, that an extension of the 1940 draft beyond a single year only passed the House of Representatives in August 1941 by a single vote.[81] It was only from 1948 to 1973 that we regularly had peacetime conscription, and for much of that period it was concerned with actual hostilities in Korea and in Viet Nam.[82] Consequently, most American military law, in actual, demonstrable fact, was fashioned and developed for purely volunteer forces.

Again, let it not be said that, because there is now no draft law in effect, enlistment in the armed forces has become like entering on any civilian job; it hasn't. To take only a very few examples, the civilian worker can quit at will, while for a soldier to do so is always a military offense, AWOL at best, desertion at worst.[83] The civilian can tell off the boss at any time; in an armed force such liberty is an obvious violation of the Code.[84] And to go on strike, which many hail as the highest manifestation possible in a free society, is in an armed force, inescapably mutiny.[85]

Also, and here I venture on delicate ground, what about the death penalty in the two situations? I will not undertake to review the gyrations of the Supreme Court in this area, although it would be well to point out that, since the fifth amendment in three separate clauses contemplates capital punishment,[86] the eighth amendment, adopted simultaneously as a part of the identical document, cannot fairly be read as condemning death sentences.

But what about death sentences in a military society? The faithful and obedient soldier daily risks death in every combat situation, and, counting only the wars of this century, more than 425,000 loyal and decent Americans have died in or as the result of battle.[87] Can we remain true to their memories, can we look future soldiers in the eye, if henceforward the cowards and the skulkers and those who misbehave before the enemy will be permitted to escape danger by receiving only sentences to imprisonment, sentences that are certain to be mitigated after the passage of a few years? The fact that in the 113 years since the Civil War ended there has been only a single execution for a purely military offense in the American armed forces, and that this single wholly justified penalty has evoked a continuing emotional wail over more than a quarter of a century, strongly suggests that we badly need to rethink our civic values.[88]

Finally, and of course this is something that counsel are not free to say, civilian justice as now administered is hardly a persuasive advertisement for nonmilitary tribunals.

Back in 1905, William Howard Taft declared that "I grieve for my country to say that the administration of the criminal law in all the states in the Union (there may be one or two exceptions) is a disgrace to our civilization."[89] What do you suppose he would say today, when the streets of few American cities are safe at night, when in some there is no safety even in daylight hours, and when bail practices are so loose that, once a criminal has been apprehended, he is immediately turned loose to commit further depredations?

The raunchy centers of adult bookstores and theaters that now infest virtually all sizeable communities today are a direct consequence of the series of decisions that suddenly discovered how, contrary to previous pronouncements,[90] the first amendment protected obscenity.[91] And in my home state, state judicial proceedings to close down massage parlors, which of course are simply old-time bawdy houses differently named, were halted for six weeks by a federal judge while he pondered the merits of those establishments' claims of constitutional right.[92] The same jurist recently enjoined a municipal ordinance that sought to bar nude theatrical performances.[93] I wonder what James Madison, who framed the Bill of Rights, would have thought of those results.

Nor should we forget why it is that the federal courts are overcrowded. Without any doubt, it is because they are too busily engaged in tasks for which they are obviously unfitted, such as operating schools and prisons, apportioning legislatures, and listening to the complaints of every eccentric who claims constitutional sanctions for everything he wants, or who asserts constitutional prohibitions against everything he dislikes.[94] Indeed, today the Supreme Court is all too plainly passing on the utility and desirability of legislation, behaving precisely like that Council of Revision that the Framers advisedly rejected.[95]

So I say, let us not hold up today's American civilian justice as the embodiment of everything that is excellent. Believe me, it is currently a badly flawed institution.

I have pointed out earlier that the Court of Military Appeals' campaign to civilianize military justice lacks affirmative constitutional and statutory sanction. More than that, its holding that there are limits on the President's power to prescribe the *Manual for Courts-Martial* plainly ignores the constitutional provision that makes him the Commander in Chief.[96] Its determination that it is the body having ultimate supervision of all aspects of the administration of military justice, so that it can mandamus a Judge Advocate General,[97] disregards the explicit Code provision that lodges the "supervision of the administration of military justice" in the several Judge Advocates General.[98]

Nor can I forbear mention of the *Henderson* case, where an individual convicted of a premeditated conspiracy to murder went scot-free because the prosecution had been somewhat dilatory in bringing him to trial.[99] The statutory admonition for prompt trial in Article 10 of the Code sets no fixed time limits. It derived from old AWs 69 and 70,[100] which in turn had their origin in the Civil War provision that effected the release of Brig. Gen. Charles P. Stone, who had been held for several months and then was never tried.[101] In the *Henderson* case, there was no indication whatever that the accused had been prejudiced in the slightest by the delay in bringing him to trial. The disinterested observer, therefore, is bound to apply to that decision, which turned loose a convicted murderer, the famous remark of Charles Dickens' Mr. Bumble: "If the law supposes that, then the law is a ass—a idiot."[102]

All too plainly, therefore, the Court of Military Appeals has become an activist court. This is regrettable, because in our constitutional system judges are meant to be umpires, not contestants. An activist court, operating not only without warrant from statutes or from the Constitution, but actually in violation of both, is thus an essentially lawless body. If it has not respect for its own precedents, how can it expect respect from others for its more recent pronouncements? The worthies of old, from the Thirteenth Century to the Twentieth, have always inveighed against activist judges.

Hearken to Bracton, writing before 1257; he composed that monumental treatise *On the Laws and Customs of England* because, he said, "these laws and customs are often misapplied by the unwise and unlearned who ascend the judgment seat before they have learned the law . . . , and frequently subverted by the greater judges who decide cases according to their own will rather than by the authority of the laws."[103] And Justice Holmes, some six hundred and fifty years later, made the same point: "It is a misfortune if a judge reads his conscious or unconscious sympathy with one side or the other prematurely into the law, and forgets that what seem to him to be first principles are believed by half his fellow men to be wrong."[104]

Nor must we forget the same Justice's later comment, uttered in dissent: "I recognize without hesitation that judges do and must legislate, but they can do so only interstitially; they are confined from molar to molecular motions. A common-law judge could not say I think the doctrine of consideration a bit of historical nonsense and shall not enforce it in my court."[105] Alas, that standard of restraint was later widely ignored.

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During the time that Chief Justice Warren presided over the Supreme Court, that tribunal squarely overruled over 30 cases.[106] Such a wholesale disregard of what theretofore was settled is, very plainly, not justice according to law.[107] It is, rather, a return to justice without law, to the jurisprudence of the Eastern *Kadi* at the gate, who decides cases by whim rather than by rule. Dean Roscoe Pound once wrote, "Law must be stable and yet it cannot stand still."[108] But, law in the United States over the last twenty years or so has been far from stable.

Let me quote here, with permission from the owner of the literary rights, part of a letter that the late Dean Acheson wrote me in September 1964, when he was engaged in writing his first volume of memoirs, *Morning and Noon*.[109] He had been law clerk to Mr. Justice Brandeis from 1919 to 1921; this is what he wrote:

"I have just been writing of those days and of "our" court, as Brandeis called the White Court, in a volume which I hope to finish before I get sent away again. It was not so bad, a pig headed and obstructive group of old codgers. But they were not trying to goose the country into their conception of the New Jerusalem.[110]

As I have said, I sincerely hope that the Court of Military Appeals can be persuaded to abandon its present effort to restructure the military justice system to their own hearts' desire. But if reason proves unable to prevail, there are remedies at hand—and all of them involve Congressional action.

We are witnessing now how the Congress is in the process of declaring illegal unionization of the armed forces.[111] No quicker way towards demoralizing and dismantling an armed force could possibly be devised than to permit its members to join labor unions; and obviously Congress was dissatisfied with the half-hearted directives emanating from the Department of Defense, directives that approached the matter from the widely different situation of civil servants' rights rather from that of soldiers' and sailors' and airmens' duties.[112]

Similarly, I am certain that Congress will not permit those same armed forces to be disrupted by decisions, from a court of its own creation, that short-circuit the chain of command, doctrinare decisions that are all too plainly rested on demonstrably fallacious notions. So I envisage three possible solutions.

The first of these, which may indeed have been long overdue, is to permit an appeal by the government from Court of Military Appeals decisions, excluding, of course, further review of rulings on the sufficiency of evidence and similar purely factual matters.

Actually, such a provision would simply equalize the existing position, for the accused is always free to invoke the assistance of the federal courts once he has exhausted his military remedies. Of course he could always relitigate the question of jurisdiction, which he—and mostly she—have already done with considerable success.[113] More than that; the accused who loses in the Court of Military Appeals can, as the *Calley* case shows, retry virtually every asserted trial error on collateral attack.[114] So a provision permitting government appeals would really be an equalizer.

And, with such appeals given a statutory basis, I foresee no constitutional complications, any more than where the federal courts now review the conclusions of administrative agencies. Of course I am aware that direct appeal failed in three earlier cases, *Ex parte Vallandigham*,[115] *In re Vidal*[116] and *Shaw v. United States*.[117] But in none of those was there the slightest authorization for the course being attempted.

A second form of remedy was proposed about a dozen years ago, which I mention only for the sake of completeness. At that time a high-powered Army board, obviously misled by its lawyer members, proposed afforcing the Court of Military Appeals by increasing its membership: There were to be two additional judges, drawn from the ranks of retired Judge Advocates General of the armed forces.[118] At the time I expressed indignation that this crass court-packing plan, all too reminiscent of 1937, had not evoked immediate outrage.[119] But perhaps I should not have been concerned, for in the event the plan was so obviously infirm that it never got off the ground; and today it is remembered, if at all, merely as a curiosity.

Finally, and of course this would be the most drastic cure of all, if we look back into American history we will find that, on three separate occasions, Congress abolished courts of which it did not approve.

The first instance is a matter of general history, tolerably well know. After the election of 1800, the lame duck session of President John Adams' last Congress created a series of United States Circuit Courts which, as a matter of judicial administration, were badly needed. In the closing days of Adams' tenure, a host of partisan Federalists were appointed to these new tribunals; those were the "midnight judges." Within a year, those Circuit Courts were simply abolished by Jefferson's 7th Congress.[120]

The second example is less widely known, except of course to students of the federal judicial system. Back in 1910, before planes and buses, when the railroads constituted the basic system of communication holding the country together, the front line of litigation was engaged in fighting over the regulatory powers of the Interstate Commerce Commission. At that time a Commerce Court was established, whose jurisdiction was limited to review of that agency's orders.[121] Well, the Commerce Court had a sorry record of reversals by the Supreme Court, and one of its members was impeached and convicted. So, in the first year of the Wilson administration, it was abolished, and all of its jurisdiction was transferred to three-judge district courts—where it rested for some 60 years.[122]

The third example is hardly known even to lawyers; it comes from the Civil War. At that time, Washington was a Southern city in every respect, where slavery existed until abolished, not by anything in the Constitution, but by an Act of Congress in April 1862.[123] The court of general jurisdiction then was the Circuit Court of the United States for the District of Columbia, which trebled in brass as a U.S. District Court and also as a Criminal Court. But its judges were suspected of being Confederate sympathizers. So Congress in March 1863 simply abolished that court, and created instead a new tribunal, the Supreme Court of the District of Columbial, to which President Lincoln appointed staunch Union men.[124] Despite a change of name in 1936[125] and the transfer away of its non-Federal business in 1970,[126] the court created in 1863 is still functioning today; it is now the United States District Court for the District of Columbia. But the judges of the tribunal that was abolished in 1863 were simply turned out to pasture.

I suppose that every one present here today was at some time, most likely in grammar school, exposed to Patrick Henry's thrilling denunciation of the Stamp Act in 1765. The precise text of his remarks was doubtless somewhat embroidered by his grandson-biographer, but it has been a part of the American heritage for so long that the legend, if indeed legend it be, now qualifies as a fact that has been conclusively established.

Here was Patrick Henry's peroration:

Tarquin and Caesar each had his Brutus, Charles the First his Cromwell, and George the Third—

"Treason!" shouted the Speaker.

"Treason, treason," cried other members.

Henry finished his sentence: "may profit by their example. If *this* be treason, make the most of it."[127]

Footnotes at end of article.

FOOTNOTES

[1] *The Soldier's Faith* (1895) in THE OCCASIONAL SPEECHES OF JUSTICE OLIVER WENDELL HOLMES (M. D. Howe ed. 1962) 73 [hereinafter cited OCCASIONAL SPEECHES].

[2] Captain Holmes received successive brevets to Major, Lieutenant Colonel, and Colonel in 1867, back-dated to "the bloody 13th of March 1865," that were awarded for each of the three engagements in which he had been wounded. General Orders No. 67, W.D., A.G.O., at 21, 35, 56 (16 July 1867).

[3] "Wendell, by the way, is working hard at the law, and judging by the fondness he has for talking over his points he is much interested in it. He will master the theoretical part easily enough, I doubt not." Letter from John C. Ropes to John C. Gray, Jr. (31 Jan. 1865) in WAR LETTERS 1862–1865 (W. C. Ford ed. 1927) 450–451.

[4] KENT'S COMMENTARIES (12th edition), published in 1873.

[5] See now the 1963 edition of THE COMMON LAW by M. D. Howe.

[6] *See generally* the biography by Mr. Justice Frankfurter in DICT. AMER. BIOG., Supp. One (1944) 417. The late Professor M. D. Howe's full length study of the Justice's life did not extend beyond the year 1882. M. D. HOWE, JUSTICE OLIVER WENDELL HOLMES: THE SHAPING YEARS, 1841–1870 (1957); *id.*, THE PROVING YEARS, 1870–1882 (1963).

[7] *Law and the Court* (1913), in OCCASIONAL SPEECHES, supra note 1, at 168, 169.

[8] Missouri, Kansas & Texas Ry. v. May, 194 U.S. 267, 270 (1904).

[9] *A Provisional Adieu* (1902), in OCCASIONAL SPEECHES, supra note 1, at 150, 152.

[10] *Ideals and Doubts* (1915), in COLLECTED LEGAL PAPERS (1921) 303, 304 [hereinafter cited as C.L.P.].

[11] *Remarks at a Meeting of the Second Army Corps* (1903), in OCCASIONAL SPEECHES, *supra* note 1, at 158–159.

[12] *John Marshall* (1901), in OCCASIONAL SPEECHES, *supra* note 1, at 131, 135.

[13] "That in all criminal prosecutions the accused shall enjoy the right to be heard by himself and counsel to demand the nature and cause of the accusation against him, to have a speedy and public trial, to meet the witnesses face to face, and to have compulsory process to compel the attendance of witnesses in his behalf." Act of 1 July 1902, ch. 1369, § 5, 32 Stat. 691, 692.

[14] Paraiso v. United States, 207 U.S. 368, 372 (1907).

[15] "In determining the meaning of any Act of Congress, unless the context indicates otherwise . . . words importing the masculine gender include the feminine as well." 1 U.S.C. § 1 (1976).

[16] R. H. Jackson, *Tribute to Country Lawyers; A Review*, 30 A.B.A.J. 136, 139 (1944).

[17] [T]here is not only no divergence between the Manual for Courts-Martial and the Canons of Professional Ethics, there is actually a literal concordance between the two, and why should there be essential conflict between the ethical standards of the two professions, of law and of arms? The lawyer is required to represent his cause with undivided fidelity, with unfailing energy, fearlessly, by every honorable means at hand, and without violating confidences reposed in him. The soldier for his part is bound to speak truth, to deal honorably with his fellows, and, in all this word, to fear only God. Proceedings in Memory of Judge Paul W. Brosman, 15 Feb. 1956, 6 C.M.A. xi.

[18] *Admiral Dewey* (1899), in OCCASIONAL SPEECHES, *supra* note 1, at 109, 110.

[19] Bates v. State Bar of Arizona, 433 U.S. 350 (1977).

[20] W. S. CHURCHILL, THE GATHERING STORM (1948) iv.

[21] F. B. WIENER, EFFECTIVE APELLATE ADVOCACY (1950); F. B. WIENER, BRIEFING AND ARGUING FEDERAL APPEALS (1961 & Supp. 1967) [hereinafter cited as B.A.F.A.].

[22] *Anonymity and Achievement* (1890), in OCCASIONAL SPEECHES, note 1, *supra* at 59, 61.

[23] Preface to C.L.P., *supra* note 10, at v.

[24] 336 U.S. 684 (1949).

[25] Law Member: The Court desires that further witnesses be called into the case, and to allow time to secure these witnesses, this case will be continued. We would like to have as witnesses brought before the Court, the parents of this person making the accusation. Rosa Glowsky, and also the sister-in-law that was in the room who could further assist in the identification or identity of the accused. The Court will be continued until a later date set by the T. [rial] J. [udge] A. [dvocate]. 336 U.S. at 686, note 2.

[26] C. B. MACDONALD, THE LAST OFFENSIVE (1973), in the series, U.S. ARMY IN WORLD WAR II: EUROPEAN THEATER OF OPERATIONS.

[27] As amended by the Act of 1 Aug. 1942, ch. 542, 56 Stat. 732; *codified at* 10 U.S.C. § 1522 (1946).

[28] Wade v. Hunter, 72 F. Supp. 755 (D. Kan. 1947).

[29] Hunter v. Wade, 169 F. 2d 973 (C. A. 10, 1948).

[30] Wade v. Hunter, 336 U.S. 684 (1949).

[31] United States v. Perez, 9 Wheat. 579 (1824).

[32] Simmons v. United States, 142 U.S. 148 (1891); Thompson v. United States, 155 U.S. 271 (1894).

[33] Pollock v. Farmers' Loan & Trust Co., 158 U.S. 601 (1895); Pollock v. Farmers' Loan & Trust Co., 157 U.S. 429 (1895).

[34] Jones v. Opelika, 316 U.S. 584 (1942), *vacated on rehearing*, 319 U.S. 193 (1943). In the interval, Mr. Justice Byrnes had resigned and was replaced by Mr. Justice Rutledge.

[35] 354 U.S. 1 (1957), *withdrawing* Reid v. Covert, 351 U.S. 487 (1956) and Kinsella v. Krueger, 351 U.S. 470 (1956).

[36] McElroy v. Guagliardo, 361 U.S. 281 (1960); Grisham v. Hagan, 361 U.S. 278 (1960); Kinsella v. Singleton, 361 U.S. 234 (1960).

[37] United States v. Covert, 6 C.M.A. 48, 19 C.M.R. 174 (1955); United States v. Smith, 5 C.M.A. 314, 17 C.M.R. 314 (1954); United States v. Covert, 16 C.M.R. 465 (A.F.B.R. 1954); United States v. Smith, 13 C.M.R. 307 (A.B.R. 1953; United States v. Smith, 10 C.M.R. 350 (A.B.R. 1953).

[38] The arguments concluded at 5:40 P.M., whereas at that time the stated hour for adjournment was 4:30 P.M. Supreme Court Rule 4(1) of 1954.

[39] Northern Securities Co. v. United States, 193 U.S. 197, 400–401 (1904).

[40] Kinsella v. Kruger, 351 U.S. 470 (1956), U.S. CONST. art. I § 8, cl. 14.

[41] 351 U.S. at 485.

[42] 351 U.S. at 481.

[43] B.A.F.A., *supra* note 21, at 431–40.

[44] Reid v. Covert, 354 U.S. 1, 65 (1957).

[45] 377 U.S. 695 (1964).

[46] 369 U.S. 186 (1962).

[47] As this cannot be concisely documented, a reference to Appellants' Brief, at 33–53, Roman v. Sincock, 377 U.S. 695 (1964), where the authorities are collected, must suffice.

[48] *See* United States v. Florida, 363 U.S. 121 (1960).

[49] Cong. Globe, 40th Cong., 2d Sess. 3090–92 (1868).

[50] Harlan, J., dissenting in Reynolds v. Sims, 377 U.S. 533, 589, 604–08 (1964), a dissent applicable also to Roman v. Sincock.

[51] Address by Hon. A. B. Fletcher, Jr., *Where the Court of Military Appeals is Going in the COMA Evolution*, Federal Bar Association annual convention (30 Sept. 1977); J. S. Cooke, *The United States Court of Military Appeals, 1975–1977: Judicializing the Military Justice System*, 76 MIL. L. REV. 43 (1977).

[52] *Supra* note 7.

[53] 3 DIARY AND AUTOBIOGRAPHY OF JOHN ADAMS (L. H. Butterfield ed., 1961) 409–410.

[54] 1, 2, AND 3 LEGAL PAPERS OF JOHN ADAMS (L. K. Wroth & H. B. Zobel eds., 1965), *passim*.

[55] 6 D. S. FREEMAN, GEORGE WASHINGTON (1954) 93.

[56] See the authorities collected in my *Courts-Martial and the Constitution: The Original Practice*, 72 HARV. L. REV. 1, 13–22 (1958), *reprinted in* MIL. L. REV. BICENT. ISSUE 169, 181–188 (1975).

[57] MILITARY JUSTICE ACT OF 1968, PUB. L. 90–632, 82 Stat. 1335.

[58] *In re* Grimley, 137 U.S. 147, 183 (1890).

[59] Board of Education v. Barnette, 319 U.S. 624, 642 note 19 (1943).

[60] 417 U.S. 733 (1974).

[61] 424 U.S. 628 (1976).

[62] 425 U.S. 25 (1976).

[63] 420 U.S. 738 (1975).

[64] U.S. Const. art. II, § 2.

[65] Swaim v. United States, 165 U.S. 553 (1897).

[66] UNIFORM CODE OF MILITARY JUSTICE art. 36, 10 U.S.C. § 836 (1976) [hereinafter cited as U.C.M.J.]

[67] United States v. Ware, 24 C.M.A. 102, 104 note 10, 106, 51 C.M.R. 275, 277 note 10, 279, 1 M.J. 282, 285 note 10, 287 (1976). *Compare* the concurring and dissenting opinions in United States v. Newcomb, 5 M.J. 4 (C.M.A. 1978).

[68] *The Fraternity of Arms* (1897), in OCCASIONAL SPEECHES, *supra* note 1 at 100, 101.

[69] L. LEWIS, SHERMAN: FIGHTING PROPHET (1932) 103–112.

[70] UNIFORM CODE OF MILITARY JUSTICE, *Hearings on H.R. 2498 Before a Subcomm. of the House Comm. on Armed Services*, 81st Cong., 1st Sess. 780.

[71] *See* E. L. MCADAM JR. AND G. MILNE, JOHNSON'S DICTIONARY: A. MODERN SELECTION (1963) 65.

[72] 345 U.S. 83, 87 (1953).

[73] *The Soldier's Faith* (1895), in OCCASIONAL SPEECHES, *supra* note 1, at 73, 74, 75.

[74] By Louis de Gaya (1678); frontispiece, MANUAL FOR COURTS MARTIAL, U.S. ARMY, 1921.

[75] Address by the Hon. A. B. Fletcher, Jr., at the Mid-Year Meeting of the American Bar Association, New Orleans, Louisiana (12 Feb. 1978). *See also* United States v. Booker, 3 M.J. 443 (C.M.A. 1977).

[76] U.C.M.J. art. 15(a).

[77] E. UPTON, THE MILITARY POLICY OF THE UNITED STATES (1917) 123, citing 1 Am. State Pap. Mil. Affairs 515.

[78] Act of 3 Mar. 1863, ch. 75, 12 Stat. 731.

[79] Act of 18 May 1917, ch. 15, 40 Stat. 76.

[80] Selective *Training* and Service Act of 1940, ch. 720, 54 Stat. 885.

[81] H.J.R. 222, concerning extension of the Selective Compulsory Military Training and Service Act of 1940, was passed on 12 August 1941 by a vote of 203 to 202, with 27 members not voting. 87 CONG. REC. 7074 (1941).

[82] The last selective service measure was the Act of 28 Sept. 1971, Pub. L. 92–129, 85 Stat. 348. Section 101(a)(35) of that act extended induction authority from 1 July 1971 to 1 July 1973. 50 U.S.C. App. § 467(c) (Supp. V. 1975). The basic legislation was allowed to expire on the extended date.

[83] U.C.M.J. art. 86 (absence without leave); U.C.M.J. art. 87 (missing movement); U.C.M.J. art. 85 (desertion).

[84] U.C.M.J. art. 89 (disrespect); U.C.M.J. art. 89 (insubordinate conduct).

[85] U.C.M.J. art. 94.

[86] "No person shall be held to answer for a capital, or otherwise infamous crime. . . ."; "nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb"; and "nor be deprived of life, liberty, or property, without due process of law." U.S. CONST. amend V.

[87] WORLD ALMANAC (1978) 329. The exact figure is 425,845.

[88] At this juncture I venture to cite my own study, *Lament for a Skulker: The Case of Private Slovik*, 4 COMBAT FORCES J. (July 1954) 33.

[89] W. H. TAFT, *The Administration of Criminal Law*, 15 YALE L.J. 1, 11 (1905).

[90] Chaplinsky v. New Hampshire, 315 U.S. 568, 571–72 (1942).

[91] *E.g.*, Memoirs v. Massachusetts, 383 U.S. 413 (1966).

[92] Phoenix, Arizona, newspapers for 31 March and 13 May 1978 (Maricopa County campaign against massage parlors).

[93] Phoenix, Arizona, newspapers for April 1978 (Yuma, Arizona, ordinance against nudity).

[94] *E.g.*, P. B. Kurland, *Government by Judiciary*, 20 MODERN AGE 358 (1976).

[95] M. FARRAND, THE FRAMING OF THE CONSTITUTION (1913) 70, 156–57, 202.

[96] U.S. CONST. art II, § 2. *Compare* United States v. Larneard, 3 M.J. 76 (C.M.A. 1977).

[97] United States v. McPhail, 24 C.M.A. 304, 52 C.M.R. 15, 1 M.J. 457 (1976).

[98] U.S.C.M. art 6(a).

[99] United States v. Henderson, 24 C.M.A. 259, 51 C.M.R. 711, 1 M.J. 421 (1976).

[100] H.R. Rep. No. 491, 81st Cong., 1st Sess. 13 (1949); S. Rep. No. 486, 81st Cong., 1st Sess. 10 (1949).

[101] 1 W. WINTHROP, MILITARY LAW AND PRECEDENTS (2d ed. 1896) *165–67; *id*, 1920 reprint at 119.

[102] OLIVER TWIST, ch. 51.

[103] 2 BRACTION, DE LEGIBUS ET CONSUETUDINIBUS ANGLIAE (S.E. Thorne ed. 1968) 19 note 1.

[104] *Law and the Court* (1913), in OCCASIONAL SPEECHES, *supra* note 1, at 168, 171–172.

[105] Southern Pacific Co. v. Jensen, 244 U.S. 205, 218, 221 (1917).

[106] U.S. Constitution Annotated, S. Doc. 92–82, 92d Cong., 2d Sess. 1794–1796 (1972) (Nos. 89–133).

[107] See R. Pound, *Justice According to Law*, 13 COLUM. L. REV. 696 (1913), 14 *id.* 1, 14 *id.* 103 (1914). No one can read this seminal essay without being permanently impressed by Pound's greatness, a quality that none of his later tergiversations could ever dilute or dissipate.

[108] R. POUND, INTERPRETATIONS OF LEGAL HISTORY (1923) 1.

[109] Published in 1965.

[110] Here quoted with the permission of his son, David C. Acheson, Esq., of the District of Columbia bar.

[111] S. 274, 95th Cong., 1st Sess. (1977), a bill to prohibit union organization in the armed forces, passed the Senate on 16 Sept. 1977. 123 Cong. Rec. 15088 (1977).

[112] D. C. Siemer, A. S. Hut, Jr. and G. E. Drake, *Prohibition on Military Unionization: A Constitutional Appraisal*, 78 MIL. L. REV. 1 (1977).

[113] McElroy v. Guagliardo, 361 U.S. 281 (1960), considering United States v. Guagliardo, 25 C.M.R. 874 (A.F.B.R.), *pet. denied*, 9 C.M.A. 819, 26 C.M.R. 516 (1958); Wilson v. Bohlender, 361 U.S. 281 (1960), considering United States v. Wilson, 9 C.M.A. 60, 25 C.M.R. 322 (1958); Grisham v. Hagan, 361 U.S. 278 (1960), considering United States v. Grisham, 4 C.M.A. 694, 16 C.M.R. 268 (1954); Kinsella v. Singleton, 361 U.S. 234 (1960), considering United States v. Dial, 9 C.M.A. 541, 26 C.M.R. 321 (1958); Kinsella v. Krueger, 354 U.S. 1 (1957), considering United States v. Smith, 5 C.M.A. 314, 17 C.M.R. 314 (1954); and Reid v. Covert, 354 U.S. 1 (1957), considering United States v. Covert, 6 C.M.A. 48, 19 C.M.R. 174 (1955). In each of these cases, the Court of Military Appeals had earlier sustained jurisdiction.

[114] Calley v. Callaway, 382 F. Supp. 650 (M. D. Ga. 1974), *rev'd* 519 F. 2d 184 (5th Cir. 1975), *cert. denied*, 425 U.S. 911.

[115] 1 Wall. 243 (1863).

[116] 179 U.S. 126 (1900).

[117] 209 F. 2d 811 (D.C. Cir. 1954).

[118] Committee on the Uniform Code of Military Justice, Good Order and Discipline in the Army, Report to Honorable Wilber M. Bruckner, Secretary of the Army 194, 195, 198 (1960). The proposal would have required amendment of U.C.M.J. art. 87(a)(1).

[119] *Constitutional Rights of Military Personnel, Hearings Before the Subcomm. on Constitutional Rights of the Senate Judiciary Comm.* 87th Cong., 2d Sess. 781 (1962).

[120] Act of 13 Feb. 1801, ch. 4, 2 Stat. 89; Act of 8 Mar. 1802, ch. 8, 2 Stat. 132; *see* F. Frankfurter and J. M. Landis, *The Business of the Supreme Court* (1928) 25–32, *reprinted from* 38 HARV. L. REV. 1029–1036.

[121] Act of 18 June 1910, ch. 309, 36 Stat. 539.

[122] Act of 22 Oct. 1913, ch. 32, 38 Stat. 208, 219; *see* F. Frankfurter and J. M. Landis, *The Business of the Supreme Court* (1928) 153–162, *reprinted from* 39 HARV. L. REV. 594–603, Jurisdiction to review ICC orders was finally transferred from three-judge district courts to courts of appeals by the Act of 2 Jan. 1975, Pub. L. 93–584, 88 Stat. 1917, *codified at* 28 U.S.C. § 2321 (1970).

[123] Act of 16 Apr. 1862, ch. 54, 12 Stat. 376.

[124] Act of 3 Mar. 1863, ch. 91, 12 Stat. 762; *see* F. L. Bullard, *Lincoln and the Courts of the District of Columbia*, 24 A.B.A.J. 117 (1938).

[125] Act of 25 June 1936, ch. 804, 49 Stat. 1921.

[126] Title I if the District of Columbia Court Reform and Criminal Procedure Act of 1970, Pub. L. 91–358, 84 Stat. 473; *see* Palmore v. United States, 411 U.S. 389 (1973).

[127] R. D. MEADE, PATRICK HENRY: PATRIOT IN THE MAKING (1965) 173, quoting from 1 W. W. HENRY, LIFE, CORRESPONDENCE AND SPEECHES OF PATRICK HENRY (1891) 86–87.

S. 274 AND NATIONAL DEFENSE

Mr. THURMOND. Mr. President, as we commence our work in the 96th Congress, we should pause a moment to reflect upon one of our major accomplishments for defense in the last Congress.

Recently, in the December 1978 issue of Army, published by the Association of the U.S. Army, Editor-in-Chief L. James Binder notes that S. 274, which prohibits the unionization of the military, was major pro-defense legislation. He put it this way:

> Historians will never list S. 274 with the likes of Yorktown and Gettysburg, but there can be little doubt that it represents one of the most significant victories ever achieved for U.S. armed forces.

Mr. President, the 96th Congress will face some very difficult issues concerning the defense of our great Nation. When these issues come before us, budget considerations will be important. However, my attention will be focused on whether proposed legislation will provide an overall sound defense for the United States.

Also, receiving my full attention will be whether legislative proposals offered in the Senate keep faith with our service personnel. They must be treated fairly.

The threat of unions in the military was given impetus by the declining state of morale. On this issue, I remain committed to the views I expressed in an article in the American Enterprise Defense Review magazine, No. 1, entitled, "Military Unions: Yes and No" which was published in the February 1977 issue.

Mr. President, I ask unanimous consent that there be printed in the RECORD the article by Mr. Binder which appeared in the December 1978 issue of Army magazine under the headline "Truly a Pro-Military Bill" and the comments I made on military morale which appeared in the February 1977 issue of Defense Review entitled, "The Problem of Morale."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AEI DEFENSE REVIEW

THE PROBLEM OF MORALE

In my opinion, the union issue has emerged mainly because of the trend I mentioned earlier—servicemen regard their government as insensitive to their problems and unresponsive to their needs. Frustrated and disillusioned, they have become susceptible to the wiles of self-interest union advocates such as the leaders of AFGE.

The Defense Manpower Commission has apparently observed the same regrettable development. After field visits last year, it made the following statement in its April 19, 1976, report: "Many members of the armed forces felt dismayed and disillusioned because of what they perceive to be neglect, disinterest, or a breach of faith on the part of their government; and there appears to be a significant communications gap between departmental policy-makers and troops in the units in the field."

Howard Flieger, in *U.S. News and World Report*, October 25, 1976, came to the identical conclusion in his second editorial opposing military unions:

> [My first] article produced a torrent of mail from readers. Most agreed with the central point, but many argued that the armed forces are being doublecrossed by Congress and the Department of Defense.
>
> That is, indeed, a serious charge. It is one thing to say that people who volunteer for a military service forego the "accepted rights" of civilian workers. But in so saying, it should be understood that management—in this case Congress and the Government—must keep faith with those they recruit. If that faith is broken, it is understandable that servicemen and women will feel cheated by the uniforms they wear. . . . A unionized armed force makes no sense as a front line of national security. But neither does a disillusioned armed force. It is a situation that needs urgent attention by Washington.

That is not news to those of us in Congress who take a serious interest in our armed services. On January 31, 1975, I wrote to the President to protest the erosion of military benefits, particularly a proposed reduction in commissary subsidies. My letter concluded:

> As you well know, our government has broken faith with our military community in many areas, especially our retired personnel, such as changing the long-established method of computing retired pay, slashes in the CHAMPUS program, and now medical and dental services and the commissaries are being chipped away.
>
> I strongly urge reconsideration of your proposal. In my view, the disadvantages far outweigh any possible limited and short-term advantages which might scarcely help our nation's economic ills.

My mail on S.3079 has supported the findings of the Defense Manpower Commission and Howard Flieger, as well as my own position.

This problem of morale must be faced immediately. Loyalty must go from the top down as well as from the bottom up. Our military service members have a right to expect loyalty from the commander-in-chief, Congress, civilian leaders within the military departments, and the uniformed leadership of the armed services. If they do not get it, no legislation or directive will instill loyalty in them. What should the authorities do to reassure our servicemen that their interests are being protected?

To begin with, penny-wise and pound-foolish actions, which have affected our servicemen so adversely, must be defeated. The dispute whether service personnel, active or retirees, should be allowed to continue to buy goods at military commissaries provides a good example. Some leaders have tried to eliminate this benefit by using a technique I call bureaucratese. That is, although it is plain to see that something is being lost, they try to hide the loss in a fog of ambiguous or meaningless words.

Other leaders have said that salary increases have eliminated the need for some benefits, even though recruiting continues on the basis of those benefits, just as it has for years. Other techniques of equal guile have been employed at the expense of our servicemen. I have fought against such practices. Senator Barry Goldwater and others have also spoken out against them. Erosion or perceived erosion of benefits cannot continue if we are to have a well-motivated volunteer force.

The credibility of the leadership needs to be restored. Budget considerations must be given due weight, but keeping faith and telling the truth come first. When unpopular decisions must be made, we must be prepared to explain why. Honesty should replace guile. Our military people have always recognized, respected, and accepted the truth.

The military associations have a definite role to play in this endeavor. They have been heard with attention and respect. They must continue the activist role they have recently assumed and they must continue to urge policies for the good of both our nation and our service members. They must keep their members informed and urge their increased participation in the electoral process. By so doing, they will help to dissipate whatever pressure may be felt for military unions. They will make our military union-proof.

[December 1978 Army]

TRULY A "PRO-MILITARY BILL"

Historians will never list S. 274 with the likes of Yorktown and Gettysburg, but there can be little doubt that it represents one of the most significant victories ever achieved for U.S. armed forces.

It is important that the *for* be stressed because the battle took place in Congress which gave birth to S. 274, gave the measure its overwhelming approval and sent it on to President Carter who signed it into law last month.

S. 274 (now Public Law 95–610) prohibits unionization of the armed services, a prospect which less than two years ago was a controversy of national proportions. So real was the possibility that to many people the question was not *if* there would be a union but *when*.

Fortunately for future military readiness, there were those who did not accept the idea that a union was inevitable. Convinced that unionization would have a disastrous effect upon discipline and the ability of the services to function effectively, these opponents fought on for legislation that would unequivocally put the idea to rest.

The ranks of those calling for a law banning unions thinned considerably in September, 1977, when members of the American Federation of Government Employees (AFGE) rejected by a four-to-one margin their leadership's plans to organize the armed forces. With the collapse of the only current unionization effort of any significance, many advocates of legislation decided that further efforts were unnecessary.

But there were people left who foresaw that the union issue would be a poised sword unless it were outlawed, and so they pressed on. The Association of the U.S. Army reaffirmed its determination to support passage of pending (but languishing) legislation and then led the way with a series of position papers, testimony before congressional committees at their request, speeches and releases. ARMY magazine continued its campaign of informing and speaking out editorially on the unionization issue.

The aim was to inform, state a position and hope that the facts and reason would speak for themselves in the efforts to alert the country to the dangers posed by an unprotected military establishment. Others took up the cry and last September the House of Representatives approved S. 274 by a 395–12 vote.

As Sen. Strom Thurmond (R–S.C.) said of the bill he introduced nearly two years ago: "It is not an anti-union bill, but rather a pro-military bill."

Having produced this truly landmark legislation, however, does not absolve Congress—and the American people—of further concern with the unionization issue.

The prospect of being represented by a union had a surprising amount of appeal among service people—a minority, according to a number of polls, but still enough to indicate significant disquiet about matters in which a union could be expected to provide leverage.

It is perhaps no mere coincidence that the appeal reached its zenith at about the same time that lawmakers and the Administration were hacking at service benefits with a vigor that many perceived as bordering on the vengeful.

The passage of S. 274 was a wise decision which is a fitting and indispensable addition to current efforts to step up readiness. It is to be hoped that Congress will now finish the job by acting fairly on the compelling "people" problems that surfaced during the debate.

UNDER EXORBITANT PRESSURES

Mr. THURMOND. Mr. President, this Congress should heed the warning of a recently retired Vice Admiral of the Navy. He has stated publicly that the Navy is rapidly losing its ability to protect the Nation and our military leaders are "under exorbitant pressure" to deny to even Congress their real military opinions.

Vice Adm. Pierre Charbonnet, Jr., recently retired Chief of Naval Reserve, made these and other important comments in an interview in the New Orleans Times-Picayune on September 17, 1978.

Admiral Charbonnet stated that he was "worried about our sustained capability to meet the Russians and whip 'em in the future."

He spoke out against current Defense Department doctrine that our defense preparations can be based on Soviet intentions rather than their capabilities. He said, "many of these Pentagon people are not qualified by virtue of experience" and "they don't know what the hell they're talking about."

Admiral Charbonnet even stated:

At one time we were told by somebody in defense that we should get clearance and approval to state our personal opinions.

Mr. President, anyone who knows anything about the state of our military preparedness realizes how serious this situation has become. This must be corrected, but if even the military leaders of the Nation are going to be muzzled in giving a personal opinion to Congress, then Congress must insist that such policies cease immediately.

Mr. President I ask unanimous consent that an article which appeared in the December 1978 issue of the Naval Reserve Association News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

CHARBONNET—"UNDER EXORBITANT PRESSURES"

VADM Pierre N. Charbonnet Jr. leaves the Navy after 40 years dismayed by the Carter Administration's defense policies and "worried about our sustained capability to meet the Russians and whip 'em in the future."

"I think we can do it right now," said the 58-year-old admiral, who took an early retirement rather than continue to support administration policies he did not believe in during testimony before congressional committees.

"You've got to remember the Soviets have got a momentum built up and I don't think we really know how great that momentum is," added the three-star admiral, who retired 1 September as Chief of Naval Reserve and Commandant of the Eighth Naval District.

"We know their capacity for building and fabricating ships, like submarines, is something fantastic," he said." They're geared for military production now. They've got an economy which permits them to go and concentrate on anything they want to."

Could the U.S. Navy keep the vital sealanes open in the event of war with the Soviet Union, which has a constantly growing blue-water Navy?

"I think we could in the selected areas that we would have to," ADM Charbonnet replied. "We do not have, in my opinion, blanket superiority and capability to cover the seas, period. I think those days are long gone. We could do that 15 years ago.

"I think right now we could probably keep the sealanes open to principalities in Europe or Japan," he said. "Heck, I think you've got to consider Japan in any context of confrontation with the Soviet Union and we have too much vested in the Pacific area to ignore them. And I'm not too damn sure that the Russians are not going to make that type move."

At present, the Department of Defense only has eyes for Europe, but ADM Charbonnet observed: "When the Russian applies pressure and if we have a confrontation with them, there are other places we could have them besides Europe. I'm not necessarily totally sold that NATO is the place, but, of course, we've got to be prepared for NATO."

ADM Charbonnet worries about a trend he sees among DoD planners: trying to guess Russian intentions.

"We've got to base our defense establishment on his capabilities, not his intentions," he warned. "I'm sick of this worrying about intentions because we've never guessed intentions right of anybody I've ever known. That goes from Hitler to Castro. We're never right!"

ADM Charbonnet said that Pentagon planners are talking about a given scenario in a confrontation with Russia. "They're saying things like the war in Europe will be over so fast that maybe the Navy won't even participate," he said.

"This is intentions again and this is not capabilities," he said. "This sort of ignores the fact that there's a Pacific Ocean and we're going to be fighting. I assume the Russians or the Iron Curtain in the Pacific. It's going to be a worldwide thing if you fight the Russians, who have access to all oceans—and a fine, expanding navy.

"If you play against his capabilities—and we have a good estimate of his capabilities—and you build for that, it's just one helluva lot safer. You can lose a war easily—quick—on intentions.

"This is like trying to estimate when he's going to make an assault into NATO," ADM Charbonnet said. "I don't think we will ever have a warning. I think every year when he goes and changes his troops in Eastern Germany, he could make his assault right then."

The admiral said the Soviets are working hard at building a strong military capability and their development of defensive or offensive capabilities are almost entirely based on what the U.S. can do.

"He doesn't mess around with our intentions," ADM Charbonnet said. "He assumes always, I think, that they're bad for him. And I think we should continue to have the same feeling because it's the safe way to play. You're playing for something in which there are no second-place winners.

"It's just like air combat. You either win or you've had it," said ADM Charbonnet, who flew as a squadron and group commander in the Pacific Theater during World War II.

ADM Charbonnet has accepted the position of executive assistant to the president of Oil Mop Inc., the New Orleans-based international pollution control company.

ADM Charbonnet said he was ready to retire last October, but decided to stay on at the request of ADM James L. Holloway III, then CNO.

He said the muzzling of the military under the Carter Administration has to be experienced to be believed.

Referring to the President, Charbonnet said: "He says if you can't go and support me, get out. You either go our way or leave. And, consequently, that's what I'm doing.

"At one time, we were told by somebody in Defense that we should even get clearance and approval to state our personal opinions," ADM Charbonnet said. "And it puts you under, I thought, exorbitant pressures.

"For one thing," he said, "I felt constantly sort of hypocritical when I appeared before the Congress where you would go over and defend really the budget that was not your budget, not what we submitted, not what our requirements were, but the requirements that had been interpreted by this echelon of general staff—the analyst types, the budgeteers, the Office of Management and Budget guys.

"I just don't want to go and be dictated to by the Administration that I can't agree with.

"When you go and testify in front of Congress any military man has got to have allegiance to the commander-in-chief," ADM Charbonnet noted. "I recognize that and when I went up there on the Hill I represented the (Naval) Reserve budget to Congress as the administration wanted it. When I went and testified to the Congress, I told them what the Administration, the Secretary of Defense, wanted for the Naval Reserve. Not what the Navy wanted."

ADM Charbonnet said there are many brilliant young civilians working in the Pentagon with beaucoup doctorates in this and that. But, he said, so many have no experience in military matters and "are making decisions about things they really don't know anything about. And this goes for selections of weapons systems and estimates of the threat.

"So many of these Pentagon people are not qualified by virtue of experience," ADM Charbonnet said. "They don't know what the hell they're talking about."

CORRECTION OF AN ERROR IN PRINTING OF PUBLIC LAW 95–613

Mr. ROBERT C. BYRD. Mr. President, there is a joint resolution that I am going to send to the desk to correct an error made in the printing of Public Law 95–613. This has been cleared with the minority, I believe. I am going to send it to the desk, have the clerk state it.

I ask unanimous consent that it be considered as having been read twice, and that the Senate proceed to its immediate consideration, but I would like for the clerk to state it first.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

S.J. RES. 14

To correct an error made in the printing of Public Law 95–613

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of subsection (b) of the first section of Public Law 95–613 (92 Stat. 3093), relating to the extension of programs of assistance under title X and part B of title XI of the Public Health Service Act, is amended by striking out in clause (B) "1979; $3,600,000 for the fiscal year ending September 30, 1980;" and inserting in lieu thereof "1979, $120,600,000 for the fiscal year ending September 30,".

SEC. 2. The amendment made by this joint resolution shall be effective as of November 8, 1978.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read twice and as being before the Senate for immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, the joint resolution proposes to correct an error made at the end of last session, when, in the process of enrolling a bill for the signatures of the Presiding Officers of each House and the President, a line of type was inadvertently dropped. The joint resolution would amend Public Law 95–613, by placing into law the line of type agreed to by each body, last fall, in approving the House amendment to S. 2522, but, as I noted previously, dropped when being prepared for transmittal to the White House.

Mr. STEVENS. The minority has no objection.

The joint resolution was ordered to a third reading, was read the third time, and passed.

SENATE RESOLUTION 18—AUTHORIZING RELEASE OF DOCUMENTS, TESTIMONY, AND OTHER INFORMATION

Mr. CHURCH. Mr. President, I send a resolution to the desk and ask for its immediate consideration. I understand it has been cleared on both sides.

Mr. ROBERT C. BYRD. This has been fully cleared.

Mr. President, I ask unanimous consent that the Senate be permitted to proceed for 2 minutes longer before it recesses.

The PRESIDING OFFICER. Without objection, it is so ordered. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 18

Authorizing the Chairman of the Special Committee on Aging to appear or to designate an employee of the Special Committee on Aging to appear as a witness and to produce documents in the case of the United States v. Dr. Clyde Weissbart

Whereas, in the case of the United States of America v. Dr. Clyde Weissbart, pending in the United States District Court for the Southern District of New York (No. 78 Cr. 584 (WCC)), a subpoena has been issued by such court and addressed to the Chairman, Special Committee on Aging, United States Senate, directing him to appear to give testimony and to bring with him certain records consisting of tapes, transcripts, notes, and correspondence, such records being in the possession and custody of the Senate of the United States: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by permission of the Senate.

SEC. 2. By the privileges of the Senate and by rule XXX of the Standing Rules of the Senate, no Member or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate, and no Member or employee of the Senate may give testimony with respect to information secured in the performance of his official duties without the consent of the Senate.

SEC. 3. When it appears that testimony of a Member or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistent with the privileges and rights of the Senate.

SEC. 4. (a) The Chairman of the Special Committee on Aging is authorized, in response to a subpoena issued by the United States District Court for the Southern District of New York in the case of United States of America V. Dr. Clyde Weissbart, to appear or to designate an employee of the Special Committee on Aging to appear and to give testimony and to take with him and produce and present to the court authenticated copies of all Senate records commanded by such subpoena and which are in the possession or control of the Special Committee on Aging, but he shall not take with him any original Senate record.

(b) In addition, the court, through any of its officers or employees, has full permission to attend, with all proper parties to the proceeding, at any place under the order and control of the Senate and make copies of all Senate records commanded by such subpoena which are in the possession or under the control of the Special Committee on Aging.

SEC. 5. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the Southern District of New York.

Mr. CHURCH. Mr. President, I offer today a resolution to permit the withdrawal and release of documents, testimony and other information obtained by, and in the possession of, the Special Committee on Aging.

A subpena was issued January 11, 1979 by the U.S. District Court for the Southern District of New York, upon the application of the defendant in the case of United States against Dr. Clyde Weissbart, directing the chairman of the Special Committee on Aging to produce certain documents obtained by the committee staff during the course of an investigation conducted in 1976 into possible fraud in the medical program in New York and other States.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, such information may not be released without a resolution of the Senate.

Accordingly, Mr. President, I offer the following resolution, approved by the Committee on Aging's ranking minority member, Mr. DOMENICI, and ask that this resolution be adopted.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE U.S. SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT—PM 6

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit, as requested by section 4 of Public Law 94–110 of October 13, 1975, the Sixth Report of the United States Sinai Support Mission, describing operations of the U.S. early warning system in the Sinai Desert. The Mission's activities are an important part of the disengagement arrangements between Egypt and Israel concluded in September 1975.

The cost of operating the Sinai Support Mission during Fiscal Year 1978 was $11.7 million, about a half million dollars less than the amount appropriated. The estimated budget for Fiscal Year 1979 remains at $11.7 million.

At the request of the Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, this report includes a brief review of the applicability of the United States early warning system concept to other areas of the Middle East. It concludes that the basic approach to early warning employed in the Sinai could be successful elsewhere, provided the parties directly concerned want and are willing to support it.

Talks now under way in Washington between Egypt and Israel are likely to result in substantial changes in the United States' role in the Sinai. I will consult closely with the Congress as these and subsequent talks proceed, in order to insure that the peacekeeping efforts of the United States continue to advance the goal of permanent peace in the Middle East.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT ON COMPARABILITY FOR FEDERAL STATUTORY PAY SYSTEMS—MESSAGE FROM THE PRESIDENT—PM 7

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the provisions of section 5305 of title 5 of the United States Code, I hereby report on the pay adjustment I am ordering for the Federal statutory pay systems in October 1978.

The Secretary of Labor, the Director of the Office of Management and Budget and the Chairman of the Civil Service Commission, who serve jointly as my agent for Federal pay, found that an increase averaging 8.4 percent would be appropriate if comparability with private enterprise salary rates for the same levels of work were to be achieved. The Advisory Committee on Federal Pay recommended that the findings of my agent be implemented.

After considering the findings of my agent and the recommendation of the Advisory Committee on Federal Pay, I determined that an across-the-board increase of 5.5 percent was dictated by economic conditions affecting the general welfare and transmitted to the Congress the alternative plan to that effect called for by section 5305(c) of title 5 of the United States Code. On October 7, 1978 I signed the Executive order to implement this increase.

I am transmitting herewith copies of the reports of my Pay Agent and the Advisory Committee on Federal Pay, the alternative plan, and the Executive order I promulgated to put this pay adjustment into effect.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT OF U.S. RATIFICATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT—PM 8

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to send Congress this report of United States Government activities in the United Nations and its affiliated agencies during calendar year 1977.

This 32nd annual report strengthens my conviction that the United Nations is of great and growing importance to the conduct of U.S. foreign relations. We cannot effectively advance world peace and our other national interests if we ignore the potential of this global organization.

Ambassador Andrew Young called the 1977 General Assembly the "most constructive session in many years." It was largely free of the wasteful tactics of confrontation that had marred other recent sessions.

The other organs of the United Nations and the various specialized agencies also made progress on many of the difficult issues that humanity faces.

I am proud of the role we played in encouraging this constructive atmosphere. We are committed to resolving problems through reason and discussion, not confrontation.

Our national interests are best served by such cooperation, and by listening with respect to the problems of all nations, large and small. Our delegations paid particular attention to the views of those developing nations which make up two-thirds of the UN's membership and worked with them to identify points of common concern.

The interests of America and of many other UN members coincided in the search for peace in the Middle East and southern Africa, the promotion of human rights, the Panama Canal Treaties, and economic development to help meet the basic human needs of more than a billion of the world's people.

One of my first acts as President was to invite UN Secretary General Kurt Waldheim to the White House, and I have discussed international issues with him on a number of occasions since then. During 1977, I was also privileged to speak at the United Nations twice—once during March, and again at the opening of the 32nd General Assembly in September. Also while in New York, I took occasion to sign the two United Nations human rights covenants which for many years had lacked U.S. signature.

Secretary of State Cyrus Vance has taken extraordinary pains—including direct participation in Security Council and General Assembly meetings—to make the United Nations in increasingly vital factor in the conduct of this country's foreign relations. And Ambassador Young has worked with great skill and unusual effectiveness in improving our relationship with the UN and its member states.

Events in the United Nations system will not always go the way that this country might desire. The changing makeup of these organizations, the increased diffusion of global power and the growing complexities of all issues make this inevitable. But those occasions should not make us withdraw our support, for the UN reflects the reality of the world in which we must live. We should, instead, feel challenged to develop imaginative and thoughtful new approaches in our diplomacy so as to advance our interests, and to play a constructive role in the world community. In particular, we need to continue demonstrating our faith in the basic purposes of an organization whose strength and effectiveness are essential to us and to the world.

The attached report details U.S. positions and policies on the issues which arose in the UN system during 1977. It includes:

—The extensive conduct of the so-called "North-South" dialogue—the discussion of economic and other issues between industrialized countries and the developing nations;

—Our support for the social and economic development activities—including those of the UN Development program. Some 90 percent of the funds expended by the UN system benefit these activities;

—U.S. efforts to support new progress on human rights throughout the UN system;

—preparations for the 1978 special General Assembly session devoted to disarmament;

—the adoption by consensus of a General Assembly resolution on aircraft hijacking, to make the world's airways safer for people everywhere;

—the beginning of extensive efforts against great odds to pursue peaceful settlements in Namibia and Rhodesia; and

—U.S. ratification and support of a new UN specialized agency—the International Fund for Agricultural Development—which will provide new resources to improve food production and nutrition in low-income countries and can benefit us by stabilizing the global food market.

Also included in this document is an analysis of the U.S. decision to withdraw from the International Labor Organization in November 1977. I took this decision with regret, since U.S. interests in international organizations are better met through membership and active participation than through withdrawal. Nevertheless, since announcement in 1975 of U.S. intention to withdraw, we believed that insufficient progress had been made in resolving a number of difficulties in operation of the ILO. I still hope that the United States can return to the ILO when is operations clearly return to the organization's basic purposes.

Finally, among the activities of 1977—but not included in this report—was steady work within the Administration on ways that the United States can work to strengthen the United Nations. My report on that topic, sent to the Congress on March 2, 1978, outlines reforms which can make the United Nations even more effective as the world's major forum for discussion and action on global issues.

I welcome the continuing interest of the Congress in U.S. participation in the United Nations, and I urge its increased moral backing and financial support as the United States addresses in the United Nations the increasingly difficult issues that lie ahead.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks,

announced that the House has agreed to House Resolution 2, informing the Senate that a quorum of the House of Representatives has assembled; that THOMAS P. O'NEILL, Jr., a Representative from the State of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-Sixth Congress.

The message also announced that the House has agreed to House Resolution 11, relating to the death of the Honorable Leo J. Ryan, a Representative from the State of California.

The message further announced that the House has agreed to House Resolution 12, relating to the death of the Honorable William A. Steiger, a Representative from the State of Wisconsin.

The message also announced that the House has passed House Joint Resolution 1, a joint resolution to extend the time for filing the economic report, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to House Concurrent Resolution 1, that the two Houses of Congress assemble in the Hall of the House of Representative on Tuesday, January 23, 1979, at 9 o'clock post meridien for the purpose of receiving such communications as the President of the United States shall be pleased to make to them, in which it requests the concurrence of the Senate.

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-310. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, a copy of the court's order of January 5, 1979, pursuant to which judgment in the sum of $11,427,130.00 was entered for the plaintiffs in the Kickapoo Tribe of Kansas, et cetera, against the United States, No. 315; to the Committee on Appropriations.

EC-311. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, reports of violations of the Antideficiency Act (section 3679, Revised Statutes), and of Department of Defense Directive 7200.1, "Administrative Control of Appropriations"; to the Committee on Appropriations.

EC-312. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, copies of the court's orders of December 8, 1978, and January 5, 1979, with regard to the judgments entered in the Pottawatomie Tribe of Indiana and related cases against the United States, Nos. 15-E, 29-C and 338, in the sum of $123,667.20 for the Ottawa Tribe and $108,734.40 for the Kickapoo Tribe; to the Committee on Appropriations.

EC-313. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the Office of the Attending Physician Revolving Fund—Fiscal Year 1978," January 15, 1979; to the Committee on Appropriations.

EC-314. A communication from the chairman, U.S. Railway Association, transmitting, pursuant to law, the fiscal year 1979 supplemental budget submission for administrative expenses; to the Committee on Appropriations.

EC-315. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Justice for "Fees and Expenses of Witnesses," for the fiscal year 1979, has been reapportioned in a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-316. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, certification of the judgement in favor of the plaintiffs in the sum of $11,427,130, entered by the court in the Kickapoo Tribe of Kansas, et cetera against the United States, No. 315, on January 5, 1979; to the Committee on Appropriations.

EC-317. A communication from the CEC, Naval Facilities Engineering Command, Department of the Navy, transmitting, pursuant to law, a report of military construction awarded without competition during fiscal year 1979; to the Committee on Armed Services.

EC-318. A communication from the Principal Deputy Assistant Secretary of Defense (MRA&L), transmitting, pursuant to law, a report concerning the enlistment and retention incentives; to the Committee on Armed Services.

EC-319. A communication from the Associate Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report of the ten firms awarded the highest amounts of architect-engineer contracts by the Air Force in fiscal year 1978; to the Committee on Armed Services.

EC-320. A communication from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, a proposed standards, rules, and regulations promulgated by the Board; to the Committee on Banking, Housing, and Urban Affairs.

EC-321. A communication from the Chairman, Board of Governors, Federal Reserve System, reporting, pursuant to law, adoption of a voluntary policy regarding expanded rulemaking procedures which are believed to comply with Executive Order No. 12044 (improving Government Regulations); to the Committee on Banking, Housing, and Urban Affairs.

EC-322. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during August and September 1978 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-323. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the second annual report on the urban homesteading program; to the Committee on Banking, Housing, and Urban Affairs.

EC-324. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Amtrak's Economic Impact on the Intercity Bus Industry," January 12, 1979; to the Committee on Commerce, Science, and Transportation.

EC-325. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in docket No. 36952, Electrical Appliances, San Juan to Dallas, Minneapolis, and East St. Louis, within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-326. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's 1980 budget request; to the Committee on Commerce, Science, and Transportation.

EC-327. A communication from the General Counsel, Department of Energy, reporting, pursuant to law, notice of a meeting related to the international energy program; to the Committee on Energy and Natural Resources.

EC-328. A communication from the Chairman, National Commission on Unemployment Compensation, transmitting, pursuant to law, the Commission's interim report; to the Committee on Finance.

EC-329. A communication from the Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, a statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1978; to the Committee on Finance.

EC-330. A communication from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1980; to the Committee on Finance.

EC-331. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Population Growth Problem in Developing Countries: Coordinated Assistance Essential," December 29, 1978; to the Committee on Foreign Relations.

EC-332. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days of the execution thereof; to the Committee on Foreign Relations.

EC-333. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for park, recreation and historic monument purposes for fiscal year 1978; to the Committee on Governmental Affairs.

EC-334. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Status of Major Federal Acquisitions, September 30, 1978," January 11, 1979; to the Committee on Governmental Affairs.

EC-335. A communication from the Deputy Director for Administration, Central Intelligence Agency, transmitting, pursuant to law, a report of the proposed establishment of seven new records systems and the amendment of two existing records systems; to the Committee on Governmental Affairs.

EC-336. A communication from the Assistant Secretary for Administration, Department of Agriculture, transmitting, pursuant to law, a report of the activities of the Department for the fiscal year ending September 30, 1978, with regard to the disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-337. A communication from the Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on their activities and accomplishments for the period beginning January 1977 and ending September 1978; to the Committee on Governmental Affairs.

EC-338. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for historic monument purposes for fiscal year 1978; to the Committee on Governmental Affairs.

EC-339. A communication from the Assistant Attorney General for Administration, Department of Justice, reporting, pursuant to law, its intention to establish a new system of records; to the Committee on Governmental Affairs.

EC-340. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled

"U.S. Refining Capacity: How Much Is Enough?" January 15, 1979; to the Committee on Governmental Affairs.

EC-341. A communication from the Assistant Secretary for Administration, Department of Commerce, reporting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-342. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1979 Surgeon General's report on smoking and health; to the Committee on Human Resources.

EC-343. A communication from the Director, National Institute of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on "Long-Term Special Institutional Agreements With the Seventeen Existing Laboratories and Centers"; to the Committee on Human Resources.

EC-344. A communication from the Director, Federal Mediation and Conciliation Service, transmitting, pursuant to law, its report for fiscal year ending September 30, 1977; to the Committee on Human Resources.

EC-345. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, its annual report for the year ended September 30, 1978; to the Committee on the Judiciary.

EC-346. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's third special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Energy and Natural Resources, the Committee on Finance, the Select Committee on Small Business, and the Select Committee on Indian Affairs, jointly, pursuant to order of January 30, 1975.

EC-347. A communication from the Chairman and Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, its third annual report; to the Committee on Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the third annual report of the Pension Benefit Guaranty Corporation be jointly referred to the Committees on Human Resources and Finance.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

This has been cleared on both sides of the aisle?

Mr. STEVENS. That is correct.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Executive Communication No. 272, a report from the Attorney General of the United States on the administration of the Foreign Agents Registration Act for 1977, which was referred to the Committee on Judiciary, be referred jointly to that committee and the Committee on Foreign Relations.

Mr. STEVENS. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-22. A petition from a citizen of the United States relative to a redress of grievances; to the Committee on Governmental Affairs.

POM-23. A joint resolution adopted by the Legislature of the State of Ohio; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION No. 36

"Whereas, Both houses of the ninety-fifth Congress of the United States of America, at the second session of such Congress, by a constitutional majority of two-thirds of the members of each house thereof, made a proposition to amend the Constitution of the United States in the following words, to-wit:

"'JOINT RESOLUTION

"'Proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress

"'*Resolved* by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"'ARTICLE —

"'Section 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

"'Section 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"'Section 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

"'Section 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."; therefore be it

"*Resolved*, By the General Assembly of the State of Ohio, that the said proposed amendment to the Constitution of the United States be, and the same is hereby ratified; and be it further

"*Resolved*, That the Secretary of State of the State of Ohio be, and he hereby is directed, to deliver to the Governor of this state a certified copy of this resolution, and such certified copy shall be forwarded at once by the Governor to the Administrator of General Services, United States Government, Washington, D.C., to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Secretary of State of the United States."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HOLLINGS (for himself, Mr. DURKIN, Mr. HEINZ, Mr. MORGAN, Mr. NUNN, Mr. TALMADGE, and Mr. THURMOND):

S. 67. A bill to amend the Trade Act of 1974; to the Committee on Finance.

By Mr. HOLLINGS:

S. 68. A bill for the relief of Doctor Jesus Tan, his wife, Margaret Pearl Liyao Tan, and their son, Jesse William Liyao Tan; to the Committee on the Judiciary.

By Mr. FORD:

S. 69. A bill for the relief of Doctor Kok Liong Tan, and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

S. 70. A bill for the relief of Dr. Emmanuel Najera Macaraeg, and his wife, Aurora C. Macaraeg; to the Committee on the Judiciary.

S. 71. A bill for the relief of Dr. Ricardo B. Maddela, and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

S. 72. A bill for the relief of Natvarlal Govindji Patel; to the Committee on the Judiciary.

S. 73. A bill for the relief of Falicita Smith; to the Committee on the Judiciary.

S. 74. A bill for the relief of Puangpaka Vertrees and Puangtip Vertrees; to the Committee on the Judiciary.

By Mr. DOLE (for himself and Mr. NELSON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

By Mr. STONE:

S. 76. A bill to amend title XVIII of the Social Security Act to authorize payment under the Medicare Program for certain services performed by chiropractors; to the Committee on Finance.

By Mr. STENNIS:

S. 77. A bill for the relief of Vicent Man-Suen Tsin; to the Committee on the Judiciary.

S. 78. A bill for the relief of Sidsel Hansen; to the Committee on the Judiciary.

By Mr. HELMS:

S. 79. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Finance.

By Mr. NELSON (for himself, Mr. PROXMIRE, and Mr. MCGOVERN):

S. 80. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price thereunder; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STENNIS:

S. 81. A bill to impose quotas on the importation of beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Finance.

By Mr. BAYH:

S. 82. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

By Mr. MORGAN:

S. 83. A bill for the relief of Charles Mohamed S. Awad and Karen Russell Elizabeth Latimer Awad; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 84. A bill to amend the Food Stamp Act of 1977 to prohibit the distribution of food stamps to any household where the head of such household is engaged in a labor strike; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE:

S. 85. A bill to amend the Federal Reserve Act to provide for maintenance of reserves in order to facilitate the implementation of monetary policy, to promote competitive equality among depository institutions, to require the imposition of service charges for services by Federal Reserve Banks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 86. A bill for the relief of Derek Saicheong Chung; to the Committee on the Judiciary.

S. 87. A bill for the relief of Michael Denis Cullen; to the Committee on the Judiciary.

S. 88. A bill for the relief of Soerjanti Bonzoumet-Soetarto; to the Committee on the Judiciary.

S. 89. A bill to amend the Bank Holding Company Act Amendments of 1970; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CHURCH (for himself and Mr. WILLIAM):

S. 90. A bill to amend title XVI of the Social Security Act to permit States to replace supplementary payments with vendor payments on behalf of residents of certain facilities, and for other purposes; to the Committee on Finance.

By Mr. THURMOND:

S. 91. A bill to amend title 10, United States Code, to remove certain inequities in the Survivor Benefit Plan provided for under chapter 73 of such title, and for other purposes; to the Committee on Armed Services.

S. 92. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

By Mr. EAGLETON (for Mr. NELSON (for himself and Mr. EAGLETON)):

S. 93. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BENTSEN:

S. 94. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

By Mr. CHURCH (by request):

S. 95. A bill to protect the wildlands comprising the River of No Return Wilderness and the free-flowing Salmon River in the State of Idaho as an enduring resources of wilderness for the benefit of the the people of Idaho and the Nation pursuant to the Wilderness Act and the Wild and Scenic Rivers Act, and for other purposes; to the Committee on Energy and Natural Resources.

S. 96. A bill to protect the wildlands comprising the Idaho Wilderness and the free-flowing Salmon River and to release for management certain adjacent lands in the State of Idaho; to the Committee on Energy and Natural Resources

S. 97. A bill to designate the River of No Return Wilderness, Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests, Idaho; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE:

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Finance.

By Mr. DOLE:

S. 99. A bill to amend title 5, United States Code, to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

By Mr. PACKWOOD:

S. 100. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes; to the Committee on Finance.

By Mr. HATCH:

S. 101. A bill to amend the National Labor Relations Act and the Railway Labor Act to revise provisions relating to religious freedom; to the Committee on Human Resources.

By Mr. TOWER (for himself, Mr. HAYAKAWA, and Mr. LUGAR):

S. 102. A bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938; to the Committee on Human Resources.

By Mr. HATCH (for himself, Mr. MCCLURE, Mr. LAXALT, Mr. THURMOND, Mr. GOLDWATER, Mr. HELMS, Mr. GARN, Mr. HARRY F. BYRD, JR., Mr. TOWER, Mr. HAYAKAWA, and Mr. STEVENS):

S. 103. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. LAXALT, Mr. NUNN, Mr. SCHWEIKER, Mr. GOLDWATER, Mr. STEVENS, Mr. ZORINSKY, Mr. HAYAKAWA, Mr. THURMOND, Mr. HELMS, Mr. COCHRAN, Mr. TOWER, Mr. WARNER, Mr. MCCLURE, and Mr. HATCH):

S. 104. A bill to improve and systematize the procedures for the promulgation of rules by the Federal agencies, to establish a uniform procedure for congressional review of agency rules, and for other purposes; to the Committee on the Judiciary.

By Mr. LEAHY:

S.J. Res. 15. A joint resolution to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company for their participation in the Outstanding Young Farmer Program; to the Committee on the Judiciary.

By Mr. WALLOP (for himself, Mr. MORGAN, and Mr. THURMOND):

S.J. Res. 16. A joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ROTH:

S.J. Res. 17. A joint resolution relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

By Mr. THURMOND (for himself, Mr. GOLDWATER, and Mr. WALLOP):

S.J. Res. 18. A joint resolution proposing an amendment to the Constitution of the United States relative to balancing of the budget and reducing the public debt; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself, Mr. DURKIN, Mr. HEINZ, Mr. MORGAN, Mr. NUNN, Mr. TALMADGE, and Mr. THURMOND):

S. 67. A bill to amend the Trade Act of 1974; to the Committee on Finance.

AMENDMENT OF THE TRADE ACT

Mr. HOLLINGS. Mr. President, last fall, both Senate and House passed legislation to include textile and apparel goods among those items not subject to the tariff-cutting talks currently taking place in Geneva. This was approved by lopsided majorities. Then the President vetoed the measure in November. Let us look for a few moments at some of the background of this problem.

When the Trade Act was passed in 1974, Congress mandated that any article suffering injury should be removed from tariff-cut negotiations. Accordingly, specialty steel, color television, CB radios, and nonrubber footwear have been removed. No one thought of textiles under the injury section of the 1974 Act, because textiles had proven injury already under the Agriculture Act of 1956. The Multifiber Arrangement of 1974 supposedly held textiles at a constant level. But in 1976, the textile and apparel trade deficit had jumped to $2.6 billion. By 1977, it was $3.4 billion. And in 1978, it reached nearly $5.2 billion. Injury has been proved and is increasing. By placing textiles and apparel under the injury section, my bill would carry out the intent of the 1974 Trade Act. In contravention of that intent, the administration has put on the negotiating table at Geneva proposals for far-reaching textile and apparel tariff reductions.

The administration tries to make the argument that passage of this bill would cause the Geneva talks to collapse. Nonsense. Europe is not about to walk out of these talks over a problem primarily Asian. Of that $5.2 billion trade deficit last year, the deficit from Europe was $416 million. For Asia, it was $4.396 billion. We receive from Hong Kong $1.134 billion in textile-apparel products, and we sell them for $28 million—a deficit of $1.106 billion. Hong Kong is not even in the Geneva talks. We could give half of that to the People's Republic of China, because our trade with them last year was about $500 million.

Another administration argument is that unless we cut textile and apparel tariffs, the Europeans will not give anything on agriculture. Well, in the Kennedy round, we cut textile tariffs 21 percent. And the Europeans gave nothing on agriculture. The fact of the matter is that they have always been hard-nosed on agriculture.

To be fair, trade must be reciprocal. Cordell Hull achieved the Reciprocal Trade Act of 1934. Like the United Fund, in trade every article must give its fair share. Textiles and apparel have done that. Now they simply ask that, while hemorrhaging, we do not cut another vein.

Textiles and apparel are fundamental to our American economy. This is the largest employer of manufacturing labor in the country, accounting for one of every eight manufacturing jobs. Its 2.3 million paychecks go to some very integral segments of the economy and population. Female and minority employment are particularly dependent upon this industry. In textiles, 47 percent of the employees are women; and in apparel, 81 percent. Twenty-one percent of textile employees are minority; and in apparel, 24 percent. I would also point out that rural area and inner city are both heavily dependent upon textile-apparel employment—and these are the areas where job dislocation has already inflicted such a heavy toll. It is only fair and only sensible that we hold the line on these jobs.

Mr. President, since World War II, this country of ours has been on a binge. We have exported our jobs and dollars and technology as if there were no tomorrow. Well, tomorrow is here. Our trade ledger is sadly in the red, and here is $5.2 billion of the reason why. We have been trying to go in two different directions at the same time, and you just cannot do that. It makes no sense to spend billions to create jobs here at home, and then pursue a trade policy that eliminates them faster than they can be created. Textile and apparel im-

port levels today have displaced over 400,000 American jobs!

Our American textile industry can be completely competitive in a fair trade environment. It has modernized its facilities. Its plant and equipment enable it to more than hold its own—providing we do not stack the deck in the other fellow's favor. And that, unfortunately, is exactly what we have been doing. To be free, trade needs also to be fair. But when foreign governments underwrite and subsidize and in a multitude of ways support their own home textile and apparel industries, then we must inquire where the equity is. And when we are talking about low-wage countries to boot—with the Korean textile worker receiving hourly compensation of 55 cents while our textile worker gets $4.53—the situation becomes fundamentally unfair and fundamentally unsound.

To consider tariff cuts when the volume of imports is inundating us—to consider tariff cuts when the deck is already stacked in favor of other countries—to consider tariff cuts when plants are closing and jobs are being lost—is a prescription for economic disaster. No one else in the world is going to look after us. It is our job to do. And, late in the day though it is, we still have the chance. But if we keep heading down this dangerous road of give-away and cave-in to the one-sided trade policies of our competitors, then we are asking for a smash-up.

I am not trying to be rhetorical or dramatic. But the fact is that we have neglected these vital matters of trade and commerce, and if we do not start tending to our business with some common sense and foresight, the accounting which inevitably lies ahead will spare no American. This Congress has the opportunity—and the responsibility—to put in place the kind of realistic trade policy which this Nation must have if it is to remain competitive and prosperous. It is with this in mind that I today introduce this bill to amend the Trade Act of 1974, and I ask my colleagues for their prompt consideration of this vital legislation.

Mr. President, I ask unanimous consent that in the printing of this bill, 350 copies be provided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, last year, after considerable thought, I cosponsored the bill offered by my good friend from South Carolina to prohibit the reduction of textile tariffs in trade negotiations. I am cosponsoring the same bill introduced by Senator HOLLINGS today.

The bill raises difficult questions. The textile and apparel industry is the largest single employer in the United States. Approximately 1 million people are employed in the textile industry and 1.3 million people are employed in the apparel industry. This industry is a mainstay of the American economy and the economy of Georgia. The health of the textile and apparel industry is of critical importance to the American economy and the economy of Georgia.

Over the last several decades, Mr. President, the textile and apparel industry has been under particular pressure from imports. In 1977, total U.S. imports of textile and apparel products were worth approximately $6 billion. Our trade deficit in textile and apparel products that year was approximately $3.4 billion. In 1978, total imports were worth approximately $7 billion, and our trade deficit was $5.2 billion.

Mr. President in recent years imports have battered the domestic industry causing the loss of tens of thousands of jobs. And, to add insult to injury, foreign governments such as the European Communities have increased barriers to American textile exports.

Mr. President, the multilateral trade negotiations are rapidly coming to an end. Our negotiators are discussing tariffs right now. The bill introduced today is an expression of concern about the effect of irresponsible tariff reductions on the textile and apparel industry. As an official advisor to the trade negotiations I will review any proposed textile tariff reductions very closely during consultations with the administration over the next 2 months. The treatment of the textile and apparel industry in the negotiations will weigh heavily in my decision whether or not to support the overall trade package.

Mr. President, one thing is clear. The U.S. Congress will not permit the destruction of the textile and apparel industry. The overwhelming support for this position was demonstrated last year. I am cosponsoring Senator HOLLINGS' bill this Congress to again send a message to the administration and our trading partners.

FREE TRADE OR FAIR TRADE?

Mr. MORGAN. Mr. President, I am pleased to rise in support of the bill being introduced today by the distinguished Senator from South Carolina.

This legislation is urgently needed for two basic reasons. First, it will help restore an element of sanity to the general trade policy of the United States. Second, it will curb a tide that threatens one of the most vital industries of our Nation, the textile industry.

My colleagues, indeed, the entire Nation, are entitled to know why I feel enactment of this legislation would contribute to a more sound trade policy. After all, this legislation has been described as protectionist.

The reason why this is not protectionist is because we do not have a free trade environment in textiles and apparel. In fact, textiles exporting nations have found literally dozens of ways to underwrite their industries—tax breaks, guaranteed loans, et cetera. Likewise, the average Korean textile worker receives about 55 cents an hour, eight times less than the average American textile worker.

The bill that Senator HOLLINGS and I bring before the Senate today is designed only to achieve equity, equity for an industry that can compete aggressively in the international marketplace under true free trade conditions.

It is important that the Members of this Chamber understand fully the nature of the textile industry. I would like to share some information of the importance of this industry to my home State, North Carolina.

First, textiles and apparel account for 40 percent of the manufacturing jobs in the State. Textiles plants produce a $2.2 billion annual payroll, apparel another $570 million.

Second, textiles and apparel account for 255,400 and 87,000 jobs—one out of every four jobs in North Carolina.

Most importantly, this vital industry provides much needed jobs for minorities and women.

This final factor, employment for minorities and women, should cause us particular concern. To me, it is senseless to enact job creation programs such as CETA while destroying an important industry through unintelligent trade policies. This is why we need to view our trade policies within the context of world realities and domestic policies and programs.

Mr. President, the Congress does not have much time in which to consider this bill that we offer today. I urge my colleagues to give urgent consideration to this bill so that it can move expeditiously through the legislative process.

Mr. THURMOND. Mr. President, I am pleased to join with the junior Senator from South Carolina and others as an original cosponsor of legislation that will prohibit the reduction or elimination of import restrictions on certain imported textile and apparel products.

This legislation which we are introducing today would amend section 127 (b) of the Trade Act of 1974 by adding another class of articles which would be reserved from tariff reductions. These articles would consist of items for which action has been taken under section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854).

As many of my colleagues are aware, I was an original member of the Senate Commerce Subcommittee to study the textile industry. The findings and recommendations of the subcommittee were instrumental in focussing attention on the problem of textile imports.

Over the years, I have continually followed the import situation. I have watched it steadly worsen to where imports now threaten the health of the entire industry.

Mr. President, this is a serious and real problem to the 188,000 people of my home State that are employed by the textile and apparel industry. Just last month, one of our State's leading firms announced that it would be closing the doors on December 15 of its plant located in Forks Shoal, S.C.

As such, exactly 10 days before Christmas, 84 persons found themselves without a job. This plant closing was directly due to the irresponsible trade policies of the Federal government.

But, textile and apparel imports are not just a South Carolina problem; they are a national problem. Nationwide, nearly 2.3 million people work in the fiber, textile, and apparel industries. This represents 1 out of every 8 manufacturing jobs in the United States. Already in 1978, 326,000 textile workers were either unemployed or on short-time because of imports.

I ask you, Mr. President, what is going to happen if we cut tariffs by 50 percent as the President proposes? I know exactly what will happen; 500,000 of these workers will have their paychecks cutoff.

These jobs need to be protected. Free trade is a fine thing, provided that all nations play by the same rules. A number of competitors, however, are not observing the rules. I see no reason why American consumers should enrich foreign manufacturers, whose factories are often little better than sweat shops, while our textile workers at home lose their jobs.

Mr. President, I urge my colleagues to join me in cosponsoring this legislation. In 1978, textile and apparel imports reached a record high at 6 billion equivalent square yards and a textile trade deficit of $5.1 billion. We must act now to stop this flood of foreign imports and protect our American jobs.

By Mr. DOLE (for himself and Mr. NELSON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

LIMITED EMPLOYEE RETIREMENT ACCOUNT

● Mr. DOLE. Mr. President, enactment of the Employee Retirement Income Security Act of 1974 has contributed to the instability of many qualified pension plans. Under ERISA, an individual is allowed a tax deduction for contributions to an individual retirement account. However, the 1974 law failed to permit a deduction for an employee contribution to a qualified plan. This disparity has resulted in a drop of employee participation in private pension plans.

LIMITED EMPLOYEE RETIREMENT ACCOUNT

Mr. President, I believe that every American deserves the opportunity to save for his retirement. Today, I am introducing legislation which will encourage employees to remain in qualified pension plans and induce employers to maintain qualified plans.

CURRENT LAW

Under current law, an individual who is entitled to make a deductible contribution to an individual retirement account may generally make a contribution up to the lesser of $1,500 or 15 percent of compensation for the year. The individual may not make a deductible contribution to an IRA if the individual is an active participant during any part of the tax year in a qualified plan, a tax-deferred annuity maintained by a tax-exempt institution, or a governmental plan.

As a result of the law, an active participant in such a plan may not make a deductible IRA contribution even though the employer's contribution on behalf of the individual is small, or the individual might never vest in a retirement benefit, because of frequent changes in employment.

REVENUE ACT OF 1978

Mr. President, the initiative which is introduced today is similar to a provision which I sponsored as part of the Senate-passed Revenue Act of 1978. Although the section was deleted in conference, the support for the measure remains strong. Essentially, my bill allows an employee who participates in a plan maintained by the employer to deduct contributions to either the plan or contributions to an IRA. The contribution is limited to the lesser of 10 percent of compensation or $1,000.

NONDISCRIMINATION

Mr. President, the proposal must be applied on a nondiscriminatory basis. After careful consideration, the Senator from Kansas has concluded that the adoption of a nondiscrimination standard which I propose in this area is preferable to enacting an income phaseout for the deduction for employees earning above a particular level of income. An income phaseout would automatically exclude a large portion of taxpayers, not only from any benefit, but also from any interest in this legislation. In addition, each year inflation will undoubtedly cause more individuals to fall into the arbitrarily excluded group.

The discrimination test which is included in the bill requires that the actual deferral percentage for highly compensated employees meets certain standards similar to those applied in cash or deferred compensation arrangements. Under the standards the deferral percentage for highly compensated participants may not exceed: First, 1½ times the deferral percentage for all participants or second, if the deferral percentage for highly compensated participants is not more than 3 percentage points above the deferral percentage for all other participants, the deferral percentage for highly compensated participants may not exceed 2½ times the deferral percentage for all other participants.

If the discrimination test cannot be met, the plan will not be disqualified, but the highly compensated participants will not be allowed to deduct their contributions. A "highly compensated participant" is defined as any individual who earns more than the compensation received by two-thirds of the other plan participants but only if such individual earns at least what is equivalent to step 1 of the grade of GS–14. Accordingly, an individual who earns less than a GS–14 level would automatically be allowed to deduct the contributions made to the plan.

VOLUNTARY AND MANDATORY CONTRIBUTIONS

Mr. President, my proposal does not make a distinction between mandatory and voluntary employee contributions. There are some that have suggested that my plan apply only to voluntary contributions. However, penalizing mandatory contributions by subjecting them to either a lower deduction limit or not allowing a deduction at all would cause many employers to abandon contributory plans, because employees would complain about the limited deductibility of their contributions. Many employers would not have the profitability to absorb the high cost of replacing these employee contributions.

Mr. President, I believe that my proposal is relatively straightforward. It entails no burdensome regulations. It is important that Congress assure our citizens, who have spent their careers in useful and productive work, adequate incomes upon retirement. The enactment of this legislation is a step in the right direction.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 75

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Internal Revenue Code of 1954 is amended to provide for the limited Employee Retirement Account of 1979 as follows:

(a) DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.—

(1) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.—

"(a) DEDUCTION ALLOWED.—In the case of an eligible employee, described in subsection (c), there is allowed as a deduction amounts paid in cash for a taxable year by such individual for the benefit of himself—

"(1) to a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(2) to an annuity plan described in section 403(a)

"(3) to a qualified bond purchase plan described in section 405(a),

"(4) to an individual retirement account described in section 408(a), individual retirement annuity described in section 408 (b), or for a retirement bond described in section 409, or

"(5) to a group retiremennt trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessment paid to the trust by any participant are 100% nonforfeitable.

"(b) LIMITATION AND RESTRICTIONS.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed an amount equal to 10 percent of the compensation includible in his gross income for such taxable year, or $1,000, whichever is less.

"(2) ADDITIONAL LIMITATION.—No deduction is allowed for any amount paid to an account, annuity, or for a bond described in paragraph (4) of subsection (a) except to the extent of the excess of the amount determined under subsection (b) over any amount paid by the eligible employee to a plan or trust described in paragraph (1), (2), (3) or (5) of subsection (a).

"(3) ALTERNATIVE DEDUCTION.—No deduction is allowed under subsection (a) for the taxable year if the individual claims the deduction allowed by sections 219 or 220 for the taxable year.

"(4) EXCEPTION WHERE PLAN IS DISCRIMINATORY.—No deduction is allowed under subsection (a) for a highly compensated participant (as defined in subsection (c)(7)) unless the employer certifies in accordance with regulations to be prescribed by the Secretary that the plan satisfies the discrimination standards in subsection (c)(6).

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) ELIGIBLE EMPLOYEE.—For purposes of this section, the term "eligible employee" shall mean an individual who is an employee without regard to section 401(c)(1) or is a

member of a labor organization referred to in subparagraph (D) and who is an active participant for any part of the taxable year in—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a group retirement trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable, but not if such plan is established or maintained by the United States, by a State or political subdivision thereof or by agency or instrumentality of any of the foregoing.

"(2) REPORTS.—The Secretary shall promulgate regulations which prescribe the time and manner reports shall be filed by an employer receiving contributions deductible under this section and by any eligible employee making any such deductible contribution.

"(3) RECONTRIBUTED AMOUNTS.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(6), 402(a)(7), 403(a)(4), 403(a)(5), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408(b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which are properly allocable, under regulations described by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143(a)), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) DISCRIMINATION STANDARDS.—

"(A) A plan shall satisfy the discrimination standards if the actual deferral percentage for highly compensated participants (as defined in paragraph (7)) for a plan year bears a relationship to the actual deferral percentage for all other participants for such plan year which meets either of the following tests:

"(i) The actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 1.5.

"(ii) The excess of the actual deferral percentage for the group of highly compensated participants over that of all other participants is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 2.5.

"(B) For purposes of subparagraph (A), the actual deferral percentage for a specified group of participants for a plan year shall be the average of the ratios (calculated separately for each participant in such group) of—

"(i) the amount deducted on behalf of each participant for such plan year, to

"(ii) the participant's total compensation for such plan year.

For purposes of the preceding sentence, the amount deducted on behalf of a highly compensated participant shall be determined without regard to the exception in subsection (b)(4).

"(7) HIGHLY COMPENSATED PARTICIPANT.—for purposes of this section, the term "highly compensated participant", means any participant who is more highly compensated than two-thirds of all participants but only if such participant's compensation for a plan year equals or exceeds the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS-14. No individual who participates during a plan year only in a group retirement trust described in subsection (a)(5) shall be considered a highly compensated participant for such year.

(2) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Section 62 (defining adjusted gross income) is amended by inserting after paragraph (13) the following new paragraph:

"(14) DEDUCTION FOR CERTAIN CONTRIBUTIONS.—The deduction allowed by section 221 (relating to certain employee retirement savings contributions)."

(b) TAX TREATMENT OF CERTAIN DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—Subpart A of part I of subchapter D of chapter 1 (relating to retirement plans) by inserting after subsection (1) of section 414 the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purposes of this title other than for purposes of sections 401(a)(4) and (5), 404, 410(b), 411, and 412, any amount which an employer is required to report pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as an employee retirement savings contribution, shall be treated as an employer contribution."

(c) CONFORMING AMENDMENTS.—

(1) So much of section 72(f) as precedes paragraph (1) thereof is amended to read as follows:

"In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other consideration paid, amounts which an employer is required to report, pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as a retirement savings employee contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—"

(2) Section 414(h) (Tax Treatment of Certain Contributions) is amended by inserting after "any amount contributed" the following: "other than an amount described in subsection (m)".

(3) So much of section 4973(b) as follows paragraph (1)(A) thereof is amended to read as follows:

"(B) the amount allowable as a deduction under section 219, 220, or 221 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 219, 220, or 221 for the taxable year over the amount contributed (determined without regard to sections 219(c)(5) and 220(c)(6)) to the accounts or for the annuities or bonds for the taxable year."

For purposes of this subsection, any contribution which is distributed from the individual retirement account, individual retirement annuity, or bond in a distribution to which section 408(d)(4) applies shall be treated as an amount not contributed.

(d) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.●

● Mr. NELSON. Mr. President, I am pleased to join Senator DOLE today in introducing the Limited Employee Retirement Account Act of 1979. This proposal is designed to promote improvements in private sector employee benefit plans. The proposal would permit an employee to claim a deduction for his or her mandatory or voluntary contributions to a qualified pension plan, an individual retirement account (IRA), or a combination of the two. The deduction would be limited to 10 percent of the employee's wages and salary or $1,000, whichever is less.

Under current law, if an employee is an active participant in his employer's qualified retirement plan, he may not claim a tax deduction for a contribution to the plan. At the same time, he may not claim a tax deduction for contributions to an IRA.

On the other hand, if an employee is not covered by his employer's qualified plan, he may set up his own IRA and make tax deductible contributions of up to $1,500 for himself (or himself and his nonemployed spouse).

As a result, present law discriminates against any employee participating in his employer's qualified retirement plan, where the employer contributes less than $1,500 on behalf of the employee.

The proposal I cosponsor today attempts to remove this patent discrimination from our current structure of Federal pension regulation. It will encourage additional retirement savings which will help relieve the burden on the social security system as well as increase capital available for investment.

If we are to meet increased retirement income needs, the best and most painless way to do it is by expanding coverage of our private sector retirement plans. Private, individual savings are not sufficient to provide retirement income in most cases, because most individuals will not or cannot set aside sufficient amounts over their working careers and because private savings are often drawn upon in times of need before retirement. We need to increase the number of qualified retirement plans and the number of employees covered under them.

To the extent we do so, we will not only assure adequate levels of retirement income, we will also make available additional billions of investment capital. The proposal introduced today seeks to achieve this goal by assisting low-income Americans and workers participating in low benefit pension plans.●

By Mr. STONE:

S. 76. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Finance.

● Mr. STONE. Mr. President, today I am reintroducing S. 76, legislation to broaden the coverage of chiropractic services under medicare. The medicare program already recognizes chiropractic health care as a reimbursable expenditure. However, I see two important inequities in the present system which this bill would remedy.

Current regulations limit reimbursable chiropractic services to treatment of subluxuation—partial dislocation. They mandate the use of X-rays for diagnosis and specifically limit treatment to manual manipulation of the spine, yet medicare will not pay for the mandatory diagnostic X-rays.

The logic behind these regulations eludes me. Partial dislocation can often be diagnosed without the use of X-rays. In fact, exposing the patient to unnecessary radiation can have a very harmful effect on their health. In addition, since medicare does not consider this mandatory X-ray a reimbursable cost, many medicare recipients are discouraged from receiving proper medical attention. Limiting coverage to one specific treatment results in the patient incurring the cost of all diagnostic tests as well as any other necessary treatment. This additional financial burden is often enough to discourage further medical care.

The legislation I propose will correct this situation. It will both eliminate the mandatory use of X-rays and include, under medicare coverage, additional methods of treatment and diagnosis. By removing unnecessary limitations which now apply to this field, this legislation will afford chiropractic patients the same benefits that other medicare recipients now receive.

These amendments are in complete accord with those adopted in the 1975 Federal Employees Compensation Act, Public Law 93-416. Medicare recipients have a right to quality health care including chiropractic treatment. It is time we allow the doctor to treat his patients appropriately without being limited by a reimbursable cost clause.

I am pleased to introduce this amendment to title VIII of the Social Security Act and urge its timely enactment. In the 95th Congress the House of Representatives, as part of the Medicare Amendments of 1978, included a provision which would have eliminated the mandatory X-ray requirement for chiropractic reimbursement under medicare. Although there were 37 cosponsors in this body, the Senate failed to act on this legislation before adjourning sine die.

I ask unanimous consent that the text of this bill be printed in the RECORD, along with a list of cosponsors in the 95th Congress.

There being no objection, the bill and list were ordered to be printed in the RECORD, as follows:

S. 76

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (5) of section 1861(r) of the Social Security Act is amended—

(1) by inserting "and for appropriate X-ray, and physical examination and related routine laboratory tests, which he is authorized by State law to perform," after "1861(s)(2)(A)"; and

(2) by inserting "or by chiropractic clinical findings" after "demonstrated by X-ray".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to items and services furnished on or after the first day of the first month beginning after the date of the enactment of this Act.

S. 76

Mr. Stone, et al.

COSPONSORS

Inouye, Williams, Humphrey, Case, Gravel, Metcalf, Goldwater, McIntyre, Abourezk, Chiles, Burdick, McGovern, Curtis, DeConcini, Morgan, Magnuson, Church, Thurmond, Pell, Johnston, Melcher, Bayh, Matsunaga, Leahy, Hatch, Schweiker, Allen, Jackson, McClure, Riegle, Durkin, Randolph, Anderson, Hathaway, Helms, and Hatfield.●

By Mr. HELMS:

S. 79. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Finance.

REINSTATEMENT OF THE GASOLINE TAX DEDUCTION

● Mr. HELMS. Mr. President, the amendment I propose restores the itemized deduction for State and local nonbusiness gasoline and motor fuel taxes which was eliminated by the provisions of the Revenue Act of 1978.

Last year, the Finance Committee repealed this deduction during its final hours of markup. During debate on the tax package, I sponsored an amendment to reinstate the deduction. While there was widespread support for the amendment, the Senate never had the chance to take an up or down vote on it. This is because the Chair had sustained a point of order that the amendment violated the Senate budget resolution. A challenge to the Chair's ruling was defeated by a vote of 48 to 43.

It is my hope that the gasoline tax deduction can be given more adequate attention in this Congress. My amendment reinstates the deduction for taxable years beginning after December 31, 1978; and would, therefore, negate the backhanded manner in which the deduction was eliminated in the hectic closing days of the 95th Congress:

WHY THE GASOLINE TAX DEDUCTION SHOULD BE RETAINED

(1) The gasoline tax deduction benefits primarily those middle income taxpayers who rely heavily upon their automobiles for non-business purposes, because they remain a relatively inexpensive mode of transportation. 87% of the dollar value of deductions taken under this provision benefit those taxpayers with adjusted gross incomes between $10,000 and $50,000.

(2) Unlike other itemized deductions allowed in the tax code, the amount of the gasoline tax deduction is relatively constant across income categories. Other deductions, such as the one for state and local income taxes, rise at least in proportion to taxpayers' income levels, or even faster, and are thus much more beneficial to taxpayers in upper income brackets. The gasoline tax deduction is of roughly equal value to all taxpayers who itemize, and therefore is considerably less regressive than other deductions.

(3) Staff estimates have consistently indicated that repeal of the gasoline tax deduction would yield no significant energy savings. For this reason, among others, the Finance Committee rejected elimination of the deduction during consideration of the energy bill last year. Rather than demonstrating Congressional concern about our energy problems, repeal of the gas tax deduction might well suggest that the Congress is willing only to make symbolic, ineffectual gestures towards energy conservation, rather than tackling the substantive and meaningful policy questions.

(4) It makes little sense, in the name of tax reform or tax simplification, to eliminate one of the simplest and easiest to understand provisions in the tax code. A Roper poll taken in July 1978 indicates that very few Americans equate tax reform with tax simplification; a large plurality see reform instead as increasing the equity of the tax code. Moreover, the poll shows that a dramatic majority of the American people see the gas tax deduction as "perfectly reasonable," and only 17% of those interviewed were willing to see the deduction eliminated even if it meant a lower overall tax rate.

(5) Whether state and local gasoline taxes are earmarked for highway maintenance or contributed to general revenues, denying taxpayers a deduction for them on their federal taxes would interfere with the legitimate revenue needs of other jurisdictions by making it more difficult for them to raise the tax moneys they require. While there currently are certain minor state taxes which are not deductible (such as the so-called "sin" taxes on commodities like alcohol and tobacco), these can be justified as furthering a particular social goal, i.e. discouraging the use of those items. However, eliminating the deduction for taxes on gasoline, a substance which few Americans can do without, could well establish a precedent of federal infringement on the revenue raising ability of state and local governments. Allowing a deduction for taxes already paid acknowledges that the taxpayer has not actually realized that income, and therefore ought not to be taxed on it.

(6) The increased tax burden to taxpayers resulting from elimination of the gas tax deduction would be greater than the revenue increase to the Federal treasury. This is because thirty-three states and the District of Columbia model their income tax returns after the federal return with respect to the gas tax deduction. Thus, taxpayers in those states would lose both the federal and state deductions, and in some cases a local deduction as well. According to the National Association of Tax Administrators, states affected are the following:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, and Maryland.

Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Vermont, Virginia, West Virginia, and Wisconsin.

Aggregate value and value of deduction per itemized return, by States, 1975

	Aggregate return (in millions)	Average return
Alabama	$50.4	$142.83
Alaska	5.1	99.72
Arizona	35.8	118.37
Arkansas	17.0	122.97
California	390.0	116.07
Colorado	42.4	106.25
Connecticut	61.6	158.78
Delaware	9.7	140.54
D.C	8.8	108.53
Florida	98.5	117.84
Georgia	63.3	128.26
Hawaii	12.1	107.94
Idaho	8.5	108.86
Illinois	142.5	108.58
Indiana	56.6	119.10
Iowa	27.0	90.14
Kansas	24.0	101.78
Kentucky	43.1	135.80
Louisiana	42.6	131.40
Maine	11.5	129.84

Aggregate value and value of deduction per itemized return, by States, 1975

	Aggregate return (in millions)	Average return
Maryland	89.2	140.18
Massachusetts	85.2	116.40
Michigan	184.8	150.07
Minnesota	64.5	118.82
Mississippi	29.1	146.39
Missouri	52.6	111.19
Montana	6.5	93.21
Nebraska	14.1	104.14
Nevada	8.3	103.37
New Hampshire	9.3	135.64
New Jersey	132.0	128.55
New Mexico	11.4	110.51
New York	294.2	119.54
North Carolina	79.3	146.24
North Dakota	4.1	80.80
Ohio	112.2	106.86
Oklahoma	26.8	105.67
Oregon	28.2	95.38
Pennsylvania	145.7	124.32
Rhode Island	13.2	133.70
South Carolina	38.6	135.41
South Dakota	4.0	98.18
Tennessee	87.3	123.50
Texas	87.3	87.17
Utah	18.8	110.87
Vermont	5.8	119.91
Virginia	84.0	142.87
Washington	56.5	127.95
West Virginia	9.9	120.77
Wisconsin	53.2	92.97
Wyoming	3.3	102.03
United States	2,946.0	118.16 ●

By Mr. STENNIS:

S. 81. A bill to impose quotas on the importation of beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Finance.

BEEF IMPORT ACT OF 1979

● Mr. STENNIS. Mr. President, I rise to introduce the Beef Import Bill of 1979. This bill is identical to the bill which was passed by the Senate on May 5, 1978.

The intent of the Beef Import Bill is to give some added stability to beef prices, which historically follow a boom or bust cycle depending on domestic cattle production levels. Imported frozen boneless beef makes up 15 to 20 percent of the ground meat sold at retail.

Under present law, beef imports are increased as domestic cattle production increases. This adds to the boom or bust cycle.

The Beef Import Bill will reverse this by allowing increased imports during periods of low beef production (and high prices), and reduce imports when beef production is high (and prices low). This is the so-called countercyclical feature of the bill.

As you know, last November the President vetoed a similar bill. In his Memorandum of Disapproval he stated that he vetoed the bill because it would restrict Presidential authority to increase meat imports. He said that he supports the countercyclical management of meat imports, but that the bill uses an untested formula which might not respond ideally, and so he desired to retain the full Presidential flexibility to increase imoorts. He announced he is agreeable to working with Congress again on a countercyclical bill, with suitable safeguards for Presidential action if necessary.

On this basis an effort will be made to reach a suitable compromise with the administration on the discretionary authority allowed the President to increase meat imports. The situation is further complicated by the fact that the pending international trade agreements which will be presented to Congress later this year may contain a beef agreement code. It is my understanding that under the present draft of this code, although reductions are sought in trade restrictions, it will be possible to continue the present system of voluntary agreements which limit annual beef imports to the United States.

It is my sincere hope that such a compromise can be reached with the administration, and that it will give the needed protection to American cattlemen.

The distinguished Senator from Texas (Mr. BENTSEN) has introduced a beef import bill this year which works toward reaching a compromise solution. I have asked to be included as a cosponsor of his bill. The Senator from Texas was the author of the original beef bill last year, which I also cosponsored. I wish to make it clear that we share the desire to obtain a bill which will not be vetoed and which will bring the desired degree of stability to the beef industry.

The cattle producers are struggling back after several very hard years. Under such adversity they had to cut back their herds. We are seeing the result now in shorter supplies of beef and rapidly rising retail prices. This is an excellent example of the boom-or-bust cycle that we want to avoid. Adversity for cattlemen is followed in a very few years by adversity for consumers.

Mr. President, a good countercyclical beef import bill is necessary for American cattlemen and it will help consumers as well. I urge the early committee consideration of the beef import bill and its prompt passage by the Senate.●

By Mr. BAYH:

S. 82. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

PETROLEUM INDUSTRY COMPETITION ACT OF 1979

● Mr. BAYH. Mr. President, I am today introducing the Petroleum Industry Competition Act of 1978. This legislation is virtually identical to S. 2387, sponsored by the late Senator Phil Hart and myself in 1975, and reported out of the Senate Judiciary Committee in June, 1976. It addresses the stranglehold that the major vertically integrated oil companies have over every aspect of our Nation's petroleum industry—from production to distribution, refining and the sale of crude oil and refined petroleum products—and has as its goal the establishment of a truly free market in crude oil and petroleum products. Instead of a free market, today the vertically integrated structure of the major oil companies permits a relatively small number of companies to control the flow of crude oil and refined products, thus resisting the price competition that normally exists in a free marketplace. This phenomenon has resulted in industry inefficiencies and higher prices for consumers, a web of complex Government regulations presided over by a growing army of Federal bureaucrats, an increasing similarity of interests between the majors and the OPEC oil cartel, and the denial to thousands of Americans of the opportunity to successfully operate independent, small businesses.

Mr. President, while the anticompetitive nature of the oil industry is not a new phenomenon, I believe its consequences may be more serious now than ever before. With the OPEC cartel once again raising oil prices, the prospect of oil shortages before us as a result of turmoil in the Middle East, and proposals to lift domestic price controls on crude oil and gasoline in the works, a free market in crude oil is essential. As we face these difficulties, we must not leave questions of oil prices and supplies to a handful of monopolistic oil companies who have so successfully used their political and economic power over the years to shape public policy to their interests. Oil is too essential a commodity to leave these decisions in their hands. Therefore, I would hope that the Senate Judiciary Committee will give this bill very serious consideration during the 96th Congress.

Mr. President, the anticompetitive nature of the petroleum industry is not a new phenomenon. Indeed, as far back as the end of the 19th century there were questions raised about the lack of competition in the oil industry. The Supreme Court decision ordering the breakup of the old Standard Oil trust in 1911 still stands as a landmark decision in antitrust enforcement.

In the decades following the dissolution of the Standard Oil trust there were numerous efforts to deal with the persistent anticompetitiveness of the oil industry. These included congressional initiatives and attempts by different administrations to tackle the structure of the oil industry under existing antitrust laws. One current effort is the case the Federal Trade Commission brought against the eight major oil companies in 1973. In that proceeding, known as the Exxon case and which is currently in the discovery stage, the FTC has charged the companies with engaging in a host of anticompetitive practices. It is relevant to note that the head of the FTC Bureau of Competition, when asked what remedy he would seek if the FTC won the case, replied without hesitation "divestiture."

While the FTC action in the Exxon case has been the most dramatic initiative in the executive branch in the area of oil industry competition in recent years, it is important to note that our late colleague, Senator Philip Hart of Michigan, worked for years as chairman of the Subcommittee on Antitrust and Monopoly to focus attention on the anticompetitive nature of the oil industry and to encourage consideration of divestiture as a solution to the institutional problem in the industry.

Mr. President, the lack of competition in the oil industry is manifest in many ways: The manipulation of production levels to avoid the drop in prices abundant supplies would stimulate in a free market; the denial of access to gathering and trunk lines for independent producers, which forces them to sell their oil to the majors; the barriers erected against independent refiners as a result of their inability to bid equally for crude oil supplies; the price discrimination practiced against independent marketers, which makes it doubly hard for them to compete against the majors; the economic blackmail of independent service station dealers by the majors, which denies small businessmen opportunities and denies consumers convenient and full service in their neighborhoods; and the exploitation of supply shortages to drive independent refiners and marketers out of business.

The Petroleum Industry Competition Act of 1979 would deal with these abuses by requiring, in 5 years time, that the major vertically integrated oil companies be split into three component and independent parts: production, transportation, and refining-marketing. To protect gasoline retailers from further encroachment by large refiners, it also prohibits large refiners from acquiring retail outlets not owned prior to January 1, 1979. It provides for an orderly divestiture process by giving the responsibility for drawing up a divestitude plan to the companies themselves, in concert with the Federal Trade Commission and the Securities and Exchange Commission, to make sure it is done as efficiently as possible in a manner that will be beneficial for the company's stockholders.

Because vertical integration only reaches severe anticompetitive levels with firms of a certain size, the bill is addressed to producers who produce 100,000 or more barrels of oil a day, and to refiners and marketers who refine or market more than 300,000 barrels a day, respectively. The 18 companies affected by these criteria are listed in the following table:

Company	Produce over 100,000 barrels per day	Refine over 300,000 barrels per day	Market over 300,000 barrels per day
Exxon	767.0	1,339.0	1,748.0
Texaco	564.0	1,019.0	1,278.0
Shell	505.0	1,086.0	1,046.0
Standard of Indiana	453.0	1,067.0	1,294.0
Atlantic Richfield	407.7	774.9	736.2
Gulf	402.2	847.5	822.0
Standard of California	362.0	1,213.0	1,264.0
Mobil	314.0	798.0	852.0
Getty	278.9	(234.5)	(262.4)
Phillips	255.2	(297.0)	491.0
Sun	201.1	531.6	798.3
Union	202.1	451.9	438.8
Continental	187.5	354.0	398.0
Marathon	180.9	478.2	488.4
Standard of Ohio (BP)	167.2	425.8	406.0
Cities Service	113.5	(251.9)	(297.8)
Ashland	(22.1)	358.2	501.0
Amerada Hess	(95.2)	700.0	648.0

Figures in parentheses represent amounts below the size threshold contained in this bill.

SOURCE: "Market Shares and Individual Company Data for U.S. Energy Markets: 1950–1977"—American Petroleum Institute.

To assure expeditious and equitable handling of all proceedings arising under the bill, the legislation establishes a Temporary Petroleum Industry Divestiture Court to handle all litigation arising under the act and provides ample opportunity for all parties with an interest to participate in the proceedings.

Mr. President, I am by no means claiming that vertical divestiture is a panacea for our energy and economic problems. However, I do believe that it can contribute to solving some of the highest priority issues we will be addressing this year: The continued influence of the OPEC cartel on our society; the need to hold prices down in the face of possible decontrol of domestic oil and gasoline prices and continually high inflation rates; the growing cost and frustration attendant to Federal regulations; and the increasing difficulty of starting and successfully operating small businesses in competition with monopolistic giants. I hope that the Senate Judiciary Committee will act expeditiously on this important piece of legislation.

Mr. President, I ask unanimous consent that the text of the bill, a factsheet on the legislation, and a point-counterpoint discussion that I have prepared on this issue be inserted in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 82

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Industry Competition Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) this Nation is committed to a private enterprise system and a free market economy, in the belief that competition spurs innovation, promotes productivity, prevents undue concentration of economic, social, and political power, and helps preserve a democratic society;

(2) vigorous and effective enforcement of the antitrust laws and reduction of monopoly and oligopoly power in the economy and contribute significantly to reducing prices, unemployment, and inflation;

(3) existing antitrust laws have been inadequate to maintain and restore effective competition in the petroleum industry; and

(4) the extraordinary dimensions of the remedy required by this Act necessitate expenditure judicial supervision of the divestitures and attendant actions required by this Act.

(b) PURPOSE.—It is the purpose of the Congress in this Act to facilitate the creation and maintenance of competition in the petroleum industry, and to require the most expeditious and equitable separation and divestment of assets and interests of vertically integrated major petroleum companies.

TITLE I—INDUSTRY COMPETITION

DEFINITIONS

SEC. 101. As used in this title—

(a) "person" means an individual person or a corporation, partnership, joint stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated, and whether or not domiciled or incorporated within the United States. It does not include any authority of the United States or of the several States;

(b) "control" means a direct or indirect legal or beneficial interest in or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates of officers, or contractual relations which substantially impair the independent business behavior of another person;

(c) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(d) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(e) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between a State and a foreign nation;

(f) "energy resource" means crude oil, natural gas liquids and condensate;

(g) "refine" means to change by any operation the physical or chemical characteristics of petroleum or petroleum products in order to create a derivative product for resale, exclusive of the operations of passing petroleum through a separator to remove gas, placing petroleum in settling tanks to remove basic sediment and water, dehydrating petroleum and generally cleaning and purifying petroleum;

(h) "refined product" means any product, whether liquid or gas, which is produced by a refinery asset;

(i) "marketing asset" means any asset used in the sale and distribution of gasoline or fuel oil, including diesel and distillate, to ultimate consumers at a retail motor fuel outlet, other than the initial sale with transfer of ownership to customers at the refinery;

(j) "operate" means engaging in the business of selling gasoline and diesel, directly or indirectly, or through any agent who receives any commission, compensation, or payment because of the sale of such product;

(k) "production asset" means—

(A) natural deposits of crude oil, or condensate and natural gas liquids;

(B) any asset used primarily in the exploration for, development of, or production of an energy resource including, but not limited to, an interest in real property, whether or not such real property is developed or undeveloped; and

(C) geological and geophysical information;

(l) "refinery asset" means any asset used in the refining of an energy resource;

(m) "transportation asset" means any asset used in the transportation within the

United States by pipeline or gathering line of crude oil or refined product;

(n) "major marketer" means any person which, during the calendar year 1979 or in any subsequent year, alone or with affiliates, marketed or distributed one hundred and ten million barrels of refined product within the United States;

(o) "major producer" means any person which, during the calendar year 1979 or in any subsequent calendar year, alone or with affiliates, produced within the United States either a total of thirty-six million five hundred thousand barrels of crude oil, condensate and natural gas liquids, or whose interest in crude oil, condensate and natural gas liquid production totaled thirty-six million five hundred thousand barrels;

(p) "major refiner" means any person which, during the calendar year 1979 or in any subsequent calendar year, alone or with affiliates, refined within the United States one hundred and ten million barrels of refined product, including that refined by another refiner under a processing agreement;

(q) "petroleum transporter" means any person which transports an energy resource or refined product by pipeline in commerce within the United States;

(r) "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (67 Stat. 29) and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(s) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, and the Outer Continental Shelf;

(t) "Commission" means the Federal Trade Commission; and

(u) "prohibited asset" means any marketing asset, production asset, refining asset, or transportation asset, the retention of which is prohibited by section 102 of this Act.

UNLAWFUL RETENTION

SEC. 102. Notwithstanding any other provision of law, five years after the date of enactment of this Act, it shall be unlawful—

(a)(1) for any major producer to own, or control, any interest in any refinery asset, transportation asset, or marketing asset;

(2) for any petroleum transporter to own or control any interest in any production asset, refinery asset, or marketing asset;

(3) for any major refiner or major marketer to own or control any interest in any production asset or transportation asset;

(b) for any person who owns any refining asset, production asset, or marketing asset to transport any energy resource or refined product in which he has any interest, by means of any transportation asset in which he has any interest.

UNLAWFUL OPERATION

SEC. 103. Upon enactment of this Act, it shall be unlawful for any major refiner to operate, either directly or indirectly, any marketing asset which it did not operate prior to January 1, 1979.

EXEMPTIONS

SEC. 104. (a) The Commission may, upon application by any person required to divest interests in assets under section 102 or prohibited from using assets by section 102(b), exempt any major producer, petroleum transporter, major refiner, major marketer, or any other person from the operation of section 102 with respect to any transportation asset upon a finding—

(1) that such transportation assets are so integral a part of other assets, the retention or use of which is not prohibited under section 102, that no public purpose would be served by the divestment of or prohibition of the use of any such transportation asset; and

(2) that the retention or use of any such transportation asset will not tend to injure competition or otherwise subvert the purposes of this Act.

(b) In order to facilitate the purposes of this section, the Commission is authorized to exempt any corporation formed or reorganized as a result of compliance with this section from the prohibitions contained in section 8 of the Act of October 5, 1914 (38 Stat. 732; 15 U.S.C. 19) for a period not to exceed one year.

REPORTS

SEC. 105. Each person subject to section 102 or 103 shall, within thirty days from the date of enactment of this Act, file with the Commission a report listing their prohibited assets. The Commission may order subsequent reports from persons subject to section 102 or 103 and may order reports from such other persons as it requires. Appeals from an order of the Commission issued under this section must be filed with the court within five days after the order has been served and the court must grant or deny the appeal, or modify the order as it deems proper within ten days.

PROHIBITION ON SOLICITATION

SEC. 106. It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a corporation subject to the requirements of section 102 or 103 or a subsidiary corporation thereof in contravention of such rules.

ENFORCEMENT

SEC. 107. (a) The Commission, in accordance with such rules, regulations, or orders as it deems appropriate to carry out the purposes of this Act shall require each person subject to the provisions of section 102 or 103 to submit to the Commission within 18 months of the date of enactment of this Act, a plan or plans for the divestment of the prohibited assets. Such plan must—

(1) be fair and equitable to all affected persons; and

(2) substantially accomplish the required divestiture within 5 years of the date of enactment of this Act.

The Commission, within one hundred and twenty days after the submission of the plan or plans by the persons subject to sections 102 and 103, shall file its plans with the court; except that no plan shall be filed which will not substantially accomplish divestment of prohibited assets on or before five years from the date of enactment of this Act. Failure of any person or persons to file a plan or plans shall not relieve the Commission of its duty to file its plan or plans for the divestiture of the prohibited assets of that person or persons.

(b) The plan required under subsection (a) of this section shall be devised by each person subject to the provisions of this Act, with respect to their own interests only, in consultation with the officers and employees of the Commission, and the Securities and Exchange Commission under guidelines which the Commission, with the advice and counsel of the Securities and Exchange Commission, shall promulgate.

(c) The Commission shall institute suits or actions only in the court established under title II of this Act for such relief as is appropriate to assure compliance by any person with this Act, including, but not limited to, orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful orders of the court.

(d)(1) In the administration of the provisions of this section, the Commission shall have primary oversight jurisdiction and responsibility for the preparation and final approval of the required divestiture plans.

(2) The Securities and Exchange Commission shall advise the Commission as to the conformity of each such plan with general standards of fairness and equity with respect to the interests of the holders of debt and equity interests in corporations affected by the operation of section 102 or 103.

(e) In carrying out the provisions of this Act, the Commission and the Securities and Exchange Commission are each authorized to utilize all powers conferred upon them separately, and all sanctions associated therewith, by any other provision of law.

(f) The Commission and the Securities and Exchange Commission shall serve as advisers to the court in any reorganization proceeding related to the operation or enforcement of the provisions of section 102 or 103 of this Act.

FAIR AND EQUITABLE

SEC. 108. Simultaneously with the filing of the Commission's plan with the court, the Securities and Exchange Commission shall file separately and independently an analysis of the conformity of such plan with general standard of fairness and equity with respect to the holders of debt and equity interests of any corporation affected by the provisions of section 102 or 103.

STATEMENT OF DIFFERENCES

SEC. 109. Any person subject to the provisions of section 102 or 103, not later than sixty days after the date on which the Securities and Exchange Commission and the Commission have filed the reports pursuant to the requirements of section 107, shall be entitled, as a matter of right, to file with the court a statement of differences with the proposed plans.

JUDICIAL DISPOSITION

SEC. 110. After the filing of the plans by the Commission, the court shall—

(a) give notice to all persons affected by the plans;

(b) permit the intervention by all persons having legally cognizable rights affected by the final disposition of the plans;

(c) resolve in hearings on the record such disputes of law and fact as may arise between and among the affected persons, the Commission, and the Securities and Exchange Commission regarding the disposition of the plans for divestiture of the prohibited assets;

(d) prior to entering a final order regarding the implementation of the plans, give an opportunity to all interested persons to file written comments on the plans; and

(e) no later than two years from the filing by the Commission of its plans, issue orders causing the implementation of the plans in such a manner as will accomplish the purposes of the Act within five years of its enactment and be fair and equitable to all persons affected.

The court shall have the power to modify the plans as it deems necessary.

Notwithstanding any other provisions of law, the Attorney General of the United States may intervene in any matter before the court as a matter of right. The court may seek the advice of the Attorney General concerning any matter before it.

ADMINISTRATIVE SUPPORT

SEC. 111. Notwithstanding any other provision of law, the Commission and the Securities and Exchange Commission may contract for the services of such persons including lawyers, economists, accountants, appraisers, securities analysts, neutral experts, and such other personnel as may be necessary to expeditiously carry out the responsibilities vested in each of them respectively by the provisions of this Act.

SANCTIONS

SEC. 112. (a) Any person or any officer, director, or partners thereof, who violate any provision of this Act shall forfeit and pay to the United States a civil penalty of not more than $100,000 in the case of an individual, or not more than $1,000,000 in the case of a corporation. Such penalties shall accrue to the United States and may be recovered in a civil action brought by the Commission. Failure to obey any order of a court pursuant to this Act shall be punishable by such court as a contempt of court.

(b) Any person or any officer, director or partner thereof, who violates a lawful order of the Commission issued pursuant to this Act shall forfeit and pay to the United States, for each violation, a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

SALE OF SECURITIES

SEC. 113. (a) The Commission shall promulgate such rules, regulations, and orders as it deems necessary to require that any plan or plans for divestment of the prohibited assets shall provide for the maintenance of competitive conditions in capital markets for the sale of notes, securities, or assets pursuant to such plan or plans.

(b) To this end, the Commission shall require that the size, timing, and other conditions of sale for such notes, securities, or assets shall be such as to encourage broad participation by underwriters and potential purchasers.

(c) The Commission shall promulgate such rules, regulations, and orders as it deems necessary to assure that competitive conditions are maintained in capital markets when loans, leases, and other financings are entered into by persons required to submit a plan or plans required pursuant to this section during the pendency or in conjunction with such plan or plans.

TITLE II—TEMPORARY INDUSTRY DIVESTITURE COURT

ESTABLISHMENT

SEC. 201. There is hereby created a court of the United States to be known as the Temporary Petroleum Industry Divestiture Court (hereinafter referred to in this title as the "court") which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The court shall be dissolved by order of the Chief Justice of the Supreme Court upon a determination that its purposes have been accomplished and at such time its power, jurisdiction, and any unfinished business shall be transferred to the United States District Court for the District of Columbia.

JUDGES

SEC. 202. The Chief Justice of the United States shall designate one of such judges as chief judge of the court and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members and any such division may render judgment as the judgment of the court.

REFERENCE JURISDICTION

SEC. 203. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act. The court or a panel thereof may, at any stage of a proceeding under this Act, refer the proceeding or any part thereof or any issue therein to a referee in bankruptcy to hear and determine any and all matters not reserved to the court or panel by this Act, or to referee as a special master, to hear and report generally or upon specified matters, or to a special master for such action with respect thereto as the court or a part thereof may direct.

TRANSFER JURISDICTION

SEC. 204. (a) A single judge or panel of the court may exercise all functions of the Judicial Panel on Multidistrict Litigation as provided under section 1407 of title 28, United States Code, with respect to any matter before the court.

(b) The Judicial Panel on Multidistrict Litigation shall exercise no function with respect to any matter before the court.

GENERAL JURISDICTION

SEC. 205. The court shall have exclusive jurisdiction, without appeal, except as otherwise provided in this Act, of all plans, actions, and suits brought under this Act or which relate to any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or of any divestiture required by this Act. The jurisdiction of the court shall not include any action brought by the Department of Justice or the Commission under the antitrust laws or the Federal Trade Commission Act.

COMPULSORY PROCESS

SEC. 206. Notwithstanding any other provision of law in the execution of its responsibilities and powers under this title the court may issue its process to any person and service thereof may be had in any district where such person resides, transacts business, or may otherwise be found. The court, in aid of the execution of this provision, may issue such writs as may be provided under section 1651 of title 28, United States Code.

RULES

SEC. 207. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act.

APPEAL

SEC. 208. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. Within thirty days after entry of a judgment or order, interlocutory or final, by the court a petition of a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals of the United States. No interlocutory appeal may be filed without certification of the court. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this section. The court and the Supreme Court upon review of judgments and orders of the court shall have exclusive jurisdiction. Except as provided in this section, no court, Federal, State, or territorial, shall have jurisdiction or power to consider any appeal involving any action or suit brought under this Act or any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or any divestiture required by this Act.

CLERK AND EMPLOYEES

SEC. 209. (a) The court may appoint a clerk who shall be subject to removal by the court. The court may appoint or authorize the appointment of such other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

(b) The officers and employees of the court shall be subject to the removal by the court or, if the court so determines, by the clerk or other officer who appointed them, with the approval of the court.

(c) Referees and special masters appointed under section 203 shall be compensated as provided under section 40 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898 (30 Stat. 544, 556), as amended (11 U.S.C. 68).

(d) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him and make returns thereof to the Director of the Administrative Office of the United States Courts.

LAW CLERKS AND SECRETARIES

SEC. 210. The judges of the court may appoint such law clerks and secretaries as may be necessary.

LIBRARIAN, MARSHAL, AND BAILIFFS

SEC. 211. (a) The court may appoint a librarian and necessary library assistants who shall be subject to removal by the court.

(b) The court may appoint a marshal, who shall attend the court at its sessions, be custodian of its courthouse or chambers and offices, have supervision over its custodial employees, take charge of all property of the United States used by the court or its employees, and perform such other duties as the court may direct. The marshal shall be subject to removal by the court. The marshal, with the approval of the court, may employ necessary bailiffs. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court or marshal may direct. The bailiffs shall receive the same compensation as bailiffs employed for the district courts of the United States.

SEAT

SEC. 212. The principal seat of the court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may designate.

SEAL

SEC. 213. The court shall have a seal which shall be judicially noticed.

SESSIONS

SEC. 214. The time and place of the sessions of the court shall be prescribed by the chief judge pursuant to rule of the court.

CONFLICTS

SEC. 215. No judge of the court, receiver in bankruptcy, or special master shall hear or determine any matter in which he has a conflict of interest.

APPROPRIATIONS

SEC. 216. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act ●

FACTSHEET ON THE PETROLEUM INDUSTRY COMPETITION ACT OF 1979

1. The bill, introduced by Senator Birch Bayh, is substantively unchanged from S. 2387 which was reported favorably by the Senate Committee on the Judiciary late in the 94th Congress.

2. The legislation has several objectives:

(a) To create a free market in crude oil. At present independent oil producers are often forced to sell their oil to major, vertically integrated oil companies. Also, independent refiners are almost entirely dependent on Federal regulation to assure them of a fair supply of crude oil at rea-

sonable prices. Creating a free market in crude oil will not only provide all refiners equal access to crude oil, but also will provide now absent price competition. It will also remove the existing entry barriers that have limited the growth of independent capacity.

(b) To protect retailers franchised by the major oil companies and independent marketers from predatory pricing and other anti-competitive practices by the major vertically integrated oil companies. Major companies are increasingly closing dealer operated service stations and replacing them with company owned stations managed by company employees.

(c) To remove major incentives for the multi-national, vertically integrated oil companies to cooperate fully with the pricing and supply practices of the Organization of Petroleum Exporting Countries. Because higher OPEC prices increase the value of the oil reserves of the major oil companies, and because those companies need an assured supply of crude oil for their downstream (refining and marketing) operations, there is no incentive to try to weaken the cartel. Through divestiture we can create a situation in which refiners will finally want to buy crude oil as cheaply as possible and thus begin to exert pressure on OPEC prices.

(d) To provide all oil producers, refiners and marketers equal, non-discriminatory access to crude oil and petroleum product pipelines, thus ending the monopoly power exploited by the vertically integrated major oil companies through their control of more than 90 percent of the nation's pipeline capacity.

3. The legislation proposes to achieve these objectives through vertical divestiture of the largest, integrated oil companies. Divestiture would work in this fashion:

(a) The 18 largest integrated oil companies would be required to separate their exploration and production from their refining and marketing within five years of the bill's enactment.

(b) With limited exceptions, oil producers, refiners and marketers would be prohibited from owning crude oil or petroleum product pipelines, thereby giving these pipelines the common carrier status they should have. Exceptions are provided for pipelines integral to the operation of a production or refining asset where retention of such pipelines will not contravene the purposes of the legislation nor impede competition. Exception may be granted by the Federal Trade Commission upon application by an affected company.

(c) While permitting refining and marketing to remain together, refiners may not operate or own, directly or indirectly, marketing outlets not owned or operated prior to January 1, 1979.

(d) The Federal Trade Commission is empowered to receive and to approve, and to amend if necessary, divestiture plans to be prepared by the affected companies and submitted to the FTC within 18 months of the enactment. Such plans must take effect no later than five years after enactment.

(e) A special Temporary Petroleum Industry Divestiture Court is created to handle all litigation arising from the legislation to assure expeditious action on such litigation. All appeals from decisions of the Temporary Court will go directly to the U.S. Supreme Court which is also instructed to give expeditious action to suits arising from the legislation.

4. Affected companies include all crude oil and petroleum product pipelines and major producers, refiners and marketers. For the purposes of the legislation major producers are defined as those producing 100,000 barrels of oil a day and major refiners and marketers are defined as those refining or marketing 300,000 barrels of oil a day, respectively.

MAJOR PRODUCERS, REFINERS, AND MARKETERS (U.S. ONLY)

[In thousands of barrels per day]

Company	Produce over 100,000 barrels per day	Refine over 300,000 barrels per day	Market over 300,000 barrels per day
Exxon	767.0	1,339.0	1,748.0
Texaco	564.0	1,019.0	1,278.0
Shell	505.0	1,086.0	1,046.0
Standard of Indiana	453.0	1,067.0	1,294.0
Atlantic Richfield	407.7	774.9	736.2
Gulf	402.2	847.5	822.0
Standard of California	362.0	1,213.0	1,264.0
Mobil	314.0	798.0	852.0
Getty	278.9	(234.5)	(262.4)
Phillips	255.2	(297.0)	491.0
Sun	201.1	531.6	798.3
Union	202.1	451.9	438.8
Continental	187.5	354.0	398.0
Marathon	180.9	478.2	488.4
Standard of Ohio (BP)	167.2	425.8	406.0
Cities Service	113.5	(251.9)	(297.8)
Ashland	(22.1)	358.2	501.0
Amerda Hess	(95.2)	700.0	648.0

Note: Figures in parentheses represent amounts below the size threshold contained in this bill.

Source: "Market Shares and Individual Company Data for U.S. Energy Markets: 1950–1977"—American Petroleum Institute.

POINT AND COUNTERPOINT ON VERTICAL DIVESTITURE

The vertical divestiture debate centers on fifteen basic points of contention. The following briefly discusses these points.

IMPACT ON OPEC

The oil companies claim that vertical divestiture will help strengthen the Organization of Petroleum Exporting Countries (OPEC) . . .

The truth is that vertical divestiture is an essential step in the direction of breaking-up the cartel.

The integrated oil companies affected by the proposed divestiture legislation have three very important reasons to cooperate fully with the cartel:

(1) While many of the OPEC nations have bought out the oil reserves previously controlled in their countries by the oil companies, those same companies stand to make new riches as the producing agents of the OPEC countries;

(2) The worldwide increase in the price of oil brought about by the cartel has increased by hundreds of billions of dollars the reserves owned by the integrated oil companies in the U.S. and around the globe.

(3) Integrated companies require a guaranteed supply of crude oil for their downstream (refining and marketing) operations. The guarantee of supply is far more important to an integrated company than the price of oil since they are often paying themselves for crude oil and, in turn, selling refined product to themselves. Because supply is often more important to an integrated company than price, the major oil companies have little incentive to destroy their sweetheart relationship with OPEC.

While divestiture legislation is not likely to interrupt the close relationship between OPEC and the production companies operating in the OPEC countries, divestiture will help bring pressure to bear on the cartel. It will do so in this fashion:

With refiners separated from producers the refiners will develop a now absent interest in purchasing crude at lower prices in order to compete in the sale of refined products. Instead of blithely paying the OPEC price, refiners will have a now non-existent incentive now glaringly absent to begin to try to drive down the price.

Also, after divestiture the companies will no longer have the same motivation and ability they now have to control output from the OPEC countries to help sustain higher prices. No less an authority than the Shah of Iran has acknowledged that the integrated companies now regulate output to maintain the OPEC price. With an end to their stranglehold on the marketplace the companies will no longer be in a position to do OPEC's dirty business for it.

IMPACT ON COMPETITION

The oil companies claim that the enactment of divestiture legislation will actually lead to less, not more, competition . . .

The truth is that divestiture opens the door for competition where it is now lacking.

The oil industry is essentially non-competitive for three reasons:

(1) It is more integrated than any other basic industry, with a relatively small number of companies controlling the oil from the time it is produced until the time it is sold to the consumer.

(2) The industry has developed a set of interrelationships more designed to inhibit than to promote competition. Such techniques as the joint bidding for the rights to produce oil on Federal property, joint ownership of oil pipelines, the swapping of crude oil and refined products, and the whole host of joint ventures by the companies create common interests that inevitably stifle competition.

(3) The industry is highly concentrated, with a small number of companies having extensive control of much of the crude oil, pipeline and refining capacity and marketing outlets.

By addressing itself to the most deleterious of these problems—the vertical integration—divestiture legislation can spur competition in the following ways:

There will be a free market in crude oil in which all refiners will have an equal opportunity to bid for all crude oil with a common interest in holding prices down.

Pipelines will become true common carriers, providing equal access to all shippers and ending the discrimination the independent sector of the industry has faced in trying to use crude oil and product pipelines.

Since major companies will be prohibited from expanding their marketing operations the service station dealers whose very existence has been threatened by the integrated companies will be protected against further encroachments. These dealers are most often independent businessmen who seek to compete fairly and openly, but who have been the victims of an anti-competitive behavior by the major campanies.

IMPACT ON PRICES

The oil companies claim that prices will go up if the divestiture legislation enacted . . .

The truth is just the opposite—divestiture should mean lower energy prices for consumers.

Independent marketers have traditionally undersold integrated marketers by three to five cents a gallon. With the free market to be created by divestiture there will be true price competition and the law of supply and demand will be permitted to operate in the oil industry. When free enterprise is permitted to operate in the American economy the historical record is for prices to come down. In the case of oil such successful price competition could translate to savings for consumers of at least $324 billion a year for gasoline alone. This is based on the sale of 108 billion gallons a year and allows for price reductions in the three to five cents range in that portion of the retail market now controlled by the integrated companies.

Also, independent refiners with an assured supply of crude oil have been able to provide price competition to the refining operations of integrated companies. The president of Ashland Oil, for example, has said he can pay a dollar more a barrel for crude oil,

than a major refiner and compete in the sale of refined products.

The abuse of a free market in crude oil, with independent producers forced to sell to integrated pipelines and with independent refiners dependent on Federal regulations to guarantee them a crude supply, prevents price competition. Divestiture, on the other hand, by providing all producers with equal access to crude pipelines and by providing all refiners with an equal opportunity to purchase crude oil will hold prices in check through healthy competition. It is important to recognize that even the limited competition now provided by independent refiners and marketers would be impossible were it not for an elaborate system of government regulation of prices and supplies. Divestiture will permit a free market to operate without such government interference in the marketplace.

IMPACT ON CAPITAL

The oil companies claim they will have trouble raising the capital for energy exploration and development if divestiture legislation is passed . . .

The truth is that the Petroleum Industry Competition Act should have no bearing on capital formation. The 18 companies covered under the bill's provisions as major producers, refiners and/or marketers are so large that after divestiture each of the component parts of those companies would qualify for the Fortune 500 list of America's largest corporations. Just one example of the size of these companies can be found in the case of Exxon, now the largest company in the world. After the proposed divestiture the refining and marketing company created from Exxon would be the second largest of all corporations, and the production company created from Exxon would be the sixth largest. The fact is that after divestiture the component parts of the affected companies would all rank among the top ¼ of one percent of all corporations in the U.S. and thus be in an excellent position to raise capital.

The truth is that the oil industry raised the same phony cry about capital formation when the oil depletion allowance was repealed. Yet, according to the American Petroleum Institute, the oil industry drilled 17.5 percent more wells in 1975 than in 1974, despite the fact that depletion was almost entirely repealed effective January 1, 1975.

The truth is that the oil industry is quite profitable and that it has had, and will continue to have, no trouble attracting needed capital. Indeed, the capital available to the industry so far exceeds what it needs for energy exploration and development that Mobil committed close to a billion dollars to the purchase of Marcor, the parent company of Montgomery Ward, and Atlantic Richfield bid almost $200 million for Anaconda. Gulf even went so far several years ago as to try to use some of its capital to buy the Ringling Brothers Circus.

LESS EFFICIENCY OR MORE

The oil companies claim their integrated structure provides efficiencies which will be lost if divestiture legislation is enacted. . . .

The truth is that the industry has never demonstrated what those efficiencies are; it has never substantiated this claim.

The truth is that the extensive vertical integration and unparalleled interrelationships of the major oil companies provide a degree of market control which minimizes the need for efficiency in oil company operations. By bringing the free enterprise system to bear in the industry divestiture will require the oil industry to respond to a free market, as should all industries. Then the uninhibited operation of the law of supply and demand will provide the proper incentive for the industry to truly be efficient.

The real test of efficiency in the industry has been met by the independents who have had to compete with the integrated companies. Faced with the market domination of the majors the independents have survived because of the implementation of efficiencies far greater that those employed by the major, integrated companies.

There may be no better source to refute the claim that divestiture will mean the loss of efficiencies of integration than the respected economist M. A. Adelman, who is himself opposed to divestiture. Professor Adelman wrote in the Washington Post of May 6, 1976: "The industry's contention, that vertical integration helps efficiency, is unfounded."

The phony nature of this argument of efficiency is even further devastated by the testimony of Exxon officials in state tax cases in Wisconsin and South Carolina that the company is already divided among functional lines such as those to be followed in divestiture. In the South Carolina case Exxon said: "Each of these functions is managed and accounted for on a functional operating basis. Each is a segment of (Exxon's) total corporate enterprise, but each has its own accounting, budgeting and forecasting, its own management and staff, its own profit center, its own investment center, its own physical facilities, etc."

If integration provides efficiencies, Exxon has hidden them quite well.

IMPACT ON STOCKHOLDERS

The oil companies claim that divestiture will hurt their stockholders. . . .

The truth is that precedents support the argument that stockholders will actually benefit from divestiture.

Under the most likely form of divestiture, called stock spin-offs, stockholders receive shares in the divested companies in proportion to their holdings in the original integrated company. When such a divestiture of the Standard Oil of New Jersey Trust was ordered by the U.S. Supreme Court in 1911, the combined value of the stocks of the divested companies rose 47 percent in one year, while the stockmarket as a whole rose by only seven percent.

The interests of stockholders would be fully protected under divestiture, especially since the affected companies are actually empowered to write their own divestiture plans, subject to approval by the Federal Trade Commission.

It should be little wonder that Joseph Tovey, a stock analyst opposed to divestiture, has said, ". . . from an investor's standpoint, if there were to be a breakup, I think it would be a bonanza for investors."

FREE ENTERPRISE OR GOVERNMENT TAKEOVER

The oil companies claim that divestiture legislation is a major step toward a government takeover of the industry. . . .

The truth is that divestiture is designed to provide a free market in crude oil and refined petroleum products and thus to lessen the need for government involvement in the oil industry.

At present, through an elaborate system of price regulation, supply allocations, and refiner entitlements, the oil industry is the most closely regulated of all industries, other than public utilities. This complex maze of government regulations developed in response to the lack of competition in the industry and to the heavy-handed treatment of independent refiners and marketers by the integrated companies.

Divestiture is designed to create a free market in the oil industry and thus enable us to move away from such extensive government regulation of this vital industry. Unless the market control of the major, vertically integrated companies is ended through the enactment of divestiture legislation it will be necessary to perpetuate unwieldy government regulation of the industry, something divestiture proponents seek to avoid.

The truth, also, is that divestiture in no way opens the door for nationalization of the industry. Quite to the contrary, divestiture is designed to still the cry for nationalization by requiring the oil industry to operate—like other U.S. industries—under a truly free market.

THE CONCENTRATION ARGUMENT

The oil companies claim that vertical divestiture legislation is misdirected since the oil industry is less concentrated than some other industries . . .

The truth is that the industry's attempt to focus attention on concentration ratios is a public relations effort to divert attention from the real culprit—vertical integration.

The truth is that while divestiture proponents have not built their case on concentration the oil industry is actually far more concentrated than the industry numbers suggest.

Competition is lacking in the oil industry because of the unique combination of extention of extensive vertical integration and serious concentration. While some other industries are more concentrated than oil, no other basic industry has the same degree of vertical integration as the oil industry, and it is to integration that the divestiture legislation is addressed.

The oil companies are fond of talking about all the independent oil producers, refiners and marketers in the U.S. The fact is that most oil discovered by independents is sold to major, integrated oil companies who gain control of crude oil through their extensive control of the nation's crude oil pipelines. Also, independent refiners are beholden to the integrated companies for crude oil. The power of the integrated oil companies was demonstrated in recent years when they sought to deny lower priced crude oil to independent refiners, an anti-competitive gambit that brought forth an elaborate system of government regulation known as entitlements. Similarly, when refined petroleum products were in short supply the integrated companies sought to use their market control to put independent service station dealers out of business. The large companies might well have succeeded except for the imposition of mandatory allocation rules by the Federal government.

The simple fact is that the existence of independents at different levels of the oil business does not refute the reality of the market control enjoyed by the integrated major oil companies. Since that integration includes control of more than 90 percent of the nation's oil pipelines by the top twenty oil companies, and since many of those lines are actually joint ventures of two or more of those huge companies, the integrated companies are able to take control of more than 90 percent of the Nation's crude oil.

In understanding the lack of validity of the industry's recitation of concentration figures, it is important to bear in mind that if concentration were the problem in the oil industry, conventional anti-trust legislation might well solve the problem. The divestiture legislation directed at a different, yet quite serious, problem of vertical integration: the total domination of all phases of the oil industry by a relatively small number of companies.

THE DISRUPTION ARGUMENT

The oil companies claim that divestiture will create confusion in the industry and disrupt the normal operations of the oil industry. . . .

The truth is that the industry has been guilty of duplicity in describing the current nature of the industry, and the threat of havoc in the industry with divestiture has not been substantiated.

The argument that divestiture will create confusion and disrupt the industry is based

on the contention that integrated oil companies are single "unitary" companies not easily divided along functional lines. Yet Exxon actually went to court in Wisconsin and South Carolina to avoid state taxes by proving just the opposite—that the company is divided along distinct functional lines. As the Exxon counsel told the Wisconsin State Tax Appeals Commission: "Our evidence . . . will show that each function is independent and unitary to, or an integral part of, any other function." Exxon went so far as to bring into the Wisconsin case the head of the Houston office of the Arthur Anderson and Company, the huge accounting firm, who testified on the basis of his personal knowledge that other companies, besides Exxon, maintained functional divisions in their operations.

1906 the U.S. Department of Justice brought a civil suit charging the Standard Trust with violation of the anti-trust laws.

1906 Senator Henry Cabot Lodge called for divestiture of oil pipelines.

1911 the U.S. Supreme Court upheld the Justice Department case and ordered the break-up of Standard Trust.

1920–22 Senator Robert LaFollette conducted extensive hearings into the oil industry and reached the conclusion that all oil pipelines should be common carriers.

1940 the U.S. Department of Justice brought the famous "Mother Hubbard" case charging 22 oil companies, hundreds of their affiliates, and the American Petroleum Institute with anti-trust violations.

1973 the Federal Trade Commission charged the eight largest oil companies with engaging in a host of anti-competitive practices.

The pending divestiture legislation, rather than being an emotional and unnecessary step, is the only logical step to take since it is clear that existing anti-trust law is inadequate to bring competition to the oil industry.

IMPACT ON EMPLOYEES

The oil companies claim that divestiture will hurt their employees, either through a reduction in jobs or by endangering pension rights. . . .

The truth is that oil company employees, along with all Americans, stand to benefit from divestiture and vertical divestiture has been endorsed by many major unions.

The oil industry is not labor intensive; it has relatively few employees for so large an industry and thus the employment consequences of divestiture will not be great. While the employment impact of divestiture will not be great it still should be a positive, not a negative, impact by removing entry barriers that have inhibited the independent sector of the industry.

This is another of the areas in which the oil industry tries to argue both sides of an issue. The industry claims divestiture will increase operating costs by destroying present efficiencies and requiring the hiring of unneeded personnel. And then the industry turns around and tries to argue that divestiture will cost jobs. It can't have it both ways.

In any event, rather than letting the oil companies speak to the employment issue, let those most directly affected respond. And that response can be found in the endorsement of vertical divestiture in 1976 by the AFL–CIO, the UAW, and the Teamsters.

Regarding the alleged threat to employee pensions through divestiture, the major pension law enacted in 1974, the Federal Employment Retirement Income Security Act, protection for the pension rights of oil company employees. Any suggestion to the contrary shows an unwillingness or an inability to understand how this landmark legislation works.

By Mr. MORGAN:

S. 83. A bill for the relief of Charles Mohamed S. Awad and Karen Russell Elizabeth Latimer Awad; to the Committee on the Judiciary.

● Mr. MORGAN. Mr. President, two Canadian citizens, Mr. and Mrs. Charles Mohamed Awad are presently residing in the State of Florida. Based on information supplied them by the U.S. Consular Office in Halifax, Canada, the couple moved to south Florida to assume the status of permanent residents as business investors.

The information they were supplied was that the only requirements for attaining permanent status was to invest at least $40,000 in a U.S. business enterprise, obtain a financial statement to that effect and furnish the social security numbers of the U.S. citizens that they would employ.

Apparently, there was no mention of the fact that there would be a 2-year wait for an immigrant visa number to achieve the adjustment of status to permanent residency.

Relying on the faulty information, Mr. and Mrs. Awad legally entered the United States in possession of all their property under a B–1 visa. They proceeded to purchase a motel and employed several U.S. citizens in the south Florida area. They purchased a home and enrolled their children in schools.

Needless to say, the Awads would not have gone to so much trouble and sought to act according to the law, but for the erroneous information they received and, on the basis of which, they entered the United States.

Their visas expired a few days ago, although proper application for an extension was filed. It is my impression that this matter should be resolved here in the United States and that the Awads should not be sent away from their home and business. It is to that end that this private bill is introduced.●

By Mr. THURMOND:

S. 84. A bill to amend the Food Stamp Act of 1977 to prohibit the distribution of food stamps to any household where the head of such household is engaged in a labor strike; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. THURMOND. Mr. President, in previous sessions of Congress, I introduced a bill to amend the Food Stamp Act of 1964 in order to prohibit food stamp distribution to a household where the head of that household is engaged in a labor strike.

This bill has been referred to the Committee on Agriculture and Forestry, but unfortunately not been reported to the full Senate. I am introducing this bill again today with the hope that it will receive favorable action in the near future.

Mr. President, I do not believe that a majority of our people are aware that striking workers can receive food stamps. When our taxpayers realize that fact, they are outraged because their tax dollars are being used to intervene in a labor dispute.

A strike is a tactic used by one side in a labor dispute. Those going on strike do so in the belief that it will strengthen their position at the negotiating table. By going on strike, they take the risk of loss of salary and other benefits which they receive while they are working. If the Federal Government provides food stamps to these people who voluntarily walk off their jobs, it injects itself into the dispute on one side. This is not fair. It is not fair to the other side of the bargaining table, and, most of all, it is not fair to the American taxpayer who must bear the cost of the food stamp program.

The need for such an amendment has never been so evident as during the coal miners strike of the winter of 1978. Nationwide, $13 million worth of food stamps monthly went to striking coal miners during January, February, and March of 1978. Finally the strike became so serious that the President invoked the Taft-Hartley Act. Yet food stamps still went to the strikers.

The time has come to reevaluate our priorities in regard to the food stamp program. Food stamps to striking workers only results in more and longer strikes with consequently greater damage to the economy. The Federal Government should not feed those who voluntarily refuse to work. That is the responsibility of the striking union.

Mr. President, I request that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 84

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:

"(i) Notwithstanding any other provision of this Act, no household shall be eligible to participate in the food stamp program if the head of the household is on strike against his employer as the result of a labor dispute, except where such household was eligible for participation in such program prior to the time the head of the household went on strike against his employer. The provisions of this subsection shall not apply in any case in which the head of a household is not working because of an employer lockout. As used in this subsection the term 'head of the household' means the member of any household who provides over one-half of the support for the household.".

By Mr. PROXMIRE:

S. 85. A bill to amend the Federal Reserve Act to provide for maintenance of reserves in order to facilitate the implementation of monetary policy, to promote competitive equality among depository institutions, to require the imposition of service charges for services by Federal Reserve Banks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

MONETARY POLICY IMPROVEMENT ACT OF 1979

Mr. PROXMIRE. Mr. President, I am today introducing the Monetary Policy Improvement Act of 1979. The legislation is designed to deal with the problems associated with the erosion of membership in the Federal Reserve System. The objectives of the bill are to:

First, strengthen the ability of the Federal Reserve Board to conduct monetary policy;

Second, promote greater competitive equality between financial institutions;

Third, enhance the safety and soundness of the banking system;

Fourth, improve the efficiency of the Federal Reserve payments system; and

Fifth, minimize any loss in Treasury revenues.

Last fall the committee considered several pieces of legislation that would have strengthened the ability of the Federal Reserve to implement monetary policy by requiring all banks and other depository institutions with transactions accounts of a certain aggregate size to maintain required reserves. Unfortunately, time did not permit the committee to complete action on this important issue. A commitment was made by the committee, however, to consider this legislation as its first priority business during the new session of Congress.

In order to facilitate early consideration of this issue I am introducing at this time the Monetary Policy Improvement Act of 1979. This legislation is similar to S. 3485 which I introduced in the 95th Congress.

While I am reasonably flexible on the details of any membership proposal, I am concerned about the cost to the Treasury. Accordingly, if the Congress does act on the Fed membership issue, I do believe the cost to the Treasury, and ultimately the American taxpayer, should be held to a minimum. The legislation I am introducing would result in an annual net pretax revenue loss to the Treasury of only $133 million. Some of the loss would be recaptured through taxes on the increased bank earnings from lower reserve requirements. The remainder would be about what the Treasury will lose anyway, without legislation if Federal Reserve membership continues to decline at current rates.

SUMMARY OF MAIN FEATURES

The principal features of the bill are as follows:

First. Universal reserve requirements. All federally insured depository institutions with deposits above a specified amount would be required to maintain reserves against those deposits in accordance with the reserve ratios prescribed by law. The reserve ratios would be the same for all institutions regardless of size. The Federal Reserve Board is authorized to vary those ratios within a limited range for monetary policy reasons.

Commercial banks would be required to maintain reserves against their combined demand and transactions accounts in excess of $40 million and against their time and savings deposits in excess of $40 million. The Federal Reserve Board would define a "transactions account" for reserve purposes, but the term would include demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfer, and share draft accounts.

All other federally insured depository institutions or members of the Federal Home Loan Bank system including mutual savings banks, savings and loan associations, and credit unions would be required to maintain reserves against their transaction accounts in excess of $40 million. Those institutions would not have to hold reserves against time and savings deposits.

Second. Simplified Reserve requirements. Under the present hodge-podge system, the Federal Reserve Board has prescribed 12 separate reserve ratios depending upon the type of deposit, its maturity, and the size of the bank. The proposed legislation would substantially simplify this complex structure by prescribing just four reserve ratios for all commercial banks subject to reserve requirements:

(i) 13 percent against demand deposits and other transactions accounts;

(ii) 3 percent against savings deposits;

(iii) 6 percent against shorter term time deposits with initial maturities of 179 days or less, and

(iv) 1 percent against longer term time deposits with initial maturities of 180 days or more.

Other depository institutions subject to reserve requirements would be required to maintain a 13-percent reserve against their transaction balances.

Third. Reporting requirements. The Federal Reserve Board is authorized to require periodic financial reports from all depository institutions in order to perform its monetary policy responsibilities. Institutions not subject to reserve requirements can provide these reports to their respective supervisory agencies.

Fourth. Access to discount window and other Fed services. All depository institutions required to maintain reserves and who are not members of the Federal Reserve System would be automatically entitled to all of the privileges of membership, including access to the discount window and Fed services. In addition, all nonmember banks who, because of their size are not subject to reserve requirements, would be given access to the discount window upon a certification of solvency from the FDIC.

Fifth. Pricing of Fed services .The Federal Reserve Board is required to publish a schedule of fees for its services to commercial banks by July 1, 1979 and to begin charging for these services by July 1, 1980. All depository institutions would be able to purchase these services on the same terms and conditions as member banks. The fees would take into account an allowance for taxes and the cost of capital.

EFFECT OF THE PROPOSAL

First. Effect on financial institutions. The system of universal reserve requirements together with the $40 million exemptions as proposed in the legislation would halt the decline in the percentage of bank deposits subject to reserve requirements, while at the same time relieving most banks from the burden of maintaining reserves. The bill would subject only 1,961 banks to reserve requirements compared to a present total of 5,664. Moreover, because the bill authorizes banks to count their vault cash against their reserve requirements, only 797 banks would have to keep reserves at a Federal Reserve Bank. This includes 517 banks that are presently members of the Federal Reserve System and 280 nonmember banks. Some of these nonmember banks covered by reserve requirements would be covered anyway by the International Banking Act recently passed by the Congress.

Of the 5,664 current member banks, 4,412 would be relieved of reserve requirements entirely and 735 would be able to meet all of their reserve requirements with their present amount of vault cash. The bill provides that any increase in reserve requirements would be phased in gradually over 4 years for any member bank facing higher reserve requirements and for any nonmember bank subject to reserve requirements.

The bill also would apply reserve requirements to nonbank depository institutions offering transactions accounts that are equivalent to demand deposits. However, because of the $40 million exclusion, because many thrift institutions still lack the legal authority to offer transactions accounts, and because of the ability to satisfy reserve requirements with vault cash, very few nonbank institutions would actually be required to maintain reserves with the Fed, according to estimates supplied by the Federal Reserve staff. Thus, the application of reserve requirements to all depository institutions offering checking-type accounts would have virtually no financial impact on the thrift industry; but it would foreclose a potential source of erosion in monetary control if, in the future, Congress and the States were to provide thrift institutions with additional powers to offer checking or similar type accounts. It also insures a greater degree of competitive equality between bank and thrift institutions in competing for the public's checking account business.

Second. Effect on monetary policy. The legislation would strengthen in a number of ways the ability of the Federal Reserve Board to perform its monetary policy responsibilities.

First, the bill would halt the decline in the proportion of total bank deposits subject to reserve requirements. The erosion in the Federal Reserve's membership has reduced the percentage of total deposits at banks subject to reserve requirements from approximately 84 percent in 1961 to less than 73 percent today. Unless action is taken to halt this decline, a further erosion in Fed membership could weaken the ability of the Federal Reserve to control the Nation's money supply. The system of universal reserve requirements proposed in the bill together with the $40 million exclusions would cover 75.3 percent of total commercial bank deposits. Thus, the Fed's ability to control the monetary aggregates would be increased.

Second, the simplified structure of re-

serve requirements proposed in the bill would make it far easier for the Fed to predict and control future changes in both reserves and the money supply. Under the present system, if a consumer transfers funds from his checking account to another individual or company with an account at a nonmember bank, the reserve requirement against those funds could decline from 16¼ percent to zero. These freed-up reserves could produce a multiple expansion in the money supply unless offset by the Federal Reserve. Similar complications arise when funds are transferred from a checking account into a NOW account or from a checking account in a large member bank to a checking account in a medium or small sized member bank. In theory, the Fed can predict these transfers and take them into account when formulating monetary policy. In practice, however, such predictions are extremely difficult. Also, innovations in funds transfer technology have made it far easier for consumers and businesses to shift funds between their accounts, thus complicating the Fed's monetary projections.

Many of these problems would be alleviated under the proposed legislation. The bill would apply the same reserve requirement against demand deposits, savings accounts subject to automatic transfers, share draft accounts, NOW accounts, and other transactions accounts that may be developed. Thus, deposit shifts between these types of accounts would have no monetary significance. Also, the uniform 13 percent reserve requirement against demand deposits would reduce the complications arising from shifts in demand deposits between different size banks which, under the present system, have reserve requirements ranging from 7 percent to 16¼ percent.

Monetary policy would be further strengthened by authorizing the Fed to require timely financial reports from nonmember financial institutions. Such reports are now available only 4 times a year from the "call reports" and then only after significant time has elapsed. The lack of timely data from these institutions has, in the past, caused the Fed to make monetary policy judgments on the basis of incomplete and inadequate information. In order to minimize reporting burdens, the bill further provides that these reports may be provided through an institution's regular supervisory agency.

Finally, monetary policy would be strengthened and the safety and soundness of the banking system would be enhanced by permitting all banks to meet their temporary liquidity needs through the Federal Reserve's discount window. Under the current system, a sizable portion of the banking industry is precluded from using the discount window except under severe emergency conditions. This exclusion can dilute the aggressiveness of the Federal Reserve Board in pursuing a restrictive monetary policy. There are times when the Board may hesitate to impose the degree of restraint called for by economic conditions in order to avoid the potential liquidity strains that could be visited upon nonmember banks. Guaranteeing all nonmember banks access to the discount window will allow the Board a greater degree of freedom in conducting monetary policy.

Third. Effect on competitive equality. On balance, the legislation would provide more competitive equality between different classes of financial institutions. Our present system creates numerous imbalances in the competition for deposits, since reserve requirements are not applied uniformly. A 1 percentage point reserve requirement raises the effective cost of funds by as much as 10 basis points. This extra cost can place member banks at a substantial disadvantage compared to nonmember banks and thrift institutions.

Under the proposed bill, the system of universal reserve requirements will place member and nonmember banks on a more equal footing. All banks would be subject to the same reserve requirements regardless of membership status. After the initial exclusion level, the reserve requirements would be the same for all institutions regardless of size.

The bill also helps to equalize competition between commercial banks and thrift institutions in the market for certificates of deposits (CD's). The bill helps to restore competitive parity in the longer term CD market where, under the present system, member banks are required to maintain a reserve of 2½ percent against CD's in excess of $5 million that are between 179 days and 4 years in maturity. This would be reduced to 1 percent under the proposed bill.

The bill would also provide further competitive equality between banks by guaranteeing that all nonmember banks shall have access to the discount window. This access would be automatic in the case of the 280 nonmember banks required to keep reserves at the Federal Reserve. However, all nonmember banks would also be given ready access to the discount window upon a certification of solvency from the FDIC. Under current Federal Reserve Board interpretations of the Federal Reserve Act, nonmember banks cannot be given access to the discount window except under severe emergency conditions.

Access to the Fed's discount window can enhance the long-term viability of our smaller, locally controlled banks. By providing them with an alternative source of credit for liquidity needs, it also reduces their dependence on their larger correspondent banks. This in turn should strengthen the ability of smaller banks to compete more equally with their big city rivals.

Finally, the bill promotes competitive equality by requiring that all depository institutions—banks and thrifts alike—be able to purchase Federal Reserve check clearing and transfer services on the same terms and conditions that apply to member banks. This will insure that the Federal Reserve pricing proposals do not discriminate against nonmember institutions.

Fourth. Effect on Treasury revenues. This legislation would affect the revenues of the Federal Reserve Banks and ultimately the Treasury in a number of ways:

First, the revised reserve requirements together with the $40 million exemptions would reduce required reserves for members by $10.5 billion. This would increase member bank earnings, but would cost the Treasury $684 million in pretax revenues.

Second, the application of reserve requirements to the larger insured and noninsured nonmember banks will result in an increase in reserves of $2.1 billion and a $140 million revenue increase to the Treasury before taxes.

Third, the mandate to begin charging for Federal Reserve services would produce an additional $410 million in pretax revenues to the Treasury.

The combined effect of these changes would result in a pretax revenue loss of $133 million. However, these net losses in revenue to the Treasury would also constitute a corresponding net gain in income to the banking system or its customers. This additional income would be subject to taxation. The Federal Reserve has estimated that this income would be recoverable by the Treasury through taxes at a rate of 55 percent. This would produce after-tax losses of $60 million. Moreover, other proposals to deal with the membership problem would cost $200 to $300 million or more in after tax revenues. In our inflationary environment and with President Carter's commitment to hold down spending and the Federal deficit we must be careful to use Treasury revenues wisely when seeking ways to find a solution to the Federal Reserve's membership problem.

While $60 million a year is a substantial amount, it is far less than the cost of other Fed membership proposals that have been advanced. Moreover, according to estimates by the Federal Reserve, the Treasury will lose about this much revenue anyway if the decline in Fed membership continues at the same rate that has occurred over the last several years. Finally, the reserve loss must be evaluated in terms of the corresponding benefits. It is clearly worth something to strengthen the ability of the Federal Reserve to conduct monetary policy. Also, the efficiency of the banking and payments system will be enhanced through pricing of Fed services and through the greater degree of competitive equality that will result from the legislation. These benefits will accrue to the public generally in the form of lower prices for banking services.

Mr. President, last summer the Banking Committee staff researched the structure of 12 foreign central banks in the world's most developed free industrial states. Of the 12 central banks considered, 11 operate under a system in which they may establish reserve requirements for all commercial banks. The 12th nation, Canada, merely uses the devise of nationally chartered banks exclusively, in order to have Parliament supervise all banks. Therefore, whether the reserve requirements were fixed or variable, in all 12 nations the central bank may set mandatory reserve requirements for all banks.

The study also looked briefly at check clearing and similar services in the 12 countries. In every country where private institutions provide the basic banking services similar to those supplied by the Federal Reserve, charges are levied for the services. In the cases where the central banks provide the basic banking services, four charge directly and several others require the banks to hold clearing balances which they adjust periodically as transactions are made.

The Federal Reserve System is this Nation's central bank. It is by historical accident that membership is voluntary. In 1913, when the Federal Reserve was established, it was to be a central clearing bank to provide a uniform payments mechanism throughout the Nation. Membership was voluntary, although most banks joined. The Federal Reserve did not assume its role in the formulation and implementation of monetary policy until the 1930's. In 1933, legislation was passed broadening the role of scope of the Federal Reserve's responsibilities to include monetary policy and, in particular, created the Federal Open Market Committee. A large share of total deposits was held by member banks and thus were covered by reserve requirements, so the member-nonmember question was not significant. Today there is a problem. The deposit base covered by our central bank's reserve requirements is declining. The easiest and most direct way to stop this erosion is to recognize that the Federal Reserve is our central bank, it is responsible for conducting monetary policy, and it should set reserve requirements for that purpose for all depository instituitons offering transaction accounts. Membership is not essential for monetary policy, but universal and uniform reserve requirements are essential.

In testimony before the Senate Banking Committee, Federal Reserve Board Chairman Miller has urged the Congress to take prompt action on the Federal Reserve's membership problem. The concept of universal reserve requirements is supported by the Federal Reserve Board, the Carter administration, and by the Independent Bankers Association. Because of this support I am hopeful that action can be obtained this year.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis and the Banking Committee staff study comparing 12 central banks and the Federal Reserve System be included in the RECORD at the end of my remarks.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 85

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Monetary Policy Improvement Act of 1979".

DEFINITIONS

SEC. 2. Section 19(a) of the Federal Reserve Act (12 U.S.C. 461(a)) is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act;

"(6) any insured institution as defined in section 401 of the National Housing Act; and

"(7) for the purpose of section 13 and the fourteenth paragraph of section 16, any association or entity which is wholly owned by or which consists only of institutions referred to in clauses (1) through (6).

"The term 'bank' means any insured or noninsured bank, as defined in section 3 of the Federal Deposit Insurance Act, other than a mutual savings bank or a savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"The term 'transaction account' means a deposit or account on which the depositor or account holder is allowed to make withdrawals by negotiable or transferable instrument or other similar item for the purpose of making payments to third persons or others. Such term includes demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfers, and share draft accounts.

"In order to prevent evasions of the reverse requirements imposed by this Act, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, the Board of Governors of the Federal Reserve System is further authorized to determine, by regulation or order, that an account or deposit is a transaction account if such account or deposit may be used to provide funds directly or indirectly for the purpose of making payments or transfers to third persons or others.".

REPORTING REQUIREMENTS

SEC. 3. Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended by adding at the end thereof the following new paragraph:

"The Board may require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (1) directly to the Board in the case of member banks and in the case of other depository institutions for all liabilities subject to reserve requirements, and (2) for all other reports to the Board through the (A) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, savings banks, and mutual savings banks, (B) National Credit Union Administration Board in the case of insured credit unions, (C) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (D) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to the maximum extent feasible to avoid unnecessary burdens on reporting institutions and the duplication of other reporting requirements, and any data therefrom shall be made readily available to the Board. The Board may classify depository institutions for the purposes of this paragraph and may impose different requirements on each such class.".

RESERVE REQUIREMENTS

SEC. 4. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended to read as follows:

"(b)(1) Every bank shall maintain reserves against that portion of the total of its demand deposits and transaction accounts in excess of $40,000,000 in the ratio of 13 per centum, or in such other ratio not greater than 14 per centum and not less than 12 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy.

"(2) Every bank shall maintain reserves against that portion of its time and savings deposits in excess of $40,00,000 in a ratio of—

"(A) 6 per centum against time deposits with initial maturities of 179 days or less or in such other ratio not less than 4 per centum or more than 8 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy;

"(B) 1 per centum against time deposits with initial maturities of 180 days or more or in such other ratio not less than one-half of 1 per centum or more than 2 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy; and

"(C) 3 per centum against savings deposits other than transaction accounts or in such other ratio not less than 1 per centum or more than 5 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy.

In determining its reserve requirement under this paragraph, a bank shall apply the $40,000,000 exemption provided herein in proportion to the distribution of its aggregate time and savings deposits among (i) time deposits with initial maturities of 179 days or less, (ii) time deposits with initial maturities of 180 days or more, and (iii) savings deposits other than transaction accounts, as reported in the bank's most recent report of condition.

"(3) Every depository institution other than a bank shall maintain reserves against that portion of its transactions accounts in excess of $40,000,000 in the ratio of 13 per centum, or in such other ratio not greater than 14 per centum and not less than 12 per centum as the Board may by regulation prescribe solely for the purpose of implementing monetary policy.

"(4) Upon a finding by the Board that extraordinary circumstances require such action, the Board may impose reserve requirements outside the limits otherwise prescribed by this section for a period not exceeding 30 days but which may be extended for further periods not exceeding 30 days by affirmative action by the Board in each instance. The Board shall promptly transmit to the Congress a report of any exercise of its authority under this subsection and the reasons for such exercise.

"(5) If the Board determines that such action is necessary to the implementation of monetary policy, then in addition to any reserves required to be maintained pursuant to paragraphs (1), (2), and (3) of this subsection, any bank subject to reserve requirements shall maintain reserves in such ratios as the Board may prescribe against net balances owed by domestic offices of banks in the United States to their directly related

foreign offices and to nonrelated foreign banks and against their borrowing based on loans to United States residents made by overseas offices of banks with offices in the United States, and assets (including participations) held by foreign offices of banks in the United States acquired from their domestic offices.

"(6) During any period that a depository institution is maintaining reserves pursuant to this Section, such depository institution shall be entitled to all the privileges of membership in the Federal Reserve System except that, if it is not otherwise a member, it may not hold stock in, or vote for any director of, a Federal Reserve bank.

"(7) A nonmember bank not maintaining reserves pursuant to this section shall be entitled to the same discount and borrowing privileges as member banks except that the Board as a condition of access to or maintenance of such privileges may require certification of solvency of such bank from the Federal Deposit Insurance Corporation.

"(8)(A) With respect to any depository institution that is not a member of the Federal Reserve System on August 30, 1978, the required reserve imposed pursuant to this section on the effective date shall be reduced by 75 per centum during the first year that begins after the effective date, 50 per centum during the second year, and 25 per centum during the third year: *Provided, however,* That the reduction in required reserves may be increased in any year and extended for up to two additional years for any nonmember depository institution whenever the Board determines, pursuant to regulation, that the application of the reserve requirements provided in this section would seriously impair the safety and soundness of such institution.

"(B) With respect to any member bank, the amount of required reserves imposed pursuant to this section on the effective date that exceeds the amount of required reserves maintained during the reserve computation period immediately preceding the effective date shall be reduced by 75 per centum during the first year that begins after the effective date, 50 per centum during the second year, and 25 per centum during the third year: *Provided, however,* That the reduction in required reserves may be increased in any year and extended for up to two additional years for any member bank whenever the Board determines, pursuant to regulation, that the application of the reserve requirements provided in this section would seriously impair the safety and soundness of the bank.

"(9) In order to provide for an orderly transition period, the Board may implement, on a gradual basis over a period of 48 months, the decreases in reserve requirements imposed by this section on member banks from those reserve requirements applicable on the effective date of this section.

"(10) In the case of affiliated banks and affiliated nonbank depository institutions, the total deposit liabilities exempted from reserve requirements pursuant to subsections (1), (2), and (3) shall not exceed in the aggregate for such affiliated groups the product resulting from multiplying the number of institutions in such affiliated group on August 1, 1978, by $40 million for each such exemption, provided that no more than $40 million shall be exempted under each such exemption at any individual bank or nonbank depository institution.".

FORM OF RESERVES

SEC. 5. Section 19(c) of the Federal Reserve Act, as amended (12 U.S.C. 461) is amended to read as follows:

"Reserves held by a depository institution to meet the requirements imposed pursuant to subsection (b) of this section shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account. However, the Board may, by regulation or order, permit depository institutions to maintain all or a portion of their required reserves in the form of vault cash: *Provided,* That such proportion shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a bank that maintains required reserve balances at a Federal Reserve bank, in a Federal home loan bank, or in a central liquidity facility for credit unions: *Provided,* That such bank, Federal home loan bank, or central liquidity facility maintains such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances received by a bank from another depository institution that are used to satisfy the reserve requirement imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such bank, and shall not be subject to assessment imposed on such bank, pursuant to section 7 of the Federal Deposit Insurance Act."

PRICING OF SERVICES

SEC. 6. The Federal Reserve Act is amended by inserting after section 11 (12 U.S.C. 248) the following new section:

"SEC. 11A. Not later than July 1, 1979, the Board shall publish for public comment a set of pricing principles and a proposed schedule of fees for Federal Reserve System services; and not later than July 1, 1980, the Board shall put into effect a schedule of fees for such services based on those principles. The principles published by the Board shall insure that all depository institutions be able to purchase the services provided by the Federal Reserve System on the same terms and conditions. Such pricing principles shall take into account the taxes that would be paid and the capital costs that would be incurred if privately owned organizations provided similar services, and shall give due regard to competitive factors and the provision of an adequate level of such services nationwide.".

COMMITTEE ON MONEY SUBSTITUTES

SEC. 7. (a) The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall establish a committee on reserve requirements for money substitutes, including bank and nonbank liabilities that are substitutes for demand deposits.

(b) The Committee shall be composed of five members appointed by the Board. In making appointments to the Committee, the Board shall select individuals with broad backgrounds in monetary affairs, economic policy, or finance and who are not employed by the United States Government or employees, officers, or directors of a Federal Reserve bank.

(c) The Committee shall conduct a thorough study and investigation of the need for legal reserve requirements against short-term liabilities of bank and nonbank depository institutions, and other financial institutions offering short-term money substitutes, and recommend appropriate administrative actions and legislation. Among other things the Committee shall be directed to examine—

(1) the need for reserve requirements against short-term money substitutes such as nonbank "federal funds", security repurchase agreements, Eurodollars, security dealer repurchase agreements, liquid asset mutual funds, cash management services, and travelers checks;

(2) the appropriate level of reserve requirements against each type of money substitute; and

(3) the need for the Federal Reserve Board to have flexibility to change reserve requirements against such money substitutes in order to execute monetary policy.

AUTHORITY OF STATE BANK SUPERVISORS

SEC. 8. Nothing in this Act or in the amendments made by this Act shall be construed in derogation of the authority of any officer or agency of State over any institution organized or existing under the laws of such State.

EFFECTIVE DATES

SEC. 9. This Act shall take effect on the date of enactment, except that the amendments made by sections 4 and 5 of this Act shall take effect on the first day of the sixth calendar month which begins after the date of enactment of this Act.

MONETARY POLICY IMPROVEMENTS ACT OF 1979

SECTION-BY-SECTION ANALYSIS

Section 1. Title.—This section indicates that the title of the Act is the "Monetary Policy Improvements Act of 1979."

Section 2. Definitions.—This section defines "depository institution", "bank", and "transaction account".

A "depository institution" is defined as any insured bank, mutual savings bank, insured credit union, or savings and loan association. It also indicates that for the purposes of collection of checks, drafts, or maturing notes and bills by Federal Reserve Banks any association which consists of depository institutions will itself be considered a depository institution.

A "bank" is defined as any insured or noninsured bank as defined in Section 3 of the Federal Deposit Insurance Act other than a mutual savings bank or a savings bank as defined in Section 3 of the Federal Deposit Insurance Act.

A "transaction account" is defined as a deposit or account on which the holder of the account is allowed to make withdrawals by any type of negotiable or transferable instrument for the purpose of making payments to third persons. Transaction accounts include demand deposits, negotiable order of withdrawal (NOW) accounts, and share draft accounts.

This section also indicates that the Federal Reserve Board, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration, may in order to prevent evasion of reserve requirements determine an account or deposit to be a transaction account where such accounts may be used to make payment or transfer funds to a third person.

Section 3. Reporting Requirements.—In this section the Federal Reserve Board is authorized to collect reports from any depository institution of the institution's liabilities and assets as may be necessary or desirable to enable the Board to discharge its responsibility to conduct monetary policy. In cases where the depository institution is subject to reserve requirements set by the Board, such reports would be made directly to the Federal Reserve. For all other depository institutions the report would be made to the appropriate Federal regulatory agency, or to a state officer or agency, and through such agency to the Board. This section indicates that the Board shall endeavor to avoid unnecessary reporting burdens. Different reporting requirements may be made in different classes of depository institutions.

Section 4. Reserve Requirements.—This section indicates the basic framework for reserve requirements against deposits held by depository institutions. Reserve requirements would be set by the Federal Reserve Board and would be applicable to various types of deposits held by banks and to transaction accounts at other depository institutions. Reserve requirements would apply to the total of demand deposits and transaction accounts excess of $40,000,000 at all depository institutions, and to time and savings deposits in excess of $40,000,000 at banks. A bank must apply the $40,000,000 exemption for time and savings deposits against such deposits in proportion to their holding of such deposits as reported in the bank's most recent report of condition.

Reserve requirements would be uniform for all institutions regardless of size. The initial reserve requirement and the range within which the Federal Reserve Bank may set the reserve requirement by regulation are as follows: (1) total of net demand deposits and transaction accounts at banks and transaction accounts at other depository institutions, 13 percent within a range of 12 to 14 percent; (2) time deposits with initial maturities of 179 days or less, 6 percent within a range of 4 to 8 percent; and (3) time deposits with initial maturities of 180 days or more, 1 percent within a range of ½ to 1 percent to 2 percent.

This section also provides that in extraordinary circumstances the Federal Reserve Board may impose reserve requirements outside the limits prescribed for a period not exceeding 30 days, which may be extended for an additional 30 days. Exercise of this authority requires the Board to promptly transmit to Congress the reasons for its use of this authority.

For banks subject to reserve requirements, the Board is also permitted to impose reserve requirements against net balances owed by domestic offices of banks in the United States to their related foreign offices and to nonrelated foreign banks and against their borrowings based on loans to United States residents made my overseas offices of banks with offices in the United States and assets held by foreign offices of banks in the United States acquired from their domestic banks, if such action is necessary to the implementation of monetary policy.

Reserve requirements for any depository institution not a member bank on August 30, 1978 would be phased in over a period of four years. During the first year required reserves would be reduced by 75 percent, during the second year by 50 percent, and during the third year by 25 percent. There is also a provision for further reduction in required reserves in cases where the Board determines application of the reserve requirement would seriously impair the institution.

For any member bank which would have its reserve requirements increased by this legislation, the addition reserve requirement would be phased in over a four year period in a similar manner and a similar proviso for additional reduction in reserve requirement has been included.

This section also indicates that in the case of affiliated banks and affiliated nonbank depository institutions, the total deposit liabilities exempted from reserve requirements shall not exceed in the aggregate the product resulting from multiplying the number of institutions in such affiliated group on August 1, 1978 by $40,000,000 for each such exemption. For each such exemption, no more than $40,000,000 shall be exempted at any individual bank or nonbank depository institution.

The new reserve requirement structure in this section would result in a reduction in reserve requirements for many member banks and for the banking system as a whole. In order to provide for an orderly transition period, the Board may implement the new reserve requirements on a gradual basis over a period of 48 months. Thus, the old reserve requirements would be phased out as the new are phased in.

Any depository institution maintaining reserves as required by the Federal Reserve Board would be entitled to all the privileges of membership in the Federal Reserve System, except the holding of stock in, or voting for any director of, a Federal Reserve Bank.

Nonmember banks not maintaining reserves would be entitled to access the Federal Reserve discount window. The Federal Reserve Board may as a condition of access require certification of solvency of such bank from the Federal Deposit Insurance Corporation.

Section 5. Form of Reserves.—Reserves held to meet the reserve requirement set by the Board may be in the form of (1) balances in a Federal Reserve bank at which the depository institution is a member or at which it maintains an account; (2) balances maintained by a nonmember depository institution in a bank that maintains required reserve balances at a Federal Reserve bank, in a Federal Home Loan Bank, or in a central liquidity facility for credit unions, provided that such funds are then passed-through to a Federal Reserve bank; or (3) in the form of vault cash. The proportion of vault cash that may be counted to satisfy reserve requirements must be identical for all depository institutions. Balances received by a bank from another depository institution that are used to satisfy reserve requirements on such depository institution would not be subject to reserve requirements imposed on the receiving bank or to assessment imposed on such bank pursuant to the Federal Deposit Insurance Act.

Section 6. Pricing of Services.—This section requires the Federal Reserve Board to price services provided by the Federal Reserve System at a market cost and to provide access to such services to all depository institutions on the same terms and conditions. Such services are currently provided by banks without charge. The Board would be required to publish for comment a set of pricing principles and a proposed schedule of fees for Federal Reserve services by July 1, 1979, and to institute pricing of its services by July 1, 1980.

The pricing principles would be required to take into account the taxes that would be paid and the capital costs that would be incurred if privately owned organizations provided similar services. Due regard would be given to competitive factors and to the provision of an adequate level of services nationwide.

Section 7. Committee on Money Substitutes.—This section would require that the Federal Reserve Board establish a committee to examine questions related to the imposition of reserve requirements against bank and nonbank liabilities that are substitutes for demand deposits. The Committee would be composed of five members to be appointed by the Board and the individuals would have broad backgrounds on monetary affairs, economic policy, or finance. The appointees could not be United States Government employees, or employees, officers, or directors of a Federal Reserve bank.

The committee would conduct a thorough study and investigation of (1) the need for legal reserve requirements against short-term liabilities such as nonbank "federal funds", security repurchase agreements, Eurodollars, security dealer repurchase agreements, liquid asset mutual funds, cash management services, and travelers checks; (2) the appropriate level of reserve requirements against each type of money substitute; and (3) the need for the Federal Reserve Board to have flexibility to change such reserve requirements.

The committee would be required to include in its report to the Board recommendations for administrative actions and legislation.

Section 8. Authority of State Bank Supervisors.—This section indicates that nothing in this Act or in amendments made by this Act shall be construed as derogation of the authority of any state bank supervisor over any institution it supervises by state law.

Section 9. Effective Date.—The new reserve requirements included in Section 4 and 5 shall take effect on the first day of the sixth calendar month after enactment. All other sections take effect on the date of enactment.

UNIVERSAL RESERVE REQUIREMENTS, INTEREST ON RESERVES, AND CHARGES FOR SERVICES: A COMPARISON OF 12 CENTRAL BANKS WITH THE FEDERAL RESERVE SYSTEM

(By Evan Migdail and Steven M. Roberts)

This study has been prepared in anticipation of consideration by the Congress of legislation amending the Federal Reserve Act.[1] Its purpose is to compare the Federal Reserve System and proposed changes in the system with the structure of Central Banks of twelve industrialized countries. The proposed changes would create universal reserve requirements for all depository institution, initiate payment of interest on reserves, and mandate charges by the Federal Reserve for certain banking services. These services are currency and coin services, check collection, net settlement, wire transfer, automated clearinghouse, securities safekeeping and any new payment services that the Federal Reserve should choose to provide at some future time.

It should be noted from the outset that consideration of banking operations abroad has long been a starting point for planning for changes in our own banking law. In fact, the hearings and studies pursuant to consideration, in 1913, of the original Federal Reserve Act included extensive discussion of the operations of foreign central banks.[2] It is hoped that consideration now of the operations of foreign central banks will aid in evaluating the merits of the proposals recently made by the Federal Reserve to the Congress.

I. THE AMERICAN DUAL BANKING SYSTEM

For ign Central Banks and the Federal Reserve System are readily comparable as to their technical structures. In fact, much symmetry is found in the areas considered in this study. However, as an aid in comparison, it is necessary to call attention to one area that is unique to the United States, that being the American dual-banking system.

In the United States we have both a federally controlled system of banking and a state-controlled system. On the other hand, the foreign states considered, generally have a system of banking that is totally under control of the central government.

This difference stems from the structure of federal-state relations in American Constitutional Law. The federal Congress is not given any explicit authority over banking in the Constitution.[3] However, the Congress is given explicit authority over such matters as the regulation of interstate commerce, collection of revenues, the raising and supporting of the military, and the power to coin money and regulate the value of money.

At the same time, the Constitution grants authority to the Congress to do what is "necessary and proper" to carry out its ex-

Footnotes at end of article.

plicit powers.[4] From this "elastic clause" the Congress has implied certain other powers. In the context of banking, it has long been the law that the Congress has the power to incorporate national banks and regulate them.[5] Through the interstate commerce power, Congress has had the power to insure banks and extend credits and loans.

Therefore, the Federal Reserve System as it was instituted was based on "membership." Membership is obligatory for all national banks,[6] but voluntary for state-chartered banks.[7] Currently reserve requirements and regulations set by the Federal Reserve apply to member banks only.[8] These member banks represent 40 percent of all commercial banks and 72 percent of total bank deposits.

This difference, going directly to the proposed legislation, merely serves to compel the need to study foreign systems, and does not detract from the merit of such studies. However, it must be kept in mind in evaluating the more extensive control over banking by other central governments.

II. THE PROPOSED LEGISLATION

Proposed legislation would require all depository institutions, defined as those covered by the Federal Deposit Insurance Act, the Federal Credit Union Act, and the Federal Home Loan Bank Act, and the National Housing Act, to maintain reserve requirements against their transaction accounts in amounts determined by the Federal Reserve. This change has been requested and justified by the Federal Reserve Board on the theory that although state non-member banks are required to keep reserves by state law, in many cases those banks are able to hold those reserves in interest bearing forms. Therefore, according to the Federal Reserve Board, a degree of inequality had occurred, causing competitive inequities between federal and state banks. By its proposal the Federal Reserve Board has said that this competitive inequality would be reduced, and therefore, that the withdrawal of state banks from the system would stop. In the past eight years, 430 member banks have left the system and only 103 nonmember banks have joined.[9]

A second proposal made by the Federal Reserve Board is the payment of interest on reserves left on deposit at Federal Reserve Banks. Such payments are not made at this time and, in fact, have never been made in the history of the Federal Reserve System. In fact, there is serious question as to the existing authority under the Federal Reserve Act for such payments to be made without explicit authorization by the Congress.

Finally, there is a proposal that would mandate that the Federal Reserve charge for the previously enumerated banking services. At present, the Federal Reserve Board has legal authority to do so,[10] but does not exercise this power. That is, services are provided to members without charge in recognition of the reserves they hold at the Federal Reserve Banks.

Four of the foreign central banks studied in this paper charge directly for banking services and in the eight other systems reviewed banking services are provided in part by the central bank, and also by private institutions. Six central banks provide services without charge, and in all instances where private institutions provide some banking services, there is a charge for the services.

Throughout this paper the terms 'clearing' and 'settlement' are used. Clearing refers to the accounting process when funds are drawn at one bank against accounts in another. Settlement refers to the process involving the actual transfer of funds.

III. FOREIGN CENTRAL BANK STRUCTURES

The attached chart shows in detail information about the relationship between the central bank and the commercial banks within its jurisdiction. It enumerates the reserve requirement relationship, whether interest is paid by the central bank on reserves held with it, whether the central bank provides bank services, and on what basis.

The following material is intended as an expansion of the information in the enclosed chart. It is compiled primarily from information provided by the International Monetary Fund, embassies of countries studied, the FINE Study, conducted by the House Banking Committee Staff, the British and Canadian Bankers' Association, and materials listed in the bibliography. Most of the information is current to 1977.

(a) *Great Britain*

The Bank of England, the central bank of England and Wales, is responsible for note issue, administration of the national debt, and acts as government agent in certain important financial transactions and adviser to the government on financial matters.[11] It is also the primary body responsible for monetary policy, which it influences through setting of the rediscount rate, open market transactions, and reserves that must be kept by all British banks with the Bank of England.

Country	Reserve Requirements	Interest or No Interest	Mandatory All Banks	Services Provided	Service Charges
AUSTRIA: Austria National Bank.	9 percent on demand deposits; 7 percent on time, if less than 12 months; 6 percent on time if more than 12 months.	None is paid.	Yes.	Provides currency, but check clearing and other interbank services are provided by private banks.	None for currency services—Private banks charge for their services.
BELGIUM: National Bank of Belgium.	Two types—Legal and monetary: Up to 20 percent for demand deposits; 7 percent for time deposits.	None—Unless reserves are held in the form of govt. bonds, in which case the market rate is paid.	Yes—No differences on the basis of size of location of banks.	Coin and currency; National Bank provides a forum for large commercial banks to settle obligations Check clearing, transmission, and other interbank services are provided by private, profit institutions.	No charge. National Bank charges fee for settlement services; Private institutions charge for their banking services.
CANADA: Bank of Canada.	Current accounts, 12 percent; Time deposits, 4 percent; Savings, 4 percent.	None is paid.	No—Chartered banks only. This excludes trust banks and loan banks.	Only service by central bank is delivery of note issue. Check clearing by Canadian Bankers Assoc. Other services are privately provided.	No charge. Charge. Charge.
WEST GERMANY: Deutsche Bundesbank.	Up to 30 percent for demand deposits; 20 percent for time deposits; 10 percent for savings; at all credit inst's.	No—Central bank holds reserves as interest free current accounts.	Varies according to size, location (i.e., proximity to a regional central bank), and importance of bank. Used basically for monetary policy.	Check clearing and settlement for large banks only; coin and currency services.	None.
SWITZERLAND: Swiss National Bank.	Reserve fund of 1/20 of a bank's net profits yearly. Deposits for inflation control.	None is Paid.	Yes.	The Bank issues bank notes, ships currency, safekeeping of securities, check clearing.	No charge.

Footnotes at end of article.

Country	Reserve Requirements	Interest or No Interest	Mandatory All Banks	Services Provided	Service Charges
GREAT BRITAIN: Bank of England.	12½ percent day to day liquid reserves; consists of cash and securities. Minimum balance on cash deposit. 1½ percent special cash reserve. Monetary cash reserve can be called in at any time.	None is paid. None is paid. None is paid. Interest paid at market rate.	Yes.	Provides currency in England and Wales. Check clearing, wire transmission, and settlement services are provided by private inst's.	No charge for shipping currency; Services by private institutions are provided at a charge.
ITALY: Bank of Italy.	Legal reserve fund of 1/20th of net annual profits until such fund reaches ⅕ of the entire capital.	Yes—Current rate is 5.5 percent.	Yes—For all commercial and savings banks.	Check clearing; Currency and coin services; Wire transfer services; Settlement services.	No charge. No charge. Charge. There is a commission charge on this.
FRANCE: Bank of France.	Can be set up to 15 percent—Vary according to nature, amount and variation of the elements of liabilities to which they apply.	No.	Yes.	The bank provides check clearing, currency and settlement services.	No charge for any services.
MEXICO: Bank of Mexico.	Currently set at 37 percent; two types, legal and monetary.	Only a portion of this (over 50 percent) receives interest.	Yes.	Check clearing, coin and currency, wire transmission and settlement services.	Bank of Mexico charges for all services.
DENMARK: Danmarks Nationalbank.	No reserves as such but: Liquidity ratios; Deposits taken at times for monetary policy or check clearing.	Not applicable. Yes, at the market rate.	Yes.	Check clearing and transmission services; also wire transmission.	No charge for services. Only when there is check clearing, a charge is registered in the commercial bank's balances with the central bank.
GREECE: Bank of Greece.	20 percent private sight and restricted; 5 percent of private savings; 2d reserves of 20 percent private sight and restricted, 3 percent savings.	None on first reserves. 2d reserves with interest at market rate. Currently at 9.5 percent.	Yes for all commercial banks. No exceptions.	Central bank provides currency settlement services, and check clearing.	Central bank charges for settlement and check clearing based on a percent of the volume transacted.
JAPAN: Bank of Japan.	Varies by type of institution and size between 1.625 percent and 0.125 percent for time, and 2.5 percent to 0.25 percent for other deposits. Banks are classified by size and function, i.e., agricultural v. savings, etc.	No interest paid on any reserves.	Yes—No exceptions for any banks.	Check clearing and settlement done through a current account kept with Bank of Japan by commercial banks; also providing of yen, wire transmissions, and discounting of bills.	No direct charges for services, however, adjustments are made in the balances of commercial banks with Bank of Japan.

Implementation of central bank policy in England has been effected traditionally through informal agreements rather than by statute. However, should there be a "breakdown of trust," the Bank of England Act of 1946 gives the Bank authority to implement the above banking policies. At this writing, the Bank of England has not yet had occasion to use its statutory authority.

British banks are broken down into four classifications. These are Deposit, Merchant, British Overseas and Commonwealth and the Foreign and Consortium Banks. Crucial to the Bank of England's supervision of the economy is the provision that all British banks provide it with statistics regarding their assets and liabilities (including reserves), a requirement that has led to their being called "statistical banks."

Since 1971 there has been a mandatory 12.5 percent reserve requirement, on day-to-day eligible liabilities, for purposes of controlling money and credit. There may also be minimum deposits with the Bank of England for facilitation of clearing (clearing balances) as well as a 1.5 percent special liquidity cash reserve. In addition, at any time the Bank of England may call in a further monetary reserve. Of the various types of reserves that may be required, interest is payable only on this monetary reserve, and would be calculated at the market rate of interest. Reserves are required generally for the purpose of monetary control, however, reserves are also held so as to ensure that British banks are able to meet their day-to-day demands of the clearing system.

The Bank of England provides note and coin issue to England and Wales at no charge for shipping. Check clearing is done by private institutions, known as the clearing banks. By way of a cooperative network, the heads of each bank send an accounting of checks drawn against the other banks for clearance. Non-clearing bank members can participate in clearing through a special agent appointed for clearing purposes. While clearing is done by the private institutions, the clearing banks themselves may maintain a clearing balance with the Bank of England and clear checks by way of bank drafts drawn against these balances. Settlement services are also provided by private institutions. For these services there is a charge, as the private clearing and settlement institutions are profit making.

It is probably valid to say that the authority of the Bank of England would appear to be more narrowly drawn than that of the Federal Reserve, but that the small number of banks and the power of moral suasion gives the Bank of England greater overall day-to-day control of the banking system. Also, unlike the United States, the Bank of England covers all banks, there being no dual banking system.

(b) *Belgium*

Banking in Belgium is controlled by two organizations, the Royal Banking Commis-

sion and the Bank of Belgium. The former is responsible mostly for micro-economic policy, such as supervision and regulation of individual banking institutions. The Bank of Belgium performs services generally associated with central banks such as providing coin and paper currency, providing settlement facilities, holding bank reserves and serving as the lender of last resort. It is also in charge of monetary policy. Under the Belgian political structure, which is different from the American federal-state model, banking is controlled in large part by Royal decree and is applicable to all banks.

Reserves are deposited in the Bank of Belgium as a fixed proportion of the monetary liabilities of all banks. Generally there is no interest payable on reserves. However, a portion of the reserves may be held in the form of government bonds, and interest, on these bonds, is payable at the market rate.

The Bank of Belgium provides coin and paper currency at no cost. Check clearing is provided by private institutions, and these charge for their services. Settlement may be effected through facilities of the Bank of Belgium, which basically consist of facilities where officials of the few banks can meet to clear accounts. The Bank of Belgium charges a low fee for the use of the facility. This is easily accomplished owing to the small number of banks in the country and the consequent ease of coordination.

(c) *Federal Republic of Germany*

The Deutsche Bundesbank, the post-war West German central bank is structured in a way similar to that of the Federal Reserve System. There is one central bank with branches in each of the eleven states of the German Federation. The President of each of the regional banks, along with the Board of Governors of the main central bank are responsible for monetary policy. The Bundesbank has control over all banks in the Federal Republic.

There is also a Bank Supervisory Authority which oversees bank regulatory policy in coordination with the Deutsche Bundesbank. The latter can refuse to offer its rediscounting facilities to banks if they should violate recommendations of the Supervisory Authority. The Bundesbank collects statistical information from all West German banks for the purposes of planning policy.

The basic justification for reserve requirements held by the Deutsche Bundesbank is the effectuation of monetary policy. Germany in the post-war period has been among few countries to use variable reserve requirements to implement its monetary policies, basically as a check on the balance of payments and as a means of reinforcing the official discount rate.[12]

Reserves are held as interest-free deposits with the central bank. There are upper limits on the amount of the reserve, and these can be varied according to size of the banks, location, and importance. As far as location is concerned, proximity to a regional central bank would be a factor in keeping a smaller reserve.

Settlement services are offered only to "large" banks, and the central bank also performs check clearing and provides coin and paper currency. There is no charge for these services.

(d) *France*

The French banking system is under the supervision of two organizations, the Bank of France and the Banking Commission. The Banking Commission is presided over by the Governor of the Bank of France. It is responsible for banking and reserve ratio policy at the micro-level, whereas the Bank of France is primarily concerned with overall economic policy.

The Bank of France is similar in function to the other central banks reviewed. It is the issuer of currency, performs clearing and settlement services, is responsible for foreign banking and monetary control, and performs miscellaneous functions on the Treasury's behalf.

In similar fashion as the Deutsche Bundesbank, the Bank of France has experimented with variable reserve requirements. The variations go to the amount and nature of the liabilities to which they apply. Under French law these can be set at up to 15 percent. The French requirements apply to all banks without exception. The Bank does not charge for its banking services, and no interest is paid on reserves.

(e) *Italy*

The Bank of Italy is not owned in any part by the government. Instead it is owned by shareholders, who elect all the directors, except for the Governor, who is chosen by the directors with the approval of the government.[13] The shareholders are commercial and savings banks. The Bank of Italy is one of the few foreign central banks with a permanent office in the United States for the study of American financial institutions.[14]

The Bank of Italy has broad authority in the areas of credit control and monetary policy. It also performs typical central banking functions such as providing currency, check clearing and settlement, and wire transfer services. Charges are made for the wire transfer services, and a percentage commission is taken on settlements. There are private clearing houses in Italy, as is the case in Great Britain, and the Central Bank has the power to advance, for a period of up to ten days, funds to facilitate settlements between the banks and the clearing houses.

Reserves are mandatory for all commercial and savings banks, and are deposited with the Bank of Italy. These are calculated as a percentage of deposits with a ceiling on the total accumulation. Interest is paid on the reserves, the current rate as of July 1978 being 5.5 percent.

At times a percentage of the reserves may also be held in government bonds or securities, as is the practice in Belgium. The breakdown of such an arrangement is to be determined by the Bank of Italy and must allow at least 15 percent of the requirement to be held with the Bank of Italy. Under these circumstances, those revenues on deposit with the Bank of Italy would receive 5.5 percent and the rest would obtain whatever yield the bonds or securities offer.

(f) *Denmark*

The Danish banking system is far less complex than that of most other countries in this study, a surprising fact because of the comparatively large number of banks for so small a nation. While there are three large Copenhagen banks, with over 50 percent of the total banking business, there are also 78 independent banks.[15]

Banking in Denmark is under the supervision and control of the Danmarks Nationalbank. The key mechanism used by the bank for the control of monetary policy is the discount rate.

There are no reserves comparable to those required by the other central banks. However, the central bank does have certain requirements designed for the protection of the banking public. The first of such requirements are liquidity ratios, consisting of holdings in the vaults of each bank. These are cash or easily marketable securities. The aggregate amounts must not be less than 15 percent of a bank's commitments payable on demand or at less than one month's notice.

Besides the liquidity ratios there are deposits taken by the central bank for the purposes of check clearing (clearing balances). The size of such balances are determined by the central bank. There is also authority for the central bank to require additional deposits with it for monetary purposes. In either of these two cases, any deposits left with the central bank would receive the market rate of interest.

Banking services such as providing currency, check clearing, and wire transmission of funds are provided without charge.

(g) *Switzerland*

The Swiss National Bank, which predates the Federal Reserve by six years, is the only note issuing bank in Switzerland. It is not owned by the Confederation but is a public limited company with its shares quoted on the stock exchange. About 42 percent of the issued capital (50 percent of the total capital) is in private hands, the rest being owned by the cantons, the cantonal banks or other public entities. At one time, as is presently the case in Great Britain, the Swiss Bank operated on the basis of mostly informal agreements. However, in recent years, this has yielded to the formalism of law.[16]

The Bank is broken down into three departments, two in Zurich and the third in Berne. These are also functionally divided in terms of banking services. The services offered in Berne relate to bank notes issue, gold control, and coordination with federal authorities. At the two other departments there is safekeeping of securities, clearing, collection, and settlement, discount of eligible paper, and loan functions of the Swiss Bank. The Bank is also responsible for monetary policy through control of the money supply and open market operations.

Reserves are mandatory for all banks, and are of two types. One is in the form of an interest-free deposit to fight inflation, which the Bank may authorize. Such reserves are a function of the bank's growth level and liabilities.

A second reserve is for the writing off of losses, and is calculated, at a minimum, one-twentieth of a bank's yearly profits. The ceiling on this amount would be one-fifth of paid in capital, or in the case of banks with no paid-in capital, one twentieth of deposits.

The Swiss National Bank does not charge for banking services.

(h) *Austria*

The Bank of Austria, in similar fashion to other central banks, performs both national economic and monetary policies, as well as the recognized currency services of most central banks. However, under the Austrian system, the central bank issues only bank notes while coins are exclusively issued by the Ministry of Finance.

All credit institutions must maintain reserves. These are uniformly fixed, by law, as a percentage of liabilities, the opposite of the neighboring German system of variable reserves. No interest is paid on reserves.

The Bank and the Ministry of Finance deliver currency free of charge. However, other banking services, such as check clearing, settlement, and miscellaneous interbank exchanges are provided by private institutions rather than by the Bank of Austria. As is generally the case, there is a charge for the services of private institutions.

(i) *Greece*

In terms of political authority of national banking organizations, the Greek system is the exact opposite of the Federal Reserve. Here the national government has strict control over all banks without exceptions. All financial policy is placed in the Greek Currency Committee. The Bank of Greece has the authority to enforce adherence by the banks to the decisions of the currency committee.

The Bank of Greece is similar to the Federal Reserve in the sense that they are both among only five world central banks in which the state does not have any direct share of ownership.[17] Besides its supervisory authority over policy it performs traditional central banking functions such as settlement and check clearing, providing currency, transfer of funds, and custodian of the state's foreign assets. The Bank charges a percentage rate fee for settlements and check clearing services.

Reserves are held in two parts. The first is calculated at 20 percent of demand and time deposits and 5 percent of private savings. No interest is paid on these reserves. On the second reserve, which is the same for demand and time, and 3 percent for savings, interest is paid. Current rate is 9.5 percent.[18]

(j) *Mexico*

The Mexican Central Bank is owned 51 percent by the Mexican government, the remaining 49 percent held by the credit institutions themselves. The Mexican government's requirements cover all banks.

The Organic Law of the Bank of Mexico[19] states that the Bank's functions are regulation of currency, clearing, management of reserves held with it by the commercial banks, supervision of compliance by the commercial banks of decisions of the National Banking Commission, and acting as financial agent of the government in foreign transactions and loan matters.

Reserves are a major policy tool in Mexican monetary policy. At present they are set at 37 percent of deposits. The reserves can be divided into two parts; those taken for monetary policy and those for legal purposes. About one half of all reserves earn interest.

The Bank provides currency, settlement and clearing as well as wire transmission services to the commercial banks. There are charges for all of these services.

(k) *Japan*

The Bank of Japan is one of the oldest central banks, dating back to 1882. Its origins are in the monetary crisis of the same year, caused by an overabundance of paper money issued by the several national banks. The Bank ordered the withdrawal of all issue and became the sole source of currency.[20]

The Bank has a complex system of variable reserve requirements, which classify banks on the basis of size and function of institution, as well as type of deposit. Function classes range from savings, to agricultural, to "near-banks" that perform only one banking function. No interest is paid on any reserves.

Among its banking services is providing currency, wire transmission, and discounting of bills. No charge is made for these services. For settlement and check clearing there is no direct charge. This is done through a system of clearing balances held by the Bank. Adjustments are simply made in the balances to account for transactions.

The Bank is owned 55 percent by the government, the remainder by the commercial banks. Its directors are all government appointed, and there is no shareholder participation in management.

(l) *Canada*

Canada's banking structure is set up so that all institutions allowed to call themselves banks are under the control of Parliament. This is accomplished by having only twelve banks, each required by law to be chartered by Parliament. These handle savings and commercial transactions. Mortgage, trust, and loan activities are handled by other institutions, known commonly as "near-banks" but not within the bank classification. The system has been relatively stable. In fact, the last bank failure in Canada took place in 1923.

The Bank of Canada does not provide the full range of services provided by other central banks reviewed in this study. Its main responsibility is the control of credit. As such it holds reserves of the chartered banks in two classes of reserves. Cash reserves, held in the form of deposits with the Bank of Canada are set at present at 12 percent for demand and 4 percent for time deposits. Secondary reserves are a complex scheme of deposits in excess of the above cash reserves. Also, on the basis of moral suasion Canadian banks generally are advised to keep an investment in some liquid asset. Reserves are non-interest bearing.[21]

The Bank of Canada provides coin and paper currency at no cost for shipping. However, settlement and clearing is the responsibility of the Canadian Bankers' Association through a network of clearing houses. The Bank of Canada assists in this to a certain degree by supervision at the head offices of the banks and in transmitting net clearing results to the banks. The CBA charges for interbank services.

The statutory scheme of Canadian banking law provides for a revision every ten years. In August, 1978, a revised bill entered its second reading before Parliament. Of relevance to the changes now being contemplated in the United States is the provision in the new bill for a Canadian Payments Association.[22]

The CPA would be chartered by Parliament, in much the same way as the twelve chartered banks. All twelve banks would be required to join. The purpose of this facility is to widen the scope of the clearing system and the coordinated banking in Canada.[23] The CPA would not be an agent of the Canadian government.

Originally, the proposal had called for mandatory reserves of all CPA members, but it now appears that this proposal has been deleted. All banks (but not near-banks) under the new legislation will still be required to keep reserves with the Bank of Canada, but these reserves are to be reduced by approximately 2 percent across the board. It might also be pointed out that the near-banks do not have access to the banking services of the Bank of Canada.

IV. CONCLUSIONS

The central banks chosen for this paper represent the banking systems of the world's most developed, free industrial states. While there are many other central banks abroad, these represented the most advanced that could be readily studied.

Of the twelve central banks considered, eleven operate under a political system in which the national government reaches all banking institutions without the need for a participatory scheme that excludes some commercial banks. The twelfth nation, Canada, merely uses the device of nationally chartered banks exclusively, in order to have Parliament supervise all banks. Therefore, whether the reserves are variable or fixed, in all twelve nations they are mandatory for all banks.

In every country where private institutions provide the basic banking services similar to those discussed above for the Federal Reserve, charges are levied for the services. In the cases where the central bank provides the basic banking services, four charge directly and several other require the banks to hold clearing balances which they adjust periodically as transactions are made. Charges are in the form of either flat fees or percentage commissions or both on various transactions.

Interest on reserves held by foreign central banks is not a common feature. Only three nations, Greece, Italy and Mexico pay interest directly. Only Italy pays interest across the board on all reserves. Moreover, Mexico pays only on a portion of reserves and Greece only on secondary reserves. Italy at times permits banks to hold reserves in bonds and securities, and in such circumstances, reserves receive the market yield.

The central bank of Belgium allows some reserves to be held in the form of Treasury Securities. Great Britain pays interest on emergency monetary reserves, but these reserves are not a permanent feature. Denmark is among four nations that hold prudential, check clearing or special monetary deposits. It is the only nation studied paying interest on check clearing balances or special monetary deposits.

In Belgium, West Germany, France, Mexico and Greece, banking supervision is pursued by royal or governmental commissions acting in concert with the central bank. The commissions deal mostly with micro-policy, the regulation of individual banks, and leave macro-policy, the national economic regulation, to the central bank. However, there is a thin line separating the commissions and the central banks, and in some cases, the central banks are the enforcers of both micro and macro policy.

Finally, in Great Britain and Canada, while the central banks do not operate in as many areas as the Federal Reserve, coordination with a National Bankers' Association, and the power of moral suasion leads to a tightly regulated banking system.

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Footnotes at end of article.

Footnotes at end of article.

FOOTNOTES

[1] 12 U.S.C. § 221, et seq.

[2] Hearings Before the Committee on Banking and Currency, United States Senate, 63d Cong. 1st Sess., 1913 (in three volumes).

[3] U.S. Cons. Art. 1, § 8.

[4] U.S. Cons. Art. 1, § 8, cl. 18.

[5] M'Culloch v. Maryland, 17 U.S. 316 (1819).

[6] 12 U.S.C. § 221.

[7] 12 U.S.C. § 321.

[8] 12 U.S.C. § 561.

[9] Statement of G. William Miller, Chairman, Board of Governors of the Federal Reserve System, Before the Committee on Banking, Finance and Urban Affairs of the House of Representatives, 27 July 1978.

[10] 12 U.S.C. § 467.

[11] See generally British Information Services, *British Banking and Other Financial* Institutions (1974).

[12] M.H. deKock, *Central Banking*, pp. 224-226 (1974).

[13] Id. at 307-310.

[14] Bank of Italy office is in New York City.

[15] This should be compared to Canada, below, with only twelve institutions that are legally designed as banks.

[16] Peter G. Fousek, *Foreign Central Banking: The Instruments of Monetary Policy*. pp. 41, 45-46 (1957).

[17] M.H. deKock, *Central Banking*, pp. 305-306 (1974).

[18] June 1978 figure provided by Greek Embassy, Washington, D.C.

[19] Hans Aufricht, *Central Bank Legislation* (1960).

[20] M.H. deKock, *Central Banking*, p. 7. (1974).

[21] See Canadian Bankers' Association publications in bibliography.

[22] Bill C-57, 26-27 Elizabeth II, 1977-78.

[23] Donald S. Macdonald (Minister of Finance), *White Paper on the Revision of Canadian Legislation* (1976).

By Mr. PROXMIRE:

S. 89. A bill to amend the Bank Holding Company Act Amendments of 1970; to the Committee on Banking, Housing, and Urban Affairs.

CARSON CITY SILVER DOLLAR

Mr. PROXMIRE. Mr. President, I am introducing legislation to amend section 205(a) of Public Law 91-607 the Bank Holding Company Act Amendments of 1970, which authorized the public sale of approximately 3 million rare silver dollars by the General Services Administration under procedures established by the Joint Commission on the Coinage. Since 1970, when the legislation was enacted, approximately 2 million coins have been sold with receipts of $55.3 million. These receipts are deposited into the general fund of the Treasury and help reduce the national debt.

Although I first introduced this legislation last year on behalf of the administration, the final version passed by the Congress was vetoed by the President because of a controversial, nongermane amendment added during the final hours of the 95th Congress.

Mr. President, the bill before you is identical to the one introduced in both Houses of the previous Congress and is part of the 1979 legislative program of the General Services Administration. GSA has advised that the guidelines set down by the joint commission are no longer an effective method of marketing the remaining coin inventory of approximately 1 million coins. Accordingly, the proposed amendment to section 205(a) of the Bank Holding Company Act Amendments of 1970 would allow the Administrator of General Services to conduct future sales in a less cumbersome manner than the currently authorized procedure. If enacted, the legislation would bring an estimated $24 million into the U.S. Treasury.

By Mr. CHURCH (for himself and Mr. WILLIAMS):

S. 90. A bill to amend title XVI of the Social Security Act to permit States to replace supplementary payments with vendor payments on behalf of residents of certain facilities, and for other purposes; to the Committee on Finance.

Mr. CHURCH. Mr. President, on behalf of myself and Senator WILLIAMS, I introduce for appropriate reference a bill to amend the supplemental security income law to permit States to replace supplementary payments with vendor payments on behalf of residents of group care facilities.

This measure would also help States in auditing and maintaining standards for group care facilities serving SSI residents.

Two major changes were made in 1976 affecting State supplements under SSI. First, Public Law 94-585 required the States to "pass along" SSI cost-of-living increases by continuing the existing levels of State cash supplements or by maintaining in cash supplements the aggregate prior year's expenditure for these payments.

Second, the Keys amendment, which was included in Public Law 94-566, required States to define and enforce standards for group care facilities in which SSI recipients resided. The amendment also provided, in effect, that vendor payments based on need, made by State or local governments on behalf of residents in group care facilities, would not be counted in determining their SSI eligibility and payment level. These vendor payments are made to group care facilities for services provided to SSI recipients.

However, a problem has arisen for certain States which now pay a substantial part of their State supplements to persons residing in group care facilities. Some would prefer to make these payments directly to the facilities for the care of the SSI recipient, instead of paying the supplement directly to the individual. If the States could do this, they could have authority to audit the financial records of the group care facilities receiving vendor payments. Moreover, they would be in a better position to assure "what is purchased is, in fact, being provided."

But under present law, States making supplementary payments to individuals, who then give these checks to group care facilities, must continue to make these payments, because of the pass-along requirement. This provision requires States to continue their cash supplements from the previous year or maintain in cash supplements the aggregate supplementary payment expenditure for the prior year.

Our bill would make two key changes. First, it would permit States to replace SSI cash supplements to individuals residing in group care facilities with vendor payments to these facilities. Second, States opting to maintain a previous year's total expenditure for supplementary payments, instead of passing along Federal benefit increases, would be allowed to reduce its previous year's expenditure by the amount replaced by vendor payments. The vendor payments would not be controlled by the pass-along provision. However, States which discontinue vendor payments would be required to restore the cash supplements replaced by the vendor payments.

These two changes would give States greater flexibility in supervising group care facilities. Direct vendor payments, for example, would permit States to conduct financial audits and develop a cost-related reimbursement for these facilities.

In addition, the bill would provide relief from penalties for States which are unable to meet all the requirements of the pass-along provision for the past year. Current law penalizes States by taking away all of their Federal medicaid funds, even though they may have just missed the technical requirements of the law. Yet, they have complied to the best of their ability with the spirit of the law so that SSI recipients would not be adversely affected.

The method of supporting and administering group and domiciliary care homes differs from State to State. These differences, as well as variations in State supplementary payments, have caused administrative obstacles which usually result in poorer standards of care. Our bill would permit States to remove these obstacles and to develop more effective methods in controling group care facilities. I strongly believe that allowing the States auditing and access authority will give them a more effective means to enforce better standards of care.

Mr. President, I urge adoption of this bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 90

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1618 of the Social Security Act is amended by inserting "(1)" after "(b)", and by adding the following new paragraph (2):

"(2)(A) In determining whether a State meets the requirements of this subsection with respect to any twelve-month period in which the State begins to make vendor payments of the type described in subparagraph (C), and (if in the twelve-month period in which the State first makes vendor payments, the State begins those payments after the first month of the twelve-month period) with respect to the subsequent twelve-month period, there shall be excluded from the State's expenditures in the preceding twelve-month period, (according to a methodology prescribed by the Secretary) the amount of State supplementary payments replaced by vendor payments.

"(B) In determining whether a State meets the requirements of this subsection with respect to any twelve-month period in which

the State discontinues making vendor payments of the type described in subparagraph (C), and (if in the twelve-month period in which the State discontinues making vendor payments, the State discontinues them after the first month of the twelve-month period) with respect to the subsequent twelve-month period (according to a methodology prescribed by the Secretary) the amount of State supplementary payments which had previously been excluded on account of the vendor payments that the State is discontinuing.

"(C) The term 'vendor payments' as referred to in this subsection means vendor payments begun after June 30, 1977, to institutions, foster homes, or group living arrangements on behalf of residents of such institutions, homes or arrangements, made in lieu of State supplementary payments formerly payable to individuals in such categories of living arrangements.".

(b) Section 1618(b) is further amended by adding the following new paragraph (3):

"(3) The Secretary shall not find that a State has failed to meet the requirements imposed by paragraph (4) of subsection (a) with respect to the levels of its supplementary payments for individuals in categories of living arrangements for a particular month or months if for such month or months, the State makes vendor payments to those individuals as described in subparagraph (2)(C) in replacement of State supplementary payments previously made.".

SEC. 2. Section 1618(a) of such Act is amended by striking out "June 30, 1977" each place it appears and inserting in lieu thereof in each instance "June 30, 1978".

SEC. 3. (a) The amendments made by section 2 of this Act shall be effective with respect to calendar quarters beginning after June 30, 1977, and no reductions in payments to States pursuant to title XIX of the Social Security Act shall be made under section 1618 of such Act for any quarter beginning prior to June 30, 1978.

Mr. WILLIAMS. Mr. President, I am pleased to join my good friend Senator CHURCH in sponsoring legislation to allow States greater flexibility, under supplemental security income (SSI) law, in making payments on behalf of SSI recipients who are housed in group care facilities. Partly because of requirements in currently existing SSI law, the States cannot respond fully to the needs of SSI recipients residing in such group care facilities as boarding homes that provide personal services. The legislation which I propose would allow my own State to implement an integral part of its effort to alleviate what is acknowledged to be a "boarding home crisis."

In 1976, two statutes were enacted which directly affected State supplements to Federal SSI payments. Public Law 94-585 required States to "pass along" SSI cost-of-living increases. States can meet this requirement by either preserving the existing supplemental payment to individual recipients or by maintaining the previous year's aggregate expenditure for these payments. Public Law 94-566, in addition to requiring States to develop standards for group care facilities in which SSI recipients reside, provided that payments made on behalf of these residents directly to the vendors of such facilities not be considered as income in determining an individual's SSI eligibility. In effect, this provision means that a State cannot count vendor payments as part of its supplemental payment for purposes of fulfilling the pass-along requirement.

In many States, a large share of the SSI State supplement is paid to individuals residing in group care facilities. Some States would like to make these payments directly to the operators. By so doing, a State could create a system of cost-based reimbursement as an incentive for these facilities to expand and upgrade their services. In addition, a system of direct payments would place the State in a better position to monitor these facilities and to insure that the rights of the SSI recipients themselves are observed.

By allowing States to replace SSI cash supplements to individuals in group care facilities with vendor payments to these facilities, the legislation being proposed today would allow the States much greater flexibility in meeting the pass-along provision and in providing for the special needs of these SSI recipients. Let me emphasize that this bill in no way mandates the States to institute a system of vendor payments. Instead, it merely makes this option available to States who wish to use it.

The administrative obstacles created by the current system of supporting group care homes can only lead to lower standards of service. The bill I am introducing along with my distinguished colleague from Idaho, Senator CHURCH, would remove these obstacles and allow States to develop more effective systems of monitoring group care facilities. I strongly urge my colleagues to support this legislation.

By Mr. THURMOND:

S. 91. A bill to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes; to the Committee on Armed Services.

Mr. THURMOND. Mr. President, in September 1972, a military survivor benefit pan (SBP) was signed into law. Supposedly, it was patterned after the civil service plan which had become law 24 years before.

From the beginning, the military plan contained inequities which have resulted in a much lower participation rate than is desired, so it is clear that many retirees are not making adequate provisions for their widows.

In 1976, the House of Representatives sent us a bill which would have corrected most of the flaws. Unfortunately, it was received shortly before adjournment and too late for adequate study. As a result, only two provisions were passed which had previously been made law for civil service retirees.

Mr. President, in September 1977, the Senate received another bill from the House. It was received more than a year before adjournment of the 95th Congress. In this case, the Senate had ample time to act; however, the Armed Services Committee could not schedule hearings until August 17, 1978. This left insufficient time to resolve discrepancies in cost estimates submitted by the office of the Secretary of Defense and by the Congressional Budget Office.

Because of the discrepancies in cost estimates of some provisions, the distinguished chairman of the Subcommittee on Manpower and Personnel, Senator NUNN, requested that the Secretary of Defense prepare a study including an actuarial analysis and cost estimates of specified provisions and other data.

Deadline for submission of the report was set as no later than February 1, 1979. Our subcommittee chairman planned to schedule further hearings by March 1, 1979. I commend Senator NUNN for this positive action. I hope his plan will produce legislation early enough, so that the Congress can act promptly to correct discrepancies which should have been corrected at least 3 years ago.

Mr. President, to assist with this vital legislation, I am today introducing a bill which encompasses provisions of several bills I have introduced in the past. These provisions include those elements in the previous Senate and House bills which were not accepted in the last session due primarily to cost discrepancies. One of its most important provisions pertain to the social security offset. My measure would reduce from 100 to 50 percent the social security offset which is based on the retiree's active military service. The 100-percent offset is one of the major reasons why so many decline to participate in the program. For some, especially in the enlisted grades, the offset completely wipes out the widow's annuity for which the retiree has paid a substantial amount during his lifetime. This is grossly unfair.

Mr. President, this bill would eliminate the offset entirely for widows who receive social security payments based on their own earnings. It just does not make sense to impose the offset when widows have earned social security benefits on their own by many years of hard work and who are drawing nothing from entitlement based on the active duty of their husbands. It would eliminate the offset when there is one dependent child. This seems only fair, because existing law exempts widows with two or more children.

My proposal would also correct a glaring inequity which grows worse with each cost-of-living adjustment. Since the SBP is patterned after the civil service plan with the same formula for computing the cost, the military retiree should be paying the same amount as the civil service retiree pays for the same coverage. Yet, because of a different wording in the law, there is a difference in the way in which cost recalculations are made following cost-of-living adjustments.

At present, a military retiree who has been in the program since its beginning pays approximately $15 per month more than a civil service retiree pays for exactly the same annuity for his widow. What is fair about that? Why should it continue? I say it should not continue. We should correct it now. We are several years late already and if we do not

act favorably, those who served our country in uniform will continue to be victims of an injustice.

Mr. President, if we were to be absolutely fair with them, we would refund the money over and above what should have been collected. I doubt very much that this will happen, so the least we can do is to lower the costs to the level they should have been and assure that in the future the cost-of-living adjustments are applied in the same manner for both military and civil service retirees.

I know that some will say this is costly. It is not a cost, it is a reduction in Government revenue to the point where it should have been in the first place. It is a matter of equity. We have been taking more money out of the pockets of our military retirees than we should have taken.

Mr. President, my bill also includes other vital provisions. It will provide benefits for pre-1972 widows whose husbands had no opportunity to participate in the SBP. It will eliminate the offset for reservists in cases where social security payments were refunded.

It will provide for an open enrollment period of 270 days for retirees who declined to participate in the plan, because of existing inequities.

Mr. President, I feel that many had no real choice but to turn down the previous plan. With the flaws eliminated, they should be given another opportunity to provide for their widows. A greater participation will further increase the surplus funds accumulated in the SBP account.

I remind my distinguished colleagues, as I did 2 years ago, that my proposal will merely improve the existing survivor benefit plan, so that it will provide widows of military retirees with a program equivalent to the one provided for widows of civil service retirees. These are widows who suffered the rigors of military life, who made the necessary sacrifices, met the challenges and kept the family together while their husbands served in wars and emergencies.

Mr. President, last July I introduced the House-passed bill as an amendment to the defense authorization bill, in an urgent effort to press this important SBP measure through the Senate. That amendment was rejected by only three votes, 46 to 43. It was announced that three more of my distinguished colleagues would have voted "yea" had they been present. Now, I fully realize that some "nay" votes were for procedural reasons, based on the conviction that important legislation should reach the floor only after the committee with oversight responsibility has given it adequate study and has submitted a favorable report. I understand their feelings and normally would take the same position, but in this case, it was time to set those feelings aside in the interest of getting long overdue action.

I was extremely pleased that so many of you agreed with me. It is my sincere hope that those of my colleagues who supported my amendment last July will do so again. I feel confident that we will be joined by a large number of our colleagues, so that this matter will be resolved in the first session of the 96th Congress.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 91

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1451(a) of title 10, United States Code, is amended to read as follows:

"(a) If the widow or widower is under age 62 or there is a dependent child, the monthly annuity payable to the widow, widower, or dependent child who is entitled under section 1450(a) of this title to an annuity shall be—

"(1) 55 percent of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title, or

"(2) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d)) of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title.

When the widow or widower reaches age sixty-two, the monthly amount shall be reduced by an amount equal to 50 per centum of the amount of any survivor benefit which the widow or widower receives under subchapter II of chapter 7 of title 42 based solely upon service by the person concerned as described in section 410(1)(1) of title 42 and calculated assuming that the person concerned lived to age sixty-five. The reduction prescribed by the second sentence of this subsection shall not be made if the only service by the person concerned are described in section 410 (1)(1) of title 42 involved periods of service of less than thirty continuous days for which the person concerned is entitled to receive a refund under section 6413(c) of title 26 of the social security tax which he had paid.".

SEC. 2. Section 1452 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(g) The reductions in the retired pay as prescribed by this section shall be increased at the same time and by the same percent as retired or retainer pay is increased under section 1401a of this title.".

SEC. 3. (a) Notwithstanding any other provision of law, any individual who on or before September 20, 1972, was a widow of a person who (1) was entitled at the time of his death to retired or retainer pay because of service in the uniformed services, and (2) had served on active duty in the uniformed services for a period of not less than twenty years, shall be paid an annuity by the Secretary concerned in the amount prescribed in subsection (b) unless such widow is eligible to receive an annuity under subchapter II of chapter 73 of title 10, United States Code.

(b)(1) Subject to the provisions of paragraphs (2), (3), and (4), the amount of the annuity paid to any widow under this section shall be an amount equal to 55 per centum of the amount of retired or retainer pay to which her spouse would have been entitled to receive on September 20, 1972, had he lived to that date.

(2) Each annuity payable under this section shall be increased on the effective date of this Act by the percentage increase in retired and retainer pay under section 1401a of title 10, United States Code, since September 21, 1972.

(3) Whenever there is an increase in retired and retainer pay under section 1401a of title 10, United States Code, each annuity payable under this section on the day before the effective date of that increase shall be increased by the same percentage as the percentage of that increase, effective on the effective date of the increase.

(4) The annuity paid to any widow under this section shall be reduced by any amount such widow is entitled to receive as an annuity under subchapter I of chapter 73 of title 10, United States Code, death compensation under subchapter III of chapter 11 of title 38, United States Code (or under any prior corresponding provision of law), dependency and indemnity compensation under section 411(a) of such title 38, or pension under subchapter III of chapter 15 of such title 38 or under section 9(b) of the Veterans' Pension Act of 1959.

(c) In no case shall the total amount of benefits payable to any widow as a result of the enactment of this section be less than the total amount of benefits which would have been payable to such widow had this section not been enacted.

(d) As used in this section the term "uniformed services" has the same meaning ascribed to it in section 1072(1) of title 10, United States Code.

SEC. 4. Notwithstanding any other provision of law, any person who is entitled to retired or retainer pay on the effective date of this Act and who did not elect to participate in the survivor benefit plan as prescribed by subchapter II of chapter 73 of title 10, United States Code, may, within two hundred and seventy days after the effective date of this Act, elect to participate in such plan and continue his participation under subchapter I of that chapter, except that the total of the annuities elected may not exceed 100 per centum of his retired or retainer pay.

SEC. 5. The provisions of this Act and the amendments made by this Act shall be effective on the first day of the second calendar month following the date of enactment of this Act, and shall apply to annuities payable by virtue of such amendments for months beginning on or after such date. No pay shall accrue to any person by virtue of enactment of this Act for any period before the date of enactment of this Act.

By Mr. THURMOND:

S. 92. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

Mr. THURMOND. Mr. President, in 1956, the Congress, in passing a modification to the social security law (Public Law 84-881), inadvertently created an inequity that has come to be known as "Catch-62." I am again proposing legislation to correct this inequity.

"Catch-62" refers to the provision in the law which requires that at age 62 and thereafter, all civil service retirees who are veterans and have combined their military service and civil service for calculation of their civil service annuities, must involuntarily accept a recomputation of their annuities, omitting all credit for their military service after 1956. This is because of their eligibility for social security benefits due in any part to military service.

These annuity reductions take place even though the retiree may not receive social security payments because he is working, or would prefer to delay receiving them for other reasons. Even when social security is received, the annuity losses are frequently far greater than the social security payments.

Some veterans retiring in 1979, are subject to a 54 percent loss of annuity. The loss increases approximately 3 percent for each year of military service after 1956.

Mr. President, this mandatory substitution of a less advantageous civil service annuity, after a veteran has properly qualified for an annuity based upon the average of his highest 3 years' pay, was placed in Public Law 84-881 without adequate hearings, or evaluation of its long-term effect. While the intent of the law was to provide military personnel a portable social security benefit to increase their incomes in retirement, the effect has been extremely damaging to many who went into the Federal civil service.

This treatment of social security covered military service contrasts diametrically with the treatment of social security covered temporary civil service employment. Under Public Law 91-360, temporary employees who acquire permanent employee status and come under the civil service retirement system may credit all their temporary employment for retirement purposes without penalty at age 62. They also retain their social security entitlements based upon their temporary employment. More than 350,000 temporary civil service employees have become permanent employees, and the number is increasing daily. Approximately 50 percent of civil service employees have some military service. Less than 5 percent are military retirees.

Mr. President, there are several agencies whose veteran employees have been granted special exemptions from the unfavorable impacts of Public Law 84-881. These are: the Foreign Service, certain employees of the Environmental Protection Agency, the Federal Water Pollution Control Administration, and the Consumer Product Safety Commission. In fairness, the policy should be uniform for all.

I am sure that my colleagues are familiar with the rising tide of complaints from veterans and their families about this situation. Admiral Rickover, in testimony to the Congress in 1977 stated:

> Federal employees with prior military service receive a much lower retired pay after age 62, than they receive from age 55 to 62. In fairness, this anomaly should be corrected.

Mr. President, I am introducing a bill to correct this injustice which has been unfairly denying retirement annuity credit for military service after 1956. It is similar to S. 245, which I introduced in the last session of Congress. It will carry out the recommendation made to the Congress and the administration on April 10, 1978, by the President's Commission on Military Compensation. The commission's recommendation was to "resolve the commonly described 'Catch-62' problem as expeditiously as possible."

Mr. President, I am confident that my distinguished colleagues will want to go on record in support of this bill. It will end the discriminatory treatment to which a small group of veterans and their survivors have been subjected for 22 years.

My bill is a simple measure. It will simply provide credit for all military service when a civil service retiree's annuity is recalculated at age 62.

Retirement annuities based on total service are already budgeted for these veterans from age 55 to age 62. Any additional costs should be nominal. Regardless of the money involved, however, we are dealing here not with any additional pay or "double-dip," but with an injustice perpetrated in error. Mr. President, veterans who served in Vietnam, for example, are at age 62 presently denied retirement credit on a combined annuity for such wartime service. Simple equity demands that "Catch-62" be abolished without further delay.

Organizations, such as the following, support the elimination of "Catch-62":

The National Association for Uniformed Services.

Veterans of Foreign Wars.

American Federation of Government Employees.

National Federation of Federal Employees.

National Treasury Employees' Union.

American Association of Retired Persons.

National Retired Teachers Association.

The Retired Officers Association.

Fleet Reserve Association.

National Association of Retired Federal Employees.

Air Force Association.

Air Force Sergeants Association.

Marine Corps Reserve Officers Association.

Marine Corps League.

Blinded Veterans Association.

Disabled American Veterans.

Disabled Officers Association.

Paralyzed Veterans of America.

Organization of Professional Employees/Department of Agriculture.

National Association of Federal/State Employees.

National Association of Rural Letter Carriers.

Jewish War Veterans.

Legion of Valor.

Regular Veterans Association.

Retreads.

Non-Commissioned Officers Association.

National Association of Letter Carriers.

Purple Heart.

Chief Warrant and Warrant Officers Association, USCG.

National Association of Concerned Veterans.

National Association of Supervisors.

Amvets.

The Department of Defense supports elimination of "Catch-62."

In the House of Representatives, Representative CHARLES E. BENNETT is introducing similar legislation.

Mr. President, I urge my distinguished colleagues to support this most worthwhile measure. I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 92

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8332(j) of title 5, United States Code, is amended—

(1) by striking out "military service, except military service covered by military leave with pay from a civilian position, performed by an individual after December 1956," in the first sentence thereof; and

(2) by striking out "the military service or" in the second sentence thereof.

(b) The amendment made by subsection (a) shall apply only in the case of annuities to which individuals become entitled on or after the date of the enactment of this Act.

(c)(1) Upon the written request to the United States Civil Service Commission (filed in such form and manner and containing such information as the Civil Service Commission shall by regulation prescribe) by any individual receiving an annuity before the date of the enactment of this Act to have the amendment made by subsection (a) apply to such annuity—

(A) the provisions of section 8332(j) of title 5, United States Code, as amended by subsection (a), shall apply to such annuity, and

(B) the Civil Service Commission shall recompute such annuity by redetermining the aggregate period of service on which the annuity is based so as to include military service excluded under such section 8332(j) as in effect on the day before such date of enactment.

(2) Any annuity which is recomputed under paragraph (1) shall be effective with respect to payments of such annuity for months after the month in which this Act is enacted and no payment of any such annuity for any month prior to such month shall be considered erroneous by reason of this paragraph.

(3) The Civil Service Commission shall take such actions as may be necessary to notify individuals receiving an annuity before the date of the enactment of this Act of the provisions of this section.

By Mr. EAGLETON (for Mr. NELSON) (for himself and Mr. EAGLETON)):

S. 93. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY PROCEDURES IMPROVEMENTS ACT OF 1979

Mr. EAGLETON. Mr. President, the stampede of Government regulation must be stopped. That is why I am delighted to join today with my distinguished colleague, Senator NELSON, in the introduction of the Regulatory Procedures Improvements Act of 1979. It is a tough, strong bill that sets specific restraints on the regulators. It will curb needless regulation, cut down on burdensome paperwork, and channel Government action to those areas of clear and emphatic public need.

Regulation costs American business an estimated $102 billion a year, about

$30 billion of it in mountains of paperwork. All this adds to the crushing burden of inflation, directly costing the average American family about $1,200 a year in higher prices business charges for compliance and in taxes the Government takes for enforcement.

The bill, in its opening section, explicitly identifies regulation as "a significant cause of inflation" and says the purpose of the legislation is "to help reduce inflation by making rules and regulations more responsive to the needs of consumers."

Excessive regulation not only contributes to inflation, but it eats away at the good sense of Government itself. Let me cite just a couple of examples of foolish regulation:

First, the New York Times just recently carried a story about the efforts of a town in Delaware to obtain funds to rebuild a decrepit bridge which is on a busy traffic artery. The town asked for $6 million in aid but the application was rejected by the Federal Highway Administration because regulations provide for grants only in excess of $10 million. The solution is simple. The town only has to inflate its cost-estimate by $4 million or so, and it will qualify for Federal aid. But is that what we want—an incentive to waste taxpayers' money?

Second, closer to home, the town of Wardell, Mo., recently received word that HUD had rejected its application for funds to help improve the local water system. Improvements became necessary after the town discovered the chlorine level in its water supply did not meet standards mandated under the Safe Drinking Water Act. While it was processing its application to HUD, the town took the precaution of borrowing a chlorinator from the State so as to protect public health. HUD, however, rejected the fund request on the argument that there must be evidence of sickness caused by impure water before it can act on applications.

Third, another Missouri example involves the Federal flood insurance program which I have criticized for several years now as being unnecessarily harsh toward small communities which have only minor flood problems and little likelihood of development in the flood plain. Now, after 5 years of harassing these small communities, the Flood Insurance Administration has quietly conceded it was all quite pointless and it is taking steps to eliminate some 9,000 small communities from the program. It is anyone's guess how much taxpayers money went into this useless enforcement effort or what it cost local communities who were forced to comply.

I believe the bill would do away with such absurdities. It would do so simply because it would force rulemaking fully into the open by requiring—

First. A detailed statement of the need, the cost, the paperwork impact, inflationary consequences and possible alternatives for any regulation.

Second. An annual report from each regulatory agency on the status of current regulations and an agenda for any future ones.

Third. The automatic termination, through an inescapable sunset provision, of a regulation after 5 years unless its extension can be fully justified.

Above all, it would require agencies to put consumers and their pocketbooks in the center of consideration in the rulemaking process.

The bill puts a premium on explicit, bread-and-butter information which sets forth the benefits and drawbacks on each regulation. The various detailed reporting requirements and the sunset provision would assure sufficient information in ample time to assure public reaction and comment before any regulation is approved or renewed.

The bill specifically would apply to regulations that significantly impact the Nation's economy by $100 million or more a year. The bill in no way would stymie a needed regulation that truly protects a vital public interest in health or job safety or pollution controls or whatever. But it would assure that regulations are based on solid judgments on whether the problems they confront truly outweigh their probable cost in money, time, and redtape.

In short, agencies, under the bill, would have to look beyond their enabling statutes and their rule books to the real-life implications of their actions. This, I firmly believe, will make commonsense the scale on which to balance objectives and probable outcome.

The bill makes emphatic the precision and detail required from agencies in their statements of need and analysis on proposed regulations. Additionally, it makes emphatic that the analysis should be in clear English and, where possible, in hard, dollar-and-cents figures. Involved would be analysis of cost to business, the public and to local and State governments as well as Federal. Other major factors would include evaluations of the paperwork entailed and of economic consequences that might curtail competition and jobs.

The regulatory reform bill Senator NELSON, as chairman of the Senate Committee on Small Business, and I, as chairman of the Subcommittee on Governmental Efficiency, are introducing today, I am confident, will make the regulatory process more conscious of cost and more sensitive to inflationary pressures, the agencies more effective and responsive to real public needs and, above all, the regulators, themselves, more accountable to the American people.

Mr. President, I ask unanimous consent that a statement by the Senator from Wisconsin (Mr. NELSON) on this same question of regulatory reform be printed in the RECORD together with the text of the bill.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NELSON

I am today introducing along with Senator Eagleton, the "Regulatory Procedures Improvements Act of 1979". The cost and volume of government regulation continue to soar despite recent efforts to make government more efficient and responsive. As Chairman of the Senate Small Business Committee, I am particularly disturbed about the effect of regulations on small business which now take an average of $3600 out of the pocket of every small businessman. Regulation has helped society achieve important economic and social goals but regulations can be improved by making them less inflationary and more responsive to the nation's needs. That is what the "Regulatory Procedures Improvements Act of 1979" would do.

The key elements of this bill are:

1. A statement that it is the intent of Congress that agencies take the cost of complying with a proposed regulation into consideration prior to the promulgation of the regulation;

2. Require regulatory agencies to publish a notice of justification of their need to regulate a specific issue;

3. Require regulatory agencies to publish a notice of justification if an agency uses a design standard stipulating how a goal is to be achieved rather than a performance standard stipulating only that a goal must be achieved;

4. Require regulatory agencies to perform an economic impact comparison of proposed regulations which breach a $100 million cost threshold test, with alternative means of achieving the same specified goal;

5. A requirement that all regulations which would have a $100 million economic impact expire five years after their effective date and be renewable only if the proper agency did a follow-up economic impact evaluation.

6. Sunset provisions requiring the phasing out of existing regulations breaching the $100 million economic impact threshold test if Federal agencies fail to do an economic evaluation of such regulations within 7 years.

7. A requirement that agencies perform a paperwork impact statement on the paperwork burden created by regulations.

8. A requirement that agencies submit an annual report to Congress which would include the regulator's plans for the next fiscal year.

The thrust of this bill is to make regulators more accountable for their actions. It does not prohibit them from promulgating a regulation. However, by making regulators justify the use of design standards, it does to the maximum extent which is prudently advisable get the government out of the business of telling the private sector how to run its business. Furthermore it requires regulators to justify their need to regulate a specific issue and to develop a process whereby they review the economic impact of their activities. In particular, regulators would be required to focus on the inflationary impact of their proposed regulations. The criteria for this economic review are, in part, based upon Executive Order 12044 which applies to executive branch agencies but not to independent regulatory agencies. This bill would require an economic impact evaluation of all regulations meeting the $100 million cost threshold test regardless of whether the regulation was being proposed by an executive branch agency or an independent agency.

Finally, in an effort to improve existing regulations and make sure that their economic impact as well as the economic impact of future regulations is fully known, the bill contains sunset provisions.

There is no doubt that the government has a definite role and a substantial responsibility to regulate and to adequately protect the interest of the consumer. The regulatory role of government in our complex society is a necessary and important one. Regulation has helped us to substantially improve our society. It has helped reduce industrial accidents and improve job safety. It has helped us achieve cleaner air and a more livable environment. It has helped hold business more accountable. And, it has helped improve the position of minorities. But, we should not allow the role of government to become excessive and intrusive and that is where it is heading.

In the last two decades alone, there has been a 250 percent increase in the number of federal agencies promulgating regulations. In addition, the Center for the Study of American Business, Washington University, has calculated that in fiscal 1979 the aggregate cost of government regulation will be $102.7 billion, a 30 percent increase over the estimated fiscal 1977 cost of $79.1 billion. The small businessman is hit particularly hard by excessive regulation because he often has neither the financial capability nor the legal expertise to cope with the mushrooming regulatory regime.

But the burden of excessive regulation is not just borne by the small businessman. Excessive regulation, by increasing produce prices and fueling inflation, creates an economic burden for all Americans as regulation will cost the average American family $1,200 in 1979. Although none of us will receive a bill for the regulatory services we receive we will nonetheless pay for them through increased taxes and higher consumer prices. Regulation creates an economic burden for big business and small business, for the rich and the poor, for the corporate officer and the working man. Inflation has become our principal economic problem and it affects all Americans. Many regulations are necessary, but if we had better regulations we could reduce their inflationary impact.

Excessive regulation reduces our real earnings, retards economic growth by channeling investment into nonproductive projects and thus reduces the number of job opportunities for the unemployed, the poor, and the disadvantaged. It is time that we ask ourselves what are the costs of regulation. And in particular, what are the effects of regulation on prices, employment, and economic growth in relation to the benefits we receive.

S. 93

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Procedures Improvements Act of 1979".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) there has been a continued increase in the number of rules and regulations promulgated by Federal agencies;

(2) many rules and regulations are promulgated by Federal agencies without sufficient analysis of the potential impact of such rules and regulations;

(3) the cost of compliance with Federal rules and regulations by the private sector is often passed on to the consumer in the form of higher prices for products; and

(4) Federal rules and regulations are a significant cause of inflation, and inflation detrimentally affects the welfare of all consumers.

(b) Therefore, it is the purpose of this Act—

(1) to create a mechanism for agency accountability in the regulatory process; and

(2) to help reduce inflation by making rules and regulations more responsive to the needs of consumers.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "agency" has the same meaning as section 551(1) of title 5, United States Code;

(2) the term "rule" has the same meaning as in section 551(4) of such title, and includes a rule or regulation which establishes conditions for financial assistance;

(3) the term "significant rule" means a rule which may result in—

(A) an annual effect on the economy of $100,000,000, or more; or

(B) a major increase in costs or prices for individual companies, units of State or local government, industries, levels of governments, or geographic regions; and

(4) the term "rulemaking" has the same meaning as in section 51(5) of title 5, United States Code.

INTENT OF THE CONGRESS

SEC. 4. It is the intent of the Congress that Federal agencies carefully consider, during the rulemaking process—

(1) the direct and indirect effects of Federal rules on the private sector and State and local governments; and

(2) the cost to Federal agencies of monitoring compliance with such rules by the private sector and State and local governments.

REGULATORY NEED STATEMENT

SEC. 5. (a) Not less than 30 days prior to the publication of notice of a proposed rule in the Federal Register (or in any case in which the publication of a final rule is not preceded by a proposed rule, not less than 30 days prior to publication of a final rule), an agency shall publish a regulatory need statement. Each regulatory need statement shall describe the factual problem or matter which has led the agency to take action to issue a rule. A regulatory need statement is not sufficient under this section if it only states the provisions of law which give the agency jurisdiction to issue rules in a particular area without providing the factual description required by the preceding sentence.

(b) The provisions of this section shall apply only to rules which an agency determines will have a significant economic or societal impact.

NOTICE OF JUSTIFICATION

SEC. 6. If an agency intends to promulgate a rule utilizing a design standard rather than a performance standard, the agency shall publish, with the publication of a notice of a proposed rule (or, in any case in which a final rule is not preceded by a proposed rule, with the publication of the final rule), a notice of justification. Each notice of justification shall contain an explanation of the reasons for the use of a design standard in the rule, and an explanation of the reasons for not utilizing a performance standard in the rule.

REGULATORY ANALYSIS

SEC. 7. (a) An agency shall prepare a regulatory analysis for each significant rule, and may prepare a regulatory analysis for any rule. Each regulatory analysis shall contain—

(1) a succinct statement of the matter to which the rule is addressed;

(2) a description of the major alternative methods considered by the agency that address the matter with which the rule is concerned;

(3) for each alternative considered by the agency—

(A) an analysis of the economic consequences of the alternative;

(B) an analysis of the economic and societal effectiveness of the rule, including the cost of compliance with the rule by the private sector and State and local governments, and of the relation of such effectiveness to the economic and societal effectiveness of each of the alternatives considered by the agency;

(C) an analysis of the cost to the Federal government of monitoring compliance with the alternative;

(D) an analysis of the aggregate cost of compliance with the alternative by the private sector and State and local governments, as well as an analysis of the major divisions of the cost of compliance with the rule among State and local governments, sectors of the economy, levels of government, and agencies of the Federal Government; and

(4) a description of the regulatory approach selected by the agency, and a detailed explanation of the reasons the agency selected the alternative utilized in the rule.

(b) In preparing a regulatory analysis—

(1) the agency shall prepare the portion of the regulatory analysis described in subsection (a)(3) in descriptive terms, and, where practicable, the agency shall prepare such portion in quantifiable terms; and

(2) the agency shall consider closely related sets of rules as one rule.

(c)(1) The agency shall prepare and publish a summary of the regulatory analysis described in subsection (a) with the publication of a notice of a proposed rule (or, in any case in which a final rule is not preceded by a proposed rule, with the publication of the final rule), unless the agency certifies in writing that the action of the agency in promulgating the rule (A) is being taken in response to an emergency situation, or (B) is governed by short term statutory or judicial deadlines which make preparation of the regulatory analysis prior to the date of publication of a notice of a proposed rule (or, if applicable, prior to the publication of the final rule) impracticable.

(2) If the agency makes a written certification under clause (A) or (B) of paragraph (1), the agency shall—

(A) publish in the Federal Register, within a reasonable time but in no event later than the publication of the final rule, the written certification of the agency and a statement of the reasons why preparation of the regulatory analysis prior to the publication of the notice of a proposed rule (or, if applicable, prior to the publication of the final rule) is impracticable; and

(B) complete the preparation of the regulatory analysis and publish a summary of such analysis within 90 days after the publication of the proposed rule (or, if applicable, within 90 days after the publication of the final rule).

(d) The agency shall include with the summary of a regulatory analysis published in the Federal Register a statement describing how the public may obtain a copy of the regulatory analysis. The provisions of section 552 (b) of title 5, United States Code, relating to agency information which is exempt from public access, shall not apply to any regulatory analysis prepared or revised pursuant to this section.

(e) If the agency publishes a regulatory analysis with the notice of a proposed rule, the agency shall, if necessary, prepare a revised regulatory analysis reflecting any modifications in the proposed rule that are incorporated in the final rule. The revised regulatory analysis shall include a descriptive summary of significant comments received by the agency which were and were not incorporated in the final rule and a statement of the reasons of the agency for not incorporating particular comments in the rule. The agency shall make such revised regulatory analysis available to the public on the date of publication of the final rule.

(f) The process and methodology for the preparation of, and the contents and provisions of any regulatory analysis prepared under this section shall not be subject to review in any court.

AGENCY REPORTS

SEC. 8. By September 30 of each year, each agency shall prepare and transmit a report to the Congress. Each report shall contain—

(1) a statement of the intent of the agency with regard to the issuance of rules during the succeeding fiscal year, including a description of the areas in which the agency intends to regulate, and a description of the reasons for the decisions of the agency to regulate in such areas and the public need for regulation in such areas;

(2) an analysis of the regulatory activities of the agency during the fiscal year, including—

(A) the number of significant rules promulgated by the agency; and

(B) a statement of the regulatory accomplishments of the agency, including a comparison of the statement of intent made by the agency under paragraph (1) for such fiscal year with the regulatory activities of the agency for such fiscal year; and

(3) for the fiscal year ending three years prior to the fiscal year in which the report is made, a comparison of the cost of the rules of the agency, including the cost of compliance with such rules by the private sector and State and local governments and the cost to the Federal government of monitoring compliance with such rules, with the effectiveness of such rules in addressing the matters with which the rules were concerned.

REPORT BY THE COMPTROLLER GENERAL OF THE UNITED STATES

SEC. 9. Within three years after the date of enactment of this Act, the Comptroller General of the United States shall prepare and transmit to the Congress a report concerning the activities of Federal agencies in implementing the provisions of this Act. The report shall include an analysis of the effect of the administration of the provisions of this Act on the improvement of regulatory procedures, along with recommendations for legislative action to improve the administration of this Act.

SUNSET OF SIGNIFICANT AGENCY RULES

SEC. 10. (a)(1) Each agency shall establish an expiration date for each significant rule promulgated after the date of enactment of this Act. The agency shall set the expiration date for each significant rule at not more than five years from the effective date of the rule. Each significant rule shall lapse on the expiration date set by the agency or five years after the effective date of the rule, whichever is earlier, unless the rule is repromulgated by the agency in accordance with the provisions of paragraph (2).

(2) At least sixty days prior to the repromulgation of a rule which has expired or will expire under paragraph (1), an agency shall publish a notice in the Federal Register which announces that the agency is considering the repromulgation of the rule and which invites public comment on the rule. Such notice shall contain a statement of the rule, a summary of the regulatory analysis of the rule prepared pursuant to section 7, and a statement describing how the public may obtain a copy of the regulatory analysis. After considering the public comments concerning the rule, the agency shall review the rule and the regulatory analysis of the rule and modify the rule or regulatory analysis. If necessary, in accordance with such comments. The agency shall publish the final rule in the Federal Register, with a summary of the significant public comments which were and were not incorporated in the rule and a statement of the reasons of the agency for not incorporating particular comments in the rule or the regulatory analysis.

(b) Each agency shall review each significant rule which is in effect on the date of enactment of this Act, and shall repromulgate each such rule in accordance with the procedures established under section (a)(2). Any such rule which is not repromulgated within seven years after the date of enactment of this Act shall lapse.

EFFECT OF RULES ON COMPETITION

SEC. 11. An agency shall publish with a notice of a proposed rule (or in any case in which the publication of a final rule is not preceded by a proposed rule, with the publication of the final rule) an analysis of the effect of the rule on national and international competition in any appropriate industry.

PAPERWORK IMPACT OF RULES

SEC. 12. (a) For each rule which an agency determines will impose a major paperwork burden on more than ten members of the public, the agency shall prepare and publish with the notice of a proposed rule (or in any case in which the publication of a final rule is not preceded by a proposed rule, with the final rule) a paperwork impact analysis. Each paperwork impact analysis shall contain an evaluation of the paperwork requirements to be imposed on the public by the rule, including the estimated cost of compliance by the public and the estimated number of manhours required for compliance, and an analysis of whether the agency could obtain the information sought from the public under the rule from alternative sources, including other Federal agencies.

(b) If an agency publishes a notice of a proposed rule or a final rule for which a paperwork impact analysis is required under subsection (a), the agency shall transmit a notice to the appropriate authorizing committees of the Congress. Such notice shall include a copy of the proposed or final rule and a copy of the paperwork impact analysis for such rule.

(c) Within three years after the date of enactment of this Act, and every three years thereafter, each agency shall prepare and transmit a report to the Congress concerning the paperwork requirements of the agency which require a response from more than ten members of the public. Such report shall include an analysis of the estimated cost of compliance by the public with the paperwork requirements of the agency, and a justification of the need of the agency for the information required from the public, including a certification that such information cannot be obtained from other Federal agencies.

APPLICABILITY

SEC. 13. The provisions of this Act shall not apply to rules—

(1) issued with respect to a military or foreign affairs function of the United States; or

(2) concerning matters related to agency management or personnel.

By Mr. BENTSEN:

S. 94. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I rise today to introduce a bill with an important dual purpose—to meet the social goal of greater retirement security and to advance the economic objective of increased savings and investment. I propose that homemakers, who make an invaluable economic contribution to the welfare of our country, be eligible to provide for their own retirement through the establishment of individual retirement accounts, at the same $1,500 contribution rate currently available for a working spouse.

Under present law, wage earners who do not participate in another retirement plan may receive a tax deferral for IRA contributions equal to the lesser of 15 percent of earned income or $1,500. The IRA limit is $1,750 if the wage earner who himself is eligible to establish an IRA elects to set up a spousal IRA. The homemaker retirement bill would allow the homemaker to set up an IRA regardless of the type of retirement plan, if any, the working spouse has. It would permit an annual contribution of up to $1,500 by the homemaker and the working spouse each, for a maximum $3,000 combined contribution (in lieu of the current maximum $1,750 spousal contribution).

This is a very simple proposal for individuals to understand and for the IRS to administer. The bill merely expands the number of individuals currently eligible to establish an IRA. It is not a complete tax exemption. An IRA is a tax deferral until the money is taken out at retirement.

Mr. President, financial security in retirement will become increasingly difficult to achieve in the years to come. By the turn of the century, 13 percent of our population will be over 65 years of age. Older persons are living longer, retiring earlier and becoming increasingly dependent upon retirement income programs. At the same time, the declining birth rates will mean fewer workers supporting more beneficiaries in the social security system.

In 1935 there were nine workers for every aged person. In 1977 the worker to aged ratio was four to one, and there were three workers for every social security beneficiary. By the year 2030 there will be two workers for every one beneficiary. It is easy to see that the social security system cannot take this kind of overload. The economic crunch—limited resources and expanding costs—is already upon us.

One way to ease the burden on the system is to enable and encourage persons to provide for their own retirement. It was with this idea in mind that Congress included in the Employee Retirement Income Security Act of 1974 (ERISA) provisions which would allow individuals not participating in qualified private or governmental retirement programs to set up their own retirement plans. The homemaker retirement bill would extend the rationale of this provision to enable an important group of individuals with no current means of providing for their retirement to do so—the 30 to 50 million American homemakers who are rapidly approaching retirement age without any type of retirement plan. These individuals have devoted many years of self-sacrificing unpaid work toward the welfare of the family. These homemakers often face financial crisis when confronted with an untimely death of the working spouse before retirement age, a dissolved marriage, or old age with only minimum social security benefits for their support. I feel that it is about time we recognized the contribution of these hard-working homemakers and gave them the opportunity they have earned to provide for their own retirement security.

I have long argued that our present tax system is biased against savings. We need to constantly be looking for ways to encourage savings which provide a greater source of capital for the investment needed to promote economic growth and boost productivity. This simple and equitable IRA eligibility expansion is one such option. The average American should have the opportunity to invest in an easily understandable, fully vested retirement plan which will in turn generate much needed capital flow to the economy.

Finally, Mr. President, I feel that it is about time that homemakers were given equal treatment under ERISA. Though they do not work for wages, the Nation's homemakers do very real work with very long hours. It is about time that we recognized the economic value of their work. Homemakers, like the self-employed and those whose employment does not offer a retirement plan, deserve and require the opportunity to provide for financial security in old age. They should not have to rely upon uncertain survival benefits, dwindling social security funds, or welfare. The Homemaker Retirement bill encourages these individuals to take independent action to establish their own retirement funds, thus providing them with the means to live their later years in the dignity and self-respect which is rightfully theirs.●

By Mr. CHURCH (by request):

S. 95. A bill to protect the wildlands comprising the River of No Return Wilderness and the free-flowing Salmon River in the State of Idaho as an enduring resource of wilderness for the benefit of the people of Idaho and the Nation pursuant to the Wilderness Act and the Wild and Scenic Rivers Act, and for other purposes; to the Committee on Energy and Natural Resources.

S. 96. A bill to protect the wildlands comprising the Idaho Wilderness and the free-flowing Salmon River and to release for management certain adjacent lands in the State of Idaho; to the Committee on Energy and Natural Resources.

S. 97. A bill to designate the River of No Return Wilderness, Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests, Idaho; to the Committee on Energy and Natural Resources.

IDAHO WILDERNESS PROPOSALS

Mr. CHURCH. Mr. President, today I am introducing, by request, three different proposals for the allocation of certain primitive and undeveloped national forest lands in central Idaho. Two of the proposals have been drafted by Idaho groups; one by the River of No Return Wilderness Council and the other by the Idaho Forest Industry Council. These two bills both recommend reclassifying the Idaho and Salmon River Breaks Primitive Areas as wilderness. A third bill, sponsored by the Carter administration, also recommends the designation of a large wilderness area in this region.

The River of No Return Wilderness Council's bill would designate a 2.3 million acre "River of No Return Wilderness" and would add all 237 miles of the main Salmon River to the National Wild and Scenic Rivers System.

The Idaho Forest Industry's bill would establish a 1.3 million acre "Central Idaho Wilderness." In addition, it would designate approximately 850,000 acres of this region for multiple-use management.

The President's recommendations for the area call for the creation of a 1.9 million acre "River of No Return Wilderness." Although not specifically contained in this bill, the administration is also on the record in support of wild and scenic river classification for all of the main stem of the Salmon River.

I am introducing these three proposals today in order to assure that the alternative plans for this region of Idaho are laid before the public for review and discussion.

In this connection, I have today sent a letter to Senator JACKSON, chairman of the Energy and Natural Resources Committee, requesting hearings as soon as all interested parties have had an opportunity to study the several proposals. Field hearings in Idaho will provide the forum to assist Congress in reaching a wise and well-balanced decision. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 18, 1979.

Hon. HENRY M. JACKSON,
Chairman, Energy and Natural Resources Committee, U.S. Senate.

DEAR MR. CHAIRMAN: As you know, I am introducing, by request, three bills for the reclassification of the Idaho and Salmon River Breaks Primitive Areas as wilderness.

The reclassification of the two remaining Idaho Primitive Areas has been long awaited by Idahoans. I have been asked by both the River of No Return Wilderness Council and the Idaho Forest Industry Council to introduce legislation they have prepared for the allocation of the primitive and undeveloped land encompassing and surrounding the two primitive areas, along with the Administration's proposal for the region.

These two areas comprise the largest unbroken tract of wilderness left in the lower forty-eight. Their future allocation will be the subject of much discussion in Idaho during the next few months. Given the high level of interest in Idaho, and the national significance of these wildlands, I hope that it would be possible for the Energy and Natural Resources Committee to hold several days of field hearings in cities throughout Idaho as soon as possible this spring.

I look forward to working with you and other members of the Energy and Natural Resources Committee on this important legislation.

With best wishes,
Sincerely,

FRANK CHURCH.

Mr. CHURCH. Mr. President, I ask unanimous consent that certain materials prepared by the River of No Return Wilderness Council explaining their bill, a letter addressed to me from Idaho conservationists, and the text of the 2.3 million acre bill be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 95

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "River of No Return Wilderness Act of 1979".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) the Salmon River of Idaho—the famous "River of No Return"—and its wildland environment constitute a wilderness resource of national significance;

(2) the pure, high quality waters of the Salmon River provide the critical spawning and rearing habitat for runs of Chinook salmon, steelhead, and other anadromous and resident fish species of vital importance to commercial and sports fishermen and, therefore, to the commerce of Idaho, the entire Columbia-Snake River basin, and to the Pacific Coast Fishing industry;

(3) the purity of the waters of the Salmon River depends upon rigorous protection of the land and fragile soils within the watershed from road building, logging, and other land disturbances, as does the future well-being of nationally significant populations of wilderness-dependent wildlife species, including elk, bighorn sheep, and cougar;

(4) protection of these wildlands and free-flowing waters has been a long-standing objective of public policy, exemplified by the establishment of the Idaho Primitive Area in 1931 and the classification of the Middle Fork of the Salmon River as a wild river by the Congress in 1968;

(5) these wildlands and free-flowing waters comprise a precious sample of the vanishing wilderness heritage of Idaho and the Mountain West which can endure as a resource of wilderness and as an undisturbed control area for ecological research, without conflict with established uses, including hunting, grazing, ranching, and commercial guide and outfitter services; and

(6) pursuant to the mandate of Congress, comprehensive studies, reviews, and public hearings have been completed, demonstrating that the people of Idaho, the West, and the United States overwhelmingly support the continued and expanded protection of the free-flowing Salmon River and its wilderness watershed.

(b) Therefore, it is hereby declared to the policy of Congress that, in furtherance of the purposes of the Wilderness Act and the Wild and Scenic Rivers Act, the national interest will be served by the continuation of the established protection for the Idaho and Salmon River Breaks Primitive Areas, the strengthening of that protection as a matter of law, and the extension of such strengthened protection to additional endangered wildlands and to the main Salmon River. It is the purpose of this Act to provide a comprehensive statutory framework for the protection, administration, and management of these nationally significant wildlands and freeflowing waters through—

(1) classification of the two hundred and thirty-seven-mile main Salmon River in the highest categories possible within the National Wild and Scenic Rivers System, and

(2) designation of some two million three

hundred thousand acres of Federal lands as the River of No Return Wilderness within the National Wilderness Preservation System.

CLASSIFICATION OF SALMON RIVER

SEC. 3. The Wild and Scenic Rivers Act (82 Stat. 906, as amended; 16 U.S.C. 1271 et seq.), is further amended as follows:

In section 3(a) after paragraph (23) insert the folowing new paragraph"

"(24)(A) SALMON, IDAHO.—The segment of the main river from the mouth of the North Fork Salmon River downstream to its confluence with the Snake River, in the following classes:

"(i) the forty-six mile segment from the mouth of the North Fork Salmon River to Corn Creek as a recreational river area;

"(ii) the seventy-nine-mile segment from Corn Creek to Long Tom Bar as a wild river area;

"(iii) the fifty-nine-mile segment from Long Tom Bar to Hammer Creek as a recreational river area; and

"(iv) the fifty-three-mile segment from Hammer Creek to its confluence with the Snake River as a scenic river area;

all as generally depicted on a map entitled "Salmon River Study", dated July 1976, which is on file and available for public inspection in the office of the Chief, Forest Service, U.S. Department of Agriculture.

"(B) The portion of this segment within the boundary of the Hells Canyon National Recreation Area and the portion upstream from the boundary of the Nezperce National Forest shall be administered by the Secretary of Agriculture and the remainder shall be administered by the Secretary of the Interior. *Provided*, That after consultation with State and local governments and the interested public, the Secretaries shall take such action as is required by subsection (b) of this section within one year from the date of enactment of this paragraph; and *Provided further*, That nothing in this Act shall impair or otherwise affect the statutory authority vested in the Secretary of the Department in which the Coast Guard is operating to achieve its assigned missions, including aids to navigation, search and rescue, marine environmental protection, and recreational boating safety.

"(C) Notwithstanding any other provision of law, but subject to valid existing rights, the minerals in Federal lands within the boundary of this river segment are hereby withdrawn from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other dispcsition under the Geothermal Steam Act of 1970.

"(D) For the purposes of this river segment there are hereby authorized to be appropriated not more than $6,211,000 for acquisition of lands and interests in lands.".

DESIGNATION OF WILDERNESS AREA

SEC. 4. (a) In accordance with subsection 3(b) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1131), the areas in the Boise, Challis, Payette, Salmon, Bitterroot, and Nezperce National Forests, Idaho, situated north and south of the Salmon River and which comprise about two million three hundred and twenty thousand six hundred and eighty-eight acres, as generally depicted on a map entitled "River of No Return Wilderness, Proposed", dated February 1978, are hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System. The previous classification of the Idaho and Salmon River Breaks Primitive Areas is hereby abolished.

(b) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the River of No Return Wilderness with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives and such map and description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such description and map may be maue.

(c) The wilderness area designated by this section shall be known as the River of No Return Wilderness and, except as otherwise provided by this section, shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of that Act shall be deemed to be a reference to the effective date of this Act.

(d) Notwithstanding any other provision of law, but subject to valid existing rights, the minerals in Federal lands within the wilderness area designated by this Act are hereby withdrawn from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other disposition under the Geothermal Steam Act of 1970.

CONTINUATION OF ESTABLISHED USES

SEC. 5. (a) Within the River of No Return Wilderness the use of aircraft or motorboats, where these uses have already become established, may be permitted to continue subject to such restrictions as the Secretary of Agriculture deems desirable.

(b) Within the River of No Return Wilderness the grazing of livestock, where established prior to the effective date of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary by the Secretary of Agriculture.

(c) Commercial services may be performed within the River of No Return Wilderness to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the area.

(d) Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water law.

(e) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the Department of Fish and Game of the State of Idaho with respect to wildlife and fish within the lands and waters subject to this Act.

RIVER OF NO RETURN WILDERNESS COUNCIL

(By Ted Trueblood)

This bill (first introduced in February 1978) proposes to extend permanent protection under the Wilderness Act to a unique and spectacular area of rivers and lakes, rugged peaks and deep canyons that lies near the heart of Idaho. The area is bisected by the main Salmon River, whose deep canyon turned back Lewis and Clark and is today still unpenetrated by roads. The bill also extends Wild and Scenic River protection to the main Salmon River.

It is significant that in 1931, when Idaho had but 445,000 people in all its 83,000 square miles, the value of the central Idaho wilderness was already recognized and the first steps wer taken to protect it by administrative classification. The core of this area has been managed as wilderness by the Forest Service for almost 47 years.

The "Idaho Primitive Area", created by executive order in 1931, is south of the Salmon River; the "Salmon River Breaks Primitive Area" slopes down to the Salmon from the north and was set aside in the same manner in 1936. These two administratively-established primitive areas, of 1,224,576 and 216,870 acres respectively, are the heart of the proposed "River of No Return Wilderness." The Middle Fork of the Salmon River, one of the original wild river segments designated by the 1968 Wild and Scenic Rivers Act, flows north through the Idaho Primitive Area.

THE FOREST SERVICE STUDY

The 1964 Wilderness Act required that administratively-established primitive areas would undergo special study, as the first step in upgrading those areas (with appropriate boundary modifications) to the stronger protection available as a statutorily-designated unit of our National Wilderness Preservation System. The Forest Service has made these studies, as well as the study of the main Salmon River required by the 1968 Wild and Scenic Rivers Act.

While the Forest Service study was underway, a broad-based group of Idaho citizens came together to conduct their own "citizen studies" of this very special area. The group included conservationists, representatives of wildlife clubs, outing groups, hunters, fishermen, and many others. Ultimately the group was formalized as the River of No Return Wilderness Council, and it produced a full scale citizen proposal for the "River of No Return Wilderness." That proposal embraces the two established primitive areas, together with key contiguous tracts vital to an ecologically-sensitive and well-rounded wilderness boundary.

In November 1973 the Forest Service conducted day-long public hearings to receive public comment on their study and proposal, and on alternative proposals put forward by others. These hearings, which are part of the process required by the Wilderness Act, were held in Boise, Lewiston, and Pocatello, Idaho.

The Forest Service has prepared a detailed summary and analysis of the public responses it received at the hearings and in written form during the post-hearing period.

WHAT THE PEOPLE WANT

This public involvement process for the central Idaho wilderness was one of the most extensive ever conducted by the Forest Service for a specific area, and certainly the most extensive ever conducted in Idaho. The message was loud and clear: the majority of public support favored not only the modest proposal of the Forest Service, but the full 2.3 million acre citizen proposal for the "River of No Return Wilderness." That same proposal, so strongly endorsed by the people, is now embodied in the legislation being introduced today.

In summarizing the results of those public hearings and all the written input received, it is useful to compare the responses to the three main plans offered as alternatives to the Forest Service recommendation. In addition to the 2.3 million acre "River of No Return Wilderness" proposal, two others were suggested. The Boise-Cascade Corporation plan called for no wilderness at all, with a small area of "roadless recreation" land along the rivers to be left under administrative designation, and a million acres of the existing primitive areas to be thrown open to "graduated multiple use." The alternative plan put forward by then-Governor Cecil Andrus called for a wilderness area of at least 1.8 million acres, centered on key protection for the watershed of the Middle Fork of the Salmon River.

As summarized by the Forest Service, the public choice among these alternatives was overwhelmingly for the full 2.3 million acre "River of No Return Wilderness" proposal.

In total, 4,883 "inputs" (oral and written) were received commenting on these three alternatives. Of those, 3,543, favored the River of No Return Wilderness Council's alternative, and an additional 935 favored the Governor's proposal. Only 124 "inputs"

supported the Boise-Cascade Corporation plan. Significantly, 257 specifically expressed their opposition to the Boise-Cascade Corporation plan, while only 14 stated specific opposition to the River of No Return Wilderness Council's alternative and only 10 specifically opposed the Governor's plan.

Looking at these results by type of input, the oral testimony in the three Idaho hearings was overwhelmingly in support of the proposal of the River of No Return Wilderness Council. 184 witnesses endorsed this citizen proposal, as against 6 who spoke in favor of the Boise-Cascade Corporation plan: a ratio of 30 to 1. The citizen proposal was preferred to the 1.8 million acre Governor's plan by a ratio of 4 to 1. Counting personal letters submitted for the hearing record (but excluding form letters), the Forest Service found again that support was overwhelmingly for the citizen proposal. Of nearly 4,000 personal letters, the ratio was 55 to 1 against the Boise-Cascade Corporation plan, and the citizen proposal was preferred 4 to 1 over the somewhat smaller Governor's proposal.

These results speak for themselves. The people favored the "River of No Return Wilderness" as now proposed in this legislation, by 4 to 1 over the next largest alternative.

These results are entirely consistent with other polls which have found that the people of Idaho want wilderness as a part of their future. This is Idaho's greatest wilderness. With the future of the most precious jewel of Idaho's remarkable wilderness heritage at stake, the people of Idaho are overwhelmingly in support of the carefully-developed "River of No Return Wilderness" proposal.

THE IDAHO CITIZEN'S PROPOSAL

The plan prepared by the River of No Return Wilderness Council, and now embodied in this legislation for consideration by the Congress, is based upon the protection of the existing primitive areas, and on additional lands which are absolutely vital to fully preserve the unique scenic, recreational, fishery, archaeological, and wildlife values of this area.

To accomplish this, the River of No Return Wilderness Council believes that 14 areas of wilderness quality contiguous to the original primitive areas should be included as integral parts of the proposed wilderness.

The first purpose is to maintain the high water quality of the Middle Fork of the Salmon River. This is a big river, a tributary contributing nearly a million acre-feet of crystal-clear water per year to the Salmon River and, ultimately, to the Columbia. Not only is this water vital to the maintenance of the anadromous fish in the Columbia, the unsurpassed spawning riffles of the Middle Fork and its tributaries produce a major portion of the spring and summer Chinook salmon and steelhead smolts that eventually find they way to the Pacific.

In addition, the west-slope cutthroat trout, which was native to the Middle Fork and its tributaries, still thrives there. It requires clear, pure water and it has disappeared from other western rivers where roads and logging have hastened erosion and degraded the streams.

Among the 190-some kinds of wildlife that have been identified in the proposed wilderness are Rocky Mountain goats and bighorn sheep. Both have critical habitat requirements. They are not compatible with roads and logging, and the good ranges that remain are extremely limited. Some of the contiguous tracts proposed by the River of No Return Wilderness Council are important for sheep or goats; others provide moose habitat, which is also limited.

Still others of these contiguous tracts have been proposed for inclusion because of their recreational and scenic values. Their high Alpine terrain, with jagged peaks, sparkling lakes, and flower-dotted meadows, is not productive timber land, but it is an inspiring land to visit and valuable as watershed.

The proposed wilderness has a great range in elevation—from 2,000 to 10,000 feet above sea level. This is responsible for the wonderful variety of plant, bird, and animal life. At the lower elevations where the first Americans once spent their winters and the deer, elk, and sheep still do, the summer days are hot, but the south slopes are often bare in January. The high country is lush in summer but buried under deep snow in winter, and some of that snow remains the year around under the peaks.

THE KEY CONTIGUOUS TRACTS

The existing two primitive areas comprise the heart of this great wilderness. Full protection for the watersheds, the wildlife, and the recreational values of the area require the addition of 14 contiguous tracts. Each is briefly described here:

1. Clear Creek. The Forest Service proposal included only 8,020 acres. An additional 72,000 should be included to take in the Clear Creek drainage. This area is important to elk and bighorn sheep and is a buffer for the Bighorn Crags to the West.

2. Yellowjacket. Adjacent to the Bighorn Crags, this important fragile-soils area varies from 5,500 to 9,000 feet and includes several lakes and gentle alpine basins.

3. Camas Creek. An important anadromous fish spawning stream and a major drainage of the Middle Fork. Upper Camas Creek is a summer range and part of the migratory route for bighorn sheep wintering in Morgan Creek.

4. Warm Springs. The Forest Service proposal excluded a major portion of the Loon Creek drainage that is unroaded. This is another Middle Fork tributary, an important salmon spawning stream. There are numerous alpine lakes in the Sleeping Deer Mountains area.

5. Vanity Lakes. An alpine area with outstanding mountain lake fishing and scenery.

6. Soldier and Cutthroat Lakes. The most extensive lake system, other than the Bighorn Crags, in the Middle Fork drainage. An area of exceptional beauty, drained by Rapid River, a major Middle Fork tributary.

7. Sulphur Creek. Lying about four miles east of Deadwood Summit, this area contains Sulphur Creek which meanders through a broad valley for eight miles including deciduous thickets and beaver dams. This is the second most important chinook salmon spawning water on the west side of the Middle Fork drainage (second only to Big Creek.) All but a small portion of the drainage is intact.

8 Chilcook. Deep glacial troughs with marshes and meadows behind moraines provide a unique ecological system.

9. Pinnacles. A spectacular alpine lake area in the upper reaches of the Big Creek drainage. This area provides habitat for cougar, bear, elk, goats, deer and sheep, with numerous lakes, streams and beaver dams. A key summering area for elk.

10. South Fork Salmon. The Forest Service included an area on the east side. An area is also needed on the west side of the South Fork to protect the lower 14 miles, an outstanding stretch of this river. This is critical big game winter range.

11. Dixie Tail. The Dixie Tail of the Salmon River Breaks Primitive Area is important bighorn sheep range, a stronghold for sheep on the lower Salmon River. Without this area, there would be only a one-fourth mile wild river corridor on the west side of the main Salmon River in this area.

12. Big Mallard Creek. A 24,487-acre north of the Salmon River important to the Salmon watershed. This is an elk calving area and a valuable summer range for both elk and moose. Moose habitat is not abundant in Idaho. (Logging is proposed for this area).

13. Upper Bargamin Creek. Also a valuable moose summer range area and important to the Salmon River watershed. (Logging is proposed).

14. Upper Reynolds Creek. This is an area of highly unstable soils. Five alpine lakes and a summer area for elk.

THE BILL SUMMARIZED

The text of the River of No Return Wilderness bill is self-explanatory. All who are concerned with this issue should read it carefully.

Briefly, the objective of this proposal is to secure an adequate wilderness in the Salmon River country, in the heart of Idaho. Other proposals, calling for less of the critical contiguous tracts to be protected, are simply inadequate. The full 2.3 million acre area is vital; any reduction from it will result in a loss that cannot be replaced.

The opening sections of the bill spell out its objectives, recognizing that this is a wilderness and wildlife resource of truly national significance. The waters it protects are critical to the greatest runs of anadromous fish we have, and those waters could easily be defiled by road building, logging, or other land disturbance. In its present natural condition, this magnificent area represents perhaps our best sample of the wilderness heritage of Idaho and the Mountain West. We can preserve it all in a way which enhances its many values, without conflicting with established uses (such as hunting, existing patterns of access, and guide and outfitter services). The River of No Return Wilderness Council favors continuation of such existing uses, including the backcountry air strips, existing power boat use on the main Salmon River, and the management facilities associated with outfitter and guide services.

This legislation proposes a comprehensive statutory framework to guide the future protection and management of the area. Wilderness designation and wild river classification are embodied in a single bill. Full provision is made to protect the area and its waters and wildlife against their principal threats; logging, roadbuilding, and location of new mining claims. Existing rights—including valid existing mining claims—will be fully protected. As the Wilderness Act provides, recurring mineral surveys will be conducted by our expert government mineral agencies to assure an up-to-date assessment of mineral values should an emergency arise that might require Congress to consider opening up some part of the area.

Section 5 of the bill is included to stress that established uses may continue, just as is already specified in the provisions of the 1964 Wilderness Act. Each of those provisions—concerning established aircraft and motorboat use, established grazing of livestock, commercial services (such as guide and outfitter services), State water law, and fish and wildlife jurisdiction—are restated verbatim from the Wilderness Act, for emphasis.

THE HEART OF IDAHO

The debate over wilderness is often heated. Confusion and misunderstanding can blur the real issues. A frequent misunderstanding likely to be heard again in this debate was singled out in the Forest Service's analysis of the earlier public hearings. It is worth quoting here:

"Many of those opposing classification of the Primitive Areas or the Salmon River stated they favored 'multiple use manage-

ment' instead. The fact that wilderness is itself a resource which embodies several of the multiple uses of the National Forests and is consistent with the Multiple Use-Sustained Yield Act is not readily understood by the public."

This misunderstanding requires a broader perspective, and a better understanding. Both are provided by those two excerpts from a speech about this area made in 1975 by then-Governor of Idaho Cecil Andrus:

"To me, and from my viewpoint, Idaho's wilderness is its heart.

"In Idaho, as in the rest of the Northwest, we have branded our great natural inheritance with various signs of our civilization. We have built dams and logged forests; mined and dredged.

"We have turned plains into pasture and sloping valleys or flat river bottoms into irrigated farms that look from the air like green, gold and brown sections of a giant patchwork quilt.

"By domesticating much of our wild country, we have, in many cases, made it uninhabitable for fish and wildlife. In the wake of development then, we have traded some of our inheritance.

"Of Idaho's 53 million acres, approximately 11,000,000 acres remains much like it always was. The question currently before all of us is, how much of it can and will be wilderness in the future?

"In the context of mining, logging, and motorized recreation, the words multiple use refer only to people—not to wild life and (the) green plant base that is so important to the fragile granite soils of Idaho's primitive areas.

"On the other hand, the concept of Wilderness enables use and enjoyment of an area by hunters, backpackers, photographers, fishermen, boaters, floaters, researchers, outfitters, guides, and pilots—all on a renewable basis that does minimum damage to the environment and creates minimum interference with the natural fish and game cycles."

This is the essential perspective: to see wilderness as land which does indeed serve many needs for people, as land truly devoted to multiple use.

The "River of No Return Wilderness" will preserve this heartland of Idaho. Its clear waters will still flow free. Its native wildlife, in unsurpassed abundance, will roam free, protected in a wilderness area encompassing the whole ecological system. Here will remain, as it has always been, a wilderness paradise to be treasured by all Idahoans and all Americans, for this and for future generations.

JANUARY 12, 1979.

HON. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR FRANK: We request that you reintroduce, at the beginning of the 96th Congress, our citizens bill for the reclassification of the Idaho and Salmon River Breaks Primitive Areas as a 2.3 million acre "River of No Return Wilderness." (In the last Congress, you introduced this bill as S. 2494.)

As you know, last summer President Carter enjoyed his own family vacation in the heart of this magnificent wild land, on our famed Middle Fork of the Salmon River, whose pure waters and legendary fishing owe their survival to the protection of the wilderness watershed. Subsequently, the President has sent Congress an expanded Administration recommendation for a "River of No Return Wilderness" of some 1.9 million acres.

Now most recently, recommendations have been made for wilderness designation of certain additional contiguous roadless lands, as part of the Secretary of Agriculture's January 4, 1979 announcement of the results of the RARE-II study program. Wilderness was proposed by the Secretary for a number of areas which, in effect, would expand the 1.9 million acre Administration proposal to a wilderness of some 2.1 million acres. (The Secretary also recommended full wilderness status for other areas in central Idaho, as you know.)

We are, of course, gratified that the Forest Service and the Secretary of Agriculture now see the wisdom of the greater portion of our larger wilderness proposal. Still, the full watershed of the Middle Fork and other critical lands have not gained official recognition, so the need for thorough congressional review of all these various proposals is clear—as is the need to avoid any development action in any lands under consideration until the Congress has finalized its wilderness designations.

It is our understanding that you also expect to be simultaneously introducing (also on a "by request" basis), a bill prepared by officials of Idaho timber companies.

As you know, our citizen wilderness proposal for this area has been a matter of public knowledge for more than five years. Indeed, the timber industry has had access to our proposal in bill and map form since February of last year. On the other hand, we have not been advised in any detail of the contents of their brand new proposal, nor have we seen maps to illustrate its boundaries and land classifications. Thus, you will understand that they have had an advantage in reacting to our long-standing public proposal, while we are not in a position to react to the details of their proposal until leaders of our groups throughout Idaho have had a chance to see it.

It is our general understanding, however, that the timber industry bill proposes a "mini-wilderness" far smaller than our proposal, and smaller, too, than the Administration recommendation. Inasmuch as their proposal may only involve lands which have been under "primitive area" protection since the 1930's, you can understand our lack of enthusiasm. As you know, Idaho citizens supported our full 2.3 million acre wilderness proposal overwhelmingly at the 1973 Forest Service hearings in Boise, Lewiston, and Pocatello.

It is also our general understanding that the industry bill will call for massive and radical "instant" disposal of all remaining potential wilderness lands, uncritically accepting Forest Service land use plans which—in Idaho—have been uniformally of poor quality (and frequently overturned by higher authorities upon appeal). These "instant disposal" lands apparently involve roadless land both within our 2.3 million acre boundary and far beyond—thus substantially broadening the territory under discussion.

You may be certain that we and the people of Idaho will have a response to this brand new timber industry bill. However, in simple fairness, we cannot prepare a response until we see the actual dimensions of their proposal, their maps, and related data—and until we have had a chance to consult with the broad group of conservation and sportsmens leaders throughout Idaho.

Therefore, we ask that you incorporate this letter in the explanatory remarks accompanying your reintroduction of the citizens "River of No Return Wilderness" bill, as notice that we shall in due course have a reaction to the timber industry bill and its broader geographical scope.

As always, we deeply appreciate your leadership as we now approach the time of decision for these wildlands which have for so long been so central a part of the life and spirit of the people of Idaho.

Sincerely yours,

Ted Trueblood, President, River of No Return Wilderness Council, Nampa, Idaho; Mary Lou Reed, Chairman, Board of Directors, Idaho Conservation League, Coeur d'Alene, Idaho; Mark Ingram, Executive Director, Idaho Conservation League, Boise, Idaho; Jerry Jayne, President, Idaho Environmental Council, Idaho Falls, Idaho; Dennis Baird, Wilderness Chairman, Sierra Club, Moscow, Idaho; Scott W. Reed, Member, Board of Directors, National Audubon Society, Coeur d'Alene, Idaho.

Mr. CHURCH. Mr. President, I ask unanimous consent that a summary of the Idaho Forest Industry Council's bill, a letter to me from IFIC executive director, Louise Shadduck, and the text of the IFIC bill be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 96

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central Idaho Wilderness and Management Act of 1979."

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) the Salmon River of Idaho—the famous "River of No Return"—and its wildland environment constitute a wilderness resource of national significance;

(2) the pure, high quality waters of the Salmon River provide the critical spawning and rearing habitat for runs of Chinook salmon, steelhead and other anadromous and resident fish species of vital importance to commercial and sports fishermen and, therefore, to the commerce of Idaho and the entire Columba-Snake River basin;

(3) protection of these wildlands and free-flowing waters has been a long-standing objective of public policy, exemplified by the establishment of the Idaho Primitive Area in 1931 and the classification of the Middle Fork of the Salmon River as a wild river by the Congress in 1968;

(4) these wildlands comprise a sample of the wilderness heritage of Idaho and the Mountain West which can endure as a resource of wilderness and as an undisturbed control area for ecological research and historical example, without conflict with established uses, including hunting, grazing, ranching and commercial guide and outfitter services;

(5) pursuant to the mandate of Congress, comprehensive studies, reviews and public hearings have been completed, demonstrating that the people of Idaho, the West, and the United States support the continued protection of the watershed of the free-flowing Salmon River.

(b) Therefore, it is hereby declared to be the policy of Congress that, in furtherance of the purposes of the Wilderness Act, the Resources Planning Act and the National Forest Management Act, the national interest will be served by the protection of the Central Idaho Wilderness Area and by the careful management of significant adjacent areas for other non-wilderness purposes.

DESIGNATION OF WILDERNESS AREA

SEC. 3. (a) In accordance with subsection 3(b) of the Wilderness Act (78 Stat. 890, 16 U.S.C. 1131), the areas in the Boise, Challis, Payette, Nez Perce, and Salmon National

Forests, Idaho, situated north and south of the Salmon River and which comprise about one million two hundred ninety thousand acres, as generally depicted on a map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed," dated ----------, 1978, are hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System. The previous classification of the Idaho and Salmon River Breaks Primitive Areas is hereby abolished.

(b) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Central Idaho Wilderness with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives and such map and description, which shall be consistent with the provisions of this Act, shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such description and map may be made.

(c) The wilderness area designated by this section shall be known as the Central Idaho Wilderness and, except as otherwise provided by this section, shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of that Act shall be deemed to be a reference to the effective date of this Act.

(d) Notwithstanding any other provision of law, but subject to valid existing rights, the minerals in Federal lands within the wilderness area designated by this Act will be withdrawn after 1985 from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other disposition under the Geothermal Steam Act of 1970.

CONTINUATION OF ESTABLISHED USES

SEC. 4. (a) Within the Central Idaho Wilderness the use of aircraft or motor boats, where these uses have already become established, may be permitted to continue subject to such restrictions as the Secretary of Agriculture deems desirable.

(b) Within the Central Idaho Wilderness the grazing of livestock, where established prior to the effective date of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary by the Secretary of Agriculture.

(c) Commercial services may be performed within the Central Idaho Wilderness to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the area.

(d) Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water law.

(e) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the Department of Fish and Game of the State of Idaho with respect to wildlife and fish within the lands and waters subject to this Act.

WILDERNESS STUDY AREAS

SEC. 5. (a) Those areas adjacent to the Central Idaho Wilderness Area established by this Act, which comprise about 28,800 acres, as generally depicted under the category "Wilderness Study Areas," on the map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed" and dated , 1978, shall be studied by the Secretary of Agriculture to determine the suitability and feasibility of their incorporation into the National Wilderness Preservation System as part of the Central Idaho Wilderness established under Section 3 of this Act.

(b) The Study referred to in subsection (a) shall be completed within three years after the date of enactment of this Act and shall be forwarded upon completion to the Energy and Natural Resources Committee of the United States Senate and to the Interior and Insular Affairs Committee of the House of Representatives.

(c) Any lands within the category "Wilderness Study Areas" depicted on the map referenced under subsection (a), which are not recommended by the Secretary for incorporation into the Central Idaho Wilderness, shall, upon the transmission of the report to Congress of the study required under subsection (a), be immediately available for multiple use management under the existing applicable Forest Service land management plans.

MANAGEMENT AREAS

SEC. 6. (a) Within sixty days after the date of enactment of this Act, the Secretary of Agriculture shall implement the multi-purpose resource development plan on file with the Chief of the Forest Service, identified as the "Warren Planning Unit Land Management Plan, Payette National Forest, Idaho," dated , 1978, and numbered said plan covering lands in the Payette National Forest, Idaho, which comprise about 352,000 acres, as generally depicted in the category "Warren Planning Unit Area," on the map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed" dated , 1978.

(b) Within two years after the date of enactment of this Act, the Secretary of Agriculture shall implement a multipurpose resource development plan or plans for development of the Federal lands identified as "Panther Creek Roadless Area," which comprises about ninety-four thousand acres, as generally depicted under the category "Management Areas," on the map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed" and dated, 1978.

(c) The multipurpose resource development plan or plans referenced under subsection (b) shall comply with the provisions of the Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215, 16 U.S.C. 528) and the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, 16 U.S.C. 1601) as amended, and shall conform in all respects to the provisions of the National Forest Management Act of 1976 (90 Stat. 2949, 16 U.S.C. 1600), including the regulations, guidelines and standards promulgated pursuant to that Act.

(d) After the date of the enactment of this Act, the Secretary of Agriculture shall manage pursuant to the provisions of the Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215, 16 U.S.C. 528) and the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, 16 U.S.C. 1601) as amended, all the remaining roadless areas within the Nez Perce National Forest inventoried in the Roadless Area Review and Evaluation (RARE I and RARE II) that are not included in existing wilderness areas or in the Central Idaho Wilderness and with respect to such lands the environmental reviews and studies heretofore conducted including those conducted pursuant to the Roadless Area Review and Evaluation (RARE I and RARE II) are hereby determined to be in full compliance with the requirements of Section 102 of the National Environmental Policy Act of 1969 (83 Stat. 853, 42 U.S.C. 4332) for purposes of commodity production including timber harvest.

(e) The lands referenced in subsections (a), (b), and (d) of this section shall not be the subject of further studies by any department or agency of the Federal Government for possible inclusion in the National Wilderness Preservation System.

AUTHORIZATION

SEC. 7. There is hereby authorized to be appropriated annually the sum of $2,000,000 for five years for forest road costruction activities pursuant to the plans developed under Section 6(a) of this Act, such sums shall be considered in addition to funds authorized under any other acts.

IDAHO FOREST INDUSTRY COUNCIL

The Idaho Forest Industry Council, an association consisting of the Southern Idaho Forestry Association and the Northern Idaho Forestry Association, which represents the aggregate of the wood products conversion companies of Idaho, proposes a bill to allocate certain National Forest lands in Central Idaho. In summary, the bill would:

1. Reclassify the existing Idaho and Salmon River Breaks Primitive Areas as wilderness, by designating a 1.3 million acre Central Idaho Wilderness Area;

2. Designate 28,000 acres along the eastern side of the new Central Idaho Wilderness as Wilderness Study Areas to be studied by the Secretary of Agriculture to determine the desirability of their incorporation in the Central Idaho Wilderness;

3. Implement the final land use plan and environmental statement for the 352,000 acres of land in the Payette National Forest known as the Warren Planning Unit;

4. Require within two years the preparation of a land management plan for the development of the 94,000 acre Panther Creek Area of the Salmon National Forest lying adjacent to the Idaho Primitive Area;

5. Classify certain roadless and undeveloped areas in the Nezperce National Forest contiguous to the Salmon River Breaks Primitive Area as "multiple-use" lands with emphasis on commodity development and timber harvest to supply a steady flow of materials for local dependent communities;

6. Provide for continuation of existing established uses within the Central Idaho Wilderness; and

7. Authorize an extra $2 million annually for the construction of forest roads within the Warren Planning Unit.

JANUARY 15, 1979.

DEAR FRANK: Enclosed is a copy of the final draft of legislation which the Idaho Forest Industry Council has prepared to allocate certain National Forest System lands in Idaho.

This legislation has been prepared by those wood products companies with mills near the Idaho and Salmon River Breaks Primitive Areas. Our proposal calls for the reclassification of the two Idaho primitive areas as a 1.3 million acre Central Idaho Wilderness. Our bill also would allocate for multiple-use purposes some 850,000 acres in this same region.

The Idaho Forest Industry Council understands that you will soon be introducing several proposals for the allocation of National Forest lands in the central Idaho area. We would appreciate it very much if at that time you would introduce on our behalf this proposal.

For your use, we are also enclosing a summary sheet which outlines our proposal.

With warm regards,

LOUISE SHADDUCK.

Mr. CHURCH. Mr. President, I ask unanimous consent that a summary of the President's 1.9 million-acre wilderness bill, his letter of transmittal to Congress, and the text of the administration

bill be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the R53*84, as follows:

S. 97

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with subsection 3(b) of the Wilderness Act (78 Stat. 891; 16 U.S.C. 1132 (b)), the areas classified as the Idaho and Salmon River Breaks Primitive Areas, with the proposed additions thereto and proposed deletions therefrom, as generally depicted on a map entitled "River of No Return Wilderness (Proposed)", which is on file and available for public inspection in the Office of the Chief, Forest Service, U.S. Department of Agriculture, is hereby designated as the River of No Return Wilderness (1,889,288 National Forest System acres), within and as parts of the Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests in Idaho.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and legal description of the River of No Return Wilderness with the Energy and Natural Resources Committee, United States Senate, and the Interior and Insular Affairs Committee, House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* that correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The River of No Return Wilderness shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 4. The previous classification of the Idaho and Salmon River Breaks Primitive Areas is hereby abolished.

SUMMARY

This proposal results from technical field studies encompassing the Idaho and Salmon River Breaks Primitive Areas, plus certain contiguous lands, by the Forest Service, U.S. Department of Agriculture. A mineral survey has been made on most of the proposed area by the U.S. Geological Survey and the Bureau of Mines. This proposal results from an examination of the combined area for its suitability as Wilderness, according to the criteria established by the Wilderness Act.

The proposed 1,889,288 acres of Wilderness include 1,408,149 acres of the existing 1,439,871 acres in the Idaho and Salmon River Breaks Primitive Areas, plus 481,139 acres of contiguous lands. These contiguous lands consist of ten areas which are suitable and available for Wilderness. Within the two Primitive Areas, declassification from Primitive Area status is recommended for eight areas, totaling 31,722 acres.

LOCATION

The proposed River of No Return Wilderness is within the Columbia River Basin in Custer, Idaho, Lemhi, and Valley Counties of central Idaho approximately 80 miles northeast of Boise. It is within the boundaries of the Bitterroot, Nezperce, Boise, Challis, Payette, and Salmon National Forests. Most of the area is within the drainage of the Salmon River and its tributaries. The Salmon River flows between or adjacent to the proposed Wilderness for a distance of 76 miles.

PRINCIPAL FEATURES AND ATTRACTIONS

These undeveloped areas of central Idaho encompass large, rugged, scenic, and mountainous areas, with towering peaks and deep canyons. They embrace the Salmon River, where powerboats are a major means of access, as well as 104 miles of the Middle Fork of the Salmon River, a unit of the Wild and Scenic Rivers System which is nationally known for its float boating and fishing opportunities. The gorge formed by the main Salmon River constitutes the second deepest gorge in the Continental United States. It is exceeded in depth only by the Seven Devils Canyon on the Snake River. The areas offer exceptionally fine hunting with large herds of deer and elk. Bighorn sheep are a common sight along the rivers.

WILDERNESS QUALITY AND SUITABILITY

The Wilderness resource is of high quality over much of the areas. Much of the areas are trailless, with difficult access, thus offering opportunity for solitude in areas remote from human activities. Evidence of man's intrusion is substantially unnoticeable over most of the areas. However, there are some principal exceptions. These include 29 fire lookouts, 10 fire guard stations, 75 trail bridges, 19 airstrips, and a variety of improvements on private inholdings, including cabins, lodges, resort facilities, and 12 of the above airstrips.

Solitude is impaired in some places within the proposed Wilderness by manmade noise and activities. Such impairment includes motor noise from powerboats, vehicles, aircraft, and generators, as well as the disturbances resulting from the concentrated occupancy of popular recreation use areas.

The area offers diverse opportunities for scientific and educational study.

The area generally meets the criteria set forth in the Wilderness Act and is, therefore, recommended for Wilderness designation.

ACCESS AND RELATION TO URBAN AREAS

The proposed Wilderness is located in an undeveloped and sparsely populated section of central Idaho. Railroads and scheduled airlines do not serve the area directly. Access to the boundaries of the proposed Wilderness is by unimproved, single-lane Forest development roads or unimproved, single-lane mining roads. Air, water, and trail access exist within portions of the proposed Wilderness.

The area is accessible in about 11 hours flying and driving time from New York City, 8 hours from Phoenix, and 7 hours from San Francisco. Driving time from the principal nearby cities of Sun Valley, Twin Falls, Boise, Pocatello, and Idaho Falls, Idaho; Missoula, Montana; and Spokane, Washington, is not more than 6 hours. The population within 250 miles of the proposed Wilderness is over 2 million persons.

PROXIMITY TO OTHER WILDERNESSES, PRIMITIVE AREAS, AND WILD AND SCENIC RIVERS

The proposed River of No Return is about 15 miles north of the $1\frac{1}{4}$-million-acre Sawtooth Wilderness, 6 miles southeast of the Gospel Hump Wilderness, 48 miles east of the Hells Canyon Wilderness, and 2 miles south of the $1\frac{1}{4}$-million-acre Selway-Bitterroot Wilderness. The middle Fork of the Salmon River, a unit of the Wild and Scenic Rivers System, passes through the proposed Wilderness for a distance of about 104 miles. The main Salmon River, which is being proposed for designation as a unit of the Wild and Scenic Rivers System, flows between or adjacent to the proposed Wilderness for a distance of 76 miles.

THE WHITE HOUSE,
Washington, D.C.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with the Wilderness Act of 1964, I am pleased to transmit a proposal to designate a 1.9 million acre River of No Return Wilderness on portions of the Bitterroot, Boise, Challis, Nezperce, Payette and Salmon National Forests in Idaho.

This proposal fulfills a pledge made in my Environmental Message of May 1977 to review and expand the wilderness recommendation for this area submitted to the Congress by the prior Administration. The additional acreage included in my proposal reflects substantial involvement by concerned government and private organizations and groups at the national, state and local levels.

I strongly urge the Congress to favorably consider this proposal to preserve the outstanding natural qualities of this large undeveloped area for the benefit of present and future generations of Americans.

Sincerely,

JIMMY CARTER.

By Mr. CHAFEE:

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Finance.

YOUNG FAMILIES HOMEOWNERSHIP ACT OF 1979

● Mr. CHAFEE. Mr. President, this afternoon I am introducing the Young Families Homeownership Act of 1979.

My proposal would assist individuals and families who wish to enter the housing market for the first time by awarding tax credits for amounts deposited to a new kind of savings plan, the individual housing account. A prospective home buyer would be entitled to a 20-percent income tax credit on contributions of up to $2,500 a year to such an account, thus being eligible for a maximum $500 credit per year. The total allowable credit would be $2,000 over a 10-year period.

By employing a tax credit rather than a tax deduction, my bill makes the benefits of the program available to virtually all taxpayers who are saving to buy their first home. Since a credit can be subtracted directly from one's tax liability, it can be used by individuals whether they itemize their tax returns, or not. A tax deduction, on the other hand, can only be used by taxpayers who itemize, and those individuals are likely to be homeowners in the first place. Therefore, use of the tax credit approach is a key element to making this an equitable program.

In addition, the interest income accruing to the account would not be taxable. These provisions would be effective only as long as the savings in the account are used toward the purchase of a first home. If funds are withdrawn from the account for another purpose, or have not been used within 10 years of the initial deposit for the purchase of a home, a 20-percent penalty will be levied on the funds in order that the Treasury might recover the amount previously credited to the taxpayer.

One does not need the benefit of sophisticated economic data to know that rising costs have made home buying nearly prohibitive to young people as well as most moderate- and lower-income families. From December 1977 to December 1978, the cost of buying a new house escalated at two times the overall rate of inflation. The average new home, which cost $57,700 only a year ago, now sells for $67,600—an increase of over 17 percent. While the cost of purchasing today's existing home is somewhat less,

about $58,000, the impact of inflation has been no less devastating, averaging over 17 percent for both the new and existing housing stock.

Most young Americans who want to buy a house of their own are running into the same problem—they can not save fast enough to beat inflation. I know you would agree that it is not a good situation when the ability to purchase one's own home becomes a privilege enjoyed only by those in the upper income brackets. Yet, this is a situation we are rapidly approaching.

Congress has done much in the past to help people who already own a home. They can deduct interest payments on the mortgage, local property and real estate taxes, and certain home improvement expenses from their taxable income. But there are no comparable incentives, no tax breaks, for those who are struggling to save their money for their first home. Under present laws all the benefits go to those fortunate enough to have already made it into the housing market. My bill will help those families and individuals who do not yet own their own home.

Mr. President, I urge the Senate to give this important legislation prompt and favorable consideration. I ask unanimous consent that the text of my bill be presented in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 98

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Young Families Homeownership Act of 1979".

ALLOWANCE OF CREDIT

SEC. 2. (a) IN GENERAL—

(1) CREDIT ALLOWED.—Section 44 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 44. CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.

"(a) CREDIT ALLOWED.—In the case of an individual who does not own, has never owned, and is not purchasing a principal residence (within the meaning of section 1034) for himself (or for himself and his spouse), there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the sum of the amounts paid in cash during the taxable year by such individual to an individual housing account.

"(b) LIMITATIONS.—

"(1) MAXIMUM ANNUAL CREDIT.—The amount allowable as a credit under subsection (a) to an individual for any taxable year may not exceed $500. In the case of a married couple filing separate returns, the sum of the amounts allowable to each of them under subsection (a) for the taxable year may not exceed such amount.

"(2) MAXIMUM LIFETIME CREDIT.—The amount allowable as a credit under subsection (a) to an individual for all taxable years may not exceed $2,000. In the case of a married individual, the $2,000 amount in the preceding sentence shall be reduced by an amount equal to the sum of the amounts allowed as credits for all taxable years to his spouse.

"(3) MINIMUM DEPOSIT PERIOD.—Any amount paid into an individual housing account which is paid or distributed out of the account less than 12 months after it was paid into the account shall be treated as if it were not contributed. For purposes of this paragraph, any amount paid or distributed out of such an account shall be treated as having been distributed out of the most recently contributed amounts.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) INDIVIDUAL HOUSING ACCOUNT.—For purposes of this section, the term 'individual housing account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year in excess of $2,500 on behalf of any individual or in excess of $10,000 on behalf of an individual for all taxable years.

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust funds will be invested in life insurance contracts.

"(D) The interest of an individual and the balance in his account is nonforfeitable.

"(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(F) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, if any amount is paid or distributed out of an individual housing account for any purpose other than the purchase of a principal residence, then the tax under this chapter for the taxable year shall be increased by an amount equal to 20 percent of the amount so paid or distributed. The basis of any person in such an account is zero.

"(2) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an individual housing account to the extent that such contribution exceeds $2,500 if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year.

"(B) no credit is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individual's interest in an individual housing account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as an individual housing account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(4) AMOUNTS NOT MEETING MINIMUM DEPOSIT PERIOD REQUIREMENT.—Paragraph (1) does not apply to any amount to which subsection (b)(3) applies.

"(e) TAX TREATMENT OF ACCOUNTS.—

"(1) EXEMPTION FROM TAX.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be an individual housing account. Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit an individual housing account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) ADDITIONAL TAX FOR CERTAIN AMOUNTS DISTRIBUTED.—

"(1) DISTRIBUTION NOT USED TO PURCHASE RESIDENCE.—If a distribution from an individual housing account to an individual for whose benefit such account was established is made, and not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution.

"(2) DISABILITY CASES.—Paragraph (1) does not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual housing account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of an individual housing account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) REDUCTION OF BASIS.—The basis of any residence acquired with funds withdrawn from an individual housing account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds.".

(b) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "INDIVIDUAL HOUSING ACCOUNTS," after "ACCOUNTS," in the caption of such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), and

by inserting after paragraph (1) the following:

"(2) an individual housing account (within the meaning of section 221(c)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.—For purposes of this section, in the case of an individual housing account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds $2,500 for such taxable year or, for all taxable years, exceed $10,000. For purposes of this subsection, any contribution which is distributed out of the individual housing account and a distribution to which section 44(d)(2) applies shall be treated as an amount not contributed.".

(c) REFUND OF EXCESS CREDIT.—

(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)", and inserting in lieu thereof the following: "43 (relating to earned income credit), and 44 (relating to contributions to individual housing accounts)", and

(B) by striking out "sections 31, 39, and 43" and inserting in lieu thereof the following: "sections 31, 39, 43, and 44".

(2) Paragraph (4) of section 6201(a) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39 or 43" in the caption and inserting in lieu thereof the following: "section 39, 43, or 44", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof the following: "section 43 (relating to earned income), or section 44 (relating to contributions to individual housing accounts),".

(d) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL HOUSING ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR INDIVIDUAL HOUSING ACCOUNTS" after "ANNUITIES" in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 44(i) to file a report regarding an individual housing account, at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(e) ADJUSTMENT OF BASIS OF RESIDENCE PURCHASED THROUGH USE OF AMOUNTS IN ACCOUNT.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by inserting after paragraph (20) the following new paragraph:

"(21) in the case of a residence the acquisition of which was made in whole or in part with funds from an individual housing account, to the extent provided in section 44(j);".

(f) CONFORMING AMENDMENTS.—Sections 44A(b)(7) and 56(c)(7) of such Code are each amended by striking out "purchase of new principal residence" and inserting in lieu thereof "contributions to individual housing accounts".

(g) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart (A) of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 44 and inserting the following new item:

Sec. 44. Contributions to individual housing accounts.".

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, individual housing accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds.".

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or an individual housing accounts.".

(h) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1978.●

By Mr. DOLE:

S. 99. A bill to amend title 5, United States Code, to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

AMENDMENT—HAZARDOUS DUTY RETIREMENT PROPOSAL

Mr. DOLE. Mr. President, the bill I am offering at this time was originally introduced as Senate bill S. 565 during February of 1977. At that time, I pointed out that the legislation is intended to correct an oversight in Public Law 93-350, which was enacted by the 93d Congress.

ANNUITY COMPUTATION FORMULA

Mr. President, during the 93d Congress, we gave our approval to a bill, H.R. 9281—later enacted as Public Law 93-530—to provide Federal law enforcement and firefighting personnel a special $2\frac{1}{2}$-percent retirement computation formula in recognition of the special, hazardous duty service which they perform. In doing so, however, we failed to recognize the substantial inequity that would result from premising the incentive credit on a full 20 years of service in such capacity.

In order to correct that oversight, I propose this bill to extend appropriate annuity credit to retiring Federal employees who have at least 5 years' service as law enforcement or firefighter personnel, but who have not completed 20 years. This would be consistent with the full credit given congressional employees under the higher $2\frac{1}{2}$-percent formula after they have served 5 years (5 U.S.C.A. 8339(b)).

As the law now stands, Government employees who have performed "hazardous duties" for fewer than 20 years are penalized merely because they fail to reach the magic benefit line. Even though they were exposed to the same dangers, subjected to the same perils, and employed in the same high risk endeavors for our Nation, they receive no recognition if, for one reason or another, they choose or are compelled to leave such service 1 day before their 20 years are up.

SUPPORT FOR AMENDMENT

This legislation has been endorsed by the International Association of Chiefs of Police, Inc., and has been praised by the Federal Criminal Investigators Association, the National Treasury Employees Union, and the Society of Former Special Agents of the FBI. Last August, this Bill was accepted by the Senate as an amendment to the Civil Service Reform Act. Unfortunately, the amendment was dropped in conference. I believe there remains a good deal of support in Congress for the measure, and I hope we see its enactment in the 96th Congress.

Although the Civil Service Commission is on record as opposing preferential computation formulas as a reward for particular kinds of service, it seems to me that as long as the current law provides for such treatment, all those entitled should receive it. If they do not, we are going to find ourselves in the business of suppressing lateral movement of these types of Government employees, as well as discouraging the initial recruitment of qualified personnel who may not wish to commit themselves for a full 20 years in such a demanding profession.

In addition to the recruitment argument, it is my belief that the change I am proposing could also operate to help retain qualified and experienced personnel within the Government by encouraging them to stay in, or return to, civil service rather than the private sector. Too often, now, for example, a firefighter or law enforcement officer who has put in perhaps 10 years of service and decides that it is not in his own or his family's best interest to continue for another 10 years, would have just as much motivation to go to private industry as to another Government agency.

It seems to me that 5 years is a reasonable minimum to expect of a career-oriented professional and that, in many instances, we are promoting morale problems and indifference among 15- to 20-year agents who are "putting in their time" simply because of the leverage being held over them by the 20-year requirement. Again, I think we could have a much more dedicated, effective and inspired contingent of Federal officers if they knew they could transfer at any time from a hazardous position and still receive full credit for the period spent in that position when they eventually qualified for Government retirement.

Since the bill I am proposing would become effective upon enactment, any problem of recomputation for those already retired would be avoided. Moreover, Federal service retirement computations are done on an individual basis anyway, and no additional administrative burden would be imposed.

Any measure designed to eliminate an existing inequity should, Mr. President, receive the sympathetic consideration of this body. I hope the Senate Government Operations Committee will schedule hearings and computation formula for Federal hazardous-duty employees.

By Mr. PACKWOOD:

S. 100. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes; to the Committee on Finance.

FOREST PRESERVATION ACT OF 1979

● Mr. PACKWOOD. Mr. President, for more than a half century, Congress has fought to replant the Nation's forests as they are cut. In Oregon we have learned the simple truth that our trees are our lifeblood. They bring jobs, build houses, and assure us our land and our values will remain intact. They must be preserved and renewed.

Yet, for that same half century, we have failed to achieve 100 percent reforestation. For every tree cut, we have not planted one in its place. It is not through a lack of will or a lack of commitment, but perhaps the fact that we exhausted our money before we exhausted our commitment. Today I renew that pledge as I introduce S. 100, the Forest Preservation Act of 1979. With this legislation, I offer the means to make 100 percent reforestation a goal we can achieve.

S. 100 will make 100 percent reforestation a reality by providing an annual assured source of funding for that reforestation. S. 100 will establish a national forest trust fund of $30 million from existing tariffs on imported lumber and plywood. The trust fund will be used to supplement congressional appropriations for reforestation and timber stand improvement on our national forests. The Secretary of Agriculture would be authorized to transfer from the fund to the Forest Service each year an amount the Secretary determines is necessary to eliminate the backlog of unreforested national forest lands by 1985. The trust fund will terminate when the backlog is eliminated.

S. 100 will also permit private timber landowners to make deductions of up to $10,000 a year for reforestation and timber stand improvement expenses.

The Federal Government has not done enough to replant and improve the Nation's commercial timberlands. Over 1 million acres of national forest lands, denuded decades ago by timber cutting and fire, have not been replanted. An additional 1 to 2 million acres need timber stand improvement—TSI, the forester's term for treatments which increase the quantity and quality of wood grown on a given plot of land. The Nation's small privately owned forests have 25 million acres of unreforested land, and upward of 100 million acres which need TSI.

The productive potential tied up in this "backlog" is enormous. The annual potential yield of the unreforested national forest backlog is twice that of the roadless areas recommended for wilderness under RARE II. The annual potential yield of the private nonindustrial lands backlog approaches the total annual harvest from the national forests.

Reforesting these lands certainly makes sense from a timber supply perspective. But it pays society in many other ways. It provides jobs to forest communities, many of which have been hard hit by recent reductions of harvest levels. It protects forest soils from erosion, preserving water quality, and the health of our fisheries. It restores the forest wildlife habitat, and shortens the duration of clearcutting's visual impact.

Reforestation and TSI—hereinafter referred to as simply "reforestation"—are good economic investments for both the Federal Government and the private landowner. The profit-conscious forest industry has recognized this, and has taken the lead in forest regeneration. Experience has shown that a dollar spent on growing trees yields one of the best rates of return accessible to the landowner, whether that landowner is a forest products corporation, small farmer or Uncle Sam.

Why then, do we have this huge backlog of nonproductive and underproductive forest lands? It is, too, often because the person who plants the tree is not the one, years later, who will cut and sell that tree. On the national forests, it is the Federal Government that defers its obligation to 100 percent reforestation.

For almost half a century Congress has sought a mechanism to provide enough funding for reforestation. It started in 1930 with the Knutson-Vandenberg (KV) Act, which allowed the Forest Service to charge timber purchasers the cost of reforesting the sale area. Historically, however, these KV funds have not proven adequate. In 1949, the Anderson-Mansfield Revegetation Act recognized a growing backlog. It authorized appropriations to supplement KV funds, with the intention of eliminating the backlog by 1965. Twenty-three years later, in 1972, Congress noted the backlog had not been eliminated. It had in fact grown. The House approved a bill to establish a reforestation trust fund, but that provision was dropped in conference. The accelerated Reforestation Act of 1972 increased the authorization and again urged all reforestation work to be brought up to date.

In 1974, Congress substantially boosted the appropriation for reforestation and TSI. The House report said fiscal year 1975 was to be the first year of a 10-year program to eliminate the backlog; that is, by fiscal year 1984. During the same year, Congress enacted the Forest and Rangeland Renewable Resources Planning Act—also known as Humphrey-Rarick. In a separate reforestation provision, this act set the year 2000 as the deadline for eliminating the backlog, and required the President to request adequate funds for this purpose in his annual budget.

The 1976 National Forest Management Act (NFMA) is the foundation for S. 100's trust fund provision. The reforestation section of the NFMA amended the 1974 Resources Planning Act by moving the deadline to within 8 years of the 1976 act's enactment—fiscal year 1984 or 1985, depending on which fiscal year you start with. It directs the Agriculture Secretary to include a statement of this program's projected cost in the annual budget submitted to Congress.

Through these laws and with the clear commitment of Congress, explicit deadlines have been set and assured funding sought. Yet, in spite of Congress good intentions for half a century, adequate funding for reforestation and timber stand improvement is not being provided. For 2 years now the administration has requested funding far below the level required by the 1976 act. Congress has appropriated a higher level, but has not provided full funding. The Forest Service now says that the backlog cannot be eliminated until 1985, and only then if full funding is provided through that year.

The present funding shortage is compounded by the fact that reforestation is made up of several interdependent steps extending over several years. Sites must be prepared up to a year in advance, seedlings must be grown up to 2 years prior, and tree nursery capacity must be expanded prior to that. For example, the Forest Service cannot use money to plant 200 million trees in 1982 if the funds needed to increase their annual nursery capacity to 200 million seedlings were not provided in 1980.

Uncertain, erratic funding impedes this program, and results in inefficient use of resources. Yet, history tells us this situation is unlikely to change, given the current funding mechanism. Reforestation must compete with programs that have greater and more immediate political appeal. As long as the benefits of tree planting and thinning are perceived to be distant, sufficient reforestation appropriations are unlikely.

S. 100 seeks to guarantee the goal sought by Congress for half a century. This is done simply by providing an assured adequate source of funding. S. 100 is a logical extension of the 1976 act, the next and final step toward elimination of the backlog of unreforested national forest lands.

Trust funds will be transferred to the Forest Service only in the amounts needed to meet the 1976 act's reforestation goal. The Forest Service already has a program for eliminating the backlog by 1985, and the Secretary of Agriculture annually tells Congress what this program will cost during the upcoming year. Under S. 100, Congress may appropriate the full amount from regular sources. If it cannot, trust fund money will supply the difference. Congress is not denied the right to review the backlog program, nor is it denied the right to bar the trust fund supplement if waste or misuse of funds is discovered.

Like regular appropriations, trust funds may be used only for reforestation and timber stand improvement as defined by the 1976 act. They may not be used for road building, timber sale administration, construction of visitor centers, and the like. S. 100's trust fund will not provide the agency with a lifetime source of funding. When the reforestation goal is met, when we are current, the trust fund will terminate and the money it contains will return to the Treasury.

I want to make it very clear this bill does not change in any way the processes by which national forest management decisions are made. It does not seek to reverse or affirm any administrative decisions. Let me be more specific. S. 100 does not mandate an increase or reassessment of annual allowable harvest levels. It does not propose intensive timber management for existing roadless areas, regardless of status. It does not attempt to resolve the question of whether or not the use of herbicides should be allowed. It does not propose an expansion of "super tree" planting or fertilization programs.

A forum exists for all of these policy decisions. Management of the national forests will still be subject to the provisions of the Multiple Use Sustained Yield Act of 1960, the National Environmental

Policy Act of 1969, and the National Forest Management Act of 1976. S. 100 simply says that when we have decided how the forest should be managed for everyone, the money for 100 percent reforestation will be there.

Timber lands on small private ownerships have the greatest potential to meet our increased timber needs in future years. They constitute 60 percent of the Nation's commercial timber lands (200 million acres, as compared to 100 million on the national forests, 50 million in State and other government ownerships, and 60 million in corporate ownerships). Reforestation and improvement of these lands has also suffered from the owner's reluctance to make the necessary long-term investment. For the private owner, however, it is more than a matter of patience or politics. Up front costs can be an insurmountable barrier, especially considering the trees might not be cut and sold until after the original investor has died. Loans are difficult to obtain, and Government grant programs, because of funding and administrative limitations, cannot begin to reach the tens of thousands of owners who need help.

A tax incentive would be the most efficient means to reach the potential investor. The tax code presently requires reforestation and timber stand improvement expenditures to be capitalized. Therefore, the tax benefit is deferred until the trees are cut or the land sold (again, often beyond the lifetime of the original investor).

S. 100 would permit an "above the line" deduction for reforestation or TSI expense. What this means is that it would be available to those who do not itemize deductions, as well as those who do. The cost could be substantially or completely covered by this tax break, depending upon the size of the job and the taxes normally paid by the investor.

Timber corporations have recognized the economic necessity of reforestation and TSI. They appear satisfied with capitalizing their investments, and will probably continue to do so. In order to focus the deduction on those who need it the most, there would be a $10,000 ceiling for annual deductions. Ten thousand dollars at today's prices would replant roughly 100 acres, or permit a precommercial thinning on 150 acres. The deduction proposed by S. 100 will accommodate the need of the small owner without incurring excessive costs to the Government.

There is no need to detail the timber supply dilemma this Nation faces. Demand for lumber and wood products will increase. So will demands on other values that the forests provides, values ranging from hard economic to purely aesthetic. The challenge for the decades to come is seeing that demands for both are satisfied.

There is much that can and should be done to increase the efficiency with which we use our timber resources. These efforts range from increased utilization of trees cut (directional falling, improved milling technology, and use of wood waste for building materials and fuel) to increased recycling of wood fibers. We must also insure that timber management and harvesting be done in a manner that reduces as much as possible impact on other forest uses.

But it is not often in this age of shortages and scarcity that we can significantly reduce or eliminate a conflict in resource allocation simply by creating more of that scarce resource. Less often can we get all the major interest groups to agree on how this should be done. Reforestation is a notable exception. With a continued commitment to investments in reforestation and timber stand improvement, we can significantly increase the supply of timber without reducing the long-term productivity of the land, and without diminishing the forest values that mean so much to our quality of life and to our economy.

S. 100 is a bill that everyone can agree on. For the forest industry, it means a more secure supply of logs for the mills. For environmentalists, it means that there will be less pressure to extend the logging into wilderness and other environmentally sensitive areas. For loggers, it means not only more work cutting trees, but alternative employment in replanting and improving the forest. For commercial, sport, and native fishermen, it means protecting the spawning grounds of fish populations. For hunters and wildlife observers, it means restoring the forest environment for game and nongame wildlife.

Inflation fighters, which should include all of us, can support S. 100 for several reasons. First, it is a budget booster, not a budget buster. A dollar spent today on reforestation will return to the Treasury many times over. The Forest Service currently takes in over four times as much money from the sale of trees as it would spend on growing them if S. 100 were law. And we would not have to wait 100 years for the returns. By filling in the low spots in the future supply curve, reforestation, and TSI would permit increases in the national forest's annual cut over the short term, without violating the principle of sustained yield. The reforestation program would more than pay for itself in increased timber sale receipts. Furthermore, S. 100 would result in more efficient use of Forest Service resources. And its tax incentive provision is the most cost-effective way of assisting the private landowner. Federal expense is kept to a minimum.

S. 100 would contribute to improving our balance of payments, as the tariff on imported wood will pay for growing the trees we need to become self-sufficient. Last and certainly not least, S. 100 would help hold down the cost of wood products and, therefore, the cost of housing.

S. 100 would set an example to the world, a significant portion of which is being deforested at an alarming rate. We must demonstrate that trees are a renewable resource only if people choose to make it so. We must demonstrate that reforestation is an investment that we can afford—because we cannot afford not to do it. We have a long history of legislative support for full reforestation. Now is the time to commit our resources and ingenuity to the task. That is what S. 100 will do.

Mr. President, I submit the text of this bill now and ask that it be printed in the RECORD.

The text of the bill follows:

S. 100

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 193. REFORESTATION EXPENDITURES.

"(a) TREATMENT AS EXPENSES.—

"(1) IN GENERAL.—A taxpayer may elect to treat qualified reforestation expenditures which are paid or incurred by him during the taxable year as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(2) ELECTION.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary prescribes by regulations.

"(b) QUALIFIED REFORESTATION EXPENDITURES.—For purposes of subsection (a), the term 'qualified reforestation expenditures' means direct costs incurred in connection with reforestation by planting and artificial or natural seeding, and timber stand improvement by precommercial thinning of existing forest stands, including, but not limited to, costs—

"(1) for the preparation of the site,

"(2) of seed or seedlings; and

"(3) for labor and tools, including depreciation of equipment such as tractors, trucks, tree planters and similar machines used in planting or seeding.

"(c) LIMITATIONS.—

"(1) $10,000 LIMIT.—The deduction allowed by subsection (a) for any taxable year shall not exceed $10,000.

"(2) ALLOCATION.—In the case of component members of a controlled group of corporations (within the meaning of section 1561), the $10,000 amount referred to in paragraph (1) shall be allocated among such members under regulations prescribed by the Secretary.".

"(3) FEDERAL COST SHARING PROGRAMS.—No deduction is permitted for amounts reimbursed under Federal reforestation and timber stand improvement cost sharing programs authorized by section 4 of Public Law 95-313.

(b)(1) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 193. Reforestation expenditures.".

(2) Section 263 (a)(1) of such Code (relating to capital expenditures) is amended—

(A) by striking out "or" at the end of subparagraph (E),

(B) by striking out the period at the end of subparagraph (F) and inserting ", or", and

(C) by adding at the end thereof the following:

"(G) reforestation expenditures which the taxpayer elects to deduct under section 193.".

(3) Section 1245 (a) of such Code (relating to gain from disposition of certain depreciable property) is amended—

(A) by inserting "193," after "190," each place it appears in paragraph (2), and

(B) by striking out "or 190" each place it appears in paragraphs (2) and (3)(D) and inserting in lieu thereof "190, or 193".

(4) Section 1250 (b) of such Code (relating to depreciation adjustments) is amended by striking out "or 190" and inserting in lieu thereof "190, or 193".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1979.

SEC. 2. (a) There is established in the Treasury of the United States a trust fund to be known as the "Reforestation Trust Fund" (hereinafter in this section referred to as the "Trust Fund") consisting of such amounts as may be appropriated to the Trust Fund as provided in this section.

(b)(1) There is appropriated to the Trust Fund—

(A) amounts equivalent to the tariffs received in the Treasury after September 30, 1978, and before September 30, 1985, under subparts A and B of part 1 of schedule 2 of the Tariff Schedules of the United States (19 U.S.C. 1202); and

(B) amounts equivalent to the tariffs received in the Treasury after September 30, 1978, and before September 30, 1985, under part 3 of such schedule 2.

(2) The amount appropriated under paragraph (1) for any fiscal year shall not exceed $30 million.

(3) The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c)(1) It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and (after consultation with the Secretary of Agriculture) to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next five fiscal years. Such report shall be printed as a House/Senate document of the session of the Congress to which the report is made.

(2)(A) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(B) Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(C) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d)(1) Amounts in the Trust Fund shall be available to meet those obligations of the United States—

(A) incurred under subsection (d) of section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management of 1976 (P.L. 94-588), in eliminating and preventing a backlog in the reforestation of the National Forest System, but only to the extent in any fiscal year that such obligations exceed amounts appropriated for such fiscal year under any other provision of law; and

(B) For those portions of administrative expenses attributable to activities described in subparagraph (A).

(2) The Secretary of the Treasury shall pay from the Trust Fund such amounts during any fiscal year, not in excess of $30 million, as the Secretary of Agriculture certifies are necessary to make the payments provided in paragraph (1).

(3) The Secretary of the Treasury shall pay into the general fund of the Treasury any amounts, including interest earned on such amounts, remaining in the Trust Fund after September 30, 1985 which were not expended and remain in the Trust Fund.●

By Mr. HATCH:

S. 101. A bill to amend the National Labor Relations Act and the Railway Labor Act to revise provisions relating to religious freedom; to the Committee on Human Resources.

RELIGIOUS FREEDOM IN THE WORKPLACE ACT OF 1979

● Mr. HATCH. Mr. President, I venture to say that most Americans know that one of the great tenets of our society, and possibly the greatest, is the freedom to worship as we individually see fit. The desire to escape religious persecution was the motivating reason for the pilgrims to seek a better way of life in a new land. It is a cherished right which most of our people would be willing to surrender their lives to preserve.

With this self-evident statement having been made, it is ironic that our industrial laws, which have been developed in large measure over the past 50 years, have not recognized and guaranteed this right which we all take for granted. And now I am speaking of existing conflicts in the workplace which pit two principles against each other: union security and religious freedom.

Under the National Labor Relations Act which sets forth our labor relations policy for most employers and employees, union security agreements are legally enforceable requirements in States which do not have so-called "right to work" laws when an employer and union representatives agree to have such a provision. While the term union security does not lend itself to a precise definition, it generally connotes a legal requirement between a labor union and an employer whereby the employer agrees to require his employees, as a condition of their employment, to affiliate with the union in some way. In a situation of this sort, the employee must support a union at least financially, if he is to retain his job.

The conflict takes place in a case where an employee, because he is a member of and adheres to established and traditional tenets of a bona fide religion which have historically held conscientious objections to joining or financially supporting a labor organization, is discharged for refusing to join or support the union. In other words, under present employment laws there is no accommodation made for the retention of an employee's religious beliefs when he is on the job and continuing employment when the conscientious objection is raised as a bar to union membership.

In summary, the employee can be fired without any legal recourse if he refuses to support financially the union where union security arrangements have been agreed to.

The purpose of my bill, which I have termed the "Religious Freedom in the Work Place Act of 1979," is to make employment available without religious discrimination in a union shop under the jurisdiction of the National Labor Relations Act or the Railway Labor Act which governs employment conditions for our railroad and airline workers. My proposal has precedent in existing law for hospital employees only but it is a right which should be available to all workers regardless of the industry in which they are employed.

My bill, while providing for this greater individual freedom on the job, nevertheless treats employees and unions equitably by requiring the employee claiming religious exemption to make a contribution equal to union dues and initiation fees to a stipulated nonreligious nonlabor charity (one of three, if stipulated in the contract—otherwise to a fund chosen by the employee). This provision is an attempt to eliminate the "free rider" argument that unions make in cases where employees share the benefits derived from union organizations yet avoid the costs associated with securing those benefits. I believe such a requirement is necessary, because under Federal law, labor unions have the affirmative duty to represent everyone in the bargaining unit fairly and impartially. Thus, the union must negotiate wages and other benefits for everyone, not just union members. Indeed, many of the improvements in working conditions that labor unions obtain through collective bargaining necessarily benefit everyone; if the union obtains better lighting in the plant, this benefits the union and nonunion employee alike, since such a benefit is not individually divisible. Moreover, if the employer violates the contract rights of a particular employee, whether this employee is a voluntary dues-paying member of the union or not, then the union must, under the statutory duty of fair representation, represent that employee in the processing of his grievance against the employer and by taking the matter to arbitration if necessary.

My bill in this latter respect goes one step farther than other bills previously introduced on this subject. Specifically it would obligate the person claiming a nonunion religious membership exemption to pay the costs of processing a grievance which that person initiates on his own behalf. As such it allows for a greater sensitivity to labor's dilemma of being forced to provide services to all employees on a nondiscriminatory basis, but insures that it will be compensated when the demand for services in regard to the grievance/arbitration machinery is triggered by a demand by the employee.

Mr. President, I believe the bill as drafted balances the interests of labor and the religious employee to a greater extent than previously approved by the

House in the form of H.R. 3384 last year. The bill as constituted is right in principle and approach. It resolves what I would choose to classify as an oversight in our labor relations laws and corrects inequities which are apparent and troublesome. The need for this legislation is now in that the U.S. Supreme Court in the case of Southern Pacific Transportation Co. against Burns has declined to intercede to help an employee who as a Seventh-day Adventist asserted immunity from compulsory union membership and dues but was nevertheless fired from his job.

The time has come to pass this legislation and I invite all of my colleagues to join with me in promoting it throughout the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Religious Freedom in the Workplace Act of 1979".

SEC. 2. Section 19 of the National Labor Relations Act is amended to read as follows:

"SEC. 19. Any employee (including any employee of a health care institution) who is a member of and adheres to established and traditional tenets or teachings of a religion, a religious body or a religious sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required in a contract between such employees' employer and a labor organization in lieu of periodic dues and initiation fees, to pay sums, equal to such dues and initiation fees, to a nonreligious nonlabor organization charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in such contract which is consistent with the employee's belief, or if the contract fails to designate such funds, then to any such fund chosen by the employee. Where the employer otherwise has a dues checkoff procedure, the charitable payment may be deducted by the employer and sent directly to the charity. If such employee who holds conscientious objections pursuant to this section requests the employee organization to use the grievance-arbitration procedure on the employee's behalf, such employee shall reimburse the employee organization for the reasonable cost of using such procedure in an amount approximately equal to monthly dues, until such costs are paid in full. Such payments shall not be in the place of, but in addition to his or her regular monthly obligation to such charity.".

SEC. 3. The Railway Labor Act is amended by adding at the end thereof the following new title:

"TITLE III—RELIGIOUS CONNECTIONS OF INDIVIDUALS

"SEC. 301. Any employee who is a member of and adheres to established and traditional tenets or teachings of a religion, a religious body or a religious sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required in a contract between such employees' employer and a labor organization in lieu of periodic dues and initiation fees, to pay sums, equal to such dues and initiation fees, to a nonreligious nonlabor organization charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in such contract which is consistent with the employee's belief, or if the contract fails to designate such funds, then to any such fund chosen by the employee. Where the employer otherwise has a dues checkoff procedure, the charitable payment may be deducted by the employer and sent directly to the charity. If such employee who holds conscientious objections pursuant to this section requests the employee organization to use the grievance-arbitration procedure on the employee's behalf, such employee shall reimburse the employee organization for the reasonable cost of using such procedure in an amount approximately equal to monthly dues, until such costs are paid in full. Such payments shall not be in the place of, but in addition to his or her regular monthly obligation to such charity.".●

By Mr. TOWER (for himself, Mr. HAYAKAWA, and Mr. LUGAR):

S. 102. A bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938; to the Committee on Human Resources.

INFLATION REDUCTION AND JOBS PROTECTION ACT

● Mr. TOWER. Mr. President, on January 1 of this year, the basic minimum wage rate rose to $2.90 per hour, a 9.4 percent increase over last year's rate of $2.65. This latter figure, I might add, was a healthy 15 percent boost from the previous year's rate of $2.30.

Despite warnings of inflationary impact and increased unemployment, Congress passed these wage hikes in late 1977, as well as additional scheduled increases which will bring the minimum wage to $3.25 by 1981. As early as last summer, just months after the first increase became effective, noted economists of diverse philosophical persuasions were suggesting a moratorium on future wage boosts to allow the economy a breathing spell.

At that time, citing my own firm belief that the timing and magnitude of the minimum wage increases would exacerbate inflation, I introduced legislation calling for a 1-year moratorium on the three scheduled increases for 1979, 1980, and 1981. This legislation was not considered by the 95th Congress, but in recent months, the growing support for this proposal has encouraged me to reintroduce the measure.

The bill I am introducing today, along with my colleague from California, Mr. HAYAKAWA, and Indiana, Mr. LUGAR, calls for a 2-year delay in the proposed wage increase, as well as the proposed reduction in the tip credit provisions. That is, the wage and tip credit proposals scheduled for 1980 would be postponed until 1982, with the subsequent changes occurring in 1983.

This year's wage increase will affect directly some 5.2 million workers. Indirectly, a far greater number of salaries will be affected as workers with earnings close to the minimum wage seek to maintain their relative wage status. Estimates developed by economists at the Federal Reserve Board indicate that these indirect effects may be nearly one-half the size of the direct effects. This same analysis contends that the underlying inflation rate could have been reduced by 0.4 percent, had the recent 1979 increase been postponed 1 year.

Chairman William Miller of the Federal Reserve Board has advocated a 2-year moratorium on minimum wage increases, based on the "implications for cost and for youth employment opportunities." Treasury Secretary Blumenthal has also recommended postponement, and Arthur Okun, of the Brookings Institute, predicted a half a percentage point reduction in the 1979 inflation rate would result from a 1-year deferral.

A recent Wall Street Journal article reports that the President's own economic policy advisers recently voted 6 to 1 for a change in the minimum wage rates in an effort to lessen inflation. The dissenting vote was cast by Secretary of Labor Ray Marshall. According to the newspaper report, Secretary Marshall subsequently met with political advisers at the White House, and the decision of the economic group was ultimately reversed.

The fact of the matter is that economists and high-ranking public officials charged with the responsibility of administering economic policy have argued against these wage increases—increases, I might add, which exceed the wage guidelines in the President's own anti-inflation plan. Despite the advice of these experts, the administration has refused to seek this delay.

Secretary Marshall insists that changing the wage rates would "transfer too much of the cost of policy to the people who can least afford it—those at the bottom of the economic ladder." Well, let's look at that a little closer.

First of all, most of those individuals employed at the minimum wage rate are teenagers, students, second or third wage earners in a family, or lower-skilled workers. What will happen to these workers as the minimum wage continues to increase?

A number of these people will lose their job, have their hours reduced, or be unable to find a job at all because they are priced out of the market in terms of their skills and experience. This is particularly the case for young people. Last year, unemployment rose from 17.6 to 19.4 percent among white males, aged 16 to 17. For blacks in the same age group, the figure went from 38.7 to 50.4 percent. Now how on Earth does a minimum wage increase help these young workers?

It is interesting to note a comparison here with the Canadian Province of Quebec, which has the highest minimum wage rate in Canada—and one roughly equivalent to our own. The results of a Government-commissioned study by economist Piere Fortin showed that their high minimum wage cost up to 42,000 jobs in a 20-month period, and incerased unemployment by nearly $1\frac{1}{2}$ percent. The Quebec Government has postponed a subsequent scheduled increase in their minimum wage, and we might do well to heed their experience.

By way of contrast, we also have a commission studying the impact of the minimum wage, but considering their 3-year time schedule, a good deal of damage could be done before a consensus is reached.

Mr. President, I am hopeful that we will have an opportunity here in the Senate to consider the merits of this legislation. I do not anticipate that a minimum wage delay alone will solve our mighty economic problems. But if we are to make any strides in this direction, it just may be that we will have to start with a few small steps. I might point out, here, that legislation similar to ours has been introduced in the House by the distinguished Member from Georgia, Mr. BARNARD, and others. I ask unanimous consent that the text of our bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inflation Reduction and Jobs Protection Act".

SEC. 2. (a) Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended by striking out "1980" and inserting in lieu thereof "1982" and by striking out "1980" each time it appears in such section and inserting in lieu thereof "1982" in each case.

(b) Section 3(b)(2) of the Fair Labor Standards Amendments of 1977 is amended by striking out "1980" and inserting in lieu thereof "1982".

(c) The amendments made by this section shall take effect on the date of enactment of this section or on December 1, 1979, whichever first occurs.●

By Mr. HATCH (for himself, Mr. MCCLURE, Mr. LAXALT, Mr. THURMOND, Mr. GOLDWATER, Mr. HELMS, Mr. GARN, Mr. HARRY F. BYRD, JR., Mr. TOWER, Mr. HAYAKAWA, and Mr. STEVENS):

S. 103. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Finance.

SAVE OUR SCHOOLS ACT OF 1979

● Mr. HATCH. Mr. President, last September, I introduced legislation intended to save the tax exempt status of some 3,500 American private schools and academies which have been threatened with extinction by the Internal Revenue Service.

Specifically, my bill, the Save Our Schools Act of 1978, would have required that the IRS regulations in question be subject to formal congressional hearings before any new Federal rules are put into effect. These IRS regulations, published in the August 22, 1978, Federal Register were entitled, "Proposed Revenue Procedure on Private Tax Exempt Schools." These procedures would presume discriminatory the thousands of private schools, church and synagogue academies unless they embarked on a complicated affirmative action and quota program.

Initially, those of us who sponsored this legislation sought what we felt was a reasonable compromise. We simply wanted the Commissioner of the IRS, Jerome Kurtz, to hold up the promulgation date when these regulations were scheduled to become effective. We simply wanted them postponed long enough for both the House and the Senate to hold public legislative hearings on the impact of what everyone acknowledges to be a history-making decision by the IRS which will have a major impact on the future course of American education. Many Members of both the House and Senate, hundreds of education and civil associations, and literally thousands of citizens have deluged the poor IRS building. Their request has since then turned into a demand in light of IRS intransigence. The demand is that the IRS not proceed with these very weighty procedures until the Congress has a chance to weigh their effects and to act accordingly.

With the exception of 2 days of IRS hearings in December when Congress was adjourned, and subsequent private meetings the IRS has been holding with private education representatives who are already sympathetic to what the IRS intends to do, the Internal Revenue Service has been insensitive to this public uproar. The Commissioner has made it plain in word and pen, that he intends to go "full speed ahead" with the implementation of regulations which would mean the death knell to many educational institutions in this country.

For these and other reasons, I am today introducing the Save Our Schools Act of 1979. Essentially, this measure would postpone until December 31, 1980, the implementation of the regulations in question. The purpose of it is to assure that both the public and the Congress of the United States remain essential partners in our lawmaking process. It is to guarantee that we do not encourage or permit Federal action which has not been carefully thought through and been subject to public examination and scrutiny.

I am honored to have as cosponsors of this legislation, Senators who have been equally active in the quest for congressional hearings. This is why I am especially thankful to my friends and colleagues, Senators JIM MCCLURE, PAUL LAXALT, STROM THURMOND, BARRY GOLDWATER, JESSE HELMS, JAKE GARN, HARRY BYRD, JOHN TOWER, SAM HAYAKAWA, and TED STEVENS.

Next Monday, my colleagues will receive a colleague letter from my office which will further explain the nature of the action we take. We certainly solicit the endorsement and support of each of our colleagues, and I hope to be speaking with all of you individually about this in the days ahead.

At this time, I ask unanimous consent the text of the Save Our Schools Act of 1979 be printed in the RECORD. I also ask unanimous consent that a column by the distinguished and prize-winning journalist, Mr. George F. Will, as well as a letter to Mr. Jerome Kurtz by Indiana University law professor, and the president of the Lincoln Center for Legal Studies, Dr. William Stanmeyer, Esquire be printed in the RECORD.

There being no objection, the bill and the material were ordered to be printed in the RECORD, as follows:

S. 103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) during the period beginning on the date of the enactment of this Act and ending on December 31, 1980, the Secretary of the Treasury or his delegate shall not issue—

(1) in final form the proposed revenue procedure described in subsection (b), and

(2) in proposed or final form any regulation, revenue procedure, revenue ruling, or other guidelines which set forth rules substantially similar to the rules set forth in the proposed revenue procedure described in subsection (b).

(b) For purposes of subsection (a), the proposed revenue procedure described in this subsection is the proposed revenue procedure which was published in the Federal Register of August 22, 1978, and which sets forth guidelines to be used in determining whether educational institutions claiming tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954 are operating on a racially nondiscriminatory basis.

[From the Washington Post, Dec. 17, 1978]

TAX-EXEMPT SCHOOLS AND STATISTICAL "JUSTICE"

(By George F. Will)

Few people are at peak form at breakfast, but that neither excuses nor explains what President Carter said to reporters at a breakfast session: "If I didn't have to get Senate confirmation of appointees, I could just tell you flatly that 12 percent of all my judicial appointments would be blacks, three percent would be Spanish-speaking and 40 percent would be women and so forth."

"And so forth," indeed.

It would be fascinating to hear Carter explain how his campaign slogan, "Why not the best?," translates into the allocation of judgeships on the statistical basis he yearns to use. Pending that explanation, it is fascinating to watch the Internal Revenue Service administer statistical justice to private schools.

There are 18,000 secular private schools. Catholic schools probably are at least 80 percent of the religious schools, which now number more than 14,000. But Protestant schools that reflect the "born again" religious movement and the "back to basics" educational movement are sprouting like crocuses in spring.

IRS's principal targets are those private schools—perhaps 3,500 of them—that have "insignificant" numbers of government-approved minorities (blacks, Hispanics, Asians or Pacific Islanders, and American Indians or Alaskan Natives) and were founded or substantially enlarged when the community's public schools were desegregated (or when the public schools were subject to compulsory integration, which is not the same thing).

Leave aside the obvious problems concerning religious schools. (Sometimes it is hard to find enough black Catholics or Hispanic Jews to bring a school into a statistical "balance.") But note that, again, a government agency is inferring racist intentions from statistical consequences.

The founding or expanding of many private schools did coincide with desegregation or with busing or with other compulsory integration policies in their communities' public schools. But the expansion of private education also coincided with rising dismay about discipline and academic standards in public schools.

Informed people disagree about the extent to which the decline of public schools is related to attempts to use those schools to create an integrated society. But this is certain: The mixture of motives behind the expansion of private schools is at least as complicated as the reasons for the decline of public schools.

IRS has a duty, affirmed by courts, to deny tax-exempt status to schools that have been found to discriminate racially. But IRS's new policy requires schools that are "statistically suspect" to take "affirmative action" or risk losing tax-exempt status.

As Chief Justice John Marshall would say were he with us: Where private schools (and many other private institutions) are concerned, the power to deny tax-exempt status involves the power to destroy. And the fury with which the public education lobby (including government, acting as an interest group) fights competition from private schools causes some people to believe that government desires the destruction of as many private schools as possible. Whether or not that is a motive for the IRS procedures, those procedures raise problems of principle.

Granted, one of the most reiterated objections to the procedures is untenable. It is the flat assertion that religious schools enjoy constitutional immunity from regulation. Surely the state has a compelling interest in enforcing minimal standards of education, regardless of who dispenses the education.

A more serious objection to the IRS procedures is that they constitute another government program shifting the burden of proof in racial matters. Institutions that are suspect on statistical grounds are required to prove that they are not guilty, and they can only prove that by meeting requirements that are appropriate only for schools already proven guilty.

Further, the program is pregnant with potential for abuse. It could be extended to all schools and, indeed, to all tax-exempt institutions. And, most important, the principle involved can be used to impose government policy beyond racial matters to (for example) fine points of curriculum.

Tax exemption has been a mechanism by which government stimulates diversity and innovation through the private provision of socially beneficial services. But tax exemption could become a mechanism for breaking private institutions to the state's saddle.

The danger is inherent in the principle that tax exemption should not be bestowed on institutions that violate fundamental public policy. IRS is making social judgments that are not properly the responsibility of a revenue-raising agency. Another problem is that the list of policies that government considers so "fundamental" as to require conformity tends to change, and expand.

It is hard to imagine what the list might include in 1990. Until recently, it was hard to imagine a president who favored allocating judgeships in the manner Carter endorsed at breakfast.

WILLIAM A. STANMEYER,
Attorney at Law, October 18, 1978.

Attention: E:EO

Mr. JEROME KURTZ,
Commissioner,
Internal Revenue Service
Mr. JAMES E. GRIFFITH,
Exempt Organization Division, Internal Revenue Service, Washington, D.C.

DEAR MR. COMMISSIONER AND MR. GRIFFITH: This letter is a comment on the "Proposed Revenue Procedure on Private Tax-Exempt Schools," which appears in 43 FEDERAL REGISTER (No. 163) page 37296 ff., on Tuesday, August 22, 1978.

In sum, the "procedure" proposes automatic loss of tax exemption for all private schools in the United States if they have been found to be discriminatory by a court or agency or if, as a so-called "reviewable" school they lack a "minority" student enrollment of twenty percent (20 percent) of the so-called "minority school population" of the school district or system in which the school is located.

Further, a presumption is established that the school is discriminatory if it fails to have, inter alia, "An increasing percentage of minority student enrollment" and "employment of minority teachers." This presumption can be rebutted, if at all, only if it carries "the burden of clearly and convincingly rebutting this prima facie case of racial discrimination." If among other things the school "agrees not to institute a declaratory judgment action" it may be accorded a two-year "grace period." But the basic policy is that "Only in rare and unusual circumstances will a school be considered . . . nondiscriminatory . . . if the school does not enroll some minority students."

I. GENERAL COMMENT

This "procedure" is utterly and unqualifiedly unjustified. It has no support in common sense. It has no support in administrative procedure law. It lacks any basis in the I.R.S.'s past practices in an era when racial discrimination in public and private schools was more widespread than it is today. It violates clear Supreme Court case law on racial matters. Its statistical presumptions are utterly fanciful. Its legal burden-of-proof requirement is so unfair that it shocks the conscience. Its manifest prejudice against a certain class of citizens embodies the very "discrimination" it pretends to attack. Its stated application to church-related schools violates the First Amendment Fredom-of-Religion Clause and No-Establishment Clause as interpreted by the Supreme Court. The "procedure" violates Congressional intent. It offends common principles of ethics, justice, and morality.

II. THIS "PROCEDURE" IS UTTERLY AND UNQUALIFIEDLY UNJUSTIFIED. IT HAS NO SUPPORT IN COMMON SENSE

First, this is not a "procedure." It is a change in substantive law. It establishes a a policy of Government disapproval of and attack against over 3,500 private schools. The rumored bringing to Washington of I.R.S. agents from other branches and re-training them to enforce this procedure vigorously, if true, further demonstrates a policy judgment on the part of Government that the time has come to destroy the private schools. This is a substantive policy, for this destruction of the private schools will be the natural result of the I.R.S. efforts, and normal persons are taken to intend the natural, probable, and forseeable consequences of their deliberate acts.

Yet the "procedure" has no support in common sense. To use a whole school district—public school district—as the denominator-basis of one's operative statistical fraction, in judging whether a private school has "enough" of "Blacks; Hispanics; Asians or Pacific Islanders; and American Indians or Alaskan Natives," as the Rev. Proc. puts it, is—to call the matter by its true name—absurd. One might as well enquire whether United Air Lines, headquartered in Cook County, Illinois, carries, among its plane passengers, a percent of " minorities" based on 20 percent of the minority citizens in Chicago.

The reason, as anyone familiar with independent schools knows, and certainly I.R.S. knows or can discover, is that there is a necessary self-selection process in the student bodies of independent schools. For at least two reasons, the makeup of their student—and teaching—bodies cannot reflect any significant percent of "minorities" (as a general rule): (1) all these schools charge tuition. Most "minority" people are "disadvantaged" and cannot afford the tuition. Also, they get public school access free, usually in buildings with far more costly equipment and higher-paid teachers. Second, (2) perhaps 90 percent of the private schools are religiously-oriented. Baptists, Lutherans, Orthodox Jews, Catholics, Christian Reformed, Mormons, Church-of-God, and many other denominations work Bible studies and religious training into parts of the curriculum, because of this they attract their prime constituency and probably repel some potential constituency.

Will the Revenue Service remove tax-exemption from a Mormon school in Hawaii because it lacks a percent of "Pacific Islanders," most of whom are not Mormon? Will it do so in the case of a Lutheran school in Providence, Rhode Island, where it is said the vast majority of people are Roman Catholic? Will it do so in the case of a Catholic school in the ghetto of Chicago, where most of the parents cannot afford the tuition and in any event are Fundamentalist Protestant?

III. THIS "PROCEDURE" HAS NO SUPPORT IN ADMINISTRATIVE PROCEDURE LAW AND LACKS ANY BASIS IN IRS'S PAST PRACTICES

Administrative procedure law requires that there be public hearings when significant changes affecting the rights of citizens are proposed.

I understand that President Carter has issued an Executive Order to the same effect. Certainly a policy-change as sweeping as this requires public hearings. As a matter of fact, it should not be undertaken without the express mandate of Congress, which in the nature of things would have extensive public hearings. To attempt it in camera, as it were, through the instrumentality of the ponderous and, by the general public rarely-read, Federal Register, without more, certainly violates the spirit of administrative fairness the Government should foster in an era of public disenchantment with arbitrary taxation and regulatory failure.

Moreover, the epoch of massive racial discrimination is past. The matter is settled: the national policy is in favor of integration. This is a policy that most, indeed probably 90 percent, of the private schools the Rev. Proc. now attacks have always adhered to. Since the 1954 Brown case the Supreme Court has been clearly on record as to the national policy; how is it that in 1978—fully 24 years later!—the I.R.S. gets around to developing standards for private school noncompliance?

The answer certainly is: for most if not all of those 24 years, I.R.S. realized the truth of the case urged here: that the private schools cannot be expected, as a general rule, to reflect any specific quota or percentage of "minority" enrollment, any more than any enterprise following market principles and charging a price for its service can be expected to "sell" its service to an exact percent of its potential clientele, especially when a competitor—here the public schools—provides the same (and sometimes quantitatively better) service free.

Now the I.R.S. proposes to reject its own prior practice extending over almost a generation. It proposes to institute a statistical-analysis presumption based on fanciful conjectures and contrived and continually-shifting data, to remove a tax exemption it had previously granted, and to remove it whatever the real, factual commitment of a given school to integration may be.

The facts—that as a whole the private schools do not discriminate—have not changed. I.R.S., however, has changed: it now proposes to rely not on a case-by-case review of facts, but on pre-judgment. Which is another name for prejudice.

IV. THIS "PROCEDURE" VIOLATES CLEAR SUPREME COURT CASE LAW ON RACIAL MATTERS

The Supreme Court has consistently held that intent and purpose are crucial in determining discrimination. This for public schools; then a fortiori for private schools:

de facto absence of a given percent of "minorities" in a given private school simply proves nothing. In Milliken v. Bradley, and in Bakke v. Board of Regents, and in many other cases the factual record of discrimination vel non becomes a necessary preliminary to any judgment of illegality. Yet the I.R.S. proposes to dispense with any factual record in a given case and substitute statistics.

The Revenue Service must know that in the last fifteen years or so there have been literally countless Federal District Court cases, many of them going to appeal, on the issue whether a given school district intended to discriminate. The elaborate records, discovery procedures, and witness lists give eloquent testimony to the fact that this is not an easy question to decide.

The Revenue Service is telling the private schools, in effect, that they are presumed to be in violation of the Supreme Court's Brown case and its progeny. This because the schools fail to meet a numerical quota set up by the I.R.S.—why 20 percent rather than 15 percent or 25 percent? and why the entire school district rather than within the boundaries of the private school's natural reach (e.g., a parish school's boundaries)?—a numerical quota itself in obvious violation of the Supreme Court's Bakke case. In simple terms: a private entity is adjudged in violation of Brown by a public agency (I.R.S.) using standards that violate Bakke.

There is a maxim of equity: "Those who seek equity must do equity." In another form this maxim is sometimes stated: "One must come into the equity court with clean hands."

V. THE "PROCEDURE'S" BURDEN-OF-PROOF REQUIREMENT IS SO UNFAIR THAT IT SHOCKS THE CONSCIENCE.

In one section (¶.05 appearing on p. 37297) it is stated:

If there is *any* evidence that a school in fact has a racially discriminatory policy or practice the Service [may remove exemption] without regard to whether the school has complied with the guidelines set forth in this revenue procedure. [Emphasis added.]

This would mean that if one person complains that he was, say, passed over for a scholarship or even a position in the school play, because of his race—this would be "any" evidence—then even if the school has complied with the quota, the hiring of teachers, the special programs, etc., it would not matter: I.R.S. could take away the exemption, period.

This is absolute liability. A simple allegation would suffice. So would a newspaper article or a letter from a dismissed teacher.

Yet the burden of the defense is entirely different. "Mere denial of a discriminatory purpose is insufficient," says the Rev. Proc. text, citing relatively old cases, dealing, I believe, with public schools in the South.

Further, it is stated that "A 'reviewable school' will be considered by the Service to have a racially discriminatory policy . . . until the school can demonstrate either: (1) Actual enrollment of minority students [up to the arbitrary quota of 20 percent-of-minority percent in the community] or (2) Operation in good faith on a racially nondiscriminatory basis as evidenced by at least four out of five factors."

It is fundamental in our jurisprudence that the burden of proof when a right is in jeopardy is on the accuser or the complainant. In criminal law a crime must be proved "beyond a reasonable doubt." In civil law a case must be made "by the preponderance of the evidence." One is innocent until proved guilty. Even in absolute liability cases in tort law a naked allegation of fault will not suffice to make the case.

It shocks the conscience that I.R.S. would attempt to wrench away a right Congress has conferred by placing the burden of proof not on the Government, with its batteries of agents, attorneys, accountants, and investigators; but on small private schools some of which in the case of Protestant Fundamentalists lack the means even to hire one full-time attorney; and, in any event, even if wealthy, should not have to meet a different and much more stringent burden of proof than its accuser. The presumption of innocence is not revoked in a criminal matter when the accused is wealthy; nor is the burden of establishing the preponderance of the evidence in a civil matter.

But the Revenue Service uses words of art: "Only in rare and unusual circumstances . . ." And: "the burden of clearly and convincingly rebutting this prima facie case . . ." To require "clear and convincing" evidence of the schools, but to require only "any" evidence of the accuser is to stand justice on its head. One is reminded of the Soviet Union, where any State informer can accuse some dissident writer of "slandering" the State—and then the burden of proof shifts to the defendant, whose life and associations are all scrutinized to the last breath, and who has the impossible burden of proving, to a suspicious and hostile court, that he is totally loyal in all his thoughts, words, and deeds.

VI. THE "PROCEDURE'S" MANIFEST PREJUDICE AGAINST A CERTAIN CLASS OF CITIZENS EMBODIES THE VERY DISCRIMINATION IT PRETENDS TO ATTACK

The proposed rule treats private schools as a class. It assumes, without looking at individual conduct in any fair or serious way, that all private schools are guilty of a moral fault that is now condemned by public policy. This is the same mental set, in structure, as that attitude of segregationist Whites who assume, without looking at individual conduct in any fair or serious way, that all Blacks are guilty of some fault and should be shunned. The Government, whose own commitment to fairness is late and spotty, turns on Christian and Jewish communities and condemns them for not having done—with no financial resources—what it has failed in many cases to do with virtually unlimited finances.

Indeed, it would be an interesting exercise of legal discovery to ascertain how many I.R.S. agents are members of "minorities" as judged by a 20%-of-population test.

It appears I.R.S. does not plan to wrench away tax-exemption from public schools and colleges which fail to meet its newly discovered standards of nondiscrmination. Yet not to treat State schools and colleges with the same harshness violates equal protection.

Further, there is a subtle *apartheid* in the proposed Rev. Proc. Who will decide whether a person is, truly, a member of a "Minority" group? How many people in Hawaii are Pacific Islanders? How does one categorize a student who has one parent who is Black or Hispanic and one who is White? Are children of Italian immigrants who settled in Alaska to be called "Alaskan Natives"?

The explanatory comment says: "if both blacks and Hispanics have been found in a court or agency adjudication to have been the subject of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics." What if a student has one Black and one Hispanic parent? Will he be counted twice?

The questions are not meant to be flip. In 1898 the Supreme Court maintained the segregationist system in Plessy v. Ferguson, where the "minority" person in question was one-eighth Black and seven-eighths Caucasian. And the deadly seriousness that apartheid is taken in South Africa, where individual people are broken up into percentages for record-keeping and civil rights purposes, is well known.

Will the I.R.S. now train its agents to do blood tests and trace genealogies? Or are the private schools expected to enter into such demeaning makework?

VII. THE "PROCEDURE'S STATED APPLICATION TO CHURCH-RELATED SCHOOLS VIOLATES THE FIRST AMENDMENT FREEDOM OF RELIGION CLAUSE AND NO-ESTABLISHMENT CLAUSE AS INTERPRETED BY THE SUPREME COURT"

The overwhelming majority of private schools under scrutiny here are religiously-oriented. It is fair to say that the Rev. Proc. is directed at such schools as a class. It will deprive these schools of a very valuable Congressionally-bestowed right intimately supportive of their very existence: it will destroy many if not most of them. Yet Pierce v. Society of Sisters (1925) held that Government cannot single out these schools with special burdens that will, in effect, result in their destruction. And Everson v. Board of Education (1947) held that citizens could not be deprived of a publicly-conferred benefit "because of their religion." In Wisconsin v. Yoder (1972) it was held that the parental right to educate in accord with one's religious conscience supercedes and transcends the State's right to compel educational conformity in public schools; yet the Rev. Proc. will destroy many private schools and make a mockery of that parental right. Walz v. Tax Commissioner upheld tax exemption for religious charitable/educational groups, at the very height of the concern over discrimination in public (and some private) schools.

Moreover, Lemon v. Kurtzman, following Walz, held that Government violates the Establishment Clause when it sets up administrative procedures that create "excessive entanglement" with the internal workings of religiously-oriented schools. It seems to me that for I.R.S. to police its own regulations on this non-discrimination matter will be such excessive entanglement: Government Agents will have to inspect the schools to count the "minority" students; they will have to review the internal memoranda of the scholarship committee; they will have to count the student applicants and determine their racial and religious background to see whether acceptance or rejection was—in the judgment of Government Agents not part of the community-of-faith which set up the school—"justified" by the I.R.S.'s views of what is good education. The I.R.S., through its Agents, will take upon itself the right to decide whether a given teacher, perhaps of "minority" derivation, was not hired because of race, or because of salary demands, or—and here is the religious entanglement—because his or her religious commitment was not judged strong enough by the school authorities. The I.R.S. will decide, under section No. .03 [page 37298 of the Federal Register] whether a school's "(e) special minority-oriented curriculum . . . programs" pass muster if they do or do not talk about religious missionary efforts in Africa or Asia, if they do or do not comment on the toleration in the past—and strong condemnation later—by religious bodies of various forms of slavery.

Such inquiries are violations of the school's academic freedom. They are clearly "entanglements" which are "excessive." They will put a Government Agency in the strange business of judging the degree which religious conscience is or is not "correct" on racial matters. Such a role for I.R.S. is simply intolerable in a free society. I confidently predict it will be struck down bluntly by the Supreme Court.

From what has been said it is obvoius that the Rev. Proc. violates Congressional intent and that it offends common principles of ethics, justice, and morality. Moreover, so offensive is it that it is reasonable to predict, should it not be withdrawn, that offended parties will sue relevant I.R.S. officials in their personal capacity, under pertinent Civil Rights statutes, for depriving them

of their Constitutional and Civil Rights "under color of law."

No responsible person supports racial discrimination. The vast majority of private schools, especially the religiously-oriented ones, have longstanding—and for them financially costly—policies of fairness. They seek, they welcome, minorities. If a few remain discriminatory, Congress and the Courts can deal with them; or the I.R.S., if empowered by Congress. But it is a greater discrimination to take away a right from a class of people—including many grammar-school children and their taxpaying parents—because of a contrived presumption. The I.R.S. should withdraw this proposed "procedure" at once.

Sincerely,

WILLIAM A. STANMEYER,
Associate Professor of Law,
Indiana Univ. School of Law. ●

By Mr. SCHMITT (for himself, Mr. LAXALT, Mr. NUNN, Mr. SCHWEIKER, Mr. GOLDWATER, Mr. STEVENS, Mr. ZORINSKY, Mr. HAYAKAWA, Mr. THURMOND, Mr. HELMS, Mr. COCHRAN, Mr. TOWER, Mr. WARNER, Mr. MCCLURE, and Mr. HATCH):

S. 104 A bill to improve and systematize the procedures for the promulgation of rules by the Federal agencies, to establish a uniform procedure for congressional review of agency rules, and for other purposes; to the Committee on the Judiciary.

RESTORING THE BALANCE—CONGRESSIONAL CONTROL OF EXECUTIVE BRANCH LAWMAKING

● Mr. SCHMITT. Mr. President, I am today introducing a revised and improved version of S. 2011, the regulatory Reduction and Congressional Control Act, which I previously introduced in the last Congress.

This bill would establish a 60-day period in which there would be an opportunity for congressional disapproval of proposed agency rules. The bill, however, carefully avoids imposing the excessive burden of mandating the review of all rules. It simply opens up the rulemaking process to appropriate, but limited participation by the elected representatives of the people. Regulatory law-making as exercised by the executive branch must become more responsive to the Congress, particularly when its costs have grown to be so great.

Inflation has finally become recognized as our Nation's number one problem, and the significant contribution that Federal regulation has made to the inflation rate has also become well known. Regulation is the fastest growing contributor to inflation. The landmark study of Prof. Murray Weidenbaum of the Center for the Study of American Business at Washington University in St. Louis demonstrates that regulatory costs imposed by the Federal Government on the private sector alone are expected to amount to approximately $103 billion for fiscal year 1979. This figure is equal to one-fifth of the Federal budget but is not subject to any systematic procedure of congressional scrutiny.

It is interesting to note in this regard that 34 States have taken steps to improve the legislative oversight of rulemaking on the State level. The laboratory of State experience has provided the Congress with an opportunity to select from among many alternative procedures for legislative review of regulations. State legislators have testified that where such procedures are available, the quality of legislative oversight has significantly improved. Simply the existence of the authority to disapprove proposed rules also seems to have resulted in a more responsive executive branch. This is true even in those States where the legislatures have seldom if ever used their authority to disapprove a proposed or existing regulation. The States are far ahead of Congress in this regard, and it is high time for the Congress to assume its responsibility for the quality and quantity of regulatory law.

The National Conference of State Legislatures has documented the State experience with legislative review of regulations in a booklet entitled "Restoring the Balance." A copy of this booklet has been sent to each Member of the Senate, and I hope each Senator will take the time to review this most interesting document.

Growing public awareness and concern about regulation demands that the Congress examine this problem in detail and pass legislation establishing an orderly and certain process for congressional oversight of the rulemaking process. The bill I am introducing today is designed to accomplish this purpose.

MAJOR PROVISIONS

The major provisions of the bill as reintroduced today are as follows:

First. Federal departments and agencies will be required to make a preliminary economic review of all proposed rules in order to develop a preliminary estimate of any costs these rules may impose on the private and public sectors of our economy.

Second. For any proposed rule whose costs may exceed $100 million per year, the department or agency in question will be required to prepare a full economic impact statement which analyzes in greater detail both the costs and benefits of the rule to the public. President Carter's Executive Order No. 12044 currently requires economic impact statements for rules whose cost exceeds $100 million. In this respect, this bill simply makes law what should be already standard practice. In addition, the bill provides that the economic impact statement shall be open to public comment and that any changes made in the impact statement as a result of such comment shall be explained at the time a final rule is published in the Federal Register. It is important to note that this legislation does not eliminate the existing procedures for public comment, but instead gives the public additional information on which to base their comments.

Third. At the time of final publication, the proposed rule and economic impact statements will be simultaneously transmitted to Congress and to the General Accounting Office. The GAO will conduct a brief analysis of the impact statement to determine if the department or agency's cost estimates are realistic. The Council on Wage and Price Stability currently performs a similar function in the executive branch under the executive order cited above. The GAO review will be conducted with a minimum of staff, probably no more than a professional staff of 25, according to Congressional Budget Office estimates. This process will leave the Congress free to make policy decisions with regard to proposed rules, with the GAO performing all technical evaluation.

Fourth. After the proposed rules are referred to the appropriate congressional committee, it is important to note that no further congressional action needs to be taken. Nothing in this bill will require any congressional committee to evaluate any proposed rule at any time. The bill simply provides that proposed regulations will be made available to the Congress before going into effect. All regulations will go into effect automatically after 60 calendar days of continuous session unless one House of Congress has adopted a resolution of disapproval, in which case the rule will not go into effect for an additional 30 days to give the other House an opportunity to act on the resolution. Whether a proposed rule should be evaluated or made the subject of a hearing is a matter for the committee to determine. It need not do anything.

Fifth. On those occasions when the committee determines that a proposed rule is inconsistent with law or congressional intent, or that a proposed rule represents an excessively costly approach to the problem being addressed, a resolution of disapproval may be reported. Should the committee fail to take any action on a resolution of disapproval after 45 calendar days of continuous session from the date of its introduction, a motion may be made to discharge the committee from further consideration of a resolution if supported by one-fifth of the Members of the House in which it was introduced. In such a case, the resolution of disapproval would become privileged business on the floor of either House.

If a resolution of disapproval is passed by one House, it will be sent to the other House of Congress, where, if no further action is taken within 30 days, the proposed rule will not go into effect. However, the other House retains the right to reject the resolution of disapproval, in which case the rule will go into effect. This procedure avoids the constitutional controversy surrounding the two House veto and yet, unlike the strict one House veto, it allows both Houses of the Congress to be involved in any action on a proposed rule.

Sixth. Should a rule be disapproved, the department or agency will be encouraged to take a different approach to the problem being addressed and to promulgate another proposal for public comment and congressional review. This procedure is not designed to unnecessarily interfere with the regulatory process, but to insure that regulatory law follows legislative intent and the will of the people.

Seventh. Existing rules will also be subject to congressional review. These rules will be subject to a resolution of reconsideration under procedures which are similar to those used for proposed rules. Passage of such a resolution will require the repromulgation of the rule according to the procedures outlined above.

HEARINGS

In the 95th Congress, the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary held several days of hearings on S. 2011. During these hearings, testimony was received from distinguished economists, experts in constitutional law, State legislators, a former director of the National Commission on Paperwork, the American Bar Association, representatives from consumer groups, the administration, and many others. As a result, I have made several important changes from the original version of this bill introduced in the 95th Congress.

These changes include the following:

NO SUNSET OF RULES

S. 2011 would have required the "sunset" of agency regulations after 5 years. This provision has been deleted from the new version of the bill in favor of the procedure described above which would allow for Congress to target individual regulations for reconsideration.

While the concept of terminating all regulations at some point in time after promulgation has some merit, testimony has indicated that it would impose an unnecessarily burdensome workload on the executive branch and that the "rifleshot" approach of a resolution of reconsideration is superior.

NO RESOLUTION OF APPROVAL

The original version of S. 2011 required that before any regulation whose impact exceeds $100 million in any year could go into effect, it must first be approved by both Houses of Congress. All other regulations would be subject to disapproval. In order to avoid unnecessary congressional involvement and to assure that all regulations would be handled with the same procedure, this provision has been dropped in favor of requiring all rules to be subject only to a resolution of disapproval passed by either House and not disapproved by the other House.

LIMITED LEGISLATIVE DISAPPROVAL OF PROPOSED RULES

S. 2011 provided for the disapproval of proposed rules by the action of either House of Congress. Because of the concerns expressed that this procedure might exclude one House of Congress from participating in the disapproval of a regulation or might allow one House to negate a principle previously agreed to, the revised version provides for one House to disapprove the action of the other.

LIMITED ECONOMIC IMPACT STATEMENTS

S. 2011 required a complete economic impact statement for all regulations promulgated by Federal Departments and agencies. Testimony from noted economists has suggested that this kind of analysis, while valuable, should not be imposed upon all regulations. Thus, the revised version of S. 2011 requires only that agencies conduct a preliminary review of economic impact for all regulations, reserving the requirements of the full economic impact statement only for those regulations whose estimated costs to the economy exceeds $100 million.

GENERAL ACCOUNTING OFFICE INVOLVEMENT

S. 2011 would have required proposed rules and accompanying impact statements to be submitted directly to Congress for referral to the appropriate standing committee. The revised version of S. 2011 provides for General Accounting Office review of the economic impact statements required under the bill. This review is to be an evaluation of an agency's determination that the benefits of the proposed rule exceed its costs. This procedure was developed in response to suggestions that the standing committees would not have the staff nor the expertise to handle this responsibility effectively.

CONSOLIDATION OF IMPACT STATEMENTS

S. 2011 required agencies to prepare economic, paperwork and judicial impact statements, where applicable, for each proposed rule. In response to concerns that have been expressed over the proliferation of impact statements, in the new version, these three statements have been consolidated and streamlined into a single impact statement.

NEED FOR LEGISLATION

This legislation, with the improvements which have been made as a result of hearings before the Committee on the Judiciary, will provide Congress with a valuable tool for assuring that executive branch rules are a true expression of congressional intent.

Let me review for a few moments the reason that this legislation is required. Recent years have witnessed an unprecedented eruption of regulations and regulatory bureaucracies which impact on almost every facet of the lives of the citizenry.

The American citizen, the small businessman, and government itself are staggering under an increasingly heavy load of regulations. People have a general perception that the regulatory bureaucracy is out of control. There is a mandate to the Congress to do something about reestablishing control of the regulatory process and to reform existing regulations.

The size of this massive burden can be appreciated by recognizing that at the Federal level there are 44 independent regulatory agencies plus 1,240 boards, commissions, et cetera. These organizations employ over 100,000 individuals responsible for controlling the lives of our citizens. The cost to the taxpayers to finance these Federal bureaucracies is equally large, growing from just over $2 billion in 1974 to an estimated $3,500,000,000 in 1977. The total cost to the economy has been estimated to be as much as $200 billion annually when costs to both the public and private sectors are considered.

There is little question that in recent decades, Congress has increasingly given up much control over the "making of law" to the regulatory agencies. This loss of constitutional congressional authority has occurred through the passage of legislation that calls for the "promulgation" of rules and regulations that supposedly will cure some social ill. Subsequent congressional oversight over the rules and regulations so "promulgated" has been inconsistent. While there have been a few examples of good congressional oversight, most has been lost in the press of other duties. Thus, the constitutional concept of the separation of powers between the legislative and executive branches of government has been seriously blurred and compromised.

Mr. President, the concept of returning to the elected representatives of the people the control over governmental decisionmaking has become a familiar one in recent years. Several years ago, the Congress passed the Congressional Budget and Impoundment Control Act to reassert its control over the Federal budget process. The legislation which I am introducing today would likewise employ a set of procedures to reestablish congressional control in the area of regulatory rulemaking by executive branch agencies.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; FINDINGS AND PURPOSES

SECTION 1. (a) This Act may be cited as the "Regulatory Reduction and Congressional Control Act".

(b) It is the finding of the Congress that the steady usurpation of quasi-judicial and legislative powers by the Federal agencies represents a clear and dangerous challenge to the constitutional provisions establishing the separation of powers among the three equal branches of the Federal Government. In making this finding, the Congress has determined that—

(1) there is an urgent requirement for a legislatively approved uniform procedure to oversee the rulemaking activities of the executive branch of the Federal Government, and such a uniform procedure will preserve and protect the constitutional doctrine relating to the separation of powers among the three equal branches of the Federal Government;

(2) there is an urgent need for the legislative branch to supervise the Federal agencies in the exercise of the limited judicial and legislative powers which have been granted by the legislative branch to the executive branch;

(3) the often arbitrary exercise of the powers granted to the executive branch has seriously eroded the confidence of the citizenry in the executive branch and thereby has weakened the confidence of the citizenry in our system of Federal Government;

(4) there is a need for greater participation by the public in the decision making process which occurs during the exercise of the properly mandated regulatory powers of the executive branch, and such public participation can best be acomplished by making Federal agencies more responsive to the need of the citizenry for information and participation in regulation activities;

(5) the citizenry of the United States are in need of protection from the often unnecessary, arbitrary, and capricious actions of Federal agencies, particularly when such actions result in significant economic, legal or bureaucratic burdens; and

(6) the legislative branch of the Federal Government, the branch of the Government which is closest and most responsive to the needs and will act of the citizenry, must reassert on behalf of the people the constitutional right of the people to be secure from the unreasonable and arbitrary actions of the executive branch which result from the usurpation by the executive branch of the powers granted by the people to the judicial and legislative branches of the Federal Government.

IMPROVEMENTS IN REGULATORY PROCEDURES

SEC. 2. (a) Section 551 of title 5, United States Code is amended—

(1) by striking out paragraph (4) and inserting the following:

"(4) 'rule' means the whole or part of an agency statement of general or particular applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes—

"(A) the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor or of valuations, costs, or accounting, or practices bearing on any of the foregoing; and

"(B) any amendment, revision, or repeal of such an agency statement.";

(2) by striking out the word "and" in paragraph (13);

(3) by striking out the period at the end of paragraph (14) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after paragraph (14) the following new paragraph:

"(15) 'emergency rule' means a rule which is temporarily effective without the expiration of the otherwise specified periods of time for public notice and comment and which was duly promulgated by an agency pursuant to a finding that delay in the effective date thereof would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policy and intent, or

"(C) seriously damage a person or class of persons without serving any important public interest.".

(b) Section 553(b) of such title is amended—

(1) by striking out clause (B) and inserting the following:

"(B) when the agency for good cause finds that public notice and comment are unnecessary due to the routine nature or matter or insignificant impact of the rule, or that emergency rules should be promulgated.

An agency which finds that a rule is within an exception specified in clause (A) or (B) of this subsection shall publish in the Federal Register with the final rule a statement of the finding of the agency under such clause and a brief description of reasons for such finding. The provisions of clauses (A) and (B) of this subsection shall not preclude an agency from—

"(i) inviting persons representing different points of view to submit comments,

"(ii) creating an advisory committee to report, or

"(iii) using such other devices to obtain suggestions,

regarding the content of proposed rules prior to notice of rulemaking.";

(2) by striking out the word "and" in clause (2);

(3) by striking out the period at the end of clause (3) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after clause (3) the following:

"(4) the summary statement and the preliminary economic analysis prepared pursuant to section 602 of this title; and

"(5) in the case of a major rule as defined in section 601(4) of this title, a summary of the economic impact statement prepared pursuant to section 603 of this title;".

(c) Section 553 of such title is amended by redesignating subsection (e) as subsection (f), by striking out subsection (d), and by inserting immediately after subsection (c) the following new subsections:

"(d) Unless a longer period of time is required by law or provided in the rule—

"(1) a rule may become effective immediately if it—

"(A) grants or recognizes an exemption to or relieves a restriction from a rule, or

"(B) is exempt from public notice and comment under clause (A) or (B) of subsection (b) of this section; and

"(2) a rule which is subject to disapproval pursuant to chapter 6 of this title shall not take effect except as provided in section 606(b) of such chapter.

"(e) At the time of publication of an emergency rule, an agency shall commence rulemaking proceedings in accordance with subsections (b) and (c), except that the period for public comment shall be limited to sixty days unless the agency determines that an additional thirty days are necessary to enable diligent, interested persons to participate in the rulemaking. Within thirty days after the close of the period for public comment, the agency shall issue a final rule to take effect as provided under subsection (d). Unless earlier withdrawn by the agency, disapproved by resolution of Congress pursuant to chapter 6 of this title, or set aside by court action, an emergency rule shall expire on the sixtieth calendar day of continuous session (calculated in accordance with section 608 of this title) after the date by which a final rule is required to be promulgated under the preceding sentence.".

PUBLIC PARTICIPATION IN AGENCY RULEMAKING

SEC. 3. Section 553(c) of title 5, United States Code, is amended to read as follows:

"(c) After notice required by this section, the agency shall give interested persons not less than sixty days to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation. The agency may extend the sixty day time period if it appears that such period is too short to permit diligent, interested persons to prepare comments or if the agency determines that other circumstances justify an extension. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. In any case in which a final rule is not preceded by a proposed rule, the agency shall include with the publication of the final rule the summary statement and the preliminary economic analysis prepared pursuant to section 602 of this title, and in the case of a major rule, a summary of the economic impact statement prepared pursuant to section 603 of this title. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.".

CONGRESSIONAL REVIEW

Sec. 4. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 5 the following new chapter:

"Chapter 6—CONGRESSIONAL REVIEW OF AGENCY RULEMAKING

"Sec.
"601. Definitions.
"602. Summary statement; preliminary economic analysis.
"603. Economic impact statement.
"604. Agency procedures.
"605. Congressional review of agency rules.
"606. Resolution of disapproval.
"607. Resolution for reconsideration.
"608. Computation of calendar days of continuous session of Congress.
"609. Procedures for consideration of resolutions.
"610. Effect on statutory time limits.
"611. Effect on judicial review.
"612. Applicability.
"613. Agency implementation.
"614. Review by the Comptroller General of the United States.
"615. Agency reports.

"§ 601. Definitions

"For purposes of this chapter—

"(1) the term 'agency' has the same meaning as in section 551(1) of this title, and includes the functions excluded from the definition of such term under subparagraph (H) of such section;

"(2) the term 'rule' has the same meaning as in section 551(4) of this title;

"(3) the term 'emergency rule' has the same meaning as in section 551(15) of this title; and

"(4) the term 'major rule' includes any rule which the agency, based upon a preliminary review of the economic impact of all proposed rules, estimates—

"(A) will result in increased costs—

"(i) for the national economy, in excess of $100,000,000 in any one year or in excess of $150,000,000 in any two year period, or

"(ii) for any economic sector, industry, or level of government, in excess of $5,000,000 in any one year or in excess of $75,000,000 in any two year period;

"(B) is likely to lessen substantially competition, limit market entry, restrain market information, or tend to create a monopoly or monopolistic market power in any line of commerce in any section of the country in any case in which commerce in the relevant market exceeds $100,000,000 per year;

"(C) will result in a direct change in total employment—

"(i) for the national economy, of two-tenths of 1 per centum in total employment, or

"(ii) for any specific industry, regional economy, level of government or category of employees, of ten thousand or more jobs;

"(D) will affect products or services having an annual wholesale or retail value in excess of one-twentieth of 1 per centum of the gross national product;

"(E) is likely to cause serious harm to the public health, safety, and welfare;

"(F) will provide a civil or criminal penalty or forfeiture in excess of $1,000 per offense or $100 per day; or

"(G) will require an inspection of the premises by an agency or representative thereof acting in an official capacity.

"§ 602. Summary statement; preliminary economic analysis

"With the publication of each proposed and final rule, including each emergency rule and major rule, an agency shall prepare and publish—

"(1) a summary statement, written in clear English that is understandable to the lay person, of the problem requiring remedial Federal action for which the rule is being promulgated; and

"(2) a preliminary economic analysis of the rule which estimates to the extent practicable, the costs imposed by the rule upon the various sections of the economy affected.

"§ 603 Economic impact statement

"(a) For each rule, an agency shall utilize the preliminary economic analysis prepared pursuant to section 602 (2) to determine whether the rule is within the definition of major rule established in section 601 (4).

"(b) For each proposed major rule and final major rule, an agency shall prepare and publish an economic impact statement Each economic impact statement shall include—

"(1) estimates, to the extent practicable

and appropriate, of the cost impacts on and benefits to consumers, wage earners, businesses, markets, and Federal, State, and local governments as a result of the rule;

"(2) estimates, to the extent practicable and appropriate, of the effects of the rule on productivity, competition, supplies of important manufactured products or services, employment, the quantity of energy resource supply and demand, and the environment;

"(3) an analysis which demonstrates that the benefits of the rule are likely to exceed the costs which the rule imposes on the areas of the economy specified in paragraph (1);

"(4) estimates, to the extent practicable and appropriate, of the effect of the rule on paperwork required of the public and private sectors which show, for each occurrence of compliance, an estimate of—

"(A) the number and categories of persons that would be required to file reports, maintain records, and fulfill any of the information gathering requirements under the rule;

"(B) the nature and amount of the information that would be required to be filed in such reports and the frequency of such reports which would be required under the rule; and

"(C) the hours and costs that would be required to keep such records and make such reports under the rule;

"(5) estimates, to the extent practicable and appropriate, the effect of the rule on the operation, workload, and efficiency of the Federal courts;

"(6) an index of all rules pertaining to the same subject matter as the rule which lists all such rules by title and subject matter and shall include a brief summary of the content, purpose, and compliance costs of the regulations;

"(7) any other explanatory and supportive statements and materials as the agency deems necessary and appropriate for congressional consideration of each rule; and

"(8) additional information prepared by the agency in accordance with criteria that may be developed for the executive agencies by the Office of Management and Budget and for the independent regulatory agencies by the General Accounting Office.

"(c) Where quantifiable data for support of the estimates and analyses required under paragraph (1), (2), or (3) of subsection (b) cannot be practicably obtained by the agency by any means, the agency shall substitute for such data its most reasoned estimate based upon the experience of such agency and other external information sources. Where the agency is unable to assess impacts for the purposes of the estimates and analyses required under such paragraphs, the agency shall include a statement of the nature and extent of nonquantifiable costs and benefits.

"(d) The Administrator of General Services shall take such steps as may be necessary to ensure prompt publication of all materials required to be published pursuant to sections 602 and 603.

"(e) The economic impact statement required under this section shall not be subject to judicial review.

"§ 604. Agency procedures

"(a)(1) The summary statement and preliminary economic analysis required under section 602, and, if applicable, a summary of the economic impact statement required under section 603, shall be published—

"(A) in the case of a proposed rule, with the text of such proposed rule on the date such rule is published in the Federal Register; and

"(B) in the case of a final rule (whether or not preceded by a proposed rule), with the text of the final rule on the date such rule is published in the Federal Register.

"(2) In the case of any final rule which is preceded by a proposed rule, the agency shall include with the publication of the final rule the text of, and an explanation of, any revisions in the economic impact statement prepared pursuant to section 603 which are warranted as a result of public comment received pursuant to section 553 (c) of this title.

"(b) The agency head shall transmit a copy of the complete text of each final rule, the summary statement and the preliminary economic analysis prepared pursuant to section 602, and, if applicable, the complete text of the economic impact statement prepared pursuant to section 603, to the Senate and the House of Representatives on the day on which the final rule is published in the Federal Register.

"(c) Whenever an agency promulgates a set of proposed or final rules on the same subject at the same time, such rules shall be considered en bloc for the purposes of determining whether a rule is within the definition of 'major rule' established in section 601(4), and whether an economic impact statement is required under section 603.

"§ 605. Congressional review of agency rules

"(a)(1) The appropriate standing committees of the Congress may review any any rule and the accompanying materials transmitted to the Senate and the House of Representatives under section 604(b) for the purpose of determining whether—

"(A) the estimated costs of implementing the rule would exceed the benefits expected to be derived from the rule; or

"(B) the rule contains any provision which—

"(i) violates provisions of existing law;

"(ii) is in conflict with court decisions;

"(iii) goes beyond the mandate of the legislation which the rule is designed to implement;

"(iv) is redundant, overlapping, or inconsistent with provisions of the same or another rule;

"(v) would seriously injure an important public interest; or

"(vi) is inconsistent with congressional intent.

"(2) If the appropriate standing committee determines, with respect to a rule, that its estimated costs exceed its expected benefits or that it contains a provision described in paragraph (1)(B), the committee may report a resolution of disapproval of such rule in accordance with the provisions of section 606. A committee may report a resolution of disapproval of a rule based on such factors (other than the factors specified in subparagraphs (A) and (B) of paragraph (1)) as the committee finds to be appropriate.

"(b)(1) The appropriate standing committees of the Congress may review periodically any existing rule for the purpose of determining whether—

"(A) the costs of such rule exceed the benefits being derived from such rule; or

"(B) such rule contains any provision described in subsection (a)(1)(B).

"(2) If the appropriate standing committee determines with respect to any rule, that its costs exceed its benefits or that it contains a provision described in subsection (a)(1)(B), the Committee may report a resolution for reconsideration of such rule in accordance with the provisions of section 607. A committee may report a resolution of reconsideration for a rule based on such factors (other than the factors specified in subparagraphs (A) and (B) of paragraph (2)) as the committee finds to be appropriate.

"§ 606. Resolution of disapproval

"(a) For purposes of this title, the term 'resolution of disapproval' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: 'That the disapproves the rule promulgated by dealing with the matter of , which rule was transmitted to the Congress on .', the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the date of transmittal of the rule to the Congress.

"(b)(1) Except as provided in paragraph (2), a rule, including an emergency rule and a major rule, shall not become effective if within 60 calendar days of continuous session of the Congress after the date of transmittal of the rule to the Congress, one House agrees to a resolution of disapproval and at the end of 30 additional such calendar days after the date of transmittal of the resolution of disapproval to the other House of Congress, such other House has not passed a resolution disapproving such resolution.

"(2) Notwithstanding paragraph (1), if at the end of 60 calendar days of continuous session of the Congress after the date of transmittal of the rule to the Congress, neither House has agreed to a resolution of disapproval of such rule, and the committee to which a resolution of disapproval concerning such rule has been referred has not reported and has not been discharged from further consideration of such a resolution, such rule shall be effective at the end of such 60 day period or such later date as may be prescribed by such rule.

§ 607. Resolution for reconsideration

"(a) for purposes of this title, the term 'resolution for reconsideration' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the directs to reconsider its rule dealing with the matter of which is found at .', the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description which may be necessary to identify it, and the fourth blank being filled with the citation to the rule in the agency records.

"(b) If either House of Congress adopts a resolution for reconsideration of an existing rule, other than an emergency rule, and at the end of 30 calendar days of continuous session of Congress after the date of transmittal of such resolution to the other House such other House has not passed a resolution disapproving such resolution for reconsideration, the rule shall be reconsidered as specified in subsection (c).

"(c) Two hundred and ten days after the passage by either House of the Congress of a resolution for reconsideration of a rule which has taken effect the rule shall lapse unless repromulgated by the agency. Unless excepted by section 553(a) of this title, the agency shall, not less than 60 days prior to repromulgating such a rule, give notice of a proceeding to consider its repromulgation. The notice and proceeding shall comply with subsections (b) and (c) of section 553 of this title, except that the provisions of section 553(b)(3) shall not be available to the agency and the agency shall hold a hearing for oral presentations. Rules repromulgated pursuant to this subsection within 180 days of the passage of the resolution for reconsideration shall take effect as provided in section 606(b), and during the period for congressional review provided in that section the reconsidered rule may remain in effect.

"(e) A resolution of disapproval supersedes a resolution for reconsideration of the same rule or part thereof.

"§ 608. Computation of calendar days of continuous session of Congress

"For the purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.

"§ 609. Procedure for consideration of resolutions

"(a) The provisions of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by sections 606 and 607 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b)(1) Resolutions of disapproval, resolutions for reconsideration of a rule and resolutions disapproving a resolution of disapproval or reconsideration in the other House shall, upon introduction, be immediately referred by the presiding officer of the Senate or of the House of Representatives to the appropriate standing committee of the Senate or the House of Representatives.

"(2) If the committee to which a resolution has been referred does not report a resolution—

"(A) within 45 calendar days of continuous session of Congress after the date of transmittal of the rule to which such resolution relates, in the case of a resolution of disapproval or a resolution for reconsideration referred to in section 607(b); or

"(B) within 90 calendar days of continuous session of Congress after referral, in the case of a resolution for reconsideration referred to in section 607(c),

it shall be in order to move to discharge the committee from further consideration of such resolution.

"(3) Such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a resolution of disapproval or for reconsideration has been reported with respect to the same rule); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(c)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval or for reconsideration shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When the committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

"(3) Debate on the resolution shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

"§ 610. Effect on statutory time limits

"If a resolution of Congress disapproves a rule which was being promulgated subject to a statutory time limit for rulemaking, the adoption of the resolution shall not relieve the agency of its responsibility for adopting a rule, but any statutory time limit shall apply to such renewed rulemaking only from the date on which the resolution was adopted.

"§ 611. Effect on judicial review

"Congressional inaction on or rejection of a resolution for disapproval shall not be deemed an expression of approval of such rule.

"§ 612. Applicability

"The provisions of this chapter shall not apply to—

"(A) a rule of agency organization, practice, and procedure;

"(B) a rule relating to agency management personnel; or

"(C) a rule granting or recognizing an exception or relieving a restriction.

"§ 613. Agency implementation

"The Administrator of General Services shall take such steps as may be necessary to insure that officers and employees of the United States receive information and training necessary to permit them to expeditiously prepare the statements, analyses, and other findings required by sections 602 and 603 of this chapter, and shall revise accordingly the Document Drafting Handbook published by the Office of the Federal Register.

"§ 614. Review by the Comptroller General of the United States

"(a) An agency shall transmit each preliminary economic analysis required under section 602, each economic impact statement required under section 603, and any other materials required under section 602 to the Comptroller General of the United States on the date such analysis, statement, and materials are transmitted to the Senate and the House of Representatives.

"(b) The Comptroller General of the United States shall utilize the analyses, statements, and materials transmitted pursuant to subsection (a) to determine whether the benefits of each rule exceed its costs, and shall report his findings within 30 calendar days to the appropriate congressional committees.

"(c) The Comptroller General of the United States shall make a finding as to whether the data in each economic impact statement transmitted pursuant to subsection (a) is accurate, and as to whether any major omissions have been made by the agency in preparing such statement.

"(d) The Comptroller General of the United States shall, in conjunction with the Director of the Office of Management and Budget, develop a model format, methodology, and standards for use by each agency in the preparation of preliminary economic analyses required under section 602 and economic impact statements required under section 603.

"§ 615. Agency reports

"Each year, each agency shall prepare and transmit to the Congress a regulatory cost information report. In preparing such report, each agency shall develop an estimate of the total cost borne by the public in complying with the rules of the agency by utilizing the information contained in the preliminary economic analyses prepared pursuant to section 602 and the economic impact analyses prepared pursuant to section 603.".

(b) The table of chapters for part I of title 5, United States Code, is amended by inserting immediately after the item relating to chapter 5 the following:

"6 Congressional Review of Agency Rule Making

(c) The provisions of chapter 6 of title 5, United States Code, shall supersede any other provisions of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter.

EFFECTIVE DATE

SEC. 5. (a) This Act and the amendments made by this Act shall become effective at the beginning of the session of the Congress immediately following its enactment.

(b) This Act and the amendments made by this Act shall lapse at the adjournment sine die of the fifth Congress following its enactment unless renewed prior thereto.

AUTHORIZATION

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of chapter 6 of title 5, United States Code, as added by section 4(a) of this Act.●

By Mr. LEAHY:

S.J. Res. 15. A joint resolution to commend the U.S. Jaycees, the St. Albans Jaycees, and Deere and Co. for their participation in the outstanding young farmer program; to the Committee on the Judiciary.

● Mr. LEAHY. Mr. President, I rise today to give recognition to a remarkable, though not fully appreciated minority—the young farmers of America.

The farmer has played a major role in the development of our Nation. It was the farmer who left his fields to win our independence at Lexington and Concord, and today it is the American farmer who feeds the world's hungry.

Mr. President, today's farmer does not merely work the soil. Our farmers, whether they own a 4,000 acre potato farm in Texas, or a 250 acre dairy farm in my own State of Vermont, are skilled tradesmen. In order to produce the quality agricultural products that the world needs, farmers today must be mechanics, conservationists, and businessmen.

Burlington, Vt., is proud to host the National Jaycees' 23d Annual National Outstanding Young Farmer Awards Congress. From February 23–26, tribute will be paid to the outstanding young farmers from each of 44 States. The theme of the congress is the preservation of the family farm. They will focus their attention on financing future growth, and keeping land in agriculture.

I am proud of the effort made by Vermonters, and particularly the Greater St. Albans Jaycees, who have put so much time into this event.

Mr. President, I ask that the text of this joint resolution to commend the U.S. Jaycees' outstanding young farmer program be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 15

Whereas agriculture is the foundation of a strong America;

Whereas farming has become steadily more complex, requiring the farmer to become an agriculturalist, a conservationist, and a businessman;

Whereas the United States Jaycees have annually since 1954 undertaken great effort to better urban-rural relations through the Outstanding Young Farmer Program;

Whereas thousands of young farmers have gained recognition in the nation and in their communities and States through their selection by chapters of the United States Jaycees as Outstanding Young Farmers, bringing about greater attention, respect, and understanding for the entire agri-business community;

Whereas nearly 2,000 local chapters of the United States Jaycees across the country will participate in the search for the four Outstanding Young Farmers for 1978–1979, and

Whereas the St. Albans, Vermont Jaycees will host the Outstanding Young Farmers Awards Congress in Burlington, Vermont from February 23, 1979, through February 26, 1979; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company, the national sponsor of the Outstanding Young Farmer Program, for their part in recognizing the outstanding contributions of the young American farmer to the greatness of the United States through the Outstanding Young Farmer Program.●

By Mr. WALLOP (for himself, Mr. MORGAN, and Mr. THURMOND):

S.J. Res. 16. A joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

● Mr. WALLOP. Mr. President, 2 years ago when I first introduced this resolution, balancing the budget was regarded as a fiscal conservative's unrealistic pipedream. Many people in Congress and across the country regarded this concept as a passing joke, an issue whose time had not come, and an issue whose time would never come. What we have seen in the last 2 years is a tremendous groundswell across the country proving the contrary. The public believes inflation and economic problems to be our No. 1 problem. Local, State, and national officials are being told in a variety of ways to cut Government spending. The public is concerned, and it is the responsibility of Congress to deal with this issue.

One way to deal with inflation and Government spending is to require that the Federal budget be balanced and that the national debt be paid off. The billions of dollars we must allocate to pay interest on the Federal debt are dollars wasted, dollars which have no productive ends, and dollars which fire the flames of inflation. We can, we must, eliminate this waste with a balanced budget.

I am reintroducing a constitutional amendment to provide for balanced budgets and eliminate Federal indebtedness. If passed, this resolution would require a balanced budget by 1982 and that 5 percent of the national debt be paid off each year, thereafter making the Federal Government debt free near the turn of the century. The resolution is similar to the one introduced in the House by Representative JACOBS and 30 of his colleagues from both sides of the aisle.

Mr. President, 2 years ago, I said that putting our financial house in order is not a partisan goal. I would like to emphasize that whatever method we choose, balancing the budget and cutting spending is in everyone's best interest. It would be my hope that the Judiciary Committee hold early hearings on the issue and that arguments pro and con would be fully aired. We have dragged our feet too long.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 16

Resolved by the Senate and House of Representatives of the United States of America in Congress (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year and that the Federal indebtedness is eliminated.

"SEC. 2. During the first fiscal year beginning after the ratification of this article, the total receipts of the Government, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States, shall not be less than 95 per centum of the total outlays, not including any outlays for the redemption of bonds, notes, or other obligations of the United States. During the second fiscal year, the total receipts shall not be less than 98 per centum of the total outlays.

"SEC. 3. During the third fiscal year beginning after the ratification of this article, and for each suceeding year thereafter, total outlays shall not exceed total receipts.

"SEC. 4. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts: *Provided, however*, That outlays shall never exceed receipts by more than 10 per centum.

"SEC. 5. During the fourth fiscal year beginning after the ratification of this article and for the next nineteen succeeding fiscal years thereafter, the total receipts of the Government shall exceed outlays by an amount equal to 5 per centum of the Federal indebtedness at the beginning of the fourth fiscal year. The President shall, not later than the thirtieth day after the close of the fourth fiscal year, ascertain the total Federal indebtedness and transmit said total to the Congress by special message.

SEC. 6. Thereafter, whenever the Congress determines under section 4 that an emergency exists and authorizes outlays to exceed receipts, any indebtedness ensuing therefrom shall be extinguished within three fiscal years years of being incurred.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".●

By Mr. ROTH:

S.J. Res. 17. A joint resolution relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

● Mr. ROTH. Mr. President, I am introducing two pieces of legislation responding to issues raised by the President's decision to terminate our diplomatic and security relations with Taiwan.

Today I am offering a joint resolution which would have the effect of maintaining a credible American defense commitment to Taiwan. I believe this is needed to provide psychological reassurance to the people of Taiwan and our other allies in East Asia and to give substance to the President's statement that the United States continues to have an interest in the peaceful resolution of the Taiwan issue.

Next week I intend to propose legislation to clarify the constitutionally ambiguous question of executive branch and congressional powers in the area of treaty termination and abrogation. It is clearly unwise to permit one man—the President—to have the sole power to terminate or abrogate important treaties, such as the NATO treaty and our bilateral security treaties, which were entered into as a product of both Presidential and Senate action. My proposed legislation will protect our existing security treaties against possible future termination by a President acting alone and define a procedure to insure that in the future the termination of an important treaty will be a product of the best judgment and the action of both the Congress and the President.

I support the improvement of our relations with the People's Republic of China, but President Carter's decision to terminate official diplomatic ties with Taiwan and end the Mutual Defense Treaty with that country were, in my view, unnecessary for good relations with the PRC. The United States could have held out for the normalization of relations with Peking without conditions; instead, in a hasty and ill-considered action, the President chose to concede to conditions Peking was in no position to dictate, and these conditions included our "derecognition" of Taiwan and the termination of the Mutual Defense Treaty.

While I disapprove of the substance of the President's decision, therefore, let me make it clear the legislation I am proposing is in no way directed against the People's Republic of China nor would it reverse the President's decision. Reversal now could only increase the diplomatic costs of the decision and have very harmful consequences. We have recognized Peking, albeit on the wrong terms. This is a reality and we should make every use we can of the relationship. There are ways and means of cooperation for mutual benefit, and we should exploit these.

The Congress and the President, however, have an opportunity and a responsibility to rectify some of the damage done to our credibility as an ally and our self-esteem as a nation by the shabby treatment given to Taiwan. My resolution would do this by maintaining a commitment to the defense of Taiwan by legislation rather than treaty and by giving

Taiwan a diplomatic status more appropriate with reality.

The President should have been sensitive to the agonizing difficulties his decision would cause for the people and government of Taiwan. He should have been aware of the concern it would cause to other American allies around the world who have counted on our word and commitments. He should have been cognizant of the attitudes of the American people and Congress on this question and sought their advice and support. He could, at least, have acted in a more deliberate manner to give the Congress, the American people, the people of Taiwan, and our other allies a chance to adjust to the policy decision.

Instead, a poor decision was made much more costly and damaging by the manner it was carried out. Even many of those who support the substance of what the President did have been highly critical of the way it was announced. For example, Senator GEORGE MCGOVERN has said:

> What I fault is the hasty and ill-prepared way the decision was handled—the crude diplomacy and the bad politics.

It contradicted other administration pledges and emphases, adding to the already prevailing confusion about our Nation's foreign policy. Mr. Carter had promised an open Government, but the China decision was developed in secrecy and haste, directly contradicting the spirit of an amendment urging prior consultations with Congress before modifying or terminating the Mutual Defense Treaty with Taiwan.

Mr. Carter had promised to consult our allies prior to taking actions which would affect their interests, but like Mr. Nixon in the past, what he is pleased to call consultation amounts to notification a few minutes prior to the public announcement of the decision.

The President's emphasis on human rights is well known, but the recognition of the People's Republic of China and termination of diplomatic relations with Taiwan favors the government with the worst human rights record.

As a candidate, Mr. Carter had promised a Government as good as the American people. The American people I know regard Mr. Carter's treatment of Taiwan as shameful and expedient.

The administration is now engaged in an unprecedented charade to accommodate the whims of Peking to the realities of Taiwan. It was certainly absurd to recognize the Taipei government as the Government of all China, as we have done in the past. But it is equally absurd to recognize the People's Republic of China as "the sole legal Government of China" when at the same time we are drafting legislation which, for domestic purposes, would give "the people of Taiwan," a euphemism for the Republic of China, the legal status for domestic purposes, of a government. We are acknowledging the Chinese position that Taiwan is a part of China, but we are apparently not recognizing Taiwan as a province of the mainland government. We are continuing for a year the Mutual Defense Treaty with a government we ceased to diplomatically recognize on January 1. In return for Peking's willingness to accommodate our need to continue the treaty for a year (which allowed the President to terminate rather than denounce it), we have promised not to agree to military sales to Taiwan during this period. But once the treaty is terminated and the U.S. military commitments to Taiwan have ended, then we can resume military sales.

Our Government's willingness to engage in such charades is shameful, but our new position is also wrong in terms of our strategic interests. Our Mutual Defense Treaty with Taiwan reflected the reality that an attack on Taiwan by the mainland would be profoundly unsettling and destabilizing to our other allies is East Asia, especially Japan, South Korea, and the Philippines. A quarter century later, this reality remains the same. Taiwan is a dynamic nation of 17 million people and is an integral part of a growing network of economic and commercial links among the non-Communist nations of East Asia. When one considers the present uneasiness the nations of that region have about the demise of the isolated and cruel Pol Pot regime in Cambodia, a country with less than half Taiwan's population and a one-twentieth of its gross national product at the hand of Vietnam, a nation less than one-fifteenth the size of China, one can imagine the magnitude of the repercussions an armed attack on Taiwan would cause.

Writing in the Christian Science Monitor, Joseph C. Harsch has commented:

> The old U.S.-Taiwan defense treaty, signed on Dec. 2, 1954, declared that "an armed attack in the West Pacific area directed against the territories of the parties would be dangerous." Territories were defined. In respect to Taiwan they were identified as "Taiwan and the Pescadores."
>
> Well, an armed attack on Taiwan or the Pescadores or the Philippines, or Japan, would be just as "dangerous" this year as it would have been last year. The Chinese in Peking are far too sensible to dream of committing any such folly as doing a "dangerous" thing like that. But the Taiwanese need time to get accustomed to the change. They need comfort and reassurance that they have not and will not be forgotten or abandoned.
>
> That should have been taken care of at the time. Also the Senate should have been reassured, at least privately, in advance of the public announcement. At this stage the danger can be controlled by a public clarification of the fact that any armed attack in the West Pacific would still be "dangerous" and that the United States would act appropriately should such a folly be committed. Taiwan is not in danger, but it and its friends need to have this explained and made manifest. If done, the sour aftertaste could be washed away.

The President's decision, of course, created bitterness, disillusionment, and great anxiety in Taiwan, but a good many of our other friends are concerned as well. The Japanese are referring to the decision as a "Carter shock," and the South Koreans are hoping a similar shock will not be administered to them. In the Philippines, Foreign Secretary Romulo said in a television interview that the U.S. treaty with Taiwan has been a symbol the United States will stand by its allies and our termination of the treaty is eroding Philippine confidence in our commitments to that country. It is hardly reassuring to our allies the President made his decision to terminate the Mutual Defense Treaty despite Peking's unwillingness to provide explicit assurances the Taiwan issue would be resolved peacefully.

What will be the impact of the termination of the treaty on the Peking and Taipei governments? In Taipei, the Nationalists will have to spend more on defense and the need for internal discipline in the face of increased external isolation and pressure will surely militate against the recent trend toward political liberalization. It should hardly be surprising if Taipei reexamines the nuclear option. Moreover, the treaty and relationship with the United States helped psychologically to keep the morale and spirit of the Taiwanese people high; the absence of the ties may have a long-term corrosive effect which may one day result in an accommodation with Peking bringing Taiwan under Communist rule.

As for Peking, I am very pleased with the present pragmatic direction of the policies of Vice Premier Teng Hsiaoping and by the moderate and conciliatory tone the Chinese leadership has recently adopted on the Taiwan issue. Vice Premier Teng's visit to the United States is a very significant event, and I hope he will leave here more than ever impressed by the need to establish and maintain a sound Sino-American relationship.

At the same time, I wonder what a hard-nosed and pragmatic man like Mr. Teng, who obviously understands the uses and realities of power, thinks of a country which is so ready to dump a longtime ally and a major trading partner for elusive, future benefits. Do our actions suggest the United States is a nation whose pledges can be counted upon?

It is also important to remember that the internal political situation within China is by no means settled. Mr. Teng is hardly the first Chinese leader to seek to put China on a much different course than in the past, and he may well be defeated in this effort. Indeed, our termination of the Mutual Defense Treaty with Taiwan might strengthen other voices in China who regard the United States as a "paper tiger," see confirmation of this view in our actions toward Taiwan, and argue the way is now clear for an aggressive Chinese campaign against Taiwan.

To reassure the Taiwanese and our other allies, to make it absolutely clear to all on the mainland that the United States does have a vital stake in the defense of Taiwan, and to continue to provide a climate of stability in East Asia and the Pacific, I believe we should make much more concrete, through legislation, President Carter's assertion that "we will continue to have an interest in the peaceful resolution of the Taiwan issue."

This is why I am offering a resolution to continue the U.S. defense commitment to Taiwan. As domestic legislation, not an international treaty, this should not interfere in our new ties with Peking, but clarify our position. It covers the same territories—Taiwan and the Pescadores—as does the Mutual Defense Treaty, and it embodies the same commitment—that in the event of an armed attack on these territories, the United States will act in accordance with our constitutional processes. These constitutional processes, of course, include the application of the War Powers resolution, insuring the Congress must approve of whatever action is deemed needed.

The resolution also permits Taiwan to establish a liaison office here in Washington for the conduct of official relations. At the present time, it is envisaged that relations would be carried out through a corporate entity. This is demeaning to a government which has been a longtime friend and ally. The People's Republic of China has maintained a liaison office for more than 6 years, during which time we officially recognized the Republic of China on Taiwan. I can see no reason Taiwan should not have the same right nor any legitimate reason for Peking to complain.

Mr. President, I believe enactment of this resolution would help restore the faith others have in our commitments and promote the kind of climate in East Asia which would enhance peace and stability in this most important region for the lasting benefit of the peoples of the United States, Taiwan, and the People's Republic of China.●

By Mr. THURMOND (for himself, Mr. GOLDWATER, and Mr. WALLOP):

S.J. Res. 18. A joint resolution proposing an amendment to the Constitution of the United States relative to balancing of the budget and reducing the public debt; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, in these beginning days of the 96th Congress, I am sending to the desk a resolution calling for a balanced budget and establishing a means to eliminate our Federal debt. It is a measure that is sorely needed if this Government is to avoid financial ruin and get back on the track of sound fiscal responsibility.

Mr. President, our fiscal picture has changed drastically since I introduced a resolution similar to this one in 1965. At that time, we had just experienced a deficit of $5.9 billion. However, there were those in the Senate who said this was not necessary because our deficits were only temporary and were, in any event, small. However, I could see then that with the increased role of the Federal Government in our lives and the corresponding high spending levels that unless we were to establish some controls, our spending and deficits would increase. Indeed, during the next 14 years, we suffered deficits every year except one. I must admit, however, that even I did not anticipate the rapid and astounding increases that did occur. As a result, we are looking at deficits last year of not $5, $10 or even $20 billion, but over $60 billion.

The President promised back in 1976 that he would balance the budget by 1981. It is not difficult to see that he will not honor that promise. With all the cuts he is proposing for the upcoming budget, we are still looking at a deficit of around $30 billion. This is supposed to illustrate fiscal restraint. It is clear that without a constitutional amendment, having a balanced budget will continue to be the exception rather than the rule.

A balanced budget is required in the constitutions of 26 of the 50 States. I am proud to say that my State of South Carolina is among these. In 38 States, the legislatures are completely limited or severely restricted from incurring a debt to cover deficiencies in revenue. These States realize the necessity of a constitutional restraint to prevent careless spending and high deficits. It is a necessity the Federal Government should realize and upon which to take action before the mounting deficits completely overpower us.

The action I am recommending is simple—we do not spend more than we receive in revenues. It does not take a professional economist to realize that this is sound fiscal policy. Every year we will receive a report of our estimated receipts for the upcoming fiscal year. From this we can establish our outlays within those bounds. We will then begin to have balanced budgets and may even enjoy surpluses.

This resolution also provides a means to eliminate our Federal debt. However, realizing the cuts and restraint required to attain a balanced budget, this provision does not become active until 5 fiscal years after we have obtained a balanced budget. At that point, 5 percent of our receipts for the next 20 years will be applied toward our Federal debt. I am aware that this percentage may seem high; it is not when compared to our extremely high Federal debt. Using current figures on receipts, this would require about $22 billion per year to apply toward a present debt of almost $800 billion. Even this will not completely eliminate the debt, but once we obtain a balanced budget and become more fiscally responsible, it is hoped that more money can be applied toward the debt. In addition, as the debt decreases so will the interest payments which now amount to over $40 billion annually, thereby freeing funds to be diverted from payments on interest to the much more desirable function of a payment on principal.

Finally, Mr. President, this amendment provides that in the event of war or other grave national emergency the restraints may be removed by a vote of three-fourths of both Houses of Congress. Therefore, this amendment will not tie our hands if a legitimate need arises requiring additional expenditures.

I am sure there are some in this body who are very skeptical of any proposal to balance our budget and eliminate our debt. However, I am also confident that if we can get hearings on this amendment, skeptics will be shown that this goal can be achieved and indeed must be achieved. So to them, I only ask for consideration and an open mind.

Mr. President, I want to state that I have either sponsored or endorsed measures of this kind on many occasions, but in the past the voices of big spending and large deficits have prevailed to insure that they not be given appropriate consideration. The recent elections have clearly shown us that the people of this country are extremely concerned with the fiscal responsibility of our Government, and the Congress can illustrate its concern through this amendment. I cannot emphasize too strongly that the time for this amendment is now. I ask unanimous consent that the text of my resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 18

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

ARTICLE —

"SECTION 1. On or before the fifteenth day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth his estimates of the receipts of the Government, other than receipts of trust funds, during the ensuing fiscal year under the laws then existing and his recommendations with respect to total outlays to be made, other than outlays from trust funds, during such ensuing fiscal year, which shall not exceed the estimated receipts that will be available to defray outlays after the application of section 2 of this Article. The President in transmitting such budget may recommend measures for raising additional revenue and his recommendations for the expenditure of such additional revenue. The Congress, in the exercise of its powers, shall not authorize outlays to be made during such ensuing fiscal year in excess of the estimated receipts that will be available to defray outlays after the application of section 2 of this Article.

"SEC. 2. Beginning with the fifth fiscal year after the effective date of this Article, and for each of the next twenty fiscal years thereafter so long as there remains any public debt of the United States, five percent of the receipts of the Government, not including receipts of trust funds, shall be available only to reduce the public debt. If during any of such fiscal years the public debt is less than five percent of receipts, so much of such receipts as is necessary to eliminate the public debt shall be available only for that purpose.

"SEC. 3. In case of war or other grave national emergency, the Congress upon vote of three-fourths of all the Members of each House may suspend the provisions of sections 1 and 2 of this Article for periods, either successive or otherwise, not exceeding one year each.

"SEC. 4. This Article shall take effect on the first day of the calendar year next following its ratification, *Provided however*, That this Article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.".

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Washington (Mr. JACKSON), the Senator from Michigan (Mr. LEVIN), the Senator from Indiana (Mr. LUGAR), and the Senator from Connecti-

cut (Mr. WEICKER) were added as cosponsors of S. 2, the Sunset Act of 1979.

S. 8

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 8, to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof.

S. 10

At the request of Mr. BAYH, the Senator from Washington, (Mr. MAGNUSON), the Senator from Connecticut, (Mr. WEICKER), and the Senator from Michigan, (Mr. LEVIN), were added as cosponsors of S. 10, to protect the rights of institutionalized persons.

S. 25

At the request of Mr. BAYH, the Senator from Michigan, (Mr. LEVIN), the Senator from New York, (Mr. JAVITS), and the Senator from Illinois (Mr. PERCY), were added as cosponsors of S. 25, to designate the birthday of Martin Luther King, Jr., a legal holiday.

S. 29

At the request of Mr. HATCH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 29, a bill to repeal the Davis-Bacon Act.

S. 33

At the request of Mr. ROTH, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 33, a bill to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. ROTH, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 34, the spending Limitation Act of 1979.

S. 55

At the request of Mr. BENTSEN, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 55, the meat import bill of 1979.

SENATE RESOLUTION 12

At the request of Mr. DANFORTH, the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. TOWER), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Resolution 12, relating to the U.S. commitment to Taiwan.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of Senate Resolution 13, with respect to the continuing relationship of the United States with the Republic of China.

SENATE RESOLUTION 19—SUBMISSION OF A RESOLUTION RELATING TO REQUIRED REDUCTIONS IN BUDGET AUTHORITY

Mr. STONE submitted the following resolution, which was referred to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977:

S. RES. 19

Resolved, That (a) in reporting any concurrent resolution on the budget under title III of the Congressional Budget Act of 1974 for the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982, the Committee on the Budget of the Senate shall not include an appropriate level of total budget outlays or of new budget authority which is greater than the following percentages of *the adjusted amount of the appropriate level of total budget outlays* or total new budget authority, respectively, set forth in the final concurrent resolution on the budget for the fiscal year ending September 30, 1979:

(1) 98 percent, in the case of the fiscal year ending September 30, 1980,

(2) 98 percent, in the case of the fiscal year ending September 30, 1981, and

(3) 98 percent, in the case of the fiscal year ending September 30, 1982.

(b) For purposes of Subsection (a), the adjusted amount of the appropriate level of total budget outlays or total new budget authority set forth in the final concurrent resolution on the budget for the fiscal year ending September 30, 1979, is the amount set forth increased or decreased, as of any date, by the same percentage by which the Consumer Price Index (published by the Bureau of Labor Statistics) on such date has increased or decreased over the Consumer Price Index on September 30, 1979.

Mr. STONE. Mr. President, I am today submitting a resolution calling for the Senate Budget Committee to lead the way in reducing Federal expenditures.

Before submitting this resolution I want to commend the Budget Committee for reducing the budget authority for fiscal year 1979 by more than $11 billion from the First Senate Budget Resolution and thereby reducing the projected Federal deficit. Indeed, I believe the Senate Budget Committee is meeting its responsibilities outlined in the Budget Act.

The committee's recommendations over the past several years show continued progress toward a balanced budget. My proposal would encourage this progress in the future by directing the Senate Budget Committee to report to the Senate a budget resolution incorporating at least a 2 percent reduction each year in Federal spending outlays and authorization for the next 3 fiscal years, beginning in fiscal year 1980.

The resolution allows for an inflation adjustment in computing the actual amount of the reduction from year to year in order to allow for increases in the cost of delivering the same government services.

Inflation is our Nation's most pressing problem. The Congress must lead the attack on excessive Government spending and deficit Government financing which contribute significantly to inflation. We can start by reducing, and eventually eliminating deficit spending. Federal borrowing continues to compete with private industrial demand for loans, thereby driving up interest rates and adding to the cost of producing goods and services. In addition, it tends to restrain investment in the private sector and, as a result, costs Americans jobs. Unless the Federal budget is balanced in the next few years, the cycle of inflation and recession will continue to plague our Nation.

This resolution, if adopted, would demonstrate the Senate's commitment to continue moderate reductions in Federal spending until annual outlays no longer exceed annual revenues. This gradual reduction in budget authority and outlays, combined with a thorough examination of all programs, will enable Congress to work more realistically toward the goal of a balanced budget.

If this resolution is enacted, the Senate will be serving notice on all Federal agencies that we are sincere in our commitment to balance the budget. This will help prod agencies into taking a closer look at their own budgets with an eye toward cutting unnecessary expenditures.

In my own State of Florida, the Fort Lauderdale News prints a daily column entitled "Your Tax Dollars in Action." Its author, Duncin MacKenzie, regularly chronicles unnecessary grants and contracts, and let me assure you, he does not suffer from lack of material. We all agree that waste exists and that we must work harder to reduce it. That entails making tough budgetary decisions.

Last year I joined with a number of my colleagues in an effort to cut each 1979 appropriations bill by 2 percent across the board. I was encouraged by our initiatives because they caused the Senate to take a hard look at Federal spending programs and reexamine priorities. But I feel we can do better, indeed, we must do better if inflation is to be brought under control. It is time to plan ahead for reductions in spending and this resolution does just that. It sets moderate 3-year goals, moving us beyond the year-to-year system now employed.

Mr. President, if we are to enact responsive and responsible legislation for the American people, then we should begin looking ahead and setting moderate goals. If we continue to lower Federal spending we can look forward to the day when our economy is free from the enormous Federal debt and inflation is under control.

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold an oversight hearing on the New York City Loan Guarantee Act on Wednesday, February 7, at 10 a.m. in room 5302, Dirksen Senate Office Building.

The purpose of the hearing is to determine whether the requirements of the Loan Guarantee Act are being met and whether New York City is making progress toward balancing its budget and regaining access to the credit markets.

Witnesses will include the Honorable Edward I. Koch, mayor of the city of New York; the Honorable Hugh L. Carey, Governor of the State of New York; and the Honorable Roger C. Altman, Assistant Secretary of the Treasury for Domestic Finance.

COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH. Mr. President, the Committee on Foreign Relations has scheduled a hearing on the nomination of Mr. George M. Seignious to be Director of the Arms Control and Disarmament Agency. The hearing will begin at 10 a.m., Thursday, January 25, room 4221 of the Dirksen Senate Office Building.

I intend to make certain that the Committee on Foreign Relations maintains thorough and effective oversight of all matters within the jurisdiction of the committee, including the Arms Control and Disarmament Agency and its officers. I anticipate that Mr. Seignious' views and qualifications will be assessed in depth in the course of the hearing on his nomination.

In view of the interest many have expressed in this nomination, I have extended an invitation to Senator JOHN C. STENNIS, chairman of the Committee on Armed Services, welcoming him or any other member of the Committee on Armed Services to join the Committee on Foreign Relations at that hearing.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. TALMADGE. Mr. President, I wish to announce that the Senate Committee on Agriculture, Nutrition, and Forestry has requested Secretary of Agriculture Bob Bergland to report on the state of American agriculture on Wednesday, January 24.

I have asked the Secretary to appear early in the new Congress in order that our committee may have the benefit of a first hand report and assessment from the Carter administration on the current economic state of American agriculture and American farmers.

The hearing will begin at 9 a.m. in room 324 Russell Office Building. Secretary Bergland will be the only witness.

Anyone wishing further information should contact the committee staff at 224-2035.

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION, AND FORESTRY

● Mr. MELCHER. Mr. President, this is to announce that the Subcommittee on Environment, Soil Conservation, and Forestry of the Committee on Agriculture, Nutrition, and Forestry will hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies, on February 6 and February 8 in room 322 of the Russell Senate Office Building. The hearings on each day will begin at 9:30 a.m.

The environmental impact statement for RARE II proposes that several million acres of the national forest system be designated wilderness by Congress and additional acreage be segregated by the Forest Service for additional study.

The purpose of the hearings will be to examine those withdrawals in terms of the economic resources that will be lost, and to examine planning and programs to maximize the productivity of our forest lands in face of tight supply. The hearings will be in the context of the program of work approved for the Forest Service by the Congress and the White House under the provisions of the Forest and Rangeland Renewable Resources Planning Act of 1974.

On February 6 the subcommittee proposes to hear from the Secretary of Agriculture and the Director of the Office of Wage and Price Stability. On February 8 we will hear from public witnesses. Public witnesses wishing to testify should contact Denise Alexander in the committee office at 224-0014.●

ADDITIONAL STATEMENTS

SMOKING AND HEALTH

● Mr. KENNEDY. Mr. President, the report of the Surgeon General on smoking and health is a truly impressive document. Anyone who examines this report in an objective and open minded way can come to only one conclusion: that cigarette smoking exacts a terrible toll on the health and well-being of Americans, and that this habit is far and away the single leading preventable cause of death and disability in America.

I commend Secretary Califano and Surgeon General Richmond for issuing this document at this time. Their efforts to make Americans aware of the true hazards of tobacco use have generated storms of protest over the last 18 months. But this new Surgeon General's report makes clear that the scientific basis for their efforts is unassailable.

Since 1964, the evidence indicting cigarette smoking has continued to accumulate at a rapid rate. It is now clear that the cigarette habit causes not only cancer, heart disease, and chronic lung disease, but also peptic ulcer disease, cancer of the oral cavity and the esophagus, and bladder cancer as well. The pernicious effects of cigarette smoking also affect the unborn and the newborn. Cigarette smoking contributes to fetal and neonatal deaths, results in lower birth weight infants, and may affect physical growth, mental development and behavioral characteristics of children at least up to the age of 11. We now know, also, that cigarette smoking and occupational exposures can combine to produce devastating effects. Asbestos workers who smoke have eight times the risk of developing lung cancer compared to nonsmoking workers.

I could go on with this indictment of tobacco use. Our added knowledge concerning the use of tobacco puts to rest once and for all the debate over the hazards of cigarette smoking. Despite the Tobacco Institute's continuing efforts to deceive and confuse the American people, I think few if any, continue to believe that cigarette smoking is safe.

The Surgeon General's report makes clear that we have much to do and much to learn before we can give Americans the kind of help they need in avoiding this deadly habit. We know very little about how to keep children and teenagers from starting to smoke, and we know very little about what methods are effective in getting smokers to quit. Our school health education programs are underdeveloped and inadequately studied, and we do not do enough to focus our educational efforts on groups at highest risk; workers with occupational exposures; schoolchildren and teenagers; minority groups; and women.

In addition, we know too little about the health effects of low tar and low nicotine cigarettes. The Surgeon General's report clearly documents tremendous changes in the composition of commercially manufactured tobacco products over the last 15 years. It is becoming increasingly clear that we need more knowledge of the true health effected of consuming these changing cigarettes. Do cigarettes low in tar and nicotine have new and unanticipated hazards? What is the nature of their additives? Do cigarette smokers inhale more carbon monoxide with these new products? Do they inhale more frequently or deeply?

I find particularly deplorable our inadequate knowledge of the potential hazards of additives to commercially manufactured cigarettes. It is time to ask tobacco industries to voluntarily disclose the nature of those additives, so that Americans know what potentially noxious chemicals they are daily exposing themselves to.

Above all, the Surgeon General's Report on Smoking and Health points out that we have within our power the capacity to make major inroads against death and disease in our society. The American people are well-served by the kind of effort which went into the Surgeon General's report.●

MENDING FENCES WITH MEXICO

● Mr. GOLDWATER. Mr. President, for more years than I like to remember, I have had the feeling that my country, the United States, has never had the proper attitude toward our neighbor to the south, Mexico. Having been born on the border and brought up with these delightful people, I am pained to see our State Department and our President and others involved in foreign policy so totally ignore the rich friendship and comradeship and help when needed that lies to the south of us. I would like to see my President, Mr. Carter, take immediate steps to mend the fences that are so full of holes caused by the wrong attitudes of Presidents who have preceded him. Mexico is growing, it is growing fast, it needs help, she needs our attention and we should be far more concerned about the future of Mexico than the future of countries lying half way around this world.

I ask unanimous consent that an excellent article written by our colleague from Maryland (Mr. MATHIAS), and published in the Washington Post of January 15, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MENDING FENCES WITH MEXICO

(By CHARLES MCC. MATHIAS, Jr.)

Robert Frost's neighbor stubbornly maintained that "good fences make good neighbors." But Frost wasn't convinced. And neither am I. Some fences make bad blood, and we are building that kind of fence along the Rio Grande.

It is symptomatic of the way U.S. policy toward Mexico is managed that the contract for the lengthening and strengthening of the fence on the Texas-Mexican border was announced by the U.S. Immigration and Naturalization Service without any advance

notice to our ambassador in Mexico City. What proved to be a traumatic blow to neighborly feelings, one which dominated the Mexican news for many days, was tossed into the diplomatic thicket as carelessly as a child might toss a match into a pile of leaves.

Similarly, a year ago the Department of Energy intervened at the last minute to put a bureaucratic roadblock in the way of the purchase of Mexican natural gas by U.S. energy companies. The gas deal had been negotiated at length between Pemex, the official Mexican petroleum agency, and private U.S. companies. The Mexican government's long-range energy plan had been based on the sale and export of natural gas and the alternative consumption of more oil at home. Economic and other considerations had been calculated and the construction of the pipeline to the U.S. border had begun. The whole fabric of this agreement was rent when an abrupt, unilateral ruling was issued by the Department of Energy in Washington on the stated ground of objection to price. In that one decision, years of a positive, mutually beneficial relationship with the Mexicans were jeopardized. The president of Mexico, one of the friendliest in recent history, was left, by his own description, "hanging by his paint brush" when we knocked over the ladder. And Mexicans generally have been given reason to wonder whether our vaunted "free-enterprise" system is a reality or a myth.

So whether it is building fences on the Rio Grande, or buying gas or oil from south of the border, it is time to get our act together.

In the first place we have to ask whether building fences is an effective answer to the problem of illegal immigration from Latin America into the United States. It may be easier and cheaper to help by giving would-be migrants a reason to stay home.

It is estimated that about 800,000 Mexican workers move silently and invisibly across the border every year. Some work a while and return to their homes and families. Some remain in the United States. The facts are not well known and are hard to prove. No one knows what the cumulative illegal immigration now amounts to, but it is surely many millions.

The U.S. government's response to the situation has been feeble and ineffective. We have neither welcomed these visitors as a supplement to our work force and tried to regularize their activities nor have we been able to deny them entry or jobs.

Governmental indecision is reinforced by the attitude of organized labor. The unions are fearful that any move to regulate and control the alien workers will also legalize them, so they have opposed any move in that direction. At the same time, labor has taken no interest in developing other solutions.

The subject is a painful one for the Mexican government, which does not discuss it very freely. The government exposes its sensitivity quietly for several reasons. Any brutal action to expel resident aliens and to repel migrant workers would be an ethnic insult with serious political impact. On the practical side, the Mexicans working in the United States are a significant source of dollars and one that Mexico cannot afford to lose just now. So governmental enthusiasm for keeping people home cannot be counted on as a deterrent.

In the past, problems such as these have been allowed to fester because the effort and cost of finding solutions was greater than the potential benefit. Now that is all changed as Mexico's population tops 65 million, as her economy grows and as she discovers some of the earth's largest reservoirs of energy—both gas and oil.

Let us look at the changes. The ties that bind Mexico and the United States are becoming increasingly important; we must not ignore them. Oil is only one of the more obvious. As Mexico adds to its oil production, it could become a secure source of energy for the United States. At present, we take the bulk of Mexico's 500,000 barrels per day in oil exports. As these exports increase, Mexican oil will pose a very attractive alternative to our dependence on imported Middle East oil. Events in Iran only underscore the dangers of this dependence on distant sources of energy.

It is estimated that Mexico could provide as much as 30 percent of our import needs by 1985. Even if Mexican oil does not flow directly to the United States, the very existence of a major new petroleum source entering the market cannot help but have a positive effect on world energy supplies and prices.

Oil is not, however, the only issue that binds our two nations together.

Mexico is the fifth largest trading partner of the United States. In 1977, $9 billion in goods and services were exchanged by our two countries. The Mexican government is attempting to stimulate and diversify Mexico's export capabilities. The U.S. market is an important factor in this effort. Problems arise, however, to the extent that Mexican exports compete with U.S. domestic production. But these are problems that can be worked on and eased.

I do not have answers to all the questions pending between our two nations. But answers must be found, and to find them the United States must devote far more attention in the future to its critical Mexican relationship than it has in the past.

I welcome the administration's current review of U.S./Mexican relations. I believe it vital, however, that we develop a mechanism for coordinating our government's dealings with Mexico. The time has long passed when each separate department of the U.S. government could afford the luxury of its own individual, uncoordinated Mexican foreign policy. When the Department of Energy rejects a gas deal with Mexico, the negative repercussions across the range of our relations with Mexico could hobble us for years to come.

On the question of illegal immigration, I want to reiterate what I said following my visit to Mexico in 1977. Rather than simply applying unilateral regulations designed only to stem and reverse the tide of illegal immigrants, the United States should consider ways to encourage the government of Mexico to initiate large-scale labor-intensive development programs in Mexico's rural areas, where most of the migrants originate. It seems clear that the government of Mexico will need significant outside help if it is to address the task of absorption and resettlement without incurring massive social and political unrest. Relief measures that could be considered include the exemption of the products of a Mexican rural development-resettlement plan, from U.S. tariffs or other trade restrictions for a given period. While this idea could become unwieldy in practice (how to discriminate between "new development" products and others for example), efforts should be made to find and establish concrete economic incentives for Mexicans to remain within their own development areas.

On this increasingly difficult issue, Mexican/U.S. relations are at a threshold. There are no easy solutions, indeed there may be only partial solutions. But one thing is certain: The problem cannot be satisfactorily resolved by unilateral measures. Legislation, not reinforced by strong and effective programs to provide relief for persons who may be returned across the border, will create a grave threat to the stability of Mexico—a stability that is of vital concern to our own country. ●

MARVIN WARNER, OUR INNOVATIVE AMBASSADOR

● Mr. METZENBAUM. Mr. President, more than a year-and-a-half has gone by since I had both the pleasure and the honor of recommending Senate approval of a good friend and fellow Ohioan, Marvin L. Warner of Cincinnati, as our new Ambassador to Switzerland. Today, with a great deal of pride, I take this opportunity to report that the confidence that I and my fellow Senators showed by overwhelmingly approving his appointment was not misplaced.

A recent article in the Chicago Tribune shows that Ambassador Warner is blazing a new trail for ambassadors, selling not only goodwill to foreign countries, but American-made products as well. Ambassador Warner has a long history of business successes in Ohio which he obviously is putting to good use in his new post by promoting American businesses, going even to the extent of putting on an auto show at the American Embassy to promote American-made autos.

According to the article:

> The Swiss seem delighted and the Austrian ambassador is on record as calling Warner "a whiff of fresh air."

The Ambassador himself says:

> I don't see the embassy just as part of the American government, but also as part of American business.

Mr. President, I commend Ambassador Warner for his innovative, constructive, and refreshing approach to diplomacy and hope some of our other diplomatic personnel around the world can learn from his lesson. I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT'S A U.S. ENVOY DOING SELLING CARS?

(By R. C. Longworth)

BERN, SWITZERLAND.—Marvin L. Warner, the American ambassador to Switzerland, passed the popcorn and tried to sell the Swiss chief of protocol an Oldsmobile.

The Swiss diplomat didn't have a chance. Warner has been selling things all his life. Long before the popcorn ran out, the chief of protocol had a new Olds 98.

The scene was a show of 1979 models of 24 American cars on the lawn of the ambassadorial residence in the Swiss capital. Warner claimed that it was an unprecedented event for an American embassy. That is only fitting, since Warner himself is an unprecedented sort of American ambassador.

Warner, an Alabama native, is a Cincinnati real estate developer and part-owner of the Tampa Bay Buccaneers of the National Football League. President Carter paid off a political debt last year by naming him ambassador to Switzerland, and Warner has been making waves, both here and in the wider world of American diplomacy, ever since.

Basically, Warner sees old-fashioned American salesmanship as a prime purpose of American diplomats overseas. He views U.S. embassies as branch offices for American businesses.

"As a businessman," he says, "I feel that our financial stability depends on our economic system."

"Besides, what with jets and phones, an ambassador's role has changed. An ambassador today doesn't negotiate on a high-level plane on political issues.

"Today, one of the most important things we can do is to invite American exporters to meet Swiss importers right here at my embassy. We put all the horses of the embassy behind this".

Warner, a 59-year-old former fund raiser for the Democratic Party, runs his embassy meetings like sales conventions and sees himself as a middleman getting buyer and seller together.

"I don't see the embassy just as part of the American government, but also as part of American business," he said.

On the one hand, Warner may be right that, in these perilous times for the economy, the leading duty of U.S. representatives abroad may lie in hawking goods.

On the other hand, most diplomats do not learn French, world politics, and gracious living in order to become car salesmen. The Warner approach has starched a few tailcoats, not the least at a recent meeting of American ambassadors in London.

According to people who were there, Warner, who has been a diplomat for barely a year, freely advised his experienced colleagues to concentrate on boosting trade while cutting embassy staff in other areas.

"I didn't want the other ambassadors to think I'm telling them what to do," Warner recalls of that meeting, although that is pretty much what he did. "But I think exports are our life-blood and as a noncareer guy I got the impression that some of them considered promoting exports to be below their dignity."

Warner's style is unabashed backslapping and ballyhoo. Whatever other American diplomats say, it seems to be making a hit with the Swiss.

At the recent auto show, he lined up the cars on the embassy lawn, in cooperation with the American exporters and their Swiss salesmen, and festooned great banners for the makers from the trees.

He laid out plenty of popcorn, hot dogs, and hamburgers and invited people most likely to make big purchases—the Swiss army, provincial government officials, large companies, government ministries, even ambassadors from other embassies.

More than 800 people turned out, despite a slight drizzle, to munch doughnuts made in the embassy kitchen, listen to recorded strains from "Saturday Night Fever," and pore over price lists.

The prices themselves are a big selling point. Although American auto exporters inflate their prices in Europe to avoid competition with their own subsidiaries in Europe, U.S. cars are still cheaper than comparably sized European models. A Chevrolet Malibu Classic, which cost about $6,600 in the United States, goes for $13,450 here—but this is still far below what a competing Mercedes would cost.

Warner also has used the embassy to promote sales of American picnic ware, recreation items, clothing, and farm implements.

He claims he has even lined up Swiss agencies to help.

Zurich Airport, after considerable pressure, allowed Warner to post a sign advertising the embassy and reading: "Welcome Americans—for American Embassy Service, Call 43-00-11."

"We're the only embassy that advertises," Warner says proudly.

Warner has hosted meeting of Swiss industrialists and has had them fill out questionnaires on the American products they could use, or raise their hands to signify an intention to invest in U.S. firms. In the supersecret world of Swiss business, this just isn't done—but Warner is doing it. And to the amazement of both the Swiss and the Americans here, he is getting a good response.

Warner also runs a cash bar at his sales meetings—a departure from the usual practice of drinks on the house. He has trouble getting his Alabama tongue around the jawbreaking German names of some Swiss firms. No matter. The Swiss seem delighted, and the Austrian ambassador is on record as calling him "a whiff of fresh air."

Warner seems to love the attention. His office readily hands out a press packet on him—even including critical articles.

He concedes that he doesn't expect to have another diplomatic post after this one and is making the most of this one.

"As an American, as a business guy, I feel it's my obligation to do as much as I can in the relatively short time I'm here," he said. "I do go along with protocol—attending receptions and all that, although I don't stay too long. I feel our funds should be used for productive purposes.

"What we're doing here could be of real importance if other embassies also did it." ●

TAIWAN AND THE PEOPLE'S REPUBLIC

● Mr. SCHMITT. Mr. President, the recent termination of our diplomatic and defense relations with Taiwan not only is unnecessary, but also causes serious international questioning of the soundness of U.S. foreign policy and the strength of commitments to our allies.

There is no question that improved communication with the nearly one billion people of mainland China is a positive goal. Commercial, cultural, scientific, and limited political contact clearly are in our best interests and are in the traditions of our long personal attachment to the Chinese people.

In addition, the People's Republic forms another bulwark against the expansionist aims of the Soviet Union. In this respect, improved relations will help stabilize present world conditions.

However, in recent years there has been no indication that Taiwan must be the victim of expanded communication with the People's Republic. In fact, my studies of Chinese history and my contacts with many recent and very thoughtful visitors to that vast Nation indicate just the opposite is true.

The expansion of commercial, cultural, and scientific contact is clearly in the best interests of the present leadership of the People's Republic and has been proceeding without formal recognition.

Equally fundamental to their interests has been the maintenance of a strong U.S. presence in the Western Pacific from Australia through Japan. Our support of Taiwan has been an integral part of this defense system and has helped to balance Soviet expansion into Southeast Asia and the Pacific. The leaders of the People's Republic have repeatedly acknowledged these facts.

There seems to be little question that if diplomatic recognition were really necessary the President could have struck a better deal. This act will be added to the list of unnecessary or premature concessions in foreign policy which includes the cancellation of the B-1 bomber, the delay of major new weapons development, and the support of Soviet interests in Africa.

The U.S. Senate must move rapidly to insert commonsense into the administration's foreign policies. In particular, the Senate must insist that Taiwan not be sacrificed and thus reassure our other allies that expediency will not win over honor and good sense. ●

GOLDA MEIR REMEMBERED

● Mr. RIBICOFF. Mr. President, Erwin Savelson, editor of the Metropolitan Star, reports perceptively and accurately. He wrote an especially moving column about Golda Meir in the November-December 1978 issue of the Star. Erwin Savelson's recollections of Golda Meir captured much of the spirit and compassion of Israel's great lady. Mr. President, I ask that Mr. Savelson's column be printed in the RECORD.

The column follows:

A REPORTER REMEMBERS GOLDA

There was only one Golda. Chances are the world will never see the likes of her again.

Our paths first crossed during a reporting assignment in the closing months of the 1948–49 War For Independence. It took place on the sun-kissed terrace of the then small but comfortable Keate Dan hotel fronting on the Mediterranean, now the site of the luxurious Dan.

She was the Minister of Labor in Israel's first cabinet under the late Prime Minister David Ben-Gurion, upon whose insistence she adopted a Hebrew name, choosing Meir—which means in Hebrew: To illuminate.

And illuminate the world about Israel she did, and I fell in love with her, for that's the way it was with nearly everyone whose lives she touched.

She was a favorite with the corps of correspondents covering the dramatic story of the rebirth of Israel. For Golda Meir knew her way around with reporters. She was just as comfortable with them as with the Presidents, Kings and world personalities she was to meet in the years ahead.

She could banter with the best of them, mincing no words in expressing her feelings and thoughts. But, she lived for one thing:

Israel.

Avraham Harman, former Ambassador to the U.S. and now President of the Hebrew University in Jerusalem, had arranged the meeting with us that sunny afternoon in his then capacity as a press liaison for the Foreign Office. She came to illuminate us and she did.

"You can't tell the story of Israel in two paragraphs," she admonished us in firm, but gentle motherly tones.

"Israel is one of the greatest stories of time. Israel is one of the greatest and most fascinating events not only in Jewish history, but in all human history."

She possessed a matchless sense of humor and smiling eyes, but they burned with biblical zeal when it came to defending the security and integrity of the Jewish people and the land she loved.

As when she told world Jewish leaders—including B'nai B'rith figures—gathered in Jerusalem in January, 1969:

"As long as we (Israel) live, our children and grandchildren—the State of Israel and Jewish life—will be defended at all costs.

Some called her rigid. Rigid? She could weep unashamedly for every mother's son or daughter—Jewish as well as Arab—killed in the thirty years of war between Israel and her neighboring states.

Her greatest dream was of peace. She spoke of it forcefully on March 16, 1970, when as Prime Minister she welcomed the B'Nai B'rith Board of Governors Leadership Cabinet at its extraordinary assembly in Jerusalem.

"We see no glory in all the victories of war," she told 1,500 Israelis who crowded the Wise Auditorium of Hebrew University in the welcoming reception to the world B'nai B'rith leadership.

"We have lived and learned to respect the life of a human being," she went on. "What we have done, we did with sorrow. We never saw any glory in it. We want peace."

Of such stuff was Golda—born Golda Mabowitz on May 3, 1898, in Kiev, the Ukraine—made. The family moved to Pinsk from where her father emigrated to the United States. In

1906, the rest of the family joined him in Milwaukee, where both of her parents became active in B'nai B'rith.

It was there in 1917 that Ben Gurion and Itzhak Ben Zvi, who was to become Israel's second President, imbued her with the spirit of Zionism. She sailed four years later for then Palestine with her husband, Morris Myerson, on a ship called the *Pocohontas*.

The rest is history and Golda Meir is now a legend. As Jack J. Spitzer, International President of B'nai B'rith, noted, in paying homage to her:

"Golda was the very embodiment of Israel's heart and soul. She was a force for humanity and justice."

The Jewish people have always loved and remembered their Women of Valor. They call them affectionately by their first names—Sarah . . . Rachel . . . Rebecca . . .

There is a new star in that firmament. The name is Golda.●

THE PRESIDENT'S WAGE AND PRICE GUIDELINES

● Mr. LUGAR. Mr. President, the AFL–CIO has expressed strong and justifiable opposition to the President's new wage and price guidelines. I believe that the concerns of the AFL–CIO are serious ones, and I endorse the view expressed by its executive council:

In the last analysis, the members of the 60,000 public and private sector collector bargaining units that will negotiate contracts over the next year must determine for themselves what they will need to provide food, housing, energy and medical care for their families. In making their decision they will consider the costs of all the necessities they must provide for their families and the profitability of their employer.

The President has said that his across-the-board wage and price ceilings are reasonable and equitable, with no group unfairly shouldering the burden. To speak plainly, there is no fairness in the President's wage and price ceilings. The variety of situations which confront industries, firms, and labor unions simply cannot be covered by an arbitrary wage ceiling such as 7 percent. The only proper solution to the question of wage increases is healthy reliance upon collective bargaining. Any other arrangement can result only in governmentally mandated injustice which bears little or no relation to the particular needs of workers, or businesses, or to the realities of supply and demand. The market still works: The realities of supply and demand cannot be abolished by Government. We should encourage business and labor to continue to work out fair and mutually agreeable wage increases based on the full variety of factors considered in collective bargaining.

The wage guideline of 7 percent—like all arbitrary guidelines—imposes an unjust equality on workers in greatly differing situations. Consider, for example, workers in a strong industry or firm with a high growth rate and high productivity increases reflecting free consumer choices. Such firms should expand and create more jobs. If productivity is increasing at a high rate, why should not workers have a chance to obtain a share of this growth? Why should a Government order limit them to an arbitrary 7-percent increase which will not even keep pace with rising prices? The AFL–CIO has quite correctly observed that "the current plan would not allow workers to participate in productivity gains." And this is, quite simply, unwarranted Government interference in the opportunities of working Americans to increase incomes.

On the other hand, consider a declining industry or firm in which smaller wage increases may be necessary for the present in order to keep business alive. Labor leaders and business leaders can take account of such realities when they are free to negotiate through the time-honored process of collective bargaining. In such cases there is no place for a wage insurance rebate such as the President has proposed; such rebates will raise the taxes of other working Americans and thus cut into real future purchasing power.

The President's plan will impose different costs upon different working groups, with the heaviest costs falling on high-visibility industries, firms, and labor unions. The President's plan will employ arbitrary discretionary enforcement procedures which will be invoked to compel compliance. And finally, the President's plan is unlikely to reduce the inflation rate very much, because it does not focus full attention on the actions of Government which are the roots of our inflation. The President has asked the private sector—business and labor—to make sacrifices to cure a disease which can be cured only if Government spending is reduced and the supply of money is not allowed to exceed productivity gains in our economy.

THE AFL–CIO and working Americans are correct in criticizing the President's wage and price guidelines. The silence of business leaders in hoping that labor will carry the ball for them is inexcusable. The President's program—even with its untested and potentially expensive real wage insurance scheme—is a poor alternative to the proven merits of the strong advocacy and skillful negotiation of collective bargaining. It is even a lesser alternative to strong new job gains through new private investment.●

GIVE DEMOCRACY A CHANCE IN SPAIN

● Mr. CHURCH. Mr. President, there is a time to speak out against injustice and repression by governments and a time to urge conciliation and restraint. I have spoken out in the past against the excesses by the Government of Spain under the Franco regime, and I would not hesitate to do so again.

However, the current situation in Spain is quite different from the Franco era. In a remarkably short transition period, Spain has gone from a fascist dictatorship to a limited constitutional monarchy with a parliamentary form of government. New democracies are by nature the most fragile of governments. And the Spanish democracy especially needs time to breathe and to accommodate all the pressures which have accumulated under Franco in a historically divided country.

For these reasons, I want to emphasize my concern about the increasing violence of extremists in Spain. Their apparent purpose is the destruction of Spanish democracy while it is still in its cradle. Elections for a new Spanish Parliament have been set for March 1, and now is the time to end the violence and let the democratic process work its will. The people of Spain deserve no less.

Mr. President, I ask to have printed in the RECORD a newspaper article in connection with this matter, published in the Washington Post of January 15, 1979.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANGERED BY ATTACKS, SPANISH OFFICERS DEFY PREMIER, KING

(By Miguel Acoca)

MADRID, January 14—The unrelenting wave of terrorist killings in Spain has aroused strong sentiment against this country's fragile democracy among a number of military officers who are openly defying not only the government but King Juan Carlos, their commander-in-chief.

The king's sharp rebuke of officers a week ago for turning the funeral of an assassinated general into a fascist demonstration has done little to cool "emotional dissent" in officer's mess halls, according to informed military sources.

The anger is such, sources said, that the king's portrait has either been removed or turned face against the wall in important barracks. Western analysts confirmed that "griping is unquestionably hot" in many garrisons, but they discounted the possibility of a coup.

The temper of the officer corps can be measured by the resignation Friday of a national police general and two colonels who disagreed with the government's "soft" plan for combating urban guerrillas. So far this year, guerrillas have killed 10 persons, including Madrid's military governor, a Supreme Court judge, and several police officers.

Seven were slain by ETA, which is fighting for the independence of the Basque provinces.

Spain's major public order forces—the heavily-armed national police, the paramilitary Civil Guard and the plainclothesmen of the Security Directorate—are under the command of regular army officers.

Saturday, the government ordered 2,000 national police to the Basque region to reinforce large contingents already there, and police clashed with demonstrators in the Basque city San Sebastian today.

Like the Spanish Army the security forces were trained and deployed by the late dictator Francisco Franco to fight "terrorist enemies" under 1936-39 civil war regulations that were abrogated by the democratic constitution approved in a referendum last month.

Nevertheless, rightist army generals, colonels and majors publicly insult the defense minister, retired Lt. Gen. Manuel Gutierrez Mellado, and blame him for doing nothing while "terrorists kill officers and police with impunity."

The defense minister is backed by the king, the premier and loyalist officers, but his project to cut the number of civil war veterans in the armed forces by lowering the retirement age to 55 has been shelved for months. The reason, fear of a rightist back lash.

Another target of military criticism is Premier Adolfo Suarez, who, with the king's full backing, has masterminded the difficult transition to democracy and called parliamentary elections for next March 1.

Last November the premier survived an attempted military coup that the government has minimized. Extensive talks with loyalist military officers and Spanish officials indicate it was a serious plot that involved plans to kill the premier and two other Cabinet officers.

Some high officers, who have strong support within the conservative navy, make no secret of their objectives. They want the king to impose martial law in the Basque region to "liquidate ETA once and for all."

The king and the government so far have resisted military pressure for the "pacification of the Basques." But some Spanish officials believe that if ETA, an acronym for Basque Independence and Liberty, continues its terrorist campaign, a junta of senior military officers is prepared to go to the king to demand postponement of parliamentary and municipal elections and appointment of a rightist civilian government that will cooperate with the military and give the army a free hand to deal with ETA.

Western diplomats, who had assumed that the military had been tamed by the king, have been distressed by the mounting signs of military discontent.

"Any strong army move would end Spanish expectations of entering the Common Market and of joining the North Atlantic Treaty [Organization]," said a diplomat. "But the behavior of the military in the past two months shows the frailty of Spanish democracy."

Neither NATO nor the Common market appear to matter to rightist officers.

"We survived without them before," said a colonel. "We'll get along without them in the future. What matters to us is terrorism, our dead, and the unity of Spain. We can't let ETA dismember Spain to please countries that don't really like us, anyway."●

DEATH OF DR. McCHESNEY GOODALL

● Mr. BAKER. Mr. President, it was with great personal sadness that I learned of the death of Dr. McChesney Goodall, first medical director of University Hospital in Knoxville and founder of its research center.

Dr. Goodall died last week in Richmond, Va., where he was on the medical staff of the Medical College of Virginia. He was a native of Staunton, Va.

Ches Goodall was a good friend of mine, an early political supporter, and, during his stay in Knoxville, a dedicated civic leader.

The people of Tennessee owe a sizable debt to Ches Goodall for his skillful and energetic commitment to exploring new frontiers of medical care.

His was an example of scholarship and leadership that served his profession, his community and his country well.

My deepest sympathy goes to Mrs. Goodall and her family, and I know my colleagues in the Senate share in that sentiment.●

CONNECTICUT BUSINESS JOURNALISM AWARDS

Mr. RIBICOFF. Mr. President, four newspaper reporters and the producers of a radio program and a television program won the First Annual Awards for Excellence in Connecticut Business Journalism in ceremonies December 4, 1978, at the Hartford Club.

The Connecticut Business Journalism awards were established by the Greater Hartford Chamber of Commerce in cooperation with the University of Connecticut Department of Journalism. Purpose of the awards is to encourage and reward accurate, responsible, and incisive reporting of business and financial news in Connecticut.

Joan Poro and Dan Stets of the New London Day won in the category of daily newspapers with circulation above 30,000 for their five-part series on the Electric Boat Co.

Linda Lumsden of the Manchester Inquirer won in the category of newspapers with less than 30,000 circulation for her two-part series on teenage beauty pageants.

In the category of weekly newspapers, Bill Baldwin of Fairpress, published in Westport, won for his three-part series on taxation.

Robert Pantano of station WICC of Bridgeport won in the category of radio programing for his 30-minute documentary on extension of the Sikorsky Airport in Stratford.

For television programing, the winner was Richard Ahles of WFSB–TV, Hartford, for a 30-minute documentary on interlocking corporate directorates in Connecticut.

The judges were William Arthur, executive director, the National News Council; Paul Erdman, author; Irwin Landau, editor, "Consumer Reports"; Ida Cole, dean, Medill School of Journalism, Northwestern University; and Francis Pollock, member of Adjunct Faculty, Graduate School of Journalism, Columbia University. Evan Hill, head of the Department of Journalism at the University of Connecticut, was chairman of the panel of judges.

Joseph McGarry, chairman of the Chamber's Business Journalism Advisory Committee, presented a plaque and cash award to each of the winners.

The program is funded by Aetna Life & Casualty; Connecticut Bank and Trust Co.; Connecticut Mutual Life Insurance Co.; Emhart Corp.; The Hartford Insurance Group; Hartford Steam Boiler Inspection and Insurance Co.; Kaman Corp.; Northeast Utilities; Southern New England Telephone Co.; The Travelers Corp.; Combustion Engineering, Inc.; Connecticut General Insurance Corp.; The Covenant Mutual Insurance Co.; G. Fox and Co.; Hartford National Bank & Trust Co.; Heublein, Inc.; Mechanics Savings Bank; Society for Savings; and United Technologies Corp.

I want to congratulate the winners of these awards and commend the Greater Hartford Chamber of Commerce, the University of Connecticut Journalism Department, the judges and the sponsors of these awards. Business reporting is one of the most important functions of any news gathering organization. Good reporting in this field should be encouraged and recognized. The annual Awards for Excellence in Connecticut Business Journalism promote good business reporting.●

FORMER SECRETARIES OF AGRICULTURE OPPOSE WHITE HOUSE STAFF REORGANIZATION PLAN

● Mr. TALMADGE. Mr. President, late last week, six former Secretaries of Agriculture wrote to President Carter in connection with the reorganization of the natural resource functions of the Government being proposed by the White House Staff.

The excellent letter opposes in the strongest terms the transfer of the Forest Service and elements of the Soil Conservation Service to a renamed Department of Interior.

I might add, the letter by the former Secretaries is totally consistent with the approach which Chairman TOM FOLEY of the House Agriculture Committee and I have taken in three letters to the President. The Natural Resources proposal is not sound—not fiscally sound, not sound in terms of efficiency, nor is it politically feasible.

During the 95th Congress, the entire Committee on Agriculture, Nutrition, and Forestry made it abundantly clear that they would not accept any attempt to dismantle the Department of Agriculture. The Senate reinforced that commitment when it overwhelmingly defeated an attempt to move the child nutrition programs of USDA to a proposed new Department of Education. I expect another such bipartisan effort to develop should a final decision be made to move the vital forestry and conservation programs from USDA.

Mr. President, I ask that the letter to Mr. Carter from the six former Secretaries of Agriculture be printed in the RECORD.

The letter is as follows:

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is our understanding that you will be making a decision in the next few days on a proposal to reorganize the natural resource functions of the federal government. We strongly support your objective of improving the effectiveness and efficiency of federal programs. We represent 30 years of experience as Secretary of Agriculture responsible for both the protection and production of natural resources in this nation. And we maintain a vital interest in the future success and improvement of those programs which touch the lives of every citizen of this nation, and indeed, every nation of the world. We wish to offer our views for your consideration as you make a most difficult decision.

This nation is increasingly dependent on its natural resources. Wise management of those resources depends on a sound scientific base. USDA has the dominant role in the federal system for the conduct of research in renewable resources through in-house research by its agencies or through cooperative efforts with the land grant institutions. The management of renewable natural resources, whether of agricultural crops, or production from forests and grasslands, or enhancement of wildlife habitat, is dependent on close association with the body of scientific investigation and accumulated experience found in USDA.

The Secretary of Agriculture has responsibility for the programs affecting the economic and social well-being of rural America. Those complex objectives are dependent in good measure on the coordination of programs applicable to both public and private lands, and to both agricultural and nonagricultural lands. To organize departments or programs on the basis of federal ownership of land instead of the programs and services affecting all lands would be, in our view, most unwise and ineffective.

The delivery system of agencies must be designed so that decisions can be made quickly and soundly at the ground level

where the people and the resources are located. USDA has, since its creation by President Lincoln in 1862, been a people's department. It has operated in a decentralized manner, and we believe in a very effective manner. We urge that nothing be done to shift toward centralization or greater control of programs at the national level or to segregate programs on the basis of land ownership.

We are proud of the fact that a Secretary of Agriculture initiated the wilderness system in 1924, 40 years before the National Wilderness Preservation Act was passed. The USDA has established an enviable record of attention to, and improvement in, environmental protection of both agricultural and wild lands and has long demonstrated a balanced approach to protection and production.

Mr. President, we are deeply concerned with the recommendation of the natural resource reorganization study team. We have consistently opposed during our tenure efforts to remove the Forest Service and portions of the Soil Conservation Service from USDA. This kind of proposal has been rejected time and again for very sound reasons. We believe it would again encounter intense opposition and probable defeat. We also understand that there are other proposals under consideration to reassign various functions of USDA to other departments which would weaken the Department of Agriculture. USDA's strength has evolved over the decades as a result of the diversity of its programs and the broad base of public support that such diversity engenders. We encourage you to consider using USDA as the nucleus around which all natural resource programs are clustered. To this end we offer our support.

Sincerely yours,

Charles Brannon,
Ezra Taft Benson,
Earl L. Butz,
Orville L. Freeman,
Clifford Hardin,
John A. Knebel.●

BELLA

● Mr. RIEGLE. Mr. President, I include an editorial from the Detroit Free Press of January 16 which offers a useful perspective on the recent firing of Bella Abzug. I recommend it to my colleagues and other readers of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BELLA: THE PRESIDENT HAS SHOWN US A BAD SIDE OF HIMSELF IN HER FIRING

There are only losers in President Carter's abrupt dismissal of Bella Abzug as co-chairwoman of his National Advisory Committee on Women, and the big loser is plainly President Carter.

Mr. Carter is not the first person, to be sure, to find Ms. Abzug difficult; there are sharp edges to her personality. But the President surely had seen enough when he appointed her to know that she was not going to put on a collar and be his person when he gave her an office and a platform. She did what comes naturally to Bella Abzug; she spoke frankly and freely without regard to the presumed—now apparent—sensitivities of the White House.

The President cannot have both an "open" administration with free-wheeling criticism and exchange of ideas and a tight control of what people say and do. Particularly in the case of an advisory commission, the purpose is to advise. That is not the same as to assent.

Whatever the accumulation of irritations that the White House and the President himself feel they have endured from Ms. Abzug, the firing has a symbolic significance—a sort of petulant "get-back-in-the-kitchen" attitude—that does not jibe with Mr. Carter's avowals of commitment to strengthening women's rights.

What is worse for Mr. Carter, there is almost no logical way in which he can move to repair the damage done here. We have no idea how many votes Mr. Carter won or lost here; some of both, we suspect. There are people who do not love Ms. Abzug. But the tragedy of this is not what it does to Mr. Carter's political equation, though it certainly alienates people whose allegiance he might have been able to count on.

The tragedy is what it does to the perception of Mr. Carter as leader of the nation; not strong, but arbitrary; not even-handed, but petulant; not a man attuned to the social changes that are pulsating through American society and American homes. The President has damaged himself with a lot of Americans, and it is the country, rather than merely the country's leader, that is injured by that fact.●

JAMES V. BENNETT

● Mr. CHURCH. Mr. President, the convening of a new Congress is a time for rededication to public service, and there could be no better example of a fine public servant than James V. Bennett, who passed away during the adjournment period.

During his 34 years with the Federal Bureau of Prisons, 27 as its Director, Mr. Bennett personified prison reform. As an editorial eulogizing him in the Washington Post pointed out, his main concern was each individual's human potential: "We must not rob a man of all hope." I ask that this editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, only uncommon men enlist in unpopular causes, and there are few subjects less popular than concern for the well-being of the convicted. Moreover, it is far easier to espouse reform from the outside, when there is no daily responsibility for working in a system as it exists. Jim Bennett espoused—and achieved—prison reform from the inside; he was a truly uncommon man.

With Jim Bennett's passing this winter, the continuing debate over the prison system has suffered a major setback, and our Nation has suffered a major loss. My own loss, however, is far greater. Jim was my neighbor, and my friend.

We became neighbors when I first came to Washington more than 20 years ago. I was the new boy on the block, and I could not have had a better friend as I began my own career in public service. Friendships and neighborhoods in Washington are too frequently superficial and transitory, but our neighborhood and friendship were, indeed, real and deep.

Our heroes, Mr. President, are always few, and it is a rare personal privilege when they touch our lives.

EXHIBIT 1

JAMES V. BENNETT

James V. Bennett, who died last Sunday, once summarized the philosophy that made him one of the world's foremost leaders in prison reform in these words: "We must not rob a man of all hope." That principle was his guide during his 34 years in the Federal Bureau of Prisons, 27 of them as its director, and few men have ever done as much to turn a simple belief into government policy.

It is hard now to realize what conditions were in American prisons when Mr. Bennett wrote his first report on them 49 years ago. Prisoners worked in chains, ate from buckets, lived in filth and survived (or died from) the beatings administered by sadistic guards. Courts these days would say the prisoners were being subjected to "cruel and unusual punishment," but that was the way it was when Mr. Bennett began his work of changing things.

The reforms that Mr. Bennett helped to bring to the federal prison system are legion. They range from the abolition of those chains to the creation of halfway houses and open prisons. Some of these were programs he originated; some were the ideas of others that he put into operation. But in almost every instance, he was the one who persuaded Congress and his colleagues in the executive branch that the changes should be made. His judgment as to what would work in a prison setting was so good that most of the reforms he sponsored had been copied by the states and many foreign governments long before his death.

Some of Mr. Bennett's beliefs are now being challenged by a new generation of prison reformers. This is as it should be. And there is much to what some of those critics say. They question, for instance, the idea that most prisoners can be rehabilitated if only society would commit the necessary resources to that end and the argument that indeterminate sentences give prisoners an incentive for self-improvement. But whether Mr. Bennett, and the others who fought the battle of reform with him, were right or wrong on these questions is, in a way, beside the point. For even those who are challenging some of the last generation's reforms do not dispute the basic principle that no man should be robbed of all hope. That thought is now deeply embedded in our national policy, and James Bennett had everything to do with putting it there.●

OMB REORGANIZES COMPUTER OPERATIONS

● Mr. RIBICOFF. Mr. President, the Office of Management and Budget is reorganizing Federal computer operations. A summary of OMB's goals in this area was provided in a speech given by Wayne E. Granquist, Associate Director for Management and Regulatory Policy, before the Association for Computing Machinery on December 5, 1978, at the Sheraton Park Hotel in Washington, D.C. I request that Mr. Granquist's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY WAYNE E. GRANQUIST

Good morning. It is a pleasure to be here to discuss the management and use of data processing resources by the Federal Government. I would like to use my time this morning to tell you about recent Administration initiatives to improve the management of our computer resources, the Federal Data Processing Reorganization Study, and our plans for the immediate future. First, though, I want to spend a few moments discussing how we got to where we are.

When President Carter entered office he directed all those within his Administration—political appointees as well as career staff—to look into the proverbial mirror to see if they were satisfied with their appearance. There were no exceptions; every Federal program and activity were to be subjected to this scrutiny. Since then, we have

been using management reviews, reorganization studies, and the budget process to re-evaluate the role, functions and structure of the Federal Government.

Based on these evaluations one fact is obvious—we can no longer continue the way we have been going—the expansion of the Federal bureaucracy and the growth of the Federal budget must be curtailed. This is the message that the President is spreading and one I want to repeat here—because it has significant implications for the future of Federal data processing.

Let me state four of our immediate objectives and then discuss the impact these will have on you as managers, users and providers of data processing services.

The first objective is simple: Improve the delivery of services. The pressing need before us is to increase the quality and quantity of services to the American public. The demands upon the government to provide services, from health care to national defense, are growing as they never have before, and the demands are for both more services and better services. The time-worn answer to demands such as these has been to increase resources through an ever-expanding Federal budget. We can no longer afford that solution and must find new ways to deliver more services for fewer dollars. This objective will become even more critical in the future since the Federal workforce will remain relatively stable while our clientele—the over 230 million citizens—will continue to grow.

Our second objective, therefore, is to revitalize the Federal workforce. The limits on the size of the Federal workforce—which is now congressionally mandated—require that we hire and retain only the best people. Many of us came to office believing that we did not have a system which provided incentives to stimulate high productivity. We've changed that. The Civil Service Reform Act—an effort which I co-chaired with Scotty Campbell, Chairman of the CSC—embodies the most far-reaching changes in how the Federal Government should manage its human resources since the original Civil Service legislation was passed in 1883. We have finally moved into the 20th century for personnel management. We can reward exceptional performance. We can also cut through the red tape, and motivate, discipline and, if necessary, fire those persons who cannot live up to performance standards which the American people have a right to expect of their government.

Our third objective is clear. It is also incredibly tough. We must reduce the rate of growth in the Federal budget. The President has stated that he wants to reduce the Federal deficit to $30 billion or less by FY 1980. To achieve this—and we must achieve it as an important part of our fight against inflation—there must be less growth in the base and fewer new programs for the future than we have been accustomed to. From the discussions now going on with the President as a part of the budget reviews, I can assure you that the President means it when he says that FY 1980 is going to be an austere year.

Our fourth objective is to reduce the size of government and streamline the bureaucracy. We must have a structure which is conducive to efficient operations and keeps overhead costs to a minimum. We began by reducing the Executive Office of the President. Other reductions have been accomplished or are underway.

What does this mean to you? I hope it doesn't mean just fear—fear that your programs will be cut, planned growth eliminated, or positions frozen in the future. It shouldn't because the Administration objectives provide a unique opportunity for the users, managers and providers of information technology resources. You can take advantage of the opportunities offered by technology to expand the capability of the Federal workforce, to increase productivity, to improve the quality of services—and to reduce costs. I don't need to remind you—of all people—of the tremendous potential of technology to increase the level and quality of services, as well as reduce the unit costs of providing those services. To be very simplistic, think what it would take to prepare and distribute monthly checks to 38 million Social Security Administration beneficiaries if there were no computers. The short answer is that it couldn't be done. At the same time, I think you would agree that more could be done to improve our use of technology in preparing and distributing checks. So the challenge is to do two things: to improve our management of existing technology and to identify new programs and opportunities for employing technology in the future.

The primary responsibility for meeting this challenge is going to fall on the shoulders of those agency managers who are directly responsible for carrying out agency programs. However, those of you who manage or provide data processing resources—and know what technology can and cannot do—have an obligation to the program managers—as well as to the agency heads, the President, and the public—to assure that the Federal Government uses information technology efficiently and effectively, and that we take advantage of the opportunities afforded by that technology.

With technology we can provide more services with fewer resources than would be needed if we were to employ other means. Effective use of this technology will permit us to make substantial progress towards accomplishing three of our major objectives—improve the delivery of services, contain the size of the Federal workforce and reduce the rate of growth in the Federal budget. This potential is the reason the President recommended that FY 79 resources for Federal data processing be increased $500 million over the FY 78 level. At the same time, when I speak of making greater use of technology, I am not suggesting that we go out and buy all new computers. The money simply is not there. All future resource requests, especially those for increases, will have to provide evidence of a specific return on investment or demonstrate how they will contribute to the Administration's goals.

To achieve these ends, you must change your role within the organization. For too long, data processing managers have been passive providers of a service. It is time for the data processing community to take the initiative and broaden its perspectives beyond the narrow confines of a computer shop. You are managers and providers of information. With that role comes certain responsibilities. You must show the leadership of your agency and the program managers how they could accomplish their missions more effectively. You must become an active participant in the accomplishment of your agency's mission. You should seek out and identify innovative ways to use technology to accomplish your agency's mission. You should discourage users who want to use technology in a manner which is not cost-effective, sensitive to the concerns of privacy—or otherwise not in the best corporate interests of the organization. You should be continually evaluating alternative ways to accomplish specific functions. You must demonstrate self-restraint in your requests for resources. You must improve your justification for new resources and do more with those already available. And finally, you must do better planning for the future. This is a tremendously difficult task and will require both a change in attitude and a change in behavior.

During the past year we have seen encouraging signs that this sort of change is beginning to take place. Some agencies have adopted new management techniques or new technology which has significantly increased their level of output without a corresponding increase in resources. For example, the IRS has acquired new laser printers to assist in processing tax returns. They estimate savings of $2.9 million in FY 79 and $25 million from FY 80–84. Other agencies have suggested innovative applications of technology to deliver services. The FAA has developed an aircraft flow control model which can be used to schedule landings and departures during bad weather so as to minimize fuel consumption. During one 21½ hour period at O'Hare Airport in Chicago, use of this model resulted in fuel cost savings of over $640,000. The FAA has also developed a computer program which assists in locating downed aircraft. This program has reduced the average time to find a missing aircraft from 174 hours to 36 hours. Since the first 48 hours after a crash are the most critical, this has immeasurable payoffs in terms of human lives. Another benefit of this program is that, since 1975, the number of search incidents has increased 12.5%, but the total hours flown on search missions has decreased 32%. Regrettably, the public rarely hears about these success stories. It is an unfortunate fact of life that GAO studies, congressional reports and the press tend to focus on the examples of mismanagement and systems that have "failed." While we have our share of "failures", we also have many examples of good, effective and beneficial uses of technology. I think those of us responsible for Federal data processing have frequently gotten a bad rap and one of our goals is to find a way to balance the score sheet by recognizing and rewarding good performance.

I have spoken of what you must do if we are to meet the President's objectives. But, I don't want to leave the impression that you are being asked to go it alone. OMB, as well as GSA, Commerce, and Civil Service (soon to be the Office of Personnel Management), are prepared and ready to assist you in whatever way we can. Each of these organizations has been or will be restructured or reenergized to make it more efficient and effective. For example, let me address the recent changes in OMB.

Shortly after I arrived at OMB—the OMB career staff, representatives of the private sector and others, brought to my attention the problems and missed opportunities in the management and use of Federal data processing resources. We also recognized early on that there were two structural anomalies which prevented more effective use of our resources in the Executive Office of the President. The first was that the OMB office responsible for Federal data processing policies also had an operational responsbility — to provide computer support to the Executive Office — which diverted resources from their policy formulation and control responsbilities. Accordingly, we removed that operational function and transferred it elsewhere within the Executive Office. The second problem was that the management structure of the Executive Office did not permit us to exploit the opportunities afforded by the convergence of data processing and telecommunications. Having one policy organization for telecommunications — OTP — and one for data processing — OMB — precluded the development of effective and consistent policies. This was one of the reasons we abolished the Office of Telecommunications Policy and assigned its government telecommunications policy responsibility to OMB.

The result of these actions was that for the first time a single office is responsible for developing policies for both Federal data processing and telecommunications — in other words, information technology resources. As soon as the smoke from these reorganizations cleared, we began to refocus our efforts towards addressing both information technology and "information policy" issues; many of which had heretofore not been adequately addressed within the Executive Office of the President because of the

diversion of resources. A major part of this refocusing effort has been directed towards establishing effective working relationships with the Domestic Policy Staff, the Department of Commerce, the Office of Science and Technology Policy, and others. The development of a mechanism for coordinating policy development and assuring that divergent views are adequately considered is especially important — because many of the issues we are confronting cut across many programs and agencies.

It has taken us some time to put these new mechanisms in place and it is still too early to tell how effective they will be. However, based on our progress to date I am both pleased and optimistic about our prospects for the future. To guide our activities we have established an agenda of high priority goals and objectives. This agenda permits us to measure the effectiveness of specific actions and programs in meeting Administration goals and also provides critera for identifying which issues deserve Executive Office and Presidential attention. Among the items on this agenda are:

To use information technology in manner which improves the delivery of public services and improves the management of government programs.

We also want to make sure that information technology is acquired and managed in an effective and efficient manner which provides the lowest overall costs to the taxpayer.

We intended to make sure that the Federal Government collects and maintains only that information which is absolutely necessary and that the burden on the public to provide information is minimized.

We are developing programs and policies to assure that the Federal Government adequately protects its information, whether personal, proprietary or classified, and uses information only for the legitimate purposes for which it was obtained.

Wherever possible, we intend to take advantage of the competitive market place to provide goods and services.

We want to improve both the quality and timeliness of information necessary for decisionmaking.

We want to make sure that, wherever feasible, information developed or held by the Federal Government is made available to the public in an effective and efficient manner.

Finally, we want to assure that the need for individual privacy is properly balanced with the needs of society and that the Federal Government does not unnecessarily infringe upon individual rights, especially with technology.

To implement this agenda, we have undertaken a number of specific actions during the past year. Perhaps the most visible one has been the Federal Data Processing Reorganization Study. We initiated this effort in order to address specific, major problems and identify possible courses of action for the future. This project has already had a direct impact on our management of Federal information technology resources and a number of our recent initiatives are the direct result of the team member's efforts. For example, the teams found that inadequate planning and a lack of early visibility on major acquisitions were a major deficiniecy in our current management process which precluded more effective use of information technology resources. In order to improve our planning and budgeting for those resources, we have:

Revised the methodology for budgeting for computer and telecommunications resources to assure that they are reviewed in the context of the program they are supporting and not as an end in themselves.

We have established a requirement for agencies to identify all information technology procurements exceeding $1 million. We will publish a list of these in order to provide early visibility to the President, Congress and the private sector on major acquisitions.

While we have already used the reorganization team findings as a major source of ideas for new policy initiatives, they have not yet completed their efforts. However, we have moved out on a number of different fronts while we await their final report. Among other recent actions:

OMB has issued a computer security policy which will assure that Federal computer systems are properly designed and adequately protected, thereby reducing the potential for fraud and waste in computer supported programs and assuring that personal, proprietary and sensitive data is adequately protected.

In order to increase user accountability for the utilization of technology we have recently issued for comment a draft full cost policy which requires users to account for the full cost of their data processing requirements.

We are also establishing, in conjunction with NTIA, GSA, and OSTP, an agenda of goals and objectives for high priority telecommunications policy issues which we intend to emphasize during the coming year.

We have asked each State Governor to nominate a point-of-contact in order to facilitate intergovernmental communication about the management and use of information technology.

We have a major effort underway to identify ways to reduce the costs of Federal radionavigation systems. The DOT and Department of Defense have already stated that the discipline imposed by this project has substantially improved their own planning proceses.

Next week, OMB will publish an annotated compendium of laws, policies and regulations affecting the acquisition and management of data processing and telecommunications resources.

We have just released for informal comment a major revision to OMB Circular No. A-71, which establishes agency responsibilities for managing Federal computer resources. This revised document is intended to clarify the changes in responsibilities which have occurred since 1965 and, by recognizing the convergence of computers and telecommunications, establish a framework for exploiting the advantages of technology.

We have initiated the transfer of the Smithsonian Science Information Exchange from the Smithsonian Institution to the Department of Commerce in order to more closely align its functions with those of the National Technical Information Service and thereby improve the dissemination and use of scientific information.

We are now reviewing over 300 public comments on the proposed OMB policy on the dissemination of scientific and technical information produced with Federal funds. This policy—like the transfer of SSIE—is intended to improve public access to Federal information.

We have initiated a test to determine the feasibility of establishing a locator system for identifying Federal information sources as a means of increasing access to Federal information and reducing the burden on the public to provide information.

We have recently issued a new policy on program evaluations in order to improve their quality and increase the use of such evaluations in making program and resource decisions.

We have a study underway to recommend improvements in the way in which the government develops and uses statistics.

Finally, we are participating on a joint legislative-Executive Branch committee—along with representatives from labor unions, the private sector, libraries and others—which has been established to identify those issues which should be considered in rewriting Title 44 of the U.S. Code. This title is the basic law on public printing and documents and includes a wide range of provisions ranging from the Government Printing Office and the depository library program to records management, the National Archives and the Federal Reports Act. Among the issues currently being discussed are: What is the proper role of the GPO? How should the government manage and disseminate information? Should government information be free? How can technology be more effectively used to disseminate information?

This should give you a good feel for the wide range of information policy issues we are currently involved in. But I'm not here to talk about just our accomplishments and initiatives. Many of the other departments and agencies have also been busy and I want to recognize them. For example: GSA has recently reorganized the Automated Data and Telecommunications Service to take advantage of the opportunities offered by the convergence of data processing and telecommunications. No longer will they treat data processing and telecommunications as separate, unrelated activities.

They have raised the dollar threshold for blanket delegations of procurement authority from $100,000 to $300,000.

They have consolidated and reissued their Federal Management Circulars and FPMR's.

They have strengthened their review of agency procurement requests to assure greater compliance with Federal standards.

During the past year the Department of Commerce has:

Established the National Telecommunications and Information Administration to more effectively address national and international telecommunications and related information issues.

They have taken steps to strengthen the Federal Information Processing Standards program by developing a five year plan for the program; they have begun to develop and publish cost-benefit studies on their standards efforts; they are developing a mechanism for measuring agency compliance with standards; and beginning in 1979, the Secretary of Commerce has committed her agency to preparing an annual report on the status of the Federal Information Processing Standards Program.

To assist the Secretary, this week, OMB is sending a memorandum to the head of each department and agency emphasizing the importance of viable standards. Each department will be asked to identify a senior management official who will be responsible for implementing standards within his or her agency and for assisting the Department of Commerce with its responsibilities.

The Department is also developing a brochure which will provide information on what advisory and assistance services are available to the managers of Federal information technology. One of the findings of the reorganization team was that many managers were unaware of the types of assistance that exist.

I am also pleased to report that a number of departments and agencies are taking steps to improve their management of information technology and identify new opportunities for using that technology.

HEW has initiated an experiment in Baltimore to evaluate the feasibility of automating eligibility determination for social welfare programs. This, by the way, is a direct result of one of the reorganization team recommendations.

HEW and others have instituted computer matching programs to reduce the amount of fraud in welfare and loan programs. One such program at HEW, which cost $1 million to run, has already identified $12 million in savings. Any program which has a benefit to cost ratio of 12 to 1 can be rated a definite success. OMB, by the way, has developed guidelines to assure that such programs are conducted in a way which will minimize improper government intrusion into the privacy of individuals.

The Department of Defense has undertaken several reorganizations to improve their management of information technology; is working to improve career paths for persons in this area; and has recently implemented major new policies on life cycle management and approval processes for automated information systems. DOD has indicated that the reogranization teams were a great help in identifying the need for some of these changes.

As you can see, the past year has been a busy one. At the same time, there is much more that can and should be done. To assist us in identifying next steps we have sought ideas and suggestions from a wide variety of sources—both inside and outside government. For example, all of our major policy initiatives—such as the full cost, computer security and telecommunications agenda—were distributed widely for public comment. We intend to continue this process and hope that all of you—whether in the public or private sector—will take the time to provide us with your thoughts.

I have already mentioned the Federal Data Processing Reorganization Study and the impact it has had on the management of Federal resources. I want to spend a moment discussing why it was so important, its current status and where we go from here.

We initiated this project because early in the Administration we recognized the importance of computers to the accomplishment of the President's goals and agreed with the OMB staff recommendation that an objective and independent study would be of value in assessing curent problems and trends.

I first announced the project 18 months ago in a speech before the Interagency Committee on Automatic Data Processing.

The project was composed of 10 teams, staffed with over 50 volunteers, 40% of whom were senior management personnel from the private sector, universities and local government. Five of the teams looked at the management of computer resources within specific agencies and five of the teams looked at government-wide issues. I won't dwell on the issues the teams were asked to address or the way the project was structured—since these were addressed in the August 30, 1977 study plan which most of you have probably seen—and was the subject of many speeches and press articles.

As of today, eight teams have completed their reports and formally submitted them to OMB. The Central Agency team—which looked at OMB, GSA and Commerce—and the Science and Technology Team—which looked at high technology agencies such as NASA and the Department of Commerce—have not yet completed their reports. A consolidated report is also being prepared which will integrate the findings, conclusions and recommendations of the ten individual teams.

It is impossible at this time to assess the ultimate impact of the project. However, we have not spent the past year waiting for the final results. As the teams have published their reports we have taken the recommendations and used them it initiate new activities or as the basis for pursuing new courses of action. At the same time, there are some recommendations in the team reports with which we do not agree.

For example, recent trade press articles indicated that the teams were considering recommending a Special Assistant to the President for Information Technology. It is my understanding they no longer intend to recommend this. I beleve that a decision to drop this recommendation is a correct one.

The teams have also recommended that there be an Executive Associate Director for Information Technology within OMB in order to improve Executive Office oversight and management of Federal information technology. While I agree with their goal, I disagree with their methodology for accomplishing it.

As I indicated a few moments ago, we have already restructured and refocused the Executive Office of the President to more effectively address information technology issues. Although it is too early to fully evauate the success of those new efforts, the list of recent initiatives I mentioned provides ample evidence that we can accomplish the team's goals without an additional structural change.

This is important because I believe that information technology functions must be carried out in close coordination with existing management and budget processes. Currently my office is responsible for a wide range of Administration activities, including an anti-waste and fraud program, regulatory reform, paperwork commission implementation, reorganization of Federal statistical activities, assessment of joint funding, Civil Service reform implementation, cash management and many others. All of these efforts involve information and have implications for information technology. I have taken special steps to assure that we are effectively coordinatig our activities and working towards common goals. Additionally, we have developed good relationships with the budget side of OMB to assure that both budget and management perspectives are considered in the development and execution of policy. I believe it would be counterproductive to remove the information technology part of these programs and assign functional responsibility to a separate organization. At a minimum, it would upset the delicate balance we have achieved. It would also serve to further fragment accountability and responsibility for management and budget functions within OMB. Since the current structure provides for the effective intergration and coordination of budget, management and policy issues, I see no need to change.

Where do we go from here? The first step is to accept the challenge before us. We must work together to improve our management of these resources. We, in the OMB, GSA, and Commerce will support you in whatever way we can. We will support managers who demonstrate their willingness to innovate. We will support new and creative uses of technology. We will provide advice and assistance, or help you get it. We will also develop new policies or revise or dispose of old ones that are ineffective. But, there are no easy solutions and I will not pretend there are. We must work together to identify and try workable solutions to our current and future problems. I have spent a great deal of my time telling you what has been done during the past year to improve the management of Federal information technology resources. I would like to close by quickly mentioning one more initiative that is in the works.

During this winter, OMB will sponsor a conference to identify workable solutions to immediate high-priority problems—such as: to improve planning; to identify innovative use of technology; and to unclog the channels of communication among policy makers, program managers and information technology managers. The participants will be senior personnel from the departments and agencies who are responsible for policy, program management and information technology. This will be a working conference. We hope the results will greatly enhance our ability to use technology to improve the operations of government and the delivery of services to the public.

More information on this conference will be forthcoming shortly. In the meantime, I urge you not to wait for us. Take the initiative: identify improvements in your agency's management and use of information technology; and bring forward to us recommendations and ideas for government-wide improvements. Perhaps then, we can use this winter's conference to highlight our accomplishments as well as our problems.

Thank you.●

SMOKING AND HEALTH

● Mr. FORD. Mr. President, I ask to have printed in the RECORD, for review by my colleagues, an interesting speech delivered by Horace R. Kornegay, president of the Tobacco Institute, at the Magazine Publishers Association and American Society of Magazine Editors conference on October 16, 1978.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WARNING: READING MAY BE HAZARDOUS TO YOUR HEALTH

(By Horace R. Kornegay)

As I glanced at this morning's program, I recalled an observation made by Lucius Seneca, a Roman philosopher and statesman, who distinguished himself early in life as young Nero's tutor and ended his life as Emperor Nero's victim.

"All art," said Seneca nearly two thousand years ago, "is but an imitation of nature." His definition is timely and raises today's program to art of the first rank. Notice the sequence of speakers and see how accurately it imitates the nature of government as we have all come to know it.

It begins with a man who represents the lawmakers; it ends with a man who represents the regulators. And in between, it sandwiches a man who represents those who bear the burden of their proliferation.

Thus, the program, faithfully imitating nature, artfully puts the businessman in the position where he inevitably and unenviably finds himself—in the middle. Also true to nature, in the program, as in life, the spokesmen of government get the first and last word.

Nevertheless, I welcome an opportunity, any opportunity, to speak to magazine publishers and editors. For the nature of the media's response to messages about tobacco from tobacco men is more akin to a vacuum than anything else I can think of.

Very few people read what we have to say, because very few people actually get an opportunity to see in print what we are saying. But I am not complaining. I am simply leading up to the theme of this talk and its relation to the theme of your conference, "Frontiers 1978."

A few weeks ago when I received your invitation I sat at my desk in Washington wondering just what I could possibly say to interest the sophisticated and knowledgeable audience I would be facing today. My thoughts turned to Thoreau, recalling that he had said that frontiers were neither east nor west, north nor south, but wherever a man confronted a fact. And I delved further, hoping that this cranky, original American thinker might have another idea for my talk. He did. Thoreau also said that "it takes two people to speak the truth—one to speak and one to hear."

His two thoughts combined in my mind to form a third idea. Our frontier in 1978, and for years to come, is a communications frontier—a relational frontier rather than a spatial frontier, where people confront ideas, opinions and facts. And yet it is as troubled as any past geographical frontier of the east, west, north or south.

Never before have more people confronted more information through more massive communications. And never before have more people been so confused and so inattentive to the messages.

Something is wrong, either with the people or with the process of communication. I believe that the fault is with the latter. I also believe that until the communications process can be corrected, Reading Can Be Hazardous To Our Health.

I do not mean that reading per se is hazardous. I do not mean that reading small print in poor light can cause eye strain. I am not cautioning anyone that reading the third or fourth generation of a Xerox copy can cause intense frustration, although I am convinced of it.

But I am reflecting Thoreau's view that the derivation of truth through reading implies messages that are received as well as sent. I am talking about the absolute need for all sides of issues to be freely exchanged in the marketplace of public opinion. I am warning about the dire consequences that will result from anything less.

I consider that there is great hazard in the kind of reading that Mark Twain had in mind when he said: "It's not what we don't know that can hurt us, it's what we know that ain't so."

I am talking about the kind of reading that is implicit in William Hazlett's attack on the psuedo-science of phrenology a hundred and fifty years ago. "The origin of all fake science and imposture," he said, "is in the desire to accept false causes rather than none; or, which is the same thing, in the unwillingness to acknowledge our own ignorance."

In other words, I am saying that the kind of reading that short circuits free, full and fair discussion, and leads to the premature conviction that one is in possession of the truth—is hazardous to the health of our democratic society.

The tobacco industry—and the millions of American citizens associated with it—have been hurt by this kind of reading. But we are only the first casualties of the reading hazard. Ultimately, all business and industry can be included among what public health officials like to call "high-risk populations."

Let me mention a few obvious ones:

Television, we read, causes violence.

Automobiles, we read, are unsafe at any speed, cause air pollution and oil shortages.

Milk, eggs, red meat, we read, cause cholesterol-clogged arteries.

We also read that sugar leads to obesity, tooth decay, diabetes; and its substitutes, saccharin and cyclamates, are even worse.

We read that refined flour and snack foods are chock-full of empty calories and result in malnutrition.

We read that prosperity causes inflation, that inflation causes devaluation; that our long-sought-after affluence is an affliction; that our high standard of living, our envied lifestyle, is doing us in—morally, economically, and physically.

We read that the Enemy of Being is Having, that less is More, and that Small is Beautiful.

We read so much bad news about how we eat and drink and live that many people have given up reading.

But the regulators, the government officials and the politicians have not given up reading. Too many of them are avid readers and galvanic reactors to what they read.

As soon as they see a scarce headline, their writing hands start to twitch, and begin to spell out new laws, new rules, new regulations.

If you think I exaggerate, let me call as a witness Stefan Kanfer. He wrote a Time essay recently, translating overexuberant "menu-ese" into plain English. For example:

When you read "Salisbury Steak" on a menu, it means "Hamburger."

When you read "Bifteck a la Cuisinart," it means "Hamburger."

When you read "O.K. Corral Man-Handler," it means "Hamburger."

When you read "Hamburger" on a menu, it means "Leftovers."

His essay was meant to be humorous, but a New York City Councilwoman did not get the joke. She introduced a truth-in-menus bill that would outlaw such misrepresentations as "Baked Ham" that is boiled or "Idaho Potatoes" that are dug out of Long Island.

No one opposes the legislative intent. Indeed, I would think that restaurant owners wound be leading the movement to give diners a true-blue Blue Plate Special. I am sure that the vast majority of them are doing so. But many government officials seem to think otherwise and prefer to substitute a corps of menu regulators for the normal operation of the free market mechanism.

The rush to regulate is a major distemper of our time. There is a new class in our country who distrust the integrity of businessmen and doubt the intelligence of their customers. They are dedicated to regulate the former in order to protect the latter. Unforunately, they are entrenched in all branches of government.

What is the relevance for magazine publishers? Let me use our experience in tobacco as a predictor of the shape of things to come.

The attempt to substitute regulation for the marketplace will have its onset in an attack on advertising. And you are vulnerable.

About one-third of all magazine advertising in this country is devoted to products embroiled in controversy. For example: Tobacco accounts for 10 percent, automobiles for another 10 percent, alcoholic beverages 7 percent, and cosmetics 3 percent. Clearly, then, the magazine publishing business is highly dependent upon the continued ability of these advertisers to advertise.

Many policymakers argue that advertising must be regulated so that consumers will be "better" informed in order to make "better" choices.

Right now the pressure is on the advertiser, but will it stay there? What happens when people do not behave in the approved manner? Will the pressure shift to the publisher, and will the publisher stand up to it?

Here is a possible scenario you might want to think about.

Cigarettes, more than any other consumer product using heavy print media placements, have been subject to continuous and increasing regulations restricting our ability to market our product.

Begining in 1970 after discussions with the government, we agreed to print all "tar" and nicotine figures in brand advertising.

In 1972, the ratchet turned another notch, and we were subject to another advertising regulation calling for the display of warning labels in print advertisements.

Then came the "great shrinkage debates" in which the FTC is determined to hold advertisers responsible for a technical printing problem which is beyond their control.

In 1976, the Commission subpoenaed all of our members, and many of their ad agencies, to move mountains of confidential market research down to its office.

The regulators are clearly frustrated. Consumers are simply not making "better" choices. Cigarette consumption has increased since 1970. The public, they believe, is being manipulated by massive Madison Avenue magic. Apparently, they cannot conceive the possibility that the public is simply rejecting Big Brother's advice.

So now the Commission—at least its staff—is turning the screw, and is contemplating a new concept called the "nonverbal, noncognitive pictorial" elements in advertising. In addition to scrutinizing ads for "deceptive" claims, the Commission seems to be positioning itself to protect consumers from allegedly "deceptive" pictures.

How much further can it all go? Will magazine publishers in the future—as well as advertisers—be held responsible for the "deceptive" pictures that they publish on the advertiser's behalf?

Magazines enjoy as much, and perhaps more, First Amendment freedom as any other segment of the press. Television and radio are rigidly controlled by the government. But magazines are free—free to print those deleted expletives and many far worse; free to illustrate all those closet fantasies, and far worse. The thriving "skin" magazine market is proof enough that magazines are the freest of the free enterprise communications media.

But publishers should not become overconfident with their seemingly unlimited freedoms. For once the freedom to advertise a legal product is eroded, the erosion of other freedoms will follow. It will not be long before the leak in the dike becomes a deluge.

The recent Farber-New York Times case is an example. It might be a signal that magazine journalism may be the next target of attack.

Freedom of the press, in the absolute Constitutional sense, may no longer exist. Threats to our basic speech and business liberties are bound to affect the business of magazine publishing. There is bound to be some fallout on magazine content.

Consider some possibilities.

With the recent trend toward holding celebrities responsible for the products they endorse (for example, the Pat Boone and Karl Malden cases), will magazines become liable for the advertisements they carry? Under the threat of government sanction, television and radio stations screen and approve every product advertisement. Can newspapers and magazines escape scot-free? Will magazines become defendants in class action suits claiming that death and disease were related to their publication of advertisements for products like cosmetics, hair dyes, drugs, automobiles, food products . . . and tobacco?

Will magazines be held accountable for the accuracy of advertising claims about automobile mileage, or tire safety standards? Will magazines be responsible for communicating the alleged harmful effects of certain drugs . . . or warning against the dangers of hair dyes, shampoos and other cosmetics?

Already, HEW is pressuring the print media to volunteer more space to propagandize against tobacco. Will they also ask you to volunteer free space to warn against other alleged health hazards? And will mandatory government messages follow, in accordance with an expanded "fairness doctrine"?

We now have non-commercial, government-supported public broadcasting. Will we see this idea stretched to include noncommercial, government-supported public publications?

Before this parade of horribles comes marching down the pike toward you, however, your advertisers will experience "affirmative disclosure and counter-advertising regulations." The burden may lead many of them to seriously consider whether the

game is worth the candle. The Commission itself recognized in The Eyeglass Rule that "disclosure requirements can increase advertising costs and discourage advertising altogether."

The fact is that it is possible to sell cracker-jacks without putting a prize in the box. That was the lesson of the cigarette labeling and advertising legislation, which ended broadcast advertising of cigarettes.

Sometimes called, "the Noble Experiment of 1970," the broadcast ban demonstrated that a bullet can miss its mark and hit a bystander. Intended to maim the tobacco industry, it actually wounded the broadcast industry. In any case, it was fatal to neither; and in fact, may have done most damage to those who fired the shot. For now the anti-tobacco lobby has come to regret its action.

And so, too, in time, may the regulators and the lawmakers.

One instance from the long history of government regulation of "tar" and nicotine suggests this is a possibility. In the late 1950's the Federal Trade Commission banned all advertising of cigarettes based on a brand's "tar" and nicotine content. The Commission declared it to be a "deceptive" practice. In 1966, the Commission reversed itself, finding that it was not only not "deceptive", it was a good practice. So, for more than six years, federal regulators denied the industry the opportunity to advertise lower "tar" and nicotine brands—and thus fully inform consumers. While one might argue that regulation delayed the public's "better choice" of cigarettes, one might also argue that regulators can change direction—although very slowly.

Indeed, the results of the free market mechanism should gratify those health regulators who believe that "the less 'tar' and nicotine, the better." In slightly more than 20 years, the "tar" and nicotine rating of the average cigarette purchased has dropped by more than half. Currently, no American brand is on the market with a "tar" and nicotine rating as high as the average cigarette sold in 1954. Sales growth is now concentrated in the low "tar" segment, 15 mg. or under. In 1976, one out of six cigarettes sold was low "tar"; in 1977, it was one out of four; by the end of 1978, it will be one out of three.

This result came about through the operation of the free marketplace—not government regulation. Can we hope that the regulators will begin to doubt that regulation can out-perform individual choice? Can we hope that they will begin to perceive that their controls are less efficient than the free enterprise system? If it is the government's purpose to encourage "better" choices or "approved" behavior from its citizens, can we look forward to the day when it dawns on them that regulation is not necessary?

Not in the near future, if the case of one scientist is any indication. Dr. Gio Batta Gori is a microbiologist at the National Cancer Institute. He is deputy director of cancer prevention and for about ten years has been in charge of the NCI's tobacco and health program. One of his major tasks has been to spearhead research into what he and others refer to as a "safer" cigarette. Let me emphasize that this is a government program, initiated by the Executive Branch and approved and funded by the Congress.

Yet in August, when Dr. Gori reported to the press on a paper which was about to be published in the Journal of the American Medical Association, the sky fell in on the poor fellow. As one columnist put it, "the gentleman committed truth . . . in the Washington Wonderland this qualifies as a capital offense. Off with his head."

Dr. Gori's transgression was to deviate from the official antismoking party line. He said that some brands of cigarettes were now so low in "tar" and nicotine that we can begin to talk about "tolerable" levels of smoking, in terms of the average effects on over-all mortality. Arthur Upton, Gori's boss at the National Cancer Institute, complained that the statements had "set back our cause." Julius Richmond, the Surgeon General and Upton's boss, howled foul. Joe Califano, boss of all bosses at HEW, hit the ceiling, according to insiders. Sidney Wolfe, who heads a Nader health group, took the direct approach to a defector: Fire Gori, he said, for making "the most damaging statement that has been made about smoking in the past 10 years."

If the rhetoric seemed more political than scientific, so too did the disposition of Dr. Gori. A Ph.D. in biology, he has been reassigned as a student in a master of public health program at Johns Hopkins University. His banishment to Baltimore, while not as far away as Siberia, effectively removes him from his work, serves as a chilling object lesson to scientists dependent on research funds from HEW, and makes it crystal clear that HEW Secretary Califano, who controls these vast funds, has his sights set on stamping out smoking.

By contrast, the President of the United States, who is Mr. Califano's boss, has a somewhat different vision. The administration's objective, he has said, is "an accurate and enlightened education program and research program to make the smoking of tobacco even more safe than it is today."

Here is a perfect example of what Thoreau was talking about ("It takes two to speak the truth—one to speak and one to hear.") Joe isn't listening to Jimmy. Or is it Jimmy who isn't listening to Joe?

Naturally, the Winston-Salem *Journal* was outraged. "Research on smoking and health which does not provide new ammunition for an anti-tobacco campaign," it declared, "won't be tolerated at HEW." And, naturally, Senator Morgan of North Carolina vigorously objected to Dr. Gori's punishment, "Freedom should prevail regardless of the popularity or unpopularity of the sicentific findings," he said. "Freedom should not be suspended because the ego of the Secretary of HEW is wounded."

However, it was refreshing and unexpected to hear from a newspaper in Boston which was one of the first to drop cigarette advertising. No possible taint of a vested economic interest could be associated with its editorial view.

"At times," said the Boston Globe, "Secretary Califano exhibits all the qualities of a born-again religious fanatic. His recent conversion from smoker to non-smoker is admirable. As head of the nation's health agency, he is certainly in a position to set policy as well as an example for Americans who are still hooked on tobacco. But his apparent unwillingness to hear all sides of the story can only be harmful in the long run."

And that, my friends, is the most important lesson to be derived from this whole affair. There is an unwillingness to hear all sides of the story. And it is not only Joe Califano's unwillingness. You, the gatekeepers of public opinion, are also not without fault.

By and large, the national press—magazines, newspapers and broadcast—have neither the time, the inclination, the technical expertise, nor the information to cover scientific controversy properly. Or so it seems. You cover the good and bad of most other facets of the news, but science is generally regarded as all good. A sacred cow—all milk and no manure—science escapes your scrutiny.

However, bad science does, in fact, exist. It leads to bad policy and costly social penalties. In the health area, bad science leads to public alarms, political overreaction, and unwarranted, unjustified, expensive regulatory actions.

We cannot distinguish good science from bad by noting the color of a scientist's symbolic hat. The White hats vs. the Black hats is not the proper way to assess the validity of scientific findings.

Yet there is a tendency among journalists and their editors to regard any scientist whose findings seem to support business as opposed to environmentalists or consumerists as wearing a black Stetson and evaluating his work accordingly.

I submit that such a short cut to the truth may possibly lead to error. However, such thinking appears to be widespread among executives, managers and professionals—that is the social class to which magazine publishers and editors belong. A recent Seasonwein Poll finds that this group is more critical than the general public of a number of industries.

Among the public, negative mentions of 10 industries were 32 percent. Among businessmen and professionals, negative mentions rose to 42 percent. Businessmen and professionals were more critical than the public of the following industries: In first place was the oil industry, then a three-way tie of chemicals, steel and cigarettes; next came automobiles, followed by packaged foods; then a tie between drugs and airlines; there was no difference for paper and clothing.

In my opinion, most magazines today are editorially tilted against business and in favor of government intervention. Most of this support stems from a proper concern for the interests of your readers as consumers. This is a bona fide corporate concern, which I recognize as an appropriate one for journalism. However, I would hope that your tilt toward your readers' consumer interest does not interfere with an equal and opposite tilt in the direction of their interests as citizens and taxpayers. This broader interest requires you to look at all sides of complicated issues.

The fact is that most often regulation just does not pay off as promised. Government now has a major say in most economic decisions. The result, according to a Yale economist, is lower production, declining productivity, higher prices and "no appreciable benefits."

The British bread industry has been regulated for seven centuries, ever since 1266. According to an English economist, who has studied its history, "There is . . . little evidence . . . to support the view that self-interested politicians (who seek to maximize votes) will serve the consumer any better than self-interested businessmen (who seek to maximize profits)."

None of us, as businessmen—or as ordinary members of the electorate, for that matter—should accept governmental regulation without question. Certainly there are needed reforms, certainly there are abuses to be corrected. But the solutions can be worse than the problem. Behind so much of the rhetoric of reform and the push for regulation lies a covert thrust at the free market system of American enterprise.

All of us suffer when freedoms are weakened for however noble the purpose. The more restrictive controls placed on the marketing of consumer products, the less opportunity for product advertising, and what is inevitable—the less freedom of the press.

Irving Kristol, a brilliant and entertaining social commentator, has recently given two cheers for capitalism. His voice is faint in comparison to the chorus of condemnation of American free enterprise shouted by the so-called "new class" of critical professionals, intellectuals, bureaucrats and government officials. Nevertheless, his cheers are worthy of attention.

His first cheer—our free enterprise system works! People who subscribe to its philosophy and practice its virtues do indeed better themselves. And over the long term, everyone benefits, he says, "visibly and substantially."

His second cheer—our free enterprise system is "peculiarly congenial" to personal liberty! "History," he points out, "does not provide us with any instance of a society that repressed the economic liberties of the individual while being solicitous of his other liberties."

Let me offer a third cheer—the alternatives to our system are much worse in terms of economic rewards and individual liberties.

To purge our system of the ills of affluence and freedom, its detractors propose remedies that would result in more and greater authority and austerity, bureaucracy and bankruptcy.

A country doctor of my acquaintance has codified a few principles of medicine that apply to our ailing body politic and those who would treat it with drastic therapies. I suggest we follow his simple rules:

(a) If what you're doing is working, keep doing it.

(b) If what you're doing is not working, stop doing it.

(c) If you don't know what to do, don't do anything.

(d) Above all, never let a surgeon get a hold of your patient.

The last rule is particularly important for, as he explains it, "A well-trained physician knows what to do for his patients. The especially well-trained physician knows what not to do." He adds that "it takes two years to learn when to go into the abdomen and twenty years to learn when to stay out."

This attitude of questioning and comparing the alternatives should be basic equipment for all of us who must live and work on the communications frontier of 1978 and for years to come.●

MEXICAN OIL AND GAS OFFER OPPORTUNITY FOR UNITED STATES-MEXICAN TRADE

● Mr. STONE. Mr. President in a speech in New York on January 9, Energy Secretary Schlesinger indicated the Department of Energy may be once again putting the Mexican gas project on a back burner. If this is so, and I hope it is not, I fear the decision could have grave consequences for the energy policy and economic security of the United States.

According to the most recent official estimates, Mexico has proved oil and natural gas reserves of approximately 40.2 billion barrels equivalent, probable reserves of approximately 44.6 billion barrels, and potential reserves of 200 billion barrels. Production of 1.5 million barrels per day last December made Mexico one of the free world's largest oil producers, roughly comparable to Kuwait, Abu Dhabi, and Indonesia. Mexico has the potential to become an oil and gas producing and exporting nation, second only to Saudi Arabia.

Realizing the potential of Mexico as a new and closer source of new supplies, in August 1977 six U.S. interstate natural gas pipeline companies signed a Memorandum of Intentions with Pemex, the national oil and gas agency of Mexico, to import up to 2 billion cubic feet per day of natural gas for distribution throughout the United States. The price negotiated between these six companies and Pemex for purchase of this natural gas was the wholesale price of No. 2 fuel oil in the New York harbor, estimated at the time to be a delivered price of approximately $2.60 per million Btu's for Mexican gas at the border.

As the six private companies and Pemex were negotiating a definitive gas purchase contract in 1977, Dr. Schlesinger, other U.S. Government officials, and at least one U.S. Senator raised questions about the price which had been negotiated for this new supply of natural gas. In particular, concern was expressed that this price was higher than the price proposed in the administration's natural gas legislation and the $2.16 per million Btu price then being paid for Canadian gas. This ultimately led Mexico to suspend negotiations.

Because Mexican oil and gas provide this Nation an alternative to a significant portion of the oil and gas it presently (or in the future) must obtain from the Middle East and Africa, I have discussed this matter with Department of Energy officials, including Secretary Schlesinger, several times in the past year. On these occasions I was reassured that the Department of Energy viewed the Mexican gas project as a most attractive foreign energy project and that Mexican officials had been advised of our Government's interest in this project once the 1978 Energy Act was passed.

Whether intended or not, Secretary Schlesinger's speech has clearly raised questions as to the administration's attitude concerning the Mexican gas project.

The United States continues to depend heavily on foreign energy sources, and there is little prospect of this dependence being significantly reduced in the foreseeable future. In recent months we have been importing approximately 8 million barrels per day, more than 40 percent of total use. Both the number of barrels imported and the percentage of total supply from foreign sources have increased significantly since the 1973–74 oil embargo. More importantly, the proportion of our total imports provided by unreliable OPEC sources has increased substantially over the same period. The increasing vulnerability of the United States brought by this trend has been alarmingly underscored by the interruption of supplies from Iran and by the recent 14-percent increase in OPEC oil prices.

In addition to aggresively developing its domestic energy resources, the United States must undertake every reasonable effort to see that new and more reliable oil and gas supplies are developed, especially in the Western Hemisphere. The best prospects for that development seem to be in Mexico and Canada. Not only does development of these supplies help moderate OPEC's pricing domination of the world market, but it also contributes to the long-term economic health of our neighbors, creating new trade opportunities among the countries involved and easing the adverse effects Middle East oil has on our balance of payments.

Whatever the intentions of Secretary Schlesinger's speech, this is something that should not be overlooked.●

NATIONAL ECONOMIC SURVEYS FROM THE NEW YORK TIMES AND THE WASHINGTON POST

● Mr. MUSKIE. Mr. President, I would like to join in welcoming the new Members to the Senate and in welcoming veteran Members back for the 96th Congress.

1979 will be a critical year for the economy, and a critical year for the congressional budget.

Inflation accelerated last year to close to a double digit rate. The momentum of that inflation will persist into this year. On top of that momentum we face the pressures of the OPEC oil price increase, rising food prices, labor cost increases due to higher social security taxes and the increased minimum wage, and major union wage negotiations.

The outlook for economic growth and employment has also worsened. Economists forecast that economic growth may slow late next year, pushing up the unemployment rate. Some economists believe that the economy may experience a recession.

This uncertain economic outlook will provide the backdrop as the Congress formulates the Federal budget for fiscal year 1980. We face the challenge of constructing a budget which seeks to control Federal spending and fights inflation, but at the same time avoids a serious economic downturn that would sharply increase unemployment. That will not be an easy task.

I would like to take a few minutes to review the budget timetable for the months ahead.

On January 22, the President will announce his budget recommendations for fiscal year 1980.

During the 10 days following the release of the President's budget two important economic reports will be presented.

On January 25 we will receive the annual report of the Council of Economic Advisers.

On January 29 the Congressional Budget Office will release its economic report and 5-year projections.

In early February the Budget Committee plans to hold a series of hearings on the President's budget and the economic outlook for 1979 and 1980.

On February 6, Dr. Charles Schultze, chairman of the Council of Economic Advisers, will testify before the committee on the administration's economic forecast and budget recommendations.

Later that day, Dr. Alice Rivlin, Director of the Congressional Budget Office, will testify on the economic outlook and fiscal policy options.

On February 7, Jim McIntyre, Director of the Office of Management and Budget, will testify on the President's spending recommendations for fiscal year 1980.

February 8, Treasury Secretary Blumenthal testifies on the outlook for international trade and the dollar and on the administration's tax proposals for fiscal year 1980.

Later in the month, on February 21, Harold Brown, Secretary of the Department of Defense, will discuss the administration's defense budget.

And the following day, February 22, Federal Reserve Chairman Miller will appear before the committee to discuss the relationship between congressional fiscal policy and the plans and objectives indicated in the Federal Reserve Board's economic report, which will be released

on February 20 in accordance with the Humphrey-Hawkins Act.

Further Budget Committee hearings will take place later in February and into March.

During the next 2 months the committees of the Senate will be preparing their fiscal year 1980 budget recommendations. Those recommendations, which will be completed and sent to the Budget Committee by March 15, will provide the Budget Committee with essential information needed to markup the first budget resolution for fiscal year 1980.

The first budget resolution for fiscal year 1980 should reach the Senate floor for debate in late April.

The schedule for preparing the fiscal year 1980 budget is clearly a full one, but putting together the fiscal year 1980 budget will be the most challenging task for the Budget Committee and the Congress since the budget process began.

Given the magnitude of our task, it is not too early to begin by taking stock of the economic outlook and taking a good look at some of the key policy issues Congress will face this year.

Senators interested in getting a headstart on these issues may profit by examining two analyses. One collection of articles was published January 7, 1979, as a supplement to the New York Times. Another review appeared in the January 14, 1979, edition of the Washington Post.

Mr. President, I ask that these articles be printed in the RECORD at the conclusion of my remarks.

They offer an informative and wide-ranging analysis of the outlook for the economy and the key policy issues facing the Congress this year.

The viewpoints expressed in those articles are, of course, those of the authors and not my own or those of the Budget Committee.

I urge my colleagues to look through this collection.

It is not too soon to start thinking hard about the tough budget decisions we face this year.

There being no objection, the articles were ordered to be placed in the RECORD, as follows:

[From the Washington Post, Jan. 14, 1979]

BUSINESSMEN FRETTING OVER DOOMSAYERS

(By Bradley Graham)

The U.S. economy spun fast and furiously in the final lap and raced across 1978's year-end mark in a robust finish.

Like kids on a roller coaster, business executives squealed delight at healthy fourth quarter sales figures and a rush of orders. But beyond the dizziness was the sobering fear that the thrills wouldn't last.

There was good reason to fret. Inflation persists, wage-price controls loom, interest rates spiral up, the unemployment rate is stuck, the dollar remains weak, and political uncertainties abound.

Little wonder the nervous finger-tapping on boardroom tables has quickened and business confidence has crumbled. The latest confidence survey conducted by the Conference Board, a nonprofit research organization in New York, indicated that the 1,600 chief executive officers surveyed are as morose as ever about the overall economy for 1979. The board's November index of executive assessment of future business conditions hit a low of 33 on a scale of 100.

Such distress does seem exaggerated in view of what are some still very encouraging signs of economic strength. After all, production is up and so are incomes and the number of new jobs. Also, corporations have been careful to keep inventories under control and have maintained strong cash positions.

But the polls suggest that business managers would rather believe the worst. They are listening to the forecasts of their economic advisers, which by-and-large are dismal, and adjusting their investment strategies accordingly—which is to say, they aren't spending or expanding more than is absolutely necessary.

It's hard to blame them. Never in recent times have so many forecasters foreseen a slowdown. If it comes, this recession will be the most widely advertised in memory.

According to the latest government survey of capital investment plans, capital spending will increase only 3 percent in real terms in 1979, as compared with 4.5 percent in 1978. Many analysts say this forecast is exceedingly optimistic and are predicting instead a real decline in investment this year.

"In the aggregate, the picture's relatively gloomy," said Robert Gough, senior economist with Data Resources Inc. in Boston.

The basic problem is one of attitude, not need, since the need for heavy investment is certainly there—in energy and transportation, in major bridge construction and railroad improvements, and in a variety of other industries where plant and equipment have aged.

"You have the underlying factors for a large capital goods type expenditure, if you could ever get it along," observed Kathryn Eickhoff, vice president for Townsend-Greenspan, an economic consulting firm in New York.

Further, there is considerable vigor evident still in a number of major industries. Most notable is the takeoff in aircraft which, on top of an influx of tool orders from the auto industry, has also propelled the machinery industry into a record boom. Elsewhere, the paper and petroleum industries are prospering; the electronics field is expanding aggressively to meet world competition; steel, having won protection from foreign competition, is picking up again, and retailing has surged.

But even in such pockets of good fortune, the outlook for future spending remains cautious and conservative. Machinery makers, for instance, have resisted the temptation to build new capacity to handle new orders, believing the upturn is temporary.

In other instances, companies have coped with higher sales simply by hiring more people rather than by adding plant space. One side benefit of this was a surge in national employment, resulting in the creation of 3.3 million new jobs last year. At the same time, this preference for short-term hiring over long-term investment helped depress further the nation's productivity rate and mortgaged the future of a number of industries at considerable later cost.

Where investment is going on, it is as in the steel industry's case, simply to update old equipment and make minor improvements rather than to add capacity. Elsewhere, it has been prompted not by expanded sales or the need for greater efficiencies, but by the demands of regulation.

A recent survey by the Manufacturing Chemists Association, for instance, predicts that the chemical and allied process industries will spend $7.8 billion on capital projects in 1979, a 7 percent increase over 1978. But 15 percent of that will go just to satisfy government health and pollution rules. Moreover, auto king Henry Ford has estimated that meeting government standards will gobble up 80 percent of his company's capital spending between now and 1985.

This funneling of capital outlays into projects mandated by regulation has been cited as a major cause of the lag in U.S. productivity and seeming slump in the spirit of inventiveness that once distinguished American industry. The feeling that something deep in the economy has gone awry became more pervasive and worrisome in 1978 as the signs became more evident.

Among the most disturbing indicators are these:

The number of U.S. patents issued each year to U.S. inventors reached a peak in 1971 and has declined steadily since. But the number granted to foreign inventors has increased steadily since 1963. Last year, foreigners claimed more than one third of all patents issued in the U.S. across a broad range of fields.

The U.S. balance of trade has worsened, due not only to increased oil imports as is often mentioned, but also to more imports of foreign manufactured goods.

Productivity gains have slowed severely. In the past decade, the rate of growth in U.S. productivity has averaged only half of what it was the previous 20 years. In contrast, productivity growth rates in Europe and Japan have been on the rise.

Spending on research and development isn't what it used to be. From 1953 to 1966, U.S. investment in research grew at an impressive rate of 10 percent annually in inflation-adjusted dollars. However, investment in research by all sectors in the U.S. over the past 10 years has shown essentially no growth in constant dollars. And what funds U.S. corporations are expending on R&D have been going into short-term quick-profit products rather than into long-term, basic research of the kind that leads to major breakthroughs.

No one quite knows just how to explain these alarming trends. Some claim that Yankee enterprise has been choked by both excessive government regulation and an unfavorable business tax climate. Others insist that the business community itself is largely to blame for its slump. The argument here is that managers, particularly managers of big businesses, have become lethargic, short-sighted and cranky. They have been especially slow to seize opportunities in foreign markets.

In any case, concern over what has happened to America's innovative spirit last year prompted the Carter administration to launch a major study of the problem. The study is being coordinated by the Commerce Department and involves more than 15 agencies. A final report, including recommendations for the president of things to be done to foster innovation in private industry, is expected by April.

One recommendation sure to be included in the final report will urge liberalization of the tax laws to provide incentives for investment and generally to put a greater emphasis on savings over consumption. Already Congress has begun to move in this direction.

Last year's tax bill included a cut in business taxes of $3.7 billion. Among the major changes were a paring of the top corporate rates from 48 to 46 percent, rate reductions for small corporations, a more generous investment tax credit and a new jobs credit targeted at the hard-core unemployed. In addition, investors received a reduction in the capital gains tax from 49 to 28 percent, worth an estimated $2.2 billion.

Unfortunately, passage of the tax bill came too late in 1978 to influence capital spending plans for 1979, and some analysts argue the changes still won't be enough to lift the American business community out of its doldrums.

To turn the prevailing mood around, the business view is that action is needed on several fronts, including a more liberal tax policy, a relaxed regulatory policy, a less aggressive antitrust policy, a national export promotion program, and, in general,

a more cooperative spirit between business and government such as exists in Japan and leading Western European countries.

Above all, business leaders have called for greater certainty in government policy. They have applauded White House promises to hold federal spending in check and trim the budget deficit, and they appear willing to accept the discipline of the Federal Reserve's tight money program so long as it offers hope of wringing inflation out.

Their chief worry is whether President Carter and the Congress can hold to their conservative pledges in view of the pressures sure to build on them this year—from growing ranks of unemployed as the economy slows, from bororwers who can't afford high interest rates, from special interest groups seeking to preserve pet programs.

"We can live with slower economic growth in 1979 and 1980—even a mild recession," Irving Shapiro, chairman of Du Pont told a gathering of corporate chairmen in December. "But we cannot afford a reversal of the policies now in place. One must hope that the resolve of the administration will be a match for the pressures certain to appear next year."

FOURTH QUARTER BUILT MOMENTUM—RECESSION WILL START LATER, LAST LONGER THAN EXPECTED, WHICH WON'T HELP CARTER

(By Art Pine)

President Carter is facing some good news and some bad news in this year's economic outlook:

The good news is that as analysts now figure it, the economy won't be falling into a recession as quickly as the forecasters once thought. The odds are now that the downturn won't come until sometime in the fall. A slump by spring or even mid-year now seems unlikely.

The bad news for Carter is that when the recession does come, it's likely to be a bit deeper than most of the experts had been predicting—and it's apt to spill over well into 1980, leaving the unemployment rate high at the start of next year's presidential election campaign.

That means Carter is less likely to be able to pull off the trick some of his political advisers envisioned—that is, to get the recession "out of the way and done with" before the 1980 campaign begins. And if the recession proves deeper than expected as well, Carter's political troubles will increase.

The changes from the earlier forecasts stem basically from two factors:

First, the economic statistics for the fourth quarter of 1978 have been coming in far more robust than expected, suggesting there probably will be enough momentum to carry the economy through the first six months of this year. In particular, consumer spending has continued relatively high.

At the same time, the steeper-than-predicted oil price increase announced by the petroleum exporters' cartel last month is considered likely to add to inflation and make businessmen more wary of investing. Although the recession still is apt to be mild, the risks now are greater that it could deepen.

"There's no question the current outlook reduces the chances for a soft landing," says Arthur M. Okun, former Johnson economic adviser who earlier had been more ebullient about prospects for 1979. "There's no sign of a recession now," Okun says. "But it's hard to see how we can escape one."

Alan Greenspan, President Ford's chief economist, agrees the later-than-expected recession could leave Carter "in rather difficult shape" for 1980. "Rather than look benevolently on the numbers that are coming out, Carter ought to be apprehensive," Greenspan says. Ford lost in just such a box.

Here's where most of the private forecasts come out:

OUTPUT

The economy is likely to grow between 1 and 2.5 percent this year—a forecast that implies continued moderate increases during the first half of the year and small to moderate declines in the final two quarters—enough to qualify technically as a recession, and perhaps even more.

Most economists still expect consumer spending to taper off before mid-year, as buyers realize they're too heavily in debt. Housing is apt to slow from its present pace. And business investment will remain flat. On the good side, the economy still is in balance, with no major distortions.

INFLATION

Although the Carter administration still is predicting that inflation will slow to just above 7 percent—from about 8.5 percent in 1978—most private economists are forecasting that prices will continue at an 8 percent pace or so, even with the new guidelines program.

Besides the larger-than-expected oil-price hike to contend with there's also the Federal Reserve Board's latest rise in interest rates, and a spate of government-induced cost-increases, such as the higher minimum wage and Social Security payroll tax hikes.

UNEMPLOYMENT

With the economy's growth rate slowing, it's almost certain the jobless rate will begin rising—perhaps to 7 percent by year-end, from the present 6 percent level, and possibly to 7.5 percent in 1980 before finally edging down.

Although the high jobless rate isn't likely to hurt as much as in previous years—because workers are better protected by unemployment insurance and private jobless benefits—many low-skilled and "marginal" workers will be in bad straits. And that could spell trouble for Carter in 1980.

(These forecasts already include the likely impact of such outside forces as the increase in crude-oil prices announced last month for 1979 by the Organization of Petroleum Exporting Countries, and the effect of the 1978 tax bill. The OPEC hike sounded big, but wasn't much larger than expected.)

There's still some debate about the depth, if not the likelihood, of the coming recession. The Carter administration, along with a minority of private economists, still is predicting there won't be any downturn—just sluggish growth ranging between 2.5 and 3 percent this year.

Although more realistic administration economic advisers gradually have been trimming back their forecasts, Carter himself is said to be convinced he can avert a real downturn. He told a group of businessmen recently the economy will fall into a recession only if Americans "talk ourselves into one."

But that kind of optimism increasingly is being abandoned by non-government economists, most of whom seem convinced a recession is virtually inevitable and now are arguing only about its timing and depth.

Otto Eckstein, another former Johnson economic adviser who now heads Data Resources, Inc., an economic forecasting firm, has just altered his 1979 forecast to push the recession into the third and fourth quarters, with a sharp drop in output in the final three months of the year.

Eckstein's figures, however, include a prediction of a 75-day-long auto strike against General Motors during the fall. While the inevitable production loss stemming from the strike almost certainly would be made up in the first quarter of 1980, the shutdown would worsen the late 1979 performance.

The risk in whether the sluggishness deepens into a significant economic slump. Right now, analysts don't see that as likely, if only because the economy still is too well-balanced. The inventory pile-up that preceded the 1974-75 recession, for example, just isn't in the cards.

To many economists, the biggest uncertainties are in the two big areas over which Carter doesn't have any real control—the money and credit policies set by the independent Federal Reserve Board, and the fate of the dollar in the hands of foreign currency traders.

Thanks to the new six-month money market certificates, the economy has been insulated from the recent tightening of monetary policy. The Fed's steady upward push in interest rates has only begun to cut into the housing boom, and signs are new starts still will come in this year at 1.7 million or so.

But the fact is, analysts still don't know for sure how the economy will react if interest rates go significantly higher. The prime rate is expected to reach 13 percent or so by late spring. If economic activity slows sharply in response, it could quickly exacerbate the recession.

The dollar problem is even more uncertain. With the trade balance improving and the administration's dollar-rescue plan in place, most analysts had expected the dollar to remain stable through most of the year, edging up some when the U.S. enters its recession. But now some say it could slip further.

For all the talk about continuing pockets of high unemployment, a good many analysts are convinced the economy already is approaching a "demand-pull" phase of the cycle, where economic overheating is likely to pull prices up even more rapidly. A mild recession could help stave off that situation.

It's too early to tell which prediction will prove correct for 1979—the private forecasters' warning of a recession or administration's more optimistic scenario. But, to President Carter, at least, the race may prove more than academic. It could mean the 1980 election as well.

DOLLAR DRAMA COULD RETURN FOR 1979 SEASON

(By Hobart Rowen)

After a fairly tranquil 1977, last year proved to be traumatic on the international economic front. A dramtic collapse of the U.S. dollar in foreign exchange markets raised new doubts about the ability of the international monetary system to cope with world problems, and produced the first serious challenge to the role of the dollar—the European Monetary System.

As the new year starts, there is more confidence in Washington that there will be a greater dollar stability—but this is far from a solid consensus. There are many analysts and officials who think that the dollar will undergo another testing period early this year. And even those American officials who are optimistic about the dollar concede that almost everything depends on a successful fight to slow the rate of inflation in the United States.

It would be very difficult to visualize a dollar course this year as erratic as in 1978. In the 13 months prior to the Nov. 1 emergency "rescue" package, the dollar dropped 38 percent against the Swiss franc; 34 percent against the yen and 26 percent against the German mark.

The spectacular recovery in three weeks after Nov. 1 recouped as much as one third of those losses. But in the final weeks last year, as much as one half of the post-November dollar gain was yielded, a response primarily to a larger-than-expected oil cartel price increase for this year, and the poltical-military upheaval in Iran, which scrambles the world oil supply outlook.

The net gain for the dollar from the October low point to the end of the year was about 9 percent against the Swiss franc and the Japanese yen and about 4.5 percent against the German mark. So the dollar starts off 1979 still substantially depreciated from levels prevailing during the fall of 1977.

Almost universally, experts expect that while the U.S. trade deficit will continue to be very heavy for at least a couple of years, it will be substantially lower this year than in 1978. And because of an enormous U.S. surplus on services and "invisibles," the closely watched current account should go down dramatically. By the end of the year, some of the more optimistic economists at the Treasury and Council of Economic Advisers think the current account could be coming into balance or even a surplus.

In part, this improvement would be the result of the depreciation of the dollar, which should help restore a traditional trading edge in manufactured goods exports, plus a slowdown in the U.S. economy that will dampen the import flow. Almost surely, the official administration figures understate the probable degree of sluggishness of the domestic economy in 1979.

Treasury calculations are that the overall trade deficit will drop from about $35 billion last year to about $25 billion in 1979, with a reduction in the current account deficit from about $17 billion-$18 billion last year to about $6 billion this year.

According to conventional wisdom, dramatic improvement in the trade and current accounts, coupled with the new American policy of strong and active intervention, which is backed by a $30 billion "hard money" kitty, should assure a stronger dollar. And in fact, that is the consensus that emerged from a survey of 250 businessmen and bankers conducted at the end of December by the American Express International Banking Group.

Yet, there are nagging doubts that the dollar's performance will match the statistical promise. For one thing, markets are anxious to see an actual turnaround in the trade deficit, not just the forecasts. Then, there are those who believe that neither President Carter nor the U.S. Federal Reserve System will have the spine to stay with austere policy long enough to wring inflation out of the economy.

A leading U.S. policy maker said that the official optimistic forecasts for a reduced trade and current accounts deficit "are very solid. If you assume, as I assume, that fiscal and monetary policy will stay tight, then it's unrealistic to think that the dollar will come under renewed pressure."

Foreign exchange markets probably have not yet fully comprehended the degree and extent of the American policy shift inherent in the Nov. 1 stabilization package. Without back sliding into a "pegged" rate for the dollar, the U.S. government has committed itself to preventing the kind of speculative, one-way assault on the dollar that took place before Nov. 1.

President Carter has a stake in making this policy work—indeed, his own political future may be tied irrevocably to the dollar's health—and it is clear that if all of the $30 billion kitty gets chewed up in dollar-propping activities (although no one expects that), officials plan to marshall additional intervention resources.

Meanwhile, Carter's advisers are steeling themselves for continued nervousness in the exchange markets. The sometimes dramatic movements of the dollar, the yen, and gold make good headlines for stories that are often over-written. The "hype" comes through vividly on the radio and television news shows.

"Politicians, heads of state, financial analysts, financial writers, all haven't learned to live with foreign exchange markets as they have with the stock market" says CEA member William Nordhaus.

"We somehow have not got used to the fact markets are noisy things. To the extent that we have to live in a market-based system, we have to learn that the noise level is somewhat higher than we'd like."

There are many other important international problems or events coming up on the international economic scene this year, all related to each other, and to the dollar crisis itself:

Multilateral Trade Negotiations (MTN): This is legislative priority "A" for the Carter administration, which anticipates getting an MTN treaty through Congress after a political fight comparable in intensity and importance to the SALT agreement.

Lower tariffs—although the cuts will not be so deep as first hoped by Special Trade Representative Robert S. Strauss—and lowered trade barriers should help improve trade and help to counteract the creeping increases in protectionism in evidence last year. Congressional failure to approve on MTN would be a setback of the first magnitude.

Energy: President Carter is faced with the need to make a decision on decontrol of domestic oil prices. Every indication is that the higher prices and shortages created by the unexpected combination of the 14.5 percent OPEC boost and the Iranian production shutdown will postpone full decontrol.

Instead, a phasing out of controls over a number of years seems to be in the cards.

North-South issues: An acceptable "common fund" to help stabilize commodity prices—an urgent demand of the poor nation—has eluded negotiators so far. The dialogue has been abrasive. But it is possible that a compromise may be reached this spring at the United Nations Conference on Trade and Development at Manila.

In reality, the rich nations think that the poor will get more benefit from a successful MTN than from a common fund. They will also benefit from a new issue of SDRs (Special Drawing Rights) by the International Monetary Fund, activation of the IMF's "Witteveen Fund," and, ultimately, from an expanded World Bank operation. In principle, the U.S. will go along with a World Bank executive board decision early this year to double the bank's capital.

The European Monetary System (EMS): Although stalled by a spat between the French and the Germans over agricultural price supports, the common market countries are due to experiment with a new scheme designed to create more stability of exchange rates within Europe.

Officials here have little doubt that the EMS timetable was advanced because of concern over the dollar, with the hope that Europe could insulate itself from the dollar's erratic movements. But no one knows whether it will work. Perhaps its greatest significance—like the Nov. 1 dollar support program—is evidence that over the long haul, governments well may be forced to consider new and fundamental changes in the existing international monetary system.

The EMS is a partial throwback to a fixed exchange rate system, and the U.S. dollar support program is a dramatic modification of the former commitment to letting the market have total say about exchange rates.

Whether these changes will constitute enough of a "reform" of the international monetary system, over the long run, is a question no one can answer with certainty at the moment.

The Tokyo economic summit: Fifth in the heads-of-state series, this economic summit will deal importantly with the mirror image of the U.S. trade deficit—the enormous Japanese surplus. To look at the bright side, one can consider that despite 1978's difficulties, the international adjustment system worked pretty well, leaving only two major imbalances—the U.S. current account surplus of about equal magnitude. German economic growth appears to be improving smartly (although the Germans once again are worried because inflation has climbed to the astonishing rate of 3 percent). And the OPEC surpluses have come down to modest levels.

Thus, it will up to the Tokyo summit, with Prime Minister Ohira as the host, to grapple with the U.S.-Japanese trade distortions, in the context of slow economic growth in most of the industrialized world. Quick fixes are not available.

Should the dollar still be in trouble when Carter and his peers go to Tokyo, it is possible that all of the old ideas and perhaps some new ones for international monetary reform will be brought up, although there is no formal plan now for such a discussion.

"When you get right down to it," says a leading administration economist, "economic policy in this area, as in all others, gets overwhelmed by actual events."

CARTER'S LATEST BUDGET POLICIES FAMILIAR, FULL OF IRONIES

(By Art Pine)

Three years ago, then-President Ford announced a tough new anti-inflation measure: a sharply pared-back "austerity" budget calling for massive cutbacks in traditional Democratic social programs. His theme: A "new realism" was needed for the economy. The only major question was, could he pull it off?

Next week, President Carter—who defeated Ford in part because of those very austerity policies and then stimulated the economy to create jobs—will propose a similar set of cutbacks that some out-of-work Ford aides may find familiar. The theme again: "A new reality" for the economy.

The fact that policy once again has come full circle may not be the only irony that onlookers find in the coming round of policy pronouncements. Carter is heading into 1979 facing still another paradox as well—and the question, as in Ford's day, still is, can he pull it off?

For the first time since the president took office, the administration finally has begun to get its economic policy act together: The White House now is united on the need to fight inflation. Carter has set a tight budget. He's imposed voluntary wage-price guidelines. And he's accepted high interest rates.

At the same time, however, in part because of its past mistakes, analysts say the administration probably has less chance than ever before of pulling off its twin economic goals—those of dampening inflation and averting a recession late this year and early in 1980.

Indeed, in the minds of many onlookers, the administration is facing a series of serious risks: Its voluntary wage-price guidelines are widely expected to blow up after the Teamsters negotiations in March. The coming recession could well bust the budget. And tight money could worsen the slump.

Moreover, Carter's decisions now could well prove crucial to his 1980 reelection chances. The policies the administration sets this month will help shape the economy in 1980. If the administration errs visibly now, there's little it will be able to do to correct its mistakes before the election.

Carter's 1979–80 economic program—an assortment of policies designed to cover all bases in the fight against inflation—includes these elements:

Budget: An unusually austere budget for fiscal 1980, which begins next Oct. 1, designed to hold overall spending to $533 billion and to trim the deficit to just over $29 billion, down from a red-ink figure of $42 billion or so this year.

The overall spending total by itself is about $16 billion less than would be needed to maintain current programs intact in the face of inflation. But Carter plans to boost defense spending even more than is needed to offset inflation. So cutbacks in most other

areas will be even heavier than some had thought.

Wage-price guidelines: The administration's new wage-price guidelines will prove their mettle—or else their ineffectiveness—this year, with enforcement beginning in mid-January after a few start-up snags. Few believe the effort will succeed. But Carter is pushing it anyway, to help slow the increase in wages.

The general expectation is that the Teamsters settlement will wreck the program, but the administration could well emerge only scathed—not mortally wounded—from the fray. There's also a battle looming over Carter's new "real wage insurance" tax rebate in Congress.

Monetary policy: Although the White House technically has no power to affect the Fed's money and credit policy, top officials have publicly embraced the Fed's new move to high interest rates, with Treasury Secretary W. Michael Blumenthal asserting that policy should remain tight until inflation wanes.

Carter's endorsement of the new higher interest rate policy marks a visible departure from the administration's earlier opposition to the Fed's tight-money moves. As late as last summer, top White House officials still were complaining publicly whenever the Fed boosted rates.

Taxes: Carter won't propose any further cuts in income taxes or even a rollback of the new boost in Social Security payroll taxes. But the White House will send Congress its proposal to offer a tax rebate as "wage insurance" for workers who may fall behind inflation because of the wage guidelines.

The proposal, scheduled to be unveiled by the Treasury this week, would offer refunds of up to 3 percent of the first $20,000 a worker earns, depending on how far the inflation rate outstrips the administration's 7 percent wage guideline. The plan would cost just under $5 billion if inflation were to hit 8 percent this year.

Congressional leaders already are fearful the House will turn the proposal into a plan to "index" the tax system for inflation—something Carter considers inflationary.

The series of proposals marks a sharp turnabout from 1978's economic policy prescription. Carter went to Congress at this time last year seeking a tax cut for more economic stimulus and added public-service jobs. And, despite some talk of austerity, the administration eschewed any tough anti-inflation moves.

This year, Carter significantly has made fighting inflation his No. 1 priority, coupling budget-tightening with the new wage-price guidelines program and a push to trim back government regulations—all aimed at easing business cost pressures. To some, it's a born-again version of economics' old-time religion.

In a large measure, it has been the administration's own mistakes in 1977 and 1978 that have forced Carter policy makers into this year's austerity programs. Lack of White House attention to the worsening inflation problem helped drive the dollar down. And many of Carter's 1977–78 actions exacerbated the spiral.

It was the need for the emergency dollar-rescue plan last November, however, that really cemented administration policy for 1979. Once that step was taken, it was almost too late for Carter to turn back. To make the dollar-rescue credible, a tight budget was needed. The rest followed suit.

Coincidentally, the change of direction falls into line with the policy prescription most economists had been urging anyway. Even if inflation hadn't speeded up, the economy already had come so far that some analysts were worried about overheating. And the jobless rate has fallen far faster than expected.

The alarming speedup in inflation also resolved another one of Carter's big problems: It united his economic advisers and political lieutenants on the seriousness of the wage-price spiral—and the need to act boldly to try to do something about it.

In the minds of many analysts, the political-economic split—along with Carter's own refusal to recognize inflation as the paramount problem—had been a major cause of the confusion that characterized administration economic policy in 1977 and 1978.

Now, the administration appears to have begun to get its act together. Even house liberals such as Vice President Walter Mondale and domestic staff chief Stuart E. Eizenstat are spouting the anti-inflation line. And the fiscal 1980 budget due out Jan. 22 will show the results.

The question is, now that the administration has united behind a single, reasonably coherent policy, can it succeed in making its plans work? To some analysts, the wheel-spinning Carter did in his first two years in office only made inflation more difficult to deal with. The odds are tougher now.

There are these problems:

Carter's new pledge to hew to a $30 billion-or-under budget deficit—the heart of his new austerity program—may well go down the drain if the economy falls into a recession, with neither Congress nor the administration likely to be able to control it.

Any time the economy slows markedly, federal spending increases because the government has to pour more into unemployment benefits. At the same time, tax receipts are apt to be down sharply. And Carter's $30 billion figure is based on an economic forecast most analysts consider unrealistic.

The nation's inflation problem is likely to prove more stubborn than it would have a year ago—not only because the price spiral is moving more rapidly than it was last year, but also because the more rapid price increases have been "built into" higher wage boosts.

Moreover, many of the inflationary measures Carter endorsed—or at least did not fight—in 1977 and 1978 now are beginning to take root. Among them: the recent rise in payroll taxes, a higher minimum wage level, expensive farm subsidies and price boosts for sugar and milk.

If the guidelines program fails, it could set off a new round of wage and price increases in anticipation of mandatory controls. More importantly, Congress might be prodded into giving Carter controls authority if the current effort goes down the drain.

The economy could be buffeted by international pressures that aren't really under Carter's control—such as a new run on the dollar, which could add substantially to the domestic inflation rate. Any new moves in that direction would require even tighter policies here at home.

Carter also soon will have to face a decision over how rapidly to phase out controls on crude oil and gasoline prices—issues policy makers agree the White House must confront but finds difficult to do quickly with the current inflation. Almost anything Carter does will prove controversial.

Admittedly, there's always a chance that the administration may succeed in its 1979 policies—that inflation will wind down a bit, that the economy won't fall into a recession and that the dollar will recover its earlier losses.

As the nation heads into 1979, the odds still are stacked against the administration's new efforts. But the next few months will tell whether Carter has acted in time to get his economic policy house in order, or whether it's too late. As in the case of Gerald Ford, his re-election chances may depend on the outcome.

The Urban Crisis Has Not Been Rehabilitated Away

(By Susanna McBee)

Every few years someone pipes up with the proclamation that the urban crisis has vanished.

Richard Nixon did it in 1973 when he declared, "City governments are no longer on the verge of financial catastrophe. . . . The hour of crisis has passed."

Harper's magazine editors did it last month when they announced in a headline, "The urban crisis leaves town and moves to the suburbs."

Such booming conclusions are at best illusory (and at worst fatuous) because they lead us to think of cities as a monolith. They are not. Some are in solid fiscal shape. Some are still in trouble.

The good news for 1979 is that many urban experts do not expect any other major city to teeter on the fiscal brink the way Cleveland, New York and Newark have done.

The bad news is that certain older cities in the Northeast and Midwest are still fiscally fragile and could suffer severe stress if the national economy takes a dive.

"When the country comes down with a bad economic cold, these cities come down with fiscal pneumonia," says John Shannon, assistant director of the federal Advisory Commission on Intergovernmental Relations.

Among those distressed cities are Detroit, St. Louis, Buffalo, Pittsburgh and Philadelphia he said.

Such cities, according to economist Deborah N. Matz of Congress' Joint Economic Committee, never fully recovered from the 1973–1975 recession, "and if we have another one, they'll be in even worse shape."

Ironically, this is considered a good time for cities. We can see positive signs all around us. Look at Quincy Market in Boston, Logan Circle in the District, Fells Point in Baltimore or Queen Village in Philadelphia.

Houses are being rehabilitated; businesses are moving into charming arcades and malls; whole neighborhoods are being upgraded; developers are performing plastic surgery on the faces of downtown America.

To be sure, cities have had massive injections of federal aid in recent years.

Last year the total amount of federal aid to state and local governments was $80 billion, about $30 billion of which went to localities.

But the giddy days of federal wine and roses are over.

The cutoff of anti-recession aid, which in two years totaled $3.2 billion for state and local governments, had an extra sharp sting for a number of cities.

It forced Detroit to cut its city payroll by 348 employes; Newark dropped 441; New York decreed a hiring freeze; Chicago decided to sell off some unused city-owned land.

New Orleans was not hit directly, but a city spokesman said the cutoff "caused us to look down the road, and we saw what was happening with federal aid as a whole." So the city—swimming against the anti-tax tide—raised three local levies to avoid a $30 million deficit.

Donald Haider, a deputy assistant secretary of the Treasury, explained how important the antirecession money was to cities, which had depended on it to maintain services and avert layoffs without raising taxes. "It was glue money," he said. "They could use it to plug leaks. Now they're telling us, 'You've blown a hole in our budgets.'" Haider cited a new report by the Council of Economic Advisers that predicts that state and local surpluses, which dwindled rapidly late last year, will vanish completely this year.

Although the Carter administration has said it will try again to get an antirecession aid bill—sharply reduced and directed only at cities with severe problems—through Congress, many urban experts do not expect much new federal money for urban America.

Richard P. Nathan of the Brookings Institution here says, not at all facetiously, that "the heyday of urban policy may turn out

to have been the period just before the announcement last March of the Carter urban program."

He noted that the administration backed down last year on some of its efforts to "target" funds to distressed cities and that Congress itself is leery of the idea.

Monetary Juncture Critical

(By James L. Rowe, Jr.)

Monetary policy is at a critical juncture.

The Federal Reserve Board—which spent the spring, summer and early fall boosting interest rates to retard excessive money growth—is faced with a money supply that has suddenly begun to decline.

The question the Fed must resolve soon is whether that decline is a technical, flukey one or whether it is real.

If policy makers guess wrong, they run the risk of plunging the nation into a recession or exacerbating the very inflation they spent all of 1978 fighting.

Even if the decline is real—and the consensus of most analysts is that the contraction is temporary and the money supply will again grow sharply—the Fed will be confronted with the dollar problem. Should it ease up on its program of monetary restraint in the interest of preventing a recession, if that easing could trigger a renewed wave of dollar selling in foreign currency markets.

"It is a puzzlement," congressional economist Robert Weintraub said of the abrupt decline in the amount of currency and checking accounts. "If we have another two or three months of this we're not only going to have a recession, it'll be a wing-dinger."

But, Weintraub concedes, he is no more convinced that money growth has really slowed than he is that the money growth will take off again within the next few months.

The Fed seems convinced that the recent declines in the money supply are temporary, that it must keep short-term interest rates high. The Fed has not budged one bit from the 10 percent target it set on its key interest rate (the so-called federal funds rate).

Although economists are divided on just how important the money supply is to inflation and economic growth, most now agree that if the money supply grows faster than the real output of goods and services, inflation results and if it grows more slowly, a recession can occur.

The Fed has been managing monetary policy for the last year with an eye to slowly winding down the rate of inflation without sending the economy into a tailspin.

It seemed up until October that the Fed had failed to curb demand for money. Despite near record interest rates the money supply grew rapidly and demand for credit continued apace. But beginning in November, just after the President announced a dollar-propping program that included further sharp increases in interest rates, the money supply began to slow its growth, then actually fall.

According to figures prepared by the Federal Reserve Bank of St. Louis, the basic money supply that grew at an annual rate of 8.5 percent in the first 10 months of 1978, fell at an annual rate of 1.7 percent during November and December.

Although Federal Reserve Board chairman G. William Miller recently complained that the press had not taken notice of the Fed's seeming success in slowing money growth, the central bank, by its actions, appears convinced that it has not in fact succeeded in slowing money growth.

The sudden slowdown may be due to "technical factors" such as a run up in the size of Treasury accounts, which the government will reduce in the weeks ahead, giving renewed impetus to money supply growth.

Lawrence Kudlow, vice president of Paine Webber, said the brief abatement in money growth appears to be more related to such technical considerations rather than to Federal Reserve Board tightening. He expects money growth to "re-enter the highly inflationary 7.5 to 8.5 percent growth range that has existed during most of the past two years."

But many monetary economists criticize the Federal Reserve for trying to reduce money growth using interest rate targets. The agency tries to figure out what level of federal funds rate (the interest banks charge each other for overnight loans of excess reserves) is compatible with the money growth target it seeks.

Inevitably, these economists say, the Federal Reserve thinks it is tightening monetary policy because interest rates are going up, when in fact demand for credit is boosting interest rates. But at some point, the economists contend, the Fed does get a federal funds rate that not only begins to squeeze demand for credit, but squeezes too much. By the time the agency recognizes it has overtightened, so to speak, the economy is headed into a tailspin.

Organized Labor Heading Into Heavy Bargaining Year

(By Frank Swoboda)

Organized labor is headed into a major new round of contract bargaining this year, with many unions publicly rejecting President Carter's latest anti-inflation program. The potential confrontation between labor and the White House has cast a shadow of uncertainty over the nation's economic outlook.

With approximately 3.8 million workers covered by major union contracts up for renegotiation this year, government labor relations experts already are predicting a sharp increase in strike activity as workers in key industrial sectors of the economy test the government's voluntary 7 percent wage guideline.

The outcome of this year's negotiations is particularly critical to the economy since it is the start of a new three-year bargaining cycle. Wage settlements this year will serve as the "pattern" for other unions through 1981.

In an apparent effort to avoid a direct showdown with labor at the bargaining table, the Carter administration already has eased its wage standard to accommodate some union critics.

The original wage standard proposed by the Council on Wage and Price Stability was the most rigid government wage standard in modern labor history. Of particular concern to the unions was the fact that the 7 percent limit applied to both wages and fringe benefits.

With inflation rising at double-digit rates and fringe benefits now accounting for as much as 30 percent of total compensation in major union contracts, the new standard would have limited "cash wages" to 3 or 4 percent a year. Wage increases could be even less, union officials argued, when the cost of simply maintaining existing benefits for such items as pensions and health care was taken into account.

Responding to this criticism, the White House excluded all costs for maintaining existing pension benefits and part of the health care costs from the 7 percent standard.

Key union leaders insist, however, that the government did not go far enough. As a result, many union leaders have called on their members to simply ignore the government anti-inflation program.

United Rubber Workers President Peter Bommarite, in a New Year's message to his union's membership, says the URW will ignore the government program when it negotiates new contracts this spring with the Big Four of the rubber industry—Goodyear, Firestone, Goodrich and Uniroyal.

David Fitzmaurice, president of the International Union of Electrical Workers, is equally direct in his instructions to union negotiators this summer in the electrical manufacturing industry.

"We've instructed our people to negotiate as if there were no guidelines—to negotiate for the needs of their members and to strike, if necessary," Fitzmaurice says. Fitzmaurice calls the White House wage guidelines "unrealistic."

The key to this year's negotiations, however, does not rest with either Bommarite or Fitzmaurice. Both the White House and other major unions are looking to this year's Teamster negotiations for a new national trucking contract to set the tone for the bargaining cycle.

It was basically to accommodate the Teamsters and some of their specific problems at the bargaining table that the White House relaxed its wage standard. The union has a large pension liability—no one is sure quite how large—as the result of various legal actions against the management of the union's retirement programs by the Labor Department. In addition, the union has large funding liabilities as a result of the 1974 federal pension law.

The new wage standard will allow the Teamsters to exclude all the added pension costs from the 7 percent government guideline.

So far, Teamster President Frank Fitzsimmons basically has refrained from any major attack on the White House anti-inflation program. After initially attacking the 7 percent standard as unfair, Fitzsimmons has avoided fiery rhetoric both publicly and privately. Negotiators at the union's mid-December meeting with trucking management say Fitzsimmons was even more moderate during the closed bargaining session than he was in public.

Clearly, the biggest negotiations after the Teamsters are the talks between the United Auto Workers and the Big Three of the auto industry—General Motors, Chrysler and Ford.

The Eastern Giant Awakens to Trade

(By Jay Mathews)

Peking.—Trade between the United States and China may triple in 1979 as American bankers, oilmen and hotel chain executives scramble to do business with the awakening giant of international commerce, businessmen and China trade experts in the Orient say.

The decision to open full diplomatic relations with Peking is expected eventually to win billions of dollars in contracts for U.S. companies to drill for oil in the South China sea. Peking's demand for new mines, tourist services, airplanes, trucks and steel mills could swell trade figures even more.

But even if two-way Sino-American trade does grow to about $3 billion this year, from about $1 billion in 1978, it will still approach only a tenth of total American trade with Japan and only half of trade with little Taiwan. Oriental trade experts think China's trade with the United States could climb much higher, but as one said, "There are just so many imponderables."

Congress, for instance, now in an unhappy mood over Carter's failure to consult in advance about normalizing relations with Peking, has to cooperate if Washington is to extend most favored nation status to Peking. China will continue to buy U.S. goods even without getting this lower tariff arrangement for its own exports, but analysts say the gesture in favor of Chinese goods would create good feelings, which would help American traders in situations where they compete closely with Japan or Germany for the Chinese market.

The often politically volatile Chinese must also stick with their extraordinary decision

to shelve the economic self-reliance policy of the late chairman Mao Tse-Tung in favor of an unabashed effort to borrow billions of dollars from capitalist banks in Japan and the West. Peking earns $2 billion to $3 billion a year in foreign exchange by selling goods to and receiving overseas Chinese remittances from Hong Kong. Its exports to the rest of the world, particularly Japan, are increasing, but these are mostly low-grade consumer goods like fireworks, feathers and pig bristles that cannot hope to raise the capital needed for the post-Mao leadership's ambitious modernization program.

Wang Yao-ting, chairman of the official China Council for the Promotion of International Trade, has laid out in the clearest fashion to date China's willingness to go deep into debt. Wang said Peking was considering adopting methods suggested by foreign customers such as "use credit from foreign trade organizations or foreign banks." The previous Chinese method of delayed payments over five to seven years for purchases like the Pullman Kellogg fertilizer plants "could not meet the needs of our rapidly growing foreign trade," Wang said in an interview in the January issue of the official magazine China Reconstructs.

Petroleum could become one Chinese export that draws considerable foreign currency, but China needs to extract oil from offshore wells in quantities enough to feed both its growing industries and its foreign customers, and for that it first needs considerable investment in new drilling equipment and technical expertise.

The oil companies from the United States and other nations that eventually win the right to construct the new oil fields are expected to take payment in the form of oil from those fields. China will probably use this method of payment in many other manufacturing plant deals.

Louis E. Sauboulle, the Bank of America vice president in Hong Kong who specializes in China trade, said he thought Peking's new commitment to foreign commerce was "firmly based." Recent increases in trade with the United States, however, have resulted largely from "increased sales of agricultural commodities to China, particularly wheat," he told businessmen in San Francisco.

Five American banks have now opened full correspondent relationships with the official Bank of China, including American Security Bank in the District. Many more are moving to offer the full resources of American investment capital to Peking. The other five banks include First National Bank of Chicago, which got a jump on competitors a year ago by severing banking ties with Taiwan; Citibank; Chase Manhattan and Bank of America.

U.S. banks must still use foreign intermediaries in some transactions until the 28-year-old problem of blocked claims and frozen assets is solved. Treasury Secretary Michael Blumenthal and Commerce Secretary Juanita Kreps are scheduled to visit Peking later this year. They may work out ways to pay off about $196 million in claims on formerly American-owned property in China with about $78 million in Chinese funds held frozen in U.S. banks since 1950.

When asked about the claims and assets issue in a press conference with U.S. journalists Jan. 5, Vice Premier Teng Hsiao-ping said he thought it was "not a big problem."

In recent weeks the Chinese have signed capital development agreements of enormous size that will affect trade figures with the United States for years to come.

The Largest American deal to date was signed here Jan. 5. U.S. Steel agreed to build a huge iron-ore processing plant worth about $1 billion in an area of Northeast China. The plant, scheduled to be completed in four years, will allow a 25 percent increase in Chinese steel production.

The Flour Corp. signed a $10 million agreement to plan a copper mine that is expected to lead to a construction contract totaling $800 million over the next several years, the largest U.S.-China trade deal to date. The hotel subsidiary of Pan American Airways won a contract to build hotels in China worth $500 million, and manage them for several years. Other American-backed hotel chains have left Peking recently reporting similar arrangements.

Peking, which already owns several Boeing 707s, bought three Boeing 747s and took options on two more last month (December) for a total $250 million deal. Coca-Cola signed an agreement to sell and later bottle its product on the Chinese mainland for the first time in 30 years. This brought cheers from teetotalling foreign travelers who have had to make do with China's own medicinal tasting orange soda pop.

Some bankers in the Orient have begun to express vague worries about China's ability to pay for the size and speed of development it seeks. The National Council for U.S.-China trade, the principal American commercial liaison group, estimates Peking will purchase $40 billion in foreign technology between now and 1985. "By present international standards, they've got enough creditworthiness to absorb that," said one banker. He cautioned, however, that such figures remain for now just estimates.

The Chinese may find they do not have enough trained personnel, English-speaking guides and living facilities to absorb quickly so many projects directed by foreign experts. Some major foreign technology projects, like the massive steel mill outside Wuhan built with German and Japanese help, have experienced serious delays in the past, although these they have been blamed on political disruption, which the government now says is over for good.

Continued bad grain harvests could also cut into Peking's ability to pay for new technology. The 1978 harvest of 295 metric tons failed to meet the leadership's expectations. It forced the purchase of more than $500 million in American grain, a drain on foreign exchange that brings no lasting benefits to the nation's industrial base. Chinese officials have suggested that such large grain purchases will continue for years to come.

OPEC and Iran Cloud Oil Cost

(By Art Pine)

When Congress passed the energy bill last year, there was widespread relief that the U.S. finally had turned a corner. Although the new law isn't apt to cut consumption much, it was a symbolic commitment to a national energy policy. At last there was an overall framework for U.S. initiatives.

Now, barely three months later, the nation is facing its biggest uncertainty over energy since the days after the 1973 oil embargo. The political turmoil in Iran—and the steeper-than-expected oil-price hike by the Organization of Petroleum Exporting Countries—have shattered the once-favorable outlook.

Plans to lift government price controls over crude oil and gasoline early this spring have been dealt a new setback. And suddenly, policy makers have begun hinting that the nation may have to resort to rationing if the situation doesn't stabilize soon.

The cloud-shrouded picture stems primarily from the Iranian oil workers' strike. The unrest has slashed that country's daily crude oil production from 6 million barrels a day—about one-fifth of the oil cartel's total output levels—to practically zero, in the space of a few weeks.

While the Energy Department estimates that the U.S. can go as long as six months or so before feeling any pinch from the cuts private experts aren't as sanguine. Data Resources Inc., a private consulting firm, figures that the impact could be felt as early as April 1. After that, it's downhill—fast.

But the Iranian situation isn't the only element in the energy picture for 1979. Prices which moderated in 1978 after a big surge during the previous year, are expected to speed up sharply again in 1979. Consumption—mainly because of the coming recession—will remain flat. And imports will rise.

There are these predictions:

PRICES: DRI's forecast predicts that overall energy prices will rise 13.3 percent this year—compared with 4.8 per cent in 1978—primarily because of last year's natural gas deregulation bill and the expected phasing out of crude-oil price controls beginning next May.

Of this, more than 5½ percentage points stems from expected decontrol of oil prices, 2.7 percentage-points from higher electric utility bills, 2 percentage points from higher gas prices and 1 percentage point from increased coal costs. The OPEC price rises will add another 1½ percentage points.

Ronald M. Whitfield, chief of DRI's energy forecasting team, lists these changes in government regulations as major factors behind this year's price boosts: The new natural gas bill, eliminating the two-tier price system; oil price decontrol; new strip-mining regulations; and more clean-air rules.

Consumption: Mostly because of the coming economic slowdown, overall energy consumption is expected to remain relatively flat this year, rising by a scant 0.6 percent, following increases of 3.4 and 3½ percent in the two previous years.

Despite worldwide grousing about the huge—and, to foreigners, seemingly uncontrollable—U.S. energy appetite, consumption in this country has been tapering off steadily in the face of constantly rising prices ever since the 1973 embargo. If the recession runs deeper, intake could slow even more.

Imports: In large part because of the OPEC price rise, the dollar volume of U.S. imports of foreign-produced petroleum is likely to rise moderately—perhaps to 8.4 million barrels a day in 1979, up from 8.34 million barrels last year, according to DRI.

Nevertheless, the overall U.S. trade deficit still is expected to shrink visibly, and the "current account"—the closely watched measure that includes not only trade but tourism, investment flows and military sales as well—is expected to approach near-balance.

(The OPEC price hike, while larger than expected, still isn't likely to be that crippling, at least according to most forecasters. While technically the rise totals a scary 14½ percent between now and next October, it actually amounts to 10 percent for the year—close to the 6 percent forecast earlier.)

Supplies: Apart from the Iranian oil situation, the rest of the energy supply outlook here looks relatively good: in the wake of last year's natural gas legislation, there's a surfeit of gas in this country, at least for the moment, and coal supplies are expected to hold their own through 1979.

The impact of all this on U.S. energy policy is to throw what had been a set of reasonably clear commitments into a sea of confusion. Before the latest OPEC price rise and the Iranian shutdowns, Carter had one distinct energy goal for 1979—to begin pushing domestic prices toward the world market prices.

But now, however, with inflation and the larger-than-expected OPEC price boost making price-raising so difficult politically, Carter is said to be seeking administrative alternatives to outright decontrol—by revamping existing regulations.

Moreover, while supplies are reasonably plentiful now, policymakers have raised the possibility that the administration also may have to move simultaneously to rationing if the Iranian cutbacks continue. Energy Secretary James R. Schlesinger mentioned the prospect a few weeks ago.

Looking for Better Times in Russia

(By Kevin Klose)

Moscow.—When Soviet police dragged Francis J. Crawford out of his silver-grey Volvo station wagon one night last June and held him in Lefortovo prison for 15 days' intensive interrogation on blackmarket currency allegations, it seemed as though the KGB had deliberately aimed a body blow at American business interest in better bilateral trade.

After all, the chairman of Crawford's company, International Harvester, was Brooks McCormick, a staunch supporter of more east-west trade, and an active member of the U.S.-U.S.S.R. Trade and Economic Council, which aids companies seeking Russian or American markets.

The mood of most of the 23 permanent American corporate representatives, who were having another disappointing year of trade with the Soviets, turned bleak. One resident director quickly packed his bags and left for good, fed up with the difficulties and unpleasantness of life here. He was also reported to be apprehensive that he might become the next unwilling target of what Americans here regarded as Soviet retaliation. The Crawford case was felt to be a reaction to the arrest and pending trial of two Soviet United Nations diplomats on charges of naval espionage.

But six months later, with the hapless Crawford convicted in a transparent political trial and allowed to leave the country, it can be said that the Americans once more are looking cautiously if somewhat pessimistically for better times ahead for U.S.-Soviet trade.

Why this should be so is a bit of a paradox.

With few exceptions, the American businesses footing stiff annual bills to keep offices, directors, quarters and staffs afloat here—Marshall I. Goldman, associate director of Harvard's prestigious Russian Research Center estimates it at an average of $500,000 annually per corporation, have not found a paradise here for capitalists.

The vast new markets for sophisticated American goods and services that the 1972 Soviet-American trade agreement seemed to promise have never developed. The U.S. embassy here projects that U.S. exports of nonagricultural goods—machine tools, computers and the like—may total no more than $550 million for the year, down more than $30 million from last year's indifferent $586.7 million.

The Russians continue to be short of hard currency and stubbornly try instead for compensation agreements of little interest to American corporations. Soviet negotiation practices try the patience of an elephant and the resourcefulness of a Houdini. Most of the country's trade with the U.S. remains in agricultural products.

Continued dollar erosion has sent skyrocketing the costs of maintaining Moscow backup services in Western Europe. And foreign competitors are aided by the complexities and delays of U.S. government-imposed licensing requirements for many technologically advanced, big-ticket items.

Business and politics have been intertwined from the beginning of the new trade relationship. The Jackson-Vanik amendment to the 1974 Trade Act tied tariff relief for the U.S.S.R. to eased Soviet emigration restrictions. The Soviets refused to accept these and other conditions related to easier credit imposed by the Stevenson amendment.

These factors have inhibited trade in fundamental ways, creating an atmosphere of tension and Russian resentment that is now heightened by the sudden appearance of the Chinese in world markets as the U.S.S.R.'s bitterest foe seeks to modernize its backward economy.

Nevertheless, a number of American companies and the Carter administration now are hopeful that U.S. trade with the Soviets may improve.

Although the Pullman Corp. has withdrawn from permanent accreditation here, three other companies this year have gained permanent resident status: Dresser Industries, Armco International, and Control Data Corp., raising the total U.S. companies here to 25.

The U.S.-U.S.S.R. Trade and Economic Council during the past two years has added about 20 additional U.S. firms to its membership rolls. The council's 260 member companies pay dues starting at $1,000 to use low-cost translation rates and other services when their representatives are here in Moscow conducting business or talking about future deals.

The reasons for the newly accredited companies are both tactical—impending major deals—and strategic—placement in the market if the future turns rosy.

Armco is currently engaged in complex negotiations to become the prime contractor for an immense rolled steel facility that could cost more than $400 million. Control data has had continuing success selling computers and related services to the Soviets, and Dresser has recently been cleared by Washington to sell a $144 million oil drill bit manufacturing plant to the Soviets.

More than 50 U.S. firms have signed long-term protocols setting forth specific trade relationships with various Soviet trade entities, and more can be expected. All these business contacts and dealings may ultimately generate substantially increased trade, but at present, U.S. exports to the U.S.S.R. account for only about 2 percent of total American exports. And bilateral trade turnover amounts to about 0.02 percent of the officially stated Soviet gross national product. One reason is that the political quotient continues to be a major factor in Soviet-American trade.

For example, Treasury Secretary W. Michael Blumenthal and Commerce Secretary Juanita Kreps headed a U.S. trade delegation here in December, carrying a message from the White House that the president sincerely wants to improve trade with the Soviets. Kreps announced that 22 licenses being reviewed for oil field machinery and technology had been abruptly cleared and aproved after some months' wait. It was largely a political gesture, clearing away bureaucratic functions that reflect the continuing American worries that U.S. technology will be used in ways inimical to American interests.

And more significantly, the cabinet officials made clear that any administration fight to repeal the Jackson-Vanik amendment, which the Soviets consider so onerous, must await a successful White House fight for ratification of a new Soviet-American strategic arms limitation treaty.

Final agreement on SALT–II, thought by the Americans to have been within grasp at the Geneva talks just before Christmas, has slipped away. The U.S. negotiators said later that they were sure the Russians had delayed agreement at the last moment to avoid a mid-January Washington summit between Soviet leader Leonoid Brezhnev and President Carter, a summit that was likely to be upstaged at the end of the month by a visit from Chinese Vice Premier Teng Hsiao-Peng.

If the Americans' well-informed hunch is correct, final SALT agreement appears possible no earlier than several months hence, followed by a Carter-Brezhnev summit and the signing. A Senate vote on SALT ratification seems unlikely before summer then, and is certain to be preceded by lengthy and perhaps bitter public hearings. That pushes any attempt at repeal of Jackson-Vanik into the fall or later, when the issue could run into deadly election year politics.

The SALT delay has somewhat dampened the enthusiastic reaction that set in after the Blumenthal-Kreps visit and a related plenary session of the U.S.-U.S.S.R. Trade and Economic Council that attracted almost 400 American businessmen to Moscow. It was marked by scores of cordial meetings between the Americans and their Soviet counterparts.

Meanwhile, potential opportunities for better business in the future seem to suggest themselves. The complex Soviet economy, while still expanding (it was up 4 per cent in 1978), desperately needs to acquire and utilize Western technology to reverse its steadily falling growth rate and supplement a dwindling manpower supply.

Demand for petroleum—both for crucial hard-currency-earning export as well as domestic consumption—is outstripping supply and the exploitation rate must increase if the Soviets are to avoid an energy crunch. The U.S. has the technology to help.

The Russians also need infusions of Western know-how to improve agricultural enterprise, compared with one in 20 in the United States. The U.S. produces far more bountiful harvests every year, while the U.S.S.R. fluctuates between bare sufficiency and outright shortage.

Would-be Oil Customers Are Lining Up To Court Mexico

(By Marlise Simons)

Mexico City.—The local cartoonists have been having a field day with the "second conquest" of Mexico. One showed a group of conquistadors with gas cans rushing up to an Indian under an oil rig, shouting "Amigo!" Another had a buxom Mexican woman on Uncle Sam's lap, as he whispered in her ear: "I'm not after your money—there are other values as well."

The cartoonists, of course, are right. Mexico's spectacular new oil reserves have caused a sensation and led to a rediscovery of this country, to modify the cartoonists' view.

The wave of would-be customers from Europe, Japan and Latin America prompted Mexican oil chief Jorge Diaz Serrano to exclaim recently, "We are frankly as inundated with buyers as with oil."

Members of OPEC, the international oil cartel, have once again started to drop heavy hints, hoping to get the obstinate Mexicans to join their club.

But above all is a flurry of official reports and press accounts in the United States—which is suddenly feeling vulnerable in its energy supply by the turmoil in Iran—that bluntly ask: "What's in it for us?"

Mexico's firm retort so far was, "First of all, what's in it for Mexico?" And by all appearances, this may remain the Mexican administration's position for the remaining four years of its term.

Pemex, the state oil monopoly, has signed all of its crude export contracts for 1979, committed most of its 1980 production and drawn up production goals through 1982 that it is calling "rational." Whatever the changes in the geopolitics of energy, President Jose Lopez Portillo emphasized in an interview this week that he was determined to abide by these plans.

That decision, he said, was a combination of the country's ability to absorb the new income without distorting the economy and the oil industry's own capacity to expand without relying wholly on foreign equipment.

A cautious administrator who shifted the economy from crisis to near recovery and cut inflation in half—down to 17 percent—in two years, Lopez Portillo has frequently pointed at financial mismanagement in other oil producing nations. He regards avoiding congestion and rampant inflation as determining factors in Mexico's short- and medium-term oil strategy.

But in addition, the oil industry itself, according to oil chief Dias Serrano, is bound by strict political and technical rules. Mexico's goal is to export petrochemicals rather than endless quantities of crude. And although the industry has recently grown at unprecedented rhythms—it virtually doubled its production to the current 1.5 million barrels per day in two years time—Dias Serrano maintains that "we could not grow much faster than planned even if we wanted to."

A rare hint of obstacles to growth—Pemex has always been extremely discreet about internal operations—surfaced in a report released last week. It said that almost 8 percent of Pemex's 1978 budget had not been spent because of "a shortage of drilling equipment and of construction materials," as well as "problems resulting from land expropriations which led peasants in the oil regions to set up roadblocks and to occupy the land."

But regardless of the political or economic restraints Mexico's energy picture is impressively rosy.

Suspecting that there are oil and gas deposits under most of Mexico's territory, Pemex is feverishly exploring now in 27 of Mexico's 31 states and in large areas of the Gulf of Mexico.

The country's proved reserves—11 billion barrels two years ago—have burgeoned: two weeks ago they were set at 40 billion barrels with estimated additional reserves at 4.6 billion barrels above that. Mexico's potential reserves remain at 200 billion barrels, far exceeding any other country in the western hemisphere. At current production rates Mexico's 40 billion barrels are sufficient to last the country 60 years.

However, predictions made recently that Mexico could fill 30 percent of U.S. import needs by the mid-1980s are being contradicted by Lopes Portillo and his staff.

Mexico's production targets are much lower. While 85 percent of Mexican oil exports last year went to the U.S., with the remaining 15 percent shared by Israel and Spain, Mexico's "export diversification plan" called for a cutback in the U.S. proportion of total exports of crude.

Pemex export director Juan Aizpura said that this year, for example, 80 percent of Mexican crude will go to the U.S., while by 1980 the U.S. share will be down to between 60 and 66 percent with the balance going to Europe and Japan.

But because Mexico's total exports will increase rapidly—they should reach 1 million barrels per day, double today's rates, by 1980—the U.S. will not receive less but somewhat more Mexican oil.

That Mexico's nationalism is a force to be reckoned with became clear one year ago when the Mexican oil chief and U.S. energy secretary James Schlesinger clashed over Mexican natural gas sales in Washington. Dias Serrano stormed out of Schlesinger's office after what a Mexican diplomat described as "unbelievable arrogance and insults from Schlesinger." The result was that Mexico decided to use its gas surplus domestically—and lose money—rather than accept the lower U.S. price.

Early last year, the U.S. Ambassador to Mexico was reportedly laughed at in the Department of Energy when he reported that much of Mexico's industry was switching from oil to natural gas as a source of energy. But the domestic gas pipeline feeding that industry will be inaugurated on March 18.

"Schlesinger was very important in raising our consciousness about not trusting the U.S. and carrying out our own plan," said a high Mexican official. "He did not realize it but he did us a favor in the end."

As Mexico steps up its oil production, however, additional vast quantities of gas will become available and they are known to be of interest to the U.S. The Mexican president has said he is willing to sell these "if the conditions are right." Lopes Portillo said he expects to discuss this with President Carter during his visit to Mexico in mid-February.

But referring to Schlesinger's statement this week that it is not in the interest of the U.S. to buy Mexican gas, an irritated Lopes Portillo said once again the U.S. was being "erratic."

"I know what to do with my gas. I'll use it at home and I'll sell it at a price that suits me," he said. "If they (the Americans) don't want to discuss it, that's it: We just won't deal with the matter."

Mismanagement, War Plaguing Black S. Africa

(By David B. Ottaway and Carlyle Murphy)

Lusaka.—War, political upheavals and bad management continued to wreak havoc on the economies of black-ruled nations across Southern Africa last year with the noticeable exception of those operating within the orbit of South Africa itself.

Acute shortages of basic commodities such as cooking oil, butter, flour, rice and corn persisted in Angola, Zambia, Mozambique and parts of Zaire where queueing before food shops seemed to rival soccer as the main national pastime.

National debts grew ever larger while production remained stagnant or dropped, and there was no significant rise in the price of copper, which constitutes the main money earner for both Zaire and Zambia.

Mozambique, Rhodesia, Zambia, Zaire and Angola all posted negative, or at best only marginally positive, growth rates in per capita income terms. By contrast, South Africa recovered from its 1977 recession to register a growth rate of 2.7 percent, and the small economies of neighboring mineral-rich Botswana and agriculturally based Malawi continued to expand at a respectable pace.

As the result of economic slumps and transportation bottlenecks in black African countries immediately to its north, South Africa continued to expand its trade relations with all of them, except Angola.

One of the main causes of the region's difficulties was the ever worsening war in Rhodesia that spilled over on an almost daily basis into neighboring Mozambique, Zambia and Botswana as the Rhodesians accelerated their efforts to wipe out nationalist guerrilla bases in these countries.

But the spread of fighting seemed to affect practically the whole region in 1978. In southern Zaire's Shaba Province, dissident Lunda tribesmen crossed the main mining town of Kolwezi, cutting the country's cooper exports for a time and generally upsetting the whole economy.

In southern Angola, guerrillas of the National Union for the Total Independence of Angola (UNITA) continued to defy Cuban-backed government attempts to eliminate them. They kept normal trade between the north and south at a standstill and prevented the east-west Benguela railroad, which once served Zaire and Zambia as well as southern Angola, from resuming regular service.

Meanwhile, there was no sign of any reversal in the trend toward ever mounting debts in either Zambia or Zaire. Even as the International Monetary Fund and American and European bankers were pumping hundreds of millions of dollars into the ailing Zambian economy, they were showing increasing reluctance to continuing similar assistance to Zaire.

Zaire now has a 2.5 billion to 3 billion dollar debt, and Zambia is no longer far behind if the 18 months of nonpayment for goods already received is included. Zambia now owes around $2 billion to its foreign creditors.

In addition to bogging down in wars and debts, most nations of this region were experiencing enormous difficulties in simply managing their economies, whether Socialist in orientation like Mozambique and Angola or capitalist like Zaire and Rhodesia.

A shortage of skilled manpower began to cripple parts of the white-run Rhodesia economy as the exodus of Europeans picked up. The same problem plagued Marxist Mozambique and Angola as their governments tried to fill the vacuums left by the departing Portuguese and take over more and more of the economy.

Japan's Ohira Won't Set Off Economic Fireworks

(By William Chapman)

Tokyo.—For those who expect changes of government to be followed by sharp changes in policy, Masayoshi Ohira is bound to represent a disappointment.

If his first moves as prime minister are a gauge, he will not offer any spectacular diversions in the economic arena. He doesn't intend any major shifts that would send the American dollar scooting up or down. He hasn't mentioned any tactics that would dramatically lower Japan's trade surplus. He bills himself as a slow-growth man in economics but the path he's choosing doesn't seem all that different from his predecessors.

The signs may be misleading and may reflect only the instinctive caution of a career bureaucrat and party manager accustomed to thinking hard and long about where he wants to go. Ohira's slow-moving cautiousness is almost a legend in political circles and next to him his predecessor, Takeo Fukuda, seems as reckless as a riverboat gambler.

One story going the rounds compares him to a character in a Japanese proverb, a man so careful that before crossing any stone bridge he would patiently tap on each part to assess its strength. The only difference, so the story goes, is that Ohira taps every stone on every bridge and does not cross any of them.

One high-level government official said recently that if Ohira differs from Fukuda in any significant way it is merely in matters of style. Ohira is not the type, he said, to go to international summits and pledge his country to unlikely goals, as Fukuda did at Bonn last year in promising a 7 percent growth rate. If there is any constant thread running through his statements so far, it is Ohira's sense of the limits to what governments can accomplish.

Like every Japanese prime minister, and like just about every other world leader, Ohira thinks the American dollar should stay strong as the mainforce in currency stability around the world. What he would do if there is another run on the dollar next year, like the one last year is not clear. He has suggested that the Japanese yen could play more of a "supplementary" role, taking some pressure off the dollar. Surplus dollars, he has asserted, might be absorbed through the use of more of the International Monetary Fund's special drawing rights. Some expect Ohira to offer some alternatives to free-floating currencies during the Tokyo summit next summer, but no one seems to have an idea what it will be.

In the field of foreign trade, where Japan's big surpluses anger the rest of the world, Ohira may not face the rugged tests that Fukuda did. Japan's trade surplus in the current fiscal year ending in March is still a whopper and is likely to end up at the $15 billion mark. But when measured in yen or by actual volume, Japan's exports are tapering off, although they will continue to rise in dollar terms for several more months, most authorities believe.

Some of the more aggravating trade issues have been settled. Japan has agreed to import more agricultural products, enough to take

the edge off the American charge of closed markets, but not enough to satisfy Robert Strauss, President Carter's trade negotiator, completely. Automobile exports are still drifting downward. Shipments of color television sets are within the limits negotiated with the U.S. One official of Japan's ministry of international trade and industry observed recently that only one specific export item—semiconductors—is likely to cause a trade crunch in the coming months as the U.S. and Japan get closer to a trade war over computer-ware.

Some optimists even dare to suspect that the old criticism of Japan's import policy may be buried in the coming year. It is widely assumed that Japan's domestic market is arbitrarily closed to foreign manufacturers by an assortment of tricky regulations. But in the past six months Japan's imports have risen. True, the European exporters have benefitted more than Americans, but that isn't Japan's fault. Some of the increase is rather artificial, reflecting Fukuda's decision to escape the international heat by "emergency" imports through government purchases, but not all of it by any means.

The big question in many minds is how forcefully Ohira will act to stimulate the Japanese economy and increase domestic demand. Some economists have contended all along that this—rather than artificially raising imports and lowering exports—is the key to resolving international trade friction. If the supposedly lush Japanese consumer market is greatly expanded, it is argued, the demand would be enough to wipe out the balance of payment problems gradually.

Ohira's track record in the field of economic expansion is murky and full of conflicting signs. His reputation was built in Japan's high-growth days of the 1960s and Ohira was an enthusiastic supporter of prime ministers who wanted the economic engines to run faster and faster. But in the past year, as he built up his campaign against Fukuda, Ohira has argued that the old days of high growth are over. He thought that Fukuda's 7 percent growth target was unrealistic; in fact, he has opposed even the idea of establishing percentage targets and then gearing the national economy to reach them.

On the other hand, a couple of Ohira's cabinet appointees are high-growth advocates prompting some to suspect the new prime minister is not so wedded to cooling off the engines. Furthermore, Japanese newspapers report that, after considerable internal bickering, the new government has settled for a growth target of 6.3 percent next year, which is higher than many prominent economic researchers think possible without more stimulants in the meantime.

Canadian Economic Malaise Continues

(By Nancy Ross)

While Canada maintains a sharp watch on the U.S. economy in 1979, America will be keeping an eye on Canadian politics.

A recession south of the border will probably mean a sixth successive year of sluggish growth for Canada. And since it is also election year there, the Carter administration may be interested to see if Prime Minister Pierre Trudeau, now trailing in the polls, can stimulate his economy enough to pull off an upset victory.

Economic malaise seems bound to continue in Canada, judging from private forecasts. Real growth, according to the Conference Board in Canada, can be expected to rise 3.4 percent, compared with an estimated 3.3 percent in 1978. Only six out of the 10 provinces can expect real growth this year. A national unemployment rate of 8.8 percent, up 4/10ths of a percent, is anticipated.

On the more positive side, productivity, which dipped to minus 0.3 percent last year, will regain its 1977 level of 1.4 percent. The Consumer Price Index will moderate to 7.8 percent from 9 percent in 1978, which was marked by a decline in the dollar and especially high food prices (up 16 percent overall, while beef jumped 42 percent in the year ending in October).

Other nongovernmental Canadian economists predict a real GNP as low as 2.2 percent, and a jobless rate ranging up to 9.3 percent. From abroad, the Organization for Economic Cooperation and Development foresees a 1979 Canadian GNP in the 3 percent range. Not surprisingly, Trudeau's government looks through rosier glasses. In his budget message last November, Finance Minister Jean Chretien opined that 1979 would bring a real national output of 4 or 4.5 percent, and price increases to an average of 6.5 percent.

He announced a 1979–80 budget deficit of $12.9 billion, up slightly from the previous fiscal year's estimated $12.1 billion and 1977–78's actual deficit of $10 billion. (These figures are expressed in Canadian dollars; were they in U.S. currency the deficits would appear much smaller because of the devaluation of the Canadian dollar, which has dropped 18 percent against the U.S. dollar in two years. Economic forecasters are predicting that the Canadian dollar will inch up to around 88 U.S. cents in 1979.)

Back in November, the Liberal Party's finance minister advocated a rather conservative fiscal policy. Chretien told the House of Commons, "I have been urged to cut taxes massively in order to stimulate the economy. Given the expansionary forces which are already at work, I do not think this would be wise, particularly when our cash requirements are so high."

Among the cuts he called for were a decrease from 12 to 9 percent in the ad valorem manufacturers' sales tax, amounting to $1 billion, which should be passed on to consumers in the form of lower prices, a $1.2 billion reduction in federal personal income taxes, and lower unemployment insurance premiums. He also called for more tax write-offs for mining, oil and gas exploration, and pollution control equipment as well as targeted incentives aimed at increasing investment tax credits for those regions in most distress.

Among the adverse factors influencing the Canadian economy this year are many sensitive labor negotiations following the end of three years of wage and price controls. The 300,000 unionized government employees, who received effective wage increases of 7.3 percent last year, compared with 8.6 percent in the private sector, are expected to demand a catch-up. Housing construction and consumption of durable goods will also be off in 1979.

Interest rates and stock prices will follow those of the U.S. Analysts warn investors of falling yields in the Canadian bond markets. They favor pulp and paper stocks as well as oil and gas stocks, helped by proposed price increases. The outlook is for more petroleum company mergers this year, following the announced $1.4 billion takeover of Pacific Petroleum, formerly owned in part by a U.S. company, by the government-owned oil company, PetroCanada.

The only significant source of growth, this year, according to the Conference Board, will be renewed investment in machinery and equipment by business, up 5.7 percent in real terms compared with 2 percent in 1978, as a result of a significant increase in profits last year.

A quarter of Canada's GNP and 70 percent of its merchandise exports go to the United States. The Trudeau government is counting on its devalued dollar to stimulate exports and build a $4 billion trade surplus. But if the U.S. encounters a serious economic slowdown this year, leading to a fall off in consumer spending, and if Canada cannot market enough goods in Europe and the third world, a desperate Trudeau—running 20 percent behind his Conservative opponent in the last Gallup poll—may try to stimulate the economy further, even at the risk of increasing inflation.

Competitive Balance Shifting in Europe

(By Murray Seeger)

Brussels.—Slightly more than a decade ago, Europe was warned that U.S. business was about to take over the continent, but the competitive balance has shifted and the Americans are taking another look at their strategy.

Some of the U.S.-based multinational corporations that flocked to Europe in the postwar period have slowed their investments on the continent and many are sending their U.S. executives home. Some companies with plants in Europe now find that they can manufacture more cheaply in the United States. Others are discovering that exporting to Europe can be profitable.

Instead of dominating the world business scene as they once did, the Americans find themselves challenged in Third World markets by equally clever foreign companies offering products as good as or better than those made in the U.S.A.

While the U.S. firms have been adjusting to more and stronger competition overseas, foreign corporations and individuals have been taking advantage of the change in economic fortunes to invest at record levels in the United States.

"What we are seeing today is not the Americanization of Europe but the growth of a Western style of business culture and taste which covers Western Europe, the United States, Canada, much of Latin America and part of the Far East, including Japan," the chief executive of a major U.S. manufacturer in Europe said.

The often-quoted warning about the U.S. commercial invasion of Europe was sounded in 1967 by the French journalist-politician Jean-Jacques Servan-Schreiber. He wrote that by 1982 "it is quite possible that the world's greatest industrial power, just after the United States and Russia, will not be Europe but American industry in Europe."

Now it seems clear that U.S. business has not taken over Europe. But neither has it been turned out of the continent. Instead U.S. business has become an integral, essential element in the European economy, existing side by side with revised European enterprises.

The American presence in Europe is so immense—and still so profitable—that even five years of steady decline for the dollar, world recession and heightened competition have not diminished its dimensions.

What has happened in the last few years is that the strong, well-managed U.S. corporations have elected to put down deeper European roots while the weaker companies have pulled up stakes and gone home, or moved to easier markets.

"American investment is down in Europe, but then all investment is down," an American government expert in Brussels commented. "There is no trend toward disinvestment."

According to a U.S. diplomat in Paris, there is no strong trend for investment up or down. "The strong are getting stronger and the weak are getting out," he added.

The U.S. Commerce Department reported in August that in 1977 U.S. investment overseas totaled $148.8 billion, of which 40 percent—more than $60 billion—was in Western Europe. Sales by the American subsidiaries in Europe that year totaled more than $220 billion, 20 percent more than the total output of Italy, and about 11 percent of the entire European economy outside the Soviet Union.

U.S.-owned companies in 1977 were responsible for nearly 15 percent of all sales within

the European Economic Community, where most of their factories and offices are located.

Despite the generally sluggish world economy, U.S. companies in 1977 increased their overseas investment by 9 percent. Foreigners raised their investment in the United States by 11 percent, bringing the total to $34 billion.

The U.S. presence in Europe is small compared with the size of U.S. domestic business. But many of the companies that have established themselves abroad are conspicuous major participants in the European economy and have done extremely well.

Last year, for instance, Ford Motor made twice as much money overseas as it did at home. Citicorp, the world's second-largest banking firm (after Bank of America) earned 90 percent of its profits overseas.

A 1974 survey showed that such companies as National Cash Register, Coca-Cola, Gillette, Hoover, IBM, International Flavors, Pfizer and Sperry Rand made half or more of their profits abroad.

More recent surveys have shown that U.S. corporations have slowed their acquisition of affiliates overseas and that multinationals based in other countries are the acquisition leaders.

This reinforces the conclusion that the Americans who have survived the five-year European recession are investing in their better affiliates and selling off their losers.

The EEC, which surveyed multinationals in 1976, found that while Europeans owned twice as many international companies and were expanding more rapidly, the U.S.-based companies were much more profitable.

EEC officials concluded from this that "American multinationals achieve a total turnover which is 43 percent higher than the turnover of approximately twice as many European firms."

To the casual observer, the U.S. presence in Europe seems greater than it actually is because of the conspicuous success of relatively few companies in some areas.

For example, U.S.-owned companies produce 30 percent of the automobiles sold in Europe and a large portion of the gasoline that fuels them, as well as two-thirds of the computers sold on the continent. Western European airlines, with few exceptions, fly U.S. made aircraft. Yugoslavia, the most independent of the Communist nations, has in recent years bought for its national airline nothing but U.S. airliners

Walking any major city street in Europe, visitors are assaulted by U.S. brand names—Coca-Cola, Marlboro, Levi Strauss, Wrangler, Kodak, Parker, Arrow. In some cities these traditional favorites have been joined by McDonald's, Burger Chef, Baskin-Robbins, Tandy and Mister Minit.

Americans dominate some fields. In advertising, for example, they own the top five agencies in Britain, four of the first five in West Germany, three of five in Italy and Belgium and two of five in France, Spain and the Netherlands. And they continue to be strong in accounting, management, consultancy and banking.

In supermarkets, which reflect dramatic changes in European eating habits, Kellogg's cereals have expanded rapidly, as have different brands of Florida orange juice, some of it shipped frozen from the United States and some of it packaged in Europe.

One export product, bourbon whiskey, is finding acceptance in Europe for the first time, although it still lags far behind U.S. cigarettes as a symbol of the American's overseas presence. Most U.S. brands are manufactured locally. Some have been adopted as local.

"H. J. Heinz has been in England so long that people no longer think of it as an American company," a U.S. business expert in London commented. "Hoover is so entrenched that the brand name has become an English verb meaning " 'to vacuum.' "

On the other hand, in the broader range of industrial output, U.S. firms have been set back by strong European competition.

Ten years ago, U.S. companies were the largest in 11 of 12 major industries—aerospace, automobiles, chemicals, electrical equipment, food machinery, steel, metal products, paper, oil, pharmaceuticals and textiles—as well as in banking.

In 1976, Americans led in seven, West Germany in three, British and Japanese in one each and one was jointly owned by British and Dutch interests.

"The American presence in multinational business remains the largest single presence, even though it was overstated in the late 1960s, as a good deal of research on non-U.S. business has now disclosed," according to Lawrence Franko, who participated in a massive survey of the subject for the Harvard Business School. "Other countries' multinationals are expanding, not retreating."

The movement is illustrated by the automobile business, which in the last year has seen General Motors and Ford expand in Europe while Chrysler was selling out to Peugeot-Citroen.

The tire industry shows a similar pattern. In the last two years, Goodrich has given up manufacturing in Europe and Firestone has cut back, while Goodyear has continued to make good profits and is expanding its research center in Luxembourg.

In Belgium, site of many U.S. investments, J. C. Penney is a major retailer through its Sarma subsidiary. On the other hand, Sears Roebuck did not do well in Belgium and recently sold its retail outlets to a French company.

"Europe has become more and more competitive," a U.S. tire man commented. "In this industry, Europe's technology caught up and passed the American."

The big mover in the tire business has been Michelin of France, which developed the radial tire. It used its success to start manufacturing in the United States and to take a lucrative share of the market away from the huge U.S. rubber companies.

Some experts believe that the first multinational corporation was the Singer Sewing Machine Co., which opened a factory in Glasgow in 1867. At that time the old German Bayer chemical corporation had an analine plant in Albany, N.Y., and the Swedish Nobel company was making dynamite in Hamburg, Germany.

Westinghouse Airbrake came to Europe before World War I because it found a better reception for its products among nationalized railroads when it manufactured on the continent.

After World War I, Ford, General Motors, Proctor & Gamble, Remington Rand and Hoover invaded the continent.

The big explosion came between 1946 and 1970, when the value of the American presence increased more than twenty-fold to $21.5 billion.

"By the early 1970s, the United States had become more of a foreign investor than an exporter of domestically manufactured goods," Prof. Robert Gilpin of Princeton University wrote in a recent book on multinational corporations.

The overseas expansion was fueled by great sales successes. From 1966 to 1976 annual sales went from $40 billion to $207 billion, an increase of 500 percent at a time when the European economy grew by about 300 percent.

The tide started to turn in 1975, in 1973 and 1974 U.S. affiliates saw their sales go up 33 percent and 30 percent, but in 1975 and 1976 the gains were relatively modest at 12 percent and 11 percent.

While sales fell and competition became sharper, operating costs continued to rise. European labor, which had worked longer hours for less money than U.S. labor, used the period of steady prosperity to bid wages and fringe benefits up at world-record rates.

A Citibank survey found that between 1970 and 1977, in terms of local currencies, real labor costs (after eliminating the effects of inflation) went up the most in Italy (70 percent), followed by Belgium (61 percent), the Netherlands, West Germany and Sweden (all 48 percent) U.S. labor costs in the same period rose 12 percent.

Citibank found the highest wages in Sweden—$10.30 an hour compared with the U.S. average of $8.71.

Belgium and the Netherlands were also above the U.S. average. Britain, at $3.62, had the lowest of the 12 major economies, including Japan, that were examined.

As wages rose sharply, governments supported them by enacting a complex, expensive system of social benefits.

Also, the fall of the dollar has made it difficult for companies that rely on domestic sales for most of their profits to invest in strong-currency countries such as Switzerland, West Germany, Belgium and the Netherlands. American executives are not eager to move overseas unless their companies guarantee them protection from dollar erosion and pay them substantial cost-of-living differentials. Some of the most successful U.S. companies in Europe, such as IBM and Ford, have trained local executives to take the place of U.S. citizens.

As they look at the new investment possibilities, Americans in Europe carefully examine the economic and political factors.

For years, Britain was the most popular site for U.S. companies because of the common language and easy market entry. Then as the European Economic Community developed, at first without Britain, the Americans moved into the Benelux countries and West Germany because of their central location and strong industrial traditions.

Now France is getting attention because the French government clearly encourages foreign investment. Ireland gets attention because of its low labor costs, but its location poses a delivery problem. Spain is also attractive, because costs are relatively low and the country is expected to enter the EEC within the next five years.

"On paper, Britain is clearly the best place to make a new investment," an American executive based in Germany said. "As a practical matter, however, given the problems with labor unions in Britain, right now I would choose France for a new plant."

With the dollar so cheap compared with European currencies, and the European market about as large and rich as the American, many U.S. companies are discovering their potential as exporters.

U.S. automakers, despite big investments in Europe, are setting an example that has Europeans worried and is stimulating some consolidation among Continental automakers.

"There is no product being made by an American company in Germany today that couldn't be made at a lower price in the United States and sold in export," a U.S. trade official said in Bonn.

INFLATION: A SHOWDOWN IS AT HAND

(By Leonard Silk)

Sometime last year, inflation underwent a sea-change in the United States; it changed from being regarded as a tolerable to an intolerable problem. And now the course of business will in large measure be shaped by the efforts of the Federal Government and the monetary authorities to solve this problem that has eroded confidence in the American economy, both at home and abroad.

Indeed, it was the loss of confidence abroad—erupting into a flight from the dollar that threatened to become a panic in late October—that finally produced the Carter Administration's decisive shift from rhetoric

to action to bring the inflation under control.

To stop the dollar's fall, the Federal Reserve, with the support of President Carter, pushed interest rates sharply higher by raising the discount rate a full percentage point—the biggest jump since the Great Depression.

Only a week earlier, in announcing his anti-inflation package of Oct. 24, which included wage-price guidelines and a tax-incentive proposal to coax labor into observing the wage guideline, President Carter had left out any reference to monetary policy, other than a brief, populist bemoaning of high interest rates. An anti-inflation program without a monetary policy was like performing Hamlet without the Prince of Denmark.

However, the Nov. 1 program of monetary measures to check inflation and support the dollar represented a dramatic change in Administration priorities—from keeping the economy buoyant in order to reduce unemployment, to arresting the inflation, even if this meant stopping the economic expansion.

The shift in priorities was reinforced by domestic political considerations, for the inflation was growing as intolerable to the great American middleclass and to the business community as it was to foreign holders of dollars. American consumers and businesses have grown increasingly anxious over the relentless upward march of prices, costs and taxes.

Far from settling down to live with the chronic inflation, American voters on Nov. 7 manifested their acute discontent over the loss of the value of their money—and the garnishing of their paychecks by the tax collector—by swinging conservative in the Congressional elections. That swing has sunk deep into the consciousness of Mr. Carter and most of his fellow Democrats, in Washington and around the nation.

The majority of Democratic politicians have no intention of leaving the issue of inflation to the Republicans to exploit. Indeed, in late September, it was the President who said, "The most complicated and intractable and corrosive problem of them all—the problem of inflation."

Fighting inflation, the Administration knows full well, will not be costless, either in economic or political terms. But not fighting the inflation could be far more costly. What the Administration faced on Nov. 1 in the foreign-exchange markets as well as in the security markets was the threat of panic—the sort of panic that, half a century ago, had enacted in a crash and the tearing apart of the world economic and monetary system.

This year, the 50th anniversary of the great crash, is not one in which the Administration is likely to grow forgetful and to re-enact history by feeding an inflation in order to keep an expansion going. In 1929 the Federal Reserve was pouring out money to keep a stock-market boom going and, until recently, the Fed was juicing up an already overliquid system to keep an economic expansion going—parallels that are close enough to command attention.

And there is, once again, the concomitant danger of a world monetary crisis. In fact, the scope of the danger is even vaster this time, with half-a-trillion dollars or more—in the hands of oil-producing countries, industrial countries, private corporations and individuals abroad. A failure to control United States inflation would, sooner or later, trigger a massive unloading of dollars that would end in a disaster for both the United States and the world economy.

So the question is no longer whether the Government means to fight inflation this year, but how; how far it will go and how fast, with what degree of Presidential muscle, to reduce the rate of wage and price increase—and how long it will preserve in that fight if the economy slides into the recession that so many private economists expect, but that the President and his economic advisers do not concede is bound to happen.

To be sure, no administration has even predicted that a recession would occur, as a result of its own policies. Yet, there is no reason to think that Mr. Carter and his advisers are dissimulating; their economic policy is intended to slow the inflation down, without producing a recession.

Nevertheless, they know the risks of recession are real. Federal Reserve Chairman G. William Miller admitted in an unguarded moment, that it would take a "minor miracle" to avoid a recession.

In the United States economy today short-term interest rates have risen above long-term rates, signalling a developing credit crunch. And past credit crunches have almost invariably resulted in recessions; the crunches of 1956–57, 1959–60, 1970–71 and 1973–74 were all followed by recessions. The credit crunch of 1966 knocked housing down by almost 50 percent but resulted in only a minirecession, because the overall economy was then being borne aloft by increased spending on the Vietnam War.

The odds are strong now that the emerging credit crunch will again take its toll from housing, sales of autos and other consumer durables, and from business spending for plant and equipment. And the strong probability is that as growth slows, unemployment will rise.

The political costs to the President of a steep recession could also be serious. But he has apparently resolved to run that risk in 1979 rather than in 1980, when he is likely to run for re-election.

Mr. Carter has, in any case, asserted his belief that the political gains of fighting inflation will outweigh the costs of lost political support from much of the Democratic Party's traditional constituency, including organized labor, blacks and other minorities, "the cities"—that is, the poor in the central cities—and other low-income groups for whom unemployment and cuts in social welfare programs loom as a more serious problem than inflation.

The President's anti-inflation program may well undergo shifts in tone and emphasis in response to the pressures of the groups that will seek to shield themselves from absorbing the heaviest burdens of lost jobs or incomes that could result from the program.

Mr. Carter has every reason to try to check the inflation with a minimum increase in joblessness. Even so, unemployment is likely to rise by a full percentage point or about a million workers. He will seek to avoid a deep slump, since it would not only send unemployment shooting upward, but would also put the budget into deep deficit and end by exacerbating rather than curbing inflation.

The Administration's anti-inflation strategy thus has three main components—monetary policy, fiscal policy and incomes policy.

MONETARY POLICY

The task facing the Federal Reserve is to reduce the availability of money and credit so that consumers and businesses will have to scale back their spending for goods and services. High interest rates become a major deterrent to borrowing, spending and long-term investment once inflationary expectations are broken.

To break such expectations monetary authorities must no longer appear to validate the assumption that borrowed money is relatively costless even at high interest rates, since money loses its value so fast that it is better to grab goods. The Federal Reserve under G. William Miller will strive to bring down the rate of monetary growth gradually to avoid jolting the economy too much.

FISCAL POLICY

But if the slowdown in monetary growth is not to result in a collapse of business investment, housing construction, the output of autos and other durable consumer goods bought on credit—and hence a huge loss of jobs—it will be essential that the Administration and Congress not throw undue or unbearable burdens on monetary policy.

A worsening of the Government deficit by excessive spending or tax cuts would require the Fed to offset that extra demand by tightening monetary policy still further. That would drive interest rates even higher, and risk bringing the economy down with a crash. The Carter Administration in the coming year will try to bring Government spending under tighter control. Its efforts, however, must be pointed at the fiscal 1980 budget, where it faces a fight within the Democratic Party on whether budget cuts ought to come out of defense or social spending.

But the course of fiscal policy for most of 1979 has already been set by the decisions of the last year. The current budget for fiscal 1979 is moderately stimulative, and this will keep pressure on interest rates during the early part of the year. This increases the risks of a turn down by midyear.

INCOMES POLICY

The President's program of wage-price restraints is intended to make it possible to reduce total demand without producing a recession. The object is to make it possible for slower monetary expansion to cover only a small increase in real output and a lower rate of inflation. If, however, the increase in wages and prices is not reduced by the actions of business and labor, the reduced volume of money and credit will choke off demand and real output. This is the reason Alfred E. Kahn, the President's chief inflation fighter, warned—before the White House politicos shut him up—that a failure of the wage-price guidelines to work could bring on a "deep, deep depression."

Rather than let that happen, will the Administration move to direct controls? Mr. Carter, although he has often said he opposes them, has left himself an out, saying he would resort to controls "only in an emergency." An emergency could occur if the guidelines fail and the country faces either worse inflation or depression.

The leaders of United States business, who dislike the guidelines, but hate controls and fear inflation, mean to lend their support to Mr. Carter's guidelines. This increases the probability that, the rate of wage increase, at least, will be brought down to the guideline figure of 7 percent. Further toughening in the Administration's so-called "voluntary" guidelines for prices and profits will be necessary if its price goal of limiting increases to 5¾ percent is to be achieved.

The leaders of organized labor are less willing to support the President's guidelines since they believe that the program is tougher on labor. For this reason a toughening of Administration pressures on business is likely.

It will require remarkable timing, finesse and determination on the part of the President and his aides for this three-pronged monetary, fiscal and incomes policy to work without triggering a recession. Has the Carter Administration the skill and toughness to make its program work? Skepticism reigns among American business, labor and much of the electorate on the basis of Mr. Carter's past performance.

But the United States economy does not depend solely on the economic knowledge or managerial skill of one man in the White House. The underlying balance of the American economy has not yet shown signs of serious weakness.

Nevertheless, this business expansion, already more than three and a half years old—a ripe old age for business cycles—appears due for a correction this year. And American business would rather get it over with than risk something worse by trying to prolong a

failing and inflationary expansion. Business is prepared to sweat out 1979, hoping to move forward again in 1980.

[From the New York Times, Jan. 7, 1979]

STRATEGIES FOR A SLOWDOWN

(By Isadore Barmash)

Corporate America is willing to accept the likelihood of an economic slowdown this year, particularly in the final two quarters, but most business leaders are not wholly swallowing the forecasts of a recession. Indeed, many are convinced that there is still perceptible economic momentum, and, thus, are pursuing cautious but flexible policies, hoping to turn bad into not-so-bad and good, if it comes, into better.

Businessmen generally accept the negative panoply—the predicted rise in unemployment to 6½ percent from 6 percent, a smaller real gain in gross national product to about 2.4 percent from last year's 3.9 percent and a pre-tax profit gain of only 4½ percent, or less than the inflation rate. Still, they avoid the word recession. Some see it as a self-fulfilling prophesy; others cite their companies' minor or noninvolvement in the 1974–1975 recession.

"We really don't see a slowdown coming," observed William M. Agee, chairman of the Bendix Corporation, who succeeded Treasury Secretary W. Michael Blumenthal at that company. "There's still too much good out there. We expect to do well in our markets in 1979."

"I'm still optimistic," noted John T. McGillicuddy, president of the Manufacturers Hanover Trust Company. "I wasn't among those who anticipated a true recession in 1979 before the new policies of monetary and fiscal restraint were put into place, and I do not anticipate one now."

"No recession," says Thomas A. Murphy, chairman of the General Motors Corporation, who believes the economy will continue to maintain momentum and predicts sales of 11.5 million passenger cars this year.

Others are more cautious.

"We are of the recession school, and we are trying to make certain that all of our groups conservatively assess their markets against that background," said John L. Grant, executive vice president of American Standard.

Reginald H. Jones, chairman of the General Electric Company and often a spokesman for American business, does not see a deep recession, but he does expect a second-half slowdown with tight money and high consumer debt curbing housing and consumer expenditures. Business investment and strengthened defense outlays ought to keep the slowdown from turning into a deep recession, Mr. Jones said. And he expects the start of the year to be strong as a result of the tax cut, good housing starts in late 1978 and large capital-goods backlogs.

Both in the consumer and industrial sectors such executives as Edward F. Gibbons, chairman of the F. W. Woolworth Company and Mr Agee of Bendix believe that there is an even chance that their sales will hold up and possibly top last year's. However, Mr. Gibbons added, "my big fear is inflation, but I don't think mandatory controls are the answer. Let's try the guidelines."

Nonetheless, it appears that no year since 1975 has opened for business with more uncertainty than 1979, and that calls for keeping a sensitive hand on the throttle—one that can react quickly to sudden developments. Among the strategies being adopted are:

The United States Steel Corporation, hoping that the Federal Government will become more aggressive to curb steel imports, plans to return capital outlays to the $800 million level this year after a cutback last year when earnings slid. The company has increased its long-term debt in recent years so that it now has about $1 billion in cash, which Bruce Thomas, executive vice president for accounting and financing, says is invested with a return of 10 percent to 11 percent. It "will be available for expansion, for investment opportunities and for other needs," he said.

Obviously with the steel industry still under considerable cost and import pressures and United States Steel now deriving a large part of its pretax profits from nonsteel diversification it is likely that some of those funds will go into more remunerative fields than steel, Mr. Thomas indicated.

The Great Northern Nekoosa Corporation, one of the country's largest paper manufacturers, has an ongoing $250 million expansion project in its white-paper operations, which have bigger backlogs than either its printing paper or newsprint divisions. But if cash flow withers, it will lessen capital outlays by slowing down on new approvals, said Robert Hellendale, president of Great Northern Paper.

The Eltra Corporation, a diversified electrical products company, has generated an "exhaustive" divisional cost-reduction program. "We are resisting price increases that we consider too high," said Jack A. Keller, chairman, "even if we have to change old suppliers. In some product lines, we feel that a 5 percent price increase is too much."

In the consumer-goods area, new products, promotion and capitalizing on new indicated potential mark the year's game plans, but there are also moves to control inventories carefully.

While Robert Gwinn, chairman of the Sunbeam Corporation, thinks 1979 will be a "tough year," he said that "the way to hit a slowdown is to emerge with new products." Two such new Sunbeam housewares products due for a major push are the electronic memory bath scale and a solid-state electric blanket. Woolworth plans a promotion blast centered on its 100th anniversary celebration "which, we believe, will be an offset against any possible buyer slowdown," Mr. Gibbons said.

Stringent inventory control and expense tightening are under way at Levi Strauss Inc., the nation's largest apparel producer and the leading maker of jeans. Nevertheless, the company is making a major investment in its women's apparel division by substantially adding to its sales staff.

"We've beefed up our women's staff 50 percent to 105, many of them women, and we have dramatically revised our sales estimate for the division," said Peter E. Haas, the concern's president. "It should pay off this year."

Tight money and indications that interest rates may go as high as 13 percent are compelling some companies to plan for a possible cutback of capital outlays late this year. The Armco Corporation, a major producer of carbon and other steel, has such plans, as well as a "contingency plan" to maintain profit margins in the event of a sales cut. Harry Holiday Jr., president, said the plan involved cutting shifts in less capital-intensive divisions and reduction of inventories.

Oddly enough, one company, American Standard plans to "become more aggressive" on capital expenditures if a slowdown occurs. Mr. Grant the executive vice president, said, "If that happens, we will increase our expenditures 10 percent to 15 percent at a time when our capacity is down because making the capital additions to the factories will be a lot less disruptive than when they are at capacity."

The Bendix Corporation recently concluded arrangements for a $150 million line of credit as well as a $50 million loan with an insurance company, according to Mr. Agee, the chairman. "If there is a money crunch, that will give us $150 million on call," he said. "That's also a disaster plan because if there is a squeeze on working capital, that money would be available."

And perhaps because the domestic economy is so murky, some concerns, such as Levi Strauss, are considering foreign investments. But others feel that the European economy may have even slower growth. Woolworth, for one, with its far-flung international operations, sees more slowdown coming in West Germany, which has a dearth of good store sites, in Spain and in Canada.

Will there be as many corporate mergers in 1979? One merger specialist, Louis Perlmutter, senior partner at Lazard Frères Inc., predicts that there will be, even if the cost of money continues to grow. "Tax laws allow interest on debt incurred to finance acquisitions to be deductible," he said. "So with the current merger boom, I don't see the higher interest rates being a deterrent."

CONSUMERS PILE UP DEBT TO BUY HOMES, FURS, AUTOS

(By Barbara Ettorre)

"Last year I brought a house on waterfront property," said Arthur Britten, owner of a merchandise buying office in New York. "I had a condominium, but I feel the value of the land will appreciate and the pool and tennis court will give me luxurious living and offer good resale possibilities. I'm not depriving myself of anything."

Mr. Britten's observation typified two consumer trends apparent in 1978: Consumers put their money into real assets such as housing and land and they didn't blink an eye at their expenditures and their outstanding debt.

Consumer spending is stretched like a taut bowstring, and the question for 1979 is whether that string will break. To many it is one of the biggest economic questions of the year, because consumers have been the mainstay of the economic recovery and their spending represents almost two-thirds of the gross national product.

"The consumer has been saying that it is far more rational in a world of high or rising inflation to save in the form of real assets—real estate or durable goods—than in the form of financial assets," said Mary Gottschalk, assistant vice president and an economist at Citibank.

"Consumers tend to be rational, to make judgments about expenditures in the same way as corporations," she continued. "Having made the decision to buy, they can either buy now or save for it, then buy."

What worries a number of economists is that while consumers have been spending at a brisk rate for services and for durable goods, such as appliances and automobiles, they have been borrowing heavily to support these buying habits. During this economic expansion, consumers have accumulated debt at a faster rate than at any other time in the nation's history. In the first three quarters of 1978, home mortgages, consumer installment and noninstallment credit outstanding rose by about $100 billion to almost $1 trillion.

As a result, according to both the Federal Reserve and Data Resources, the proportion of total outstanding debt to disposable income is estimated to have hit a record 67.9 percent in the third quarter of 1978, up from 66.9 percent in the previous quarter.

"We might think the consumer has run out his string on debt, but this is not the case even now," said Jay Schmiedeskamp, research director of the Gallup Economic Service. "In an October consumer survey, for example, 47 percent of those interviewed said they were reluctant to buy on credit. But this was no greater than the 48 percent who said that in a January 1977 survey."

Consumer watchers say that real-income

gains increased slightly more than inflation in 1978, and, while they expect a moderation of these gains in 1979, they maintain consumers will be able to handle their debt burden.

A slower economy, as is sought by the Administration in its anti-inflation program, could mean slower retail sales and less production for the factories. But if the Administration's program triggered a recession, a real problem could ensue with consumer debt if many consumers were forced out of work and left unable to repay their debts.

However, analysts say, the consumer is in fairly good shape to weather a slowdown—providing employment and income do not experience drastic downturns, a factor they do not foresee.

"Inflation, the eroding purchasing power of the dollar and a lackluster stock market have encouraged people to hold a larger share of their net worth in the form of tangible assets, at the expense of their net financial positions," said Carol Brock Kenney, consumer analyst at Loeb Rhoades, Hornblower & Company.

This is the case for Lorraine Baltera, a 28-year-old employee of a public relations company.

"For the first time in my life, I've got two possessions that need to be insured, one being a fur coat," she said. "I'm thinking much more now in terms of major possessions as investments for the future. I want to acquire several good quality paintings, for example."

Mrs. Kenney predicted that with a 2½ percent real economic growth-rate in 1979, real consumer spending would grow by 2 percent to 2½ percent, compared with 3½ percent for most of 1978.

Also evident last year was the continuing trend of more consumer dollars being spent for services—anything from restaurant expenditures, dry cleaning, rent, college tuition and health club membership to child care and adult education courses. The Conference Board estimated that $600 billion was spent in this category in 1978.

"Back two-and-a-half decades ago, about a third of the average family's budget was spent on services. But in 1978 the proportion exceeded 45 percent substantially," said Fabian Linden, director of the consumer research department of the Conference Board, in a recent report on consumer expenditures for services.

"Even after adjusting for inflation, consumer outlays for services have been growing at an annual rate of almost 4.2 percent over the past decade and a half, or faster than total consumer outlays," he said.

In an interview in December, Mr. Linden said, "As we grow increasingly affluent, necessities take a smaller share and nonnecessities a larger one."

Many economists expect consumer spending to decelerate slightly in 1979. Moreover, they expect buying patterns to change slightly. The consumer still will spend at a brisk pace for household items, for example, primarily as a result of last year's boom in housing starts.

However, durable goods might experience some slowdown in 1979, after three years of consumer "catch-up" from the 1975 recession, Mr. Schmiedeskamp said.

Edward A. Treichel, a financial economist for the Continental Bank in Chicago, modified this view of the trend in durable-goods sales.

"In the short-term, there will be a tendency to slow growth in durables. But in the long-term, such items as appliances will show some gains," he said.

"In 1979 I don't see declines in real spending," he continued. "I feel the consumer will be supportive of the business climate, not a drag on it."

TAX REVOLT: AN IDEA WHOSE TIME HAS COME?

(By Adam Clymer)

WASHINGTON.—When California voters decided June 6 to slash their property taxes, Proposition 13 spread fear through some groups that depend on government spending, such as public-employee unions. John E. Petersen of the Municipal Finance Officers Association gave the gravest comment: "If the states are to be the test tubes of democracy, Jarvis-Gann is the Frankenstein."

Now, seven months later, despite much publicity for Howard Jarvis, the antitax antispending movement he fomented appears less a meteor than a rather slow comet—something that is going to be around, but less dramatically, for some time in American politics.

The tax revolt is really a three-pronged siege. At its most spectacular, it involves an attack on a particular tax. Idaho, for example, followed California in voting to cut property taxes. But Michigan and Oregon rejected such plans.

Less dramatically, the movement seeks to limit the growth in government spending by imposing formulas on budget increases that are tied to inflation, economic growth or population.

That part of the effort actually succeeded before Proposition 13 took form, when a constitutional convention vote in Tennessee in March led to legislative action immediately after the convention that rejected such ordinarily sacred themes as more state aid for teachers' salaries.

States as diverse as Arizona and Michigan will be learning how to live with that sort of restriction, for their voters, among others, adopted similar state spending limits in November.

The third part of the antitax movement involves state attacks on Federal spending. In the last couple of years, 22 states have voted to ask Congress to call a constitutional convention to consider an amendment pushed by the National Taxpayers Union that would require a balanced Federal budget. If 12 more states join them and if Congress finds their requests more or less identical—a big if—then Congress will be obliged to call such a convention.

North Carolina Governor James Hunt warns fellow Democrats wherever he finds them that the move is coming, saying if Congress does not balance the Federal budget first, "the people themselves will do it" through an amendment.

But this amendment scheme may run into competition from another group, the National Tax Limitation Committee, which is coordinating the various drives to limit state spending. It wants to push for a constitutional amendment requiring limited growth in Federal spending.

The phenomenon is still viewed with horror by public employees' organizations—teachers in Michigan came close to defeating their state's limitation amendment—and by some economists and public officials. They fear that limitations, especially at the Federal level, would make it hard or impossible to cope with a slowdown in the economy.

In fact, except for Tennessee's short experience with a limit, and even more tenuous data from New Jersey and Colorado, where legislatures have passed laws (which they could repeal or disobey without constitutional sanction) setting similar ceilings, the only evidence of effect thus far is from California.

There, thanks to the state's steeply progressive income tax and a healthy economy, most independent observers think Proposition 13 has had very little effect on public services, despite its opponents' preelection fears. But if a recession comes, and California's economy tends to be volatile, public services may be cut deeply.

Politically, the results have been less than dramatic. Most of these moves have been sponsored by conservative Republicans, but they have carefully stayed clear of the rhetoric of the far right. And Democrats running last fall managed to make themselves into watchdogs of government spending at least as convincingly as Republicans did.

John Connally, the former Governor of Texas now weighing a Republican presidential bid, argued that the tax cut issue hurt the Republicans with voters in November.

"We were proposing a larger tax cut than they thought was credible," he said, adding that his party's candidates should have emphasized reductions in spending instead.

But other Republicans enthusiastically endorsed the tax cuts. Senator S. I. Hayakawa of California, for example, said, "Proposition 13 limited only local government spending, but symbolically it challenged government spending at all levels. I welcome this kind of revolution. It may be the only way to save the American middle class from extinction."

He pointed out that "in 1965, 19 percent of the taxpayers were in the 20 percent or higher bracket. In 1975, 53 percent of the working people paid 20 percent or more."

The phenomenon of Democrats stealing Republican budget issues was accomplished long before California's Governor, Edmund G. Brown, Jr., switched sides and identified himself with the proposition he had fought hard to defeat. As a candidate, Jimmy Carter talked long and hard about balancing the budget, and the deficit of $30 billion or less that he has promised to propose this month will mark a major step toward that goal.

President Carter plainly sees a reduction in Federal spending—which pluralities, and in some cases majorities, of poll respondents call the prime cause of inflation—as an idea whose time has come.

He is laboring to bring his party in line with this thinking. He warned at the Memphis meeting that budget-cutting was essential to halt inflation, and that inflation "breeds a politics of fear," that makes it impossible to "preserve a commitment to compassionate and progressive government."

And for now at least the Democratic majorities in Congress seem ready to go along, according to such diverse Democrats as House Speaker Thomas P. O'Neill, Jr., and Representative Abner J. Mikva of Illinois, who noted, after the first flurry of 2 percent budget cuts passed last summer, that "tax revolt is nowhere near as traumatic as people said."

As a 1980 issue, this is likely to be heard first among Democrats. Senator Edward M. Kennedy of Massachusetts, warning that it would divide the party and the nation if Democrats cut social programs, is already challenging the Presidential lead.

If Mr. Carter can bring off budget cuts without causing a recession and manage to cut inflation too, that liberal challenge will be diminished, and Republican hopes should dissipate. But if unemployment goes up sharply this year, as the Congressional Budget Office fears, he may face a tough fight for renomination before anyone gets around to considering whether the Republicans could do better.

"FITZ," TOUGH NEGOTIATOR FOR TEAMSTERS

Frank E. Fitzsimmons, 70 years old and the fifth president of the International Brotherhood of Teamsters, may be a pariah to George Meany who heads the A.F.L.-C.I.O. and a perennial target of Federal investigators who

have yet to charge him with anything, but he is still a darling to Presidents who need a favor—and the Carter Administration needs one if its wage guidelines are to be effective. One of the toughest tests will occur when the Teamsters' master freight agreement expires on March 31.

The craggy-faced, heavy-set Teamster is often underrated outside the union: He is less than articulate and is even reduced to sputtering over allegations of Teamster corruption. Once an over-the-road driver, he rose to power as Jimmy Hoffa's aide and took over union leadership when Hoffa was jailed. He has been elected ever since, and remains unchallenged in a union of tough guys. He maneuvered cleverly to build alliances among the Teamster powers and won enormous pay and benefit increases for his members—over-the-road drivers now earn $25,000 a year.

Now the Government is seeking his help. President Carter's wage-price guidelines suggest a 7 percent limit to total wage-benefit increases. "Fitz" said 7 percent was not enough and that fringes, such as added pension costs and welfare benefits, shouldn't be counted. Quick as a bunny, Secretary of Labor Ray Marshall made it clear that the guideline "was not etched in stone."

But unlike the guideline, Fitz doesn't bend. When he heard that the Government might interfere in his bargaining, he said: "The first time the Government intervenes in our negotiations, we will negotiate from a strike position."

THE PRESIDENT VS. THE ECONOMY: WHO'S AHEAD?

(By David E. Rosenbaum)

WASHINGTON.—Sometime between the time he made those two statements—between the time he proposed a $50 tax rebate to all Americans and the time he took a series of extraordinary steps to bolster the dollar, between the time he endorsed ambitious plans for revamping the nation's welfare, health and other social systems and the time he decided to limit the budget deficit to a parsimonious $30 billion—sometime, in other words, in his first two years in office, President Carter realized that he had lost control of the nation's economy.

No longer is there hope for new initiatives to help the underprivileged. No longer is there a chance to reduce the unemployment rate to 5 percent or lower. No longer is an annual growth rate of 5 percent a realistic target. No longer, in short, can Jimmy Carter pursue traditional Democratic goals and the platform on which he was elected.

His goal now is a single-minded one: He must somehow limit inflation—"our most serious domestic problem," he now concedes—without plunging the nation into a recession. Outside the Administration, not one economist in 10 gives him much chance of succeeding.

Publicly, the President's closest advisers say that fighting inflation is good politics, that a conservative tide is sweeping the country and that the people are willing to settle for less rather than more from government. Privately, these same advisers are deeply concerned that Mr. Carter will lose the war against inflation, lose his natural Democratic constituency in the process and lose the 1980 election as a result.

It ought not have come as a surprise that the economy seems to have gotten the better of Mr. Carter's plans. His three most recent predecessors similarly changed economic course in mid-stream.

Lyndon B. Johnson was forced to abandon the notion that the country could afford both guns and butter, and he pushed through Congress a surtax to pay for the war in Vietnam. Richard M. Nixon discarded the laissez faire approach to the economy on which he had been elected and instituted mandatory wage and price controls. Gerald R. Ford stopped trying to whip inflation within months after he took office in the face of a staggering slide in the economy.

But that is no solace to Mr. Carter. It came, his advisers say, as a rude shock to Mr. Carter that the success of his presidency would hinge on so many factors outside his control.

First, there is Congress, where many of the major battles in the war against inflation will be fought and where the President has few committed allies. The "real-wage insurance" proposal, which has become the cornerstone of his anti-inflation program, has been attacked by many of the Congressional leaders whose support is necessary if it is to be enacted. Even if it becomes law, there will probably be so much Congressional nit-picking that passage will come too late to affect wage settlements in 1979.

Congress will also decide in the end whether the budget deficit can be held below the magic $30 billion figure. Senator Edmund S. Muskie, Democrat of Maine, and others in Congress who are responsible for setting spending and revenue levels doubt now that it can. Liberals, led by Senator Edward M. Kennedy, Democrat of Massachusetts, have pledged to continue to strive for more outlays for social-welfare programs. And the influential analysts at the Congressional Budget Office are predicting a recession in the last half of 1979 if Congress sticks to the President's plan. The second factor, over which Mr. Carter has little control is labor negotiations. Neither businesses nor unions have much confidence in the anti-inflation program. Many in labor, including George Meany, president of the A.F.L.-C.I.O., view the President virtually as a traitor. The business sector sees the President as ineffectual. Both sides have told him to keep out of their bargaining.

A third force is the international money markets. The international bankers thumbed their collective noses initially at the anti-inflation program. The steps taken in November to stabilize the dollar were successful in the short term, but no one knows about the long haul. If the dollar remains weak, inflation cannot be conquered; conversely, if inflation does not abate, the dollar will not strengthen.

In the final analysis, Mr. Carter cannot be expected in the year ahead to control the economy. He can only try to cope with it—and hope that next year, when he begins his race for re-election, the economy is no longer controlling him.

GUIDELINES TODAY—CONTROLS TOMORROW?

(By Steven Rattner)

WASHINGTON.—President Carter's voluntary wage and price guidelines, while just a few months old, have already caused confusion and considerable speculation that mandatory controls are likely to follow within a year.

The Administration has maintained insistently that there will be no mandatory controls, but whether the voluntary program will be successful in curbing inflation is far from clear.

The reason for concern, however, is crystal clear: After the disastrous post-Vietnam oil-price experience of 1973–74, inflation by 1976 had slowed to 4.8 percent. In 1977, it crept up to a still tolerable 6.8 percent. But in 1978, the rate exploded. In some months, the increases in the Consumer Price Index were nearly a full percentage point, and by year-end, the total was frighteningly near double-digit territory.

Reacting to a disastrous first quarter, the President in April announced Phase I of his inflation program—a voluntary system of guidelines designed to decelerate wage and price increases under the direction of the energetic Robert S. Strauss, who was already holding down one job as the nation's chief trade negotiator.

But even Mr. Strauss's energy could not overcome the widespread evidence that the program was largely windowdressing. On Oct. 24, a less-voluntary, but still not mandatory, Phase II was announced. The actors changed as well, with Alfred E. Kahn, the highly acclaimed chairman of the Civil Aeronautics Board, assuming the role of chief inflation fighter with the principal title of chairman of the Council on Wage and Price Stability.

The anti-inflation program was the product of an interagency group, which, enjoined not to propose anything that required new legislation and constrained by the President's lack of authority, developed a series of guidelines similar in concept to the mandatory controls of the Nixon era.

The Nixon wage and price controls, which began in August 1971 with a total freeze on wages and prices, had similarly come in response to a mounting inflation rate. But the program then was mandatory and included complex requirements for computing and posting permitted prices for thousands of items. Yet, some of the Nixonian precedents were used—sometimes almost verbatim—in drawing up President Carter's program.

Basically, under the current program, labor contracts were to include the wage and benefit increases totaling no more than 7 percent, and price increases were generally to be kept below a 5¾ percent ceiling, but could be as much as 9.5 percent depending on whether the company had had unusual cost increases or whether the company historically had increased prices substantially.

The Government's principal weapon of enforcement was to be the threat of denial of the right to bid on Government contracts. Lesser threats were to include the power of regulatory agencies over certain industries and the ability of the Administration to control such things as import quotas.

The plan has been under continued attack from labor as favoring business. Union leaders have charged that while the wage standards is almost completely inflexible, companies are offered several alternative ways to formulate their price structure.

To most observers, the charges had some validity, but the bias was seen as stemming not so much from a pro-business slant as from a conviction within the Administration that business's prices are basically competitive and rise when the underlying costs—represented principally by labor—also rise. Monitoring of business is necessary, but the real key to curing inflation is to deflect the rate at which wages are rising, Administration economists believe.

But the wage standard proved so tough that in early December, the Administration moved to loosen it (and made some other changes as well). As tough as it would be to win support from unions accustomed to 10 percent annual increases. Administration economists reasoned, getting them to include the mounting cost of fringe benefits plus salary increases within a 7 percent standard would prove virtually impossible. Corporations, worried that the Administration would denounce them, agreed, so the costs of maintaining existing fringe benefits were removed from the guideline for wage increases.

The changes notwithstanding, trying to comply with the guidelines remained a difficult task for business, which was faced with often-confusing regulations. The task was also tough for the Administration, which at year's end was trying to add 100 economists, lawyers and accountants to the enforcement staff of the Council on Wage and Price Stability.

Nonetheless, the Administration maintained that it would present a Phase III to Congress this month. That package of legislative proposals was to include not only the innovative real-wage insurance plan, designed to provide tax credits to reimburse workers for inflation, but also the long-standing proposal to control rising hospital costs and perhaps other ideas such as deferring minimum-wage increases.

The real Phase III, in the minds of the public, is the question of mandatory controls. The position of the Administration has been unequivocal: no mandatory controls under any circumstances presently imaginable. To the skeptical public, that was reminiscent of similar promises made by former President Nixon before he imposed mandatory controls.

That conviction was reinforced by the fact that also at year's end, the Administration's voluntary program seemed to be having no effect. Nor was there any sign of promise that the two big contracts of early 1979—involving oil workers and truckers—would represent a victory for the guidelines.

MILLER'S MONETARY POLICY—HOW TIGHT?

(By Clyde H. Farnsworth)

WASHINGTON.—Not since the days of Franklin D. Roosevelt has a President had so great an opportunity to shape the independent central bank as President Carter will soon have. Some time early this year the White House will nominate two new members of the board—an action that will be watched closely both domestically and internationally for an indication of Government intentions on the course of the dollar, the flows of credit and much of the economic future of this country.

Together with G. William Miller, a socially conscious businessman from New England whom the President named chairman of the board, and Nancy Hays Teeters, an eclectic Keynesian fiscal specialist whom he named to the board, the new members will form a majority of the seven-member board. And within a year there may be another vacancy when the term of Philip E. Coldwell, a career Fed economist from Dallas, expires. Thus, the boards direction will give a clear signal of whether the Administration is determined to back up its official rhetoric with tough policies to beat inflation.

The shared responsibility of the selection process (between the White House and Mr. Miller) makes it also, as Wall Street Fed-watcher, Henry Kaufman, general partner of Salomon Brothers, puts it, "a key test for Mr. Miller."

After early accommodations to the President's populist inclination for easier money and credit, Mr. Miller, with Treasury Secretary W. Michael Blumenthal as a powerful ally, persuaded the Administration to shift its priorities 180 degrees to fight inflation and stem the dollar's plunge.

When chaos broke out in the financial markets following the President's Oct. 24 anti-inflation speech, Mr. Miller and Mr. Blumenthal drew up the celebrated dollar defense package. One of the main elements was the one-percentage point rise in the discount rate announced by the White House.

Mr. Miller also led the Administration to trim the size and defer the timing of the tax cut to reduce the fiscal deficit. Finally the Administration, at his prodding, again weighed balancing the budget.

But not everyone gives Mr. Miller high marks after almost a year in office. The chairman of the Senate Banking Committee, William Proxmire, publishes his report card. The grade was "F"—"clear failure," said the Wisconsin Democrat. Both inflation and interest rates have continued to rise despite Chairman Miller's statements that he wants to reduce them. And now to make matters worse, interest rates have reached levels that many economists believe will lead to a recession next year."

That's a bit unfair, says another Wall Street Fed-watcher, David Jones, vice president of Aubrey Lanston and Company, who gives Mr. Miller a "B" against "A—" for Arthur F. Burns, his predecessor.

Mr. Miller has taken to giving his own report card: "I give Senator Proxmire a B+ as chairman of the Banking Committee, but a "Z" on analysis of who or what causes inflation and interest rates to rise."

The new chairman, who as chairman of Textron had a reputation as one of the quickest and smartest business executives in the country, found he could not move rapidly to meet the demands of domestic and foreign money centers for an interest rate jolt to control the rapid expansion of the money supply and inflation. Mr. Carter and most of his advisers abhorred high interest rates; and despite the Fed's independence, Mr. Miller would not risk a showdown with the President who had just appointed him.

Independence may be the ideal, but accommodation is the political reality, according to such Fed watchers as former governor Sherman Maisel and Congressional economist Robert Weintraub.

Thus, Mr. Miller moved cautiously even as the onslaught upon the dollar intensified. He talked anti-inflation to the Administration, but sided with the doves in the policy-setting Federal Reserve Open Market Committee.

He made a mistake, and later recanted it, when he became publicly identified with a vote against raising the discount rate last July. It was a mistake because it raised questions about anti-inflation credibility and triggered heavy dollar selling.

He also spoke, perhaps prematurely, of interest rates "peaking" by the end of the year. In a December interview a little before the Organization of Petroleum Exporting Countries raised the price of oil, he called the present degree of credit restraint adequate. But after the oil price rise rates edged up.

Finally, at yearend, as he had predicted, the high interest rate policies seemed to be biting. Growth of the money supply was finally slowing after the Federal Funds rate, the short-term money rate that is the barometer of Fed intentions, had climbed above 10 percent from 6¾ percent last spring.

Another Wall Street Fed-watcher, James Sinclair, commented: "If the detractors of the Fed action got what they purportedly want, I assure you they would not want what they would get. Interest rates would shoot up to 14 percent, and the stock market would stumble into a deep, dark hole."

Mr. Miller, is a brisk, practical man. His style is to avoid confrontations and get things done. The pipe-smoking Mr. Burns was an unusually strong personality who dominated the board and the Open Market Committee. Mr. Miller is less charismatic, more of a consensus man. The emphasis is on action, brevity (no one is allowed to talk too long), less smoking (he's a non-smoker) perhaps less wit.

In a recent interview, he said he had been enjoying himself at the Fed, even though he makes only a fraction of what he earned in private industry. He said that working with other parts of the Government and the Administration, had been "much easier and more harmonious" than he expected.

TAX CREDITS: CARTER'S PLOY TO RESTRAIN WAGE GAINS

(By Edward Cowan)

WASHINGTON.—With the emphasis here on fighting inflation and trimming the budget deficit, Congress will probably skip the issue of tax cuts this year unless consumer spending collapses and the national unemployment rate soars above 7 percent.

Government economists are hoping that the Revenue Act of 1978 will help prevent that. They say that the $19 billion of income and capital gains tax-cuts for individuals and corporations—showing up this week in the form of reduced income-tax withholding in the first pay checks of 1979—will help sustain consumer spending and corporate investment and prevent the economy from sliding into a recession.

But at the same time higher Social Security taxes, which went into effect on Jan. 1, will, in many cases, offset the gains of lower withholding rates.

To give wage-earners relief if consumer prices rise by more than 7 percent, President Carter has proposed a new tax credit he calls "real-wage insurance." To be eligible, a taxpayer would have to be part of an employee group within his company whose compensation—salary plus benefits—rose by no more than 7 percent during the year.

The real-wage insurance bill is likely to become a partisan battleground in Congress. The President proposed it to encourage labor to accept his wage guideline. A vote for it will be construed as support of his price-wage stabilization program and that means most Republicans will oppose it.

Organized labor also opposes the voluntary guidelines, and if the unions seek to shoot down the insurance legislation, Mr. Carter will have great difficulty moving it from Capitol Hill to his desk for signing. Indeed, Congress could well reject the proposal outright.

Other issues facing Congressional tax writers include revision of three sections of the Internal Revenue Service regulations that deal with:

An issue called "carryover" which has to do with capital gains and estate taxes; it is very complicated and by most accounts it is the most emotional tax issue to vex Congress in quite a long time. Congress changed the carryover rule concerning capital gains on inherited assets in 1976 to close what tax-reform advocates said had been a loophole. The 1976 act required that an heir take as his cost-basis not the value of the asset at inheritance—which the law had permitted until 1976—but the basis that would have been used had the benefactor sold the asset in his lifetime. Probate lawyers have contended that the 1976 changes created impossibly complex problems of tax and estate administration. The Treasury asserted that this was a false claim whose real purpose was repeal of the 1976 act. But last year Congress temporized by extending the effective date of the new rules to the end of 1979.

Withholding of taxes for payments to so-called independent contractors. The question of who is an independent contractor and who is an employee has embroiled the I.R.S. in some close call. By listing someone who does work for a company as a contractor, the employer avoids paying Social Security and unemployment insurance taxes and the contractor's wages are not recorded with the I.R.S. in the same manner as that of regular workers. The Treasury says that, as expected, independent contractors seem to omit more income from their returns than do employees whose pay is recorded on a W-2 form.

Fringe benefits. The I.R.S. has been trying for several years to collect taxes on certain kinds of non-cash benefits it regards a taxable income, such as free tuition for the children of a university's employees, free plane rides for airline employees and free use of company cars for nonbusiness driving.

There also will be a good deal of talk—but probably little legislative action—about Social Security payroll taxes and something called VAT, an acronym for value-added tax,

which is a European-style sales tax levied on manufacturers and sometimes services. At each stage of production and distribution the tax is imposed on the value added by the fabricator or processor or packager. Ultimately, the tax is added to the price the consumer pays for the item.

The chairmen of the tax-writing committees—Russell B. Long, the Louisiana Democrat of the Senate Finance Committee and Al Ullman, the Oregon Democrat of the House Ways and Means Committee—see VAT as an alternative to the Social Security payroll tax. That tax rose on Jan. 1 to 6.13 percent on the first $22,900 of earnings. By 1981 it will reach 6.65 percent of earnings of up to $29,700. Mr. Ullman and the executive branch think that's too high.

Hearings on VAT and on Social Security financing in 1979 could pave the way to legislation later. The value-added approach is probably two years, perhaps a half-dozen, away from enactment—if it makes it at all. Mr. Ullman's Social Security timetable calls for action in 1980 to scale back the 6.65 rate.

The tax-writing committees have stopped the I.R.S. from acting administratively because of the heavy mail members of Congress get whenever the issue warms up. However, the tax writers have found it easier to procrastinate than to write a bill.

DEREGULATION: PANACEA OR PANDORA'S BOX?

(By Ernest Holsendolph)

WASHINGTON.—This city, known for its susceptibility to fevers, has come down with a major one called deregulation virus.

Its beginning can be traced to the pledge made by President Carter during his campaign that he would seek to cut out regulatory red tape and governmental interference with business. From that germ, an epidemic of regulatory reform has spread.

Actually the idea of deregulation has been alive here for several years, revived now and then by academicians and encouraged by Senator Edward M. Kennedy of Massachusetts.

But the predisposition of President Carter, with his opposition to the "wastefulness" of compliance with regulations and the dramatic success of airline deregulation last year, truly brought deregulation to its current feverish stage.

Actually there were three main developments in 1978 on the regulatory front: the President's announced intention last fall of reducing the inflationary impact of regulation; the implementation of Charles L. Schultze's idea of forming a regulatory review council to measure and grade the economic impact of specific regulations as well as to introduce a calendar of coming regulatory events; and the move among independent regulatory agencies to assess their impact and to loosen their grip on their rules.

Also, the Administration is preparing legislation to change the regulatory framework governing railroads and trucking, in both cases generally aimed at reducing its control of the two industries.

While chances appear good that some legislation will come out of Congress on railroads, transportation specialists say that it is doubtful that the committees can get to trucking in 1979. Senator Howard Cannon, the Nevada Democrat who now heads the Commerce Committee, says flatly that he does not intend to tackle trucking. Late last month, however, the Interstate Commerce Commission said it would continue its attempts to deregulate trucking.

Regulation is big business. In a respected analysis, Murray L. Weidenbaum and Robert DeFina, economists at Washington University in St. Louis, found that in 1976 the total annual cost of Federal regulation, including administrative costs and compliance costs, was $66 billion. The compliance costs formed the greatest share of the overall cost, amounting to some $63 billion. And the paperwork involved in compliance was the biggest single segment of cost—$25 billion—for all of the industries put together.

If the $66 billion in 1976 appears large, it will be dwarfed by the costs in 1979, Dr. Weidenbaum predicted, citing estimates of more than $103 billion.

While the Washington University analysis is the most highly regarded effort in what all economists acknowledge is a slippery task, Secretary of Commerce Juanita Kreps and her staff are working on a framework for a "regulatory budget." It would require each agency to project, along with its traditional costs, the costs of complying with each regulation that it promulgates in order to keep officials cognizant of the consequences of their policies.

But, while they are diminishing in number, there are still strong advocates of regulation. Bennett C. Whitlock Jr., president of the American Trucking Associations, asserts that "the orderly protection of the regulatory umbrella has been enjoyed most significantly by the shipper, who has been able to take advantage of reasonable rates, good service and get value for his dollar."

And in a presentation in December to the Senate Commerce Committee, Wayne G. Granquist, a specialist in regulatory policy for the Office of Management and Budget, put it this way:

"We recognize that we must pay more attention to *incremental* costs and benefits. For example, in determining the level of stringency of a regulatory standard, we need to know whether the extra benefits are worth the extra costs. We must also try to assure that these dollars are being allocated where they will do the most good."

Conservationists and environmentalists, of course, are wary of the abundant talk about reducing the impact of regulation, fearing that such concerns will provide an excuse for taking the pressure off industries that spoil the environment. But Carolyn Shaw Bell, an economist at Wellesley College, suggests that while in addition to toting up the costs of regulation, reformers must also take into account such "benefits" of regulations as higher productivity resulting from reduced illness and increased longevity of workers thanks to improved working conditions mandated by the regulatory agencies.

A number of regulatory agencies that deal with specific industries are making moves on their own. Some of their actions are:

The Civil Aeronautics Board, even before Congress passed a sweeping law to provide freer entry and give carriers latitude to change prices, promoted competition by extending wider operating authority to airlines that offered low fares.

The Interstate Commerce Commission, whose surface transportation industries shelled out $11 billion for compliance in 1976, is moving steadily to relax regulations in the huge trucking industry. It plans to provide easier access to the business by truckers in hopes that added capacity will serve to pressure prices downward.

The Federal Communications Commission, partly under pressure from Rep. Lionel Van Deerlin, the California Democrat who heads the Communications subcommittee, is proposing to deregulate radio broadcasters in selected markets in 1979 as a test.

Consumer and safety regulatory agencies have not signalled broad relaxation of their politically sensitive rules, but they have indicated growing consciousness of the impact of the rules on industry. Douglas Costle, head of the Environmental Protection Agency, has been named by the White House to head the Regulatory Analysis Review group which will measure the impact of specific regulations.

With the Administration continuing to press its concerns about inflation, it is clear that the pressure will grow on individual agencies to justify regulations and exhaust all other alternatives before promulgating additions to Washington's voluminous list of controls over the way industry works.

FARM AID: LEGISLATING HIGHER FOOD PRICES

(By H. J. Maidenberg)

("The harvest is past; the summer is ended, and we are not saved."—Jeremiah 8:20.)

The prophet might just as well have been assessing the current state of the nation's biggest industry, agriculture. After three record harvests of basic foodstuffs—corn, wheat and soybeans—food prices are again expected to climb 10 percent this year. And food is the biggest factor in the cost of living.

And while President Carter has showered more benefits upon farmers in the last year than during most of the New Deal Era, farmers are now convening once again at Washington's Quality Motor Inn to demand still more help from the Administration.

To further confuse the agribusiness situation, the agricultural sector of the economy remains outside the President's anti-inflation wage-price guidelines; so do foreign commodities. But food processors are expected to live with these price parameters.

Above all, the prices all Americans, indeed, everyone on the planet, will pay for food this year not only depends on a fourth consecutive record crop year in the Northern Hemisphere, which is considered extremely chancy, but also on how much food China's 900 million people will require.

These questions were raised by John Schnittker, a leading agribusiness consultant to the food industry and a former Assistant Secretary of Agriculture in the Johnson Administration, during a recent interview at his Washington offices.

"We have still to see the full impact of the farm decisions made by the Executive Branch and the Congress in 1978," he said. "Thus far only four cases stand out as inflationary factors. One is the extension of the reserve and set-aside programs. The second is the 9 percent rise in dairy support prices that have been passed on to consumers.

"Thirdly, sugar prices are 40 percent higher than they would have been if these support prices had not been increased. Finally, all the three factors just mentioned have built-in mechanisms that are bound to generate higher prices, even if nothing else is added."

A former professor of agriculture in his native Kansas, Mr. Schnittker noted that the odds against a fourth straight record harvest this season were enormous and that a major crop failure in any major food importing country would cause inflation to accelerate.

China is the second major question mark after the weather. Long before Washington and Peking decided to restore full diplomatic relations last month, the Administration moved to permit China to buy unlimited amounts of American farm products on long-term credit.

Despite a normal harvest last year, China bought 8 million tons of American grain, plus an equal amount elsewhere, just to maintain then-current rations for its people. The purchases here were the first in four years. China had to feed 18 million new people in 1978.

Happily for the American consumer, the Soviet Union, another big customer, reported a record harvest last year, which should substantially reduce its requirements in 1979.

But the consumer must also reckon with the increasing sophistication of the American farmer in holding his vast inventory of grain away from the market (soybeans, although vital to the food industry, have never been in significant oversupply).

The farmer can hold his crops off the market because the Administration extended the Federal crop loan period from 11 months to three years. Thus, a farmer can pawn his corn, wheat and other crops at a modest interest cost and still receive Government payments for storage on or off the farm. This is what Mr. Schnittker referred to when he cited the new "reserve" program.

Meanwhile, the set-aside program, formerly known as the soil bank, enables farmers to idle varying portions of their acreage without, in effect, losing any money. Outright subsidies have been increased.

Cargill, Inc., the giant grain-trading house, summed it all up recently when it reported: "The maze of Government lending programs makes it virtually impossible to generalize about borrowing costs and credit availability in the agricultural sector. There are also the added factors today of Federal crop loan and reserve programs."

What, then, do farmers want today? According to Mr. Schnittker, the farmers gathering in Washington want full, 100 percent parity, meaning that they want the Government to guarantee them their cost of production as well as a "reasonable" profit.

These angry farmers are comprised mostly of younger people who often have to rent or lease land because they cannot afford to buy farms at today's prices. Most are deeply in debt, squeezed by climbing overhead costs and therefore unable to take advantage of another benefit bestowed on farmers by the President last year—the right to borrow up to $400,000, with the Government guaranteeing 90 percent of the loans.

"There are about 2.7 million farmers in the nation," Mr. Schnittker said. "About 700,000 own their own land, are buying up smaller properties all the time to expand output economically, and are generally in fine shape. At the other end we see 300,000 farmers below the poverty line or close to it. In between we find a great many who farm and work in other businesses, so the income figures are distorted because they are part-time farmers and ranchers."

Indeed, the only certainties in agribusiness today is that production, processing and marketing costs will continue to rise; more farmers will be bought out by luckier and wealthier producers; farmers will demand more Federal financial aid because prices aren't high enough; food manufacturers will cite higher farm prices in marking up their goods, and the consumer will pay more at the check-out counter.

PROFIT GAINS EXPECTED FOR MOST INDUSTRIES

(By Phillip H. Wiggins)

Despite rising inflation, a devastating weakness in the dollar in the third quarter and talk of the recession, major industrial sectors of the economy, although remaining cautious, foresee limited gains this year. Analysts are forecasting a 6 percent to 10 percent growth in after-tax corporate profits for 1979, compared with an 11 percent gain estimated for 1978.

"We share the general view that growth will be slow in 1979, but we do not expect the kind of recession that would impact profits and dividends severely," said Arnold Bernhard, research chairman of the Value Line Investment Survey. "We think the dividend level will hold. In fact, it may go up more than profits. The payout ratio is very low."

Mr. Bernhard said he thought airlines would benefit from deregulation of fares, that health services would continue to grow and that the hotel and motel businesses would prosper.

"We expect consumer hardgoods—from refrigerators to automobiles—to be down this year because the consumer is stretched thinner today than at any other time in recent memory," said Steven Lewins, research director at Value Line. "The housing industry is poised for a cyclical downturn."

Mr. Lewins said Value Line was "deeply concerned about the prospects of strikes this year in four major areas—trucking, autos, building trades and the tire and rubber industry."

Analysts' views of the outlook for several key industries are:

Airlines: Whether the airline industry will continue to chalk up record profits in 1979 is questioned by Robert S. Krauser, a member of the New York Society of Securities Analysts.

Much to the industry's surprise, he said, lower fares resulted in a dramatic increase in passenger miles and correspondingly higher profits in 1978. However, with deregulation of both routes and prices on the way, new competitors may proliferate. The result could be that gains in passenger miles will not bring higher profits, he said.

At the same time, he added, the airlines will be spending billions of dollars on fleet expansion and any disappointment in revenues could have a sharp effect on this industry. Pan American World Airways and Trans World Airlines showed dramatic improvement last year.

Chemicals: In terms of profits, the chemical industry in 1978 performed better than expected.

There were divergent trends. "Downstream" companies, those involved more with retail sales to the consumer, such as Celanese and the E. I. du Pont, fared better than "upstream" companies, those concerned more closely with production and raw materials, such as Dow Chemical and Union Carbide. Du Pont's profits, for example were expected to be up about 40 percent for 1978, probably one of the highest in the industry, while Dow Chemical's earnings were expected to rise only about 3 percent.

Overall, chemical-industry profits for 1978 are expected to be 10 percent above 1977. But some analysts believe, with the anticipated slowdown of the economy this year, that chemical profits could be off as much as 10 percent. Analysts expected chemical companies to try to push through price increases early in 1979, beating anticipated price controls.

Computer equipment: A 15 percent rise in revenues has been estimated for the computer industry in 1978. A computer specialist at Value Line said overall capital expenditures would expand by 12 percent, or 4 percent in real terms.

"There is no price inflation in computer revenues because of advancing technology, which gives more performance for the dollar," he said. "We are looking for about a 13 percent rise in revenues in 1979 and a 10 percent rise in earnings."

The 27 computer companies Value Line uses to gauge the industry will have projected revenues of $45 billion in 1979, up from an estimated $40 billion in 1978. Net profits are estimated at $4.8 billion in 1979, up from $4.4 billion estimated for 1978. The International Business Machines Corporation, the NCR Corporation, the Control Data Corporation, Honeywell Inc., the Sperry Rand Corporation and the Burroughs Corporation, leaders in the field, all performed better last year.

Food: About a third of the typical American family's food budget is spent eating away from home. This is expected to rise to 50 percent by the 1980's, a report by Doremus & Company shows.

Consumption of natural foods is increasing in West Germany, the Netherlands, Belgium, Britain and Japan, and American food exports to these countries can be expected to expand substantially in 1979.

The largest and fastest-growing segment of the $95 billion food-service industry is commercial, accounting for 67 percent of the total dollar volume. Fast-food chains are expected to increase their business by 24 percent over the next two years, recreational food service by 21.5 percent and full-service restaurants by 23 percent, the report said.

Insurance: The rapid pace of merger and acquisition activity highlighted the insurance industry in 1978. The year's largest bid was the NLT Corporation's acquisition on Dec. 4 of 5 million shares of the Great Southern Corporation at $58 a share, or a total of $290 million.

"The life-insurance industry continues to show excellent growth, with earnings expected to rise 12 percent to 14 percent in 1978 and in the range of 12 percent to 12.5 percent for 1979," said Theodore J. Newton Jr., an insurance industry analyst at Blyth Eastman Dillon & Company. "Property and casualty insurance is having an excellent year. In terms of profit margins, it will probably be the best year of the current cycle with a profit margin of about 5 percent," he said of 1978.

Machinery: Capital-goods orders in the machinery-manufacturing industry have continued higher, according to Merrill Lynch, Pierce, Fenner & Smith's third-quarter industry report. The firm expects capital spending for 1979 to increase slightly in real terms from 1978. Therefore, Merrill Lynch says, earnings of most machinery companies should increase next year.

Merrill Lynch says the machinery stocks seem to be discounting any deep recession in 1979. "We believe that until that discounting process is complete, the shares of machinery companies will tend to reflect the prospects for a decline in earnings in 1980, despite the likelihood of higher earnings in 1979."

"Two premier machinery companies in terms of investment quality have been the Caterpillar Tractor Company and Deere & Company," said Alexander M. Blanton, Merrill's senior machinery analyst.

Paper Products: "Last year the paper industry grew faster than generally because the markets that paper services, such as magazines and advertising, have grown faster than general business activity," said Norma Pace, senior vice president and chief economist of the American Paper Institute.

"In 1979, the demand for paper will be paced by economic activity. If we have a 2 percent growth in the gross national product, we will see at least a 2 percent growth in the paper industry," she added.

The institute's annual survey of pulp, paper and paperboard capacity foresees an expansion-rate of 2.4 percent a year between 1979 and 1981. Paper and paperboard capacity in 1981 is expected to be 72.6 million tons, with woodpulp totaling 57 million tons. This compares with an estimate for 1978 of 67.5 million tons for paper and paperboard and 53 million tons for woodpulp.

The sales of 40 companies in the paper and paper-related products field for the first three quarters of 1978 reached $25.1 billion, 11.9 percent above 1977.

The Champion International Corporation and the Georgia-Pacific Corporation gained in 1978, while earnings slipped at the Crown Zellerbach Corporation and the International Paper Company.

Pharmaceuticals: "I'm expecting outstanding, unusual earnings progress by the drug industry in 1978, averaging more than 25 percent year-to-year comparisons," said David Saks, drug analyst for Wertheim & Company. "This year I'm looking for another 16 percent average earnings gain. By comparison, in the years 1975, 1976 and 1977, average earnings expanded only 7 percent.

Factors that would contribute to such gains include an increase in introductions of new drugs, recovery of demand in international markets and attempts by the industry to raise prices. On a short-term basis, the industry's earnings reflect a relaxation of

efforts by the Food and Drug Administration and Congress to regulate the industry.

Prime beneficiaries of new-drug activity have been Merck & Company, with its Clinoral, an anti-inflammatory drug for the treatment of arthritis; the Smith Kline Corporation with its Tagamet, a drug for the treatment of ulcers, and the Upjohn Company with Motrin, another anti-inflammatory drug.

HOUSING—IT SHELTERS MORE THAN THE FAMILY

(By Alan S. Oser)

Despite high prices and tightening credit, demand for housing has remained strong with people increasingly relying on home purchases as a hedge against inflation.

"We finally saved enough for the downpayment, and, with the prices rising, we thought it was better to buy now than next year," said Mrs. Karen Lando, of LaGrange, Ill., one such buyer. She and her husband bought a $90,000 house with a 20 percent downpayment.

Such reasoning may prove sound because the average price of a single-family house rose 14½ percent last year, while the overall inflation rate was about 8 percent—a more rapid appreciation than the usual rise in the resale price of houses of two points ahead of the inflation rate.

The industry has also been bolstered by the longterm prospect of high housing demand, accompanied by a growing mobility in American Society, creating constant housing needs.

Moreover, at the end of 1978, builders were not experiencing the "overhang" of unsold units that lengthened the previous major downturn, and the California, Florida, Dallas and Phoenix and markets have been particularly active.

"Californians never accepted the conventional 'stay-put' idea," observed Leon Kendall, president of the Milwaukee-based Mortgage Guarantee Insurance Corporation. They expect to move again in a few years, he said, and "all they ask is," "How much down and how much per month?"

In California "in the last 60 days bookings were as strong as they were a year ago," said Michael Tenzer, president of the Leisure Technology Corporation, builders of retirement communities.

Furthermore, the pool of the strongest potential buyers—those in the 25- to 34-year-old age group—is rising. That segment of the population rose from 27 million in 1972 to 33 million last year and is expected to keep rising through 1990.

But as the year drew to a close, the negative impact of rising interest rates on housing starts and purchases had started to take hold. Housing was into what Mark Riedy, executive vice president of the Mortgage Bankers Association, called a "soft landing" as mortgage-interest rates reached 9½ percent to 10½ percent. And Mr. Tenzer suggested that the Northeast would not be able to bear the steadily rising costs of labor and materials.

The industry managed to avert an abrupt decline because banks were able to use new tools to retain funds for mortgage loans at a time when rising interest rates elsewhere were competing for their deposits. The savings institutions offered six-month certificates at rates higher than Treasury bills, thus impeding the flight of funds from housing lenders that accompanied the last recession.

Nonetheless, most industry leaders were predicting that there would be about 300,000 fewer homes built in 1979—a 15 percent downturn from 1978's 2 million starts. Most estimates of new starts in 1979 ranged from 1.6 million to 1.8 million, an aggregate number that masks severe regional differences.

Since housing and related industries account for about 7 percent to 8 percent of gross national product, an overall decline of 10 percent to 15 percent in one year is substantial, said one housing economist, Louis Winnick of the Ford Foundation. In some regions of the country such a national rate "translates into something that could be characterized as recession," he said.

Across the country lenders were already predicting production declines of varying sizes as higher financing costs restricted the public's capacity to "carry" new houses. James Lutes, senior vice president of the Midland Federal Savings and Loan Association in Denver, said the association would cut its budget for mortgage loans by $25 million in the fiscal year. It expects a construction decline of 10 percent in the Denver area where the market is relatively strong.

"There will be more dramatic declines where there are usury laws," he predicted. With interest rates at 10¾ percent in that area, "I don't anticipate a nosedive."

In New Jersey, John Atherton, executive vice president of the City Federal Savings and Loan Association, said, "We anticipate an active presence no matter what happens to rates." He and others commented that there had been more housing activity in the recent tight-money period than in others past.

In the San Joaquin Valley of California, Donald Dauer, executive vice president of the First Savings and Loan Association in Fresno, said he expected a "slight decrease" in loan activity, coming off what has been a "plateau" for six months.

Large builders stressed the high demand and the fact that building companies are in a stronger position to ride out a downturn than they were in 1973 and 1974, when so many had large inventories of land. Eli Broad, chairman of the board of Kaufman and Broad, Inc., which builds in the Northern California, Southern California, Chicago and New Jersey markets, said that the danger lay in the "supply of funds and the cost of funds." The resale market and the market for second and third homes will be affected most, he suggested. But in general "Americans are acting more like Europeans and accepting 9 percent, 10 percent, 10½ percent interest rates."

The Government's new graduated-payment mortgages, lowering initial costs for home purchasers; the increasing availability of private mortgage insurance, which also lowers initial costs, and the insulation of the thrift institutions against deposit outflows all served to slow the housing decline as interest rates rose. It was a different story in states with usury laws, however. There buyers have already found terms stiffening. In New Jersey some lenders are already reported to require a 30 percent or 40 percent downpayment on new housing. In New York State, where unusually restrictive usury laws held housing back for years, the state legislature lifted the legal mortgage rate to 9½ percent last year and allowed the rate to float to two points above a 10-year index of long-term Government securities.

As for multifamily rental housing, it has never recovered strongly from the recession. Prospects for increased construction are considered poor even where there are no rent controls. High costs largely attributable to the growing length of development time tend to put required rents out of the range of many market segments, and operating costs keep rising. This has led to speculation that the trend to condominium conversion will increase and that a rental-housing crunch can be expected in 10 or 15 years.

OIL PROBLEMS HOW TO CUT CONSUMPTION AND INFLATION

(By Anthony J. Parisi)

The Carter Administration is committed to raising energy prices. The Carter Administration is committed to reducing inflation. Ergo: The Carter Administration has a problem—one that may prove as frustrating to the President during his next two years in office as were his original energy proposals during the first two.

Economic forecasters say energy prices will climb this year by perhaps 12 percent at the consumer level. In 1978, by contrast, the fuel and power components of the Consumer Price Index rose 4.5 percent.

One reason for the dramatic difference is that the Organization of Petroleum Exporting Countries, after foregoing an increase in 1978, has decided to raise prices an average of 10 percent this year. But economic forecasters say an even bigger factor in the sharply higher fuel and power bills will be price increases mandated by the United States Government. The most painful: An estimated 20 percent increase in the price of natural gas at the well and a similar jump in the price of crude oil.

"It's a cruel dilemma," said Milton Russell, a senior fellow at Resources for the Future, a research institute based in Washington that specializes in energy, resources and environmental studies. "President Carter promised at the summit meeting in Bonn to get United States prices up to the world level by 1980; on the other hand he is pledged to fight inflation. I would not underestimate the difficulty in resolving this conflict."

As the President and his energy advisers have repeatedly explained, they want to raise the price of all regulated fuels to their true replacement values. Market prices, the argument goes, would prompt more conservation, stimulate investment in conventional supplies and encourage exploitation of alternative energy sources, all of which would help slake the nation's thirst for OPEC oil. And the Administration has wide backing on this from economists.

"I think we ought to take our inflation medicine now and get it over with," said Michael K. Evans, president of Chase Econometric Associates, a subsidiary of the Chase Manhattan Bank.

Added Ronald Whitfield, director of energy services for Data Resources Inc., an economics consulting firm: "By not raising energy prices, we may be able to lessen inflation this year, but only by making it worse later on."

As they see it, holding prices down would eventually lead to unnecessarily high oil imports, and that would add directly to future inflation, as well as tend to weaken the dollar, leading to price increases in other imported goods.

The Petroleum Industry Research Foundation figures that this year the nation will increase its purchases of foreign oil by some 700,000 barrels a day over last year. That would mean the oil trade deficit, which ran about $41 billion last year, might widen this year by more than $5 billion.

Domestic oil production has declined, despite an increase in drilling since the original OPEC price rise. The main reason for the falloff, oilmen say, is that "all the easy oil has already been found."

And this decline in production gives additional impetus for raising prices, for the lower the domestic price, economists point out, the higher the nation's consumption of energy. That means greater demand for OPEC oil—which would give the cartel even more leverage to raise oil prices, making the whole sequence of events more painful.

"It's a vicious spiral," noted Chase's Dr. Evans.

But politics often override economics, especially when the short-term gains seems to outweigh the long-term considerations. The all-too-pressing truth is that higher energy prices in 1979 will mean higher inflation in 1979—regardless of what they may do in the future—and this fact has not escaped notice in Congress. The President's inflation watchdog, Alfred E. Kahn, has already come under attack for the Administration's apparently contradictory goals of higher energy prices and lower inflation. More uproar seems inevitable as regulatory changes already enacted, or currently in the works, show up in the form of higher energy prices.

The energy legislation that Congress passed in the fall kicked off a big round of increases in the price of natural gas at the well. Customers are just now beginning to pay the higher utility bills that those increases will eventually lead to. Data Resources has calculated that, for 1979 as a whole, consumers will pay about 12 percent more for their natural gas than they did in 1978; commercial users around 13 percent more, and industrial users 19 percent more.

Meanwhile, the average price of domestic crude oil, which has been inching up steadily under legislation passed during the Ford Administration, is expected to start taking bigger strides in June, when that law expires. Although no one knows definitely what the new pricing strategy will be, the Administration has indicated that it would like to loosen the regulations, and Data Resources has estimated that faster decontrol will mean a 17.5 percent increase in domestic crude oil prices this year.

This, together with other factors, such as the OPEC increase, will raise the price of gasoline, fuel oil and other petroleum products by about 10 percent at the retail level in 1979, according to most estimates. Electric utility bills are expected to climb apace. Only coal, of all the major forms of energy, is projected to advance at a significantly slower pace than it did in 1978, when the miners' strike sent prices soaring on the open market.

All this, however, assumes no change in the Administration's energy strategy. "So much depends on policy decisions," notes Dr. Russell of Resources for the Future. "If you want to set economic policy for the decade, then you want to get energy prices up. But you don't live by the decade, especially in the White House."

FOR AIRLINES, PROFITS NOW BUT CLOUDY SKIES AHEAD

(By Richard Witkin)

Not since airlines began their pell mell growth four decades ago on the wings of the DC-3 has the industry been in such upheaval. The upheaval is composed of many elements of which the dominant is the Deregulation Act of 1978. That legislation has made formal the swing to a virtually open market for fare reductions and has effected wide freedom in route competition.

Essentially, the situation is this:

The consumer has been happily taking advantage of a cornucopia of bargain ticket prices, and the airlines have been ringing up record profits. Yet the future is so full of uncertainties that many analysts, while moderately optimistic about profits in the short term, are loath to predict the shape and health of the industry a year, much less five, from now.

"I can safely say that it is much too early to assess fully the impact of the new deregulation legislation as well as the changing competitive structure of the industry," said Julius Maldutis, airline expert at Salomon Brothers, in a recent interview. "It is also much too early to assess the depth and duration of the merger trend," he added.

To illustrate the swings that may be in the offing, consider the vital issue of profits: The scheduled United States carriers did such a booming business in 1978 that, despite the downturn in the price of the average ticket, total profits were being estimated at year's end in the neighborhood of $1.2 billion. This would compared with $754 million for 1977.

Industry economists said this figure would amount to a return on revenues of about the same as the return for the nation's overall manufacturing industry.

But 1979, they warned, does not look quite so promising. Alfred H. Norling, airline analyst at Kidder Peabody & Company, predicted airline traffic in 1979 would grow by about 7 percent, compared with 16 percent for 1978. He estimated that total airline profits were likely to decline by 35 percent, but that the final figure would still be a healthy one.

Such forecasts appear typical among industry experts, and they are not attributable simply to the new competitive environment fostered by the deregulation bill. Many other factors are at work: a forecast recession, expected rising costs for labor and fuel and growing air-traffic congestion.

The deregulation bill did not become law until late in October. But the airlines, accurately assessing the deregulation trend and dealing with a Civil Aeronautics Board whose leadership was actively promoting the radical turn toward less regulation, had begun their discount-fare contest many months before.

The upturn in travel that coincided with the deep-discount offers went far beyond the most daring predictions and made a hero of Alfred E. Kahn, the C.A.B. chairman who in October moved on to become President Carter's anti-inflation chief.

The upturn helped to unleash billions of dollars worth of new aircraft orders, giving momentum to Boeing in its impressive campaign to market two new middle-size jets.

What remains to be analyzed is to what extent the surge in travel resulted from fare-cutting and to what extent it reflected other economic realities. In any case, the airlines are trying to take advantage of the new climate by moving into new routes and ordering new fleets of planes and to protect themselves from the hazards of the new competition by increasing efficiency and cutting costs.

Most far-reaching of the defensive strategies were a series of merger moves last year that could well proliferate in 1979. The move to mergers began with two thoroughly amicable projects that, if the C.A.B. approves, will tie together Continental and Western Airlines in one case, and North Central Airlines and Southern Airways in the other. Much more complicated and not so amicable is the attempt by three airlines so far—Texas International Airlines, Pan American World Airways and Eastern Airlines—to take over National Airlines.

The C.A.B. may make a determination on one or more of these proposed consolidations by spring.

One more factor that must be taken into account in assessing the airlines' economic outlook is what is to be done to cope with the hazard of midair collisions.

In the aftermath of the Sept. 25 San Diego collision of a Pacific Southwest Airlines jet and a small private plane, Federal authorities made clear that sweeping measures would be invoked to minimize chances that the tragedy, whose death toll of 144 was a record for this country, would be repeated.

Whatever steps are finally taken, it is deemed inevitable that they will cost a good deal in the form of slowed traffic, wasted fuel and investments in new radar and other air-navigation facilities.

TRUCKERS, BREAKING REFORM?

(By Winston Williams)

If the enraged truckers have their way, Federal regulators will have a much more difficult time rerouting the nation's motor-carrier system than they had unshackling the airlines.

Critics of recent efforts by the Interstate Commerce Commission to deregulate the trucking industry argue that changing the rules would eliminate the smaller competitors and that large companies, like Consolidated Freightways, Roadway Express and McLean, would be the ultimate beneficiaries.

"We're being steamrolled," said Pansey H. Beroth, vice president of Pilot Freight Carriers, a $128 million company based in Winston Salem, N.C.

Mrs. Beroth is also a member of a dissident group of small-truckers and complains that the group's lobbying efforts have been stymied by Washington's sudden enthusiasm for deregulation. "Everything is moving so fast we just can't act the same way we have in the past," she said.

The larger companies are bit more conciliatory.

"We'll have to look at what the President wants. Then we'll go to our Congressmen and tell them what we want," said Steve Murphy, senior vice president of Yellow Freight System, the nation's third-largest trucker.

To dramatize that deregulation of trucking will be no simple matter, the American Trucking Association, the industry trade association, likes to brag that the 17,000 regulated truckers, unlike the handful of airlines, have political clout in every Congressional district in the country. The truckers also remember fondly that the implementation of a 1975 I.C.C. decision to expand unregulated local zones, which reduced demand for some haulers, was delayed for nearly three years by court challenges.

But the truckers say they won't rely on muscle alone to keep the $30 billion regulated portion of the industry highly profitable. They are polishing up arguments that sweeping reform would destroy the nation's transportation network—as well as lower the return on equity for trucking companies, which has averaged above 20 percent over the last decade.

Some of the arguments that predict all manner of chaos or that plead concern for small carriers and for the transportation needs of small communities, are obviously self-serving. The more sophisticated cases emphasize the difference between the airline and trucking industries.

The most often-heard difference is that cutting prices would not generate one additional pound of freight for haulage, even though reducing airline fares increased the passenger total. Another argument is that the cost of transportation is an "infinitesimal" part of the total cost of a manufactured goods, and saving 5 percent on transportation would do almost nothing to bring down the inflation rate.

To make the latter point, A.T.A.'s president Bennett C. Whitlock uses the example of an electric typewriter selling in Chicago for $249.47. He calculates that the cost of transporting the finished product from New York is only $1.74. However, that cost does not include transportation of raw materials and parts prior to assembly.

Whatever combination of persuasion and force the truckers use, the movement toward easing Federal regulations appears irreversible. The rapid chain of events that followed the President's October antiinflation speech seems to have insured that. Everybody is getting into the act:

The I.C.C. has reversed more than 40 years of policy by ruling that private fleets owned by nontrucking businesses can hire themselves out to others to haul goods. The commission has also alerted the industry that it will no longer rubber-stamp requests for rate increases and will allow more competitors to enter the market as contract carriers, truckers who haul truckloads for one shipper. These actions have effectively destroyed the truckers' unity by pitting different segments of the industry against one another.

Senator Edward M. Kennedy, the Massachusetts Democrat who heads the antitrust

subcommittee, is preparing legislation to rescind immunity of the rate bureaus, the geographically based carrier groups that jointly set rates.

The Transportation Department is preparing its own grandiose deregulation scheme for all modes of transport.

The railroads are asking to be deregulated, and there's some sympathy in the Administration for deregulating all transportation at once to avoid disturbing the competitive balance.

One factor that could slow the pace of deregulation is the ambivalent attitude of shippers. They aren't always satisfied with the rates they pay, but they like those facets of regulation that set minimum levels of service.

"Under complete deregulation no rates would be published. We would have to deal with each carrier individually," said Donald Boyes, a transportation official at the Reynolds Metals Company and president of the Industrial Traffic League, an organization of large shippers.

"We wouldn't know from one day to the next what the prices would be, and with free entry and free exit for carriers, we wouldn't even know whether the trucks would show up," he added.

Thus the stage seems set for compromise, after considerable haggling of course. The truckers are already talking about proposing their own reform legislation. Among other things it would allow rates to go up or down by 7 percent without consent of the commission or the rate bureaus. They say they would consent to the abolition of the ban on corporate fleets' hauling for different subsidiaries of the same corporation. At the same time they would like permission to set joint rates with barge and railroad companies, and they want new rules that would streamline the commission's decision-making process.

STEEL'S SURPRISE: DEMAND IS HIGH

(By Agis Salpukas)

After a rocky beginning, the steel industry found 1978 a year of surprises—mostly pleasant—that put it back on the road to profitability. And after some initial wariness over whether the recovery could last, the industry began voicing optimism once again as profits of some steelmakers neared the record levels of 1974.

Domestic consumption of steel last year stood at 111 million tons, the third-best year ever. And demand has not let up, although there are concerns that sales of rolled products, such as sheet, will fall off because of declines in sales of cars and large appliances.

Nevertheless, top executives predict a good year for 1979. David M. Roderick, the president of the United States Steel Corporation, has forecast that consumption for this year will be 113 million tons, which, he notes, would be only 4 million tons below 1974.

The slack in autos and appliances, he predicted, will be taken up by "the upward movement in business investment." Heavy construction, particularly by utilities and government, he predicted, will keep demand high for heavy steel products.

Just how much the domestic industry will capture of this market could vary from 100 million to 96 million tons, Mr. Roderick estimated. "The imports control that," he said.

Under trigger prices, which the Treasury Department put into effect in May, steel cannot be imported at prices below certain levels without risking an investigation by the Treasury Department of whether it is being dumped—sold at prices lower than it cost to produce. Although the system has not cut imports, it has protected the domestic industry from price-cutting by the importers and thus allowed the domestic producers to raise prices.

Prices went up 5.5 percent in the spring, 1.1 percent in March and 3 percent in June. Another price increase of 3.2 percent is due in January, the maximum allowed then under the Administration's wage-price guidelines.

The imports situation in 1978 was one of the unpleasant surprises for the domestic industry last year. When the Treasury Department put in the trigger price system, imports were expected to drop below the level of 1977. Instead, while the Japanese cut back, countries of the European Community and the third world producers sharply increased their shipments. It is estimated that imports in 1978 ran well over 20 million tons, or some 16 percent ahead of 1977s record 19.3 million tons.

As a result, top steel-industry executives have become increasingly angry, particularly at the Europeans, and have made threats to revive antidumping suits if imports do not soon drop below 1977 levels.

However there is also evidence that imports have already begun to drop. The increase of the trigger prices by an average of 7 percent for the first quarter, the strengthening of the dollar and the Administration's 3.2 percent ceiling on price increases by the domestic industry will make domestic steel more competitive.

Last year got off to a shaky start. The long coal strike and bitter weather disrupted production just when there were signs of recovery. Then there was the legacy of the year before—one of the worst in the industry's history during which plant closings eliminated 7 million tons of capacity and the jobs of 20,000 workers.

So when orders began to surge in the second quarter top industry executives and analysts were still wary.

"When you've had two bad years," Earl Simanek, group vice president of the manufacturing division of United States Steel noted, "you get gun-shy."

But to the surprise of most executives, the high demand has lasted, enabling most steel plants to reach near full capacity and approach the efficient operating rates of 1974.

But if the situation worsens, having tasted the potency of political action in 1977, when the industry won, in addition to trigger prices, a wide program of aid from the Carter Administration, the steel industry will again look to Washington for relief if it believes imports are still too high.

CAN DETROIT FINANCE THE CAR OF THE 1980'S?

(By Reginald Stuart)

New-car sales this year will take their first downturn in four years, if the forecasts of some auto-industry executives here and of Wall Street analysts are accurate. Nevertheless, the industry, which normally cuts spending during periods of weak sales, faces its highest spending levels in history—approximately $9 billion.

In what has come to be known as "downsizing" to meet tough Federal standards for improved fuel economy, pollution-control, safety and damagability, the industry has been forced to spend substantial amounts for new product designs and development, despite the prospect of lower sales.

"Our ongoing programs will require annual expenditures of more than $5 billion in 1979 and beyond, a rate more than double the amount spent in any year prior to 1977," said Thomas A. Murphy, chairman of the General Motors Corporation, in his annual economic forecast statement.

The Ford Motor Company plans to spend about $3 billion a year and the Chrysler Corporation between $700 million and $1 billion.

Many associated with the industry are anticipating a sales slump of 5 percent to 8 percent as a result of President Carter's efforts to fight inflation and a suspected drop in demand for new cars after a four-year cycle of growing sales. Consequently, this may well turn out to be the first year in which top management in Detroit will be forced to rethink its concept of costcutting. It will not only have to take into account the traditional needs of remaining competitive, but also the new concern of meeting the Federal standards.

The importance of assuring a solid cash position to finance the new designs has been painfully demonstrated in recent months by the struggling Chrysler Corporation, the nation's No. 3 automaker. It has sold numerous properties, including most of its foreign operations, and created a preferred class of stock in order to raise funds to finance its fleet of the 1980's. The Chrysler move demonstrates, industry and investment analysts say, that projects associated with "downsizing" will be the last to be cut. But with a new president, Lee A. Iacocca, who assumed leadership in November after being fired and replaced by Philip Caldwell as president of Ford, Chrysler's tactics for the future are uncertain.

The three major American automobile manufacturers, General Motors, the industry giant, followed by Ford and Chrysler, are expected to spend some $70 billion by 1985 to build a new generation of cars that, as has been demonstrated in the first few rounds of downsizing, will be smaller, lighter and look considerably different than most cars on the road today, but will meet the Federal standards.

As many visitors to new-car showrooms have found, the first round of downsizing (another round begins with the 1982 model-year cars) has not only resulted in shrinking cars but also in increasing dramatically the use of plastics, aluminum, glass and high-strength, low-alloy steel in place of much of the iron and steel used extensively before world oil prices quadrupled in 1974.

The use of these materials, the industry has found, has led to considerable savings on parts and components, as well as to reduced weight with resultant improved fuel economy.

"At this point in time our experience has been that it costs about $1 billion to achieve a one-half-mile-per-gallon improvement in our cars," said Elliott M. Estes, president of G.M.

"As we get further into this, it's going to cost even more because then we'll be getting into the more sophisticated technology," he said, such a computerized engine systems that will be standard on most G.M. cars in the early 1980's. "The easy things like weight-reduction are behind us," said Mr. Estes.

The yardstick that is emerging here also suggests that because of economies of scale, it will cost G.M.'s smaller competitors from $100 to $700 more per car than G.M. to achieve the same objectives.

Investment analysts tend to support the industry's arguments, and also have some additional views, of why prices continue to rise.

"For smaller cars the rising is clearly in response to the Japanese yen," said David Eisenberg, senior research analyst for the New York investment house of Sanford C. Bernstein & Company. "The rising price of the yen in comparison to the dollar has given United States automakers a chance to recoup some of their higher costs and still stay competitive" against Toyota, Datsun, Honda and Japanese makes, which have risen in price as the yen has floated upward, he said.

How long Detroit can use the yen's appreciation to its advantage is not clear. Already Volkswagen has opened a plant in the United States and there is conjecture that some Japanese automakers will do likewise, offsetting Detroit's current pricing edge.

So, while the industry intends to abide by the Government's request that businesses limit annual price increases to 6.2 percent, it also appears that its reading of its capital needs and the likelihood of a weak market will mean it will make the maximum permissible price increase this year and next. By 1980, consumers could see the $10,000 car.

IN BANKING, THE STREET IS GETTING CROWDED

(By Deborah Rankin)

A major structural upheaval is underway in the banking industry with the forces for change coming from both outside and inside. The banking landscape is being transformed by the growing presence here of foreign banks.

The foreign banks are competing aggressively for the big commercial credits that have been the bread and butter business of American commercial banks, which are battling to maintain their share of the corporate lending market, and now claim nearly 18 percent of these credits nationwide.

Domestically, the gentlemen's agreement between commercial banks and thrift institutions not to encroach on each other's territory has been broken irretrievably. The advent of a new type of service that, in effect, allows the banks to pay interest on checking accounts has set off a free-for-all for the consumer's dollar.

The accelerating foreign invasion is particularly troubling to many observers. The number of foreign banks operating in the United States has more than doubled in the last five years, and their assets have soared nearly 300 percent to more than $95 billion—while American-owned banks have grown by only 64 percent.

Concern has grown because of foreign proposals last year to acquire four major American banks. The biggest deal is the Hongkong and Shanghai Banking Corporation's proposed takeover of the Marine Midland Banks of New York, 13th largest in the country. In the three other plans the Standard Chartered Bank of London would acquire the Union Bancorp of California, the National Westminster Bank of London would take over the National Bank of North America of New York and the Algemene Bank of the Netherlands would buy the La Salle National Bank of Chicago. Also in the works is the proposal by the Bank of Montreal to acquire most of the Bankers Trust Company's retail offices in the New York metropolitan area.

Although all of these offers are awaiting approval from state and Federal regulators, observers believe they are the harbinger of things to come. Some 20 other big United States banks are reported to be on the auction block.

Eric R. Durant, a bank analyst with Merrill Lynch Pierce Fenner & Smith, noted that the foreign banks' actions were simply a mirror image of those taken by American banks in the 1960's. "They're just doing what American banks have been doing for decades—following their customers to new markets," he said.

C. Edward McConnell, vice president of Keefe, Bruyette & Woods, an investment banking firm, said that one reason for the push was that it gave foreign banks access to an important source of dollar funding. "Clearly what they want is to secure a source of domestic deposits," he observed. "Right now they're even having trouble tapping the New York certificate of deposit market."

One factor that may inhibit the growth of foreign banks is the passage of the International Banking Act of 1978, which removes many of the competitive advantages that foreign banks had over their domestic counterparts. The Fed is now authorized to impose reserve requirements on foreign banks, for example, and for the first time there are restrictions on their ability to take deposits nationwide.

Although the act's most important regulations remain to be written, the consensus is that the law will result in significant change.

Some say that the act's greatest import lies in the section authorizing regulators to undertake a study of the McFadden Act, a 40-year-old statute that prohibits interstate branching. They are buoyed by the current climate in Washington, which is more receptive to consideration of this controversial issue than it has been in years.

"Congress really hasn't addressed the McFadden Act in an objective way until now—it's been sort of holy," said Carter H. Golembe, head of Golembe Associates, a banking consulting firm based in Washington. "I don't think there will be legislation this year," he added, "but it's very encouraging."

Competition is intensifying within the domestic banking industry as well. The already fussy distinction between commercial banks and thrift institutions was further blurred in November by the introduction of automatic transfer service accounts. Banks attempted to lure retail customers away from the savings banks and savings and loans by offering the accounts, which essentially permit the payment of interest on checking accounts by allowing consumers to shift funds from their savings to their checking accounts at the last minute. At stake is the savings industry's nearly $640 billion in deposits.

But the thrifts got a new tool to attract consumers with the midyear introduction of the new six-month savings certificates pegged to Treasury bill rates. The certificates proved to be a major factor in preventing a repeat of the 1974 credit crunch, when funds flowed out of the thrifts directly into money-market instruments. An estimated $50 to $60 billion of the certificates were sold during the last six months on the scene, but some money-market instruments were yielding more than the certificates when the first batch of them began to mature at the end of the year. The question was whether the prescription would continue to cure the old illness.

One pessimist was David A. Levine, a partner of Sanford C. Bernstein & Company, a New York investment research firm. He predicts that cost pressures will become so strong that authorities will ban the certificates by next summer, when "a profit crisis develops in the mutual savings bank industry."

The credit-card business also saw intense competition last year. The two big credit-card organizations, Visa and Master Charge, fought aggressively for new customers and new merchants. By the year's end, each was claiming it had surpassed the other.

Even the staid, but lucrative world of travelers' checks—was not immune from infighting. Both Visa and Master Charge announced plans to invade the once-exclusive turf of American Express.

And the competition in banking is certain to continue and intensify during 1979. One major concern for all banks is the probability of recession and the question of how they can ride it out. Analysts, however, appeared to believe that most would weather an economic downturn in good shape.

"I am fairly sanguine," said Mr. Durant of Merrill Lynch. "Both corporations and banks learned from the last recession and have become more prudent."

Mr. McConnell of Keefe, Bruyette says that another factor that will help the banks is their increased loan-loss reserves and higher provisions for loan losses. "Even if losses increase substantially, they won't have the devastating impact on earnings that they did before," he said.

GRASSROOTS OPTIMISM IS UNDAUNTED

THE MIDWEST

(By Douglas E. Kneeland)

CHICAGO.—The attitude of shoppers along Chicago's North Michigan Avenue, or in Kansas City's posh Country Club Plaza, rebuilt after being ravaged by floods slightly more than a year ago, would warm the hearts of tradesmen anywhere.

"People just don't have the same fear of the future," said George W. Cloos, an economist at the Federal Reserve Bank here. "There's less fear of debt. I'm a child of the Depression, and I still have a fear of debt. There's some slowdown on furniture and appliances, but things like snowblowers, that people don't need, are going like hotcakes."

That strong consumer pulse-rate is also being felt by Sears, Roebuck and Company.

"We expect, for the year ahead, inflation will continue high, averaging about 7.5 percent, but consumer demand is holding up quite well," said Jay Levine, an economist at the company's headquarters here. "General merchandise sales in current dollars for 1979 should be up about 6.6 percent."

There is also evidence that shoppers are beginning to learn to live with the realities of inflation.

"Notwithstanding the current inflation, the customer seems to be more understanding today and less inclined to blame the food retailer than she was in the mid-70's," said Walter Y. Elisha, president of Jewel Food Stores, a Midwestern chain. "She has perfected her ability to 'cherry pick' during inflationary time and to trade down in purchases."

For whatever it says of confidence, nine new high-rise office buildings are being added to the dramatic skyline of downtown Chicago, an area developers considered overbuilt only a couple of years ago.

"The Chicago metropolitan area, as a whole, is very healthy," said Richard S. Peterson, an economist at Continental Bank.

While the Zenith Radio Corporation, facing Japanese competition, has phased out a number of its television manufacturing operations in the area, throwing several thousand employees out of work, the region has had few other severe dislocations.

And some insist that the Midwest is holding its own in the Sunbelt-Snowbelt tug-of-war. Employment has generally been growing, and the jobless rate, while near the national average of 6 percent in Illinois, has been about half that in the less industrialized states of Iowa, Kansas, Minnesota and Nebraska.

"Midwestern farm states have benefited as much from the moves of manufacturers out of major cities as the Sunbelt has," Mr. Peterson of Continental said. "I'll bet on 75 percent of the farms, the guy has another job." And farming itself has made money.

Despite a record corn crop, prices have held up moderately well because of overseas sales and the farmers' restraint in keeping much of their production in storage. Soybeans prices are still high, despite a record crop, and wheat has been fairly strong. Shortages have kept cattle and hog prices high.

Overall, farm income last year was about 30 percent above the previous year. And while it was considerably short of the 1974 peak, it was enough of a gain to bring back relative prosperity.

"We had a good crop year and we also had a good cattle year for the fellow who got in and got out," said Gerald Clause, president of the Home State Bank in Jefferson, a village amid the fertile fields of west-central Iowa. "The hog boys made a little money. The merchant had a pretty slow time last fall, but they'll feel a whole lot better this year."

NEW ENGLAND

(By Michael Knight)

BOSTON.—The election of Edward J. King as the first Governor of Massachusetts in recent times to abandon an antibusiness attitude and openly advocate unrestrained economic growth—positions that had pre-

viously been political heresy here—has given the region's business community hope that the New England economy, a wheezing, coughing, staggering affair whose death has often been predicted, may be headed for rejuvenation.

His election comes at a time of crisis for the region's high-technology industry—the manufacturers of computers and related equipment whose booming growth throughout the decade has been the only real economic bright spot here.

Those companies, which employ more than 200,000 persons in the "Golden Horseshoe" along Route 128 around Boston, in the southern tier of New Hampshire, in Maine and in northern Vermont, have outstripped the local supply of electrical engineers.

Despite full-page advertisements and recruiting trips across the country, the companies report that they cannot fill 2,400 of an expected 3,200 new engineering jobs a year expected for the next four years because of the region's high cost of living.

As a result, the share of the nation's new high-technology jobs held by New England has dropped from 65 percent in 1970 to 45 percent today, according to James Howell, chief economist for the First National Bank of Boston.

"The electrical engineers are the linchpin of these companies, who are supposed to take up the slack and save us all," he said. "The linchpin is what holds the wheel to the axle, and if the engineers want to live somewhere else, the companies are going to build somewhere else. They are very labor dependent."

Mr. Howell said he hoped that Mr. King would be able to prevent that, as well as change the "tax the rich" attitude he saw here.

Still, New England had a good economic year in 1978, with increases in employment that nearly matched the national rate, 4.2 percent to 4.3 percent; personal income gains that slightly topped the national average, 11.6 percent to 11.4 percent, and a 5.8 percent unemployment rate, slightly below the nation's 6.1 percent.

To economists here that means that the nation's oldest industrial region, with its aging plants, high cost of labor, energy and transportation and fleeing population, did not, for once, slip still further behind the rest of the nation. And it might mean that the six states north of New York may be able to ride out next year's expected downturn comfortably.

"About the best New England can realistically hope for is to grow about as well as the rest of the nation," explained Richard Syron, a vice president and economist for the Federal Reserve Bank here.

In New Hampshire, whose explosive growth has been fueled by refugees from Massachusetts in recent years, the boom continued despite increasing local opposition to the changes being wrought in once-rural communities. In 1978, the state added 28,000 new jobs, an increase of 8.3 percent; unemployment dropped from 3.8 percent to 3.3 percent and personal income rose 13 percent, the same as in 1977. In addition, the influx of companies into the state because of its low-tax business climate increased, with 37 move-ins and 55 expansions.

THE SOUTH

(By Wayne King)

ATLANTA.—An overheated climate in construction, slowing consumer activity and problems in the manufacturing sector are expected to take some of the glow off the South's usually shining economic performance in the coming year, but the region is still expected to outpace the rest of the country.

"Basically, overall, what we are staring at in 1979, is 2 percent real growth nationally and 3 percent in the South," said Donald Ratajczak, director of the Economic Forecasting Project at Georgia State University here. "That's compared to a growth rate in the 5.5 percent to 6 percent range in 1978, so it's a decided slowdown. But the South will still be outperforming the United States as a whole."

The South's prolonged above-average economic showing over the last decade has resulted in large part from the Northeast to the South and Southwest. This, coupled with the region's relatively close proximity to domestic sources of energy in Texas and Louisiana, has enabled the South to maintain a level of growth consistently higher than that in the rest of the nation.

But a key factor in the predicted slowdown in the South in 1979 is an expected dampening of construction activity as a result of high interest rates and tight credit. This is also true in the rest of the country, but not to the extent it is in the South, where population rises have spurred building.

Construction industry leaders generally have been predicting a slowdown, and Mr. Ratajczak expects the decline to be on the order of 10 percent to 15 percent throughout the region.

"Construction either has to slow down, or there has to be a heck of a lot of industry continuing to move in—and 1979 is just not an industry year," he said.

And because of a multiplier effect by which one job is lost in other sectors of the economy for every one lost in construction, the building slowdown is expected to affect the South's economy significantly.

However, a renewed acceleration in population growth after a dip in 1975 and 1976 when Georgia and Florida actually experienced net outmigration, is expected to offset some of the economic depressants. Florida is expected to pace the growth trend again with 2 percent growth, followed by Tennessee and South Carolina with somewhat lesser rates. Generally, recession slows migration trends, but that is not expected to take effect in the South until late 1979.

Manufacturing activity in the South during 1978 grew by 4.5 percent over 1977, but economists are predicting no growth for 1979, saying they expect shoppers to be cautious buyers this year because the level of consumer debt is rising sharply.

Some problems are expected in the apparel industry, which will feel the impact of imports, while textiles are expected to be somewhat better off.

Trade and services are expected to hold up very well, with growth in the 3 percent area, and government, despite Proposition 13 outcries, is expected to experience modest growth.

MID-ATLANTIC

(By Ben A. Franklin)

NORFOLK, VA.—Following coal and rail strikes that rattled the Middle Atlantic region last year, another cycle of labor-management turmoil seems likely to renew familiar economic vibrations in the old industrial sector sloping eastward from the Appalachians to three major Tidewater seaports.

While the inland economies of Pennsylvania, Maryland and West Virginia recuperate from strikes in 1978 by the United Mine Workers union and clerks of the coal-hauling Norfolk & Western Railway, uncertainty in 1979 is focused on the least unionized of the Middle Atlantic states, Virginia, where a major shipyard walkout is foreseen.

The Newport News Shipbuilding and Dry Dock Company, which, with 19,000 workers, is the state's major industrial employer, has had bitter labor confrontations over the years. Last month the United Steelworkers of America authorized a strike against the company in an attempt to oust a company union.

The strike would "really put a hole in southeast Virginia and in the Virginia economy," said Dr. Leiland H. Trawick, director of the Bureau of Business Research at William and Mary College.

Such fears have been heightened, Dr. Trawick believes, by the fact that $25 million to $30 million was taken out of the southeastern Virginia economy in 1978 during the waterfront paralysis brought on by the coal miners' and Norfolk & Western strikes and because consumers in the state have already lost $15 million in buying power because of shipyard layoffs that began last year. Some 95 percent of the huge bulk-cargo tonnage through Norfolk is normally coal shipped in by rail.

Unlike Pennsylvania, where a year-old Volkswagen plant at New Stanton has brought in a rush of other foreign and domestic businessmen looking for plant sites, Virginia's Tidewater area has so far failed to acquire new industry. A Volvo assembly plant was promised, then postponed at Chesapeake—a vast, mostly undeveloped "city" suburb of Norfolk that rivals Los Angeles in size. And a big new oil refinery at Portsmouth, on the drawing boards for years, is still tangled in environmental protests.

"In 1979 what I am looking for is a slowdown or a recession," Dr. Trawick said in an interview. "But it will not be so bad here, even with the shipyard trouble, as in the big industrial states."

Coal and steel are expected to float West Virginia, Maryland and western Pennsylvania over some recessionary bumps, if they come. But it has not been so easy to turn on the "energy-crisis coal boom" that was forecast by the mining industry following the Government's efforts to curb oil consumption.

Clean-air regulations may reduce—or erase—the market for millions of tons of high-sulfur coal in the East. The requirements are making it cheaper for some steel mills to import finished coke from Europe than to install costly air-pollution controls on smokey coke ovens at home. And that hurts the mining industry's most profitable segment: high-grade metallurgical coal for coking. Good and stable times in coal may be three years off.

Although the Middle Atlantic states had the smallest increase in total personal income of any region in recent years—as a result of strikes—Maryland, Delaware and the Government-salaried District of Columbia were in the top 10 jurisdictions in per capita income.

However, the old industrial economy of Pennsylvania is regarded by economists as the most vulnerable to an instant bump if there is a national downward trend. Philadelphia is getting up a hedge—an "international city plan" that may include a freeport area for the assembly, without United States duty, of imported components. And Philadelphia has netted new local branches of an Israeli and a European bank with the hope of luring foreign business.

THE SOUTHWEST

(By William K. Stevens)

HOUSTON.—For the last three years, the supercharged economy of Texas has roared ahead unchecked and untrammelled, accelerator to the floor like a Porsche or a Ferrari racing past the humid Gulf Coast bayous, or along Houston's freeways, or across the dusty mesquite flats of West Texas, easily outperforming all rivals.

But recently there have been signs that what has become the nation's most robust regional economy is in danger of overheating. Maybe, some Texans have mused, it is time to slow down and cool off.

And that is exactly what many economists expect the state's economy to do in 1979—and the effects will be felt throughout the huge oil-and-gas domain that stretches into Oklahoma, parts of New Mexico and Louisiana.

"While you wouldn't expect it to be as strong as it has been, we're not expecting a collapse," said Dr. Lorna Monti, an economist at the Bureau of Business Research at the University of Texas.

Signs of a slowdown have already appeared. Fewer new industrial plants were established

in the state during the first three quarters of 1978 than in the comparable period of 1977. Neither industrial production nor construction activity has been growing nearly so fast lately as 18 months ago.

And in Houston, where growth has been most spectacular, inflation has well exceeded the national level. Last August, for example, the Consumer Price Index here stood at 211, while nationwide it was 199.1.

"Houston is seeing a cyclical peak right now," said William W. Garretson, vice president and senior economist of New York's Citibank. "And growth rates are going to decline." He reasoned that Houston's peak—even higher than for the state as a whole—is attributable to the "double thrust" of the energy and construction booms. "You're not going to get that double thrust in the near future," he said.

But there is still room for optimism over the economic future, most agree. The continuing demand for energy, combined with its high price, is what insulates the state's economy in times of recession. Houston, where most of the industry's infrastructure is situated, is perhaps the most insulated of the state's big cities. San Antonio and El Paso, on the other hand, are less tied to oil and usually experience about the same level of recessionary unemployment as the country at large.

For the state as a whole, few analysts believe that the expected recession of 1979 will make more than a small dent in employment. But combined with the rise in interest rates, some say, it will probably blunt the construction surge that has especially affected Houston.

The roots of the state's economic expansion began to take hold in 1973, when world oil prices rose sharply and triggered a new, latter-day surge in exploration for oil and gas. The 1974–75 recession slowed it only slightly, and since 1975 it has really taken off, benefiting Oklahoma and Louisiana, as well as Texas.

The zenith, perhaps, was the period between August 1976 and August 1978. During that time the Texas industrial production index jumped from 130.2 to 145.9 (the base of 100 was established in 1967). More than 450,000 new workers, many of them migrants from the North and East, sought and found jobs in the state during the period.

The economy absorbed them with little strain; statewide unemployment hovered around 5 percent and was even lower in Houston, Dallas, Austin and Amarillo. The number of building permits for new houses increased by an astounding 59 percent. Retail sales jumped by 33 percent, and personal income was about to reach, and perhaps surpass, the national average for the first time ever. But future gains will be harder won, and slower, Southwestern economists believe.

THE WEST COAST

(By Pamela G. Hollie)

LOS ANGELES.—The taxpayer revolt in California last year may hold ominous overtones for business. While the state had a $7 billion budget-surplus to use to reduce the impact of lost tax revenues resulting from the passage of Proposition 13, it now faces the question of what happens when there is no surplus in fiscal 1978–80.

"If taxpayers do not want to carry some of the burden of growth, the most logical scapegoat becomes business," said James P. Kennedy, director of taxation for the California Chamber of Commerce.

Already as a result of Proposition 13—which reduced property taxes and put a limit on increases—a $450 million annual inventory tax has been restored in California. There are rumblings that the state's corporate income tax may be increased. The state legislators have proposed a split tax system so that business can be taxed at different rates than homeowners. And another piece of legislation seeks to exempt homeowners from property taxes entirely.

All of this explains why the Bank of America, which reaped $13 million in Proposition 13 savings, and the Southern California Edison Company, which saved $65 million, each spent $25 million opposing Proposition 13.

But despite the fallout from Proposition 13, the state's economy is still stronger than the nation's The median income is expected to rise to $21,425 in 1979 compared with an estimated $18,500 for the rest of the nation. And the state's gross state product has now reached $271 billion according to the United California Bank in Los Angeles. Unemployment is expected to hold at 7.5 percent, about 1.5 percent higher than the 1978 United States average.

Business in the West, which had a record year in 1968, expects more gains in 1979. The aerospace industry has made a comeback with new orders for commercial aircraft after being in the doldrums for years.

Agriculture, after two years of drought, is now benefiting from higher prices and strong demand. The electronics industry is as healthy as ever, and the forest-products industry is booming as demand for housing in the West remains strong.

"Even an expected turndown in housing starts in 1979 will not greatly impact housing in the West," according to the California Builders Council. Even with interest rates at 11 percent—there is no usury law in California—would-be homeowners draw lots for the privilege of buying new homes.

But the housing boom also brings side-effects: rapid in-migration, housing shortages, escalating real-estate values, bigger government and a budding anti-growth sentiment.

San Diego Mayor Pete Wilson, a strong advocate of "controlled growth" is only one of many elected officials echoing the concern over a decreasing quality of life in the West.

Still the move westward continues. In Seattle, where the Boeing Company was hiring 15,000 workers, the aerospace concern got 200,000 job applications despite the rapid rise in the cost of living in the Pacific Northwest. The cost of living in Southern California, particularly for housing, has risen so high that corporations must offer low-interest home loans, up-front signing bonuses and home-purchase guarantees to lure executives.

"Such growth is the root of the taxpayer revolt," said Gary A. Horton, economist for the Nevada National Bank in Reno.

AUTHORITY TO RECEIVE MESSAGES DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until tomorrow, which will be a pro forma session only, and then over until Tuesday at 12 o'clock noon, the Secretary of the Senate be authorized to receive messages from the President of the United States and from the other body, and that they may be appropriately referred.

AUTHORITY FOR SIGNING OF DULY ENROLLED BILLS AND JOINT RESOLUTIONS DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during that same period, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, and pursuant to the provisions of Senate Resolution 16, as a further mark of respect to the memory of the deceased Hon. William A. Steiger, late a Representative from the State of Wisconsin, and also pursuant to the provisions of Senate Resolution 17, as a further mark of respect to the memory of the deceased Hon. Leo J. Ryan, late a Representative from the State of California, the Senate will now stand in recess until 11 a.m. tomorrow.

Thereupon, at the hour of 2:02 p.m., the Senate recessed until tomorrow, Friday, January 19, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 18, 1979:

OFFICE OF MANAGEMENT AND BUDGET

John Patrick White, of California, to be Deputy Director of the Office of Management and Budget, to which office he was appointed during the last recess of the Senate.

FEDERAL ELECTION COMMISSION

John Warren McGarry, of Massachusetts, to be a member of the Federal Election Commission for a term expiring April 30, 1983, to which office he was appointed during the last recess of the Senate.

FEDERAL LABOR RELATIONS AUTHORITY

Henry Bowen Frazier III, of Virginia, to be a member of the Federal Labor Relations Authority for a term of 1 year, to which office he was appointed during the last recess of the Senate.

Ronald W. Haughton, of Michigan, to be a member of the Federal Labor Relations Authority for a term of 5 years, to which office he was appointed during the last recess of the Senate.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Richard W. Yarbrough, of Texas, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1978, to which office he was appointed during the last recess of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Ruth T. Prokop, of the District of Columbia, to be a member of the Merit Systems Protection Board for the remainder of the term expiring March 1, 1981, to which office she was appointed during the last recess of the Senate.

Ruth T. Prokop, of the District of Columbia, to be chairman of the Merit Systems Protection Board, to which office she was appointed during the last recess of the Senate.

NATIONAL COMMISSION ON SOCIAL SECURITY

James J. Dillman, of Wisconsin, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

Milton S. Gwirtzman, of Massachusetts, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

D. S. MacNaughton, of Tennessee, to be a member of the National Commission on Social Security for a term of 2 years, to

which office he was appointed during the last recess of the Senate.

David H. Rodgers, of Washington, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

NATIONAL COUNCIL ON THE HUMANITIES

Kay Howe, of Colorado, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1980, to which office she was appointed during the last recess of the Senate.

Charles V. Hamilton, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Louis J. Hector, of Florida, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

M. Carl Holman, of the District of Columbia, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Jacob Neusner, of Rhode Island, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Mary Beth Norton, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office she was appointed during the last recess of the Senate.

Sister Joel Read, of Wisconsin, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office she was appointed during the last recess of the Senate.

Leon Stein, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Harriet Morse Zimmerman, of Georgia, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office she was appointed during the last recess of the Senate.

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management, to which office he was appointed during the last recess of the Senate.

Julie M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management, to which office he was appointed during the last recess of the Senate.

U.S. ARMS CONTROL AND DISARMENT AGENCY

George M. Seignious II, of South Carolina, to be Director of the United States Arms Control and Disarmament Agency, to which office he was appointed during the last recess of the Senate.

UNITED STATES POSTAL SERVICE

William J. Sullivan, of Maine, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1984, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF STATE

K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters (new position).

Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Philip Henry Alston, Jr., of Georgia, now Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

W. Beverly Carter, Jr., of Pennsylvania, a Foreign Service information officer of class 1, to be Ambassador at Large.

DEPARTMENT OF THE INTERIOR

Larry E. Meierotto, of the District of Columbia, to be an Assistant Secretary of the Interior, vice Ronald G. Coleman, resigned.

DEPARTMENT OF AGRICULTURE

James H. Williams, of Florida, to be Deputy Secretary of Agriculture, vice John C. White, resigned.

U.S. FIRE ADMINISTRATION

Gordon Vickery, of Washington, to be Administrator of the U.S. Fire Administration, vice Howard D. Tipton, resigned.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Helen S. Astin, of California, to be a member of the National Council on Educational Research for a term expiring September 30, 1979, vice John C. Weaver, term expired.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

William Brownlee Welsh, of Virginia, to be an Assistant Secretary of Housing and Urban Development, vice David S. Cook, resigned.

NATIONAL COUNCIL ON THE HUMANITIES

Dave Warren, of New Mexico, to be a member of the National Council on the Humanities for the term expiring January 26, 1982, vice Arthur L. Peterson, term expired.

CALIFORNIA DEBRIS COMMISSION

Brig. Gen. Norman G. Delbridge, Jr., 383-24-5493, U.S. Army, to be a member of the California Debris Commission, under the provisions of section 1 of the Act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Brig. Gen. Richard Martin Connell, reassigned.

COMMISSION ON CIVIL RIGHTS

Louis Nunez, of Maryland, to be staff director for the Commission on Civil Rights, vice John A. Buggs, resigned.

COMMUNICATIONS SATELLITE CORPORATION

The following-named persons to be members of the Board of Directors of the Communications Satellite Corporation for the terms indicated:

Jesse Hill, Jr., of Georgia, until the date of the annual meeting of the Corporation in 1979, vice Rudolph A. Peterson, term expired.

Joan Fleischmann Tobin, of the District of Columbia, until the date of the annual meeting of the Corporation in 1980, vice Frederic G. Donner, term expired.

CORPORATION FOR PUBLIC BROADCASTING

Geoffrey Cowan, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1984, vice Joseph D. Hughes, term expired.

Paul S. Friedlander, of Washington, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1984, vice Gloria L. Anderson, term expired.

Kathleen Nolan, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1984, vice Amos B. Hostetter, Jr., term expired.

Howard A. White, of New York, to be a member of the Board of Directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1980, vice W. Allen Wallis, resigned.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Peter Henry Wolf, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Harold H. Greene, elevated.

FEDERAL COMMUNICATIONS COMMISSION

Anne P. Jones, of Massachusetts, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1978, vice Margareta E. White, term expired.

FEDERAL DEPOSIT INSURANCE CORPORATION

Irvine Henry Sprague, of California, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years, vice George A. LeMaistre, resigned.

FEDERAL ELECTION COMMISSION

Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission for a term expiring April 30, 1983, vice William L. Springer, term expired.

LEGAL SERVICES CORPORATION

Michael Kantor, of California, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice Glee S. Smith, Jr., term expired.

Robert J. Kutak, of Nebraska, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981 (reappointment).

F. William McCalpin, of Missouri, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice Roger C. Cramton, term expired.

Revius O. Ortique, Jr., of Louisiana, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981 (reappointment).

Howard R. Sacks, of Connecticut, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice J. Melville Broughton, Jr., term expired.

Ramona Toledo Shump, of Kansas, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice Glenn C. Stophel term expired.

MISSISSIPPI RIVER COMMISSION

Maj. Gen. Richard Lee Harris, 203-22-4382, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

Maj. Gen. Louis Watkins Prentiss, Jr., 229-26-9023, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

NATIONAL COMMISSION ON SOCIAL SECURITY

Elizabeth Duskin, of Maryland, to be a member of the National Commission on Social Security for a term of 2 years (new position).

NATIONAL COUNCIL ON THE ARTS

Norman B. Champ, Jr., of Missouri, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Henry Cauthen, term expired.

Martin Friedman, of Minnesota, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Clint Eastwood, term expired.

Bernard Bias Lopez, of New Mexico, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Eudora Welty, term expired.

Robert Lawson Shaw, of Georgia, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Judith Jamison, term expired.

Jessie A. Woods, of Illinois, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Rosalind Russell Brisson, term expired.

Rosalind W. Wyman, of California, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice James D. Robertson, term expired.

NATIONAL INSTITUTE OF BUILDING SCIENCES

The following-named persons to be members of the Board of Directors of the National Institute of Building Sciences for the terms indicated:

For a term expiring September 7, 1979:

Blanca G. Cedeno, of New York (new position).

For terms expiring September 7, 1980:

Guy O. Mabry, of Ohio, vice Robert J. Brungraber, term expired.

Leonard Miller, Florida, vice Jodie R. Johnson, term expired.

John P. Millhone, of Minnesota (new position).

Joseph Herbert Newman, of New Jersey (reappointment).

For a term expiring September 7, 1981:

Lois A. Craig, of Massachusetts (new position).

NATIONAL RAILROAD PASSENGER CORPORATION

S. Lee Kling, of Missouri, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981, vice Donald P. Jacobs, term expired.

NATIONAL SCIENCE FOUNDATION

Eugene H. Cota-Robles, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice William H. Meckling, term expired.

Ernestine Friedl, of North Carolina, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Wesley G. Campbell, term expired.

Walter Eugene Massey, of Rhode Island, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice T. Marshall Hahn, Jr., term expired.

David V. Ragone, of Michigan, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Joseph M. Reynolds, term expired.

Edwin Ernest Salpeter, of New York, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice William A. Nierenberg, term expired.

Charles Pence Slichter, of Illinois, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984 (reappointment).

U.S. RAILWAY ASSOCIATION

Thomas P. Salmon, of Vermont, to be a member of the Board of Directors of the U.S. Railway Association for the remainder of the term expiring July 8, 1982, vice Richard B. Ogilvie, resigned.

COMMODITIES FUTURES TRADING COMMISSION

James M. Stone, of Massachusetts, to be a member of the Commodity Futures Trading Commission for a term expiring April 13, 1983, vice Read Dunn, Jr., term expired.

James M. Stone, of Massachusetts, to be Chairman of the Commodity Futures Trading Commission, vice William T. Bagley, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development, vice Chester Crawford McGuire, Jr., resigned.

IN THE AIR FORCE

Gen. John W. Roberts, U.S. Air Force, (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

*Maj. Gen. James Patrick Mullins, 012-24-1644, U.S. Air Force.

*Indicates ad interim appointment.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of Title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Harold Robert Aaron, 307-16-4531, (age 57), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard Hulbert Groves, 042-32-1884, U.S. Army.

The following-named Army Reserve officer for appointment to the grade of brigadier general, Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Brig. Gen. Carl D. McIntosh, 463-20-7092.

IN THE NAVY

Adm. Stansfield Turner, U.S. Navy, (age 55) for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

EXTENSIONS OF REMARKS

DON'T GIVE UP ON METRICS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCLORY. Mr. Speaker, some of the criticism which is directed at the ongong voluntary conversion to the metric system of weights and measures—is wholly unjustified. Indeed, some of the inflammatory rhetoric directed at the extensive and persistent conversion to metric standards has the potential of setting back a coordinated and orderly conversion from which our business and educational institutions could benefit—as well as the general public.

In endeavoring to keep the subject of metric conversion in perspective and on track, the Chicago Tribune presented recently—November 12, 1978—an illuminating editorial, entitled, "Don't Give Up on Metrics."

I am pleased to attach this editorial here for the edification of my colleagues:

DON'T GIVE UP ON METRICS

A General Accounting Office study raises questions about the wisdom of converting to the metric system. It talks of high costs and limited advantages and consumer resistance. It prompted the magazine U.S. News & World Report to canvass business opinion, and the magazine reports what it calls a rising backlash against the switch.

There are many, it says, who share the GAO's doubts as to "whether the use of the metric system throughout the world warrants the effort and expense needed to convert our day-to-day affairs, such as highway speed limits, consumer products, and weather reporting into metric measure."

In Britain, where the metric system was launched with great fanfare nearly a decade ago, progress has come to something of a standstill. Export industries have generally converted; the average Englishman still thinks in terms of pounds and acres.

The question being raised, in effect, is, "Why convert?" This is the wrong question. The right question is, "Why not convert—quickly in matters where it is of immediate importance, and at our own comfortable speed in other matters?"

The immediate importance of conversion is to coordinate American export machinery with standards used in the rest of the industrial world. Much of this has been achieved, at no inconvenience to the average American who cares little whether machine screws are threaded in millimeters or fractions of an inch.

The magazine quotes one industrialist as complaining that the metric system is pointless because the biggest market for our manufactured products is in the United States itself. Quite true, and that is precisely the trouble. It's important, for the health of the dollar and our economy, that we export more, and the earlier we coordinate our standards with foreign standards, the easier this will be.

Much of the objection, and probably most of the estimated cost, will come through conversion in day-to-day domestic matters where there is no urgent pressure to change. Nobody is asking that our real estate plats and descriptions be redrawn in meters and hectares. As for highway signs and temperature reading, the move to show figures in terms of both systems can proceed without great cost or inconvenience to anyone.

Adherence to feet and inches, after all, is like racial prejudice. It is in our schools where the change can be best facilitated. If our children are taught to feel at home with both systems, and with all races, prejudice will tend to disappear; and a generation hence, our descendants may feel perfectly at home with metrics. After all, trade and travel are bound to bring the United States and the rest of the world closer together. Why perpetuate habits and prejudices which will only make life more difficult for future generations? ●

AUTO WARRANTY BILL

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ECKHARDT. Mr. Speaker, I have reintroduced today a bill entitled the "Automobile Warranty and Repair Act."

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The bill amends the Magnuson-Moss Act to provide new car owners with greater warranty protection and to encourage the auto manufacturers to give better warranty repair service.

In the 95th Congress, my Subcommittee on Consumer Protection and Finance held 6 days of hearings examining auto repair practices. The subcommittee heard from a wide range of industry, Government, insurance, and consumer witnesses. The overwhelming majority of those testifying agreed that unsatisfactory auto repairs is the No. 1 consumer problem. Complaints involving poor performance on auto warranties figure prominently in the overall auto repair problem. According to the Better Business Bureau's most recent statistics, some 57.5 percent of all automobile-related complaints involve new vehicles under warranty.

The auto manufacturers offer warranties to assure purchasers that their cars, if not perfect, are well built. The auto manufacturer promises in the warranty to remedy those defects which surface in the early phase of a car's life. The importance of such warranties was best demonstrated in an Arthur Young & Co. survey sponsored by the Federal Trade Commission. According to that survey, nearly 30 percent of the motor vehicles delivered to purchasers had some defect covered by warranty.

However, the auto warranty is of little use if the manufacturer does not perform as it has promised. The Arthur Young & Co. data shows that approximately 30 percent of the motor vehicles with some warranty problem took over a month to resolve. If these statistics are applied to the 11.2 million new cars sold in 1977, this means that over a million new car buyers had serious difficulty with warranty service. In addition, some 25 percent of those who had warranty problems with their motor vehicle were dissatisfied with the final outcome. Typical complaints voiced by consumers to the subcommittee were that: The car was not repaired because the needed parts were not available; it took several trips to the dealer to get the problem repaired; and the manufacturer's zone representative, who must authorize some warranty repairs, refused to meet with the consumer.

The Automobile Warranty and Repair Act would address these problems in several ways. The bill would require auto manufacturers to offer a full warranty. Presently, only American Motors with a less than 2 percent market share offers such a warranty. A full warranty on cars will provide an incentive for the auto manufacturer to provide consumers with quickly and correctly by requiring the manufacaurer to provide consumers with substitute transportation if the repair is going to take more than a reasonable period of time.

In addition, the legislation would apply the "lemon" provision of the Magnuson-Moss Act to all passenger vehicles. Under present law, the lemon provision applies only to those few cars with full warranties. Thus, consumers are forced to look to State law for relief. However, the State law on lemons requires giving up the car during the entire length of the dispute, which may be several months in the case of a lawsuit. By requiring the auto manufacturers to provide a full warranty, my bill would allow consumers to sue under Magnuson-Moss to make a company buy back a lemon car and to keep and use the car during any dispute. Of course, if the consumer wins, the refund for the car would be offset by an allowance for the consumer's use of the car.

The bill also makes it easier for a consumer to seek redress against an auto manufacturer which fails to honor its warranty. The Magnuson-Moss Act currently provides for the award of attorney's fees to the plaintiff where appropriate, and class action if 100 plaintiffs are named in the complaint. My bill would eliminate the 100 named plaintiff requirement as a prerequisite for class action, because an attorney attempting to contact other potential plaintiffs to meet the 100-plaintiff threshold may be engaging in solicitation. Further, the bill would make the award of attorney's fees and other costs mandatory in all cases where the plaintiff wins. So long as the award of attorney's fees remains discretionary, the gamble taken by consumers and their attorneys is prohibitive.

Thank you, Mr. Speaker.●

COMPENSATION AND INSURANCE BENEFITS FOR VETERANS

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MONTGOMERY. Mr. Speaker, I introduced, along with the distinguished chairman of the full committee, the Honorable RAY ROBERTS of Texas, and the distinguished ranking minority member, the Honorable JOHN PAUL HAMMERSCHMIDT, two bills for consideration by the Subcommittee on Compensation, Pension and Insurance of the Committee on Veterans' Affairs.

The first bill proposes a new plan of insurance for veterans who have carried term policies since World War II and who now find that premiums are so high they may have to drop their insurance. Though this type of policy provides maximum coverage at the lowest possible premium rate for younger veterans when their family responsibilities are the greatest, the premiums increase every 5 years. Those choosing to hold such plans should convert to a permanent plan later as soon as economically possible to do so. The fact is that many individuals have, for whatever reason, continued term plans and now find their premiums a burden.

The endowment at age 96 plan, which I have introduced today, is patterned after a bill which solved a similar problem for World War I veterans. The bill would assure a level premium and the policy would build cash and loan values. I expect hearings on the insurance program at an early date.

The other bill which I call to your attention proposes a 7-percent increase in compensation payments for service-connected disabled veterans and a similar increase in dependency and indemnity compensation (DIC) for the wives and children of veterans who died of service-connected causes.

This 7-percent increase is in line with the President's guidelines for containing inflation and at this time represents our best guess as to the expected inflation rate between now and October 1, the bill's proposed effective date. If we find following hearings that the inflation factor is more than 7 percent, we would urge the Administrator to give consideration to a cost-of-living adjustment that would truly reflect the inflation factor.

Last year, we passed many bills that became law to improve the service-connected compensation program for veterans and their survivors. In addition, a law completely rewriting the pension program was passed. In addition to solving the social security problem, the new pension plan now assures eligible veterans incomes above the poverty level. At the same time it removed many of the inequities and anomalies of the old law that permitted payment of pension to many with substantial income from other sources.

It is my personal opinion, and a belief which I feel the leadership and a majority of the Members of the House share, that this year should be chiefly devoted to thorough oversight of existing programs. It will be my purpose to assure that benefits provided by a grateful nation are being administered in the way these programs were intended.●

CHINESE MYTHS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. McDONALD. Mr. Speaker, I do not always agree with columnist William F. Buckley, Jr., on matters concerning foreign affairs, but his column entitled: "Chinese Myths" that appeared in the Atlanta Journal on December 29, 1978, was right on the mark. In this column he discusses the fact that Communist China is in the economic doldrums and is not likely to provide the big consumer market some of the more naive people in the press are talking about. Communist China is a poor country and if it is to buy anything in significant amounts from the United States, it will first need to borrow the money from the U.S. taxpayer. United States-China trade is likely to be a bigger bust than U.S.–U.S.S.R. trade. Mr. Buckley's column explains why:

CHINESE MYTHS

(By William F. Buckley, Jr.)

NEW YORK.—It is relevant, in the euphoria in some business circles after the demarche by President Carter, to pause a little bit to consider the Chinese economic question.

Most middle-aged Americans grew up on some variant of the proposition that if every Chinese person earned 10 cents per hour per day more than their current wages, unemployment in the United States would end. It is a metaphorical extension of that point that led Mr. Carter, on announcing his break with Taiwan, to suggest that great mountain ranges of plum puddings lay ahead of us by virtue of his step toward what he calls normalization.

This analysis isn't on any ethical question. We will not today dwell on the interesting schizophrenia that there are so many Americans anxious to stop trading with the South Africans while anxious to increase trade with the mainland Chinese. Nor is it here the point to explore whether, in fact, there is anything at all in the new arrangements that makes possible economic exchanges that were not possible under the old relations. The purpose here is modest, namely to explore the question of the economic prosperity of mainland China after 30 years of Maoism.

We are all beholden to Professor Donald Zagoria of Hunter College, whose deeply learned and ingenious essay in economic archeology appeared in the spring issue of Dissent magazine in 1975. Mr. Zagoria tells us things which are interesting at two levels. On one, he enlightens those who believe that there are, somehow, great reserves of consumer purchasing power in China waiting to buy American goods. At another level, he answers those who have hailed the economic accomplishments of Mao Tse-tung.

"According to the latest World Bank figures," Mr. Zagoria writes, "the per capita growth rate for China (2.9 per cent for the period 1952–1971) is less than the average growth rate in Central and South America from 1960–1970, which was 4.3 per cent per year, and it is less than that average growth rate in the same period for all Asian and Middle Eastern countries excluding Japan, i.e., 4.2 per cent."

Professor Zagoria is prepared for the usual objections. He meets them head-on. "It may be objected that the comparisons made here between Chinese growth rates and the growth rates of other developing countries are misleading because of China's unusually large population, which compounds problems of development. Yet a comparison between the growth rates of China and India, two countries of comparable size, is not dramatically favorable to China. There is general agreement among economists that India did better than China in agricultural growth, that China did somewhat better in industry."

The myth that Mao ended hunger in China is gruesomely dispelled. "During the '50s, according to all Western estimates, Chinese grain production was generally well below 180 million metric tons, except for 1957 and 1958; it did not rise consistently above 180 million tons until 1963. . . . The average for the period of 1963–72 (was) 3.1 per cent per year."

Those enthusiasts for Chinese economics who now change the subject and talk instead of the paradigmatic accomplishments of the communists in equality once again come upon the statistics. "One sample survey in 1965," writes Professor Zagoria, "found that average income per peasant in the richest commune studied was 3.4 times that of a peasant in the poorest one. Another study showed per capita peasant income in Kiangsu Province to be 74 per cent higher than a comparable figure for Szechuan. Still another survey reported that the most affluent locality in Kiangsu Province had an average income 83 per cent higher than the lowest."

All of which is yet another tiresome indictment of the proposition that communist economics can do anything to help the people or that the surrealist communist vision (from each according to his ability, to each according to his need) happens anywhere on earth.

The figures point simply to this: The Communists in China are among the poorest people in the whole wide world, and all those beautiful gates opening up to American enterprise are likely to produce about the same avalanche of economic benefits that we have had from trading over the past 25 years with India, to which proud country, a half-dozen years ago, we settled the problem of selling them grain by the simple expedient of forgiving them a debt of about $10 billion.

President Carter will get around to that in his second term of office, if there is a second term of office, the alternative being that he might be hired as an economic consultant by China to increase the productivity of peanut production, a change in station and responsibilities that should receive bipartisan support.●

THE CHALLENGES OF 1979

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VENTO. Mr. Speaker, we begin what I hope will be a productive and responsible session of this new 96th Congress with many major problems facing us.

Inflation is certainly the number one problem in this country. In spite of the debate, the rhetoric, the useful legislation, we have not come to grips with the illusive menace that is eroding the stability of our economy. Any actions to curb inflation are long term, but it is clear there must be a greater effort by government and better incentives to stop inflationary practices in the private sector.

The voluntary wage and price guidelines, while certainly a start, have too many loopholes and allow too many exceptions. There are unbalanced applications of the rules. There is a growing sense of frustration on the part of the worker, who is being asked to accept a voluntary 7-percent lid on pay increases, while more and more price increases—especially for energy costs—escape any real ceiling. We will tread a narrow, precarious path as we deal with threats of an upcoming recession and look for legislative recourse to stop it.

But inflation is not the only piece of unfinished business before this Congress. Energy is a recurring problem and the energy bill passed by the last Congress certainly will not solve it. We have yet to see the outcome of the crisis in Iran and its impact on world oil supplies, including vital energy supplies to this country.

Even before we have a chance to readjust the legislative schedule and ascertain our priorities, the problems of mounting health care costs and the need for some type of national health program to meet the needs of all Americans stand out as important goals.

And these are not the only problems pushing for immediate attention. We must deal with the Amtrak issue and the whole question of public transportation; whether we are going to provide reparations to victims of crime; social security and medicare funding; public financing for political campaigns; and monumental environmental questions about the future of Alaska lands and what we are going to do about the growing crisis of nuclear and other hazardous wastes.

International affairs are going to take on increasing importance and test our effectiveness as a deliberative body. The normalization of relations with China means we will be involved in the development of that nation's physical and human resources, from new trade and economic agreements to the more sensitive issues of human rights.

This Congress and this administration will have to deal with the crisis in Iran, the stalemate in the Middle East, the tenor of negotiations with Russia for an arms limitation agreement.

The year 1979 will be a formidable year. This country and this Congress may be tested as we have never been tested before—in our attitudes, in our ability to act quickly and decisively, and in our willingness to accept new values and new standards for the quality of American life.●

DAY OF MARTI

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I am reintroducing, to authorize and request the President to proclaim January 28, 1980, as "Day of Marti, Apostle of Liberty."

Jose Marti, founder of the democratic tradition of Cuba at the beginning of this century, was a man who cherished liberty and the ideals for which our Nation also stands. Not only as one of the greatest poets in the Spanish tongue but as politician in exile in New York City and as guerrilla martyr for the cause of freedom, he served to glorify the dignity of his people and our common goal.

The memory of Jose Marti, who stands today as a reminder of the terrors of oppressive government in Cuba and of the desire of its people to be free, ought not to be forgotten in a new age of that terror or even in a new land of exile. Let us join in support of the memory of such an outstanding man of present and past history as Jose Marti.

The bill follows:

JOINT RESOLUTION TO AUTHORIZE AND REQUEST THE PRESIDENT TO PROCLAIM JANUARY 28, 1980, AS "DAY OF MARTI, APOSTLE OF LIBERTY"

Whereas the contributions of Jose Marti to the cause of liberty, freedom, and the self-determination of peoples of the world are worthy of the praise and admiration of mankind;

Whereas the Cuban people derived their independence from colonial government much as a result of the efforts and inspiration of Jose Marti; and

Whereas Jose Marti is remembered as "The Apostle of Cuban Independence" by hundreds of thousands of Cubans and Cuban-Americans residing in the United States who contribute richly to the life of our Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating January 28, 1980, as "Day of Marti, Apostle of Liberty", and calling upon the people of the United States and interested groups and organizations to observe such a day with appropriate ceremonies and activities.●

CONGRESSMAN TIM LEE CARTER HONORED

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DEVINE. Mr. Speaker, last month one of our colleagues, TIM LEE CARTER, was honored with the presentation of the American Medical Association's 1978 Dr. Benjamin Rush Bicentennial Award for Citizenship and Community Service.

I join in congratulating DR. CARTER on this recognition by the AMA and wish to insert into the RECORD a copy of the press release announcing this honor for our good friend from Kentucky:

KENTUCKY PHYSICIAN-CONGRESSMAN TO RECEIVE DR. BENJAMIN RUSH AWARD

CHICAGO.—A Kentucky physician and veteran Congressman has been named recipient of the American Medical Association's 1978 Dr. Benjamin Rush Bicentennial Award for Citizenship and Community Service.

Tim Lee Carter, M.D., 68, will be honored in ceremonies at 2 p.m. on Sunday, December 3rd opening the 1978 Interim session of the AMA House of Delegates at the Palmer House in Chicago.

The award consists of a commemorative plaque and $5,000, and is given annually to a physician who has made an outstanding contribution in citizenship and public service above and beyond the call of duty as a practicing physician.

A native of Tompkinsville in Monroe County, Kentucky, Dr. Carter served as a one-room school teacher and basketball coach for four years before entering Western Kentucky University. He graduated from the Medical School of the University of Tennessee in 1937 and, following internship, practiced medicine in Tompkinsville until 1942, when he volunteered for service with the U.S. Army. As a combat medic in the Pacific Theatre for 42 months, he earned the Bronze Star Medal and Combat Medical Badge.

Returning to private practice following World War II, Dr. Carter was chairman of the Board of Education in Monroe County and chairman of the County Republican Party for 12 years prior to his election to the U.S. House of Representatives in November of 1964. He has just been reelected to his eighth consecutive term as Fifth Kentucky Congressional District Representative.

As a member of Congress, Dr. Carter has served on the Committee on Interstate and Foreign Commerce and was selected as the ranking minority member of its subcommittee on health and the environment in January of 1975. He is also ranking minority member of the Committee on Small Business subcommittee on environment, safety and research.

Dr. Carter has received Distinguished Service Awards from the American Medical Association, the American Academy of General Practice, the National Arthritis Foundation and Medical Tribune for his work on health legislation.

Citations have also been presented to him by the Kentucky and American Diabetes Associations, the International Society of Laboratory Technology, the American Digestive Disease Society, the American Society of Hematology, the Kentucky State Review Committee on Family Planning, the Kentucky Alliance for Health, Physical Education and Recreation, and the Kentucky Hospital Association.

The National Associated Businessmen selected Dr. Carter for their "Watchdog of the Treasury" award in 1965–66, 1967–68, and again in 1969–70. In 1972, the National Federation of Independent Business named him their "Kentucky Man of the Year." For his work in the 95th Congress he was presented NIFB's "Guardian of Small Business" award.

Two other Distinguished Service Awards have been conferred on Dr. Carter by the University of Kentucky School of Agriculture and the National Cystic Fibrosis Research Foundation.

Additional honors accorded Dr. Carter include Honorary Doctorate degrees from Lincoln Memorial University in 1973 and from Union College and Eastern Kentucky University in 1974.

Dr. Carter is a member of the Kentucky and American Medical Associations and the Kentucky and American Academies of General Practice. A Baptist and a thirty-third degree Mason, he is a member of the Lexington Consistory and Kosair Shrine of Louisville. He also belongs to the American Legion and the Veterans of Foreign Wars.

Dr. Carter is married to the former Kathleen Bradshaw of Tompkinsville.●

HOME REMEDY FOR INFLATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FORSYTHE. Mr. Speaker, I would like to share with my colleagues an article given to me by a thoughtful constituent, Mr. Herb Cohen, which in its simplicity teaches a very dear lesson in economics. I have found great value in "Grandma's Economics" and I believe it behooves all of us to consider the merits of its message.

GRANDMA'S ECONOMICS

I know very little about economic theory and my grandmother knew even less. My grandmother knew a great deal about making good, strong, healthy (yes, she was a Jewish grandmother) chicken soup.

The one thing she knew, without a shadow of a doubt, was that if you started with a pot of good soup and kept adding water to it, you would eventually end up with a pot of watery, weak, tasteless chicken soup that was no good for colds or anything else. My grandmother might have even said—if she knew the words—that the chicken soup depreciated at a rate directly related to the addition of water.

A little chart in last Sunday's Los Angeles Times listed the amount of money in circulation that week, and the amount for the same week a year ago. It seems that exactly a year ago there was slightly less than $100 billion floating around, and that now there is slightly less than $110 billion of the supposedly same dollars. How strange that both our rate of inflation and the amount of additional dollars printed are almost the same—10 percent.

I think that my grandmother would see the connection at once. I also think that she would predict that if we print 20 percent more dollars, we would have an inflation rate of 20 percent, and if we withdrew 10 percent of the dollars from circulation, our dollar would appreciate by 10 percent. It is, after all, simply a matter of adding water.

What my grandother would not understand, and I do not understand it either, is why all the highly paid, extremely well-educated, sophisticated experts cannot see that the more paper dollars we print, the less each dollar will be worth. But then, maybe they do not teach how to make chicken soup at prestigious schools of economics.

SI FRUMKIN.

STUDIO CITY, CALIF.●

THE COST OF REGULATIONS AND THE NEED FOR ECONOMIC IMPACT STATEMENTS ON NEW REGULATIONS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LEVITAS. Mr. Speaker, the evidence is overwhelming that Government regulations have a significant economic impact upon those individuals and businesses required to comply with them. According to a study conducted by the Center for the Study of American Business at Washington University in St. Louis, the total cost of complying with Government regulations in fiscal year 1977 was $79.3 billion. Moreover, the price tag is rising. It is estimated that the aggregate cost of Government regulations in fiscal year 1979 will be a staggering $102.7 billion, consisting of $4.8 billion in direct expenses by regulatory agencies and $97.6 billion in costs of compliance on the part of the private sector.

Some time ago, I received a copy of a letter to the President from a small businessman in Georgia which really brought home to me the effect Government regulations can have. That letter began with the statement, "You win! I quit!" and proceeded to list the many Government regulations and forms with which this small businessman had to contend. He was driven out of business by the costs of complying with Government regulations and filling out Government reports. His 29 employees were put out of their jobs.

It is the consumer—the average American—who bears the cost of Government regulations because, by and large, these costs are passed on to consumers. Reducing the cost of compliance is not just a business concern, but it is equally a concern of consumers. For example, according to figures compiled by the center at Washington University, the price of a new house goes up from $1,500 to $2,500 because of Federal, State, and local regulations imposed on developers.

To be sure, there are important benefits which are derived from regulatory requirements—safe food, honest advertising, healthy work environments, and so forth. Most of these benefits would not happen without the requirements of law or regulation. But, the public is entitled to know and assess both the benefits and the cost of regulations.

There is clearly a need to establish the economic impact of Government regulations before they go into effect. Congress and the public need to know the cost/benefit comparison of new Government regulations. Yet, there is no statutory requirement for a systematic analysis of whether the benefits to be received from a proposed rule would exceed any negative economic impact. Regulations should only be promulgated after such an analysis has been made and the results examined.

Today, I am introducing legislation which would amend the Administrative Procedures Act to require the preparation and development of specific economic impact analyses for all rules and regulations which are required to be published in the Federal Register. These economic impact statements would also be published in the Federal Register.

I am not introducting this bill so that, if enacted, it could be passed over with a simple coverup sentence such as—

There would be no adverse economic impact from implementing this proposed regulation.

My bill requires a detailed analysis that would address the cost impact of the regulation on consumers, businesses, markets, and Federal, State, and local governments. It would deal with the estimated cost of implementing, monitoring, and enforcing the rule by the agency, the effect of the rule on employment and the fiscal effects of any predicted increase in unemployment if the analysis so indicates, the effect of the rule on productivity of wage earners, businesses, and Government. It would also require the alternatives that were considered by the agency to the proposed rule to be published along with a finding as to why the alternatives were not proposed.

Mr. Speaker, we are in a phase of acute inflationary pressures. One of the significant steps we can take to lessen inflationary pressures is to decrease the costs imposed by Government regulations. President Carter has recognized that Government regulations impose unnecessary costs on the American economy and fuel inflation, and he has taken steps to alleviate these pressures. Executive Order 12044, Improving Government Regulations, issued March 24, 1978, requires executive branch agencies to prepare statements assessing the economic consequences of proposed regulations involving significant costs. Yet, this Executive order is deficient in certain respects. It is nonstatutory so that it can be revoked or changed at any time by this or subsequent administrations. It does not apply to the independent regulatory agencies where much of the problem lies. And finally, it does not establish criteria specific enough so that the quality of the regulatory economic impact analyses thus far has been spotty.

I believe that the bill I am introducing addresses some of the deficiencies in the President's Executive order. Most importantly, it makes regulatory economic analyses part of the statutory requirements for promulgating regulations by both the executive branch and independent agencies. This would insure that such analyses are accomplished and available to Congress and the public. It would also insure that future administrations would not be able to change this policy.

Mr. Speaker, I introduced identical legislation during the last Congress which was cosponsored by 65 Members of the House from both sides of the aisle and many political philosophies. I am confident that this bill will receive similar support in the 96th Congress because it improves the public's confidence in Government and makes that Government better. I hope that we can move ahead with this proposal.●

A CHALLENGE TO TURN DEMOCRAT RHETORIC INTO REALITY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SHUSTER. Mr. Speaker, today I have introduced a sense of the House resolution which will make the 96th Congress an "oversight Congress." This resolution which I introduced in the House Republican Conference was unanimously adopted by House Republicans. Therefore, it is now up to the majority party in this body to determine whether this issue will again be put on the "back burner" or whether it will, at long last, receive positive action. This should not be a partisan matter. Not one of us sitting here today can fail to hear the message from American citizens and taxpayers across the country. It comes through loud and clear. They are demanding we strip away the layers of waste, inefficiency, bureaucracy, and red-tape that have grown like barnacles on the hull of our ship of state. With runaway inflation, one of the highest tax burdens in our Nation's history, and reckless Government spending, the time has long since passed for the Congress to begin to take its oversight responsibility more seriously. I urge and challenge the Democrat majority in this House to join with Republicans in adopting this resolution.

The American people are crying out for a tighter, leaner, more efficient and cost-effective Government. There is a virtual taxpayers' revolution in our country. The present Democrat administration has given much lip service to "streamlining the bureaucracy." As he campaigned for the Presidency, President Carter promised time and time again to fight waste and inefficiency in Washington. He devoted hours of political rhetoric against what Mr. Carter called the "horrible bureaucratic mess in Washington." This resolution gives the Democrats the opportunity to turn that rhetoric into reality. The American people are watching and waiting to see whether it is done.

I for one would not welcome the task of explaining to my constituency why I failed to support it. Yet, while we have perennially paid lip service to the need for greater oversight, we continue to approach it in a lukewarm, slipshod, haphazard and ineffective manner. The fact remains that the majority in Congress still lacks the will and determination to perform this oversight function in a comprehensive and rational fashion.

While the new political, budgetary and economic realities may now force the Congress to recognize this long neglected responsibility, there is little evidence that we will do a much better job than we have in the past without a certain self-imposed discipline and comprehensive oversight approach. This resolution attempts to address that deficiency by suggesting positive steps we can take to realize the objective of making this, and subsequent Congresses, more effective oversight Congresses.

First, the resolution calls on each standing committee to formally develop an oversight agenda and timetable in each Congress. The present House rule simply calls for representatives of each committee to meet with representatives of the Government Operations Committee to discuss their oversight plans, and for these to be published within 60 days of the convening of a new Congress. Over the last two Congresses the development of these oversight plans has been a rather perfunctory and meaningless staff-level effort, with little real input or thought being given by the committee members themselves.

Second, the resolution calls on each standing committee to establish an exclusive oversight committee. While this was an original recommendation of the Bolling-Martin Select Committee on Committees in the 93rd Congress, that provision was diluted by the Democratic Caucus Substitute which made the establishment of oversight committees optional. Thus, at present, only about 7 of our 21 standing committees now have exclusive oversight subcommittees. I feel that so long as the oversight function is handled by subcommittees having legislative responsibilities as well, it will continue to be a neglected stepchild of the committee.

Third, the resolution calls for priority consideration to be given during the first session of the 96th Congress to the enactment of legislation requiring a "sunset" review timetable for all Federal agencies and programs. While various sunset bills have been around for several Congresses, these have met with resistance and pigeonholing by the majority leadership and the committees of jurisdiction. It is my strong feeling that only by imposing specific oversight plans and timetables will we truly be able to initiate the type of comprehensive oversight approach that is needed.

Finally, the resolution calls for permitting the disapproval by the Congress of any proposed Federal regulations before they take effect. At the present time, many executive agencies are promulgating all manner of regulations far beyond the intent of the Congress or the scope of the authorizing legislation. Our citizenry, our businesses, and our economy are being strangled in all this redtape, much of which contributes little if anything to the public good. The regulations issued by these agencies are a delegation of legislative authority by the Congress, and, as such, should be subject to congressional review and veto before they go into effect. As things now stand, we are often powerless to stop ill-advised regulations until after they take effect and some damage has already been done.

Giving this prior review authority to the Congress will serve as a deterrent to the promulgation of questionable regulations in the first place.

Once again I repeat, the time has long since passed for positive action on this subject. We are faced with double digit inflation, a runaway cost of living, staggering taxation, and a taxpayer revolt. We must listen, heed, and act on the message the American people are sending to Washington.●

ALCOHOL FUELS: A REALITY OF THE FUTURE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. EDWARDS of California. Mr. Speaker, today I am introducing a bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel. The Gasohol Motor Fuel Act of 1979 is needed in light of our growing petroleum problems. I am hopeful that Congress will use its vision and wisdom to quickly pass this act and get our Nation on the productive track of using our resources effectively and skillfully.

Last month OPEC announced its 14.5 percent increase in the price of crude oil. While economists differ over the impact of this move, there is no doubt that it does indicate a pattern of consistency in this organisation's behavior, namely the continuing spiral of petroleum prices in the coming decade. Out of sheer necessity, we, the U.S. Congress, must now take steps to protect our economy from an energy collapse. One way to achieve this is through enactment of a strong alcohol fuels program.

In the coming months, we will continue to debate the merits and problems associated with nuclear, solar, hydroelectric, coal, and petroleum power. There are substantial differences among Members of Congress on the relative merits of these various energy sources. I personally have my own "Small is beautiful" conception of future energy systems and will be joining in on the debates to see that this philosophy is given adequate recognition.

However, there are some hard, cold facts which do not allow us to continue to focus debate exclusively on these varying technological systems. Twenty-six percent of our country's energy consumption is related to the field of transportation. Over half of this figure is consumed directly by automobiles. Though we wisely passed the Clean Air Act, which mandated higher efficiency standards for tomorrow's cars, the evergrowing number of cars on the roads and highways of our country make it necessary for us to provide new answers to this continuing situation. This is precisely why I am introducing this bill which mandates a 10 percent alcohol fuel at all service stations by 1990. We are faced with the necessity to conserve all our energy resources, but particularly petroleum products since we rely on them so heavily. Commonsense allows each and everyone of us to see this, and we must act accordingly to take the needed steps to cut back our consumption of petroleum. I hope my colleagues will join me in supporting this measure when it comes to the floor of this Chamber for final passage.

There is another compelling reason why I think it is particularly necessary to pass an alcohol fuels bill this year. This regards the boosting of octane levels for marketed unleaded gas. I believe our oil companies have shown a lack of responsibility in planning for no-lead, high octane gasoline fuels, thus making congressional initiatives necessary.

Since our environmental regulations require no-lead gasoline, and our new cars are increasingly geared for high performance and high octane levels in the fuels with which they will run, we are stuck with achieving the best of both worlds; no-lead and high octane gasoline. There are two ways to achieve this feat, and here is where the big problem lies.

The first of these is at the refinery, by using petroleum and natural gas resources. To achieve this the oil companies have to make tremendous capital investments in order to change the present refineries and provide for adequate capacity for these additionally needed processes. They also increase capital investment to use up additional quantities of crude oil. According to Urvan R. Sternfels, chief attorney for the National Refiners Association, it takes 5 percent more crude oil to make a gallon of premium unleaded gasoline than it takes to make regular unleaded. Mr. Jack Freeman, chairman, American Petroleum Institute Alcohol Fuels Task Force, said it takes 6 percent more crude oil to make unleaded gasoline than it takes to make leaded premium. This crude expenditure is in addition to the normal 10- to 15-percent crude oil that is used up when processing regular fuel.

The other way to achieve no-lead, high octane gasoline, and the most sensible method, in my view, is by using oxygenated fuel additives. These additives are alcohols, or ether derivatives of alcohols, and are manufactured from refinery byproducts. This is the present state of affairs in the gasoline industry. We are going to see more and more high octane, no-lead cars, and thus gasoline to make these cars run. Personally, I am outraged over the use of 6 percent more crude oil at the refinery in order to achieve these desired levels. In short, I do not think it is something we as a country, dedicated to energy conservation can afford to stomach, let alone pay for. Petroleum prices are soaring and will continue to rise. Why in the world would we choose to accept a technological innovation rooted in using more of this precious resource? This whole idea flies in the face of energy conservation, and concrete workable alternatives for future energy systems.

This legislation which I am introducing calls for the development and commercialization of an alcohol fuels program. Research has shown that agricultural waste products, and excessive agriculture products can be distilled to make alcohol. In sum, the technology is here now, all we need do is apply it.

I hope my colleagues will join me in supporting a strong alcohol fuels program in order to get our country on the right track for future automobile fuel systems.●

CARTER AT MID-TERM

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LATTA. Mr. Speaker, I would like to direct the attention of my colleagues to an article entitled, "Carter at Mid-Term," which appeared in the Cleveland Plain Dealer on January 16, 1979. The article, written by syndicated columnist, George Will, speaks for itself—President Carter has not kept his campaign promises. The text of the story is as follows:

CARTER AT MID-TERM

(By George F. Will)

WASHINGTON.—At the 24-month mark, halfway through a term and perhaps a presidency, President Carter is treating campaign promises—120 pages of them—about as cavalierly as most presidents have done. Regarding those promises, from deregulation of new natural gas through aid to parents of pupils in parochial schools (he fought bills that would have fulfilled both), he may seem unusually cavalier. But that is only because he promised to be unusually scrupulous.

Carterism, it now seems, is Menckenism turned inside out. H. L. Mencken expressed for sophisticates of the 1920s the view that politics is a carnival of claptrap, poltroonery and humbug. Carterism is the idea that politics should be the translation of broad moral categories (such as "human rights") into policies, and the use of pseudo-moral categories (such as "efficiency" and "openness") as substitutes for policies.

The difference between Carterism as slogan ("Why not the best?") and as government can be judged in terms of three things that matter—the law, the currency and the ability to constrain the Soviets.

Carter's slogan, and his famous disdain for politics-as-usual, have not prevented him from producing a traditional pattern of judicial appointments. Of Carter nominees to district courts, a slightly higher percentage (93.6) are from the presidents party than was the case under Johnson, Nixon and Ford, and a higher percentage (53.5) have records of party activism.

The percentage of party members appointed to courts of appeals is slightly lower (91.7), but the percentage of party activists is significantly higher (75%, compared with Johnson's 58.5, Nixon's 60 and Ford's 58.5). Overall, and in the context of expectations that the "outsider" would be "different," Carter's record is remarkable only for its ordinariness.

Regarding the basic constitutional balance between the elected branches of government, and the issue of an expansive interpretation of presidential discretion, Carter is in the Johnson-Nixon tradition. In foreign policy he has terminated a defense treaty (with Taiwan)—the gravest sort of treaty—without seeking Senate consent, and with only a perfunctory, 11th hour charade of consultation. In domestic policy, his coercive wage-price "guidelines" are called "voluntary" in order to disguise the fact that he is attempting to impose broad controls without the sort of legislative authorization Nixon had in August 1970—without, that is, due process of law.

The inflation rate is approaching twice what it was when Carter took office, and the dollar, measured against the world's major currencies, has lost more than a quarter of its value. The administration spent about 14 months pushing for measures (first a $50 tax rebate, then a tax cut aimed at stimulating consumption) to stimulate an economy already seized by inflationary forces. Fortunately, the pushing was in vain.

The promise of a balanced budget in fiscal 1981 has been replaced by the promise of a deficit of "only" $30 billion for fiscal 1980. That would be too much. And the figure is fiction.

The administration almost certainly is underestimating expenditures, overestimating revenues generally, and not allowing for what is probable—at least a moderate-size tax cut. The deficit probably will be closer to $50 billion.

Regarding national security, Carter has closed the Minuteman III production line, slowed the MX missile and cruise missile and Trident submarine programs, canceled the B-1 bomber, refused to deploy neutron weapons and vetoed the aircraft carrier that Congress considered necessary. He did all this without seeing or seeking reciprocal restraint on the Soviet side. The administration has been unable to inhibit the Soviet Union's military buildup, its activities of subversion, its acquisition of client states or its imperialism with Cuban proxies.●

TRIBUTE TO WOLFGANG J. NAUKE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. AMBRO. Mr. Speaker, this Saturday, January 20, one of the most dedicated and compassionate men I have ever had the pleasure of knowing will step down as president of the United Veterans Organization, a post he has held for the past year.

Wolfgang J. Nauke, a resident of Huntington, N.Y., which in my Third Congressional District, will close yet another chapter in a lifetime of selfless service to the people he loves most after his own family—the American veterans.

I have known Wolf almost all of my public life. A man with deep convictions and beliefs, he is one of the all too rare individuals who will devote the totality of his time, his energy, and his talents to the fullfillment of his vision and for almost three decades that vision has locked on the welfare and well-being of those who defended our Nation in war and peace.

Born in Dresden, Germany, in 1921, Wolf's parents brought their family to the United States when he was 5. They moved to Huntington on the North Shore of Long Island in Suffolk County. He entered the Armed Forces in 1942, serving in the European Theater in both North Africa and Italy. He joined the Veterans of Foreign Wars in 1952 and from then until now, veterans, groups and organizations have been his almost exclusive focus outside his home.

A past Suffolk County commander, past commander of the Nathan Hale Post 1469, formally acclaimed All-State Post Quartermaster, among the many positions he has held, Wolf has been honored by our distinguished colleague in the other body, Senator BARRY GOLDWATER.

Married to the former Lee Alessio of Huntington, he has three sons.

Mr. Speaker, Wolfgang Nauke has through his labor, promoted the interests of those very important Americans who have worn proudly our Nation's uniform and defended her principles. I ask all of my colleagues in this House of Representatives today to join with me in paying tribute to this outstanding American, husband, father, community leader, and patriot.●

AN $8,200 THANK YOU

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VENTO. Mr. Speaker, the UNICO Saint Paul Chapter, 28 strong, has over the years proven to be a generous source of contributions to worthy causes in the Twin Cities area.

This group of public-spirited citizens of Italian descent raises money throughout the year in a variety of ways for scholarships and so that at Christmas time gifts can be made available to the poor and the sick.

The Saint Paul Pioneer Press of December 15, 1978, reports on UNICO-St. Paul's most recent largesse. I include the article in the RECORD at this point:

AN $8,200 THANK YOU

"For 400 years," East Side businessman and master of ceremonies Matt Morelli told his fellow UNICO Club members and guests at a luncheon Thursday at the Venetian Inn, "no matter how bad things were, the Italians always had one thing going for them—they had a pope.

"But not any more," said Matt. And, he added, he's "noticed a certain smugness lately up at the Polish-American Club on Arcade."

Nevertheless, Matt continued, the Italians still have a lot of which to be proud. He mentioned, specifically, Italy's unmatched contributions to the arts, world trade and discoveries, which brought him to about 1880.

Life was hard then in an Italy torn by wars and "foreign princes." And in the years that followed "our fathers and forefathers, hundreds of thousands of them, came to this country.

"They came to work," Matt said. "They were willing to work. They were not looking for handouts. They took menial jobs and they worked very hard.

"They were looked down on. They were foreigners. They spoke a strange language and they clung to a strange faith and to their families.

"And they made it! No other ethnic group succeeded as quickly in this great country as the Italians. You can't really count the Irish because they spoke the language . . . and they got all those City Hall jobs."

"So that's why we're here today," Matt concluded. "To say 'thank you.' To give away some money. That's just our way of saying 'thank you' in this country. And our UNICO chapter had some extra money this year . . ."

UNICO. A national organization composed of businessmen who are Italians or of Italian descent. The St. Paul chapter, Minnesota's only chapter, was organized in 1939. It now counts 28 members.

They raise money in various ways. Cadillac dinners. Other fund-raisers. "Put the bite on our members, too," Matt explained later. Annually, this money provides scholarships—about $10,000 worth.

But this was a very good year. The following institutions, organizations—and so on—also got checks Thursday.

Gillette Children's Hospital, $1,500. Little Sisters of the Poor, $1,000. Senior Citizens Center, $1,000. Our Lady of Good Counsel Cancer Home, $1,000. Home of the Good Shepherd, $500. Kaposia Learning Center, $500.

Hiawatha Children's Home, Rochester, $500. St. Ambrose Church, $500. Mexican-American Boxing Club, $200. Stella Del Nord Italian-American Historical Society, $500. Paul Light Fund (for the kids at Gillette), $500.

And the Mayor's Christmas Party, $500. Mayor George Latimer was on hand to accept that check.

UNICO donated some $8,200 in all. And that $1,500 to Gillette was only the last of a long series of contributions to the hospital. About $52,000 in all, over the years, said Dr. Sam Valento, who has been in charge of that project.●

TRIBUTE TO HON. BILL STEIGER

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FORD of Tennessee. Mr. Speaker, it is with a great sense of loss that I join my colleagues in mourning the death of the Honorable William A. Steiger of Wisconsin.

As a member of the Ways and Means Committee, I came to know Bill Steiger as a tremendously articulate spokesman for whatever cause he represented. Although a member of the minority party, he was very effective and influential in committee proceedings. Having Bill Steiger on your side of an issue meant a great deal. He did not support a position just because one party or the other supported it—he voted for something because he thought it was right. Similarly, he was a formidable opponent. His arguments were rooted in sound logic which was hard to dispute.

Bill Steiger came to this body in 1967 as the youngest Member of Congress. Through six terms he kept his youthful appearance, his vigor, and his fresh approach to the ideas and issues which face all of us as representatives of the people. The reason for this is that Bill Steiger truly loved his work as few Members of this body do. You could see this in his smiling face and friendly nature.

Only in the last Congress did Bill Steiger attract much national attention. And attract it he did with the Steiger amendment on capital gains. He truly believed that our tax policy needs to stimulate capital formation, and he worked hard to get his amendment passed. However, he was not averse to compromise—he did not want to hold up the progress of vital tax legislation and threw his support behind a compromise. This brand of unselfishness—this putting the good of the public above one's own self-interest—can only be called statesmanship.

The term "statesman" is rarely used in connection with a Member of Congress.

Bill Steiger is worthy of this title, and this body will miss him greatly.

Mr. Speaker, my heart goes out to the Steiger family, their friends, and all of those who feel the loss of Bill Steiger.●

THERE IS A GOOD AMERICA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SKELTON. Mr. Speaker, so often we hear and see from the news media the critical side of our country. It is certainly good to read an article that was in the recent Lexington Advertiser-News of Lexington, Mo., my hometown, that speaks well of our great country. This article is entitled "There is a Good America" and it was written by a friend of mine, Harry Dunford, who is a regular contributor to the Lexington paper. I congratulate Mr. Dunford on a well thought-out and positive statement about America. It is as follows:

THERE IS A GOOD AMERICA

(by Harry Dunford)

Yes Virginia, there is a good America. You ask in your letter how can there be a good America when the newspapers and TV constantly blare forth with the news of all the bad things that happen in our country and how we are hated by so many other countries and, apparently, even by some of our own people.

Well, Virginia, it is in the nature of the news to dwell upon the bad things that happen because they are out of the normal pattern of life. A mother and father, for instance, who go about their daily lives working hard to sustain the family, giving love and affection and guidance and discipline to their children is supposed to be normal. It is not sensational or abnormal or violent or even unusual; in fact, most families go about their business of living in just such a manner, but it is seldom reported as news.

America can not be judged by the content of the daily newspaper or the boiled down headlines on the nightly TV news. The bad things that happen are reported, most of the good things that happen are not. Remember that.

It is true that America has its problems; we have always had our problems. In the days of the American Revolution there were problems in beginning a nation; during the Civil War there were problems in holding together a nation. And during World War II there were problems in seeing to it that we could continue to have the kind of nation we wanted. Many people, over the years, have died to preserve our nation and our heritage of freedom.

We have our problems today; inflation, unemployment, energy, the threat to family life, division among various sectors of the population on any number of issues. Life is not meant to be problem free; we will always have problems, but in America we have usually met our problems head on and eventually we overcome them. Don't forget that thirty years ago polio was a menace to young people; today it is nearly forgotten as it has been conquered.

America has met and solved many problems; our Social Security system has given dignity to older people upon their retirement from active work life; our economy, even with all its problems, has given more people the better things in life than in any other country; our move towards more equity and fairness in relation to minority groups has been slow and painful, but gradually successful. We have made much progress.

Yes, Virginia, there are many people in other countries who hate America. They can see no good in our country and accuse us of everything under the sun. We are envied for what we have and are blamed for many of the ills of the world.

But, Virginia, there is no country in the world which can claim a record of compassion such as we have. During World War I, we sent the cream of our manhood to finally put an end to four years of brutal trench warfare and then we fed the hungry of Europe for years after that. During World War II, we again fought for freedom and then rebuilt Europe and Japan with our money, our food, our technology, and with no strings attached.

Our record as a compassionate nation is shown in the figures for voluntary service and voluntary donations to charities and worthy causes. No other nation can come close. Whenever there is a disaster anywhere in the world it is the United States which is first on the scene with aid and comfort. It is our tradition to help out those in need.

We have made our mistakes from time to time; in Vietnam we began with a noble purpose to build a nation free from Communism. This noble impulse bogged down and has been severely criticized, but in the beginning it was a noble purpose. Much is made of Watergate, but in the final analysis it was the actions of a few people and not a reflection on the country as a whole. We survived it because our institutions of government were strong.

So, Virginia, let me say this to you. There is a good America. It may not be reflected in the daily news, but it is there and you are part of it. Whenever you have doubts about America, just look around you at your friends and neighbors, your schools and churches, your hospitals and nursing homes, your factories and stores, your history and your heritage. It is a good America.●

THANK YOU FROM A VIETNAM VETERAN

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ROBERTS. Mr. Speaker, the Washington Post recently published this expression of thanks from Vietnam veteran Darrel Rippeteau, of Washington, D.C., which I would like to share with my colleagues:

From time to time various persons call upon the nation to provide more benefits for military veterans. Vietnam veterans are sometimes portrayed as the least loved of a neglected throng.

I am a Vietnam veteran. I was drafted, trained and sent to the war for a one-year tour of duty.

When I came home and sought work, the New York State Employment Agency gave me veterans' preference status. I got a job the following week. When I got married, my veterans' status allowed me to buy primerate life insurance without a physical exam. Soon I returned to college on the G.I. Bill. While I was in school, a Vietnam medical problem relapsed. I had to have surgery—in a VA medical center—for free. When my wife and I moved here, we had no money for a down payment on a house, so we got a VA-approved loan and bought our home—no money down.

Veterans benefits took a lot of the struggle out of my life and have, in fact, put me ahead of many of my peers who didn't get drafted.

From veterans like me there can be no complaint. Rather, let me say what many of us should have said before: America, thank you.●

PATRIOTIC FERVOR STAMPS COLLECTION

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. WINN. Mr. Speaker, I rise today to pay tribute to one of my constituents who undertook a rather unusual project to commemorate our Nation's Bicentennial in 1976. Tiring of the commercialism that flourished in the year prior to this historic event, C. H. "Mike" Shannon of Mission, Kans., spent many hours turning his coin and stamp collection into a Bicentennial memorial.

It gives me great pleasure to submit for the RECORD today an article which appeared in the Kansas City Star last summer describing Mr. Shannon's tremendous achievement.

[From the Kansas City Star, July 4, 1978]

PATRIOTIC FERVOR STAMPS COLLECTION

RED, WHITE AND BLUE BELIEVER HAPPY TO MAKE CONTRIBUTION

(By Robert J. Pesek)

Most folks watched parades and other banner events—either along their main streets or on television—when our nation unfurled flags and popped its collective cork for the Bicentennial anniversary two years ago.

But not Mike Shannon.

Shannon, who lives in Mission, was in Independence with 1,100 envelopes—two of them 4 feet by 5 feet.

To be more precise, Shannon was in the main Independence post office to get every single one of the varied and colorful envelopes postmarked.

The postal workers, taken aback ("stupified," Shannon says), did so for a nickel a letter.

The $55 price tag didn't faze Shannon. He'd already spent about $3,000 for stamps to affix to the evelopes, and he'd completed the job of licking and sticking stamps on more than a thousand envelopes.

Shannon spent seven months gathering mementos, curiosities and artwork for what he thinks is a one-of-kind Bicentennial commemoration.

In an age when words like patriotism bring a blush or cynical smile to many American faces, Mike Shannon, a World War II Navy veteran, is an unabashed, old-fashioned, flag-waving lover of his country. Some of the organizations to which he belongs reflect his brand of patriotism: the American Defense Preparedness Association, the American Security Council, the National Rifle Association and the Air Force Association.

"I believe in peace through strength. I saw it work for so long. JFK (President John F. Kennedy) made it work in Cuba, and Truman made it work when he dropped the bombs on Japan."

Shannon also has been a coin and stamp collector, which, combined with his patriotism, was the source of his Bicentennial memorial.

Not only his pride in his country, but also disgust with the way some of his countrymen were celebrating its 200th birthday anniversary, drove Shannon to action.

"When the Bicentennial came up, I saw people taking advantage of everyone. Greed, grab it (money) and run, that was the attitude of many people in that time," Shannon, 49, said. "For a while it was a mania, then it got to be a drag for some. But I thought it fitting we gave a whole year to celebrate it."

He spent much of the year before July 4, 1976, preparing his envelope collection. The array of envelopes affixed with red, white and blue insignias, pictures, postage stamps, souvenirs, artifacts and other memorabilia of the Bicentennial do say something about how America has evolved since its fight for independence.

There are bumper stickers bearing flag-waving slogans, a sign advocating the presidency of the Hamm's Beer bear, Bicentennial covers of national magazines such as Time, Newsweek and Life (the rest of the magazine is inside the envelope), and more than a thousand odds and ends prepared for the national birthday party.

All of it was found and gathered by Shannon with family help and the patience of his wife, Mrs. Lola Shannon, he said.

"Every Saturday we'd end up going to a TG&Y or Skaggs," he said about his relentless search for material. Some items are unusual—such as stamps issued by an Arabic country that not only honor the American Bicentennial but also note the World's Fair of Philadelphia, which was never held because the City Council would not appropriate funds for it.

Other parts of the collection undoubtedly will have growing value, such as mint proof sets of American coins as well as special medals struck for the occasion.

Other envelopes have $2 bills, which depict the signing of the Declaration of Independence, on them; some have patriotic pamphlets, and two feature the resignation letters of former President Richard M. Nixon and of former Vice President Spiro Agnew.

There also are restaurant place mats and menus, reproductions of important American documents, and stickers from all branches of the armed forces. Shannon's pride, however, are the two huge envelopes, each of which has a surface area of 20 square feet. They and the other envelopes in the collection were prepared by and obtained from the Smith-Grieves Printing Co. and the Western Envelope Manufacturing Co. Shannon is treasurer of both firms.

On one giant envelope is the design of the flag of the 13 colonies, created with hundreds of red, white and blue stamps.

Although unwilling to discuss specific figures, Shannon said he had received substantial offers for the collection. He first became interested in such a project while attending a stamp and coin show about 10 years ago. There a first-day issue envelope stamped in Philadelphia for the July 4, 1876, commemoration of America's Centennial was selling for $15,000.

The potential value of an even greater collection for the Bicentennial (sometimes cynically called the "buycentennial" by some observers) was not lost on Shannon, a Tulsa, Okla., native.

He now pays $92 a year for the four safety deposit bank boxes in which the collection is kept. The two big envelopes are kept in a larger vault in the bank.

On the rare occasions when he displays the collection in his home—and returns it to the bank the same day—it fills the living room and spills over into the dining room.

Now that the Bicentennial is two years behind us, Shannon is faced with what to do with the collection. He rejected an offer by an Eastern firm to display it and charge an admittance fee because he thinks it should not be commercialized.

On the other hand, he has put much of his own time and money into the project and would like some compensation if it goes "public."

"I would love to see someone who would display them properly make me a decent offer," he said. "I would love to see them displayed locally, especially in Independence."

That city, the hometown of former President Harry S Truman and the site of the Truman Library and Museum, was chosen especially by Shannon for its postmark two years ago.

Some historians may question the historical value of the glittering, simplistic collection, since it gives little information about either the events of the American Revolution or what the country became in the ensuing 200 years.

However, it does represent the mania, as Shannon described it, of Americans to overproduce gaudy gadgets for a special date and then quickly discard them.

In this case, Mike Shannon wants to make sure we remember how we did celebrate and how we depicted our country on the red, white and blue occasion two years ago.

CUBAN EXILES' DECLARATION OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, I am introducing today a bill to recognize and commend the "Declaration of Freedom" which was promulgated on January 23, 1966, by a group of Cuban exiles in Key West, Fla. The fundamentals of this resolution for freedom were the abolition of communism as well as a restoration of Cuban liberty and independence.

In 1959, the liberty and growing economic prosperity of the Cuban republic were destroyed when Fidel Castro seized power and drove hundreds of thousands from their homes in Cuba who valued their freedom higher than the possessions and lives they were forced to leave behind. Even now, hundreds still leave this unfortunate island every month to escape political confinement and the oppressive climate of domestic poverty, shortage and armed intervention abroad under the leadership of Soviet Russia, Castro's mentor.

I would like to ask our distinguished colleagues to join with me in expressing the indignation of this House at Castro's part and officially commend the bravery of these few and their mighty stand for a better future.

The bill follows:

H.J. RES. 199

Joint resolution commending the Cuban "Declaration of Freedom"

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the length of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That this score of traitors who have committed treason against our fatherhood, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law, as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism in Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban liberty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.●

IRANIAN REVOLUTIONARY MAELSTROM STRIKES U.S. TARGETS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. McDONALD. Mr. Speaker, the Shah of Iran for more than a quarter of a century a loyal friend and ally of the free world has, despite various euphemisms by our State Department and certain U.S. media commentators, has been forced into exile. Shah Mohammad Raza Pahlavi is not leaving his country because his army has been defeated by insurrectionary forces or because it has wavered in its loyalty, but because the chief industrial powers of the free world, led by the United States of America has decided to sell him down the river rather than back him against a coalition of extremist and fanatical religious leaders and Soviet-supported Communists who have been staging riots in Iran's cities—and who have exported these riots to our country.

Rather than support the Shah's decision to maintain order in the emergency by installing a military government, the Carter administration chose to put its support behind a virtually unknown 62-year-old lawyer, Shapour Bakhtiar, who was expelled as deputy head of his own political party, the National Front, as soon as he accepted the post of prime minister. Ruhollah Khomeini, the fanatic religious leader, certainly does not expect that Bakhtiar can command the Iranian Army's loyalty to resist his mobs, and has boasted that Bakhtiar's government will last mere days after the Shah leaves Iran. The Communists, who are the only tightly organized political grouping in Iran's chaotic stew, also expect Bakhtiar, viewed as Iran's Kerensky, to fail; and clearly expect to pick up the pieces of power from the aged Khomeini.

Khomeini's supporters point to his recent Paris press in which he has criticized communism for its atheism (but not for its totalitarianism in other areas) as "proof" of his anticommunism. They neglect to mention that Khomeini's closest adviser in Paris, an Iranian of Syrian ancestry, Sadegh Ghotzbadeh, who uses the alias "Asfahani," is known to be a high level secret agent for the Communists. In its December 11, 1978 issue, Newsweek magazine in its Periscope section, cited French intelligence sources for the information that Ghotzbadeh has direct connections with the leaders of the Communist Parties of France and Italy and that he works closely with the Libyan secret service which is one of the chief promoters of terrorism in Europe and the Middle East, and collaborates in backing terrorism against the West and its allies with the Soviet KGB.

As Michael Ledeen recently wrote, there is

a convincing body of evidence that Khomeini, who has called for the removal of the Shah and who appears to be controlling much of the disruption in Iran, is in fact a clerical fascist, a violent anti-Semite and an intensely chauvinistic anti-American.

Ledeen pointed out that the evidence of Khomeini's extremism was not secret allegations from the files of intelligence agencies, but a collection of Khomeini's own lectures published in Arabic in 1970, called Islamic Government; and a second book, "Khomeini and His Movement," published in Persian in 1975.

As Mr. Ledeen wrote in his article published in the Washington Star of January 7, 1979:

Khomeini criticizes the shah for violating Islamic law and for betraying the principles of the Koran. "The rationale of (the shah's) government and some of its members is the abolition of the laws of Islam," Khomeini is quoted as saying in the 1975 volume.

The violations he ascribes to the shah's government are those that characterize what we would call a secular, pluralistic society. Thus, Khomeini rails against the employment of women in boys' high schools, and men in girls' high schools, "the moral wrongness of which is clear to all." Furthermore, the shah and his allies are condemned for urging that "women enter (certain) government offices, while their being there is both self-evidently useless and morally wrong." The shah is also attacked for his leniency in the enforcement of the Koran's moral code. "We want," according to Khomeini's 1970 volume, "a ruler who would cut off the hand of his own son if he steals, and would flog and stone his near relative if he fornicates."

If Khomeini and his followers come to power in Iran, all this will presumably be rigorously enforced. In the 1970 book he says: "If a just mullah is placed in charge of the enforcement of canonical punishments . . . would he enforce them otherwise than how they were enforced in the days of the Prophet . . .? Would the Prophet have imposed more than a hundred lashes on the fornicator not previously chaste? Can the mullah reduce the amount of this punishment, thereby creating a divergence between his practice and that of the Prophet? Most certainly not! The ruler . . . is no more than the executor of God's command and decree."

Khomeini's complaints about the Shah are made, then, in the name of the Muslim divines in Iran, for only they (the mullahs) can be expected to enforce the laws of Islam properly. The attacks on the shah are not complaints about the harshness of his regime or violation of human rights by Savak, the secret police. Rather, Khomeini condemns the shah's regime for having sapped the fiber of the country by bringing unsuitable people (non-mullahs) to positions of power.

Above all, Khomeini bemoans the replacement of mullahs with lay persons in the courts of Iran. In fact, under the shah's father and more recently under the shah himself, some lay persons have been appointed to judgeships, and it is even theoretically possible that some non-Moslems could become judges (although no such cases have been reported). Khomeini is quoted in the 1975 book as finding such pluralism contemptible:

"In order to accomplish its own designs and to abolish manliness and adherence to Islam as qualities for judges, the government's Ministry of Justice has shown its opposition to the established laws of Islam. From this point on, Jews, Christians and enemies of Islam and of the Muslims must interfere in the affairs of Muslims . . ."

When Khomeini refers to "enemies of Islam," this is a code-word for the Baha'is, an eclectic offshoot of Islam, who, along with Christians and Jews, would find a regime led by the mullahs extremely unpleasant."

But if Khomeini is consistently xerophobic toward all non-Muslims, he reserves particular venom for the Jews, and for their two great national supporters in the world: Israel and the United States. In the case of Israel, no distinction is made between Jews and Israelis, and the shah is viewed as the agent of both: ". . . what is this relationship and association between the shah and Israel that the Savak says, 'Do not speak about the shah or about Israel.' Is the shah in the view of the Savak an Israeli? Or, in the view of the Savak, is the shah a Jew?"

It is Israel and the Jews who, in the writings of Ayatollah Khomeini, have brought about the desecration of Iran. Over and over again, in a series of books, lectures and harangues, Khomeini has lashed out at Israel (and, ultimately the United States) as the basic cause of his country's moral and religious ills.

ASSASSINATION OF PAUL GRIMM

As you will recall, Paul Grimm, an American who was the general manager for operations of the Oil Service Co. of Iran, and his Iranian colleague, Malek Bourojerdi, were murdered in separate incidents in Iran on December 23. The three assassins ambushed Grimm at a busy intersection with small caliber handguns which they fired in the two-handed professional marksman style. The murder was typical of assassinations carried out by the Mujaheddin Khalq (People's Strugglers), a terrorist group intelligence sources report has training facilities in Palestine Liberation Organization camps in Lebanon and Iraq, and which receives training in "armed struggle techniques" from the Soviet KGB, as well as from Libya and Iraq's Baath Arab Socialist party. The Mujaheddin Khalq, which is an amalgam of Communist, independent Marxist, and extremist Islamic tendencies, has been estimated to have as many as 4,000 active members inside Iran.

The second most active Iranian terrorist group, the Organization of Iranian People's Fedayee Guerrillas (OIPFG)—also called the People's Sacrifice Guerrillas—in Persian, Cherika Fedayee Khalq—Marxist and Maoist in rhetoric, maintains liaison with the somewhat larger group, the Organization of Mujaheddin of the People of Iran (OMPI). During the past year press reports indicate that members of the Marxist terrorist groups, including some who had been active with radical Iranian student groups in Western Europe, have returned to Iran and have entered Shia Muslim seminaries which they use as a base for their operations.

The murders of Paul Grimm and his Iranian colleague were not acts of random violence, but acts designed to further the political and economic turmoil in Iran. Mr. Grimm was reportedly playing an important role in persuading striking oil workers to go back to work, and his murder successfully reversed an economic trend favorable to the Iranian Government.

IRANIAN STUDENT ASSOCIATION RIOT

Many of my colleagues doubtless saw some of the television footage of the attack on the Beverly Hills, Calif., house in which the Shah's sister and his 90-year-old mother were living on January 2, by some 2,000 members of the Iranian Students Association, National Union (ISA).

Approximately at noon, the ISA members and supporters assembled and began marching through Beverly Hills chanting their customary slogans, "Shah is a fascist butcher: down with the Shah;" and "Death, death, death to the Shah." These were the same slogans we heard in Washington in November 1977 when the ISA and its allies staged a riot when during a visit of the Shah to the White House in which innocent, unarmed persons were brutally clubbed to the ground and U.S. Park Police officers were attacked.

This time the ISA militants did not bother to cover their faces, because they feel confident that they will return to Iran to participate in a revolutionary regime, not to be placed under surveillance or arrested by the Shah's government.

The marchers had no parade permit. But the police told the group that so long as they marched on the sidewalk and did not interfere with traffic, they would remain within the limits of the law. In order to get close to the home of the queen mother and the princess, the ISA leaders conducted their cadres in a disciplined formation along the sidewalks. An ISA spokeswoman, Mina Azad, described Princess Shams and Queen Mother Tadj-ul-Molouk as "criminals * * * being harbored here" to the press during the march. When asked to give examples of their alleged crimes, the response was merely their blood relationship to the Shah. In other words, merely to be related to him is a "crime" to the ISA extremists. Mina Azad said she wanted the women deported back to Iran because the Iranian insurgents would have "tried and justly attacked them."

Her brother, Said Azad, 27, well-known in the Washington area as a national leader of the ISA at the University of Maryland, had a more precise command of English when he described ISA's demand that the princess and queen mother be deported to Iran where "the only justice is that all (members of the royal family) should be hanged." Azad maintained that even the 90-year-old invalid queen mother should be "pursued" by the Iranian revolutionaries and "brought to justice." As one observer to the riot commented later:

If they had got their hands on the old lady or her daughter, they'd have lynched them.

As has been the case previously in mass ISA demonstrations, the group remained within the limits of the law until their target was in sight. While a large number of police officers accompanied the marchers on motorcycles and in patrol cars, the house was defended by a relatively small group of 30 officers. As the ISA demonstration approached the house, its members grew more and more violently agitated. A cadre group of some 200 stormed the gate, smashed its lock with tree limbs and hurled rocks, sticks and clods of earth at police, driving them back toward the house. While some overturned a car in the driveway and set it afire, others charged the house in which the two women were trapped and were stopped only feet from the building by uniformed and plainclothes officers with drawn guns. A number of shots were fired during the melee. The ISA militants smashed their way into an adjoining house where they broke windows and vandalized furniture. In the street outside, another 300 rioters battled police and sheriff's department reinforcements, and set more than a dozen brush fires with their placards serving as impromptu torches.

During the 45-minute melee, a woman deputy sheriff was dragged from her car by the ISA mob. Three sheriff's department cars responded to rescue her. Photographs and observers' reports indicate that one of the first two cars responding to the officer in distress emergency struck a woman demonstrator. A third patrol car then hit several of a group of demonstrators who moved into the street.

ISA spokesman claimed that 50 demonstrators had been "seriously" hurt; but of the 22 taken to UCLA Medical Center, all were treated and released except for one with a head cut, and of 13 taken to Cedars Sinai Medical Center, all were released but a man with two fractured legs and a woman with head injuries. Some two dozen police officers received injuries during the riot.

As might be expected under the circumstances, only seven demonstrators were arrested. According to press reports they were:

Hamid Parcham, 26, USC student, arrested by Beverly Hills police on arson charges and held in $10,000 bond.

Said Ajhoe Parcham, 22, USC student, brother of above and arrested on identical charges.

Ali Mouhmad, 18, assault with a deadly weapon.

Taghi Mobarez, 29, assault with a deadly weapon.

Maysud Moslah, 25, interference with police officer.

Mohamad Hosani, 25, interference with police officer.

Hassan Zarjifar, 23, interfering with police officer.

Legal representation is being provided by National Lawyers Guild (NLG) attorney Richard Eiden.

According to the press statements of ISA spokesman Saeed Mobarez, 25, the demonstration in Beverly Hills was planned at the Devonshire Downs Hall owned by the California State University (CSU) at Northridge in which his faction of the ISA was holding its convention. Mobarez said the hall was being used for headquarters for some 1,500 ISA members from across the country who had traveled there for the meeting and demonstration where they swelled the ranks of their 500 local supporters.

Despite these open statements from the ISA, James Cleary, president of CSU Northridge, held a press conference after the attack on the house at which he asserted that the demonstration had not been planned on university property, and said that only 400 ISA members were using the hall they had rented for $4,350.

It should be noted that the chief banner in the hall was one that had been displayed during the November 1977 riot and demonstration here in Washington. It depicts a Soviet AK-47 assault rifle above a hammer and sickle, superimposed over a globe depicting Iran. Across the bottom of the banner are the initials OIPFG which stand for the Organization of Iranian People's Fedayee Guerrillas, the Marxist terrorist organization whose alliances are with the PLO's Rejectionist Front led by the Popular Front for the Liberation of Palestine (PFLP) with training centers in Libya, Iraq and the People's Democratic Republic of Yemen (Aden).

It should be noted that Soviet ships have become increasingly present at Aden and at the entrance to the Persian Gulf where they are in a strategic position to cut off oil shipments. In November, a contingent of Soviet military technicians expelled Bedouins from an area of the PDRY near its border with the Republic of Yemen (North Yemen) and began constructing an intelligence communications system. The PDRY operates a terrorist group, the Popular Front for the Liberation of Oman (PFLO)—formerly called the Popular Front for the Liberation of Oman and the Arab Gulf (PFLOAG) until that alienated the leaders of the United Arab Emirates and Abu Dhabi who pour so much oil money into the PLO and its allies—which has been virtually driven out of Oman by Iranian Army forces called in at the Sultan's request. A destabilized Iran hostile to the West gives the Soviet-backed insurgents based in Aden a free hand in their attempts to overthrow Oman, North Yemen, the United Arab Emirates, and Saudi Arabia, source of this country's main oil imports.

Another ISA grouping held its national convention in Oakland, Calif., from December 24 to 30, 1978. An estimated 2,500 revolutionaries attended who listened to countless reports of violence in Iran and militant "solidarity" demonstrations against the United States and the Iranian Government in West Germany, France, and other countries. The ISA grouping is cultivating U.S. supporters previously active in the pro-Hanoi, pro-Havana activities of the 1960's and 1970's. The purpose of its coalition efforts and a mass demonstration it staged through San Francisco, according to one of its spokeswomen, Sheila Khalili, is to forestall any potential involvement of U.S. military forces in Iran. "Stop Iran from becoming the next Vietnam," was their theme. But another ISA representative was more direct; Ali Masud stating, "We are ready to burn the system down."

These violent actions on the streets of American cities by Iranian revolutionaries is all too familiar. Equally familiar

is the reluctance of the agencies of the Department of Justice to take measures to restrain their repeated lawbreaking or to impose legal sanctions on them.

On six separate occasions during the past 18 months—since July 1977—I have alerted my colleagues to the threat to public order created by mobs of Iranian radicals who, apparently without hinderance, have been permitted to roam at will across the United States, often wearing masks to conceal their identities, vandalizing property, injuring our citizens, attacking police officers, and putting many people in fear.

The Attorney General has responded to the problem with bureaucratic indifference. Although I have supplied the Department of Justice and other appropriate authorities with photographs of these demonstrators breaking the law, and with documentation of their prior intent to break the law, no action has been taken. The Attorney General, his Department of Justice, and its agencies principally responsible in this matter, the Federal Bureau of Investigation and the Immigration and Naturalization Service, have been so isolated from events taking place in our cities from Houston to Washington, from Chicago to Los Angeles, from Corsicana, Tex., to New York City, that they still maintain that the Iranian Student Association factions have no relationship to any of the terrorist groups in Western Europe or Iran.

Mr. Speaker, that is arrant nonsense; and it is plain from photographic evidence and real evidence obtained during the recent ISA conferences, as well as from previously obtained materials, that the ISA has intimate connections with the terrorists of the OIPFG, the Mujaheddin, and other revolutionary organizations; and that ISA groups function as active support cells for those terrorists.

The Shah of Iran will be coming to this country in the very near future. Preparations are being made for his security and for the security of his family, but it is imperative that strict precautions be taken to prevent further violence by ISA extremists or their U.S. supporters who may, being less noticeable, take action on behalf of the ISA against him. Furthermore, it is long past time that Iranian radicals, many of them here on-out-of-date student visas, who are convicted of criminal actions speedily have those visas revoked for cause. If this is not done and our laws are not upheld, the responsible officials should be held accountable for their misfeasance.●

MILK PARITY

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ROSE. Mr. Speaker, on Monday, January 15, 1979, I introduced H.R. 731 to continue the present level of price supports for American dairy farmers. I would like to explain several reasons why I have chosen this course of action. Support has been set, as you know, at a minimum of 80 percent of parity by the farm bill of 1977 for the past 2 marketing years. My proposed legislation would continue this level through October 1981.

The dairy industry had a problem with surplus milk production last year. Milk production was at 122 billion pounds, and increasing. Under the price support program, the Commodity Credit Corporation of the Department of Agriculture picked up 638 million pounds of nonfat dry milk and 149 million pounds of butter for storage and surplus distribution—some 2½ percent of supplies.

Since then, with a minimum price support set at 80 percent of parity, our dairy farmers have been able to maintain a decent income. The prices for their milk have now risen to $11.36 per 100 pounds above the support price of $9.65 per 100 pounds for the first time in several years. Production has also decreased between 1 to 2 percent on a consistent basis during 1978. During the past several months, the Commodity Credit Corporation has not made any purchases, thereby saving the taxpayers' money. This is an important tool to help fight inflation and fulfills the rightful purpose of the Price Support Act.

Faced with increased inflation and milk-feed ratios, I see a need to continue 80 percent through the next 2 marketing years until 1981 to prevent the loss of our dairy farmers. I urge my colleagues to support early passage of this bill as the current law expires March 31, 1979.●

DISABILITY INSURANCE SHOULD PROVIDE WORK INCENTIVES FOR BLIND

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. GONZALEZ. Mr. Speaker, I am again proposing legislation that I have sponsored in previous Congresses that would improve the social security disability insurance program to provide maximum work incentives for the blind. This would be accomplished by liberalizing the conditions governing eligibility of blind persons for receiving disability insurance benefits.

My bill would allow a person who is blind to qualfiy for disability insurance payments after working six quarters under social security covered work and would allow them to continue to draw disability benefits so long as they are blind, regardless of any additional earnings they might be able to make.

Under present law, social security disability benefits are not payable to persons who are able to engage in substantial gainful activity, the rationale being that such individuals are not disabled. A change was made in the 1977 Social Security Act amendments to liberalize this provision somewhat by stating that blind persons would not be regarded as engaging in substantial gainful activity on the basis of earnings when earnings are less than the retirement test level for persons who retire at age 65. However, while this change will be of some benefit, we must remember that blindness continues to be a disabiltiy regardless of earnings.

The blind, while handicapped, are by and large able to work, but the substantial gainful activities test is a built-in disincentive which inhibits the initative of any blind person who is concerned about long-range economic security for himself and his family. While a blind person may be able to locate employment, it generally will not provide a salary to enable him to live solely on this income. Thus, he is forced to remain outside the mainstream of society for reasons over which he has no control.

One of the main arguments against changing the present law is the cost, and there is no doubt that this must be taken into consideration. However, when determining the cost we must also keep in mind that those who do return to the work rolls will be paying into the social security system as well as paying income tax, not to mention the benefit to the economy by making these people more productive.

Mr. Speaker, the public is more conscious than ever of the problems of the handicapped as can be seen by many of the architectural changes being made around the country to accommodate them, but these changes will not mean a great deal if the handicapped have no meaningful reason to use them. The bill I am offering will allow them the opportunity to seek meaningful employment without losing economic security for themselves and their families. I do not feel this is too much to ask of a system that was designed to partially replace earnings lost due to disability.

I would hope that the House Ways and Means Committee would act early in this session and consider my proposal that will offer some measure of relief to the blind by giving them a chance to again become a part of the mainstream of society.●

MAZZOLI COMMEMORATES KING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MAZZOLI. Mr. Speaker, I want to take this opportunity to commemorate the birthday of one of America's truly great men. Dr. Martin Luther King, Jr. was cut down in the prime of his life in April of 1968, but his courage and conviction remain with us today.

Dr. King serves as inspiration to millions of our Nation's citizens. His dream was America's dream, and he brought us closer to its realization. Martin Luther King saw an America in which all men and women, regardless of color or creed, regardless of sex or economic background, would have the basic rights of life, liberty, and the pursuit of happiness.

We owe Dr. King more than making his birthday a national holiday, though that would be commendable. I am pleased at this time to add my name as a

cosponsor to legislation to set aside January 15—Dr. Martin Luther King's birthday—as a national holiday.

Such a holiday would be a fitting memorial to a man who devoted his life and full being to equal rights for all Americans.●

WELFARE REFORM

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. COLLINS of Texas. Mr. Speaker, inflation is No. 1 in the minds of Americans. They know Congress must reduce spending. Let us hope that 1979 will see Congress showing the leadership to balance the budget.

When I was in Texas, I attended a large seminar where editors of Business Week were discussing the 1979 economic outlook. One question was "Does Congress have the intellectual ability, fortitude and integrity to deal with inflation?" After a considerable pause, the editor gave this answer, "The people got what they deserved."

But America deserves better. We in Congress can end inflation by developing a responsible budget. The big target to control is excess relief benefits. One of the best editorials I have read in a long time was in the Dallas Times Herald. It got down to case studies showing that excess welfare reduces work and causes more families to break up. I want more people to read and reread the Senate committee facts that the Dallas Times Herald sums up so well.

Let's reduce welfare with stronger limits. Read the facts as told so bluntly in the Dallas Times Herald:

When talk turns to welfare reform, as it has on many occasions in recent years, there are always many who argue that the assistance system could be simplified and benefits made more equitable if some form of a guaranteed income plan were instituted.

Those favoring the guaranteed income idea often assert that pride would prevent most recipients from loafing their lives away. Opponents of the income plan felt, almost instinctively, that people who could have a free ride were not likely to expend very much energy on a job.

A federally sponsored study in Seattle and Denver provides statistical proof for those who think that the "no work, no pay" plan is the only sensible way to proceed in establishing welfare programs.

Several thousand poor families in the two cities took part in a "negative income tax" experiment beginning in 1971. Some families were guaranteed incomes at various levels above and below the poverty line, some for three years and some for five. A control group received no income guarantee.

The results were outlined to a Senate welfare subcommittee:

People receiving the guarantees worked less than those who did not. In the three-year assistance group, husbands worked 7.6 per cent fewer hours than the control group; wives, 16.7 per cent less; female heads of families, 13 per cent less; other family members aged 16–21, 43 per cent less for males and 33 per cent less for females.

For the five-year group, the drop-off in work was even sharper, a reduction of as much as 60 per cent for young women not heading families.

Families receiving assistance broke up more frequently than those not receiving it—63 per cent more for whites and 43 per cent more for blacks. Welfare reform advocates have long argued that the existing system breaks up families because a woman with children can get more aid if her husband is not around.

Welfare reform has been stalled for many years because of the split between the work-incentive group and the negative-income promoters. Even a program with strong incentives for poor people to supplement their welfare checks with income-producing work would be too expensive for the immediate future.

The statistics from the Seattle-Denver study should be most helpful in drafting a welfare reform plan which recognizes the realities of human nature. No one wants to withhold assistance from people who cannot help themselves—the young, the aged, the sick and the handicapped. Those who can lift a finger in their own behalf should be expected to do just that.●

A NATIONAL PROGRAM DEALING WITH HAZARDOUS SUBSTANCES: THE TOXIC TORT ACT AND THE HAZARDOUS WASTE CONTROL ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LaFALCE. Mr. Speaker, our industrialized society has provided immeasurable benefits to the vast majority of Americans. Despite its troubles, our economy remains one of the strongest in the world and our citizens are healthy and free and, we hope, generally happy.

Yet while we have reaped these benefits we have also produced byproducts which are often lethal or dangerous to the public health. These hazardous wastes remained almost invisible until very recently. But they were nevertheless produced and are still being produced, and even at this late date it is incumbent on us to deal with them and make sure that the lives and health of Americans are not unreasonably jeopardized by exposures to toxic substances.

As the representative in Congress for the city of Niagara Falls, I have been involved with this question on almost a daily basis for the past 18 months. For that city contains an area known as the Love Canal, which is the name for an abandoned chemical dumpsite which recently began to emit the ugly evidence of its contents—noxious odors and potent liquids—contents which, when analyzed by scientists, were found to include a number of known or suspected carcinogens as well as other toxic chemicals.

These chemicals were buried a quarter of a century ago. Between then and now people who lived adjacent to the canal also lived, without knowing it, in an environment that was quite clearly dangerous to their health. Medical surveys have shown that there were unusually high incidences of miscarriages among pregnant women in the area and of birth defects in children born to mothers who lived next to the canal. More detailed health surveys are being pursued now to see what other harm may have been caused by the presence of these chemicals.

The Love Canal is the most prominent of the abandoned landfill sites, but it is now known that it merely exemplifies hundreds, and perhaps thousands, of similar situations throughout the United States. For our industrial society used to merely hide these residues, either not knowing or not caring that they would someday come back to haunt us and require action to protect the health of our citizens and our environment.

That someday has now come. Today I am introducing two bills designed to deal with the two primary problems that exist in situations of this kind. The first, the Toxic Tort Act, is intended to set up a system through which persons injured as a result of toxic pollutants in our environment can seek relief for those injuries. The second, the Hazardous Waste Control Act, is intended to insure that hazardous substances are handled and disposed of safely and to identify and reclaim abandoned sites where such substances were disposed of in the past.

THE TOXIC TORT ACT

This bill, identical to one I introduced late in the 95th Congress, essentially distinguishes among three classes of victims—those victims who sustained their injuries as a result of the fault of a manufacturer, those victims who sustained their injuries in the course of their employment, and those victims who sustained their injuries as a result of a toxic pollutant, but without fault. While the bill treats each of these three classes in a somewhat different fashion, it does provide a central theme: the Environmental Protection Agency is directed to study physical injuries, and to determine which such injuries are caused by toxic pollutants. In making this determination EPA will take into account the exposure to the toxic pollutant—both as to time and place—necessary to produce the physical injury. EPA's determination will greatly expedite the compensation processes since the bill provides for the utilization of this finding in subsequent legal and/or administrative proceedings.

The measure also provides for the creation of a compensation agency. Generally, this agency will pay benefits, up to $50,000, to persons (other than employees) who have sustained injury as a result of toxic pollutants. These benefits will be available regardless whether a manufacturer is ultimately determined to be responsible for the physical injuries. However, in the event that a manufacturer is at fault. EPA will be subrogated to the rights of the injured person, and will either share in any recovery he may receive, or initiate its own action against the person at fault.

I will conclude my remarks by briefly outlining for you how this measure will affect each of the three classes of persons.

VICTIMS WHOSE INJURY WAS CAUSED AS A RESULT OF A MANUFACTURER'S FAULT

The legal system has inhibited victims seeking redress for toxic pollutant-related injuries, since under existing law,

it is either difficult to establish causation, or, by the time the injury is linked to the toxic substance, the action is for a Federal cause of action addressed to both of these difficulties.

It provides that an action may be maintained in either State or Federal court, which is supplementary to all existing rights. The time for bringing such an action, which is provided in the bill to be 2 years, does not begin to run until EPA determines that there is a "requisite nexus" between the physical injury complained of and the toxic substance alleged.

While the plaintiff still must show the manufacturer to be at fault to recover, his burden of proof insofar as showing causation is considerably ameliorated. He must merely show that he has in fact sustained the physical injury, that EPA has determined that the pollutant causes the injury, and that he has had a sufficient exposure to the pollutant—both as to time and place—within the guidelines determined by EPA.

I should emphasize, Mr. Speaker, that the foregoing process deals only with the question of causation of an injury, and does not bear on the question of a manufacturer's alleged negligence. That will still have to be proven in court under existing or future standards of liability. Unsuccessful plaintiffs seeking damages for negligence may still receive benefits under titles II and III of the bill, described in greater detail below, if they meet the standards set forth in those titles.

When a plaintiff does sustain his cause of action, he is entitled to damages, both special and general. Moreover, in the case where the manufacturer is found to have operated with a gross and wanton disregard for human life, exemplary (punitive) damages can be had. However, these latter damages are paid not to plaintiff, but rather to the toxic pollutant revolving fund which will be discussed below.

EMPLOYEES

Under present law, employees, like the victims described above, suffer difficulties in obtaining benefits for toxic pollutant-caused injuries sustained in the workplace as a result of deficiencies in State workers' compensation laws. These difficulties include severe problems in establishing causation, as discussed above. Moreover, these claims if ultimately filed may be untimely, since often it was not discovered that the injury was caused by substance to which they were exposed in the workplace until long after they have left the particular job. Title II of the bill preempts State law to expand the time for filing a worker's compensation claim, and permits an employee to establish causation, both in the fashion described above. It is important to note, however, that the bill does not substantively enlarge upon the rights of these injured employees who, under present law, are not permitted to maintain a direct action against their employer who was responsible for their injuries.

VICTIMS INJURED WITHOUT FAULT

Upon occasion, despite all precautions taken by a manufacturer who is conducting his operations under the best conditions then known, physical injuries may be caused by toxic pollutants produced by such a manufacurer. This may be especially true of those substances which require 20 to 30 years of exposure before producing their deleterious effects. It was my judgment that to hold such a manufacturer liable for injuries resulting thereby would be inequitable.

Accordingly, the bill provides for a toxic pollutant compensation agency within EPA, which will pay, up to a minimum of $50,000, benefits to persons with physical injuries caused by such toxic pollutants. These benefits include medical benefits, rehabilitative services, and lost compensation. However, to obtain such benefits, EPA must have determined the requisite nexus between the physical injury complained of, and the alleged toxic substance. If the claimant can establish that he is in fact suffering the physical injury, and has had the requisite exposure, then he will be able to obtain these benefits.

The benefits are paid out of the "toxic pollutant revolving fund," which is administered by the toxic pollutant compensation agency.

TEMPORARY ASSISTANCE FOR VICTIMS WITH RECOURSE ONLY TO LEGAL SYSTEM

It was also thought appropriate to include for victims with recourse only through the legal system as eligible for benefits from the toxic pollutant control agency. (Employees can generally obtain benefits through the worker's compensation system much more rapidly than litigants.) In the case of these victims, the agency will operate similarly to a State worker's compensation system: it will become subrogated to the rights of any claimant to whom it pays benefits, and may maintain an action directly against the manufacturer at fault, or alternatively, will share in any recovery the claimant may obtain under the legal system.

All amounts recovered by way of subrogation or lien will be deposited in the revolving fund, as will any exemplary damages awarded as provided above.

THE ENVIRONMENTAL PROTECTION AGENCY

The Environmental Protection Agency is given a broad grant of power to make findings and determinations with respect to physical injuries caused by alleged toxic pollutants. Its finding, termed under the act a finding of "requisite nexus" will greatly facilitate the legal and administrative burdens of all victims. The formulation of this standard is, of course, subject to due process requirements, as it may adversely affect many manufacturers. Accordingly, the bill provides for input by all manufacturers into the decisionmaking process.

In conclusion, I believe the approach put forth in this bill to be both comprehensive, yet equitable for all persons concerned. While refinements to this measure may ultimately prove appropriate, I nevertheless believe that its general approach would go a long way toward alleviating problems encountered in the burgeoning problem area of toxic pollutants.

THE HAZARDOUS WASTE CONTROL ACT

This bill, Mr. Speaker, is intended to fill the gaps which have become evident in the Resource Conservation and Recovery Act of 1976 (RCRA) by amending it to:

Establish a program for the identification and reclamation of abandoned hazardous waste sites;

Set fees to be paid by private organizations which store or dispose of hazardous wastes, and

Provide a process for the selection of future sites for the disposal of hazardous wastes.

This bill is not meant to be a definitive judgment on the ways in which RCRA should be improved. I introduced a bill similar to this one during the final days of the 95th Congress in hopes of having that one serve as a starting point for discussion for congressional action. It did. My staff and I have had many discussions since the introduction of that bill with many different people and we have received much constructive comment. I believe that the bill which I am introducing today will reflect some of this comment and serve as a catalyst for more creative and provocative thoughts by others similarly concerned. RCRA comes up for reauthorization this year and I expect it will be amended in many ways. I plan to take an active role in this process and I hope that many of my colleagues will also, because as we all know from the national media during this past year, the handling and disposing of hazardous wastes, in the past and in the future, is of prime importance to all of us.

THE PROBLEM

RCRA, as presently written, does not provide a program for the identification, reclamation, and maintenance of hazardous waste sites, whether abandoned or presently in operation. Neither does it provide for the location of future sites. Recently we have all become acutely aware of the need for such a program, as witnessed by the explosion of the "Love Canal" in the city of Niagara Falls, which is in my congressional district.

At least 39 additional abandoned landfill sites have been identified in Niagara County alone; according to the U.S. Environmental Protection Agency (EPA), the exact number of these "ticking timebombs" cannot be definitely determined—only estimated. EPA's estimate is 3,000 nationwide.

ABANDONED SITES

A concerted effort must be made to identify all abandoned landfill sites that do or may contain hazardous wastes, and once they are identified they must be reclaimed, if feasible. If reclamation is not feasible they must be monitored to insure that public and environmental health and safety are not endangered. My bill includes an approach to do just that; it establishes a joint State/Federal procedure for identifying, reclaiming and/or maintaining abandoned sites.

LOCATION OF FUTURE LANDFILL FACILITIES

When RCRA was passed in 1976, no one foresaw the widespread public opposition to new hazardous waste disposal sites which has swept the country. The general public was not then fully aware of the large number of abandoned sites throughout the country, the deleterious effects they were having on people's

health and safety, and their dire impact on the environment. Now that public awareness has grown, in part because of the Love Canal emergency, citizens are understandably leery about the dubious honor of having a new site proposed to be located in their backyards.

However, the hazardous waste disposal situation is here to stay; our advanced manufacturing processes must produce wastes as byproducts of those very activities that allow us to enjoy one of the highest standards of living in the world.

Therefore, we must create a program and process for locating new facilities for the treatment, storage and disposal of hazardous waste materials in as rational, effective and equitable a manner as possible. That is precisely what my bill is intended to provide. A permit system will be established under which permits will be issued only after assurances are given about the environmental safety and soundness of any new facility's location. Affected local residents, local governments and States would be included in the process and must be consulted; panels of scientific experts wil be formed to help answer the many questions that arise in such situations.

CLOSING OF EXISTING HAZARDOUS WASTE DISPOSAL SITES

My bill also creates a program for the termination of existing hazardous waste disposal sites in a safe manner. This is most important, for it will provide assurances to communities surrounding such sites that they will not cause problems in the future such as those we are experiencing as a result of past landfill sites being abandoned and improperly sealed.

FEE SYSTEM

The bill would initiate a system of fees to be levied on permitholding operators of hazardous waste treatment, storage or disposal facilities. The fees will be deposited into a fund to be used for the maintenance and reclamation of abandoned sites.

The fees collected will be deposited into a fund which will be used to help defray the costs of monitoring and reclaiming abandoned sites. It is anticipated that the fees will provide 45 percent of these costs. The remainder will be provided for by the Federal Government which will pay 45 percent and the State governments which will pay 10 percent.

EMERGENCY ASSISTANCE AND LIABILITY

The bill I am introducing would also establish a program and a contingency fund for emergency assistance and payment of costs for clean up operations in the event any pollutant or other contaminant associated with any facility for the treatment, storage or disposal of hazardous wastes present an imminent and substantial danger to the public health and welfare. This is a customary provision in this type of legislation, and it is accompanied by an equally customary provision providing for the Government to bring an action against owners or operators of facilities where such emergencies arise to recover the costs of cleanup operations.

CONCLUSION

Mr. Speaker, I repeat that I do not consider either of these bills to be a final product that solves all the problems we now know about in the area of solid waste disposal. Rather, I view them as a beginning of a long and arduous task—one that will lead, hopefully, toward some solutions to some of the problems our highly industrialized and technological society has created. If anything needs cradle to grave attention, it is hazardous wastes, and I hope Congress will act to help achieve that goal.●

HEN'S FEED REDUCES CHOLESTEROL IN EGGS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. RINALDO. Mr. Speaker, I would like to bring to my colleagues' attention a new patent, registered by one of my constituents, which could result in a significant reduction in the cholesterol level in the diet of millions of Americans.

The following article, taken from the New York Times, describes this development:

HEN'S FEED REDUCES CHOLESTEROL IN EGGS

(By Joseph F. Sullivan)

A special diet supplement for chickens that could result in lower cholesterol levels in humans has been devised by a New Jersey pharmacologist using combinations of common and esoteric plant material.

"I'm a sulphur and molasses man; I believe in natural things," said Dr. Samuel Klein, who received a patent this month for his poultry feed supplement after three years of research and testing. He believes that the feed, which is said to cut egg cholesterol levels by at least 30 percent, can reduce the risk of heart attacks and problems associated with high blood pressure.

"The same effect can be achieved by giving the chickens chemical injections, but the resulting eggs are specialty items costing between $2 and $3 a dozen, and they can't be purchased everywhere," Dr. Klein said. "By adding a small amount of vegetable material costing a few cents to each 50-pound bag of poultry feed, cholesterol levels can be significantly reduced without changing the taste or the nutritive value of the eggs."

The poultry-feed patent contains the names of dozens of botanical species and hundreds of plants. They must be mixed and pulverized so the mixture contains 6 to 12 percent by weight of iodine, 10 to 20 percent by weight of niacin, 1 to 5 percent of natural hormones and fractional percentages of calcium and magnesium.

To accomplish this in one experimental supplement, the 75-year-old pharmacologist used capsicum pods, powdered licorice, parsley, elder flowers, fenugreek, rose hips, dulse and devil's apron. Working with Dr. Paul Pratter, technical director of the Research Organic-Inorganic Chemical Corporation in Belleville, Dr. Klein conducted tests at a poultry farm.

After three weeks of feeding some hens the supplement and keeping a control group on its regular diet, tests disclosed that the cholesterol in the eggs from the control group averaged 15.8 milligrams per gram of yolk, while the level in the eggs laid by hens eating the special feed averaged 10.51 milligrams.

The results were said to be even better when larger hens (Hy-Line hens No. 1) were fed a ration containing 2 percent of another vegetable mix that included such things as nettle, unicorn root, blueberries and stonewort. The controlled hens' eggs averaged 18.1 milligrams of cholesterol per gram of yolk while those on the special feed laid eggs with 10.72 milligrams.●

FREE LUNCH

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. COLLINS of Texas. Mr. Speaker, let me share with you an excellent report by Eddie Chiles. It was published in the Fort Worth Star Telegram business report. I received a reprint from Joe Dealey of the Dallas News and when Joe says to read something in the Star Telegram, then it must be good.

Down home the Texas Bureau for Economic Understanding is getting the basic facts through to the folks. An outstanding voice is that of Eddie Chiles who is chairman and chief executive officer of the Western Co. Eddie is a great, plain spoken businessman who tells the story about the Government just as it is.

Read Chiles' comments on the free lunch:

"FREE LUNCH" A PERILOUS ROAD FOR UNITED STATES

(By H. E. Chiles)

The general economic climate of the United States today revolves around a constant battle between free enterprise and the "free lunch." Few Americans recognize that this battle is in progress, and fewer still realize what its outcome means to the future of America and the world.

The American people believe in free enterprise, but, to put it bluntly, free enterprise is losing the battle. If this continues, the future is bleak for all of us.

The blame for the weakening of the free enterprise system must rest squarely on our federal government and the "free lunch" it promises to individuals and special interest groups.

In its basic economic concept, the "free lunch" means that an individual or group can be provided goods or services at no cost to the individual receiving the benefit, or to anyone else. This "free lunch" myth has been responsible for much of the "consumer" and environmental legislation of recent years. Consumer advocates led us to believe that automobiles could be made safer at little or no cost to the consumer. We know now how wrong this idea is.

The "free lunch" myth is also responsible for much of the impetus behind the environmental movement. We are told that industry can clean up our air and water—which is true—but we are not told what the costs will be. We have a stated national goal of ending the discharge of pollutants into the nation's waterways by 1985. This amounts to a zero level of water pollution. The cost of attaining such a standard, even if technically possible, would be astronomical.

The "free lunch" advocates would also have us believe that profits of the oil industry can be taxed away without affecting the domestic supply of petroleum products. The public is led to believe that oil prices can be "rolled back" or profits reduced without affecting producer incentives and long-run oil and gas production.

There is no "free lunch."

Nobody, whether it be a single individual or the strongest government on the face of the earth, can create something from nothing. We must pay the price for whatever we get.

The price we are paying in this country today consists of higher and higher taxes on all levels. Indeed, in many ways our republic has come to resemble a monarchy, as government leaders adopt a "King George III mentality." They seem to believe that everything belongs to the government, that what we earn is not our own, that they know better how our money should be spent than we.

The federal government has led us to believe that it can solve any and all problems with enough money.

Where will these free-spending and confiscatory taxing policies lead the United States of America?

Unless they are changed, I sincerely believe they will result in the death of the work ethic and the free enterprise system. When enough people begin relying on the "free lunch," the end for our nation—as we know it—is near.

We already are experiencing crushing inflation with soaring prices for all goods and services. This is caused solely by the government's monetary policies of printing more money, and the most frequent reason for printing more money is the existence of an unbalanced budget.

Price controls cannot stop or slow down inflation. They are always harmful because they squeeze or wipe out profit margins, disrupt production and lead to bottlenecks or shortages.

The federal budget must be balanced at the earliest possible moment. Balance must be brought about by slashing reckless spending and not by increasing a tax burden that is already undermining incentives and production.

Government economic policies have resulted in denying to business and industry the new capital needed to expand, to create new wealth and new jobs.

Make no mistake in believing that printing more money creates wealth. It only makes each piece in circulation worth less. Cheap money and inflation go hand in hand.

It is only the private sector of our nation—the businesses and industries made possible by the free enterprise system—that can utilize capital to create new wealth and new jobs. The government cannot do this.

As long as our federal government is permitted to tax us at the limit of our ability to pay and still operate with an unbalanced budget, funds for business and industrial expansion will be available only for giant companies, with small business squeezed even more and more.

It is the duty of every American businessman to understand this situation and to work to correct it. Because it is our elected representatives who formulate federal policy, we can change it by sending the right people to Washington and telling those already there where we stand.●

AGRICULTURE AIRCRAFT USERS TAX

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PICKLE. Mr. Speaker, I am today introducing a bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes. This bill passed both the House and the Senate last session but unfortunately in the Senate they added the controversial counter cyclical aid bill and as a result it got lost in the closing session.

This bill merely gives to the aerial aircraft operators the refund on aviation fuels used for agricultural spraying and crop dusting that are today available to the farmer.

Today more and more of our farm operations are being handled by air. Planting as well as spraying is done by air. This saves fuel, is more efficient and faster and uses less manpower. This bill would help the aerial operator by giving him, the person who buys the gasoline, the gasoline exemption already available to the farmer. The revenue cost is modest, the bookkeeping is simple, I urge the passage of this bill.●

SUPPORT SUNSET LEGISLATION

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BEDELL. Mr. Speaker, I am pleased to join my colleagues as a cosponsor of a bill that will establish an effective procedure for reviewing all Federal spending programs on a regular and rational basis. "Sunset" review of Federal spending is essential to any effort to deal successfully with the problem of excessive and wasteful government. I therefore urge my colleagues to give their full support to this proposed legislation.

Perhaps the most important problem facing the Congress is that of decreasing control and flexibility in our budgetary decisionmaking. This diminishing control results from our current budgetary and spending procedures, which bind us to decisions made by previous Congresses and make it extremely difficult to contain runaway Federal spending and reduce inefficiency.

Clearly, the American people are concerned over this problem. A CBS/New York Times poll in June of last year indicated that 78 percent of the public believe that "a lot" of their tax money is wasted by Government. Three months later, another CBS poll found that by a margin of 70 percent to 21 percent, people consider cutting spending more important than cutting taxes. To respond to this widespread dissatisfaction, we will have to do more than make political promises to cut spending that our budgetary mechanism prevents us from keeping.

A few statistics help illustrate the magnitude of the difficulty we face in controlling the Federal budget. In addition to 11 departments and 44 independent agencies, there are over 1,200 advisory boards, committees, commissions, and councils. Over 1,000 different Federal spending programs are administered by 56 agencies. This situation is exacerbated by the fact that nearly three-fourths of our budget appropriations are uncontrollable. In other words, some 75 percent of annual Federal spending goes for permanently enacted programs and to meet obligations made by Congress in previous years. Such uncontrollable spending has been growing twice as fast as controllable spending.

When our decisionmaking becomes restricted in this manner, priorities are in effect set for us, rather than by us. Spending practices determined in the past become locked in, and are difficult to reverse or modify.

Federal spending programs that overlap, that do not work, or that waste money can, and do, go on and on. Of more than 1,200 programs identified by the General Accounting Office, over 800, or two-thirds, are permanently authorized. They never come up for review or reconsideration. Accoding to the Congressional Budget Office, 78 percent of the laws funded in the 1979 budget are permanent authorizations, while only 17 percent are expiring authorizations.

These permanent programs continue year after year with little or no regular reconsideration by Congress. The programs that do expire and require reauthorization, on the other hand, usually expire at different times. Hence, programs that are reconsidered are rarely reviewed in relation to other programs that are similar in nature and objective. In sum, our budget process is essentially out of control. A large part of our spending is predetermined, and the remainder is allocated without a comprehensive look at where it is going.

Tax decisions are also largely uncontrollable. Of some 85 tax policy items, 75 require no periodic review by Congress. Decisions concerning taxation should receive as much attention as those involving expenditure of revenues. Too much money is at stake to exclude them from a rational review process.

Such a process is the goal of the bill I am cosponsoring today. There are three major aspects to the idea embodied in this legislation: First, a review of all Federal spending programs at regular intervals, such as every 6 years; second, consideration of programs in the same functional categories at the same time, and in comparison with one another; and third, a fixed termination date, which would force congressional action and insure that each program receives some form of review.

It should be noted that the termination date is intended to act only as a device to insure a conscious desire to continue programs. It provides for a ban on outlays for any program that does not receive specific reauthorization. However, only the funding is stopped; the law creating the program remains valid, thus keeping legislative authority for future funding alive.

When all is said and done, the sunset mechanism is really not different from the current reauthorization process, except in two respects: First, it places similar programs in the same budget category so that they may be considered together; and second, it requires conscious approval of the Congress in order to keep revenues flowing to programs that heretofore have been viewed as permanent and thus automatically deserving of continued funding. We need to make the budget reflect our priorities as a Nation, but we have difficult choices ahead of us. If we are to make them successfully, we need the advantages that are afforded by the sunset bill that has been introduced. I strongly urge you to give it your support.●

SOMOZA: HE MAY BE LAST U.S. MARINE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. McDONALD. Mr. Speaker, it has been difficult to find a balanced view of the situation in Nicaragua these days with many in the U.S. press writing with the seeming hope of a Sandanista victory, with no thought of the consequences of such a victory. Therefore, I was pleased when, recently, an article by Mr. Jack Cox on Nicaragua, that appeared in the Houston Chronicle of December 17, 1978 was called to my attention. In this article Mr. Cox, a veteran observer of Central American affairs, points out the reasons for the actions of Costa Rica and Panama as well as the influence of Communist Cuba and even the Soviet Union, indirectly, on this situation. I commend this article to the attention of my colleagues who are seriously interested in learning all the ramifications of a Sandanista victory in Nicaragua.

SOMOZA: HE MAY BE LAST U.S. MARINE

(By Jack Cox)

The recent war in Nicaragua is not a matter of civil strife. It's an international war.

What is happening in Nicaragua today is of more importance to the United States than the events in Iran, South Africa or any other part of the world. The outcome likely will be decided in the next 60 days, and the future of Nicaragua and of Central America will be decided by the United States.

If it is, as President Carter and the State Department maintain, a civil matter to be decided by the people of Nicaragua, then this administration is blind to the involvement of men, weapons and supplies to the guerrillas in Nicaragua. By the same token, they are deaf to Sandanista guerrillas' pronouncements being made in Nicaragua, Costa Rica, Panama and Cuba.

The Sandanistas derive their name from General Sandino, who fought the U.S. Marines in the early part of this century when they were stationed in Nicaragua.

In the middle 1920's civil strife plagued Nicaragua much like it does today. There was bloodshed and extensive property damage. In essence, the Conservatives and the Liberal parties were engaged in a civil war. Then Nicaragua's military leaders met in seclusion to decide the nation's future direction.

The military decided that there was a single solution: They should call upon the U.S. to send troops to Nicaragua.

General Sandino arrived late at the meeting, and by that time the other military leaders had reached a decision. General Sandino was furious and stormed out, saying he would fight the U.S. Marines.

So, the Sandinistas took their name in memory of a man who vowed to fight and did. Following the Marines' occupation of Nicaragua, elections were held that brought President Anatasio Somoza's regime to power.

Arnold Ramirez-Eva, a well-known and successful Nicaraguan businessman who for years was associated with the Somoza family and formerly was minister of economic affairs, industry and trade under General Somoza, says Somoza "is the last United States Marine."

Ramirez-Eva now opposes Somoza and heads a group called El Frente Amplio Opositor (FAO), whose purpose is to remove Somoza from office. The FAO is not connected with the Sandinistas, but they do have a common objective: remove Somoza.

In methods and ideals, however, the two groups are poles apart.

The FAO is comprised of business leaders and members of the professional community. This organization has laid out a sophisticated plan for mediation with representatives from the governments of the Dominican Republic, the United States and Guatemala. Mediation is in progress, but the goals sought by the FAO and the Somoza government do not coincide.

On the other hand, the Sandinistas believe in terrorism, armed action and death to those who oppose them.

Visits with the FAO and with members of the Sandinistas make one point clear. The two groups act on different motives. The business group opposing Somoza feels it can control the Sandinistas. The communist-led Sandinistas say no one will control them. But at this point they feel the business group is useful to their movement.

Luis Tous, now a resident of San Jose, Costa Rica, and a former millionaire businessman in Cuba, said recent developments seem to repeat history. He recalled a meeting between the leaders of Havana and President Fulgencio Batista.

At that meeting Batista warned the participants of the consequences should Castro overthrow his government. Batista told them that they might think his administration was bad, but just wait until they got Castro.

Tous said that when he left that meeting he simply shrugged it off as being politics, and he was not a politician. Tous said the businessmen of Nicaragua should take a long look at the disaster in Cuba.

Why the statement that the current events in Nicaragua represent an international war?

Cuba is believed to be supplying arms, ammunition and guerrilla training for the Sandinistas. Castro hates Somoza and, even though he is supplying revolutionaries for other parts of the world, Nicaragua is a special target.

After all, Somoza granted permission to the United States to train the Bay of Pigs invaders on the soil of Nicaragua. This military gesture on behalf of the United States represented the zenith of treachery, and Castro wants Somoza out.

The U.S. State Department has evidence indicating that Cuban military support for the Sandinistas is channeled through Panama. From Panama the military support is run through Costa Rica to the Sandinistas.

The Sandinistas are receiving Russian-made arms and equipment. Therefore, the Soviet Union, in indirect fashion, is involved in the war that now goes on in Nicaragua.

Why does General Omar Torrijos of Panama support the Sandinistas in Nicaragua? All of the answer is not available, but for years Torrijos has resented Somoza.

At various Central American functions Somoza was a central figure. Somoza's role resulted because other Central American countries recognized he was backed by the United States. Also, Somoza is more skilled in political intrigue than other Latin American heads of state.

Some observers see the Nicaraguan crisis as a battle for power in Central America, Torrijos of Panama vs. Somoza of Nicaragua.

One thing is certain, Omar Torrijos runs Panama. Omar Torrijos is Panama.

Recently Panama's armed forces commander, Col. Rodrigo Garcia Ramirez, was forced into early retirement. Actually, there was a shake-up in the top echelon of the National Guard. The reasons for this shake-up are revealing. To Americans, the "sacking" of a military leader should come as no surprise, but Col. Ramirez was actually put in jail before he was retired.

Ramirez' fatal military mistake was in his public disapproval of Torrijos' selection of Aristides Royo S. to be president of Panama. He also expressed displeasure with the Torrijos' policy concerning Nicaragua. Col. Ramirez felt that Panama should give no support whatsoever to the Sandinistas.

Two and one-half years ago, Torrijos headed a Panaminian delegation to Cuba. Castro endeavored to put forth the bright and shining face of a communist Cuba.

At his departure, General Torrijos told Castro that his communist form of government was not for Panama.

But Torrijos appears to have changed his position. Recently he handpicked a man regarded by many as a Marxist to be Panama's president. If not a Marixst, the new president, Artitides Royo S., leans far to the left. He is a former minister of education in Panama.

Another international involvement in the Nicaraguan crisis relates to Venezuela. This country, loaded with petro dollars, reportedly is supplying aid to the Sandinistas in Nicaragua. This is the only South American country thus far that is reported to be directly involved in the efforts to oust Somoza.

It is difficult to ascertain why Venezuela would like to see the comunist-led Sandinistas in control of Nicaragua. But Venusuelan President Carols Andres Perez and President Somoza have carried on a long-standing personal feud and at any rate, the addition of Venezuela to the list of countries known to be aiding the Sandinistas makes Somoza's survival more difficult.

Costa Rica, a tiny republic just south of Nicaragua, is caught in a difficult position. Considerable enmity exists between Nicaragua and Costa Rica and has done so for years. Taking advantage of the situation, the Sandinistas have used the northern frontier of Costa Rica as a sanctuary and training area.

At a propitious moment, the guerrillas have begun launching regular attacks into Nicaragua from their Costa Rican haven. When pursued by the army of Nicaragua, these guerrillas retreated across the border.

On two occasions Somoza's air force retaliated and strafed the guerrilla camps. This action brought serious complaints from Costa Rica and Panama, and Venezuela sent aerial units to Costa Rica. The United Nations is debating whether to sanction Nicaragua for violating Costa Rican air space.

Recently, two members of the Costa Rican Civil Guard were killed by a Nicaraguan army unit. Costa Rica maintained they were killed on Costa Rican soil and then broke off diplomatic relations with Nicaragua. The Organization of American States investigated the incident. It has not released its findings, but the probe reportedly established that the Costa Ricans were on Nicaraguan territory when they were slain.

Generally speaking, the people of Costa Rica, Latin America's most democratic country, oppose Somoza. But there are many who foresee great danger for Costa Rica should there be a communist takeover in Nicaragua.

There is serious speculation as to why Commander Eden "Zero" Pastora, the principal Sandinista leader, has until recently been the guest of former Costa Rican President "Don Pepe" Figueres at his farm, La Lucha.

It was Pastora who commanded the Sandinistas last August when they stormed the national palace in Managua and took some 1,500 people hostage. The Nicaraguan government paid the Sandinistas $500,000 and released 59 political prisoners. Most of the political prisoners were flown to Cuba after stops in either Panama or Venezuela.

Tomas Borge Martinez, one of the founders of the Sandinista National Liberation Front (FSLN) and considered to be the group's most militant leader, appeared on television in Havana and stated that the Sandinistas would establish a Nicaraguan government modeled after Cuba's. The released political prisoners and the Sandinista leaders were

given a heroes' welcome at the Havana airport.

So, why is Pastora a guest at the home of Figueres in Costa Rica? It was then-President Figueres who granted permission to Russia to establish an embassy in Costa Rica. This was done despite the fact that a vast majority of the people opposed the action. The embassy now serves as a focal point for Russian activity in Central America. The Russian embassy is sufficiently staffed to handle the affairs of any major nation. And yet, Costa Rica has a population of about two million people and is approximately the size of West Virginia.

Why are the guerrillas permitted to train in Costa Rica and use its northern frontier as a sanctuary. One reason is that Costa Rica is the only country in Latin America that does not maintain a standing army.

It does have a civil guard, but it is undermanned and, according to government leaders, is not capable of patrolling the 450 kilometers along its border with Nicaragua. Also, there are many people in that area of Costa Rica who sympathize with the Sandinistas.

Costa Rica is considered the garden spot of Central America. Its government is stable and the people peaceful. Some 10,000 Americans live there, and this fact alone is an expression of confidence. In the current international conflict involving Nicaragua, President Caraso failed to comprehend the seriousness of Costa Rican involvement and the consequences should the Sandinistas succeed.

The situation in Nicaragua is critical. In all probability, it will be resolved, one way or another in the next 60 days. The United States holds the key to whatever solution may be forthcoming. Thus far, the Carter administration has been inclined to oppose Somoza, even though a neutral stance has been projected. But all military aid to Nicaragua has been cut off. This has not pleased several countries in Central America.

Government and business leaders in Guatemala, Honduras and El Salvador also worry about developments in Nicaragua. The prevailing attitude is fear. In each of these countries there are leftists and a certain amount of guerrilla activity. The governments in each of these countries support Somoza. Their fear is that should the Sandinistas succeed in Nicaragua, it would only be a matter of time until each of these Central American nations would fall.

In Cuba, Castro first flew false colors. Prior to his victory he emphatically denied that he or his associates were communist. Castro maintained that his revolution was as "Cuban as the palm trees."

Now, many concerned residents of Central America remember that it was after Castro had been in power almost two years that he felt confident enough to announce to the world that, "I am Marxist-Leninist, and I will be to the last day of my life."

Had Castro made his position known prior to his victory in Cuba, the United States may have exerted pressure to see that a Soviet satellite was not established in the Western Hemisphere.

Nicaragua's current conflict bears certain similarities. Only this time the Sandinistas have announced in advance that they are Marxists.

Tomas Borge Martines, leader of the Sandinistas, has said that "all of Central America is at stake." He further stated that "a revolutionary transformation in all Central America will occur in a very short historical period. And the revolutionary transformation of Central America will change the political geography of the continent and would upset the correlation of forces in Latin America."

The plan, the ideology and the objectives are clearly stated. It's not just Nicaragua that serves as a target. It's Central America and ultimately all of Latin America.

Somoza has announced that he plans to serve as president until his constitutionally determined term expires in 1981. Those who seek his ouster say they will not wait until 1981. Both the business leaders who oppose Somoza and the Sandinistas want him out now.

The relatively moderate FAO seeks to make the change in a peaceful fashion. This, they feel, can be done under certain conditions by a national plebiscite. The Sandinistas seek to gain control through an armed uprising.

In essence, there are three competing factions: the FAO, the Sandinistas and Somoza's ruling Liberal Party. And there can be no easy solution.

Added to the constant threat of open warfare, the economy of the country has suffered greatly. The battles of September that left five major Nicaraguan cities in ruins have caused widespread unemployment.

Construction firms have either gone broke or have ceased to operate. Factories have closed their doors, and business is moving at a snail's pace.

The economy, long considered one of the healthiest is Latin America, has shown an average growth rate of approximately 5.5 percent annually during the past 20 years, but will show no growth this year. The government hopes to bolster the ailing economy with the current coffee crop. But the Sandinistas have said they will burn the coffee mills and the coffee ready for export.

Economic problems may present a greater threat to Somoza than an armed confrontation with the Sandinistas. Economic leverage may be the most effective weapon possessed by the Sandinistas. When people are jobless and their children hungry, drastic action can be expected.

The view of the capital city of Managua from the top floor of the Hotel Intercontinental results in an eerie feeling. An automobile tour of the city that was largely destroyed by an earthquake in December 1972 drives home the reality of emergency.

When the scars of battle loom forth from formerly peaceful cities, the seriousness of the war in Nicaragua is revealed. Only then is the necessity of peace fully realized.

The enormity of the problem transcends the borders of Nicaragua, Honduras, Costa Rica, El Salvador, Guatemala and Panama. The entire hemisphere is involved, whether or not this realization has fully dawned upon the administration in Washington.

So far as the United States is concerned, some very important facts should be reviewed and restated:

Anastasio Somoza is a graduate of the U.S. Military Academy at West Point.

He is strongly anti-communist.

He is pro-United States and long has been a spokesman for U.S. policy in Latin America.

These factors have contributed greatly to the difficult position in which Somoza finds himself. What a former official of Nicaragua said may well be true: "Somoza is the last U.S. Marine, and the Sandinistas want him dead."

Again, this is not a matter of civil strife in Nicaragua. It's an international war. The United States can find a workable solution or can stand by and watch the part of the noncommunist world disappear. Indeed, as Sandinista leader Tomas Borge Martinez stated, the entire continent could be at stake.●

WHERE IS THE REAL JERRY BROWN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MICHEL. Mr. Speaker, for many years now the pundits and opinion-makers have been warning us about rightwing plots and ultraconservative conspiracies. I believe I have conclusive evidence of a rightwing plot so astounding, so brazen, and so incredible that it all but defies description.

Recently major newspapers all over the Nation carried excerpts of an inaugural speech made by Governor Jerry Brown of Calif. That speech spoke of the need for deep cuts in Government spending. It spoke of the evil of inflation. It scolded "political leaders who righteously spoke against inflation and excessive Government spending but who in practice pursued the opposite course."

Now I ask you, Mr. Speaker: Does anyone really believe that Jerry Brown said those words? Jerry Brown, the hip guru of the liberals, the California darling of the Democrat Party? No, it is clear that the real Jerry Brown has been captured and replaced by a double, much in the manner of the old movie "The Prisoner of Zenda."

At this moment there is a rightwing imposter, cleverly made up to look like Brown and coached to talk like him, saying all sorts of sensible things to the people of California.

I call upon the Democrats in the California delegation to put together a band of hearty liberal adventurers to rescue the real Jerry Brown so Californians may once more enjoy his combination of Zen politics, Beverly Hills mysticism, and bigger budgets.

While I am at it, I might add that the conservative rhetoric used by some of the big-spending liberals in this House during the last election, strongly suggests there are 50 or so rightwing imposter clones among us. Those rightwingers are devilishly clever.●

THE CHALLENGE OF ALASKA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VENTO. Mr. Speaker, the 95th Congress marked the passage of many important pieces of environmental legislation. The passage of legislation such as the Boundary Waters Canoe Area Wilderness Act, the National Parks and Recreation Act of 1978, the Endangered American Wilderness Act, and the Redwoods National Park Extension reaffirmed our Nation's commitment to the protection of our few remaining acres of wilderness for the enjoyment and use of present and future generations of Americans. Unfortunately, the substantial environmental achievements of the 95th Congress are clouded by the failure to complete action on legislation designed to protect the vast wilds of Alaska.

The failure to act was not the result of a lack of careful study on this issue. As a member of the House Interior Subcommittee on General Oversight and Alaska Lands, I can attest to the thorough deliberation that was expended in consideration of H.R. 39. The bill that eventually came before the full House was the result of hundreds of hours of debate and study and the testimony of over 2,000 witnesses. It was a bill that

balanced our concern for protecting the unique characteristics of Alaska with the future development of that State's considerable natural resources. The balanced approach of H.R. 39 was confirmed by the overwhelming vote of support that the bill reached during full House consideration and passage.

Unfortunately, the Senate was unable to act on this most important piece of conservation legislation and at the close of the 95th Congress, a final solution to the Alaska lands issue had not been reached.

This lack of action benefited no one: The transfer of lands to native corporations and to the State has been delayed; the development of the vast Alaskan storehouse of natural resources has been sidetracked; and the beauties of the Alaskan wilderness have been threatened. Only the bold, farsighted actions of President Carter and Secretaries Andrus and Bergland have prevented an irreversible degradation of the land from occurring. I congratulate and thank the President and his administration for their brave actions.

We must not, however, consider the recent Executive actions as a final solution to the Alaskan lands issues. Many issues on Alaska, affecting all Americans, still exist and can only be resolved by congressional action. We must build upon the solid foundation laid by the President and must resolve the uncertainties that surround the future use of Alaskan lands. Today's introduction of H.R. 39 is an important first step in the resolution of these issues. Based on the bill that passed the House last May by a vote of 277 to 31, the new H.R. 39 complements the recent Executive actions. It is a balanced approach, establishing Federal policies that will provide for the economic development of the State, the wise development of the natural resources, and the protection of the most significant areas of Alaska. H.R. 39 is worthy of the support of all Members and I am pleased that so many of my colleagues have joined with me in cosponsoring this bill. I urge those colleagues who have not yet voiced their support for H.R. 39 to do so as soon as possible.

Mr. Speaker, the challenge of enacting legislation dealing with Alaska stands before the 96th Congress. We cannot allow this issue to remain unresolved and must pass sound, comprehensive and balanced legislation. We can meet this challenge by passing the bill that satisfies those demands, H.R. 39.

At this time, Mr. Speaker, I would like to call my colleagues' attention to several recent articles dealing with the challenge facing the 96th Congress: Two editorials from the St. Paul Pioneer Press and the Minneapolis Tribune praising the President's actions and urging further congressional action and a recent poll showing the overwhelming support of Minnesotans for further congressional action.

[From the St. Paul Pioneer Press, Dec. 5, 1978]

CARTER SAVES ALASKA LANDS

In a move that missed the headlines and TV coverage it deserved, President Carter last Friday more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history.

What the President did was set aside 56 million acres of Alaska in new national monuments, under authority of the Antiquities Act of 1906, passed when Theodore Roosevelt, long considered the foremost conservationist ever to sit in the White House, was President. Until Friday, the National Park system had contained about 33 million acres, the oldest and largest single park, Yellowstone, contains 2,200,000.

It was no overstatement, then, when the head of the Alaska Coalition, a private conservation group which has been fighting for the preservation of the Alaskan wilderness, said, "President Carter has now replaced Teddy Roosevelt as the greatest conservation President of all time."

Alaska's politicians are upset, of course. Its three-man congressional delegation is furious, and even Gov. Jay Hammond, considered something of a moderate—as Alaskans in general go—on conservation issues, is upset. Hammond is especially concerned because the President's order bans sport hunting on 40 million acres. Sport hunting furnishes a livelihood for numbers of Alaskans who act as guides and pilots for well-heeled hunters from the "Lower 48." Hammond has promised to fight the presidential order in the courts, but over the years courts have uniformly sustained the President's powers under the Antiquities Act.

The next move is up to Congress, which is left with narrowed alternatives. It can now go ahead and encompass the original 100 million acreas in a comprehensive lands bill, designating some of the new "monuments" as national parks, others as wildlife reserves, and so on, as the original bill provided. It can balk and refuse to go beyond the President's order of last week. What it apparently cannot do, however, is cancel what the President already has done.

Congress' failure to act this year was a bitter blow to conservationists and environmentalists all over the country, for Alaska truly is the last frontier and offers the nation a magnificent opportunity to avoid a calamitous repitition of the "rape and ruin" exploitation that has characterized so much of our history. In this critical time, President Carter, acting on his often-repeated pledge to save the Alaskan lands, reached back to a law passed more than three-quarters of a century ago. "Sweet are the uses of adversity."

There was "poetic justice" in Mr. Carter's turning to the 1906 law. It had been passed to save Indian art in the Southwest from vandals and exploiters, but the powers it gave the President were later used when Congress failed to act on preserving priceless natural wonders. The Grand Canyon, for example, was first set aside under the Antiquities Act. In the last session of Congress, Alaska's senators had succeeded in blocking passage of the Alaska Lands bill, which would have set aside nearly 100 million acres in parks, wildlife preserves and national monuments. An emergency authority invoked by the Secretary of the Interior protected these lands from developers and the State of Alaska until the President acted under the Antiquities law.

That emergency protection will continue, at least until the next congressional session, for the remaining nearly 44 million acres.

President Carter and Secretary of the Interior Cecil Andrus are making the right moves to protect Alaska from unacceptable environmental risks. By executive authority under a 1906 law Carter has designated national monuments covering 58 million acres of Alaskan federal lands. At the same time, he is directing Andrus to hold hearings on permanent protection for 39 million acres as wildlife refuges. And Andrus has agreed with Secretary of Agriculture Bob Bergland on special safeguards for 11 million acres in two national forests for the next two years.

These are strong and welcome measures. They more than double the size of America's national park system. They erect a barrier against premature development of public lands for mining, logging and drilling for oil. They insulate large areas from immediate acquisition by the state. They express a policy of long-range trusteeship over economic resources and scenic treasures that belong to everyone. Carter deserves the praise he is getting as "one of the greatest conservation-minded presidents."

But much as we commend them, executive actions are not enough. The administration's moves are necessary now because Congress failed last session to enact legislative policy for federal lands in Alaska. That failure—largely brought about by the delaying tactics of Alaska's Senators Stevens and Gravel—threw the status of the millions of acres into question. Carter is rightly trying to clarify the question by protection policies of his own. But some of his orders can be challenged in court, and others must be temporary under existing law. Only Congress can satisfactorily lay the matter to rest.

The federal lands in Alaska deserve national attention and national legislation. The House and Senate should act strongly this winter to confirm the trusteeship that the president has expressed.

[From Minneapolis Tribune, Dec. 24, 1978]

MOST SAY U.S. IS DOING GOOD JOB OF PRESERVING WILD AREAS

A majority of Minnesotans think the United States is doing a good job in preserving wilderness areas.

In a statewide opinion survey, the Minneapolis Tribune's Minnesota Poll found 62 percent of those interviewed believe the United States is doing a good job in preserving wilderness areas, while 36 percent consider the government's efforts not so good.

Indicative of Minnesotans' support of government preservation of wilderness was their strong feeling in mid-November that Congress should approve a bill to set aside 100 million acres in Alaska for parks, wildlife refuges, wilderness zones and national forests.

President Carter dramatically changed the dynamics of the Alaskan wilderness controversy on Dec. 1 when he:

Created 17 new national monuments in Alaska by proclamation, totaling 56 million acres. (A national monument generally is operated under the same restrictions on use as national parks, which includes a ban on motorized boats and snowmobiles. A national monument can be created by the president under the Antiquities Act of 1906.)

Withdrew 11 million acres in southeast Alaska from possible mining.

Proposed that 39 million acres be designated as wildlife refuge areas.

The administration acted because Dec. 17 was the deadline for the federal government to turn over land stipulated in the statehood grant. Alaska has filed a suit against the administration actions.

The House passed legislation last May to put 100 million acres of federal land in Alaska into national parks, refuges and wilderness. But the bill failed to pass the Senate, partly because of opposition by Sen. Mike Gravel, D-Alaska. Although much of the land is protected by Carter's orders, the administration hopes next year's Congress may act on some items in the legislation.

A balanced sampling of 621 Minnesotans were asked about that bill in this way:

"Next year Congress will consider a bill concerning wilderness areas in Alaska. The bill would put about 100 million acres—more than a fourth of the state's area—into protected areas, like parks, wildlife refuges, wilderness zones and national forests. Would

you like Congress to approve or disapprove of this proposal?"

Minnesotans from different walks of life reacted favorably to the setting aside vast acreages:

Want Congress to approve?

[Percent]

	Yes	No	Don't know
All adults	69	26	5
Men	70	25	5
Women	67	26	7
18–24 years	86	13	1
65-years and over	56	35	9
Attended college	74	18	8
H.S. grads	69	27	4
Less education	57	37	6
Liberals	72	19	9
Moderates	71	23	6
Conservatives	65	32	3
Region of state:			
South	63	32	5
Twin Cities area	74	19	7
North	62	35	3

The next question was:

"In general, do you think the United States is doing a good job or not so good in preserving wilderness areas?"

The replies:

	Percent
U.S. doing a generally good job	62
Not so good	36
Don't know	2
	100

Among Minnesotans who are critical of the government's performance in wilderness preservation, the desire to have Congress pass legislation setting aside 100 million acres of Alaska for wilderness areas is slightly stronger than it is among those who approve.

This Minnesota Poll involved interviews with 621 men and women 18 and over from Nov. 17 to 19 throughout Minnesota. As a scientifically based opinion survey, it provides an approximation of the response that could be expected if all adult Minnesotans had been interviewed.

The editors of the Tribune developed the questionnaire used in the survey. Research Information Center, Inc., of Phoenix, Ariz., obtained the interviews and tabulated the answers.

Results of such surveys are subject to sampling error. For a random sampling of this size and type, it is possible to say that the sampling error almost never will exceed four percentage points either way. This sample was taken only from households with telephones.

For a subsample of the population—for example, the 148 residents of northern Minnesota—the error could be larger.●

CRUDE OIL MARKETING COMPETITION ACT OF 1979

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ROSE. Mr. Speaker, on Monday, January 15, I introduced H.R. 59, the Crude Oil Marketing Competition Act of 1979. This legislation addresses an anticompetitive situation in the crude oil market which has been created—amazingly—by certain provisions of the Department of Energy crude oil allocation regulation and the rulings and interpretations thereof. Interestingly, the Bureau of Competition of the Federal Trade Commission and the Antitrust Division of the Department of Justice have filed formal comments with the Department of Energy urging the reversal of the anticompetitive aspects of the crude oil supplier/purchaser relationships regulation (10 CFR 211.63). If the Department of Energy would heed these sound recommendations and respond appropriately, this legislation and the allocation of congressional resources which will be required to consider this legislation would not be necessary.

On January 14, 1974, the Federal Energy Office, acting in response to the crude oil shortages created by the Arab embargo which began in October 1973 and acting pursuant to the allocation authority granted in the Emergency Petroleum Allocation Act of 1973 (EPAA), "froze" all crude oil supplier/purchaser relationships as they existed on December 1, 1973. Today, more than 5 years after the Arab oil embargo and in a time of adequate crude oil supply, a "freeze" on domestic crude oil supplier/purchaser relationships remains the rule rather than the exception. On October 5, 1977, the Department of Energy adopted an amendment to the regulation (10 C.F.R. 211.63(d)(iv)) which seemed to allow significant competition in the domestic crude oil market. However, the Department issued ruling 1977–78 on December 30, 1977, which effectively reversed the liberalizing amendment of October 5, 1977. Under the present Department of Energy crude oil supplier/purchaser relationship regulations, new market entrants are effectively barred from the domestic crude oil market and competition between purchases of domestic crude oil is virtually nonexistent.

Both the House Interstate and Foreign Commerce Committee and the Senate Energy and Natural Resources Committee addressed this problem in the 95th Congress by reporting provisions similar to this legislation in their respective versions of the fiscal year 1979 Department of Energy Authorization Act. Unfortunately, Congress failed to enact the fiscal year 1979 Department of Energy Authorization Act during the 95th Congress.

The House Interstate and Foreign Commerce Committee version of the fiscal year 1979 DOE Authorization Act (H.R. 11382) provided the following, in section 106:

LIMITATION OF USE OF FUNDS IN ADMINISTERING CERTAIN REGULATIONS

SEC. 106. (a) No funds authorized to be appropriated pursuant to this Act may be expended to enforce any regulation of the Department of Energy regarding the supplier-purchaser relationship between crude oil producers and purchasers of crude oil (10 C.F.R. 211.63) which has not been reviewed by the Department within 60 days after the date of the enactment of this Act and modified, as the Secretary of Energy determines necessary, by a proposed rule, to remove aspects of such regulation which eliminate competition, unless such aspect of such regulation is necessary to protect the supply of crude oil to small refiners or is essential to implementation of crude oil pricing regulations, as determined by the Secretary of Energy.

The House committee report accompanying H.R. 11392—House Report 95–1166, part 2—stated the following, at page 138:

Section 106—Limitation on Use of Funds in Administering Certain Regulations

Section 106 limits the use of funds in administering certain DOE regulations. Subsection (a) prohibits the use of funds appropriated in this legislation to enforce regulations concerning supplier-purchaser relationships between crude oil producers and purchasers, unless such regulations have been reviewed in 60 days by the Department, and modified, as the Secretary deems necessary, to remove anti-competitive aspects which are not necessary to protect crude oil pricing regulations, as determined by the Secretary. The committee also recognizes that other considerations, such as the protection of supply for small refiners and the administration of price regulations may require the operation of certain regulations. Therefore, the committee has prohibited the use of funds to enforce these regulations unless such a review and modification, if necessary, is made. This action is also consistent with DOE plans to place the review of such regulations on the agenda of the Regulatory Reform Task Force.

The Senate Energy and Natural Resources Committee version of the fiscal year 1979 DOE Authorization Act (S. 2692) provided the following:

COMPETITION IN CRUDE OIL SALES

SEC. 602. The President may not continue in effect any provisions of the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973, or any ruling or interpretation thereof, regarding the relationship between suppliers and purchasers of crude oil unless he has, by rule, within sixty days after enactment of this section, reviewed and modified the regulation or ruling or interpretation thereof, as the President determines necessary, to remove those provisions of the regulations or ruling or interpretation thereof, regarding the relationship between suppliers and purchasers of crude oil, which restrict competition, unless and to the extent he finds such provisions are necessary to provide an adequate supply of crude oil to small refiners.

The Senate committee report accompanying S. 2692—Senate Report 95–967—stated the following, at page 258:

O. COMPETITION IN CRUDE OIL SALES (SEC. 602)

The Committee is concerned that the present Department of Energy allocation regulation promulgated under Section 4(a) of the Emergency Petroleum Allocation Act, as well as the rulings and interpretations thereof, concerning domestic crude oil supplier/purchaser relationships (10 CFR 211.63) may be having an unwarranted anticompetitive impact on the domestic crude oil marketing section of the petroleum industry.

The original supplier/purchaser regulation was issued in response to the Arab oil embargo which began in October 1973. At that time, the regulation was necessary to manage the severe energy shortage and crude oil supply dislocations caused by the embargo. This result was achieved by "freezing" supplier/purchaser relationships. One undeniable result of the regulation, however, was to create severe barriers of entry to persons who attempted to enter the domestic crude oil marketing business shortly before or after the imposition of the freeze.

The Department and its predecessors have recognized that in a period of ample supply a total freeze on supplier/purchaser relations might not be appropriate. On a number of occasions, the regulation has been modified for the stated purposes of allowing a greater opportunity for market forces to operate and crude oil marketers to compete. The present supplier/purchaser regulation, as amended in October 1977 and as as interpreted in Department of Energy Ruling 1977–8, however, continues to insulate a substantial portion of the domestic crude oil supply from competition by new and recent market entrants in the crude oil marketing business.

The Committee intends that competition be reintroduced into the crude oil marketing sector to the maximum extent possible. Section 602 directs that no crude oil supplier/purchaser regulation shall continue in effect unless the President has, by rule, within 60 days after enactment of this section, reviewed such regulation, including the rulings and interpretations thereof, to remove those provisions of the regulation, rulings or interpretations which restrict competition.

The Committee intends that the phrase "may continue in effect" means that, beginning on the sixty-first day after enactment of this section, the crude oil supplier/purchaser relationship regulation (1 CFR 211.63), including all rulings and interpretations thereof, which were issued prior to the date of enactment of this section may not be enforced either administratively or judicially unless the President has made the review and modification required by the section. The Committee further intends that no regulation, ruling or interpretation thereof concerning the relationship between crude oil suppliers and purchasers may be issued after the date of enactment of this section if the effect would be to restrict competition in the crude oil marketing business, unless the President finds such regulation, ruling or interpretation necessary to insure an adequate supply of crude oil to small refiners.

In section 602, the Committee directs the President to undertake an expeditious review, in the light of prevailing conditions and his other responsibilities under the EPAA, of the regulation, rulings and interpretations regarding the supplier/purchaser relationships for crude oil in order to determine their effect on competition and to remove those provisions of the regulation which restrict competition in the crude oil marketing business. The Committee has also provided that the Presidential review be made by rule and that all modifications to the regulation, ruling or interpretation may be completed within 60 days of the date of enactment of the section.

The Committee intends, by use of the term "modified," to grant the President authority to alter or delete any ruling, interpretation or provision of the regulation which restricts competition. The President may determine that alteration or deletion of one or more rulings, interpretations or provisions is necessary to remove restrictions against competition.

In conducting his review of the present crude oil supplier/purchaser regulation and the rulings and interpretations thereof, the Committee expects that the President will seek the views of the Department of Justice regarding the impact on competition of the present regulation, rulings and interpretations.

Finally, the Committee has granted the President the authority to preserve those provisions of the present regulation which he finds are necessary to provide an adequate supply of crude oil to small refiners notwithstanding the fact that such provisions restrict competition. In addition, the President has the authority to modify such present provisions if he finds that the provisions are overly broad. However, prior to either preserving or modifying the present provisions, the President must make a finding that the provisions are necessary to protect small refiners in accordance with section 4(b)(1)(F) of the Emergency Petroleum Allocation Act. In making such a finding, the President must determine that the national interest in protecting such small refiners outweighs the national interest in fostering competition.

"Small refiners" is defined in the Emergency Petroleum Allocation Act of 1973. The use of the phrase "unless and to the extent" is intended to insure that any regulation, ruling or interpretation should provide an adequate supply of crude oil to small refiners without otherwise restricting competition in the crude oil marketing business. Furthermore, this provision permits the President to establish special provisions benefiting a particular subclass of small refiners if he determines that the particular subclass is the only group of small refiners in need of special protection to ensure an adequate supply of crude oil.

Clearly, then, neither the problem addressed by this legislation nor the solution proposed by this legislation is new. But it is long past time that the Federal Government apply the solution to this problem and remove the unnecessary and unwarranted regulatory barrier to competition in the domestic crude oil market. I encourage each of my colleagues to work for the early adoption of this legislation and the expeditious return of competition to the domestic crude oil market.●

REPORT ON SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS FAR EAST MISSION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. WOLFF. Mr. Speaker, the subcommittee on Asian and Pacific Affairs recently completed a seven-nation mission to Asia, stopping in Japan, South Korea, the Philippines, Taiwan, Burma, Malaysia, and Thailand. Traveling with the subcommittee were Mr. NEAL, Mr. HYDE, Mr. DORNAN, and Mr. KELLY. I wish to thank these gentlemen, and to commend them for their hard work during what was an arduous, but very useful mission at a very critical time. I would like now to present the following report so that we can share with our colleagues the preliminary findings and recommendations stemming from the mission. A full report will be forthcoming:

STATEMENT BY THE HONORABLE LESTER L. WOLFF, CHAIRMAN, HOUSE SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS

Between December 28 and January 13, my colleagues and I undertook a seven-country, two week inspection mission through North, East and Southeast Asia. In each country, and with our ambassadors during the Chiefs of Mission conference in Bangkok, we explored several major themes which were regional in nature:

(1) The need for concerted, world-wide action by the international community and individual nations to break the log-jam and help share the burden of the refugees still pouring out of Indochina.

(2) Improving cooperation in the international struggle against illegal narcotics trafficking. This was particularly stressed at the meeting in Kuala Lumpur, Malaysia, of the State Department's Southeast Asian Narcotics Coordinators Conference, attended by personnel from State, DEA, the intelligence community and Customs.

(3) Reviewing the political and strategic implications of normalization of relations between the People's Republic of China and the United States.

(4) Discussing and, where appropriate, inspecting areas of direct U.S. military presence in Asia, in particular, the bases at Clark and Subic in the Philippines, and the U.S. forces in South Korea and their relationship to regional stability.

(5) Assessing regional stability, in particular, the nature, impact and implications of the "third Indochina war" which reached such critical proportions during our stay in Bangkok.

(6) Seeking to re-state what has been a consistent theme of the Subcommittee on Asian and Pacific Affairs for the past two years—that the United States is and will remain a Pacific nation; U.S. economic and security interests in Asia will be maintained, and where appropriate, enlarged.

(7) Discussing in each nation the need for more organized, more aggressive U.S. export trade posture. While Asia is presently America's largest trade partner, this is due to the effort of a few large U.S. companies, rather than U.S. government tax policy to stress investment growth over short term profits, or export initiatives by the vast majority of American business and industry.

Our itinerary originally was scheduled to take us to Hanoi just prior to our mission to Taipei. But after full consultation with the Department of State, and after careful consideration on our part, the members of the delegation reluctantly concluded that to visit Hanoi at this critical juncture was not appropriate.

I say "reluctantly" because we very much wanted to discuss with Hanoi the problems caused by the continued flow of refugees from areas under its control. We wished to discuss the continued heartbreak caused by Hanoi's failure to provide a final accounting for the many hundreds of Americans still listed as missing in action from the war. We wanted to discuss the issue of regional stability, and how Hanoi planned to reassure its neighbors, and particularly the ASEAN nations, as to its intentions. Finally, we wished to discuss the issue of normalization of relations between Vietnam and the United States.

But this was not to be.

We strongly regret that Vietnam has violated the most basic principle of international relations—namely the self-determination of states. We all earnestly hope that the Government of Vietnam will be able to take sufficient steps in the near future so that Vietnam's neighbors will be reassured as to their prospects for a zone of peace, freedom and neutrality in Southeast Asia, and in the region as a whole.

On this mission we visited seven countries: Japan, the Philippines, South Korea, Thailand, Burma, Malaysia and Taiwan. I have spoken of our over-riding major themes. In each country we also discussed specific bilateral concerns. A brief summary of our discussions follows:

(1) *Japan*—Discussions in Japan centered on economic matters, regional security and Japanese views on the establishment of diplomatic relations between the United States and the P.R.C. Having themselves recently concluded a treaty of cooperation and friendship with the People's Republic of China, the Japanese are supportive of the U.S. move. The Japanese Government has stated that the establishment of diplomatic relations will add to the stability and security of the region.

Japan continues to regard the Soviet Union as a potential security threat and is taking a number of measures to improve its defensive posture. The delegation expressed its appreciation for the recently concluded cost-sharing agreement on U.S. bases in Japan, and urged that greater efforts be made in this direction.

As a country extremely dependent on foreign trade and secure sea lanes, Japan will continue to be concerned about the security and economic well-being of Taiwan, a major trade partner which sits astride its principal sea transportation routes. Japanese leaders stressed the necessity of a peaceful solution to Taiwan's future in order to ensure regional stability.

(2) *Philippines*—The Mission arrived in Manila just as the final touches were being given to the agreement on continued American use of the bases at Clark and Subic. This new agreement, technically an amendment to the 1947 agreement which would have expired in 1991, has been basically completed to the satisfaction of both parties. On its part, the delegation sought to stress that the Administration has pledged its "best effort" to seek Congressional authorization on an annual basis for a five-year program of security and economic supporting assistance totaling some $500 million dollars. Initial authorization of these funds each year will require action by the International Relations Committee. The Subcommittee on Asian and Pacific Affairs will begin reviewing these budget proposals, and the technicalities of the base agreements, as an initial order of business in the 96th Congress.

The delegation discussed the human rights situation in the Philippines since the elections of last year, and sought to encourage the continued progress toward moderation which has been made in recent months.

The delegation also visited a major refugee camp in Manila, and held discussions with the Asian Development Bank on possible financing of development projects to aid refugees which will be more fully discussed in a later section of this report.

(3) *South Korea*—While in Korea, the Mission discussed the progress and implications of the continued program of withdrawing the 2d Infantry Division, particularly in light of recent information that the strength of North Korean forces may have been underestimated in the past by U.S. Intelligence.

The delegation would stress that before the next contingent of U.S. Army personnel are withdrawn from South Korea, all new information concerning North Korea strength must be reevaluated by both the executive branch and the Congress.

The delegation would note, however, that for the past several years the U.S. has been engaged in a continuous review of its assessment of North Korean force levels, and that U.S. and South Korean analysts have stated that North Korea has been devoting increasing amounts of its resources to strengthening its offensive capability. The Congress has already approved an $800 million program to compensate South Korea with equipment and training over the next several years, as well as an annual $275 million F.M.S. appropriation.

Also discussed with Korean officials was the anticipated effect on stability on the Korean peninsule of normalization of relations between Washington and Peking. Korean officials expressed hope that favorable results would be forthcoming, but warned against excessive optimism without solid evidence of performance by Peking or Pyongyang.

The delegation expressed its support of recent actions favorable to human rights in South Korea, and met with key figures in that movement.

(4) *Thailand*—The delegation arrived in Bangkok just as the joint Vietnamese-Cambodian rebel invasion reached Phnom Penh, and threatened the eastern border of Thailand itself. The issue of regional stability, and the direct threat to Thailand posed by uncertainty over Vietnamese intentions was fully discussed.

The delegation expressed its full support for a continued strong U.S. relationship with Thailand, including the security aspects of the Manila pact.

The joint work of Thai, U.S. and regional narcotics efforts were pursued by the delegation, and the need for greater cooperation along the border areas with Burma stressed.

The delegation visited three major refugee camps in Thailand (Aranyaprathet on the Cambodian border, Nong Khai and Ubon) and expressed its support for Thailand's response to the refugee situation. (The delegation's specific findings and recommendations on refugees will be presented at the conclusion of this survey of each country.) The delegation also held extensive meetings with U.S. State Department Refugee Officers, representatives from the United Nations High Commissioner on Refugees, and members of the various volunteer organizations working with the Thai Government to provide the refugees with the bare necessities of life.

(5) *Burma*—The mission to Burma represented the first Congressional delegation to that nation in a decade. In that time, Burma and the nations of the golden triangle have come to supply nearly one-third of the U.S. domestic heroin market through an annual crop of some 400 tons of opium poppies.

Through extensive cooperation by Burmese authorities, the delegation was able to carry out on-site inspection of the utilization of 25 helicopters and four fixed-wing aircraft supplied by the U.S. to aid the Burmese Government in eradication of the opium poppy fields, interdiction of the opium caravans, and destruction of heroin refineries along the Burma-Thai border.

The Burmese have also mounted an impressive campaign to prevent drug abuse by their citizens, a serious and growing problem which now reaches into every strata of Burmese society, just as it does in the United States.

The delegation, which also represented the select Committee on Narcotics Abuse and Control, will be working with U.S. executive agencies and international organizations such as the United Nations to help promote crop substitution and other methods of providing the opium farmers with viable alternatives to their presently deadly crop.

The Burmese consider the narcotics trafficking problem and their insurgency problem to be two sides of the same coin. They thus feel that by combatting the narcotics traffic they will eliminate the insurgents' means of support. We encouraged the Government of Burma to initiate a dialog with those insurgent groups which are not involved in the opium traffic in hopes of resolving a political conflict which goes back to the end of the second World War. We stressed to the Burmese that narcotics control assistance was not being supplied to suppress the human rights of the minority peoples of Burma which are guaranteed by the Burmese constitution.

(6) *Malaysia*—Malaysian officials stressed that the absence of a coherent international program to pledge resettlement of refugees in third countries, they fear they will be permanently saddled with a major "residue" of refugees who cannot be resettled.

The delegation flew out to inspect a Vietnamese boat refugee camp at Pulan Besar, and also overflew the huge camp established on Pulan Bedon Island off the coast at Trengganu.

The delegation stressed its dissatisfaction with the organization and pace of the UN program of resettling refugees in third countries. Quicker action is needed to relieve the burden on the temporary host nations of Thailand, Malaysia and the Philippines. Also discussed was minister Ghazali's proposal, endorsed on the day of the delegation's arrival by the ASEAN ministers, that an island or islands be set aside to serve as a temporary holding facility for all Indochina refugees until permanent third country homes could be found.

(7) *Taiwan*—The delegation was the first Congressional mission to visit Taiwan since President Carter announced the breaking of diplomatic relations with Taipei and the termination of the Mutual Defense Treaty with the Republic of China.

The delegation sought to stress the continued determination of the Congress and the American people to safeguard the economic growth and stability of Taiwan, and noted the Administration's determination to continue in force more than 50 treaties and agreements between Taiwan and the United States. Under this policy, Taiwan will continue to have status as a legal entity in the world community and the U.S.

The delegation noted that in every Asian nation it has visited in the past year, the importance of securing a peaceful solution to the future of Taiwan was expressed by government officials and private and business contacts. Further, the importance to regional stability of a peaceful solution was stressed by the Subcommittee on Asian and Pacific Affairs during its mission to Peking last July.

In particular, the Subcommittee discussed in Peking the intention of the United States to continue supplying needed security assistance to Taiwan in the event of normalization, and in the absence of a formal mutual defense treaty.

In Taipei, the delegation stressed that President Carter specifically stated the determination of the United States to continue to supply arms and equipment as is deemed necessary in the future.

One of the Subcommittee's first orders of business in Washington will be to begin work with the Administration in drafting and reviewing legislation necessary to guarantee that the traditional social and economic relationship between the United States and Taiwan will continue to flourish.

REFUGEES

I have saved for the conclusion a more full discussion of our preliminary findings and recommendations on the refugee situation. As noted, we inspected 6 major refugee camps in the Philippines, Thailand and Malaysia. On previous missions, we had discussed the refugee issue with officials in Hong Kong and Singapore. On the basis of this experience, and that of hearings held by the Subcommittee over the past two years, we make the following preliminary findings and recommendations:

(1) Until and unless the United Nations, the voluntary organizations, and the individual members of the international community break the log-jam by embarking on a serious, full time effort to re-settle the Indochina refugees, the temporary host nations will be unable to provide any but the bare necessities of life for those refugees who live to reach their shores.

(2) Once a long-range program of assured re-settlement for the great majority (if not all) of the refugees is underway, the particular problems presently existing in the camps will be much easier for the host nations and the volunteer organizations, working together, to resolve. In this regard, it should be noted that a proper balance must be struck between resettling land refugees and boat people, since land refugees constitute by far the vast majority.

(3) The United States, France, Australia and Canada have almost entirely served as havens for resettlement, as have Thailand, Malaysia and the Philippines almost entirely borne the burden of initial refuge. The delegation suggests that there is no moral excuse for this situation. The United Nations, and

particularly those nations which were so vocal in condemning the Vietnam War, have shirked their responsibilities now that that war is over.

(4) The delegation would stress that a key to stimulating the re-settlement of Indochinese refugees is to stop thinking of these people as burdens for the potential host nations. The facts are that Indochinese refugees are a good investment in the future. They are hard-working, have high skill levels, and are obviously motivated to participate in a free enterprise system.

(5) The delegation recognizes that economic constraints exist in the form of initial costs of accepting large numbers of refugees because of the time it will take for the refugees to become economically self-sustaining. With that problem in mind, the delegation suggested that the Asian Development Bank favorably review applications from host-nations for joint development projects which would allow communities and regions with refugee populations to be economically self-sustaining, and not be a burden on the host countries or on the world.

(6) The delegation notes that even under the present conditions which limit the ability of the temporary host nations to meet the needs of refugees, more can be done to ease the plight of the residents of the camps. While sensitivity to local political and social factors must be borne in mind, the fact is that the food, water, and sewage situation in most camps is still inadequate. Camp conditions can be improved, in some cases dramatically, in order to relieve the human suffering. Key to this process is a more sustained effort by United Nations officials to back up the work of UNHCR field representatives and members of the voluntary service organizations who actually work in the camps. The delegation notes that efforts to raise the morale of camp residents—particularly in Malaysia, where mail deliveries are prevented as an act of policy—would appear to offer dividends far in excess of any presumed benefit of withholding such amenities from human beings cut off from their families for months, even years, without word.

These and other specific recommendations will form the basis of hearings and a full report by the Subcommittee on Asian and Pacific Affairs in the new Congress.●

REESTABLISHMENT OF THE SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MURPHY of New York. Mr. Speaker, and fellow Members of the House, I rise to urge your strong support for House Resolution 53, which provides for the reestablishment of the Ad Hoc Select Committee on Outer Continental Shelf as a select committee for the 96th Congress to allow the committee to continue critical oversight functions.

The Select OCS Committee was created to circumvent the overlapping and conflicting jurisdictions of the three standing committees with respect to OCS matters—the Committees on Merchant Marine and Fisheries, Judiciary, and Interior and Insular Affairs; and to develop a new national policy for the development and production of offshore oil and gas.

On September 18, 1978, President Carter signed into law S. 9, the Outer Continental Shelf Lands Act Amendments of 1978, culminating some 4 years of legislative activities to update the outmoded Outer Continental Shelf Lands Act of 1953. This comprehensive act addresses every aspect of oil and gas development of the Outer Continental Shelf—OCS—and its enactment ensures the establishment of a new and improved regime for OCS management. This historic achievement was largely made possible through the hard work and dedication of the Ad Hoc Select Committee on Outer Continental Shelf.

While the Congress can be proud of the accomplishment of the Select OCS Committee and its counterpart in the Senate, the critical work to follow through on this achievement has only just begun. We must now proceed with the immensely challenging task of assuring the proper implementation of the 1978 OCS amendments through intense and extensive congressional oversight.

This complex act requires the development of rules and regulations of extraordinary intricacy and the filing and review of programs and reports, and we can ill afford to dissipate the vast reservoir of expertise which now resides in the committee and staff of the OCS committee. Numerous representatives from executive agencies, State and local governments, environmental organizations and industry groups—which had opposed OCS reforms—have spoken to the compelling need to continue the Select Committee.

It is apparent that the Select OCS Committee is the best equipped body to oversee the promulgation of regulations to implement the 1978 OCS amendments. The work of the Congress will be undermined without close monitoring by those Members and staff most familiar with the new law. Clearly, the continuation of the committee as a focal point or forum for oversight is the most cost effective means of securing efficient and speedy implementation.

The OCS amendments fall under the jurisdiction of roughly nine standing committees of the House, and about 11 Federal departments. Such fragmented oversight would be totally inconsistent with the consolidated focus provided by the Congress when it created the OCS Committee, and would be unwieldy and time consuming. The attendant delays could be disastrous, as there are currently over 10 lease sales scheduled for early 1979 and 1980, and the Department of the Interior has already indicated its concern over possible conflicting oversight responsibilities.

Accordingly, I have sought the Speaker's support for the reestablishment of the committee, as a select committee for the 96th Congress. At a time when our energy situation dictates diligent and prompt OCS exploration and development, the reestablishment of the Select OCS Committee is truly a small investment that will yield great returns in terms of obviating jurisdictional conflicts and satisfactorily implementing our Nation's OCS program.

For the benefit of the new Members, I would like to briefly relate the arduous, but productive history of the Select OCS Committee. The creation of the Ad Hoc Select Committee on the Outer Continental Shelf in the 94th Congress and its continuation in the 95th Congress resulted from public concern about the Department of the Interior's accelerated OCS leasing schedule under the authority of the OCS Lands Act of 1953; congressional concern that bills to amend the OCS law would have to be referred to three or more House committees; and the expressed desire to avoid parliamentary confusion and delay. Thus, many Members soon recognized the need for the formation of a special committee by the Speaker of the House for the sole purpose of considering OCS legislation.

In March of 1975, it was recommended to the Speaker that such a committee be created for the purpose of considering OCS legislation and reporting it to the full House. Thereafter, on April 22, 1975, Majority Leader THOMAS P. O'NEILL introduced House Resolution 412, requesting the establishment of the Ad Hoc Select Committee on Outer Continental Shelf. Membership of and staff for, this special committee was drawn from the three parent committees.

On the same day, the Honorable PETER W. RODINO, Leonor K. Sullivan, and I introduced H.R. 6218, a comprehensive bill to amend the OCS act. That day the House passed House Resolution 412 by unanimous consent, the committee was established, and H.R. 6218 was referred to the select committee. During the 94th Congress, the committee engaged in 8 months of investigative work involving staff studies, visits to offshore oil drilling sites, briefings, and hearings. The Members heard from more than 300 witnesses in 13 cities and compiled a hearing record totaling more than 8,000 pages. After 5 months of markup sessions, 5 days of floor consideration, and a hurried House-Senate conference, the legislation was brought before the House for final approval. After lengthy consideration, a motion was offered to recommit the OCS report back to conference committee to make certain modifications. This motion was barely approved by a 198 to 194 vote, a vote attributable to the threat of a veto on the part of the Ford administration, a scheduling logjam on the House floor, a threat of a Senate filibuster, and a national advertising campaign against the bill on the part of industry. The demands for OCS amendments and prompt action in the 95th Congress, including a call by then candidate Jimmy Carter for OCS reforms as one of his two key energy-environment proposals, compelled action in the 95th Congress.

As soon as the 95th Congress convened, the OCS reform legislation was introduced in both Houses, becoming H.R. 1614, and S. 9. In January 1977,

House Resolution 97 reestablished the committee to complete its mandate. As recognized in the March 1978 report of the Committee on House Administration, regarding the provision of funds for the Select OCS Committee, this mandate included important oversight functions:

H. Res. 97, which established the Committee for the 95th Congress, authorized the committee to stay in existence "through the legislative process." This process clearly should include the oversight and monitoring of the promulgation of rules and regulations to implement the 1978 amendments to the OCSLA.

Congressional oversight on the exploration, development, and production of the Outer Continental Shelf is mandated by H.R. 1614. The Department of the Interior has indicated its interest in working closely with the Congress to develop regulations to revise and improve OCS supervision. * * * The Coast Guard and other *affected Federal agencies have indicated their interest in having Congressional input into the development of these regulations on a continuing and high-level basis.* [Emphasis added.]

The Select Committee held 4 more months of hearings and received testimony from 80 additional witnesses, compiling another 2,000 pages of testimony. This activity was followed by 2 months of lengthy markup sessions, about 1 week of consideration on the floor, and 3 months of thorough consideration in the House-Senate Conference Committee.

The OCS amendments that were finally signed into law this past September are lengthy and intricate. Among other things, the new act:

Introduces alternative bidding systems in order to enhance competition on the OCS;

Provides funds to the States to ameliorate the adverse effects of OCS activities;

Provides authority to insure expeditious activity—diligence—and to cancel leases for serious environmental threats;

Provides for increased involvement for States and local governments in the OCS decisionmaking process;

Requires the Secretary of the Interior to prepare a 5-year leasing program for orderly and timely OCS development;

Provides for environmental studies to collect baseline and monitoring information;

Requires exploration and development plans to be formulated by the lessees and approved by the Secretary of the Interior;

Provides for the consolidation of citizens' suits so that cases may be resolved quickly and fairly;

Provides for an information program in order to assess the Nation's OCS oil and gas resources;

Establishes crewing and manning requirements for vessels and rigs engaged in OCS activities;

Establishes a fund to compensate fishermen for damages due to OCS activities;

Provides for an offshore oil spill pollution fund to compensate the OCS-related damages, and

Requires the best available and safest procedures for all OCS activities.

During the next 2 years, new regulations are to be promulgated; new leasing programs prepared; new bidding systems established and applied; new oil spill, fishermen and coastal zone funds created or expanded; and other new provisions developed. During the next 2 years, most frontier areas will be leased and exploration in some frontier areas substantially completed.

The 1978 OCS amendments attempt to resolve many of the problems and conflicts involved in prior OCS leasing by detailing requirements for revision or promulgation of regulations. These regulations will generally be promulgated by the Department of the Interior, and some by the Coast Guard. Congress must insure that its intent, policies, and purposes are being properly incorporated in new and revised regulations. Accordingly, Congress, through careful oversight, must be intimately involved in the preparation and implementation of rules and regulations. Moreover, one of the primary responsibilities of Congress should be to insure that there are no undue delays brought about by the implementation process. One source of potential delay is the division of responsibility for the management of OCS activities and one purpose of the act is to insure cooperation and coordination by the numerous agencies involved in OCS actions.

As with all major pieces of legislation, the 1978 OCS Act seeks to facilitate proper implementation by providing for periodic reports on activities, programs and policies. Accordingly, the act provides for about 20 studies and reports, involving a multiplicity of departments and agencies. These reports include an annual report on the leasing and production program, and on OCS competition; a report on the management and administration of the oil spill liability fund; a detailed report on the Fishermen's Contingency Fund; a report on a proposed training program for OCS workers; reports on the bidding systems concerning each lease sale; a report on the availability of oil and gas resources on the OCS; detailed proposals prior to the use of new bidding systems not enumerated in the act; a proposed 5-year leasing program; an assessment of the cumulative effects of OCS activities on the human, coastal, and marine environment; an annual report on all violations of safety and health rules with information on all major OCS-related accidents and deaths; a report prior to any proposed export of OCS oil and gas; a review of shut-in or flaring wells; a review of royalty payments; and a review of disclosures pursuant to the sunshine in Government provision.

Certainly, it will be necessary for the Congress to carefully review these various reports and studies to assure that the 1978 amendments are being faithfully carried out, and to consider any proposed legislative changes or remedies.

The Department of the Interior and various other groups reiterated the desire for uniform congressional input and assistance, and urged the continued existence of the select OCS committee during its first round of oversight hearings held on December 6 and 7, 1978. The success of these oversight hearings can be gaged by the flurry of activity in the Federal Register just prior to and after the committee's hearings, as the various agencies responsible for implementation were spurred into action. This type of probing oversight should, and must, continue.

A serious question was raised during the oversight hearings over whether or not the law is being put into operation at the rate we had anticipated. Unusually, both the environmental and the industry representatives came to the committee, were concerned that the delays in the implementation of the law would result in the safeguards that it contains not being brought into force. Industry restated their original fears that passage of the law would cause crippling delays in retrieving oil and gas which is desperately needed by this country.

Statements from the various witnesses at our oversight hearings demonstrate the need and widespread support for strong oversight and the reestablishment of the committee. I would cite only a few of many such statements.

Evelyn Murphy, the Secretary of Environmental Affairs for the State of Massachusetts, stated:

The Interior Department is not the only office in Washington with the major role in implementing the OCS Lands Act amendments. According to the statute, Congress will be receiving several reports and studies for review, and I hope this committee will monitor and supervise the agencies' progress—let me underline that. *I think the kind of expertise of committees such as this is really imperative to indeed get good oversight, to get the executive branch to move quickly and expeditiously . . . and I would hope that the Committee will continue in its function, and this will be the sole agenda of the Committee.*

Further, this committee simply cannot sit back and allow another 25 years to pass before recognizing the need (for) additional change(s).

John Bednerik, Director of Government Affairs for the International Association of Drilling Contractors declared:

Concerning the continued existence of the OCS committee, while generally our membership favors the reduction of Government and the elimination of temporary bodies when their mission has been completed, we would agree at this point that there is still much work to be done in the oversight area on the OCS and that the expertise developed by this committee, its members and staff, should . . . be the continued focal point for that oversight function. So, we would endorse the continuation of this Ad Hoc Committee. [Emphasis added.]

Joe Foster, president to Tenneco Oil Exploration and Production, added to the sentiment for strong oversight:

Uncertainty occurs because we have too many . . . detailed rules, and have left little or no discretion with the local (OCS) supervisors. It will only get worse as the rules and regulations proliferate. Hopefully, better Congressional oversight can slow, if not stop, this proliferation.

This committee should not hesitate to impose the same sort of deadlines on the bureaucracy as it has imposed on itself. *Unless this committee strongly and continuously asserts its oversight powers, the goals of the Outer Continental Shelf Lands Act Amendments of 1978 will not be met.* [Emphasis added.]

Finally, a distinguished colleague from the State of California, LEON K. PANETTA, joined in the chorus of support for reestablishment:

Mr. Chairman, you have my commitment in supporting not only the effort to continue the oversight of the committee, but also to get the necessary funding to truly implement . . . the basic intent behind the OCS amendments.

Although the Department of the Interior must be seen as the lead agency for the leasing of our OCS resources, a myriad of Federal agencies maintain OCS-related responsibilities. In order to strengthen the coordination of OCS policy, the Congress included in the 1978 OCS Act a subsection 204(h), which mandates that the head of any Federal department or agency who takes any action which has a direct and significant effect on OCS development, shall promptly notify the Secretary of the Interior of such action. The oversight hearings clearly demonstrated that the committee is needed to exercise strong vigilance to insure that the coordination mandate is carried out.

Second, some concerns were raised about requirements for clean air standards. As outlined in the conference report on S. 9, the provisions of the 1978 amendments would be subject to any court decisions that result from the pending lawsuit by Exxon against EPA. EPA claims that the national ambient clean air standards apply now to the air over the OCS, while provisions of the OCS legislation only provide that ambient air quality standards must apply if the air over a State is significantly affected. So, this situation must be followed closely.

Next, safety standards and enforcement must be developed in line with legislative intent, and the Coast Guard's responsibilities must be coordinated with those of the Interior Department, where remedies and penalties are required.

Fourth, the documentation and manning provisions of the legislation require a judgment on the part of the administration as to when retaliatory actions will be taken as pertains to hiring foreigners. Oversight will be required to insure that congressional intent is complied with and that reciprocity is achieved.

Fifth, questions have arisen regarding whether certain foreign built production platforms are subject to import duties when they are brought into OCS waters and attached to the seabed.

Also, coastal States, their local governments have been given a direct and greatly expanded role in OCS policymaking and OCS activities. The committee must monitor these activities to insure that adequate coordination is effected, and that adequate Federal funding to these States is forthcoming to ameliorate coastal impacts from OCS activities.

Furthermore, provisions dealing with small and independent firms have been greatly expanded and rewritten. The purpose was to provide additional equity for small and independent firms. However, the Department of Energy states that over 50 percent of all purchase of royalty oil currently goes to small and independent firms. These provisions of the new act must be monitored in order to ascertain their effect on this level of activity, so the 20-percent set-aside mandated by the act does not inadvertently become a ceiling.

In addition, the OCS act demands close cooperation by the Department of the Interior with the Department of Energy, for example, to secure competition, to provide for the use of alternative bidding systems, to establish due diligence requirements, to set rates of production, and to dispose of royalty oil and gas. At our oversight hearings some witnesses suggested that such cooperation was wanting. Again, strong congressional oversight is necessary to insure interagency cooperation.

Finally, the OCS amendments left at least three important and controversial questions unanswered. First, the act simply retains the controversial language of the original 1953 act regarding Federal exploration. This effectively guarantees that the issue will be decided in the courts. Second, the provision authorizing on-structure drilling permits was deleted, again possibly putting this issue in the courts, as the Secretary of the Interior has decided to proceed with such a program. Finally, dual leasing was stricken from the bill, but a study on the matter was requested so that Congress can review it in the future, and the Select OCS Committee should follow this question closely in an oversight capacity.

The recent situation in Iran, vividly demonstrates the urgency of our national OCS effort. We have developed a balanced and credible OCS program, and we must now insure that the program will work harmoniously. The drafting and promulgation of rules and regulations could prove to be the most crucial phase of the total OCS reform process, as over 26 sets of new or revised regulations are required. The availability of the Select OCS Committee for consultation and oversight during this period is essential.

In summary, I must say that the subdivision of OCS responsibility among the numerous standing committees with OCS jurisdiction will delay and undermine our legislative accomplishments. The work of the committee will be seriously eroded if close congressional scrutiny is overlooked. Due to the complexity of the bill, there are many areas, a few of which I have outlined which will require the expertise of the committee to adequately monitor the implementation process. It would be foolish to fail to exploit the legislative and managerial successes of the past several years by hastily dissolving a committee of demonstrated competence.

The resolution I propose today will reestablish a small, modest staff which will guarantee that the 1978 OCS Act will not fall victim to inaction and inertia in the executive branch, and I urge my colleagues to support it.●

CONGRESSMAN VANDER JAGT LAUDS STUDENT ENTERPRISES

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VANDER JAGT. Mr. Speaker, I have often expressed my concern over the gradual erosion of one of the fundamental blessings that has made America great—the free enterprise system. Free enterprise has sparked economic accomplishments unparalleled on this Earth and will continue to reward Americans with economic growth if the productive incentive is not eliminated by encroaching government regulation and escalating taxes.

Mr. Speaker, despite my continuing concern that overwhelming bureaucratic interference might someday rob America of the dynamics of our free enterprise system, I am heartened by an endeavor by high school students at Fruitport, Mich., High School who have organized a corporate business enterprise. Dubbed the Student Corporation of Fruitport (SCOF), the organization recently gained approval of the Muskegon County Board of Education and will offer students a "real life" learning experience about the free enterprise system.

SCOF will operate as a miniature corporation which will produce items to be sold for profit. Students will manage the business and sell the products which they manufacture. Wages and salaries will be paid to executives and production workers alike in the form of stock incentives. All in all, SCOF will function as a small business venture with rewards for risk and efforts as in any enterprise.

I have also learned that other schools in the Mona Shores and Muskegon Catholic school districts area have initiated student business projects with the Muskegon school district seriously considering the program. If these projects succeed in exposing students to the essential elements of the free enterprise system, I would hope that student business programs would be even more widely initiated.

While there is no guarantee that the SCOF and other student projects will flourish as profitable investments, a risk shared by all business ventures, I believe that I can safely say that those students involved will be guaranteed a rewarding experience in operating an actual business. Mr. Speaker, from my position as the ranking minority member of the House Subcommittee on Public Assistance and Unemployment Compensation, House Committee on Ways and Means, I have heard a great deal about the development of a "welfare mentality" among our younger generations who have witnessed a growing dependence on Government assistance. I sincerely hope that the SCOF project and others like it will encourage a resurgence of a productive "work mentality" which has contributed so much to the success of this Nation.●

DR. MARTIN LUTHER KING DESERVES TO BE REMEMBERED WITH A NATIONAL HOLIDAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BIAGGI. Mr. Speaker, the voice and vitality of Dr. Martin Luther King, Jr., was stilled almost 11 years ago by an assassin's bullet in Memphis, Tenn., yet the man's legacy endures and actually grows with the passage of time. January 15, all people of peace and justice in this Nation and world observed what should have been the 50th birthday of Dr. King, a man whose life was dedicated to achieving justice and equality for the black community.

Martin Luther King, Jr., shamed this Nation into seeing itself as a place where the most evil forms of discrimination were practiced against fellow Americans. His early crusades on behalf of civil rights were lonely and continually dangerous struggles. Yet gradually his work gained attention around the Nation and served to bring about improvements. In 1964 the most sweeping civil rights legislation ever in American history became law. One year later another landmark civil rights measure, the Voting Rights Act became law. When the history of these laws was written, the name Martin Luther King was featured prominently as the architect and inspiration for them.

Dr. Martin Luther King's accomplishments earned him not just national but international fame. His consummate achievement came in 1964 when he was awarded the Nobel Peace Prize, being only the third black, 12th American and youngest person ever to win the coveted honor.

Despite the hostility and personal violence which Dr. King was subjected to in his civil rights work, he himself never wavered from his pursuit of goals through legal nonviolent methods. In his final years, this policy caused his problems within elements of his own community but in the end it was Dr. King's methods which brought the freedoms which never existed—the opportunities which were always denied—the chance for black Americans to be accepted as Americans all over America.

Yet despite Dr. Martin Luther King being one of the most influential leaders in 20th century America, he has yet to really receive a proper memorial. In an effort to rectify this situation I have joined with a number of my colleagues to cosponsor a resolution designating January 15 as a national holiday. This is the very least this Nation can do to pay honor to the accomplishments of this great man. I am pleased that the President has lent his considerable support to this resolution and I hope for its early enactment by the Congress.

What Dr. Martin Luther King started has not been completed. Yet, he left us with the path to pursue. It is up to us to follow it. Unless we continue to take strides to improve the quality of life for all our citizens—simply designating Dr. King's birthday as a national holiday will be an empty event. Let the holiday signify progress, peace, hope and a better America for all.●

DEATH OF FORMER CONGRESSMAN GEORGE M. RHODES

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. YATRON. Mr. Speaker, I am saddened to speak today of the passing of my predecessor in the House of Representatives, the Honorable George M. Rhodes. Congressman Rhodes passed away on October 23, 1978.

George M. Rhodes was in the House when I began my public service career over 20 years ago. He was a good friend, an excellent teacher, and a great inspiration to me throughout my political career. I remember him as a humble and hard-working man—a great humanitarian. He was a man who never allowed political considerations to overshadow his concern for the people of the Sixth District of Pennsylvania and his desire for real improvement in their lives.

George M. Rhodes was born on February 24, 1898 in Reading, Pa. He was a distinguished veteran of World War I. Throughout his varied and distinguished career he worked as a printer, business manager, labor editor and representative and vice president of the Pennsylvania AFL–CIO, before being elected to the U.S. House of Representatives on November 2, 1948.

A Member of the House for 20 years, Congressman Rhodes served on the House Ways and Means Committee, the House Post Office and Civil Service Committee, the House Administration Committee and the House Interstate and Foreign Commerce Committee.

Because of his deep faith in the importance of aiding America's elderly and disabled, he was a staunch advocate of medicare and social security benefits, and his initiatives in these areas broadened the services and benefits enjoyed by millions of Americans today.

Congressman George M. Rhodes made a contribution to the Nation in a unique and special way. He never lost faith in the American system and the great opportunities it offered to those who were willing to participate fully in making it work. George Rhodes was willing to dedicate himself to make it work, and it is because of men like him that it does.

It is clearly evident that in each endeavor he followed only the highest precepts, and the strongest examples of moral and ethical endurances, and the results, much in evident today, are truly remarkable.

I wish to express my deepest sympathy to his widow, Margie, his son, Dr. George M. Rhodes, Jr., his wife and family, his brother, Mr. William Rhodes, his sister, Mrs. Anna Deem, and his grandson, Dr. Bruce Hershok, his wife and his young family.

Congressman George M. Rhodes dedicated his public life to preserving the rights of the people of the Sixth District of Pennsylvania and the American people he loved so dearly.

I deeply enjoyed my years working with him and learning from him, and I consider it a deep personal privilege to have known him.●

DEATH OF JAN PALACH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, I wish to bring the Members' attention to the 10th anniversary of the death of Jan Palach, a young Czechoslovakian university student, who burned himself to death in protest of the Soviet invasion of Czechoslovakia. He has since become a symbol of the silent opposition of the Czechoslovak people to the Communist regime in that country.

On January 16, 1969, to protest his country's loss of freedom, Jan Palach set his gasoline-soaked clothes aflame in Prague's historic Wenceslas Square. Three days later he died in that city's Legerova Hospital.

Lighted candles appeared in the windows of buildings all over Prague. Wreaths were piled on the spot where Palach had immolated himself. Feelings ran so high that the Communist regime did not dare to deny Palach a public funeral, although it did forbid all eulogies and banned his burial in Vysehrad Cemetery, where the heroes of Czechoslovakia lie.

When they buried Jan Palach in Olsany Cemetery, the Chechoslovak people marched in the tens of thousands, weeping silently and wearing black armbands knowing they were mourning not only the death of a young man but of their own freedom.

However, in August of 1974, it became clear that the Soviet regime had other plans in mind when a high wooden fence was erected around the grave of Palach. It was the fifth anniversary of the Soviet invasion and the eve of Czechoslovak Independence Day when Palach's body was secretly removed from its resting place at Olsany Cemetery, allegedly by the Czech Government which were reportedly embarrassed by the pilgrims who made the student grave a national shrine.

It is especially important to note that despite the 10 years of Soviet military presence in Czechoslovakia, the spirit of the people remains uncrushed. The memory of Jan Palach is instilled in the hearts of the brave men and women of Czechoslovakia, known for their love of democratic principles. They continue to demand the restoration of their fundamental civil and political rights that remain arrested by the Communist oppressive rule.

It is of paramount importance for us to encourage the brave people of Czechoslovakia in their ongoing struggle for their fundamental rights. We must recognize that by its very nature, communism deprives people of their basic rights, and we must join to give support to the commitment of freedom for all those held captive.●

THE REAL ALASKA STORY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, the 96th Congress will be called on to determine the fate of Alaska and the fortunes of its people via a legislative issue known innocently as "D–2." For those of you returning from last session, you may remember how long and bitter the "D–2" battle was. Those of you who are new may be surprised to discover the extent of public interest in this issue and exactly how complicated it is. I cannot reassure anyone that the issue is simple—it is not. It can be gruesomely difficult to understand and herein lies the fundamental problem facing Alaskans:

Certain special interest groups have presented this issue as a simple "save the land vs. destroy the land" controversy. Given such a choice, very few if any would not opt for the first alternative; however, in the well-intentioned zeal to protect vast portions of Alaska's wilds, the legitimate interests of the people of Alaska are being trampled.

Alaska is fully prepared to accept a set-aside of 80 to 90 million acres, but demands that boundaries be carefully drawn, management regimes be carefully crafted, and designations reflect on-the-ground facts to insure that our rights and values are not shattered. Alaskans will not stand idly by and watch their lifestyle, their statehood rights, and their economic livelihood unintentionally destroyed by well-intentioned but ill-informed interest groups.

The source of this controversy is a small provision added to the Alaska Native Claims Settlement Act (ANCSA) when it passed in 1971. Section 17(d)(2) specified that the Secretary of Interior could "withdraw up to but not to exceed 80 million acres" to be studied for possible inclusion in our national park, refuge, forest and wild and scenic rivers systems. Land was withdrawn and Congress was supposed to act by December 18, 1978, or the withdrawals would lapse.

Congress came excruciatingly close to passing a "D–2" bill but the effort failed on the session's final day because of the objection of one Senator—all other parties had reached agreement. The expected result of this failure was reversion of the "D–2 lands" to a different status and many were alarmed that "D–2 lands" would then be subject to development. However, such concerns were unfounded because a series of Executive orders issued in the early 1970's provided that D–2 lands would become "D–1 lands" after December 18, 1978. The "D–1" category is a "public interest" protection mechanism which permits the Secretary to withdraw, classify, or reclassify Federal lands in Alaska to protect the "public interest." Accordingly, the administration had the option of defining "public interest" to be synonymous with environmental protection and closing the "D–1 lands" to any and all development.

Unfortunately, the administration decided to "grandstand" and before the December 18 deadline imposed a land freeze (using non-D–1 authority) on 110 million acres in Alaska—an area much greater than the 80 million acres mentioned in section 17(d)(2)—to provide "protection". This freeze was followed by Presidential creation of 56 million acres of national monuments all within Alaska. Monuments are essentially national parks. A Presidential withdrawal of this magnitude is completely without precedent and is based on the existence of an "emergency" that few knowledgeable observers can perceive. Unfortunately, the impact of these withdrawals on Alaskans, Alaska's lifestyle, and Alaska's economy is devastating.

The freeze represents the latest contravention of the statehood act. Although it is more than 20 years since the act passed, Alaska has been unable to choose the 104 million acres of land to which statehood entitled it. It presently holds patent to only one-third of its entitlement and this latest freeze blocks remaining land selections.

The monument designation cripples sport hunting and trapping in Alaska—two important recreational and commercial activities. The Alaska Department of Fish and Game estimates that over 1,500 hunting guides, assistant guides, and trappers will have their lifestyles adversely affected or terminated by the President's monument designations. Over 50 percent of the sheep hunting, nearly 20 percent of the moose hunting, and 30 percent of the bear hunting in Alaska will be shut down by these designations. In addition, total revenue loss emanating from these withdrawals is estimated to exceed $6 million.

Resource development critical to Alaska's economic well-being is also thwarted by the arbitrary Executive creation of monuments. World class mineral discoveries of silver, lead, zinc, gold, and molybdenum are enclosed in monuments and effectively shut down. Alaska and the Nation can ill afford to foreclose major domestic sources of minerals which can be used at home or exported to offset our debilitating balance-of-trade deficit.

Alaska's existing timber industry is also devastated by the creation of monuments. Two are placed in the heart of southeast Alaska's prime timber lands and U.S. Forest Service data indicates that the these monuments will reduce the annual allowable cut in this area to 100 million board feet less than the present average harvest. Such a reduction in logging activity is likely to force the termination of 1,000 jobs in an area which already suffers 16 percent unemployment.

These are only a few of the more glaring consequences of the President's arbitrary creation of vast national monuments without regard to the legitimate needs and interests of Alaska. However, this situation can be corrected by appropriate congressional action. I have been pleased to hear Secretary Andrus state, on numerous occasions, that these Executive withdrawals are intended only to provide interim protection and that the administration still supports passage of an Alaska lands bill. I share the Secretary's desire to secure passage of an Alaska bill and hope that an equitable measure can be acted on quickly. It must be made clear, though, that legislation such as H.R. 39 is totally unacceptable and is in many respects more obnoxious than the present Executive withdrawals.

Despite the introduction of H.R. 39, I remain confident that the spirit of compromise which prevailed last October can be regenerated and a balanced bill acceptable to all parties can be quickly agreed to.●

ELIMINATION OF CONGRESSIONAL COST-OF-LIVING ADJUSTMENT

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CORCORAN. Mr. Speaker, today I am introducing legislation to repeal the provisions of law that provide for an automatic cost-of-living adjustment for Members of Congress.

I am introducing this bill because the American people have made it clear that they are very concerned about inflation and that they feel Congress has not been doing much to control inflation. And the people are right. In fiscal year 1978, Federal outlays were $47.9 billion greater than in fiscal year 1977, and the deficit increased $3.7 billion. Based on our Second Concurrent Budget Resolution of 1978, the Council of Economic Advisors estimates a $36.8 billion increase in Federal expenditures in fiscal 1979, and Government spending, especially deficit spending, is widely acknowledged to be a major cause of inflation.

I believe that eliminating our own automatic cost-of-living adjustment should be a first step toward actually reducing Federal spending, and it will put us in a much better position than is now the case to urge everybody else to tighten their belts, too. Members of

Congress should not be in the position of profiting from a problem they have caused.

I urge my colleagues to consider this legislation promptly and favorably.●

VERMONT SALUTES THE JAYCEES

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. JEFFORDS. Mr. Speaker, it is with pride and extreme pleasure that I introduce the following joint resolution commending the U.S. Jaycees, the St. Albans, Vt., Jaycees, and Deere & Co. The week of February 19, 1979, Burlington, Vt., will be the setting for this year's outstanding young farmer recognition by the Jaycees.

Although America was born as an agricultural nation with an economy keyed to a good harvest, that period in our history is long past. As an industrial nation, America has many citizens who have never experienced the problems our Nation's farmers face in order to provide food for American families.

The farmer today, far from being a simple plowman, must be an agriculturist, conservationist, and businessman all rolled into one. Young farmers from 18 through 35 are the ones who will bear the responsibility of putting food on our tables tomorrow. By recognizing young farmers who make significant contributions, the U.S. Jaycees reward them for their dedication to this endeavor and show them our appreciation of their work.

The outstanding young farmer program began in the 1940's as the project of a single chapter. It originated in Shenandoah, Iowa, as an outgrowth of the outstanding young man of the year program and was carried to the State level in 1951 when Shenandoah president Dale Spears served as a State vice president. In 1954 the program was approved and conducted as a national project. Since that time, 700 men have won State OYF honors and the chance to compete for the national awards.

Each year now, approximately 2,000 Jaycee chapters around the country sponsor the outstanding young farmer program and host farmer appreciation nights. Newspaper supplements covering the program draw attention to the farmer and his contribution to our society while helping to foster a better understanding between rural and urban dwellers. By focusing on the problems of American farmers, the organization makes it possible for people who have never lived on a farm to achieve important knowledge of rural life.

This increase in understanding fostered by the Jaycee efforts has led to a heightened sensitivity to the problems faced daily by the farmer: High production costs, adverse weather conditions, low market prices. Recent polls show an upswing in support for farmers, a definite indication on the part of urban dwellers that they are more willing than ever before to cooperate with the farmer for a stronger economy.

The Jaycees, an organization long known for community service projects and for the leadership training opportunities they offer young men, put a force of 375,000 members behind this program to help accomplish their goal. Using the fine organizational skills which Jaycee activities help them to develop, these young men have brought the program to a position of national prominence. One example of the extraordinary dedication these young men have for the program is the St. Alban's, Vt., Jaycees, the chapter which will host the national OYF program this year. The chapter has devoted nearly 3 years of work for the opportunity of hosting the event.

For the past 3 years, Deere & Co. has cosponsored the Outstanding Young Farmer program with the Jaycees. The company's reward is simply in knowing that they have helped to create good will between rural and city dwellers and that this understanding may help us to attain a better way of life.

I encourage you to join with me in showing our support for this worthwhile project, and by doing so, to show your support for the American farmer as well as for the Jaycees and Deere & Co. who make the program possible.

The resolution follows:

Joint resolution to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company for their participation in the Outstanding Young Farmer Program

Whereas agriculture is the foundation of a strong America;

Whereas farming has become steadily more complex, requiring the farmer to be an agriculturalist, a conservationist, and a businessman;

Whereas the United States Jaycees have annually since 1954 undertaken great effort to better urban-rural relations through the Outstanding Young Farmer Program;

Whereas thousands of young farmers have gained recognition in the nation and in their communities and States through their selection by chapters of the United States Jaycees as Outstanding Young Farmers, bringing about greater attention, respect, and understanding for the entire agri-business community;

Whereas nearly 2,000 local chapters of the United States Jaycees across the country will participate in the search for the four Outstanding Young Farmers for 1978–1979; and

Whereas the St. Albans, Vermont Jaycees will host the Outstanding Young Farmers Awards Congress in Burlington, Vermont from February 23, 1979, through February 26, 1979; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company, the national sponsor of the Outstanding Young Farmers Program, for their part in recognizing the outstanding contributions of the young American farmer to the greatness of the United States through the Outstanding Young Farmer Program.●

WILL ISRAEL SUFFER TAIWAN'S FATE?

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

Mr. LENT. Mr. Speaker, President Carter's unsettling decision to abandon our staunch ally of 30 years—Taiwan—to get the People's Republic of China to agree to diplomatic relations with the United States raises a most disturbing question: Will Israel be abandoned just as casually?

A liberal columnist John Roche pointed out after the startling move:

Dumping allies is habit-forming. Our friends in the world must be wondering who's next.

Especially is that true of Israel, which already has experienced some bitter disappointments and setbacks at the hands of President Carter and his advisers.

In fact, after the White House announced the abandonment of Taiwan, the Israeli Government declared publicly:

Israel must give thorough consideration to the U.S. decision about Taiwan and reconsider Washington's ability to maintain its obligations under its agreements and treaties with other nations.

Those are grim words indeed.

But the Israeli's foreboding view of the effects of the Carter administration action can be appreciated by anyone reviewing the uncertain course of Israeli-United States relations in the past 2 years. Unfortunately the Carter policies in the Middle East have been so erratic and inconsistent that they have thwarted the brightest hopes for a workable peace agreement between Israel and the unfriendly Arab nations which surround her.

Beginning in 1977 with President Carter's unfortunate proclamation of his support for a Palestinian homeland, and continuing right up to this month, with the President's brother embracing representatives of the Libyan regime which has strongly backed Palestinian terrorists, Mr. Carter time and again has sabotaged his own best efforts to achieve peace. Furthermore, the President and his advisers have, in the past 2 years, abandoned the traditional American role of mediator in the Middle East—a policy supported by six Presidents—three Republican and three Democrat. Instead, under Carter guidance, the United States has leaned more and more toward open advocacy of Arab views at the expense of Israel, America's strongest, staunchest and most reliable friend in the Middle East. In recent weeks, the Carter Administration has increased its pro-Arab role in becoming a strong advocate for Egypt's new peace treaty demands, while upbraiding Israel for its refusal to accept drastic changes in a draft treaty already agreed to by Israel.

Now, the abandonment of Taiwan represents a harsh blow from a new direction for Israel. It is further cause for Israeli concern; a concern shared by many thoughtful persons in the United States. Among them is one of the foremost experts on the Peoples Republic of China, George Bush, former head of the U.S. Liaison Office in Peking, and former director of the Central Intelligence Agency. Says Bush:

For the first time in history a peacetime American government has renounced a treaty with an ally without cause or benefit . . . We gave all and got nothing . . . we are simply diminishing U.S. credibility around the world.

Equally concerned is the chairman of the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs, Senator RICHARD STONE. He calls on the Congress:

To repair the damage done to our credibility as an ally.

Yes, indeed, Mr. Speaker, we in the Congress must move—in a reasoned but determined manner—to take positive bipartisan action to assure Israel and our other allies throughout the world that they will not be sold down the river through some new Presidential move made in hope of improving the President's political image. I call upon my colleagues in the Congress to require that any Presidential decision to terminate mutual defense treaties be approved by the Congress before such a treaty cancellation can become effective. Without such reassuring action, Israel, and all of our friends in the world will continue to feel the chill winds of doubt and uncertainty.

HOUSE SUPPORT FOR THE SUNSET ACT OF 1979—H.R. 2

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BLANCHARD. Mr Speaker, last Monday Representatives MINETA and GEPHARDT and I introduced H.R. 2, the Sunset Act of 1979, a bill to provide for a regular review and reconsideration of most all Federal spending programs and tax expenditures.

I would like to take time today to thank the many colleagues who have joined us in introducing and supporting sunset legislation. In the 95th Congress, the legislation had 180 sponsors. In this Congress—less than a week after its introduction—it has already received the support of 104 Members. This strong indication of support reflects clearly, I believe, the growing consensus in Congress about the need for greater budgetary control and sunset's ability to meet that need.

So that each of my colleagues may be aware of the support for sunset in the House, I would like to list the names of the Members who have cosponsored the Sunset Act thus far. The list follows:

LIST OF COSPONSORS

Mr. Akaka, Mr. Anderson of California, Mr. Applegate, Mr. Baldus, Mr. Bedell, Mr. Benjamin, Mr. Bennett, Mr. Bevill, Mr. Boland, Mr. Bonior.

Mrs. Bouquard, Mr. Brodhead, Mr. Buchanan, Mr. Campbell, Mr. Carr, Mr. Conte, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Dellums.

Mr. Derwinski, Mr. Dicks, Mr. Dornan, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Emery, Mr. English, Mr. Ertel.

Mr. Evans of Georgia, Mr. Fascell, Mr. Fithian, Mr. Foley, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Glickman, Mr. Goodling, Mr. Gore, Jr.

Mr. Grisham, Mr. Guyer, Mr. Hamilton, Mr. Harkin, Mr. Heftel, Mr. Hillis, Mr. Hollenbeck, Mrs. Holt, Mr. Howard, Mr. Hubbard, Jr.

Mr. Huckaby, Mr. Hughes, Mr. Ichord, Mr. Jenrette, Jr., Mr. Kildee, Mr. Kogovsek, Mr. Lagomarsino, Mr. Levitas, Mr. Lloyd, Mr. Luken.

Mr. Markey, Mr. Mazzoli, Mr. McCloskey, Jr., Mr. McHugh, Mr. McKay, Mr. Miller of California, Mr. Mitchell of New York, Mr. Montgomery, Mr. Motti, Mr. Murphy of Pennsylvania.

Mr. Neal, Mr. Nedzi, Mr. Nowak, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pease, Mr. Pepper, Mr. Price.

Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Rinaldo, Mr. Russo, Mr. Santini, Mr. Scheuer, Mr. Stanton, Mr. Steed, Mr. Studds.

Mr. Traxler, Mr. Udall, Mr. Vento, Mr. Walker, Mr. Weaver, Mr. Whitehurst, Mr. Whitley, Mr. Wilson of California, Mr. Winn, Jr., Mr. Wirth, Mr. Wolff, Mr. Yatron, Mr. Zeferetti.●

LESSIE S. KABZENELL

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CORMAN. Mr. Speaker, it is with great personal pleasure that I bring to the attention of my colleagues, the dedicated community service of Ms. Lessie S. Kabzenell.

Since coming to the San Fernando Valley with her husband and children in 1950, Lessie has become not only a highly respected and successful realtor and entrepeneur, but also an outstanding and active civil leader. She has served to broaden the experiences and learning opportunities for children through PTA membership and scouting leadership.

On February 9, Lessie Kabzenell will retire as president of the West Van Nuys Chamber of Commerce. Her association with the chamber is longstanding. In 1970, she had the ominous task of filling the shoes of another community leader as a director of the chamber. Lessie followed in the footsteps of Erwin Kabzenell, her husband, who held the post for nearly two decades

Lessie's talents, dedication, and skills have helped to build a strong community responsiveness to the needs of valley residents.

I am sure her retirement will not signal the end of her participation in valley civic affairs. It is almost an impossibility for someone as civic-minded as Lessie to totally terminate her lengthy and valuable community service. Her pride in the community is exemplified by her continuing efforts to improve the quality of life for all citizens.

Lessie Kabzenell is an individual who has made a tremendous impact on her community, and I extend to her our deep gratitude for her many contributions and selfless service.●

THE REAL SIZE OF GOVERNMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MICHEL. Mr. Speaker, United Press International, the wire service that distributes news stories and features to many newspapers, deserves congratulations for excellent investigatory reporting. I refer to a UPI article that appeared in the New York Times on December 24, 1978. This article showed in convincing detail that although the Federal Government civilian work force is placed officially at 2.9 million the number paid with Federal funds is at least 7 million.

This invisible army of tax-supported workers, not counted in official reports of Federal employment, includes the 4,975 attorneys employed by the Legal Services Corporation, the 20,000 employees of the National Rail Passenger Corporation and millions of people paid by the Department of Health, Education, and Welfare and the Department of Defense, but not counted as Federal workers.

This report is the kind of job that shows the American press at its very best. It is a truly outstanding job of investigative reporting, in this case investigating the kind of scandal—a coverup of true facts—usually not uncovered by the press.

At this point I wish to insert in the RECORD "U.S. Employee Roles Exclude Millions" from the New York Times, December 24, 1978:

[From the New York Times, Dec. 24, 1978]

U.S. EMPLOYEE ROLL EXCLUDES MILLIONS

WASHINGTON.—Although official statistics place the Federal Government's civilian work force at almost 2.9 million people, the number paid with Federal funds is probably at least 7 million.

Not only are the hundreds of thousands of workers for Government agencies and programs excluded from the Civil Service Commission's monthly statistics, but so are millions of "outside" workers, who labor full-time and part-time for the Government under a variety of contracts and grants.

"The pressure is to keep the number as low as possible," said one top commission official. Many Government workers, he said, "fall into a gray area" and are not counted.

A Senate Appropriations Committee staff member put it more bluntly: "The Government payroll really includes millions more than the Government says it does. It is not an honest figure."

NO ONE KNOWS REAL NUMBER

Indications are, no one in the Government actually knows the number of workers supported wholly or in part with Federal funds. If anything, the 7 million figure, compiled by surveying about a dozen agencies at random, is on the low side, when military per-

sonnel are added, the number approaches 10 million.

While outside consultants, university researchers, contractors and others are not legally Federal employees, many do in fact work full-time on Government jobs, sometimes even administering Government programs. Major consulting firms, such as the Urban Institute, earn the bulk of their income from Federal contracts.

The Department of Health, Education, and Welfare employs about 145,000 people in its agencies. But on the outside, the department's money pays the salaries of 980,000 other people in state and local governments, universities and research institutions and with private contractors.

The Defense Department, with a military force of 2.6 million, also provides work for another 2 million people through research and development and procurement and construction contracts.

"CORPORATION" EMPLOYEES NOT COUNTED

A multitude of quasi-official agencies and Government-created "corporations" employ hundreds of thousands of full-time workers who are not counted as Federal employees by the Civil Service Commission even though they are paid with Federal funds.

One example is the Legal Services Corporation, with 4,795 attorneys and 241 administrative backup personnel to provide free legal services to the poor. None of those employees are counted, even though all their salaries come from the United States Treasury. The reason officials say, is that the organization was created by Congress in the 1960's as an independent "corporation."

The 20,000 employees of the National Rail Passenger Corporation, which runs Amtrak, along with 6,500 workers on other rail lines, remain uncounted even though the United States pays the bulk of their salaries.

The Government-created Consolidated Rail Corporation, known as Conrail, which took over six bankrupt railroad lines, was created with the help of nearly $2 billion in Federal loans that help to pay the salaries of the corporation's 93,000 employees. Similarly, the 330 employees of the United States Railway Association, created to monitor Conrail and act as its banker, are not considered Government employees though paid by the Treasury.

"WE ARE OVER ONE MILLION"

According to Health, Education and Welfare Secretary Joseph Califano, the department employs "84,600 in state government, 872,700 in local government, 87,700 people in universities, 33,400 people in non-profit research institutions, 113,900 employees in private contractors, and 88,900 in other areas."

Califano presented his figures at a Senate Appropriations subcommittee hearing, and the surprised chairman, Warren Magnuson, Democrat of Washington, blurted out, "This is the best public service job program I have ever heard of!" Senator Ernest Hollings, Democrat of South Carolina, adding the department's 145,000 employees, exclaimed, "My God, we are over one million!"

The Labor Department officially lists 22,377 in its employ, but through the Comprehensive Employment and Training Act (CETA) the department is paying the salaries of 750,000 state and local government employees. In addition, the Labor Department finances paychecks for 77,000 state employees who work in employment service offices. "They come under the state government," said a Government expert, "but their paychecks are 100 percent paid for by Federal funds."

The National Science Foundation, whose annual budget is nearly $1 billion, estimates that between 65,000 and 70,000 people are employed full- or part-time under 19,230 foundation contracts, grants and awards.

WORK FORCE DESCRIBED AS STABLE

In recent years officials have responded to critics of big Government with the contention that the Federal work force has remained largely stable despite the rapid growth in the Federal budget. Government statistics show that the civilian work force rose from 2.1 million in 1950 to 2.8 million in 1978—an increase of less than one-third.

However, in this same period the number of state and local employees tripled to over 12 million, largely as a result of the growth in Federal programs. At the same time, officials of the Office of Management and Budget say, the Government's use of outside consultants and contractors has risen sharply—in large part because hiring ceilings imposed by the White House have kept the official Government work force down.

"If Congress won't give you the additional personnel to perform your mission, there is no other choice but to hire outside the agency," said one bureaucrat. "And that is what has been happening increasingly for several years now."●

FREEDOM FOR SOVIET JEWS—A VITAL ISSUE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. UDALL. Mr. Speaker, in recent months there has been a significant increase in the number of Soviet Jews who have been permitted to leave the U.S.S.R. According to the National Conference on Soviet Jewry, the number of Jews allowed to emigrate last year exceeded 30,000; a significant increase from the 24,000 who emigrated from the U.S.S.R. in 1977. While I applaud this loosening of restrictions on the part of the Soviet authorities, I am concerned that it may be only a temporary phenomena, designed to improve the image of the Soviet Union with the American public in anticipation of a heated debate over the SALT agreements. We must not let the increase in the number of exit visas issued blind us to the fact that there are still anywhere from 180,000 to 200,000 Jews alone who wish to emigrate. It's a safe guess that there are many others whom we are not aware of, people who are afraid to come out and make their desires known for fear of reprisals.

Of those who we do know about, 2,000 are refusniks who have been denied exit visas for 5 years or more. Many of these people have lost their jobs because of their desire to emigrate. They are in constant danger of being arrested for crimes such as parasitism or anti-Soviet propaganda. Those Jews who do remain in the Soviet Union are subject to frequent harassment and discrimination in all aspects of society. As an example, the National Conference on Soviet Jewry reports that not a single Jew was admitted to any of the Moscow Universities last year.

Many of the refusniks have relatives in the United States and Israel. The Soviet Union's refusal to allow these people to be reunited with their families amounts to a direct violation of the Helsinki Accords which the U.S.S.R. signed in 1975. The agreement stipulates that persons who wish to be united with their families would be treated in a positive humanitarian spirit. It has become obvious to me that the U.S.S.R. has no intention of faithfully abiding by this part of the Accords. If their treatment of the refusniks is any indication, the Soviet Union does not take seriously the commitment it made when it signed the Accords to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating states.

Recently one of my constituents, Mrs. Barbara Holtzman of Tucson, Ariz., called my attention to a particularly tragic case, that of Alexander and Polly Paritsky and their two daughters—19/2 Tankopia Street, Apartment No. 48, Kharkov, 310091. Mr. Paritsky was at one time a professor of oceanography at Kharkov University. He applied for an exist visa in September of 1976 in order to join his family in Israel. The Paritskys were denied permission to emigrate in March of 1977 for reasons of secrecy. Since then, Mr. Paritsky has been forced to take a job as a factory worker and he is in danger of losing even that job. On November 15 of this year he was pulled off a train while on his way to Moscow to meet with a group of American Senators, headed by the Hon. ABRAHAM RIBICOFF. Since then he has been under constant harassment by the KGB and has been accused of spreading lies about the U.S.S.R., and of other forms of anti-Soviet behavior. I fear that Mr. Paritsky is in real danger of arrest, simply because he desires to emigrate to Israel.

I have sent Ambassador Dobrynin a letter on behalf of the Paritskys which I hope will lead him to take some action to alleviate their plight. As Members of Congress, we each have the obligation to insure that the administration will continue to put pressure on the Soviet Union to observe basic human rights. We have to make it known to the Soviet Union that it must allow its citizens to emigrate, as they wish and as the Helsinki Accords require. We must use whatever weapons are available to us, including trade and technology sales, to force the Russian leadership to live up to its commitment. We must live up to our obligation to speak out whenever basic human rights are threatened.●

MULTILATERAL TRADE NEGOTIATIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FRENZEL. Mr. Speaker, the Minneapolis Tribune, in an editorial of January 3, 1979, addressed the question of mounting protectionism in the Congress by stating that we should take more stock in the concluding Multilateral Trade Negotiations Agreements in Geneva. Those negotiations have been addressing tariff and nontariff barriers to

international trade for several years, yet the Congress has often failed to take those negotiations in mind when making decisions to protect U.S. industry. Now that the agreements are near, and generally they promise to ease some of our international trading problems, the Tribune article suggests that Congress should pay more attention to them.

The article goes on to point out that in some areas where imports have been increasing, U.S. exports to those countries have also risen, particularly in the developing countries. Often we in Congress fail to look at both sides of the picture.

The editorial praises the administration's export promotion policy but warns that any import restrictions we may impose would react negatively upon that program. The concluding paragraph of the article is a good one for all of us to keep in mind, and I invite your attention to its content, which are as follows:

The agreement in the offing at Geneva promises to be a deterrent to protectionism, an incentive to trade expansion. It is nearing completion at a time when the world economy badly needs a boost. It will pose an important test for the new Congress, which should vote for freer trade, not further restraints.●

DENTAL SERVICES UNDER MEDICARE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FORD of Tennessee. Mr. Speaker, over 10 years ago, Congress enacted medicare in an effort to provide a comprehensive program to meet the health care needs of our Nation's elderly.

Although beset with some problems, the program has, for the most part, provided the means for those persons 65 or older to seek and receive quality health care. One exception is the important, and frequently neglected area of primary care—dental care.

When medicare was enacted, the Congress did not include a dental component in the program. Instead, Congress voted to include adult dental care under the medicaid program—as a State option. Theoretically, then, the elderly poor would be able to obtain dental care—but only if they lived in a State which had a dental program under medicaid.

Unfortunately, only 34 of the 53 States and territories with medicaid programs provide adult dental benefits. And of these 34, 31 have imposed restrictions on benefits, such as no denture coverage, or coverage only in emergency conditions. In addition, because of the optional nature of adult dental services, they are among the first to be curtailed or eliminated when States find it necessary to cut back on medicaid services.

It is a well documented fact that dental disease and its related problems are pervasive among the elderly and, unfortunately, going untreated in many cases. According to the National Center for Health Statistics, of the 22.4 million Americans aged 65 and over in 1975, 11.4 million were edentulous (or without teeth). 6.2 percent of this group did not have dentures. In addition, evidence of periodontal disease was found in over 90 percent of elderly persons with their natural teeth.

Coupled with this high rate of need is the low utilization rate. In 1975, nearly 70 percent of the elderly population did not see a dentist. For those who did seek dental care, 93 percent of the cost of providing dental care was paid with private funds. The remaining 7 percent was paid with Government funds through medicaid, and totaled $38 million or $1.24 per capita. The $38 million expenditure equals only one-half of 1 percent of all dental care expenditures.

It is also well known that the majority of people over age 65 lives on limited, fixed incomes, often below the poverty level. Findings of a study conducted by the American Dental Association demonstrate that "the small amount of spendable income available to most elderly does not tend to support frequent utilization of dental services."

Clearly, the Government has an obligation to help these people secure quality dental care. Without attention to their oral health, their ability to socialize, to speak, or to obtain proper nurition is directly affected.

Today I am introducing a bill to assist the elderly in receiving this needed dental care.

This bill would amend medicare part B to include coverage for comprehensive dental care services, including dentures, provided by licensed dentists.

Although these title XVIII dental care improvements initially will result in higher program costs, the expenditures should decline as elderly persons receive the preventive and comprehensive dental care they so urgently need at present. According to survey research data released by the American Dental Association in July 1977, "the percentage of Americans wearing dentures is dropping dramatically. . . . Long-term efforts by the dental profession to eliminate needless loss of teeth are yielding results," with only 24.7 percent of the 30-and-older age group in 1975 wearing one or two complete dentures, compared to 35.2 percent in 1960.

In fact, as those individuals who have been exposed to fluoridated water over the past 30 years reach age 65, the number of people requiring extensive dental care will decline.

Mr. Speaker, my bill is cost effective and necessary. It would help meet one of the greatest needs in the total health care of our elderly. I urge my colleagues in the House of Representatives to join me in supporting it.

An explanation of this legislation follows:

EXPLANATION OF PROPOSED DENTAL CARE AMENDMENTS TO PART B OF MEDICARE

1. Section 1 would delete the present statutory exclusions of dental prosthetic devices (dentures) and dental care services under Section 1861(s)(8) of Title XVIII.

2. Section 2 would provide a new subsection, Section 1861(s), which would provide a "dentist" as an eligible provider for newly mandated dental services under Part B of Medicare. Essentially this new definitional section would enable only qualified and licensed dentists to provide dental services which they are legally authorized to provide by the State in which they perform them.

3. Sections 3 and 4 of the bill would explicitly mandate comprehensive dental services, including dentures, for Medicare beneficiaries under Part B of Title XVIII, Social Security Act.

4. Section 5 would clarify existing authority for coverage of dental services rendered by a dentist, as defined in Section 1861(s), in an inpatient hospital setting.

5. Section 6 would make these amendments effective the first day of the month following the month in which this legislation is enacted.●

SHOULD PUBLIC OFFICE BE FOR SALE?

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SIMON. Mr. Speaker, David S. Broder in his column "Rich Candidate, Poor Candidate" has touched on an issue that is fundamental that sooner or later has to be tackled.

That question is posed by the second paragraph in the column I am inserting in the CONGRESSIONAL RECORD written by David S. Broder, "Should a rich man be allowed to 'buy' public office by pouring millions of his own money into his campaign?"

During the weeks before the filing in Illinois for the Senate and House races, some of the Democratic leaders in Illinois, including our distinguished candidate for Governor, Michael Bakalis, urged me to get into the race for the U.S. Senate against CHARLES PERCY.

Vice President MONDALE was also among those encouraging me to make the race.

There were a number of reasons for the decision not to make the race, one of them my personal situation. I have two children who are now in high school and I did not want to spend 1 year of my life away from them. One of the considerations was also the U.S. Supreme Court decision that permits a candidate for office to spend anything he or she wants on a campaign.

I was in a situation where I would be facing a man of considerable wealth, CHARLES PERCY. It does not detract from his distinguished record in the Senate to describe him in that way.

I would have been in a situation where, if the two of us got down to a close race within a few weeks of the general election and it was close, he could spend a considerable amount of his own money to win the election, and not being a man of wealth, I could not do the same.

The information that was provided to me through the polls were frankly somewhat encouraging and as late as 2 months before the election pollster Peter Hart told me that I had made a mistake in deciding not to go against Senator PERCY.

The person nominated by my party for

the Senate in Illinois spent $750,000 of his own money in behalf of his own campaign.

I am not criticizing him for that because under the present court decisions and under the present laws under which campaigns operate that is perfectly proper. And it was his only chance.

But there is something wrong with our system which provides greater encouragement to the wealthy candidates than to the nonwealthy.

I am enjoying my service in the House so this statement is not made out of a sense of bitterness or frustration. But what is true of a Senate election is also true of a House election or any other election. Holding public office should not be the privilege solely of the millionaires in our society.

They should have every right to compete for public office. For many of them the fact that they are millionaires indicates that they have above-average ability in order to get there.

But there are many others who have chosen careers which do not lend themselves to accumulating wealth and they should not be prevented from holding major public office because they do not have great wealth.

I hope my colleagues will read the attached column by Dave Broder.

RICH CANDIDATE, POOR CANDIDATE

(By David S. Broder)

FORT WORTH.—Bill Clements has just become the first Republican governor in Texas' history after a campaign in which he lent his own organization upward of $3 million. His victory has not only altered the political landscape but also revived an issue that will be loudly debated over the next few years:

Should a rich man be allowed to "buy" public office by pouring millions of his own money into his campaign?

Let it be noted, quickly, that Clements is not unique, or even unusual, in employing his wealth for political self-aggrandizement. Outgoing Gov. Dolph Briscoe a shy rancher who often seemed ill at ease in politics, compensated for his handicap by his readiness to reach for his checkbook to pay for campaign bills.

In this year's Senate races, more than a dozen candidates made six-figure loans or gifts to their own campaigns, without which they would not have been viable contenders.

Not all of them bought victory. Briscoe was defeated for renomination, and the losers' list from the Senate primaries and general election included such other heavy self-investors as Bob Short of Minnesota, Alex Seith of Illinois, Jane Eakind of Tennessee, Luther H. Hodges Jr. of North Carolina, Phil Power of Michigan, and three Virginians, Clive DuVal, Carrington Williams and Rufus C. Phillips.

All of those losing Senate aspirants were Democrats, which may prove the Republican claim that Democrats really are careless with the dollar.

But there were also some notably successful self-subsidized candidates like Clements and new senators Bill Bradley (D) of New Jersey, John W. Warner (R) of Virginia, Alan K. Simpson (R) of Wyoming and Nancy Landon Kassebaum (R) of Kansas. They join a Senate that already includes more than 40 millionaires, one of whom, Pennsylvania Republican H. John Heinz III, loaned $2.6 million to his 1976 campaign—none of which has been repaid.

Such examples make many people angry, but it is not clear what can or should be done about it. Congress legislated limits on candidates' contributions to their own campaigns as part of the 1974 election law revision—$25,000 for a House race and $35,000 for the Senate. But the Supreme Court threw that provision out, saying, "The candidate . . . has a First Amendment right to engage in discussion of public issues and vigorously and tirelessly to advocate his own election."

That decision has been the subject of much criticism, but its logic is not that easy to reject. The rationale for limitations on campaign contributions is, generally, to avoid the corruption of a public official's judgment by those to whom he is financially obligated for his campaign treasury. But no one would argue that Clements or the other self-subsidized candidates comprised their own independence by contributing heavily to their own campaigns. Quite the contrary.

The case against people of wealth financing their own races for office rests, instead, on an egalitarian notion—that everything should be even-steven in politics, if not in the rest of life. But that is an unrealistic ideal. Candidates differ enormously in their fame, their looks, their charm, their intelligence, their eloquence, their experience, their reputations, and their political allies.

Money is one resource in a campaign—but only one—and it can be used to enhance the other advantages or compensate for other deficiencies. As the earlier examples show, it is no guarantee of victory.

While the court was wise to strike down the limits on self-subsidy of campaign expenses, it missed an important distinction between loans and outright contributions. Some candidates, like Heinz, never bothered to seek post-election contributions to pay themselves. But others, like Briscoe, have done so repeatedly.

And that raises a serious problem. The people or groups that give money after an election—when there is no risk—are almost always people who have a particular interest in ingratiating themselves with that officeholder. Giving a "campaign contribution" to the winner of the last election, who instantly uses the money to repay himself, is, as Fred Wertheimer of Common Cause has said, "coming awfully close to the bone" on the distinction between a campaign contribution and a personal payoff.

Rich folks who want to pay their own way in politics should be allowed to do so—but only by contributions, not loans. If they want the excitement of victory, let them take the risk of financial as well as political losses.

Rather than trying to legislate a ban on self-subsidized campaigns in the face of the Supreme Court decision, the next Congress could more usefully address itself to the changes in the campaign-finance law that really would make elections more competitive and fair.●

TRIBUTE TO C. STANLEY TROM

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, today I would like to give recognition to Mr. C. Stanley Trom for his 14 years of dedicated and distinguished legal service in the office of the district attorney in Ventura, Calif. He will soon be retiring from the position of district attorney of Ventura, which he filled for over 5 years.

Stanley Trom graduated from Pacific Lutheran College in 1962. He continued his education by earning a law degree in 1965 at Hastings School of Law.

Not only did Stanley serve his community with his dedication to the cause of justice, he became a highly respected member of his community by giving his time in behalf of innumerable worthy causes. He served both as chairman of trustees on the Community Presbyterian Church and on the teen challenge board. Also, he volunteered his services as a Sunday school teacher for 4 years, and was a member of the Lions Club.

Stanley has obviously manifested a great amount of dedication to his community both in his position as district attorney, and through his community activities.

I want to wish Stanley, his wife Joan, and his two children, Sarah and Phillip, a bright, long, and happy future.●

TESTIMONY ON PROPOSED RULES TO IMPLEMENT AGE DISCRIMINATION ACT OF 1975 AS AMENDED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BIAGGI. Mr. Speaker, on Tuesday, January 16, I was the leadoff witness at the first Department of Health, Education, and Welfare hearing into its proposed rules to implement the Age Discrimination Act of 1975 as amended by my amendments of 1978.

I was especially pleased that Secretary Califano was there personally to hear my testimony and engage in constructive dialog about differences in our interpretations of the law.

My amendments which were contained in the Older Americans Act strengthened the Age Discrimination Act of 1975 by having it apply to ending all forms of age discrimination—not just that considered unreasonable and also provides aggrieved individuals with a private right of action.

Tuesday's was the first of some 10 public hearings HEW will hold around the Nation on this law. Final regulations should be issued later in the spring as the effective date of the law is July 1, 1979.

At this point in the RECORD I wish to insert my testimony and also at this point wish to pay tribute to the chairman of the House Select Committee on Aging, Mr. PEPPER, whose outstanding leadership on behalf of this issue was a tremendous asset.

The testimony follows:

STATEMENT OF HON. MARIO BIAGGI ON THE AGE DISCRIMINATION ACT

I am pleased to be the first witness at these public hearings to discuss the Department's proposed rules to implement the Age Discrimination Act of 1975, as amended by the Biaggi amendments of 1978. I wish to commend Secretary Califano and Mr. Libassi for your close consultation with the Congress and the public regarding the implementation of this most important law.

As I stated during testimony I delivered to the Civil Rights Commission in October of 1977, age discrimination, or ageism, is as vicious as any form of discrimination this country has known. While the Age Discrimination Act does apply to all ages, the fact is that the elderly are more often victimized by age discrimination than other groups. This is the reason that the Age Discrimination Act was made part of the Older American Act. The U.S. Civil Rights Commission in its landmark study of Age Discrimination charged "discrimination on the basis of age is widespread affecting persons within several age categories but persons over 65 are consistently adversely affected."

In its study the Commission reviewed the operations of 10 major federal programs with total annual expenditures in the billions of dollars. Their findings were shocking:

The Community Mental Health Centers Act—Only 4 percent of its caseload was made up of elderly clients despite the fact that the President's Commission on Mental Health identified 25 percent of persons over 65 as having significant mental health problems.

CETA—Whereas persons 55 and over make up 8.9 percent of the unemployed of this nation, they constitute only 2.7 percent of the Title I enrollees.

Adult Education Act—Those between 55 and 65 constitute 35 percent of those who could be served by the program yet they make up but 10 percent of program participants with those over 65 making up just 4 percent of the total.

The Commission also touched on two other programs which have operated to the disadvantage of the aged, the Legal Services Corporation and the Title XX Social Services Program.

Age discrimination does have a general impact on the elderly population but the problem is compounded for those aged of minority groups. They are victims of multiple jeopardy—having endured some form of discrimination due to their race or ethnicity only to endure it on the basis of age when they become elderly. This nation has a special obligation to eliminate age discrimination as it pertains to minority groups.

The inspiration for my 1978 amendments to the Age Discrimination Act emanated from the recommendations of the Civil Rights Commission Study. There are two main features to my amendment. The first of these is the elimination of the term "unreasonable" from the statement of purpose clause of the Act. This means that the Act is responsible for the termination of all age based discrimination not just that considered unreasonable. The other key feature is the provision allowing aggrieved individuals a private right of action when administrative remedies are exhausted.

To be frank I am less than convinced that the Department's proposed regulations of December 1, 1978, accurately reflect Congressional intent on the implementation of the Age Discrimination Act. I wish to direct my comments to several areas in the proposed regulations.

The Age Discrimination Act was intended to apply to any program or activity receiving federal financial assistance. General exceptions are provided for programs or activities established "under authority of any law". HEW has devised a far too intricate set of options for interpreting "any law". The intent of Congress was explicit on this point, only those age distinctions established by federal law were to be exempted. What disturbs me the most about the proposed regulations is not only HEW's attempt to expand this exemption into age distinctions provided for in state and local laws or ordinances, but also to include those distinctions promulgated in regulations by all levels of governments. Agencies are not law makers and should not have the powers of law makers to make distinctions on the basis of age. Therefore, I wish to express my full disagreement with the exception section of these regulations and instead wish to urge that the only exceptions be those provided in federal law.

Another concern I have with the proposed regulations deals with the Department's definition of what is age discrimination. The law permits a recipient of federal funds to take an action "otherwise prohibited under the Act" if the action takes into account age as a factor necessary to the normal operation of a program or the achievement of any statutory objective. First of all, I would like to stress that "normal operation" means "appropriate normal operation" and does not include any age bias practices which may have become constant and therefore normal over the years. Examples are the Community Mental Health Programs where the YAVIS syndrome of serving the young, attractive, verbal, intelligent and self starting population has become an administrative practice. Clearly, this may be normal, but not appropriately so. Stated another way, administrative convenience is not considered appropriate or normal as an exemption under the act. Also in this section the term statutory objective should mean the purpose expressly stated in the statute as compared to that inferred from its provisions or legislative history.

HEW has again proposed several options on what relationship must exist between the non age factor and the normal operation or statutory objective. The options are rational, direct, substantial and necessary. As the author of the amendment I can state that the intent of Congress is for that relationship to be direct and necessary.

The alternative which HEW favors is the rational relationship. I am most opposed to this choice. If the relationship must be only rational, which means reasonable, for the program to qualify as an exception, then does it not follow that only unreasonable relationships are covered under the prohibition against age discrimination? Did not the 95th Congress strike "unreasonable" age discrimination from the purpose of the act on the grounds that "unreasonable" permitted all but the most abusive forms of discrimination? To reinsert this meaning through regulations would be to set back the fight against age discrimination.

My final point of concern deals with the right of action provided to those individual or class action complainants. I have some reservations about the initial referral of a complaint to a mediator and more specifically to the Federal Mediation and Conciliation Service. Nowhere in my amendment is there a reference to such mediation as a method of complaint resolution. I would hope the Department would be able to elaborate further on how they would propose to train service mediators in this new area of the law. Absent this, I would be opposed to this new mechanism on the grounds that it could impede rather than expedite complaint resolutions. Further, even if this mediation process were to be implemented, I feel that a 30 month evaluation period is far too generous. The evaluation period should be no longer than 15 months.

For the sake of balance I do support the proposed regulations aimed at targeted data collection from state and local agencies to determine compliance with the Act. The last thing I want to see this Act do is unduly increase the paperwork burden on states and localities. An accurate targeting process should provide HEW with the necessary information to determine compliance.

A specially noteworthy portion of the proposed regulations is the requirement that federal agencies as part of their age discrimination regulations include all age distinctions currently in statutes and regulations which govern programs where federal funds are distributed. I suspect that this will be a shocking revelation for many in this nation but it is a step forward in the pursuit of honest and open government.

I agree with the Department that some further modifications are needed in the area of self evaluation. The proposed rule calls on each agency extending federal assistance to recipients employing 15 or more persons to require each recipient to complete a written self evaluation of its compliance within 18 months. Such a proposal, while fully reflecting the intent of Congress may need to be revised again to prevent unnecessary paperwork burdens. Perhaps the Department could increase the size of the individual programs or apply a targeted self evaluation mechanism.

I fully recognize that we are still very early into the process. You have yet to hear from those on the programmatic level who will be forced to implement this law. They will no doubt have other observations. I have given you my assessment of the positive and negative features of these proposed rules.

With the elderly as the fastest growing segment of our population, it is imperative that we exert all our energies to ending age discrimination. The federal government which tragically has been in the lead in terms of age based discrimination in its programs should now take the lead behind its elimination. The Age Discrimination Act presents us with this opportunity and we should seize it.

Has not this nation been disgraced before through its practices of discrimination against its fellow citizens? Just yesterday this nation commemorated the 50th birthday of a leader against discrimination, Dr. Martin Luther King. Dr. King shamed this nation into seeing how racial discrimination constituted the antithesis of our democratic principles. Age discrimination represents an even more universal fear for the simple reason that all of us could eventually be victimized. Today's hearings and the ones to follow will be a catalyst for what must be a national movement to end the unconscionable societal blight known as age discrimination. A society which has no respect for its elders has no respect for itself.●

EXEMPT STATE PRISON FARMS FROM MARKETING QUOTA PENALTIES

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DE LA GARZA. Mr. Speaker, today I am introducing legislation that will exempt State prison farms from paying of marketing quota penalties.

This bill would further amend section 273(d) of the Agricultural Adjustment Act of 1938. The act would exempt State prison farms effective with the 1978 crops, and no penalty would be collected with respect to the marketing of any agricultural commodity grown on State prison farms for consumption within such system.

Under existing law, marketing quota penalties can be invoked on producers of tobacco and peanuts who exceed Federal marketing quotas.

The bill was designed mainly to deal with the production of peanuts on Texas State prison farms for consumption by prison inmates.

It would be unfair to penalize the prison farms for using peanuts in excess of their quotas when the object of growing them is to save money for taxpayers.

I hope this legislation allows the prison systems more flexibility in producing commodities so we can continue to save taxpayer dollars.●

PUERTO RICO: THE 51ST STATE?

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SIMON. Mr. Speaker, our colleague, Representative BALTASAR CORRADA, who has been doing an excellent, hardworking job representing Puerto Rico in the House, recently had an article in the Chicago Sun-Times on why Puerto Rico should become the 51st State.

I hope my colleagues will take the time to read it, both because of its content and because it is written by our esteemed colleague.

What he has to say makes sense to me and if the people of Puerto Rico should decide by referendum that they want to become a State, my vote will be with them.

This is probably also an appropriate time to note the hard work Representative CORRADA has done, particularly on the Education and Labor Committee, where his amendments have often been accepted and where he has shown substantial leadership.

The article follows:

PUERTO RICO SHOULD BECOME THE 51ST STATE

(By Baltasar Corrada)

Sometime in the early 1980s Puerto Rico will start down a path well worn by states such as Oklahoma and New Mexico, Alaska and Hawaii: It will knock on the door of the United States with a petition for statehood.

It may not always have been obvious, but Puerto Rico has been moving dramatically toward this route for many years. More recently, the pace of the steady step toward statehood has accelerated.

Why statehood? Why not?

Residents of Puerto Rico have been United States citizens for more than 60 years. But it has been an unequal, even inferior, citizenship—even though it has been characterized by loyalty and devotion to the United States in war and in peace.

In 1917, the same year that Puerto Ricans became citizens of the United States, thousands of them volunteered to fight alongside their fellow Americans in defense of U.S. ideals in the horrors of the trenches of World War I. That was only the beginning. On the battlefields of Europe and in the Pacific in World War II, in the frozen wastes of Korea in the 1950s, in the steaming jungles of Vietnam in the 1960s and 1970s, tens of thousands of Puerto Ricans fought for the Stars and Stripes. Many died. Four were awarded Congressional Medals—all posthumously.

Surely this should be enough of a price for Puerto Rico's admission to the Union as the 51st state. Or are its 3.3-million citizens doomed to second-class citizenship in political limbo indefinitely?

Must Puerto Ricans accept never being able to vote for President, nor having full voting representation in Congress? They should not accept it, and neither should the rest of the United States.

It has been said that there are certain economic advantages to Puerto Rico's status quo—a commonwealth of the United States—because it is exempt from federal taxes. But the price of exemption is high: limited participation in many federal programs and exclusion from the mainstream of the American political system. Equally high are the taxes our teachers, police, taxi drivers, farmers and workers have to pay the commonwealth government.

Ultimately, however the question of statehood for Puerto Rico is not one of dollars and cents. It is a moral question involving the human and political rights of a community of disenfranchised American citizens.

These same American citizens have been quietly moving toward an affirmation of their rights for the past 26 years in an area the rest of the United States can best understand—at the ballot box. In every Puerto Rican election since 1952, statehood candidates for public office have received increasingly greater shares of the vote, rising from 12 per cent to more than 48 per cent in 1976, while the vote for commonwealth parties has declined.

During those 26 years, support for independence, the only other political alternative for Puerto Rico, plummeted from 19 per cent to only 6 per cent.

When Puerto Rico knocks at the door of the nation in the early 1982s with its petition for statehood, it will have the support of its people, a support backed by the results of a political status referendum planned for 1981. Statehood is an ideal Puerto Rico hopes will not be postponed indefinitely as it almost was for Hawaii and Alaska, states that finally broke the barriers of non-contiguity and ethnic prejudice

As a state in the Caribbean, Puerto Rico would enhance U.S. prestige and security in the area much more than it does as a territory, which many call a "colony." As to othnic and cultural considerations, there are more Hispanics on the U.S. mainland than in Puerto Rico. In fact, Hispanics will become the nation's largest minority by 1990. Admission to Puerto Rico as a state would recognize their many contributions to the nation.

Puerto Rico will become the 51st state by the will of the majority of its people in the exercise, as U.S. citizens, of their right to self-determination and, with the help of their fellow citizens in the 50 states, by an act of Congress.

Nothing else could more favorably reflect the United States' commitments to democracy, equality, justice and the development of fundamental human rights.●

OUR LOSS OF LITTLE BROTHER

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CONABLE. Mr. Speaker, the 96th Congress has convened without a loved and familiar face in the Doorkeeper's Office. Those of us who can look back a few years know how helpful and kindly Carl Sommers always was, and are distressed to learn he passed away in November without ever enjoying the retirement to which he was so richly entitled.

Known as "Little Brother", Carl was part of the Capitol scene for almost 30 years, and leaves behind an outstanding record of devoted service. Starting out as busboy in the House Restaurant, he quickly became a waiter, and then headwaiter. He knew the dietary inclinations of many a Member, and regaled us with stories of the special attention he was happy to give.

In 1959 he joined the Doorkeeper's staff, and there former Doorkeeper Fishbait Miller encouraged him in the performance of difficult tasks by saying, "You're my little brother—so get in there and do it."

"Little Brother" he remains in our memory, and with his passing we have lost a considerate and dedicated employee, who was so helpful to many of us in aiding our conduct of the Nation's business.●

MEAT IMPORT BILL

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PICKLE. Mr. Speaker, today I am introducing a bill to help the Nation's ailing cattle industry, to stabilize the supply and price of beef products. The Meat Import Act of 1978 was passed overwhelmingly by both the House and the Senate, but was vetoed by the President.

I am proposing a bill in this Chamber, which my fellow Texans LLOYD BENTSEN has introduced in the Senate, to answer the President's main concern about last year's legislation.

The cattle industry is subjected to extreme rounds of boom-and-bust economy. However, the gyrations, usually result in a bust, or depressed condition. When domestic supplies are high, the current law only increases those supplies. The market is flooded and any gains are wiped out. Cattlemen do not know whether to rebuild their stocks or what price they will get. The resulting confusion hurts the whole supply and demand cycle. When our own supplies are low, current conditions do not allow increased imports.

The new Meat Import Act of 1979, like last year's measure, seeks to reverse the formula by introducing a countercyclical concept. Under this system, when beef supplies are adequate, imports are lessened because we do not need them.

Despite this veto, President Carter endorsed the countercyclical formula. However, the President felt his hands were tied, that he could not deviate from the formula when he thought price or supply pressures demanded it.

The President's current authority is sometimes used at the wrong time. When low prices have moved the cattle cycle into its liquidation phase, the resulting increased cow slaughter depressed prices even further. Presidential action to increase imports at this point can have a severe impact on prices, which in turn prolongs and deepens the liquidation. In turn, this causes the inevitable upturn to be even more violent, with more impact on consumer prices.

The countercyclical formula is designed to protect consumers by enabling the President to increase imports when domestic supplies are inadequate. Yet, the President wants to maintain his authority just in case. This new bill will provide that assurance. The President will retain his existing authority during the expansion phase, when domestic supplies are short, and the countercyclical formula is raising imports. In other words, if the formula does not work, the President can step in and assure adequate supplies.

However, at the opposite end of the cycle, the liquidation phase, the President could raise imports only during a national emergency or natural disaster. During this phase we have large domestic supplies and low prices, so there is no real need to suspend the quotas. Producers must have confidence in the market, to prevent disruption and the boom-and-bust cycle. We should suspend quotas during this period only under extreme circumstances.

Each point on the cycle is easy to distinguish. When the fraction is 1.0 or above, the formula is increasing imports and the President would have authority to further increase them. When the fraction falls below the 1.0 level, imports are being decreased in response to domestic oversupply and low prices, and the President would be able to expand imports only in an emergency or disaster. The only other change from last year's bill is a requirement for a 30-day comment period before any Presidential action to increase imports becomes effective. This period will lessen the shock of such actions and provide for public discussion on what have been closed-door decisions.

The 95th Congress saw the need for this legislation and passed it overwhelmingly. We told the President the cattle market needed protection from certain Presidential actions. In this bill we retain that protection but give the President authority to prevent shortages. The bill is reasonable and fair, both for the cattle industry and its market, the American consumer. I urge your careful consideration and support for this bill.●

ANNIVERSARY OF UKRAINIAN REPUBLIC

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. RHODES. Mr. Speaker, 61 years ago the Ukrainian Republic was formed. Today, it has been swallowed up by Russian communism. The people of the Ukraine have never relinquished their love of freedom, nor ceased to fight against the oppression of communism. It is estimated that half of the prisoners in the Gulag Archipelago are Ukrainians.

It is fitting that we in America, where freedom is our greatest blessing, observe this unfortunate reminder that communism and repression are inseparable and insatiable.

It is appropriate that we honor the brave people of the Ukraine for their resistance to tyranny and their hope for eventual restoration of freedom in their homeland. We also should resolve that the United States be kept strong so that we can help keep the free world from being whittled down by Communist aggression.

To those of Ukrainian descent, January 22 is a somber anniversary and a time of rededication to the goal of freedom. I join them in spirit and urge my colleagues to mark this observance as evidence for the need to be constantly alert to ward off the aims of global communism being pushed by those who swallowed up the Ukrainian Republic and have persecuted its people.●

TESTIMONY BEFORE DOE HEARINGS ON THE FUTURE OF THE WEST VALLEY, N.Y., NUCLEAR FUEL SERVICES SITE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. KEMP. Mr. Speaker, last Saturday I submitted testimony in Buffalo, N.Y., before the last public hearing to be held by the Department of Energy on the disposition of the West Valley nuclear waste reprocessing plant site before DOE is to report to Congress with its recommendations.

As I have stated in my testimony, the preliminary report issued by DOE on this situation was not at all satisfactory, and failed to address a significant number of my questions and concerns for the welfare of the people of western New York.

I am submitting my testimony here for the RECORD, and I recommend it to the attention of everyone affected by the West Valley situation.

STATEMENT OF THE HONORABLE JACK KEMP ON THE FUTURE OF THE WEST VALLEY NUCLEAR FUEL SERVICES SITE

As we discuss the future of the West Valley Nuclear Fuel Services Site today, it is important to keep in mind the fact that the Federal Government provided the impetus that led to the creation of the nuclear waste reprocessing plant in West Valley, and that ultimately led to its demise.

In 1957, the Federal Government sought industrial and state participation in reprocessing and storing radioactive waste. In 1961, following this initiative, New York State acquired the West Valley site, and the following year Nuclear Fuel Services, Inc., was formed by W. R. Grace Company and AMF. Between 1962 and 1963 a lease and waste storage agreement was negotiated between Nuclear Fuel Services and the New York State Energy Research and Development Authority. A base load agreement was reached with the Federal Government's Energy Commission to provide an initial load for the plant, a load understood to be sufficient to insure the success of Nuclear Fuel Services as a commercial venture. The Atomic Energy Commission insisted that the State of New York take responsibility for the long term care and custody of the radioactive wastes. After those assurances were given by the State, utility contracts were negotiated, providing a limited initial commercial load with no responsibility for wastes.

The plant was constructed between 1963 and 1965, and between 1966 and 1972 that plant processed 600 tons of fuel, 75% of which was from Federal Government sources. In 1970 the Atomic Energy Commission changed its policy with respect to long-term storage of radioactive wastes, in essence insisting upon the Federal care and custody of such wastes a policy which was sustained by AEC's successor, the Nuclear Regulatory Commission. Under the new rules, wastes were required to be solidified and shipped to a Federal waste disposal area, rather than retaining the wastes in a liquid form, as had been contemplated in the construction of the NFS Center. That change in policy made further commercial reprocessing uneconomical for a private company.

As a result, NFS notified the public, Federal agencies, and the State of its decision not to renew its lease beyond 1980, a lease in which New York had agreed to take over the entire site and facilities, including the wastes, in such an event. Neither New York State nor Nuclear Fuel Services, however, had anticipated that it would be the Federal Government that would bring the once promising venture to a grinding halt.

WEST VALLEY PLANT

The 250 acres of developed land at the West Valley site contain a spent fuel receiving and storage facility, a reprocessing plant, a high-level liquid waste storage facility, an NRC-licensed waste burial ground, and New York State-licensed waste burial grounds. In a letter to me dated November 1, 1978, Dr. John M. Deutch, Director of Energy Research for DOE and head of the Federal Interagency Review Group (IRG), informed me that there are approximately 600,000 gallons of high-level liquid wastes presently being stored at West Valley. If these materials were vitrified, or converted into glass rods, then would then be reduced in volume to about 18,000 cubic feet. This would fill a cube 26.2 feet on each side. The containers, according to Dr. Deutch, holding this high-level waste will be good well into the 21st century.

DOE STUDY

With the publication of the Department of Energy's Final Report for Public Comment on the West Valley site, DOE had a golden opportunity to show the people of Western New York its concern for their welfare, their health, and the undesirability of locating hazardous nuclear wastes close to one of the major population centers of the Northeast United States. Unfortunately, the report as issued was very disturbing to Western New York residents, and did not at all address a significant number of my questions and concerns for the welfare of our community.

Specifically, the DOE study does not address the significant health hazard the continued use of the West Valley site would have on the surrounding area and its inhabitants. Yet, without this information, DOE has strongly favored future nuclear activity at West Valley over total decontamination and decommissioning of the NFS plant.

STUDY FAVORS NUCLEAR ACTIVITY

The DOE study, in its list of options for future use of the NFS plant has clearly favored continued nuclear activity at West Valley. Four areas particularly reflect this bias:

(1) Spent Fuel Storage Pool. On page 30 of the report, DOE details the possibilities of expanding the storage pool for spent fuel, or nuclear fuel that has been removed following exposure to radiation in a reactor, from its current capacity of 315 metric tons to a capacity of 1000 metric tons. As its justification, DOE cites government studies that indicate that "several thousand metric tons of additional spent fuel storage capability will be needed by the mid-1980's."

(2) New York State-Licensed Burial Ground. The DOE Study cites the fact that there are three commercial shallow land burial areas for low-level wastes currently in operation in the United States, only one of which, in Barnwell, South Carolina, is east of the Mississippi River. DOE states that reopening this burial ground would reduce transportation requirements for this waste, thereby significantly reducing wastes dis-

posal costs and risks to the general public." Nowhere in the report is stated the possibilities of environmental risks to the public from these wastes, buried in the ground without containers, much like the chemicals in the ground at Love Canal.

DOE goes on to say here that "the considerable quantity of information available about the adequacy of the site for radioactive waste storage and the experience gained to date in operating the burial grounds make its continued use attractive."

(3) Reprocessing Plant. The United States is currently evaluating alternatives to the reprocessing and recycling of plutonium produced in U.S. nuclear power programs. DOE's study states, "Consistent with this policy, the WNYNSC facilities could be used to conduct research on the viability of proliferation resistant fuel processing alternatives." A further reading of this section reveals that this Research and Development would mean the handling of highly radioactive materials which makes theft of fuel very hazardous. This is not the kind of activity the people of Western New York had in mind for West Valley.

100 PERCENT FEDERAL FUNDING

As I have stated before, I strongly believe that this whole situation would not have arisen were it not for a "change in the game plan" by the Federal Government which sent a $600 million bill to Nuclear Fuel Services in the way of new and unexpected federal regulations. It is therefore, in my opinion, the Federal Government's responsibility to pay for the total cost of decontamination and decommissioning of the site, regardless of the eventual disposition of the site by the State of New York.

$5 MILLION APPROPRIATION IN FISCAL YEAR 1980

For this reason, I will support legislation to provide a $5 million appropriation in the FY 1980 budget to proceed expeditiously with the necessary Research and Development, planning, design and implementation of the decontamination and decommissioning of the Nuclear Fuel Services nuclear waste reprocessing and storage site. This appropriation is supported by the Sierra Club, among others, and I would like to commend the members of the Sierra Club at this time for its diligence in monitoring the developments at West Valley.

I am opposed to any future nuclear use of the West Valley site, whether for reprocessing, research and development, or storage, and I believe the people of Western New York are on my side. This appropriation will provide initial funds for the Federal Government to proceed with the mandate of the residents of our area, to clean up the site once and for all.

COOPERATIVE FEDERALISM

At the same time, I propose that a system of "cooperative federalism" be established by which a strong partnership of state, local and federal government and private industry can work together to determine a feasible solution to the problem of future use of the West Valley site. This proposal is supported by the National Governors' Association, and would assure adequate state and local input into future plans for the area. Interim solutions should be sought by this coalition: we cannot waste time waiting for a "perfect" future use plan.

It is imperative that state and local interests be consulted before, not after, significant decisions are made or actions taken by the Federal Government, and we must all work together to see that the people's interests are safeguarded in this way.

HEALTH STUDY

The health and safety of the residents of the West Valley area, and, indeed, of all of Western New York, should be the primary concern of all of us involved in this most serious matter. If, after studying the full evidence presented by the Federal and State governments and private concerns, I find that adequate attention has not been paid to the effects of the location of the nuclear fuel waste reprocessing plant and storage area at West Valley on the people of Western New York, I will support a comprehensive health study of the area by the Federal Government. The people's interests must come first, and I will not let them be ignored.

CONCLUSION

I am glad to see that the Federal Government has finally acknowledged a responsibility to the resolution of the West Valley situation, although I caution the people of Western New York that diligence is needed to protect our local interests as this matter progresses. The Department of Energy has given inadequate attention to decommissioning and decontaminating the NFS facility. Previous inattention to West Valley's needs by the Federal Government created the problems we have today, and we cannot continue without a full commitment to the shutdown and cleanup of the contaminated site.

I pledge my full effort to work with the Federal Government, state and local concerns, and private industry, to remove the nuclear wastes from West Valley, and to rebuild that site into a safe, clean and healthy environment for our children to inherit.●

THE FAMILY FARM ANTITRUST ACT OF 1979

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. KASTENMEIER. Mr. Speaker, there is widespread concern that American agriculture will soon be dominated by large agribusiness conglomerates, and that the family farm will become a thing of the past. Indeed, the number of farms operating in the United States is rapidly decreasing. In the late 1930's, there were 6.8 million farms in this country. By 1945 there were only 5.9 million, and by 1977 that number had dropped to 2.7 million. Recent statistics from the Department of Agriculture indicate that the reduction in the number of farms may be accelerating. In my own State of Wisconsin, 1,000 farms went out of existence last year. Wisconsin now has fewer farms than any time since 1860.

This trend has serious implications, not only for farm families, but also for American consumers. We are well on our way toward sacrificing a diversified, competitive, and efficient food production system for one dominated by a relatively small number of giant corporations.

Why is this a problem? First of all, a farm system based on a large number of one-family farms has the greatest potential for meeting the Nation's nutritional requirements. Second, the increasing presence of large corporations in agriculture threatens to force farmers off of their land. Finally, a reliance on large agribusiness corporations will not result in more efficient food production, but instead will ultimately increase food prices for consumers.

To help reverse this trend, I am joining 14 of my colleagues today in introducing the Family Farm Antitrust Act. This legislation would prohibit persons or businesses with more than $3 million in nonfarm assets from engaging in agricultural production. Further, businesses with close ties to farming such as packinghouses, feed manufacturers, chemical and fertilizer manufacturers and farm machinery suppliers, having more than $1 million in assets, would be prohibited from engaging in agricultural production. Farm cooperatives would be exempted from the act, as would be charitable, educational, and nonprofit institutions.

There is no reason why the family farm should be viewed as an anachronism. Studies by the Economic Research Service of the USDA found that the fully mechanized one-man farm, producing maximum acreage, is large enough to capture economies of size related to unit costs of production. Once a farm has achieved this optimum size, additional expansion will not lower production costs per unit, but will serve only to increase the total income of the producer.

Therefore, we will not forego efficient agricultural production by preserving the family farm. On the contrary, a real threat is posed by the vertical integration of agriculture, which the Family Farm Antitrust Act would prohibit.

Vertical integration is a situation where two or more stages in the production process that were formerly handled by separate firms become merged into one firm. An example of vertical integration would be a livestock feeder who builds or buys a packaging plant to provide an outlet for his feed cattle.

We have every reason to believe that the vertical integration of agriculture will result in higher prices for the consumer, just as the vertical integration of other industries have encouraged higher prices for their products. A study by the University of Missouri concluded that retail food prices would rise if nothing is done to alter the trend toward vertical integration. Merchandising and market costs would increase as integrated firms advertise and stress product differences on basic agricultural commodities. Aggressive unionization of agricultural and agribusiness workers will increase labor costs that the family farm operator presently absorbs. Finally, lack of effective price competition would push up food prices.

Furthermore, the spread of agribusiness creates additional pressures on existing family farms. With their superior command on financial resources, large corporations are able to purchase the best farmland at premium prices. This helps increase prices for all farmland, making it more difficult for small farmers to expand their operations, or for young farmers to purchase their own land.

Farms owned by large corporations do have advantages over the independent family farm. But these advantages do not come from increased efficiency. Rather, they result from the ability of corporate farms to purchase production inputs from firms controlled by their parent companies at artificially low prices.

Unfortunately, there are currently few reliable statistics concerning the extent to which large corporations control farmland. The census data now available relate to farm operators, not owners. However, because of public concern over this issue, the Bureau of the Census will collect information concerning land ownership in the 1979 agricultural land census.

What information we do have is not encouraging. A General Accounting Office study released late last year reported that 17 percent of the American food supply is controlled by agribusiness. More disturbing is the extent to which large corporations control the production of specific commodities. The GAO report goes on to state:

> In 1970, 100 percent of sugar beets, 92 percent of broilers, 88 percent of processed vegetables, and 47 percent of citrus fruits were produced either on land owned by agribusiness corporations or under corporate contract. One corporation controls 70 percent of the date industry.

Clearly, we must act to stop the trend toward corporate control of American agriculture. Our efforts to lower the inflation rate will not be effective if we allow one of our most vital industries to be dominated by large conglomerates which are practically immune from price competition. The abundance of food which our country has historically enjoyed resulted from a reliance on the family farm. I urge my colleagues to support the Family Farm Antitrust Act of 1979.●

PLANT VARIETY PROTECTION ACT

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DE LA GARZA. I am introducing a bill to amend and clarify the Plant Variety Protection Act of 1970.

Twelve of the proposals clarify wording and make no substantive changes in the act. Four proposals provide for changes in present requirements, but would have no significant regulatory impact. Five of the proposals would alter or delete requirements in the act. Of the last group, section 144 of the act will be deleted thereby extending protection to okra, celery, peppers, tomatoes, carrots, and cucumbers which are not protectable under the present act.

The Plant Variety Protection Act authorized the establishment of a Plant Variety Protection Office in the Department of Agriculture. The purpose of this office was to issue certificates of plant protection to assure developers of novel plant varieties, the exclusive rights to sell, reproduce, import or export such varieties or use them in the production of hybrids for a period of 17 years.

I feel it is necessary that protection be afforded these six varieties of vegetables in order that an incentive to proceed with the breeding of new vegetables be provided to our researchers and encourage development of new breeds.●

REGULATORY REVIEW ACT

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. EVANS of Delaware. Mr. Speaker, I am today introducing the Regulatory Review Act of 1979. This measure is designed to ease the crushing regulatory burden on our economy by requiring Federal agencies to file an "economic impact statement" on any proposed regulations, and, most importantly, allowing either House of Congress to veto unwise, unnecessary or nonsensical regulations before they go into effect.

In this fiscal year, the Federal Government will spend $4.8 billion to fund the 41 regulatory agencies. That figure represents a shocking 115 percent increase in the last 5 years.

But these administrative costs are "chicken feed" when compared to the estimated $98 billion dollar cost of compliance which American businesses and consumers will have to pay this year to meet the requirements of these regulations.

For instance, it has been estimated in a recent report prepared for the Congressional Joint Economic Committee that federally mandated safety and environmental features increase the price of the average passenger car by $666 in 1978. Compliance with these regulations therefore cost the consumers of this country $7 billion in the form of higher priced cars. In addition, the added weight of the cars is increasing fuel consumption by perhaps as much as $3 billion annually. Total cost to consumers: $10 billion.

Businessmen and businesswomen really take it on the chin when it comes to Federal regulation. There are over 4,400 different Federal forms which must be filled out by the private sector each year, requiring over 143-million man-hours to complete. The Federal Paperwork Commission estimated that the total cost of Federal paperwork imposed on private industry ranges from $25 to $32 billion a year and that "a substantial portion of this cost is unnecessary." Small businesses, because they do not have the personnel or the finances to handle the reams of paper that flow out of Washington, carry a particularly heavy burden.

And since business costs are inevitably passed on in the form of higher prices, the consumer is hit hard by Federal regulation. It has been estimated that the aggregate cost of complying with Federal regulations came to $62.9 billion in 1976, or over $300 for each man, woman, and child in the United States.

The legislation I am introducing, the Regulatory Review Act of 1979, would attempt to curb this uncontrolled growth of regulatory power. The act would require that all proposed Federal regulations be submitted to the Congress 60 days prior to their implementation. During that time, either the House or Senate may adopt a resolution disapproving in whole or in part any such regulation, thus preventing that proposal from going into effect.

Further, the regulatory agency proposing the rule will be required to give the Congress an "economic impact statement," estimating the costs to be incurred by all levels of government and by the private sector, including businesses and consumers, should the proposed rule be implemented. Thus, for the first time, the Congress and the American public will know the costs, as well as the benefits, of regulatory actions before those actions take place, and can better judge the desirability of any proposed rule. By bringing the actions of regulators into account by elected officials, I am confident that we will not only have less regulation, but even more importantly, we will have better regulations.

This legislation would improve the regulatory process in several ways.

It would require, for the first time, that Federal rules and regulations be reviewed by a governmental body directly responsible to the voters.

Second, the Federal departments and agencies, knowing that their proposals are going to come under the scrutiny of those who drafted the legislation requiring the regulations, will be more likely to work with the Congress in drafting regulations and determining legislative intent before issuing those rules.

Third, redundant or contradictory regulations from different agencies will be more likely to be identified and eliminated through the congressional review process.

Fourth, this legislation will force Congress to take its oversight responsibilities seriously again, and continuously oversee the Federal bureaucracy.

Finally, this review of agency regulations and rules will give the Congress needed feedback in developing future legislation.

Mr. Speaker, this legislation will give our citizens the right of legislative appeal on burdensome regulations and I urge its prompt consideration.●

TRUTH IN LENDING ACT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PICKLE. Mr. Speaker, I am today introducing a bill that would amend the Truth in Lending Act to provide that a creditor may not be held civilly liable under the act if the creditor is in good faith in substantial compliance with the provisions of the act. This is an act that was passed with the best intentions in the world aimed at protecting the consumer from unscrupulous lenders who would hide from him the true costs of the loan. However, in actual practice rather than protecting the consumer, the

law has become a bonanza for clever attorneys who use this act where the debtor could not make his payments, and find some technicality so that the creditor can be punished in the form of statutory penalties and attorney's fees, without substantive injury to the plaintiff.

This has meant that many small business men are being penalized. Attorneys in my district have advised me that it is virtually impossible to advise a creditor that his form is in compliance with Regulation Z. Substantial compliance to my mind would show the debtor the cost of credit and the simple interest rate that he would be charged, together with the total he would be expected to repay, and that he has in good faith acted in compliance with the law.●

THE 19TH ANNIVERSARY OF CASTRO TAKEOVER OF CUBA

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, the beginning of the 96th Congress marks the 19th anniversary when Castro, with the aid of Soviet arms and personnel, established his illegitimate claim to the governorship of the island of Cuba, the jewel of the Caribbean. Since then, in its systematic and devious manner, the Soviet Union has consistently exploited Castro's dependence on their aid and guidance.

We are all familiar with the events of the Cuban missile crisis when the Russians attempted to place nuclear missiles at our doorstep, and were finally forced to remove them by President Kennedy. The reports and sightings of Soviet armaments, installations, subsidies, and advisors have been too numerous to list here.

At this very moment, Castro is reported to maintain about 40,000 of his troops on the African continent. To take a stand, in which I hope I will be joined by other Members of the House, I am reintroducing today a joint resolution expressing our determination to vigorously oppose Soviet penetration and use of Cuba to extend its military influence into Africa and the Americas, contrary to the Monroe Doctrine.

JOINT RESOLUTION

Expressing the determination of the United States with respect to the situation in Cuba.

Whereas the Soviet Union has deployed military personnel to Cuba for the purpose of piloting and maintaining Cuban Mig-22 fighter aircraft, to operate Cuban radar installations, and for other military purposes; and

Whereas this Soviet deployment of military personnel into this hemisphere has occurred in conjunction with the depletion of Cuban military forces through the intervention of tens of thousands of Cuban troops in Africa in support of various Communist-supported military actions on that continent; and

Whereas such deployment of Soviet military personnel to Cuba, and Soviet and Cuban military personnel, arms, and support to Communist forces in Africa, is in the interests only of Communists expansionism and not in the interests of world peace; and

Whereas such Soviet military presence and buildup in Cuba is in violation of the Monroe Doctrine of 1823, which termed any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and of the Kennedy-Khrushchev agreements of 1962, which assured no deployment of Soviet forces or offensive arms in Cuba; and

Whereas in the Rio de Janeiro Treaty of 1947 the parties agreed that "an armed attack by any State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Punte del Este Resolution II of the Organization of American States of January 1962 agreed "to urge the Member States to take those steps that they may consider appropriate for their individual and collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent the Communist regimes of the Soviet Union and Cuba, acting individually or collectively, from extending by force or threat of force their aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability, or the deployment in Cuba of military forces from another nation, for the purpose of establishing a stronger base for Communist expansionism in this hemisphere, thus endangering the security of the United States and other non-Communist nations; and

(c) to work with the Organization of American States and with freedom-loving people of all nations to implement collective security agreements and to support the aspirations of all people in this hemisphere for freedom and self-determination; and be it further

Resolved, That the President of the United States take every possible action to carry out the intent of this resolution.●

TRIBUTE TO CARL "LITTLE BROTHER" SOMMERS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. RHODES. Mr. Speaker, I know that those of my colleagues who knew him are saddened by the passing during the adjournment of Carl Sommers, who worked for the House for more than three decades.

Known as "Little Brother," Carl began his Capitol career as a busboy in the House restaurant. His cheerfulness and energy earned him the friendship and respect of fellow workers and those he served. He worked his way up to head waiter of the House restaurant, and later took a staff position in the Doorkeeper's Office.

Carl Sommers was one of the many dedicated but unsung employees that keep our Capitol services running smoothly. He arranged many luncheons and functions large and small.

I join my colleagues in expressing our appreciation for the fine job Carl Sommers did for us for nearly 40 years.

We will miss him.●

HOUSE BROADCASTING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, yesterday's Washington Post carried an excellent editorial entitled, "Your Congressman on Tape," in which it warned against the potential abuse of the new House broadcast system by Members who might be tempted to duplicate tapes of their floor speeches for distribution to their local media.

This is not a farfetched apprehension since the precedent was already established during the last session by permitting Members to tape and distribute the audio portions of their floor remarks. And, during the debate on the House rules resolution last Monday the majority leader seemed to give his blessing to this practice by equating it with the present right of Members to "reproduce copies of their speeches in the CONGRESSIONAL RECORD, to which the public at large has access, and to send them to members of their constituencies." To quote further from the majority leader's remarks, at page H13 of the RECORD:

Certainly members of the public ought to have a right to know what it is that has been said on the floor of the House. I do not know any reason why that same right should not extend if it is the wisdom of the House that we should have these proceedings televised subject to restrictions as to political or commercial use and to further restrictions which may be announced by the Speaker.

Mr. Speaker, no one is questioning the right of the public to know what is said on the floor of the House. The press regularly reports on our proceedings and Members now keep their constituents amply informed through newsletters and radio and TV tapes made in the House recording studio. What is being questioned is using the new House broadcast system as but another extension of our self-promotional activities. And what is also being questioned is the impact this practice would have on our floor proceedings. Would such easy access to House broadcast tapes for media distribution by Members tend to distort and prolong our proceedings by encouraging more Members to talk more and for home consumption? I can imagine it would.

For these reasons, the Ad Hoc Subcommittee on Broadcasting on which I served in the 94th Congress recommended against permitting Members to

distribute their own floor remarks to the media. We specifically wrote such a prohibition into our resolution. Unfortunately, that language was not retained in the House broadcast rule recommended by the Democratic Caucus and adopted as part of the House rules last Monday. It is my hope that the Speaker will either enforce such a prohibition through regulations, or that the Rules Committee will take early action on this necessary amendment to the broadcast rule. I have already written to the Speaker's Broadcast Advisory Committee's chairman, the gentleman from North Carolina (Mr. ROSE) expressing my concerns and hopes. At this point in the RECORD I include the Post editorial and the exchange of correspondence with the gentleman from North Carolina.

The editorial follows:

[From the Washington Post, Jan. 17, 1979]

YOUR CONGRESSMAN ON TAPE

Unless House Speaker Thomas P. O'Neill says no, the new official system for broadcasting House floor proceedings is going to give congressional incumbents yet another way to promote themselves back home—at the taxpayers' expense. Since last summer, the House has made the sound of floor debates available to broadcasters and the public. Nothing bars any representative from making or ordering a tape of his own remarks or any other snippets of debate, editing that tape as he chooses, and transmitting it as a news report to broadcast outlets back home. Apparently few members have caught on to the full publicity potential here. But once video coverage also becomes available, a month or so from now, it won't be long before every incumbent with any hustle is keeping his district's stations amply supplied with self-promoting tapes—labeled as "official House proceedings" and paid for by the taxpayers.

It's not as though members of Congress don't already have ample facilities for making radio and television tapes to ship back home at public expense. But those materials are more clearly self-produced and thus as suspect as any other press release. Cuts from the floor debates will have an institutional ring of objectivity and authenticity that may increase their chances of being used on the evening news. And that compounds the problem, because there will be no assurance that the tapes are really accurate at all. An incumbent could easily edit a tape of a floor speech to eliminate verbal gaffes, much as the Congressional Record is tidied up every day. Beyond that, tapes could be cut and spliced to distort the debate or put opposing viewpoints in an unflattering light.

The House resolution governing the broadcasting system does not prohibit any of that. It does bar "political" and "commercial" uses of the electronic record, but nobody has spelled out what those terms mean. By offering tapes as "official news," incumbents might even be able to get around equal-time rules—which don't apply to news events—and dominate the home-town airwaves during campaigns.

All this puts a great burden on the broadcasters involved. In principle, they have a professional obligation to check the accuracy of material they receive, to reject doctored reports, and to tell viewers the sources of the sounds and images they air. In practice, many stations—especially smaller ones—may lack the time and resources to do this whenever the congressman's office transmits a hot report. Of course, broadcasters who take too many liberties with the news are accountable at license-renewal time, just as incumbents are answerable at the polls. But those sanctions come, if at all, after the fact. To ward off a whole host of problems, the House should agree right now that members should not use the official sounds and pictures to publicize themselves.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 13, 1978.

Hon. CHARLES ROSE,
218 Cannon House Office Building,
Washington, D.C.

DEAR CHARLIE: As you know, I have had a longstanding interest in the broadcast coverage of House floor proceedings. I am therefore writing to you in your capacity as the principal designee of the Speaker to implement the new broadcast system to convey one of my remaining concerns. I think this concern can be handled by your committee and the Speaker through regulations interpreting the new broadcast rule recommended by the Democratic Caucus last week.

My concern is that no limitation on Member access to and distribution of floor tapes could both distort our floor proceedings and lay the House bare to the charge of providing itself with another incumbent protection device at taxpayers' expense. It is my understanding, from a call to the Speaker's office, that Members may already tape the audio portion of their floor speeches and then transmit these to their local broadcast stations. This is something which our Rules Subcommittee on Broadcasting in the 94th Congress was most opposed to and why we made it clear in H. Res. 875 that, "No reproduction, except for the viewing purposes prescribed under paragraph (a), and no edited version, of any such recording shall be made available to any person by the House or by the Library of Congress." Moreover, we made it clear that the listening devices to be provided for House offices "shall be used solely for the purpose of listening to the proceedings of the House."

I think it is apparent that if we permitted Members to order copies of their floor speeches from the Recording Studio or to tape their speeches from their office monitors for the purpose of distributing these to their local broadcast stations, Members would be more inclined to make speeches on the floor they otherwise would not make, solely for home consumption. This would not only prolong debates but might cause Members to be more uncompromising in their stands and votes on the floor.

In addition, permitting this kind of easy access and distribution of floor speeches would lead to charges that we were using the publicly financed broadcast system and the frank for self-promotion purposes. In effect we would be turning the House floor into an annex of the House Recording Studio as one more device for self-protection and promotion as incumbents.

It does seem to me that a narrow interpretation of the proposed new broadcast rule, spelled out in appropriate regulations, could make clear at the outset that such use of the broadcast system is prohibited. First, clause 9(a) of the proposed new rule states that the closed circuit system which the Speaker is to design and implement is for the purpose of the "closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees. . . ." It should be clear from this that the feed to offices is for "viewing" purposes only, and not for recording for the purpose of distribution to the media.

Second, clause 9(b)(1) states that the Speaker "shall provide for the distribution of such broadcasts and recordings thereof to news media. . . ." In other words, the Speaker and only the Speaker shall be responsible for distribution of the broadcasts and recordings to the media, and Members have no authority for such distribution.

Third, clause 9(b)(2) provides that only broadcasters accredited to the Radio and Television Correspondents' Galleries "shall be provided access to the live coverage of the House of Representatives." While this does not prohibit access to recordings by nonaccredited media, this paragraph, combined with the preceding paragraph, should make it clear that only direct distribution to the media from the Speaker is permitted.

Finally, clause 9(b)(2) states that, "no coverage made available under this clause nor any recording thereof shall be used for any political purpose." This is much broader than some earlier language which prohibited the use of such coverage "as partisan political campaign material." I think the distribution of floor recordings by individual Members to their local stations has an obvious political purpose and therefore should be prohibited.

I hope you will agree with these interpretations in order to both maintain the integrity of the proceedings of the House and to protect us against the charges that we are simply handing ourselves another incumbent protection perquisite through the new broadcast system.

With warm personal regards, I am

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 19, 1978.

Hon. JOHN ANDERSON,
1101 Longworth House Office Building,
Washington, D.C.

DEAR JOHN: I want to thank you for your letter on the new broadcasting of the Floor of the House of Representatives. I am very happy that you have taken an active interest in this field and am very much aware of your past efforts in promoting the televising of the House.

I would like to assure you that the Committee has taken every step to preserve the integrity of the Floor of the House. We do not want to change any of the legislative process or to interfere in any way the proceedings of the House. The Committee is working toward producing a quality television system which will be consistent with broadcast requirements. This service which Congress will be providing will give the American people for the first time a method of participating in the activities of its government in a way that has not existed before.

House Resolution 866 gives the Speaker the total authority to design and implement a broadcast system. And as you know, I have been appointed to chair his Advisory Committee on Broadcasting. I am sure that the Speaker and all of us on his Advisory Committee will be happy to give your interpretations all due consideration.

Wish best wishes, I remain

Sincerely,

CHARLIE ROSE.●

DERRIN LEE EGELSTON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SKELTON. Mr. Speaker, Derrin Lee Egelston, a fine young man from Missouri's Fourth Congressional District, lost his life during the summer of 1978.

I find this loss to be especially significant because of the contribution this young person would have made to his Nation and to his fellow man. He had a strong desire to serve as an officer in the United States Air Force. I believe he would have made a fine and dedicated military person. He will be missed by his

family and friends. Also, I feel his potential contribution to our country will be missed.●

MARTIN LUTHER KING, JR., NATIONAL HOLIDAY BILL

SPEECH OF

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CONYERS. Mr. Speaker, today is the 50th anniversary of the birthdate of Martin Luther King, Jr. The passing of time ordinarily has a way of tarnishing or weakening the memory of even the greatest leaders, events, and institutions in public life. Such has not been the case with Dr. King. Indeed, in the history of our Nation he is one of a very few national leaders for whom affection, respect, and devotion have grown with the passing of time.

The affection and respect with which he is held owes to a great many qualities: His unshakable faith in human beings; his extraordinary steadiness of character, self-discipline, and self-denial; his dreams and vision of brotherhood and peace, justice and freedom. He was, of course, a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. He was a precocious student in the public schools of Atlanta, and was a lifelong student of theology at Atlanta's Morehous College, the Crozer Theological Seminary in Chester, Pa., at Harvard and the University of Pennsylvania, and at Boston University where he completed his work as a doctor of philosophy.

He was also, of course, an exceptional political leader in the Birmingham movement of 1963 to end legal segregation which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome discrimination in housing, and to win a better life for, and bring dignity to, the poor. Martin Luther King, Jr., was awarded the Nobel Peace Prize in 1964—only the third black person, 12th American, and the youngest person ever to win it. He was, needless to say, one of America's greatest orators, yet he always remained a man of the people.

The combination of these qualities in any one of us would, of course, entitle us to recognition and respect. Yet Dr. King's greatness was more than the sum total of his qualities of courage, eloquence, moral character, and even wisdom. I suspect that even greater than these qualities was his boundless hope in people, in America, and in the world. No obstacles could distract him from his sense of hope. In this he touched the sympathies of a whole people—and, indeed, the world—that for much of human history has lived tragically without much or any hope. "This is our hope. This is the faith that I go back to the South with," Dr. King declared 15 years ago on the steps of Lincoln's Memorial:

> With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day.

This anniversary, then, is not merely the observance of a single man, however great the moral force of his character and however vast the imprint he left on the history of the world. It is, after all, a celebration of his vision, of his hope for us becoming better human beings and creating a better world, which we all share in, and aspire to, as human beings. This observance celebrates the extent to which he transformed a nation—and, indeed, the world—through action upon his ideals, and for this reason his example grows stronger with each passing year.

Nearly 11 years have passed since Dr. King's tragic assassination in Memphis. In this period of time hundreds of States, cities, and institutions across the Nation have made his birthdate a time of formal observance. What remains to be done is to make Dr. King's birthday a national holiday to permit the Nation as a whole to commemorate his life and to reflect upon, and rededicate itself to, the ideals that he lived and gave his life for.

It remains for us and future generations to complete his great work. It has become a matter of urgency to infuse once again this Nation, especially its young, with a sense of hope and the sense of responsibility to improve its life, at a time when so many individuals are filled with confusion, disbelief, indifference, and despair. For these and other reasons a national holiday on Dr. King's birthday would be the most appropriate way to restore hope and rededicate the Nation to his ideals.

Each year following his death I have introduced a bill to designate Dr. King's birthday a national holiday. In the 95th Congress, 104 Members from both parties cosponsored the Martin Luther King, Jr., national holiday bill. This year, in the 96th Congress the bill will be reintroduced in the House, and Senators EDWARD M. KENNEDY and BIRCH BAYH will introduce an identical bill in the Senate, which already has won considerable support. Speaking in Atlanta on Sunday, January 14, 1979, President Jimmy Carter strongly endorsed the legislation and voiced the hope that before year's end he would be able to sign it into law.

H.R.—

A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that subsection (a) of section 6103 of title 5, United States Code, is amended by inserting immediately below "January 1, New Year's Day." the following:

"January 15, the birthday of Martin Luther King, Junior."●

U.S. ENERGY POLICY: DO WE HAVE ONE?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues, the following article by William Randolph Hearst, Jr., regarding our national energy policy.

U.S. ENERGY POLICY: DO WE HAVE ONE?

(By William Randolph Hearst, Jr.)

SAN SIMEON.—With the fall of Iran and the cut-off of its oil, one begins to wonder how long this nation will tolerate a government that refuses to form a specific and definite energy policy.

Iran has supplied us with five percent or less of our imported oil. Yet, when that relatively tiny supply is cut off, even temporarily, Energy Chief James Schlesinger takes to the airwaves to warn us that we must cut back on our usage of oil and gas, else face rationing.

This comes five years after the Arab boycott. It is obvious that we have done, No. 1—damn little; No. 2—not enough; or No. 3—nothing in that period to alleviate our abject dependence on foreign oil. We continue to rely on foreigners, mostly Arab countries—who may or may not remain friendly—for the chief source of energy in a country that is the biggest energy consumer in the world.

Ration oil? What if you live on the West Coast of the United States where there is such a glut of Alaskan oil that companies are pleading for permission to sell it to Japan?

After the last drop of crude has been sucked up from the depths, will we still be talking, talking, talking about an elusive energy policy? It appears that way.

The energy policy that we now have seems to leave everyone equally dissatisfied. It certainly leaves us with diminishing resources.

The true story about oil eludes many of our leaders, including, apparently, Mr. Schlesinger as well as Mr. Carter.

Experts tell us that there is sufficient oil still in the ground in the United States to take care of our needs well into the next century, and that world-wide, there is probably enough to carry the planet through the twenty-first century.

But these experts come from the giant oil companies, outfits that operate on the profit motive, and this seems to horrify a large group of political leaders and opinion molders in our nation's capital and on the nation's campuses. They would rather shake their fists at the oil giants.

A case in point was committed by my good friend and highly respected and admired colleague, Jack Anderson, who a few days ago accused the big oil companies of engaging in a "multibillion dollar ripoff" of the American public which, he said, one Energy Department official called the "largest criminal conspiracy in U.S. history."

He said the "moguls" had evaded the government's price controls on oil by representing "old" oil at $5 per barrel as "new" oil which sold for $12 per barrel.

The oil actually never changed hands, Jack reported, but by passing it back and forth on paper, "American consumers were taken for a ride that cost them billions of dollars."

Well, we checked with the Energy Department and the big oil companies and this is the picture painted by them.

The Department of Energy is, indeed, investigating some oil companies suspected of this daisy chain subterfuge. The violators, however, are not the oil giants, but instead are small operators and refiners who frequently buy their oil from the big companies.

The giant companies are publicly owned and must account for just about every dollar appearing on their books. Not only does the Securities and Exchange Commission ride herd on them, but so do their own auditors—outsiders, who must certify the accuracy of their bookkeeping.

More than that, the big companies can afford to hire armies of lawyers to interpret the new laws governing price controls for oil and natural gas.

The small outfits can't afford such legal talent and interpret the laws as best they can, but lacking any precedent, no doubt come up with interpretations that are to their advantage.

Moreover, oil companies these days have a very cynical attitude about the whole thing. The legal eagles in the Department of Energy and Justice Department seem to have the same attitude about "bigness" as Jack Anderson does. Officials of the oil companies are quite certain that next year at this time the government's lawyers will be around, challenging the expensive interpretations that have been made by their lawyers. As of now, of course, there isn't even anything in the Federal Register to guide them.

They also wonder why they are the only industry in the country to have government price controls.

It is price controls that inhibit the further exploration for oil within our continental limits, even though the major companies have been willing to go ahead and drill dry holes in the Baltimore canyon on the Atlantic coastal shelf.

What the government wants is for domestic oil companies to search for, recover, refine and market oil in this country and sell it below world prices, while buying nearly 50 percent of our oil from foreign sources at the world price.

It just doesn't make sense. A kindergarten class would be expected to come up with a better oil policy.

Our government's immature attitude extends across our borders. Recent discoveries in Mexico lead experts to believe the world's largest oil reserves may be located there, perhaps 160 billion barrels or more.

That is enough to make Mexico the leading oil producer in the world, bigger even than Saudi Arabia. President Jose Lopez Portillo has announced that Mexico will not join the OPEC nations in their cartel, but will do its own shopping around for high bidders.

This horrifies administration officials who somehow feel that "good neighbor" Mexico should sell us oil and natural gas at a cut rate, just as domestic producers are forced to do.

That simply won't happen, of course, so here we are, left with a strong, firm policy about prices—but no oil.

For the sake of that "strong, firm policy on prices," President Carter just about ruined our chances for doing business with Mexico last year when he canceled a contract that six U.S. firms had negotiated to buy natural gas.

Carter thought the deal would undercut the energy legislation he was pushing through Congress—the legislation setting the price controls on oil.

HUMAN LIFE AMENDMENT TO CONSTITUTION

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ST GERMAIN. Mr. Speaker, today I am introducing a human life amendment to the Constitution of the United States. It is my belief that passing such an amendment is the only way we can effectively guarantee the right to life to all persons in the United States born or unborn.

It is also my belief that this amendment reflects the will of the majority of the American people. The national pro-life demonstration making the 6th anniversary of the 1973 Supreme Court ruling denying the protection of life to the unborn will take place here in Washington on Monday, January 22, 1979. This will give us all an opportunity to experience first hand the intensity of public sentiment on this issue.

I urge my colleagues to take the feelings of the American people into consideration and to actively support my amendment to restore legal protection to the lives of our unborn children.●

THE BATTLE OF BEIRUT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, "The Back to God Hour" is a featured program broadcast internationally by the Christian Reformed Church, including coverage in the Arabic language.

Rev. Bassam Madany is Minister of Arabic Broadcasting for the Christian Reformed Church's "Back to God Hour." He and his wife were guest editorialists in the November 10, 1978, Christian Banner. I insert this very timely commentary for the attention of the Members:

[From the Christian Banner, Nov. 10, 1978]

THE BATTLE OF BEIRUT

We have been hearing a lot about "human rights" lately. Most of us have had some concern for the fate of those Soviet citizens who have dared to challenge their state. But somehow, even though we live in a free world we seem to be unwilling to take an active role in denouncing wholesale destruction of life in other lands. For example, taking a good look at this century we know now what happened to the Armenian population in Turkey, the Jews in Germany and in the immediate present, the population of Cambodia. One fervently hopes that genocides are not always inevitable and something you look back at with feelings of horror and guilt. Listen to the news and consider whether it isn't time for us to be more concerned about the rights of the Lebanese Christians.

In a review of "The Holocaust," presently being televised in Israel, Phillip Gillon writes in the Jerusalem Post: "At one stage in Wednesday night's episode, the Nazi Dorf learns a horrifying truth: after you have killed one, it is easier to kill ten; after you have killed ten, it is easier to kill a hundred; after you have killed a hundred, it is easier to kill a thousand. . . ."

One recognizes the difficulty of pleading for the well-being of any Christian group living in any Muslim country. Internal affairs are not considered to be the concern of other nations. As far as the Muslims are concerned the problem either does not, or soon will not, exist. On top of this there is the economic power which some Arab nations now yield because of their oil riches, leaving little room for "action" on the part of the Western world.

Will Lebanon be considered expendable as a free country? Christians everywhere ought to be concerned. Look at what happened to Cyprus. In July of 1974 that island was invaded by the Turkish Army using NATO supplied arms (paid for by the American taxpayer) and two hundred thousand Greek Cypriots were made homeless overnight! Recently the U.S. Senate, strongly urged by the President, voted to lift the arms embargo on Turkey! This, we are told, was necessary for the security of the Western world. Similarly, in August Congress voted to freeze the planned $90 million aid slated for Syria, as a mark of disapproval of her actions in Lebanon. But in the last week of September the administration twisted the arm of Congress to release the funds.

The destruction of Lebanon is not being swift and sudden. Rather the opposite. The relentless pounding of the Christian suburbs of Beirut and various Christian villages is being reported to us daily. Each morning when we listen to the news we hear that some of the "heaviest" fighting thus far has occurred that previous night. Thus we become the onlookers at an ongoing tragedy. The Syrian "peace-keeping" forces, have turned their heavy artillery on civilian targets. Not only that, they are participating in acts of brigandry which hark back to the 1800s. There is methodical looting to accompany the killing.

To understand the full pathos of these days one needs to have an appreciation of the recent history of Lebanon. The Lebanese who have survived the civil war of 1975–78 are the children and grandchildren of the Lebanese who barely survived the ravages of a famine in 1914. And in the memory of most Lebanese families, besides that famine there is a history, which seems to be repeating itself, of dreadful massacres in the 1850s. Is it any wonder then that they cling to their land when it has been bought so dearly. The Lebanese have a passionate love for their truly beautiful mountain—Lebanon is just that—a mountain range along the eastern shore of the equally beautiful Mediterranean. It is sad to hear that thousands are lining up for their immigration papers, for they cannot face this slow death which is pounding away at them every night. And it is even sadder to realize that those who are dying now had probably nowhere to go in the free world.

The Washington Post in a lead editorial September 10, 1978, entitled "Brutal Problems in Lebanon" said this:

> "It is the very real prospect—or so many Christians fear—that the Christian community, which has flourished in the open and pluralistic Lebanese society for centuries, will be institutionally and even physically destroyed by Moslem Arab forces led by Syria. New reports say that Syrian 'peace-keeping' forces are currently killing Christian civilians by the hundreds north of Beirut. That Damascus can claim provocation does not alter the fact that, in upcountry Christian areas, the Syrian army is dominant and its victims are beyond the protection available to Christians near the Israeli frontier."

Charles Malek, the senior statesman of Lebanon, observed in a painfully moving way: "The Christians might be receiving greater international sympathy if they were a rare species in ecological danger."

Silence becomes a guilty weight. Public opinion still has some power. We have had such close ties with this small country. Ever since the 1800s America has been linked to Lebanon with a phenomenally large number of missionaries, a tremendous network of schools, orphanages, hospitals, and other institutions. The American University of Beirut and its hospital have made a name for themselves in the whole Middle East. As one of their staff remarked, it is still the only "sane" place in an insane environment.

Thanks to the presence of this core of Christians, Lebanon achieved a Western type democratic regime which for some years was a success. The power of the government was balanced between the Maronite Christians, the Sunni Muslim, and the Shiite Muslim. This arrangement worked well until it became obvious that the Muslim population was increasing at a much greater rate than the Christian. The Muslims wanted a bigger share in the government. The first explosion took place in 1958 and pointed toward the growing cleavage between the two communities in Lebanon. At that time the United States played a major role in bringing peace back to the country.

Then came the emergence of the strong Palestinian refugee population, predominantly Muslim and desirous of a voice in the foreign affairs of the country. Friction between Christians and Muslims erupted in the war which began April, 1975, and which to this date has not come to an end even though the protagonists have changed. The Christians in an exhausted state are on their second round.

The Christians of Lebanon, and especially the Maronites who form the majority of the Christian population knew that to give more power to the Muslims would be to lose their free democratic country. It would be a vote for the eventual dissolution of those structures within Lebanon which made it a haven for all the persecuted minorities and political dissidents of the entire Arab world, both Christian and Muslim. Their assessment of their situation is not made in the comfort of a Western academic institution, but from within a small land which is suffering terribly. Most of all, the refusal of the Christians to share more power and responsibility with the Muslims was due to the fact that almost every Arab country which achieved independence since the end of the second World War has succumbed to totalitarian regimes. The Christians of Lebanon were convinced, rightly or wrongly, that Lebanon's fate would be the same should the reins of government be handed over to the Muslims. It is difficult for an American to realize what it is like to exist as a second class citizen in your own land.

The full account of what has happened to Lebanon will never be known. What appears in our daily newspapers, and what we see on TV, and what is reported over the radio is hardly adequate to describe the horrible war which is being waged against a civilian population by a Soviet-equipped army. To bring it into a more personal perspective let this Lebanese refugee speak to you from his temporary refuge, a hotel room in Jiddah, Saudi Arabia:

"I have just heard from my brother who lives in Ain Rummana and he has given me the latest terrible news. The Syrian bombardment of our suburb of Beirut has been relentless. All my people are suffering. I have six brothers and they have all had to leave Lebanon and become refugees in the Middle East. One of them who lived in the suburban town of Hadath lost his home when it was demolished by shelling. Two of my young relatives have been hit: one is totally paralyzed and the other is dying from his wounds.

"As for myself, I used to own my own business prior to 1975. I worked hard and built myself a house and had my own car. But I have lost everything as a result of the war. It is hard for me to stay in this country—emotionally. I would like to start all over again in a free country."

Lebanon as a refuge has gone. Is there anything which can be done for this suffering nation? Public opinion still has power. Let's use it while we still have freedom.●

A CONGRESSIONAL VETO OF BUREAUCRATIC RULES IS NEEDED—WHO MAKES THE LAWS ANYWAY?

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LEVITAS. Mr. Speaker, our Government belongs to the people of this country. It should not oppress them. It should serve them. It should be responsive to them. The people who make the laws and regulations that govern their lives should be accountable to the American people. In recent years, this Government has not always acted in this fashion.

In an effort to help our Government return to its proper role, I am introducing legislation which would begin to restore to the people a measure of control over executive and independent agency rulemaking, because the rules spewing forth from these unelected bureaucracies are a major cause of the problem.

It is a problem of rampant government. It is a problem of cynicism of Americans about government because of that type of unaccountable and unresponsive and unelected government.

Embodied in the principles of the Magna Carta, the Declaration of Independence, the Constitution, and its Bill of Rights is the basic tenet that government must be by the consent of the governed and that the process of law is fundamental and essential. Would any American citizen seriously argue that a person should be deprived of liberty or property under decrees which no elected official has participated in promulgating? Yet today the fact is that vastly more rules are made by the decree of the unelected bureaucracy than by the elected Members of Congress. In most instances a consequence of violating these administrative rules is imprisonment or fine or both.

If you ask the man on the street who makes the laws in this country, he would likely tell you that Congress does. But, he would be wrong, because more edicts regulating his life are promulgated by unelected bureaucrats than are passed by the elected Congress. An administrative rule is, in effect, a law. It has the same force and effect as a law. A person can go to jail, in many instances, for violating an administrative, bureaucratic rule just the same as if he had violated an act of Congress.

One has only to glance at the daily Federal Register to realize that executive and independent agencies have evolved into a fourth branch of Government with hosts of regulations which carry the force of law without legislative consideration. While it may be true that Congress has previously given—or abandoned—to the bureaucracy the power to enact these administrative laws, that does not justify continuing this practice.

There is definitely a need to have administrative rulemaking to fill the gaps between the broad principles embodied in acts of Congress, but this does not mean that Congress should leave it to civil servants or appointed officials to pass thousands upon thousands of far-reaching rules that can put citizens in jeopardy of losing liberty or property without having anyone elected by the people or answerable to them involved in the process.

The bill which I am introducing will give the public, through their elected representatives, an input into and a control over the rules which govern their lives by means of a legislative, or congressional, veto procedure for administrative rules and regulations. This bill will help cut down on bureaucratic red-tape, reduce the regulatory outpouring from Federal agencies, and make the rules that are adopted more reasonable.

Congressional veto of administrative rules and regulations is not a new idea. The House of Representatives particularly has shown strong support for this concept. In the 94th Congress, the House Judiciary Committee reported a bill applying congressional veto of administrative rules and regulations across the board. This bill was debated on the floor under suspension of the rules near the end of the session. Unfortunately, it failed by two votes to receive the necessary two-thirds vote for passage. However, the strong vote in favor, 265 to 135, clearly demonstrates the support of the House. That support was bipartisan with 165 Democrats and 100 Republicans, including liberals, moderates, and conservatives, joining in voting for this bill.

In the 95th Congress, no comprehensive bill was reported for consideration by the House. However, 186 Members of the House cosponsored my bill providing for congressional veto of administrative rules and regulations, and significant votes were taken on the issue. On at least five separate occasions, congressional veto amendments patterned after the comprehensive bill were approved on the House floor to various agency or program authorizations such as HUD, FTC, and the FIFRA program. In addition, similar amendments were often offered during committee and subcommittee consideration of legislation, such as the Department of Education Organization Act and the Surface Transportation Assistance Act.

The most noteworthy votes on this issue were taken on the FTC conference report. Although the House passed an amendment providing for congressional veto of FTC regulations by a 2 to 1 vote, 272 to 139, the Senate refused to accept this provision in conference. On two separate occasions, the House voted to reject the FTC conference report because it did not contain a congressional veto of FTC regulations. The first vote was 146 to 255; the second vote was 175 to 214. That two-time rejection of the conference report constituted unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform.

I am reintroducing today comprehensive legislation to provide for congressional veto of administrative rules and regulations. This bill is identical to the one reported by the House Judiciary Committee in 1976. Congressional veto of administrative rules and regulations provides an ongoing procedure whereby Congress may review and reject agency actions—a mechanism that is necessary to insure that the principles upon which our country was founded are upheld.

The procedure set forth in this bill provides that whenever a rule or regulation is adopted under the Administrative Procedures Act, it will be referred to Congress for 60 days before it becomes effective. If during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed. While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses of Congress could participate in the process, the principle of bicameralism is respected.

My proposal provides for an expedited procedure for bringing such resolutions to the floor of the House or Senate modeled after the procedures used for consideration of Presidential rescission and deferral messages. In addition, it contains a retroactive provision which will allow either House of Congress to review regulations previously adopted and, if necessary, refer them back to the administrative agency for reconsideration and promulgation under the procedures of congressional veto.

Legislative review of executive actions is not a startling new proposal. There is ample precedent for such action in both Federal and State law. Since 1932, approximately 159 different acts of Congress with 214 separate provisions mandating some sort of congressional approval or disapproval of executive implementation of those laws, have been passed. Thirty-four States have on their books laws which provide for legislative review and/or veto of administrative rules and regulations. Even in the last Congress, President Carter signed into law 38 bills containing congressional approval or disapproval provisions or amendments to such provisions previously enacted. Section 1013 of Jefferson's Manual for the 95th Congress lists the many laws providing various procedures whereby Congress has reserved to itself the right to review, by approval or disapproval, certain actions of the executive branch or independent agencies and, in one case, the rules of evidence recommended by the Supreme Court.

Congress has not only repeatedly provided for congressional veto of administrative rules and regulations, but has exercised that power. For example, both the House and Senate have exercised one-House vetoes of regulations promulgated by the General Services Administration pursuant to the Presidential Recordings and Materials Preservation Act.

Congressional veto of administrative rules and regulations addresses a central and most serious question: Who makes the laws in this country? Is it the elected Congress or the unelected bureaucrats who rule by administrative fiat?

Time and time again, the administrative agencies have usurped the authority of Congress through their quasi-legislative process of rulemaking. We have seen our legislative efforts frustrated or distorted when the implementing rules and regulations are published. The administrative agencies have oftentimes promulgated rules which are oppressive, arbitrary or go clearly beyond the intent of Congress in passing the enabling act. Once that pithy little clause, "The Secretary shall have the power to promulgate regulations . . .", it is your guess and mine how far the administrative agency will go or, indeed, how lenient it will be.

What has resulted is a citizenry that is becoming increasingly cynical, frustrated and angry with their Government. If we look just at the sheer number of regulations promulgated within a year, we can understand the extent of their anger. In 1977, the Federal Register had 65,603 pages, up 8.5 percent from the previous year. In any one year, the bureaucracy adopts about 9,000 regulations. Congress, on the other hand, passes about 600 laws. It becomes clear who is running the lives and schools and local governments and businesses of the citizens of this country—unelected bureaucrats, not elected representatives.

The means of recourse presently available to our citizens are limited. Judicial review is a costly process prohibitive to the average citizen when a decision may be put off for years and particularly when the scope of judicial review is circumscribed. The nature of judicial review is not only limited and expensive, it is always ex post facto, and all presumptions favor the agency rule. A mere scintilla of supporting evidence can justify a rule in court even in face of overwhelming evidence to the contrary. This point is illustrated by a Supreme Court decision of a year or so ago in Union Electric Co. against EPA that held the economic and technological infeasibility of regulations cannot even be considered in judicial determinations.

While the administrative comment period theoretically does afford the citizen the opportunity to express his views on a proposed regulation, it does not require the agency to take serious note of the comments submitted. Moreover, unless the average citizen reads the Federal Register daily, which would not make him an average citizen, the comment period is likely to go by without his knowing about the rule until it becomes effective.

Remedying legislation can be, and oftentimes, is introduced, but we know too well that this is a cumbersome and time-consuming process which is not adequate to repeal or change administrative rules. Also, why should the full mechanism of enacting a law be required to reject mere agency rules? Greater oversight, stricter standards for the appointment of Cabinet members, agency chairmen and commissioners, and greater reliance on the authorization and appropriations process are additional tools available to Congress to control executive and independent agencies in general. But, these mechanisms are also not adequate to address the problem a particular regulation may present. They are not targeted, and their remedies are ex post facto—after the damage has been inflicted on the public. Congressional veto of administrative rules and regulations would prevent the damage.

Congressional veto of administrative rules and regulations would have a twofold effect. It would make the administrative agencies more responsive to the public and to congressional intent by establishing the unquestioned realization in each agency that they cannot promulgate regulations with impunity. They will know that Congress is paying attention to what they are doing, looking over their shoulders, and can take action if they go off on the wrong track. It is axiomatic that we will see more carefully drafted regulations, as well as more attention being paid to the views of citizens during the comment period. In short, the main benefit of the congressional veto is that it exists. Its very existence will sensitize the bureaucracy and make it more responsive.

It would also force Congress to draft legislation more carefully and to spell out its intent more clearly. Congress is far too lax in delegating authority broadly and without guidelines to administrative agencies. When hard decisions have to be made, we pass the buck with vaguely worded statutes. Who can or should vote against safe cars, clean air, or nondiscrimination? But when the implementing regulations are published loading cars up with expensive equipment of little benefit, or EPA imposes a parking ban on cities, or EEOC refuses to let a police department ask potential employees if they have a criminal record, the actual benefits of safe cars, clear air, or nondiscrimination is called into question. If we realize that we have the ultimate responsibility for the administrative rules that flow from these enabling acts, we will be more careful.

Moreover, the public will have a larger voice in the rulemaking process. Access to Congressmen and Senators is far easier than access to anonymous, faceless bureaucrats. Most Federal administrators are hardworking, dedicated, and talented people who do their job and serve the public faithfully and well. Some few, however, are zealots who in some elitist way think they—not the people or the elected Congress—run the country. The purpose of a congressional veto is to deal with this problem and to see that the public is given an input, through their elected representatives, in the promulgation of administrative rules. That is why so many organizations and individual citizens support this idea—because it gives them a say-so in the rules that run their lives. It provides a remedy to the citizens of this country for us, as their elected representatives, to say when the bureaucracy has gone too far, perverted the intent of Congress and promulgated arbitrary and oppressive regulations.

To say that Congress has neither the time nor the resources to review administrative rules and regulations is begging the question. These rules and regulations can be as far-reaching in effect as laws, and we cannot shirk our responsibility and let them go by without scrutiny simply because they are not called such. Some of the bills we consider are not as significant in effect as the regulations we ignore because they are called regulations. In the 95th Congress, approximately 18,000 bills were introduced for consideration. This amounted to almost twice the number of rules and regulations promulgated. Only those bills and resolutions which were important and necessary were considered in committee and eventually received attention by Congress. Such would be the case with congressional veto of administrative regulations.

In addition, committees already have a review and investigations subcommittee with the responsibility of monitoring a particular function of the bureaucracy. The staffs of these, and other legislative subcommittees review the activities of the Federal agencies every day, as well as review the regulations promulgated by the agencies. The problem is they cannot really do anything about the bad regulations. Congressional veto will be an asset to oversight activities in that it will help the committee staff to focus on problem areas without allowing the administrative excess or abuse to continue while long-range oversight activities get underway. It will not necessarily add to staff size, but it will make them function more effectively. If any minor additional costs are incurred, though it is unlikely, they will be well worth it. It will overwhelmingly save the public millions or even billions of dollars resulting from oppressive regulations.

It is interesting to note that one of the specific grievances enumerated against King George to justify American independence and revolution as penned in the Declaration of Independence was:

He (King George) has erected a multitude of new Offices, and sent hither swarms of officers to harass our people, and eat out their substance.

Legislative veto of administrative rules and regulations is a way to make a start toward restoring to the people those rights for which the Declaration of Independence spoke over 200 years ago. It is our chance to restore to the people their right to govern themselves and to restore their confidence in their own Government. If we truly believe in a system of government by the people, our support of this principle is a way to make our words and beliefs match our votes and our deeds.

My bill cannot be termed liberal or conservative; it crosses ideological lines. Indeed, the nearly 200 Members of the House who joined me in cosponsoring my bill in both the 94th and 95th Congresses came from all across the political spectrum. I commend this bill to my colleagues in the 96th Congress and hope for a united front in reclaiming for ourselves and our citizens the right of rule by the people and not by bureaucracy.●

WORLD PRESS SENSES NEEDS IN U.S. POLICY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SIMON. Mr. Speaker, Atlas World Press Review of January 1979 has a survey it made of 20 of the world's leading editors from outside the United States. These are editors from Johannesburg, Calcutta, Buenos Aires, London, Paris, Hamburg, Milan, Sao Paulo, Montreal, Tokyo, Vienna, Rio de Janeiro, Melbourne, Toronto, Brussels, Hong Kong, Bombay, New Delhi, and Munich.

Three of the questions are particularly of interest.

When asked whether the energy legislation recently passed by Congress provided an adequate curb on oil imports, only 1 editor said yes and 19 said no.

On another question editors were asked about President Carter's economic policies and 17 described them as too weak or uncertain, 3 thought they had gone as far as the United States could be expected to go and none thought they had been stronger than expected.

On the question of whether increased aid to less developed countries from the industrialized nations is vital to stabilizing world economy, 13 editors said yes, 7 said no.

I am inserting the full survey in the RECORD at this point for the information of my colleagues:

WORLD EDITORS' VIEWS

(Following are the responses of twenty editors and economic writers from fourteen countries to a survey on the New Year Economic Outlook.)

Compared with the beginning of 1978, prospects for the world economy are—

a. More hopeful: No, 7; percentage, 35.
b. Less hopeful: No, 3; percentage, 15.
c. About the same: No, 10; percentage 50.

Do you foresee an international economic recession or depression in the next five years?

Yes, 8; percentage, 40.
No, 10; percentage, 50.
No opinion, 2; percentage 10.

The following are thought to be major negative influences on the world economy. Please rank them in the order of importance. (Composite scores follow.)

a. Inflation, 156.
b. Instability of the dollar, 148.
c. Decline of free trade in favor of "protectionism", 134.
d. Uncertainty about OPEC oil prices and supplies, 114.
e. Unemployment in the developed nations, 113.
f. The effect of OPEC's "unspendable surpluses", 66.
g. The international level of spending on armaments, 63.
h. Population growth, 58.
i. Other, 19.

Does energy legislation recently passed by the U.S. Congress promise enough of a curb on oil imports to gradually restore confidence in the dollar?

Yes, 1; percentage, 5.
No, 19; percentage, 95.

President Carter's economic policies have—

a. Been too weak or uncertain to promote economic stability: No, 17; percentage, 85.
b. Gone as far as the U.S. could be expected to go: No, 3; percentage, 15.
c. Been stronger than expected: No, 0; percentage, 0.

Should the U.S. dollar be replaced as the medium of international exchange by another unit or system of monetary value?

Yes, 5; percentage, 25.
No, 14; percentage, 70.
No opinion, 1; percentage, 5.

In 1979 employment in the U.S. and Western Europe can be expected to—

a. Increase to meet a demand for greater production: No, 3; percentage, 15.
b. Decrease because of the competition of products from other regions: No, 2; percentage, 10.
c. Decrease because of further technological advances: No, 3; percentage, 15.
d. Level off: No, 7; percentage, 35.
e. Change for other reasons: No, 2; percentage, 10.
f. No opinion: No, 3; percentage, 15.

Can "hardcore" unemployment be appreciably reduced in the industrialized nations?

Yes, 6; percentage, 30.
No, 14; percentage, 70.

Is increased aid to less-developed countries from the industrialized nations vital to stabilizing the world economy?

Yes, 13; percentage, 65.
No, 7; percentage, 35.

In 1977 the Soviet Union's growth rate and heavy industrial production lagged. How do you rate its economy in general?

a. Improving: No, 0; percentage, 0.
b. Holding its own: No, 11; percentage, 55.
c. Declining: No, 6; percentage, 30.
d. No opinion: No, 3; percentage, 15.

Do Marxist predictions that capitalism is doomed by its contradictions appear to be coming true?

Yes, 3; percentage, 15.
No, 15; percentage, 75.
No opinion, 2; percentage, 10.

Note: Composite scores are determined by weighting in proportion to the number of choices available: first place out of ten choice receives 10 points, second 9, etc.●

THE HUMANE METHODS OF RESEARCH ACT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DRINAN. Mr. Speaker, on January 15, 1979, I introduced H.R. 282, the Humane Methods of Research Act, for the purpose of promoting the development of methods of research, experimentation and testing that would minimize the use and suffering of animals.

Clearly, the time has come for a thorough examination by the Congress of our growing reliance upon federally funded and/or mandated toxicological and other research using millions of animals of many species each year.

I commend to my colleague a meticulously researched article on this issue in the New York Times magazine of December 31, 1978, "New Debate Over Experimenting With Animals," by journalist Patricia Curtis. An excerpt follows:

NEW DEBATE OVER EXPERIMENTING WITH ANIMALS

(By Patricia Curtis)

American researchers sacrifice approximately 64 million animals annually. Some

400,000 dogs, 200,000 cats, 33,000 apes and monkeys, thousands of horses, ponies, calves, sheep, goats and pigs, and millions of rabbits, hamsters, guinea pigs, birds, rats and mice are used every year in experiments that often involve intense suffering. The research establishment has generally insisted that live animals provide the only reliable tests for drugs, chemicals and cosmetics that will be used by people. Researchers also believe that animal experiments are necessary in the search for cures for human illnesses and defects. There is no question that many important medical discoveries, from polio vaccine to the physiology of the stress response, have indeed been made through the use of animals. Thus universities, medical and scientific institutions, pharmaceutical companies, cosmetics manufacturers and the military have always taken for granted their right to use animals in almost any way they see fit.

But increasing numbers of scientists are beginning to ask themselves some hard ethical questions and to re-evaluate their routine use of painful testing tools such as electric shock, stomach tubes, hot plates, restraining boxes and radiation devices. A new debate has arisen over whether all such experiments are worth the suffering they entail.

Strongly opposing curtailment of animal experimentation are groups such as the National Society for Medical Research, which insists that any such reduction would jeopardize public safety and scientific progress. The N.S.M.R. was formed to resist what it considers the threat of Government regulation of animal research and to refute the charges of humane societies. Many scientists, however, although they firmly believe that some animal research is necessary, no longer endorse such an absolutist approach to the issue.

"Some knowledge can be obtained at too high a price," writes British physiologist Dr. D. H. Smyth in his recent book "Alternatives to Animal Experiments.'

"The lives and suffering of animals must surely count for something," says Jeremy J. Stone, director of the Washington-based Federation of American Scientists, which has devoted an entire newsletter to a discussion of the rights of animals.

According to physiologist Dr. F. Barbara Orlans of the National Institutes of Health, "Within the scientific community there's a growing concern for animals that has not yet had a forum." Dr. Orlans is president of the newly formed Scientists' Center for Animal Welfare, which hopes to raise the level of awareness on the part of fellow scientists and the public about avoidable suffering inflicted on lab animals, wildlife and animals raised for meat. "We will try to be a voice of reason. We can perhaps be a link between scientists and the humane organizations," Dr. Orlans explains. "We hope also to provide solid factual data on which animal-protection decisions can be based."

Another link between researchers and humane organizations is a new committee comprising more than 400 doctors and scientists that has been formed by Friends of Animals, a national animal-welfare group. Headed by eight M.D.'s, the committee is making a survey of Federally funded animal-research projects. Friends of Animals hopes that the study will expose not only needless atrocities performed on animals, but also boondoggles involving taxpayers' money.

One reason scientists are no longer so indifferent to the suffering they inflict on animals is the discoveries that science itself has made. We now know that many animals feel, think, reason, communicate, have sophisticated social systems and even, on occasion, behave altruistically toward each other. Communication by sign language with higher primates, demonstrations of the intelligence of dolphins and whales, observations of the complex societies of wolves and other animals, and many other investigations have narrowed the gap between ourselves and the rest of the animal kingdom, making it more difficult to rationalize inhumane experiments. Dr. Dallas Pratt, author of "Painful Experiments on Animals," points out that "among the rats and mice, the computers and oscilloscopes, there is Koko"—referring to the young gorilla whom a California primatologist has taught a working vocabulary of 375 words and concepts in sign language and who has even learned to take snapshots with a Polaroid camera. It's hard not to feel squeamish about subjecting animals to inhumane experiments when they possess almost human intelligence.

The thinking of researchers is also beginning to be affected by the growing movement for animal rights. The rising concern for the welfare of animals is seen by some people as a natural extension of contemporary movements promoting civil rights, women's rights, homosexual rights, human rights and children's rights. Public interest in preserving endangered species is based first on an increasing awareness of the complexity and fragility of ecosystems, and second on the notion, still much debated, that any species of plant or animal, from the lowly snail darter to the blue whale, has the right to continue to exist. From here it is only a short logical step to the belief that animals have the right to exist without suffering unnecessarily.

Animal-rights activities are not merely sentimental dogooders and pet-lovers. They have mounted a philosophical attack on the traditional Western attitude toward animals, branding it as "speciesist" (like racist or sexist), a term derived from the word "speciesim," coined by psychologist and author Dr. Richard Ryder. The Australian philosopher Peter Singer, in his influential 1975 book "Animal Liberation," argued that the "speciesist" rationalization, "Human beings come first," is usually used by people who do nothing for either human or nonhuman animals. And he pointed out the parallels between the oppression of blacks, women and animals: Such oppression is usually rationalized on the grounds that the oppressed group is inferior.

In 1977, when outraged antivivisectionists heard about some highly unpleasant electric-shock and burn experiments conducted on young pigs in Denmark, they wasted no time in pointing out the irony that the tests were being conducted by Amnesty International, the human-rights organization. Amnesty International was attempting to prove that human prisoners could be tortured without leaving any marks, and pigs were used because of the similarity of their skin to ours. (The tests were subsequently discontinued.)

Paradoxically, the public tends to be "speciesist" in its reaction to animal experimentation: For many people, a test is permissible when it inflicts pain on a "lower" animal like a hamster, but not when the victim is a dog. When it was discovered in the summer of 1976 that the American Museum of Natural History was damaging the brains of cats and running painful sex experiments on them, hundreds of people picketed in protest. The museum's Animal Behavior Department defended itself on the grounds that the research was intended to gain a better understanding of human sexual responses. Animal-rights groups scientists among them, were not convinced of the necessity of the tests, which came to an end only when the chief researcher retired. But the protesters made no stir about the pigeons, doves and rats that suffered in the same laboratory.

If United States Army researchers had used guinea pigs instead of beagles when they tried out a poison gas, they probably would not have provoked the public outcry that resulted in the curtailment of their funding in 1974. When a few Avon saleswomen quit their jobs last spring after reading about painful eyemakeup tests the company conducts on rabbits, they did not complain about the thousands of guinea pigs and rats Avon routinely puts to death in acute-toxicity tests.

It is not known whether any single vertebrate species is more or less immune to pain than another. A neat line cannot be drawn across the evolutionary scale dividing the sensitive from the insensitive. Yet the suffering of laboratory rats and mice is regarded as trivial by scientists and the public alike. These rodents have the dubious honor of being our No. 1 experimental animals, composing possibly 75 percent of America's total lab-animal population. As Russell Baker once wrote, "This is no time to be a mouse."

Rats and mice are specifically excluded from a Federal law designed to give some protection to laboratory animals. The Animal Welfare Act, passed in 1966 and amended in 1970, is administered by the Department of Agriculture and covers only about 4 percent of laboratory animals. Animal advocates worked hard for the bill, which sets some standards for the housing of animals in laboratories and at the dealers' facilities from which many of them are obtained. But the law places no restrictions on the kinds of experiments to which animals may be subjected. It does indicate that pain-relieving drugs should be used on the few types of animals it covers—but it includes a loophole so as not to inhibit researchers unduly. If a scientist claims that pain is a necessary part of an experiment, anesthetics or analgesics may be withheld.

One standard test conducted on rats by drug companies is called the "writhing test" because of the agonized way the animals react to irritants injected into their abdomens. Paradoxically, this test assesses the efficacy of pain-killers, which are administered only after the rats show signs of acute suffering.

Equally common are psychological experiments in "learned helplessness" that have been conducted on rats, dogs and other kinds of animals. In some of these tests, caged animals are given painful electric shocks until they learn certain maneuvers to obtain their food. As they become adept at avoiding the shocks, the researchers keep changing the rules so that the animals have to keep learning more and more ways to avoid shocks. Ultimately no way remains to escape, and the animals simply give up and lie on the floors of their cages, passively receiving shock after shock. Researchers have attempted to draw parallels between "learned helplessness" and depression in human beings, but some critics have difficulty perceiving their necessity. "What more are we going to learn about human depression by continuing to produce immobility in animals?" asks former animal experimenter Dr. Roger Ulrich, now a research professor of phychology at Western Michigan University.

Electric shock is widely used on many different kinds of animals in various types of research. In one experiment typical of a series that has been under way since 1966 at the Armed Forces Radiobiology Research Institute in Bethesda, Md., 10 rhesus monkeys were starved for 18 hours and then "encouraged" with electric prods to run rapidly on treadmills. This went on for several weeks before the monkeys were subjected to 4,600 rads of gamma-neutron radiation. Then they were retested on the treadmills for six hours, and subsequently for two hours each day until they died. Mean survival time for the vomiting, incapacitated monkeys was recorded in A.F.F.R.I.'s report as 37 hours. Dogs

have been used in similar experiments, whose purpose is to get an idea of the effects of radiation on human endurance.

Now A.F.P.R.I. and other American research facilities are having to look for new sources of monkeys. In March 1978, the Government of India banned further export of rhesus monkeys to the United States. The native population was dwindling and Prime Minister Morarji R. Desai cited violations of a previous agreement that restricted the use of rhesus monkeys to medical research under humane conditions. "There is no difference between cruelty to animals and cruelty to human beings," the ascetic Prime Minister stated. The International Primate Protection League, a four-year-old watchdog group whose members include many scientists and especially primatologists (Jane Goodall, for one), had spread word in the Indian press that American scientists were using rhesus monkeys in grisly trauma experiments. According to the Primate Protection League, these tests included dipping monkeys in boiling water at the University of Kansas, shooting them in the face with high-powered rifles at the University of Chicago, and slamming them in the stomach with a cannon-impactor traveling at a speed of 70 miles per hour at the University of Michigan.

"I feel justified in stating that fully 80 percent of the experiments involving rhesus monkeys are either unnecessary, represent useless duplication of previous work, or could utilize nonanimal alternatives," wrote Illinois Wesleyan University biologist Dr. John E. McArdle, a specialist in primate functional anatomy, in a letter to Prime Minister Desai, who so far has held firm despite pressure from the American scientific community to rescind the ban. In the meantime, researchers are making do with non-Indian rhesus monkeys and a close relative, the crab-eating macaque.

One of the arguments in favor of animal tests is that under the controlled circumstances of the experimental laboratory they are likely to be objective and consistent. But the results of the same tests conducted on the same kinds of animals often differ from one laboratory to the next. When 25 cooperating companies, including Avon, Revlon and American Cyanamide, conducted a comprehensive study of eye- and skin-irritation tests using rabbits, the results varied widely. The study concluded that these tests "should not be recommended as standard procedures in any new regulations" because they yielded "unreliable results."

One of these tests, the Draize Ophthalmic Irritancy Test, is used to evaluate the effect upon the eyes of household and aerosol products, shampoos and eye makeup. Rabbits are used because their eyes do not have effective tear glands and thus cannot easily flush away or dissolve irritants. The animals are pinioned in stocks and their eyes are exposed to a substance until inflammation, ulceration or gross damage occurs.

Many investigators concede that the data provided by such experiments are often inconsistent and that the stresses caused by crowded cages, callous treatment, pain and fear can affect animals' metabolisms and thus confuse test results. "Since there is hardly a single organ or biochemical system in the body that is not affected by stress," says Dr. Harold Hillman, a British physiologist, "it is almost certainly the main reason for the wide variation reported among animals on whom painful experiments have been done."

Very often, different species respond differently to substances or situations. The rationale for many animal tests is that they predict human reactions, but thalidomide, for example, did not produce deformities in the fetuses of dogs, cats, monkeys and hamsters. On the other hand, insulin has been proved harmful to rabbits and mice although it saves human lives.

Researchers are becoming increasingly dubious about the efficacy of the LD/50, a test for acute toxicity that consists of force-feeding a group of animals a specific substance until half of them die, ostensibly providing a quantitative measure of how poisonous the substance is. In "Painful Experiments on Animals," Dr. Pratt asks what we learn from forcing hair dye or face powder into a dog or rat through a stomach tube until its internal organs rupture.

In this country, the search for adequate substitutes for laboratory animals was officially launched last summer when the year-old American Fund for Alternatives to Animal Research made its first grant—$12,500 to a biology professor at Whitman College in Walla Walla, Wash. The award to Dr. Earl William Fleck will help finance his development of a test substituting one-celled organisms called tetrahymena for animals in screening substances for teratogens, agents that can cause birth defects. It is expected that the test, if and when perfected, will be cheaper, quicker, more accurate and certainly more humane than putting thousands of pregnant animals to death.

According to veterinarian Thurman Grafton, executive director of the National Society for Medical Research, people who talk about alternatives to animals are creating false hopes. "These new technologies can only be adjuncts to the use of animals," he claims. "While they serve a purpose in furnishing clues as to what direction a type of research might take, you will always ultimately need an intact animal with all its living complications and interchanging biochemical functions to properly assay a drug."

"Not so," says Ethel Thurston, administrator of the American Fund for Alternatives. "Enough progress has already been made to indicate that certain techniques can completely replace animals."

Several of these techniques have been developed over the last five years in Great Britain, where the Lord Dowding Fund for Humane Research has given grants totaling more than $400,000 to dozens of scientists engaged in research aimed at finding experimental substitutes for animals. Dowding is currently financing several developmental studies of the Ames Test, a promising technique invented by a Berkeley biochemistry professor, Dr. Bruce Ames, that uses salmonella bacteria rather than animals to determine the carcinogenic properties of chemicals. (It was the Ames Test that recently revealed the possible carcinogenic dangers of certain hair dyes.) Another Dowding Fund recipient, research physician Dr. John C. Petricciani, now with the Food and Drug Administration, has devised a method of assessing how tumors grow by inoculating the tumor cells into skin from 9-day-old chicken embryos instead of into living animals.

Animal tests are frequently replaced by other methods discovered and developed by scientists like Dr. Ames who are not trying to avoid the use of animals per se but are simply searching for simpler and more cost-efficient ways to achieve their goals. Dr. Hans Stich, a Canadian cancer researcher, for example, has devised a new test for detecting carcinogenicity in chemicals; it uses human cells, takes one week and costs only about $260. The traditional method, using rats and mice, takes three years and costs aproximately $150,000.

In addition to egg embryos, bacteria and simple organisms, possible substitutes for animals include tissue cultures, human and other mammal cells grown in test tubes, and organ banks. Preserved human corneas, for instance, might be used to spare rabbits the agony of the Draize test. Computers could also play a role if researchers used them fully to analyze experimental data, predict the properties of new drugs, and test theoretical data. Computers can even be programmed to simulate living processes. Mechanical models and audio-visual aids can and do substitute for animals as teaching instruments. Simulated human models could provide valid information in car-crash tests.

Last winter, Representative Robert F. Drinan, Democrat of Massachusetts, introduced a bill authorizing the Department of Health, Education and Welfare to fund projects aimed at discovering research methods that would reduce both the numbers of animals used in laboratories and the suffering to which they are subjected.

Meanwhile, medical and military research and an unending stream of new pharmaceutical, cosmetic and household products are resulting in an ever-increasing use of animals in the laboratory.

The most recent and thorough exploration of alternatives is Dr. D. H. Smyth's book "Alternatives to Animal Experiments," which examines every option and weighs its pros and cons. He concludes that there is certainly reason to hope that the numbers of laboratory animals can be drastically reduced, but also warns that it is unlikely a complete phasing out of animal experimentation will happen soon. "By the time we can produce complete alternatives to living tissue," Dr. Smyth writes, "we will not need those alternatives because we will already understand how living tissues work."

Still, Dr. Smyth asks, "Does this mean we can perpetrate any cruelty on animals to satisfy scientific curiosity in the hope that it will one day be useful? To me it certainly does not. . . . Everyone has a right to decide that certain procedures are unacceptable."

Richard Ryder calls animal experimenters to task for trying to have it both ways: Researchers defend their work scientifically on the basis of the *similarities* between human beings and animals, but defend it morally on the basis of the *differences*.

And there's the rub: The differences aren't as reassuringly clear-cut as they once were. We now know that some animals have a more highly developed intelligence than some human beings—infants, for example, or the retarded and the senile, Dr. Ryder asks. "If we were to be discovered by some more intelligent creatures in the universe, would they be justified in experimenting on us?" ●

NO ONE CONTROLS THE BUREAUCRACY!

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LEVITAS. Mr. Speaker, I have long said that the Congress of the United States, the elected legislators, should be the ones passing the laws, and I have long lamented the fact that in all too many cases, it is the independent agencies and executive branch departments who are promulgating regulation after regulation which becomes law—the bureaucrats in these agencies and departments are not elected by anyone.

In order to control this legislative power of unelected bureaucrats, I have sponsored legislation to allow Congress to veto regulations which are arbitrary, outside the intent of the law, silly or unnecessary. I have been successful in attracting many cosponsors to this legislation, even to the point of defeating the authorization for the Federal Trade Commission when the Senate refused to

concede to the House-passed language requiring a legislative veto over FTC regulations.

Successive administrations have opposed such legislation based on the argument that it would detract from the President's ability to execute the laws. The President, we have been told, will take those actions necessary to protect us from silly, arbitrary, bureaucratic rules and regulations.

Well, it is just not so.

Now we are being told that the President cannot interfere with the regulations promulgated by those very departments which he heads. The argument is being made that the President is powerless to control his own bureaucracy.

I would suggest that the Members read the article from the January 17, 1979 issue of the New York Times in which these arguments are stated.

If the Congress is unable to step in and make sure that rules with the force of law are reasonable, and the President is unable to take action to insure the reasonableness of Government regulations, who is going to do it?

The article follows:

BATTLE INTENSIFIES OVER AUTHORITY OF PRESIDENT TO CONTROL AGENCIES

(By Martin Tolchin)

WASHINGTON.—President Carter's fight to control inflation is intensifying a constitutional conflict between his authority to develop national policies and Congress's power to mandate the independence of Government regulators.

In a direct challenge to the President's authority several environmentalist groups have brought a Federal court action asking that White House economic advisers be prohibited from interfering with the Interior Department's formulation of strip-mining regulations. The enforcement of the regulations was delayed for six months last week after the economic advisers expressed fears that they might be inflationary.

In recent years, Congress, suspicious of past Presidential abuses, has given no fewer than 60 agencies in the executive branch the authority to issue regulations on specific and distinct areas without reference to broader concerns. The mandates include authority to clean up the air and water, protect consumers and improve workplace health and safety, all of which affect Presidential concerns such as inflation, the energy gap and economic growth.

THE WHITE HOUSE VIEW

The powers of such long-time regulatory agencies as the Interstate Commerce Commission and the Federal Communications Commission, whose independence from Presidential intervention is well established, are not in dispute.

But the White House does challenge the theory that executive branch agencies should perform their new regulatory functions without Presidential direction. It contends that the President's power to appoint and dismiss Cabinet officers carries an implicit authority to direct the agencies' actions.

Critics, mainly single-interest groups that have fought to get regulations through Congress, maintain that Congress intended that these Cabinet officers exercise their regulatory powers without Presidential interference and took steps to protect them.

One such step was a Congressional mandate that the agencies, in formulating regulations, keep the process open to public scrutiny by giving public notice of their actions, holding public hearings and maintaining a public record.

Thus, when President Carter created a Regulatory Council in October to reconcile conflicting regulations and assess their economic impact, critics viewed it as an unwarranted Presidential intrusion into the regulatory process. Another example, in the critics' view, is the President's relaxation of standards established by his Secretary of Labor for maximum levels of cotton dust in textile mills.

The Regulatory Council was the President's answer to the proliferation of single-mission legislation fostered by single-interest groups and entrusted to specific Cabinet officers.

Regulation has become so fragmented that Eckhardt C. Beck, the New York City regional directory of the Environmental Protection Agency, was able to override the objections of the Secretary of Transportation and a Cabinet-level decision and blocked the Westway highway project in Manhattan.

DEVELOPMENTS IN CONTROVERSY

Other developments in the controversy that occurred only last week include the following:

¶At a secret White House meeting that some environmentalists believe violated both the letter and the spirit of the law, Douglas Costle, administrator of the Environmental Protection Agency, discussed forthcoming air quality standards with Alfred E. Kahn, the President's chief inflation fighter, and Charles L. Schultze, chairman of the Council of Economic Advisers.

¶The chairman and ranking Republican member of the Senate Governmental Affairs Committee introduced legislation that would require regulatory agencies to publish the projected costs, benefits and other effects of proposed regulations before the new rules could be issued. The proposal has been endorsed by the President.

Senator Abraham Ribicoff, Democrat of Connecticut, who is chairman of the Governmental Affairs Committee and a former Cabinet officer, sees some merits in the arguments of both supporters and opponents of Presidential intervention.

"A member of the Cabinet is, in the final analysis, an arm and basic agent of the President," the Senator said. "But the President should not act behind closed doors."

The mention of closed doors referred to meetings such as that at the White House involving Mr. Costle, Mr. Kahn and Mr. Schutze.

"We have two rule-makings," said Robert Rauch, a staff lawyer with the private Environmental Defense Fund who is the author of a 40-page memorandum that is considered the definitive case against Presidential intervention. "One is a public rulemaking at which everyone gets his shot, and the other is a private rulemaking that goes on behind closed doors. We feel that's where the decisions are made, and that the courts have cast very serious doubt on the legality of that process.

However, John Harman, legal counsel to the Justice Department, the Administration's leading authority on the regulatory process, says, "Nobody complains about a Secretary consulting with his counsel and his aides or advisers, so why complain about his consulting with the President?"

'IT'S BAD GOVERNMENT'

Both sides argue as much on the basis of public policy as on the basis of law, which is admittedly vague. Similarly, both sides acknowledge the proliferation of single-interest legislation and of regulators charged with conflicting missions.

"It's bad government to give each of these missions to a different agency and tell each of these agencies, 'you go out and get your own mission accomplished and forget about all other missions,'" said Lloyd Cutler, an influenctial Washington lawyer who is an expert on the regulatory agencies. "That will just produce chaos. Let the one person around who is charged with all these missions—the President—balance them out."

Critics of Presidential intervention fear that what they won in the halls of Congress will be lost behind the closed doors of the White House.

"We have a Congress and we have the courts," said Alan Morrison, a visiting professor at Harvard Law School and former director of litigation for Ralph Nader's Public Citizens Litigation Group. "If laws are in conflict, that's where you go. Under my copy of the Constitution, the President is supposed to execute the laws."

"As an overall principle," he continued, "the President's running every department is neither good for him nor good for the country."

In the absence of a judicial precedent, both sides rely on their interpretations of numerous ambiguities of American history, statutes and court decisions.

Supporters of Presidential intervention note that the Constitution vests "the executive power" in the President. "It does not authorize the Congress to distribute some of that power to the President's subordinates free of Presidential control," says a draft report of a study entitled "Federal Regulation: Roads to Reform," by the American Bar Association's Commission on Law and the Economy.

Supporters also warn that if Cabinet officers were truly independent it would violate the constitutional concepts of three branches of government, separation of powers and checks and balances.

MERELY AN EXECUTIVE

Opponents of Presidential intervention note that, from the nation's earliest days, Presidents have recognized that they could not direct all the actions of their Cabinet officers.

Andrew Jackson, for example, was balked by the refusal of two Secretaries of the Treasury, in whom Congress had vested specific powers, to remove deposits from the Second Bank of the United States that Jackson wanted withdrawn.

"A Secretary, sir," said Jackson, "is merely an executive, an agent, a subordinate, and you may say so in self-defense."

To which William J. Duane, the second Secretary, who unlike Jackson had no faith in the State Bank, replied: "In this particular case, Congress confers a discretionary power and requires reasons if I exercise it. Surely this contemplates responsibility on my part."

Jackson removed Duane and announced that he would continue to hire and dismiss Secretaries of the Treasury until he got one who would do his bidding. Roger B. Taney succeeded Duane, and the deposits were removed.

The Jackson era also produced what opponents of Presidential intervention considered the landmark case, Kendall v. Stokes. Amos Kendall, then Postmaster General, had refused to pay Stokes, a postal contractor, for his services. Jackson and Kendall believed Stokes's claim to be fraudulent. Stokes sued Kendall, who argued that he was subject only to the direction and control of the President.

The Supreme Court rejected this argument and told Kendall that he was "asserting a principle which, if carried out in its results, to all cases falling within it, would be clothing the President with a power entirely to control the legislation of Congress, and paralyse the administration of justice."

Supporters of Presidential intervention contend that the Kendall and Duane cases are not applicable because they relate to quasi-judicial functions, which most experts consider protected from Presidential intervention.

A VERY THIN LINE

President Carter has not asserted, for example, his right to intervene in the functions

of the independent regulatory agencies—such as the Interstate Commerce Commission or the Federal Communications Commission—on the ground that they are quasi-judicial. Most experts readily acknowledge, however, that there is often a very thin line between purely regulatory functions and those that are quasi-judicial.

Opponents of Presidential intervention note that President Nixon realized that he lacked the power to dismiss Archibald Cox, the Watergate special prosecutor, whose independence was guaranteed as a result of Congressional pressure. Supporters point out that this, too, was quasi judicial and eventually a judicial matter.

Last year, Congress recast the Federal Power Commission as the Federal Energy Regulatory Commission and placed it in the Energy Department.

"It is interesting to note that the bill, as adopted by the Senate, contained a provision which would have allowed the President to veto commission action in setting the wellhead price of natural gas," said a study by the Senate Committee on Governmental Affairs. "In conference, that provision was deleted."

POSSIBILITY OF A RULING

"In other words, Congress determined that in the important area of price setting, the Commission would act independent of White House review," the study said.

Supporters and opponents of Presidential intervention anticipate several Congressional hearings on the subject this year, and there is a possibility of a court ruling.

The general counsel to one of the agencies lamented, "I just wish this would get straightened out and clarified, so that we knew what to do." ●

THE POLITICS OF DESPAIR, AND WHY SLOW ECONOMIC GROWTH IS NO ANSWER TO INFLATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. KEMP. Mr. Speaker, the administration is telling the American people that recession is inevitable because it is the only real cure for inflation. This is absurd. Equally absurd is the notion that inflation is a cure for recession, as we have painfully learned in the past decade.

"The politics of despair" is how I characterize the economic policies of the administration and its political means to achieve them. I regret that the term is sometimes also applicable to proposed policies of some within my own political party.

The politics of despair are characterized by calls for "national austerity," for "tightening the belt" until it hurts, for slow economic growth. Who is asked to sustain these self-inflicted wounds? The American worker, who has already been in recession for about 10 years. The typical worker's spendable earnings declined 3.4 percent in the last year, and are now lower than 7 years ago. The national press is starting to run advice on "strategies for a slowdown." People are even being told they might learn to like recession. "In fact," editorializes Business Week magazine, "many will regard recession as a healthy thing if it checks the headlong rush of inflation."

How did we get into such a fix? Three days before we adjourned last October, things were actually looking up. We still had problems of unacceptable levels of inflation and unemployment, weak investment, and a shaky dollar. But the Congress had approved measures to help solve these by reducing the tax rate on capital gains and corporate profits to encourage growth and investment. Both Houses had approved a 25-percent reduction in tax rates on personal income, tied to Federal spending restraint. It looked as though we might produce our way out of this mess. Even the stock market was on the way up. What happened? Mr. Speaker, I believe there is a double answer. First, Congress failed in its last 3 days to enact growth-oriented economic policy. It failed in tax policy, it failed to reduce international trade barriers, and it adopted a downright destructive energy bill. Second, the administration has failed to understand what causes inflation and how to stop it. The administration is pursuing policies which range from the irrelevant to the counterproductive, and many believe the debate this year should center not on how to foster economic growth, but who should be hurt by the recession.

CONGRESS AND THE ADMINISTRATION PERMITTING MASSIVE INCREASES IN ECONOMIC DISINCENTIVES

Congress allowed most of the meaningful tax relief which it had approved to be eliminated from its final tax bill under the threat of a Presidential veto. A House-Senate conference committee deleted the Nunn amendment to enact significant reductions in personal income tax rates over 5 years. In fact, the administration and majority leadership announced their backing for enormous tax increases, by rejecting measures to index capital gains and income taxes against inflation-caused automatic tax increases. Also rejected was a delay in imposing massive scheduled increases in the social security payroll tax, which took effect January 1, 1979.

By the time the conference committee was finished, it had produced a bill it called a $12.7 billion tax cut for individuals—which was really a $13.7 billion increase for 1979 alone, because of $26.4 billion in tax increases due to inflation and social security.

Congress also failed to waive countervailing tariff duties which were automatically imposed on January 3, 1979, threatening the current round of tariff reduction talks in Geneva. The energy bill extended regulations in a sweeping manner to the natural gas industry, insuring a future of gas shortages and wasteful overregulation.

All of these amounted to massive increases in disincentives which block economic growth, and the financial world correctly recognized them as such. Beginning the day the conference committee began to demolish the tax bill, the stock market began a sickening decline. The value of the Nation's capital stock, as measured by the New York Stock Exchange, lost $110 billion in the space of 2 weeks.

The stock market acts on the oldest of economic principles: when you tax something, you get less of that thing. When you tax production, capital, work, savings, entrepreneurial activity and excellence, you get less of all of those. Such taxation can be increased explicitly, through legislation like the rise in social security payroll taxes. Or, with our steeply progressive system of tax rates, it can be increased through production, or inflation, or both.

Consider the baker, who, by way of example, is taxed 20 percent on the first loaf of bread he and his employee bake, 40 percent on the second loaf, 60 percent on the third, 80 percent on the fourth, and 100 percent on the fifth, and who, given the level of technology in his economy, is capable of producing only one loaf of bread per day. His objective is clearly to increase his output of bread loaves to increase his income. Under the tax system just described, however, his rewards from pushing forward on the frontiers of baking technology are reduced again and again for each additional loaf that he bakes. When he is at the level of four loaves, or at the margin, the 100-percent tax rate, all incentive to increase his baking productivity is ended. It is ended without any inflation because if the baker were to produce a fifth loaf of bread, it would be taxed entirely away.

Productivity combined with a progressive tax system means higher taxes, and so does inflation combined with a progressive tax system. Inflation, though, acts more swiftly than increased productivity in pushing people into higher tax brackets. Inflation speeds the process of crushing out incentive when the government levies its tax on the nominal value of the bread. If the baker sells one loaf for one paper dollar, and the Government taxes 20 percent of a dollar's income, then the incentive to increase efficiency is removed more quickly than as the Government reduces the value of a dollar.

The combined effect of inflation and progressive taxation has reduced productivity in the last decade, from 3.2 percent a year on the years 1947–67, to 1.6 percent since. These constant disincentives will continue to increase until our economy comes to a standstill, unless Congress restores incentives for work, saving and investment.

THE ADMINISTRATION FAILS TO UNDERSTAND INFLATION

Last October, the Consumer Price Index broke the 200 barrier, meaning that prices had doubled since 1967. The dollar is worth less than 50 cents compared to only 11 years ago. Not surprisingly, the dollar steepened its decline during the same month, both at home and abroad.

On October 24, the President announced an anti-inflation policy predicated on the belief that inflation is a psychological phenomenon—that is, inflation is spontaneously generated by workers and businessmen, and can only be stopped by persuading them to change their habits. "It's like a crowd standing at a football stadium," the President explained, "no one is willing to be the first to sit down." Unfortunately, the result of these measures may be to bring Americans to their knees.

Some of the aims are praiseworthy, such as reducing the Federal payroll by 20,000 through attrition, and reducing

unnecessary and wasteful regulation. The President also pledges to hold the budget deficit for fiscal year 1980 to $30 billion as an example of belt-tightening for Americans. However, the President maintains that this target will require opposing all further tax reduction in the foreseeable future. In other words, the strategy for reducing inflation is for Americans to absorb more real cuts in their spendable incomes. "It's a myth that the Government itself can stop inflation," the President said. "Success or failure of this overall effort will largely be determined by the actions of the private economy."

The centerpiece of the anti-inflation strategy involves the imposition of guidelines permitting no more than 7 percent wage increases and 5.75 price increases. Moreover, the administration announced it would enforce these "voluntary" guidelines with the regulatory might of Federal agencies, with the club of the Federal Government's huge procurement budget, and even with a public enemies' list containing those who do not comply.

Some workers would be encouraged to comply with the wage guidelines through a tax-based incomes policy the administration called real wage insurance. Under the policy, those who absorb real cuts in pay by accepting raises of 7 percent or less would receive tax credits amounting to the differences between 7 percent and any higher inflation rate—up to 10 percent. However, this "insurance" would be taxable, and would apply only to those with incomes below a certain level.

Neither the stock market nor the dollar so much as paused in its accelerating plummet after the announcement of the anti-inflation plan, which was supposed to cure the dollar's weakness at home and abroad. Clearly, the psychological experiment did not work.

INFLATION IS A MONETARY PHENOMENON

What do we mean by inflation?

Treasury Secretary Michael Blumenthal tells us that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways." President Carter, as we have seen, says it is caused by "attitudes and habits." Other officials of the Government use a circular definition to sell the idea of wage and price controls. Inflation, they say, is caused by rising prices and costs. In other words, inflation causes inflation. There is even the excuse that we are simply at the mercy of the gods. One economist from MIT was recently quoted as saying:

> To get a significant improvement in the inflation rate, the United States needs some good luck.

None of this is particularly helpful, or hopeful. There is nothing strange or mysterious about inflation. The cause of inflation remains the same as throughout history: a decline in the value of the currency produced by the Government. Inflation means there is too much money being created compared with the amount of goods being produced. If there are 100 goods in the economy, and $100, the average price of goods is $1. But when the Government increases the supply of money in a year to $110, without more production, the price of goods must rise to $1.10.

To reduce inflation, the Government must restrain the supply of money, and the economy must increase the supply of goods. Inflation is not caused by attitudes or habits, or by unions, or by businesses, or by OPEC oil prices. The Government and the Government alone has control of the value of the currency it produces.

This is why the administration's efforts to control inflation by "jawboning" failed, and why "voluntary" wage and price controls will fail, and why mandatory wage and price controls failed during the Nixon administration.

At best, the "real wage insurance" program will be a redistribution program, from those who increase their production enough to keep up with inflation, to those who do not. Production incentives for work, saving and investment for both types of people will be further reduced, without any favorable impact on the general price level. The problem will remain too much money and too few goods. Inflation could even increase as production falls, if the slowdown is severe enough.

A SUCCESSFUL MONETARY EXPERIMENT

On November 1, the administration launched another experiment which provided a dramatic illustration of the fact that only the Government can control inflation. The slide of the dollar by late October reached such proportions that the Government announced plans for "massive intervention" to support it, after 2 years of what had been called benign or even malign neglect.

The administration said it would support the dollar by raising the discount rate a full point, increase certain dollar reserve requirements, and gather a $30 billion fund of assets for sale to extinguish dollars.

It would be tempting but unfair to recall the opinion of one frustrated Federal Reserve Governor, "we always do the right thing after exhausting the other possibilities." In fact, the new policy was exactly right. The dollar rebounded dramatically and the Dow Jones industrial average leaped 35 points in a single day—an alltime record—on the seventh-largest trading volume in history. Economist Alan Greenspan explained why the markets responded as investors believed they did:

> There was final recognition that the U.S. authorities did not perceive the problem in the way the people outside the U.S. do. The people in Washington feel they have a wage-price problem, and not a money-supply-fiscal problem.

Unfortunately, subsequent events almost immediately threw into doubt whether the administration had in fact learned any such lesson. Treasury Secretary Blumenthal began talking about the dollar intervention as the "one decisive move" which was aimed at turning around the "psychology" of the financial markets But as Arthur Burns once pointed out, "Intervention in itself is not a policy."

It appears that our monetary authorities have been following two conflicting dollar policies at the same time—supporting the dollar abroad by extinguishing dollars, while depreciating the value of the dollar at home by shoveling reserves into the system "creating money." H. C. Wainwright & Co. gave this example of "recent conflicting actions by the Fed and Treasury":

> The decision to increase reserve requirements on large certificates of deposit as part of the dollar defense program decreased the effective monetary base by $3.1 billion for the week ended November 22. But, during that week, the Fed offset most of this policy by purchasing net $2.2 billion of government securities in open market operations. In addition, the Treasury decreased its deposits at the Fed by $1.6 billion. Largely as a result, the monetary base expanded by $700 million—an incredible 30 percent annual rate of growth for the week.

Despite the ambiguity of Federal Reserve and Treasury policy in the past 2 months, the administration itself appeared by mid-December to have settled on a policy—accepting the old and long-discredited notion that there is a tradeoff between inflation and unemployment. And it was clear which way the administration was leaning.

The administration's opposition to economic growth soon brought it into conflict with black and urban leaders. After one particularly stormy session at the White House, Joseph Lowery of the Southern Christian Leadership Conference characterized the difference:

> We are insisting that the President make unemployment a twin priority with anti-inflation.

The administration responded by speaking of the "new realities" in America. These new realities, apparently, are that America is no longer the land of economic opportunity for all Americans.

The administration clearly intends to singleminedly pursue economic slowdown as a policy, even if it should result in recession. "There will be no wavering or waffling," said Treasury Secretary Blumenthal, "We are fully committed. We will persist as long as is necessary to control inflation."

What are we to make of the administration's apparent determination—the logical extension of its belief that American workers and businessmen cause inflation by working and doing business—to punish Americans as part of an "anti-inflation" plan?

Is a tight money policy wrong? On the contrary: the November 1 rally in the financial markets is striking proof that a policy of monetary restraint is exactly what is needed to slow inflation and restore stability. In fact, as long as the supply of money grows faster than the increase in productivity, money is "too loose." Rising interest rates do not cause recession by themselves, as the administration believes. Most of the nominal interest rate a lender charges is a risk-of-inflation premium, based on the fact that a dollar will be worth much less when repaid than when lent. In fact, real interest rates are very low, as evidenced by the consumer boom now in progress. People are going into hock to buy homes and cars because an 11 percent interest rate is not very high when inflation is running at almost 10 percent.

The problem is rather the administration's opposition to increasing incentives

for economic growth, and even to preventing further erosion of incentives due to automatic tax increases. The administration opposes attempts to roll back the social security tax increases and attempts to index tax rates to prevent automatic tax increases as inflation pushes workers into higher brackets. The administration even favors policies which will increase unemployment—such as the 9.4-percent increase in the minimum wage this month—even when they will exceed the administration's 7-percent inflation target.

In effect, the Government says that slowing the growth of money will slow economic growth and "wring out" inflation. But this is not true. Double-digit inflation is caused when the money supply increases from 100 to 112 while the amount of goods rises from 100 to 102. The administration suggests that the answer is to increase the supply of money only from 100 to 110, while the supply of goods remains at 100 or falls to 95. In either case, inflation will remain the same, or increase even in the midst of a recession.

The administration rejects the commonsense notion which is our only choice for avoiding either recession or inflation: restrain monetary growth with a tight money policy at the same time as incentives for economic growth are increased through reduction in tax rates. Only economic growth will increase the tax base and ultimately increase revenues.

Ironically, the argument to support this position is the administration's commitment to its symbolic $30 billion budget deficit. The Government's intent, we recall, is to serve as an example of self-restraint for Americans. As liberal Democrats are fond of pointing out to the administration in disputes over spending, the size of the deficit this year is a drop in the Government's ocean of debt and will have almost no impact on inflation. In fact, even if the deficit narrows by $10 billion this year as planned, Federal borrowing will increase slightly, to $75 billion, because of reduced Treasury balances and off-budget borrowing.

The $30 billion deficit target will be impossible to attain without significant reduction in tax rates. Otherwise, as taxes increase automatically because of inflation and social security tax increases, there will be ever greater barriers to investment, saving and production.

These mushrooming disincentives will further slow the economy and increase unemployment. The Government will have to spend more on social welfare programs, just when the economy is less able to pay for them. Holding the budget deficit to $30 billion, even if it were politically possible, would mean deep cuts in services when they are most needed. We are getting a foretaste of this strategy already in the administration's efforts to reduce social security benefits at the same time as the payroll taxes are being increased by as much as 31 percent.

Only deep and permanent lowering of tax rates will provide the incentives for economic growth which will be able to pay for the "safety net" of social services—while reducing the need for that net to be excessively large.

Mr. Chairman, I am not saying that we should abandon efforts to economize on Federal spending. This is clearly an important goal, and I will propose legislation this year to achieve it. But I do say that it is foolish for half the Congress to spend all year squabbling with the other half of Congress over the size of the deficit, when the issue is how to achieve economic growth.

I want to concentrate on why the structure of Government is discouraging the baker and his employees (capital and labor) from maximizing their production and incomes. Those who take issue with me insist I address myself first of all to what the Government is doing with the income it is taxing away from the baker and the employee. Over and over I am told that before we start encouraging the baker and his employees to expand production, we must reduce the amount of "bread" the Government is spending. This was the policy sold to Republican Presidents in the past, and is now the idea embraced by President Carter.

I am sorry if I disappoint those here who hold to this view, but I continue to reject this illogical approach to economic policy. It makes no sense to me. It is futile as well. The issue of Government spending, important as it is, nevertheless is separate from the question I say we must look at independently. And that question is: Which tax rates are the most efficient in terms of maximizing private production and Government revenues?

As Henry George observed a century ago:

> The mode of taxation is, in fact, quite as important as the amount. As a small burden badly placed may distress a horse that could carry with ease a much larger one properly adjusted, so a people may be impoverished and their power of producing wealth destroyed by taxation which, if levied in another way, could be borne with ease. A tax on date trees, imposed by Mohammed Ali (the original) caused the Egyptian Fellahs (landowners) to cut down their trees. But a tax of twice the amount imposed on the land produced no such result. The tax of 10 percent on all sales imposed by the Duke of Alva, in the Netherlands, would, had it been maintained, have all but stopped exchange, while yielding but little revenue.

As in the past, I will continue to oppose excessive and wasteful Government spending, because ultimately all Government spending must be covered by tax revenues. But I hope it occurs to the administration that the only desirable policy—the only way to avoid a recession and reduce inflation—is to promote real economic growth with tax rate reduction, spending restraint and tight money policy together. In the meantime, Congress must assume national economic leadership or there will be no leadership at all.

AN ANTI-INFLATIONARY ECONOMIC GROWTH AGENDA FOR THE 96TH CONGRESS

The first priority on the agenda for the 96th Congress is clearly an anti-inflationary policy for economic growth.

To offset our ever-increasing rate of inflation, I will again introduce a 30-percent across-the-board reduction in marginal tax rates, phased in over the next 4 years. The rate reduction is needed, now more than ever, both to offset the years of inflation we have experienced, and the years of inflation we can expect to experience under current monetary policy. To strengthen our tax-cutting efforts, the 30-percent reduction in tax rates will be followed by a proposal to index personal rate brackets in order to further protect workers from future inflation.

A new feature of this year's Kemp-Roth package will be a companion resolution to limit the growth of Federal spending and reduce the Federal share of gross national product. As lower rates expand productivity and the tax base, while the growth of spending is restrained, the economy will "grow out from under" the burden of Government spending. Under the spending measure, the Federal share of GNP would decline to 21 percent in fiscal year 1980, 20 percent in fiscal year 1981, 19 percent in fiscal year 1982, and 18 percent in fiscal year 1983.

I will also continue to support the efforts of those who are trying to put incentives back into our economy, efforts such as proposals to index capital gains. I am also in favor of proposals to establish a uniform system of replacement cost accounting in our tax code as a means of indexing our capital stock to protect against inflation. And as an overall objective, I will support efforts to cut personal income tax rates by the late 1980's to 25 or 30 percent at the high end of the bracket spectrum, and 5 percent on the low end of the spectrum.

In addition, I will propose tax incentive legislation aimed squarely at those hard-core unemployment areas of our inner cities where there is virtually no tax base at all. Tax rates make no sense at all where they produce no revenues. It seems reasonable to me to offer Federal tax incentives of tax abatements to enterprises that locate and hire in such hard-core unemployment areas with the result being the creation of jobs and a tax base. Individuals employed in such enterprises not only become taxpayers, they also get off the welfare rolls. To back up these tax incentives to employers, I would also propose a teenage minimum wage as a way of creating jobs for our Nation's black youth, who are suffering from 40 percent unemployment because they are being taxed out of the labor market. And—in the hard-core unemployment areas—provide for partial or complete elimination of payroll taxes, say on the first $5,000 of an individual's earnings.

It seems obvious to me that the American people would welcome this kind of effort. Instead of trying to solve the problems of the inner city as we have for the

past 30 years—taxing resources out of the rest of the economy and throwing money at the problems of the inner cities—I am talking about removing barriers to economic growth, job opportunity, and commerce that are not producing any revenues to the Government anyway, and are destroying the American dream. I believe commonsense—our intuition—is sufficient to tell us that this method will more likely bring a real and sustained economic revival to the inner city than will continued massive injections of tax dollars.

Even this is not enough. It is not enough to simply adjust tax rates for the inflation and to adjust incentives to cure stagnation. There was a time when it would have been enough, if we knew what we were doing at the very beginning of this slide into stagnation. But in the process of trying to keep the economy going by pumping up demand, rather than by encouraging savings and supply, we have created a mountain of debt and an ocean of money. In contrast, by restoring incentives to savings and production, we can expand that economy without expanding Government debt.

But this does not mean tax policy can do it all. We have to bear in mind that the only way we can ever whip inflation is with correct domestic and international monetary policy, for it is ultimately monetary policy that determines the value of the dollar. We have to bear in mind that only when the Government is once again in a position to guarantee that value, by making the dollar convertible into something of value, can we be assured that inflation will be beaten.

Over thousands of years we have learned that when a government guarantees the value of its currency—by promising to redeem it at any time in the future with something of value in a fixed amount—there is no net inflation. Under such a guarantee the U.S. dollar was worth exactly the same the year George Washington died as in 1932, the year before the guarantee was first suspended.

Throughout the history of the United States, until 1933, there was no inflation except during brief periods of wartime when the promise was suspended. The dollar began its decline in value in 1933 when President Roosevelt reduced the amount of gold that the dollar could buy. That is, with the dollar having less value in terms of something of value in terms of something real and palpable, individuals were forced to demand more of them in exchange for their labor, and businessmen were forced to ask more of them in the prices of their goods.

We must return to the guarantee of a monetary standard. If the Government is committed to act on such guarantee, there can be no decline in the value of its currency, no inflaton. Why? Because a government committed to trade highly valued commodities for currency cannot issue excessive amounts of money. If it tries to do so, the price of the commodities would rise. The public would return the excess currency to the Treasury and demand goods at the official price. The Treasury would be forced to borrow the commodities and retire the excess currency until the price level returned to normal. This is really an automatic method to enforce the monetary authority to keep the creation of money in line with the real growth of the economy. Throughout history, nothing else has worked.

Monetary policy alone, though cannot get this economy moving. It cannot give us real, noninflationary growth, because there is little that it can do to restore incentives to the system. We look around now, with the President pushing tax policy off the national agenda, and that means ignoring the effects of tax rates upon the economy, and we see the difficulty of grappling with this economy using only monetary policy. It is even more difficult when the President and his team insist on using one monetary policy for the international dollar and another for the domestic dollar, when they are both in fact the same dollars. The administration, in effect, is trying to support the value of the international dollar while depreciating the value of the domestic dollar. And it hopes to halt domestic double-digit inflation with a so-called voluntary program of wage and price guidelines, a program that cannot succeed in holding back the inflationary tide caused by the monetary authorities. A dollar is a dollar, at home or abroad, and inflation can only be fought by defending its value at home and abroad.

THE UNITED STATES AND THE WORLD ECONOMY

The U.S. economy is still the biggest engine in the world economy, and when it sputters, the whole world economy drags, too. There is nothing better we can do for the world than revitalize our own economy.

And I mean this not only in the sense that we can pull the world economy on the strength of our own efficiency and production. I mean we have to show the rest of the world how to achieve real growth, without inflation, and the best way to do this is by example. For decades, much of the world, especially the third world, has been following our lead and advice, trying to expand through deficit finance and money creation. It has not worked for them any more than it has worked for us, but much of the world tries it because we are supposed to know what we are doing.

The time has come for us to be the example to the rest of the world, which still looks to America for leadership and hope. Instead of demonstrating once again the futility of wage and price controls, we should be restoring the U.S. dollar as the international monetary standard, defending its value at home and abroad. Instead of succumbing to trade protectionism—and here I must commend and praise the efforts of the administration and its Special Trade Representative in Geneva, Robert Strauss—we must move to freer trade. Instead of strangling commerce with costly and counterproductive regulations, we must cut out those that do not serve the public interest. Instead of demonstrating the failure of deficit finance and money creation as instruments of growth, we should be reviving the idea of incentives—an idea that we know works, because it is the idea that built this country.

Mr. Chairman, not only is this year's recession not inevitable, but we would be incredibly negligent in our responsibilities if we permitted it to take place.●

RADIOACTIVE WASTE MANAGEMENT ACT OF 1979

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MOAKLEY. Mr. Speaker, today I am introducing legislation which seeks to provide States the right to prohibit Federal radioactive waste storage sites from being built within their boundaries.

We may never face a more pressing environmental problem than the storage of radioactive nuclear waste. It is my hope, through opening up the decisionmaking process by including States as full partners with the Federal Government, that a workable solution can be found.

This act, entitled "The Radioactive Waste Management Act of 1979," provides States with the option of vetoing any Federal radioactive waste storage site selection within their boundaries, either through the State legislature or by calling a statewide referendum within 120 days of the Secretary of Energy's announcement of site selection.

This act does not seek to prevent a waste repository from ever being built, but it does seek to insure that the States selected will have a full role in the decisionmaking process by mandating a legal obligation for State consultation.

Fourteen States across the country have passed legislation relating to high-level radioactive waste disposal and many more are considering similar measures. It is clear that the Congress must meet its responsibilities and begin to address the issue of these very toxic, long lasting wastes.

We must find a workable solution to this problem. Unlike other environmental pollutants, radioactive wastes remain hazardous for thousands of years, meaning they will have to be isolated for a time period longer than any manmade structure has survived.

The time to act is now. No site has been selected or licensed for a Federal waste repository and by passing this legislation in the 96th Congress, we can work to guarantee that all interested parties have a role.

The text follows:

H.R.—

A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Radioactive Waste Management Act of 1978".

SEC. 2. Before investigating, or contracting for the investigation of, any site in any State for the construction of any facility for the storage of radioactive waste, the Secretary shall notify each chamber of the State legislature of such State of such investigation and shall publish notice of such investigation in the Federal Register prior to such investigation. If after the investigation of such site the Secretary decides to construct, or contract for the construction of, such facility on such site, the Secretary shall notify each chamber of the legislature of such State of such decision and, before constructing or contracting for the construction of, such facility on such site, allow such State one hundred and twenty days after the date on which such notice is received to disapprove of such construction by—

(1) a resolution adopted by, or law enacted by, the legislature of such State; or

(2) a statewide referendum.

If during such one hundred and twenty day period such State disapproves of such construction in such manner, the Secretary shall not construct, or contract for the construction of, such facility on such site.

SEC. 3. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Energy;

(2) the term "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(3) the term "radioactive waste" means—

(A) Any radioactive materials generated within the United States in a facility for reprocessing spent reactor fuel elements and resulting from the operation of the first cycle solvent extraction system, and the concentrated material from subsequent extraction cycles, or equivalent cycles, of such facility.

(B) Any spent reactor fuel elements designated for permanent disposal in the United States.

(C) Any other radioactive material generated within the United States by any facility, excluding routine releases allowed under conditions of any facility license or, if no such license is required for a facility, wastes equivalent to routine release.●

NEW CASTRO HARANGUE CHILLS HOPES FOR ACCORD

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the many defects of the administration's foreign policy is the determination to add Castro's Cuban dictatorship to the list of countries to be appeased.

The Chicago Tribune's reporter Sean Toolan, on assignment in Cuba, comments on United States-Cuba relations in his column of January 13. I believe that this commentary is worth studying, and wish to insert it at this time:

NEW CASTRO HARANGUE CHILLS HOPES FOR ACCORD

(By Sean Toolan)

HAVANA.—The diplomats in the Karl Marx Theater settled down for what many thought would be a routine speech by Fidel Castro last week on the 20th anniversary of the Cuban revolution.

Reporters had been told by observers that if Castro concentrated on the historical context—the past mistakes of both the United States and Cuba—then it probably would be a sign he was ready to make some concessions and help Cuba-U.S. relations.

The bearded Cuban leader fooled them all in last week's speech. He devoted 15 minutes to reviewing the revolution and 53 minutes to a bitter attack on the U.S.

Lyle Lane, head of the U.S. Interest Section in Cuba, immediately walked out, followed by Chinese and Egyptian representatives, after their countries were linked with "U.S. imperialism."

In his speech, Castro made the following comments:

"We will not be intimidated by the U.S. blockade on Cuba."

"Neither in this hemisphere nor in Africa do we intend to yield."

"We will never exchange Guantanamo Bay naval base for one Cuban ideal, or for all the imperialists' gold."

He also condemned Red China's new ties with the U.S. "The Chinese government has sold out," said Castro, bringing the audience of nearly 3,000 to its feet with this observation. "A few years ago a Chinese youth was educated by sticking bayonets into dummies of Kennedy, Nixon, and Johnson."

He mentioned Egypt only in passing, but there was little doubt that he was referring to the Camp David accords on the Mideast when he said, "Cuba will not sell out. Cuba is not Egypt. Cuba is not China."

Foreign diplomats based in Cuba now see an end to any chance for improved U.S.-Cuba relations in the near future.

Castro's action is something of a mystery. As recently as Dec. 24, he was talking of letting thousands of political prisoners leave Cuba; his main criticism was that the U.S. was not working fast enough to grant entry visas.

The Cubans even had stopped referring to the Cuban exiles as "gusanos" [worms] with the wry explanation that "they have now turned into butterflies."

The U.S. office here and the State Department in Washington still are trying to put the pieces together and predict which way Castro will jump next.

There seems to be little doubt that much of the violent anti-U.S. attacks were prompted by the planned Cuba-Russia economic aid negotiations for later this year.

By U.S. estimates, the Russians pour $1 billion a year into Cuba. So this seemed to be a good time for the Soviets to get a little compensation of their own, at least in terms of a public relations maneuver.

All the rhetoric certainly was there. Castro, back to the old arm waving, condemned the U.S. as being "a country that exploits women for prostitution, a country that sexually abuses children, a country that discriminates against blacks and chicanos."

But the foreign diplomats are not as worried about present U.S.-Cuba relations as they are about how Castro sees Cuba's role in future world affairs.

The speech was heavily "internationalistic" in content. For the first time in recent years Castro linked Cuba with Latin America, hinting very strongly that his country would play a future role in events in those nations.

There was no official U.S. comment from here, but one observer close to U.S. foreign policy said, "We would like to think it was just rhetoric, but from the speech I fear [Castro] genuinely believes Cuba's future role is in influencing the events in other countries."

If that is the case, relations are at a complete standstill. The U.S. State Department has made it clear there can be no improvement unless Cuba gets its troops out of Africa.

Both the Cuban leader and his brother Raul Castro, the Cuban defense minister, have talked in the last few days of Cuban intervention in Africa as "victories."

And judging from the way both speeches were received, neither is in any frame of mind to let those "victories" become a thing of the past.●

ANATOLY SHCHARANSKY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DRINAN. Mr. Speaker, on Saturday, January 20, Anatoly Shcharansky, the courageous Soviet dissident who has been unjustly tried and convicted for spying, will "celebrate" his 31st birthday.

Today, Shcharansky is languishing in a Soviet prison and labor camp, in ill-health, and unable to receive visitors from his own family. I take this opportunity to remind Members and the American people of our continued need to speak out in defense of Mr. Shcharansky, and all individuals seeking to emigrate, as set forth in the Final Act of the Helsinki Accord.

Nearly 2 years ago, Anatoly Shcharansky, a young computer specialist who had been one of the leaders of the Soviet "refusnik" community, was arrested by the KGB and charged with spying for agents of the U.S. Government—a charge which President Carter himself denied in an unprecedented move early last year.

What had Shcharansky done to merit this extraordinarily severe charge? He had expressed his desire to emigrate to Israel and tried to help others exercise their fundamental right to do the same. As we all remember, last July, Mr. Shcharansky was tried and convicted on these charges, and sentenced to 13 years in prison and in a labor camp, at a trial that made a mockery of justice and violated Soviet constitutional requirements for a fair and just trial.

Over the years, Shcharanskys' fluency in English, his courage, and his dedication, made him one of the acknowledged leaders of the "refusnik" movement. He acted as a liaison to the Western press for Jews who wished to emigrate, and was a founding member of the group of Soviet citizens monitoring compliance with the Helsinki Final Act in the U.S.S.R.

During my visit to Moscow in 1975, Anatoly Shcharansky acted as my host, introducing me to other members of the Soviet Jewish community in Moscow. It became apparent to me then that this dedicated man could not have been guilty of the charges raised against him.

The trial in Moscow last summer was a debacle and a farce. The Soviet court refused to allow a substantial portion of a 40-page list of witnesses and documents requested by the defense. Insufficient time was allowed for the selection of a defense lawyer. To register its protest of these actions this body overwhelmingly passed Senate Concurrrent Resolution 95 on July 11 which expressed the sense of Congress that this matter is "• • • of deep concern to the American

people; that these deplorable events inevitably affect the climate to our relations and impose obstacles to the building of confidence and cooperation between our two countries; that the Congress urges the U.S.S.R. Supreme Soviet and its leadership to seek a humanitarian resolution to these cases and to work toward improving the climate in United States-Soviet relations."

Over 6 months have passed since Shcharansky's conviction, and still the Soviets have not taken any positive action. In fact, they have increased their repressive measures—denying visits by members of his own family.

There will be ample place for the discussion of United States-Soviet relations during the 96th Congress. During all such discussions, it is imperative that we remember this Nation's commitment to the pursuit of fundamental human rights.

Today, Shcharansky is still in jail—sick, and unable to receive members of his own family. We must deplore these events, and commit ourselves to the strict observance of the provisions of the Helsinki Final Act.

I invite Members of Congress, and their staffs to join with me and the Union of Councils on Soviet Jewry across from the Soviet Embassy, 1125 16th Street NW., on Friday, January 19, at 12:30 p.m. for a short vigil to celebrate the birthday of a man who has been denied the right to emigrate to his spiritual homeland, Anatoly Shcharansky.●

TRIBUTE TO HARRINGTON WIMBERLY

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. STEED. Mr. Speaker, during the recent recess the State of Oklahoma lost one of its most distinguished publishers and citizens, Harrington Wimberly.

For many years publisher of the Duncan Banner, and earlier of the Altus Times-Democrat, he was an editor truly devoted to the betterment of his community.

In Washington, he served with distinction as a member of the Federal Power Commission.

Harrington Wimberly was the kind of man who has helped build our Nation. He can ill be spared.

The following editorial was published by the Altus Times-Democrat, a newspaper he owned until 1966:

HARRINGTON WIMBERLY WILL BE GREATLY MISSED

Harrington Wimberly, editor and publisher of The Duncan Banner, and former owner and publisher of The Altus Times-Democrat, will be greatly missed by his many friends in Altus and all across Oklahoma, but he will long be remembered for the many accomplishments he made for this community, state, and nation.

A native of Texas, he was a graduate of Oklahoma University School of Journalism, and was widely known and respected for the contributions made to his chosen field.

Beginning as advertising manager in 1924 at The Times-Democrat, he also served as editor and publisher of The Cordell Beacon, then returning to Altus in 1936 as owner and publisher.

He sold The Times-Democrat to present ownership in September 1966, after purchasing The Duncan Banner in 1963, but all during the years, it was always a privilege to see Harry Wimberly on one of his frequent visits to our city, which almost always included a tour of the newspaper plant to visit old friends and employes.

Wimberly served our country as a member of the Federal Power Commission, and he also served in such important posts as president of the Oklahoma Press Association, Oklahoma Crippled Children's Society, Oklahoma Frontier of Science, Black Beaver Boy Scout Council and the Beaver-Crow Creek Watershed Association.

Active in virtually every phase of civic and community life, Harrington Wimberly served as a member of the Board of Regents of Oklahoma University, and as a member of the board of directors of the Federal Home Loan Bank of Topeka, Kansas, Arkansas-Louisiana Gas Co. and the Security National Bank and Trust Co. of Duncan.

He was the recipient of numerous awards including the first Liberty Bell award given by the Stephens County Bar Association, and was installed as a member of the Oklahoma Hall of Fame.

Though Harrington Wimberly will be greatly missed all across our state, he will always be remembered for his deeds of kindness, his willingness to serve and the love of his fellow man.

Perhaps one of his former employes best summed up Harrington Wimberly when he said,, "He was not just my employer, he was always my friend."

We will miss our friend Harry Wimberly, but we will not forget the contribution he has made to The Times-Democrat, our city, state and nation.●

J. CLAY SMITH APPOINTED TO EEOC

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CLAY. I would like to take this opportunity to share with my colleagues an article which appeared in the October 16, 1978, Legal Times of Washington concerning the appointment of Mr. J. Clay Smith to the Equal Employment Opportunity Commission (EEOC). Mr. Smith is an outstanding black American who, before joining the EEOC, had the distinction of serving with the Federal Communications Commission where he was the only black American to hold a supergrade position. I am very pleased with Mr. Smith's appointment and optimistic about his future with the EEOC.

The article follows:

OPTIMISTIC NEW EEOC COMMISSIONER MAY FIND OPPOSING FACTIONS VIEW HIM AS ALLY

(By Diana Huffman)

As a new member of the Equal Employment Opportunity Commission (EEOC) J. Clay Smith, Jr. may find himself in the unusual position of being perceived by both employers and minorities as an ally because of his background.

The 36-year-old black attorney, who was confirmed by the Senate for a four-year term last week, has the usual qualifications to be a commissioner—a law degree, from Howard Law School, an advanced degree in labor relations, four years experience at another federal agency, a long-standing interest in civil rights legal projects.

But, he also spent three years at Arent, Fox, Kintner, Plotkin & Kahn representing corporate clients in antitrust and trade regulation matters. That exposure may lead corporate America to expect, or at least hope, that Smith will be sympathetic to equal employment problems from an employer's perspective.

WANTS NO BRANDS

Although Smith does not want to be branded as the corporate voice on the Commission he believes his understanding of corporate operations will be helpful.

"I have seen the particular problems employers face" Smith said. "Companies should be able to expect the Commission will listen to their views and that the Commission will be balanced."

Civil rights groups also will be trying to get Smith's ear. "I may be in almost the same position Ben Hooks (former FCC Commissioner and now head of the NAACP) was in," said Smith. "He became the one person at the FCC that minorities could identify with. Ben made some decisions that made everyone happy and some that made no one happy. I watched him here and I think I may face the same thing."

Smith knows that some outsiders fear that he and the Commission will focus primarily on blacks and minorities. However, he insisted that he is an independent who will not be a single-issue commissioner. "The statute doesn't allow me to be," he said. "I will only be allied with the purpose of the legislation."

Before Smith can be responsive to any groups, he must learn how the agency functions. Smith is prepared to give some deference to EEOC Chair Eleanor Holmes Norton in administrative matters. However, because he has served at the FCC at both the staff level (as deputy chief of the cable TV bureau) and as a policy advisor (as associate general counsel), he believes he can make useful administrative suggestions.

FIRST LESSON

"Lesson one, though, must be to understand if administration is the sole prerogative of the Chair. If it is not, I would want to have input," Smith said.

Smith wholeheartedly supports Norton's extensive reorganization effort, which is the agency's top priority now. He also welcomed Norton's effort in the face of strong pressure from Congress—to reduce the agency's backlog of individual charges. "Backlogs benefit no one," he said.

However, Smith knows that the agency's critics claim some individual cases are falling through the cracks as a result of the new rapid charge processing system. "We must not achieve backlog reduction at the expense of the public interest," he said.

"I have no discomfort that the reorganization is sharing management time with other important regulatory projects to eliminate discrimination," Smith said. "However I think we will be compelled to move forward on substantive issues which may mean the Commission will have to hold more meetings to get the work done."

Smith is trying to become more acquainted with the substance of EEOC's jurisdiction before he begins his four-year term. He has a graduate law degree in labor relations, but he sees civil rights law as a complicated and constantly developing field.

At this point he is unsure whether systemic investigations should be the focus of the Commission's efforts. "Over the long run it may produce substantial results," he said, "but I don't know yet whether the Office of Systemic Programs should be allocated more resources than other offices. When budget time comes around I should be in a better position to know."

ALLOCATION OF RESOURCES

Smith said the allocation of resources and the setting of priorities are the Commission's most important tasks. He is aware of crit-

icisms that the Commission will not devote sufficient attention to the equal pay and age discrimination jurisdiction it inherits next year.

"Those areas received high priority at the Labor Department, and, given the staff and additional budget. I suspect they will continue to be treated as a high priority at EEOC," Smith said. "Unfortunately, it may not be humanly or bureaucratically possible to allocate time and resources to a crash course in age discrimination and wage-and-hour before the transfer actually occurs."

Smith conceded that EEOC's acquisition of new responsibilities would impact greatly on the Commission's resources. "We are caught between existing priorities and future ones," he said. "In the end the priorities will depend on budget and pressures from the public and Congress."

Smith relishes his new task, but admits the nomination raised a professional conflict.

"As a black American I am aware I was the first supergrade at the FCC in its forty year history," he said. "I know I am leaving at a time when minority ownership in communications is at its height. But I wouldn't be at the FCC but for civil rights legislation. I am a product of the civil rights movement. By going to EEOC I may help in the reduction of discrimination."

Smith said he is heading to EEOC full of great expectations. "I am going there at a very opportune time," he said. "Because of the reorganization, the agency is on the upbeat, imagewise. With the acquisition of more and diverse jurisdiction there will be a great possibility for an exciting experience, paralleled, of course, by great intellectual frustrations, I'm sure."

Nevertheless, Smith's optimism is tempered by realism. EEOC's past image has not escaped him. "I may be entering a quagmire," he admitted, "but I am entering with the highest stilts."●

U.S.-ISRAEL-EGYPT "AXIS" CAN KEEP AFRICA FROM RED RULE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, our former distinguished colleague, Roman Pucinski, is now serving as an alderman of the 41st ward in the Chicago City Council, where he is chairman of the council's committee on State and Federal relations. While serving in the House, Roman was a tremendously effective legislator, and now is exhibiting his great leadership qualities in the city council.

Alderman Pucinski authored an article which appeared in the December 14, 1978, Chicago Tribune, dealing with the problems caused by Soviet adventurism in Africa. If the President had Roman rather than Andy Young as director of African policy, the situation on that continent would be quite different. I wish to insert this article for the Members' special attention:

[From the Chicago Tribune, Dec. 14, 1978]

U.S.-ISRAEL-EGYPT "AXIS" CAN KEEP AFRICA FROM RED RULE

(By Roman Pucinski)

A new Jerusalem-Cairo-Washington axis will emerge when the peace treaty between Israel and Egypt finally is signed. It can reshuffle the world's balance of power and stop Russia's expansion into Africa and the Middle East.

With American prodding, there is no serious doubt that the treaty will be signed. For a variety of compelling reasons, Jerusalem, Cairo, and Washington each must do their best to form the new axis, for each has serious internal problems that only a peace treaty can help dispel.

Each of the three participants had to come out of Camp David with some success. Equally important, all three participants finally realized the long-range goals of the Soviets in the Middle East and Africa.

By inviting Israel and Egypt to Washington, President Carter made it clear that these two nations no longer can be treated in a parochial manner. Both have a global role in what happens to the rest of the world; they have a key role in helping block the Soviet Union's grand design to seize control of Africa, with its rich natural resources.

The Israelis have tried to warn the free world about Russia's expansion into Africa for the past decade. Only now are we beginning to listen. Washington now considers Israel and Egypt as two of its most important allies.

Africa supplies 96 per cent of the world's supply of chrominum, a metal vital to production of stainless steel; 65 per cent of its vanadium, 53 per cent of its manganese, and 70 per cent of its cobalt. An estimated 60 to 70 per cent of cobalt imported into the U.S. comes from Zaire, where the Soviets—with the help of the Cubans—are attempting penetration.

Mr. Carter is fully informed on Russia's efforts to move in on the power vacuum created in many parts of Africa during the decolonization process. And where the Russians can't succeed they try to use the Cubans.

The White House also knows that American industry can be brought to its knees without a shot being fired if the Soviets ever succeed in cutting off Africa's essential raw materials to the United States.

President Carter has given Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat a full briefing on Russia's incursions into Africa and her long range design to pull as many newly-emerging African nations as possible into the Soviet orbit.

The President also has shown the two leaders Russia's policy of keeping the Middle East in turmoil. The more chaos the Soviets can create in the Middle East, the better are their chances for ultimate control. Once the Middle East falls to the Russians' influence, the road to Africa is wide open for them.

It is these high global stakes that President Carter is using to help bring Israel and Egypt together.

Sadat likewise needs a winner. The turmoil in Egypt could topple his government. Throwing invective at Begin doesn't put food on the Egyptian table. President Carter's mammoth offer of immediate economic assistance to Egypt, if some agreement can be worked out with Israel, gives Sadat his best chance for survival. Sadat cannot remain in limbo too long. He could afford to make concessions to Begin because Egypt's global role was more precisely defined at Camp David, and opportunities for economic growth in free world markets were spelled out by Mr. Carter.

Curiously, Begin was the only one who could return to Jerusalem without any progress at Camp David and still enjoy the full support of his people. They have been disappointed before and do not blame their leadership. Yet, like Carter and Sadat, Begin has his share of problems. His people who yearn for peace—but not at any price—have been forced to spend 86 cents of every dollar raised in taxes on national defense. And while they do it willingly for survival, three decades of unending struggle have taken their toll.

Begin is also feeling pressures from abroad, where huge financial assistance has been marshaled to help Israel develop her economy.

It can be safely predicted that a peace treaty will be signed, because all three participants need some success at this crucial period.

Russia's violent reaction to the Camp David accord should be sufficient proof to all three of the Soviet's long range designs on their respective countries.

If the spirit of Camp David evolves successfully, it will have a profound impact on the entire world. In a sea of skepticism, there is a significant island of hope.●

SENATE—*Friday, January 19, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 19, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now stand in recess until 12 o'clock noon, Tuesday, January 23, 1979.

RECESS UNTIL TUESDAY, JANUARY 23, 1979

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, January 23, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

THE OTHER SIDE OF THE VALLEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues, the following article on the economy by George P. Shultz, which appeared in the fall/winter edition of the Stanford magazine.

(By George P. Shultz)

In the United States today we are experiencing an inflationary boom. This boom contains the dynamics that will almost surely take us into a valley—an economic slowdown the severity of which will be significantly affected by events now unfolding. The valley ahead is already in the cards. Given our situation, the really interesting question is, what will it be like on the other side? What kind of atmosphere, what kind of economic climate, are we going to have? The answer to this question can, I believe, affect the depth and width of the valley itself. Accordingly, I will undertake here to explain why I feel we will be entering this valley and what I think we can expect on the other side.

Recently someone asked me, having heard me say almost a year ago that I thought inflation was very much on the rise and that double-digit inflation was a distinct possibility, whether or not I still had the same forecast. I had to reply that today significantly higher inflation is no longer a forecast but an observation. It is with us. We have a roaring inflation on our hands, and there is no end to it in sight. So far this year, inflation has been running over 9 percent, and it seems very clear that inflation in 1979 is going to continue to be considerably higher than the 6 to 6.5 percent range experienced in 1976–77.

Why has this come to pass? Our current situation has emerged as the result of a long list of government actions that have promoted inflation. I don't mean to imply that the government as a matter of policy intended to promote inflation. But if you sat down as a government policymaker and tried to think of all the things you could do that would produce that result, you couldn't have done much better than has been done.

First, we have a continuing, rapid growth in the money supply. It is interesting that the Federal Reserve has been criticised for not providing a loose enough monetary policy, yet the levels of monetary growth that we have experienced over the past two years are comparable to, even greater than, the levels that helped give us double-digit inflation in 1974 and 1975. We have been repeating the same pattern. For being such a tightwad with the money supply, Arthur Burns was dropped as Federal Reserve chairman, and when William Miller, his successor, came thundering in, calling inflation to the administration's attention, he too was criticized. But, as the administration's man, he seems to have had a considerable impact on the administration. Nevertheless, since Miller took over, the money supply has continued to grow at a rapid rate exceeding 9 percent.

We also have experienced continuing deficits in our federal budget even as we have moved to higher and higher levels of activity in the economy. Personally, I believe that the economy is operating at a high level now and can't really go that much higher—capacity utilization is above 85 percent. Yet the deficit for the fiscal year that began October 1 is estimated to be almost $40 billion. Such deficits during a time of strong economic performance have usually led the Federal Reserve to finance them by increasing the money supply, thereby fueling inflation.

In the last year or so, mounting federal deficits have been counterbalanced somewhat by the large surpluses, totaling about $30 billion, that states and municipalities as a group have accumulated. These nonfederal surpluses are, however, being wiped out quickly because, among other things, taxpayers are getting fed up with the idea that the government is using their money to pile up these huge sums, and they are calling for tax cuts before state and local government spending rises to use the revenues available.

In addition to the inflationary effects of rapid growth in the money supply and continuing deficits at high employment levels, we also see in front of us a wide assortment of government actions that raise costs and prices, such as:

Increases in the Social Security tax. (Social Security taxes for maximum rate payers will rise 31 percent in January 1979.)

Increases in the minimum wage of 25 percent (a 9 percent increase effective in January 1979 follows a 15 percent increase a year earlier). Such increases not only hit hard at lower-wage industries, but also push up wage rates throughout the entire wage structure and raise welfare costs as the unskilled and unschooled (mostly youth) cannot qualify for jobs at the higher minimums.

Increases in the support prices of some farm products.

Import restrictions on a wide variety of consumer and producer products.

Regardless of whether you are for or against any particular one of these measures, you must agree that they tend to raise costs and prices.

We also have a gusher of government regulatory activity that carries enormous costs—costs borne by the American economy, by the American taxpayer, by the American consumer. The Chase Manhattan Bank Economics Group has estimated that in 1977 it costs us $103 billion to administer and comply with such regulations, which for point of comparison is more than we spent on national defense that year. That $103 billion in itself is a huge sum but, in my view, it is only part of the cost. Added to that, the uncertainties imposed by regulatory activities cause significant increases in the costs of goods and hold back vital new investment.

The imposition of new regulations and the unpredictability of their administration have laid on top of any proposed capital expenditure a new element of political risk—a wild card. Today you cannot proceed with the normal investment process—making an economic calculation of rates of return and risks—and assume some constancy in the regulatory rules of the game. Instead, you must behave almost as though you're considering an investment in a politically unstable developing country where you must ask, "Will the plant in essence be expropriated? Will the rules of operation be changed in some substantial way once our funds are committed?" In truth, the net effect of some of our regulatory decisions is to expropriate property. How would you feel if you were the owner of the embattled Seabrook Nuclear Power Plant, which has become such a symbol of controversy? You have about a billion dollars committed to the project and through a peculiar interplay of regulatory indecision, intervenor challenge, and outright physical coercion, the property has, so far anyway, virtually been expropriated. The construction permit has been granted and suspended three times over the past two years. Such delays, to date, have resulted in a three-year slippage in schedules. The cost of federal regulatory activity, already enormous in terms of costs that can be calculated, is even larger when the incalculable costs of uncertainty and delay are added.

Next on my list is the deteriorating rate of growth in productivity. In the past two years, output per man hour increased only about 1 percent per year, and productivity over the first three quarters of 1978 increased even more slowly. When balanced against rising rates of pay, which have not even kept pace with inflation in the past year, slow growth in productivity means substantial increases in labor costs. Over the past two years, unit labor costs have increased 16 percent. Sooner or later these increases will be passed through to the consumer in the form of higher prices. Although there are many causes of this deteriorating growth rate, the impact of federal and state regulations on the formation and use of capital is clearly an important one.

Finally, we have the declining dollar. It is no mystery why the dollar has been declining over the past year. While other countries seem to be getting a better and better grip on inflation, the United States has seemed to be losing its grip. The money markets, which are relentless judges, have made this assessment and have marked the dollar down accordingly. If we are to reverse that verdict, we have to present a picture that we are serious about inflation, that we are taking—and, more important, are willing to sustain—real measures to deal with inflation's fundamental causes.

For all the foregoing reasons, we find ourselves with a roaring inflation on our hands. Yet, at the same time, our economy is experiencing strong real growth. About four million new jobs were generated in the U.S. economy in 1977 and another two million in the first half of 1978. That is unprecedented. No other country in the world can match that figure in terms of job creation. I find it very significant that if you relate the number employed to the total working-age population of both sexes, employment is at an all-time high—59 percent. At the peak of the 1973–74 boom, employment had reached 57 percent. In a statistic like this, a 2 percent increase in such a short period of time represents a terrific movement, and I think it suggests how strong our labor market is.

Under these circumstances, the government is being forced to tackle inflation. The first step is for the rhetoric of the government to change, and it has changed. The real questions—What are you doing? Are you doing enough? Are you doing the right thing?—are being asked. And the reality of inflation fighting is now beginning to emerge. That is, basically and unavoidable, exercising discipline on the budget and on the rate of monetary growth, particularly the latter. The President's successful veto of the public works bill at the end of the last session of Congress is an encouraging sign that determined discipline on spending may become the order of the day. He says it will, and let us hope he means it.

There is also available to the administration a true "free lunch": deregulate where

possible and everywhere make the procedures of regulation more sensible and definitive. By allowing the market mechanism to take a greater hand in the making of economic decisions, both productivity and efficiency will be enhanced.

Increasingly, international exchange markets force the Federal Reserve to address the problem of the dollar's decline and exert restraint on growth in the money supply. As the dollar deteriorates, the Federal Reserve must let interest rates rise in order to attract funds into the United States. If we ever hope to strengthen the dollar, this process of exercising more discipline on the rate of monetary growth and more discipline on the federal budget will have to continue.

After disciplined policies are implemented and after a period of time has elapsed for them to take effect, they will produce a valley—a significant slowdown in economic activity. The longer we try to postpone that day by feeding more and more money into the economy, the more serious the slowdown is going to be. But it is going to come.

The outlook for the next few years includes ongoing inflation, for once the inflationary momentum has built up, it will continue to expand its force even after the economy slows down, right into the valley of slow growth, perhaps no growth, perhaps some negative movement in the real GNP. And people will say, "Well, isn't this strange. The economy has been slowing down and yet inflation is staying up. All the rules of economics have been repealed." That's baloney. It takes time to bring down the inflation rate. You have to stick with the anti-inflationary measures and allow time for them to work. There is no substitute for *sustained* discipline.

But the political process is not known for its patience. The economist's lag is the politician's nightmare. Politicians experience tremendous pressures to treat the short-term symptoms with a quick fix rather than to hold to the same prescription that, though slow-acting, gets to the core of the problem and offers the only long-term cure. So, as we go into the valley, into a period of economic turmoil, we will see a lot of flailing around under the heading of "incomes policies" (wage and price guidelines or controls) as efforts are made in one way or another to twist your arm and my arm and everybody else's arm as people get into an increasingly "compulsory" frame of mind. The President's "anti-inflation program," announced in late October, was the most recent installment. Predictably, his wage-price guidelines captured all the publicity and diverted attention from the more fundamental and important components of inflation-fighting. Financial markets reflected this appraisal and virtually forced the President's November 1 actions, with their focus (which we can hope will continue) on measures to curtail monetary growth.

The administration is finding itself facing the same problem that we experienced in 1971. I feel, in fact, like I'm watching a rerun of an old movie. I didn't like incomes policies and wage and price controls then, when I was involved with them as chairman of the Cost of Living Council and Treasury Secretary, and I don't like them any better now. Controls don't work, they are difficult to get rid of, and they seduce government into easier and more inflationary fiscal and monetary policies (as illustrated by President Carter's statement, reported in the *Wall Street Journal* on September 28, that his then-to-be-announced wage-price guidelines "might influence the Federal Reserve not to raise interest rates further and eventually to reduce them"). Nonetheless, controls are tempting to adopt and sometimes are politically almost irresistible.

That is the profile ahead as I see it—a profile of serious inflation, politically unpopular at home and devastating in its consequences for the dollar in world markets, forcing our government finally to come to grips with the problem by reining in the money supply and budget, and producing a significant economic slowdown. We will enter a valley, and at some point we will emerge from it. As I have said, the interesting question is, what is it going to be like on the other side? That is what I would like to turn to now. I see a number of very significant "tidal" changes taking place.

First of all, we are, I believe, witnessing a massive reassessment on the part of the body politic of the relative competence of government (as compared with industry, the market, the private sector) to solve the social, economic, and technical problems that we face. We have passed through a period of several decades during which people felt that, if we had a problem of real significance, the thing to do was to bring in the government—that somehow, with enough government attention and enough money, the problem would be solved. But today the mood is different. People are questioning the ability of government to do all the things its sets out to do. This is not an ideological expression that private methods are better than public methods; it is largely the result of observations of how the government does things—observations of fraud and incompetence, particularly when the government is trying to be the manager of something, trying to make something happen.

California's Proposition 13 seems to be very high on everybody's list to prove any point that one might want to make. But, I do think Proposition 13—and, more importantly, the way this action has been picked up nationwide—has come to symbolize people's frustration and their ideas about what should be done differently. We saw the spectacle in Sacramento where for a while it seemed that every day another billion dollars was being discovered in the state treasury—and that was after the state government had assured us all that if taxes were cut by Proposition 13, they would be totally out of money. Absurd.

The energy debacle that we have observed over the past five or six years and the inability of the government to devise and implement a coherent energy policy provide another example of government ineptitude at problem solving. I don't blame the current administration for this; the President inherited a terrible mess. But his proposals have not improved the situation either. Congress balked at enacting his program because the proposals were bad ones. The "natural gas compromise" is graded even by its advocates as "no better than C—." We don't even have a respectable energy policy on the table. Virtually everyone agrees that we have a mess. Well, whose mess is it?

There is also a growing public concern about government regulations. It does seem to me that the tremendous surge of public confidence that regulations can do the job is about to crest, if it hasn't crested already. More and more people—in business, government agencies, and universities—are trying to estimate how much these regulations are costing. (The Business Roundtable is conducting a major inquiry into these costs; companies are making their own estimates of how much they spend churning out regulatory paperwork; academic studies are under way at many universities and research organizations.) We never used to pay any attention to these costs. The assumption was that they were negligible and that there were always compensating benefits. But today, at the same time that people are thinking about how much these regulations must be costing, they are also asking, "What are we getting out of this—are we really getting the benefits?" This is not an expression of some formal cost-benefit analysis; people are simply reflecting instinctively, "This must be costing us a lot; is it worth it?"

Look at the airline industry. For over a decade it has been debated whether or not the industry should have less regulation. The airlines opposed deregulation and the regulators opposed deregulation. Both groups argued, "If you deregulate, we'll have chaos; the airlines will be ruined." Well, the President appointed an economist from Cornell by the name of Alfred Kahn to head the Civil Aeronautics Board and, instead of just joining in the endless debate, he proceeded to act. The administration had proposed a bill and Congress was debating it, but in the meanwhile Kahn simply went ahead. He told the airlines, "If you want to change some prices, help yourself." It was a fresh breeze. And what has happened? Consumers love it because they can go places more cheaply. The airlines, to their astonishment, are running full airplanes, which is the name of the game in that business. Profits are rising rapidly. Instead of flying in the red, the airlines are in the black for a change. And now Congress has acted to give statutory support for extension of the airline deregulation process started by Professor Kahn. (Ironically, the President has appointed Kahn the deregulator to head the administration's latest wage-price program.) The success of airline deregulation is making people see the potential benefits of deregulation in other areas.

A shift in attitudes is also developing toward capital formation and productivity. We all want cleaner air, cleaner water, and other elements of a better environment, but all except environmental extremists can see that if you don't have improved productivity, you don't have the bigger pie to take a slice from and devote to a better quality of life. The proposal in the 1978 tax bill to make the 10 percent investment tax credit permanent was not even controversial. And, within a year's time we have seen a revolutionary turnaround in Congress' attitude toward capital gains. At the beginning of 1978 it looked like we were going to debate whether or not capital gains should be taxed more heavily (as the President proposed), but the only argument in the end was over how much to reduce the rate of taxation on capital gains. There is a growing appreciation that if you penalize capital gains too heavily, you dry up new investment; if you reward it more, you encourage capital formation and create out of those profits not only more jobs but more government revenues.

We also see the emergence of a stronger and stronger set of attitudes about the importance of dealing with inflation. Even when unemployment rates were considerably higher than they are today, it was impressive to see in the opinion polls that people rated inflation as a more serious problem than unemployment. That represents a major shift in attitudes. Even sophisticated concepts like "indexing" the tax system—pegging the tax rates to the rate of inflation so that inflation does not automatically vault people into higher tax brackets—have been getting more public attention. This increasing unpopularity of inflation may give politicians greater stamina in following policies favorable to more stable prices.

The experience of other countries has given us evidence that inflation is not an international disease. Even among tightly linked countries like those of the Common Market, rates of inflation vary tremendously (in 1977 the highest rate, in Italy, was four times the lowest, in West Germany). The message is that inflation is a problem that can be dealt with; it is not incurable. Germany has been willing to deal with it; Japan

has, too. So, why hasn't the United States? As a matter of observation, we have dealt with it successfully before and it has been, and is being, dealt with successfully now in other countries. Classical economic measures—searching fiscal and monetary restraint—have been used, and they have worked.

For a long while in economics we were preoccupied with the demand side of the supply-and-demand equation—with the managing of overall demand and with devising policies that would pump up that demand. But now we see a growing emphasis on, and increasing attention to, the supply side—to questions about how we can increase supply and how we can operate with greater efficiency. The efficiency issue is tremendously important in the energy area. Despite all the existing problems, and even though we have suppressed prices we can see that the market has taken a grip on the situation to encourage greater efficiency in energy use. Consumption of energy relative to GNP is down. In the United States from 1973 to 1977, real GNP rose about 3 percent while energy consumption generally rose about 1.5 percent. For decades prior to that time, there had been an almost one-to-one ratio (1 percent increase in energy consumption for every 1 percent increase in the GNP). The breaking of this pattern is, I believe, clearly in response to the much higher prices for energy.

Today we see a lot of activity in the area of oil and natural gas exploration and development in the U.S., and we could see still more activity if prices were deregulated. There are more drilling rigs at work in the United States today than in over 30 years. In the international area we see some softness in the price of crude oil as oil from the North Slope, from the North Sea, and from Mexico has come on stream and conservation in response to price has taken hold. I don't think most people realize what has happened to the real price of crude oil over the past few years. Here I am referring to the world market price, not the internal U.S. complication based in part on controls. In the three years since the beginning of October 1975, the real dollar price of crude oil has declined more than 11 percent (obtained by taking the world price of oil and deflating it by the Consumer Price Index). The price of crude oil in terms of real deutsche marks during that same period (remember that the price of crude oil is denominated in dollars) has gone down about 25 percent; in terms of real yen, it has declined over 40 percent. I am amazed that more people have not noticed this. There is very little written about it, but I can't help feel it is an explosive development. The international market for crude oil is soft, but not that soft. We cannot expect the price of oil in real terms to continue this pattern of deterioration.

What does all this add up to on the other side of the valley? I think we can look forward to a greater recognition of the importance of enterprise and markets and to a greater emphasis on capital formation. We have experienced a very unusual economic expansion: it has taken place without the big kicker it usually gets from major grass-roots capital formation, big capital spending on new facilities. Most of the capital formation in this boom has been from additions to existing structures, purchase of new machinery, things of that kind. We have not had big capital expenditures on new projects and new plants. As a result, we are left with a backlog of needs.

The changes in capital gains taxation and the questioning of regulations that we see today seem to augur that we may very well see the unusual event of capital formation leading the way out of the valley. To the extent that people feel the other side of the valley can be favorable, the width and depth of the valley will automatically be diminished. People will focus their planning on the long term, and they will see the merit of making long-term capital investments.

With the valley in sight, as we look toward the other side, we see the possibility of achieving a period of economic expansion that is both sounder and less inflationary than our current boom. The outlook for the economy could be better than anything we have experienced in the past five or ten years. This judgment about the future rests not so much on an assessment of the economics of the matter as on the mood of the body politic as channeled through the political process. When the political winds start to blow, my observation is that weathervanes abound. (One of the greatest weathervane acts of all time was the turnaround of Governor Jerry Brown after Proposition 13's overwhelming victory.)

We cannot predict today whether the U.S. will have a soft landing in economic growth or genuine recession with negative growth in 1979. Either way, in the economic turmoil that is to come, the government will be tempted to succumb to short-term pressures—emphasizing incomes policies, wage and price controls, or other compulsory measures—at the expense of sustained long-term solutions.

Economic policy and economic commentary are too often preoccupied with the immediate, where the impact of changes in our economic policy is severely limited, while the longer term, where the potential impact of economic policy is most significant, is typically neglected. This focus must be shifted.

Though the immediate future has already been dictated by actions taken in the past, the other side of the valley is still in our hands. What we need now is a real sense of direction, and the fortitude to stick to the path that will afford us the most stable, productive future on the other side of the valley. What we need, in short, is leadership not with a weathervane, but with a compass.●

THE TOBACCO SMOKESCREEN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DRINAN. Mr. Speaker, last week Secretary Califano and Surgeon General Richmond released the most comprehensive study ever prepared about the health effects of cigarette smoking. That report is a devastating document which should shatter once and for all the myths propagated by the tobacco industry. It clearly states the case for corrective congressional action.

I first introduced legislation to protect the rights of nonsmokers in November 1975 and I introduced several additional bills to limit the health hazards of cigarette smoking during the 95th Congress. Despite my efforts, and those of dozens of my colleagues, Congress has yet to even hold hearings on legislation that would further protect the American public from the hazards of cigarette smoking.

Last Monday, I reintroduced legislation which would protect the rights of nonsmokers, establish a health protection tax on cigarettes, strengthen the cigarette warning label, and grant the Food and Drug Administration authority to regulate cigarettes.

There is no question that congressional action to protect the American people from the dangers of smoking is long overdue. I intend to regularly bring this public health issue to the attention of my colleagues, and to actively solicit your support for my legislative initiatives. In the meantime, I commend the following editorial from the January 12, 1979 issue of the Christian Science Monitor. It is an excellent refutation of the misleading propaganda distributed by the tobacco industry:

THE TOBACCO SMOKE SCREEN

The US tobacco industry only casts more doubts on its credibility by the type of shoddy public relations the Tobacco Institute employed this week to try to undermine a new federal study on the health hazards of cigarette smoking. So anxious were the tobacco spokesmen to soften the impact of the serious warning from the Surgeon General that they held a press conference to attack the study a day before its findings were announced. What the study reported was that smoking-related illnesses cost Americans $5 billion to $8 billion and account for almost 350,000 mostly preventable deaths each year.

The industry officials' contention that the new study was only a rehash of previous findings and that it amounted to nothing more than a "publicity stunt" or "media event" has a hollow ring when the industry tries to get the jump by staging its own publicity stunt and media event. Such obvious evidence of placing self-interest ahead of the broader public interest cannot help but make one wonder about the seriousness of the industry's much ballyhooed interest in developing "safer" cigarettes.

As a matter of fact, the new federal study goes considerably beyond the Surgeon General's initial findings of 15 years ago on the health hazards of smoking. It declares flatly that its medical research indicates smoking is a direct cause of numerous diseases and that women who smoke may be harming their unborn children as well as themselves. The study found that the percentage of men who smoke has dropped from 53 to 36 percent since 1964, the percentage of women smokers stayed at 30 percent.

It is surprising that, despite such medical warnings, so many Americans continue to smoke. They clearly have become the victims of a mesmeric habit, abetted by slick promotion, which American society ought to resist as an insidious national problem.

The sad fact is that much of the $500 million the tobacco industry spent last year to advertise smoking as "glamorous and satisfying" was aimed at young people and teenagers in particular. HEW Secretary Califano says 75 percent of the adults who smoke acquire the habit before the age of 21; 100,000 children aged 13 and younger are regular cigarette smokers.

We have deplored many times the federal government's ambivalent attitude toward tobacco, reflected in the HEW campaign to reduce smoking while the Agriculture Department spends more than $65 million annually on price supports and other tobacco subsidies and the Food for Peace program regularly sends tobacco to needy countries. Far better would it be for the government and the industry to put the millions they spend in subsidies and on public relations into a joint effort to develop alternative crops for tobacco farmers that would benefit, rather than harm, the public.●

TIPS ON HOW TO AVOID OVERPAYMENT OF INCOME TAX BY OLDER AMERICANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, in my position as chairman of the Select Committee on Aging, I am cognizant of the economic problems that older Americans are frequently faced with due to limited, often fixed, incomes. When one considers the vast number of older Americans who are overpaying their income taxes, because of a failure to take advantage of legal tax reduction mechanisms, one feels compelled to act to minimize this problem.

Several important tax relief measures became law in late 1978. It is impossible, however, for individuals of any age to take advantage of these provisions and obtain tax relief, unless they are aware of the changes. Without this knowledge, older Americans would be losing much needed additional income.

The Senate Select Committee on Aging has revised its annual checklist of itemized deductions. This summary can be of great value to the elderly, and also younger taxpayers, in completing their 1978 Federal income tax forms. I commend the Senate committee for its efforts and submit its summary here for the benefit of all who may read it:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1978)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

Drugs and medicines

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses. Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Energy tax act

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setbacks thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

HOUSE OF REPRESENTATIVES—*Monday, January 22, 1979*

The House met at 12 o'clock noon.

Chaplain James David Ford, B.D., offered the following prayer:

Almighty God, we give You thanks for the blessings of days past, with their measure of success and failure. Yet, always, O Lord, we look ahead to new opportunities and new beginnings. Grant to this assembly, and to all Your people, strength of character and integrity of purpose; make us all sensitive to those who suffer, who are in peril or need, who feel forgotten and alone, and give us the spirit of grace and compassion as we face the cares of each new day.

This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 14. Joint resolution to correct an error made in the printing of Public Law 95-512.

The message also announced that the Senate had passed resolutions of the following titles:

S. Res. 16

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Steiger, late a Representative from the State of Wisconsin.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

S. Res. 17

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable Leo J. Ryan, late a Representative from the State of California.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 18, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on January 18, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed without amendment H.J. Res. 1, to extend the time for filing the Economic Report; and

That the Senate passed without amendment H. Con. Res. 1, providing for a joint session of Congress to receive a message from the President on the state of the Union.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted the Speaker on Thursday, January 18, 1979, the Speaker did on that day sign the following enrolled bill:

H.J. Res. 1. Joint resolution to extend the time for filing the economic report.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 19, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:42 p.m. on Friday, January 19, 1979, and said to contain a message from the President wherein he transmits his report on the White House Conference on Balanced National Growth and Economic Development.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT ON THE WHITE HOUSE CONFERENCE ON BALANCED NATIONAL GROWTH AND ECONOMIC DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96-37)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and ordered to be printed.

To the Congress of the United States:

In fulfillment of a requirement of P.L. 94-487, October 12, 1976, I am transmitting my report on the White House Conference on Balanced National Growth and Economic Development. For many weeks preceding the final Conference, there were State and regional Conferences organized like town meetings, giving citizens and elected officials an opportunity to exchange views on the critical issues of growth and development. Held in Washington on January 29 through February 2, 1978, the Conference was attended by more than 700 individuals from all parts of the country.

An important outcome of the Conference was the general agreement among the delegates that no massive new Federal spending programs were needed. Instead, they called for more effective government, more balanced decisions, and a real partnership among levels of government and the private sector in meeting persistent social and economic problems. This theme has been an invaluable guide in helping shape the growth and development policies of my Administration.

We are indebted to those who participated in the Conference. It could have been so controversial or so sterile that no useful purpose was served. Instead, it provided many constructive insights to help shape future growth and development policy in this country.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

□ 1205

HAIL TO THE PITTSBURGH STEELERS, THE SUPERCHAMPS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to notify the House that yesterday the Pittsburgh Steelers became the football champions of the world by winning the Super Bowl over the Dallas Cowboys, 35-31.

This was an unprecedented third Super Bowl victory for the Steelers.

I speak for all the people of the Pittsburgh area and for all sports fans everywhere when I congratulate the Rooney family, Coach Noll, quarterback Bradshaw and his amazing receivers and the entire offensive and defensive teams.

Let me also congratulate the Cowboys who played excellent football and fought gamely to the very end.

Steelers, you have made us of the Pittsburgh area very proud.

Hail to the superchamps.

FISCAL YEAR 1980 BUDGET SHOWS TOTAL FEDERAL DEBT WILL CROSS TRILLION DOLLAR MARK

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, before we talk about super things such as the Super Bowl, I think it is time for us to talk about the super deficit of the United States.

Mr. Speaker, the fiscal year 1979 budget calls for budget receipts of $503 billion and outlays of $523 billion for a deficit of $20 billion. This $20 billion will, of course, be added to the public debt, which today is just slightly under the $800 billion mark. But not all of the debt for which the Federal Government—and thus the public—are liable is included in the debt "subject to limit" ceiling.

The following table from page 130 of the special analyses of the fiscal year 1980 budget reveals that by the end of fiscal year 1980, the debt of the Federal Government—that is, of the American people—will for the first time be over $1 trillion.

TABLE E-11.—NET BORROWING BY GOVERNMENT, GOVERNMENT-SPONSORED ENTERPRISES, AND GOVERNMENT GUARANTEED BORROWERS

[In billions of dollars]

Description	Borrowing or repayment (—) 1978 actual	1979 estimate	1980 estimate	Debt outstanding end 1980 estimate
Federal borrowing from the public [1]	59.1	40.0	39.0	689.9
Borrowing by Government-sponsored enterprises [2]	24.1	13.3	16.9	146.5
Less increase in holdings of Federal debt	—.2	.1	.1	.7
Less increase in Government-sponsored debt held by Federal agencies:				
Federal Financing Bank	.2	.6	.4	1.8
Net Government-sponsored borrowing	24.1	12.6	16.4	144.1
Government-guaranteed borrowing [3]	25.1	32.8	37.4	333.4
Less increase in guaranteed loans held by:				
Federal agencies:				
Federal Financing Bank	10.7	11.6	11.4	56.8
Government National Mortgage Corporation	.1	—.1	—.1	3.0
Government-sponsored enterprises:				
Student Loan Marketing Association	.2	.6	.4	1.7
Federal National Mortgage Association	2.8	.1	.4	38.5
Federal Home Loan Banks	(*)	(*)	—(*)	.1
Federal Home Loan Mortgage Corporation	—.2	—.2	—.1	1.0
Net Government-guaranteed borrowing	11.3	20.8	25.5	298.4
Total, Federal and federally assisted borrowing	94.5	73.4	80.9	1,073.4

It reveals that the public debt is not really the $800 to $900 billion generally known and discussed in congressional debates, but it is also an additional $200 billion in backdoor lending and guarantee activity which has escaped public notice and congressional debate.

While this table is a disturbing summary of the obligations facing the Federal Government, the special analyses provides, for the first time, a hope for bringing this undebated, backdoor lending activity under control. As the analyses notes on page 177:

The Administration is proposing a system of control of the Federal Government's credit programs. Past and current review of individual credit programs has been limited and incomplete, so that the allocation of public resources has not benefited from comprehensive consideration of the possible tradeoffs.

Therefore, the administration is proposing an amendment to the Congressional Budget Act, which I first proposed before the House Rules Committee in 1974, to provide a credit and loan guarantee control program:

The control system would adopt as its basic mechanism annual limitations on gross loan activity for both direct lending and loan guarantee programs. These limitations would be proposed in the budget, reflected in Congressional Budget Resolutions, and established in regular appropriation acts.

This administration effort to force Congress to control this backdoor budget gimmickry of loans, guarantees, and off-budget agencies is a welcome step.

The long-delayed acceptance of this idea may be one of the most important things this Congress can do to help control Federal spending and its impact on the credit markets.

Mr. Speaker, I think it is time for the Committee on the Budget of the Congress to make a real effort to hold down the nonbudget borrowing which is becoming an increasing burden on the American people. While we can be happy today about the results of the Super Bowl game yesterday, I think we ought to also pay considerable attention to the superdebt of the United States, which exceeds $1 trillion in 1980.

FEDERAL RESERVE LOSSES ON FOREIGN EXCHANGE OPERATIONS

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, preliminary figures released a few days ago reveal that the Federal Reserve System lost $506 million dollars last year by speculating in the foreign exchange market. The loss increased our budget deficit dollar for dollar, and no enduring benefit resulted from this tremendous half billion dollar cost. The Federal Reserve Board's press release informs us that "The $506 million loss on foreign operations includes realized losses of $297 million and unrealized losses of $209 million resulting from the revaluation of foreign exchange holdings and outstanding commitments at current exchange rates. Of these amounts, $268 million and $150 million, respectively, reflect losses associated with Swiss franc commitments entered into before August 15, 1971."

What this means is that the ghosts of foreign exchange interventions past have caught up with us. I call this House's attention to this sad event because the Federal Reserve undertook massive new foreign exchange commitments in 1978, and continues to intervene in foreign exchange markets even now.

Let there be no mistake: What the Federal Reserve loses on foreign exchange operations the taxpayers wind up paying dollar for dollar. This is because all Federal Reserve income—after deducting housekeeping expenses, statutory membership dividends, additions to surplus, and losses on securities and foreign exchange operations—is remitted automatically to the Treasury as interest on Federal Reserve notes. Had the Federal Reserve not lost the $506 million last year, it would have been remitted to the Treasury, which could have used the money to cover budgetary expenses. Thus, as a result of the Federal Reserve's losses on foreign exchange operations, the U.S. budget deficit was half a billion dollars larger than it needed to be last year. I repeat, half a billion dollars larger than it needed to be.

Why does the Federal Reserve risk taxpayers' money on foreign exchange operations? Do these operations serve any

useful social purpose? The usual defense is that these operations shore up the dollar. The Federal Reserve tries to keep the dollar from falling, so it borrows and sells foreign currencies in exchange for dollars. This can produce temporary benefits, because it temporarily increases the demand for dollars. In turn, this can temporarily shore up the price of the dollar when it is falling. However, it is far from certain that even these limited ephemeral benefits will accrue. Intervention may arouse unnecessary fears and impel counterproductive selling of the dollar. In any case, over the long run, I do not believe the effort possibly can be worthwhile.

The dollar was not saved by the Federal Reserve's intervention in foreign exchange markets last year. Although some might argue that the slide of the dollar between May and October last year was stopped by Federal Reserve and foreign central banks buying dollars after November 1, it is more likely that what stopped the slide of the dollar last fall was the promise of slower money growth backed up as it was by an unprecedented 1 percentage point rise in the discount rate. I believe that if the Federal Reserve had achieved its money supply growth targets all along, the dollar would not have needed defending to begin with.

Regardless, no one, not even the Federal Reserve System, thinks that borrowing and selling foreign currency for dollars can affect the fundamental price of the dollar. At best, these operations buy an increase in the dollar's price today for a decrease in its price tomorrow. Is that worth hundreds of millions of dollars a year? Was it worth half a billion dollars last year? This is money which could have been spent in many much more beneficial ways. With the budget tight, the rate of inflation soaring and a recession threatening, losing money by speculating in foreign exchange markets is an unwise practice. It should cease.

STATEMENT OF THE HONORABLE PETER PEYSER UPON THE INTRODUCTION OF THE SOFT DRINK INTERBRAND COMPETITION ACT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. PEYSER. Mr. Speaker, today I am introducing the Soft Drink Interbrand Competition Act to allow soft drink companies to continue the practice of designating exclusive territory to their bottling companies, a practice that prohibits the bottler from selling outside a specified geographical area.

The Federal Trade Commission has alleged under the guise of consumerism that this territorial restriction impairs competition.

The fact is that if the FTC gets its way the big bottlers will drive out the little bottlers and distribution to small stores and vending machines will be reduced because of the small profits these small sellers generate.

And what would be the impact of bottling plant closings?

In New York State, for instance, 116 bottling plants in 61 cities employ 5,737 persons with an aggregate payroll of $79 million. A majority of the plants are small, employing less than 50 persons. The industry bought products and services from other firms totaling $712.7 million in 1977 and paid an estimated $16.3 million in State and local taxes.

Nationwide, soft drink manufacturers' sales in the United States in 1977 were estimated at $11,526.8 million. The industry employed 114,347 persons with a payroll of $1,267.2 million. Of the 2,174 soft drink plants in the Nation, 1,500 are owned by small businesses employing less than 50 persons. Soft drink manufacturers purchased goods and services from other firms valued at $6,959 million and paid State and local taxes of $184.8 million in 1977.

The franchise system takes into account the enormous size of the United States and its unequally distributed populations. If big customers bought from big distributors, there would be little incentive to serve the retailer who sells a few cases a week.

As far as I am concerned, this is the last straw—the FTC has overextended its authority on this issue. In fact, the Commission overruled the findings of its own administrative law judge who ruled that not only is the franchise system lawful, but also possibly fosters competition. The judge made extensive findings to the effect that there is intensive interbrand competition in this industry in terms of price, product innovation and marketing technique.

The Soft Drink Interbrand Competition Act is intended to remedy fundamental defects in the conduct of the FTC proceedings by requiring that the lawfulness of soft drink bottler territories be tested with reference to the extent of competition between rival products and vendors. Specifically, the bill provides that exclusive territorial licenses to manufacture, distribute and sell trademarked soft drink products shall not be deemed unlawful as long as there is "substantial and effective competition" among different products. "Substantial and effective competition" is a flexible concept, but it would encompass such factors as: The number of brands, types, and flavors of competing products available in the licensee's territory; the number and strength of sellers of competing products; evidence of the intensity of price competition; persistence of excessive profit levels; the degree of service competition among vendors; ease of entry into the market; and failure to introduce more efficient methods of processes.

Territorial provisions have been utilized in the soft drink industry for more than 75 years with the understanding that they were legally permissible. The industry had abundant reason to believe in their legality since they were upheld by Federal courts as early as 1920 and on several recent occasions.

It is time for Congress to check this overzealous application of authority by the FTC. I urge swift enactment of the Soft Drink Interbrand Competition Act.●

WELCOME ABOARD REVEREND FORD

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the opening of the 96th session of the Congress marked the first day on the job for a former constituent of mine, our new Chaplain, Rev. James D. Ford and today he rendered his first opening prayer.

Reverend Ford succeeds the Reverend Edward G. Latch, who admirably served as Chaplain of the U.S. House of Representatives for the past 12 years.

Our new dynamic man of the cloth comes to us from the U.S. Military Academy at West Point, N.Y., where he served as senior chaplain since 1965.

This 47-year-old native of South Dakota is no stranger to a challenge. We all had our own way of celebrating the Bicentennial in 1976 and Chaplain Ford decided to commemorate America's 200th birthday in an outstanding manner by sailing a 31 foot sailboat "Yankee Doodle" with two crewmen from Plymouth, England, to West Point. That Bicentennial adventure covered 5,900 miles and 51 days at sea. Our new Chaplain is also an avid skier, and has given exhibitions of trick skiing and ski jumping.

Reverend Ford came to the Military Academy in 1961 as an assistant chaplain. Four years later he was appointed by President Johnson as chaplain, and was reappointed three times. Prior to his almost 18 year stint at the Academy, Reverend Ford was pastor of the Lutheran Church in Ivanhoe, Minn., from 1958 through 1961.

Reverend Ford graduated from Gustavus Adolphus College in Minnesota, received his master of divinity from the Augustana Seminary and did further graduate work at the University of Minnesota and Heidelberg University, Germany.

Reverend Ford is married to his college sweetheart, the former Marcia Ruth Sodergren and they are the proud parents of five children ranging in age from 9 to 19.

I join with my colleagues in welcoming Reverend Ford to Washington and wishing him God's speed in all of his endeavors.

THE AGRICULTURAL PARITY EQUITY ACT OF 1979

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today, I am introducing the Agricultural Parity Equity Act of 1979. The bill is very similar to the flexible parity bill I introduced last year.

A great deal has been said about improvement in the farm economy in the past year. There is no doubt that things have improved. Congress acted last year to greatly expand our farm credit programs, thereby helping many of our financially troubled farm families retrench, refinance, and hold onto their farms for another year or two.

Congress also passed a bill authorizing the Secretary of Agriculture to increase the target price whenever a set-aside is in effect. This, too, helped. But I would remind my colleagues that this bill passed only after the House defeated the flexible parity bill. I contend that we erred in not passing the flexible parity bill.

Congress also passed the Agricultural Trade Act, a bill to help this Nation expand its agricultural product exports. This will help our farm economy further. The recent decision by the People's Republic of China to reenter the U.S. grain market is partially the result of provisions contained in that act. I am proud to have introduced legislation on which that bill was based. And, I am proud to have served as minority floor manager for that bill.

With all that the Congress did last year, why am I introducing new legislation to help the farmer? Mr. Speaker, it is because we have not finished the job we set out to do. If we are to save the family farm as the backbone of America, we must continue to work to strengthen our farm economy.

Anyone who thinks that we solved the farm problem last year need only look at the highways in our Midwestern States. There, tractors are steadily rolling toward Washington as hundreds of farmers make a last ditch effort to save their farms.

True, there has been improvement in prices and net incomes received by farmers in the past year. But we need only look back to 1974 to see how we have deceived ourselves into the comfortable complacence now evident with regard to farm problems.

In 1974, the index of prices farmers received was 191—1967 equals 100. By September 1978, that index had risen to 214. At the same time, the index of prices farmers paid increased from 164 in 1974 to 222 in September 1978. The farmer is still losing money.

If you look at the figures more closely, you see that the index of prices received by farmers in 1975, 1976, and 1977 was below the 1974 level. The index of prices paid increased consistently.

There are indications that net farm income in 1978 might total as much as $27 billion. In 1974, realized net farm income was $27.7 billion. Expressing 1978 income in 1974 dollars, we would need a 1978 net farm income of about $32 billion just to break even.

No, Mr. Speaker, the farm problem has not been solved. And that is why I must again introduce legislation to bring this problem back before this Congress for a solution. This measure will not only help the farmer. It will help our entire economy.

SIXTY-FIRST ANNIVERSARY OF FOUNDING OF UKRAINIAN NATIONAL REPUBLIC

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, today marks the 61st anniversary of the founding of the Ukrainian National Republic. On January 22, 1918, a universal proclamation establishing a fully independent and sovereign Ukraine was issued in Kiev, and a republic was declared. Self-determination for Ukrainians was tragically short-lived, however, for Soviet armed forces invaded just 2 years later, forcing the Ukraine into the Union of Soviet Socialist Republics.

Sixty-one years later, the Ukrainian people have not given up the hope of regaining the freedom and independence that they once knew, however briefly. On this day we pay tribute to the 50 million proud people of this once sovereign nation, and send to them the promise of our continued efforts to help them to secure their basic human rights under the terms of the Final Act signed at Helsinki.

THE 96TH CONGRESS SHOULD REAFFIRM THE RIGHT TO LIFE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, this is the sixth anniversary of the handing down of one of the most odious Supreme Court decisions that this Nation witnessed throughout its history, one that ruled in effect that the right to life was not to be guaranteed by the laws in this country. This decision was as distressing to many citizens as was, in a different time, the Dred Scott decision holding that human beings were nothing more than personal property.

On this occasion I would like to congratulate the many thousands of citizens from all over the United States who will be marching in Washington today. I hope that this new 96th Congress will reaffirm the right to life in even greater numbers than in the past. I predict we will do so, particularly in view of the fact that many of our former colleagues who refused to acknowledge the right to life are no longer with us.

□ 1215

BUDGET FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–40)

The SPEAKER pro tempore (Mr. BAILEY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

This budget for fiscal year 1980 is lean and austere. It recommends a spending level well below that suggested by the recent momentum of Federal spending. It will disappoint those who seek expanded Federal efforts across the board. It meets my commitment to a deficit of $30 billion or less.

This policy of restraint is not a casual one. It is an imperative if we are to overcome the threat of accelerating inflation.

If that threat is realized it would severely disrupt our economy and the well-being of our society. Americans with low and fixed incomes would suffer the most. Restraint would eventually become an inescapable necessity. But the longer we wait, the most severe and costly the inevitable restraint will be. By contrast, the budget supports a balanced fiscal policy. It is sufficiently restrained to ease inflationary pressures, but it will permit continued economic growth.

The Federal Government cannot overcome inflation by itself. Success will require cooperation from business, from labor, from consumers, from State and local governments—in short, from everyone. I have called for that cooperation as part of my anti-inflation program. However, only through its leadership and its example can the Federal Government secure this cooperation. This budget provides that leadership. It restrains Government's demand on the economy. At the same time, it makes the Federal dollar work harder and better.

The key to effective Federal leadership against inflation, unemployment, and poverty lies in more effective allocation and management of available resources. We must reduce the growth of total Federal spending while protecting the security of our Nation and the well-being of the American people.

This budget provides the necessary discipline over Federal spending by:

—eliminating programs that are unworkable;
—improving programs to make them more effective;
—focusing assistance on the disadvantaged and the poor; and
—reorganizing and consolidating Federal activities to improve efficiency and avoid waste, abuse, or mismanagement.

I believe this discipline represents an opportunity to reassess and build strong foundations for future Government activity, an opportunity to change Government for the better. It is my firm intention to continue these policies in future years, to reduce the size of the deficit, and to achieve a balanced budget as soon as economic conditions permit.

BUDGET TOTALS

[In billions of dollars]

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget receipts	402	456	503	577	653
Budget outlays	451	493	532	578	615
Surplus or deficit (—)	—49	—37	—29	—1	38
Budget authority	502	560	616	651	696

My budget provides for total outlays in 1980 of $532 billion, an increase of $38 billion, or 7.7 percent, over 1979, and receipts of $503 billion. For 1981 and 1982, it provides for total outlays of $578 billion and $615 billion, respectively. Budget outlays will decrease as a share of the Nation's gross national product

from 23.1 percent in 1978 to 21.2 percent in 1980 and 20.3 percent in 1982. This reduction in the share of our national product spent by the Federal Government is a fundamental goal of my policy, equally as important as reducing the deficit.

The expenditures I recommend are specifically focused on overcoming our Nation's crucial problems. Through rigorous zero-base analyses, priorities have been established to help us get the best Government possible for the resources we can afford. Careful attention to efficiency and productivity will enable Federal managers to achieve our most important priorities with less money and fewer people.

The spending restraint in this budget means that in some areas the Government will simply not be able to do as much as it has in the past. Inevitably, real sacrifices must be made if we are to overcome inflation. In formulating this budget, I have made every effort to spread that burden fairly and objectively. Restraint has not been applied arbitrarily.

However, there are areas where we cannot make major reductions. I have sought to reconcile the need for extraordinary restrictions on Government spending with the need to maintain a strong defense; to implement a national energy policy; to assist people in need; and to continue important public services and investments.

First, as President, it is my central responsibility to ensure that our defense forces are strong enough to deter aggression. This budget does that.

In May of 1977 I met with our NATO allies and urged that we work together to strengthen our common defense. They are meeting the goal that we agreed upon. We must and will do our share.

In total, the 1980 defense budget provides for growth in outlays in real terms of 3% above the current year's spending. Most of this increase will be for strengthening our NATO forces and maintaining the strategic balance. The budget continues my policy of steady modernization of our strategic forces, and improved combat readiness of our tactical forces. It also emphasizes research and development to meet future challenges to our security. At the same time, however, it restrains defense costs by introducing important economies in purchasing, supply management, and personnel costs and numbers.

Second, the 1980 budget recognizes the vital importance of energy to the Nation. Because of our dependence on foreign oil, we continue to be in danger of having supplies disrupted as they were 5 years ago. It is essential that we continue to move forward with an effective national energy program that will decrease our demand for foreign oil and protect against disruption of foreign oil supplies.

The 1980 budget provides for the continued buildup of the strategic petroleum reserve. It continues to assist in the development of technologies to tap our domestic energy resources more effectively. I have given special emphasis to developing advanced solar power technologies. The budget proposals give increased attention to more efficient use of uranium, to nuclear proliferation and environmental problems, and to effective measures to deal with nuclear waste.

Third, even when budget restraint is essential, we will continue as a compassionate society to meet our commitments to the disadvantaged. Therefore, I have ensured that my budget include adequate funds for programs that help those American most truly in need. To make these funds as effective as possible, the budget includes recommendations for adjustments in direct payment programs, better targeting of existing programs, and improved management so that funds are not wasted but go to the people for whom they were intended.

My administration is developing a national health plan. Consistent with the development of that plan, the budget emphasizes programs to address critical health needs. As early steps toward this plan, my proposals extend health services to 2 million more low-income children and pregnant women who cannot afford health care that they need, and bring new health care resources to people who live in medically-underserved areas. The budget includes new and expanded programs to reduce activities that cause ill health, such as drug and alcohol abuse, as well as to protect individuals and communities from pollution and other toxic substances; increased funding for mental health research; and expanded health-related services such as nutrition programs for low-income mothers and children.

I am again proposing legislation to contain the exorbitant nationwide rise in hospital costs. The 230 percent rise in these costs in the past 10 years has been a major inflationary force and an unacceptable drain on family incomes. The Congress must act on this problem.

Curbs on hospital costs will benefit State and local budgets—and those of private citizens—as well as the Federal budget. They will strike directly at inflation in a sector where price increases have been chronically high.

The budget recommends a number of changes in the social security system to streamline it and eliminate unnecessary benefit payments. They will reduce the future costs of this largest of all Federal programs—and, ultimately, hold down the taxes imposed on workers and employers. I will consider future social security tax reduction in conjunction with these savings.

In the past 2 years, total employment in the U.S. has increased by 7.4 million. This is an average rate of 4.1 percent per year, one of the most rapid expansions in our history. The proportion of our civilian population employed is higher, at almost 60 percent, than it has ever been before. But despite these gains, unemployment, particularly among the disadvantaged and minorities, remains too high.

Continued high structural unemployment in an inflationary economy requires a redirection of our efforts. Programs targeted to employ the truly disadvantaged are continued at their current high levels as established by this administration. More general employment programs, not directed specifically to those most in need, must be reduced to reflect improvements in the economy and our need to establish priorities. Our youth employment and CETA programs reflect my continued strong commitment to fight unemployment of the needy. The employment tax credit enacted last year is encouraging the private sector to provide increased employment opportunities for the disadvantaged, primarily youth. This incentive will be reinforced by a private sector employment initiative, for which I am requesting a $400 million supplemental appropriation for 1979.

This budget also provides strong support for economic development programs, and again proposes a National Development Bank to help fund these efforts. The budget provides for a 36 percent increase in assistance to minority business enterprises.

Finally, I believe that the Federal Government must lead the way in investing in the Nation's future. This budget, therefore, continues my policy of providing real growth in Federal support of basic research. This support amounts to a relatively small part of the total budget—$4.6 billion in 1980—but it is vital to the future of our Nation. The knowledge created through basic research holds the potential for breakthroughs to the solution of problems we face or may face in such critical areas as agriculture, health, environment, energy, defense, and the overall productivity of our economy. Higher productivity gains in the future, moreover, will make an important contribution to reducing inflation.

* * * * *

Meeting the essential needs of the Nation, while restraining growth in overall spending, makes efficient management not just desirable, but essential.

In 1977 I proposed—and the Congress approved—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international information activities.

In 1978 I proposed—and the Congress approved—reorganizations of the Federal civil service system, emergency preparedness and disaster relief programs, civil rights enforcement, and the pension plan insurance system in order to make them more responsive and effective.

In 1979 I will resubmit my proposal to establish a Department of Education and propose further reorganization and consolidation in economic development assistance, natural resources management, and surface transportation.

For the second year, my budget reflects detailed, Government-wide, zero-base budgeting. Agency programs were explicitly ranked by priority, and programs were ranked across agencies, in a new interagency, zero-base budgeting process.

For the first time, the budget reflects the 3-year budget planning system I have instituted to gain better control of the longer-range effects and direction of Government policies.

In this budget I am proposing a new system to control the growth of Federal credit activities, particularly federally-guaranteed credit.

Other important steps will be taken

to improve the way the Government operates and the way it affects the private sector. To increase the efficiency of the private sector, the administration will eliminate unnecessary regulation where possible, and will minimize the redtape involved in necessary environmental and safety regulation. Further efforts will be made to reduce excessive paper work. State and local governments, private institutions, and citizens will benefit from simplified conditons for receiving Federal assistance. In particular, a number of programs have been consolidated to simplify the grant system, and more will be proposed in the future. The Government's own management will be improved through more effective cash management, application of the Civil Service Reform Act and use of new offices of Inspectors General to identify waste and search our fraud and corruption.

* * * * *

Preparing this budget reminds me once more of the overwhelming demands upon the Federal budget and of the limits on our resources.

I believe that we must firmly limit what the Government takes and spends. We must balance public and private needs. We must set priorities more carefully. We must change some old priorities and establish new ones. We must defer some of our demands if we are to meet adequately today's most critical needs.

These principles have guided my actions in shaping this budget and they will continue to do so in the future:

—the budget must be kept within the bounds of what is appropriate in today's economic circumstances;

—the Government has no resources of its own, its only resources are those it collects from the taxpayer;

—Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them; and

—we have an obligation to manage with excellence and to maintain proper priorities within the $532 billion proposed in this budget.

I know that the Congress shares these beliefs. You, as well as the executive branch, are sensitive to the American people's concerns about the scope of Government, the burdens of taxes, the needs of our citizens, and the efficiency of public management. Indeed, the Congress in the last few years has taken important steps—in particular, through the establishment of the congressional budget process—to improve its own means of establishing priorities. I have worked closely with the Congress, and will continue in this spirit of cooperation.

I look forward to working with the Congress and its leadership on this budget.

The decisions I have made are difficult ones. They involve, not figures on a balance sheet, but the lives and future of the American people. I have chosen restraint in Government spending because inflation must be controlled. I have tried to be equitable in ordering priorities. Yet I have continued to support those programs that represent our most pressing needs. To do so I have terminated, reduced, or deferred other programs.

It is difficult to maintain a sense of strong national purpose when we do not face a clear and immediate crisis. But it is equally important. These are times when responsible leadership means anticipating those day-to-day actions that enable us to avoid crises and to build toward the future. This has been the fundamental purpose behind the decisions considered here, and that is the intent of this budget.

JIMMY CARTER.

JANUARY 22, 1979.

□ 1220

INCREASED DEFENSE SPENDING —A BAD WAY TO FIGHT INFLATION

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I think we all share the goal that the President's budget message enunciates in terms of cutting out unnecessary expenditures and moving closer to a balanced budget. I certainly do.

However, at the same time I think we are entitled to serious misgivings about the President's proposal that the biggest items in the budget, namely, national defense spending, should be increased, not only in current dollars but in real terms.

I am going to put into the RECORD following these remarks an article that appeared in November in the Akron Beacon Journal, reprinted from the New York Times, which reflects a growing consensus among economists that military spending is not only highly inflationary, but that in the long run it also produces more unemployment because, dollar for dollar, it produces fewer jobs.

As stated in the New York Times article by Ann Crittenden—

> The consensus among economists is that although the shift toward military spending will benefit some communities and workers, the impact on the nation as a whole will add up to more inflation and fewer jobs in the coming years.

The article went on to point out that one economist, Roger Bezdek, who is now with the U.S. Department of Energy, found in a 1975 study that the Midwest, Great Lakes and North-Central regions, with more civilian oriented industry, would gain economically from defense cutbacks.

While I recognize that the President has to take into account many factors in determining budget priorities and that we must spend whatever is truly necessary to maintain a military balance of power, it is important to recognize that, unless some way is found to move toward general disarmament, the continuation of huge military budgets will in the end destroy our economy and, therefore, the base on which our military strength rests. It is, to say the least, ironic that in a proposed budget where almost everything else is being cut in terms of real outlays, the largest and most inflationary item—military spending—is being substantially increased.

DEFENSE—GOOD OR BAD FOR THE ECONOMY?

(By Ann Crittenden)

NEW YORK.—At the height of the Vietnam War, workers in some West Coast defense plants sported lapel buttons that read, "Don't Bite the War that Feeds You." Today, in Groton, Conn., a town dominated by the shipbuilding activities of a General Dynamics subsidiary, children wear T-shirts boasting: "My Dad Builds Tridents."

These grass roots fashions reflect the familiar view among Marxists and others that American prosperity is intimately linked to a high level of military spending. Pitted against this thesis is the argument that defense spending weakens the economy and may even be a basic ingredient in the stew of inflation and slow growth, or stagflation, in which the nation now finds itself.

The long-standing debate has recently taken on fresh urgency. Last week the President reiterated an earlier pledge to increase the military budget, by three percent a year above the rate of inflation. That would amount to $123.8 billion in outlays next year, or roughly 25 percent of all federal expenditures. At the same time, the administration has decreed a cut of about $15 billion in a broad range of social programs, including Social Security disability insurance, Medicare and Medicaid, the water and sewer programs of the Environmental Protection Agency and the Labor Department's public-service jobs program.

This clear shift in federal priorities cannot fail to have a significant impact on the national economy. The consensus among economists is that although the shift toward military spending will benefit some communities and workers, the impact on the nation as a whole will add up to more inflation and fewer jobs in the coming years.

To be sure, defense spending is not running riot in the sense of commanding an ever-increasing share of the national output. As a percentage of gross national product (GNP), military spending has actually been steadily declining since the early 1950s. From more than 13 percent of GNP at the peak of the Cold War in 1953, it declined to about 8.5 percent in the late 1960s, roughly six percent in the early 1970s, and an average of 4.8 percent for the first three quarters of this year. That level is not expected to change for the next few years.

Nevertheless, because of its sheer size and its concentration in certain key areas of the economy, the military budget has an overwhelming impact on the national economy. The greatest direct effect comes from the roughly 40 percent of the defense budget—or 10 percent of the total federal budget—that goes for procurement and for research and development. In fiscal 1977, Department of Defense contracts for weapons and research and development totaled more than $60 billion, a 20 percent increase over Pentagon contracts the previous year and a post-World War II record.

There is no question that that vast sum spread a lot of well-being around the country. At the moment it is estimated that anywhere from 900,000 to 1.5 million jobs in the private sector are directly dependent upon the defense industry.

And, as military spending increases, the trend toward job creation is up; some 120,000 new military-related jobs were created in each of the last two years, according to Gordon Adams, a professor of political science at Rutgers University and consultant to the Council on Economic Priorities, a New York-based research group.

This employment has become crucial to certain areas of the country, including such communities as Los Angeles, Seattle, Wichita, Kansas and Lynn, Mass., and such states as Texas, New York and Connecticut.

In general, however, weapons procurement is of greatest benefit to the Western states,

according to a 1975 study of the economic impact of shifts in military spending.

Roger Bezdek, the economist who did the study, and who is now with the Energy Department, also found that states in the Mid-West and in the Great Lakes and North-Central regions, with more civilian-oriented industry, would gain from defense cutbacks.

The uneven distribution of the defense dollar was also demonstrated in a report by Adams on the B1 bomber program. It showed that California, the home of the primary contractor, Rockwell International, received more than 50 percent of the funding for research and development. Only six states—Ohio, California, Arizona, Oklahoma, Washington and Vermont—received more in contract revenue than their residents paid out in income taxes to fund the program before it was canceled.

Procurement dollars are concentrated not only geographically, but on a relatively small group of companies as well. According to a report on the top 100 defense contractors—who received more than two-thirds of all contracts—10 corporations received more than 30 percent of the $50 billion spent on procurement in 1977; and each of the companies, including General Dynamics, United Technologies, McDonnell Douglas, Boeing, Lockheed and Northrop, had more than $1 billion in contracts.

According to the report by the Council on Economic Priorities, the current emphasis on upgrading the forces of the North Atlantic Treaty Organization will mean a boom to manufacturers of missiles and battlefield weapons and munitions. This would include companies like Chrysler and the Lycoming Division of Avco, the two manufacturers of the M1 tank, and Martin Marietta, Raytheon and Hughes Aircraft, three key producers of tactical missiles and guided weapons.

Balanced against these visible and politically potent beneficiaries of the defense budget are more subtle and hidden costs to the economy as a whole.

Virtually all economists agree, for example, that military spending tends to be inflationary—it puts money into the hands of workers without expanding the supply of goods they can buy, the consumer market for missiles and the like being somewhat limited—thereby driving up the prices of goods like autos and refrigerators and machine tools.

Lloyd J. Dumas, a professor of industrial and management engineering at Columbia University, also argues that military contractors, generally operating on a cost-plus basis and therefore not compelled to control costs, tend to bid up the prices of resources and skilled labor. In this way they produce a cost-push effect that feeds inflationary pressure throughout the rest of the economy.

Less widely recognized is the fact that spending on weapons generally produces fewer jobs than many other kinds of government expenditure.

During the economic slowdown in the 1970s, politicians scrambled to lure defense contracts into their districts, despite evidence that a number of public spending alternatives, including many of the kinds of social programs the administration has decided to curb, would produce more work.

An analysis by Chase Econometrics Associates, examining the potential economic impact of the B1 bomber, found that both a tax cut and a housing program of equivalent amounts would create more national employment over a 10-year period than would production of the plane. Bezdek's study came to similar conclusions.

The advantages of cutting military spending would obviously only accrue if the cuts were offset in some way, either by tax cuts or by increased public spending on other programs. Otherwise, a reduction of the defense budget would result in a severe drop in national income and employment.

□ 1225

BEARING DOWN ON BALANCING THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, never in the time that I have served in Congress have I seen so much attention drawn to the matter of balancing our Federal budget. Over the past year the American public has voiced its sentiment that deficit spending cannot go on much longer in Washington and at other levels of government. The administration and an increasingly large number of us in Congress are committed to putting our budget in balance as the centerpiece of a sound fiscal policy.

It has been 10 years since we have had a surplus in our Federal spending plan. Since that time we have been spending tax dollars without regard to the consequences of a policy which adds to our national debt. A number of efforts in the last Congress to hold down our budget outlays were unsuccessful, but the support these measures received reflects our genuine concern for putting some restraint on Government spending.

There are some sensitive issues around the budget which the President submitted today. For one, we are faced with making decisions on which programs are to receive less funding. The elimination of wasteful spending, doing away with costly duplication and inefficiency, and reducing our expenses in a number of "fringe" areas are an important responsibility of our Budget committees and the President's Office of Management and Budget. At the same time, it is critical that we watch the direction of our economy and assess the impact our spending decisions will have on the rate of inflation and prospects for a recession.

We have already seen the significant effect of rampant spending practices on our economy. Higher prices for the consumer, a steady rise in interest rates, and a misallocation of national resources has resulted. The real growth rate of our economy has suffered, and clearly demonstrated the need for putting our budget in balance.

Not long ago the National Opinion Research Center found that two-thirds of those polled believed the Government spends "too much" money on needless foreign aid, and 58 percent felt welfare programs were overfunded. A few months back a similar poll conducted by the New York Times and CBS News showed that 67 percent of the public hold the view that the Federal Government is the biggest waster of tax dollars. Recent Gallup polls indicate an overwhelming sentiment for a balanced budget. I think the time has come, Mr. Speaker, for Washington to deliver on this mandate by the people.

Last year my colleague from California, JOHN ROUSSELOT, wrote an article for the widely distributed book, "Can You Afford This House?" I urge all of us to review Mr. ROUSSELOT's thoughts on the importance of fiscal conservatism. It is hypocritical for the White House to call on all Americans to slow down their spending, and for Washington to do the exact opposite. Putting the lid on how much of the taxpayer's money is thrown around is of the highest priority, and now is the time to bear down and finally do it.●

FOOD AND DRUG REFORM CRITICAL TO THE HEALTH OF AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 5 minutes.

Mr. SYMMS. Mr. Speaker, on the first day of the 96th Congress, 13 of my colleagues and I introduced the Food and Drug Reform Act of 1979, H.R. 54. I would like to add the names of two additional cosponsors to the bill; Mr. JOHN ASHBROOK and Mr. ELDON RUDD.

As many of my colleagues are aware, I have been greatly concerned about the increased delays and the rapidly mounting costs which have been attendant to the introduction of new, potentially life-saving pharmaceutical products in this country. The Food and Drug Reform Act addresses itself to the urgent need for reform at the Food and Drug Administration, especially as that agency relates to the introduction and regulation of pharmaceutical products.

There have been numerous studies conducted by some of the best health care professionals in the Nation which indicate a shocking lack of innovative new drug research, coupled with an increasingly dangerous drug lag. The fact that most of our health care research dollars are now being channeled overseas is reflective of an unhealthy climate for American drug research and would indicate that drastic measures are needed to cure what may well be a terminal case of bureaucratic obesity at the Food and Drug Administration.

Prior to 1962, a new drug could be marketed if the manufacturer provided sufficient proof that the drug was safe for human consumption and that it was reasonable to believe the drug did not produce overwhelming adverse side effects. In 1962, the Congress amended the Food, Drug, and Cosmetic Act so that drug manufacturers, in addition to the safety provisions of the act, must prove a new drug to be "effective." The Kefauver-Harris amendments, called the efficacy provisions, were enacted with a valid concern for the improvement of the health of Americans. Unfortunately, the Congress could not have known at that time what far-reaching ramifications those provisions would have.

One of the most serious side effects of the Kefauver-Harris amendments has been the extended length of time it takes to complete the drug approval process. Before the amendments it took approximately 1 or 2 years to market a new drug. It now takes an average of 7 years, and quite often it takes up to 20 years. It is easy to see why Americans continue to be denied access to safe and effective drugs which have been available to citizens of other countries for several years.

As we have all experienced, time is money. The drug approval process is so lengthy, and as a result so costly, that drug manufacturers can no longer expect to realize a fair return on their investment. This becomes especially burdensome to small drug manufacturers, who are some of the most innovative health care professionals of all.

The implications of the current drug approval process become especially critical when viewed from the perspective of a patient who is the victim of a rare and fatal disease who cannot afford to wait 10–15 years for a drug which is crucial to his immediate health and welfare. Pharmaceutical companies have not been devoting the time and money for rare disease research because the market for such products is relatively small, and the manufacturers cannot expect a fair return for the huge investment the current system mandates. Prior to the amendments it cost aproximately $2 million to market a new drug. It now can cost up to $20 million.

My bill would amend the Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, and to promote the fair treatment of new drug applications. Repeal of the efficacy provisions will do much to alleviate what has become a misguided effort by the Congress and the Food and Drug Administration to add still another layer of Federal control to the health care of American citizens.

I would suggest that enactment of this reform legislation would go a long way toward resolving many of the problems within FDA which forced the President's Biomedical Research Panel to comment:

> There is a clear impasse arising between society's desire for new and better drugs and the barriers society is erecting to their development and introduction. These barriers, base on a valid desire to improve the standards of safety and efficacy and to assure ethical control in clinical evaluations, increase developmental costs. There is a real danger of bringing the developmental process and access to clinical resources to a halt. Many feel that the American public is being denied new drugs currently available abroad because of excessive FDA requirements. There is a different kind of hazard to public health posed by the prolonged delays which the FDA's own protective system have produced. In some respects, the agency has become a formidable roadblock.

REMARKS OF HON. JACK EDWARDS OF ALABAMA ON THE FISCAL YEAR 1980 FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 30 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the fiscal year 1980 Federal budget was presented to the Congress today. In the next few days, we will be hearing much about it. I would like to speak for a moment of the Defense Department's portion of the budget.

FINANCIAL OVERVIEW

The Department of Defense budget request for fiscal year 1980 totals $135 billion in new appropriations. If approved in full and if pending and future supplementals were also approved, the new request would exceed last year's appropriations by $9.8 billion or about 8 percent. Of the proposed increase, $7.4 billion would be absorbed by inflation and the remainder—$2.4 billion or 1.8 percent—would constitute "real program" growth.

Expenditures, by comparison, are expected to rise by $10.8 billion or 9.6 percent from an estimated $111.9 billion in the current fiscal year to $122.7 billion in the new fiscal year. If allowances are made for inflation, however, expenditures would increase by only $3.6 billion or 3 percent. At the projected fiscal year 1980 level, defense expenditures would represent 23.1 percent of total Federal expenditures and 4.9 percent of the gross national product—about the same as last year.

DEFENSE APPROPRIATION BILL

The Defense Appropriations Subcommittee will be reviewing the largest single portion of the proposed budget—the $129.6 billion to be requested in the fiscal year 1980 Defense Appropriation bill, plus an additional $4.1 billion to be proposed in a fiscal year 1979 supplemental request.

The new request of $129.6 billion, to be considered by the Defense Subcommittee, exceeds the amount provided in last year's bill by $12.3 billion or 10.5 percent.

Within the Defense bill, the requested funds will be distributed among the major accounts as follows: Military Personnel, $28.9 billion, up $1.7 billion over the amount provided last year; Retired Military Personnel, $11.5 billion, up $1.3 billion; Operation and Maintenance, $40.2 billion, up $2.9 billion; Procurement, $35.4 billion, up $5.2 billion; and Research and Development, $13.5 billion, up $1.4 billion.

Although there are increases proposed in each account, the vast bulk of the increase is concentrated in procurement, R. & D. and operation and maintenance, with the largest increase in procurement—an increase of 15.0 percent—all of which reflects the continuing effort to improve force readiness and to enhance modernization.

The proposed $4.1 billion fiscal year 1980 supplemental, also to be considered by the Defense Subcommittee, contains $1.8 billion for pay increases and $2.3 billion in program growth. Increases for the major programs are as follows: $834.7 million for shipbuilding—$543 million for one DD–993 guided missile destroyer, $194 million for one FFG guided missile frigate, and $97.7 million for claims; $386.6 million for Air Force R. & D. for the MX strategic missile and cruise missile programs among others; and $259.5 million in the Air Force aircraft procurement account for a number of different projects.

BUDGET PRIORITIES

The new budget proposes to continue a major shift in military funding priorities that was initiated in the budget presented to the Congress 1 year ago. These newly established priorities place greater emphasis on increasing the combat capabilities of our conventional air and ground forces for the defense of NATO along with our strategic nuclear forces, while placing less emphasis on maintaining certain Navy missions. Thus, while the budget projects "real program" growth of about 3 percent for the Air Force and Army combined, if allowances are made for inflation, there is probably no growth whatsoever in the Navy budget.

I support the plan to strengthen our NATO defense and strategic nuclear postures, but at the same time, I believe that we cannot allow any further decline in our naval strength. We have reached a point where we must either provide more money for the Navy or face up to reduced Navy force levels and missions.

In my opinion this is the single most important issue in the budget. It is not a new one. It has been brewing for several years now. We on the Defense Subcommittee fought it out last year and will in all probability do it again this year. The conflict is over what the future mission of the Navy should be. In the absence of a clearly defined mission, the controversy has focused on the naval aircraft procurement and shipbuilding programs.

In reviewing the budget, I did not perceive any kind of understanding or resolution of the problem or a clear sense of direction. The indecision manifested in the budget is an open invitation to the Congress to reorder funding priorities again this year, even though I do not necessarily believe that priorities should be set by the Congress.

AREAS OF MAJOR CONCERN

A. AIRCRAFT PROCUREMENT

The fiscal year 1980 budget request for naval aircraft procurement includes funding for only 39 fighter-attack aircraft, 24 F–14's and 15 F–18's. That number would not go far toward meeting the Navy's annual requirement for 180 new fighter-attack aircraft, the number needed each year just to stay ahead of normal peacetime attrition. If this trend is not reversed through increased annual buys, it will not be possible to maintain 12 active carrier and 3 Marine airwings in the future.

Because of continuing budgetary constraints, the Navy is unable to buy aircraft in economical quantities. The result is wasteful expenditures. In the fiscal year 1980 Navy budget, for example, the average unit cost for the 39 fighter-attack aircraft requested is about $35 million, whereas the 379 fighter-attack aircraft in the Air Force budget carry an average unit cost of only $9 million. Thus, because of the additional funding available and the advantages of large-scale buys, the Air Force is able to buy roughly 10 times as many fighter-attack aircraft as the Navy for only 2.5 times as much money.

Here is a problem that cries out for some kind of solution.

B. SHIPBUILDING PROGRAM

We are a seapower. Our dependence on the sea has continued to grow as we have become more involved in the world economy. Yet as our dependence on the sea has increased, our ability to control the sealanes has come under increasing challenge by the Soviet Union.

Herein lies the problem. We are sim-

ply not building enough ships. Navy ships are costing too much.

Each year we buy fewer and fewer ships, and the fleet is shrinking in size, and all the information indicates that this trend will continue. For example, when President Ford left office, his 5-year shipbuilding program called for 157 ships to be built, 36 of which would have been funded in the fiscal year 1980 budget. President Carter this year reduced the 5-year program to 67 ships and only budgeted 15 in fiscal year 1980—the same number budgeted last year. Since two ships were deleted from last year's program, the proposed supplemental containing two additional ships would maintain a 15-ship program in fiscal year 1979.

Of the 15 ships in the new budget, only 10 are major combatants: 1 CVV attack aircraft carrier, $1.6 billion; 1 DDG-47 Aegis destroyer, $820 million; 6 FFG guided missile frigates for $1.3 billion; 1 Trident ballistic missile submarine, $1.4 billion; and 1 SSN-688 nuclear-powered attack submarine, $520 million.

I am greatly concerned about the trend in shipbuilding, and I intend to look into the whole matter this year to gain a better understanding of the types and the numbers of ships the Navy needs to carry out its principal mission of maintaining maritime supremacy.

BUDGET REVIEW

During our review of the new defense bill, I intend to focus my efforts on several specific issues: Navy requirements for fighter-attack aircraft; Navy force level objectives for ships; Navy and Air Force fighter engine programs; Navy and Air Force requirements for air-to-air missiles; and the Army tank program.

While I have already conducted some preliminary investigations on my own, I still have a number of unanswered questions. Further probing is needed, and toward that end, I plan to ask our new chairman to schedule special hearings along those lines.

SUMMARY

It is not possible at this time to determine what level of funding is needed to support our defense posture in fiscal year 1980, but as our review progresses, and after we have had an opportunity to hold some hearings, we should be in a better position to know what, if any, additions or deletions need to be made.

While all of us want to provide what is necessary for the defense of this Nation, the truth is only so much money is available. This being the case, we have to struggle with the problem of how best to spend the dollars available. In view of the continuing indecision and controversy over the future shape of the Navy, I think we have our work cut out for us.

ANTHONY PATERNO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise today to pay tribute to the late Anthony J. Paterno, the dedicated and humanitarian civic leader in our Chicago community who played a leading role in the formation and success of the Joint Civic Committee of Italian Americans, comprised of more than 40 Italo-American civic organizations in the Chicago area.

Anthony Paterno was a dear friend of mine for over 35 years, and his death was a tremendous loss personally for me and my family, and for the thousands of citizens of Chicago and the State of Illinois who knew him, and who respected him for his humanitarian achievements, for his personal charity and generosity, and for his admirable record of integrity.

Tony emigrated to America from his native Sicily at the age of 18, arriving in Chicago in 1923, and began working a menial series of jobs on railroads, in factories, and on construction projects. Truly an American success story, he proceeded to found a number of small businesses, and then acquired a wine import business, which eventually became one of the biggest Italian wine importers and distributors in the country.

Despite the demands of his life-long business career Anthony Paterno never forgot the value of example and he constantly extended his help and encouragement to the young emigrants who came to America after him to aid them in achieving their ambitions in the new land.

He gave unstinting and generous support in time and money to Villa Scalabrini, the Italian old people's home; to FRA NOI, Chicago's Italian community newspaper; to the Italian Chamber of Commerce; to the Vizzinese Society, and to many, many other civic and humanitarian activities in the Chicago area too numerous to mention.

A past chairman of the annual Chicago Columbus Day parade, he also served from 1967 to 1976 as the supreme president of the Italo-American National Union, the largest fraternal insurance organization among Italian-Americans in the Midwest. In 1948, he joined many other Italian-Americans in returning to Italy to campaign against the election of Communists to participation in the Government of Italy.

The long and productive life of Anthony J. Paterno is characterized by his love of people, and he never failed to give all of himself for the success of others. His generosity, his love of family, his courage, and his optimistic and good-humored wisdom and insight made his life a splendid and inspiring example and his record of accomplishment one that is most commendable.

My wife, Angie, joins me in extending our heartfelt sympathy to Tony's bereaved family, his beloved wife, Lena, and his two daughters, Josephine and Michelin, along with their families.

Mr. Speaker, a list of some of the awards he received for meritorious and laudable humanitarian service during his lifetime follows:

AWARDS MADE TO ANTHONY J. PATERNO

(No date): Medal of Cavaliere, Star of Solidarity, Republic of Italy.

1956: Medal of Commendatore, Star of Solidarity, Republic of Italy.

(No date): Medal of Cavaliere, Order of Merit, Republic of Italy.

1958: Medal of Cavaliere Ufficiale, Order of Merit, Republic of Italy.

1959: Vizzinese Society Testimonial Award.

1960: John Baptist Scalabrini Award.

1961: Medal of Commendatore, Order of Merit, Republic of Italy.

1961: Joint Civic Committee of Italian Americans Leadership Award.

1961: Amerital UNICO "Citizen of the Year."

1962: Joint Civic Committee of Italian Americans Leadership Award.

1963: Chicago Committee of 100 "Good American" Award.

1965: Amerital Unico Award.

1965: Knight Commander of the Sovereign Military Order of Malta.

1965: Joint Civic Committee of Italian Americans "Outstanding Leadership Award."

1966: Knight Commander of the Order of the Holy Sepulchre in Vatican City.

1967: Joint Civic Committee of Italian Americans "Outstanding Leadership Award."

1967: House of Aged Award, St. Vincent De Paul, Vizzini.

1968: American Committee on Italian Migration Humanitarian Award.

1970: Joint Civic Committee of Italian Americans "Man of the Year."

1970: Gregorian Award.

1972. Italian American Police Association "Man of the Year."

1972: Millenium Society Award, Clareknoll Foundation for Mentally Retarded.

1972: Italian Chamber of Commerce Award.

1973: Maroon Soccer Team Leadership Award.

1973: Medal of Grande Ufficiale, Star of Solidarity, Republic of Italy.

1974: Paterno Lodge "Man of the Century" and 1st Renaissance Award.

1975: Italo American National Union "Man of the Year."

1976: Leadership Award, Italian Invitational Golf Tournament for Charities.

1977: Charter Member, Council of 1000, Italian American Foundation of Washington, D.C.●

RETIRING TEACHER BLAZED TRAILS IN CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 15 minutes.

● Mr. COTTER. Mr. Speaker, I would like to speak for a moment about Beatrice Wood, a distinguished Connecticut educator who has devoted her life to serving others on the job, in the community and at home. On January 31, 1979, Mrs. Wood will retire after more than 30 years of teaching and administering in the Hartford public school system.

Today, perhaps more than ever before, we are aware of the need for high-quality reading instruction in both elementary and secondary schools. The Hartford community can be proud of Mrs. Wood's pioneer work in developing a model program for intensive reading instruction which is recognized nationwide. In 1972, her reading program was cited as one of the top 10 in the United States and was subsequently duplicated in the New York, Indiana, and Oklahoma school systems.

Those of us who know Mrs. Wood personally are impressed not only with her intelligence and diligence but also with her courage. I am reminded of how 30 years ago she was first denied a teaching job in Hartford because she is black.

But nothing could hold Beatrice Wood back—least of all blind prejudice. She challenged the school officials then as she has challenged every obstacle since then—with dignity and success.

In the political arena, Mrs. Wood has again showed outstanding dedication, both as a councilwoman and deputy mayor in the town of Bloomfield. Utilizing her many years of experience in city schools, she served her community as a strong liaison between the town council and the board of education. And every Bloomfield parent knows how crucial that work was in affecting his child's future.

Without further remarks, I would like to share with you a newspaper article on Beatrice Wood from today's Hartford Courant:

RETIRING TEACHER BLAZED TRAILS IN CITY

(By Bill Grava)

Thirty years ago, Beatrice Wood asked why she didn't get a teaching job in Hartford when other applicants, all of them white and most of them scoring below her on tests, did.

That question to the school administration got the soft-spoken black woman a job teaching at the Arsenal School.

Top school officials ordered her hiring as soon as she challenged them, she said.

Since then, she said, her experiences could be described as like an icebreaker heading toward the North Pole. She rose through the school system to become head of reading programs for all city schools.

She also pursued a political career that brought her to the deputy mayor post in Bloomfield before she stepped out of the political arena in 1975.

The problems she faced as a black overcoming the apparent prejudices in a large school system were recalled last week as she talked of her impending retirement Jan. 31.

Finally getting a teaching job, she later became the city's first black reading consultant

Originally trained as a high school math and physics teacher, she said she really had to prove herself to the teachers and principals of the five schools where she worked, which had mostly white students.

Then, in 1966, she began as assistant reading supervisor, again, the first black supervisor in the city. She was assistant supervisor nine years when she was named reading coordinator.

Under her direction, reading programs grew in the city. One became a national model and is still used as an example of how to teach children throughout the country to read.

Different superintendents would favor different programs, she said. Some of the programs were good, others less than good, and it was up to Mrs. Wood and her staff to keep the best aspects of each effort and discard what didn't work.

"The reading scores are going up now, thank goodness," she said, referring to recent test results that showed improvements at every grade level except among high school seniors.

"Reading is the hot seat of education," she said. "Like Harry Truman said, if you can't stand the heat, get out of the kitchen."

Most of Mrs. Wood's staff describe her as a rock, or a calm port in a storm, as to say she can indeed stand the heat in the kitchen.

Her political career in Bloomfield was less a hot seat than directing reading in Hartford, but "it was one of the most worthwhile experiences of my life." Mrs. Wood said.

Her husband Albert (who retired from the Hartford schools last year was a town councilman. When he left the Bloomfield council, Mrs. Wood won the same seat.

She served there as the liaison between the Town Council and Board of Education. When she left the council in 1975 she was deputy mayor.

Involvement in politics is, in itself, a great education, Mrs. Wood said. "It gives you a degree of control over your own life" and teaches the power of political decisions, she said.●

FOREIGN INCREASE SHARE OF FEDERAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the President's budget documents contain some ominous information on the increasing share of the American public debt held by foreign interests. The implications of increasing foreign investment in the public debt and demands upon our interest payments are uncertain—but this is not a healthy trend.

Since it can be said that much of this foreign investment is the recycling of dollars that we spend overseas on oil, it is another warning that we must do more, immediately, to reduce our trade deficits and our level of oil imports.

The following table from the special analyses of the fiscal year 1980 budget (p. 113) reveals the growing foreign influence in our debt holdings and corresponding demands on our interest payments:

TABLE E-5.—FOREIGN HOLDINGS OF FEDERAL DEBT

[In billions of dollars]

Fiscal year	Debt held by the public		Borrowing from the public		Interest on debt held by public	
	Total	Foreign [1]	Total [2]	Foreign	Total	Foreign [3]
1965	261.6	12.3	4.1	0.3	9.8	0.5
1966	264.7	11.6	3.1	−.7	10.4	.5
1967	267.5	11.4	2.8	−.2	11.6	.6
1968	290.6	10.7	23.1	−.7	12.6	.7
1969	279.5	10.3	−1.0	−.4	14.1	.7
1970	284.9	14.0	3.8	3.8	15.6	.8
1971	304.3	31.8	19.4	17.9	16.3	1.3
1972	323.8	49.2	19.4	17.3	16.6	2.4
1973	343.0	59.4	19.3	10.3	18.5	3.2
1974	346.1	56.8	3.0	−2.6	22.4	4.1
1975	396.9	66.0	50.9	9.2	24.7	4.5
1976	480.3	69.8	82.9	3.8	28.7	4.4
Transition quarter	498.3	74.6	18.0	4.9	7.6	1.2
1977	551.8	95.5	53.5	20.9	33.0	5.0
1978	610.9	121.0	59.1	25.4	39.2	7.9

[1] Estimated by Treasury Department. These estimates exclude agency debt, the holdings of which are believed to be small.

[2] Borrowing from the public is defined as equal to the change in debt held by the public from the beginning of the year to the end, except to the extent that the amount of debt is changed by reclassification. Reclassifications during this period are identified in the footnotes to table E-3.

[3] Estimated by Bureau of Economic Analysis, Department of Commerce. These estimates include small amounts of interest on the debt of Government-sponsored enterprises, which are not part of the Federal Government.

In 1965, foreigners held approximately 4.78 percent of the total debt held by the public and received 5.1 percent of the interest paid on that debt. By 1978 they held 19.8 percent and will receive 20.1 percent of the interest paid out. In 1978, of the $59 billion borrowed from the public, 43 percent was borrowed from foreigners.

This is a dramatic growth in the level of foreign investment. While this investment has helped reduce the demands of the Federal Government on the domestic money markets, the interest we pay annually on this invesment can, if returned overseas to the foreign investors, increase dramatically our balance-of-payments deficit—thus putting further pressure on the dollar. In addition, this enormous foreign investment raises questions about the ability of these foreigners to create monetary and interest rate chaos if they suddenly decide to shift their investments.

The United States has incurred unconscionable trade deficits in recent years, largely to pay for oil imports. Foreign investment in our public debt has helped "recycle" the dollars we ship overseas for oil thus enabling us to continue to buy more oil. But recycling is simply another word for falling deeply into debt—and the figures in the above table show that we are already in deep trouble.

I believe we in the Congress must give more consideration to the developments revealed in this table and I hope to discuss these figures at length during the Ways and Means Committee consideration of the public debt ceiling legislation on February 6.

THE ISSUE OF PUERTO RICAN STATEHOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. LEDERER) is recognized for 5 minutes.

● Mr. LEDERER. Mr. Speaker, as this Congress begins consideration of major issues facing the Nation, I want to bring to the attention of my colleagues one issue which we should all study—the issue of Puerto Rican statehood.

One of our colleagues, Hon. BALTASAR CORRADA, has expressed the issue very well in an article in my hometown newspaper. For the benefit of all of us, I here include it in the RECORD and ask that the House take note of the importance of this issue in the coming Congress.

[From the Philadelphia Inquirer, Dec. 20, 1978]

STATEHOOD: PUERTO RICO WANTS TO BE THE 51ST

(By BALTASAR CORRADA)

The time is nearing when the rest of the United States will be asked by Puerto Rico to join in a bold, new undertaking aimed at achieving full economic and political equality for 3.3 million disenfranchised American citizens: statehood for Puerto Rico.

Statehood is an old sentiment in Puerto Rico, dating back to the beginning of its 80-year-old relationship with the rest of the nation. Shortly after annexation by the U.S. in 1898, Puerto Ricans largely expected Puerto Rico to first become an incorporated territory, then a state of the Union.

Statehood sentiment persisted through the early 1900s. But, except for the granting American citizenship to Puerto Ricans in 1917, years of benign neglect by Washington took their toll. Independence sentiment naturally grew, peaking in the late 1930s. Still, independence was never favored by more than 20 percent of Puerto Rico's electorate, and since 1956 by only 6 percent.

Although Puerto Rico has been a commonwealth of the U.S. since 1952, this status was founded on temporary economic privileges such as federal tax exemption, obtained at the expense of giving up political equality. Vestiges of colonialism remain.

For example, Puerto Ricans have served the U.S. well in the Armed Forces for 61 years in war and peace. Yet, they have been denied the right to vote for President, lack full representation in the Congress, do not participate fully in all federal programs and have been excluded from the mainstream of the American political system.

That Puerto Rico is moving toward this goal to forever link it in full equality with the rest of the nation has been demonstrated over the past 22 years at the ballot box.

In 1976, the pro-statehood New Progressive Party was swept into office with more than 48 percent of the vote in a multiparty election. The pro-commonwealth Popular Party, despite the effort of a powerful, decades-old organization, which in the past received over 60 percent of the vote in elections, saw its share of the vote slip again to 45 percent.

I expect this trend to accelerate in the next few years, leading to a status plebiscite sometime after the 1980 elections.

The U.S. Constitution provides simply that "New States may be admitted by the Congress into this Union." It sets no conditions but the Congress has traditionally required that three standards be met for admission:

1. That residents of a proposed new state be imbued with the principles of democracy as exemplified by the American form of government.

Puerto Rico's love for the ideals of American democracy is historic. Its tradition, institutions, law and constitution have been patterned after those of the U.S. Its loyalty has been proved time and time again Puerto Ricans have helped defend the United States in all of this nation's wars in this century.

Only 22 states have more war veterans than Puerto Rico, it has suffered more war casualties than 14 states and the District of Columbia. Four Congressional Medals of Honor have been awarded to Puerto Ricans—all posthumously.

2. That a majority of a proposed new state's electorate desire statehood.

Voting trends of the past 22 years leave little doubt as to the drift of sentiment in Puerto Rico, despite 40 years of massive anti-statehood propaganda by one-time entrenched pro-commonwealth administrations. Polls indicated that if a plebiscite were held in Puerto Rico today, statehood would triumph over commonwealth by a comfortable margin and over independence by a landslide. Against independence alone, the only true status alternative, statehood would win by more than 5 to 1.

3. That population and resources be sufficient to support a new state government and pay a new state's share of costs to the federal government.

Puerto Rico's population of 3.3 million U.S. citizens generates an $8.9 billion gross annual product. The government's annual budget is approaching $2 billion. Wages have risen under federal law to the highest levels in Puerto Rico's history and more people are employed than ever before.

The time is coming when Puerto Rico will make its request for statehood official. At that time, the rest of the nation will find itself faced with a bold, new challenge: whether to grant the U.S. citizens of Puerto Rico their full and equal rights or to condemn them to an unequal and interior citizenship.●

INTRODUCTION OF RESOLUTION WITH RESPECT TO THE RIGHT TO LIFE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 5 minutes.

● Mr. MURPHY of New York. I am here today to introduce a resolution to amend the Constitution of the United States with respect to the right to life.

Not unlike many of my colleagues, I have been deeply troubled for some time by the decisions rendered by the Supreme Court on January 22, 1973 in Roe against Wade and Doe against Bolton. I have been concerned by the public reaction to the decisions, but more importantly, I have been deeply concerned by the profound issues which, purporting to solve, the Supreme Court has in fact raised.

In January of 1977, after an arduous personal examination of the abortion issue I submitted to this body the identical legislation which you see before you today. I was disappointed that lack of action on this extremely important legislation has necessitated its reintroduction.

The real tragedy is that in the space of these 2 years it has been estimated that 2 million young lives were lost to abortions. Indeed, as I speak to you now, approximately 3,000 abortions are in the process of being carried out.

There is no one among us, I am sure, who does not believe that the American people have a right to be heard on the question of the termination of fetal existence. This is an issue of immense moral proportions—an issue that will not drift away as long as a significant segment of our society believes that acts of unjustifiable homicide are occurring throughout the United States. As such, we cannot avoid addressing the question just because the process may be painful.

The essence of the matter, it seems to me, is: At what point in fetal development does human life commence?

Implicit in the Supreme Court decision is that life begins when the fetus can actually manage to survive outside the uterus, usually in the third trimester of pregnancy. At that point, the rights of the mother and child are coequal, and the law proscribes abortion. However, prior to that point of "viability," the mother is entitled to a reasonable expectation of privacy in the control of her own person.

If one accepts the court's answer to the fundamental question which I have posed above, the Wade and Bolton decisions appear to make sense. But consider, for a moment, another view.

Assume that life does begin at conception, and that conception is the moment at which "all men are created equal." If this is so, then one is compelled to conclude that we have embarked upon a national course of action which entails the termination of life for public policy reasons, a policy repugnant to my moral conscience, and to millions of Americans.

It is my belief that any attempt, by any person or branch of government, to fix a precise time at which human life commences, is totally arbitrary. For that reason, it is imperative that we acknowledge the perplexity of establishing life's starting point, and act to insure that life is protected from the earliest possible point of inception. This can be accomplished by protecting the fetus from the moment of conception onward.

Reasonable men differ on the issue of when life begins and ends. No one among us is infallible. But as Americans, we are committed to the primacy of human rights. Since we believe that there is intrinsic worth in every person, we cannot ignore the clamor for a full debate on the question of when those rights commence.

I cannot appear before you today, and omit mention of two related, but particularly troublesome, matters—the rights of women, and the charge that opposition to the Supreme Court's position alines one with a uniquely Roman Catholic position.

My record in Congress has been one of consistent support for the equal treatment of women under the law. I readily admit that the unique reproductive role of women makes it impossible for any male to fully perceive the total impact that pregnancy and childbirth have on women. But, because I deeply believe in human and sexual equality, I cannot accept the argument that the rights of any citizen are paramount to those of another. Believing, as I do, that life commences at conception, I cannot support the notion that maternal rights are superior to those of the fetus.

Nonetheless, there are difficult questions which must be answered. Perhaps the most problematic issue is whether abortion should be impermissible under all circumstances, or when there is a threat to the life or well-being of the mother. Who determines when such a threat is present? What will be the definition of "well-being" if the decisions are to be overturned? Are we forcing the poor, who have limited access to medical assistance, into an impossible situation?

The legislation which I submit today includes a provision recognizing that laws be permitted allowing for those medical procedures required to prevent the death of the mother. Yet this and other questions can only be answered once we have built a testimonial record on which we can rely in making a fully informed decision. These are issues about which we must consult a variety of expert opinions.

There are those who would characterize opposition to the Wade and Bolton decisions as a uniquely Catholic position. This is inaccurate. While Roman Catholics do disagree with the recent decisions in large numbers, the opposition is not monolithic.

Indeed, I submit to you that this is not a religious issue but a moral issue, and that is an important distinction. Questions of life and death are not reserved exclusively to those who embrace one religion or another. The Supreme Court told us during the Vietnam war that moral or conscientious objection to military service should not be restricted to those who articulate a specific religious belief. While I do not analogize between abortion and the recent war, I believe that past experience demonstrates that current moral issues are not within the exclusive province of the religious.

It is a disservice, and a diversion, to attack personally those on either side of the abortion debate, for any reason. Ad hominem attacks do not resolve policy issues. It is pointless to debase the exchange of ideas by unleashing propaganda campaigns that inflame, rather than inform. I deplore the scare tactics of those who seem to instinctively presume bad faith on the part of their intellectual adversaries.

This is an appropriate forum in which to consider this question. Our presence here today proves, once again, that this body can address an explosive national policy issue. My faith in the legislative process being complete, I am convinced that we can intelligently debate and ultimately resolve the wide range of issues which will be raised by this legislation.

I fully recognize that there are many reasonable Americans who embrace views different from that which I present to you today. They too must be heard. And it is for that reason that I say "Let the people speak." In the absence of a national referendum, a procedure for which our Constitution does not provide, a constitutional amendment is the best way to put this issue to the test.

Our Constitution belongs to the people, and the time has come when we should let the people decide whether it should be changed—not just for us now, but for millions of Americans yet to be born.●

RESTORING COMPETITION TO ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, too often, the 95th Congress displayed an attitude of negativism on energy policy. In the session just ended last October, we implied to the public that competition in the energy industry is not possible; that conservation has no major role to play in national energy policy; that energy supplies cannot be expanded without windfall profits; and that the benefits of "alternative" energy sources are both distant and speculative.

Instead, the Nation needs a constructive energy policy—one which reflects the economic benefits of efficient energy use and competitive energy marketing—and it needs such a policy now. Toward that end, I highly commend the following speech made by the senior Senator from Massachusetts (Mr. KENNEDY) to the New England Broadcasters Association on January 9. Through his efforts on behalf of industrial energy conservation, horizontal divestiture and energy grants for the poor and elderly, Senator KENNEDY has distinguished himself as a voice for millions of Americans whose interests might otherwise be unrepresented in the development of national energy policy.

The Senator's remarks follow:

ADDRESS BY SENATOR EDWARD M. KENNEDY

I am delighted to be with you today. As I am sure you know, I have spent a lifetime avoiding the public spotlight and the press. Today, however, I am delighted to be with you because I am comfortable speaking to representatives of the poor.

In case you think I showed up at the wrong meeting or have before me the wrong speech, let me tell you that the New England Broadcaster's Association serves and speaks for the poor—the poorest region in the United States.

Yesterday in Washington the National Center for Economic Alternatives showed that Maine is the poorest state in the union, Vermont 48th, Rhode Island 43rd, New Hampshire 39th and Massachusetts 37th. Only Connecticut, ranking seventh, appeared to be prosperous.

The Center arrived at this conclusion not by just looking at income, as is usually done, but by seeing what that income could buy in each state. The Center looked particularly at the cost of the four basic necessities; food, shelter, health and energy and on that basis, found our region to be the poorest in the nation, including the southern states of the old confederacy.

I want to talk to you today about one of the components of how we spend our money, one of the components that made us so poor by comparison. I want to talk to you about energy.

How much would you guess New England spends on energy each year—three, four, five billion dollars? Last year the bill was a staggering $10 billion dollars—eight billion for oil and two billion for all other fuels. Nearly all of this money we spent for energy left the region immediately and went to OPEC or the oil and gas companies in the Southwest. In one month alone, December, heating oil prices climbed ten percent.

And what about this year? The New England Congressional Caucus tells us our oil bill will go up another $312 to $350 million dollars. Not only will we get hit by OPEC's increase but we'll feel the pinch from ordinary inflation, from higher costs growing out of the shutdown in Iran and from domestic refiners pushing up the cost of heating oil to make up for money they claim to be losing on controlled prices of gasoline.

And what does all this mean in human terms, here in Massachusetts? I have received hundreds of letters from people telling me, in no uncertain terms, what it means to them. Here are a few examples. Florence Qualters from Bradford, Mass. states, "When the oil increases were announced my heart sank—do you have any idea of what hardship this causes in a family situation such as mine? My status is that of a single parent, trying to raise two teenage children, buying a home and trying desperately not to go into debt. I receive a salary of approximately $10,000 per year. People like me can't survive much longer, if prices are going to continue to skyrocket, I am eventually going to lose everything I have worked so hard for."

Mrs. Barbara Scaengo from Brighton sent me a Christmas card and this note, "Dear Senator, Please help me with my oil bill, please. I am a lonely widow. I live all alone in an old house. I have been here 37 years. It's old but the oil bill is so high. I just paid $95.00, half of my Social Security check. Please help us old widows Senator."

The leaders of Franklin County, Mass., told me the other day that the cost of paying the energy bill in that county every year is equivalent to the payrolls of the ten largest employers. By the year 2000, it will cost $5,300 to heat the average home and the total bill for the smallest county in our state will be $225 million!

For the poor and middle-income Americans throughout the country the situation has gotten worse, not better. Fourteen million Americans pay 25 percent of their budget for energy alone. In major Northern cities those at or under the poverty level last winter paid more than 45 percent of their income on energy, according to the National Center for Community Action. "Let them freeze in the dark" has become not just a clever cliche, but a cruel reality.

In this situation, three things seem clear to me, first, we must halt the soaring increases in the price of oil; second, we must be establishing inflation guidelines for energy, just like other items in the economy; and, third, we must find ways to protect those who are most vulnerable to the price increases that have already taken place.

It is hard to believe but in the face of the OPEC increase and the statistics I have just quoted there are still people who want to increase the price of domestic oil and start it on a rapid climb to world levels. I suggest to you that this is exactly the wrong course to pursue.

Do the oil companies need more money to produce more oil? The cashflow of 14 major companies increased 14 percent last year to $16.5 billion. They're reducing their debt and increasing their investment in exploration and production. Certainly they don't need even more money to do what they already ought to be doing.

And what about the gas companies? They will receive an estimated 20 percent increase in the price of natural gas at the well and anywhere from 12 to 19 percent at the place of consumption.

If you will recall the natural gas debate, we were told that higher prices were necessary because natural gas is a precious fuel, in limited supply and only higher prices would provide the incentive to produce. Yet, before the ink had dried on the Natural Gas Act, consumers were suddenly treated to the news that without any additional incentives the United States, and indeed the entire continent, was overflowing with gas! As the President was signing the Natural Gas Act, newspapers and magazines were reporting enormous new gas supplies. Here is a report from the Washington Post talking about a natural gas "glut" within the United States. Here is Newsweek talking about the gas bonanza. Here is a report about a meeting of the natural gas industry in Texas trying to explain what they called a "temporary over-deliverability." That is just a public relations cover-up for a condition where there is too much gas to justify these price increases!

As the same moment Mexico was announcing huge new oil and gas discoveries. If we had not rejected their offer a year earlier, Mexican gas would have been available in U.S. markets in 1979. Also, one report after another told of new gas supplies in Canada which could be delivered to the United States market in 1980. Today the Canadian government is concerned that it has so much gas that the price will be driven below one dollar per thousand cubic feet while in the United States, the new energy law will send the price over four dollars.

In the face of this experience, there is no reason to decontrol the price of crude oil

in the United States. Decontrol would mean an increase in the average price of a barrel of domestic oil from about $6 to the world price of $16 by the end of 1979. In 1973, Congress gave the President a choice—we can decontrol oil beginning in June of this year. Or, he can extend extend controls until 1981 when the matter would be debated in Congress again.

I strongly believe in continuation of controls. I do not favor controls in a free market, but oil is not sold in a free market. It is sold in a market controlled by OPEC. I ask all the members of the New England Delegation to join me in opposing decontrols, which would bring a tidal wave of new price increases that would be nothing short of disastrous for our states.

That is my first recommendation for how to meet the immediate challenge we face in energy. My second recommendation is that the President's inflation fighter, Alfred Kahn, should give special priority to energy prices. The voluntary price guidelines should take account of the particular problems of tracking energy prices. The fact that the industry is dominated by giant integrated companies makes nonsense out of guidelines that apply only on a company-wide basis. The guidelines should apply to each of the major product categories—gasoline, home heating oil, residual oil, coal, and uranium. We ought to be doing as much to fight inflation in the price of energy as we are doing in any other major area of the economy. A guideline program that ignores the cost of energy is a program that has a hole beneath its water line.

My third recommendation is that the Congress should take immediate steps to protect the elderly citizens and the poor from the unfair impact of current energy prices. None of the last three Administrations has faced up to the harsh effect of the 1973 energy price increases on the poor and elderly. Each year Senator Muskie and I have gone to the Appropriations Committees to get emergency relief. Each year we squeeze out $300 million dollars, hoping that by next year we will have a permanent program. That process is unacceptable. A patchwork approach to a desperate situation cannot be tolerated. We now have a system in this country that subsidizes small, inefficient refineries to the tune of $2 billion. Surely we can devise a system of providing support for the millions of Americans who live through the winter on the edge of desperation. That should be a high priority for the 96th session of Congress.

The three short-term measures I have outlined will deal with the prices which face us in the next several years. But even if we were successful in all three measures, New England would still be 80 percent dependent on oil. Our industries would still be paying twice as much for energy as their competitors in other parts of the country. The nation would still be at the mercy of OPEC abroad and the oil monopoly at home.

What we need is better answers to our fundamental energy problems, which threaten the very quality of our life in New England. The right approach can be summarized in two words: *more competition*.

Today, there is no competition in the world market for oil. There is no competition in the domestic market for gas. There is no real competition at the highest levels of the American oil and gas industry. And the four basic fuels—gas, oil, coal and nuclear energy—compete only among themselves. I propose a five point program which will:

First, provide additional oil to compete with OPEC;

Second, provide additional gas to compete with the American gas industry;

Third, provide real competition in the United States oil and gas industry;

Fourth, provide tools by which New England can compete with other regions of the country on a more equitable basis; and

Fifth, develop new energy sources to compete with conventional fuels.

When I started down the road toward deregulation of the airlines a few years ago, I was told it couldn't be done, that the airlines needed the protection from competition which the government could provide. Today we know those skeptics were wrong. A fresh new wind of competition is blowing through the industry, and the result has been higher profits for the airlines and lower fares for consumers.

In energy, however, competition is on the defensive. We are faced with a powerful oil cartel abroad and an energy monopoly at home. Three successive Administrations have done nothing to challenge the power of OPEC. Instead, we have encouraged the belief that the world is running out of oil and thereby justified higher prices, playing into OPEC's hand.

I believe it is possible to introduce competition at all levels—international, national and local. It it possible to break away from the control of OPEC and the oil monopolies. That is the challenge—the challenge of competition.

To get competition in the international arena, there must be new sources of oil to challenge and dilute OPEC's power. The world is not running out of oil. There are dozens of major potential oil basins around the world that are not being developed. When President Ford went to Mexico in 1975, the proven reserves of Mexico were 2.5 billion barrels. When President Carter goes to Mexico next month, proven reserves will stand at 40 billion barrels, with the real total probably over 300 billion, perhaps much more.

Yet the United States government has failed to devise any coherent policy on Mexican oil and gas. Surely that is a major failure on our energy policy and our foreign policy.

We could speed the discovery of the Mexicos of the future by creating a world oil exploration fund. Such a fund was proposed by the World Bank and by the United Nations. It would cost the United States just $33 million per year—less than OPEC charges us in just a few hours—but it could add as many as four billion barrels of oil a year to the world supply of oil.

Incredibly, we have failed to use our funds, our technology and our diplomacy to increase oil exploration and development in Latin America and Africa. We are sitting on our hands when we should be searching for new oil sources to compete with OPEC. Instead of promoting pessimistic reports that turn out to be exaggerated, we should be working to make the optimistic potential a reality.

With regard to natural gas, our objective should be to introduce competition into the United States market with gas from Mexico and Canada. The United States market is not competitive today. But over the long run, with the enormous quantities of gas which will be flowing in Mexico and the potential for huge additional reserves in Canada, we will have a chance for free competition and lower consumer prices. Our goal should be the creation of a continent-wide natural gas market in which gas flows freely with minimum government interference.

Our energy policy must also confront the competitive structure of the energy industries. Competition among competing fuels must be restored. At a minimum, the major oil companies' drive to control coal and uranium must be checked. If the virtues of free enterprise—the rational allocation of capital, the efficient allocation of resources, the stimulation of imagination and creativity, the rewarding of risk-taking—if these have any merit at all, then we cannot leave the development of our energy industries in the hands of giant corporate energy bureaucracies.

We must also stimulate competition in the petroleum industry itself. Last week I asked the FTC to take control of oil pipelines away from the major oil companies. We have found that it is impossible to have competition in a market when the producers also control the basic means of transportation to the market. Major oil companies use pipelines as bottlenecks to restrict supplies to consumers and to raise prices unfairly. The best way to prevent this is to put pipelines in the hands of independent companies.

We must also protect and stimulate competition in the refining industry. The independent refiner has traditionally been a major source of price competition. We must ensure the access of these refiners to crude oil at competitive prices. To the extent we need new refining capacity, it should be built by independent companies, not by the integrated majors.

As a fourth measure, I believe we must take steps within New England to develop our indigenous sources of energy and promote conservation. In 1977, I sponsored legislation to establish an Energy Corporation of the Northeast, a public corporation which would invest in new energy supplies in New England and in conservation. I intend to sponsor that legislation again this year because I believe that the Northeast should have an instrument similar to the Bonneville Power Administration, which has aided the Northwest, or the Tennessee Valley Authority, which transformed the Appalachian states. The new corporation would provide capital for power sources which are small, close at hand and indigenous to our region. It would also seek out millions of opportunities for conservation in our homes, our businesses and our public buildings.

We could develop the wind power in our region. We could help establish plants to convert municipal waste into steam and electricity for consumers, through cogeneration. We could help provide additional funds for conservation in buildings and homes, improved design of all our dwellings and retrofitting our older houses' stock. In the process, we could— according to a recent study by the Massachusetts Energy Office—create 50 thousand jobs a year and capture for ourselves the money which is now flowing to OPEC and the major energy companies.

These investments will pay for themselves based on a rate of return which will ensure that the government and private investors are adequately compensated for their investment.

The second means of taking hold of our destiny can be found through an enlightened use of our utilities which are genuinely instruments of the public.

Elsewhere in this country, utilities are being used in a way which show that we in New England could do. In Oregon, utilities now pay to insulate the homes of the state absolutely without initial cost to the consumer. When the homeowner's house is sold the investment is recovered, with interest, by the utility.

A similar program of no interest loans has been in operation with the Tennessee Valley Authority for several years. The City of Seattle, after a vigorous public debate in which 14 thousand people were directly involved, adopted a plan to substitute conservation investments within that city rather than investment in a new nuclear plant.

In Oregon, Washington and Tennessee the utilities and their customers determined that conservation was their best investment. Private contractors, not the utilities, then did the work, using utility financing.

The public utilities of New England should be encouraged to do the same thing. They should also be required to receive and integrate into their distribution system the energy produced by cogeneration in industry and the burning of municipal waste.

Finally, to create competition among fuels, it is time to change the priorities in the domestic research budget. Energy research has for years been concentrated on oil, gas, coal and nuclear energy. Last year Congress forced the solar budget up to about $450 million but the coal budget was fifty percent higher and the nuclear budget was double the figure for solar. These priorities must be shifted. Solar energy—including wind, water and passive solar systems—plus conservation, must receive more funds while nuclear and coal receive less.

In the short run, we must look to government to protect consumers by retaining controls and utilizing voluntary price and wage guidelines to hold down the cost of energy. When we understand what life is like for Mrs. Scaenga in Brighton or Florence Qualters in Bradford or what lies ahead for the people of Franklin County we can ask no less.

Over the long run, however, government should not enter the market to protect the profits of privileged industries or to enforce controls. Government should insure justice and equity through genuine competition. Whether in the world, the nation or New England let us resolve to honor economic freedom and work for free and fair competition. That would, indeed, be a rational energy plan in which all of us could take pride.●

REMARKS OF REPRESENTATIVE CARL D. PERKINS ON STATEMENT OF SECRETARY OF LABOR RAY MARSHALL

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, Secretary of Labor Ray Marshall recently issued a statement summarizing the efforts the administration has made in the past 2 years to solve the Nation's unemployment problem.

I believe this is a very useful report and am including it at this point in the RECORD for the information of my colleagues:

STATEMENT BY SECRETARY OF LABOR RAY MARSHALL

Two years ago we made a commitment to put our Nation back to work. Finding jobs for unemployed Americans was the first priority of the Carter Administration.

We felt everyone willing and able to work should have an opportunity to contribute their skills and energies through meaningful employment.

I think today all Americans can take pride in our progress toward this goal.

The yearend employment figures released today mark the end of the second year of strong employment growth.

When President Carter was elected in November 1976 the unemployment rate was 7.8%. There were 7.5 million Americans out of work, 3.5 million part-time workers who wanted full-time jobs, and almost a million workers who wanted jobs but were not even looking because they thought they couldn't find any. Over 30% of the unemployed had been without a job 15 weeks or longer.

(Further statistics worth mentioning include: Unemployment among black workers was 13.2 percent. Teenage unemployment was over 19 percent. Unemployment among blue collar workers was over 9 percent, and construction workers were suffering an unemployment rate of over 15 percent. Vietnam-era veterans had an employment rate of 7.8 percent and the youngest veterans (those 20–24 years old) were experiencing almost 16 percent unemployment).

Substantial progress has been made in our efforts to put Americans back to work.

The December unemployment rate of 5.9 percent which BLS announced today represents almost a 25 percent reduction since December 1976, the month before President Carter took office, and a 7 percent decline from a year ago.

In December there were 1.3 million fewer people unemployed than there were in December of 1976, and 160,000 fewer than a year ago. This occurred despite an increase of 5.9 million in the number of persons entering the job market over the two-year period.

Over 7.2 million more people have jobs than they did the month before the President took office. This increase exceeds the employment growth in any other two-year period since World War II. Three million of that increase took place in the past year. Today's release shows that total employment reached a new all-time high of 95.9 million.

During the past two years, young people, who had been disproportionately hurt by the recession have received special attention. Since December of 1976 employment growth for teenagers has outpaced overall employment growth, rising 11.0 percent while the latter increased 8.1 percent.

Employment of black teenagers, which actually declined between 1969 and 1976, has increased by over 19.6 percent since December 1976. Although unemployment among minority youth, and all teenagers, is still a terrible problem, much progress has been made where none had been made before.

Employment opportunities for women and minorities in general have also increased dramatically during the past two years. Adult female employment has increased by 3.5 million or 10.5%. Black employment has increased by 1.2 million persons or 12.0%. Unemployment rates for these groups have also declined, despite dramatic increases in the number of women and minority members seeking jobs. Adult female unemployment has declined from 7.3% to 5.8% since December 1976. Black unemployment has declined from 13.4% to 11.5%.

The growth in jobs and the reduction in unemployment have also been spread widely across industries and occupations. Over the past two years, the unemployment rate of blue collar workers has fallen from 9.4% to 6.8%. Unemployment in manufacturing fell by three percentage points to 5.0%.

I believe that the macroeconomic and employment policies pursued by this Administration have contributed importantly to these gains. The personal and corporate tax cuts, and the increases in public works contained in the President's 1977–78 stimulus package kept the private economy on a steady growth path, thereby increasing opportunities for private employment while the employment and training programs were expanded and redirected to assist those most in need of help.

During the past two years, funding for existing employment and training programs under the Comprehensive Employment and Training Act (CETA) was greatly expanded, and new titles were added to focus on the special, severe employment problems affecting our youth and to promote employment and training opportunities in the private sector. By the end of the third quarter of 1978, over 5.6 million Americans had participated in these employment and training programs since President Carter took office. During the past two years, titles II and VI of CETA, which provide public service employment to the unemployed, have more than doubled. When this Administration took office, there were 276,400 jobs under these titles. In the third quarter of 1978, the most recent statistics available, there were over 650,000 jobs, an increase of more than 375,000 since the inauguration.

What is perhaps more important than the sheer magnitude of these increases is that we were able to increase the targeting of these programs to assist many groups with long-standing difficulties in obtaining employment. The number of blacks served under titles II and VI was expanded from 66,700 in the last quarter of 1976 to about 175,000 in the third quarter of 1978. Service to other nonwhites nearly doubled. Public service employment jobs for teenagers (18 and under) grew from 11,500 to 29,400 during that time.

Many other teenagers received job assistance under our youth programs. In the first three quarters of 1978 alone, nearly 300,000 youth were served by these programs. Of these, 49.2% were male and 50.8% female. Blacks comprised 37.6%, whites 55.6%, native Americans 1.6% and Spanish Americans 12.9%. Our progress in expanding the employment opportunities for our youth has been on of the most satisfying efforts during my participation in this Administration. However, there are still millions of young people who want employment but are unable to find it. We must continue to strive to provide them and those already in the labor force with the training and employment opportunities necessary to assure them a decent start in life.

Under this Administration, the training programs have continued intact. Approximately 385,000–400,000 persons have been enrolled in Title I at any given time. Again, blacks, teenagers, and others who face extraordinary difficulties in obtaining employment are represented in disproportionately large numbers. In total, 5,627,500 persons have been served in both employment and training programs since the Administration took office.

The Jobs Service made a substantial contribution to these efforts. In FY 1978, 4.6 million individuals were placed in jobs. Over 2 million of these were youth (under age 22) 1.6 million were economically disadvantaged and 49,000 were disabled veterans.

Much has been done, but much remains to be done. In October 1978, President Carter signed into law the Humphrey-Hawkins Full Employment and Balanced Growth Act. In supporting and signing that Act, President Carter committed the Administration to achieving 4% unemployment and 3% inflation by 1983.

Recently, the Administration has signed a number of programs that will cushion our economy against an unexpected decline in economic activity. Included in this package are a countercyclical Public Service Employment program and countercyclical aid. In addition to this countercyclical element of our programs we have developed many other basic reforms in our employment and training system. We will be announcing these at the end of the month.

These are ambitious targets. The challenge during the next 5 years will be to keep the economy on a sustainable growth path, allowing inflation to unwind with the help of structural inflation policies. The challenge for employment policies will be to provide the training and job opportunities necessary to further reduce structural unemployment and place the 4% overall unemployment goal within the reach of noninflationary macroeconomic policy.

I believe the American people are committed to pursue policies that will assure employment and opportunity to all our citizens.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KINDNESS) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. SYMMS, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 30 minutes today.

(The following Members (at the request of Mr. HUTTO) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. COTTER, for 15 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. LEDERER, for 5 minutes, today.

Mr. MURPHY of New York, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. FLOOD, for 60 minutes, on January 24.

Mr. JOHNSON of California, for 60 minutes, on January 31 to pay tribute to the memory of the late Hon. Leo J. Ryan of California.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KINDNESS) and to include extraneous matter:)

Mr. SHUSTER.

Mr. GILMAN in six instances.

Mr. BROWN of Ohio in two instances.

Mr. BAUMAN in 10 instances.

Mr. DERWINSKI in two instances.

Mr. MOORE.

Mr. CARTER in two instances.

Mr. GINGRICH.

Mr. MICHEL in two instances.

Mr. BROOMFIELD in two instances.

(The following Members (at the request of Mr. HUTTO) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. GUDGER in five instances.

Mr. CHARLES H. WILSON of California.

Ms. MIKULSKI.

Mr. MOLLOHAN.

Mr. AUCOIN.

Mr. CORMAN.

Mr. DODD.

Mr. ADDABBO.

Mr. HAMILTON.

Mr. LAFALCE.

Mr. DANIELSON.

Mr. BIAGGI.

Mr. MAVROULES.

Mr. HEFTEL.

Mr. ZABLOCKI in two instances.

Mr. BENJAMIN.

Mr. PANETTA.

Mr. RODINO.

Mr. SIMON.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 1. Joint resolution to extend the time for filing the Economic Report.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee, did on January 19, 1979, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 1. Joint resolution to extend the time for filing the Economic Report.

ADJOURNMENT

Mr. HUTTO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 33 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, January 23, at 8 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

401. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting a report of the 10 architect-engineering firms receiving the largest dollar total of contracts in the categories of civil works and military construction for the period October 1, 1977–September 30, 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

402. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–254, "Fire and Casualty Act Amendments of 1978", pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

403. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–259, "Closing of Eye Street NW., Between 23d and 24th Streets NW Act of 1978", pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

404. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–260, "Condominium Conversion Act of 1978", pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

405. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–261, "Closing and Dedication of a Public Alley in Square 163 Act of 1978," pursuant to section 602(c) of Public Law 93–198 to the Committee on the District of Columbia.

406. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–262, "Closing and Dedication of a Public Alley in Square 100 Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

407. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–263, "Employment Opportunities Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

408. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–267, "Unemployment Compensation Act Amendments of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

409. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–268, "District of Columbia Renters and Homeowners Tax Reduction Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

410. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–269, "Air Quality Amendment Act No. II of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

411. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–270, "School Transit Subsidy Act of 1978," pursuant to Section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

412. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–278, "Library Reciprocal Borrowing Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

413. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–279, "Act to amend the District of Columbia Public Postsecondary Education Reorganization Act," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

414. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–280, "Air Quality Control Regulations Amendment No. 3 of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

415. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–283, "District of Columbia Comprehensive Plan Goals and Policies Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

416. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–291, "District of Columbia Housing Finance Agency Act" pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

417. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–292, "District of Columbia Mental Health Information Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

418. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–297, "Mentally Retarded Citizens Constitutional Rights and Dignity Act of 1978," pursuant to section 602 (c) of Public Law 83–198; to the Committee on the District of Columbia.

419. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–299, "Real Property Tax Rate Act for Tax Year 1979," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

420. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–300, "D.C. Government Comprehensive Merit Personnel Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

421. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–301, "Interest Rate Extension and Modification Act of 1978," pursuant to section 602(c) of Public Law 93–98; to the Committee on the District of Columbia.

422. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–310, "Closing of a Public Alley in Square 121 Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

423. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–312, "Confirmation Act of 1978," pursuant to section 692(c) of Public Law 93–198; to the Committee on the District of Columbia.

424. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–313, "Law School Clinical Programs Funding Authorization Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

425. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–318, "Historic Landmark and Historic District Protection Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

426. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–319, "District of Columbia Documents Act," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

427. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–320, "Prevention of the Administration of Lie Detection Procedures Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

428. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–321, "Senior Citizens Residences Sales Tax on Meals Exemption Act," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

429. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–322, "Expanded Public Defender Service Board of Trustees Membership Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

430. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–323, "District of Columbia Resident Tax Credit Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

431. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–324, "D.C. Charitable Organizations Conformity Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

432. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–325, "Amendments to An Act To Provide for Voluntary Apprenticeship in the D.C. Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

433. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–326, "Rental Vehicle Tax Reform Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

434. A letter from the Chairman, Council the District of Columbia, transmitting a copy of Council Act No. 2–327, "D.C. Redevelopment Land Agency Tax Exemption Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

435. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–328, "Tax Return Confidentiality Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

436. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–338, "Surveyor User Charges Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

437. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–339, "Corporate and Unincorporated Business Tax Revision Act of 1978," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

438. A letter from the Administrator of General Services, transmitting notice of a proposed change in a records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

439. A letter from the FOIA Administrator, International Boundary and Water Commission, United States and Mexico, transmitting a report on the Commission's activities under the Freedom of Information Act during the 1978 calendar year, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

440. A letter from the Comptroller General of the United States, transmitting the audit of the Office of the Attending Physician of the Capitol Revolving Fund for fiscal year 1978, pursuant to title III of the Legislative Branch Appropriation Act of 1976 (89 Stat. 283) (GGD–79–23, January 15, 1979); to the Committee on Government Operations.

441. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $87,519 in rental payments to Chevron, U.S.A., Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

442. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for export of certain defense articles and services sold commercially to the Federal Republic of Germany (Transmittal No. MC–6–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

443. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

444. A letter from the Natioanl Adjutant. Veterans of World War I of the U.S.A., Inc., transmitting the proceedings of the organization's national convention and its financial statement for the 9 months ending June 30, 1978, pursuant to law (H. Doc. No. 96–38); to the Committee on the Judiciary and ordered to be printed.

445. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a report on scientific and professional positions established in the Department during 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

446. A letter from the Secretary of Energy, transmitting the second annual report on imolementation of the Electric and Hybrid Vehicle, Research, Development and Demonstration Act of 1976, pursuant to section 14 of the Act (Public Law 94–413); to the Committee on Science and Technology.

447. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting the third annual report of the Corporation, covering fiscal year 1977, pursuant to section 4008 of Public Law 93–406; jointly, to the Committees on Education and Labor, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 1165. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 1166. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture, and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

H.R. 1167. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Education and Labor.

H.R. 1168. A bill to amend the National Labor Relations Act to provide for strike votes, direct court appeals in election cases, and to guarantee the right to challenge a union's majority status; to the Committee on Education and Labor.

H.R. 1169. A bill to provide for the regulation of State Presidential primary elections; to the Committee on House Administration.

H.R. 1170. A bill to prohibit Soviet energy investments; to the Committee on International Relations.

H.R. 1171. A bill to reduce payments to the United Nations and its affiliated agencies; to the Committee on International Relations.

H.R. 1172. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1173. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 1174. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1175. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

H.R. 1176. A bill to amend chapter 44 of title 18, United States Code, to exempt ammunition from Federal regulations under the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1177. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate committee for such purpose; to the Committee on the Judiciary.

H.R. 1178. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

H.R. 1179. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

H.R. 1180. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

H.R. 1181. A bill to provide additional penalties for the use of firearms or destructive devices in the commission of certain crimes of violence; to the Committee on the Judiciary.

H.R. 1182. A bill to amend section 4 of the Internal Security Act of 1950; to the Committee on the Judiciary.

H.R. 1183. A bill to remove certain criminal penalties imposed as a result of the failure of an individual to answer questions submitted in connection with a census or survey conducted under title 13, United States Code; to the Committee on Post Office and Civil Service.

H.R. 1184. A bill to guarantee that every employee of the Federal Government shall have the right to refrain from union activity; to the Committee on Post Office and Civil Service.

H.R. 1185. A bill to provide that certain criminal penalties imposed as a result of the failure of an individual to answer to questions submitted in connection with a census or survey conducted under title 13, United States Code, shall not be applicable to any census taken under section 142 of such title; to the Committee on Post Office and Civil Service.

H.R. 1186. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

H.R. 1187. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 1188. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 1189. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 1190. A bill to provide direct aid to the States and territories for educational purposes only for the benefit of the taxpayers and local governments; to the Committee on Ways and Means.

H.R. 1191. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or his spouse or a dependent at an institution of higher education, and an additional credit for gifts or contributions made to any institution of higher education; to the Committee on Ways and Means.

H.R. 1192. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings permitted each year without deduction from benefits thereunder; to the Committee on Ways and Means.

H.R. 1193. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ASHBROOK (for himself and Mr. MILLER of Ohio):

H.R. 1194. A bill to direct the Secretary of the Army to conduct an inspection of the Buckeye Lake Dam and levee, Buckeye Lake, Ohio, to determine its structural stability; to the Committee on Public Works and Transportation.

By Mr. BENNETT:

H.R. 1195. A bill to provide that any abandoned historic shipwreck located, in whole or in part, on the Outer Continental Shelf or on lands beneath navigable waters within the boundaries of a State shall be the property of the United States (subject to transfer to that State after adoption of an adequate State plan), and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. BIAGGI:

H.R. 1196. A bill to revise and improve the laws relating to the documentation of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1197. A bill to simplify the tonnage measurement of certain vessels; to the Committee on Merchant Marine and Fisheries.

H.R. 1198. A bill to clarify the authority to establish lines of demarcation dividing the high seas and inland waters; to the Committee on Merchant Marine and Fisheries.

By Mr. BEVILL:

H.R. 1199. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. BEVILL (for himself, Mr. NICHOLS, and Mr. WOLFF):

H.R. 1200. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. BRINKLEY:

H.R. 1201. A bill to amend title 38, United States Code, to increase the rate of the Federal matching contribution to the Post-Vietnam Era Veterans' Education Account from $2 for each $1 contributed by the participant to $3 for each $1 contributed by the participant; to the Committee on Veterans' Affairs.

By Mr. BRINKLEY (for himself and Mr. NICHOLS):

H.R. 1202. A bill to provide for the establishment within the National Cemetery System of the Fort Mitchell Regional Veterans' Cemetery in Russell County, Ala., to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 1203. A bill to provide that social security benefit increases occurring after May 1979 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1204. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1205. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes, to the Committee on Armed Services.

H.R. 1206. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on International Relations.

H.R. 1207. A bill to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 1208. A bill to provide that the laws restricting trade between points in the United States to vessels of the United States shall not apply to inflatable boats used in river running; to the Committee on Merchant Marine and Fisheries.

H.R. 1209. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works and Transportation.

H.R. 1210. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. EMERY:

H.R. 1211. A bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 1212. A bill for the relief of the University of Florida, Gainesville, Fla.; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 1213. A bill to amend the Agricultural Act of 1949 to require that the national program acreage for feed grains be announced not later than October 15; to the Committee on Agriculture.

H.R. 1214. A bill to amend the Internal Revenue Code of 1954 to exempt certain farm and soil and water conservation trucks from the highway use tax; to the Committee on Ways and Means.

By Mr. HALL of Texas:

H.R. 1215. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require that the cost of conducting such tests, inspection, and identification procedures on imported meat and meat food products be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 1216. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HALL of Texas (for himself, and Mr. ROBERTS):

H.R. 1217. A bill to authorize construction of the Little Cypress Lake and Reservoir, Texas; to the Committee on Public Works and Transportation.

By Mr. McDONALD:

H.R. 1218. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1219. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

By Mr. MATHIS:

H.R. 1220. A bill to provide for foreign exchange adjustments in regular military compensation available to personnel stationed overseas; to the Committee on Armed Services.

H.R. 1221. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1222. A bill to require annual appropriations for all obligations and expenditures of the Federal Government; to the Committee on Government Operations.

H.R. 1223. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1224. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 1225. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 1226. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 1227. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled Justices and judges of the United States, and the removal of Justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1, of the Constitution, and for other purposes; to the Committee on the Judiciary.

H.R. 1228. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

H.R. 1229. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

H.R. 1230. A bill to repeal the earnings limitations of the Social Security Act; to the Committee on Ways and Means.

H.R. 1231. A bill to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

H.R. 1232. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

H.R. 1233. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 1234. A bill to amend title XVIII of the Social Security Act with respect to the payment for drugs and biologicals under part B of the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1235. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; jointly, to the Committees on International Relations, the Judiciary, and Public Works and Transportation.

By Mr. PERKINS:

H.R. 1236. A bill to amend the Small Business Act to limit to 3 percent the rate of interest on disaster relief loans made under such act with respect to any disaster occurring on or after October 1, 1978; to the Committee on Small Business.

H.R. 1237. A bill to amend part B of title XVIII of the Social Security Act to limit to 20 percent the penalty for an individual's late enrollment under the supplementary medical insurance program for the aged and disabled; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 1238. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 1239. A bill to provide that the antitrust laws shall apply to any joint agreement by or among professional baseball club owners for the telecasting of professional baseball clubs' contests if such telecasting interferes with certain intercollegiate or interscholastic football contests; to the Committee on the Judiciary.

H.R. 1240. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities authorized under such part; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1241. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses and the reduction of club nails; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PRICE:

H.R. 1242. A bill to amend chapter 55 of title 10, United States Code, to include chiropractic care in the health care which may be provided members and certain former members of the uniformed services and their dependents in facilities of the uniformed services and under CHAMPUS, and for other purposes; to the Committee on Armed Services.

H.R. 1243. A bill to permit credit for civil service retirement purposes and in computing length of service for purposes of determining leave, health insurance, severance pay, tenure, and status in the case of certain individuals who performed National Guard technician service before January 1, 1969; to the Committee on Post Office and Civil Service.

H.R. 1244. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H.R. 1245. A bill to amend title 38, United States Code, to provide that the records of all active or potentially active claims for benefits under laws administered by the Veterans' Administration shall be maintained by the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr. HORTON, Mr. ADDABBO, Mr. ANDERSON of California, Mr. BIAGGI, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BROOKHEAD, Mr. BROWN of California, Mr. CARR, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DIGGS, Mr. DIXON, Mr. DONNELLY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Ms. FERRARO, Mr. FLOOD, Mr. FLORIO, Mr. FORD of Michigan, Mr. GARCIA, Mr. GAYDOS, Mr. GREEN, Mr. GUARINI, Mr. HAWKINS, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Mr. KILDEE, Mr. LAFALCE, Mr. LEE, Mr. LOWRY, Mr. LUNDINE, Mr. McHUGH, Mr. MAGUIRE, Mr. MARKEY, Ms. MIKULSKI, Mr. MIKVA, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Illinois, Mr. MURPHY of Pennsylvania, Mr. MYERS of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. PERKINS, Mr. PEYSER, Mr. PRICE, Mr. RAHALL, Mr. RANGEL, Mr. RATCHFORD, Mr. REUSS, Mr. RICHMOND, Mr. RINALDO, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, Mr. SHANNON, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STRATTON, Mr. STUDDS, Mr. THOMPSON, Mr. TRAXLER, Mr. VAN DEERLIN, Mr. WEISS, Mr. WILLIAMS of Ohio, Mr. CHARLES H. WILSON of California, Mr. WOLFF, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 1246. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Government Operations.

By Mr. SEBELIUS (for himself Mr. WINN, Mr. GLICKMAN, Mr. JEFFERIES, and Mr. WHITTAKER):

H.R. 1247. A bill to provide wheat and feed grain producers the opportunity to receive parity prices for the 1979 and 1980 crops, and to provide cotton producers the opportunity to receive parity prices for the 1979 crop; to the Committee on Agriculture.

By Mr. SEIBERLING:

H.R. 1248. A bill to amend the Internal Revenue Code of 1954 to include surviving spouse without dependents within the definition of surviving spouse for purposes of determining the income tax imposed; to the Committee on Ways and Means.

By Mr. SLACK:

H.R. 1249. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

H.R. 1250. A bill to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas; to the Committee on Education and Labor.

H.R. 1251. A bill designation of the Birch River for study; to the Committee on Interior and Insular Affairs.

H.R. 1252. A bill to protect the national security; protect the economic well-being of the American people including the Nation's

present supplies and undeveloped sources of energy, fuel, food, and fiber from damage due to arbitrary and unsound regulations, order or decision issued by any executive department, agency, or commission, and for other purposes; to the Committee on the Judiciary.

H.R. 1253. A bill to provide additional penalties for the use of firearms in the commission of certain crimes of violence; to the Committee on the Judiciary.

H.R. 1254. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 1255. A bill to amend the Congressional Budget Act of 1974 to require a balanced budget within 3 years, in accordance with a schedule gradually reducing the maximum amount of the deficit which is permitted under the congressional budget process; to the Committee on Rules.

H.R. 1256. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit or deduction to individuals who maintain within their homes a dependent aged 65 or older; to the Committee on Ways and Means.

H.R. 1257. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1258. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. SOLOMON:

H.R. 1259. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood or peat burning stoves; to the Committee on Ways and Means.

H.R. 1260. A bill to amend the Internal Revenue Code of 1954 to provide that winnings from State or local lotteries will be exempt from tax; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 1261. A bill to amend title 5, United States Code, to increase the contribution by the Federal Government to the costs of employees' health benefit insurance; to the Committee on Post Office and Civil Service.

H.R. 1262. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1263. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal employees; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (for herself and Mr. WRIGHT):

H.R. 1264. A bill to amend title 5, United States Code, to provide survivor annuities to subsequent spouses of certain additional classes of deceased annuitants who died after making available survivor annuities for previous spouses at time of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (for herself and Mr. MINETA):

H.R. 1265. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees, provide optional life insurance on family members, increase the contribution by the Federal Government to the costs of employees' life insurance, and increase the value of employees' life insurance following retirement; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.R. 1266. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. YOUNG of Florida:

H.R. 1267. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1268. A bill to amend the Food Stamp Act of 1977 to provide that individuals who participate in psychiatric residential treatment programs shall be eligible to receive food stamps; to the Committee on Agriculture.

H.R. 1269. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services, whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 1270. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 1271. A bill to amend the Emergency Petroleum Allocation Act of 1973 to provide for the equalization of residual fuel oil prices, charged to public, private, and investor-owned utilities and other persons using such oil; to the Committee on Interstate and Foreign Commerce.

H.R. 1272. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 1273. A bill to eliminate automatic cost-of-living pay adjustments for Members of Congress; to the Committee on Post Office and Civil Service.

H.R 1274. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly; to the Committee on Ways and Means.

H.R. 1275. A bill to amend title XVI of the Social Security Act to provide that certain aliens may not qualify for supplemental security income benefits unless they not only are permanent residents of the United States but have also continuously resided in the United States for a period of 5 years, and to provide that an alien may not be admitted to the United States unless a citizen of the United States agrees to provide support to such alien for a period of 5 years after admission, and for other purposes; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. ASHBROOK:

H.J. Res. 125. Joint resolution proposing an amendment to the Constitution of the United States to provide a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 126. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 127. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out of the death penalty in certain cases; to the Committee on the Judiciary.

H.J. Res. 128. Joint resolution to establish a Joint Committee on Internal Security, and for other purposes; to the Committee on Rules

By Mr. ASHBROOK (for himself and Mr. ROUSSELOT):

H.J. Res. 129. Joint resolution proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color; to the Committee on the Judiciary.

By Mr. ASHBROOK (for himself and Mr. MCDONALD):

H.J. Res. 130. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama (for himself and Mr. ROBINSON):

H.J. Res. 131. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. GRASSLEY:

H.J. Res. 132. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. MATHIS:

H.J. Res. 133. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

H.J. Res. 134. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. MAZZOLI:

H.J. Res. 135. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.J. Res. 136. Joint resolution to declare June 3 through 9, 1979, to be "National Neighborhood Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 137. Joint resolution memorializing Doctor Mahlon Loomis; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York:

H.J. Res. 138. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself, Mr. MAZZOLI, Mr. MADIGAN, Mr. HYDE, Mr. MOAKLEY, Mr. MITCHELL of New York, Mr. ERLENBORN, Mr. ANDREWS of North Dakota, Mr. HAGEDORN Mr. LUJAN, Mr. O'BRIEN, Mr. MOLLOHAN, Mr. NOLAN, Mr. STANGELAND, Mr. LEDERER, Mr. MYERS of Pennsylvania, Mr. BENJAMIN, Mr. BREAUX, Mr. KILDEE, Mr. VENTO, Mr. YOUNG of Missouri, Mr. PRICE, Mr. DORNAN, and Mr. ZABLOCKI):

H.J. Res. 139. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.J. Res. 140. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

H.J. Res. 141. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H. Con. Res. 27. Concurrent resolution to reiterate that the Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions; to the Committee on Interstate and Foreign Commerce.

H. Con. Res. 28. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. SLACK:

H. Con. Res. 29. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. ASHBROOK:

H. Res. 55. Resolution providing for the impeachment of U.S. District Judge Frank J. Battisti; to the Committee on the Judiciary.

By Mr. ASHBROOK (for himself and Mr. DERWINSKI):

H. Res. 56. A resolution to amend the Rules of the House of Representatives to reestablish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. COLLINS of Texas:

H. Res. 57. Resolution to provide for a 50-percent reduction of the amount of funds available to, of the number of individuals employed as staff for, and of the amount of office space and number of telephone lines available for use by, any committee of the House of Representatives during the Ninety-Seventh Congress; to the Committee on House Administration.

By Mr. LAFALCE:

H. Res. 58. Resolution to establish a Select Committee on Insurance; to the Committee on Rules.

By Mr. MATHIS:

H. Res. 59. Resolution to establish a Select Committee on International Terrorism; to the Committee on Rules.

By Mr. PRICE:

H. Res. 60. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Armed Services; to the Committee on House Administration.

By Mr. REUSS:

H. Res. 61. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUCKABY:

H.R. 1276. A bill for the relief of Arsenio F. Mesina, Jr.; to the Committee on the Judiciary.

By Mr. NOLAN:

H.R. 1277. A bill for the relief of Dr. Eleazar Briones; to the Committee on the Judiciary.

H.R. 1278. A bill for the relief of Antonio J. Marfori; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 1279. A bill for the relief of James C. Austin; to the Committee on the Judiciary.

H.R. 1280. A bill for the relief of Doctor Cosme R. Cagas, Mrs. Linda San Deigo Cagas, Elcee Cagas, Chess Cagas, Georgiana Cagas, and Chester Cagas; to the Committee on the Judiciary.

H.R. 1281. A bill for the relief of Marsten L. Shane; to the Committee on the Judiciary.

H.R. 1282. A bill for the relief of Phyllis A. Steiner; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H.R. 1283. A bill for the relief of Pang Chong Ae; to the Committee on the Judiciary.

H.R. 1284. A bill for the relief of Jeannette Marie Poulin; to the Committee on the Judiciary.

H.R. 1285. A bill for the relief of Stewart John Sanders; to the Committee on the Judiciary.

H.R. 1286. A bill for the relief of Sun Cha Cho Walker; to the Committee on the Judiciary.

By Mr. VOLKMER:

H.R. 1287. A bill for the relief of the Jewish Employment Vocational Service, St. Louis, Mo.; to the Committee on the Judiciary.

H.R. 1288. A bill for the relief of Crisanto S. Gualberto (medical doctor), Thelma Castro Gualberto, Tina Gualberto, and Lala Gualberto; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 or rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. PRITCHARD, Mr. BIAGGI, Mr. GINN, Mr. YOUNG of Alaska, Mr. BAUMAN, Mr. AUCOIN, Mr. D'AMOURS, Mr. LENT, Mr. HUGHES, Mr. EMERY, Mr. EVANS of Delaware, Mr. AKAKA, Mr. CHAPPELL, and Mr. WEAVER.

H.R. 34: Mr. ARCHER, Mr. BAUMAN, Mr. CLEVELAND, Mr. ROBERT W. DANIEL, JR., Mr. DORNAN, Mr. DOUGHERTY, Mr. EDWARDS of Oklahoma, Mr. ERLENBORN, Mr. GREEN, Mr. GOLDWATER, Mr. HARSHA, Mrs. HOLT, Mr. LAGOMARSINO, Mr. LEDERER, Mr. MAZZOLI, Mr. ROE, Mr. SHUMWAY, Mr. WALKER, and Mr. YATRON.

H.R. 35: Mr. ARCHER, Mr. BADHAM, Mr. BAUMAN, Mr. CAMPBELL, Mr. CLEVELAND, Mr. ROBERT W. DANIEL, JR., Mr. DORNAN, Mr. DOUGHERTY, Mr. EDWARDS of Oklahoma, Mr. ERLENBORN, Mr. GOLDWATER, Mr. HARSHA, Mrs. HOLT, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LOTT, Mr. MAZZOLI, Mr. MURPHY of Pennsylvania, Mr. ROE, Mr. SHUMWAY, Mr. WALKER, and Mr. YATRON.

H.R. 365: Mr. GLICKMAN, Mr. MOTTL, Mr. DERWINSKI, Mr. REGULA, Mr. LAGOMARSINO, Mr. KRAMER, Mr. LOTT, Mr. BARNARD, Mr. CONTE, Mr. ERDAHL, Mrs. BOUQUARD, Mr. DAVIS of South Carolina, Mr. HILLIS, Mr. MILLER of California, Mr. LEE, Mr. CLEVELAND, Mr. RUDD, Mr. SENSENBRENNER, Mr. LEWIS, Mr. SAWYER, Mr. MCDONALD, Mr. ANDREWS of North Dakota, Mr. COLLINS of Texas, Mr. GOODLING, Mr. GRISHAM, Mrs. SNOWE, Mr. CLINGER, Mr. COUGHLIN, Mr. DANNEMEYER, Mr. JEFFRIES, Mr. LEACH of Iowa, and Mr. SOLOMON.

H.R. 654: Mr. MOTTL, Mr. HUGHES, Mr. FORSYTHE, Mr. PRICE, Mrs. BOUQUARD, and Mr. WHITEHURST.

H.R. 1076: Mr. CHARLES WILSON of Texas, Mr. BROOKS, and Mr. ROBERTS.

EXTENSIONS OF REMARKS

THE INTELLIGENCE GAP

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. DERWINSKI. Mr. Speaker, Allan C. Brownfeld, a syndicated columnist who is especially knowledgeable of the international scene, discusses in his column appearing in the Santa Ana Register of December 16, 1978, the concern over the intelligence gap our Nation faces. His analysis follows:

THE INTELLIGENCE GAP

(By Allan C. Brownfeld)

The United States suffered a serious intelligence gap by not recognizing that the riots in Iran were going to get out of hand. Even President Carter himself now admits that this is true. In fact, he has publicly expressed concern over the deteriorating quality of American intelligence reporting, not only in Iran but in other foreign political crises as well. What the president does not say, however, is that his own policies have led directly to this dangerous state of affairs.

First, consider the seriousness of the problem.

Members of Congress and of the Joint Chiefs of Staff report that they were far more alarmed as they watched the initial demonstrations in Iran than were the supposed "experts" in the State Department and the intelligence community. Intelligence officers themselves now admit that they did not underscore heavily enough the possible escalation of the initial rioting in Iran. They said that their "customers" in Washington—namely, the White House—never demanded in-depth assessments.

Now, the president has said that he has asked top aides to take steps to improve methods for collecting and analyzing information on sensitive developments abroad. He said that he was concerned that too much emphasis had been placed on gathering information by electronic means in recent years. This meant, he said, that the CIA

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

and other agencies had tended to neglect other information, some of it "publicly available." He said there was "still some progress to be made in this area."

Intelligence experts themselves argue persuasively that the sharp curtailment of U.S. covert activities as part of the post-Watergate reforms of the CIA has led to U.S. intelligence officials relying too heavily on foreign intelligence agencies, as with SAVAK, the Iranian intelligence group. One former CIA agent said it was standard practice before Watergate for U.S. intelligence officers to pose as students and interview Iranian student leaders all over the world.

Although this penetration of Iranian student groups angered both the shah and the State Department, this former official said, it was, and is, the best way to forecast what young Iranian dissidents are likely to do.

In mid-September, members of the Senate Foreign Relations Committee questioned two State Department officials—John C. Miklos and Henry Precht of the Bureau of Near Eastern and South Asian Affairs—in a closed session on conditions in Iran. According to those who heard it, the State Department testimony was so vague that angered committee members demanded that the CIA come to the Senate with hard information on Iranian developments.

Robert R. Bowie, director of the CIA's National Foreign Assessment, appeared before the committee in secret session and, according to those who heard him, gave an optimistic view of the situation in Iran.

The Defense Intelligence Agency, as well as the CIA, failed to predict that the demonstrations against the shah would get out of hand, officials said, even after the joint chiefs had expressed their concern to the CIA.

The mid-August intelligence assessment upon which the Carter administration based its policy held that the shah's opposition was no more than potentially "troublesome" and foresaw no important threat to the stability of his regime. This appraisal caused the Carter administration to advise the shah to attempt to disarm the opposition by accelerated measures of liberalization. How dangerous this advice was is yet to be fully determined.

Discussing the status of the CIA, The Washington Star lamented, "No intelligence agency can be the target of undiscriminating remark and hasty 'reform' for years running and expect to do its job properly."

Although President Carter now expresses dismay at the dismal intelligence he has been receiving, it is his own policies which have led to this state of affairs, beginning with his choice of Admiral Stansfield Turner—a man with virtually no experience in the intelligence field—to head the CIA. Of course, even before Mr. Carter assumed office the CIA was being seriously damaged and there is much legitimate question about the quality of its intelligence during the past decade, particularly its serious errors in estimating Soviet defense spending. Still, President Carter's policies rather than correcting previous problems have only made things worse.

In this connection, Rep. Samuel Stratton, D-N.Y. declared, "Some months ago, it will be recalled, Admiral Turner undertook a massive 'reorganization' of the CIA. He did it by throwing out several hundred top, seasoned, 'operational' types, whose CIA careers had been devoted chiefly to the personal collection of intelligence abroad, mostly by clandestine means. The reasons, we were told was that with all the highly sophisticated electronic and photographic intelligence-collection methods now available to us because of our superior American technology, there was no longer any need for the more messy and inexact procedures of personal collection. This proved—as many recognized at the time—to be a disastrous judgmental error on the part of a man with no significant experience in or understanding of intelligence."

Expressing a growing view in the Congress, Rep. Stratton concluded, "Spies in the sky can indeed perform wonders, and we should all be grateful for their unique capabilities. But there is no technological substitute for the man—or the woman—on the spot. Revolts, revolutions, and terrorist attacks are not customarily developed by machines. In deliberately cutting our intelligence system off from the bars, coffee houses, and other non-technical places where indications of intentions—as distinguished from capabilities—are most apt to be picked up, we have left ourselves, as in the case of Iran, wide open to being blindsided."

This is a situation which a great power endures only at great peril to itself and its friends.●

THE PRESIDENT'S FAILURE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MICHEL. Mr. Speaker, it is becoming more and more obvious, painfully so for some, that the current administration simply is not up to the job. No amount of Rafshoonery can disguise the fact that President Carter, a personally decent, hard-working, and well-intentioned man simply has not shown the qualities of leadership necessary for our troubled times.

The inherent inability of the President to either appear to be a leader or to actually provide leadership was recently written about by Wall Street Journal writer Norman C. Miller in his "Perspective on Politics" column. I believe Mr. Miller has accurately portrayed the overwhelming failure of the administration to appeal to the imagination and the good sense of the American people.

At this point I wish to insert in the RECORD, "Carter's Failures" by Norman C. Miller, Wall Street Journal, January 18, 1979:

CARTER'S FAILURE

(By Norman C. Miller)

Perhaps the most serious problem of Jimmy Carter's presidency is that, after two years, he has made very little impression on the public.

He is neither loved nor hated. He doesn't inspire much hope or despair. He isn't greatly respected, though he probably has put to rest doubts about his competence as President.

Mr. Carter is just a bland, even boring presence, intelligent, no doubt, honest, unquestionably, hardworking and well-intentioned, surely.

Such qualities are admirable, of course, but they are not enough. To be successful, a President or any political leader must somehow inspire people to believe that his efforts and policies will make a tangible difference in their lives. President Carter, so far, has failed to do this.

One begins to suspect, moreover, that for all his earnest striving Mr. Carter lacks the intangible gift of leadership that inspires people to think that he can make a difference. Whether it is a lack of vision, a lack of charisma—whatever the cause—it is too easy to ignore or forget what Mr. Carter says or does. He has trouble persuading people to follow him—to trust his judgment on tough issues—because he does not command attention. To many people, one suspects, Mr. Carter is a remote irrelevancy.

If this is the case, it is in large part not President Carter's fault but a reflection of the malaise that afflicts the country. Watergate, Vietnam, the failure of many government programs and inflation have bred pervasive cynicism toward politics. It is an extraordinarily difficult ask for the President to diminish this cynicism and begin rebuilding faith and trust in government.

It is all the more difficult because the problems of the times do not lend themselves to either-or choices or to swift solutions by the President. On the crucial issue of inflation, for example, the President may be in a no-win position politically. Even if his policy of gradually winding down inflation to a tolerable level eventually works, Mr. Carter is going to suffer severe criticism during the long and painful process. If his anti-inflation policy doesn't work—or produces a serious recession—he will be in even worse shape politically.

In foreign affairs, the public is resentful and worried about the decline of American power. It is a hard climate in which to sell a Strategic Arms Limitation Treaty, which at best can be portrayed by the President as a means of maintaining nuclear arms equivalency with the Soviets. The counterargument that SALT is an opening for the Soviets to gain military superiority may add to public worry, even if the President finally persuades the Senate to ratify a treaty.

Across the board, President Carter is in the unenviable position of having to ask people to sacrifice things they want, such as hefty pay increases and cheap fuel. He can only promise a skeptical public that things will get better some time in the hazy future.

So, Mr. Carter is trying to lead in a particularly trying time. Yet when the difficulty of the problems is acknowledged, the nagging question remains whether this President possesses the leadership qualities to forge a new consensus and confidence among the people.

So far, the President has failed to communicate a coherent sense of purpose that the public can grasp. People still don't know what to expect of him, whether he will stick to his immediately proclaimed objectives or shift priorities with events.

Mr. Carter seems to think this is nothing more than a public relations problem. "The multiplicity of responsibilities that a President has (and) the same issues that our nation has to face, I think causes some lack of central focus quite often," he recently told Bill Moyers in a public television system interview. "So to bring some tightly drawn simplistic cohesion into this broadly diverse responsibility is almost impossible," he added.

In part, Mr. Carter's leadership difficulties are grounded in inept public relations, although the problem is more serious than the absence of a slick slogan as he suggests. The President is a soporific speaker on television, and his lack of skill at mass communications is a severe handicap.

But Mr. Carter's problem goes much deeper than style. A lack of flashiness isn't a great problem if a President has a message to convey that people can identify with, something that promises to improve their lives and move the country forward. People will listen, and many will respond, to a President whom they sense has a fundamental conception of where he wants to lead them.

But what is Mr. Carter's essential message? Yes, he has a policy for every major problem, but what does it all add up to? When you strip away the pieties and platitudes that often mark his speeches, it's hard to tell what the President firmly stands for and where he is trying to lead this society.

Mr. Carter may know but most people don't and the fault is not theirs but his.

In his dogged way, Mr. Carter may yet succeed in convincing people that he is a leader who can make a difference. But his record so far is more of a liability than an asset to his effort.●

THE 50TH BIRTHDAY OF REV. MARTIN LUTHER KING, JR.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, Monday, January 15, would have been the 50th birthday of one of the great Americans of the 20th century, the Reverend Martin Luther King, Jr.

Martin Luther King never sought notoriety. But fame overtook this humble man who was "the right man in the right place at the right time." As a local pastor in Montgomery, Ala., he happened to be on hand in 1955 when the now-famous bus boycott spontaneously erupted. He proved to be a vital moral force, leading the way to protest for equal rights with dignity.

Dr. King possessed many noble virtues, which he demonstrated daily. Constantly tempering courage with charity, he stressed his belief that social change could come about from nonviolence. He translated his deep-seated opposition to bigotry, prejudice, and hatred into living lessons for all of us. While his crusade for human rights ended prematurely in 1968, when he was cut down by a sniper's bullet, his work goes on.

Although a glowing chapter in our Nation's civil rights movement ended as a result of that sniper's bullet in Memphis nearly 11 years ago, that book is not yet complete. The history of the civil rights movement will continue to be written until there truly is equality in the United States; a belief which Dr. King attempted to illustrate for all of us.

This martyred leader of the black community left us a legacy of his goodness. And as Roger Wilkins of the New York Times so eloquently stated in an article which appeared in early 1978:

. . . Conversations with blacks of both high and low estate, with those that knew him and those who did not, indicated quite clearly that his principal legacy was the changes that his life, his force, his programs, and his courage wrought in their minds and spirits. There were other legacies, of course, but a broad spectrum of opinion holds that this, of all his gifts to black Americans, was the most precious.

My own memory of Dr. King brings to mind countless incidents where this courageous leader braved a hostile environment:

There was the 1965 bus boycott; the demonstrations opposing segregation in Birmingham in 1963; and the famous March on Washington that same year, when Dr. King told the world, "I have a dream."

Dr. Martin Luther King, Jr., truly one of the greatest Americans of all time, had the moral leadership and the foresight to lead the struggle for quality for all Americans.

On this, the 50th anniversary of his birth, let all Americans reflect on the teachings of this great man, and resolve that his goals of liberty and justice of all our citizens will be achieved.●

VICTIMS OF CRIME

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. ZABLOCKI. Mr. Speaker, unfortunately, many times our judicial system overlooks those most affected by crime—the victims and witnesses.

Recently, columnist William Raspberry underscored discrepancies in our system when the well-being of victims or witnesses are forgotten or ignored as trials move forward. Mr. Raspberry points to the victim/witness service for the Milwaukee County District Attorney's office as a possible answer to this problem.

The Milwaukee County program which includes the 4th Congressional District of Wisconsin which I have the honor of representing, is geared toward keeping victims abreast of proceedings and helping them cope with trials. It seeks to eliminate wasted time and impersonal treatment of witnesses and victims.

Certainly, victims of crime deserve help in sifting through complex and often lengthy court proceedings. I commend Milwaukee County on its program, and call to the attention of my colleagues the following article:

[From the Washington Post, Jan. 1, 1979]

SERVING THE VICTIMS OF CRIME

(By William Raspberry)

The very way we title our court cases—Ohio v. Joe Doaks, New York v. Mary Doe, U.S. v. John Doe—provides a clue to two of the problems with the American criminal-justice system.

To begin with, it makes the legal battle seem unfair: the resources of a state or the entire nation arrayed against one individual defendant.

That aspect of the problem has long captured the attention of the reformers. Law-enforcement officials, the courts, the entire criminal-justice system, now are paying more attention to the rights of defendants.

But there is another aspect that is deserving of attention as well. The theory of the law—again implicit in the way we name cases—is that the government itself is the victim of crime. Maybe the crook broke into your home, stole your car and killed a member of your family. But it isn't your case. It's The State v. Crook. At best, you are no more than a witness in the state's case.

That may work very well in terms of convicting criminals, but it frequently leaves the true victim of crime in a legal no-man's-land, hardly aware of what is going on.

That, too, is starting to change.

"We're trying to look at the system from the lay person's point of view," says Jo Beaudry of Milwaukee. "Just to take one example, one of the things we used to hear all the time is: 'The thief had my television set for 15 minutes before you caught him; you've had it for two years waiting for him to be convicted.'"

Beaudry, who is coordinator of the Victim/Witness Service for the Milwaukee County District Attorney's office, was referring to the fact that recovered goods are frequently kept by the authorities until a case is over, just in case it is needed in court.

They no longer do that in Milwaukee. Instead, they photograph the stolen goods, including the owner in the picture. That photograph, properly identified, becomes the court's evidence, making it possible for the merchandise to be returned to its owner almost immediately.

"It's such a simple thing," says Beaudry. "In fact, most of what we do is simple. For instance, nearly every serious felony case here is set for jury trial, but the vast majority of them never go to trial. At some point along the way, the defendant will plead guilty and the case will be closed.

"Some time later, the victim will call the D.A. and ask what happened. 'Oh, he pleaded guilty two years ago and got probation,' they'll tell him. It's as though the victim had no role in the whole affair."

A major part of Beaudry's job is to keep victims abreast of proceedings, on the ground that the major suffering accrues to victims, not to some amorphous "state."

Nor are her services limited to the technical victims of crime. "We discovered, for example, that the family of a deceased is seldom the direct victim of a crime, in the technical sense, or even a witness to the crime," Beaudry said. "As a result, they were frequently ignored."

"I remember getting a call from the mother of a kid who had been killed. It bowled me over that nobody had kept her abreast of what was going on. As far as the system was concerned, she was irrelevant to the case. After that, we started treating surviving family members as interested parties, as though they were witnesses, giving them the same information and services."

Part of what Beaudry does in Milwaukee falls under the heading of common courtesy. Some of it has a direct bearing on the quality of justice.

"There is a very practical reason for taking good care of witnesses," she says. "If we don't, we are going to wind up like New York or Chicago, where some 60 percent of the witnesses don't show up when they are called. Without the witnesses, there's no case. Our no-show rate in Milwaukee is so small we don't even bother to count. It just isn't a problem."

The Milwaukee program is one of 466 victim/witness projects funded by the federal Law Enforcement Assistance Administration at an annual cost of nearly $40 million. Unlike many of the others, Milwaukee's program will continue virtually intact even after the federal funding runs out.

It's a matter of sound economics. Just the practice of keeping on top of court calendars so that witnesses don't have to show up until they are to be used results in major savings in lost productivity and lost wages, Beaudry says.

In fact, she said, the money saved in police overtime payments—by not having the officers make repeated, unnecessary trips to the courthouse—comes to more than the $100,000 annual cost of the Milwaukee program.●

GENERAL STONEWALL JACKSON

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MOLLOHAN. Mr. Speaker, yesterday, January 21, marked the 155th

anniversary of the birth of Gen. Thomas Jonathan "Stonewall" Jackson in Clarksburg, W. Va., which is part of my congressional district.

I would like to take this opportunity to call upon my colleagues to remember Stonewall Jackson for his many contributions to military tactics. In fact, his tactics are still being studied at the U.S. Military Academy at West Point, N.Y.; Virginia Military Institute in Lexington, Va.; Fort Knox in Kentucky; St. Cyr in France, and Sandhurst in England.

Let us pause for a moment to honor the memory of this great American who gave much to his country.●

UKRAINIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, today marks the 61st anniversary of the short-lived Ukrainian independence prior to its occupation and subjugation by Soviet Armed Forces.

Today is, indeed, appropriate for a time of reflection in face of the many violations of human rights taking place daily in the Soviet Union and Eastern European countries. Until 1917 the Ukraine was known merely as a provincial "Little Russia." For two centuries the czarist regime tried unrelentlessly to "Russianize" all forms of Ukrainian life. Ukrainian heritage and culture was suppressed, Ukrainian free-thinkers were exiled to Siberia in great numbers, and a large population of Russians were moved to the major Ukrainian cities born out of the Industrial Revolution—1863–1875. Nevertheless, the Ukrainian people held on to their traditions and secretly formed their own political parties.

Following the eviction of the czar in 1917, these organizations proclaimed the establishment of the Ukrainian People's Republic, federated as an equal with Russia. Lenin, with the help of Russian troops, set up a rival government in Kharkov. The Ukrainian people responded on January 22, 1918, by proclaiming absolute independence. History has recorded the extensive trials and tribulations of those Ukrainians seeking freedom as expressed in that courageous proclamation. It was a period which fostered and nurtured the concept of both personal freedom and national sovereignty, regardless of its price.

Today, although the Ukrainians are still suffering under Russian domination, the spirit of their proclamation continues to prevail in the hearts and minds of all Ukrainians, with the singly cherished hope of having these ideals become reality.

Mr. Speaker, those Ukrainians who, through constant persecution, were forced to leave their homeland, have developed over the past 100 years of their existence here in the United States, a Ukrainian-American community that blends the best from their own rich ethnic heritage, with the new concepts and beliefs of American life. It is with pride and joy that I join the many American-Ukrainians in tribute to those still working toward the attainment of their just and rightful goals. May their struggle never fall short of success.●

THE CONGRESSIONAL BUDGET PROCESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report on the congressional budget process into the CONGRESSIONAL RECORD:

THE CONGRESSIONAL BUDGET PROCESS

The fourth year of the congressional budget process has been a good one. The process has strongly influenced congressional decisions on spending and taxation. It has made itself felt on the side of restraint and prudence, matching the mood of the people toward the government's management of its fiscal affairs. I have the impression that the process has worked better than most Americans expected.

In response to widespread criticism that legislators failed to take an overall look at government spending and revenue, Congress passed the Congressional Budget and Impoundment Control Act in 1974. Basically, the act set up a mechanism through which Congress could consider all money bills together. No longer would Congress pass all manner of spending and revenue bills, letting the President worry about how the bills added up.

The congressional budget process is fairly simple in outline. Early each year the legislative committees of Congress prepare estimates of how much spending they anticipate for the coming fiscal year. The House and Senate budget committees review these estimates and then draft a resolution establishing spending and revenue targets for each major area of government operation. The targets have to be approved by the entire Congress before May 15, and only then may appropriations bills be debated. The targets exert a powerful influence on all the appropriations and tax measures that are eventually enacted into law.

Once the initial targets are in place, the budget committees move on to the second phase of the process. By late summer they draft a second resolution which takes into account any changes in government policy or the economy that may have taken place since the beginning of the year. The entire Congress must approve the second resolution before October 1, the start of the new fiscal year. This resolution puts a cap on total spending and a floor under total revenue.

There is ample evidence that the process has made itself felt. Because of it a tuition tax credit bill was rewritten, impact aid to education was trimmed, and a farm bill was defeated. In addition, the President's urban policy was sidetracked and his welfare reform proposal was shelved. Also, spending for social programs was held down as a percentage of the budget. A few more bills will very likely feel the bite of the process before the year is out.

It is still too early for final judgments, but it seems to me that one positive result of the process will be modest growth in the budget. For fiscal year 1979 the President proposed outlays of $500.2 billion. Congress, however, will only allow outlays of $487.5 billion. A projected deficit of $60.6 billion will drop 36 percent to $38.8 billion, the lowest in five years. The significance of this slowdown in spending is difficult to gauge, but it could represent the end of government attempts to meet the demands of every special interest group.

There are other positive results, too. Money bills are moving through Congress faster, and spending and taxation are being programmed more rationally. The process has had a restraining effect on legislative committees, has made members of Congress more thrifty, and has forced everyone to think about the budget as a whole. The process has also made it easier to assess the budgetary consequences of bills. There is much less confusion about cost estimates, the wisdom of programs, and the legislative alternatives that are available.

In spite of all these positive results, it would be premature to pronounce the process an unqualified success. It has had the advantage of taking hold at a time when the antispending mood is strong in both the Congress and the country. Behind this mood is rising anxiety about inflation, but should inflation abate and a severe recession occur the Congress could reverse itself and return to a less conservative policy of economic stimulus. For the time being, however, such a reversal is not likely. Congress will continue to respond to the people's demand for austere budgets and lower taxes.

Whether times are good or bad there is a continuing danger that the process will be undermined by popular pressure for spending. This pressure is always great, and the process does little to lessen it. The fact that Congress now reviews the budget as a whole will not stop thousands of special interest groups from demanding the specific programs that suit their needs.

Tough fights lie ahead. There will undoubtedly be efforts to weaken or dismantle the congressional budget process. While it is no panacea for the ills of runaway government, the process is powerful medicine. Abandoning it now would be a serious mistake.●

IOLANI LUAHINE, THE LAST LINK TO THE ANCIENT HAWAIIAN HULA

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. HEFTEL. Mr. Speaker, on December 11, 1978, the entire world suffered the loss of a great woman; Iolani Luahine of Hawaii. We are saddened by the death of this distinguished artist, the last of the Hawaiian people to dance the sacred hula as it was handed down from her ancestors who danced for the royalty of ancient Hawaii. For over 150 years an unbroken chain of knowledge of the authentic chants and hulas was passed down through this family of hula artists, who secretly kept the dance alive when it was almost lost under the strong influence of the missionaries. Miss Luahine was recognized by the world as a living treasure, transcending cultural barriers to bring the message of the hula to everyone.

I submit to my colleagues the following obituary that appeared in the New York Times:

IOLANI LUAHINE, AT 63; CALLED LAST EXPONENT OF SACRED HULA DANCE

(By Anna Kisselgoff)

Iolani Luahine, a dancer regarded as Hawaii's last great exponent of the sacred hula ceremony, died Monday on the Island of Hawaii. She was 63 years old.

The granddaughter of a dancer and chanter at the court of Kalakaua, Hawaii's last King, Miss Luahine was revered both in Hawaii, where she was awarded many honors, and in nationwide dance circles for her preservation of the hula as a sacred form that mixed poetry, music and dance.

Just before her last appearance on the mainland, at the American Dance Festival in July 1975, Miss Luahine stressed that the hula was not the nightclub version familiar to many Americans but a dance in praise of gods and rulers.

"According to Hawaiian customs and tradition, she was set apart by her birthright as a kapu, or sacred dancer. She was considered the supreme dancer," Kamaki Kanahele of the National Endowment for the Arts, said yesterday. Mr. Kanahele, a native of Hawaii who is the endowment's Education Program administrator, said the Federal agency had recently completed 18 reels of filming of Miss Luahine for its archives.

Known as Iolani, or "Heavenly Bird," the dancer was officially proclaimed "a living national treasure" by the State of Hawaii. In 1970, Gov. John A. Burns awarded her the first State of Hawaii Order of Distinction for Cultural Leadership.

Born in Kona on Hawaii, Iolani was sent as an infant to Honolulu to be instructed by her great-aunt, Keahi Luahine Sylvester, in the form, steps and mele—or chants—of the hula.●

TV BANNING OF BASEBALL GAMES ON FRIDAY NIGHTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. PICKLE. Mr. Speaker, today I am reintroducing a bill to amend antitrust laws, concerning the televising of professional baseball games on certain nights.

Last year, you may recall when I introduced this bill, I pointed out that a recent extended baseball season led to the televising of a World Series game and major league playoff game on a Friday night.

The situation should come under the same antitrust laws which prevent broadcasts of professional football games on Friday night.

I am not out to squelch the enjoyment of avid baseball fans or to deny the professional teams and networks a revenue source. I simply think we should protect high school athletic programs across the country, which depend upon full stands on Friday night for monetary and team support.

This bill would amend present antitrust laws by simply including "any professional baseball game on any Friday after 6 o'clock postmeridian during the period" of the second Friday in September to the second Saturday in December. A television broadcast of these baseball games would therefore lead to a loss of a network's antitrust exemption.

There is no greater or more popular way of promoting good citizenship than interscholastic athletics, with their roots based on Friday night football games each fall. The financial aspects are quite awesome and we simply want to protect this revenue source by scheduling playoff baseball games around Friday nights, just as professional football games are now scheduled

Baseball Commissioner Bowie Kuhn is aware of this problem and he is sympathetic to high school athletic programs. He has not suggested a permanent solution. I believe this bill will provide our answer and I ask for your consideration and support of this measure.●

A TRIBUTE TO THE INDEPENDENCE OF THE UKRAINE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Ms. MIKULSKI. Mr. Speaker, let us honor today the valiant people of the Ukraine, whether they are still in their mother land, in the United States, or elsewhere in the world, for today is the 61st anniversary of the Proclamation of the Independence of Ukraine and the 60th anniversary of the act of union, whereby all Ukrainian lands were united into one independent and sovereign state of a Ukrainian nation. Both the independence of the Ukraine and the act of union were proclaimed by a duly elected Ukrainian Parliament in Kiev, capitol of Ukraine, on January 22, 1918, and January 22, 1919, respectively.

France, England, and Russia were among the many nations which immediately recognized the sovereign Ukrainian state. Despite the fact that the Soviet Government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by military aggression and subversion from within.

Alone and without aid from Western nations, the Ukraine people waged a gallant struggle in defense of their country for 3½ years, but were ultimately overpowered by numerically stronger and better equipped armed forces of the Red Russian Bolsheviks. The Ukraine National Republic was destroyed and in its place a Communist puppet government, known as the Ukrainian Soviet Socialist Republic, was created. In 1924 the Republic was forcibly incorporated into the Union of Soviet Socialist Republics.

The entire history of a Soviet-dominated Ukraine is a ghastly record of inhumanity and outright persecution. Russification, and violations of human rights on a scale not known in the history of mankind. Under Stalin, Ukraine was marked for physical destruction and denationalization. Under the Khrushchev, Brezhnev, and Kosygin regimes, outright terror was replaced by the subtle process of destruction in terms of losing a Ukrainian consciousness and identity through Russification.

The Russian Communist enslavement of Ukraine has brought much suffering to the people. In spite of this oppression, the Ukrainians have never accepted a foreign domination and are continuing to struggle for human rights, freedom, and national independence. The spirit which brought to life the Ukrainian National Republic is more vibrantly alive among 50 million Ukrainian people today than it ever was in the centuries of old Ukrainian history.

It is in common spirit of liberty, faith, and justice for human rights that the American people join the Ukrainians all over the world in paying tribute to the Ukrainian people in their undaunted struggle for human rights, freedom, and national independence of Ukraine.●

LEO J. RYAN'S TRAGIC DEATH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, on Saturday, November 18, 1978, we lost a gallant leader. Leo Ryan's absence is already painfully noticeable here in the halls of the Congress.

Congressman Ryan's death and the incidents surounding that fateful day in Jonestown, Guyana has not only shocked all of us who knew and respected this fine man, but has shocked the entire world. But, hopefully this tragic turn of events will serve to awaken our Nation and the world. It should give rise to our need to reexamine the extremism and radicalization of some of the cult organizations.

Leo Ryan was an outstanding member of the House International Relations Committee and came to Congress in 1973 as a member of the 93d congressional class. This gentleman from California and I went together on our first study mission to Latin America in 1973. I found his appetite for information and the truth to be insatiable. In the last 5 years I had the fortune of working with Leo on several important issues, and as recent as last January traveled with him on a Middle East study mission. As a matter of fact, I had been invited by Leo to accompany him on his last fateful mission.

I was attending a seminar in London when I heard of Congressman Ryan's bizarre death. It is incumbent now upon those of us in the Congress who knew of Leo's public service mission to thoroughly investigate the causes of the Jonestown tragedy, and to attempt to make certain that such tragic events will not occur in the future.

Besides his duties on the International Relations Committee, we also served together on the House Post Office and Civil Service Committee. He was a creative, devoted public servant who never shirked responsibility under fire.

Leo's skills as an investigator were sharpened during his 10 years in the California State Assembly. His first love was education, and prior to his political career he served as a school principal and school superintendent. During World War II, Leo served in the submarine service of the U.S. Navy.

America lost a dedicated public servant on November 18. So that his death not be in vain, let us thoroughly investigate those organizations which in the guise of offering salvation, provide only despair.●

DEPENDENCE ON DEFENSE SPENDING

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. DODD. Mr. Speaker, last Tuesday, the 16th of January, I was invited to address a session of the legislative conference of the United Auto Workers. The delegates to this session represented the New England region of the UAW.

I spoke on an issue of great importance to the New England region and of particular importance to the State of Connecticut. That issue is the economic dependence of many communities on defense spending. My own State of Connecticut is considered to be the most defense dependent State in the Union. While defense spending can often bring many economic benefits to a community, a heavy reliance on defense contracts also can leave a community particularly vulnerable to economic dislocations.

My colleagues from California, after their recent experience with the B-1 bomber cancellation, know the economic hardships which dependence on military spending can often bring.

My address before the UAW conference outlines some of the problems caused by a community's heavy reliance on military spending and discusses some of the ways in which such communities can reduce their economic reliance on defense contracts. I hope that my colleagues will take the time to review my address and ask themselves whether their districts are unusually dependent on defense spending.

ADDRESS OF CONGRESSMAN CHRISTOPHER J. DODD

I am pleased to have this opportunity to address the delegates from region 9A of the United Auto Workers at this session of the Legislative Conference. I would like to express my special appreciation to Don Ephlin for inviting me to speak to you, as Don was kind enough to accept my invitation last August to speak, very eloquently I might add, at a conference I convened in Hartford to discuss the problems of "defense dependency in New England."

I feel myself fortunate to have as fellow panelists Gene Cassaris and Sheldon Friedman who, as you know, were members of a 15 member economic dislocation study team which recently visited Sweden, Great Britain, and West Germany to see how these countries dealt with plant closing and other economic dislocations. I am looking forward to their remarks about what we might learn from those nations.

I have been asked to speak about economic conversion and plant closing legislation, but I would like to add to that list another measure which I believe must be considered when we discuss current efforts to reduce a community's or a plant's vulnerability to defense-related economic dislocations. That measure is economic diversification.

But before I address the current legislative initiatives in these areas, I would like to discuss the philosophy behind these initiatives.

When we talk about conversion and diversification legislation, I have to admit that the initial reaction of some people is to ask why the government should be involved with the economic problems of defense plants and their workers who, after all, operate in the private sector. But workers who are employed by private concerns which do the great bulk of their business with the government depend on the government for their job security. I believe that the government has a responsibility to the people it employs directly and indirectly. The emphasis of conversion and diversification legislation has been on the defense industry as it is the largest private industry which works pretty much exclusively for the government. Unfortunately, I believe that the federal government has shirked its responsibility to the workers it employs in the defense industry. And because it has, and because many communities are held economically hostage by the Defense Department, Public Officials, Union Leaders and Community Representatives usually have no other choice but to protest when a decision is made to terminate a defense contract. However, we must be able to base decisions concerning our national defense on what we need to defend ourselves rather than on economic concerns.

Many communities are dependent on military contracts. Defense spending does, of course, bring many benefits to particular communities. It can create large numbers of well paying jobs, establish a strong tax base, and give the community the satisfaction of knowing it is contributing to the national defense. Defense department employment, both military and civilian, accounts for one fifth of all public-sector jobs. Defense contractor employment in the private sector, about 2 million jobs, constitutes about 3% of private sector jobs.

Defense spending then can obviously have a profound economic effect in areas in which it is concentrated, especially when one considers the multiplier effect of approximately 1.5–1.9 civilians jobs which each civilian defense employee is estimated to create.

However, the economic effect of defense spending can produce severe dislocations as well as benefits. For example, over the past eight years an average of 1400 contracts with an average annual value of $222 million were terminated each year. One only has to look at the recent B-1 experience in California to understand how disastrous the economic effects of a single large contract termination can be.

We in Connecticut should be especially concerned about our own degree of economic vulnerability to such large contract terminations. Connecticut is considered to be the most heavily defense dependent state in the union. We have more defense contracts per capita than any other state. In fact, except for the past few years, the only time the unemployment rate in Connecticut has been below the national average has been during wartime when defense production surged. The men and women who work in our defense plants and our shipyards have a strong commitment to the Government and to the Nation, but the Government seems to have precious little commitment to them. These men and women work long and hard and often for many, many years, but when the Government cancels a contract, what happens? They are laid off; that's what happens. After 20 or 25 years of working at a plant, a decision is made in the Pentagon, or the White House or here in Congress, and the worker is given a week, if that, to clear out his desk or pack up his tools and leave the gate for the last time.

I have seen it happen in my district in Eastern Connecticut, and I know that you have seen it happen all over the country. When the Electric Boat Company laid off 3,000 people in October 1977 it wasn't because of a contract termination, they have more work than they can handle, it was simply because a new manager came in. Yet 3,000 workers walked through the gates because big businesses are only concerned about the welfare of their workers when it adds to their profit margins. Otherwise a worker with 25 years of seniority is treated like some obsolete piece of equipment—simply thrown away.

Is it too much to ask that Government and defense contractors treat the workers on whom our national security rests with some respect and compassion? No one is looking for a handout, they are just looking for a fair break. These defense contractors, after all, love working for the government. Many of them get a built-in profit margin in their contracts. I ask you, where else can a company in our private enterprise system get as sweet a deal as that? And its profit from the taxpayers pocket! But when we suggest that perhaps, just perhaps, some of that guaranteed profit go to protect the worker from the effects of a layoff and all of a sudden we're interfering with the free market economy.

If you are a soldier or a sailor, and you do your duty for just a couple of years, you get all the benefits of the GI bill. If you do just as much or even more to contribute to the national defense at a shipyard or a plant, there is no GI bill even after 20 or 25 years. The end of the line may be a pink slip and no hope of finding another comparable job. I have seen what the government assistance effort is like. After all the reports and studies are done and you look back to see what has been done for the individual worker, you realize the only thing done was to set up a few card tables and have a counselor help him write up his resume.

Something is inherently wrong about a system when a large corporation's profit margins are protected by the government, when the soldier who serves a couple of years can go to college free—at government expense, but when a defense worker whose put in 20 years can be callously discarded.

My goal is to see that government provides for the economic protection of the workers who maintain our national defense. The first smallest step that the Federal Government must take is give advance notification of any major contract termination or cutback. And industry must pay to plan for the future security of their workers by planning for the alternative use of their facilities in the event of a dislocation. After all, they should recognize that it is also their own future economic security which is at stake.

I fully recognize that the current mood of the country and of Congress is not likely to be overwhelmingly supportive of comprehensive advance notice, alternative use and worker assistance programs if they call for federal expenditures, but the first steps must be taken now to prepare the ground.

As I am sure many of you know, the Defense Economic Adjustment Act, the McGovern-Mathias bill, should be reintroduced in this new session of Congress. The purpose of the McGovern-Mathias bill is to facilitate the economic adjustment of communities, industries, and the workforce to civilian-oriented employment when defense industries or military installations have been seriously affected by contract terminations or reductions, and base closings. The bill's primary focus is on having alternative use plans drawn up to deal with the possibility of severe cutbacks in defense-related facilities. Advance notification of base closings and contract terminations is a integral part of the bill. The McGovern-Mathias proposal is the primary conversion bill before Congress. And it is a bill which I strongly support. Military dislocations are, after all a clear and immediate responsibility of the Federal Government. The Government has a responsibility to assist communities and workers who are adversely affected by Government decisions.

Rather than try to duplicate the efforts of Senators McGovern and Mathias whose bill addresses the problems of advance notification; adjustment benefits; and alternative use plans, I have concentrated my efforts on another area: economic diversification.

I will be introducing a bill in the near future to create an Office of Economic Diversification within the Economic Development Administration. My proposal focuses on the community dependence aspect of defense spending. I feel that if defense dependent communities can diversify their economies, their vulnerability to defense-related economic disruptions will be substantially reduced. Every major corporation knows the value of diversifying their operations in order to reduce their vulnerability to market fluctuations. Diversification, simply put, makes good economic sense—for a community as well as a corporation.

The Office of Economic Diversification I propose to establish would provide resources and technical expertise to local community groups in defense dependent areas to aid them in planning long-term strategies to diversify their economies. These groups would be composed of labor, business and community leaders. Aid would be allocated on a priority basis to the most heavily defense dependent communities.

I have placed such a emphasis on community diversification because I believe that the people in a defense-dependent community can readily see the benefits economic diversification would bring. And if we are to succeed in any of our efforts with conversion, plant closing, and diversification proposals, we must have political support—support which can come from the community level.

Diversification and conversion legislation go hand in hand. Conversion places the emphasis on the economic security of the plant or the base, while diversification puts the emphasis on aiding the total community. Diversification, I believe, is also better able to deal with small or partial layoffs by providing other employment opportunities in the community. In contrast, plant conversion usually can only work if the entire plant and the work force are idled. It has been my experience that partial layoffs are more common than complete plant shutdowns, and that is why I have placed my emphasis on diversification.

I am sure that Gene Cassaris and Sheldon Friedman will be able to give us the benefit of their experience in European countries, and I hope that they might comment on both the conversion and the diversification proposals which Congress will consider in the current session.

Thank you.●

DAN SEARLE—MONTEREY PENINSULA'S OUTSTANDING CITIZEN

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to extend my warmest congratulations to a good friend, and constituent, of mine, Dan Searle, Sr., who has been selected as the Monterey Peninsula's Outstanding Citizen of 1979 by the Monterey Chamber of Commerce.

Dan has been a man of great achievement in many fields throughout his life. In 1951, he was elected as mayor of Monterey, and he served four consecutive terms, the longest service of any mayor of that city. During his tenure, Monterey built its lovely marina, which wonderfully enhanced the scenic beauty of the Monterey Bay.

What Dan may be best known for, though, is his leading role in bringing the Bing Crosby Pro-Am Golf Tournament to the Monterey Peninsula. It was in 1946 that he and Ted Durein decided that the Monterey Peninsula should be the home of the Crosby Golf Tournament, and together, they persuaded Bing to move to the Peninsula, where Dan was president of the Monterey Peninsula Country Club. Since that time, the Crosby Tournament has provided millions of dollars for scholarships and other worthy causes. Dan has been president of the Crosby Youth Fund since 1947, when it was established, and over $4 million from this fund has gone to charity, youth-oriented projects, and many other community services.

While I am on the subject of golf, I might also mention that Dan, who learned to play at the Monterey Peninsula Country Club—using borrowed clubs—held a course record with Cam Puget at the Pasatiempo golf course, along with Marion Hollins and Babe Didrikson. In addition, Dan has been an avid boater and fisherman, and he has also done gliding and flying. In fact, he obtained his pilot's wings and attained the commission of lieutenant colonel during World War II.

Finally, I would like to add that Dan is a past exalted ruler of the Elks, a mason, and a member of Islam Temple Nobles of the Mystic Shrine and, amazingly enough, while garnering all of his other achievements, Dan has run a successful electrical business over the years.

Again, I am pleased to be able to bring to my colleague's attention the life of service and accomplishment that Dan Searle has led. Our community is, indeed, proud of Dan and his good work. He richly deserves the title of Outstanding Citizen.●

ANNIVERSARY OF UKRAINIAN DECLARATION OF INDEPENDENCE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. ADDABBO. Mr. Speaker, today we commemorate the 61st anniversary of the Ukrainian Declaration of Independence and Self-Determination. More importantly, we celebrated the spirit of a people who have maintained their individual and collective identities in the face of oppression and subjugation.

A brave new beginning in 1918 was shattered when, after 3 years of intensive fighting, the Ukraine State was forcibly occupied and incorporated into the Soviet Union. To this date, Ukrainian cultural, historical, and intellectual traditions are suppressed under a thick veneer of Russification. Those who have persisted in proclaiming the "invincible spirit" of the Ukraine have paid with the loss of even the iota of freedom generally granted. Moroz, Rudenko, and Tykhy are joined by those who still find their way to the old churches, those who risk their lives in smuggling Ukrainian literature and artwork to the West, and those who simply refuse to speak Russian.

Our own unique and distinctly American character is the sum total of all that is inherent in each one of us. By denying individual freedoms of expression and action in the Ukraine and elsewhere in the world, national survival is severely threatened. This is what human rights is all about, and what we fought so hard to obtain, not only in 1776, but at Helsinki as well. By joining hands with others in their continuing struggle for self-determination, we insure for ourselves the right to be American. We must not give up this vigil.●

JAMES R. "REM" ANDERSON

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. CORMAN. Mr. Speaker, it is a privilege and personal pleasure to bring to the attention of my colleagues, James R. "Rem" Anderson, one of the San Fernando Valley's outstanding citizens.

On February 16, Rem will step down as president of the Van Nuys Chamber of Commerce and be honored for his active participation in community affairs. This honor is fitting and proper because Rem has been one of the valley's true leaders during the 26 years he has established a highly successful accounting firm in the valley. Rem's involvement in the needs and problems of the community has been total. He has worked tirelessly to improve the valley and provide greater community responsiveness to its residents.

Rem Anderson has served a wide range of community interests representing business as a member of the San Fernando Valley Industrial Association, and responsible and dedicated parents as past chairman and boys leader of the Black Panther Gray Y Club of the El Camino YMCA. Additionally, as if being president of the Van Nuys Lions Club was not enough, Rem was honored as its Man of the Year.

Rem Anderson has devoted a large portion of his time to the need for quality health care not only as founder/contributor to the Valley Presbyterian Hospital, but also by continuing as an advisory member of the hospital's board of directors. His enthusiasm and perseverance is matched by few. The list of his interests and accomolishments is almost endless. I do not know how he keeps up the pace and manages to take on new responsibilities. If there is a tough job to handle, Rem is always there to lend his time, talents and skills.

Rem Anderson is an outstanding credit to the valley and we owe him a great deal of gratitude. I personally hope he fully understands our deep appreciation for all his devoted community service.●

VESSEL DOCUMENTATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to revise and improve the laws relating to the documentation of vessels. This proposal is consistent with our desire for regulatory reform.

A system for the documentation of American-flag vessels had its inception in the first Congress in September of 1789. Significant changes were made by succeeding Congresses to meet changing conditions and the expanding needs of our waterborne commerce. The system has, through the years, been administered by a variety of Government agencies. In 1967, the responsibility for vessel documentation was transferred to the Coast Guard.

The numerous transfers of functions and reorganizations, and the changes brought about by various amendments, have resulted in a complex body of law that is confusing, difficult to administer, and that results in unnecessary paperwork. In May 1968, the Department of Transportation undertook a study of the existing statutes and regulations—looking toward the development of a simpler and more effective vessel documentation system.

In March of 1971, the Department submitted recommended legislative changes to the 92d Congress. On August 2, 1971, the House passed the "Vessel Documentation Act" (H.R. 760), which was not acted upon by the Senate.

During the 93d Congress, similar legislation was proposed; however, this time no action was taken by either House. In addition, the administration was reexamining the issues and was contemplating recommending a variety of other changes to the Congress.

During the 94th Congress, the Department of Transportation transmitted to the Congress a package of four proposed bills related to the modernization of laws—two of which dealt with the documentation of vessels:

One of the bills—introduced in the House as H.R. 11411—eliminated Federal documentation of pleasure vessels.

The other bill—introduced in the House as H.R. 11412—was essentially similar to H.R. 760 that was passed by the House 4 years earlier.

There was no opposition to revising and modernizing the laws pertaining to the documentation of vessels as proposed by H.R. 11412. There was, however, considerable criticism of the elimination of the option enjoyed by owners of pleasure vessels of 5 net tons or more to document their vessels under Federal law in lieu of numbering them under State law. The opposition was so vehement that the administration reconsidered its recommendations. The Congress took no action on the proposal.

At the commencement of the 95th Congress—on January 4, 1977—I introduced H.R. 187, a bill that was similar to prior submissions—except that it did not include the elimination of Federal documentation of pleasure vessels.

In June of 1978, the Secretary of Transportation submitted some clarifying proposals to insure the option of Federal documentation of pleasure vessels.

However, no action was taken by either House during that Congress. This was due primarily to the need to review existing legislation concerning the inspection and control of foreign tankers using our waters—which was precipitated by a rash of tanker accidents during the winter of 1976–77—the most famous being the *Argo Merchant* grounding off Cape Cod.

Since 1967, when the Coast Guard was given full responsibility for the vessel documentation program—they have examined their procedures for the documentation of vessels in an effort to make improvements and increase their efficiency. Many of the administrative changes they desire to make require modification of the archaic and accumulative governing laws.

The House responded to this need and—in 1971—passed a bill very similar to the one I am introducing today. Now, in 1979, I can only state that I intend to try to move this legislation through the House as quickly as possible. I am hopeful that our Senate colleagues will also give this matter their prompt attention.

Enactment of this proposal will not result in increased Government costs. It will, however, allow for the introduction of modern procedures and business techniques and will, in turn, lead to more effective use of the taxpayers' dollars. This proposal is consistent with the Congress and the administration's desire to simplify governmental procedures wherever possible—and is consistent with the regulatory reform we all desire.

I, therefore, am introducing this amendatory legislation for consideration by the Congress.●

THE AMERICAN PEOPLE'S STANDARDS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. SHUSTER. Mr. Speaker, as I am sure we are all quite aware there is a myriad of issues in these difficult times which disturb the American people. I would like to share with my colleagues an editorial comment which appeared in the January 11, 1979, edition of the Carlisle, Pa. Evening Sentinel. It pointedly addresses one of those issues of concern.

THE DIGGS CASE: NO HANDSLAPPING

When Congress convenes next week, it will be looking at an agenda which seemingly has no end. And, as is custom, it will accomplish only a fraction of what it should.

The issues range from dealing with a new budget to inflation to defense to foreign policy to anything in between. Many decisions will be crucial.

There is one matter, however, that given the magnitude of this session, could easily be lost in the shuffle. Rep. Charles Diggs (D-Mich.) probably wouldn't mind that at all.

Diggs comes to Congress having been convicted on 29 felony counts of mail fraud and payroll padding. Despite his trial and subsequent three-year prison term, the voters of Detroit overwhelmingly sent him back to office last November. That electorate thus joins hands with those Pennsylvania constituents who reaffirmed their faith in the indicted Daniel Flood (D-Pa.) and with those voters of Philadelphia who once elected a dead man to office.

Congress could, of course, vote to expell Diggs after an investigation. But if you believe that will happen, you also believe in the tooth fairy. For the Congress, it is a distasteful matter and most members probably believe they have more important tasks at hand.

But if Diggs goes unpunished, then Congress will add to the evidence that in its hallowed halls, the principles of law and order do not apply—or if they do, certainly not to the "full extent of the law." A great deal of time and money was expended on the Koreagate investigation, for example, resulting in handslapping justice.

Many Americans remain convinced national public office is synonymous with "crooks and rascals." There have been far too many cases of late supporting that view. And the Congress is reluctant to accept guilt or kick the rascals out.

Diggs is appealing his case, but the fact remains he was convicted. Should he still be allowed to take his seat?

No.

Congress must put an end to the sense of special immunity that pervades its chambers. As long as it continues to lack the guts of taking decisive punitive action, Congress will remain a body where wrongdoing is a way of life.

That has been, and continues to be, unacceptable by America's standards.●

COMMENT ON PRESIDENT'S BUDGET

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mrs. SCHROEDER. Mr. Speaker, the President today unveiled his fiscal year 1980 budget with a flurry of statements that are filled with the current lexicon of "fiscal responsibility." We are told that this budget is based on a "very austere, stringent, tough fiscal policy." But when one looks closer it is evident that the meat ax has dropped only on those parts of the budget which affect persons least able to speak up—children, the elderly, and the disadvantaged. It soon becomes clear that there is a double standard when it comes to spreading this austerity around. We are told to tighten our belts and turn down the spigot on Federal outlays. Yet, while across-the-board cuts in social programs are proposed, Congress is asked to expand the defense budget.

The needy are told that inflation is worse for them than for anyone else and that it is on their behalf that the battle against higher prices is being waged.

Yet in promoting frugality in the budget, it is the programs which will help the disadvantaged most which are the first to be cut. At the same time, the defense dollar is totally exempt from the kind of scrutiny the other programs are subject to.

In a reaction to the outcry of the middle-income taxpayer, we are asked to turn our backs on the compassion and fairness which so many of the social programs are based upon. In short, cut back funds for people programs, but don't touch the billions set aside for weapons. As Colman McCarthy says: "Make America strong but leave its people weak."

Congress must move to reduce the impact of inflation. But to do so by sacrificing the needs of those persons already suffering the most from its effects would be a tragic mistake.●

TONNAGE MEASUREMENT SIMPLIFICATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill which will authorize the use of a simplified system of tonnage measurement for certain small commercial vessels.

The bill will affect non-self-propelled vessels (barges) and self-propelled commercial vessels of less than 24 meters (79 feet) in length that do not engage in international voyages. The method of tonnage measurement authorized by this proposal is similar to that currently in use for measuring pleasure vessels.

The bill will permit the tonnage measurement of small commercial vessels in approximately one-eighth of the time it now takes. It will also permit the assigning of tonnage measurements to specified models or classes of vessels. The bill will not result in additional expenses to the Federal Government. In fact, some minor savings are anticipated from the reduction in personnel resources needed to measure the tonnage of these small vessels. The bill is also consistent with our desire to simplify bureaucratic procedures and to provide for regulatory reform.

Under this bill, the vessel owner has the option of electing the simplified measurement or the more detailed system of measurement. In those cases where it is expected that a barge or a small commercial vessel will not make an international voyage, the simplified measurement is adequate. For those vessels which engage in international voyages, the owner would need the more detailed system of measurement to ensure the continued acceptability by foreign governments of U.S.-issued measurement documents.

This bill is part of the continuing effort to simplify the existing maritime safety laws. Since it is my continuing desire to simplify procedures whenever it is practical to do so, I am introducing this amendatory legislation for consideration by the Congress.●

FREE ENTERPRISE WEEK

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MOORE. Mr. Speaker, each day we find individuals who tell us that the free enterprise system can no longer provide for the needs of our people. They say the system has failed; that the only answer to our Nation's problems is through more government regulation, more government intervention in our day-to-day lives, and more government management of our businesses.

They, and to a certain extent, the Federal Government itself, are largely working today under the assumption that competition is bad, profits are evil, and the producers of our society should be taxed and heavily regulated rather than rewarded. As a result, our productive economy is becoming a stagnant economy.

All economic wisdom does not reside behind government doors, but I find that many of our citizens simply do not understand the relationship between economic health, their own high standard of living and the free enterprise system which gives us both. I find people do not know how our free economic system functions and the opportunities available for each of us through it.

With this educational need in mind, I would like to inform the House that the week of January 22–27, 1979, will be observed as Free Enterprise Week in the Sixth District of Louisiana.

During Free Enterprise Week a variety of programs will be offered to inform and remind our neighbors of the advantages we all enjoy through our economic system. Seminars, civic club programs, essay contests in the schools, State government recognition, media advertising, a Free Enterpriser of the Year Award; are all part of this community involvement program.

All of the week's activities will culminate in an awards banquet being held on January 27 in Baton Rouge at which the nationally known economist Dr. Arthur Laffer will be the guest speaker.

This will be the second year we have celebrated Free Enterprise Week in my congressional district. Although the concept is still in its infancy, I am pleased to report that Free Enterprise Week has already attracted national attention.

Communities in other States, interested in duplicating the program in their part of the country, have asked us for information about the program. Also, the first Free Enterprise Week program was nominated for an award from Freedoms Foundation of Valley Forge.

With such an initial success, it is easy to see why we expect Free Enterprise Week to grow into a larger and even more ambitious effort in the future.

I am proud of my contribution to this program, but I am even prouder of the countless individuals and organizations throughout my district whose contributions and hard work have made Free Enterprise Week a reality. This is truly a grassroots, neighbor-to-neighbor program to make each of us aware that there is no true freedom without economic freedom and it is only through the free enteprise system that economic freedom exists.

I will report back to the House at the conclusion of Free Enterprise Week with a review of the activities during the week.●

TAKING A LONG LOOK AT THE CHINA QUESTION

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. FITHIAN. Mr. Speaker, the recent announcement by the Carter administration of the normalization of relations between our country and the People's Republic of China (PRC) is to be greeted by us with mixed feelings. On the one hand, the United States welcomes the opportunity to finally seal a pact of friendship with mainland China. The reduction of tensions between our two great nations will prove to be of benefit, not only to ourselves, but to the whole world as well. On the other hand, I am deeply concerned that this agreement not endanger our friends, the Taiwanese, nor our relations with them.

On one side, the administration's decision to extend de facto recognition to the PRC and establish diplomatic relations is the result of cumulative bipartisan efforts of American Presidents dating back to Eisenhower, which were intensified by Nixon's trip to Peking in 1972 and the signing of the Shanghai communique. These diplomatic efforts recognize that the existing Government in Peking is the Government of China, that China needs to be brought into a discussion of world affairs, and that any nation with almost a billion inhabitants or one-fourth of the world's population cannot continue to be ignored.

The establishment of Sino-American relations will allow each an opportunity to strengthen the cooperation between our two nations, and to enhance our consultative relations on matters of common international concern. It would thus contribute to the stability of Asia where the United States has important security and economic interests, and to the peace of the world.

China represents a substantial market for American manufactured goods as well as agricultural products. The recently declared four modernizations of the PRC—an effort to simultaneously develop industry, agriculture, science and technology, and defense—could prove economically advantageous to the United States. China's eagerness to develop its industry is presently hampered by its inadequate supply of foreign monetary reserves. But this deficiency can be fairly

easily remedied by the exploitation of what is believed to be a vast supply of oil. The sale of petroleum products abroad should provide it with capital sufficient to purchase the sophisticated machinery necessary to develop its industry and infrastructure. This solution could reduce the present Western dependence upon Arabian oil.

While the present modest per capita income of the PRC does not immediately open a large consumer market for American goods and services, the potential for industrialization holds great promise. The Chinese economic experience may parallel the tempo and success of postwar Japan.

American agricultural products and advanced technology can also have an impact on China's modernization. The PRC is still faced with a problem going back to antiquity: that 40 percent of its land mass is inhospitable to cultivation or human habitation. Consequently, the fertile southeastern portion is densely populated, but its crop yield is much lower than the average in the United States or Europe. On a short-term basis, these conditions could be eased by the importation of American foodstuffs and agricultural machinery. And in the long run, the introduction of modern techniques—irrigation, pesticides and fertilization—might allow the vast reaches of desert to blossom the way the Mid-East has in recent years. Lastly, it should be remarked that 85 percent of the Chinese population is still rural. The adoption of sophisticated agricultural technology would free millions in manpower for industrial development.

The most troubling issue for years has been Taiwan. For the foreseeable future, mainland China has compelling reasons not to seek a settlement of the Taiwan issue by military force. The PRC faces a serious threat both to the North and South. China is fearful of a confrontation with the Soviet Union along its common 4,500 mile border, where the Russians have amassed 44 divisions plus air and other support units. Additionally, hundreds of missiles armed with nuclear warheads stand aimed at the heart of China. The PRC is also faced with an impressive array of might in the form of Taiwan. Its well-equipped, American-trained armed forces number nearly one-half million or one of the largest in the non-communist world. These are backed by the latest air defense systems. Peking does not have the amphibious offensive capability to launch an attack on Taiwan, nor are there any signs that the PRC is trying to develop one. China is attempting to modernize its country at a rapid rate, and therefore, is placing first priority on domestic development. Any armed conflict between the PRC and Taiwan would jeopardize the mainland's industrialization and retard modernization. China is attempting to build constructive relations with the United States, Japan, and other nations and has a major stake in avoiding actions that would put those relationships at grave risk, particularly during its modernization stage.

In a world of everchanging influences and dramatically shifting alliances, it is imperative that the United States face international realities. It is in our national interest that we establish a good working relationship with so vital a nation as China while it is still at an early stage of development.

On the other side, some disturbing problems have arisen because of the President's decisions. Many believe, and I concur, that the United States could have held tougher on the Taiwan question. The logic of the wording in the agreement contains an implicit acknowledgement that Peking is now governing Taiwan. Although this may now seem a harmless point in semantics—merely reversing our previous recognition that Taipei ruled the mainland—the PRC may exploit it. Indeed, their intransigence over the issue of future arms sales to Taiwan would seem to indicate that from the outset they wish to isolate Taiwan as much as possible.

By effectively demoting Taiwan to the status of a rebellious province, Peking now has a number of available options which, if used, could lead to the eventual economic strangulation of our former ally. It is not inconveivable that Peking would seek to enforce restrictive sanctions similar to those now levied against Rhodesia and South Africa, or even employ a naval blockade. Less direct pressure could be exerted in the form of trade agreements in which other nations would cease their exchange with Taiwan in favor of a more lucrative trade with Peking.

The ending of the Mutual Defense Treaty with Taiwan may create doubts about the reliability of the United States to defend its friends and allies around the world. The heart of the numerous defense treaties and alliances, like NATO, is the willingness of the United States to go to war, if necessary, to protect her allies. Some friends may now question the will and capability of the United States.

The possibility of nuclear proliferation is alarming. With such a large threat looming so close to its borders, Taiwan may feel it necessary to insure its safety by tapping its advanced technology to develop nuclear defense capabilities.

The United States received neither public nor private assurances that Peking would not use military force against Taiwan, even if this seems unlikely in the forseeable future. It is disappointing that additional Chinese concessions were not achieved during these negotiations. It is unfortunate that the negotiations for recognition did not include a resolution of the China claim issues—a settlement of claims of the U.S. citizens and companies against China for property that was expropriated or frozen by the present regime after Chinese assets in the United States were frozen in 1950.

I am disturbed at the method by which the President made this important decision. Despite the congressional consultation amendment to the International Security Assistance Act (Public Law 95–384), the President did not consult with the Congress except to inform some Members a few hours in advance of the public announcement. I understand consultation to mean an opportunity to influence policy. In the case of the recognition of the PRC, this consultation clearly did not take place.

Although the United States will continue to honor almost 60 economic and cultural treaties, and continue to supply Taiwan with sufficient defensive weapons, the decision to end our defensive treaty with Taiwan raises grave questions about its future. It is my personal hope that the normalization of relations with the PRC not jeopardize the well-being of the people of Taiwan. The United States should continue to have an interest in the peaceful resolution of the Taiwan issue and should expect that it will be settled peacefully by the Chinese themselves. The United States should continue to promote the economic development of Taiwan, to stimulate trade between our countries and to recognize that we as a nation have an important economic stake in the continued development of an independent Taiwan.

I will monitor closely the ensuing international events in China, Taiwan, and the rest of Asia. The opening of China cannot be allowed to result in tragedy for Taiwan. We as a nation must remain ever-vigilant that the Taiwan issue is resolved peacefully and that Taiwan has adequate supplies of weapons to defend itself against aggression.●

ADOLPH H. SCHREIBER ACADEMY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, the Adolph H. Schreiber Hebrew Academy of Rockland County, formerly the Hebrew Institute of Rockland County, located in Monsey, N.Y., is celebrating its 25th anniversary this year.

The school is devoted to many of the ideals that our Nation so highly values, including instilling a sense of awareness and involvement in community affairs in its students and stressing equal opportunity to all, regardless of economic and educational background.

ASHAR has an excellent school program for Jewish youth and has been internationally commended for the bilingual abilities of its students. It was founded on the principle of combining intensive and comprehensive Torah training with general studies. The institute tries to cultivate and reenforce an appreciation of Jewish religious values so that the student may live according to the traditions of integrity, morality, and dignity.

The academy's general curriculum is organized under the New York State Education Department and the local school district. Students are introduced to their community before they reach kindergarten so that they can begin to learn to better appreciate and understand the world in which they will grow. The school seeks to instill in the student not only a dedication to his faith, but also to be a loyal American citizen.

ASHAR, which believes in creating close ties between school and home, encourages parents to take an active role in the academy's programs and they are involved in policymaking and educational activities.

Mr. Speaker, I bring the Adolph H. Schreiber Academy's 25th anniversary celebration to the attention of my colleagues so they can join with the community in commending its officers and faculty for the fine job they are doing in developing outstanding citizens.●

INCREASE MEMBERS' ACCOUNTABILITY IN RECEIVING PAY HIKES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BROWN of Ohio. Mr. Speaker, on Thursday, January 18, 1979, I introduced two bills designed to increase the accountability of Members of Congress in voting themselves pay increases.

The first bill provides that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress. This assures that each Member of this body will have to stand before their constituents for reelection before a scheduled salary increase can take effect and is similar to the law governing pay raises for the Ohio General Assembly (as well as 36 other State legislatures).

However, unlike Ohio law, this legislation uses the same definition for the start of a new Congress as the definition of election day. This prevents the possibility of Congress reconvening in a lame duck session to vote itself a pay raise in the next Congress.

Retired Congressman Charles Whalen along with 176 cosponsors introduced a measure very similar to this during the 95th Congress and that bill was reported by the Post Office and Civil Service Committee. However, as those of us who were Members of the House at that time will recall, the measure failed under Suspension of the Rules on November 1, 1977, amidst confusion over a provision added to the bill in committee. This provision barred in the future any amendments to House budget or appropriations bills which would directly or indirectly prevent the payment of increases in pay raises for Members of Congress. This was widely interpreted as a move to bar votes killing future automatic cost-of-living increases. It also presented procedural problems for the future because it put an unprecedented stipulation upon the appropriations process. My bill does not include this provision.

However, my second bill deals with this problem in that it amends the present procedure through which Congress receives its annual, Presidentially recommended cost-of-living increase.

At present, unless Congress introduces and approves a disapproval resolution of an annual cost-of-living raise, the increase automatically takes effect 60 days after the President presents his recommendations to Congress. My bill requires Congress to express its approval of the recommendation in order to receive it. This bill will bring the automatic cost-of-living increase out of the closet and put it before the scrutiny of the American public, where it belongs.

If the Democratic leadership refuses to let this legislation see the light of day, it will be a clear indication that their intention is to force the brunt of the burden of our spiralling inflation onto the American public, rather than share in the sacrifices their free-wheeling spending practices are now forcing upon all other Americans.

It is hardly fair for the President of the United States to ask the American wage-earner to hold his cost-of-living increase to 7 percent, when Congress continues in the tradition of special privilege. I will anxiously await the Democratic majority's reaction to and treatment of these bills.●

LINES OF DEMARCATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to clarify the authority of the Coast Guard to establish lines of demarcation for the purposes of determining the applicability of special navigational rules in lieu of the International Regulations for Preventing Collisions at Sea and the applicability of certain marine safety statutes.

The need to clarify the Coast Guard's authority became apparent during the 95th Congress as a result of legislative hearings on the bill to implement "the Convention on the International Regulations for Preventing Collisions at Sea, 1972"—subsequently enacted as Public Law 95–75; and extensive oversight hearings on the Coast Guard's marine safety program.

It was pointed out—and the Coast Guard concurred—that numerous maritime safety problems had arisen with the grant of authority to the Coast Guard, in section 151 of title 33, U.S. code.

That section authorizes the Coast Guard to establish lines of demarcation for the purpose of dividing those waters on which the International Regulations for Preventing Collisions at Sea apply—from those on which the inland rules apply. Congress has also, over the years, used these lines of demarcation to define the applicability of certain marine safety statutes.

The Coast Guard had in the past placed many of these lines of demarcation beyond the traditional 3-mile territorial sea. In the gulfs of Maine and Mexico, for example, the lines extended as far as 30 miles from shore. The Coast Guard, recognizing that the location of these lines beyond the territorial sea presented a problem in international law, recently relocated them within the territorial sea, or as close thereto as practicable.

This action corrected the long-standing problem of applying the inland navigational rules to vessels operating well out on the high seas. The bill I am introducing today will insure that those lines are not again extended beyond the limits of the territorial sea.

A second purpose of the bill is to authorize the Coast Guard to draw lines of demarcation for the purpose of determining the applicability of certain specified marine safety statutes relating to vessel inspection, manning, and equipment.

When the various inspection and manning statutes were considered by Congress (in particular, the Officers' Competency Certificates Act (1939), 46 United States Code 224a), the line of demarcation authority in 33 United States Code 151 was used as a jurisdictional dividing line for applying different standards to vessels that operated only in protected waters from those operating on the high seas.

Congress was aware of the fact that these lines had remained stable for a number of years dating back to 1895, were well defined, and were located at the headlands or close offshore. Based on this prior record of stability, Congress enacted several marine safety laws, starting as early as 1915, using these lines as a basis for applicability.

As a result of extensive maritime safety problems in the mid-1930's, and an awakening international concern (in part precipitated by the *Morro Castle* disaster), a number of marine safety laws were enacted. In addition to the 1939 Competency Act, Congress enacted:

The Coastwise Loadline Act (1935), 46 United States Code 88;

The Seagoing Motor Vessel Act (1936), 46 United States Code 367; and

Various merchant seamen provisions, codified at 46 United States Code 672; all of which used the line of demarcation as a basis for defining applicability.

This bill will correct the problems created by the previous placement of these lines beyond the territorial sea and the more recent movement of the lines back to the 3-mile limit for rules of the road purposes. The recent attempt by the Coast Guard to solve these problems administratively by establishing two lines of demarcation was without statutory authority and was an unsatisfactory solution.

The issue of a second line of demarcation was called to the Coast Guard's attention. They have concurred that, under the circumstances, clarifying legislation is indicated. This legislative initiative will—

Provide the Coast Guard with authority and sufficient flexibility to delineate various lines of demarcation to properly carry out the purposes of differing maritime safety statutes;

Provide that the line of demarcation for the purpose of navigational safety may not extend outside the territorial waters of the United States (3 miles); and

Permit the establishment of appropri-

ate lines for the purpose of determining the applicability of certain specified marine safety statutes. These lines may or may not coincide with the lines drawn for rules of the road purposes. The bill, however, requires that these lines not be farther than 12 nautical miles from the base line.

I have been assured that both the offshore marine industry and the administration concur that the Coast Guard should have clear and flexible authority to establish these lines of demarcation. With this in mind, I am introducing this amendatory legislation for consideration by the Congress.●

NATIONAL AQUACULTURE PROGRAM

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. AuCOIN. Mr. Speaker, I am pleased to be a consponsor of a bill introduced today to create a national aquaculture program within the Department of Commerce.

I recall my disappointment and frustration when the President vetoed similar legislation last year, and I am hopeful this revised bill addresses administration concern sufficiently to gain its fullest support.

The bill differs from last year's legislation by giving the Department of Commerce lead agency authority, and by directing that the Secretary work in consultation with the Secretaries of Interior and Agriculture to develop, within 18 months, a national aquaculture development plan. Such a plan would fully identify all marine species that have a legitimate and major commercial food-producing capacity when raised in captivity. The bill also creates an aqual culture information center and authorizes $65 million over a 3-year period to carry out the provisions of the bill.

Since passage of the Fishery Conservation and Management Act of 1976, Congress, the administration, and the U.S. fishing industry have had to learn to work together, examining the economic problems of the domestic fishing industry and developing programs to enable the industry to utilize fully the resources which have finally been made available to it. The single most important achievement of the 1976 act was long overdue recognition that fish stocks in our 200-mile zone represent not only a strategic national resource, but a major global resource. For the first time, we began to look to the sea as perhaps one of the few practical sources of food for the future.

In passing the act, we acknowledged the importance of the vast protein resources available to us and made a commitment to restore, conserve, and manage them. The original findings of the act declared that—

A national program for the development of fisheries . . . is necessary to assure that our citizens benefit from the employment, food supply, and revenue which would be generated thereby.

The United States and other developed countries historically have shouldered the burden of supplying food to the Third World, but there are indications that increases in agricultural production experienced in the late 1960's and 1970's are leveling off. In a relatively short period of time, we have moved from a condition of relative food abundance to one where experts now suggest the present global food system will prove inadequate to meet the demand within the next two or three decades. In some parts of the world, the demand outstripped the supply a long time ago. The Congressional Office of Technology Assessment quotes one expert opinion that in order for developing countries to keep pace with their future food requirements, they will have to increase their food production by at least 4 percent per year over the next quarter century. Present production increases are well below this.

Clearly, agriculture alone cannot continue to be the major source of global food surplus in the face of grim projections of increasing food demands. Even if global fisheries have the potential to become the major source of food protein in the future, global over-fishing and continued water pollution may erode even this vast natural fisheries base. It seems to me, we need a hedge against this possibility.

It is a common misconception that aquaculture is an experimental concept, that its potential as a major contributor to global food supplies has yet to be proved. But in hearings on last year's aquaculture legislation, testimony revealed that China supports the largest aquaculture enterprise in the world, producing some 1.2 million metric tons of water organisms annually. Japan is second on the list producing about 490 000 metric tons. India and the Soviet Union rank next, producing 480,000 and 190,000 metric tons, respectively.

Estimates of future international production from aquaculture have ranged from 20 to 60 million tons per year. The Soviet Union recently predicted that by 1980, 60 to 70 percent of the world's fish products will be artificially cultivated. The United States has the potential to provide a significant portion of this production, but not if the present growth rate of the industry is maintained. In the late 1960's we produced only 40,000 metric tons of fish products from aquaculture enterprises, losing out not only on nutritional benefits to the American diet, but also on the economic benefits of a fully developed national aquaculture industry. At the present time, only 3 percent of U.S. consumer fish products come from aquaculture enterprises.

Nowhere can the potential of aquaculture in this country be better demonstrated than in my own State of Oregon where pioneering work in this field has taken the industry far beyond any experimental stages. But we need to do more on a national level to support the development of this industry. The bill introduced today provides a solid foundation for that development, and I am proud to be among its most enthusiastic supporters.●

MEMBERS BUDGET INFORMATION SYSTEM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. SIMON. Mr. Speaker, the President has sent his 1980 budget to the Congress today proposing a deficit of $29 billion and large reductions in program spending in some areas.

In order to assist in answering the large number of questions which always arise, we have put a table 82 on our Members Budget Information System (MBIS) which contains many frequently asked questions and answers on the President's budget. This table is up and available to your office today through your HIS computer terminal.

This table will give you the President's proposed deficit, compare it with last year's Presidential and congressional deficits, as well as answer questions about specific program reductions, economic assumptions and long-range budget goals.

The Members Budget Information System itself was released to the House in May 1977 with a selection of tables containing information on the budget resolutions, House appropriations actions and the President's budget. Since that time, we have added a table of budgetary definitions and early warnings on spending bills scheduled before the House which have proven to be two of the most frequently used items on the system.

This new table was added in response to indications from a number of Members' offices that they need additional and more timely budget information to answer constituent questions as well as to provide resource material for speeches and background for votes on spending issues.

A complete listing of tables in MBIS is included for your information:

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INTRODUCTION OF COUNTER-CYCLICAL ASSISTANCE BILL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. RODINO. Mr. Speaker, today I am introducing legislation to restore the countercyclical assistance program. I am proud that, so far, 83 of my colleagues have joined in sponsoring this bill which is designed to offset high unemployment and prevent widespread increases in local property taxes.

Mr. Speaker, there are many municipal and State governments which have not yet recovered from the effects of our national recession; and their problems are compounded by high unemployment. When this House failed to consider extending the countercyclical aid program last October, thousands of communities were forced into one of two unwelcome positions: Either eliminate local government jobs and reduce essential services, or raise property taxes in order to meet the costs of these services.

Mr. Speaker, neither of these two choices are constructive solutions to the problems confronting local communities. That is why countercyclical assistance was established over 2 years ago.

Since October, massive layoffs have occurred across the country. Not only are the lives of individual workers and their families disrupted by the sudden loss of income, but the economic lives of communities are seriously threatened. Many local governments already have reacted with plans to raise property taxes—putting the onus on the already overburdened taxpayer.

Mr. Speaker, the bill my colleagues and I are introducing today would do something to stop the threat of higher taxes.

As the list of the bill's cosponsors indicates, this issue cuts across regional and party lines. Democrats, at our midterm convention Memphis, adopted a resolution putting a high priority on restoring countercyclical aid. And it is a Republican Senator, JOHN DANFORTH of Missouri, who will be introducing the same bill in the other House tomorrow.

President Carter, who has clearly stressed the importance of fiscal austerity, has voiced his support for the program's continuation. I am very anxious to study the President's proposal as soon as it is completed and to work together for the best possible bill.

Mr. Speaker, I believe we in Congress are very mindful of our task to place limits on Government spending in order to halt inflation. Beating inflation is absolutely essential to a healthy economy.

I also know that there is a point at which we must come forward to stop the debilitating effects of massive unemployment. This bill recognizes our Government's commitment to be responsive to basic human needs and it does so in a way that will help our local economies.

The bill is cost effective, because it targets aid to those areas which are hardest hit by unemployment. If the economy improves, less countercyclical aid will be needed and less will be spent. However, if unemployment increases, cities, and States will receive the help necessary to prevent their economies from collapsing.

While the bill extends the program for the next 2 years, it reduces the program's cost from $1.3 billion in fiscal 1978 to $490 million in 1979 and $370 million in 1980.

The bill sets up a two-tier program for aid. The first phase, antirecession fiscal assistance, distributes $125 million quarterly to State and local governments with unemployment rates of 6 percent or more when the national unemployment rate is 6 percent or more. An additional $30 million is provided quarterly for each one-tenth of 1 percent by which national unemployment exceeds 6 percent.

When national unemployment falls below 6 percent but remains 5 percent or above for two consecutive quarters the first part of the program is suspended and the second phase, supplementary fiscal assistance, begins. This phase distributes $85 million quarterly to local governments with unemploymetnt rates exceeding 6 percent. State governments receive no funds under this second-tier.

The program is terminated when the national unemployment rate falls below 5 percent.

Mr. Speaker, there is no justifiable reason for suddenly abandoning a program which has proven so vital to the economies of our local communities during this difficult period. My colleagues and I will work to restore countercyclical aid and put thousands of Americans back to work.●

TWIN BIRTHS CONTINUE

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BENJAMIN. Mr. Speaker, I am delighted to report that the lineage of twin births in the Adam Benjamin, Sr., family has continued.

Marsha Benjamin, wife of my brother, Daniel, delivered Daniel Joseph Benjamin, Jr., and David Adam Benjamin on Sunday morning, January 21, at the Hobart Mercy Hospital.

The senior Daniel, also born on a Sunday morning, is the only nontwin of the five boys born to my parents Adam and Margaret Benjamin. The others, my twin brother, Myron Mitchell, and twin brothers, Samuel Adam and Samson Adam, along with two sisters. Lillia Margaret Arzumanian and Leona Purdy Kelaita, wish Daniel Jr., and David Adam a long, healthy and productive life and congratuate their surprised parents on the new arrivals who complement their family of four girls.●

PROTECTING COASTAL RESOURCES IN ALASKA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BONKER. Mr. Speaker, a high priority on the list of business unfinished in the 95th Congress is the enactment of H.R. 39, the Alaska National Interest Lands Conservation Act. Supporters of this landmark legislation were deeply disappointed at the Senate's failure to complete action in 1978. But, thanks to vigorous and timely actions by President Carter and his Secertaries of the Interior and Agriculture—efforts which served to continue complete protection of Alaskan wildlands—congressional prerogatives have been preserved. Now, in the 96th Congress, we can resolve this matter.

As a member of the Merchant Marine and Fisheries Committee, I have a deep interest in our Nation's coastal resources and our National Wildlife Refuge System. In Alaska, with its thousands and thousands of miles of wilderness coastline and rich wildlife and fisheries, we have an unprecedented opportunity to use additions to our refuge and other conservation systems as a foundation essential to the protection and utilization of our coastal resources.

Mr. Speaker, what is proposed in H.R. 39 for the Alaska Peninsula in southwest Alaska provides a prime example. The fish and wildlife resources of this area are unquestionably among the most significant in the entire State—all 375 million acres of it. Brown bear and other large mammals, salmon and grayling, bald eagles, seabirds, and marine mammals—all are found in this region's diverse ecosystems which range from mountains to grasslands to saltwater lagoons. The scenery is absolutely spectacular, including active volcanoes, glaciers, steep mountains, rocky shores, and river deltas. The length of the Alaska Peninsula provides spawning grounds, estuarine habitats, and watershed for one of the world's richest commercial fisheries.

Recognizing the superlative values of the Alaska Peninsula, the House last year approved establishment of two key wildlife refuges: The Alaska Peninsula and Becharof units.

President Carter, in his recent executive action, designated a 1.2 million acre Becharof National Monument, incorporating the area that was in the House-passed bill. The values of this unit are summarized nicely in the Merchant Marine and Fisheries Committee report on H.R. 39 (Rept. No. 95–1045, part II):

The proposed Becharof National Wildlife

Refuge is located on the Upper Alaska Peninsula. The refuge is bounded on the north by the existing Katmai National Monument and on the south by Becharof Lake. The proposed refuge, encompassing 1.1 million acres, contains what may constitute the best brown bear habitat remaining in Alaska.

The grant free-roaming Alaska Peninsula brown bear utilizes the recources of the entire area. These magnificent animals enter mountain dens sometimes in November for their winter hibernation. During the spring they feed on invertebrates or grasses and sedges of intertidal and coastal marshes followed by summer feeding along salmon spawning streams within the proposed refuge.

The southeastern portion of Becharof Lake is one of the more unique wildlife areas in Alaska. Although the area is relatively small, a noted National Park Service biologist has indicated that it contains one of the densest brown bear populations in Alaska. A 1974 denning survey found 14 dens on the islands in Becharof Lake alone. This is extremely unusual as bears usually den above 1,500 feet, while in this area they are located only a few feet above the water level. It is estimated that approximately 300 to 400 bears use this one small portion of the proposed refuge. This small area provides critical denning habitat for approximately 10 percent of the 3,000 to 4,000 brown bears which range over the Alaska Peninsula between Katmai National Monument and Port Moller. The Becharof National Wildlife Refuge would protect a core area for this significant bear population.

Only the existing Kodiak National Wildlife Refuge and Admiralty Island can compare to the Alaska Peninsula in its density of brown bear denning areas. H.R. 39 propcses to protect Admiralty Island through a wilderness designation, but much of the best habitat on Kodiak Island has been selected by Native Corporations under the Alaska Native Claims Settlement Act. The Becharof area offers the best opportunity to protect what may be a declining brown bear habitat.

Although the Becharof area is most noted for its brown bear habitat, the area also contains other significant wildlife populations. The bears of the Becharof region are attracted primarily by the abundant salmon spawning streams draining the area. The smaller streams draining to the west provide chinook, pink, sockeye, coho and chum salmon for the Bristol Bay fishery and Becharof Lake is an important salmon spawning area. Arctic grayling, Dolly Varden, and rainbow trout are also found in this area.

The proposed refuge provides habitat for a portion of the 15,000-member Alaska Peninsula caribou herd and world-record-class moose have been taken in this area. Most of the estimated 9,000 moose on the Peninsula move down from the uplands of the Peninsula Range, following creek valleys, to winter in suitable lowlands habitats in State-selected areas from Katmai Monument to north of the proposed Aniakchak Caldera National Monument.

At least 6 species of marine mammals, 29 species of land mammals and over 137 species of birds have been observed in the Becharof area. Bald eagles which are found here are dependent on intertidal zones for feeding and on the tall trees of the rocky pinnacles for nesting.

The current version of the Alaska National Interest Lands Conservation Act would ratify the President's Executive action by designation of a Becharof National Wildlife Monument of 1.2 million areas, 0.7 million of which would be part of the National Wilderness Preservation System.

H.R. 39, as now introduced, would also establish an Alaska Peninsula National Wildlife Refuge of 1.57 million acres—the same acreage that was in the 1978 version passed by the House. About 0.6 million acres would be given the wilderness designation. Again, let me quote from the Merchant Marine and Fisheries Committee report on H.R. 39 concerning the values of this unit:

> Overall, the Alaska Peninsula is regarded as the most significant fish and wildlife area in the entire State. In addition, the Peninsula contains a variety of spectacular scenery including active volcanoes, glaciers, rocky coastlines and steep mountains.
>
> The major wildlife species on the Peninsula include brown bears, caribou, moose, salmon, grayling, trout, marine birds, waterfowl, and migratory shorebirds. Bald eagles, peregrine falcons, wolves, wolverines and marine mammals are also found along the length of the Peninsula and its adjacent bays, lagoons and coastal waters.
>
> The entire Peninsula has an extremely high density of brown bears. Caribou populations, which are currently estimated at about 15,000, have increased from a low of approximately 2,500 animals in the 1940's. The Alaska Peninsula caribou herd actually contains three separate herds with the largest herd located between King Salmon and Port Moller. Although the Peninsula's caribou population has rebounded, the moose population has declined in the past two decades due to the lack of adequate wintering habitat. Nevertheless, the largest moose in the State are consistently harvested in this area.
>
> Seven of the major lagoons and river deltas on the northern fringe of the Peninsula have spectacular spring and fall waterfowl concentrations. The world-famous eel grass beds of the Izembek lagoon within the existing National Wildlife Range attract the largest concentration of migratory birds. At times the entire world populations of several species such as black brant and emperor geese can be found in these areas. Due to State land selections along the northern shore of the Peninsula, most of this migratory bird habitat is not included as a part of the refuge.

Mr. Speaker, some have argued that because of a somewhat complicated land ownership pattern on the Alaska Peninsula, no refuges should be established at this time. I do not share that view. Establishment of these refuges now, on what are clearly Federal lands, is critical. Such action is a declaration that fish and wildlife values are of overriding importance on the peninsula, and accordingly, provides needed protection and management by the U.S. Fish and Wildlife Service. As future land uses develop on the peninsula, these Federal conservation lands will serve as core areas in which wildlife and fish—and most importantly, their habitats—receive maximum protection from incompatible activities.

Mr. Speaker, no single conservation unit on the Alaska Peninsula, or elsewhere, for that matter, is in and of itself the answer to the long-term problem of protecting our Nation's irreplaceable fish and wildlife resources. Each unit is, however, a foundation without which we surely will not succeed.

Thus, I am pleased to announce that I have joined Mr. UDALL and many other colleagues as a cosponsor of H.R. 39, the Alaska National Interest Lands Conservation Act. It is truly a foundation for the future, and one our coastlines deserve.●

THE VANIK HOUSE RESOLUTION TO CREATE A "SELECT COMMITTEE ON INFLATION"

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BROWN of Ohio. Mr. Speaker, I am surprised to see the gentleman from Ohio, Mr. VANIK, propose the creation of a "Select Committee on Inflation." I cannot think of anything we need less; not that inflation is not a terribly serious problem—indeed, it is—but there are existing facilities and institutions doing just what his proposed "Select Committee on Inflation" would do.

The heart of Mr. VANIK's proposal seems to be his idea that the new committee perform what he calls "legislative jawboning." This is described in his recent "Dear Colleague" letter:

> The committee would be able to bring out the facts on particular price increases and focus public attention and criticism on those instances where there is no justifiable explanation for the increase and commend those who make special efforts against inflation.

Mr. Speaker, that sounds exactly like the function of the Council on Wage and Price Stability. It is certainly the sort of function one would expect to find in the executive branch, not in the legislature. Either way, I can think of no possible justification for having that function performed by both.

At the present time the Council on Wage and Price Stability has a staff of 100, and will probably double that in the near future. A new select committee would need its own army of economists, accountants, and analysts to do the same job that the Council on Wage and Price Stability is already doing.

As the ranking republican on the Joint Economic Committee, I can tell you the duplication of effort does not end there. The rest of Mr. VANIK's description of his proposed committee sounds exactly like the Joint Economic Committee. His letter states:

> This would be a non-legislative, fact-finding committee empowered to examine the full range of the economy and the causes of and justification for wage and price increases occurring throughout the economy.

Perhaps the gentleman from Ohio has not seen the Joint Economic Committee's 10 to 12 publications each year—hearings and reports—relating specifically to the inflation issue. And occasionally the committee does some monumental works on this topic; for example, the 1975 "Studies in Price Stability and Economic Growth."

If Mr. VANIK has not seen the 911 studies and hearings on the economy that the Joint Economic Committee has published over its lifetime, I would be happy to truck them over to him.

And, of course, the suggestion that this select committee be "empowered to examine the full range of the economy" directly duplicates the charge given to the Joint Economic Committee, and to some extent, the work of the House and Senate Budget Committees, the Ways and Means and Finance Committees, and the House and Senate Banking Committees.

The Joint Economic Committee is the economic "think-tank" of the Congress. It is not a legislative committee, and thus it can make a dispassionate, objective review of the economy and the priorities of our society. It can be more daring than the legislative committees of Congress that must take into account political considerations when they act. Being "out of the legislative forest," the JEC can and does take a broad perspective on the economy, showing the interrelationship of economic issues in a congressional setting devoted to piece-meal, short-run solutions to problems. The JEC can and does handle the problems the proposed Vanik nonlegislative select committee would deal with, and I personally think the JEC does so in a responsible and effective manner.

I am sending Mr. VANIK a copy of the committee's October 1978 Review of the Economy as just one small example of the JEC's work on the inflation problem. There are 92 pages of report language dealing specifically with inflation. I particularly recommend the minority views. I would be happy to send a copy of the report to any Member who would wish to receive one.

It is evident that taxpayer dollars could be better spent than by creating another committee that would only duplicate the work of the JEC, other existing congressional committees, and the Council on Wage and Price Stability. The ultimate irony is that the new Select Committee on Inflation would be inflationary because it is needless duplication paid for by the taxpayer.●

UKRAINIAN INDEPENDENCE DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. FLORIO. Mr. Speaker, I would like my colleagues to join with me in commemorating January 22 as Ukrainian Independence Day. This day, celebrated annually by the people and descendents of the Ukrainian nation, marks the spirited determination of a proud nation to be once again free.

The determination of Ukrainians to be free is evidenced throughout their history. Repeated encroachments by foreign governments, devastation by war, and oppressive Soviet political domination, has not removed Ukrainian pride for his native culture, his faith, and his unending struggle for national independence.

Soviet dissident trials this past year brought to the world's attention the hypocrisy that exists under Soviet "justice." Sadly those who suffer most severely from this travesty are the national non-Russian dissidents, Ukrainians, Lithuanians, Georgians, and others. Their "crimes" of conscience are more quickly brought to review, and sentences more harshly handed out.

The barbarism of Soviet law was clearly brought to my attention during the last 6 months as I assisted a Ukrainian family to emmigrate to Israel. Alexander Silnitsky, his wife Tamare, and his grandmother Ilena Zilberman, citizens of the Ukrainian city of Kharkov, have tried since 1975 to join Alexander's parents in Israel.

Through the intervening years Alexander was expelled from school for renouncing his Soviet citizenship, and served 2 years in a Siberian prison camp for refusing to serve in the Russian Red army. Upon release from prison, emigration visas for Alexander and his family were approved to only be annulled again and again because of unbending "Catch 22" Soviet emmigration policies.

After 4 years of waiting, frustration, and government harrassment, Alexander, his wife, and grandmother joined his parents in Israel this past New Year's Day.

Today Alexander and his family are experiencing freedom and a fresh start in life in their new home. I am sure, however, that the Silnitsky family will not forget those they left behind and of their pride and love for their Ukrainian homeland.

Our efforts here today in dedicating the 61st anniversary of Ukrainian Independence Day must equal the spirit and determination shown by the Silnitsky's in the successful reunification of their family.

Sixty-one years ago a democratic Ukrainian Government and its people proclaimed their land a "free and sovereign" republic. While the Ukraine traditions of its people continues. We who have freedom also have the responsibility to assist those whose human, political, and national rights are oppressed. I would like to urge my colleagues to join me in this continuous effort.●

BLACK LOCUST ENERGY PLANTATIONS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. CARTER. Mr. Speaker, for nearly a decade the national debate has continued regarding how this country can and should meet its energy needs. The situation in Iran and its possible impact on our petroleum supplies only intensifies the concern over the United States' continuing reliance on foreign petroleum.

The solution to our energy problems remains that we must succeed in reducing our dependence on foreign oil supplies by means of prudent conservation and, especially, increased domestic production and accelerated development of new domestic energy sources.

The Congress over the years has appropriated billions of dollars toward realizing this solution. I have always voted for such spending, and in many areas that Federal investment is paying off.

In my own State, under a contract from the U.S. Department of Energy's fuels from biomass program, the University of Kentucky's Department of Forestry is studying production of black-locust biomass on surface-mined sites in Kentucky, Tennessee and West Virginia. One of the black-locust energy plantations which the University of Kentucky project will establish is in Bell County in the district I represent.

The January 1979 edition of Kentucky Farmer carries an article describing that project as well as the potential for these energy plantations supplying not only a renewable and potentially low-cost energy supply but also valuable new use for land which has been disturbed by the surface mining of coal.

Many years ago my own father demonstrated the superiority of black locust, which is a legume, for reforesting worked-out land. I commend this article on this black-locust project to my colleagues and include it for the RECORD:

RECLAIMING SURFACE MINES WITH BLACK LOCUST ENERGY PLANTATIONS

(By Stanley B. Carpenter, Donald H. Graves, and Robert A. Eigel)

The recent fuel shortage and oil embargo of 1973 focused attention on the basic resources essential to the energy needs of the United States.

To meet these shortages fossil fuels and other non-renewable resources have been studied and intensively evaluated; however, forested lands, a renewable and expandable resource, has received little attention in spite of its current importance to industry and its potential for the future. The nation's forests offer us a renewable, expandable and potentially, low-cost source of fuel, one that could reduce our dependence on foreign sources of energy fuel.

The U.S. Forest Service has reported that for the nation seven percent of the total energy needs could be supplied annually from forest waste and low-value tree species. This would leave us with our more valuable hardwoods and softwoods, and at the same time, improve both the aesthetics and productivity of our forests.

THE CONCEPT OF ENERGY PLANTATIONS

The conversion of solar energy by green plants into stored organic matter that can subsequently be converted into fuels of different kinds—gas, liquid, and solid state fuels—has recently led to the concept of establishing energy plantations. These plantations would consist of selected, rapidly growing tree species planted at close spacings. The crop would be harvested at appropriate intervals with succeeding crops reproducing by coppicing. Coppice regeneration refers to the ability of most hardwood trees to sprout profusely from young stumps. Since most conifers do not coppice, plantings would be primarily restricted to hardwood species. Coppicing would eliminate the need to plant after each harvest and shorten subsequent rotations, because sprouts from an established root system grow more rapidly than seedlings. Intensive crop management would be practiced, including fertilization, irrigation, and weed control. The method is similar to standard agricultural practices used for perennial forage crops, but trees used to produce biomass are less site restrictive and demanding of basic energy inputs such as cultivation and fertilization.

BLACK LOCUST ON SURFACE MINES—A LARGELY UNTAPPED RESOURCE

Major costs of the energy-plantation concept include land costs such as acquisition, clearing and preparation. If these costs could be eliminated or reduced, the energy plantation concept would become more economically feasible. We feel that surface-mined sites in the southern Appalachian Region offer a potential solution to this

problem. Surface-mined sites are unique since they do not require expenditures of energy or other costs relating to land clearing and preparation for the establishment of energy plantations. These costs are included in the mining of fossil fuels and are directed by reclamation law.

Although the total acreage surface-mined in the southern Appalachian Region is unknown, the trends in Kentucky are probably applicable to the region. Surface mining disturbs over 50,000 acres of land each year in Kentucky. Presently, 90,000 acres of permitted land is in need of revegetation in addition to an area in excess of 100,000 acres of non-reclaimed orphan land. In view of current energy needs, it is reasonable to assume that acreage mined will continue to increase. The establishment of energy plantations on only a small fraction of this largely unused and unproductive acreage would substantially increase our energy resources.

The value of black locuse (Robinnia pseudoacacia) wood for firewood has long been recognized, and its ease of establishment on surface mines in the southern Appalachians makes it an ideal species for energy plantations. Studies by the U.S. Forest Service Forest Products Laboratory indicate that the potential heat content (Btu's) of black locust wood is the highest among the North American species tested. The total heat content per cord of black locust wood at 20 per cent moisture content was 29.2 million Btu's, compared with only 15.8 million for cottonwood. Black locust can be established on surface-mined sites by direct seeding or the planting of seedlings. It has shown rapid growth on a wide variety of surface-mined sites across the southern Appalachian region. Careful site selection, genetic selection and application of cultural practices, such as mulching, fertilization, spacing, and perhaps irrigation, should result in increased yields.

IS IT FEASIBLE TO GROW BLACK LOCUST ON SURFACE MINES AS AN ALTERNATIVE SOURCE OF FUEL?

In 1978 the Department of Forestry, University of Kentucky, initiated a project to study the production of black locust biomass on surface-mined sites in Kentucky, Tennessee, and West Virginia. The project is funded by the Fuels From Biomass Program of the U.S. Department of Energy. Our study involves two major phases. First, we are studying the growth of black locust in previously established plantings of this species on surface mines across the region. With the assistance of state reclamation agencies and coal companies, we have carefully selected young plantations which give a good representation of the diverse sites across the region. Second, we will establish energy plantations testing the most advanced cultural and reclamation techniques to increase yield.

During the past year we have sampled 72 plantings of black locust. These ranged in age from 2 to 10 years. Dry weight yields of black locust have ranged from 1 to 28 tons/acre. The average production of black locust on the sampled sites is about 1.2 tons per acre per year. About 75 percent of this is usable woody biomass. The remaining 25 percent is leaves that have the potential to be used if harvested during the growing season.

Next year, we will continue our sampling to determine what types of surface mine spoil attain the highest levels of production. We will also establish two energy plantations using good agricultural practices to increase yield. These will be established near Jackson, Kentucky in cooperation with Falcon Coal Company, and with Mt. Drive Coal Company at Middlesboro, Kentucky.

Perhaps through the growth of black locust, Kentucky's surface mines can continue to produce energy long after the coal is gone.●

THE TREATY STAKES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. McDONALD. Mr. Speaker, there may be those who feel the suit brought by Senator GOLDWATER, myself, and others to test President Carter's unilateral abrogation of our Mutual Defense Treaty with the Republic of China is a frivolous suit or one designed just to harass the President. It is not. It is designed to decide whether or not the people of this United States, via their elected representatives, still have any say in foreign affairs or whether we have crowned an emperor. Senator GOLDWATER's case rests mainly on Thomas Jefferson's pronouncement when he was in the Senate. If the courts uphold Senator GOLDWATER, myself and others party to the suit, it will be a victory for the people who have stated they wished to remain an ally of Taiwan. If the President is upheld, we are on the way to possible war in Asia and still further erosion of confidence in the United States among our few remaining allies. In this connection, I feel a recent editorial from the Richmond Times-Dispatch of January 17, 1979, set forth the issues very well. I include it at this point for the benefit of my colleagues:

THE TREATY STAKES

In the coming showdown in the federal courts between President Carter and Sen. Barry Goldwater on the legality of the president's unilateral abrogation of the Taiwan defense treaty, both sides marshal historical precedents and opinions of learned authorities in support of their positions. Neither can cite legal precedents, however, because no court has ever ruled on the question of a president's power to break a treaty without securing approval of the Senate or both houses of Congress.

All of which means the Taiwan case should prove to be intensely interesting, as well as highly significant.

The White House press office has distributed a "fact sheet" that lists several examples of presidential termination of treaties. The sheet also notes that Article 10 of the 1955 Taiwan treaty states that: "Either party may terminate it one year after notice has been given to the other party."

Contending that President Carter acted properly because he issued the one-year notice, the White House observed that: "The treaty makes no reference to the Senate or Congress, or the need for approval of the legislative branch in order for notice to be given of termination of the treaty."

In a study he prepared for the Heritage Foundation last spring, Mr. Goldwater noted, however, that neither does the treaty say the president is the sole "party" to act on behalf of this country. "Party" means the government involved, and in the U.S. the treaty power is a joint one shared by the president and Congress, wrote the Arizona Republican, his party's 1964 presidential nominee.

Furthermore, in examining nine instances of presidents serving termination notice without securing congressional approval, Mr. Goldwater argued that a closer examination of the record does not support the idea of untrammeled presidential ability to annul treaties. In two cases, notice of termination was withdrawn. Two treaties were scrapped because they were inconsistent with more recent laws passed by Congress and one was obviously superseded by obligations imposed by a later treaty. The remaining four, according to the Goldwater analysis, "appear to have been annulled or suspended after it became impossible to effectively carry them out."

Yet those cases were cited, without further explanation, by Mr. Carter's press agents as justification for the president breaking a treaty of his choosing. For example, the White House noted that in 1939, President Roosevelt gave notice of termination of a 1911 commerce and navigation treaty with Japan. But after examining that case more closely, Senator Goldwater pointed out that it was "persuasively argued in the Senate that the president was compelled to denounce the 1911 treaty with Japan because of our obligations under a later treaty, the Nine Power Agreement, committing the United States to respect the territorial integrity of China."

It must be conceded that the White House was able to muster an impressive display of quotes from various scholars to the effect that a president may break a treaty unilaterally.

Mr. Goldwater, however, was not without some lustrous support of his own. Thomas Jefferson, in compiling the first manual of rules of the Senate when he was vice president, wrote: "Treaties being declared equally with the laws of the United States, to be the Supreme Law of the Land, it is understood that an act of the legislature alone can declare them infringed or rescinded."

The president has overall authority to conduct this nation's affairs with other nations, of course, and that includes the right, undisputed by Mr. Goldwater, to establish or end diplomatic relations with others. The courts may well rule that Mr. Carter was within his constitutional prerogative in serving notice on Taiwan. What then?

Practically every major treaty to which the U.S. is a party has an abrogation clause similar to the Taiwan one. These include the North Atlantic Treaty Organization (NATO), and security treaties with Australia and New Zealand (ANZUS), South Korea, Japan, the Philippines, and non-communist Southeast Asian countries (SEATO). If the courts uphold a presidential right to break such treaties without the restraint of legislative concurrence, then the credibility of the United States as a stable, dependable ally will be thrown into greater doubt.

Then, too, some liberals who delight today in Mr. Carter's fast China shuffle could some day rue a future president having a free hand. Senator Goldwater said he feared no contradiction in predicting an uproar among his colleagues if, for example, a president, without giving the Senate or Congress opportunity for deliberation, unilaterally violated the Nonproliferation Treaty and transferred nuclear warheads to South Africa.●

THE ISSUE OF CONVICTED FELONS IN CONGRESS

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GINGRICH. Mr. Speaker, the issue of convicted felons serving in the House of Representatives troubles this entire body.

Certainly our institution has been badly hurt by several scandals these past few years. The people are demanding we clean up our own House.

On a personal basis, I am sure each of us would be upset if our vote on an important item of legislation was canceled by the vote of a convicted felon. And how could we explain to the people if a measure was decided by one vote—and that one vote came from a convicted felon?

On the other hand, many Members feel uncomfortable moving quickly to expel such Members. Only three Members have ever been expelled from this House. And all three of those were during the War Between the States.

But expulsion is not the only route. There is one precedent which closely matches the situation the House finds itself in. As we consider the issue of convicted felons serving in Congress, I think it is one precedent which clearly should apply.

Mr. John Langley, a Republican Member from Kentucky, was found guilty in U.S. district court of conspiracy. This was in May of 1924. He was sentenced to 2 years in prison.

He appealed his conviction, and while on appeal, was reelected. The House set up a special committee to consider the case.

The committee reported no immediate action was necessary, as Mr. Langley was not voting in the House. Since he was refraining from participating in the House and the case was on appeal, the committee delayed making a final judgment.

When his final appeal was denied in January of 1926, Mr. Langley promptly resigned. No expulsion motion was necessary.

But even in this case, the appeals process consumed 19 months. Under present conditions that time might be even more lengthy. But I think the Langley case still provides the best guide to follow in this case.

For the information of the Members, I am drawing your attention to the report on this case in volume VI, section 238 of "Cannon's Precedents."●

JAYCEE WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, next week, the U.S. Jaycees will be celebrating the 59th anniversary of the founding of this organization. For 51 weeks a year, the Jaycees, nationwide, dedicate themselves to community service and to making our Nation a better one in which to live. For this 1 week each January, however, the Jaycees "beat their own drums" and call to the attention of all of us the sterling words of the Jaycee creed:

We believe:

That faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

That government should be of laws rather than of men;

That the earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

The Jaycees, whose membership is open to men between the ages of 18 and 35, provide special services depending upon the distinct needs of the locale. Jaycees in our 26th Congressional District of New York provide substantial assistance to the handicapped, to our senior citizens, and to our youth.

More importantly than the services provided to their communities the Jaycees provide leadership training to their members, both through the experiences of conducting their external projects, and through the self-improvement courses offered by the internal program of each chapter. The Jaycees pride themselves on producing future leaders, not only for other organizations, but for the worlds of business, politics, and community service.

My 26th Congressional District of New York boasts active Jaycee chapters in Chester, Cornwall, Florida-Pine Island, Highland, Middletown, Goshen, Monroe, Nanuet, New City, New Paltz, Newburgh, Pearl River, and Warwick, as well as institutional chapters at Letchworth Village and the Wallkill State Correctional Facility.

If there is a good community cause being undertaken, chances are that a Jaycee is involved.

Mr. Speaker, I urge my colleagues to join with me in wishing the unselfish, dedicated members of the Jaycees success in all their community endeavors as they begin their 60th year of service to humanity.●

CORRECTION OF REPORT ON SALT II: AN INTERIM ASSESSMENT

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, as chairman of the House Armed Services Committee's panel on SALT and the CTBT, I forwarded a copy of a report recently released by the panel to my colleagues in the House and Senate. The report, entitled "SALT II: An Interim Assessment," included the dissenting views of one of the panel members, my good friend and colleague, the gentleman from Michigan, Mr. CARR.

Since this report was so widely distributed to Members of the Congress, I feel it imperative to clarify a discrepancy that was included in Mr. CARR's comments.

While I do not seek to discredit Mr. CARR or his views in any way, I think the attached letter from the distinguished chairman of the House Armed Services Committee, Mr. PRICE, corrects the error.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 12, 1979.

Hon. BOB CARR,
U.S. House of Representatives,
Washington, D.C.

DEAR BOB: It has come to my attention that in your dissenting views to the report on SALT II by the Panel on Strategic Arms Limitation Talks, you question the veracity of a statement of mine regarding Paul Warnke and what he had to say about the cancellation of the B-1.

Specifically, the majority of the panel in the main body of the report quoted from a prepared statement of mine as follows:

"It is rare indeed when any nation foregoes the deployment of the most advanced weapons it is capable of producing. It is wholly unique for a nation whose potential adversary is producing new weapons at an undiminished rate.

"I do not like to overstate the case and I would not agree with those who say we are practicing unilateral disarmament. But certainly it can be said that the United States is practicing unilateral arms restraint.

"Mr. Warnke, our senior arms negotiator, stated that our cancellation of the B-1 should be followed by a similar type of arms restraint by the Soviets. . . . If there has been any arms restraint by the Soviet Union, I am unaware of it."

In your dissenting views, you state the following:

"While I hesitate to dispute the distinguished chairman of the full committee, for whom I have the greatest respect, I am bewildered by his quoted statement that Paul Warnke has described the B-1 cancellation as an act of restraint the Soviets should reciprocate. Mr. Warnke tells me he cannot recall describing the B-1 cancellation in these terms, and that he emphatically does not regard it as an act of restraint."

I was surprised to read your comments and to hear that the accuracy of my statement was questioned since the statement was made in August 1977, at the beginning of a review of strategic issues in connection with the committee's work on H.R. 8390, the fiscal year 1978 supplemental authorization that was requested by the President in the wake of the cancellation of the B-1 bomber.

I would assume that if the attribution to Mr. Warnke was incorrect, someone would have brought it to my attention in the intervening year and a half.

I am equally surprised by Mr. Warnke's response to you that he cannot recall making such a statement and does not consider the cancellation of the B-1 as an act of restraint.

My statement was correct. It was based on a direct quote by Mr. Warnke.

I am enclosing a copy of a story that appeared in the Washington Star on July 8, 1977, based on an interview with Mr. Warnke in his office at the Arms Control and Disarmament Agency by a distinguished reporter. Mr. William Beecher of the Boston Globe. The headline states: "Soviets Invited to Follow B-1 Example—Warnke Seeks 'Matching Restraint'." The lead paragraph, as you will see, quotes Mr. Warnke as stating that the Soviets should react to the President's killing of the B-1 bomber by a "matching restraint on one of their weapons programs."

The second paragraph of the story records Mr. Warnke as explicitly referring to the killing of the B-1 as an act of restraint. "I think we have demonstrated a willingness to exercise restraint," he said. "And I would hope they would recognize it as such and respond appropriately."

Please notice that this is a direct quote from Mr. Warnke.

The story goes on to say that this is the first public statement by an Administration official of an expectation that the Soviet Union should give up something significant in response to the B-1 bomber.

Please notice also that this story, which appeared in the Washington newspaper at the time Mr. Warnke was ACDA Director, appeared approximately a month prior to the time of my statement. I know of no record of Mr. Warnke denying the quotation either during that period or subsequently.

Because your statement was made in a

publicly-released committee report, I am sending a copy of this letter to the other members of the committee and shall make it available to the press, as I do not wish the public record to contain an unanswerd allegation that I have improperly attributed statements to any individual.

Sincerely,

MELVIN PRICE.●

COMMEMORATION OF UKRAINIAN INDEPENDENCE DAY

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BROOMFIELD. Mr. Speaker, I want to join with the Ukrainian community of southeastern Michigan and with other Ukrainian Americans in commemorating Ukrainian Independence Day, January 22, 1979.

This important day marks the 61st anniversary of the Central Rada's proclamation of Ukrainian independence, an event which occurred in Kiev on January 22, 1918. Not only does this anniversary day celebrate the short-lived freedom of the Ukrainian people, but it also serves as a solemn reminder of Russian repression in that area of the world.

As my Ukrainian friends and my colleagues well know, the Soviets have repressed any opposition to "russification," the long-term goal of Soviet authorities to homogenize all minorities into one "Soviet nation." This has been especially true in the Ukraine, a region large and fertile, proud, and beautiful.

The Ukraine's struggle for freedom and independence actually began long before the period of the Cossack revolt and Russian domination. The struggle against neighbors seeking to conquer the rich Earth, the beautiful cities, and the proud people of the Ukraine. To this very day, the long struggle continues and yet, the faith that another day will bring the freedom and independence to which the Ukrainian people aspire has not been dampened.

At this particular time in history, the present and the future of the Ukrainian people rests not only upon that faith for freedom, but also upon a rich cultural heritage and a national sense of identity. A magnificent literature and language, as well as a tremendous sense of self, continue to provide hope to the people in the Ukraine. We have seen, for example, that after years of Russian hegemony over the Ukraine, a 19th century Ukrainian cultural revival gave the world not only a great poet, Tasas Shevchenko, but also the Ukrainian people a rekindled nationalism which expressed itself in a fight to be free. This struggle led to the proclamation of an independent Ukraine in 1918.

Although the Ukraine's freedom was short-lived, the memory and the spirit of it have survived. Today, despite the years of Russian repression and the strong desire of Moscow to destroy any vestiges of Ukrainian identity, the Ukrainian people, in a recent census, claim to be Ukrainian in nationality—not Russian or Soviet.

Further, another important Ukrainian poet, Mykola Rudenko, has attempted to continue the flight for freedom—freedom of ideas, freedom of religion, freedom of cultural and national expression—by better acquainting the Ukrainian public with the humanitarian provisions of the Helsinki Agreement. Rudenko, however, along with two other members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords, were arrested by the Soviet secret police nearly 2 years ago. These arrests only serve as further examples of the constant Ukrainian struggle against repression and are indicative of the continued Soviet policy of humiliating harassment of Ukrainian people who wish to simply guarantee the dignity and the rights of individuals.

Despite the suppression and suffering, the Ukrainian people persevere. Surely, we as a Nation must also persevere and speak out in the Ukrainian struggle—to stand for freedom and dignity in the Ukraine and throughout the world. In commemorating this year's Ukrainian Independence Day, I want to communicate, in a spirit of compassion, determination, and encouragement, my hope for a renewed sense of Ukrainian identity and purpose—an identity and purpose which will guarantee the Ukrainian people their rightful inheritance of religious and cultural expression—of freedom and independence.●

A SELECT COMMITTEE ON INSURANCE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. LaFALCE. Mr. Speaker, we in Congress are becoming increasingly aware of insurance-related problems. During the 95th Congress, the Small Business Committee undertook an extensive investigation of product liability insurance problems: the Commerce Committee studied in depth the need for effective cost disclosure in life insurance purchases; the Judiciary Committee undertook a review of discrimination by insurance companies in the sale and pricing of their products. Various legislative initiatives were considered by the aforementioned committees, while other insurance legislation was referred to the Banking Committee, Education and Labor Committee, and Ways and Means Committee.

These congressional investigations and legislative initiatives are all treading on unfamiliar terrain, for the business of insurance is regulated solely by the individual States. As a result of the historic non-Federal role in insurance regulation, no executive agency nor congressional committee has developed sufficient expertise to properly evaluate whether the Federal policy of noninterference should be continued. In fact, the National Commission for Review of Antitrust Laws and Procedures has recommended "further study of economic regulation of insurance" including "the appropriate role, if any, of Federal legislation with respect to the business of insurance."

The difficulties that have been perceived—with product liability insurance, with discrimination in pricing and availability, with cost disclosure in life insurance, to name a few—are all indications of deficient State regulations. Presently, the McCarran-Ferguson Act, provides an exemption from Federal antitrust laws so long as the business of insurance is regulated by State law. In the more than 30 years since its enactment, the McCarren-Ferguson Act has shielded the insurance industry from Federal scrutiny, notwithstanding the fact that State regulation is often tantamount to nonexistent. In fact, there are a significant number of States that fail to employ so much as a single actuary. It is incomprehensible how these States can even pretend to regulate the business of insurance.

The sheer magnitude of the insurance industry is staggering: there is in excess of $2.5 trillion of life insurance in force in the United States—almost five times the size of the Federal Government's annual budget, and more than $10,000 for each man, woman, and child residing in this Nation. The life insurers and property-casualty insurers receive annual premiums in excess of $126.3 billion per year—almost as much as all individual income tax paid to our Treasury; together, their assets exceed $433 billion. Given an industry of this size, given the fact that virtually every citizen of this country owns or is covered by some type of insurance, and given the increasing incidence of insurance-related problems, it is imperative that Congress begin considering this problem in its totality, and not on an ad hoc basis as it has done in the past.

It is with these thoughts in mind that I have introduced today a House resolution calling for the creation of a Select Committee on Insurance. The committee would be authorized and directed to conduct a complete investigation and study all facets of the insurance business and report back to the House with its findings as soon as practicable.

I urge all my colleagues to give this matter their support. I stress that this proposal does not call for regulation of the insurance; it will merely provide a vehicle through which we may glean a greater understanding of the mechanics of the insurance industry which in turn will provide us with sufficient information to properly evaluate the insurance problems that we have experienced in the past, and enable us to avoid new ones in the future.

The complete text of this resolution follows:

H. RES. —

Resolved,

Whereas, the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) provides that the Sherman Act, the Clayton Act, and the Federal Trade Commission Act shall be applicable to the business of insurance to the extent that such business is not regulated by state law;

Whereas, the business of insurance is, as a practical matter, ostensibly regulated by the individual states;

Whereas, there has been minimal Federal knowledge or concern regarding state regulation of insurance since the adoption of the McCarran-Ferguson Act;

Whereas, there is in excess of $2.5 trillion of life insurance in force in the United States;

Whereas, the premium receipts of United States life insurance companies exceed $72.3 billion per year;

Whereas, the assets of United States life insurance companies exceed $351 billion;

Whereas, the annual premiums written by United States property and liability insurance companies exceed $72.4 billion;

Whereas, the assets of United States property and liability insurance companies exceed $135 billion;

Whereas, the assets of life, property and liability insurance companies are invested in all phases of American industry, enterprise and real estate;

Whereas, virtually every citizen of this Nation carries or is covered by life insurance, health insurance, home owner's or renter's insurance, automobile liability insurance, or workers compensation;

Whereas, virtually every business in this Nation is covered by at least one of fire insurance, general liability insurance, professional liability insurance, or product liability insurance;

Whereas, this Nation has recently experienced a crisis in medical malpractice insurance, is presently experiencing great difficulties in product liability insurance, and is beginning to experience similar difficulties in municipal liability insurance and worker's compensation;

Whereas, as a result of the insurance industry's unwillingness to assume risks at reasonable rates, important national programs may be jeopardized, (e.g., the swine flu vaccine program);

Whereas, there are serious questions concerning the appropriateness of rate differentiation by sex, age, marital status, and geographic area;

Whereas, insurance is often unavailable as a result of discrimination on account of sex, age, marital status, and geographic area;

Whereas, consumers are generally unable to judge or compare quality of an insurance policy, and even its cost, at the time of purchase;

Whereas, as a result of the foregoing, there are serious questions as to the effectiveness of state regulation of the business of insurance;

Whereas, within the Federal government, there exists a significant dearth of expertise regarding the practices and procedures of the business of insurance.

Whereas, the National Commision for the Review of Antitrust Laws and Procedures in January of 1979, recommended "further study of economic regulation of insurance" including "the appropriate role, if any, of federal legislation with respect to the business of insurance";

Whereas, no single standing Committee has jurisdiction to fully and adequately consider the business of insurance;

Whereas, no standing Committee presently has a professional staff with substantial expertise concerning the business of insurance;

Whereas, the business of insurance affects commerce, and the health, safety, and well-being of every person within this Nation; now, therefore it is

Resolved, that there is hereby created a Select Committee on Insurance to be composed of 12 members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as Chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner as the original appointment.

The committee is authorized and directed to conduct a complete investigation and study of all facets of business of insurance (including but not limited to life insurance, medical and health insurance, property and casualty insurance, suretyship), rating and rate making and such related insurance issues as the committee shall determine.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary.

Subpoenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

A majority of the members of the committee shall constitute a quorum for the transaction of business, except that the committee may designate a lesser number as a quorum for the purpose of taking testimony.

The committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out this resolution.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.●

CONGRESSMAN TIM LEE CARTER VOTED HONORARY MEMBERSHIP IN AMERICAN DENTAL ASSOCIATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MICHEL. Dr. TIM LEE CARTER, our colleague from Kentucky, was one of four persons voted honorary memberships in the American Dental Association during that group's annual house of delegates meeting.

Dr. CARTER was selected for that membership on the basis of his longstanding support for preventive dental care and for an innovative fluoride-rise program proposal he offered last year.

I offer for the RECORD the following article from the A.D.A. News of October 16 describing these honorary memberships.

[American Dental Association News, Oct. 16, 1978]

HOUSE TO CONSIDER FOUR AS HONORARY MEMBERS OF ADA

CHICAGO.—The Association Board of Trustees, at its August session, announced four nominations for election to honorary ADA membership by the House of Delegates at its meeting in Anaheim, Calif.

The nominees are Dr. Juan A. Arias Z, of Panama; Rep. Tim Lee Carter, MD (R-Ky); Alan J. Davis, York, Pa., of Dentsply International, Inc.; and Juanita M. Kreps, PhD, US Secretary of Commerce.

Dr. Arias Z was nominated for his efforts to foster good relations between the Panamanian and Canal Zone dental groups and the ADA.

A graduate of the University of Maryland School of Dentistry, Dr. Arias Z has held a number of offices with various dental and civic organizations. He is a past director of the Federacion Odontologica Centro America y Panama; past president and treasurer of the Panamanian dental association; a founder of the Panamanian Kiwanis Club; and a past president and treasurer of the board of directors of the Club Union.

Representative Carter received a medical degree from the University of Tennessee and practiced medicine in Kentucky for several years. He has been nominated for honorary membership for his efforts to promote legislation for preventive dental care programs and fluoridation.

The congressman was chairman of the board of education in Monroe County, Ky, and chairman of the county's Republican Party for 12 years before his election to the House of Representatives in 1964. He currently is serving his seventh term in Congress.

HOUSE ACTIVITIES

Representative Carter has served on the House Committee of Interstate and Foreign Commerce and was selected as the ranking minority member of its subcommittee on health and the environment in January 1975. He also is ranking minority member of the Committee on Small Business' subcommittee on energy, environment, safety and research.

Mr. Davis, who is vice president for public relations at Dentsply, studied graphic arts, journalism, advertising, and public relations, at New York University, Columbia University, and the New School for Social Research.

The several professional positions he has held with Dentsply include that of advertising manager and director of information services. In 1969 he was appointed to his current position. His responsibilities include direction of Dentsply's advertising, sales promotion, and public relations activities.

Mr. Davis has been nominated for honorary membership in the ADA for his creative contributions as liaison to the ADA Council on Annual Session's Student Dental Table Clinic Program.

DENTISTRY-RELATED ACTIVITIES

He also has been active in programs involving the American Dental Assistants Association, of which he is a consultant to the public relations committee of its board of trustees, and with the National Association of Dental Laboratories.

In addition, Mr. Davis has been active in the Alumni Association of Student Clinicians American Dental Association (SCADA), for which he conceived and prepared various materials.

Dr. Kreps became Secretary of Commerce in January 1977.

She was nominated for honorary membership to the ADA for her contributions to negotiations which led to the ADA Health Foundation's patent agreement with the Commerce Department's National Bureau of Standards.

A former vice president of Duke University, Dr. Kreps has 30 years of experience in the academic field as a teacher, writer, and administrator. She has served on numerous state and federal advisory committees, councils, and commissions. She also has written a number of books and articles in the field of economics.

Dr. Kreps received her PhD in economics from Duke University. She has been a lecturer at Queens College, and at Hofstra University. She also was a faculty member at Denison University and at Pomona College in California.

Her government experience includes consultant to the US Special Committee on Aging; member of a Social Security Advisory

Council; North Carolina delegate to the White House Conference on Aging; member of the Office of Economic Opportunity's Task Force on the Older Poor; member of the US Department of Labor's Committee on Research of the National Manpower Advisory Committee; and member of the Senate Commission on the Operation of the Senate.●

CETA IS WORKING IN MILWAUKEE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. ZABLOCKI. Mr. Speaker, recently Mr. Jonathan Wolman of the Associated Press cited Milwaukee County's CETA program as one which is working "quietly, without fanfare."

In an article which appeared in newspapers throughout the country, Mr. Wolman found that after 18 months Milwaukee's program cut local assistance costs from $10 million a year to $1.5 million. Milwaukee County's program was found to be training oriented and well organized, with a tightly controlled budget. Efforts are now underway to secure more private sector participation.

Mr. Speaker, in view of the many horror stories we have all heard associated with CETA abuse in many cities, it is important that we take heed of a program that is serving the intent of the law—training individuals for meaningful employment.

I am pleased to share with my colleagues the article "Milwaukee Shows Other Side of CETA Program":

MILWAUKEE SHOWS OTHER SIDE OF CETA PROGRAM

(By Jonathan Wolman)

MILWAUKEE.—Operating within a federal jobs and training system plagued by thievery, patronage and waste, Milwaukee has fashioned a CETA program that works. Quietly without fanfare.

In this work-conscious industrial center, the Comprehensive Employment and Training Act programs create thousands of jobs, teach new skills and help the unemployed find work, and perform needed community services.

There is innovation—a controversial 18-month-old "no-work, no-welfare" program that has cut local assistance costs from $10 million a year to $1.5 million. And there are side benefits; local companies are working with CETA to find the people they need—exactly the partnership the federal program seeks.

One example, Harnischfeger Corp., a manufacturer of heavy mining equipment, runs the largest on-the-job training program in the city. A panel of foundry managers set up another skill-training program: 11 persons, all considered hard-core unemployed, recently "graduated" as molder core makers and all had jobs waiting for them.

And, significantly, all this is done with little of the financial and political chicanery that torments the program nationally.

Labor Department officials point to Milwaukee County as one of the most effective CETA operations in the nation. Bob Jones, head of Labor's community employment programs, says, "Milwaukee is one of our best."

Department officials, threatened with broad cuts in the $9-billion CETA budget, say that programs like Milwaukee's prove that federal manpower efforts can be worth the taxpayers' money.

Milwaukee avoids widespread CETA abuse for two reasons: tight financial controls and anti-patronage traditions that fly in the face of the time-worn maxim of big-city democracy: "Jobs are the mother's milk of politics."

On the Department of Labor's recommendation, The Associated Press examined the Milwaukee program to see what the county is doing right, to test Jones' opinion that, "When CETA works, it is terrific."

CETA is a relatively new program (established in 1973), and its capacities were strained to the hilt by the big build-up in public jobs during the past four years. "If the system is allowed to mature, Milwaukee will be the rule not the exception," says Jones.

Other big cities won endorsements from various manpower experts. Among them, Atlanta, Baltimore; Boston; Columbus, Ohio; Fort Lauderdale, Fla.; Los Angeles; Long Beach, Calif., and San Francisco. Rural programs in Humboldt County, Calif., and Marathon County, Wis., also won praise, along with smaller programs in Allentown, Pa., Bangor, Maine and Hackensack, N.J.

But even some of these programs have been stung by charges of corruption, patronage or mismanagement. In Los Angeles, for example, city council members are under fire for hiring campaign aides as city CETA workers. In Atlanta, there have been fraud indictments.

"A clean program isn't necessarily a good one, and vice versa," says Jodie Allen, special assistant to Labor Secretary Ray Marshall.

"CETA is so big and so complicated that we're always afraid we might be blindsided by disaster," says Larry Jankowski, deputy director of the Milwaukee county's manpower office.

Milwaukee's control of CETA money has been so tight that two local scandals, including one that resulted in a fraud conviction last month, were uncovered during the county's routine annual audits.

Also, patronage—using government jobs to reward political allies—is not much of a factor in Milwaukee, which lacks the rich patronage tradition of, say, Chicago.

The county is "prime sponsor" (bureaucratese for administrator) of the $28 million local CETA program. City and suburban governments also hire CETA workers, as do non-profit groups. Professional manpower agencies, such as one organized by the Urban League and another run by the Jewish Vocational Service, provide training and jobs with money from CETA.

County officials say CETA helped more than 20,000 persons in the past year, including 6,000 youths who landed summer jobs, 4,000 CETA public service workers, and 10,000 people enrolled in training or job counseling programs.

Of the public service jobs, 505 went to the city government, 434 go the county, and 71 to suburban governments.

The remainder went to several hundred manpower or community groups that hire CETA workers to handle public service tasks. Amcng the community groups: The Childrens Outing Association, the Latin American Chamber of Commerce, and the 16th Street Community Health Center.

It is difficult to measure the success of any city's manpower effort because the programs are so varied and the yardsticks are so vague. But in Milwaukee, CETA offers a range of accomplishments.

CETA creates jobs, thousands of them. Over the past four years, CETA has created more than 10,000 jobs in Milwaukee County, with more than two-thirds going to residents of the city. An increasing percentage of the jobs is going into the inner city where black and youth unemployment is especially high.

Training programs provide skills for those who need them most.

Many prime sponsors, harrassed by the demands of filling so many public service positions, have allowed job training programs to suffer. In Milwaukee, "We like to remember the original purpose of CETA was to provide skills and job experience to the unemployed" says chief manpower planner Bob Knight.

Local CETA operations often fail to match job training to local employment needs, but Milwaukee officials work with factory managers to provide the unemployed with skills that are in short supply, for jobs that actually exist.

Harnischfeger's CETA program is a prime example.

CETA workers provide manpower for community groups.

CETA funds go to hire unemployed people who go to work for non-profit groups, ranging from the Salvation Army to the Coalition for Peaceful Schools.

Some $2.2 million in CETA money is earmarked to provide cultural jobs for museum archivists, jazz musicians and the like.

The Urban League has 50 CETA slots used to teach sex education to teenagers at central city community centers.

Using CETA workers, local governments provide services they otherwise couldn't afford without raising already high property taxes.

For example, this winter, CETA employees will shovel snow for elderly homeowners, and CETA-paid health aides are publicizing the services being offered by the under-utilized city health department.

CETA has boosted the ranks of minorities working in city hall.

The public service jobs program, planned by Congress to provide work for low-income persons, acts as a de facto affirmative action device for city government. Overall, 54 percent of the city's CETA workforce are nonwhite, compared to 17 percent of the total city workforce.

CETA training helps minorities land full-time city jobs: in a recent eight-month period, 55 CETA employees were transferred to the regular city payroll, a respectable 15 percent transition rate.

CETA has cut the county's welfare costs which had been climbing dramatically.

Milwaukee County has undertaken one of the nation's few local attempts at welfare reform. The Work Assistance Program provides 1,800 jobs or training poistions to recipients in lieu of public assistance. If you don't take the job, you get no welfare funds.

The program has increased the number of hard-to-hire people in the CETA program, a major objective of Labor Secretary Marshall, and has cut the county's welfare roles from 6,000 to 600 in just 18 months.

The program is run by the Jewish Vocational Service, which also has set up a CETA program for handicapped persons. Says the service's director Mike Galazin, "Our job is to find the work, develop it, and train the so-called hard-to-hire. There is nobody we won't hire."

The CETA system is so cumbersome that it may be impossible for big-city operations to avoid scandal completely. Certainly, Milwaukee has had its share, suffering acute embarrassment from political conniving and shutting down two programs because of thievery by CETA project officials.

In both cases, the thieves were tried and found guilty.

There has been one case of nepotism, and there are allegations that a state senator used CETA summer youth workers to aid in a primary campaign for lieutenant governor. Also, a tangle of questionable administrative expenses brought the resignation of John Zinos, a former state official who directed several CETA cultural projects.

Yet, only 200 of the nation's 475 CETA prime sponsors—are operating with records as clean as Milwaukee's, and many are smaller communities where employment problems are not so complicated.

"If you create a system that people can cheat, then you're probably going to pay the price. That's the story of the CETA program," says one local official. "What's amazing is that anyone does it right. I think we've got a lot to be proud of."●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extension of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 23, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 24

10:00 a.m.
Foreign Relations
To receive a briefing, in closed session, from Secretary of State Cyrus Vance on the status of negotiations for the SALT Treaty.
S-116, Capitol

2:30 p.m.
Foreign Relations
To hold an organization meeting to consider its budget and other administrative matters.
4221 Dirksen Building

JANUARY 25

9:30 a.m.
Judiciary
To hold hearings on the selection and confirmation of Federal judges.
3228 Dirksen Building

10:00 a.m.
Armed Services
To receive testimony on proposed authorizations for fiscal year 1980 for the Department of Defense from Harold Brown, Secretary of Defense, and General David Jones, Chairman, Joint Chiefs of Staff.
1114 Dirksen Building

Foreign Relations
To hold hearings on the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.
4221 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To hold an organizational meeting to consider its budget and other administrative matters.
5302 Dirksen Building

JANUARY 26

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the budgets of the regulatory agencies that govern the U.S. banking system.
5302 Dirksen Building

Foreign Relations
To hold hearings to receive testimony on the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.
4221 Dirksen Building

JANUARY 29

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nominations of Irvine H. Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation, and William B. Welsh, of Virginia, and Sterling Tucker, of the District of Columbia, each to be an Assistant Secretary of HUD.
5302 Dirksen Building

Finance
Social Security Subcommittee
To hold hearings on requirements for deposit by the States of the amounts due to the Social Security Trust Funds as contributions for employees who are covered under social security.
2221 Dirksen Building

JANUARY 31

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.
Human Resources
To hold hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

Veterans' Affairs
To hold an organization meeting to consider its budget and other administrative matters.
412 Russell Building

10:00 a.m.
Rules and Administration
To hold an organizational meeting to consider its budget and other administrative business, and to hold hearings on the nominations of John W. McGarry, of Massachusettes, and Max L. Friedersdorf, of Indiana, each to be a Member of the Federal Election Commission.
301 Russell Building

FEBRUARY 1

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and science and technology.
235 Russell Building

9:30 a.m.
Human Resources
To continue hearings to explore the trends affecting and conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

FEBRUARY 2

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to simplify the truth-in-lending laws.
5302 Dirksen Building

FEBRUARY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. export policies.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed regulations to control surface mining operations.
3110 Dirksen Building

Foreign Relations
To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

FEBRUARY 6

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
332 Russell Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 4, proposed Child Care Act.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on U.S. export policies.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on GSA's methods of procuring contracts.
1114 Dirksen Building

10:30 a.m.
Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

FEBRUARY 7

9:30 a.m.
Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Veterans' Affairs
To resume hearings on S. 7, proposed Veterans' Health Care Amendments.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City towards balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94-210).
235 Russell Building

Foreign Relations
To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City towards balancing its budget and regaining access to the credit markets.
5303 Dirksen Building

FEBRUARY 8

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building
Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building
Foreign Relations
To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

FEBRUARY 9

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

FEBRUARY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposals to improve the northeast railroad transportation facilities.
235 Russell Building

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
5110 Dirksen Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed FY 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

FEBRUARY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building
Human Resources
Child and Human Development Subcommittee
To mark up proposed authorizations for FY 1979 for ACTION.
4232 Dirksen Building

FEBRUARY 28

9:00 a.m.
Commerce, Science and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

MARCH 5

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 6

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

MARCH 29

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, and blinded veterans.

HOUSE OF REPRESENTATIVES—*Tuesday, January 23, 1979*

□ 2000

The House met at 8 o'clock p.m.

Chaplain James David Ford, B.D., offered the following prayer:

O God, Creator and Sustainer of the world, we humbly pray Your blessing upon our Nation. Strengthen us as a people and guide us always toward the way of righteousness and honor. May we be sensitive to the needs of others, and may we ever learn to do justice, to love mercy, and to walk humbly with You. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Several changes in the rules of the House with respect to voting will necessitate a change in the legislative bell and light system. The Clerk has sent to each Member a detailed statement indicating changes in the bell system, and the Chair will insert the statement in the RECORD at this point:

One bell and light indicates a teller vote, taken in accordance with clause 5, Rule I (Members indicate their preference by walking up the center aisle to be counted by Members who are named as tellers by the Chair This is not a recorded vote).

Two bells and lights indicate an electronically recorded vote, either demanded under the Constitution by one-fifth of those present (in the House), by one-fifth of a quorum under cl. 5, Rule I (in the House), by 25 Members (in Committee of the Whole) under cl. 2(b), Rule XXIII, or pursuant to an "automatic vote by yeas and nays" where any Member in the House objects to a vote on the ground that a quorum is not present under cl. 4, Rule XV.

Two bells may also indicate a recorded vote under clause 5, Rule I under a back-up procedure whenever Members are to record their votes by depositing ballot cards in the "aye" or "no" boxes. The two bells will be repeated five minutes after the first ring to give Members a second notice of the vote in progress.

Two bells, a brief pause, followed by two bells and lights indicates a yea and nay or recorded vote taken under the provisions of clause 1, Rule XV by a call of the roll. The bells will be sounded again when the Clerk reaches the "R's" in the first call of the roll.

Two bells and lights, a brief pause, followed by five bells and lights, indicate the beginning of the first (15 minute) vote in a series of two or more votes where subsequent electronic votes immediately thereafter may be reduced to five minutes; under one of four different procedures as follows:

1. At beginning of first electronically recorded vote ordered on series of "clustered" votes on final passage or adoption of bills, resolutions, or conference reports (cl. 5(b), Rule I);

2. At beginning of electronically recorded vote ordered on recommittal to be immediately followed by possible five-minute record vote on final passage or adoption of bills, resolutions, or conference reports (cl. 5, Rule XV);

3. At beginning of first electronically recorded vote ordered on series of "clustered" votes on resolutions from Rules Committee (cl. 4(e), Rule XI); OR

4. At beginning of first electronically recorded vote ordered on series of "clustered" votes on motions to suspend the rules (cl. 3, Rule XXVII).

After the first five minutes on the first electronically recorded vote conducted under any of these procedures, two bells and lights will be repeated to give Members a second notice of the vote in progress. (As indicated below, five bells will be rung on all subsequent five-minute votes in each series on which the Speaker has reduced voting time.)

Three bells and lights indicate a regular quorum call either in the House or Committee of the Whole by electronic system or by clerks (cl. 2, 5, Rule XV, cl. 2(a), Rule XXIII). Three bells will be repeated five minutes after the first ring to give Members a second notice of the quorum call in progress.

Three bells and lights, a brief pause, followed by three bells and lights indicate a quorum call in House or in Committee of the Whole under cl. 1, Rule XV by a call of the roll, repeated when the Clerk reached the "Rs" in the first call of the roll.

One long bell, a brief pause, followed by three regular bells, indicate that the Chair has exercised his discretion under cl. 2, Rule XXIII and will vacate proceedings when quorum of the Committee of the Whole appears ("Notice" or "short" quorum call). One bell followed by three bells and lights will be repeated every five minutes unless (a) the call is vacated by ringing of one long bell and extinguishing of three lights, or (b) the Chair converts to a regular quorum call and three regular bells are rung as explained above.

Three bells, a brief pause, followed by five bells, indicate beginning of a regular quorum call in Committee of the Whole, which will possibly be immediately followed by five-minute recorded vote at discretion of Chair if recorded vote is ordered on pending question (cl. 2, Rule XXIII). Three bells will be repeated five minutes after the first ring to give Members a second notice of the quorum call in progress.

Four bells and lights indicate an adjournment of the House, followed by extinguishing of amber light on right.

Five bells and lights indicate the beginning of any five-minute electronically recorded vote. The bells are not rung again during a five minute vote.

Six bells and lights indicate a recess of the House.

Twelve bells, sounded at two-second intervals, with six lights illuminated, indicate Civil Defense Warning.

For further information regarding votes in progress, Members may call the Democratic Cloakroom at 57400 or the Republican Cloakroom at 57430.

The leadership will distribute a card with the legislative call system for the Ninety-sixth Congress as follows:

1 bell and light—Tellers (not a recorded vote).

1 long bell and light (pause, followed by 3 bells and lights)—signals the start or continuation of a notice quorum call.

1 long bell and light—termination of a notice quorum call.

2 bells and lights—Electronically Recorded Vote.

2 bells and lights (pause, followed by 2 bells and lights)—Manual Roll Call vote (the bells will be sounded again when the Clerk reaches the R's).

2 bells and lights (pause, followed by 5 bells)—first vote under Suspension of Rules or on clustered votes (2 bells will be rung 5 minutes later)—the first vote will take 15 minutes with successive votes at intervals of not less than 5 minutes. Each successive vote signaled by 5 bells.

3 bells and lights—Quorum call (either initially or after a notice quorum has been

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

converted to a regular quorum). The bells are repeated 5 minutes after the first bell.

3 bells and lights (pause, followed by 3 bells and lights)—Manual Quorum Call (the bells will be sounded again when the Clerk reaches the R's).

3 bells and lights (pause, followed by 5 bells)—Quorum call in Committee of the Whole, which may be followed by a 5 minute recorded vote.

4 bells and lights—Adjournment of the House.

5 bells and lights—five-minute electronically recorded vote.

6 bells and lights—Recess of House.

12 bells—Civil Defense Warning.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the fifth annual report on Coastal Zone Management for FY 1977.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 1977 COASTAL ZONE, MANAGEMENT ANNUAL REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I am pleased to transmit the 1977 Coastal Zone Management Annual Report as required by Public Law 92–583.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 15th quarterly report of the Council on Wage and Price Stability which describes the Council's activities during the 2nd quarter of 1978.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FIFTEENTH QUARTERLY REPORT ON ACTIVITIES OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

I am pleased to transmit to you the 15th quarterly report on the activities of the Council on Wage and Price Stability. It contains a narrative record of the Council's operations during the three-month period April through June, 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 12th annual report of the Operation of the Automotive Products Trade Act of 1965 covering CY 1977.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 12TH ANNUAL REPORT ON THE OPERATION OF THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means:

To the Congress of the United States:

I hereby submit the Twelfth Annual Report on the Operation of the Automotive Products Trade Act of 1965. This Report covers 1977, a year in which production and sales of North American motor vehicles reached record levels.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

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COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 1977 annual report (8th annual report of Health Activities under the FCMHS Act of 1969 as prepared by HEW.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 1977 ANNUAL REPORT OF HEALTH ACTIVITIES UNDER FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969 AS PREPARED BY HEW—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I transmit herewith the 1977 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Coal Mine Health and Safety Act of 1969, as amended in 1977.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 8th Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, P.L. 93–633, covering CY 1977.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE EIGHTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Eighth Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, Title I of Public Law 93–633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 5th Annual Report of the Director of the National Heart, Lung, and Blood Institute in accordance with the requirements of section 413 of the Public Health Service Act, as amended by P.L. 94–278.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE FIFTH ANNUAL REPORT OF DIRECTOR OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Fifth Report of the Director of the National Heart, Lung, and Blood Institute. The Report contains five-year projections of the Institute's needs which are solely those of the Institute and do not reflect either the HEW or Administration positions.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

THE SMALL BUSINESS IMPACT STATEMENT ACT OF 1979

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I applaud your emphasis on the oversight duties of the 96th Congress. We all are aware that this oversight must include a serious consideration of the regulatory authority of the Federal Government and its impact on the small business community.

It is an indictment of our system that cost of Federal regulation has become a phenomenon of such magnitude. The aggregate cost of Government regulation is approximately $102.7 billion for fiscal year 1979. America's 5 million small businesses spend between $15 and $20 billion annually just to do the paper work required by these regulations.

Congress has become increasingly aware of the threat Federal regulation presents to the continued viability of the small business community. From 150 days of hearings, the Select Committee on Small Business derived two important conclusions.

Small businesses are an essential part of the American economic system, which generates 43 percent of our GNP, provides for 55 percent of nonagricultural jobs, and is the wellspring from which we draw the greater part of our technological innovations and ideas.

The community of small and independent enterprises has declined due to the deterioration of the social and economic climate which presently prevails in our country. This deterioration is due in a large part to the proliferation of Federal regulations which pollute the environment in which small businesses must struggle to survive.

I am introducing the Small Business Impact Statement Act of 1979, which, I believe, will make Congress and the Federal Government sensitive to the impact rules have on the small business community, and enable us to determine which regulations will best serve the interests of the American people, and which will be detrimental to the economic health of our country. This bill would require that each Federal agency prepare an impact statement in connection with the rules affecting small businesses. The statement would contain a detailed analysis of the costs of the regulation to the small businesses, the effect on the market, the effect on competition, and proposed alternatives to the rule. The bill would also mandate agency review of those rules impacting on small businesses which have been promulgated since 1974. Armed with this information, either the House or the Senate would have the authority from this bill to reject those regulations which they determine to have an adverse effect on the small business community.

As a small businessman I am acutely aware of the rewards and the problems that accompany an independent enterprise. Nothing can give a person a feeling of greater accomplishment than to have built a viable business from their own sweat and determination. It is this attitude of independence and self-reliance which is the very foundation of our economic and political system. We have a sworn duty to preserve the traditional values of an open enterprise system, and prevent its destruction by the Government created to serve it.

REDUCE CONGRESS DAYS IN SESSION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, as we start this session, I am submitting a bill to reduce the congressional meeting days. The more Congress meets the more bills we pass and the more Government we mandate for the American people. Down in Texas most people think we have too much Government with too much spending causing too much inflation. Folks are convinced taxes are too high and want less spending.

My neighbors wonder why we spend so much time in Washington.

We should spend more time working in our district and learning at the grassroots. Congressmen should spend only half their time making laws and the other half reviewing the results to improve.

There are three basic reasons why Congress stays in session so long. The first one is the fact that our salary now is up to $57,500 and many Congressmen believe that staying in session impresses people into believing we are working hard. The second pressure comes from the Washington correspondents of the press. When Congress is out of session they have very little to write about and their local editor prods them for more news. The third influence of staying in session comes from the Washington business, hotels, restaurants, taxes, and businessmen of the Capital City who want Congress in perpetual session as tourists are the No. 1 economic business in the city.

In 1960, Congress was spending $98.2 billion. Last year we topped $500 billion. Back in 1960 Congress did not meet so often. Maybe you had rather stay away from the constituents as it is hard to explain and justify the legislative program that Congress develops. But for the good of the country, let us meet less, and go back more to our districts. Here is the suggested schedule that I specified in my bill:

Resolved by the House of Representatives (the Senate concurring), That (a) except as provided in subsection (b), the House of Representatives may meet only on calendar days during the following periods of any calendar year:

(1) January 10 through January 20,
(2) February 1 through February 15,
(3) May 1 through May 15,
(4) June 1 through June 15,
(5) July 15 through August 15,
(6) September 1 through September 15, and
(7) November 10 through November 30.

(b)(1) Subsection (a) shall not be construed to require the House of Representatives to meet on—

(A) any Saturday or Sunday; or

(B) any legal public holiday under section 6103 of title 5, United States Code, or on any other day declared to be a holiday by Federal statute or Executive order.

(2) Notwithstanding subsection (a), the House of Representatives may meet on any calendar day if—

(A) pursuant to any provision of law or of

the United States Constitution, the House of Representatives is required to meet on such day; or

(B) the Speaker of the House of Representatives determines that it is in the public interest for the House of Representatives to meet on such day.

A PROTEST AGAINST PRESIDENT CARTER'S BETRAYAL OF FREE CHINA

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, Congress has returned to find that the President of the United States, in our absence, has betrayed the trust of the people of the United States and of the rest of the free world, and has attempted to unilaterally abrogate our Mutual Defense Treaty with the Republic of China. As George Meany, the president of the AFL-CIO pointed out, this action is in direct contradiction to Carter's alleged concern for human rights. Red China, the regime that was accommodated by this act, is the greatest violator of human rights in the world. The horrors of Hitler's Germany, the Soviet Union, and Castro's Cuba are surpassed by the Red Chinese oppression of the people of China.

President Carter, by betraying an ally to benefit an enemy, proved that Red China was right in characterizing the United States as a "paper tiger."

The Communists take advantage of weaknesses, but retreat before strength. This was forcefully brought to my attention recently when I was rereading some Soviet and Red Chinese radio transcripts that were made some 20 years ago during the Taiwan straits crisis. You will remember that at that time Red China demanded the surrender of the offshore islands, Quemoy and Matsu. The "normal" shelling of the islands was increased as well as the air attacks. The Communists announced the invasion of the islands as imminent.

During the morning of October 4, 1958, the Soviet Radio broadcast a statement by a group of "prominent persons" in the United States urging the evacuation of the islands. These included former Senator Lehman, Brig. Gen. Hugh Hester, (retired), Clarence Pickett, et cetera. That afternoon, Moscow broadcast a list of Congressmen that had urged surrender of the islands. But, Moscow also made a broadcast protest, because President Eisenhower had provided the Republic of China with Sidewinder air-to-air missiles. The free Chinese were using them to clear the skies of the Migs that the Soviet Union had supplied Red China.

The next day, October 5, 1958, Peng Te-huai, the Red Chinese Minister of Defense, broadcast a statement to the Chinese people on Taiwan. He said:

> We all are Chinese. Of all choices, peace is the best. The fighting around Quemoy is of a punitive character. . . . Hence the firing of a few shells, just to call your attention.

The crisis was over. A resolute American President had provided a brave ally with the weapons needed for self-defense, and the Communists backed off. No more threats to invade or plunge the world into war. Now the Red Chinese even announced suspending the "normal" shelling of the islands for 7 days.

However, Marshal Peng, speaking for Red China warned the free Chinese:

> The day will certainly come when the Americans will abandon you.

That prophecy has now been fulfilled by President Carter. He has shamed all Americans by his act. A broad range of Republicans, Democrats, and independents have condemned this betrayal of a loyal ally. We in Congress should do everything we can to prevent implementation of this shameful policy.

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TRUTH IN LENDING SIMPLIFICATION BILL INTRODUCED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today I am introducing legislation to improve the Truth in Lending Act. In doing so I am fulfilling my promise made last year to proceed in this session of Congress to make a good faith effort to simplify the Truth in Lending Act. The bill will maintain the important consumer protections of this law, while removing from the law certain ambiguous disclosure requirements that have resulted in compliance burdens on creditors. The law will require the Federal Reserve Board to prescribe optional model disclosure forms and clauses in an easy to read format and in readily understood terms. Creditors who sincerely want to comply with the law should no longer have any difficulty in doing so.

The bill also provides important new consumer protections. To correct the problem of some creditors coercing consumers into purchasing credit life insurance, under the bill a consumer would be able to cancel the policy with a full refund within 30 days of the policy's purchase. There would also for the first time be civil liability for violation of the advertising disclosure provisions, if a consumer can prove actual damages.

Title II of the bill would put all of the provisions of the Electronic Fund Transfer Act (other than the two going into effect in February) into effect this June instead of in May 1980. Since electronic fund transfer services are being used now, the sooner uniform protections are in place the sooner uncertainty will end for consumers and financial institutions in dealing with EFT problems.

I have conferred with the Senate Banking Committee on this legislation. They will be holding truth in lending simplification hearings on February 2. I do not feel a useful purpose would be served by the House also holding hearings on simplification at the same time. Rather, I will go forward with my simplification bill as soon as the Senate passes its version. By taking this approach the House will have the opportunity to evaluate the Senate version at the same time my bill is being considered. I am hopeful that in this manner legislation can be approved by Congress and sent to the President for signature by late spring.

Ever since truth in lending simplification was first proposed I have been gravely concerned that "simplification" might be used as an opportunity to gut the Truth in Lending Act. This must not happen. We worked too long and hard to pass truth in lending and it provides too many vital consumer protections for us to let the law be "simplified" out of existence.

The legislation I have introduced reflects an effort to genuinely simplify this law for consumers who need to understand it, to better benefit from it and for creditors who need to understand it, to better comply with it. I encouraged consumers and creditors to come forward with positive constructive proposals.

However, I want everyone to be on notice that if the legislative process breaks down into an attack on truth in lending aimed at gutting the law, I will do everything humanly possible to block the simplification movement.

In this bill I have made a clear and straightforward attempt to simplify this law. It is my hope that in a similar way the legislative process will produce a clear and straightforward Truth in Lending Act.

The text of the truth in lending simplification bill follows:

H.R. 1289

A bill to amend the Truth in Lending Act to facilitate compliance with such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Lending Act Amendments of 1979".

TITLE I—AMENDMENTS TO THE TRUTH IN LENDING ACT

DEFINITIONS

SEC. 101. Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) in subsection (g), by adding at the end thereof the following new sentences: "The term also includes any contract in the form of a bailment or lease if the bailee or lessee has the option to renew the contract by making the payments specified in the contract, the contract obligates the bailor or lessor to transfer ownership of the property to the bailee or lessee for no other or a nominal consideration upon full compliance by the bailee or lessee with his obligations under the contract, including any obligation incurred with respect to the exercise of an option by the bailee or lessee to renew the contract, and the payments contracted for by the bailee or lessee, including those payments pursuant to the exercise of an option by the bailee or lessee to renew the contract, are substantially equivalent to or in excess of the aggregate value of the property and services involved. With respect to a sale described in the previous sentence, the disclosures required under this title shall be calculated on the assumption that the bailee or lessee will exercise all of his options to renew the contract, make all payments specified in the contract, and become the owner of the property involved.";

(2) in subsection (h), by striking out "household, or agricultural" and inserting in lieu thereof "or household"; and

(3) by adding at the end thereof the following new subsections:

"(u) The term 'agricultural products' means agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, products raised or produced on farms, and any processed or manufactured products thereof.

"(v) The term 'agricultural purposes' means the production, harvesting, exhibition, marketing, transportation, processing, or manufacture of agricultural products by an individual who cultivates, plants, propagates, or nurtures such agricultural products.".

EXEMPTED TRANSACTIONS

SEC. 102. Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended—

(1) in paragraph (1), by striking out "or commercial purposes" and inserting in lieu thereof ", commercial, or agricultural purposes"; and

(2) by striking out paragraph (5).

REGULATIONS

SEC. 103. (a) Section 105 of the Truth in Lending Act (15 U.S.C. 1604) is amended by inserting "(a)" before "The Board" and by adding at the end thereof the following new subsections:

"(b)(1) The Board shall prescribe model disclosure forms and clauses for frequently occurring transactions to facilitate compliance with the disclosure requirements of this title. Such model disclosure forms and clauses shall be written in a format which is easy to read and in terms which are readily understandable. In prescribing such model disclosure forms and clauses, the Board shall consider the use by creditors of data processing equipment and other similar automated equipment.

"(2) The Board may not require any creditor to use any model disclosure form or clause prescribed under paragraph (1).

"(3) A creditor shall be deemed to be in compliance with the disclosure provisions of this title, except with respect to numerical disclosures, if such creditor uses an appropriate model disclosure form or clause prescribed under paragraph (1).

"(c) Model disclosure forms and clauses under subsection (b) shall be prescribed by the Board only after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code. Such model disclosure forms and clauses shall be prescribed by the Board not later than one year after the date of the enactment of the Truth in Lending Act Amendments of 1979.

"(d) Any regulation prescribed by the Board under subsection (a) after the date of the enactment of the Truth in Lending Act Amendments of 1979 shall be written in terms which are readily understandable.".

(b)(1) The section heading of section 105 of the Truth in Lending Act (15 U.S.C. 1604) is amended to read as follows:

"§ 105. Regulations; model disclosure forms and clauses.".

(2) The item relating to section 105 in the table of sections contained at the beginning of chapter 1 of the Truth in Lending Act is amended to read as follows:

"§ 105. Regulations; model disclosure forms and clauses.".

ANNUAL REPORTS

SEC. 104. (a) Section 114 of the Truth in Lending Act (15 U.S.C. 1613) is amended by striking out "January 3 of each year after 1969" and inserting in lieu thereof "June 3 of each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(5)) is amended by striking out "March 15" and inserting in lieu thereof "June 3".

(c) Section 707 of the Equal Credit Opportunity Act (15 U.S.C. 1691f) is amended by striking out "February 1 of each year after 1976" and inserting in lieu thereof "June 3 of each year".

(d) The first sentence of section 918(a) of the Electronic Fund Transfer Act (92 Stat. 3740) is amended by striking out "twelve months after the effective date of this title and at one-year intervals thereafter," and inserting in lieu thereof "June 3 of each year after 1979,".

(e) The seventh undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 247) is amended—

(1) by striking out "The" and inserting in lieu thereof "Not later than June 3 of each year, the"; and

(2) by striking out "annually".

OPEN END CONSUMER CREDIT PLANS

SEC. 105. Paragraphs (6) and (7) of section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) are amended to read as follows:

"(6) A description of other charges which may be imposed and the method by which such charges will be determined.

"(7) If the creditor holds or may retain or acquire any security interest in any property purchased under the plan or in any property not purchased under the plan, a statement to that effect and a description of such property.".

SALES NOT UNDER OPEN END CREDIT PLANS

SEC. 106. Section 128(a) of the Truth in Lending Act (15 U.S.C. 1638(a)) is amended by striking out paragraphs (9) and (10) and inserting in lieu thereof the following:

"(9) Any dollar charge or percentage amount which may be imposed by a creditor due to a delinquency. This paragraph shall not apply with respect to the disclosure of collection costs or default or acceleration charges.

"(10) If there is a security interest which is held or which may be retained or acquired by the creditor in connection with the extension of credit, a statement to that effect and a description of the property to which such security interest applies.".

CONSUMER LOANS NOT UNDER OPEN END CREDIT PLANS

SEC. 107. Section 129(a) of the Truth in Lending Act (15 U.S.C. 1639(a)) is amended by striking out paragraphs (7) and (8) and inserting in lieu thereof the following:

"(7) Any dollar charge or percentage amount which may be imposed by a creditor due to a delinquency. This paragraph shall not apply with respect to the disclosure of collection costs or default or acceleration charges.

"(8) If there is a security interest which is held or which may be retained or acquired by the creditor in connection with the extension of credit, a statement to that effect and a description of the property to which such security interest applies.".

CIVIL LIABILITY

SEC. 108. Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended—

(1) in subsection (a)(2)(B), by striking out "in such action" and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (b), by striking out "fifteen" and inserting in lieu thereof "thirty";

(3) by striking out subsection (f) and inserting in lieu thereof the following:

"(f) No provision of this section or section 112 imposing any liability shall apply to—

"(1) any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefore, or

"(2) except with respect to numerical disclosures, any failure to make disclosure in proper form if a financial institution utilized an appropriate model disclosure form or clause prescribed by the Board under section 105(b),

notwithstanding that after such act, omission, or failure has occurred, such rule, regulation, interpretation approval, or model disclosure form or clause is amended, rescinded, or determined by judicial or other authority to be invalid for any reason."; and

(4) by adding at the end thereof the following new subsection:

"(i) In any case in which there are multiple obligors in a consumer credit transaction or consumer lease, there shall not be more than one recovery of damages under subsection (a)(2)(A) with respect to any such consumer credit transaction or consumer lease.".

OPTIONAL CREDIT LIFE INSURANCE

SEC. 109. (a) Chapter 1 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Optional Credit Life Insurance

"In any case in which a creditor in a consumer credit transaction offers optional credit life insurance to an obligor, the obligor shall be given the right to cancel such insurance and receive a refund of all amounts paid for such insurance if, not later than 30 days after the date on which such insurance is purchased, the obligor gives written notice to the creditor of the obligor's desire to cancel such insurance. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a consumer credit transaction the rights of the obligor under this section.".

(b) The table of sections contained at the beginning of chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new item:

"136. Optional credit life insurance.".

ADVERTISEMENTS OF RESIDENTIAL REAL ESTATE

SEC. 110. Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended—

(1) in subsection (b), by striking out "this section" and inserting in lieu thereof "subsection (d)"; and

(2) in subsection (c), by inserting "only" after "expressed".

MORE-THAN-FOUR-INSTALLMENT RULE

SEC. 111. Section 146 of the Truth in Lending Act (15 U.S.C. 1665a) is amended—

(1) by inserting ", either of the following statements, as applicable" after "Board";

(2) by inserting "or" after "Services' "; and

(3) by adding at the end thereof the following:

" 'The price quoted for the goods and services is the cash price.' ".

VIOLATIONS

SEC. 112. (a) Chapter 3 of the Truth in Lending Act is amended by adding at the end thereof the following:

"§ 147. Violations

"Any creditor who fails to comply with any requirement imposed under this chapter with respect to any person who suffers actual damage from such failure to comply is liable to such person as provided in section 130.".

(b) The table of sections contained at the beginning of chapter 3 of the Truth in Lending Act is amended by adding at the end thereof the following new item:

"147. Violations.".

PROHIBITION OF CREDIT CARD SURCHARGE

SEC. 113. Section 167 of the Truth in Lending Act (15 U.S.C. 1666f) is amended by adding at the end thereof the following new subsection:

"(c)(1) Any seller who fails to comply with any requirement imposed under subsection (a)(2) with respect to any person is

liable to such person as provided in section 130 of this title.

"(2) For purposes of enforcing section 130 with respect to any seller under paragraph (1), the term 'creditor' in section 130, except sections 130(d) and 130(g), includes a seller under paragraph (1).".

OPTIONAL LESSEE CREDIT LIFE INSURANCE

SEC. 114. (a) Chapter 5 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 187. Optional lessee credit life insurance

"In any case in which a lessor in a consumer lease offers optional lessee credit life insurance to a lessee, the lessee shall be given the right to cancel such insurance and receive a refund of all amounts paid for such insurance if, not later than 30 days after the date on which such insurance is purchased, the lessee gives written notice to the lessor of the lessee's desire to cancel such insurance. The lessor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any lessee in a consumer lease the rights of the lessee under this section.".

(b) The table of sections contained at the beginning of chapter 5 of the Truth in Lending Act is amended by adding at the end thereof the following new item:

"187. Optional lessee credit life insurance.".

(c) Section 185(a) of the Truth in Lending Act (15 U.S.C. 1667d(a)) is amended by striking out "or 183" and inserting in lieu thereof ", 183, or 187".

REPEAL OF EXISTING LAW; CONFORMING AMENDMENTS

SEC. 115. (a)(1) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) is amended by striking out paragraph (5) and by redesignating paragraph (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

(2) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(3) Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by striking out subsection (c).

(4) Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended—

(A) by striking out "127(a)(6), 127(a)(7), 127(a)(8)" and inserting in lieu thereof "127(a)(5), 127(a)(6), 127(a)(7)"; and

(B) by striking out "127(b)(9), and 127(b)(11)" and inserting in lieu thereof "127(b)(8), and 127(b)(10)".

(5) Section 143 of the Truth in Lending Act (15 U.S.C. 1663) is amended by striking out "or the appropriate rate determined under section 127(a)(5).".

(6) Section 161(a) of the Truth in Lending Act (15 U.S.C. 1666(a)) is amended by striking out "section 127(b)(11)" and inserting in lieu thereof "section 127(b)(10)" and by striking out "section 127(a)(8)" and inserting in lieu thereof "section 127(a)(7)".

(b) Section 107 of the Truth in Lending Act (15 U.S.C. 1606) is amended by striking out subsection (f).

(c)(1) The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by striking out section 126.

(2) The item relating to section 126 in the table of sections contained at the beginning of chapter 2 of the Truth in Lending Act is amended to read as follows: "126. [Repealed].".

(d) Section 133(a) of the Truth in Lending Act (15 U.S.C. 1643(a)) is amended—

(1) in the first sentence—

(A) by striking out "and" after "loss or theft of the credit card,"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof a comma; and

(2) in the second sentence, by striking out "Notwithstanding" and all that follows through "and (2)" and inserting in lieu thereof "and".

TITLE II—EFFECTIVE DATE OF THE ELECTRONIC FUND TRANSFER ACT

SEC. 201. Section 921 of the Electronic Fund Transfer Act (92 Stat. 3740) is amended by striking out "upon the expiration of eighteen months from the date of its enactment and inserting in lieu thereof "on June 10, 1979".

TITLE III—GENERAL PROVISIONS

SEC. 301. Regulations necessary to carry out the amendments contained in title I of this Act shall be prescribed not later than one year after the date of the enactment of this Act.

SEC. 302. The amendments made by title I of this Act shall take effect two years after the date of the enactment of this Act, and the amendments made by title II of this Act shall take effect on the date of the enactment of this Act.●

BILL TO AMEND THE FOOD STAMP ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, I feel certain that there is no one in this country whose life has not been touched by the tragedy of cancer, either as it has afflicted the individual himself, or a friend or relative. We are all aware of the extreme emotional and financial stress which results, in addition to the physical illness itself. For those who are already in need, and participating in the food stamp program, an additional problem arises.

Frequently, patients receiving chemotherapy or radiation therapy are unable to benefit in a normal manner from nutrients in their food. Yet proper nourishment is necessary for a positive response to therapy. In such cases, food supplements are available, and are usually prescribed by the attending physician.

However, a problem exists for those who participate in the food stamp program and need these supplements. The food supplements are generally available only at pharmacies and most pharmacies up until now have been unable to be certified to accept food stamps.

The bill I am introducing today facilitates the certification of pharmacies to accept food stamps, in order that cancer patients for whom food supplements are prescribed will be able to obtain these supplements with food stamps.

The passage of this legislation will be a step to alleviate the suffering of those afflicted with cancer by removing an unnecessary impediment to their obtaining nourishment required for their successful treatment.

H.R. —

A bill to amend the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food supplements prescribed for consumption by cancer patients

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Food Stamp Act of 1977 is amended—

(1) in section 3(g) by striking out "and" occurring immediately before "(6)" and inserting immediately before the period the following new clause: ", and (7) in the case of cancer patients, foods or food supplements necessary for the proper nutrition of such patients and prescribed for use by such patient by a physician or other person licensed by the State to practice in the healing arts";

(2) in section 3(k) by striking out "and" occurring immediately before "(4)" and inserting immediately before the period the following new clause: ", and (5) a store, including pharmacies, purveying items of food or food supplements described in subsection (g)(7) of this section".●

JOINT RESOLUTION TO ESTABLISH PRICE SUPPORTS FOR MILK, WHEAT, FEEDGRAINS, SOYBEANS, AND COTTON AT 90 PERCENT OF PARITY

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

● Mr. NOLAN. Mr. Speaker, today I am reintroducing a joint resolution which establishes price supports for milk, wheat, feedgrains, soybeans and cotton at 90 percent of parity. The joint resolution, which I first introduced last year with the support of the American Agriculture Movement, the National Farmers Union and the National Farmers Organization, also adjusts the grain reserve's release and call-in levels to 100 and 110 percent of parity respectively.

While the prices of several farm commodities have risen somewhat during the past few months, the increases are neither stable nor adequate enough to cover production costs which continue to rise rapidly. Many people besides farmers, however, are plagued by inflation and they are finding it difficult to make ends meet.

Raising the prices of farm commodities, the newspaper headlines scream, will fuel food price inflation for consumers. Economically strapped consumers may sympathize with the farmers' plight, but they fear having to pay more for food as a result of raising the support levels for farm products. Despite the General Accounting Office's conclusion that 87 percent of the increase the consumer food expenditures since 1973 has been caused by higher marketing changes, consumers are still led to believe that farm commodity prices contribute heavily to inflationary pressures.

In the wake of proposition 13, the call for a balanced budget, and the Carter administration's intention to hold the line on Government spending (except military expenditures), introducing legislation to improve farm commodity prices may seem foolhardy or futile. But inflation will not be curbed nor the

budget balanced until farm commodity prices are improved. Everybody, therefore, has a stake in working for a better farm program.

What is the connection? Inflation and deficit spending are the products of an economy out of balance because agricultural production has been financed extensively by borrowed money which must be paid back with interest. Since agriculture is the Nation's biggest industry, the implications ought to be clear.

When a large segment of the economy is underpaid for its production or labor, buying power is seriously reduced, which creates a demand for credit or debt-financing. If the agricultural sector (the Nation's largest industry) is underpaid, the lack of purchasing power affects the whole economy by causing debt-expansion in a number of sectors, thus tilting the economy out of balance.

Viewed in this light, the Carter administration's economic program is simply aggravating a bad situation. By pursuing a monetary program to reacue the dollar abroad, the Carter administration is undermining the U.S. economy. Pursuing a high-interest policy is bad in the best of times. But if interest rates are pushed to double-digit levels during a period when public and private debt has reached an alltime high, interest payments skyrocket by quantum leaps and fuel inflation to the point where it becomes a roaring menace.

Our high interest, debt-expansion economy has its roots in an underpaid agricultural sector. Similar circumstances in the 1920's, coupled with a farm depression, led to the crash of 1929 and the Great Depression. While Carter's monetary magicians may be able to stave off economic collapse a bit longer, they will do so by trying to protect the dollar with a high-interest policy which the citizens of the United States will pay for. Prolonging the agony is no solution, because it will lead to economic and social upheaval.

In order to reduce inflation significantly and to balance the budget, public debt must be reduced. This cannot be done with a high-interest policy. Public and private debt can be reduced by raising farm commodity prices which will restore purchasing power to agriculture through earned income rather than credit or debt-financing. Since agriculture plays a primary role in the Nation's economy, earned income in the hands of farmers will generate a ripple effect throughout all economic sectors and reduce the dependency on debt-financing. In addition, higher commodity prices will increase the value of our farm exports, thus reducing the serious balance-of-payments deficit.

Raising and stabilizing the prices of milk, wheat, feedgrains, soybeans, and cotton will have several other positive effects:

Livestock producers will benefit, because leveling out the wide swings in the price of feedgrains will restrain the equally wide swings in the cattle production and price cycle.

Raising the loan rates and adjusting the grain reserve's release and call-in levels will improve the administration's ability to rationalize production and promote orderly marketing, because more farmers will have an incentive to participate in the existing set-aside and reserve programs.

Raising the support levels will not increase Treasury costs because, as President Carter himself stated, commodity loans are a recoverable item for the Government.

Congress therefore should enact the joint resolution establishing 90 percent of parity farm commodity prices as soon as possible in order to provide farmers and consumers with price stability at levels fair to both, while generating the agricultural income necessary to stimulate the Nation's economy.

I urge my colleagues to join in support of the joint resolution.

The joint resolution follows:

H.J. RES. 144

Whereas Congress has given the Secretary of Agriculture the authority to raise the price support levels and target prices for agricultural commodities in order to provide farmers with realistic price protection; and

Whereas the Secretary of Agriculture already has the authority to raise the price support levels for milk, wheat, corn and soybeans to 90 per centum of the respective parity prices; and

Whereas the prices farmers receive for major agricultural commodities remain at levels which are below the cost of production: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following new section 113:

"SEC. 113 (a). Notwithstanding section 201 of this Act, the price of milk shall be supported at not less than 90 per centum of the parity price therefor.

(b) Notwithstanding section 107 of this Act, the Secretary shall make available to producers loans and purchases on each crop of wheat at not less than 90 per centum of the parity price therefor.

(c) Notwithstanding section 105 of this Act, the Secretary shall make available to producers loans and purchases on each crop of corn at not less than 90 per centum of the parity price therefor.

(d) Notwithstanding sections 201 and 301 of this Act, the Secretary shall make available to producers loans and purchases on each crop of soybeans at not less than 90 per centum of the parity price therefor.

(e) Notwithstanding section 103 of this Act, the Secretary shall make available to producers loans and purchases on each crop of upland cotton at not less than 90 per centum of the parity price therefor.

(f) Section 110 of this title is amended by deleting parts (5) and (6) and inserting in lieu thereof the following:

'(5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market prices of wheat or feed grains have attained a specified level which is not less than 100 per centum of the respective parity price therefor and (6) conditions prescribed by the Secretary under which the Secretary may require producers to repay such loans, plus accrued interest thereon, and other charges as may be required by regulation, whenever the Secretary determines that the market prices of wheat or feed grains are not less than 110 per centum of the respective parity price therefor.'"●

BENEFITS VS. COSTS OF ENVIRONMENTAL REGULATIONS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, Sunday's Washington Post carried a superb rebuttal to those who make the fallacious assumption that environmental and occupational health regulations contribute to inflation. Not only are the costs of such regulations (without consideration of benefits) of minimal effect on our inflation rate—even by conservative estimates such as those of Chase Econometrics—but may well be helpful in controlling inflation by decreasing the need for—and the cost of—remedial actions.

In the next few days I will be seeking cosigners among my colleagues of a letter to President Carter urging him, in the strongest terms, not to continue to be gulled by his inflation fighters into a posture of heedlessness toward Americans, their health, and their environment.

I commend the Post article, "The Faked Case Against Regulation," to my colleagues with the hope that, upon reading it, they will agree to join in sending a clear signal to the President that we are deeply concerned for the health of Americans:

THE FAKED CASE AGAINST REGULATION

(By Mark Green)

I have this recurring nightmare. Jonas Salk has just announced his cure for polio. A bill is introduced in Congress to require mandatory inoculation of school children under HEW direction. Opposition then appears. Ronald Reagan urges "free choice by parents rather than compulsion by government." Mobil runs advertisements with the headline, "From gas tanks to bloodstreams. Where will government go next?" An associate professor of economics does a study for the American Enterprise Institute demonstrating that more lives may be lost by car accidents en route to doctors' offices than will be saved by the Salk vaccine. Abbott Labs argues that its product, "Polioaide," has been effective since thousands of doctors have been prescribing it for two decades. The bill then fails in the House Commerce Committee by one vote—after the wheelchair industry, citing job losses, gives $200,000 in campaign gifts to committee members.

Farfetched? Perhaps. But as one reads the flood of advertisements, speeches, articles and rhetoric denouncing "big government" and the "costs of regulation," reality and caricature seem to merge. Mobil decries a "national orgy of regulation." The Wall Street Journal attributes the decline of American industry to "beserk proceduralism." Time editorializes against "straitjacket rules imposed by a bulging bureaucracy [that] lift unemployment, slow technical progress, reduce U.S. competitiveness, hamper exports . . ."

To be sure, any government that has acted like a cartel in fixing trucking and airline rates or that mandates the height off the floor for fire extinguishers needs critics who can distinguish between rules that save lives and those that save face. Unfortunately, today's debate over health and safety regulation lacks this sense of discrimination. Instead, it burns incense to supposedly neutral "cost-benefit analysis" and manages to neglect the actual benefits of consumer and environmental regulation.

Given the current state of economic art,

mathematical cost-benefit analyses are about as neutral as voter literacy tests in the Old South. They are often ideological documents designed to prove preconceived notions. Or, as a Library of Congress review has said of them, "they tend to support the vested interest of the sponsor of the estimate or to fit the hypothesis of the individual making the estimate."

A CHICKEN LITTLE SYNDROME

Consider environmental regulation. Who controls information about its costs? The regulated industry, of course. The result, not surprisingly, is that we end up with regulatory-cost estimates based on what might be called the Chicken Little School of Economic Analysis.

In the early 1970s, for example, chemical manufacturers announced that a proposed federal standard on vinyl chloride, a proven cause of cancer, could cost 2 million jobs and $65 billion to $90 billion. "The standard is simply beyond the compliance capability of the industry," their trade association declared. The standard was adopted and the industry has flourished—without any job losses and at a cost that is one-twentieth of the original industry estimate.

Similarly, in one of a growing number of regulatory battles within the Carter administration, Energy Secretary James Schlesinger recently suggested that Labor Secretary Ray Marshall block a proposed worker exposure standard for beryllium, another known carcinogen, because of its supposed $150 million cost. Energy officials later conceded that their estimate was derived from "a gross estimate based on rule of thumb"—provided by their beryllium manufacturers.

For one or more of numerous examples, the Securities and Exchange Commission has a curious case pending against U.S. Steel: The company allegedly has established two estimates for the cost of meeting certain pollution standards—a higher estimate issued publicly and a lower one sent to the SEC.

To believe that business-dominated cost-benefit studies should control regulatory decisions is about as sophisticated as arguing that one party to a lawsuit should also be the judge.

Inflated cost-benefit studies and the intensity of business propaganda against consumer and environmental regulation might lead a celestial visitor to wonder why we tolerate such stupidity. We seem to have suffered a kind of collective amnesia about exactly why we have these regulatory agencies.

A few years ago the Cuyahoga River in Ohio caught fire. One thousand Americans a day die of cancer, much of it environmentally caused. Auto crashes took 47,000 lives and caused over 3 million injuries in 1977. One out of every 11 workers in the private economy had a job-related injury or illness in 1976. Women around the Love Canal in upstate New York, one of 638 known sites of hazardous wastes, have experienced unusually high miscarriage and birth defect rates.

So, although the debate over regulation has somehow focused on how OSHA dictates the shape of toilet seats, there are clearly more fundamental issues at stake.

While the competitive marketplace can be an engine of efficiency, it was not designed to tell consumers which car might have a steering defect, which drug has dangerous side effects, what product unduly pollutes. In addition, what each of us buys affects others. My car pollutes your bedroom. The plane I travel in envelops you in jet noise. I am a voluntary consumer; without federal standards, in these instances, you would be an involuntary consumer.

Federal regulation can be viewed as a contract between consumers and business—with the government as mediator—in which consumers agree to a market economy if business avoids unnecessary injury and death. It establishes minimum conditions for humane capitalism. So, while the public may moan about regulation in general, as it moans about paying insurance premiums, both are viewed as necessary protection against possible harm.

Indeed, California voters approved $375 million for pollution controls on the same ballot that contained Proposition 13. Polls by even the business-oriented Opinion Research Corp. have indicated public support for regulation to protect worker health and safety (by 4 to 1), product safety (3 to 1) and the environment (2 to 1).

This popularity is well rooted in the measurable benefits of health and safety regulation. In many cases, regulation has stimulated innovation in often rigid, unimaginative industries.

Before the Food and Drug Administration banned spray cans using fluorocarbons, the industry said there was no alternative. The day after the ban went into effect, the country had a new pump spray that didn't use fluorocarbons and that was cheaper than aerosol cans. After Washington imposed strict safety standards for car bumpers, auto engineers developed bumpers that are far stronger and lighter—and that save consumers an average $100 in repair costs over the life of their car.

A 1975 study of five industries in five countries by MIT's Center for Policy Alternatives concluded that, in the area of health and safety regulation, "forcing firms to implement product or process changes oftentimes incidentally shocks them out of a rather inflexible production system and thereby provides the catalyst which is necessary for innovation to occur."

Regulation has also produced jobs. Although the Environmental Protection Agency estimates that 20,000 jobs have been lost in plants that could not meet environmental standards, the number of direct jobs created by pollution control expenditures is 600,000. The interior minister of West Germany, one of the world's most productive countries, told a U.S. audience this year: "The expenditures for pollution control contribute decisively to the growth of our economy and create or maintain hundreds of thousands of jobs each year."

Due to product safety standards, there has been a 40 percent drop in infant deaths from crib strangulation and swallowed poisons. An estimated 200,000 Americans alive today would be dead if Washington hadn't been regulating car and highway safety since the late 1960s. By 1985, federal fuel economy standards for cars will be saving 18 billion gallons of gasoline anually, or $640 per car over the life of the vehicle.

Although industrialists almost invariably oppose new government regulations, at times they also grudgingly concede that rules they once denounced make a profound difference. Fletcher Byrom, chairman of the Koppers Co., for example, recently told a business audience that "you and I know that the market system would not give us environmental protection, worker safety and health. These are not economic things . . . they add value, not wealth; the only way to improve the quality of life is through intervention."

IMMEASURABLE BENEFITS

This is to say nothing about the benefits of regulation that involve immeasurable or moral considerations. What is the price tag for lives saved by avoiding future diseases, since asbestos and other substances in our lives today cause cancer in 30 years? How much will you pay for a 6-year-old who is not disfigured from flammable sleepwear? How do we calculate the exact benefits of being able to see across the Grand Canyon, of avoiding needless destruction of recreational areas?

Some social scientists are indeed attempting to put a price on human life. One of their prominent techniques, for instance, tries to peg the value of a life merely by what a person would have earned in the future.

Even when one looks to mathematical pricers of human life, what one finds are wildly varying numbers. The National Highway Traffic Safety Administration prices a life at $270,000, a University of Rochester analysis at $350,000, a Cornell study at $1.5 million and an American Enterprise Institute report at $2.5 million.

Even if these numbers were more precise, regulation often involves noneconomic goals. Society might desire regulation where the calculable costs exceed the calculable benefits because of the standards' redistributive effect: say the costs are shifted from hard-pressed workers to relatively well-off stockholders.

Moreover, if the cost of, say, saving a worker's arm approximates the economic "benefit" to him, would any sane person doubt that the arm should be saved? Many, if not most, aspects of life can never be, and should never be, decided by the economists' yardstick. The abolition of slavery or child-labor laws certainly would never have passed a cost-benefit test.

THE JAUNDICED EYE

Nor do problems with cost-benefit studies stop with benefits that are ignored or that cannot be measured with numbers. Several prominent studies that try to document the wastefulness of federal regulation inadvertently demonstrate the adage that all looks yellow to the jaundiced eye.

An analysis by Chase Econometrics, for example, asserts that environmental regulation will account for an average 0.3 to 0.4 points of the annual increase in consumer prices in the 1970–1983 period. Unfortunately the study is based on *gross* cost, not *net* costs. As Sen. Gary Hart (D-Colo.) complained of the Chase study, it is "irresponsible to discuss costs of pollution control without comparing them to benefits."

In other words, sulphur oxide and particle emission standards from stationary sources may cost $9.5 billion this year, as Lester Lave and Eugene Seskin estimate in a recent book. But the standards will also save an estimated $16.1 billion just in health outlays, which have been playing a large role in fueling inflation. By their calculations, the anti-pollution standards are deflationary, not inflationary.

Even taking Chase's numbers at face value, a significant 20 percent reduction in regulatory costs would only lower the annual rate of increases in the cost of living index by one-tenth of a percentage point. Any reduction in inflation is not to be disparaged, but the contribution of regulation to the problem is relatively modest—probably less than the contribution of pricefixing, trade barriers, natural gas deregulation, the depreciation of the dollar or the latest OPEC price increase.

In another well-known study, Sam Peltzman, an economist at the University of Chicago, has declared that the 1962 drug safety amendments cost consumers $350 million to $350 million due to depressed innovation and delays in getting useful drugs on the market. "It sounds shocking to say that the net effect of having some thalidomides is a gain," Peltzman told a congressional hearing, "but that's unfortunately the way the world works."

Peltzman's case rests on his determination that new drug applications fell 60 percent after the 1962 act, a drop he attributes to the law. But new drug applications are hardly a measure of good drug therapy. Companies seek approval of new drugs that are minor variations of existing drugs in order to extend an old patent under a new name. Dr. Henry Simmons, director of the FDA's Bureau of Drugs, concluded in 1973 that "the rate of development and marketing of truly important, significant and unique therapeutic entities in this country has remained relatively stable over the last 22 years, numbering five to seven drugs per year."

Undaunted, Peltzman assumes that doctors kept informed of the value or danger of drugs before 1962 via what could be called "learning by experience." Perhaps he has in mind the 107 deaths in 1937 caused by the inadequately tested drug elixir sulfanidamide, after which alert doctors probably stopped prescribing the drug. "By your judgment, a drug is important because it is widely used and misused?" Sen. Gaylord Nelson asked in congressional hearings. Peltzman replied, "Senator, I think you've pointed out some of the problems with this sort of methodology.' Indeed.

For these and other reasons, the General Accounting Office, the Council on Environmental Quality, the Congressional Research Service, the Senate Governmental Affairs Committee and the House Oversight and Investigations Subcommittee have all disparaged the value of mathematical cost-benefit tests.

In the words of the House subcommittee, "the limitations on the usefulness of benefit-cost analysis in the context of health, safety and environmental regulatory decision are so severe that they militate against its use altogether." In a recent report the Senate committee concluded that "while agencies should be required to project and consider costs, benefits and alternatives, that analysis must not be considered a final determinant of whether an action should be taken. The difficulty of quantifying costs and benefits and the appropriateness of applying economic statistical analysis to health and safety areas must be recognized."

A CRITICAL CHOICE

Despite the obvious benefits of health and safety regulation and the problems of mathematical cost-benefit studies, the business war against regulation is beginning to have a public policy impact.

"People like Strauss, Blumenthal and Kreps go around the country to business groups who yell at them about regulation," said one White House aide. "Then they come back to meetings here and relate their selective experiences. It shapes all the discussions." A leading Carter regulator recently commented that "it's one thing to spend my time fighting with business or public interest groups, but now I also spend a lot of time fighting this administration."

The "fight" is a periodic one pitting the administration's regulators against such powers as chief economic adviser Charles Schultze, Treasury Secretary Michael Blumenthal, Commerce Secretary Juanita Kreps, trade negotiator Robert Strauss and wage-price watcher Barry Bosworth. The arena keeps shifting—from cotton dust standards, to strip-mining regulations, to carcinogen standards at OSHA—but the fundamental issue is the same: Should health and safety regulation be sacrificed to the anti-inflation campaign, based on the false specificity of existing cost-benefit analysis?

Obviously, before implementing any proposed legislation, officials should attempt to estimate or at least specify the desired benefits, to minimize the costs of compliance and to consider alternative routes to the same goal. This general "impact review" is the basis of a "regulatory reform" bill about to be introduced by the chairman and ranking Republican of the Senate Governmental Affairs Committee, Abraham Ribicoff and Charles Percy.

The legislation would require agencies to conduct and publish such a review when introducing and implementing any rule; it would speed up agency decision-making by reforming the Administrative Procedure Act; it would increase public participation as agencies make regulatory decisions; it would strengthen the subpoena power of regulators to understand better the community they are regulating. This approach emphasizes that health and safety regulation should be improved, not abolished.

The Carter administration too is now formulating its own regulatory reform bill. As the Office of Management and Budget drafts this version, it has two possible models in mind. It could be stampeded by the kind of business propaganda that is trying to make citizens hate their government, that objects not when regulation fails but when it works too well. Or it could heed the words of Jimmy Carter who, early in his presidency, announced that "the test of any government is now how popular it is with the powerful, but how honestly and fairly it deals with those who must depend on it."

The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of marketplace abuse. And the next Salk vaccine may depend on the outcome.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RATCHFORD), to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. NOLAN, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. MCHUGH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SCHULZE), and to include extraneous matter:)

Mr. PAUL in 10 instances.
Mr. DERWINSKI.
Mr. WYDLER.
Mr. PHILIP CRANE in 10 instances.
Mr. WHITEHURST.
Mr. COLLINS of Texas in three instances.

(The following Members (at the request of Mr. RATCHFORD), and to include extraneous matter:)

Mr. UDALL.
Mr. EDWARDS of California in five instances.
Mr. CLAY.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. VENTO.
Mr. OTTINGER.
Mr. RAHALL in two instances.
Mr. DINGELL.
Mr. HAMILTON.
Mr. FASCELL.
Mr. MCDONALD.

RECESS

The SPEAKER. Pursuant to the order of the House of Monday, January 15, 1979, the Chair declares the House in recess until 8:45 p.m.

Accordingly (at 8 o'clock and 12 minutes p.m.), the House stood in recess until 8 o'clock and 45 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 45 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 1 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The Speaker of the House presided.

The Doorkeeper, the Honorable James T. Molloy, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as Members of the Committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Texas (Mr. WRIGHT); the gentleman from Indiana (Mr. BRADEMAS); the gentleman from Washington (Mr. FOLEY); the gentleman from Illinois (Mr. ROSTENKOWSKI); the gentleman from Georgia (Mr. BRINKLEY); the gentleman from Georgia (Mr. MATHIS); the gentleman from Georgia (Mr. GINN); the gentleman from Georgia (Mr. LEVITAS); the gentleman from Georgia (Mr. MCDONALD); the gentleman from Georgia (Mr. BARNARD); the gentleman from Georgia (Mr. EVANS); the gentleman from Georgia (Mr. JENKINS); the gentleman from Georgia (Mr. FOWLER); the gentleman from Arizona (Mr. RHODES); the gentleman from Illinois (Mr. MICHEL); the gentleman from Illinois (Mr. ANDERSON); and the gentleman from Georgia (Mr. GINGRICH).

The VICE PRESIDENT. On behalf of the Senate, pursuant to the order previously entered into, the Chair appoints the following Senators on the part of the Senate to escort the President of the United States into the House Chamber:

The Senator from Washington (Mr. MAGNUSON); the Senator from West Virginia (Mr. BYRD); the Senator from California (Mr. CRANSTON); the Senator from Hawaii (Mr. INOUYE); the Senator from Alabama (Mr. STEWART); the Senator from Tennessee (Mr. BAKER); the Senator from Alaska (Mr. STEVENS); the Senator from Texas (Mr. TOWER); the Senator from Oregon (Mr. PACKWOOD); and the Senator from Utah (Mr. GARN).

The Doorkeeper announced the ambassadors, ministers, and chargés d'affaires of foreign governments.

The ambassadors, ministers, and chargés d'affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Chief Justice of the United States and the Associate Justices of the Supreme Court entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 4 minutes p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States.

[Applause, the Members rising.]

THE STATE OF THE UNION—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–1)

The PRESIDENT. Mr. President, Mr. Speaker, Members of the 96th Congress, and my fellow citizens:

Tonight I want to examine in a broad sense the state of our American Union—how we are building a new foundation for a peaceful and a prosperous world.

Our children who will be born this year will come of age in the 21st Century. What kind of society, what kind of world are we building for them? Will we ourselves be at peace? Will our children enjoy a better quality of life? Will a strong and united America still be a force for freedom and prosperity around the world?

Tonight, there is every sign that the state of our Union is sound. [Applause.] Our economy offers greater prosperity for more of our people than ever before. Real per capita income and real business profits have risen substantially in the last two years. Farm exports are setting an all-time record each year and farm income last year—net farm income—was up more than 25 percent. Our liberties are secure. Our military defenses are strong and growing stronger and more importantly tonight, America, our beloved country, is at peace. [Applause.]

Our earliest national commitments modified and reshaped by succeeding generations have served us well. But the problems that we face today are different from those that confronted earlier generations of Americans. They are more subtle, more complex and more interrelated. At home, we are recognizing ever more clearly that government alone cannot solve these problems. And abroad, few of them can be solved by the United States alone.

But Americans as a united people—working with our allies and friends—have never been afraid to face problems and to solve problems either here or abroad.

The challenge to us is to build a new and firmer foundation for the future—for a sound economy, for a more effective government, for more political trust, and for a stable peace—so that the America our children inherit will be even stronger and even better than it is today.

We cannot resort to simplistic or extreme solutions which substitute myths for common sense.

In our economy it is a myth that we must choose endlessly between inflation and recession. Together, we build the foundation for a strong economy with lower inflation without contriving either a recession with its high unemployment, or unworkable mandatory government controls.

In our government it is a myth that we must choose between compassion and competence. Together, we build the foundation for a government that works—and works for people.

In our relations with our potential adversaries it is a myth that we must choose between confrontation and capitulation. Together we build the foundation for a stable world of both diversity and peace.

Together, we have already begun to build a foundation for confidence in our economic system. During the last two years, in bringing our economy out of the deepest recession since the 1930's, we have created 7,100,000 new jobs. The unemployment rate has gone down 25 percent. [Applause.] And now we must redouble our fight against the persistent inflation that has wracked our country for more than a decade. That is our most important domestic issue and we must do it together. [Applause.]

We know that inflation is a burden for all Americans, but it is a disaster for the poor, the sick and the old. No American family should be forced to choose among food, warmth, health care or decent housing because the cost of any of these basic necessities has climbed out of reach.

Three months ago, I outlined to the Nation a balanced anti-inflation program that couples responsible government restraint with responsible wage and price restraint. It is based upon my knowledge that there is a more powerful force than government compulsion—the force created by the cooperative efforts of millions of Americans working toward a common goal.

Business and labor have been increasingly supportive. It is imperative that we in government do our part. We must stop excessive government growth, and we must control government spending habits. [Applause.]

I have sent to this Congress a stringent, but a fair budget—one that, since I ran for President in 1976, will have cut the Federal deficit in half and as a percentage of our gross national product the deficit will have dropped by almost 75 percent.

This Congress had a good record last year, and I now ask the 96th Congress to continue this partnership in holding the line on excess Federal spending. It will not be easy. But we must be strong and we must be persistent. This budget is a clear message that with the help of you and the American people, I am determined as President to bring inflation under control. [Applause.]

The 1980 budget provides enough spending restraint to begin unwinding inflation, but enough support for our country to keep American workers productive and to encourage the investments that provide new jobs. We will continue to mobilize our Nation's resources to reduce our trade deficit substantially this year and to maintain the strength of the American dollar.

We have demonstrated in this restrained budget that we can build on the gains of the past two years to provide additional support to educate disadvantaged children, to care for the elderly, to provide nutrition and legal services for the poor, and to strengthen the economic base of our urban communities and also our rural areas. This year we will take our first steps to develop a national health plan.

We must never accept a permanent group of unemployed Americans, with no hope and no stake in building our society. For those left out of the economy because of discrimination, a lack of skills or poverty, we must maintain high levels of training, and we must continue to provide jobs.

A responsible budget is not our only weapon to control inflation.

We must act now to protect all Americans from health care costs that are rising $1 million per hour, 24 hours a day—doubling every five years. We must take control of the largest contributor to that inflation—skyrocketing hospital costs.

There will be no clearer test of the commitment of this Congress to the anti-inflation fight than the legislation I will submit again this year to hold down inflation in hospital care. [Applause.] Over the next five years my proposals will save Americans a total of $60 billion, of which $25 billion will be savings to the American taxpayer in the Federal budget itself. The American people have waited long enough. This year we must act on hospital cost containment.

We must also fight inflation by improvements and better enforcement of our antitrust laws, and by reducing Government obstacles to competition in the private sector.

We must begin to scrutinize the overall effect of regulation in our economy. Through deregulation of the airline industry we have increased profits, cut prices for all Americans, and begun for one of the few times in the history of our Nation to actually dismantle a major Federal bureaucracy. [Applause.] This year we must begin the effort to reform our regulatory processes for the railroad, bus and the trucking industries.

America has the greatest economic system in the world. Let's reduce government interference and give it a chance to work. [Applause.]

I call on Congress to take other anti-inflation action—to expand our exports, to protect American jobs threatened by unfair trade, to conserve energy, to increase production and to speed the development of solar power, and to reassert our Nation's technological superiority. American workers who enlist in the fight against inflation deserve not just our gratitude, but they deserve the protection of the real wage insurance proposal that I have already made to the Congress.

To be successful we must change our attitudes as well as our policies. We cannot afford to live beyond our means, we cannot afford to create programs that we can neither manage nor finance, or to waste our natural resources, and we cannot tolerate mismanagement and fraud. [Applause.] Above all, we must meet the challenges of inflation as a united people.

With the support of the American people, government in recent decades has helped to dismantle racial barriers, has provided assistance for the jobless and the retired, has fed the hungry, has protected the safety, health and bargaining rights of American workers, and has helped to preserve our natural heritage.

But it is not enough to have created a lot of government programs. Now we must make the good programs more effective, and improve or weed out those which are wasteful or unnecessary.

With the support of the Congress, we have begun to reorganize and get control of the bureaucracy. We are reforming the Civil Service system so that we can recognize and reward those who do a good job and correct or remove those who do not.

This year we must extend major reorganization efforts to education, to economic development and to the management of our natural resources. We need to enact a sunset law so that when government programs have outlived their value they will automatically be terminated. [Applause.]

There is no such thing as an effective and a noncontroversial reorganization reform, but we know that honest, effective government is essential to restore public faith in our public action.

None of us can be satisfied when two-thirds of the American citizens chose not to vote last year in the national election. Too many Americans feel powerless against the influence of private lobbying groups and the unbelievable flood of private campaign money which threatens our electoral process. This year we must regain the public's faith by requiring limited financial funds from public funds for congressional election campaigns. [Applause.]

House Bill 1 provides for this public financing of campaigns, and I look forward with a great deal of anticipation to signing it at an early date. [Applause.]

A strong economy and an effective government will restore confidence in America. But the path to the future must be charted in peace. We must continue to build a new and a firm foundation for a stable world community.

We are building that new foundation from a position of national strength—the strength of our own defenses, the strength of our friendships with other nations, and of our oldest American ideals. America's military power is a major force for security and stability in the world. We must maintain our strategic capability and continue the progress of the last two years with our NATO allies, with whom we have increased our readiness, modernized our equipment, and strengthened our defense forces in Europe. I urge you to support the strong Defense budget which I have proposed to the Congress. [Applause.]

But our national security in this complicated age requires more than just military might. In less than a lifetime, world population has more than doubled; colonial empires have disappeared; and a hundred new nations have been born. Mass communications, literacy, and migration to the world's cities have all awakened new yearnings for economic justice and human rights among people everywhere. This demand for justice and human rights is a wave of the future.

In such a world, the choice is not which superpower will dominate the world. None can and none will. The choice instead is between a world of anarchy and destruction, or a world of cooperation and peace.

In such a world, we seek not to stifle inevitable change, but to influence its course in helpful and constructive ways that enhance our values, our national interests, and the cause of peace.

Towering over this volatile changing world, like a thundercloud on a summer day, looms the awesome power of nuclear weapons.

We will continue to help shape the forces of change; to anticipate emerging problems of nuclear proliferation and conventional arms sales; and to use our great strength and influence to settle international conflicts in other parts of the world before they erupt and spread.

We have no desire to be the world's policeman. But America does want to be the world's peacemaker. [Applause.]

We are building the foundation for truly global cooperation—not only with Western industrialized nations, but with the developing countries as well. Our ties with Japan and our European allies are stronger than ever—and so are our friendly relations with the people of Latin America, Africa, and the Western Pacific and Asia.

We have won new respect in this hemisphere with the Panama Canal Treaties. We have gained new trust with the developing world through our opposition to racism, our commitment to human rights, and our support for majority rule in Africa.

The Multilateral Trade Negotiations are now reaching a successful conclusion, and Congressional approval is essential to the economic well-being of our own country and of the world. This will be one of our top priorities in 1979.

We are entering a hopeful era in our relations with one-fourth of the world's people who live in China. The presence of Vice Premier Deng Xiaoping next week will help to inaugurate that new era. And with prompt Congressional action on authorizing legislation, we will continue our commitment to a prosperous, peaceful, and secure life for the people of Taiwan. [Applause.]

I am grateful that in the past year—as in the year before—no American has died in combat anywhere in the world. [Applause.] And in Iran, Nicaragua, Cyprus, Namibia, and Rhodesia, our country is working for peaceful solutions to dangerous conflicts.

In the Middle East—under the most difficult circumstances—we sought to help ancient enemies lay aside deep-seated differences that have produced four bitter wars in our lifetime.

Our firm commitment to Israel's survival and security is rooted in our deepest convictions and in our knowledge of the strategic importance to our own Nation of a stable Middle East. To promote peace and reconciliation in the region, we must retain the trust and the confidence both of Israel and also of the Arab nations that are sincerely searching for peace.

I am determined as President to use the full beneficial influence of our country so that the precious opportunity for lasting peace between Israel and Egypt will not be lost. [Applause.]

The new foundation of international cooperation that we seek excludes no nation. Cooperation with the Soviet Union serves the cause of peace, for in this nuclear age, world peace must include peace between the superpowers—and it must mean the control of nuclear arms.

Ten years ago, the United States and the Soviet Union made the historic decision to open the Strategic Arms Limitations Talks, or SALT. The purpose of SALT, then as now, is not to gain a unilateral advantage for either nation, but to protect the security of both nations—to reverse the costly and dangerous momentum of the nuclear arms race—to preserve a stable balance of nuclear forces—and to demonstrate to a concerned world that we are determined to help preserve the peace.

The first SALT agreement was concluded in 1972. And since then, during six years of negotiations—by both Republican and Democratic leaders—nearly all issues of SALT II have been resolved. If the Soviet Union continues to negotiate in good faith, a responsible SALT agreement will be reached.

It is important that the American people understand the nature of the SALT process.

SALT II is not based on sentiment. It is based on self-interest—of the United States and of the Soviet Union. Both nations share a powerful common interest in reducing the threat of a nuclear war. I will sign no agreement which does not enhance our national security. [Applause.]

SALT II does not rely on trust. It will be verifiable. We have very sophisticated, proven means—including our satellites—to determine for ourselves whether or not the Soviet Union is meeting its treaty obligations. I will sign no agreement which cannot be verified.

The American nuclear deterrent will remain strong after SALT II. For example, just one of our relatively invulnerable Poseidon submarines—compris-

ing less than two percent of our total nuclear force of submarines, aircraft, and land-based missiles—carries enough warheads to destroy every large and medium-sized city in the Soviet Union. Our deterrent is overwhelming—and I will sign no agreement unless our deterrent force will remain overwhelming. [Applause.]

A SALT agreement, of course, cannot substitute for wise diplomacy or a strong defense, nor will it end the danger of nuclear war. But it will certainly reduce that danger. It will strengthen our efforts to ban nuclear tests and to stop the spread of atomic weapons to other nations. And it can begin the process of negotiating new agreements which will further limit nuclear arms.

The path of arms control backed by a strong defense—the path our Nation and every President has walked for 30 years—can lead to a world of law and of international negotiation and consultation, in which all peoples might live in peace.

In this year, 1979, nothing is more important than that the Congress and the people of the United States resolve to continue with me on that path of nuclear arms control and world peace. This is paramount. [Applause.]

I have outlined some of the changes that have transformed the world and which are continuing as we meet here tonight. But we, in America, need not fear change. The values on which our Nation was founded—individual liberty, self-determination, the potential for human fulfillment in freedom—all of these endure. We find these democratic principles praised even in books smuggled out of totalitarian nations, and on wall posters in lands where we thought—which we thought were closed to our influence.

Our country has regained its special place of leadership in the world-wide struggle for human rights.

And that is a commitment that we must keep at home, as well as abroad. The Civil Rights revolution freed all Americans, black and white, but its full promise still remains unrealized. I will continue to work with all my strength for equal opportunity for all Americans and for affirmative action for those who carry the extra burden of past denials of equal opportunity. [Applause.] We remain committed to improving our labor laws to better protect the rights of American workers. And our Nation must make it clear that the legal rights of women as citizens are guaranteed under the laws of our land by ratifying the Equal Rights Amendment. [Applause.]

As long as I am President, at home and around the world, America's example and America's influence will be marshalled to advance the cause of human rights.

To establish those values, two centuries ago a bold generation of Americans risked their property, their position, and life itself.

We are their heirs. And they are sending us a message across the centuries. The words they made so vivid are now growing faintly indistinct, because they are not heard often enough. They are words like justice, equality, unity, truth, sacrifice, liberty, faith, and love.

These words remind us that the duty of our generation of Americans is to renew our Nation's faith—not focused just against foreign threats, but against the threat of selfishness, cynicism, and apathy.

The new foundation I have discussed tonight can help us build a nation and a world where every child is nurtured and can look to the future with hope—where the resources now wasted on war can be turned towards meeting human needs—where all people have enough to eat, a decent home, and protection against disease. It can help us build a nation and a world where all people are free to speak the truth and to add to human understanding, so that all of us may live our life in peace.

Tonight, I ask you, the Members of the Congress, to join me in building that new foundation—a better foundation—for our beloved country and our world.

Thank you very much.

[Applause, the Members rising.]

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At 9 o'clock and 44 minutes p.m., the President of the United States, accompanied by the Committee of Escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order: The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The ambassadors, ministers, and charges d'affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 9 o'clock and 45 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. MURTHA. Mr. Speaker, I move that the message of the President together with the accompanying documents be referred to the Committee of the Whole House on the State of the Union and ordered printed.

The motion was agreed to.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Wednesday, January 24, 1979, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

448. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the U.S. Coast Guard for "Accounts, Retired Pay," for fiscal year 1978 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section (e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

449. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107 of title 10, United States Code, to remove the limitation on the number of cadets or midshipmen who may be appointed from the 2-year Senior Reserve Officers' Training Corps course; to the Committee on Armed Services.

450. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting the annual report for fiscal year 1978 on design and construction supervision, inspection, and overhead fees charged by the construction agents for military construction projects of the Military Departments and Defense Agencies, pursuant to section 604 of Public Law 95-82; to the Committee on Armed Services.

451. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting a report on military construction project authorization increases and scope reductions for fiscal year 1978, pursuant to section 603(f) of Public Law 95-82; to the Committee on Armed Services.

452. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 6(d)(1) of the Military Selective Service Act (50 U.S.C. App. 456(d)(1)) to provide greater training flexibility for Reserve officers ordered to active duty for training for not more than 6 months by deleting the requirement that they be ordered to active duty for not less than 3 months; to the Committee on Armed Services.

453. A letter from the Comptroller of the Currency, transmitting his annual report for 1977, pursuant to section 333 of the Revised Statutes; to the Committee on Banking, Finance and Urban Affairs.

454. A letter from the Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the Defense Department's disposal of foreign excess personal property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

455. A letter from the Secretary of State, transmitting reports on assistance to bereaved U.S. families overseas, domestic travel restrictions on foreign citizens, employment opportunities abroad for families of members of the Foreign Service, review of Foreign Service personnel requirements, actions taken to secure a multilateral agreement governing the use of nuclear-powered satellites, actions taken to promote a U.S.-sponsored World Alternate Energy Conference, and actions taken to promote an end to atrocities in Cambodia and Uganda, pursuant to sections 121(b), 126(c), 401(c), 413(c), 608(c), 609(c) and 610(c) of Public Law 95-426, respectively; to the Committee on International Relations.

456. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC-3-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

457. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC-8-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

458. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of States, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

459. A letter from the Secretary of Transportation, transmitting the third annual report on progress in formulating average automotive fuel economy standards, pursuant to section 502(a)(2) of the Motor Vehicle Information and Cost Savings Act, as amended (89 Stat. 902); to the Committee on Interstate and Foreign Commerce.

460. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the monthly report on sales of refined petroleum products for October 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

461. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development; to the Committee on Science and Technology.

462. A letter from the Comptroller General of the United States, transmitting a report on the readiness status and ability of Marine Corps amphibious forces (LCD-78-417, January 22, 1979); jointly to the Committee on Government Operations and Armed Services.

463. A letter from the Comptroller General of the United States, transmitting a report on the premature deterioration of concrete bridge decks in the Nation's Federal-aid highway systems (PSAD-79-10, January 19, 1979); jointly, to the Committees on Government Operations, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 1289. A bill to amend the Truth in Lending Act to facilitate compliance with such act and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BENNETT:

H.R. 1290. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. BRODHEAD:

H.R. 1291. A bill to amend title IV of the Social Security Act to provide for the payment of adoption subsidies under the AFDC program, and to make needed improvements in the child welfare services and foster care programs; to the Committee on Ways and Means.

H.R. 1292. A bill to amend the Internal Revenue Code of 1954 to permit certain simple trusts to be shareholders in subchapter S corporations; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 1293. A bill to protect the freedom of the press under the first amendment to the Constitution; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 1294. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

H.R. 1295. A bill to amend the Internal Revenue Code of 1954 to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns, and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1296. A bill to provide increased benefits under the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LONG of Maryland:

H.R. 1297. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. RAHALL:

H.R. 1298. A bill to designate the U.S. Post Office and Federal Building in Huntington, W. Va., as the "Sidney L. Christie Federal Building"; to the Committee on Public Works and Transportation.

By Mr. SAWYER:

H.R. 1299. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures; to the Committee on Interstate and Foreign Commerce.

H.R. 1300. A bill to amend section 924(c) (relating to mandatory penalties for certain felonies committed with firearms) of title 18 of the United States Code to change the sentencing structure for offenses under such section, to eliminate parole for such offenses, and to make specific the exclusion of certain felonies from the groups of felonies to which such section applies; to the Committee on the Judiciary.

By Mr. SAWYER (for himself and Mr. FOWLER):

H.R. 1301. A bill to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1302. A bill to amend title 18 of the United States Code to provide penalties for certain activities relating to the taking of children by parents from legal custodians; to the Committee on the Judiciary.

H.R. 1303. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

H.R. 1304. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. SAWYER (for himself and Mr. MCCLOSKEY):

H.R. 1305. A bill to amend title 18, United States Code, to restrict the issuance of search warrants with respect to certain property possessed by persons who are not suspects in a criminal investigation; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.R. 1306. A bill to require the preparation of small business impact statements in connection with Federal agency rules; jointly, to the Committees on the Judiciary, and Small Business.

By Mr. WHITEHURST:

H.R. 1307. A bill to establish the North Country National Scenic Trail located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota, as a component of the National Trails System; to the Committee on Interior and Insular Affairs.

H.R. 1308. A bill to authorize the Small Business Administration to make grants to support the development and operations of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Committee on Small Business.

H.R. 1309. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 1310. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 1311. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

H.R. 1312. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations, and Rules.

By Mr. YATRON:

H.R. 1313. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.J. Res. 142. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.J. Res. 143. Joint resolution to amend the Constitution of the United States to provide for balanced Federal budgets and the elimination of the public debt of the United States; to the Committee on the Judiciary.

By Mr. NOLAN:

H.J. Res. 144. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. RAHALL:

H.J. Res. 145. Joint resolution to authorize National Shut-in Day; to the Committee on Post Office and Civil Service.

By Mr. SAWYER:

H.J. Res. 146. Joint resolution proposing an amendment to the Constitution to provide that except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. SEBELIUS (for himself, Mr. ENGLISH, Mr. WINN, Mr. GLICKMAN, Mr. WHITTAKER, Mr. ABDNOR, Mr. JEFFRIES, Mr. MARLENEE, and Mr. WATKINS):

H.J. Res. 148. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII,

17. The SPEAKER presented a memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to settlement of war damage claims under the Micronesian Claims Act of 1971; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 1314. A bill for the relief of Maurits A. Sterner; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 1315. A bill for the relief of Mrs. Rita Chelnek; to the Committee on the Judiciary.

H.R. 1316. A bill for the relief of Kuo-Yao-Cheng; to the Committee on the Judiciary.

H.R. 1317. A bill for the relief of Adolfo Lopez Sanabria; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 1318. A bill for the relief of Heung-Sang Chen (also known as Margaret Chun); to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. JOHN L. BURTON, Mr. CORRADA, Mr. RICHMOND, Mr. SCHEUER, and Mr. STEWART.

H.R. 39: Mr. PEPPER, Mr. FINDLEY, Mr. ROYBAL, Mr. MINISH, Mr. WEISS, Mr. SAWYER, Mr. BALDUS, Mr. SOLARZ, Ms. HOLTZMAN, Mr. PERKINS, Mr. PREYER, Mr. SHARP, Mr. RINALDO, Mr. ASHLEY, Mr. GINN, Mr. WHITEHURST, Mr. BROWN of California, Mr. KOGOVSEK, Mr. MILLER of California, Mr. WON PAT, Mr. STARK, Mr. ROSE, Mr. COUGHLIN, Mr. NOLAN, Mr. QUILLEN, Mrs. HOLT, Mr. CAVANAUGH, Mr. THOMPSON, Mr. ALEXANDER, Mr. BEDELL, and Mr. WOLPE.

H.R. 628: Mr. BONIOR of Michigan, Mr. CARR, Mr. DORNAN, Mr. FORSYTHE, Mr. GRISHAM, Mr. HOLLENBECK, Mr. HUGHES, Mr. LONG of Maryland, Mr. ROTH, Mrs. SPELLMAN, and Mr. TRAXLER.

H.J. Res. 124: Mr. BEARD of Rhode Island.

PETITIONS, ETC.

Under clause 1 of rule XXII,

42. The SPEAKER presented a petition of the town of West Orange, N.J., relative to restoration of Federal antirecession funds; to the Committee on Government Operations.

SENATE—*Tuesday, January 23, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Honorable WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Reverend Donald Macleod, Th.D., D.D., professor, preaching and worship, Princeton Theological Seminary, Princeton, N.J., offered the following prayer:

O Thou who art our Creator and our God, who art the Lord of heaven and of all the Earth, in whose eternity our little times are held and in whose service there is perfect freedom, we come to Thee as people of privilege to bless Thee for what Thou art and for the means Thou hast given to make us who we are. We pray for our country: May truth, fair play, and sincere religion give heart to our public and private life. Be especially near our legislators who serve our Nation here day by day. Give true substance to their visions and may their dreams become concerns which answer our people's deepest needs. Thou hast given us this day as a clean, fresh page in the book of life. May we take care how we write upon it, for when the evening comes we cannot erase a single line. In Thy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 23, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, these are various unanimous-consent requests that have been cleared with the minority in advance.

PRIVILEGE OF THE FLOOR FOR HOUSE PARLIAMENTARIAN AND HIS THREE ASSISTANTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Parliamentarian of the House of Representatives, and his three assistants, be given the privilege of the floor for the duration of the 96th Congress.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR FOR SENATE STAFF

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, for the duration of the 96th Congress, Senators be allowed to leave at the desk with the Journal Clerk a list of no more than two staff members who will be granted the privilege of the floor during the consideration of the specific matter noted on the list, and that the Sergeant-at-Arms be instructed to rotate such staff members as space allows.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER CONCERNING PRINTING OF CONFERENCE REPORTS IN CERTAIN CIRCUMSTANCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, notwithstanding the provisions of the Legislative Reorganization Act, conference reports

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

and statements accompanying them not be printed as Senate reports when the House of Representatives acts first on such reports, or conference reports and statements have been printed as a House report, unless specific request is made in the Senate in each instance to have such a report printed.

I ask that this request obtain through the 96th Congress.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORTS DURING ADJOURNMENTS OR RECESSES OF SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized during the 96th Congress to file reports during adjournments or recesses of the Senate on appropriation bills, including joint resolutions, together with any accompanying notices of motions to suspend rule XVI, pursuant to rule XL, for the purpose of offering certain amendments to such bills or joint resolutions, which proposed amendments shall be printed.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, that sort of exceeded my ability to digest. I wonder if the majority leader can withhold that for just a moment.

Mr. ROBERT C. BYRD. Yes.

Mr. President, I withhold that request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Later, the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I now repeat the request with respect to the authorization granted to the Committee on Appropriations to file reports.

Mr. BAKER. Mr. President, we have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR REMOVAL OF INJUNCTION OF SECRECY ON EIGHT TREATIES

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from eight treaties transmitted to the Senate by the President of the United States on January 19, 1979.

These treaties are:

The Treaty on Extradition with the Federal Republic of Germany (Executive A, 96th Congress, first session);

The Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage (Executive B, 96th Congress, first session);

The Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, with Annexes I and II, and Protocols I and II, 1973 (Executive C, 96th Congress, first session);

The Protocol of 1978 Relating to the International Convention for the Safety of Life at Sea, 1974 (Executive D, 96th Congress, first session);

The revised Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Executive E, 96th Congress, first session); and

Three treaties establishing maritime boundaries between the United States and Mexico, Venezuela and Cuba (Executives F, G and H, 96th Congress, first session).

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages transmitting the treaties be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition Between the United States of America and the Federal Republic of Germany, signed at Bonn on June 20, 1978.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern extradition treaties being negotiated by the United States. It expands the list of extraditable offenses to include aircraft hijacking and narcotics offenses, as well as several other offenses not now covered by our existing Extradition Treaty with the Federal Republic of Germany. Upon entry into force, it will terminate and supersede the existing Extradition Treaty between the United States and the Federal Republic of Germany.

This treaty will make a significant contribution to international cooperation in law enforcement. I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to accession, the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage (ATP), done at Geneva on September 1, 1970, under the auspices of the Economic Commission for Europe (ECE). For the information of the Senate, I also transmit the report of the Department of State on the Agreement.

The Agreement came into force on November 21, 1976 following ratification by France, the Federal Republic of Germany, Spain, the Union of Soviet Socialist Republics, and Yugoslavia. Since then, Denmark, Austria, Italy, Luxembourg, and Bulgaria have also ratified it.

The Agreement requires that insulated, refrigerated or heated transportation equipment used to move perishable foodstuffs into contracting states be tested, certified and marked to ensure that such equipment is properly insulated and capable of maintaining a prescribed temperature within the equipment.

Article 5 exempts equipment whose movement involves a deep sea voyage of 150 kilometers or more. Thus, traffic in foodstuffs between the United States and Europe is not subject to the ATP. In addition, and in accordance with an option available under Article 10, the United States will not apply the ATP to transport equipment operating within and moving into and out of the United States and its territories.

However, accession to the ATP will ensure that the United States has a voice in ECE deliberations and decisions pertaining to the administration of the ATP, a matter of concern to U.S. exporters of perishable foodstuffs and operators of refrigerated equipment. U.S. participation will be particularly important in relation to the Article 5 exemption of carriage involving a long sea voyage. As a contracting party, the U.S. will be able to preserve this exemption by exercising the power under Article 18 to veto any proposed changes in the ATP.

Moreover, accession will enable manufacturers, owners and operators of U.S. transport equipment to have their equipment tested and certified in the United States with the assurance that the U.S.-issued certificates will be recognized by all of the contracting parties. While parties to the ATP must, under the terms of Article 2, recognize the validity of certificates issued by other contracting parties, they need not recognize certificates issued by non-parties. If the United States does not become a party, U.S. transport equipment which does not qualify for the Article 5 exemption—that is, equipment moving between countries in Europe—will be placed at a competitive disadvantage with respect to equipment owned by nationals of parties to the ATP. Furthermore, the availability of testing and certification services in the United States will enable manufacturers, owners and operators of U.S. transport equipment which may become involved in inter-European transport to test and certify their equipment while it is still on the production line.

I recommend that the Senate give early and favorable consideration to the Agreement and give its advice and consent to accession, subject to the declaration pursuant to Article 10 that the Agreement does not apply to carriage in the United States or its territories.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, a certified copy of the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, with its Annexes I and II, and Protocols I and II, 1973, done at London February 17, 1978 (the MARPOL Protocol). I send along with it, for the

Senate's consideration, the State Department's report.

The MARPOL Protocol results from proposals the United States made last year following a series of tanker incidents in or near United States waters. It aims to reduce accidental and operational pollution from tankers. The Protocol applies many new operating and construction standards to more tankers than are covered by the International Convention for the Prevention of Pollution from Ships, 1973 (the MARPOL Convention). The MARPOL Convention has not been ratified by the United States, and has not entered into force.

The MARPOL Protocol incorporates, with modifications, the MARPOL Convention transmitted to the Senate on March 22, 1977 for advice and consent to ratification. Ratification of the Protocol will, therefore, constitute acceptance of the provisions of the Convention, subject to the modifications and additions contained in the Protocol. Accordingly, I request that the Senate give advice and consent to the Protocol in place of the Convention. The MARPOL Convention contains three optional Annexes, Annexes III, IV and V, which deal with pollution from packaged harmful substances, sewage and garbage. I am not now seeking the Senate's advice and consent to these optional annexes.

The entry into force of the MARPOL Protocol will be an important step in controlling and preventing pollution from vessel discharges. I recommend that the Senate give early consideration to this Protocol and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Protocol of 1978 Relating to the International Convention for the Safety of Life at Sea, 1974, done at London, February 17, 1978. The report of the Department of State is enclosed for the information of the Senate.

The Safety of Life at Sea (SOLAS) Protocol is an international response to proposals which we made last year to improve the construction requirements for tankers, and the system for inspecting and certifying them. It deals with measures that, when they take effect, will reduce deficiencies in the physical condition of cargo ships, especially tankers, minimize steering gear failures, enhance the ability to detect collision situations and avoid collisions, and diminish the possibility of explosions.

The SOLAS Protocol, which is a separate treaty, modifies and adds to the 1974 SOLAS Convention, to which the Senate gave its advice and consent to ratification on July 12, 1978. The Protocol requires the deposit of an instrument of ratification distinct from that of the related Convention. The Conference, as advocated by the U.S. delegation, set a target date of June 1979 for the entry into force of the SOLAS Convention and as soon as possible thereafter for the SOLAS Protocol.

The United States has been in the forefront of the drive for the adoption of both the Convention and the Protocol and would like to encourage other countries to act expeditiously on this matter. I therefore recommend that the Senate give prompt consideration to the SOLAS Protocol.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, three treaties establishing maritime boundaries: the Treaty on Maritime Boundaries between the United States of America and the United Mexican States, signed at Mexico City on May 4, 1978; the Maritime Boundary Treaty between the United States of America and the Republic of Venezuela, signed at Caracas on March 28, 1978; and the Maritime Boundary Agreement between the United States of America and the Republic of Cuba, signed at Washington, December 16, 1977.

These treaties are necessary to delimit the continental shelf and overlapping claims of jurisdiction resulting from the establishing of a 200 nautical mile fishery conservation zone off the coasts of the United States in accordance with the Fishery Conservation and Management Act of 1976, and the establishment of 200 nautical mile zones by these neighboring countries.

The treaty with Mexico establishes the maritime boundary between the United States and Mexico for the area between twelve and two hundred nautical miles off the coasts of the two countries in the Pacific Ocean and Gulf of Mexico. In this regard, it supplements the Treaty to resolve Pending Boundary Differences and Maintain the Rio Grande and the Colorado River as the International Boundary between the United States of America and the United Mexican States, signed at Mexico November 23, 1970, which establishes maritime boundaries out to twelve nautical miles off the respective coasts. The treaty with Venezuela establishes the maritime boundary between the two countries in the Caribbean Sea, between Puerto Rico and the U.S. Virgin Islands and Venezuela where the 200 nautical mile zones overlap. The treaty with Cuba establishes the maritime boundary between the two countries in the Straits of Florida area and the eastern Gulf of Mexico where the 200 nautical mile zones overlap.

I believe that these treaties are in the United States interest. They are consistent with the United States interpretation of international law that maritime boundaries are to be established by agreement in accordance with equitable principles in the light of relevant geographic circumstances. They will facilitate law enforcement activities, and provide for certainty in resource development.

I also transmit for the information of the Senate the report of the Department of State with respect to each of these treaties.

I recommend that the Senate give early consideration to these treaties and advice and consent to their ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon my yielding the floor, there be a period for the transaction of routine morning business, during which Senators may be permitted to speak for not to exceed 5 minutes each; also that that period not exceed 30 minutes; provided further that, following the closure of routine morning business, Senators may debate the motion I have offered in relation to Resolution No. 9, which would revise the Senate rules; but that no motions, no action which would, in any way, affect that resolution or the pending motion be in order; provided further that—well, I stop at that point.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object. The distinguished majority leader and I discussed this earlier today. To make sure that I fully understand the nature of his request and its effect, may I ask the majority leader to confirm or correct what I am about to say?

In respect to Senate Resolution 9, the proposed rules changes, the first-day

status of that matter will be preserved by this request and extended to some future uncertain date to be further disposed of?

Mr. ROBERT C. BYRD. Let me rephrase the request, because I do not think I did a good job of it. The Senator's question makes that clear to me.

I ask unanimous consent, Mr. President, that following the morning business, Senators may debate the resolution and/or the motion, with the understanding that no Senator may have more than 30 minutes on such debate today—the request I am making is for today only; I think that should be made clear—that no motion or action which would in any way affect the resolution or the pending motions which I have offered be in order; and that when the Senate completes that debate, it stand in recess until the hour of 8 o'clock this evening, at which time it will reconvene for the purpose only of allowing Senators to assemble to proceed in a body to the Hall of the House of Representatives for a joint session to receive the President's state of the Union message; provided further that, upon the dissolution of that joint session this evening, the Senate will stand in recess until tomorrow at 12 o'clock noon.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving once again my right to object, I have no objection to that. I understand the nature of the request and I observe that as far as I can ascertain, the only distinction between this and the previous request made by the Senator in respect to the resolution and the motion is that it would provide a limited amount of time for debate on this afternoon before we proceed to the Hall of the House of Representatives to hear the President's message on the state of the Union.

I, of course, see no difficulty on this side and I have no objection to it.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, both the minority leader and I have to be off the floor at times. I ask unanimous consent that no request be in order unless it has been cleared with both the minority leader and myself, or one or the other, and I fully trust my colleague, no request or unanimous consent to proceed to take up any business today be in order, and no motion to proceed to take up any business today be in order, without it having been cleared with either or both of us.

I would assume that the minority leader, under the circumstances that would obtain today, if he gets a request, will inform me, and I will do likewise if I get a request of that kind, I will inform him unless it is my intention to come in and automatically object. If he wants to come in and automatically object, that suits me, but I want each of us protecting the other in this situation today.

I do not want to move off the floor and find that someone called up a resolution of some kind and asked for its immediate consideration and nobody objected; then that resolution is up here and it could be debated for quite some time. I want to be fully protected that nothing is going to be brought up by motion or by unanimous consent. I want to be notified. I want to be on the floor before the motion or unanimous-consent request is made.

I certainly will accord the minority leader that same consideration.

Mr. BAKER. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Before he propounds the request, I am perfectly agreeable to that and I represent to my friend, the majority leader, that those terms are acceptable to me and that I will be glad to cooperate.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This does not presume there will not be some unanimous-consent request, of course, and it does not affect the Senator who wishes to ask unanimous consent that his statement be put in the RECORD; anything of that sort. It deals only with motions to proceed or unanimous-consent requests to proceed.

The ACTING PRESIDENT pro tempore. Is it the majority leader's and minority leader's understanding that the Chair would be required to ask anyone who offers a unanimous-consent agreement throughout the remainder of the day if he has cleared it with both the majority leader and the minority leader with the one exception, the unanimous consent to have the remainder of a statement placed in the RECORD?

Mr. ROBERT C. BYRD. Yes, that would be agreeable.

The ACTING PRESIDENT pro tempore. I thank the majority leader.

Mr. ROBERT C. BYRD. That would certainly suffice to carry out the order entered into, as far as I am concerned.

I thank the Chair and I thank the minority leader.

Mr. ROBERT C. BYRD subsequently said. Mr. President, I want to clarify one thing.

The requests on which I have secured the consent of the Senate limit themselves to motions and unanimous-consent requests to proceed. They do not limit Senators from asking unanimous-consent requests to place statements in the RECORD, and they do not limit Senators from asking unanimous consent that the order for a quorum be suspended.

I am only dealing with motions and requests to proceed. I hope that I have made that fully clear.

ORDER TO CONVENE AT 8:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I modify my request as to the meeting time for the Senate this evening, to assemble before proceeding to the Hall of the House of Representatives, by substituting 8:30 p.m. for 8 o'clock p.m.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It would be well if all Senators were on the floor by 8:30 p.m., and then at about 20 minutes of 9 the Senate would proceed in a body to the Hall of the House of Representatives.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

INAUGURATION OF GOVERNOR ALEXANDER IN NASHVILLE

Mr. BAKER. Mr. President, it was an extraordinary pleasure for me to attend the inauguration of Governor Alexander in Nashville on this past Saturday. His inaugural address, I thought, was not only appropriate to the circumstances, but outstanding as well.

Mr. President, I ask unanimous consent to have his inaugural address printed in the RECORD.

There being no objection, the inaugural address was ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS

Mr. President Wilder, Mr. Speaker McWherter, Mr. Chief Justice, Distinguished Members of the 91st General Assembly, Senator Baker, Senator Sasser, Distinguished Members of Tennessee's Congressional Delegates, Governor Dunn, Governor Finch, Governor Holton, Tennesseans and other friends, each and all.

If Wednesday was a sad day for Tennessee, today is a happy one—for the people and their government are back together again.

The pain will stay with us for awhile. But today there's room for pride as well.

From that moment twenty-one years ago when Frank Clement swore me in as Governor of Tennessee Boy's State, I have hoped for this moment. This chance to serve has been my life-long ambition. This job has been my proud goal. It has been my impossible dream.

So now, 21 years later, I hope you'll forgive me this one sweet moment of personal pride. Pride and gratitude—to my family then and my family now—who have given me so much—and who have suffered my pursuit of a dream for so long.

And gratitude to each of you who said with your work and with your votes: "I trust you, Lamar." I pray to God that I won't let you down.

I think, perhaps, that you too may feel some pride today. For your road to this day has been as long and as hard as my own.

Your journey through the agony of lost trust and mine through the hills and homes of Tennessee have brought us here together. I have tried to walk in your shoes and am better for it. You have walked with me, and I am better for that, too.

But winning the job and serving in it are two different things. And the hard part has only just begun.

How can we make the promise of this day real? How can the people and their government stay together with trust and pride?

The power of government makes corruption so easy.

The size of government makes the people so distant.

The computers of government make indifference so likely.

The noise of government makes listening so rare.

No wonder government becomes the enemy. No wonder pride gives way to resentment or bitterness or fear. No wonder our young people turn away from the profession of public service in dismay and disgust.

I do not know how much of this we can change. But I know we must try. This won't be an administration of big, new programs. We won't be thinking up complicated new ways to frustrate your lives. We won't be seeking more ways to spend your taxes.

We're going to try to remember that the government's money belongs not to the politicians but to you. I'm going to try to remember that the power the Governor has come from you. To abuse it is to abuse you. So I'm asking your help in finding the ways the people and their government can stay together.

The Governor must lead. But he does not have exclusive wisdom or exclusive power. This General Assembly will demonstrate its wisdom; it shares the power to govern. Its leadership has shown this week that it can exercise that power with courage. The people expect, and I ask of the entire General Assembly, a mutual commitment to the people. Together we can lay party labels and party politics aside; together we can make this government work a little better; together we can go that extra mile to reach out for the people and hope their wisdom rubs off on each of us.

Of my cabinet and my staff, I ask a mutual commitment to the people. Together we can know their joys and feel their pain. Together and regularly we can leave our paperwork and our Nashville preoccupation and go out to feel the pulse of the people we serve. Together we can go that extra mile to reach out for the people and hope their decency rubs off on each of us.

And of the people, I ask a commitment, too. As we reach out to you, come meet us half-way. If government is to have new life and new purpose and new trust, it won't come from a new Governor . . . it will come from you. Together we can help those who need our help. Together we can get government off the back of those who don't. Together we can go that extra mile to give our children new reason to know that America and Tennessee are the finest places on this good Earth.

I want other young Tennesseans to dream ahead 28 years and want to be Governor or serve our state and its communities in some other way. I want them to be proud and persistent in those ambitious dreams.

And we can start to encourage those goals and dreams right here and now. Today there are 15,000 proud young people here today ready to march in a musical salute to Tennessee. They're going the extra mile to a parade down Charlotte Avenue past the reviewing stand. I'm asking each of you to go the symbolic extra mile too by walking with me down to the reviewing stand and staying there with me to salute Tennessee's future.

To those who say it's too cold (or too wet a day to walk. I say that after everything we've been through it looks like a great day to me.

Let's walk down Charlotte together. Let's go the extra mile to put the agony and the anger behind us. Let's let our pain give way to pride again.

And as I ask your help today, I'll need it tomorrow and the next day and every day I hold this job. Help me see my mistakes. Don't let me get too big for my britches. Don't let the power of this office change me. Support me. Hope with me, but don't expect miracles. I need your commonsense. I need your patience. I need your strength. I need your prayers.

Walk with me . . . every step of the way. I need you.

Mr. BAKER. Mr. President, Tennessee has embarked on a new day with the inauguration of Lamar Alexander. I genuinely believe that he has the potential to be the greatest Tennessee Governor in recent history. He has asked for the help, support, and good judgment of the people of Tennessee; and, if he receives it, I am confident that the State of Tennessee can take great strides forward in the next 4 years.

PRAVDA SAYS IRAN PROVES UNITED STATES CANNOT BE TRUSTED

Mr. BAKER. Mr. President, a brief but significant article that appeared in the Monday edition of the New York Times is indicative of the important service performed on our behalf by such official spokesmen of the Soviet state as Pravda. Lest we ever be inclined to forget, the Soviets periodically and effectively remind us that we are engaged in a competitive contest with a worthy adversary for extremely high stakes.

The article, a continuation of Soviet attempts to exploit the situation in Iran, indicates that the Soviets truly understand the nature of the competition between our two countries. I would feel somewhat more confident if I were convinced that we have a comparable understanding of the strategic game and how to play it.

So it is good, Mr. President, that Pravda periodically reminds us of their view of our relationship. I believe we should heed their reminders, and I invite the attention of my colleagues to the article which I ask be printed in the RECORD.

Mr. President, I ask unanimous consent that the article with the headline "Pravda Says Iran Proves U.S. Cannot Be Trusted" which appeared in the New York Times on Monday, January 22, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 22, 1979]

PRAVDA SAYS IRAN PROVES U.S. CANNOT BE TRUSTED

Moscow, January 21.—Pravda said today that the fate of the Shah of Iran should be a warning to other countries that cooperate with the United States. The Communist Party newspaper said American assurances of support for the Shah had come to nothing.

"The Iranian crisis," Pravda said, "gives food for thought to those statesmen and regimes who neglect their national interests for the sake of a dirty and risky political game in which they can at any moment fall victim to the shortsighted recklessness of their own partners."

The paper scorned the Western view of the Shah as a modern ruler who had carried out reforms against conservative opposition and said that modernization had failed to end poverty in Iran.

Pravda gave broad approval to the Islamic opposition to the Shah, saying the religious leaders had a reputation as opponents of tyranny.

THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, I have spoken many times about the Genocide Treaty, and I am going to talk about it again today briefly.

We have discussed the fact that every President has been for it, as has every Attorney General and the American Bar Association. There is no question that virtually every authority in the country favors the Genocide Treaty. The American Bar Association has indicated that they are convinced of its legality and constitutionality.

There is no question in my mind that it is overwhelmingly in the national interest that we join the 83 nations that have ratified the Genocide Treaty. After all, it was the American initiative that proposed it.

What I have not spoken about in connection with this Genocide Treaty, however, is the human justification for acting on it—at least, I have not spoken on that for a long, long time.

We have to recognize the absolute outrage that occurred in Nazi Germany before and during World War II, when 6 million Jews were killed, were murdered, were destroyed.

Mr. President, unfortunately, that was not the only time in history when a planned, premeditated destruction of a group or a major part of a group occurred, when genocide occurred. It has occurred numerous times in history. It is likely to occur again.

Just the other night, on CBS, a program disclosed the revival of Nazism in Western Germany—fortunately, a small revival at the present time—and that it is beginning to take hold to some extent. This reminds us that this great Nation should go on record against genocide and respond to the pleas of President Carter, President Ford, President Nixon, President Eisenhower, President Kennedy, and President Johnson.

Mr. President, genocide, after all, is the determination that a people is not fit to live—that a religious group, a racial group, a national group, an ethnic group, is not fit to live. Those who belong to that group are brought before a firing squad and exterminated. Children are deliberately killed, so that they will not be able to carry on as part of the group. As happened in Germany, people actually are burned to death deliberately. They are herded into a house, gasoline is spread about, the house is set on fire, and the people are literally burned. Gas chambers are erected for the specific purpose of destroying men, women, and little children. People are destroyed, as many of them were in Germany, through starvation.

I think all of us are haunted by the hideous pictures of the pitiful survivors of the German horror camps and of people being worked to death.

Mr. President, I have found an overwhelming reaction on the part of most Senators, on the part of staff people in the Senate, and on the part of aides who have been on the floor of the Senate

when we have discussed the Genocide Treaty before. I do hope that this year, early this year, we will, at long last, be able to act on this treaty.

It is simply a matter for action by the United States Senate—not by the House, not by the President. We are called upon to act on it. We have a duty and an obligation to humanity, as well as to our own country, to recognize the necessity, at long last, after this matter has been pending before the Senate for 30 years, after four times being reported by the Committee on Foreign Relations. The U.S. Senate, at long last, should recognize its responsibility and ratify the Genocide Convention.

Mr. JAVITS. Mr. President, the Senator from Wisconsin (Mr. PROXMIRE) has been an indefatigable friend, supporter, and advocate of the Genocide Treaty. This is one of the most admirable and creditable performance I have seen on this floor. I thank him for it; and I thank him in the name of millions upon millions of people in the United States and in the world who feel as he does.

However, more to the point than either his advocacy or mine, I am going to do my utmost to ask the Committee on Foreign Relations, once again, to report the Genocide Treaty. All the fictions and illusions and dangerous tales about it have evaporated into thin air. It is now even endorsed by the American Bar Association, which was its constant opponent.

I am going to ask the majority leader to do for us in respect to this treaty what Mike Mansfield did for us. He said that whenever we could produce the neccessary votes for cloture, he would call it up.

I do not want him to answer now, and I am not asking him publicly. That would be most unfair. I will come and see him. But I am only stating to my friend and colleague who has been such a fiery and strong supporter what I have in mind to do. It is my hope that at long last the Senate will recognize we are simply laboring under the shadow of the past even as to the opposition, this can and should be done and in a moment of such disorder, such discord, such disregard for human life and human values it would be a breath of fresh clean air, and notwithstanding the years in which this has been pending the Senate has not forgotten and will ratify this treaty.

I hope very much that he and I may share the satisfaction and the pleasures. It is going to be, we all know, a gesture but a majestic gesture, and I hope very much we can come by it in this Congress.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I thank the distinguished Senator from New York.

He really has been a champion of the Genocide Treaty, the one who fought for it where it counts, in the committee as well as on the floor. I think everything he said about the Genocide Treaty of course is correct.

I have talked with a number of Senators within the last 2 weeks and even more within the last 3 or 4 months.

I particularly tried to talk to those who have been opposed to the Genocide Treaty in the past. I wish to assure the leadership that there is no question that there is more support for the Genocide Treaty and less opposition than at any time.

I think we have an excellent chance of getting it passed. I have been told by a number of Senators that they hope it can be called up early this year for many reasons.

Obviously, it is the kind of thing that some Senator, or two or three Senators, might decide they want to talk about. If we delay, it is going to be much more difficult to get this adopted and with every day that passes, certainly with every week or month that passes it is going to be harder to get the Genocide Treaty up before the Senate and acted on.

I hope we can get it up early and have an opportunity to vote on it, vote it up or down, and I am convinced that we have a very strong support for that treaty. I think it is going to surprise the leadership.

Mr. JAVITS. May I say to the leadership that I will not come to the leadership until we can assure them in writing that there are votes for cloture and that they are signed on the dotted line.

I do not believe our problem is with them. I never have. Our problem is with the body of the Senate, and I believe it is now solved. I know the Senator will work closely with me and we are going to really make a great try this time.

Mr. PROXMIRE. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I listened to both Senators with interest and I appreciate the opportunity that they have given to me to hear what they had to say.

SENATE RESOLUTION 20—AUTHORIZING THE SECRETARY OF THE SENATE TO FURNISH DOCUMENTS TO THE GRAND JURY

Mr. ROBERT C. BYRD. Mr. President, the minority leader and I have conferred and agreed that unanimous consent will be requested to proceed immediately to the consideration of the resolution which I send to the desk.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 20) authorizing J. Stanley Kimmitt, Secretary of the Senate, to furnish certain records and documents to the Grand Jury of the United States District Court for the District of Columbia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

There being no objection, the resolution was considered and agreed to, as follows:

S. RES. 20

Whereas, J. Stanley Kimmitt, Secretary of the Senate, has been commanded by the United States District Court for the District of Columbia to attend before the Grand Jury of that Court and to bring with him certain records and documents relating to the office expenses of Senator Herman E. Talmadge, such records and documents being in the possession and under control of the Senate of the United States: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by permission of the Senate.

SEC. 2. By the privileges of the Senate and by rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate and information secured by officers and employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate.

SEC. 3. When it appears that testimony of an officer or employee of the Senate is needed for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 4. J. Stanley Kimmitt, Secretary of the Senate, is authorized to furnish to the Grand Jury of the United States District Court of the District of Columbia authenticated copies of those records and documents which have been commanded by that Court and which are in his possession or under his control in his capacity as Secretary of the Senate, namely, (1) monthly statements of office expense for the office of Senator Herman E. Talmadge for the years 1973 and 1974, and (2) records reflecting the date of submission to his office or receipt by his office of voucher #4926 for miscellaneous items which was paid by U.S. Treasury check #102090 dated March 26, 1974, in the amount of $2289.99 (but he shall not furnish any original Senate record or document), and he is also authorized, if required, to appear before the Grand Jury.

SEC. 5. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

AUTHORIZATION TO APPOINT COMMITTEE OF SENATORS TO ESCORT PRESIDENT INTO HOUSE CHAMBER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President be authorized to appoint a committee of Senators on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 67, A BILL TO AMEND THE TRADE ACT OF 1974

Mr. HELMS. Mr. President, I am pleased to join in the cosponsorship of S.

67, a bill designed to include textile and apparel goods among those items not subject to the tariff-cutting talks currently taking place in Geneva.

Similar legislation was introduced in the last session, and I strongly supported it then. That legislation passed the Senate and the House. It was sent to the President for his signature, but he refused to sign it. Hence, we again come to this body to urge favorable consideration.

The question before us is, quite simply, whether our domestic textile industry will be able to continue to survive the ravages of a relentless tide of foreign imports from low-wage countries. Foreign textiles imported into the United States last year were valued at nearly $8 billion, up from less than $6 billion in 1977. Such imports account for nearly 20 percent of our balance-of-trade deficit.

The Department of Labor has reported that of some 2.3 million textile jobs in the United States, more than 325,000 textile workers are either out of work or on short time. Current unemployment rates in the United States are hovering at about 6 percent, yet the figure is 8 percent for the textile and apparel industries.

Every sixth textile job in America is held by a North Carolinian. We have so much at stake, and it is imperative that further imports not be encouraged by further decreasing the import tariffs. To illustrate the tremendously adverse impact that failure to enact this bill can have upon my State, I ask unanimous consent that a table detailing the number of textile and apparel employees in each of the 100 counties of North Carolina be printed in the RECORD at the conclusion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

County:	Number of Textile and apparel employees
Alamance	15,176
Alexander (est.)	1,183
Alleghany (est.)	750
Anson	2,393
Ashe (est.)	750
Avery (est.)	550
Beaufort (est.)	1,125
Bertie	293
Bladen	1,159
Brunswick (est.)	175
Buncombe	5,743
Burke	8,879
Cabarrus	19,242
Caldwell	2,554
Camden	0
Carteret (est.)	750
Caswell (est.)	750
Catawba	10,895
Chatham (est.)	2,016
Cherokee (est.)	1,019
Chowan	565
Clay (est.)	175
Cleveland	7,596
Columbus	1,705
Craven (est.)	1,073
Cumberland	2,846
Currituck	0
Dare	0
Davidson	5,427
Davie (est.)	882
Duplin	2,451
Durham (est.)	2,125
Edgecombe (est.)	2,421
Forsyth	6,906
Franklin	1,118
Gaston	23,118
Gates	0
Graham	0
Granville	2,124
Greene (est.)	175
Guilford	14,706
Halifax (est.)	4,922
Harnett (est.)	2,811
Haywood	0
Henderson	2,275
Hertford (est.)	750
Hoke (est.)	1,750
Hyde	0
Iredell	8,355
Jackson	881
Johnston	2,745
Jones (est.)	175
Lee (est.)	1,819
Lenoir	3,305
Lincoln	3,714
McDowell	4,213
Macon (est.)	175
Madison	0
Martin (est.)	1,230
Mecklenburg	4,881
Mitchell (est.)	750
Montgomery	3,773
Moore	1,768
Nash	5,016
New Hanover (est.)	2,206
Northampton (est.)	375
Onslow	721
Orange (est.)	1,234
Pamlico	0
Pasquotank (est.)	350
Pender (est.)	60
Perquimans	0
Person (est.)	1,750
Pitt	2,409
Polk	696
Randolph	9,675
Richmond	3,800
Robeson	4,889
Rockingham	11,510
Rowan	6,519
Rutherford	7,218
Sampson (est.)	1,642
Scotland (est.)	3,806
Stanly	6,495
Stokes (est.)	375
Surry	9,092
Swain (est.)	375
Transylvania (est.)	435
Tyrrell	0
Union	3,129
Vance	2,342
Wake	2,619
Warren (est.)	550
Washington (est.)	375
Watauga (est.)	750
Wayne	2,015
Wilkes	2,205
Wilson (est.)	1,918
Yadkin (est.)	750
Yancey (est.)	925

SIXTY-FIRST ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. DOLE. Mr. President, on January 22, 1918, the people of the Ukraine proclaimed their independence and sovereignty, marking the end of centuries of oppression and persecution by the czars of Russia. On this January 22, 1979, 61 years after their declaration of independence in Kiev, Ukrainians throughout the free world, including many Ukrainian-Americans in the United States, are celebrating the anniversary of that most important historic event.

UKRAINIAN INDEPENDENCE DESTROYED BY SOVIETS

Those in the Ukraine itself, however, cannot celebrate so openly and freely. Despite the fact that Soviet Russia, along with many other large nations, officially recognized their independence and sovereignty from the beginning, the leaders of Russia continued their attempts to prevent the people of the Ukraine from exercising their National right to self-determination. The Soviets did not honor their promise to respect the independence of the Ukraine and have since then tried through brutal military strength to break the spirit of the Ukrainian people. Even though the Ukraine has all the form and structure of a strong, independent nation, virtually all their domestic and foreign policy is dictated from Moscow.

ATTEMPTS TO SUPPRESS UKRAINIAN CULTURE AND RELIGION

Persecution and suppression of the Ukraine's national consciousness has taken place for hundreds of years and has peaked under Soviet domination. Under Stalin, millions of Ukrainians lost their lives, including an entire generation of Ukrainian intellectuals and creative talents. Now with less brutality, but more insidiously, the Russians have tried to erase the Ukraine culture and ethos, with the result that russification has become institutionalized. Ukrainian culture, tradition, and history are subverted. The language of the Ukrainian people has been suppressed as the Russians mutilate their orthography and require all lecture materials in institutes of higher learning to be in the Russian language.

In similar fashion, the religious beliefs of the Ukrainian people are constantly undermined. Religion is the most logical area for attack because it is the last storehouse of their folk customs and ethnic identity. Strict supervision of religious activities has led to the destruction of both the Ukrainian Orthodox and the Ukrainian Catholic Churches. Students are given Sunday sessions to prevent their attending church. Holy days, such as Easter and Christmas, are declared workdays. Churches are forced into disrepair and new priests are not allowed to replace old ones. Even more alarming is the growing number of arrests and persecutions of the churches' clergy and their faithful members.

DISSIDENTS CONTINUE STRUGGLE FOR HUMAN RIGHTS

Despite the suffering they have had to endure, and the attempts to smother the Ukrainian culture and national identity, the Ukrainian people have preserved and continued the struggle for human rights and national independence. National self-determination has been the cause and inspiration for many ho have joined the ranks of the Ukrainian dissent. Perhaps one reason why they have been so active and steadfast in their efforts for freedom is that this issue holds special significance for them. The goal for them is the preservation of their 1,000-year-old heritage and culture.

They have come to be some of the most outstanding advocates of human rights and have been among the most active and largest groups formed under the Helsinki accords to monitor the principles of human rights violations. They have, unfortunately, because of their degree of activity and outspokenness, also contributed the largest amount of martyrs into the "clutches of Soviet justice." Among the more well-known dissidents and political names are Vins, Moroz, Rudenko, Stus, Romaniuk, Matusevych, Marynovich, and Lukyanenko. Each of these names has become a symbol of this struggle for human rights. However, these are just a handful of the many Ukrainians fighting and suffering for their rights. They deserve the praise and high respect of everyone.

AMERICAN SUPPORT FOR UKRAINE AS A NATION

It is important that the United States recognize and support the efforts of these people. We must join them in their continuing struggle to make the signatory nations of the Helsinki accord account for their observance of human rights and adherence to the great principles of the Helsinki Final Act, and to show this support and concern through concrete diplomatic efforts toward realization of these goals. These goals and the struggles for human rights can be strengthened only by sustaining those same principles abroad. People in all parts of the world look to us for moral support. We must not let the people of Ukraine down and risk witnessing the destruction of a great nation's heritage and culture. If we do, we will be denying an essential part of our own heritage and moral strength.

I would like to bring your attention to the letter I received from Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, further revealing the atrocities and horrors the people of the Ukraine must face.

Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD following my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

As the 96th U.S. Congress begins its sessions, we would like to call your attention to the fact that in January Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22, 1979 will mark the 61st Anniversary of the Proclamation of the Independence of Ukraine and the 60th Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine on January 22, 1918, and on January 22, 1919.

This sovereign Ukrainian state was immediately recognized by a large number of nations including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. Despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by it both by military aggression and subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in the defense of their country, alone and without aid from western nations, but were ultimately overpowered by a numerically stronger and better equipped Russian Bolshevik aggressor. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic (Ukr.S.S.R.).

The entire history of Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution, and genocide. Russification and violation of human rights on a scale not known in the history of mankind—has occurred.

In summary, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both Ukrainian Orthodox and Ukrainian Catholic Churches have been ruthlessly destroyed and their clergy and faithful have been arrested and persecuted.

C. All aspects of Ukrainian life are rigidly controlled and directed by Moscow.

D. Permanent violations of Human Rights was instituted in Ukraine.

Arrests, trials, and convictions of thousands of Ukrainians have been charged to "anti-Soviet propaganda and agitation". Many have been submitted to torture, incarcerations and confinements to psychiatric asylums where drugs and chemicals are forcibly administered. Professor and historian Valentyn Moros is symbolic of the aforementioned atrocities. Last summer Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko were given 7 to 10 years sentences, and five years exile because they were members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords.

Russian enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, the Ukrainians have never accepted a foreign domination and are continuing to struggle for Human Rights, Freedom, and National Independence. The new breed of adamant fighters for Human and National Rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest Holiday. Also for many years the 22nd of January has been proclaimed in our American cities and States from coast to coast as Ukrainian Independence Day.

Therefore, it is in a common spirit of liberty, faith, and justice that the American people and especially U.S. Congress join the Ukrainians all over the world in giving the moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence of Ukraine.

We appreciate very much your support and concern for the welfare of the Ukrainian people.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there any further business? If not, morning business is closed.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

The ACTING PRESIDENT pro tempore. The pending question now is on the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD) to proceed to the consideration of Senate Resolution 9, with limitation by unanimous consent of 30 minutes for each statement.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. HARRY F. BYRD, JR. It is 30 minutes for each individual Senator or 30 minutes in total?

The ACTING PRESIDENT pro tempore. Thirty minutes for each Senator.

Mr. HARRY F. BYRD, JR. I thank the Senator, and I thank the Chair.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

OUR YOUTH—OUR FUTURE

Mr. THURMOND. Mr. President, no veterans organization in America supports a stronger program for our Nation's youth than the American Legion. The American Legion's Americanism and children and youth programs sponsor a variety of meaningful activities in communities across our Nation that emphasize responsible citizenship, good sportsmanship, civic pride, and patriotism among our youth.

Last year the National Commander of the American Legion, the Honorable Robert Charles Smith of Louisiana, wrote two interesting articles concerning youth and youth problems which were published in the March and June editions of the American Legion magazine.

Mr. President, I commend these articles to my colleagues and request unanimous consent that they be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

OUR YOUTH—OUR FUTURE

Everyone has heard of the "generation gap" and many have become embroiled in debate over its effects on society. It is created by individuals on opposing sides who have lost contact with each other. Each faction believes the other is wrong and consequently, they should not be trusted. If this concept became the attitude of every American, we would indeed be in a sorry state. We are fortunate in this country that only a few have allowed their imagination to rule their thinking.

If we were to separate for a moment the "older" society from "younger" society and ask them identical questions, you might expect results to differ significantly. True? Not always.

During the summer of 1977, "Who's Who Among American High School Students" conducted a national survey of 50,000 members of the younger society. The following samples will give you their attitudes on certain subjects which may surprise you:

54 per cent indicated they wanted their tax dollars in the coming year to be spent for defense.

77 per cent felt the national budget for defense should be kept about the same or increased.

36 per cent have never used illegal drugs.

62 per cent believe marijuana should not be legalized.

79 per cent said they believed in the two-party system and would support it during their lifetime.

This indicates the youth of our Nation do want to believe in the United States. It is also proof our youth programs can and do instill a personal obligation to accept an active part in the duties and responsibilities of American citizenship.

In the wake of February, "Americanism Month," and with the advent of April, "Children and Youth Month," The American Legion can stand proud of its programs for youth. Through these efforts, we have stressed the importance and worth of our young people. Such associations have been helpful and are needed to dispel the generation gap myth. Adult care and leadership in our youth programs have also helped to shape attitudes concerning day-to-day living as a productive American citizen.

Through established Americanism and Children and Youth programs, we have been doing this for years. We must continue to do so, but it has now become necessary to expand our involvement and include total education within the community. We must re-unite the community in support of education goals that are compatible with our objectives; we need to work toward the restoration of family authority, with schools and government once again serving as back-up to the family; and youth must be given active participating roles in community responsibilities, with adults working with youth rather than for them.

As we move through this third century of freedom and democracy, we need only look at our history to note the many different attitudes which helped mold this country. Although there were differences, one attitude prevailed—the hope of greatness.

Each year thousands of you volunteer your time and energy to help serve our youngest generation. Through this annual contact, you have served many needs and have been recognized by the youth as one who understands and cares. This healthy situation is the answer to any separation of generations. In the many years to come, if we keep our priorities in order, we will remain a leader in shaping the American attitude.

PROTECT OUR YOUTH AGAINST DRUG ABUSE

Today's youth are beset with many interrelated problems. They come in many different forms and degrees of complexity. In this month's message, I want to briefly discuss two such areas which should deeply concern every American and do involve The American Legion through its Children & Youth Program. They are: child abuse and teenage drinking. Although these issues are often dealt with separately, a closer look will show an intertwining nature.

Consider this: Parent comes home drunk. Parent physically abuses other family members, especially the children. One of the children is 15 years old. To escape such an atmosphere, the child often stays away from home. Child befriends other youth who have similar problems. They gather together. At one such meeting, they try drinking to further escape reality and continue the practice. Years later, child becomes a parent. Current statistics show that based on childhood experiences, this new parent will probably have a drinking problem and will most likely physically abuse his children. This unfortunate situation presents a vicious cycle that continues to perpetuate itself.

Very briefly, let's look at each problem separately: Conservatively, the United States Children's Bureau places the annual incidence of child abuse at about 50,000 to 70,000 cases. During the next five to 10 years, such cases of maltreatment will probably top 1.5 million. There will be some 50,000 deaths. Most fatalities will be children three years old or younger.

Although all states have laws requiring medical practitioners to report suspected cases of child abuse, the appalling nature of this problem still demands increased national attention. This sickening blight on our society must be challenged by many if we can ever hope for a brighter future.

Part of the challenge can be met by learning the facts about child abuse, helping abuse victims and their parents with your time, resources and understanding and by supporting legal and social efforts to combat child abuse.

Concerning the issue of teenage drinking, it is disturbing to note that 70 percent of this age group drink beverage alcohol to some extent. Immediately, the question comes to mind—Why do teenagers drink?

Unfortunately, parental influence and example is the number one cause. Not realizing the effect of social drinking on their youngsters is a major blunder by many parents.

Peer pressure. Haven't we all felt this as adults? It is even greater during the teenage years when acceptance of any kind is important.

Rebellion against authority. Another major pressure point that parents can control.

Emotional disturbances. Such things as anxiety, insecurity, extreme self-consciousness and lack of self-confidence.

These reasons alone do not justify why nationwide, more teenagers (and even preteenagers) are drinking than ever before. What is more tragic is that a significant number of these young drinkers are misusing alcohol in ways that often disrupt their lives and threaten the health and safety of themselves and others. We adults should be jarred into action just by reading of the increase in drunk driving fatalities and arrests for alcohol-related offenses involving youth.

To prevent irresponsible drinking, our children must develop healthy attitudes starting in early childhood. These attitudes can be developed most effectively within our families if we, as parents, are prepared to react honestly and openly and through well-planned alcohol education programs in our schools—each supporting the other!

As adult citizens of this great Nation, we must join together in positive ways to combat the atrocity of child abuse and teenage drinking. The very stability of our future is at stake and what better insurance can we invest in than direct involvement with our youth.

We of The American Legion can be most helpful through our Children & Youth programs in needed preventive efforts. The avenues of service are open and always in need of your interest and support. One step beyond caring is ACTION! Motivate your concerns. Direct your efforts in the form of organized, constructive programs geared to help overcome these threats to our society.

AN UNDISTORTED PICTURE OF THE VIETNAM VETERAN

Mr. THURMOND. Mr. President, the December issue of the American Legion magazine featured an incisive article by Vincent A. Drosdik III on the status of Vietnam veterans.

Much has been written within the last year or two regarding the plight of Vietnam veterans and their enormous readjustment problems. Mr. Drosdik's article brings to light a new and contrasting perspective concerning these veterans as a whole. The article is quite interesting and deserves reading and serious consideration.

Mr. President, for the benefit of my colleagues, I request unanimous consent that Mr. Drosdik's article be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN UNDISTORTED PICTURE OF THE VIETNAM VETERAN

(By Vincent A. Drosdik III)

While in the Army in Berlin, I had no conception of the poor image the Vietnam and Vietnam-era veteran would have stateside in the mid 70's when I'd return. In the Divided City, except for a very small minority of Marxist university students, the population honored and respected us.

I remember one year during the Allied Forces Day parade, first the French, then the British passed by the crowded stands. Polite applause. Then the American troops. Oh, to their fellow soldiers watching, it was pitiful—the mistakes, the marching out of step. An embarrassing mess. There would be extra drill waiting for them the next day!

But wait! The Berliners cheered, clapped, applauded almost wildly on this typically gloomy, overcast day in central Germany, 1972. There wasn't a single American unaffected by that outpouring of thanks and appreciation the West Berliners gave them for keeping the Western sectors free from the regimented sterility of the Communist East. (One German leftist knocked a black American tourist's camera to the ground, only to be pounced upon by the natives until the *Polizei* showed up and subdued the protester with a few belts of a billy club.)

This contrasted with the situation I found in "the world" when I returned to civilian life a few years later. I got a very few welcome backs and fewer thanks for having served. It didn't bother me too much since I had had a rather cushy job as editor of *The Berlin Observer*. But I felt that the Vietnam veteran deserved more than the anonymity and invisibility he got.

Far worse, though, was the negative image nurtured by the mass media. Vietnam veteran Robert Brown pointed an accusing finger at television in *TV Guide* for July 19, 1975. In "TV's Newest Villain: The Vietnam Veteran," the ex-Marine told of more than 20 TV shows in less than a year's time portraying the Vietnam veteran in a negative way. "If I acted according to what I have seen on television, I should probably be harboring extreme psychopathic tendencies that prompt me to shoot up heroin with one hand while fashioning *plastique* with the other, as my war-and-drug-crazed mind flashes back to the rice paddy where I fragged my lieutenant," wrote Brown.

More recently, a March 1978 series in *The Washington Star* featured these headlines: "Vietnam Vets: 'Sorry, That Job Is Already Taken'," "Education: An Elusive Goal for Vietnam Vets," "Vets Explain the Path from Vietnam to Prison," and "After Escapes in Vietnam, Mental Disability: 'Too Flipped Out or Tranquilized'."

To the newspaper reader who went through the individual stories, it probably (we hope) was apparent that the reporter was writing of nontypical vets. Yet most buyers of the *Star* probably glanced at the headlines only, getting the impression that Viet vets are chronically unemployed, uneducated, criminal, drugged and nuts. That unbeatable combination adds up to the so-called post-Vietnam syndrome (PVS).

Just as a baseball player finds it almost impossible to shake off labels ("bad attitude," "poor glove") earned in earlier playing days, the Vietnam veteran has not found it easy to rid himself of the PVS tag.

Why this image in the media? While not fair or accurate, the treatment given to Viet veterans isn't all that surprising. The vast majority of vets who made a successful transition from 'nam to the mainstream of American life aren't news to TV and the press. Nor are they the material which produces high Nielson ratings for such shows as Mannix and The Streets of San Francisco, or draws paying crowds to movie theaters. One can only hope that the media moguls will tire of their whipping boy and go back to giant insects attacking Kojak's Tootsie pop. In the meantime, here are the facts opposing the myth of the post-Vietnam syndrome:

Early Vietnam era veterans left the service in the late 1960's when the economy was strong and booming. Having established themselves, these vets didn't have the job problems of their younger brothers who were dumped in larger numbers onto a job market in the early and mid 1970's in a severe recession.

By 1978, however, the economy had rebounded, pulling the veterans up with it. Among male Vietnam-era veterans 20–34 years old last August, the unemployment rate was 6.3 percent compared with the total rate of 5.9 percent. Most of the summer of '78, the vets' rate was lower. This compares with a year earlier (August 1977) when veterans' unemployment stood at 7.7 percent and the overall rate at 7.0 percent.

It is the younger veterans, ages 20–24, who bear the brunt of unemployment among all vets, with 13.9 percent last August. And most of these are minority groups which had a general unemployment rate of 11.7 percent.

While these foggy government-supplied statistics may fluctuate radically from month to month and do not include those who have abandoned hope of government assistance, a critical factor remains clear; the lack of experience and/or education associated with young whites and with blacks who have in general grown up with less educational opportunities and in a less affluent environment has a distinct effect on their ability to compete for employment. By removing these young citizens from civilian job market competition for a period of two years or more and placing them in military career fields of no civilian significance, their already disadvantaged position in the marketplace becomes almost denaturalized.

So it appears that there is no direct correlation between being a Vietnam veteran and being unemployed, for the most part. The critical factors are lack of experience and/or education associated with young whites and with blacks who have in general grown up with less education and in a less affluent environment.

Severely disabled vets suffer massive unemployment, in line with most handicapped Americans. Much can yet be done to train and rehabilitate them and get other Americans, especially employers, to accept them for their abilities.

The solution to the problem of the chronically unemployed veteran has eluded government bureaucrats and "fine tuners" of the economy. Help through Industry Retraining and Employment (HIRE) has so far been an expensive flop, while the more grandiose CETA program has become the 1970's multi-billion dollar version of the WPA of the Depression. Characteristic of both programs was much federal spending on primarily non-productive, nontax producing public projects.

In fact, the operation of government programs has become such a serious concern of The American Legion that posts such as American Legion Post No. 21 in Spokane, Washington, secured prime sponsorship of employment programs to address their problems themselves. Even American Legion departments have begun to make decisive moves to address this problem. For example, during the past year The American Legion Department of Maine has run the Department of Labor's most successful disabled veterans outreach program. Maine's program is the only one not directly tied to a state government agency, yet funded by the D.O.L.

The only discernible trend has been that as the private sector recovers from recession and creates new jobs in manufacturing, transportation, house building, retailing, etc., so has unemployment declined. Based on this sound, free market premise, several politicans such as Sen. William Roth (R-DE) and Rep. Jack Kemp (R-NY) have proposed a 33 percent income tax cut over four years to stimulate true growth in the private sector. Others have called for slashing the capital gains tax, a measure designed to encourage investments critically needed to provide the working capital (land, buildings, tools, equipment, etc.) needed to create new jobs and meet demands of an increasing population.

While improving the entire economy's health will help everyone, the veteran included, more specific action has been taken to solve job problems of vets. From October 1976 through August 1978, a massive national multi-media blitz was conducted to overcome bias against veterans. "Bet on a Vet: You Both Win" was the theme of this campaign directed by Mike Lee, a veteran now working at WHYY in Philadelphia.

Lee saw that "negative feelings came out of the Vietnam conflict," with the media transmitting or creating much of that bad image. The green uniform was equated with the war and all associated with it: battle atrocities, Kent State, the fall of Southeast Asia. And it got worse after the war.

"So we used media to show the positive," Lee said. "Affirmative action hadn't helped the vets' image and we avoided the issue of vets if we could.

"We played up the positive, making a statement without shouting it," Lee continued. The Bet on a Vet drive associated veterans with America but as people, not vets or former military per se.

The TV, radio, newspaper and magazine ads had some effect, as veterans' unemployment went down continually for 12 months during this period. (Simultaneously, of course, the economy had spurted forward and overall unemployment rates dropped.)

Closely related to the unemployment myth is that of the ignorant ex-GI. The fact is simply that as educational levels for this generation are higher than any other's, likewise the modern veteran is better educated—or at least schooled—than his World War II or Korean War counterparts. Some six million Vietnam era veterans have taken advantage of the GI Bill for education.

How many have fully used it to get a degree or complete a training course is another question. With high tuition and cost of living in this inflationary age, the educational benefit is a nice base, but hardly enough for many students to live on and pay college costs.

The image of a drug-addicted Vietnam veteran makes for spectacular headlines and exciting TV drama, but comes nowhere close to reality.

While many vets tried the spectrum of drugs easily available in Southeast Asia under trying and lonely war conditions, the number actually using licit or illicit substances on a regular basis as civilians is dramatically lower, and is in line with their peer groups.

A scientific study, "The Vietnam Veteran in Mainstream America," by Charles R. Figley and William T. Southerly of Purdue University, proves this point. They say that half their sample use alcohol and almost a quarter used marijuana at least once a week, but that "most Vietnam veterans are not hooked on drugs."

This writer-veteran suggests that the public worry less about drug use among adult vets and more about it in the junior and senior high schools where drugs are as prevalent today as they were 10 years ago on college campuses.

There is no empirical evidence that Vietnam veterans are more criminally inclined than the rest of American society. The rising crime among Vietnam veterans coincides with the general rise in crime over the past decade. A review of the 11 percent of the prison population who are Vietnam veterans reveals that a large portion of them were recipients of other than honorable discharges. Many of these other than honorable discharges were issued during the Vietnam era by administrative action and without due process of law. Once released from the service, these veterans found themselves unable to secure employment or V.A. benefits and resorted to crime.

The American Legion, in recognition of this problem, has not only stepped up its long-standing Discharge Upgrade Assistance Program, but has even organized American Legion posts in several prisons throughout the nation. These programs have proven exceptionally successful in states such as Colorado and Tennessee, where they provide the veteran with rehabilitation assistance after everyone else has given up.

More scholarly sources have confirmed what veterans themselves have sensed to be true: the violent veteran is more myth than

fact. *Psychology Today* in December 1976 reported a study on this, finding no definite link between military experience and crime. Nor could a significant difference be found between veterans and other civilians in police and disciplinary records. Instead, other factors sush as education and economic background loom more important.

Related to crime is the warped, confused mind the Vietnam veteran supposedly has. Again, there is no evidence that Viet vets have any more psychological problems than the public at large, even though they went through a war.

For example, John W. Caknipe recently earned his Ph.D. based on a study (summarized in the September 1978 *VFW Magazine*) of veterans in the Detroit area. He found that of those in VA hospitals for psychiatric care, the "Vietnam era veteran comprised less than 2.3 percent of those being treated." He further found that "Veterans who did not serve in Vietnam were more prone to drug and marijuana abuse."

Another research project, "Urban Males of the Vietnam Generation: A Mental Health Perspective," by the Center for Policy Research in New York, thoroughly interviewed a scientific sample of 440 young men on a 10-point mental health scale. "The first conclusion is that veterans in our sample do not differ significantly . . . from the nonveterans."

Along the same lines, the Figley-Southerly report of August 1977 conducted interviews with more than 900 Vietnam era veterans from the greater East St. Louis area and found: "Most veterans have achieved a relatively high degree of personal adjustment when viewed as a group." The only mental problem the researchers found was that of recurring dreams and nightmares among the combat veterans.

Veterans seem to be, if anything, stronger and better adjusted mentally than the entire population. That is, if we believe the figures on mentally ill Americans that First Lady Rosalynn Carter and her President's Commission on Mental Health issued to the public. *Parade* magazine quoted the commission's preliminary 1977 report: "One-fourth of the nation's population at any given time is under emotional stress which produces varying degrees of depression and anxiety."

What Mrs. Carter said—"Every single person has problems. Some people cope with them better than others."—applies to veterans also. They can't be lumped together.

CBS commentator Eric Sevareid put it well on October 24, 1977, when he complained of the political and journalistic sensationalism of the Vietnam veteran:

"They are written about as if they were all healthy, happy, young men who were dragged off to a war and came out psychological wrecks, lost and aliented at home because of their war experience . . .

"Even combat for those unfit and if not too prolonged is not psychologically damaging to the normal young man. For many it was emotionally fortifying, the male animal being what it is.

"War brutalizes some men; it ennobles others. But most come out of war essentially what they were when they went into it. It's an undocumented, but fairly safe conjecture to say that most of those now unstable were unstable before they ever saw war. So the painful problem for government and society is to differentiate. There are veterans, and there are veterans."

And most seem quite well adjusted, thank you.

OLDER AMERICANS AND NEIGHBORHOOD ISSUES

Mr. DECONCINI. Mr. President, the Senate Special Committee on Aging has begun an inquiry into "Older Americans in the Nation's Neighborhoods." Two hearings which I have conducted, at the suggestion of Chairman FRANK CHURCH, have raised issues calling for close attention by the committee and by other Members of the Congress.

The hearings—one in Washington, D.C., and the other in Oakland, Calif.—focused on forces which are creating intense pressures on many older persons in urban and suburban centers. For example, redevelopment of downtown centers for business purposes often results in displacement of many renters, including disproportionate numbers of the elderly. Transportation is becoming an increasingly severe problem of the fringes of urban centers, where many older persons find it increasingly difficult to maintain automobile use in the face of constantly increasing costs and their own diminishing capacities. Condominium conversion and the resulting eviction of older tenants is a growing national problem at these hearings as well as at hearings conducted by Senator LAWTON CHILES in Florida during November.

In order to better understand these new social and housing dynamics, the committee's field inquiries included neighborhood visits. In conjunction with the Oakland hearing, I met in San Francisco with seniors of the Bayview-Hunter's Point area—a community which lacks many essential services, houses large numbers of seniors displaced by downtown urban renewal and faces an uncertain future as a source of low-cost housing. A visit to San Francisco's Tenderloin—an area which houses more than 17,000 elderly, in run-down hotels amidst pornography, crime, and arson—demonstrated how skyrocketing housing costs can force seniors into dangerous environments. Given the right aid, as we saw, parts of the Tenderloin could be rehabilitated to offer decent and affordable quarters. Finally, a tour of San Francisco's Chinatown revealed that business expansion, speculation by foreign investors, and an inadequate response from Federal officials is creating a desperate situation for thousands of older persons who, despite substandard conditions, need the support of this special ethnic enclave.

Additional information on the scope and purposes of the neighborhood study is provided in excerpts from my opening remarks at each hearing. I shall therefore offer them for insertion in this RECORD, along with two press accounts which provide additional information about issues raised by highly informed witnesses in two very productive hearings.

Mr. President, I will not be serving on the Special Committee on Aging during the 96th Congress. My deep interest in the problems of the elderly and my commitment to their resolution, however, will not change. I intend to work as closely as possible with the committee, not only because of the importance of these issues to my State, but because the record of the committee in exploring and resolving problems is highly commendable. The neighborhood hearings will continue on February 16, which I will have the honor to chair in Phoenix. I would like to take this opportunity to express my appreciation to my colleagues and to the committee staff for their cooperation and invaluable assistance over the past 2 years.

I ask unanimous consent that my statements before the Special Committee on Aging of December 1, 1978, in Washington, D.C., and December 4, 1978, in Oakland, Calif., an article entitled "Panel Hears Woes of Elderly in City," published in the Washington Star of December 2, 1978, and an article entitled "State Housing Chief Attacks Rush to Condo Conversions," published in the San Francisco Chronicle of December 5, 1978, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY HON. DENNIS DECONCINI

. . . Today the Senate Committee on Aging holds its opening inquiry into the subject of neighborhoods and the elderly. Our examination takes place in the firm belief that America's elderly, more than any other group in our society, have the greatest need for strong and stable neighborhoods—and may have the most to lose if they are forced to reside in blighted areas characterized by substandard housing, inadequate public services and commercial activity, and high levels of arson and street crime.

Older persons—so many of whom live on low, fixed incomes, have physical limitations, and develop strong psychological needs for secure and familiar environments—require the good housing; the ease of access to shopping, health care, and social services; and the informal support and assistance that can be summed up in the word "neighborliness."

It is clear that healthy neighborhoods are a prerequisite for healthy cities. And, at a time when renewed interest, and new capital, is conserving the physical resources of neighborhoods, equal attention must be paid to their human resources.

We are beginning these hearings at a moment marked by a clear shift in the dynamics of America's urban areas. The problems of the past have certainly not disappeared. Nor should it be mistakenly thought that the problems, assets, revitalization trends, and characteristics of all neighborhoods or all cities are alike. Nonetheless, a new stage appears to have been entered, for these reasons, among others:

One: The 1978 Housing and Community Development Amendments declare it to be Federal policy that, in carrying out shelter and revitalization policies, the utmost care should be taken to minimize the displacement of persons from their homes and neighborhoods. Further, the HUD Secretary is ordered to report to the Congress, by January 31st of next year, her recommendations on the formulation of a national policy to minimize displacement due to public and private redevelopment activities.

Two: Mr. Rolf Goetze, of the Boston Redevelopment Authority, speaks in his 1977 study, "Stabilizing Neighborhoods," of a "tidal wave" of new households which will inundate our urban areas and bring all their housing resources into play during the remainder of the century. He goes on:

"For policymakers, the implications should be clear. The last twenty years can be characterized as the period when problems of urban blight caused stress; and the coming twenty years as the period of rediscovery, speculation, and dislocation. . . . we must realize that coming events can bring with them a full measure of trauma, particularly for existing residents."

Yet these new trends offer cause for hope as well as concern for, as Dr. Goetze observes:

"Revitalizing neighborhoods offer an unprecedented opportunity to maintain diversity if appropriate public policies are pursued."

Three: An August 1978 study by the National Urban Coalition found that a group dubbed "the new urban nomads" was being created by reinvestment displacement in 44 American cities, of all sizes and in all regions. Of great concern to this Committee is the Coalition's finding that, "The elderly are most often displaced."

Four: The cover story in the December 1978 *Harper's* asserts:

"1978 . . . was the year the northern cities confounded the prophets of inner-city doom . . . from Boerum Hill in Brooklyn to Capitol Hill in Washington the fastest-growing social problem was not the departure of the white middle class; it was the displacement of the poor and nonwhite."

This same article goes on to report that domestic and foreign investment is pouring into America's urban centers; Federal programs have contributed to these events, in ways that few policymakers foresaw.

Clearly, the implications of these, and many other reports, are more than academic matters for older Americans.

More than half of America's elderly reside in urbanized areas; a full one-third reside in central cities.

For the seven out of ten older Americans who own their own home, will these changes bring enhanced equity, better municipal services, and lowered crime on the streets?

Or will it bring agonizing choices as speculation results in skyrocketing property taxes, or even in displacement as code enforcement is stiffened? For the 30 percent of the elderly who rent, will escalating prices or condominium conversions force them out of long-occupied dwellings and into more affordable, but less desirable, parts of the city?

In short, as many urban commentators have recently inquired—if America's cities are to be saved, who will they be saved for? How can we continue to maintain the diversity of age, economic status, and ethnic background that are drawing so many of the urban pioneers back into the hearts of our metropolitan areas?

This is the essential question of today's hearing, for if the elderly are forced to compete head-to-head with others for continued occupancy in good neighborhoods, they will surely be forced out from the communities they have helped create.

We will be looking for our panel today to help us answer many questions, among them:

How much is known about the extent of displacement in America's urban centers, and its specific impact on the elderly?

In what ways are older persons benefiting from the revitalization of our cities?

How have Federal programs affected neighborhoods? What are our national neighborhood policies now, and how do we address the future?

What innovative efforts are today helping older homeowners upgrade and keep their properties, are helping elderly renters to stay in place and even to become homeowners, and can be replicated and transplanted to other neighborhoods?

What positive role can the private sector play in helping to maintain healthy and diverse neighborhoods?

How can aging services be better targeted and utilized to become an integrated support system within a community?

In coming months, the Committee will conduct hearings and field trips in diverse American communities to continue our search for full answers to these inquiries . . .

OPENING STATEMENT BY HON. DENNIS DECONCINI, PRESIDING AT A HEARING ON "OLDER AMERICANS IN THE NATIONS NEIGHBORHOODS", COUNCIL CHAMBER, OAKLAND, CALIF., CITY HALL

Today the Senate Committee on Aging holds its first field hearing on the subject of neighborhoods and the elderly. It is most appropriate that our initial inquiry take place in California and in the Bay region, for several important reasons:

The Committee's interest in this topic came about directly through the 1977 investigation ordered by Chairman Frank Church, of the eviction of the residents of San Francisco Chinatown's International Hotel. That examination alerted us to the severe housing problems affecting the elderly residents of Chinatown, problems that are being aggravated by domestic and foreign speculation and which have received a woefully inadequate response from Federal housing officials. It alerted us to the sometimes destructive results of Federal urban renewal policies, and their local implementation, on many neighborhoods in years past. And it let us know of the desperate situation which many Bay area seniors face in finding decent and affordable housing, be it public or private.

These problems extend beyond the Bay area. The low vacancy rates and speculation are more the rule than exception in many urban and suburban areas of this State. There is no doubt that many of California's elderly pulled the "yes" level for Proposition Thirteen as a means of controlling one aspect of the inflationary pressures which threaten their major capital asset and the basis of their well-being, their home.

Finally, we have come to California to hear first-hand about this State's Urban Policy, and other innovative responses to these pressures which are taking shape in neighborhoods throughout the State.

While the shelter and service dilemmas confronting California seniors have their own unique shape and cast, they are but one part of a massive shift in urban dynamics which are occurring throughout the Nation. This past Friday, at our opening hearing in Washington, the Committee learned that new economic and demographic pressures are resulting in the displacement of low-income individuals from neighborhoods in both the blighted cities of the Northeast and the rapidly expanding urban centers of the Sunbelt; and that it is the elderly who are the most often displaced, who are in the leading ranks of the "new urban nomads." We heard that Federal programs and policies have often contributed to the decline of sound neighborhoods; and that the massive infusion of Federal dollars to urban areas, which currently exceeds $30 billion annually, is not always being utilized in an efficient manner consistent with changing urban dynamics. And we found that older Americans have the greatest need of any group within our society for the informal support of systems, the good housing, the ease of access to stores and health and social services, and the secure and familiar neighborliness which sound city communities provide.

The Committee also learned that there are constructive, cost-effective and non-bureaucratic programs, operating with the advice and assistance of government at all levels, enlisting the support of neighborhood and voluntary organizations and the private sector, which are capitalizing on the new urban dynamics and the unprecedented opportunity they offer to revitalize cities while maintaining economic, racial, and age group diversity.

The possibilities confronting policymakers are thus contradictory. If we fail to understand what is happening in our cities and to seize upon those changing circumstances, we face a future marked by stratification by age and income, and wholesale displacement of the elderly. There will be growing demand for massive new Federal housing and social programs for which the funds may never be adequate, and which can never replicate the quality of shelter and support which the elderly can find in diverse, healthy neighborhoods.

Or, in the alternative, we can examine old programs for inefficiency and relevance to today's problems. We can reallocate resources to innovative efforts which help older homeowners to rehabilitate and keep their properties. We can help renters to find decent and affordable apartments, and even to become homeowners. We can better utilize the resources of the "Aging network," which has been established under the Older Americans Act, to encourage and coordinate new shelter and service strategies at the local level and become a vital part of the neighborhood support system for older Americans.

* * * * *

I also know that I speak for the entire membership of the Committee in expressing our shock and regret at the tragic circumstances which so recently claimed the life of Representative Leo J. Ryan. His devotion to his constituency and his quest for the truth inspire us all, even in his absence. We will endeavor to conduct today's inquiry in the same spirit of sensitivity and response to the needs of all citizens which marked his career.

The Committee also extends its heartfelt condolences to the family of Mayor George Moscone, and to the people of the City of San Francisco. Mayor Moscone championed the cause of the elderly, and of all those who make up in need what they lack in power. His office lent invaluable assistance to us when we undertook to understand the eviction at the International Hotel, and as we engaged in preparations for today's hearing. I know that it was his goal as Mayor to shape a City which could offer decent lives, in thriving, vital neighborhoods, to all its citizens. Mayor Moscone's work has been cut short, terribly and without purpose, but his spirit is with us today as we seek the means to better the lives of the poor and the elderly who seek only the basic dignity that is due to every human being.

SENATORS TOLD OF "MAJOR SOCIAL PROBLEM": PANEL HEARS WOES OF ELDERLY IN CITY

The Senate Aging Committee was told yesterday that the elderly are being uprooted from city neighborhoods where they have lived for years as a result of both urban blight and urban rebirth.

A panel of witnesses said elderly dislocation from their lifelong city neighborhoods has become a major social problem, but there are no statistics to indicate exactly how many individuals or elderly families are involved.

Most studies of the elderly who are forced to move focus on relocation into long-term care facilities, but often other factors are at work, said Carl Holman, president of the National Urban Coalition.

Displacement can occur by public projects such as urban renewal or highway construction that threatened innercity communities in the 1950s and 1960s.

In addition, when public and private investment moves out of a city neighborhood and leaves it to decay, elderly residents eventually move out when they can no longer cope with high crime or other adverse conditions.

But mostly the witnesses said, the elderly who are experiencing the most serious problems are people on fixed incomes who either own or rent their homes, but become victims of private real estate speculation that shoots up rents and property taxes. A particular evil for elderly renters is the increasing trend of turning apartment complexes into condominiums.

The witnesses outlined a series of existing programs—most of which are on the local level—that are seeking to assist elderly residents who want to stay in their neighborhoods but said more help is needed.

William Whiteside, director of the Federal Home Loan Bank Board's urban reinvestment task force, said one alternative that may assist the elderly in keeping their homes is the so-called "reverse mortgage" program. This allows homeowners who have already paid off their mortgages to take out a second mortgage to get some of the money out of that home without selling it.

However, Whiteside said, the idea of mortgaging an already-paid-for home is "not easily accepted by working-class elderly people." The "sophisticated high-income people" have no qualms taking cash out of a home through refinancing or other tools, he said, but the elderly are harder to persuade.

"They have the feeling in their minds that they want to leave the home free and clear to their children," Whiteside said.

Ironically, he said, those children often would rather their parents have a safe, adequate home even if it means a small mortgage on inherited property.

STATE HOUSING CHIEF ATTACKS RUSH TO CONDO CONVERSIONS

(By Ralph Craib)

A post-Proposition 13 rush to convert apartments into condominiums is having a severe impact on elderly tenants living on fixed incomes, the state director of housing said yesterday.

The property tax reform spawned a number of rent control moves throughout California because tenants felt they received no benefit from lowered property taxes, said I. Donald Terner.

The threat of rent control, in turn, has prompted an increasing number of landlords to want to get out of the rental market by selling their properties to tenants, he said.

When buildings are converted, he said, 85 percent of the tenants are forced to move elsewhere because they can not afford the investment.

The impact falls most heavily on the elderly, he said, because they are on limited or fixed incomes and in the majority of instances, already pay a disproportionate share of their incomes toward shelter.

Terner was a principal witness at a one-day hearing of the U.S. Senate Committee on Aging held by a single committee member, Senator Dennis DeConcini, D-Ariz. in the Oakland City Council chambers. The hearings were held as a follow-up of the committee's investigation last year of the evictions at San Francisco's International Hotel near Chinatown.

Terner recounted the story of an 89-year-old retired Oakland schoolteacher. Living on a combined pension and Social Security benefit of $675 per month, she was forced to move three times when apartment buildings were converted to individually owned apartments.

"She moved with two other retired schoolteacher friends," Terner said. "The two friends, who were not as strong, died of the trauma."

He said that some means must be found to limit apartment conversions, perhaps through housing subsidies or other means to "give the elderly some assistance when their buildings are converted."

Glenn B. McKibbin, director of aging programs of the San Francisco Commission on the Aging, suggested the answer might be found in a West German law that makes it illegal to terminate the lease of elderly retired persons "for any reason."

Over the past two years, he said, evictions of the elderly have quadrupled, with an average of 40 per week now being carried out by the sheriff's department. A principal cause of these evictions, he said, was the conversion of buildings to condominiums.

The San Francisco rental market has become one of downward mobility, he said. Persons forced to leave expensive buildings because they are converted to condominiums displace persons at the next lower rental level who, in turn, displace others.

In his opening remarks, DeConcini said that he learned at a hearing last week in Washington "that the elderly are the most often displaced (because of fixed incomes) and they have become the leading ranks of the urban nomads."

He said he hopes that the committee hearings will find ways to change existing federal programs or design new ones to help the urban elderly.

Mr. DECONCINI. Mr. President, I regret leaving the committee myself, but I intend to commit myself to further assistance whenever possible to the elderly citizens. I commend the committee's past chairman, the Senator from Idaho (Mr. CHURCH) for his distinguished effort in leading this committee, and compliment the new chairman, who I anticipate will be the Senator from Florida (Mr. CHILES).

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

Mr. FORD. Mr. President, I would like to recognize that the senior Senator from Alabama (Mr. STEWART) is now presiding over the Senate. This is the first time that he has had that privilege and honor, and I commend him on what he has been able to do since he has been in the Senate to represent the great State of Alabama, and compliment him on his poise in presiding over the Senate today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE OF THE U.S. NAVY

Mr. THURMOND. Mr. President, the Carter administration Navy budget has sent still another torpedo into Navy hopes for a reasonable modernization and growth program to meet the serious and evident needs of our dwindling fleet.

The fiscal year 1980 budget proposed by President Carter does nothing to meet the often repeated demands of Congress that Navy shipbuilding and modernization be organized and accelerated. This budget amounts to a repudiation of the concerns often expressed by both the Senate and House. Even worse, it charts a clear path toward a second-rate Navy for the United States.

FIVE-YEAR PLAN INADEQUATE

It is absolutely impossible for the Navy to modernize or arrest the decline in its numerical strength if we are to follow such a budget or the 5-year shipbuilding program proposed by the administration.

Last year, the Defense Department shocked the Nation with a proposed 5-year shipbuilding plan calling for only 71 vessels, less than one-half the 157 ships planned by President Ford over a similar period.

Now President Carter, in the fiscal year 1980 budget, is proposing only 15 ships, 5 of which will be civilian-manned surveillance vessels. Thus, the active Navy gets only 10 ships; 1 each of the Trident, SSN–688 nuclear submarine, aircraft carrier and DDG–47 air defense guided missile destroyer and 6 FFG's or guided missile frigates.

Already our Navy of about 450 ships lacks a badly needed 2-ocean capability, a glaring weakness in our national defense posture. While the size of the Navy may increase slightly in the next few years, it will do so based upon past shipbuilding budgets, not the Carter budget. The low rate of shipbuilding in the Carter 5-year plan will mean that in the mid and late 1980's after the ships approved today are delivered, the number of Navy vessels will be well below requirements.

While Navy and Defense Department leaders over the years have argued for a 600-ship Navy, and then a 500-ship Navy, the meager 5-year plan now before us will not even provide for a 450-ship Navy. Although some extra ships are provided in the fiscal year 1979 supplemental, this modest add-on does not attempt to address the real needs.

Just last year, Congress approved huge sums to settle many outstanding claim

issues, and with this problem behind us, we expect a realistic, aggressive shift in construction of new combatant vessels.

As an example of the inadequacy of the Navy ship program, the proposed building rate of one nuclear attack submarine per year in the next 5 years will endanger our goal of maintaining a minimum force of about 90 boats. Further, it may well cause the closing of one of our two submarine yards, thus placing the Navy at the mercy of one contractor.

AIRCRAFT CARRIER

Another weakness in the Carter Navy program is the proposal to build an entirely new class of aircraft carrier to be known as the CVV. This would be a 60,000-ton oil-fired, conventional-type ship such as we have not built since the 1960's. Since the early 1970's, we have been building 90,000-ton nuclear aircraft carriers (CVN's) such as the one approved by Congress last year, but vetoed by the President.

Unable to get the CVN, the Navy favored a return to the *Kennedy* class oil-fired carrier, an 85,000-ton carrier which presently makes up some of the 12-carrier fleet. In fact, the Navy used every appeal it had to fight for this type carrier, but the White House insisted on the CVV.

The cost of the *Kennedy* class carrier is only about $100 million more than the CVV, and a known product. The CVV involves a new design and experience has shown that costs for new programs always rise. This proposal also makes little sense when the administration policy seems to favor even smaller carriers, thus raising the possibility this new vessel would be an interim ship and the Navy could end up with only one CVV in the fleet.

NAVY CANNOT SUPPORT ARMY

Mr. President, even the Army is alarmed at the condition of the Navy. The Army Association correctly reported recently that it would be incapable of its new responsibilities overseas if ships are not built to keep the sea lanes open, move troops and equipment, and land forces in threatened areas overseas.

Under the Carter administration's Navy policy, the future Navy cannot protect our sea lanes or land and support a large force which Defense Secretary Harold Brown says "should be ready to fight in the Persian Gulf area." The Army report concludes:

> Oddly, it may be the Navy's capabilities, or lack of them, that have the greatest impact on the Army's ability to do its job.

NAVY BUDGET DEFICIENT

While the Defense Department talks about the 3 percent real growth in this budget, the expected benefit of such growth is not apparent in the Navy shipbuilding program. In fact, President Carter's veto of the nuclear aircraft carrier last year left the Navy with a shipbuilding program of only $3.8 billion, the lowest in many years.

WEAK NAVY PROGRAM

The very modest fiscal year 1980 program of 15 ships, only 10 of which go to the active Navy, reflects the very weak 5-year shipbuilding plan of the Carter administration. Very few support ships are scheduled in this period and the deletion of the LSD amphibious ship program raises questions about the ability to lift a Marine division, not to speak of Army needs.

The need for a strong Navy is more evident today than ever. In the past we projected our Naval power to influence events which affected us. Now we see the spectacle of a former enemy, the Red Chinese, urging us to increase our Pacific Fleet. Further, the lack of sufficient Naval Forces in the Indian Ocean is weakening our hand in the Middle East.

Increasing budgets by 3 percent may look good in the newspapers, but if such increases are still inadequate to meet our defense needs, they are little more than a smoke screen for a Navy budget which offers no hope of meeting our future defense needs.

I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator withhold that request?

Mr. THURMOND. I withhold that.

RECESS UNTIL 2:15 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15 p.m. today.

There being no objection, the Senate, at 1:08 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PAYOR).

OUR NATION'S HISTORY AND GROWTH

Mr. ROBERT C. BYRD. Mr. President, scientific and technological advancement has been an important element in our Nation's history and growth. The Industrial Revolution which began in Great Britain came to fruition in the United States. For two centuries in America the combination of an innovative idea, hard work, and perseverance have been the ingredients for success and economic prosperity.

It is becoming more and more difficult to follow the path of this traditional American dream. New barriers of many kinds appear to block the way. Some restrictions are purely economic: The changing needs of businesses as they mature or the increasing caution of the marketplace as each of us struggles to hold what we have and prevent losses. Some limits on innovation are rooted in political decisions. Regulations conceived for the public good can end up stifling creativity in people.

We in this body must remember that our actions have an effect on creativity and innovation. We must take into account the strictures imposed on people by an ever-increasing load of regulatory requirements.

At the same time, we have an opportunity to attack the problem at its roots. The cycle of technological advances is sustained by basic, long-term research and development. The factors I mentioned as barriers to the innovative process almost inevitably have one result: They dry up money for the risky business of basic research. No sooner does this money disappear than the tradition of invention and innovation, lacking any reward, begins to diminish.

An article in Newsweek magazine by John W. Hanley, chairman of the board and president of the Monsanto Co., entitled "The Can-Do Spirit" contains insights on this topic which I believe might be of interest to my colleagues and to our constituents.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CAN-DO SPIRIT

(By John W. Hanley)

I wonder where this country got the idea that scientific triumphs happen on command.

Perhaps the notion started with the Manhattan Project's remarkable success under pressure. Or maybe it was the live television broadcast of man's first step on the moon, as promised by an American President a few years earlier. From then on, the nation's attitude toward scientific progress was a matter of completing this statement: "Any society that can put a man on the moon can certainly . . ."

How do such striking successes occur? Obviously, it takes money, motivation and topnotch minds not easily discouraged and willing to work hard. But more than that, it takes a climate where scientific experimentation can flourish.

There's no doubt that innovation has an enormous impact on our life-style and standards. Edward Denison of the Brookings Institution has estimated that "advances in knowledge" were the biggest single source of national economic growth from 1929 to 1969. Data Resources, Inc., a respected economic consulting firm, has found that companies that invest heavily in research and development increase employee productivity 75 per cent faster than all manufacturers. They also create jobs 120 per cent faster while raising prices only one-fifth as fast. If innovation could be commanded, then, we would have a ready-made solution for all economic problems.

SHORT-TERM PROJECTS

In reality, industrial innovation in the U.S. has been moving in quite the opposite direction. Industry's technical resources are being moved away from long-term basic research—the kind most likely to produce innovative new knowledge—toward short-term projects to improve existing products.

This decline has allowed other nations to chip away at America's worldwide technological leadership. Technology has been a leading American export for several decades now; it helps offset imports of low-technology manufactured items, oil and other raw materials. Yet the nation's trade surplus in R&D-intensive goods has been eroding steadily for several years.

Where does all this evidence lead? To the conclusion that industrial managers are less willing today to take on the risks associated with the long-term research that brings

about new products, new processes and economic strength.

Although we cannot command innovation, we can check on the prerequisites—money, motivation, minds and hard work. Above all, we should make sure the right climate is present—the right climate being one that encourages private risk-taking. Because, although the benefits of successful innovation accrue broadly to society, the risks of failure are borne privately by the innovator.

AN UNHEALTHY CLIMATE

Unfortunately, the climate for private risk-taking is not at all healthy today. The growing unwillingness to take the risks of innovation is only one indication of this. Business investment in productive new plants and equipment has been abnormally low during the past three years when compared to earlier economic recoveries. A philosophy that growth through acquisition is preferable to growth through innovation seems to prevail. Those corporations capable of generating cash tend to hold it, fearful of new investments. Small companies with innovative ideas find it difficult to find investors willing to risk their capital to bring these ideas to market.

The Federal regulatory process also chills the climate for private risk-taking. Compliance has become a staggering drain on the financial resources that might otherwise support innovation and productive investment. Economist Murray Weidenbaum, director of Washington University's Center for the Study of American Business, calculates that this compliance will cost the nation almost $100 billion in 1979 alone.

Of course, it costs money to attain our national goals of environmental, worker and consumer protection. We all know that, and we're willing to pay for purer water, cleaner air, safer products and jobs. But do the American people want to achieve 100 percent if it costs many times as much as achieving 99 percent? Unfortunately, the regulators too rarely ask that question.

Furthermore, regulation injects new uncertainties into the already risk business of innovation. Approvals can take so long that millions in sales and the competitive lead may be lost. The process can cost so much that a useful innovation meant to serve a small market can never be profitable. Worst of all, a product can be banned entirely on flimsy evidence, wiping out the fruits of innovation for both the innovator and the consumer.

Take the pharmaceutical industry. Almost everyone will agree that we must proceed with proper caution on new drugs. Yet approval in the U.S. lags so far behind other developed countries that American drug companies establish manufacturing units abroad so as not to lose out on foreign sales.

A similar situation exists in the agricultural-chemical industry. Monsanto's own Roundup herbicide was developed in 1970 after fifteen years of research. It was 1975 before the product received U.S. approval for use with any major grain crops. The company has waited three more years for approval for use with other crops. The irony is that regulation has slowed the introduction of a pesticide that is environmentally more attractive than many of those now on the market.

WHO NEEDS PESTICIDES?

Who needs agricultural chemicals anyway? Only those people around the world who would go hungry except for U.S. food exports. And those people in this country who would suffer if crops declined 30 percent and food prices went up 75 percent, which the U.S. Department of Agriculture says would happen if farmers quit using modern pesticides.

Nonetheless, it has become popular—at least within a vocal minority—to refuse to recognize the benefits that technology has bestowed on us. However, I cannot believe that the vast majority of Americans accept the notion that living safely within the means of this planet requires us to relinquish the fruits of our intelligence. We are better problem-solvers than that

Or at least we have been throughout our history as a nation. But if we're to remain the greatest problem-solving society ever, it's high time we set about restoring the kind of climate where innovation can flourish.

SENATE RESOLUTION 21—DESIGNATION OF NUMBER OF SENATORS ON CERTAIN STANDING COMMITTEES

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution which amends paragraphs 2 and 3 of rule XXV of the Standing Rules of the Senate. It has to do with the sizes of committees, standing committees of the Senate, and otherwise. Following that I shall then send to the desk the resolution making the majority party appointments to the committee. I ask that the clerk state that resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk proceeded to read the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 21) was agreed to as follows:

S. RES. 21

Resolved, That paragraphs 2 and 3 of Rule XXV of the Standing Rules of the Senate are modified to read as follows:

"2. Except as otherwise provided by paragraph 6 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Agriculture, Nutrition, and Forestry	18
Appropriations	28
Armed Services	17
Banking, Housing and Urban Affairs	15
Commerce, Science, and Transportation	17
Energy and Natural Resources	18
Environment and Public Works	14
Finance	20
Foreign Relations	15
Governmental Affairs	17
Human Resources	15
Judiciary	17

3. (a) Except as otherwise provided by paragraph 6 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Budget	20
Rules and Administration	10
Veterans' Affairs	10

(b) Each of the following committees and joint committees shall consist of the number of Senators (for Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Aging	10
Intelligence	13
Small Business	17
Joint Economic Committee	10

(c) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Ethics	5
Indian Affairs	5
Joint Committee on Taxation	5."

SENATE RESOLUTION 22—DESIGNATION OF DEMOCRATIC COMMITTEE MEMBERSHIP AND CHAIRMEN

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution making majority party appointments to Senate committees for the 96th Congress and electing chairmen of such committees.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

S. RES. 22

Resolved, That the following shall constitute the majority party's membership on the standing committees, the Select Committee on Small Business, and the Special Committee on Aging of the Senate for the Ninety-Sixth Congress:

Committee on Agriculture, Nutrition, and Forestry: Mr. Talmadge (Chairman), Mr. McGovern, Mr. Huddleston, Mr. Stone, Mr. Leahy, Mr. Zorinsky, Mr Melcher, Mr. Stewart, Mr. Pryor, Mr. Boren;

Committee on Appropriations: Mr. Magnuson (Chairman), Mr. Stennis, Mr. Byrd of West Virginia, Mr. Proxmire, Mr. Inouye, Mr. Hollings, Mr. Bayh Mr. Eagleton, Mr. Chiles, Mr. Johnston, Mr. Huddleston, Mr. Burdick, Mr. Leahy, Mr. Sasser, Mr. DeConcini, Mr. Bumpers, Mr. Durkin;

Committee on Armed Services: Mr. Stennis (Chairman), Mr. Jackson, Mr. Cannon, Mr. Byrd of Virginia, Mr. Nunn, Mr. Culver, Mr. Hart, Mr. Morgan, Mr. Exon, Mr. Levin;

Committee on Banking, Housing, and Urban Affairs: Mr. Proxmire (Chairman), Mr. Williams, Mr. Cranston, Mr. Stevenson, Mr. Morgan, Mr. Riegle, Mr. Sarbanes, Mr. Stewart, Mr. Tsongas;

Committee on Commerce, Science, and Transportation: Mr. Cannon (Chairman), Mr. Magnuson, Mr. Long, Mr. Hollings, Mr. Inouye, Mr. Stevenson, Mr. Ford, Mr. Riegle, Mr. Exon. Mr. Hefin;

Committee on Energy and Natural Resources: Mr. Jackson (Chairman), Mr. Church, Mr. Johnston, Mr. Bumpers, Mr. Ford, Mr. Durkin, Mr. Metzenbaum, Mr. Matsunaga, Mr. Melcher, Mr. Tsongas, Mr. Bradley;

Committee on Environment and Public Works: Mr. Randolph (Chairman), Mr. Muskie, Mr. Gravel, Mr. Bentsen, Mr. Burdick, Mr. Culver, Mr. Hart, Mr. Moynihan;

Committee on Finance: Mr. Long (Chairman), Mr. Talmadge, Mr. Ribicoff, Mr. Byrd of Virginia, Mr. Nelson, Mr. Gravel, Mr. Bentsen, Mr. Matsunaga, Mr. Moynihan, Mr. Baucus, Mr. Boren, Mr. Bradley;

Committee on Foreign Relations: Mr. Church (Chairman), Mr. Pell, Mr. McGovern, Mr. Biden, Mr. Glenn, Mr. Stone, Mr. Sarbanes, Mr. Muskie, Mr. Zorinsky;

Committee on Governmental Affairs: Mr. Ribicoff (Chairman), Mr. Jackson, Mr. Eagleton, Mr. Chiles, Mr. Nunn, Mr. Glenn, Mr. Sasser, Mr. Pryor, Mr. Levin;

Committee on Human Resources: Mr. Williams (Chairman), Mr. Randolph, Mr. Pell, Mr. Kennedy, Mr. Nelson, Mr. Eagleton, Mr. Cranston, Mr. Riegle, Mr. Metzenbaum;

Committee on the Judiciary: Mr. Kennedy (Chairman), Mr. Bayh, Mr. Byrd of West Virginia, Mr. Biden, Mr. Culver, Mr. Metzenbaum, Mr. DeConcini, Mr. Leahy, Mr. Baucus, Mr. Heflin;

Committee on Rules and Administration: Mr. Pell (Chairman), Mr. Cannon, Mr. Byrd of West Virginia, Mr. Williams, Mr. Ford, Mr. DeConcini;

Committee on the Budget: Mr. Muskie (Chairman), Mr. Magnuson, Mr. Hollings, Mr. Chiles, Mr. Biden, Mr. Johnston, Mr. Sasser, Mr. Hart, Mr. Metzenbaum, Mr. Riegle, Mr. Moynihan, Mr. Exon;

Committee on Veterans' Affairs: Mr. Cranston (Chairman), Mr. Talmadge, Mr. Randolph, Mr. Stone, Mr. Durkin, Mr. Matsunaga;

Select Committee on Small Business: Mr. Nelson (Chairman), Mr. Nunn, Mr. Culver, Mr. Huddleston, Mr. Bumpers, Mr. Morgan, Mr. Sasser, Mr. Stewart, Mr. Baucus, Mr. Levin;

Special Committee on Aging: Mr. Chiles (Chairman), Mr. Church, Mr. Glenn, Mr. Melcher, Mr. Pryor, Mr. Bradley.

The PRESIDING OFFICER. Without objection, the Senate will now proceed to the immediate consideration of the resolution.

Without objection, the resolution (S. Res. 22) is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 23—DESIGNATION OF MINORITY MEMBERSHIP ON THE STANDING COMMITTEES AND THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 23

Resolved, That the following shall constitute the minority party's membership on the standing committees and the Select Committee on Small Business for the Ninety-sixth Congress:

ON AGRICULTURE, NUTRITION, AND FORESTRY

Messrs. Helms, Young, Dole, Hayakawa, Lugar, Cochran, Boschwitz, and Jepsen.

ON APPROPRIATIONS

Messrs. Young, Hatfield, Stevens, Mathias, Schweiker, Bellmon, Weicker, McClure, Laxalt, Garn, and Schmitt.

ON ARMED SERVICES

Messrs. Tower, Thurmond, Goldwater, Warner, Humphrey, Cohen, and Jepsen.

ON BANKING, HOUSING, AND URBAN AFFAIRS

Messrs. Garn, Tower, Heinz, Armstrong, Mrs. Kassebaum, and Mr. Lugar.

ON BUDGET

Messrs. Bellmon, Domenici, Packwood, Armstrong, Mrs. Kassebaum, Messrs. Boschwitz, Hatch, and Pressler.

ON COMMERCE, SCIENCE, AND TRANSPORTATION

Messrs. Packwood, Goldwater, Schmitt, Danforth, Mrs. Kassebaum, Messrs. Pressler, and Warner.

ON FINANCE

Messrs. Dole, Packwood, Roth, Danforth, Chafee, Heinz, Wallop, and Durenberger.

ON FOREIGN RELATIONS

Messrs. Javits, Percy, Baker, Helms, Hayakawa, and Lugar.

ON GOVERNMENTAL AFFAIRS

Messrs. Percy, Javits, Roth, Stevens, Mathias, Danforth, Cohen, and Durenberger.

ON ENERGY AND NATURAL RESOURCES

Messrs. Hatfield, McClure, Weicker, Domenici, Stevens, Bellmon, and Wallop.

ON THE JUDICIARY

Messrs. Thurmond, Mathias, Laxalt, Hatch, Dole, Cochran, and Simpson.

ON HUMAN RESOURCES

Messrs. Schweiker, Javits, Stafford, Hatch, Armstrong, and Humphrey.

ON ENVIRONMENT AND PUBLIC WORKS

Messrs. Stafford, Baker, Domenici, Chafee, Simpson, and Pressler.

ON RULES AND ADMINISTRATION

Messrs. Hatfield, Baker, Tower, and Schweiker.

ON VETERANS' AFFAIRS

Messrs. Stafford, Thurmond, Simpson, and Humphrey.

SELECT COMMITTEE ON SMALL BUSINESS

Messrs. Weicker, Packwood, Hatch, Hayakawa, Schmitt, Boschwitz, and Pressler.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the resolution.

Without objection, the resolution is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 24—ELIGIBILITY TO SERVE ON CERTAIN COMMITTEES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk proceeded to read the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

Mr. WALLOP. Mr. President, I do wish to register personal objections to it, though I shall not object.

Mr. ROBERT C. BYRD. The Senator does not want to object to dispensing with the reading, does he?

Mr. WALLOP. No.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the Senate will proceed to the immediate consideration of the resolution.

Mr. WALLOP. Mr. President, I will not seek a rollcall vote on this resolution, but I cannot let it pass without expressing my disappointment with the action the Senate is about to take in abandoning those tentative steps we took 2 years ago, at the beginning of the 95th Congress, when, after 2 years of study, we reorganized the Senate so that it could function a little more efficiently, and so that each Senator could be something more than just a rubber stamp or a signer of proxies in the whole spectrum of the consideration of legislation.

Much reason and work went into Senate Resolution 4. Eighty Members of the Senate who are sitting here right now as Members took part in the consideration of that resolution: Yes, we are about to abandon even those tentative steps, halting and feeble though they may have been, toward reform and toward giving the public something for its legislative dollar. Now, 2 years later, we are abandoning both the spirit and the purpose of Senate Resolution 4.

I should like to go briefly through the genesis of Senate Resolution 4, so that there is some understanding of what happened and why we did what we did. I would like to quote some of the people who made rather stirring speeches on behalf of reform and who now seem silent on this very issue, even though the resolution before us ignores much of our earlier work.

On March 11, 1975, Senator STEVENSON submitted Senate Resolution 109 which was adopted on March 31, 1976. Senate Resolution 109 established the temporary Select Committee To Study the Committee System.

Senate Resolution 4 embodied the recommendation of both that select committee and the Rules Committee. After 4 days of discussion on the floor of the Senate, Senate Resolution 4 was adopted on February 4, 1977.

Senate Resolution 4 effectively amended rule XXV of the Standing Rules of the Senate. Relevant to the resolution before us now are paragraphs 6(a) and (b) of rule XXV which are as follows:

6. (a) Except as otherwise provided by this paragraph—

(1) each Senator shall serve on two and no more committees listed in paragraph 2; and

(2) each Senator may serve on only one committee listed in paragraph 3(a) or (b).

(b)(1) Each Senator may serve on not more than three subcommittees of each committee (other than the Committee on Appropriations) listed in paragraph 2 of which he is a member.

The rationale for these changes was interesting. Senator CANNON, at pages 2890–2891 of the CONGRESSIONAL RECORD of February 1, said the following:

The reported resolution proposes to reduce the number of Senate committees from 31 to 19 . . . It is proposed to place a limitation

on the number of committee and subcommittee assignments as follows: Each Senator is entitled to membership on two of the standing committees listed in paragraph 2 . . .

This generally restricts the membership of each Senator on committees and subcommittees to 11, as compared to the present setup with some Senators having over 30 committee and subcommittee assignments. *This is a considerable reduction in the number of assignments given to each Senator, giving Senators more time to prepare themselves for the consideration of proposed legislation for which they are directly responsible.* (Emphasis added.)

Senator STEVENSON, beginning at page 2892, et seq., of the CONGRESSIONAL RECORD of February 1, 1977, explained the basic goals of reform as follows:

This resolution, as reported by the Rules Committee, addresses itself to the basic propositions propounded by the select committee in its original report to the Senate on S. Res. 4, filed on November 15, 1976. These goals were developed out of the experience of Senators, staff members, and others associated with the legislative process in the Senate. These goals are:

First. The Senate should establish a committee system that is consistent with the Senate's unique constitutional responsibilities and characteristics while preserving those elements of its present committee structure that have served it well.

Second. The Senate should significantly reduce the wasteful demands on Members' time resulting from the large number of committee and subcommittee assignments now held by Senators. (Emphasis added.)

Not a day passes when we do not witness the consequences of proliferating committee and subcommittee assignments. Conflicts in scheduling meetings make it hard for many of these committees to conduct their business, and virtually impossible for them to command the full participation of their members. . . .

No theme was more consistent or more strongly expressed during the select committee's hearings than that Senators simply cannot manage their time wisely because they are overburdened with committee and subcommittee assignments. Members from every region and philosophical persuasion appeared . . . and pleaded with us to do something to alleviate this problem.

And something was done to solve the problem, that something was Senate Resolution 4.

The late Senator Humphrey, at page 2905 in the CONGRESSIONAL RECORD of February 1, 1977, explained some of the prereform problems:

An excessive workload means that a Senator must choose among conflicting responsibilities at the expense of individual committee performance.

Senator RANDOLPH, at page 2908 in the CONGRESSIONAL RECORD of February 1, 1977, highlighted the heart of the reform:

The most constructive parts of the proposal are the jurisdictional statements for committees and the reduction in the number of committee assignments for each Member. These proposals may not reduce the time required to bring a matter to resolution in the Senate but will allow Members to focus greater attention on important matters before various committees. . . . The more careful the consideration, the better the legislation.

And I think, Mr. President, that we would find it difficult to disagree with the conclusion drawn by Senator RANDOLPH 2 years ago.

So let us summarize the rationale for the rule that is about to be amended so cavalierly here. It was to increase the effectiveness of every Member of the Senate.

Mr. President, I suggest that adopting the amendments to rule XXV proposed in this resolution without examining the consequences amounts to nothing more than rubberstamping a politically expedient solution to committee assignments in total disregard for the wisdom and efforts of the 95th Congress as embodied in rule XXV. These consequences will be felt by the public. Senators will get along, yet the public will never really know that our actions in adopting this seemingly innocuous resolution will cost them thousands, perhaps millions, of dollars more for a less effective Senate. The public will not know that.

This resolution will, effectively, increase the size of three standing committees and simultaneously increase the number of Senators who are assigned to three "paragraph 2" standing committees, both in derogation of rule XXV.

The committees that are expanded are, interestingly, appropriations increases from 25 to 28; budget grows from 16 to 20; and finance grows from 18 to 20. The majority party does not realize that it lost 3 seats in the last election; and if we are going to follow this same logic, by the time the ratio becomes 51 to 49 Senators, the Hart Building will have been filled to capacity before the walls are put on it.

With the adoption of these resolutions, four Democrats will have three paragraph 2 committees, one Democrat will have four paragraph 2 committees, and four Republicans will have three such committees. And these figures do not even include those Senators who have been assigned to the Budget Committee in addition to two other paragraph 2 committees since budget was given special treatment by Senate resolution last September. We are too quick to find a way out of the reforms that were enacted in Senate Resolution 4.

For the committees that have expanded in membership we can look forward to some of the following results:

Inevitably every member on most committees of the majority party will have a subcommittee concocted for him to sit on and a staff, in violation of what we were really trying to do with Senate Resolution 4, and by getting rid of old Senate Resolution 60 moneys. The chairman and the ranking member will appoint committee staff paid for by increased committee budgets. Practically speaking, these funds will be in addition to the allowances we are each allowed for our membership on these two major committees and one minor committee under Public Law 95–94. So the public will be paying for more staff which will continue to grow. As was mentioned when we had the discussion of the Hart Building, it is like gas. It will expand to fill any volume. The volume will grow and like gas, will burst, even before we have the walls on the new building, before there is anything even to confine it.

The plain fact is the staff is going to expand, the committees are going to expand, and one other thing is going to happen: Members are not going to be able to attend all their committee meetings. No matter how much a Senator likes to think he walks on water he cannot walk on three bodies of water at the same time. Committee chairmen are going to be operating with fists full of proxies, fists full of them. No matter how eloquent an argument that might be made by any Senator, Democrat or Republican, in front of a committee or a subcommittee, that committee chairman is going to be able to throw at him a fistful of proxies which cannot hear and cannot reason, and the public is the worst off for it.

So this so-called world's greatest debating society may be reduced to a handful of proxy-powered chairmen because we could not find it in our hearts to recognize: First, political reality and; second, the fact that we serve the public and not each other.

For those Senators who are assigned more than two major committee assignments it is safe to predict other unavoidable consequences. First, they cannot be at all the meetings of all their committees. They cannot serve their constituency in spite of the fact that their letterhead will carry their committee assignments and their public will think they are functioning on that level; but they cannot do it. There is no way, absolutely no way, to be in all these places at one time. Again, we will be forced to report to proxies with all the problems I spoke of earlier. There is no effective way to coordinate all these committees especially under our rule whereby we cannot meet after the Senate goes in session for 2 hours.

So the public loses. We all lose. I think we all should be losing in self-respect by going down this road. And my criticism is directed at both parties for following a course that destroys the steps we took 2 years ago toward reform and toward a more effective Senate, operating on behalf of the public.

Mr. President, these resolutions create exceptions to rule XXV that effectively swallow up that rule, and in so doing we undo the conscientious work the 94th and 95th Congresses undertook to try to reform the Senate structure for the sake of making its Members more effective and for the sake of serving the public which theoretically was why we were all sent here.

It seems to me, Mr. President, that we should try and look back and heed the valuable efforts of our predecessor Senate, rather than undercutting their effectiveness with these resolutions, especially since these resolutions will increase the cost of legislation and legislative activities to the public, both in real dollars

and by reducing the effectiveness of each Senator on the legislation in front of him.

The public suffers both ways and yet knows but little of these events.

So, Mr. President, while I will not ask for a vote, I wish to be recorded in opposition to this resolution. I hope that somehow or another this Senate will take another look at reform instead of turning its back on it. As a body, we must face upward and recognize that we have a political responsibility to ourselves and the public and not just the old hogs at the trough.

I thank the chair.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution (S. Res. 24) was agreed to as follows:

Resolved, That paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(1)(1) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of three committees listed in paragraph 2 (as this rule was in effect on such day) may, during the term he is serving on the first day of the Ninety-sixth Congress, continue to serve as a member of each of such committees so long as his service as a member of each such committee is continuous.

"(2) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Energy and Natural Resources and the Committee on the Judiciary may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on Human Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"(3) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations or the Committee on Finance may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on the Judiciary so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"(4) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Banking, Housing, and Urban Affairs may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on Foreign Relations so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.".

Sec. 2. Subparagraph (k) of paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by inserting "(1)" after "(k)" and by adding at the end thereof the following:

"(2) Notwithstanding subparagraph (1), a Senator who is serving on the Committee on the Budget and two other committees listed in paragraph 2 may also serve on the Select Committee on Small Business or the Special Committee on Aging or, in the case of a Senator who was a member of the Select Committee on Intelligence on the last day of the Ninety-fifth Congress, may continue to serve on such select committee so long as his service on such select committee is continuous and he is eligible to serve on such select committee under the provisions of section 2(b) of Senate Resolution 400, Ninety-fourth Congress, as amended.

"(3) Beginning on that date occurring during the first session of the Ninety-sixth Congress upon which the appointment of the majority and minority members of the standing committees is initially completed, a Senator who is eligible under subparagraph (1) to serve on three committees listed in paragraph 2 may serve on the Committee on the Budget in addition to serving on such committees, but any Senator so serving may not serve on any committee listed in paragraph 3 (a) or (b).".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS TO THE SELECT COMMITTEE ON INTELLIGENCE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: the Senator from Washington (Mr. JACKSON), in lieu of the Senator from Colorado (Mr. HART), from the Committee on Armed Services; and the Senator from Minnesota (Mr. DURENBERGER), in lieu of the Senator from Kansas (Mr. Pearson), to fill an at-large vacancy.

ANNOUNCEMENT OF MEMBERSHIP OF SELECT COMMITTEE ON INTELLIGENCE

The PRESIDING OFFICER. The Chair wishes also to take this opportunity to announce to the Senate the full membership of the Select Committee on Intelligence for the 96th Congress:

BIRCH BAYH (from the Committee on the Judiciary), chairman; BARRY GOLDWATER (from the Committee on Armed Services), vice chairman; ADLAI E. STEVENSON (at large), WALTER D. HUDDLESTON (at large), JOSEPH R. BIDEN, JR. (from the Committee on Foreign Relations), DANIEL PATRICK MOYNIHAN (at large), DANIEL K. INOUYE (from the Committee on Appropriations), HENRY M. JACKSON (from the Committee on Armed Services), JAKE GARN (from the Committee on Appropriations), JOHN H. CHAFEE (at large), RICHARD G. LUGAR (from the Committee on Foreign Relations), MALCOLM WALLOP (from the Committee on the Judiciary), and DAVID DURENBERGER (at large).

APPOINTMENTS TO CERTAIN COMMITTEES

SELECT COMMITTEE ON INDIAN AFFAIRS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, as amended, appoints the following Senators to the Select Committee on Indian Affairs: The Senator from Montana (Mr. MELCHER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Arizona (Mr. DECONCINI).

The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Indian Affairs for the 96th Congress: The Senator from Colorado (Mr. ARMSTRONG), and the Senator from Oregon (Mr. HATFIELD).

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, appoints the Senator from New York (Mr. JAVITS) to the Commission on Security and Cooperation in Europe, in lieu of the Senator from New Jersey (Mr. CASE), retired.

JOINT ECONOMIC COMMITTEE

The Chair, on behalf of the Vice President, pursuant to Public Law 79–304, appoints the following Senators as members of the Joint Economic Committee for the 96th Congress: The Senator from New York (Mr. JAVITS), the Senator from Delaware (Mr. ROTH), the Senator from Idaho (Mr. MCCLURE), and the Senator from Iowa (Mr. JEPSEN).

SPECIAL COMMITTEE ON AGING

The Chair, on behalf of the Vice President, pursuant to Senate Resolution 33, 87th Congress, as amended and supplemented, appoints the Senator from Kansas (Mrs. KASSEBAUM) and the Senator from Maine (Mr. COHEN) to fill existing vacancies in the minority party membership on the Special Committee on Aging.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after Mr. DANFORTH is recognized and speaks for not to exceed 15 minutes, the Senate then stand in recess until the hour of 8:30 p.m. today, under the order previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess at the moment awaiting the call of the Chair.

There being no objection, the Senate, at 3:06 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 3:07 p.m., when called to order by the Presiding Officer (Mr. RIEGLE).

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 19, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

The Secretary of the Senate also on January 22, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

The Secretary of the Senate on January 23, 1979, received messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

REPORT OF THE WHITE HOUSE CONFERENCE ON BALANCED NATIONAL GROWTH AND ECONOMIC DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 9

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 19, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

In fulfillment of a requirement of P.L. 94-487, October 12, 1976, I am transmitting my report on the White House Conference on Balanced National Growth and Economic Development. For many weeks preceding the final Conference, there were State and regional Conferences organized like town meetings, giving citizens and elected officials an opportunity to exchange views on the critical issues of growth and development. Held in Washington on January 29 through February 2, 1978, the Conference was attended by more than 700 individuals from all parts of the country.

An important outcome of the Conference was the general agreement among the delegates that no massive new Federal spending programs were needed. Instead, they called for more effective government, more balanced decisions, and a real partnership among levels of government and the private sector in meeting persistent social and economic problems. This theme has been an invaluable guide in helping shape the growth and development policies of my Administration.

We are indebted to those who participated in the Conference. It could have been so controversial or so sterile that no useful purpose was served. Instead, it provided many constructive insights to help shape future growth and development policy in this country.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT—PM 10

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I am pleased to transmit to you the 15th quarterly report on the activities of the Council on Wage and Price Stability. It contains a narrative record of the Council's operations during the three-month period April through June, 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT—PM 11

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Eighth Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

REPORT ON COASTAL ZONE MANAGEMENT—MESSAGE FROM THE PRESIDENT—PM 12

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to transmit the 1977 Coastal Zone Management Annual Report as required by Public Law 92-583.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

REPORT ON THE OPERATION OF THE AUTOMOTIVE PRODUCTS TRADE ACT—MESSAGE FROM THE PRESIDENT—PM 13

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Finance:

To the Congress of the United States:

I hereby submit the Twelfth Annual Report on the Operation of the Automotive Products Trade Act of 1965. This Report covers 1977, a year in which production and sales of North American motor vehicles reached record levels.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

REPORT OF HEALTH ACTIVITIES UNDER THE FEDERAL COAL MINE HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 14

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the 1977 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Coal Mine Health and Safety Act of 1969, as amended in 1977.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthrough in the field.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

REPORT OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE—MESSAGE FROM THE PRESIDENT—PM 15

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the Fifth Report of the Director of the National Heart, Lung, and Blood Institute. The Report contains five-year projections of the Institute's needs which are solely those of the Institute and do not reflect either the HEW or Administration positions.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

BUDGET FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT—PM 16

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with accompanying documents, which was referred to the Committee on Appropriations and the Committee on the Budget, jointly, by unanimous consent:

To the Congress of the United States:

This budget for fiscal year 1980 is lean and austere. It recommends a spending level well below that suggested by the recent momentum of Federal spending. It will disappoint those who seek expanded Federal efforts across the board. It meets my commitment to a deficit of $30 billion or less.

This policy of restraint is not a casual one. It is an imperative if we are to overcome the threat of accelerating inflation.

If that threat is realized, it would severely disrupt our economy and the well-being of our society. Americans with low and fixed incomes would suffer the most. Restraint would eventually become an inescapable necessity. But the longer we wait, the more severe and costly the inevitable restraint will be. By contrast, this budget supports a balanced fiscal policy. It is sufficiently restrained to ease inflationary pressures, but it will permit continued economic growth.

The Federal Government cannot overcome inflation by itself. Success will require cooperation from business, from labor, from consumers, from State and local governments—in short, from everyone. I have called for that cooperation as part of my anti-inflation program. However, only through its leadership and its example can the Federal Government secure this cooperation. This budget provides that leadership. It restrains Government's demand on the economy. At the same time, it makes the Federal dollar work harder and better.

The key to effective Federal leadership against inflation, unemployment, and poverty lies in more effective allocation and management of available resources. We must reduce the growth of total Federal spending while protecting the security of our Nation and the well-being of the American people.

This budget provides the necessary discipline over Federal spending by:

—eliminating programs that are unworkable;

—improving programs to make them more effective;

—focusing assistance on the disadvantaged and the poor; and

—reorganizing and consolidating Federal activities to improve efficiency and avoid waste, abuse, or mismanagement.

I believe this discipline represents an opportunity to reassess and build strong foundations for future Government activity, an opportunity to change Government for the better. It is my firm intention to continue these policies in future years, to reduce the size of the deficit, and to achieve a balanced budget as soon as economic conditions permit.

The budget totals

[In billions of dollars]

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget receipts	402	456	503	577	653
Budget outlays	451	493	532	578	615
Surplus or deficit (—)	—49	—37	—29	—1	38
Budget authority	502	560	616	651	696

My budget provides for total outlays in 1980 of $532 billion, an increase of $38 billion, or 7.7%, over 1979, and receipts of $503 billion. For 1981 and 1982, it provides for total outlays of $578 billion and $615 billion, respectively. Budget outlays will decrease as a share of the Nation's gross national product from 22.1% in 1978 to 21.2% in 1980 and 20.3% in 1982. This reduction in the share of our national product spent by the Federal Government is a fundamental goal of my policy, equally as important as reducing the deficit.

The expenditures I recommend are specifically focused on overcoming our Nation's crucial problems. Through rigorous zero-base analyses, priorities have been established to help us get the best Government possible for the resources we can afford. Careful attention to efficiency and productivity will enable Federal managers to achieve our most important priorities with less money and fewer people.

The spending restraint in this budget means that in some areas the Government will simply not be able to do as much as it has in the past. Inevitably, real sacrifices must be made if we are to overcome inflation. In formulating this budget, I have made every effort to spread that burden fairly and objectively. Restraint has not been applied arbitrarily.

However, there are areas where we cannot make major reductions. I have sought to reconcile the need for extraordinary restrictions on Government spending with the need to maintain a strong defense; to implement a national energy policy; to assist people in need; and to continue important public services and investments.

First, as President, it is my central responsibility to ensure that our defense forces are strong enough to deter aggression. This budget does that.

In May of 1977 I met with our NATO allies and urged that we work together to strengthen our common defense. They are meeting the goal that we agreed upon. We must and will do our share.

In total, the 1980 defense budget provides for growth in outlays in real terms of 3% above the current year's spending. Most of this increase will be for strengthening our NATO forces and maintaining the strategic balance. The budget continues my policy of steady modernization of our strategic forces, and improved combat readiness of our tactical forces. It also emphasizes research and development to meet future challenges to our security. At the same time, however, it restrains defense costs by introducing important economies in purchasing, supply management, and personnel costs and numbers.

Second, the 1980 budget recognizes the vital importance of energy to the Nation. Because of our dependence on foreign oil, we continue to be in danger of having supplies disrupted as they were 5 years ago. It is essential that we continue to move forward with an effective national energy program that will decrease our demand for foreign oil and protect against disruption of foreign oil supplies.

The 1980 budget provides for the continued buildup of the strategic petroleum reserve. It continues to assist in the development of technologies to tap our domestic energy resources more effectively. I have given special emphasis to developing advanced solar power technologies. The budget proposals give increased attention to more efficient use of uranium, to nuclear proliferation and environmental problems, and to effective measures to deal with nuclear waste.

Third, even when budget restraint is essential, we will continue as a compassionate society to meet our commitments to the disadvantaged. Therefore, I have ensured that my budget include adequate funds for programs that help those Americans most truly in need. To make these funds as effective as possible, the budget includes recommendations for adjustments in direct payment programs, better targeting of existing programs, and improved management so that funds are not wasted but go to the people for whom they were intended.

My administration is developing a national health plan. Consistent with the development of that plan, the budget emphasizes programs to address critical health needs. As early steps toward this plan, my proposals extend health services to 2 million more low-income children and pregnant women who cannot afford health care that they need, and bring new health care resources to people who live in medically-underserved areas. The budget includes new and expanded programs to reduce activities that cause ill health, such as drug and alcohol abuse, as well as to protect individuals and communities from pollu-

tion and other toxic substances; increased funding for mental health research; and expanded health-related services such as nutrition programs for low-income mothers and children.

I am again proposing legislation to contain the exorbitant nationwide rise in hospital costs. The 320% rise in these costs in the past 10 years has been a major inflationary force and an unacceptable drain on family incomes. The Congress must act on this problem.

Curbs on hospital costs will benefit State and local budgets—and those of private citizens—as well as the Federal budget. They will strike directly at inflation in a sector where price increases have been chronically high.

The budget recommends a number of changes in the social security system to streamline it and eliminate unnecessary benefit payments. They will reduce the future costs of this largest of all Federal programs—and, ultimately, hold down the taxes imposed on workers and employers. I will consider future social security tax reductions in conjunction with these savings.

In the past 2 years, total employment in the U.S. has increased by 7.4 million jobs. This is an average rate of 4.1% per year, one of the most rapid expansions in our history. The proportion of our civilian population employed is higher, at almost 60%, than it has ever been before. But despite these gains, unemployment, particularly among the disadvantaged and minorities, remains too high.

Continued high structural unemployment in an inflationary economy requires a redirection of our efforts. Programs targeted to employ the truly disadvantaged are continued at their current high levels as established by this administration. More general employment programs, not directed specifically to those most in need, must be reduced to reflect improvements in the economy and our need to establish priorities. Our youth employment and CETA programs reflect my continued strong commitment to fight unemployment of the needy. The employment tax credit enacted last year is encouraging the private sector to provide increased employment opportunities for the disadvantaged, primarily youth. This incentive will be reinforced by a private sector employment initiative, for which I am requesting a $400 million supplemental appropriation for 1979.

This budget also provides strong support for economic development programs, and again proposes a National Development Bank to help fund these efforts. The budget provides for a 36% increase in assistance to minority business enterprises.

Finally, I believe that the Federal Government must lead the way in investing in the Nation's future. This budget, therefore, continues my policy of providing real growth in Federal support of basic research. This support amounts to a relatively small part of the total budget—$4.6 billion in 1980—but it is vital to the future of our Nation. The knowledge created through basic research holds the potential for breakthroughs to the solution of problems we face or may face in such critical areas as agriculture, health, environment, energy, defense, and the overall productivity of our economy. Higher productivity gains in the future, moreover, will make an important contribution to reducing inflation.

* * * * *

Meeting the essential needs of the Nation, while restraining growth in overall spending, makes efficient management not just desirable, but essential.

In 1977 I proposed—and the Congress approved—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international information activities.

In 1978 I proposed—and the Congress approved—reorganizations of the Federal civil service system, emergency preparedness and disaster relief programs, civil rights enforcement, and the pension plan insurance system in order to make them more responsive and effective.

In 1979 I will resubmit my proposal to establish a Department of Education and propose further reorganization and consolidation in economic development assistance, natural resources management, and surface transportation.

For the second year, my budget reflects detailed, Government-wide, zero-base budgeting. Agency programs were explicitly ranked by priority, and programs were ranked across agencies, in a new interagency, zero-base budgeting process.

For the first time, the budget reflects the 3-year budget planning system I have instituted to gain better control of the longer-range effects and direction of Government policies.

In this budget I am proposing a new system to control the growth of Federal credit activities, particularly federally-guaranteed credit.

Other important steps will be taken to improve the way the Government operates and the way it affects the private sector. To increase the efficiency of the private sector, the administration will eliminate unnecessary regulation where possible, and will minimize the redtape involved in necessary environmental and safety regulation. Further efforts will be made to reduce excessive paper work. State and local governments, private institutions, and citizens will benefit from simplified conditions for receiving Federal assistance. In particular, a number of programs have been consolidated to simplify the grant system, and more will be proposed in the future. The Government's own management will be improved through more effective cash management, application of the Civil Service Reform Act, and use of new offices of Inspectors General to identify waste and search out fraud and corruption.

* * * * *

Preparing this budget reminds me once more of the overwhelming demands upon the Federal budget and of the limits on our resources.

I believe that we must firmly limit what the Government taxes and spends. We must balance public and private needs. We must set priorities more carefully. We must change some old priorities and establish new ones. We must defer some of our demands if we are to meet adequately today's most critical needs.

These principles have guided my actions in shaping this budget and they will continue to do so in the future:

—the budget must be kept within the bounds of what is appropriate in today's economic circumstances;

—the Government has no resources of its own, its only resources are those it collects from the taxpayer;

—Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them; and,

—we have an obligation to manage with excellence and to maintain proper priorities within the $532 billion proposed in this budget.

I know that the Congress shares these beliefs. You, as well as the executive branch, are sensitive to the American people's concerns about the scope of Government, the burdens of taxes, the needs of our citizens, and the efficiency of public management. Indeed, the Congress in the last few years has taken important steps—in particular, through the establishment of the congressional budget process—to improve its own means of establishing priorities. I have worked closely with the Congress, and will continue in this spirit of cooperation.

I look forward to working with the Congress and its leadership on this budget.

The decisions I have made are difficult ones. They involve, not figures on a balance sheet, but the lives and future of the American people. I have chosen restraint in Government spending because inflation must be controlled. I have tried to be equitable in ordering priorities. Yet I have continued to support those programs that represent our most pressing needs. To do so I have terminated, reduced, or deferred other programs.

It is difficult to maintain a sense of strong national purpose when we do not face a clear and immediate crisis. But it is equally important. These are times when responsible leadership means anticipating those day-to-day actions that enable us to avoid crises and to build toward the future. This has been the fundamental purpose behind the decisions considered here, and that is the intent of this budget.

JIMMY CARTER.

THE WHITE HOUSE, *January 22, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States, proposing the budget of the United States for fiscal year 1980, be jointly referred to the Committees on Appropriations and Budget.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 18, 1979, received a message from the House of Representatives, reporting that the Speaker has signed House Joint Resolution 1, a joint resolution to extend the time for filing the Economic Report.

The joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of 20 United States Code, 42 and 43, the Speaker has appointed Mr. THOMPSON, Mr. MINETA, and Mr. CONTE as members of the Board of Regents to the Smithsonian Institution on the part of the House.

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-348. A communication from Comptroller General of the United States, reporting, pursuant to law, on the President's fourth special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on the Budget, the Committee on Appropriations, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Foreign Relations, jointly, pursuant to order of January 30, 1975.

EC-349. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during October and November 1978 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-350. A communication from the Chairman, Federal Trade Commission, transmitting, pursuant to law, a report concerning (a) the effectiveness of cigarette labeling, (b) current practices and methods of cigarette advertising and promotion, and (c) recommendations for legislation deemed appropriate; to the Committee on Commerce, Science, and Transportation.

EC-351. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the "Electrical Hybrid Vehicle Program"; to the Committee on Commerce, Science, and Transportation.

EC-352. A communication from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting, pursuant to law, the 1978 Annual Report on Electric Utility Rate Design and Energy Management Initiatives; to the Committee on Energy and Natural Resources.

EC-353. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, financial statements of the Colorado River Basin Project for the year ended September 30, 1978; to the Committee on Energy and Natural Resources.

EC-354. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report setting forth the Secretary's recommendations for a program to assure that individuals employed on the Outer Continental Shelf are properly trained to operate or supervise pollution-prevention equipment; to the Committee on Energy and Natural Resources.

EC-355. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Minority Firms on Local Public Works Projects—Mixed Results," January 16, 1979; to the Committee on Environment and Public Works.

EC-356. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Social Security Administration Should Improve its Recovery of Overpayments Made to Retirement, Survivors, and Disability Insurance Beneficiaries," January 17, 1979; to the Committee on Finance.

EC-357. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-280, "Air Quality Control Regulations Amendment No. 3 of 1978," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-358. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-318, "Historic Landmark and Historic District Protection Act of 1978" and committee report, adopted on November 28, 1978; to the Committee on Governmental Affairs.

EC-359. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-267, "D.C. Unemployment Compensation Act Amendments of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-360. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of Current Policy for Retiring and Replacing General Purpose Motor Vehicles"; to the Committee on Governmental Affairs.

EC-361. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-339, "Corporate and Unincorporated Business Tax Revision Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-362. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-254, "Fire and Casualty Act Amendments of 1978," and committee report, adopted on July 11, 1978; to the Committee on Governmental Affairs.

EC-363. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-323, "District of Columbia Resident Tax Credit Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-364. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-263, "Employment Opportunities Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-365. A communication from the Acting Director, Office of Administrative Services, Department of Commerce, transmitting, pursuant to law, a report on disposal of foreign excess property for the fiscal year 1978; to the Committee on Governmental Affairs.

EC-366. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-268, "District of Columbia Renters and Homeowners Tax Reduction Act of 1978," and committee report, adopted on July 25 1978; to the Committee on Governmental Affairs.

EC-367. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-278, "Library Reciprocal Borrowing Act of 1978," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-368. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-338, "Surveyor User Charges Act of 1978," adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-369. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-324, "D.C. Charitable Organizations Conformity Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-370. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-310, "Closing of a Public Alley in Square 121 Act of 1978," and committee report, adopted on November 14, 1978; to the Committee on Governmental Affairs.

EC-371. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-279, "Act to amend the District of Columbia Public Postsecondary Education Reorganization Act," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-372. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-261, "Closing and Dedication of a Public Alley in Square 163 Act of 1978," and committee reported, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-373. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-321, "Senior Citizen Residences Sales Tax on Meals Exemption Act," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-374. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-301, "Interest Rate Extension and Modification Act of 1978," and committee report, adopted on October 31, 1978; to the Committee on Governmental Affairs.

EC-375. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-327, "D.C. Redevelopment Land Agency Tax Exemption Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-376. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-292, "District of Columbia Mental Health Information Act of 1978," and committee report, adopted on October 3, 1978; to the Committee on Governmental Affairs.

EC-377. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-260, "Condominium Conversion Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-378. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-262, "Closing and Dedication of a Public Alley in Square 100 Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-379. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-312, "Confirmation Act of 1978," and committee report, adopted on October 31, 1978; to the Committee on Governmental Affairs.

EC-380. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-259, "Closing of Eye Street, N.W. between 23rd and 24th Streets, N.W. Act of 1978," and

committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-381. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-299, "Real Property Tax Rate Act for Tax Year 1979," and committee report, adopted on October 17, 1978; to the Committee on Governmental Affairs.

EC-382. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report of proposed alterations to a system of records; to the Committee on Governmental Affairs.

EC-383. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-326, "Rental Vehicle Tax Reform Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-384. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-325, "Amendments to An Act to Provide for Voluntary Apprenticeship in the D.C. Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-385. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-320, "Prevention of the Administration of Lie Detection Procedures Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-386. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-328, "Tax Return Confidentiality Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-387. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-269, "Air Quality Amendment Act No. II of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-388. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-319, "District of Columbia Documents Act," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-389. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-322, "Expanded Public Defender Service Board of Trustees Membership Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-390. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-270, "School Transit Subsidy Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-391. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-283, "District of Columbia comprehensive Plan Goals and Policies Act of 1978," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-392. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-297, "Mentally Retarded Citizens Constitutional Rights and Dignity Act of 1978," and committee report, adopted on October 3, 1978; to the Committee on Governmental Affairs.

EC-393. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-313, "Law School Clinical Programs Funding Authorization Act of 1978," and committee report, adopted on November 13, 1978; to the Committee on Governmental Affairs.

EC-394. A comunication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-291, "District of Columbia Housing Finance Agency Act," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-395. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-300, "D.C. Government Comprehensive Merit Personnel Act of 1978," and committee report, adopted on October 31, 1978; to the Committee on Governmental Affairs.

EC-396. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Assurance Does Office of Education's Eligibility Process Provide?" January 17, 1979; to the Committee on Governmental Affairs.

EC-397. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The NAVSTAR Global Positioning System—A Program With Many Uncertainties," January 17, 1979; to the Committee on Governmental Affairs.

EC-398. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Considerations For Adjustment Assistance Under the 1974 Trade Act: A Summary of Techniques Used in Other Countries," January 18, 1979 to the Committee on Governmental Affairs.

EC-399. A communication from the Chairman, Federal Council on the Arts and the Humanities, transmitting, pursuant to law, its third annual report on the Arts and Artifacts Indemnity Program for Fiscal Year 1978; to the Committee on Human Resources.

EC-400. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final administrative and technical regulations for the Basic Educational Opportunity Program (20 U.S.C. 1070a, Subpart I of Part A of Title IV of the Higher Education Act of 1965, as amended, P.L. 92-318, amended by P.L. 94-482, Education Amendments of 1976); to the Committee on Human Resources.

EC-401. A communication from the Chairman and members, United States Commission on Civil Rights, transmitting, pursuant to law, transmitting a report entitled "Window Dressing on the Set: An Update"; to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-24. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION No. 375

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam continues to be an attractive destination for prospective Japanese tourists; and

"Whereas, the recent trend of scheduled air carriers is to reduce air flight frequencies between Japan and Guam for the carrier's convenience as well as fixing unattractive departure and arrival schedules; and

"Whereas, Japan to Guam air fare is comparatively high in relation to other destinations in the Far East; and

"Whereas, the disadvantages to Guam resulting from the above is to deter tourism and the economic growth of Guam contrary to President Carter's policy of advocating freedom of the skies and reduction of air fares; and

"Whereas, in addition to the scheduled flights which are limited to flights from Narita Airport, Osaka, and Okinawa to Guam for convenience primarily of business personnel, Inclusive Tour Charters (ITC) should be allowed for air carriers from Japan to enable Japanese residents to depart from other Japanese domestic air terminals such as Sapporo, Niigata and Kyushu, for Guam; now, therefore, be it

"Resolved, that in view of the serious repercussions to Guam, the Fourteenth Guam Legislature, on behalf of the people of Guam, requests the U.S. Congress and the Government of Japan to review carrier schedules to Guam with respect to the Japan-U.S. Civil Aviation Treaty to make Guam more easily accessible to all prospective Japanese tourists; and be it further

"Resolved, that since All Nippon Airway (ANA) with the requisite capabilities has expressed willingness to fly Inclusive Tour Charters (ITC) to Guam, Guam hereby extends an invitation to ANA to serve Guam from Japan by its said charters at its earliest possible convenience; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Chairman, Civil Aeronautics Board; to the Prime Minister of Japan; to the President of All Nippon Airway (ANA); to the Speaker of the House of Representatives, U.S. Congress; to Congressman A. B. Won Pat; to the President Pro Tem, U.S. Senate; to the Guam Visitors Bureau; to the Director, Department of Commerce, Government of Guam; to the Guam Airport Authority; and to the Governor of Guam."

POM-25. A petition from the Young Crusaders, First United Methodist Church, Lafayette, La., requesting a Presidential Proclamation; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. WALLOP (for himself, Mr. THURMOND, Mr. KENNEDY, Mr. MCGOVERN, Mr. CRANSTON, Mr. SIMPSON, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. DECONCINI):

S. 105. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 106. A bill to amend title XVI of the Social Security Act to provide for attribution of sponsor's income and resources to aliens; to the Committee on Finance.

By Mr. MORGAN:

S. 107. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE (for himself and Mr. STEWART):

S. 108. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. NUNN):

S. 109. A bill to require the reinstitution of procedures for the registration of certain persons under the Military Selective Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. NELSON (for himself, Mr. FORD, Mr. HUDDLESTON, Mr. PELL, Mr. BASSER, Mr. WEICKER, and Mr. STEWART):

S. 110. A bill to amend the Internal Revenue Code of 1954 to provide accelerated and simplification depreciation for small business; to the Committeee on Finance.

By Mr. BUMPERS:

S. 111. A bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress; to the Committee on the Judiciary.

By Mr. DOLE:

S. 112. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committeee on Finance.

By Mr. THURMOND:

S. 113. A bill for the relief of Henry C. Fleming, III; to the Committeee on Armed Services.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 115. A bill to establish procedures for the issuance and enforcement of search warrants and other legal processes, to provide a remedy for persons injured by a failure to comply with such procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. LUGAR:

S. 116. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir in the State of Indiana; to the Committeee on Environment and Public Works.

By Mr. COCHRAN:

S. 117. A bill for the relief of Heung-Sang Chun (also known as Margaret Chun); to the Committee on the Judiciary.

By Mr. TSONGAS:

S. 118. A bill for the relief of Paul Spyropoulos, Barbara Spyropoulos, husband and wife, and Sotirios Spyropoulos, their son; to the Committeee on the Judiciary.

By Mr. BELLMON:

S. 119. A bill to reduce duplicative and redundant reporting requirements imposed on American businesses by Federal agencies; to the Committee on Governmental Affairs.

By Mr. CRANSTON:

S. 120. A bill for the relief of Marie Elena Foley and Caritina Ann Foley; to the Committee on the Judiciary.

S. 121. A bill for the relief of Felix Hernandez-Arana and his wife, Felicia Ogaldez-De Hernandez; to the Committee on the Judiciary.

S. 122. A bill for the relief of Clarita Valdez Aragones; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 123. A bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists; to the Committee on Finance.

By Mr. BURDICK:

S. 124. A bill for the relief of Monchito C. Entena; to the Committee on the Judiciary.

S. 125. A bill for the relief of Ardashir Mardirosian; to the Committee on the Judiciary.

S. 126. A bill for the relief of Gang-Fung Chen, Li-Li H. Chen, Psung-Hwes Chen, and Psung-Kai Chen; to the Committee on the Judiciary.

S. 127. A bill for the relief of Oscar Fadul, Fe G. Fadul, and Katherine G. Fadul; to the Committee on the Judiciary.

S. 128. A bill for the relief of Elwood Erickson; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 129. A bill to designate September 17, 1987, as a legal public holiday; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 130. A bill for the relief of Dr. Vidal O. Simpao, Jr., and his wife, Abigail Simpao; to the Committee on the Judiciary.

S. 131. A bill for the relief of Dr. Manuel Javier Mariano and his wife, Lilia Zapanta Mariano; to the Committee on the Judiciary.

By Mr. BAKER:

S. 132. A bill for the relief of Dirk Vierkant; to the Committee on the Judiciary.

By Mr. HELMS:

S. 133. A bill for the relief of Veronica Anthony; to the Committee on the Judiciary.

S. 134. A bill for the relief of Shyy Wen-Huei; to the Committee on the Judiciary.

S. 135. A bill for the relief of Vasudev B. Bhatt; to the Committee on the Judiciary.

S. 136. A bill for the relief of Antony C. Hui; to the Committee on the Judiciary.

S. 137. A bill for the relief of George Bolus Boutros and Pierre Philip Boutros; to the Committee on the Judiciary.

By Mr. FORD:

S. 138. A bill for the relief of Wilhelmina Octavo Lucila; to the Committee on the Judiciary.

S. 139. A bill for the relief of Dr. Samuel Blancafior Gregorio, and his wife, Raquel Luga Gregorio; to the Committee on the Judiciary.

By Mr. YOUNG (for himself and Mr. BURDICK):

S. 140. A bill to authorize the Secretary of the Interior to defer repayment of municipal and industrial costs of the Dickinson Unit; to the Committee on Energy and Natural Resources.

By Mr. YOUNG:

S. 141. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential water resource development; to the Committee on Energy and Natural Resources.

S. 142. A bill to authorize the Secretary of the Interior to enter into contracts or other agreements with appropriate law enforcement entities for the purpose of providing law enforcement services at Lake Tschida, N. Dak.; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 143. A bill for the relief of Mr. and Mrs. Shinya Nozaki; to the Committee on the Judiciary.

S. 144. A bill for the relief of Mr. Angelo B. Cortes; to the Committee on the Judiciary.

S. 145. A bill for the relief of Sylvester Hiongue; to the Committee on the Judiciary.

S. 146. A bill for the relief of Ms. Marlene Sabina Lajola; to the Committee on the Judiciary.

S. 147. A bill for the relief of Lenora Antes and Rudolfo Mateo Antes; to the Committee on the Judiciary.

S. 148. A bill for the relief of Lucilo Mejia Bolaoen; to the Committee on the Judiciary.

S. 149. A bill for the relief of Miss Evelyn R. Rey; to the Committee on the Judiciary.

S. 150. A bill for the relief of Mr. and Mrs. Lemuel D. Navarrete; to the Committee on the Judiciary.

S. 151. A bill for the relief of Jerry W. Manandic and Ceferino W. Manandic; to the Committee on the Judiciary.

S. 152. A bill for the relief of Dr. Belinda A. Aquino; to the Committee on the Judiciary.

S. 153. A bill for the relief of Benjamin N. Mascarenas; to the Committee on the Judiciary.

S. 154. A bill for the relief of Arron P. K. Yung; to the Committee on the Judiciary.

S. 155. A bill for the relief of Andrew N. Respicio; to the Committee on the Judiciary.

S. 156. A bill for the relief of David Parkin; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 157. A bill for the relief of Anibal Hadad, his wife Alicia Hadad, and his son Daniel Hadad; to the Committee on the Judiciary.

By Mr. BUMPERS:

S. 158. A bill for the relief of Ahmad Shuja Khan McGuire; to the Committee on the Judiciary.

S. 159. A bill for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Alvouich Arriaza; to the Committee on the Judiciary.

S. 160. A bill for the relief of Kurt Perwolf, his wife Hilda Perwolf, and his son Christian Perwolf; to the Committee on the Judiciary.

By Mr. ZORINSKY:

S. 161. A bill for the relief of Dr. Dela Cruz; to the Committee on the Judiciary.

S. 162. A bill for the relief of T. Sgt. Herman F. Baca, U.S. Air Force; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 163. A bill for the relief of Jutta Renate Kruparz; to the Committee on the Judiciary.

S. 164. A bill for the relief of Wen Hwei Hsu; to the Committee on the Judiciary.

S. 165. A bill for the relief of Vivian Lim Ong; to the Committee on the Judiciary.

S. 166. A bill for the relief of Amadeo Sembrano Timbol, his wife Hannah Aola Sangkula Timbol, his son Abel Sangkula Timbol, and his daughter Schiraliz Sangkula Timbol; to the Committee on the Judiciary.

S. 167. A bill for the relief of Masami Yamada; to the Committee on the Judiciary.

S. 168. A bill for the relief of Benjamin Miguel Acob; to the Committee on the Judiciary.

S. 169. A bill for the relief of Kwok Hung Poon and his wife, Sandra Man Lai Poon; to the Committee on the Judiciary.

S. 170. A bill for the relief of Janet Abraham, also known as Janet Susan Abraham; to the Committee on the Judiciary.

S. 171. A bill for the relief of Feliciana Usita Barroga; to the Committee on the Judiciary.

S. 172. A bill for the relief of Zosima Batoon; to the Committee on the Judiciary.

S. 173. A bill for the relief of Duk Chan Byun, his wife Yun Ja Byun, and his children Hye Ja Byun, Hye Sun Byun, Hye Ryung Byun, and Yung Eun Byun; to the Committee on the Judiciary.

S. 174. A bill for the relief of Goldhorn Cheng, Cheng-Hwa Lee Cheng, Shih-Chuang Cheng, Shih-Huang Cheng, and Shih-Kang Cheng; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 175. A bill for the relief of James Hugh Thomas; to the Committee on the Judiciary.

S. 176. A bill for the relief of Doctor Akbar Khan; to the Committee on the Judicary.

S. 177. A bill for the relief of Mohsen P. Roudsari; to the Committee on the Judiciary.

S. 178. A bill for the relief of Zacharia P. Varghese; to the Committee on the Judiciary.

S. 179. A bill for the relief of Reina Estela Olvera; to the Committee on the Judiciary.

S. 180. A bill for the relief of Chakrapani Sethumadhavan; to the Committee on the Judiciary.

S. 181. A bill for the relief of Catherine and Robert Fosses; to the Committee on the Judiciary.

S. 182. A bill for the relief of Frans Mustert; to the Committee on the Judiciary.

S. 183. A bill for the relief of Anup and Lauleen Mody; to the Committee on the Judiciary.

S. 184. A bill for the relief of Alan Hui; to the Committee on the Judiciary.

S. 185. A bill for the relief of Mustafa A.

Shamsedin; to the Committee on the Judiciary.

S. 186. A bill for the relief of Emi Ohta; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 187. A bill for the relief of Constantine Olfie Ockiya and Elisur Olufunmilaya Ockiya, husband and wife; to the Committee on the Judiciary.

By Mr. STEVENSON (for himself, Mr. PERCY, Mr. LUGAR, and Mr. BAYH):

S. 188. A bill to amend the Disaster Relief Act of 1974; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 189. A bill to amend the Merchant Marine Act, 1936, to direct the Secretary of Commerce to cooperate with the Secretary of the Navy and the maritime industry in establishing an adequate and well-balanced fleet; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. BAYH, Mr. BIDEN, Mr. CRANSTON, Mr. DECONCINI, Mr. FORD, Mr. HATFIELD, Mr. INOUYE, Mr. LEAHY, Mr. MAGNUSON, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. RIBICOFF, Mr. RIEGLE, Mr. TSONGAS, and Mr. WILLIAMS):

S. 190. A bill entitled the "Victims of Crime Act of 1979"; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 191. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Committee on the Judiciary.

By Mr. BUMPERS:

S. 192. A bill to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors; to the Committee on Finance.

By Mr. TOWER (for himself, Mr. NUNN, Mr. SCHMITT, and Mr. MORGAN):

S. 193. A bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

By Mr. MCGOVERN:

S. 194. A bill to regulate and control the acquisition of U.S. agricultural land by foreign persons, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUMPERS:

S. 195. A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. STONE, Mr. DURKIN, Mr. BURDICK, Mr. GOLDWATER, Mr. GRAVEL, Mr. HOLLINGS, Mr. MELCHER, and Mr. MCGOVERN):

S. 196. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 197. A bill to amend the definition of the term "qualified vessel" under a capital construction fund; to the Committee on Commerce, Science, and Transportation.

By Mr. SARBANES:

S. 198. A bill to permit the burial of Chief Tayac in Piscataway Park, Oxon Hill, Md.; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 199. A bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U. S. foreign trades; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. WILLIAMS, Mr. MOYNIHAN, and Mr JAVITS):

S. 200. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Environment and Public Works.

By Mr. BAYH (for himself, Mr. WILLIAMS, Mr. MCGOVERN, Mr. RANDOLPH, and Mr. LEAHY):

S. 201. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer; to the Committee on Finance.

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. RANDOLPH, and Mr. RIEGLE):

S. 202. A bill to create a National Commission on Alcoholism and Other Alcohol-Related Problems; to the Committee on Human Resources.

By Mr. WILLIAMS:

S. 203. A bill to amend title 5 of the United States Code to allow a retired employee or Member who, upon remarriage, elects to have his spouse receive a survivor annuity to increase the amount of such annuity over the amount of the survivor annuity elected for his previous spouse; to the Committee on Governmental Affairs.

By Mr. STONE:

S. 204. A bill for the relief of Space Systems Laboratories, Inc., of Melbourne, Fla.; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself and Mr INOUYE):

S. 205. A bill directing the Administrator of General Services to convey certain property to the State of Hawaii; to the Committee on Governmental Affairs.

By Mr. STONE:

S. 206. A bill to amend the Internal Revenue Code of 1954 to provide for a credit of up to $200 against income tax liability for post-1978 increases in social security tax liability; to the Committee on Finance.

By Mr. WALLOP (for himself and Mr. SIMPSON):

S.J. Res. 19. A joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on the Judiciary.

By Mr. ZORINSKY (for himself, Mr. EXON, Mr. BURDICK, Mr. YOUNG, and Mr. MELCHER):

S.J. Res. 20. A joint resolution to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JAVITS (for himself, Mr. DURENBERGER, and Mr. CHILES):

S.J. Res. 21. A joint resolution to establish a Joint Committee on National Health Insurance; to the Committee on Governmental Affairs.

By Mr. GARN (for himself, Mr. DANFORTH, Mr. DECONCINI, Mr. HATCH, Mr. HATFIELD, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 22. A joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S.J. Res. 23. A joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA (for himself, Ms. KASSEBAUM, Mr. LEAHY, Mr. MATHIAS, Mr. MOYNIHAN, and Mr. WILLIAMS):

S.J. Res. 24. A joint resolution to require improvement and expansion of the collection, analysis and publication of statistical data relating to working women; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. THURMOND, Mr. KENNEDY, Mr. MCGOVERN, Mr. CRANSTON, Mr. SIMPSON, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. DECONCINI):

S. 105. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; to the Committee on the Judiciary.

PARENTAL KIDNAPPING PREVENTION ACT OF 1979

Mr. WALLOP. Mr. President, one great disappointment of the 95th Congress was its failure to enact legislation to deter and ultimately prevent "child snatching"—the abduction of a child by one parent from the other parent.

Last year, the Senate adopted a comprehensive anti-child-snatching amendment which Senators THURMOND, KENNEDY and MCGOVERN joined me in offering to S. 1437, the criminal code reform bill. This was incorporated into S. 1437 as it passed the Senate on January 25, 1978. Unfortunately, the amendment have remained determined to find a was not enacted because of inaction by the House on companion criminal code legislation. In the intervening months I legislative solution to the child-snatching problem. To this end, I am reintroducing the child-snatching amendment today as a separate bill with Senators THURMOND, KENNEDY, MCGOVERN, CRANSTON, SIMPSON, HAYAKAWA, and RIEGLE as cosponsors.

Congresman BENNETT will introduce a nearly identical bill in the House. It is our hope that this legislation will promptly receive the serious attention it warrants.

Since last January there have been a number of noteworthy developments relative to the proposal. The House Subcommittee on Criminal Justice held hearings which produced overwhelmingly positive comment on the amendment. The American Bar Association issued a resolution last summer endorsing the child-snatching amendment in its entirety. The Justice Department, in a letter to the House Judiciary Committee of this past September, recommended that any bill concerning civil remedies for child snatching be patterned after the civil remedies provided in section 1738A of my amendment.

The Department declared its support for legislation imposing a duty upon States, under standards derived from the Uniform Child Custody Jurisdiction Act, to give full faith and credit to custody

decrees of sister States. The President recently established a White House Conference on the Family which has identified child snatching as a problem they plan to address. On the international scene, the Hague Conference has formed an advisory committee which is currently studying the parental kidnaping problem. This year has also been dedicated to children throughout the world; 1979 is the "International Year of the Child." Last but not least, interest and support for this proposal continues to come from citizens, parent groups, and journalists all over the country.

The need for this legislation is even greater today than it was 1 year ago. This is because the number of snatchings has grown and will continue to grow until something is done to stop this reprehensible practice. The Library of Congress estimated that upwards of 25,000 snatchings occur annually, with the number of incidents proportional to the ever-increasing divorce rate. These statistics translate into thousands of emotionally upset children, something we cannot and must not ignore.

Why do snatchings occur? The Department of Justice has analyzed the problem and offered the following explanation in a September 18, 1978 letter from Patricia Wald, Assistant Attorney General for Legislative Affairs, to Mr. PETER RODINO, chairman of the House Judiciary Committee:

> The Full Faith and Credit Clause of the Constitution (Article IV, Section 1) provides that "Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State" and authorizes Congress "to prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof." A child custody order, however, is subject to modification where changed circumstances warrant a different custody arrangement. Consequently, since child custody orders are continually subject to modification, a court deciding a custody case is not, as a federal constitutional requirement under current judicial interpretation of the Full Faith and Credit Clause, bound by a decree entered by a court of another state in an action involving the same parties . . .
>
> As a result, individuals who are unsuccessful (or who expect to be unsuccessful) in an action in one state will attempt to evade that state's jurisdiction by taking the child to another state and relitigating the custody issue there. The second state will often switch custody to the parent within its jurisdiction, thereby encouraging "child snatching" by rewarding the *de facto* physical custodian notwithstanding the existence of an order or decree to the contrary . . .

Another reason child snatching is on the increase is that there is no effective deterrent in the criminal laws of either the Federal or State Governments. The present Federal kidnaping statute, commonly referred to as the "Lindbergh Law," specifically excludes a parent from prosecution. At the State level, there is no uniform approach to child snatching. It is exceedingly difficult and in most cases virtually impossible to enforce the laws beyond State borders once a parent leaves the State with his or her child. Knowing that prosecution is unlikely, a parent can freely snatch his or her child with no little or real threat of punishment.

Having identified the principal factors that prompt child snatching—a desire to get custody with no attendant fear of punishment—it is appropriate to ask whether this is a problem the Federal Government should address. I am convinced it is. In a general discussion of the matter included in the letter quoted earlier in my remarks, the Justice Department agrees, stating, "It is in the province of the Federal Government to resolve problems which are interstate in origin and which the States, acting independently, seem unable to resolve."

Mr. President, the bill I am introducing today is substantially similar to the amendment the Senate passed last year. Several stylistic, technical and substantive changes have been made to incorporate suggestions made by the Justice Department, House witnesses and other commentators. However, the thrust remains unchanged—to promote the interstate recognition of child custody decrees and simultaneously to deter child snatching.

The bill consists of three major interdependent sections.

The first section amends title 28 of the United States Code by adding a new section 1738A. The new provision requires State courts to give full faith and credit to custody decrees rendered by sister State courts consistently with the provisions of the bill. The provisions are modeled on the Uniform Child Custody Jurisdiction Act (UCCJA) which establishes standards for choosing the most appropriate State to determine child custody. The philosophy underlying the UCCJA is to protect and promote the best interest of the child in deciding matters of custody. To date, the UCCJA has been adopted by 28 States and is under consideration in many others.

By adding new subsection 1738A, the Federal Government is, in effect adopting key provisions of the UCCJA for the entire country for purposes of interstate custody cases. All States will be required to enforce and not modify, except under specified circumstances, custody determinations made by a sister State court which exercises its jurisdiction in accordance with the provisions of this bill. This will remove the incentive parents now have for snatching their children and taking them to States where they can easily obtain modifications of custody decrees. It will also reduce the number of conflicting custody determinations in numerous States which in turn will conserve precious judicial time.

The second section amends section 453 of the Social Security Act which established the Federal Parent Locator Service (FPLS). The FPLS was set up to find parents who default on their child support obligations. This amendment expands the existing responsibilities of the FPLS to include locating parents who take, restrain, or conceal their children.

The amendment will promote cooperation among the States and the Federal Government in locating parents who violate custody determinations which are entitled to full faith and credit under new section 1738A and those who are alleged to have violated the new "Parental Kidnaping" section of this legislation. It will also greatly assist parents in relocating their children who have been snatched in violation of custody orders which are entitled to full faith and credit under this bill.

The parent locating system has been established in all 50 States and 4 territories as well as in the Federal Government. It has proven to be very successful in locating parents in nonsupport cases and should prove to be equally effective in child custody and parental kidnaping cases.

The third section adds a new section 1203 to title 18 of the United States Code entitled "Parental Kidnaping" which makes it a Federal misdemeanor for any parent, relative, or other person specified in the statute to snatch and transport a child across State lines in violation of a custody determination entitled to full faith and credit under new section 1738A of title 28, United States Code. It creates two minor offenses, "restraining a child" and "concealing a child," punishable by up to 30 days imprisonment or $10,000, or both, and up to 6 months imprisonment or $10,000, or both, respectively.

In effect, this amendment closes the loophole in the existing Federal kidnaping law, section 1201(a) of title 18, United States Code, which exempts parents from prosecution. It does this by creating a less serious offense for the situation in which a person interferes with visitation or custodial rights of another person which are set forth in a custody determination entitled to full faith and credit under this bill.

This provision is intended to cover the typical child snatching case in which one parent takes his or her child in violation of a custody decree in favor of the other parent. It would also apply to the private detective, friend, or relative who helps the parent snatch the child in disregard of a custody determination entitled to full faith and credit recognition.

Under this amendment, Federal criminal courts will not become the arbiters of custody matters. Federal criminal jurisdiction would only come into play where a parent violates a custody determination enforceable under new section 1738A of title 28. In other words, parties to a custody dispute are obligated to seek a civil remedy by obtaining a custody determination under the civil laws of a State before a Federal prosecution could be brought under this section.

The criminal laws will serve as an added deterrent to the parent who might otherwise disregard a custody award by snatching and taking the child to another State. In addition, this provision authorizes the FBI to investigate interstate child snatchings which will greatly assist State, local and private efforts to locate children and parents who have snatched them.

This legislation is the product of many months of drafting, discussion and further refinement. Each of these steps is a

reminder that there may still be room for improvement. Legal scholars, constitutional experts, family law practitioners, social scientists, parents and any other persons interested in this proposal are invited to carefully scrutinize and comment on it in an effort to shape the still-moist legislative clay into the best possible form.

Several recent writings may prove useful in the evaluation process: First, Child-Stealing Report, published by the Los Angeles County District Attorney's Office, John K. Van DeKamp, District Attorney, August 1977; second, The Snatched Child is Halfway Home in Congress, by Russell M. Coombs, Family Law Quarterly, volume XI, number 4, at page 408, Winter, 1978; and third, Child Snatching and Custodial Fights: Case for the Uniform Child Custody Jurisdiction Act, by Henry H. Foster and Doris Jones Freed, Hastings Law Journal, volume 289, at page 1011, March, 1977. In addition, numerous recent articles on the subject are reprinted for easy reference at the conclusion of my remarks.

Mr. President, our future as a Nation depends upon our children; enacting the "Parental Kidnapping Prevention Act of 1979" will protect our precious future.

I ask unanimous consent that the bill and material in connection with this subject be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Parental Kidnapping Prevention Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) there is a large and growing number of cases annually involving disputes between persons claiming rights of custody and visitation of children under the laws, and in the courts, of different States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(2) the laws and practices by which the courts of those jurisdictions determine their jurisdiction to decide such disputes, and the effect to be given the decisions of such disputes by the courts of other jurisdictions, are often inconsistent and conflicting;

(3) those characteristics of the law and practice in such cases, along with the limits imposed by a Federal system on the authority of each such jurisdiction to conduct investigations and take other actions outside its own boundaries, contribute to a tendency of parties involved in such disputes to frequently resort to the seizure, restraint, concealment, and interstate transportation of children, the disregard of court orders, excessive re-litigation of cases, obtaining of conflicting orders by the courts of various jurisdictions, and interstate travel and communication that is so expensive and time-consuming as to disrupt their occupations and commercial activities; and

(4) among the results of those conditions and activities are the failure of the courts of such jurisdictions to give full faith and credit to the judicial proceedings of the other jurisdictions, the deprivation of rights of liberty and property without due process of law, burdens on commerce among such jurisdictions and with foreign nations, and harm to the welfare of children and their parents and other custodians.

(b) For those reasons it is necessary to establish a national system for locating parents and children who travel from one such jurisdiction to another and are concealed in connection with such disputes, and to establish national standards under which the courts of such jurisdictions will determine their jurisdiction to decide such disputes and the effect to be given by each such jurisdiction to such decisions by the courts of other such jurisdictions.

(c) The general purposes of the Act are to—

(1) promote cooperation between State courts to the end that a determination of custody and visitation is rendered in the State which can best decide the case in the interest of the child;

(2) promote and expand the exchange of information and other forms of mutual assistance between States which are concerned with the same child;

(3) facilitate the enforcement of custody and visitation decrees of sister States;

(4) discourage continuing interstate controversies over child custody in the interest of greater stability of home environment and of secure family relationships for the child;

(5) avoid jurisdictional competition and conflict between State courts in matters of child custody and visitation which have in the past resulted in the shifting of children from State to State with harmful effects on their well-being; and

(6) deter interstate abductions and other unilateral removals of children undertaken to obtain custody and visitation awards.

FULL FAITH AND CREDIT GIVEN TO CHILD CUSTODY DETERMINATION

SEC. 3 (a) Chapter 115 of title 28, United States Code, is amended by adding immediately after section 1738 the following new section:

"§ 1738A. Full faith and credit given to child custody determinations

"(a) The appropriate authorities of every State shall enforce according to its terms, and shall not modify except as provided in subsection (f) of this section, any child custody determination made consistently with the provisions of this section by a court of another State.

"(b) As used in this section, the term—

"(1) 'child' means a person under the age of eighteen;

"(2) 'contestant' means a person, including a parent, who claims a right to custody or visitation of a child;

"(3) 'custody determination' means a judgment, decree, or other order of a court providing for the custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications;

"(4) 'home State' means the State in which, immediately preceding the time involved, the child lived with his parents, a parent, or a person acting as parent, for at least six consecutive months, and in the case of a child less than six months old, the State in which the child lived from birth with any of such persons. Periods of temporary absence of any of such persons are counted as part of the six-month or other period;

"(5) 'modification' and 'modify' refer to a custody determination which modifies, replaces, supersedes, or otherwise is made subsequent to, a prior custody determination concerning the same child, whether made by the same court or not;

"(6) 'person acting as a parent' means a person, other than a parent, who has physical custody of a child and who has either been awarded custody by a court or claims a right to custody;

"(7) 'physical custody' means actual possession and control of a child; and

"(8) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(c) A child custody determination made by a court of a State is consistent with the provisions of this section only if—

"(1) such court has jurisdiction under the law of such State; and

"(2) one of the following conditions is met:

"(A) such State (i) is the home State of the child on the date of the commencement of the proceeding, or (ii) had been the child's home State within six months before the date of the commencement of the proceeding and the child is absent from such State because of his removal or retention by a contestant or for other reasons, and a contestant continues to live in such State;

"(B) it is in the best interest of the child that a court of such State assume jurisdiction because (i) the child and his parents, or the child and at least one contestant, have a significant connection with such State other than mere physical presence in such State, and (ii) there is available in such State substantial evidence concerning the child's present or future care, protection, training, and personal relationships;

"(C) the child is physically present in such State and (i) the child has been abandoned, or (ii) it is necessary in an emergency to protect the child because he has been subjected to or threatened with mistreatment or abuse;

"(D)(i) it appears that no other State would have jurisdiction under subparagraphs (A), (B), (C), or (E), or another State has declined to exercise jurisdiction on the ground that the State whose jurisdiction is in issue is the more appropriate forum to determine the custody of the child, and (ii) it is in the best interest of the child that such court assume jurisdiction; or

"(E) the court has continuing jurisdiction pursuant to subsection (d) of this section.

"(d) The jurisdiction of a court of a State which has made a child custody determination consistently with the provisions of this section continues as long as the requirement of subsection (c)(1) of this section continues to be met and such State remains the residence of the child or of any contestant.

"(e) Before a child custody determination is made, reasonable notice and opportunity to be heard shall be given to the contestants, any parent whose parental rights have not been previously terminated, and any person who has physical custody of a child.

"(f) A court of a State may modify a determination of the custody of the same child made by a court of another State, if—

"(1) it has jurisdiction to make such a child custody determination; and

"(2) the court of the other State no longer has jurisdiction, or it has declined to exercise such jurisdiction to modify such determination.

"(g) A court of a State shall not exercise jurisdiction in any proceeding for a custody determination commenced during the pendency of a proceeding in a court of another State where such court of that other State is exercising jurisdiction consistently with the provisions of this section to make a custody determination.".

"(b) The table of sections at the beginning of chapter 115 of title 28, United States Code, is amended by inserting after the item relating to section 1738 the following new item:

"1738A. Full faith and credit given to child custody determinations.".

(c) In furtherance of the purposes of section 1738A of title 28, United States Code, as added by subsection (a) of this section, State courts are encouraged to—

(1) afford priority to proceedings for custody determinations; and

(2) award to the person entitled to custody or visitation pursuant to a custody determination which is consistent with the provisions of such section 1738A, necessary travel expenses, attorneys' fees, costs of private investigations, witness fees or expenses, and other expenses incurred in connection with such custody determination, in any case in which—

(A) a contestant has, without the consent of the person entitled to custody or visitation pursuant to a custody determination which is consistent with the provisions of such section 1738A, (i) wrongfully removed the child from the physical custody of such person, or (ii) wrongfully retained the child after a visit or other temporary relinquishment of physical custody; or

(B) the court determines it is appropriate.

PARENT LOCATOR SERVICE

SEC. 4. Section 453 of the Social Security Act (42 U.S.C. 653) is amended as follows:

(1) At the end of subsection (a), strike out the period and insert in lieu thereof a comma and "and information as to the whereabouts of any absent parent or child when such information is to be used to locate such parent or child for the purposes of enforcing section 1203 of title 18, United States Code, or making or enforcing a child custody determination, as defined in section 1738A of tile 28, United States Code, entitled under that section to be enforced by the appropriate authorities of other States.",

(2) Insert "or for the most recent address of any absent child" immediately after "parent" the first time it appears in subsection (b).

(3) At the end subsection (b), strike out the period and insert in lieu thereof ", (c)(4), (c)(5), (c)(6), or (c)(7).".

(4) At the end of paragraph (2) of subsection (c) strike out "and".

(5) At the end of subsection (c), strike out the period and insert in lieu thereof a semicolon.

(6) Add the following new paragraphs after paragraph (3) of subsection (c):

"(4) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority under the law of such State to enforce a child custody determination, as defined in section 1738A of title 28, United States Code, entitled under that section to be enforced by the appropriate authorities of other States;

"(5) any court having jurisdiction to make or enforce such a child custody determination, or any agent of such court;

"(6) any parent, legal guardian, attorney, or agent of a child sought to be located pursuant to subsection (a) of this section; and

"(7) any agent or attorney of the United States who has the duty or authority to investigate, enforce, or bring a prosecution under section 1203 of title 18, United States Code.".

(7) In subsection (f), insert "or a child who is the subject of subsection (c)(4), (c)(5), (c)(6), or (c)(7)" after "(c)(3)".

PARENTAL KIDNAPING

SEC. 5. Chapter 55 of title 18, United States Code, is amended by adding immediately after section 1202 the following new section:

"§ 1203. Parental kidnapping

"(a) Subject to the jurisdictional requirements of subsection (c), whoever intentionally restrains a child in violation of any other person's right of custody or visitation arising from a custody determination entitled to enforcement under section 1738A of title 28, United States Code, and who has a relationship to that child as described in subsection (b), and—

"(1) conceals the child without good cause and holds him in a place where he is not likely to be found for more than seven days, shall be fined not more than $10,000, or imprisoned not more than six months, or both; or

"(2) restrains the child without good cause for more than thirty days, shall be fined not more than $10,000, or imprisoned not more than 30 days, or both.

"(b) Persons having the relationship required under subsection (a) are relatives by blood or marriage, guardians, foster parents, and agents of such persons.

"(c)(1) The provisions of subsection (a) shall apply only if—

"(A) the child is willfully transported in interstate or foreign commerce;

"(B) the exercise or enjoyment of the right of custody or visitation violated by this offense requires the crossing of a State or United States boundary by the child or the person entitled to the right violated by this offense;

"(C) any such act against the child is done within the special maritime and territorial jurisdiction of the United States;

"(D) any such act against the child is done within the special aircraft jurisdiction of the United States as defined in section 101 (32) of the Federal Aviation Act of 1958 (49 U.S.C. 1301 (32)); or

"(E) the child is a foreign official, an internationally protected person, or an official guest as those terms are defined in section 1116(b) of this title.

"(2) In the absence of facts indicating a lack of Federal jurisdiction, the failure to release the victim of an offense under this section within sixty days of the offense is a sufficient indication of the possibility that Federal jurisdiction exists, by virtue of the movement of the victim across a State or United States boundary, to justify the commencement of a Federal investigation subject to the provisions of subsection (g) of this section.

"(d) As used in this section, the term—

"(1) 'child' means a person of not more than fourteen years of age;

"(2) 'consent' includes, but is not limited to, willing assent, but does not include assent given by a person—

"(A) who is legally incompetent to authorize the conduct assented to;

"(B) who is, by reason of age, mental disease or defect, or intoxication, manifestly unable, or known by the person alleged to have violated this section to be unable, to make a reasonable judgment as to the nature or harmfulness of the conduct assented to; or

"(C) whose assent is induced by force, threat, intimidation, or deception; and

"(3) 'restrain' means to restrict the movement of the child without consent of the person whose right of custody or visitation is violated, so as to interfere with that child's liberty, by—

"(A) removing him from his place of residence or school; or

"(B) confining him in any place or moving him from one place to another, unless such confinement or movement is trivial.

"(e) It is a defense to a prosecution under this section that—

"(1) no person claiming entitlement to a right violated by this offense reported the offense to local law enforcement authorities within ninety days after the beginning of the restraint; or

"(2) the person alleged to have violated this section returns the child unharmed not later than 30 days after the issuance of a warrant for the arrest of that person.

"(f) Any sentencing guidelines promulgated for an offense described in this section shall include a reduction in the term of imprisonment, or penalty, or both, in any case in which the defendant returns the child unharmed.

"(g) (1) Any person claiming entitlement to a right violated by an offense under this section shall—

"(A) notify local law enforcement authorities; and

"(B) request assistance from the State parent locator service in locating the child and the person alleged to have violated this section.

"(2) The State parent locator service shall promptly seek the assistance of the Federal Parent Locator Service in locating the child and the person alleged to have violated this section.

"(3) The Federal Bureau of Investigation may not commence an investigation of an offense under this section unless sixty days have elapsed after both—

"(A) a report is filed with local law enforcement authorities in accordance with subsection (g)(1)(A) of this section; and

"(B) a request for assistance of the State parent locator service is made in accordance with subsection (g)(1)(B) of this section.".

(2) The table of sections at the beginning of chapter 55 of title 18, United States Code, is amended by inserting after the item relating to section 1202 the following new item:

"1203. Parental kidnapping.".

TWENTY-EIGHT STATES HAVE ADOPTED THE UNIFORM CHILD CUSTODY JURISDICTION ACT AS OF JANUARY 10, 1979

Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Wisconsin, Wyoming.

AMERICAN BAR ASSOCIATION,
Chicago, Ill., August 21, 1978.

Re Child Stealing.

Hon. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: At the meeting of the House of Delegates of the American Bar Association held August 8–9, 1978 the attached resolution was adopted upon recommendation of the Section of Family Law.

This resolution is being transmitted for your information and whatever action you may deem appropriate. If hearings are scheduled on the subject of this resolution, we would appreciate your advising Herbert E. Hoffman, Director of the American Bar Association Governmental Relations Office, 1800 M Street, N.W., Washington, D.C. 20036, (202) 331–2210.

Please do not hesitate to let us know if you need any further information, have any questions or whether we can be of any assistance.

Sincerely yours,

HERBERT D. SLEDD.

RESOLUTION

I

Be It Resolved, That the American Bar Association encourages the legislatures of the various states which have not yet adopted the Uniform Child Custody Jurisdiction Act to do so at the earliest opportunity.

II

Be It Resolved, That the American Bar Association urges the Congress of the United States to enact legislation which would require the courts of the states to accord full faith and credit to the child custody and visitation decrees of each state, pursuant to Article IV, Section 1, of the United States Constitution.

III

Be It Resolved, That the American Bar Association supports the child snatching provisions set forth in S. 1437, the "Criminal

Code Reform Act of 1978," as passed by the U.S. Senate on January 30, 1978.

IV

Be It Resolved, That the American Bar Association recommends that upon occurrence of a snatching of a child, and a request for assistance and relief by the custodial parent from whom said child was removed, the Department of Health, Education and Welfare, the State Department, the Justice Department, and any other federal and/or state agencies who can provide immediate assistance, make their existing resources available to such parent, and provide such assistance as is available for the location and apprehension of the child.

V

Be It Resolved, That the American Bar Association urges the United States Congress, in treaties, and the State legislatures, in statutes, to take appropriate measures to provide in extradition treaties and statutes that the removal of a child from a custodial parent, in violation of an existing court decree, to another state or country, be construed as an extraditable act.

[From the Christian Science Monitor, Jan. 4, 1979]

WHEN PARENTS KIDNAP THEIR OWN CHILDREN

(By Lucia Mouat)

WASHINGTON.—Sandra Cordoba has not seen her five-year-old daughter Amanda in more than two years.

It was an October day in 1976. The child, arms filled with packages, was walking from a Casper, Wyoming, grocery store behind her grandparents. They were looking back periodically to check on her progress when they realized that she had suddenly disappeared.

Yet when Mrs. Cordoba, who was at work at the time, reported the incident to the police, she was told that there was nothing they could do about it.

The reason was that the kidnapper was Amanda's father and Mrs. Cordoba knew it. She soon learned that he had snatched the child with the help of seven detectives and a waiting Lear jet to take her back with him to his native Colombia.

Though Mrs. Cordoba had full custody in the eyes of Wyoming law, she says that she is powerless to do anything to change the present situation. Her calls and letters do not go through. "I live on hope," she says.

Hers is one of an estimated 100,000 such cases in the US in which one parent has tried to take the law into his own hands by snatching a child from the other parent.

CUSTODY OFTEN UNSETTLED

In most instances, the custody issue has not yet been settled. Often the kidnapping parent senses that the decision will not go his way. But gaining legal custody does not always prevent child-stealing.

One Maryland mother, for instance, who has won legal custody of her youngster in seven different states, has had her child snatched by her husband seven times.

Many of the abducting parents keep moving, sometimes keeping the child out of school altogether or changing his name. A detective trying to trace the whereabouts of one such child who needed regular medical attention, found that the youngster had been checked into several different clinics in one geographical region but had never returned to any for the requested follow-up visit.

Many of the child-snatchers become so adept at hiding and covering all traces that nationally only about 10 percent of all such children are found again, according to Arnold Miller. He is founder and president of Children's Rights, Inc., a Washington, D.C., clearinghouse on child-stealing cases which is pushing hard for state and national recognition of the problem as a crime.

'PUTTING THE CHILD FIRST'

Mr. Miller considers his own case proof that custody is not the real issue. Though his wife had custody and he had visiting rights, he has not seen his eight-year-old son Mason in more than four years. He says now that he spent half that time trying to rally help from police, lawyers, relatives, and detectives. Finally, just as he came upon a strong lead that his son was somewhere in Georgia, he decided to give up the search.

"I suddenly realized I'd been putting myself first all that time and my son second," he says. "I know my [former] wife well enough to know that he's getting food, clothing, and shelter, and that he's in school, and I have no doubt now that he and I will get together in the future, when he's older."

It is that focus on the child and his feelings which Mr. Miller says is missing in most parental efforts to snatch or recover a child. Some parents spend as much as $10,000 to $20,000 to trace and recover the missing child. Often the youngster becomes a pawn to spite the other parent. The youngster may be told that the other parent doesn't want him anymore or might hurt him—stories which could encourage a mistrust of adults in general.

"We feel that a child has the right to know and love both parents and that his welfare ought to be given top consideration," says Mr. Miller. "It's why we named our organization children's instead of parent's rights."

'A TRAUMATIC EXPERIENCE'

It is a key reason, too, why Mrs. Cordoba has virtually abandoned all efforts to get her daughter back. "I know it was a traumatic experience for her when she was taken, and I would absolutely never consider snatching her back," she says.

Regardless of how such parents feel about the wisdom of resnatching their children, however, most agree that child-stealing should be branded as a crime rather than brushed aside as a domestic issue in which the law should not become involved.

After her daughter was taken, for instance, Mrs. Cordoba worked with her attorney, Patrick Hacker, to draft a state law making it a felony for any parent to forcibly take and conceal a child from the other. The parent can be extradited from another state for the offense, and the Wyoming law has worked in at least two instances since it passed the legislation there two years ago.

A similar law in Iowa is credited by Roy Peters of Des Moines for the return of his 14-year-old daughter Joanne, who was taken to Saudi Arabia by her mother three years ago.

Though Mr. Peters had custody of his daughter, he was unable to do anything about it until his former wife and her new husband returned to this country last summer. Their names appeared on the U.S. Customs list for arrest, and, in exchange for free movement on bond until a jury trial got under way in early December, they agreed to turn over the daughter to her father when they re-entered the country.

"We couldn't do anything until they got ready to come back," says Mr. Peters. "We just sat here with the papers for three years."

FEDERAL ROLE PRESSED

But most of those who want to see an end to child-stealing talk not so much of the need for tougher state laws as for a strong federal law to end existing differences between states and for an international task force to discuss how to handle the problem on a global basis.

The best solution in sight, says Mr. Miller, is a comprehensive Capitol Hill bill offered by Sen. Malcolm Wallop (R) of Wyoming, which passed the Senate but not the House last year. It would make child-snatching a federal crime and force states to recognize custody decisions made in the child's home state. It would also require the Department of Health, Education, and Welfare's parent locator service, now used to track missing parents for child support purposes, to help search for lost children.

The Justice Department has been opposed to any move to use the FBI in such tracking, and the Wallop bill provides for a 60-day span between the time one parent files a missing person report and any FBI involvement. Mr. Miller, who regards child-snatching as a form of mental child abuse, suggests that the very branding of the act as a crime will act as a deterrent and lessen any need for FBI involvement.

Children's Rights, Inc., headquartered at 3443 17th Street N.W., Washington, DC 20010, has about 30 chapters and puts out a quarterly newsletter which members (joining costs $5) automatically receive.

[From Time Magazine, Feb. 27, 1978]

MOVING TO STOP CHILD SNATCHING IS A FEDERAL LAW THE ANSWER?

Eighteen months ago, a California designer named Susan Downer received a chatty telephone call from her three children (ages eleven, six and four), who were visiting her divorced husband in Manhattan. It was the last time she ever head from them. When Mrs. Downer drove to the Los Angeles airport to pick them up, they were not aboard their designated flight. Ex-Husband Seth Gerchberg, it later developed, had remarried, liquidated his assets, obtained a passport and disappeared with the children. Since then Mrs. Downer and her second husband have spent $40,000 on a futile investigative legal odyssey that finally cost them their Pacific Palisades home and landed them on welfare. Increasingly disconsolate over having allowed the court-ordered Manhattan visit, Mrs. Downer now wonders: "Why was I so stupid as to obey the law?"

It is an understandable question. An estimated 25,000 to 100,000 child-snatching cases occur every year, and so the parent who observes court orders risks ending up the loser. In most states, kidnaping of children by one of their parents is not treated as a crime. Parents, even those denied custody in divorce arrangements, are exempted from the federal kidnap law. Lacking jurisdiction, the FBI almost never helps locate or return abducted offspring, even when state lines are crossed. Maybe, says Mrs. Downer, "I should tell them I've had three cars stolen, and their names are Joslyn, Heather and Terry." Says another victimized parent: "If my former husband stole a neighbor's cow, the authorities would follow him to the end of the world. But they can't do a thing to help me find my girls."

The situation leads to disrespect for court orders and some spectacular snatches. After Pittsburgh Millionaire Steward Prosser Mellon and Wife Karen were divorced in 1974, a Pennsylvania court awarded custody of their two girls to Mellon. During a visit, however, their mother took the children to New York and later gained legal custody in a court there. Two years ago, three men employed by Mellon seized the two girls as they were on their way to a Brooklyn school, and the millionaire still has them.

Twenty states * have moved to stop nose thumbing at court orders by passing the Uniform Child Custody Jurisdiction Act, which generally promises respect for custody terms worked out in other states. That still leaves 30 states as potential havens for child snatchers, however, and the act does not provide a mechanism to track abductions across state lines. An obvious answer is federal standards, but lawmakers are reluctant to thrust Washington into family spats. Says U.S. Representative John Conyers of Michigan, whose House Judiciary subcommittee has buried several federal bills: "Whenever there is onerous conduct, everybody says there ought to be a law." Last week the influential American Bar Association House of Delegates solidly repudiated, 135 to 82, a resolution that would subject parental child snatchers to federal kidnap laws. Cried Washington, D.C., Attorney Lee Loevinger: "Do we really want to make loving parents into federal criminals?"

That may happen anyway. Last month Wyoming Senator Malcolm Wallop successfully tacked an antisnatching amendment on S.1437 before that bill overhauling the federal criminal code was approved by the U.S. Senate. It would require states to give "full faith and credit" to legitimate custodial orders from other states, make parental child snatching a misdemeanor, and provide for FBI child hunts after 60 days. The entire bill is now being considered by a House subcommittee, and many anguished parents hope for speedy passage. Says Pasadena, Calif., Psychologist Dr. Philip Weeks: "Child stealing is one of the most subtle and brutal forms of child abuse."

* Alaska, California, Colorado, Delaware, Florida, Hawaii, Idaho, Indiana, Iowa, Maryland, Michigan, Minnesota, Montana, New York, North Dakota, Ohio, Oregon, Pennsylvania, Wisconsin, Wyoming.

[From the Nation, May 7, 1977]

THE CHILD-STEALING EPIDEMIC

(By Bruce W. Most)

David Anderson doesn't sleep well at night. He says he sees strangers in cars prowling his Denver, Colo. neighborhood. "I'm worried that the kids will be stolen again," he confides. He has reason to worry. Two of his three children have been stolen back and forth between him and his wife half a dozen times in the past five years.

Anderson is not alone in his concern. Some authorities estimate that more than 100,000 children a year are abducted by one of their own parents. Child-stealing has become a national epidemic, and the nation's courts and legislatures are spreading the virus, a plague that one Colorado lawyer described as "positively medieval."

The National Conference of Commissioners on Uniform State Laws described what usually happens: parents who have lost custody battles grab the kids to "seek their luck in the court of a distant state, where they hope to find—and often do find—a more sympathetic ear for their plea for custody. The party deprived of the child may then resort to similar tactics to recover the child and this 'game' may continue for years, with the child thrown back and forth from state to state, never coming to rest in a single home and in one community."

The "game" often includes other players who assist the parents. In 1975, Anderson's wife, living in Virginia, hired a private detective to stake out and photograph the house in Denver where Anderson's children were staying. A few days later, she and the detectives snatched the children right out of the front yard. Last spring, three men posing as FBI agents snatched the two daughters of Pittsburgh financier Beward Prosser Mellon from their mother, who allegedly had taken them from him three months earlier.

Another potential player is the professional child stealer, or "custody vigilante," as they prefer to be called. These include men such as Bill Ralston, founder of United Parents of Absconded Children, whose former wife abducted his two children; and "Mean Gene" Austin, a flamboyant Missourian who has helped parents snatch more than 400 children. Both men, and particularly Austin, act out of conviction: the snatches provide opportunities to publicize their stated efforts to reform the country's mishmash of custody laws.

Whatever the effects, child-stealing is usually played by both sides with the best of intentions. Parents become abductors from genuine love of their children and because they are convinced the other parent is unfit to raise them—even though the court may have ruled otherwise. (This is not to rule out the parent who steals the kids out of hostility toward the spouse.) Otherwise respectable lawyers encourage their clients to skip with the children. Larry Stotter, a San Francisco attorney and head of the American Bar Association's Section on Family Law believes that "most attorneys won't actually *tell* their client to take the kids out of state. But they will say, 'It doesn't look good in this state; maybe you would do better in another state.'" The absconding parent then goes court-shopping in a "haven state"—Florida, Iowa and Nebraska are among the most notorious—which ignores the original decree and awards custody to the abducting parent.

Unfortunately, what all these well-intentioned people fail to realize is that the children are the losers in this game. One needn't have advanced degrees in psychology to recognize that shuttling kids back and forth between parents, keeping one step ahead of the pursuing parent, shatters the emotional and educational stability that children need. Mellon had received custody of his children from a Pennsylvania court in 1974; Mrs. Mellon then snatched them and gained custody in a New York court in 1976. She had moved the children fourteen times in three months before her former husband's agents caught up with her.

"The harm done to children by their experience can hardly be overestimated," said the Commissioners on Uniform State Laws. "[A child] . . . may well be crippled for life, to his own lasting detriment and the detriment of society." Brigitte M. Bodenheimer, a University of California law professor and authority on childstealing, concludes that a "child has the right to *one* definite, secure and continuing home, and that can only be with one parent."

Increased mobility and a skyrocketing divorce rate have certainly fostered the plague of child abductors, but any virus needs a promising environment to breed in. "This unfortunate state of affairs has been aided and facilitated rather than discouraged by the law," the commissioners bluntly wrote. "There is no statutory law in this area and the judicial law is so unsettled that it seems to offer nothing but a 'quicksand foundation' to stand on. . . . A court of one state may have awarded custody to the mother while another state decreed simultaneously that the child must go to the father. . . . They may face punishment for contempt of court and perhaps criminal charges for child-stealing in one state when complying with the decree of another."

Professor Bodenheimer blames the "sense of power and competition that sometimes prevails" among judges of different states. Dave Anderson discovered this when he went to Virginia armed with a Colorado custody decree. The local judge tossed the decree aside and declared, "We're in Virginia now."

Little wonder that a parent feels compelled—or sufficiently disillusioned—to take off with the kids, despite the fact that once the final decree is handed down in a state it is against the law (often a felony) in that state to abduct the children. "The irony is that persons who are good, law-abiding citizens are often driven into these tactics against their inclinations," observed the commissioners.

Child-stealing has been around as long as marriage and divorce. But its current ambiguity in the United States can be traced to 1932, when the Lindbergh Act was taking shape in an attempt to counter a rash of kidnappings. In the early drafts of the Act, kidnapping was defined as occurring when a person was "held for ransom or reward, or held for any other unlawful purpose." It was the last clause that disturbed Missouri Rep. L. C. Dyer. "There is not anybody who would want to send a parent to the penitentiary for taking possession of his or her own child, even though the order of the court was violated and it was a technical kidnaping," proclaimed Dyer. The soul of understanding, Congress expunged the offending clause. In 1934, Congress reinstated a similar clause, but specifically excluded parental kidnaping.

The exclusion stands today; it is not a federal crime to steal your own children, even if your spouse holds legal custody. However, because child-stealing (if there is a final decree), is a crime in each state, and in some of them punishable by as many as twenty years' imprisonment, the FBI can intervene once the state issues a fugitive felon warrant. But the FBI has been reluctant to do so. It considers child-stealing a "domestic matter" best left to the states. Since most states ignore one another's custody decrees and refuse to extradite—assuming that the home state or custodial parent can locate the child in the first place—there is no effective way to stop child-stealing. Arnold Miller, whose former wife disappeared with their son, is the head of Children's Rights, Inc., of Washington, D.C. He says: "The vast, vast majority of families believe that a custody decree, once issued, can be enforced. The truth is it is not enforced; it cannot be enforced. As people become more and more aware of this situation, they're going to take advantage of it. That will continue to happen until corrective legislation can be passed."

So what is the best corrective legislation? Here the child-stealing quagmire deepens.

At the moment, the most popular approach to combatting child-stealing is the Uniform Child Custody Jurisdiction Act (UCCJA), proposed by the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association in 1968. A dozen states have implemented some version of the Act, California and Colorado among the first. In theory, it calls for the states to recognize and honor one another's custody decrees, with a few exceptions. Thus, if a father abducts his children from Colorado and petitions the courts in California for custody, California should refuse to hear the petition, and return the child and parent to the home state.

There are, however, some serious flaws in the Act. First, it applies only to cases involving final decrees. Until then, parents are assumed to have equal custody and no law is broken if one takes off with the children, even if the other has filed a custody petition. Arnold Miller claims that 60 percent of the snatchings occur before the final decree, thus nullifying the Act's effectiveness.

Another problem is that the Act does not provide for finding and returning the absconding parent and child. Again, Arnold Miller: "The UCCJA is based solely on the fact that you go into the court of the foreign state and apply for custody. It also implies that you're going to be very honest and tell the judge that there is an order in the first state—which is ridiculous." Miller adds that he knows of one parent who has obtained seven court decrees for his child in seven states.

The Act also assumes a great deal of "good faith" among the adopting states, since the refuge state retains the option to assume jurisdiction and hand down its own custody order. A California Department of Justice report stated that, although California adopted

the Act in 1974, it "appears not to have been widely used." Colorado adopted the Act in 1973, but, Colorado Family Law Attorney Susan Wendall Whicher says that "most jurisdictions in the state are reading the law narrowly, as being limited to only valid Colorado custody orders." Out-of-state orders are being ignored.

Adoption of the Uniform Custody Act has been excruciatingly slow, which is why custody vigilantes such as Austin and Ralston, who support it, have sought as much publicity as possible for their snatches. There is general agreement that the Act is facing the same provincialism in the state courts and legislatures that encouraged so much child-stealing in the first place.

Congress has been reluctant to step into the muddle. The two bills before it concerning child-stealing have suffered as much from lack of interest as from resistance. The Moss bill, introduced by Reps. John E. Moss and Donald Edwards of California, would apply the U.S. Constitution's "full faith and credit" provision to custody orders. Criticized for being vague and unenforceable, as well as containing the major weaknesses of the UCCJA the bill has been lying in the Judiciary Commitee since late 1975, and seems likely to die there.

The other bill, offered by Rep. Charles E. Bennett of Florida, would strike the "parental exception" clause from the Lindbergh Act. Ever since hearings were held on it in 1974, Bennett's bill has been pigeonholed in the Judiciary Committee's Subcommittee on Crime. But Miller of Children's Rights believes that hearings will be resumed and that the bill now has a chance of passing. An early objection to Bennett's bill—at first, he simply removed the parental exception clause, thus leaving parents open to long imprisonment—has been met part way. Bennett tacked on a maximum sentence of one year in prison and/or a $1,000 fine. Many Congressmen still feel that even with the lighter sentence a jury would be reluctant to convict a parent. But the issue of child-stealing has become clamorous in the last two years and the demand for Congressional action is unavoidable.

Miller contends: "Any person who abducts and conceals a child is responsible for that act. Many people think that because the child is with the parent he's safe and O.K. That is a myth. We have too many stories of children who were taken at gunpoint, children who were wrapped in blankets to muffle their screams, thrown in trunks of cars until they're safely across the state line. I don't think a child should have to go through that kind of trauma."

In the analysis of Bennett's bill, the Library of Congress pointed out that, because custody decrees can be modified, there could occur the anomalous situation of a parent's being convicted of kidnapping though he had since gained legal custody. And if the bill is interpreted as applying to pre-litigation, abduction, then it flouts the long-held belief that "such things are neither kidnapping nor child-stealing."

When hearings were first held on the bill the FBI strenuously opposed it; and it is expected to do so again. Deputy Assistant U.S. Attorney John C. Kenney testified in 1974 that the bill would "require the FBI to become involved in a multitude of domestic, runaway and other personal situations which frequently involve no violation of law. Even where violations are involved they should more properly be handled by local authorities."

The argument makes Miller angry: "That implies that the parent doesn't have the right to see his child or the child doesn't have the right to share his love with the parent." He is sure that parents will be much more wary of a federal law backed by the FBI than they are of the currently unenforceable state laws.

Whichever side one takes, it has become evident that some form of federal legislation that includes pre-litigation child-stealing is urgently needed. The snatching of children is rampant, with results that are sometimes tragic. Last year a 4-year-old boy and his father were killed during a car chase after the father took the boy back from his former wife. That's a horror that thousands of parents want to be spared.

[From the New York Times, Oct. 17, 1977]

CHILD SNATCHING: THE EXTRALEGAL CUSTODY BATTLE AFTER DIVORCE

(By Iver Peterson)

STONY BROOK, L.I.—It happened to John Gill the way it happens to so many other single parents. It was his former wife's turn to take Alison, their 8-year-old daughter, for the weekend, her right under the Gills' divorce agreement.

But by Sunday night Alison had not been returned.

"Then you go through the terrible time, the waiting, and it's really terrible, horrible," Mr. Gill remembered.

"Finally you get the phone call," he added. "They say she's gone, you're not going to see her anymore, but she's all right."

In the language of divorced parents who have had their children seized by a former spouse, Alison had been "snatched."

It's not a kidnaping, since the kidnaping laws specifically exempt the taking of a child by one of his parents. But to the thousands of divorced parents who have won custody of their child or children only to see them snatched by a former wife or husband, it can be worse than kidnapping. No ransom will recover the child, and often the parent's only recourse is to attempt a reverse snatch, perhaps aided by some of the private "custodial vigilantes" who now specialize in that kind of work.

One of the more celebrated of these is Eugene (Mean Gene) Austin of Foley, Mo., who calls his work "vigilante recovery." Mr. Austin charges $300 and up for expenses to recover a child in a custody dispute, and is the author of "Child Snatching, Search and Recovery Techniques."

In this mimeographed volume, Mr. Austin advises those trying to recover a child to, among other things, "use violence if necessary, because you are going to be accused of it anyway."

The problem of child snatching by parents was highlighted in a famous episode last year, when the two daughters of Seward Prosser Mellon, heir to the Mellon family's fortunes, had three men seize his two daughters from his former wife, Karen Mellon, in Brooklyn and had them spirited off to Pennsylvania.

A group called Children's Rights Inc. was recently formed in Washington to help parents recover children seized in this manner, as well as to provide the solace and advice that a parent faced with the disappearance of a child often needs. Working with missing persons reports. Federal statistics and reports from its branches across the country, the group estimates that 100,000 such snatches occur each year. Few of them end happily.

John Gill is head of the New York chapter of Children's Rights and it was his experience with losing Alison that led him to form the group in this university town. Since its formation, the New York branch has seen its membership grow to about 50. The lack of turnover in its membership is one indication of how apparently insoluble the emotional and legal problems of recovering a snatched child can be.

The police tend to avoid involvement with custody disputes between parents, even when a child snatching is involved. At a recent meeting at Mr. Gill's home, Sgt. George Wallbauer of the Suffolk County Police Department's juvenile bureau was invited to explain one of the reasons for this:

"When we get a report that a kid is gone," he told the group, "it's initially taken as a missing person's report. But to tell the truth, when we find out it's a parent that's got the kid, then it becomes a child-custody dispute and we get right out of it."

Under the laws of New York and most other states, a parent who seizes his own child without having custody of it is guilty of custodial interference, a misdemeanor, and misdemeanors are not extraditable offenses.

The only exception is when the aggrieved parent can demonstrate that the child's life was endangered by the snatching, in which case the seizure may be ruled by the courts as a felony.

A parent who has seized a child and taken it to another state can frequently obtain custody in that state, in conflict with the original custody ruling. This sets up the kind of standoff that still marks the Mellon dispute.

"So the whole system is designed against you," Sergeant Wallbauer continued, "against whoever does not have the child. It's like possession being nine-tenths of the law."

Accordingly, Children's Rights is lobbying for a new Federal law that would include under its new kidnapping statutes parents without custody who take a child, although with lesser penalties than those imposed on outright kidnappers.

The group is also seeking to have more states ratify reciprocity laws, which would have the effect of enforcing custody rulings of one state in other participating states.

Twenty-one states have passed the Federal Uniform Child Custody Act under which they agree to uphold custody decisions made by courts in other reciprocating states. In New York State, the reciprocity agreement will take effect in September 1978.

But in the meantime, the victims of child snatching seem left with little recourse but to fight fire with fire.

Mr. Gill, for example, did a few things in tracking down Alison's whereabouts that he did not care to admit. "Phone bills and credit-card statements give you the best clues, if you can get hold of them," he said. Alison was returned after three months, Mr. Gill said, when his former wife and the child were finally located.

Another man who was at the meeting had a story that seemed typical.

"I figured she had taken my daughter to live with her brother in Illinois," he said, referring to his former wife. "So my brother and I flew out there—I didn't even tell my family—and we went to the local school." There Joe posed as the parent of a prospective second grader about to move into the district, and asked if he could take a look at the school.

"I finally found her just coming out of a gym class," he recalled. "I asked her if she wanted to come home with me. My intention was that if she didn't want to come I would have left her there," he said. "She was afraid of what the school would say if she left, but she came." His fight for custody of his daughter is still in the courts.

Mr. Gill was asked why his group's name stressed the rights of children when it appears that it is the parents who are most in need of help.

Mr. Gill said he believed that the experience of being seized by an estranged parent and taken to another state, to another school and a new life, has effects on children that adults can only guess at.

"When you get them back they say yes, they had a good time, they visited Disneyland, they enjoyed it for a while," he said. But as with Alison and with Joe's daughter

and with the other children whose parents describe the ordeals, the trauma of a snatched child who has been recovered rarely fails to show itself.

"They become afraid of going to school," Mr. Gill said, "they start acting up, sometimes they're terribly shy, sometimes you have to get special counseling for them—you can see that it affects them terribly."

[From the State Legislatures, February-March 1977]

TUG-OF-WAR OVER CHILD CUSTODY

Rey Yount's daughter Stephanie was abducted two-and-a-half years ago. Ms. Yount knows who took the child. She even knows where her daughter is. But because of the way state laws are interpreted and enforced, officials have had their hands tied trying to get Stephanie away from her abductor—her natural father.

The Yount case isn't unique. There are an estimated 100,000 child snatchings a year. And, as the divorce rate soars, so does the number of mothers and fathers taking custody matters into their own hands.

For some parents, child snatching is a "self-help" technique to insure that they'll be awarded custody. "Judges usually give custody to the parent who has the kids at the time of the hearing, because they don't want to uproot the child from his current environment," explains John Davis, president of Fathers United for Equal Rights, a Maryland group fighting for divorce reform. "While we may think snatching is wrong, under the current system it's absolutely necessary. Because if you've got the kids, you've got the trump card."

In many instances, that self-help tactic is perfectly legal. The federal kidnapping statute specifically exempts parents from punishment for stealing their children. And, in most cases, since parents are considered to have "equal rights" to a child, it is legal to conceal the child if a custody order has not been issued.

The snatchings don't always stop when a custody decree is handed down. Even though custody has been determined in one state, courts in another may change the order, points out Henry Foster, chairman of the Family Law Section of the American Bar Association. "Since custody orders are susceptible to change, there is an inducement for parents to take children to other states to have custody re-litigated," he says.

That's what happened in the Yount case. Although a Colorado court gave custody of Stephanie to Ms. Yount, her ex-husband filed for custody in New Mexico. At the hearing, the New Mexico judge ruled that Colorado had jurisdiction in the matter, but meanwhile, the father was on his way out the courtroom door—with Stephanie in tow.

Using telephone company records, Ms. Yount next located her "ex" in Mississippi. By that time she had obtained felony charges against her husband and an extradition order from the governor of Colorado. Mississippi, however, failed to honor the extradition request, and a judge there subsequently gave custody to the father.

The Uniform Child Custody Jurisdiction Act was developed to discourage "forum shopping" in custody cases. It sets up guidelines for determining which state has custody jurisdiction and limits attempts to modify decrees in other, out-of-state courts. But because only a dozen states have adopted the act, a child snatcher can still seek a more favorable custody ruling in 38 other states.

Even if more states adopt the Uniform Act, all custody problems won't be solved. Many child snatchers make no attempt to have custody re-litigated; they simply snatch the child and are never heard from again. The Uniform Act makes no provision for finding those missing children or forcing their return.

Although California has adopted the Uniform Act, it recently passed additional legislation making it a crime for one parent to conceal a child from the other parent. In addition, the law allows HEW's parent-locator service—designed to find parents who have skipped out on support payments—to be used to find child snatchers as well.

"We felt that the tools weren't there to locate the child who has been concealed from the other parent in a domestic battle," according to Assemblyman Mike Antonovich, sponsor of the measure. But giving child snatchings felony status will spur law enforcement efforts to locate missing parents and children, he says.

On the federal level, Rep. Charles E. Bennett (D-Fla.) has proposed a bill that would remove the parental exemption in the federal kidnapping statute, involving the FBI in attempts to locate parents who go into hiding. The Department of Justice, however, has opposed the measure claiming it lacks the manpower to investigate custody nappings.

But whether action comes through state or federal intervention, additional protections are needed, according to Rae Cummel of Children's Rights Inc., a Washington, D.C., clearinghouse for victimized parents. "These parents aren't criminals. They aren't out to break the law. It's just that there's nothing to stop them. Child snatching is an easy, cheap way to get custody of the kids. Thousands are doing it and getting away with it all the time. But in the end, the children are the ones who really lose."—C.D.

[From the Des Moines Sunday Register, July 31, 1977]

WANTS KIDNAP LAW APPLIED TO THOSE WHO STEAL OWN KIDS

In reference to the July 17 editorial, "Kidnaping Your Own Kids," I feel I must respond to your comment that it would be unjust to punish parents under the kidnaping laws.

You mention that "some victimized parents" want to make child-snatching punishable under federal kidnaping statutes. You go on to say why you do not favor this. I feel you have failed to recognize the most horrible part of this child-snatching problem, which is now a nationwide epidemic.

The parent who has legal custody is bound by law to allow visitations by the other parent. Such is not the case with a kidnapped child. No kidnaping parent ever offers visitation to the parent who has fought the court battle, won custody, and had planned to raise his or her child.

"When one loses custody, love is a problem," the editorial said. Is not love a problem for the parent whose child is stolen? Is not love a problem when a mother does not know if she will see her missing child when he is two, 10, 15 or 25 years old? The law is right there to enforce the visitation rights, but where does a parent turn to have her rights to see that kidnaped child protected? Who can help that parent find that child? The way the law is now, no one helps . . .

Most of these kidnapings occur because the [child-snatchers] know they won't be bothered by law agencies, and if the custodial parent manages to find them through private investigators, they won't have to suffer for the anguish they have put that parent and many of the child's other relatives through. I feel within two years of changing the kidnaping law, snatching one's own child would no longer be a problem of any size.

I am a member of Children's Rights, Inc., a group that wants to make child snatching punishable under federal kidnaping statutes . . .

Last Dec. 27 I hugged my 22-month-old son, Mitchell Robert Miner, and tucked him into a rental car. He was off for a four-day court-ordered visitation with his natural father. It was to be the longest period for which we had ever been separated. That was nearly seven months ago. My son has had a second birthday, and I have not seen or heard from him since.

I am past the point where I go to bed each night praying someone will find my son and bring him back to me the next day. I know now what a long, painful, disappointing process the searching can be . . .

Love can be a problem.—Diane L. Weber, Box 82, Graettinger.

[From the Washington Post, Oct. 22, 1977]

THE NIGHTMARE OF CHILD-CUSTODY LAWS

(By Panthea Reid Broughton)

Joyce Carol Oates's novel "Do With Me What You Will" begins with a scene in which a very nervous man waits outside a school playground for the chance to kidnap his daughter. Actually, given the condition of family law in this country, he need not be apprehensive. Our legal system is almost impotent against a divorced parent dissatisfied with a custody decision. In fact, it virtually invites such a parent to "snatch" his or her child across state lines.

I mention my own personal situation not because I think it unique, but rather because I am afraid it is all too typical. My former husband has "snatched" our child, Reid, three times now. Twice he took him from Louisiana, where I have custody, to Virginia, where we three used to live together. He insisted arrogantly that Virginia law was his.

Two weeks ago Virginia law granted me custody of Reid. A few minutes after the decision, my former husband again grabbed Reid. He also assaulted my lawyer and threatened, as he has done before, to kill me, my second husband and my lawyer as well. On this day, though, he was content to get away with Reid. They have now vanished. I have not heard from Reid. I am very worried.

In these two weeks our law-enforcement agencies have done little or nothing. The Virginia authorities do not have the resources to track a man outside the state; nor can they count on the cooperation of authorities in other states. The federal kidnapping statute does not apply to parents, so no federal charge has been violated. The FBI has the resources to find the culprit and charge him with unlawful flight to avoid prosecution for "abduction" across state lines. The FBI could return him to the Virginia authorities. But the FBI refuses to get involved. Apparently, these snatchings are too commonplace.

And so, I do not know what is happening to Reid. Nor do I know when I will see him again.

I suspect that it makes no sense at all for us to conceive of family law as the province of each state. Clearly, discrepancies in marriage, divorce, custody and property laws between states constitute a legal nightmare in our society. But wholesale restructuring of family laws cannot be accomplished overnight. In the meantime, a law-abiding parent faced with a lawless and determined former spouse has two options: obtain separate custody rulings in all 50 states or face the possibility of losing his or her child. Neither of these alternatives is acceptable or even feasible.

An acceptable solution does exist in the form of two bills that would grant potency to current child-custody rulings. Each of these could be enacted now. The first, sponsored by Reps. Don Edwards (D-Calif.) and John Moss (D-Calif.) and Sen. George McGovern (D-S.D.), is a uniform child-custody bill that would make one state's custody decision binding on all other states. The second, sponsored by Rep. Charles E. Bennett (D-Fla.), would end the existing exemption

under the federal kidnapping statute for parents who abduct minor children from a parent having legal custody.

It is time that Congress recognize that reinforcing family law is necessary. It is time that Congress acknowledge that protecting children against violent and lawless parents is a priority. It is time to bring these bills out of committee and to a vote.

[From Parade, Oct. 16, 1977]

DIVORCED PARENTS WHO KIDNAP THEIR OWN CHILDREN

(By Daniel D. Molinoff)

The story is now a familiar one. A mother is sitting on the porch watching her children play on the front lawn. She doesn't notice the nondescript sedan parked a few houses away, its engine idling, or the man entering the phone booth on the corner. Her phone rings and she goes inside.

Suddenly, two men rush into the yard, grab the children and carry them screaming to the waiting car. Moments later, the children are transferred to another car to confuse possible pursuers. The children have stopped crying by this time; they recognize one of the men as their father—whom their mother has not allowed them to see for more than a year. Within hours, father and children are in hiding in a neighboring state.

This is child-snatching, or, depending on which parent tells the story, child-retrieval. If one estranged parent loses custody or is denied visiting privileges or just feels vindictive toward the other, the children are whisked away, usually across state lines, and rarely heard from again.

Parental kidnapping, if it is regarded as a crime at all, is only a misdemeanor in most states and not an extraditable offense. So parents are snatching their kids without any fear of serious legal reprisal. Nor are these vigilante mothers and fathers—even those without legal custody—flouting federal law. There is none. And no federal agency is empowered to help locate the missing children.

As more and more parents ignore the courts, custody decrees have become virtually unenforceable. The name of the game is shuttlecock custody.

Recently these cases have been given a lot of attention by television and the press. Spectacular "rescues" by hired professionals have received extensive coverage, and proposed legislation now before Congress has frequently been cited as the cure-all needed to end the epidemic.

HYPE VERSUS REALITY

To a large extent this is pure media hype which has obscured much about the problem of parental kidnapping.

Most kidnappings of this sort do not involve stakeouts or dramatic, high-speed runs for the nearest border; probably less than 5 percent of the total actually do. But they are the stuff headlines are made of. Far more typical is what happened to the children of Arnold Miller of Washington, D.C., and Susan Downer of Pacific Palisades, Cal.—two parents who are presently lobbying hard for legal reforms.

Miller, a systems analyst, and his wife Toby had a separation agreement which gave her custody of their son Mason. Miller exercised visiting rights every other weekend. On arriving to pick up Mason one Saturday in June 1974, Miller found Toby's car in the driveway and her clothes and furnishings in the apartment. But she and Mason were gone. Miller has not seen them since.

In 1975 Miller founded Children's Rights, Inc., as a nationwide clearinghouse for information on parental kidnappings. It is his estimate of 100,000 child-snatchings a year that is often quoted by the media. However, skeptical law enforcement authorities put the figure closer to 25,000.

Designer Susan Downer was awarded custody of her three children by a New York court. Remarried and living in California, Downer sent the kids to spend last summer with their father, Manhattan optometrist Seth Gerchberg. On Aug. 25, 1976, she went to the Los Angeles airport to meet her children's plane, but they weren't on the flight. A letter from her ex-husband arrived 10 days later telling her he was not returning the kids and that he would attempt to keep her informed of their "beautiful growth." A three-count felony warrant has been issued by the State of California for Dr. Gerchberg's arrest, but he has disappeared without a trace. Downer has not seen her children for more than a year and has spent $35,000 trying to find them. In March 1977 she founded Parents Against Child Stealing.

Both Miller's and Downer's groups are actively supporting two bills before Congress that seek to halt child-snatching. High hopes have been pinned on these bills, but they have litle chance of enactment and are half-measures at best.

One bill under consideration, introduced by Rep. Charles E. Bennett (D., Fla.), would amend the "Lindbergh Act" to include parents as kidnappers, punishable by a fine of not more than $1000 and/or imprisonment for up to a year.

But the Bennett bill is a weak deterrent. For parents willing to uproot themselves and go into hiding with a child, a fine of $1000 is a laughable risk; as for imprisonment, the courts, as a matter of public policy, do not send loving parents to jail.

PENALTIES WOULD NOT DETER

Bennett admits that a fine of this size probably won't stop a determined parent. He believes the prospect of a federal conviction should be enough of a deterrent. "I'd be in favor of a higher penalty," he says, "but I don't think Congress would pass it."

Susan Downer is an ardent supporter of the bill but considers its penalties far too light. "Absconding parents should be fined a million dollars—and then shot," she says.

In addition, the bill would only apply when a court had already granted custody to either parent. Bennett does not see this as a loophole, even though it is estimated that half of all parental kidnappings occur before *custody* has been awarded.

Supporters back the Bennett bill because such a law would give the FBI authority to enter a case. "We must have a law that makes the federal government, not the victim-parent, responsible for locating abducted children," says Arnold Miller.

Both the Justice Department and the FBI have been opposed to Bennett's proposal since it was introduced in 1973. They maintain that the FBI should not get involved in domestic quarrels. As Richard L. Thornburgh, former spokesman for the Justice Department, put it: "The FBI is not going to get into the child-collection business."

In 1974 the House Subcommittee on Crime conducted hearings on the bill but made no recommendations. Rev. John Conyers, Jr. (D., Mich.), chairman of the subcommittee, disapproves of the bill and has no plans to hold a second hearing.

"How do I tell the Justice Department, with 9000 FBI agents, that we're going to make this an investigable offense?" asks Conyers. "Whenever there is onerous conduct, everybody says there ought to be a law—and the best law is a federal law!" But Conyers is not convinced that federal legislation is the solution.

Bennett says the federal government is morally obligated to pursue child-snatching parents. "If it means increased manpower, then more agents should be provided," he says. "The FBI is required now to chase car thieves and cattle thieves across state lines, matters that are of much less moral consequence than child-snatching."

Susan Downer says, "I should have told the FBI I had three cars stolen and that the names of the cars were Joslyn, Heather and Terence."

"FULL FAITH AND CREDIT"

The second bill now before Congress concerns Article IV Section 1 of the U.S. Constitution, which says in part that "full faith and credit shall be given in each state to the public acts, records and judicial proceedings of every other state." This simply means, for example, that a marriage legal in one state must be recognized as valid in another.

Custody awards, however, have never been given "full faith and credit." As a result, in many cases both parents end up with valid custody decrees. If a parent loses custody in the "home" state, he or she takes the child and seeks custody in another state. There, the court, treasuring its independence to decide such matters, awards custody to the kidnapping parent.

To remedy this double-custody problem, a bill has been introduced in the House, by John E. Moss (D., Cal.), and the Senate, by George McGovern (D., S. Dak.). Basically, the Moss-McGovern bill would eliminate these kidnapping havens or "refuge states" by requiring courts to honor other states' custody decrees.

The bill was introduced in the House in 1975. To date, there has been no hearing on it in either the House or Senate.

DOES NOT COVER ALL CASES

But this bill is also flawed, since it requires only that states honor established custody decrees of other states. Arnold Miller contends that 60 percent of the time a parent flees with a child before custody has been awarded. In such situations there is no decree to honor.

"Under these circumstances," admits Moss, "neither my bill nor Bennett's would be effective. No crime has been committed."

The Uniform Child Custody Jurisdiction Act (UCCJA) is another proposed solution. It is not a federal law but an identical proposal submitted to the legislatures of the individual states. The Act limits custody jurisdiction to the child's home state and calls for the subscribing states to recognize one another's custody decisions. As of August 1977, only 18 states had adopted some version of the UCCJA, leaving 32 possible refuge states for would-be child-snatchers.

Senator McGovern feels that nationwide implementation of the UCCJA may not take place in this century and that the Bennett bill "goes beyond what is a feasible approach." He believes his bill is the only practical answer to child-snatching now under consideration.

Desperately needed is a bold federal law that (1) defines child-snatching as "the concealing of a child by one parent from another parent whether or not custody has been awarded"; (2) makes a federal investigative agency responsible for locating missing children and arresting kidnapping parents; (3) provides a penalty for kidnapping one's own children of no less than a 10,000 fine and/or five years in jail; and (4) requires that a state honor the custody decrees of all other state courts.

Parents who kidnap their children today are protected by a crazy quilt of state laws. Only Congress can protect the children and make shuttlecock custody a thing of the past.

[From the Washington Star, July 2, 1978]

PARENTS OF STOLEN CHILDREN SEEK TOUGHER LAWS: CRI IS TRYING TO MAKE IT A CRIME

(By Sue Mullin)

Children's Rights Inc. (CRI) is called "Cry" by its founders, Arnold I. Miller, 34, a systems analyst with the Postal Service, and his wife, Rae Gummel, 30. It is a fitting acronym.

Its membership consists of fathers and mothers whose children have been stolen by their spouses or ex-spouses. There are 50 CRI chapters across the country. Gummel and Miller say that CRI is the largest and one of only two or three such groups for "parent-victims" of child stealing in the country.

As directors of CRI's national organization, Miller and Gummel heard from 30,000 such people last year, Miller said. But they estimate that there are well over three times this number of children snatched annually. The D.C. chapter of CRI alone has 200 members, Miller said. Nationally, it has about 2,000 members.

Miller said he hopes that with the combined strength of all parents who have been victims of child snatching, laws can be changed to make child abduction by a parent a felony. Currently, it is a felony in only two states—California and Wyoming—if the parent from whom the child is taken has been awarded custody. In the other states, it is a misdemeanor. Child snatching is legal in all states if neither parent has been awarded custody.

The federal government has always left laws concerning family life up to the states. Under Anglo-Saxon law, children are "possessions" of their parents. And as Judge Victor F. Canuso of the Philadelphia Family Court says, "We can't cut him (the child) in half." The states have avoided the matter, mostly claiming the whole area is rife with unresoluable jurisdictional disputes. But with one out of three marriages ending up in divorce, many people like Miller and Gummel think it is high time "someone gives children some rights."

Miller's commitment to CRI stems from the loss of his son, Mason, who was snatched four years ago when the boy was 4.

The child, born during a previous marriage, was taken by his mother, a Maryland resident at the time, on June 9, 1974, Miller said. Neither has been heard from since he added.

At the time of their divorce, Miller's wife was awarded custody of the child and he was granted visitation rights. Therefore, he said, "her 'crime' was no crime" in the eyes of the law.

"That was the second time my ex-wife had taken Mason. The first time she disappeared for seven months. I have no idea where she is now although we have looked very thoroughly. We have turned to lawyers, detectives, state's attorneys, the governor's office—everybody," he said.

Miller had married Gummel by the time his son and first wife disappeared.

In November 1974, five months after Mason had been taken, Gummel showed Miller a magazine article about a bill introduced by Rep. Charles E. Bennett, D-Fla. The bill would have modified the 1934 kidnapping law, the Lindbergh Act, to include parents who kidnap their own children.

Bennett's bill, like many similar pieces of legislation over the past several years, was not passed.

After Miller read about the Bennett bill, he called the congressman's office and asked an administrative aide which children's rights groups were supporting the legislation. "There is no such group," Miller remembers being told.

So he and his wife created one. In the last 3 years they have transformed a back-room, grassroots movement into a vast network of support groups and hotlines.

CRI is not only a parents' rights group, Miller said. It is interested in children's rights, he said.

"We don't make a judgment on who should get custody. We believe simply that a child has a right to know and live with both parents. Anything else is a problem between the parents and should involve the child in no way."

CRI is strictly a volunteer effort, Miller added. "I support my family with my 9 a.m. to 5 p.m. Postal Service job. Our group depends entirely on donations from members and the general public. No one has ever received a CRI salary."

The couple operates their "national headquarters" from their home at 3443 17th St. NW.

They put together a monthly newsletter there. From their home, they have helped to organize new CRI groups and hotlines, called Lend-An-Ear, which now number about 50.

And their own phone gets quite a workout. The couple takes calls from distraught parents—12 to 15 every day—from all over the country. Gummel mans the phone during the day and Miller helps out at night.

Miller said, "It's not unusuall for us to get a call at 3 a.m. from the West Coast, the voice on the other end saying, 'Little Johnny went somewhere with my ex-wife or ex-husband today and he wasn't brought back.' It helps these parents to talk to someone who has been through this sort of thing."

But CRI does more than listen. Miller and Gummel also act as a clearing house of information. They try to help people sidestep problems that commonly result from child snatching.

One of the pitfalls CRI advises callers to be wary about, Miller said, is "hiring unscrupulous private detectives." Because most of the parents have no recourse to the law, he said, many pay "astronomical sums" to private investigators to locate their children.

Most child snatching cases, Miller said, involve children between the ages of 2 and 7. He called it the "out-of-diapers and yet not-old-enough-to-contact-the-other-parent stage."

In almost every case, he said, the parent who absconds with the child does so to spite the estranged spouse "But the one who suffers most is the child," he insisted, "who incurs devastating emotional scars, if not physical harm."

He said, for example, that many of these children are yanked away on what are supposed to be joyous occasions in a child's life—on a birthday, on Christmas Eve, on Mother's Day and Father's Day.

"Often they are instructed by the abducting parent that if they ever spot the other parent, they should scream and carry on," Miller said. His wife reiterated: "I've heard of cases where the child was told the wolves will get him if he took one look at the parent he had been taken away from."

Another service CRI provides its members, Gummel said, is keeping a watchful eye on legislation affecting child snatching. She said she and her husband testified in Congress last winter on the latest proposal: the criminal code revision bill which was subsequently passed by the Senate and is now in committee in the House.

A portion of the bill, introduced by Sen. Malcolm Wallop (R.-Wyo.), would make kidnapping by a parent in most cases a federal misdemeanor, allowing the use of federal warrants, Gummel explained.

The District, Gummel said, has neither a misdemeanor nor a felony provision. An abducting parent can be held in contempt of court, Gummel said, but the authorities really don't cross jurisdictional lines in trying to locate violators.

In Virginia, child snatching by a parent is a misdemeanor. But William S. Burroughs, commonwealth's attorney for Arlington County, pointed out that a parent who would "frustrate the court procedure" by not showing up for a custody hearing would be subject to a separate misdemeanor offense.

Last March the Maryland legislature followed the lead of most of the other states, making child snatching a misdemeanor.

[From the Washington Post, Mar. 26, 1976]

CHILD-SNATCHING

(By Ellen Goodman)

BOSTON.—Usually, the cases are less dramatic. They rarely involve a speeding car and a captured gun, or private planes waiting at a New York airport. Usually they don't make the evening news or page one of the morning papers.

Usually the cast of characters isn't as rich or renowned as Pittsburgh millionaire Seward Prosser Mellon and his ex-wife Karen Boyd Mellon.

Both aside from the notoriety that surrounded the grubby abduction of two frightened little girls in front of a two-family house in Brooklyn, the event was almost common.

It is a tactic used with appalling frequency in vicious custody battles all over the country. It's called: Take the Children and Run.

It's happened now twice to the Mellon children, ages 5 and 7. The first time it was their mother who snatched them while they were visiting and took them on a four-month journey through 14 hotels, under nine different pseudonyms. The second time it was their father or, rather, their father's hired men who posed as FBI agents and carried them back again.

But the "game" is played by others. As the number of divorces increases, so do the number of vigilante parents who are taking the custody laws into their own hands. And some groups estimate that 100,000 child-snatchings occurred last year alone.

The victimized parent—one who doesn't know where his or her child is—is almost helpless. According to a Washington-based group. Children's Rights, Inc., which handles dozens of these calls every month, the victimized parent gets little support from the police. "They consider it a domestic matter. They say, 'We don't want to get involved in family problems,'" says the group's Arnold Miller, who hasn't seen his own 6-year-old son in a year.

The FBI is no help either, although most of the children are taken across state lines. It's "out of their jurisdiction," because parents are specifically exempt from the federal kidnapping statutes. The parent who "steals" his child can't be accused of kidnapping.

On the other hand, the parent who abducts his or her children can often gain legal custody of them in another state. In the confusion of custody laws that change at the borders of states as if they were ancient principalities, a parent can comparison shop until he or she finds the best deal.

There are at least two ways to reduce the attractiveness of this self-help tactic. The first is to make parents legally liable for prosecution if they kidnap their own kids.

A bill sponsored by Rep. Charles E. Bennett (D-Fla.), which has been languishing in the House for three years, would remove the exemption of parents from the kidnapping statutes and would punish them with a $1,000 fine or a year in jail, or both.

It would make federal files—including Social Security Information, Internal Revenue returns and prison records—available to police searching for the abducting parent.

Another help would be the adoption of the Uniform Child Custody Act, which is currently used by seven states. This Act standardizes custody guidelines and insures jurisdiction rights. A parent who was unhappy with a decision would have to challenge it in the home state instead of simply trying another.

The point is the children, the shuttlecocks in the parents' game plan. The Mellon children are only two of tens of thousands. Child-snatching may be "a family matter,"

but parents don't own their children, their children's rights, lives or feelings.

We protect children from other kinds of parental abuse—battering, neglect, sexual mistreatment. This case has dramatized another need. We have an equal obligation to protect children from being rustled like cattle back and forth across the borders.

[From McCall's, August 1976]

PARENTS AS KIDNAPPERS

Usually the continuing tug-of-war in a child-custody battle does not make national headlines, as it did last winter when Seward Prosser Mellon, an heir to the $3 billion Mellon empire, abducted his two young daughters some months after a similar abduction by their mother. In the mishmash of state laws, *he* was awarded custody by a court in Pennsylvania in 1974; this year a New York court granted custody to *her*. Both believed they had the legal right to the children.

As the incidence of divorce in America mounts, there is scarcely a community left in the country without its own more modest, yet equally agonizing, versions of the same bizarre story. In Washington, D.C., an economist recently tried to steal back his two children from his former wife, who had run off with them to Florida. In Long Beach, California, a woman is searching for her eight-year-old son who has been "stolen" from her custody by his father for the second time in two years. From northern Virginia, a policeman fled with his children to Arizona upon learning from a fellow law-enforcement officer that he was going to lose them in an impending custody suit. In a suburb near Allentown, Pennsylvania, a Lehigh Valley mother laments, "My husband and daughter have vanished, and I don't know where to turn."

In all such cases (which have been estimated as high as 100,000 per year), euphemisms such as "child stealing" and "child snatching" abound. There is really no adequate legal term to describe kidnapping one's own child, because under federal statute it is not classified as a crime. No local state or federal agency exists to enforce the legal custody or visitation rights of mothers and fathers. "There's a strong feeling that these are mostly domestic squabbles," comments Paul G. Flynn, assistant U.S. attorney.

In these "domestic squabbles," patterns of child theft are overwhelmingly consistent. The absconding parent almost always crosses state lines, leaving no clues and rendering the victimized parent legally helpless. The latter must either become a one-person searching party or hire private detectives at great cost, often to no avail.

There is a loophole in the law directly responsible for this widespread confusion and family grief. In 1934, the so-called Lindberg Law (Title 18, United States Code) was enacted, its definition of kidnapping was amended before passage by these crucial words: ". . . except in the case of a minor by the parent thereof . . ." That phrase exempted from legal blame the parent who kidnapped his own child.

Arnold Miller of Washington, D.C., who has been seeking his runaway former wife and child for two years, became "enraged by the federal government's hands-off policy. It was harrowingly clear to me that, in the matter of custody, the judge's decision carries no weight. It's unenforceable. I knew something had to be done for all parents caught in this kind of bind." Accordingly, Miller organized Children's Rights, Inc., to act as a clearinghouse for information and guidance to worried parents, and to effect legislative reforms. Right now, CRI is lobbying for legislation designed to plug the Lindberg Law loophole.

H.R. 2965, "a bill currently collecting cobwebs in the House of Representatives," says Miller, would amend the federal kidnapping statute to include parents who abduct their children and then conceal them. "When a father or mother steals his own child from the other parent, it is really concealment, not a custody matter," Miller points out. "And concealment *is* a crime."

The bill to amend Title 18 provides that any parent who kidnaps his minor child "shall be punished by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both." CRI also supports a proposal asking the FBI to take over on the investigation of cases in which the abducting parent and child have been listed as missing persons for at least 30 days.

The U.S. Passport Office is one federal agency that offers help, although unofficially, to parents victimized by child theft. They receive, they say, 30 to 40 inquiries each week relating to custodial disputes. They advise parents whose children have been stolen to write a letter stating that they do *not* give permission for their child to leave this country. The letter should be sent to William B. Wharton, Chief, Legal Division, U.S. Passport Office, 1425 K Street, N.W., Washington, D.C. 20415—along with vital statistics for both child and former spouse, a copy of the custody order if there is one, and home and business telephone numbers. Although the Passport Office assumes no legal responsibility, authorities there will try to help.

To support H.R. 2965, the amendment to the Lindbergh Law, write to John Conyers, Jr., Chairman, House Subcommittee on Crime, House of Representatives, Washington, D.C. 20515. (CRI would appreciate copies of such letters.)

Besides Children's Rights, Inc. (3443 17th Street, N.W., Washington, D.C. 20010), there are two other organizations in the United States to which parents can turn for advice and counsel: United Parents of Absconded Children, Mr. W. J. Ralston, Coordinator, Box 127A. Wolf Run Road, Cuba, N.Y. 14727; and Citizen's Committee to Amend Title 18, Mrs. Beth Kurrus, Coordinator, P.O. Box 936, Newhall, Calif. 91321.—Natalie Gittelson.

[From the Village Voice July 7, 1975]

CHILD-SNATCHING

(By Brian Van der Horst)

Over a year ago, Arnold I. Miller's wife disappeared with their son and has not been heard from since. Miller went to the police, the missing persons bureau, and even the FBI, but found that none of these agencies could help him because he was a victim of child-snatching.

Miller defines child-snatching as "an increasingly common situation in which a child is abducted by one of his own parents." While a kidnapper may face a term of life imprisonment, a child-snatcher is hardly ever prosecuted. There is not a single law against it. Even if the other parent, like Miller, has a court order for visitation rights, the most that can happen is that "the abducting parent could be found in contempt of court, but only if he or she can be located and served the appropriate legal documents."

As Miller searched, he found that, "Each year, thousands of American children undergo this traumatic experience." He also found that in most cases, the snatchers have been missing for two to three years.

A computer programmer living in Washington, Miller continued to explore the legal possibilities of his situation. Finally he came across Congressman Charles E. Bennett who had introduced H.R. 2965 as a bill to amend the federal kidnaping statute which presently states that any person is a kidnapper who "unlawfully seizes, confines, inveigles, decoys, kidnaps, abducts, or carries away and holds for ransom or reward or otherwise any person, *except in the case of a minor by the parent thereof*." Bennett wanted to delete that italicized portion and add punishment of not more than $1000 or a year in prison, or both, for child-snatchers. This, he argued, would be the first law on the books specifically against this phenomenon.

Miller asked Bennett what groups were supporting his bill. Bennett replied, "No one." It was at that moment that Children's Rights, Inc., was born. According to Miller, "CRI is a new lobby organization originally created to focus on H.R. 2965, but has since grown into a clearinghouse for parents across the country who have been victimized by the child-snatching syndrome. We are gathering cases, getting descriptions, and distributing photos." (For information write CRI at 3443 17th Street, NW., Washington, D.C. 20010 or call 202–462–7573.

Since beginning his activities three months ago, another bill on child-snatching has been brought before the legislature (H.R. 4486) which condemns the practice only on cases where actual court orders or visitation rights have been broken. So Miller feels that there may soon be at least one law on the books fairly soon, at which point he plans to expand CRI's activities to include the whole area of child abuse and constitutional rights for children. In the meantime, Arnold Miller is still looking for his wife and child.

[From the Woman's World, July/August 1977]

PARENTS AS KIDNAPPERS

(By Alan D. Hans)

In 1974 Seward Prosser Mellon, an heir to the $3 billion Mellon empire, was divorced from his wife Karen Leigh Boyd Mellon. A Pennsylvania court awarded custody of the couple's two children, Catherine, 7, and Constance, 5, to the father.

In 1975 the mother spirited the children away during a visit and persuaded a New York court to award custody to her.

In 1976 Seward Mellon re-abducted the two girls on their way to school. Both parents now believe that they have the legal right to the children. For the time being the youngsters remain with their father, but the legal battle will continue for a long time.

During the time that Karen Mellon had the children she used 9 different names and lived in 14 different hotels to elude her ex-husband's private detectives.

Both parents "kidnapped" the children in the face of legal custody by the other spouse, yet amazingly neither broke any laws, federal or state.

Nowhere in the U.S. is there a legal statute that makes it a crime to kidnap one's own children. No local, state or federal agency exists to enforce the legal custody or visitation rights of mothers and fathers. For divorced parents it is always "open season" on children. "There is a strong feeling in the judiciary that these are primarily domestic squabbles and should be looked upon as such," comments an assistant U.S. attorney.

The absconding parent almost always crosses state lines, frequently assumes a new identity, and renders the victimized parent legally without recourse since the courts are unwilling to intervene. The latter must either conduct a long search or hire private detectives at great cost, frequently to no avail. Tugged back and forth in a child-custody battle, such children frequently suffer serious psychic and emotional scars, victimized by the escalating bitterness of the parents. Clearly no one comes out ahead in such cases.

The Mellon tug-of-war is not unique. As the incidence of divorce in this country continues to mount, there is hardly a community left without a similar, agonizing story of child-snatching parents. In Washington, D.C., for instance, an economist recently tried to recapture his two children from his

former wife who had run off with them to Florida.

In Long Beach, California, a woman is searching for her eight-year-old son who has been "stolen" from her custody for the second time in two years. In Virginia a policeman fled with his children to Arizona after learning from a fellow officer that he was going to lose them in an impending custody suit.

In Maryland, a woman whose daughter was abducted by her former husband and located six months later in a Houston orphanage said, "We still have to keep moving. My ex-husband is on the loose and we don't want him to find us."

Sometimes the results of these child abductions can be tragic. In Oklahoma a 24-year-old divorcee had been living on a ranch with her 4-year-old son. Her ex-husband and three other men drove to the ranch, grabbed the boy and took off in a car. The divorcee spotted the getaway and gave chase. The ex-husband's car tore off at great speed, went out of control, rolled over and smashed into a tree. The boy and his father were both killed.

Although there are no official figures on child retrieval, those familiar with the situation estimate that perhaps 100,000 youngsters each year are taken away from one parent by the other. In the absence of any penalties for such acts more and more parents are resorting to such behavior. The police, the FBI and the courts continue to adopt a hands-off attitude.

The tangle over child snatching has grown so rapidly of late that it has spawned an industry of its own. Private detectives will kidnap children for any parent who can pay the going rate—$1,000 to $10,000. One such professional, an ex-jockey who operates out of Las Vegas, claims to have "kidnapped" more than 1,000 kids in the past couple of years. Eugene Austin of Foley, Missouri, another prominent child retriever, admits candidly, "I'm nothing more than a hired vigilante."

Any parent who sets out to recover his or her children and has no knowledge of the ex-spouse's whereabouts can expect to spend a small fortune in the search. A mother in California has in the past two years spent $12,000 tracing her two children, last reported to be in South America with their father. A Brooklyn, New York, woman has spent over $7,000 in a futile five-year cross-country pursuit. Even if a parent succeeds in having the children returned the problems are just beginning. He or she will have to drop out of sight, keeping a wary eye out for an ex-mate.

Most parents who seek to regain custody defend their behavior in one or more ways. They feel they are the better parent or that the ex-mate will not raise the children properly. Many fathers tend to feel that since they are required to support the youngsters they ought to have possession as well. But experts in family therapy say that the true motive in most cases is spite or revenge. A father or mother thinks, "Oh, no, you won't get away with that. I will get them (the children) back."

"The emotional feelings are directed at the other spouse even though they're expressed in terms of the offspring," explains Dr. Gary Grad, a family therapist at Downstate Medical Center in Brooklyn, New York. "The child has already gone through the trauma of divorce. Just when the youngster may be learning to trust adults again, the in-fighting is resumed and he or she is thrown into confusion a second time. Very few youngsters can avoid being permanently scarred by such an experience."

"It's an old, old story, parents making children the scapegoats in the aftermath of divorce," relates Dr. Grad, but it isn't happening any the less. Hell, it seems, hath no fury like a parent scorned. And hell it is, too, for children who feel that adults cannot be trusted. With one in every three marriages breaking up it is frightening to think of how many children are in this fix."

"I have seen instances where abducted children in a short time become unmanageable delinquents. One mother who abducted her son couldn't handle him and sent him back to the father. The father couldn't control the boy either and sent him back to the mother. Many youngsters become runaways at an early age. Children, of course, are quite sensitive," goes on Dr. Grad. "They know whether they are wanted or simply being used as a ploy or a pawn."

One father who is not trying to snatch his son back from his mother is Arnold Miller of Washington, D.C., an employee of the U.S. Postal Service with a degree in psychology from the University of Maryland. Miller, who has not seen his six-year-old son since 1974, spent $10,000 in a futile effort to locate the child. "I feel now I want to wait until he is older so he can understand better the reasons for all this time of separation."

Convinced that child abduction is wrong and that parents should not be required to live in fear, Miller organized Children's Rights Inc. to act as a clearinghouse for information and guidance to worried parents.

"The widespread confusion and family grief which exists today," notes Miller, "got its start in 1934 when the so-called Lindbergh Law (Title 18, United States Code) was enacted."

"The Lindbergh Law's definition of kidnapping was amended before passage by these words: 'except in the case of a minor by the parent thereof. . .' Ever since, that phrase has been used as a precedent to exempt from legal blame the parent who abducts his own child. We are presently lobbying for legislation to plug that loophole," asserts Miller.

H.R. 2965, "a bill currently collecting cobwebs in the House of Representatives," according to Miller, would amend the federal kidnapping statute to include parents who abduct their children and then conceal them. "When a father or mother steals his own child from the other parent, it is really concealment, not a custody matter," in Miller's view, "and concealment is a crime."

The bill to amend Title 18 provides that any parent who kidnaps his minor child "shall be punished by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both."

The problem in getting such legislation enacted, Miller concedes, is that the U.S. Justice Department, the FBI and most local police forces are opposed to it. The feeling is that the FBI and the cops will be deluged with demands to sort out family wrangles, something they don't have the time or manpower to do. "We don't want to be punitive," counters Miller. "We just want something on the books that will discourage child abductors. We don't want to clap parents in jail, willy-nilly."

Some official measures are being taken to try to correct the situation that now exists. Ten states have already adopted the Uniform Child Custody Act under which they refuse to consider any case that has already been settled in another state. Those states are California, Colorado, Hawaii, Maryland, Massachusetts, Michigan, North Dakota, Oregon, Wisconsin and Wyoming. Of course, this procedure only prevents a parent from overturning custody and does little to discourage child snatching.

Recently California passed the toughest anti-child-snatching legislation yet, a law that makes it a felony (up to four years' imprisonment) to hold or hide a child in that state in violation of a custody order. It is possible that in time this law, if it proves workable, could become a model for other states to follow.

The U.S. Passport Office is willing to provide help, albeit unofficially, to prevent a child who has been "stolen" from leaving the country. A letter from the parents with vital statistics and a copy of the custody order (if there is one) will be honored.

All these measures however, are not expected to sharply curtail the present traffic in stolen children. Only federal or state laws with stiff penalties could bring about a real change, and this does not seem in the immediate offing despite official recognition that the situation is deplorable.

One of the most promising new developments in divorce procedures where couples recognize the folly of treating children like property or possessions is an arrangement calling for joint custody.

In this procedure, children live alternately with each parent from a few days to a few weeks or even alternating every six months. Obviously such an arrangement has problems in logistics. It works best where both parents live in the same community so that the kid's school life and friendships are not disturbed. Children should have their own space and own things in each home.

So far, joint custody is usually worked out between the divorcing parties rather than being set by a judge. The courts for the most part remain traditional and tend to award custody of the children to the mother. Some family therapists think that judicial prejudice in favor of the mother has been one of the direct causes of paternal anguish, leading to bickering and sometimes to child snatching. "If the father were seen as having due concern for his children instead of being just a check-writer, perhaps we could make headway in cutting down on the usual acrimony in divorce actions," cites one prominent divorce attorney.

The child care experts are divided on the merits of joint custody. Albert J. Solnit, pediatric psychiatrist and director of the Child Study Center at Yale, recommends single-parent custody as the "least detrimental available alternative."

However, Dr. Melvin Roman, professor of psychiatry at the Albert Einstein College of Medicine in New York, notes that "most parents I've seen who have joint custody arrangements seem to have good working relationships with one another and are able to put aside whatever conflicts they've had personally in the marriage."

It is too early to tell whether joint custody can work for many divorced people. However one fact seems clear. *Any* parent who *really* cares about the welfare of the children would seek to harmonize rather than exacerbate relations with an ex mate, whatever his or her disappointments over the failure of the marriage. The children should come first.

[From the Philadelphia Inquirer, July 10, 1977]

CUSTODY KIDNAPING—THE LAWS HELP

(By Linda S. Herskowitz)

On the afternoon of May 23, 5-year-old David Ray Lawson was playing outside his house in Norristown when a man grabbed him from behind, stuffed him into the back seat of a rented car and drove across the state line.

Once they were safely out of Pennsylvania, an accomplice in the abduction telephoned David's mother, Ella Faye Lawson, and told her that her son had not been kidnaped. He had been "recovered" by his father, Kenneth, who was taking him back to San Antonio, Tex.

Mrs. Lawson has not seen her son since. Her husband, who was granted custody of their son by a Texas judge when they were divorced last August, contends that his wife took David to Pennsylvania last Thanksgiving without his consent. In December, she was granted custody of David in Montgomery County Court.

Now Mrs. Lawson has no choice—aside from kidnaping David back—but to fight the next round in the Texas courts, which have jurisdiction now that David is there.

David is by no means an isolated case. Child-snatching in this country has become a common occurrence. By some estimates, 100,000 children a year are abducted by divorced or separated parents and taken to other states, where new custody orders can be sought.

Parental kidnapers are often successful, largely because judges vigilantly guard their jurisdictional prerogatives. Montgomery County District Court Judge A. Cirillo heard Mrs. Lawson's request for custody of David last December, he agreed to consider the case without regard to the Texas order granting custody to David's father.

"I don't care what happened down there (in Texas), really, because I have to determine what's in the best interest of the child. No other judge can usurp my findings" Judge Cirillo said in court.

For parents who have lost the first round in a custody battle—or who fear they will—there are several reasons why kidnaping the children makes sense.

Most state courts have no compunctions about modifying or overturning custody decrees handed down in other states. David Lawson is a classic example. He was awarded to his father by one state, and to his mother by another.

Federal law specifically exempts parents from the kidnaping statutes. And while all states have laws against violating custody orders by removing a child without the other parent's consent, enforcement depends entirely on the state to which the child has been taken. Parents often defy the law without fear of extradition or prosecution.

To discourage this practice, the Pennsylvania Legislature has passed and Gov. Milton J. Shapp on July 1 signed a bill that obligates judges here to honor custody decrees handed down in other states with similar laws.

The object of the so-called Uniform Child Custody Act is to eventually bring all 50 states in line so that custody shopping will no longer be feasible.

Despite its good intentions, experts say there are several problems with the model law, which has been adopted by 16 states, and especially with Pennsylvania's version.

Under the new statute, which takes effect Sept. 1, Pennsylvania's judges are required only to honor custody decrees granted in states that have also passed a Uniform Child Custody Act. Pennsylvania is apparently the only state yet to impose such a restriction, which the law's proponents say greatly reduces its effectiveness.

"That means that only a very limited number of out-of-state decrees will be enforceable in Pennsylvania courts," said John McCabe of the National Conference of Commissioners on Uniform State Laws, the group that formulated the model act.

Had the law been in effect when Mrs. Lawson asked Judge Cirillo for custody, it wouldn't have made any difference, since Texas has not adopted a similar law.

Kenneth Lawson would undoubtedly have received the same advice he got from lawyers here when he traveled to Pennsylvania early this year to seek enforcement of his Texas custody order. The only way he could get David back, he was told, was to submit to a full custody hearing in Montgomery County Court.

"He'd already spent in excess of $8,000 in legal fees," said Bill Ralston, the man Lawson ultimately turned to when he decided to kidnap his son. "If he's already been awarded custody in Texas, why should he go through a long, expensive custody battle in Pennsylvania, with no guarantee to win and no assurance that she wouldn't kidnap the child again?"

Another problem with the new Pennsylvania custody law is that a majority of parentally engineered kidnapings occur before custody is awarded at all.

That is according to statistics compiled by Children's Rights Inc. (CRI), a Washington based group founded by Arnold Miller, whose wife disappeared with their 2-year-old son three years ago.

"If you take the children before there's a court order, then you're not in contempt of court," said Miller's present wife, Rae Gummel, who is CRI's vice president. Most parents who flee across state lines with their children "don't even apply for custody, because it might alert the other parent to their whereabouts," she explained.

Miller, a computer analyst for the U.S. Post Office, said he had felt helpless and bewildered when his own child disappeared. His organization now counsels dozens of parents each month.

Parents who locate their children are increasingly turning to private detectives to get them back—detectives who will "retrieve" the children for fees ranging from $1,000 to $20,000.

The private detectives shun publicity. Two men who don't, and who have been most active in child abductions—Gene Austin and Bill Ralston—say they do it to publicize the chaotic tangle of custody laws.

Austin, nicknamed "Mean Gene," is to custody disputes what "deprogrammer" Ted Patrick is to religious cults. While he is not in the private detective business, Austin, who lives in Foley, Mo., claims to have engineered more than 200 abductions in the past 15 years. His fees range from $100 to $1,000, plus expenses.

Bill Ralston, 36, is a relative newcomer compared to Austin, but is no less fervent. Ever since his wife disappeared with their two children in 1974, Ralston has searched for them in vain.

In 1975, he founded United Parents of Absconded Children, an organization he runs from his home in Cuba, N.Y. When Kenneth Lawson called him in April, Ralston says he investigated thoroughly before taking the case.

Ralston met Lawson, Lawson's second wife, Stella, and his brother-in-law, Sam Roberts, in a motel in Norristown on May 18. For five days, they "staked out the residence of (Ella) Faye very carefully, discreetly and patiently," Ralston said.

"We even had an elaborate surveillance system that involved walkietalkies and CB radios. We wanted their daily routine. On the 23d, at 4 p.m., we spotted David outside playing in the yard. I was driving. Ken was in the back seat. I pulled into the parking lot (of the townhouse complex) as close to him as I could. Kenny jumped out and David didn't even see him until he was almost on top of him. He scooped him up, put him in the car, and away we went.

The group switched to a "safe" car that couldn't be identified by any witnesses from the scene. Once over the state line, it was Ralston who called Mrs. Lawson to tell her David was safe. (She screamed and cried, "I want that baby back," he said.) Then he called the Norristown police and the FBI to tell them that it was David's father who had taken him.

The effect of the abductions on children is an issue that doesn't get discussed by parents as much as the question of which spouse has the right to the children, or who is the better parent.

One of the more extreme examples is the story of a 9-year-old boy, originally from Florida, who has been abducted at regular intervals since he was 3. His mother now has custody in four states, his father in four others.

"Each time his parents snatch him, they go to a new state to hide from the other parent," said Rae Gummel of Childrens' Rights Inc.

"We consider child-snatching to be a form of child abuse. We haven't met a child yet who really hasn't had a lot of confusion. And they're reluctant to form attachments for new kids."

Observers of the custody-law tangle have little hope that the Uniform Child Custody Act is the answer.

"The way our custody laws are, a parent really can't say they have legal custody of their children unless they have custody in all 50 states," Ralston said. And until all 50 states adopt uniform custody laws, there always will be somewhere a parent can run to with relative impunity, the doubters say.

One solution might be federal legislation introduced by Reps. John E. Foss, Donald Edwards, both California Democrats, that would require every state to honor custody orders issued in another state. It has little chance of passage, however; its opponents believe it infringes on state's rights.

Another possible federal remedy is a bill introduced by Rep. Charles E. Bennett (D., Fla.) that would amend the federal kidnaping statute—known as the Lindbergh Act—making parents criminally liable for the kidnaping of their children. The major obstacle to passage is opposition from the Justice Department and FBI, which fear they would be inundated with child custody cases.

Until an effective remedy is found, Austin, Ralston and others say, they will continue their work.

Ralston, who supports the Moss-Edwards bill, says the whole dilemma that underlies parental kidnaping has "gotten a lot more media attention in the last few years since we've used the recovery (kidnaping) technique to dramitize the problem.

"It shouldn't have to be that way. I despise it even though I do it," he said. "But until we can slam enough people in the eyes to enforce these custody orders—by saying that otherwise we'll snatch these children off the streets right under your nose—we'll keep doing it."

[From the Catholic Review, Mar. 18, 1977]

WOMAN FACES CRISIS OF KIDNAPPED CHILDREN

(By Kathleen Kujawa)

A woman who has not seen her two children for nearly two and a half years told about her experience in a workshop called "Kidnapping—the Newest Crisis in Divorce" during the archdiocesan conference on separations and divorce.

Virginia Burt, the mother of two daughters, now seven and three years old, described leaving her husband. The couple, who lived in Poughkeepsie, N.Y., were in the process of getting a divorce. Her husband had threatened her with physical violence if she did not agree to certain demands, Ms. Burt said. These included giving him the house and custody of the older girl.

Ms. Burt fled to Baltimore with the two children and stayed with her mother. One Sunday her husband, who by then had visitation rights with the children, took them out for the day. They never returned. She has seen neither him nor the children since.

Ms. Burt hired an investigator, but he was unable to locate the three. Although she was able to get custody of both children, the police and FBI were unable to help her because no crime had been committed.

Under federal law, the abduction of a minor by his parent is not a crime. The parent who has taken and concealed the children can be cited for contempt of court if the other parent has legal custody, but only if he can be located.

Ms. Burt said that a national organization has been established, Children's Rights, Inc. (CRI) to support federal legislation to protect children in such situations. The group

is currently supporting HR 762, a bill in the House of Representatives, that would amend the federal kidnapping statute to include parents who conceal their children.

Another bill being supported would provide uniform custody agreements among states. At this point legal custody is only valid in the state in which it is granted and both parents could have custody of the same child in different states. The bill would require states to abide by custody arrangements made by other states.

Ms. Burt noted that the first state to make child-snatching by a parent a crime is California, where the law went into effect in January.

She urged individuals to write to their congressmen to support uniform custody and the amendment of the kidnapping law. CRI may be reached at 3443 17th St., N.W., Washington, D.C. 20010 or by calling (202) 462-7573.

[From the Ga., Chronicle-Herald, Augusta, Feb. 20, 1977]

CHILD-SNATCHERS BREAK HEARTS, NOT LAWS

(By Mary Duckworth)

Johnny's mommy and daddy have been separated several months. They're in the process of divorce. Last week his daddy came over with a gun and threatened to kill his mommy if she didn't let Johnny go off with him. She cried, but finally let Johnny leave with his father. They never came back.

In this fictitious case, Johnny was a victim of child-snatching.

Annually, there are 100,000 such cases reported nationwide, according to figures released by Children's Rights Inc., an organization designed to aid victims of child-snatching. Last year, two children were killed during child-snatching attempts.

In Richmond County, Superior Court Judge John Hardin sees approximately two child-snatching cases each month, sometimes more. He says these are usually cases where one parent "snatches" his or her child from another parent or relative who might be keeping the child. Seldom does he encounter cases where people snatch children who aren't related to them.

There are a number of reasons why parents want to steal their children, he said. One is finances. Before New York went bankrupt, he continued, several people there were receiving welfare benefits in the name of children who lived in Richmond County with a relative. When New York began investigating, the parents came to Augusta, "snatched" the children and took them to New York so they could continue receiving welfare benefits, he said.

Mrs. Rae Gummel Miller, vice president and secretary of Children's Rights Inc., said in a telephone interview from her Washington, D.C., office that the increased divorce rate is also a factor in child-snatchings.

"The divorce rate has gotten out of hand," she said. "There are more and more bitter divorces. There is no federal law saying that a parent can't take his own child, even if he doesn't have legal custody, so parents aren't breaking any laws when they take their children away.

"Sixty percent of the child-snatching cases occur before custody is awarded," she continued. "I think the parent who does the snatching is either afraid of losing custody, or else he or she doesn't want to hassle with lawyers. In the cases where custody has been awarded, it's usually the noncustodial parent who takes the child."

Most of the children who are snatched from their homes by a parent are between the ages of 3 and 7, Mrs. Miller said.

"This is a critical period in a child's life because they are learning social values at this time. Parents who do the snatching don't realize that they are only solving the immediate problem of not getting to see their children very often. In the long run, though, they are causing more problems—often deep-rooted emotional ones—for the child, themselves and the other parent.

"The child experiences trauma in being taken away from the familiar. Sometimes the parent who snatches a child will tell him all kinds of madcap, concocted stories about the other parent. We have had cases where the child was told that the other parent had died. When he later saw the allegedly dead parent, he imagined he was seeing a ghost. There's no reason children should be put in the middle of these squabbles."

Child-snatching can happen to anyone, Mrs. Miller said. "It happens to the rich and poor, and to people who would least expect it. We've gotten letters saying, 'I never would have guessed dear ol' George would do something like this.'"

The return rate of snatched children is very low, she continued. "The federal kidnaping clause omits parents, so federal agencies can't help in child-snatching cases since the parent hasn't broken any federal law. Now we're trying to get that changed so that child-snatching will be a felony, and federal authorities can get involved. But in the meantime, we have to live with the old law."

Current federal law states that any person is a kidnapper "who unlawfully seizes, confines, inveigles, kidnaps, abducts, or carries away and holds for ransom or reward or otherwise, any person, except in the case of a minor by the parent thereof."

Judge Hardin said in Georgia, each parent has equal rights to his or her child until a custody hearing is held and a court order granted determining who will receive permanent custody.

"If a parent snatches a child after there's been a court order granting him only visitation rights, then he's breaking the law. But the only way I can enforce it is with a contempt order, and you can't serve a contempt order across state lines. So, if the parent crosses the state line, it's out of my hands."

He added that lawyers sometimes aggravate the problem by encouraging parents to cross state lines with their kids.

In cases where the child-snatching parent is found to be in Georgia, Judge Hardin said another custody hearing is held to determine if the custodial parent has become unfit since the original hearing.

Should the victimized parent find the child-snatching parent in another state, it is up to him to take a copy of his custody order to that state where a similar hearing can be held.

The problem with this, Mrs. Miller said, is that most parents can't find the child snatchers. They disappear and are never seen again, in most cases. "Only the parents who have lots of money and stamina can find their children. Then all they can do is snatch the child back, because the other parent isn't going to be willing to go through another hearing. It's heartbreaking. And it's difficult to find anyone who can help.

"The victimized parents have to hire private investigators who sometimes do nothing but take their money. It can be a very emotional as well as a financial drain. The investigators often take advantage of the parents. When the parents have spent their last dime on the investigation, the investigators will bait them. They'll say, 'Oh, it's too bad you're giving up. I'm onto a good lead.' Then the parents will go out and borrow more money. Often this leads only to a dead end."

Mrs. Miller hopes that the kidnaping law will be amended so that a modified penalty will be given to parents who snatch their children. "Now all the parent gets when he is found is a slap on the wrist for contempt of court (for disobeying the custody order). I don't think that he should get life imprisonment. A maximum of one year in prison or a $1,000 fine is being proposed, and I think that's reasonable."

There are 52 chapters of Children's Rights Inc. in the United States. The purpose of the chapters is to inform victims of their rights and of the laws in their states, she said.

"We also encourage the victims to publicize their cases so that, hopefully, the public can become aware of the desperation of the situation and let Congress know they are upset about it. It is a serious problem."

SHE'S GRIEF-STRICKEN OVER LOSS OF CHILDREN

(By Mary Duckworth)

Five years ago, Gail, an Augustan, decided to leave her husband. He was "immature, weak, wouldn't work and stayed under his mother's thumb," she said.

After a year's separation, divorce proceedings began, followed by a nightmare of physical abuse and a long reige of mental anguish.

"My husband didn't want the divorce," Gail related, staring down into her coffee cup. "His mother kept telling me if I went through with it that I'd never get the kids. I didn't have any idea what she was talking about. If I had known what he was going to do, I would have never divorced him."

Not long before the divorce was final, her husband came over, beat her up and left with their two children, 3 and 18 months.

"I don't think he wanted the kids. I think he wanted to hurt me," she continued. "I haven't heard a word from him since. He hid his tracks well. His mother, who lives in town, is in on it, I think, but she swears she doesn't know a thing about it. The police know she knows, but they won't do anything.

"When the children were born, she wanted me to give them to her," she said. "She told me I could always have more, but that she was too old."

After the April night abduction in 1972, Gail stayed at home "for months" waiting for a phone call or a letter—not daring to leave the house lest she should miss some information about her children.

"I finally hired a private investigator in November 1972. The police hadn't been able to help me. The sheriff always took time to listen, but he finally told me that it was out of his hands. The investigator took my money, and I never heard a thing from him. He left the case without a word."

While she was married, Gail was a homemaker, staying home with the children. After the divorce, she moved in with her mother and went from one job to another, unable to cope with her depression to work for very long at a time.

"I took a few jobs, but I couldn't hold them. I just fold up under pressure. Now, at 26, I'm under psychiatric treatment. I realize I need to work and be out on my own, but I just get overcome with my depression every two or three months. I feel like I can't go on. Just last September, I attempted suicide. Sometimes it's just too much for me."

The frustration of knowing there is nothing she can do about the situation gets her down, she said. She feels that her husband is out of state, and that her hands are tied.

"I would like to know where my kids are so I can tell them I love them. I don't want to snatch them back because I know what that would do to them. But I want them to know where I am so that if they want to see me when they get older, they'll know they can come to me. I do hope they will try to find me when they get older."

Gail is worried that they won't try to find her, however, because she is adopted and has never looked for her real mother.

In attempting to find out more about the whereabouts of her children, Gail has contacted the Federal Bureau of Investigation, the Georgia Bureau of Investigation, written

Congressmen "and everybody else I can think of," and contacted state and local officials. Each time she has drawn a blank.

"Everybody tells me the same thing. 'There's nothing we can do. Go home and wait. The only thing you can do is find them and snatch them back.' There's a lot of red tape. And it's easier to disappear than you'd ever think."

She says she knows she will never get her children back, but she wants to do what she can to keep it from happening to others.

By writing letters to Congressmen and pushing for legislation making child-snatching by parents illegal, she hopes she is helping.

"This has affected my life in every aspect," she said. When her husband left, she was a size 10. Now she is overweight and looks older than her age. She has let herself go because of lack of motivation. 'I'd like to get married again and start all over. The opportunity just hasn't come up. And right now I'm still very bitter."

She says she doesn't know why her ex-husband chose to torture her by snatching her children. She had granted him visitation rights during the separation. He never fought her for custody of the children. But his mother's warning was persistent.

"This was well-planned. I've searched far and near and I can't find a trace," she said.

[From The Alexandria, Va. Gazette, Jan. 28, 1977]

CHILD SNATCHING: MOST LAWMAKERS AVOID THIS "FAMILY" PROBLEM

(By Jacqueline Lee)

Even though Gloria Yerkovich's daughter has been removed from her legal custody for more than two years, the natural father who took the child cannot be charged with kidnapping.

A clause in the federal kidnapping law passed in 1934 specifically exempts parents from charges of taking their own children.

Legislation to amend the law, House Resolution 762, is now sitting in the House Subcommittee on Crimes, after being introduced to the 94th Congress by Rep. Charles Bennett, D-Fla.

"And the chances for the bill getting out of committee do not look very good," says an Alexandria lawyer who is following the legislation. "Politicians don't like to get involved in this family problem type of lawmaking."

Rep. John Conyers Jr., D-Mich., is chairman of the subcommittee considering the child snatching amendment to the Lindbergh law.

"Legally, there is nothing a victimized parent can do about child snatching," says Jan Freeman, the new director of the Alexandria Legal Aid Society. She is currently handling a case similar to Gloria Yerkovich's.

"No court in the world is going to deny a natural parent his or her visiting rights," Freeman adds. "After that, it is a matter of moral consideration for the child's rights. The court simply presumes upon the good will of the parents involved that neither will keep a child from the other."

But emotions are volatile in separation and divorce cases, and some children are forcibly taken away, unable to be located by the remaining parent. Estimates are that as many as 100,000 are involved each year.

"Married parents are as vulnerable to this problem as unmarried," Ms. Freeman says. "The married don't have any more protection under the law."

"Hopefully, parents would be more sensitive than to take children away, but some are not," points out Ron Barrett, president of the Alexandria Legal Aid Society's Board of Trustees.

Gloria Yerkovich, who plans to write a book about the child-snatching of her daughter Joanna, says she would advise the parent with custody to get a passport for their child. She thinks Joanna's father took her out of the country.

"If I'd had her passport he couldn't have gotten one and taken her out," says Gloria. The State Department has refused to help hed locate Joanna, saying the case is a family matter and it cannot become involved. "They say they have lots of cases like mine," Gloria says.

Local police officials are also reluctant to even look into child snatching cases. Ms. Freeman, a graduate of the University of Virginia Law School, notes.

Mrs. Yerkovich has also asked the Federal Bureau of Investigation and Justice Department to assist her in locating Joanna, to no avail, she says.

"Lawyers are even afraid or don't want to handle cases like this," points out Arnold I. Miller, director of Child's Rights Incorporated (CRI), an organization concerned with child snatching which has headquarters in Washinington, D.C.

"Many lawyers just don't know what to do for their clients under the present law," Miller claims. He says many have begun writing to his 2-year-old organization which has collected data from victimized parents throughout the country.

"Because there is such a thin line between preserving the rights of the child and not infringing upon the rights of the parent many lawyers and other professionals shy away from the problem," Miller adds.

So far California is the only state to have passed a law making child snatching by parents a crime, Miller says. Other states have some sort of domestic law addressing the problem, but they are intermingled with domestic laws and are largely unenforceable, he said.

"California's law is the only one to finally define child snatching as a crime," the CRI director says. Under the California statute, it is a misdemeanor for a parent to conceal a child within the state, if the child is taken outside California borders the snatching becomes a felony.

"We are getting lots of inquiries from state government agencies and law schools about child snatching," says Miller. "Hopefully, more legislation will result."

When the 1934 Lindbergh kidnapping law was passed exempting parents, divorce and separation were far below the one in three rate prevalent today. Living together relationships were far less common.

Victimized parents like Gloria Yerkovich are hoping legislation will soon be passed to protect them and their children.

CHILD IS OFTEN THE ONE TO SUFFER

Children's rights—even more than child custody—are at stake when parents play the disruptive game of "child snatching."

So claims Arnold I. Miller, the director of Child's Rights Incorporated (CRI). He heads the Washington based volunteer organization which has 32 chapters throughout the country with 3,000 members, most of them persons whose own children have been taken away by an ex-spouse.

"Too many people, including the law, assume that the child is safe if it is with its parent," says Miller, who has not seen his own son for two years. "This is a myth we are trying to break."

Miller says his organization is a clearinghouse for information about children who have been concealed by one of their disgruntled parents.

The key word definitely is "concealment," Miller says, and his organization's files are full of cases where children have been forcibly taken and abused. If returned, they more than likely come back with severe emotional scars, Miller adds. "A high percentage have to undergo psychiatric care after the trauma of child snatching," Miller adds.

The concealment which Miller calls a key factor takes many forms. Identities have to be changed and children sooner or later have a real problem of knowing just who they are.

Parents' drivers' licenses are not renewed, names are changed, the children are usually introduced to vastly different life styles, and they have no roots or ties, not only to their other parents, but also to friends, grandparents and, perhaps, other siblings.

The child snatching parent must usually go through great pains to keep up the concealment, and the strain is sooner or later felt by the child, according to CRI's investigations of individual cases. The group estimates about 100,000 children are taken away from one parent by the other each year in this country.

Miller says that other than the practical logistics of concealment, a necessary part of a relationship between the parent and child is lying.

"The inevitable questions about the whereabouts of the other parent are a threat to the child snatcher. And the lies that result are detrimental to the emotional growth," says the volunteer CRI director. "We're also very concerned about the abuse that can't be measured by scars or bruises."

CRI's other functions in addition to fact finding about child snatching include legal and supportive counseling.

"We inform people about what they can and cannot expect from the law," says Miller. The group's "Lend an Ear" program helps victimized parents by putting them in touch with others for support and ideas.

Miller notes that lawyers, universities and state and local governments are beginning to be aroused by the problems of child snatching and have started writing his group for information.

He said the Health, Education, and Welfare Department recently indicated an interest, although it once refused CRI a grant and has no program to deal with the problem yet.

Miller says CRI has also hoped to educate the public about child snatching in order to arouse concern and eventually obtain legislation to curb it.

At first the group worried that news stories might incite more snatchings but decided an aware public and protective legislation would help more children in the long run.

"One of our real concerns is that children know and love both their parents," said Miller.

Information about the group can be obtained by writing Child's Rights Incorporated, 3443 17th St., N.W., Washington, D.C. 20010.

[From the (New Jersey) Star-Ledger, Jan. 26, 1977]

JUSTICE SPURN DAD ON "CHILD-SNATCHING"

(By David Smallen)

The U.S. Supreme Court refused yesterday to intervene in a Morris County "child-snatching" case, dashing the hopes of affected parents and many lawyers that the high court would close the legal loopholes allowing thousands of such incidents to occur annually.

The Supreme Court refused, without issuing an opinion, to hear the case in which five-year-old Gregory Borri was snatched from his aunt's Riverdale home by his mother and taken to Florida where a state court overruled the custody decision of a New Jersey court.

The Supreme Court, by refusing to hear the case, upheld the Florida court's 1974 custody award to the mother, Elaine Silverson of Jacksonville, Fla., just two weeks after Morris County Judge Kenneth C. MacKenzie gave custody to the father.

Two weeks prior to Judge MacKenzie's May 20, 1974 ruling, Mrs. Silverson took the child, then two, to Florida, where a judge ignored the Morris County decision and

awarded her custody. The father, Bruce Borri of Riverdale, fought the case through the Florida appellate process, but the lower court decision was affirmed twice without opinion, as it was yesterday by the Supreme Court.

The court, in effect, refused to step into a situation in which state courts can ignore the custody decisions of courts in other states, a situation which one legal observer said "lends encouragement to kidnaping."

One parents' organization estimated that 100,000 child-snatchings occur every year.

The U.S. Constitution requires each state to give "full faith and credit" to the acts of sister states but the Supreme Court has never ruled on whether this provision applies to child custody orders.

In a 1947 case similar to the Borri case, Justice William O. Douglas said if a custody decree is modifiable in the state of origin, it may be freely changed by the courts of other states.

However, 31 states have held that the "full faith and credit" clause of the Constitution applies to child custody orders. Florida and New Jersey are among states which refuse to do so.

In addition, 11 states, including some which use the constitutional basis, have adopted a Uniformed Child Custody Jurisdictional Act, prepared by the National Conference of Commissioners of Uniform State Laws, giving jurisdiction to the state with the "best and most" information on the case.

Bruce Borri described himself as "pretty disappointed" with the Supreme Court decision. The 27-year-old installer for New Jersey Bell Telephone Co. said the decision "opens the door for mass kidnapings."

Borri, who sees his child three weeks a year, would not say whether he would consider snatching Gregory back from his former wife.

His attorney, William McCabe of Orlando, Fla., said he was "really disappointed" in the Supreme Court's decision. "The time was right for them to make a ruling," he said. "I personally know of this going on all the time and a stop has to be put to it.

"Apparently what they're saying is wherever the child is can determine custody. If what she did is legal, there is nothing to prevent Mr. Borri from doing the same thing," he added.

McCabe said he will ask the Supreme Court to reconsider its decision.

Gary Skoloff, a Newark attorney who formerly headed the New Jersey Bar Association's family law section, called yesterday's ruling "horrendous."

He said, "The end result is to encourage child-snatching throughout the country. From here on in, they'll be yanking them left and right. People with money will make a career out of it."

Skoloff described child-snatching as "such a serious problem that I'm really surprised the court didn't take the case."

He said the only solution left is passage of the uniform statute, but added, "Unfortunately too many states want to guard their own jurisdiction. The end result is child-snatching."

Morris County Prosecutor Donald G. Collester Jr., who at one point attempted to press kidnaping charges against Mrs. Silverson, called for federal legislation to solve the problem.

"We need some sort of federal law which will be respected by sister states. Otherwise, it comes down to who is fastest with a cab to the airport."

He called the Supreme Court ruling "unfortunate" and described the Florida decision by Judge John E. Santora Jr. of Duval County Court "a mockery of justice."

The Morris prosecutor rejected the idea of amending the federal kidnaping statute to eliminate the exemption for parents, a move proposed by some parents' groups, because he said child-snatching should not be handled by the criminal process.

He said, however, that if he had a child-snatching with the right type of circumstances in Morris County, he would present evidence to a grand jury for an obstruction of justice charge.

Rae Gummel, vice president of Children's Rights Inc., a Washington based group of 1,000 parents, said the kidnaping amendment is the best solution, because it would open federal files in pursuing fleeing parents.

She called the uniform statute "a good idea, but it's not going to stop child-snatching," which she estimated at 100,000 cases annually.

John McCabe, the legislative director for the Chicago-based National Conference of Commissioners on Uniform State Laws, said the Supreme Court decision means "there will not be interstate enforcement of custody decisions. Multiple decisions will be retained and it lends encouragement to kidnaping."

He called the incidence of child-snatching "very frequent. Everybody involved in divorce cases is worried about this problem."

[From the Baltimore Sun, Sept. 26, 1976]

THOUSANDS OF PARENTS FORCED TO RESORT TO CHILD SNATCHING

(By Kay Bartlett)

SHEFFIELD, ALA.—The three men kept changing rent-a-cars. One had dyed his hair so he wouldn't be so easily recognized. Their mission: snatch a 10-year-old boy and his 8-year-old brother and get them across the state line.

They prowled the area for four days last May, watching the Tewksbury (Mass.) home where the youngsters lived. Once, a police car gave pursuit but they outran it.

They were armed with tear gas, a club and two sets of handcuffs should someone give them trouble.

On the fifth day, they finally got a clear shot at the children. Their green car screeched to a halt and two of the men went after the brothers. The 10-year-old had a running start on his bicycle and had to be knocked off. The 8-year-old was snapped up easily. Both were tossed into the strange car.

The children were terrified—until they recognized the man with the dyed hair. That was their father, Arlie Wayne Haskins. He was committing one of the thousands of child snatchings carried out in the United States each year by divorced, separated or about-to-be-separated parents who believe they have no other way to get possession of their children.

Minutes later, Haskins, his two companions and the children switched to a "safe" car, as it is called in getaway parlance, and sped across the state line. There was the possibility that someone had seen the abduction and had alerted the police with a description of the kidnap car.

Wayne Haskins, as he is called, is neither a wild man nor a man without a right to the two children he adores, children from a marriage that went sour. A 37-year-old nuclear chemist, who is an inventor on the side, Haskins won custody of Eric and Shelly in Alabama. He had their mother declared unfit. But the mother, Oleeta Haskins, a 32-year-old rehabilitation counselor with Goodwill Industries, won custody in Massachusetts. She had warrants sworn out against the father.

Both parents want the children and, depending upon which side of what state line you stand on, in the eyes of the law, each is absolutely in the right.

The problem is that most state courts do not recognize custody decrees from other states, despite the "full faith and credit" clause in the Constitution. That is one reason why thousands of parents resort to child-snatching.

In addition, the divorce rate is soaring, and a growing number of fathers now want custody of their children. About 100,000 children are being snatched each year in the United States by a parent, according to Arnold Miller, the founder of Children's Rights, Inc., a Washington-based group whose members are involved in one way or another with the problem. Miller, whose wife disappeared with his son, bases his estimate on missing persons reports and other available records. He says that 60 per cent of the abductions are by parents who fear they won't win legal custody in a court.

THE MELLON CASE

Most child-snatchings don't make police blotters or the local press, partly because the federal kidnaping law doesn't include children seized by a parent, and state and local police often don't treat it as a crime. Unless, of course, the name is Seward Proser Mellon. That multimillionaire name brought child-snatching very much before the public eye this year.

Mellon had custody in Pennsylvania, his ex-wife won it in New York state courts. Whereupon, he had three men snatch the children in Brooklyn last March and bring them back to Pennsylvania. That case is still before a grand jury. Among other things, the men are alleged to have told the armed guard protecting the two children that they were with the FBI and therefore he should hand over his gun quietly. Which he did.

Haskins had lived in Massachusetts with his wife, then moved back to his native Alabama, where he won custody of the children, but couldn't get it recognized in Massachusetts. He tried to fight in other courts, but federal Judge W. Arthur Garrity, Jr., in Boston refused to hear his case. So did the Supreme Court.

The easy explanation is that child custody is simply a domestic battle and should be settled in state courts. That sounds good, but in many cases state courts do not recognize custody decrees from other states. So child-snatching, for distressed parents, becomes in their eyes the only alternative.

One child has been killed in an attempted snatch, along with his father. Thousands of others have just disappeared along with the absconding parent. One man was reunited recently with his mother—32 years after his father disappeared with the 1-year-old infant.

Haskins was at wit's end when he was faced with the problem.

"I felt I was the only one in the world who had this problem," he says. "I didn't know what to do. At first I thought I could settle this through the courts. Thousands of dollars later, I realized the courts were not going to help me."

He then learned of the underground world of child-snatching. First he heard about Eugene Austin of Foley, Mo., and wrote to him. Austin, a 52-year-old study in flamboyance who bills himself as "Mean Gene, the meanest man in the world," has helped snatch over 400 children for their parents.

Austin wrote back with a letter right out of a Damon Runyon reject.

Sample phrases: "Figure two weeks time. No less. We need time to stalk them, so we get both of 'em. Otherwise, there's no seconds."

Or: "Biggest expense is rental autos. And without rentals, no way! We will be chased, no question about that, so be ready for it with razzle-dazzle cars: It's necessary."

Wayne Haskins suddenly found himself involved in a world light years away from studying the half life of uranium isotopes or painstakingly measuring for radiation leakage.

PRIVATE DETECTIVE'S FEES

Austin mentioned another man, Bill Ralston, in his letter and it was Ralston rather than Austin who subsequently helped him. The third man was Mike Ashe, an Alabama buddy of Haskins.

Haskins had contacted private detectives but could not afford their fees. (One private detective in California charged $12,000 to snatch a child.) Austin usually charges $300 a case, plus expenses.

Ralston works for free and hopes only for a contribution to the organization he founded, United Parents of Absconded Children, in Cuba, N.Y. Haskins donated $100 and paid the expenses. The total snatch cost him about $1,000.

Ralston, a 36-year-old bearded redhead who stands 6-foot-1 and weighs over 200 pounds, is involved in "self-help," as the proponents call it, because his wife, from whom he was separated, absconded with his own two children.

He quit his job, spent $16,000 in cold cash and millions in heartbreak but has not seen the two blue-eyed blond children in three years. The eldest of seven boys, Ralston has moved back in with his parents and spends all his time helping others while he continues the search for his wife, Susan Evelyn Ralston, and Marc, now 8 years old, and Shari, now 7.

CERTAIN PARENTS REJECTED

Ralston has helped about 15 parents recover their children. He says he has rejected 10 to 12 people who came to him for help. Both Ralston and Austin insist the parent have a legal custody decree before they'll help.

"Before I go with anybody I want to make sure I'm with the right parent, says Ralston. "I also insist the parent go with me to help calm the children down.

"Some people accuse me of being judge and jury in the situation. I guess I am to some degree."

So far, he feels he has not yet made a wrong decision in his vigilante tactics. But the thought of that has crossed his mind.

"I don't know what I would do. I just might contact the other parent and volunteer to help take the children back."

In fact, he says, his gravest doubts yet came when he helped Wayne Haskins snatch his two boys.

"They were so terrified, I wondered if I had done the right thing," says Ralston. "But when they started singing this song, you know, "going back to Alabama with a banjo on my knee,' then I knew I had done the right thing."

"HOW CAN HE PLAY GOD"

Mrs. Haskins wonders where Ralston gets the nerve to make such an assumption.

"How can he play God," she storms. "These people ought to be prosecuted. They're kidnapers. This is not a civil matter. It's a criminal act against the child."

Mrs. Haskins says she is also stalled before the courts. Her next move will be to go to Alabama and start the fight from the ground up.

"There doesn't seem to be any final court of appeals," she says, noting that her chances in Alabama are not very good.

"In my ex-husband's own state, the judges don't have to be lawyers and his family is not unknown."

Would she consider fighting fire with fire and re-snatching the children?

"I just couldn't consider that kind of violence. Nobody gives a darn what happens to the kids. I'd sooner they didn't live with either of us. It's a no-win situation. These kids don't really trust anybody now. It's a pretty unhappy business all around."

The children have been shuffled around. Their mother moved them out of their home and moved in with friends. Their father took them to Alabama and she came down and took them back. He says he tried twice before to snatch them from Massachusetts but was caught by the local police who told him his Alabama custody order was not worth the paper it was written on.

WORRIED ABOUT THE CHILDREN

The question of what this is doing to the little boys' psyches is one both parents worry about.

The children, besides being as cute as most any kid you see on a television commercial, are very bright and very aware. They are absolutely noncommittal as to which parent they would like to live with.

"I think they're afraid of being abandoned by both sides. They don't want to burn any bridges," says their father.

Shelly, a slightly skinny redhead with green eyes and a missing front tooth, and Eric, a stocky blond with enormous green eyes, seem happy with their father. But they seemed happy with their mother, too.

Mrs. Haskins thinks they always try to look happy for fear of abandonment.

"The last time I got them back, one had a bleeding ulcer and the other forgot how to talk, but, by God, there were smiles on their faces," she said. The father said he was unaware of such ailments.

Eric, who allows as how he is a pretty good shortstop, has become a pretty good detective as well. He spotted three of the prowling rent-a-cars outside his home in Massachusetts. He told his mother, who told the police, who did nothing.

He kept a file on suspicious activities hidden away in the upstairs closet. Only his brother Shelly was allowed to look at the license plate numbers Eric had jotted down.

THE "GAME" CONTINUES

The game, if you can call it that, continues.

At Haskins parents' home in Sheffield, where the father and the two boys are presently living. Eric came running back to a catch-all workshop and office behind the house

"Daddy, daddy, a strange car just pulled onto the yard," Eric reported. Haskins went running out. It turned out to be a relative the little detective had not yet met.

The pressures on the little ones are enormous. Their mother forgot Eric's tenth birthday and he was quick to remind her of that in a telephone call.

She replied that she had bought him a present—a color television. He asked if she was going to mail it. She told him it was for when he came back. She told him she wished she knew where he would like to live.

"I'm not going to tell you," he said simply.

His brother, Shelly, was clinging to his father as the conversation went on.

Later, Shelly was asked how he viewed the whole busines, whether it was scary or fun or what.

"How would you like to be a ping pong?" the 8-year-old replied.

PARENTS EXCLUDED FROM LAW

Kidnaping or child-snatching is not against any federal law if the snatcher is the parent. The federal kidnaping statute, the so-called Lindbergh law, specifically excludes parents.

Representative Charles Bennett (D., Fla.) introduced a bill 3 years ago to change that. His legislation would include parents but punish them with a $1,000 fine, a year in jail or both, and not the death penalty as specified in the Lindberg law.

Although there are 20 co-sponsors for the bill, it has been gathering dust. The FBI is strongly opposed. It claims that if passed the FBI would have time for nothing but chasing child-snatchers

The FBI already has been drawn into a handful of child-snatchings, but mainly through the back door, as in cases in which stolen cars are taken across state lines or cases in which a child's life is in jeopardy.

Austin and Ralston, incidentally, call the FBI after they have made a snatch and quickly tell them that a parent has the child and everything is under control. They, of course, do this after they are across the state line.

ANOTHER POSSIBLE SOLUTION

Most states have some sort of kidnaping statute, but law enforcement agencies tend to be uninterested if a parent is the kidnaper In New York, for instance, "custodial interference" is a misdemeanor.

Another possible solution is the Uniform Child Custody Act, which states that courts must recognize decrees from other states and consider them heavily in custody battles. It was drafted by the National Conference of Commissioners on Uniform State Laws in 1968, but in the intervening eight years, only 10 states have adopted it.

California has been the most progressive in implementing the law, followed by Colorado. Other states which have adopted the legislation are Delaware, Hawaii, Maryland, Michigan, North Dakota, Oregon, Wisconsin and Wyoming. Minnesota has a state law which closely parallels it.

Why is the recognition so slow?

"Partly it's the tradition of states rights, which is a very strong one, but mainly it's just plain sloth," says Mitchell Salem Fisher, a leading attorney in matrimonial and family law.

Two California congressmen, John Moss and Don Edwards, both Democrats, have introduced a bill that would do the same thing as the Uniform Child Custody Act.

PROBLEMS INVOLVING STATE RIGHTS

As yet, there have been no hearings on the bill and there are considerable problems involving state rights.

"It clearly invades states rights. It would depend upon the mood of the Congress," says Gary Fay, legislative assistant to Edwards.

California has just passed a bill, needing only the governor's signature, that would put teeth into the state kidnapping law, giving the absconding parent a hefty jail sentence.

There are thousands of cases Austin, Ralston or Miller can talk about. One of the most bizarre involved court shopping. A couple in Montana were divorced and the mother was granted custody. The father went to Kansas and asked that court for custody. Kansas said no. Then the mother moved to Texas and was granted custody. The father moved to Kentucky and, unbeknownst to the mother, applied for custody and won it.

When the son went to Kentucky to visit, the father simply didn't return him. He told his surprised wife that he had custody. The father then remarried and the boy—now 14 and retarded—was put into an institution. The mother came to Kentucky and tried to get him out of the institution. The court said no. She then called Ralston and he snatched the child from the institution. He's now back in Texas with his mother. Living at home.

Often grandparents are involved and in some cases, the U.S. government has been entangled. One woman fled from her husband with the children and then married a Mafia informant. The government had provided him with a new identity and *would not tell* the father how to find him.

The most tragic case was one in Oklahoma where the object of the tug-of-war, 4-year-old Cain Cody, was killed in a high speed auto chase in July. His father died the next day from injuries suffered when the car was forced off the road. The three men who tried to help the father regain the child were charged with second degree murder and kidnaping. The man who forced the car off the road, the wife's brother, was not charged.

Mean Gene says he staked out that case but aborted it.

"I made Steve [the father] promise me he would not try it alone. It was dangerous. That was an armed camp," said Austin.

He says his success rate is dropping. "It used to be 99 per cent. But people are getting smarter. They're guarding the kids closer. I abort more now. I will never move when there is a chance a child is going to get hurt."

Besides his routine with the rent-a-cars, Austin has a number of rules he follows, including getting within 6 feet of the child before making the snatch.

Although Austin once sprayed mace into the face of a protesting mother as he grabbed the child from her arms—for which he was charged with assault and spent time in a Miami jail—his snatches are usually quite clean.

Ralston also is batting a thousand, with no accidents as yet.

"I don't care if I get punched in the nose," says the burly Ralston, "but I make good and sure the child is not going to get hurt."

[From the Single Parent Magazine, September 1976]

THE SEIZE AND RUN GAME

(By Bob Westgate)

Child-snatching usually doesn't get much time on TV or space in the newspapers. It occurs when one parent takes his or her children and conceals them from the other—regardless of who has custody. Police usually don't consider it a crime; it's a family problem.

However, when the two small daughters of Pittsburgh banker Seward P. Mellon were abducted from his ex-wife's Brooklyn home last March, the act made headlines from coast to coast. The girls were seized by three men, allegedly hired by Mr. Mellon, who had been given custody by a Pennsylvania court in 1974. Last year Mrs. Mellon repotedly took the girls from North Carolina to New York, where another court awarded her custody in February. Mellon then took them back by force.

Once children have suffered through the upheaval of their parents' separation and divorce, their lives should be made stable and secure to assure their future mental and physical health. Child-snatching is not really a custodial vs. a noncustodial issue; it's a children's issue. Children have the right to see, love and be loved by both parents regardless of who has custody.

However, today in the United States custody laws have been reduced to the game of "Seize and Run." Every year thousands upon thousands of single parents—many of them PWP members—take the law into their own hands. They snatch their children and flee across state lines or overseas where they usually can't be touched. Few of the "kidnappings" get the publicity the Mellon case did. These parents are seldom arrested, prosecuted, or sentenced—even if they can be found—in spite of the suffering caused the other parent or the real victim, the children.

Why? Because:

Confusing and conflicting state laws give states jurisdiction in child custody disputes only within their own borders;

Most police departments don't want to get involved in family problems;

The FBI refuses to enter such cases—unless the safety of the children is threatened—as the Federal Kidnapping Statute specifically exempts parents;

There is no other federal legislation that would make child-snatching illegal.

Consequently, one or both of the parents is forced to exhaust his or her finances to pay for lawyers, private investigators and out-of-state court expenses to try and find the children, to see them, and eventually have them returned. The emotional strain is more than most people can stand. But it is the children who suffer the most.

Sometimes this "'self-help"—as attorneys like to call child-snatching—results in violence when professional "kidnappers" are hired, as in the Mellon Case. Eugene Austin, 53, a Foley, MO part-time heating-air conditioning worker, gained nationwide notoriety as a "custody vigilante"—even before his profile in the Wall Street Journal last March. (He was not involved with the Mellon case.) Austin has returned more than 200 children to fathers who were unable to get actual custody, after being awarded legal custody by a court. He's been successfully prosecuted only once—and then only after he flaunted his law-breaking in the Miami papers. He was convicted of aggravated assault for macing a mother and is free on bail while appealing his sentence of 30 months in jail and 30 months' probation.

Rep. Charles E. Bennett (D., FL) told a PWP conference in Florida last year, "The real victim of child-snatching is often yanked from a stable environment and taken to another state in a sort of semi-criminal status, but without any real criminal penalty threatening the parent responsible for the abduction.

"Such a traumatic experience can cause irreparable damage to a child's emotional stability," he continued. "I know of one case in which the abducted child became such an unmanageable delinquent that the mother who abducted him sent him back to his father. The father could no longer handle the boy either and sent him back to the mother. Once a prize possession, the child became an unwanted burden. This type of situation is especially likely to develop when a child has been abducted more out of a desire to hurt the other parent than out of a desire to keep the child."

Of course, parental kidnappers believe they have good reasons and that it's not just revenge. Perhaps the custodial parent has refused visitation rights, or he or she is unfit or can't or won't care for the children. Sometimes, the loser in a custodial fight decides to contest the decision in another, more friendly state, so he or she simply ignores the decision, refuses to turn over the children, and vanishes. But in 60% of the child-snatching cases, the act occurs before the custody decision is even made. Until a court rules, both parents have equal rights to their children. So, the parent who thinks he or she might be the loser just "Seizes and Runs."

So, what's being done to end one of the most bitter battles in the separation-divorce war? Not very much.

Three years ago Congressman Bennett introduced a bill (now numbered HR 13134) to amend the Federal Kidnapping Statute and make child-snatching by parents illegal. Although he softened the existing life imprisonment penalty (to a $1,000 fine, a year in jail, or both for parental kidnappers only), the bill languishes in the House Judiciary Subcommittee on Crime. Why? The bill has many backers—mostly single parents with little clout who have experienced the pangs of child-snatching. Its opponents, such as the FBI, are more powerful. The Justice Department is worried about the load or "countless child custody cases" the FBI might get if it were forced to get involved, and the "untenable position it would be placed in, in implementing orders of local courts." To lessen Justice's objections, a 30-90 day proposal has been suggested. This guideline would give local authorities 30 days to determine if the children have been taken across state lines and concealed before the FBI could enter the case. The disappearance would have to be reported within 90 days or the FBI would not help.

The U.S. Supreme Court has failed to rule on state court jurisdiction cases involving child custody that would establish guidelines in this area.

Only 10 states have passed a proposed nationwide law—the Uniform Child Custody Jurisdiction Act—that its drafters believe would solve the problem. It would limit custody jurisdiction to the state where the child has his home, or where there are other strong contacts between the child and his family. It describes the circumstances in which a court may recognize—and enforce—out-of-state custody decrees. It provides a court with the means to deny jurisdiction to a petitioner who has indulged in child-snatching, or similar practices.

And most important—according to the National Conference of Commissioners on Uniform State Laws—it "opens up direct lines of communication between the courts of different states to prevent jurisdictional conflicts and to bring about interstate judicial assistance in custody cases."

However, the Act does not set up any investigatory body to find missing children and the jurisdictional court would have no way of knowing if some other court might have already awarded custody. It also would not help in cases where a parent runs away with the children and does not file for custody.

Congressman Bennett has asserted, "It would take anywhere from 10 to 50 years before all the states would adopt such a law; and my guess would be that this would never happen. Meanwhile child-snatchings would continue unabated with little legal recourse for the victimized parent." (The 10 states which have okayed the law are California, Colorado, Hawaii, Maryland, Massachusetts, Michigan, North Dakota, Oregon, Wyoming and Wisconsin. Three states—Delaware, Ohio, and Pennsylvania—are considering the Act .

Some attorneys believe the new Child Support Enforcement law may also encourage child-snatching. Non-custodial parents who know they can be traced through state and federal government records and made to pay court-ordered child support may decide they might as well take the kids, too.

There are no large, influential, special-interest organizations fighting for children's custodial rights. Several small groups—organized and staffed chiefly by single parents or other close relatives who have suffered through child-snatching—are trying to muster support for better legislation and are informing other single parents what they can do in such situations. But they lack professional guidance, money and congressional support.

For example, Arnold I. Miller, a government computer programmer, set up Children's Rights, Inc. (CRI) and runs it from his home at 3443 17th St., Washington, DC 20010. His wife disappeared with his only son two years ago. CRI has 13 chapters, publishes a quarterly, $2-a-year newsletter, "Resources," and has an active "Lend-An-Ear" program, in which new members can talk over their problems with "veterans."

And Mrs. Beth Jurras (Box 296, Newhall, CA 91321) started a drive to support Bennett's bill to amend the Lindbergh Law after her son-in-law walked off with her daughter's two children in 1972. They've been returned, but Mrs. Kurras—a French teacher—still maintains her crusade with the Citizens' Committee to Amend Title 18, Section 1201a of the U.S. Code. She presented lengthy testimony at the 1974 hearings on the bill before the 93rd Congress.

Until a new House-passed lobbying bill (HR 13500) is okayed by the Senate and the President, PWP members can still only support groups like this as private citizens. Even if a fellow PWP member is being subjected to child-snatching nightmares, PWP members and Chapters are discouraged from officially backing these lobbies, or from taking up collections in their behalf. This is because of possible violation of PWP's charitable, educational, tax-exempt status—due to the vague IRS regulations that still exist. Chap-

ters can bring Bennett's bill to members' attention, but cannot suggest any action that might be taken by members.

However, PWP has supported Bennett's legislation on the International level. In addition, PWP's general counsel, Archibald Eccleston, III, of Baltimore, has frequently appeared on TV in favor of the bill and has been quoted nationwide in the media that "It is flat-out, plain damn silly for the government not to do something" to make child-snatching illegal.

[From the Detroit Free Press, Mar. 18, 1976]

WHEN A CHILD IS SNATCHED BY A PARENT, IT'S NOT AN UNUSUAL SITUATION

(By Geraldine Strozier)

Shortly before her second birthday, Tiffany Burton was abducted from a Pontiac neighbor's yard and carried off to Alabama.

That was two years ago and Barbara Burton is still without her daughter, although she knows where Tiffany is and who took her.

The Pontiac police also know, but they refuse to help. The reason: Tiffany's kidnapper is her father.

The Burton case is by no means unique.

No one knows just how many parents snatch their own children each year—the police do not count them—but some experts put the figure as high as 100,000 nationally and expect it to go even higher as the divorce rate soars.

Typical child snatchers are parents who have lost custody of their children. Then, because they cannot accept the separation, or because they see it as the ultimate and most punishing way to get even with their ex-spouses, because they are denied easy access to their children, or because they are afraid their children are not being well-treated, they take matters into their own hands and abduct the children.

But some child snatchers are parents who already have custody. They disappear with their children because they are afraid, they say, that their ex-spouses may harm the children or may never return them after a visit. Or they may take the children to punish their ex-spouses because of a bitter divorce.

Other parents—some experts say the majority—do not wait for a custody hearing before they take the child. Tiffany Burton's father took her before the case ever got to court at a time when he had as much legal right to her as Mrs. Burton.

But by taking the child out of the state and, therefore, out of the jurisdiction of the Oakland County court, he was, from Mrs. Burton's point of view, robbing her of access to her daughter and of her day in court to plead for custody.

THE SITUATIONS VARY

Not only are cases of child snatching increasing, but they seem to involve all kinds of situations:

In February, 1972, two California children were abducted by their father, who did not have custody, on a weekend visit. They were traced through Arizona and Oklahoma and then they disappeared.

In March, 1973, a Michigan mother with custody sent her 4-year-old son to spend the weekend with his father. The child never returned. A year and a half later, she found them both in Florida and started court proceedings there for the boy's return. But the husband took the child and disappeared again. She has never found them.

In June 1974, a Maryland mother of two sent her daughters to spend the summer with their father, a diplomat in Nigeria. He refused to send them back and there was no way she could force him—Nigerian law gives the father primary right.

In June 1974, a Maryland father went to pick up his 4-year-old son for the weekend and found the boy and his mother had disappeared. He has never found them.

MONITORED PHONE CALLS

For a year Diana McDowell of Pontiac did not know where her 7-year-old son Freddie was. Finally she located him in Virginia and telephoned. But the father insisted on monitoring the call, so Freddie wouldn't say anything, she said.

One night, Mrs. McDowell called when her ex-husband was out and Freddie broke down, sobbing for her to take him home. "It's going to kill me if I don't see my son soon," she said then.

Recently, the father's second marriage broke up and he brought Freddie back to Mrs. McDowell.

Arnold Miller of Washington, D.C., whose 6-year-old son has been missing for a year, grieves not only for himself but for his boy's sake. "My son is being deprived of his right to know his father and his grandparents," he said.

NO ONE WILLING TO HELP

But perhaps the greatest pain for many parents whose children have been snatched is the discovery that no one seems to care.

If a stranger takes a child, the police or FBI react at once. But when a parent snatches a child, no one seems able or willing to help. The federal kidnap statute specifically exempts parents, so the FBI will not intervene.

Police and prosecutors tend to ignore local laws against child snatching. And the same indifference seems to exist regardless of whether a parent carried the child across state lines or whether a custody order exists.

Time and again, parents report that police brush them off with remarks like: "That's just a family matter," or "So what, the child's father (mother) has a perfect right to take her (him)."

Local police admit they take this attitude. A Detroit police officer working for the youth bureau said, "These complaints come over the phone every day, we don't bother to take them. They're mostly just family arguments."

Another officer in the same youth bureau echoed him: "We have no authority. That's not a criminal matter."

But child snatching is a crime and the police do have authority. Most states, including Michigan, have statutes prohibiting anyone, including a parent, from enticing away a minor. And common law protects custodial parents in those states which do not have such a statute, according to Henry E. Foster of New York, chairman-elect of the family law section of the American Bar Association (ABA).

"RELUCTANT TO PROSECUTE"

In a few rare instances where police have agreed to take action, parents who took their own children have been successfully prosecuted under these laws.

In 1972, the Wayne County prosecutor's office won the conviction of Anthony Pitocco for enticing away his 3-year-old daughter Lisa from the legal custody of her mother.

But in spite of this success, the Wayne County prosecutor's office pursues very few child snatching cases. Dominick Carnovale, chief of criminal matters for the office, claims that very few exist and that the few that do occur are rarely forwarded to his office.

"I think quite often the police are reluctant to prosecute because these cases do not fall within their traditional realm," he said.

The police tell a different story. It is the prosecutors, they say, who won't follow through. The Wyandotte police lieutenant who handled the Lisa Pitocco case said the Wayne County prosecutor went after Lisa only because her mother made a fuss and got a lot of publicity.

A LACK OF CO-OPERATION

In some cases, where absconding parents have crossed state lines, local authorities have been willing to issue criminal warrants and request extradition, but the other state has refused to honor the request.

Last November, for example, authorities in Colorado asked Mississippi for the extradition of David Lee Garner on the criminal charges of violation of custody. Mississippi authorities allowed Garner to seek custody in that state's courts and then refused extradition, saying Garner was now the child's legitimate guardian.

Only California has the reputation among other states of consistent cooperation in child snatching cases, experts said.

Legal authorities are almost unanimous about the reason police and prosecutors do not like to get involved in child snatching cases: it is so hard to tell right from wrong.

A parent snatching his or her own child is not, in the eyes of most people, a criminal. Parents who snatch their children do so because they are convinced they are doing the right thing, said Foster of the ABA, and police and prosecutors as well as juries tend to see child snatching as an act of love, not malice.

One woman, for example, who lost custody of her daughter is thinking of abducting the child because she is worried that her daughter is not being properly cared for.

The child, living with an elderly grandmother, not her father, was badly burned just before Christmas when her nightgown caught fire. "That would never have happened with me. I watch my children like a hawk," the mother said.

The crux of the legal problem, according to Foster, is that states do not give full faith and credit to each other's custody decisions.

In fact, they tend to ignore them, permitting parents who have lost custody in one state to sue all over again in another. "The system rewards taking the law into your own hands and grabbing the child," he said.

NO ACTION EXPECTED

One suggestion is to amend the federal kidnap statute to include parents, a proposal endorsed by Arnold Miller and the Washington-based Children's Rights Inc.

This group offers counseling and practical advice for parents who have had their children snatched. It also lobbies actively for the change in law, although prospects for the bill's passage are not bright.

Rep. Charles E. Bennett, D-Fla., has already introduced this amendment several times unsuccessfully. Currently, the bill is in the judiciary subcommittee on crime, and no one seems to expect much action on it any time soon.

Tim Hart, counsel for the subcommittee, said the lack of interest is the result of "monstrous prejudice against criminal law getting involved in domestic matters."

Even if the amendment is successful some experts are doubtful that it would help the situation much. For one thing, the laws already on the books are not being enforced.

Secondly, many experts, including Henry Foster of the ABA, believe it would be difficult to convict anyone under such a law—juries would be unwilling to imprison a parent for taking her or his own child.

Foster suggests another solution, a federal law forbidding child snatching but with a fine instead of jail as a penalty. That way juries would feel less reluctance to convict, Foster says, and because a federal statute existed, the FBI could be called in to help find the missing child.

Another alternative, he says, would be to require custodial parents to post bond to insure the other parent's access to the child.

UNIFORM CHILD CUSTODY ACT

But perhaps the least controversial solution to the problem is the Uniform Child Custody Act, which is the law in seven states

so far—North Dakota, Wyoming, Hawaii, California, Colorado, Oregon and Michigan.

Among other things, this law sets common standards for jurisdiction so parents are discouraged from taking the case from court to court until he or she gets a favorable judgment.

A state which adopted the act would refuse to hear a case which had already been settled in another state.

But because so few states have adopted the act, all a parent has to do is take the abducted child to a non-signing state.

Once that happens, says Hanley Gurwin, chairman of the Michigan bar family law section, all a parent can do is start legal proceedings in the child's new state, or try a little of what he euphemistically calls "self help"—snatching the child back.

And what does a parent do when, as in Arnold Miller's case, the child has disappeared. The child custody law makes no provision for finding a missing child or for forcing the child's return.

Until some kind of solution emerges, parents seeking the return of missing children have to muddle along as best they can. Parents' groups, such as Children's Rights Inc. and a Cuba, N.Y. group called United Parents of Absconded Children, will help to some extent.

Perhaps the saddest thing about this game of hit-and-run parenting is what happens to the children.

"The child is a pawn in the fight between the parents," says Henry Foster of the ABA, and often his "best interests are overlooked" by parents intent on hurting each other, by police and prosecutors unwilling to get involved and by states refusing to co-operate with each other.

[From Trial, the National Legal Newsmagazine, October 1977]

CHILD-SNATCHING

(By Mary Fisk)

With the skyrocketing crime statistics of recent years has come increasing public awareness and concern over the degree and extent of violence in America. Yet there has been insufficient alarm over an equally prolific advance in another phenomenon, which while not a crime, is a violent practice that a society dedicated to the protection of the innocent cannot easily tolerate.

The phenomenon is child-snatching. Not violent by any blood and gore meter, to be sure, but far more potent than the run of the mill sort of violence in its effect on America's young. Already the victims of a shattered home, these children are often about to be awarded like property to one parent by the court, about to begin to settle down to their new home situation, when they are effectively kidnapped by the other parent. They are bundled across state lines, many times cut off from the other parent, and expected to adjust to still another radical change in their home situation. Yet this is not a crime.

When the federal kidnapping statute was enacted in 1934, parents were exempted, partly because it was considered patently unfair to subject a parent to the death penalty for seeking to gain possession of his own child. Even when the threat of capital punishment was removed, the prevailing wisdom dictated that parents should not be callously lumped into the same category as those who steal children for ransom, and they remained free from prosecution.

But there is mounting evidence that incidences of child-snatching are rising with the divorce rate, which reached one million last year. Arnold I. Miller, President of Childrens' Rights, Inc., estimates that 100,000 children are snatched annually, based on analyses of FBI statistics on regular kidnappings, Census Bureau statistics, letters to his organization, and interviews with police missing persons departments.

There are no easy answers.

Involved are the rights of parents, as well as their emotional reactions to one another that often accompany divorce situations. At stake is the happiness of the child. The basic question is: is child-snatching merely a domestic matter, or is there a valid need for some form of government relief?

Many groups feel that action is essential. Miller, for one, states "The taking and concealment of a child is a crime against that child . . . such a person should be held accountable."

One dominant proposal comes in the form of the Uniform Child Custody Jurisdiction Act, a model statute adopted by 13 states to date. Drafted in 1968, the ABA-approved model requires, among other things, that the states recognize one another's court orders. The intent is to cut short the happy ending a parent can now expect if only he can snatch his child from one state and bring it to another.

CONGRESSIONAL PROPOSAL

US Representatives Charles Bennett (D-Fla.) and John Moss (D-Cal.) also agree that reform is in order. Rep. Bennett initially introduced legislation in 1973 that would close the loophole in the federal kidnapping statute. Under his proposal, parents are still not equated with kidnappers in that parents would be subject only to a relatively affordable fine and/or imprisonment. Rep. Bennett has re-introduced his legislation, HR 762, into the present Congress, and has gained 29 co-sponsors for it. However, it sits very much on the back burner of the Judiciary Committee's subcommittee chaired by John Conyers (D-Mich.).

Rep. Moss legislation takes a different tack. Working in tandem with the proponents of the Model Act mentioned above, Rep. Moss would require that the initial states' custody decree be granted full faith and credit by subsequent states which are called upon to decide the question of custody. In commenting on his legislation, Rep. Moss stressed that "once deference to the continuing jurisdiction of the prior court becomes generally accepted, the incidence of custody forum shopping should be considerably reduced."

This bill, HR 988, re-introduced in January of this year, is now before the Judiciary Committee's subcommittee on Administrative Law and Governmental Relations, chaired by George Danielson (D-Cal.). An identical measure has been introduced into the Senate by George McGovern (D-SD.). They are designed to complement rather than pre-empt the Model Act, according to a spokesman for Rep. Moss.

ACLU OPPOSES

Opposition to closing loopholes in the kidnapping law comes from the American Civil Liberties Union. Spokesman Martin Guggenheim states that the ACLU strongly disapproves of "the criminalization of child-snatching."

"It is important to distinguish contempt of a court order from a criminal act, Guggenheim argues. "Child-snatching is a complex problem. If it is not always justifiable, there are times when it is certainly understandable. There are occasions where one parent snatches the child, takes him to a community where that parent has influence, and has a friendly judge award custody. To give such court orders permanent respect is extremely difficult," Guggenheim maintains.

He prefers bolstering the full faith and credit to sister state court orders to the Bennett solution. This of course can be done by either the states or by the federal legislature. "The concern in such legislation is that custody will not be awarded by the state into which the child has been brought, but by the state in which the child has resided for a period of time, ideally by the state in which his parents were living at the time of the divorce," he said.

ANOTHER ALTERNATIVE

There is a fourth alternative, one propounded by the Children's Rights Inc. (3443 17th Street, NW, Washington, D.C. 20010). Miller criticises the full faith and credit approach, whether the state or national model, because it still does not close enough loopholes to solve the problem.

Both forms of legislation, he argues, "imply the parent who stole the child has gone to a court in a sister state and asked for some judicial proceeding there, and informs the court that there is a previous court order in another state . . . the Uniform Act breaks down because we are dealing with a person who has made extensive plans to avoid previous court orders and to hide. Quite simply, he lies."

Given this expected deception, Miller continues, "the judge has no choice but to accept his statements. The Uniform Act implies that the court has the resources to check for the previous order." In fact, unfortunately, it is more often the case that the child-snatching parent is not going to go to court, or if he must to obtain, for example, a divorce, he is going to mislead the court on previous events.

Miller's group offers a "30/90 day proposal." The 30-day section is designed for the Justice Department and the FBI. If a parent discovers his child is missing, he would formally notify the Justice Department, which then has 30 days to respond.

The rationale for the 30-day pause is dictated by CRI's experience, which shows that parents often return the snatched child in a few weeks; if they have not done so at the end of 30 days, it is unlikely they will, and government assistance is needed. The waiting period also provides local authorities with the time needed to adequately check the allegations.

"By keeping the 30 day limit, we feel it would cut down on the heavy workload that would flow into the Justice Department," Miller states.

The 90-day provision is addressed to the victimized parent, who has this period in which to file his formal notification. If he fails to do so within this time frame, he risks losing assistance in locating his child.

Miller would like to see Rep. Bennett's bill that repeals the exemption from the federal kidnapping statute enacted into law. He maintains that the penalties called for are not sufficiently severe to effectively deter parental child-snatching, however.

Miller also approves of the basic thrust of the Uniform Child Act, whether in the federalized form of Rep. Moss' bill or in the model being considered by many states. He hopes that the respective shortcomings of these proposals will be eradicated by those of his own group, so that the combination of reforms will work together to solve this serious and growing problem.

Consistent respect by the states for one another's court decisions, coupled with federal prohibitions on child-snatching and processes for individuals to seek federal assistance in locating snatched children is certainly an approach that unites the flexibility of the judicial system with the uniformity of legislation and the effectiveness of the federal executive branch.

It is not a proud day for American jurisprudence when the various levels and branches of government must be called to action to protect children from parents. But given the situation described by Guggenheim, it is not a surprising response: ". . . child-snatching is a case of self-help . . . under present statutes child-snatching is not only impossible to prevent . . . it actually pays off."

[From the Deseret News, July 20, 1978]

CHILD HAS RIGHT TO KNOW BOTH PARENTS, GROUP REPLIES

The policy of Children's Rights Inc. is that every child has the right to know and love both parents, said the president of the national organization.

Arnold I. Miller said it's important that a distinction be made between custody battles over children in parental disputes, and child snatching.

Miller made the statement from his Washington, D.C., office in response to charges by a representative of the Utah Fathers Protective Association that CRI is interested only in protecting the interests of mothers.

Association President Ken Scott, Salt Lake City, said recently that Children's Rights has "self-serving interests" and should take a broader approach in child custody disputes.

Miller said custody battles can and should be settled in the courts. "Child snatching is a situation in which a crime has been committed upon the child. When a child is taken, he is usually not told where he is going, and finds out later that he is never again to see one of his parents," Miller said.

"This is the type of emotional trauma that CRI would like to eliminate. We fully believe that there should be equality in the courtroom between mothers and fathers on the custody of their children. But we feel that no person, including a parent, has the right to take a child and disappear," Miller said.

The organization executive said large numbers of women as well as men are stealing children.

● Mr. KENNEDY. Mr. President, I am very pleased to join my distinguished colleague from Wyoming as a cosponsor of the Child Custody and Abduction Prevention Act of 1979.

Senator WALLOP deserves great credit for offering this well-conceived bill to deal with the growing problem of interstate restraint of children by their parents during disputes over custody and visitation.

In the last Congress, a measure very similar to this bill was incorporated by Senator WALLOP into S. 1437, the Criminal Code Reform Act, with the support of Senators THURMOND, MCGOVERN, and myself.

Public discussion and debate since that time have produced some very significant improvements in the measure. This legislation has broad professional and public support. I anticipate swift and favorable consideration.

There may well be room to improve the bill still further, following thorough hearings and markup. I look forward to working closely with Senator WALLOP as we process the legislation.

A coordinated effort has also been undertaken with distinguished Members of the House of Representatives. I understand that bills similar to Senator WALLOP's are likely to be offered in the House.

I am optimistic that what has been aptly called the desperate "plight of the interstate child" may soon be relieved. Genuine relief must be based on the title 28 amendments which constitute the heart of this bill. I am pleased to join with Senator WALLOP and pledge my support in an effort to process this legislation.●

● Mr. MCGOVERN. Mr. President, I am pleased to be a cosponsor of the Parental Kidnaping Prevention Act of 1977," and commend Senator WALLOP for his commitment to this important issue, and for his hard work in producing a much-needed bill that closes the loopholes in laws that presently permit parents to kidnap their children.

There are many forces in our society today which cause, or contribute to, the serious problems suffered by many of our young people. The rise in juvenile crime, the increasing number of high school graduates who are illiterate, and the rising suicide rate, are too often the result of poor public policies for children. Children are obviously less powerful and influential than other members of our society. That is all the more reason for exercising extreme care in developing public policies which protect their persons.

Regarding child kidnaping, the devastating effects of our current policies are clear. We have just not developed sufficient legal sanctions to prevent a parent from seizing, restraining, or concealing a child from a parent who has legal custody. Very abruptly, a child can be forced to live in a different place, with a different person, and because the absconding parent does not want to be caught, is often forced to move from place to place with no sense of permanence. Many times a kidnaping parent tries to win affection and cooperation by making a child believe the other parent does not want custody. It is obvious that we are allowing the disruption of innocent children's lives, with the result too often being long-term physical and/or psychological damage.

The "Parental Kidnaping Prevention Act of 1979" contains three major provisions that will deter, and hopefully prevent, child snatching. First, it requires State courts to give full faith and credit to custody decrees rendered by sister State courts. This provision is based on the Uniform Child Custody Act which has been adopted by 28 States and establishes standards for choosing the most appropriate State to determine child custody. All States will be required to enforce, with very few modifications allowed, the custody decree of the State that has jurisdiction according to the provisions of the bill. At present, a parent can take a child, flee to another State, and begin court proceedings in that State to regain custody. For several reasons custody is usually granted: States treasure their independence to make such decisions, the other parent is not present to make a case, and the absconding parent may be surrounded by supporters willing to testify on his or her behalf. Under this bill, the kidnaping parent could not be granted custody of the children by any other State court. This provision should serve to deter a possible child kidnaper from taking the child across State lines, as there would be no hope of gaining custody of the child in another State.

The second major provision of the bill requires the Federal Parent Locator Service, whose present responsibility is to find parents who default on their child support payments, to search for parents who have restrained, seized, or concealed their children. The Federal Parent Locator Service would work with the States and the Federal Government, as well as with parents, in finding children who have been snatched in violation of custody decrees which are entitled to full faith and credit under the child custody bill. Many times the victimized parent spends thousands of dollars on traveling expenses, detective fees, and legal fees to find the whereabouts of their children. The Parent Locator Service would save the parent much of this expense, promote cooperation between the States and the Federal Government, and because of its success in locating parents, would discourage parents from kidnaping their own children.

Finally, the third provision makes it a Federal misdemeanor for anyone, including a parent or agent of a parent, to kidnap and transport a child across State lines in violation of a custody determination entitled to full faith and credit. It establishes two minor offenses, "restraining a child," punishable by up to 30 days imprisonment or $10,000 or both, and "concealing a child," punishable by up to 6 months imprisonment or $10,000 or both. The threat of this moderately tough penalty will serve to deter would-be child kidnapers. Under current law, a child kidnaper is often guilty of nothing more than contempt of court. With a $10,000 fine and a short-term jail sentence as a penalty, child kidnapers will think twice before snatching their children.

The bill should help protect our children from parents who wish to defy custody decrees by restraining or concealing their children. When parents know that no other State will grant them custody of their children, when they are aware that as soon as the children are missing, the Parent Locator Service, which has been highly successful in locating parents who default on child support payments, will soon be on their trail, and when they realize they could receive a short-term jail sentence and be fined up to $10,000, they should think twice before embarking on this destructive venture.

Our present laws make it too easy for parents to defy custody orders; the result is fear, heartache, and anger on the part of every member of the family. I feel this bill is a viable solution to the problems of child kidnaping. It requires State courts to give full faith and credit to custody decrees rendered by sister States, but leaves to the States the responsibility of deciding custody cases. It involves the Federal Government only after the Parent Locator Service has been operating for at least 60 days, and it invokes fair but strict penalties.

No one can doubt that children who are kidnaped suffer a great deal from the experience. The absence of a stable home environment is a difficult hurdle to overcome. In a home where children can feel a sense of security, permanence and love, they are better able to cope with the pressures of a complex society, knowing that if all else fails, home will be a refuge to fall back on. The absence of this stable environment forces children to embark on their own course, with no one to trust and no one to turn to except equally inexperienced peers who can lead them to trouble. The horrifying experience of being kidnaped rips the child of this sense of security and permanence.

The parent kidnaping bill makes it difficult for parents to kidnap their children, and could help spare a child from the confusion and despair it brings.

I look forward to working with Senator WALLOP and others in seeing that this much-needed bill becomes law.●

By Mr. HAYAKAWA:

S. 106. A bill to amend title XVI of the Social Security Act to provide for attribution of sponsor's income and resources to aliens; to the Committee on Finance.

Mr. HAYAKAWA. Mr. President, the bill I am introducing today is identical to one I introduced during the 95th Congress. It amends title XVI of the Social Security Act to provide for attributions of sponsor's income and resources to aliens for a period of 3 years, and in so doing, would protect the interests of the U.S. Treasury.

During the past 2 years, press reports in California have called attention to abuses of the Supplemental Security Income program (SSI). Apparently, a large number of elderly immigrants who come to this country under the sponsorship of friends or relatives, apply for, and receive, SSI benefits once they have resided here for 30 days. The annual cost of these public expenditures runs into tens of millions of dollars.

There are currently laws, in particular, two provisions of the Immigration and Nationality Act, which should preclude such practices. However, for one reason or another, they do not. These provisions state that an alien may not receive a visa if it is the opinion of the consular officer or Attorney General that the applicant is at any time likely to become a public charge. Also, upon the order of the Attorney General, if the alien has become a public charge from causes not shown to have arisen after entry, he or she may be deported.

In addition, any immigrant, in order to be admitted to the United States, must prove the availability of means of subsistence in the form of an affidavit executed by friends or relatives residing in the United States. However, a number of court decisions are preventing the collection of funds supposedly available on the basis of the affidavits. This is the result of court interpretations that dependency on public assistance does not constitute "being a public charge." As I see it, the question of what constitutes a "public charge" is the center of debate. So, we are faced with a procedure whereby the State Department accepts affidavits as a device to protect the U.S. Treasury knowing full well it is a "dull instrument" they are accepting. At the same time, citizens or residents of this country, for reasons of their own, are granting these affidavits at will, and thereby encouraging the resulting charges to the Treasury. The obvious conclusion is that this country is faced with cases of bad faith and that the tightening of the law is the only appropriate action.

The alien-SSI provision of H.R. 7200, as passed by the House of Representatives during the 95th Congress, contained the same language as that of my previous bill, S. 1719. In addition, H.R. 7200, as reported out of the Senate Finance Committee, contained a provision amending the Social Security Act by providing that "receipt of any type of public assistance would, in the future, constitute being a public charge for purposes of the Immigration and Nationality Act."

I respectfully urge my Senate colleagues to take a close look at this situation and join me in this remedial action.

By Mr. MORGAN:

S. 107. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURAL COST OF PRODUCTION BOARD

Mr. MORGAN. Mr. President, today I am introducing legislation that will establish a National Agricultural Cost of Production Board.

The Board that would be created by this legislation is designed to help restore the faith of America's farmers and ranchers in the U.S. Department of Agriculture.

Also, the Board will remedy a defect in the Food and Agriculture Act of 1977 (PL 95–113). The need for this legislation stems from the decision Congress wisely made in this legislation to combine land costs with other operating costs in calculating the cost of production that is the basis for our system of target prices and loan levels.

At the present time, cost of production formulas are devised by USDA economists with little or no input from America's farmers and ranchers. Needless to say, the producers of our farm commodities ought to have an opportunity to share their views on these calculations that are so critical to rural America's economic well-being.

The cost of production formulas and figures utilized by the USDA are criticized on several grounds. One important criticism concerns the very content of the formulas. A second criticism concerns the proper valuing for each part of the formula. A third criticism concerns the timeliness of the information used in the formula.

In the inflationary days that we are experiencing—inflation which has severely crippled American farmers—such information can affect price supports in a very significant manner.

These are three of the many criticisms that farmers and ranchers have shared with me. I have studied their figures with great care and the solution I offer today will, I believe, help alleviate this situation.

This legislation would create a 15-person board, including 13 farmers, a consumer, and a person who is knowledgeable concerning the cost of producing farm commodities.

The 13 farmers will be individuals who are engaged full time in the production of one or more of the food and fiber commodities produced in the United States. These commodities would include such crops as corn, soybeans, wheat, tobacco, peanuts, sugar cane and beets, or cotton.

My intention is to make this a board of producers—people who make most of their living off the land—rather than individuals who represent farmers. By assuring that these individuals are full-time producers, the USDA and the American people will then have the commonsense and practical experience that is so desirable in developing these vital economic calculations.

This statement should not be taken as a criticism of the farm organizations that have served the American farmer so well. In fact, I anticipate that these very important participants in farm policy will have the opportunity to contribute to the section process used in naming the board.

There was criticism of the forerunner of this bill which I introduced in the last Congress, S. 3248, because of the mandated inclusion of one consumer on the Board. There is what I believe to be a persuasive reason for including such an individual. It has become clear that the success of farm State legislators in convincing their urban counterparts to support farm programs will depend largely on our ability to convince these individuals that these programs warrant support. Hence, I believe that it is desirable to provide consumers exposure to the costs of producing America's food and fiber.

The final person on the Board would be neither an active farmer nor a member of the staff of the USDA. This individual would come from another part of the food chain or, perhaps, be on the staff of a land grant university.

One of the aspects of this bill that is important in a democratic sense is that it represents an opportunity for farm input into administration policymaking. While this Board will not have input, it will not be a spokesman for the Secretary. This is because of two unique features embodied in this legislation. The first concerns the fact that the chairman and vice chairman will serve with the advice and consent of the Senate. The second concerns an annual reporting requirement, a feature that warrants more in-depth review.

This bill mandates that the Board make recommendations to the Secretary concerning cost of production formulas and figures. The Secretary, in turn, is required to act on these recommendations, reporting back to the Board in writing. This feature provides the opportunity for dialog and feedback to the Board from the Secretary, a very unique feature for advisory bodies of any sort. Finally, the Board is required to report fully on its activities and recommendations—including the response by the Secretary to each recommendation—to the Senate Committee

on Agriculture, Nutrition, and Forestry and to the House Committee on Agriculture.

This Board, then, will provide an opportunity for both the executive and legislative branches of Government to be systematically involved in examination of the cost of producing the Nation's food and fiber.

This Board cannot be viewed as the end-all solution of our farm problems, which continue to be very real and far-reaching. This proposal should be viewed as a complementary action to the Food and Agriculture Act of 1977, a device to make this act work. In fact, I have decided to make this Board run concurrently with that basic farm authority which assures that the Board can be terminated if that is the wish of Congress.

This legislation has the support of the National Grange, the National Farmers Organization, and the National Association of Farmer Elected Committeemen. I feel confident that other major farm organizations will come to support this bill very soon.

A companion to this bill introduced by Congressman DAN GLICKMAN in the House of Representatives. We worked together last year on a very similar bill one that received the cosponsorship of 16 Senators. Unfortunately, we introduced this legislation too late in the last Congress for it to receive adequate attention

In closing, I would like to stress that this bill has as its underlying premise the need for citizen input into crucial policy-making. It is through such involvement that the people of this great Nation come to fully support the importance of democracy and good government.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established on advisory board to be known as the National Agricultural Cost of Production Board (hereinafter referred to as the "Board").

SEC. 2. (a) The Board shall be composed of fifteen members appointed by the Secretary of Agriculture (hereinafter referred to as the "Secretary").

(b)(1) The terms of the members first taking office shall expire (as designated by the Secretary at the time of appointment) as follows: six at the end of one year, three at the end of two years, three at the end of three years, and three at the end of four years. Thereafter the terms of all members shall be four years, except that (A) three of the appointments made for one year shall continue to be made for one year terms, and (B) the term of any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of such person's predecessor.

(2) The Secretary shall appoint persons to the Board who are producers of one or more of the various major agricultural commodities produced in the United States and who rely on that activity for their principal source of income. The Secretary shall also appoint one person to the Board who, by virtue of education, experience, and training, has extensive knowledge of matters relating to the cost of producing agricultural commodities with adequate background in the fields of agricultural economics and accounting. The Secretary shall also appoint one person to represent the interests of consumers.

(3) No person may serve as a member of the Board for more than six years.

(4) The Secretary shall designate, by and with the advice and consent of the Senate, one member of the Board to serve as chairman and one member to serve as vice chairman and they shall serve in such positions at the pleasure of the Secretary.

SEC. 3. (a) It shall be the function of the Board to—

(1) review the adequacy and accuracy of the cost-of-production formulas and the implementation of those formulas in determining specific cost-of-production figures, including the information relied upon in arriving at such formulas, developed and utilized by the Department of Agriculture for the purpose of determining the cost of production of various agricultural commodities;

(2) advise the Secretary whether the cost-of-production formulas used by the Department of Agriculture in connection with the administration of its price support programs are fair and accurate and recommend to the Secretary how such formulas might be improved, including, when necessary, the submission of findings of actual costs of production; and

(3) advise the Secretary on such other matters relating to the cost of production of agricultural commodities and price support operations as the Secretary may request.

(b) The Secretary shall report promptly to the Board on the disposition of its recommendations including reasons for not accepting the recommendation or recommendations of the Board.

(c) The Board shall submit annually to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a written report outlining the activities of the Board during the preceding year including any findings or recommendation made to the Secretary with respect to cost of production formulas and figure for any commodity. The Board shall include in each such report a list of the recommendations made to the Secretary and the disposition thereof.

(d) The Board shall meet at least twice annually, or more often, if such meetings are necessary to meet the purposes of this Act.

SEC. 4. The Secretary shall provide the Board with such office space, equipment, and staff as may be necessary for the Board to perform its functions under this Act.

SEC. 5. No member of the Board shall receive any compensation for such member's services as a Board member but may be paid travel expenses, including per diem in lieu of subsistence, as provided in regulations issued under section 7 of the Federal Advisory Committee Act.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 7. The Secretary is authorized and directed to transfer to the Board any functions duplicating those provided for in this Act which are currently being carried out elsewhere in the Department.

SEC. 8. The authority provided in this Act shall be applicable for the 1979 through 1981 crop years.

By Mr. PROXMIRE (for himself and Mr. STEWART):

S. 108. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT

Mr. PROXMIRE. Mr. President, I am today introducing legislation to simplify the Truth in Lending Act, called the Truth in Lending Simplification and Reform Act.

This bill is identical to legislation overwhelmingly passed by the Senate last year, designated S. 2802.

I believe truth-in-lending simplification is necessary for several reasons. First, the regulations implementing the act have grown incredibly voluminous and complex. Small creditors in particular are having great difficulty in keeping track of new interpretations and rulings. Second, the disclosure statements given to consumers are far too lengthy and technical. We are requiring more information to be disclosed than the average consumer is willing or able to study. Finally, administrative enforcement by the various agencies has been far from vigorous, and this has been a major factor in the current high level of creditor noncompliance.

This bill would improve the act for creditors and consumers in several ways. First, it would make compliance easier for creditors by eliminating several ambiguities in the law and requiring the Federal Reserve Board to issue model forms and clauses which satisfy the act's requirements. Creditors who used the appropriate form would be assured of being in compliance. Second, the act's disclosures would be simplified and reduced in number. As a result, the consumer would receive a shorter, more readable form which will make credit shopping much easier. In addition, a creditor's civil liability for violating the act would be limited to only important disclosures. This will insure that civil penalties are not imposed for purely technical violations. Finally, the bill would substantially augment administrative enforcement of the act. The agencies charged with enforcement would be required to order restitution to consumers when they discover interest overcharges.

Last year, the chairman of the House Consumer Affairs Subcommittee pledged to introduce a truth-in-lending simplification bill early this year, so I am hopeful that both Houses of Congress will address this subject in the near future. The Banking Committee has scheduled hearings on this bill for Friday, February 2, at 10 a.m.

I ask unanimous consent that the text of the bill, together with the committee's section-by-section summary of S. 2802 from the 95th Congress, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 108

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Truth in Lending Simplification and Reform Act."

DEFINITIONS

SEC. 2. (a) Section 103(f) of the Truth in Lending Act is amended—

(1) by striking out the first sentence and inserting in lieu thereof of the following: "The term 'creditor' refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required; and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the foregoing, a person who regularly arranges for the extension of consumer credit, which is payable in more than four installments or for which the payment of a finance charge is or may be required, from persons who are not creditors is a creditor, and in the case of an open end credit plan involving a credit card the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors."; and

(2) by redesignating the references to sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(9), and 127(b)(11) in the next succeeding sentence as references to sections 127(a)(5), 127(a)(6), 127(a)(7), 127(b)(8), and 127(b)(10), respectively.

(b) The first sentence of section 103(g) of the Truth in Lending Act is amended to read as follows: "The term 'credit sale' refers to any sale in which the seller is a creditor.".

EXEMPTED TRANSACTIONS

SEC. 3. (a) Section 103(h) of the Truth in Lending Act is amended by striking out "household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 103 of the Truth in Lending Act is amended by redesignating subsection (s) as subsection (x), and by inserting a new subsection (s) as follows:

"(s) The term 'agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming, and the term 'agricultural products' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.".

(c) Section 104 of the Truth in Lending Act is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.";

(2) by amending paragraph (3) to read as follows:

"(3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds $25,000."; and

(3) by striking out paragraph (5).

OPEN END CREDIT PLAN

SEC. 4. Section 103(i) of the Truth in Lending Act is amended to read as follows:

"(i) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.".

MODEL FORMS

SEC. 5. (a) Section 105 of the Truth in Lending Act is amended by inserting "(a)" before "The", and by adding at the end thereof the following:

"(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor to use any such model form or clause prescribed by the Board under this section. A creditor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor does not affect the substance, clarity, or meaningful sequence of the disclosure.

"(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

"(d) Any recognition of the Board, or any amendment or interpretation thereof, requiring any disclosure different from that previously required by this chapter, chapter 4, or chapter 5, or regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least 6 months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors to adjust their forms to accommodate new requirements or shorten the length of time for creditors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the foregoing, any creditor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.".

COMPONENTS OF FINANCE CHARGE

SEC. 6. (a) Section 106(a) of the Truth in Lending Act is amended by striking out ", including any of the following types of charges which are applicable" and inserting in lieu thereof the following: ". The finance charge does not include charges of a type payable in a comparable cash transaction. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable".

(b) Section 106(d) of the Truth in Lending Act is amended by striking out paragraphs (3) and (4).

ACCURACY OF ANNUAL PERCENTAGE RATE

SEC. 7. (a) Subsection (c) of section 107 of the Truth in Lending Act is amended to read as follows:

"(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.".

(b) Subsection (e) of section 107 of the Truth in Lending Act is amended by striking out "(c) or".

(c) Subsection (f) of section 107 of the Truth in Lending Act is repealed.

ADMINISTRATIVE ENFORCEMENT; RESTITUTION

SEC. 8. (a) Subsection (c) of section 108 of the Truth in Lending Act is amended to read as follows:

"(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title by a person subect to the jurisdiction of the Commission shall be deemed an unfair or deceptive act or practice in violation of section 5(a)(1) of the Federal Trade Commission Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person subject to the jurisdiction of the Commission with the requirements imposed under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce compliance with the requirements imposed under this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.".

(b) Section 108 of the Truth in Lending Act is amended by adding at the end thereof the following:

"(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. In the case of other such disclosure errors, each agency may require such an adjustment.

"(3) Notwithstanding the above paragraph (2), no adjustment shall be ordered (A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact, (B) if the amount of the adjustment would be less than $1, except that if

more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, after the later of (i) the expiration of the life of the credit extension, or (ii) two years after the agreement to extend credit was consummated.

"(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

"(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

"(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title.

"(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(7) The provisions of this subsection do not apply to any loan or extension of credit consummated prior to October 28, 1974.".

EFFECT ON OTHER LAWS

SEC. 9. Section 111(a) of the Truth in Lending Act is amended to read as follows:

"(a)(1) This title does not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether such inconsistencies exist. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for a good faith failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(2) The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge must always be disclosed as required by section 122.".

ANNUAL REPORTS

SEC. 10. (a) Section 114 of the Truth in Lending Act is amended by striking out "Not later than January 3 of each year after 1969" and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 58a(f)(5)) is amended by striking out "not later than March 15".

(c) Section 707 of the Equal Credit Opportunity Act is amended by striking out "Not later than February 1 of each year after 1976" and inserting in lieu thereof "Each year".

GENERAL DISCLOSURE REQUIREMENTS

SEC. 11. Sections 121 and 122 of the Truth in Lending Act are amended to read as follows:

"§ 121. General requirement of disclosure

"(a) Subject to subsection (b), a creditor or lessor shall disclose to the person who is obligated on a consumer lease or a consumer credit transaction the information required under this title. In a transaction involving more than one obligor, a creditor or lessor, except in a transaction under section 125, need not disclose to more than one of them if the one given disclosure is a primary obligor.

"(b) If a transaction involves one creditor as defined in section 103(f), or one lessor as defined in section 181(3), that creditor or lessor shall make the disclosures. If a transaction involves more than one creditor or lessor, only one creditor or lessor shall be required to make the disclosures. The Board shall by regulation specify which creditor or lessor must make the disclosures.

"(c) The Board may provide by regulation that any portion of the information required to be disclosed by this title may be given in the form of estimates where the provider of such information is not in a position to know exact information.

"(d) The Board shall determine whether tolerances for numerical disclosures other than the annual percentage rate are necessary to facilitate compliance with this title, and if it determines that such tolerances are necessary to facilitate compliance, it shall by regulation permit disclosures within such tolerances.

"§ 122. Form of disclosure; additional information

"(a) Information required by this title shall be disclosed clearly and conspicuously, in accordance with regulations of the Board. The terms 'annual percentage rate' and 'finance charge' shall be disclosed more conspicuously than other terms, data, or information provided in connection with a transaction, except information relating to the identity of the creditor. Regulations of the Board need not require that disclosures pursuant to this title be made in the order set forth in this title and, except as otherwise provided, may permit the use of terminology different from that employed in this title if it conveys substantially the same meaning.

"(b) Any creditor may supply additional information or explanation with any disclosures required under chapter 4 and, except as provided in section 128(b)(1), under this chapter.".

RESCISSION

SEC. 12. (a)(1) Subsection (a) of section 125 of the Truth in Lending Act is amended to read as follows:

"(a) Except as otherwise provided in this section, in the case of any consumer credit transaction (including opening or increasing the credit limit for an open end credit plan) in which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this title, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a transaction subject to this section the rights of the obligor under this section. The creditor shall also provide, in accordance with regulations of the Board, appropriate forms for the obligor to exercise his right to rescind any transaction subject to this section.".

(2) Section 103 of such Act, as amended by section 3(b), is amended by adding at the end thereof the following:

"(v) The term 'material disclosures' means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.".

(3) Subsection (b) of section 125 of the Truth in Lending Act is amended by striking out "ten" in the second and final sentences thereof, and inserting in lieu thereof "20".

(4) Subsection (b) of section 125 of the Truth in Lending Act is amended by adding at the end thereof the following new sentence: "The procedures prescribed by this subsection shall apply except when otherwise ordered by a court.".

(5) Subsection (c) of section 125 of the Truth in Lending Act is amended by inserting "information, forms, and" after "whom".

(6) Section 125 of the Truth in Lending Act is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) This section does not apply to (1) a residential mortgage transaction as defined in section 103(u); (2) a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an interest in the same property; (3) a transaction in which an agency of a State is the creditor; or (4) advances under a preexisting open end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for that plan.

"(f) A obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the information and forms required under this section or any other disclosures required under this chapter have not been delivered to the obligor, except that if (1) any agency empowered to enforce the provisions of this title institutes a proceeding to enforce the provisions of this section within three years after the date of consummation of the transaction, (2) such agency finds a violation of section 125, and (3) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

"(g) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under section 130 for violations of this title not relating to the right to rescind.".

(b) Section 106 of the Truth in Lending Act is amended—

(1) by redesignating subsection (t) as subsection (w); and

(2) by inserting after subsection (s) the following:

"(t) The term 'dwelling' means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

"(u) The term 'residential mortgage transaction' is one in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of that dwelling.".

OPEN END DISCLOSURES

SEC. 13. (a) Section 127(a) of the Truth in Lending Act is amended—

(1) by adding at the end of paragraph (1) thereof the following new sentence: "If no such time period is provided, the creditor shall disclose that fact.";

(2) by striking out paragraphs (5), and redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively; and

(3) by amending redesignated paragraphs (5) and (6) to read as follows:

"(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Board.

"(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.".

(b) Section 127(b)(2) of such Act is amended to read as follows:

"(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Board sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this chapter or this title if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161. In lieu of complying with the foregoing requirements, in the case of any transaction in which the creditor and seller are the same person, as defined by the Board, and that person's open end plan has fewer than 15,000 accounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took pace if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161.".

(c) Section 127(b) of the Truth in Lending Act is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10) respectively.

(d) Redesignated paragraph (7) of section 127(a) of the Truth in Lending Act is amended by striking out "each of two billing cycles per year at semiannual intervals" and inserting in lieu thereof "one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months".

(e) Subsection (c) of section 127 of the Truth in Lending Act is repealed.

(f) Section 143 of the Truth in Lending Act is amended by striking out "or the appropriate rate determined under section 127 (a)(5)".

(g) Section 161(a) of the Truth in Lending Act is amended by redesignating the references to sections 127(b)(11) and 127(a)(8) as references to sections 127(b)(10) and 127(a)(7), respectively.

OTHER THAN OPEN END DISCLOSURES

SEC. 14. (a) Subsection (a) of section 128 of the Truth in Lending Act is amended to read as follows:

"(a) For each consumer credit transaction other than under an open end consumer credit plan, the creditor shall disclose each of the following items, to the extent applicable:

"(1) The identity of the creditor required to make disclosure.

"(2) The 'amount financed', using that term, which shall be the amount of credit of which the consumer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures conspicuously segregated in accordance with subsection (b)(1):

"(A) take the principal amount of the loan or the cash price less downpayment and trade-in;

"(B) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer, including the cost of any items excluded from the finance charge pursuant to section 106;

"(C) subtract any charges which are part of the finance charge but which will be paid by the consumer at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit; and

"(D) subtract any required deposit balance, in accordance with regulations of the Board.

"(3) The 'finance charge', not itemized, using that term.

"(4) The finance charge expressed as an 'annual percentage rate', using that term. This shall not be required if the amount financed does not exceed $75 and the finance charge does not exceed $5, or if the amount financed exceeds $75 and the finance charge does not exceed $7.50.

"(5) The sum of the amount financed, any required deposit balance, and the finance charge, which shall be termed the 'total of payments'.

"(6) The number, amount, and due dates or period of payments scheduled to repay the total of payments.

"(7) In a sale of property or services in which the seller is the creditor required to disclose pursuant to section 121(b), the 'total sale price', using that term, which shall be the total of the cash price of the property or services, additional charges, and the finance charge.

"(8) Descriptive explanations of the terms 'amount financed', 'finance charge', 'annual percentage rate', 'total of payments', and 'total sale price' as specified by the Board. The descriptive explanation of 'total sale price' shall include reference to the amount of the downpayment.

"(9) Where the credit is secured, a statement that a security interest has been taken in (A) the property which is purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

"(10) Any dollar charge or percentage amount which may be imposed by a creditor solely on account of a late payment, other than a deferral or extension charge.

"(11) A statement indicating whether or not the consumer is entitled to a rebate or credit, or is subject to a penalty, if the obligation is refinanced or prepaid in full pursuant to acceleration or otherwise.

"(12) A statement that the consumer should refer to the appropriate contract document for any information it provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.

"(13) In any residential mortgage transaction, a statement whether a subsequent purchaser or assignee of the consumer may assume the debt obligation on its original terms and conditions.".

(b) Section 128(b) of such Act is amended to read as follows:

"(b)(1) Except as otherwise provided in this chapter, the disclosures required under subsection (a) shall be made before the credit is extended. Except for the disclosures required by subsection (a)(1) of this section, all disclosures required under subsection (a) and any disclosure provided for in subsection (b), (c), or (d) of section 106 shall be conspicuously segregated from all other terms, data, or information provided in connection with a transaction, including any computations or itemization.

"(2) In the case of a residential mortgage transaction, as defined in section 103(u), which is also subject to the Real Estate Settlement Procedures Act, good faith estimates of the disclosures required under subsection (a) shall be made in accordance with regulations of the Board under section 121 (c) before the credit is extended, or shall be delivered or placed in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier. If the disclosure statement furnished within three days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of section 107(c), the creditor shall furnish another statement at the time of settlement or consummation.".

(c) Section 128(c) of the Truth in Lending Act is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "deferred payment price" and inserting in lieu thereof "total sale price"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If a creditor receives a request for a loan by mail or telephone without personal solicitation and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, then the disclosures required under subsection (a) may be made at any time not later than the date the first payment is due.".

(d)(1) Section 129 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 129 and inserting in lieu thereof:

"129. [Repealed].".

(e) (1) Section 126 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 126 and inserting in lieu thereof:

"126. [Repealed].".

(f) (1) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 128 and inserting in lieu thereof:

"128. Consumer credit not under open end credit plans.".

(2) The caption of section 128 of such Act is amended by striking out "Sales" and inserting in lieu thereof "Consumer Credit".

CIVIL LIABILITY

SEC. 15. (a) Section 130 of the Truth in Lending Act is amended—

(1) by striking out "in such action" in subsection (a)(2)(B) and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (a)(3), by inserting "or in any action in which a person is determined to have a right of rescission under section 125" after "liability";

(3) by amending subsections (b), (c), and (d) to read as follows:

"(b) A creditor or assignee has no liability under this section or section 108 or section 112 for any failure to comply with any requirement imposed under this chapter or chapter 5, if within sixty days after discovering an error, whether pursuant to a final written examination report or notice issued under section 108(e)(1) or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(c) A creditor or assignee may not be held liable in any action brought under this section or section 125 for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programming, and printing errors, but an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

"(d) When there are multiple obligors in a consumer credit transaction or consumer lease, there shall be no more than one recovery of damages under subsection (a)(2) for a violation of this title.";

(4) by adding at the end of subsection (e) the following new sentence: "This subsection does not bar a person from asserting a violation of this title in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by State law.";

(5) by inserting ", section 108(b), section 108(c), section 108(e)," after "this section" in subsection (f);

(6) by adding the following new sentence at the end of subsection (g): "This subsection does not bar any remedy permitted by section 125."; and

(7) by amending subsection (h) to read as follows:

"(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subsection (a)(2) against any amount owing by such person, unless the amount of the creditor's or assignee's liability under this title has been determined by judgment of a court of competent jurisdiction in an action of which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under this title.".

(b) Section 130(a) of the Truth in Lending Act is amended—

(1) by inserting ", including any requirement under section 125," immediately after "this chapter"; and

(2) by adding at the end thereof the following: "In connection with the disclosures referred to in section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of section 127 (a) or of paragraph (4), (5), (6), (7), (8), (9), or (10) of section 127(b) or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in section 127(a) or any of those paragraphs of section 127(b). In connection with the disclosures referred to in section 128, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of paragraph (2), (3), (4), (5), (6), or (9) of section 128(a), or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in any of those paragraphs of section 128(a). With respect to any failure to make disclosures required under this chapter or chapter 4 or 5 of this title, liability shall be imposed only upon the creditor required to make disclosure, except as provided in section 131.".

LIABILITY OF ASSIGNEES

SEC. 16. (a) Section 131 of the Truth in Lending Act is amended to read as follows:

"§131. Liability of assignees

"(a) Except as otherwise specifically provided in this title, any civil action for a violation of this title or proceeding under section 108 which may be brought against a creditor may be maintained against any assignee of that creditor only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the purpose of this section, violations apparent on the face of the disclosure statement include, but are not limited to (1) disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) disclosures not made in the terminology required by this title.

"(b) Except as provided in section 125(c), in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this title shall be conclusive proof of the delivery thereof and, except as provided in subsection (a), of compliance with this chapter. This section does not effect the rights of the obligor in any action against the original creditor.

"(c) Any consumer who has the right to rescind a transaction under section 125 may rescind the transaction as against any assignee of the obligation, regardless of whether such assignee is a creditor under this title.".

(b) Section 115 of the Truth in Lending Act is repealed.

(c) (1) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 115 and inserting in lieu thereof:

"115. [Repealed].".

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 131 and inserting in lieu thereof:

"131. Liability of assignees.".

LIABILITY OF CREDIT CARDHOLDER

SEC. 17. Section 133(a) of the Truth in Lending Act is amended to read as follows:

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of $50, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a description of a means by which the card issuer may be notified of loss or theft of the card, which description may be provided on the face or reverse side of the statement required by section 127(b) or on a separate notice accompanying such statement, the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purpose of this section, a card issuer has been notified when such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information have been taken, whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 18. (a) Chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall collect, publish, and disseminate to the public, on a demonstration basis in a number of standard metropolitan statistical areas to be determined by the Board, the annual percentage rates charged for representative types of nonsale credit by creditors in such areas. For the purpose of this section, the Board is authorized to require creditors in such areas to furnish information necessary for the Board to collect, publish, and disseminate such information.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate persons, organizations, or State agencies to carry out its functions under subsection (a) and to furnish financial assistance in support thereof.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

CREDIT ADVERTISING

SEC. 19. (a) Section 143 of the Truth in Lending Act is amended to read as follows:

"§ 143. Advertising of open end credit plans

"No advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit under an open end credit plan may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth all of the following items:

"(1) Any minimum or fixed amount which could be imposed.

"(2) Where periodic rates may be used to compute the finance charge, the periodic rates expressed as annual percentage rates.

"(3) Any other term that the Board may by regulation require to be disclosed.".

(b) Section 144 of the Truth in Lending Act is amended by striking out paragraphs (1) through (4) of subsection (d) thereof, and inserting in lieu thereof the following:

"(1) the downpayment, if any.

"(2) the terms of repayment.

"(3) the rate of the finance charge expressed as an annual percentage rate.".

CORRECTION OF BILLING ERRORS

SEC. 20. (a) Section 161(b) of the Truth in Lending Act is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

"(6) Failure to transmit the statement required under section 127(b) of this Act to the last address of the obligor which has been disclosed to the creditor, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.".

(b) Section 161(c) of such Act is amended by inserting after "account" the first time it is used a comma and the following: "which may include finance charges on amounts in dispute,".

CREDIT BALANCES

SEC. 21. (a) Section 165 of the Truth in Lending Act is amended to read as follows:

"§ 165. Treatment of credit balances

"Whenever a credit balance in excess of $1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account; (2) rebates of unearned finance charges or insurance premiums; or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall:

"(A) credit the amount of the credit balance to the consumer's account;

"(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

"(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, but no further action is required in any case where the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number".

(b) The table of sections of chapter 4 of the Truth in Lending Act is amended by striking out item 165 and inserting in lieu thereof:

"165. Treatment of credit balances.".

GOVERNMENT EXEMPTION

SEC. 22. (a) Section 113 of the Truth in Lending Act is amended to read as follows:

"§ 113. Effect on governmental agencies

"(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures required by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

"(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

"(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title where the violation results from the use of an instrument required by any such department or agency.

"(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.".

(b) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 113 and inserting in lieu thereof:

"113. Effect on governmental agencies.".

ORAL DISCLOSURES

SEC. 23. (a) Section 146 of the Truth in Lending Act is amended to read as follows:

"§ 146. Use of annual percentage rate in oral disclosures

"In responding orally to any inquiry about the cost of credit, a creditor, regardless of the method used to compute finance charges, shall state rates only in terms of the annual percentage rate, except that in the case of an open end credit plan, the periodic rate also may be stated and, in the case of an other than open end credit plan where a major component of the finance charge consists of interest computed at a simple annual rate, the simple annual rate also may be stated. The Board, may, by regulation, modify the requirements of this section or provide an exception from this section for a transaction or class of transactions for which the creditor cannot determine in advance the applicable annual percentage rate.".

(b) The table of sections of chapter 3 of the Truth in Lending Act is amended by striking out item 146 and inserting in lieu thereof:

"146. Use of annual percentage rate in oral disclosures.".

EFFECTIVE DATE

SEC. 24. The amendments made by this Act shall take effect upon the expiration of two years after the date of enactment of this Act. All regulations, forms, and clauses required to be prescribed under the amendments made by this Act shall be promulgated at least one year prior to such effective date. Notwithstanding the foregoing, any creditor may comply with the amendments made by this Act, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.

SECTION-BY-SECTION ANALYSIS

Section 2. *Definitions.*—This section simplifies the definition of "creditor" by specifying that it applies to a person who regularly extends credit and is the person to whom a debt is initially payable on its face. This will eliminate confusion under the current act as to the responsibilities of assignees and "arrangers of credit." This revision was recommended by the Federal Reserve Board.

Section 3. *Exempted transactions.*—This section excludes agricultural credit from the act's coverage. Currently, agricultural credit involving less than $25,000 is subject to the act's requirements.

It is the committee's belief that because agricultural credit is essentially commercial in nature, the type of protections provided by the act are unnecessary and add needless complexity.

In addition, the bill excludes from the $25,000 cutoff purchases of mobile homes expected to be used as a principal dwelling. Thus, where mobile homes costing more than $25,000 are purchased to be used as a principal dwelling, the act's disclosure requirements would apply. This change, recommended by the Federal Reserve Board, extends the same protection to buyers of mobile homes as purchasers of traditional residential structures now enjoy.

Section 4. *Open end credit plan.*—This section amends the definition of "open end credit plan" in order to curb the use of spurious open end credit.

This abuse arises where a merchant styles what is likely to be a one-time credit extension in the form of a purchase on an open end (revolving charge) plan. The disclosures required when establishing an open end account are less demanding of the creditor, but the consumer is not given several essential cost disclosures such as the finance charge and the total of payments.

To curb this practice, the committee has added to the current definition of open end credit the requirement that the merchant must reasonably contemplate repeated transactions on an open end account which he opens. The committee intends this to require "closed end" disclosures where an initial transaction is the purchase of infrequently purchased items such as a home improvement or automobile. This requirement would also apply in other situations where the merchant could not reasonably conclude that future transactions were likely. For example, if a consumer encountered auto trouble in a distant town, and the merchant repairing the vehicle knew the location of the consumer's residence, the merchant could not reasonably contemplate repeated transactions and would be required to give closed-end disclosures. Also, where a merchant sells goods on a one-time door-to-door basis the amendment would prohibit open-end disclosures.

It is not the committee's intention to affect the normal day-to-day activities of retailers whereby open end accounts are established in response to a consumer's application. It is the committee's belief that where a consumer enters a store and wishes to make a purchase and establish an open end account, absent circumstances indicating otherwise, the merchant would reasonably contemplate repeated transactions.

In considering the problem of spurious open end accounts, the committee rejected applying a strictly objective standard which relied on the percent of a merchant's accounts which had repeated transactions. While the committee believes the subjective approach contained in this section is preferable, this is not intended to prohibit the Board or other enforcing agencies from considering such objective data in a borderline case.

In addition, this section provides that if a creditor's plan otherwise meets the definition of open end credit, the merchant may from time to time verify credit information. This is intended to permit merchants to verify items like income and employment status when a consumer wishes to make a major purchase beyond his established credit limit.

Section 5. *Model forms.*—This section requires the Board to promulgate model forms and clauses for common credit transactions. These forms and clauses must utilize readily understandable language. Any creditor who utilizes an appropriate model form or clause will be in compliance with the act. A creditor may delete unnecessary items from a form or rearrange the form's format so long as such changes do not affect the substance, clarity, or meaningful sequence of the disclosures.

The committee views the issuance of model

forms as a highly desirable aid to small businesses which have not had ready access to legal advice in drafting forms and as an improved disclosure device for consumers.

In designing and drafting these forms, the committee expects the Board to consult with specialists in language simplification and graphic design. The Board should also examine the simplified disclosure forms developed by several financial institutions. The committee believes that these forms, which describe contractual terms in the form of "I agree" and "you will," are great improvements over the forms most commonly utilized today.

In addition to requiring model forms, the bill sets October 1 of each year as the effective date for any regulation or interpretation of the Board which would require new or different disclosures. If such an amendment is issued more than 6 months before October 1 of that year, that October 1 shall be the effective date of the amendment. If less than 6 months leadtime would result, the effective date would be October 1 of the next year. Should the Board specifically determine, however, that quicker implementation of an amendment is necessary, it may adopt an earlier effective date. A creditor may comply with a change in disclosure requirements prior to its effective date. The committee believes this will reduce costly forms changes for creditors and will induce the Board to issue such amendments on a more orderly basis.

The States and other Federal agencies acting under other statutes might wish to consider using an October 1 effective date when adopting statutes, rules, or regulations which will require changes in creditors' forms or procedures. Since consumer credit regulation is being implemented by a variety of State and Federal entities, uniformity in the effective date for new or changed requirements might result in reduced costs of compliance.

Section 6. *Components of finance charge.*—This section is designed to simplify the definition of finance charge. The bill will eliminate some current confusion by making clear that charges which would also be incurred in a similar transaction for cash, such as sales taxes, are not to be included in the finance charge.

Section 7. *Accuracy of annual percentage rate.*—This section establishes an acceptable tolerance of one-eighth of 1 percent for disclosure of the annual percentage rate. Under current law a creditor may round to the nearest one-fourth of 1 percent, but a creditor who chooses not to round must state an annual percentage rate with complete accuracy. This section will assure that those creditors who do not round an annual percentage rate disclosure are allowed a tolerance of one-eighth of 1 percent—the same degree of accuracy involved in rounding to the nearest one-fourth of 1 percent. This provision was recommended by the Federal Reserve Board. The Board is authorized to allow a greater tolerance where irregular payments are involved.

Section 8. *Administrative enforcement; restitution.*—This section strengthens administrative enforcement of the act in several respects.

First, the Federal Trade Commission's enforcement authority is modernized by permitting the Commission to respond to violations of the act as if they were violations of an FTC trade regulation rule. Under this provision the Commission could immediately seek a restraining order against violators in U.S. district court. Where there is a knowing violation of the act, the Commission could also seek civil penalties. This enhanced authority, which parallels the Commission's power under the Equal Credit Opportunity Act and the Fair Debt Collection Practices Act, contrasts with the Commission's current cease-and-desist power, which often takes years to complete and only applies to a creditor's future activities. The committee believes this is an important and necessary provision in light of the bill's reduction in the scope of civil liability for creditors.

This section also establishes guidelines for restitution by enforcement agencies when they discover understatement by a creditor of an annual percentage rate or finance charge. Where the violation resulted from a pattern or practice of violations, gross negligence, or a willful violation intended to mislead, an agency must, subject to restrictions discussed below, order restitution to the consumer designed to assure that the consumer pays no more than the lower of the finance charge or annual percentage rate actually disclosed. Because most violations result from faulty procedures or misunderstanding of the act's provisions and are therefore repetitive in nature, it is the committee's expectation that the "pattern or practice of violations" criterion will encompass the majority of understatements committed by creditors. In the case of violations not falling under any of the above criteria, each agency may in its discretion order restitution.

The bill places certain restrictions on restitution which the committee believes are appropriate. For example, restitution could not be ordered where it would have a significantly adverse impact on the safety or soundness of a creditor. While consumers directly benefit from restitution, the committee believes this advantage would be more than outweighed by the hardships which would be associated with a creditor's resulting bankruptcy. This restriction is not intended, however, to prevent an agency from requiring partial adjustments in order to compensate consumers in part and also preserve a creditor's solvency. In addition, because of the inordinate expense involved in numerous mailings, restitution could not be ordered for adjustments of less than $1, except that an agency may order the creditor to pay the sum into the U.S. Treasury. The committee believes this latter remedy would be appropriate where individual adjustments would be quite small but in the aggregate would be a substantial sum. The committee would expect an agency, before ordering payment to the Treasury, to await expiration of the 1-year statute of limitations to assure that the creditor will not in the future be held liable to affected consumers for the payment of such sums.

In order to establish some time limitation on this procedure, except where a violation was intended to mislead a consumer, restitution could be ordered only during the life of a credit extension or 2 years from its consummation, whichever is later. Finally, this procedure is made applicable only to extensions of credit consummated on or after October 28, 1974. This date is a compromise which corresponds to the effective date of earlier amendments to the act making creditors civilly liable for actual damages, the equivalent of restitution adjustments.

In order to assure that creditors are given ample notice of an agency's intention to order restitution and an opportunity to be heard, the bill requires that agencies follow their cease-and-desist order procedures prior to ordering restitution. The committee believes this will provide appropriate due process of law.

Finally, if a creditor is made aware of an understatement of a finance charge or annual percentage rate and voluntarily makes restitution, the creditor will not be made subject to a restitution order.

Some commentary on the method of effecting restitution is in order. While there are several formulas which could be used in computing the amount of refund to the consumer, the committee has not specified a particular formula in this bill. The committee believes that in view of the complexity of this subject, the administrative agencies should have latitude in fashioning this remedy. It is the committee's belief, however, that any meaningful formula for restitution should compensate the consumer for the time value of money.

Finally, the committee wishes to voice its concern regarding the complaints of State officials in exempt States that the Federal regulatory agencies which enforce the act as to federally chartered institutions in those States are not enforcing the act adequately. It is the committee's expectation that the Federal regulatory agencies involved will begin to enforce the act's provisions vigorously in those States exempted from the act's coverage.

Section 9. *Effect on other laws.*—This section is intended to eliminate the overlap of State disclosure laws with the act and to resolve any ambiguities as to which applies in a given transaction.

Under this section, the Board is required to examine the disclosure laws of each State. Where the Board determines that a State law disclosure provision is inconsistent with the act, that provision would be annulled and a creditor would be required to give only the disclosure required by the act, with no liability arising under State law for failure to give the State-required disclosure. If the Board determines that a State-required term is substantially the same in meaning as a disclosure under the act, then the creditor need not follow the act's provisions, with only the State-required term applicable.

This provision is a middle ground between preserving the act's current ambiguities in this area and complete pre-emption of all State disclosure laws. The committee believes this formula, which requires a line-by-line analysis of State law provisions, is a workable compromise which will greatly facilitate creditor compliance and still show deference to the laws of the States.

Section 10. *Annual reports.*—This section, recommended by the Federal Reserve Board, allows the Board to submit a single annual report to the Congress on its functions under the Truth in Lending Act, the Federal Trade Commission Act, and the Equal Credit Opportunity Act. The Board is currently required to submit three separate annual reports on different dates.

Section 11. *General disclosure requirements.*—This section is intended to simplify the act's general disclosure requirements by incorporating several provisions now contained in the Board's Regulation.

Where more than one borrower is involved in a transaction not involving the right of rescission, a creditor need make disclosures only to the primary borrower. If more than one creditor is involved, only one creditor need make the disclosures, as provided by the Board. If a creditor is not in a position to know exact information at the time disclosures are required, the Board is authorized to permit the giving of estimates. The Board is also authorized to determine whether additional tolerances (other than for the annual percentage rate) are necessary to facilitate compliance. Two areas in which the Board should examine the need or additional tolerances are in conventional mortgage transactions and in transactions which involve "odd days interest."

This section also incorporates Regulation Z's requirement that the terms "finance charge" and "annual percentage rate" be disclosed more conspicuously than any other disclosures required by the act, except for a creditor's identification.

Section 12. *Rescission.*—This section contains several amendments regarding the consumer's right of rescission. Under current

law, when a transaction would result in a lien on a consumer's home, the consumer is entitled to rescind the transaction within 3 days after receiving notice of his right to do so. This provision was enacted to give the consumer the opportunity to reconsider any transaction which would have the serious consequence of encumbering the title to his home.

The act currently provides this right only where a lien would result on a traditional residential structure. The bill expands the scope of the provision so that persons whose principal residence is a mobile home or trailer also receive this important protection. The committee sees no reason for distinguishing between owners of traditional residential structures and owners of mobile homes.

In addition, the bill provides a definition of "material disclosure." The act gives the consumer the right to rescind within 3 days after receiving notice of the right of rescission and the "material disclosures" required by the act. By providing this definition, which lists the key disclosures, creditors will be in a better position to know whether a consumer may properly rescind a transaction.

This section also increases from 10 to 20 days the time in which the creditor must refund the consumer's money and take possession of property sold after a consumer exercises his right to rescind. This will give creditors a better opportunity to determine whether the right of rescission is available to the consumer and whether it was properly exercised.

The bill also contains an important provision designed to preserve the consumer's right of rescission where an enforcement agency is investigating whether a creditor has failed to inform the consumer of his right. If within 3 years of a transaction an enforcement agency institutes a proceeding and ultimately concludes that a consumer was not informed of his right to rescind, that consumer's right will extend to one year beyond the conclusion of the agency's proceeding. This will assure that the maximum 3 year period for rescinding a transaction does not expire before a consumer's rights are adjudicated by an enforcing agency.

Upon application by a consumer or creditor, a court may modify this section's procedures where appropriate.

Finally, the bill explicitly provides that a consumer who exercises his right to rescind may also bring suit under the act for other violations not relating to rescission. The act is currently ambiguous on this issue, and this section codifies the majority position of the courts.

Section 13. *Open end disclosures.*—This section simplifies the disclosures required for open end credit and makes compliance with the act's billing requirements easier for small creditors.

First, the general requirements are simplified by streamlining the security interest disclosure. The bill eliminates the requirement that the type of security interest taken be disclosed, as this is a highly technical disclosure which the committee believes is of little utility to consumers. In addition, the bill would specifically require that, where applicable, creditors disclose the fact that no "free-ride" period is provided during which the consumer may pay his outstanding balance and avoid the imposition of a finance charge.

The bill also relaxes the requirement that creditors fully identify all open end purchases by making an exception where small creditors are involved who do not have sufficiently automated billing equipment. Merchants with fewer than 15,000 open end accounts would not be required to identify the goods purchased on their monthly statements if an identification was previously furnished and the creditor treats any inquiry as an erroneously billed amount under the Fair Credit Billing Act. While this would result in somewhat less billing information to the consumer, the committee believes this is offset by the requirement that any billing inquiry be treated as an erroneously billed amount. Thus, during the period of any inquiry, the consumer would incur no finance charges for the purchase in question.

The bill would also reduce the flow of paperwork associated with the act's requirement that consumers be mailed a notice of their billing rights twice a year. The committee believes that consumers are now sufficiently familiar with these rights that mailings can be reduced to an annual basis.

Section 14. *Other than open end disclosures.*—This section contains amendments pertaining to "closed-end" (single transaction) credit, such as auto or home improvement loans, designed to simplify the disclosures given to consumers.

The bill would reduce the number of disclosures by eliminating itemization of the amount financed (the amount borrowed) and the finance charge. The security interest disclosure is also simplified to eliminate the technical disclosure of the type of security interest taken. In addition, the act would be amended to eliminate the need to describe the method of rebating unearned interest upon prepayment, substituting a simple statement of whether a rebate is required in such circumstances. The consumer would also be told to refer to the contract's provisions for more detail.

Eliminating itemization of the amount financed and finance charge, will result in less information communicated to the consumer. On the other hand, the disclosure statement will be less crowded and more likely to draw the consumer's attention. The committee agrees with the Federal Reserve Board that this tradeoff is beneficial in that "informational overload" is a problem with the number of disclosures presently required. It is also the committee's belief that the reduced number of disclosures will not diminish the act's usefulness as a shopping tool.

In order to assure that disclosures are presented in a clean format, the section requires that no other data be intermingled with this information. The committee believes this is an important facet of simplification in that truth in lending information will be highlighted by being set off from other data.

This section would also make disclosures more meaningful to the consumer in mortgage transactions in two respects. First, the creditor would be required to give truth in lending disclosures within 3 days after receiving a consumer's written application. This requirement dovetails with provisions of the Real Estate Settlement Procedures Act which require estimated closing costs to be provided in such a manner. Under current law, truth in lending disclosures are provided for the first time at the real estate closing, making them all but useless for credit shopping. Also, the bill adopts the Federal Reserve Board's recommendation that mortgage disclosures include the finance charge, total of payments, and a statement of whether the mortgage debt is assumable. Current law does not require disclosure of the finance charge and total of payments in mortgage transactions, on the assumption that these figures might appear so forbidding that consumers would refrain from purchasing homes. The committee believes this concern is dubious and is refuted by experience in Massachusetts and Maryland, where such disclosures are now required by State law.

In short, the committee believes full disclosure to the consumer to be a wiser course. The disclosure of whether a mortgage obligation is assumable is a new requirement recommended by the Federal Reserve Board which the committee believes would be useful in shopping for mortgage credit.

Section 15. *Civil liability.*—This section is intended to restrict the scope of creditor civil liability for statutory penalties to only those disclosures which are of material importance in credit shopping. The committee believes this will eliminate litigation based on purely technical violations of the act. Administrative liability and civil liability for actual damages would continue to attach to all the act's requirements.

In closed-end credit, a statutory penalty of $100 to $1,000 would attach only to rescission requirements and disclosure of the amount financed, finance charge, annual percentage rate, total of payments, number, amount, and due dates of payments, and the security interest statement. Thus, the creditor will not be subject to a statutory penalty for more technical requirements.

With regard to open end credit, statutory penalties would continue to attach to most current disclosures. The committee believes that this is appropriate because of the importance of this information and less creditor difficulty with compliance. The bill would, however, eliminate liability for disclosure on the monthly billing statement of the date and identity of a purchase on the ground that the Fair Credit Billing Act (chapter 4 of the act) provides an adequate consumer remedy. Should the amount of the purchase be incorrect, however, statutory penalties would attach, as the monthly closing balance would be inaccurate.

The committee is of the belief that the current $100 minimum statutory penalty in civil actions should remain in the Act for two reasons. First, the scope of civil liability for this penalty would be substantially reduced so that only those terms which are central to a credit transaction are covered. These disclosures are so important in credit shopping that a creditor who gives inaccurate information should face a definite penalty. In addition, without a fixed penalty, there will be many instances where actual damages alone will provide little or no effective remedy for the consumer who relied on inaccurate disclosures to his detriment.

This section would also eliminate ambiguity as to a creditor's maximum liability in multiple class actions. Where several class actions are instituted against a creditor as a result of the same disclosure violation, the bill makes clear that the creditor's maximum aggregate liability could not exceed $500,000 or 1 percent of net worth, whichever is less. The committee believes the federal judiciary will determine through its own procedures how multiple class actions should proceed.

The bill also makes explicit that a consumer may institute suit under section 130 to enforce the right of rescission and recover costs and attorney's fees in a successful action.

The defense to civil liability under section 130(b) has been amended to expand from 15 to 60 days the time in which the creditor may appropriately adjust the consumer's account after discovering an error in order to avoid civil liability. The committee believes the current 15-day limit does not provide adequate time where open-end accounts are involved.

The defense for bona fide errors in section 130(c) would also be amended to provide that a bona fide error may include calculation and clerical errors as well as computer errors and faulty programing. The committee intends this amendment to provide protection where errors are clerical or mechanical in nature. The committee does not intend this defense to apply to errors which result from erroneous legal judgments as to the act's requirements.

Finally, this section addresses defensive truth in lending claims by consumers in two

respects. First, section 130(h) is amended to state explicitly that an action under the act by a consumer who is then in default of the underlying obligation is not, by itself, a prohibited offset. Also, a provision is added permitting actions in recoupment or offset beyond the one year statute of limitations, except where otherwise provided by State law or rules of civil procedure.

Section 16. *Liability of assignees.*—This section eliminates two uncertainties under present law as to an assignee's liability for an original creditor's violation of the act.

Under present law, an assignee is generally liable only where a violation is "apparent on the face" of the disclosure statement. What types of violations are covered is unclear. This section provides that violations are apparent on the face of a disclosure statement when disclosures are inaccurate or incomplete based on the statement or other documents involved, and where incorrect terminology is utilized.

In addition, this section eliminates ambiguity on the question of assignee liability for rescission by stating explicitly that a consumer's exercise of this right is effective against an assignee. Without such protection for the consumer, the right of rescission would provide little or no effective remedy.

Section 17. *Correction of billing errors.*—This section incorporates into the act two provisions contained in Regulation Z.

First, the definition of "billing error" for the purposes of the Fair Credit Billing Act is amended to provide that failure to send a periodic statement to the consumer's last known address is a billing error, unless the address was furnished less than 20 days before the end of the billing cycle. Regulation Z provides for 10 days of leadtime, but the committee believes 20 days is more compatible with the data processing changes necessary.

In addition, the bill provides that during the time a billing entry is in dispute, the creditor's statement may continue to show the amount in dispute and any finance charges which may be accruing. The committee believes that as a result of this provision, Regulation Z should be amended by the Board to require appropriate notice on such statements indicating that while finance charges are shown as accruing, if an erroneous billing has occurred, such charges will be expunged.

Section 18. *Liability of credit cardholder.*—This section eliminates the act's current requirement that creditors who issue credit cards provide the consumer with a postage-paid self-addressed envelope for use in notifying the creditor in the event the card is lost or stolen. Available data indicate that few consumers who lose a credit card notify the card issuer by mail because contact by telephone is more convenient and more likely to minimize the consumer's liability for unauthorized use. By deleting the requirement of a postage-paid envelope and requiring instead a notice of how to contact the creditor, an unnecessary creditor cost will be eliminated without increased risk to the consumer.

A technical change is also made with regard to consumer liability for unauthorized credit card uses. The act's present wording relieves a consumer from further liability after he notifies the card issuer of the loss of his card. This section would amend the wording to provide that the consumer's liability would be curtailed after the card issuer is made aware of the loss, regardless of who actually notifies the creditor.

Section 19. *Dissemination of annual percentage rates.*—This section requires the Federal Reserve Board to initiate a pilot project to determine the feasibility and value of "shopper's guides to credit." These publications would be issued in metropolitan areas periodically, preferably monthly, and would list the annual percentage rates charged by all creditors in that area for common types of loans. The Board is authorized to contract with qualified groups or State officials to carry out this responsibility.

The committee believes that shopper's guides to credit have the potential to be of great benefit, both as a shopping tool for consumers and as a stimulus for increased competition among lenders.

In carrying out this responsibility, the committee expects the Board to consult with the Massachusetts Banking Commissioner and other State officials or private groups with experience in this type of project. In addition, the committee believes that shopper's guides should have a brief explanation of what an annual percentage rate is, as well as other information which is likely to be helpful when wisely shopping for credit.

Upon completion of the project, the committee expects the Board of report in detail on the scope of its project, the content of its shopper's guides, the response by consumers and creditors, the project's effect on competition, and what other measures might be helpful in increasing rate dissemination to consumers and stimulating rate competition.

Section 20. *Credit advertising.*—This section is intended to loosen current restrictions on credit advertising in the hope of enhancing creditor competition.

With regard to open-end credit, the bill eliminates the requirement that all advertising contain certain disclosures, such as the method of determining the balance upon which a finance charge will be imposed, which are complex and lengthy. Instead, only two disclosures (any minimum or fixed fees and the annual percentage rate) would need to be disclosed, with the Board having authority to set additional requirements. The committee expects the Board to balance the benefits of eased advertising with the need to prevent deceptive solicitations.

In the closed-end area, the bill eliminates the requirement that all advertisements state the cash price or amount of loan involved and gives the Board authority to determine what terms of repayment need to be disclosed.

Section 21. *Credit balances.*—This section increases a creditor's responsibilities to a consumer when a credit balance is credited to a consumer's account. Under current law, the creditor is required to credit the consumer's account and refund the balance on request. The bill adds the requirement that the creditor make a good faith effort to refund the balance to the consumer if it remains in the account for more than 6 months.

The scope of this section has also been broadened so that it would apply to any type of credit account, not just open end accounts. In addition, its provisions would apply not only where a balance results from excess payments, but also from rebates of unearned finance charges or insurance premiums.

Section 22. *Government exemption.*—This section is designed to redress the problem of creditor liability for truth in lending violations contained in forms issued or approved by a Federal agency.

The bill would specifically relieve a creditor from any civil or criminal liability where a violation of the act or any State law resulted from the use of documents required by a Federal agency. By "required," the committee intends to cover forms issued or specifically mandated by an agency. It is not intended to cover forms which are required only in a general sense and which the creditor himself is free to draft.

In addition, those agencies which prepare or require certain forms would be required to consult with the Board to assure compliance with the Act. The committee believes this will promote the highly desirable objective of interdepartmental coordination in the area of consumer credit disclosure.

Section 23. *Oral disclosures.*—This section provides that in response to oral inquiries about the cost of credit, a creditor shall state rates only in terms of an annual percentage rate. Where a finance charge consists primarily of simple interest (such as in a mortgage transaction), the creditor may also state the simple interest rate. The Federal Reserve Board is authorized to provide an exception to these requirements for transactions where the creditor is unable to determine the annual percentage rate in advance.

This is a new provision designed to address the widespread failure of creditors to quote rates orally in terms of an annual percentage rate. This was a recommendation of the Federal Reserve Board and the National Commission on Consumer Finance.

Section 24. *Effective date.*—These amendments would take effect 2 years from enactment. All regulations and forms required of the Board would be promulgated 1 year after enactment. Any creditor would be free to comply with these amendments prior to their effective date.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. NUNN):

S. 109. A bill to require the reinstitution of procedures for the registration of certain persons under the Military Selective Service Act, and for other purposes; to the Committee on Armed Services.

DRAFT REGISTRATION

Mr. HARRY F. BYRD, JR. Mr. President, I am introducing today, along with the Senator from Georgia (Mr. NUNN), a bill to require reinstitution of draft registration.

The bill would not reestablish a peacetime draft. The bill would, however, revitalize draft registration procedures and give assurance that the Selective Service System could meet the demands of mobilization in the event of need.

The evidence is overwhelming that Congress must act to reinstitute draft registration. Repeated studies by a variety of Government agencies have all pointed to the same conclusion. Draft registration and bringing the Selective Service machinery out of "deep standby" are steps which have become important to national security.

In November of last year, Gen. David Jones, Chairman of the Joint Chiefs of Staff, disclosed that the Joint Chiefs recommended revival of peacetime draft registration. General Jones pointed out that a major factor in the Joint Chiefs' recommendation had been the discovery of several severe problems in mobilization which were encountered during test mobilization exercises.

The Joint Chiefs found that mobilization of Reserve Forces and expansion of the peacetime, All-Volunteer Regular Forces could not be accomplished within sufficient time to guarantee required force levels in a crisis.

The basic conclusions of the Joint Chiefs have, since November, been reinforced by additional study.

On December 26, 1978, the General Accounting Office completed and released its very thorough review of the operations of the Selective Service System and of the System's present ability to meet Defense Department needs.

According to the GAO, if the United States had to mobilize for war, it would

take 125 days to get only the first 100,000 inducted soldiers into training. The Department of Defense has stated the requirement for 100,000 inductees within 60 days of mobilization.

But the Selective Service System itself advised the GAO that, under current plans and budget, it would take at least an extra 65 days to provide that many new soldiers for training. A delay of that magnitude, in a crisis, could cause defeat.

Since by law minimum training before combat has been set at 12 weeks, the period between mobilization and induction is the primary variable in determining the time needed to reach the theater of operations.

During 1977, the Selective Service System reported that 110 days would be needed before the first inductee could be called to active duty and 150 days would elapse before the first 100,000 could be put into the training process.

Although the 125 days now reported shows slight improvement over the earlier figures, the basic problem is the same. If any of these figures are correct, almost 7 months could be needed before the first draftee reached the theater of operations.

Other estimates are less grim but still suggest the need for action. The Office of Management and Budget currently estimates 58 days needed before the first draftee could enter training. Similarly, the Congressional Budget Office estimates the first inductee in training at between 65 and 95 days after mobilization.

Now, Mr. President, all of these timelags are too long. Whichever estimate is correct, the times projected are all unacceptable. In each case, the major cause of the lag estimated is the time required to reestablish a Selective Service System structure and to complete the selection process prior to initiating induction.

Without effective prior registration and classification, according to the December GAO report on mobilization, in order to get the first 100,000 soldiers, the Selective Service System would be forced to issue without full prior review not 100,000, but 600,000 induction notices.

Of the 600,000 individuals notified, an estimated 400,000 would be unavailable, either because of deferments or postponements to which they would be entitled under law or, in the case of an estimated 70,000 of the 400,000, because of failure to report.

Another 100,000, making a total of 500,000 not used, would be rejected as unfit on physical, mental, or moral grounds.

Because of the application of the Privacy Act to the Selective Service System, the system cannot maintain lists of individuals which might be available in the files of other agencies. As a result, induction notices sent under present plans cannot be based on any form of premobilization screening unless normal peacetime registration is reinstituted.

Now, Mr. President, before going further and to understand these defects, we should consider the recent history of the Selective Service System.

At the conclusion of the Vietnam war some 5 years ago, the draft was ended. Terminating the draft at that time was not an unwise course of action.

However, since that time some 5 years ago, in addition to the termination of the draft, the Selective Service System itself has been virtually dismantled and reduced to a hollow shell.

Although section 3 of the Military Selective Service Act distinctly provides for draft registration whether or not there is a draft in effect, President Ford suspended registration by assuming authority to suspend under the provision of the act allowing the President by proclamation to declare the times and places for registration.

President Ford reportedly had in mind only a temporary suspension for the purpose of studying the system.

In any event, the Carter administration has continued the suspension imposed by President Ford, and through inaction, Congress, too, has acquiesced in the executive branch decision.

But recognition of an immediate need for action has become increasingly widespread.

On January 11, 1979, the Secretary of the Army, Clifford Alexander, Jr., in a speech in Phoenix, Ariz., went solidly on record favoring revival of peacetime draft registration. Secretary Alexander noted the need for this precautionary step because of serious weaknesses in the mobilization readiness of Reserve component forces.

The Secretary stated:

> I think we need a better system than the one we now have for making the transition from our peacetime volunteer force to a wartime force based on conscription.

He added that, "A useful step in that direction would be to provide for peacetime registration."

I am glad, Mr. President, that the Secretary of the Army has come forward with this frank statement of the present state of affairs. I approve of his judgment that, in light of the virtual nonexistence of the Selective Service System, we, in the Secretary's words,

> may find that we are unable to respond quickly enough because we have neglected to take some basic precautions.

The legislation proposed by Senator NUNN and myself would provide for these basic precautions. It would not reinstitute the draft, but it would insure that there is in operation a Selective Service System capable of meeting the basic mobilization requirements of our national defense plans.

I look forward to consideration of this bill and related legislation in the Committee on Armed Services. I am hopeful that, after a careful and full review, the committee will soon report back to the Senate this bill or a similar proposal.

A failure to reinstitute some form of draft registration during this Congress would be a mistake. It would be a mistake that in a future crisis might very seriously jeopardize the security of the United States.

Therefore, while I do not believe we should take this action in haste, I do urge that the issue be faced squarely and given our best response at the earliest opportunity.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Military Selective Service Act (50 App. U.S.C. 453) is amended by inserting "(a)" before "Except at the beginning of such section and by adding at the end of such section a new subsection as follows:

"(b) The President, within 120 days after the date of enactment of this subsection, shall institute procedures for the registration of citizens and other persons in accordance with the provisions of this title. After registration procedures have been instituted under this subsection, the President may thereafter suspend the registration of persons under this title only for the purpose of revising existing registration procedures or instituting new registration procedures, but in no event may the President suspend or otherwise discontinue the registration of persons required to be registered under this title for a period of more than 90 consecutive days, and in no event may the President suspend or otherwise discontinue registration under this title more than once in any one year period.".

By Mr. NELSON (for himself, Mr. FORD, Mr. HUDDLESTON, Mr. PELL, Mr. SASSER, Mr. WEICKER, and Mr. STEWART):

S. 110. A bill to amend the Internal Revenue Code of 1954 to provide accelerated and simplification depreciation for small business; to the Committee on Finance.

SMALL BUSINESS DEPRECIATION REFORM ACT OF 1979

Mr. NELSON. Mr. President, in behalf of myself, Mr. FORD, Mr. HUDDLESTON, Mr. PELL, Mr. SASSER, and Mr. WEICKER, I am introducing a bill to reform the depreciation system for small business.

I ask unanimous consent that the bill, technical analysis, and a chronology of the bill be reprinted following my remarks, together with a text of the bill. With the exception of certain technical matters, such as a later effective date, the bill is identical to amendment No. 4483 to H.R. 13511—the Revenue Act of 1978—which passed the Senate on October 10, 1978.

WHAT THE BILL WOULD DO

This bill would permit any business to recover more rapidly capital which it has invested in machinery and equipment. It would allow tax deductions for the full amount of the purchase—up to a limit of $25,000 per year—over a 3-year period, rather than the 10½ years which is the average under current law. The full investment credit would continue to apply. This simplified system would be optional and not mandatory. It could be applied to all or any part of the first $25,000 of equipment, but only if the business wished to use it. The analysis of the bill following my remarks explains the various technical aspects of this measure.

We have heard from many small businessmen, tax practitioners, and even the Internal Revenue System, that this system would make possible a massive simplification of one of the two most complicated areas of the law.

BACKGROUND

This proposal evolved over 4 years as a result of a series of over 20 public hearings on small business tax reform in the Senate Small Business Committee. It benefited from thorough preparation and thoughtful recommendations by several prestigious small business organizations extensive research and studies by tax, financial, and computer specialists inside and outside of the Congress. Further refinement took place during the legislative debate in 1978.

In the latter part of 1977, the committee recommended this concept to the administration and urged that 3-year accelerated depreciation for up to $100,000 to $200,000 worth of equipment annually became part of the administration's 1978 tax program. It was supported by 30 small business organizations.

Our own bill recommending the $100,000 was first introduced in March 1978 (S. 2742). It was refined and approved by the Senate on October 10, 1978, by a vote of 62 to 25.

This measure was, however, eliminated in the House-Senate conference. At the same time, the conference eliminated a House passed depreciation relief measure which would have expanded the deduction for a bonus first year depreciation available under section 179 from $2,000 to $5,000. This provision did not have the simplification features of the Senate measure but would have afforded some relief to small business. So, although both Chambers passed small business depreciation improvements, neither became part of the final legislation.

A more detailed chronology of these matters follows my remarks.

ACCELERATED DEPRECIATION WOULD RESULT IN MASSIVE SIMPLIFICATION

Some years ago, the Internal Revenue Service advised the committee that one of the most complex areas of the law was depreciation. Depreciation and inventory accounting are the two leading causes of errors on small business tax returns. As a result, knowledgeable IRS officials have informally favored simplification of the depreciation rules for smaller businesses. Simplification would make sense for the Government as well as for small business. Both sides must expend an inordinate amount of time, money, and patience in filling out and processing the millions of forms that are involved with these deductions. The Internal Revenue Service estimates that business and individual taxpayers spend about 613 million hours filling out tax forms. An inordinate amount of time is wasted by small business owners trying to understand and to calculate depreciation under a system which is most appropriately applied to large companies. They make large purchases of property and have large accounting staffs.

Statistics tell us that of all of the businesses which purchase equipment in any one year, about 80 percent are likely to spend less than $25,000. One of the intriguing questions in this area is what percentage of time IRS uses up in overseeing very small purchases of equipment. We are trying to obtain an answer to this question.

But, from the viewpoint of governmental efficiency, depreciation reform promises vast improvements, and, probably, significant savings in tax costs.

However, from the perspective of the small businessman who must comply with the law, wrestle with the regulations and fill out the forms, and then justify everything to the audit afterward, depreciation reform is really an urgent necessity.

There are over 100 pages of small print regulations governing how any particular piece of equipment will be classified and how long a useful life can be taken for depreciation purposes. The agonizing routine of determining the proper depreciation deduction is approximately as follows:

Selecting the correct useful life on the basis of these 100 pages;

Grappling with additional regulations on ADR to determine whether that life can be shortened by 20 percent;

Figuring out what salvage value to use;

Electing a depreciation method under section 167 from among straightline or sum of the digits or declining balance (which may be either 100 percent, 125 percent, 150 percent, or 200 percent depending upon whether the property is new or used and whether it is real estate or personal property);

Applying half month or half-year conventions;

Taking the 20-percent bonus depreciation under section 179.

Adjusting the resulting figure for the proportion of the year for which the property was in service; and

Repeating this process for every single piece of equipment on the premises.

Everyone who has ever gone through this knows that depreciation accounting is "cruel and unusual punishment."

And, after the tax return is filed, is the business entitled to some respite? No, because the Internal Revenue Service can, and often does, come along and challenge his choice of useful life or salvage value or depreciation method. Where this occurs, the time, expense, and aggravation mounts to levels which are clearly disproportionate to the amount of potential tax revenues involved.

As a result, depreciation is usually handled by accounting and tax specialists who are highly trained, highly patient, and highly compensated.

We are, therefore, telling the millions of new and small businesses of this country that they must themselves endure this painful process every year or pay dearly to have somebody do it for them before they recover their hard-earned capital to maintain their businesses.

Thus, every study—and there has been a series of them, in 1954, 1959, 1963, and 1971—show that smaller businesses which possess depreciable assets have always lagged far behind the larger firms utilizing the specialized capital recovery or depreciation provisions which became part of the law. At least half of the 14 million U.S. businesses take only the simplest kind of straight line depreciation because the effort required to take advantage of the sophisticated provisions is just not worth it to them.

A graphic example is the asset depreciation range (ADR) system which was enacted in 1971. In fiscal year 1979 ADR will result in about $2¾ billion in tax savings. A study by the U.S. Treasury Department (based on 1974 data) shows that only seven-tenths of 1 percent of all corporations, or 11,042 corporations out of a total of 1.6 million, elected to use this system which shortens the useful life of assets by up to 20 percent.

A table below reflects that 94 percent of the firms with over $1 billion worth of assets use ADR. But, for the 93.3 percent of the firms that have assets of less than ½ million, only 1 percent used ADR.

It might thus be said that big business already has its accelerated depreciation—reducing its 10½ year average to 8½ years. Although ADR is theoretically available to everybody, small business does not use it under present conditions and I doubt that many small businesses would use it under any conditions.

Use of ADR accelerated depreciation by size of business

Size of total assets	Total number of firms in population	Firms electing ADR	
		Number	Percent
$1 to $500,000	1,493,000	5,482	1.0
$500,000 to $1M	56,000	1,064	2.0
$1M to $5M	42,000	1,788	5.0
$5M to $10M	5,000	665	13.0
$10M to $50M	4,000	991	38.0
$50M to $100M	625	304	49.0
$100M to $200M	396	242	61.0
$200M to $300M	156	107	69.0
$300M to $600M	203	167	82.0
$600M to $1B	88	80	91.0
Over $1 billion	166	152	94.0
Total	1,601,634	11,042	.7

* NOTE.—Only 0.7 percent of all corporations or 11,042 corporations out of 1,601,634 corporations surveyed elected to use ADR. Moreover, only one-half of one percent of all corporations with less than $5 million in total assets elected ADR.

Source: 1974 Statistics of Income, Department of Treasury.

Thus, the practicalities, the equities and commonsense cry out for a drastic simplification of the depreciation system for all businesses, but at least for the millions of business enterprises which are classified as small business and which can least afford the time, expense, and irritations of the present complex system.

WOULD ADJUST CAPITAL RECOVERY SYSTEM FOR INFLATION

The theory of the tax depreciation deduction is that a businessman should recover the money he invests over the useful life of an asset, so that the machine can be replaced and the business can modernize and survive.

Under the present law, the average waiting period for the full recovery of such capital investments is about 10½ years.

Now, what is happening to prices during this period of a decade?

Tabulated below are the overall inflation rates for each of the last 10 years.

Overall inflation rate—1968 through 1977

Year:	Percent increases
1968	4.6
1969	5.1
1970	5.3
1971	5.0
1972	4.2
1973	5.8
1974	9.7
1975	9.6
1976	5.2
1977	5.9

Source: Economic Report of the President (1976, Table B-3—implicit price deflators for gross national product . . . etc., page 175.) Updated by Senate Small Business Committee.

The economists tell us that the overall rate of inflation for that decade ending December 1977, was 79 percent. When 1978 figures become available, the 10-year average will probably look even worse.

So this is what a small business owner faces if he is required to wait 10 years to recover all of the money he or she has invested in equipment. The dollar received in the 10th year will be worth about 20 percent of what was invested. At the same time the cost of the equipment that must be purchased as a replacement probably costs at least 80 percent more.

This is a double squeeze on the scarce funds of small businesses.

It means that instead of recovering capital for renewal, modernization, or hopefully expansion, the tax system is forcing small business to consume the slim resources he has been able to accumulate in the past.

WOULD ASSIST WITH CAPITAL FORMATION NEEDS OF SMALL BUSINESS WHICH ARE MOST ACUTE

We have heard much in recent years the crisis in capital formation. The senior partner of Goldman-Sachs testified at our capital formation hearings in February 1978, that $300 billion a year in investment capital is needed if we are to keep the U.S. industrial system operating efficiently. (Testimony of John C. Whitehead, "Capital Formation, part I," February 8, 1978, pages 113–135 and 189–197.) That is about 15 percent of gross national product—almost 50 percent more than we have been accustomed to investing in recent years.

As serious as such capital shortages may be, overall they are most stringent for smaller and independent business.

In October, 1977, Business Week reported that—

> For some years now . . . capital market(s) have been pretty much open only to the nation's big companies . . . the top 1,000 or so largest corporations.

With inflation, the amount of capital needed to enter a business or remain in a business have grown dramatically. For example, in 1960, a young couple could purchase an average farm for $51,000, which was about five times the medium U.S. family income. By the late 1970's, the average farm costs $171,000, which is 12½ times the current medium-family income.

Studies of the tax foundation and the Conference Board have indicated the amount of capital needed to support a production worker in the average manufacturing job doubled in the decade between 1963 and 1973 to level of about $41,000.

So, while business capital needs have gone up astronomically, the channels for small business capital formation have practically closed down. In 1969, we have found that there were 698 newly registered stock issues by companies net worth of less than $5 million. For the 4 years between 1974 and 1977, there were a total of only about 61 such stock issues.

In the committee's initial hearings on capital formation on February 8, 1978, the American electronics industry testified that member companies formed in the 1970's could raise only half the initial capital of companies founded in the 1960's. One highly promising small U.S. technology company went to 80 sources of capital between 1970 and 1973 and came away empty-handed. As a result, the firm was forced to sell half the company to Japanese investors for $5 million to raise the needed money.

The AEA made an excellent case that the changes in the tax law in 1969 and 1976 changed the balance between risk and reward. In 1969, the earned income was taxed at 70 percent and capital gains at 25 percent. By 1976, the earned income rate had fallen to 50 percent and the maximum capital gain rate has increased to 49.125 percent. AEA experience demonstrated that investors would not accept the ever-increasing financial risk of new enterprises without more adequate differential between risk and reward than was provided by current tax policy.

As a result of the ensuing public debate and action in the House and Senate, the increase from 50 to 60 percent inclusion of capital gains which I originally offered in the Senate was enacted effective November 1, 1978, the maximum capital gains tax rate was reduced to 28 percent.

Hopefully, this will induce an increase industrial investment with some of this capital finding its way to new small and medium-size independent businesses. But, with external capital so scarce, tax policy should not impose burdens on recycling of the capital which a business has accumulated through its past efforts.

When a decision must be made to commit either externally or internally generated capital, the overriding consideration is the time over which it can be recovered. Now that waiting period is 10½ years and the inflation rate is nearly 8 percent a year. Thus, for new, small, and growing enterprises the present complex and prolonged depreciation system is yesterday's answer to the pressing problem of today.

DEPRECIATION REFORM SHOULD BE HIGH PRIORITY

Any analysis of the sources of investment capital in the United States spotlights the importance of tax depreciation. For the 6-year period 1973–78, net new equity stock issues totalled $7.8 billion per year. During that same period, business borrowing in credit markets added up to an average of $72.1 billion annually, nearly 10 times as much. But, the cash supplied by depreciation deductions in the same years averaged approximately $112 billion per year, 40 percent more than equities and borrowings combined. (Chapter on "Capital Formation," 29th Annual Report of the Select Committee on Small Business, U.S. Senate, forthcoming.)

So, the Senate must confront the question of what can be done with our depreciation system if we are serious about wanting to facilitate capital formation.

One business and financial authority has recently examined this question. In Senate testimony last year, Federal Reserve Chairman William Miller, gave accelerated depreciation the highest priority for any tax change. (Revenue Act of 1978, hearings before the Senate Finance Committee, September 6, 1978, part 5, page 1173 et seq.). His reasoning was as follows:

> Inflation is our most important economic concern today. . . .
>
> The only way I know that we are going to break the cycle of wages chasing prices and prices chasing wages is to begin to realize productivity gains so that prices do not have to go up in order to maintain profitability.
>
> Capital accumulation is a critical ingredient in the long-range growth of labor productivity and the raising of living standards.
>
> . . . Throughout the 1970's, the ratio of capital stock to labor has fallen ever shorter of its earlier growth trend line, and this, undoubtedly, has been a significant factor in the slower growth of productivity that we have experienced over this period. . . .
>
> *Accelerated depreciation is a very efficient way to encourage investment.* The tax benefits of faster depreciation accrue to a firm only after new plant and equipment has been put in place. In addition, enlarged depreciation allowances would redress the serious drag on real corporate profitability that has occurred in recent years as inflation has caused replacement costs to exceed depreciation deductions by a wide margin. (Emphasis added).

In my opinion, the chairman has made a convincing case.

WOULD MAKE THE UNITED STATES MORE INTERNATIONALITY COMPETITIVE

The U.S. dollar lost about 14½ percent of its value in the past year. A direct result was the decision of the OPEC nations to raise prices by that amount over the next year. Accordingly, our business and tax policies in this country must take into account what is happening in the international arena and what our competitors are doing.

Canada has inaugurated a 2-year depreciation system for most equipment purchases, large and small. In Britain, the capital recovery period is a single year. Most industrialized countries in Europe and elsewhere have recognized economic realities and departed from the "useful life" concept which is traditional in this country.

One manifestation of the tough competition is the series of recent purchases of small U.S. high technology firms which may be the keys to future billion dollar industries.

A list of such acquisitions is set forth below:

RECENT ACQUISITIONS IN U.S. HIGH TECHNOLOGY COMPANIES BY FOREIGN CAPITAL

U.S. Company	Product description	Interest purchased, price, etc.	Acquiring company (nationality)
Advanced Micro Devices (California).	Design, manufacture, and marketing of advanced integrated circuits, notably microprocessors.	17 pct (largest stockholder) $22.5 million, 86 pct premium, October 1977.	Siemens AG (West Germany).
Amdahl Computer Co. (California).	Large-scale computers, more powerful than top of IBM line.	36 pct (seed equity capital)	Fijitsu (Japan).
American Microsystems (California).	MOS large-scale integrated circuits for automotive industry, computer memories and peripherals and for telecommunications equipment.	25 pct $14.2 million, 92 pct premium, June 1977.	Robert Bosch GmbH (West Germany).
Dan Ray (Texas)	Sophisticated electronic telephone switching	100 pct	Northern Telecom (Canada).
Dana Laboratories (California).	Digital voltmeters and multimeters, digital weight indicators	$3.5 million, 100 pct, October 1977.	Racal (British).
Data 100 (Minnesota)	Remote batch terminal systems	$15 million, 21 pct, 69 pct premium, November 1977.	Northern Telecom Ltd. (Canada).
Entrex (Massachusetts)	Data entry subsystems (replacement of keypunching).	$22 million for 100 pct	Nixdorf (West Germany).
Interdesign, Inc. (California).	Design engineering, manufacture of customs integrated circuits.	$2 million, 100 pct, January 1978.	Ferranti Ltd. (British).
Intersil (California)	Large-scale integrated circuits for telecommunications equipment.	$2.4 million "equity buy-in"	Northern Telecom, Ltd. (Canada).
Litronix (California)	Advanced semiconductors	$7.5 million for "controlling interest".	Siemens AG (West Germany).
Milgo	Data communications equipment	$61 million, early 1977	Racal (British).
Rigid Vinyls Division of Union Carbide.	Sole supplier of the envelopes used for floppy discs.		U.S. subsidiary of Hoechst (Germany).
Siliconix (California)	Field effect transistors, large-scale integrated circuits, VMOS, specialty semiconductor components.	25 pct, $6.1 million, paid 30 pct premium, January 1978.	Lucas Industries, Inc. (British).
Solid State Scientific (Pennsylvania).	Producer of advanced C/MOS and other semiconductors.	25 pct	VDO Adolf Schindling AG (West Germany).
Sycor (Michigan)	Distributed data entry and processing systems	12 pct with option to buy up to 35 pct of firm, December 1977.	Northern Telecom, Ltd. (Canada).
System Industries (California).	Unique imaging technology to convert electronic signals to images on plain paper for copying, facsimile, and computer output.	$5 million for 50 pct (of subsidiary, Silonics, Inc.).	Konishiroka (Japan).

Sources: Electronic News, Oct. 10, 1977 and Jan. 2, 1978; San Jose Mercury, January 1978; The Engineer, Jan. 19, 1978 (a British publication).

The testimony before the Small Business Committee is that these companies would prefer to keep their technologies in this country, but they are unable to raise the capital here.

Our committee recently published a report (S. Rept. 95–1413; December 28, 1978) which established that new and small companies consistently account for about half of the industrial innovations, and they do it at a far smaller cost per scientist and engineer. Companies with less than 1,000 employees are 4 times more efficient than companies with between 1,000 and 10,000 employees, and 24 times more efficient than companies with over 10,000 employees in producing innovations.

So if we want to keep open the avenues for American resourcefulness and competitiveness, we must revise our tax structure to adjust for inflation with respect to investment in prime new and growth firms.

Beyond that it is also vitally important to keep our system open for the new firms which are not so glamorous, but serve to fulfill the needs for essential and desirable goods and services, and to keep the American dream of business ownership open for all of our citizens.

REVENUE CONSEQUENCES OF THIS MEASURE

We learned last year that the change to a 3-year, $25,000, full investment credit depreciation system, the revenue effects peak at about $2½ billion and then decline substantially in subsequent years to the neighborhood of $1½ billion. The full estimates are contained in the technical analysis of the bill, below. These are what are called first order revenue effects. They do not take into consideration the boost to the economy from the faster recovery of invested funds nor the purchase of additional machinery which the new system encourages.

Accelerated depreciation stimulates the economy in the most productive ways. The depreciation deduction would only be taken after industrial machinery or equipment is purchased. No tax deduction would be taken unless this machinery and equipment is actually producing things for the company that bought it. Further, the sale of those machines has already generated profits and employment for the companies that sold, transported, and installed them and taxes on those profits for several levels of government.

We hope to report to the Senate later this year on the econometric effects of accelerated depreciation. There is growing awareness that this kind of feedback information is necessary for any balanced consideration of tax proposals.

But even on the first order revenue basis accelerated depreciation for small business would cost considerably less than is involved with accelerated depreciation for large business under ADR at this time.

ALTERNATIVES ARE FAR LESS ATTRACTIVE

Under these circumstances, our Nation has several alternatives in the tax depreciation area.

We could continue the present system with all of its present disabilities for small business, but we need not do so.

If we stand pat, the demands for more sweeping measures to cope with inflation will continue to grow every year.

The two most talked about alternatives in the past have been "indexing basis" and "replacement costs accounting."

Indexing basis would mean that every year the asset values on the books for each piece of equipment and machinery would have to be increased by the "gross national product deflator," or some other statistical measure of inflation. Then all of the present depreciation calculations we have listed would be applied to the increased base.

Replacement costs accounting has been talked about for many decades. Unlike indexing, this does not rely on any published statistic. It would involve predictions ranging many years into the future as to the prices of machinery at the time of replacement. With gains in technology and changes in operating methods, predictions of this kind are very uncertain. Yet, the Securities and Exchange Commission has begun to require such projections from the 1,000 largest companies, because they feel that the present depreciation system may be misleading investors in today's inflationary environment.

It seems to be that to stack indexing of basis or replacement cost accounting on top of the complexity we already have

would make the whole area of capital recovery mind-boggling complex. It would put small business further behind in its efforts to survive and remain profitable and competitive.

SUMMARY: COMPELLING CASE FOR ENACTMENT OF SMALL BUSINESS DEPRECIATION REFORM

Every tick of the inflation clock brings the country closer to the moment when we must choose how we will adjust our tax policy for the ravages of inflation. Every month's balance-of-payments report brings us nearer to the decision to make our tax and financial policies more internationally competitive.

Every day letters arrive in senatorial offices pleading for simplification of the tax laws. The business community is asking for some "peace of mind" so they can devote their energies to productive uses rather than struggling with complicated regulations and tax forms. It is a reasonable request.

In my opinion, this bill offers a sound and reasonable system that could eliminate one of the two worst sources of complexity for 80 percent of the businesses in this country. It responds to many of our highest priority national needs. A compelling case has been made for accelerated and simplified depreciation for small business. I believe it would be a landmark reform in the structure of U.S. business taxes. It is my hope that Congress will enact such a measure within the next 2 years.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD, together with a section-by-section analysis of the bill and a chronology of the small business depreciation reform legislation.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Depreciation Reform Act of 1979".

SEC. 2. Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(q) THREE-YEAR USEFUL LIFE, STRAIGHT-LINE DEPRECIATION.—

"(a) GENERAL RULE.—In the case of a taxpayer who has made an election under this subsection for the taxable year, the term 'reasonable allowance' as used in susbection (a) means (with respect to property which has a useful life of 36 months or more) an allowance based on a useful life of 36 months computed under the straight-line method (within the meaning of subsection (b)(1)).

"(b) $25,000 BASIS LIMITATION.—For purposes of this subsection, the basis (as determined under subsection (g)) of property placed in service during the taxable year shall, to the extent such basis exceeds $25,000 for the taxable year, not be taken into account.

"(c) ELECTION.—An election under this subsection for any taxable year shall be made at such time, in such manner, and subject to such conditions as may be prescribed by the Secretary by regulations."

"(d) LIMITATION.—

(1) GENERAL RULE.—Subject to the exception provided by subparagraph (2), the provisions of this section shall not apply to property to which an election under section 179 applies.

(2) EXCEPTION.—The provisions of subparagraph (1) shall not apply to that portion of the basis of property placed in service during the taxable year which exceeds $25,000 for the taxable year."

SEC. 3. Subsection (c) of section 46 is amended by adding at the end thereof the following new paragraph:

"(1) APPLICABLE PERCENTAGE IN THE CASE OF THREE-YEAR USEFUL LIFE, STRAIGHT-LINE DEPRECIATION.—Notwithstanding subsection (c)(2), in the case of property with respect to which an election under section 167(q) applies, the useful life of any such property for purposes of this subpart shall be the useful life determined without regard to section 167(q).".

EFFECTIVE DATE

SEC. 4. The amendment made by sections 2 and 3 of this Act shall apply in the case of property acquired after the date of enactment of this Act and placed in service in taxable years ending after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF THE SMALL BUSINESS DEPRECIATION REFORM ACT OF 1979

OVERALL CONSIDERATIONS

This bill, the "Small Business Depreciation Reform Act of 1979", is structured as an amendment to Section 167 of the Internal Revenue Code which presently provides the conditions under which a taxpayer can take depreciation deductions as a "reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescences)" of property used in business, trade, or held for the production of income.

The bill would permit such deductions covering the entire cost of purchase of any machinery and equipment up to $225,000 each year over a three-year period.

Both section 167 and this bill apply to all 14 million U.S. business enterprises, whether incorporated and unincorporated.

Except for title, numbering changes, and modification of effective date, the substance of the bill is identical to Amendment No. 4483, which passed the Senate on October 10, 1978 by a vote of 62–25 (Congressional Record pages 35214–35237).

SECTION-BY-SECTION ANALYSIS

Section 1. *Title.* The bill is identified as the "Small Business Depreciation Reform Act of 1979."

The term "reform" is used in connection with two aspects of the bill: (1) major simplification for 80 percent of business which purchases less than $25,000 worth of machinery annually; and (2) significantly more rapid recovery of capital for this small and medium-sized segment of the business community which accounts for 55% of private employment, 48% of business income, 43% of GNP, and half of all industrial innovations.

Section 2. *Statement of Proposal.* This section sets forth the substantive changes proposed in the law of depreciation, as follows:

Subsection (a) *General Rule.* Personal property, i.e., machinery and equipment, could be written off in a three-year (36 month) beginning at the date of purchase.

Existing conventions of tax accounting at the time would apply, so that for example, for an asset placed in service on July 1st, 1/6 could be written off on the first calendar or tax year, 1/3 in the second year; 1/3 in the third year, and the remaining 1/6 during the fourth year.

The *Simplification Mechanism.* For all property to which the above General Rule would apply, simplification would be achieved by way of a definition of the term "reasonable allowance" which limits depreciation methods to "straight-line"—the simplest technique. This would preclude use for electing small business of alternate methods set-forth in Section 167(b) (such as "declining balance," which in turn, includes 125 percent declining balance, 150 percent declining balance, 200 percent declining balance) for various types of new or used real or personal property; sum of the digits; and other methods envisioned by a general subsection of 167(b).

Subsection (b) *Maximum Annual Amount.* The $25,000 basis limitation limits the amount of property which can be depreciated under this three-year straight-line simplified method to $25,000 of purchases each tax year.

The full $25,000 would be available in every subsequent year. So $25,000 of equipment purchases would be eligible under this section every year.

It would be permissible also for the businesses to elect to treat the first $25,000 under this simplified system, and the remainder of the property purchased under any other method consistent with existing law and regulations.

In other words, existence of this section would not take alternatives away from any business or individual taxpayer; it would simply provide this additional option.

Subsection (c). *Election of Simplified Method.* This optional nature is made clear in this subsection. The exact number of election would be in regulations to be prescribed by the Secretary of the Treasury.

Subsection (d). *Limitation of Bonus Depreciation under Section 179.* In order to assure thorough simplification, and also to avoid a double benefit, property which is depreciated under the three-year system would not receive additional bonus first-year depreciation under Section 179.

Section 179 would, however, remain in effect for property to which the three-year method was not elected. Subsection (d)(2) makes explicit the availability of Section 179 to those purchases which exceed $25,000 limitation for any year in question.

Section 3. *Availability of Full Investment Credit.* This section spells out the relationship between simplified depreciation and the Investment Credit. It assures that whether or not the simplified three-year depreciation is applied, the taxpayer will be entitled to a full investment credit as provided now or as modified at anytime in the future.

In other words, a business would not forego any part of the investment credit by electing this simplified system.

Section 4. *Effective Date.* This section provides that the bill would go into effect as to property purchased after the date of enactment of the bill and placed in service after the date of enactment of this bill.

REVENUE CONSIDERATIONS

"First order revenue effects," estimated by the Congressional Joint Tax Committee are as follows, assuming the first year after enactment would be 1980:

[Millions of dollars]

Calendar year:	
1980	200
1981	1,100
1982	2,300
1983	2,700
1984	2,400
1985	2,000
1986	1,700

These figures are a measure of both lessened tax collections and commensurate tax savings by business.

Some adjustment would be in order for a later date of enactment.

More significant is that the economic activity spurred by the more rapid recovery of capital would produce increased business and individual taxes which would serve as an offset to first order revenue figures. Such an econometric analysis is necessary for a balanced assessment of the fiscal consequences of this measure.

PAPERWORK CONSIDERATIONS

This bill would result in a massive reduction of paperwork, which would be felt both on the taxpayer and government levels.

CHRONOLOGY OF SMALL BUSINESS DEPRECIATION REFORM LEGISLATION

1. Summer 1975. Senate Small Business Committee opens hearings on "Tax Reform for Small Business," June 17–18–19, 1975, and begins work with business groups to explore improvements to depreciation/capital formation.

2. July 31, 1975. Senator Nelson summarizes first round of hearings in testimony to House Ways and Means Committee, as follows:

"*Capital Recovery.*—These provisions of the Code should be greatly simplified so they will be more equally useable by businesses of smaller sizes and resources. Complexity is as much a problem as inflation for new and smaller firms seeking to recover their capital for renewal of existing plant and equipment. The Committee hopes to delve more deeply into comparisons between the Canadian and American capital recovery systems, and the proposals for accelerated capital recovery costs versus inflation-indexed accounting."

3. Sept. 23, 1975. Second series of hearings on Small Business Tax Reform beginning September 23, 1975, featured the following: panel of witnesses on capital formation and capital recovery: Panel Members: Norman B. Ture, Economic Consultant, Washington, D.C.; Michael Sumichrast, Chief Economist, National Association of Home Builders; Roland M. Bixler, President, J. B. T. Instruments, Inc., and Chairman, Small Business Tax Policy Task Force, National Association of Manufacturers; David Barnes, CPA, Coopers and Lybrand, Chairman, Tax and Government Regulation Committee, Council of Smaller Enterprises, Cleveland, Ohio; Jerry T. Jones, President, Sonicraft Corp., Chairman, Board of Directors, National Association of Black Manufacturer; and Charles W. Rau, Director of Taxation, Allis Chalmers Corp., Chairman, Taxation Committee, Wisconsin State Chamber of Commerce, and also representing the Wisconsin Manufacturers Association and Metropolitan Milwaukee Association of Commerce.

The representatives of the Council of Smaller Enterprises presented a paper entitled "Present Tax Depreciation Rules are Yesterday's Answer to Today's Problem" which concluded: "Present tax depreciation rules and regulations need to be overhauled and replaced with progressive programs that provide small business concerns the flexibility to internally generate capital by employing a liberal, noncumbersome, rapid depreciation write-off method which will maximize depreciation charges in times when funds are needed for expansion."

Mr. Rau, representing several Wisconsin business groups, furnished detailed tables showing how much capital would be "lost to inflation" on purchases of equipment assuming either 5 percent or 10 percent inflation rates under the most favorable existing depreciation structures. On this basis, Mr. Rau advocated 5-year depreciation for industrial machinery and a 10-year period for plant and other real estate facilities.

4. 1975. H.R. 7543 introduced in the House of Representatives by Rep. Waggonner proposing 5-year depreciation for equipment and 10-year depreciation for real estate without limitation as to amount.

5. 1976. Preliminary revenue estimates on 2- 3- and 4-year depreciation obtained from Joint Tax Committee. Contract let by Senate Small Business Committee to Wharton Econometric Forecasting Associates to do econometric study of accelerated depreciation. Preliminary discussion of alternatives by Senator Nelson.

6. October 17, 1977. Senator Nelson presents memorandum to President Carter and Vice President Mondale on this date recommending three-year accelerated depreciation at $100,000 to $200,000 level with one-third of investment credit retained; in the following terms:

CAPITAL COST RECOVERY

Because most small businesses use straight-line depreciation, the Committee proposes an optional simple straight-line depreciation system, with a shorter useful life—perhaps three years—for investments in new or used equipment up to an appropriate level (perhaps $100,000 to $200,000). Where this system is elected, it would eliminate the complicated combination of bonus depreciation, ADR, and rapid depreciation and amortization methods, investment credit, salvage value, disputes about useful life, and recapture provisions for smaller businesses. It would relieve much of the pressure for "indexing" depreciation or substituting replacement cost accounting in the future. It is contemplated that this benefit would be available to businesses of all sizes, but that it would be simple and understandable and therefore attractive to, and most used by the great majority of small enterprises, for whom it would constitute a true reform in this important area.

7. December 1977. Informal memos with preliminary computer estimates of revenues and tax savings for 3-year accelerated depreciation at $50,000 and $100,000 levels sent to high Administration staff officials for consideration.

8. January 1978. Suggestion for 3-year accelerated depreciation at $100,000 to $200,000 levels placed before the Senate, "Shortage of Capital Causing Flight of U.S. Technology to Foreign Countries—Overhaul of Tax and Capital Formation Policies Urgently Needed for Small Business", Senate remarks by Senator Gaylord Nelson, *Congressional Record*, Jan. 4, 1978. pe. 19968.

9. March 1978. Introduction by Senator Nelson of $100,000 three-year accelerated depreciation bill at $100,000 of purchases with one-third of investment credit retained (S. 2742) "Small Business Depreciation Simplification and Reform Act", *Congressional Record*, March 14, 1978, page S3672–73.

10. September 1978. On basis of computer revenue estimates, the decision was made to increase to full investment credit and lower purchase limit to $25,000. This leads to introduction of S. 3493 on September 12, 1978.

10. October 1978. S. 3493 cast in Amendment form: No. 3690, No. 4483 and others for procedural reasons, "Accelerated and Simplified Depreciation for Small Business", *Congressional Record*, October 3, 1978.

11. Oct. 10, 1978. Amendment No. 4483—3-year $25,000 accelerated depreciation passes Senate on 62–25 rollcall vote, *Congressional Record*, October 10, 1978, page 17941.

12. Oct. 15, 1978. Senate accelerated depreciation provision eliminated in House-Senate conference because of out-year revenue costs.

13. January 1979. Reintroduction of 3-year accelerated depreciation bill at $25,000 with full investment credit, substantially identical to Amendment No. 4483 except for technical changes.

By Mr. BUMPERS:

S. 111. A bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress; to the Committee on the Judiciary.

TO MAKE FEDERAL AGENCIES MORE RESPONSIVE

● Mr. BUMPERS. Mr. President, in the past two sessions of Congress I introduced a bill to amend the Administrative Procedure Act to make Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress. I first introduced the bill (S. 2408) in the 94th Congress and the bill was referred to the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary. The chairman of the subcommittee, the distinguished Senator from Massachusetts (Mr. KENNEDY), held hearings on S. 2408 on May 3, 1976, at which I testified.

Later, when S. 800, another administrative-law bill, passed the Senate, the Senator from Massachusetts and I discussed S. 2408 on the floor of the Senate. At that time Mr. KENNEDY agreed to solicit the views of the bench and bar on this proposal, and I announced my intention to reintroduce the bill promptly on the convening of the 95th Congress.

I introduced S. 86 on January 10, 1977. The bill was identical to S. 2408 of the 94th Congress. The Senate Judiciary Committee did not hold hearings on S. 86 during the 95th Congress.

I remain firmly convinced that legislation of this nature is sorely needed. Therefore, Mr. President, I introduce for appropriate reference S. 111, a bill identical to S. 2408 of the 94th Congress, and S. 86 of the 95th Congress.

The bill would accomplish two ends: It would direct the courts to decide for themselves, without deference to so-called administrative "expertise," all issues of law, and it would reverse the traditional presumption that agency regulations are valid. For convenient reference, I ask unanimous consent that the text of the bill be printed in full at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the portion of Public Law 89–554, (80 Stat. 393), now codified as Section 706 of Title 5, United States Code, is amended by striking out the first sentence thereof and substituting therefor the following:

"To the extent necessary to decision and when presented, the reviewing court shall decide de novo all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action. There shall be no presumption that any rule or regulation of any agency is valid, and whenever the validity of any such rule or regulation is drawn in question in any court of the United States or of any State, the court shall not uphold the validity of such challenged rule or regulation unless such validity is clearly and convincingly shown: *Provided, however,* That if any rule or regulation is set up as a defense to any criminal prosecution or action for civil penalty, such rule or regulation shall be presumed valid until the party initiating the criminal prosecution or action for civil penalty shall have sustained the burden of proof normally applicable in such actions."

Mr. BUMPERS. Mr. President, present doctrines of administrative law insure that almost every rule or regulation adopted by a Federal agency is upheld in the courts. There is a presumption, it is said, that such rules or regulations are within the authority granted by Congress, or by Executive order, to the particular agency involved. It is my view that there should be no such presumption, and that administrative law has come to the point where the traditional doctrine should be reversed. The burden should be upon the Federal agency, which has at its command the resources of the sovereign, to establish the validity of its own action, instead of being placed upon the citizen to prove the reverse.

The bill I introduce today would do just that. First of all, it would restore the courts to their normal law-interpreting and law-applying role in our system of Government. It would insert the words "de novo" in the first sentence of 5 U.S.C. 706, the sentence that concerns decision by the courts of questions of law in actions to review Federal agencies. Courts could still defer to administrative "expertise," if there is in fact such a thing, when deciding issues of fact, and the traditional "substantial evidence" rule applied to such issues would be undisturbed.

In the realm of law, however, the supremacy of the courts, who are sworn to apply and enforce the statutes of Congress, would be restored. A decision by an agency on an issue of law would no longer be upheld simply upon a finding that there is "warrant in the record" for it. The court would actually use its own judgment on such issues. Furthermore, the presumption in favor of the validity of agency rules and regulations would be eliminated, and the burden of establishing this validity would be shifted to the agency, a party better able to bear it. Only if a court were clearly and convincingly persuaded, for example, that a given rule or regulation was within the power delegated by Congress, would the rule or regulation be upheld.

In this way, Congress would be confirmed as the true and only source of legislative power in our society. Only those agency rules and regulations clearly within the congressional mandate would remain intact. Finally, a proviso in the bill would make clear that the traditional heavy burden of proof borne by the prosecution in criminal cases and, to a lesser extent, by the United States when seeking to enforce a civil penalty, would not be altered. In these instances, if a defendant asserted an agency rule or regulation in bar of a criminal prosecution or action for civil penalties, the opposing party, usually the United States, would still have to sustain the burden of proof usually associated with these kinds of enforcement proceedings.

A number of persons and groups have been kind enough to review this proposal and offer their views. I am disappointed that some of these comments are unfavorable, but I nonetheless appreciate the time and effort they represent, because they do give me a chance to examine anew the justification for the bill, and to consider with care the objections that have been raised.

Two law professors are among those who have commented—Nathaniel L. Nathanson of Northwestern and Clark Byse of Harvard—in their capacity as members of the Committee on Judicial Review of the Section of Administrative Law of the American Bar Association. In general, their objections to the bill are twofold: First, that courts are not in fact so deferential to the agencies as I have claimed, and second, that in any event they are no more deferential than they should be. In order that the full record may be laid before the Congress and the public, I ask unanimous consent that Profesor Byse's letter of September 16, 1976, and Professor Nathanson's letter of September 8, 1976, be printed in full in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HARVARD LAW SCHOOL,
Cambridge, Mass., September 16, 1976.

FRANCIS M. GREGORY, Jr., Esq.,
Washington, D.C.

DEAR MR. GREGORY: The receipt of a copy of Nat Nathanson's September 8 letter to you emphasizes my failure to reply to your inquiry re S. 2408, and so, amends, herewith.

In general, I agree with Nat's observations. More specifically, there is reason to believe that the proponents of the measure are proceeding on the basis of mistaken perceptions.

1. See 121 Cong. Rec. S. 16578, 1st col. (Sept. 24, 1975), where the holding of NLRB v. Hearst is discussed. For the correct analysis of Hearst, see Nat's article in * * * and L. Rev. 470–473 (1950), reprinted in Gellhorn and Byse, Administrative Law Cases and Comments 450–451 (6th ed. 1974). See also enclosed reprint, pp. 564–567. It is conceivable that the proponents of S. 2408 want courts to exercise a de novo review concerning administrative decisions on matters which Congress has rather clearly delegated to the agencies for decision by them. If that is their objective, I must, with all deference, say I think that would be most unwise. As the Court said in United States v. Louisville and Nashville, R.R., 235 U.S. 314, 321 (1914), under such a view "the Commission would become but a mere instrument for the purpose of taking testimony to be submitted to the courts for their alternate action." The Court rejected that view in 1914. I do not believe that it should be resurrected in 1976.

2. I think that the government lawyers, who appear before the District of Columbia Circuit—would hardly agree that that court fails to discharge its judicial responsibility to determine the scope of discretion delegated to the agency by Congress. Judge Leventhal insists upon a "hard look" and a "reasoned decision"; Chief Judge Bazelon embraces the "new era." Although undoubtedly there are judges or panels of judges or courts which at times fail to discharge their reviewing responsibilities, I do not think this is a general weakness which needs the corrective action proposed by S. 2408. It seems to me that it is not accurate to state that courts are guily of "virtually rubber-stamping every agency action that comes before them for review"—see Congressional Record S. 11350, col. 3, 1st 2 lines (July 1, 1976). My judgment on the matter is stated in the last sentence of the enclosed reprint.

3. I am not as confident of the point I now address as perhaps I should be. However, my impression is that the courts have shifted, or are in the process of shifting, from the view that regulations are presumptively valid. See, e.g., *Chicago* v. *FPC*, 458 F. 2d 731 (D.C. Cir. 1971), cert. denied 405 U.S. 1074 (1972), discussed in Gellhorn and Byse, supra, pp. 736–737.

I conclude that although there may be a problem concerning presumptive validity of rules, as presently advised I rather doubt it. If there is such a problem, it should be demonstrated. The proponents have not made such a demonstration. Until there is such a demonstration, there is no need to consider a remedy. When and if such a problem is demonstrated, the remedy should be tailored to fit the problem. The present proposal is thus premature.

I conclude further that there is no need for a statutory change in the APA provisions governing review of so-called questions of law.

Sincerely,

CLARK BYSE

NORTHWESTERN UNIVERSITY
SCHOOL OF LAW,
Chicago, Ill., September 8, 1976

FRANCIS M. GREGORY, Jr., Esq.
Suite 800, 1666 K Street, N.W.
Washington, D.C.

DEAR FRANK: In further reference to your letter of July 21, 1976, and the enclosures, particularly S. 2408, I just want to say that I am not at all impressed with the desirability of such an amendment to the APA. I say this with some regret since Senator Bumpers is an alumnus of ours for whom I have considerable affection and regard.

In substance the bill seems to reopen an ancient controversy which, I believe, has been satisfactorily resolved in actual practice; namely, how much deference a reviewing court should pay to an administrative agency's determination of a question of law, particularly one involving an interpretation of the agency's authorizing statute or one of its own regulations. I doubt that any statutory formulation can improve upon the guidelines laid down in leading Supreme Court opinions, such as Cardozo's opinion in Norwegian Nitrogen Products v. United States, 288 U.S. 294 (1933), Jackson's opinion in Skidmore v. Swift Co., 323 U.S. 134 (1944), the Frankfurter opinion in Addison v. Holly Hill Fruit Products Co., 322 U.S. 607 (1944) and more recently the opinions in Mourning v. Family Public Service, Inc., 411 U.S. 356 (1973) and Morton v. Ruiz, 415 U.S. 199 (1974). I am particularly suspicious of a statutory provision that makes use of the cryptic phrase "de novo" with all its uncertain connotations.

So far as I am aware the federal courts have not been giving blind obeisance to administrative determinations of law in recent years. Consequently I am curious about the stimulus for this particular proposal. The Congressional Record excerpt, attached to your communication, suggests that there is concern over the rulemaking power of the F.T.C., and certain new enforcement powers of the F.T.C. regarding their own orders. With respect to the rulemaking power, the statute provides considerable procedural protection, and deserves at least a trial period; judicial review of the validity of the rules is assured and there is no reason to believe it will be only a formality. With respect to enforcement of orders against respondents who were not parties to the original proceeding, that particular provision should be debated on its own merits and not made the occasion for a sweeping change in fundamental principles of judicial review.

I trust that this is sufficient to start a meaningful committee dialogue on the subject.

Sincerely,

NATHANIEL L. NATHANSON.

Mr. BUMPERS. Mr. President, I am especially struck by Professor Nathanson's belief that "the Federal courts have

not been giving blind obeisance to administrative determinations of law in recent years," and by Professor Byse's "impression * * * that the courts have shifted, or are in the process of shifting, from the view that regulations are presumptively valid." These opinions call in question the very predicate for my bill—that courts in most cases are deferring to agencies, even on questions of law—so it seems appropriate to begin the debate by examining the present state of the law at some length. The questions to be answered are, "Do courts defer to agencies on questions of law," and "Is an agency regulation presumed valid?"

A number of opinions of the Supreme Court are in accord with the rule of *NLRB* v. *Hearst Pubs., Inc.*, 322 U.S. (1944), that an agency's interpretation of its own governing statute is to be upheld if it is reasonable and has warrant in the record, regardless of whether the court would itself have reached the same conclusion as an original matter. In Hearst, the question was whether newsboys are "employees" within the meaning of section 2(3) of the National Labor Relations Act, 29 U.S.C. section 152(3), as opposed to independent contractors. In upholding the Board, the Supreme Court said:

> Undoubtedly questions of statutory interpretation, especially when arising in the first instance in judicial proceedings, are for the courts to resolve, giving appropriate weight to the judgment of those whose special duty is to administer the questioned statute . . . but where the question is one of specific application of a broad statutory term in a proceeding in which the agency administering the statute must determine it initially, the reviewing court's function is limited . . . the Board's determination that specified persons are "employees" under this Act is to be accepted if it has "warrant in the record" and a reasonable basis in law. (322 U.S. at 130–31.)

The key phrase "warrant in the record" appears to come from *Rochester Tel. Corp.* v. *United States*, 307 U.S. 125 (1939), in which the question was whether one company had "control" of another within the meaning of section 2(b) of the Communications Act of 1934, 47 U.S.C. 152(b). The Court held that the agency's decision on this issue must be upheld:

> So long as there is warrant in the record for the judgment of the expert body it must stand. (307 U.S. at 145–46.)

It should be observed, however, that the Court characterized the question of "control" as an issue of fact, so the Hearst court's use of this citation can be questioned.

The wide latitude given to the NLRB by Hearst is further illuminated by the dissenting opinion of Mr. Justice Roberts. Taking what might have been thought, at least at one time, the more orthodox view, he argued:

> Congress did not delegate to the NLRB the function of defining the relationship [of employment] so as to promote what the Board understood to be the underlying purpose of the statute. The question who is an employee, so as to make the statute applicable to him, is a question of the meaning of the Act and, therefore, is a judicial and not an administrative question. (322 U.S. stat 125–26.)

To the same effect is *Gray* v. *Powell*, 314 U.S. 402 (1941), involving the meaning of the term "producer" under the Bituminous Coal Act of 1937, 50 Stat. 72. The statute did not expressly define this term. On undisputed facts, the agency's interpretation and application of the statutory term were upheld. The Court spoke rather broadly of the range of power committed to the agency:

> In a matter left specifically by Congress to the determination of an administrative body, . . . the function of review placed upon the courts . . . is fully performed when they determine that there has been a fair hearing, with notice and an opportunity to present the circumstances and arguments to the decisive body, and an application of the statute in a just and reasoned manner. (314 U.S. at 411.)

> Where, as here, a determination has been left to an administrative body, this delegation will be respected and the administrative conclusion left untouched. Certainly, a finding on Congressional reference that an admittedly constitutional act is applicable to a particular situation does not require such further scrutiny. Although we have here no dispute as to the evidentiary facts, that does not permit a court to substitute its judgment for that of the Director . . . It is not the province of a court to absorb the administrative function to such an extent that the executive or legislative agencies become mere fact-finding bodies deprived of the advantages of prompt and definite action. (Id. at 412.)

> In short, the agency will be upheld unless its conclusion "is so unrelated to the tasks entrusted by Congress to the Commission as in effect to deny a sensible exercise of judgment. . . ." (Id. at 413.)

Another famous opinion often cited for a similar proposition is *Norwegian Nitrogen Prods. Co.* v. *United States*, 288 U.S. 294 (1933). The question there was whether the notice and hearings afforded by the U.S. Tariff Commission were "reasonable" within the meaning of section 315 of the Tariff Act of 1922, 42 Stat. 858, 941. In upholding the Commission, the Court, speaking through Mr. Justice Cardozo, said:

> True indeed it is that administrative practice does not avail to overcome a statute so plain in its commands as to leave nothing for construction. True it also is that administrative practice, consistent and generally unchallenged, will not be overturned except for very cogent reasons if the scope of a command is indefinite and doubtful. The practice has peculiar weight when it involves a contemporary construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new. (288 U.S. at 315.)

The Supreme Court has continued to elaborate the doctrine in more recent cases. A good example is *Mourning* v. *Family Pubs., Inc.*, 411 U.S. 356 (1973). Section 121 of the Truth in Lending Act, 15 U.S.C. 1631, requires creditors to disclose certain information "to each person to whom consumer credit is extended and upon whom a finance charge is or may be imposed * * *" In addition, under section 105 of the act, 15 U.S.C. 1611, the Federal Reserve Board "shall prescribe regulations to carry out the purposes of (the Act). These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of (the Act), to prevent circumvention or evasion thereof, or to facilitate compliance therewith." The Board thereupon issued regulation Z, requiring disclosure of the specified information whenever credit is offered to a consumer "for which a finance charge is or may be imposed or which pursuant to an agreement, is or may be payable in more than four installments." (12 C.F.R. 226.2(k) (1972)).

A rather clear issue was thus drawn as to the power of the Board to issue regulations going beyond the terms of the statute as strictly parsed. Under the statute, a person is entitled to certain information, including the annual rate of simple interest, if two requirements are met. First, consumer credit is extended to him; and second, a finance charge is or may be imposed on this credit. Regulation Z, by contrast, specifically requires disclosure even if a finance charge is not imposed, if the obligation is payable in more than four installments pursuant to an agreement. The Court upheld the rule, relying particularly on the broad command to the Board to prescribe regulations not only to effectuate the purposes of the act, but also to prevent circumvention or evasion thereof.

> We have consistently held that where reasonable minds may differ as to which of several remedial measures should be chosen, courts should defer to the informed experience and judgment of the agency to whom Congress delegated appropriate authority. (411 U.S. at 372.)

It may be conceded that the force of the general rules here quoted varies with the individual circumstances and situations to which they are applied. How broadly the statute is worded, whether it is newly enacted, the specific terms of the statute's command to issue regulations, the technical complexity of the subject matter, whether a regulation is "interpretative" or "legislative," all these factors are relevant to the latitude that the courts are willing to concede. On the whole, however, the law may be accurately summarized by the following quotation from *Udall* v. *Tallman*, 380 U.S. 1, 16 (1965):

> When faced with a problem of statutory construction, this court shows great deference to the interpretation given the statute by the officers or agency charged with its administration. "To sustain the commission's application of this statutory term, we need not find that its construction is the only reasonable one, or even that it is a result we would have reached had the question arisen in the first instance in judicial proceedings."

A multitude of cases in the lower courts can be cited to sustain the same general proposition. For present purposes, it suffices to mention a few examples. *Gulf Oil Corp.* v. *Hickel*, 435 F. 2d 440, 444–45 (DC Cir. 1970) ("Deference is properly accorded by a court to administrative interpretations of statutes and regulations, unless plainly erroneous or inconsistent with the law or regulation,"); *Housing Auth. of the City of St. Paul* v. *United States*, 432 F. 2d 455, 458–59 (Ct. Cl. 1970) ("In a number of cases this court has also held that it can invalidate such a regulation only if it clearly contradicts the terms or purposes of the new statute."); *E. W. Coslett & Sons, Inc.* v. *Bauman*, 354 F. Supp. 330, 332–33 (E.D. Pa. 1973) (deferring to a Federal agency on an issue of State law!); *City of Burlington* v. *Turner*, 336 F. Supp. 594, 602 (S.D. Iowa 1972) (deferring to the agency even where there is a dearth of expertise and the statute in question has neither been continuously interpreted nor examined contemporaneously with its enactment).

In practice, this doctrine can cede to administrative agencies, a branch of Government hardly contemplated by the Constitution, a share of the judicial power. It is hornbook law that Congress may not actually delegate legislative power to any other person or agency. What the agencies are doing, therefore, must be the interpretation and executive of law made by Congress. In deciding whether their actions accord with the will of Congress, assuming that a factual finding on which a certain proposal may be predicated has been made, the agencies must, as a matter of logical necessity, be construing and interpreting law. This is a traditional and proper function of the judiciary, and, to the extent that the courts affirm construction of statutes that they would not themselves have adopted as an original matter, they are abdicating one of their most important duties.

On the second question, whether rules and regulations issued by Federal agencies are entitled to a presumption of validity, my differences with Professors Byse and Nathanson are, if anything, sharper. In particular, Professor Byse has the "impression * * * that the courts have shifted, or are in the process of shifting from the view that regulations are presumptively valid." In support of this opinion he cites *City of Chicago* v. *FPC*, 458 F. 2d 731 (D.C. Cir. 1971), cert. denied, 405 U.S. 1074 (1972). The Federal Power Commission had decided to set gas rates on an area-wide basis, using composite cost data from all of the producers in a given area, instead of setting rates for an individual producer, based upon that producer's own costs. The question arose whether the area-rate system should be applied to pipeline companies as well as to so-called independent producers of gas. The Commission decided to apply the area system to the pipeline companies, and the Court of Appeals affirmed this decision. Although Professor Byse's letter and casebook, Gellhorn & Byse, Administrative Law: Cases and Comments 736–37 (6th ed. 1974), both assert that the case is contrary to the traditional doctrine of presumptive validity, I must say that a thorough reading of the opinion fails to disclose any such tendency to me.

The casebook goes so far as to claim that city of Chicago repudiates the Supreme Court's opinion in *Pacific Box & Basket Co. v. White*, 296 U.S. 176 (1935). That was a unanimous opinion delivered by Mr. Justice Brandeis, in the course of which the Court said that there is "a rebuttable presumption of the existence of a state of facts to justify the exertion of the police power," 296 U.S. at 185. Referring to a regulation of a State administrative agency, the Court added:

> But where the regulation is within the scope of authority legally delegated, the presumption of the existence of facts justifying its specific exercise attaches alike to statutes, to municipal ordinances, and to orders of administrative bodies. (*Id.* at 186.)

As I have already noted, nothing in city of Chicago appears contrary to this rule. It would not make any difference in any event, because an opinion of a court of appeals, even a recent one, surely cannot have enough force to overrule one of the Supreme Court. In any case, recent opinions of the Supreme Court, as well as lower Federal courts, prove that the presumption of validity is still a vital doctrine of law. A few examples will suffice.

Probably the leading recent case on judicial review of agency action is *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402 (1971). In the course of a wide-ranging opinion strictly limiting the area in which agency action is not reviewable at all, the court reaffirmed traditional dogma:

> Certainly, the Secretary's decision is entitled to a presumption of regularity. See, *e.g., Pacific States Box & Basket Co.* v. *White*, 296 U.S. 176, 185 (1935); *United States* v. *Chemical Foundation*, 272 U.S. 1, 14–15 (1926).

The origin of the rule may be in a generalized presumption, long dear to courts, that any official act is regular and lawful. Chemical Foundation, cited by the Court in Overton Park, states:

> The presumption of regularity supports the official acts of public officers and, in the absence of clear evidence to the contrary, courts presume that they have properly discharged their official duties. (272 U.S. at 14–15.)

This presumption operates not only on the overall question of validity of agency action, but also with respect to certain subsidiary issues that may be raised in a suit to overturn an agency's determination. A common issue in such cases, for example, is whether an agency's ruling in a particular case is a departure from its own precedents. There is a presumption, the Court has said, that the policies of Congress will be carried out best if these administrative precedents are adhered to:

> There is, then, a presumption that . . . [the] policies [committed to an agency by Congress] will be carried out best if the settled rule is adhered to. From this presumption flows the agency's duty to explain its departure from prior norms.

Atchison, T. & S. F. Ry. v. *Wichita Bd. of Trade*, 412 U.S. 800, 808 (1973) (opinion of Marshall, J, joined by four Justices and announcing the judgment of the Court).

Cases in lower courts announcing the same rule are legion. Many such cases are in the District of Columbia, perhaps the most frequent forum for suits against Federal administrative agencies. A typical statement is contained in *Maryland-National Capital Park & Planning Comm'n.* v. *Lynn*, 514 F. 2d 829, 834 (D.C. Cir. 1975) (per curiam): "* * * there is a judicial presumption of the validity of administrative action and the burden was upon the [plaintiff] * * * to overcome that presumption." *Accord, e.g. Air Transport Ass'n of America* v. *Federal Energy Office*, 382 F. Supp. 437, 453 (D.D.C. 1974) ("Moreover, the party attacking the regulatory scheme carries the burden of persuasion."); *United Black Fund. Inc.* v. *Hampton*, 352 F. Supp. 898, 903, (D.D.C. 1972) ("It should be noted * * * that there is judicial presumption of the validity of administrative action, that the burden is on a plaintiff to overcome that presumption, and that the Court will uphold such action if it has a rational basis.")

Mr. President, it would unnecessarily lengthen this statement to add the citations of all the other cases that are to the same effect, but I have collected them in an appendix, including representative quotations, and I commend the appended list to the attention of my colleagues. All of the cases in the list are recent. As a matter of fact, I made an effort to single out all of the cases decided by the Federal courts in the last 5 years on this point, and they are remarkably uniform in their teaching. I feel sure that anyone reading these opinions with an open mind cannot fail to reach the conclusion that the presumption of administrative correctness is an untrenched doctrine of judge-made law, not likely to be changed or even substantially modified in the absence of an act of Congress.

One other specific objection to the bill should be addressed. Professor Nathanson dislikes "the cryptic phrase 'de novo' with all its uncertain connotations." I find this attitude surprising, in view of the fact that the Administrative Procedure Act itself, 5 U.S.C. section 706(2)(F), already requires reviewing courts to set aside agency action that is "unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court." The Freedom of Information Act, 5 U.S.C. section 552(a)(3), also uses the phrase. As a matter, this act provides, in language that is a strong legislative precedent for the proposal I am making today: "In such a case (where an agency has withheld documents) the court shall determine the matter de novo and the burden is on the agency to sustain its action." The committee reports on the FOIA contain strong supportive language that is also applicable to the present bill:

> That the proceeding must be de novo is essential in order that the ultimate decision as to the propriety of the agency's action is made by the court and to prevent it from becoming meaningless judicial sanctioning of agency discretion (S. Rep. No. 813, 89th Cong., 1st Sess. 8 (1965)). See also H.R. Rep. No. 1497, 89th Cong., 2d Sess. 9 (1966).

In any case, the meaning of the phrase "de novo" is plain and obvious. It means that the courts will decide issues of law anew, without deference to previous agency determinations. Some such phrase must be added to the statute if present judicial practice is to be changed. The Administrative Procedure Act, 5 U.S.C. 706, already provides that "the reviewing court shall decide all relevant

questions of law * * * (and) interpret constitutional and statutory provisions. * * *". That language, though plain enough, has not sufficed to require courts actually to decide issues of law for themselves.

A word should also be said about the objection of the Judicial Conference of the United States. Its position is simple enough: it opposes the bill because it does not want any more work to do. Mr. President, I am a little taken aback by this attitude, which hardly becomes a public servant. The judges, like the rest of us, should accept the tasks they are assigned and do their duty. At any rate, the answer to this objection, if it is a fact that the courts' workload will increase, is not to junk a needed reform, but to give the courts the manpower they need to do the job.

The question remains, after all the legal argumentation over precedents and other technical points is done with, "Is there a need for a change in the law?" Put another way, have agencies become so powerful today that they should be checked? This is not a question of law, strictly speaking, at all, but a question of Government, or politics. If there is an issue of public policy on which there is a broader consensus in this country, I am unaware of it. A glance at only a small portion of the mail that comes into congressional offices each day will suffice. The theme of over-regulation recurs with at least as much frequency as any other. Nor does the voice of complaint come only from businessmen who, it might be thought, have an economic motive for their desire to shake the restraints of Government.

Citizens' groups of all kind, environmentalists, consumers, unions, and others, are unanimous in complaining that Government, most often manifested in regulations issued by executive or administrative agencies, has become too intrusive. For agencies to concern themselves with how close toilets should be to farmworkers, or with whether a school's "dress code" can allow girls to have longer hair than boys, is nothing but ridiculous.

What is to be done about it? Most opponents of my proposal suggest that Congress created the problem and should therefore be responsible for solving it. In pointing the finger of blame at the legislative branch, they are correct, and I would be the last to dispute it. Beginning at least as early as the creation of the Interstate Commerce Commission in 1887, and continuing with ever greater intensity since the coming of the New Deal, Congress has avoided many hard choices simply by delegating much of its work to independent or executive agencies. Most of this delegation has escaped constitutional censure because it was accompanied by some standards of action, however vague; but the fact remains that Congress, by giving the agencies such latitude, is responsible, at least vicariously, for much of the agencies' abuse of office.

Why then should Congress not correct its own errors? The answer is that it should, at least by the extent of being stingy about creating new agencies or delegating new powers to existing ones. Congress ought to rest from creation for a while, and I suspect such a respite would meet with universal public approval. As to those laws and agencies that already exist, the matter is not so simple. Congress could, in theory, review all the existing statutes and repass them, this time making more particular and specific the mandate of each agency.

The difficulty is that each of the broad legislative grants of power to agencies have already been particularized by the agencies themselves. These surrogates for Congress have spun out whole codes of regulations and interpretations, most of which have the force of law. Each of these specifications has acquired its own constituency of support, and it is not realistic to expect an elected Congress to tackle the massive task of reviewing the whole complex of administrative edicts now on the books.

One other possibility of congressional action for the future should be addressed. A number of bills were introduced in the last Congress to allow either House, by resolution, to prevent any rule or regulation of a Federal agency from going into effect. No doubt similar proposals will be before us this year. The idea has some appeal. It would interpose the Congress between the agencies and the people. The history of the device of one-House disapproval as a check on Executive action, however, is discouraging. There is reason to fear that in practice most regulations would go routinely into effect.

The sheer volume of material that would have to be reviewed each day would almost compel this result. In the end, agencies would be even more strongly insulated from judicial review than they are now. Suppose, for example, that you are a judge before whom a regulation's validity is being challenged. The regulation was transmitted to the appropriate committees of Congress and was not, within the time allotted by law, disapproved by either House. There is a strong inference, unlikely to escape even the most theoretical judge, that Congress has tacitly affirmed that the regulation is not contrary to its intent in enacting the agency's governing statute. The citizens contesting the regulation are probably worse off than they would have been had it never been submitted to Congress in the first place.

Some have suggested that the executive branch should put its own house in order, and that one way to help is to destroy the independence of the quasi-judicial agencies like the Securities and Exchange Commission and make them responsible to the President. The idea will appeal greatly to those who believe in symmetry as an end in itself, and certainly it would inescapably fix responsibility for all agency action in an elected officer answerable to the people. On the other hand, I can see no particular reason to believe that such a change would result in regulations more narrowly drafted, or more clearly within the intent of Congress. Agencies directly and immediately responsible to the President—HEW, FEA—have offended just as markedly as those that are in some sense independent.

The cure for the disease of administrative overreaching, Mr. President, is not exotic. It is not novel. It is simply a reliance on one of the three traditional branches of our Government—the courts. I can understand why those who initiated the great regulatory reforms of the New Deal in later years were fearful of broad judicial review. The judges, or most of them, had been appointed by previous Presidents, most of them of the opposite party, and they tended to be hostile to any change in the law. For much of the same reason that led Congress to enact the Norris-LaGuardia Act, removing the Federal courts' jurisdiction to issue injunctions in labor disputes, Congress wished also to protect the social measures of the 1930's from judicial pettifogging.

The courts, from the Supreme Court on down, were seen as a reactionary enemy to be restrained, rather than a coordinate instrument of Government. The agencies, by contrast, could be staffed with younger, friendlier men—James M. Landis, William O. Douglas—who, even while acquiring that mystic quality called "expertise," would not only accept, but advocate, the new social policies of the Nation.

As new judges were appointed and the national consensus for the new policies hardened, the courts themselves became willing partners in self-limitation, repeating with ever more force abstractions about expertise, the suitability of the administrative process to modern Government, and the reluctance of appointed judges to interfere with social policy. Never mind that no one had elected the administrators, either. In fact, to the extent that agency staff members were the real locus of power, no one had elected even the persons who chose them.

Now, in the late 1970's, it is wrong to accept uncritically concepts of the distribution of power called forth by the needs of 40 years ago. The Federal Government now is widely perceived to be too active, not too passive, and no part of the national establishment is by the popular mind more identified with this tendency than the "bureaucracy." To correct this trend of power, even to slow it, will be the work of not a few years. But a start can be made, and the so-called presumption of regularity, by which the citizen challenging his Government must always play with a deck legally stacked against him, is a good place to begin. One can easily see how the doctrine, along with its cousin sovereign immunity, took root in England, where the King—or the King in Parliament, at any rate—was sovereign, and citizens were called "subjects."

But why it should have flourished in America, where the people are sovereign and the agents of Government are servants, is a mystery. The proposition that the Government is presumed correct, that a tie, so to speak, always goes against the individual, is an alien tenet deserving of a quick death. Let the Government, with its vast resources and superior knowledge, bear the burden of proof. To be sure, the citizen should still have the burden of raising the issue

of a regulation's validity, by pleading or in some less formal way. He can still be given the burden of going forward with the evidence. But on the ultimate issue of whether an agency is lawfully within power delegated by Congress—itself only a creature of the people's Constitution, it is wrong to give the servant an automatic edge in the guise of a "presumption."

The same may be said of the rule that an agency's construction of its own statute should be deferred to. One can understand why the Supreme Court in the 1940's was anxious to defend the Labor Board's authority against unsympathetic courts of appeals, and some such motive may explain the language in Hearst. But on reflection the rule there announced is reduced to no more than this: That within some fairly broad range of choice, an agency decides the limits of its own powers, is judge in its own cause. In a lawsuit between A, a citizen, and B, an agent of Government, B wins because he says so. This is a monstrous rule, and no amount of usage or precedent should prevent the Congress from overturning it.

The proper disposition of power in our Government has been described in the following clear-eyed dissent by Mr. Justice Jackson, joined by Mr. Justice Frankfurter, no foe of administration as a modern technique of governing:

> I suggest that administrative experience is of weight in judicial review only to this point—it is a persuasive reason for deference to the Commission in the exercise of its discretionary powers under and within the law. It cannot be invoked to support action outside the law. And what action is, and what is not, within the law must be determined by courts, when authorized to review, no matter how much deference is due to the agency's fact finding. Surely an administrative agency is not a law unto itself, but the Court does not really face up to the fact that this is the justification it is offering for sustaining the Commission's action. (*Securities & Exchange Commission* v. *Chenery*.)

It was, after all, Franklin D. Roosevelt himself who wrote:

> The practice of creating independent regulatory commissions, who perform administrative work in addition to judicial work, threatens to develop a "fourth branch" of the Government for which there is no sanction in the Constitution. (*See* Davis, *Administrative Law Treatise* section 1.04 at p. 28 (1958).)

It may be objected that this proposal will intrude the courts into policy areas where they have no business. Courts have made policy, of course, ever since the common law was conceived, but in a society increasingly governed by specific statutory pronouncements enacted by an elected legislature—to say nothing of a written Constitution, it must be conceded that the courts' law-making power is largely interstitial. As statutes become more numerous and more detailed each year, the function of the courts becomes, or should become, rather to enforce the policies of the Congress, than to create and enforce policies of their own. To hold that agency decisions in conflict with a policy of Congress should be overturned by the courts, however, is to aid the legislative process, not to hinder it, for legislation can never be specific enough to insure that in every instance the specific will of the legislators is carried out. A statute, once enacted, escapes the control of its writers, as it were, and becomes a living thing, with a life and growth of its own. Those chosen by the Congress to execute the statute may or may not do so faithfully. Political processes are not always sufficient to compel them to follow the spirit of the law. When they transgress it, a power of correction should reside somewhere and, under our system, that place is the courts.

Administrative agencies, after all, are no more law-making bodies than are courts. They are the creatures of Congress, possessing only those powers given them by legislation. It is not enough, for example, for an administrative official to argue that no law prohibits his action, and that therefore the courts should not intervene. As one court has properly observed: "this argument misses the point. The Secretary (of Transportation) is not so omnipotent that he must be presumed to possess the power to act as he chooses unless there is some law prohibiting him from so acting. He possesses only the power which Congress has given him, and the scope of that power is defined by Congress." *Named Individual Members of the San Antonio Conservation Society* v. *Texas Highway Department*, 446 F. 2d 1013, 1023, n. 18 (5th Cir. 1971).

Mr. President, I do not pretend to believe that the courts will ever wholly succeed in enforcing the will of Congress precisely as we would wish, in overruling those exercises of administrative power that truly go beyond the legislative mandate, and upholding those applications of statute that, while not perhaps to the judges' personal liking, are nevertheless within the range of choice left by Congress to the agency. The courts, that is, cannot do everything. I am convinced however, that they can do more than they have, if directed and encouraged by an amendment to the Administrative Procedure Act such as I am today proposing.

Judicial review, however imperfect, is at least a constant reminder to the administrative agencies that they are not all-powerful. Congress after all, paints with a broad brush. That is the nature of our legislative process. It is for the courts to see that the broad policies commanded by Congress are not distorted in individual situations by the agents of Congress. The courts cannot write the tune, but at least they can see that those who are playing it maintain the key chosen by its composer. As Archibald MacLeish has argued, the courts' labor is "the labor of order," *Apologia*, 85 *Harv. L. Rev.* 1505, 1508 (1972), to reduce the confusion, sometimes the chaos of the administrative process to order, so that that process will make sense for the individual citizen.

Mr. President, it is my hope that the bill I introduce today will be a step toward restoring order to the administrative process and, even more important, toward restoring our citizens' confidence in their own Government.

APPENDIX: ADDITIONAL RECENT CASES IN THE LOWER FEDERAL COURTS AFFIRMING THE RULE THAT AGENCY ACTION IS PRESUMED VALID

SECOND CIRCUIT

TNT Tariff Agents, Inc. v. *Interstate Commerce Comm'n*, 525 F. 2d 1088, 1093 (2d Cir. 1975): "At the outset, we note the presumption of validity accorded to administrative bodies acting within their sphere of expertise."

Board of Education v. *United States Department of Health, Education and Welfare*, 384 F. Supp. 816, 820 (S.D.N.Y. 1974): "Further, a plaintiff alleging improper government action is faced with the presumption that the administration's action is valid."

Chieppo Bus Co. v. *United States*, 383 F. Supp. 1192, 1197 (D. Conn. 1974): "Although we do not attach a presumption of correctness to the decisions of administrative agencies on questions of law, deference to the experience and expertise of such adjudicative bodies requires that the agency be given wide latitude in finding the facts and applying to them the appropriate legal standard."

FOURTH CIRCUIT

Campaign Clean Water, Inc. v. *Train*, 489 F. 2d 492, 501 (4th Cir. 1973): "After all, there is a presumption of legality that attaches ordinarily to an administrator's action and the burden of establishing impropriety rests on him who challenges."

FIFTH CIRCUIT

Gables by the Sea, Inc. v. *Lee*, 365 F. Supp. 826, 831 (S.D. Fla. 1973): "In order to upset the final agency decision, there must be a clear showing that such decision was improper. The burden of proving that the action was improper is on the party challenging the decision. It is well settled that there is a definite presumption of regularity in favor of the administrative decision."

Opelika Nursing Home, Inc. v. *Richardson*, 356 F. Supp. 1338, 1341–43 (M.D. Ala. 1973).

SIXTH CIRCUIT

Borg v. *Weinberger*, 381 F. Supp. 1212 (E.D. Mich. 1974): "There is a strong presumption that administrative exercise of discretion is proper, unless the action reflects such an abus of power as to be arbitrary and capricious."

Smith v. *City of Cookeville*, 381 F.Supp. 100, 109: "While, as always, the agency determination in this case is entitled to a presumption of regularity, . . . that presumption is not to shield . . . [the decision] from a thorough, probing, in-depth review.'"

EIGHTH CIRCUIT

First National Bank of Fayetteville v. *Smith*, 508 F.2d 1371, 1376 (8th Cir. 1974): "To have administrative action set aside as arbitrary and capricious, the party challenging the action must prove that it was willful and unreasoning action, without consideration and in disregard of the facts or circumstances of the case . . . 73 C.J.S. Public Admin. Bodies and Procedure § 209 at 569 (1951)."

NINTH CIRCUIT

Daly v. *Volpe*, 514 F.2d 1106, 1111 (9th Cir. 1975): ". . . the presumption of regularity that must be given to administrative decisions."

TEMPORARY EMERGENCY COURT OF APPEALS

Texaco, Inc. v. *Federal Energy Admin.*, 531 F.2d 1071, 1077 (T.E.C.A. 1976), *cert. denied*, –U.S.– (1976): "The burden is on the objectors to demonstrate the invalidity of the regulations."

Air Transport Ass'n of America v. *Federal Energy Office* 520 F.2d 1339, 1341 (T.E.C.A. 1975) (per curiam): "This court has repeatedly recognized the strong presumption in favor of administrative decisions by agen-

cies charged with the administration of a new federal statute."

American Nursing Home Ass'n v. *Cost of Living Council*, 497 F.2d 909, 914 (T.E.C.A. 1974): "In general the burden is on the challenger of agency regulations to demonstrate that they are arbitrary and capricious."

COURT OF CLAIMS

Boege v. *United States*, 206 Ct. Cl. 560, 569 (1975): "The simple answer to plaintiff's argument is that the agency delegated authority for promulgating and interpreting the JTRs (Joint Travel Regulations) is presumed to have carried out such responsibilities properly."

Mountain States Tel. & Tel. Co. v. *United States*, 499 F.2d 611, 615 (Ct. Cl. 1974): "Further, there is a presumption of the regularity of administrative action. This presumption is not rebutted by the mere fact that an agency's particular course of action is unique as compared to either the private sector or to the remainder of Government." ●

By Mr. DOLE:

S. 112. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Finance.

REPEAL OF THE CARRYOVER BASIS PROVISIONS

Mr. DOLE. Mr. President, this year Congress must decide the fate of the onerous and ill-conceived carryover basis provisions adopted as part of the Tax Reform Act of 1976. The legislation which I am introducing today will repeal carryover basis and restore the law to its former status.

PRIOR LAW

Mr. President, under the law prior to the Tax Reform Act of 1976, the basis of inherited property was generally stepped up or down to its value on the date of the decedent's death. Under the carryover basis rules, the beneficiaries of an estate take the basis in the property that was the same as the basis in the property held by the decedent. The carryover basis provisions unfortunately vitiated many of the other estate tax reforms passed during the Tax Reform Act of 1976. The carryover basis rules have severely complicated estate tax calculations and has in many cases caused an economic hardship.

Mr. President, I might say that I am introducing the bill today, and I know of many Members of this body who have a great interest in this problem, but I do not know of any who has demonstrated his interest more, his concern more, than has the distinguished senior Senator from Virginia, Senator HARRY F. BYRD, JR., and I certainly appreciate his efforts in trying to come to some solution with the Treasury Department to work out the many problems created by the carryover basis amendments of the 1976 Tax Reform Act.

THREE-YEAR DEFERRAL

Mr. President, the Senate in passing the estate tax reforms in the 1976 Tax Reform Act did not adequately consider the changes made by carryover basis. When the Senate voted for final passage on the tax legislation in August 1976, there were only a few estate tax modifications in the bill. The Senate conferees accepted, as a substitute for its version, sweeping changes initiated by the House Ways and Means Committee. Hence, when the Senate voted on the conference report, it voted for broad, far-reaching changes never considerd either in the Finance Committee nor on the floor of the Senate. This lack of consideration is apparent.

The Revenue Act of 1978, postpones the effective date of carryover basis provisions so that they will only apply to property acquired from decedents dying after December 31, 1979. Congress must still decide whether carryover basis is the proper policy to pursue.

REPEAL CARRYOVER

The Senator from Kansas believes that carryover basis is an unmitigated complicated and unwarranted provision. There is no question that the current law is riddled with complexities that defy even the most sophisticated tax technician. However, even if the inordinate complexities could be eliminated, there still remains many difficulties with carryover basis. First of all, it is often difficult to prove basis. The record-keeping requirements and fiduciary responsibility cannot be overlooked. Established tax law is very clear—the burden is on the taxpayer to prove his basis. If the taxpayer cannot, then he obtains no basis in the asset.

TAX BURDEN

Carryover basis also increases the relative tax burden. The impact of carryover basis must be examined from the standpoint of both death taxes and income taxes generated by the sale of assets to pay the estate tax. The cumulative effect of Federal estate tax, State death taxes, and Federal and State income taxes imposed upon an estate often will consume much of the assets. The harsh tax result that flows from selling assets to raise the money to pay death taxes is unwarranted.

Mr. President, the enactment of carryover basis was a mistake. Congress should take the appropriate action to eliminate this error. I would urge the Senate Finance Committee to move expeditiously on my proposal so that no injustice can be inflicted by the carryover basis rules.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I yield.

Mr. HARRY F. BYRD, JR. I thank the Senator from Kansas for his comments, and I am anxious to know what the legislation is that he is introducing on the carryover basis.

Tomorrow I shall address the New York State Bar Association on this question, among other matters, and I will let the New York State Bar Association know of the legislation being introduced today by the Senator from Kansas. I think that group will find great interest in that.

I thank the Senator from Kansas.

Mr. DOLE. I thank the Senator.

By Mr. THURMOND:

S. 113. A bill for the relief of Henry C. Fleming III; to the Committee on Armed Services.

HENRY C. FLEMING III

Mr. THURMOND. Mr. President, Mr. Henry C. Fleming III, of Greenwood, S.C., enlisted in the Marine Corps Reserve on February 3, 1976. He was assigned to initial active duty for training on June 30, 1976.

It was subsequently discovered that although his enlistment documents indicated his status as married with one dependent, his true marital status was married with one child but legally separated from his wife with a court order for support of the child.

Mr. President, an investigation was conducted by the Marine Corps regarding the circumstances of Mr. Fleming's enlistment. It was revealed that Mr. Fleming informed the recruiter of his marital status and was improperly advised by the recruiter not to indicate the existence of the child in order to save time and paperwork. Mr. Fleming agreed but later requested that the recruiter correct his enlistment documents. The correction was not accomplished.

All of the circumstances in Mr. Fleming's case were carefully reviewed at headquarters, Marine Corps, and it was determined that, since his enlistment involved recruiter misfeasance, Mr. Fleming had never legally terminated his status as a civilian; that his enlistment was void from its inception; that the Marine Corps lacked jurisdiction over him; and that it was necessary to release him from military control as expeditiously as possible. On October 22, 1976, Marine Corps Headquarters directed the Commanding General, Marine Corps Recruit Depot, Parris Island, S.C., to void Mr. Fleming's enlistment and release him from military control immediately. Mr. Fleming was released from military control on October 27, 1976, after performing his boot camp training in an outstanding manner.

Mr. President, in order to be discharged from an enlistment contract, a Marine must first have a valid contract. Since Mr. Fleming's enlistment was void from its inception, it was impossible to discharge him. The period of time which he spent with the Marine Corps was not considered active service and is not creditable as such.

It is current policy of the Department of Defense to suspend immediately payment of Government funds to an individual whose enlistment is believed to be void. If it is determined through investigation that the individual is serving a valid enlistment, payment of Government funds is authorized and the individual is entitled to all pay held in abeyance. If it is determined that the individual's enlistment is void, no further pay is authorized and all pay held in abeyance pending final determination in his case is retained by the Government.

Mr. Fleming's case has been reviewed by the Marine Corps Headquarters. It has been determined that Mr. Fleming was not properly enlisted; that his contract was void from the beginning in accordance with the ruling of the Court of Military Appeals in *U.S.* v. *Russo*, 23 USCMA 511, 50 CMR 651 (1975). As a consequence, his status as a civilian was never terminated. He was properly released from military control, and all pay withheld from Mr. Fleming was properly withheld in consonance with applicable policies, procedures, and laws governing void contracts.

Mr. President, the Marine Corps is not authorized to pay Mr. Fleming for his last 27 days of recruit training, even though his enlistment was a Marine Corps error. Consequently, I am introducing a Private Relief bill to authorize the Government to pay Mr. Fleming $426.08 for his last 27 days of active duty with the Marine Corps.

Mr. President, I urge my distinguished colleagues to support this bill to correct an injustice. I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is authorized and directed to pay, out of any funds available for the pay and allowances of Marine Corps personnel, to Henry C. Fleming III of Greenwood, South Carolina, the sum of $426.08 representing the amount that would have been paid to the said Henry C. Fleming III as pay and allowances for service as a member of the United States Marine Corps for the period beginning October 1, 1976, and ending October 27, 1976, had the enlistment of the said Henry C. Fleming III not been declared void by the Marine Corps as the result of misfeasance by recruiting personnel.

SEC. 2. No part of the amount appropriated by this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. A violation of this section is a misdemeanor punishable by a fine in an amount not to exceed $10,000.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

CAPITAL PUNISHMENT ACT OF 1979

Mr. DECONCINI. Mr. President, I am introducing today, with the ranking minority member of the Judiciary Committee (Mr. THURMOND), a bill to amend title 18, United States Code, to establish a procedure which will meet the constitutional requirements for the imposition of capital punishment enunciated by the Supreme Court in Gregg against Georgia and companion cases, and in Furman against Georgia.

The bill is similar to S. 1382 of the 95th Congress which was introduced by Senator MCCLELLAN and 19 cosponsors on April 26, 1977, and is in some respects similar to S. 1401 of the 93d Congress which passed the Senate on March 13, 1974, by a vote of 54 to 33.

Beginning in 1976, the Supreme Court has decided a group of landmark death penalty cases—Gregg against Georgia, Proffitt against Florida, Jurek against Texas, Woodson against North Carolina, and Roberts against Louisiana—in which the death penalty was held constitutional when imposed under certain procedures which guarded against the unfettered discretion condemned in Furmann, but which retained the important flexibility to consider the aggravating and mitigating factors of each case. Mandatory death penalty statutes were struck down.

S. 114 is drafted to meet the constitutional requirements of guided discretion based on rational criteria. The bill would provide that, after a conviction for an offense for which a penalty of death is authorized, the court must hold a separate hearing on whether to impose the death penalty. The hearing would normally be before the same jury which sat for trial, or, if both parties agreed, before the judge. After both sides have an opportunity to present all relevant evidence, the jury would be asked to make special findings as to whether any of a list of mitigating or aggravating factors existed. The mitigating factors include such things as the youthfulness of the defendant, the extent of his involvement in the offense, any emotional problems or pressures, and the unforeseen nature of a resulting death. The aggravating factors would vary depending on whether the offense is one relating to treason or murder.

The jury would be required to determine by unanimous vote whether any of these factors existed. If no aggravating factors were found to exist, the court would impose a sentence of life imprisonment. If one or more aggravating factors were found to exist, the jury would then determine, in light of all the evidence, whether the aggravating factors found to exist sufficiently outweigh any mitigating factors found to exist, or in the absence of mitigating factors whether the aggravating factors were themselves sufficient, as to justify a sentence of death. If the jury finds that the death penalty is justified, the court is directed to impose a sentence of death.

The bill further provides that the defendant shall have a right to appeal the sentence and that such review shall have priority over all other cases. In order to affirm the sentence, the appellate court must determine that the sentence of death was not imposed under the influence of passion, prejudice, or other arbitrary factor; that the evidence supports the special findings; and that the sentence of death is not excessive considering both the crime and the defendant.

The record seems clear that the procedures imposed by this bill for the imposition of the death penalty successfully meet the constitutional requirements of the recent Supreme Court cases. None of the witnesses before the subcommittee hearings on S. 1382 could find any challenge to the constitutionality of the procedures set out in the bill for imposing the death penalty.

The main purpose of the bill is not to specify those Federal offenses for which the death penalty is to be authorized. Federal law already does this; and this bill would generally leave current law as it is, except to correct obvious inconsistencies or to avoid any potential constitutional difficulties.

There has already been extensive legislative consideration of the death penalty issue. The Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary held hearings in March and July of 1968 on a bill to abolish the death penalty for Federal offenses. Again in February 1972, and in April, June, and July 1973, it held hearings on bills to provide constitutional procedures for imposition of the death penalty. Through this extensive series of public hearings, the issue of whether we should have a Federal death penalty was examined in every respect. That broader question was ultimately resolved by the Committee on the Judiciary, and indeed, by the Senate, in favor of the death penalty. On March 13, 1974, the Senate passed S. 1401 by a vote of 54 to 33. Unfortunately, the bill was never acted upon by the House.

While opponents to the death penalty have asserted that it is ineffective as a deterrent and discriminatory against minorities, Dr. Ernest van den Haag, author of "Punishing Criminals," addressed these and other arguments. In reference to the deterrent effect of the death penalty, Dr. van den Haag stated:

> . . . the preponderance of the evidence seems to me quite clearly now to indicate that the death penalty is far more deterrent than any other alternative . . . in the period 1933 to 1960, which in one investigation, every execution reduced the number of homicides committed by about 6 to 8. In other words, every time an execution took place, 6 to 8 victims of murder who would otherwise have been killed were not killed.

In response to the argument by opponents that the death penalty is discriminatory against minorities, Dr. van den Haag has asserted that even if such a doubtful proposition were true—

> That should lead us not to exonerate the poor and black who have committed this crime but also to catch the rich and white who have also committed the crime. In other words, it is not justice to say that if two persons are guilty of the same crime and one has been punished and the other has not, that's a reason for not punishing the first . . .

Ultimately, the conclusion in favor of the retention of capital punishment has its basis in the belief that the primary responsibility of society is the protection of its members so that they might live out their lives in peace and safety. Where the safety of its citizenry can no longer be guaranteed, society's basic reason for being disappears. In providing its members protection, society must do what is necessary to deter those who would break its laws and punish those who do so in an appropriate manner.

As Dr. van den Haag has said:

> I think it is simply unjust that we guarantee murderers that what they have done to their victims will never be done to them, that the murderer is guaranteed a continuous life, the kind of life he took from his victim. That seems to me unjust, immoral, and repulsive . . .

Mr. President, it is my belief that S. 1382 had the support of the majority of the members of the Senate Judiciary Committee last session and that it would have been reported out of the committee, but for a filibuster. I ask my colleagues to give their unanimous support to this bill so that it may pass the Congress and be enacted into public law, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 227 of title 18 of the United States Code is amended by adding after section 3562 a new section 3562A, to read as follows:

"§ 3562A. Sentencing for capital offenses

"(a) A person shall be subjected to the penalty of death for any offense against the United States only if a hearing is held in accordance with this section.

"(b) When a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the Government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, but, at any time before the conclusion of the hearing, the parties may stipulate with the approval of the court that it shall consist of any number less than twelve.

"(c) Notwithstanding rule 32(c) of the Federal Rules of Criminal Procedure, when a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, no presentence report shall be prepared. In the sentencing hearing, information may be presented as to any matter relevant to the sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (f), (g), and (h). Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to any mitigating or aggravating factors, including those set forth in subsections (f), (g), and (h), may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials.

The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the information.

"(d) The jury, or if there is no jury, the court, shall consider all the information received during the hearing and the evidence received during the trial. It shall return special findings identifying any aggravating and mitigating factors, set forth in subsections (f), (g), and (h), found to exist. A finding of such a factor by a jury shall be made by majority vote. If no such aggravating factors set forth in (g) or (h) are found to exist the court shall impose a sentence, other than death, authorized by law. If one or more of such aggravating factors are found to exist, the jury, or if there is no jury, the court, shall then consider whether the aggravating factors found to exist sufficiently outweigh any mitigating factors found to exist, or in the absence of mitigating factors whether the aggravating factors are themselves sufficient, to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(e) Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a contrary finding, the court shall impose a sentence, other than death, authorized by law.

"(f) In determining whether a sentence of death is to be imposed on a defendant, the following mitigating factors shall be considered:

"(1) the defendant was youthful at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense;

"(4) the defendant is punishable as a principal, but his participation was relatively minor;

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder, or other offense resulting in death for which he was convicted, would cause, or would create a grave risk of causing, death to any person.

"(g) If the defendant is found guilty of or pleads guilty to an offense under section 794 or section 2381 of this title, the following aggravating factors shall be considered:

"(1) the defendant has been convicted of another offense involving espionage or treason for which either a sentence of life imprisonment or death was authorized by statute;

"(2) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security;

"(3) in the commission of the offense the defendant knowingly created a grave risk of death to another person.

"(h) If the defendant is found guilty of or pleads guilty to any other offense for which one of the sentences provided is death, the following aggravating factors shall be considered:

"(1) the death or injury resulting in death occurred during the commission or attempted commission of, or during the immediate flight from the commission or attempted commission of, an offense under section 751 (prisoners in custody of institution or officer), section 794 (gathering or delivering defense information to aid foreign government), section 844(d) (transportation of explosives in interstate commerce for certain purposes), section 844(f) (destruction of Government property by explosives), section 844(i) (destruction of property in interstate commerce by explosives), section 1201 (kidnaping), or section 2381 (treason) of this title, or section 902 (i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472 (i), (n)) (aircraft piracy);

"(2) the defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(3) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of serious bodily injury upon another person;

"(4) in the commission of the offense the defendant knowingly created a grave risk of death to one or more persons;

"(5) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(6) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(7) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value;

"(8) the defendant committed the offense after substantial planning and premeditation to cause the death of a person or commit an act of terrorism;

"(9) the defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice-President-elect, the Vice-President-designate, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent, of a foreign nation;

"(C) a foreign official listed in section 1116(b)(3)(A) of this title, if he is in the United States because of his official duties; or

"(D) a Federal judge, a Federal law-enforcement officer, or an employee of a United States penal or correctional institution, while performing his official duties or because of his status as a public servant. For purposes of this subsection, a 'law-enforcement officer' is a public servant authorized by law or by a Government agency or Congress to conduct or engage in the prevention, investigation, or prosecution of an offense.".

SEC. 2. Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 3. Section 794(a) of title 18 of the United States Code is amended by changing the period at the end of the section to a comma and by adding immediately thereafter the words "except that the sentence of death shall not be imposed unless the jury or, if there is no jury, the court, further finds that the offense directly concerned nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; or any other major weapons system or major element of defense strategy."

SEC. 4. Section 844(d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 5. Section 844(f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 6. Section 844(i) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 7. The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;".

SEC. 8. Section 1116(a) of title 18 of the United States Code is amended by striking the words "any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and".

SEC. 9. Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 10. The last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 11. The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 12. Section 2031 of title 18 of the United States Code is amended by deleting the words "death, or".

SEC. 13. Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 14. Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 15. The analysis of chapter 227 of title 18 of the United States Code is amended by inserting after item 3562 the following new item:

"3562A. Sentencing for capital offenses.".

SEC. 16. Section 3566 of title 18 of the United States Code is amended by adding a second paragraph as follows:

"In no event shall a sentence of death be carried out upon a pregnant woman".

SEC. 17. Chapter 235 of title 18 of the United States Code is amended by inserting immediately after section 3741 the following new section:

"§ 3742. Appeal from sentence of death

"In any case in which the sentence of death is imposed under section 3562A of this title, the sentence of death shall be subject to review by the court of appeals upon appeal upon appeal by the defendant. Notice of appeal must be filed within the time prescribed for appeal of judgment in section 2107 of title 28 of the United States Code. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings returned under section 3562A(d) of this title.

"The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; (2) the information supports the special finding of the existence of any aggravating factor, or the failure to find any mitigating factors, set forth in section 3562A; and (3) the sentence of death is not excessive considering both the crime and the defendant. In all other cases the court shall remand the case for reconsideration under section 3562A of this title. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.".

SEC. 18. The analysis of chapter 235 of title 18 of the United States Code is amended by adding at the end thereof the following new item

"3742. Appeal from sentence of death.".

SEC. 19. The provisions of section 3562A and 3742 of title 18 of the United States Code, as added by this Act, shall not apply to prosecutions under the Uniform Code of Military Justice (10 U.S.C. 801).

Amend the title so as to read: "A bill to establish constitutional procedures for the imposition of the sentence of death, and for other purposes.".

Mr. THURMOND. Mr. President, today I am pleased to cosponsor and strongly support the bill introduced by the distinguished Senator from Arizona (Mr. DECONCINI) to establish rational criteria for the imposition of the sentence of death, and for other purposes.

This legislation was introduced in the 94th Congress as S. 1401, which passed the Senate on March 13, 1974, by a vote of 54 to 33. It was subsequently referred to the House Judiciary Committee, but no action was taken on the measure prior to the adjournment of the 94th Congress.

In the 95th Congress, similar legislation was introduced and considered by the Subcommittee on Criminal Laws and Procedures of the Senate Judiciary Committee. Although the legislation was reported to the full committee, it was opposed by a few Senators in committee and died at the close of the 95th Congress.

This action was taken in committee, even though commitments had been made to Senator SCOTT, Republican of Virginia, on the floor during debate on the criminal code reform bill to report the bill separately from committee. Unfortunately, for supporters of death penalty legislation those commitments were never honored.

Mr. President, in June of 1972, the Supreme Court handed down its decision in the case of Furman against Georgia. The Supreme Court decision in Furman did not hold that capital punishment per se is unconstitutional. Instead, the pivotal opinions of the Court found that "as presently applied and administered" capital punishment violated the eighth amendment. The system of discretionary sentencing in capital cases failed to produce evenhanded justice.

The bill introduced today would squarely meet the Supreme Court's objection and narrowly limit the offenses and circumstances in which the death penalty may be imposed, with full guarantees for judicial review.

Those crimes under current Federal law which can be broadly characterized as treason, espionage, or murder, would be offenses for which the death penalty would be an available sanction. Prosecution for such crimes would be a two-step procedure.

In the first instance, a jury would be impaneled or, if there is no jury, a judge would hear the question of guilt. In the event the defendant were found guilty of the offense, a second proceeding would be held to determine whether or not the death penalty should be imposed.

The death penalty should be restored, because of its value as a deterrent. I am convinced that the death penalty can be an effective deterrent against specific crimes. The potential kidnaper should know that if this intended victim dies, he may die. The potential hijacker should realize that if he kills a person during the course of a hijacking, he may forfeit his own life. The man who throws a firebomb to destroy Government property, the convict who assaults a prison guard, the person who attacks a law enforcement officer, all should know that if they take a life, they may pay with their own life.

Mr. President, the Honorable J. Edgar Hoover, the late Director of the Federal Bureau of Investigation, declared:

(T)he professional law enforcement officer is convinced from the experience that the hardened criminal has been and is deterred from killing based on the prospect of the death penalty.

In addition, Mr. Arlen Specter, district attorney of Philadelphia, testifying before the Senate Subcommittee on Criminal Laws and Procedures, stated:

I believe the death penalty is an effective deterrent against murder. I say that based upon more than seven years as district attorney of Philadelphia, and dealing with a great many cases in that capacity. We have the frequent occurrence in the criminal courts of Philadelphia where professional burglars have expressed themselves on the point of not carrying a weapon on a burglary because of their concern there may be scuffle, there may be a dispute, the weapon may be used and death may result, and prior to Furman, they may face the possibility of capital punishment.

Clearly a person will be slow to undertake an action that will result in the loss of something which he values highly. Since life itself is the most highly prized possession of any person, he will be hesitant to engage in conduct that would result in its forfeiture.

Mr. President, this bill represents a compromise measure which, in my opinion, does not go as far as I would like. But what the bill does do is reestablish once again the constitutional acceptability of the death penalty in certain cases where there are aggravated violent crimes and crimes which threaten the security of our Nation.

The death penalty must be restored if our criminal justice system is to effectively control the increasing number of violent crimes of terror. The confidence of the American people in our criminal justice system must also be reclaimed and the imposition of the death penalty can restore such confidence.

Mr. President, people who commit violent crimes have forfeited their own right to life. Justice demands that such inhuman action cannot be tolerated. This bill would permit the death penalty in certain instances and, I hope, provide protection for the innocent victims of violent crimes.

Mr. President, I strongly support this

bill and urge my colleagues in the Senate to once again approve it in prompt fashion.

Mr. President, I ask unanimous consent that an editorial aired on WSPA-TV, Greenville-Spartanburg, S.C., concerning the issue of capital punishment be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAPITAL PUNISHMENT

Gary Mark Gilmore, executed in Utah on January 17, 1977, was the only person to have been executed in this country since 1967. There are now 464 persons on death row in 24 of the 33 states that now have capital punishment laws on their books. Recent legal developments suggest that 1979 will see the beginnings of executions in some numbers. Especially important is the U.S. Supreme Court ruling that the death penalty, administered fairly, does not violate the constitutional ban against cruel and unusual punishment.

The trend is clearly toward a return to capital punishment as marked by Oregon's recent re-enactment of the death penalty by a 2-1 margin and California's broadening of its death penalty provisions. After more than a decade of misguided liberalism and legal confusion, we are returning to the historical method of detering serious crimes such as murder. It is this station's opinion that the fear of execution will deter and decrease capital crimes.

By Mr. MATHIAS:

S. 115. A bill to establish procedures for the issuance and enforcement of search warrants and other legal processes, to provide a remedy for persons injured by a failure to comply with such porcedures, and for other purposes; to the Committee on the Judiciary.

THIRD PARTY PRIVACY ACT OF 1979

Mr. MATHIAS. Mr. President, I now send to the desk the Third Party Privacy Act of 1979. This bill is designed to offset the effects of the U.S. Supreme Court's decision in *Zurcher* v. *Stanford Daily*, 436 U.S. 547.

In Zurcher the Court ruled that warrants may issue for the search of premised owned or occupied by a person not suspected of criminal activity. Under this decision, the police may obtain a warrant to search an individual's home or office if they have reason to believe that the search will uncover contraband, instrumentalities, fruits, or evidence of crime, even though the person is innocent of any wrongdoing and is unaware that the material is of interest to the authorities.

Understandably, Zurcher came as a shock. In the words of the New York Times it struck "a double blow at individual privacy and press freedom."

I think that the American people have every right to believe that barring extraordinary circumstances, warrants cannot be used to search the homes and offices of nonsuspects. They have a right to expect that surprise searches of nonsuspects are the exception, not the norm; and that ordinarily third parties would have an opportunity to press their objections to the Government's request in court.

But, the High Court saw things differently and disappointed the reasonable expectations of millions of Americans.

It is not hard to see where the Court went wrong. Two points warrant special mention in this regard.

First, conditioned by fourth amendment cases which pitted law enforcement interests against those of criminal suspects, the majority failed to consider properly whether the traditional fourth amendment test governing the issuance of a search warrant—whether sufficient cause existed to believe the material was in a given location—was equally applicable in nonsuspect cases. The Court failed to pay proper attention to the important privacy interests inherent in such situations when it merely stated:

> (The) Fourth Amendment itself struck the balance between privacy and public need, and there is no occasion or justification for a court to revise the Amendment and strike a new balance by denying a search warrant in the circumstances present here.

In my view, the majority would have done far better to predicate the Government's entitlement to a search warrant, in part, upon the culpability of the owner or possessor of the premises to be searched. By failing to do so, the majority jeopardized unnecessarily the privacy rights of innocent third parties.

Equally troubling was the majority's assumption that the ex parte warrant proceeding provides sufficient protection to the privacy interests of third parties. Since it is unlawful to resist a search warrant, the innocent party is faced with Hobson's choice. He can resist the warrant and violate the law; or, he can turn over the material without either personally sifting his files or having an adversarial hearing to provide an opportunity to challenge the appropriateness of the Government's request.

The ramifications of the Court's opinion are obvious. It is hard to find fault with Justice Stewart's contention that the Court's ruling opens up confidential sources to possible discovery and raises the specter of Government agents disrupting newsroom activities by unannounced press searches.

Just think back to Watergate. How likely is is that "Deep Throat," the Washington Post's anonymous informant, would have blown the whistle, if the police then had the authority to obtain a warrant to search the offices of the Washington Post? How likely is it that "Deep Throat" would have run the risk of having his identity disclosed to those in the White House who at the time were seriously proposing such things as firebombing the Brookings Institution? I do not think that "Deep Throat" would have let out a gurgle, if there had been a chance of them finding out who he was.

The ramifications of Zurcher do not stop with the press. It raises the specter of police entering a nonsuspect's home or office in search of evidence of a crime committed by someone else, and it also provides the means for Government agents to breach the confidential relationships between doctor and patient, lawyer and client, and priest and penitent.

One merely has to review two California incidents to realize that such a prospect is not as unthinkable as it sounds.

In 1973, the Santa Clara police were investigating a sex offense and wanted to examine the psychiatric records of the victim, who had sought help at the Stanford University Psychiatric Clinic after the offense had been committed. The police had no reason to believe that the psychiatrist would disregard a subpena or destroy evidence. Nonetheless, they obtained a warrant to search the files of the clinic. And, in the process of an unsuccessful effort to locate the records, they rifled all the patients' files of the clinic, seeing at least the names of each person who had sought help there.

The second incident was described to the Senate Judiciary Subcommittee on the Constitution by Jerome B. Falk, counsel for the Stanford Daily. According to Mr. Falk, recently a criminal defendant in San Diego sent an incriminating document to her social worker, who in turn delivered it to the defendant's lawyer. After learning of the letter, the prosecutor made a motion in court to produce the letter. The trial court ruled that the letter was privileged and did not have to be turned over. Rather than appeal the trial judge's ruling to an appellate court, the police secured an ex parte warrant and searched the entire office from top to bottom. They found the letter, but, in the process examined files pertaining to other clients and involving confidential and privileged information wholly irrelevant to the criminal investigation.

And, of course, in both these cases the actions of the police knocked the privileged relationships into a cocked hat. Moreover, the majority's opinion in Zurcher is disquieting in this regard. In his opinion for the Court, Justice White concluded that the

> (F)ifth Amendment and state shield law objections are largely irrelevant to determining the legality of a search warrant under the Fourth Amendment.

In addition, as Justice Stevens noted in his dissent, these ominous implications for personal privacy and press freedom can only be fully grasped when Zurcher is read together with a 1967 decision, *Warden* v. *Hayden*, 387 U.S. 297 (1967) which struck down the so-called mere evidence rule. Under that rule the Court drew a distinction between materials which could be searched and seized, such as contraband, and fruits or instrumentalities of crime, and materials which could not, such as one's private papers.

When the Court abandoned the mere evidence rule it faced a new and formidable task. It would have to devise new constraints on the scope of permissible search to insure personal privacy would not be swallowed up.

As Justice Stevens noted, Zurcher was—

> the first time that the Court had an opportunity to consider the kind of showing necessary to justify the vastly expanded degree of intrusion that is authorized by the opinion in *Warden* v. *Hayden*.

But the Court fell down on the job. Since Zurcher, not only can a warrant now issue for the search of the home or office of a law-abiding citizen, but any material that is considered relevant to a criminal investigation is fair game, even possibly a person's private papers.

Fortunately, Congress has not ignored the implications of Zurcher. In his opinion, Justice White noted that—

> The Fourth Amendment does not prevent or advise against legislative or executive efforts to establish nonconstitutional protection against possible abuses of the warrant procedure.

In response, over a dozen bills were introduced in the 95th Congress aimed at modifying or overcoming the effects of Zurcher. The Senate Judiciary Subcommittee on the Constitution, under the leadership of Senator BAYH held 4 days of hearings on the Zurcher legislation and will return to this issue shortly.

For my part, is the months since Zurcher was handed down, I have analyzed the decision and its potential ramifications, with an eye toward developing an effective legislative response to the Court's pronouncement. I have focused my review upon: The hearing record compiled by the Senate Judiciary Subcommittee on the Constitution; Congress constitutional authority to enact such a proposal; the legislative options available to Congress to achieve this important goal; the privacy and law enforcement interests implicated by such legislation, and the legislative recommendations of the Department of Justice.

This review has reinforced my conviction that Zurcher is primarily a privacy case involving far more than the obvious First Amendment considerations. I have concluded that Congress must enact legislation that responds fully to Zurcher by establishing procedures restricting searches of all nonsuspects by Federal, State and local officials. The bill I introduced today will do just that.

Only by adopting such an across-the-board approach can Congress respond to all of the privacy and press interests affected by Zurcher. Significantly, such a bill would insure that a person, who claims that requested material is covered by a privilege, would have an opportunity to raise that objection in court. Such an opportunity would be afforded a nonsuspect under section 2 of my bill.

In rejecting a "press-only" bill, I have not been unmindful both of the concern expressed that such an approach would frustrate legitimate law enforcement activities and of the innovative first amendment legislative recommendations made by the Department of Justice. I have reviewed these meticulously and I have taken great pains to draft a proposal which strikes an appropriate balance between law enforcement needs and privacy and press interests. I believe that the third party privacy bill achieves this balance. Specifically in this regard my bill would:

Allow Government agents to obtain warrants to search third parties where there is probable cause to believe that the individual may destroy or alter the matter or put it beyond the control or the jurisdiction of the court, or if the matter is contraband; and,

Would allow the party in possession or control of the matter sought to voluntarily waive his or her right to challenge the Government's request in a hearing before a judge. This provision would insure that the police could obtain the desired material promptly in those situations where the third party knowingly forgoes his right to a hearing.

A key factor in my decision to opt for the broader approach is my determination that Congress has the constitutional authority to restrict all third party searches by Federal, State, and local authorities.

There is no doubt that Congress can limit the activities of Federal agents; nor is there much dispute that Congress can use its commerce powers to cover press searches by State and local law enforcement agents. The more difficult question is whether Congress can go beyond the press and extend these protections to encompass all third party searches by State and local police. Specifically, may Congress enact legislation imposing upon the States special protections that the Court in Zurcher, found were not compelled by the 1st, 4th, and 14th amendments?

This is not an easy question to answer. The Supreme Court has yet to render a definitive decision in this complex area. I have studied the Court's pronouncements and consulted with noted constitutional scholars. As a result of this review, I have concluded that Congress can reach all third party searches by relying on its commerce powers, its authority under the spending powers to condition State receipt of Federal police-related funds on the adoption of special procedures governing the searches of all nonsuspects, and section 5 of the 14th amendment.

Mr. President, soon the Senate Judiciary Subcommittee on the Constitution will resume its task of reviewing legislative proposals to modify or overcome Zurcher. Despite the prodigious efforts of the subcommittee in the last Congress work remains to be done. I am confident that the subcommittee and the full Judiciary Committee will complete its job promptly and send an effective legislative response to Zurcher to the Senate floor in the 1st session of the 96th Congress. I believe that the Third Party Privacy Act is an appropriate vehicle for such a congressional response to Zurcher. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Third Party Privacy Act of 1979."

ISSUANCE OF WARRANT OR OTHER LEGAL PROCESS

SEC. 2. (a) Except as provided in Section 3, no warrant shall be issued to search for and seize any matter in the possession or control of a third party.

(b) Except as provided in Section 3, no court or magistrate shall issue any order or legal process which directs a third party to produce any matter in such party's possession or control unless:

(1) The law of the jurisdiction in which such order or legal process is issued permits the party to whom the order is directed to obtain an adversary hearing before a court prior to the enforcement of the order; and,

(2) At such adversary hearing, the order or legal process will be quashed unless the court determines (i) that the issuance and enforcement of such order or legal process is authorized by law; and (ii) that no privilege or legal grounds exist that justify the refusal to produce the matter.

(c) Nothing in this section shall prohibit the party in possession or control of such matter from voluntarily complying with an order or legal process pursuant to subsection (b) of Section 2 if such party is adequately informed by the language of the order or legal process or other written means at the time of the service of the order or legal process, of the party's right to notice and hearing under subsection (b) and such party knowingly and voluntarily waives any right to such notice and hearing.

GROUNDS FOR EX PARTE ISSUANCE

SEC. 3. The provisions of this Act do not prevent a judge or magistrate from issuing ex parte a warrant or other legal process to search for and seize or compel the production of any matter in the possession or control of a third party in any case in which the applicant for the warrant or other legal process shows:

(a) upon his personal knowledge or that of another present before the judge or magistrate that there is probable cause to believe that if an order or legal process is issued in accordance with subsection (b) of Section 2 such matter will be destroyed, altered, or put beyond the control or the jurisdiction of the court; or

(b) that there is probable cause to believe that the matter is contraband.

REMEDIES AND DEFENSES

SEC. 4. (a) Any unit of Federal, State, or local government which, and every person who, under color of any statute, ordinance, regulation, custom, or usage of the United States, any State or Territory, or of the District of Columbia, subjects or causes to be subjected, any person within the jurisdiction thereof the deprivation of any right under this Act shall be liable to such person in an action for legal or equitable relief, or other proper proceeding for redress.

(b) Each unit of Federal, State, or local government shall be jointly and severally liable with any officer, employee, agent of other person clothed with the authority of such unit for any violation of this Act.

(c) It shall not be a defense for such unit that the officer, employee, agent, or other person clothed with the authority of such unit is personally immune from liability under this Act by virtue of a common law or statutory immunity or defense attached to such officer, employee, agent, or other person clothed with the authority of such unit.

(d) In any action brought under this Act, the court shall award such special or general damages as may be appropriate, as well as punitive damages not to exceed $1,000 for each violation, and may award a reasonable attorney's fee and other actual and reasonable expenses incurred in connection with such action.

DEFINITIONS

SEC. 5. (a) For purposes of sections 2 and 3, a "third party" is a person whom there is no probable cause to believe has committed the crime to which the matter sought relates.

(b) For purposes of section 3, "contraband" means goods or merchandise the importation, exportation, or possession of which is prohibited under the laws of the State in which the warrant or order is issued or of the United States.

(c) For purposes of section 4—

(1) "person" means any natural person, or any partnership, corporation, association, or other legal entity organized under the laws of the United States, of any State, or of the District of Columbia;

(2) "unit of Federal, State, or local government" means the United States or any agency, department, or instrumentality thereof other than the Congress; any State or Territory; or any agency, department, or instrumentality thereof, other than the legislature; any municipality, county, parish, or other state, Territorial, or local governmental subdivision, or agency, department, or instrumentality thereof; or the District of Columbia or any agency, department, or instrumentality thereof.

By Mr. LUGAR:

S. 116. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

● Mr. LUGAR. Mr. President, today I am introducing legislation to deauthorize three water projects in Indiana—Lafayette Lake Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir.

I introduced similar legislation in the last Congress, and the Senate has already given its approval for deauthorization of Big Pine and Lafayette Lake. Regrettably, none of the deauthorizations passed the House of Representatives during the last Congress, but I am hopeful that both Houses will act favorably on this legislation early this year.

All three of these projects have met with widespread opposition from local citizenry and environmental groups in Indiana. Gov. Otis R. Bowen and the Indiana General Assembly responded to this opposition in a precedent-setting move by deauthorizing Big Pine and Lafayette Lake in 1977. The Governor has also recommended that the third project, Clifty Creek, be terminated and the General Assembly is likely to act on a bill to deauthorize that project this year.

The Army Corps of Engineers testified 2 years ago that neither Big Pine nor Lafayette Lake could be economically justified. And the corps has just notified the Indiana Department of Natural Resources that it plans no further action with respect to Clifty Creek. But, the Congress has yet to make a final determination on these projects. In this period of high inflation, I can see no justification for continuing indefinitely these ill-advised and costly water projects which Indiana citizens and their elected representatives clearly do not want. It seems responsible, therefore, for the Congress to follow the action taken by both Republicans and Democrats in Indiana and deauthorize these projects at the Federal level.

The debate over these projects has continued for years, leaving citizens in the affected areas concerned about the fate of their property, farmland, and the surrounding environment.

I am hopeful that the Congress will act favorably on this bill early this year to preserve the environment of the areas as well as the taxpayers' dollars.●

By Mr. BELLMON:

S. 119. A bill to reduce duplicative and redundant reporting requirements imposed on American businesses by Federal agencies; to the Committee on Governmental Affairs.

BUSINESS REPORTING REFORM ACT OF 1979

● Mr. BELLMON. Mr. President, this bill will eliminate duplicative and redundant reporting requirements which some experts estimate are costing private business $30 billion each year.

Very simply, my bill will provide that a business may furnish a release to any Federal agency to which it reports any information, stating that the information reported may be released to any other Federal agency.

It will further provide that, if a business furnishes such a release, it cannot be penalized for failure to report the same information to another Federal agency in the same year. The business would have only to advise any agency subsequently requesting already reported information of the other Federal agency to which the information has already been submitted.

The exceptions, to which these provisions would not apply, would be information requested by the Internal Revenue Service for tax purposes; information requested by Federal regulatory agencies necessary to carry out their enforcement functions; and information furnished by Federal contractors, as a matter of contract compliance.

This bill does not waive any existing reporting requirements. Neither does it change or infringe on anyone's right to privacy. It does permit individual businesses to authorize the release of information they provide and, thereby, avoid costly and time-consuming duplication.

I believe that this approach will provide a strong incentive to all Federal agencies to standardize their reporting requirements, and to the extent possible, to consolidate them. The existing system, which authorizes a plethora of agencies to penalize employers for failure to respond, includes no such incentives.

Finally, my bill includes a mandate for us in Congress to carefully consider the impact of our actions, before we mandate additional reporting requirements on the private business community.

I expect this legislation will get strong support, from my colleagues and from the business community. We must be particularly conscious of the costs of the regulatory burden we impose on the economy, if we are to succeed in our fight against inflation; and we must win that fight.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 123. A bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am introducing legislation which would amend our Nation's medicare law in order to provide for the independent reimbursement of those mental health services that are rendered by professional psychologists. The thrust behind this bill is essentially the same as that which I first introduced in 1974, and I am pleased to note that, since that time, there has been increased recognition of the relevance and importance of psychologists' services. During the last Congress, over a third of my colleagues joined with me as a cosponsor of S. 123, and the Senate Finance Committee held hearings on the measure. Further, its intent was expressly endorsed in the final report of the President's Commission on Mental Health. Finally, the Department of Health, Education, and Welfare for several years now, has been conducting a statewide pilot program in Colorado to ascertain what it would cost, or perhaps even save, the Federal Government to independently reimburse members of the psychological profession. Accordingly, I am optimistic of successful action this session.

Psychology is a relatively new profession that began to emphasize its health care potential only during World War II. Members of the profession are now licensed or certified in all 50 States and the District of Columbia. The American Psychological Association which represents approximately 50,000 members has established the doctoral degree, plus an additional year's supervised experience, as the minimum acceptable standard for independent practice. The profession has also developed a number of formal mechanisms whereby the public may be assured that those psychologists who present themselves as health care providers are in fact highly qualified. For example, after 5 years of supervised experience, a clinician may seek diplomate recognition, or board certification, from the American Board of Professional Psychology. Or, upon an in-depth review by one's peers of his or her professional credentials, a psychologist may seek to be listed in the National Register of Health Service Providers with its current criteria of the doctoral degree in psychology, an internship, and a year postdoctoral supervised experience in health services. Some of my colleagues may not be aware that there are a number of recognized specialties within psychology, some of which do not include expertise in working with mental health problems. Accordingly, in my judgment, the formation of the National Register in 1974, in creating standards for these psychologists who do provide health services, was especially relevant to the mission of our Federal health initiatives.

There are two distinct reasons why I feel it is now appropriate to amend our medicare program to provide for the independent reimbursement of professional psychologists. The first follows from the underlying purpose of medicare—to provide needed health services to our Nation's elderly. The second relates to my personal view that we are coming ever closer to the enactment of a national health insurance program. All of the evidence that I have seen strongly indicates that there is a definite need for increased access to psychological services for our Nation's senior citizens. Approximately 57 percent of our Federal health care dollars now goes to the elderly. This high cost may be expected to go higher as it is estimated that by the year 2020, nearly one-fifth of our population will be over 65 (compared to 10 percent today). Studies have shown that 60 to 80 percent of the visits that individuals make to physicians are primarily for mental health related needs—and that effective utilization to psychological services can result in a substantial reduction in the use of much more costly medical services by 60 to 70 percent.

However, the elderly (at 10 percent of our population) receive only 3 percent of the total outpatient mental health services—although they occupy 29 percent of the mental hospital beds. The President's Commission on Mental Health reported that the incidence of mental health problems is higher among those over 65—for example a suicide rate twice that of younger persons. Moreover, from 20 to 30 percent of all people labeled as "senile" have conditions that are either preventable or reversible, if detected and treated early.

Thus, we have a situation developing where if we continue to place needless obstacles in the way of our Nation's senior citizens obtaining truly cost-effective psychological services, we should not be surprised to find our Federal health programs having even greater difficulty in maintaining the overall cost of health care within reasonable limits.

Finally, as I indicated earlier, I feel that we are coming ever closer to the enactment of a national health insurance program. Psychologists have historically been recognized as independent providers in virtually every other major Federal health program: The civilian health and medical program of the uniformed services (CHAMPUS), the civilian health and medical programs of the Veterans' Administration (CHAMPVA), the Federal Employees Health Benefits Act, medicaid, the health maintenance organization initiative, and our Workers' Compensation programs, not to mention the community mental health centers legislation. Further, 28 States representing nearly 80 percent of the Nation's population have enacted "freedom of choice" laws establishing the direct recognition of psychological services under their insurance codes. Yet, under the medicare laws as presently enacted, psychology services are considered "incidental to those of a physician. I personally feel that this restriction is inappropriate and should be modified now, so that it is not used against the profession during our forthcoming deliberations on national health insurance. The psychological profession is an honorable one, and their services are important. Accordingly, I feel that it is time for the Congress to accord them their due recognition.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting immediately before the period at the end thereof the following: ", or (6) a doctor of clinical psychology legally authorized to practice psychology by the State in which he performs such function".

(b)(1) Section 1814(a)(2)(A)(ii) of such Act is amended by inserting "or psychologically" immediately after "medically".

(2) Section 1814(a)(3) of such Act is amended by—

(A) striking out "medical treatment" and inserting in lieu thereof "treatment", and

(B) striking out "medically required" and inserting in lieu thereof "required".

(3) Section 1814(g) of such Act is amended by striking out "medical staff" and inserting in lieu thereof "medical and professional staff."

By Mr. CHURCH:

S. 129. A bill to designate September 17, 1987, as a legal public holiday; to the Committee on the Judiciary.

CONSTITUTION DAY

● Mr. CHURCH. Mr. President, a unique moment in our Nation's history, the signing of our Constitution, will soon have its bicentennial anniversary. Today, in preparation for that celebration, I am introducing legislation which would designate September 17, 1987, as a national holiday.

All Americans share fond remembrances of the commemoration of the bicentennial of our Declaration of Independence in 1976, and I believe that it would serve our Nation well to look forward to our upcoming constitutional celebration. This historic occasion has already generated considerable interest and anticipation. In my own State of Idaho, the Bonneville Tricentennial Commission, the first such commission in the United States, has resolved that this day be made a legal holiday. Here in Washington, Chief Justice Warren Burger has outlined his ideas on how this event should be observed.

While our Declaration of Independence stands as the birthstone of our Republic, it is our Constitution which has given us the framework of our freedom. The constitutional centennial in 1887 was a noteworthy event, but the constitutional bicentennial should be even more. Our recent history, Mr. President, has been a reaffirmation of our Constitution in the preservation of our free society. I sincerely hope that support will grow for its celebration in proportion to its importance, and I ask unanimous consent that the text of my bill for its observance, the Bonneville Tricentennial Commission's resolution in its support and an editorial from the Idaho Falls Post Register be printed at this point in the RECORD:

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That September 17, 1987, shall be designated Constitution Day and shall be held and considered to be a legal public holiday within the meaning of section 6103 of title 5, United States Code.

CONSTITUTION DAY

Whereas, We have just celebrated the biggest and best Bicentennial ever dedicated to the birth of freedom and human rights, and

Whereas, July 4th is observed as a National Holiday because it is directly and exclusively the birthday of the first of the two most important, inspired proclamations of religious and political principles, ever declared to be the foundation of a new nation, and

Whereas, the first—the Declaration of Independence—opened the way for the second—the Constitution of the United States, and

Whereas, the Constitution made the magnificent principles enunciated in the Declaration a living reality and became the great and far-reaching step in creating our nation—a Land of Liberty, choice above all lands, and

Whereas, September 17, 1987, will be the 200th anniversary of the adoption of that treasured document of freedom, the United States Constitution,

Now, therefore be it resolved, that the Bonneville Tricentennial Commission (first such commission in America) recommends herewith to the President and the Congress of the United States that commencing with the Bicentennial anniversary of the adoption of the Constitution that *"Constitution day"* be declared a legal holiday in America and be celebrated as such from that date forward each September 17th.

[From the Post-Register, Oct. 23, 1978]

ANOTHER BICENTENNIAL IN 1987?

Are we ready for another bicentennial?

Ready or not, another such is coming up and it is every bit as momentous as the 1976 event.

That one marked the 200th anniversary of the Declaration of Independence, while come 1987 we will begin celebrating two centuries of an epochally successful adventure in self-government under the Constitution of the United States of America.

In these latter days it is generally and perhaps understandably overlooked that what was begun in 1776 was not brought to a satisfactory conclusion until 1787. The first event had a monopoly on the color and drama—the ringing of bells and ringing defiance of George III.

In comparison, the drafting of the Constitution, a four-month proceeding which 10 of the appointed 55 delegates did not even bother to attend, was a dry affair, a tiresome process of occasionally spirited debate but more often self-serving trading and compromising. Even in those brave post-Revolutionary days, special interests called the plays in the political game.

The document it produced, however, still ranks as one of the political marvels of the age. Where the Declaration of Independence required the courage to rise to the challenge of the times, the Constitution called for vision to prepare for the challenges of a future that could be but dimly foreseen.

And that it did. Brief to the point of being terse, the original document is unique among most such basic laws of modern times in that it did not attempt to dot every

i and cross every t in determining the structure and operation of the government it was establishing. Its strength through almost two centuries has been not in what it spelled out specifically, but in the latitude it has allowed for interpretation, for the application of basic principles to the changing needs of changing times.

Consider that it was designed for a government which in its three branches initially consisted of a few hundred individuals and today numbers its personnel in the millions. Yet it still functions—not to perfection, perhaps, but effectively.

Chief Justice Warren Burger, taking note of both the occasion and the enormous expansion of the governmental apparatus, is suggesting that the bicentennial observance take the form of a nationwide discussion of the present and future roles of the three branches of federal government.

He would extend the proceedings over a three-year period—appropriate, since the Constitution was submitted to the states in 1787 but ratification was not completed until 1789—with one year devoted to analysis in detail of each of the branches. The result, he envisions, might be a series of papers "comparable in utility if not in quality with the Federalist Papers of 200 years ago."

A possibility, perhaps, but likely to strike today's public as an even drier affair than the original constitutional convention was for the citizenry of that time.

A major observance, however, is certainly in order. And there is time to prepare since nothing that occurred between 1776 and 1787—the squabbling among the literally sovereign states, the realization that they were not hanging together and therefore were very likely to hang separately—is the stuff of national celebration.

Considering where it started and where we've come, it's the least we can do.●

By Mr. STEVENSON (for himself, Mr. PERCY, Mr. LUGAR, and Mr. BAYH):

S. 188. A bill to amend the Disaster Relief Act of 1974; to the Committee on Environment and Public Works.

DISASTER RELIEF ACT

● Mr. STEVENSON. Mr. President, last week, northern Illinois was crippled by a blizzard which dumped 16 inches of snow on top of 17 inches already on the ground. The storm started on Friday, January 12. The snow stopped falling on Sunday, January 14, and then resumed intermittently through the end of the week. Roads were impassible. Hundreds of businesses and schools were closed. Thousands were cut off from essential services. I am sure my colleagues saw television coverage of the desperate conditions in Chicago. In rural areas, farms were isolated and farmers were unable to reach and feed their livestock.

On Tuesday, January 16, President Carter declared a snow emergency in 22 counties in response to a request from Illinois' Governor filed on Monday night. Two additional counties have since been added. Federal aid is primarily in the form of two-thirds cost sharing for snow removal activities.

Under present policies of the Federal Disaster Assistance Administration, Federal aid begins at 12:01 a.m. on the day of the President's declaration. However, many communities in Illinois mobilized on Saturday to clear the snow and accomplished much of the work before the emergency declaration went into effect on Tuesday. By meeting the challenge with speed and efficiency, many of these communities removed enough snow to mitigate the threat to public health and safety but depleted their budgets and exhausted their capacity to conduct normal snow-related services for the remainder of the winter. These communities are not eligible for Federal reimbursement for the work completed prior to 12:01 a.m. Tuesday under FDAA regulations. Despite their efficiency, they are wrongly being denied assistance available to neighboring communiies which were not able to complete snow removal before 12:01 a.m. Tuesday.

This inequity stems from a decision of the Federal Disaster Assistance Administration, not from the law. The Disaster Assistance Act of 1974 does not defer Federal assistance to the day on which the President signs the proclamation. The Congress intended to provide assistance during an emergency and certainly did not intend to set up an artificial and arbitrary scheme for measuring the onset of the emergency.

The bill I am introducing today would correct this inequity. It would make clear the intent of Congress that emergency assistance is available for the duration of the emergency or major disaster, regardless of the day on which the President declares the existence of the emergency. The President's declaration is inevitably delayed until a State has been able to compile the necessary information from its local communities and to transmit its request. The more serious the emergency, the more likely the compilation of data will be delayed because officials must deal with immediate threats to life and property before red tape. Officials of FDAA must then examine a State's request for assistance before conveying it to the President. These procedures invite delay when local communities are making the most intense and expensive efforts. Congress did not intend that aid for citizens in distress would be conditioned on the timely completion of bureaucratic formalities. This bill clarifies the obvious intent of Congress—to aid those in distress. I hope the Carter administration will carry out the intent of Congress and obviate the need for this bill.●

FEDERAL SNOW ASSISTANCE SHOULD BE RETROACTIVE TO START OF CRISIS

● Mr. PERCY. Mr. President, I enthusiastically join with my colleague from Illinois, Senator STEVENSON, in introducing an amendment to the Disaster Relief Act of 1974 (P.L. 93-288). The amendment would correct an inequality in the act that penalizes local units of government that respond quickly to natural disasters such as blizzards and rewards those that fail to marshall their resources on a timely basis.

In my own State of Illinois, this inequality in the act has quite justifiably been brought to my attention by scores of local community leaders.

They pointed out that although the storm set in on Friday, January 12, 1979, President Carter did not declare a snow emergency until Tuesday, January 16, 1979. Under the terms of the snow emergency declaration, local units of government in the 22 (later made 24) affected counties in Northern Illinois would receive two-thirds Federal funding for snow removed to provide access on major highways and city streets on the day the President signed the order.

It has been pointed out to me that those communities that sent the plows out at the first signs of a blizzard and raced around-the-clock to clean up their major thoroughfares will receive little in Federal supplemental assistance, while those communities that worked slowly to remove the snow or were poorly organized will receive their full share of the Federal funds.

This inequality should be corrected with the timely passage of this amendment.

Mr. President, the people of northern Illinois should be lauded for their tireless efforts to cope with one of the worst blizzards that has hit the Midwest in recorded history.

Here is only one small example as reported by the Chicago Sun-Times:

> Morris Howe, 69, of 2653 W. Carmen, Chicago, who has an artery problem, was stricken on the way to a grocery store and fell into a snow bank. Charles R. Wiltgen, of 4949 N. Bell, Chicago, came to Howe's aid. He picked him up, and put him on his shoulder, and carried him two blocks to Swedish Covenant Hospital.

Elsewhere, snowmobiles were used in suburban Cicero by rescuers, while alert ambulance drivers in Rockford pulled a heart-attack victim to a nearby hospital part way in a canoe.

I believe we should all be very grateful to all of those who kept the loss of life to only 30. The toll could have been much worse.●

By Mr. INOUYE:

S. 189. A bill to amend the Merchant Marine Act, 1936, to direct the Secretary of Commerce to cooperate with the Secretary of the Navy and the maritime industry in establishing an adequate and well-balanced fleet; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, I am introducing a bill to amend section 210 of the Merchant Marine Act, 1936, by adding a provision to require quarterly meetings between Secretaries of the Navy and Commerce and representatives of the maritime industry. It also requires submission, by the Secretaries, of an annual report to Congress and the President regarding their reponsibilities under section 210.

The purpose of the bill is to formalize the cooperation between the Secretary of Commerce and Secretary of the Navy as required by section 210 of the Merchant Marine Act, 1936, and to insure regular input from maritime industry representatives in order to achieve an adequate and well-balanced merchant fleet as required by section 101 of that act.

An identical bill passed the 95th Congress, but was pocket vetoed by the President.●

By Mr. KENNEDY (for himself, Mr. BAYH, Mr. BIDEN, Mr. CRANSTON, Mr. DECONCINI, Mr. FORD, Mr. HATFIELD, Mr. INOUYE, Mr. LEAHY, Mr. MAGNUSON, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. RIBICOFF, Mr. RIEGLE, Mr. TSONGAS, and Mr. WILLIAMS):

S. 190. A bill entitled the "Victims of Crime Act of 1979"; to the Committee on the Judiciary.

● Mr. KENNEDY. Mr. President, I am introducing today the Victims of Crime Act of 1979. This bill is being cosponsored by Senators BAYH, BIDEN, CRANSTON, DECONCINI, FORD, HATFIELD, INOUYE, LEAHY, MAGNUSON, MATHIAS, MATSUNAGA, MCGOVERN, METZENBAUM, RIBICOFF, RIEGLE, TSONGAS, and WILLIAMS.

This legislation will encourage States to establish compensation programs for victims of crime, and will financially assist those States which operate such programs. At present, nearly half of the States do so, and their compassion reflects a concept as old as history itself.

Over 4,000 years ago, the Babylonian Code of Hammurabi provided that, if a man were robbed or murdered, the city and the governor should compensate the victim or his heirs for their losses. Since the 1960's, many other countries, such as New Zealand, Canada, and Great Britain, have established similar programs.

Beginning with the 92d Congress, the Senate has passed legislation benefiting victims of crime. During the last Congress, both the House and the Senate passed similar legislation, which was favorably reported out of conference. But in the final hours of the Congress the House failed to approve the conference report.

The Victims of Crime Act which we introduce today, will continue those efforts begun in earlier Congresses. It addresses a serious shortcoming in the comprehensive Federal effort to deal with the nationwide problem of crime, and to improve all levels of our Nation's criminal justice system. Every year, we spend hundreds of millions of dollars to improve police departments, to make court systems more efficient, to protect the rights of the accused, to develop innovative approaches to prosecuting serious and repeat offenders, and to insure humane treatment of those convicted and incarcerated. Yet all of these efforts—important as they are—ignore the most tangibly tragic aspect of crime—the plight of its victim.

The victim stands alone, virtually abandoned by the system responsible for insuring justice. Society expects much from such victims in the prosecution of crime. But it gives them nothing in return. It depends for its success upon the willing and patient cooperation of the victimized. It recognizes that the deterrence, detection, and punishment of crime depends upon such participation. It demands that victims endure the trauma and the inconvenience of that participation. But it leaves the victim to bear alone the cost and the trauma of the crime itself.

Victims must bear alone the physical, emotional, and psychological suffering, and the lasting scars. Victims must bear alone the loss of property, and the economic burdens of unreimbursed medical expenses and lost earnings. And while all of us recognize that crime is a social phenomenon which cuts at the very fabric of our society, we permit the economic consequences of crime to be borne disproportionately by those innocent citizens unfortunate enough to be in the wrong place at the wrong time.

That situation harms all victims of crime. But it harms especially the elderly victims. Surveys show conclusively that the elderly require more frequent hospitalization for injuries resulting from crime. Because of their physical fraility, the injuries are often protracted and complicated. Because of their fixed incomes, the economic impact can be devastating. We owe all of our citizens, and especially our elderly citizens, a sure means of alleviating the economic burdens of their victimization.

Many of those injured by crime are covered by some type of medical insurance program. But a recent study funded by LEAA indicated that over $22 million of unreimbursed medical expenses were borne by the victim. Though most victims incur uncompensated expenses of less than $100, 25 percent of those injured—nearly a million citizens—were forced to absorb 91 percent of the total amount of unreimbursed medical expenses—over $20 million. Even more disturbing is the fact that 2 percent of this victim group must absorb 49 percent of the unreimbursed medical costs. These figures demonstrate unequivocally, I think, the unequal price which citizens must pay for becoming an innocent victim of a crime.

Mr. President, as I mentioned before, a number of States have already begun addressing this problem and providing assistance to crime victims. Many of these programs have operated successfully for a number of years. My own State, Massachusetts, initiated a program 10 years ago. Last year, the program distributed nearly $1 million to victims of crime for unreimbursed medical expenses and lost earnings. Let me take just a few more minutes and tell you about some of the people helped by this program:

Bill D., a 23-year-old trucking company employee, earned $120 a week. He used $75 of his take-home pay to take care of his father, who had polio, his mother, who lost one of her hands, and his brother, who had cerebral palsy. On October 10, 1977, Bill was driving down a road and was stopped by a man who Bill thought wanted directions. The man grabbed Bill, pulled him out of the car, stabbed him to death, and stole what little money he had. Bill's family received the maximum award of $10,000 which helped them to begin a new life without Bill.

Fred W., owned and operated a small liquor store. On Christmas Eve of last year, he left the store to deposit the store's daily receipts, and then he planned to go home and celebrate the holidays with his elderly wife. As he got in his car, a man approached him, attempted to rob him, and shot him to death. Fred's widow received an award of $10,000 which helped her to pay burial expenses as well as provide her with a minimum of financial support.

Robert O., was a 29-year-old high school teacher. Early one morning a man pounded on the door of his house and identified himself as a police officer. Robert opened the door and two men rushed in, shot him in the head, and robbed him. As a result of this attack Robert is now paralyzed from the waist down, and has suffered permanent brain damage which caused him to lose his teaching job. He received $10,000 from the program which helped to defray medical expenses and to pay for intensive physical therapy.

Eleanor C., a 75-year-old resident of Boston, was walking down the street one day when she was assaulted and robbed. She suffered broken bones in her face, hand, and shoulder, and was knocked unconscious. After her hospitalization, she needed nursing assistance at home and transportation to and from the hospital where she went for therapy. None of these latter costs were covered by medicare, and the Massachusetts program awarded her $650 for these expenses.

Allieu M., a world-ranked marathoner, was assaulted one day while training by six people, merely because he was black. He suffered serious injury in addition to having his teeth kicked out. He did not have any medical insurance, and his $2,500 in medical expenses were covered under the program.

Paul K., a truckdriver for a Boston newspaper, was robbed, shot, and stabbed one day while working. He had $7,000 in medical expenses which were paid by insurance, but lost over $6,400 which was not covered by workmen's compensation. The program reimbursed him for his lost earnings.

These are just a few of the many examples which I could relate to you about the victims which our program has helped. I am sure that these examples could be multiplied by every Senator whose State has a similar program.

Mr. President, last fall my staff did a study of existing victim compensation programs throughout the country. It showed that nearly $17.5 million had been paid to victims for unreimbursed medical expenses and lost earnings or support. Under the formula in the Victims of Crime Act, the Federal share of these programs would have been approximately $4.4 million—far less than the amount authorized by the bill. The following table provides a detailed breakdown of each of the State programs which have existed for more than 1 fiscal year, the total program costs, the total amount of payments to victims, and the total administrative costs. I have also included a column indicating the ratio of administrative costs to the total program costs, which clearly shows that the States are operating their own programs very efficiently.

Budget year dates	State	Percent	Total administrative expenses	Total payments to victims	Total program costs
June 30, 1977 to July 1, 1978.	Maryland	11	139,122.00	1,233,183.00	1,272,505.00
July 1, 1977 to June 30, 1978.	Delaware	37	87,941.82	146,872.92	234,814.74
July 1, 1977 to June 30, 1978.	Virginia	23	31,076.10	103,268.83	134,344.93
Apr. 1, 1977 to March 31, 1978.	New York	15	739,317.00	4,313,078.00	5,052,395.00
July 1, 1977 to June 30, 1978.	New Jersey	15	167,298.00	919,046.11	1,086,354.11
July 1, 1977 to June 30, 1978.	Ohio	20	316,326.54	1,242,753.00	1,559,079.54
July 1, 1977 to June 30, 1978.	Pennsylvania	24	237,586.00	746,320.00	983,906.00
Jan. 1, 1977 to Dec. 31, 1977.	Wisconsin	22	56,201.35	201,912.31	258,113.66
June 30, 1977 to July 1, 1978.	Kentucky	27	[1] 24,417.15	66,902.16	91,319.31
July 1, 1976 to June 30, 1977.	Minnesota	15	40,860.00	224,278.34	265,138.34
July 1, 1976 to June 30, 1977.	North Dakota	39	16,567.24	26,161.22	42,728.46
July 1, 1977 to June 30, 1978.	Washington	14	155,925.00	983,610.00	1,139,535.00
July 1, 1977 to June 30, 1978.	California	15	867,306.96	5,025,288.84	5,892,595.80
July 1, 1976 to June 30, 1977.	Alaska	20	74,985.31	120,968.07	195,953.38
July 1, 1977 to June 30, 1978.	Massachusetts.		[2] NA	915,391.78	NA
Jan. 1, 1977 to Dec. 31, 1977.	Hawaii	20	56,944.00	223,863.55	280,807.55
June 30, 1977 to July 1, 1978.	Illinois		[2] NA	1,082,214.26	NA
Total payments to victims				17,475,312.39	
25 percent Federal share				4,368,828.10	

[1] Cost of claim investigators only. Total administrative cost combines victim compensation and Board of Claims—$248,685.98. Breakdown not available.

[2] Administrative costs combine Attorney General's Office, Court of Claims and victim compensation program. Breakdown not available.

Mr. President, the bill which I am introducing today is identical to that approved by the House and Senate conferees last fall, with one exception: it includes a provision prohibiting the use of a "financial means test," which was part of the bill which the Senate passed last year.

In States which utilize such a test, an innocent victim will not be compensated unless the crime imposes a financial hardship, variously defined, on that victim. But there is no reason why an innocent victim should have to prove that he cannot afford such dubious status. Every victim, regardless of his State or the place of his injury, should be equally eligible to be compensated for unreimbursed medical expenses or lost earnings. And in the process, our criminal justice system should maintain a uniform nationwide standard for the compensation of victims.

Nor need we fear that somehow such a standard would allow payment for the medical bills of the wealthy, or compensate them to some degree for lost earnings. We have found not one instance in which such payment was made in States which do not utilize a means test. That prospect is highly speculative, and remote at best, especially since the wealthy are precisely those in our society who enjoy the best medical insurance and the most liberal sick leave benefits, and this bill pays only those costs unreimbursed.

Moreover, the term "hardship," or "serious financial hardship," is not only difficult to define, but is by its very nature a subjective and arbitrary concept. Would a man, with a job at which he earned enough to pay his bills and to save a small amount each week for his children's college education, be able to meet a hardship criterion if he had $3,000 in his savings account, but only $1,500 in unreimbursed medical expenses? Would anyone claim that such a man can "afford" his injury? No one has answered that question to my satisfaction. No one has answered the claims of his children, whose college education is the real cost of such a standard. No one has answered the claims of those whose pride and dignity would deter them from ever seeking recompense. It is demeaning to have to prove that one is too poor to be a victim, especially for those who have worked hard all their lives and who have prided themselves on being self-sufficient.

Some have argued that States should be allowed to impose a means test as a fiscal measure, especially since the Federal share is so small and does not offset any of the State's administrative expenses. While all of us certainly approve of the State effort to maintain the fiscal integrity of their programs, we cannot ignore a more fundamental concern: That innocent victims of crimes should not have to bear the economic burdens of crime. The Federal share is provided in addition to what the States are presently expending, and should be used to offset payments to all crime victims rather than merely easing the State's cost. Many of those States with the highest administrative costs are those that impose a means test. This money might be better spent compensating victims, than conducting financial audits.

This provision, as well as others in the bill, will be the subject of hearings, and I expect that their merit will be fully analyzed and discussed.

The Victims of Crime Act of 1979 is a recognition of the importance of innocent victims in our criminal justice system, and of the unfairness that they be required to bear the total economic brunt of a crime which society failed to prevent. It is an affirmation of that system, of the dignity of every individual from whom it asks allegiance, and of the fundamental concept of fairness which defines our way of life.

Mr. President, I ask unanimous consent that the text of the Victims of Crime Act of 1979 as well as the section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Victims of Crime Act of 1979".

ADMINISTRATION

SEC. 2. (a) The Attorney General of the United States (hereinafter in this Act referred to as the "Attorney General") shall administer the provisions of this Act. The Attorney General shall not delegate primary responsibility for administering the provisions of this Act unless such delegation is made to an individual who is compensated at the rate provided for level II, III, IV, or V of the Executive Schedule under subchapter II of chapter 53 of title 5, United States Code.

(b) There is established an Advisory Committee on Victims of Crime (hereinafter in this Act referred to as the "Committee") which shall advise the Attorney General with respect to the administration of this Act and the compensation of victims of crime. The Committee shall consist of nine members, one of whom shall be designated the Chairman, all appointed by the Attorney General. Seven members of the Committee shall be officials of States with programs qualifying under section 4. The Committee shall meet at least two times each year and at such other times as the Attorney General may direct. The term of office for each member of the Committee shall be one year. The Committee shall not come into existence until on or after October 1, 1979 and shall remain in existence until September 30, 1982.

(c) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel and transportation expenses, including per diem allowance, in the same manner and to the same extent as persons employed intermittently in the Government service are allowed travel and transportation expenses under subchapter I of chapter 57 of title 5, United States Code.

POWERS OF THE ATTORNEY GENERAL

SEC. 3. (a) Subject to the availability of amounts appropriated, the Attorney General shall make an annual grant and may make supplemental grants for compensation of victims of crime to each State program that qualifies under section 4. Except as provided in section 5, the grants made to a qualifying State program under this Act with respect a Federal fiscal year shall equal—

(1) 100 percent of the then current cost, as determined by the Attorney General, of paying compensation for personal injury and compensation for death for such fiscal year for qualifying crimes that are described in section 7(8)(B); and

(2) 25 percent of the then current cost, as determined by the Attorney General, of paying compensation for personal injury and compensation for death for such fiscal year for qualifying crimes that are described in section 7(8)(A).

Grants under this section may be made in advance or by way of reimbursement. The Attorney General shall not have the power to modify the disposition of any individual claim that has been processed by any State program.

(b) For the purpose of carrying out the provisions of this Act, the Attorney General is authorized to—

(1) promulgate such rules, regulations, and procedures as are necessary to carry out the provisions of this Act, including rules and regulations regarding the data to be kept by State programs receiving funds under this Act and the manner in which these data shall be reported to the Attorney General; and

(2) approve in whole or in part, or deny, any application for an annual or supplemental grant under this Act.

QUALIFICATIONS OF STATE PROGRAMS

SEC. 4. (a) A State proposing to receive payments to carry out a State program under this Act shall submit an application to the Attorney General at such time and in such form as the Attorney General shall prescribe by regulation. A State program for the compensation of victims of crime qualifies for grants under this Act if the Attorney General finds that such program is in effect in such State on a statewide basis during any part of the Federal fiscal year with respect to which grants are to be made and that such program meets the following criteria:

(1) The program offers—

(A) compensation for personal injury to any individual who suffers personal injury that is the result of a qualifying crime; and

(B) compensation for death to any surviving dependent of any individual whose death is the result of a qualifying crime.

(2) The program offers the right to a hearing with administrative or judicial review to aggrieved claimants.

(3) The program requires as a condition for compensation good faith cooperation by a claimant with appropriate law enforcement authorities with respect to the qualifying crime for which compensation is sought.

(4) The program does not have a limitation based on the financial means of the victim or any surviving dependent.

(5) There is in effect in the State a law or rule that the State is subrogated to any claim the victim, or a dependent of the victim, has against the perpetrator of the qualifying crime for damages resulting from the qualifying crime, to the extent of any money paid to the victim or dependent by the program.

(6) The program does not require any claimant to seek or accept any benefit in the nature of welfare unless such claimant was receiving such benefit prior to the occurrence of the qualifying crime that gave rise to the claim.

(7) The program requires denial or reduction of a claim if the victim or claimant contributed to the infliction of the death or injury with respect to which the claim is made.

(8) There is in effect in the State a law or rule that, in addition to or in lieu of any other penalty, a perpetrator of a crime may be required to make restitution to any victim or victim's surviving dependent for that crime.

(9) The program does not require that any person be apprehended, prosecuted, or convicted of the qualifying crime that gave rise to the claim.

(b) If a State has a crime victim compensation program in effect on the effective date of this Act which does not otherwise qualify under subsection (a), such program shall be deemed qualified for grants under this Act until the day after the close of the first regular session of the State legislature that begins after the effective date of this Act. Thereafter, only those programs which comply with the requirements of subsection (a) shall be eligible for grants under this Act.

LIMITATIONS ON FEDERAL GRANTS

SEC. 5. In computing the annual cost of a qualifying State program for the purpose of establishing the amount of Federal grants under section 3, there shall be excluded from such cost any amount for administrative expenses incurred in carrying out the program, and any amount representing State compensation awards—

(1) for pain and suffering;

(2) for property loss;

(3) to the extent the amount of any award to a victim, or the aggregate amount of any awards to the surviving dependents of a victim with respect to such victim, exceeds $35,000;

(4) to any claimant who has received or who is entitled to receive compensation for personal injury or compensation for death from any source, other than from a compensation program assisted under this Act or from the perpetrator of the qualifying crime, up to the amount of that compensation;

(5) to any claimant, other than a claimant sixty-two years of age or older, whose award would be for an amount less than $100 or for lost earnings or loss of support computed on the basis of less than five work days;

(6) to the extent the amount of any award for loss of earnings to a victim, or the amount of any awards for loss of support to the surviving dependents of a victim with respect to such victim, exceeds $200 per week per individual;

(7) to any claimant who failed to file a claim under the State program within one year after the occurrence of the qualifying crime, unless good cause for such failure to file has been found by the appropriate State agency; and

(8) to any claimant who failed to report the qualifying crime to law enforcement authorities within seventy-two hours after the occurrence of that qualifying crime, unless good cause for such failure to report has been found by the appropriate State agency.

REPORT OF THE ATTORNEY GENERAL

SEC. 6. (a) Not later than one hundred and thirty-five days after the end of each Federal fiscal year in which grants were made to State programs under this Act, the Attorney General shall submit a report to the House and Senate Committees on the Judiciary. The report shall include—

(1) with regard to each qualifying State program—

(A) the number of persons compensated;

(B) a statistical presentation of—

(i) the kinds and corresponding amounts of loss compensated;

(ii) the range in monetary value of claims awarded;

(iii) the reasons for denial of claims; and

(iv) the types of crimes that resulted in claims;

(C) a description of the administrative mechanisms and procedures used in processing claims, including claims for emergency assistance if the program provides for such assistance;

(D) the time required to process claims, including claims for emergency assistance if the program provides for such assistance;

(E) efforts made to publicize the program;

(F) administrative expenses; and

(G) the number of qualifying crimes described in section 7(8)(B) that were compensated; and

(2) with regard to the activities of the Attorney General in carrying out the provisions of this Act—

(A) an itemized statement of grants and expenditures;

(B) copies of all rules made under section 3(b); and

(C) projected expenditures for the Federal fiscal year in which the report is required to be submitted.

(b) Not later than two years after the date of the enactment of this Act, the Attorney General shall survey the laws and practices of the States respecting the disposition of the profits made by criminal wrongdoers from publicity surrounding their wrongdoing and report to the Congress on the appropriateness of requiring as a condition of qualifying for grants under this Act the existence of a State law or practice preventing the criminal wrongdoer from enjoying such profits.

DEFINITIONS

SEC. 7 as used in this Act—

(1) "claim" means a written request to a State compensation program for compensation for personal injury or compensation for death made by or on behalf of a victim, or any surviving dependent of a victim, or a qualifying crime;

(2) "dependent" means, with respect to any State compensation program, any dependent as defined by such State for purposes of such program;

(3) "personal injury" means, with respect to any State compensation program, personal injury occurring in such State as defined by that State for the purposes of such program;

(4) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States;

(5) "compensation for personal injury" means compensation for loss that is the result of personal injury caused by a qualifying crime, including—

(A) all appropriate and reasonable expenses necessarily incurred for ambulance, hospital, surgical, nursing, dental, prosthetic, and other medical and related professional services and devices relating to physical or psychiatric care, including nonmedical care and treatment rendered in accordance with a method of healing recognized by the law of the State;

(B) all appropriate and reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation; and

(C) loss of past and anticipated future earnings;

(6) "property loss" does not include expenses incurred for medical, dental, surgical, or prosthetic services and devices;

(7) "compensation for death" means compensation for loss that is the result of death caused by a qualifying crime, including—

(A) all appropriate and reasonable expenses necessarily incurred for funeral and burial expenses; and

(B) loss of support to any dependent of a victim, not otherwise paid as compensation for personal injury, for such period as the dependency would have existed but for the death of the victim;

(8) "qualifying crime" means—

(A) any act or omission occurring in a State which is criminally punishable therein and which such State designates as appropriate for compensation under its program; or

(B) any act or omission that would be a qualifying crime under subparagraph (A) except for the fact that such act or omission is subject to exclusive Federal jurisdiction; and

(9) "administrative expenses" includes any fee awarded by the State agency administering a State compensation program to any claimant's attorney, if such fee is paid in addition to, and not out of, the amount of compensation awarded to such claimant.

AUTHORIZATION

SEC. 8. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980; $40,000,000 for the fiscal year ending September 30, 1981; and $50,000,000 for the fiscal year ending September 30, 1982.

EFFECTIVE DATE

SEC. 9. Grants may be made under this Act with respect to the fiscal year which ends September 30, 1980, and succeeding fiscal years.

VICTIMS OF CRIME ACT OF 1979

Section-by-section analysis of the Legislation.

SECTION 1

Section 1 of the bill provides that the short title of the legislation is the "Victims of Crime Act of 1979".

SECTION 2

Section 2 of the bill vests responsibility for administering the provisions of the legislation in the Attorney General. The Attorney General may delegate primary responsibility for administration to any person in the Department of Justice who is compensated at the rate provided for level II, III, IV, or V of the Executive schedule.

Section 2 also establishes an Advisory Committee on Victims of Crime composed of nine members appointed by the Attorney General, seven of whom must be officials of States with programs that qualify for a grant under section 4 of the bill. The members will serve 1 year terms and will receive only transportation and travel expenses and a per diem allowance while away from their homes in the performance of their services for the committee. The purpose of the committee is to advise the Attorney General on matters relating to the administration of the legislation and to the compensation of crime victims. Since a majority of the committee will consist of officials from States that qualify for grants under section 4 of the bill, those directly affected by the manner in which the legislation is administered will have a direct and formal method of making their views known to the Attorney General.

SECTION 3

Section 3 of the bill sets forth the powers of the Attorney General. Section 3(a) gives the Attorney General the power to make annual and supplemental grants to qualifying State crime victim compensation programs. The grants may be made in advance or by way of reimbursement and are subject to the availability of appropriated money. The legislation, therefore, does not create an entitlement program. The grants are also subject to the limitations found in section 5 of the legislation.

The formula for determining the amount of a grant that a qualified State victim compensation program is eligible to receive is established by section 3(a). Under that formula, a qualified State victim compensation program may receive, during a Federal fiscal year, an amount equal to 25 percent of its cost of paying compensation to victims of most qualifying crimes (those that fall within State jurisdiction) and 100 percent of the cost of paying compensation to victims of those analogous Federal crimes described in section 7(8)(B) of the legislation (those crimes occurring within the State that fall within exclusive Federal jurisdiction).

Section 3(a) expressly precludes the Attorney General from modifying the disposition of any individual claim processed by any State agency administering the State's crime victim compensation program. The responsibility for administering each State program rests solely with the State involved.

Section 3(b) of the bill sets forth the powers of the Attorney General with respect to this legislation. This section does not authorize the Attorney General to involve himself in matters pertaining to the administration of a State program.

SECTION 4

Section 4(a) of the bill sets forth nine qualifications that a State crime victim compensation program must meet in order to be eligible for an annual or supplemental grant from the Attorney General. If a State victim compensation program meets all nine qualifications, it is eligible for such grants. Any State victim compensation program—whether presently in operation or established subsequent to the enactment of this legislation—is eligible for such grants if it meets all the qualifications set forth in section 4 of the bill.

Section 4(a)(1) requires that the State program offer "(A) compensation for personal injury to individuals who suffer personal injuries which were the result of qualifying crimes; and (B) compensation to the surviving dependent or dependents of individuals whose deaths were the result of qualifying crimes." These terms are defined in Section 7.

Section 4(a)(2) requires that the State crime victim compensation program offer to aggrieved claimants the right to a hearing with administrative or judicial review. No particular form of administrative or judicial review is required by the legislation.

Section 4(a)(3) provides that a State crime victim compensation program must require claimants to cooperate with law enforcement authorities in order for that program to qualify for a grant under the legislation. Cooperation with law enforcement authorities is an important part of a crime victim compensation program. It assists in law enforcement efforts to apprehend, prosecute and convict criminal offenders by encouraging greater citizen participation in the criminal justice system. Moreover, it helps guard against fraudulent and collusive claims. The cooperation required is reasonable cooperation and the victim should not be denied compensation because the victim failed to comply with an unreasonable request of a law enforcement official. Whenever an issue is raised regarding the victim's good faith cooperation, the State program will be vigilant in acertaining that the requests made by law enforcement authorities of the victim were reasonable.

Section 4(a)(4) provides that the State crime victim compensation program cannot base eligibility for compensation upon the financial impact of the offense on the claimant. This provision prohibits a State from utilizing what is commonly referred to as a "means test". Such a test denies compensation to a crime victim unless the crime imposes a financial hardship, variously defined, upon that victim. The intended purpose of this test is to hold down compensation costs, although the imposition of the test results in additional investigative costs.

The rationale for this prohibition in Section 4(a)(4) is the belief that no innocent victim of a crime should be required to bear the economic burden of the crime, that a uniform standard of eligibility should be used nationwide, that means tests are inherently arbitrary and demeaning, that such test may have the effect of discouraging claimants from applying for compensation, and that there has been no conclusive showing that such tests are cost effective.

Section 4(a)(5) requires that the State be subrogated to any claim that the claimant has against the perpetrator of the qualifying crime for damages resulting from that crime. The State is to be subrogated to the extent of any money paid to the claimant by the program. The right of subrogation is an important element of a State victim compensation program. It prevents double recovery by a victim. Moreover, since the State may be in a better position to pursue any claim against the wrongdoer, subrogation may result in the wrongdoer, rather than the State, paying at least a part of the victim's loss. However, subrogation is unlikely to result in significant revenues for the State because too few criminals are caught and convicted, and most of those who are caught and convicted are judgment proof.

Section 4(a)(6) provides that the State program may not "require claimants to seek or accept any benefits in the nature of welfare, unless such claimants were receiving such benefits prior to the occurrence of the qualifying crime which gave rise to the claim." Thus, a qualified State victim compensation program cannot require that a claimant seek or accept welfare benefits in lieu of, or in addition to, any award of compensation it makes, unless that claimant was receiving those welfare benefits prior to the crime that resulted in the claim.

Section 4(a)(7) requires that a State victim compensation program must deny or reduce a claim if the victim is found by the agency administering the State program to have contributed to the infliction of the death or injury that is the basis for the claim. Thus, for example, where the agency administering the State program finds contributory fault on the part of the victim, the victim's claim would have to be reduced or denied altogether.

Section 4(a)(8) requires that State law permit a restitution obligation to be imposed upon criminal wrongdoers. The provision is broadly drawn. A State may satisfy the restitution requirement by means of legislative enactment, either as a part of its crime victim compensation statute or elsewhere in the State's statutes, by means of administrative regulation, or by means of court decision, practice or procedure. The State may impose the restitution obligation at the time of sentencing, in addition to or in lieu of any fine or term of years imposed; the restitution obligation can also be imposed after sentencing, as a condition of parole, for example.

Restitution and crime victim compensation are complementary concepts. Because so few offenders are caught and convicted, and because so many of those who are caught and convicted are people of limited means, restitution will be of no help to most crime victims. Nonetheless, it is important that to the extent possible criminal wrongdoers ought to help pay for the losses sustained by their victims.

Section 4(a)(9) requires that the State program not require that any person be apprehended, prosecuted or convicted of the crime upon which a claim for compensation is made. A person is being compensated because that person has been the victim of a crime. A person's status as a crime victim does not change because the police were unable to catch the wrongdoer, or because the prosecutor decided to drop the charge against the wrongdoer as a part of a plea bargain, or because the case against the wrongdoer was dismissed on a technicality.

Section 4(b) gives the States that presently have crime victim compensation programs a grace period in which to meet all of the requirements of the legislation. It provides that such States have until the day after the close of the first regular session of the State legislature which begins after the effective date of the legislation in order to bring their programs into compliance with all of the requirements of the legislation. Until that date, such States will be eligible for grants under the legislation. One of the purposes of this legislation is to give financial assistance to States that operate crime victim compensation programs. Since the times when State legislatures meet varies greatly among the various States, a grace period for existing State Crime victim compensation programs is advisable.

SECTION 5

Section 5, entitled "Limitations on Federal Grants" provides that certain expenses are excluded from the cost of operating a State victim compensation program when calculating the cost of that program for the purpose of computing the Federal grant. It provides, for example, that administrative expenses are not included in calculating the cost of a State program.

Section 5(1) provides that any amount awarded by a qualified State program for "pain and suffering" shall be excluded from the cost of paying compensation when determining the amount of the grant. The term "pain and suffering" is used in its tort law sense and represents amounts awarded on the basis of subjective evaluation of the extent to which someone endured discomfort. A State program may make such awards without jeopardizing its status as a qualified program. However, the amount of any award designated as compensating the claimant for pain and suffering will not be included in the State program's cost of paying compensation when the amount of its grant is determined.

Section 5(2) provides that any amount awarded by a qualified State program for property loss shall be excluded from the cost of paying compensation when determining the amount of the grant. Thus, for example, a qualified State program that chooses to compensate victims for stolen cars or other personal property would not be able to include amounts for such awards in its cost of paying compensation.

Section 5(3) provides that any amount awarded by a qualified State program in excess of $35,000 shall not be included in the cost of paying compensation when determining the amount of the grant. Where the victim is deceased, the awards paid to the victim's dependents are aggregated. All aggregated amounts in excess of $35,000 are excluded from the cost of paying compensation when determining the amount of the grant.

Section 5(4) provides that any amount awarded by a qualified State program to a claimant "who has received or who is entitled to receive compensation from any source other than a compensation program assisted under this Act or the perpetrator of the qualifying crime, up to the amount of that compensation," shall be excluded from the cost of paying compensation when determining the amount of the grant. The purpose of this collateral source provision is to discourage the making of awards that would result in double recovery by a claimant. Thus, for example, a claimant may be entitled to be reimbursed by an insurance plan for all or a part of his medical expenses. That part of the State program's award which duplicates the reimbursement form the insurance plan will not be included in the cost of paying compensation when determining the amount of the grant.

Section 5(5) provides that awards for less than $100 and awards for lost earnings or loss of support computed on the basis of less than 5 work days, shall be excluded from the cost of paying compensation when determining the amount of the grant. Claimants who are sixty-two years of age or older are exempted from this provision however. This is a recognition of the special problems and needs of elderly crime victims. Many of our elderly citizens, because they must live on relatively low fixed incomes, live in or near relatively high-crime areas. The elderly are physically vulnerable to criminal acts, and the emotional, as well as the physical trauma caused by crime can be quite acute. The exemption is intended to encourage States to recognize the special problems and needs of the elderly crime victim.

Section 5(6) provides that any amount awarded by a qualified State program in excess of $200 per week for lost earnings or loss of support shall be excluded from the cost of paying compensation when determining the amount of the grant.

Section 5(7) provides that any amount awarded by a qualified State program to a claimant who filed a claim more than 1 year after the occurrence of the qualifying crime shall be excluded from the cost of paying compensation when determining the amount of the grant—unless the agency administering the State program has found "good cause" for the delay. A number of State programs have more stringent filing requirements. The legislation does not require those States to change their requirements.

Section 5(8) provides that any amount awarded by a qualified State program to a claimant who failed to report the qualifying crime to law enforcement authorities within 72 hours after the occurrence of that qualifying crime shall be excluded from the cost of paying compensation when determining the amount of grant—unless the agency administering the State program has found "good cause" for the failure to report within 72 hours. A number of State programs have more stringent requirements about reporting to the police. The legislation does not compel those States to change their requirements.

SECTION 6

Section 6(a) requires the Attorney General to report annually on the administration of the legislation. Sections 6(1)(C) and (D) require that the Attorney General gather and report upon data pertaining to emergency awards of compensation. Several State programs provide for an expedited award of compensation in situations where the innocent crime victim is in great need. The Maryland statute, for example, provides for an emergency award of up to $500 if it is determined that (a) the "claim is one with respect to which an award probably will be made and (b) undue hardship will result to the claimant if immediate payment is not made . . ." Annotated Code of Maryland Art. 26A, § 11.

It would appear that the elderly, many of whom live on relatively low fixed incomes which they receive in periodic payments, would particularly benefit from provisions permitting emergency awards of compensation. States with qualified programs that do not provide for emergency awards of compensation are encouraged to evaluate their programs to determine whether they are fully meeting the needs of the innocent victims of crime, particularly the elderly victims of crime.

Section 6(b) requires the Attorney General to study State laws concerning unjust enrichment of criminal wrongdoers and to recommend to Congress whether or not States should be required to have such provisions in effect in order to qualify for grants under this legislation. The Attorney General's study will encompass the policy questions, as well as the constitutional issues raised by unjust enrichment proposals.

SECTION 7

Section 7 of the bill defines certain terms used in the legislation.

Section 7(1) defines "claim" to mean "a written request for compensation made by or on behalf of a victim or any surviving dependent of a victim."

Section 7(2) provides that for the purpose of administering the legislation, the term "dependent" means what each State defines it to mean for purposes of its victim compensation program.

Section 7(3) provides that for the purpose of administering legislation, the term "personal injury" means what each State defines it to mean for purposes of its victim compensation program.

Section 7(4) defines "State" to include every State of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

Section 7(5) defines the term "compensation for personal injury" to mean "compensation for loss which is the result of personal injury" and includes: (1) appropriate and reasonable expenses for hospital and medical services; (2) appropriate and reasonable expenses for physical and occupational therapy and rehabilitation; and (3) loss of past and anticipated future earnings.

The definition refers to "method of healing recognized by the law of the State." This phrase is intended to encompass payments for modes of nonmedical care and treatment which are rendered in accordance with a method of healing that is recognized as lawful in the State, such as that method practiced by Christian Scientists. The phrase "law of the State" is understood not to be limited to a State's victim compensation statute but to encompass the entire corpus of that State's law.

Section 7(6) provides that the term "property loss" does not include expenses incurred for medical, dental, surgical or prosthetic services and devices. This permits awards that compensate claimants for expenses connected with replacing or repairing such items as broken eyeglasses, dentures, artificial limbs, hearing aids, or wheelchairs to be included in the cost of paying compensation when determining the amount of the grant.

Section 7(7) defines the term "compensation for death" to mean compensation for loss which is the result of death caused by a qualifying crime, including all reasonable and appropriate funeral expenses and loss of support to any dependent of the victim.

Section 7(8) defines the term "qualifying crime" to mean (A) any act or omission occurring in the State which is criminally punishable and which the State designates that it will compensate the victims of, and (B) any act or omission that would qualify under (A) but for the fact that the act or omission occurred within the exclusive federal jurisdiction. Thus, while each State with a qualified program has complete freedom to specify those crimes whose victims will be eligible for compensation, it must make all victims of those crimes eligible, without regard to the victim's State or residency. A qualified State program will be eligible for a grant equal to 25 percent of the cost of paying compensation to the victims of such crimes.

Section 7(8) requires that States compensatee the victims of certain crimes that fall within exclusive Federal jurisdiction. The crimes involved are those that are "analogous" to the State crimes whose victims are eligible for compensation. However, in return for a State program assuming this burden, it will be eligible for a grant equal to 100 percent of the cost of paying compensation to the victims of "analogous" crimes.

Section 7(9) defines the term "administrative expenses" to include an award of an attorney's fee if the fee "is paid in addition to, and not out of the amount of compensation." Therefore, amounts representing awards of attorneys' fees paid in addition to the compensation are not included in the State program's cost of paying compensation when determining the amount of the grant.

SECTION 8

Section 8 authorizes the appropriation of funds to carry out the legislation. $30 million is appropriated the first year, $40 million the second, and $50 million the third. The three year authorization period covers fiscal years 1980, 1981, and 1982.

SECTION 9

Section 9 deals with the effective date of the legislation. Under this section, a qualified State program would be eligible to receive a grant covering compensation paid to crime victims on or after October 1, 1979.

● Mr. BAYH. Mr. President, I am pleased to cosponsor the Victims of Crime Act of 1979 introduced today by my colleague from Massachusetts, Senator KENNEDY. I believe the time has come for the Federal Government to reimburse in some measure the innocent citizen who has suffered personal injury and economic loss due to the criminal acts of others. It is indeed not only

ironic but unjust that the Federal Government spends upward of $10,000 annually to feed, clothe, shelter, and rehabilitate persons convicted of crimes, yet provides the innocent victims nothing but sympathy to compensate them for the personal injury and lost earnings they have suffered. All too often the victim's needs are simply forgotten or ignored.

Mr. President, it is of particular importance to me that the Victims of Crime Act will provide needed assistance to our senior citizens. As we are all acutely aware the fixed incomes upon which the elderly must often rely forces them to live in relatively high crime areas. Moreover, their very age increases the likelihood that if they become the target of crime they will suffer injuries requiring extensive medical treatment. It is indeed a compounded tragedy to turn our backs on people who have been victimized not only by the criminal but also by the heavy burdens of the costs of medical treatment and rehabilitation.

Another positive feature of this legislation is that it will encourage victims to cooperate with law enforcement authorities in their efforts to apprehend, prosecute, and convict the criminal offender.

Mr. President, the concept that society should assist those who have been the victims of crimes is not a new one. We can trace it back almost 4,000 years to the ancient Babylonian Code of Hammurabi which provided such compensation to citizens. In recent years, this Chamber has passed similar legislation seven times. I urge my colleagues to again adopt this measure in hopes that we shall at last grant to the victims of crime the assistance they so desperately need.●

● Mr. METZENBAUM. Mr. President, I am pleased to join the chairman of the Judiciary Committee in introducing the Victims of Crime Act of 1979.

This legislation, which was originally introduced by the late Senator Hubert Humphrey with the cosponsorship of 20 Senators, provides grants to assist the States in operating programs designed to compensate the victims of violent crimes. The Senate has passed victim compensation legislation in four successive sessions, beginning in the 92d Congress.

Victim compensation is a concept that enjoys widespread support. Some form of Government compensation for crime victims exists in 23 States, including my own State of Ohio. Several States without programs are interested in implementing compensation laws, but are delaying final passage in anticipation that Federal assistance will be forthcoming. Therefore, passage of the Victims of Crime Act will prompt the States to complete the work which they have already begun.

By adopting this bill, we will improve the administration of criminal justice and also aid innocent people who have suffered the misfortune of a criminal attack.

Compensation programs encourage cooperation with law enforcement agencies. An individual is provided with incentive to endure the sometimes arduous task of identifying suspects, appearing in court, and staying with a case until it is finally resolved. The availability of compensation will go a long way toward reducing the bitterness and alienation that is so often a part of criminal victimization. The victim will see that the system recognizes his rights, and is sensitive to his needs.

Crime, particularly violent crime, disproportionately affects our poorer citizens and the elderly. Compensation could well be the most important function society provides to someone who incurs medical expenses, lost wages and other costs.

Mr. President, it is unfortunate that we have not suceeded in stemming the rising crime rate. But if we are willing to spend billions of dollars on law enforcement with no guarantee of a worthwhile return, we should be more than willing to make a modest expenditure to support victim compensation programs of proven effectiveness.●

By Mr. BENTSEN:

S. 191. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Committee on the Judiciary.

PROTECT CONFIDENTIALITY OF INTELLIGENCE OFFICERS

● Mr. BENTSEN. Mr. President, today I reintroduce legislation to protect the identities of intelligence officers who perform dangerous and important work under difficult circumstances.

My legislation would make it a criminal offense for past or present employees of the Central Intelligence Agency to reveal the identity of intelligence officers who need protection. It will prohibit former employees from revealing the names, addresses, and telephone numbers of such officers. It will punish violations with up to 10 years in prison.

In recent years, a small band of disgruntled radicals have begun a crusade against our intelligence agencies. They have revealed the names of foreign officers who cannot function without protection. They have threatened public demonstrations against those they name, at American embassies and at their homes. They have threatened to go beyond peaceful protest.

In their incredible fanaticism, they threaten to do deadly harm: deadly to our intelligence officers and dangerous to our national security. They are attacking our very ability to conduct an effective intelligence service, and they are willing to go to any lengths to do so. By publicly naming our intelligence officers they establish an open season for any political opponent or any terrorist group.

Mr. President, it is hard to imagine that current laws do not make this a crime. It is possible they do. Yet, some of our bright legal minds tell us it is conceivable that exposure of our intelligence officers is not punishable as a criminal offense. The legislation I introduce today will lay these doubts to rest. It will prohibit, in clear and decisive terms, former CIA employees from revealing the names, addresses or telephone numbers of intelligence officers who would be placed in jeopardy.

For years, for decades, intelligence employees have accepted the responsibility of protecting the confidentiality of other employees. They have honored this fundamental commitment. They have understood that it is basic to the effective functioning of our intelligence service. Today we must restore this obligation for all current or former employees.

Mr. President, in the last several years there have been revelations of abuse by our intelligence service. There were mistakes. There was wrongdoing. There was illegality. This conduct must never be tolerated, and it has not been tolerated.

A congressional committee has investigated the abuses and proposed changes. Changes have been made. Strong congressional oversight has been established. There are avenues for those who want to expose wrongdoing to do so without jeopardizing the lives of our intelligence officers and without harming our national security.

Our society will not tolerate lawlessness by anyone, for any reason, in any way. But the recent conduct of Philip Agee and his group has been dangerous and irresponsible, and has gone far beyond revealing abuse. They have threatened the lives of our officers and their families. They have tried to destroy our ability to collect vital intelligence data. As recent events in Iran have indicated, it is essential that we have informed and current intelligence information.

In 1977 Mr. Agee publicly named eight officials affiliated with our Australian Embassy, as employees of the CIA. These people had done no wrong, committed no crime, violated no law. This was exposure for the sake of exposure, pure and simple. Last year, at an International Youth Festival in Havana, Mr. Agee promised more of the same, and worse.

Mr. President, in light of these recent activities the Congress must respond. We must not overlegislate. We must not advocate an Official Secrets Act. We must keep open legitimate and effective avenues for the exposure of wrongdoing. But we must recognize that there is absolutely no excuse for recklessly threatening the lives of our intelligence employees and our intelligence capability.

My legislation is narrow. It would punish former employees who reveal the identities of current ones. It expressly states that those who were not privileged to have the information in the first place cannot be prosecuted. Journalists would, therefore, be protected from prosecution, although they would face usual legal issues regarding their sources.

We live in a dangerous world, where there are real enemies who wish us ill. We must have a strong intelligence service to meet our responsibilities around the world, to insure the security of our Nation, to protect our Nation's allies and our national ideals.

We must not condone those who threaten our ability to perform this important task. They go far beyond the bounds of rational or tolerable behavior.

Regardless of their motives, they serve the cause of the Gulag with as much force as paid employees of a foreign power. Perhaps they should consider their fate if they had named employees of the KGB. I doubt they would read about themselves in the newspapers. Instead, they might very well face capital punishment, but without a jury, without a trial, without an appeal, without an attorney, and without due process of law.

Mr. President, I ask unanimous consent that the text of my legislation, and an article that appeared last year in the Washington Post, be printed in the RECORD.

I ask my colleagues to read this material, and to join me in sponsoring this legislation, which will provide a clear message that we will not sit idly by while our intelligence officers and our national security are threatened so recklessly.

I today urge that the chairmen of the Senate Judiciary and Intelligence Committees conduct early hearings on this bill, and that the Senate give it prompt and favorable consideration.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) whoever, being or having been in authorized possession or control of any information which identifies or which can lead to the identification of any individual or entity as being or having been an employee or agent of, or having been associated with, the Central Intelligence Agency and such information has been specifically designated by an Executive Order of the President as requiring a specific degree of protection, willfully discloses such information to any person not authorized to receive such information shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

(b) Prosecution under subsection (a) shall be barred if any information described in subsection (a) is communicated to—

(1) a regularly constituted committee or subcommittee of the Senate or the House of Representatives, or any joint committee of the Congress, which has oversight jurisdiction of intelligence activities of the United States,

(2) a judge of any United States district court pursuant to an order of such court issued upon a showing that production of such information is reasonably needed for any judicial proceeding, and

(3) any Federal law enforcement officer, if application is made by the Attorney General of the United States, or any Assistant Attorney General specifically designated by the Attorney General, to the judge of any United States district court and such judge (A) makes a finding that the disclosure of any information described in the first section is essential to the investigation of a possible crime, and (B) issues an order authorizing the disclosure of such information to such law enforcement officer.

SEC. 2. As used in this Act, the term "authorized" means the authority to have access to, to receive, to possess, or to control information as a result of the provisions of a Federal statute or an Executive Order of the President.

SEC. 3. A person not authorized to receive information described in the first section of this Act shall not be subject to prosecution as an accomplice within the meaning of section 2 or 3 of title 18, United States Code, or to prosecution for conspiracy to commit an offense described in the first section of this Act.

WORLDWIDE EFFORT BEING LAUNCHED TO "DESTABILIZE" CIA

(By George Lardner, Jr.)

Perched just below Dupont Circle is the apparently temporary headquarters of a new international campaign to "destabilize" the Central Intelligence Agency.

The anti-CIA announcements are being made in Havana, but the vehicle is a magazine being put together by former CIA officer Philip Agee, "the agency's No. 1 nemesis," and a number of colleagues bent on "exposing CIA personnel and operations whenever and wherever we find them."

The new publication, which is expected to appear roughly six times a year, is called the Covert Action Information Bulletin, and its tone is uncompromising. Urging a worldwide effort to print the name of anyone who works abroad for the CIA, Agee advises readers of the premier issue not to stop there. Once the names have been made public, he recommends:

"Then organize public demonstrations against those named—both at the American embassy and at their homes—and, where possible, bring pressure on the government to throw them out. Peaceful protest will do the job. And when it doesn't, those whom the CIA has most oppressed will find other ways of fighting back."

Agee concludes: "We can all aid this struggle, together with the struggle for socialism in the United States itself."

"This thing is incredible . . . unbelievable," exclaimed CIA spokesman Herbert Hetu. "The motivation of these people has got to be more than that they're just ticked off at the CIA.

"This goes beyond whistle-blowing." Hetu added of the magazine. "Whistle-blowing is supposed to be directed at wrongdoing. These people are operating under the overall pretext that everything we do is wrong."

Expelled from Britain and a succession of other Western European countries over the past two years, Agee is reportedly living in Rome, but the magazine is being published here by C. I. Publications Inc., a nonprofit corporation set up in the District on Dec. 22.

Its incorporators, directors and officers are William H. Schaap, a lawyer and editor in chief of a newsletter called the Military Law Reporter; Ellen Ray, a colleague of Schaap on various boards and projects; and Louis Wolf, coeditor with Agee of a new book entitled "Dirty Work: The CIA in Western Europe."

It is designed partly as a how-to-do-it book aimed at "breaking the 'cover' of thousands of CIA agents around the world."

The headquarters of C. I. Publications Inc. is given in the incorporation papers as a sixth-floor suite in the Dupont Circle Building at 1346 Connecticut Ave. NW, which houses the Public Law Education Institute.

The institute's president, Thomas P. Alder, told a reporter yesterday he had not been aware of Schaap's use of the address for his "sideshow" magazine and indicated he would put a stop to it. The institute publishes the Military Law Reporter Schaap edits.

The financing for the new undertaking was unclear. Alder said Schaap, Agee and all the others who could answer such questions were still in Havana, where they have been taking part in an anti-CIA tribunal that began last week as part of the International Youth Festival.

In announcing the plans there, Agee and Schaap have said they hope to establish a worldwide network of "researchers" who will keep CIA officers under close scrutiny and forward their names to the Covert Action Information Bulletin for publication. Others associated with Agee in the so-called "CIA Watch" are James and Elsie Wilcott, former CIA finance and support personnel who are also taking part in the Havana festival.

In a joint statement in the first (July 1978) issue of Covert Action entitled "Who Are We," Agee and the others describe the magazine as a successor to Counter-Spy, which went out of business a year and a half ago.

Counter-Spy folded after a welter of controversy over the 1975 assassination in Athens of CIA station chief Richard S. Welch. The magazine had earlier listed Welch's name as a CIA official stationed in Peru.

Unlike Counter-Spy, Agee and the others said in the first issue of Covert Action, "We are confident that there will be sufficient subscribers to make this publication a permanent weapon in the fight against the CIA, the FBI, military intelligence and all the other instruments of U.S. imperialist oppression throughout the world."

According to John H. Rees, editor of a conservative newsletter called Information Digest and Washington correspondent for the Review of the News magazine (originally put out by the John Birch Society), Schaap is a member of the National Lawyers Guild, and, with Ray, served on the Counter-Spy magazine advisory board. The two also participated together in the National Lawyers Guild's Southeast Asia Military Law Project and served as the guild's observers in February 1977 at the Baader-Meinhof trials in Stammhein. Rees reported in Information Digest's latest issue.

Several hundred copies of Covert Action were reportedly sent from Washington, and more were distributed free in Havana.●

By Mr. BUMPERS:

S. 192. A bill to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors; to the Committee on Finance.

● Mr. BUMPERS. Mr. President, I have today introduced a bill to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors in property located in the United States. The purpose is self-evident, to insure that American investors are not disadvantaged by the tax laws in making capital investments.

Currently, the code allows nonresident alien individuals to escape capital gains completely upon the sale of a capital asset merely by staying out of the country for over half the year, and if they fail in that, they are allowed to treat the gain from sales or exchanges of real estate as connected with U.S. business, which is taxed at normal rates for ordinary income, rather than the flat 30 percent otherwise imposed upon capital gains. Foreign corporations are taxed upon capital gains only to the extent they are connected with U.S. business or if they fall within certain narrow categories and are not connected with U.S. business. As with nonresident alien individuals, they are also permitted to treat the gains from sales or exchanges of real estate as connected with U.S. business.

In contrast, Americans are fully subject to the ordinary income and capital gains taxes. They cannot escape capital gains taxes simply by leaving the country. American corporations pay capital gains taxes regardless of whether the underlying transaction was connected with U.S. business. Consequently, Americans may be placed at a serious disadvantage when investing in property lo-

cated in the United States. An American who sells a capital asset is taxed on the gain, unless he reinvests in a like-kind asset. Thus his proceeds are either reduced immediately or restricted and subject to future tax, which confines his ability to reinvest. By comparison, foreign reinvestment may not be at all confined, leaving the foreign investor at a distinct advantage.

This bill largely removes that advantage by making foreign investors fully subject to capital gains taxes. They will retain the option to treat their gains from real estate as connected with U.S. business, thus taxable according to section 11 or section 1201(a), or as not so connected, thus taxable at a flat 30 percent. This option affords virtually the same treatment as the capital gains provision, which, as an alternative tax, requires the taxpayer to take the lower of the capital gains rate or the ordinary income rate.

To offset the fact that the foreign investor's U.S.-related income will be limited in most instances to his capital gains, unlike Americans who have taxable ordinary income as well, the bill also retains the present provision which does not afford nonresident alien individuals the 50-percent deduction of capital gains provided by section 1202. Consequently, the gains of foreign investors will be taxed at a broader range of rates than similar gains of American investors. Tax planning by foreign investors, such as selling in installments, will allow them to avoid the more severe marginal rates from which the 50-percent deduction shields American investors.

The bill also specifically enumerates capital gains income as a category of income to be taxed along with the present categories of income not connected with U.S. business. It retains the option for corporations to choose the flat 30 percent rate for those categories or the progressive rates for income connected with U.S. business. This treatment, as I have explained, parallels the alternative nature of the capital gains provisions, especially because the capital gains rate for domestic corporations is 30 percent.

This equalization of the tax treatment of foreign and domestic investors in U.S. property is especially necessary now, because the depressed value of the dollar is attracting much greater foreign investment, although we do not yet know the full extent of it. There is no reason to include the further attraction of a tax break.

I hasten to add that this bill is not an attempt to curtail foreign investment, and it should not be construed as such. As I have said, we do not yet know the extent of foreign investment in the United States, so there is no way to know at this time whether any curtailment measures should be considered. It simply puts domestic and foreign investors on equal footing.

Mr. President, I ask unanimous consent that this bill amending the Internal Revenue Code be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 871(a)(2) is deleted and a new Section 871(a)(2) is added as follows:

"SEC. 871(a)(2). In the case of a nonresident alien individual, there is hereby imposed a tax as provided by section 1201(b) upon the amount by which his gains, derived from sources within the United States, from the sale or exchange of capital assets at any time during the taxable year, exceed his losses allocable to sources within the United States, from the sale or exchange at any time during such year of capital assets. Such gains and such losses shall be determined without regard to section 1202 (relating to deduction for capital gains) and such losses shall be determined without the benefits of the capital loss carryover provided in section 1212. Any gain or loss which is taken into account in determining the tax under paragraph (1) of this subsection or subsection (b) shall not be taken into account in determining the tax under this paragraph":

That section 881(a) is amended by deleting the word "and" at the end of subparagraph 3(c), by adding the word "and" at the end of paragraph (4) and by adding new paragraph (5) as follows:

"(5) gains described in section 1222(11),".

By Mr. TOWER (for himself, Mr. NUNN, Mr. SCHMITT, and Mr. MORGAN):

S. 193. A bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

FEDERAL TRADE COMMISSION REGULATORY REVIEW ACT

● Mr. TOWER. Mr. President, on behalf of Mr. NUNN, Mr. SCHMITT, Mr. MORGAN, and myself I am introducing today the Federal Trade Commission Regulatory Review Act to amend section 18 of the Federal Trade Commission Act to provide the opportunity for congressional review of each rule proposed by the Federal Trade Commission. This bill is identical to S. 3296 which we introduced on July 13, 1978 in the 95th Congress.

The purpose of this proposal is to provide the American citizens through their elected representatives an effective and democratic means of control over the regulations governing what they can buy and sell in the marketplace.

The consistent growth of the bureaucracy—particularly the independent regulatory agencies such as the Federal Trade Commission—is leading us down the road to uncontrollable regulation. During the past 50 years, legislatures have been delegating to commissions lawmaking power with little or no strings attached. But the commissioners and their staffs who churn out these edicts are elected by no one: they are answerable neither to the President nor the Congress.

When Congress delegates wholesale powers limited only by vague standards, it abdicates the traditional legislative function of democratically determining public policy. The legislative review procedure which would be established under our bill restores to Congress its right to exercise control over this delegated power.

It is imperative that Congress act promptly to stem the flow of Government regulation.

The multitude of Government regulations costs business unnecessary billions annually in compliance with redtape—and, of course, the buying public picks up the tab as these costs are passed through to consumers.

For example, one economist figures that the aggregate cost of complying with Federal regulation came to $62.0 billion in 1976, or over $300 for each man, woman, and child in the United States. Others estimate that regulation inflates the prices consumers pay for goods and services by untold billions of dollars.

Devastating, too, is the impact of Government regulation and redtape on small business. The individual proprietor simply cannot cope with the paperwork because he does not have expensive attorneys and accountants to assist in compliance. The Federal Paperwork Commission was told that most information requests in agency rules were designed with large businesses in mind, and that the data derived from the smaller concerns was not worth the relative burden involved in complying. To compound this, when faced with demands or compliance action by the agencies, the small businessman is usually unable to vindicate his rights and is forced to cave in because he cannot afford the expense of litigation.

THE FEDERAL TRADE COMMISSION

There is a special need for close legislative oversight over the rulemaking activities of the Federal Trade Commission. The Commission has very broad authority to prohibit conduct which is considered "unfair" or "deceptive." Under this overly broad language, the agency can regulate practically every aspect of our commercial life. These FTC rules are not merely narrow interpretations of tightly drawn statutes, but are broad policy pronouncements which have the effect of substantive law.

One by one, the Federal Trade Commission has been rolling proposals off its assembly parlors—you name it. Many of these, such as the creditors' rule, override actions taken by State legislatures as well as Congress.

Not satisfied with the mundane role of analyzing advertising statements that may be "unfair" or "deceptive" claims, the FTC bureaucrats now feel obliged to protect the public from "noncognitive pictorials" which they proclaim as deceptions.

Nor does this "new activism" on the part of some of the members of the Commission instill public confidence in the integrity of its rulemaking process. Recently, U.S. District Judge Gerhard A. Gesell ruled that the chairman of the Commission's public statements and correspondence of record sustained the charge that he had conclusively prejudged the factual issues which will be disputed in the rulemaking proceeding on children's advertising. Judge Gesell observed:

> The chairman has by his use of conclusory statements of fact, his emotional use of derogatory terms and characterizations, and his affirmative efforts to propagate his settled views made his further participation improper.

The small business community, in particular, is disturbed over this regulation run amok and is imploring Congress to assume its rightful role of effective legislative scrutiny.

CONGRESSIONAL REGULATORY REVIEW

The legislative review as contained in our bill is one of the most effective ways for the people, through their elected representatives, to regain control over a bureaucracy which spews out this ukase. By giving the elected Congress the right to review a regulation before it becomes effective, we will be bringing closer to the citizens the control over these regulations and at the same time sensitizing the bureaucracy.

There should be no substantial question as to the constitutionality of legislative oversight through the "legislative veto" as contained in our bill.

There has been widespread use of the legislative veto both on the Federal and State levels. It covers virtually the whole range of executive and administrative actions. Of particular significance is the growing use of the procedure by recent Congresses. The truth of the matter is that the last decade, Congress has been moving toward reliance on the veto as a major instrument of oversight. In very few instances have there been court challenges of this device and none have been successful.

One recognized authority on constitutional and administrative law had this to say about the constitutionality of the legislative veto:

> The overriding need for legislative control of delegated powers and increasing attempts to meet that need, at both federal and state levels, through provisions for legislative review of executive and administrative action lend support to the validity of the legislative veto. Experience with the legislative veto under the Reorganization Acts demonstrates its substantial contribution to the effectiveness of legislative oversight. The contention of critics who argue that the provision violates the veto clause is unsupported by authority. Indeed, the recent decisions suggest that the weight of authority, as well as experience, validates the legislative veto. The logic of the claim of unconstitutionality rests upon a perverted construction of the separation-of-powers doctrine. Such a construction is neither desirable nor justified at this late date of our administrative law, when we recognize, in the words of Justice Cardozo, that the separation of powers is not a "doctrinaire concept to be made use of with pedantic rigor."
>
> Moreover, consistent application of the view that the legislature cannot be empowered to disapprove a rule because disapproval is the exercise of a power to make laws would destroy the rulemaking powers of executive and administrative agencies themselves. Executive and administrative agencies are clearly empowered to make law through their rules. Otherwise, how can the legislature be enacting a change in the law through its disapproval power? If that is true, under the rigid separation-of-powers approach, are not delegations of such "lawmaking" powers to the agencies equally invalid? To invoke the separation of powers doctrine against the legislative veto is to return to a time when the maxim against the delegation of powers was inexorably applied. There is no more reason today to invalidate delegation of the annulment power to the legislature on separation of powers grounds than to invalidate delegations of the rulemaking power to agencies on a similar basis.
>
> "If this particular regulation by an executive official or executive-appointed agency reflects delegation of what is in substance legislative power, the question arises why the legislature may not provide instead that when exercising legislative rulemaking power, the agency is "an agent of the Congress" and the delegation of legislative power is conditioned on at least modest concurrence of the executive-appointed initiator and of the legislative branch. The American Constitution accommodates hybrids that work."
>
> As Justice White and the Court of Claims have noted, legislative disapproval of an executive or administrative act is not to be equated with enacting a law. Legislative approval by failure to pass a resolution of disapproval is merely a condition specified in the enabling statute by which the agency exercise of rulemaking power is governed. It is now beyond dispute that the legislature, in delegating rulemaking authority, can specify contingencies which must occur before delegated power may be exercised. This approach is applicable to the legislative veto: "The failure of Congress to pass such a concurrent resolution is the contingency upon which the reorganizations take effect. Their taking effect is not because the President orders them. That the taking effect of action legislative in character may be made dependent upon conditions or contingencies is well recognized."
>
> It would be most unfortunate if specious construction of a constitutional doctrine should bar the use of one of the most promising methods of control of executive and administrative action. Congress is in a unique position to supervise administrative authority and the legislative veto is a valuable tool in this task.
>
> The legislature is the one organ of government both responsive to the electorate and independent of the administration. As the source of rulemaking power, it must be able to control the exercise of such power. Nor is it sufficient that improper rules and regulations can be dealt with by statute. As the court in *Atkins* noted, "Congress plainly felt the need for this veto device, instead of relying solely on the power to override presidential recommendations by a full-fledged statute."
>
> The great need in an era of expanding administrative authority is to establish effective safeguards outside the executive branch. Independent control can, in practice, be exercised only by the legislative and judicial branches. In this country, we have adequately developed control by the courts. Techniques for direct legislative supervision, however, have been neglected. The legislative veto enables American legislatures to assume their rightful place as effective supervisors of delegated powers.
>
> "In the world of reality the mechanism, as we have underscored, was a fair substitute for full bicameral concurrence, did not materially invade the Executive's own sphere, and took due account of the limited presidential participation. It was a permissible accommodation of competing interests, reflecting both an appropriate check by Congress upon the Executive and some check by the Executive upon the action which could be taken by one House alone."
>
> (Schwartz, *The Legislative Veto and the Constitution—A Reexamination,* 46 Geo. Wash. L. Rev. 351, 374 (1978).)

THE FEDERAL TRADE COMMISSION REGULATORY REVIEW ACT

The FTC Regulatory Review Act provides the opportunity for congressional review and possible disapproval of each formal rule proposed by the Federal Trade Commission.

The Commission would be required to transmit a copy of substantive rules or regulations to both Houses of Congress. The rule would not become effective if within 90 days both Houses adopt a concurrent resolution disapproving the rule or if within 60 days one House adopts a concurrent resolution which is transmitted to the other House and within 30 days the other House does not disapprove the concurrent resolution.

The burden of review placed upon Congress under this procedure would be minimal. The procedure does not require Congress to take formal action on any proposed rule unless it desires to disapprove the rule. Furthermore, congressional experience with the numerous veto measures now on the books gives no indication that the procedure has been burdensome.

Mr. President, in the last session of Congress, the House of Representatives overwhelmingly voted to adopt an amendment to H.R. 8316, the Federal Trade Commission Amendments of 1978, offered by Congressmen BROYHILL and LEVITAS and providing a congressional review procedure identical to our bill. Unfortunately, the conference committee dropped the veto provision from H.R. 8316, leading to the defeat of the conference report by the House. The proposal will probably be adopted again by the House during the 96th Congress.

To provide the people of this country through their elected representatives in Congress a more effective control over the laws that govern them, we urge the Members of the Senate to join us in the enactment of the FTC Regulatory Review Act.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Federal Trade Commission Regulatory Review Act".

SEC. 2. (a) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (1), the".

(b) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) is amended by adding at the end thereof the following new subsection:

"(l)(1) Notwithstanding any other provision of this Act, simultaneously with prescribing any rule under this Act, the Commission shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule shall not become effective, if—

"(A) within 90 calendar days of continuous session of Congress after the date the rule is prescribed, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: 'That Congress disapproves the rule prescribed by the Federal Trade Commission dealing with the matter of _____, which rule was transmitted to Congress on _____.', the blank spaces therein being appropriately filled; or

"(B) within 60 calendar days of continuous session of Congress after the date the

rule is prescribed, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of Congress after such transmittal.

"(2) If, at the end of 60 calendar days of continuous session of Congress after the date on which a rule is prescribed, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress after such rule is prescribed unless disapproved as provided in paragraph (1).

"(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule involved.

"For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of 30, 60, and 90 calendar days of continuous session of Congress.".

(c) The amendments made by this Act shall apply to any rule of the Federal Trade Commission which has not become final on or before the date of enactment of this Act.●

● Mr. MORGAN. Mr. President, I am pleased to join with my colleague, the distinguished Senator from Texas, Mr. TOWER, in introduction of the "The Federal Trade Commission Regulatory Review Act," which provides the Congress with an opportunity to review proposed rules of the Federal Trade Commission. I believe this opportunity for thoughtful review and possible rejection of FTC rules is sorely needed.

As the Senator from Texas rightly notes, our century has witnessed a steady growth in the size and scope of the Federal bureaucracy, and a similarly steady trend toward delegation of powers to that bureaucracy by the Congress. While Congress has in recent years reasserted its authority and policymaking role in both foreign and domestic affairs, the fact remains that much of the law we write is little more than vague statements of intent coupled with general guidelines. The real responsibility for determining public policy is often abdicated.

This abdication of policymaking responsibility is particularly acute vis-a-vis the independent agencies which have very broad mandates to regulate aspects of our national life. This is especially the case with the Federal Trade Commission, which can regulate in almost every aspect of American commercial life. To insure accountability and sensitivity, I believe a proviso allowing for potential congressional disapproval of FTC rules makes sense, and I hope the Federal Trade Commission Regulatory Review Act will receive the careful attention of this body, and stimulate meaningful debate on an important concept.●

By Mr. McGOVERN:

S. 194. A bill to regulate and control the acquisition of United States agricultural land by foreign persons, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL FOREIGN INVESTMENT CONTROL ACT OF 1979

● Mr. McGOVERN. Mr. President, last year, under the able sponsorship of the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry (Mr. TALMADGE) the Congress passed Public Law 95-460, popularly known as "The Agricultural Foreign Investment Disclosure Act of 1978," providing principally for the registration of foreign investments in agricultural lands in the United States, with the Secretary of Agriculture, through the ASCS system. As a matter of record, Chairman TALMADGE had requested statistical data from the General Accounting Office. The GAO responded with what information it had but indicated that complete data was unavailable without land transfer searches in the numerous county courthouses through the land where the original source data was kept. Thus, to monitor future transactions, the Talmadge bill is important because it provides for central data to be readily available in keeping track of this phenomenon of foreign investment that continues to be viewed with alarm throughout the agricultural community.

Only recently, the staff of the Agriculture Committee released a committee print entitled "Foreign Investment in United States Agricultural Land." The committee print is a thoroughly professional document containing the best statistics available from both the ASCS and the Extension Service concerning the trends in foreign ownership of U.S. farmland together with well conceived observations on the question by leading agricultural economists from the Library of Congress as well as authorities from major state universities. The existence of this document is the rationale for proceeding with the legislation which I propose today.

Chairman TALMADGE has performed an admirable function in sponsoring the registry legislation that is today on our statute books. I suggest now that it is time to move on to the issue of regulation and control. This is a matter of serious public policy for our Nation and I feel that it is time for the dialog to begin. As Prof. Harold F. Briemyer of the University of Missouri states so well:

> The least to be said about the issue of permitting foreign ownership of U.S. farmland, unequivocally and undeniably, is that it is a legitimate issue for public debate and public decisions.

The question itself already exists in the public sector of the United States. Much has been written in the agricultural press as well as city newspapers casting wary eyes at "known" acquisitions and asking hard questions regarding acquisitions clothed by one corporate veil or another which are in fact "unknown." The national and respected CBS television program "Sixty Minutes" several months ago devoted a substantial portion of one of its editions to this question and concluded that there is probably as much that is "unknown" in terms of statistical data as that which is "known."

It is thus in the spirit of starting the dialog here in the Congress that I send to the desk for appropriate reference a bill entitled "The Agricultural Foreign Investment Control Act of 1979" which attempts to regulate the acquisition of interests in U.S. agricultural land by foreign persons. My bill would prohibit land being acquired by a foreign person—corporation, partnership, and so forth—larger than a family-sized farm. The foreign person could only hold a minority share of the ownership of the land and the person would be limited to an interest in only one farm.

Applications to the Secretary of Agriculture for purchase would be the initial entry mechanism to the process of ownership and the Secretary would be authorized to maintain control of all acquisitions in determining the best interests of the United States.

To those who might view these provisions as harsh or not in the spirit of free enterprise, let me say that I do not consider the provisions of the legislation to be cast in concrete. I do view them as a vehicle to get this national dialog going. I would hope for early hearings on the bill and I strongly suspect that it will cause a good deal of comment in both the agricultural and business communities.

Let me remind my colleagues that this is not an unprecedented world legislation initiative. The committee print to which I have referred contains a substantial section on restrictions on foreign ownership of land elsewhere. Nearly all the OPEC countries either outlaw foreign ownership or impose severe restrictions and constraints on those who are able to obtain permits. Japan imposes caveats which make my suggestions pale by comparison. West European nations almost universally impose varying regulations and overview. I think that it is safe to say that in one form or another nearly every country in the developed world maintains some mechanism of either prohibition, limitation or overview with respect to foreign ownership. It is also safe to say that under present conditions the United States is the easiest place to purchase either farmland or private land of any country in the developed world.

During the 18 months from January 1, 1977, to June 30, 1978, the ASCS reports that there were 560 land transactions by foreign investors amounting to about 826,000 acres of farm and ranch land of which 341,000 acres were cropland. Twenty States accounted for over 90 percent of land transfers. Oregon was the first in number followed by Texas, Georgia, Louisiana, and Arkansas. In a general way, it can be said that so-called "Sun Belt" States seemed to attract most foreign investors.

Professor Breimyer logically asks, "Why do foreigners want to buy?" They want to buy for the same reasons Americans want to buy. Investment in farmland has been profitable over the last 10 years and prospects look good for the future. There is ample evidence that foreign interests want to buy to take advantage of capital appreciation (as high as 20 percent per year in some States) and to take advantage of present IRS regulations which eliminate the capital gains tax on aliens who buy and later sell U.S. land at a profit.

Evidence is also ample that particularly Europeans buy because of political stability in this country and because our present rate of inflation, though unacceptable to us, is still less than rates in their own countries. Sophisticated investors are also buying our land with cheap dollars, resulting from the current energy shortage and alarming imbalance in trade deficits. Depreciation of the U.S. dollar against strong currencies such as the yen, mark, or guilder make it easier for foreign investors to outbid other potential buyers of U.S. farmland.

The argument thus emerges that foreign investments tend to drive the price of farmland upward and in many instances eliminate either the young farmer or the established farmer from the market.

Though agricultural land is the greatest of our renewable resources, it is also a finite quantity. As one of my South Dakota farmer constituents so well pointed out to me, "The good Lord only made so much of it." As population expands and as wealth continues to concentrate itself, it is only natural to assume that those with resources will eventually inherit the earth. One of our humorists defined the Golden Rule as "Those with the gold make the rules." With our outflow of capital and influx of foreign ownership, it seems to me well within the confines of acceptable logic that the time has come to start to examine our house, examine our natural interests, and perhaps become more productive of what we have. Though this whole question still remains in manageable limits, in my judgment the time to determine our policy is now.

Mr. President, I ask unanimous consent that a summary of the major provisions of the "Agricultural Foreign Investment Control Act of 1979," together with the text of the bill itself, be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Foreign Investment Control Act of 1979".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) Congress finds that—

(1) United States agricultural land is a critical national resource that provides needed food and fiber for the people of the United States and others throughout the world, and is the source of much of the Nation's wealth, providing a livelihood for many of our citizens;

(2) excessive ownership or control of United States agricultural land by foreign persons threatens the continued use of the land for the benefit of the people of the United States; and

(3) acquisitions of interests in United States agricultural land by foreign persons are transactions in foreign commerce and regulation of such acquisitions as provided in this Act is necessary to regulate effectively such commerce.

(b) It is declared to be the policy of Congress, for the purpose of preserving and maintaining United States agricultural land in the national public interest, preserving the family farm system, and assuring that the people of the United States continue to have an adequate supply of food and fiber, to regulate and control the acquisition of interests in United States agricultural land by foreign persons.

DEFINITIONS

SEC. 3. When used in this Act—

(1) "family farm business" means an agricultural or forestry business in which the operating family does most of the work and all of the managing and takes most of the risks;

(2) "family farm unit" means a unit of agricultural land large enough to enable a family farm business to operate economically but no larger, as determined (for each farming or forestry region of the United States and each agricultural or forestry commodity (including livestock and poultry)) by the Secretary;

(3) "foreign nation" means any nation other than the United States;

(4) "foreign person" means—

(A) an individual who is not a citizen or national of the United States and who has not been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

(B) a person, other than an individual or a government, that is created or organized under the laws of a foreign nation or that has its principal place of business in a foreign nation,

(C) a person, other than an individual or government, that is created or organized under the laws of a State and in which, as determined by the Secretary under regulations prescribed by the Secretary, a significant interest or substantial control is held, directly or indirectly, by—

(i) an individual referred to in subparagraph (A) of this paragraph,

(ii) a person referred to in subparagraph (B) of this paragraph,

(iii) a government of a foreign nation, or

(iv) any combination of such individuals, persons, or governments, or

(D) a government of a foreign nation;

(5) "interest in United States agricultural land" means a legal or beneficial interest in United States agricultural land, including contracts for sale and similar arrangements, and leaseholds and other arrangements that are of sufficient duration or that have other characteristics that, as determined by the Secretary under regulations prescribed by the Secretary, effectively convey an ownership interest in, or control of the use of, the land, but not including easements, security interests, or other leases;

(6) "person" includes any individual, corporation, company, association, firm, partnership, society, joint stock company, trust, estate, or other legal entity;

(7) "Secretary" means the Secretary of Agriculture;

(8) "State" and "United States" include each of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands; and

(9) "United States agricultural land" means land located in the United States that is generally used for agricultural purposes (including the raising of livestock or poultry) or for forestry or timber production purposes, as determined by the Secretary under regulations prescribed by the Secretary.

ACQUISITIONS OF INTERESTS IN UNITED STATES AGRICULTURAL LAND BY FOREIGN PERSONS: LIMITATIONS

SEC. 4. Notwithstanding any other provision of law—

(a) Except as otherwise provided in subsections (b) and (c) of this section and section 7 of this Act, no foreign person may acquire an interest in United States agricultural land.

(b) A foreign person may acquire an interest in United States agricultural land only after the Secretary determines that—

(1) the foreign person holds or controls other interest in United States agricultural land and (if the foreign person is not an individual or government) each person holding a significant interest in, or substantial control of, the foreign person holds or controls no other interest in United States agricultural land;

(2) the United States agricultural land with respect to which an interest is being acquired is no larger than a family farm unit of land;

(3) all foreign persons holding or controlling interests in the United States agricultural land with respect to which an interest is being acquired will, with the proposed acquisition, together hold or control less than a 50 percent share in the beneficial ownership and control of the land; and

(4) the acquisition will not increase the amount of foreign ownership or control of agricultural land in the county (or other similar political subdivision) to a level that is incompatible with the best interests of the people of that county:

Provided, That, if the Secretary determines that an acquisition is in the best interests of the people of the United States, the Secretary may waive the determinations required, under clauses (a), (b), (c) and (d) of this sentence and permit an acquisition of United States agricultural land by a foreign person that does not comply with these limitations. The Secretary shall determine whether proposed acquisitions involve larger than family farm units of land on a case-by-case basis.

(c) Each foreign person desiring to acquire an interest in United States agricultural land shall submit an application for a permit to the Secretary. Applications shall (1) be submitted in such form and in accordance with such procedures as the Secretary may require and (2) contain all information known by the applicant that is relevant to the criteria set out in subsection (b) of this section and such other information as the Secretary may require.

DUTIES AND AUTHORITY OF THE SECRETARY

SEC. 5 (a) Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(1) develop and make available a standard application form for use by foreign persons under section 4 of this Act; and

(2) prescribe regulations to implement this Act that include detailed descriptions of the types of interests in land and the methods of acquiring land that will be regulated under this Act. The regulations shall assure to the greatest extent possible that—

(A) all direct and indirect interests in land and all direct and indirect methods of acquiring land, and

(B) all persons in which substantial control is held or acquired by foreign persons or in which foreign persons hold or acquire a significant interest,

are covered by the regulations issued under this Act.

(b) The Secretary shall seek the cooperation and assistance of States and county governments, make maximum effective use of Department of Agriculture field offices, and use such other means as may be neces-

sary, to make wide distribution of the standard application forms and instructions, publicize the restrictions on acquisition by foreign persons of interests in the United States agricultural land under this Act, and collect the applications required under section 4(c) of this Act.

(c) The Secretary shall review applications for permits submitted by persons under section 4(c) of this Act promptly and shall, within 90 days after receipt of an application, either issue a permit for the acquisition of the interest in United States agricultural land by the applicant or notify the applicant of the Secretary's determination that the application is not approved and the reasons therefor. The Secretary shall approve an application and issue a permit if the Secretary, considering all available information that is relevant to the application, determines that the application meets the criteria set out in clauses (1), (2), (3), and (4) of section 4(b) of this Act unless the Secretary determines that such acquisition would be contrary to the best interests of the people of the United States.

PROHIBITED ACT

SEC. 6. No person shall sell to a foreign person an interest in United States agricultural land, unless the foregn person has obtained a permit from the Secretary under section 5(c) of this Act.

APPLICATION OF SECTIONS 4, 5, AND 6 OF THIS ACT

SEC. 7. The provisions of sections 4, 5, and 6 of this Act shall not apply to acquisitions of interests in United States agricultural land made prior to the one hundred and eighty-first day after the date of enactment of this Act.

CIVIL PENALTY

SEC. 8. (a) If the Secretary determines that a person has violated a provision of this Act, or a regulation issued thereunder, such person shall be subject to a civil penalty imposed by the Secretary. The civil penalty for any such violation shall be such amount as the Secretary determines to be appropriate to achieve the purposes of the Act, except that such amount shall not exceed 50 percent of the fair market value, on the date of the assessment of the penalty, of the interest in agricultural land with respect to which the violation occurred.

(b) The Attorney General of the United States shall recover the amount of any civil penalty imposed under subsection (a) of this section in a civil action in an appropriate district court of the United States unless the person pays the penalty to the Secretary.

EFFECT ON STATE LAW

SEC. 9. No provision of this Act shall—

(1) limit or negate any State law governing real estate transactions, the acquisition of agricultural land in the State, and related matters; or

(2) be construed as indicating an intent on the part of Congress to occupy the field in which such provision operates to the exclusion of the law of any State on the same subject matter,

unless there is a direct and positive conflict between such provision and the law of the State so that the two cannot be reconciled or consistently stand together.

AUTHORITIES OF THE SECRETARY

SEC. 10. (a) The Secretary may take such actions as the Secretary considers necessary to monitor compliance with the provisions of this Act.

(b) The Secretary may assess and collect fees from foreign persons applying for permission to acquire United States agricultural land to cover the costs incurred by the Secretary in processing such applications under this Act and in monitoring compliance with the provisions of this Act.

SUMMARY OF THE MAJOR PROVISIONS OF THE AGRICULTURAL FOREIGN INVESTMENT CONTROL ACT OF 1979

This bill would regulate and restrict acquisitions of interests in United States agricultural land by foreign persons. Specifically, it would—

(1) prohibit the acquisition of United States agricultural land by foreign persons except under certain circumstances as follows:

(A) the land being acquired by the foreign person could not be larger than a family farm,

(B) the foreign person could only hold a minority share in the ownership of the land,

(C) the foreign person could not have an interest in more than one farm, and

(D) the Secretary could forbid an acquisition if it would cause excessive foreign ownership of farmland in the county:

Provided that the Secretary of Agriculture could waive these criteria if he determined that the acquisition was in the best interests of the United States;

(2) require foreign persons desiring to acquire interests in United States agricultural land to submit applications to the Secretary of Agriculture;

(3) require the Secretary to review applications promptly and either issue the permit or notify the applicant of disapproval within 90 days after receiving the application;

(4) require the Secretary to approve an application and issue a permit if the applicant meets the criteria under the bill unless the Secretary determines that the acquisition would be contrary to the best interests of the United States;

(5) prohibit persons from selling United States agricultural land to foreign persons who have no permit;

(6) authorize the Secretary to assess civil penalties against persons who violate the bill, or regulations issued under it, not to exceed an amount equal to 50 percent of the fair market value of the interest in agricultural land with respect to which the violation occurred;

(7) define the term "foreign person" to include domestic corporations (or other domestic entities) in which a significant interest or substantial control is held by a foreign individual, entity, or government;

(8) define the term "interest in United States agricultural land" to include all legal or beneficial interests in land (including contracts for sale and long-term leases), but excluding easements and security interests;

(9) require the Secretary to seek the cooperation and assistance of States and county governments and make use of Department of Agriculture field offices in implementing the bill;

(10) provide that no provision therein will limit or negate State laws or be construed to occupy the field to the exclusion of State laws, unless there is a direct and positive conflict between the provision and State law;

(11) authorize the Secretary to collect fees from applicants to cover the costs of processing applications under the bill; and

(12) become effective with respect to real estate acquisitions made after 180 days following the date of enactment of the bill.●

By Mr. BUMPERS:

S. 195. A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital; to the Committee on Finance.

● Mr. BUMPERS. Mr. President, I am introducing a bill that will extend until October 1, 1979, the time for implementation of section 227 of Public Law 92-603 which changed the general rule for reimbursement of physicians' services in teaching hospitals.

The 1972 Social Security Amendments, Public Law 92-603, contained a provision, section 227, which specified that the services of a physician in a teaching hospital would be reimbursed on a reasonable cost basis rather than on a reasonable fee-for-service (or charge) basis as is the case with physicians generally.

The regulations that had been drafted last summer by HEW to implement section 227 would have gone far beyond this stated intent. The regulations, if adopted, would have had a disastrous effect on medical education in my State and in almost every State in this country.

This issue came to my attention late in the session during the 95th Congress. I was contacted by the dean of the University of Arkansas Medical Center and told that the Health Care Financing Administration was preparing regulations pursuant to section 227 that would be implemented on October 1, 1978. During the last few days of the 95th Congress, I introduced an amendment to H.R. 5285, the Medicare-Medicaid Reimbursement Reform Act, which passed the Senate and provided for a delay until October 1, 1979, in the implementation of the regulations under section 227.

There was almost unanimous support for the amendment in the Senate, and there was strong indication of support in the House. Congressman Paul Rogers introduced a bill providing for the same delay as the amendment that was adopted by the Senate. However, the Medicare-Medicaid Reimbursement Reform Act died in conference.

Following the adjournment of Congress, I joined with Senator RUSSELL LONG, chairman of the Senate Finance Committee, and Senator HERMAN TALMADGE, chairman of the Health Subcommittee of the Senate Finance Committee, and asked that the Department of HEW recognize that additional time would be made available as soon as Congress reconvenes with the passage of legislation similar to the amendment that I introduced to H.R. 5285.

I ask unanimous consent that my letter to Secretary Califano and his response to my letter be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. SENATE,
Washington, D.C., October 23, 1978.

Hon. JOSEPH A. CALIFANO, JR.,
Secretary, Department of Health, Education and Welfare, Washington, D.C.

DEAR JOE: It is our understanding that regulations are being considered by H.E.W. to implement Section 227 of P.L. 92-603 regarding Medicare reimbursement for physicians in teaching hospitals.

During the last few days of the 95th Congress, the Senate passed an amendment to H.R. 5285, the Medicare-Medicaid reimbursement Reform Act, providing for a one-year delay in the implementation of the regulations under Section 227. Under the amendment, which was co-sponsored by twenty-seven Senators, regulations would not have had to be implemented until October 1, 1979.

There was almost unanimous support for

the amendment in the Senate, and there was strong indication of support in the House. Congressman Paul Rogers introduced a bill providing for the same delay as the amendment that was adopted by the Senate.

It is anticipated that the one-year delay will be passed by Congress soon after the beginning of the 96th Congress.

We believe that, by providing this additional time, it will be possible for the Department to make necessary improvements in the implementing regulations.

Accordingly, we could urge that your current regulatory efforts in this area reflect the additional time which, in all probability, will be made available as well as the need to make necessary, but equitable, improvements in this area.

Thank you for your consideration of this recommendation.

Sincerely,

RUSSELL B. LONG,
Chairman.

HERMAN E. TALMADGE,
Chairman, Subcommittee on Health.

DALE BUMPERS.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., November 20, 1978.

HON. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

DEAR DALE: Thank you for your letter regarding the Department's intentions to publish regulations implementing Section 227 of P.L. 92-603. This part of the law concerns Medicare reimbursement for teaching hospitals.

I have reviewed the proposed rule and have now decided to delay issuing final rules until the Department completes an indepth study of the implications of these regulations. In the course of this study, HEW will be analyzing the views we have received to date as well as contacting other interested parties. I appreciate the interest you have taken in this matter. I have responded separately to Senators Long and Talmadge. You may be assured that I will keep you fully informed of the Department's actions in this regard.

Sincerely,

JOSEPH A. CALIFANO, JR.

Mr. BUMPERS. Mr. President, the medicare program was enacted to provide aged Americans with resources to obtain necessary medical and hospital services in a manner comparable to other Americans. Thus, where physicians in teaching hospitals provide private patient services, private patient compensation levels should be provided by the medicare program. To do otherwise is to undermine the availability of private patient levels of service.

I remain concerned that the Department of Health, Education, and Welfare, despite repeated extensions of the implementation date and a $3½ million study by the Institute of Medicine commissioned by the Congress, has failed to develop and propose regulations which achieve the objectives of the medicare program.

Mr. President, the time provided in the legislation I am introducing today should be used by the Secretary of Health, Education, and Welfare to consult with the Congress and the public in order to determine if section 227 as drafted can be implemented without forcing teaching hospitals to choose between becoming either a hospital for indigents or hospitals for paying patients. The current highly desirable situation in which both classes of patients are served would have been impossible under draft regulations that have been proposed by HEW.

Most university-operated teaching hospitals, as well as closely affiliated hospitals, are either now providing a private-type patient care for the majority of patients regardless of the ability to pay or have moved considerably in that direction over the past decade. This has been done in an effort to remove a two-class system in American medicine and provide uniformly high-quality service to all patients regardless of the source of payment. The regulations that were proposed under section 227 clearly perpetrated a two-class system based on the patient's ability to pay or source of payment and are discriminatory against individual patients under the Medicare Act (as well as physicians) depending upon their site of care.

Section 227 changed the general rule for reimbursement of physicians' services furnished in teaching hospitals because of information that revealed some improprieties on the part of hospitals and physicians in the receiving of funds for services rendered by House staff. The law was written on a poor data base involving only a few hospitals. Section 227 was, hence, written to stop abuses noted at that time in a few large public hospitals, but was applied across the board to all teaching hospitals.

The Secretary of HEW was to have adopted regulations under section 227 by October 1, 1978. Because of congressional interest and serious doubts about the impact of the regulations that would have been proposed by HEW, the Secretary of HEW has not acted. It is essential that Congress act quickly and pass this legislation. I call on the distinguished Senator from Louisiana, Mr. LONG, the chairman of the Senate Finance Committee, to hold hearings as soon as possible in order that this legislation can be acted on at the earliest possible moment by the 96th Congress. This extra time can be used by the Secretary of HEW to determine if section 227 can be implemented in any form. If not, the current law should be changed. Before I introduced my amendment extending the time for implementation of section 227, I introduced an amendment that would have repealed section 227. I still consider that a viable alternative unless enough flexibility can be found in the law to prevent the extreme disruption of services that would have occurred if section 227 had been implemented as previously planned.

Mr. President, I ask unanimous consent that the text of my bill be printed in full at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15(d) of Public Law 93-233 (as amended by section 7(c) of Public Law 93-368, the first section of Public Law 94-368, and section 7 of Public Law 95-292) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

SEC. 2. The amendment made by the first section of this Act shall be effective from October 1, 1978, except that nothing in this Act shall be deemed to render improper any determination of payment under title XVIII of the Social Security Act made prior to the date of the enactment of this Act for any service provided during a cost accounting period which began on or after October 1, 1978.

By Mr. THURMOND (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. STONE, Mr. DURKIN, Mr. BURDICK, Mr. GOLDWATER, Mr. GRAVEL, Mr. HOLLINGS, Mr. MELCHER, and Mr. MCGOVERN):

S. 196. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

● Mr. THURMOND. Mr. President, I am introducing a bill which will amend title 38 of the United States Code to authorize eligible veterans, upon request, to receive chiropractic care on an outpatient basis, if needed, under the VA medical care program.

Mr. President, during the last Congress the administration opposed a bill similar to the one I am now introducing on the basis that the proposal granted the veteran the authority to prescribe his own type of medical care. This drafting deficiency has now been corrected by including a provision in the bill that requires a doctor of chiropractic to make a determination of need for chiropractic care on a case-by-case basis for each individual veteran who seeks such care. Therefore, under the bill as now drafted, only those veterans in need of chiropractic care would receive chiropractic treatment, and such determination would be made not by the veteran, but by a qualified and competent professional in the health care field. I am hopeful that this amendment will eliminate the objection of the Veterans' Administration to the bill as formerly drafted, and will win that agency's unqualified support for this worthy proposal.

The total current chiropractic patient population of the United States is estimated to be 21.5 million. It is not known how many of this number are among the Nation's 30 million veterans population. Nevertheless, the likelihood is overwhelming that a substantial number of veterans who receive medical care at VA facilities are either active or potential chiropractic patients. Under present VA policy, however, chiropractic services are provided to eligible veterans only in the event that such treatment is recommended, on a case-by-case basis, by a physician paid by the VA.

Chiropractic services have been recognized under a variety of State and Federal health care programs. In addition to the medicare program, reimbursement for chiropractic services is also currently provided for under the Federal Employees Compensation Act. Additionally, a number of States include chiropractic services under their medical assistance programs.

The lack of readily available chiro-

practic care within the VA health care system stands in sharp contrast to that under the medicare program, which is administered by HEW. Under the medicare program, it is typical for eligible persons in need of chiropractic care to seek and obtain the services of a doctor of chiropractic. That person is then reimbursed for the cost of such services.

At a time in the area of veterans' affairs when the importance of freedom of choice is being emphasized more than ever before, particularly in the areas of representation before the VA and of review of administrative determinations by the Administrator of Veterans' Affairs, I think it is important for veterans to have a modicum of freedom of choice regarding selection of health care providers within the VA health care system. Clearly, the disparate treatment of citizens in need of chiropractic care before two Federal administrative agencies, both of which spend billions annually in the provision of health care to the American public, cannot be justified and should not be allowed to continue.

The bill which I am introducing would simply allow an eligible veteran to receive chiropractic care if the veteran so desired and provided a doctor of chiropractic determines that chiropractic care is needed. Accordingly under this proposal a veteran would be entitled to the same choice within the VA health care system as eligible persons now enjoy under the medicare program.

Mr. President, I send the bill to the desk and ask unanimous consent that it be referred to the appropriate committee for prompt consideration and that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) chapter 17 of title 38, United States Code, is amended by adding a new section 629 at the end of subchapter III as follows:

"§ 629. Chiropractic care

"Any veteran eligible for medical services under the provisions of this chapter who requests chiropractic care shall be furnished chiropractic care provided a doctor of chiropractic determines that chiropractic care is needed and provided that the doctor of chiropractic holds a degree of doctor of chiropractic from a school or college approved by the Administrator and is licensed to practice chiropractic in any of the States or territories or in the District of Columbia and has practiced chiropractic for a period of at least two years."

(2) By adding after

"628. Reimbursement of certain medical expenses," in the table of sections at the head of the chapter the following:

"629. Chiropractic care.".●

By Mr. INOUYE:

S. 197. A bill to amend the definition of the term "qualified vessel" under a capital construction fund; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, the legislation I am introducing today would amend section 607 of the Merchant Marine Act of 1936, to extend capital construction fund privileges to inland waterway towboat and barge operators and domestic ocean vessel operators engaged in coastwise and intercoastal shipping.

Pursuant to a capital construction fund agreement with the Secretary of Commerce, any United States citizen owning or leasing one or more "eligible vessels", as defined, may establish a capital construction fund.

The purpose of such an agreement is to provide qualified replacement vessels, or additional vessels, constructed or reconstructed in the United States, and documented under United States laws, by offering a tax incentive to vessel owners and lessors. Under existing law, qualified vessels must operate "in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States."

Most of the deposits to the fund are attributable to what would otherwise be taxable income for Federal income tax purposes from the operation of eligible or qualified vessels. This income is not subject to tax for the tax year during which it is deposited in the fund. Tax consequences are deferred until withdrawals from the fund have occurred. Usually, this is with respect to "qualified withdrawals" for the construction or reconstruction of a qualified vessel of payment of principal or related indebtedness. The tax consequences result from a required reduction in basis, providing less allowable depreciation expense for vessels constructed or reconstructed with fund proceeds.

My proposal would expand the scope of the capital construction fund so that it could be used for vessels operating between points in the 48 contiguous States.

Mr. President, recently the president of the Shipbuilders Council of America, Edwin M. Hood, said that enactment of legislation such as I am introducing today would have an important threefold effect.

He said, and I quote:

First, a cumulative balance of approximately $650 million in currently approved capital construction funds could be used toward the U.S. construction of vessels to meet an expected expansion of demand for domestic waterborne service over the next two decades;

Secondly, for domestic shipping operators, the present problem of attracting equity capital and retaining earnings for fleet expansion and vessel replacements would be substantially alleviated; and,

Thirdly, with the full spectrum of U.S. shipbuilding facilities, large and small, facing a scarcity of new contracts, unemployment for a significant number of shipyard workers could be avoided.

Mr. President, all three of these effects would support and enhance the shipping policy of the United States to promote a strong and viable merchant marine consisting of ships built in the United States, and owned and manned by U.S. citizens.●

By Mr. SARBANES:

S. 198. A bill to permit the burial of Chief Tayac in Piscataway Park, Oxon Hill, Md.; to the Committee on Energy and Natural Resources.

● Mr. SARBANES. Mr. President, the bill I am introducing today would permit the burial of Chief Turkey Tayac of the Piscataway Indian Tribe in Piscataway National Park. Congresswoman GLADYS SPELLMAN and I have joined in introducing identical legislation in both Houses of Congress providing that the remains of Chief Turkey Tayac, who died this past December 8 at the age of 83, may be interred in the ancient burial ground as were his ancestors.

Chief Turkey Tayac made a significant contribution to his country by his service in the Armed Forces during World War I and his long devotion to Piscataway Park. Chief Tayac was proud that the land of the Piscataways was given to the Government for use as a national park. It is my understanding that he has provided unique and valuable assistance to the Park Service in its historical survey and administration of this beautiful territory. He served as a living link between the present park and the historic land of his tribe. During much of his life, Turkey Tayac lived in Piscataway Park; and his unsurpassed intimate knowledge of its environs proved most useful to the development of the park as a historical resource where over 200,000 cultural artifacts have been located.

In addition to his work at Piscataway, Chief Tayac has been involved in numerous other endeavors of importance. His expertise in the subject of Indian languages has been widely recognized, and he has shared his knowledge of his people's folklore with classes at the University of Maryland and other institutions of higher education. More than any of his other activities, however, Chief Turkey Tayac will be noted for his overriding devotion, care, and concern for the land which is now Piscataway Park.

I had the privilege of meeting Chief Turkey Tayac just shortly before he died. I found him to be a man of exceptional vigor and strength who possessed a vibrant spiritual faith. He has been recognized as a man who made a distinctive contribution to his community and his tribe. For some time before his death, Chief Turkey Tayac had expressed a deep and fervent wish that he might be laid to rest alongside his ancestors in their ancient burial ground. There could be no more fitting tribute to this extraordinary man than to allow him to be buried at Piscataway National Park.●

By Mr. INOUYE:

S. 199. A bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades; to the Committee on Commerce, Science, and Transportation.

SHIPPING ACT AMENDMENTS OF 1979

● Mr. INOUYE. Mr. President, unlike the laws in virtually all other countries of the trading world, our Shipping Act of 1916, as amended in 1961, requires that all common carriers in our waterborne foreign commerce publish a tariff of their freight charges, and makes it unlawful for any carrier to charge or collect freight at a rate different from that provided in the published freight tariff. These provisions outlaw the practice of

carriers surreptitiously offering inducements and incentives to attract cargo to the detriment of their competitors.

Shortly after enactment of the 1961 amendments, our major trading partners enacted legislation precisely aimed at blocking the enforcement of this legislation of the United States so far as their own jurisdicitons were concerned. As at this time there are 14 such blocking statutes in force in other nations. Thus, while U.S. citizen companies are within reach of the current enforcement capabilities of the Federal Maritime Commission (and the Department of Justice), foreign-flag carriers are not insofar as detection and enforcement, are dependent on access to the carriers' documents and records located outside the United States.

In the 95th Congress, my Subcommittee on Merchant Marine held extensive hearings on the subject, and the testimony revealed that illegal rebating in the U.S. ocean liner trades has for many years been a widespread practice which now amounts to over $100 million annually, and threatens the viability of the liner segment of the U.S. merchant fleet. Existing laws have proven ineffective to correct the situation, and have been applied in a discriminatory fashion against U.S. carriers.

Moreover, existing mechanisms in the law which reduce the incentive for carriers to engage in illegal rebating have been rendered inoperative by administrative and judicial interpretation, and lack of a coherent, unified national shipping policy.

The House Merchant Marine Committee also held extensive hearings, and developed similar findings.

As a consequence, identical legislation passed the House 390 to 1, and the Senate unanimously. Among other things, that legislation would have:

Given the FMC additional authority to require all carriers in our liner trades, forwarders, shippers, et cetera, to attest to company policies and efforts to combat rebating, and to require other information necessary for the FMC to carry out the provisions of the act.

Given discretionary authority for the FMC to suspend tariffs up to 12 months for rebating, and increased the monetary penalties.

Authorized the FMC, after consultation with the Secretary of State, to suspend any and all tariffs of a carrier who fails to produce requested documents in a FMC adjudicatory investigation into rebating. The President, however, has a veto power over whether or not a carrier's tariffs will be suspended.

A prohibition against the use of the conspiracy statutes to make past, present, and future rebating a criminal offense. This was done to make the law consistent with what Congress did when it changed rebating from a criminal offense to a civil offense.

The President, however, pocket-vetoed the legislation.

In a memorandum of disapproval, the President said:

The United States is currently engaged in important discussions with several European countries and Japan in an attempt to reach cooperative agreements involving a number of shipping problems, including rebating. Rather than taking immediate unilateral action undermining these efforts, I have directed the Secretary of State, in cooperation with the Federal Maritime Commission and other agencies to pursue these talks vigorously and to report to me on their progress.

The President also said he was asking the FMC "to step up its enforcement efforts against illegal rebating under the authority now provided in the Shipping Act of 1916."

The legislation which overwhelmingly passed the 95th Congress was good legislation which would have furthered the objectives of our national shipping policy by safeguarding against agreements and practices in the U.S. liner trades which would be detrimental to the commercial interests of the United States by helping assure that all carriers operating in the foreign commerce of the United States, whether U.S.-flag or foreign, whether subsidized or not, whether conference members of independents, compete openly and fairly with one another.

Many including myself believe that those who advised the President to pocket-veto the legislation did so unwisely.

It is difficult to understand, for example, how in his memorandum of disapproval, the President could urge the FMC to step up its enforcement efforts under existing law, when two successive FMC Chairmen and numerous other expert witnesses have testified before the House and Senate Committees that existing law is simply inadequate to enforce the prohibitions against illegal rebating.

The discussions with several European countries and Japan which the President in his memorandum said he feared might be undermined were resumed in London on November 4, 1978, after the legislation had been vetoed. From firsthand reports of the London meeting which I have received there is absolutely no basis for believing that the United States came away with any assurance that our efforts in rebating investigations to obtain documents located in these countries would be successful. This, of course, is the heart of the matter and one of the major impediments to the implementation of our antirebating laws. The vetoed legislation would, of course, have removed this impediment.

A more realistic estimate of our chances of successfully reaching evidence located in these countries can be made from the recent decision of the House of Lords in the Rio Tinto decision. In that case, our Department of Justice intervened on behalf of private litigants in an attempt to compel Rio Tinto, a British concern, to supply certain documents in connection with a uranium cartel. The House of Lords refused to let Rio Tinto supply such documents.

At this point I would also like to quote from a March 5, 1978, article entitled "U.S. Firms' Concern Grows Over EEC's Antitrust Laws." In part that article states:

. . . You can sell anything in Europe's 250-million-strong Common Market, but you better be darned careful about how you do it, especially if you're big business.

That is the increasingly clear message being bleeped to major U.S. companies who are finding business rules difficult to follow in a Europe where bigness just isn't best. Not unless you are politically protected.

No surprise, then, that American firms, already operating in a high-cost, low-growth European economy, now are focusing growing concern on the Common Market's stiffening antitrust laws directed at big business. Sparked by the massive, $1 million fine slapped on United Brands by the EEC in mid-February, business tensions could increase in the coming weeks as Europe's trust busters prepare to tackle another U.S. giant.

Top EEC officials predict that Eastman Kodak, will shortly be on the receiving end of a controversial Common Market decision involving an antimonopoly complaint.

Yet while the Common Market is busy castigating unfair competitive practices by major U.S. corporations, European governments, with Britain in the forefront, are giving an irate thumbs down to attempts by the Antitrust Division of U.S. Attorney General Griffin Bell's Justice Department to pursue investigations in Europe in international cartels distorting American market conditions. A case in point is the alleged uranium price-fixing cartel, where the Justice Department's efforts to conduct a criminal inquiry in Europe constantly have been blocked by European governments invoking national sovereignty.

But no such political protection exists for U.S. companies in their tussles with the EEC's antitrust authority, the Common Market's Executive Commission.

Besides United Brands, the commission already has used antimonopoly rules to attack a series of American multinationals, including General Motors Corp., Commercial Solvents Corp., and Continental Group and is pursuing an extensive inquiry into International Business Machines' operations in Europe. Kodak is likely to be the EEC's next 'cause celebre.' "

* * * * *

"Without this due legal process afforded by the U.S. judiciary system and the political protection cloaking many European state-run competitors, American multinationals can find EEC antitrust rules a tough proposition.

* * * * *

. . . the EEC's attitude to international price-fixing cartels appears ambiguous.

According to sources in this city [Brussels], it is vigorously investigating a cartel of paper pulp manufacturers, including seven U.S. companies. But this enthusiasm fades, rapidly fades when, as in the case of the uranium cartel, interests are involved which European governments wish to protect.

The truth is that when the chips are down, the EEC antitrust authority must be responsive to political pressure to an extent unknown by its American counterpart at the Department of Justice. This is vividly illustrated by a letter just sent to John Shenefield, assistant attorney general for antitrust in Washington, by Willy Schlieder, the German director general of the European antitrust authority. In it, he warns that 'the problems which could arise from the application of American antitrust legislation to enterprises established within the Common Market concern the sovereignty of (EEC) member states.

In other words, "Hands off, Uncle Sam."

Mr. President, I believe one additional point needs to be made about the claim the antirebating legislation intruded on the sovereignty of other nations by permitting the FMC to suspend tariffs of carriers which refuse to cooperate in rebating investigations. Under 14 U.S.C. 77(h) the Securities and Exchange Commission

may suspend the effectiveness of the registration statement of a foreign (or domestic) corporation for failure to cooperate with that Commission in investigations relating to such statements. Thus the legislation was no novel intrusion on sovereignty.

Opponents of the antirebate legislation injected the false issue of inflationary impact of the bill. That legislation would not have had an inflationary impact, but would rather have had the effect of holding down inflation to the extent it is exacerbated by our inordinate balance of payments deficit.

The argument that the bill would be inflationary is premised upon the unproven and specious theory that the conference system is inflationary. The opponents of the legislation argue from this unsubstantiated posture that this measure, if enacted, would have strengthened the conference system, and therefore, have an inflationary impact. Both the underlying theory and the fabricated result are faulty.

The conference system, with its stability and regularity of service, provides a control mechanism on the marketplace. Absent that stability and regularity ocean shipping would be total chaos and subject to the economic dictates of foreign interests. In any event, that legislation would not have had the effect of strengthening the conference system. It would, however, have placed members of conferences, as well as independent operators, be they U.S. or foreign-flag, on an equal footing.

The concept of offering secret rebates and other inducements in cargo solicitation are not illegal under foreign law, merely under U.S. law. Since rebates are not constrained by foreign law, carriers which operate under foreign flags feel free to rebate, even in the U.S. trades. The relative weakness of the U.S. law which this legislation sought to remove was to grant the Federal Maritime Commission the investigatory and enforcement tools which are required realistically to deal with the present day circumstances under which foreign governments protect their flag carriers from investigation by the U.S. Government.

If the ability to freely rebate were removed from the operators of foreign-flag vessels, the net result would be deflationary, not inflationary. The dramatic decline in the percentage of our commerce carried on U.S.-flag vessels has added to our balance-of-payments deficit. If we can remove these "rebate incentives" which foreign carriers freely offer, and they were forced to fairly compete with the American operators, there would certainly be an increase in the carriage of cargo by the U.S. carriers, and a lessening of trade deficits.

Therefore, I believe the matter has been inaccurately characterized as inflationary. Both the premise that conferences are inflationary and that the bill, if enacted, would strengthen the conferences are false. The net result of enactment would be freer competition for cargo in the U.S. trades, and an inevitable decrease in the inflationary balance of trade deficit.

Finally, I believe the legislation would have reduced the cost of Government by permitting the FMC to assess substantially higher penalties for Shipping Act violations. In fiscal years 1977 and 1978, the FMC settled claims for $4.39 and $4.61 million, or 51 and 48 percent of the agency's respective budget for those years.

Mr. President, for all the foregoing reasons I believe the legislation which the Senate passed unanimously and the House by a vote of 390 to 1, at the close of the 95th Congress is essential if we are to maintain the integrity of our liner trades, and assure the growth and vitality of the U.S. merchant fleet.

Accordingly, I am again introducing that legislation with two minor modifications designed to give even more discretion and flexibility to the President where tariff suspensions are concerned.●

By Mr. DANFORTH (for himself, Mr. WILLIAMS, Mr. MOYNIHAN, and Mr. JAVITS):

S. 200. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Environment and Public Works.

INTERGOVERNMENTAL ANTIRECESSION AND SUPPLEMENTARY FISCAL ASSISTANCE AMENDMENTS OF 1979

Mr. DANFORTH. Mr. President, on September 23 of last year, the Senate reauthorized the countercyclical revenue sharing program after passing a series of amendments which sharply curtailed the breadth of the program but continued assistance to local governments with genuine need. In particular, the bill established standby authority for assistance to State and local governments with unemployment in excess of 6 percent whenever national unemployment exceeded 6 percent. When national unemployment dropped below 6 percent—but still was in excess of 5 percent (the situation which currently prevails—aid would have been distributed to local governments—and local governments only—with unemployment of 6 percent or higher. For each of 2 years, as much as $340 million was authorized for the program, with standby authority of $500 million, (or more, depending on the national rate of unemployment). This represented a savings of $310 million over the administration's proposal, which had sought to spread assistance among as many as 18,000 State and local governments—any and all that met the questionable criterion of distress: 4.5 percent unemployment. Sadly, the Senate's bill was never considered by the House, and the program died.

Today, together—with Senators MOYNIHAN, WILLIAMS, and JAVITS I am reintroducing the Senate-passed bill, for what I hope will be early consideration and quick passage.

Let me explain why I am taking this action.

First. This bill is needed. Notwithstanding the current recovery which the Nation is enjoying as a whole, it is painfully evident that there remain cities and counties in this country in dire economic distress. These communities have seen their tax base eroded by downturns in their economies that have seriously hampered their ability to provide even basic services. We cannot ignore the needs of these communities. Failure to provide the assistance necessary for these governments to maintain a minimum level of services can only exacerbate their problems, as people who can afford to leave, leave in search of better schools and safer streets. There is no question in my mind that this bill is needed—and important.

Second. Countercyclical revenue sharing is a proven, effective method of providing assistance to distressed communities. A recent study by the Advisory Commission on Intergovernmental Relations concluded that "antirecession fiscal assistance distributes aid to State and local governments more rapidly than (CETA or local public works) and has the potential for closest coordination with swings in the national economy."

Third. Many cities with genuine need included countercyclical revenue sharing funds in their budget planning process. They had every reason to do so. The administration was supporting it; a coalition of interest groups and elected officials had worked out a compromise bill; and there was fairly broad support in the Congress for some kind of countercyclical program.

Local governments, like the Federal Government, must plan their budgets in advance. They must estimate their revenues as well as their expenses—and most of them must balance their budget. If Federal dollars are to be of any real benefit to local governments, amounts must be known far enough in advance to be incorporated into the local budget planning process.

This is not to say that Washington must spend money just because some people expect it to. But we recognize our responsibility to balance many conflicting interests in ways which create the least possible disruptions.

Fourth. The Senate should consider alternatives to the proposals reputedly being considered by the White House—proposals which are expected to recommend that assistance only go to communities with at least 7 percent unemployment. In my opinion, speaking as one who once considered similar ideas, such a dramatic change in the law would be a mistake.

First, the proposal fails to take into account the dislocation caused to communities which drop out of the program. It is one thing to exclude communities where unemployment is less than 6 percent. These communities, by and large, can take care of themselves. It is quite another to exclude communities with unemployment between 6 and 7 percent. These communities need help, and for the last 2 years they have been getting it from the Federal Government. Almost by definition, they are communities with a shortage of resources, and their ability to adjust to any loss of funds is questionable.

Second, by limiting assistance to communities with at least 7 percent unemployment, we deny assistance to those communities where Federal aid dollars may do the most good. Communities with 6 to 7 percent rates of unemployment—with modest help from the Federal Government—will probably be able to restore financial stability. The marginal benefit of the Federal aid dollar is not as high in a community with high unemployment because, plainly and simply stated, that community has farther to go. That is not to say that aid should not go to these governments. Their need is clear. But I believe we rob Peter to pay Paul when we assist only these governments at the expense of other governments in need. If we intend to arrest recessionary spirals, then we should intervene as soon as the need for assistance is clear. Recent studies indicate that a shortcoming of past antirecession efforts has been their failure to provide assistance when it could do the most good, before the country slipped into recession. By providing assistance to communities when unemployment reaches 6 percent, I believe we successfully identify a time when aid can be of most value. I do not think it is wise to require—as do proposals to limit assistance to communities with 7 percent unemployment—that conditions go from bad to worse before the Federal Government will provide help.

I look forward to early consideration of this measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.".

SEC. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(8) that both an antirecession fiscal assistance program and a supplementary antirecession fiscal assistance program which aid governments requiring fiscal relief constitute essential elements of a sound Federal fiscal policy.".

SEC. 3. The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"Subtitle A—Antirecession Fiscal Assistance".

SEC. 4. (a) Section 202(b) of the Public Works Employment Act of 1976 (42 U.S.C. 6722(b)) is amended—

(1) by striking out "subsections (c) and (d)" and inserting in lieu thereof "subsection (c)";

(2) by striking out "five" and inserting in lieu thereof "13";

(3) by inserting "the sum of" after "under this title";

(4) by striking out "plus" at the end of paragraph (1), and by striking out the period at the end of paragraph (2) and inserting in lieu thereof a comma and the word "and"; and

(5) by adding at the end thereof the following new paragraph:

"(3) such sums as may be necessary to carry out the provisions of section 206.".

(b) Section 202(c) of such Act (42 U.S.C. 6722(c)) is amended—

(1) by striking out "five" and inserting in lieu thereof "8"; and

(2) by striking out "July 1, 1977" and inserting in lieu thereof "October 1, 1978".

(c) Section 202(d) of such Act (42 U.S.C. 6722(d)) is amended to read as follows:

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If the average rate of unemployment for the United States is less than 6 percent for each of 2 consecutive quarters, no amount may be paid under this subtitle for the fourth calendar quarter of the 4 calendar-quarter period which began with the first of such 2 calendar quarters, or for any subsequent calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1) of this subsection, amounts may be paid under this subtitle for calendar quarters beginning after any calendar quarter for which the average rate of unemployment for the United States equals or exceeds 6 percent until such time as paragraph (1) may require another suspension of payments.".

SEC. 5. (a) Section 203(c) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(c)(1)) is amended—

(1) by striking out "The Secretary" in paragraph (1) and inserting in lieu thereof the following: "Except as provided in section 206(b), the Secretary", and

(2) by redesignating paragraph (4) as (5) and inserting after paragraph (3) the following new paragraph:

"(4) STATISTICAL METHODOLOGY FOR UNEMPLOYMENT RATES.—Notwithstanding any provision of paragraph (3) to the contrary, in the case of a unit of local government which encompasses, or is within, a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1978, the Secretary of Labor shall determine or assign the unemployment rates for such government calculated by the current population survey methodology used prior to January 1, 1978, if such rates are higher than rates determined or assigned by the Secretary of Labor for that government without applying the current population survey methodology.".

(b) Section 203 of such Act (42 U.S.C. 6723) is amended by adding at the end thereof the following new subsection:

"(d) REALLOCATION OF UNDISTRIBUTED RESERVED AMOUNTS.—If, for any calendar quarter, the amount reserved under subsection (a)(1) for payments to State governments or under subsection (a)(2) for payments to local government exceeds the sum of the amounts payable to State or local governments because of the limitation contained in subsection (c)(5) or because of the suspension-of-payments requirement contained in section 210(b), then the Secretary shall reallocate the excess among State governments or local governments, as the case may be, receiving payments for the calendar quarter and pay to each such State or local government an amount which bears the same ratio to the amount of the excess as the amount of the payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all State or all local governments, as the case may be, for the calendar quarter without regard to this subsection."

SEC. 6. Section 205 of the Public Works Employment Act of 1976 (42 U.S.C. 6725) is amended by striking out paragraph (6) and by redesignating paragraphs (7) and (8) as (6) and (7). Title II of such Act is amended by striking out section 209 (42 U.S.C. 6729).

SEC. 7. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 205 the following new section:

"ADJUSTMENTS FOR PAYMENTS

"SEC. 206. (a) IN GENERAL.—Payments under this subtitle and subtitle B may be made with necessary adjustments on account of overpayments or underpayments.

"(b) Changes in Methodology.—

"(1) Supplemental allocations for reductions attributable to change in methodology.—For any quarterly payment allocated pursuant to section 202, 203, 231, or 232 in which a local government's allocation would be reduced as a result of the termination of the use of current population survey data on an annual average basis to calculate the local unemployment rate as determined or assigned by the Secretary of Labor, the Secretary shall adjust the allocation made pursuant to this subtitle and subtitle B sufficiently to assure that such allocations are not less than the amount that otherwise would have been allocated to such local government under the unemployment rates calculated by the current population survey methodology used before January 1, 1978.

"(2) Lump sum supplemental payments for previous underpayment.—For any previous quarterly payment allocated pursuant to sections 202 and 203 in which a local government's allocation has been reduced as a result of the termination of the use of current population survey data on an annual average basis to calculate the local unemployment rate as determined or assigned by the Secretary of Labor, the Secretary shall make a lump sum supplemental payment such that the total prior allocations made pursuant to this subtitle are not less than the amount that otherwise could have been allocated to such local government under the unemployment rates calculated by the current population survey methodology used before January 1, 1978.

"(3) Supplemental payments limited to units of government within standard metropolitan statistical areas and central cities.—No funds shall be made available under paragraph (1) or (2) to any unit of government which does not encompass, or is not within, a standard metropolitan statistical area or central city for which current population survey methodolgy was used to determine annual unemployment rates before January 1, 1978.".

SEC. 8. (a) Section 210 of the Public Works Employment Act of 1976 (42 U.S.C. 6730) is amended by striking out subsections (b) and (c), and by inserting in lieu thereof the following:

"(b) Suspension of Payments for Low Unemployment.—

"(1) Suspension.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such State or local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter did not exceed 6 percent.

"(2) TERMINATION OF SUSPENSION.—Amounts may be paid under this subtitle to any State or local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the State or local government exceeds 6 percent, until such time as paragraph (1) may require another suspension of payments.".

(b) Payments made under this title II of the Public Works Employment Act of 1976 for the calendar quarter beginning October 1, 1978, shall be made as soon as possible after January 1, 1979, but in no event later than March 31, 1979.

SEC. 9. Section 215 of the Public Works Employment Act of 1976 (42 U.S.C. 6735) is amended to read as follows:

"DATA PROVISION RESPONSIBILITIES

'SEC. 215. The Secretary of Labor shall provide information and other necesary data and shall determine and assign unemployment rates necessary for the administration of this title. Such information, data, and rates shall be provided for each State and local government, and shall be made available to the Secretary to assist him in carrying out the provisions of this title. The Secretary of Labor shall also advise the Secretary as to the availability and reliability of relevant information and data.".

SEC. 10. Section 216 of the Public Works Employment Act of 1976 (42 U.S.C. 6736) is amended—

(1) by striking out "five" in subsection (a) and inserting in lieu thereof "13",

(2) by striking out "amount" in subsection (a) and inserting in lieu thereof "amounts",

(3) by striking out "section 202(b)" in subsection (a) and inserting in lieu thereof "sections 202(b) and 231(c)", and

(4) by striking out "209," in subsection (b)(3)(c).

SEC. 11. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following:

"Subtitle B—Supplementary Fiscal Assistance

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 231. (a) IN GENERAL.—Whenever the average rate of unemployment for the United States equals or exceeds 5 percent and payments under subtitle A of this title are suspended under section 202(d), the Secretary shall, in accordance with the provisions of this subtitle, make payments to local governments with unemployment rates above 6 percent.

"(b) PAYMENTS TO RECIPIENT GOVERNMENTS.—The Secretary shall pay, not later than 5 days after the beginning of each calendar quarter for which payments are authorized under subsection (a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the first 8 calendar quarters beginning after September 30, 1978, $35,000,000, plus such additional amounts as may be necessary to carry out the provisions of section 205(b)(1), for the purpose of making payments to local governments under this subtitle.

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If payments are being made under subtitle A or the average rate of unemployment for the United States is below 5 percent during a calendar quarter, no amount may be paid under this subtitle for the third calendar quarter of the 3 calendar-quarter period which begins with such calendar quarter, or for any subsequent calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Amounts may be paid under this subtitle for any calendar quarter beginning after a calendar quarter for which payments are suspended under paragraph (1) and for which the average rate of unemployment for the United States equals or exceeds 5 percent but is less than 6 percent.

"ALLOCATION OF SUPPLEMENTARY AMOUNTS

"SEC. 232. (a) ALLOCATIONS TO LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—The Secretary shall allocate amounts appropriated under the authorization contained in section 231(c), an amount for the purpose of making a payment to each local government, equal to the sum of—

"(A) the total amount appropriated for the calendar quarter multiplied by the applicable local government percentage, and

"(B) any supplemental allocation under section 206.

"(2) APPLICABLE LOCAL GOVERNMENT PERCENTAGE.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount,

by the sum of such products for all local governments.

"(3) SPECIAL LIMITATION.—If the amount which would be allocated for a calendar quarter to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection for such quarter.

"(4) SUPPLEMENTARY ANTIRECESSION FISCAL ASSISTANCE PAYMENT NOT IN EXCESS OF $10,000 TO BE COMBINED WITH GENERAL REVENUE SHARING PAYMENT.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) REALLOCATION OF UNDISTRIBUTED AMOUNTS.—If, for any calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts payable to local governments because of the limitation contained in subsection (c)(3) or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the calendar quarter and pay to each such local government an amount which bears the same ratio to the amount of the excess as the amount of payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all local governments for the calendar quarter without regard to this subsection.

"(c) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any unit of local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter was equal to or less than 6 percent.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts may be paid under this subtitle to any local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the local government exceeds 6 percent.

"(d) For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) of section 203 (c) shall have the meaning given to it in that paragraph.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"SEC. 233. The provisions of sections 204, 205, 206, 207, 208, 211, 212, 213, 214, 215, and 216 shall apply to funds authorized under this subtitle.".

● Mr. WILLIAMS. Mr. President, one of the most important items on the agenda of the 95th Congress just past was the extension of the antirecession aid program, which has enabled States and communities with substantial unemployment and budgetary problems to maintain vital public services. The authority for this program expired on September 30, 1978. Although the Senate passed legislation to extend the program, and to target its assistance on communities in the most serious financial trouble, the legislation died in the final moments of the last Congress when the House failed to endorse the Senate's action. Suddenly, all across the Nation, communities already suffering economic hardship were plunged into a fiscal crisis that is growing steadily worse. In order to focus attention on the plight of these communities and to hasten the Federal Government's response to this plight, I am pleased to join with my distinguished colleague from Missouri (Mr. DANFORTH) in sponsoring an extension of the antirecession aid program identical to that which the Senate adopted last October. The distinguished Senator deserves to be commended for his outstanding work to develop and advance this legislation. Let me also mention that my esteemed New Jersey colleague, Congressman PETER RODINO, introduced this measure on the House side yesterday with substantial bipartisan support from every area of the country.

Mr. President, the fact is that despite the Nation's overall recovery from the 1975 recession, there are numerous communities, both large and small, rural and urban, for which the recession never ended. These cities and towns have unemployment rates that still hover above 6 percent, and often range up to double that rate or more. Large cities bear a particular unemployment burden. In a recent survey of the 48 largest American cities, the U.S. Treasury Department found that at the beginning of fiscal year 1979, 32 had unemployment rates that were higher than the national average, significantly so in some instances. Newark's unemployment rate was over twice the national average; Chicago's rate was 66 percent higher, and New York's rate was 56 percent higher. Typically, years of population out-migration, along with business or industrial closings and relocations have left the economies of many localities in a crumbling condition, unable to generate the revenues necessary to meet even basic community needs.

It is true that many cities are beginning to show promising signs of economic revival. Some are experiencing a discernible influx of upper- and middle-income people, even if only a trickle at present. In some places, exciting new business and commercial development is beginning to take place, such as Detroit's "Renaissance Center," Baltimore's "Old Town Mall," or Jersey City's "Gateway" project. Flashes of sunlight are indeed appearing on the horizon, but a new day for our distressed cities is still a long time away. To believe that these localities can pull themselves overnight from the economic morass that took years to develop is pure delusion. Municipal leaders struggle on a daily basis to fend off fiscal crisis with one hand, while with the other hand they labor to build, brick by brick, the kind of foundation that will mean long-term economic stability and self-sufficiency for their communities. Theirs is a balancing act that can often succeed only if outside assistance is not prematurely terminated. With the loss of antirecession funds, the crisis that city officials have managed to hold at bay over the last several years is suddenly upon them, creating public service chaos in the short run and threatening the progress of economic revitalization in the months ahead.

The city of Newark, for example, which has a double digit unemployment rate, has ordered layoffs for 450 of its employees, including 200 policemen. This means that 9 percent of the city government's work force will stand in unemployment lines as a result. In Pontiac, Mich., where unemployment has ranged as high as 17 percent in the last year, fire and police departments that are already under strength face an absolute hiring freeze, as do other city departments. In addition, two of the city's five fire stations may have to close, because of the termination of antirecession aid.

According to a recent article in the National Journal, it is reported that sizeable local property tax increases would be necessary to make up for lost antirecession assistance, assuming, of course, that such an option were available in light of the political climate and local budget cycles. Philadelphia, for example, would have to increase its tax rate by 67 cents per $100 of assessed value, while tax rates in Buffalo and St. Louis would have to increase by 50 cents, and 46 cents, respectively.

Beyond the immediate emergencies resulting from termination of the program, there are also serious implications for economic development efforts in distressed areas. The prospect of reduced public services, or higher local taxes in localities already suffering the consequences of high tax burdens, can only reinforce the reluctance of business and industry to invest in those communities.

The legislation introduced today is, I believe, a prudent and responsible means of extending the antirecession assistance program. It recognizes that some communities will continue to experience severe budgetary problems, even in time of general economic health, and it promotes the most effective allocation of scarce Federal resources by assuring assistance to the most seriously troubled communities. Equally important, it improves upon the original program's ability to expand or contract in tune with changes in the economy on the local as well as the national levels.

The administration has indicated interest in offering its own proposal to extend the antirecession aid program. I welcome the President's renewed support for the program, and look forward to working with the administration in restoring badly needed funds to high-unemployment areas.

Mr. President, it makes little sense to permit additional hardship for communities already in distress from a variety of economic ills. Extension of antirecession assistance must be a high priority for this Congress, and I am hopeful that it will receive the speedy consideration it deserves.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join Senator DANFORTH in reintroducing the countercyclical revenue-sharing bill. This is the identical measure that passed the Senate last year and was described as the centerpiece of the President's urban program. But it did not reach the House floor and in the interim it has developed that the administration's commitment to aiding troubled cities is taking a back seat to its ardor for fiscal restraint. The 1980 budget just submitted would actually cut back a number of existing programs. The funds transferred to State and local governments may drop as much as $10 billion, of which cities could lose $4 to $5 billion. Indeed, as Richard P. Nathan of the Brookings Institution noted:

> The heyday of the urban policy may turn out to have been the period just before the announcement of the Carter urban program.

There can be no doubt about the need for the extension of some form of countercyclical aid. We are in the 16th quarter of economic recovery from the 1974–75 recession and the national unemployment rate is under 6 percent. Yet many of our cities still show recession level unemployment rates. A few striking but not atypical examples: Atlanta 7.6 percent; Buffalo 10.1 percent; Chicago 6.8 percent; Detroit 6.7 percent; El Paso 8.1 percent; Newark 10.4 percent; Norfolk 6.6 percent; Philadelphia 9.4 percent; Wilmington 9.1 percent.

Further, despite the general economic recovery, our cities—both the older cities of the Northeast and those in the Sunbelt—have shown increasing dependence on Federal programs. A recent study published in the New York Times showed that in 1978, over 50 percent of many cities' budgets came from Federal sources. Just 2 years earlier, 30 percent was a more typical figure.

The 20 most distressed urban areas contain 10 percent of our Nation's population. Our failure to enact this program or one like it could doom these vital centers to further deterioration and decay.

The bill we are introducing today is but the first of these proposals. The administration has promised to come forward with another. Doubtless other versions will also be submitted. I intend to support all such efforts to restore and maintain programs that are so badly needed and so important to the vitality of a modern, urban society.●

● Mr. JAVITS. Mr. President, I am pleased to join my colleagues in support of the Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.

This bill, which passed the Senate in the closing days of the 95th Congress, is designed to renew the countercyclical revenue sharing program that has been in operation for the last several years. The intent of the countercyclical program has been to provide financial assistance directly to State and local governments that are faced with eroding tax bases due to economic recession. With the aid they receive under the program, these governmental units are able to maintain necessary services, such as education, which they otherwise would have to curtail.

The bill introduced today provides that Federal assistance to State and local governments becomes available when the national unemployment rate rises above 6 percent. Additionally, the bill establishes a new supplemental fiscal assistance program. Geared to chronically distressed areas, it operates when national unemployment is between 5 to 6 percent by providing aid directly to communities where local unemployment is above 6 percent.

Mr. President, I believe it would be a serious mistake to permit the countercyclical program to expire, which will happen unless we act favorably on this bill in the near future. Extension of countercyclical, it seems to me, is of critical importance for a number of reasons.

First, I believe countercyclical assistance is a valuable concept, and that it is important to keep it on the books, even during times of low national unemployment rates. The program permits an immediate Federal response to State and local needs when there is an economic downturn. Conversely, as the economy improves, countercyclical funds automatically wind down.

Second, countercyclical assistance has proven successful in meeting its goal of targeting funds where they are needed most, thus enabling State and local governments to avoid tax increases and job layoffs—two actions which serve to aggravate the economic situation in distressed areas.

The bill being introduced today also includes a new title not currently in the law. This title recognizes that linking assistance to the national unemployment rates may not be enough—that even in times of national prosperity, some localities will continue to suffer from high unemployment. This bill assures continued assistance to these economically distressed areas.

Finally, it is clear, however unfortunate, that the current state of the economy dictates a real need for continued Federal assistance to State and local governments.

It is for all of these reasons that I believe the countercyclical assistance

program is necessary, and I hope that committee action will be forthcoming so that we may enact a timely bill.●

By Mr. BAYH (for himself, Mr. WILLIAMS, Mr. MCGOVERN, Mr. RANDOLPH, and Mr. LEAHY):

S. 201. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer; to the Committee on Finance.

● Mr. BAYH. Mr. President, I am introducing legislation today, along with Senators WILLIAMS, MCGOVERN, RANDOLPH, and LEAHY, which would provide coverage for pap smear tests for the diagnosis of uterine cancer under part B of medicare. This legislation is identical to legislation I have introduced in the past several Congresses and which passed the Senate during the 95th Congress.

It is estimated that nearly 55 million Americans now living will eventually have cancer. Over the years, cancer will strike in approximately 2 out of 3 families. Cancer is the leading cause of death for women between the age of 30 and 54. The statistics of the National Cancer Institute show that there were 48,000 new cases of uterine cancer in 1978. Uterine cancer still remains the fourth highest cause of cancer deaths in women. The most prevalent type of uterine cancer is cancer of the cervix. Deaths from cervical cancer last year were estimated to be 7,400. The incidence of this type of cancer is higher among many low income women and black women.

One of the truly great tragedies of uterine cancer is that is would rarely prove fatal if it were discovered early rather than later. When discovered at its earliest stage, cervical cancer is almost 100-percent curable. Increased use of the paps smear test in diagnosing this form of cancer has resulted in a death rate of less than one-third the rate 40 years ago.

Unlike other virulent types of cancer, cervical cancer which is treated and arrested at its nascent stage is highly unlikely to recur in later years. The American Cancer Society tells us that a woman who is discovered to have early cervical cancer is expected to live just about as long as women in her age group who have not had this type of cancer, provided they have undergone appropriate medical treatment. Survival rates are predominantly a reflection of the state at which uterine cancer is found. If the cancer is not recognized until it is at a more advanced state, the survival rates of women affected with it decrease each year, even after undergoing appropriate biomedical tests and treatments.

Given a disease that has such a good prognosis at its earliest stage and is so difficult to cure later, it seems that a full-scale effort would be in effect to discover a simple diagnostic test to uncover cervical cancer as early as possible and to get every adult woman in this country to take this test as often as the medical profession thinks is necessary. If this were the case, we could insure that every single case of cervical cancer discovered will be at the earliest state where it is more easily curable.

Well, Mr. President, it is no news to announce that we have made use of such a diagnostic test over the last several years. The test I refer to is the well-known pap smear, invented by late Dr. George N. Papanicolaou two decades ago. The test is simple, requires but a few moments of the patient's time, is painless, and inexpensive. Seventeen years ago, Dr. C. J. Lund, writing in the January 1961 issue of the Journal of the American Medical Association said:

> The epitaph for cervical cancer has been inscribed. The methods and techniques are available to destroy it. The date of death remains unwritten in the hands of the practicing physicians and their patients.

Yet, since that optimistic statement was written almost 17 years ago, approximately 182,000 women in this country have died of cervical cancer. Their dates of death were written before the date of death on cervical cancer because we have not made the decision to somehow get each and every woman in this country to take this test on a semiannual basis.

Despite efforts by the American Cancer Society and public health groups there are still substantial numbers of women who have never taken a pap test in their lives, to say nothing of taking one at the recommended interval of once a year for women under 35 and twice yearly for those over 35 or those who are presently ingesting birth control substances.

Medical researchers have identified specific groups of women who are less likely than others to have this test done. These groups are older women, under-educated women, and low-income women.

Although very little data is available on the incidence of uterine cancer by stage, according to age groupings, older women are a higher risk for all types of uterine cancer. At the same time, surveys have shown that only one-third of all women 50 years of age and older have been pap tested. Many of these older women grew up when the pap test was not commonly accepted and have not had regular check-ups since their childbearing years.

Mr. President, some Senators may feel that this amendment would provide services to people who are not in financial need and who could very well afford to pay for these tests themselves. Since the pap test is not an expensive one, at the same time not a prohibitive one for the medicare program to undertake, some may feel that it is also not prohibitive for individuals to pay for it themselves. This is not an unreasonable argument. Certainly it is a good bargain to be able to pay $17 twice a year for a test that could diagnose a cancer when it is just about 100 percent curable instead of skipping this test and taking the risk that one will not discover a cancer at that stage but that it might show up later when the chances of cure are much less. I think that would be a bargain and I am sure that the millions of women who take this test religiously once or twice a year also think it is a great bargain. The problem, Mr. President, is not only that many of our elderly women do not know about this test, or do not realize its importance.

Thus, they do not avail themselves of the opportunity of getting this tremendous bargain. As I mentioned before, every study that I have seen on the use of the pap test has shown that most tests are performed on young women and that elderly women are least likely to have this test done. All this in spite of the fact that deaths from invasive uterine cancer are highest among elderly women.

Thus, Mr. President, my concern is that we find a way to encourage the use of this test, hopefully among all women, but at the very least among our aged citizens who are least likely to know about it, and to whom we have made a national commitment through medicare, of assisting with their health problems.

What I would hope is that every time a medicare recipient goes to a doctor's office, a clinic, or a hospital, regardless of the reason she is there, the doctor who attends her, knowing that the pap smear is covered by medicare, will inquire whether she has had this test in the last 6 months, and if not, would encourage her to have one done. For every doctor that is successful in that regard, Mr. President, and causes us to spend a few dollars from the medicare program to pay for the test, we will be saving the Federal Government and the people of this country thousands of dollars in what they would eventually have to pay out for treatment of advanced cases of cervical cancer. This is true, Mr. President, because programs for early diagnosis and prevention of uterine cancer are among the most cost-effective programs in the cancer area.

Furthermore, knowing that the test is covered by medicare will encourage women to go to their doctor to get it, even if they are feeling fine and would not otherwise go. This has a secondary benefit, too, Mr. President, because many doctors have noted that going for routine pap tests is of tremendous importance in increasing discoveries of other diseases in their early stages because the patient then is likely to have a routine physical as long as she is there for the pap test. And I do not believe there is any illness or disease that cannot be helped to a somewhat greater extent than when it goes undetected until it is far advanced. Thus, encouragement to routine administration of the pap test would have three important advantages:

First, it would enable discovery of cervical and other uterine cancers at the earliest stage of the disease when they are much more easily curable, thus avoiding unnecessary deaths from this disease;

Second, it is a cost-effective program which would save the people of this country millions of dollars per year;

Third, it will encourage routine physical examinations during which other serious illnesses may be discovered in their early stages when cure or treatment is more effective, thus reducing deaths, incapacities, and financial costs due to those diseases.

Mr. President, in the interest of the health and welfare of every woman in this country, I hope the distinguished chairman of the committee will agree to accept my amendment.●

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. RANDOLPH, and Mr. RIEGLE):

S. 202. A bill to create a National Commission on Alcoholism and Other Alcohol-Related Problems; to the Committee on Human Resources.

NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to create a National Commission on Alcoholism and Other Alcohol-Related Problems.

This legislation is essentially the same as legislation which passed the Senate by voice vote last July as an amendment to the Health Planning Amendments of 1978, which the House did not have sufficient time to enact prior to adjournment.

Since last year the pressing need for this Commission has not diminished. Indeed, the third special report to Congress on alcohol and health, which was sent to Congress on October 17, 1978, gives evidence of the escalation of the problem.

In submitting the report to Congress, Secretary Califano declared that it "documents the reality that problem drinking is threatening or damaging or destroying the lives of literally tens of millions of Americans."

In a statement accompanying release of the report, the Secretary said:

> We know beyond a reasonable doubt that the misuse of alcohol is an immense health and social problem. These problems affect others—often tragically—in addition to the problem drinker: Family members and other relatives, friends, co-workers, schoolmates, employers, and innocent bystanders.

The Secretary's report to Congress included the following:

There are an estimated 9.3 to 10 million problem drinkers, including alcoholics, in the adult population—7 percent of the 145 million adults 18 years and over. In addition, there are an estimated 3.3 million problem drinkers among youth in the 14–17 age group—19 percent of the 17 million persons in this age bracket.

Per capita consumption since 1971 in the United States has been the highest since 1850, ranging from 2.63 to 2.69 gallons of absolute alcohol per person 14 years and older. However, in the 1970's there has been little change in per capita consumption.

Rate of cirrhosis deaths increased by 36.6 percent from 1960 to 1970, followed by a gradual leveling during the early 1970's and a decrease of 6.3 percent from 1974–75. But liver cirrhosis still ranked as the sixth most common cause of death in the United States in 1975 with up to 95 percent of the cases believed to be alcohol related.

Alcohol-related deaths were estimated to run as high as 205,000 per year, or 11 percent of the 1.9 million deaths in 1975.

Alcohol abuse and alcoholism cost the United States nearly $43 billion in 1975—including $19.64 billion in lost production, $12.74 billion in health and medical costs, $5.14 billion in motor vehicle accidents, $2.86 billion in violent crimes, $1.94 billion in social responses, and $0.43 billion in fire losses.

The President's Commission on Mental Health recommended in its April 28, 1978 report that a comprehensive national study be made of the problems, public policies, and programs related to alcoholism and alcohol abuse. The report states:

> In the case of alcohol-related problems, we believe it is urgent that we develop a national plan of action. As a first step, the Commission recommends the creation of a broadly representative national group to analyze existing public policies and programs and to make recommendations for the future.

The foundation for this recommendation was established in the report of the Commission's Liaison Task Panel on Alcohol-Related Problems. The panel described the need for, and the possible characteristics of, a National Commission on Alcoholism and Other Alcohol-Related Problems.

When Congress passed the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act in 1970, it was our hope that the National Institute on Alcohol Abuse and Alcoholism, created by that act, would develop a national strategy to attack these problems. The report of the Senate Committee on Labor and Public Welfare on that bill stated:

> The Committee believes that one of the Institute's most important responsibilities is the development of a comprehensive plan, to serve as a blueprint for a national attack on these problems.
>
> The plan must specify, among other things, how existing federal health, rehabilitation, and welfare legislation can and should be utilized in fostering prevention and treatment programs for alcohol abuse and alcoholism. It will show how all components of the federal government can contribute to a coordinated national approach.
>
> Substantial federal funds are already available under existing legislation dealing with medicare, medicaid, social security, veterans benefits, welfare benefits, vocational rehabilitation, and similar matters, to assist persons suffering from disabilities or disease. At present, few of these funds are being used to assist alcoholics. The Institute undoubtedly will determine exactly which federal funds are available for these purposes, and devise a practical system for channeling such funds directly into treatment for the individual who needs this kind of help, without depriving him or his family of essential support. The Committee believes that this can then be accomplished by administrative action through the cooperation of the federal departments and agencies that administer these laws. . . . .

Although the National Institute on Alcohol Abuse and Alcoholism has done a creditable, and at times outstanding, job of living up to its Congressional mandate, it has not had the funds, staff, or cooperation of the other Executive Departments to enable it to fully realize the Committee's expectation.

The Liaison Task Panel on Alcohol-Related Problems, working under the auspices of the President's Commission on Mental Health, recognized that the Institute has been hampered by inadequate funds and staff. The Panel noted:

> . . . The overwhelming demand, and need, for treatment services has been a consistent drain on a limited NIAAA budget, to the almost total exclusion of other efforts. Only recently, for instance, has research begun to assume a priority position, and its budget still remains substantially below other agencies functioning within related problem areas. . . . With NIAAA staffing limitations barring effective program evaluation, and faced with a token research budget, much of the federal effort centered in this agency has of necessity been promulgated more on faith than on known fact. . . . NIAAA has historically been considerably understaffed for its responsibilities and has often not been able to recruit staff of appropriate abilities.

The panel also noted that the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism has not functioned effectively, in part because of insufficient interest and representation by other Federal agencies. Yet a wide variety of Federal agencies impinge on alcohol problems or are involved in treatment or prevention programs.

The Liaison Task Panel found it impossible for the Mental Health Commission to develop and present recommendations on the full range of alcohol problems policy issues. The Panel felt such an attempt would be inappropriate within the framework of the President's Commission on Mental Health. While many alcohol problems are mental health problems, there are many other important dimensions that warrant simultaneous attention. Hence, the Panel's first and foremost recommendation was for the creation of a national commission specifically addressed to alcohol problems.

Mr. President, the dimensions and complexity of alcohol-related problems have long been recognized. However, it appears that the last systematic Federal study was in conjunction with the National Commission on Law Observance and Enforcement in January 1931.

The second report of the National Commission on Marihuana and Drug Abuse, issued in March of 1973, stated that,

> Alcohol dependence is without question the most serious drug problem in this country today.

In a 1972 statement, the American Hospital Association estimated that up to 29 percent of all acute-care beds were occupied by people with alcohol-related problems.

Max Cleland, Veterans Administrator, in August 1977, said,

> For us (the VA) alcoholism is a major diagnosis in our system and a major challenge which we face.

It is clear that a coordinated, comprehensive Federal policy on alcohol dependence must be based upon a searching assessment of the scope and nature of the problem, along with a thorough analysis of what is presently being done and a complete set of recommendations for addressing unmet needs.

To meet this awesome challenge, I be-

lieve that a National Commission on Alcoholism and Other Alcohol-Related Problems, with adequate personnel and funds to discharge its mandate, should be created. The new Commission should have the time and resources to gather, weigh, and interpret information from a broad base of sources. It should involve representatives of State and local government, the voluntary sector, professionals working in the private sector, academicians, scientists, and organized labor.

The Department of Health, Education and Welfare, which has major responsibility for meeting this important health challenge, should have the major responsibility for coordinating the work of the Commission. But a number of executive departments should also be involved, as well as Members of Congress representing the appropriate congressional committees.

Secretary Califano has recognized the need for such a commission. In a letter to me dated July 12, 1978, the Secretary wrote the following:

I am in strong agreement with you that the area of use and misuse of alcoholic beverages is one of great complexity that requires detailed examination by both the Executive and Legislative branches, with significant involvement of interested groups, organizations, and individuals from the private sector as well as representatives of state and local governments. As noted by the President's Commission on Mental Health, the pervasive nature of our many alcohol-related problems will require closest scrutiny by the best minds that can be brought to bear upon them. As you so clearly state, any effort to advance our effectiveness in ameliorating or eliminating these problems deserves the support of policy makers in both Congress and the Administration.

You may rest assured that I will cooperate in any way you feel appropriate in the development of any such commission.

Dr. Gerald L. Klerman, Administrator of the Alcohol, Drug Abuse and Mental Health Administration, in delivering the fifth annual Arthur Patek Lecture on December 19, 1978, at the Veterans Administration Hospital in Boston, stated, in reference to this proposed legislation:

We in the Department of Health, Education, and Welfare strongly support such a study and look forward to passage of legislation by the Congress, and inception of a National Commission. The problems of alcoholism, as were noted by the President's Commission on Mental Health, are extensive; they cannot be subsumed under the traditional rubric of mental health and require a national review at a Commission level in their own right.

Mr. President, this is an especially auspicious and crucial moment for a sustained reexamination of national policies on alcohol-related problems. With major cuts in the Federal health budget, it is imperative that we carefully reexamine these issues so that we can effectively prevent alcoholism and related problems, thereby reducing not only the economic drain of $42 billion annually, but the loss of human life and potential as well.

I am therefore introducing today a bill to establish the National Commission on Alcoholism and Other Alcohol-Related Problems. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 is amended by adding after Title VI the following new title:

"TITLE VII—NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"ESTABLISHMENT OF A NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"SEC. 701. (a) There is established a Commission to be known as the National Commission on Alcoholism and Other Alcohol-Related Problems (hereinafter in this title referred to as the "Commission"). The Commission shall be composed of—

"(1) four Members of the Senate appointed by the President of the Senate upon the recommendation of the Majority and Minority Leaders;

"(2) four Members of the House of Representatives appointed by the Speaker of the House of Representatives upon the recommendation of the Majority and Minority Leaders;

"(3) eleven Members appointed by the President upon recommendation of the Secretary of Health, Education, and Welfare; and

"(4) ex officio members from agencies of the Federal Government, appointed by the President, whose programs affect the prevention and treatment of alcoholism and the rehabilitation of alcoholics and alcohol abusers, and such ex officio members shall be individuals with knowledge of such programs.

At no time shall more than two of the members appointed under paragraph (1), more than two of the members appointed under paragraph (2), or more than six of the members appointed under paragraph (3) be members of the same political party.

"(b)(1) The President shall designate one of the members of the Commission as Chairperson, and one as Vice Chairperson. Ten members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(2) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Other members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of the basic pay in effect for grade GS–18 of the General Schedule for each day (including travel-time) during which they are engaged in the actual performance of the duties of the Commission; and, while away from their homes or regular places of business in the performance of duties of the Commission, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(3) The Commission shall meet at the call of the Chairperson or at the call of the majority of the members thereof.

"(c)(1) The Commission may appoint and fix the pay of an executive secretary to assist the Commission in carrying out its functions. The executive secretary shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(2) The Secretary shall provide the Commission with such additional professional and clerical staff, such information, and the services of such consultants as the Secretary determines necessary for the Commission to carry out effectively its functions. Such consultants shall receive compensation at a rate to be fixed by the Secretary, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission consistent with applicable laws and regulations with respect to the privacy of medical records.

"STUDY AND REPORT

"SEC. 702. (a) The Commission shall conduct a study of alcoholism and alcohol-related problems including, but not limited to, the following areas:

"(1) an assessment of unmet treatment and rehabilitation needs of alcoholics and their families;

"(2) an assessment of personnel needs in the fields of research, treatment, rehabilitation, and prevention;

"(3) an assessment of the integration of alcoholism treatment and rehabilitation into ongoing health and social health care services within communities;

"(4) an assessment of the need for integration of alcoholism services into existing fiscal support systems and in national health insurance;

"(5) an evaluation of the accessibility of services and quality of care, including services in rural as well as urban areas;

"(6) the relationship of alcohol use to aggressive behavior and crime;

"(7) the relationship of alcohol use to family violence;

"(8) the relationship of alcoholism to the rates of illnesses, particularly those with a high stress component, among family members of alcoholics;

"(9) an evaluation of the effectiveness of prevention programs, including the relevance of alcohol control laws and regulations to alcoholism and alcohol-related problems;

"(10) a survey of the unmet research needs in the area of alcoholism and alcohol-related problems; and

"(11) an evaluation of the needs of special and underserved population groups, including Native Americans.

"(b) The Commission shall submit to the President and the Congress such interim reports as it deems advisable and shall within 2 years after the date on which funds first become available to carry out the provisions of this section submit to the President and the Congress a final report which shall contain a detailed statement of its findings and conclusions and also such recommendations for legislation and administrative actions as it deems appropriate. The Commission shall cease to exist 60 days after the final report is submitted under this subsection.

"COORDINATION AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. (a) The Secretary of Health, Education, and Welfare shall be responsible for the coordination of the activities of the Commission.

"(b) There are authorized to be appropriated for the purposes of this section $2,000,000 to remain available until the expiration of the Commission.".●

By Mr. WILLIAMS:

S. 203. A bill to amend title 5 of the United States Code to allow a retired employee or member who, upon remarriage, elects to have his spouse receive a survivor annuity to increase the amount of such annuity over the amount of the survivor annuity elected for his previous spouse; to the Committee on Governmental Affairs.

CIVIL SERVICE ANNUITY ELECTIONS

● Mr. WILLIAMS. Mr. President, when the 95th Congress adopted H.R. 3447 (P.L. 95–317), it recognized that Federal retirement law should allow for the changed economic circumstances that can occur when civil service annuitants remarry. Specifically, the legislation granted annuitants the right to elect within 1 year of any remarriage whether or not to provide a survivor annuity for the new spouse. Under previous law, a retiree was allowed to elect a survivor annuity only at the time of retirement. If the annuitant chose to forgo such an election, but then remarried and found that the future financial security of the spouse depended upon a survivor annuity, the annuitant was bound by the earlier decision. The new law, in essence, gives retirees a second chance to provide for a survivor benefit.

This revision in the law was welcome and necessary, and results in a more responsive retirement system for Government workers. Unfortunately, the new law does not address the needs of retirees who chose to provide a survivor benefit when they retired, but after remarriage discover that the new spouse would need a larger survivor annuity. The legislation I am introducing would accommodate these individuals.

At present, to provide a spouse with a survivor benefit, a retiree must accept a reduction in his or her monthly annuity. The retiree determines how much of a reduction will occur, and the size of the reduction, in turn, determines the amount of the survivor annuity. Such decisions are based, at least in part, on the retiree's assessment of the spouse's future financial needs. A spouse with an independent source of income might require only a small survivor annuity necessitating only a small reduction in the retiree's monthly annuity. An annuitant who remarries, however, may find that the new spouse would need a larger annuity. Because of the restrictions of present law, such an increase would not be allowed.

Under my legislation, retirees could increase a survivor annuity within a year of their remarriage, in return for paying into the civil service retirement fund an amount equal to what they have saved by arranging for a lower survivor benefit when they retired. This provision would reduce the overall cost of legislation, which would be small in any case, and would insure that retirees do not provide for a higher survivor benefit at a reduced contribution. Current annuitants who have already remarried would be eligible to take advantage of my legislation provided that they make the necessary contributions to the civil service retirement fund, and move to take advantage of the legislation within a year of enactment.

Mr. President, I believe that our retired Federal workers deserve a retirement system that will allow them ample opportunity to assure adequate financial security for their survivors. The legislation I have introduced is designed to improve the current system so that this purpose can be more readily achieved. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8339(j) of title 5, United States Code, is amended—

(1) by inserting "(1)" before "The annuity" in the first sentence thereof, and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Except as provided in subparagraph (B), a retired employee or Member who, under paragraph (1) of this subsection—

"(i) elects, upon remarriage, a reduction in his annuity for the purpose of allowing an annuity for his spouse in the event such spouse survives him, and

"(ii) elected only to have a portion of his annuity reduced during the previous marriage,

may, at the time of the election described in clause (i), elect to increase that portion of the annuity which is to be reduced under paragraph (1) of this subsection as a result of such election and such reduction shall be computed on such larger portion in the manner provided under the first sentence of such paragraph (1).

"(B) An election shall not take effect under subparagraph (A) unless the retired employee or Member has, under regulations prescribed by the Office of Personnel Management, deposited to the credit of the Fund before the date the reduction takes effect under paragraph (1) of this subsection an amount equal to the excess of—

"(i) the amount the annuity would have been reduced during the previous marriage if the employee or Member had elected to have the same portion of his annuity reduced as the portion with respect to which he has made an election under subparagraph (A) of this paragraph.

"(ii) the amount the annuity was reduced during such previous marriage under paragraph (1) of this subsection.".

SEC. 2. (a) This Act shall take effect on the later of—

(1) the first day of the first month which begins on or after the date of the enactment of this Act, or

(2) October 1, 1978.

(b) Except as provided in subsection (c) of this section, the amendments made by the first section of this Act shall apply with respect to annuities which commence before, on, or after the effective date of this Act, but no monetary benefit by reason of such amendments shall accrue for any period before such effective date.

(c)(1) In the case of an annuitant who remarried before the effective date of this Act and whose annuity is reduced to provide an annuity for the spouse of that marriage, the amendments made by the first section of this Act shall not affect the amount of the reduction for a survivor annuity under section 8339(j) of title 5, United States Code, unless the annuitant notifies the Office of Personnel Management in a signed writing received in the Office within one year after the effective date of this Act that he desires to increase the portion of his annuity subject to the reduction. Except as provided in paragraph (2), such increase in reduction shall take effect on the first day of the first month beginning after the date which is one year after the effective date of this Act.

(2) An increase in the reduction of an annuity as a result of the notification under paragraph (1) shall not take effect unless the annuitant deposits to the credit of the Civil Service Retirement and Disability Fund before the date the increase in reduction takes effect under paragraph (1) an amount equal to the excess of—

(A) the amount the annuity would have been reduced during the previous marriage and during the remarriage if the annuitant had elected during the previous marriage to have the same portion of his annuity reduced as the portion he elects to have reduced under paragraph (1), over

(B) the amount his annuity was reduced during the previous marriage and the remarriage.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 205. A bill directing the Administrator of General Services to convey certain property to the State of Hawaii; to the Committee on Governmental Affairs.

● Mr. MATSUNAGA. Mr. President, I am introducing today, with Senator INOUYE as cosponsor, a bill designed to preserve 15½ miles of old railroad track which formerly belonged to the U.S. Navy. The tracks are located at the West Loch Branch of the Naval Ammunition Depot, Lualualei, Oahu, Hawaii, and at one time used to haul ammunition. Since the Navy started using trucks to transport its ammunition, the old railroad tracks were declared surplus and turned over to the General Services Administration for disposal.

The Hawaiian Railway Society, a nonprofit, volunteer organization dedicated to the preservation and restoration of old trains, has been trying for years to obtain this particular set of tracks. The society plans to use the tracks in the construction of an operating railroad museum on the Island of Oahu.

My bill provides that the tracks would be transferred to the State of Hawaii, which would bear the responsibility of removing them from Navy property and presenting them to the Hawaiian Railway Society. The cost to the Federal Government would be minimal, and the proposed transfer would permit the railway society to proceed with the construction of the operating railroad museum, a project which will eventually provide a great deal of pleasure for the children of Hawaii and railroad buffs throughout the Nation. If the proposed transfer does not take place, the tracks will most likely be sold for scrap iron.

The restoration of historic railroads is receiving increased attention and acclaim

throughout the world. The old Orient Express, which runs between Istanbul and Paris and which was the setting of an Agatha Christie mystery novel, is perhaps the most famous example. The restoration of famous trains in our own country has also been proposed. Recently, for example, such a proposal was outlined in the Washington Star by a party interested in saving the Southern Crescent. While railroads in Hawaii never achieved the status of the Orient Express and the Southern Crescent, they nonetheless played an important role in the economy of the island State. They were used by private industry to haul sugarcane and supplies and, as mentioned before, they were used by the Armed Forces to haul ammunition and other items. These old trains have all but disappeared from Hawaii, just as their numbers have been severely reduced here on the mainland.

The proposed operating railroad museum has aroused great public interest in Hawaii and, for several years, has been a project of interest to the State government. Enactment of my bill would help make the railway society's popular plan a reality.

Mr. President, I ask unanimous consent to have the text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services shall convey, to the State of Hawaii, without consideration, all right, title, and interest of the United States in and to surplus property consisting of fifteen and one-half miles of railroad rails, crossties, and associated hardware, such property being more particularly described in section 4 of this Act.

SEC. 2. (a) The conveyance pursuant to the first section of this Act shall be made within thirty days following the date of the enactment of this Act and shall be made subject to the following conditions:

(1) A railroad park and museum shall be built in the State of Hawaii and opened to the public within three years following the date of the enactment of this Act; and

(2) Such property shall be used for the construction of such an operating railroad park and museum, for future extension of any such project, or for similar railroad museums to be constructed with State assistance elsewhere in the State of Hawaii.

(b) Notwithstanding the provisions of subsection (a) of this section, in the event that the Governor of the State of Hawaii determines, on or after the date of the conveyance pursuant to this Act, that such property or any part thereof is not needed for railroad museum construction and maintenance, the Governor is authorized to sell such property or part thereof at public auction, except that the proceeds from any such sale shall be designated and used for other railroad museum and park uses, including, but not limited to, construction, operation, and maintenance costs, or the acquisition of additional locomotives and railroad cars.

SEC. 3. Conveyance of property pursuant to this Act shall be on an "as is" and "where is" basis, and without warranty of any kind. Costs of removal and storage of this property shall be borne by the State of Hawaii. Costs of re-grading or other restoration of the railroad roadbed on U.S. Navy property, on which these rails crossties and associated hardware have been located, shall not be the responsibility of the State of Hawaii.

SEC. 4. The surplus real property donated pursuant to this Act comprises fifteen and one-half miles of railroad rails, wooden crossties, switches, frogs, tie-plates and spikes, now in place at the U.S. Naval Magazine Lualualei, West Loch Branch, Oahu, State of Hawaii, recently declared excess by the U.S. Navy and now in the process of property disposal by the General Services Administration, designated by Control No. 9-N-HAW-451-A (West Loch).●

By Mr. STONE:

S. 206. A bill to amend the Internal Revenue Code of 1954 to provide for a credit of up to $200 against income tax liability for post-1978 increases in social security tax liability; to the Committee on Finance.

● Mr. STONE. Mr. President, when this Nation's workers drew their first paychecks of 1979, social security deductions from their salaries were higher than ever before. Those increased worker payments to the social security fund, while necessary for the program, deprive workers of much-needed take-home pay at a time when prices for every basic necessity are increasing.

I am today introducing a bill which will provide some relief from this increased tax burden, imposed by Congress 2 years ago. This bill would grant a tax credit against the Federal income tax liability of up to $200 for the increased social security tax paid by workers, employers, and the self-employed.

Mr. President, I introduced and called up for consideration the same bill during consideration of the tax reduction bill of 1978. At the time I called my bill up, in the form of an amendment, the Senate had adopted a significant individual tax cut amendment offered by Senator KENNEDY which I supported. Had the Kennedy amendment been retained in conference and signed into law, the increased social security taxes and the impact of inflation in pushing taxpayers into even higher tax brackets would have been alleviated over the next several years.

Unfortunately the Kennedy amendment was compromised so significantly in conference, that the tax bill as passed by the Congress and signed by the President provided only individual tax relief and certainly not enough to protect taxpayers from increased tax burdens considering the scheduled social security tax increases and the impact of inflation on tax brackets. I indicated on the Senate floor that should this unfortunate result occur I would offer my amendment again, which I am doing today.

Although the social security tax rate has risen only slightly in the past decade—1.65 percent—the taxable wage under the social security laws has mushroomed 227 percent. The increases in the taxable wage base provided by our 1977 legislation will send that base up to $47,000 by 1988, an increase of 604 percent in the last 20 years. That wage base, even allowing for continued salary increases to meet inflation and cost of living increases, would then include the entire salary of most of the country's salaried workers.

The bill I am introducing today would grant the credit only over the next 3 years. By that time, I hope Congress will have been able to enact comprehensive legislation to maintain the solvency of the social security system without placing an oppressive burden on the American wage earner.

My measure is not a final answer to the problems of our social security system, but it is a measure which offers American workers some protection against reductions in their spendable income at a time when the prices of their basic needs spiral ever upward. It prevents most taxpayers from having to shoulder the burden of additional social security taxes necessary to continue the system without in any way endangering the financial integrity of social security.

Under my proposal, workers earning between $10,000 and $15,000 would receive a credit for the entire amount of their social security tax increases during the next 3 years—$60 for those earning $10,000 a year and $90 for the workers with an annual salary of $15,000. Those making $20,000 a year would be given a full income tax credit—reflected by reductions in their withholding taxes—for the scheduled increases this year and next, and they would be given credit for $200 of the scheduled $260 social security increase in 1981, the last year in which my proposal would be effective.

Those in higher income brackets making $25,000 or more would be given the maximum credit of $200 for each of the 3 years, partially offsetting the social security increases they are now required to bear.

Mr. President, there is no doubt adequate social security funding is necessary. The personal well-being of millions of our citizens depends upon social security payments, and continuing the system is an obligation of the Government no one can reasonably question. However, the Government is also obligated to see that while funding the social security system we do not place an intolerable tax burden on the American worker.

Again, I do not offer this bill as the only approach to tax relief we should take in the Senate, but the bill does address directly the problem of the social security tax increases the American workers have just now begun to pay. I hope the Senate Finance Committee will review this proposal carefully as it continues its consideration of tax reduction legislation this year.●

By Mr. WALLOP (for himself and Mr. SIMPSON):

S.J. Res. 19. A joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on the Judiciary.

YOUTH ART MONTH

Mr. WALLOP. Mr. President, I am introducing today a Senate joint resolution which designates March of 1979 as "Youth Art Month" and authorizes the President to issue a proclamation to highlight the importance of art programs in our school systems.

Youth Art Month originated in 1961 and has been recognized annually in many States. This observance, sponsored in 1961 by the Crayon, Watercolor and Craft Institute, is cosponsored by the national PTA, the National Endowment of the Arts and the General Federation of Women's Clubs. It is actively supported by the numerous service organizations listed below:

American Association of Museums.
American Library Association.
American National Red Cross.
American Occupational Therapy Association.
Associated Councils of the Arts.
Association for Childhood Education, International.
Association for Junior Leagues of America.
Big Brothers of America.
Camp Fire Girls.
Catholic Youth Organization.
Chamber of Commerce of the U.S.A.
Commission on Jewish Education.
General Federation of Women's Clubs.
Girl Scouts of the U.S.A.
Girls Clubs of America.
International Society for Education Through Art.
Kiwanis International.
Lions International.
National Art Education Association.
National Art Materials Trade Association.
National Committee on Art Education.
National Congress of Parents and Teachers.
National Council on the Arts in Education.
National Council of Catholic Women.
National Council of Churches of Christ.
National Endowment for the Arts.
National Foundation.
National Kindergarten Association.
National Recreation Association.
Rotary International.
The Salvation Army.
School Art League of New York City.

I am proud of the active interest of the Wyoming Federation of Women's Clubs in promoting Youth Art Month. In the past several years this group has encouraged Wyoming Representatives Roncalio, McGee, Hansen, and me to introduce this resolution and take an active role in its passage.

I ask my colleagues support in sponsoring this resolution for a Youth Art Month, giving a new emphasis to, and understanding of, the value in art education for all children.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 19

Whereas children are among our most priceless assets, and

Whereas childhood is the time to develop interests, skills, and aptitudes to last a lifetime; and

Whereas through meaningful school art activities children develop initiative, self-expression, creative ability, self-evaluation, discipline, and a heightened appreciation of beauty; and

Whereas the importance of art in education is recognized as being necessary for the full development of all children; and

Whereas participation in school art programs develops perceptive qualities and sensitivity, thereby producing a more enlightened citizenry; and

Whereas Youth Art Month has been observed nationally since 1960 and has gained wide acceptance: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of March 1979 as "Youth Art Month", and calling upon the people of the United States and interested groups and organizations to become involved in and give their support to quality school art programs for children and youth.

By Mr. ZORINSKY (for himself, Mr. EXON, Mr. BURDICK, Mr. YOUNG, and Mr. MELCHER):

S.J. Res. 20. A joint resolution to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. ZORINSKY. Mr. President, late last summer I introduced a joint resolution to increase price supports of several major commodities to at least 90 percent of parity. I am joined today by my fellow Nebraskan, Senator EXON, as well as several other colleagues in reintroducing the resolution today.

The Secretary of Agriculture has long had authority to raise price support loan levels to 90 percent of parity for wheat, feed grains, soybeans, cotton, and milk. Under the Agricultural Act of 1949 as amended, he has the necessary authority to adjust Commodity Credit Corporation loan levels to keep pace with inflation and increasing costs of production. However, the administration has chosen not to use this authority. Instead the President and Secretary Bergland have elected to maintain inadequate and outdated price supports for these commodities.

Last year at this time, the members of Congress assembled here to convene the second session of the 95th Congress. We were greeted by thousands of our country's farmers. They were here to protest the administration's neglect of our agricultural communities' plight and to petition Congress to address the need for higher farm prices. The visiting farmers, led by those of the American agriculture movement, worked tirelessly to convince Congress and the American public that the survival of the family farm depends upon higher prices for their produce.

However, their diligent efforts produced only meager results. The Senate approved a plan to provide farmers with 100 percent of parity prices for their goods, but it never became law. The Congress gave the Secretary of Agriculture authority to raise target prices to 100 percent of parity, but only minor adjustments were made. Farm prices remain abysmally low. The administration remains unresponsive to the desperate need of America's agricultural communities.

Once again our country's farmers are assembling in the Nation's Capital. Once again they are asking Congress for help. At their request I am reintroducing today this joint resolution to require more realistic price supports.

American farmers want and need parity prices. They deserve them. The economic health of the Nation and one of our largest and most productive industries depends on more realistic price supports. I urge my colleagues to delay no further, but to take action swiftly to support our country's farmers.

Mr. EXON. Mr. President, I am pleased to join with my distinguished colleague from Nebraska, Senator ZORINSKY, in sponsoring a resolution increasing price supports for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity.

Mr. President, there is no more important part of our economy than agriculture, yet the majority of the people of this Nation fail to recognize this and take our vital food and fiber producers for granted. American agriculture provides an abundance of food for the tables of the people of this great Nation, but those good farmers who are called upon to produce this food are now and have been in the past asked to produce and provide this food without any assurances of a fair profit for their efforts. I believe, Mr. President, it is now time for the Congress and the American people to show their support for the American farmer by guaranteeing him a fair and reasonable return on his investment by adopting this joint resolution introduced by my colleague today.

This measure provides the approach which I believe will set the basis for reestablishing the health of agriculture which has severely suffered during recent years and insure agriculture of a stable future in order to continue to supply this Nation and the world with its food. There is no question that, with this type of guaranteed return, our farmers, and I address in particular the small family farmers, will be assured the continued ability to operate in this ever increasingly complex and technical world, without fear of being forced to leave their farming livelihoods because they can no longer make a decent living on their land.

I believe, Mr. President, it is time for the Congress of the United States to come once again to the realization, as was the case in the early days of this great republic, that agriculture is our greatest resource. But this resource cannot continue to remain viable under present price constraints forced upon it by antiquated philosophies, market manipulations, and international politics. We must act and act now, lest we lose this resource because we lacked the foresight to recognize its importance to the future of this Nation. The arguments and figures are in, Mr. President, it is now time for all of us in this body to stand up and be counted in support of agriculture, the agriculture which has allowed this Nation to grow and prosper.

Mr. President, I believe this resolution addresses the needs of agriculture and strongly urge its expeditious adoption.●

By Mr. JAVITS (for himself, Mr. DURENBERGER, and Mr. CHILES):

S.J. Res. 21. A joint resolution to establish a Joint Committee on National Health Insurance; to the Committee on Governmental Affairs

Mr. JAVITS. Mr. President, as the 96th Congress begins this week, I believe that my colleagues should consider a possible solution to the continuing problem of the divided legislative jurisdiction in our consideration of national health insurance.

Since I first came to the Congress in 1947, I have participated in the fashioning of many health bills, helped to sponsor the development of the expanded Federal role in health care, and observed increasing fragmentation in congressional committee jurisdiction relating to health policy matters. Today there are at least two committees each in the House and Senate which have jurisdiction over health policy issues.

This fragmentation when it comes to national health insurance jurisdiction will lead to lack of coordination and delay due to the jurisdictional distinctions which exist between services, financing, and regulatory issues. Given the growing public debate concerning a national health insurance plan, I believe the Congress should act now to overcome the delays which will likely result with continued divided jurisdiction on the issue.

To that end, I introduce today a Senate joint resolution which would establish a 28-member Joint Committee (House-Senate) on National Health Insurance. This resolution would give the joint committee jurisdiction over all bills and resolution which relate to the establishment of a national health insurance plan. Sixteen of the members would be the chairmen and ranking minority members and their designees of the legislative committees and corresponding health subcommittees of the Senate committees on Human Resources and Finance and the House Committees on Interstate and Foreign Commerce and Ways and Means. The remaining 12 members of the committee would be apportioned equally between the House and Senate and would be appointed by the Speaker of the House of Representatives and the Vice President, respectively.

Mr. President, I believe that the joint committee could promote effective congressional leadership in the development of a national health insurance plan. I urge my colleagues to act favorably on this resolution.

By Mr. GARN (for himself, Mr. DANFORTH, Mr. DECONCINI, Mr. HATCH, Mr. HATFIELD, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 22. A joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

● Mr. GARN. Mr. President, I am honored today to introduce again a proposed amendment to the Constitution of the United States which, when ratified, will reestablish a pre-eminent "Right-to-Life" under American law. Yesterday was the sixth anniversary of Roe v. Wade and Doe v. Bolton in which the Supreme Court effectively removed from the States the power to regulate abortion.

I believe the Court's decisions were terribly wrong for two principal reasons. First, the Court erred in its holding regarding the nature of preborn life and the protection which it ought to be afforded. Perhaps this can be called the substantive error. Second, the Court made what may be called a procedural error, in which it decided—one is tempted to say "legislated"—in an area in which the States have every valid purpose for legislating and in which the United States Constitution is absolutely silent.

One of the most effective criticisms of the Court's abortion decisions is John Hart Ely's article in the April, 1973 Yale Law Journal. Professor Ely, who supports the right to abortion, though with a "divided spirit," shows to what extent the Court went in enacting a constitutional right to abortion. Let me quote a few sentences from his article.

> . . . it has never been held or even asserted that the state interest needed to justify forcing a person to refrain from an activity, whether or not that activity is constitutionally protected, must implicate either the life or the constitutional rights of another person. Dogs are not "persons in the whole sense" nor have they constitutional rights, but that does not mean the state cannot prohibit killing them: It does not even mean the state cannot prohibit killing them in the exercise of the First Amendment right of political protest. Come to think of it, draft cards aren't persons either.

Professor Ely's remarks are extremely thought provoking. He points out quite rightly that even if a person is engaged in a constitutionally protected activity, he may still be prevented from harming or destroying not only some other person or animal but even some inanimate thing. Dogs may be protected, and may even be protected when someone is exercising a fundamental constitutional right. Draft cards can be protected even when the rights of expression are involved. But for some extraordinary reason, fetuses have no such protection.

Let me now quote a paragraph from Professor Ely's article that is more specifically directed at the procedural problems of the abortion cases.

> Of course a woman's freedom to choose an abortion is part of the "liberty" the Fourteenth Amendment says shall not be denied without due process of law, as indeed is anyone's freedom to do what he wants. But "due process" generally guarantees only that the inhibition be procedurally fair and that it have some "rational" connection—though plausible is probably a better word—with a permissable governmental goal. What is unusual about Roe is that the liberty involved is accorded a far more stringent protection, so strigent that a desire to preserve the fetus' existence is unable to overcome it—a protection more stringent, I think it is fair to say, than that the present court accords the freedom of the press explicitly guaranteed by the First Amendment. What is frightening about Roe is that this super-protected right is not inferable from the language of the constitution, the framers' thinking respecting the specific problem in issue, any general value derivable from the provisions they included, or the nation's governmental structure. Nor is it explainable in terms of the unusual political impotence of the group judicially protected vis a vis the interest that legislatively prevailed over it. And that, I believe . . . is a charge that can responsibly be leveled at no other decision of the past twenty years. At times the inferences the court has drawn from the values the constitution marks for special protection have been controversial, even shaky, but never before has its sense of an obligation to draw one been so obviously lacking.

I think it is fair to say that the abortion decisions are the most criticized decisions of the past several decades. This criticism is often leveled by those who, on balance, are proabortion but who recognize the necessity for judicial restraint and deference to the explicit language of the Constitution, the implications reasonably derived therefrom, the powers of the States within our federal system, and certainly the moral sensibilities of the people. The abortion decisions ought to be overturned by constitutional amendment primarily because of the human havoc they are spreading. But they ought also to be overturned because they are an affront to the excellence that ought to characterize our constitutional law. As Archibald Cox has said,

> The Justices read into the generalities of the Due Process Clause of the Fourteenth Amendment a new "fundamental right" not remotely suggested by the words. Because they found the right to be "fundamental", the Justices felt no duty to defer to the value judgments of the peoples' elected representatives, current as well as past.

Mr. President, let us not fool ourselves when we discuss the issue of abortion. It is clear that the issue is highly emotional but emotionalism does not justify the distortion of facts. And the facts are that when we talk about an abortion we are talking about the killing of a human being. If people wish to discuss when this new human being should receive constitutional protection as a "constitutional person" that is one thing, but for people to discuss the issue of abortion as if living human beings were not at stake is a grievous error. There should be no question that the object that is aborted is living, for as biologists know, life does not just start but is passed on from one living organism to another and the object of an abortion has received its life from its parents. Also, if the fetus were not living there would be no need for abortion, for an abortion is designed to stop the growth and remove the evidence of a living organism. Further, this object of abortion is human. It has human parents who have endowed it with human genes and it can be nothing else. It does not belong to the dog family or the cat family or any other animal family.

It belongs only to the human family. The scientific facts are clear, it is our moral sensibilities which are clouded and which are sometimes used to cloud points which would otherwise be very clear. "The very considerable semantic gymnastics which are used to rationalize abortion as anything but taking a human life would be ludicrous if they were not often put forward under socially impeccable auspices," says the medical journal California Medicine. "The result," the journal continues, "has been a curious avoidance of the scientific fact, which everyone really knows, that human life begins at conception and is continuous whether intra- or extra-uterine until death." Once we clear away some of the factual distortions and semantic exertions, we can concentrate on the essence of the abortion question which is moral, not factual. It is a values question posed

in its most acute form: What value will we place on unborn human life, and perhaps by extension, what value will we place on life that is assuredly human yet "somehow different" from our own? For myself, for the cosponsors of this amendment, and for millions in this country, I say we will stand by the position which holds life in reverence and which grants the protection of the laws to the broadest class of living human beings.

In the words of Dr. Andre Hellegers:

> Are there to be live humans who are to be considered devoid of "value", "dignity", "soul", "meaningfulness", "protection under the constitution" or whatever phrase or word by which one wants to describe the inclusionary or exclusionary process? This is fundamentally why I am opposed to abortion. It is because it attaches no value to live biological human entities. . . .

Those of us in the "Right-to-Life" movement are often accused of being extremists and absolutists. Some may be extreme, some may be absolute in their convictions, but all of us have chosen to side with that "interest in maintaining that respect for the paramount sanctity of human life which has always been at the center of Western civilization, not merely by guarding 'life' itself, however defined, but by safeguarding the penumbra whether at the beginning through some overwhelming disability of mind or body, or at death." We have chosen to side with the protection of humans rather than their destruction, we have chosen to side with the highest traditions of Western civilization, we have chosen to side with the clear language of the 5th and 14th Amendments of the Constitution and the Declaration of Independence and the implications of those words, we have chosen to side with scientific knowledge.

We choose life. ●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S.J. Res. 23. A joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent; to the Committee on Governmental Affairs.

IMPROVEMENTS IN CENSUS DATA FOR ASIAN AND PACIFIC ISLAND AMERICANS

● Mr. MATSUNAGA. Mr. President, I am introducing today, with Senator INOUYE as cosponsor, legislation which would improve the enumeration and data collection procedures and the publication of census data with respect to Asian and Pacific Island Americans. The measure is identical to Senate Joint Resolution 47, which I introduced in the 95th Congress.

My proposal would require the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare to gather and publish regularly reliable social and economic statistics on Asian and Pacific Island American ethnic groups for those States which contain significant populations of such ethnic groups. In addition, the resolution would require the Bureau of the Census to establish a permanent advisory committee for Asian and Pacific Island Americans. The proposed advisory committee would be similar to already existing committees for black and Spanish-speaking Americans.

In Hawaii, Alaska, California, New York, Illinois, and several other States, there is a real problem of identifying the population and detailed characteristics of Asian and Pacific Island American ethnic groups. In Hawaii, census data are tabulated on the basis of "white," "black," "Spanish-speaking," and "Others." According to the data, about 39 percent of the population is "white," less than 1 percent is "black,' and the remainder of the population is classified as "others," making the data meaningless for all but the most general planning purposes.

Although I understand that detailed census data on the major Asian American and Pacific Island American ethnic groups is collected during the decennial census, not a single volume of census data is published by the Census Bureau which shows accurate, detailed characteristics of these ethnic groups by local planning areas such as census tracts, counties, or places with a population of 2,500 to 10,000.

The 1970 decennial census tabulations indicated a population of 2.25 million Asian American and Pacific Island Americans in the United States. Because of dramatic increases in immigration from Korea, the Philippines, American Samoa, South Vietnam and Laos, it is anticipated that the population will have doubled by next year. Yet State and local planners lack the essential detailed data they need to determine the social and economic needs of these ethnic groups. If my proposal is enacted, it would insure the collection and publication of adequate statistical data relating to Asian and Pacific Island Americans.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 23

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas more than two and one-quarter million Americans identify themselves as being of East Asian or Pacific Island background and trace their origin or descent from the East Asian Continent or the Pacific Islands; and

Whereas these Americans of East Asian or Pacific Island origin or descent have made significant contributions to enrich American society and have served their Nation well in time of war and peace; and

Whereas a large number of Americans of East Asian or Pacific Island origin or descent suffer from racial, social, economic, and political discrimination and are denied the basic opportunities they deserve as American citizens and which would enable them to begin to lift themselves out of the poverty many of them now endure; and

Whereas improved evaluation of the economic and social status of Americans of East Asian or Pacific Island origin or descent will assist localities, States, the Federal Government and private organizations in the accurate determination of the urgent and special needst of Americans of East Asian or Pacific Island origin or descent; an

Whereas the provision and commitment of local, State, Federal and private resources can only occur when there is an accurate and precise assessment of need: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Department of Labor, in cooperation with the Department of Commerce, shall develop methods for improving and expanding the collection, analysis, and publication of labor force characteristics relating to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 2. The Department of Commerce, the Department of Labor, the Department of Agriculture, and the Department of Health, Education, and Welfare shall each collect, and publish regularly, statistics which indicate the social, health, and economic conditions of Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 3. The Director of the Office of Management and Budget, in cooperation with the Secretary of Commerce and with the heads of other data-gathering Federal agencies, shall develop a Government-wide program for the collection, analysis and publication of data with respect to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 4. The Department of Commerce, in cooperation with appropriate Federal, State, and local agencies and various population study groups and experts, shall immediately undertake a study to determine what steps would be necessary for developing creditable estimates of undercounts of Americans of East Asian or Pacific Island origin or descent for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 5. The Secretary of Commerce shall insure that, in the Bureau of the Census data-collection activities, the needs and concerns of the East Asian or Pacific Island origin population are given full recognition through the use of East Asian or Pacific Island language questionnaires, bilingual enumerators, and other such methods as deemed appropriate by the Secretary for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 6. The Department of Commerce shall implement an affirmative action program within the Bureau of the Census for the employment of personnel of East Asian or Pacific Island origin or descent and shall submit a report to Congress within one year of the enactment of this Act on the progress of such program.●

By Mr. MATSUNAGA (for himself, Mr. INOUYE, Ms. KASSEBAUM, Mr. LEAHY, Mr. MATHIAS, Mr. MOYNIHAN, and Mr. WILLIAMS):

S.J. Res. 24. A joint resolution to require improvement and expansion of the collection, analysis and publication of statistical data relating to working women; to the Committee on Human Resources.

OCCUPATIONAL STATISTICS RELATING TO WORKING WOMEN

● Mr. MATSUNAGA. Mr. President, I am introducing today, with Senators

INOUYE, KASSEBAUM, LEAHY, MATHIAS, MOYNIHAN, and WILLIAMS as cosponsors, a joint resolution which would require the Federal Government to improve the collection, analysis, and publication of occupational statistics relating to working women.

The measure is similar to Senate Joint Resolution 99, which I introduced in the 95th Congress, but it has been revised to incorporate the recommendations of the National Women's Conference which was held in Houston in 1977.

The resolution calls on the Departments of Commerce, Labor, and Health, Education, and Welfare to develop better methods of collecting and publishing labor force characteristics relating to working women and would require the Bureau of the Census to publish a statistical breakdown of the data equal to that provided for working men. The three Federal departments are also urged to provide occupational data relating to women employed under Federal programs, with cross tabulations on the basis of race and sex.

Mr. President, the difficulties encountered by Government officials and planners on the State and local level as they attempt to use census data to develop new programs for working women and to enforce existing laws were first brought to my attention by the Hawaii State Commission on the Status of Women. It is significant, I believe, that the elected delegates to the First National Women's Conference, pointed to the same shortcomings.

In response to the recommendations of the National Women's Conference, a meeting was held at the Census Bureau in April 1978 to discuss the Federal statistical needs of women. Statisticians and social scientists at that meeting also called for improvements in the publication of occupational data relating to women, particularly at the local level. It is my understanding, however, that the Census Bureau has not yet published a report on that meeting or announced what, if any, changes it intends to make in the collection, analysis, and publication of occupational statistics relating to working women.

In Hawaii, we found that the lack of occupational data relating to women resulted in 70 percent of all professional, technical, and managerial women being classified as "other" with no further details. Planners believed, but had a hard time verifying, that these are often women in the so-called traditional fields—nurses, teachers, and social workers, for example. It is hard to determine how many in these fields have reached the higher rungs of administration and how many are still on the lower rungs of the career ladder because so little detail is provided.

This lack of data has made the working woman all but invisible, although her numbers have increased significantly in recent years. Fifty-six percent of all American women over the age of 16 are working women and they comprise 48 percent—close to one-half—of the total U.S. work force. More than one-half of the Nation's children have working mothers. While it is easier to see that more women are working today than ever before, it is difficult to forecast the impact on our society and the future needs of working women and their families without adequate statistical data. Passage of my resolution would benefit not only working women, but also State and local governments and the planners of private industry. I urge, therefore, that early consideration be given to this measure and I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 24

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas 56 percent of adult women in America are presently engaged in gainful employment, as compared to only 20 percent in 1900, and working women constitute 48 percent of the total national workforce;

Whereas the increasing numbers of women seeking employment will have a profound impact on population planning, family-oriented policies of the Federal, State and local governments, national economic planning, and national employment policies;

Whereas the available evidence indicates that working women are victims of economic discrimination and earn only 58 cents for every dollar earned by working men, and women are still denied entry into the higher paying professional, technical and managerial positions; and

Whereas proper planning and improved administration and enforcement of existing equal employment opportunity and equal pay laws have been stymied by the lack of adequate statistical data relating to working women; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Commerce, in cooperation with the Department of Labor, and the Department of Health, Education, and Welfare, shall adopt methods for improving and expanding the collection, analysis and publication of labor force characteristics relating to women in all occupations with special attention paid to women in professional, technical and managerial positions.

SEC. 2. The Secretary of Commerce shall insure that the Bureau of the Census, in its data collection activities and in the publication of statistical tables relating to the employment of women in all occupations with special attention paid to women in professional, technical and managerial positions, provides a statistical breakdown of the data equal to that provided in the case of men employed in all occupations especially men in professional, technical and managerial positions with cross tabulations on the basis of race and sex.

SEC. 3. The Secretary of Labor, Secretary of Commerce, and the Secretary of Health, Education and Welfare shall insure that the Bureau of the Census, in its data collection activities and in the publication of statistical tables shall provide statistical breakdowns of data relating to the employment of women under federal government programs with cross tabulations on the basis of sex and race.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. DOLE, the Senators from New Mexico (Mr. SCHMITT and Mr. DOMENICI) were added as cosponsors of S. 8, to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof.

S. 10

At the request of Mr. BAYH, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 10, to protect the rights of institutionalized persons.

S. 25

At the request of Mr. BAYH, the Senator from Arkansas (Mr. BUMPERS), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Wisconsin (Mr. NELSON), the Senator from Maryland (Mr. SARBANES), and the Senator from New York, (Mr. MOYNIHAN) were added as cosponsors of S. 25, to designate the birthday of Dr. Martin Luther King, Jr. as a national holiday.

S. 46

At the request of Mr. STONE, the Senator from Mississippi (Mr. COCHRAN), the Senator from Utah (Mr. GARN), the Senator from California (Mr. HAYAKAWA), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

S. 55

At the request of Mr. BENTSEN, the Senator from Nebraska (Mr. EXON), the Senator from North Dakota (Mr. YOUNG), the Senator from Montana (Mr. BAUCUS), and the Senator from Florida (Mr. STONE) were added as cosponsors of S. 55, the Meat Import Act of 1979.

S. 76

At the request of Mr. STONE, the Senator from Idaho (Mr. CHURCH), the Senator from North Dakota (Mr. BURDICK), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 93

At the request of Mr. NELSON, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 93, to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

SENATE JOINT RESOLUTION 4

At the request of Mr. LUGAR, the Senator from Oregon (Mr. HATFIELD), the Senator from Wyoming (Mr. SIMPSON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. WALLOP), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Joint Resolution 4, proposing a constitutional amendment setting forth levels of total budget outlays and Federal revenues that must be agreed to by a two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

SENATE JOINT RESOLUTION 18

At the request of Mr. THURMOND, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Joint Resolution 18, proposing a constitutional amendment requiring a balanced budget.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of Senate Resolution 13, with respect to the continuing relationship of the United States and the Republic of China.

SENATE RESOLUTION 15

At the request of Mr. HARRY F. BYRD, JR., the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of Senate Resolution 15, concerning mutual defense treaties.

NOTICES OF HEARINGS

COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH. Mr. President, I would like to announce that the Committee on Foreign Relations will hold hearings on Taiwan enabling legislation and resolutions relating to the security of Taiwan on February 5 and 6, 1979. Witnesses from the executive branch will be heard on February 5 and congressional and public witnesses will be heard on February 6. Markup of this legislation is tentatively scheduled for February 7.

I also wish to announce that a hearing on the nomination of Leonard Woodcock to be Ambassador to the People's Republic of China will be held on February 8.

Each of these meetings will take place in room 4221, Dirksen Senate Office Building.

Anyone interested in testifying at these hearings should contact Roy Werner of the Committee on Foreign Relations staff on 224–5381.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, I wish to announce that the Committee on Banking, Housing and Urban Affairs will hold an oversight hearing on the calendar year 1979 budgets of the Federal Reserve Board and System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. The hearing will begin at 10 a.m., room 5302, Dirksen Senate Office Building, on January 26, 1979.

Anyone wishing information about this hearing should contact Ms. Elinor B. Bachrach, professional staff member, room 5300, Dirksen Senate Office Building, 202–224–7391.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, the Select Small Business Committee will continue hearings in the series on "Competitive Problems in the Drug Industry." The 3 days to be held on January 31, February 1, and February 5, will address the issues of the safety, efficacy, and medical usefulness of propoxyphene (Darvon).

On January 31, the hearings will be in room 6226 of the Dirksen Senate Office Building and on February 1 and 5 the hearings will be in room 5110 of the Dirksen Senate Office Building at 10 a.m. each day.

Witnesses will be announced at a later date.

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, for the information of my colleagues and the public, I am pleased to announce the January through May hearing schedule of the Subcommittee on Child and Human Development which I am honored to chair on the Committee on Human Resources. Our schedule is a busy one and includes hearings on the reauthorization of legislation and hearings on new initiatives and oversight matters.

Mr. President, I ask unanimous consent that the subcommittee hearing schedule be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Date, subject, location, and time:

January 24, Institutional Abuse of Children, 4232 Dirksen, 9:30 a.m. to 1 p.m.

February 6, Child Care (S. 4), 6226 Dirksen, 9:30 a.m. to 1 p.m.

February 8, ACTION Agency Reauthorization (S. ——), 6226 Dirksen, 9:30 a.m. to 1 p.m.

February 21, Child Care (S. 4), 4232 Dirksen, 9:30 a.m. to 1 p.m.

March 7, Domestic Violence, (S. ——), 4232 Dirksen, 9:30 a.m. to 1 p.m.

May 1, ACTION Agency's Older American Volunteer Programs (oversight), 4232 Dirksen, 9:30 a.m. to 1 p.m.

Mr. President, individuals interested in presenting testimony or obtaining further information regarding these hearings should contact Mary Lopatto, Subcommittee on Child and Human Development, 224–9181.●

SUBCOMMITTEE ON CITIZENS AND SHAREHOLDERS RIGHTS AND REMEDIES

● Mr. METZENBAUM. Mr. President, the subcommittee on citizens and shareholders rights and remedies had scheduled hearings on the effect of pension fund investment policies on individual contributors for Wednesday, February 7, 1979, at 10 a.m. in room 155, Russell Senate Office Building.

That hearing has been changed to Monday, February 5, 1979, at 10 a.m. in room 2228, Dirksen Senate Office Building.●

COMMITTEE ON HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that hearings will be conducted by the Committee on Human Resources on legislation I will introduce today, the ERISA Improvements Act of 1979. The hearings will be held on Tuesday, Wednesday, and Thursday, February 6, 7, and 8, 1979, commencing at 10:30 a.m. on February 6 and at 9:30 a.m. on February 7 and 8, in room 4232 of the Dirksen Senate Office Building. Requests for further information and requests to testify at the hearings or submit written statements should be directed to Steven J. Sacher, special counsel to the committee, 202–224–1097.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. WILLIAMS. Mr. President, as Chairman of the Committee on Human Resources, I would like to announce that the Subcommittee on Child and Human Development, chaired by my colleague from California (Senator CRANSTON), will hold hearings on the institutional abuse of children on Wednesday, January 24, in room 4232, Dirksen Senate Office Building. The hearings will begin at 9:30 a.m. and continue until 1 p.m.

Individuals interested in further information regarding these hearings should contact Mary Lopatto, Subcommittee on Child and Human Development, 224–9181.●

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

● Mr. STEVENSON. Mr. President, on January 25, 1979, the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation will begin hearings on U.S. civilian Space policy. Dr. Frank Press, the President's science adviser and Director of the Office of Science and Technology Policy, and Dr. Robert Frosch, Administrator of NASA, will testify. Additional hearings will be held on January 31 and February 1. The hearings will begin at 9 a.m. in room 235, Russell Senate Office Building.

Congress can postpone no longer development of a civilian Space policy for the United States. Within the next year the Space Shuttle will be launched for its first manned orbital flight. By 1981 the Shuttle should achieve full operational status. By the mid-1980's we can expect 30 to 50 Shuttle flights a year. This increasing pace will produce new opportunities for developing the Space environment to serve humanity.

In sum we stand on the threshold of a new era in Space. It is essential that the United States develop a reasonable and coherent strategy for realizing these new opportunities. To this end I introduced last year the Space Policy Act. A revised version of this bill will be reintroduced shortly. Senator HARRISON SCHMITT has also introduced a Space policy bill. Last fall President Carter announced certain broad principles to guide U.S. activity during the Space Shuttle era.

These issues will be examined in depth during the forthcoming hearings. My hope is that the Committee on Commerce, Science, and Transportation will report a Space policy bill prior to May 15 and that it can be passed by the Senate during this session. I welcome the interest and support of my colleagues in this endeavor.●

SUBCOMMITTEE ON NUTRITION

● Mr. MCGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition of the Senate Committee on Agriculture, Nutrition, and Forestry has scheduled a hearing on nutrition education in medical schools. The hearing will be held Tuesday, January 30 beginning at 9 a.m. in room 324.

The subcommittee has invited three

distinguished panels to testify. We will hear first from members of the Accreditation Board governing medical schools regarding standards. This will be followed by an HEW panel who will detail the results of special grant projects on nutrition education in medical schools. Finally, the hearing will conclude with a panel discussion of alternative training for physicians.

Anyone wishing further information should contact the committee staff at 224-2035.●

ADDITIONAL STATEMENTS

HERBERT HOOVER

● Mr. HATFIELD. Mr. President, as many of my colleagues are aware, one of the former Presidents who I admire most is Herbert Hoover. One of the great delights of my life is to read a new book or an old book just discovered about him. The Hoover Museum and Library in West Branch, Iowa, is a fitting memorial to his productive and admirable life. Certainly one gains a new perspective on Mr. Hoover's contributions to our Nation and the world community while browsing the Presidential Library.

On August 10, in West Branch, ceremonies were held commemorating the 104th anniversary of the birth of the 31st President of the United States. Our former colleague, the Honorable Roman Hruska, attended the occasion and sent to me a copy of Mr. Lowell Thomas' captivating remarks from his major address. I submit Mr. Thomas' speech in its entirety for the RECORD:

REMARKS OF LOWELL THOMAS

(West Branch, Iowa, Aug. 10, 1978)

Ladies and gentlemen, when you pass the 80th milestone—and I'm well beyond that—when you do pass it, a number of things happen. One is that every time you say something it reminds you of something else. About thirty years ago President Hoover, and I, were given honors at a university in the middle west. It was a hot summer day and a new chancellor was being installed—his name Arthur Flemming. Methodist Bishop Herbert Welch was delivering a long, impressive speech, but the day was a scorcher. I thought we were going to find similar heat here in Iowa today. Fortunately, it's cool. At any rate, I'm thinking of the day long years ago because President Hoover, the ex-chancellor of the university, and I, we were seated under a canopy with the heat so intense that all three of us fell asleep. Life magazine published an amusing picture of us. I was going to suggest that if it was hot here today, I would urge you to go ahead and sleep. I wouldn't mind.

Yesterday I much enjoyed going through the Hoover Library and Museum. I am sure most of you have visited it. If you haven't, by all means do so. It's an experience. In California, at Palo Alto, as you know, the Hoover Tower at Leland Stanford University houses a world-famous library where they've just dedicated a new addition. One of the speakers was President Ford who said:

"What prophet around a century or so ago would have predicted that a blacksmith's son from a small Iowa town, orphaned since he was nine years old, would quit his job as an office boy in Salem, Oregon, study nights to win admission to the exciting new university just opening in California, pursue his ambition to be a mining engineer, and become the number one mining engineer in the world? That is what Herbert Hoover did before he scaled the highest peaks of achievement in other fields and then was elected President of the United States by the largest landslide since George Washington."

As we know, Herbert Hoover faced overwhelming problems while he was president; and, we all know how he was vilified. On one occasion Lady Astor—I'm sure you all remember the girl from Virginia who became the first woman member of the Mother of Parliaments—Lady Astor called me on the overseas phone. She said she wanted me to fly to England and stop the publication of a book, a vicious attack on Lawrence of Arabia. I laughed and asked why she thought I, an American, had all that influence in England.

Then a few weeks later London's leading press baron arrived in New York. Lord Beaverbrook, a poor boy from New Brunswick, Canada, had become one of the most powerful men in the world. We were friends, and after chatting for a few minutes I told him when he got back to England I hoped he would get in touch with Lady Astor and help her. His reply will interest you. He said, "No really great man from the time of Hammurabi, five thousand years ago, and from the pharaohs of Egypt down to the present moment, no great man has ever escaped vicious attack." Then he added: "The man who will suffer most will be the man who made the attack." A wise remark, and it was also true in the case of Herbert Hoover.

In Idaho, 40 years ago, an editor of a small paper, *The Wallace Miner*, made a wise reply to a vicious anti-Hoover attack. He said he had received a New Deal piece of propaganda saying that Herbert Hoover had been a complete failure. To this the Idaho editor had this reply: "Yes, he did fail; he failed to draw out his salary of $75,000 a year while he was President.

"Yes, he failed to have his sons organize firms to write insurance on government enterprises.

"Nor did his sons go racing through the divorce courts to the disillusionment of the public.

"He did not go on fishing trips on government warships accompanied by a fleet of destroyers. Instead he built a Rapidan resort for fishing and recreation at his own expense and gave it to the government (and they are still using it as you know).

"He did not plow up every third row of cotton. He did not promise the American people one thing while at the same moment doing everything to accomplish directly the opposite result. Neither did he kill off all the farmers little pigs or encourage the importation of Argentine beef.

"In fact, there were a lot of foolish things he didn't do that some others did.

"He never bundled up a lot of government documents to sell as a book to the faithful at a huge profit (this was forty years ago) and he never sold himself into political slavery to a labor organization for a $500,000 campaign fund, as others did.

"He did not preach and promote class hatred. He did not try to pack the Supreme Court, and he did not leave the American people with a 45 million dollar debt."

And then referring to Mrs. Hoover:

"She never made speeches. She never raced hither and yon on unimportant matters. She never sold soap over the radio. Her only public appearance was in behalf of the Girl Scouts of America."

As for me I have only made one political speech in my life and it was an accident. Nearly fifty years ago, after being involved in the First World Flight, I decided that if airplanes could actually fly around the world—(two of them didn't make it. One crashed into a mountain in Alaska and one went down in the North Atlantic. But two did circle the globe); I decided the time had come when everyone should take up flying. I probably was a bit premature, but I felt indeed the time had come when you could take your grandmother on a flight. Having no grandmother to sacrifice on the altar of aviation, I took my wife. We went off to Europe and flew for some 26,000 miles, longer than anyone had done up to that time. We were taking a look at the embryo airlines in Europe. We had none in our country. We had left our two and a half year old son with three maiden ladies. This we should not have done. We did crash a couple of times.

When we got back we were much indebted to these maiden ladies, one of whom called me on the phone and said "Lowell, we're having a political gathering in Poughkeepsie." Poughkeepsie is our county seat. She said, "We want you to represent the Republican Party." I should have said no. Governor Dewey who was our neighbor for many years, said on one occasion that it was a good thing I wasn't a woman because I didn't know how to say no. Five minutes after her call I knew I'd made a mistake. I called her and told her I couldn't possibly do it, to which she retorted: "I have your promise, you must come."

It was to be a non-partisan event, in a great barn owned by the elder Morgenthau, father of the Henry Morgenthau Jr. you may remember as Secretary of the Treasury. There was a big crowd and I was there to speak for the Republicans. The elder Morgenthau introduced me first which I suspected was because he himself was a Democrat and figured if I spoke first, then the Democrat would be able to knock me off.

In my opening remarks I said perhaps I had been invited to represent the Republicans because I had only voted once in my life and that was for a Democrat. I had been out of the country for years and the only time was when I cast my vote for Woodrow Wilson. As a loyal Princetonian I had voted for him. The faces of the Republicans in the crowd looked a bit somber when I said this. Then I added that perhaps another reason I had been invited to speak on behalf of the Republicans party was because I was an admirer of Al Smith. As you will recall this was when Al Smith was running against Mr. Hoover. So now there were scowls on their faces. I went on for the next five minutes eulogizing Al Smith for whom I had a great admiration. As you may recall he and President Hoover became warm friend in later life.

After eulogizing Al Smith, who had indeed been a great governor of New York, I went on to say that I thought we were living in a new era when we needed someone at the White House who had had worldwide experience, a man with even a broader background then Governor Smith. Then I added how in my travels I had crossed the trail of an American who had opened up the gold fields of Australia. I had crossed his trail in China where he had been the mining expert for the Empress Dowager. In Burma, far up the Irrawaddy River, I had visited a mine that had flourished a thousand years ago, the richest silver mine in the world, and now this man had reopened it, one of the important mining feats of all time. I went on to tell how in later years I had encountered him in Europe during the war when he had done so much to help the Belgian nation survive; and then after the war had fed the starving millions in Europe.

I also went on to describe how in the course of my travels I had visited a theosophical colony in southern India, presided over by Annie Bessant an extraordinary Irish woman. At this colony I had found the people there all believed in reincarnation. One was sure he was Julius Caesar, another claimed to be Napoleon, and others who also thought they were the reincarnation of various important people of the past, in fact Mrs. Bessant, head of the colony, was said to be the reincarnation of a famous philosopher, Giordano Bruno. She also told me she was training a 16 year old lad named Krishnamurti, to play the role of Christ. I thought it all so fascinating I almost decided to stay and pose as Socrates or maybe Alexander the Great!

As for Krishnamurti, the 16 year old, she said she was having trouble with him. His only interest seemed to be in tennis. Years later Krishnamurti came to this country. By then he had indeed become famous as a writer, a brilliant speaker and a philosopher. One of the first things he did was to write and ask me for my autograph! And that should give you a laugh.

There in Southern India on the banks of the Adyar River, they all believed in reincarnation, and in my one and only political speech I said if I was given the privilege of coming back in the form of some other human being I would rather be reincarnated as the man who had saved more human lives than anyone who ever lived. And I added that they all knew I was thinking of Herbert Hoover.

After President Hoover left the White House my friend Sam Pryor, one of the heads of Pan American Airways, brought him to our home in the country and from then on he spent many weekends with us, occasionally with his charming wife. We found him a wise and humorous man, a great after-dinner companion with wonderful stories to tell. We'd sit at the table with Governor Dewey, Allan Dulles, Thomas Watson, Sr., and others listening to Mr. Hoover tell of his experiences all over the world. One of my regrets is that I didn't have a record of the wonderful things the ex-President told us over those years. I recall one of his remarks, that "all men are equal before fish." And we know, he was an ardent fisherman. I have a lake where he went fishing nearly every day.

Also I have a fireplace made up of rather large stones from all over the world, from the Pyramids, from the Taj Mahal, from St. Peter's in Rome, from the Parthenon, the Great Wall of China and so on and so on. Mr. Hoover on one occasion installed a stone he had picked up on our hill, a stone he said was a part of the original crust of the earth which he thought would be an appropriate cornerstone. Later, when Mr. Truman was at the White House, you'll recall he treated President Hoover with much deference, and sent him to Europe on an important mission. He and Ambassador Hugh Gibson visited Hitler's Reich chancellory. Mr. Hoover went down into the bunker where Hitler had assassinated his paramour and killed himself. When he came up he was holding up his coat in a sort of odd way and Ambassador Gibson said:

"Chief, what do you have?"

To which Mr. Hoover replied:

"A stone for Lowell's fireplace."

Whereupon Ambassador Gibson said, "I also have one, some of the porphyry from the top of Hitler's desk."

At Palo Alto the other day Senator Mark Hatfield said:

"He dreamed and established the Colorado River Reclamation. He was responsible for the Grand Coulee Dam and for the St. Lawrence Waterway. He also was a man who sensed the needs of the spirit when he said 'Liberty is a thing of the spirit; to be free. To be free to worship, to think, to hold opinions and to speak without fear. Liberty conceives the mind and spirit of men to be free only if the individual is free to choose his own calling, to develop his own talent, to keep a home sacred from intrusion and to rear children in ordered security'." And then the Oregon Senator added, "And might we not ask today who in this century could literally be credited with saving millions of lives of those who would otherwise have starved both during and after World War I? Even responding to the needs of the Soviet Union in their great famine period in the '20's."

Yes, if there was such a thing as reincarnation, it would be my dream to be reincarnated as Herbert Hoover.

Just before General MacArthur died, my wife and I had a Christmas dinner with President Hoover and the MacArthurs. This was shortly after Kennedy was elected President. As we sat there, the five of us, General MacArthur told how shortly before the election someone in Washington called him on the phone and urged him to tell a derogatory story about the torpedo boat incident in the Pacific. There apparently had been two versions—one of them reflecting discredit on President Kennedy. He wanted MacArthur to tell the disparaging story. General MacArthur replied: "I not only will not do what you have asked, I will do exactly the opposite." Whereupon he went on the air and did what he said he would do. When President Kennedy was elected, one of the first things he did was fly to New York to pay his respects to MacArthur, and also to President Hoover for whom he had tremendous admiration.

Herbert Hoover as you all know was a sports enthusiast. My wife and I, often accompanied him, and it was an experience to be with him at a game. After he could no longer go with us my son and I would visit him at the Waldorf. On one cold, November day when we were headed for a football game, as we stood in front of Mr. Hoover, he looked at Lowell Jr. who is the present Lieutenant Governor in Alaska, and said, "Lowell, your coat is much too light. I have one I want you to take." It turned out to be a big heavy one, and he told us how when President Truman sent him to Germany on an important food project he was met at the airport in Bonn by Chancellor Adenauer. It was a cold day and The Chief didn't have an overcoat. So Adenauer sent into Bonn for a coat, the one he proceeded to give to Lowell Jr. Later, at the stadium, in the inner pocket Lowell found a hundred dollars in bills. Of course they were taken back to The Chief, but my son still has the coat which I suppose should be in this museum.

But I want to tell you about another game we went to when he was still in good health. It was at West Point, between Army and Cornell. We sat on the sunny side opposite from the cadets. When the game was almost over, to avoid the crush we got up to go. As we did so everyone in the stadium stood. It was the first time this had happened in the years after President Hoover had left the White House. It was dramatic, and illustrated how public opinion had drastically changed.

Out in California you've probably heard of a most unusual place, The Bohemian Grove. In President Hoover's camp there hangs a large redwood board on which is carved a poem written by one of his friends Dr. Russell Lee. These are the lines:

"There stands a giant redwood tree
A living record of tough times gone by
A scroll on which is writ for one to see
Life's triumphs over tough adversity.
A record of the frost the seedling took,
Of gales that tried to lay the sapling low.
There is recorded too as in a book
The gentle rains and sunlights golden glow.
Recorded there the lightenings fearful blast.
The hungry raging passage of the fire
Consuming lesser trees while this one lasts
To raise its verdant head above the fire."

And then it concludes:

"Here stands a man serene, triumphant, grand
Who like the giant redwood has endured
Vicissitudes and triumphs in this land,
In history now his place for aye assured
Here stands a man."

THE SITUATION IN CAMBODIA

● Mr. CHURCH. Mr. President, Stanley Karnow's column, "Cambodia: Nixon's the One," in the January 12, 1979, issue of the Washington Post, traces one aspect of our tragic involvement in Southeast Asia: Our Cambodian policy. The article speaks for itself and I commend it to the attention of the Senate.

I submit the article for the RECORD. The article follows:

CAMBODIA: NIXON'S THE ONE

(By Stanley Karnow)

Cambodia might have been spared its present martyrdom had it not been for Richard Nixon.

That is a harsh judgment, but it appears to be borne out by the evidence. For Nixon's invasion of Cambodia at the end of April 1970 turned that bucolic land into a battlefield, unleashing the forces that are still fighting there today—and that may go on fighting for years to come.

Vast numbers of Cambodians were killed during the war that followed the Nixon invasion, many of them as the result of nearly 4,000 bombing missions by B52s. Large numbers perished under the repressive communist regime that has just been defeated by Vietnam and its Cambodian surrogates. Many more will die if, as seems likely, a guerrilla conflict continues.

Nixon's action triggered this death and destruction. Thus, in my estimation, his role in Cambodia was far worse than the Watergate scandals, in which the casualties were political rather than human.

The tragic irony in all this is that the devastation of Cambodia, once the most peaceful and innocent country of Southeast Asia, could probably have been avoided. But opportunities to save Cambodia from its appalling fate were squandered—in some instances, deliberately.

The key was Prince Norodom Sihanouk, the former Cambodian chief of state, an eccentric and occasionally exasperating figure dedicated to the preservation of his small nation.

His greatest fear, which proved to be prescient, was that Cambodia would be swallowed up by the Vietnamese communists after they had defeated the United States and its inept Saigon proteges in the Vietnam war. In Sihanouk's eyes, the present-day Vietnamese were the heirs to the aggressors who had destroyed the Cambodian empire in the 15th century.

During the late 1960s, therefore, Sihanouk pursued a dual diplomatic policy.

On the one hand, knowing that China opposed an Indochina dominated by the Vietnamese, he appealed to Peking for protection. And he also began to edge closer to the United States, with whom he had earlier broken relations, in the hope that the Americans would remain in Southeast Asia even after their inevitable loss in Vietnam.

In an interview with me on Dec. 29, 1967, for example, Sihanouk said that he would authorize American troops in Vietnam to cross into Cambodia in pursuit of the Viet-

cong. In the same interview, he invited an official American group to Cambodia to discuss the resumption of ties with the United States. At the same time, he relaxed restrictions on travel to Cambodia by Americans, and he even entertained Jacqueline Kennedy.

A couple of years later, writing in a Japanese magazine, Sihanouk called for U.S. military and economic aid to Cambodia and the other countries of Southeast Asia to defend the region against Asian communism, which he described as the "new imperialism."

But on March 18, 1970, while in France for his annual cure, Sihanouk was overthrown by domestic adversaries nominally headed by Marshal Lon Nol, his defense minister. Sihanouk later blamed the Central Intelligence Agency for the coup, but the charge was flimsy. Instead, it seems, his internal foes ousted him in a straightforward bid for power.

In any case, it was at that point that an initial chance appeared that might have prevented the events that have unfolded since.

Perceiving that Sihanouk's downfall would disrupt Cambodia and possibly spark an expansion of the Vietnam War, the French foreign ministry's Asia department, then headed by Henri Fremont-Maurice, advanced a daring proposal. Since Cambodia's independence and neutrality had been guaranteed by the 1954 Geneva conference, Fremont-Maurice and his staff suggested that its affairs were a responsibility of the major powers. Therefore, they recommended that a new international meeting be convened to restore Sihanouk to office.

There was a precedent for the move. In 1964, when Prince Souvanna Phouma was ousted as prime minister of Laos by an army colonel, the United States, Britain, France and the Soviet Union acted jointly to restore him to his position.

The French proposal appeared to have Soviet support. But it went nowhere. For the Nixon administration was already planning a thrust into Cambodia designed to wipe out the Vietcong sanctuaries along the Vietnamese frontier.

It should be noted that there were senior State Department officials who foresaw the folly of this plan and warned against it. One of the most notable among them was Marshal Green, then assistant secretary of state for East Asian affairs, whose protests later hurt his career.

The invasion may have succeeded in eliminating the sanctuaries. But it drove the Vietcong into the heart of Cambodia to reinforce the Cambodian communists, thereby transforming the Vietnam conflict into a wider Indochina conflagration. Meanwhile, the United States tried to prosecute this new war in Cambodia through the decrepit Lon Nol, who had supplanted Sihanouk.

In the years that followed, Cambodia was shattered by war and economic deprivation as one-third of its population of six million poured into Phnom Penh, its capital. During that period, too, further attempts to negotiate a settlement were rejected by the Nixon administration.

During a talk in Peking in April 1973, Sihanouk told me that he had twice asked to see Henry Kissinger, then Nixon's foreign-affairs adviser, to propose that he return to Cambodia in an effort to end the war. But Kissinger rebuffed his requests.

According to French sources, Quai d'Orsay officials also tried to persuade Kissinger to consider a compromise solution that featured Sihanouk's return. They were rebuffed as well.

A turning point came in the summer of 1973, however, when Congress voted to cut off funds for the U.S. bombing of Cambodia. Now, realizing the military difficulties involved in pursuing the war, Kissinger sought to open negotiations. But it was too late.

Aware of their new advantage, the Cambodian communists adopted a tough stance. Among other things, they jettisoned Sihanouk as a possible mediator. He later went back to Cambodia, but under virtual house arrest.

Sihanouk has surfaced again, a forlorn spokesman for what looks like a lost cause. The Chinese, never entirely comfortable with the genocidal Cambodian communist regime that has just collapsed, could conceivably set up a Sihanouk government-in-exile in Peking.

But the Sihanouk who might have continued to shelter Cambodia from the storms of war is gone, destroyed in part by the Nixon administration, which refused to try to rescue him.

The current situation poses a dilemma for President Carter, who has denounced the atrocities of the former Cambodian regime yet is compelled to criticize Vietnamese aggression. The dilemma is complicated by his new relationship with China, whose prestige had been badly damaged.

Carter inherited his predicament from Richard Nixon. But the diplomatic complexities that confront him are trivial compared to the consequences of Nixon's so-called "incursion" into Cambodia, which set in motion one of the most horrendous chapters in modern history.

THE ROLE OF PRODUCTIVITY

● Mr. JAVITS. Mr. President, G. William Miller, the Chairman of the Board of Governors of the Federal Reserve System, recently addressed the Productivity Conference held in New York City and sponsored by the American Productivity Center. His remarks on the long-term problem of stagnant U.S. productivity growth and on the implications of that problem for the renewal of the wage-price-wage spiral in our country should be read by every American who is concerned about getting systemic inflation under control.

In my Senate speech of May 10, 1978 (pp. 13144–147) on the problem of productivity I drew essentially the same conclusions as those reached by Chairman Miller, to wit: that restraining inflation will require a significant increase in U.S. productivity growth and that a concerted effort will be required to develop appropriate national policies to encourage improved productivity. We will need to stimulate greater capital formation and encourage increased expenditures on research, development, and innovation. In addition, the problem of worker morale must be looked at, and we will have to consider seriously the various proposals that have been advanced to improve worker participation in business decisionmaking. Finally, we must also consider whether Federal regulatory activities may have the unwanted side effect of retarding the efficiency of production.

I hope my colleagues will study the remarks of Chairman Miller and I urge them to begin putting forward ideas that could be constructive in helping to ameliorate what I consider to be among the greatest threats to the economic health and vitality of our country—declining productivity.

Mr. President, I submit for the RECORD, a copy of Chairman Miller's speech of October 1978.

THE ROLE OF PRODUCTIVITY GAINS IN SOLVING NATIONAL ECONOMIC PROBLEMS

(Remarks by G. William Miller, Chairman, Board of Governors of the Federal Reserve System)

(NOTE.—Charts Nos. 1–5 are not printed in the RECORD.)

Inflation is a clear and present danger which affects all our lives and all our opportunities. As far as monetary policy is concerned, the emergence early this year of inflation as a more virulent threat to our system has placed enormous responsibilities on the Federal Reserve. Monetary policy must and will be used to restain inflation, but it needs support from other economic policies in order to avoid undesirable side effects. The task the central bank has set out for itself is to use prudent monetary policy to restrain the forces of inflation, by bringing down the rate of growth of the money supply, but to do so without triggering a recession that would work against the overall objective. It is reassuring to note that earlier this year, when it became apparent that the effort would not be left to monetary policy alone, positive initiatives were taken by the Administration and by the Congress. There have been substantial changes toward a more restrictive fiscal policy to help bring down the rate of inflation.

With this as background, I am particularly pleased to be here to participate in this conference on productivity. An initiative to achieve productivity gains is one that we can all endorse and aggressively support. A successful effort to improve economic efficiency will directly offset the upward cost pressures on prices. It will tend to make our output more competitive in international markets, and thus improve our balance of trade and help stem the deterioration of the dollar in the currency exchange markets. It will contribute to long-range increases in our economic capacity and in our standard of living. Unless the economy's productivity expands at a faster rate, we will be unable to reduce unemployment without igniting inflation. Increased productivity is the best prospect for breaking the vicious cycle of wages chasing prices and prices chasing wages.

Because it is imperative that we act now to achieve such benefits as we can from increased productivity, it is well worth our time today to look at some of the historical trends and to discuss some of the public policies that could accelerate such gains.

History shows that productivity gains have been a key factor in our economic growth and in our rising standard of living. Output per work hour in the private sector rose more than 125 percent over the past 30 years. The bulk of the improvement, however, occurred between 1947 and 1967. During that period, output per hour doubled. Since 1967, output per hour has risen less than one-fifth, only about half the average pace prior to 1967.

Chart 1 shows that output per hour is now well below its postwar trend. Even before the oil embargo and the recession of 1974–75, the rate of productivity growth had slowed down. Prior to 1967 the annual rate of growth was about 3½ percent; in the years 1967–72, it was only about 2 percent. Other things being equal, this added more than a full percentage point to the rise in unit labor costs. Such increases in costs are eventually reflected in final prices, and that was certainly the experience in the 1967–72 period. While we thought in those years that 2 percent was a weak performance, in the following five

years things have gotten much worse. Coincident with the quintupling of oil prices and the deep recession of 1974–75, productivity fell into an unusually long and deep decline.

Chart 2 shows how output per hour has lagged during this recovery cycle. Its eventual upturn was so belated and so mild that by 1977, output per hour was up only 6½ percent from the 1972 level. That amounts to an average annual gain of only 1½ percent. Think about that for a moment: an average efficiency gain of only 1½ percent a year, little more than one-third the pace in the two decades ending in 1967. Even if wages and salaries had remained stable and, of course, they did not—the productivity slowdown would have added 2 percentage points to the rise of unit labor costs. The result is a commensurate impetus to inflation.

During the years of strong productivity gains, workers and their families became accustomed to generous increases in their real incomes. America's standard of living rose dramatically; average work schedules were shortened; leisure time was increased. Over time, we came to expect an annual improvement in our real incomes. In fact, an allowance of 3 percent or more in productivity gains was included in the wage-price guidelines set in the Kennedy Administration in the early 1960's. These expectations of regular and sizable increases in the average standard of living were subsequently frustrated.

As productivity growth slowed, real income gains began to fall below individual and collective expectations. This had serious consequences for inflationary pressures. In an effort to sustain past patterns of real income growth, wages were pushed up, setting in motion a cycle of intense upward pressure on costs and prices. This occurred despite high levels of unemployment and excess industrial capacity. Thus the slowing of productivity growth helped trigger a spiral of inflationary wage-price adjustments throughout the economy.

The lower rate of productivity growth and the higher rates of inflation at home have contributed to the imbalance of our trade with other nations. Growth of productivity in the United States has been slower than that of most of our major international trading partners, making us less competitive in the international arena. Slow growth of our exports has contributed to the decline in the exchange value of the dollar, which in turn has fueled domestic inflation both directly and indirectly. Higher dollar prices for imports raise consumer prices directly, while domestic producers of competitive goods can raise their prices with less fear of losing market shares. The resulting inflation further saps confidence in the dollar. It also contributes to a lower value of the dollar in a self-reinforcing phenomenon. It is critical that we break this spiral.

Perhaps it would be worthwhile to review the trends that sustained the productivity gains in the private sector from 1947 to 1967 and to compare them with the developments of the last decade.

The first two decades of the postwar era were marked by significant development and expansion of new technology and improved methods of operation accompanied by high rates of capital formation. Significant advances in the quality of the work force also occurred. There was a shift of resources from low- to higher-productivity sectors. Underlying some of these factors were substantial investments in research and development and in workers' educations. After 1967, however, the economic and demographic trends that supported substantial efficiency gains became much less favorable, and new trends emerged that tended to retard the growth of productivity.

A crucial factor in the slow rate of efficiency improvement has been a slackening in the introduction of new technology or, to put it more broadly, in the application of new ideas and improved ways of doing things. The effect of technology on productivity is usually associated with equipment and materials, such as an electronic device that vastly expands data processing capabilities or a new chemical that can help multiply crop harvests. But just as important are new management techniques that greatly improve the application and organization of resources, whether of labor, physical capital, or financial resources. But no matter what the form of advance in human knowledge, it frequently requires significant investment in new plant and equipment in order to exploit fully the opportunities presented.

Yet we have failed to maintain an adequate rate of capital accumulation and investment. Indeed the nation's stock of capital expanded at an annual rate of only 2.8 percent over the past five years, barely half the rate over the preceding decade. Chart 3 shows this progressive and disturbing decline.

Capital accumulation per member of the labor force has slowed even more dramatically. Compared to 1974–75, the amount of capital per person in the labor force has actually declined. This can be seen in Chart 4. At the same time, the share of capital investment devoted to environmenal compliance has increased, and the imposition of environmental standards may have caused practical obsolescence of some existing plant and equipment.

In a similar vein, the massive increase in the price of energy clearly has shortened the economic life of some of our capital stock. So, in many ways, the data on the accompanying charts understate the problem that we face.

Another reason for the slower pace of productivity growth was the huge flood of inexperienced workers into the labor force. The figures are staggering. Nearly 15 million more young people and women were in the labor force in 1977 than in 1967. They accounted for nearly four-fifths—almost 80 percent—of the overall expansion of the work force over the decade. Even though these new workers enjoyed the best health, the highest educational attainment, and the best working conditions in our history, they still had to learn skills and accumulate experience before they could achieve the same productivity as employees with long tenure in a particular trade.

Improving the efficiency of the economy under these circumstances demands a comprehensive, forward-looking program—a program that will restore a climate favorable to productivity growth. Its principal elements must include, first, a commitment to conquer inflation so that investment plans can be made in an environment of more certainty and, second, greater economic incentives for private investment.

The nation's tax policies have not offered adequate incentives for new capital investment. In particular, depreciation allowances are not adequate to provide cash flows sufficient to encourage increased fixed investments in today's conditions, nor to offset the substantial risk of obsolescence. Higher inflation has made it extremely difficult for firms to predict forward costs and prices and thus has shaken confidence in business forecasts of financial conditions and general economic activity. Facing a less reliable calculation of the real cost of capital and of expected revenues, prudent businessmen set high requirements for prospective returns on investment. Capital spending inevitably is retarded.

Because we have been neglecting capital accumulation, a larger share of GNP must now be devoted to capital investments. Raising the amount of capital per worker will have a favorable impact on productivity in its own right. Also, since new capital also generally embodies new technologies, there should be an extra increment to efficiency gains. Newer equipment and structures utilize energy more efficiently, and the resulting conservation and cost savings will contribute to achieving our overall goals.

However, it is not enough simply to reach the past peak levels of 10½ or 11 percent of GNP, reflected in Chart 5. The nation should set an ambitious objective for capital investment of, say, 12 percent of GNP for an extended period of time in order to enable us to make up for past deficiencies and to narrow the gap between our performance and that of our strong industrial competitors. The Japanese economy spends over 20 percent of GNP on capital investment; West Germany 15 percent. It certainly would be appropriate for us to seek a 12-percent level.

Another element in a long-term strategy aimed at a high-growth, low-inflation economy is extensive reform of Federal regulatory activities. We need to take a critical look at price-regulating Government programs. Price regulation in the marketplace tends to discourage or prevent full competition, which is, after all, a powerful incentive for the development and adoption of the most efficient techniques. In recent years there has been a major increase in well-intentioned laws and regulations aimed at protecting the environment and promoting health and safety. These regulations greatly influence when and where new productive capacity may be built and how firms may operate. Just hiring the personnel necessary to keep track of the rules, prepare the reports, and attend the hearings has swollen overall costs without any compensating increase in measured output.

In addition to requiring major expenditures, these regulations create uncertainties about the appropriate scale, location, and acceptability of major new additions to or modernization of our productive capacity. Protection of the environment and of public health and safety must be a major social goal. But the actual benefits of new forms of protection must be carefully weighed against the cost to our economy of achieving them.

Another aspect of a forward-looking growth policy is to assure that our work force continues to be ready to meet the challenge of developing new ideas and implementing new technologies. Government employment and training programs should be redesigned to provide effective skill training and work experience to disadvantaged workers. The emphasis on these programs should be on training individuals for careers in the private sector. Younger people are affected more severely than most other groups by high unemployment since early employment is essential for that on-the-job training which lays the foundation for a successful life career. With todays very high levels of unemployment among younger workers, it is possible that unless we act vigorously, a larger part of that generation will be denied the opportunities to develop the skills, attitudes, and motivation they need to become productive participants in the adult work force and to experience the self-satisfaction of personal accomplishment.

In addition to investing in human capital in the forms of direct skill upgrading, we should improve the links between the classroom and the world of work and expand apprenticeships and similar opportunities to assure that younger workers are prepared to meet the needs of their private-sector em-

ployers. Methods of raising workers' incentives to become more productive should also get more attention. Stockownership incentives, profit sharing, labor-management productivity councils are possibilities that certainly warrant closer examination and further experimentation.

We need all these government actions and incentives. But even more we need a change in attitude among managers and workers; among all citizens. America has always been a "can do" nation characterized by an innovative and competitive spirit. I am convinced that a substantial cooperative effort in the private sector, coupled with a reorientation in tax and regulatory policy, will stimulate productivity growth and will help ease inflationary pressures without curtailing growth. Such trends would be self-reinforcing, for reduced inflationary expectations would enhance confidence in our economic future. All this in turn would lessen the burden on monetary policy in the fight against inflation and improve the prospects for lower interest rates.

In the past few months we have learned a great deal about the limits of government, the importance of coordinating government economic policies, and the importance of a stronger partnership between government and the private sector. Much has been accomplished. Our fiscal program has been changed so that the prospective deficit for the year that began this week has been reduced by over $22 billion, a significant contribution to the fight against inflation. There has been cooperation with President Carter's deceleration program, although much more needs to be done and the President intends to announce other anti-inflation actions. Progress has been made in establishing elements of a national energy policy that will reduce our independence on imported energy. We have taken steps, both through short-term bridging actions and in addressing the longer-term fundamentals, to assure a sound and stable dollar, which is essential to our economic well-being.

But much more needs to be done. In the fight against inflation, and in the campaign to raise productivity gains once again to the level that will assure increases in real incomes and increases in our standard of living, we need to have the purpose, the determination, the constancy to implement effective long-range programs. We will need to maintain our efforts for five to seven years in order to achieve the economic goals of full employment, price stability, and a sound dollar. The reward will be enhanced prospects for peace and prosperity in the world.

TRIBUTE TO FORMER SENATOR DEWEY F. BARTLETT OF OKLAHOMA

● Mr. BOREN. Mr. President, I am honored to be serving in the U.S. Senate in the seat formerly held by a great Oklahoman, Dewey F. Bartlett.

While Senator Bartlett and I are from different political parties, this fact has not interfered with the admiration and respect which I, and all Oklahomans, feel for him. His courage and determination in the face of severe physical discomforts are an example to us all. And, his 91 percent voting record in the 6 years he served in the Senate, is a record which we could each do well to emulate.

A former U.S. Marine Corps dive bomber pilot in World War II, Senator Bartlett took an active role on the Senate Armed Services Committee. In May of 1978, he served as a congressional adviser to the United States-SALT delegation resulting in his report to the Armed Services Committee on the Comprehensive Test Ban Treaty. He also traveled on special missions to Vietnam, Africa, and NATO facilities, in each case reporting on the status of military capability in the areas.

He worked actively for the passage of the Indian Health Care Improvement Act and the Indian Self-Determination and Education Assistance Act. Congress enacted many of the measures which Senator Bartlett introduced on behalf of Indian tribes. A Bartlett amendment providing for a management study of the Bureau of Indian Affairs was adopted as part of the American Indian Policy Review Commission. The study produced recommendations for annual savings of $112.8 million and a one-time savings of $20 million.

Senator Bartlett initiated an amendment in 1973 to remove stripper oil production from price controls. The amendment was reenacted in 1976. He was an effective spokesman in the Senate for one of Oklahoma's major industries—energy—and is respected as a very knowledgeable expert in the area.

His career has been one of great public service to Oklahoma. As a member of the Oklahoma State Senate, as Governor of Oklahoma, and later as U.S. Senator, he has always been an outspoken advocate for Oklahoma in all areas.

He is a man of true integrity and honesty who is obviously well respected by all his former colleagues in this Chamber.

Mr. President, I commend the former Senator from Oklahoma, Dewey F. Bartlett, for his service to his State and to his Nation, and wish him and his family the best in their future endeavors.●

INTERNATIONAL TRADE AND GROWTH

● Mr. STEVENSON. Mr. President, I call to the attention of my colleagues a speech by Mr. Rawleigh Warner, Jr., the chairman of Mobil Corp., on the subject of "International Trade and Growth." Mr. Warner makes an irrefutable case for increasing U.S. exports in order to create jobs in this country and pay for essential imports. As he says:

> The only alternative to increased U.S. exports is a weaker dollar, wiping out its recent strengthening, further fueling inflation here, and raising serious questions around the world about our country's ability to govern itself and to play a leadership role in world affairs. A retreat to protectionism is no answer to the problem, because that could trigger a worldwide depression.

Mr. President, I ask that Mr. Warner's address be printed in the RECORD.

The address follows:

INTERNATIONAL TRADE AND ECONOMIC GROWTH

As you will recall, President Carter last month initiated a program to try to reduce the rate of inflation in the United States. All Americans have a stake in the success of that program.

Unfortunately, the President puts insufficient stress on reducing two of the major factors in our country's inflation—government spending and excessive regulation of business. As a result, the dollar weakened still further in international exchange markets. It later recovered somewhat, but only after strong action was taken to raise domestic interest rates and to support the dollar by intervention of central banks.

Another unfavorable factor in our rate of inflation and the value of the dollar is, of course, our position in international merchandise trade, which has been deteriorating for at least the past 10 years. The U.S. balance of merchandise trade in 1977 was in deficit by $31 billion, and for the first nine months of this year the deficit ran at an annual rate of $36 billion. This has played an important role in weakening the dollar, which has decreased the value of our exports and has increased the cost of imports, which fuels domestic inflation in a cycle that feeds on itself.

Traditionally, a weak currency has stimulated a country's exports by lowering their cost, which is precisely why devaluation has been such a temptation to trading nations. Unhappily, however, we are still to see any real increase in U.S. exports as a result of the weakness of our currency.

In this connection, I would like to put to rest the frequently stated view that oil imports are the immediate cause of the unfavorable U.S. balance of trade. The U.S. dollar took its sharpest fall in the first nine months of this year. Yet so far in 1978 oil imports have declined about 10% from last year, while imports of all other goods have increased 15%. In every year since 1970, oil imports as a percentage of gross national product have been smaller for the U.S. than for Germany and Japan, two countries whose currencies have greatly appreciated against the dollar.

To be able to pay even for what we are now importing, the United States is going to have to increase its exports of goods. These have grown at less than half the rate at which imports have grown between 1975 and 1978. The only alternative to increased U.S. exports is a weaker dollar, wiping out its recent strengthening, further fueling inflation here, and raising serious questions around the world about our country's ability to govern itself and to play a leadership role in world affairs. A retreat to protectionism is no answer to the problem, because that could trigger a worldwide depression.

We also need to increase our exports in order to create additional jobs for a still-growing work force and to pay for imports of essential raw materials and other goods we need to keep our economy growing and to control inflation.

U.S. exports of goods last year totaled $120 billion—6% of our gross national product. While these are respectable export figures, we obviously would like to see them higher. At the same time, however, it seems to me we can take some encouragement from the fact that only one percent of the companies in our country accounted for 85% of U.S. exports in 1977. This clearly leaves a good deal of room for improvement.

It also raises some questions. Why do so few American companies engage in export trade? And why are U.S. exports increasing so slowly?

It seems to me there are three main reasons.

First, relatively few American companies have ever sought aggressively to create foreign markets for their goods.

Second, some countries have raised barriers to imports from the United States.

Third—and, as I propose to show, the most important—the United States itself not only has put obstacles in the way of international trade, but also has had an inconsistent, stop-and-go policy that has inhibited the efforts of American companies engaged in such trade. There has been a lack of leadership and a failure of what little leadership we have had to understand the revolution that has taken place in international trade in the past 30 years.

I think it will be instructive to examine these three reasons in somewhat greater depth.

First, it is not hard to understand why there are not more American companies actively engaged in exporting. The continental United States is the largest market in the world—large enough in itself to provide economies of scale . . . served by excellent systems of transportation and communication . . . and free from the trade barriers between the states. Thus, as far as most American companies are concerned, there has been little or no incentive to export.

Second, it is altogether amazing that it should be so difficult to export American motor vehicles and farm products and other goods to some countries and so easy for those countries to export to the United States. At least two factors are involved here: (a) There is the failure of our government to communicate adequately with U.S. business concerning overseas markets. Our government probably has trade counselors in as many countries as, say, Japan does. But it's abundantly clear to me that they do not have as much interest in helping U.S. companies overseas as their Japanese counterparts have in helping Japanese companies. One gets the impression that our government has no really effective overall organization to promote the American interest in international trade. (b) Our government seems unable or unwilling to tackle the *non-tariff* barriers that keep so many American goods out of foreign markets. Japan, for instance, has low tariffs on most American goods—indeed, lower tariffs in many respects than the U.S. levies on Japanese goods. But Japan has very onerous *non-tariff* barriers, such as the requirements for inclusion of Japanese components in manufactured goods, and elaborate certification procedures that can make it virtually impossible to get an American automobile off the dock in Japan. The Common Market, for its part, has put difficult non-tariff barriers in the way of agricultural exports from the United States. Both the Common Market and Japan subsidize key industries in ways that distort both their domestic markets and world markets.

Third, what has our government done and failed to do in this sphere, and why? Where should it go from here? The answers to these questions are crucial, because the present situation in international trade is costing America untold thousands of jobs, is depressing economic activity here, and by contributing to inflation is making it difficult to improve living standards in our country.

I think we have to try to answer these questions within the framework of how radically international trade has changed in the past 30 years and of what other countries do to help their companies in such trade.

Cast your mind back to the Bretton Woods Agreement of the 1940s, which was designed to revive international trade in a world terribly scarred by World War II. The Bretton Woods hypothesis was that the only surviving undamaged, industrialized, high-productivity, high technology country was the United States. In effect, therefore, our country set up a system of international trade rules designed to benefit those countries we wanted to become economically strong, including both allies and former enemies. The Marshall Plan was part of the same broad strategy.

The economies of the countries we wanted to help, and their industrial plants, have been rebuilt over the past 30-odd years and, as a result, are more modern than ours in many instances—most notably, Japan and Germany. The sort of trading relationships that GATT sanctioned or at least condoned are no longer to the advantage of the United States, Japan and Germany, for example—and, if you like, Brazil, South Korea, and Taiwan—are fundamentally different countries today from what they were at the end of World War II. But our government has apparently been unwilling to recognize these changes.

The system of trade rules set up at Bretton Woods still survives under the General Agreement on Tariffs and Trade, better known as GATT. In my opinion, the United States should work to get a fairer shake from the GATT negotiations, which occur every few years. Our principal objective should be a reduction of non-tariff barriers.

An excellent example of our troubles can be seen in Saudi Arabia, one of the world's fastest-growing markets. That country has traditionally imported heavily from the United States, yet we are losing market position there despite Saudi Arabia's shift to imports oriented to high technology and heavy construction. You may recall that a consortium led by the Philips company, of the Netherlands, Ericsson, of Sweden; and Bell Canada managed to beat out Western Electric for the contract to install a telephone network in Saudi Arabia. That contract was for about $3.1 billion. I would doubt very much that it will be creating any jobs for Americans. Bell Canada, incidentally, has no present connection with A.T. & T.

If you visit Saudi Arabia today you will see, among other things, many Koreans working on large construction projects and using equipment made in Japan. The reasons for this are interesting and educational.

What often happens in such cases is that the Japanese line up a consortium of Japanese companies to bid on such large jobs as a new airport or even an entire new city. They go out and get the business with one package bid, then they manufacture and export the necessary equipment—often sophisticated, high-technology goods—and recruit construction firms with their own labor supply from Korea or elsewhere to operate it, keeping Japanese workers in their home country.

The governments of Japan and of other countries encourage this approach, and indeed those governments themselves frequently initiate such activities and play a leading role in them. It has proved quite effective.

What all this comes down to is a lack of leadership in our own government to induce and assist American companies in today's foreign markets.

Our government must comprehend that foreign trade is intensely competitive. In this area, we have to remember that we cannot compare General Electric with, say, Emerson Electric. Rather we must envision G.E. competing in world markets with such large firms as Philips and Ericsson, along with Siemens, of Germany, and Mitsubishi, of Japan, or a consortium of such companies.

Because foreign trade is so competitive, it often carries a high degree of risk even under the best of circumstances. A company intending to export a given product must invest in the necessary plant and equipment, often with long lead times between initial capital outlay and initial export. This requires constancy and consistency in government policy. Government must recognize that foreign trade cannot be turned on and off like a faucet without dire consequences. Customers quickly become disenchanted with unreliable suppliers. Short-term domestic political stratagems and expediencies must not be allowed to disrupt carefully cultivated trade relationships.

There is simply no way companies can adapt their operations to government policy that zigs and zags erratically as domestic politics is injected into what should be purely commercial relationships. The ground rules have to be easy to understand and not unduly onerous.

Yet, to put it in oversimplified form, U.S. government policies and actions sometimes seem almost to be designed to make life difficult for any American company attempting to engage in international trade. In my view, this stems not from any desire to choke off U.S. exports, but rather from positions taken by various politicians who have a particular axe to grind and who do not seem to care very much that their position happens to frustrate U.S. foreign trade.

Let's look at some recent instances of political intervention by our government in what should be solely commercial affairs.

As you may recall, a group of U.S. natural gas distributors made arrangements last year to import 2 billion cubic feet a day of natural gas from the Mexican state oil company. It appeared to be a very good arrangement for both parties. Mexico was producing more natural gas than it could use and was having to burn off the surplus. At the same time, it needed the revenues that exporting the gas could bring. And the gas distribution companies on this side of the border were eager to obtain additional supplies for the long term. The gas was to be priced at $2.60 a thousand cubic feet upon completion of the line, in late 1979—a price that corresponded, in heating value, to the price of home heating oil delivered in New York harbor.

The U.S. government, however, vetoed the proposal. The price of $2.60 per thousand was a good bit higher than the Administration was willing to see U.S. producers paid under the so-called energy bill then before the Congress.

What was the fall-out from the U.S. refusal to approve the contract with Mexico?

For one thing, General Electric, which was to supply the gas turbines to move the gas through the line, lost an estimated $75 million worth of business. American steel companies lost the order for 80,000 tons of pipe to build the 48-inch, 800-mile line. Orders of this magnitude mean not only profits for the American companies involved, but also thousands of jobs in our country.

This deal was badly mishandled by the Administration; was our government trying to obscure the real value of natural gas while the Congress was debating the gas bill? In any event, the Mexican government was unable to understand why the United States, with its Good Neighbor policy, refused to pay it the same price in Btu terms that we were paying OPEC countries for oil. Mexico has announced that the gas is no longer for sale; it is actively switching industrial boilers and steel mills to natural gas.

Unfortunately, this indefensible injection of domestic American politics into the arena of foreign trade is not an isolated case. Our government has dragged its heels for years on proposals by U.S. companies to import liquefied natural gas from Algeria and Indonesia—for so long, in fact, that Algeria appears to have written the whole thing off and is selling its gas elsewhere. Indonesia may follow suit if delays continue.

Another example of the intrusion of politics into the commercial sector is the so-called boycott law. Now, this legislation does not affect the principal business of oil companies in oil-exporting countries, because

our government and international law recognize that every sovereign nation should be able to determine to what countries its exports can move.

But the boycott law clearly makes life more difficult for those U.S. companies trying to break into that vast Middle East market when they have to compete against companies of European and other foreign countries that do not have similar laws on their books.

This past summer, Dresser Industries had an experience that is a good example of what George Shultz, former U.S. Secretary of Labor and of the Treasury and now president of Bechtel Corporation, calls "light-switch" diplomacy—on, off, and flickering. When it became known that Dresser wanted to sell to the Soviet Union some sophisticated machinery for making oil drilling bits, President Carter said "No." Some three weeks later, the Commerce Department said "Yes." Two weeks after that, a blue-ribbon non-government panel appointed by the Defense Department said "No." A week later a group of the President's senior advisers, by a vote of 3 to 2, said "No." A week after that the President said "Yes" and the deal went ahead.

Admittedly, a good case can be made for the virtue of dissent, but vacillation is something else. What is needed is clear and easily understood ground rules, not arbitrary authority exercised on an *ad hoc* basis. And this prescription can apply even in areas where national security is involved.

If American companies are to be able to compete in international trade today, they must have support from our own government that is comparable with that given by governments of our major competitors to their companies.

Certain provisions of the U.S. tax laws provide at least some measure of support. Yet each of them is frequently under attack, either in the Administration or in the Congress. I refer to the foreign tax credit, the deferral of U.S. taxes on foreign-source income until it is remitted, and to the tax deferral associated with DISCs—an acronym for Domestic International Sales Corporations.

Many of you are familiar with the provision of the U.S. tax code known as the foreign tax credit, which is probably more widely misunderstood and misrepresented—sometimes, I think, out of sheer mischief—than almost any other facet of the tax laws. The foreign tax credit, which has been on the books since 1918, applies to all U.S. corporations and all U.S. individuals.

In its simplest form, it serves to prevent American companies from being taxed twice on the same foreign-source income, but has nothing to do with preventing U.S. taxation on income earned in the United States. Without the foreign tax credit or comparable protection against double taxation, U.S. companies could not compete abroad with foreign-owned companies that have such protection.

Suffice it to say that all major countries either have a foreign tax credit system, as a matter of equity, self-interest, and common sense, or else, in effect do not tax foreign-source income at all.

Even so, we see sporadic efforts to reduce or eliminate the foreign tax credit and, most recently, to deny the credit in some countries on the grounds that the foreign tax doesn't qualify for purposes of the credit. That is no way to go about furthering international trade and no way to help the United States.

As for deferral of U.S. taxes on income earned abroad by U.S.-controlled foreign companies until that income is brought home, I would just remind you that no major country in the world imposes a broad-based tax on unrepatriated income of foreign affiliates. To repeal U.S. tax deferral would simply be to make American companies less competitive in world markets. And the only rationale for doing it that I have ever heard from anyone in the Administration was that some felt all income should be taxed at the same time.

With respect to DISCs, the situation is roughly the same. Our government created DISCs primarily to stimulate exports and to improve the U.S. balance of payments. DISC provisions allow a manufacturer whose export sales are showing continuing growth to defer U.S. federal income tax on part of the profits from the manufacturer's export sales. DISC has been beneficial as a means of financing export-related accounts receivable and of providing funds that enable an American company to devote several years to developing new markets or enlarging old ones.

While DISC provisions are quite modest in terms of today's international trade, they are nevertheless beneficial, and it is hard to see how reducing or eliminating the benefits they bring could help the United States.

We also have seen dilly-dallying on the investment tax credit, which directly affects the cost of goods manufactured in the United States. It helps U.S. business to modernize its plant and equipment, to contain costs through increased productivity, and thus to compete more effectively everywhere. This provision of the tax code was enacted in 1962, at President Kennedy's urging, to stimulate capital investment in this country. Since then it has variously been suspended, reinstated, repealed, and then reinstated again.

One of the more important American instruments to facilitate riskier exports is the Export-Import Bank, which finances American companies' exports of capital goods, the leading item in our foreign trade. The Congress recently passed, and the President signed, a bill to extend the bank until 1983 and to increase its lending authority to $40 billion from $25 billion over the next five years, but this authorization was slow in coming and still does not fully solve the problem.

Perhaps the single most important thing about the Export-Import Bank, however, is that the assistance it can offer U.S. exporters is only the barest fraction of that offered by our major competitors to their exporting companies. And this, in a capsule, is the whole story of U.S. foreign trade.

I think we can take some encouragement from the proposals President Carter announced month before last to increase U.S. exports. If his proposals should actually take effect, they would remove many of the barriers I have sketched here this evening, which is rather more than one can realistically hope for. I think the Administration was quite forthright in saying that the problems have been building up for so long that it will probably take years to make much of a dent in them. Even so, the longest journey still begins with the first step, and the President seems willing to take that first step.

One can hope that in time it also will become clear to our government that many of the elements needed to increase exports are basically the same as those needed for optimum functioning of our domestic economy: profitability adequate to furnish capital for reinvestment and to support borrowing, to create additional jobs . . . sufficient predictability of government policy to permit orderly planning to expand and modernize plant and equipment . . . abandonment of punitive attitudes and policies toward private business . . . in short, a recognition of the private sector's essential contribution to American society.

I have tried to point out how necessary foreign trade is to our country. I have also tried to point out some of the many impediments that are placed in the way of the conduct of that trade. It seems to me that the time is long since past when we could afford to stand idly by, hoping our government will see the need to support American companies operating abroad—indeed, to encourage them to operate abroad.

If there is one message I have for you, it is this: that we should bend every effort to see that our elected representatives understand the need for clear, consistent, and competitive trade policies, and how counterproductive it is to inject domestic political issues into these policies. I submit that our country deserves something better than what George Shultz so aptly calls "light-switch" diplomacy.●

ALF LANDON: A STATESMAN FOR ALL SEASONS

● Mr. MATHIAS. Mr. President, Edmund Burke wrote that—

> The great difference between the real statesman and the pretender is that the one sees into the future, while the other regards only the present. . .

Certainly, Alfred M. Landon fits Burke's description of the statesman.

Governor Landon has a history of identifying nascent problems long before they assume their full dimension, and again and again, he has advocated policies far in advance of their time. It is gratifying now to see that this frequently underestimated elder statesman is being given some small measure of the public recognition that has long been his due.

On Friday, January 5, the Baltimore Sun hailed Alf Landon for stands he has taken over the years on hard issues. The editorial stated:

> The gentleman from Kansas has so frequently been described in gentle terms during most of the past four decades that his mark in history is in danger of being distorted.

It continued to describe views of Governor Landon which, to those unfamiliar with his great and questing intelligence, might seem surprising. For example, his early advocacy of the recognition of Communist China, his espousal of détente with the Soviet Union, his support of free trade and of union rights to organize.

Happily, the Sun also had the inspiration to let Governor Landon speak for himself on its opposite editorial page the same day. His article is a forceful distillation of wisdom gained from many years in public life and as a concerned observer of the American scene. So much that Alf Landon has warned us about for the past four decades has come to pass that we would all do well to pay attention to his advice for the future.

Governor Landon closes his article with an important appeal for bipartisan support for a program to curb inflation. I commend his views to the attention of my colleagues and submit his article and the Sun editorial entitled, "The Man From Kansas," for the RECORD.

The material follows:

ALF LANDON ON FDR

(By Alfred M. Landon)

TOPEKA, KANS.—In my lifetime I have seen monumental changes in the system of American government forced by the switchover from an agricultural to an industrial economy. There have also been worldwide changes in the traditional theories of government resulting from four great wars, as well as 40 years of unsound fiscal policies by Democrat and even occasionally Republican administrations—national, state and municipal.

Today we are seeing the domestic ramifications of these great and fundamental changes. The trends they represent are frightening. They go back to the Great Depression of the 1930s and President Franklin Roosevelt's New Deal policies, as I pointed out at the time.

President Franklin Roosevelt soon had more funds and personnel available—and the momentous power that gave him—greater than any previous peacetime president, as a result of the legislation that had been passed to deal with the Depression.

As chief executive and leader in that most trying and crucial time, he presented a compound of unlimited inflation and regulation by the federal government as his answer for the stress, suffering and anxiety of all Americans. Tragically, he did not foresee its dire consequences.

His basic New Deal policy—hailed as "liberal"—to end the domination of American economic life by big business was to establish rigid government regulations and controls in all phases of the economy. As I pointed out, Roosevelt's well-meant Social Security program was a fraud because it was unsoundly financed. Its bankruptcy has repeatedly been concealed by increasing our already burdensome taxes far above the 3-percent level Roosevelt predicted.

He used his powers to change the entire structure of our federal government—when he said, for instance, in 1935, that he was going to manage the economy of the country; that the anti-trust laws belonged to the horse-and-buggy days; and that a big national debt and accompanying inflation did not create any problem because we owed the money to ourselves.

I countered that by citing the time-honored sound principle of the need for a balanced budget and the danger to our Republic's democratic process by establishing and centering so much power in the federal government in Washington.

Franklin Roosevelt's so-called "liberal" policies, however well intentioned, have been followed to a greater or lesser extent by all his successors. As a result, an enormous federal bureaucracy has been created. It has grown to such a size that it unbalances the constitutional provisions for executive and legislative management of national affairs. The powerful bureaucracy has posed a threat as well to individual privacy and dignity, even among those citizens whom it is supposed to help.

An ever-increasing problem has been the many federal intrusions into areas of government which have been traditionally and constitutionally the responsibility of the states. The predominance of the executive branch, especially its bureaucracy, has sadly diminished the role of state governments in American politics. Each year there is an additional layer of federal regulation—usually derived from bureaucratic interpretation—imposed upon state governments. The faceless bureaucracy has, in effect, become an inexorable fourth branch of our government. Certainly this is a system never contemplated by the framers of the Constitution nor in many cases by the Congress and even by the presidents.

Among the most recent and significant examples of such federal intrusion can be found in the Carter administration's National Energy Act, which Energy Secretary James Schlesinger has described as representing "an historic turning point." In that Act, numerous standards and requirements are laid down for state utility regulatory agencies. Each state regulatory authority is required to consider the applicability for standards for the design of utility rates—all an unnecessary and undesirable intrusion into local governmental affairs.

President Franklin Roosevelt's established government by deficit financing soon became the Democrat party line down through the state and local governments. That appalling policy also has motivated local and state governments to plunge themselves into debt, leaving many municipalities bankrupt. Where it hasn't, our children and grandchildren are the ones who will have to pay in one way or another. Moreover, we have many hidden taxes—and inflation is the big one and the most unfair because it hits those who can afford it the least.

On inflationary deficit spending, labor ironically often shows the same kind of self-defeating intransigence that big business foolishly displayed 50 years ago toward the right of working men and women to bargain collectively and to improve living standards for themselves and their children.

After 40 years, we have substituted a more rigid and dominant expanding government by regulation and inflation running wild. These are only steps behind what we have seen operating in the economic, fiscal and political policies of Fascist states. Like their leaders, many American politicians have assumed that power is at the top. So it is, if it rests upon and encourages the fruitful use of the nation's resources. If, however, power is used—as so often has been true in America since Franklin Roosevelt—unwittingly to waste resources and to hamper their development, the bases for power weaken. Therefore, the use of that power can get to the point where few benefit and all pay.

President Carter appears to recognize what the continuation of Franklin Roosevelt's policies have done to our economy, indeed to all American life. In his campaigns to restrict the federal bureaucracy and especially to balance the budget, President Carter has not yet been forceful enough. However, he has had his hands full. Now he is starting to face the crucial domestic problem of reinvigorating the economy by aiming to reduce the deficit to $30 billion in 1980. And his civil service reform legislation may help to bring the bureaucracy under control. We have yet to see if he will be as firm in fighting to reverse the unfortunate trends of the past 45 years as he is in saying he will do so. The future of our great and beloved Republic rests considerably with President Carter's ability to act as well as to speak.

I support his sound concept that the present inflation is the greatest domestic threat facing the American people. He will need bipartisan support on any reasonable approach to this issue.

(Mr. Landon, the former governor of Kansas, was the Republican nominee for president in 1936 when Franklin Roosevelt won his second term in the White House.)

THE MAN FROM KANSAS

Time mellows but need not produce marshmallows. In today's Opinion-Commentary page we find Alfred M. Landon harsh and uncompromising in his opposition to the "so-called liberalism" of Franklin D. Roosevelt, the man who defeated him in the 1936 presidential election. He blames FDR's New Deal for an "enormous" federal bureaucracy, "inflation running wild," "fraud" in Social Security financing and "rigid" government regulations and controls.

These were issues raised in the Landon campaign 43 years ago, and still, today, they remain at the center of domestic politics. The former Republican presidential candidate finds Roosevelt-initiated trends "frightening" in that they are producing a "dominant expanding government" that is "only steps behind what we have seen operating in the economic and fiscal and political policies of Fascist states." Tough words, these.

Could this really be "genial" Alf London ruminating on the political scene? The gentleman from Kansas has so frequently been described in gentle terms during most of the past four decades that his mark in history is in danger of being distorted. As long ago as 1948 he urged the recognition of Red China. Long before Watergate he said Richard Nixon "lacked the capacity to be a good President." He has been a steady free trader, a defender of union rights to organize and a champion of detente with the Soviet Union. These views have endeared him to a couple of generations of post-FDR Democrats and even a few fellow Republicans.

In personality, Mr. Landon is indeed an engaging fellow who is currently rejoicing in the election of his daughter, Nancy Landon Kassebaum, to the U.S. Senate. But we are glad to offer evidence in his op-ed page piece written especially for *The Sun*, that the man from Kansas retains his fiery aversion to intrusive government and excessive federal power. Not so long ago, a politician who expressed such views would have been considered an anachronism. Today, Mr. Landon's ideas are very much in fashion.

One does not have to agree with all of Alf Landon's views, or any of them, to admire the depth of his conviction. Seven presidents after FDR we find him eager to goad Democrat Jimmy Carter toward a more vigorous attack on old Landon bugaboos: inflation, deficit financing, oversized government. For Alf Landon, time has confirmed more than it has mellowed.●

ELIZABETH PEAVEY

● Mr. CHURCH. Mr. President, the Times-News in Twin Falls recently ran a feature on a good friend, one of my State's grand people, Mrs. Elizabeth Peavey, now 97.

One of Idaho's pioneers, Mrs. Peavey is a remarkable person. As the interviewer for the Times-News summed up:

> She has retained the ability to meet life's tragedies, of which she has had more than her share, with equanimity, never losing her innate graciousness.

This is a thoroughly enjoyable article, Mr. President, and I ask that it be printed in the RECORD.

The article follows:

ELIZABETH PEAVEY: MOST GRACIOUS PIONEER—MAINTAINS OWN HOME AT AGE 97

(By Lorayne O. Smith)

TWIN FALLS.—Most pioneer women charged construction workers 25 cents for their home cooked meals in 1906 around Twin Falls, but Elizabeth Peavey decided her meals were worth twice that much.

Married a little over a year, Mrs. Peavey had a baby and three-room shack to care for. She was not interested in feeding extra boarders, but one day when four engineers who were helping build the railroad tracks from Twin Falls to Buhl asked her husband if they could eat dinner at the Peavey home she agreed.

When the men came to the table, their "eyes nearly popped out of their heads," she said.

The Peaveys were too poor to buy "everyday things" so the young bride simply used her wedding presents.

Thus the dusty engineers were greeted with a table covered with damask cloth, gleaming with Havilland china and sterling silverware.

The men got another surprise when at the conclusion of the meal, they inquired the price and were told it was 50 cents.

"But they paid it. I guess they thought they couldn't complain considering the good dishes and silverware," Mrs. Peavey said. (The china had so much use the only pieces still

in existence are a platter and one serving dish.)

Later the engineers became friends of her husband, the late A. J. Peavey, and ate frequently at the Peaveys' farm between Filer and Buhl without any charge.

Mrs. Peavey, one of Twin Falls' oldest longtime residents, is often referred to as one of the community's "grand old ladies," not just because at 97 she still maintains her own home on Eighth Avenue East, no mean accomplishment, hospitably offering tea to guests with enduring graciousness.

Throughout her many years in the community she not only has successfully raised a large family and contributed much community service ("I'm not an organizer, but a joiner").

But more importantly she has retained the ability to meet life's tragedies, of which she has had more than her share, with equanimity, never losing her innate graciousness.

But she does not want publicity because of her age.

"I resent being the object of attention because of my antiquity," she said tartly during our interview.

However, because of the historical aspects of much of her family history, she agreed to "hit some of the highlights."

Born June 8, 1881, in DePere, Wis., she went to Oshkosh Normal School, now the University of Wisconsin, for two years, then accompanied her parents to Moscow where she was graduated from the University of Idaho in 1903.

She met her future husband while teaching in Wallace. That mining community reportedly paid the highest wages in the state at the time. Mr. Peavey, whose father was among the California '49ers, was associated with the Oregon Short Line Railroad.

They were married June 9, 1906, in San Francisco the year before the great fire in that city which destroyed all such records.

Many of their friends in Wallace were coming to the Twin Falls tract so they joined in the historic pioneer pattern of buying and then "proving up" on 160 acres west of Twin Falls.

But their pioneer experience was a total disaster, down to the purchase of a "milk" cow which didn't give milk.

"We undoubtedly were the world's worst farmers," Mrs. Peavey said. They were so busy getting their shack built they didn't even get any crop planted until 1907.

Although nothing was easy (we ate dust for dessert, she quipped) Mrs. Peavey does not harbor any bitter memories. She had stayed in Pocatello until her baby was born and her husband could get their house built.

Her "homecoming," on their first wedding anniversary, was not encouraging. It was raining, the shack was not completed and she found her new cook range sitting outside in the rain.

"I just lay on the bed with the baby and cried most of the afternoon," she said.

But by evening the stove had been installed, unharmed by its bath, so she "got up and got supper."

The only way the couple had to get anywhere was to walk, but they never experienced the crushing loneliness which marked much pioneer existence, because all the adjoining land also was being "proved up."

Food was no problem. Fresh produce was brought by wagon from Hagerman several times a week. Communication was possible from Twin Falls through the stage which went to Buhl several times weekly.

Today, more than 70 years later, the Peavey railroad siding sign still marks part of their original land.

Within only weeks after Mrs. Peavey joined her husband the Peavey postoffice was established in their home to serve the railroad construction crews which were camped on their land.

She just designated a pantry shelf for the mail. Having the postoffice tied them down, but they had no way to travel anyway. The only way they could get to Buhl was to borrow a buggy.

But the young couple, both being from pioneer stock, took their original farming failure in stride, knowing they both had a good education and could obtain other jobs.

In 1908 they moved into Twin Falls which "seemed like a metropolis," compared to their rural existence. Mr. Peavey went to work for the late S. T. Hamilton in the Twin Falls Land and Water Co. Part of his job was showing the newly opened tract to potential buyers. He also served as bookkeeper.

The Peaveys first lived on Third Avenue East near Bickel school. In 1912 they moved to the house now occupied by the Bo Peep Nursery on Seventh Avenue North, later the home of Dr. and Mrs. Charles Beymer, former Twin Falls residents.

Mr. Peavey later went into the insurance business, constructing the Peavey-Taber insurance building in 1912 at the corner of Shoshone and Second Avenue East. It is one of the oldest business structures still standing. The longtime structure, which once featured a revolving door, now houses a stock brokerage firm.

Mrs. Peavey is a charter member of the local units of both the American Association of University Women and Panhellenic. She served as county chairman for the Red Cross, an activity which helped make her the first woman ever to receive the Jaycees' Outstanding Citizen of the Year award in the early 40s.

Laughing that she has "belonged to nearly everything in town," Mrs. Peavey is a former regent of the Daughters of the American Revolution and worked in the wartime bond drives.

In 1941, she moved to her present home which also is of historical interest, being built in 1904 by an early day Twin Falls resident named Nixon.

Unlike most grandmothers, she does not boast about the number of her grandchildren and great-grandchildren, although she obviously enjoys visits from them. Books, both new and old, are an important part of her life and during our visit, several titles were mentioned either as gifts to or from grandchildren.

"I'm embarrassed over the population explosion," she quipped.

Three of her eight children still living include Frank Peavey of Boise; Betty of Great Falls, Mont., and Alice of Boonton, N.J.

UKRAINIAN INDEPENDENCE DAY

● Mr. YOUNG. Mr. President, Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, State branch of North Dakota, has long been in the forefront in the observance of Ukrainian Independence Day throughout the United States. He has a great interest in the rights and freedom of the people living in the Ukraine and I have worked closely with him.

January 22 marked the 61st anniversary of the Proclamation of the Independence of Ukraine and the 60th anniversary of the act of Union which declared all Ukrainian lands united into one independent and sovereign nation.

Yet, for nearly two-thirds of a century the Ukrainian Nationals have struggled for their independence from Soviet oppression. They are great people and are supported in their fight by people all over America.

Dr. Zukowsky very ably outlines the history of the struggle for freedom by the Ukrainian people in his letter to me of January 14. I ask that his letter be printed in the RECORD as a part of my remarks.

The letter follows:

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC., STATE BRANCH
OF NORTH DAKOTA,

January 14, 1979.

Re: January 22—Ukrainian Independence Day

Hon. MILTON R. YOUNG,
U.S. Senator from North Dakota,
Washington, D.C.

DEAR SENATOR YOUNG: As the 96th U.S. Congress begins its session, we would like to call your attention to the fact that in January Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22, 1979 will mark the 61st Anniversary of the Proclamation of the Independence of Ukraine and the 60th Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine on January 22, 1918, and on January 22, 1919.

This sovereign Ukrainain state was immediately recognized by a large number of nations including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. Despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by it both by military aggression and subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in the defense of their country, alone and without aid from western nations, but were ultimately overpowered by a numerically stronger and better equipped Russian Bolshevik aggressor. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic (Ukr. S.S.R.).

The entire history of Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution, and genocide. Russification and violation of human rights on a scale not known in the history of mankind—has occured.

In summary, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both Ukrainian Orthodox and Ukrainian Catholic Churches have been ruthlessly destroyed and their clergy and faithful have been arrested and persecuted.

C. All aspects of Ukrainian life are rigidly controlled and directed by Moscow.

D. Permanent violation of Human Rights was instituted in Ukraine. Arrests, trials and convictions of thousands of Ukrainians have been charged to "anti-Soviet propaganda and agitation". Many have been submitted to torture, incarcerations and confinements to psychiatric asylums where drugs and chemicals are forcibly administered. Professor and historian Valentyn Moros is symbolic of the aforementioned atrocities. Last summer Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko were given 7 to 10 years sentences, and five years exile because they were members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords.

Russian enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, the Ukrainians have never accepted a foreign domination and are continuing to struggle for Human Rights, Freedom, and National Independence. The new breed of adamant fighters for Human and National Rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest Holiday. Also for many years the 22nd of January has been proclaimed in our American cities and States from coast to coast as Ukrainian Independence Day.

Therefore, it is in a common spirit of liberty, faith, and justice that the American people and especially U.S. Congress join the Ukrainians all over the world in giving the moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence of Ukraine.

We appreciate very much your support and concern for the welfare of the Ukrainian people.

I remain,
Sincerely,

DR. ANTHONY ZUKOWSKY. ●

SENATOR RANDOLPH REPORTS ON ACTIVITIES OF THE SENATE SUBCOMMITTEE ON THE HANDICAPPED DURING THE 95TH CONGRESS

● Mr. RANDOLPH. Mr. President, as we review the accomplishments of the 95th Congress, I bring to the attention of the Senate the activities of the Subcommittee on the Handicapped. Since its establishment the Subcommittee on the Handicapped has been most fortunate to have as members, Senators who are dedicated to enriching the lives of handicapped Americans. As chairman of this subcommittee during the 95th Congress, I express sincere appreciation to the members for their constructive efforts: Senators HARRISON A. WILLIAMS of New Jersey; THOMAS F. EAGLETON of Missouri; ROBERT T. STAFFORD of Vermont; and ORRIN G. HATCH of Utah. Senator JACOB JAVITS of New York, although not a member of the subcommittee, has also worked closely with our members and staff in his capacity as ranking minority member of the full Committee on Human Resources.

I submit for the RECORD a report of the activities of the Subcommittee of the Handicapped during the 95th Congress and a projection of the subcommittee's activities in 1979.

The material follows:

ACTIVITIES OF THE SUBCOMMITTEE ON THE HANDICAPPED DURING THE 95TH CONGRESS

The Subcommittee on the Handicapped is a standing subcommittee of the parent Committee on Human Resources. It was established in the final months of the 92d Congress. Its existence as a permanent subcommittee is an indication of the importance which the Congress has atached to legislation affecting handicapped individuals. It was established in order to have a focal point for and to coordinate such legislation. The subcommittee is charged not only with developing legislation, but also formulating National policy on such issues as education, vocational rehabilitation, employment, architectural, transportation and communications barriers, and adequate housing.

The subcommittee has specific jurisdiction over the Education of the Handicapped Act, including the Education for All Handicapped Children Act of 1975; the Rehabilitation Act of 1973, as amended; the Developmentally Disabled Assistance and Bill of Rights Act; the Randolph-Sheppard Act; and the Javits-Wagner-O'Day Act.

During the first session of the 95th Congress, the Subcommittee exercised its oversight responsibility and held extensive hearings on all legislation under its jurisdiction. These hearings provided valuable recommendations for legislative action in the areas of education for handicapped children, rehabilitation, and developmental disabilities. The Subcommittee reviewed the Education for All Handicapped Children Act of 1975 (Public Law 94–142); the Developmentally Disabled Assistance and Bill of Rights Act (Public Law 94–103); and the Rehabilitation Act of 1973 (Public Law 93–112), as amended by the Rehabilitation Act Amendments of 1974 (Public Law 93–516). In the first session, the subcommittee held 16 days of hearings: 9 of these were to review all programs for the handicapped; 1 was to specifically review the Developmentally Disabled Assistance and Bill of Rights Act: 4 days were for the purpose of receiving testimony on extension of the Rehabilitation Act of 1973, as amended, and related bills; 2 days were used to hear testimony on the various problems concerning the implementation of Public Law 94–142, the Education for All Handicapped Children Act; and 1 day of hearings was to receive testimony from the administration and other interested parties on the proposed reorganization of the Office of Human Development in the Department of Health, Education and Welfare.

EDUCATION

During the first session, S. 725, to extend certain programs under the Education of the Handicapped Act, was introduced on February 15, 1977. The purpose of this legislation is to extend for 5 years, through 1982, and authorize appropriations for certain discretionary programs authorized by the Education of the Handicapped Act, namely, the programs authorized under part C, Centers and Services to Meet Special Needs of the Handicapped; part D, Training Personnel for the Education of the Handicapped; part E, Research in the Education of the Handicapped; and part F, Instructional Media for the Handicapped.

The Subcommittee heard testimony on the need for this legislation and on March 23 approved the bill for action by the full committee. On May 6, the Committee on Human Resources reported the bill to the Senate, and on May 23, H.R. 6692, a companion bill, was passed by the Senate, with an amendment, in lieu of S. 725. On June 7, the House of Representatives concurred in the Senate amendment and on June 17, 1977 President Carter signed the bill into law (Public Law 95–49).

REHABILITATION, COMPREHENSIVE SERVICES AND DEVELOPMENT DISABILITIES

Also during the first session, on June 17, S. 1712, a bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such act was introduced. During the hearings on June 20 and 21, 24 and 25, the Subcommittee heard testimony on S. 1712 and other related bills from 28 witnesses and received additional written testimony. S. 1712, which extended the Rehabilitation Act of 1973, was largely incorporated into S. 2600, which was introduced in the second session of the 95th Congress and which reflected many of the recommendations found in the hearing record.

During the second session, on February 28, 1978, S. 2600, a bill to amend the Rehabilitation Act of 1973 and to establish a comprehensive services program for the severely handicapped was introduced. Title I of S. 2600, as introduced, extended and amended the Rehabilitation Act of 1973, as amended; Title II of S. 2600 established a new program of comprehensive services for severely handicapped individuals. On March 10 and 14, 1978, the Subcommittee held hearings and received testimony from 24 witnesses about the legislative initiatives contained in S. 2600.

On April 12, 1978, S. 2903, a bill to amend the Rehabilitation Act of 1973 to establish programs for training interpreters and for providing interpreter services for the deaf, and S. 2904, a bill to expand and improve reading services for blind individuals were introduced.

The Subcommittee on the Handicapped met in Executive session on April 21, 1978 and ordered S. 2600 reported to the full Committee with amendments. As reported from Subcommittee, S. 2600 contained a new Title IV, which extended and amended the Developmental Disabilities Assistance and Bill of Rights Act. Also incorporated into the reported bill were amendments regarding the training of interpreters and provision of such services as well as an amendment to expand and improve reading services for the blind.

On May 10, the Committee on Human Resources considered S. 2600 and ordered it reported, with amendments, to the Senate. The report was filed on May 15, and on September 21, the Senate passed S. 2600. Since H.R. 12467, the Comprehensive Rehabilitation Services Amendments of 1978, had passed the House of Representatives on May 19, 1978, the Senate then amended H.R. 12467 in the nature of a substitute with the provisions of S. 2600 and requested a Committee of Conference.

In the House of Representatives, unlike in the Senate, jurisdiction over rehabilitation legislation and developmental disabilities legislation is divided between two Committees. Therefore, the conference committee included members of the Senate Committee on Human Resources and the House Committee on Education and Labor (which has jurisdiction over the Rehabilitation Act) and the House Interstate and Foreign Commerce Committee (which has jurisdiction over the Developmental Disabilities Assistance and Bill of Rights Act). Conferees met on October 3, 4 and 5 and on October 14, the conference report was agreed to by both the House and the Senate. The President signed the measure on November 6, 1978.

Highlights of the Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978, Public Law 95–602, are:

First. Extension of the Rehabilitation Act of 1973, as amended, for four years through 1983;

Second. Modification of the basic State grant formula in Title I of the Rehabilitation Act;

Third. Establishment of a new program of American Indian Vocational Rehabilitation Services;

Fourth. Establishment of a National Institute of Handicapped Research;

Fifth. Creation of a National Council on the Handicapped;

Sixth. Clarification and expansion of the role of the Architectural and Transportation Barriers Compliance Board;

Seventh. Application of certain rights, remedies and procedures of the Civil Rights Act to Sections 501 and 504 of the Rehabilitation Act as well as inclusion of an attorney's fees provision with reference to Title V of the Rehabilitation Act;

Eighth. Clarification of the coverage of Section 504 as it pertains to active drug addicts and alcoholics with reference to employment;

Ninth. Establishment of Community Service Employment Pilot Programs for Handicapped Individuals;

Tenth. Establishment of a new program of Comprehensive Services for Independent Living for handicapped individuals whose disabilities are so severe that they do not pres-

ently have the potential for employment but may benefit from vocational rehabilitation services which will enable them to live and function independently;

Eleventh. Establishment of programs to train interpreters for the deaf, programs to improve reading services for the blind, programs for the rehabilitation of older blind individuals, and programs of interpreter referral services;

Twelfth. Establishment of systems to protect and advocate the rights of severely handicapped individuals;

Thirteenth. Extension of the Developmental Disabilities Assistance and Bill of Rights Act for three years through 1981;

Fourteenth. Modification of the definition of "developmentally disabled" so that eligibility now rests on meeting functional criteria;

Fifteenth. Repeal of the National Advisory Council on Services and Facilities of the Developmentally Disabled; and

Sixteenth. Establishment of certain services areas as "priority service areas" so that States will target their efforts in specific service areas.

LEGISLATION INVOLVING OTHER COMMITTEES

The Subcommittee has cooperated with the Subcommittee on Education, Arts and Humanities of the Committee on Human Resources to improve library services for handicapped individuals. Amendments to the Library Services and Construction Act included a requirement that States maintain their level of effort for library services to handicapped persons and institutionalized individuals as well as a provision to encourage the removal of architectural barriers in library structures. The Subcommittee has also worked with the Subcommittee on Aging in its effort to include handicapped persons in the Meals on Wheels legislation and with the Commerce Committee to provide reduced rate transportation on a space available basis to handicapped persons. In addition, the Subcommittee cooperated with the Judiciary Committee to help provide court interpreters for hearing impaired persons, and with the Environment and Public Works Committee to insure that construction funded through the Public Works Employment Act of 1977 be barrier free and with the Subcommittee on Child and Human Development of the Committee on Human Resources and the Committee on Finance on legislation to remove the social and jurisdictional barriers which so often prevent adoption of handicapped or otherwise special children.

WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS

The White House Conference on Handicapped Individuals, authorized by the Rehabilitation Act Amendments of 1974 (Public Law 93–516) was held in May of 1977. Delegates from every State and Territory met to develop recommendations and to stimulate a National assessment of problems and solutions to the problems facing handicapped individuals. It is well to note that P.L. 95–602 reflects many recommendations made at that conference. The independent living services, community service pilot projects, the National Council on the Handicapped, which serve as an ombudsman for the handicapped at the Federal level, and particularly the National Institute on Handicapped Research are the outgrowth of recommendations offered by handicapped individuals.

SECTION 504

In May of 1977, the Secretary of the Department of Health, Education and Welfare published final regulations to implement the far-reaching section 504 of the Rehabilitation Act of 1973. The Subcommittee has and will continue to exercise its oversight responsibility in this area.

PROJECTION OF SUBCOMMITTEE'S ACTIVITIES IN 1979

During the 96th Congress, the Subcommittee on the Handicapped plans to hold extensive hearings on the implementation of Public Law 94–142, the Education for All Handicapped Children Act of 1975. This law became effective on October 1, 1977, and States were mandated to provide a free, appropriate public education to all handicapped children between the ages of 3–18 by September 1, 1978. These hearings should provide information regarding the impact of this law on the educational needs of handicapped children and on the educational community charged with the implementation of the law as well as an opportunity to assess the progress made toward meeting the September 1, 1978 deadline, for full educational service to handicapped children aged 3–18. Should there be clear indications that the law is not fulfilling its intended purpose, the Subcommittee will act to improve the implementation of the law.

The Subcommittee on the Handicapped will also monitor very closely the development of regulations issued pursuant to Public Law 95–602, the Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978, and their implementation. The Subcommittee feels that this landmark law with its new provisions can impact very positively on the needs of all handicapped persons, and particularly severely handicapped individuals; it is vitally important the regulations and implementation of the new law reflect Congressional intent concerning the needs of the handicapped individuals most affected by the mandates in this law.●

THE MEAT IMPORT ACT OF 1979

● Mr. CULVER. Mr. President, the Meat Import Act of 1979, which I am cosponsoring, is essentially the same bill passed last year by the 95th Congress and vetoed by the President. It would create a countercyclical formula for determing the level of meat imports allowed each year—raising the level when domestic production is short and lowering it when domestic production rises.

This legislation was needed last year. It is still needed this year. It is needed by farmers to help balance the wide price swings and instability that have recently disrupted livestock markets. It is needed by consumers to assure adequate supplies of beef and relatively stable prices.

The Meat Import Act of 1978 was vetoed by the President because it removed his administrative discretion to suspend quotas when he determined that short supplies of meat threatened high consumer prices. In fact, the countercyclical formula eliminates the need for this discretion because the bill will automatically increase imports when domestic production falls. The great value of such a formula is its ability to provide essential consumer protection while letting cattle producers know in advance what level of imports they will face.

Numerous Iowa cattlemen have told me that the most troublesome aspect of the current Meat Import Act is the uncertainty created because beef supplies and, consequently, beef prices can be appreciably altered overnight. One day the price maintains a certain level; the next day, the President suspends the quotas and the price plummets; that is, the prices beef producers receive plummet. I have yet to see retail beef prices go down 1 cent as a result of increased imports.

The Meat Import Act of 1979 attempts to strike an equitable balance between the President's insistence on administrative flexibility and the beef producers' need for market stability. It grants administrative flexibility during the expansion phase of the cattle cycle when prices are generally good but denies discretionary increases in imports during the contraction phase of the cattle cycle when prices are at their lowest. This limited discretionary authority should, in my view, satisfy the President's concerns about these proposed changes in the Meat Import Act.

I hope the 96th Congress will act early on this much-needed legislation. I know of no action by this Congress that could contribute more to American cattlemen's confidence in our Government than passage of the Meat Import Act of 1979.●

THE 1980 BUDGET

● Mr. KENNEDY. Mr. President, I support President Carter's effort to reduce the Federal budget deficit below $30 billion.

But the cuts necessary to reach the target should be made in a more equitable manner that reflects a fairer sense of priorities for important domestic programs.

The fact is that the administration's budget asks the poor, the black, the sick, the young, the cities, and the unemployed to bear a disproportionate share of the billions of dollars of reductions in Federal spending that are necessary if the target, which I support, of a budget deficit below $30 billion is to be reached.

I am especially concerned about the health budget and the unacceptable reductions the administration has proposed. The budget aims a staggering and unjustifiable blow at the Nation's medical and nursing schools. It shortsightedly cuts basic research into the causes and cures of illness, including such cripplers as cancer, heart disease, and stroke. Over 34 separate health programs receive absolute cuts. And over 24 additional programs are funded well below the so-called current policy level. The American people will pay for this budget in the long run with their health. A minimum of half a billion dollars in additional funding is essential if the Nation's basic priorities in health care are to be met in 1980.

I am also concerned about the budget cuts proposed in the areas of jobs, social security, education, and food and nutrition programs, which will have a heavy impact on the young, the jobless, the elderly, the cities, and the disabled. It is difficult to believe that a fair appraisal of spending priorities requires drastic reductions in public service jobs, summer jobs for needy youths, special aid for cities with high unemployment, social security benefits for orphans and the handicapped, and school breakfast and school lunch programs for poor and middle class children. These cuts alone, which total over $4 billion, are not acceptable, and Congress should oppose them.

Massachusetts and other older, urban States will also bear the brunt of this budget. Massachusetts cities and towns are faced with a cutback of some 23 percent in public service jobs, reductions in special assistance to areas with high unemployment, 25 percent fewer summer jobs for young persons, and reduced housing programs for the poor who are forced to rent.

As energy costs skyrocket in Massachusetts, the poor and the elderly are faced with even less aid to help pay their fuel bills. The elimination of funds for a regional oil storage facility is a serious setback to New England energy policy. Massachusetts businessmen, who must rely on rail service to ship their products, are faced with deep slashes in Federal rail assistance. And Massachusetts fishermen, who are struggling to develop a strong industry, are faced with an administration proposal to eliminate a promising fisheries development program.

At the same time, the budget contains wasteful increases in defense spending and no reductions in wasteful tax spending—two of the most obvious areas where alternative budget cuts could be made instead of the excessive reductions imposed on more important domestic programs.

In this budget, only defense receives a real increase—up 3.1 percent in outlays. Defense spending, which represents one quarter of the budget, deserves the same close scrutiny as we give to all other spending programs. I believe that we can make significant savings in our conventional and nuclear forces, while strengthening NATO and maintaining a strong strategic posture:

The administration wants a new aircraft carrier which will cost $1.6 billion, excluding cost over-runs, associated aircraft, supporting ships and operations and maintenance costs. Given its exorbitant cost, its questionable mission and its vulnerability to attack, we should ask if we need this carrier at all.

The administration wants nearly $1 billion for the MX missile system, an amount which will grow to tens of billions of dollars before the program is complete. This system raises serious questions about our nuclear strategy, about the development of weapons that increase the threat of nuclear war, and about the use of new weapons purchases to appease the opponents of SALT II.

Finally, we must seriously question the justification for 10 percent real growth in military purchases, and for a $2.2 billion supplemental for fiscal year 1979 in the absence of an emergency.

I believe that Congress and the American people have a right to satisfactory answers to these troubling questions about defense spending.

In the coming months, Congress will have the opportunity to set these basic priorities straight. I intend to do all I can to insure that the budget we enact reflects a wiser and more equitable approach to the Nation's goals than the budget we have received today.●

APSA CONGRESSIONAL FELLOWS PRAISE SENATOR METCALF

● Mr. STEVENSON. Mr. President, The Congressional Fellowship Program of the American Political Science Association (APSA) has afforded many journalists, political scientists, and Federal civil servants the opportunity to serve as Fellows, or interns, in House and Senate offices where they can see, at firsthand, how the Congress functions. Our late colleague from Montana, Lee Metcalf, is warmly remembered by many former Congressional Fellows as an enthusiastic supporter of this internship program. In a letter to the APSA, four former Fellows have made a personal statement of appreciation for Senator Metcalf's contributions to the program and of the affection and respect with which he is remembered. I ask that this testimonial to the memory of our late colleague be printed in the RECORD.

The material follows:

JANUARY 2, 1979.

Dr. EVRON M. KIRKPATRICK,
Executive Director, American Political Sciences Association, Washington, D.C.

DEAR DR. KIRKPATRICK: As former Congressional Fellows, we wish to make a personal statement of appreciation for the contribution made to the fellowship program over the years by the late Senator Lee Metcalf of Montana. During Senator Metcalf's 17-year tenure, more than a score of Congressional Fellows had the good fortune to serve in his office, and the four of us—a journalist, a political scientist, a civil servant, and a former journalist and labor union representative now serving as an Assistant Secretary of Health, Education and Labor—were among them.

No member of Congress could have lent himself more wholeheartedly to making the Congressional Fellowship Program a success. Word passed from one group of Fellows to the next that there was no better office in which a Fellow could serve than Senator Metcalf's. He gave us exceptional opportunities for a closeup, insider's view of the Senate and the legislative process. We handled constituent "case work," helped prepare legislation, attended hearings and reported to the Senator on the progress of bills in which he was interested, and some of us were on occasion privileged to serve him in a staff capacity on the Senate floor. Sometimes there was even opportunity for a bit of political and constituent relations legwork in the field, as for instance when one of us, David Mayhew, flew to Great Falls to deliver a speech on veterans benefits and consort with Montana Democrats.

We have fond memories of the spontaneous bull sessions that frequently took place in the Metcalf office in the late afternoon after the rush of the day's activities was over. The conversation would range widely and eclectically, touching on such subjects as national politics, public lands policies, U.S.-Canadian relations, senatorial folkways and such miscellany as the proper way to build a compost heap. Lee's insights were keen, and his good humor and seriousness of purpose were always evident. It was clear to us, as it was to his colleagues and constituents, that Lee Metcalf was above all a decent man, given to judicial reflection about public affairs rather than wheeling and dealing. He worried a lot about what elective officials are supposed to do, and, by the middle of his second Senate term, was talking about leaving the Congress (where he had served since 1950) and returning to Montana. He was afraid that if he stayed in Washington too long he would forget how to be a Montanan and learn all too well how to be a Washingtonian.

He longed to go back to Helena, where he lived a citizen's life in a framehouse not any different from anybody else's. But a sense of duty kept him one more term in the Senate, then another. Great issues were coming along, and he wanted to have his say.

For all of us, the friendship with Lee Metcalf was no transient thing but something lasting. One of us, Luther Carter, a Washington journalist from the time he left the Metcalf office in 1961 to the present, enjoyed repeated and immensely beneficial personal and professional contacts with the senator, whose willingness to be of help was extraordinary for one so heavily burdened with legislative duties. Dick Warden, another one of us, who now serves as Assistant Secretary of HEW for Legislation sought and received wise counsel from Lee Metcalf at every step of his career in Washington.

Although Senator Metcalf was too modest to flaunt his legislative achievements, they were numerous and substantial. In this connection, it is well to quote Vic Reinemer, the senator's executive secretary for many years. "There are two kinds of public officials, the consensual—the many who wait for majority support before they move—and, to coin a word, the incensual, the few trailblazers who light the way for the herd behind," Vic has said. "Metcalf was one of those rare point men out front." This was true on issue after issue, such as coal mine safety, strip mining reclamation, wilderness preservation, coal research, development of a national power grid, and, in particular, federal "sunshine" legislation.

Lee Metcalf was a fine senator, and for those of us who knew him as Congressional Fellows, a wise counselor and loyal and generous friend. We shall always remember him with affection and respect.

Sincerely,

LUTHER J. CARTER,
Science magazine.
DAVID R. MAYHEW,
Yale University.
NED A. OSTENSO,
National Oceanic and Atmospheric Administration.
DICK WARDEN,
Department of Health, Education, and Welfare.●

THE FUTURE OF AMERICAN RELATIONS WITH TAIWAN

● Mr. CHURCH. Mr. President, although I applaud the President's step to recognize the People's Republic of China, I regret that he was unable to obtain a firm commitment from the Peking government that China will not attempt to reunify Taiwan with the mainland by force of arms. China clearly does not now have the military capacity to invade and capture Taiwan. And it will not be able to do so for the foreseeable future. However, quite naturally, the citizens of Taiwan are concerned over their future security. Many Americans share their concern. Those fears must be taken into account in formulating the new American policy for dealing with Taiwan and the People's Republic

American support for the pace of normalization in our relations with China will depend on how China deals with the Taiwan question. Any attempt by China to bludgeon out a settlement of the

Taiwan issue will have the most adverse consequences in this country. This must be made clear to China at the outset.

Any attempt to use force in reuniting Taiwan with the mainland, or to pressure Taiwan by threats or coercion, will undoubtedly trigger retaliation by the Congress. The opening of formal diplomatic ties with Peking ended a major obstacle to progress in relations between our countries, but China must not try to exploit this sensitive situation at Taiwan's expense.

American attitudes toward Taiwan should be made clear to the Peking government. As our ties with mainland China expand, as our trade grows and joint undertakings take place, it should be understood that it is our expectation that there will be continued peace between the two parts of China, and that the final reconciliation between the Chinese on Taiwan and those on the mainland will not be accomplished by force of arms.

In the next few days, the President will send to Congress a draft bill to permit continuation of normal trade and cultural relations with Taiwan and to establish an organization to perform the routine functions normally carried out by our Embassy. Congress must use this bill to send the signal to the Peking government that our new national policy rests on the assumption that any resolution of the Taiwan question will be sought only by peaceful means. This expectation is the glue which holds the new policy together. Peking must be under no illusions.

This statement of policy must also reassure the people of Taiwan that their security remains a major concern of the United States. The Committee on Foreign Relations will begin hearings on Taiwan legislation in early February. I will do all that I can to bring about committee approval of a strong statement of national policy, having the force of law, that will both send a signal to Peking and reassure the people of Taiwan.●

A PILLAR OF THE COMMUNITY IS GONE

● Mr. MATHIAS. Mr. President, the term, "pillar of the community," once almost a cliche throughout America, is seldom heard today. One reason is that a quarter of the American people moves every year and roots do not go very deep in many communities. But in small towns in America the expression "pillar of the community" still stands for something. And in these communities, when such a pillar falls, the effect is long and deeply felt.

My native town of Frederick, Md., lost a pillar of its community when Lincoln D. Engelbrecht died. He will be sorely missed not only by those of us who were privileged to know him personally, but by all those who were inspired by the example he set as a citizen and as a human being.

Mr. Engelbrecht's great-great-grandfather came to Frederick during the Revolutionary War as a Hessian soldier-prisoner. A generation later, his son was mayor of Frederick. From their arrival in Frederick, members of the Engelbrecht family have exemplified the qualities of character and spirit that have made America great.

Abraham Lincoln, from whom "Linc" Engelbrecht derived his first name, wrote once of himself:

> Every man is said to have his peculiar ambition. Whether it be true or not, I can say, for one, that I have no other so great as that of being esteemed by my fellow man, by rendering myself worthy of their esteem.

I do not know if "Linc" Engelbrecht was aware of Abraham Lincoln's ambition in life. But, aware of it or not, he attained it in full measure. So that my colleagues may appreciate the dimension of the loss sustained by the townspeople of Frederick and the State of Maryland, I ask that the very eloquent lead editorial from the Frederick Post on Mr. Engelbrecht, published November 15, 1978, be printed in the RECORD.

The editorial follows:

LINCOLN ENGELBRECHT

Frederick has had few more consistently solid citizens and business leaders over the past half-century than Lincoln D. Engelbrecht.

Mr. Engelbrecht died Monday. He was 70, and had been ill for one month.

He leaves his loving wife, Effie; two daughters, Helen Louise Ownby and Mary Lynn Deckert; four grandchildren; one brother, John P. Engelbrecht; and several nieces and nephews.

Whether in business or in the church, in community work or fraternal obligations, Mr. Engelbrecht's leadership was productive and of good counsel. He was a good man and true, and the kind of player in life that made a team achieve its very best.

He came from good family stock, his lineage in America dating to the Hessians who came to Frederick County as soldier-prisoners in the Revolutionary War over 200 years ago.

Born Dec. 28, 1907, he was youngest of nine children of Abraham Lincoln and Jeannette Akers Engelbrecht.

His great-great-grandfather was Conrad Engelbrecht, a Hessian soldier, whose son, Jacob Engelbrecht became mayor of Frederick in 1865 but distinguished himself by his famous diary in which he recorded daily events in Frederick for more than a half-century. The diary provides a unique record of life in Frederick during the War Between the States.

His grandfather was Philip Melanthon Engelbrecht, a carpenter who became cashier of the Central National Bank of Frederick. His father, Abraham, was a plasterer and farmer who died less than three months after Lincoln Engelbrecht's birth.

Hard work, discipline, responsibility, thrift and seeing a job through to its end were virtues not strangers to Mr. Engelbrecht—nor were friendship, morality and brotherly love.

In business, his span of 46 years with the Mutual Insurance Co., one of the three oldest firms in the county, saw him rise from the newest associate in 1927 to the presidency in 1965, a position he filled until 1973.

He was known state-wide for his leadership in the insurance industry, serving as president of the Maryland Association of Mutual Insurance Companies, and as a director of the National Association. He had also served as a member of the Governor's Committee for State Supervision of Insurance in Maryland.

As a member of Grace United Church of Christ, he served in many capacities—elder, deacon, consistory vice president and finance chairman.

In civic work he distinguished himself during World War II as leader in the county's National War Fund, was active in the Community Chest (United Way), the Red Cross, Frederick Memorial Hospital and Hood College.

Fraternally, Mr. Engelbrecht was a past master of Columbia Lodge No. 58, AF&A Masons; a member of Jacques Demolay Commandery No. 4, Knights Templar; a Shriner; a Rotarian; and member of the Star & Crescent Club and the Catoctin Club.

Men like Lincoln Dittmar Engelbrecht, proud of their heritage, dedicated to their families and communities, help make and keep this country great.

Frederick will be forever fortunate in having had a citizen like "Linc" Engelbrecht.●

CITIZEN'S COMMISSION REPORT ON INDOCHINESE REFUGEES

● Mr. KENNEDY. Mr. President, the continuing plight of tens of thousands of Indochinese refugees—and the urgent need for greater concern and action in their behalf—was forcefully stated last week in a report prepared by the Citizen's Commission on Indochinese Refugees, formed last year under the auspices of the International Rescue Committee.

Members of the Commission recently returned from extensive travel in Southeast Asia, assessing firsthand the many problems confronting Indochinese refugees—especially the boat people strewn along the coasts of the region in squalid and overcrowded camps.

The Citizen's Commission report underscores once again the growing resettlement needs among Indochinese refugees, and the humanitarian obligations our country has in helping to meet those needs.

I strongly support the Commission's recommendation that—

> The United States should declare its readiness to extend its resettlement program for Indochinese beyond the present target date of April 30, 1979.

Mr. President, we are confronted today in Southeast Asia with an escalating crisis of people—perhaps the most critical refugee problem anywhere in the world. New efforts by the international community are clearly needed to deal with the mounting tide of boat people and refugees throughout the region, and the Citizen Commission's report reminds us that the United States must continue to support this effort.

I commend to the attention of the Senate the report of the Citizen's Commission on Indochinese Refugees, and ask that it be printed in the RECORD.

The report follows:

STATEMENT BY THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

1. The exodus from Indochina by land and sea continues unabated, and so do the attendant horrors and human tragedies. People killed while trying to cross the Mekong river from Laos and the Cambodian border. Vietnamese boat people pushed back into the open seas, drowning when boats capsize, sometimes close to land or to indifferent ships. Boats pillaged, women and young girls raped by pirates. Camps unfit for human existence. Women and children sleeping on beaches under torrential rains. Polluted drinking water and abhorrent sanitary conditions, meager medical and food supplies, infectious diseases spreading rapidly. Major epidemics a constant threat.

While all this is happening, and even growing worse, the countries of first asylum have not been assured that the free nations of the world are ready to accept the fact that responsibility for the fate of the refugees does not rest with the countries adjacent to Indochina. Nor the fact that this is a worldwide human rights issue. Affluent nations argue endlesly about the problems of finding homes for the most ardent seekers of freedom.

2. The circumstances in which the refugees live—and die—compels priority action, including immediate steps by the United Nations High Commissioner for Refugees to meet at least the minimal needs of all refugees in countries of first asylum with speed, confidence and decisiveness. We must in particular point to the disaster of Palau Bidong, the island of Malaysia, where 26,000 boat people live on 85 inhabitable acres. In spite of valiant efforts by the refugees to help themselves, they live in subhuman conditions: shortages of food, water, medicines, and medical care, rampant sickness and disease, unimaginable sanitation facilities, with 16 toilets for 26,000 people. Yet there seems to be no bottom to this human disaster, as new refugees keep arriving.

3. The more than tenfold increase in the numbers fleeing Vietnam by boat during the last 11 months, and the more than doubling of those fleeing from Laos and Cambodia during the same interval, has placed an onerous burden on Asian countries of first asylum, particularly Malaysia, Thailand, and Hong Kong. It is clear that interim measures as well as permanent resettlement assurances on an international scale are vital if these countries are to keep their shores and borders open to refugees, thus averting the broader tragedy of tens of thousands forced back into the hands of governments from whose oppression they fled. There is no margin of uncertainty in this conclusion: the denial of first asylum rights—unless their countries and people were relieved of their burden—was made clear during full, frank discussions with the Prime Ministers and Foreign Ministers of Malaysia and Thailand.

4. The additional fact of the large numbers now fleeing, and those still to come, makes it obvious that resettlement efforts must be shared more generously by the few countries, including the United States, which have already provided the overwhelming number of resettlement opportunities. Of equal importance is the direct involvement of additional countries which have thus far not taken part in the final asylum process.

The Consultation held in Geneva on December 11 and 12 under the auspices of the United Nations High Commissioner for Refugees was intended as a step toward the internationalization of the issue. It brought the severity of the problem before the governments that had sent representatives to Geneva. The presentation of the U.S. delegation was forceful and constructive. The United States has increased its quota to about 50,000 through the end of April 1979. But except for France, none of Europe's democratic countries has thus for gone beyond a token reaction to the tragedy that has overtaken Souheast Asia. Japan, a country that has always encouraged its citizens to seek opportunities in other lands, has remained closed to the exiles from Indochina. And Latin America, where there is space and a tradition of openness, has remained unresponsive.

5. The figures have an eloquence of their own. There are now 145,000 "first asylum" refugees in the camps of Thailand; 45,000 on the islands, beaches, and inland camps of Malaysia; 6,000 in Hong Kong, Macau, and Taiwan; others in the Philippines, Indonesia, and Singapore. These exclude the 160,000 Sino-Vietnamese reported to be in the People's Republic of China, and 150,000 Cambodians in Vietnam.

While more than 3,000 Hmong, Laotian Cambodian refugees enter Thailand each month overland, in December alone almost 20,000 Vietnamese refugees made it across the South China Sea. At this moment, countless thousands are in boats, seeking asylum anywhere. There is no end in sight. At the same time, the total acceptance by countries of resettlement does not exceed 10,000 a month for both land and boat cases.

6. A frequent excuse offered by government that prefer to look the other way is that boat people who "bought" their way out of Vietnam, or left with the connivance and extortion of Vietnamese officials, are migrants who do not deserve the compassion of their fellow men. This position flies in the face of the accepted definition of a refugee, and is not consonant with historical precedents.

In the thirties, Jews were allowed to leave Nazi Germany with outrageously priced passports, exorbitant fees for ship passage and, of course, the seizure of all their possessions. It was indifference and lack of comprehension on the part of free countries that prevented more from leaving, and thus from being condemned to die in the Nazi concentration camps. More recently, Cuban refugees were permitted to leave Cuba if they bought their way out by surrendering all their belongs.

There are Indochinese refugees who flee in the dark of night, through mine-fields and closely guarded borders. Many are captured or shot. And there are Indochinese refugees whose escapes seem to be less dramatic even though their losses are no less severe. Yet all are refugees leaving homelands where they were persecuted for reasons of religion, nationality, ethnic origin, membership in a particular social or economic group. If returned to their countries, harsh punishment, even death, would be decreed. They are all, beyond question, refugees.

7. A particular refugee group among the many suffering in primitive camps is deserving of special attention—the hill people of Laos, the Hmongs. They are the survivors of the undeclared war against the Hmong community being waged by Laotian and Vietnamese troops who have been reported to use lethal chemicals and gases. The Hmongs' homes are being destroyed and their families decimated. These people were our allies during the years of the ambiguous conflict in Laos up to the very end in 1975. Hmongs from different areas of Laos told identical stories of efforts to destroy their ethnic identity, their culture, their livelihood and even their lives.

8. The Indochinese refugees are a resilient and resourceful group. Their presence provides us with a body of people who deeply value freedom, and a culture with an intense work ethic. The refugees make a positive economic contribution. It was the understanding of this reality, in addition to humanitarian concerns, that last March led to the endorsement of a wide resettlement program for Indochinese refugees by the Executive Council of the AFL–CIO and by over 100 of the nation's most distinguished black and hispanic leaders, and by a number of civic groups. No country has ever bled because it has been moved by the suffering of refugees; indeed, nations have benefited by not growing callouses on their hearts.

9. But resettlement and integration cannot be achieved at bargain rates. In the United States, resettlement is the responsibility of voluntary agencies. Several represent the major religious denominations, the others are nonsectarian, among them the International Rescue Committee which assisted in the organization of the Citizens' Commission. These organizations have for more than a generation cooperated in the resettlement of uprooted victims of tyranny and terror.

Inflation has greatly added to the cost of the operations, even as governmental assistance to their functioning has declined. Finding and assisting sponsors—or directly sponsoring refugees in the accelerated numbers now required—is a vast and costly undertaking. It is incumbent upon the federal government and the Congress to enable the agencies to perform so major a task.

10. The numbers of refugees involved necessitate an active campaign of conscience and concern to generate greater public awareness within and without the borders of the United States. The magnitude of the task justifies a call to action by the White House, supported by the leaders of the major faiths, business and labor, as well as an international initiative spearheaded by the United States, France and Australia. To an Administration that deserves credit for making human rights its continuing preoccupation, helping these victims who have been denied their basic rights must be a high priority and continuous job.

11. The Citizens Commission on Indochinese Refugees submits its recommendations sensitive to the fact that the United States is confronted with serious inflation, and consequent austerity and budget-cutting programs. The time is an awkward and difficult one. Nevertheless, this is a refugee crisis of such comoelling humanitarian urgency, a matter of life-or-death for so many thousands of Indochinese, and a human rights issue of such overriding importance, that the Commission must urge the adoption of its recommendations. All the measures recommended are essential lest the dismal history of the 1930's repeat itself.

RECOMMENDATIONS OF THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

(The Citizens Commission on Indochinese Refugees was formed in late 1977. It visited Southeast Asia in February 1978, and submitted its first series of recommendations upon the conclusion of its mission. It returned to Southeast Asia in December 1978. On January 10, 1979, it adopted the following recommendations. An amplifying statement of the Commission is attached.)

Recommendation 1. The United States should declare its readiness to extend its resettlement program for Indochinese refugees beyond the present target date of April 30, 1979. We must move toward a continuous program that will go on as long as refugees are being created by the policies of the governments of Vietnam, Cambodia and Laos. United States acceptance of refugees must be doubled to 100,000 for the year 1979 to assure countries of first asylum that they will be relieved of their burden. This resettlement program must be directed equally to the refugees escaping by land as well as by boat.

Recommendation 2. More countries will have to accept a fair share of the Indochinese refugee population, and those that have been generous will have to increase their participation. It will not do to expect the United Nations High Commissioner for Refugees to achieve these results. A governmental initiative at the highest level is called for, and the cause must be carried to the churches, civic bodies, trade unions, political parties, indeed the people of the Free World.

Recommendation 3. The funds provided to the United Nations High Commissioner for Refugees must be increased immediately to a level which will enable him to improve the living conditions in those refugee camps which lack a minimum of shelter and hygiene. At the same time the financial support to the Voluntary Agencies in the United States must be substantially augmented if they are to cope successfully with the resettlement of refugees coming to this country whose numbers have tripled.

Recommendation 4. While urging the nations of first asylum to remain open to both the boat people and land refugees—a necessity dramatized by the spectacle of disintegrating ships off Asian ports unable to discharge their human cargoes and by the appearance of a new wave of Cambodian refugees at the borders of Thailand—we must implement measures to assure them that they will not be penalized for their humanitarian actions.

Recommendation 5. Toward this end we recommend consideration of a U.S. transit center or centers at appropriate locations to permit the rapid movement from countries of first asylum of refugees approved for resettlement in the United States.

Recommendation 6. We further propose that the United States establish, in consultation and cooperation with other governments, an international holding center or centers, reasonably close to the areas of refugee flow. We are persuaded that no other step or combination of steps will do to avert tragedy, sustain the patience of the countries of first asylum, and provide the time required for the international community to mount a resettlement effort adequate to the exodus which now exists and which may grow even larger.

Recommendation 7. Beyond these interim measures, the Commission endorses the concept of territories which, with massive international financial support, could be converted into permanent homes for all those for whom resettlement in industrialized countries is neither feasible nor desirable.

Recommendation 8. Continuing non-compliance of vessels of many registries with the "law of the seas" requiring captains to come to the rescue of disabled vessels, commands an effort by governments and trade unions to impose compliance by persuasion and, if necessary, sanctions.

Recommendation 9. We recommend that the United States request the Human Rights Commission of the United Nations to conduct an investigation into actions directed against the Mhong hilltribe minority of Laos. There is substantial evidence of attempts to obliterate the hill people by Laotian and Vietnamese ground and air forces. Interviews with recent arrivals lend credence to these charges with such consistency as to make it impossible for the Commission to disregard them.

Recommendation 10. We urge the President of the United States to take the lead in a nationwide effort to increase public awareness of the plight of the Indochinese refugees, and the need to respond quickly and generously to this fundamental human rights emergency.●

INTERDEPENDENCE: THE CHALLENGES OF A NEW GLOBAL ECONOMIC ORDER

● Mr. HEINZ. Mr. President, I want to bring to the attention of my colleagues the text of a speech given by Hugh Cullman, group executive vice president of Philip Morris, Inc., to the World Affairs Council of Philadelphia on December 7, 1978. In this speech, titled "Interdependence: A Challenge to World Business," Mr. Cullman describes the emergence of a new global economic order, interdependence, a direct result of expanding trade and investment in the contemporary international system. In order to effectively cope with the challenges brought about by this new situation, Mr. Cullman emphasizes the need for a widespread awareness by members of the international system of the effects and consequences of interdependence.

The prosperity of the United States and other industrialized nations depends to an increasing degree on trade and economic growth in less developed countries or LDC's. To insure progress in LDC's, international cooperation on economic-related issues is essential. Threats to such cooperation are posed by regional and national protectionism expressed by both LDC's and industrialized nations. To combat protectionism, Mr. Cullman suggests that business take an active role in support of Government action to stimulate exports and to increase understanding on behalf of labor and the general public that protectionism, in the long-run, will be harmful to the U.S. economy.

A form of protectionism threatening progress is the attitude shared by many LDC's toward multinational corporations. LDC's tend to fear incompatibility between the interests of foreign investors and their own social and economic objectives. Even though most LDC's recognize the importance of foreign investment in their economic development, nationalism inhibits the ability of multinationals to continue making positive contributions. To remedy this situation, Mr. Cullman suggests the need for the company to communicate its plans and operating policies to the host government and to make known its positive contributions. It might also be helpful for companies to adjust their operations to the objectives of the developing countries.

Another controversial issue in the area of foreign investment explored by Mr. Cullman is the transfer of technology. LDC's exhibit the desire and need for technology and private enterprise in industrial nations is the largest source. Mr. Cullman offers examples from his own experience with Philip Morris, Inc., which has transferred a broad range of technology and management skills to LDC's.

In conclusion, Mr. Cullman indicates the need for high level coordination of trade and foreign investment policies to strengthen the U.S. economy while enabling the United States to cope with the economic challenges resulting from interdependence. U.S. multinationals must assume a leading role to insure adequate compensation and safeguards when transferring technology in order to continue making positive contributions to economic progress in the international arena.

Mr. President, this is a thoughtful, incisive article. I ask that it be printed in the RECORD.

The article follows:

INTERDEPENDENCE: A CHALLENGE TO WORLD BUSINESS

(Remarks by Hugh Cullman)

It is a pleasure to be in Philadelphia and a privilege to be the guest of both the World Affairs Council and the International Business Forum.

When the subject is world business, Philadelphia is part of what we are talking about. With 50 miles of waterfront, Philadelphia is the largest freshwater port in the world and is directly linked to other world centers.

Philadelphia's recognition of its place in the world is clearly evident. The World Affairs Council has to its credit an impressive speaker's program for citizen education on foreign affairs. The International Business Forum keeps Philadelphia in touch with day-to-day developments in the world economy. These programs have made an enduring contribution. You have the Foreign Policy Research Institute, you have established the Global Interdependence Center, and you have launched an International Cities Project which, I'm told, even taxi drivers talk about.

Philadelphia banks are prominent in international finance, and the great international companies of the Philadelphia area are distinguished by their diversity, including petroleum, food, paper, scientific equipment and pharmaceuticals.

I was last here in 1976 for the memorable visit of President Giscard d'Estaing who, like other world leaders, came to Philadelphia during our Bicentennial year. I am glad to be here again and to share with you some observations on business and the world economy.

Philip Morris has been in world business over the past quarter of a century, and I have enjoyed being involved for the past twelve years in what economists call the "internationalization of production." Like other multinational companies, Philip Morris has made a contribution to, and has benefited from, the expansion of world trade and investment during the postwar movement to a more open world economy.

Peter Drucker has described this movement as the greatest achievement of the postwar period. You will recall that it replaced a pre-war period of protectionism which, the Nobel laureate Paul Samuelson said, does not provide protection but succeeds only in "making the world less productive."

The expansion of trade and investment has brought us to an area of inescapable interdependence among nations, which had been in the making for decades. The oil embargo and subsequent world recession jolted us into an awareness that nations—including our own—are dependent upon each other to a much greater degree than we had realized.

This awareness is still not as widespread as it should be, as it must be, if we are to cope with the challenges of interdependence.

It is regrettable that many who should be well versed in the consequences of interdependence, often pay only lip service to its existence.

I am thinking of those members of government, labor, academia and even business in the United States, who believe that domestic concerns can be divorced from international developments. Politicians sometimes tell their constituents what the constituents want to hear, rather than what they need to know, and ignore the concern their statements cause overseas. Trade union leaders seek protection from imports. So do some businessmen. And professors still make models of the American economy as if it existed in a vacuum. These influential citizens often ignore the fact that our suppliers are also our customers.

The business community is not necessarily more enlightened. It is estimated that about 5% of U.S. manufacturing companies engage in export trade and only about 1% have direct foreign investments. The vast majority of American companies are concerned with the U.S. market, and tend to overlook the relationship between the international economy and prosperity in their home market.

Executives in U.S. multinational companies should actively support efforts to meet the challenges of interdependence. However, since earnings from overseas operations in most international companies account for less than half of total corporate earnings, some executives are reluctant to attribute enough importance to international affairs. Members of management who are not directly involved in international business often lack an adequate appreciation of the corporation's dependence on economic and political stability in overseas markets. They

find it easier to focus attention on more easily understood domestic concerns.

Finally, polls show that the public at large and the many interest groups it comprises have little understanding of interdependence and its impact on their lives. It took a number of years for the majority of Americans to recognize our dependence on foreign oil.

In addition to energy supplies, one of the most dramatic and challenging examples of interdependence involves North-South relations. Ties between industrialized countries, and East-West concerns also merit significant attention. But I believe you will agree that the stability of the world community in the rest of this century and beyond will be determined to a great degree by the ability of the developing countries to make meaningful progress in economic and social development.

Furthermore, prosperity in industrialized nations will depend in even greater measure on economic growth in the less developed countries or LDC's.

The Commonwealth Secretary-General, Shridath Ramphal, said in a recent speech: "The truth is, of course, that the rich cannot expect to prosper if they leave the poor poor."

It may be useful to remind ourselves of some facts and figures that support this relationship, for almost every vital U.S. interest is linked to conditions in the less developed countries.

In our own hemisphere, burgeoning populations throughout Latin America have a direct effect on U.S. employment. There are an estimated six to eight million undocumented immigrants from Latin America in the United States who have sought jobs they couldn't find at home and place a burden on the U.S. job market.

An indirect effect of this LDC population growth can be seen in the pressure it has placed on world food supplies.

The developing countries face such agricultural problems as skyrocketing costs of fertilizer, water shortages, inadequate storage and distribution facilities, underutilized labor, and insufficient farm technology. These problems contribute to periodic food shortages which affect the prices we pay for food in the U.S. and they also provide a common challenge to governments and agribusiness in both developing and industrialized nations. Although Philip Morris' main agricultural concern is the availability of high quality tobacco for our products, our affiliate agronomists provide technical assistance in developing countries that also helps improve food crops.

Trade is perhaps the most easily understood tie between U.S. self-interest and the developing countries. For example, when the world recession struck the economies of developing countries between 1975 and 1977, their reduced imports seriously damaged the U.S. trade balance.

But the trends are clear. The relative importance of our trade with developing countries is steadily increasing. U.S. exports to non-OPEC LDC's in 1977 totaled $28 billion. This amount is higher than the value of U.S. sales to the European Community, and is nearly three times the value of our exports to Japan. Furthermore, our exports to non-OPEC developing countries equalled our imports from them.

The importance of LDC's to the U.S. economy extends to key commodities. Most Americans don't realize how dependent we are on dozens of strategic natural resources of developing countries, including almost half of our petroleum requirements, 56 percent of the bauxite we use, 82 percent of the tin, 45 percent of the cobalt and 100 percent of the natural rubber. Low-cost manufactured products from developing countries present problems to a few U.S. industries, but they are a boon to U.S. consumers who benefit from the lower prices for these goods.

The debt burden of developing countries to banks in industrialized nations is also a source of concern. The future ability of LDC's to service this debt will depend very directly on their continued economic growth. They will need more help from the U.S. and other industrialized countries to expand their industrial development and to increase their exports, so that they can earn needed foreign exchange to repay their debt.

Investments in LDC's by U.S. companies is an important tie with these nations that benefits our economy as well as theirs. At the end of 1977, cumulative U.S. direct investment in developing nations amounted to $34 billion, or 23% of all U.S. direct foreign investment. The same investments generated earnings of $7.8 billion or 37% of total U.S. earnings from direct overseas investments.

These investments not only contribute to the U.S. balance of payments; they also cause a significant flow of U.S. exports to overseas affiliates.

The economic and social problems in developing countries present a strong challenge to policy-makers in LDC's, and to industrialized nations as well. The challenge extends to world business, particularly in the area of economic development.

There are encouraging signs. The LDC's have been making impressive progress while coping with the economic crises of the past few years.

The World Bank's first Development Report issued in September showed that developing countries as a group have made real gains in a number of areas, including per capita income growth, expansion of industrial development, and increased exports of manufactured goods. Life expectancy is also rising and education is spreading.

Another encouraging development underlined in the World Bank report is the emergence of middle income nations, or advanced developing countries.

Countries such as Brazil, Mexico, South Korea, Taiwan and the OPEC group have made remarkable strides in economic growth and are now being called on to contribute to international efforts to help the low income countries.

However, there is still a great need in many LDC's to restrain population growth, to achieve better income distribution, to stimulate domestic savings and capital formation, and to expand economic collaboration among developing countries.

International cooperation on economic issues is essential to progress in developing countries. But, regional and national protectionism pose serious threats to maintaining effective patterns of cooperation. This protectionism is evident in both industrialized nations and LDC's.

In industrialized countries unemployment and declining competitiveness of certain traditional industries have tempered their willingness to liberalize trade through the GATT negotiations.

The United States historically has embraced the principle of vigorous competition within our borders. Our status as the strongest national economy in the world has proven the validity of these principles. We should not practice a double standard. The principle of competition in domestic commerce is as valid in international trade. However, other industrialized nations should also be encouraged to accept LDC competition.

If the U.S. economy is to absorb more imports from developing countries without damage to our trade balance, we will have to increase U.S. exports. A greater commitment from the U.S. Government to promote exports seems to be coming. President Carter's export expansion program provides for certain initial positive steps.

Subsequent measures are needed to stimulate capital investment in this country which should increase the ability of U.S. exports to compete in world markets. The U.S. Government should also minimize restraints in places on exports for public policy reasons.

Business must do its share to support U.S. Government action to encourage exports and to help create a better understanding by labor and the public at large that over the long term protectionism will be harmful to the U.S. economy and will cost U.S. jobs.

Of most immediate concern is the current trade liberalization package now being negotiated through the GATT. There is also need for broader and more effective U.S. programs of adjustment assistant for workers and industries that are adversely affected by competition from imports, including manufactured goods from developing countries.

Increasing LDC imports so that they are able to take more of our exports is only part of the total picture. Another form of protectionism that threatens progress in developing countries is their attitude toward multinational corporations.

It is an accepted fact that multinational corporations contribute to economic and social development in the Third World. The Secretary General of the United Nations, Kurt Waldheim said in a recent article: "Most developing countries recognize the important role that foreign investment can play in their development."

In spite of this recognition, nationalism in the LDC's threatens the ability of multinationals to continue making their positive contributions.

Uncertainty is a major deterrent to investment in LDC's. Business will take risks, but it expects rewards at a level commensurate with the risks. If the expected return on investment does not offset the uncertainties, the incentive to invest vanishes.

Foreign investors often experience sudden and unexpected negative shifts in host country policies on foreign investment. The unpredictable investment climate that exists in many LDC's is reflected in the statistics I mentioned earlier which show that the percentage of U.S. earnings from subsidiaries in LDC's is higher than the percentage of U.S. investment in those countries.

On the other hand, host countries are apprehensive that the benefits from foreign investment may be offset by an incompatibility between the interests of the foreign investor and the country's economic and social objectives. There is convincing evidence that on the whole this apprehension is unfounded.

Companies would, therefore, do well to communicate their plans and operating policies to host governments and to make known their positive contributions to host countries. Each company has a record, and it can't leave the job of reporting that record to those who would distort or misinterpret the facts. Philip Morris recently published the results of a survey covering the economic and social contributions of our affiliates in Latin America, Asia and Africa.

Many companies have learned to adapt their operations to objectives of developing countries, such as national investor participation in ownership, and training and promotion of nationals to management positions.

At Philip Morris, we have sought and established joint ventures with national investors in 10 developing countries, and developing country nationals occupy the vast majority of management positions in our affiliates.

Today one of the more controversial issues in the area of foreign investment is the transfer of technology.

Developing countries want and need technology. Private enterprise in industrialized nations is the largest source of this technology. Technology includes not only patents

and trademarks, and the related R&D and production processes; it also includes a wide range of managerial skills and business know-how.

Business must obtain adequate compensation and safeguards when transferring technology. Technology is a thing of value and should be treated as such.

Philip Morris has transferred a broad range of technologies and management know-how to our affiliates based on their needs and on mutually acceptable terms of payment. This flow of new ideas, products and technology not only helps ensure our affiliates' ability to grow and prosper, it also contributes to progress in those sectors which supply raw and manufactured materials to our affiliates and it leads to improved products to meet changing consumer preferences.

Companies and governments of developing countries can take a first step towards reducing uncertainty in the investment climate through better communication on transfer of technology and foreign investment issues.

It is time to turn away from rhetoric and to recognize realities. There have no doubt been some instances when multinationals have not adhered to good standards of business conduct. On the other hand, host governments have not always been fair and have created their share of problems in dealing with multinationals.

The point is that while learning from experience, we must not dwell on the past. In addition to better communication, there is a need to find the methods and mechanisms to ensure that multinational corporations continue to contribute to economic development through investment and technology transfers, while earning a reasonable profit.

International codes of conduct can help. The OECD Declaration on International Investment and Multinational Enterprises was an important step towards promoting mutual trust on the part of government and business in industrialized nations. Philip Morris has stated its support of the Declaration, and I personally asked our managers around the world to give due consideration to the OECD guidelines for multinationals during the conduct of their business.

Efforts to promote mutual trust can be extended. When the advanced developing countries join the ranks of industrialized nations, they could be encouraged to align their policies with recommendations to governments in the OECD Declaration. A commitment from companies to support the OECD business guidelines in those countries would likely follow.

Discussions on various codes of conduct at the United Nations are also worthwhile. But these codes will not create the mutual confidence that fosters investment and technology transfer until they acknowledge that both investors and governments have rights and responsibilities and that unreasonable restrictions on business run counter to the interests of host countries.

There are indications that this recognition is developing, that communications are improving between developing and industrialized nations and that some differences of opinion are being reconciled.

There have been proposals for an international institution, similar to the GATT, that would establish reasonable rules on foreign investment for both business and government. I believe this idea has merit and should be pursued, but it will be many years before countries will find enough common interests to make such an institution workable.

In the meantime, U.S. multinationals must also continue to present their views on trade and investment issues at home. They must do so to shareholders and employees, to plant communities, as well as to the U.S. Congress, federal agencies and the Administration.

The executive branch of the U.S. Government has contributed its share of uncertainty through a policy of "neutrality" toward foreign direct investment. While acknowledging that such investment contributes to economic development in the poorer countries, the Administration has been reluctant to provide business with all possible support to promote the creation of a stable climate for international investment, even though there is valid evidence that U.S. foreign direct investment also contributes to economic growth at home. There are numerous reports that document the net positive effects of U.S. foreign investment on U.S. jobs, the U.S. trade balance and our balance of payments. I am happy to say that Philip Morris is one of the many companies that have made these significant contributions.

Two important features of our tax system that help U.S. companies compete abroad with multinationals of other nations are the so-called foreign tax credit and the foreign tax deferral system. Both have been under attack, and this year the Administration proposed phasing out deferral. Fortunately, the Congress studied both sides of the issue and voted heavily against any changes.

The U.S. international business community was active in presenting its views on this issue. It must be equally active in gaining U.S. Government support for a stable investment climate abroad.

Bilateral investment treaties between the U.S. Government and individual developing countries also merits consideration. Several European nations already have signed such treaties. They define the treatment host governments will accord foreign investment, and include such guarantees as equitable treatment and protection consistent with international law, fair compensation and recourse to arbitration in the event of expropriation, and free transferability of capital.

My final recommendation is that U.S. business become involved in efforts to find an effective way to establish and coordinate U.S. Government policies on international economic issues.

One proposal that deserves consideration is the creation of a Department of International Trade and Investment as recommended by Senators Roth and Ribicoff. Given the proper mandate, a cabinet-level department of this kind could formulate and implement coherent and constructive policies on trade and foreign investment like those in Germany and Japan. Alternative might be a White House coordinator for domestic and foreign economic policy on a level with the Assistant to the President for National Security.

High level coordination of trade and foreign investment policies would help strengthen our domestic economy and would enable the U.S. to deal more effectively with many of the economic challenges that result from interdependence.

The message from other countries is loud and clear. They expect the United States to continue its leadership in international development. As an important factor in the global economy, U.S. multinational corporations must also play a leadership role to ensure that they maintain adequate profitability that will enable them to continue their contribution to economic progress in the world community.●

ENCIRCLEMENT IN THE MIDDLE EAST

● Mr. JACKSON. Mr. President, I wish to bring to the attention of my colleagues an important address by Secretary Schlesinger on the "Long Term Strategic Implications of Energy," delivered before the Pilgrims at Goldsmith Hall, London, November 29, 1978.

Of particular significance is Secretary Schlesinger's discerning discussion of the strategic importance of the Middle East as the pre-eminent oil producing region, and the recent pattern of events threatening the Gulf States with Soviet encirclement.

Secretary Schlesinger puts it this way:

The events of this past year have hardly been reassuring: a coup in Afghanistan that is reducing that country to the status of a Soviet satellite, the murders of two chiefs of state in both North and South Yemen, and the further strengthening of Soviet influence in the latter country, the developments in the Horn of Africa with the arrival of Cuban forces and Soviet military leaders, and the subsequently treaty of cooperation. Perhaps the most dramatic of all has been the severe unrest in Iran that has shaken the entire area. The political implications of these disruptions undoubtedly exceed in importance the direct impact on prospective oil supplies.

What our Soviet friends refer to as the "correlation of forces" has scarcely been moving in a satisfactory manner from our standpoint. The stability of what earlier was referred to as the Northern Tier has been badly shaken. Whatever the intent, the pattern of events has created the perception in the Gulf States of the prospect of encirclement.

These are developments that we shall have to ponder.

In the quarter century after World War II an unprecedented degree of political stability—providing, as a by-product, security for international trade—was attained through the preponderance of American power. In more recent years political stability has depended upon the maintenance of a global balance. On that global balance rests the security of the industrial democracies. And that global balance must rest on something more than a generalized and overall assessment of the indices of power worldwide. It must continue to be one that effectively provides for stability in critical regions of the world.

I submit the full text of Secretary Schlesinger's address for the RECORD.

The address follows:

LONG TERM STRATEGIC IMPLICATIONS OF ENERGY

It is an honor to address the Pilgrims of Great Britain—and to report on conditions on the other side of the Atlantic and their implications for international cooperation, the very subjects in which this society has maintained an abiding interest throughout the last three-quarters of a century. I appreciate the warmth of your reception. It so well affirms the belief to which many of us cling amidst the changing manners of our time: Courtesy is not dead, it simply has taken refuge in Great Britain.

It is perhaps a happy coincidence that this occasion to speak with you comes at the close of the Thanksgiving season. While the association of your society with the Pilgrim fathers is largely adventitious, those early historic events reflected in the Thanksgiving celebration lead one inevitably to reflect on certain historic parallels. Those early Pilgrims, reflecting the passion for liberty which had its early and fullest flowering in the English-speaking world, were willing to strike out across unchartered seas and to accept the adventures—and the risks—of an unknown land. Rejecting the heretical notion that the possession and enjoyment of material goods should be the paramount objective of man, the Pilgrims well understood that survival—what we more disarmingly might refer to as the maintenance of living standards—is dependent upon an attentiveness to the means of production under conditions radically different from those that had been encountered before. Unquestionably those attributes—of courage and of vision—should provide certain guideposts for us in our own times.

Some three and a half centuries later, how stands the Fair Land? It has come through the tribulations, the divisions of the War in Southeast Asia and of Watergate—and is healing. There exists a new skepticism regarding public purposes which unquestionably has a beneficial side, yet clearly limits the ability readily to establish and achieve national goals domestically or internationally.

Given my present responsibilities it should come as no surprise that I shall relate these broader concepts to the steadily emerging problems of energy—the motive power behind our industrial civilization. In the United States we have just completed a lengthy struggle resulting in the enactment of a major part of President Carter's energy program. In the course of those national deliberations some of us came better to understand some small portion of what Winston Churchill meant by "blood, sweat and tears." The Sinologists among us referred to that harrowing experience as "The Long March." How well did we do? Perhaps as well as might have been expected, but certainly less well than might have been hoped. In terms of prior governmental performance the results were quite good, in relation to long term national requirements they visibly fall short.

Nonetheless the passage of the National Energy Act, the most massive package of energy legislation to be enacted, represents an historical watershed. It represents initial acceptance that material resources are not limitless—and that less than five percent of the world's population cannot expect in the long run to consume almost forty percent of the world's oil production, given resource limitations, balance of payments considerations, and the long term strategic implications. To this point the American people have enjoyed boundless expansion and seemingly limitless resources. There has been no need to face up to the concept of finiteness in resources—as the oil supply/demand balance now requires us to do. Passage of the National Energy Act represents a watershed in that it starts the adjustment of our demands to the means available. It implies recognition that even in the United States our wellbeing, perhaps our survival, depends upon careful attention to our productive resources.

The long road traveled does suggest that the response was less close to William James's moral equivalent of war than to the political equivalent of the Chinese water torture. In it one encountered the warring of interest groups, the reluctance of energy users—both consumers and business firms—to face up to the inevitability of higher prices, the continuing and disquieting clash of regional antagonisms, which at its worst represents a tendency towards Balkanization. All this perhaps was inevitable—without a visible crisis and in the absence of a public sense of urgency. Nonetheless, the Act represents a major legislative achievement, not only for the roughly three million barrels of oil per day savings, but because it represents an historic turn in the road.

That turn in the road is forced upon us—all of us—by the limits, physical and political, on prospective oil supplies. Those limits imply conditions dramatically different from those that we have encountered in the last half-century—a period in which oil has increasingly become the dominant energy source for economic expansion—and has gradually altered the Western world's reliance on the more abundant but less convenient coal on which previously it had overwhelmingly depended.

The enormous expansion of economic activity and of international trade, which the industrial world has so spectacularly enjoyed since the close of World War II, took place through the increased usage of oil—and notably cheap oil. (It should also be noted that that expansion of international trade and investment took place within a framework of unparalleled international security, provided in large part by the power of the United States—a subject that deserves further examination.)

But oil is no longer cheap. And within a few years its availability, at least from conventional sources, will no longer increase. That implies that we must be attentive to the motive power of our industrial civilization and must adjust our ways, if over the long haul we are to preserve the economic viability and political stability of our several nations. Adjustments must come—either wisely through adoption of intelligent policy or haphazardly through the appearance of energy shortages with which we would find it difficult to cope.

The implications are obvious. We must take advantage of the time available to make the inevitably time-consuming adjustments of our stock of capital equipment—while there is time—so that we can move smoothly through this difficult transition. Alternatively, in the absence of a smooth transition, we will face serious economic difficulties and political unsettlement. The choice seems clear. It implies that for the decades immediately ahead the energy problem must be placed continuously and prominently on our political agenda. Despite the unavoidable frictions and despite the chore of painstaking attention devoted to an activity seemingly mundane because in the past we could always take it for granted, we have no serious alternative if our free societies are to remain vigorous.

In the past year our estimate of oil availability in the middle 80's has undergone downward revision, reflecting in particular a reduction in prospective OPEC supplies. Oil production worldwide, now running in excess of 60 million barrels a day, should not be counted on to increase by more than 20 percent before reaching its practicable limits.

If oil consumption were to increase at 4 percent per annum, as in recent years, we would have reached capacity limits before the middle 1980s. Even if the growth rate were to be reduced to 2 percent per annum—a substantial accomplishment given where we now stand—we would still reach the crunch point by the early 1990s, a period in which we expect conventional oil production perforce to peak. So the task of adjustment through greater fuel efficiency and the shift to more abundant energy sources is upon us now—and we must effectively exploit the time available.

Too much time has probably been devoted to attempting to determine the precise year in which the ex ante demand will likely overtake prospective supply, whether it be 1985 or later. It has led unduly to millenarian pondering regarding the Day of Reckoning. But that is a variable date depending on how well we do regarding fuel efficiency and alternative sources of supply—and how badly we do in maintaining economic growth. The former are, of course, the instruments of intelligent policy.

Policy can make an effective contribution. The three million barrels a day savings resulting from the provisions of the National Energy Act could defer the period of worldwide oil supply difficulties by as much as two years. In a recent speech Sir David Steel indicated that British Petroleum now projects that as a result of improved governmental policies, better conservation practices, and slower economic growth that we shall get by the middle 1980s and not be in difficulty until around 1990. But it imposes upon us the responsibility for adaptation during the course of the next decade.

In this connection one should note that there is surprising and undue satisfaction taken in slower economic growth as a partial solution to our energy problems. To be sure slow economic growth both defers and provides time for resolution of some critical difficulties regarding energy supply, but it is hardly an acceptable solution. We must not come to regard economic stagnation as a form of deliverance. Soon enough shall we come to recognize anew the serious problems that unsatisfactory economic growth inevitably entails.

There is, however, a further and serious concern. These longer term difficulties of transition—for which we must adopt longer term measures—will constitute our principal problem, only if we are lucky. There is also a nagging worry regarding the possibility of short term interruptions. The principal source of oil supply, on which the health of the international economy depends, lies in the Middle East, a region historically volatile and with a potential for political instability. More than 40 percent of the world's oil passes down from the Persian Gulf through the Straits of Hormuz. The embargo of 1973–74 dramatized the growth in our dependence and vulnerability. The Abqualq fire of 1977 and, more recently and dramatically, the disruptions in Iran's oil fields are vivid reminders of the fragility of the production and logistical system on which the health of the industrial world depends.

Such vivid reminders, unpleasant as they are, are perhaps necessary. As the industrial world's dependence and vulnerability have rised, its attentiveness has tended to diminish. We have become more vulnerable, not only in the physical and economic sense, but in a geopolitical sense as well.

The texture of strategic relationships in the preeminent oil producing region is in the process of change—and we must be alert to those changes.

You in these Islands—to start with your historic example—were long concerned with the "Lifeline to the East." Increasingly in this century protection of the oil routes first equalled and then superseded communications with the Empire as the central purpose embodied in the concept of the Lifeline. Yet, it was not the only lifeline. Until the 1960s, there was shut-in capacity in Texas and other producing states. So long as you could count on American support, as you did in World War II, energy supplies would be forthcoming. The lifeline was as much a convenience as a necessity. It may have been a lifeline for Anglo-Iranian but it as not a lifeline for Britain itself.

In today's conditions, however, despite the relative immunity provided to Britain by North Sea oil, the oil routes have indeed become a lifeline for Western Europe—and for Japan as well. The United States may have a lesser and perhaps tolerable degree of dependency, but for the industrial democracies taken as a whole, bound together as they are by affection, by interests, and by treaty obligations, there is no evading the fact that the Lifeline concept is now both compelling and collective.

In 1968 Britain made the decision to withdraw east of Suez, a process that was completed in 1971. The Shah was persuaded that there should be no external replacement of the British presence, and unilaterally decided to take on the responsibility of Guardian of the Gulf. If the Shah's self-designated mission appears to have been too ambitious in light of Iran's underlying strength and perhaps the sensibilities of Iran's neighbors, it was nonetheless soundly based on the strategic vision of the importance of the Gulf and a need to avoid a vacuum of power. There has been nothing in recent developments that suggest that the underlying strategic issue has been satisfactorily resolved.

The event of this past year have hardly been reassuring: a coup in Afghanistan that is reducing that country to the status of a Soviet satellite, the murders of two chiefs of state in both North and South Yemen, and the further strengthening of Soviet influence in the latter country, the developments in the Horn of Africa with the arrival

of Cuban forces and Soviet military leaders, and the subsequent treaty of cooperation. Perhaps the most dramatic of all has been the severe unrest in Iran that has shaken the entire area. The political implications of these disruptions undoubtedly exceed in importance the direct impact on prospective oil supplies.

What our Soviet friends refer to as the "correlation of forces" has scarcely been moving in a satisfactory manner from our standpoint. The stability of what earlier was referred to as the Northern Tier has been badly shaken. Whatever the intent, the pattern of events has created the perception in the Gulf States of the prospect of encirclement.

These are developments that we shall have to ponder.

In the quarter century after World War II an unprecedented degree of political stability—providing, as a by-product, security for international trade—was attained through the preponderance of American power. In more recent years political stability has depended uon the maintenance of a global balance. On that global balance rests the security of the industrial democracies. And that global balance must rest on something more than a generalized and overall assessment of the indices of power worldwide. It must continue to be one that effectively provides for stability in critical regions of the world.

The intimate connection between energy and security is increasingly accepted, just as is the more obvious connection between economic performance and energy cost and availability. These are not new problems, but they are old problems that have now acquired a new significance. Change means adaptation—or more precisely, makes intelligent adaptation necessary. Like your namesakes, the Pilgrims of 1620, we are entering into an unknown land. Like them also, we must do so with undaunted spirit.

In the long sweep of human history there have been numerous challenges. In recent centuries no nations have more effectively surmounted such challenges than have our own—based as they are on free institutions. The challenges are still there. We should welcome them. For the nations—and the social orders—that The Pilgrims cherish will, we can be confident, effectively respond to such challenges—with courage and with vision.●

SOVIET VIOLATIONS OF UKRAINIAN HUMAN RIGHTS

● Mr. HEINZ. Mr. President, on January 22 the Ukrainian community throughout the United States celebrated the 60th anniversary of Ukraine's short-lived independence prior to its occupation and subjugation by Soviet Russian armies.

The commemoration of Ukrainian Independence Day is appropriate at this time when the Government and the people of the United States have forcefully declared a commitment to the promotion of human rights throughout the world.

Since the 1920 Soviet occupation of the Ukraine, the largest non-Russian state in Eastern Europe, the Soviets have continued to abridge the rights of Ukrainians. Geographically contained within the Soviet Union proper, the Ukraine has been confronted by a campaign of cultural genocide undertaken by the Soviet Government. Consistent with the traditions and principles of a free and independent nation, we in the United States salute the aspirations and efforts of the Ukrainian people for basic human freedoms.

Several examples will serve to illustrate the nature and degree of Soviet repression:

Mykola Rudenko, born in 1920 in a village in the Voroshylovhrad region of Ukraine, was drafted and served in the Red Army in 1939, was wounded, and spent an entire year in various hospitals. Rudenko received numerous medals for his service during the war.

After the war, Rudenko began writing. He also served as the party committee secretary of the Ukrainian Writer's Union. Concerned about human rights, Rudenko joined the Soviet branch of Amnesty International. In 1975 he was arrested. A few days following his arrest, Rudenko was released but found himself expelled from the Ukrainian Writer's Union.

In late 1976, Rudenko helped in the formation of the Kiev Public Group to promote the implementation of the Helsinki accords. He became chairman of the group which pointed out violations of the Helsinki accords signed by the Soviet Union.

On February 5, 1977, Rudenko was again arrested and charged with allegedly possessing $36 in American currency. According to dissident sources in Ukraine, this charge was intended to disassociate Rudenko from human rights considerations under the Helsinki agreement. There have been indications that his life may be in danger due to injuries sustained during the war and tortures and interrogations by the KGB. Rudenko has not yet been tried on the charges against him.

Another case concerns Valentyn Moroz, a history instructor born in 1936 in the village of Kholoniv in the Ukrainian S.S.R. At a point in his life, Moroz began to realize that he and his fellow Ukrainians were being robbed of dignity and freedom as human beings, and of culture and traditions as Ukrainians. He began to protest in his writings. His advocacy of individual, cultural, and national freedoms, guaranteed by the Soviet Constitution, was interpreted by the Soviet Government as "anti-Soviet propaganda and agitation." The Ukrainian historian, for crimes of thought and expression, has been incarcerated within the penal system of the Soviet Union for all but 9 months since August 1965. He is not scheduled for release until 1984.

In the recent past, I have written to General Secretary Brezhnev on behalf of three other Ukrainian defenders of civil rights, Mykola Matusevych, Myroslav Marynovych, and Petro Vins, in an attempt to bring to his attention the plight of these Soviet citizens.

The goals that men like Rudenko, Moroz, and others seek, and for which they are punished is the realization and promotion of fundamental human rights and basic freedoms, long recognized by the United States as having valid universal significance. In accordance with the basic principles supporting human rights, self-determination, and national independence, we of the United States of America salute the oppressed peoples of Ukraine and join in their commemoration of Ukrainian Independence Day.●

THE UNIQUE POSITION OF JEWS AS A CULTURAL MINORITY

● Mr. STEVENSON. Mr. President, Nahum Goldmann, a former president of the World Jewish Congress, describes, in an article in the New York Times, the unique position of the Jews as a cultural minority and points out the political hazards that can stem from failing to distinguish between those actively seeking to leave Russia and the bulk of the Jewish community. His article contributes to our understanding of complex issues, and I ask that it be printed in the RECORD.

The article follows:

THE HAMMER-AND-SICKLE, AND STAR OF DAVID

(By Nahum Goldmann)

The situation of the Russian Jews is very ambiguous, because they constitute the only minority in the Soviet Union to have no territory of its own. But if they are classified as "Jew" on their domestic passports it is because after the Revolution of 1917 the Jews themselves requested it, in order to have the benefit of cultural autonomy.

The presence of millions of Jews in the U.S.S.R. as well as in the other Communist countries is a decisive factor for world Jewry. There is a grave danger of losing them not by deportation or extermination, but by complete assimilation.

Nearly all the agitation raised around the Russian Jews is focused on the problem of emigration, which concerns only a minority of Russian Jewry. It is totally unrealistic to think that several hundred thousand Jews will go to Israel, in the near future at any rate. That could only happen if true anti-Semitism manifested itself in Russia. That is certainly imaginable, but judgment must be made only on the existing conditions. As long as Israel knows no peace and its economic situation is in danger, the country is incapable of absorbing hundreds of thousands of emigrants—even supposing they wanted to be absorbed.

A lot of Jewish extremists advance a theory according to which there is no chance of obtaining facilities for those Jews who remain in Russia, from which they draw the conclusion that all hope of preserving that community should be abandoned in favor of concentrating every effort on the emigrants. I strongly object to this analysis. A Jewish way of life is possible even under a Communist regime.

In the U.S.S.R. there are more than a hundred minorities, each with the right to its own language, literature, theater, press and schools. So even within such a highly centralized system, the U.S.S.R. recognizes the principle of minorities. The difficulty derives from the Jewish peoples yet again posing a problem *sui generis*. We are a scattered people which wants its own country, and in the U.S.S.R. we are a scattered people which wants the same rights as other nationalities, although these have a territorial base.

The principle of the right to take part in the life of the nation, an accepted right of the Russian minorities, is built on territoriality. A minority of 300,000 people (which is one-tenth of the Russian Jewish population) can receive administrative autonomy as soon as it is concentrated in a given territory. If that minority is more developed, it can accede to the status of an autonomous territory and eventually even of a state within the framework of the Soviet Union. But the Jews are spread all over Russia, and every move to bring them together has failed.

If the U.S.S.R. is accused, and often with good reason, of preventing emigration and making life difficult for its Jews, yet it should also be remembered that the Soviet Government saved hundreds of thousands by enabling them to escape from Nazism, and that without Russia the state of Israel would not exist today. Besides, Jews make a big mistake by treating the U.S.S.R. as if it were some minor country. This does not improve anything, and confirms the Russians in their attitude of distrust and even of hostility.

What makes caution all the more necessary is that we are dealing with a state that is on the way to liberalizing itself. The Government is less brutal than it was in Stalins day, but if it feels threatened it does not hesitate to assert its power, as in Hungary and Czechoslovakia. So what would happen if the Russians got riled enough to deport a million Jews to Siberia? Would America go to war to protect them? No, world Jewry decidedly has no right to endanger the future of three million Jews especially when these have not given their consent.

Russian Jewry is not a tool for mobilizing the young Jews of the United States. That is immoral and dangerous. I do not even think that a rallying cry of that kind remains effective for very long, and you will be seeing America's young Jews running away from it more and more.

A number of liberal Russians, who are not themselves Jewish, also include equal rights for Jews and their freedom to emigrate among their demands. I admire these dissidents and I am fully in favor of developing our relations with them. However, I do not overestimate their importance. Men like Solzhenitsyn, Sakharov and Amalrik are heroes, but their influence is very limited. I believe that the Russian people are quite satisfied with their Government and that they approve of the economic and scientific progress being made. Certainly they would like to see an improved standard of living and more individual liberty. But don't let us inflate the internal audience of the dissidents, who in any case are too few to make a revolution. Having said that, I am happy that these liberals exist and that they support the Jewish claims.

There are only a few tens of thousands of Soviet Jews who actually declare themselves as Jewish and want to leave for Israel. Even at the point when emigration reached its peak, that is when 40,000 to 50,000 Jews were leaving the Soviet Union every year, the birth rate stayed high enough for there to be little diminution in the total number of Russian Jews. Anyway it is absurd to believe that the problems of the Jews of Russia can be settled only through emigration to Israel.

In order to improve their lives I have always thought it necessary to use two methods at once: public political pressure on the one hand, diplomatic contacts on the other. But these political pressures must never be misused. It is impossible to force the Russians to do something, and the most that can be done is to persuade them.

The accusations of anti-Semitism made against the U.S.S.R. have been very much exaggerated, but it is true that there has not been a complete break with the sinister old anti-Semitic tradition of Russia. A hostile anti-Jewish potential has been building up there, and some Russians believe that their country's enemy is not so much capitalism as world Jewry. Fortunately that is not the ruling opinion in Government circles, but one might tremble for the fate of the Russian Jews if another cold war set in.●

UKRAINIAN INDEPENDENCE

● Mr. LEVIN. Mr. President, January 22 marks the 61st anniversary of the Declaration of Independence of the Ukrainian people. Independence came after the Russian czarist monarchy collapsed in 1917 and the Ukrainians organized committees to obtain selfgovernment. Those who had been under Russian rule proclaimed their independence on January 22, 1918. The later weakening of the Austrian Empire provided an opportunity for the people of the western Ukraine to achieve their freedom. They proclaimed their independence on November 1, 1918. On January 19, 1919 the two Ukrainian republics united and formed the Ukrainian National Republic.

However, in 1920 the Ukrainian National Republic ceased to exist and was partitioned. Western Ukraine was taken by Poland, Czechoslovakia and Romania. Eastern Ukraine was taken by Soviet Russia and incorporated into the Soviet Union as the Ukrainian Soviet Socialist Republic in 1923.

The dreams of the Ukrainian people for their independence and freedom has been kept alive despite systematic efforts to suppress Ukrainian ideals and aspirations. Forty-five years ago, Stalin and the Soviet apparatus, including the Red Army and the Soviet secret police organized an artificial famine to crush Ukrainian resistance to Russian rule. Mass starvation began. No one knows how many people died during the great famine of 1932–33, but Alexandr Solzhenitsyn states that approximately 6 million Ukrainians died as a result of the artificial famine. In his memoirs, Sir Winston Churchill said that Stalin told him in 1942 that there were 10 million casualties during the great famine.

The oppression of the Ukrainian people, as a people, continues today.

The Soviet Government's policy of Russiafication is aimed at obliterating all other cultural identities and stamping out all other languages. This policy threatens to suppress and obliterate a proud and ancient cultural heritage.

We in the United States are proud of our Nation's unity, but we are also proud of the individual cultural identities of the people who make up our Nation. It is in this spirit that I join all Americans of Ukrainian heritage in commemorating January 22 as Ukrainian Independence Day. Even though Ukrainian independence was soon surrendered, the just aspirations of the Ukrainian people will never be lost.

It is with pride that I join the southeastern Michigan branch of the Ukrainian Congress Committee of America, and all Ukrainian Americans, in celebrating their culture and reaffirming their hopes and aspirations. Theirs is the heritage of a proud and independent people from whom we can all learn and to whom we can all offer our support and prayers.●

ONE MAN'S STRUGGLE FOR INDOCHINESE REFUGEES

● Mr. KENNEDY. Mr. President, when humanitarian crises seem to overwhelm the ability of some to respond—when the plight of desperate people are ignored by governments—it is sometimes the single individual who can make the difference, whose action not only helps people in need, but belies the excuses of governments and others for their failure to act.

Among Indochinese refugees, such an individual is Lionel Rosenblatt. As a young foreign service officer he has, since 1975, dedicated his service to helping tens of thousands of refugees from Indochina. His important work came to my attention through the reports of Study Missions I have sent to the field in recent years, and who have reported this person's crucial contributions to our Nation's program for Indochinese refugees.

For those who doubt that one person can make a difference, I commend to them the story of Lionel Rosenblatt and his distinguished record in responding to the urgent needs of Indochinese refugees. I ask that the text of a recent Washington Post article on his work be printed in the RECORD.

The article follows:

[From the Washington Post, Jan. 21, 1979]

INSIDE INDOCHINA, HELPING OUT

(By Marie Ridder)

BANGKOK.—The man and the problem first met surreptitiously for four days while his State Department superiors thought he was on his sick bed at his home in Chevy Chase. Lionel Rosenblatt had actually slipped half across the world to take on, personally and secretly, a problem his government seemed to be ignoring. He went to South Vietnam and helped 200 Vietnamese, who had worked with the Americans, escape before the fall of Saigon.

On April 20, nine days before Saigon fell in 1975, Rosenblatt and another young foreign service officer, Larry Craig Johnstone, fed up with what they felt was an immovable bureaucracy, took personal leave, and without telling anyone, flew at their own expense to Saigon. Both spoke Vietnamese and had many Vietnamese friends so they were able to set up their own underground without much difficulty. Working out of a Vietnamese apartment, they arranged meetings on street corners or on the veranda of the old Hotel Continental where they filled out the necessary forms before smuggling the Vietnamese to Ton Son Nhut airport and through various police checkpoints to where they were finally loaded onto empty U.S. military planes returning home.

The American Embassy in Saigon was instructed to look for the two young men, but harassed by the problems of dismantling the huge U.S. complex they were either too busy or simply reluctant to stop the two Americans from running their own secret escape route.

When on April 25 they boarded a plane crammed with refugees for the return trip home, they were sure they had lost their jobs.

Within hours of their arrival in Washington they were summoned to appear before the Secretary of State. A stern Henry Kissinger warned them never to do such a thing again, using words like "irresponsible" or "over-dramatic," and then the Kissinger smile appeared. He embraced the two saying that he hoped he might have had the courage to do the same if he had been in their positions. Both were subsequently given Foreign Service Association Awards.

Johnstone continued his regular foreign service career, but from then on, Lionel Alexander Rosenblatt has devoted his life to Indochinese refugees. Now, three and a half years later, he heads the American effort to speed the flow of refugees from Thailand to the United States. Now the whole grim business has escalated—as mass migrations from Laos and Cambodia, overland, and by boat from Vietnam, daily swell the numbers looking for homes. More than a half million Indochinese have become refugees in the last four years. Some 150,000 are currently in camps in Thailand.

The enormity of the problem and the paucity of available alternatives for these unfortunates would discourage many, but Rosenblatt and a small staff, many of them former Peace Corps volunteers, attack the daily task of selecting that tiny number who will make it to the United States. Approximately 35,000

will be rescued from the hopeless no man's land of a refugee camp in a country that can provide neither farm land nor jobs for newcomers, a land already overpopulated and underfed.

"I get up each morning," says Rosenblatt, "wondering who I can fit into the criteria of eligibility today. Who will I have to turn down? Someone whose case I know and care about? So many of these application forms become real people to me and certainly to their case workers. We get pretty involved."

Rosenblatt worries that the United States isn't taking more refugees. He and his staff feel that we have a moral obligation towards the hundreds of thousands whose lives have been so disrupted by the war in Vietnam. The fact that the Thais currently feel inundated and unable to cope with the hordes makes it imperative to find other alternatives.

"We are," says Rosenblatt, "dealing with mass migrations. The whole of the Mhong tribal nation is being eliminated or forced out of Laos. We are speaking of hundreds of thousands of people."

The enormity of the problem must be reduced to the technicalities of doing what is possible. So Rosenblatt and all his staff go to work in their small, paper-strewn office across the street from the spacious U.S. embassy, seven days a week, 14 to 16 hours a day.

Former Ambassador to Thailand Charles Whitehouse remembers Rosenblatt's dedication with a smile. "When I saw Lionel coming down the hall I would duck into an office or behind a door. I knew he would be coming along with a request I couldn't possibly fill. Lionel pushed me—and the department—long before I had any feeling that Thailand was going to be swamped by a human invasion. I venture to say Lionel knew many more would come. He felt we were in for a dramatic time. He was right."

Lionel Rosenblatt, 35, is tall and dark. Sitting in his shirt sleeves surrounded by the clutter of his work and continually interrupted by the flow of Indochinese coming to see him about their lives, he seems relaxed. Louis Wiesner of the International Rescue Committee, who has worked with Rosenblatt for years, says: "Lionel is very disorganized but somehow it doesn't matter. In the end he is extraordinarily effective."

Lionel Rosenblatt was brought up in Bellport, Long Island, where his father, a nuclear physicist, was the director of the U.S. government's Frankfort Arsenal at Brookhaven.

Bellport High was divided between the "lab" children and the town ones. Lionel, a lab child, became president of his class. He went on to Harvard and then, after a year at Stanford Law School, joined the foreign service.

"It was a natural choice," says his cousin, Ambassador Peter Rosenblatt, who is the president's personal representative for the negotiations in Micronesia. "We have all been brought up traveling. Our grandfather was an early Zionist so we spent many of our vacations in Israel."

Rosenblatt's younger brother, Josiah, is also a foreign service officer, currently serving as a speical aide to Ambassador Samuel Lewis in Israel. His youngest brother, Nathaniel, has just been accepted by the diplomatic corps but is delaying a final decision until he finishes law school.

Rosenblatt was well on his way to a successful conventional foreign service career before his brief visit to Saigon. Says his ambassador cousin "Lionel has been given many chances to go to other jobs, ones that lead up the career ladder, but he believes we owe these people an attempt to help them, that this is truly a part of our original commitment to Vietnam."

Rosenblatt's name was not on the September promotion list.

His wife—they met when they were both on assignment in Columbo, Ceylon—has become a nurse and currently works for the medical unit of the International Rescue Committee in Nong Khai, the largest of the refugee camps. During the week Anne Rosenblatt lives an austere life. She sleeps in a dorm and eats in the mess set up for the personnel of the various voluntary agencies, working in the camp. The medical problems she cares for run the gamut from open and often infected wounds of those shot while escaping, to the ever-present, universal maladies caused by parasites (malaria, amoebic dysentery). On Friday night she takes the overnight train to Bangkok to see her husband.

The U.S. refugee office in Bangkok has only one job, the selection and transportation of those Indochinese going to the United States. The Thai government has the primary responsibility of receiving and housing the refugees. Except for a brief period in 1977 the Thais have allowed the inundation. The Thais are constantly concerned that communist troublemakers will come in under the guise of being refugees. They are worried because many refugees leave the 15 established camps and disappear into the Thai economy taking either land or jobs from needy Thais. Though the United Nations High Commission for Refugees assumes many of the costs of establishing and maintaining the camps—and voluntary agencies from all over the world have supplemented the food, clothing and medical care—the Thais find themselves absorbing many costs, like extra border guards. Additional police are needed to keep the peace in areas where the local population is actively reluctant to accept the refugees. The Thais are becoming increasingly concerned that they will be left to provide for most of the refugees.

Life as a refugee varies from camp to camp. Some camps are large enough so that the refugees, many of whom have been in camp for two or three years, have built their own huts and started vegetable gardens. Others are overcrowded, totally dependent on the meager rations provided by the camp kitchen. But what they all have in common are thousands of people yearning to come to the United States.

In practical terms this means that the U.S. Office for Refugees must—in order to be fair—interview every Indochinese who thinks he should be included in one of the categories of criteria required for eligibility in the Inochinese Parole Program.

The basic selection process in Thailand is done, under a contract with the Department of State, by the staff of the International Rescue Committee. These young people are mostly former Peace Corps volunteers. They all speak Thai, several speak Khmer or a tribal dialect. Their experience in the Peace Corps has given them some preparation for the extremes of Thai climate and the hardships that living in a refugee camp entail. It did not prepare them to rescue drowning mothers and babies from the Mekong River at flood tide as exhausted members of the Mhong tribe tried to escape a pursuing Lao militia. It did not prepare them to console decimated families. Nor did it teach them how to deal with the problem of selecting a few from so many. It is a heartbreaking job with few simple answers.

The Mhong, for example, are Moslems. Many have several wives. The U.S. Immigration Service is prepared for only one per family. Some must be left behind.

Even those who have acquired a precious visa cause problems for case workers. Frequently when one realizes he is really leaving camp, that he will once more be able to care for a family, he recrosses the perilous Mekong to find that family. His immigration visa was made out only for him as prior to acceptance he had never mentioned a family, so the weary staffer has to begin all over again and include a family in the new application.

There are five separate programs under which a refugee can apply for a U.S. visa, making the process something of a bureaucratic dice game.

The Mhong tribesmen are the cause of greatest concern in Thailand currently. They are being gassed and napalm-bombed by Lao military using old American planes. Their crops are being systematically destroyed, their water supplies poisoned.

Rosenblatt, in Bangkok, worries that the boat refugees are getting all the attention. People floating hopeless around at sea present a more photogenic story than the starving Mhong coming down their mountain paths. He hopes there will be places for both groups.

Possibly Lionel Rosenblatt can, for just one day, sit at his desk, and reflect with contentment that, after all, 165,000 Indochinese have already made it to the United States.

"Lionel worries about his people even after they are here," says his father. "He is always writing me to look up so-and-so to find out how they are doing."

"I think," he says, "my son must be guided by the Talmudic teaching: 'He who saves a human life is as if he saved the whole world.' "●

WHY NOT THE BEST—NUCLEAR ENERGY

● Mr. CHURCH. Mr. President, on December 18, Senator JACKSON had the opportunity to make a few remarks before the Tri-City Nuclear Industrial Council in Richland, Wash., honoring the 35 years of service by the men and women at the Hanford Reservation and their role in the growth of peaceful nuclear energy programs. I want to join with Senator JACKSON in expressing my congratulations to the dedicated employees at Hanford for their fine work in this area of vital importance to our country.

As Senator JACKSON made clear in his comments, the United States has only two viable options for increasing our base-load electrical generating capacity until well after the year 2000: coal-fired and nuclear power plants. Yet, these options have been so beset by problems that the utilities are currently making no commitments to new electrical generating capacity. I congratulate my distinguished colleague for his remarks before the Tri-City Council, and join with him in calling for a renewed commitment to a strong nuclear energy development program within the United States.

So that the full Senate may have the opportunity to review his persuasive arguments, I ask that the text of Senator JACKSON's prepared remarks "Why Not the Best—Nuclear Energy," delivered on December 18, 1978, be printed in the RECORD.

The text follows:

[Excerpts from remarks of Senator HENRY M. JACKSON]

WHY NOT THE BEST—NUCLEAR ENERGY

For thirty-five years now, the men and women at Hanford have played a major role in our country's nuclear programs. For the first twenty years, we had major growth in the activities at Hanford in the nuclear weapons programs. Since the mid-1960's, the growth has stemmed from Hanford's increasing role in the peaceful nuclear energy programs.

The success story at the Hanford Laboratories and here in the Tri-Cities area is due principally to the technical excellence of the people involved and the hard work of the business community through the Tri-Cities

Nuclear Industrial Council. You can take great pride in your contribution, not only to our nuclear weapons effort, but also to the development of nuclear energy.

As I look at the robust level of activity in the nuclear energy field here in the Tri-Cities area, I am struck by the contrast with the nuclear energy industry as a whole. A pall has settled over an industry which just three or four years ago was robust and optimistic. The nuclear energy industry is faced with major uncertainties in a number of key areas. Many of these uncertainties have their root causes in Federal Government actions and policies, and some have been magnified in the last two years as a result of the Administration's non-proliferation policy.

We cannot afford the luxury of uncertainty in our nuclear program. The fact is that we must rely upon nuclear energy to play an increasing role in our national energy supply. Until some time after the year 2000, we only have two options for base-load electrical generating capacity—coal-fired and nuclear power plants. There will be instances, such as in coal-rich areas, where it may be better to build a coal-fired power plant. But coal alone is not the answer. We are only beginning to to deal with the difficult social, economic and environmental issues involved in increased coal production. On the other hand, our nuclear power plants have been extremely successful since their inception about twenty years ago. This record justifies a greater commitment to nuclear energy.

The Federal Government can take direct action to eliminate or minimize major obstacles facing the nuclear industry. Probably the most discouraging factor affecting the nuclear energy option is the twelve-year period from the decision to build a new nuclear power plant until operation begins. This twelve-year lead time, in fact, exceeds the ten-year planning horizon of most electric reliability councils.

Another major obstacle is the lack of a clear policy on what the utilities are to do with the spent fuel from the reactors. The policy of the Administration is to prohibit reprocessing of spent fuel for an indefinite period to support its nuclear non-proliferation objectives. This policy has thrown the back-end of the fuel cycle into complete disarray. The problem is further complicated by the lack of available storage for spent fuel rods, and inaction by the Federal Government which controls any decision in this area. Additional factors are the rising public concerns about the transportation and disposal of nuclear waste.

The utilities also are concerned about the front-end of the fuel cycle with regard to the reliability of fuel supply. This concern is caused by uncertainties in the available uranium resources; loss of the use of recycled uranium and plutonium without reprocessing; and controversy over the future of the breeder reactor, which was expected to greatly expand the nuclear fuel supply. There is also a growing concern over the availability of domestic enrichment capacity to meet our domestic and foreign contract commitments and future needs. These are legitimate concerns which must be resolved by federal action.

As a first step, we must re-affirm the national commitment to use nuclear energy to supply a major portion of new electrical generating capacity for the remainder of this century. Nuclear energy has to be more than a last resort. I think that Congress has demonstrated its strong support for nuclear energy by the nearly two-to-one votes in the last two years in favor of continuation of the Clinch River Breeder Reactor Project—the next generation of nuclear technology. Unfortunately, there has been a mixed signal given by officials in the Executive Branch as to the degree of support that this Administration is willing to give even to conventional light water reactors. I think the utilities need a clear signal from the Administration before they will commit to nuclear power plants beyond those currently planned.

The lack of consensus within the Administration over nuclear power plants was demonstrated by the lengthy interagency battle over the content of the proposed nuclear siting legislation submitted to the Congress late last Spring. I understand that the Administration is currently considering revisions to the proposed legislation for submittal to the next Congress. The basic objective of the bill is to reduce the period of time from the initial decision of the need for a power plant until the time that the power plant is in operation. Without careful consideration of the approach, however, there may be no shortening of the licensing and construction period. In fact, an even longer period for completion of power plants may result if the legislation is poorly constructed.

There are several things that this legislation should be designed to do. The lack of standardization of the design of the nuclear steam system of power plants is a major contributor to the stretch-out in completion of the plants. We need to encourage the standardization of design by providing a general approval of a given design for a several-year period, without the imposition of new requirements during construction or after completion of the power plant unless significant new safety problems are discovered. Another element of the legislation should be the requirement that the Nuclear Regulatory Commission adopt streamlined procedures for reviewing licensing applications. These procedures should require the responsible employees to make their judgments within specific time periods or to submit a written statement as to why they have not completed their review procedure on time.

Another question which must be addressed is the whole role of intervenors in the licensing procedures. Currently, intervenors are able, through several avenues, to impede action and reinitiate old challenges, ensuring a lengthy licensing process. We need to revamp the procedures for public participation in the licensing process so that the process is not repetitive and endless. Judicial filibusters do not build power plants. Once public hearings have been completed and a licensing decision taken, there should be an opportunity for one-step judicial review at the U.S. Court of Appeals level to ensure fair treatment of both sides in the licensing process. One-stop licensing and one judicial appeal would do much to restore the vigor of the nuclear industry.

The primary area of remaining, widespread concern to the American public with regard to nuclear energy is how we will dispose of nuclear waste. An Inter-Agency Review Group on Nuclear Waste Management recently completed a draft report which raises the spectre for continued postponement of any firm program and timetable for achieving results in our nuclear waste program. We must end the ambivalent start-and-stop motion which has characterized our nuclear waste program for the past twenty years, and come to grips with a specific plan of action. Every aspect of the nuclear waste management program must be aimed toward a technically and environmentally sound solution to the disposition of the various forms of nuclear wastes. Only then will the public's concerns be put to rest.

The focus of the Inter-Agency Review Group Draft Report on Nuclear Waste Management seems to be on the problems associated with the location, development, and licensing of geological depositories for ultimate waste storage. Further delays are proposed for additional research into this option.

It may, in fact, be necessary to stretch out the previous schedule for geological storage. Nevertheless, I believe that we should begin a program now to condition existing radioactive waste so that we have a fully operational process in hand for preparing transuranic and high level waste for ultimate disposal. Such a program is now underway at the Maroucule Research Center in southern France, where the French have established a remotely operated and maintained process for producing stainless steel cans (about the size of milk cans) full of glass containing high level waste from reprocessing. To date, they have filled seventy stainless steel cans with glass encapsulated waste, and stored them in concrete tubes beneath the floor of a building.

We manufactured similar glass canisters of high level waste here at the Hanford Laboratories as far back as 1965, but then abandoned the program. Having revived the program in recent years, the Department of Energy is now planning to terminate its activities to develop a system similar to the French design. We simply cannot afford to turn off and on our technical programs associated with finding acceptable ways to encapsulate high level waste. We must continue this work to develop an integrated waste vitrification system.

There are other things that we can do to reduce the waste management concerns of the public and the utilities. In the last Congress, it became clear that we needed to begin the construction of an away-from-reactor, spent fuel storage facility to cope with the hiatus caused by the decision to postpone reprocessing of commercial spent fuel. An away-from-reactor storage project was included in the DOE authorization bill and in the Public Works appropriation bill to ensure that a facility for the storage of 5,000 metric tons of spent fuel will be completed by late 1982 or early 1983.

In the next Congress, we will be faced with specific legislative proposals by the President on nuclear waste policy involving new authorities for the Department of Energy, the Nuclear Regulatory Commission, and perhaps, the Environmental Protection Agency. We may also be considering legislation, proposed either by the Administration or Members of Congress, dealing with transportation of nuclear materials and wastes. I intend to take an active role in these legislative activities. Any such legislation should be drafted to provide clear goals and timetables for resolving the questions of nuclear waste and materials management and transportation. We must not let even more uncertainty evolve from new regulatory requirements.

There will continue to be controversy regarding the breeder reactor program and the Clinch River Breeder Reactor Project in the 96th Congress. Through the leadership of Senator Church, the Congress succeeded in keeping the Clinch River Breeder Reactor (CRBR) Project alive during Fiscal Year 1978. Last Spring, as we entered into the Committee mark-ups to determine the funding level for Fiscal Year 1979, it was quite apparent that the Administration continued its active opposition to the CRBR Project. Even if Congress continued to authorize funds for the construction of the project, there was no evidence that the President would permit his officials to pursue the licensing activities necessary for the project's construction and operation. As a consequence, Senator Church and I met with Secretary Schlesinger to seek some accommodation with the Administration. Of particular concern to me was the continued erosion of the breeder base program which was occurring in the President's budget. This erosion reflected no support on the part of the Administration for an on-going program to maintain technical expertise and know-how to build a breeder demonstration project in the future.

As a result of that meeting last May with Secretary Schlesinger, a compromise was offered by Senator Church, which I supported. The essence of the compromise was that if the Clinch River Breeder Reactor was not going to be completed, then there must be a commitment to the design, construction, and operation of a new demon-

stration project, and there must be a strong breeder base program to provide the necessary knowledge of the fuels, the safety, and the hardware to ensure that the next demonstration project can be successfully built and licensed.

Because of concern about amendments to the authorization bill for the Department of Energy affecting the prospects for enactment of the National Energy Act, the authorization bill was not enacted before the last Congress adjourned. Funds for a strong breeder program, such as that contemplated in the compromise, were appropriated, however. Currently, $172 million of those funds are being allocated to continue the CRBR Project. In the next Congress, we will be faced again with the controversy over the CRBR Project and the future of breeder technologies in the United States.

With or without the CRBR Project, we must ensure that the breeder program has definite goals and direction. We cannot afford to walk out on a major new energy technology before its future in the world is decided. In a letter to Senator Church last September, Secretary Schlesinger agreed that the funding for the liquid metal fast breeder reactor program should be $504 million in Fiscal Year 1980 and $520 million in Fiscal Year 1981. If we are going to keep a strong breeder program, this level of commitment is essential.

I want to assure you that I believe the new facility combining the High Performance Fuel Laboratory and the Fuels and Materials Examination Facility is necessary whether we proceed with the CRBR Project or with some other demonstration plant. The work done in conjunction with the Fast Flux Test Facility will also be crucial to our breeder program. I am pleased that this unique facility is proceeding on schedule and is expected to achieve criticality next August.

Currently, the utilities in the United States are so beset by uncertainties that they are making essentially no commitments to new electrical generating capacity. Moreover, there are nearly as many problems associated with a decision to build a coal-fired power plant today as there are associated with building a nuclear plant. It is essential that the Federal Government do what it can to reduce or remove the uncertainties facing the utilities in making their decisions on new capacity, be it nuclear or coal-fired power plants. I have outlined here today the actions that I think are most important in order to reduce the uncertainties associated with nuclear energy, and these are the things that I intend to work toward in the next Congress.●

THE CHALLENGE TO U.S. INDUSTRY FROM FOREIGN COMPETITION

● Mr. STEVENSON. Mr. President, the challenge to U.S. industry from foreign competition is growing, and in industries which are not making headlines with protectionist demands as well as those which are. Nowhere is the decline of U.S. export competitiveness more apparent than in the heavy construction industry—an industry which the United States was dominant around the world until recently. The United States has slipped from first to fourth place, trailing West Germany, Italy, and Japan, and losing ground rapidly to Korea and Britain as well.

The problem faced by the construction industry in world markets is neither wages nor technology, at least not yet. As Paul Gibson states in a recent Fortune magazine article:

> The real problem defeating U.S. construction firms is simply that while foreign firms are being treated almost as policy arms of their respective governments, the U.S. government is letting its nationals fend for themselves.
>
> . . . Foreign governments stand foursquare behind their construction firms in getting export business. The U.S. government, where it doesn't actually hinder, does little to help.
>
> Foreign governments support their construction companies overseas with tax breaks, guarantees on fixed-sum contracts, soft loans to purchase country governments, and insurance for performance bonds and letters of credit. The U.S. Government provides instead antitrust, antibribery, antiboycott restrictions, and U.S.-flag shipping requirements, and threatens to increase taxes on U.S. workers abroad.
>
> The United States is losing not only the construction exports but the follow-on orders for equipment and supplies to foreign competition. As one expert commented:
>
> If you're a Korean contractor laying a pipeline you sure as hell are not going to order pipe from Pittsburgh.
>
> The problems may soon come home to roost. Already foreigners are purchasing U.S. construction and engineering firms. Industries which cannot compete in foreign markets are soon in trouble in their domestic market as well. We have seen it happen in steel, autos, consumer electronics, and other industries.

I will introduce legislation in this Congress to strengthen the competitive position of U.S. industry and agriculture in world markets. I know many of my colleagues are considering similar initiatives. I hope the Congress will act promptly on such measures. Time is running short.

Mr. President, I ask that the article by Mr. Gibson, entitled "Another Domino Is Falling," which appeared in the December 25, 1978, issue of Fortune, be printed in the RECORD.

The article follows:

ANOTHER DOMINO IS FALLING

(By Paul Gibson)

While everybody is worrying about U.S. imports of steel, electronics and textiles, another major U.S. industry is fast losing out to foreign competition: heavy construction, a job-creating $70 billion industry that is losing ground under heavy attack by Europeans on one side and Asians on the other.

For years the U.S. was the undisputed world leader in heavy construction. U.S. firms abroad handle probably $10 billion worth of construction work overseas annually and possibly far more. Closely linked with this are the sales of U.S. construction equipment, bulldozers, cranes and electrical equipment. These sales (including spare parts) rank second only to defense equipment exports, contributing another $4 billion or so annually to the U.S. trade balance. Overall, the business probably creates upward of half a million jobs in the U.S.

In the past two years, however, the U.S. has slipped from first to fourth place in world construction according to the National Constructors Association, a Washington-based trade body, more than half of whose members work overseas. U.S. construction firms now rank behind West Germany, Italy and Japan, and are being seriously challenged by Britain and South Korea.

According to a study by New York consultants William Reinhardt and Nancy Hall, of $85 billion in construction awards let by 14 middle eastern countries between June 1975 and April 1978, fully 51% went to West European firms. Asian contractors collected 27% in these three years. The U.S. got a puny 10%.

Laments Morrison-Knudsen Co., Inc. President William H. McMurren: "It's been so long since we won an important contract under competitive bidding that I honestly cannot recall when we last did." (The last was the military city project which was directly negotiated between the Saudi and U.S. governments.) Adds Santa Fe International Corp. Director Frank E. Reynolds, "The South Koreans are putting us out of business in the Middle East. We can no longer compete there."

Interestingly enough, high U.S. wage rates are not the biggest problem. U.S. firms, by and large, tend to subcontract their labor-intensive work, typically to local Saudi or Asian firms. In cases where they do need hordes of carpenters or road builders they try to remain competitive by hiring low-cost Yemeni, Turkish, Egyptian and Pakistani laborers.

Nor is the problem particularly technology, where the U.S. remains a leader. Says J. Robert Fluor, chairman of Irvine, Calif.-based Fluor Corp.: "We have a unique access to a large population of engineers and technical personnel. European and Asian companies haven't been able to undertake the very large and technologically oriented programs we address." True enough, but as President William P. Orr or Lummus Group, Inc., the building subsidiary of Combustion Engineering, Inc., points out, the developing nations are not necessarily concerned with having the most advanced refineries or gas-gathering systems. They worry more about prices and payments.

The real problem defeating U.S. construction firms is simply that while foreign firms are being treated almost as policy arms of their respective governments, the U.S. government is letting its nationals fend for themselves. Washington's apparent indifference results from the traditional church-state separation that has always existed between the U.S. government and U.S. industry. Foreign governments stand foursquare behind their construction firms in getting export business. The U.S. government, where it doesn't actually hinder, does little to help. When questioned by Forbes, U.S. Department of Commerce officials first accused our companies of being indifferent about getting overseas business, then denied the U.S. was losing ground and finally admitted that, though regular reports about building awards were filed by our embassies, no one in Washington had bothered to collate the figures for middle eastern contracts since 1976. "So you see," said one official blandly, "nobody can tell definitely if we're ahead or behind."

Thus, while this particular Rome burns, the U.S. fiddles merrily. Congress' anti-Arab boycott legislation hinders U.S. firms seeking work in the Middle East. So, without a doubt, does the preoccupation of the American press and government with antibribery rules. The U.S. Army Corps of Engineers' insistence that U.S. firms ship construction and engineering supplies in expensive American-flag shipping is a further hindrance. (Even where they can use foreign vessels, U.S. firms must pass the savings back to the U.S. Army Corps, in effect giving up any chance of widening their already slim profit margins.)

But the biggest threat is the willingness of foreign nations to subsidize the work of their construction firms while U.S. construction firms must operate under free-enterprise rules. Here's what happened.

In the first wave of building from 1974 to 1976 most contracts were largely cost plus a management fee. Now the majority are lump sum. The Saudis got clobbered under the old system by rampant inflation, by some judicious overpadding of the accounts by contractors and by their own desperate eagerness to jump, in barely a decade, from the 18th into the 20th century. Now with the inflow of petrodollars slowing, practically all the middle eastern governments are stretching out their development project timetables and insisting that general contractors complete projects for a prearranged sum or pay any cost overruns. Most U.S. firms flatly refuse to quote fixed-price contracts abroad; many of them were badly burned that way. In sharp contrast, foreign firms are willing to work on fixed-price contracts because their governments, in one way or another, protect them against losses. Italy and Korea are among the worst offenders in this respect. This protection ranges from generous tax breaks and outright tax holidays to what U.S. executives claim, but cannot prove, are government guarantees against any corporate losses on fixed-sum contracts. For U.S. firms no such aid on breaks are available. Says Brown & Root General Sales Manager C. Bert Williams with a sigh, "If only we had the luxury of a government behind us."

When it comes to financing, most construction deals involve support by a government's overseas financing arm—the Export-Import Bank in the U.S., Hermes in West Germany, COFACE in France. Under international agreement they are all supposed to make loans at the same rate, currently around 9%. What often happens in practice is that governments eager for the work will set about circumventing that agreement. The easiest way is to announce a grant-in-aid for, say, $250 million at a 4% interest rate, to the country letting the construction award. The U.S. rarely allows such grants for industrial projects.

Then there are the performance guarantees and letters of credit that the successful bidder must post before he gets the award. Such bonds can amount to over 30% of the contract value. That can mean several hundred million dollars on some deals. Yet under U.S. banking laws our banks can lend a company only up to 10% of its net worth, and few construction firms have the capital to support such financing. Typically these guarantees carry an interest rate of only half of 1%. (as a carrying charge until the money is called down), far below what the bank could charge the same company on a regular commercial loan if it were expanding its operation inside the U.S. Yet a syndicate of New York banks didn't mind in the least arranging a $300 million performance guarantee for Hyundai Construction Co., Ltd. this summer for middle eastern work. That loan was fully guaranteed by an arm of the South Korean government.

The South Koreans and other Asians began by picking up subcontracts to American firms for labor-intensive parts of projects. In the Middle East, U.S. construction executives say the South Koreans often undercut them by up to 30% and sometimes by 50%. "In one case their total contract price was no more than we had budgeted for materials," recalls one chagrined U.S. bidder.

On many contracts the South Koreans are losing money, but that's the price they are clearly prepared to pay to get hard currency for their own oil bills and to keep almost 75,000 Korean workers fully employed in the Middle East. On a trip this fall to the Middle East a U.S. engineer told FORBES he counted 45 Korean firms working in Saudi Arabia, but less than a handful from the U.S. "We've stopped bidding there," says President Robert W. Page of The Rust Engineering Co., Inc., the construction arm of Wheelabrator-Frye, Inc., one of several firms to throw in the towel in the Middle East.

This fall at least three U.S. construction and engineering firms are being acquired by foreigners—J. A. Jones Construction Co. by the Germans, Arthur G. McKee Co. by the British and J. F. Pritchard & Co., Inc. by the South Koreans. Even industry giants like Foster Wheeler Corp. now find it expedient to enter into joint ventures with Koreans and other Asian companies.

The Koreans didn't land their first significant order in the Middle East until mid-1976, yet of the last 19 jobs let by the U.S. Corps of Engineers in Saudi Arabia, the Koreans took 11, the U.S. only 4. For every $1 of work awarded to U.S. firms, the Koreans garnered $3.

A rough rule of thumb is that $1 of construction work abroad generates roughly 20 cents of work in the U.S. for equipment supplies and services. Given a choice, a construction engineer orders from his own country. He knows the products and trusts the suppliers. And too clearly the figures bear this out.

Again, the export sales of construction and mining equipment for U.S. manufacturers fared well initially, quintupling between 1967 and 1975. For the last three years, however, U.S. sales, not including parts, have stalled around $2.5 billion, and may even have fallen a notch. "If you're a Korean contractor laying a pipeline you sure as hell are not going to order pipe from Pittsburgh," says Chase Manhattan Vice President Albert Lalonde, a widely respected authority on overseas construction deals. He's right. Since 1970, South Korean exports of similar equipment have soared from barely $275 million to $2 billion. In fact, when it comes to exporting, the U.S. has shown the least annual growth among the industrialized nations. Even Japan, while penalized by the yen's upward valuation, has fared better. The declining dollar, says Chase's Lalonde, as been offset by declining U.S. productivity, leaving our equipment still too highly priced.

"For the first time we're running into a lot of competition from the Japanese and Koreans," says Sales Vice President Brian Moore of Chicago Bridge & Iron, whose massive-type cranes have long been a familiar sight in the Middle East. "Our market share is definitely decreasing there."

In the last recession, U.S. construction firms fared remarkably well. Since the mid-1970s their earnings have climbed steadily, with Morrison-Knudsen, Fluor and C. F. Braun showing 30% or more average per-share gains over the past five years. U.S. construction companies have exported their problems, making up for a shortage of domestic orders with their overseas work.

Now another recession appears virtually inevitable in the U.S. With money again tight, the much-heralded boom in capital spending which had been expected to start in 1979 will now likely be delayed until 1980 or even longer. Already the backlog of domestic orders for firms like Santa Fe and Morrison-Knudsen is shrinking. But this time they will have a tougher time offsetting declines at home with orders from abroad. For the first time since 1970 Raymond International, Inc., an engineering and construction company, was actually reporting declines in quarterly earnings with its nine-month figures to Sept. 30 off 14%.

Construction men fear that a chain reaction may be taking place around the world in construction. Eventually they hint darkly, our companies will become so weak they will be unable to resist a foreign invasion of the U.S. domestic market. "I truly fear this is the pattern of events that could lie ahead," says Morrison-Knudsen's McMurren.

Yesterday, cars, steel and TV. Tomorrow, heavy construction?

The U.S. construction industry did get a couple of breaks recently. Congress reluctantly dropped plans to increase taxes on expatriates even though the U.S. is one of the few countries that taxes its workers abroad. And the Export-Import Bank agreed to become more aggressive by guaranteeing contractors against losses incurred in wars or insurrections, and by aiding them in converting local currencies into dollars.

But those were relatively small victories. Trying to convince Washington that there's a direct and meaningful link between what happens to our construction firms abroad and our ability to pay for oil, lessen our deficit and keep jobs at home is going to be a far tougher task.

Chances are Washington will eventually get around to studying the matter, and belatedly no doubt some congressmen will suggest subsidies for construction and equipment firms.

Countries like Japan and South Korea and West Germany—in theory far more vulnerable than the U.S. to the high prices of oil—have come through the petrocrisis with their balances of payments in far better shape than the U.S. Now, in construction, which is one of the quickest and most direct ways of getting back some of the petrodollars, the U.S. has almost absentmindedly allowed a major advance to atrophy. Is it any wonder foreigners lack confidence in the future of the U.S. dollar?●

FLORA LEWIS ON AFRICAN ISSUES

● Mr. McGOVERN. Mr. President, I submit for the RECORD a series of articles written by Flora Lewis of the New York Times dealing with southern Africa. Ms. Lewis accompanied me and other members of my party on a recent tour of southern Africa. I believe the following articles provide some extraordinary insights into the issues that plague the region.

[From the New York Times, Dec. 13, 1978]

ANGOLA SAID TO AIM FOR LINK WITH WEST—EUROPEANS BELIEVE NEW DOMESTIC PRIORITY AND THE RECEPTION OF MCGOVERN ARE INDICATIVE

(By Flora Lewis)

LUANDA, ANGOLA, December 12.—Signs of movement by Angola's Marxist regime in its search for openings to the West are accumulating, gradually and unevenly but with a fairly clear direction, European diplomats here said today. The latest was a welcome for Senator George McGovern, who arrived late last night and was to be received tomorrow by President Agostinho Neto.

Mr. McGovern's visit, the first by a member of Congress in more than two years, came in the midst of Government changes that Dr. Neto explained over the weekend were aimed at correcting "mistakes and failings," bringing administration closer to the people and reinforcing his country's independence.

Prime Minister Lopo do Nascimento was removed from the Government and the Politburo of the ruling Communist Party, as were two other Cabinet members. Whatever was going on behind the scenes remained opaque, but both the emphasis of Dr. Neto's speech, on domestic problems, and the fact that a United States Senator and a group of reporters were admitted for the first time in several years appeared to signal a shifting of policy.

NO MENTION OF CUBANS

There are estimated to be about 20,000 Cubans in the country, some of them technicians, but many soldiers on whom the regime relies for support. There was no mention of their presence or that of Russians and other East Europeans in Dr. Neto's speech. However, he spoke repeatedly of the need for independence for Angola's Communist Party.

Even a brief look at the capital of this huge and troubled country shows how serious its internal economic and social problems have become. Food is scarce. Long lines of people in front of shops wait for distribution of potatoes and grain.

The port is clogged and functions only sporadically. Shops and offices abandoned by the Portuguese at the time of independence

in 1975 remain closed and partly destroyed. Urban transportation is difficult, with people piling on the few rickety buses running, while numbers of vehicles stand in parks, apparently immobilized.

Diplomats said that the food shortage was partly due to the collapse of the distribution system when the Portuguese left, partly to a state takeover of marketing and partly to the fact that the main food-producing area in the south remains largely under the control of the forces of Jonas M. Savimbi, whose National Union for the Total Independence of Angola continues to oppose President Neto's regime.

WILL ALLOW SOME BUSINESSES

The President said that from now on, small private enterprises would be allowed. He mentioned the use of cars and trucks, presumably to bring in supplies. And he said that artisans such as carpenters and shoemakers would no longer be discriminated against in favor of Government employees.

"The most important thing is to solve the problems of the people," Dr. Neto stressed. That does not mean, he said, that the aim of establishing a Communist state had been abandoned, adding that he looked forward to the day when every Angolan would stand up and say proudly, "I am a Communist."

Things would be different, he went on, "in 10, or 20, or 30 years, and the urgent need now was just to get the society working smoothly." He did not repeat his party's slogan, making Angola "the springboard for revolution in Africa."

However, at an appearance marking the 22d anniversary of his guerrilla organization, the Popular Movement for the Liberation of Angola, he brought to the platform the rebel leader of South-West Africa, Sam Nujoma, and also Joshua Nkomo of Rhodesia. Mr. Nujoma, who saw Senator McGovern today, told reporters later that while he stood by the agreement for United Nations-supervised elections in South-West Africa, he felt "betrayed by the Western powers" after the elections conducted in the country under South African auspices last week.

COMMUNISTS CAN'T RESCUE ECONOMY

Angola's economy, often described as one of the richest in the world with oil, diamonds and minerals, has deteriorated since the war for independence, despite the presence of large numbers of technicians from Communist countries.

That, plus the burden of supporting the Cuban troops, is believed to be the underlying motive for the current effort to improve relations with Western Europe and the United States.

The Cubans are much in evidence here, but there are rumors that their troops are restive. There are reports, impossible to confirm, not only of heavy casualties but of ugly attacks on their soldiers. Outside the Luanda cemetery this afternoon, a squad of Cuban soldiers was lining up on the way to a military funeral. Passers-by said that it was a common sight.

There is little activity in this steamy tropical city. What bustle there is comes from uniformed officials, smilingly telling "comrade driver" and "comrade protocol officer" where they are needed.

The walls, as in Lisbon after the 1974 revolution there, are covered with layer on layer of scrawled slogans. In a main square, a battle-damaged small tank is poised atop a high concrete pedestal, the monument to what Angolans calls "the victory in the second war of liberation"—against South Africa.

Informed Europeans said there was a greater sense of stability here now, but that the fight against Mr. Savimbi's forces, who have received South African arms, is obviously continuing. They said that it was risky to drive south, toward South-West Africa, in a car and much too dangerous in a truck.

[From the New York Times, Dec. 14, 1978]

MCGOVERN SEES ANGOLAN LEADER AND DISCUSSES PULLOUT OF CUBANS

(By Flora Lewis)

LUANDA, ANGOLA, December 13.—President Agostinho Neto of Angola told Senator George McGovern today that he would have no further need for Cuban troops if incursions and threats from South Africa were ended.

At a joint news conference, and then in a session with American reporters by himself, Mr. McGovern said he had told Dr. Neto that the presence of the Cubans was the main obstacle to formal relations with the United States, which Mr. Neto indicated he was eager to establish.

Senator McGovern, a South Dakota Democrat who is on a three-week tour of southern Africa, was permitted to see three American prisoners in São Paulo jail before his talk with the President. He had asked for the right to visit the prisoners before coming here, and it was arranged today.

Most of the conversation, the Senator said, was about American-Angolan relations. He quoted Dr. Neto as having said that he could not understand why the United States refused recognition, since Angola had good relations with American allies in Western Europe.

DISAGREEMENT OVER THE CUBANS

At their joint news conference, which took place in a large meeting room in Dr. Neto's suburban compound, Mr. McGovern explained the United States' objection to the presence of Cuban troops as the block to relations.

Dr. Neto replied, "It's mainly a problem of South Africa," adding that South African troops were concentrated on Angola's border with South-West Africa and had made frequent land and air attacks on his country.

He dismissed the forces of Jonas M. Savimbi, the Angolan insurgent leader of the National Union for the Total Independence of Angola, which is fighting in the area as "stooges" of South Africa and implied that he did not consider Mr. Savimbi's forces the kind of threat that would require the maintaining of Cuban troops here if South African aid were cut off.

He did not explicitly say that he would ask the Cubans to withdraw if South African forces were removed from the border area after South-West Africa becomes independent as Namibia, but later Mr. McGovern indicated that he had gotten that impression.

VEILED SUGGESTIONS OF EASTERN TIE

Speaking of the internal upheaval in which a number of ministers had been ousted in the last few days, Dr. Neto said there had been a "danger of the leadership not following our orientation, but of being affected by influence from elsewhere." He refused to be more precise.

There are some 20,000 Cubans in the country, including officials and technicians as well as troops. They are generally credited with having saved Dr. Neto's regime after an attempted coup last year that was reportedly Soviet-inspired. There are also a number of East Germans involved in the administration and many Russians.

The Angolan President repeated his stress on his country's determination to be independent. He said that relations with neighboring Zaire were now normal and that relations have been established with France, which had been supporting a rebel movement in the oil-producing Angolan area of Cabinda.

Dr. Neto avoided a question about whether the French had agreed to end that support in Cabinda, where the American-owned Gulf Oil Company is cooperating with Angolan officials. But he said that diplomatic relations implied a solution of "outstanding problems," that "the past is the past" and "we are starting a new era in our relations" with the French.

Later, Mr. McGovern said the President told him he would welcome other American companies here.

M'GOVERN STATES GOAL FOR NAMIBIA

Senator McGovern said that the United States was trying to win acceptance of the United Nations plan for elections and independence in South-West Africa, which would end South Africa's military role in the area, "opening the way for withdrawal of Cuban forces and therefore making it much easier for the U.S. to recognize Angola."

That is evidently a major goal for Dr. Neto now. As a prime supporter of the South-West Africa People's Organization, the guerrilla force in the territory, Dr. Neto played an important role in getting the rebels to agree to the United Nations plan. The Angolan President has proclaimed himself a Communist, but he now stresses "good relations with all countries," and is clearly interested in Western help for his disaster-stricken economy, as well as to balance the "danger of influence from elsewhere," which he refused to define.

Two of the prisoners whom Senator McGovern visited today had been captured and sentenced as mercenaries at the same time in 1976 when another American, Daniel Gearhart, was executed. A third, George Gause, 50 years old, of Tarpon Springs, Fla., who had lived here as a farmer since 1968, was accused of unauthorized possession of arms but was never charged or tried. He told Senator McGovern that while he had been given no commitments, he thought that he might be released in the near future. Mr. McGovern's visit was the first that Mr. Gause had been allowed.

The two other prisoners were Gary Acker, 24, a Vietnam veteran from Sacramento, Calif., and Gustavo Grillo, 32, an ex-Marine who is Argentine born, but whose U.S.-naturalized parents now live in Toms River, N.J. Mr. Acker was sentenced to 15 years and Mr. Grillo to 30 years.

Senator McGovern saw them one by one, for about 20 minutes each, in the prison's visiting room, and said that all appeared to be in good health. They said they had been kept in a ward with 25 to 30 others, including British, Portuguese and other Europeans, that the food was what might be expected in prison and that they had been allowed to exercise.

[From the New York Times, Dec. 15, 1978]

IN RHODESIA, BOTH SIDES NEED HELP OF THE UNITED STATES

(By Flora Lewis)

SALISBURY, RHODESIA.—One of the few things on which each group in Rhodesia's spreading guerrilla war agrees is that the United States could and should bring a quick settlement—by helping its side win.

The Government, led by Prime Minister Ian D. Smith and three internally based black leaders, wants sanctions removed so it can strengthen its forces, and it wants measures—seldom defined—to counter or undermine support that the insurgents get from a group of neighboring black nations with help from the Soviet Union and Cuba or from China.

The insurgents want direct American support and harsher measures against the Smith regime. Tanzania's President, Julius K. Nyerere, chairman of what is called the "front-line" group of neighboring black states, wants the United States to persuade the British to intervene militarily to oust the Smith Government.

And impartial observers, outsiders as well as some thoughtful Rhodesians, are increasingly of the belief that it is probably too late

for anybody to stop the war and that the fighting is likely to get worse regardless of what the United States does.

The nature of the war has gradually changed in the last year or two, and the long-term, overall stakes for the United States in the conflict are increasing.

TWO VIEWS OF THE ISSUES

As the issues are phrased in the passionate, heated arguments of the two sides—the Patriotic Front guerrilla movement and the biracial transitional Government led by Mr. Smith—they come down to race and the Soviet Union.

In the view of Mr. Smith and his black colleagues, it is essentially a matter of whether or not the United States is going to stand by and let Communist-backed guerrillas take over the country and establish a militant regime, "aiding them by default."

In the view of the Patriotic Front and its African backers, it is essentially a matter of whether or not the United States is going to stand by and let a white supremacist regime perpetuate itself through tricks and manipulated elections that only appear to concede majority rule, "aiding it by default."

But there is a far more complex tangle of interests and rivalries that are specifically African and Rhodesian, which impinge on the United States' longer-term political and strategic concerns.

Inside Rhodesia, race has become much less the central issue now that Mr. Smith's regime has promised at least a form of majority rule. The power struggle is no longer simply black versus white, but is being played out more fiercely among blacks with ideological, tribal and personal conflicts.

There is little doubt that there would have been no serious civil war had the whites—who constitute no more than 4 percent of the population—offered a few years ago to share power on the terms now envisioned and had Mr. Smith suggested, as he now does, that he planned to step down after one-man, one-vote elections.

But the momentum toward war has been building. Even the prospect of victory, and there can be no victory of whites, is bitter. There will probably be vengeance and, worse, a decline of production capacity in the second most developed country after South Africa on a continent that is struggling to emerge from the desperation of hunger, disease and utter poverty.

One figure puts the relationship starkly. The 42 million acres of land now reserved for white farmers in Rhodesia produce more food than Kenya, Tanzania, Zambia and Mozambique combined. And in Rhodesia, white farmers get five to six times the yield from their land that blacks do, to some extent a difference of soil quality but mostly a matter of advanced techniques.

That is a reason that not all black Rhodesians want to drive out the whites, who would take their competence with them, leaving decades, perhaps generations of effort to restore existing levels of development.

Outside Rhodesia, however, race remains crucial, and particularly relations between the United States and black Africa. The United States had little historic involvement in Africa, was not a colonial power there and was, in many instances evolving, fairly comfortable relations with black African nations until the Angolan civil war.

That produced a turnaround when black Africa saw the United States encourage intervention by South Africa. The South Africans assert that President Ford and Secretary of State Henry A. Kissinger requested their intervention and promised full cooperation short of American troops, backing down later on the ground that Congress would not go along. This contention has not been proved, but many black African leaders tend to believe it and are suspicious of American intentions.

The calamity dreaded by United States officials is a panic by white Rhodesians that might require a frenzied evacuation, perhaps on the scale of that in Saigon's collapse.

Even if that can be averted, with its inevitable consequences on politics and race relations in the United States and on America's international position, the war is radicalizing black Rhodesians and their neighbors.

This comes when the aftermath of liberation and enormous development needs were moving important African states in the opposite direction, toward reducing their dependence on Communist countries, where that exists, and expanding cooperative relations with the United States.

[From the New York Times, Dec. 18, 1978]

REPORTER'S NOTEBOOK: SOUTHERN AFRICA'S FEAR FOR FUTURE

(By Flora Lewis)

PARIS, December 17.—Visas for Rhodesia have to be obtained on arrival at Salisbury airport. There are no consulates abroad since Rhodesia is not recognized by any other nation. The forms are distributed on the plane. In addition to the usual questions, there is one that asks one's race.

Senator George McGovern, on a just-completed tour of southern Africa, wrote in the blank provided for the answer, "Human."

Both the question and the answer sum up the core of what seem to be the hopeless problems of the area. The issues of race and humanity have been infinitely complicated over the long, stubborn years by new power struggles—among blacks, between partisans of East and West and among economic interests.

"We are not asking for the manacles which bind our arms and legs to be made more comfortable—we want them removed," said an elderly black leader of Soweto, his voice suddenly quavering with emotion.

Soweto, or Southwest Township, is Johannesburg's twin black city, probably holding more people in its vast spread of cottages than Johannesburg itself with its skyscrapers, bright shopping malls, handsome glass buildings and well-tended suburbs. It is not the usual slum on the edge of a metropolis, the kind that exists almost everywhere. There is even money there, for to have the legal right to reside in Soweto, black people must have a job, and some have held fairly good ones for many years.

But there are no supermarkets, as there are in Johannesburg, no department stores, no buildings higher than two stories, no town center with large halls and meeting places and interesting restaurants and pretty window displays, apparently not even any movies.

There are only some dinky groceries and service shops. The residents of Soweto, who are not allowed to own property and can be evicted if they lose their jobs or the head of the family dies, must go some 15 miles to the white city to spend their money.

Some 60 percent of the American companies doing business in South Africa have agreed to abide by a code that pledges equal pay, better training, more opportunity for blacks. Those white Afrikaners who consider themselves "verligte," or enlightened, give qualified approval to his code and argue that tremendous advances have been made and that they are doing a great deal to improve the situation.

"You don't understand how much resistance there is, how hard it is to persuade people to change their attitudes," said an earnest white preacher who felt that American criticism of the failure to spread such modestly fair practices were unjustified.

He and his friends were appreciative when Senator McGovern acknowledged that the United States "still has a long way to go" in race relations and had known much trouble in moving as far as it has. But they professed not to understand why outsiders had not applauded them for expressing better intentions now.

"Look at Idi Amin, your hero," one of them said sarcastically of the Ugandan leader. "Look at the African military dictatorships, how people live in those countries. You have double standards." He beamed with satisfaction at his own logic.

The Parliament in Johannesburg is a miniature, early 20th-century Westminster. The speaker and his assistants wear black robes, the golden mace lies on the table during sessions, members bow solemnly as they cross the bar on entering or leaving, just as in London.

In the room next door, removed from the chamber when South Africa left the Commonwealth, there are still the portraits of British monarchs—Edward VII, George V and Queen Mary, George VI and Queen Elizabeth, with a gilded mold of Britain's royal seal above.

All the faces in the building are white. The debates are mostly in the Afrikans language, and the Afrikaner Nationalist Party has such an overwhelming majority that its deputies also occupy more than half the opposition's benches.

There are all the trappings of democracy and nothing to show that it does not apply to the millions of people of other races and languages who cohabit the country.

How is it that the same Calvinist religion, the same convictions of righteousness and God-given duty espoused by the Afrikaners, have led people in the Netherlands to an advanced social democracy and an ardent generosity toward those who are different?

"This is Africa," comes the firm reply. "There is simply no base for comparison."

The cities of South Africa and the rich farms of Rhodesia do not meet the new visitor's expectations of what it will feel like to be in Africa. They are modern, the climate is temperate, the vegetation is reminiscent of California or Virginia. People live and dress as Europeans do. There is little that jumps to the eye proclaiming that this is another continent with another history.

The cities of other countries in the region have European avenues and European buildings too, but they are clearly African. Dar es Salaam, Maputo, Lusaka, Luanda are steamy. Women wrapped in brightly printed cloth walk barefoot on the roads leading to the residential areas, balancing great bundles on their heads.

There is a rundown, tatty air. Either the air-conditioning in the best hotel does not work or there is no hot water. The streets are encumbered, often seedy. People move about stocially, without the look of purpose.

In Luanda, the Angolan capital, children with the swollen bellies of advanced malnutrition play on what once were fashionable beaches, under the palm shacks of what must have been a fashionable nightclub. A score of pleasure boats ride undisturbed at anchor before the abandoned, now dirty yacht club. Half-constructed buildings, started long ago, loom menacingly, as though they were angry at being left unable to stand up or fall down.

Zambia, desperate as the rains approached and the lack of fertilizer threatened failure of the new crop, opened its borders to trade across Rhodesia, sending out copper and bringing in fertilizer. Mozambique does business with South Africa and sends laborers to work in its mines. The economies need each other and suffer from having been severed, though the black countries suffer much more.

There were rumors that President Kenneth D. Kaunda of Zambia had negotiated a substantial credit in South Africa for a quick flow of consumer goods to line the empty shelves before last Sunday's elections. True or untrue, the goods have not come. The railroad is not that reliable, so it is hard to tell whether the deal went through.

Of course, these black-ruled countries were never so developed as South Africa and Rhodesia. The economies were never so firmly based. The long colonial wars drained Angola

and Mozambique even before the Portuguese settlers fled with their skills and the transport that brought goods to market.

But nonetheless, there is an appalling sense that this delapidation, this neglect, this reclamation of the land and the people by the furies of African nature, its diseases, its dangers, its isolation, represents the future.

It is what lies in store for the brisk white cities to the south. The gift of foresight is a plague here. No one suggests that such a future can be avoided, relegated to the past on which the comforts of the present had been built. The question people discuss is whether the shift will come gradually or in a bloody cataclysm.

South Africans, watching their control over South-West Africa go at last and knowing that Rhodesia is heading toward that future, are digging in. They speak of "walls" to "protect our civilisation." Black militants in other countries say openly that Namibia and Zimbabwe, their names for South-West Africa and Rhodesia, must be the base for the final assault on South Africa.

[From the New York Times, Dec. 24, 1978]

AFRICA'S MANY TROUBLES DEFY STRATEGISTS OF EAST AND WEST

(By Flora Lewis)

PARIS.—France and Guinea kissed and made up last week, another move in the gradual evolution of Western relations with black Africa. It was one more example of decolonized countries finding that Communist military support, however crucial at the moment of liberation, cannot take the place of Western economic development.

The East-West conflict still swirls around and through Africa, but the continent's tenacious inner troubles are coming to the fore and changing perspectives. There are the emotional issues of race, the tangible issues of power and, as in Guinea's case, the overwhelming need for development.

Those engaged in the race struggle, whether in the white-run states of South Africa and Rhodesia or the so-called front-line group of black states on their borders, seek help where they can get it. The white-ruled nations, not surprisingly, stress the danger of growing Soviet influence in their appeal to Western industrial nations not to support the black nationalists who oppose them.

The front-line group has turned largely to the Communist powers committed to fighting colonialism. But there are rivalries among black leaders and conflicting interests among black countries, and the sharp race division is interwoven with mutual accomodations.

President Julius Nyerere of Tanzania is peeved, for example, with Zambia's Kenneth Kaunda for having reopened his border with Rhodesia and for having attempted a reconciliation between Rhodesia's Prime Minister, Ian Smith, and the rebel leader, Joshua Nkomo, to the apparent exclusion of the Mozambique-based rebel, Robert Mugabe. Mr. Kaunda is hurt that Mr. Nyerere showed little understanding on the desperate economic situation which forced him to breach the boycott, and that he apparently blocked any chance for a deal with Mr. Smith before it could be extended to Mr. Mugabe. So Tanzania is trying to persuade the Russians, who had been lined up by the non-Marxist Nkomo, to involve themselves with the committed Marxist Mugabe, who has found his backing in Peking.

The lines of attachment often reflect happenstance rather than firm conviction, and thus are not necessarily as taut as habitually vehement rhetoric can make them seem.

The Russians have moved warily in Africa, making long-term if inexpensive investments in all kinds of people since it is so hard to predict the likely winners. There was a protracted period of indecision in Moscow as the Somalia-Ethiopia war developed last year. The Russians had established themselves in Somalia to the point of operating a missile base at the port of Berbera, and they were at least indirectly helping Eritrean rebels against Addis Ababa. For a time, they tried for the best of both worlds, sending Fidel Castro in a futile mediation attempt that would have permitted them to stay in Somalia while winning a new client in Ethiopia. It did not work. So Moscow opted for the bigger game, formerly pro-American Ethiopia, a shrewd move for the moment but of questionable stability.

In Angola, there were years of low-level intervention by the United States and France on one side and Moscow on the other until the Russians hit on the ingenious idea of a decisive Cuban force. But that move, too, may come unstuck if a black government emerges across the border in South-West Africa and eases Agnostinho Neto's insecurity about South African forays and support for rebels in the south of his country. The Angolan leader says, at least, that he would send the Cubans home in that case and he is eager for American investments and diplomatic relations.

The notion of a Soviet strategy for Africa has not been borne out by developments. Moscow has seemed as perplexed by the continent's travails as the United States, aware that the stakes are high but wavering and often frustrated in reaching out for them.

After a long period of near neglect, leaving the issues of Africa to the former European imperial states, the United States made fitful efforts to swing the balance that seemed to be moving East. President Kennedy's intervention in the Congo was an example of the habit of emergency operations without a policy. It wasn't until the Ford Administration's last year that Secretary of State Henry Kissinger came to realize the dangerous implications of the conflict in southern Africa and began efforts for a settlement in Rhodesia.

The Carter Administration is probably the first to aspire to a coherent African policy. It can be summed up as recognizing that Africa matters to the United States, both in its own terms and in terms of its echoes on race relations in the United States, as well as in terms of global strategy. Washington offers a modicum of support for moderate regimes, a possibility of improved relations with the Marxists, providing they edge away from Moscow, and an active attempt to bring reconciliation in the south.

But the policy isn't getting very far. Washington undoubtedly raised expectations beyond its capacity to deliver. Moreover, the conservative trend in the Congress has shifted emphasis back to simplistic cold war assessments. There is concern among the minority of American legislators interested in Africa itself that the policy may be sacrificed as a part of the effort to get hardliners to swallow a new strategic arms treaty with the Russians.

Above all, the worst of the African conflicts—the race issue in the south—appears insoluble without cataclysm. As one black nationalist leader after another told Senator George McGovern during his recent fact-finding tour of the area, "What we need is arms and you won't, you can't, give them to us. So we'll get them from Moscow. But then we'll need help from you in putting the countries back together."

There has been serious deterioration of the economies which Europeans left behind almost everywhere in Africa. It is one of the most awesomely depressing sights in the world to go from the tatty, hungry black-run states to bright, modern Rhodesia and South Africa, and to realize that it is a step from the future to the past, not the other way around.

The only comfort in prospect for Washington now is that even if it cannot prevent the worst, as it probably can't, at least it will have been seen to have tried to understand.

[From the New York Times, Dec. 21, 1978]

TRUSTEES OF STATE U. TO REASSESS ITS INVESTMENTS IN SOUTH AFRICA

ALBANY, December 20—The board of trustees for the State University of New York has decided to reassess its investment policy for endowment funds, particularly those linked to South Africa.

The investment portfolio, valued at $52 million, includes about $9 million invested with companies that do business in the racially segregated country.

[From the Washington Star, Dec. 14, 1978]

RHODESIA BLAZE A MAJOR SETBACK

SALISBURY, RHODESIA.—Prime Minister Ian Smith has described damage at a key bulk fuel depot from a raging fire as "one of our biggest setbacks since the terrorist war began."

Nationalist guerrillas fired rockets and tracer bullets into the tanks Monday night. Officials said 22 of 28 giant storage tanks were destroyed, wiping out an estimated 17 million gallons of scarce diesel oil, aviation fuel, and gasoline.

Four other tanks still were blazing and likely to explode, officials said.

U.S.-DESIGNED COPTERS FOUND IN RHODESIA

The United States is trying to find out how Rhodesia acquired 11 U.S.-designed helicopters in violation of United Nations trade sanctions against the African country.

The State Department said yesterday the helicopters are Bell 205s, a version of the UH1 Huey Iroquois choppers used by American troops during the Vietnam War.

"We are investigating all possible routes by which Rhodesia might have obtained these helicopters. We do not yet know how these helicopters might have reached Rhodesia," said State Department spokeswoman Sue Pittman.

"The State and Commerce departments are reviewing records of all recent commercial transactions to determine who might have been responsible for the delivery," she said.

She said the helicopters are manufactured in the United States and several other countries under U.S. license and their unauthorized sale or transfer to Rhodesia is "in clear violation of U.S. regulations issued pursuant to United Nations sanctions against Rhodesia." ●

THE IMPORTANCE OF EXPORTS

● Mr. STEVENSON. Mr. President, I submit for the RECORD two items. The first, authored by Ann M. Reilly and entitled "More Trade, Less Politics," appeared in the January, 1979, issue of Dun's Review. The second item includes an editorial entitled "The Export Fog" and an article entitled "The Rise of the Export Imperative," both authored by Robert S. England and appearing in the December, 1978, issue of Compressed Air magazine.

These articles chronicle the slow awakening of the United States to the importance of exports. U.S. policy toward exports is still characterized more by restrictions than by incentives, but there are a few bright spots on the horizon. Americans are beginning to learn that attempts to use trade as a foreign policy weapon almost always end up hurting us more than them; we shoot ourselves in the foot, much to the amusement of our foreign competitors.

The strength of the dollar and the prosperity of our economy are closely linked to our export performance. Unfortunately, the export side of our trade balance will not take care of itself. We have learned the hard way that driving down the value of the dollar does not solve our trade deficit. We need both a stronger dollar and stronger export performance.

I urge my colleagues to consider measures to support our exporting industries and improve our trade balance, without resorting to destructive protectionist measures. I will introduce several legislative measures this session to stimulate exports. I know that many of my colleagues also have proposals to strengthen U.S. export performance.

We should keep in mind that increased exports will reduce our trade deficit and, thereby, the justification for a Federal budget deficit. A dollar generated in exports stimulates the economy as much as a dollar in Federal spending, and in many ways the export dollar is better spent.

The articles follow:

MORE TRADE, LESS POLITICS

The use of trade as a political weapon is hardly a new phenomenon in the history of nations. Napoleon used it against Britain, the League of Nations tried it against Mussolini's Italy and the United States engaged in similar action towards Communist China. But whether the trade weapon is used for reason of political strategy or moral condemnation of a regime, it is rarely effective. Too many nations are willing to trade with the pariah either openly or sub rosa, and boycotts frequently make a nation even stronger by forcing it to produce essentials it would normally import.

Ignoring these lessons of history, the Carter Administration from its inception has taken a high moral tone against regimes it—and probably most Americans—dislike, and has attempted to moderate their conduct through the trade weapon. Governments as diverse as those of the Soviet Union, Rhodesia, Uganda and Chile (*map*) have been subject to various types of trade restrictions—with little visible impact on their repressive policies. At the same time, U.S. corporations heeding the government's pleas to step up exports have found these restrictions confusing and frustrating.

CARTER RESTRICTIONS

Since the Carter Administration took office, the Commerce Department has blocked about $100 million in exports and the Export-Import Bank has denied or delayed more than $515 million in export financing on foreign policy grounds. In addition, estimates Commerce Assistant Secretary Frank Weil, "a couple of billion dollars" in exports may be lost annually due to uncertainty cause by trade curbs.

But now the White House is rapidly shifting gears. Determined to reverse the decline of the dollar and to pare the balance-of-trade deficit, which is still running at an annual rate of $25 billion, the Administration is now paying heed to those who argue that controls on trade for political objectives are generally ineffective and economically costly. The policy shift was highlighted in December when Treasury Secretary W. Michael Blumenthal and Commerce Secretary Juanita Kreps met in the Kremlin with Soviet President Leonid I. Brezhnev to inform him of the new U.S. attitude. Specifically, the Soviet leader was told that the Administration would approve 22 oil-technology export licenses that had been held up since August.

In the same vein, the President announced a new export promotion policy last September, directing the agencies to take the trade consequences of proposed foreign policy actions "fully into account." He specifically ordered that "weight be given to whether the goods in question are also available from countries other than the United States."

The use of trade as a foreign policy weapon has not been discarded entirely, but tempered with a strong dose of political and economic good sense. The new policy is expressed by Deputy Secretary of State Warren Christopher: "The basic foreign policy purpose that exports serve is to improve the trade balance, strengthen the dollar and build closer relations with our trading partners. Any restrictions on exports for other foreign policy purposes bear a heavy burden of proof."

The State Department promises a more rigorous analysis of the costs and benefits, both political and economic, of proposed trade limits. And the Commerce Department and the Export-Import Bank are attempting to streamline licensing and financing procedures to enhance the United States' image as a reliable supplier. Moreover, the White House is considering eliminating export controls on many high-technology items and may ask Congress to repeal the Jackson-Vanik Amendment, which ties export financing and "most favored nation" status for Soviet bloc nations to the liberalization of their emigration policies.

CONGRESSIONAL SHIFT

Efforts are already underway on Capitol Hill to limit Administration authority to use trade as a political lever. "Congress is moving towards liberalizing export controls because of a growing awareness of the need for a strong export policy to solve the trade deficit and the dollar problem," says Illinois Democrat Adlai Stevenson, Chairman of the Senate Subcommittee on International Finance.

When the Export Administration Act comes up for reauthorization next year, attempts will be made in both Houses to specify when licensing controls are justified, to establish a formal interagency review process and to set time limits on that procedure. Moreover, if SALT and the multilateral trade agreements are approved, and if Soviet emigration continues to rise, Stevenson says, Congress will be ready to ease, if not repeal, Jackson-Vanik. But Ohio Democrat Charles A. Vanik insists that the emigration requirements will remain "in concrete."

This new emphasis on trade, both in Congress and the Administration, marks a dramatic departure. Although most industrialized nations use export controls to protect their national security, only the United States restricts nonstrategic trade to exert pressure on the internal affairs of other countries. Moreover, the Carter Administration and Congress have extended foreign policy controls further than ever before to such areas as human rights, terrorism, environmental protection and nuclear power. Other industrialized nations are privately scornful of the U.S. stance and have turned it to their advantage. As one U.S. businessman observes: "Our competitors are laughing all the way to the bank."

The most publicized Administration action in this area was the President's denial of a $6.8 million computer sale by Sperry Rand Corp. to the Soviet news agency Tass to protest Soviet treatment of dissidents. But in addition, the Administration has unilaterally:

Prohibited direct or indirect sales to the military or police in South Africa or Namibia because of apartheid policies.

Denied Export-Import Bank credit to Chile, Uruguay and Brazil and delayed it to Argentina for rights violations.

Blocked $100 million in sales to Libya because of its support of terrorists and hostility towards Egypt.

Similarly, the 95th Congress, through a variety of measures, extended the Administration's statutory authority to use trade as a foreign policy tool. Sharing the President's concern about human rights, Congress mandated the Export-Import Bank, the Overseas Private Investment Corporation and the Commodity Credit Corporation to weigh a nation's civil liberties performance before granting export financing. Similarly, over Administration objections, the legislators added Uganda to a list of embargoed countries that includes Cuba, Vietnam, North Korea and Cambodia. As for the Communist countries, efforts to repeal Jackson-Vanik were consistently rebuffed.

Congress and the Administration have now retreated from this sweeping moralism because they realize that the curbs harm U.S. exports, which are so vital to the value of the dollar. Moreover, the curbs often backfire. Many repressive regimes tend to get even tougher to demonstrate that they can't be pushed around by the United States. In addition, from a broad foreign policy perspective, the inconsistent application of the trade weapon lays the U.S. open to charges of pursuing a double standard. Trade sanctions are applied freely to some countries such as Argentina, South Africa and the U.S.S.R. But to others, such as Iran, South Korea, Zaire and the Philippines, where the U.S. has strategic or economic concerns, human rights violations merit reprimands, but not sanctions.

On the other hand, were controls applied across the board to countries whose policies the U.S. disapproves, it would find itself drifting into self-imposed economic isolationism. Of the 158 nations in the world, says Freedom House, a New York-based anti-totalitarian group, 56 are "not free" and 54 are "partly free." Only 48 nations are classified as free.

UNWORKABLE WEAPON

In any case, the trade weapon rarely works. Former Under Secretary of State George Ball, now Senior Managing Director of Lehman Brothers Kuhn Loeb, recalls the Kennedy Administration decision to block the sale of wide-diameter pipe by the West Germans to the Soviet Union. The purpose was to slow down the construction of a pipeline, which the U.S. feared would make Europe too dependent on Soviet oil. But the effect, according to Ball, was considerable resentment in Germany—and the development of new manufacturing capability in the Soviet Union. Ball recounts: "A year or so later, a high Soviet official said to me: 'We're grateful to your government for keeping us from getting that German wide-diameter pipe. As a result, we're now producing such pipe and are no longer dependent on the West.' "

Ball argues that the U.S. ability to influence the internal affairs of a major nation like the Soviet Union through trade sanctions is highly doubtful. "Indeed, if we signal to the world that we are blocking or threatening to block such transfers to press a powerful nation to alter its pattern of conduct, we may only strengthen the hands of its most aggressive leaders," says Ball. "A significant factor in foreign policy is national pride, and no leader of a major country can ever admit he is taking orders from the U.S."

Recent history supports Ball's thesis, not only for large countries but also for smaller ones like South Africa and Argentina. Assistant Secretary of State Julius L. Katz concedes that even boycotts, the most intense of all economic sanctions, have "limited" political and economic effect. The U.S. boycott against Cuba dealt a temporary blow to that island nation, and the Rhodesian chrome embargo, supported by many countries, helped damage that nation's already

war-torn economy. But both countries have survived with their political leadership intact. Moreover, Cuba has moved closer to the Soviet Union and Rhodesia has developed indigenous industries it would otherwise have neglected. Similarly, Katz says, the U.S. boycotts in Vietnam, North Korea, and Cambodia have had minimal if any political or economic impact.

More limited trade sanctions, such as denials of export licenses or financing, have been even less effective. The Jackson-Vanik Amendment to the Export-Import Bank Act is perhaps the most revealing example. Although Soviet emigration was rising before its passage, the number of citizens permitted to leave the country in the first year after its enactment dropped more than one-third to a mere 13,459. Similarly, ongoing negotiations for a U.S.–U.S.S.R. trade pack were abruptly curtailed by the Soviets, and between 1976 and 1977 U.S.-manufactured exports to the Soviet Union were cut 28.4 percent, largely due to roadblocks put up by irate Soviet officials. Although emigration figures are presently improving, observers attribute that to the Soviet desire for a SALT agreement rather than the success of Jackson-Vanik.

The denial of export financing has been equally ineffective in influencing a regime's policies. In Argentina, for instance, government officials already had a joint European financing offer when the U.S. government denied a "letter of credit" to Allis-Chalmers Corp. for the construction of a major hydroelectric plant. Although the letter was finally approved when Argentina made some slight improvements in its human rights policies, denial would have caused that country no great hardship. This is generally the case, since most products and financing are available from the Europeans and Japanese, who vigorously promote exports rather than impose foreign policy limits on them.

BLOCKING SPERRY RAND

Like financing, the denial of an export license has many more economic minuses than political pluses. In the case of Sperry Rand a $6.8 million computer sale was blocked even though the Germans and Japanese could provide the same equipment, and the American company had already installed a similar computer to solve Aeroflot's reservation problems. The gesture did not measurably affect the trial of Soviet dissident Anatoly Shcharansky, but it did result in the curtailment of Sperry Rand's marketing efforts in the Soviet Union.

Similarly, the mere imposition of a licensing requirement can have adverse commercial effects. Although no sales have been blocked under the new licensing requirements for oil and gas technology exports to the Soviet Union, senior vice president Edward R. Luter of Dresser Industries, Inc. says that "the new procedure for obtaining licenses will create more uncertainty among our customers and make it more likely that our competitors will get the deal." Moreover, Senator Stevenson and others are questioning whether the control of such technology is really in the national interest. "It ought to be our objective to increase world supplies of oil and gas," he maintains. "Since the Soviet Union is the world's greatest producer already, it would be damaged less by inadequate supplies than the U.S."

In South Africa, the imposition of controls on U.S. sales to the military and police have had no positive political effect. Indeed, Ball and others argue that they may help to consolidate reactionary opinion, increase black unemployment and sharpen the lines of racial discrimination. Warns Ball: "Such actions might impede the very changes that we are hoping to bring about."

Those hit hardest by foreign policy controls are the nation's high-technology industries—computers, electronics, nuclear power, oil and gas equipment and machine tools. Since their most promising markets are in the Soviet bloc, the People's Republic of China and the dictatorial regimes of South America and Africa, foreign policy controls raise a major impediment to their growth. Moreover since these are ticket items, restricting their exportation on foreign policy grounds adds to the trade deficit at a time when promoting exports is an important national goal.

To point up the fact that trade considerations now have top priority, the Administration is:

Initiating a fast-track system for technology licensing.

Considering decontrolling certain products while maintaining conrtols on the technology.

Simplifying the interagency consultative process.

Clarifying antitrust, environmental and antibribery requirements.

Reducing overall delays in financing and licensing.

"We're not taking our foreign policy concerns off the table," says Frank Weil. "We're adding to the table our concerns about jobs and the dollar." As the architect of Carter's export promotion program, Weil warns that it would be "wishful thinking" to assume that foreign policy controls will be eliminated. "Now that we have the [export] policy, it will be hand-to-hand combat" with the foreign policy establishment. But given the President's export directive, and the growing public concern about the economy, there is no question that trade advocates have the high ground—at least for now.

THE EXPORT FOG

The United States was blessed with so much territory and natural resources that its original and primary thrust was development at home. In this century, however, we have cast off the cloak of isolationism and our role in the world has been twice magnified as a result of our role in two world wars. After World War II we emerged as the dominant economic force in the world and our dollar became and has remained the primary currency of international trade.

We arrived at this position as the result of actions we did not plan nor intend to take. Much of our enormous postwar wealth has rested on benefits gained as a result of our world position. That position, like all things, cannot and has not remained static. Yet our perceptions of the world seem to ignore some basic and permanent alterations that have reshaped the world economic order. Unless more of us realize the changes and our government takes an active role in directing a new future, we shall slip from our present economic preeminence and, eventually, find ourselves a second-rate power.

The oil embargo earlier this decade was a rude awakening to our sense of invulnerability. Yet we did not then fully perceive the nature of the changing international economic order. Continuing domestic problems of inflation, the decline of the dollar against world currencies, and our growing trade deficit are symptoms of the change. Yet our economic policies have been directed inward toward controlling the forces we thought shaped our economic destiny. Some controlling forces, however, are outside. The phenomenal increase in world trade, coupled with increased American dependence on foreign resources, and rapidly growing competition from industrialized nations, are among these forces. It is ironic that we Americans, the most important advocates and practitioners of free trade, have become victims of our own inability to understand its various manifestations.

Other industrialized nations long ago learned that it was necessary to export in order to grow. Since few, if any, other nations were as close to self-sufficiency as the United States, exports were a simple necessity to pay for vital imports. Now the United States must learn to rely more on export prowess.

The stakes are high. Since we cannot tolerate the present rate of our trade deficit, unsuccessful efforts to remove growing barriers to our goods in other nations may require that we further tighten up access to our domestic market. A careful effort now to control and dismantle some of the proliferating non-tariff barriers, combined with new incentives to export, can boost the health of our domestic economy, the stability of international trade, and the strength of the dollar.

THE RISE OF THE EXPORT IMPERATIVE

A new reality has reshaped the basic economic patterns of American commerce in this decade. The United States must export greater quantities of goods to earn the money necessary to pay for the greater volume and cost of imports. It seems so simple a truth that, once stated, it is surprising it has taken the nation so long to understand what changes have transpired.

Yet, apparently the United States remains largely unaware of the significance of the change. One Treasury Department source confided, "Our perceptions of the world have not adjusted to change in the world's economy."

There is more to this indictment of American judgment than meets the eye. The President, the Treasury Department, the Commerce Department, the Export-Import Bank, Congress, influential economists, and American industry have all begun to see the nation's trade deficit as a problem requiring greater emphasis on exporting. What is missing, perhaps, is an understanding of what is at stake. The undervalued dollar and trade deficit are villians at work in the perplexing domestic inflation problem. Additionally, the weak dollar, the currency of international trade, is blamed for instability in world commerce. And, the gradual drift of the world away from growth-producing free trade to new, more evasive non-tariff trade restrictions could, if left unchecked, lead to a major world recession or protracted trade wars. In view of the potential economic perils, a more thorough investigation of the complex issue of trade is required, along with the development of an American export policy that serves the needs of the United States and is compatible with the well-being of other world economies.

The most important unrecognized change has been the spread of advanced technology to other nations which now compete more effectively with U.S. industry for both domestic American and world markets. Long absorbed with the notion that America's world economic influence was decisive, many Americans have not yet perceived that the world has moved in directions beyond the control of U.S. policy. The National Association Of Manufacturers (NAM) published an analysis of the changing world scene earlier this year that indicates a new willingness by industrial leaders to come to grips with the changing reality. The study, entitled *U.S. Trade Performance Since 1970*, was conducted by NAM's vice president and international trade specialist Lawrence A. Fox. It concludes that American businesses have lost market shares in the world economy in spite of the fact the United States by a narrow margin is still the largest single exporter. Notably, the study traces the dynamic growth of Japan and West Germany, along with other Western European nations. Additionally, some important less developed countries (LDC's) are fast growing into industrial powers; in particular, Brazil, Hong Kong, Mexico, Singapore, South Korea, and Taiwan. In short, the United States is losing

out in both high and low technology to keen competition from around the world.

ENERGY SUPPLY CONCERN

The United States, however, has largely ignored its loss of markets in favor of another trade concern—oil imports. Since the oil embargo of 1973, Americans have become absorbed in the various ramifications of an energy crisis. Thus, it was easy to address trade problems as primarily based in the nation's growing reliance on foreign oil suppliers. The concern is not misplaced. The record-breaking 1977 trade deficit was led by 2.5 billion barrels of imported oil, purchased at a cost of $41.5 billion. In 1970, by comparison, the nation imported one-fifth this quantity of oil but at a cost of only $2.8 billion. NAM's Fox points out in his study that the energy crisis has partially camouflaged a more fundamental problem of trade. In the first 6 months of 1978 the underlying weakness in the U.S. trade position became clearer. During that period imports of machinery and transportation equipment replaced oil as the chief contributor to the trade deficit. Manufactured goods moved into second place, pushing oil back to third.

In particular, the NAM report challenges the common argument that current trade deficits are the result of strengths in the U.S. economy which are increasing demand for imports while the economies of our trading partners are growing slowly, thus reducing demand for American goods abroad. The fundamental difference in economic policy in the United States and such countries as West Germany and Japan in the reliance here on domestic demand and the reliance there on export incentives for stimulating growth.

Our meager export showing, charges NAM, is due to a decline in our competitive position and not to an overall decline in world demand. The "slow growth" economy of West Germany, for example, expanded its exports of manufactured goods to the world outside the United States by 14.6 percent in 1976 and 8.5 percent in 1977.

The United States, by comparison, increased its exports in 1976 by only 8.9 percent and in 1977 by only 6.2 percent. Thus, West Germany, which outstripped the United States as long ago as 1970 as the leading world exporter of manufactured goods, continued to expand its advantage.

The European Economic Community also increased its exports at a faster rate than the United States. In fact, EEC's overall rate for 1977 (17.2 percent) was higher than West Germany's. Japan's growth rate was even higher, 17 percent in 1976 and 23.8 percent in 1977.

A drop in demand, however, is responsible for lower agricultural exports in the last 2 years. Improved wheat harvests abroad, sometimes aided by the export of American agricultural technology, have reduced the demand for American wheat surpluses. A poor crop in China this year, however, may reverse the trend for the present and help improve our trade balance for the last half of the year.

The decline in America's competitive position did not begin in this decade. American exports began to encounter trouble in the 1960's and policymakers blamed the fixed-rate of the dollar to gold for the nation's predicament. It was believed that if the overvalued dollar were devalued and eventually floated with other major currencies, the discrepancies between prices of American goods and its competitors would disappear.

The currencies of West Germany and Japan were so undervalued against the dollar that American exporters could not compete in those markets, analysts claimed. The first few years after devaluation (which came effectively in 1971), U.S. exports rose sharply, fed additionally by strong growth in demand by the expanding economies in Europe and Japan. Some thought a trade solution had been reached.

The energy crisis tipped analysis of the U.S. trade balance away from the issues of trade barriers and competition. By the time President Carter came to office, the United States and many industrialized nations had arrived at a common conclusion—a comprehensive energy plan in the United States would reduce dependence on oil imports and balance the American trade ledger, leading to a stable dollar.

TRADE HYPOCRISY

Far from the headlines, however, an international elite knew better; namely, that rising non-tariff barriers were beginning to undermine free trade. The General Agreement on Tariffs and Trade (GATT), to which 83 nations are signatories, was established to promote the growth of world trade through the elimination of trade barriers. Trade barriers were the norm rather than the exception in the early years following World War II. A world consensus to reduce such barriers fostered the creation of GATT and steadily whittled the barriers away, reaching a low point in the early 1960's. Since then, however, they have risen, leading eventually to the 1974 declaration that the Multilateral Trade Negotiations (MTN) should proceed through a new round to dismantle the proliferating varieties of non-tariff trade barriers that were undermining free trade. It is still hoped that an agreement can be concluded in 1978. Whether such an agreement will be effective in significantly reducing trade barriers remains to be seen.

NAM's trade analyst Fox has criticized the industrial nations for allowing their governments to be lulled into a false sense of security, by naively believing that trade negotiations would proceed at a fast enough pace so that the world economy would muddle through. Fox points out the hypocrisy behind some nation's criticisms of those who block trade while at the same time erecting import restrictions and designing export subsidies. The United States, in fact, will be compelled to join the ranks of other nations if barriers aren't reduced, thus inviting trade wars.

Most Americans believe the peace and prosperity of the free world rest on free trade. Thus, it is with regret that many have been compelled to predict that the U.S. may follow other nations in their drift toward protectionism. Foreign economies are not fashioned after U.S. models and it is here that some of the trade problems begin. Practices Americans consider unfair or unethical operate openly and freely in some nations. Many developing nations have pursued industrial programs that were designed more to enhance their prestige than to meet the economic realities of world demand for goods. This has fueled some of the predatory trade practices, as nations sought to maintain full employment at home at the expense of nations that left their trade access undefended.

As goods subsidized by foreign governments began to undermine American industries on their own turf, Congress became alarmed and established mechanisms to deal with the growing cases of dumping—the practice of selling goods in a foreign nation at prices below the cost of production in the country of origin. The Trade Act of 1974 established the methods by which the United States could establish its own protection, under GATT rules, without endangering the fundamental fabric of free trade.

The Treasury Department, however, at first dragged its feet in enforcing dumping and countervailing levies, according to critics in American industry. The wave of domestic reaction to dumping led to the development of interagency task forces in 1977, as the nation's steel industry fell victim to steel imports that flooded the United States when Japan and the European Economic Community bilaterally agreed to keep excess Japanese steel out of Europe.

A trigger price mechanism, developed by the Treasury Department earlier this year, has helped the U.S. steel industry get back on its feet and gear up to compete more effectively with foreign steel producers.

NON-TARIFF BARRIERS

Even the Treasury Department's Gary Hufbauer in the international trade division is now compelled to agree with industry critics. "Either we beat the growth of non-tariff barriers or we join them," he admits.

This does not mean, however, that the United States is abandoning its commitment to free trade, notes Hufbauer. Negotiating to remove non-tariff barriers is "a better way to respond to foreign competition, by seeking to control foreign subsidies and other government interventions rather than to institute our own subsidies and comparable incentives here."

Fox at NAM identifies the major non-tariff barriers as follows—government procurement requirements, indirect and direct subsidies, and industrial and product specification standards. These unilateral measures were condemned by the OECD last summer, as the member nations pledged to "abstain from destructive competition."

The United States is not without blame in the free trade area. Critics have claimed that the initial reluctance of the Carter Administration to shore up the sliding dollar was a conscious protectionist policy. And various states within the nation often pursue their own vigorous incentives to growth that sometimes violate the spirit and letter of GATT.

President Carter chose to wage a campaign against one domestic incentive that has also raised criticism by GATT—the Domestic International Sales Corporation (DISC). These corporations allow American companies to defer a portion of taxes on income invested in export sales and services. Carter's tax recommendations for 1978 included the Abolition of DISCs, even though the Treasury Department's own study supported the claim that they stimulate export growth and added to tax revenues. The United States should retain DISCs as a bargaining chip in trade negotiations until foreign competitors concede the "equivalency of access" that makes free trade work, according to NAM statements.

American companies rallied behind trade spokesman David C. Garfield, Vice Chairman of Ingersoll-Rand Company and head of the Special Committee for U.S. Exports representing 1200 companies. The Committee's testimony favoring retention of DISCs was generally well received on Capitol Hill and both the House and Senate tax committees refused to include the elimination of DISCs in the new tax act.

EXIMBANK CREDIT

American business leaders, increasingly alarmed about the trade policy of the United States, feel that Americans are not pursuing vigorously all the options available to them under the rules adopted by GATT. In particular, the Export-Import Bank has failed to operate on a level that would sufficiently encourage increased exports. Its credit policies have wavered over the years, but many believe they have largely favored the profitability of the Bank over the competition of American goods with foreign goods.

The Eximbank has been labeled by the Chamber of Commerce of the United States "the single most effective government instrument to boost exports." It can seal borderline deals, when companies cannot obtain credit for their client-purchasers elsewhere. Better credit terms are needed to compete with allegedly trade-destroying credit guaranteed by foreign governments.

The Chamber has criticized the Eximbank since 1975 for its noncompetitive credit policies, and its recently appointed head,

John L. Moore, has begun to turn around the bank's policies, making them more aggressive in the pursuit of export support. Moore has recently spoken out against the violation by other nations of the new International Arrangement On Exporter Credits signed by the OECD's Export Credit Group.

Concern in Congress about improving the trade balance of the United States has recently fostered a more supportive attitude toward American exporters. New legislation expands the limits of Eximbank funding (all raised on the private market with government guarantees). It will give the Eximbank greater leeway in determining who can be granted credit. Long derided as the Eximbank's "loan committee of 535," Congress seems willing to reduce some but not all of its lending restrictions, such as those prohibiting loans to Communist nations, supporters of the Arab boycott, and nations that violate certain human rights. President Carter recently helped the Eximbank hold off a serious new threat to its ability to function by requesting that environmental impact statements not be required for projects outside the jurisdiction of the United States.

Many major barriers persist, in spite of the recent favorable export actions taken by Congress. These barriers make American exporting companies the unintended victims of government policies created to achieve political objectives. Two particularly troublesome laws among the many that impede exports are those directed at neutralizing the Arab boycott of Israel and the Foreign Corrupt Practices Act. The former does not effectively counter the Arab boycott and the latter certainly does not alter the business practices of other nations. The only visible impact is that American exporters lose customers to competitors in Europe, Japan, and elsewhere.

Industry leaders are gearing up a campaign to alter or eliminate some of the domestic barriers to exporting, including antitrust laws that prohibit U.S. companies bidding jointly on foreign projects, a restriction that has made it nearly impossible for American businesses to compete with others in lucrative construction projects. President Carter, in his new export policy statement, has urged the Justice Department to reexamine this restriction and give American business more joint-action options in seeking business abroad.

MARKET ASYMMETRIES

Foreign and domestic government intervention is, by no means, the only culprit in the U.S. trade deficit. Critics in the United States point to both economic and marketing factors that are having an important, although secondary, effect on the export prowess of American companies. The size and wealth of the United States are a natural lure to any nation. American companies, on the other hand, have no single market abroad that compares to their own. In addition, the domestic market is so large that it alone offers economies of scale to Americans, thus eliminating the requirement to export. Foreign companies have domestic markets that are too small to give them comparable economies of scale. They, thus, must export to other markets to obtain the volume necessary for low cost production. These natural asymmetries weigh against exporting in the United States and in favor of exporting to the United States in other nations.

While U.S. business has been vocal in its criticism of the American government, some in government have quietly been pointing a finger back at business.

"The cost of entering a foreign market for U.S. firms can be high," admits one Treasury source, "but the potential for profit is clear for many companies that are not exporting."

American companies may be victims of their too frequent reliance on short-term marketing, criticizes another Treasury source. Thus, they do not invest the time and money needed for major innovations. Instead, they rely on minor modifications of products. The Japanese and Europeans, on the other hand, see dramatic new product advances as the key to market penetration in the United States and elsewhere. U.S. companies seem, by comparison, "too risk shy for their own potential good," concludes a Commerce Department source.

EXPORT ADVICE

Under the leadership of Commerce Secretary Juanita Kreps, the U.S. government has been developing programs to close the marketing and information gap that keeps potential exporters from taking advantage of foreign markets, particularly the smaller companies that don't have the resources to launch an export effort without some outside help.

Commerce Under Secretary Sydney Harmon led one such project to save import-damaged shoe manufacturers to turn around their fortunes and become competitive exporters. Through Harmon's Footwear Industry Teams (FITs), developed last year, shoe manufacturers have solved some of their own marketing problems and have found new markets abroad among Europeans who want to buy American-made shoes to go with the ever-popular American jeans.

The Chamber Of Commerce has supported government funding in research and development that could help American companies meet foreign product standards that have been keeping some exporters at home.

President Carter, in another response to the export dilemma, is seeking to reestablish the Export Council, an organization launched by President Ford but which fell into disuse after Carter came into office. No doubt the President will reply more on Assistant Commerce Secretary Frank A. Weil, who headed the interagency task force that drew up policy recommendations for the President before he issued his new export policy in late September.

The revived Export Council could fill the void that many in industry see as a barrier to closer government-business cooperation to meet the challenge of foreign trade competition.

It could be that a more determined effort on the part of the United States to pursue vigorously a new export initiative can be the catalyst that will bring a recommitment from world governments to the pursuit of free trade. In the long run, a U.S. market with its doors shut to foreign goods will do more damage to other nations than to the United States. The past refusal of some in U.S. government to help domestic industry compete may have given some foreign governments reason to believe that the present trade barrier inequities could continue indefinitely. For the good of all, however, it is hoped that the Tokyo Round of negotiations will lead to a relaxation in trade barriers and a new stability in international commerce.

AMERICAN EXPORTERS CAUTIOUSLY OPTIMISTIC

By most industry measures President Carter's new export policy program, announced last September, was too weak to effect any real turnaround in the nation's trade account. Within the Administration and within Congress, however, industry and business leaders feel they have struck a responsive chord.

The message to American exporters is clear. Now is the time to make a major effort to promote a new, comprehensive trade policy.

One observer feels that the events of the last year are similar to those which produced the Trade Act of 1974, one that addressed the import side of America's trade. The corollary export side of the trade equation was largely ignored then, and some key Congressmen seem to realise that this neglect requires future action.

The extensive hearings during the past year of Senator Adlai Stevenson, III, Chairman of the Senate Commerce Committee, has helped lay the groundwork for new legislative initiatives in the Senate. In late September, Congressman William Alexander of Arkansas organized a House Export Task Force. The ad hoc caucus contains key members of five House Committees that address trade concerns—Agriculture, International Relations, Banking, Appropriations, and Ways and Means.

Martin James, spokesman for Congressman Alexander's office, reports that he envisions new export legislation in the new Congress.

James sees legislation aimed at reducing domestic barriers and increasing export incentives, although he declined to predict the form of any potential bill. The Export Task Force will not meet again until two weeks after the new Congress convenes next month. Already, however, James sees a possible study of the problems of trade, under the direction of the Library Of Congress, reporting back to the caucus. The initial goal of the caucus has been and will remain one of education on the trade issue, he stated.

Industry observers hope minimally for some action to reduce self-imposed restrictions on trade, such as those in the Arab boycott legislation and the Foreign Corrupt Practices Act. Current antitrust provisions that make it difficult for U.S. companies to bid jointly on foreign projects will also gain some Congressional audience, industry analysts believe. While there are those in industry who would like to see new export incentives, no clear consensus has emerged on the specifics of any new incentives. While the possibility of legislation appears less promising here, it is not being ruled out.●

FORMULATION OF PUBLIC POLICY

● Mr. CULVER. Mr. President, I have long been interested in encouraging and developing effective foresight capabilities in the formulation of public policy. Far too often we make decisions, based only on current knowledge and historical precedents, with little thought to their potential far-reaching consequences. Advances in science and technology result in major changes in both our society and our environment, and we do not make the effort to anticipate those changes as we should.

Russell W. Peterson, Director of the Office of Technology Assessment, recently discussed in an essay in the January 17, 1979, issue of the New York Times our growing awareness of man's interdependence with nature and the need to assess both the costs and benefits of a technological proposal. In particular, Mr. Peterson argues that we must have a more broadly based approach to our decisionmaking because the "cumulative impact of desirable and tolerable single actions can, in the aggregate, become intolerable."

I believe this article succinctly explains the critical role which anticipation of future events ought to play in our decisionmaking, and I ask that it be printed in the RECORD.

The article follows:

SEEING THINGS WHOLE

(By Russell W. Peterson)

WASHINGTON.—What the American Indian and some other ancient cultures have known all along is now generally recognized—that a change anywhere affects everything else. The more science advances us, the more we come to realize the "seamless web" that is man and nature.

Furthermore, it is now appreciated that a decision made today may well have a delayed impact 20, 30 or 40 years from now. And it's increasingly clear that the success of each individual depends on what other individuals all over the world are doing. And finally, whether we like it or not, we have come to understand that man must live in harmony with nature.

As science and technology advance and as we unravel more of nature's secrets, we ask whether science can solve our major problems. The experience of recent decades suggests that often too much has been expected of our scientific and technological knowhow. Consider these recent expectations: Antibiotics would wipe out disease; the atom would provide a boundless source of energy; the Green Revolution would conquer world hunger. The failure of technology to meet our expectations is, in part, a reflection of the simple truth that each new advance not only meets old needs but also creates new ones almost simultaneously.

The atom has provided a new and important source of energy but at the possible cost of saddling future generations with the surveillance and guarding of radioactive wastes. Antibiotics have curbed many infectious diseases, but as they have helped make inroads on the historic scourges of mankind's health, other diseases—cancer, heart disease, diabetes—have moved to the forefront.

It is not too much to say that science and technology by themselves are often inadequate to ensure enhanced social welfare. We are now more cautious and realistic in our assessment of technology. We now demand critical analyses of what an advance can and cannot be expected to do, in what time period, and with what social and cultural costs and benefits. That is why the Congress decided, several years ago, to form the Office of Technology Assessment.

We are seriously trying to anticipate the costs as well as benefits of technology and assess its distant effects. Is the technology wise? Will it inhibit progress more than it helps? Is it in the public interest—and in the interest of posterity?

It is easy to bemoan the problems that have resulted from some applications of science and technology and to advocate a return to simpler styles of life and a society less dependent upon technology. But those simpler times were possible primarily because there were fewer people with more limited aspirations. Today we have no choice but to go forward. We can no longer simply muddle through, concentrating only on the problem immediately before us. We must broaden our perception to include a holistic perspective. Otherwise, the really important is not always obvious—and we risk missing the main point.

While I have become more and more convinced of the importance of making decisions from a holistic perspective, I have, at the same time, become increasingly appreciative of the great strengths of a pluralistic society. These seemingly contradictory convictions stem from common considerations: each action affects everything else; the impact of today's actions may be delayed for decades; the cumulative impact of desirable and tolerable single actions can, in the aggregate, become intolerable; there is a limit to harmony with nature; we are ill-equipped to measure progress.

These considerations certainly call for a comprehensive understanding of our global environment and the ability to bring such understanding to bear on our decision-making. They justify a substantially increased effort to train more generalists for leadership in all of our institutions.●

ISSUES CONCERNING AMERICAN CITIZENS LIVING ABROAD

● Mr. McGOVERN. Mr. President, last year I proposed, and Congress enacted, an amendment to the Foreign Relations Authorization Act calling upon the administration to analyze and report to Congress on the subject of Americans living abroad. The purpose of the amendment was to cause the executive branch to focus on the myriad of issues which arise in fairly determining the rights and obligations of our citizens who, for one reason or another, live in foreign countries. By January 20, as stipulated in the amendment, the President will submit the required report for congressional consideration. As supplemental material on this complex subject, I submit for the RECORD an analytic compendium of issues prepared by a group called American Citizens Abroad. It would, of course, be improper for me to endorse this report without further study, but I believe it provides useful information on a broad range of questions which will require careful study and deliberation during the 96th Congress.

The compendium follows:

AMERICAN LAWS AND REGULATIONS THAT DISCRIMINATE AGAINST AMERICAN CITIZENS LIVING ABROAD: A COMPENDIUM OF ISSUES PREPARED BY AMERICAN CITIZENS ABROAD

AMERICAN CITIZENS ABROAD,
Geneva, Switzerland, December 18, 1978.

Mr. JIMMY CARTER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: The 1979 Foreign Relations Authorization Act, which you signed on October 7, 1978, contains a special section (611) which asks you to submit a report to the Congress by January 20, 1979, concerning American laws and regulations that discriminate against Americans who live abroad.

American Citizens Abroad (ACA) is a group of American citizens living around the world who feel that improving the way those living abroad are treated is in the best interest of all Americans, especially those living in the United States.

We have been working for the past several months to collect information to assist you and the members of your staff and Administration in the preparation of this report that you must submit to the Congress. We have been aided in our work by a multitude of ideas and suggestions that we have received from Americans around the world including those living on all of the major continents and those living behind the Iron Curtain.

We are proud to present these ideas and suggestions to you in the form of the book that is being sent under separate cover. We would very much like to be able to help you in any other way that you might find appropriate. Should members of your staff find it useful, we would be prepared to arrange for meetings with groups of Americans Abroad in different countries to provide a fuller development of the issues that we have presented.

Your concern for the human rights of mankind is greatly appreciated by those of use who live abroad, and it certainly makes us proud to be able to claim that this is what America is really all about. We would only hope that this concern would be also translated into new policies which would extend the same guarantees of human rights to American citizens who happen to live abroad. Sadly enough such guarantees are not at present in existence.

Our kindest regards to you and your family and our hopes that you will have a joyful holiday season.

Most sincerely,
Francis Pribula, Andrew P. Sundberg, Steven M. Kraft, Don V. W. Person, John Iglehart, Eugene Epstein, Robert W. Sheets.

Directors.

INTRODUCTION

America is a land of immigrants. Most of her citizens left their home countries to seek a new life in what was believed to be a promised land, specially endowed and especially favored in the eyes of deity.

America was built by immigrants, and by the gifts of individuals who were willing to come, some for only a limited time, to create this new entity out of a nearly virgin wilderness.

One cannot understand the history of America without stumbling over countless instances of special people who came from abroad to participate in the fight for independence and in the creation of a new form of government. Count Pulaski came from Poland, Baron von Steuben came from Hesse, Lafayette came from France, Albert Galatin from Switzerland, and so on.

But, many of those who came also returned to their home countries, or to other lands. Lafayette went back to participate in the French Revolution, John Paul Jones who is called the "Father of the American Navy" went to Russia and became an Admiral in Katherine the Great's Navy. Yet these were undeniably vital people in the building of America.

Other individuals who we cannot conceive of as other than "Americans" spent many years abroad in the service of the United States. Benjamin Franklin and Thomas Jefferson created ties of affection between the fledgling new Union and France. John Adams was in Holland, others built ties to the other powers in Europe.

And, finally, throughout our short history many Americans have continually gone abroad to build the links of commerce and social affection which have brought the United States into a full sense of harmony and participation with the other nations of the world.

Yet, throughout all of this period America has been principally busy building inside, rather than looking outside. It has been growing and absorbing new waves of immigrants arriving to meet the continuing need for more labor. And, each new wave of immigrants has felt a keen need to prove quickly that they are as much the incarnation of patriotism and dedication to the ideals of the United States as those who preceded them.

America remains a land of immigrants. Most of its commercial activity is internal rather than external. And the basic traits of the American character still remain dominated by a patriotic machismo which attributes praise to those who come to play our game.

It is not surprising, therefore, that even today the role of expatriates, those who have gone abroad from America is still little understood, and even less accepted with equanimity. For if immigrants are to be praised, what are we to think of emigrants, even those who are abroad for only a short period of time?

Thus it is that unlike almost every other country of the world, America has not affection for its expatriates, but rather hostility and mistrust. For isn't there something fundamentally wrong with those who might choose to live in any other country?

Today there are over 1.5 million American citizens living outside of the United States

as private citizens. If those working for the U.S. Government, the Armed Forces and their dependents are added the total would approach nearly three million.

The population of civilian expatriates, without any contractual ties to the Government exceeds the population of 14 different States in the United States, and in fact is larger than the combined population of the three smallest political units added together.

Yet, for all intents and purposes the American expatriate community and its problems are almost totally unknown to the average American citizen, and the indifference if not subliminal hostility that would be manifested if the question of expatriates were to be raised is rather well represented in the attitudes and opinions of many of the individuals who are chosen to conduct the legislative business of the United States.

Americans living abroad have generally been a forgotten constituency. And, for many who are abroad this was a situation that did not have too many inconveniences, although certain severe problems inevitably occurred for individuals who came into confrontation with specific laws applying to expatriates.

However, in 1976 the roof fell in on those living abroad. The Congress, impelled by a tax reforming zeal, decided that it was time to start applying much more severe pressure on the taxation of those living abroad. A plan was proposed for essentially doing away with any exclusion of income earned abroad for U.S. tax purposes, and coincidental with this Congressional action the U.S. Tax Courts ruled that any allowances or services paid to Americans working abroad had to be declared as income at the full value of the facilities or services provided, not at whatever nominal cost an employer might charge.

The result was an enormous extra tax burden. The Treasury Department did a great misservice to those abroad by grossly underestimating what impact the 1976 law would have. Treasury's initial estimate was extra revenue of about $50 million, which implied extra tax of a few hundred dollars per expatriate taxpayer. But the uproar from the expatriate community following enactment of this bill was stunning. Under pressure from Congress which began to receive voluminous complaints from those abroad and from their employers, the Treasury made a new estimate of the revenue to be earned from changes in taxation of those abroad and this time, based upon different data, the estimate came close to $400 million. The Congress had required the typical overseas taxpayer abroad to pay an extra several thousand dollars, not the much smaller sum they had originally believed.

The stage was obviously set for a new form of relief from this mistake. But much hyperbolic rhetoric had been expended at the expense of those living abroad, and this could not be retracted. There was no way to go back toward the old practice of excluding part of the income earned abroad from U.S. tax, so a new form of special deductions was chosen. Alas, for those in many countries this is not an improvement at all.

The Congress had also been considering whether those living abroad, and being taxed, should not be granted a better opportunity to exercise the right to vote in the United States. A new law was enacted to guarantee all expatriates the right to vote in Federal Elections and this took effect in 1976. However, there was no rush to the polls from abroad, because expatriates were becoming very wary of gifts from Washington. One obvious trap was the fact that registering in a State in the USA could lead to the State using this as a justification for wanting income tax to be paid at the State level. Those abroad, already badly bruised with Federal tax had little interest in an even greater tax burden. It was finally recognized in 1978 that the law, to be meaningful, had to be amended to forbid States to use the voting registration as any claim by the State to be able to tax the overseas voter. But, of course, many of those who live abroad are not willing to take any chances any more with income, or estate tax liability from voting, and many will probably never use this new franchise.

The situation today concerning expatriates is still very confused. The United States has a peculiar philosophy of insisting that obligations of citizenship are ubiquitous but that many rights and benefits of citizenship must stop at the water's edge.

The expatriate community, on the other hand, has finally been awakened from its political torpor by the recent rape of the pocketbook. And now awake, the community is taking a much closer look at other problems which face those living abroad.

AMERICAN CITIZENS ABROAD (ACA)

During the last few years, a group of American citizens living in Geneva, Switzerland, has been concerned with a number of problems that afflict expatriates.

During the summer of 1977, members of the group decided to seek help for those living abroad by appealing directly to the White House for assistance. A special request was sent to the President asking him to establish some sort of Commission to look at problems facing those living outside of the United States. Members of the group met with some of the members of the President's staff and found some initial encouragement from the personal views of these staff members. But, eventually, when asked for a final verdict on what could be expected, the reply was given that the President does not like Commissions and there would be no special help from the White House for expatriates.

Indeed, in early 1978, the Administration's new position on how the tax laws should be amended concerning those living abroad proved to be so unfair that all hope of help from the Administration was quickly dissipated.

Fortunately, there are a number of Members of Congress in both Houses, who have been more sympathetic with the plight of those living away from home. Americans in Geneva had the opportunity to meet with Senator George McGovern in 1977, and he and his staff were particularly concerned that there seemed to be no overall policy in the United States toward expatriates and this was continually giving rise to all sorts of new problems which not only had an impact on individuals abroad, but which also could be much more profoundly important to the future of the United States.

Senator McGovern forwarded the request that had been sent to the President for a Commission on Expatriates to the State Department for its comments. The reply was that while such a Commission or study of expatriate problems could be useful, it should not be confined to State since the problems that would be raised would reach many other departments of the Government.

Having found that the White House was not going to do anything voluntarily for expatriates, and that State did not feel fully competent to deal with the need for analysis of expatriate policy, Senator McGovern decided to help Americans abroad by convincing other members of the Congress to accept an amendment to the 1979 Foreign Relations Authorization Act which required the President to report to the Congress on expatriate problems.

The text of Senator McGovern's amendment is as follows:

EQUITABLE TREATMENT OF UNITED STATES CITIZENS LIVING ABROAD

Section 611(a) The Congress finds that—

(1) United States citizens living abroad should be provided fair and equitable treatment by the United States Government with regard to taxation, citizenship of progeny, veterans' benefits, voting rights, Social Security benefits, and other obligations, rights, and benefits; and

(2) such fair and equitable treatment would be facilitated by a periodic review of the statutes and regulations affecting Americans living abroad.

(b) Not later than January 20, 1979, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which—

(1) identifies all United States statutes and regulations which discriminate against United States citizens living abroad;

(2) evaluates each such discriminatory practice; and

(3) recommends legislation and any other remedial action the President finds appropriate to eliminate unfair or inequitable treatment of Americans living abroad.

This amendment was accepted by Members of the House of Representatives and Members of the Senate and it became law with the full bill on October 7th, 1978 when signed by the President.

To insure that there would be proper attention paid to this study, and to the identification of all of the issues that were felt to be particularly unfair by those living abroad, it was decided to create a new organization which would work to bring as many Americans living overseas as possible into the arena for this project.

In July 1978, after the amendment had been accepted by the Senate, American Citizens Abroad, was founded in Geneva, Switzerland, by a number of private American citizens. The organization is a non-profit association of Americans who are striving to create a better understanding in the United States of the value of the expatriate community, and of the need for the United States to take a more concerted effort to insure that expatriates were being fairly and equitably treated while they were living abroad.

ACA publicised the fact that the Study on Expatriate Discrimination was to take place, and invited Americans from all over the world to send in information and suggestions of issues to be covered. Replies to this request were received from hundreds of individuals including residents in all of the continents of the world, from those behind the Iron Curtain, and from those in North America especially in Canada and Mexico. But, of equal interest was the volume of replies from those abroad working for the U.S. Government who also felt that there were laws and regulations that discriminated against Government employees abroad.

ACA has volunteered to help the White House in the preparation of its study, and remains at the disposal of the President for whatever additional contributions might be found to be appropriate.

THE PRESENT REPORT

The present report is a compilation of issues that have been identified by American citizens living abroad which are felt to be discriminatory against expatriates.

Each issue has been individually addressed in a form which will hopefully assist those responsible for the preparation of the President's study. Each issue has a short title, a background discussion, a presentation of the problem of discrimination, and some suggestions as to how a solution could be reached for each problem.

This report is by no means complete in its identification, and should not be taken to suggest that any issues not herein contained need not be addressed. It is rather the first effort at a preliminary catalog of vital issues as seen from those living abroad.

A NOTE ON DISCRIMINATION

There are really two different aspects to discrimination that are important to consider when analyzing laws and policies that affect expatriates. The first is in terms of equity between citizens living in the United States and those living abroad. The second concerns the extent to which laws enacted for expatriates create a situation abroad in which American citizens face problems which are not the same as those facing other nationalities abroad. In this second case it could well be that discriminatory American laws and regulations are not only hurting individual Americans, but they also may be hurting those who hire Americans, and ultimately they may be doing major harm to all of the citizens of the United States, particularly those living at home.

ACKNOWLEDGEMENTS

ACA would like to thank the many generous members of the overseas American community who have contributed their time and thoughts to help make this present submission as full and complete as possible.

We would also like to particularly thank the many individuals in Washington who have given sympathetic support to our cause and who have given invaluable suggestions as to how to better promote the interests of Americans abroad and thereby of all Americans.

And, of course, a special thanks is due to the most kind generosity of Senator McGovern and the members of his staff without whom this report would not have been necessary, or possible.

ISSUE No. 1

SHORT TITLE

Constitutional Right Denied to Children Born Outside of the United States.

BACKGROUND

In 1971, the Supreme Court by a five-to-four majority decided that there are two classes of citizens of the United States, those with full Constitutional rights, and those who are to be denied some of these rights. The distinction is made strictly on the basis of where the individual is born.

At issue in this case, Rogers vs. Bellei, was whether a law was Constitutional which required American children born abroad (if only one parent was an American citizen and the other was an alien) to return to the United States and live for a certain period of time or face involuntary loss of American citizenship.

In an earlier decision of the Court in Afroyim vs. Rusk, it was stated that the Congress has no "power, expressed or implied, to take away an American citizen's citizenship without his assent." This ruling was based upon an individual's Constitutional rights as expressed in the first sentence of the 14th Amendment.

The Court, in Rogers vs. Bellei, had a different composition than when the earlier case had been decided. The new Court was at pains to uphold the right of Congress to set special burdens upon those born abroad, but did not want to overrule the import of the earlier case. Resort was therefore made to a most extraordinary interpretation of the 14th Amendment's first sentence:

"All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside."

According to the Court, this definition excludes those born abroad. Said the Court, "The central fact, in our weighing of the plaintiff's claim to continuing and therefore current United States citizenship, is that he was born abroad. He was not born in the United States. He was not naturalized in the United States. And he has not been subject to the jurisdiction of the United States. All this being so, it seems indisputable that the first sentence of the Fourteenth Amendment has no application to plaintiff Bellei. He simply is not a Fourteenth-Amendment-first-sentence citizen." By this judgment, not only Mr. Bellei, but every other American child born abroad will spend the rest of his life deprived of some of his Constitutional rights.

It is interesting to recall the dissenting opinion of Justices Black, Douglas and Marshall in this case. Said Justice Black on behalf of himself and the others, "I cannot accept the Court's conclusion that the Fourteenth Amendment protects the citizenship of some Americans and not others. Indeed, the concept of a hierarchy of citizenship, suggested by the majority opinion, was flatly rejected in Schneider vs. Rusk, 377 U.S. 163 (1964): "We start from the premise that the rights of citizenship of the native born and of the naturalized person are of the same dignity and are coextensive."

Justice Black further commented, "Under the view adopted by the majority today, all children born to Americans while abroad would be excluded from the protections of the Citizenship Clause and would instead be relegated to the permanent status of second-class citizenship, subject to revocation at the will of Congress. The Court rejected such narrow, restrictive, and super-technical interpretations of the Citizenship Clause when it held in Afroyim that that Clause "was designed to, and does, protect every citizen of this nation."

THE PROBLEM

The problem with the present status of children born abroad is obviously one of having to spend the rest of one's life with less Constitutional protection against involuntary loss of citizenship than all other citizens of the United States. The practical import of this second-class status was that up until October 10th, 1978, some children born abroad had to fulfill subsequent residence requirements in the United States or face involuntary and automatic loss of American citizenship. This provision has now been stricken from the law. But there is no protection for children born abroad from some future decision on the part of Congress to impose a similar burden, or one of another form. The Congress would not be able to impose any such burden on any other citizen, born in or naturalized in the United States, however, because these individuals have greater Constitutional rights than those born abroad.

The inequity of this situation is apparent when it is recalled that many children born abroad are in alien latitudes and longtitudes at birth precisely because their parents have been sent there by the U.S. Government or by their American employers. And, at the same time these children are born into second-class citizenship status, children born in the United States to casual tourists acquire full U.S. citizenship rights which those born abroad will never enjoy.

This is an example of a discrimination based solely on the latitude and longtitude of an individual's place of birth.

THE SOLUTION

There is no simple solution which is evident for this discrimination short of an amendment to the Constitution which would guarantee that there shall be no second-class category of American citizens, and that all citizens shall be equal regardless of race, religion, color, creed or place of birth.

ISSUE No. 2

SHORT TITLE

Eligibility of an American child born abroad with American citizenship at birth to run for the office of President of the United States.

BACKGROUND

Article II, Section 1, clause 5 of the United States Constitution states:

"No Person except a *natural-born* Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained the age of thirty-five years, and been fourteen years a resident within the United States."

THE PROBLEM

The problem facing children who are born abroad with American citizenship acquired automatically at birth is that there is no legal Constitutional definition of "natural-born Citizen".

In recent years there have been several potential Presidential candidates who were not born in the United States and whose candidature would have been in doubt due to this definitional lacuna. Among these potential candidates were: George Romney (born in Mexico), Governor Christian Herter of Massachusetts (born in France) and Franklin D. Roosevelt, Jr. (born in Canada).

There has been much legal debate on whether those born abroad were intended by the Founding Fathers to be eligible for this office. There is no recorded discussion of the Fathers' opinions. However, during the First U.S. Congress, just after the Constitution was adopted, the first citizenship bill concerning those born abroad was passed. This bill stated that:

"And the children of citizens of the United States, that may be born beyond the sea, or out of the limits of the United States, shall be considered as natural-born citizens: PROVIDED, That the right of citizenship shall not descend to persons whose fathers have never been a resident in the United States."[1]

Equally significant in this bill and its use of the term "natural born citizen" is the fact that twenty members of the First Congress had been delegates to the Constitutional Convention, and that among these twenty were eight members of the Committee of Eleven at the Constitutional Convention which drafted the presidential qualification clause.

THE SOLUTION

Congress should act to remove the ambiguity that presently persists concerning the eligibility of children born abroad with American citizenship acquired at birth to hold the office of President of the United States.

One form of redress would be for Congress to enact legislation which repeats the use of the term "natural-born citizen" in the Immigration and Nationality Act. One appropriate place for this term to be used would be in the first sentence of Section 301 of the present Immigration and Nationality Act. In its amended form this first sentence would read:

"Sec. 301. (a) The following shall be nationals and *natural born citizens* of the United States at birth:—" (new wording italic).

Discussion of the intent of this change in the Congressional Record would establish that it was for the purpose of clarifying the issue of Presidential eligibility.

The weakness of this solution is that as an Act of Congress it could just as easily be changed by a future Congress.

A better solution would be in a clarification of the definition of citizenship in the Fourteenth Amendment to the Constitution. Rewording of this section could be as follows:

"Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. *All United States citizens who acquire their United States citizenship at birth are natural-born citizens.*—" (new wording italic).

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[1] Act of March 26, 1790, ch. 3, 1 Stat. 103, 104.

American citizens born abroad should not have to spend their whole lives in doubt about this basic right of citizenship in the United States.

ISSUE NO. 3

SHORT TITLE

Congressional Representation for Americans Living Abroad.

BACKGROUND

There are over 1.5 million American citizens living outside of the United States. This number exceeds the population of 14 different States of the United States, and actually exceeds the combined population of the three smallest political units.

Americans living abroad have many common problems that are directly due to their being away from the United States, but at present these expatriates have no unique representation in the Congress.

Recent changes in American voting laws have enfranchised all of those living abroad for all Federal elections. And, this, of course, means that there is access to Members of the House of Representatives and to Senators, but most will concede that those living abroad form only tiny marginal percentages of their total constituencies, and those living at home must come first.

It is not to be suggested that the Congress has ignored the American expatriate community. Quite the contrary is the case, but it is very apparent that despite the good will and concern of many members of both Houses of the Congress there are still significant problems that have not been addressed and there are still many myths about the expatriate community which have not been successfully destroyed. Indeed, it is quite significant that there is no Committee, or even sub-Committee in either house of the Congress which addresses itself to questions of policy or practice toward those living abroad. Thus, at present, there is no established mechanism whereby expatriates have any possible continuing attention in the Federal legislature.

THE PROBLEM

The problem with the present situation is that despite the goodwill and intentions of many Members of the Congress, the problems of Americans living abroad are not being fully appreciated. Individual members who might be sympathetic to one particular problem or another often have to consecrate valuable staff time and resources to issues that are only of marginal interest to their basic constituencies. And, often such resources are being diverted in parallel with those of other Members of the Congress when a greater amount of coordination could be more efficient and productive.

THE SOLUTION

One useful solution would be for the Congress to consider granting Americans living abroad at least one non-voting delegate in the House of Representatives. This individual would act like those of the same title who now represent Americans living in Guam, the Virgin Islands and Washington, D.C.

The utility of this delegate for those living abroad would be the fact that there would be henceforth one central reference point for contact with the legislature for transmitting comments to Washington, and for feedback to those living abroad.

But the utility would also be great for the other Members of Congress who today do not have such a resource for acquiring broad information about expatriate problems, nor for obtaining proposed solutions to such problems that would be fair and effective for all Americans living abroad. Thus, this would be an asset of major importance to those abroad and to the Members of Congress.

The right to have such a delegate would not need to impair the right to participate in regular Federal elections either, for those living abroad would not really be doubly represented. The delegate has no *vote*, hence those who vote for Congressmen and Senators in their home districts vote once only in terms of real representation in the Congress, but have a delegate to help focus on problems affecting 1.5 million citizens in unusual circumstances who can initiate legislation and serve on Congressional Committees to the benefit of everyone.

ISSUE NO. 4

SHORT TITLE

Discrimination Against Certain American Citizens in the Ability to Transmit Citizenship to Children Born Abroad.

BACKGROUND

Children born abroad to an American citizen parent are not automatically American citizens at birth in all circumstances. The right to transmit citizenship to a child born abroad depends upon an individual's marital status, and upon the nationality of the spouse. In this respect, American law differs from that of almost every other major country of the world.

The law has not always been this way. From 1790 until 1940, an American father could always transmit American citizenship to a child born abroad provided only that the father had ever resided in the United States. In 1934, this same right was given also to American women under the same conditions.

In 1940, however, the law was abruptly changed. Henceforth, if only one parent was American, the child born abroad could not have American citizenship unless the American parent had lived for ten years in the United States, five of which must have been after the age of sixteen. In 1951, when the most recent overhaul of the citizenship laws took place, the ten year qualification period was retained but five needed to have been only after the age of fourteen (vs. sixteen).

The present law also sets different qualifications for transmission of citizenship to children if a mother is not married, if the birth takes place in an outlying possession of the USA, if one parent is a citizen and the other is an American national but not a citizen, etc. The different standards of qualification are shown below in a summary table.

QUALIFICATIONS FOR TRANSMITTING AMERICAN CITIZENSHIP TO CHILDREN ABROAD

Abroad: Both American; One must have had a residence in the U.S.A. prior to the birth of the child.

Abroad: One American citizen and one American national who is not a citizen; The American citizen must have had a residence in the United States or an outlying possession for *one continuous year* before the child's birth.

Abroad: One American citizen and one alien; American citizen parent must have been physically present in the United States or an American possession for *ten years*, five of which after the age of fourteen years before the child's birth.*

Abroad: An unmarried American mother; The mother must have been physically present in the United States or in an American possession for *one continuous year* prior to the birth of the child.

In an outlying possession of the United States: One American citizen and one alien; The American citizen must have been physically present for *one continuous year* in the United States or an outlying possession prior to the birth of the child.

The Problem: The problem with this law is that it sets up a number of different categories of eligibility for one of the most basic of all human rights, that of transmitting citizenship to one's child. By failing to meet the necessary qualifications many American citizens face the dilemma of having children who are born stateless.

The inequity of this law becomes even more starkly apparent when it is recalled that any child born in the United States, no matter what the nationality of the parents might be, is automatically an American citizen at birth with all of the same rights and privileges of this citizenship. Thus while an American may be living abroad, working for the United States Government, or serving in the Armed Forces, he could still have a stateless child.

The law also makes it impossible for any American citizen who is under nineteen years of age to transmit citizenship to a child born abroad if the spouse is an alien. However, if the American is a woman, and not married, she might well be able to transmit citizenship to her illegitimate child even if she is under age nineteen, but she would not have the same facility if she were married and the child was legitimate. As an unmarried mother she need only have previously lived in the United States for one year, not ten which is required of a married woman.

Statelessness is widely recognized to be a major human rights tragedy. The United Nations over thirty years ago adopted a "Universal Declaration of Human Rights" in which Article 15 states, "Everyone has the right to a nationality". Going further in declaring the importance of the family and what States should do on their behalf, Article 16(3) of the same Declaration states, "The family is the natural and fundamental group unit of society and is entitled to protection by society and the State." The United States has not yet ratified this Universal Declaration and is still one of the major offenders in the area of permitting statelessness to occur for children of its citizens.

There was a further effort made by the United Nations specifically addressed to the question of statelessness and what member countries should do to insure that no one is ever cast into such a situation. The United States has not ratified this Convention either nor has it amended American laws to remove the remaining areas that still generate involuntary statelessness.

THE SOLUTION

The United States should give the same human rights to its citizens abroad that it gives to any casual visitor or tourist at home. Every American citizen living abroad should be allowed to transmit American citizenship to his/her children born abroad. Discrimination based upon latitude and longitude should be ended.

ISSUE NO. 5

SHORT TITLE

Discriminatory Preference Shown Toward Certain Individuals Living Abroad in Qualifying to Transmit Citizenship to Children Born Abroad.

BACKGROUND

The basic question of when an American living abroad should be able to transmit citizenship to his child born abroad has already been raised in Issue No. 4. This present discussion concerns a subordinate issue of discrimination that is present in the law as it now stands. Should the solution proposed in Issue No. 4 be adopted, this present issue would also be met. Should the solution of Issue No. 4 not be adopted, this issue remains for redress.

Section 301(g) of the Immigration and Nationality Act of 1952 sets the conditions under which an American citizen married to an alien can transmit American citizenship to a child born abroad. The requirement is that the American citizen must have previously lived in the United States for a period of ten years, five of which after the age of fourteen years.

However, certain individuals living abroad can meet this residence requirement even while actually being outside of the United States. Such individuals are:

Those serving honorably in the Armed Forces of the United States,

Those working abroad for the United States government,

Those working abroad for an international organization, or

Those living abroad as dependent unmarried sons or daughters of the above.

THE PROBLEM

The discrimination manifested in this provision is obvious. Some individuals working abroad have more basic human rights than others, namely a greater chance to insure that their children will not be born stateless.

THE SOLUTION

The preferable form of solution to this problem would be to accept the proposal suggested as the solution of Issue No. 4. This would do away with the prior residence requirement for American citizens married to aliens to qualify to transmit American citizenship to children born abroad.

Failing this preferred solution, the law should be modified so that anyone working or living abroad can be given credit for the years required for transmission of citizenship to children no matter what his profession abroad, and no matter who his employer might be.

SHORT TITLE

Retroactivity of the Elimination of Subsequent Residence Requirements of Certain American Children Born Abroad.

BACKGROUND

In 1978, through the enactment of Public Law 95–432, a major discrimination against American children born abroad was eliminated from American law. This concerned children born abroad to only one American citizen parent. Such children, prior to the 1978 law, were required to return to the United States for a period of continuous residence between the ages of fourteen and twenty-eight years, or else their American citizenship would be automatically and involuntarily stripped away.

Such a requirement for subsequent residence in the United States to protect citizenship which was acquired at birth abroad was not a part of American law for most of the history of the Republic. In was an innovation of the law which was passed in 1934, which at the same time granted the right to American mothers to transmit citizenship to children born abroad when the father was an alien. The 1934 law set a requirement for children born to only one American parent abroad to spend the five year period from age thirteen to eighteen in the United States, or else citizenship would be lost. This requirement never really took effect, however, because the law was changed in 1940 to allow for five years of residence in the aggregate between ages thirteen and twenty-one. The effect of this law reached back to those born after 1934. Thus, it was not until 1950 that children started losing their American citizenship for failure to comply with such residence requirements.

Shortly thereafter, however, the law was once again changed. In June 1952, a new requirement was instituted, again reaching back to those born after 1934, this time calling for five years of continuous physical presence in the United States between the ages of fourteen and twenty-eight years. The effect of this new requirement did not begin to be felt until 1957 (those born in 1934 did not reach age 23 until 1957). Then the harshness of a five year continuous residence without any allowable break became apparent. The Congress relaxed this requirement in 1957 by allowing up to twelve months of absence from the United States during the five year period without loss of continuity. However, as the length of the time period, and the qualifying ages during which residency had to occur did not change, 1957 started the period from which involuntary loss of American citizenship for children began.

According to the State Department, approximately two thousand children have been stripped of their American citizenship for failing to come to live in the United States for the prescribed period of time. The fact that they might have been ill, or had any other reasonable cause for such failure did not bring any relief.

When the Congress decided to eliminate this subsequent residency in 1978, there was discussion of possible problems from making the effect of this change retroactive to pick up those who had previously lost citizenship due to this requirement. Several members of Congress felt that great complications would possibly result from such retroactivity of the eliminated requirement, and convinced the other members of Congress to deny this retroactivity.

It is most significant, however, that in the denial of retroactivity, the Congress was acting contrary to the practice that had been followed when the 1952 residency requirements proved to be more generous than those of the 1940 act. In an important case finally decided by the Supreme Court, the more generous provisions of the 1952 Act were made retroactive to those who had not complied with the provisions of the 1940 Act, hence closing the hole which had occurred from 1950 to 1952. Subsequent to this decision, those who had lost their citizenship in 1950–1952 could still retain their American citizenship by complying with the 1952 requirements. The case in question was *Fee* v. *Dulles*, 236 F. 2nd 855 (C.A. 7, 1956). In lower Federal Courts, the decision went against those who had lost their citizenship because the court upheld the original administrative position that a person who had not complied with the conditions prescribed by previous statutes had lost his citizenship and derived no benefit from the more generous retention provisions of the 1952 Act.

However, upon consideration of this issue when it reached the Supreme Court the Solicitor General confessed error, taking the position that a person who could comply with the terms of section 301(b) and (c) would retain his American citizenship, even though he had not fulfilled similar provisions of the earlier statutes. The Supreme Court reversed the lower court, and thus adopted the view projected in the Solicitor General's confession of error. (Refer to 355 U.S. 61)

THE PROBLEM

The problem caused by these circumstances is the fact that those born abroad before October 10th, 1952 (date of the effective remission of the subsequent residency requirement from the law signed Oct. 10th 1978) do not have the same rights as those born after this date. Further, while the benefits of an easier compliance situation were conferred administratively for the 1952 changes (although it took court cases to establish this right) is a retro-active fashion allowing those who had lost their citizenship under the 1940 law to get it back to comply with the 1952 act, this same retroactive possibility was not granted in 1978.

The problem is not a large one in that the total number of persons who would be affected directly or derivatively would probably not exceed three thousand. The State Department does not feel that the granting of this return to American citizenship of those deprived for failure to comply with earlier requirements of residency would create a major difficulty. Indeed, the State Department recommended that this be made retroactive as did the Justice Department.

THE SOLUTION

The effect of the 1978 changes in the citizenship laws which eliminated loss of citizenship for those who failed to live in the United States after birth abroad to one American parent and to one alien parent should be made retroactive to 1934, the date at which the first such requirements were set.

This solution would give back citizenship to those who have lost it since 1957, covering a total which would probably not exceed two thousand individuals. (Perhaps three thousand if their children were also considered).

ISSUE NO. 7

SHORT TITE

Loss of Citizenship by Children Because of Actions of Their Parents Abroad.

BACKGROUND

Section 349 (a) (1) of the Immigration and Nationality Act of 1952, states that anyone who is an American national by birth or naturalization shall lose his nationality by obtaining naturalization in a foreign state upon his own application, upon an application filed in his behalf by a parent, guardian or duly authorized agent, or through the naturalization of a parent having legal custody of such person.

There is some control on this loss by a child, however, in that the law further states that he can remain American if he returns to the United States before age twenty-five to establish a permanent residence.

THE PROBLEM

There are several problems associated with this section of the law. The first has to do with the notion of involuntary expatriation. The second has to do with the suitability of the protection that is offered.

There is some question as to whether the involuntary expatriation called for in Section 349 (a) (1) is really Constitutional. Some recent Supreme Court cases have established that an individual cannot lose his citizenship unless he voluntarily desires to renounce it. This is obviously not the case for someone who is less than age eighteen (the actual age of majority for voting now in the USA) who has no control over whether his parent or guardian takes out another citizenship for him, and it is doubtful if an individual under the age of twenty-one has much effective control either. Thus, it may well be that this automatic loss of citizenship is not Constitutional.

It is also valid to question whether the requirement to make such individuals who have acquired a second nationality return to commence permanent residence in the United States before age twenty-five is really an appropriate form of relief. In many overseas countries one could well be still completing one's education at age twenty-five, thus the requirement would mean rupturing this education. It could also be the case that the individual is just beginning his work career and has not yet acquired a skill that could be easily transferred to the United States. Finally, it would not necessarily be easy for such an individual to come to the United States and find suitable employment before age twenty-five.

THE SOLUTION

What seems to be the obvious intent of the present law is the requirement of a child who has acquired a second nationality to prove a valid nexus to the United States.

Such a nexus could be easily proved by a requirement for such an individual to take an oath of allegiance to the United States when he first applies for an American passport after attaining the age of twenty-one years.

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*Certain Americans living abroad are allowed to count their years abroad toward this qualification period. See further details of this and the discrimination involved in this practice in Issue No. 5.

ISSUE No. 8

SHORT TITLE

Loss of nationality for a naturalized citizen who goes abroad within five years of naturalization.

BACKGROUND

Section 340 (d) of the Immigration and Nationality Act of 1952 provides that any person who is a naturalized citizen and who takes up a permanent residence abroad in any foreign country within five years of naturalization in the United States shall be considered to have demonstrated prima facia evidence of a lack of intention to reside permanently in the United States at the time of filing his petition for naturalization. In the absence of countervailing evidence, it shall be sufficient in the proper proceeding to authorize the revocation and setting aside of the order admitting such person to citizenship and the cancellation of the certificate of naturalization as having been obtained by concealment of a material fact or by willful misrepresentation.

THE PROBLEM

Naturalized citizens do not have the same right to live abroad as other citizens until they have lived an additional five years in the United States. The effective period of residence to obtain such citizenship with full rights is therefore not five years, but ten years.

THE SOLUTION

Naturalized citizens should be treated with the same standards and conditions as any other citizen. This automatic assumption of fraud or misrepresentation on the part of a naturalized citizen who moves abroad within five years or naturalization should be stricken from the law.

ISSUE No. 9

SHORT TITLE

Immediate naturalization of an alien spouse permitted only to certain American citizens living abroad.

BACKGROUND

Section 319(b) of the Immigration and Nationality Act of 1952 allows an alien spouse of an American citizen to be naturalized as an American citizen without any of the usual prior residence requirement in the United States if the American citizen is working abroad:

In the employment of the Government of the United States,

In the employment of an American institution of research recognized as such by the Attorney General,

In the employment of an American firm or corporation engaged in whole or in part in the development of foreign trade and commerce of the United States, or a subsidiary thereof,

In the employment of a public international organization in which the United States participates by treaty or statute,

As one authorized to perform the ministerial or priestly functions of a religious denomination having a bona fide organization within the United States,

As a missionary of a religious denomination, or of an interdenominational mission organization having a bona fide organization within the United States.

All such individuals can bring their spouses to the United States and have them immediately naturalized as United States citizens. All others must have their spouses reside in the United States for three years to qualify for this same naturalization.

THE PROBLEM

The problem is self-evident. Wives or husbands of some American citizens have rights that are denied to those of other citizens solely on the basis of the employment status of the American citizen. Bureaucrats and employees of corporations have rights that individuals in a liberal profession such as doctors, lawyers, consultants and poets are denied.

THE SOLUTION

The discrimination against those working abroad in certain professions or for certain employers that this provision of the law incorporates is arbitrary and unfair.

All American citizens living abroad should have the same rights to have their spouses immediately naturalized in the United States.

ISSUE No. 10

SHORT TITLE

No Provision for Education of American Children Residing Abroad.

BACKGROUND

While a certain amount of Federal Revenue is expended to assist in the provision of adequate elementary and secondary education to children living in the United States, no such expenditure is made on behalf of children living abroad. The United States does not provide any funds to provide schooling for American children abroad unless these children are dependents of government employees.

American practice in this regard is much at variance with many other foreign countries.

For example, France has a publicly stated policy of wanting to provide at least as much annual expenditure per child abroad for education as for the child living in France. Indeed, the Government of France recently agreed to spend even more per capita for children abroad because of extra costs concerned with education abroad.

The Government of West Germany annually spends more than $100 million for elementary and secondary education for the children of expatriates.

The Government of Japan spends considerable amounts of money also for this purpose.

THE PROBLEM

The problem caused by this differential policy of various governments, is that Americans living abroad have much higher costs for educating their children in home country type schools than do expatriates of other nationalities.

This makes it more difficult for Americans to compete economically with those from these other countries.

Indeed, it was only in 1978 that the Congress finally agreed to stop *taxing* Americans living abroad on the education allowances being paid by employers. In all previous years, while other nationality expatriates were being given subsidized educational benefits for their children, and not being taxed, the United States was giving nothing at all to expatriate children, and taxing the allocations that employers were giving to help with this education!

THE SOLUTION

The United States should consider whether there should not be some sort of contribution made to help with the education of children of expatriates. This would not only be of benefit to the children, but could help equilibrate the competitive balance between American expatriates and those of a number of other countries who all compete in the international employment markets.

ISSUE No. 11

SHORT TITLE

Revocation of APO Privileges for Certain American Schools Abroad.

BACKGROUND

During recent years, the United States has been willing to allow certain American schools which have been set up abroad by American citizens for use by children of Americans who are working abroad to use the APO (an official overseas postal system whereby letters and packages which are destined for abroad are sent to special post boxes in New York, or San Francisco and the subsequent postal costs for further transmission abroad are borne by the U.S. Government).

THE PROBLEM

Recently, the United States has started taking these privileges away from these schools and refusing them to new schools being set up abroad. This has not only added materially to the cost of operating these overseas schools, but in some cases insures that the supply of materials will be very difficult in the future due to the unreliability of the local mail services.

THE SOLUTION

This policy should be reviewed to determine whether revocation and refusal to grant APO privileges is really in the best interest of the United States.

ISSUE No. 12

SHORT TITLE

Eligibility of American Embassy and Consulate personnel stationed in select cities throughout the world to send their children to the school of their choice and still be entitled to an allowance to cover tuition and charges.

BACKGROUND

American Embassy and Consulate personnel in various cities in the world are being forced by the United States Government to send their children to Department of Defense schools. In many of these cities alternative schooling is available in non U.S. Government schools. The Government enforces this by refusing to pay heavy tuition and other charges if the parent decides to send their child to a non Government school. In effect, the parents are being denied the right to select an appropriate school for their child relative to educational philosophy, proximity, school facilities and academic program. The position of the Department of State is that they are enforcing a "Congressional law".

THE PROBLEM

American Embassy and Consulate personnel are not entitled to both an appropriate educational allowance and the freedom of choice of where to send their children to school.

THE SOLUTION

Congress should review the law referred to above to determine in what way it denies parents who are American Embassy and Consulate personnel the freedom of choice of the most desired schooling for their children. If it is found that the law directly or indirectly infringes on the parents' right of choice of the most desirable schooling for their children, the law should be repealed or amended to ensure rather than inhibit the eligibility referred to above.

ISSUE No. 13

SHORT TITLE

Eligibility of American students attending foreign higher education institutions for Federal student aid programs.

BACKGROUND

American students attending colleges and universities in the United States are Eligible for a Variety of Federal student aid programs including Basic Educational Opportunity Grants (BEOG), Supplemental Educational Opportunity Grants (SEOG), College Work-Study (CWS), State Student Incentive Grants (SSIG), National Direct Student Loan (NDSL) and the Guaranteed Student Loan Program (GSLP). These programs were originally established under Title IV of the Higher Education Act of 1965.

THE PROBLEM

American students attending foreign higher education institutions are ineligible

for all but the Guaranteed Student Loan Program (GSLP). The General Provisions (Title VIII) of the Higher Education Act of 1965 states that to be eligible, an institution of higher education must be located "in any State", with the term "State" referring to, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

Thus far the eligibility status of foreign institutions with American Students has been discussed with the Accreditation and Institutional Eligibility Staff of the U.S.O.E., the House Subcommittee on Postsecondary Education, and the Senate Subcommittee on Education, Arts and Humanities. These efforts have been to no avail.

At the present time, the eligibility of American students for Federal Student aid programs is based entirely on the location of the institution they are attending. This automatically denies the eligibility for Federal student aid programs to American students living outside the U.S. The problem was stated most succinctly by Senator Claiborne Pell: "It does not make sense to me that students in foreign institutions which are accredited by American accrediting associations should be denied student aid benefits which they would otherwise be eligible to receive if they attended college in the United States."

Sadly enough, each year there are thousands of American students around the world who are discriminated against by the existing Federal higher education legislation. This dilemma takes on increasingly greater proportions when one considers the recent College Board Report stating that 70% of the American students enrolled in institutions of higher education in the United States received some form of financial aid during the 1977–78 school year.

THE SOLUTION

Amend the wording of that part of the Higher Education Act of 1965 which defines the eligibility of institutions who can administer Federal Student aid programs. Besides, or instead of, a geographical definition, general criteria would be listed under which an institution's eligibility would be established. The primary criterion should be that the institution is accredited by an American accrediting association.

The above solution would not solve the problem but it would be a first step to rectification. It would expand the eligibility of American students for Federal student aid programs but it would not be granting the eligibility to all. There would still be American students attending non-accredited foreign higher education institutions who would not be eligible. This is a more difficult problem because eligibility for Federal student aid programs, as now defined, depends on both the nature of the student receiving the aid and the nature of the institution administering the aid program. Ultimately, the legal foundation for Federal student aid programs should apply to all American students wherever they are living and going to school. Only by eligibility being based on nationality alone will all discriminatory acts be eliminated.

ISSUE No. 14

SHORT TITLE

Expiration of CHAMPUS for Military Retirees Living Abroad at Age 65 Leaves Them Without any Health Benefits.

BACKGROUND

One of the major benefits given to those who retire from military service is a range of medical and hospitalization options for which the government pays all or part of the cost. Military retirees can obtain medical care almost without cost at military installations, and they can also obtain care from civilian doctors and hospitals with the government paying much of the cost.

The civilian part of this medical benefit is covered under a program called: CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS).

CHAMPUS benefits are available to retirees who live in the United States, and also to those who live abroad. However, these benefits stop when the retiree reaches age 65, because the individual would then be eligible for Medicare benefits which are similar.

THE PROBLEM

The problem for military retirees living abroad is that there is no Medicare for anyone outside of the United States. Hence military retirees lose CHAMPUS at age 65 and have nothing to replace it abroad. At an age when they are more likely to have need for medical and health services, they lose much of their coverage and could only regain this by moving back to the United States.

THE SOLUTION

The United States should not abandon military retirees living abroad who grow older and more in need of care. As there is no Medicare to replace CHAMPUS abroad, the CHAMPUS program should be extended to cover all retirees living abroad no matter what their age.

ISSUE No. 15

SHORT TITLE

Denial of VHA Benefits to Veterans Living Abroad.

BACKGROUND

One of the important veteran's benefits is the VHA program whereby the Government guarantees part of a home purchase loan which enable a veteran to buy a home with a lower downpayment and at a lower rate of interest.

THE PROBLEM

The problem is that VHA does not apply to veterans living abroad.

THE SOLUTION

While there are a number of problems which could occur with extending VHA to overseas locations, a satisfactory method for extending this benefit to veterans abroad could possibly be found.

One such possibility would be to consider using overseas branches of American banks as loan vehicles for the VHA with master agreements with the banks' headquarters in the USA as to how the overseas loans could be worked out.

ISSUE No. 16

SHORT TITLE

Denial of Vocational Rehabilitation Benefits to Veterans Living Abroad.

BACKGROUND

American veterans who retire with a disability are eligible for vocational rehabilitation benefits which are designed to prepare these veterans to assume a new career in civilian life. Among the possible forms of such benefits are subsidized education at the graduate level for advanced university degrees.

THE PROBLEM

The problem is that Vocational Rehabilitation Benefits are not available to veterans who live abroad. While education for a future career might be equivalent to that available in the USA, or might be uniquely available abroad these benefits cannot be used abroad.

THE SOLUTION

It should be possible to conceive of at least some vocational rehabilitation benefits which could be offered to veterans living abroad. For example, education at the university and post-graduate level at American type institutions abroad could be eligible for VA support.

ISSUE No. 17

SHORT TITLE

Discriminatory Hiring Practices Against American Citizens in U.S. Military Status of Forces Agreements With Foreign Countries.

BACKGROUND

The United States has negotiated a number of special agreements with foreign governments concerning the stationing of American Armed Forces in these foreign countries. Most of these agreements were made many years ago when the United States was a rich country and the overseas locations were relatively much poorer.

These agreements often called for preferential hiring of local nationals for many jobs to be performed for the American Forces. In cases where local nationals were not found to be qualified, nationals from other countries of Europe were to be given the next preference.

THE PROBLEM

The problem is that today there are many American citizens living in overseas countries where American Forces are located who cannot be hired by the American Forces because the local nationals and nationals of all other foreign countries in the area have preference.

What may have been prudent political policy in the former era of dollar supremacy is today an unfortunate tragedy for many Americans who live on dollar retirement salaries.

THE SOLUTION

The United States should reconsider the wisdom of continuing to discriminate against American citizens in hiring for many jobs associated with overseas forces of the United States.

It would seem basic justice to get the United States back into the role of an "Equal Opportunity Employer" abroad, and to stop the unfortunate policy of discriminating against Americans for employment abroad.

ISSUE No. 18

SHORT TITLE

DOD Regulations That Deprive Americans Living Abroad of Some Work Opportunities.

BACKGROUND

The Department of Defense has issued a number of regulations that control the amount and type of work that individuals can engage in abroad.

Two such rules have been called unjust by Americans living abroad. These concern restrictions on outside jobs for individuals working for quasi-governmental organizations, and restrictions on individuals selling life insurance.

The first problem involves regulations that prohibit individuals who work for the Armed Forces for activities that are paid for from Non-Appropriated Funds (NAF), from also working for civilian firms dealing with U.S. military personnel.

The second problem is a DOD rule that individuals cannot sell life insurance to U.S. Military Personnel unless the seller has worked in the United States in this profession for at least one year.

THE PROBLEM

The problem with these two regulations is that they impede the opportunities that Americans have to earn additional income while living abroad. In the first case those working for NAF organizations often make a bare living wage since salary levels are in dollars, not in the local cost of living currency levels. The diminished moonlighting opportunities means that such individuals are precluded from the jobs where they could most easily earn additional income.

The problem in the second case concerns those who retire, are married to local nationals, and who would like to (or have to for

economic survival reasons) take on a second job as a life insurance salesman. The DOD regulations would force them to spend a year in the USA to qualify to sell life insurance abroad, and this is often economically impossible to accomplish.

THE SOLUTION

The Department of Defense should reconsider whether the prohibitions on outside employment that are involved in these and possibly other regulations are really necessary and absolutely necessary in their present form today.

In the case of the first problem there is a probable issue of potential conflict of interest. Could not some other form of resolving such potential problems be found short of an absolute ban?

In the case of the second problem, could not some form of approved training program be found which would permit individuals who retire abroad to become qualified for the selling of life insurance to members of the Armed Forces without the individual having to work for a year in the USA?

Issue No. 19

SHORT TITLE

Eligibility of United States citizens abroad to participate in U.S. social security programs if working for an American corporations foreign subsidiary or for a foreign corporation.

BACKGROUND

The United States Code of Federal Regulations under title 20, Chapter III, Part 401 et seq. specifically provides that work by a U.S. citizen outside the U.S. for a foreign subsidiary of a domestic corporation is covered by social security if:

a) The domestic corporation arranges for coverage by entering into an agreement with the I.R.S.; *and*,

b) The agreement applies to all U.S. citizens employed outside the U.S. by the foreign subsidiary and all citizens subsequently employed by the subsidiary if their work would be covered if performed in the U.S.

If a domestic corporation does not arrange for coverage for its subsidiary, the U.S. citizens working for that subsidiary are denied the opportunity to participate in the U.S. social security program if they should so wish. This delegates the decision as to the right to participate in the program to the domestic corporation rather than to the U.S. government or to the individual U.S. citizen resident abroad.

If the American citizen works for a foreign corporation abroad, he is not permitted in any circumstances to voluntarily participate in U.S. social security programs.

THE PROBLEM

If the U.S. citizen resident abroad is not permitted to participate in the social security program and he has not yet accumulated the 40 quarters of coverage required under the program to be "fully insured for life, he would not be eligible for social security benefits.

This situation could create discriminatory and tragic problems for these American citizens, for example:

a) If disabled while working abroad neither he or his family would be eligible to receive social security benefits in the United States even if he had accumulated up to 39 quarters before leaving the US. He and his family might, however, be eligible to receive benefits from the country where he was working and likely paying social security taxes. He and his family might be obliged, therefore, to remain outside of the US in order to avoid destitution. In those cases in which no such benefits from another country were available, the family may be simply left destitute.

b) If he should die while overseas, his family would not receive social security benefits from the United States. If not eligible for benefits from another country his family would be in a difficult and tragic situation.

THE SOLUTION

Any American citizen resident abroad should be permitted to *voluntarily* participate in the US social security system, at least until he has accumulated the 40 quarters necessary for "fully insured for life" status.

Issue No. 20

SHORT TITLE

Eligibility of American citizens working outside of the United States for a foreign government or international organisation to participate in United States social security programs.

BACKGROUND

The United States Code of Federal Regulations under title 20, Chapter III, Part 401 et seq. specifically excludes from coverage by social security work carried on outside of the U.S. as an employee of a foreign government or of an international organisation. If work for these entities was carried out within the United States, however, the income would be included as earnings from self-employment.*

THE PROBLEM

If the U.S. citizen resident abroad is not permitted to participate in the social security program and he has not yet accumulated the 40 quarters of coverage required under the program to be "fully insured for life", he would not be eligible for social security benefits.

THE SOLUTION

Any American citizen resident abroad should be permitted to *voluntarily* participate in the U.S. social security system, at least until he has accumulated the 40 quarters necessary for "fully insured for life" status.

Issue No. 21

SHORT TITLE

Problems of compulsory social security coverage of self-employed American citizens resident abroad.

BACKGROUND

The Social Security Handbook states in paragraph 1246 that the "income of a U.S. citizen from a trade or business carried on in a foreign country or in a possession of the U.S. is includable in his net earnings from self-employment except to the extent that such income is excludable from gross income under sections 911 or 931 of the Internal Revenue Code of 1954 for Federal income tax purposes". Section 911 previously permitted the exclusion of up to $20,000 of earned income for the taxable year ($25,000 after 3 years).

THE PROBLEM

The revision of section 911 in 1978, however, has eliminated this foreign earned income exclusion (except in very special cases). The exclusion in the past had permitted many self-employed Americans abroad, especially those with modest incomes, to avoid or at least decrease the amount of double social security taxation; i.e., the payment of social security taxes to the U.S. *and* to the country of residence. Now *all self*-employed Americans resident abroad will be compelled to pay social security taxes in the United States without any exclusion of foreign earned income. This will result in many more cases of double social security taxation and could damage the competitive position of many of these Americans overseas. As many of these Americans have a direct and substantial influence on the development of export opportunities for American goods and services, consideration should be given to eliminating this and other examples of double taxation of self-employed Americans resident abroad.

THE SOLUTION

Self-employed Americans resident abroad should *not* be compelled to pay U.S. social security taxes on foreign earned income. They should be permitted, however, to voluntarily participate in the U.S. social security program.

Issue No. 22

SHORT TITLE

Discriminatory regulations concerning the "7-Day Foreign Worktest".

BACKGROUND

The United States Code of Federal Regulations under title 20, chapter III, Part 401 et seq. specifies that inside the United States a beneficiary may not have earnings in excess of a yearly exempt amount which is adjusted annually on the basis of the cost of living. If a beneficiary is outside the United States, however, and his work is not covered by the social security program, he must pass the socalled "7-day foreign work test".

The Social Security Handbook describes this test in paragraph 1828 as follows:

"Under this test, a monthly benefit payment is withheld for each calendar month in which a beneficiary, under age 72, works:

A. On any part of 7 or more days;
B. In "noncovered remunerative activity";
C. Outside the U.S.

This test is based solely on the number of days on which the beneficiary was employed or self-employed, and not on the amount of his earnings. . . .

If benefits are not payable under this test because of a retirement insurance beneficiary's work, no benefits are payable to such individual's spouse or children, if they are entitled on his social security earnings record".

THE PROBLEM

Such disparate "tests" for excess earnings of US resident and non-resident beneficiaries is clearly discriminatory. For example, should a beneficiary resident abroad wish to work part-time for 2 hours a day, 7 days a month, he and his family would lose their total social security benefits for that month. If resident in the United States, however, he would:

a) be permitted a specified level of dollar earnings (adjusted annually for the cost of living), and

b) be permitted to average that income over an entire year rather than observe a monthly limit.

A specific example of the effect of such discriminatory provisions was reported by Miss B. J. Swayze, the Director of the American School of Languages and Art in Istanbul, Turkey. This school was originally started by the YWCA and has remained in Turkey under the present name since 1924 when the nation was secularized. The school provides secretarial training to Turkish women and girls. To provide a high level of training they required a qualified secretarial teacher from the United States. Mrs. D. Gehring of North Carolina offered to go to Turkey to teach in order to help the school in return for their paying her enough Turkish liras to cover her room and board. She had retired early and had reached the age of 62 in July 1978 and began receiving social security payments. In addition, she received social security support for a 30-year-old handicapped son. It was a great shock for Mrs. Gehring to be informed by her social security adviser that if she worked more than 7 days a month she would not only lose *her* social security benefits, but also the amount designated for her son.

Mrs. Gehring has decided to borrow money in the U.S. to support her son and other obligations in order to remain at the school for eight months. The Director of the School would have liked Mrs. Gehring to stay for the two years she originally had offered. In the circumstances, however, that will not be financially possible. If Mrs. Gehring was in the United States she would be permitted to work and earn up to $3,240 per year, but in Turkey she is penalized by losing her social security benefits and her son's because she is earning her room and board (well below $3,240).

Letters from retired Americans living abroad cite example after example of the difficulties they face with the devaluation of the dollar, the lack of Medicare benefits overseas, and unfair restrictions on foreign work.

THE SOLUTION

Americans living abroad should be allowed to choose whether they want to have their Social Security pension linked to fixed dollar earning ceilings, or whether they desire the 7-day work test to apply.

Issue No. 23

SHORT TITLE

Payment of Medicare benefits for services provided outside of the United States.

BACKGROUND

The United States Code of Federal Regulations under title 20, chapter III, Part 405, Regulations No. 5, Federal Insurance for the Aged and Disabled, provides for two primary types of health services; hospital insurance benefits and medical insurance benefits. The *Social Security Handbook* indicates in paragraph 2201 that:

"Hospital insurance benefits may ordinarily be paid only for services furnished in the United States".

Paragraph 2401 states that:

"Medical insurance benefits are not paid for services outside the United States under any other conditions than . . .".

The text goes on to cite an exemption similar to one provided for hospital insurance benefits which permits payment for services in a Canadian hospital if traveling between Alaska and the United States or if a Canadian or Mexican hospital is "closer or substantially more accessible to his residence" than the nearest participating US hospital.

THE PROBLEM

Any American outside of the United States, even if for a brief trip, sacrifices his Medicare coverage. An American resident abroad is not permitted to enroll in the Medicare program and therefore does not pay for those services. An American resident in the United States who travels outside of the United States, even if enrolled and paying his dues, however, still has *no* Medicare coverage.

The harmful effects of these regulations upon overseas Americans are frequently encountered in today's world of rapid and inexpensive travel.

An emergency illness abroad without any medical insurance whatsoever can quickly destroy the financial independence of a pensioner. The purchase of comparable private medical insurance coverage before traveling abroad is often ignored because citizens are insufficiently aware of the residency requirements.

For American citizens resident abroad the resulting extra medical insurance expenses, added on to the problems arising from exchange rate fluctuations and the 7-day work restrictions, explains the difficult plight of many United States retired citizens living abroad.

THE SOLUTION

First of all, action should be taken to ensure that Medicare participants are fully aware of the implications for their Medicare coverage if they travel outside of the United States. In the future, however, provision should be made either through national, bilateral or multilateral agreements to at least protect American residents who are participants in the Medicare program while traveling temporarily abroad. This protection could take the form of permitting such residents to submit claims to be repaid on the basis of a "basic minimum rate" which they would have received if these services had been provided within the United States.

United States citizens resident abroad who would be eligible for Medicare if resident in the United States might be permitted, on a reciprocal basis, to enroll in the comparable medical program of the country in which they are resident (if available) without fulfilling the necessary rules for eligibility. This would, of course, require a series of bilateral or multilateral agreements.

A temporary measure to assist United States citizens resident abroad may be to allow them to submit claims for a "basic minimum rate" repayment as suggested for US residents temporarily abroad. If this were not possible, consideration could perhaps be given to allowing an additional monetary exemption to the permissible earned excess income to compensate for the additional medical insurance costs required for United States pensioners resident abroad.

Issue No. 24

SHORT TITLE

Eligibility of United States citizens resident abroad for unemployment insurance.

BACKGROUND

The unemployment insurance program provides partial income replacement for a limited period to persons who become unemployed. It is a State-administered program with federal participation. Each state is required to specify in its laws:

A. Who may receive unemployment benefits;

B. How each worker can qualify for benefits;

C. The amount of the weekly unemployment benefit;

D. The maximum number of weeks for which unemployment benefits may be paid.*

A key criterion in all State programs is either past work history in that State or other States. In fact procedures are available for the local office to forward a claim to another State for payment. Federal workers and ex-servicemen may also be covered by local States with the cost of the benefit paid from a federal appropriation from general revenue.

United States citizens resident abroad, however, have no access to unemployment insurance within the United States.

THE PROBLEM

In the present economic environment, some Americans resident abroad are being forced to return to the United States as a result of the new tax regulations, exchange rate fluctuations or other economic conditions. In some cases it is very difficult to find new employment within the United States while still resident abroad. When a citizen returns to the United States, however, he does not receive unemployment benefits to assist him and his family as he searches for new employment.

THE SOLUTION

United States citizens resident abroad should have the option to participate in a federal unemployment insurance scheme. Such a scheme could permit him to make the required payments into the federal general revenue fund and have States disburse unemployment benefits in a manner similar to the procedure used for federal workers and ex-servicemen.

Issue No. 25

SHORT TITLE

Loss of Social Security Benefits Due to Dollar Limits on Outside Income, Problems From Floating Exchange Rates.

BACKGROUND

Retired individuals who are eligible to receive pensions from U.S. Social Security face limits on the amount of outside income they can earn without loss of these benefits.

The limits for these outside sources of income are expressed in dollars, and refer to levels of aggregate earnings (pension plus other earned income) which are relevant to the cost of living in the United States. For every dollar of outside earned income above these limits, one half-dollar of benefits are lost.

American Social Security Retirees living abroad are in some cases subjected to these same dollar ceilings on outside income (in some other cases the 7-day work test applies, See Issue No. 22).

However, in many overseas countries there are some severe problems that have to be faced due to higher cost of living than in the United States, and due also to the fluctuations of exchange rates.

THE PROBLEM

The first problem (the higher cost of living abroad) is treated separately in Issue No. 26.

The problems that arise from floating exchange rates are different. Suppose an individual needs to earn outside income because the size of the pension is too small. Suppose also that a job is found that will provide sufficient extra income, but will also fall within the dollar ceiling. Everything will be in order until the foreign currency starts to fluctuate. If as occurs in many overseas countries the dollar starts to weaken, the foreign currency earnings begin to grow larger and larger when translated into dollars. Thus, while the amount of foreign currency that can be purchased by the Social Security pension declines due to the devaluation of the dollar, the constant value of the foreign earnings start to grow larger when translated into dollars. The pensioner is being hit twice, losing from a diminished pension and losing part of this smaller pension (in foreign currency terms) because the outside earnings appear larger.

THE SOLUTION

Some method should be found to protect American pensioners abroad from loss of their Social Security pensions due to phantom increases in the value of their outside earnings due to exchange rate fluctuations. Perhaps these outside earnings should be allowed to float with reference to some acceptable neutral standard rather than being fixed in dollar terms that can vary the apparent value from day to day.

Issue No. 26

SHORT TITLE

Irrelevance of Dollar Limits on Outside Income for Social Security Pensioners Abroad in High Cost of Living Countries.

BACKGROUND

Retired individuals who are eligible to receive pensions from U.S. Social Security face limits on the amount of outside income they can earn without loss of these benefits.

The limits for these outside sources of income are expressed in dollars, and refer to levels of aggregate earnings (pension plus other earned income) which are relevant to the cost of living in the United States. For every dollar of outside earned income above these limits, one-half dollar of benefits are lost.

American Social Security Retirees living abroad are often subjected to these same dollar ceilings on outside income (in some cases the 7-day work test applies, See Issue No. 22).

THE PROBLEM

The problem facing those living abroad is that in many countries, the local cost of living is much higher than in the United States. The dollar limits on outside earned income that permit a minimum standard of living in the USA are too low to permit

*Reference paragraphs 948 + 9 of *Social Security Handbook, 1973*.

*Cited in *Social Security Handbook*; 1973.

the same minimum standard of living for those abroad.

As more extra income must be earned abroad in such high cost countries to attain a comparable level in the USA, the limits are surpassed and the retiree loses benefits, which, of course, means that he must earn even more to catch up and this leads to even more loss!

THE SOLUTION

The U.S. Government recognizes that there are cost of living differences facing its employees abroad. It has prepared cost of living compensation tables and pays extra allowances to those abroad to protect them from the impact of these cost differences.

How much more important it would seem to be to protect those who are retired with much lower benefit incomes from the same cost-of-living differences.

The dollar limits on outside earned income for those abroad should be indexed to the State Department's cost-of-living tables so that those who are retired abroad will be able to live at the same standard as those who retire in the USA.

ISSUE NO. 27

SHORT TITLE

World-Wide Nature of U.S. Tax System Which Taxes on Basis of Citizenship Rather Than Residency.

BACKGROUND AND PROBLEM

The United States is the only major industrialised nation which taxes its citizens on a world-wide basis and not just on the basis of residency. This was not always the case, however. Between 1926 and 1962, the United States did not tax at all the foreign earned income of its citizens living and working overseas. It was not until 1963 that the amount of foreign earned income excluded from taxable income became limited in amount. First, a $35,000 exclusion limit was set for two years which was then reduced to $20,000 or $25,000, depending upon length of residence abroad. Recent tax legislation has generally eliminated the foreign earned income exclusion substituting limited deductions for certain excess living costs. The anticipated effect of this new law is a substantially higher tax bill for American taxpayers abroad and where they are reimbursed for the excessive tax cost, their employers.

Our competitors are not faced with this additional cost of reimbursing their employees for the home country excess taxes incurred relating to an overseas assignment. As a result of this competitive disadvantage, companies must consider replacing their American employees overseas with foreign nationals who would understandably not be as sympathetic to purchasing and promoting U.S. goods and services. Some 50% of total U.S. exports are sold to or through U.S. companies abroad. In addition, many U.S. firms are losing contracts in foreign countries where American expertise is imperative and a foreign national would be inadequate.

It is also estimated that 40,000 jobs in the U.S. depend on every billion dollars in U.S. exports. Also, Americans, if forced to return to the U.S. from abroad, are competing for U.S. jobs.

It would seem, therefore, that there could be a significant adverse impact on the U.S. economy as a result of continual taxation of U.S. citizens on a world-wide basis. This form of discrimination against Americans overseas actually discriminates against the United States and citizens living within its borders as well, as a result of the above. In addition, the costs of administering a world-wide and increasingly complex taxation system for American taxpayers residing abroad seem certainly excessive and should be considered in the light of the revenue generated.

SUGGESTED SOLUTION

Taxation of Americans on the basis of residency only rather than on a world-wide basis by virtue of citizenship.

ISSUE NO. 28

SHORT TITLE

Inadequate Credit Given For Taxes Paid By American Citizens Living Abroad

BACKGROUND

While the United States insists on making American citizens continue to pay United States income taxes while they live and work abroad, there is no willingness on the part of the United States to recognize that these same citizens are paying many different forms of taxes to overseas countries on this same income, and in effect are being taxed twice.

The present tax philosophy of the United States is to allow credit only for income tax that is paid abroad, but not for any other form of tax paid abroad.

THE PROBLEM

The problem with this practice is that no other country of the world has exactly the same form of revenue generation as the United States. Each country chooses a mix of direct and indirect taxation which is the result of history, tradition, and different belief of how the common economic burdens should be shared. But, since the United States will only recognize one form of tax paid abroad as equivalent to tax owed to the United States, the American living abroad is protected against double taxation only to the extent that the overseas country relies on income tax and not on tax of any other form.

The following table shows how the revenue generation mix of eight countries varies in terms of what proportion of total national tax revenue comes from personal income tax, personal social security contributions, general sales taxes (or value added taxes) and specific goods taxes, and taxes paid by individuals on property.

COMPARATIVE TAXATION OF INDIVIDUALS IN 8 MAJOR WESTERN COUNTRIES

Country	Per capita tax in 1975	Personal income tax	Social security payment	VAT sales taxes	Specific goods taxes	IND. property taxes	Regressivity indexes (percent) 4 / 2+3	5 / 2+3	4+5 / 2+3
	(1)	(2)	(3)	(4)	(5)	(6)			
U.S. dollars:									
United States	$2,044	[1] $644	$202	[1] $137	[1] $192	$154	16	23	39
United Kingdom	1,495	565	113	117	218	73	19	32	56
France	2,348	[1] 291	201	548	215	23	111	44	151
West Germany	2,420	728	363	356	253	16	33	23	55
Italy	997	[1] 150	90	136	134		57	56	113
Switzerland	2,494	[1] 870	347	194	[1] 266	14	16	22	38
Sweden	3,890	[1] 1,783		464	442		26	25	51
Japan	919	[1] 230	85		[1] 145			46	46
Percentages:									
United States	100	31.5	9.9	6.7	9.4	7.5			
United Kingdom	100	37.8	7.6	8.7	14.6	4.9			
France	100	12.4	8.6	23.4	9.2	1.0			
West Germany	100	30.1	15.0	14.7	10.5	.7			
Italy	100	15.1	9.0	13.7	13.5				
Switzerland	100	34.9	13.9	7.8	10.7	.6			
Sweden	100	45.9		11.9	11.4				
Japan	100	25.0	9.2		15.8				

[1] Including State and local taxes.

NOTES

The per capita tax is the total tax revenue of the country divided by the population. The other items are their respective contributions to total tax revenue on a per capita basis. The regressivity indexes show the extent to which total per capita tax revenue comes from indirect taxes felt by individuals (VAT or sales taxes and other indirect taxes of specific goods and services, excise taxes, etc.).

Despite the fact that the United States allows resident citizens to deduct State sales taxes from their gross taxable income, it denies this same possibility to those American citizens living abroad. Thus, those living abroad in highly regressive tax countries are faced with tax credit (or deduction) losses that can exceed what they pay in direct income tax. (See France above.)

Source: OECD Revenue Statistics of OECD Member Countries 1965–75, OECD 1977.

The table is based upon data from 1975, and was compiled by the OECD on a per capita basis.

The upper part of the table shows the amount of taxes collected from individuals (as opposed to corporations) through the various different types of taxation. The amounts that were collected per capita from corporations are not shown on this table, but are included in the first column of total revenue collected per capita during 1975.

It is quite apparent that the eight countries place very different emphasis on raising revenue from income tax and other forms of taxation than the United States. This difference of emphasis is more clearly shown in the lower part of the table where each tax's contribution to total revenue is shown in percentage terms.

To show an overall comparison of revenue from income tax and social security contributions as opposed to indirect forms of taxation of individuals, a simple regressivity index has been prepared (shown at the right of the table). The first column of the index shows the ratio of general sales tax (or value added tax) to tax revenue from income tax and social security contributions. While such general sales taxes (including tax at the State level in the USA) contributes only 16%

of the amount from income tax and social security contributions in the USA, it contributes an equal amount (in Switzerland) or greater amount (in every other country except Japan) elsewhere. And in the case of countries such as France more per capita tax is raised each year from this single form of general sales tax than from income tax and social security tax combined. Curiously, those American citizens living in the United States are allowed a deduction from taxable income from sales taxes (which only amount to 16% of tax on income and social security) but for those Americans living in France, there is neither a credit nor even a deduction for taxes which exceed on a per capita basis the amount paid to France on income and for social security.

If one looks at the second column of the index, the ratio here is revenue from specific goods taxes (on gasoline, liquor, cigarettes, etc.) to revenue from income tax and social security. Here again this form of tax is low in the United States (and Switzerland) but twice as big in countries such as Japan and Italy. Again the American citizen living in countries where much more tax is collected from these sources than in the United States is again deprived of any recognition that tax has been paid abroad.

Finally, column three of the index shows the combined revenue from general sales taxes and specific goods taxes as a ratio of revenue per capita generated from income tax and social security contributions. Again the United States and Switzerland are comparable, but countries such as France and Italy appear all the more strikingly different in their tax policy. France collected one and a half times as much revenue per capita from general and specific sales taxes as from income tax and social security contributions. Yet, as far as the United States is concerned, American citizens who have paid this amount of tax have not thereby earned any right to a credit for this tax or even a deduction.

The problem is thus rather evident. United States citizens paying taxes abroad are not recognized as having paid taxes, unless the tax they pay abroad is an income tax. Yet, most overseas countries rely less heavily on income taxes for total revenue than does the United States. Americans living abroad face effective double taxation to the direct extent that their overseas country of residence does not have a tax mix that is exactly congruent with that of the United States.

To take an extreme example, let us suppose that one of these countries, say France, were to decide to get rid of income tax entirely, and to generate all government revenue from several different forms of indirect tax on individuals and from taxes on corporations. And, for sake of further example let us assume that the tax on individuals would be such that its effective rate would be 30 percent of total income. The American taxpayer in this country would be told by the United States that he had not paid any tax overseas that is either creditable, or even deductible for U.S. tax purposes. The overseas income would thus be fully taxable by the United States as well.

THE SOLUTION

The ideal solution, of course, would be to recognize that each overseas country is sovereign in its tax policy, and to also recognize that American citizens living in each overseas country are effectively being taxed by all of the individual forms of tax each such country chooses to impose. Thus, if the United States still wants to insist on the American expatriate paying U.S. income tax the full value of overseas tax paid should be recognized.

One obvious objection to this practice would be that it would be nearly impossible to ever calculate how much tax had really been paid abroad, for which credit or some form of deduction should be given. The present response to this problem is to simply ignore that any tax other than income tax has been paid. Another alternative, which is followed by every other civilized country of the world, is to recognize the inherent inequity in requiring overseas citizens to pay tax twice on portions of the same income and to simply stop taxing Americans living abroad.

Lest this radical solution seem ridiculous, it should be recalled that this is precisely what the United States did from 1926 until 1962.

ISSUE NO. 29

SHORT TITLE

American Tax Laws Impede the Purchase of American Goods by Americans Living Abroad.

BACKGROUND

There are over 1.5 million American citizens living outside of the United States. This total aggregate population exceeds the population of fourteen different States in the United States, and constitutes a very large potential market for American goods.

Present American tax laws require Americans living abroad to pay American income tax on all foreign income, earned and unearned. At the same time the United States will not give either a tax credit, or even a deduction for much of the tax that is paid to overseas countries.

Included in the category of tax for which no credit is given are tariffs, sales taxes and other goods related taxes that must be paid by an American living abroad if he wants to purchase American made products.

THE PROBLEM

The problem created by this American tax policy is that in many instances there is a heavy tax penalty to be paid if the American expatriate wants to purchase an American made product rather than a product of local origin.

Let us take the example of the purchase of an automobile. And, let us assume that there is some marginal ability on the part of the American in question to work a little harder to earn whatever extra money would be required to buy either a local car, or a car made in the United States. For simplicity, let us also assume that the individual is earning enough money to be paying U.S. tax at the marginal rate of 50%, assume that the overseas country has no income tax, has an import duty of 100% of the cost of the car, and a local sales tax of 30%. The CIF cost of the American car is equal to the ex-factory cost of the local car.

To buy the American car, the American must be willing to pay the cost of the car, plus 100% (for import duty) plus 30% of this duty paid amount for sales tax, or a total of 260% of the CIF car value. To buy the local car the cost is only 130%, or just half of the American car price.

But, since the American is going to have to work an additional amount of time to earn this extra money he will also have to pay to the United States Treasury extra income tax.

Here is where the U.S. tax policy penalizes him for buying American. If he earns enough to buy the foreign car, he will have to pay the United States half of this amount in extra tax (50% of the cost of the car plus the overseas sales tax) or 65% of the CIF cost of the American car.

If the American wants to buy an American car, however, he will have a much greater amount of tax to pay to the U.S. Treasury. For the cost of the American car is double that of foreign car after duty and sales tax, and the U.S. will make him pay twice as much U.S. tax if he buys the American car, then he would have to pay to buy the foreign car.

THE SOLUTION

There is an enormous potential in the overseas American community for selling much greater amounts of American made goods. Not only is the expatriate market a large one, but it is also an invaluable demonstration market for showing American products to others.

The Congress should seriously consider whether it would not be in the best interest of the United States to stop penal taxation of those who earn more to buy American products.

One possible solution would be to grant tax credits for overseas tariffs and sales taxes paid to purchase American origin goods.

If one considers that the result of the present system is to make the American pay the U.S. Treasury more than the value of the American car (in the example above), this is effectively a U.S. excise tax which the expatriate has to pay, which he would not have to pay on this same car if he was living in the USA. And, for this reason the present situation is quite wrong.

ISSUE NO. 30

SHORT TITLE

Taxation of "Phantom" Income Resulting from Fluctuating Exchange Rates.

BACKGROUND AND PROBLEMS

An individual living in a foreign country should not be penalized solely due to the fluctuation in value of local currency in terms of U.S. dollars. However, Americans residing in, say Switzerland have seen their income for U.S. tax purposes inflated by approximately 160% since 1971 for a given unchanged nominal income expressed in Swiss francs, the country in which their normal living expenses are incurred. An earned income of SFr. 100,000 was equal to $22,300 in 1971 but at today's exchange rate (December 1978) is worth about $60,000. While the individual's purchasing power in Swiss francs has actually decreased since 1971 due to inflation, his income for U.S. tax return purposes has artificially increased by $37,000 which amount is included in his taxable income. In addition, his other income has been pushed up into a higher tax bracket due to the graduated tax rate system.

SUGGESTED SOLUTION

This is a problem for which there seems to be no practicable solution short of changing the system to taxing on the basis of residency only.

ISSUE NO. 31

SHORT TITLE

Taxation of "Phantom" Capital Gains Resulting from Fluctuating Exchange Rates.

BACKGROUND AND PROBLEM

When an American residing overseas sells a capital asset, such as his home, translation must be made into U.S. dollars at the exchange rate in effect at date of purchase and sale to determine purchase price and sales price in dollars for purposes of calculating gain or loss on sale. Assuming the taxpayer resided in Switzerland and he received the same amount of Swiss Francs on sale in December 1978 as he paid upon purchase in December 1970, or SFr. 500,000, he would, nonetheless, have a capital gain to report on his U.S. tax return of $178,000 (the difference between translation of SFr. 500,000 at SFr. 1.70=$1 exchange rate at date of sale and SFr. 500,000 at SFr. 4.32=$1 exchange rate at date of purchase $294,000—$116,000=$178,000). Assuming no deferral of the gain through the appropriate repurchase of a new principal residence, the full $178,000 would have to be currently included as capital gain with the appropriate tax paid regardless of the fact that in Swiss Francs, the currency of the taxpayer's country of residence, there was no appreciation in value.

In addition, assuming the property had been mortgaged, two other inequities might exist. First, as is possible in Switzerland, there may have been no repayments on the principal of the mortgage. In that situation, little or no money may have been exchanged on the sale with the mortgage being assumed by the purchaser. Even though little or no cash might be received by the seller, he would still have to report the $178,000 of capital gain. Second, assuming the seller had made mortgage repayments over the years at increasing amounts in terms of dollars, translating at the exchange rate in effect at time of repayment would result in dollar repayments being greater than the original dollar liability, or a currency loss on mortgage repayments. The resulting currency loss would not be deductible from the $178,000 capital gain on sale since the house sold was a personal (rather than business or investment) asset.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, Americans residing overseas should not be taxable on capital gains resulting from exchange fluctuations relating to the sale of personal assets.

ISSUE No. 32

SHORT TITLE

Taxation.—Preferential Treatment Given to Government Employees.

BACKGROUND AND PROBLEM

While non-government employees are taxed on all income and allowances regardless of source, U.S. government employees are not taxed on all allowances and benefits received for additional costs incurred while residing overseas. This situation is highly inequitable. The average non-government employee residing overseas is considered himself to be an unofficial ambassador. He comes into contact with foreign nationals on a daily basis and is looked to as being representative of Americans in the United States. In this day and age of importance of international communications we cannot afford to take an isolationist attitude by substantially reducing the size of our American Communities abroad through inequitable treatment of government and nongovernment employees overseas.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, government and nongovernment employees overseas should be treated equally.

ISSUE No. 33

SHORT TITLE

Taxation.—Exchange Controls.

BACKGROUND AND PROBLEM

Currency restrictions imposed by foreign governments may "block" the conversion of foreign currency earned abroad into U.S. dollars. The Treasury gives taxpayers a special election to defer reporting blocked foreign income until the foreign currency can be readily converted into U.S. dollars. A taxpayer makes the election by filing a separate income tax return covering the deferred income and related deductions. Whenever the income can be changed into dollars, or into a foreign currency or property that can be converted into U.S. dollars. A taxpayer makes the election by filing a separate income tax return covering the deferred income and related deductions. Whenever the income can be changed into dollars, or into a foreign currency or property that can be converted into dollars, the taxpayer becomes liable for income tax on all the income on which no tax had previously been paid. The problem, however, is that the tax liability is computed as though the taxpayer had earned that income in the year in which his income became convertible or unblocked. Several years income can therefore become taxable all in one year, resulting in considerably higher marginal tax rates than had the income been taxed in the year actually earned.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, when earned income becomes unblocked, the tax on that income should be determined in accordance with the other income, deductions and tax rates applicable to the earlier year in which actually earned.

ISSUE No. 34

SHORT TITLE

Taxation.—Maximum Tax Treatment With Non-Resident Alien Spouse.

BACKGROUND AND PROBLEM

A married individual is not entitled to benefit from the maximum tax on earned income rates unless he files a joint tax return. A U.S. citizen taxpayer married to a non-resident alien prior to the Tax Refrom Act of 1976 was not entitled to file a joint return and therefore not eligible for that tax benefit. While the Tax Refrom Act of 1976 enabled taxpayers to file jointly with their non-resident alien spouse and therefore enabling benefit from maximum tax rates, it also causes, by electing such treatment, the non-resident alien spouse to be treated as a resident alien for tax purposes and therefore to be taxed on a world-wide basis. Thus forcing income which would be otherwise not taxable by the U.S. to be taxable, just for the purpose of the U.S. citizen spouse benefitting from maximum tax rates on earned income.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, U.S. citizens married to non-resident aliens should be allowed to benefit from the maximum tax rates on earned income without having to make an election to have their spouse taxed as a resident alien.

ISSUE No. 35

SHORT TITLE

Taxation.—Joint Filing Status With Non-Resident Alien Spouse.

BACKGROUND AND PROBLEM

A U.S. Citizen residing overseas does not have the right to make an annual election to file a joint return as a domestic taxpayer has, if he is married to a non-resident alien. Under the Tax Reform Act of 1976, he has the right to make an election to treat his non-resident alien spouse as a resident alien for tax purposes, making the spouse taxable on a world-wide basis. However, once the election is made, if it is broken it can no longer be made again in the future, whereas the taxpayer in the U.S. can annually choose whether or not to file a joint return with his spouse.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, a U.S. citizen married to a non-resident should be allowed to make an annual election to file a joint U.S. tax return.

ISSUE No. 36

SHORT TITLE

Taxation—Married to Non-Resident Alien Spouse—Treatment as Married Filing Separately.

BACKGROUND AND PROBLEM

A U.S. citizen overseas married to a non-resident alien spouse who does not choose to elect to treat her as a resident alien and causing her otherwise non-U.S. source income to become taxable in the U.S., must use the filing status married filing separately (unless he qualifies as an unmarried head of household, i.e. dependent child living in household). Having to file as married filing separately is a distinct disadvantage due to higher tax rates and certain deductions which are limited to only one half the normal amount (i.e. deduction for capital loss against ordinary income limited to $1,500 instead of $3,000)

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, a U.S. citizen married to a non-resident alien who does not elect to have the spouse treated as a resident alien should be allowed to file (if not qualifying for unmarried head of household status) as a single person and not lose one half of certain deductions as if filing as married filing separately.

ISSUE No. 37

SHORT TITLE

Taxation—Foreign Conventions

BACKGROUND AND PROBLEM

An individual is allowed a deduction for expenses limited to attendance at two foreign conventions per year. A taxpayer residing overseas might attend several such conventions in the foreign country in which he resides and yet he would still be limited to a deduction for two conventions per year since what to him is his home country of residence is for purposes of the related tax deduction considered to be a foreign country.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, taxpayers residing overseas should have no deduction limitation for the reasonable cost of "foreign" conventions attended.

ISSUE No. 38

SHORT TITLE

Taxation—Nondeductibility of Foreign Charitable Contributions.

BACKGROUND AND PROBLEM

No deduction is allowed for contributions made to charities in foreign countries even though the ultimate beneficiaries and objectives may be the same as those charities for which tax deductions are allowed in the U.S. (such as churches, the Red Cross, etc.).

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, it is suggested that a deduction be allowed for contributions to foreign charities which would be considered to qualify for tax-exempt status in the U.S.

ISSUE No. 39

SHORT TITLE

Taxation—Non-Recognition of Foreign Postmark.

BACKGROUND AND PROBLEM

Unlike domestic taxpayers, the local postmark is not accepted as date of filing for tax returns submitted by Americans overseas. Only a U.S. postmark is evidence of timely filing. As a result, overseas taxpayers never know with certainty exactly when their tax returns are considered filed since there can be significant delays incurred in some foreign country postal systems. Such delays can cause significant penalties as well as interest charges to be imposed for late filing, even though the taxpayer may have mailed the return well before the due date.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, foreign postmarks should be accepted as evidence of timely filing.

ISSUE No. 40

SHORT TITLE

Taxation—Lack of Sufficient Time To Pay Tax.

BACKGROUND AND PROBLEM

While taxpayers overseas are entitled to an automatic extension to June 15 in which to

file their returns, they must pay interest on the balance of tax due from April 15. Since the later filing date is necessitated by the additional time needed to accumulate tax information and supporting documents while overseas and also by the IRS due to the delay in overseas taxpayers receiving tax forms, it is inequitable not to extend the date for payment of the tax as well. The overseas taxpayer may indeed be prevented from filing due to unavailability of tax forms, or as we experienced for 1977 tax returns, an uncertainty as to what would be the applicable law.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, an automatic extension of time for payment of the tax due should be granted to coincide with the automatic extension of time for filing the returns.

ISSUE No. 41

SHORT TITLE

Taxation—Lack of Sufficient Time for Filing Estimated Tax Return.

BACKGROUND AND PROBLEM

Although overseas Americans are granted an automatic two-month extension of time to file their tax return for the previous year, there is no similar extension of time beyond April 15 for filing an estimated tax declaration and for paying the estimated tax for the current year. Congress has suggested the desirability of computing the tax liability for the previous year before estimating income tax for the current year by adopting Section 1012 of the 1976 Tax Reform Act in order to make the filing date for the declaration of estimated tax by a non-resident alien coincide with the June 15 filing date for the non-resident alien tax return. Non-resident citizens can reasonably expect to be treated equitably with non-resident aliens.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the due date for declaring and making the first payment of estimated tax should be June 15 instead of April 15.

ISSUE No. 42

SHORT TITLE

Taxation—Effective Loss of January 31 Filing Benefit.

BACKGROUND AND PROBLEM

Certain penalties for underpayment of estimated tax are eliminated for taxpayers who file their tax return and pay all tax due on or before January 31 of year following the tax return year. Since tax returns typically are not delivered either to overseas taxpayers or U.S. embassies at best until the very end of January or beginning of February, the potential tax benefit is, for practical purposes, unavailable to overseas Americans, even for those who are aware of it.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the date for qualifying for this benefit for Americans overseas should be extended to March 15 from January 31.

ISSUE No. 43

SHORT TITLE

Taxation—Lack of Relevant Information Guides.

BACKGROUND AND PROBLEM

While the IRS publishes a large number of pamphlets to guide domestic taxpayers, most of these are of little use to Americans overseas because they do not address themselves to the problems encountered by taxpayers in foreign countries. There are a few pamphlets designed specifically for overseas taxpayers but it is fair to say that the information is neither the equivalent of that provided for domestic taxpayers nor nearly adequate to explain to the average overseas taxpayer how his return should be properly prepared, given the additional complexities of foreign tax credits and treatment of foreign-earned income.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the IRS should review and revise its existing information guides with the objective of providing as informative pamphlets for overseas taxpayers as for domestic taxpayers. To be more meaningful, pamphlets should be prepared on a country-by-country basis.

ISSUE No. 44

SHORT TITLE

Taxation—Difficulty in Obtaining Tax Forms

BACKGROUND AND PROBLEM

While the IRS sends a supplementary package of tax forms to taxpayers who have filed from overseas the previous year, they are usually inadequate. For instance, the form for reporting foreign bank accounts is not included even though nearly every taxpayer residing overseas has a foreign bank account and is therefore required to file such form. In addition, the packagé of forms does not include Form 2210, required to be completed in cases of underpayment of estimated tax, or the form for computing maximum tax on earned income (to be used when earned taxable income exceeds 50% tax bracket) which income level is frequently exceeded if for no other reason due to fluctuating exchange rates resulting in a devalued dollar.

Taxpayers overseas must request such form from the local consulate or embassy. When not locally available, they must be requested from the Office of International Operations. This involves considerable delays, particularly where forms are sent by sea mail and where it causes filing beyond April 15 interest must be paid.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the tax form package for overseas filers should be revised and made more complete.

ISSUE No. 45

SHORT TITLE

Taxation—IRS Deficiency in Adapting to Overseas Taxpayer Situation.

BACKGROUND AND PROBLEM

The IRS often sends tax assessment notices and other communications by seamail, requiring four or more weeks for receipt by the taxpayer overseas. The notice itself normally requires payment within ten days of the date of the notice or a date well prior to receipt by the taxpayer. Not complying with the IRS request results in penalties and interest occurring.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, it is suggested that the IRS be required to send notices to overseas taxpayers by airmail, allowing a reasonable period of time from date of receipt in which to reply.

ISSUE No. 46

SHORT TITLE

Taxation—Lock of, and Cost of Obtaining Assistance in Preparation of Tax Returns.

BACKGROUND AND PROBLEM

While an extensive advisory service is provided for domestic taxpayers, including the use of toll-free telephone answers for federal tax questions, overseas a limited amount of IRS tax advice is available. It is generally limited to a few embassies on a continent. It is certainly not available in every country except for a few days around tax filing time and then not adequate to be of much specific help for a taxpayer's particular situation.

As a result, the overseas taxpayer who is obviously faced with a much more complex tax preparation situation than he had in the U.S. must seek outside professional assistance. This is certainly not available on every street corner as it is in the U.S. As a matter of fact, for the most part, this professional assistance is only available from international accounting firms. The individual who would never think of using, or require, the services of such a firm when living inside the U.S. is left little alternative, if his return is to be done properly, but to go to such firms, with the resultant cost of preparation being ten times or more than what he might have to pay in the U.S.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, it should be incumbent upon the IRS to ensure that adequate assistance in preparing tax returns is available. If the IRS itself cannot provide adequate assistance for overseas taxpayers, there should then be allowed a credit rather than a deduction for the excess cost of such assistance. Toll-free telephone answers should be available as is the case for domestic taxpayers.

ISSUE No. 47

SHORT TITLE

Taxation—Source of Income—Partnership.

BACKGROUND AND PROBLEM

Due to U.S. rules determining source of income and the related effect on the foreign tax credit limitation inequitable situations can arise. For example, a taxpayer living in a foreign country who does not enter the U.S. at all in a particular year, and who is a partner in a U.S. Partnership has his earnings treated as U.S. source income to the extent of the partnership U.S. source earnings even though he was physically present in the foreign country while performing his services. This "U.S. source" income even though it is taxed by the foreign country may not benefit from relief from double taxation by virtue of the foreign tax credit.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, source of income rules should be changed to allow treatment by a partner in a partnership to have the source of his income determined with regard to his physical location when performing his partnership duties.

ISSUE No. 48

SHORT TITLE

Double Taxation on Income Earned Relating to Days Worked in U.S.

BACKGROUND AND PROBLEM

Under U.S. tax law, the source of earned income is determined by where the individual is physically located when the services are performed. An American living and working overseas who spends some time on business in the U.S. must treat his earned income relating to those business days as U.S. and not foreign source income. This is the case even though no payments were made to him specifically with regard to his time in the U.S. Due to the foreign tax limitation, the U.S. tax on income generated from U.S. working days cannot be reduced by the foreign tax credit. This is the case even though the foreign country in which the taxpayer resides may tax that earned income, which the U.S. considers to be U.S. source income, by virtue of his residency there. As a result of the foreign country taxing that income for which the U.S. does not allow a foreign tax credit, double taxation of income occurs.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, a foreign tax credit should be allowed for all income taxed by a foreign country for which no relief is provided from double taxation by treaty.

ISSUE No. 49

SHORT TITLE

Estate Taxation.

BACKGROUND AND PROBLEM

Depending on individual foreign countries and related if any treaties with the U.S. taxpayers residing overseas risk double estate taxation or even annulment of seemingly valid wills.

SUGGESTED SOLUTION

Further study must be made of this complex situation to determine areas where inequity exists and recommendations made for appropriate relief.

ISSUE No. 50

SHORT TITLE

Failure of the U.S. Tax Laws to Recognize Special Residents' Taxes Paid by Some Americans Living Abroad.

BACKGROUND AND PROBLEM

American citizens living in England whether they live in rented quarters or in their own home, are required to pay a tax on the residence they occupy. This tax is called "Rates".

In the United States, real estate taxes are deductible from taxable income for Federal Income tax purposes. However, the IRS has ruled that "Rates" cannot be considered a real estate tax because U.K. tax practice is that the resident rather than the owner bears this tax burden.

THE SOLUTION

Short of changing American tax laws to taxation on the basis of residence rather than citizenship, a deduction should be allowed for those living in countries such as England that have residents' taxes such as "Rates". The nit-picking of the IRS on many small issues such as this is what eventually aggregates into grossly unfair overall tax treatment of those living abroad.

REMINDER NOTICE OF FILING REQUIREMENTS UNDER THE FOREIGN GIFTS AND DECORATIONS ACT

● Mr. STEVENSON. Mr. President, in a letter dated December 12, 1978, Members were notified by the Senate Select Committee on Ethics that the Foreign Gifts and Decorations Act, 5 United State Code section 7342, requires the Committee to provide the Secretary of State with a list of certain gifts received from foreign governments by Members, officers, and employees of the Senate and their spouses and dependents who are not Federal employees.

The Ethics Committee reminds any of the above described individuals who have not done so already that they must report to the Ethics Committee, in writing, if they, or their spouses or dependents, have accepted from a foreign government during calendar year 1978 the following:

(a) Tangible gifts of a value in excess of $100; or

(b) Gifts in excess of $100 of travel, or expenses for travel, taking place entirely outside the United States.

For the purposes of these requirements, a foreign government includes any unit of foreign governmental authority, any international or multinational organization whose membership is composed of any unit of foreign government, and any agent or representative of any such unit or organization, while acting as such.

For each reportable tangible gift the following information must be provided to the Ethics Committee:

(a) The name and position of the employee;

(b) A brief description of the gift and the circumstances justifying acceptance;

(c) The identity, if known, of the foreign government and the name and position of the individual who presented the gift;

(d) The date of acceptance of the gift;

(e) The estimated value in the United States of the gift at the time of acceptance; and

(f) Disposition or current location of the gift.

For each reportable gift of travel or travel expenses the following information must be provided to the Ethics Committee:

(a) The name and position of the employee;

(b) A brief description of the gift and the circumstances justifying acceptance; and

(c) The identity, if known, of the foreign government and the name and position of the individual who presented the gift.

Grants and other forms of assistance received under the Mutual Educational and Cultural Exchange Act need not be reported to the Ethics Committee under the Foreign Gifts and Decorations Act.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senator and Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Senator S. I. HAYAKAWA, Ms. Elvira Orly, legislative assistant to Senator HAYAKAWA, Mr. Philip L. Fraas and Mr. Nelson C. Denlinger of Senator TALMADGE's staff, and Ms. Nancy P. Foster of Senator STONE's staff, to participate in a program sponsored by a foreign educational organization, the Japan-United States Interlegislative Council of Tokyo, Japan, November 12–19, 1978.

It has been determined that participation of these individuals in the program in Japan at the expense of the council to discuss defense, industrial, and agricultural issues is in the interest of the Senate and the United States.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF EDUCATIONAL TRAVEL FROM A FOREIGN COUNTRY

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by this foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Mr. David Hansell, member of the staff of Senator DONALD W. RIEGLE, JR., to participate in a program sponsored by a foreign educational organization, the Van Leer Foundation of Jerusalem, Israel, November 12–23, 1978.

It has been determined that participation by the above-named individual in the program in Israel, at the expense of the foundation to discuss issues in the education field is in the interest of the Senate and the United States.●

THE PRESSING URGENCY OF THE HUMAN RIGHTS AMENDMENT

● Mr. STONE. Mr. President, as most of us are well aware, today marks the sixth anniversary of the Supreme Court's decision striking down restrictive State abortion laws around the country. Today, legalized abortions continue at the rate of approximately 4,000 per day. Since I was a member of the Florida State Senate, I have opposed abortion on demand. This continues to be my position, as my voting record here in Washington has consistently reflected. I am well aware of the complex legal and moral issues associated with abortion, and of the strong convictions many Americans have about it. I would like to commend to my colleagues some recent thoughts by nationally known journalist George F. Will on the pressing urgency of a human life amendment. Mr. President, I ask to have the article printed at this point in the RECORD.

The article follows:

ABORTION: "SETTLING" THE ISSUE

(By George F. Will)

Justice Harry Blackmun may be remembered in connection with abortion the way Chief Justice Roger Taney is remembered in connection with slavery.

In the Dred Scott decision, Taney tried to use judicial power to "settle" the slavery issue by removing it from legislative arenas. Indead, he hastened civil war. Blackmun seems to want to "settle" the abortion issue similarly, but his injudicious opinions may provoke an anti-abortion amendment to the Constitution.

Blackmun wrote the 1973 abortion decision, which was a scythe mowing down state restrictions on abortion. Now Blackmun has written the opinion in a 6-to-3 ruling striking down a 1974 Pennsylvania law requiring doctors to use whatever abortion method is most likely to spare the life of any fetus that "may be viable." Blackmun finds that phrase unenforceably "vague."

Blackmun also faults Pennsylvania law because "it is uncertain whether the statute permits the physician to consider his duty to the patient to be paramount to his duty to the fetus." This suggests, obliquely, the real incompatibility of Pennsylvania's law and the 1973 ruling, an incompatibility that has nothing to do with the concept of "viability."

The court's labored analysis of "viability" obscures, in 1979 as in 1973, what the court is doing. It is concocting an expansive right to abortion, a right not significantly limited by considerations of fetal viability.

Justice Byron White, dissenting, says the latest ruling "withdraws from the states a substantial measure of the power to protect fetal life that was reserved to them" in the 1973 decision. But in fact the latest ruling only makes clear that the 1973 ruling virtually stripped the states of such power.

The logic of the 1973 ruling is this. A woman who wants an abortion has a virtually unlimitable constitutional right to purchase a procedure that will result in a dead fetus.

The 1973 decision held that at no point in pregnancy are fetuses "persons" in the whole sense. The court said that states may not forbid an abortion that a doctor determines is "necessary to preserve the life or health of the mother."

The court established, in effect, a right to abortion on demand when it said that doctors may make that determination "in the light of all attendant circumstances—psychological and emotional as well as physical—that might be relevant to the well-being of the patient." Doctors can be found who will construe "health" broadly enough to include, for example, the absence of "distress."

Pennsylvania's law was odd. To require abortionists to use the method safest for fetuses is to require abortionists to risk failing at their vocation, which is killing fetuses. But given today's moral and legal climate, it is unclear what must be done when fetuses do survive abortion procedures. There are bound to be many such cases in a nation with a million abortions a year.

True, some states require that babies born after abortion procedures must be given life-sustaining treatment appropriate for premature births. And many hospitals have neonatal intensive-care units that can prolong, if not always preserve, the lives of infants that survive abortion procedures. But an abortionist might be sued for malpractice if he failed to kill his patient's fetus.

For centuries many societies considered abortion permissible before "quickening" (when a woman feels fetal movement) because they did not think the fetus was alive until then. Strict abortion laws developed as the science of embryology developed in the 19th century.

Today there is no doubt that pregnancy is a continuous process. What begins at conception will, if it escapes natural misfortune or deliberate attack, becomes a child. And what abortion kills is an organic system distinct from the woman's system. Abortionists do not deny that a fetus is alive and biologically human (meaning that it belongs to that category of life). They argue that an unwanted fetus has no value. . . .

In "The Ambivalence of Abortion," Linda Bird Franke reports that many women who have had abortions say: "I felt like I'd killed something." Of course. The feeling is reasonable. In every abortion, something living is killed. That is an indisputable biological fact, not a moral judgment. The moral argument today concerns whether Blackmun and his colleagues shall be allowed to define as nothing the status of that "something."●

ROSA PONSELLE—AN EXTRAORDINARY ARTIST

● Mr. MATHIAS. Mr. President, Saturday, January 27, has been designated "Rosa Ponselle Day" in Baltimore in honor of the very great artist who has enriched our lives by choosing to live among us for many years and by sharing her talents and her time so generously with the people of Maryland.

But, although Marylanders are justly proud of their unique relationship with one of the greatest singers of all time, we would not dare to claim her as our own. Rosa Ponselle belongs to the entire world—a world she conquered when she made her debut at the Metropolitan Opera in November 1918—a world where lovers of music still respond to the magic of her voice, even when it comes to them from the very imperfect recordings of her early performances.

The noted composer-conductor Leonard Bernstein reports that "Rosa Ponselle's was the first operatic voice I ever heard, at age 8, on an old 78, singing the 'Suicidio' from La Gioconda." Even through all the scratchiness and surface noise, he says, "that voice rang through in such glory that it made me a music lover forever. I thank her every day of my life."

And so too do all of us who were fortunate enough to have heard Rosa Ponselle sing. Those not so fortunate may still learn something of the dimension of this great performer when the Metropolitan Opera Company pays formal tribute to Rosa Ponselle during its PBS telecast on Saturday and devotes its intermission feature to her life and career.

That same evening the Peabody Institute will honor Rosa Ponselle not only for her genius as a performer but also for the tremendous contribution she has made to the cultural life of Maryland as the artistic director of the Baltimore Civic Opera Company.

Martin Luther described music as "one of the fairest and most glorious gifts of God." Rosa Ponselle's voice was fairest of the fair.

I now ask that a brief sketch of her career and the text of Baltimore Mayor William Donald Schaefer's proclamation of Rosa Ponselle Day be printed in the RECORD at this point.

Words are a pale substitute for music, but they at least suggest the glories that once were.

The proclamation follows:

BY MAYOR WILLIAM DONALD SCHAEFER, DESIGNATING JANUARY 27, 1979 AS "ROSA PONSELLE DAY" IN BALTIMORE

Whereas, Rosa Ponselle has, through the practice of her art, brought cultural notice to the City of Baltimore on an international scale; and

Whereas, a consummate artist and a brilliant performer, Rosa Ponselle's career is a landmark to all Americans whose talents and ambitions direct them to a life of operatic performance and study; and

Whereas, considered by many to have the most perfect operatic voice available on phonograph recordings, Rosa Ponselle's many and diverse characterizations include many definitive performances and, in the case of Spontini's "Norma", a tour de Force; and

Whereas, Rosa Ponselle celebrates during the month of January both her 82nd birthday and the 60th anniversary of her first performance with the Metropolitan Opera.

Now, therefore, I, William Donald Schaefer, Mayor of the City of Baltimore do hereby proclaim January 27, 1979, as "Rosa Ponselle Day" in Baltimore and do urge all citizens who value talent, dedication, and expertise to take inspiration from the unparalleled accomplishments of this gifted and important woman.

ROSA PONSELLE

(Notes by James A. Drake)

Rosa Ponselle, *nee* Ponzillo, was born in Neriden, Connecticut on January 22, 1897, the youngest of three children of immigrant Italian (Neapolitan) parents. Her father, Benardino Ponzillo, was a baker and storekeeper who, with his wife (Maddalena Conti Ponzillo), had arrived in the U.S. in the late 1880's. All three Ponzillo children eventually had singing careers—the eldest, Carmela, in vaudeville and eventually at the Metropolitan Opera in the mid-1920's, and the middle child, Antonio, in vaudeville shortly after World War One.

Rosa Ponselle progressed from a silent-movie pianist and cabaret singer, to "headliner" status with her sister in Keith Circuit vaudeville bills, to a singular career in grand opera, between the ages of 13 and 21. At her Metropolitan Opera debut in November 1918—opposite the legendary tenor Caruso, in Verdi's opera La Forza Del Destino—Ponselle became the first American-born, American-trained singer ever to achieve international fame at the Met by making her debut there without any prior operatic experience—and, most remarkably, without a single vocal or dramatic lesson in her life. Her overnight success and subsequent Metropolitan career (1918–1937) paved the way for a long line of American singers including, in recent years, Beverly Sills, Marilyn Horne, James Morris and Sherrill Milnes, all of whom have coached under her in her long tenure as Artistic Director of the Baltimore Opera Company.

Ponselle's operatic career eventually embraced two continents, and in such diverse roles as Santuzza in Mascagni's Cavalleria Rusticana, Rezia in Weber's Oberon, Rachel in Halevy's La Juive, Elvira in Verdi's Ernani, Mathilde in Rossini's difficult William Tell, Selika in Meyerbeer's L'Africaine, Fiora in L'Amore Dei Tre Re, Leonora in Verdi's Il Trovatore, Maddalena in Giordano's Andrea Chenier, Elisabeth in Verdi's Don Carlo, and the title roles in Verdi's Aida, Ponchielli's La Gioconda, Bellini's Norma, Spontini's La Vestale, Verdi's La Traviata, and Bizet's Carmen.

Historians of opera generally agree that among Ponselle's many and diverse characterizations, her portrayals of the classical heroines of Spontini's La Vestale and Bellini's Norma have yet to be equalled in modern opera singing. Her Norma, both on recordings and in the opera house, remains the standard by which all subsequent Normas have been judged.

Retiring from the Metropolitan in 1937 after her marriage to Carle A. Jackson of Baltimore, Maryland—son of the city's then-mayor, Howard W. Jackson—Ponselle moved to the Green Spring Valley in 1939 building there a Mediterranean estate, "Villa Pace." She emerged from retirement in 1950-1951, when the Baltimore Civic Opera Company, under the aegis of its then-director, Leigh Martine invited her to become a consultant. She accepted and, liking the involvement, soon became the Company's Artistic Director, a position which she still holds. Under her guidance the Company has become a well-funded, nationally-acclaimed opera organization.

Ponselle's stature in the history of opera performing is more secure than any other Italian singer's, save her mentor, Caruso. Many contemporary critics (Harold C. Schonberg, of the New York Times, among them) consider hers the most perfect operatic voice available on phonograph recordings. Other comments attesting to her uniqueness are evident in these quotations:

Luciano Pavarotti, internationally-acclaimed tenor: "Rosa Ponselle, like Caruso, possessed a perfect voice, a voice of pure gold. She is still the most modern of singers on recordings, even though her career ended forty years ago. She is the Queen of Queens in singing, without question the greatest living singer in the world."

Marilyn Horne, internationally-acclaimed mezzo-soprano: "Rosa Ponselle's singing has been the foundation of my career and my singing technique. My colleagues and I at the Metropolitan recognize her, as does the entire musical fraternity, as the peerless soprano of the Golden Age."

Ponselle has been awarded as many national and international honors as any opera singer in recent history, including among them the coveted Order of the Commendatore from the government of Italy, as well as entrance into the U.S. Hall of Fame. The Peabody Institute awarded her an honorary doctor's degree in the 1960's, the only such honorary degree she ever agreed to accept, despite many nominations from American conservatories and universities. Summarizing her life and career on the occasion of her 80th birthday in 1977, then-Vice President Nelson Rockefeller wrote, "On marvelous occasions like this, we judge others not only by how long they have lived but how well they have lived. By both measures, you have had a full and inspiring life."

The Metropolitan Opera Company will pay tribute formally to Rosa Ponselle when, during its PBS telecast of January 20, 1979, it will devote a lengthy intermission feature to her life and career. Narrated by Francis Robinson, the tribute will be given in connection with the evening's opera performance—of Verdi's Luisa Miller—in which Ponselle created the title-role in the opera's first Met production in the mid-1920's.

In December 1978, Ponselle gave her approval to the only authorized biography written about her. Completed in the autumn of 1978 and written by James A. Drake, with Foreword by tenor Luciano Pavarotti, the biography is now being circulated among publishers in New York.

On Saturday evening, January 27, 1979, the Peabody Institute will pay tribute to the singer on the occasion of the 60th anniversary of her Metropolitan debut (the event also being marked by the Met's PBS tribute), and will play host to contemporary Metropolitan singers as well as several of Ponselle's former colleagues, including sopranos Bidu Sayao, Lucia Albanese, and Stella Roman. The Peabody tribute will conclude a week-long series of activities related to Rosa Ponselle's life and career.●

UKRAINIAN INDEPENDENCE DAY

● Mr. WILLIAMS. Mr. President, I am pleased to join in today's commemoration of the 61st anniversary of Ukrainian Independence Day. On January 22, 1918, the brave people of the Ukraine liberated themselves from two centuries of foreign domination and proclaimed a free and independent nation dedicated to democratic principles. Although a spectrum of nations hailed this noble effort toward self-government, the Soviets did not. They refused to withdraw their troops from that territory, and by 1920 the Ukraine was once more a captive nation, subject to the tyranny of Soviet domination.

Since that year, continual religious persecution, economic exploitation, and the denial of fundamental human rights has characterized the daily lives of the Ukrainian people. My deep concern for the flagrant abuse of a most cherished right, the freedom of religion, prompted my sponsorship of a Senate concurrent resolution which calls for the resurrection of the Ukrainian Orthodox, the Catholic Church, and other religions in the Ukraine.

Last summer the trials of Soviet dissidents focused the world's attention upon the existence of certain grave, inhumane conditions in that society. Human beings were flagrantly denied fundamental human rights; they could not function as free individuals, but were restricted in expressing their values, choices, and goals by their government's arbitrary authority. Let us remember that for these celebrated examples of political oppression, there are countless others which have not been brought to public attention.

This year's Ukrainian Independence Day gives us a welcome opportunity for deep reflection. It is a time to remember those who have struggled so heroically for historically denied rights. It is also a time to renew and reaffirm our commitment to the American principles of social justice and human freedom, as well as to declare our sympathy and support for the 50 million captive Ukrainians for whom freedom is not yet a reality, but still a compelling aspiration.●

PUTTING INNOVATION BACK TO WORK

● Mr. BAYH. Mr. President, late last session our distinguished colleague, BOB DOLE of Kansas and I introduced the University and Small Business Patent Procedures Act, which would free the hundreds of valuable medical, energy, and other technological discoveries presently sitting unused under Government control. All too often the Government sponsors research that leads to socially useful discoveries, yet refuses to relinquish patent rights that could convert the discoveries into marketable products.

The bill proposed a limited patent protection for those universities, non-profit organizations, and small businesses willing to develop and market advances uncovered during their Government-supported research.

We will be reintroducing the University and Small Business Patent Procedures Act in early February. I have been very pleased by the bipartisan support that this legislation received in the last Congress and I urge all Senators who have not officially announced their support to give this bill close scrutiny at a time when America is falling behind its international competition in technological innovation. While this bill would not by itself reverse this trend, it would be an important first step towards rejuvenating and utilizing the tremendous scientific resources in this country.

I would add that the concept of this bill was unanimously endorsed by the Subcommittee on Patent and Information Policy of President Carter's Advisory Committee on Industrial Innovation.

The legislation protects the Government's rights to enjoy the fruits of the research it funds while encouraging the private sector to develop and market these new inventions. This problem has been especially serious in the field of medical research where life-saving discoveries have been needlessly squelched by bureaucratic redtape.

For example, to determine the proper chemotherapy treatment, patients are now given drugs on a painful trial and error basis. Two researchers at the University of Arizona recently developed a process to determine the proper chemotherapy treatment from the patient's blood sample. This important discovery was delayed for nearly a year while the Department of Health, Education, and Welfare, which had helped fund the research, pondered over whether to grant the university patent rights. I am happy to say that after strong appeals from the bill's sponsors, the agency finally waived its patent rights.

It is appalling that these types of discoveries are left to waste on agency shelves because private industry can not afford to spend the millions of dollars to develop and market them without patent protection.

Senator DOLE and I have worked very closely during the recess with a number of patent experts, organizations, and businessmen to improve the bill. I would like to express my appreciation to them for their hard work and valuable suggestions which have been incorporated into the new bill.

I ask to print in the RECORD a copy of a letter which I wrote to the editors of Science magazine and which appeared in this issue, explaining the need for this legislation.

The letter follows:

TECHNOLOGICAL INNOVATION

I was extremely interested in William D. Carey's editorial "Science in the political economy" (17 Nov. 1978, p. 703). I agree with the assessment that the budget retraints we are facing make it critical that the money spent by the federal government for research and development bring the greatest possible return. Not only should we be selective in our research funding, but we must also create the best climate for bringing the fruits of federal research to the people in the form of new products and technology. Unfortunately, the present policy of federal government retention of patent rights on inventions arising out of federally supported research has resulted in many promising inventions being left to gather dust on the shelves of government agencies. Less than 4 percent of the patents held by the government are ever successfully licensed. This is not a very good return for the billions of dollars we spend on R & D.

There is another trend that has been commented upon in the past in *Science* and is succinctly expressed by this headline, which appeared in the Washington *Post* on 24 November 1978: "U.S. Seen Losing Technological Edge in Some Industries." Because the government provides such a large percentage of all the R & D expenditures in the United States, an inefficient policy which stifles inventiveness hurts our companies who need new technological ideas to compete successfully with increasingly tough foreign businesses.

In the last Congress, I joined a bipartisan group of senators in introducing a bill we feel will answer at least part of these problems. This legislation, the University and Small Business Patent Procedures Act, will allow universities, small businesses, and nonprofit institutions in most cases to retain patent rights for those inventions and processes if they are willing to spend the necessary private funds to develop and market a final product. At the same time, the bill will protect the legitimate rights of the government to enjoy the fruits of the research it helped to fund.

There are now 20 statutes and regulations in effect that give contradictory instructions to the agencies about their ability to grant patent petitions. Sometimes, even within the same agency, there can be different policies among various divisions. The result has been that researchers face a costly maze of confusing rules, many of which require the agency that helped fund the research to also retain the patent rights for any inventions arising from it.

Early in the next Congress, Senator Robert Dole (R-Kan.) and I again will lead the bipartisan effort to pass this legislation. Realize that getting the most out of our R & D money and the problem of our slumping rate of technological innovation are extremely complex areas. This bill would be an important first step in turning this situation around.●

CLINICAL LABORATORY IMPROVEMENT ACT

● Mr. JAVITS. Mr. President, early in the 96th Congress I will again introduce a Clinical Laboratory Improvement Act. The major objective of CLIA is to improve the quality and reliability of clinical laboratory services by means of Federal licensing authority to enforce higher and more uniform standards. Only laboratories directly in interstate commerce—6 percent of the total number of labs—are regulated under the existing clinical laboratory law, enacted in 1967, which I authored. Two previous CLIA reform bills passed the Senate in 1976 and 1977 but were not voted upon in the House of Representatives due to scheduling delays.

Clinical laboratories play a key role in the detection and diagnosis of a patient's condition. Physicians depend upon laboratory work for information fundamental to the treatment of a patient, and the accuracy of laboratory tests are central to the quality of care available to the health care consumer. Yet according to HEW estimates, there is an error rate of 8 to 25 percent nationwide for clinical laboratory performance, depending upon the specialty tested. That means that over 2 million—out of 12 million—laboratory results are in error every day, resulting in a higher rate of unnecessary hospitalization, unneeded surgery, inappropriate treatment, undiscovered disease, injury, and even death.

Further, a 1976 HEW survey of 200 medicare clinical laboratories revealed serious deficiencies in 74 percent of the labs inspected. The consequences of these deficiencies in terms of human suffering can be severe—when a patient dies because of a faulty blood type report, a child develops severe retardation from treatment based on an incorrect bilirubin test, or when cancer in a patient goes unnoticed—all because a laboratory test was incompletely conducted or read.

I believe that the American health consumer deserves a higher level of performance, and could easily be assured of significantly better performance under the licensure and improvement program that would apply under my bill to almost all clinical laboratories involved in health care delivery.

These problems in clinical laboratory performance have been compounded by the bureaucratic problems attendant on Federal responsibility for assuring the quality of laboratory activities. There are three different agencies responsible for administering the clinical laboratory program, and the record demonstrates that one agency often does not know what the other is doing.

Attempts to define and coordinate these responsibilities through a series of proposed interagency agreements have never been effective. In the face of evidence of ineffective enforcement of clinical laboratory standards under the medicare program, the Department of HEW has seen compiled a sad record of years of bureaucratic backbiting and infighting, of indecisiveness and inaction. I have little faith that an effective, coordinated program can be established absent the clear statutory mandate embodied in CLIA.

This lack of administrative commitment and direction has hampered the effort to improve laboratory performance in the field. Proficiency tests conducted by the Center for Disease Control through 1977 have revealed no improvements in the accuracy of laboratory results in areas such as bacteriology, parasitology, and virology over the past 10 years, and only marginal improvements in other areas. Most alarming is the continuing failure of some laboratories to identify correctly any of the five test samples that make up the complete proficiency test administered by CDC.

Insufficient progress has also characterized the effort to combat fraud and abuse under the medicare and medicaid programs in the lucrative clinical lab business. I have instructed my staff to coordinate the antifraud provisions of the bill with broader proposals to be considered in the Senate Finance Committee.

I am concerned that the practice of a relatively few hospital-affiliated pathologists in requiring percentage compensation arrangements with the hospital for laboratory services under their direction be ended, since such arrangements unnecessarily inflate the cost of medical care and have no direct relationship to the services actually performed by the pathologist.

The need for this legislation is great. Medical laboratory testing occupies an increasingly vital place in both diagnostic and preventive medicine. Nearly 5 billion tests are done annually at a cost of over $12 billion, or about 10 percent of our annual expenditures for medical care. I believe that every person is entitled to protection from inaccurate and unreliable results because of a failure of laboratories to observe basic quality standards and procedures.

As a vital measure that has already twice passed the Senate, I hope for early consideration of a revised CLIA in the 96th Congress.

I am pleased to note the formation of a broad-based Coalition to Support CLIA which will provide an active and unified constituency for the bill's passage. I invite all Americans interested in the quality and reliability of our clinical laboratories to join me in supporting this bill.●

ELIMINATION OF MEDICARE AND MEDICAID PAYMENTS FOR CHIROPRACTIC SERVICES

● Mr. STONE. Mr. President, in the President's budget for fiscal year 1980, it was recommended by HEW that medicare and medicaid payments for chiropractic services be eliminated.

At issue here is freedom of choice of type of health care service. Medicare beneficiaries are not expecting a handout. They have paid hard-earned dollars to medicare through social security. Now, when they can reclaim their investment, they are going to be told that they cannot be reimbursed for the services of a licensed health care provider.

HEW estimates it will save $35 million if this recommendation is adopted by Congress. Quite to the contrary, I feel this recommendation will increase costs. If an individual cannot go to a chiropractor, he will utilize other, usually more expensive health care treatments. Therefore, inclusion of chiropractic services would actually save money.

I have reintroduced legislation in this Congress, S. 76, to make it easier and more equitable for medicare beneficiaries to receive reimbursement for the services of a doctor of chiropractic. I sincerely hope that it is passed and the administration's proposal is rejected.●

RECESS UNTIL 8:30 P.M. TODAY

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 8:30 p.m., this evening.

Whereupon, at 3:09 p.m., the Senate recessed until 8:30 p.m.

The Senate reassembled when called to order by the Presiding Officer (Mr. SARBANES).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-1)

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the Hall of the House of Representatives.

Thereupon, at 8:40 p.m., the Senate, preceded by the Vice President and the Sergeant at Arms, Frank Nordy Hoffmann, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States.

The address by the President of the United States, this day delivered by him to the joint session of the two Houses of Congress, appears in the proceedings of the House of Representatives in today's RECORD.

RECESS UNTIL 12 NOON TOMORROW

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 9:45 p.m. the Senate recessed until tomorrow, Wednesday, January 24, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, January 19, 1979, under authority of the order of the Senate of January 18, 1979:

THE JUDICIARY

Phyllis A. Kravitch, of Georgia, to be U.S. circuit judge for the Fifth Circuit, vice Lewis R. Morgan, retired.

John G. Penn, of Maryland, to be U.S. district judge for the District of Columbia, vice Joseph C. Waddy, retired.

Abraham D. Sofaer, of New York, to be U.S. district judge for the southern district of New York, vice Marvin E. Frankel, resigned.

DEPARTMENT OF JUSTICE

Carlon M. O'Malley, Jr., of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania for the term of 4 years, vice S. John Cottone.

Executive nominations received by the Senate, January 22, 1979, under authority of the order of the Senate of January 18, 1979:

DEPARTMENT OF STATE

Robert H. Pelletreau, Jr., of Connecticut, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

Stephen Warren Bosworth, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

IN THE PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefore as provided by law and regulations:

1. For permanent promotion:

To be medical director

N. Burton Attico
Richard R. Bates
Edward F. Blasser
Allen W. Cheever
Harold T. Conrad
Anthony N. Damato
William R. Decesare
Frederick V. O. Featherstone
Roger A. Feldman
J. Kenneth Fleshman
Donald D. Funk
George W. Gaffney
Robert J. Griep
Joseph S. Handler
Roger W. Haskell
Alfonso H. Holguin
Robert R. Jacobson
William H. James
James W. Justice
David C. Kay
Harry R. Keiser
Carl M. Leventhal
Ephraim Y. Levin
Robert N. Ligo
Clayton H. McCracken, Jr.
George D. Monda
Charles H. Neilson
James K. Penry
Rolfe W. Salin
Dean F. Tirador
George S. Walter

To be senior surgeon

John V. Bennett
David L. Child
Won Suk Cho
Ronald E. Gillilan
Charles W. Gorodetzky
David H. Groth
Robert C. Hastings
Charles A. Herron
Paul V. Holland
Vilis E. Kilpe
Carl R. Merril
William G. Prescott
George A. Reich
Thomas L. Robertson, Jr.
Calvin D. Sanders
Charles R. Westley
Robert E. Wills

To be surgeon

James R. Allen
Alfred L. Brassel, Jr.
James R. Cooper
Richard E. Dixon
Wayne C. Farmer
Jeffrey R. Fisher
Curtis C. Harris
Elaine S. Jaffe
Randall H. Lortscher
John J. Mulvihill
Howard W. Ory
William A. Paton
Frederick R. Pintz
Thomas K. Welty
John A. Wolfe

To be dental director

Lawrence I. Carnes
Sherman L. Cox
Charles O. Cranford
Ronald Dubner
Glen D. Elliott
T. Edwin Evans, Jr.
John F. Goggins
Donald W. Johnson
Merlyn B. Johnson
Thomas L. Louden
Leo N. McKenzie
Robert E. Mecklenburg
Lowell W. Smith
George B. Spruce, Jr.
Robert O. Wolf

To be senior dental surgeon

Tullio F. Albertini
William S. Driscoll
John L. Elliott
John Folio
William R. Hall
John S. Huling, Jr.
Wayne A. Jenkins
Bruce E. Johnson
James P. Johnson
Edward Kuzma
Sheppard M. Levine
Rudolph E. Micik
Regis M. Nairn
Joseph R. O'Neil, Jr.

To be dental surgeon

Robert S. Andrews
Henry E. Jones, Jr.
Michael D. Lund
Neil H. Nilsson
Charles R. Wanner

To be nurse director

Norma J. Baxter
Rita Chow
Josephine J. Hedrick
Mary B. Twiner
Lawrence J. Welding
Irene C. Zyniewicz

To be senior nurse officer

Barbara J. Bowman
Tanya T. Crow
Paul V. Donnelly
George F. Hedquist
Christine H. Johnson
Pattie A. Kwon
Helen M. Mangan
Evelyn L. Maxwell
Rose M. Truax

To be nurse officer

Robert L. Oahins
Frederick C. Raje
Morris J. Smith

To be senior assistance nurse officer

Judy D. Burt
Linda M. Zwiaska

To be sanitary engineer director

Robert G. Bostrom
Jules B. Cohen
Donald P. Dubois
John A. Eckart
John A. Eure
George C. Kent
Richard E. Reavis
John E. Regnier
Edgar F. Seagle
S. David Shearer, Jr.
Jay S. Silhanek
Albert V. Soukup
Lyle D. Thomas
John C. Villforth
Gerald G. Vurek

To be senior sanitary engineer

Donald A. Anderson
Malcolm C. Bruce
Ralph W. Buelow
Richard L. Douglas
Dewayne E. Durst
Jack R. Farmer
Henry L. Fisher, Jr.
R. Frank Grossman
Richard S. Kramkowski
F. Donald Maddox
Robert G. Raymond
Paul B. Smith
Daniel A. Stock
Donald T. Wruble

To be sanitary engineer

J. Douglas Ashbrook
Steven M. Bromberg
Gunther F. Craun
Dennis A. Degner
Marius J. Gedgaudas
Jerome J. Healy
Jack W. Hoffbuhr
Thomas R. Horton
Peter R. Johnson
Thomas J. Logan
Gary K. Radtke
Ronald A. Robinson
Gene W. Smith
James H. Southerland
Ronald R. Speedy
Ray L. Walchle
Richard F. White
Linden E. Witherell
Kenneth R. Woodard

To be senior assistant sanitary engineer

James J. Cherniack.
Wayne E. Wruble.

To be scientist director

David Abraham
Sotiros D. Chaparas
Carleton M. Clifford, Jr.
Robert H. Depue, Jr.
Robert L. Elder
Burton R. Evans
Arthur D. Flynn
Martin I. Goldenberg
J. Richard Gorham
Leon J. Greenbaum, Jr.
Joseph Greenberg
Vincent J. Sodd
Robert T. Taylor

To be senior scientist

Elmer W. Akin
Gregory J. Barone
John J. Bartko
Laurence T. Carroll
Robert F. Clarke
Arnold K. Fowler
Donald E. Gardner
Alfred Hellman
Douglas H. Keefer
Frank S. Lisella
Jon R. May
Michael A. Oxman
Norman L. Richards
William H. Spillane
Harold F. Stewart

To be scientist

Stephen P. Bernardinelli.
Richard P. Chiachierini.
Harry A. Milman.

To be sanitarian director

Robert E. Adams
Willard N. Adams
John H. Brandt
Gerald J. Karches
Robert L. Sanders
Thomas C. Sell
William F. Sundin
Jack Womack

To be senior sanitarian

George A. Adams
Vernon R. T. Bergman
Ralph J. Bicknell
Eduardo G. Campos
Victor L. Casper
Kurt L. Feldmann
Donald L. Lambdin
H. Harold Lehman
Matthew C. Lynch
Robert A. Marsland
James R. Reed
Safety E. Reynolds
Johnny R. Sanders
Phillip H. Shoults
Dale J. Vandonsel
Thomas S. Willett

To be sanitarian

Selden C. Hall, Jr.
Floyd L. Lashly, Jr.

To be veterinary officer director

Don C. Gibson
John E. Holman, Jr.
Charles W. McPherson
John H. Richardson
Robert W. Thomassen

To be senior veterinary officer

Ezra Berman
Charles G. Liddle
James L. Murray
James A. Peters
Stephen Potkay

To be pharmacist director

Francis P. Barletta
Paul O. Fehnel, Jr.
Wesley R. Gladhart, Jr.
James R. Grigdesby
Robert E. McKay
Lawrence D. Smith

To be senior pharmacist

Ray D. Crossley, 2d
Jean P. Davignon
Lawrence E. Gustafson
Jerome A. Halperin
Donald E. Hill
Edmund F. Kropidlowski
John J. Lucas
John J. Miescier
Arthur C. Willman
Gary J. Wold

To be pharmacist

Roger L. Dinwiddie
Arthur H. Holmes, Jr.
Gordon H. Jensen
Johnny B. Peebles
James G. Tauer
Theodore A. Westley

To be senior assistant pharmacist

Robert C. Adams
Steven C. Bowman
Paul A. Buccerl, Jr.
Gary P. Copeland
Raymond W. Hammond
Gary L. Henderson
Neumon D. Johnson, Jr.
Alexander P. Jones
James F. Neighbors
Roger D. Nicolaus
Michael A. Rempfer
Glenn H. Rex
Kenneth L. Spear
Dorothy S. Vershure
William B. Welch

To be therapist director

Peter D. Cline.
Lamont B Smith.

To be senior therapist

William W. Murray.

To be therapist

Harry T. Bergtholdt
Roger R. Berry
Gene A. Diullo
William A. Fromherz

To be senior assistant therapist

James A. Akers
James C. Pryce

To be dietitian director

Lois R. Seidler

To be senior dietitian

Catherine G. Waters

To be health services officer director

Robert W. Carrick
Charles L. Cox
Kenneth F. Hunt
Lavert C. Seabron
Walker C. Williams

To be senior health services officer

Wayne G. Brown
Robert S. Callis
George F. Creswell
Earl W. Robinson
Wilbert Shimoda
Roger W. Turenne
Charles T. Wilson

To be health services officer

Joseph S. Arcarese
Bascom W. Carlton, Jr.
Winston J. Dean
John H. Peterson
Ellery D. Savage
Melvin E. Segal
Mark O. Semler
Dennis R. Shipman
Joseph G. Sirmons
Charles P. Warr, Jr.
Theodore J. Weinberg
Samuel T. Windham, Jr.

To be senior assistant health services officer

Elmon S. Crumpler
George S. Komada
Llewellyn H. Mason, Jr.
Peter P. Mazzella
Emmett E. Noll
Tim L. Pay
James J. Vucich

IN THE PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefore as provided by law and regulations:

1. For appointment:

To be senior surgeon

Francis Caprio
Frank Clarke
Philip A. Corfman
Uel D. Crosby, Jr.
Dorynne J. Czechowicz
Fe R. Dela Paz
William H. Foege
Michael B. Gregg
David M. Isaacs
Florence Kavaler
Stephen H. King
Jacqueline Whang Peng
Alice R. Ring

To be surgeon

Barbara A. Beasley
Paula M. Botstein
Franklin Chu
Eliot L. Cohen
James W. Curran
David S. Gordon
Hsien W. Ju
Peter H. Lee
Dominick A. Minotti
Lawrence R. Morales
Mercedita T. Timtiman
Harold M. Ginzburg
Barry F. Bader
Beri E. Nussbaum
Roger J. Porter
Francisca M. Ward

To be senior assistant surgeon

Jerome I. Block
Michael A. Howard
Morton H. Levitt
Robert B. Merrick
Eugene V. Moffett
Philip D. Noguchi
Richard D. Olson
Burley J. Packwood
Trenton K. Ruebush, 2d
Vincent J. Vivona
David H. Young
Kenneth P. Benusis
Lynn J. Brown
Gerald F. Kaplan
Galen B. Warren
Sam E. Wilcox

To be senior assistant dental surgeon

Eric B. Broderick
Joseph M. Checchio, Jr.
Peter R. Christensen
Martin R. Cirulis
Dee J. Danner
Michael T. Finnern
Gary S. Gritzbaugh
Charles G. Hay
George R. McCarthy
John D. Morgan
Larry D. Prater
Clark W. Rogers
Donald A. Schneider
Daniel L. Speth
Gordon H. Tong
Mary E. Tope
Tonie M. Waller
Michael R. Walker
William D. Wood

To be senior sanitary engineer

Weldon C. Fill
Philip C. Schwindt, Jr.

To be sanitary engineer

Walter A. Collins
David L. Larson
Melvin L. Meyers
Jerry H. Nunogawa
Charles E. Rodes

To be senior assistant sanitary engineer

William F. Barnard
Christopher L. Christman
Dennis W. Groce
Gregory Q. Haase
Wayne D. Heiden
Stephen C. James
Douglas C. Jensen
George R. Laws
Michael E. Peterson
Harvey W. Rogers
Cecil P. Roper, Jr.
Frederick W. Weller
Mark A. Werre

To be senior veterinary officer

Dennis O. Johnson
Robert A. Whitney

To be veterinary officer

David K. Johnson

To be senior assistant veterinary officer

Martin L. Morin

To be scientist

James M. Barbaree
David G. Brown
John P. Burke
Jerry L. Chandler
Wilbur H. Cyr
Stanley E. Edinger
Philip E. Hamrick
Richard C. Henneberry
Frederick A. Hodge
John N. Krzemien
Judd C. Posner
Harvey Rudolph

To be senior assistant scientist

William D. Brown
Michael J. Colligan
Howard W. Kroll
Alfred N. Milbert
Jacqueline M. Muller
Marco Montoya
Stephen A. Olenchock
John H. Sammons
Annette W. Zimmern

To be nurse officer

Rosalyn T. Curtis
Vivian M. Demarest
Eileen P. Gunter
Cecelia U. Reid
Jeanette M. Scheppan
Lillie A. Siebodnick
Lois E. Solari
Beverly G. Weiberg
Mildred H. Williams

To be senior assistant nurse officer

Kathleen L. Berry
Donald M. Judd, II
Elizabeth B. Knutti
Lorraine A. Macing
Dione S. Mahoney
Cynthia K. Mooney
Billy J. Moore
Thomas E. Tidmore
Kathleen M. Trail
Diane K. Wysowski

To be assistant nurse officer

Robert E. Adams
Jewel L. Boykin
Theodore W. Currier, 3rd
John R. Morrow

To be pharmacist

Benjamin P. Lewis, Jr.
Ronald J. Pytel

To be senior assistant pharmacist

Barton W. Baker
Donald Beiergrohslein
Larry D. Croll
Richard E. Davis
Joy Leon Dearman
Michael R. Gecewich
Norman A. Hadd
Steven K. Halstead
Thomas H. Hassall
Francis J. Hussion
Jay D. McGath
Melvin P. McRae

To be assistant pharmacist

Dennis M. Alder
Paul F. Jarosinski
Robert D. Schenkman
George R. Schmidt
Larry C. Steward
Richard A. Stowe
Peter L. Vaccari
David C. Wilcox
James L. Zimmerly

To be senior assistant sanitarian

Darryl B. Barnett
George E. Byrns
Cynthia I. Howarth
Robert J. Kapolka

To be assistant sanitarian

Richard H. Glover

To be dietitian

Carolyn Przekurat

To be senior assistant dietitian

Marie L. Goulet
Emma L. Howard
Alice A. Jones
Donald M. Patin
Mark S. Siegel
Laura M. Vizas

To be assistant dietitian

Eloise Beechinor

To be therapist

James D. Ebner
Barbara H. Ferguson
Valerie A. Olszewski

To be senior assistant therapist

Beverly J. Bell
Ronald S. Brocato
Thomas G. Mcpoil, Jr.
B. Thomas Scheib
Keith E. Varvel
Selden D. Wasson

To be assistant therapist

Randall L. Fletcher
Kay E. Ginader
Marc M. Gordon
Allan W. Grose
Bruce P. Klein
Penny G. Kroll
Milton T. Levesque
Donna M. Pizzo
Paul R. Rockar, Jr.
David B. Wilkins

To be health services officer

John F. Bopp
Libby E. Ely
Jack C. Hall
Matthew L. Henk
Barry J. Solomon

To be senior assistant health services officer

Evan R. Arrindell
Martin J. Bree
Frederick L. Buchta
Dan F. Carter
Larry S. Chapman
Richard Darlington
John D. Dupre
Larry D. Edmonds
Lucio Flores, Jr.
Joseph Garcia, Jr.
Jay D. Gile
John R. Hammond
Stephen J. Henske
Daniel A. Hoffman
John E. Hubbard
Paul T. Kirkham
Robert P. Kuhlthau
Patricia D. Mail
John T. Miller, Jr.
Gary R. Pabalis
Marlene L. Ruckert
Norman C. Schauer
Gordon R. Seidenberg
Idelle P. Smith
Donald W. Stanek
Jacob E. Tenenbaum
George H. Walter
John D. Wells
Billy G. White
Sherman H. Wooding

To be assistant health services officer

Priscilla F. Butler
Raymond L. Clark
Alfred G. Fahlstedt
Terence M. Grady
Nancy A. Hazleton
Jean L. Hochheimer
Klaus D. Kracht
William M. Krushat
Dorothea Musgrave
Robert P. Nugent
Janet M. Ruck
Richard G. Schulman
Constance F. Sullivan
Edward H. Taylor
Herbert L. Venable
Francis P. Wagner, Jr.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Sidney B. Vaughn, Jr.
John D. Costello
Donald C. Thompson

IN THE COAST GUARD

The following-named commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of captain:

Glen N. Armitage
Allan K. Brier
Henri L. Bignault
Fenwick (n) Taylor
David B. Michel
James P. Barnett
Carl A. Zellner
Robert K. Liput
Walter J. Symons
Stuart A. Yoffe
James B. Lowe
William A. Parker
Harry A. Gard
Herbert C. Gould

Roger J. Davis
Ronald J. Vito
Wilfrid W. Czaplar
Roger J. Erickson
Stephen M. Aug
Thomas P. Marian
Richard L. Powell
Frank J. Ropiak
Thomas J. Travers

IN THE COAST GUARD

The following regular officers of the U.S. Coast Guard for promotion to the grade of commander:

James M. Seabrooke
Robert C. McFarland
Joseph Marotta
Allan B. Pell
Carl R. Mockler
George J. Buffeben, Jr.
John E. Lindak
Hugh A. Dayton
Robert Bates
William E. Remley
Larry A. Murdock
Timothy V. Johnson
David Zawadski
Robert J. Reid
Thomas Rutter
George A. Bachtell
Paul T. Potter
Frank R. Long
Richard C. Waterman
Burton F. Folce, Jr.
Jerry C. Bacon
Martin L. Lindahl
Charles W. Murray
Richard V. Butchka
Donald G. Campbell
Walter R. Bodner, Jr.
Gary C. Nelson
Ronald J. Davies
Larry R. Hyde
Leo J. Black, Jr.
Thomas Nunes
Stephen H. Davis
Andrew F. Hobson
Delbert L. Hemphill
Thomas L. Osborne
Gerald J. Pounds
Robert L. Zeller
Gary A. Rogers
Lawrence R. Rodgers
William H. Rollins, Jr.
Jimmie H. Hobaugh
William J. Loefstedt
Thomas J. McKerr
Donald A. Anderson
William R. Arnet, Jr.
James H. Donahue
Richard W. Werner
Eldon L. Beavers
David H. Amos III
Lindon A. Onstad
Roger T. Rufe, Jr.
Marcel J. Bujarski
Donald F. Potter
Grant W. Risinger
James T. Fenner
Rene N. Roussel
James R. Norman
Roland W. Breault, Jr.
Johnnie L. Hair
Joseph E. Tamalonis
Francis N. Harrell
Brent Malcolm
Stanley E. Bork
James V. O'Neill
Robert F. Doughty
Frank M. Chliszczyk, Jr.
Alvin W. Sumner
William N. Rohrer
John M. Lewis
John F. Overath
George E. Ellis
Preston H. McMillan
Thomas L. Young
William E. Ricks
Douglas R. Herlihy
Richard E. Bruce
Laurence J. Murphy, Jr.
Donald C. Hibbard
Cassius Lisk
Theodore M. Nutting
Jean A. Snyder
Edward A. Harmes III
Alton E. Turner
Leon K. Thomas, Jr.
Clarence C. Martin, Jr.
Michael J. Dewitt
Kenneth J. Morris
Charles S. Park III
Roland H. Buster
Garran C. Grow
Theodore J. Polgar
Wayne W. Becker
William M. Simpson, Jr.
John D. Spade
Thomas E. Yentsch
Robert T. Luckritz
John A. Pierson, Jr.
Cecil W. Allison
Robert W. Mason
Arcangelo V. Arecchi
Michael E. Koloski
Edward A. Chazal, Jr.
William H. Norris
Frederick M. Hamilton
Samuel J. Dennis
James A. White
Douglas Tesson II
Robert M. Stephan, Jr.
Carl Josephson
Stephen L. Brundage
Laurence H. Somers
Peter T. Poulos
Jerry M. Payne
Glenn E. Serotsky
Richard D. Manning
Paul M. Blayney
Donald S. Jensen
Carl H. Helman III
Joseph R. Offutt, Jr.
Howard A. Newhoff
James A. Sanial, Jr.
Ralph E. Anderson
Randall D. Peterson
Walter S. Viglienzone
Gerald J. Zanolli
Richard W. Walton
Thomas E. Omri
James D. Morgan
John E. Schwartz
Richard B. Chapman
Delgene O. Phillips
James B. Ellis II

The following Reserve officer of the United States Coast Guard for promotion to the grade of commander:

Ross Bell

The following retired officer recalled to active duty for promotion to the grade of commander:

Paul G. Patrinos

The following Regular officers of the United States Coast Guard for promotion to the grade of lieutenant commander:

James B. Wallace
Kermit Johnson
Richard G. McLean
Larry G. Bickmore
Roger A. Garlow
Paul D. Mankovich
Frank J. Scaraglino
Mark J. Costello
Thomas D. Brennan
Francis T. Marcotte
Calvin F. Perkins, Jr.
James D. Stiles
John J. Harris
Robert A. Breunig
Michael E. Moore
Charles W. Wadey
David B. Anderson
Darryle M. Waldron
Peter A. Lenes
Mark D. Present
Pablo M. Rodriguez
Theodore G. White III
Mark L. Lavache
Timothy W. Josiah
Robert C. Gravino
Thomas R. Hamblin
Wenceslaus D. Kinal
John K. Miner
Charles H. Hill
George Bond II
Frederick R. Adamchak
Barry P. Kane
Russell A. Askey
David H. Blomberg
Roderick A. Schultz
Richard L. Hilliker
Donald R. Grosse
George N. Naccara
Chester M. Sprague
James D. Burk
Robert W. Thorne
David C. Dubois
Gary L. Pavlik
Fred W. Pryor
Gerald H. Kemp
Robert T. Glynn
Douglas B. Brown
Eugene A. Miklaucic
Kyle E. Jones III
Gary J. Turvill
Rick A. Sistek
Gerald L. Ranes
Michael L. Duvall
Lee S. Rumley
James A. Moon
David A. Desiderio
John H. Nicholson
Robert L. Council
Rodger R. Logan
James P. Wysocki
Charles D. Phillips III
Michael D. Slovek
Jon W. Hall
Stanley E. Breedlove
Eckhard E. Magsig
Harold F. Wagner
Charles L. Fenning
Willard R. Cox
Lewis C. Dunn
Richard G. Seagrave
Bryan M. Genez
John A. Doty
Johnnie L. Johnson
Roy G. Cook
Fred A. Dickey
Roger D. Chevalier
Edward A. Altemos
Robert J. Weaver
James G. Montgomery
Steven A. McCall
Ronald W. Tanner
Charles F. Guldenschuh
Gerald W. Abrams
Michael J. Goodwin
William M. Randall
Newton L. Bennett
James C. Perry
Frank E. Lange
James A. Murphy
Salvador Romo, Jr.
Zacarias S. Chavez
Leo T. Weyenberg
Guy Taylor, Jr.
John Peres
Carl E. Wolcott
Daniel E. Norman
Earl H. Potter III
Michael F. Flessner
Harold W. Henderson
David J. Reichl
James Q. Neas, Jr.
Thomas E. Bernard
Robert E. Pearce
Terence M. Bills
Richard E. Ford, Jr.
Edward D. Walsh, Jr.
Jeffrey J. Cotter
Raymond M. Paetzold
Carl D. Main
Paul J. Bibeau
Kenneth A. Rock
Robert S. Varanko
Leigh R. Taylor
David L. Crede
Robert E. Maloney
Gary R. McGuffin
Michael D. Allen
David R. Moore
Charles R. Weir
Joel A. Thuma
John K. Kirkpatrick
David S. Belz
Thomas L. Davis
Richard D. Crane
James B. Friderici
Michael D. Gentile
Rodney L. Cook
James R. Beach
Timothy L. Terriberry
William B. Thomas
James G. Marthaler
Gerald A. Gallion
Robert D. Sirois
Harold G. Ketchen
Paul C. Jackson
James S. Carmichael
Kevin L. Ray
Joseph L. Bryson
Michael D. Cooley
Gregory S. Voyik
William E. Kosak
Roy J. Casto
Alan F. Walker
Terrance M. Edwards
Mark A. O'Hara
Gale W. Fisk
Ronald A. Marcolini
Robert J. Williamson, Jr.
Thomas J. Zleziulewicz
Peter Q. Pichini
William H. Anderson
Lawson W. Brigham
Ernest J. Blanchard IV
Larry F. Lanier
Terry M. Cross
Dennis R. McLean
Horton W. Johnson
Ralph D. Utley
Thomas B. Taylor
Roger C. Cook
Henry J. Rohrs, Jr.
Anthony S. Tangeman
Richard W. Brandes
John R. Mitchell
Frederic N. Squires, III
Douglas D. Stevenson
Stephen R. Rottier
Paul L. Hagstrom
Philip E. Sherer
Edward J. Dennehy
George F. Johnson
Alan E. Spackman
Steven A. Macey, Jr.
John A. Gaughan
Charles R. Brown
William A. McDonough, Jr.
Kenneth C. Kreutter
David T. Jones
Bruce B. Stubbs
Richard S. Muller
Allen K. Boetig
Myron F. Tethal
John H. Fearnow
John E. Quill
Melvin W. Garver
Terrance P. Hart
James B. Brown
Jonathan M. Vaughn
Dennis M. Pittman
Edmund F. Labuda, Jr.
Marc F. Pettingill
John M. Murphy
David J. Maloney, Jr.
Frederick H. Sellers, Jr.
Guy T. Goodwin
James C. Olson
Samuel J. Apple
Robert L. Pray
Donald G. Bandzak
Thomas B. Rodino
Chester J. Walter
Donald B. Parsons, Jr.
William W. Pickrum
Richard M. Cool
Christoper T. Desmond
Thomas X. Worley
George R. Speight, Jr.
James J. Rao, Jr.
Warren E. Dutton, Jr.
Jack D. Asbury
Donald T. McNulty
William F. Meininger
Ronald T. Via
Wayne T. Shipman
Kelly S. Callison
James A. Kinghorn
Charles K. Bell
David H. Donaldson
George B. Brinson
Michael J. Donohoe
John S. Merrill

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant:

Gary S. Johnson
Bradford W. Black
David W. Courtois
Christopher E. Dewhirst
David G. Dickman
Rex A. Auker
Robert R. Porterfield
Ronald W. Stover
Gregory S. Fitzpatrick
James W. Shafovaloff
Roger M. Dent
Timothy M. Henenway
Michael L. Hunt
Steven J. Brantner
Hugh S. Edwards
Allan L. Shell
Gordon P. Lau
Thomas A. Murphy
Robert D. Olsen
James R. Watson
Kenneth M. Hay
John E. Williams
James C. Montgomery
Douglas L. Hickcox
John H. Williams, Jr.
Robert T. Douville
Lawrence A. Eppler
Richard C. Pohland
Philip A. Thibault
Jon S. Dilloway
David W. Hoover
Kevin J. MacNaughton
Gary T. Blore
Martin B. Potkalesky
Gregory D. Ahlstrom
Lawrence A. Hall
James J. Hanks
Dennis J. Inhat
William A. Kosty
Gregory M. Bowley
Jeffery H. Sunday
James D. Weselcouch
Richard D. Kassler
Roger W. Bogue
Carl A. Lindberg
William T. Bailey
John E. Crowley, Jr.
Robert E. Fellrath
William E. Goodwin
Thomas J. McDaniel
Harlan Henderson
Roger W. Browne, III
Charles T. Lancaster
William M. Parker, Jr.
Walter S. Miller
Lutz G. Buesing
Glenn L. Snyder
Mark L. Scire
Michael F. Holmes
Thomas H. Micklas
Clyde K. Watanbe
Mark E. Blumfelder
Douglas P. Rudolph
William H. Southwood
Matthew G. Williams
David W. Broughton
Patrick K. Lesesne
John F. Pillsbury
Harold D. Lee
Herbert H. Sharpe III
Richard P. Prince
Richard W. Goodchild
Raymond T. Brooks
Erik N. Funk
Arthur J. Volkle, Jr.
Timothy S. Sullivan
Gordon D. Garrett
Walter E. Veselka III
John L. Grenier
John R. Williams
William L. Johnson
David M. French
David W. Ryan
Richard L. Roseberry
Michael E. Thompson
Frank J. Williams
Mark G. Vanhaverbeke
Jeffrey A. Florin
Bernard P. Silkowski
John J. Albertine
Douglas H. Alsip
Robert A. Stromsted
Arthur L. Sale
Benjamin A. Herrick
Charles T. Bennett III
Harvey E. Johnson, Jr.
Scott V. Laburn
Fred M. Rosa, Jr.
Mark R. Warburton
Craig L. Schnappinger
William S. Vicek
Dave L. Brannon
Wayne C. Raabe
Michael L. Dobravec
Michael Bray
Dale G. Gabel
Richard M. Sebek
Randall R. Fiebrandt
Joseph T. McFaul
Steven M. Conway
William C. Bennett
Patrick J. Ryan
George R. Turner, Jr.
David W. Jones
David P. Baird
Douglas E. Martin
James J. Lober, Jr.
John E. Crowley, Jr.
Eugene L. McDermott
Richard A. Rooth
Ty G. Waterman
John E. Comeau

Jon T. Byrd
William C. Kessenich
Dennis J. Hardacker
George R. Matthews, Jr.
Wayne D. Gusman
Lawrence M. Brooks
Stephen T. Ciccalone
Walter J. Romanosky, Jr.
Stephen P. Healow
Joel C. Hendrix
George A. Capacci
Richard W. Sandford
Michael J. Devine
David J. Radachy
Jonathan T. Gunvalson
Robert J. Papp, Jr.
Michael S. Canavan
Stephen D. Omar
Phillip A. Fallis
James Sabo
Franz M. Wilcenski
John L. Byczek
John C. Simpson
Paul C. Ellner
Frank J. Gross
Marvin J. Pontiff
Craig R. Berry
Michael J. Smith
Robert M. Latas
John R. Barrett
Frederick T. Nichols
Daniel M. Brown
Steven A. Newell
Barry A. Harner
Joseph G. Gianfalla, Jr.
Christopher R. Marpie
Mark R. Anderson
Thomas J. Baird
Arthur E. Cubbon, Jr.
Dwight G. Hutchinson II
Joel R. Whitehead
Thomas A. Watkins
Timothy E. Tilghman
Robert A. Opkins
John J. Davin
Dennis C. Thorseth
Gregory J. Robinson
Dana V. O'Hara
Richard R. Houck
Paul R. Vonprotz
Brenton S. Whitener
Robert H. Segovis
Donald R. Opedal
Roland R. Isnor
David M. Mogan
Larry J. Lockwood
Wallace R. Ridley
Herbert H. Adams
Peter F. Deboer
John P. Delong
R. D. Williamson
Stephen D. Heath
Brent A. Bosin
Robert D. Lassiter
Melville B. Guttormsen

The following-named temporary officers of the Coast Guard to be permanent commissioned officers:

Gary S. Johnson
Timothy M. Hemenway
Hugh S. Edwards
Allan L. Shell
Gordon P. Lau
Thomas A. Murphy
Robert D. Olsen
James R. Watson
Kenneth M. Hay
John E. Williams
James C. Montgomery
Douglas L. Hickcox
John H. Williams, Jr.
Robert T. Douville
Paul R. Vonprotz
Brenton S. Whitener
Robert H. Segovis
Donald R. Opedal
Roland R. Isnor
David M. Mogan
Larry J. Lockwood
Wallace R. Ridley
Herbert H. Adams
Peter F. Deboer
John P. Delong
R. D. Williamson
Stephen D. Heath
Brent A. Bosin
Robert D. Lassiter
Melville B. Guttormsen

The following officers of the United States Coast Guard for promotion to the grade of lieutenant (junior grade):

Erik J. Fiske
Michael J. Cronin
William T. Carraher
Daniel B. Lloyd
Hooper R. Brock
John A. Shott, Jr.
Gary F. Greene
Stephen L. Wilhelm
John R. Lynch
George E. Howe
Thomas W. Sparks
Garry B. Rolsma
Thomas A. Wenzel, Sr.
Gregory T. Jones
Richard J. Hartnett
Jerry K. Thorusen
Thomas P. Leveille
Joseph W. St. Martin
Frank N. McCarthey
Ronald W. Kaye
Jay D. Mahaffey
Steven P. Carpenter
Lawrence C. Vose
Wade A. Mitchell
Joseph E. Wiggins
Kenneth S. Prime
Blaine D. Horrocks
Albert E. Simmons, Jr.
Michael N. Powers
Peter L. Seidler II
Arthur M. Bonneau
Alan L. Peek
Michael L. Vanhouten
Louis Nash
Kim L. Krzywicki
Phillip J. Heyl
Michael V. Franchini
John C. Nelson
Vincent J. Dicecco III
Andrew T. Moynahan
John P. Lanigan, Jr.
William A. Mathus
David A. Dupont
Robin K. Kutz
Dennis J. Houghton
Glenn R. Herrmann
Marc A. Blanchard
William L. Fry
Philip E. Coletti
Wayne A. Fisher
Donald B. Trone, Jr.
Edmundo Marmol
Rober D. Gibson
James S. Angert
David T. Levesque
Michael L. Butler
Richard F. Beseler
Stephen H. Goetchius
Paul C. Potvin, Jr.
David T. Glenn
Guy R. Nolan
Stephen A. Fiedler
Brian S. White
Richard W. Habib
Tony J. Barrett
John E. Harrington
Mark A. Grossetti
Joseph L. Nimmich
Henry C. Deens III
Charles J. Bennardini, Jr.
Raymond E. Seebald
Kevin E. Shumacher
Donald E. Wilt II
Gregory A. Lachance
James M. Hass IV
Robert J. Morrison, Jr.
Jeffrey S. Smith
Donald A. Ross
Guy R. Gerard
Max M. Woodcock
Albert L. Barco IV
Gerald R. Wheatley
Edward D. Selle, Jr.
John A. Stout
David P. Pekoske
Robert M. Elsener
Victor J. Mihal
Robert J. Quirk
Michael W. Carr
Richard A. Rita, Jr.
Paul F. Zukunft
Justin H. Randall III
Scott R. Settimo
Arthur L. Halverson
Richard P. Yatto
Jeffrey Q. Gamble
Jerome A. Iltis
Michael R. Moore
David J. Rimer
Alan L. Brown
Thomas G. Gomes
Daniel R. Brown
Mark D. Layne
Michael D. Farrell
Robert S. Branham
Kenneth M. Bradford
Zachary A. Frangos
Harald B. Creech
Michael A. Kraman
Roger K. Butturini
James B. Brewster
Edward S. Carroll
Ronald B. Hoffman
Dale E. Walker
Mark R. Beskeen
Wayne E. Justice
Randall J. Sharshan
Mark W. Byrum, Jr.
Keith G. Johnson
Kenneth Shalik
Robert J. Onorato, Jr.
David L. Hiltibrand, Jr.
Remer G. Boothe
Craig E. Bone
Gary I. Kahn
Robert L. McLaughlin
Robert A. Goetz
Michael D. Hazel
Scott E. Hartley
Martin J. Rajk
Wayne M. Lundy
Randolph O. Dodge
Timothy M. McDonald
William R. Webster
Steven R. Swanson
William L. Siegel, Jr.
Robert L. Lachowsky
Kenneth Armstrong
Barrow M. Hudiburgh
George H. Teuton III
William T. Davis II
Robert C. Jones
Richard A. Walleshauser, Jr.
William G. Shultz
Kevin P. Jarvis
Gregory G. Warth
Thomas R. Rice
Dennis J. Hughey
Mark J. Campbell
William M. Bocchino
Peter J. Ganser
Jeffrey P. Watry
John N. Leonard
Mark E. Jones
John S. Bowers
Ernest W. Fox
Timothy R. Quinton
Robert I. Bernstein
Richard S. Burns
John C. Miko
Ronald R. Falkey
Robert J. Watson
Burton S. Russell
Michael P. Selavka
Steven E. Fabian
Mark R. Trump
David A. Davidson
Craig M. Veley
Michael S. Kushla
Paul A. Richardson
Alvin Crickard, Jr.
Jeffrey V. Poston
William R. Cairns
George W. Wood III
Michael D. Riley
Richard P. Fornaseri
John B. Young III
Kevin C. Olds
John J. Allen
William M. Addington
Joseph H. Schuck
Curtis B. Odom
Earl A. Burns, Jr.
Douglas D. Whitmer
Paul J. Prince
Frederick E. Bartlett
Ramiro Gonzales
Keith D. Cameron
Darrell E. Nelson
Michael L. Williams
Theodore P. Montgomery
Robert J. Palko, Jr.
Mark P. Thomas
James L. Law
William K. Farrell
Bruce R. Voorhels
Randal K. Meinis
Joseph B. Kolb, Jr.
Anthony Buancore
Pierre S. Krouse
William B. Baker
Daniel C. Slyker
Louis R. Skorupa
Richard M. Piccioni
Phillip W. Waldron
Frederick F. Garland III
Martin L. Phillips
Arthur E. Pilot
Joseph D. Klimas
Lee Reneau
John J. O'Brien, Jr.
Wesley E. Laughrey
Dennis J. Haise
William R. Wheeler
Jack E. Geck
Ronald E. Johnson, Sr.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. William P. Acker, 247-42-3710 FR, Regular Air Force.

Brig. Gen. Christopher S. Adams, Jr., 456-40-2229FR, Regular Air Force.

Brig. Gen. James I. Baginski, 213-28-5913 FR, Regular Air Force.

Brig. Gen. Emil N. Block, Jr., 281-22-3930 FR, Regular Air Force.

Brig. Gen. Bill V. Brown, 510-24-4133FR, Regular Air Force.

Brig. Gen. Norma E. Brown, 265-30-6662 FR, Regular Air Force.

Brig. Gen. William E. Brown, Jr., 137-22-1897FR, Regular Air Force.

Brig. Gen. George M. Browning, Jr., 572-28-8395FR, Regular Air Force.

Brig. Gen. Carl H. Cathey, Jr., 244-38-7303FR, Regular Air Force.

Brig. Gen. Murphy A. Chesney, 415-38-0473FR, Regular Air Force, Medical.

Brig. Gen. Philip J. Conley, Jr., 035-20-5730FR, Regular Air Force.

Brig. Gen. David B. Easson, 484-14-1407FR, Regular Air Force.

Brig. Gen. Jay T. Edwards, III, 410-44-C723FR, Regular Air Force.

Brig. Gen. Herbert L. Emanuel, 001-24-6354FR, Regular Air Force.

Brig. Gen. James C. Enney, 283-24-1982FR, Regular Air Force.

Brig. Gen. Billy B. Forsman, 282-22-6726 FR, Regular Air Force.

Brig. Gen. Irwin P. Graham, 249-38-8267 FR, Regular Air Force.

Brig. Gen. Patrick J. Halloran, 471-26-6958FR, Regular Air Force.

Brig. Gen. William W. Hoover, 338-26-4110 FR, Regular Air Force.

Brig. Gen. Charles C. Irions, 312-24-6750 FR, Regular Air Force.

Brig. Gen. Robert E. Kelly, 049-24-0301FR, Regular Air Force.

Brig. Gen. James H. Marshall, 227-30-0802FR, Regular Air Force.

Brig. Gen. Earl T. O'Loughlin, 382-26-5822FR, Regular Air Force.

Brig. Gen. Leighton R. Palmerton, 504-16-5755FR, Regular Air Force.

Brig. Gen. Don H. Payne, 449-30-6238FR, Regular Air Force.

Brig. Gen. Herman O. Thomson, 467-32-7534FR, Regular Air Force.

Brig. Gen. William R. Usher, 031-24-6787FR, Regular Air Force.

Brig. Gen. Jack W. Waters, 532-22-5814FR, Regular Air Force.

Brig. Gen. Larry D. Welch, 514-32-7932FR, Regular Air Force.

Brig. Gen. William R. Yost, 284-20-7535FR, Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of Chapter 835, Title 10 of the United States Code:

To be major general

Lt. Gen. John G. Albert, 071-18-4399FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Rufus L. Billups, 418-22-2533FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Richard C. Bowman, 336-20-0042FR (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Edgar A. Chavarrie, 526-20-2859FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Lynwood E. Clark, 087-20-7534FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert W. Clement, 258-30-2091FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles G. Cleveland, 121-18-3678FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Thomas E. Clifford, 579-32-3643FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Bennie L. Davis, 444-20-0242FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Charles A. Gabriel, 243-32-9016FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. John W. Hepfer, 193-12-8820FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Lloyd R. Leavitt, Jr., 375-26-8315FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Richard E. Merkling, 557-20-9153FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Earl G. Peck, 088-20-4685FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Andrew Pringle, Jr., 556-30-0618FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Thomas M. Ryan, Jr., 142-20-5526FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Winfield W. Scott, Jr., 230-24-1507FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. James W. Stansberry, 106-20-0478FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. LeRoy W. Svendsen, Jr., 361-16-9300FR, (brigadier general, Regular Air Force) U.S. Air Force.

Brig. Gen. Jack W. Waters, 532-22-5814FR, (brigadier general, Regular Air Force) U.S. Air Force.

To be brigadier general

Brig. Gen. William P. Acker, 247-42-3710FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Christopher S. Adams, Jr., 456-40-2229FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles C. Blanton, 218-26-1940 FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert M. Bond, 426-50-7954FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James R. Brickel, 008-20-0220 FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Bruce K. Brown, 525-52-6910FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. George M. Browning, Jr., 572-28-8395FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Gerald J. Carey, Jr., 094-22-2986 FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert F. Coverdale, 277-26-0316 FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles L. Donnelly, Jr., 287-24-0955FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. George A. Edwards, Jr., 414-40-8472FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Herbert L. Emanuel, 001-24-6354FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Billy B. Foreman, 282-22-8726FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Martin C. Fulcher, 552-36-1284FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. James L. Gardner, Jr., 432-40-4798FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Philip C. Gast, 496-34-9621FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Allison G. Glover, 224-32-0326FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James R. Hildreth, 432-32-0056FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Dewey K. K. Lowe, 550-26-7577FR, (colonel Regular Air Force) U.S. Air Force.

Brig. Gen. James H. Marshall, 227-30-0802FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. William B. Maxson, 297-26-0236FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James E. McInerney, Jr., 579-36-0794FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Waymond C. Nutt, 465-44-4751FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Earl T. O'Loughlin, 382-26-5822FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Leighton R. Palmerton, 504-16-5755FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. John E. Ralph, 293-24-0096FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Len C. Russell, 494-30-1871FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Lawrence A. Skantze, 060-20-8707FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Click D. Smith, Jr., 226-32-4358FR (colonel, Regular Air Force), U.S. Air Force.

Lt. Gen. Thomas P. Stafford, 444-40-8005FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Jasper A. Welch, Jr., 555-54-3836FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William R. Yost, 264-20-7535FR (colonel, Regular Air Force), U.S. Air Force.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Joseph B. Dodds, 540-22-7823FR, Regular Air Force.

To be brigadier general

Col. Clarence R. Autery, 459-54-4896FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Leon W. Babcock, Jr., 311-30-7236 FR, Regular Air Force.

Col. Robert D. Beckel, 535-30-8971FR, (major, Regular Air Force) U.S. Air Force.

Col. Kenneth H. Bell, 458-44-8082FR, Regular Air Force.

Col. Harry H. Bendorf, 461-30-0439FR, Regular Air Force.

Col. Charles E. Bishop, 005-26-1158FR, Regular Air Force.

Col. John A. Brashear, 201-20-9094FR, Regular Air Force.

Col. Donald D. Brown, 119-24-4891FR, Regular Air Force.

Col. Stanford E. Brown, 327-20-2741FR, Regular Air Force.

Col. Lyman E. Buzard, 531-22-0336FR, Regular Air Force.

Col. John E. Catlin, Jr., 146-12-7792FR, Regular Air Force.

Col. Robert D. Caudrey, 462-44-1313FR, Regular Air Force.

Col. William M. Charles, Jr., 188-22-7190 FR, Regular Air Force.

Col. Neil L. Eddins, 520-30-3383FR, Regular Air Force.

Col. James D. Gormley, 474-22-2295FR, Regular Air Force.

Col. James I. Granger, 254-38-7324FR, Regular Air Force.

Col. Jack I. Gregory, 401-46-9833FR, Regular Air Force.

Col. John J. Halki, 236-32-6996FR, Regular Air Force, Medical.

Col. Monroe W. Hatch, Jr., 433-58-0993FR, Regular Air Force.

Col. Delbert H. Jacobs, 535-29-3721FR, Regular Air Force.

Col. Ralph H. Jacobson, 528-36-3966FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Albert J. Kaehn, Jr., 074-24-6024FR, Regular Air Force.

Col. William L. Kirk, 433-48-5527FR, Regular Air Force.

Col. Stanley C. Kolodny, 455-28-5866FR, Regular Air Force, Medical.

Col. Donald P. Litke, 524-38-6925FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Rano E. Lueker, 529-28-8273FR, Regular Air Force.

Col. William J. Mall, Jr., 183-26-5824FR, Regular Air Force.

Col. Charles McCausland, 113-26-5988FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Horace W. Miller, 427-42-7796FR, Regular Air Force.

Col. Joseph D. Moore, 255-54-3753FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Richard D. Murray, 439-34-5111FR, Regular Air Force.

Col. Robert C. Oaks, 528-42-8163FR, (major, Regular Air Force) U.S. Air Force.

Col. Peter W. Odgers, 143-24-4055FR, Regular Air Force.

Col. Norris W. Overton, 306-22-3793FR, Regular Air Force.

Col. David L. Patton, 215-28-2243FR, Regular Air Force.

Col. Attilio Pedroli, 016-24-6614FR, Regular Air Force.

Col. John L. Pickitt, 451-44-6719FR, Regular Air Force.

Col. Eugene M. Poe, Jr., 236-42-9333FR, Regular Air Force.

Col. Gerald L. Prather, 256-48-8510FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Raymond C. Preston, Jr., 469-34-3059 FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Richard W. Pryor, 365-30-2949FR, Regular Air Force.

Col. Robert H. Reed, 407-28-7281FR, Regular Air Force.

Col. Albert G. Rogers, 267-40-8969FR, Regular Air Force.

Col. Carl R. Smith, 205-26-3647FR, Regular Air Force.

Col. Perry M. Smith, 205-26-6130FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. James P. Smothermon, 431-56-9642FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. John H. Storrie, 457-34-4048FR, Regular Air Force.

Col. Thomas S. Swalm, 560-32-9470FR, Regular Air Force.

Col. Chester D. Taylor, Jr., 468-28-3189FR, Regular Air Force.

Col. Donald A. Vogt, 322-22-0637FR, Regular Air Force.

Col. Rudolph F. Wacker, 072-24-3093FR, Regular Air Force.

Col. Sarah P. Wells, 148-20-2185FR, Regular Air Force, Medical.

Col. Harold J. M. William, 258-52-3625FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of Chapters 35, 831, and 837, Title 10, United States Code:

To be major general

Brig. Gen. John B. Conley, 115-20-0738FG, Air National Guard of the United States.

Brig. Gen. Lloyd W. Lamb, 537-16-4625FG, Air National Guard of the United States.

Brig. Gen. Orlando Llenza, 582-58-6555FG, Air National Guard of the United States.

Brig. Gen. Stanley F. H. Newman, 331-20-2448FG, Air National Guard of the United States.

Brig. Gen. Hal C. Tyree, Jr., 484-14-9219FG, Air National Guard of the United States.

Brig. Gen. Emory M. Wright, Jr., 515-07-9024FG, Air National Guard of the United States.

To be brigadier general

Col. William F. Casey, 221-16-0876FG, Air National Guard of the United States.

Col. Robert J. Collins, 533-30-0244FG, Air National Guard of the United States.

Col. James E. Cuddihee, 001-12-8176FG, Air National Guard of the United States.

Col. William A. Free, 516-28-0962FG, Air National Guard of the United States.

Col. Roy A. Jacobson, 527-12-8848FG, Air National Guard of United States.

Col. Lloyd L. Johnson, 507-22-1833FG, Air National Guard of the United States.

Col. Monroe G. Mathias, 522-30-9119FG, Air National Guard of the United States.

Col. Charles B. Ocksrider, 170-22-0056FG, Air National Guard of the United States.

Col. William E. Riggs, 237-20-8066FG, Air National Guard of the United States.

Col. Frank H. Smoker, Jr., 186-14-2449FG, Air National Guard of the United States.

Col. Emmett J. Whalen, 516-24-5374FG, Air National Guard of the United States.

Col. Charles J. Young, Jr., 150-20-4220FG, Air National Guard of the United States.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. Bruce M. Davidson, 372-20-2171FV, Air Force Reserve.

Brig. Gen. Walter R. Longanecker, Jr., 218-16-0542FV, Air Force Reserve.

Brig. Gen. George W. Miller, III, 444-22-4148FV, Air Force Reserve.

Brig. Gen. Dalton S. Oliver, 415-12-2994 FV, Air Force Reserve.

Brig. Gen. John E. Taylor, Jr., 048-18-7764FV, Air Force Reserve.

To be brigadier general

Col. Ronald R. Blaiack, 295-22-3799FV, Air Force Reserve.

Col. William L. Copeland, 250-42-0529FV, Air Force Reserve.

Col. Charles M. Duke, Jr., 251-64-3502FV, Air Force Reserve.

Col. Wayne E. Garrett, 548-30-5501FV, Air Force Reserve.

Col. Arthur Gerwin, 107-20-0225FV, Air Force Reserve.

Col. Vincent P. Luchsinger, Jr., 482-28-1735FV, Air Force Reserve.

Col. Milton Matter, Jr., 304-34-0192FV, Air Force Reserve.

Col. John A. Paterson, 571-28-4517FV, Air Force Reserve.

Col. John D. Roper, 457-22-7795FV, Air Force Reserve.

Col. Alan G. Sharp, 528-32-0580FV, Air Force Reserve.

Col. Jerome N. Waldor, 143-20-7534FV, Air Force Reserve.

Col. Charles T. Yarington, Jr., 574-10-7171 FV, Air Force Reserve.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306 and 3307:

To be major general

Lt. Gen. Sidney B. Berry, 428-22-5274, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Homer S. Long, Jr., 486-24-9096, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clay T. Buckingham, 263-32-8635, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles I. McGinnis, 490-24-2560, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James L. Kelly, 510-22-9173, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas U. Greer, 266-30-0303, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Robert G. Gard, Jr., 449-36-3971, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul F. Gorman, 034-12-6940, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John C. Faith, 346-18-0189, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emil L. Konopnicki, 206-14-1022, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul M. Timmerberg, 487-28-1552, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles K. Heiden, 386-16-0763, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Hilliman Dickinson, 495-20-6943, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Sinclair L. Melner, 530-01-9074, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Marvin D. Fuller, 504-05-4547, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Phillip Kaplan, 497-20-4986, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Lucien E. Bolduc, Jr., 015-20-6456, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Louis W. Prentiss, Jr., 229-26-9023, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack V. Mackmull, 294-22-6931, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James H. Merryman, 432-44-0293, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Eicher, 211-14-4820, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James G. Boatner, 467-40-0347, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Edward C. Meyer, 205-18-3616, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William R. Richardson, 238-38-4617, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward A. Partain, 429-74-3516, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ernest D. Peixotto, 579-52-8218, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Benjamin L. Harrison, 432-26-6004, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard E. Cavazos, 452-34-5055, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Oscar C. Decker, Jr., 505-22-1930, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John K. Stoner, Jr., 161-24-2058, Army of the United States (brigadier general, U.S. Army).

To be brigadier general

Maj. Gen. John D. Bruen, 359-22-6681, Army of the United States (colonel, U.S. Army).

Maj. Gen. Jack N. Merritt, 446-22-2608, Army of the United States (colonel, U.S. Army).

Brig. Gen. Elvin R. Heiberg, III, 081-32-3110, Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn K. Otis, 084-20-5938, Army of the United States (colonel, U.S. Army).

Maj. Gen. John W. Seigle, 286-20-4871, Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Boyle, 036-20-3100, Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Lawrence, 452-44-8487, Army of the United States (colonel, U.S. Army).

Maj. Gen. Tom H. Brain, 199-22-4900, Army of the United States (colonel, U.S. Army).

Maj. Gen. Guy S. Meloy III, 460-64-4230, Army of the United States (colonel, U.S. Army).

Maj. Gen. Maxwell R. Thurman, 287-42-0668, Army of the United States (colonel, U.S. Army).

Maj. Gen. Jerry R. Curry, 165-22-9590, Army of the United States (colonel, U.S. Army).

Brig. Gen. James J. Lindsay, 391-26-8187, Army of the United States (colonel, U.S. Army).

IN THE ARMY

The following-named Army Medical Department officer for appointment as a major general, Dental Corps, Regular Army and as a major general, Dental Corps, in the Army of the United States, under the provisions of title 10, United States Code, sections 30036, 3040, 3442, and 3447.

To be major general, Dental Corps

Brig. Gen. George Kuttas, 068-22-5317, Dental Corps, U.S. Army.

The following-named Army Medical Department officer for appointment to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447.

To be brigadier general, Dental Corps

Col. Hubert T. Chandler, 235-50-1736, Dental Corps, U.S. Army.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Arthur Holmes, Jr., 411-36-9944, U.S. Army.

Col. Johnny J. Johnston, 458-34-3051, U.S. Army.

Col. Joe S. Owens, 486-34-4079, U.S. Army.

Col. Maurice O. Edmonds, 267-36-0098, U.S. Army.

Col. Arthur E. Brown, Jr., 424-24-4091, U.S. Army.

Col. Claude M. Kicklighter, 255-46-4806, Army of the United States (lieutenant colonel, U.S. Army).

Col. Wendell H. Gilbert, 410-44-6371, U.S. Army.

Col. Andrew L. Cooley, Jr., 520-34-0353, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ronald L. Wats, 487-38-9023, Army of the United States (lieutenant colonel, U.S. Army).

Col. Nathan C. Vail, 265-46-5881, Army of the United States (lieutenant colonel, U.S. Army).

Col. Scott B. Smith, 044-26-9950, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph P. Franklin, 217-26-9800, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edwin C. Keiser, 522-32-5553, U.S. Army.

Col. Henery J. Hatch, 361-26-6617, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Klein, 423-34-1779, U.S. Army.

Col. Zeb B. Bradford, Jr., 240-46-8697, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack A. Apperson, 229-40-8053, Army of the United States (lieutenant colonel, U.S. Army).

Col. Josiah Blasingame, Jr., 250-56-2383, United States Army.

Col. Bobby B. Porter, 429-64-0621, Army of the United States (lieutenant colonel, U.S. Army).

Col. David W. Stallings, 234-50-1762, Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene L. Stillions, Jr., 431-56-5342, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas W. Kelly, 207-26-7144, Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Thompson, Jr., 252-50-6760, Army of the United States (lieutenant colonel, U.S. Army).

Col. John F. Wall, 251-44-7177, Army of the United States (lieutenant colonel, U.S. Army).

Col. Dave R. Palmer, 460-64-5096, Army of the United States (lieutenant colonel, U.S. Army).

Col. Michael J. Conrad, 226-38-8588, Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor J. Hugo, Jr., 014-24-9628, United States Army.

Col. Joseph C. Lutz, 308-50-5139, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Hammond, 538-28-7595, Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth C. Leuer, 484-38-5195, Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnie Forte, Jr., 458-50-7790, Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Mitchell, 577-44-2713, Army of the United States (lieutenant colonel, U.S. Army).

Col. Anthony F. Albright, 155-24-0827, Army of the United States (lieutenant colonel, U.S. Army).

Col. Leonard P. Wishart III, 152-26-4608, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Honor, 224-52-5229, U.S. Army.

Col. Jerry M. Bunyard, 440-26-8915, U.S. Army.

Col. Colin L. Powell, 113-28-4024, Army of the United States (major, U.S. Army).

Col. Jack O. Bradshaw, 316-36-1251, Army of the United States (major, U.S. Army).

Col. Thomas E. Carpenter III, 263-60-4055, Army of the United States (major, U.S. Army).

Col. George R. Stotser, 410-50-9185, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Wiegand, 383-30-9360, Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Drummond, 525-56-8128, Army of the United States (lieutenant colonel, U.S. Army).

Col. Homer Johnstone, Jr., 557-40-6246, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Kenyon, 091-28-4680, Army of the United States (lieutenant colonel, U.S. Army).

Col. Crosbie E. Saint, 224-52-4564, Army of the United States (major, U.S. Army).

Col. Gerald T. Bartlett, 549-40-1606, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert J. Donahue, 023-24-4584, U.S. Army.

Col. James E. Moore, Jr., 245-64-1208, U.S. Army.

Col. William G. O'Leksy, 399-28-3959, U.S. Army.

Col. Joseph J. Skaff, 233-46-6270, Army of the United States (lieutenant colonel, U.S. Army).

Col. James R. Demoss, 314-30-6771, U.S. Army.

Col. Gerald E. Monteith, 501-28-1765, Army of the United States (lieutenant colonel, U.S. Army).

Col. William G. T. Tuttle, Jr., 726-07-3388, Army of the United States (major, U.S. Army).

Col. John M. Brown, 428-40-4703, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas J. Flynn, 083-22-9818, U.S. Army.

Col. Gerald G. Watson, 455-52-2104, Army of the United States (lieutenant colonel, U.S. Army).

Col. Wayne E. Alley, 544-32-1602, Army of the United States (lieutenant colonel, U.S. Army).

Col. Hugh R. Overholt, 429-68-2708, U.S. Army.

Col. Richard J. Bednar, 505-34-3432, U.S. Army.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Robert Dewey Bay, 493-20-3062.
Brig. Gen. Russell Ivan Berry, 419-22-7298.
Brig. Gen. Alden Earl Stilson, Jr., 281-20-2364.

To be brigadier general

Col. Jimmy Franklin Bates, 409-46-6375.
Col. George Harrison Cate, Jr., 410-44-4620.
Col. John Paris Henderson, Jr., 726-05-4990.
Col. Norman Wright Martell, 722-03-1773.
Col. Thomas Milton Moore, 241-32-1372.
Col. Mack Jay Morgan, Jr., 406-24-6750.
Col. Gilbert Gerald Parker, 533-24-0286.
Col. James Louis Pelton, 296-26-5456.
Col. Alfred Winston Porter, Jr., 429-58-1893.
Col. Garnet Ray Reynolds, 538-22-0701.
Col. John Ricottilli, Jr., 037-20-4783.
Col. Ronald Doyle Worcester, 463-40-5576.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provision of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig. Gen. John B. (IO) Garrett, 465-14-1026.
Brig. Gen. Joseph Andrew Healy, 072-22-2314.
Brig. Gen. Robert Woodson Teater, 407-40-2797.
Brig. Gen. Robert George Walker, 476-16-1666.

To be brigadier general

Col. James Alexander Baber III, 229-28-4215.
Col. Joaquin Balaguer-Rivera, 581-60-0199.
Col. Dan Bullard III, 259-28-3789.
Col. Bernard Thomas Chupka, 210-14-7252.
Col. William Eugene Doris, 322-20-3410.
Col. Charles Phillip Doyle, 482-26-1213.
Col. James Glynn Fanning, 350-16-8098.
Col. Robert Samuel Ford, 365-22-4167.
Col. Richard George Geith, 485-28-3310.
Col. Joseph Guadalupe Iniguez, Jr., 350-20-3428.
Col. Bruce Jacobs, 080-20-9669.
Col. Hubert Monroe Leonard, 239-24-5791.
Col. Jay Meredith Lotz, 305-24-6366.
Col. Jerome Joseph Mathieu, Jr., 380-32-4866.
Col. Dana Carleton Ramsay, 414-30-2566.
Col. Lawrence Felix Roy, 441-24-2978.
Col. Paul Eugene Staples, 448-16-7298.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Robert Lee Childers, 234-18-8174.
Brig. Gen. Francis Alphonse Ianni, 726-10-0555.

To be brigadier general

Col. Lawrence Pierce Flynn, 089-22-4944.
Col. Luis Ernesto Gonzalez-Valez, 582-72-7541.
Col. William Henry Henderson, 445-16-7606.
Col. Leonard Robert Herbst, 504-12-4796.
Col. Stuart Joel Shoob, 526-38-0118.
Col. Dayle Eugene Williamson, 507-34-2741.
Col. Hershel Cleveland Yeargan, 720-07-9772.

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Abbott, Wilfred K., 564-44-9746.
Aiello, Charles F., 527-40-2863.
Akerlund, Edward T., 474-34-2814.
Allee, Richard K., 084-26-3264.
Allen, Emmett E., Jr., 456-48-8065.
Allen, John R., Jr., 247-52-3450.
Alley, Clinton D., 235-60-3532.
Andrews, John F., 311-30-5952.
Angell, David R., 133-28-0785.
Anzalone, Samuel L., 508-32-4918.
Astorino, Loring R., 030-28-7577.
Babbidge, Michael J., 556-52-2320.
Babos, Sandor, 049-28-8316.
Baca, Cres C., 525-46-8453.
Bach, Shirley J., 201-26-1696.
Bachmann, Richard E., 382-34-3726.
Bacs, John, 224-54-5755.
Baggiano, Anthony L., 120-30-4058.
Baker, Ronald C., 472-40-4794.
Baldwin, Virgil L., 526-32-9282.
Bannach, Robert J., 389-36-2950.
Barnes, Thomas B., 491-38-1452.
Barrineau, William E., Jr., 239-68-1562.
Bass, Jesse J., Jr., 243-46-3634.
Batten, Virgil F., 243-54-0985.
Beard, John R., 391-32-3118.
Beers, Larry D., 352-28-1443.
Belt, Charles D., 513-28-1675.
Bender, Walter W., 520-34-4819.
Bennett, William T., Jr., 144-26-0417.
Benoit, George L., 481-38-9954.
Benshoof, William B., 563-44-0914.
Berg, Robert M., 504-30-1608.
Berganini, David F., 396-34-1227.
Biggs, James L., 448-34-2487.
Biliunas, Roman, 379-30-8945.
Bishop, Roger H., 480-36-2456.
Bittrolff, Eugene E., 028-26-4759.
Bjornson, Donald P., 471-28-2630.
Blaisdell, Michael P., 515-34-4463.
Bland, William J., 220-28-5264.
Blinn, Donald E., 482-40-1298.
Boe, Harold T., 485-28-3637.
Bohart, Donald O., 516-36-1895.
Bohinc, Stanley A., 294-28-6337.
Bolen, Clyde T., Jr., 412-54-7228.
Boles, Billy J., 238-58-4132.
Bollert, Dale W., 375-40-0733.
Boone, Roy H., 261-48-1853.
Bopp, Delwin K., 501-30-1243.
Borden, Andrew G., Jr., 144-26-1385.
Borkowski, William R., 196-28-3975.
Borling, John L., 344-32-2767.
Bowen, Phillip E., 363-32-5941.
Bowen, Thomas G., 254-50-1599.
Boyd, Charles G., 484-40-5640.
Boyett, Joseph E., Jr., 255-56-6444.
Bradley, Frederic W., Jr., 101-28-8417.
Bradley, Olin H., 458-54-2278.
Branch, Christopher, I., 227-48-8726.
Brenholdt, James P., 478-38-5749.
Bright, John E., 216-30-4454.
Britt, John R., 491-34-5650.
Brodak, John W., 499-42-6173.

Brodeur, Richard H., 017-24-2832.
Brollier, Grant E., 515-26-0061.
Bronnenberg, Gerald E., 514-36-0113.
Brown, Eldon P., 327-24-7225.
Brown, Lester P., Jr., 227-48-7400.
Brown, Lloyd W., Jr., 482-34-4056.
Brown, Ralph L., 214-28-9363.
Browne, Everett W., 578-40-4811.
Brubaker, Howard J., 271-28-3933.
Brune, Peter L., 013-30-7504.
Bryan, Hayes R., 517-44-6659.
Bryant, Jackie D., 436-44-0689.
Buck, Irving L., 178-30-3808.
Bujalski, Jack P., 302-28-0048.
Bulin, George V., Jr., 095-28-0493.
Burchard, Donald C., 457-50-5340.
Burgess, Danny N., 512-34-8285.
Burt, John W., 339-28-4001.
Bushey, James W., 416-46-1509.
Byrd, Herman L., 263-52-8425.
Cadieux, Ronald A., 027-26-0903.
Callicotte, Edward L., 454-38-9062.
Cantwell, Nicholas D., 144-28-8117.
Capone, Frank, 001-26-4319.
Cardile, Frank, 117-32-1329.
Cariveau, Howard T., 475-40-2856.
Carlberg, Ronald L., 024-30-3148.
Carling, Joseph C., 528-48-9413.
Carnahan, Kenneth M., 312-32-5605.
Carnes, Frederick R., 306-36-3562.
Carpenter, Charles C., 436-50-1148.
Carson, Caroll G., Jr., 479-44-1318.
Carty, Donald L., 230-42-7667.
Cassady, William E., 578-48-9004.
Chapman, Lewis M., 547-46-6634.
Cherry, Edward D., 553-50-6238.
Chevalier, John R., 191-26-5447.
Christensen, Ronald E., 517-34-2543.
Clapper, James R., Jr., 230-50-5888.
Clark, Clifton C., Jr., 516-38-7656.
Clark, George C., 458-56-9843.
Clark, Paul W., 471-34-1547.
Clark, Robert R., 540-36-0579.
Clarke, Herbert F., 224-40-8345.
Clarke, Michael A., 359-30-2392.
Claxton, Richards W., 556-48-6841.
Clifford, James E., 313-32-0941.
Coates, Joseph L., 526-54-4296.
Coffinger, Maralin K., 566-42-9849.
Cole, David C., 269-32-7216.
Collins, Charles V., 313-36-7662.
Colosimo, John C., 318-30-6259.
Cook, Thomas A., 223-42-3323.
Cooper, James T., Jr., 425-66-6374.
Coryell, Kendrick S., 443-32-3326.
Couture, Marcel A., 002-24-3607.
Cowan, James W., 296-30-4461.
Crabtree, William H., 225-50-6221.
Croker, Stephen B., 483-50-2040.
Cronquist, Richard G., 531-32-2296.
Crook, Richardson H., 267-44-4791.
Croston, Donald S., 481-32-6494.
Crow, Graham P., 480-34-1069.
Crowley, Francis B., III, 060-30-6516.
Cudd, George S., 538-32-0153.
Cummings, Harold, 267-44-5470.
Cunningham, Clair M., Jr., 210-38-8874.
Curtis, Alan M., 529-42-4134.
Custer, Gomer C., 450-50-5657.
Daab, Ford G., 454-48-2606.
Dalelio, Denny F., 209-28-1458.
Daniel, Gerald T., 436-48-5221.
Darenberg, Richard G., 116-22-1862.
Davis, Edgar F., 238-60-5825.
Dawson, Frank H., Jr., 411-54-4390.
Dayton, Thomas E., 063-26-9183.
Deas, Robert S., 439-46-4925.
Defrank, Dale A., 106-28-7104.
Degavre, Timothy T., 225-52-5373.
Delaney, Mark A., 003-24-9281.
Denend, Leslie G., 569-54-6022.
Denham, John H., 520-32-4266.
Dennison Irene G., 069-24-3863.
Diehl, James M., 582-42-7172.
Diesing, William E., Jr., 508-36-4360.
Dillman, Pierre A., 176-32-3524.
Dome, Martin, 072-30-4253.
Domingues, Thomas, Jr., 556-44-6249.
Doty, Robert E., Jr., 050-30-1650.
Doucette, Arvid S., 571-36-2957.
Dowell, Michael T., 195-26-9036.
Dreibelbis, Harold N., Jr., 559-46-6335.
Driggers, William B., Jr., 248-56-4165.
Dunn, Alden D., 101-28-2412.
Dunn, Peter M., 337-30-2324.
Durkee, Gary G., 330-28-1822.
Dush, Richard W., 300-30-3987.
Dwyer, Jerome F., Jr., 143-28-9998.
Dwyer, William G., 192-28-7171.
Eastman, Lawrence R., 521-54-2721.
Eckert, Theodore J., 294-28-9656.
Eddlemon, John A., 516-38-0595.
Edenfield, Billy G., 261-50-7236.
Edmonds, Albert J., 252-56-6555.
Edmonds, Walter E., 508-34-8088.
Edwards, Donald R., 495-34-7526.
Eibach, William J., 546-44-6719.
Eller, James M., 193-28-0147.
Elliot, Robert M., 021-22-8214.
Endicott, John E., 272-32-4733.
Engle, Donald S., 242-44-8847.
Epps, Lewis B., 465-56-6569.
Essmeier, Charles T., 439-46-2517.
Evangelist, Frank H., Jr., 520-32-6936.
Evans, Arthur C., 217-34-1979.
Fairfield, John S., 571-50-9817.
Panelli, William B., 264-60-1813.
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King, James M., 164-28-1239.
Middleton, Richard V., 246-42-3749.
Smith, Robert D., 474-32-5705.
Wassmund, James A., 292-28-4991.
Wilhelm, Bruce D., 526-38-7308.
Young, Robert M., 485-36-7142.

VETERINARY CORPS

Butts, Donald W., 512-42-4027.
Erickson, Howard H., 505-44-2270.
Jones, Sidney R., 474-38-7018.
Kupper, James L., 253-60-0523.

BIOMEDICAL SCIENCES CORPS

Bailey, Ronald B., 536-32-1539.
Barrett, Quentin T., 228-42-3876.
Bayer, Johan E., 348-26-0805.
Dubose, William P., III, 250-48-5059.
Fallon, Paul F., 022-30-7337.
Foley, Thomas J., Jr., 206-14-7545.
Maio, Domenic A., 579-46-2858.
Margolis, Hannah S., 075-28-7435.
Smead, Phillip E., 019-30-5937.

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, Title 10, United States Code, with a view to designation under the provisions of section 8067, Title 10, United States Code, to perform the duty indicated, and with date of rank to be determined by the Secretary of the Air Force:

BIOMEDICAL SCIENCES CORPS

To be major

Dubose, William P., III, 250-48-5059.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abel, David R., 443-36-8870.
Adams, Charles D., 525-78-2356.
Adams, John R., 005-32-5691.
Adams, Richard R., 570-44-6789.
Aday, John B., Jr., 410-50-3422.
Affholder, David J., 369-34-6530
Aho, Wallace E., 542-22-1082.
Akers, Brian L., 369-34-2442.
Albright, Ray E., 504-32-0613.
Aldrich, Duaine E., 264-48-0087.
Aldrich, Fred E., 022-28-6970.
Alfieri, Guiseppe, M. C., 151-28-9956.
All, William D., 249-60-6885.
Allen, Don K., 412-56-7771.
Allen, Emmett E., Jr., 456-48-8065.
Allen, John R., Jr., 247-52-3450.
Alley, James R., 540-38-3954.
Ames, George B., Jr., 197-28-9028.
Amos, Robert C., 389-32-2424.
Amrhein, Robert L., 393-32-5178.
Anania, Frank J., 265-46-9929.
Anderson, David D., 375-40-9141.
Anderson, Donald W., 538-32-9990.
Anderson, Frank E., 506-42-0663.
Anderson, Frederick C., 180-28-3253.
Anderson, James A., 076-30-0954.
Anderson, Larry L., 483-46-7577.
Anderson, Lee A., 475-44-8308.
Anderson, Thomas I., 400-46-4997.
Andres, Howard J., 357-28-6401.
Anthony, George T., 459-42-6243.
Apple, Burton J., 205-12-4786.
Archer, Curtis F., Jr., 262-50-6914.
Archino, David T., 222-22-5848.
Arcieri, Joseph D., 128-28-2082.
Armenakis, Demetrios A., 438-50-1226.
Armentrout, Robert E., 466-54-5487.
Armistead, Samuel E., Jr., 416-54-6066.
Armstrong, Raymond H., 455-52-2345.
Ashman, Charles T., 529-50-0790.
Askew, Glenn W., Jr., 453-52-8229.
Atkinson, John C., Jr., 263-50-5112.
Avery, Charles F., 013-30-3410.
Ayars, Richard W., 209-28-1090.
Ayres, Donald L., 337-24-9246.
Babineaux, Thayer L., 438-50-7433.
Baca, Jose A., 557-48-7907.
Bach, Shirley J., 201-26-1696.
Backus, Richard B., 263-50-9205.
Bailey, Billy T., 465-54-7534.
Bailey, James E., 480-36-7822.
Baker, Gary S., 277-34-9103.
Baker, Ronald C., 472-40-4794.
Baker, Woody R. Jr., 459-48-5190.
Baldwin, Edwin L., 482-38-2396.
Balentine, Doyle E., 443-30-2559.
Ballantine, George A., 384-34-9919.
Ballard, Jack D., 453-54-9084.
Ballard, Willie C., 372-34-8020.
Ballentine, John W., 025-28-0689.
Balog, George, 364-34-9223.
Banks, Edgar L., 313-34-1170.
Barden, Paul A., 013-28-9193.
Barnett, John A., Jr., 527-44-1615.
Barr, Charles R., 164-30-7064.
Barrett, Thomas A., Jr., 011-28-9896.
Battreall, Raymond J., 507-40-1591.
Bauer, Paul R., 077-30-7616.
Baulch, William N., 463-46-2755.
Baxter, Jerome R., 091-30-3233.
Beaird, Kenneth B., 457-50-6335.
Bean, Wesley W., Jr., 245-42-6750.
Beaty, Randall E., 236-58-3942.
Beaumaster, James F., 480-38-8853.
Beauvais Maurice F., Jr., 433-42-7262.
Beavers, Michael L., 550-48-4019.
Beck, Charles R., 263-32-0142.
Beck, David H., 458-56-4797.
Beck, Douglass D., 343-30-1878.
Beckel, Robert D., 535-30-8971.
Beesley, Jack R., 510-26-2346.
Begansky, Paul R., 073-28-7243.
Belanger, Norbert C., 024-28-5613.
Belew, Glen E., 457-50-9122.
Belisle, Charles P., 001-26-5364.
Bell, Carl E., 267-34-2282.
Bell, John H., 520-30-1373.
Bellis, Paul G., 233-50-6913.
Belmonte, Nicholas C., 070-30-9000.
Benbough, Robert B., 569-44-6241.
Benjamin, Juan H., 484-40-9030.
Benjamin, Marc L., Jr., 513-34-8316.
Benner, John D., 196-28-5912.
Bennett, Thomas S., 309-40-9110.
Bennington, Raymond O., 454-56-2349.
Bentley, Ronald D., 370-36-9000.
Berg, John O., 313-36-3031.
Berganini, David F., 396-34-1227.
Bergeron, Joseph L., 466-48-2216.
Bergholz, Richard J., 084-28-3357.
Bergold, Fredrik M., 270-30-1868.
Bergstad, Joe G., 544-34-0506.
Bernd, Ronald E., 452-66-6839.
Berry, George D., 404-40-4800.
Bessette, John F., 132-28-3534.
Bester, Joseph D., 183-30-4201.
Bielsik, Frank J., 318-30-4441.
Bielstein, Lawrence E., 565-42-9249.
Bigelow, Richard M., 229-42-7041.
Bigrigg, Robert C., 556-46-8428.
Biles, Graham C., 414-54-6761.
Biron, Edward J., 008-24-8731.
Bisgrove, Donald G., 481-24-0683.
Bittle, Darrell G., 443-32-7081.
Bivens, Robert A., 443-34-5096.
Bixler, Glen R., 184-26-3387.
Black, Jon D., 409-50-2232
Blackwell, James R., 226-38-8252.
Blackwell, Walter R., 325-30-0790.
Blake, Robert E., 224-52-7152.
Blanchard, Maxwell F., 582-46-8363.
Blankenship, Hershal E., 403-50-3523.
Blanton, Tommy L., 466-52-7313.
Blaxine, Fred V., 241-30-0857.
Bledsoe, Jack H., 316-34-5830.
Blocker, Norman K., 459-48-5340.
Bobko, Karol, J., 081-32-6572.
Bock, Larry W., 480-40-8532.
Boese, Robert A., 311-34-7343.
Bogard, Clarence R., 525-76-6870.
Bogert, George A., 147-28-9090.
Bohan, Thomas M., 130-28-7383.
Bohn, James N., 315-36-0838.
Bollwerk, John J., Jr., 489-38-9078.

Bond, Ronald M., 177-30-5716.
Borg, Brewster E., 092-30-0854.
Borkowski, William R., 196-28-3975.
Botticelli, Allan P., 077-30-6136.
Bouckhout, Richard J., 549-50-5647.
Bousman, Richard L., 354-28-8217.
Bowen, Thomas G., 254-50-1599.
Bowers, Richard L., 486-40-5451.
Bowes, Stevenson E., 139-28-7557.
Boyd, Darwin D., 401-48-3146.
Bracken, Edward R., 050-30-2680.
Braden, John R., 423-38-3807.
Bragdon, Paul B., 564-46-5686.
Braman, Marvin L., 485-36-0340.
Brand, Thomas E., 107-30-3869.
Bridges, James R., Jr., 460-34-3779.
Briggs, Patrick A., 261-54-5836.
Broach, William R., 445-32-3714.
Broeren, Quentin R., 351-28-3782.
Bronson, Richard A., 560-46-6724.
Brooks, Don L., 460-64-1384.
Brooks, J. W., 424-40-8452.
Brooks, Michael C., 226-44-7556.
Brooks, Richard L., 421-46-8162.
Broussard, Harvey C., 436-52-6719.
Broussard, Whitney J., 439-46-4809.
Brown, Albert D., 539-32-0502.
Brown, Bruce A., 378-38-3968.
Brown, Denis M., 314-32-3350.
Brown, Donald R., 317-32-0500.
Brown, Dwight, Jr., 465-50-0467.
Brown, James W., III, 010-26-6301.
Brown, Jerry D., 455-56-0056.
Brown, Lloyd A., 401-44-8452.
Brown, Marvin R., 311-38-5143.
Brown, Walter T., Jr., 293-32-3297.
Browne, Everett W., 578-40-4811.
Bryan, Jack B., 440-30-7928.
Bryan, Otis F., Jr., 500-38-1431.
Bryan, William W., 429-70-4227.
Bryant, Lynwood C., 364-38-4234.
Bryden, William D., Jr., 196-28-6600.
Bryson, Robert R., 495-40-8883.
Buckenmaier, Chester C., Jr., 209-28-3364.
Buckey, Robert G., 293-36-3730.
Bussinger, Richard L., 354-32-5891.
Bunce, Donald C., 478-40-2550.
Buntin, William W., 426-74-4919.
Burbey, Gene P., 399-32-9806.
Burchfield, Hartsill R., 499-32-4851.
Burger, Philip R., Jr., 143-26-7408.
Burghardt, Stanley K., 060-30-5020.
Burk, Delmar D., 443-32-7988.
Burnett, James R., 543-32-3703.
Burnside, Belvin R., Jr., 249-52-3254.
Burridge, Charles W., 317-36-5548.
Burton, James G., 334-30-6279.
Busby, Arthur E., III, 465-40-7560.
Bush, Roger G., 330-28-1645.
Bushman, William J., 481-32-3777.
Buteaud, Louis C., Jr., 433-56-7174.
Butts, Lawrence E., Jr., 434-46-0673.
Byrd, James H., 249-56-4448.
Byrd, Joe L., 466-50-3334.
Byrnes, Eugene B., Jr., 396-36-4929.
Cade, David J., 330-30-4100.
Caldwell, James A., 242-50-0220.
Callaghan, James T., 350-28-2527.
Callaghan, William S., Jr., 226-44-2374.
Campbell, Dennis F., 502-34-5305.
Campbell, Duncan W., 526-42-2984.
Canfield, Kenneth W., 409-50-8101.
Canterbury, Henry D., 416-48-0432.
Caponecchi, August J., 185-28-5449.
Capps, Julian M., 241-58-0178.
Caputo, Robert P., 026-34-8111.
Carlin, Jerry L., 550-48-4761.
Carlson, Loren D., 385-32-7857.
Carnahan, Kenneth M., 312-32-5605.
Carns, Michael P. C., 576-48-9108.
Carpenter, James T., 276-34-4540.
Carr, Benny M., 421-52-5864.
Carr, Earl E., 008-22-1026.
Carr, Richard E., 042-32-7091.
Carroll, David R., 549-46-0897.
Carteaux, Thomas L., 255-54-7904.
Carter, Clayton T., 176-26-7612.
Carter, Robert G., 193-28-0012.
Casey, Patrick J., 380-32-6136.
Cassidy, Charles P., 017-28-5756.
Cassity, James S., Jr., 430-48-5273.
Catiller, John B., 403-46-3412.
Caton, Philip E., 196-26-0138.
Cebulski, Robert J., 302-32-5177.
Chadd, Billy R., 307-32-8115.
Chaffer, Wayne R., 560-44-4168.
Chambers, James E., 320-28-2492.
Chambers, John E., 361-26-5762.
Chapman, George E., 377-30-4593.
Chapman, Robert L., 044-28-8782.
Chappel, George G., 209-28-0242.
Chartrand, Edward H., 002-28-6964.
Chepolis, Robert J., 155-26-1464.
Chichester, Warren P., 515-30-7446.
Chomics, Donald J., 374-36-5130.
Christensen, Robert E., 073-28-4104.
Christianer, Doyle C., 348-30-2087.
Christison, Wayne L., 518-38-4467.
Christoplis, Peter C., 391-36-3320.
Chynoweth, William M., 406-40-8838.
Clamme, Ronald L., 310-38-8484.
Clark, George C., 458-56-9843.
Clark, James W., 429-62-2782.
Clark, Lawrence D., 367-34-9642.
Clark, Leonard E., Jr., 463-54-7910.
Clark, Perry G., 520-38-5961.
Clausen, Lee R., 139-26-7240.
Clem, Harold A., 319-32-0654.
Clement, Richard B., 146-30-0380.
Clifford, James E., 313-32-0941.
Cline, James A., 180-28-4405.
Cloyd, John L., 236-46-3909.
Coblents, Thomas H., Jr., 513-32-9561.
Cohen, Daniel D., 025-26-1111.
Cohick, Mikel W., 195-28-7608.
Colburn, Gerry R., 010-28-9598.
Cole, David C., 269-32-7216.
Coleman, Archie B., 425-62-2270.
Colliflower, Lawrence H., 337-28-5998.
Collins, Thomas E., III, 427-76-1318.
Colton, George M., 246-46-9402.
Colwell, Gary A., 544-38-3431.
Comalli, John M., 018-26-3367.
Combs, Ronald G., 284-32-0233.
Conant, Roger G., 005-30-4842.
Connally, James W., 263-60-7008.
Connolly, Allen B., II, 309-30-0025.
Conover, John A., 567-44-9321.
Cook, Curtis G., 096-28-5628.
Cooper, Harold T., 409-48-8962.
Coote, Donald R., 543-38-9825.
Corbett, John G., 246-40-6262.
Cornell, David M., 554-48-6815.
Corroum, William F., 215-38-8818.
Cotton, Waldon R., 563-44-1526.
Coughlin, Francis J., 072-28-5828.
Coughran, Joe F., 456-56-7968.
Counts, Roger L., 288-32-6400.
Courtney, Nyles B., 267-48-7220.
Coury, Nicholas J., 384-36-0404.
Covert, Ronny C., 251-52-7901.
Cowan, Kenneth W., 510-24-0681.
Cowles, Stephen H., 305-38-0712.
Cox, Gary E., 518-36-7515.
Cox, Richard E., 579-34-1719.
Cox, Rodney V., Jr., 579-46-1489.
Craig, Harold D., 464-48-8372.
Craig, Harry G., 451-62-3085.
Craig, Thomas L., 435-54-8105.
Craig, Walker R., 460-54-1551.
Crane, Benjamin D., 424-38-6953.
Craveiro, Richard C., 567-42-1170.
Crawford, Robert G., 555-44-9437.
Crawford, Todd W., 175-24-8951.
Crews, Barton P., 334-30-5902.
Crews, Charles P., 435-50-5570.
Crews, Gordon W., 262-42-7637.
Cromer, Donald L., 518-34-5921.
Cronican, John G., Jr., 080-30-5507.
Cross, Richard W., 578-44-0626.
Crown, Jerry E., 511-36-3517.
Cuculiu, Alan C., 439-44-0736.
Cudlipp, Richard R., 087-30-5541.
Culton, Robert E., 003-26-8503.
Cunningham, Ralph L., 251-60-5443.
Current, Frederick D., 143-30-2558.
Currie, Brian H., 571-44-3663.
Cutter, Scott C., Jr., 322-24-2457.
Cvik, James E., 347-28-8770.
Cwikowski, Raymond T., 137-28-9629.
Cyr, Peter P., 026-24-0018.
Czelusniak, Donald R., 122-28-8147.
Dahl, Gilmore M., 513-36-9888.
Dahlemelsaether, Ole I., 485-32-7071.
Dailey, Daniel G., 479-36-8183.
Dakes, Michael G., 226-46-8949.
Dale, Curtis D., 235-56-9223.
Damon, Karl K., 074-28-7706.
Daniel, Carey W., Jr., 241-50-5729.
Daniels, Frederick J., 527-42-9733.
Dankenbring, Terry L., 384-34-0403.
Davenport, Ernest J., 526-38-6947.
Davey, John M., 038-24-1370.
Davis, Clark T., 529-48-5628.
Davis, Richard C., 203-28-8898.
Davis, Richard G., 514-36-6015.
Davis, Roger L., 525-54-9683.
Davis, William N., 465-50-0161.
Davison, Robert E., 198-26-9039.
Dawley, Donald L., 296-30-8994.
Dayton, Allen D., 446-34-7050.
Decavalcante, Noel B., 206-28-7843.
DeJong, Fred H., 547-48-7787.
Lejong, John E., 329-30-8551.
Delaney, Denis P., 052-32-2697.
Delaney, Donald R., 266-52-1993.
Delaney, Robert S., 067-30-0410.
Delligatti, Robert S., 236-52-1610.
Demijohn, Ronald S., 002-26-7895.
Deming, William J., 064-28-7751.
Denison, Robert G., 441-38-3968.
Denny, Edwin B., 334-30-5711.
Dentino, Robert L., 336-28-8733.
Denton, Donald L., 425-64-7022.
Derbyshire, Frank B., 566-48-5989.
Deritis, Don J., 534-30-9489.
Derrickson, Thomas G., II, 559-46-2872.
Desjardins, Philip D., 002-26-6359.
Desroches, James E., 001-28-7812.
Dewey, William T., 519-36-7249.
Dicamillo, Richard A., 075-28-2249.
Dickover, Richard D., Jr., 313-34-2468.
Dickson, David S., 477-42-6802.
Dietrich, George T. M., Jr., 452-66-6840.
Dill, Donald W., 563-46-5513.
Dillon, Daniel R., 002-24-7153.
Doane, Gaylen B., 485-34-5406.
Dobias, Otto C., 347-30-9760.
Dodds, Charles L., Jr., 256-54-0701.
Donohoe, Richard J., 089-30-7841.
Donovan, William G., 569-48-2701.
Doran, Donald A., 359-26-7009.
Dorwaldt, Richard H., 469-34-4799.
Downing, Darrell A., 478-42-4648.
Doyle, David F., 034-26-0642.
Driesslein, William G., 148-28-3602.
Driggers, William B., Jr., 248-56-4165.
Drohan, John A., 100-28-5617.
Drummond, Daniel D., 243-52-2381.
Dubose, Regal D., Jr., 416-50-5421.
Dudley, Paul F., 282-22-4725.
Duenas, Vernon, 521-38-2617.
Duey, Kent B., 564-42-8855.
Duke, William G., 298-32-2939.
Dull, Rex L., 315-38-8943.
Dumont, Douglas G., 547-40-1315.
Dunlap, James A., 302-20-4250.
Durham, Esmer L., Jr., 578-48-1843.
Dush, Richard W., 300-30-3987.
Dutton, Robert C., 333-30-8800.
Dwells, Alexander C., 335-30-7456.
Dwyer, William G., 192-28-7171.
Dye, Forrest N., 273-30-4456.
Dykes, Conley H., 408-58-8612.
Eash, Joseph J., III, 184-30-6018.
Eastburn, Loren D., 515-36-3605.
Eastes, Raymond E., 527-46-4209.
Eatman, Robert W., 428-60-8548.
Eaves, Richard H., 260-40-7711.
Ebeltoft, Allen M., 502-34-6415.
Eckhart, John D., 270-34-0019.
Edberg, Helmer P., 380-36-6294.
Edenfield, Billy G., 261-50-7236.
Edens, Robert H., 242-50-1129.
Edgington, William A., 279-32-1085.
Edney, Robert A., 009-28-1104.
Edwards, Herbert H., 280-34-7252.
Edwards, Ronald K., 514-36-9977.
Edwards, Tommy M., 317-36-2054.
Eigel, Robert L., 487-38-6094.
Ek, John K., 001-28-7374.
Elam, Edward T., 410-56-2764.
Elefritz, Joseph P., 233-56-4100.

Eliason, Vernet W., 538-34-0293.
Eller, John N., Jr., 467-52-8429.
Ellermets, Heiki, 090-28-4981.
Elliot, Craig D., 040-80-7691.
Ellis, Roland D., 241-48-2152.
Ellis, Ronald R., 219-32-6444.
Elser, Arthur G., 069-28-0783.
Engel, Richard F., 551-46-0626.
England, Lawrence E., 345-32-6906.
Epler, Elmer D., 514-32-0565.
Epps, Lewis B., 465-56-6569.
Erickson, James P., 543-34-7106.
Erler, William F., 216-32-5846.
Esser, Albert R., 553-44-3117.
Ettinger, Robert C., 570-42-1879.
Evans, Arthur C., 217-34-1979.
Evans, Charles D., 165-30-3581.
Evans, Claire J., 519-42-8947.
Evers, Harry O., Jr., 359-24-4574.
Falk, Harold C., 504-36-5134.
Fanta, John, 474-22-5880.
Farland, Robert W., 202-24-8867.
Farrell, Joseph M., 103-28-3025.
Farrell, Ronald, 147-26-8519.
Farren, Michael F., 032-28-5431.
Farrington, John R., 021-26-1756.
Farwell, David C., 033-28-3323.
Fathers, Lowell G., 527-44-1013.
Fatheree, Thomas H., Jr., 452-50-0946.
Fawcett, Harman E., III, 016-30-0041.
Fawcett, Robert C., 305-38-0639.
Fay, Robert H., Jr., 033-28-5367.
Fedor, William P., 211-28-9933.
Feist, John F., 129-20-1616.
Fekete, Frederick, 046-24-6053.
Feldman, Irwin J., 371-36-1696.
Fero, Richard G., 068-26-9430.
Ferrari, Charles J., 022-28-0707.
Ferrillo, John A., 117-30-4194.
Filkins, Lloyd R., 531-32-0792.
Finch, Charles E., 327-32-2397.
Findlay, Gary W., 484-34-7647.
Fischer, August V., 474-36-2327.
Fischer, Hansjoachim E., 141-28-2789.
Fisher, Kenneth, 119-26-2976.
Fisher, Paul T., 102-30-9072.
Fitzgibbon, James J., 071-30-0317.
Fitzsimmons, Fredric S., 556-54-0366.
Fitzwater, Alan L., 488-38-3330.
Flood, Jerry D., 370-36-2501.
Ford, David W., 370-36-7746.
Ford, Richard J., 191-26-0174.
Ford, William L., 294-28-6364.
Forrester, John, 081-32-5547.
Forsythe, Conrad O., 457-52-4659.
Forsythe, William D., 133-28-8902.
Fortna, Roger A., 343-30-1235.
Fortner, Larry D., 231-44-2047.
Fox, Thomas P., 156-26-7344.
Frady, William D., 250-50-3906.
Fraime, Charles R., 036-24-7785.
Franklin, Butler T., 093-20-7035.
Frazier, Robert L., 445-40-5996.
Frease, Edward D., 521-42-8404.
Frederick, David L., 359-28-7969.
Freytag, James E., 466-54-0083.
Friant, Charles W., 255-44-0936.
Gaddie, William R., 402-38-7658.
Gagliardi, Albert A., Jr., 039-22-4901.
Gagnon, Roger A., 024-28-5969.
Gainer, Thomas R., 256-54-9173.
Gallihugh, Robert H., 374-32-9047.
Gallo, Jon A., 226-44-8770.
Galloway, John C., 098-28-4515.
Gantt, Myron L., 418-44-2095.
Garber, Gares Jr., 224-46-7146.
Gardner, Robert E., 475-34-1608.
Garrison, Larry L., 536-30-5889.
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Woelfel, Edward A., Jr., 210-28-3234.
Wolfe, Dale E., 286-32-7961.
Wolfe, John M., Jr., 340-30-9173.
Wolpert, Donald G., 310-34-0650.
Wood, Charles T., 261-52-9063.
Wood, Gary L., 100-28-6113.
Wood, James H., 410-50-1409.
Wood, Lawrence M., 230-44-5856.
Woodring, Marvin J., 516-46-5224.
Woods, Harold D., 440-32-7203.
Woods, Jackie V., 410-50-4215.
Work, James B., 555-46-1468.
Worley, George H., 255-54-9351.
Wright, Richard J., 159-30-0017.
Wylie, Jimmy W., 427-56-8072.
Wynn, Frederick B., 255-48-6479.
Wynne, Thomas O., 212-34-7426.
Wyrick, Andrew G., Jr., 308-34-6085.
Yager, Walter S., 448-30-3278.
Yantis, Albert L., Jr., 460-50-3165.
Yeatts, Fredrick S., 224-52-5024.
Yorks, Robert A., 186-26-5010.
Yoshinaga, Gene N., 576-32-7912.
Young, Martin L., 333-30-6604.
Young, William M., 165-30-6632.
Youngson, James, Jr., 560-48-4670.
Zahniser, Frank R., 537-32-4849.
Zannini, Robert H., 020-26-1254.
Zara, Philip E., 330-26-4365.
Zimmerlee, Joseph R., 311-36-9544.
Zint, William L., Jr., 524-42-1578.
Zucker, Robert, 061-30-8611.

CHAPLAIN CORPS

Bretscher, Forrest F., 490-26-3118.
Browning, Robert L., 456-38-6793.
Carleton, Rhon V., 295-30-2735.
Doughtie, Robert J., 055-30-6562.
Guikema, Henry, 381-54-5959.
Hensley, Billy D., 430-44-3995.
Kircus, Ernest E., 439-50-8001.
Mallory, Jerry J., 461-52-5389.
Merrell, Robert E., 262-38-2116.
Monti, Robert M., 396-26-1532.
Plummer, James R., 157-22-5462.
Stork, Wayne L., 304-34-8348.
Thompson, Kenneth R., 439-28-2858.

DENTAL CORPS

Aberth, George H., Jr., 277-30-8031.
Ausich, Joseph E., 519-32-6342.
Brunsvold, Michael A., 479-44-1978.
Camamo, Joseph A., 728-09-6755.
Chaifin, Charles W., 300-34-4197.
Depew, Theodore E., Jr., 552-50-3890.
Dohaney, Martin J., Jr., 147-28-0548.
Drake, Philip L., Jr., 495-28-4075.
Dukart, Rodney C., 502-36-5932.
Forgach, John J., 206-30-4556.
Gilliland, Robert F., 189-30-6130.
Gullatt, Theodore Jr., 260-44-3233.
Haros, Carl T., 457-54-9299.
Holgate, Robert S., 060-30-7094.
Hope, Gary B., 529-36-8265.
Killingsworth, Charles R., 534-28-7340.
Kuts, Paul L., 532-36-5741.
Lepore, Marion, 292-30-4219.
Maust, Jay R., 175-30-0715.
Mead, John H., 573-50-9211.
Moore, John N., Jr., 204-32-2962.
Osburn, Richard C., 311-38-7111.
Salzmann, Jacob A., 201-30-5649.
Scholes, Edwin, Jr., 211-28-4826.
Senia, Ennio S. A., 149-22-3539.
Smith, Howard E., 083-24-7097.
Stamps, John T., 457-56-6124.
Tepper, Maurice J., 130-28-7535.
Usseglio, Robert J., 014-30-7544.
Wilkinson, Raymond F., 520-38-7595.
Willsey, Dean B., 372-38-6859.

JUDGE ADVOCATE

Angelides, Nicholas J., 118-26-0959.
Ciucci, John A., 185-26-1354.
Dieterich, John L., 563-48-9516.
Douglass, Robert G., 323-32-0594.
Flatten, Franklin P., 463-62-9518.
Green, Henry G., 439-48-5068.
Hubert, Douglass E., 558-48-0542.
Kuhnell, Ludolf R., III, 460-38-2194.
Lauricella, Joseph V., 045-28-1336.
Miller, Grant, 444-32-2597.
Mills, Philip C., 485-36-1136.
Mitchell, James A., 260-36-3175.
O'Connor, William E., 294-28-0438.
Roan, James C. Jr., 499-36-8612.
Roberts, M. Cullie, Jr., 418-46-5652.
Russi, Roy A., Jr., 281-26-5398.
Sensing, William A., 462-50-1894.
Sims, Fred M., 515-36-1186.
St. Martin, Norman R., 030-22-3552.

MEDICAL CORPS

Andruczk, Robert C., 343-30-8069.
Barry, William E., 360-26-4830.
Berry, Frank W., Jr., 248-56-5862.
Bishop, John E., 519-38-0789.
Cook, Marshall S., 315-36-5559.
Demski, Robert S., 382-36-6498.
Dorey, Lee R., 224-52-5397.
Haydon, John R., Jr., 479-44-6488.
Horne, Edwin G., Jr., 446-28-5235.
Hutton, Robert D., 497-36-0371.
Johnson, Joseph M., 140-28-5381.
Kaminski, Paul F., 219-26-3465.
Kelly, Paul A., 284-30-9658.
Lochridge, Gordon K., 540-36-0916.
Logan, Neal J., 515-34-8836.
Neimanis, Andris, 115-28-6469.
Noga, Gerald W., 350-28-4067.
Pala, Stanley J., 355-32-1767.
Patton, John P., Jr., 410-60-4308.
Paull, Robert M., 196-30-7678.
Payne, James E., Jr., 465-36-8636.
Puma, Samuel C., 201-26-9591.
Ramey, Ralph, Jr., 403-40-6030.
Sarnacki, Clifford T., 279-34-3498.
Schwarz, Thomas E., 314-38-1321.
Shapiro, Allen, 579-36-6335.
Suckow, Lowell C., 542-38-5206.
Torrance, Philip M., II, 284-32-4783.
Versteeg, Harold J., Jr., 475-38-2439.
Watson, Alfred B., Jr., 266-42-4273.
Zimmerman, Raymond E. P., 058-30-0850.

NURSE CORPS

Baker, Olive M., 301-30-1684.
Craft, Kathryn L., 419-36-5676.
Demeaux, Jeanne R., 145-30-1205.
Deogburn, Charlotte M., 263-46-8508.
Dodd, Darlene M., 386-32-1968.
Edwards, Eleanor C., 184-28-9006.
Fox, Marjorie R., 013-22-2862.
Halley, Norma D., 226-44-6690.
Locke, Christine, 409-58-2594.
Lomax, Johnnie O., 408-50-5038.
Luuru, Helen A., 011-24-8032.
McDowell, Nina E., 331-24-7574.
Moore, Lyda A., 232-34-7216.
Munto, Peter L., 053-26-5448.
Murphy, Barbara E., 447-30-1231.
Murray, Maejane, 172-26-8929.
Pavlich, Mary L., 525-78-7168.
Plott, Clarideth J., 373-34-6656.
Potter, Joanne R., 187-24-2965.
Soeder, Darla J., 442-36-3628.
Thompson, Mary E., 554-48-7063.
Vak, Elaine J., 507-38-6644.
Wolbert, June, 174-30-3508.

MEDICAL SERVICE CORPS

Crunkilton, Allen L., 269-26-2390.
Good, Donald S., 274-32-1133.
Hendley, James W., 414-56-5881.
Morton, James I., 309-36-0764.
Nadell, Avrom P., 106-26-0316.
O'Donnell, Daniel J., 137-26-5063.
Park, Clinton R., 038-24-6775.
Riley, John F., 554-42-9019.
Seese, Vernon L., 230-46-0164.
Treat, Thomas F., 429-68-4387.
Ussery, Wendell O., 254-46-9788.
Vanherpen, John, 262-44-2073.
White, Joe B., 305-38-0525.
Woodward, Robert L., 025-26-5563.
Young, Robert M., 485-36-7142.

VETERINARY CORPS

Armstrong, Robert E., 537-30-1486.
Avadikian, Richard G., 214-32-8892.
Banknieder, August R., 356-28-3983.
Bonney, Charles H., 412-66-7117.
Butler, Thomas M., 458-60-2863.
Peguesse, James E., 263-52-3021.
Russell, Robert J., 355-32-8108.
Satalowich, F. Thomas, 395-34-7384.
Schilling, Paul W., 495-42-7136.
Schmidt, Robert E., 556-48-2556.
Taylor, Gale D., 321-32-5197.

BIOMEDICAL SCIENCES CORPS

Beatty, David C., 334-30-3670.
Caldwell, Arthur P., 263-52-2654.
Collins, Raymond J., 048-28-0383.
Fox, James E., Sr., 278-28-3039.
Houston, Robert G., 573-44-5821.
Knight, John F., 266-48-8487.
Kopp, David T., 146-28-9003.
Krutz, Robert W., Jr., 426-64-0651.
Laney, Sherrill G., 241-54-6387.
Mabson, William E., 437-50-9516.
McKissick, Jace E., 444-32-1512.
Moll, Marlene J., 336-30-6181.
Moyer, William B., 249-48-8557.
Roberts, Paul F., 077-30-8811.
Rogers, Donald J., 528-44-8087.
Rothman, Torsten, 063-30-9660.
Schmitt, Richard G., 394-34-2209.
Varkonyi, Nicholas T., 165-22-5353.
Witzgall, Fred L., 150-16-2083.

The following-named officer for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Kessell, Donald E., 341-24-7662.

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abbott, Robert A., 378-46-8777.
Abney, Floyd J., 527-38-7616.
Abrahamson, Raymond L., 555-44-8195.
Achin, Raymond E., 017-30-6008.
Adams, Alfred P., 515-38-2072.
Alexandrakos, Peter, 061-34-8509.
Alfaro, Eugene A., 153-28-0138.
Alfonso, Louis A., 436-56-7373.
Allbee, Thomas D., 478-38-8229.
Allburn, James N., 176-30-8628.
Allen, George W., 242-56-7875.
Allen, Harry R., Jr., 436-56-9918.
Allen, Jerrold P., 009-30-6342.
Allen, Lytle E., III, 254-58-0721.
Allen, Verne K., 520-42-3984.
Allen, William B., 013-30-2147.
Allocca, Thomas R., 051-32-6436.
Almy, David B., 400-60-0409.
Altemose, James L., 421-62-6237.

Alton, Stuart L., 301-36-6597.
Ammering, Theodore E., 101-34-4407.
Anderberg, Michael R., 521-56-1827.
Anderson, James R., 183-28-6159.
Anderson, James T., 374-38-5639.
Anderson, Jerris C., 258-52-9162.
Anderson, Kenneth R., 344-34-3437.
Anderson, Terry D., 503-46-6274.
Anderson, Woodrow A., 243-66-6525.
Andress, Robert S., 444-34-3220.
Andrews, George R., 265-54-2457.
Andrews, Victor C., 341-34-2953.
Applegate, Edward T., 157-32-0416.
April, Paul K., 182-32-0784.
Arena, Joseph A., 235-66-0207.
Armour, Leon, 217-38-9446.
Armour, Paul J., 364-40-9839.
Armourlightner, Rosetta A., 257-56-4009.
Armstrong, Dexter A., 539-34-6949.
Armstrong, Edwin L., 495-46-3651.
Armstrong, Gordon S., 156-30-4818.
Armstrong, John E., 479-50-5731.
Armstrong, John J., 314-42-5483.
Arnold, Charles P., Jr., 290-34-3495.
Arnold, Lloyd H., 249-56-9869.
Asmus, Hans J., 561-54-6026.
Asmus, John J., Jr., 040-36-9012.
Aston, Gary M., 446-36-1852.
Atkins, Gary C., 380-38-5392.
Atkins, Jerome A., 226-54-8558.
Austin, Donald O., 525-32-9909.
Ayer, Frederick L., 479-46-8703.
Ayers, William C., 376-40-9096.
Baas, Melvin T., 375-38-1068.
Babbitt, George T., Jr., 539-38-3032.
Bachman, Laurence D., 511-38-8148.
Bacus, Ralph H., 272-36-7814.
Badgwell, Don H., 461-72-9557.
Bafundo, George R., 079-34-8307.
Baird, James, 058-30-7052.
Baker, John J., III, 128-32-4862.
Baker, Kenneth E., 404-48-3854.
Baker, Phillip J., 543-40-3246.
Ball, William J., 506-50-7647.
Ballee, William J., 357-32-1411.
Bangs, Stephen J., 214-42-4720.
Barber, Russell E., 056-32-0536.
Barclay, Ralph D., 048-30-4849.
Barkhurst, Paul D., 286-26-6567.
Baron, Bruce, 034-30-5154.
Barr, George M., 238-70-6849.
Barr, Michael L., 024-30-0311.
Barre, Edward L., 572-50-5267.
Barrett, Owen M., 267-34-4503.
Barrett, Thomas J., 325-32-0908.
Barron, Barney P., 426-72-4028.
Barry, William A., 165-30-0814.
Baskett, Richard M., 512-34-3673.
Batchelder, Diane, 108-26-2230.
Bates, Daniel G., 152-32-3804.
Battle, Bobby E., 245-56-8016.
Bauer, Darrol L., 462-46-6815.
Bauer, Frederick C., 521-56-1937.
Bauer, John G., Jr., 462-40-6168.
Baumgartner, Richard C., 168-26-9811.
Baumgartner, Robert L., 092-30-9123.
Bautsch, Norman D., 181-32-2420.
Bayer, Robert E., 263-38-9852.
Bayha, Carl F., Jr., 170-32-8569.
Bayless, William E., 514-30-6677.
Bearce, Neil R., Jr., 014-32-2029.
Beasley, Dennis C., 523-50-7618.
Beaty, James K., Jr., 497-36-1790.
Beauchemin, Alfred E., III, 013-30-9448.
Beaudry, Richard G., 362-38-9010.
Beck, Alan W., 391-36-0174.
Becker, Henry R., 082-34-1704.
Beebe, Henry M., 024-30-1256.
Beers, L. N., 314-36-1427.
Beesley, Jack R., 510-26-2346.
Belina, John L., 470-44-4123.
Bell, Oral L., 449-36-1572.
Bellem, Raymond D. F., 295-32-1016.
Bellotte, John E., 232-60-9828.
Benfield, Eric B., 217-40-1109.
Bennett, Bryan L., 223-56-1282.
Bennett, Charles M. IV., 025-30-0013.
Bennett, Logan J., Jr., 204-30-8382.
Berg, Phillip M., 523-52-0354.
Bernier, Johnnie O., 448-40-0412.
Bernstein, Peter D., 100-32-0560.
Bernth, Terry J., 505-50-4637.
Berrean, John D., 198-30-0566.
Berry, Keith, 251-56-3881.
Berry, Robert H., 550-56-0466.
Beyerle, John A., 143-30-3447.
Bianco, Arthur J., 424-46-8433.
Bigelow, Frederick, D. C., 466-52-7316.
Bigelow, James N., 150-30-5784.
Bigham, Eugene F., 216-34-8704.
Birkhead, Roy F., 514-38-6022.
Birkner, John H., 272-36-1403.
Birmingham, James E., 488-40-0936.
Birnbaum, Melvin, 068-34-9476.
Black, Clarence, 525-60-2670.
Blackburn, Thomas R., 252-64-4431.
Blackledge, Michael A., 452-68-6743.
Blackstock, Jimmy D., 250-56-7056.
Blair, Richard S., 074-36-5534.
Blake, Ronald W., 510-42-2767.
Blansett, Bennie B., Jr., 456-50-2233.
Blasingame, Doyle D., 411-62-9141.
Blocker, Larry J., 474-42-2370.
Blocker, Phil, 262-56-7387.
Bloss, James F., 493-42-1847.
Boardman, Edward C., 119-30-5526.
Bobb, Carroll C., 249-66-0845.
Bochnik, Walter J., 044-30-3997.
Bodine, Paul L., 521-50-4223.
Boehmer, George E., 258-58-0289.
Boerner, Roger B., 223-50-3906.
Bohlson, John S., 432-76-1364.
Bohn, Bruce J., 197-30-1363.
Boldrick, Michael R., 408-50-3359.
Bolton, Walter B., 546-52-6512.
Bone, James A., 449-60-7789.
Bonse, Gilbert 523-46-5271.
Boozer, Gordon L., 543-46-2824.
Borchert, John A., 087-30-2823.
Borinski, George E., Jr., 147-34-1382.
Borland, Melroy, 463-54-2173.
Boswell, Edward T., 521-56-1890.
Bottjer, Daryl L., 531-36-2097.
Bottorff, Gerald L., 247-66-9468.
Boubelik, David K., 263-52-4118.
Boucher, Paul A., 013-32-3965.
Bourgeois, Warren H., Jr., 437-60-0295.
Bovenkerk, Paul E., 107-32-5568.
Bowen, Robert E., 155-30-8868.
Bowman, James D., 571-52-6713.
Bowman, Laddie F., 277-34-4697.
Boyd, Stanley E., 420-60-1475.
Boyer, Daniel D., Jr., 226-52-3591.
Braats, Robert W., 524-44-0855.
Bradburn, William J., 493-42-2099.
Brady, Livingston, 424-42-3648.
Bragaw, Paul H., 579-54-2903.
Brailey, William E., 572-68-8342.
Bramble, Harold K., 267-50-6136.
Bramlett, Harry R., 487-46-5845.
Branch, Patrick K., 477-38-2121.
Brand, Roderick P., 460-68-3289.
Brand, Troy C., 432-66-5590.
Brandt, Karl F., Jr., 267-56-3062.
Brannam, Clarence B., 513-36-8142.
Bredvik, Gordon D., 363-38-7875.
Brenci, Robert L., 030-30-6154.
Brennan, William J., Jr., 103-30-7522.
Brenzel, Robert C., 400-44-2891.
Bridger, Barry B., 242-68-5208.
Bridges, Roy D., Jr., 258-64-9055.
Bright, Burton K., 577-50-1480.
Briscoe, John R., 183-32-7972.
Britt, Paul S., 213-38-3054.
Broerman, Ramon K., 305-38-0849.
Bromiley, William R., 225-32-6104.
Brooks, Joseph P., Sr., 213-32-5770.
Brown, Anthony K., 048-26-8276.
Brown, Charles R., Jr., 237-66-2236.
Brown, Donald S., Jr., 219-34-5401.
Brown, Dwight, Jr., 465-50-0467.
Brown, Gene E., 309-42-5610.
Brown, Guy E., II, 431-72-6032.
Brown, Harold J., 434-62-4951.
Brown, J. T., 420-52-8312.
Brown, James E., Jr., 201-32-6177.
Brown, Richard M., 247-66-1732.
Brown, Robert C., 250-60-7771.
Brown, Wayne G., 061-34-0365.
Brown, Wesley, 242-62-8286.
Browne, Ivar F., 016-30-8332.
Browning, William M., Jr., 428-82-1873.
Bruhl, Glyndon A., 436-56-2820.
Brumbaugh, Elliott F., Jr. 213-42-6932.
Brunetti, Mario P., 550-40-5124.
Bryan, Robert L., 066-32-2045.
Bryant, William F., Jr., 521-56-1939.
Buckingham, James A., 482-42-8631.
Buermeyer, David W., 155-30-3322.
Buley, Peter J., 392-34-2688.
Burch, Michael I., 493-44-4701.
Burckel, William P., 402-52-2296.
Burke, Bruce L., 266-36-1206.
Burke, Martin J., 041-32-5524.
Burns, Joe L., 450-62-9196.
Burns, John W., Jr., 211-30-4368.
Burrell, Steven K., 478-48-0153.
Burrowes, John B., 298-36-3852.
Burson, Byron C., 089-32-0686.
Busby, David N., 461-56-4236.
Bush, Richard L., 446-38-3257.
Butler, Darrell P., 477-38-5943.
Butler, William H., 416-56-8110.
Butt, James S., 567-50-8022.
Butterfield, Hugh G., 003-30-6402.
Button, Edward J., 174-32-6132.
Byrd, Emerson E., 566-44-0844.
Byrd, Jack R., 454-66-5078.
Byrd, William B., Jr., 242-56-7883.
Byrne, Robert J., 043-30-4599.
Cade, Robert G., 267-58-5952.
Cafazzo, Robert F., 171-34-7807.
Caldarelli, Peter D., 525-90-2923.
Callahan, Hubert J., 080-32-0791.
Callaway, Jay C., Jr., 266-60-6007.
Calvert, Dorral J., 495-38-6451.
Cameron, Robert P., 290-40-6207.
Campbell, Burton W., 301-32-7751.
Campbell, William S., 308-42-6429.
Candray, Arnold J., 568-46-9197.
Canfield, James R., 512-42-5360.
Cannon, George E., Jr., 352-36-2145.
Capito, David A., 403-44-7402.
Cardoza, Thomas J., 015-32-6395.
Carey, Donald A., 444-38-4251.
Carlen, Clark D., 502-42-5240.
Carlson, Roger W., 360-34-1157.
Carpinella, Ronald J., 162-32-9519.
Carr, William E., 430-66-0099.
Carroll, Oliver R., 297-34-8957.
Carron, Hubert J., 489-38-6107.
Cartwright, Jack E., 571-56-2958.
Caruana, Patrick P., 489-38-8681.
Carucci, Michael J., 044-30-2570.
Carsoli, Albert F., 350-30-5663.
Casey, Bobby L., 453-58-4221.
Casey, Lawrence J., 034-30-0976.
Casey, Robert J., 393-40-0270.
Cashman, James F., 021-32-3562.
Caskey, Charles V., 544-40-0191.
Casteel, Dwight O., 442-40-0734.
Cates, Theodore L., 264-62-1905.
Cavanaugh, Charles M., 258-64-7653.
Cavanaugh, James M., Jr., 190-32-6597.
Cecrle, William J., 314-40-6235.
Cempura, Walter R., 058-32-3049.
Chambers, Linton T., 498-42-1742.
Chandler, Gary A., 534-36-0685.
Chapman, Gerald P., 441-38-8832.
Chapman, James E., 400-52-8660.
Chappell, Ernest V., 510-36-3439.
Chase, Edward L., 029-28-2191.
Chastain, Clifton H., 522-50-5233.
Chesley, Carl H., 146-32-0448.
Chiarello, Vincent A., 061-32-7003.
Childers, Ronald B., 512-38-6910.
Christ, Francis E., Jr., 262-56-2188.
Christian, Frank H., 272-36-1093.
Church, Ernest A., Jr., 136-34-6133.
Chuvala, Bruce A., 045-28-6425.
Clabaugh, Carroll A., 479-44-3663.
Clark, Dale R., 308-42-2464.
Clark, Darrell L., 517-44-9406.
Clark, David J., 331-32-8719.
Clark, Gary E., 509-50-2226.
Clark, Hurshal S., 430-76-8833.
Clark, John W., 219-38-5300.
Clark, Larry D., 291-36-1459.
Clark, Thomas D., Jr., 257-54-2741.
Clarke, Charles E., 428-74-8754.
Clemons, Eugene S., 227-46-6948.
Cloud, James G., 427-80-9293.

Clutter, James W., 380-36-5307.
Cochran, Robert E., Jr., 450-58-0163.
Coco, Eugene G., Jr., 464-74-1856.
Coddington, Neil A., 078-38-0158.
Coesfeld, Paul E., 377-38-1706.
Cohen, David L., 195-30-7800.
Colapietro, Robert L., 013-32-1663.
Coldiron, Larry L., 555-52-3549.
Cole, Dennis L., 082-34-2230.
Coleman, Charlie J., Jr., 416-50-4437.
Coleman, Donald F., 133-30-5704.
Coleman, Joseph A., 185-32-4619.
Collier, Edmond J., 410-62-8119.
Collins, Alva L., 427-78-3550.
Collins, William A., 187-32-4594.
Combs, Richard R., 265-60-9201.
Conant, Richard C., 223-32-6869.
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Whitehorn, Michael A., 464-68-1913.
Whitis, Kenneth G., 400-48-0861.
Whitlock, David C., 557-38-4591.
Whitman, Donald R., 470-36-5697.
Whitten, John L., 411-62-5158.
Wickman, Robert W., 538-38-0669.
Widdifield, Noel F., 306-38-2491.
Wideman, Hampton E., 062-32-4289.
Wiegand, Albert A., 148-32-9405.
Wieland, Michael H., 451-62-5379.
Wilder, Phillip D., 067-34-2797.
Wilder, William M., III, 448-36-1735.
Wilke, Paul L., 469-50-3741.
Wilkinson, Peter R., 125-30-8931.
Williams, Carl E., 458-58-6091.
Williams, Clarence R., 299-30-4270.
Williams, David H., 267-66-0154.
Williams, David O., 208-30-2107.
Williams, Gerald O., 538-38-3322.
Williams, Jonathan D., 262-66-4523.
Williamson, Charles A., 290-38-3780.
Williamson, Fred H., Jr., 215-38-6160.
Willman, Gary L., 337-32-4568.
Wills, Victor D., 563-52-9398.
Wilson, Charles R., 442-36-4915.
Wilson, James F., 041-32-4354.
Wilson, John H., 447-34-9891.
Wilson, Kennedy B., 165-32-1919.
Wilson, Larry D., 429-72-7053.
Wilson, Larry D., 239-56-0362.
Wilson, Marion G., 432-72-6288.
Wiltrout, Boyce W., 522-52-5502.
Windham, Clifton T., 263-54-7785.
Wineteer, Stephen A., 550-56-0534.
Wing, Gary R., 360-34-1177.
Wingo, Jon L., 450-58-6084.
Winland, Gene E., 270-38-6069.
Winston, John T., 313-40-1903.
Winzell, James R., 065-34-6269.
Wiseman, Omar R., 241-68-9329.
Witt, Lawrence V., Jr., 427-72-7054.
Wodstrchill, Daniel L., 479-52-8723.
Wolf, Richard A., 283-36-3743.
Wolfe, Thad A., 535-38-2846.
Wollam, Daniel L., 483-46-5169.
Wood, Daryl P., 557-48-0450.
Wood, John D., 300-34-1763.
Woodard, Darrell D., 523-50-9038.
Woodard, Robert L., Jr., 510-36-1309.
Woodland, Kenneth E., 173-30-0971.
Woodruff, John D., 462-68-9398.
Woodward, William V., 017-34-2157.
Woody, James P., 243-56-1064.
Woody, James R., 225-58-8385.
Wright, Bobby R., 403-42-2961.
Wright, David K., 484-46-1769.
Writer, Lawrence D., 539-36-0132.
Wrobel, John E., Jr., 497-44-2976.
Wunderle, Robert W., 079-34-3470.
Wusk, Larry L., 505-50-9622.
Yarnall, Carol A., 232-68-3957.
Yeckley, John K., 204-30-0967.
Yelvington, William M., 267-56-2780.
Young, Eugene, J., II, 552-46-6127.
Young, George C., Jr., 454-58-5271.
Young, James A., 535-34-5488.
Young, Jerry D., 456-56-6634.
Young, Jimmie D., 460-58-0649.
Younger, Joy E., III, 462-64-3495.
Yuss, Frederick L., 161-32-2447.

Zadra, Jon A., 523-48-2314.
Zak, Joseph A., 172-34-8726.
Zelinka, Joseph J., 196-34-6987.
Zenkus, Joseph A., 205-32-3566.
Zent, Llewellyn, II, 088-36-4188.
Zern, Richard A., 217-30-5754.
Zimmer, Donald E., 316-36-3546.
Zimmerman, Larry L., 352-32-9458.
Zimmerman, Richard L., 526-32-4328.
Zimmerman, Robert K., 219-26-7228.
Zimmermann, Frank S., 355-32-3243.
Zmuda, Joseph F., Jr., 035-28-6573.
Zoes, Frederick E., 325-34-9033.
Zuberbuhler, Rudolph U., 518-44-7637.

CHAPLAIN CORPS

Barr, Russell W., 199-22-2346.
Bienvenu, Kenneth A., 439-42-6445.
Boyles, Lemuel M., 550-44-6544.
Doughtie, Robert J., 055-30-6562.
Feely, Patrick F., 567-66-0326.
Gallagher, John G., 100-24-5028.
Halstead, Philip E., 264-38-9836.
Heather, Thomas V., 346-28-5217.
Hellstern, John R., 514-36-9619.
Kennedy, Clayton M., 429-60-3720.
Kenney, John B., 009-14-2062.
Lewis, Leo T., 500-34-9866.
Millsaps, James W., 408-74-5649.
North, James J., Jr., 028-30-1496.
Pearson, John R., 255-50-8672.
Richart, Paul F., 309-34-4610.
Solano, John O., 523-28-6531.

JUDGE ADVOCATE

Adams, Andrew J., Jr., 228-52-8100.
Angle, Swanson W., 227-52-1860.
Barrow, James R., 575-42-1637.
Churchill, James M., 126-32-5227.
Dakin, Timothy J., 008-30-9863.
Grebeldinger, Nicholas, Jr., 711-03-2752.
Hawley, Bryan G., 501-38-2138.
Howell, John E., 375-36-8883.
Hume, Edward C., 444-42-0232.
Jahnke, Lawrence E., 501-44-1734.
Joyce, Kenneth G. B., 366-42-1602.
Kuhn, Fredolin W., 113-32-5246.
Lacy, Mell J., Jr., 225-54-4395.
Larson, Robert V., 471-30-1300.
Raichle, Mildred L., 135-30-6026.
Rubin, Alan J., 526-54-9221.
Sklute, Nolan, 081-32-4690.
Stevenson, Charles E., Jr., 400-56-7903.
Stewart, Robert B., 503-50-9055.
Stine, Alan C., 488-44-7870.
Waltman, Lemuel R., 402-58-2299.
Weir, Donald E., 238-58-2774.
Wright, Franklin E., 223-56-4898.

NURSE CORPS

Alloway, Virginia A., 462-42-2687.
Baumgartner, Julie A., 258-38-8877.
Beers, Nelda J., 384-30-4243.
Bell, Mary J., 301-28-8717.
Blaubach, Mary A., 398-30-4136.
Breasure, Margaret E., 222-24-5303.
Brillhart, Rita A., 517-48-4748.
Butz, Lois M., 191-26-8318.
Caldwell, Nancy L., 391-36-6810.
Christensen, Beverly J., 479-46-5054.
Clark, Jeanne A., 395-36-0801.
Colley, Helen L., 177-30-1605.
Crowl, Kathleen T., 575-42-1049.
Cunningham, Donna J., 199-30-5291.
Dashner, Linda L., 455-68-2631.
Fisher, Ann L., 018-30-1343.
Friel, Lois A., 281-32-9256.
Garlotte, Kathleen, 425-54-8553.
Garrett, Leone M., 391-26-4268.
Gorman, Bernice C., 493-34-1021.
Herman, William C., 469-32-1470.
Howell, Janice I., 555-46-3339.
Lorsing, Katheryn A., 101-32-9090.
McDowell, Fred S., Jr., 112-24-1706.
Meyers, Aurelia A., 272-30-3312.
Notter, Charlotte L., 433-56-1875.
Oheir, Owen C., 080-30-6957.
Orock, Mary J., 165-30-0742.
Priddy, Billy G., 449-50-7578.
Sampsell, Dorothy I., 190-30-1891.
Satterley, Daniel B., 118-26-2152.
Savoy, Grace L., 012-30-8209.
Steadman, Barbara J., 249-62-3831.
Treisch, Mary E., 297-34-1785.
Vernon, Jane R., 028-26-9167.
Warren, Judith N., 313-40-0811.
Wyman, Craig A., 195-30-1299.

MEDICAL SERVICE CORPS

Begin, Joseph L., 215-38-8316.
Brown, Charles W., III, 380-40-4191.
Cadenhead, Charles C., 456-60-8355.
Elikan, Ralph, 166-32-9988.
Fox, David M., 044-32-2538.
Giovale, Joseph J., 520-38-0978.
Hamako, Herbert M., 557-50-0070.
Harsanyi, Charles A., 087-32-2072.
Kimball, Ronald M., 555-52-4011.
Manderfield, Nicholas W., 362-42-0577.
McClain, Harry C., Jr., 401-50-1471.
Milstone, Seymour, 064-22-2791.
O'Connor, Daniel W., 137-26-3876.
Rasco, William D., 565-64-1368.
Rountree, Lester J., 217-30-9729.
Slepicka, James H., 505-38-3659.
Terry, Charles R., 252-58-4183.
Upton, Charles R., 454-50-6919.
Wilson, John G., 307-42-1643.

VETERINARY CORPS

Cardin, David E., 418-48-7033.
David, Tony D., 509-42-3516.
Irving, George W., III, 577-54-4900.
May, James O., 258-54-0353.
Schaad, Lawrence E., 332-36-8065.

BIOMEDICAL SCIENCES CORPS

Bryan, Ralph J., 197-30-8636.
Buchenauer, Robert L., 192-30-5973.
Cooper, Thomas H., 238-56-5781.
Crowley, Peter A., 068-32-5523.
Garver, Richard B., 270-32-5464.
Logsdon, Donald F., Jr., 341-32-5925.
McGhee, Wyatt L., 238-64-3841.
O'Brien, Patrick J., 555-44-4268.
Pletcher, Eugene V., 503-40-1672.
Schleifer, Fred S., 215-34-6481.
Schneider, Robert F., 152-30-4129.
Sheffield, Paul J., 264-64-2675.
Thomas, Jerry F., 422-50-2021.
Tremblay, James W., 010-30-1468.
Trusty, Donald D., 485-28-8985.
Wooten, Alvin J., 255-56-8034.

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be major

Deminico, Joseph J., Jr., 200-32-1441.
Gangloff, Charles F., 295-32-8814.
Hart, Clinton E., 442-38-6152.
Hird, Arthur G., 002-28-2285.
Kosa, James, 152-32-6041.
Krueger, Walter A., Jr., 142-32-5199.
Mittelman, Gerald, 360-26-4821.
Murphy, George T., 026-32-3530.
Perry, Cyril A., Jr., 453-60-2789.
Rogers, Glenn D., 274-36-2987.
Rush, Charles W., 466-58-1783.
Yarnall, Carol A., 232-68-3957.

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

CHAPLAIN CORPS

To be major

Lewis, Leo T., 500-34-9866.

NURSE CORPS

To be captain

Caldwell, Nancy L., 391-36-6810.

MEDICAL SERVICE CORPS

To be major

Slepicka, James H., 505-38-3659.

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

DENTAL CORPS

Lieutenant colonel to colonel

Aberth, George H., Jr., 277-30-8031.
Amy, Donald H., 161-28-9583.
Ausich, Joseph E., 519-32-6342.
Baily, Ronald W., 469-42-9727.
Benkel, Bernard H., 052-28-6011.
Bigalke, James F., 374-32-9006.
Birdman, Murray J., 162-30-6622.
Biasetti, Angelo P., 043-24-8151.
Block, Philip L., 082-30-8404.
Blumenfeld, Walter L., 106-26-1936.
Browning, James D., 235-46-8383.
Brunsvold, Michael A., 479-44-1978.
Bryk, Clarence C., 288-30-8775
Camamo, Joseph A., 728-09-6755.
Carroll, Daniel F., 541-32-3908.
Clement, Robert J., 415-48-9225
Cooper, Harvey E., 519-34-6411.
Corrigan, William J., 180-26-1676.
Deyampert, Porter L., 421-42-1764.
Dukart, Rodney C., 502-36-5932.
Edwards, Jack, 459-46-8955.
Farnie, John E., 455-56-6832.
Forrest, William R., 444-34-2853.
Franciose, Angelo, 233-62-1604.
Freestone, James T., 374-34-4304.
Gardner, Jerry D., 354-32-6013.
Gault, Clovis G., 048-20-4275.
Gilliland, Robert F., 189-30-8130.
Grayson, Frank W., 451-50-4536.
Green, Larry E., 372-36-0499.
Haroz, Carl T., 457-54-9299.
Hellier, Charles E., 406-46-5305.
Hendon, Gene E., 406-38-7554.
Heupel, Edwin M., 382-28-0217.
Hoerath, John C., 379-30-6821.
Ingari, John S., 045-26-4280.
Jerman, Albert C., 044-28-2637.
Joffrey, Roch B., 265-44-3282.
Keuper, Jack B., 396-34-4511.
Kizzie, Anderson, 255-38-2428.
Legan, Joseph J., 282-30-1036.
Leichtman, William S., 384-36-2356.
Lepore, Marion, 292-30-4219.
Matranga, Luke F., Jr., 318-34-1690.
Mauthe, Donald J., 393-36-1237.
McKinney, James F., 512-28-9078.
Morgan, John P., 310-24-8790.
Morlang, William M., II, 265-64-5603.
Nemchick, Harold E., Jr., 544-38-4608.
Parttridg, John C., 266-48-6157.
Perez, Richard S., 452-54-5196.
Plotzke, Anthony E., 331-30-9959.
Polte, Hanswalter W., 269-30-3102.
Powell, Joseph M., 249-58-8249.
Rosen, Ronald, 577-46-0880.
Sandoval, Elivinio, 521-40-8985.
Scott, Andrew S., 265-52-2239.
Sellers, William R., 436-52-6453.
Senis, Ennio S. A., 149-22-3539.
Shaver, Bruce E., 184-28-1546.
Smith, Howard F., 367-38-9607.
Spencer, Leonard J., 342-30-2911.
Stepler, Ronald G., 145-28-4665.
Sudinsky, Theodore R., 337-30-4411.
Thompson, Michael W., 506-38-0830.
Townsend, Herbert K., Jr., 148-30-9635.
Vanvooren, Claude P. G., 038-24-2899.
Wilson, Aaron H., Jr., 236-50-2380.

MEDICAL CORPS

Bamel, Solomon, 064-18-3332.
Barbour, Neil G., 207-14-6038.
Bargatze, Fred O., 406-28-1680.
Beck, Roger A., 526-48-4985.
Bode, Frederick R., 285-36-8625.
Boisen, Elliott G., 508-30-4295.
Bonfili, Hubert F., 202-28-2936.
Borden, Lester L., 075-30-7335.
Boydstun, James A., 429-72-9151.
Briccetti, Albert B., 053-32-0864.
Brichta, Edgar S., 075-26-2655.
Bristow, John W., 550-50-1541.
Brown, Frederic M., 470-38-1374.

Budding, Jacobus, 384-40-2139.
Campbell, Jene D., 514-22-6634.
Carpenter, Warren L., 432-40-8252.
Cock, Thomas C., 547-24-8461.
Cook, Marshall S., 315-36-5559.
Coolbaugh, Carl C., 384-07-5317.
Corcoran, James F., 122-30-8984.
Cruzjimenes, Pedro R., 581-66-8631.
Cubberley, David A., 012-18-1456.
Dennis, James M., Jr., 258-26-1147.
Dichsen, Donald V., 508-42-2047.
Edinger, Albert G., Jr., 561-28-8563.
England, Robert L., 564-44-8633.
Ferre, George A., 265-44-3979.
Forbes, Peter R., 562-38-9020.
Gretchen, Edward A., 235-42-3916.
Harsa, Richard J., 299-28-5125.
Hemming, Val G., 519-38-4606.
Henges, David F., 455-58-3342.
Hiatt, Wood C., 424-30-0484.
Hinsman, Gary W., 264-36-8596.
Hoche, Georges A., 056-34-6669.
Horne, Edwin G., Jr., 446-38-5235.
Hoyer, Thomas V., 369-20-9998.
Huey, James R., Jr., 405-56-9700.
Johnson, Don E., 163-32-3127.
Johnson, Wayne A., 470-34-2700.
Kaminski, Paul F., 219-26-3455.
Kaufmann, Robert J., 325-18-2598.
Kelly, Paul A., 384-30-9658.
Kildow, John O., 518-20-3828.
Kleinsmith, Robert A., 365-30-5816.
Leclerc, Jeanyves, 109-30-4085.
Ledbetter, Rene B., Jr., 410-54-4466.
Levy, Richard A., 216-30-0823.
Logan, Neal J., 515-34-8636.
Lowery, Guy A., 365-28-9296.
Lowry, George E., 452-32-4099.
Lundblad, Wilfred M., 477-20-4594.
Mathews, Thomas P., 074-24-7310.
McClure, James E., 192-12-1937.
Murdock, Kenneth A., 036-20-3285.
Neimanis, Andris, 116-28-6469.
Noga, Gerald W., 350-28-4067.
Pantoja, Enrique, 582-40-1310.
Parker, Edward H., Jr., 546-50-9095.
Pavlik, Kenneth K., 505-38-3905.
Payne, James E., Jr., 465-36-8636.
Pickering, Lloyd G., 271-36-3328.
Ransmeier, Robert E., 350-28-3615.
Rennebohm, John A., 396-26-0977.
Richter, Jaroslav K., 320-34-3730.
Schultz, Herbert W., 209-18-8125.
Sherman, Howard H., 112-28-4251.
Siegel, Daniel K., 104-20-0476.
Signorino, Charles E., 570-48-6452.
Simerville, James J., 540-40-0056.
Sindell, Harlan W., 280-22-6277.
Smith, Dwight D., 436-52-9471.
Solomon, James W., 265-44-3186.
Speckhard, Mark E., 391-30-7081.
Sproch, Richard M., 189-14-7274.
Stiles, Willard F., Sr., 499-14-8658.
Thomas, Hollis A., Jr., 119-32-9935.
Touhey, John E., 447-36-1069.
Uhrman, Richard A., 172-30-3429.
Voskovitch, James W., 060-28-1694.
Wakefield, Charles T., 342-24-9992.
Wiese, Lowell M., 360-18-1992.
Winter, Oliver S., 488-46-2781.
Woolbright, Jimmie L., 432-50-0513.
Zeller, Robert W., 320-18-3677.

DENTAL CORPS

Major to lieutenant colonel

Abdelnour, Joe W., 558-62-5879.
Abrahamsen, Thomas C., 356-36-0671.
Albright, Bruce W., 510-46-9095.
Blazer, Richard R., 397-42-2090.
Bowman, Dewayne C., 530-24-3127.
Buikema, Donald J., 379-44-5611.
Domine, Patrick L., 381-42-5511.
Dufort, Charles R., 030-34-6123.
Dufrane, Michael H., 396-38-3783.
Engelmeier, Robert L., 196-36-1393.
Eshelman, Ence G., Jr., 104-36-2879.
Farhood, Vincent W., 549-70-1347.
Finelli, Jerry L., 147-34-5476.
Finkbeiner, Richard L., 267-64-8783.
France, Richard A., 337-36-3045.
Gieser, Dennis P., 357-34-9265.
Giles, Joseph E., 526-56-7776.
Gound, Tom G., 483-50-8534.
Gross, Stephen, 265-72-1817.
Hanson, Robert W., 560-62-3327.
Haveman, Carl W., 463-70-4692.
Hess, David S., 275-38-2356.
Igo, Robert M., 509-46-3067.
Knowles, James W., Jr., 327-36-8550.
Lagree, Jay D., 515-34-6498.
Langston, John R., 585-03-3254.
Lee, Spencer, Jr., 408-52-4293.
Lewis, Jeffrey D., 262-72-5788.
Loden, Claude D., 332-36-2340.
Mayhew, Robert B., 165-32-0936.
Millar, Leslie C., 574-14-0146.
Nemcic, Steven D., 280-40-1802.
Neudigate, William C., 495-48-3542.
Oesterle, Larry J., 478-54-3103.
Otto, Paul W., Jr., 027-30-5636.
Read, Gill, 569-56-8432.
Resch, Gary E., 183-36-0207.
Rome, William J., 183-38-5130.
Rudisill, John W., III, 450-68-7221.
Schrader, James A., 484-50-3429.
Scott, James R., 544-46-0229.
Sherrill, Yowell M., 466-66-1700.
Snell, Gerald M., 564-70-2808.
Staley, Jon E., 301-32-4892.
Stringer, Dale E., 475-52-3666.
Swan, Richard H., 262-76-5102.
Thurmond, John W., 505-56-0155.
Wells, Thomas J., 303-42-7121.
Yolin, Neal A., 036-28-0434.

MEDICAL CORPS

Ahlschler, Allan D., 454-58-5336.
Andrassy, Richard J., 143-36-4708.
Andre, Donald A., 727-09-8899.
Ankov, Donald H., 307-40-5112.
Anothayanontha, Opas, 481-68-5338.
Archer, Stanley B., 445-44-6111.
Banas, William R., 304-48-1252.
Barrs, David M., 521-66-3315.
Bartenhagen, Nicholas H., III, 156-34-3430.
Beatty, Douglas C., 256-72-6035.
Beaty, Clisto D., 448-42-2813.
Belihar, Robert P., 573-54-9334.
Berezcski, Robert N., 228-62-0221.
Bishop, John A., 321-36-9000.
Bloodworth, Leon P., 262-48-4660.
Boddie, Arthur W., Jr., 367-48-2397.
Bouda, David W., 505-58-8081.
Brant, William E., 329-38-3076.
Brown, Cary D., 212-44-1400.
Burkett, Dennis B., 415-78-0940.
Burton, Harold G., 489-46-5395.
Campbell, William W., Jr., 260-68-6716.
Carhart, Leroy H., Jr., 139-34-7175.
Carleton, Thomas B., 461-56-6164.
Charlat, Richard A., 060-36-4729.
Claflin, James R., 448-42-2610.
Clark, Kenneth H., 321-36-5930.
Clark, Max A., 523-58-7959.
Cohen, Edward L., 573-56-1603.
Collins, Terry L., 219-48-1992.
Confer, David J., 440-44-7454.
Coudon, Wilson L., 225-66-6718.
Coutts, Glenn L., 526-62-3653.
Cramer, Frederick S., 061-30-3004.
Culver, William G., 524-54-7233.
Daley, Alexander F., Jr., 252-74-0537.
Danney, Mark M., 089-36-7602.
David, Corason C., 459-02-4788.
Denton, Stephen L., 411-70-6654.
Dickson, Richard C., 513-48-6791.
Dillon, William L., 515-44-2274.
Divers, Walter A., Jr., 429-80-2963.
Donovan, William N., Jr., 387-50-7229.
Douglas, William G., 442-34-8496.
Driggers, David A., 254-72-5097.
Erickson, Gerald I., 543-42-2755.
Evans, Richard M., 257-72-9409.
Everett, Warren D., 425-90-0146.
Exner, John H., 519-52-4590.
Farrell, Paul W., II, 218-44-9346.
Farrow, James G., 416-58-8716.
Feldtman, Robert W., 466-74-0840.
Ferguson, Earl W., 467-72-8753.
Fohlmeister, Uwe W., 469-48-6585.
Fossum, Basil D., 516-62-6077.
Foster, Delbert R., 451-72-9199.
Foster, John L., Jr., 409-76-9793.
Fry, Michael B., 520-50-2318.
Gabatin, Angelita R., 045-42-6392.
Gage, Thomas P., 391-44-0345.
Gallardo, Salvador A., 203-42-6310.
Gelsey, Jon E., 353-36-7698.
Gertach, Ronald L., 529-60-3302.
Gibney, Matthew J., III, 135-34-4672.
Gillham, Robert A. Jr., 565-60-9485.
Gittleman, Mark A., 188-34-0267.
Grande, Donald J., 028-36-1679.
Grant, Lee B. Jr., 213-46-5056.
Green, Rufus, Jr., 456-74-3096.
Gremillion, David H., 435-66-2636.
Gumbelevicius, John P., 492-48-7726.
Guzman, Maria A., 581-94-1719.
Harrison, John T., III, 144-30-7618.
Hart, Robert R., 364-44-1724.
Harvey, William T., 438-50-6351.
Hatsell, Charles P., 226-60-8625.
Hayes, Vernon J., 509-42-8788.
Helms, Clyde A., 456-72-0761.
Hensley, Michael F., 467-58-0468.
Hilliard, George D., 261-62-4003.
Hilsman, Thomas A., 257-72-8531.
Hinkle, Stuart T., 445-44-8545.
Hoekstra, Dale V., 362-48-2334.
Hoffman, Peter F., 214-42-4009.
Holt, Gilbert A., Jr., 042-34-0772.
Holt, Richard L., 313-44-2172.
Howatt, James W., 558-70-7254.
Hudson, Hal C., 167-36-9255.
Johns, Ralph H., Jr., 248-86-8555.
Johnson, Frank L., 373-50-7105.
Johnson, Randle C., 513-44-9419.
Justice, Ledro R., 494-48-2997.
Kabo, Robert D., 171-30-4888.
Kaltenbaugh, Orie E., 159-36-4861.
Kavanagh, Gerald J., 454-78-8948.
King, Edwin M., 426-96-7509.
Koppes, Gerald M., 509-46-7368.
Lainof, Kerry W., 224-58-7431.
Lasalle, Andre J., 477-50-4523.
Magill, Hubert L., 340-38-6874.
Mahady, Ivan B., 205-30-2123.
Makarewycz, Bohdan A., 092-36-4963.
Maresh, James E., 503-54-5335.
Martinez, Geronimo B., 040-34-9119.
Maso, Eugene C., 147-34-1609.
Mead, Philip J., 478-54-2935.
Mikos, John J., 121-96-1245.
Miller, Charles H., 226-44-1032.
Miller, Harold M., 337-40-7479.
Mitchell, Louis A., 253-72-9119.
Montgomery, Walter R., 404-60-9927.
Moreland, John L., Jr., 465-54-1957.
Morrow, Robert L., Jr., 437-62-9654.
Moulton, John P., 532-42-8159.
Moysaenko, Valeriy, 276-46-3755.
Mueller, Gary L., 572-70-0969.
Murray, James M., 219-46-3246.
Nagia, Ali H., 093-48-7830.
Newman, Richard K., 450-72-6820.
Ngo, Santa C., 119-44-3252.
Oberg, Lance G., 506-58-1748.
O'Connor, Patrick S., 297-46-0902.
Olson, John M., 489-48-0296.
Oppenheimer, Robert G., 025-34-7337.
Orille, Oscar P., 279-50-6161.
Osorio, Raul A., 054-36-9019.
Owens, Louis F., Jr., 225-60-8164.
Oyer, Frederick R., 518-48-9525.
Pagnishan, Francisco M., 296-36-3993.
Paras, Irish C., 077-42-8420.
Patel, Manubhai D., 321-40-4215.
Payen, Hermilando P., 048-46-7442.
Perez, Rafael A., 581-84-5893.
Philipp, Joseph T., 509-46-8236.
Puras Baez, Antonio, 581-84-3490.
Quebral Merle G., 568-96-3544.
Raddin, James H., Jr., 585-00-4054.
Raines, Milton R., 416-54-6643.
Ramsay, John D., 447-46-3866.
Rasor, Ronald O., 274-42-5759.
Reeves, Jerry D., 463-66-7987.
Richards, James F., 057-38-7617.
Ritter, Howard L., Jr., 268-46-7888.
Roberts, Bertram W., Jr., 429-74-5505.
Roca, German, 449-80-3143.
Ryan, Michael N., 410-66-7730.
Sabater, Gilberto M., 337-38-9064.
Sago, Alvin L., 496-46-0720.

Sanda, Venugopala R., 106-46-0118.
Sanderson, Marvin B., 429-82-3077.
Sandru, John M., 300-30-9390.
Sanidad, Leonard G., 220-60-6240.
Santana, Jorge A., 583-07-1793.
Satir, Ahmet S., 227-48-9214.
Sau, Kadan C., 136-46-5772.
Sau, Purnima S., 136-46-5771.
Schmidt, Philip M., 068-36-1143.
Selinkoff, Paul M., 221-28-6794.
Sepiol, James L., 311-46-3856.
Sharp, John R., 521-52-9285.
Shepler, Thomas R., 005-44-0561.
Shield, Charles F., III, 444-46-5179.
Sievers, Ralph E., 504-54-9853.
Sivapragasam, Subramaniam, 410-76-4629.
Smith, Gary L., 254-72-4060.
Smith, Joseph A., 485-48-2781.
Smith, Karl H. S., 343-36-8401.
Smith, Michael T., 226-66-3756.
Spoon, Donald R., 491-44-2163.
Steele, Norman P., Jr., 474-50-6374.
Strohmeyer, Gerald L., 515-42-2016.
Stronach, Neil, 007-40-5634.
Sullivan, Richard J., 042-38-2660.
Taubkin, Steven P., 116-34-1314.
Tolley, Douglas G., Jr., 196-36-8856.
Toon, Richard S., 478-58-0688.
Torner, James S., 221-36-8402.
Vanbuskirk, Ronald, 291-38-8068.
Jajima, Takeshi, 410-90-8510.
Waterman, John R., 018-34-8177.
Weiss, Edward A., 131-26-8169.
Werner, Wolfgang K., 539-56-0152.
Wesbrook, Wilson C., 513-40-1179.
Wilder, Norman J., 540-50-4519.
Willis, William F., 259-68-1045.
Witherspoon, John D., 410-66-8597.
Wolf, Mark J., 094-34-1361.
Wright, Fred G., Jr., 459-78-1239.
Yockey, Charles C., 515-46-4752.
Young, Frank R., 465-74-2998.

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of Section 8284, Title 10, United States Code, with a view to designation under the provisions of Section 8067, Title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be captain

Exner, John H., 519-52-4590.
Feldtman, Robert W., 466-74-0840.
Fohlmeister, Uwe W., 469-48-6585.
Howatt, James W., 558-70-7254.
Johns, Ralph H., Jr., 248-86-8555.
Johnson, Randle C., 513-44-9419.
Nagia, Ali H., 093-48-7830.
Sanderson, Marvin B., 429-82-3077.
Smith, Gary L., 254-72-4060.
Waterman, John R., 018-34-8177.
Wright, Fred G., Jr., 459-78-1239.
Young, Frank R., 465-74-2998.

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Almour, Richard R., 564-40-4162.
Belyea, Edward A., 364-32-5091.
Bertrand, Richard E., 515-26-7545.
Brendel, Wayne R., 047-28-3382.
Briner, Joseph R., 311-36-9725.
Bunting, Alfred P., 486-38-1317.
Butterworth, Carl T., 221-24-3156.
Campbell, John D., 136-22-9129.
Cole, Robert L., 236-50-3215.
Cyr, Henry B., 399-18-0835.
Dobler, Jack D., 540-36-2164.
Durfey, Miles C., 165-28-5375.
Eckes, Harry R., 550-40-5714.
Eslinger, Richard M., 334-22-8094.
Galvin, William F., 134-14-1536.
Garrett, Marion D., 247-54-3849.
Gebhardt, Charles J., 410-38-8260.
Haggard, Thomas G., 526-32-6852.
Hanlon, James J., 503-14-0128.
Henderson, Jesse J., 423-40-3676.
Hood, Kenneth B., 429-52-2791.
Hurley, William J., Jr., 343-18-4140.
Kerr, Donald J., 452-48-7069.
Kirk, Robert A., 392-18-6862.
Kye, Hoyal B., 245-50-0262.
Lynd, Donald E., 274-32-8347.
McFrye, Robert D., 310-26-3197.
McGinley, Donald T., 270-26-1430.
McGrath, William J., 070-18-9884.
McLaughlin, David A., 282-30-4216.
Mercer, James R., 254-36-4612.
Moss, Richard E., 469-34-0847.
O'Connor, John H., 096-26-4028.
Owens, Donald L., 554-38-5140.
Pittman, Biffie O., 428-56-0997.
Ponder, Harold H., 455-26-5400.
Quinlan, David L., 525-64-1047.
Raetzman, James R., 346-22-6940.
Ranzenbach, Robert F., 532-32-0987.
Rich, Lyle M., 520-30-3382.
Sams, James H., 241-48-8398.
Sanders, Richard M., 531-30-4285.
Schaumann, Robert W., 055-26-8223.
Smith, Otha R., Jr., 267-32-9917.
Taylor, Charles W., Jr., 726-07-3891.
Vaughan, Howard R., 420-28-5299.
Wood, Stanley C., 526-54-3355.

MEDICAL CORPS

Jackson, Daniel B., 460-54-7381.
Miller, Percy L., 144-16-6706.
Panettiere, Frank, 104-28-6473.
Torphy, Daniel E., 397-32-0405.
Wallis, Donald E., 413-42-1088.
Wells, Ivyl W., 518-44-5198.
Wick, Henry O., Jr., 390-24-6164.

CHAPLAIN CORPS

Maloney, Samuel D., 413-58-0319.
McFadden, Leo E., 530-12-5597.

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Allen, Jon S., 550-44-9977.
Arkin, Harry L., 522-36-2509.
Armony, Richard H., 543-32-1213.
Autio, Clyde F., 503-22-0363.
Baldwin, Oliver H. P., 221-20-5133.
Bandy, Larry L., 374-32-0704.
Bass, Reginald L., 261-32-9818.
Bastian, Delmar, 528-36-8250.
Bennett, Max M., 300-18-0198.
Bergad, Joseph R., 163-26-7439.
Bevilacqua, Joseph P., 182-26-7180.
Black, Geoffrey S., 570-54-2406.
Brooks, Robert A., 425-48-6834.
Burns, Melvyn J., 267-46-7464.
Carter, Paul A., 259-44-0807.
Chewning, Jack, 456-44-9832.
Christian, Frank M., 463-42-3657.
Colbert, Donald J., 573-42-6348.
Collins, Charles K., 173-24-7812.
Craig, Dorothy A., 437-24-5198.
Darling, Robert E., 512-22-4559.
Davidson, Steve E., 465-46-9231.
Davis, Larry M., 529-46-7625.
Deckard, Clyde C., Jr., 462-42-5881.
Delaney, John P., 138-26-6254.
Desjardine, John J., 375-28-6800.
Desoto, Ernest L., 552-32-0314.
Doennebrink, Frederick A., 155-20-7403.
Drake, Herrick M., 518-30-8156.
Dubbert, James W., 484-32-1008.
Dunn, Philip G., 310-28-1471.
Durek, Thomas A., 170-22-5597.
Eggert, George D., 156-24-4199.
Enis, Bernard A., Jr., 215-28-2173.
Ennis, Ralph E., Jr., 471-28-2503.
Fleming, Harvey C., 570-36-0204.
Flournoy, Vernon D., 442-32-2614.
Fonda, Harold R., 572-22-8171.
Fredette, Armand J., 084-20-8852.
Freeland, John R., 206-24-9289.
Gagliano, Charles J., 116-24-0004.
Gilmore, John C., 565-38-4958.
Glyman, Emanuel J., 319-22-4688.
Gordhammer, Eddie E., Jr., 475-32-8585.
Gotthardt, Manfred R., 118-18-0942.
Grier, Jack W., 514-30-0648.
Hadford, Wendell D., 517-28-3678.
Haig, Douglas W., 398-28-3306.
Hall, James A., 079-26-8491.
Hauer, Edward W., 512-28-7678.
Head, Robert Q., 253-48-5882.
Hellege, John A., 208-24-6137.
Holds, John M., 378-28-0332.
Hultsman, St. Clair L., 429-54-4187.
Hutton, Arthur H., 074-24-7424.
Isabelle, Leonard W., 580-34-2492.
Jahuary, Daniel E., 509-14-0272.
Jelinek, Jay P., 516-24-3361.
Jerawski, Edward A., 359-24-5708.
Johnson, Charles A., 441-26-8517.
Johnson, William S., 407-30-8689.
Keck, James S., 008-20-3104.
King, Rufus M., 419-50-9998.
Klaveness, Gerd, 438-48-7618.
Kosikowski, Robert E., 100-24-3438.
Levant, Michel, 072-24-0446.
Lewis, James W., 305-26-8284.
Lucke, Werner, 345-26-6134.
Mangin, Howard E., 309-32-0041.
Manning, William S., 562-40-1164.
Marley, Paul C., 023-24-5778.
Mason, Kenneth R., 151-24-4259.
McDonald, Robert W., Jr., 425-62-9750.
McIntyre, Donald C., 316-28-2381.
McLean, Bernard B., 570-40-6815.
Merrow, Wescott M., 023-22-3802.
Mills, Byron E., Jr., 265-34-1772.
Morgan, James S., 430-38-6434.
Mouwdy, George R., 032-20-2484.
Myers, James R., 286-30-3368.
Natale, Angelo C., 114-24-2424.
Neelley, Charles E., 457-50-1200.
Neil, William J., 148-28-3091.
Nordstrom, Richard G., 343-22-6324.
Northrup, Richard A., 029-26-1674.
Olsen, Eugene A., 130-26-5158.
Orman, Patrick W., Jr., 482-32-2074.
Orozco, Everett G., 560-40-1018.
Pascoe, William W., Jr., 299-26-8436.
Pignatiello, Joseph L., 024-22-1911.
Raab, Eugene L., 383-26-7195.
Rader, George S., 191-20-9300.
Rader, Sanford, 156-22-8853.
Raines, Charles D., 264-42-6836.
Rapp, William C., 166-22-8038.
Resh, George A., 205-26-3205.
Robinson, James F., 406-32-0860.
Rosenberg, Robert, 022-22-4362.
Rosenkrants, Donald I., 144-22-7280.
Rutherford, Charles R., 272-22-9119.
Schatz, Graham R., 077-30-4749.
Schmidt, Herbert A., 022-22-0793.
Schoenberg, Morton R., 112-28-2880.
Shelton, Charles E., 401-38-4899.
Sims, William B., 423-30-5969.
Small, Francis M., Jr., 548-36-0065.
Snellings, Clifton C., 453-40-7488.
Sprague, Chester W., 292-26-6396.
Stenger, Wilbur J., Jr., 218-24-5345.
Stewart, Raymond B., Jr., 250-42-2181.
Stine, James M., 209-20-4759.
Sullivan, Edward D., 046-24-5240.
Swisher, Robert L., 277-26-3376.
Swissler, Philip J., Jr., 138-22-4773.
Tatlock, Marion L., 304-24-8669.
Thomas, James P., 226-34-8487.
Thompson, William J., 568-38-8236.
Tyrrell, Gordon W., 267-38-7150.
Valko, William G., 165-24-8520.
Vartan, Walter G., 325-26-5131.
Vila, Jose M., 580-24-8484.
Vivian, Robert L., 494-28-6968.
Vogler, Edward W., 155-24-6373.
Wackford, Reginald A., 053-28-7322.
Way, Clifford D., Jr., 143-26-8403.
White, Hugh G., III, 451-34-1921.
Williams, Charles U., II, 051-28-9164.
Williams, Herbert E., III, 059-28-1290.
Wilson, John H., 171-22-1170.
Wolfer, Frederic F., Jr., 544-48-4263.

Wood, Richard D., 556-36-5241.
Worthington, William L., 309-34-0929.
Wrede, Harvey R., Jr., 310-30-6990.
Yarchever, Jerome, 231-26-1992.
Young, John W., 292-26-7299.
Zamarra, Louis, 140-24-7540.
Zettel, William W., 470-30-1529.

CHAPLAIN CORPS

Carlsen, Niels C., 508-20-2449.
Gaylor, Henry W., Jr., 419-34-2713.
Gerdes, Everett E., 470-28-7607.
Goedert, Robert V., 327-20-5752.
Harrell, Douglas A., 264-38-7666.
Johnston, John R., 451-38-7910.
Jones, Billy J., 426-38-5368.
Marshall, Gerald W., 463-48-0094
Rinnert, Willard C., 382-30-7371.
Schreiter, Daniel A., 467-72-4962.
Wisse, Donald P., 156-22-0206.

DENTAL CORPS

Bryan, Edward P., 031-12-9354.
McIlwain, James E., Jr., 261-54-5249.
Molnar, Georg, 465-48-6211.

MEDICAL CORPS

Bargatze, Fred O., 406-28-1680.
Boisen, Elliott G., 508-30-4295.
Coolbaugh, Carl C., 384-07-5317.
Cubberley, David A., 012-18-1456.
Dennis, James M., Jr., 258-26-1147.
Dillenkoffer, Robert L., 436-36-8290.
Forbes, Peter R., 562-28-9020.
Fromhagen, Carl, Jr., 266-32-0724.
Fry, Delos H., 390-26-2043.
Harsa, Richard J., 299-28-5125.
Hessert, Edmund C., Jr., 154-22-7820.
Hoche, Georges A., 056-34-6669.
Kaufmann, Robert J., 325-18-2598.
Kleinsmith, Robert A., 365-30-5816.
Leclerc, Jeanyves, 109-30-4035.
Lefton, Theodore E., 141-26-9448.
Legowik, John T., 516-40-6931.
Levy, Richard A., 216-30-9523.
Lowry, George E., 452-32-4099.
McDonnel, Gerald M., 528-18-5434.
Pantoja, Enrique, 582-40-1310.
Pickering, Lloyd G., 271-26-3328.
Rennebohm, John A., 396-26-0977.
Siegel, Daniel K., 104-20-0476.
Speckhard, Mark E., 391-30-7031.
Stiles, Willard F., Sr., 499-14-8658.
Wentworth, Earle T., Jr., 031-05-0810.
Wiegreffe, James W., 458-52-2743.
Woolbright, Jimmie L., 432-50-0513.
Zeller, Robert W., 320-18-3877.

NURSE CORPS

Bishop, Mary E., 215-28-1900.
Bullard, Sarah B., 466-64-0787
Faust, Ingrid V., 029-24-6016.
Glenn, Ellen M., 194-26-9264.
Haga, Phyllis A., 226-30-4388.
Hart, Alta, 527-38-2496.
Harth, Dorothea R., 074-22-3210.
Hiliquist, Clara A., 361-28-7495.
Nelson, Margaret P. C., 577-46-4766.
Oliver, Jane, 159-20-9965.
Rheaume, Therese J., 018-24-7047.
Stransky, Arlene M., 284-32-5878.
Stuart, Mary T., 469-36-2308.
Villano, Mary R., 017-24-3510.
Wolf, Josephine L., 187-28-1417.

MEDICAL SERVICE CORPS

Dellorto, John A., 347-22-5638.
Ganis, Frank M., 071-18-3185.
Smith, Elisabeth E., 015-22-2010.

VETERINARY CORPS

Fetter, Arthur W., 268-32-8214.
Hutchinson, Lea R., 041-26-7226.
Stunkard, Jim A., 523-44-4453.

BIOMEDICAL SCIENCE

Bleything, Willard B., 544-26-5686.
Ellsworth, Robert W., 479-24-4488.
Floyd, Virginia L., 240-38-0337.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3305:

ARMY PROMOTION LIST

To be colonel

Abraham, Albert, 068-26-9849.
Abramowitz, Benjamin, 157-24-6048.
Adamkewicz, Edward, 331-34-5739
Adams, Robert B., 132-26-0712.
Addison, Richard L., 437-34-3815.
Adsit, Charles C., 188-24-8295.
Allen, James B., 248-50-8184.
Alley, Wayne F., 544-32-1602.
Andre, Peter C., 153-24-2160.
Andrews, Donald A., 060-26-8205.
Andrews, Thomas T., 219-28-2594.
Andrews, William G., 093-24-0874.
Ashby, Mason K., 197-24-0734.
Ayotte, Ronald J., 354-26-4374.
Bass, Robert L., 262-36-8527.
Batts, John H., 161-28-1848.
Bauchspies, Robert, 257-46-0328.
Bazilwich, Paul, 169-26-6517.
Bearden, Winston H., 427-64-2290.
Bell, Leroy C., 128-22-9992.
Bell, Walter C., 109-26-5156.
Benacquista, John J., 202-26-7532.
Benoit, William R., 002-24-4027.
Bergen, James P., 174-24-0437.
Bettinger, Francis, 052-26-2160.
Bills, Arthur D., 057-24-4957.
Bishop, Ted E., 277-28-5319.
Bittl, Frederick E., 123-26-9697.
Blackburn, Paul L., 298-28-2860.
Blahuta, Norman G., 454-38-6170.
Bligh, Thomas F., 067-26-6464.
Boden, William C., 140-24-2298.
Bowman, Ronald N., 006-20-5811.
Boyd, William P., 245-60-8251.
Boyle, Dennis M., 178-24-9662.
Bradshaw, Harold D., 234-48-0074.
Bright, Fred, 411-54-9675.
Brofer, Duane R., 481-24-4249.
Brooks, Herman L., 227-42-1133.
Brown, George A., 358-24-2541.
Brown, James E., 418-34-4137.
Brown, John M., 428-40-4703.
Brown, Raymond V., 466-42-0246.
Brumback, Robert M., 229-34-3411.
Bryant, Lloyd D., 337-28-1582.
Bryant, Richard L., 232-50-7442.
Buchwald, Donald M., 534-30-5367.
Burbules, John G., 331-26-3365.
Burkard, Danny, J., 458-48-9855.
Burkett, Seth W., 422-40-2945.
Burnett, Sheldon, 395-28-7149.
Burns, Charles W., 397-28-7411.
Bush, Charles E., 508-30-4609.
Bush, Robert C., 159-24-2700.
Bussey, Charles D., 579-38-4703.
Butler, Douthard R., 456-52-5991.
Byrnes, Graham F., 390-30-5247.
Campbell, Jack P., 357-26-1894.
Cardillo, Richard G., 136-32-3723.
Carpenter, Robert D., 577-40-5295.
Carver, Charley A., 458-52-5182.
Casipit, Felix L., 033-24-1762.
Cathcart, James E., 146-24-4184.
Chamberlain, William, 319-26-1358.
Chapman, Charles W., 484-34-5903.
Chapman, Joseph M., 412-40-4776.
Chapman, Robert B., 008-20-9241.
Chikalla, Gerald G., 399-26-0620.
Child, Paul W., 503-22-1969.
Chillcott, Dewey A., 176-24-7536.
Chisolm, Patrick D., 417-40-4484.
Chomko, Gene N., 192-24-8987.
Clements, Philip J., 438-34-3163.
Coleman, Alton H., 254-46-0407.
Coleman, Willie A., 255-46-2377.
Collison, John M., 455-52-3119.
Conley, Samuel G., 512-32-7856.
Cook, John H., 461-42-0144.
Cook, John J., 162-26-0464.
Cook, Kenneth E., 163-26-6864.
Cooksey, David O., 030-26-3669.
Cooley, Andrew L., 520-34-0353.
Cosby, Lloyd N., 405-42-2679.
Couvillion, Herbert, 436-40-8421.
Cowan, Donnely G., 246-42-3079.
Coyne, Robert A., 150-22-0696.
Crain, Leonard B., 416-40-3344.
Crampton, Theodore, 111-16-8799.
Crancer, John W., 514-40-3555.
Crawford, Theodore, 235-46-2187.
Crawford, William R., 418-34-1109.
Crawley, Paul K., 098-22-1182.
Crum, Luther G., 453-48-6484.
Cuthbertson, Robert, 040-28-2599.
Dandridge, James T., 421-36-8671.
Darrah, James T., 455-48-4381.
Daub, Alfred V., 085-24-3789.
Davis, Roger K., 540-36-6500.
Day, Edward H., 230-32-0631.
Defatta, Vincent P., 439-44-2903.
Delisle, Frederick, 065-24-7098.
Demick, Harold B., 008-22-0583.
Denman, Jerry L., 428-50-1986.
Deprospero, Albert, 191-22-6643.
Deverill, Arthur P., 125-20-6772.
Dill, Bobby M., 248-54-4022.
Dister, Arthur C., 293-26-9326.
Dixon, Bryan D., 372-30-2379.
Dixon, Herbert M., 462-44-4994.
Dobbs, Herbert H., 476-32-7472.
Donohue, John E., 139-22-1442.
Drummond, James E., 525-56-8128.
Dubois, Ronald W., 035-22-3009.
Duggan, Daniel E., 448-26-9646.
Dunaway, Roy S., 255-40-9418.
Durkin, Michael J., 194-26-7694.
Eddins, Watha J., 232-50-3932.
Edmiston, Charles H., 263-42-9084.
Edmondson, James P., 227-34-0649.
Einseln, Aleksander, 081-32-8800.
Elder, Perry B., 434-42-2283.
Elliott, Bernard V., 444-30-5930.
Ellis, Donald R., 283-34-8206.
Farris, Robert I., 415-52-1746.
Ferguson, Charles H., 251-44-9376.
Finkbiner, Glenn G., 466-38-9327.
Fitzgerald, Thomas, 072-24-4171.
Fleming, Norwood W., 249-46-3701.
Fletcher, Edward N., 411-48-7997.
Folta, Russell J., 042-24-2581.
Foradori, Harry L., 206-24-7990.
Forrell, William J., 235-44-4697.
Franklin, Joseph P., 217-28-9800.
Freeman, Clinton A., 579-36-9699.
Gage, Walter G., 156-20-1303.
Gange, William B., 155-24-3102.
Gardner, Morris L., 527-28-2822.
Garner, James G., 457-46-5381.
Gay, Forrest T., 263-44-4145.
Gibson, Mack L., 249-44-3681.
Glasgow, Robert E., 230-30-9500.
Goodman, Roland A., 451-46-9223.
Goodwin, Willard C., 015-24-8700.
Gourley, William H., 152-26-6155.
Graham, Todd P., 365-32-5614.
Gransback, Donald H., 187-24-5571.
Grant, James R., 416-38-2021.
Grant, John C., 003-22-6055.
Green, Gilbert R., 370-30-7520.
Griffith, Gerald S., 405-46-4660.
Grossheim, Paul W., 482-34-2660.
Guffey, Connie S., 405-44-2757.
Gunderson, Raymond, 215-38-9212.
Gunter, Gurnie C., 444-26-3725.
Guthrie, Edward R., 414-46-9505.
Hadley, William M., 282-30-5333.
Hannon, James D., 119-22-0807.
Harper, Henry H., 252-48-6640.
Harris, Loston, 453-44-5276.
Hatchett, Monte J., 448-30-6756.
Hayes, Moody E., 417-38-7672.
Heikkinen, Kenneth, 572-36-4430.
Henne, Carl, 291-28-1116.
Henry, Robert B., 234-44-5336.
Hergenroeder, Leo A., 165-26-4152.
Herlik, Querin E., 387-26-9755.
Hesson, James M., 476-26-8437.
Hightower, Loyal G., 248-60-9509.
Hilbert, Donald C., 099-24-3255.
Hill, James R., 396-30-5937.
Hissong, Fred, 284-28-4894.
Hodgson, William F., 190-24-9139.
Hoge, Philip R., 532-30-1249.
Hoglan, Curtis F., 433-44-3754.
Holbrook, Willard A., 579-52-7660.
Hornish, William E., 514-22-9594.
Hosemer, Calvin, 010-26-6613.
Hufnagel, David A., 336-22-1192.

Hunter, Joseph L., 206-26-4199.
Jarrett, Richard S., 319-26-4605.
Jensen, Kenneth G., 550-36-8245.
Jerrett, Lyle E., 129-28-8045.
Jeter, John R., 215-38-7633.
Jhung, Bryson, 576-28-9035.
Johnson, Charles R., 428-52-4198.
Johnson, David S., 147-26-2656.
Johnson, Robert P., 081-24-5482.
Johnson, William V., 261-44-0574.
Jolemore, Kenneth A., 102-22-5833.
Jones, Herbert L., 204-26-3006.
Jones, Isaac R., 271-30-0534.
Joseph, Robert E., 454-48-3260.
Joyce, Robert M., 282-24-8281.
Kanamine, Theodore, 507-30-3458.
Kark, John S., 064-24-3307.
Katenbrink, Irving G., 254-42-3634.
Kattar, Richard J., 011-22-0191.
Keener, Eugene F., 254-44-3713.
Kelley, Philip G., 451-30-7822.
Kellogg, Kenneth E., 283-30-2712.
Kelly, Thomas L., 455-48-3874.
Kennedy, Ralph P., 578-44-8556.
Kenyon, Peter B., 080-26-2067.
Kershner, Clark V., 720-07-7812.
Kicklighter, Claude, 255-46-4806.
Kilgore, James A., 453-48-6321.
Kistler, John S., 357-26-6638.
Koehler, Joseph R., 281-26-4648.
Koziatek, Norbert W., 493-34-1785.
Kraak, Charles F., 324-26-5075.
Kramer, Leslie J., 728-01-9575.
Kuehn, Frederick G., 337-26-4046.
Lacy, David W., 227-48-6183.
Lafrenz, Robert L., 506-36-8888.
Lally, Michael J., 566-40-7866.
Lamons, Robert E., 524-44-2758.
Lander, Robert B., 247-44-5339.
Lawson, Warren G., 485-30-6503.
Leslie, George W., 540-34-7244.
Lewis, Kenneth E., 462-36-8977.
Liesman, John S., 388-30-9720.
Lilje, Donald H., 292-28-2405.
Lindquist, Gary E., 528-38-1441.
Lloyd, Joseph W., 445-26-8357.
Logan, James M., 245-40-0903.
Logerquist, Benjamin, 399-30-1407.
Looney, Robert C., 520-36-0047.
Ludwig, Daniel D., 332-24-7680.
Lutz, Joseph C., 308-30-5139.
Lynn, Robert G., 195-24-4473.
Maccini, Francis L., 012-26-5451.
MacDonald, Alexander, 404-44-0476.
MacDonnell, Thomas, 032-20-5791.
Macedonia, Raymond, 167-26-1248.
Mahaffey, Fred K., 525-70-4649.
Maher, Kevin L., 103-26-2065.
Mahlberg, Donald S., 360-22-1573.
Malone, Daniel K., 263-60-7458.
Malooley, Rudolph S., 317-12-6965.
Manhan, Robert D., 565-36-4941.
Manzo, John M., 162-26-6920.
Marden, Jack M., 091-26-9558.
Marks, Malcolm L., 429-74-4574.
Martin, Richard C., 024-26-7586.
Mason, Phillip H., 224-52-4274.
Mason, Sidney E., 263-60-4246.
Maupin, Joe S., 223-38-8458.
Maurer, David F., 562-44-1436.
Maynes, George E., 525-56-3078.
McCann, John R., 556-38-3819.
McCurdy, Neal B., 518-30-5909.
McDonald, Vincent P., 036-22-3829.
McElrath, William T., 253-48-0297.
McGee, Lester E., 426-58-9006.
McIlroy, Wilmer L., 347-24-9880.
McKalip, Homer D., 202-26-3582.
McKinney, Leon E., 410-44-9565.
McNair, Carl H., 263-38-8269.
McNider, Henry B., 421-38-0079.
Mears, Charles D., 522-28-8654.
Medina, Efrain, 580-32-8153.
Miller, Duane D., 266-40-1995.
Miller, James R., 223-38-1647.
Miller, Thomas A., 290-28-3819.
Minich, Cecil M., 525-58-8587.
Missildine, William, 417-40-6436.
Mitchell, Glenn W., 461-40-0525.
Mixan, Edgar J., 342-24-5399.
Monteith, Gerald E., 501-28-1765.
Morgan, Robert D., 063-28-0883.
Moses, Dan, 253-56-8995.
Mueller, Frederick, 253-46-5963.
Mundt, James A., 504-26-9630.
Murdock, Thoma E., 246-32-6973.
Murphy, John J., 109-26-4462.
Murray, Gary B., 725-14-0511.
Nelson, Thomas C., 576-38-1394.
Newton, Robert W., 470-32-9311.
Nourse, Robert H., 084-26-5952.
Obryan, William P., 051-28-6192.
O'Connell, Marvin G., 394-28-4858.
Oliver, Mahatha M., 241-42-5611.
Olson, Gloria A., 125-20-2200.
O'Neil, Henry R., 035-22-4527.
Ono, Allen K., 576-30-7573.
Oram, Charles J., 136-28-1991.
Otsuka, Yukio, 575-28-2524.
Painter, Brookman E., 006-32-7754.
Parker, Franklin S., 462-52-8178.
Parker, Julius, 459-50-6028.
Parks, Paul F., 047-24-1800.
Parrish, Glenwood N., 228-42-1898.
Parsons, Robert A., 421-38-7470.
Parsons, Russell L., 513-26-9780.
Pattakos, Arion N., 153-24-0343.
Patten, John L., 012-24-9770.
Pawlik, Stephen R., 122-22-8263.
Pede, August R., 160-28-2599.
Pemberton, David L., 435-42-9144.
Pergerson, Benard S., 238-46-0642.
Perkins, Rex V., 498-28-2655.
Perry, Earl E., 494-34-6671.
Peters, William G., 253-42-0989.
Petersen, Darwin A., 504-34-6944.
Philbrook, Wilbur W., 004-30-8618.
Pitts, George E., 354-24-5818.
Plant, Robert A., 051-28-3278.
Poorman, Donald C., 084-26-5404.
Powell, Frank M., 270-30-3559.
Powell, Ralph J., 237-36-8231.
Poydasheff, Robert, 262-42-5741.
Priore, Fortunato R., 101-28-5585.
Puckette, Cecil L., 223-34-6146.
Pulliam, Nathan M., 252-56-3252.
Putnam, Earl L., 445-30-6354.
Putorek, William P., 181-24-8952.
Quinlan, James A., 032-22-9287.
Quinn, Hugh J., 114-24-2340.
Redmond, Robert S., 115-24-1315.
Rhyan, Earnest W., 446-28-2961.
Rice, Richard C., 511-28-2526.
Rider, Archie A., 571-38-1503.
Rider, James D., 439-38-4163.
Riese, Paul E., 128-22-1413.
Rife, Byard W., 517-28-0950.
Riley, Leonard J., 012-24-0835.
Roberts, Rodney K., 337-28-2085.
Robertson, Frank J., 110-24-4466.
Robinson, Richard T., 400-42-6928.
Roddy, Patrick M., 535-32-6593.
Rodrigues, Joseph C., 562-36-2457.
Rogers, John E., 259-50-5766.
Rogers, Roland B., 465-40-8989.
Ropp, Richard F., 247-48-5081.
Rosenberg, Theodore, 055-26-9580.
Roth, Bernard J., 131-24-0929.
Ryan, Joseph D., 105-24-9250.
Sanders, Bobby L., 549-32-1605.
Sanders, Burnett R., 407-44-9920.
Sanders, Mac D., 509-28-5674.
Scheppe, Madison C., 573-38-9262.
Schmidt, Carl F., 070-24-0042.
Schneider, William, 467-44-5291.
Schuh, Charles A., 082-32-0062.
Schulz, Otto R., 530-16-5507.
Scribner, Edwin G., 328-26-3236.
Settle, Thomas A., 257-48-6765.
Shalz, Roger M., 550-42-8156.
Shannon, John W., 402-42-2616.
Shaughnessy, Thomas, 388-28-7203.
Shaylor, Thomas C., 248-38-0625.
Shipp, Grantland V., 481-26-6951.
Shockley, Henry A., 224-38-2344.
Shore, Edward R., 410-58-4704.
Shufelt, James W., 218-28-7138.
Siebert, Frederick, 251-44-6126.
Simmons, Bobby B., 259-50-3231.
Simpson, John A., 249-44-8019.
Siak, Isaac R., 444-28-3758.
Skaff, Joseph J., 233-46-6270.
Slater, Burt E., 052-26-5759.
Smalls, Moses D., 248-42-9622.
Smart, Ernest A., 007-26-0038.
Smith, Edward P., 218-30-0995.
Smith, Glenn N., 293-28-9368.
Smith, Isaac D., 438-46-0213.
Smith, James A., 370-32-8419.
Smith, James L., 262-42-0052.
Smith, Norman M., 081-32-9414.
Sparks, Donald E., 401-42-6348.
Spence, John D., 261-40-3070.
Stallings, David W., 234-50-1762.
Stapleton, Homer L., 296-24-9543.
Steckly, Kenneth D., 312-30-5032.
Steel, Patrick A., 539-28-7224.
Stone, Howard F., 447-32-5655.
Strati, Robert A., 574-09-9436.
Stratton, Jerry R., 522-40-6923.
Streett, William B., 429-44-6911.
Strom, Roy M., 356-30-8564.
Strudeman, Richard, 342-24-2457.
Sutton, James L., 257-50-8967.
Sweet, William E., 271-26-6865.
Talbot, Bailey M., 421-42-0896.
Taylor, Joseph W., 414-46-5804.
Taylor, William J., 353-26-1195.
Teague, Gwynn A., 459-42-9950.
Thayer, Henry J., 251-52-1160.
Thompson, Robert S., 520-26-9204.
Thorne, Phillip D., 453-50-8254.
Tocher, Patrick A., 517-32-7870.
Tolfa, Edward, 187-26-0520.
Tomberg, Ralph T., 550-38-5762.
Torsani, Joseph A., 042-26-7808.
Town, James I., 368-32-8198.
Trail, Sebert L., 235-46-8870.
Travis, Robert L., 102-26-5984.
Trobaugh, Edward L., 312-30-2149.
Turner, Gary L., 264-46-5965.
Tutwiler, James D., 223-40-8107.
Twilley, Leroy G., 419-40-7545.
Vail, Nathan C., 265-46-5881.
Valz, Donald J., 015-28-5498.
Vandenbosch, Jon C., 397-28-2053.
Vanhorn, Jonathan S., 232-32-8735.
Vanhouten, William, 260-38-3573.
Vanpool, Jack L., 446-24-2829.
Vanwert, John F., 465-44-9721.
Vassy, Thomas M., 248-38-4413.
Vaughan, Charles U., 554-40-2291.
Ventrella, Rocco F., 368-26-3184.
Vincent, Joseph F., 315-36-3743.
Vines, Ronald C., 233-54-7986.
Vogentanz, Peter G., 103-28-0261.
Vydra, Anthony L., 215-36-2707.
Waible, Leo C., 023-26-1642.
Waite, Hugh G., 477-28-5135.
Walker, Travis L., 423-32-8482.
Walker, Wiley W., 411-38-3247.
Wall, Kary D., 525-80-9797.
Wallace, James W., 464-42-0676.
Walsh, Gordon P., 513-26-2739.
Walther, Harry J., 307-28-4970.
Walton, Frank G., 152-22-3512.
Ward, Stanley D., 228-36-0495.
Watson, Dwane C., 503-28-3161.
Watson, Henry G., 287-24-8905.
Weathers, Edgar W., 255-44-2592.
Weathers, John T., 415-38-7257.
Wegley, Frederick L., 181-26-6169.
Wells, Norman S., 121-20-1181.
Werner, Gary L., 350-30-9866.
Wheeler, David E., 263-56-9231.
White, Leroy, 408-48-5354.
White, Ulysses X., 262-30-5412.
Whitley, George R., 570-44-5427.
Whittaker, Howard C., 226-38-8392.
Wiegand, Robert D., 383-30-9360.
Wiggs, Jimmy D., 445-30-2944.
Wilkins, Aaron E., 462-44-9458.
Williamson, Rayburn, 348-24-9503.
Wilson, William E., 424-38-2511.
Wingate, Charles S., 576-34-0376.
Wingfield, Damon D., 448-34-1168.
Wints, Edward K., 559-42-9942.
Witter, Robert A., 282-26-0612.
Wix, William M., 221-20-0439.
Woerner, Frederick, 191-26-8730.
Wohlman, Melvin, 189-24-3513.

Wolfver, Clarence H., 456-40-7925.
Wong, Donald R., 551-38-4025.
Woodall, James R., 466-34-7556.
Wratislaw, Roy E., 450-46-0204.
Wright, Lewis W., 466-46-0227.
Wright, William J., 577-34-9004.
Wyatt, David L., 314-30-5611.
Yawberg, Harold D., 283-30-3785.
Yore, Joseph A., 157-22-0641.
Ziek, Thomas G., 195-22-8260.

CHAPLAINS

To be colonel

Aiken, Clyde M., 251-40-8338.
Forsythe, Walter D., 319-24-0342.
Hoeutt, Charles H., 341-26-6794.
Magalee, John E., 124-30-8406.
Moss, Ira G., 406-26-5274.
Murphy, James J., 424-54-2723.
O'Shea, Edward L., 194-20-4434.
Ousts, Paul D., 439-44-1715.
Weathers, Clifford, 259-32-7699.

DENTAL CORPS

To be colonel

Berube, Joseph D., 385-32-7366.
Betts, Alan F., 383-30-6108.
Dunley, Robert E., 481-30-1659.
Frantz, Wayne R., 164-28-7100.
Hann, John R., 510-30-0922.
Nelson, Donald R., 310-32-7163.
Storie, David Q., 478-40-6310.
Sweeney, Thomas P., 386-24-7556.
Whitsett, Bernard D., 187-22-2255.

MEDICAL CORPS

To be colonel

Ansbacher, Rudi, 079-26-6345.
Arneson, Leslie A., 503-28-3954.
Benincaso, Frank V., 145-24-9091.
Bearsh, Anthony A., 024-26-2085.
Brosksy, Richard D., 204-14-4735.
Brott, Walter H., 490-34-2118.
Balk, Karl D., 234-70-7715.
Chamlian, Dikran L., 158-32-6380.
Corby, Donald G., 501-26-6005.
Dangerfield, Harry, 443-28-0481.
Dinapoli, Raphael J., 050-26-8222.
Feagin, John A., 454-48-9935.
Fearnow, Ronald G., 236-50-1015.
Giddens, Warren W., 269-30-0210.
Granger, James A., 560-36-8303.
Haas, John M., 387-30-3094.
Hartwigsen, Robert, 519-20-4344.
Haslett, David R., 162-26-1130.
Heydorn, William H., 104-24-6796.
Hill, Paul S., 461-48-9817.
Holtsapple, Kenneth, 163-24-9726.
Huott, Archer D., 107-22-8098.
Kopp, Albert A., 072-36-4571.
Larsen, Lowell D., 528-32-8383.
Ledford, Frank F., 279-30-2386.
Lennox, Kenneth W., 264-46-0719.
McCarty, Richard J., 489-38-5700.
McDowell, Milton K., 544-32-1223.
Park, Richard, 571-34-0975.
Sakakini, Joseph, 224-38-6254.
Sample, Donald W., 518-28-8167.
Shira, James E., 010-26-3773.
Stojic, Borislav, 108-36-3873.
Valpey, Jack M., 562-36-6858.
Ward, Chester L., 562-40-7501.
Wood, Laurence W., 248-48-5189.
Zbylski, Joseph R., 339-26-9384.

MEDICAL SERVICE CORPS

To be colonel

Beach, Douglas J., 570-40-9205.
Beltran, Gilbert, 555-40-9460.
Chapin, George E., 039-30-5705.
Dettor, Charles M., 429-50-3068.
Durr, Walter L., 082-28-6184.
Erickson, Duane G., 396-24-2375.
Heins, Robert F., 335-38-3894.
Herman, David E., 468-38-3603.
Huff, James C., 280-40-9223.
Jentsch, David P., 062-34-8933.
Maillet, Edward L., 056-22-7382.
Miller, Vandy L., 232-44-0027.
Radke, Myron G., 502-16-8909.
Tweito, Robert B., 473-36-6697.
Vigneault, Marcel L., 048-24-8755.
Walker, James P., 556-32-2205.
Williams, Vern M., 365-24-1696.
Yim, Herbert K., 575-34-0360.

ARMY MEDICAL SPECIALISTS CORPS

To be colonel

Davis, Barbara A., 047-22-3699.
Graziano, Joan M., 205-26-5530.
Thompson, Beatrice, 544-24-3846.

VETERINARY CORPS

To be colonel

Anthony, Theodore G., 483-48-8790.
Keel, James E., 364-32-2311.
Schlinke, Orville C., 464-54-9584.
Stoia, Hal F., 260-46-7761.
Wyckoff, George H., 202-30-4309.

ARMY NURSE CORPS

To be colonel

Atchison, Juanita M., 538-28-9163.
Bosch, Lila J., 503-28-3292.
Foley, Mary A., 111-26-6729.
Gately, Miriam A., 144-22-1283.
Grace, Mary C., 091-28-4022.
Greene, Patricia A., 516-32-9020.
Jagielio, Helen D., 229-32-9915.
Lillard, Callista J., 539-30-7508.
Mackey, Helen J., 221-16-7791.
Sowa, Helen B., 092-26-5203.

The following-named officers for promotion in the Army of the United States, under the provisions of Title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Nolan, John W., 020-26-6501.
Treadway, James D., 409-50-1420.
Ziek, Thomas G., 195-22-8260.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Clark, Joseph E., 208-24-1380.
Curran, Jan D., 100-28-7127.
Eldredge, Richard B., 145-26-5280.
Fennell, George R., 010-26-7102.
Marr, Francis W., 004-28-2648.
Parr, Ivan W., 146-28-5145.
Tilton, Robert C., 066-28-5284.

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

DENTAL CORPS

To be lieutenant colonel

Allen, Mark V., 558-54-2303.
Backenstose, William, 506-56-9495.
Baker, Kim J., 489-48-2451.
Bersano, Raymond B., 325-38-8204.
Billingsley, Michael, 524-54-1329.
Chamberlin, John H., 014-30-4444.
Cook, Phillip A., 217-48-4596.
Cressler, John W., 214-46-0956.
Daniels, Patrick E., 582-98-5484.
Denucci, Donald J., 391-44-2740.
Dismukes, Julian M., 407-62-3263.
Duckworth, James H., 428-90-6314.
Dunn, Larry M., 510-52-0734.
Ferguson, Richard L., 473-48-5496.
Goerig, Albert C., 530-28-7116.
Grady, Paul F., 028-34-4947.
Hardy, Leslie B., 267-70-6548.
Hurt, Duane F., 244-74-5201.
Hutchins, Harry S., 135-36-9661.
Johnson, David S., 383-36-8248.
Jones, Griffith B., 222-28-6850.
Keesler, Joel R., 106-36-0514.
Koudelka, Brent M., 295-42-5306.
Maerki, Henry S., 458-74-5034.
Marcoot, Ralph M., 216-44-5831.
Mooney, Darrel L., 519-50-4249.
Newton, William G., 362-46-8413.
Nishimura, Roger S., 576-44-0004.
O'Neal, Robert B., 249-74-4902.
Osborne, William H., 286-38-6623.
Priddy, William L., 312-46-8303.
Pulskamp, Frank E., 279-40-2920.
Rampton, Jon B., 528-60-0229.
Rathofer, Stephen A., 529-68-3654.
Ruggles, James E., 453-72-9698.
Schedt, Michael J., 305-52-1635.
Sevier, Noble H., 315-48-0642.
Shulman, Jay D., 095-36-9722.
Sigala, Joseph L., 549-68-6470.
Stanley, Philip J., 265-74-6335.
Turner, George W., 455-50-1672.
Utschig, Leonard D., 395-44-2916.
Vaught, Richard D., 585-14-3345.
Vermilyea, Stanley, 543-50-6904.
Vire, Donald E., 371-42-3917.
Webb, Joseph G., 250-76-9062.
Whang, Raymond S., 576-34-2777.
Woolsey, Gerald D., 459-70-2342.
Yamamoto, James R., 477-56-0616.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be captain

Adams, Stephen F., 491-48-6576.
Blanchard, William J., 549-68-3150.
Brown, Chris E., 544-54-0502.
Buggert, Donn J., 471-60-5964.
Clarke, Willie M., 423-64-6636.
Cork, Timothy R., 320-44-3192.
Costigan, Daniel J., 177-38-0200.
Decker, Dale E., 467-70-7235.
Eazor, Charles R., 441-48-1990.
Flye, Patricia A., 571-56-2713.
Goulette, James P., 005-50-3252.
Hunt, Kenneth I., 397-42-4919.
Kirkpatrick, Charles E., 245-72-9562.
James, Martha G., 296-40-3855.
Matthews, James W., 418-62-9708.
McMenis, James E., 429-90-2778.
McNicholas, James E., 121-34-8713.
Miller, David, 250-82-0923.
Ohlinger, Brian J., 077-36-8486.
Peters, John E., 272-44-3805.
Pohler, Michael S., 227-66-0933.
Rodgers, Robert E., 409-76-8712.
Van Exel, John F., 124-38-4749.
Williams, Lee E., 264-88-0004.
Young, James D., 548-74-6442.

DENTAL CORPS

To be captain

Waddell, Henry T., 450-80-4364.

MEDICAL CORPS

To be captain

Ortiz Nieves, Julio E., 582-98-9876.

MEDICAL SERVICE CORPS

To be captain

Harig, Paul T., 124-30-8316.

VETERINARY CORPS

To be captain

Turnier, John C., 044-38-1462.

ARMY NURSE CORPS

To be captain

Jessup, James W., 535-46-0476.
Krom, Frances A., 235-74-3226.
Large, Patricia C., 230-72-4126.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Harrison, Douglas D., 445-54-8271.
Hoy, Dobert, 005-50-6049.
Loya, James M., 585-46-9615.
Nelms, Russell F., 585-54-8002.
Saltas, Joseph, 261-84-1970.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be colonel

Alexander, Byron B., 525-78-2304.
Arthur, James D., 545-40-0702.
Baddour, George A., 299-48-2916.
Bancroft, William H., 507-40-3189.
Barry, Michael J., 115-30-5561.
Beard, Graham E., 407-46-7552.
Beatrice, Edwin S., 091-28-2255.
Begtrup, Robert O., 341-34-8792.
Bobitt, John R., 318-26-7525.
Bronshvag, Michael, 127-30-1543.
Buckingham, Frank M., 136-26-9450.
Butler, Melvin L., 418-50-5366.
Cameron, Richard D., 521-42-3760.
Chandrasekaran, Ankia, 534-48-5430.
Chase, N. Bruce, 236-52-4854.
Chipman, Martin, 026-24-5094.
Clarke, David A., 224-52-4704.
Cottingham, Andrew, 239-54-5262.
Cuetter, Albert C., 356-42-0249.
Cutting, John W., 573-50-9379.
Daubek, Joseph L., 563-60-6180.
Dunn, Bruce E., 101-30-4986.
Freihofer, Erick J., 291-36-6781.
Gehle, Don E., 356-30-8747.
George, Eugene D., 222-22-0376.
Gahed, Nasser, 112-40-2572.
Gilbert, Robert F., 287-32-5496.
Goette, Detlef K., 289-46-0116.
Golosow, Nikolas, 563-60-6217.
Gooding, Ronald S., 526-36-3129.
Grabhorn, Larry L., 315-36-0161.
Griffith, Jesse S., 234-48-5098.
Hammond, James B., 232-40-9913.
Handte, Robert E., 051-24-8398.
Hect, Manfred H., 050-28-0899.
Hill, John C., 543-44-3146.
Hinckley, Marshall, 040-30-3209.
Howard, Freeman I., 400-54-1899.
Hull, Jan K., 270-32-0415.
Johnson, Edward M., 497-22-0196.
Kissack, Alfred S., 103-24-8601.
Lawless, Oliver J., 142-40-8136.
McCormick, Wilbur S., 206-16-0722.
Owens, Bennett G., 253-48-6400.
Powell, George K., 524-44-3658.
Price, Herman L., 126-26-1590.
Randall, James R., 212-26-6532.
Ross, Robert F., 101-28-3275.
Ruark, Sylvan R., 531-36-7996.
Rumbaugh, James H., 196-30-7563.
Scotti, Michael J., 078-30-2133.
Servis, Hubert T., 579-46-3895.
Slaughter, William, 419-50-2510.
Smith, William A., 229-40-4425.
Sokol, Robert J., 058-22-0217.
Spence, Crumpton R., 459-56-6462.
Sullivan, Dennis J., 547-48-0787.
Thiessen, Jacob W., 177-46-7084.
Treanor, John J., 051-24-3441.
Vansant, Thomas E., 418-56-1389.
Wartofsky, Leonard, 579-46-3368.
Wheeling, James R., 382-32-0397.
Williams, Troy H., 226-48-3569.

MEDICAL CORPS

To be lieutenant colonel

Albers, David G., 475-50-5404.
Alexander, Robert L., 444-32-2850.
Allen, Roger K., 369-42-4959.
Anderson, Arthur O., 065-36-8816.
Anderson, Harry J., 235-72-5360.
Andronaco, Joseph T., 087-36-3707.
Arner, Mark C., 128-36-8492.
Babcock, Terence L., 213-46-5948.
Babcock, William H., 250-74-9815.
Bales, James D., 480-94-9448.
Barber, Frank A., 442-48-8994.
Barron, Joseph B., 435-74-6744.
Belville, William D., 009-30-9508.
Benjamin, James R., 157-34-7051.
Besanceney, Charles, 064-36-4393.
Bikle, Daniel D., 168-34-1833.
Bode, Robert F., 391-42-4987.
Brearley, Charles B., 461-76-0078.
Brodie, Donald E., 221-30-2508.
Brown, Tommy J., 436-44-0141.
Buntley, David W., 441-50-2644.
Burgos, Victor L., 576-54-3238.
Burman, Kenneth D., 489-46-3548.
Byers, Norman T., 170-36-1041.
Cabaud, Henry E., 563-58-0340.
Carter, Jimmy M., 248-70-0188.
Chulay, Jeffrey D., 340-38-1415.
Clements, Thomas I., 407-64-0831.
Cohen, Elliot S., 214-40-9405.
Coleridge, Samuel T., 299-38-3027.
Compton, Alan B., 551-60-8718.
Courtney, Anthony W., 561-64-2535.
Craner, Gregory E., 541-52-8642.
Crim, David W., 459-76-9777.
Cross, Alan S., 049-34-7432.
Crus, Pedro J., 584-02-0511.
Curl, Walton W., 524-62-0656.
Curley, William J., 140-32-6570.
Curtis, David J., 524-60-8754.
Dale, John A., 101-34-3224.
Davis, Richard C., 454-70-7741.
Davis, Robert A., 258-68-7023.
Dean, Joe A., 450-72-7713.
Deboer, John L., 009-32-9054.
Dewitt, Ralph O., 490-42-4200.
Dimler, Michael, 106-34-7250.
Dixon, Kenneth E., 042-36-1726.
Dodson, Jerry W., 452-80-7895.
Done, Stephen L., 528-54-5453.
Doty, Richard D., 569-60-5359.
Duff, Arthur D., 548-54-2044.
Duff, William P., 579-62-7106.
Duke, Dean W., 529-60-4106.
Dunagin, Percy E., 413-54-8601.
Erdtmann, Frederick, 176-36-9249.
Ersay, Ronald E., 265-70-3705.
Evans, Gerald D., 503-56-5827.
Fairchild, William, 432-86-9226.
Fischer, Barton B., 556-66-6432.
Fischer, Gerald W., 542-50-7832.
Foley, John D., 091-36-3673.
Freeley, Douglas A., 065-38-1518.
Garcia, Victor F., 134-38-3214.
Gluck, Franklin B., 053-34-8129.
Goode, Jack A., 216-42-5703.
Greenberg, David I., 050-36-2694.
Gremillion, Daniel, 437-70-0541.
Griffin, Robert F., 430-82-3760.
Haburchak, David R., 299-42-2744.
Hackett, Robert D., 272-42-1212.
Harben, Douglas J., 079-34-1455.
Hawkes, Thomas A., 526-58-4866.
Haym, Jerome L., 113-34-3067.
Heller, Paul B., 148-32-9661.
Hill, Robert B., 479-52-5000.
Hoefner, Victor C., 523-56-2305.
Hopkins, Charles D., 454-80-2168.
Huffaker, Ardath K., 543-44-7204.
Hughes, Alan D., 154-34-3150.
Jackson, Joseph L., 259-70-3686.
Jackson, Joseph P., 250-62-4763.
Johnson, John P., 228-64-8968.
Jolley, John J., 549-60-2745.
Kale, Milton P., 145-34-9561.
Kaminski, Robert J., 370-48-4447.
Kelley, William A., 070-36-3153.
Kennell, Charles B., 130-20-6428.
Kirchdoerfer, Richard, 469-52-7436.
Knight, Christopher, 401-64-9048.
Knight, Wade L., 448-42-8762.
Knoll, Edward J., 486-44-6438.
Knowles, Clarence R., 510-42-2993.
Koonts, Clyde H., 542-48-2323.
Kowalski, Michael K., 198-40-9734.
Krober, Marvin S., 361-34-1226.
Lambrecht, Robert W., 324-38-5890.
Land, Garry A., 460-70-1309.
Lasiewski, Richard, 138-34-9289.
Lee, Howard M., 245-54-7639.
Lee, Robert E., 106-36-2521.
Lepore, Michael L., 050-32-7688.
Lockett, Richard B., 467-56-0047.
Logsdon, John R., 452-80-8989.
Lubensky, Jack D., 134-34-8136.
Madauss, William C., 401-60-3816.
Markey, Keith L., 317-44-2782.
Marsh, Wallace W., 382-46-1943.
Maw, Gilbert M., 529-58-1356.
McAuley, Robert A., 517-44-4486.
McCowen, Karl D., 585-18-2625.
McCurdy, John A., 227-62-4184.
McDonald, William B., 072-38-8373.
McKie, Virgil C., 250-80-7778.
McMillen, Shannon M., 515-40-0681.
McPhail, John F., 267-62-3874.
Merves, Edward, 271-40-0079.
Michalak, John C., 547-64-9036.
Mihalko, Michael, 045-34-6550.
Miller, Charles F., 361-34-2298.
Moon, Michael R., 080-38-6208.
Mortimer, Evan E., 323-38-9090.
Musetti, Robert W., 506-50-3318.
Nasim, Ali, 111-52-2114.
Neal, Thomas F., 542-48-3375.
Nessan, Vernon J., 504-46-6499.
Nichols, Buddy R., 426-88-5267.
Norris, Michael, 523-54-8418.
Northington, James, 422-58-0618.
Oetgen, William J., 258-74-6215
Ozer, Kerry J., 567-88-6161.
Page, Myron E., 547-64-8540.
Parker, John S., 190-32-5636.
Pearl, William R., 080-36-2721.
Peters, Clarence J., 459-64-1344.
Pettett, Philip G., 508-54-9345.
Peura, David A., 082-34-1087.
Phillips, George L., 259-74-3982.
Piacente, David A., 147-38-4123.
Pittman, William B., 240-72-2761.
Popejoy, Lou A., 434-72-3261.
Prescott, Clinton E., 461-68-1277.
Price, John C., 266-64-9581.
Redmond, John III, 551-64-6731.
Richardson, Stephen, 353-34-9667.
Roberts, David W., 046-34-1856.
Roberts, Donald L., 232-74-0275.
Rogers, Jack A., 573-66-1409.
Romash, Michael M., 192-36-8034.
Rothouse, Lloyd S., 226-60-8626.
Satava, Richard M., 262-66-8617.
Saunders, John R., 113-34-1225.
Sausker, William F., 502-34-6297.
Savory, Carlton G., 527-72-8958.
Schiff, Steven A., 102-36-3717.
Sheridan, John L., 533-44-8093.
Slay, Larry E., 434-72-3075.
Slay, Robert D., 248-82-7507.
Smallridge, Robert, 232-74-2017.
Smith, Charles E., 273-44-4515.
Smith, Drew H., 570-64-3438.
Smith, Franklin R., 529-58-2303.
Smith, James D., 419-58-8375.
Smith, Steven R., 235-74-1635.
Snare, Robert W., 264-56-6026.
Solomon, Howard D., 009-32-3300.
Soule, Thomas I., 009-34-0978.
Stevens, Dennis L., 516-46-7311.
Stransky, Alan J., 540-50-2780.
Stromeyer, Frederick, 437-72-0479.
Sutherland, William, 456-72-8922.
Suttle, David E., 425-88-7438.
Sutton, Ernest L., 251-86-5520.
Sweet, Ross B., 114-38-9662.
Thompson, Kerry J., 221-28-8792.
Thrush, Lawrence B., 236-70-9101.
Toews, Warren H., 536-40-7838.
Traylor, John A., 252-66-4848.
Treece, Gary L., 565-66-7658.
Tri, Terry B., 544-56-9036.
Tuer, William F., 079-36-3488.
Turella, Giorgio S., 454-25-5911.
Vanek, David V., 482-36-5577.
Vonk, Harold, 485-48-4678.
Washburn, Michael E., 285-42-6166.
Whitley, John C., 423-44-0664.
Wilson, Lynnford S., 223-60-7067.
Wilson, Torrence M., 252-62-9561.
Wittich, Arthur C., 263-56-4570.
Woods, Monty, 272-36-3679.
Yoon, Katherine C., 359-44-1104.
Youngblood, Lloyd A., 549-70-6448.

IN THE ARMY

The following-named officer for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 4336:

ARMY PROMOTION LIST

To be colonel

Prince, Howard T. II, 466-62-0930.

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Ady, Samuel J., 215-32-3375.
Akin, Havis D., 252-46-9596.
Allen, David J., 007-30-5048.
Ambrosino, Richard, 207-26-2870.
Antross, Richard C., 398-30-1447.
Arnold, Bruce D., 566-42-8191.
Aschliman, Edward L., 315-32-3017.
Bachmann, Robert R., 328-26-1519.
Bagdanov, James L., 532-30-2835.
Baker, David G., 436-50-6950.
Baldwin, Richard B., 015-28-3281.
Barkley, William A., 163-30-3566.
Barnebey, Hoyt W., 534-32-6622.
Barnes, Jimmie E., 447-30-6794.
Barrett, Robert C., 366-34-4484.
Bartlett, William E., 256-48-7269.
Bauchspies, Richard, 568-46-8771.
Becker, Ronald C., 193-28-9042.
Beckman, Charles H., 235-50-2852.
Bedsole, William K., 419-44-0782.
Bell, William E., 498-32-8158.
Bergson, Richard W., 577-50-7190.
Betters, Richard B., 072-26-2986.
Beyer, Eugene A., 466-48-6730.
Bisch, Frederick R., 339-32-4707.
Bivings, Donald E., 261-52-2159.
Black, Calvin D., 028-26-0926.
Blume, Geoffrey E., 387-36-0169.
Boddie, Raymond B., 001-28-6921.
Bohn, Raymond J., 502-16-3964.
Bosway, Stephen G., 299-28-6133.
Boyd, Thomas G., 525-68-0146.
Boyle, Ernest W., 140-32-6095.
Brock, Donald E., 008-20-4355.
Brown Joseph E., 259-60-6047.
Brown, Roy E., 259-50-2758.
Budge, Larry D., 231-50-4972.
Buff, Max L., 416-48-0439.
Bunting, Roger C., 553-46-9752.
Burleson, Willard M., 212-38-8303.
Burrow, George D., 454-42-5356.
Bushyhead, Edward R., 440-28-6752.
Butler, Robert W., 220-28-3616.
Butts, Orville N., 540-36-8910.
Bynam, Holland E., 452-44-8686.
Callahan, Donald J., 127-26-9204.
Campbell, Donald M., 252-44-8524.
Carlisle, Alan R., 463-44-0275.
Chandler, Pitzhugh, 224-52-4900.
Chick, Edward E., 001-22-6634.
Chunn, Don C., Jr., 430-66-6728.
Clark, Bernard J., 535-32-3647.
Clarke, Edward F., 547-40-6545.
Clement, L. W., Jr., 432-54-9496.
Clewell, Robert M., 201-26-6191.
Coats, John I., 534-38-5774.
Collins, Samuel P., 256-52-7478.
Conlon, John F., 134-28-1579.
Cook, Billy G., 432-68-7069.
Cooper, Robert A., 514-30-5933.
Craddock, Nicholas, 037-22-5549.
Craven, Ronald E., 019-28-2610.
Crawford, Clydie J., 531-30-3756.
Crofford, Clifford, 464-46-1254.
Crossley, Ross W., 570-46-7617.
Crum, Raymond H., 261-44-6815.
Crump, Roger L., 359-28-6399.
Culbertson, Jerome, 468-28-5767.
Cummins, William, Jr., 217-32-1395.
Curbow, Gerald D., 500-34-1067.
Davis, Paris D., 276-28-0627.
Davis, Robert E., 002-24-9791.
Davis, Wayne B., 408-54-4447.
Deshler, Robert C., 086-36-7038.
Devens, John W., 226-42-9651.
Devereaux, Alfred B., 287-32-6549.
Distefano, Herbert, 434-46-8251.
Doyle, Verne L., 503-20-7831.
Dramis, George J., 350-28-3185.
Duker, Robert P., 478-36-5456.
Duncan, Wayne M., 398-28-7455.
Durant, John J., 032-34-5804.
Eads, Hugh F., 407-42-4169.
Elliott, Artice W., 454-32-5660.
Everett, James W., 228-42-4808.
Feeney, Gerald F., 087-26-4045.
Fields, Harold T., 263-56-8708.
Fields, Harvey R., 257-48-5962.
Fisly, Linus H., 728-08-8053.
Fitzgerald, William, 114-28-1292.
Flynn, William S., 039-22-4153.
Fraker, William W., 414-44-5472.
Frazier, Robert J., 237-46-8835.
French, Uri S., III, 099-28-8180.
Frick, James A., 213-28-9697.
Friend, Bernard D., 214-34-3355.
Friend, Stephen G., 507-38-6377.
Fry, James R., 168-28-9365.
Furney, Robert M., 368-30-7486.
Ganey, William G., 104-28-3277.
Gardner, William H., 112-26-1871.
Giallourakis, Bill, 265-40-9596.
Gibson, Gwen, 423-54-7010.
Gillem, Richard D., 250-52-5900.
Goetzke, George R., 445-32-0630.
Goncz, Joseph P., 022-24-8266.
Goodenough, Fred W., 081-32-5517.
Gordy, Terry L., 258-48-4207.
Gorman, Thomas P., 054-26-0097.
Gracey, Hugh W., 452-38-9215.
Graf, William S., 204-28-7787.
Graves, Howard D., 466-48-4668.
Green, Thomas E., 429-58-9573.
Greenfield, Bennett, 560-34-0402.
Griffiths, Richard, 360-28-3684.
Griggs, Carlvin J., 251-50-2054.
Groves, John E., 429-54-9928.
Guldner, Francis J., 054-28-7706.
Haan, Philip J., 504-30-4384.
Hackley, Frank W., 569-34-5465.
Haddock, Raymond E., 466-48-4419.
Hagan, Craig A., 155-28-6011.
Halleran, Kenneth E., 048-26-4451.
Haltiner, Robert G., 454-34-5508.
Hammond, Leroy D., 224-44-2644.
Harrington, Wayne C., 136-30-0822.
Harris, Henry L., 267-44-2839.
Harrison, Henry L., 527-34-9440.
Hartman, Donald F., 534-26-1616.
Hayton, Samuel L., 223-44-0689.
Hefford, Robert A., 032-24-0805.
Hehemann, George J., 263-50-0318.
Heinlein, Joseph J., 165-26-0717.
Heizmann, William A., 174-30-5733.
Heneman, Allen S., 502-14-6645.
Hennigan, William J., 036-22-7769.
Herren, John D., 577-46-8377.
Higgins, Paul J., 116-26-7025.
Hightower, Louis V., 217-32-4306.
Hipps, Gary W., 458-50-6056.
Hoffman, Lawrence W., 366-36-5867.
Holbrook, Jack H., 406-44-6612.
Holland, Gerald R., 184-26-6501.
Holmberg, Bruce P., 192-30-2520.
Holmes, Frederick S., 037-26-0907.
Holroyd, Donald E., 002-20-0003.
Horn, Robert C., 032-26-0308.
Horton, Edward J., 229-36-8945.
Hruby, Dale E., 532-32-5452.
Hudak, Robert J., 196-24-8535.
Hudson, Dewitt H., 526-40-2095.
Hughes, Robert K., 251-48-5385.
Hull, Robert L., 240-40-2510.
Hunt, Gordon M., 031-26-0064.
Huton, Cuthbert P., 215-38-8169.
Hyman, Stanley H., 141-28-1233.
Iori, Richard A., 553-42-9289.
Irish, Kenneth M., 383-32-9387.
Irwin, Carl H., 213-32-5661.
Isacco, Michael D., 191-28-8295.
Ivey, Herman V., 255-54-1230.
Jackson, Walter W., 239-56-1586.
Jaco, Neal T., 490-40-6019.
Jarock, Norman E., 394-32-0504.
Jaschen, Daryl G., 482-34-1584.
Johnson, Chester F., 275-28-5949.
Johnson, Edward M., 574-09-3604.
Johnson, Gaylon L., 462-52-1533.
Johnson, James H., 224-52-5098.
Jones, Otis D., 439-52-0334.
Kammer, Herman C., 248-60-0876.
Kanarowski, Stanley, 293-32-0480.
Kaufman, Raymond, Jr., 043-28-8998.
Kavanaugh, Paul F., 003-26-7792.
Kensler, Jesse W., 216-30-5720.
Kilpatrick, Thomas, 314-32-3033.
Kimura, Kay S., 576-30-7335.
King, Edwin C., 248-58-3330.
King, James H., Jr., 227-42-2667.
Kirk, Louis D., 440-30-2183.
Koreski, Rolland A., 536-28-9074.
Kraus, John H., 467-44-2382.
Kromer, William S., 458-60-1167.
Kusek, Leonard J., 507-30-6826.
Laaba, Robert G., 393-38-7584.
Ladd, Eddie B., 242-46-2337.
Lambo, Jerry D., 543-34-1668.
Ledford, Jerry G., 359-28-0864.
Leland, Edwin S., 257-60-7783.
Lillie, Warren T., 180-28-0676.
Little, Carl, 400-46-9450.
Little, Milton L., 466-40-2315.
Llewellyn, Marvin D., 423-40-2338.
Lorinzer, Joseph M., 264-44-1992.
Loudermilk, Roy L., 411-50-0705.
Lunde, Henrik O., 550-50-1617.
Lundgren, Duwayne C., 450-48-4426.
Maddox, David M., 150-32-5193.
Marecek, George, 324-28-5743.
Marsh, Nelson L., 461-64-2276.
Martin, Bruce A., 001-26-6366.
Mayes, Floyd B., 416-38-2436.
McAdams, Michael C., 250-42-8649.
McConnell, Gerald B., 451-48-1819.
McDonald, Francis W., 563-42-4330.
McMahon, James E., 087-26-4269.
McManus, James T., 416-44-9616.
McMillan, Druery C., 557-36-2034.
McVeigh, Andrew J., 464-46-5903.
Megna, Joseph J., 033-24-0495.
Menefee, William P., 231-34-5661.
Miller, Andrew J., 455-46-7174.
Miller, Billy F., 432-56-8275.
Mize, Ola L., 418-32-1465.
Mondok, Robert R., 161-28-9491.
Moore, Bobby L., 463-54-1438.
Moore, James W., 193-26-7705.
Moraski, Leon K., 041-30-2738.
Morin, Raymond J., 036-24-0804.
Morris, Alva J., 254-52-6066.
Morris, David L., 493-36-3084.
Moss, Robert E., 146-26-5925.
Mullen, William J., 552-48-7415.
Naber, Elmer W., 132-26-3063.
Nadal, Ramon A., 581-68-6029.
Nakajo, Mas M., 561-54-9511.
Newell, Edward W., 047-26-6477.
Nix, Crispus C., 416-38-7561.
Norris, Kenneth S., 577-42-1052.
Oelberg, Kermit N., 483-34-9124.
Offringa, Peter J., 093-32-3946.
Olson, Frederick N., 476-38-8490.
Olson, Gloria A., 125-20-2200.
Otstott, Charles P., 458-50-0816.
Paddock, Alfred H., 434-48-9210.
Palmer, Arthur N., 085-26-9823.
Parker, David M., 411-38-9574.
Peate, Laurence R., 522-46-9712.
Phillips, Don, 561-44-1712.
Pistone, Ronald A., 530-22-5362.
Polo, Richard J., 100-28-5314.
Potamos, Christ P., 095-28-5698.
Poteat, James D., 240-46-4848.
Pressley, Ancil R., 431-64-1414.
Prewitt, Herbert F., 407-48-5240.
Price, Roy C., 576-30-3768.
Pryor, Philip A., 195-26-0640.
Rafferty, Joseph V., 129-28-9898.
Rambo, James E., 454-48-4481.
Reese, Thomas D., 441-36-1817.
Reimer, Dennise J., 447-36-3390.
Renzi, Eugene C., 030-24-2011.
Revels, James W., 227-44-3323.
Reynard, Richard L., 290-30-2157.
Reynolds, Robert M., 211-26-9354.
Richardson, Charles, 437-52-7309.
Roberts, Birchard R., 431-62-9861.
Rodrigues, Joseph C., 562-36-2457.
Rosendahl, Richard, 505-34-7772.
Rundle, Ralph T., 509-30-1175.
Russell, Richard R., 137-26-4349.
Rutherford, Frank E., 230-36-7705.
Saling, Neil E., 541-34-3728.
Salmonsen, Peter C., 031-26-6314.
Satterthwaite, George, 172-28-8192.
Saunders, Richard G., 503-28-9437.
Savage, Leslie H., 225-42-6376.
Schrader, Frederick, 234-56-9178.
Sedgwick, Clyde N., 564-44-9489.
Serpico, Frank L., 142-22-8699.

Shrader, Cecil L., 285-50-9442.
Simmons, James L., 228-38-0752.
Sisak, James C., 198-24-5405.
Slater, Paul A., 441-32-9693.
Slofer, Bernard P., 478-38-3068.
Smart, Donald L., 480-40-4550.
Smith, Duane N., 459-56-4368.
Smith, Walter M., 010-28-7052.
Smits, Robert G., 399-28-4574.
Somerville, Paul F., 077-28-5920.
Soriano, Feliciano, 575-30-0065.
Spears, Phillip M., 455-44-8692.
Stanford, John H., 205-28-6056.
Steger, George F., 435-46-4580.
Stockhausen, William, 219-28-5708.
Strickler, William, 233-52-4868.
Stromberg, Peter L., 466-50-2851.
Stubbs, Frederic H., 250-58-2401.
Summers, Harry G., 285-26-9859.
Swann, Roscoe A., 236-48-6736.
Tademy, Dudley L., 439-44-7429.
Tait, Thomas H., 085-26-3223.
Teague, Charles A., 458-52-9058.
Tear, Harry R., 346-26-6756.
Tedesco, John J., 024-28-1806.
Telfer, Jon R., 306-34-7892.
Tengan, James T., 576-34-0549.
Thiede, Alfred J., 318-26-0066.
Thomas, Edward J., 012-26-9193.
Thomas, Richard J., 300-26-2099.
Thompson, David E., 549-42-4241.
Thompson, George H., 254-54-5586.
Trumbull, Hugh H., 022-26-1072.
Tucker, Everette L., 463-46-9306.
Tyanich, Peter, 516-26-2620.
Vockery, William L., 450-54-9361.
Wagg, Robert A., 008-36-8701.
Walker, Costelle B., 258-46-0956.
Walton, Warren J., 258-54-0883.
Ward, William A., 216-30-3513.
Weckel, Edward C., 129-28-8707.
Wesley, Clemon H., 462-50-2012.
Wilkins, Jesse B., 241-56-9161.
Wilson, Gordon E., 558-54-7050.
Wilson, William D., 250-52-4348.
Winzurk, William F., 223-42-9649.
Wood, Nelson V., 318-30-6804.
Wunder, William H., 512-26-9512.
Yaun, William W., 231-44-6811.
Zirkle, Michael N., 577-52-6937.

CHAPLAIN CORPS

To be colonel

Beaver, Reinard W., 531-24-0846.
Bell, Arthur F., 411-48-2674.
Brandt, Richard A., 543-32-0732.
Courtney, Ocie I., 455-30-4544.
Darcy, Richard L., 565-22-4439.
Dryer, Richard E., 122-26-4046.
Jernigan, Dule R., 445-34-6288.
Meier, Max E., 317-34-1102.
Moore, Jesse W., 426-58-5049.
Nosser, Joseph C., 132-24-3454.
Nunemaker, Harold E., 159-20-6918.
Peacock, William L., 254-38-7263.
Reswick, George V., 137-26-8402.
Speitel, Edmond J., 190-18-8230.
Tolbert, Carl E., 450-36-7203.

JUDGE ADVOCATE CORPS

To be colonel

Adams, Allen D., 458-38-0888.
Andrews, Thomas T., 219-28-2594.
Fugh, John L., 577-48-9337.
Henson, Hugh E., Jr., 460-52-7200.
Lasseter, Earle F., 419-44-8960.
Loftus, Martin R., 166-26-9842.
Mooneyham, John A., 498-28-5935.
Mowry, Richard E., 511-42-1538.
Oroark, Dulaney L., 260-52-5998.
Raby, Kenneth A., 504-30-0139.
Ryker, George C., 533-32-6849.
Scheff, Richard P., 253-54-8689.
Suter, William K., 402-50-2918.
Thornock, John R., 518-34-7867.
Tichenor, Carroll J., 541-38-3465.
Tracy, Curtis L., 528-52-3876.
Wasinger, Edwin P., 509-32-1300.
Witt, Jerry V., 451-52-0112.
Wold, Pedar C., 501-26-7587.

MEDICAL SERVICE CORPS

To be colonel

Adcock, Bobby R., 439-44-8130.
Edwards, Lewis M., 528-40-6823.
Erickson, Duane G., 396-24-2375.
Fields, Robert E., 461-44-4615.
Hatfield, Earl P., 517-28-1575.
Hawkins, Sanders F., 058-28-9520.
Herndon, Joseph E., 248-48-9978.
Jung, Paul T., 347-28-3584.
Kleber, Robert E., 024-28-0647.
Koch, Joseph L., 506-30-1056.
McDermott, Frank E., 525-66-7046.
McMahon, Robert P., 503-34-5917.
Moore, Douglas E., 429-60-6892.
Naylor, Donald L., 303-36-9269.
Ohaver, Donald R., 233-52-8416.
Pitchford, Thomas L., 178-26-2519.
Sperandio, John R., 160-32-1157.
Turner, James G., 537-32-8779.
Vann, Lawrence K., 531-32-6036.

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Graziano, Joan M., 205-26-8530.
Hall, Mary S., 223-46-0423.
Johnson, James E., 531-20-0110.
Landen, Betty R., 024-20-6412.
Layne, Dorothea F., 231-58-8162.
Lofton, William Jr., 384-26-3795.
Mack, Margaret M., 011-24-8146.
Ozburn, Mary S., 253-56-0146.

VETERINARY CORPS

To be colonel

Davidson, David E., 161-28-6486.
Farris, Richard D., 374-32-4440.
Hagberg, Mylo M., 473-26-2863.
Vanzytveld, William, 380-28-2025.

ARMY NURSE CORPS

To be colonel

Adams, Clara L., 243-58-3140.
Dougherty, Thomas J., 394-28-5241.
Gorman, Carole A., 396-28-1673.
Horan, Mary T., 093-22-6550.
Murray, John L., 210-26-2838.
Nurse, Joyce J., 065-22-4213.

ARMY PROMOTION LIST

To be lieutenant colonel

Consolo, Joseph L., 080-32-6061.
Deryck, John L., 227-30-5813.
Flanigan, Desmond W., 070-30-8785.
George, Robert C., 152-28-4997.
Goff, Robert C., 006-38-8746.
Henderson, Thyrone L., 403-52-8900.
Houle, John L., 263-56-6507.
Jeffrey, Jerry R., 234-62-8627.
Kroll, Gerald, 284-32-9431.
Mark, Michale E., 530-20-4440.
Wandke, Richard D., 006-36-3042.
Williams, James E., 466-66-3755.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Hawkins, Joseph W., 411-58-5216.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be captain

Aurents, Forrest W., 232-82-6071.
Beard, Casey F., 539-48-6063.
Compton, William M., 087-44-4436.
Crader, John W., 495-54-9294.
Dierker, Charles J., 201-38-5477.
Doerr, Gunther E., 263-92-6170.
Edwards, John E., 585-16-9681.
Gant, Charles L., Jr., 461-74-1589.
Gayle, Timothy J., 429-92-8766.
Goodrich, John H., 507-60-3275.
Ihara, Sheldon K., 549-74-5911.
Izzo, Leonard A., 144-42-6542.
Madden, James E., 264-02-4024.
Maher, Edward R., 115-42-9498.
Mandro, Theodore J., III, 041-48-9313.
Perry, William B., 537-46-6715.
Pugh, William H., Jr., 224-66-6157.
Sommerfeld, Paul R., 324-42-0306.
Speicher, Lana K., 523-64-9743.

JUDGE ADVOCATE CORPS

To be captain

Butt, William J., II, 431-84-6810.
Martin, Robert W., 410-90-5705.
St. Amand, Gerald A., 013-40-2594.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Ackerman, Carl W., 248-44-9887.
Adams, Don T., 266-44-2032.
Adams, Donald L., 513-26-8965.
Adams, Edmund I., 252-52-2774.
Adams, James E. 347-28-0672.
Adreon, Merton I., 492-24-8644.
Agan, Eugene F., Jr., 083-22-9254.
Aguiar, Antone S., 015-28-1753.
Aiken, William R., Jr., 252-40-6882.
Allen, Edward R., 025-26-8625.
Allen, Kenneth P., 570-28-1400.
Allen, Robert L., 273-28-0529.
Allgood, Reginald F. 435-36-2023.
Allred, Warren D., 529-30-1914.
Althouse, Howard W., 542-38-1286.
Amador, Julian W., 569-32-4395.
Andersh, Laverne, 503-28-5214.
Anderson, Delonne, 528-28-6040.
Anderson, Douglas F., 528-40-8782.
Anderson, Harold K., 230-44-3864.
Anderson, Henry A., 122-24-6811.
Anderson, Howard D. 314-30-3895.
Anderson, Johnny D., 477-30-1577.
Anderson, Kenneth B., 262-30-5064.
Anderson, Matthew R., 162-20-7446.
Anderson, Richard A., 001-20-8884.
Anderson, William D., 248-64-8017.
Andrews, Jessie M., 419-28-1287.
Andrews, William E., 340-22-5593.
Annette, William H., 270-24-2576.
Anthony, James G., 418-48-0183.
Arakawa, Shojiro, 576-28-9604.
Arcuri, Rosario V., 058-24-2382.
Arlook, Martin M., 149-24-3937.
Armstrong, Richard, 424-30-3612.
Arnold, Norman T., 509-20-1774.
Artz, Dale E., 374-28-8939.
Atkinson, Dean M., 308-22-0712.
Atkinson, John C., 008-20-3369.
Aviles, Dionel E., 450-52-3680.
Axe, Norman, 203-26-9755.
Babb, Philip E., 006-20-7764.
Badders, Richard G., 514-32-2652.
Badger, Daniel D., 230-42-7463.
Baggett, Jimmy D., 454-50-6474.
Bailey, David E., 242-48-5402.
Bailey, Douglas A., 155-22-5197.
Bajer, John M., 351-20-1443.
Balch, Bruce L., 334-20-4662.
Baltimore, Sol P., 370-20-6013.
Banks, Robert C., 282-26-6880.
Banta, George C., 395-28-1225.
Barker, Joseph H., 257-36-8801.
Barker, William J., 533-30-8425.
Barlow, Anthony H., 528-30-8392.
Barnes, Carl A., 381-24-4713.
Barnett, Walter L., 461-20-8875.
Barrett, Billy G., 425-58-7761.
Barrett, Ronald E., 261-44-7232.
Barringer, John L., 160-24-4811.
Barton, William C., 539-22-1861.
Bass, David A., 449-50-5062.
Bateman, Glendon H., 519-24-0342.
Bates, Harold G., 436-42-4868.
Baugh, Edward L., 375-30-6928.
Baumgartner, Edward, 471-30-3501.
Beall, Michael H., 443-28-8475.
Beariault, Douglas G., 535-26-5784.
Beaulieu, Gerard J., 030-22-6077.
Beaumont, Richard J., 004-32-9467.
Bedard, Norman L., 039-18-9088.
Beers, Ray, Jr., 513-24-3188.
Behnke, Ervin F., 391-24-5949.
Belken, Donald C., 452-34-5412.

Bell, James D., 432-34-2760.
Bell, Raymond L., 490-28-7064.
Bell Richard, 442-20-7052.
Bella, Daniel E., 300-22-0408.
Bellman, Lawrence M., 089-28-4914.
Bengston, Donald W., 480-28-0561.
Berestecky, B., 021-26-8769.
Bergamini, Frank C., 402-38-2270.
Bergey, Hans T., 179-24-9302.
Bernard Richard T., 454-46-1701.
Bernick, Herbert J., 470-26-8080.
Berry, David A., 003-26-1285.
Berryman, William C., 418-30-0801.
Bertsch, Leroy L., 334-24-1083.
Beumer, Joseph H., 423-40-2017.
Bibiloni-Homar, J., 581-70-3722.
Biediger, Paul N., Jr., 466-42-5933.
Bilbrey, Thurman H., 447-30-0184.
Biller, Lester C., 399-20-9504.
Bishop, Lawrence H., 550-40-8021.
Bishop, Ronald E., 007-32-2728.
Blanchfield Thomas, 091-24-5334.
Bland, Lester, 217-20-1448.
Blau, Ronald A., 130-26-1441.
Bobo, William S., Jr., 249-64-5722.
Bockelman, Alfred J., 491-32-1842.
Bodron, Margaret M. 427-58-6714.
Bond, Jay R., 447-30-6078.
Bonnis, Charles J., 356-28-9059.
Bookout, John G., 423-40-8053.
Borum, Charles J., 419-32-2516.
Bostick, Allen L., 435-38-7835.
Bostwick, Maurice G., 530-12-3778.
Bourne, Darden J., 425-52-0126.
Bowen, George W., 249-50-9056.
Bowman, Peter W., 017-22-3876.
Bowman, Thomas M., 457-46-5977.
Boyd, Frank E., 531-28-7697.
Boyle, James S., 144-26-8417.
Brackeen, Charles D., 425-52-2623.
Bradley, Orren P., 424-28-6140.
Bradley, William G., 578-40-9713.
Brady, Joseph T., 265-42-9191.
Braund, Richard I., 339-24-3159.
Brauner, Clarence J., 435-40-4351.
Brause, Paul R., 274-28-2433.
Breazzano, James, 119-24-9851.
Breneman Robert W., 535-20-6096.
Brett, Charles E., 447-30-2395.
Brewster, A. J., III, 267-24-5336.
Bridges, William E., 464-26-4724.
Brinkley, Carson M. 239-48-1054.
Britt, Dudley H., 243-26-1001.
Brock, Leroy C., Jr., 437-42-1066.
Bronocco, Dick, 459-34-9112.
Bronson, George A., 382-20-4457.
Brooks, Joseph H., 055-26-6910.
Brooks, William D., 245-50-8790.
Brough, Charles W., 185-28-2149.
Broughton, Herbert, 557-30-6702.
Brown, Benny J., 424-42-4129.
Brown, Frederick C., 027-24-2917.
Brown, George L., 340-24-4476.
Brown Gordon G., 441-30-3689.
Brown, Harold S., Jr., 039-18-3231.
Brown, Jack C., 420-42-1544.
Brown, Richard B., 382-20-2102.
Brown, Stephen M., 037-20-6838.
Brown, Thomas E., 528-40-2736.
Brusino, Francis B., 068-26-6438.
Bryan, Ronald M., 227-42-3441.
Bryant, Arthur R., Jr., 249-40-5741.
Bryson, Thomas J., 248-40-2925.
Buchan, James D., 074-24-4092.
Buck, Robert H., 411-38-3491.
Buell, Donald E., 546-30-0184.
Buffone, Frank H., 129-20-9826.
Buggy, James R., 177-24-6111.
Burcham, Thomas H., 568-48-7500.
Burchill, Kenneth Q., 274-26-4669.
Burke, John L., 021-24-4023.
Burkett, William E., 423-28-7469.
Burnette, Luther, 070-22-1224.
Buskey, Ulysses, 248-36-4775.
Buteau, Robert T., 037-20-9737.
Calhoun, Evans C., 414-38-7578.
Cameron, Booker T., 457-38-7523.
Camp, Leon R., 429-46-3524.
Campbell, Glenden D., 314-32-8711.
Capellen, Earle M. V., 424-32-8159.
Cappelluti, Maurice, 558-32-4161.
Carew, William L., 305-30-2741.
Carlisle, Harold W., 254-52-2449.
Carlson, Edwin S., 094-22-2256.
Carnes, Charles N., 406-32-9934.
Carpenter, Eugene H., 405-52-9362.
Carr, Francis F., Jr., 229-46-1494.
Carr, John W., 381-26-1963.
Carrouth, Stewart J., 264-26-0988.
Cartafalsa, John B., 086-22-4586.
Carter, John P., 194-22-1850.
Carville, Linwood L., 005-26-7161.
Casey, Patrick A., 472-24-6519.
Caso, Adolph, 024-26-7616.
Cawley, William O., 456-40-8817.
Chamberlain, Robert, 009-20-3280.
Champion, Jasper K., 421-36-1467.
Chandler, Carl E., 534-22-7257.
Chandler, James G. J., 024-20-4036.
Chapman, David J., 507-40-1168.
Charles, Russell D., 193-24-0975.
Chastain, Richard L., 310-30-8683.
Cheney, Melvin J., 033-12-0433.
Cherberg, Clyde R., 535-26-7531.
Chesnutt, John L., 536-28-8212.
Chin, Thomas, 029-26-1637.
Church, Clifton F., 239-42-6013.
Cioffi, Frederick T., 066-24-8652.
Clark, Francis M., 158-20-1956.
Clark, James R., 228-30-6224.
Clark, John P., 485-34-2215.
Clarke, Ellsworth S., 142-22-9645.
Clay, Brent A., 407-44-3985.
Claybrook, Linden D., 435-44-7773.
Clayton, Lawrence G., 385-32-0746.
Clemens, Gerald O., 228-48-8646.
Clement, Daniel G., 576-28-7818.
Clement, Ralph H., 432-32-5006.
Clysdale, Edward G., 370-28-4468.
Coates, Allan R., Jr., 557-38-1019.
Coates, George M., Jr., 265-24-8366.
Cockett, Irwin K., Jr., 575-28-1335.
Cofsky, Frank J., 023-26-2604.
Cohen, Victor L., 257-30-6087.
Coker, Larry G., 512-32-7875.
Colafrancesco, R., 035-22-3079.
Coleman, Vance, 388-24-3313.
Collins, James R., 572-40-9769.
Collins, Paul G., 407-40-6086.
Collins, Thomas E., 477-34-1619.
Comparato, Frank E., 131-22-4221.
Comte, A. J., Jr., 317-22-7042.
Condon, Frank E., 248-44-8287.
Conlon, Kenneth F., 108-22-0885.
Conn, Charles G., 246-36-7850.
Conneely, Joseph J., 135-22-4283.
Cope, Ross N., 565-24-5060.
Corbell, Charles D., 439-34-0586.
Corbitt, Herman H., 242-40-1513.
Cornaire, Lee P., 133-28-9152.
Corral, John T., 550-38-7145.
Corrigan, Robert J., 097-22-8550.
Costa, Louis E., 249-30-6177.
Cotter, Chester F., 085-24-4511.
Cotton, Fred A., 577-46-1418.
Courtney, Garvin, 436-40-1295.
Cowan, Donald, 329-24-0625.
Cox, Edwin, 255-52-0394.
Cozzens, Charles R., 452-36-3873.
Craig, Joe W., 243-40-8155.
Craig, Leon D., 229-36-0812.
Crair, Morton L., 132-20-5385.
Cramer, John J., 326-20-5038.
Crawford, John P., 461-34-6173.
Crockett, Wendell R., 576-24-5593.
Crofoot, Warren R., 309-20-5298.
Cross, Howard P., 431-34-7331.
Cross, Julian F., 458-38-3930.
Culbertson, James G., 525-40-6757.
Cullum, William D., 465-48-4187.
Cumbee, Carroll F., 726-14-6357.
Cuthbert, Peter W., 128-22-7028.
Dalche, Richard J., 436-36-1978.
Dale, Clifford H., 505-34-1703.
Dale, William S., 039-22-0119.
Daniel, Don O., 459-48-6364.
Daniel, James R., 412-32-2126.
Danko, John G., Jr., 192-24-2818.
Dansby, Billy D., 262-42-4833.
Dapena, Ramon, Jr., 551-46-1560.
Darling, Ivan R., 374-34-6393.
Davis, Charles D., 483-22-2595.
Davis, Ollie, Jr., 577-42-3028.
Dawson, Robert W., 457-38-9856.
Deal, Clifford M., 241-52-8609.
Dean, Wilson P., 370-34-5010.
Deane, Howard D., 085-22-4064.
Dearing, James H., 404-42-8154.
Dechert, Robert C., 229-30-6134.
Dechter, Brian H., 534-28-3835.
Decker, Gilbert F., 249-52-5310.
Delgianni, James L., 532-32-5842.
Derbis, Albin B., 311-28-0913.
Dethorne, Richard F., 347-24-5356.
Detjen, James E., 397-26-9690.
Diggins, John J., 029-26-5016.
Dilts, Robert L., 269-26-6350.
Dimke, Robert L., 288-24-3430.
Dimmick, Paul V., Jr., 268-24-2509.
Din, Jack H., 561-30-6666.
Diss, William T., Jr., 524-28-2583.
Dodd, Robert E., 267-34-3336.
Dodge, Galen W., 506-28-3233.
Donaldson, Walter, 177-22-4595.
Donnelly, William L., 525-38-5884.
Donohue, Donald J. J., 327-26-7420.
Doody, Lee A., Jr., 004-24-1746.
Dorsey, Kenneth E., 278-28-2795.
Douglas, George W., 234-52-5315.
Douglas, James R., 375-20-5911.
Douglass, Harry S., 146-22-5604.
Douthit, Floyd, 423-44-0487.
Doyel, Henry A., 497-20-3918.
Doyle, Verne L., 503-20-7831.
Drennon, Charles C., 409-52-0690.
Drews, Frederick R., 060-22-5457.
Dunn, Wesley A., 529-40-7156.
Dupont, Leland L., 455-32-1979.
Durham, Courtney B., 525-80-9081.
Eads, Ray A., 227-28-3681.
Eanes, Moir E., 226-30-0053.
Eckhardt, Walter, 100-22-3421.
Edgett, William T., 023-24-5425.
Edwards, Mary E., 519-20-8218.
Ehrlich, Addison C., 522-44-3632.
Eickhoff, Leo E., Jr., 488-32-5909.
Eldridge, Jack A., 542-22-2195.
Engel, Frederick W., 148-28-0840.
Engelage, R. W., Jr., 490-30-9203.
Engle, Robert B., 304-36-2693.
Ernst, Jerome W., 344-26-3409.
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St. Louis, Joseph A., 553-34-9045.
Suckow, George R., 542-34-2322.
Swan, Kenneth G., 100-28-6104.
Thomas, Gordon G., 482-26-2301.

MEDICAL SERVICE CORPS

To be colonel

Araneo, Vincent M., 102-22-7150.
Bertke, Eldridge, 390-16-6492.
Blomquist, Calvin B., 473-26-0856.
Clardy, James D., 486-30-7580.
Cox, Russell K., 224-22-9851.
Dicenzo, Edward F., 014-22-4898.
Donlan, David A., 050-26-6819.
Ervasti, Marlyn K., 476-34-8430.
Finley, James E., 056-28-6368.
Fodero, Severio D., 049-24-8049.
Hanson, Philip J., 526-42-1643.
Hemecker, Ralph C., 116-24-0869.
Holmes, Roy J., 461-30-4509.
Josehart, Harold E., 373-34-2224.
Leitch, Richard L., 532-28-2754.
Machlan, Edward F., 267-40-2573.
Moussa, Moufield A., 306-46-2970.
Muirhead, James A., 462-50-8470.
O'Brien, Leo J., 493-22-2983.
Pappas, Louis P., 559-20-5151.
Prough, James K., 334-22-1932.
Roisum, Robert C., 399-26-8153.
Roseman, Arnold S., 017-22-1149.
Ryder, Douglas A., 561-46-0755.
Stillings, Richard, 006-24-5621.
Strannigan, Dale L., 487-34-7437.
Walter, Robert A., 249-46-4097.
Ward, William S., 529-28-5806.
Welch, Clyde E., 239-44-4204.
Woodruff, John I., 091-14-9739.
Ziegler, H. E., Jr., 274-30-3482.

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Abbot, William Y., 202-20-0195.
Daniel, Alfred N., 209-24-0632.
Haag, Charles M., 208-18-7559.
Hartman, Charles W., 337-22-0505.
Miller, Clara L., 266-40-8114.

VETERINARY CORPS

To be colonel

Lyons, Richard D., 368-26-7130.
Mock, James F., 194-24-9717.
Sawyer, John C., 507-32-5530.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Abel, Kenneth R., 418-40-9898.
Abell, Robert B., 009-20-1965.
Ackerman, Duane V., 375-42-8495.

Ackerman, Kenneth G., 049-30-7821.
Adams, Henry W., 204-28-1216.
Adams, William D., 400-52-3307.
Adkison, Donald L., 261-50-2381.
Agrafiotis, Chrys C., 002-24-2638.
Ahrendt, Allen A., 470-38-5979.
Alexander, Dean W., 472-36-8406.
Alpers, Norman E., 343-34-2058.
Amador, Donald L., 553-42-2110.
Amendolare, Joseph, 027-26-5027.
Amerson, Jimmy E., 422-38-3025.
Anaya, Gabriel, 525-70-0164.
Anderson, Guy W., 259-44-9692.
Anderson, Laird B., 254-50-9722.
Anderson, Richard K., 310-34-3332.
Anderson, Walter M., 423-48-6375.
April, Norman G., 029-12-8064.
Arledge, William L., 409-42-6914.
Armstrong, Henry A., 453-52-01.
Armstrong, Robert R., 135-34-5970.
Arnold, Jack E., 427-66-0281.
Arroyo, Wilmer A., 582-30-6330.
Atkins, Sumner W., 049-26-5448.
Atkinson, John K., 303-38-2644.
Axionoff, Yury J., 561-42-124.
Babb, Franklin R., 263-58-0660.
Babin, Donald L., 511-28-4886.
Bach, Albert P., 525-72-9873.
Bachmann, Robert T., 496-32-8074.
Baer, Julian E., 015-28-7213.
Bailey, Paul W., 242-54-4544.
Baker, Darrel P., 462-64-3645.
Baker, John H., 556-48-2190.
Baker, John R., 231-38-4535.
Baker, Maylon C., 282-60-4304.
Baker, William A., 219-32-4211.
Ballard, Norman D., 542-24-4460.
Ballin, Arthur F., 558-44-6662.
Barber, Ronald J., 142-24-6036.
Barbieri, Ferderand, 208-28-4686.
Barbosa, Cupeles J., 581-54-0268.
Barnes, Theron B., 516-32-9521.
Barrow, Benny B., 421-34-5383.
Bartlett, Richard L., 231-34-0180.
Baschon, Paul J., Jr., 246-20-5125.
Bates, Chester E., 086-26-2254.
Bates, Phillip H., 535-36-4858.
Beck, Lois M., 298-28-1723.
Beggs, Stanley K., 490-40-1212.
Begick, Paul, Jr., 380-38-7547.
Beisel, Charles C., 272-32-3539.
Belanger, Clarence, 007-22-3310.
Bell, Byron H., 403-44-4763.
Belvin, Stanley R., 526-68-5310.
Benham, Paul K., 213-36-9696.
Bennett, Ralph S., 456-58-1513.
Benson, Charles D., 161-30-2520.
Benson, James L., 528-24-3267.
Berg, David C., 196-30-1003.
Bergeron, Lawrence, 438-46-4925.
Berner, Robert A., 211-30-3296.
Besade, James H., 047-26-7424.
Bevan, Charles K., 252-48-4366.
Biggs, William A., 452-56-8631.
Billingsley, William, 419-50-8577.
Birch, Gerald F., 218-28-7749.
Birdsong, Robert G., 257-50-8007.
Bishop, Bobby J., 453-46-1708.
Bishop, Donald M., 459-38-7367.
Bisset, Stephen C., 538-36-7107.
Bjerke, Reuben E., 502-36-4418.
Blalock, James C., Jr., 264-44-0729.
Blanton, Lane C., 256-52-6882.
Blaylock, Arthur D., 367-32-0327.
Bludworth, David H., 263-60-1952.
Boghosian, Edward M., 321-26-5104.
Bolla, James R., 107-30-0482.
Bolton, Ernest W., 463-64-0326.
Bonar, James S., 233-62-8855.
Bonner, Stanley G., 422-44-5276.
Borgen, Irvino, Jr., 247-52-8827.
Bottom, Gerald W., 405-50-2317.
Bowman, William L., 251-56-9907.
Boyer, Kenneth S., 210-26-5251.
Boyle, Robert O., 401-40-3783.
Boyle, William A., 047-22-6343.
Brackett, John M., 296-20-9599.
Braddy, George A., 412-52-1693.
Brady, Edward J., 116-30-2929.
Branden, James F., 509-36-1323.
Brandt, Dwaine C., 540-38-7465.
Brewster, James E., 004-30-8536.
Brickley, John P., 200-22-0214.
Brock, Robert J., 287-30-1733.
Brookhart, Charles, 526-50-5445.
Brooks, Percy E., III, 421-50-9470.
Brooks, William R., 252-52-5602.
Brothers, Charles E., 008-20-1609.
Brown, Carlton E., 240-56-0468.
Brown, Carter N., 315-36-0272.
Brown, Henry P., 183-24-3212.
Brown, Isaiah, 255-44-1297.
Brown, Pope T., 255-50-3706.
Brown, Raymond A., 411-52-8196.
Brown, Rufus W., 239-32-0932.
Browning, Richard R., 299-30-6407.
Bruh, Brian M., 059-34-2319.
Brune, Basel H., 343-30-2808.
Brunson, Charles W., 401-34-9358.
Brutscher, Baldwin, 405-44-4034.
Buck, George R., 250-48-3661.
Buckman, Donald K., 466-64-9449.
Burgess, Frederick, 457-58-2423.
Burnette, George W., 418-42-0460.
Burnham, Eugene S., 423-32-0644.
Burnside, Nile V., 519-30-6646.
Burse, Richard L., 020-26-9598.
Burton, Kenneth L., 413-58-4521.
Bushee, James W., 300-28-4436.
Butler, Ronald L., 388-34-0350.
Byrd, Bobby J., 460-40-2548.
Calain, Harry S., 235-38-4896.
Callaway, Charles P., 221-22-5269.
Calt, Eugene F., 358-32-3668.
Camachogomez, M., 581-70-0531.
Campbell, Jerry K., 459-52-2855.
Cann, Edward H., Jr., 228-32-6732.
Carey, Robert C., 305-34-3174.
Carlton, Patrick W., 237-50-7769.
Carmack, Douglas W., 305-38-0936.
Carmickle, Marion A., 524-50-1692.
Carmichael, Robert, 005-32-6751.
Carr, Linwood L., 005-28-9436.
Carroll, Gerald D., 313-28-3609.
Casellasjovet, R., 580-68-2175.
Casey, Fred H., 424-42-3899.
Castellon, Roberto, 553-40-1691.
Castle, Eugene H., Jr., 290-34-7265.
Cate, Charles C., 456-56-4733.
Cave, Lawrence H., Jr., 422-40-2205.
Chafitz, Harvey I., 022-30-0589.
Chain, Bela J., Jr., 409-50-3445.
Champ, Joe R., 454-64-2344.
Chandler, Martin E., 266-50-7781.
Channon, William H., 333-30-8072.
Chapman, Richard G., 250-58-5197.
Chapton, Gerald M., 537-30-9637.
Charlson, John M., 568-46-5119.
Cheeks, Albert J., 358-26-5828.
Chiaveta, Donald J., 066-32-1534.
Chilton, Charles B., 224-48-3397.
Chopay, Richard A., 054-30-3535.
Christensen, Neil C., 528-44-4083.
Chun, Howard H., 084-30-1122.
Chung, David S. D., 576-30-6887.
Clark, Donald M., 557-36-3733.
Clark, Dudley M., 541-46-2933.
Clegg, Thomas J., 015-28-1657.
Cobb, Arthur J., 147-22-0787.
Cobb, Howard D., 259-46-8045.
Cocchiola, Philip A., 047-28-9607.
Cock, Charles M., 215-32-4210.
Colburn, William B., 417-34-7886.
Coleman, Bestor W. I., 420-42-1353.
Collier, Wynsol R., 424-36-7452.
Collins, Thomas J., 096-28-4459.
Colontorres, Nicome, 581-66-7329.
Coltart, Richard J., 006-20-8511.
Colton, John P., 529-50-0688.
Compton, Donald R., 445-34-9226.
Confer, Ernest J., 370-42-5775.
Conley, Arthur A., 280-30-0161.
Cook, Ronald L., 392-32-8589.
Cooper, Alan S., 044-28-7847.
Cooper, Franklin D., 108-30-4962.
Cooper, John E., 459-54-3400.
Copeland, George M., 428-54-6367.
Copeland, James B., 358-28-7891.
Copp, Willard E., Jr., 059-22-8533.
Corey, Ronald T., 035-24-7616.
Corriere, Paul L., Jr., 545-48-6009.
Coton, Donald E., 511-32-9486.
Couch, James C., Jr., 413-54-1677.
Coughlin, James L., 032-26-8910.
Cowdrey, Sherman A., 030-28-9581.
Cox, Thomas F., 031-28-7958.
Crawford, Joseph B., 261-44-8067.
Crawford, Walter K., 415-62-0551.
Creamer, Billy H., 404-46-6985.
Crittenden, Robert, 242-52-2595.
Crouch, Hobert L., 392-30-6243.
Crowe, John T., 572-48-3633.
Crowe, Sterling D., 006-24-8332.
Crowley, Edward M., 030-28-1493.
Crox, John F., 409-56-8602.
Crutcher, Ronald R., 422-40-6109.
Cruz, Felix A., 270-34-2323.
Culbreth, Thomas A., 104-24-5313.
Cummings, Langdon S., 008-24-1975.
Cummins, David C., 531-32-2089.
Curran, Daniel R., 396-34-0572.
Curry, Truman A., 425-44-6586.
Dachowski, Theodore, 154-26-7216.
Dagnessa, Roy A., 086-22-6369.
Dale, George, 054-28-7732.
Damico, Paul A., 036-26-6005.
Daniel, Joe H., 414-50-1256.
Daniels, Glen E., 525-50-6740.
Danyow, Paul S., 009-22-3677.
Davis, Edward, Jr., 182-26-1002.
Davis, Hal W., 450-48-5902.
Davis, James A., 304-26-8222.
Davis, Me le L., 444-28-1341.
Davis, Wallace C., 017-28-2677.
Deaner, David G., 083-34-6699.
Declerck, James F., 054-32-4506.
Dees, Edward F., Sr., 421-20-8364.
Delius, Robert D., II, 413-58-4327.
Delk, Joe E., 302-26-1676.
Delmaramo, James A., 193-26-8961.
Delong, Alvin R., Jr., 235-48-0711.
Demarco, Richard M., 111-28-2533.
Derouen, Larry R., 434-46-2002.
Dickens, Waverly J., 229-44-4873.
Dilillo, Leonard M., 297-28-4020.
Dillow, Tommy R., 412-64-1175.
Diminno, Frank S., 144-28-5536.
Dixon, Donald N., 498-32-8951.
Dixon, Lloyd E., 297-26-1998.
Dobbs, Dan B., 409-38-2755.
Dominierki, Thomas F., 157-28-0448.
Doric, William J., Jr., 535-34-7873.
Dorsey, Vinton D., 292-32-2294.
Doss, Ersel A., 432-42-5234.
Drennan, Gerald M., 560-34-7545.
Duddy, William J., 156-24-9904.
Duffin, Gail L., 459-44-6095.
Dulaski, Benedict J., II, 218-38-5014.
Dunaway, James L., 255-56-1572.
Dunlap, Victor W., 248-58-8889.
Durham, J. R., 332-20-1510.
Dusenberry, Johnny, 443-34-2216.
Dworsak, William F., 102-22-3679.
Early, Joseph D., 401-30-3126.
Eckles, Melvin H., 306-32-6576.
Eden, Charles K., 558-50-3337.
Edmanson, John F., 222-20-6911.
Edwards, Don R., 264-54-5179.
Egan, Francis C., 023-30-8303.
Egerman, Virgil C., 476-22-3687.
Ehrlich, Arlin G., 321-30-7239.
Einselen, Peter C., 146-30-8538.
Elliott, Amos A., 525-46-2659
Elliott, Walter C., 218-40-6080.
Ellis, Charles H., Jr., 410-56-0939.
Engel, Carl R., 287-54-1473.
Ernst, Conrad D., 435-54-1246.
Ernst, Herbert, Jr., 270-32-8640.
Estes, Stokes R., 251-46-5765.
Evans, Richard W., 007-34-1822.
Everett, William S., 408-50-4368.
Fairbanks, Edward J., 024-30-8185.
Falcon, Glenn D., 364-34-8194.
Fanatico, N. W., 070-32-9825.
Fancher, Roderick, 421-38-7295.
Fanelli, Nicholas A., 049-28-4547.
Fannin, Rufus W., 417-38-0394.
Fanning, John J., 539-30-0523.
Farese, Philip J., 101-26-2546.
Farmer, Arthur J., 427-64-3569.
Farmer, Claude C., 227-46-3926.
Farmer, Hugh M., 562-22-9280.

Farris, Thomas H., 480-36-5128.
Faulkner, Robert S., 260-42-9846.
Fields, Finnell L., 404-38-0033.
Filean, Arthur S., 478-44-4848.
Filek, Robert L., 353-28-3684.
Finley, Franklin, 526-68-0614.
Finley, Joseph E., 423-40-9879.
Fish, Charles G., 105-28-8680.
Fisher, Martin C., 27326-5305.
Fitzgerald, James H., 025-30-0453.
Fleakes, Lyle J., 542-30-6710.
Flores, Humberto, 459-46-1266.
Follett, Roy H., 522-46-4721.
Fontenot, Jules M., 434-46-4924.
Ford, Brian T., 504-44-4810.
Ford, James P., 424-44-8732.
Ford, Joe M., 417-46-3434.
Forester, Jerrold, 417-40-5763.
Ford, James F., 424-44-8732.
Forgey, Robert W., 428-64-7599.
Forrest, John B., 082-30-1510.
Foster, Edward W., 028-28-8190.
Foster, John R., 299-30-8501.
Fountain, Robert C., 221-24-4851.
Fox, Nathan, 439-56-2689.
Fox, William I., Jr., 404-46-8152.
Fraley, Robert J., 227-26-8141.
Franklin, Ralph L., 442-34-9781.
Franklin, William D., 252-52-4028.
Frants, Joseph M., 299-28-0834.
Fraser, David J., 398-32-5136.
Fraser, Thomas M, 037-32-5284.
Freal, Joseph J., III, 262-52-1787.
Freyou, Ernest, 436-56-3840.
Frey, Jesse J., 556-48-5120.
Friedman, Seymour L., 014-26-0142.
Friedrich, Russell, 142-28-1563.
Fromm, William D., 391-34-5582.
Fuller, Robert D., 420-42-0339.
Fulton, William L., 239-44-2657.
Gaines, John W., 442-34-0349.
Galavi, Felipe, 460-32-9975.
Gallagher, Joseph V., 161-28-5533.
Gant, Donavan L., 443-36-9006.
Garcia, Amador, 454-54-9574.
Garcia, Servero A. J., 460-62-0869.
Garcia, William J. J., 078-30-2733.
Garlock, Joel D., 399-34-4065.
Garofolo, Louis L., 115-24-5336.
Garringer, Donald O., 452-38-9308.
Garrison, Ronald D., 482-42-7375.
Gaylord, Lynn D., 316-36-0800.
Gedda, Raymond J., 382-26-9241.
Geilear, Edward A., 018-26-7615.
Gelston, Karl A., 180-20-0912.
Giffin, William W., 300-30-4503.
Gill, John M., 342-30-7051.
Gilman, Harry S., 002-22-9302.
Gilson, Alfred J., 387-34-6700.
Glover, Tommy D., 237-54-5350.
Goelzer, Norman E., 333-28-5425.
Goff, Marvin C. J., 400-54-8657.
Goguiski, Casimir J., 371-30-5703.
Gonzalezglerbolin, 582-72-9805.
Gonzalezsantiago, F., 582-16-0506.
Goos, William J., 493-44-5595.
Gottwald, Joseph A., 190-14-9412.
Graham, James C., 269-32-8530.
Graser, Alfred J., 119-32-8970.
Gravely, William S., II, 232-50-6213.
Gray, Howard C., Jr., 267-42-7618.
Green, Alvia W., Jr., 463-48-4591.
Green, Nick, Jr., 362-36-2414.
Green, Robert M., 184-26-9747.
Greene, Ralph G., 261-46-7025.
Greer, Eldon G., Jr., 442-38-4707.
Griffin, Richard E., 474-28-5336.
Griffin, Wayne L., 374-30-2809.
Grigg, Aussie B., Jr., 438-54-1822.
Grisham, Robert H., 399-30-7033.
Gross, Franklin C., 503-32-7376.
Gualtieri, Samuel, 016-28-8772.
Gustafson, Lavern A., 503-30-2685.
Haberman, Roger L., 515-30-9132.
Hagerup, Eric, 399-30-3373.
Hairrel, Rufus M., 443-32-0595.
Halbert, James R., 460-64-9468.
Hale, John D., 430-72-9089.
Hall, Bruner L., 410-66-6895.
Hall, David M., 423-46-3085.
Hall, Ronald B., 455-52-1559.
Halle, Richard R., 003-24-3929.
Hamlin, Sammy R., 444-34-2271.
Hancock, Ira L., 224-50-2468.
Hanks, Donald M., 528-26-3625.
Hannawacker, Joseph, 158-24-2732.
Hanson, David L., 477-32-2212.
Hapgood, Thomas L., 185-28-6740.
Harmon, Billy F., 415-54-9976.
Harney, Lawrence T., 476-28-2234.
Harper, Sanford E., 416-48-7340.
Harris, Hollin L., 525-66-2176.
Harris, William K., 186-32-7955.
Harrison, Monroe A., 429-54-4851.
Hart, Norris M., 447-34-2706.
Harter, Robert L., 503-26-6724.
Hartman, James P., 494-38-3259.
Hartman, Robert S., 191-28-2371.
Harvey, Robert D., 021-22-4946.
Harvie, John S., III, 224-44-2161.
Hatcher, Joseph F., 444-34-1495.
Hattox, Gene D., 467-48-2088.
Hawkins, Harry E., 427-62-4014.
Hayes, Don L., 448-34-0065.
Hayward, William A., 428-66-9215.
Henderson, Gerald A., 023-28-9634.
Hendrickson, C. N., 562-44-9653.
Henke, Henry J., Jr., 461-60-2591.
Hennecy, Robert E., 245-46-3532.
Herber, Peter H., 303-40-3100.
Herman, Curtis W., 475-32-0381.
Hernandezvelez, I., 582-70-2064.
Herndon, Eugene K., 429-58-3321.
Hersey, Lawrence J., 021-26-2370.
Hersom, Ronald G., 481-40-0624.
Hickey, Bernard E., 034-24-6148.
Hickey, William, 436-52-1841.
Hill, Darrel W., 226-24-6913.
Hill, James N., 242-56-2212.
Hill, Ollie W., 424-38-2124.
Hill, Robert C., 453-50-6329.
Hilson, Gerald D., 538-36-1025.
Hinckley, Richard E., 020-26-1453.
Hiner, Leroy H., 518-34-0401.
Hines, Robert M., 244-20-3214.
Hinson, Luther O., Jr., 249-44-2966.
Hirabayashi, Yoshito S., 560-60-1500.
Hipp, Curtis W., 248-64-0776.
Hitch, William A., Jr., 425-36-3158.
Hoch, Leonard L., 180-28-4890.
Hofmann, Adolf H., Jr., 128-28-7250.
Holcomb, Johnnie M., 434-44-0818.
Holder, Charles J., 462-56-9010.
Holladay, John C., 229-44-0698.
Holohan, William J., 118-28-8104.
Honeycutt, Noel W., 426-54-0603.
Hoover, Jerry F., 316-36-0235.
Hoover, Milton B., 482-34-4517.
Hopkins, Billy D., 307-34-6891.
Horn, Jimmy R., 466-48-7366.
Horne, William L., 430-54-9899.
Horsley, James O., 421-46-5729.
Houser, David A., 263-56-3080.
Houston, George K. J., 458-46-1888.
Hovda, Clayton A., 728-07-3917.
Howell, William H., 425-50-9578.
Huber, Joseph H., 165-22-5255.
Huber, William B., 049-30-0209.
Hudson, Carl T., 411-60-1246.
Hudson, Daniel E., 263-64-5826.
Hughes, Robert L., 285-32-6229.
Hurley, Joseph V., 420-36-3155.
Hutslar, Robert H., 317-34-8449.
Idol, Paul E., 510-32-8337.
Ingram, Joseph H., 246-46-2809.
Irby, Thomas M., Jr., 426-60-3168.
Irvin, John J., 454-52-8182.
Irwin, Boyce W., 455-54-7914.
Isaak, John E., 554-48-2076.
Ivanoff, Michael V., 569-42-3806.
Jackson, Norwood E., 579-48-1242.
Jacobberger, Donald, 568-46-8443.
Jacobs, Robert J., 294-26-7345.
Jacobson, Joseph D., 529-52-9079.
Jacobson, Lowell D., 503-42-3193.
Jambon, Orleans A., 434-52-8361.
Jankowski, John F. 052-22-0332.
Jastrow, Donald R., 398-32-6053.
Jefcoat, Donis, O., 427-68-1445.
Jefcoat, Major D., 425-52-3276.
Jefferies, Ansell J., 261-38-7036.
Jenkinson, John J., 122-28-8474.
Jobczynski, George, 184-26-8320.
Johannes, Richard K., 414-54-8832.
Johnson, Clarence G., 478-32-7222.
Johnson, Edwin E., 254-52-6053.
Johnson, George W., 515-50-3838.
Johnson, George W. J., 423-40-6559.
Johnson, John O., 423-20-3091.
Johnson, Luther C., 245-50-4982.
Johnson, Oase S., 308-30-8563.
Jones, Alvin T., 175-30-0656.
Jones, Lemuel B., 251-36-5224.
Jones, Roy H., 244-42-0848.
Jones, William M., 239-40-2223.
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Colonmelendez, M., 581-14-9546.
Davis, Dale A., 515-38-2056.
Davis, Marilyn L., 504-30-5830.
Davis, Marion L., 256-48-8931.
Edgington, Carol L., 288-34-7724.
Farris, Toby E., 465-50-1163.
Ford, Nancy I., 211-28-0339.
Green, Dolores, 146-28-5895.
Haag, George P., 059-24-9189.
Hart, Sylvia K., 244-58-8009.
Haven, Meta S., 108-24-9525.
Hendershot, Russell, 276-22-6521.
Hinson, Norwood, 238-58-6019.
Holland, Maureen, 037-22-9035.
Hollingsworth, A., 381-36-7163.
Jones, Marsha M., 410-60-6920.
Klapinski, B. A., 309-26-7735.
Kultoljinda, T., 351-34-5253.
Lavarn, Emery A., 132-28-3427.
Martin, Norma L., 316-32-0168.
McDaniel, Ethel M., 417-32-2391.
Mennega, Wubbina A., 378-34-4313.
Miller, Evelyn S., 018-28-0319.
Musacchio, M. J., 403-46-7507.
Norwood, Zona M., 432-52-3013.
Peterson, Dolores P., 356-20-1530.
Policare, Rocco J., 202-26-0421.
Rank, Michael, 466-66-8363.
Reneau, Jaunita F., 493-38-5136.
Resko, Carolyn B., 170-30-2417.
Ripple, Helen B., 536-30-0888.
Rosadootero, Adolfo, 581-64-0675.
Scanlon, Sally D., 087-26-2904.
Staubin, Robina S., 029-22-3443.
Stephens, Claire E., 429-54-4889.
Stevenson, Judith N., 035-24-6193.
Stofer, Patricia R., 307-32-6891.
Story, Mary F., 125-28-7704.
Szczecinski, S., 177-26-2666.
Vess, Bernarda L., 271-30-5636.
Wall, Phyllis Z., 305-42-3075.
Wieczorek, Chester, 373-32-4328.
Wiggin, Carol J., 045-26-8252.
Wrench, William R., 515-40-1164.
Young, David, 250-52-7845.

DENTAL CORPS

To be lieutenant colonel

Alexander, K. V., 461-64-5308.
Allmon, Harry B., 514-20-9942.
Jones, John C., 528-44-3413.
King, William P., 407-44-5648.
Ayers, George W., 267-36-5207.
Baumgarten, Richard, 400-42-5905.
Bell, William A., 516-34-6967.
Bentley, Billy C., 423-40-8094.
Birkholz, Howard, 390-34-4360.
Daigle, Albert R., Jr., 026-22-3995.
Davis, Lavanda L., 428-74-6176.
Desjardins, Ronald, 002-28-9432.
Edwards, Theodore P., 105-26-6629.
Engsberg, David A., 491-38-5745.
Fritz, Andrew J., 041-24-9782.
Gage, Raymond W., 262-40-4167.
Garrett, James S., 510-22-5171.
Gaskill, Billy W., 431-50-6911.
Grantham, Gregory P., 266-52-0336.
Guilberteau, James J., 462-44-8605.
Hastings, John G., 108-30-3912.
Johnson, David G., 509-26-3061.
Kinsey, Richard S., 256-50-8164.
Lainson, Phillip A., 485-36-7183.
Lesmeister, Warren, 431-66-5769.
Nardini, Michael J., 056-34-9518.
Natiella, Joseph R., 086-30-8399.
Olechowski, G. W., 045-28-3458.
Perry, Leland R., 549-38-5427.
Rafferty, Robert G., 018-24-2482
Riggle, Brian M., 002-16-4918.
St. Germain, Andre E., 031-28-6187.
Tuggle, Dewey H., 408-50-7856.
Varn, Miles H., 251-60-1374.
Walgren, William J., 539-34-9930.
Weigt, Frederick C., 398-36-9183.
Whiteside, Erwin R., 096-28-0660.
Wolfgang, Lawrence, 132-30-6914.
Zagami, Angelo M., 104-26-4996.

MEDICAL CORPS

To be lieutenant colonel

Alanis, Fidencio, 279-44-3532.
Babcoke, Gary A., 314-34-5574.
Baker, Charles J., 312-42-0013.
Baumann, John A., 390-36-1377.
Beard, Jeriel A., 378-36-6582.

Beck, Theodore M., 051-30-8898.
Bendana, Roberto J., 052-42-9004.
Board, John P., Jr., 462-56-8073.
Brown, Joseph D., III, 460-54-1221.
Coil, James A., Jr., 524-40-8192.
Delvalle, Francisco, 581-58-2240.
Dsouza, John P., 095-46-2867.
Dugan, William M., 316-38-2146.
Dupourque, Daniel, 564-72-4690.
Ferrell, Donald P., 448-36-2980.
Forrest, Peter E., 527-44-5329.
Forsythe, James W., 549-50-4098.
Garry, Vincent F., Jr., 112-28-1984.
Grossman, Joshua B., 213-38-5417.
Hall, Ronald R., 442-36-5117.
Hardy, Ronald G., 515-28-7784.
Henderson, John P., 337-30-8342.
Kistler, Henry E., Jr., 246-58-9014.
Livingston, Billy B., 430-48-5082.
Musetti, Robert W., 566-50-3318.
Negroncuevas, F., 584-03-5152.
Neshat, Amir A., 212-52-7844.
Nessman, Lawrence, 109-24-3342.
Norfleet, Robert G., 525-60-2361.
Paa, David F., 097-30-9380.
Patel, Upendra H., 337-56-1292.
Pope, Howard A., 403-44-2704.
Quesada, Manuel F., 182-46-3334.
Rala, Theodore J., 089-26-5188.
Rudd, George H., 460-58-5286.
Soroosh, Farhang, 294-38-8579.
Vargas, Jose D. C., 581-96-1481.
Willis, Isaac, 259-62-3029.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Adams, John Q., 418-46-4259.
Amato, Carmen F., 174-32-7878.
Armstrong, Julian W., 247-38-9269.
Baldwin, Robert E., 247-46-5036.
Bean, Donald J., 480-26-6818.
Bertrand, Robert E., 020-20-0630.
Bills, Harry E., 308-34-9371.
Bird, George C., 520-34-2050.
Bivens, Rolland N., 540-34-3456.
Boswell, Carl L., 515-28-5550.
Boyles, Derwood R., 428-40-7920.
Bratland, Gary L., 388-32-8793.
Breland, Nathan N., 427-64-7122.
Britton, Bill G., 438-42-5670.
Brown, Stephen W., 433-50-6844.
Budd, Ivan B., 539-26-4147.
Burdette, Richard E. 248-54-0202.
Burkett, Samuel L., 431-54-9230.
Butke, William J., 299-30-4036.
Bynum, James A., 408-56-5863.
Cohen, Leonard L., 298-14-4637.
Czachowski, Robert, 390-30-8108.
Day, John D., 495-38-4960.
Declue, R. L., Jr., 429-54-0513.
Diazdones, Bolivar, 581-66-4337.
Dingman, Dennis A., 503-44-5235.
Docekal, Edward G., 505-34-0268.
Donohue, Hubert V., 113-26-6775.
Elmore, Joseph L., 413-50-0155.
Ewing, William T., 454-54-5983.
Foster, Catherine, 392-34-9714.
Freiheit, Gene A., 399-30-5640.
Fujimoto, Richard I., 576-28-7467.
Fulfer, Jesse K., 458-52-6769.
Goudchaux, Leopold, 436-42-5705.
Greenwald, Max B., 179-28-9871.
Harp, Anthony R., 001-22-0696.
Holmes, Jasper F., 408-56-5646.
Holmes, William B. I., 414-44-8774.
Johnson, Donald G., 475-20-3974.
Johnston, Frederick, 223-44-5587.
Kacir, Charles J., 264-50-5372.
Kittrell, Herbert O., 427-64-5706.
Klein, Gary S., 288-30-1885.
Kraucunas, Wyette C., 350-24-8054.
Lasalvia, Anthony J., 292-28-6916.
Lauricella, Salvato, 063-28-6106.
Lawrence, William C., 207-28-6233.
Leet, Charles E., 250-54-1171.
Lindahl, James H., 475-38-1303.
Loetell, Joseph W., 213-32-1156.
Long, Robert B., 261-48-9219.
Lyons, Gerard A., 184-30-2827.
MacDowell, Edward R., 138-22-4132.
Magee, Michael C., 127-28-3683.
Mark, Gunter, 109-30-7265.
Mason, Wilbert W., 439-54-9199.
Mathes, Jon V., 303-46-8120.
Matushoneck, T. J., 198-22-3139.
McKee, Terry L., 452-50-6067.
McNabb, Michael T., 320-26-9642.
McNeil, Daniel J., 530-20-4332.
Mengenhauser, James, 504-30-8417.
Metcalf, William R., 480-40-6168.
Mori, Nobuo, 529-30-5613.
Murdock, Bobby J., 493-40-0194.
Nelson, Jerald O., 399-32-4098.
Nissen, Thomas R., 485-28-0427.
Overall, Robert L., 414-38-1915.
Patterson, Larry G., 511-28-2066.
Pennington, Vernon, 213-22-7886.
Perka, Chester E., 042-28-8065.
Perrino, Carl A., 128-26-2121.
Piette, Harvey J., Jr., 390-36-2662.
Prescott, Paul W., 004-34-8483.
Pridemore, Alvin D., 405-46-1947.
Priest, Frank, Jr., 426-58-6042.
Regrut, Andrew J., 277-32-8572.
Russell, Gerald E., 427-54-7682.
Sedinger, James D., 232-52-5754.
Seiler, Walter C., 262-50-9225.
Shafer, Thayer C., 003-24-4916.
Shain, Walter E., 481-44-9963.
Shearer, William E., 280-30-5737.
Simmons, David E., 352-22-0005.
Slayton, Ronald M., 429-54-5711.
Smith, Jimmy L., 425-46-2361.
Snow, Clair E., 528-32-8955.
Stewart, Michael O., 546-46-3923.
Stirling, Richard D., 268-34-6459.
St. Pierre, Wayne A., 366-32-0491.
Strnad, George J., 548-42-3296.
Tosatti, George S., 047-28-4414.
Tulp, Orien L., 145-30-7513.
Vertino, Michael P., 056-30-9320.
Vig, Byron O., 542-36-6541.
Watts, Robert K., 395-24-1101.
Wells, Floyd L., 045-24-0037.
White, Jerry D., 417-46-5665.
Wislosky, William, 149-22-1527.

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Clemons, Billy V., 435-32-3986.
Dabill, Fern A., 570-22-9783.
Graves, James P., 410-58-5409.
Guest, Wendell L., 512-28-1174.
Hart, James C., Jr., 228-44-9804.
Hewitt, Marjorie A., 019-22-0433.
Marshall, Sandra J., 524-46-1399.
Sinha, Awadhesh K., 408-74-3229.
Whittington R., 329-26-6855.

VETERINARY CORPS

To be lieutenant colonel

Sautter, James F., 283-32-0818.
Small, Travis H., Jr., 464-68-8719.

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Holtz, Alans S., 486-22-4616.

ARMY PROMOTION LIST

To be lieutenant colonel

Jackson, Gordon R., 400-38-4402.

DENTAL CORPS

To be lieutenant colonel

Cesaro, Paul, 036-22-1407.
Duberstein, Alvin, 131-74-7379.
Edmonds, Peter P., 429-72-3359.
Morrison, Alvin S., 123-24-1323.
Rodenburg, Carl E., 141-26-2857.
Rodriguez, Lino E., 216-28-2504.
Schmitt, Clement K., 462-36-9475.
Tabor, Herbert A., 464-36-9377.

MEDICAL CORPS

To be lieutenant colonel

Addams, Horace W., 402-22-5225.
Allen, Lawrence L., 254-46-7609.
Anderson, Jay H., 478-32-3469.
Arjona, Manuel Q., 138-32-4389.
Bolter, Delano W., 550-44-5914.
Bonado, Pompeyo Q., 122-36-6210.
Boulware, John M., 508-18-8334.
Breitenstein, Bryce D., 517-32-7689.
Brown, Luther E., 257-54-3746.
Caughron, John R., 455-32-7002.
Chaffee, Bruce A., 008-22-3682.
Chestnut, Graham H., 368-24-3647.
Claude, John L., 388-20-1632.
Cramer, Earl H., 015-22-3488.
Davis, Franklin N., 127-14-5536.
Dodson, Albertus F., 506-24-3694.
Dos, Serge J., 017-32-7829.
Ellis, Donald S., 027-16-1543.
Fairfax, Walter A., 538-14-1516.
Faith, Glenn C., 390-30-6818.
Gerber, Robert A., 081-18-1797.
Glenchur, Harry, 547-38-6851.
Goodloe, Samuel, Jr., 508-72-9016.
Grossling, Sergio F., 475-54-4526.
Gulbrandsen, Jon A., 387-28-0379.
Gutierrez, Oscar F., 489-38-1816.
Hall, Roger V., 518-44-7582.
Harris, John A., 408-56-6809.
Herbert, Emmett L., 433-34-8763.
Hood, Charles H., 404-44-0675.
Hook, Robert H., 181-14-7925.
Jacklin, Alexander J., 533-28-0453.
Jeffress, Jessie E., 256-42-2285.
Jereb, John A., 520-30-6949.
Kahn, Patricia J., 308-34-2889.
Khatami, Morteza, 085-30-6284.
King, Merrill J., Jr., 007-30-6067.
Lehotzky, Helen, 146-24-9294.
Leslie, James, 499-40-6808.
Lipo, Robert F., 390-26-8474.
Lithgow, William C., 322-05-7414.
Loken, Kenneth, 476-42-5473.
Lopez, Ulpiano F., 200-34-4569.
Lowry, Barbara S., 200-18-9151.
Lyster, Sturgis, 319-22-8181.
Mara, Francis J., 140-16-6824.
Marquez, Ramon L., 037-28-2002.
Martinez, Dionisio F., 236-56-7995.
Mendez, Ruben A., 579-52-9955.
Mendez-Abraham, Ruben A., 579-52-9955.
Mitchell, Michael, 554-54-6614.
Myers, William D., 231-58-0029.
O'Loughlin, John M., 047-28-7639.
Orapallo, Anthony J., 084-16-1259.
Packard, Artenas, 001-24-4350.
Peal, James A., 277-16-1714.
Pierron, George J., 490-16-1684.
Plymate, Stephen R., 508-52-4471.
Porles, Walter J., 388-24-8608.
Reesal, Michael R., 414-06-3487.
Rubenstein, Harry, 106-05-7563.
Samame, Peter E., 234-68-5649.
Scott, Ralph, 310-14-7538.
Simpson, Marion G., 433-50-0295.
Strang, Mary S., 159-28-0763.
Thielen, Arthur, 557-12-2190.
Vasquez-Castro, Oscar, 202-16-9760.
Weaver, Clyde M., 559-50-2537.
Widrow, Sidney H., 048-28-4320.
Wilemon, William K., 577-40-1065.
Zahony, Ivan, 172-32-6697.

The following-named officers for appointment in the Army of the United States, under the provisions of Title 10, United States Code, section 3494:

MEDICAL CORPS

To be lieutenant colonel

Connor, William S., 208-30-9210.

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Acosa-Rosario, R. B., 580-50-2132.
Alberson, Billy F., 413-38-1965.
Allen, Leslie E., 424-22-6161.
Baugh, Edward L., 375-30-6928.

Buchman, Vernon E., 480-26-4648.
Byington, Dallas M., 530-18-0607.
Carr, Hale D., 476-26-0072.
Crumrine, Lawrence, 722-18-9003.
D'Alessandro, Joseph, 052-22-1401.
Dixon, Henry S., 344-26-8320.
Ellis, Carl T., Jr., 463-16-0622.
Ford, Leland D., 529-38-2575.
Frakes, Paul D., 385-30-4847.
Hamilton, John F., 320-26-1706.
Hansen, Richard B., 528-34-3174.
Hapner, James D., 268-26-6255.
Harman, Stanley L., 212-26-8474.
Hengel, Milton J., 471-24-5595.
Holt, Wayne H., 529-40-9251.
Ianni, Robert C., 008-18-1074.
Jones, James W., 549-40-5635.
Kauma, Eric E., 375-30-7902.
Lennan, Richard G., 544-28-7243.
Lind, Martin E., Jr., 057-24-1041.
Liston, William M., 516-20-7519.
Machina, Francis A., 105-20-8459.
Mann, Robert T., 467-36-2401.
McCullough, Joseph P., 186-24-9995.
McCurry, Asben A., Jr., 253-44-0365.
Merkel, Arthur R., 502-12-8658.
Merkle, Norris V., 227-26-8336.
Oelrich, Frederick C., 485-42-3498.
Potter, Donald A., 168-24-2757.
Reeves, Stanley G., 520-38-7287.
Ruhl, Joseph C., 441-28-5517.
Shields, Paul K., 037-16-4623.
Stone, Thomas G., 458-44-2705.
Wasson, James J., 443-34-1943.

CHAPLAIN

To be colonel

Lorber, Albert B., 317-30-2303.

MEDICAL CORPS

To be colonel

Burks, Willard G., 429-70-7107.
Warren, Aaron K., 408-38-7076.

ARMY PROMOTION LIST

To be lieutenant colonel

Ade, Walter, 350-26-8899.
Alexander, Richard G., 297-23-5389.
Ambrose, William P., 022-26-6351.
Anderson, Harold J., 204-28-2809.
Bassford, Gerald L., 520-38-0499.
Beltrand, Adrian W., 470-40-9956.
Beretta, Ronald J., 312-36-7973.
Borst, George M., 064-28-2662.
Bortolin, Richard J., 530-22-2703.
Calhoun, Clarence A., 251-66-0759.
Carpenter, Robert C., 234-58-8133.
Carter, Richard O., 518-38-7503.
Cresswell, Douglas R., 539-34-2549.
Darley, Fred W., Jr., 566-52-5289.
Davila-Rodriguez, J., 580-44-8483.
Davis, Ronald C., 573-50-5915.
Evans, Blythe H., Jr., 189-26-3862.
Ferling, Robert W., 312-36-9033.
Flint, Fred R., 725-10-6621.
Fox, William I., Jr., 404-46-8152.
Frank, Karl M., 444-28-8829.
Fulton, William L., 239-44-2657.
Gaffney, John R., 344-24-1077.
Gallioto, Joseph, 099-30-0224.
Garrison, Carl E., Jr., 224-32-9738.
Gilley, Talmadge B., 411-46-5742.
Gwin, Charles T., Jr., 454-46-5715.
Hagan, Robert A., 370-26-7412.
Hagglund, Donald E., 536-34-1366.
Halliday, James P., 021-26-0002.
Haney, James O., 447-44-3974.
Hannaman, James A., 274-34-9462.
Harrison, David G., 226-42-8440.
Herrmann, Howard P., 394-28-2387.
Higgins, James W., 468-38-9462.
Hoeke, John J., 503-18-9446.
Kienholz, James L., 441-40-5320.
King, William O., 234-46-7044.
Litchfield, Willard B., 242-42-7337.
Macey, William D., 509-30-5766.
Marino, Wayne A., 337-30-8532.
Martin, James A., 551-48-9716.
Martin, James G., 528-46-8438.
McCann, Thomas M., 115-24-7082.
McQue, Robert R., Sr., 183-30-9962.
Merrell, John W., 415-46-6061.
Moen, Ross, 555-50-2795.
Montgomery, Jefferson R., 432-54-9722.
Moore, Billie F., 429-62-2944.
Muller, Frank W., Jr., 413-50-2827.
Newton, Billy C., 407-44-5046.
Openshaw, Fred H. C., 529-52-6164.
Ortiz, Alejandro, 580-72-2075.
Paden, John M., 333-30-2415.
Peck, Ernest G., 497-28-2183.
Porter, Gerald W., 430-62-1832.
Sanchez, Reynaldo, 462-40-7201.
Schulz, Robert E., 354-24-7114.
Steele, Gilbert R., Jr., 166-26-6489.
Suggs, Clarence E., III, 257-50-2950.
Tech, Larry L., 393-36-5134.
Turner, Elbert F., Jr., 494-38-2124.
Uhlmann, Jerry B., 492-40-7979.
Walters, Robert A., 368-32-4851.
Webb, Rodney S., 501-32-5214.
Whitt, Robert D., 520-32-3743.
Wilbur, Ralph O., 377-42-3534.
Wilz, Charles F., 501-22-3506.
Woodward, Ripley E., Jr., 452-50-1112.
Wurtele, Ronald M., 506-52-5309.

ARMY NURSE CORPS

To be lieutenant colonel

Colench, James H., 207-30-4803.
Hammer, Karol A., 440-34-2919.

DENTAL CORPS

To be lieutenant colonel

Carbone, John W., 018-26-1626.
Carpenter, Richard A., 430-58-5012.

MEDICAL CORPS

To be lieutenant colonel

Amicucci, Vincent A., 151-26-8172.
Campbell, Mike C., Jr., 427-72-3087.
Cardinale, Robert, 136-28-6825.
Cash, Ted D., 253-58-8975.
Johnson, Robert R., 529-09-5253.
Lentz, Ronald J., 193-28-3391.
Lickfield, William M., 145-16-9286.
Miech, Michael J., 520-30-8987.
Morasco, Edward R., 116-24-4227.
Ortiz, Miguel A., 581-80-6581.
Ortiz, Tulio L., 580-68-4517.
Pate, Samuel R., 528-50-8576.
Rosado-Ortiz, Juan F., 582-50-9729.
Rosati, Robert A., 098-32-3029.
Spear, Merritt F., 128-26-6332.
Stetz, Joseph J., Jr., 073-34-7368.
Vilorio, Hector F., 580-82-2145.
Vinueza, Tirso L., 515-34-6047.
Voight, Gustav C., 577-46-6102.
Widrow, Sidney H., 048-28-4320.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Ivanoff, Michael V., 569-42-3806.
Regrut, Andrew J., 277-32-8572.
Sullivan, Paul J., 011-30-2448.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers) 5773 (staff corps officers) and 5791, subject to qualification therefor as provided by law:

LINE

Kendall, Herbert J., II
Stiles, Glenn S.
Martin, Larry J.

MEDICAL SERVICE CORPS

Candelaria, Thomas

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated pursuant to title 10, United States Code, sections 5784 (line and staff corps officers) and 5791, subject to qualification therefor as provided by law:

LINE

Ashmore, Richard W.
Bratcher, Stephen W.
Burdon, Coningsby E., Jr.
Cook, Thomas P.
Criner, Timothy J.
Davis, Eddie L.
Dean, William M.
Denny, Richard A.
Gilbert, Larry A.
Harris, James B.
Hartung, Gregory H.
Hascup, Richard
Horgen, Douglas A.
Huetteman, Richard J.
Johnson, Mitchell B.
Lambert, Vincent E.
Lloyd, William V., III
Moffatt, Larry W.
Moore, Michael A.
Moran, David B.
Morford, Jay R.
Olsen, Robert H.
Vanthof, Richard R.
Wilkinson, John M.
Yee, James B.

SUPPLY CORPS

Kapsch, Michael R.

CIVIL ENGINEER CORPS

Klem, Brian R.

The following-named lieutenants of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade) and temporary lieutenants, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Browning, Eugene R.
Jackson, Robert H., III
Frey, Charles W.

CIVIL ENGINEER CORPS

Berriman, John W.
Neal, Benjamin D.
Vidal, Dean A.
Navin, Charles J.
Tornatore, William P.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent ensigns and temporary lieutenants (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Bedard, Stephen A.
Kalkstein, Jeffrey W.
Bedard, Stephen A.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade), pursuant to title 10, United States Code, section 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Nicol, William J.

CIVIL ENGINEER CORPS

Lofaso, Joseph M.

The following-named ensigns of the line, of the U.S. Navy for appointment in the Civil Engineer Corps, as permanent ensigns, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Hertwig, Ronald W.
Hunt, Daniel T.

Lieutenant Jeffrey L. Roddahl, Supply Corps, U.S. Navy for appointment in the line of the U.S. Navy as a permanent lieutenant (junior grade) and a temporary lieutenant, pursuant to title 10, United States Code, sections 5582(a) and 5791, subject to qualification therefor as provided by law.

IN THE NAVY

The following-named chief warrant officers, W-1 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-2, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

Baker, Larry E.
Bridges, James O.
Dicanio, James V., Jr.
Fitch, John A.
Giroux, David L.
Rogers, Glenn T.
Teegarden, Dennis D.
Woodruff, Ronald R.
Barcus, William A., Jr.
Corliss, Albert L., Jr.

Fisher, Brenda S.
George, Robert T.
Kelly, Sean T.
Sewing, Jeffrey L.
Wilson, Ted L.

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5784 and 5791, subject to qualification therefor as provided by law:

LINE

Baker, Terrance L.
Caddell, Richard A.
Gallagher, Christopher J.
Harrison, Samuel F., Jr.
Hunt, David L.
Jepson, Ben B., Jr.
Marcinkowski, Eugene
McMeekin, Robert W., Jr.
Morris, Allan D.
Patrick, James H.
Pornaras, Robert A.
Spears, Harold E., Jr.
Stark, William R.
Syvertsen, Michael B.
Tilley, Glen F.
Willner, Lawrence L., I
Beckman, Jeffrey A.
Fettes, Michael D.
Graves, Ronald M.
Hudacek, David J.
Hynes, Alan P.
Mackin, James S.
Mason, William A., Jr.
Moren, Christopher A.
Panabaker, William H. III
Pittman, David L.
Riley, Eddie R.
Spilios, George F.
Stayton, Dennis D.
Taylor, Thomas
Valenzuela, Joseph D.

SUPPLY CORPS

Boyd, David O.
Klose, Keith D.

CIVIL ENGINEER CORPS

Davis, Robert E.
Wheeler, Gerald E.
Reams, Hugh E.

The following named woman ensign of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade), pursuant to title 10, United States Code, sections 5787b and 5791, subject to qualification therefor as provided by law:

Rhymer, Pamela J.

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

John W. Dreon, Jr.
Michael J. Haungs
Steven E. Heldreth
William F. McCarthy

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent lieutenant in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Hollis D. Arnold, USN (Ret.)

The following-named (U.S. Navy officers) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Duane G. Amundsen
Edsel J. Aucoin
Grady G. Barnwell
Thomas A. Clark
Diane L. Colgan
Earl F. Evans, Jr.
Theodore L. Folkerth
David F. Harder
David G. Harper
Richard E. Hopper
Raymond Iglecia-Fernandez
Robert S. Knapp
Ernest E. Kundert
James M. Mathers
James A. Mittag
Ralph A. Nelson
Lawrence W. Raymond
Frank G. Satko
George E. Siegfried
Steven M. Steinberg
John D. Wallin

The following-named (U.S. Navy officer) to be appointed permanent commanders in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Gerald L. Hartman
Thomas C. Licking

The following-named (U.S. Navy officers) to be appointed a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

John D. Wallin

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Arthur C. Burns
John B. Castelli, Jr.
Richard G. Daly
Robert G. Hartmann
Alan C. Jones
Joseph A. Kaufman
Rasa A. Khan
Phillip F. Mac
Douglas A. Palenschat
Lawrence A. Rathbun
Michael J. Rensink
David E. Smith
John H. Tinker
David M. Treiman
Thurlow R. Underhill
Frederick E. Youngblood III

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Ernest G. Glass
Richard H. Harper
Robert M. Rohen

The following-named (U.S. Navy officers) to be appointed temporary commanders in the restricted/unrestricted line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Edward M. Barrow
Ronald M. Goodman
William B. Humphrey

IN THE MARINE CORPS

The following-named U.S. Air Force Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5585 and 541, subject to the qualifications therefor as provided by law:

Horton, Ronald G.
Moore, Harrell M., II
Ryan, Richard S.

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Jackson, Henry C., II
McGowan, Bernard W., Jr.

The following-named Marine enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5583, subject to the qualifications therefor as provided by law:

Adams, Kelvin P.
Albertson, Kimberly D.
Allen, Michael S.
Cruver, Milton L.
Huaute, Tawiah
James, Glenn H.
Klicker, Karl D.
Larrimer, Guy
McCann, Robert E.
Myers, Charles L.
Rouse, Charles T.
Samson, Cecil R.

The following-named Navy enlisted scientific education program graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5583, subject to the qualifications therefor as provided by law:

Allpress, Douglas R.
Bambrough, George N.
Barr, John E.
Derrick, Ronald H.
Ehrenberg, Craig D.
Handgraaf, Darrel L.
Hunter, Jessie L.
Jackson, Edward N.
Koby, Kevin F.
McGrath, Michael J.
Rockey, Randall R.
Smith, Robert W.

IN THE MARINE CORPS

The following-named Naval Reserve Officer Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U. S. Code, section 2107, subject to the qualifications therefor as provided by law:

Anderson, Ronald E.
Arnett, James R., II
Auman, Rickey L.
Ball, William R.
Ballantyne, Steven E.
Behm, Larry R.
Bergeron, Lorine E.
Biely, Debra M.
Bissell, Stephen T.
Blundell, Malcolm J.
Boland, Robert I., III
Bonsignore, Joseph Jr.
Bradford, Kent M.
Bright, Raymond T.
Brown, Ronald F.
Broyles, Mark K.
Brunet, Gregory L.
Burkholder, Kerry L.
Cameron, Bryce K.
Cantrell, Bradley E.
Carpenter, Daniel K.
Carter, John K.
Chenoweth, Richard M.
Clark, Leo J.
Clark, Michael K.
Coolbaugh, Stephen D.
Clinch, James P.
Corbett, Dwane A.
Cowdin, Daniel B.
Cyr, Mark J.
Daugherty, George L., Jr.
Davin, Thomas E.
Davis, Carl E.
Defebaugh, Kent A.
Dehart, John P.
Den Herder, Jeffrey L.
DeSalva, Peter N.
Doerr, Douglas R.
Dowdy, Joe D.
Elliot, Larry W.
Escholz, Theodore S.
Fagan, Lawrence M., Jr.
Fasciano, James A.
Ferris, Mark S.
Ferrucci, David D.
Fierro, Acension D.
Fiser, William L.
Fisher, Craig S.
Fowler, Gregory A.
Gabrielli, Gail V.
Galoni, Steven A.
Gay, Michael, A.
Geary, Mark E.
Gifford, Charles S.
Gin, Richard M.
Glass, Stuart D.
Goins, Volker E.
Gorman, Robert G.
Gotay, Angel, R.
Hallahan, Michael J.
Hambidge, Timothy J.
Harrison, Anthony D.
Helm, Bruce R.
Hinkle, James S.
Hobson, Thomas D.
Holder, Kenneth T.
Hoover, David W.
Hopper, Paul K.
Howcroft, James R.
Humphrey, Kevin A.
Hurt, Charles W.
Jenkins, Joseph E., Jr.
Jones, Steven M.
Kailey, John A., III
Kane, Christopher J.
Keller, Russell A.
Kelley, Richard H.
Kennedy, Bruce C.
Kibbey, Keith A.
King, Lawrence M., Jr.
King, Raymond E., III
Kmiec, Richard V.
Kolshak, Joseph C.
Kovach, Thomas R., Jr.
Kuenzle, John J.
Kuhlman, Ronald R.
Lariviere, James M.
Learn, Timothy G.
Lewis, Timothy
Litaker, Eric T.
Losinski, Paul V.
Lueder, David J.
Manley, Thomas F., II
Marker, Jennifer L.
Martin, Dana K.
Mercado, Leo A., Jr.
McCaffrey, Mary P.
McKenzie, Kenneth F., Jr.
McMillian, Timothy C.
McQuiston, Brian
Meed, Michael V.
Megan, Gregory F.
Miller, Walter L.
Montgomery, Edward C.
Moran, Robert D., Jr.
Morgan, Bruce A.
Murphy, Anthony A.
Murphy, Shaun M.
Newkirk, Dennis C.
Nitkowski, Paul A.
Oakes, Herbert A.
O'Connor, Christopher E.
Ogden, Michael S.
O'Keefe, Dennis J.
Owens, Charles E.
Pais, Anthony B.
Parker, Kenneth W.
Parrott, Michael L.
Parsons, William W.
Quillian, Stone W.
Poole, Robyn R.
Poteat, Jerry L.
Price, Richard C.
Purvis, Michael J.
Rall, Robert W.
Reardon, John F.
Reinecke, Richard C.
Rendon, Ricardo J.
Rhoades, Bryan M.
Richardson, Adrian K.
Riley, Michael K.
Riley, William E.
Rivera, Jose E.
Rizzio, William E.
Robertson, James S.
Robinson, Ronald J.
Rodeck, Brian D.
Sands, Benjamin F.
Santa Ana, Stephen
Schad, Steven J.
Schollmann, Richard A.
Seay, Michael, II
Sholler, David W.
Siegel, Rolf A.
Singer, David L.
Smith, Blake H.
Smith, Douglas
Spillman, Ricky C.
Spurrier, Duane T.
Sullivan, William J.
Thomas, Bradley A.
Thornley, Donald J.
Tilton, Christopher M.
Tilton, Mark E.
Underwood, Peter T.
Victorine, James M.
Walter, David L.
Walters, Glenn M.
Ward, Robert G.
Wassink, David J.
Welsh, James L.

Whitacre, Jeffrey B.
White, Peter C.
Whited, Mark E.
Whiting, Joseph A.
Whittle, Sam E.
Wickel, John W.
Wilkerson, Paul S.
Williams, Morris E.
Wilson, Herbert M.
Wilson, Kenneth D.
Wood, David E.
Yee, Derwin G.
Young, Thomas B.
Zackary, Thomas A.
Zeller, Gary R.

Executive nominations received by the Senate, January 23, 1979, before the convening of the Senate, under authority of the order of the Senate of January 18, 1979:

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management for a term of 4 years, to which office he was appointed during the last recess of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles Curtis Pattillo, 260-18-8947FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lawrence Albert Skantze, 060-20-8707FR, U.S. Air Force.

Lt. Gen. John J. Burns, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. James A. Knight, Jr., U.S. Air Force (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 23, 1979:

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management, to which office he was appointed during the last recess of the Senate, which was submitted to the Senate on January 18, 1979.

EXTENSIONS OF REMARKS

A PRESCRIPTION FOR CONSUMERS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. ROSENTHAL. Mr. Speaker, each year American consumers may be paying as much as $2 billion in unnecessary prescription costs as a result of anticompetitive practices that include prohibitions on retail drug price advertising, overprotective patent laws, exorbitant promotional expenditures, antisubstitution laws, and unreasonable markups. It is estimated that consumers paid $9 billion in 1978 for prescription drugs.

Pharmacy for too long has acted as though consumers have no business knowing the cost of a prescription until they are presented with the bill. This is absurd. In addition, pricing is grossly inconsistent, even among stores of the same chain for the same prescription. It is almost impossible to compare prices. This causes hardships, especially for the elderly and others on low and fixed incomes. The pharmaceutical industry has shown distressingly little regard for the financial plight of its customers.

Prescription drugs are the major consumer product on the market today for which there is no retail price competition. The lack of adequate price information often forces consumers to spend more than necessary for prescription drugs. This should not be allowed to continue. One of the most effective means of providing that information and promoting competition in our free enterprise system is retail price advertising, something seriously lacking in pharmacy. Peer pressure and professional restrictions for years have combined to bar advertising and as a result competition has been minimal. Although the Supreme Court has ruled such prohibitions are unconstitutional, their effect remains. To help clear up the confusion and make the laws clear, I have introduced legislation specifically outlawing any prohibitions on retail prescription drug advertising. And to help provide an information base for such advertising and for consumers to use in comparing prescription costs with or without advertising, the bill also requires drug price posting.

Over the years consumers have been conditioned to believe that money is no object where health is concerned; but in reality prescription drug prices bear little or no relationship to quality. American consumers most certainly have the right to find the best buy available and to receive as much information as they can on the lower cost generic drugs. This is a liberty that should be given to all consumers.

Drug industry profits are nearly double the rate of other U.S. manufacturing corporations. High prices are just one reason for high profits. Another is advertising—something de riguer at the wholesale level but an anathema at retail. The manufacturers spend hundreds of millions of dollars each year on advertising and promotion but only a small fraction on basic research and development.

The drug industry also spends enormous amounts of time and money to prevent consumers from comparing the retail prices of prescription drugs. Excessive prices and monopolistic practices go hand in hand with the desire of many pharmacists to avoid retail price competition. The result is an increased burden on the consumer who is forced to pay these inflated prices.

The drug industry in the United States occupies a uniquely secure position in the economy. Demand continues to grow as new scientific discoveries are made and as the cures for more diseases are unearthed. Herein lies the decided disadvantage that the consumer must deal with. He has no choice but to buy these prescriptions no matter what the cost, because of strong and effective anticompetitive industry practices and overprotective patent laws.

The patent structure has helped to keep the prices of certain drugs at a high level. This protection stifles competition by giving the manufacturer a virtual monopoly on production and distribution for the 17-year patent period.

The drug industry contends that without the incentive of patent protection, many of the new drugs developed in recent years would not have been discovered. There is a need for a degree of patent protection but the 17-year monopoly seems excessive. The answer, in my judgment, lies in compulsory licensing of prescription drug patents.

I feel it is time for the consumer to be given a viable alternative to the high prices for prescription drugs. I have introduced four pieces of legislation in order to deal with these abuses:

The Prescription Drug Price Information Act (H.R. 43), which removes all legal restrictions on retail prescription drug price advertising and requires the posting of prices for the 100 most commonly prescribed drugs as determined by the Food and Drug Administration. The list should be arranged alphabetically by generic name and should contain the lowest price charged for each generic and brand-name drug in its most commonly dispensed dosage form and quantity. This measure would encourage consumers to be more price-conscious as well as increase sorely needed competition among pharmacies.

The Prescription Drug Labeling Act (H.R. 44), which requires the labeling and advertising of prescription drugs by their generic name and an end to the laws prohibiting generic substitution by pharmacies. The use of generic drugs can be achieved without any sacrifice in the quality of safety of drugs. It would give the consumer and pharmacists the option of filling the prescription with the generic equivalent. Where such a substitution occurs, it must not be done to sell a higher-priced product but to save money for the consumer. The doctor would retain the option, if desired, of prohibiting substitution on a specific prescription.

The Prescription Drug Freshness Act (H.R. 45), which requires that all perishable drugs show clearly on their label the date beyond which the potency is diminished or the chemical composition altered by age. This is already done at the wholesale level and should be done for the retail consumer as well.

The Prescription Drug Patent Licensing Act (H.R. 46), which would make the licensing of new prescription drugs compulsory during the 17-year patent period. This would enhance competition in the industry as well as lower the prices that consumers would have to pay.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MIDEAST FALLOUT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. DERWINSKI. Mr. Speaker, it is obvious that complications in Iran have further tied the administration's hands in dealing with OPEC as well as adding new obstacles to the signing of the proposed Egyptian-Israeli peace treaty.

The Wall Street Journal of December 19, 1978, addresses the Middle East complications in an editorial entitled, "Mideast Fallout." The editorial follows:

[From the Wall Street Journal, Dec. 19, 1978]

MIDEAST FALLOUT

Among all the weekend news about China policy and OPEC price hikes, we passed the December 17 deadline that President Carter established three months ago for the signing of an Egyptian-Israeli peace treaty. We don't yet have that treaty, of course. But more than that, the Carter administration's erratic behavior in the Mideast negotiations has considerably hurt this country's ability to mediate a peace.

Back in the fall of 1977, you'll remember, the administration and the State Department had brought the Mideast situation to stalemate by pushing a comprehensive, all-at-once settlement of the outstanding issues and even letting the Soviets in as a party to the negotiations. Egypt's President Sadat broke the logjam by going to Jerusalem to begin talks on his own. In the months that followed, our diplomats complicated things again by throwing other issues and objections back into the pot. This time President Carter saved the situation by convening Camp David, and again putting some distance between the Israel-Egypt issues and the Middle East's other vexing problems.

After the Camp David signing on September 17, the predictable pressures began to mount—on Mr. Sadat from his Arab allies, on Mr. Begin from his political comrades. And these pressures centered on the predictable questions: the extent to which the Egyptian-Israeli peace would be linked to the establishment of a Palestinian state. Once again our diplomatic apparatus swung into action, on the side of a close linkage and a comprehensive plan. As Mr. Sadat kept upping the ante on this issue, U.S. negotiators kept following him along and providing him with U.S. support.

At the beginning of November, what was on the table was a U.S.-approved draft treaty that dealt with the West Bank problem in its preamble. The Israelis, after initial balking, accepted this text.

But in the meantime, Mr. Sadat was presenting new demands. First he said he wanted a fixed date for Palestinian elections, to come at the same time as Israeli withdrawals from the Sinai and before Egypt would have to live up to its side of the bargain. Then he wanted a change in the treaty so that Egypt could still go to war with Israel under the terms of various Egyptian-Arab mutual defense pacts. Then he wanted another change saying that full diplomatic relations, with the actual exchange of ambassadors, wouldn't have to be established until Palestinian self-governance was in place.

Each time the U.S. came up with a "compromise" between our original position and the new one that Mr. Sadat was laying out. We suggested that Mr. Sadat's timetable be called a "target date" and moved back by three months. We suggested that the part about honoring the Arab mutual defense pacts be put in an annex to the treaty rather than the text proper. We said that Mr. Sadat was reasonable in withholding "only" his ambassador from Israel until his new conditions were met. And when the Israelis refused to cooperate in this little game, our President and his Secretary of State publicly denounced them in a striking show of petty vindictiveness. Worst of all, the State Department denizens who've been shoving the linkage issue into everyone's face all these months are now saying that they saw this mess coming from the first. They should know, of course, since they played no small part in creating it.

Making this particular peace was never going to be easy. It was always clear that the U.S. was going to have to put pressure on Israel in the process, and to give Mr. Sadat enough to show for his efforts. But it's equally clear that President Carter and his negotiators have gone too far. In their search for another public victory they've begun asking Israel not just for cosmetic concessions but for new substantive ones, and they're piqued when Israel shows that it knows the difference.

They're also trying to put Israel in a position increasingly dependent on American good will and resolve. But after their behavior in these negotiations, not to mention the example they've just given the world in the case of Taiwan, the Israelis would have to be slightly daft to give up territory on the basis of the administration's interpretations and assurances. Unless there's some sign soon of a change in the U.S. attitude, maybe Egypt and Israel should pick up the ball once more and hold a new Camp David without us.○

TO AUTHORIZE NATIONAL SHUT-IN DAY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. RAHALL. Mr. Speaker, I am introducing legislation today to designate the first Sunday in June of each year as National Shut-In Day. This measure would recognize and call public attention to a great number of our citizens who constitute an often neglected segment of our society.

These persons have contributed in the past to the happiness and well-being of others by being parents, children, hard workers and concerned citizens. Although in most instances they are older or physically impaired, they are valuable for the qualities they possess as individuals with a rich past which can be shared with those who have not enjoyed their experiences.

The shut-in people of our country have a great deal of warmth and friendship to offer, and those who observe National Shut-In Day will gain richly by the experience.

Shut-In Day would be observed to remind the general public of these their fellow citizens, who cannot take any active part in the religious, business, and social affairs of the community.

With the growing concerns for shut-ins, a national organization was formed to bring attention and care to those who are forced to exist indoors, never experiencing the beauties of nature and the association and communication with other people. The object of the association is to encourage remembrance of the sick and disabled civilian and war veteran by the public on Shut-Ins Day and throughout this year. It is a nonsectarian, nonpolitical, nonracial and nonprofit organization.

Your sincere consideration and cooperation in the passage of this resolution will be sincerely appreciated and will be gratifying to thousands of those who are less fortunate than we who are able to enjoy the associations with each other.●

COMMENDATION AWARDS FOR TWO CITIZENS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. EDWARDS of California. Mr. Speaker, for over 60 years the Anti-Defamation League has been one of the leading human relations organizations in the struggle for better understanding and for bonds of cooperation and friendship between Christian and Jew, black and white, and among all community groups.

At the recent 16th annual awards civic leaders were honored with the ADL banquet in San Jose, two outstanding Council's Community Service Award.

Leo Ruth, Jr., and Jack Going, Jr., both have long and distinguished records of public service in Santa Clara County.

In addition, I am pleased to say that both are valued personal friends of mine and of our distinguished colleague who also represents the city of San Jose, NORMAN MINETA.

Mr. Ruth is president of Ruth, Going and Curtis, Inc., architects, engineers, and planners. Born and raised in San Jose, Mr. Ruth has long been an active participant in community affairs. He is a member of the advisory board, National Jewish Hospital. With his partner, Jack Going, he received the Spirit of Life Award from the City of Hope Hospital in 1973. He was chairman of the San Jose Chamber of Commerce in 1977. He has served on the city of San Jose Citizens Charter Revision Committee, County Flood Control Bonds Committee, city of San Jose Advisory Board of Health, city of San Jose Redevelopment Agency, Volunteers of America, West Valley Open Doors, Cancer Society Crusade, Serra Medical Hospital, and many others. He and his wife, Dorothy, have 8 children and 15 grandchildren.

Mr. Going has a distinguished record of public service. He is a member of the advisory board of the National Conference of Christians and Jews and is vice chairman of the O'Connor Hospital Foundation. He serves on both the board of regents and board of fellows of the University of Santa Clara. He is a director of the Santa Clara Youth Village and chairman of the board of regents of Bellarmine College Preparatory. He has

worked for United Fund, Hope for Retarded Children and Adults, and Comprehensive Mental Health Planning Committee. He and his wife, Audrey, have three children. Mr. Going is executive vice president-treasurer of Ruth, Going and Curtis, Inc.

Mr. Speaker, I am grateful for this opportunity to share commendation for these two fine citizens with my colleagues here in the House of Representatives.●

PUBLIC BROADCASTING SCORED; FAILS TO MEET MINORITY NEEDS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. CLAY. Mr. Speaker, as we begin our work in the 96th Congress, I feel it is important to take this opportunity to bring to the attention of my colleagues a report which was recently issued by the Task Force on Minorities in Public Broadcasting. Below is an article which appeared in the St. Louis Argus on November 23, 1978, regarding the Task Force report: "A Formula for Change.":

PUBLIC BROADCASTING SCORED; FAILS TO MEET MINORITY NEEDS

WASHINGTON, D.C.—A lengthy report of the Task Force on Minorities in Public Broadcasting last week scored public broadcasting in the United States for what was described as a failure to meet the informational and educational needs and interests of Blacks, Asians, Latinos and Native American citizens.

The 496-page report, entitled A Formula for Change, was issued by the Task Force, created in January 1977 and funded by the Corporation for Public Broadcasting (CPB) to assist the Corporation's Board in developing policies to "maximize the involvement of minorities in the growth, development, employment and participation of minorities in all aspects of public broadcasting."

"The informational, cultural and educational benefits and opportunities which should flow from the taxpayer-supported public broadcasting system are so slight as to be insignificant insofar as minorities are concerned," the Task Force concludes.

After 18 months of deliberation and exploration of a wide range of subject areas, the Task Force made public its final report. It focuses on policy, employment, job training, programming, audience research and minority control of public broadcasting facilities.

The report represents "the first time a diversity of minority Americans have come to a consensus about the barriers to their full participation in public broadcasting and have attempted collectively to identify ways by which to overcome them," Dr. Gloria L. Anderson, chairman of the Task Force, noted in her preface to the report.

The report declared that national minority programming—programming that is by and about minorities—"is seriously deficient." According to the report, this scarcity of minority programming is directly linked to "the insufficient number of minorities employed in public broadcasting, particularly in decision-making positions."

Adding to this lack of minority participation, the Task Force said, is the fact that there are few minority-controlled public broadcast stations in the United States. Only 18 of the 471 stations—195 radio and 276 television—are controlled by minorities, and 11 of those are located outside the continental U.S. in Alaska, Guam, Hawaii, Puerto Rico and the Virgin Islands.

The report noted that only six of the 10 minority-controlled public radio stations and only one of the eight minority controlled television stations (WETV-TV, Atlanta) are located within the continental U.S.

The Task Force also pointed out that minority licensees encounter numerous difficulties in obtaining funds from the traditional sources of broadcast station support.

As cochairman of the Congressional Black Caucus' (CBC) Communications Subcommittee, I have worked with concerned representatives from the broadcast industry through the CBC communications brain trust. The communications brain trust has devoted considerable time and energy to examining the problems and identifying the needs of minority Americans in relation to the broadcast and communications industries. The study recently released by the Task Force on Minorities in Public Broadcasting depicts the severity of some of the problems experienced by black and minority Americans at the expense of a Public Broadcasting System which caters to the needs and interests of the affluent majority. The CBC communications brain trust has dedicated its efforts over the last 2 years to developing effective solutions to the unique problems of minority Americans.

It is time for Congress to recognize this movement and respond to the crying need for change. While the impact of television and radio on our daily lives can scarcely be underestimated, the benefits which the Public Broadcasting System brings to minority Americans are too slight to even be measured.

The airwaves belong to the public. But, it is only a joke to pretend that the broadcast industry operates in the public interest. Since its inception, black and minority Americans have had to support the Public Broadcasting System through their tax dollars, yet they have been consistently excluded from participating in its benefits. How much longer can Congress sit back and permit this intolerable situation to persist? I believe that there will not be any significant change in this ugly situation until Congress does its job and until we have a significant number of black and minority Americans employed in the public broadcast industry in decisionmaking positions. The time is drastically overdue for Congress to take charge and abolish these injustices.●

CONGRESS CANNOT BE TRUSTED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. DORNAN. Mr. Speaker, Congress is an institution that cannot be trusted.

That is an opinion we saw portrayed over and over again in 14 different polls taken during the 95th Congress. It was a tragic impression of the American people taken down by organizations with which we are all familiar: The Harris survey, Chicago Tribune, CBS News, the Gallup poll, Iowa's Des Moines Register, California's Field Research Corp., NBC News, and Associated Press.

Even the much touted "tough" code of ethics passed by the House in the 95th Congress received a thumbs down rating by the majority of the citizens we serve. Our so-called reform was viewed in the same vein as a barkless watchdog. I, of course, realize that polls are not infallible, but look at the results for yourself.

First, Congress was rated last of 15 institutions in a November 1977 Harris survey of 1,498 adults nationwide in response to the following question:

As far as people in charge of running (read list) are concerned, do you feel they really know what most people they represent or serve really think and want, or do you feel they are mostly out of touch with the people they are supposed to lead or help?

[In percent]

	Really know what people want	Mostly out of touch	Not sure
Congress			
1977	31	58	11
1975	34	54	12

Second. In a congressional job performance rating conducted by a July 1978 Harris-ABC poll of 1,238 adults nationwide, Congress was rated as follows for enacting the ethics code:

Putting into effect a tough new code of ethics: Positive, 29 percent; negative, 56 percent; not sure, 15 percent.

Third. A CBS News campaign '78 telephone poll taken in September 1978 of a nationwide sampling of 1,451 persons, asked a number of questions relating to trust in politicians. Three relevant questions were answered as follows regarding lack of trust in politicians:

	Total	Party I.D. Republican	Independent	Democrat
(a) It is mostly because people today just don't believe in politics and politicians?				
Yes	75	76	75	75
No	18	19	19	17
No opinion	7	5	6	8
(b) It is mostly because politicians are less trustworthy than they used to be?				
Yes	62	56	59	66
No	31	38	34	27
No opinion	7	6	7	7
(c) Is it because people see and hear more about their elected officials now than they used to?				
Yes	80	82	79	80
No	15	15	15	15
No opinion	5	3	6	5

Fourth. A September 1978, Harris-ABC News survey of 1,915 voters in 104 swing congressional districts was quite revealing. Some of the key findings were:

By a massive 84–10 percent, voters are convinced that at the present time we do not have a Federal Government "which is almost wholly free of corruption and payoffs."

By 69–18 percent, a majority believes that the best people are not now attracted to serve in the public life.

By 61–26 percent, a majority denies that we now have a Federal Government in which "the good of the country is placed above special interests."

By 51–36 percent, voters do not feel that "most public officials are dedicated to helping the country rather than being out for themselves."

Fifth. A November 1977 nationwide Harris survey of 1,498 adults reported that "—By 65–27 percent, a majority believes that 'most elected officials are in politics for all they personally can get out of it for themselves.' "

Sixth. An October 1978 NBC-Associated Press poll of 1,600 adult Americans gave Congress the following job rating:

[In percent]

Excellent	1
Good	20
Only fair	50
Poor	25

Seventh. A January 1978 Gallup sampling of honesty and ethical standards placed Congressmen 13th out of 20 occupations and professions. The nationwide 1,500-person poll gave the following breakdown:

[In percent]

Congressmen:	
Very high	4
High	12
Average	47
Low	25
Very low	10
No opinion	2

Eighth. A March 1977 California face-to-face poll of 962 adults gave Congress this rating:

[In percent]

Congress:	
Lot of confidence	13
Some confidence	50
Not much confidence	23

Congress placed 12th out of 13 categories.

Ninth. A November 1978 NBC poll of 1,600 adults nationwide gave Congress the following job rating:

[In percent]

Excellent	1
Good	19
Only fair	50
Poor	25
Not sure	5

Tenth. A face-to-face poll conducted by the Des Moines Register of 591 adult Iowans rated 39 governmental, business, religious, and social institutions. The Congress ranked 32d in trust. The poll was conducted in December 1978.

Eleventh. A Gallup face-to-face poll of 1,500 adults in 300 selected localities during April 1978 rated Congress last in public confidence, out of 9 key American institutions.

Twelfth. An August 1978 survey of 1,499 adults last out of 16 institutions in the category of public confidence. Only 10 percent of those surveyed had "high confidence" in Congress—an all time low.

Thirteenth. An October 1977 CBS-New York Times poll of 1,603 adults produced the following results:

[In percent]

	Total sample	Democrat	Independent	Republican
And Congress—how much of the time can you trust the Congress to do what's right—just about always, most of the time, or only some of the time?				
All of the time	5	7	4	3
Most of the time	32	35	30	28
Some of the time	59	55	61	66
Never	1	2	1	1
No opinion	3	1	4	2

We, in Congress, Mr. Speaker, have no one to blame but ourselves. In plain terms, we must put our own House in order before we merit the respect which should attach to the office of public trust that we each hold. Each Member, although he or she directly represents their constituents, votes on laws that touch every American.

This situation cannot long endure if representative government is to survive. I believe we can change this deplorable situation by upholding and enforcing a code for Members which is the same for the public-at-large. I urge each Member to reread the above polls and then reflect on the Republican House rules changes that the minority party tried so hard to adopt today.●

DOE AND NATURAL GAS SUPPLIES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. WYDLER. Mr. Speaker, our former colleague, Gary A. Myers, of Pennsylvania, wrote to the Department of Energy at the time of the passage of the National Gas Policy Act portion of the National Energy Act urging that the deparment form a task force or establish a a formal mechanism to insure proper implementation. Mr. Myers felt that in implementing this complex legislation the Department of Energy should place its emphasis on actions that will make the greatest possible quantity of new natural gas supplies available. I am inserting in the RECORD, the department's response to this letter. I believe that the Secretary's answer misses the point that the Congress is most interested in deriving some benefits from this Byzantine piece of legislation by having a focus of responsibility within the department. The Secretary's oblique reply is a sad commentary on the extent of the department's burden in implementing poorly crafted legislation.

DEPARTMENT OF ENERGY,
Washington, D.C., December 11, 1978.

Hon. GARY A. MYERS,
House of Representatives,
Washington, D.C.

DEAR MR. MYERS: Thank you for your letter to the Secretary of Energy of November 15, 1978. He has asked me to reply to you regarding the formation of a task force to "identify actions with the largest potential for making new natural gas supplies available."

The Department of Energy (DOE) is keenly interested in avoiding unnecessary delays in the implementation of the National Gas Policy Act (NGPA), especially with regard to those provisions that will enhance the prospect for increased production of natural gas. A clear indication of this effort is demonstrated by the initiatives taken by the Federal Energy Regulatory Commission (FERC) to publish and implement as quickly as possible appropriate regulations to implement provisions of the NGPA, which is a responsibility of FERC.

Relative to your suggestion of a task force, we assure you that all interested parties within DOE that have a responsibility in implementing the legislation are cooperating and coordinating their efforts to insure that the intent and purpose of the legislation are carried out.

In lieu of a task force, you may be interested in the implementation of a new program within DOE whose objective is somewhat similar to your reason for having a task force. For the past 5 months, DOE has been formulating a commercialization strategy which prioritizes specific actions and activities to increase the supply of natural gas from unconventional sources. The Unconventional Gas Recovery Commercialization Task Force concluded in its report that certain unconventional gas sources, namely, the technology associated with the recovery of certain tight gas sands, Devanian Shale, coal bed methane, and geopressured methane, have reached the point that it was ready for commercial application on a limited basis. The principal focus of the plan is on the near-term actions of four major organizations within DOE:

Resource Applications—established as the DOE organization to lead the commercialization efforts.

Energy Technology—charged with developing cost-effective technologies for exploiting the resources to their fullest.

Environment—assigned to assure environmental protection and occupational safety.

FERC—responsible for implementing gas pricing legislation, approving gas pipelines, and regulating the markets for natural gas.

In addition to accelerate the movement to full commercialization, the position of a Resource Manager has been established within DOE. The Resource Manager provides a DOE-wide point-of-focus for the integration of all activities required to achieve the earliest possible date for commercialization of these four gas resources.

Although there may be disagreements among experts on the exact magnitude of our unconventional gas resources, we are convinced that these resources are substantial and the development and production from them can make a significant contribution in meeting our Nation's future gas requirements.

Sincerely,

GEORGE S. MCISAAC,
Assistant Secretary, Resource Applications.●

TUG VALLEY FLOOD PROTECTION ACT

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. RAHALL. Mr. Speaker, today I have introduced on behalf of myself and Mr. PERKINS the Tug Valley Flood Protection Act of 1979. This legislation is designed to provide $100 million for the construction of flood walls and levees along the largest coal producing region of our Nation.

Last year marked a monumental battle for the residents of this region. It was culminated by a "Pilgrimage to Washington" by the residents of Williamson, W. Va., who left with us their plea for help and protection. This was followed by both Senate and House hearings which were culminated by a section of the Public Works Appropriations Act of 1978 including $10 million for snagging and dredging of the Tug and Levisa Forks of the Big Sandy River. Now we find that what was first thought to be immediate relief was nothing more than a dream as this money cannot be utilized by the

Corps of Engineers for no authorizing legislation has been enacted.

A recent analysis by members of my staff has shown that since 1954, southern West Virginia and eastern Kentucky have been flooded 17 times, an average of one flood every 1.3 years and that the frequency rate is growing larger. These floods have resulted in millions of dollars being spent in recovery efforts. During this period of 25 years, the Small Business Administration has approved loans totaling over $47 million, the Federal Disaster Assistance Administration's obligations now total over $10 million and claims paid by the Federal Insurance Administration now total over $7 million. This amounts to expenditures exceeding $64 million with estimates for flooding during December 1978 not determined yet. Put another way, this averages to an expenditure of almost $3 million every 1.3 years.

In the past weeks, we have seen what effect not reducing our dependence on foreign sources of energy will have on our economy. The decision by the Organization of Petroleum Exporting Countries to raise oil prices by 14 percent will have a decisive affect on our economy. The Tug Valley holds one of the keys to reducing our dependence, but without adequate flood protection this region will become nothing more than a sodden wasteland.

It is my hope, Mr. Speaker, that my fellow colleagues as well as the President will understand the urgency of this problem and will lend their full support to providing relief to this disaster ridden region. For as we enter this new year, named the "Year of the Child" by the UNICEF Foundation, I hope the children of the Tug Valley have the opportunity to grow, flourish and develop without the constant fear of recurrent floods every spring.●

STATEMENT ON UKRAINIAN INDEPENDENCE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. OTTINGER. Mr. Speaker, January 22, 1979, marks the 61st anniversary of the Proclamation of the Independence of Ukraine as the Ukrainian National Republic, which took place on January 22, 1918, in Kiev, the capital of Ukraine. This is a most appropriate occasion to denounce the Soviet Union's unwillingness to abide by the provisions of the Helsinki Accords, the United Nations charter and the inherent right of self-determination of the peoples of the Ukraine.

The Ukrainian National Republic was established after a revolution, not unlike our own, during which the Ukrainians aspired and achieved complete independence. This sovereign Ukrainian State was immediately recognized by a large number of nations including France, England, and Soviet Russia. Despite the fact that the Soviet Government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked both by military aggression and internal subversion. In 1924, this nation was forcibly incorporated into the Union of Soviet Socialist Republics.

The entire history of a Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution, genocide, and violations of human rights on a grand scale. Under Stalin, Ukraine was marked for physical destruction and denationalization. Under the Khrushchev, Brezhnev, and Kosygin regimes outright terror was replaced by the subtle process of destruction in terms of losing a Ukrainian consciousness and identity through Russification, a persecution of Ukrainian nationalism and the propogagation of a fusion of all non-Russian nations into an all-Soviet people.

The people of Ukraine, as well as other peoples of Eastern Europe have a right to self-determination, a principle which the Soviet Union itself has recognized but flouted. On March 22, 1978, only a few weeks after the conclusion of the Conference on Security and Cooperation in Europe, the Kremlin hierarchy brought to trial in Vasylkiw, Ukraine, Myroslaw Marynovych and Mykola Matusevych, two members of the Kiev Public Group To Promote the Implementation of the Helsinki Accords. By March 30, they were each sentenced to 7 years imprisonment and 5 years internal exile, after being found guilty of "anti-Soviet activity." The highhandedness of this act is amplified by the fact that in the last year in Ukraine alone, the Soviet judiciary has meted out a total of 30 years imprisonment and exile to five Ukrainian human and national rights' advocates. Such has been the fate of those who have attempted to monitor Soviet compliance with international accords.

On this occasion, the anniversary of the Ukrainian independence, we express the concern of Congress for the renewal of the rights of self-determination, independence and sovereignty for a nation illegally deprived of these basic rights. The Russian Communist enslavement of Ukraine has brought much suffering to the people. In spite of this oppressive yoke, the Ukrainians have never accepted a foreign domination and are continuing to struggle for human rights, freedom, and national independence. In the interest of Ukraine's freedom as well as the peace, stability and prosperity of Europe, we call for an intense campaign for human and national rights for the Ukrainian people to be inaugurated by the U.S. Congress.●

EXECUTIVE ORDER FOR ENVIRONMENTAL EFFECTS ABROAD OF MAJOR FEDERAL ACTIONS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. DINGELL. Mr. Speaker, on January 9, 1979, the President issued Executive Order No. 12114 establishing a framework for the review of environmental effects abroad of major Federal actions. The President is to be commended for his action in officially recognizing the vital need to safeguard the global environment.

As one of the principal authors of the National Environmental Policy Act of 1969 (NEPA), I support the President's action in extending the applicability of this statute beyond the borders of the United States, fulfilling the original intent of the act.

To facilitate a more concise understanding of the implications of the President's Executive order, I am inserting two documents originated by the Council on Environmental Quality which I feel will help accomplish that goal:

EXECUTIVE ORDER FOR ENVIRONMENTAL EFFECTS ABROAD OF MAJOR FEDERAL ACTIONS

The Executive Order signed by President Carter contains the first governmentwide program to further the purpose of the National Environmental Policy Act for agency activities outside the United States. Up to now, there has been no attempt to adopt and implement environmental review procedures throughout the government for U.S. actions with effects outside the United States. The Order addresses the enormously difficult task of reconciling the competing but legitimate goals of environmental protection with those of foreign export policy.

1. In the global commons areas (such as oceans and Antarctica), the Executive Order provides that Environmental Impact Statements (EISs) must be prepared when major Federal actions have significant environmental effects.

2. In foreign countries, where their environments are significantly affected by U.S. actions, the Order requires preparation of concise reviews of the environmental impacts and other issues in certain critical situations.

a. where the foreign nation affected is not participating with the United States in the project (innocent bystander nation, such as a U.S. financed dam in one foreign country that cuts off water for another);

b. where the Federal action involves a facility which is strictly regulated or prohibited in the United States in order to protect against radioactive hazards (such as export of nuclear reactors);

c. where the Federal action involves a product, or a facility whose principal products or whose emissions or effluents, are prohibited or strictly regulated by Federal law because their toxic effects on the environment create a serious public health risk; and

d. where the Federal action affects natural or ecological resources of global importance that may in the future be designated by the President or, in the case of resources protected by international agreement, the Secretary of State (such as tropical forest ecosystems or an endangered species).

3. The Order specifies certain exemptions and modifications of these procedures where necessary for national security and foreign policy reasons.

4. All agencies are to adopt and implement procedures within 8 months to carry out the Order. Agencies must consult with the Council on Environmental Quality and the State Department.

5. Preparation of Environmental Impact Statements (EISs) is an option available to any agency. Agencies may use their own initiatives to go beyond the government-wide requirements in their implementation of NEPA's purpose.

QUESTIONS AND ANSWERS ON INTERNATIONAL ENVIRONMENTAL EXECUTIVE ORDER

Q. What kind of federal actions will be included under the Executive Order?

A. (1) All major federal actions which significantly affect the environment of the global commons (oceans, Antarctica, atmosphere). Federal agencies will be required to prepare EISs in these cases.

(2) Major federal action affecting foreign nations not participating in a US-sponsored project, such as a US-financed dam in one foreign country that cuts off water for another;

(3) Major federal actions involving a facility which is strictly regulated or prohibited in the United States in order to protect against radioactive hazards (such as export of nuclear reactors);

(4) Major federal actions involving a product or a facility whose principal products or whose emissions or effluents are prohibited or strictly regulated by federal law because their toxic effects on the environment create a serious public health risk (e.g., products such as pesticides, facilities which manufacture pesticides, or facilities whose emissions or effluents contain heavy metals such as cadmium); and

(5) Major federal actions affecting natural or ecological resources of global importance that may in the future be designated by the President or, in the case of resources protected by international agreement, the Secretary of State (such as tropical forest ecosystems or an endangered species).

Q. What will agencies be required to do under the Executive Order?

A. They will be required to adopt and implement environmental review procedures for the federal agency actions covered by the Order that have effects outside the U.S. The Executive Order also establishes a program for exchange of environmental information with other countries. The program will help U.S. agencies review the effects of major actions abroad and also will help to promote environmental cooperation with other countries.

Q. What kinds of documents will be required?

A. Environmental Impact Statements (EISs) will be required when major federal actions have significant environmental effects in the global commons areas (such as the oceans, atmosphere, and Antarctica). For the federal actions affecting the environment of foreign countries which are covered by the Executive Order agency implementing procedures must provide for either (1) concise reviews of the environmental issues involved ("environmental assessments") or (2) bilateral environmental studies done by the U.S. and the country or countries affected.

Q. How soon will agencies have to comply with the Executive Order?

A. Within eight months agencies are to have implementing procedures in effect. Agencies are to consult with the Department of State and the Council on Environmental Quality on such procedures before putting them into effect.

Q. What is exempted under the Executive Order?

A. (1) Actions not having a significant effect on the environment outside the United States;

(2) Actions taken by the President;

(3) Disaster and emergency relief action;

(4) Intelligence activities and arms transfers;

(5) Votes and other actions in international conferences and organizations;

(6) Actions involving national security sensitivity or actions occurring in the course of armed conflicts;

(7) Export licensing, permitting and approval actions except those involving the export of nuclear facilities.

Q. How will the new Executive Order affect the "average" U.S. taxpayer?

A. Most private export business will not be affected by the Executive Order because most exports do not require specific federal agency permits or licenses. Of the relatively few that do, most are exempted from mandatory environmental review by the Executive Order. Among the exemptions are the Department of Commerce's validated licenses for exports on the Commodity Control list.

There are a number of other exemptions, including: Treasury Department licenses for exports of gold or U.S. coins containing silver; certain export approvals by the Justice Department; and the export of nuclear fuel. Export of nuclear reactors is included, however. A small percentage of other exports financed by Eximbank—probably less than 5 percent of the total dollar volume—may require environmental reviews under the Order.

Q. How will foreign countries be involved?

A. Responsible agencies will include in their procedures appropriate means to determine when an affected nation will be informed that environmental documents are available. The Department of State will coordinate all communications by agencies with foreign governments concerning information and documents. We believe that both U.S. agencies and foreign countries will benefit by being informed of the environmental effects of U.S. actions.

Q. Does environmental analysis of U.S. government activities abroad violate the sovereignty of foreign countries?

A. No. It represents a respect for foreign sovereignty. Other countries have a right to know whether U.S. activities in their countries might get them into serious health, safety, and environmental problems. Furthermore, if an agency determines that the preparation of an environmental review will violate a foreign country's sovereignty in fact or appearance, the agency may modify its compliance with the environmental review and notification requirements in order to avoid diplomatic problems.

Q. When a U.S. agency conducts an environmental review on a proposed activity in a foreign country, are we imposing our own environmental standards and values on that country?

A. No. The agency is first informing itself of potential environmental consequences of its own actions. Secondly, the foreign country can use the environmental analysis as it sees fit. Both the U.S. agency and the country can decide to proceed with environmentally damaging activities if they see good reason for doing so.

Q. How can a federal agency conduct an environmental review if adequate information on which to base a decision is not available?

A. The Executive Order provides for appropriate modifications in the timing, content and availability of documents to affected agencies and nations where information is unavailable. The information exchange program established by the Order will add to the information available for decisionmakers and facilitate environmental reviews.

Q. Will the Order force the disclosure of confidential information, or affect our national security, or hamper our efforts to increase exports?

A. The Order reflects the need for governmental and commercial confidentiality. It protects national security and is carefully designed to minimize interference with the competitive position of U.S. firms in international trade and increased exports.

Q. Will the Order cause wasted effort and repetitive paperwork?

A. No. To avoid duplication of effort, agencies will provide in their procedures for appropriate use of the resources of other federal agencies with relevant environmental jurisdiction or expertise.

Q. What real difference will the Order mean in the way federal agencies do business?

A. Many agencies will be doing a lot more analysis. For the first time *all* federal agencies will be analyzing the most significant of the environmental effects of their actions abroad.

Q. What is the significance of the Order at this time?

A. The issue of whether and how to analyze the effects of federal actions abroad has divided agencies since passage of the National Environmental Policy Act in 1969. Agencies concerned with the environment traditionally maintained that NEPA applied to federal actions abroad. Agencies concerned with foreign, defense, and export policy traditionally maintained that it did not. After seven years of discord the Carter Administration resolved to settle the issue in a way sensitive to both environmental and foreign policy—export policy concerns. With the Council on Environmental Quality negotiating for environmental agencies and with State Department negotiating for foreign-export policy agencies, over the course of a year the new Executive Order was developed. All affected agencies believe it represents a policy at once sensitive to environmental and to foreign policy and export policy concerns.●

"WILMINGTON 10": A NEW STEP

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. EDWARDS of California. Mr. Speaker, January 22 was the birthday of the Reverend Benjamin F. Chavis, Jr. As my colleagues know, Reverend Chavis is the only member of the Wilmington 10 to still be incarcerated. Many of my colleagues have been active in efforts to have the convictions of the Wilmington 10 defendants overturned. We have studied the case; we have reviewed the evidence; and this review has indicated that justice was not served in the conviction of the Wilmington 10.

Key witnesses have recanted their testimony. They have admitted that their damaging testimony was made as a result of threats and bribes by State and Federal officials. Other witnesses have come forward to testify that the defendants were with them at the time to the crime for which the Wilmington 10 were convicted. These witnesses were too intimidated to come forth at the time of the trial. Numerous irregularities in the trial record have been uncovered.

In short, an excellent case can be made that the defendants in the Wilmington 10 case should never have been convicted. Despite this, Reverend Chavis remains in prison. The nine other defendants, who have been released on parole, have still not been given the pardons of innocence they deserve.

Like many of you, I was greatly encouraged by the Justice Department's decision to file an amicus curiae brief in behalf of the Wilmington 10. I applauded the Department's decision and thought it would be of immeasurable help in speeding a just resolution of this troubling case. Shortly after the Department's decision was announced, the Christian Science Monitor published an excellent editorial lauding the Department's decision. Since the Congress was not in session at that time, I am taking the liberty of sharing the editorial with my colleagues at this time.

Although the filing of the Justice Department brief was an important boost

to the effort to free Reverend Chavis and pardon the Wilmington 10, the battle is not yet won. The Federal judge in the Raleigh district court has not yet set a hearing date to hear the defendant's request for a writ of habeas corpus; a request made some 3 years ago. I plan to write the judge to urge him to move expeditiously in this matter. I would urge my colleagues who share my interest and concern in the case to do likewise. Our continued work in behalf of the Wilmington 10 would be a fitting birthday gift to the Reverend Chavis.

The article from the Christian Science Monitor follows:

"WILMINGTON 10": A NEW STEP

The Justice Department has taken a welcome unusual step in keeping with demands that the Carter administration should display no less concern for human rights at home than abroad. The case of the Wilmington 10, adopted as "prisoners of conscience" by Amnesty International, has become the most conspicuous example of its kind. It has given the Soviet Union an excuse to peer from its abyss of trampled rights and self-righteously accuse the US of violating the Helsinki declaration. It has caused America's own Assistant Secretary of State for Human Rights to speak of a "great miscarriage of justice." Now the Justice Department has weighed in with a brief urging a federal judge in North Carolina to consider, in effect, overturning the convictions of the Wilmington 10 because of "serious questions" about the constitutionality of their trial on charges of firebombing during civil rights turbulence in 1971.

All but one of the group have been released on parole. But Governor Hunt of North Carolina, while reducing their sentences, refused to give them the "pardons of innocence" that were sought. And they were denied a new trial despite disclosures that appeared to taint the previous one. They are pleading for a writ of habeas corpus from the federal judge to whom the Justice Department has submitted its brief. It would have the effect of negating their convictions.

The judge is not legally required to consider the Justice Department's views. But we hope he does so in the interests of finally clearing the air. Then the department's extraordinary decision in support of the Wilmington 10—entering a friend-of-the-court brief in a criminal case—will not be only symbolic assurance that the Carter administration does care.

As was said in a statement from the United Church of Christ, long-time fighters for the Wilmington 10, the brief recognizes the true function of the Justice Department is not just to seek convictions but to see that justice is done in all criminal proceedings.●

OLDER AMERICANS: SOME TRENDS AND QUESTIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report of October 25, 1978, into the RECORD:

OLDER AMERICANS: SOME TRENDS AND QUESTIONS

The past four decades have seen steady growth in the number of older persons in the American population. The demographic trends are truly striking:

Life expectancy, which has increased almost ten years since 1940, is now 69 years for men and 77 years for women. Three out of four Americans reach the age of 65.

The postwar "baby boom" will turn into a 21st century "senior boom." Today 11 percent of the population is over age 65, but in 2030 the figure will be nearly 20 percent.

While people are living longer, they are also retiring sooner. Three decades ago almost one out of two men aged 65 or more remained at work, but today the ratio is one man in five.

The ratio of active workers to retired citizens will change dramatically in the future. It may drop from six-to-one today to a low of three-to-one by 2030.

Given these trends, it should come as no surprise that programs for older persons are claiming an increasing share of federal resources. Total spending for social security benefits, medicare, black lung benefits, various retirement programs and other initiatives for the elderly added up to $112 billion last year, about 24 percent of the federal budget. Real spending under these programs this year will be four times what it was just two decades ago, and as a percentage of the federal budget it has nearly doubled in that time. Large as they are, these federal expenditures are expected to grow even more in the years ahead.

The budgetary changes necessitated by an aging America raise many questions for policy-makers. Among the more important questions are these:

When is a person old? In 1900 a 65-year-old person was indeed old. The passage of years took a heavier toll in the absence of modern work-saving devices and advanced medical science. Today, however, the 65th birthday may imply very little about a person's health, vitality or outlook. It may no longer be a reliable bench mark of old age.

What is retirement? The traditional view is that retirement is a form of support for persons who reach old age and cannot work. This view has been widely held during much of our history. A more recent view is that retirement is a form of reward for a period of service. For example, a pension is available to military personnel after 20 years in the armed forces. The newer view breaks the connection between retirement and old age and makes pension plans much more expensive. It raises the doubt that retirement based solely on service is something we can afford in the long run. Clearly, our retirement policies need to be rethought, with more consideration for incentives not to retire early, new kinds of work arrangements to keep older persons in the work force, and more flexible career patterns.

Is enough being done to achieve income security for older persons? Federal, state and private retirement plans pay out more than $50 billion each year. Tax breaks for older persons amount to $20 billion annually. Private savings provide an estimated $20 billion in yearly income for retirees. These substantial funds mean that the costs of retirement are high, but even so many older persons have inadequate income. We must ask whether we have found the most rational way to meet the basic needs of the elderly.

Are health care services for older persons delivered with compassion and efficiency? In spite of its obvious advantages, the present health care system is too costly. It is also deficient in some respects. For example, we have not developed viable programs of community health care, nor have we made the right kinds of medical service accessible to all older persons. Many options must be explored before costs can be lowered and deficiencies corrected.

What role should families play in caring for older persons? Most families go to the limit in support of elderly relatives. For example, 70% to 80% of all home health care for persons aged 55 or more is still funded from the family budget. This percentage is quite remarkable in these inflationary times. Whenever our policy choices, we must not fail to tap the latent strength of the family. No government program can ever give the elderly the kind of personal care that the family gives.

Our society has a way of solving its most pressing problems. We often take up challenges with vigor and foresight. We have done it before, and we must do it again with the many challenges faced by older Americans today.

(This newsletter is adapted from 1978 congressional testimony given by Joseph Califano, Secretary of the Department of Health, Education, and Welfare.)●

THE CHALLENGE OF ALASKA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. VENTO. Mr. Speaker, the 95th Congress marked the passage of many important pieces of environmental legislation. The passage of legislation such as the Boundary Waters Canoe Area Wilderness Act, the National Parks and Recreation Act of 1978, the Endangered American Wilderness Act, and the Redwoods National Park extension reaffirmed our Nation's commitment to the protection of our few remaining acres of wilderness for the enjoyment and use of present and future generations of Americans. Unfortunately, the substantial environmental achievements of the 95th Congress are clouded by the failure to complete action on legislation designed to protect the vast wilds of Alaska.

The failure to act was not the result of a lack of careful study on this issue. As a member of the House Interior Subcommittee on General Oversight and Alaska Lands, I can attest to the thorough deliberation that was expended in consideration of H.R. 39. The bill that eventually came before the full House was the result of hundreds of hours of debate and study and the testimony of over 2,000 witnesses. It was a bill that balanced our concern for protecting the unique characteristics of Alaska with the future development of that State's considerable natural resources. The balanced approach of H.R. 39 was confirmed by the overwhelming vote of support that the bill reached during full House consideration and passage.

Unfortunately, the Senate was unable to act on this most important piece of conservation legislation and at the close of the 95th Congress, a final solution to the Alaska lands issue had not been reached.

This lack of action benefited no one: The transfer of lands to Native corporations and to the State has been delayed; the development of the vast Alaskan storehouse of natural resources has been sidetracked; and the beauties of the Alaskan wilderness have been threatened. Only the bold, farsighted actions of President Carter and Secretaries Andrus and Bergland have prevented an irreversible degradation of the land from occurring. I congratulate and thank the President and his administration for their brave actions.

We must not, however, consider the recent Executive actions as a final solution to the Alaskan lands issues. Many issues on Alaska, affecting all Americans, still exist and can only be resolved by congressional action. We must build upon the solid foundation laid by the President and must resolve the uncertainties that surround the future use of Alaskan lands. Today's introduction of H.R. 39 is an important first step in the resolution of these issues. Based on the bill that passed the House last May by a vote of 277 to 31, the new H.R. 39 complements the recent Executive actions. It is a balanced approach, establishing Federal policies that will provide for the economic development of the State, the wise development of the natural resources, and the protection of the most significant areas of Alaska. H.R. 39 is worthy of the support of all Members and I am pleased that so many of my colleagues have joined with me in sponsoring this bill. I urge those colleagues who have not yet voiced their support for H.R. 39 to do so as soon as possible.

Mr. Speaker, the challenge of enacting legislation dealing with Alaska stands before the 96th Congress. We cannot allow this issue to remain unresolved and must pass sound, comprehensive, and balanced legislation. We can meet this challenge by passing the bill that satisfies those demands, H.R. 39.

At this time, Mr. Speaker, I would like to call my colleagues' attention to several recent articles dealing with the challenge facing the 96th Congress: Two editorials from the St. Paul Pioneer Press and the Minneapolis Tribune praising the President's actions and urging further congressional action and a recent poll showing the overwhelming support of Minnesotans for further congressional action:

[From the St. Paul (Minn.) Pioneer Press, Dec. 5, 1978]

CARTER SAVES ALASKA LANDS

In a move that missed the headlines and TV coverage it deserved, President Carter last Friday more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history.

What the President did was set aside 56 million acres of Alaska in new national monuments, under authority of the Antiquities Act of 1906, passed when Theodore Roosevelt, long considered the foremost conservationist ever to sit in the White House, was President. Until Friday, the National Park system had contained about 33 million acres; the oldest and largest single park, Yellowstone, contains 2,200,000.

It was no overstatement, then, when the head of the Alaska Coalition, a private conservation group which has been fighting for the preservation of the Alaskan wilderness, said, "President Carter has now replaced Teddy Roosevelt as the greatest conservation President of all time."

There was "poetic justice" in Mr. Carter's turning to the 1906 law. It had been passed to save Indian art in the Southwest from vandals and exploiters, but the powers it gave the President were later used when Congress failed to act on preserving priceless natural wonders. The Grand Canyon, for example, was first set aside under the Antiquities Act. In the last session of Congress, Alaska's senators had succeeded in blocking passage of the Alaska Lands bill, which would have set aside nearly 100 million acres in parks, wildlife preserves and national monuments. An emergency authority invoked by the Secretary of the Interior protected these lands from developers and the state of Alaska until the President acted under the Antiquities law. That emergency protection will continue, at least until the next congressional session for the remaining nearly 44 million acres.

Alaska's politicians are upset, of course. Its three-man congressional delegation is furious, and even Gov. Jay Hammond, considered something of a moderate—as Alaskans in general go—on conservation issues, is upset. Hammond is especially concerned because the President's order bans sport hunting on 40 million acres. Sport hunting furnishes a livelihood for numbers of Alaskans who act as guides and pilots for well-heeled hunters from the "Lower 48." Hammond has promised to fight the presidential order in the courts, but over the years courts have uniformly sustained the President's powers under the Antiquities Act.

The next move is up to Congress, which is left with narrowed alternatives. It can now go ahead and encompass the original 100 million acres in a comprehensive lands bill, designating some of the new "monuments" as national parks, others as wildlife reserves, and so on, as the original bill provided. It can balk and refuse to go beyond the President's order of last week. What it apparently *cannot* do, however, is cancel what the President already has done.

Congress' failure to act this year was a bitter blow to conservationists and environmentalists all over this country, for Alaska truly is the last frontier and offers the nation a magnificent opportunity to avoid a calamitous reptition of the "rape and ruin" exploitation that has characterized so much of our history. In this critical time, President Carter, acting on his often-repeated pledge to save the Alaskan lands reached back to a law passed more than three-quarters of a century ago. "Sweet are the uses of adversity."

[From the Minneapolis Tribune, Dec. 11, 1978]

NEW ACTIONS ON ALASKA CHALLENGE CONGRESS

President Carter and Secretary of the Interior Cecil Andrus are making the right moves to protect Alaska from unacceptable environmental risks. By executive authority under a 1906 law Carter has designated national monuments covering 58 million acres of Alaskan federal lands. At the same time, he is directing Andrus to hold hearings on permanent protection for 39 million acres as wildlife refuges. And Andrus has agreed with Secretary of Agriculture Bob Bergland on special safeguards for 11 million acres in two national forests for the next two years.

These are strong and welcome measures. They more than double the size of America's national park system. They erect a barrier against premature development of public lands for mining, logging and drilling for oil. They insulate large areas from immediate acquisition by the state. They express a policy of long-range trusteeship over economic resources and scenic treasures that belong to everyone. Carter deserves the praise he is getting as "one of the greatest conservation-minded presidents."

But much as we commend them, executive actions are not enough. The administration's moves are necessary now because Congress failed last session to enact legislative policy for federal lands in Alaska. That failure—largely brought about by the delaying tactics of Alaska's Sens. Stevens and Gravel—threw the status of the millions of acres into question. Carter is rightly trying to clarify the question by protective policies of his own. But some of his orders can be challenged in court, and others must be temporary under existing law. Only Congress can satisfactorily lay the matter to rest.

The federal lands in Alaska deserve national attention and national legislation. The House and Senate should act strongly this winter to confirm the trusteeship that the president has expressed.

[From the Minneapolis Tribune, Dec. 24, 1978]

MOST SAY UNITED STATES IS DOING GOOD JOB OF PRESERVING WILD AREAS

A majority of Minnesotans think the United States is doing a good job in preserving wilderness areas.

In a statewide opinion survey, the Minneapolis Tribune's Minnesota Poll found 62 percent of those interviewed believe the United States is doing a good job in preserving wilderness areas, while 36 percent consider the government's efforts not so good.

Indicative of Minnesotans support of government preservation of wilderness was their strong feeling in mid-November that Congress should approve a bill to set aside 100 million acres in Alaska for parks, wildlife refuges, wilderness zones and national forests.

President Carter dramatically changed the dynamics of the Alaskan wilderness controversy on Dec. 1 when he:

Created 17 new national monuments in Alaska by proclamation, totaling 56 million acres. (A national monument generally is operated under the same restrictions on use as national parks, which includes a ban on motorized boats and snowmobiles. A national monument can be created by the president under the Antiquities Act of 1906.)

Withdraw 11 million acres in southeast Alaska from possible mining.

Proposed that 39 million acres be designated as wildlife refuge areas.

The administration acted because Dec. 17 was the deadline for the federal government to turn over land stipulated in the statehood grant. Alaska has filed a suit against the administration actions.

The House passed legislation last May to put 100 million acres of federal land in Alaska into national parks, refuges and wilderness. But the bill failed to pass the Senate, partly because of opposition by Sen. Mike Gravel, D–Alaska. Although much of the land is protected by Carter's orders, the administration hopes next year's Congress may act on some items in the legislation.

A balanced sampling of 621 Minnesotans were asked about that bill in this way:

"Next year Congress will consider a bill concerning wilderness areas in Alaska. The bill would put about 100 million acres—more than a fourth of the state's area—into protected areas, like parks, wildlife refuges, wilderness zones and national forests. Would you like Congress to approve or disapprove of this proposal?"

Minnesotans from different walks of life reacted favorably to the setting aside of vast acreages:

Want Congress to Approve?

[In percent]

	Yes	No	Don't know
All adults	69	26	5
Men	70	25	5
Women	67	26	7
18–24 years	86	13	1
65 years & over	56	35	9
Attended college	74	18	8
H.S. grads	69	27	4
Less education	57	37	6
Liberals	72	19	9
Moderates	71	23	6
Conservatives	65	32	3
Region of state:			
South	63	32	5
Twin Cities area	74	19	7
North	62	35	3

The next question was:

"In general, do you think the United States is doing a good job or not so good in preserving wilderness areas?"

The replies:

	Percent
U.S. doing a generally good job	62
Not so good	36
Don't know	2
	100

Among Minnesotans who are critical of the government's performance in wilderness preservation, the desire to have Congress pass legislation setting aside 100 million acres of Alaska for wilderness areas is slightly stronger than it is among those who approve.

This Minnesota Poll involved interviews with 621 men and women 18 and over from Nov. 17 to 19 throughout Minnesota. As a scientifically based opinion survey, it provides an approximation of the response that could be expected if all adult Minnesotans had been interviewed.

The editors of the Tribune developed the questionnaire used in the survey. Research Information Center, Inc., of Phoenix, Ariz., obtained the interviews and tabulated the answers.

Results of such surveys are subject to sampling error. For a random sampling of this size and type, it is possible to say that the sampling error almost never will exceed four percentage points either way. This sample was taken only from households with telephones.

For a subsample of the population—for example, the 148 residents of northern Minnesota—the error could be larger.●

TRIBUTE TO BROOKS METTS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I recently had the opportunity to take part in a special tribute to a man in my congressional district who has contributed greatly to the medical capabilities of the community hospital in Jackson, Tenn., and to the educational curriculum needed to support that hospital. His name is Mr. Brooks Metts, technical director of the radiology department at the Jackson-Madison County Hospital.

Mr. Metts came to the hospital in 1952 and has been promoted steadily to his present position. In conjunction with that, he continued his own education, achieving an associates degree in radiologic technology in 1976. The ironic part of this story is that Brooks Metts was instrumental in establishing this degree program at Jackson State Community College from which he graduated.

His efforts on behalf of radiologic technology and the education of students to perform this important function are tremendous. The people of Jackson and western Tennessee owe him a great debt. I would like to take this opportunity to insert into the RECORD a brief description of Mr. Metts' career and achievements:

CURRICULUM VITAE: BROOKS C. METTS, R.T.

Brooks Conrad Metts was born October 25, 1915 in Oxford, Mississippi, the son of a rural Baptist minister. His mother must have envisioned his future career in X-Ray. His middle name is Conrad, the same as Conrad Roentgen, who discovered X-Ray in 1895.

He graduated from the Radiologic Technology program at the University of Tennessee Medical Units in 1952. He has been employed by Jackson-Madison County General Hospital for the past 26 years and has been the Chief Technologist since 1959. He was promoted a few years ago to Technical Director of the Radiology Department.

The Jackson-Madison County Hospital has experienced a phenomenal growth since 1952 when Brooks was first hired. The 120 bed hospital had one X-Ray machine and 2 technologists.

Today the hospital has almost 600 beds. The Radiology Department has 45 full-time employees and 10 part-time employees and there are 18 x-ray machines in addition to the most sophisticated computerized tomography unit, Ultra Sound, Cobalt, and a comprehensive Nuclear Medicine Department.

On the State level, Mr. Metts served the Tennessee Society of Radiologic Technologists in numerous offices. He was Vice-President in 1962 and was elected President in 1963. He has also served on the Board of Directors and various committee appointments. Recently he was awarded Life Membership in the Tennessee Society of Radiologic Technologists, the 4th member so honored in the 40 year history of the organization. Many friends and community leaders recently attended an awards program and reception in his honor. Mr. Metts is given much of the credit for organizing District V Society. He was a charter member, the first president and has served on every committee at one time or another.

Mr. Metts was also instrumental in starting the associate degree Radiologic Technology program offered by Jackson State Community College in cooperation with the Jackson Hospital. This was the first college x-ray program in the state and the fifth AMA approved program in the country. The program has expanded from 5 students, since 1969, to a maximum enrollment of 44 students with clinical affiliates at Paris and Union City as well as the Jackson Hospital.

It took him 8 years but he attained his dream. In June 1976, at the age of 61, he received an Associate of Science Degree with academic honors. Jackson State President, Dr. Walter Nelms, conferred the degree upon Mr. Metts during a department head meeting at the hospital.

He has instilled in all of his children a respect for education. His son, Dr. Brooks Metts, Jr., has a doctorate in Pharmacy from U.T., and his daughter-in-law, June, has a Ph.D. in Education. They have a 3-month old daughter.

His daughter, Lynn, graduated from Union, and his son-in-law, Randall, has a Master's Degree in Mathematics and is a girl's basketball coach at North Side Junior High School. They have 2 children—1 year old Allison and 6 year old Cynthia.

His daughter, Mary Ann New, attended Union and is the mother of 9 year old David, who was the first grandchild, and 4 year old Beth.

His wife, Clara Lynn, is a registered nurse in the obstetrics department at the Jackson Hospital.

Brooks is a Mason, currently serving on the Board of Directors of the West Tennessee Health Improvement Association and is an active member of West Jackson Baptist Church, where he is a deacon and has previously served on the church's finance committee.

Brooks C. Metts, R.T., has made a significant contribution to the medical community in the West Tennessee area and is recognized as a leader in the Radiology Profession on the state as well as the national level.●

NATIONAL HEALTH INSURANCE

HON. RONALD E. PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. PAUL. Mr. Speaker, on January 11, 1979, just before coming to Washington for the 96th Congress, I had the pleasure of hearing our distinguished colleague, Congressman PHILIP CRANE, address the Harris County Medical Society of Texas. He spoke about national health insurance, certainly a topic of much discussion today. Yet, the speech by the gentleman from Illinois stands out for two reasons: First, he was one of the first to caution our Nation's leaders against turning to the Federal Government for a solution to medical problems, and second, he serves as a member of the Ways and Means Subcommittee on Health and his thoughts reflect this opportunity and experience.

He has long articulated the thoughts of those of us who oppose the extension of Uncle Sam's reach into our lives, especially in so important an area as the health and well-being of our loved ones. In this spirit, I commend this speech to you and my good colleagues:

SPEECH OF CONGRESSMAN PHILIP CRANE BEFORE THE HARRIS COUNTY MEDICAL SOCIETY, JANUARY 11, 1979

Today, I address you from the unique position of having decided to discuss something that, as of this morning, does not exist. This does not mean, though, that the ensuing speech is a mere fantasy of mind, and you can lean back and catch forty winks while I stand here and tell stories. No, my concern over the current state of our nation's medical system is very real, and we all sense the potential for radical and essentially undesirable change in our health services, if we sit back and let it happen. We know who will be the key characters in this saga; the news media has kept us well-informed regarding who is meeting with whom to discuss what. Yet, as of now, the two pieces of definitive legislation that will provide the parameters of the polyphony we'll hear from those supporting a great expansion of Uncle Sam's role in our medical system do not exist. Oh, we have been offered "principles" and treated to hearings, from which "a legislative proposal will be developed." Promises, promises. And, like the teenager who has heard from irate parents, "I promise you'll wish you had never done that", these are promises I hope the makers will not keep. However, rather than risk being caught swimming while they make off with our clothes, I'll take this opportunity to share my thoughts on what we can expect and how we individually and collectively can work to ensure the best medical care for all citizens of the United States.

From one source, we can expect a program which will provide for everyone in the country to be covered for comprehensive benefits, including preventive health care services and catastrophic illnesses. Indeed, this plan is more generous than anything one would expect short of three granted wishes from a fairy godmother. As described by the proponent, here we have—

"Full coverage for in-patient services, physicians' services in and out of the hospital, home health services, x-rays, and lab tests. Costs of catastrophic illness will be fully covered since there will be no arbitrary nonmedical limits on the number of hospital days or physician visits. Preventive care for all members of the population will be actively encouraged and fully covered.

"Specified mental health benefits will be included. Future benefits to be phased in will include prescription drugs—to be covered at the outset for the elderly—and other professional services."

And a partridge in a pear tree.

All of these treats will be administered through a bi-partisan Federal Public Authority which will contract with each state and territory to establish State authorities. You will also be glad to know that already existing bodies such as state rate review agencies, health systems agencies, and professional standards review organizations will be used to the fullest. Private health insurance companies will have to meet federally established criteria to participate. Fully enacted, such a plan has the potential to be a disaster. I regret to say that all recent reports cause me to expect this proposal in the very near future.

The other major proposal we should anticipate, just when I cannot guess will not feature Uncle Sam in as large a starring role, though we foresee a potentially universal (at its full implementation) and comprehensive (as yet undefined) plan. This proposal has been handed down in the body of ten principles, no more, no less, and still remains amorphous. In the one directive offering the ten principles, both the defects and the strengths of the system (as perceived by the author) of the current system were discussed. Besides providing the basic "have your cake and eat it too" outline, little of substance was addressed.

However, proponents of these principles have articulated a recognition of many of the strengths of the American health system as it stands now. Trusting that they won't throw out the baby with the bathwater, I expect this plan to some extent, will reflect this belief.

Also, I find this approach slightly more palatable because it includes a realization of the economic impact inherent in any national health plan, as well as a verbal commitment not to introduce an inflationary plan. I find this reassuring because if no inflationary plan will be offered, we are likely to get no plan. However, I am not counting on this verbal commitment and a little bit of luck to save us from another health insurance proposal.

Though we can anticipate many plans to be articulated by various interest groups and Congressman, we see these two major proposals in the field. Yet, even these two proponents are questioning the feasibility of each other's proposal. I personally have serious questions as to whether national health insurance is the best way to ensure what we all agree is desirable—access for all Americans to health care—by the methods they choose and without financial calamity. I have long been reluctant to involve Uncle Sam in any aspect of our lives and I certainly fear any plan that offers this amorphous "comprehensive" care.

Let me assure you that I understand what these individuals are trying to do. We all agree that it is desirable for no man, woman, or child to go without health care. Escaping from the dollars and cents with which some try to quantify medical service, it is important to realize that we are talking about human beings, an individual life, and, perhaps, a loved one. It is easy to cite fiscal year 1977 per capita health expenditures of $737 for every man, woman and child in the country and complain about the excessive cost of health care without considering that our nation's expanding and innovative health system produced the doctors and the equipment in recent years that has saved countless lives. Human suffering costs cannot be translated into dollars and cents. We must not fall into this trap of citing statistics only when discussing unquantifiables like the value of a human life.

Therefore, let me show you where these well-intentioned folks are running in the wrong direction very fast.

The Library of Congress has recently estimated that 12% of the American population does not have health insurance protection. This figure varies from source to source; however, no one should underestimate the importance of this situation. We must stress this fact that under our current system, the overwhelming majority of our citizens, either through public or private sources, have health insurance. To do away in full with the system we have now and turn complete responsibility over to Uncle Sam will not answer our problem. We risk doing away with what we know to be successful for the possibility of an unworkable national system. "Comprehensive," defined by one proponent, undefined to another, is a term I hear with grave misgivings. I suggest dealing with this group which is uncovered, not overhauling the whole system.

Charges that those in government have ignored human health needs are essentially unfounded. Federal health outlays have increased more sharply than other health spending—from $4.7 billion in 1965 to over $39 billion in 1976 (730% increase). State and local spending increased from $5 billion to $18.9 billion (278% increase) in the same period. This can be put into perspective by considering that in the same period the CPI increased on 80%.

Traditionally, expenditures for health in the United States have been financed from private sources. However, beginning in fiscal year 1967 with the advent of the Medicare and Medicaid programs, the trend has been toward increased public financing of health care. As a result, the Government (Federal, State and local) share of the nation's health bill is now 42%; in 1966, it was about 25%.

Just as a broad, indiscriminate sweep is not the answer to our health concerns, neither is overregulation of the system as we enjoy it now. One of our two key proposals specifically suggests participation by the private insurance companies, a move I applaud, but only after no less than twenty considerations are addressed. Twenty! The good Lord handed down Ten Commandments. How one would still be able to define an industry that has had to cope with twenty federally-mandated regulations as "private" is beyond the comprehension of those of us who have had access to either an English class or Webster's dictionary. However, the implications of such overzealous regulating extends well beyond my concern for the future of the English language. Government rules and regulations, when taken too far, have been repeatedly shown to be inefficient and wasteful. Regulators tend to be created to regulate the regulators—the cycle is never ending.

A recent study by the Hospital Association of New York shows regulatory efforts cost $1 billion per year as a consequence of that state's 164 regulatory agencies. Even after considering that New York is a large state, the implications of national health insurance and accompanying regulation at the federal level are awe inspiring.

The Washington Post, on January 2, 1979, reported that 34 Maryland hospitals, all members of the Maryland Hospital Association, filed a court challenge to the latest requirement handed down by hospital regulatory agencies in the state. It is a new Medicaid form the proponents claim will check fraud and abuse in the system. Steve Summer, vice president of the association, estimates the annual cost of compliance with this new regulation alone at $1.3 million. Moreover, he says that the information provided by this form duplicates that of another one with which the hospital already have to deal.

This court challenge comes just two weeks after the Maryland association issued a report criticizing the confusion and waste caused by the 108 state, federal and local agencies that affect Maryland hospitals. The report cited overlapping jurisdictions of agencies as a major source of the morass of conflicting, redundant, and unclear regulations.

Twelve separate bodies oversee waste disposal. One, the Maryland Water Resources Administration, requires hospitals to put waste matter through a special steaming process to purify it. A second state agency, the Division of Licensure and Certification, prohibits use of this process and requires something different, according to the association. Maryland's Health Services Cost Review Commission, which is conducting a similar study, cited an expenditure of $19 million annually by the state's hospitals to comply with all the regulations issued.

Pretty bleak, if you ask me. I fear these horror stories from Maryland and New York are just the tip of a national iceberg.

We look around for models to emulate and come up empty-handed. Britain has now become passe as the key example; proponents point to our neighbor to the North, Canada. The consistently found problem in health care plans around the world is exactly that which proponents of national health insurance in this country find so egregious in our current system: escalating costs. Yet, we find no relief in the Canadian system. The Chicago Tribune recently cited a study made by the University of California at Los Angeles which found that national health insurance is not the answer to all our problems, based on the Canadian experience. The Trib noted that health care spending has grown even faster in Canada than in the United States. Between 1960 and 1975, hospital costs increased 424% in Canada while only 328% in the United States; in the same period, doctors' bills jumped 71% in Canada and only 65% here. An article in the Washington Star, (December 4, 1978) focusing on the recent Senate Human Resources subcommittee hearings on national health insurance, quoted a neurologist from Canada who offered a warning during the hearings against making the "mistake of destroying what you have and giving the whole thing to the state and the government."

We hear from the vocal proponents of national health insurance that our current system is not answering the needs of each and every citizen of the United States. We sadly have to agree. Yet, we look around and see, in the words of one of these men, that—

"American health care professionals and hospitals are among the finest in the world and deliver dedicated, high quality medical care.

"A growing number of Americans have private health insurance. American business increasingly is paying for health coverage for its employees.

"Various government programs have provided an opportunity for millions of elderly, poor and geographically isolated Americans to obtain quality health care (.)"

And must conclude that we have the best service in the world.

I am not a medical man, but someday I may be lying on the operating table, and I want to be assured of the best care possible. I am not qualified to outline the methods of delivering this service, our elected officials cannot specify what is needed in such an instance, and I surely don't want Joe Califano in charge at such a time.

At such a time, the choice is clear. The man in charge must be a fully educated and trained physician. The same must be true when the question of the development of new machinery and allocation of resources is at hand. From such expertise, we all stand to benefit. Should we discount such knowledge, we all lose.●

FREEDOM OF THE PRESS BILL OF 1979

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, today, I introduce the freedom of the press bill of 1979. This legislation, introduced at the end of the last session, reflects the pure, straightforward, and absolute terms found in the first amendment. No journalist must respond to a search warrant or subpena regarding the production of journalistic property. Essentially, this bill insures him the absolute confidentiality of sources, the unqualified freedom to gather news, and the uncircumscribed ability to distribute this information. This bill insures us that our Republic will not lose its vitality as we embark on our 3d century.

On Monday, November 27, 1978, the Supreme Court denied the petition for review of the case of the New York Times Company and Myron Farber against Mario E. Jascalevich. This decision left standing the 5–2 ruling of the New Jersey supreme court upholding the convictions of the Times and Farber for civil and criminal contempt of court, because of which Farber spent 39 days in jail and the Times paid fines totaling $285,000.

Yet, beyond the review of these immediate damages suffered by those parties petitioning, there are more fundamental questions which have been unanswered. Even since the 1972 case of Branzburg against Hayes, confusion has surrounded the concept of confidentiality of journalistic sources. Twenty-six States boast shield laws, all subject to judicial review but never confirmed or rejected. Another source of debate is the composition of journalistic materials; what items deserve protection from search or subpenas? Essentially, we, as Americans, must realize the importance of the press to our system of government, and then take steps to insure that its vitality is not threatened.

In an article in the New York Times magazine of November 26, 1978, Theodore H. White made this telling comment during a discussion of what is included in those materials a court is likely to consider documents subject to subpena:

> But these notes can scarcely be called documents. A large part of what goes into our notes is nonsense—or worse, misinformation. People use us to plant lies, float allegations, bring others into suspicion or contempt. The most vivid of our notes are often records of indiscretion, indignation, hysteria or malice—in no legal sense "evidence". And I should hate to see men condemned, exonerated or betrayed by the jumble of notes I have piled up in 40 years of reporting.

Clearly, the Court has shirked its responsibility to resolve this timely question. The vitality of the press, and, with it, our constitutional Republic is threatened by recent Court action, or lack of action.

Therefore, we must turn to our legislature, the elected representatives of the people, to fill the need. We must act to preserve the most essential ingredient of self-government—an informed electorate—by protecting our most efficient means of informing the electorate. We must, before it is too late, reaffirm the freedom of the press that our forefathers established.

As Jefferson observed:

> Were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate for a moment to prefer the latter.●

AMERICANS FLY BETTER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. COLLINS of Texas. Mr. Speaker, as Americans go by plane so often, I wondered how the United States compares to other countries. Do we fly better?

During the recent holidays, my wife and I bought tickets to travel through Egypt, Israel, and Middle Europe.

I want to tell you about an experience we had with Portugal's TAP. They jokingly refer to this nationalized airline as "Take Another Plane."

We were in Geneva waiting for a TAP plane to Lisbon. The plane was to leave at 4:45 in the afternoon. It had engine trouble and needed a part to repair the oil leak.

Now we see the difference between the government-operated airline of TAP as it would have been handled by an American plane.

Our Lisbon plane had every seat filled. This was December 24 and many children were restless to get home for Christmas. Many young people were getting back to their families. We were the only Americans on the plane.

Lisbon headquarters knew about the plane troubles in the middle of the afternoon. There were no other airline planes to Lisbon to transfer passengers to as Lisbon had limited competition.

When everyone asked when the plane would leave, we got no definite answer. They took us to a Geneva hotel. We anticipated there were TAP planes in Lisbon—and actually I counted seven TAP jets parked empty on the runway when we finally got to Lisbon. The full crew was ready to fly—but no plane.

The problem was they could not get volunteers to bring a plane over for the 3-hour trip. They needed two junior pilots to ferry a relief plane or bring a part to move the planeload of 125 home for Christmas.

The pilots have one of the best paid jobs in Portugal. They work less than half the days of the month. But they work for a government-operated business and they do not have competition.

So they fly when they choose. Finally, someone agreed to make the trip. It is nonstop from Geneva to Lisbon. We arrived 25 hours and 10 minutes late.

It is no joke for me—TAP will always mean "Take Another Plane."

Keep the Government out of operating any business in America. I like the American planes who fly efficiently, give friendly service, and appreciate your flying their airline.●

FOREIGN POLICY: END OF AN ERA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. WHITEHURST. Mr. Speaker, Irving Kristol has been a frequent contributor to the Wall Street Journal, and his columns are always incisive and thoughtful. On Thursday, January 18, however, the Journal printed what I believe is his finest contribution to date.

I ask that this article be printed in the RECORD so that in the event my colleagues did not have a chance to read his comments when they first appeared they might ponder them now. Anyone who believes that we can continue to view the world through rose-colored glasses should heed Professor Kristol's words.

FOREIGN POLICY: END OF AN ERA

(By Irving Kristol)

The crisis represented by the turmoil in Iran might well mark the end of an era for American foreign policy. It seems highly improbable, as of this writing, that out of this turmoil there could emerge a stable government friendly to American interests. More likely is a Communist regime in the not too distant future, or a national-socialist-Islamic regime (on the Libyan model), or some peculiar amalgam of the two—from the American point of view it hardly matters. What is decisive is the fact that the existence of any such regime, taken together with a Communist Ethiopia, a Communist Afghanistan, and a disintegrating Turkey, means the effective expulsion of American power from the entire Middle East.

The economic, political and military consequences of such an event are almost impossible to exaggerate. We can manage, if uncomfortably, without Iranian oil, but we—and Europe and Japan—cannot manage without Saudi Arabian oil. Yet it is fairly certain that a friendly (or at least not hostile) Saudi regime cannot survive in the kind of isolation that now looms ahead for it. A new Saudi regime—or an old regime with new policies—will doubtless continue to sell its oil abroad, but it surely will also attach all sorts of political-diplomatic strings to such sales. Our NATO partners, if their behavior during the 1973 embargo is any precedent will obligingly repackage their own foreign policies with those strings.

The Camp David agreement inevitably will become a dead letter, as Egypt falls into line with the new Middle Eastern realities. Jordan, Iraq and Syria, too, will forsake whatever "moderation" they have, in recent years, acquired. Under those circumstances, a new Arab war against Israel—the one nation in that part of the world that is still a friend to us—would seem certain. The United States would "deplore" such a war, of course—but what would it do? What could it do?

Our reaction to this crisis has been revealing. The White House, we are informed, has solemnly told the Russians not to "intervene" in Iran. In return, the Russians have given us an exact duplicate of this warning. One hardly knows whether to laugh or cry at these demarches. The Russians have neither the need nor the intention of actually sending troops across the border. They may not even desire a Communist Iran; any species of anti-American Iran should suffice for their purposes. As a result of spending tens of millions of dollars, over many years, to build up clandestine organizations and operations in Iran, they are well situated to emerge with satisfactory results from the current chaos. Our own CIA, of course, has been rendered impotent for any countervailing action. Nor does our government have the means or the will to engage in direct military intervention. Instead, it seems to be fully preoccupied with intense self-analysis.

Should we have supported the Shah? The consensus in Washington at the moment seems to be that, in retrospect, this was unwise and probably immoral, since it turns out that he was never really all that popular. Should we have intervened in a clandestine way to overthrow the Shah? That same consensus regards any such action, anywhere, as unwise and definitely immoral. Should we actually and openly intervene with military force to establish a new and more stable government? The consensus regards such an action as unwise and immoral in the extreme. Should we support a military coup that would inaugurate a friendly military dictatorship? That is clearly so unwise and immoral as to be unthinkable. After all, we are now busy disentangling ourselves from "embarrassing" alliances with other friendly military dictatorships, and are not about to create a brand new one.

BANKRUPT FOREIGN POLICY

So where does that leave us? It leaves us with nothing—with a patently bankrupt foreign policy. Oh, yes, we'd like very much to see a liberal-constitutional regime emerge in Iran. But the chances of that happening are practically nil. The kinds of political traditions and ideological passions that prevail today throughout most of the so-called Third World are incompatible with any such outcome. The world is just not now of a mind to give birth to new liberal-constitutional regimes.

Moreover, our policy is not only bankrupt in the sense of our being unable to act, but bankrupt in the sense that we have obviously lost the ability even to think coherently about foreign policy. Every thought gives rise merely to a new paradox, a new dilemma. It is the end of the road—a road down which we began to travel some 60 years ago, when Woodrow Wilson first devised the intellectual framework within which American foreign policy has since been trapped.

Wilsonian liberalism marked a radical departure from the previous styles of American foreign policy, which had centered quite specifically on the idea of "national interest." Our isolation from European affairs prior to 1912, was defended in those terms; so were our nationalist-expansionist policies in the Western hemisphere. True, we preached to the world the blessings of self-government, and held ourselves up as a shining example—but we did little else to the world, as the world did little else to us.

It was Woodrow Wilson who first gave American foreign policy its distinctive character—a compound of evangelical idealism and strict legalism. The notion that, since we were now a world power, it was our destiny to convert the world to instant democracy was born then, as was the idea that the sovereignty of international law, under the aegis of a League of Nations, would establish a benign and enduring world order.

Traces of this Wilsonianism are still much in evidence in the way we conduct our foreign affairs. What else explains our stubborn attachment to the United Nations despite the indignities and humiliations it incessantly exposes us to? And what else can explain theautomatic passion with which our State Department reacts to any transgression of existing boundaries, regardless of provocation or circumstance, regardless of whether it is committed by friend against foe (Suez in 1956), foe against friend, or foe against foe (Vietnam and Cambodia)? The man in the street certainly sees a difference; the State Department cannot.

The utopianism of Wilsonian liberalism is now generally recognized and discounted. Still, in all fairness to it one must say that it had a vitality and self-confidence that our later foreign policies lacked. It tended to make us overly arrogant and self-righteous, but not incredibly feeble and self-deprecating. In our own day, Senator Moynihan has tried to revive a kind of Wilsonian vigor and self-confidence, but with only minimal success. The world is simply no longer a place where the Wilsonian vision of liberal democracy universally triumphant can be taken seriously. In truth, it never really was such a place.

With the end of World War II and the onset of the Cold War, our foreign policy was redefined as a kind of defensive Wilsonianism. We would no longer make the world safe for democracy but we would see to it that the world would not be made safe for totalitarianism, either. In effect, our policy of "containment" meant the maintenance of the international status quo, while waiting for the Soviet Union and other nations to evolve "naturally" into pacific, liberal societies, as they experienced the pleasures of economic growth. But such an evolution seems not to be written into history's genetic code after all, and we found ourselves coping with one critical situation after another, as our complex network of defensive treaties unravelled in one place after another. Sooner or later we were bound to come up against a "leak" which we could neither contain nor repair. That happened in Vietnam, where the limits of a purely defensive and reactive strategy—in which we fight endless "limited wars" while our opponents seek the most favorable opportunities for unlimited success—were exposed, and the strategy itself discredited.

Since Vietnam, our foreign policy has collapsed into what can only be called a decadent Wilsonianism, retaining shreds and tatters of the traditional evangelical moralism and self-hypnotic legalism, but also displaying two new pathological features.

The first is a profound sense of guilt. To be a liberal American today is to be infused with instant guilt at all the disagreeable features of the universe—and most especially toward poor and distant nations to whom we have never done any harm. It is because of such guilt feelings that, whenever such nations are involved in a dispute with us—over the expropriation of American property, for instance—the instinctive reaction of our State Department is not to defend our interests but rather to act as a benevolent mediator.

THE THERAPEUTIC ETHIC

The second new feature is the prominence of what Professor Philip Rieff has called "the therapeutic ethic"—the conviction that the only decent and effective way to cope with people who cause trouble is through the exercise of compassion, patience and the provision of social services. The assumption is that if they are behaving nastily and aggressively, it can only be because some form of "deprivation" has made them unreasonably suspicious and resentful of their fellow creatures. It is this assumption and this ethic that guides our behavior toward the Third World, in the United Nations, and—unbelievably—toward the Soviet Union itself.

On December 12th, President Carter said with reference to the SALT talks: "If the Soviets are adequately forthcoming, we will have an agreement. . . . If they are not forthcoming, then we will continue to negotiate." Why? Why won't we just pack up and go home? Well, the reason is that this administration, like its predecessors, perceives the SALT negotiations as, above all, a means of "involving the Russians in a dialogue" that would eventually lead to "greater mutual understanding"—in short, as a form of therapy that will convert a sullen and delinquent Soviet Union into a "mature" good neighbor. Unfortunately for us, the Russians have no idea that their mental health is poor—though they must surely be wondering if we are well.

The self-defeating posture has much genuine moral passion behind it, but in the end it will—as is already beginning to happen in our domestic policies—have to come to terms with the world's realities. Our first and overriding obligation, clearly, is to defend the interests of those existing liberal democracies that are our natural allies. To achieve this, however, we must be ready to defend our own strategic and economic interests as a world power, willing and able to use the necessary force to do so.

This earth will be a place where American *ideals* are respected only if the world also respects our *interests*—which it is not likely to do if we show no respect for our own interests.

WORLD ADMIRES WINNERS

It is this vital connection between ideals and interests that has been missing for so long in our thinking about foreign policy. The nations of this world admire winners, not losers—not even "nice" losers. When democratic nations are strong and willing to act decisively, the rest of the world may take the ideology of liberal democracy seriously. When a democratic nation, however, and most especially the leading democratic nation, engages interminably in Hamlet-like soliloquies on the moral dilemmas of action, the world will seek its political models elsewhere.

We have for too long lived with the illusion that the prime purpose of our foreign policy should be to restrict and eventually eliminate the use (and abuse) of power in international affairs. The moral intention is splendid—but utopian, since much of the world does not share it. We know that power may indeed corrupt. We are now learning that, in the world of nations as it exists, powerlessness can be even more corrupting and demoralizing.●

REDUCE CAPITOL HILL OFFICE STAFF

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. COLLINS of Texas. Mr. Speaker, one of the best analyses of the need to reduce Capitol Hill office staff was made by James Reston of the New York Times. Writing out of Washington, he wrote a splendid article which was published in our Dallas Morning News on January 17.

Here is a specific section that graphically shows the growth of the Capitol Hill personnel.

> "Austerity" is the popular political word of the day, but not in the offices on Capitol Hill. Ten years ago, there were 4,489 personal and committee staff members in congress, and although the number of senators and representatives has remained the same during the past decade, the staff total in the last congress was 13,276 and still rising.
>
> The staff budget for the senate in 1968 was $31,000,000 and in 1978 $101,000,000. The house staff budget in 1968 was $44,700,000 and in 1978 $167,700,000. By law, a representative is limited to 18 personal staff members, with top salaries of $47,500 a year.

The way to reduce excessive government is to reduce the staff that manufactures all the bills. I introduced legis-

lation on the opening day of this session to cut all committee staffs by 50 percent. I hope my colleagues will cosponsor with me.●

TRIBUTE TO JOE HATCHER

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, the great State of Tennessee has recently lost one of its great political writers and journalists, Mr. Joe Hatcher. Joe covered politics and government for the Nashville Tennessean for over half a century dating back to 1926 when Austin Peay was Governor of Tennessee.

He was known for many years as an astute political observer and a man of high principles. Among those political battles he personally engaged in were the fight against the political machine of Ed Crump of Memphis and for the removal of the poll tax as a requisite for voting in Tennessee. He was also active in the achievement of many progressive steps in government in Tennessee.

Joe Hatcher was well respected both among his colleagues of the news media and those government officials who knew him well. His insight as a reporter will be greatly missed. Those of us who also knew him as a witty and warm friend will also miss him greatly.

I would like to take this opportunity to insert into the RECORD an editorial which ran in the Nashville Tennessean on the occasion of Mr. Hatcher's death:

[From the Nashville Tennessean, Jan. 13, 1979]

Mr. Joe Hatcher, reporter, editor and columnist for The Tennessean for more than half a century, is dead at the age of 80.

Mr. Hatcher had been closely acquainted with more governors and other high-ranking political figures—state and national—than perhaps any other newspaperman in Tennessee history.

From his initiation into political reporting, he followed a simple philosophy: Never let political differences overcome personal friendship. As a result, Mr. Hatcher became one of the state's most trusted and respected political columnists—a writer whose attention and advice were sought by those of all shades of political thought.

Although he was primarily a political reporter, he had served in numerous editorial capacities at The Tennessean: city editor, managing editor and sports editor of the former Evening Tennessean.

He attended Vanderbilt University, where he became the first student to edit both the Hustler and the Commodore, the weekly and the annual respectively.

He settled permanently at The Tennessean in 1921 and became a political writer in 1926 when Austin Peay was governor. From that time on he was a close-up observer of—and sometimes participant in—some of the most boisterous political battles in the state's history. Not many active politicians of that period would want to go through a day without reading what Joe Hatcher had to say in "Politics," in The Tennessean.

Perhaps the high point of his career was this newspaper's long fight against the E. H. Crump machine in Memphis in the 1940s, culminating in the defeat of Mr. Crump's candidates in 1948 by the late Gov. Gordon Browning and the late U.S. Sen. Estes Kefauver. He also played a large part in removal of the poll tax as a requisite for voting in Tennessee, in the enactment of the home-rule amendment to the state Constitution and in the achievement of many progressive steps in government.

Mr. Hatcher retired as a full-time staff member of The Tennessean in 1970, but continued to write a weekly column in the Perspective section of the newspaper.

This column, devoted mainly to his reminiscences of old political battles, was a treasure of historical data.

He continued to take an active part in the newspaper's editorial conferences and maintained a keen interest in current affairs as well as Tennessee's political history.

The image of Mr. Hatcher with his pulled-down felt hat and cigar in mouth is a familiar one to friends and readers all across the state. They will miss him.

The loss will be keenly felt by his associates at The Tennessean who have enjoyed his friendly manner and ready wit for so many years. Scarcely a day passed that some reporter or editorial writer, looking for a lost political fact to fill out a piece of writing, was not advised to "Go ask Joe." Almost invariably the writer was rewarded with the information he sought plus a wry comment to fit the occasion.

Mr. Hatcher almost always brightened somebody's day. He was a kind, gentle and genial man.

He will be remembered for these warm human qualities as much as for his political influence. In both he made the state a better place to be.●

THE RELATIONSHIP BETWEEN AN ECONOMY AND ITS MONEY

HON. RONALD E. PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. PAUL. Mr. Speaker, today our dollar, once redeemable in gold, has no backing whatsoever. Could this be the reason we have seen our money depreciate at so drastic a rate, abroad and at home?

Dr. Donald Kemmerer, president of the Committee for Monetary Research and Education of Greenwich, Conn., has long been one of our most eloquent spokesmen for hard money. Because I feel that a sound dollar is of overriding importance for the future of our country, I would like to call to my colleagues' attention the following article:

THE RELATIONSHIP BETWEEN AN ECONOMY AND ITS MONEY

(By Donald L. Kemmerer)

The growing number who talk of the proven virtues of a gold redeemable currency to put an end to our chronic price inflation, are sometimes airily dismissed with the pronouncement: "Americans don't need gold to back their dollar; it is backed by the industrial might of the American economy."

This quote shows no understanding of the relationship between an economy and its money—and the reason for having a gold standard.

The quote is also meaningless doubletalk. Can anyone who is skeptical of the dollar's future buying power say: "Just redeem my paper dollar in a unit of that 'industrial might' that I can spend freely without difficulty or can lay away for a while as a more reliable store of value than Federal Reserve notes."? There is no machinery for that kind of redemption of paper dollars and never can be.

Under the gold coin standard, the money unit is a fixed weight of gold in terms of which prices, wages and debts are all stated and into which bank notes and bank deposits are readily convertible into gold coins on demand.

Why do people sometimes want to convert their bank notes into gold coins? There are many reasons, but the most important one is that the redeemers are, for whatever causes, skeptical of the reliability of their paper dollars which, after all, are just promises to pay in gold. They prefer the gold coins which also have value as a precious metal. The people can thus protect themselves when they see financial foolishness taking place. Their demanding gold reduces bank reserves and warns the central bank and the government to slow down. The public's action is like a fuse burning out to warn of an electrical current overload.

Actually, a sound money can do much to bolster an ailing economy. Two illustrations will suffice. A gold or silver convertible dollar (instead of irredeemable paper bills) did so in this country following the adoption of the Constitution in 1789. Likewise, the stabilization of the mark at a trillion to one and the adoption of the gold standard did it in Germany in the 1920's. Both nations had been in a depression while a price inflation prevailed. With restoration of sound money both countries entered a period of prosperity.

Contrawise, a weak money can seriously undermine a strong economy as our recent history demonstrates. If our government continues to let the dollar depreciate—the dollar has lost half of its buying power since 1967 and nearly three fourths of it since about 1945—this will damage the economy in many ways. Manufacturers find it increasingly difficult to replace worn out capital because their depreciation allowances are inadequate. The long-time patterns of foreign trade are disrupted—notice how American steel and auto exports have fallen off. With out antiquated equipment we cannot compete with the Germans, Japanese and others as we formerly did.

The buying power of millions of citizens declines and that, in turn, lessens their desire to save. Today, America's rate of savings is one of the lowest among major nations. America's per capita income has sunk to fourth place in the world and soon may rank even lower.

"Industrial might" we still have, but a badly managed, sick dollar has seriously weakened it. Fewer people want to invest in an "industrial might" that rewards them in ever feebler dollars. In short, a strong dollar must come before a revived economy.

How can we reverse the present downward trend of the dollar? Do as we did in 1789 and as Germany did in 1924—Return to a Gold Standard. Give the people a visible reason for again having confidence in the dollar and for accumulating savings and investments repayable in dollars that keep their buying power.●

THIRTEENTH ANNIVERSARY OF THE SIGNING OF THE CUBAN EXILES' DECLARATION OF FREEDOM

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. FASCELL. Mr. Speaker, on January 23, 1966, the Declaration of Freedom of the Cuban exiles in the United States was signed at Key West, Fla.

As we witness a renewed flow of freedom-loving Cubans from the tyranny of Castro's regime, it is obvious that Communist oppression still reigns in once-free Cuba. Thus, the meaning and significance of this historic declaration still hold as true as ever.

The statement signed 13 years ago set forth the total commitment of the Cuban refugees "to free Cuba from communism." This cause is as just today as it was then.

In the declaration, these brave Cubans reaffirmed their devotion to the fundamental principles of liberty. I urge our colleagues' careful consideration of the exiles' commitment to the democratic ideals which have meant so much to our Nation, and call attention to the full text of the Declaration of Freedom:

DECLARATION OF FREEDOM

In the City of Key West, Monroe County, State of Florida, United States of America, we the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the Martyr Island, do say:

That on January 1st, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the 19th century, was resumed.

That those responsible for this high treason to our Fatherland and to our People are just a score of traitors who, usurpating the Government of the Country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our Freedom and our Dignity, also betraying the American Hemisphere.

That as a consequence of this high treason, those who are usurpating the Power in Cuba (as they were never elected by the People), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being or the most elementary human rights.

That in their hunger for power, these traitors, following the pattern of totalitarian regimes, are trying, within Cuba, to separate the Family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hopes of extending the length of time for this abominable system.

That the rule of the Law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

In view of the aforegoing, we declare.

First: That the actual Cuban regime is guilty of high treason to our Fatherland and to the ideas of the Freedom Revolution which was started on October 10th, 1868.

Second: That this score of traitors who have committed treason against our Fatherland, in case they survive the downfall of their regime, will have to respond, even with their lives before the Ordinary Courts of Justice of Cuba.

Third: That as the Noble Cuban People will not ever surrender, because that Nation was not born to be slave, we, the Cuban People, hereby make the present declaration of freedom.

We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from Communism.

The fundamentals of this Revolution for Freedom are.

First: God Almighty, above all things, in Whom we believe as the essence of Life.

Second: The Fatherland, with all of its laws, traditions, customs and history as a spiritual value, only surpassed by the concept of God.

Third: The Family, as the cornerstone of the Human Society.

Fourth: Human Rights, for each and every citizen, regardless of race or creed.

Fifth: The Law, as the foundation for the proper development of the Human Society.

Sixth: Democratic Government, with its three independent branches: Legislative, Executive and Judicial.

Seventh: Representative Democracy, through the exercise of Universal Suffrage, Periodically, Free and Secretive, as the expression of Popular Sovereignty.

Eighth: Freedom of Worship, Freedom of Teaching, Freedom of the Press and Free Enterprise.

Ninth: Private Property and Ownership, as the basic expression of Liberty.

Tenth: The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both Labor and Capital.

Eleventh: The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned and specifically, the abolition of Communism and any other form of totalitarian manifestation.

Signed and sealed in Key West, Florida, on the 23d day of January, 1966.●

GOVERNMENT PUBLICATIONS FOR SALE

Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized bookdealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by bookdealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U.S. Code, title 44, sec. 1708).

SENATE—*Wednesday, January 24, 1979*

(*Legislative day of Monday, January 15, 1979*)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 100th Psalm.

Serve the Lord with gladness: . . .
Enter into His gates with thanksgiving, and into His courts with praise: be thankful unto Him, and bless His name.
For the Lord is good; His mercy is everlasting; and His truth endureth to all generations.—Psalms 100: 2, 4, 5

Let us pray.

Almighty God, Ruler of all men and all nations, our times are in Thy hands. We commit our lives to Thee—our souls, our minds, and our bodies for service in Thy higher kingdom. Make us wiser and better than we have been.

Guide us when we know what we are doing. Watch over us when we know not what we are doing. Rescue us when we wander in foolish ways. Redeem us, lift us up and sustain us all our days.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 24, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia, the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 9

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when I yield the floor, no motion may be in order, no action may be in order, that would in any way affect the status of resolution Senate Resolution 9, which is the resolution that I have of-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

fered and/or the motion which I have made in relation to that resolution, during the remainder of this day.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when I yield the floor, there may be a period for the transaction of routine morning business with Senators permitted to speak up to 15 minutes therein, and that bills and joint resolutions, simple resolutions and concurrent resolutions, memorials and petitions may be offered, with the understanding that statements may be offered by Senators up until 5 p.m. today in the event the Senate recesses earlier than that hour, but that no motion or unanimous-consent request to proceed to take up any matter be in order unless it be first cleared with me, and I, of course, will see that the distinguished Republican leader or acting leader is so informed.

I am doing all of this to protect Senate Resolution 9 and my motion that is presently pending thereto.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It is obvious, of course, that this does not affect calling off of quorums.

May I ask the Chair, am I correct? Someone thought on yesterday I had precluded the calling off of quorums. I do not see it that way.

The ACTING PRESIDENT pro tempore. The Senator is correct.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I would suggest to my friend, the assistant Republican leader, the acting Republican leader, that we ask our respective cloakrooms if any Senators wish to come over this afternoon and speak on the subject of Senate Resolution 9, or my motion in relation thereto, for not to exceed up to 30 minutes, in which case I will ask unanimous consent that they be allowed to do so, if we could find out from our respective cloakrooms, because I would like to stay in as long as Senators wish to debate Senate Resolution 9 today under the order I will get allowing debate on that resolution, but I do not want to stay in for several hours when Senators are not debating that subject. If they are just coming over to make a speech on other matters, they can do that during transaction of routine morning business under the order entered.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. We will be happy to join with the majority leader in sending out such a notice to Members on our side.

I might state to the majority leader that he knows that the Senator from Wisconsin and I have had some discussions and we have ongoing discussions now with our two committees, task force, whatever we want to call them, working on the subject. We are still very hopeful we will be able to define some parameters as far as a mutual approach to the subjects contained in Senate Resolution 9 so the matters can be disposed of very expeditiously.

Mr. ROBERT C. BYRD. I appreciate what the distinguished Republican whip says. I know his sincerity, his objectivity, his diligence, and his industry.

I would hope that those ad hoc committees would be able to join, as soon as possible, the problems and, hopefully, come up with some suggestions if they want to.

As far as I am concerned, I think I have offered the resolution that, based on my experience here in the Senate over a long period of time, provides the answers to the problems.

I think it is airtight, watertight, and easy to understand. It is the simple way. Of course, what I am afraid of is, that if we are not careful, we will come up with a good many complex proposals to revise a straightforward and simple proposal which I have already offered.

So, having said that, I compliment the distinguished acting Republican leader. I know he is diligently trying to work with us.

I am interested in a time agreement, also. I think every Senator in this body has a right to have some input into this matter—not just our ad hoc committees, not just the majority leader and the minority leader.

So, it would seem to me we ought to have a time agreement that would allow for a certain number of hours or days for debate on this resolution, Senate Resolution 9; let every Senator in the body offer his amendment; let him make any suggestions he wishes as to changing my resolution. He may knock out any of my verbiage, any of my sections, that the Senate by majority vote wishes to delete; or add any the Senate wishes to add. This is something every Senator ought to have an opportunity to participate in.

I would like to have a time agreement so that we can debate this thoroughly, air it thoroughly, let the public know what we are talking about and why the need for the proposed changes I have suggested, and they are very, very simple, they are feasible, and they are workable.

I assure every Senator that they are workable and feasible and there is no point in taking days and days trying to figure out complicated, complex changes that might be made in an otherwise very, very simple approach to this problem.

I want a time agreement so that we can resolve this matter· let everybody talk up to a reasonable length of time; and have a time to vote, a judgment made, a time for the Senate to vote up or down on my resolution, which I commend highly to the attention, the considered judgment, and the consideration of every Senator.

I think it is a simple solution that is easily understood. It is a simple remedy for a very obvious ailment that afflicts this body. I hope that not too many doctors get in with their patent medicines and begin to foul up the brew and really complicate what otherwise is not complicated at all.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I know that my friend is doing everything he can. He is one in whom I place the utmost confidence. May I say that I would wade any river, I would climb any mountain, I would walk in the darkest night to come to the assistance of my friend. I know that he would do just the same for me.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. I thank the Senator for his comments.

I am sure he will not take umbrage at my statement when I say that I have the highest ambition to succeed the Senator from West Virginia as majority leader some day. [Laughter.]

Mr. ROBERT C. BYRD. One's reach should exceed his grasp. [Laughter.]

Mr. STEVENS. It is my hope that should the present majority leader ever see the day that he is in the minority, he could look at me and say, "You protected my rights."

We are approaching this matter with balance and with the full thought that we, too, may be in the majority someday. But we are in the minority right now, and we are trying to protect the rights of Senators. I think if we do it that way, we will soon see the matter resolved.

Mr. ROBERT C. BYRD. Sufficient unto the day is the evil thereof.

I must say that that thought has fleeted across my imagination once in a while: that someday in the 21st century it may be conceivable that this side of the aisle might be in the minority. For that reason, I do not ever want to see the day when the minority is subjected to majority cloture on a cloture petition.

So I do see through the glass darkly and perceive that it is conceivable, and theoretically and hypothetically possible that this side of the aisle some day could be in the minority, in which case I think my resolution fully protects that contingency.

However, I thank my friend for being the guardian of the interests of the minority, and I shake hands with him and join him in that.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that Senators may debate the proposed rules change, Senate Resolution 9, today, for a period not to exceed 30 minutes each, or that they may debate the pending motion under the same time limit; but that no later than 2 p.m. today, the Senate stand in recess in accordance with the order previously entered, unless a Senator or Senators wish to continue the debate on Senate Resolution 9 and/or the motion that is now pending, in which case the Senate not stand i nrecess at 2 o'clock; that it stay in longer, to allow for that debate, with the 30-minute limitaton to conntinue on such speeches.

However, if the debate is not germane under the Pastore rule, Mr. President, after the close of the morning business, I ask that the Pastore rule be adhered to. I ask the Chair to state the question pending.

The ACTING PRESIDENT pro tempore. The pending question is a motion by the Senator from West Virginia (Mr. ROBERT C. BYRD) to proceed to the consideration of Senate Resolution 9.

Mr. STEVENS. Mr. President, reserving the right to object, if the Senator will permit me, it is my understanding that the previous order does permit morning business until 2 o'clock, with speeches not to exceed 15 minutes each.

Mr. ROBERT C. BYRD. I would like to place a limitation on morning business of not to exceed 1 hour.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. So that if I understand the orders which have been entered, there will be routine morning business of not to exceed 1 hour, with statements therein limited to 15 minutes each.

After morning business is closed, the Senate, by unanimous consent, may proceed then, acting within the context of the Pastore rule, keeping speeches germane to the resolution and/or the motion that is pending. Each Senator may speak up to 30 minutes under the order. If no Senators wish to be recognized at 2 p.m. to speak on that matter, or if we know of no Senators by then who wish to speak longer, the Senate would go out at 2 o'clock and go over until tomorrow, in recess.

If Senators wish to speak on the subject and follow the Pastore rule for 3 hours, and speak on the subject that is before the Senate, or will be before the Senate as soon as morning business is concluded, then we will stay in longer.

Mr. METZENBAUM. Would the leader object if I had a special order that I might speak at 1:45, for not to exceed 15 minutes, on the pending matter?

Mr. ROBERT C. BYRD. I have no objection to that at all.

On the matter then pending.

Mr. METZENBAUM. The matter then pending, it being the matter of the rules change.

Mr. STEVENS. There are two Senators on the floor who are awaiting recognition in morning business. We already have put out the notice that there would be morning business for 1 hour, as I understand it. That would expire at 1 o'clock.

Mr. METZENBAUM. I am asking if I may speak at 1:45.

Mr. STEVENS. Oh; I beg the Senator's pardon.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request of the majority leader is agreed to.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business?

The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I wish I could orchestrate my oration as masterfully as the distinguished majority leader. It is a pleasure always to hear him negotiate in such an intricate way.

Mr. ROBERT C. BYRD. I thank the Senator for that compliment. I am very grateful.

SENATE JOINT RESOLUTION 25—LIMITING CONGRESSIONAL TENURE

Mrs. KASSEBAUM. Mr. President, I am pleased to join today in introducing a joint resolution, which calls for a constitutional amendment limiting the terms of office of Members of the U.S. Congress. I welcome the opportunity to join Senator DANFORTH and my other distinguished colleagues in beginning an effort to fulfill my commitment to this electoral reform.

Amending the Constitution is not to be undertaken lightly. I come by my decision to seek this change after carefully studying the proposal and weighing its consequences. Moreover, I look forward to the upcoming scrutiny during committee and floor debate that I hope will be engendered by the amendment's introduction today.

This proposal represents a fundamental change in the political process in this Nation, but not, I would submit, a fundamental departure from the intention of the framers of the Constitution. Indeed, I see this amendment as a return to a concept—that of citizen politician—that was instrumental in providing America with such exemplary leadership during the founding of our Nation.

The first Congresses were composed of local citizens who went to Washington to do the Nation's business for relatively short periods of time. Not only was it the generally observed tradition—in the House, at least—to serve two terms and then retire, but congressional sessions were much shorter as well.

This custom, by giving legislators more time at home and by unburdening them of the continuous drive to be reelected, gave rise to a Congress that was responsive to its constituencies yet mindful of its broad responsibility to the overall welfare of the Nation. By comparison, our current system strips the Congress of its capability to make individual decisions based on broad national interests. The professional politician, with his eye on the next election quite naturally seeks to temporize or completely avoid potentially controversial issues. He finds it desirable to ignore the complexity of our times and the interdependence of issues. A legislator is encouraged by circumstance to concentrate on single issue special interest legislation, which will be of more importance when he must again face the voters. The professional politician then becomes less a leader and more a conduit for expressing the needs and desires of vocal constituents with little regard for the more broadly defined effects such actions will have on national policy. The result is often the subjugation of the Nation's common welfare.

Mr. President, I do not believe this was the role intended for the Senate by the framers of the Constitution. A representative democracy such as ours is founded on the concept that the Federal legislature will be more than a clearinghouse for the views of American electors. Congress should be a source of leadership, and each Member should be impressed with the fact that when he or she casts a vote, it has implications for all Americans, not just those in a particular interest or from a particular district.

A limitation on the terms of Congressmen, I believe, will do much to open up Congress to new ideas—fresh approaches to the complex problems that face our country. I think it will encourage more Americans to participate in our democratic process. Members of Congress will be looked upon as local citizens on temporary leave from their responsibilities at home, not as permanent fixtures in the Washington scene.

There can be no doubt, Mr. President, that many of those who have served long careers in Congress have distinguished themselves by their service. And there are those who would argue that the passage of this amendment will deny the country the leadership of persons such as these. While the argument may have some merit, it ignores the fact that the current system discourages the infusion of new leadership and fresh approaches into the legislative process. That argument is based upon an unbecoming presumption of indispensability or upon an unsupported assumption that the country is better served by leadership noted more for longevity than independence.

Limitations of the tenure of public servants are not without precedent. As you know, the 17th and 22d amendments limit presidential terms. As President Eisenhower observed:

> What is good for the President may well be good for the Congress.

Nor is this a new concept. At various times in the past 20 years many distinguished Members of the Senate and the House have joined in proposing limitations on the terms of Members of Congress. Also, it is a commitment many others support. Our constituents have expressed their growing approval for a limitation on tenure in Congress. Public opinion polls reveal that 60 percent of the populace favors a limitation on Senate terms. That is not merely an expression of popularity but verges upon a call for responsible reform.

Mr. President, I believe that a constitutional amendment limiting the tenure of Members of Congress will renew public participation in the electoral process at the grassroots. It will assure a continous flow to Washington of talented citizen politicians in close contact with their home districts. This change will infuse new vitality into the political process in a way intended and practiced by the founders of our Nation.

I urge the passage of the joint resolution.

Mr. STEVENS. Mr. President, I wish to say to the Senator from Kansas that the distinguished majority leader asked me to extend to her his regret that he could not remain to hear the first statement of the new Senator from Kansas. He had an important meeting in his office. And I do so at his request.

I also think that it would be remiss if we did not state that it is very nice to hear a woman's voice from this side of the aisle again, as the Senator from

Kansas had distinguished predecessors, and the very fact that she has taken this initiative at her first attempt in the Senate, and I might say it is a very large task she is taking on, indicates that we have a strong new voice on our side of the aisle that we are going to be proud of, and I thank her very much for permitting us to have her wisdom on this this early.

Mr. PROXMIRE. Mr. President, will the Senator from Kansas yield?

Mrs. KASSEBAUM. I yield.

Mr. PROXMIRE. I thank the distinguished Senator from Kansas for that excellent speech, and I wish to tell her how privileged and honored I was having an opportunity to be in the Chamber when she gave her maiden speech.

I am inclined to disagree with Senator KASSEBAUM's proposal. I think it is a proposal that does have some merit, though. I think the strongest argument for it are people like her who come to the Senate obviously with ability and with a fresh viewpoint and can infuse into this body the kind of new ideas and the kind of reactions that those of us who have been here for a long, long time probably cannot do quite as well.

I think, however, that when we look at what has happened to the Senate this year, with 20 fine new Members, including the Senator from Kansas, we are getting that infusion now. As the Senator knows we have changed the rules of the Senate very substantially over the last few years, as far as committee assignments, subcommittee assignments, chairmanships of subcommittees, and ranking positions on various subcommittees are concerned, so that a large proportion, close to a majority of Senators and many new Members are given positions of authority and very quickly move into positions of leadership.

Frankly, as one who has been here 21 years I am a little biased, and I do think, however, that there are also great complications and difficulties in the legislative operations. I do think the Senator from Kansas will learn more and become somewhat more effective in many ways if she is here for a while.

I hate to think that people like Hubert Humphrey and BARRY GOLDWATER and others who served here for many years would have been cut off after 12 years. Some of the most brilliant people who served in the Senate over the years contributed so much mostly, in very many cases, in their older years.

So I think there is that side to consider, also, although I think the Senator from Kansas has made a very powerful case for the position that she and Senator DANFORTH have taken. I thank the Senator.

Mrs. KASSEBAUM. I thank Senator PROXMIRE and I appreciate his yielding to me so that I could speak first.

YOUTH AND MINORITY UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, one of the most difficult problems we have in this country, of course, is the enormous high rate of unemployment among minorities and particularly minority youths, particularly in our big cities.

This is something that has not yielded to and will not yield to aggregate economic policy, whether it is fiscal policy of spending more money and taxing less, or whether it is a monetary policy of easing credit so that the economy can expand.

Last year was an excellent example of that. In the last year we had the greatest increase in jobs in this country of any year in our history, to the best of my knowledge. I tried to check with the Bureau of Labor Statistics and they think that is correct. There were 3 million additional jobs. In spite of the fact there are 3 million additional jobs we still have that stubbornly high rate of unemployment among minority youth. It is at a level of 30 or 40 percent, even higher in many of our cities.

And I think we recognize that in spite of the colossal increase in money that the Federal Government has poured into the cities—and that is the biggest increase by far in the budget over the last 15 years; it is an increase that I think will appall anyone who looks at it; it is an increase not of twofold, fourfold, tenfold; it is an increase of about forty-fold—in spite of that the situation is worse.

That stubborn unemployment does not seem to yield to that kind of expenditure even though we tried very hard to do it.

Mr. President, I think one of the reasons we failed is we have not recognized how important it is for the local communities themselves to take responsibility for doing a job.

I am proud and happy to say that in the biggest city in my State, Milwaukee, a distinguished businessman named Elmer Winter, who has been head of Manpower, Inc., a national organization for providing people to work all over the country on small notice and work for brief periods of time, a man who probably had more experience in this area, practical experience in the private sector than almost anyone in the country, has written an article in the Milwaukee Journal about how they are trying to provide more jobs for minority youth in Milwaukee. It is very impressive, and I shall quote from part of it.

It is called Operation 4,000. The purpose of it is to help change minority youth unemployment, and here is what it does. It is a voluntary program to turn around unemployment of minority youth:

> For those who are not ready, we will work with existing agencies to improve their vocational skills, job attitudes, reading, writing, and math. We will try to develop improved motivation and acceptance of the principle that an employer is entitled to a good day's work for a good day's pay.

I might say this is catching on in Milwaukee, it is succeeding, and it is reducing sharply and measurably the percentage and the number of unemployed minority youths.

As Mr. Winter says:

> We have many companies of varying sizes working with us by providing job openings for minority youth. Our pre-Christmas employment program in just a few weeks generated hundreds of job openings from Milwaukee companies.

In addition, he said:

> We are considering the installation of an Employer Job Readiness Advisory Group to assist community agencies in determining, from an employer's point of view, whether individuals are job ready after their training is completed.

He said that was a refinement that would make the program even more effective.

Mr. President, I worked a full day in the employment service in Milwaukee about a year or so ago to try to find out how the employment service operates, and I found again and again and again that employers would come to the employment service saying they wanted employees, but they wanted employees who would work, who would be there on time, who would be able to do a job, and this is one of the reasons why it is very hard for those whose education has not been adequate, who have not had an opportunity to work before, who have not had a chance to develop good work habits, have a very difficult time getting work, even in a city where unemployment is low.

So here is what this Readiness Advisory Group is doing. They are saying that they are trying to approach it from an employer's point of view and determine whether individuals will be job-ready after their training is completed. In other words, they screen these young minority youth people and try to find out if they have the skill, if they have the attitude, if they have the motivation, if they are likely to succeed. If not, they continue to work with them and do not give up. They have had, as I say, a great deal of success in doing this.

Furthermore, they call attention to a section of the tax law that Congress has provided that I think too many businessmen in this country do not understand or do not recognize. Mr. Winter says:

> We urge employers to take advantage of the new Federal income tax credit, effective January 1, 1979, which allows an employer to deduct up to 50% of wages paid to minority youth from disadvantaged families, and other groups as well, with a maximum credit of $3,000 per year. We will ask employers to consider using part of that tax credit to install specialized training programs on their own.

In other words, they are not only saying "Take advantage of this great tax break you have got, you can hire people at a far lower cost to you—your actual cost per hour of work is going to be much less if you hire minority youth from disadvantaged families," and they are asking them to make this money go even farther by using the savings to set up a training program that will enable the young people to do a better job.

Mr. President, I think it is very important that employers all over the country get some understanding of what Mr. Winter, the former head of Manpower, is doing in Milwaukee, and what the Milwaukee operation means, and the success it can have elsewhere, because if we are going to really provide for jobs for the disadvantaged in this country, the minority youth that have been discriminated against, have not had the chance, have great disadvantages, it seems to me this is the kind of effort that should be made and will be successful.

Actually, it does not cost the Federal Government anything; it costs it nothing, zero. It is not a matter of spending more money here; it is a matter of providing the training, the motivation, the opportunity, the concern on the part of private employers that will do the job.

Mr. President, I ask unanimous consent that the article by Mr. Winter in the Milwaukee Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPERATION 4,000 CAN HELP CHANGE MINORITY YOUTH UNEMPLOYMENT IF EVERYBODY PITCHES IN

Operation 4,000, a voluntary program to turn around unemployment of minority youth, is pleased to report that our parade is gathering momentum, support and increased following among the Milwaukee community. Each day more Milwaukee companies are getting on our bandwagon by providing employment opportunities for minority youth, 18–24.

Operation 4,000's goals are clear and concise. For those minority youths in the 18–24 category who are job ready, our goal is to get them jobs now. For those who are not ready, we will work with existing agencies to improve their vocational skills, job attitudes, reading, writing and math. We will try to develop improved motivation and acceptance of the principle that an employer is entitled to a good day's work for a good day's pay.

Next, we want to prevent those currently in high school from automatically becoming future candidates for unemployment. We need to ease the transition from education to work. We need stronger relations between industry and our educational program. We are working closely with Milwaukee School Supt. Lee McMurrin to explore the following areas in our high school system; a doubling of the work study program; development of a four year goal with a curriculum designed toward specific work goals, and late afternoon and evening remedial and work skill programs.

In addition, there will be a stepping up of the current partners in industry program. An effort will be made to sell career programs and to offer more concentrated short term specialty programs tailored to industry needs. Motivation programs will be designed for high school students to improve attitudes toward work and the worth ethic. Local legislators and schools staffs must all work together on implementing these various programs to alleviate the problem.

We have many companies of varying sizes working with us by providing job openings for minority youth. Our pre-Christmas employment program in just a few weeks generated hundreds of job openings from Milwaukee companies. This proves that Milwaukee employers are willing to hire young people and give them a chance to succeed on the job.

Four out of five jobs in Milwaukee are in the private sector, and this is where most opportunities must be developed. We need to bring small firms into our programs. We will provide a clearing house for job training success stories. We will be working with industry supervisors to get their cooperation.

Ron San Felippo, director of Milwaukee Area Job Service and a member of our team, has added nine members to his staff to work on filling job orders for minority youth. His group is engaged in a serious effort to do the best possible matching of the applicant to the job.

We are considering the installation of an Employer Job Readiness Advisory Group to assist community agencies in determining, from an employer's point of view, whether individuals are job ready after their training is completed. We believe this screening will benefit employers and applicants as well.

We urge employers to take advantage of the new federal income tax credit, effective January 1, 1979, which allows an employer to deduct up to 50% of wages paid to minority youth from disadvantaged families, and other groups as well, with a maximum credit of $3,000 per year. We will ask employers to consider using part of that tax credit to install specialized training programs on their own.

What about the attitudes of young people toward taking jobs? We cannot generalize. We do know that many are willing to take entry jobs to get started. We are trying to get employers to offer jobs paying more than the minimum wage requirements when possible, and provide jobs with upward mobility.

Governor Dreyfus has received my letter asking his support for a massive expansion of high work-study and remedial education programs. I encourage him to recommend legislation calling for tax credits for employers who hire the disadvantaged.

We need to step up all training programs in the private sector. I am confident that County Executive William O'Donnell, who has responsibility for CETA, will move toward providing more government funds for training in the private sector.

We urge employers to get on our bandwagon. A call to Job Services special number, 224–4050, will bring carefully screened applicants who match an employer's needs. We would also welcome hearing from those who have time to give on a volunteer basis.

Through a massive, total community effort, I believe we can make a difference.

RATIFICATION OF THE GENOCIDE CONVENTION: A HUMAN RIGHTS AGENDA FOR THE 96TH CONGRESS

Mr. PROXMIRE. Mr. President, briefly on another subject, on December 6 of last year, a little more than a month ago, was the 30th anniversary of the United Nations' adoption of the Universal Declaration of Human Rights.

President Carter took that opportunity to reaffirm his administration's strong commitment to human rights both here and abroad. Speaking to a White House gathering of civil rights and religious leaders, human rights activists and Members of Congress, the President pledged that "human rights will continue to be the 'soul' of our foreign policy," because human rights are "a beacon, a guide, to a future of personal security, political freedom, and social justice."

Mr. President, it is obvious that President Carter has given human rights a new priority—their proper priority—in the foreign policy of our Nation. His remarks stressed that this administration's foreign assistance programs would reflect these human rights principles—a commitment that is long overdue.

Mr. President, this is the third time that President Carter has called on the Senate to ratify the Genocide Convention. Why? Because President Carter recognizes—as has every President since Truman—the importance of doing everything possible to prevent another holocaust. The treaty seeks very simply to outlaw mass murder and guarantee the right of survival for all ethnic, racial, religious, and national groups.

It is designed to prevent the kind of terrible, hideous tragedy that took place in Germany before and during World War II with the extermination of 6 million Jews.

As President Carter noted, ratification of this treaty would be "part of a broad effort to use our great power and tremendous influence in the service of creating a better world, a world in which human beings can live in peace, in freedom, and with their basic needs adequately met."

The words of President Carter ring loud and clear. And they deserve a loud and clear response from the Senate.

Mr. President, this is an action that only the Senate can take, not the House of Representatives. The President is calling upon us to act. We have had the treaty before us for 30 years. Every President has called on us to act on it, Republican and Democrat; every Secretary of State, every Attorney General, the Bar Association, every religious group have pleaded with us to ratify the Genocide Convention. The people of this country, I think, have been deeply moved by the dramatization of the genocide in Germany through the holocaust television program which, incidentally, is now being shown in Germany and which, according to reports in the New York Times this morning, is deeply moving the West Germans who, incidentally, have ratified the Genocide Convention, which we have not.

As Jerome Shestack, president of the International League for Human Rights, noted:

> Before this Administration, human rights was a stepchild. Now Mr. Carter says it's the soul of his policy. That's a light-year leap from stepchild to soul.

Mr. President, can the Senate do any less? The time for action is now.

Mr. President, I ask unanimous consent that the text of President Carter's remarks be reprinted in full in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

UNIVERSAL DECLARATION OF HUMAN RIGHTS

What I have to say today is fundamentally very simple. It's something I've said many

times, including my acceptance speech when I was nominated as President and my inaugural speech when I became President. But it cannot be said too often or too firmly nor too strongly.

As long as I am President, the Government of the United States will continue throughout the world to enhance human rights. No force on Earth can separate us from that commitment.

This week we commemorate the 30th anniversary of the Universal Declaration of Human Rights. We rededicate ourselves—in the words of Eleanor Roosevelt, who was the chairperson of the Human Rights Commission—to the Universal Declaration as, and I quote from her, "a common standard of achievement for all peoples of all nations."

The Universal Declaration and the human rights conventions that derive from it do not of light on a dark horizon of deprivation describe the world as it is. But these documents are very important, nonetheless. They are a beacon, a guide to a future of personal security, political freedom, and social justice.

For millions of people around the globe that beacon is still quite distant, a glimmer and repression. The reports of Amnesty International, the International Commission of Jurists, the International League for Human Rights, and many other nongovernmental human rights organizations amply document the practices and conditions that destroy the lives and the spirit of countless human beings.

Political killings, tortures, arbitrary and prolonged detention without trial or without a charge, these are the cruelest and the ugliest of human rights violations. Of all human rights, the most basic is to be free of arbitrary violence, whether that violence comes from government, from terrorists, from criminals, or from self-appointed messiahs operating under the cover of politics or religion.

But governments—because of their power, which is so much greater than that of an individual—have a special responsibility. The first duty of a government is to protect its own citizens, and when government itself becomes the perpetrator of arbitrary violence against its citizens, it undermines its own legitimacy.

There are other violations of the body and the spirit which are especially destructive of human life. Hunger, disease, poverty, are enemies of human potential which are as relentless as any repressive government.

The American people want the actions of their government, our government, both to reduce human suffering and to increase human freedom. That's why—with the help and encouragement of many of you in this room—I have sought to rekindle the beacon of human rights in American foreign policy. Over the last 2 years we've tried to express these human concerns as our diplomats practice their craft and as our Nation fulfills its own international obligations.

We will speak out when individual rights are violated in other lands. The Universal Declaration means that no nation can draw the cloak of sovereignty over torture, disappearances, officially sanctioned bigotry, or the destruction of freedom within its own borders. The message that is being delivered by all our representatives abroad—whether they are from the Department of State or Commerce or Agriculture or Defense or whatever—is that the policies regarding human rights count very much in the character of our own relations with other individual countries.

In distributing the scarce resources of our foreign assistance programs, we will demonstrate that our deepest affinities are with nations which commit themselves to a democratic path to development. Toward regimes which persist in wholesale violations of human rights, we will not hesitate to convey our outrage, nor will we pretend that our relations are unaffected.

In the coming year, I hope that Congress will take a step that has been long overdue for a generation, the ratification of the Convention on the Prevention and Punishment of the Crime of Genocide. As you know, the genocide convention was also adopted by the United Nations General Assembly 30 years ago this week, 1 day before the adoption of the Universal Declaration. It was the world's affirmation that the lesson of the Holocaust would never be forgotten, but unhappily, genocide is not peculiar to any one historical era.

Eighty-three other nations have ratified the genocide convention. The United States, despite the support of every President since 1948, has not. In international meetings at the United Nations and elsewhere, when I meet with foreign leaders, we are often asked why. We do not have an acceptable answer.

I urge the United States Senate to observe this anniversary in the only appropriate way, by ratifying the genocide convention at the earliest possible date.

This action must be the first step toward the ratification of other human rights instruments, including those I signed a year ago. Many of the religious and human rights groups represented here have undertaken a campaign of public education on behalf of these covenants. I commend and appreciate your efforts.

Refugees are the living, homeless casualties of one very important failure on the part of the world to live by the principles of peace and human rights. To help these refugees is a simple human duty. As Americans, as a people made up largely of the descendants of refugees, we feel that duty with special keenness.

Our country will do its utmost to ease the plight of stranded refugees from Indochina and from Lebanon and of released political prisoners from Cuba and from elsewhere. I hope that we will always stand ready to welcome more than our fair share of those who flee their homelands because of racial, religious, or political oppression.

The effectiveness of our human rights policy is now an established fact. It has contributed to an atmosphere of change—sometimes disturbing—but which has encouraged progress in many ways and in many places. In some countries, political prisoners have been released by the hundreds, even thousands. In others, the brutality of repression has been lessened. In still others there's a movement toward democratic institutions or the rule of law when these movements were not previously detectable.

To those who doubt the wisdom of our dedication, I say this: Ask the victims. Ask the exiles. Ask the governments which continue to practice repression. Whether in Cambodia or Chile, in Uganda or South Africa, in Nicaragua or Ethiopia or the Soviet Union, governments know that we in the United States care. And not a single one of those who is actually taking risks or suffering for human rights has ever asked me to desist in our support of basic human rights. From the prisons, from the camps, from the enforced exiles, we receive one message: Speak up, persevere, let the voice of freedom be heard.

I'm very proud that our Nation stands for more than military might or political might. It stands for ideals that have their reflection in the aspirations of peasants in Latin America, workers in Eastern Europe, students in Africa, and farmers in Asia.

We do live in a difficult and complicated world, a world in which peace is literally a matter of survival. Our foreign policy must take this into account. Often, a choice that moves us toward one goal tends to move us further away from another goal. Seldom do circumstances permit me or you to take actions that are wholly satisfactory to everyone.

But I want to stress again that human rights are not peripheral to the foreign policy of the United States. Our human rights policy is not a decoration. It is not something we've adopted to polish up our image abroad or to put a fresh coat of moral paint on the discredited policies of the past.

Our pursuit of human rights is part of a broad effort to use our great power and our tremendous influence in the service of creating a better world, a world in which human beings can live in peace, in freedom, and with their basic needs adequately met.

Human rights is the soul of our foreign policy. And I say this with assurance, because human rights is the soul of our sense of nationhood.

For the most part, other nations are held together by common racial or ethnic ancestry, or by a common creed or religion, or by ancient attachments to the land that go back for centuries of time. Some nations are held together by the forces, implied forces of a tyrannical government. We are different from all of those, and I believe that we in our country are more fortunate.

As a people we come from every country and every corner of the Earth. We are of many religions and many creeds. We are of every race, every color, every ethnic and cultural background. We are right to be proud of these things and of the richness that lend to the texture of our national life. But they are not the things which unite us as a single people.

What unites us—what makes us Americans—is a common belief in peace, in a free society, and a common devotion to the liberties enshrined in our Constitution. That belief and that devotion are the sources of our sense of national community. Uniquely, ours is a nation founded on an idea of human rights. From our own history we know how powerful that idea can be.

Next week marks another human rights anniversary—Bill of Rights Day. Our Nation was "conceived in liberty," in Lincoln's words, but it has taken nearly two centuries for that liberty to approach maturity.

For most of the first half of our history, black Americans were denied even the most basic human rights. For most of the first two-thirds of our history, women were excluded from the political process. Their rights and those of Native Americans are still not constitutionally guaranteed and enforced. Even freedom of speech has been threatened periodically throughout our history. Only in the last 10 to 12 years have we achieved what Father Hesburgh has called "the legal abandonment of more than three centuries of apartheid." And the struggle for full human rights for all Americans—black, brown, and white; male and female; rich and poor—is far from over.

To me, as to many of you, these are not abstract matters or ideas. In the rural Georgia country where I grew up, the majority of my own fellow citizens were denied many basic rights—the right to vote, the right to speak freely without fear, the right to equal treatment under the law. I saw at first hand the effects of a system of deprivation of rights. I saw the courage of those who resisted that system. And finally, I saw the cleansing energies that were released when my own region of this country walked out of darkness and into what Hubert Humphrey, in the year of the adoption of the Universal Declaration, called "the bright sunshine of human rights."

The American Bill of Rights is 187 years old, and the struggle to make it a reality has occupied every one of those 187 years. The Universal Declaration of Human Rights is only 30 years old. In the perspective of history, the idea of human rights has only just been broached.

I do not draw this comparison because I want to counsel patience. I draw it because I want to emphasize, in spite of difficulties, steadfastness and commitment.

A hundred and eighty-seven years ago, as far as most American were concerned, the Bill of Rights was a bill of promises. There was no guarantee that those promises would ever be fulfilled. We did not realize those promises by waiting for history to take its inevitable course. We realized them because we struggled. We realized them because many sacrificed. We realized them because we persevered.

For millions of people around the world today the Universal Declaration of Human Rights is still only a declaration of hope. Like all of you, I want that hope to be fulfilled. The struggle to fulfill it will last longer than the lifetimes of any of us. Indeed, it will last as long as the lifetime of humanity itself. But we must persevere.

And we must persevere by ensuring that this country of ours, leader in the world, which we love so much, is always in the forefront of those who are struggling for that great hope, the great dream of universal human rights.

Thank you very much.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ZORINSKY). Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended, with Senators permitted to speak therein for 15 minutes, up until 1:45 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 1:01 p.m., recessed until 1:30 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ZORINSKY).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DANFORTH:

S. 207. A bill for the relief of Dr. Herman Sardjono and his wife, Erlanda Sardjono; to the Committee on the Judiciary.

By Mr. WALLOP (for himself, Mr. BAKER, Mr. BAUCUS, Mr. BAYH, Mr. BELLMON, Mr. BURDICK, Mr. CANNON, Mr. CHURCH, Mr. COCHRAN, Mr. CRANSTON, Mr. CULVER, Mr. DANFORTH, Mr. DECONCINI, Mr. DOMENICI, Mr. EXON, Mr. GOLDWATER, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HOLLINGS, Mr. JEPSEN, Ms. KASSEBAUM, Mr. LUGAR, Mr. MCCLURE, Mr. MCGOVERN, Mr. MELCHER, Mr. MORGAN, Mr. NELSON, Mr. SASSER, Mr. SCHMITT, Mr. STEVENS, Mr. STONE, Mr. TOWER, Mr. YOUNG, Mr. ZORINSKY, and Mr. THURMOND):

S. 208. A bill to amend Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 209. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 for the purposes of simplifying, clarifying, and improving Federal law relating to the regulation of employee benefit plans, to foster the establishment and maintenance of plans, and for other purposes; to the Committee on Finance, and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. MAGNUSON, Mr. PELL, Mr. NUNN, Mr. WILLIAMS, Mr. PERCY, Mr. ROBERT C. BYRD, Mr. BAKER, Mr. DOMENICI, Mr. JACKSON, Mr. CHILES, Mr. GLENN, Mr. SASSER, Mr. ROTH, Mr. MATHIAS, Mr. DANFORTH, Mr. HEINZ, Mr. PRYOR, Mr. LEVIN, Mr. DURENBERGER, Mr. CRANSTON, Mr. RANDOLPH, Mr. MCGOVERN, Mr. STAFFORD, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CHURCH, Mr. CULVER, Mr. DECONCINI, Mr. FORD, Mr. GRAVEL, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. LEAHY, Mr. MATSUNAGA, Mr. MELCHER, Mr. METZENBAUM, Mr. NELSON, Mr. PACKWOOD, Mr. RIEGLE, Mr. TALMADGE, Mr. THURMOND, Mr. TSONGAS, and Mr. WEICKER):

S. 210. A bill to establish a Department of Education; to the Committee on Governmental Affairs.

By Mr. HART:

S. 211. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of individual income tax brackets, and for other purposes; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. GOLDWATER, Mr. DOLE, Mr. RANDOLPH, Mr. DOMENICI, Mr. HEINZ, Mr. HAYAKAWA, Mr. THURMOND, Mr. WALLOP, and Mr. LUGAR):

S. 212. A bill entitled the "National Space and Aeronautics Policy Act of 1979"; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, and Mr. DURENBERGER):

S.J. Res. 25. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 26. A joint resolution to authorize the President to issue a proclamation designating July 4 of each year as Independence Day; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. GOLDWATER, and Mr. ZORINSKY):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. BAKER, Mr. BAUCUS, Mr. BAYH, Mr. BELLMON, Mr. BURDICK, Mr. CANNON, Mr. CHURCH, Mr. COCHRAN, Mr. CRANSTON, Mr. CULVER, Mr. DANFORTH, Mr. DECONCINI, Mr. DOMENICI, Mr. EXON, Mr. GOLDWATER, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HOLLINGS, Mr. JEPSEN, Mrs. KASSEBAUM, Mr. LUGAR, Mr. MCCLURE, Mr. MCGOVERN, Mr. MELCHER, Mr. MORGAN, Mr. NELSON, Mr. SASSER, Mr. SCHMITT, Mr. STEVENS, Mr. STONE, Mr. TOWER, Mr. YOUNG, Mr. ZORINSKY, and Mr. THURMOND):

S. 208. A bill to amend Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Finance.

Mr. WALLOP. Mr. President, once again I am introducing legislation to change the capital gains tax treatment of agricultural lands owned by nonresident aliens. This legislation would add gains from the sale or exchange of agricultural or timber lands to the list of items on which a nonresident alien must pay capital gains. At present, nonresident aliens use the Tax Code and tax treaties to avoid paying capital gains tax on the sale or exchange of agricultural property.

The question of foreign investment in U.S. agriculture is of serious concern to American farmers troubled by the effect these investments will have on escalating land prices. Increased foreign ownership of our food-producing lands forces us to ponder how the management and productivity of our Nation's farmlands might change. At the same time consumer organizations question if increased foreign ownership of our agricultural lands could one day affect food prices for all Americans.

And many farsighted environmental leaders have reason to ask whether foreign investors have a real interest in preserving the basic qualities of the land. It is doubtful whether a Saudi or French investor has as strong an interest in reducing soil erosion or runoff as the family farmer who works the land.

Mr. President, I raise these points only to indicate that the effects of foreign investment in agriculture are unclear. It is not my claim that all foreign investments in U.S. agriculture either benefit or harm farmers, consumers, or the national economy. I argue, however, that there is no reason to provide foreign

investors with a tax incentive denied our own people. I maintain that the present favored capital gains treatment for foreign investors is not needed, and that Congress must take steps to change this situation as soon as possible.

Mr. President, I would point out that the Senate is already familiar with this legislation. Last October I offered an amendment to the Revenue Act of 1978 with the same goal as the legislation I introduce today. At that time, 52 Senators cosponsored the amendment, and it was accepted by Senator LONG, the distinguished chairman of the Senate Finance Committee. Unfortunately, the amendment was lost during the final hours of House-Senate conference over the tax bill. Now the Senate has an opportunity to renew its commitment to remove this loophole from the tax laws.

I would like to point out that the Department of the Treasury is equally concerned over the tax treatment received by nonresident aliens who invest in real property. At the request of Congress the Treasury Department is conducting a study on this issue, which should be completed in a few months. I look forward to working with the Department of the Treasury to resolve this troublesome tax issue.

The Senate Agriculture Committee has done a great service with the publication of a committee print entitled "Foreign Investment in United States Agricultural Land." The distinguished chairman of the Senate Agriculture Committee, Senator TALMADGE, is to be commended for this excellent review of foreign investment in U.S. farmlands. This valuable study provides new information on foreign investment in agriculture, and sheds additional light on the tax loophole which is addressed in this legislation.

We are cautioned by tax experts to avoid using the term loophole because it is charged with emotion and unclear in its meaning. I use the term loophole to describe this oversight in the tax laws because it discriminates against Americans and is undesirable in its effects.

Questions of equity and confidence in our tax laws must be high on the list of considerations when Congress examines this bill. How can we logically explain to our citizens that it is in the national interest to give a tax break on the purchase of Iowa or Oregon or Wyoming farmland by a German investor and deny that same incentive to an American? How can we encourage faith in the Government and in the laws of this Nation when the laws are written to the benefit of nonresident aliens over Americans? Aside from these questions of equity, there are strong economic arguments against providing a tax incentive to foreign investors. The absence of the capital gains tax produces economic effects which I find troublesome. In the first place, it gives a foreign investor an upfront investment advantage over American farmers. Mr. President, I ask unanimous consent to have printed in the RECORD a small chart which indicates just how important this tax advantage can be. This table comes from an excellent report on foreign investment done by the USDA entitled "Federal Taxation and Incentives for Foreign Investment in U.S. Real Estate."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Present worth of the capital gains tax per $100 invested in farmland, discounted at 18 percent [1]

Years land is held	Average annual rate of appreciation in land values		
	6 percent	8 percent	10 percent
10	$2.7–$8.1	$4.1–$12.2	$5.6–$16.9
15	3.1– 9.2	4.8– 14.5	7.1– 21.3
20	3.0– 9.1	5.1– 15.3	8.0– 24.0

[1] The low figure in each cell assumes an effective rate of taxation of capital gain of 10 percent. The high figure assumes a 30 percent rate.

Mr. WALLOP. As indicated in this graph, if farmland appreciates at 8 percent a year, a foreign investor would be able to pay up to 15 percent more for farmland property because of the capital gains tax exemption. If land appreciates at 10 percent, a foreign investor could pay up to 24 percent more than a domestic farmer. No doubt a nonresident alien investor would be willing to pay an even more sizable premium on U.S. farmland when the average appreciation reaches 16 percent as it did in 1977. In that same year, Iowa crop land appreciated by 34 percent, and farmland in the rich San Joaquin Valley of California appreciated by 13 percent. While rising farmland prices work against family farmers trying to buy land, farmland appreciation works in favor of the foreign investor; the higher the annual rate of appreciation, the more valuable is the capital gains tax advantage.

Each day I receive letters from constituents troubled by the excessive appreciation of farmland. A look at the yearly rate of farmland appreciation shows why young Americans find it impossible to purchase land. The following figures illustrate how farmland prices have been increasing across the country over the past 4 years:

[In percent]

	1975	1976	1977	1978
U.S. farmland [1]	13	13	16	9
Iowa cropland	21	26	35	4
California, San Joaquin Valley	14	4	13	14
Florida cropland	13	6	7	8
Texas cropland	−2	8	7	10
Wyoming rangeland	15	20	6	2

[1] Library of Congress.

I am not claiming that foreign investment is the single cause of farmland appreciation, but speculation in farmland is a contributing factor, and this advantage exempts the speculator at every level. There are those who are properly concerned about the maintenance of capital flows from OPEC and other balance-of-payments surplus countries. Investments made by other countries in the United States are useful to our economy and the balance-of-payments position of the United States. If we alter the capital gains tax treatment of all foreign investments, we would jeopardize a source of financing that has become increasingly important over the past few years.

To those concerned with this issue, let me point out that this bill affects the capital gains treatment of agricultural land sales alone; it has no effect on the tax treatment of nonagricultural securities or industrial facilities. As such, the balance-of-payments effects of this kind of legislation are minimal, especially when we consider the underlying economic forces that will still encourage foreign investments in U.S. farmlands.

This legislation deals with only one incentive for foreign investment in U.S. agriculture. There are other incentives created by underlying economic forces, which are completely out of our control. For example, the U.S. trade imbalance with OPEC counties and our industrialized trading partners has put billions of dollars in the hands of Japanese, Arab, and German investors who wish to avoid political and economic instability. At the same time, the U.S. trade deficit has weakened the dollar, bringing it to historic lows in relation to other currencies. I ask unanimous consent to have printed in the RECORD a table which demonstrates how poorly the dollar has fared against other currencies over the past 8 years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of the U.S. dollar in relation to selected major currencies [1]
Index of dollar value per currency unit

(1970 = 100.0)

Year	DM	Pound	SFr	FFr	Yen	Year	DM	Pound	SFr	FFr	Yen
1970	100.0	100.0	100.0	100.0	100.0	1975	67.5	107.8	59.9	77.5	82.9
1971	95.5	98.0	95.5	99.7	97.2	1976	69.0	132.6	58.0	86.4	82.8
1972	87.4	95.8	88.6	91.2	84.6	1977	63.7	137.3	55.8	88.9	75.0
1973	73.3	97.7	73.5	80.6	75.7	Oct. 1978	50.6	119.4	35.7	76.4	51.4
1974	71.1	102.4	69.1	87.0	81.4						

[1] Library of Congress.

Mr. WALLOP. As indicated in the graph, a German buying dollars finds that his marks are worth nearly twice as much in 1978 as in 1970. The same is true for the Japanese, and Swiss investors have an even more favorable conversion rate to dollars. A devalued dollar permits foreign investors to buy U.S. products, securities, and farmland

at a discount. Another way of viewing the situation is that there has never been a time in our Nation's history in which farmlands could be purchased by foreign investors at such bargain rates as they are today.

And what better place is there to invest money than in U.S. food producing lands? Since 1970, the average annual rate of appreciation of farmland has been 12.2 percent, while the Dow Jones Industrial Average has increased by 1.1 percent, and 3-year Treasury bills by only 7 percent. In a world of expanding food demands, we can be certain that agricultural land investments will remain a good hedge for any investor. This is particularly true in the United States where each year thousands of acres are taken out of agriculture for commercial and residential uses. Agricultural land is a diminishing national resource, which can only increase in value.

Mr. President, I make these points to demonstrate that there is already a sufficiently great incentive to invest in U.S. agricultural lands without providing a capital gains advantage to foreign investors. The capital gains tax treatment of foreign investments in agriculture can only attract the worst kind of speculative investment in our land markets. Americans are a generous people, but we do not have to give away our most valuable natural resource to prove it to the world. By giving a tax break to foreign investors who wish to purchase American farmland we are being more than generous. We are being foolish.

This bill will close a capital gains tax loophole only available to foreign investors and help to restore a balance between U.S. farmers and nonresident aliens. I urge the Senate to act quickly to change this unfair and harmful section of the Tax Code.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAXATION OF NONRESIDENT ALIENS, ESTATES, TRUSTS, PARTNERSHIPS, AND FOREIGN CORPORATIONS ON GAINS FROM THE SALE OF FARMLAND AND OTHER RURAL LAND IN THE UNITED STATES.

(a) GAIN FROM SALE OF FARMLAND TREATED AS EFFECTIVELY CONNECTED INCOME.—Paragraph (2) of section 871(b) of the Internal Revenue Code of 1954 (relating to determination of gross income of nonresident alien individuals which is connected with United States business) and paragraph (2) of section 882(a) of such Code (relating to determination of taxable income of foreign corporations which is connected with United States business) are each amended to read as follows:

"(2) DETERMINATION OF TAXABLE INCOME.—In determining taxable income for purposes of paragraph (1)—

"(A) gross income includes only gross income which is effectively connected with the conduct of the trade or business within the United States, and

"(B) there shall be treated as gross income which is effectively connected with the conduct of a trade or business within the United States—

"(i) gain from the sale or exchange of real property located in the United States which is—

"(I) land used in farming (as defined in section 180(b)),

"(II) land suitable for use in farming (as defined in section 182(c)(2)), or

"(III) land in a rural area (within the meaning of paragraph (7) of section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), and

"(ii) that portion, in excess of $3,000 for the taxable year, of the gain from the sale or exchange of stock in a corporation, or interest in a partnership, trust, or estate determined by the secretary to be properly attributable to—

"(I) the net unrealized appreciation in land described in clause (i) which is held by such corporation, partnership, trust, or estate, and

"(II) in the case of the sale or exchange of stock in a corporation, an amount equal to the gain, if any, realized by such corporation on the sale of property described in this paragraph which was not recognized by that corporation under section 337.".

(b) WITHHOLDING OF TAX.—

(1) NONRESIDENT ALIEN INDIVIDUALS.—The first sentence of section 1441(b) of such Code (relating to withholding of tax on nonresident aliens) is amended by inserting "gains subject to tax under section 871(b)(2)(B)" after "section 871(a)(1)(D),".

(2) FOREIGN CORPORATIONS, PARTNERSHIPS, ESTATES, AND TRUSTS.—Subsection (a) of section 1442 of such Code (relating to withholding of tax on foreign corporations) is amended—

(A) by striking out "and" immediately after "881(a)(4),", and

(B) by inserting "and the reference in section 1441(b) to section 871(b)(2)(B) shall be treated as referring to section 881(a)(2)(B)," after "sections 881(a) (3) and (4)".

SEC. 2. REPORTS BY FOREIGN CORPORATIONS HOLDING UNITED STATES FARM AND OTHER RURAL PROPERTY.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning persons subject to special provisions) is amended by inserting after section 6039B the following new section:

"SEC. 6039C. INFORMATION CONCERNING CERTAIN HOLDINGS OF UNITED STATES PROPERTY BY FOREIGN CORPORATIONS.

"Every corporation, 20 percent or more of the value of the assets of which at any time during the taxable year is attributable to land described in section 882(a)(2)(B)(i), shall make a return for the taxable year setting forth such information, as the Secretary may by regulation prescribe for the purpose of enforcing sections 871 and 882. Any return filed pursuant to this section shall, for purposes of chapter 66 (relating to limitations), be treated as a return filed by the corporation under section 6012.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 6039B the following item:

"Sec. 6039C. Information concerning certain holdings of United States property by foreign corporations.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to sales and exchanges occurring after February 28, 1978.

COSPONSORS

Baker, Baucus, Bayh, Bellmon, Burdick, Cannon, Church, Cochran, Cranston, Culver, Danforth, DeConcini, Domenici, Exon, Goldwater, Hart, Hatch, and Hayakawa.

Heinz, Hollings, Jepsen, Kassebaum, Lugar, McClure, McGovern, Melcher, Morgan, Nelson, Sasser, Schmitt, Stevens, Stone, Tower, Young, Zorinsky, and Thurmond.

● Mr. BAYH. Mr. President, it is with great pleasure that I join again this year with Senator WALLOP in sponsoring legislation which would eliminate the exemption enjoyed by foreigners from taxation on capital gains derived from the sale of farmland. It would be folly, Mr. President, for this country to continue to subsidize foreign speculation in agricultural lands.

This amendment is quite simple and equitable. It would merely amend the Internal Revenue Code to impose the same taxes on foreigners who profit from the sale of farmland as it imposes on Americans. Presently, foreign holders of American farmland escape all taxation on the gains they receive when that property is sold or exchanged.

It is no secret, Mr. President, that speculation has driven prices for American farmland far too high in proportion to the income the land returns from farming. This phenomenon has made it increasingly difficult for American farmers to expand their operations and for young Americans who wish to pursue a career in agriculture to purchase even small farms for themselves.

One of the major reasons for speculation in farmlands has been the increase in foreign investment over the last several years. While it is very difficult to obtain reliable data on foreign investment in the United States, the Multi-State Tax Commission estimates that of the $2.4 billion invested by foreigners in this country in 1977, one-third or $800 million went into the purchase of farmland. And it is no wonder.

With no taxation on profits derived from speculation and the devaluation of the dollar, American farmland has to be one of the most attractive investments in the world.

The exemption from capital gains taxes amounts to a subsidy in the purchase of the land and enables foreigners to bid up prices to a point that American farmers cannot compete. The size of the subsidy depends upon the average rate of appreciation and the amount of time the land is held. If farmland appreciates at 8 percent per year, for example, a foreign investor would be willing to pay 4 to 15 percent more for property because of his exemption from capital gains. If the foreigner believes the land will appreciate at 10 percent a year, he can pay 5.6 to 24 percent more than an American farmer. I should note that these are conservative examples. In 1977, prime farmland in Iowa was increasing in value at a rate of 30 percent per year.

Mr. President, I think most of my colleagues will agree that this situation is outrageous. Our Government should not be in the business of providing incentives and subsidies for foreign speculators to the detriment of the American farmer, and it must be stopped. The difficulties confronting those who live and work on our family farms have been great, and with this legislation we have an oppor-

tunity to ease those burdens. I hope the bill we introduce today receives prompt and favorable action.●

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 209. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 for the purposes of simplifying, clarifying, and improving Federal law relating to the regulation of employee benefit plans, to foster the establishment and maintenance of plans, and for other purposes; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

ERISA IMPROVEMENTS ACT OF 1979

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to amend the Federal laws under which private sector pension and welfare plans are regulated.

The bill is the ERISA Improvements Act of 1979, a refinement of legislation I introduced last year and on which hearings were held in August of 1978. The new bill contains changes which reflect the helpful comments we received during those hearings.

The aims of last year's bill—to simplify, clarify and improve ERISA's provisions, to stimulate the creation of more private sector retirement plans covering more employees, to consolidate the administration and enforcement of the Employee Retirement Income Security Act of 1974 and corresponding parts of the Internal Revenue code under one agency, and to make certain adjustments in the other laws which apply to employee benefit plans—are carried over into this bill. However, as a result of administrative and judicial developments, certain provisions contained in last year's bill appear to be no longer necessary, and, in a few instances, wholly new provisions have been added.

As regards reporting and disclosure issues, I continue to believe that most of the changes I proposed last May are desirable and should be made.

I have reviewed the revised Labor Department regulations on summary annual reports and continue to believe that the duplication and distribution costs of the document, even as it would be revised under the Department's regulations, far outweight its usefulness. Accordingly, my bill proposes its elimination. During his testimony in our August hearings, the Under Secretary of Labor indicated a departmental willingness to consider substituting a posting requirement in lieu of the "furnishing" requirement now applicable to the summary annual report.

If there is to be an annual posting, I believe that plan participants would benefit most by a posting not of a summary of the annual report, but of a statement that the annual report has been filed and that copies are available from the plan administrator and the Labor Department. Such a statement also should include reference to other available documents pertaining to the plan and might also contain other information that participants should be reminded of more frequently than is brought to their attention through updatings of the summary plan description every 5 or 10 years. The department's authority to require such a statement, posted or otherwise made known to participants on an annual basis, presently exists in the law and would be enhanced by my bill.

This legislation contains amendments to ERISA's minimum standards, funding, and fiduciary provisions that are generally identical or very similar to last year's bill.

The survivors' rights provision has been changed to deal with certain technical problems that were brought to my attention during the August hearings, but the concept remains the same. I, for one, cannot accept the view that the spouse of a long-service pension plan participant should be deprived of benefits earned by the participant merely because of death occurring before the earliest retirement age permitted under the plan.

While I fully understand the differences between life insurance and retirement income, I also believe that we must not lose sight of the fact that benefits provided by pension plan sponsors are a form of compensation. While Federal law recognizes the permissibility of conditioning the right to a pension on completion of a length of service, as embodied in the minimum vesting standards, Federal law also must recognize the need for, and manifest desirability of, retirement income for the spouse of a deceased participant.

True, there are cases in which the spouse's retirement income can be supplied through other means.

In some cases, social security survivor's benefits may be deemed adequate. In other cases, the surviving spouse may be covered by a different private or public sector retirement arrangement. In still other cases, individual savings and investment income may be available. My bill contains provisions permitting the participant to choose not to take the joint and survivor form of annuity, and also to elect back in if circumstances change.

The revised survivor's rights provision also permits a plan which provides a normal form of benefit other than an annuity to make an immediate distribution to the surviving spouse, and the same treatment is permissible in a plan having an annuity as the normal form, if the value of the annuity at the time of the participant's death is small.

Moreover, the proposal makes it clear that a plan may provide a normal form of benefit which is not an annuity. Of course, the annuity option that might be offered by such a plan would have to be the joint and survivor form specified in my bill.

Like last year's legislation, the ERISA Improvements Act of 1979 prohibits the offsetting of disability benefits due to increases in social security benefits under all plans, whether pension or welfare. It also prohibits the reduction or suspension of pension benefits due to an award or settlement under a worker's compensation law.

A new provision makes it clear that the ERISA and code provisions which prohibit assignment and alienation of pensions are not to be applied to defeat court orders requiring alimony or child support payments, but also makes it clear that this exception to the general antiassignment rule is to be applied only where it does not interfere with the plan rules respecting the time at which benefits are payable, or their form or duration.

The funding and fiduciary amendments are much the same as in last year's bill. The language of the provision on insurance company general accounts has been revised to codify exactly the interpretation that was placed on ERISA by the Labor Department and the Internal Revenue Service, insofar as it relates to insurance company general accounts, in interpretive bulletin 75–2 of February 6, 1975.

Similarly, the provision dealing with refunds of mistaken contributions has been revised to permit plans to refund contributions which contravene the requirements of section 302 of the Taft-Hartley Act.

The section requiring employers to make agreed-upon periodic contributions to collectively bargained plans has been moved from part 4 to part 5, to avoid the complications caused by treating failures to make such contributions as fiduciary breaches.

Several provisions have been added to insure that ERISA's promise of protection to employees covered by plans is a secure one. A provision which prospectively prohibits misrepresentation to employees about the terms and conditions of a plan, the financial condition of the plan, or an employee's status under the plan has been added, along with a conforming enforcement provision. These provisions would be applicable to employee benefit plans covered by title I of ERISA, and the bill makes it clear that the antifraud rules of the Federal securities laws, and the State laws regulating securities, shall not be applicable prospectively to the interest that an employee may have in such a plan.

As regards the new misrepresentation provisions, several points are noteworthy:

First, I am of the view that ERISA in its present form adequately protects plan participants and beneficiaries from many types of knowing misrepresentations. Certainly this is true where the person making the misrepresentation is a fiduciary, as will be the case respecting any disclosure in documents required by ERISA, and where the person to whom the misrepresentation is made is a participant or beneficiary. Indeed, ERISA's substantive standards and its remedial relief provisions were thought to be, at the time of their enactment, exceedingly comprehensive and broad, permitting courts to fashion virtually any type of civil relief necessary to redress violations of the statute.

Testimony and other comments received in connection with last year's hearings, however, showed that certain types of misrepresentations might not be adequately addressed by ERISA's present provisions, and that an ambit of protection that is limited to persons who have attained participant status under a plan may not be broad enough to protect employees who may make significant employment decisions based on representations about benefit plans. It has also been suggested that ERISA's remedy provisions could be interpreted to preclude forms of relief designed to make whole an employee who has relied to his or her detriment on a misrepresentation. I believe that such an interpretation would be wrong in the case of a participant or beneficiary, and inconsistent with Congress' intent when it enacted ERISA.

Testimony also confirmed my view that the securities laws' antifraud rule, developed to protect investors in securities, is not an appropriate mechanism for application to the employment relationship. So I have proposed a rule which is better suited to, and can be administratively and judicially developed bearing in mind the labor relations aspects of, employee benefit plans.

Second, I have included two specific exceptions to the general rule. The first is designed to leave undisturbed the present reporting and disclosure rules in ERISA. These rules, as implemented through regulations of the Secretaries of Labor and the Treasury, contain their own safeguards against inaccuracy and misrepresentation. Furthermore, overlaying the disclosure requirements with an independent misrepresentation rule could undermine the "summary" and "layman's language" concepts that play so prominent a role in disclosure under title I.

Finally, the exception is also included to prevent a significant departure from ERISA's scope of reporting and disclosure rules regarding subject matter required to be disclosed or reported. Congress carefully determined that scope, subject only to adjustments that may be made by the Secretary of Labor by regulation. Without the exception it might be argued that a summary plan description or benefit status report which fails to include the statistical probability of actual receipt of a pension is misleading and constitutes a misrepresentation. The exception is intended, among other things, to preclude such an interpretation.

The other exception provides that the plan itself shall not be liable in a suit for damages due to a misrepresentation. This exclusion from damage liability would not, however, prevent the plan from being subjected to other available ERISA remedies, such as injunctive relief.

Third, the provision is deliberately drafted in a spare and lean fashion. It is intended that the Secretary of Labor's general regulation authority contained in section 505 of ERISA would be applicable to flesh out the detailed meaning of this provision, just as it is applicable to the other provisions of title I. In developing these regulations, I would expect that the Secretary would interpret the term "knowing misrepresentation" to include not only a representation which is known to be inaccurate or false or is intended to be misleading, but also one which is made with willful or reckless disregard for its veracity.

The three subjects covered by the rule—the terms and conditions of the plan, its financial condition, and the status of an employee under the plan, should be interpreted relatively broadly, subject of course to the constraints imposed by the exception regarding disclosures and reporting required under ERISA and the Internal Revenue Code.

"Terms and Conditions of the Plan" thus would include the plan rules in their entirety and provisions of applicable law. "Financial Condition of the Plan" would mean plan assets and liabilities, transactions engaged in by or on behalf of the plan, and expectations or predictions regarding future assets, liabilities or transactions; and "Status Under the Plan" would mean the facts, plan rules, and law relating to an individual's satisfaction of the plan's participation, vesting, accrual, break-in service, and similar rules.

Another new provision directs the Secretary of Labor to develop standards for disclosures about, and advertising of, bank trusts and insurance company separate accounts which hold exclusively ERISA plan assets. Under the securities laws, such a trust or account which contains only assets of corporate plans presently is exempted from the registration requirements, while a trust or account containing assets of Keogh plans is not exempted. This distinction found its way into the law in 1970, well before ERISA's enactment. ERISA's general fiduciary rules, however, make no distinction between corporate and Keogh plans. A plan sponsor, investment committee, or other plan fiduciary with responsibility to decide how the plan is to be funded is subject to the same standard of conduct whether the employer maintaining the plan is doing business in corporate form or as a partnership or sole proprietorship.

In light of this uniformity of treatment under ERISA's vigorous fiduciary standards, substantial questions are raised in my mind as to the type and level of additional regulation that is needed respecting dealings between plans and bank trusts or insurance company separate accounts, epecially since the bank or insurance company holding plan assets is also a fiduciary.

Of equal importance, I believe that the nature and extent of the standards on disclosure of facts to plan sponsors by banks and insurance companies respecting their trusts and separate accounts holding exclusively ERISA plan assets, and their advertising respecting such trusts and accounts, including whether or not a distinction based on type of plan or size of plan sponsor is warranted, is a subject which can be best addressed by the Secretary of Labor under the authority I have proposed, in the context of the protections already in ERISA, and the standards already applicable to banks and insurers under ERISA, Federal banking laws, and State banking and insurance laws.

Under his new authority, the Secretary shall establish the standards for disclosure and advertising and may establish additional rules to protect participants and beneficiaries of plans funded in whole or in part through bank trusts or insurance company separate accounts, and to assist plan fiduciaries in choosing among various funding vehicles.

With this new authority in place, administered and enforced by the Secretary of Labor in the context of his expertise regarding both protections for plan participants and the importance of a vigorous private pension and welfare plan system, the present authority of the SEC to require registration of such trusts and accounts or to treat them as investment companies would be superseded.

Other new provisions in this bill relate to the preemption of State laws. First, my bill makes it clear that a State insurance law which requires that a particular benefit be provided by an insurer selling policies to employee benefit plans covered by ERISA is preempted and is not saved from preemption by the exception for State laws which regulate the insurance industry. Second, there is a conforming provision that saves from preemption State domestic relations court decrees and other court orders which require payment of alimony or child support, to the extent permitted by the exception I have proposed to ERISA's antiassignment rule.

Finally, the prepaid health care law of the State of Hawaii and substantially identical laws of other States are excluded from the preemption rules insofar as they do not relate to matters thoroughly regulated under ERISA, for example, reporting and disclosure, fiduciary responsibility.

In addition to amendments to the Tax Code corresponding to the changes I have proposed in ERISA, the ERISA Improvements Act of 1979 includes the same changes regarding tax treatment of lump-sum distributions as were proposed in my previous bill. The concept of a limited deduction for employee contributions to tax-qualified plans or individual retirement accounts is included, and has been revised significantly in light of developments that occurred in the Congress after introduction of my 1978 bill. My proposal this year is both more flexible and less restrictive, and is conceptually compatible with other proposals designed to accomplish the same end.

I believe the Tax Code must permit employees already covered by tax-qualified plans to augment the pension benefits provided by those plans and to enjoy preferential tax treatment, within reasonable limitations, for their contributions. I view this proposal, along with the credit I have proposed for newly established small employer plans and my special master plan proposal, as key legislative changes necessary to bring about broader private sector retirement arrangements and greater assurances of actual receipt of retirement income by individuals relying on these arrangements.

The tax credit for small employers who initiate tax-qualified plans has been modified slightly to target the credit more precisely, and the special master

plan provisions have been changed to permit use of defined benefit plans and to ease acceptance and facilitate implementation.

I continue to strongly favor the consolidation in a single agency of Department of Labor, Internal Revenue Service and Pension Benefit Guaranty Corporation functions related to employee benefit plans. The furnishing of retirement income and health and welfare benefits by the private sector and the responsible and humane administration of applicable Federal law is too important a matter to be left to the splintered efforts of three separate agencies. Favorable tax treatment for plans meeting certain requirements is a means to an end, not an end in itself, and the object of Federal regulation in this area—the supplying of pension, health and welfare benefits through a dynamic private sector system—cannot be sacrificed on the altar of bureaucratic provincialism and vested interest special pleading.

Therefore, the bill includes my proposal to consolidate agency responsibilities, modified only slightly from last year's version. This inclusion does not modify my previous position regarding Reorganization Plan No. 4, under which the interpretative responsibilities of the Labor Department and IRS were shifted slightly in an attempt to reduce duplication and the need for extensive coordination. I look forward to the agencies' progress under the reorganization and to the evaluation that will be submitted by the President to the Congress early in 1980.

But the reorganization's object and the object of the consolidation I have proposed are very different. The reorganization is an attempt, well intentioned and commendable but necessarily limited, to revise an existing framework. The consolidation concept begins with the premise that the framework itself is irredeemably flawed—that the fragmentation of responsibility inherent in the framework and the supervening and often conflicting goals, outlooks, and traditions of the agencies involved simply cannot produce a regulatory system that will perform adequately.

Even assuming that the reorganization succeeds on its own terms, I will continue to receive mail from my constituents voicing problems and frustrations that are directly traceable, at least in part, to multiple agency jurisdiction. Likewise, I will continue to hear from plan administrators, fiduciaries, service providers, and attorneys who are justifiably frustrated by delays, crossed signals, and inconsistencies traceable to multiple jurisdiction, especially as regards enforcement matters, which are not affected by the reorganization.

It is noteworthy, Mr. President, that my bill does not propose any changes in ERISA's general fiduciary rules respecting the current debate over the use of ERISA plan assets to serve "social purposes" or to attain "socially desirable" objectives. The debate is a matter of substantial concern to me and, as one who played a leading role in the development of ERISA's fiduciary rules, I believe I have an obligation to state my position.

Discussions over this issue have touched on not only whether social or other noninvestment return factors may be considered by the ERISA fiduciary charged with investment responsibility, but also whether voting rights of stock held in plan portfolios may be exercised in a manner that fosters the social concerns of plan participants and beneficiaries or may be passed through to be exercised in the interest of the plan participants and beneficiaries.

As regards the first question, my understanding of ERISA's fiduciary provisions and the intent of the Congress that enacted ERISA leads me to conclude that there is no need to amend ERISA's rules to permit fiduciaries having investment responsibility to consider the social desirability of investments—the present rules permit such consideration—and that no good purpose and quite possibly substantial harm would be done if ERISA were amended to require fiduciaries to do so.

I would emphasize, Mr. President, that the debate over this question seems to have obscured a basic point: There is an extremely important social purpose that is intended to be fostered by ERISA's fiduciary and other rules. It is the supplying of retirement or deferred income and health and welfare benefits to employees covered under the plans, and it is the duty of every plan sponsor and any fiduciary investing plan assets to adopt economically sound objectives and methods—policies, procedures, and particular investment decisions—designed to achieve that goal. However, the framework of ERISA's present fiduciary responsibility rules, requiring that plan fiduciaries act "solely in the interest" of plan participants and beneficiaries, "for the exclusive purpose" of providing plan benefits and defraying administrative costs, and in a prudent fashion, permits taking noneconomic issues into consideration when investment decisions are being made.

For instance, in order to implement a noneconomic policy that is in the interest of the plan participants, a pension plan fiduciary might exclude investments of a certain type, or in a particular company or country, while not adversely affecting in any measurable way the plan's actual investment alternatives and available investment returns. But it is also possible that noneconomic considerations could become so restrictive (such as directing that all plan investments be made in one city or one industry) that they do measurably impair the ability to obtain diversification, liquidity, or investment return. In the former case, nothing in ERISA is violated by the fiduciary's having considered and acted upon noneconomic factors, because there has been no impairment of the plan's ability to achieve its basic goals of investment return and asset security. In the latter case, the fiduciary has permitted noneconomic considerations to adversely affect the plan's ability to achieve otherwise available investment returns and has violated or seriously risked violating the fundamental obligation to protect the retirement income security of plan participants.

Similarly, situations may arise where the interests of active employees may be at odds with the retirement income security interests of those same employees or present retirees. In such cases, a pension plan fiduciary with investment responsibility must choose the course which is consistent with the primary duty of loyalty to the retirement income needs of plan participants. Certainly, there will be many times when economically equivalent investment alternatives are available so that the nonretirement needs of plan participants can be considered and acted upon. But when equivalent investment alternatives are not available, the plan fiduciary must pursue the course which protects plan assets and provides the more favorable investment return.

In light of the ability to take these concerns into account under ERISA's present fiduciary responsibility provisions, I do not believe that any modifications or special exceptions to ERISA are necessary or appropriate. To the extent a plan sponsor (whether that be a joint labor-management board of trustees or a corporate sponsor of a single employer plan) chooses to consider noneconomic factors which do not impair a plan's ability to achieve otherwise available investment returns, the sponsor may reserve the right to do so, or may instruct the plan trustee or investment manager to do so. But in no case should economically sound plan investment objectives be sacrificed to achieve the sponsor's, trustee's, or investment manager's notions of socially desirable activity.

As regards the second question—the exercise of voting rights in a manner that fosters social concerns of plan participants and beneficiaries—the same general principles apply. Here, however, the instances in which voting rights exercised in such a manner can possibly interfere with a fiduciary's obligations under ERISA will be few indeed. Stressing once again that the ERISA fiduciary rules are designed to achieve a goal of great social importance, the supplying of retirement or deferred income and health and welfare benefits, there is no question in my mind that those rules permit the exercise of stock voting rights in a way that is consistent with other social concerns of the plan's participants and beneficiaries except in the rare case where such action would measurably impair the security of plan assets or adversely affect the plan's economically sound investment objectives.

The extent to which plan portfolio stock is voted to achieve social purposes, and the arrangements under which the voting rights are exercised, are matters that must be determined by the plan sponsor and the fiduciary, bearing in mind the type of plan, its economically sound investment objectives, and applicable law and regulations regarding the exercise of voting rights.

In summary, Mr. President, let me say that other mechanisms, such as tax or other incentives, may be appropriate mechanisms for fostering desired capital investment and social goals. Indeed, recent legislation has addressed many such objectives. However, it seems particularly inappropriate to accomplish these goals by compromising our basic commitment to achieving the fundamental objectives of private employee benefit plans. The interests of plan participants and beneficiaries and the country's interest in a sound private sector employee benefit plan system is best served by insuring that the assets necessary to provide promised plan benefits are available for that purpose.

ERISA's general fiduciary rules are rooted in the common law of trust, reflected in court decisions and statutes, and embodying centuries of observations and wisdom about the conduct of those who have responsibility for the property of others. Congress codified that body of law in ERISA, making appropriate adjustments to reflect the special nature and purpose of employee benefit plans. Thus, ERISA's fiduciary rules were deliberately made flexible enough to accommodate the almost infinite variety of types and sizes of plans, and offer ample opportunities, as I have explained, to accommodate social purpose objectives of participants and beneficiaries. But amending these rules, as has been suggested by some, would inevitably produce a shifting of focus away from, and a watering down of, their basic goal—the guidance of fiduciary conduct in achieving the fundamental objectives of employee benefit plans.

Mr. President, I ask unanimous consent that the text of the ERISA Improvements Act of 1979 be included in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "ERISA Improvements Act of 1979".

(b) Table of Contents.—

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SEC. 2. TECHNICAL AND CONFORMING CHANGES.

The Secretary of the Treasury and the Secretary of Labor shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Congress a draft of any technical and conforming changes in the Internal Revenue Code of 1954, and the Employee Retirement Income Security Act of 1974, respectively, which are necessary to reflect throughout such Code and Act the changes in the substantive provisions of law made by this Act.

SEC. 3. FINDINGS AND DECLARATION OF POLICY.

(a) The Congress finds that the paperwork burdens and compliance costs resulting from the implementation of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 affecting employee benefit plans and persons sponsoring such plans can be reduced in certain respects without jeopardizing the interests of employees in such plans and in the integrity of the assets of such plans; that the free flow of commerce and the implementation of such Act and Code have been restricted and hampered by assertions of applicability of Federal and State securities and other laws to certain employee benefit plans and certain collective funding vehicles for plans; and that present and future needs for retirement income can best be met by strengthening and improving private employee pension benefit plans and that it is in the national interest to do so.

(b) The Congress further finds that the free flow of commerce and the implementation of the provisions of the Employee Retirement Income Security Act of 1974 and of the Internal Revenue Code of 1954 have been restricted and hampered by administrative difficulties encountered by the Labor Department, the Internal Revenue Service, and the Pension Benefit Guaranty Corporation; that duplications and overlapping of agency responsibility have resulted in costly delays, confusion, and excessive paperwork, and that the interests of participants in and beneficiaries under private sector employee benefit plans have been adversely affected thereby.

(c) It is hereby declared to be the policy of this Act to foster the establishment and maintenance of private employee pension benefit plans; to further improve such plans by clarifying, simplifying, and otherwise improving such Act and the provisions of such Code; to clarify prospectively the extent to which Federal and State securities and other laws may affect employee benefit plans and collective funding vehicles for plans which are subject to such Act; and to consolidate in a single agency the administration of the Employee Retirement Income Security Act of 1974 and certain provisions of the Internal Revenue Code of 1954 relating to employee benefit plans.

TITLE I—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SUBTITLE A—DECLARATION OF POLICY; DEFINITIONS

SEC. 101. DECLARATION OF POLICY.

Section 2 of the Employment Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new subsection:

"(d) It is hereby further declared to be the policy of this Act to foster the establishment and maintenance of employee benefit plans sponsored by employers, employee organizations, or both.".

SEC. 102. DEFINITIONS.

Section 3 of the Employee Retirement Income Security Act of 1974 is amended by—

(1) striking out subparagraphs (A), (B), (C), (D), (H) and (I) of paragraph (14) and inserting in lieu thereof, respectively, the following subparagraphs:

"(A) any fiduciary, counsel, or employee of such plan;

"(B) a person providing professional services to such plan, or a person providing nonprofessional services on a continuous basis to such plan;

"(C) an employer any of whose employees are covered by such plan, if the employees of such employer constitute five percent or more of all employees covered by the plan;

"(D) an employee organization any of whose members are covered by such plan, if the members of such employee organization constitute five percent or more of all employees covered by the plan;

"(H) an officer, director (or an individual having powers or responsibilities similar to those of officers or directors), a 10 percent or more shareholder, or a highly compensated employee (earning 10 percent or more of the yearly wages of an employer) or a person described in subparagraph (B), (C), (D), (E), or (G); or

"(I) a 10 percent or more (in capital or profits) partner, or joint venturer in, a person described in subparagraph (B), (C), (D), (E), or (G).";

(2) inserting in paragraph (15) "brother, sister," immediately before "spouse," the first time it appears;

(3) striking out "The" in paragraph (20) and inserting in lieu thereof "Except as otherwise provided in sections 502(1) and 514(d) (2) and (3), the";

(4)(A) striking out clauses (i), (ii), and (iii) of subparagraph (A) of paragraph (37) and inserting in lieu thereof the following:

"(i) which is maintained pursuant to one or more collective bargaining agreements between an employee organization and more than one employer,

"(ii) to which ten or more employers contribute, or to which more than one and fewer than ten employers contribute if the Secretary finds that treating such a plan as a multiemployer plan would be consistent with the purposes of this Act, and";

(B) redesignating clauses (iv) and (v) of paragraph (37)(A) as clauses (iii) and (iv), respectively, and

(C) striking out subparagraph (B) of paragraph (37) and inserting in lieu thereof the following new subparagraph:

"(B) For purposes of this paragraph, all corporations which are members of a controlled group of corporations (within the meaning of section 1563 (a) of the Internal Revenue Code of 1954, determined without regard to section 1563 (e) (3) (C) of such Code) shall be deemed to be one employer.".

SUBTITLE B—SIMPLIFYING AND CLARIFYING AMENDMENTS

Part 1—REPORTING AND DISCLOSURE

SEC. 111. DISCLOSURE OF STATUS UNDER PENSION PLANS.

Section 105 of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"DISCLOSURE OF STATUS UNDER PENSION PLANS

"SEC. 105. (a)(1) Each administrator of an employee pension benefit plan shall furnish to any plan participant or beneficiary who requests in writing a statement indicating, on the basis of the latest available information—

"(A) for defined benefits plans, the total benefits accrued, or

"(B) for individual account plans, the balance in the account, and

"(C) for all plans, the proportion of accrued benefits or account balance which is nonforfeitable or the earliest date, assuming continued participation in the plan without a break in service, on which some or all benefits will become nonforfeitable.

"(2) In no case shall a participant or beneficiary be entitled under this subsection to receive more than one report described in paragraph (1) during any one twelve-month period.

"(3) If the members of any class of participants or beneficiaries are annually furnished with a statement which contains the information required by this subsection, the requirements of this subsection shall be satisfied respecting the members of such class.

"(4) This subsection shall apply to a plan to which more than one unaffiliated employer is required to contribute only to the extent provided by regulations prescribed by the Secretary.

"(b)(1) Each administrator of an employee pension benefit plan shall report, in such manner and at such time as may be provided in regulations prescribed by the Secretary, to each plan participant who during a plan year—

"(A)(i) terminates his service with the employer, or

"(ii) has a 1-year break in service, and

"(B) is entitled to a deferred vested benefit under the plan as of the end of such plan year, and

"(C) with respect to whom retirement benefits are not paid under the plan during such plan year.

The report required under this subsection shall inform the participant of the nature, amount, and form of the deferred vested benefit to which he is entitled, and shall contain such other information as the Secretary may require.

"(2) Not more than one report shall be required under paragraph (A)(ii) with respect to consecutive one-year breaks in service.

"(c)(1) Except as provided in paragraph (2) of this subsection, each employer shall, in accordance with regulations prescribed by the Secretary, maintain records with respect to each of his employees sufficient to determine the benefits due or which may become due to such employees. The employer shall furnish the plan administrator information necessary for the administrator to make the reports required by subsections (a) and (b).

"(2) If more than one employer adopts a plan, each such employer shall, in accordance with regulations prescribed by the Secretary, furnish to the plan administrator information necessary for the administrator to maintain the records and make the reports required by subsections (a) and (b). Such administrator shall maintain the records and, to the extent provided under regulations prescribed by the Secretary, make the reports, required by subsections (a) and (b).

"(3) If any person who is required under this section (other than under subsection (a)(1)) to furnish information or to maintain records fails to comply with such requirements, he shall pay to the plan a penalty of $10 for each employee with respect to whom such failure occurs, unless it is shown that such failure is due to reasonable cause.".

SEC. 112. EXEMPTIONS AND MODIFICATIONS

(a) IN GENERAL.—Section 110 of such Act is amended to read as follows:

"EXEMPTIONS AND MODIFICATIONS

"SEC. 110. The Secretary may by regulation conditionally or unconditionally exempt any employee benefit plan or person, or any class of employee benefits plans or persons, from any requirement of this part or may modify any such requirement if he determines that such exemption or modification is—

"(1) appropriate and necessary in the public interest, and

"(2) consistent with the purposes of this title.".

(b) Conforming Changes.—(1) Section 104 (a) of such Act is amended—

(A) by striking out paragraphs (2) and (3), and by redesignating paragraphs (4) and (5) as (2) and (3), respectively; and

(B) by striking out "paragraph (4)" in paragraph (3) (as redesignated) and inserting in lieu thereof "paragraph (2)".

(2) Section 107 of such Act is amended by striking out "104 (a) (2) or (3)" in both places where it appears and inserting in lieu thereof "110".

(3) The last sentence of section 103 (a) (3) (A) of such Act is amended by striking out "104 (a) (2)" and inserting in lieu thereof "110".

(4) The second sentence of section 103 (a) (4) (A) of such Act is amended by striking out "104 (a) (2)" and inserting in lieu thereof "110".

(5) Section 101(a)(2) of such Act is amended by striking out "(c)" immediately preceding the period and inserting in lieu thereof "(b)".

SEC. 113. ELIMINATION OF SUMMARY ANNUAL REPORT.

(a) IN GENERAL.—Section 104 (b) of such Act is amended—

(1) by striking out paragraph (3) and redesignating paragraph (4) as (3), and

(2) by inserting before the period at the end of the last sentence of such redesignated paragraph the following: ", but the charge for furnishing a copy of the latest annual report may not exceed $10".

(b) CONFORMING CHANGE.—The third sentence of section 103 (a) (3) (A) is amended by striking out "and the summary material required under section 104 (b) (3)".

SEC. 114. IMPROVEMENT OF REPORTING REQUIREMENTS.

In order to avoid the reporting of unnecessary information, the Secretary and the Secretary of the Treasury shall develop reporting forms and requirements for employee benefit plans described in section 4(a) and not exempt under section 4(b) which, to the maximum extent feasible and consistent with the purposes of this Act and the Employee Retirement Income Security Act of 1974, take into account the different types and sizes of employee benefit plans. Not later than 12 months after the date of enactment of this Act, the Secretaries shall report to the Congress on the actions taken and proposed to be taken to implement this directive. Not later than 24 months after the enactment of this section, the Secretaries shall submit to the Congress their final written report on the implementation of this section.

SEC. 115. OPINIONS OF ACTUARIES AND ACCOUNTANTS

Section 103 (a) of such Act is amended—

(1) by inserting "except to the extent required by subparagraph (B)," in paragraph (3)(A) after "Such examination shall be conducted in accordance with generally accepted auditing standards.",

(2) by striking out "may" in paragraph (3) (B) and inserting in lieu thereof "shall",

(3) by striking out ", if he so states his reliance" in such paragraph,

(4) by striking out "may" in paragraph (4)(D) and inserting in lieu thereof "shall", and

(5) by striking out ", if he so states his reliance" in such paragraph.

SEC. 116. SCOPE OF ACCOUNTANT'S OPINION.

Section 103 (a)(3)(C) of such Act is amended by striking out "need" and inserting in lieu thereof "shall".

SEC. 117. EFFECTIVE DATES.

The amendments made by sections 111 and 112 shall be effective on, and the amendments made by sections 113, 115, and 116 shall apply with respect to plan years beginning on and after, the date of enactment of this Act.

PART II—MINIMUM STANDARDS

SEC. 121. RECIPROCAL AGREEMENTS.

Section 209 of the Employee Retirement Income Security Act of 1974 is amended in its entirety to read as follows:

"RECIPROCAL AGREEMENTS

"SEC. 209. Notwithstanding any other provision of this title, the contributions made with respect to the employment of an employee pursuant to a collective-bargaining agreement and payable to a pension or welfare plan maintained pursuant to that agreement (hereinafter in this section referred to as the 'away plan') may be transferred to a similar pension or welfare plan established pursuant to another collective-bargaining agreement under which the employee had previously become a participant (hereinafter referred to in this section as the 'home plan') if such transfer is pursuant to a written agreement between the administrator of the away plan and the administrator of the home plan. In any case where contributions received with respect to the employment of an employee are transferred from an away plan to a home plan in accordance with this section, such employment shall be considered as employment under the jurisdiction of the home plan for purposes of computing the accrued benefit and vesting of such employee, but the employer who contributed to the away plan on behalf of such employee shall not be deemed to be an employer maintaining the home plan solely because of such transferred contributions. The Secretary may by regulation establish additional conditions, and such variances and exemptions as

are consistent with the purposes of this Act, in order to facilitate such transfer arrangements in the interest of portability and to protect the pension and welfare benefits of employees who become employed under two or more collective bargaining agreements associated with different pension or welfare plans.".

SEC. 122. TECHNICAL CORRECTION.

Section 204(b)(3)(E) of such Act is amended by striking out "a year of participation" and inserting in lieu thereof the following: "1,000 hours of employment".

SEC. 123. DETERMINING PARTICIPATION ON A PLAN YEAR BASIS.

The second sentence of section 202(a)(3)(A) of such Act is amended by inserting "(i)" after "first day of a plan year" and by inserting after "date his employment commenced" the following: "or (ii) in the case of a plan where rights and benefits under this part are determined on the basis of all of an employee's service without regard to the date on which the employee's participation in the plan commenced".

SEC. 124. SUMMATION OF DIFFERENT BENEFIT ACCRUAL RATES.

Section 210(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) a multiemployer plan may provide that the accrued benefit to which a participant is entitled upon his separation from the service is—

"(A)(i) the sum of different rates of benefit accrual for different periods of participation as defined by one or more fixed calendar dates, or

"(ii) the sum of different rates of benefit accrual for different periods of participation, as defined by employment in different bargaining units, and

"(B) determined, for purposes of subparagraphs (A) and (C) of subsection 204(b)(1), by projecting the normal retirement benefit to which a participant would be entitled if he continued to accrue benefits at the average of the rates applicable to his period of actual participation.".

SEC. 125. SUSPENSION OF BENEFITS BECAUSE OF REEMPLOYMENT.

Section 203(a)(3)(B) of such Act is amended—

(1) by striking out "in the same trade" in clause (ii) and inserting in lieu thereof ", trade,"; and

(2) by striking out "'employed'." in the last sentence and inserting in lieu thereof the following: "which may, with respect to clause (ii), include self-employment. The permissible period of benefit suspension shall include a period determined pursuant to regulations promulgated by the Secretary in addition to the months in which the employment occurs to the extent necessary to prevent the periodic payment and suspension of pension benefits to workers who have not retired but who continue to work on an irregular basis. The imposition of a financial penalty on a pensioner who fails to report his employment as required by the rules of a plan shall not be deemed a violation of the vesting requirements of this section. The amount of the financial penalty permitted by the preceding sentence shall be determined pursuant to regulations promulgated by the Secretary but in no event shall the penalty exceed an amount equal to one year's benefit.".

SEC. 126. REDUCTIONS IN RETIREMENT OR DISABILITY BENEFITS

(a) Section 206 (b) of such Act is amended—

(1) by inserting after "plan" in paragraph (1) the following: "or is receiving disability benefits under a welfare plan";

(2) by inserting immediately after "this Act" the following: "(or, in the case of a participant or beneficiary who is receiving disability benefits under a welfare plan, the date of enactment of the ERISA Improvements Act of 1979)"; and

(3) by adding at the end thereof the following new sentence: "A pension plan may not reduce or suspend pension benefits being received by a participant or beneficiary or pension benefits in which a participant who is separated from the service has a nonforfeitable right by reason of any payment made to the participant or beneficiary by the employer maintaining the plan as the result of an award or settlement made under or pursuant to a workers' compensation law.".

(b) Section 201 (1) of such Act is amended by inserting after "plan" the following: ", except as provided in section 206 (b)".

SEC. 127. SURVIVOR PROTECTION.

(a) Section 205 of such Act is amended—

(1) by deleting subsection (a) and inserting in lieu thereof the following:

"(a) A pension plan may provide that the normal form of benefit is a form other than an annuity. If a pension plan provides for the payment of benefits in the form of an annuity (whether as the normal form or as an option), such plan shall provide for the payment of the annuity benefits in a form having the effect of a qualified joint and survivor annuity.";

(2) by deleting subsection (b) and inserting in lieu thereof the following:

"(b)(1) A plan which provides that the normal form of benefit is an annuity shall, with respect to any participant who under the plan is credited with at least 10 years of service for vesting purposes under section 203 and who dies before the annuity starting date, provide a survivor's annuity for the participant's spouse—

"(A) which begins on the annuity starting date (determined as if the participant had lived until the earliest retirement age under the plan, or the participant's actual date of death if later, and had retired on such date prior to death), if the spouse is living on such date, and

"(B) except as provided in paragraph (2), the payments under which are not less the payments which would have been made under the survivor's annuity to which such spouse would have been entitled if the participant had terminated employment on his date of death, had survived and retired on such annuity starting date, and had died on the day following such date.

"(2) If on the date of the participant's death, the actuarial equivalent of the survivor's annuity does not exceed $2,000, a plan described in paragraph (1) may distribute the survivor's benefit in the form of a lump sum, or in the form of installments commencing, not later than the annuity starting date specified in paragraph (1)(A).";

(3) by deleting subsection (c) and inserting in lieu thereof the following:

"(C) A plan which provides that the normal form of benefit is a form other than an annuity shall, with respect to any participant who under the plan has at least 10 years of service for vesting purposes under section 203 and who dies before receiving the percentage of his benefit which is nonforfeitable, provide (1) that the participant's benefit is distributed to the surviving spouse in the form of a lump sum, or in installments commencing, not later than 60 days after the end of the plan year in which the participant died, or (2) that the participant's benefit is distributed to the surviving spouse at such other time and in such manner as the plan and the surviving spouse may agree in writing.";

(4) by striking out "(whether or not an election has been made under subsection (c))" in subsection (d);

(5) by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) Participants in plans subject to this section shall have the right to elect not to take joint and survivor annuities and the right to revoke such elections and to reelect, subject to the following terms and conditions:

"(A) A document explaining the terms and conditions of the joint and survivor annuity, and the rights and effects of, and procedures pertaining to, election, revocation, and reelection, shall be furnished to each participant a reasonable time before the date on which the participant completes 10 years of service for vesting purposes under section 203.

"(B) Any election, revocation or reelection shall be in writing. The right to elect, revoke, or reelect shall not extend beyond the date of a participant's death or retirement under the terms of the plan, whichever occurs earlier.

"(C) Respecting any participant, the document described in subparagraph (A) need not be furnished more than once if—

"(i) the plan's summary plan description includes an explanation, similar to the explanation described in subparagraph (A), which is generally applicable to all participants and which satisfies the requirements of section 102(a)(1); and

"(ii) the document described in subparagraph (A) makes prominent reference to the fact that the explanation contained therein may be of continuing importance to the participant and should be retained with the summary plan description.

"(2) The Secretary of the Treasury shall prescribe regulations to implement this subsection. Such regulations shall take cognizance of the difficulties certain multiemployer plans may have in furnishing the document described in paragraph (1)(A).";

(6) by striking out "subsection (c)" in subsection (f); and

(7) by striking out "joint and survivor annuity benefits under an election made under subsection (c)" in subsection (h) and inserting in lieu thereof "the survivors" benefits required under this section, to the extent such increased costs are attributable to the availability of such benefits prior to the normal retirement age under the plan".

(b) Not later than one year after the enactment of the ERISA Improvements Act of 1979, the Secretary of the Treasury shall develop versions of model language which can be adopted by various types of plans as amendments which comply with the requirements of this section. The Secretary shall facilitate to the maximum extent possible the administrative processing of determination letter applications resulting from this section.

(c) The amendments made by this section shall apply with respect to plan years beginning on or after the date which is 12 months after the date of enactment of this Act.

SEC. 128. ALIMONY AND SUPPORT PAYMENTS

Section 206(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Paragraph (1) shall not apply in the case of a judgment, decree or order (including an approval of a property settlement agreement), pursuant to a State domestic relations law (whether of the common law or community property type), which—

(A) affects the marital property rights of any person in any benefit payable under a pension plan or the legal obligation of any person to provide child support or make alimony payments, and

(B) does not require a pension plan to alter the effective date, timing, form, duration or amount of any benefit payments under the plan or to honor any election which is not

provided for under the plan or which is made by a person other than a participant or beneficiary.".

Part 3—FUNDING

SEC. 131. FUNDING TO TAKE ACCOUNT OF FUTURE AMENDMENTS.

Section 302(c)(1) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following: "The funding method may take account, and for any plan year beginning after December 31, 1980, shall take account, of all provisions of the plan, including provisions which have not yet affected any participant as to entitlement to, or accrual of, benefits. In the event any such provision is not implemented at the time specified when the provision was adopted, the funding standard account shall be appropriately adjusted in accordance with regulations perscribed by the Secretary. A provision adopted but contingent on a future event shall be deemed not to be in effect as a provision of the plan prior to the occurrence of that event.".

PART 4—FIDUCIARY RESPONSIBILITY

SEC. 141. GENERAL ASSET ACCOUNT.

Section 401(b) of the Employee Retirement Income Security Act of 1974 is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) In the case of a plan which is funded in whole or in part by a contract or policy of insurance issued by an insurer, the assets of the plan shall include the contract or policy under which the benefits are insured but shall not, solely by reason of the issuance of such contract or policy, include the assets of the insurer issuing the contract or policy except to the extent that such assets are maintained by the insurer in one or more separate accounts and do not constitute surplus in any such account. For purposes of this paragraph, the term 'insurer' means an insurance company, insurance service, or insurance organization, qualified to conduct business in a State.".

SEC. 142. REFUND OF MISTAKEN CONTRIBUTIONS.

(a) Section 403(c)(2)(A) of such Act is amended by inserting before the period at the end thereof the following: "or, in the case of a collectively bargained plan maintained by more than one employer, within six months after the plan administrator knows that the contribution was made by a mistake of fact or knows that holding a contribution would contravene the provisions of section 302 of the Labor-Management Relations Act, 1947.".

(b) The amendment made by subsection (a) shall be effective as of January 1, 1975, but as regards contributions received by a collectively bargained plan maintained by more than one employer before the date of enactment of the ERISA Improvements Act of 1979, if knowledge by the plan administrator that a contribution was made by mistake or in contravention of section 302 of the Labor-Management Relations Act, 1947, occurred before such date of enactment, such knowledge shall be deemed to have occurred on such date of enactment.

SEC. 143. COFIDUCIARY RESPONSIBILITY.

Section 405 of such Act is amended by adding at the end thereof the following new subsection:

"(e) In the case of a fiduciary other than an individual, the term 'knowledge' in subsection (a)(3) shall mean knowledge actually communicated, or knowledge which, in the normal course of business, should have been communicated, to the fiduciary's officer or employee who is authorized to carry out the fiduciary's responsibilities, obligations, or duties or who in fact carries out such responsibilities, obligations, or duties, regarding the matter to which the knowledge relates.".

SEC. 144. EXEMPTION FOR RECIPROCITY ARRANGEMENTS.

Section 408(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(10) Any transfer of contributions between plans pursuant to section 209, if a plan to which the contributions are transferred pays not more than a reasonable charge for any administrative expenses reasonably incurred by a plan transferring such contributions.".

PART 5—ADMINISTRATION, ENFORCEMENT AND ADJUSTMENTS IN APPLICABLE LAW

SEC. 151. ADVISORY COUNCIL.

Paragraph (3) of section 512 (a) of the Employee Retirement Income Security Act of 1974 is amended by striking out "(at least one of whom shall be representative of employers maintaining or contributing to multiemployer plans)" and inserting in lieu thereof the following: "(one of whom shall be representative of employers maintaining or contributing to multiemployer plans and one of whom shall be representative of employers maintaining small plans)".

SEC. 152. IMPACT OF INFLATION ON RETIREMENT BENEFITS

Section 513 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall conduct a study of the feasibility and ramifications of requiring employee pension benefit plans to provide cost-of-living adjustments to benefits payable under such plans. The Secretary shall compile data and analyze the effect inflation is having and may be expected to have on retirement benefits provided by private pension plans. The Secretary shall submit the study required by this subsection to the Congress no later than 24 months after the date of enactment of the ERISA Improvements Act of 1979.".

SEC. 153. REMEDIES.

Section 502 of such Act is amended by—

(1) deleting "105 (c)" in subsection (a)(4) and inserting in lieu thereof "105";

(2) by adding at the end of subsection (a) a new paragraph to read as follows:

"(7) by any employee, participant or beneficiary for damages due to reliance on a misrepresentation described in section 515.";

(3) redesignating subsection (b) as paragraph (1) of such subsection and adding a new paragraph (2), to read as follows:

"(2) The Secretary shall not initiate an action to enforce section 517.";

(4) deleting subsection (g) and inserting in lieu thereof the following:

"(g)(1) Except as provided in paragraph (2), in any action under this title by an employee, participant, beneficiary, or fiduciary, the court in its discretion may allow a reasonable attorney's fee and costs of the action to either party.

"(2) In any action under this title by a fiduciary on behalf of a plan to enforce the provisions of section 517 and in which a judgment in favor of the plan is awarded, the court shall allow a reasonable attorney's fee and costs of the action, to be paid by the defendant.";

(5) deleting "a participant" in subsection (h) and inserting in lieu thereof "an employee, participant", and inserting in subsection (k) "employee," before "participant";

(6) deleting "part 4" in subsection (h) and inserting in lieu thereof "parts 4 and 5"; and

(7) inserting immediately after subsection (k) a new subsection (l), to read as follows:

"(1) Except as provided by paragraph (3)—

"(1) no person or employee benefit plan shall be subject to liability or punishment, civil or criminal, or be required to reimburse or pay money or any other thing of value, as the direct or indirect result of a cause of action explicitly or implicitly alleging that the interest of an employee in an employee benefit plan is, or ought to be characterized as or deemed to be, a security for purposes of section 17(a) of the Securities Act of 1933 or section 10(b) of the Securities Exchange Act of 1934, or within the meaning of any State law which regulates securities;

"(2) no court of the United States shall have jurisdiction of an action or proceeding at law or in equity, to the extent such action or proceeding involves a cause of action explicitly or implicitly alleging that the interest of an employee in an employee benefit plan is, or ought to be characterized as or deemed to be, a security for purposes of section 17(a) of the Securities Act of 1933 or section 10(b) of the Securities Exchange Act of 1934, or within the meaning of any State which regulates securities; and

"(3) paragraphs (1) and (2) shall not apply respecting a cause of action based upon any act or omission which occurred before the date of enactment of the ERISA Improvements Act of 1979.".

SEC. 154. ADJUSTMENTS IN APPLICABLE LAW.

(a) Part 5 of subtitle B of title I of such Act is amended by—

(1) deleting "subparagraph (B)," in section 514(b)(2)(A) and inserting in lieu thereof "subparagraph (B) and subsections (d)(2) and (3),";

(2) deleting "nothing" where it appears in section 514(d) and inserting in lieu thereof "(1) Except as provided in paragraphs (2) and (3), nothing"; and

(3) adding at the end of section 514(d) the following new paragraphs:

"(2) Notwithstanding any provision of law to the contrary, the interest of an employee in an employee benefit plan is not, and shall not be characterized as or deemed to be, a security for purposes of section 17(a) of the Securities Act of 1933 and section 10(b) of the Securities and Exchange Act of 1934, or within the meaning of any State law which regulates securities.

"(3) Notwithstanding any provision of law to the contrary, an interest or participation—

"(A) in a single or collective trust maintained by a bank or in a separate account maintained by an insurer, and

"(B) issued exclusively to one or more employee benefit plans.

is not, and shall not be characterized as or deemed to be, a security for purposes of section 5 of the Securities Act of 1933 and section 12 of the Securities Exchange Act of 1934, or within the meaning of any State law which regulates securities, and such a trust or account holding exclusively assets of one or more such plans is not, and shall not be characterized as or deemed to be, an investment company within the meaning of the Investment Company Act of 1940 or any State law which regulates investment companies.

(b) Such part is further amended by adding immediately after section 514 the following new subsections, to read as follows:

"MISREPRESENTATION

"SEC. 515. (a) It shall be unlawful for any person to knowingly misrepresent the terms and conditions of an employee benefit plan, the financial condition of a plan, or the status under the plan of any employee, participant or beneficiary.

"(b) No person shall be liable under subsection (a) respecting a document which is required to be disclosed to participants or beneficiaries or to be filed with the Secretary of Labor, the Pension Benefit Guaranty Corporation or the Secretary of the Treasury under this Act or the Internal Revenue Code of 1954, *provided* That, such document satisfies the requirements of such Act or Code and duly promulgated regulations thereunder.

"(c) An employee benefit plan shall not be liable for damages resulting from a misrepresentation described in subsection (a).

"(d) Subsection (a) shall not apply as to any act or omission occurring before the date of enactment of the ERISA Improvements Act of 1979.

"CERTAIN FUNDING VEHICLES

"SEC. 516. (a) Not later than 12 months after enactment of the ERISA Improvements Act of 1979, the Secretary shall prescribe regulations to protect participants and beneficiaries of employee benefit plans which are or may be funded wholly or partially by a single or collective trust maintained by a bank or by a separate account maintained by an insurer, if such trustor account holds or is established to hold exclusively plan assets.

"(b) The regulations required by subsection (a) shall include—

"(1) standards to ensure full and fair disclosure of all material facts respecting such trust or account prior to and during the plan's participation in such trust or account,

"(2) standards for accuracy in the advertising and publicizing of such trust or account, and

"(3) such other standards as the Secretary may specify to protect plan participants and beneficiaries and to assist plan fiduciaries to make appropriate choices from among available funding vehicles.

"(c) In carrying out his responsibilities under this section, the Secretary shall consult with Federal banking authorities, the Securities and Exchange Commission, and State authorities who regulate insurance.

"(d) Duly promulgated regulations of the Secretary pursuant to subsection (a) or other provisions of this title shall be enforceable as provisions of this title under sections 502 (a)(3) and (5).

"(e) For purposes of this section—

"(1) the term 'bank' shall have the same meaning as in section 3(38)(B)(ii), and

"(2) the term 'insurer' shall have the same meaning as in section 401(b)(2).

"OBLIGATION OF EMPLOYER TO PAY CONTRIBUTIONS

"SEC. 517. Every employer who is obligated under the terms of a collectively bargained plan (or under the terms of a collective bargaining agreement related to such plan) to make periodic contributions to the plan shall, to the extent not inconsistent with law, make such contributions in accordance with the terms and conditions of such plan or such agreement.".

SEC. 155. PREEMPTION.

Section 514 of such Act is amended by—

(1) adding at the end of subsection (b)(2)(B) the following:

"A State insurance law which provides that a specific benefit or benefits must be provided or made available by a contract or policy of insurance issued to an employee benefit plan is a law which relates to an employee benefit plan within the meaning of subsection (a) and is not a law which regulates insurance within the meaning of subparagraph (A). A provision of State law which requires that a contract or policy of insurance issued to an employee benefit plan must permit a participant to convert or continue protection after it ceases to be provided under the employee benefit plan is a provision of a law described in subparagraph (A) and not a provision of law described in subsection (a).";

"(5)(A) Except as provided in subparagraph (B), subsection (a) shall not apply to the Hawaii Prepaid Health Care Law, Haw. Rev. Stat. §§ 393-1 through 51, as in effect on January 1, 1979, and to any other State law which is determined by the Secretary to—

"(i) be substantially identical to such Hawaii law on such date, and

"(ii) require benefits which are substantially identical in type and amount to those required or permitted under such Hawaii law on such date.

"(B) Subparagraph (A) shall not apply to any provision of a State law which the Secretary determines to be similar to any provision of parts 1, 4 and 5 of this subtitle.";

(2) adding a new subsection (b)(6) to read as follows:

"(6) Subsection (a) shall not apply respecting any judgment, decree, or order pursuant to a State domestic relations law (whether of the common law or community property type), if such judgment, decree or order is described in section 206 (d)(3).";

and

(3) adding a new subsection (e) to read as follows:

"(e) For purposes of subsections (d)(2) and (3) and sections 515, 516, and 517, the term 'employee benefit plan' shall include any employee benefit plan—

"(1) defined in section 3(3), irrespective of whether the only participants in the plan are owner-employees as defined in section 401(c)(3) of the Internal Revenue Code of 1954, and

"(2) which is described in section 4(a) and not exempt under section 4(b).".

EFFECTIVE DATES

SEC. 156 (a). Except as otherwise provided by this Act, the provisions of this Act and the amendments made by this Act to the Employee Retirement Income Security Act of 1974 and to the Internal Revenue Code of 1954 shall be effective on the date of enactment of this Act.

(b) Section 514(d)(3), as amended, shall be effective 12 months after the enactment of this Act.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 201. LUMP SUM DISTRIBUTIONS; PLANS TREATED AS A SINGLE PLAN.

(a) GENERAL RULE.—Section 402(e)(4)(C) of the Internal Revenue Code of 1954 (relating to aggregation of certain trusts and plans) is amended to read as follows:

"(C) Aggregation of certain trusts and plans.—For purposes of determining the balance to the credit of an employee under subparagraph (A)—

"(i) all trusts which are part of a plan shall be treated as a single trust,

"(ii) in the case of a multiemployer plan (as defined in section 3(37) of the Employee Retirement Income Security Act of 1974), all defined benefit plans maintained by an employer shall be treated as a single plan and all defined contribution plans maintained by an employer shall be treated as a single plan,

"(iii) in the case of any plan not described in clause (ii), all pension plans maintained by an employer shall be treated as a single plan, all profit-sharing plans maintained by an employer shall be treated as a single plan, and all stock bonus plans maintained by an employer shall be treated as a single plan, and

"(iv) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 202. LUMP SUM DISTRIBUTIONS; SEPARATION FROM THE SERVICE.

(a) GENERAL RULE.—Section 402(a)(4) of the Internal Revenue Code of 1954 (relating to definitions and special rules) is amended by adding at the end thereof the following new subparagraph:

"(M) SEPARATION FROM THE SERVICE.—For purposes of subparagraph (A), in the case of any multiemployer plan (as defined in section 3(37) of the Employee Retirement Income Security Act of 1974), a separation from the service shall be deemed to have occurred in the case of any employee if such employee has not worked in service covered by the plan for a period of 6 consecutive months after severing his employment relationship with any employer maintaining the plan.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to plan years beginning after the date of enactment of this Act.

SEC. 203. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS AND CONTRIBUTIONS

(a) IN GENERAL.—

(1) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.

"(a) DEDUCTION ALLOWED.—In the case of an eligible employee, described in subsection (c), there is allowed as a deduction amounts paid in cash for a taxable year by such individual for the benefit of himself—

"(1) to a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(2) to an annuity plan described in section 403(a),

"(3) to a qualified bond purchase plan described in section 405(a),

"(4) to an individual retirement account described in section 408(a), individual retirement annuity described in section 408 (b), or for a retirement bond described in section 409, or

"(5) to a group retirement trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable.

"(b) LIMITATION AND RESTRICTION.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed an amount equal to 10 percent of the compensation includible in his gross income for such taxable year, or $1,000, whichever is less.

"(2) ADDITIONAL LIMITATION.—No deduction is allowed for any amount paid to an account, annuity, or for a bond described in paragraph (4) of subsection (a) except to the extent of the excess of the amount determined under paragraph (1) over any amount paid by the eligible employee to a plan or trust described in paragraph (1), (2), (3) or (5) of subsection (a).

"(3) ALTERNATIVE DEDUCTION.—No deduction is allowed under subsection (a) for the taxable year if the individual claims the deduction allowed by section 219 or 220 for the taxable year.

"(4) EXCEPTION WHERE PLAN IS DISCRIMINATORY.—No deduction is allowed under subsection (a) for a highly compensated participant (as defined in subsection (c)(7)) unless the employer certifies in accordance with regulations prescribed by the Secretary that the plan satisfies the discrimination standards in subsection (c)(6).

"(5) EXCEPTION RESPECTING CERTAIN PLANS.—No deduction is allowed under subsection (a) for any amount paid by a participant to a plan described in paragraph (1), (2) or

(3) of subsection (a) which was not in existence on January 1, 1978 (or to a successor to such a plan) if, under the terms of such plan (or successor plan), employee contributions are mandatory or employer contributions are not made unless contributions are made by employees.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) ELIGIBLE EMPLOYEE.—For purposes of this section, the term 'eligible employee' shall mean an individual who is an employee without regard to section 401(c)(1) or is a member of a labor organization referred to in subparagraph (D) and who is an active participant for any part of the taxable year in—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501 (a),

"(B) an annuity plan described in section 403 (a),

"(C) a qualified bond purchase plan described in section 405 (a), or

"(D) a group retirement trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable,

but not if such plan is established or maintained by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the foregoing.

"(2) REPORTS.—The Secretary shall promulgate regulations which prescribe the time and manner in which reports shall be filed by an employer receiving contributions deductible under this section and by any eligible employee making any such deductible contribution.

"(3) RECONTRIBUTED AMOUNTS.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(6), 402(a)(7), 403(a)(4), 403(a)(5), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408 (b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) DISCRIMINATIONS STANDARDS.—

"(A) A plan satisfies the discrimination standards if the actual deferral percentage for highly compensated participants (as defined in paragraph (7)) for a plan year bears a relationship to the actual deferral percentage for all other participants for such plan year which meets either of the following tests:

"(i) The actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 1.5.

"(ii) The excess of the actual deferral percentage for the group of highly compensated participants over that of all other participants is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 2.5.

"(B) For purposes of subparagraph (A), the actual deferral percentage for a specified group of participants for a plan year shall be the average of the ratios (calculated separately for each participant in such group) of—

"(i) the amount deducted on behalf of each participant for such plan year, to

"(ii) the participant's total compensation for such plan year.

For purposes of the preceding sentence, the amount deducted on behalf of a highly compensated participant shall be determined without regard to the exception in subsection (b)(4).

"(7) HIGHLY COMPENSATED PARTICIPANT.—For purposes of this section, the term 'highly compensated participant' means any participant who is more highly compensated than two-thirds of all participants but only if such participant's compensation for a plan year equals or exceeds the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS–12. No individual who participates during a plan year only in a group retirement trust described in subsection (a)(5) shall be considered a highly compensated participant for such year.".

(2) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) DEDUCTION FOR CERTAIN CONTRIBUTIONS.—The deduction allowed by section 221 (relating to certain employee retirement savings contributions).".

(b) TAX TREATMENT OF CERTAIN DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—Subpart A of part I of subchapter D of chapter 1 of such Code (relating to retirement plans) is amended by inserting after subsection (1) of section 414 the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purpose of this title, other than for purposes of sections 401(a) (4) and (5), 404, 410(b), 411, and 412, any amount which an employer is required to report pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as an employee retirement savings contribution, shall be treated as an employer contribution.".

(c) CONFORMING AMENDMENTS.—

(1) So much of section 72(f) of such Code as precedes paragraph (1) thereof is amended to read as follows:

"(f) SPECIAL RULES FOR COMPUTING EMPLOYEE'S CONTRIBUTIONS.—In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other consideration paid, amounts which an employer is required to report, pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as a retirement savings employee contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(2) Section 414(h) of such Code (Tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "other than an amount described in subsection (m)".

(3) So much of section 4973(b) of such Code as follows paragraph (1)(A) thereof is amended to read as follows:

"(B) the amount allowable as a deduction under section 219, 220, or 221 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

(C) the excess (if any) of the maximum amount allowable as a deduction under section 219, 220, or 221 for the taxable year over the amount contributed (determined without regard to sections 219(c)(5) and 220(c)(6)) to the accounts or for the annuities or bonds for the taxable year.

For purposes of this subsection, any contribution which is distributed from the individual retirement account, individual retirement annuity, or bond in a distribution to which section 408(d)(4) applies shall be treated as an amount not contributed.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 204. CREDIT FOR THE ESTABLISHMENT OF QUALIFIED PLANS BY SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. ESTABLISHMENT OF NEW SMALL BUSINESS EMPLOYER RETIREMENT PLANS.

"(a) GENERAL RULE.—In the case of a small business employer who maintains or makes contributions to or under a qualified employer retirement plan, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to a percentage (determined under subsection (b)) of the amount allowable for the taxable year to such employer as a deduction under section 404.

"(b) DETERMINATION OF PERCENTAGE.—The percentage applicable under subsection (a) for a taxable year is—

"(1) 5 percent for the first taxable year for which a deduction under section 404 is allowable to the taxpayer,

"(2) 3 percent for each of the succeeding 2 taxable years, and

"(3) 1 percent for each of the 2 taxable years succeeding the 2 taxable years referred to in paragraph (2).

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED EMPLOYER RETIREMENT PLAN.—The term 'qualified employer retirement plan' means—

"(A) a plan described in section 401 (a) which includes a trust exempt from tax under section 501 (a);

"(B) an annuity plan described in section 403 (a); and

"(C) a qualified bond purchase plan described in section 405 (a).

"(2) SMALL BUSINESS EMPLOYER.—The term 'small business employer' means an employer (within the meaning of section 404) which—

"(A) during the taxable year immediately preceding the taxable year in which the credit allowable under subsection (a) is first claimed, had a monthly average of fewer than 100 employees, and

"(B)(i) if a corporation, had earnings and profits for the taxable year immediately preceding the taxable year in which the credit allowable under subsection (a) is first claimed equal to no more than $50,000, or

"(ii) if an unincorporated trade or business or a partnership, had net profits for the taxable year immediately preceding the taxable year in which the credit allowable under subsection (a) is first claimed equal to no greater than $50,000.

"(3) DISREGARD FOR AMOUNTS ATTRIBUTABLE TO EMPLOYER SECURITIES.—In determining the amount of the credit allowable under subsection (a) for any taxable year, any portion of the deduction allowed for such year which is attributable to the transfer to or under the plan of employer securities (as defined in section 407 (d)(1) of the Employee Retirement Income Security Act of 1974) shall be disregarded.

"(d) APPLICATION WITH OTHER SECTIONS.—The amount of the deduction allowable under section 404 for any taxable year shall not be reduced because of the allowance of a credit under this section for the taxable year.

"(e) TERMINATIONS.—No credit is allowable under subsection (a) for any taxable year to an employer (or successor to such an employer) who terminates a qualified employer retirement plan during the taxable year.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting immediately before the item relating to section 45 the following new item:

"SEC. 44D. ESTABLISHMENT OF NEW SMALL BUSINESS EMPLOYER RETIREMENT PLANS.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after the date of enactment of this Act.

"SEC. 205. CONFORMING AMENDMENTS FOR ERISA CHANGES IN TITLE I.

(a) CONFORMING AMENDMENTS FOR SECTION 102.—

(1) Paragraph (2) of section 4975 (e) of such Code (relating to definition of disqualified person) is amended—

(A) by striking out subparagraphs (A) through (D) and inserting in lieu thereof the following:

"(A) any fiduciary, counsel, or employee of such plan;

"(B) a person providing professional services to such plan, or a person providing nonprofessional services on a continuous basis to such plan;

"(C) an employer any of whose employees are covered by such plan, if the employees of such employer constitute 5 percent or more of all employees covered by the plan;

"(D) an employee organization any of whose members are covered by such plan, if the members of such employee organization constitute 5 percent or more of all employees covered by the plan;",

(B) by striking out subparagraph (I) and inserting in lieu thereof the following:

"(I) a 10 percent or more (in capital or profits) partner, or joint venturer in, a person described in subparagraph (B), (C), (D), (E), or (G).";

(C) by inserting "brother, sister," immediately before "spouse," the first time it appears in paragraph (6);

(2) Subsection (f) of section 414 of such Code (relating to definition of multi-employer plan) is amended by—

(A) striking out subparagraphs (A), (B), and (C) of paragraph (1) of such subsection and inserting in lieu thereof the following:

"(A) which is maintained pursuant to one or more collective bargaining agreements between an employee organization and more than one employer,

"(B) to which ten or more employers contribute, or to which more than one and fewer than ten employers contribute if the Secretary of Labor finds that treating such a plan as a multiemployer plan would be consistent with the purposes of this Act, and";

(B) redesignating subparagraphs (D) and (E) of paragraph (1) of such subsection as subparagraphs (C) and (D), respectively, and

(C) striking out paragraph (2) of such subsection and inserting in lieu therof the following new paragraph:

"(2) For purposes of this subsection, all corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) determined without regard to section 1563(e)(3)(C) shall be deemed to be one employer.".

(b) CONFIRMING AMENDMENT FOR SECTION 111.—Subparagraph (C) of section 6057(a)(2) of such Code (relating to annual registration) is amended by redesignating clauses (ii) and (iii) and (iii) and (iv), and by inserting after (i) the following new clause:

"(ii) who has a one-year break in service,".

(C) CONFORMING AMENDMENT FOR SECTION 121.—Subsection (1) of section 414 of such Code (relating to mergers and consolidations of plan or transfers of plan assets) is amended by striking out "A trust" and inserting in lieu thereof "except in the case of a reciprocal agreement described in section 209 of the Employee Retirement Income Security Act of 1974, a trust".

(d) CONFORMING AMENDMENT FOR SECTION 122.—Subparagraph (E) of section 411(b)(3) of such Code (relating to maritime industries) is amended by striking out "a year of participation" and inserting in lieu thereof "1,000 hours of employment".

(e) CONFORMING AMENDMENT FOR SECTION 123.—Subparagraph (A) of section 410(a)(3) of such Code (relating to definition of year of service) is amended by striking out "by reference to" and all that follows and inserting in lieu thereof the following: "by reference to—

"(i) in the case of an employee who does not complete 1,000 hours of service during the twelve-month period beginning on the date his employment commenced, the first day of a plan year, and

"(ii) in the case of a plan where rights and benefits are determined on the basis of all of an employee's service, without regard to the date on which the employee's participation in the plan commenced.".

(f) CONFORMING AMENDMENT FOR SECTION 124.—Subsection (c) of section 413 of such Code (relating to plans maintained by more than one employer) is amended by inserting after paragraph (4) the following new paragraph:

"(4A) SUMMATION OF DIFFERENT BENEFIT ACCRUAL RATES.—The accrued benefit to which a participant is entitled upon a separation from the service is—

"(A) (i) the sum of different rates of benefit accrual for different periods of participation as defined by one or more fixed calendar dates, or

"(ii) the sum of different rates of benefit accrual for different periods of participation, as defined by employment and different bargaining units, and

"(B) determined, for purposes of subparagraphs (A) and (C) of section 411(b)(1), by projecting the normal retirement benefit to which a participant would be entitled if he continued to accrue benefits at the average of the rates applicable to his period of actual participation.".

(g) CONFORMING AMENDMENT FOR SECTION 125.—Subparagraph (B) of section 411(a)(3) of such Code (relating to certain permitted forfeitures, suspensions, etc.) is amended—

(1) by striking out "the same trade" and inserting in lieu thereof "trade,", and

(2) by striking out "'employed'" in the last sentence of subparagraph (B) and inserting in lieu thereof the following: "'employed', which may, with respect to clause (ii), include self employment. The permissible period of benefit suspension shall include a period, determined pursuant to regulations promulgated by the Secretary of Labor, in addition to the months in which the employment occurs to the extent necessary to prevent the periodic payment and suspension of pension benefits to workers who have not retired but who continue to work on an irregular basis. The imposition of a financial penalty on a pensioner who fails to report his employment as required by the rules of a plan shall not be treated as a violation of the requirements of this section. The amount of the financial penalty permitted by the preceding sentence shall be determined pursuant to regulations promulgated by the Secretary of Labor, but in no event shall the penalty exceed an amount equal to one year's benefit.".

(h) CONFORMING AMENDMENT FOR SECTION 126.—Paragraph (15) of section 401(a) of such Code (relating to prohibited decreases in benefit levels) is amended by adding at the end thereof the following: "A trust shall not constitute a qualified trust under this section unless under the plan of which such trust is a part, the plan may not refuse pension benefits being received by a participant or beneficiary, or pension benefits in which a participant who is separated from the service has a nonforfeitable right by reason of any payment made to the participant or beneficiary by the employer maintaining the plan, as a result of an award or settlement made under or pursuant to a workers' compensation law.".

(i) CONFORMING AMENDMENT FOR SECTION 127.—Paragraph (11) of section 401(a) of such Code (relating to joint and survivor annuities) is amended—

(1) by inserting "(whether as the normal form or as an option)" after "annuity" the first time it appears in subparagraph (A);

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) A plan which provides that the normal form of benefit is an annuity does not meet the requirements of subparagraph (A) unless, with respect to any participant who, under the plan, is credited with at least ten years of service (for purposes of section 411) and who dies before the annuity starting date, the plan provides a survivor's annuity for the participant's spouse—

"(i) which begins on the annuity starting date (determined as if the participant had lived until the earliest retirement age under the plan, or the participant's actual date of death if later, and had retired on such date prior to death), if the spouse is living on such date, and

"(ii) except as otherwise provided in this subparagraph, the payments under which are not less than the payments which would have been made under the survivor's annuity to which such spouse would have been entitled if the participant had terminated employment on his date of death, had survived and retired on such annuity starting date, and had died on the day following such date.

If, on the date of the participant's death, the actuarial equivalent of the survivor's annuity does not exceed $2,000, a plan described in this subparagraph will not be considered not to meet the requirements of subparagraph (A) if it distributes the survivor's benefit in the form of a lump sum, or in the form of installments commencing not later than the annuity starting date specified in clause (i).";

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) A plan which provides that the normal form of benefit is a form other than an annuity shall not be treated as satisfying the requirements of this paragraph unless, with respect to any participant who under the plan has at least ten years of service for purposes of section 411 and who dies before receiving the percentage of his benefit which is nonforfeitable, the plan provides that the participant's benefit will be distributed to the surviving spouse in the form of a lump sum, or in installments commencing, not later than 60 days after the end of the plan year in which the participant died.";

(4) by striking out "whether or not an election described in subparagraph (C) has

been made under subparagraph (C)" in subparagraph (D);

(5) by striking out subparagraph (E) and inserting in lieu thereof the following:

"(E) A plan shall not be treated as satisfying the requirements of this paragraph unless participants in the plan have the right to elect not to take point survivor annuities, and the right to revoke such elections and to re-elect, under the following circumstances:

"(i) A document explaining the terms and conditions of the joint survivor annuity, the effect of an election, and the rights of, and procedures pertaining to, election and revocation, is furnished to each participant a reasonable time before the date on which the participant completes 10 years of service for the purposes of section 411.

"(ii) Any election, revocation, or reelection is in writing, and the right to elect, revoke, or re-elect does not extend beyond the date of a participant's death or retirement under the terms of the plan, whichever first occurs.

"(iii) With respect to any participant, the document described in clause (i) need not be furnished more than once if—

"(I) the plan's summary plan description includes an explanation, similar to the explanation described in clause (i), which is generally applicable to all participants, and

"(II) the document described in clause (i) makes prominent reference to the fact that the explanation contained therein may be of continuing importance to the participant and should be retained with the summary plan description.";

(6) by striking out "(C) or" in subparagraph (F);

(7) by inserting after "joint and survivor annuity benefits" in subparagraph (G) the following: "as of the date on which a participant completes 10 years of service for purposes of section 411"; and

(8) by striking out "joint and survivor annuity benefits." in the last sentence of such paragraph and inserting in lieu thereof the following: "the survivors' benefits required under this paragraph, to the extent such increased costs are attributable to the availability of such benefits prior to the normal retirement age under the plan. Regulations of the Secretary under this paragraph shall take cognizance of the difficulty certain multiemployer plans may have in furnishing the document described in subparagraph (E)(i)."

(j) CONFORMING AMENDMENT FOR SECTION 125.—Paragraph (13) of section 401 (a) of such Code (relating to assignment or alienation of benefits) is amended by adding at the end thereof the following new section: "For purposes of the first sentence of this paragraph, there shall not be taken into account any assignment or alienation of benefits under the plan required by a judgment, decree or order (including an approval of a property settlement agreement), pursuant to a State domestic relations law (whether of the common law or community property type), which—

(A) affects the marital property rights of any person in any benefit payable under the plan or the legal obligation of any person to provide child support or make alimony payments, and

(B) does not require the plan to alter the effective date, timing, form, duration or amount of any benefit payments under the plan or to honor any election which is not provided for under the plan or which is made by a person other than a participant or beneficiary.".

(k) CONFORMING AMENDMENT FOR SECTION 131.—Subparagraph (A) of section 412(c)(2) of such Code (relating to valuation of assets) is amended by adding at the end thereof the following new sentence: "The funding method may take account, and for any plan year beginning after December 31, 1980, shall take account, of all provisions of the plan, including provisions which have not yet affected any participant as to entitlement to, or accrual of, benefits. In the event any such provision is not implemented at the time specified when the provision was adopted, the funding standard account shall be appropriately adjusted in accordance with the regulations prescribed by the Secretary. A provision adopted but contingent upon a future event shall be deemed not to be in effect as a provision of the plan prior to the occurrence of that event.".

(l) CONFORMING AMENDMENT FOR SECTION 142.—Paragraph (2) of section 401(a) of such Code (relating to exclusive benefit of employees and beneficiaries) is amended by inserting before the semicolon at the end thereof the following: "(but this paragraph shall not be construed, in the case of a collectively bargained plan maintained by more than one employer, to prohibit the return of a contribution within 6 months after the plan administrator knows that the contribution was made by a mistake of fact or knows that holding the contribution would contravene the provisions of section 302 of the Labor-Management Relations Act, 1947)".

(m) CONFORMING AMENDMENT FOR SECTION 144.—Subsection (d) of section 4975 of such Code (relating to exemptions from prohibited transaction rules) is amended—

(1) by striking out "or" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof a semicolon and "or", and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) any transfer of contributions between plans under section 209 of the Employee Retirement Income Security Act of 1974, if the plan to which the contributions are transferred pays not more than a reasonable charge for any administrative expenses reasonably incurred by the plan transferring the contributions.".

TITLE III—SPECIAL MASTER AND PROTOTYPE PLANS

SEC. 301. SPECIAL MASTER AND PROTOTYPE PLANS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new part:

"PART 6—SPECIAL MASTER AND PROTOTYPE PLANS

"SPECIAL MASTER AND PROTOTYPE PLANS

"SEC. 601. (a) FOR PURPOSES OF THIS SECTION—

"(1) 'special master plan' means a master or prototype employee pension benefit plan which has been approved by the Secretary of Labor in accordance with subsection (d), all of the assets of which are controlled by one or more master sponsors,

"(2) 'master sponsor' means any person who is the sponsor of a special master plan and who—

"(A) has the power to manage, acquire, or dispose of any asset of an adopting employer's plan, and

"(B) is (i) registered as an investment advisor under the Investment Advisor's Act of 1940; (ii) is a bank, as defined in that Act; or (iii) is an insurance company qualified to perform services described in subparagraph (A) under the laws of more than one State,

"(3) 'adopting employer' means an employer any of whose employees are covered under a special master plan, or an association of such employers.

"(b) Notwithstanding any other provisions of this Act or the Internal Revenue Code of 1954 to the contrary, in the case of a special master plan—

"(1) except as provided in subsection (e), the responsibilities, duties, and obligations of an adopting employer under parts 1, 2, 3, and 4 of this subtitle shall be limited to making such timely contributions and payments, and furnishing such timely, complete, and accurate information, as may be required under the terms of the plan; and

"(2) the requirements of the Internal Revenue Code of 1954 which are applicable to the design of the plan of the adopting employer shall be deemed to be initially satisfied as of the date the adopting employer and master sponsor execute the special master plan joinder agreement.

"(c) Notwithstanding any other provisions of this Act or the Internal Revenue Code of 1954 to the contrary, in the case of a special master plan—

"(1) except as provided in subsection (e), the master sponsor shall be the administrator of and a fiduciary respecting each adopting employer's plan for the purposes of this Act of such Code;

"(2) the requirements of section 102(b), if otherwise satisfied, will not be violated if—

"(A) the plan description of an adopting employer's plan includes plan provisions common to the plans of all employer adopting the special master plan, together with a description of each type of variation from such common provisions that is permitted under the terms of the approval provided for in subsection (d), and an identification, by name of adopting employer, employer identification number, name of plan, and plan identification number of the employers who have adopted, and the plans containing, each such variation, and

"(B) the summary plan description of each adopting employer's plan describes provisions common to the plans of all employers adopting the special master plan, together with a description of any provisions of such adopting employer's plan which vary from such common provisions, with appropriate cross-references;

"(3) the requirements of section 103 of this Act and of section 6058 of the Internal Revenue Code of 1954, if otherwise satisfied, will not be violated merely because data in the annual report reflect the aggregate assets of the special master plan, if the annual report also includes an identification, by name of adopting employer, employer identification number, name of plan, and plan identification number, of the percentage of total special master plan assets attributable to each adopting employer's plan;

"(4)(A) the exemption described in section 408(b)(2) of this Act and in section 4975(d)(2) of the Internal Revenue Code of 1954 shall be applied as if any master sponsor of a special master plan or a party in interest respecting such plan for a reason other than by virtue of such person's being a fiduciary, and

"(B) the term 'bank or similar financial institution' in section 408(b)(6) of this Act and in section 4975(d)(6) of the Internal Revenue Code of 1954 shall be deemed to mean any master sponsor, and the term 'sound banking and financial practice' in such sections shall, in the case of a master sponsor other than a bank, be deemed to mean 'sound fiduciary practice'; and

"(5) no master sponsor shall have a responsibility, obligation, or duty under this Act or the Internal Revenue Code of 1954—

"(A) to ascertain whether information required to be furnished to the master sponsor by an adopting employer pursuant to the terms of a special master plan is accurate or complete,

"(B) due to the failure of an adopting employer to satisfy the requirements of subsection (b)(1), or

"(C) respecting the decision of an employer to adopt the master sponsor's plan, except as regards the advertising or publicizing of and disclosures concerning trusts and accounts described in section 516 of this Act.

"(d)(1) The Secretary of Labor and the Secretary of the Treasury shall prescribe such regulations, and furnish such rulings, opinions, forms, and other types of guidance as are necessary to implement this section. To the greatest extent consistent with the purposes of this Act and the Internal Revenue Code of 1954, such regulations and other types of guidance shall be designed to facilitate the development of special master plans and their adoption by employers. Initial regulations and forms, sufficient to enable perspective master sponsors to submit special master plans for approval, shall be issued on or before the effective date specified in section 301(c) of the ERISA Improvements Act of 1979.

"(2)(A) The Secretary shall approve a special master plan only if he determines that the plan of an adopting employer, in design and in operation, will satisfy the requirements of this section, and of other applicable requirements of this Act and of the Internal Revenue Code of 1954 (to the extent that such Act and Code are not inconsistent with this section).

"(B) The Secretary shall not approve any special master plan unless he has first submitted the plan to the Secretary of the Treasury for review, together with such information as the Secretary of the Treasury may request. The review of the Secretary of the Treasury shall be limited to the applicability of, and compliance with, the provisions of the Internal Revenue Code of 1954. The Secretary of the Treasury shall either concur in the approval or refuse to concur. If the Secretary of the Treasury refuses to concur, he shall specify the changes that must be made in the plan to obtain his concurrence. In the case of a refusal, the Secretary shall not approve the plan unless the specified changes are made. If the Secretary of the Treasury fails to concur or refuse to concur within 270 days after such submittal, the failure shall be deemed to be a failure described in section 7476(a)(2)(A) of such Code, and—

"(i) the master sponsor shall be deemed to be a 'plan administrator' for the purposes of subsection (b)(1) of such section,

"(ii) subsections (b)(2) through (b)(5) of such section shall not be applicable, and

"(iii) the special master plan shall be deemed to be a 'retirement plan' within the meaning of subsection (d) of such section.

"(3) Approval of special master plans and amendments to such plans shall be accomplished by a process carried out in the national office of the Secretary, until such time as he may establish procedures for field office approval under which uniformity of treatment by field offices is assured.

"(4) Upon approval of a special master plan, or of any amendment to such a plan for which approval is required, a special master plan certificate shall be issued to the master sponsor by the Secretary. Except as provided in paragraph (5), for a period of 60 months from the date of adoption of the plan by an employer or from the effective date of an amendment for which approval is required, such certificate or duly notarized copy thereof shall be prima facie evidence in any administrative or judicial proceeding that the terms and conditions of the plan meet the applicable requirements of this Act and of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954.

"(5) The Secretary, after notice and hearing, and after consultation with the Secretary of the Treasury respecting the applicability of or compliance with the Internal Revenue Code of 1954, shall revoke the certificate described in paragraph (4)—

"(A) respecting the plan of any adopting employer, if he finds that there has been a failure on the part of the employer to observe the terms and conditions of the plan and that such failure has been detrimental to the rights of plan participants or beneficiaries under the terms and conditions of the plan, this Act, or such Code; and

"(B) respecting the special master plan, if he finds that there has been a failure to observe the terms and conditions of the plan or the provisions of this section on the part of the master sponsor and that such failure has been detrimental to the rights of plan participants under the terms and conditions of the plan, this Act, or such Code.

"(6) The certificate issued by the Secretary upon the approval of a special master plan, or upon the approval of an amendment to such a plan for which approval is required, shall specify the types of amendments, if any, for which approval need not be obtained.

"(7) Nothing in this section shall limit the power of the Secretary of the Treasury, after audit, to determine that the plan of any adopting employer, in operation, has failed to meet the applicable requirements of part 1 of subchapter D of chapter 1 of the Internal Revenue Code of 1954, but no such plan shall be treated as not having met such requirements for any plan year preceding the year in which the Secretary of the Treasury makes such determination unless the determination includes a finding that the failure to meet such requirements in any such preceding year was a result of intentional failure or willful neglect on the part of the adopting employer.

"(e)(1) Any adopting employer who fails to make such timely contributions and payments or who fails to furnish such timely, complete and accurate information as may be required, under the terms of a special master plan shall, in accordance with the terms of such plan, be deemed to be the administrator of the plan (only to the extent the plan covers the employees of such adopting employer), as of the time specified in such plan, and as of such specified time the master sponsor shall cease to be the administrator and a fiduciary of such adopting employer's plan.".

"(2) To the extent that an adopting employer, under the terms of a special master plan, assumes responsibility for furnishing the summary plan description or other documents required to be furnished or otherwise made available to participants, beneficiaries, or employees under the provisions of part 1 of this subtitle, section 3001 of this Act or section 6057 of the Internal Revenue Code of 1954, such adopting employer shall be deemed to be the administrator of the plan (only to the extent the plan covers the employees of such employer), and the master sponsor shall not be the administrator regarding the responsibilities undertaken by such adopting employer.".

(b) The table of contents for the Employee Retirement Income Security Act of 1974 is amended by inserting immediately after the item relating to section 517 the following:

"PART 6—SPECIAL MASTER AND PROTOTYPE PLANS

"SEC. 601. Special master and prototype plans.".

(c) The amendments made by this section shall take effect 12 months after the date of enactment of this Act.

TITLE IV—EMPLOYEE BENEFITS COMMISSION

SEC. 401. EMPLOYEE BENEFITS COMMISSION.

(a) ESTABLISHMENT.—There is established, as an independent agency within the executive branch of the government, the Employee Benefits Commission. The Commission is composed of—

(1) a chairman, who shall be the special liaison officer for the Secretary of Labor appointed under paragraph (1) of subsection (b),

(2) a vice-chairman, who shall be the special liaison officer for the Secretary of the Treasury appointed under paragraph (2) of subsection (b), and

(3) three additional members appointed by the President, by and with the advice and consent of the Senate, selected from a list of nominees submitted jointly by the Secretary of Labor and the Secretary of the Treasury.

(b) LABOR AND TREASURY DEPARTMENT LIAISON OFFICERS.—

(1) There is established within the office of the Secretary of Labor, the position of special liaison officer to the Employee Benefits Commission. The special liaison officer shall be appointed by the President, by and with the advice and consent of the Senate, from a list of nominees submitted to the President by the Secretary of Labor and shall serve for a term of years in accordance with the provisions of subsection (c). The special liaison officer shall report regularly to the Secretary of Labor on the activities of the Commission.

(2) There is established within the office of the Secretary of the Treasury the position of special liaison officer to the Employee Benefits Commission. The special liaison officer shall be appointed by the President, by and with the advice and consent of the Senate, from a list of nominees submitted to the President by the Secretary of the Treasury and shall serve for a term of years in accordance with the provisions of subsection (c). The special liaison officer for the Treasury shall report regularly to the Secretary of the Treasury on the activities of the Commission.

(c) TERMS OF OFFICE.—

(1) NUMBER OF YEARS.—Members of the Commission shall serve for terms of 6 years, except—

(A) the special liaison officer for the Secretary of the Treasury first appointed after the date of enactment of this Act shall serve for a term of 3 years, and

(B) of the 3 members of the Commission initially appointed under paragraph (3) of subsection (a), one shall serve for a term of 2 years, one shall serve for a term of 4 years, and one shall serve for a term of 6 years.

(2) SERVICE BEYOND EXPIRATION DATE.—A member of the Commission may serve as a member of the Commission after the expiration of his term until a successor has taken office aas a member of the Commission.

(3) VACANCY APPOINTMENTS.—An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member such individual succeeds.

(4) POLITICAL AFFILIATION.—Not more than 3 members of the Commission may be affiliated with the same political party.

(d) COMPENSATION.—Members of the Commission shall receive compensation equivalent to the compensation paid at level III of the Executive Schedule.

(e) FUNCTIONS.—The Commission shall—

(1) formulate policy respecting Federal laws which now or may hereafter relate to employee benefit plans,

(2) administer and enforce titles I and IV of such Act, and

(3) administer and obtain compliance with—

(A) sections 401, 410, 411, 412, 413, 414, 6057, and 6058 of the Internal Revenue Code of 1954, and

(B) such other provisions of such Code as are designated under subsection (f),

insofar as such sections and provisions relate to employee benefit plans defined in section 3 (3) of the Employee Retirement In-

come Security Act of 1974 (irrespective of whether the only participants in such plans are owner-employees, as defined in section 401(c)(3) of such Code) which are described in section 4(a) of such Act and not exempt under section 4 (b) of such Act, including, to the extent provided by Presidential order under subsection (f), individual retirement acounts, annuities, and bonds described in sections 408 and 409 of such Code.

(f) DESIGNATED SECTIONS.—Not later than 9 months after the enactment of this Act, the President shall by order designate such sections (or provisions of sections) of the Internal Revenue Code of 1954, in addition to the sections described in subsection (e)(3)(A), under which functions, duties, powers, or responsibilities presently exercised by the Secretary of the Treasury shall be exercised by the Commission. Such additional sections or provisions shall include those as may be necessary to effectuate the maximum feasible consolidation in the Commission of all functions of the Departments of Labor and of the Treasury respecting employee benefit plans and to otherwise carry out the purposes of this Act. For purposes of this subsection, the term "employee benefit plans" shall include any plan defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (whether or not the only participants in such plan are owner-employees, as defined in section 401(c)(3) of the Internal Revenue Code of 1954) which is described in section 4(a) of such Act and not exempt under section 4(b) of such Act, and shall also include an individual retirement account, annuity, or bond described in sections 408 or 409 of such Code.

(g) RULES, ETC.—The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(h) ADMINISTRATIVE AUTHORITY.—

(1) STAFF DIRECTOR; GENERAL COUNSEL.—The Commission shall have a staff director and a general counsel who shall be appointed by the Chairman. The staff director and the general counsel shall be paid at a rate not in excess of the rate in effect for level IV of the Executive Schedule. With the approval of the Chairman, the staff director may—

(A) appoint and fix the compensation of such additional personnel as he considers necessary, and

(B) procure temporary and intermittent services to the same extent as authorized by section 3109(b) of title 5, United States Code.

(2) USE OF OTHER AGENCIES' RESOURCES.—In carrying out its responsibilities, the Commission may avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such other agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

SEC. 402. POWERS OF COMMISSION.

(a) IN GENERAL.—The Commission has the powers expressly granted to the Secretary of Labor and the Pension Benefit Guaranty Corporation under the Employee Retirement Income Security Act of 1974 and, in addition, has the power—

(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe, and such submission shall be made within such reasonable period of time and under oath or otherwise as the Commission may require;

(2) to administer oaths or affirmations;

(3) to require by subpoena, signed by the chairman or the vice-chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend, or appeal from a decision in, any civil action in the name of the Commission for the purposes of enforcing the provisions of this Act, and titles I and IV of the Employee Retirement Income Security Act of 1974, or for the purpose of obtaining compliance with the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act, through its general counsel;

(7) to develop such prescribed forms, to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, and to issue such interpretations, opinions, and other forms of guidance as are necessary to carry out the provisions of this Act and titles I and IV of the Employee Retirement Income Security Act of 1974, and as are necessary to administer the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act;

(8) to conduct investigations and hearings, to encourage voluntary compliance, and to report apparent criminal law violations to the appropriate law enforcement authorities; and

(9) to certify to the Secretary of the Treasury that an employee benefit plan described in section 401(e)(3) of this Act—

(A) satisfies or does not satisfy (or has or has not satisfied) the requirements of in any of the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act, or

(B) satisfies or does not satisfy (or has or has not satisfied) the requirements of section 44C of the Internal Revenue Code of 1954.

(b) ENFORCEMENT OF ORDERS OF THE COMMISSION.—Any United States district court within the jurisdiction of which any inquiry is carried on may, upon petition by the Commission in case of refusal to obey a subpoena or order of the Commission issued under subsection (a), issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as contempt.

(c) TRANSFER OF FUNCTIONS.—All functions and duties of the Secretary of Labor and the Pension Benefit Guaranty Corporation under the Employee Retirement Income Security Act of 1974 are transferred to, and shall be carried out by, the Commission, and all functions and duties of the Secretary of the Treasury under the sections and provisions of the Internal Revenue Code of 1954, described in section 401(e)(3) of this Act, insofar as such sections relate to employee benefit plans described in such section, are transferred to, and shall be carried out by, the Commission.

(d) TRANSFER PROVISIONS.—.

(1) PERSONNEL, ETC.—All personnel, liabilities, contracts, property, and records determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Secretary of Labor and the Pension Benefit Guaranty Corporation under the Employee Retirement Income Security Act of 1974, and of the Secretary of the Treasury under the sections and provisions of the Internal Revenue Code of 1954, described in section 401(e)(3) of this Act, insofar as such sections relate to employee benefit plans described in such section, are transferred to the Commission.

(2) TRANSFER OF PERSONNEL.—

(A) Except as provided in subparagraph (B), personnel engaged in functions transferred under paragraph (1) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be made without reduction in classification or compensation for one year after such transfer.

(3) PROCEDURAL EFFECTS OF TRANSFER.—

(A) All laws and regulations relating to the functions and duties transferred under this Act shall, insofar as such laws and regulations are applicable and not amended by this Act, remain in full force and effect. All orders, determinations, rules, and opinions made, issued, or granted under such laws by the Secretary of Labor, the Pension Benefit Guaranty Corporation, or by the Secretary of the Treasury, which are in effect at the time of the transfer provided by paragraph (1), and which are consistent with the amendments made by this Act, shall continue in effect to the same extent as if such transfer had not occurred.

(B) The provisions of this Act shall not affect any proceeding pending before the Secretary of Labor, the Pension Benefit Guaranty Corporation, or the Secretary of the Treasury on the date of enactment of this Act.

(C) No suit, action, or other proceeding commenced by or against the Secretary of Labor, the Pension Benefit Guaranty Corporation, or the Secretary of the Treasury shall abate merely by reason of the transfer made under paragraph (1).

SEC. 403. TERMINATION OF TREASURY DEPARTMENT'S JURISDICTION.

(a) TERMINATION OF TREASURY JURISDICTION.—Except as provided in subsection (b), the Secretary of the Treasury shall not administer, seek to obtain compliance with, or otherwise exercise responsibility or power respecting the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act, insofar as such sections relate to employee benefit plans described in such section.

(b) CERTIFICATIONS BY COMMISSION.—Certifications made by the Employee Benefits Commission to the Secretary of the Treasury pursuant to section 402(a)(9) of this Act shall be treated by the Secretary as if he had made such certifications himself.

SEC. 404. AGENCY COOPERATION.

Pursuant to procedures they shall jointly formulate and establish, the Employee Benefits Commission, the Secretary of Labor, and the Secretary of the Treasury shall make arrangements for—

(1) Notification by the respective Secretaries to the Commission regarding information which concerns the Commission's functions under section 401(e), and

(2) notification by the Commission to the Secretaries regarding information which concerns their respective functions under laws relating to employee benefit plans.

SEC. 405. EFFECTIVE DATE AND REPEAL.

This title shall take effect 24 months after the date of enactment of this Act. Subtitle A of title III of the Employee Retirement Income Security Act of 1974 is repealed on such effective date.

● Mr. JAVITS. Mr. President, the bill I am introducing today with Senator WILLIAMS is one of the first measures I am proposing in the 96th Congress. Our quick start on this bill, the ERISA Improvements Act of 1979, is compelling evidence of the importance of continuing

the task of pension reform which was started in 1967 and which first reached fruition in 1974 with the passage of the Employee Retirement Income Security Act of 1974 (ERISA).

The proposed amendments build upon the firm foundation of the 1974 pension reform law. ERISA was a giant step toward the improvement of the private pension system. It has done more to contribute to the retirement income security of older Amercans than any law since the Social Security Act of 1935. ERISA stands for the proposition that promises made to working men and women about their pensions will be kept. The national shame of broken pension promises has been greatly reduced by ERISA, and the once common fear of losing hard-earned pensions "due to the fine print" is rapidly being dissipated.

ERISA, to be sure, is landmark legislation. But despite its positive impact, experience with the statute since 1974 has shown certain shortcomings which have caused undesirable side-effects. In order to remedy these shortcomings, Senator WILLIAMS and I on May 1 of last year introduced S. 3017, the ERISA Improvements Act of 1978. S. 3017 proposed changes in ERISA with respect to reporting and disclosure, minimum standards, funding, fiduciary responsibility and enforcement, including overruling the Daniel decision. The general purpose of these amendments was to make life under ERISA easier for those who run employee benefit plans without sacrificing essential participant protections.

To further ease the impact of ERISA on the responsibilities of plan and asset managers, S. 3017 would eliminate the tripartite administration of ERISA by establishing a new regulatory agency. This new entity, the Employee Benefits Commission, would take over all of the present ERISA-related responsibilities of the Labor Department and the Pension Benefit Guaranty Corporation and most of such duties of the Internal Revenue Service. Establishment of this new Commission would solve the dual jurisdiction problem and would result in better policy coordination and enforcement. Most importantly, it would become, over the long run, the key administrative mechanism for the development and implementation of a national retirement income policy.

In addition to encouraging the maintenance and establishment of new plans by streamlining ERISA, S. 3017 contained additional incentives for expanding the number of workers covered by private pension plans, which in 1975 totaled less than 50 percent of all wage and salary workers. S. 3017 permitted financial institutions to establish special master plans under which most ERISA responsibilities would be borne by the bank, insurance company, or investment company rather than the small employer joining the plan. The bill granted a declining, 5-year tax credit for small employers who established new qualified plans.

S. 3017 also contained provisions to increase the benefits and protections of those employees covered by employee benefit plans. A tax deduction for employee contributions to qualified plans would be permitted, as would a 5 percent tax credit for employers who established improved plans with faster than minimum participation and vesting rules. S. 3017 proposed expansion of the joint and survivor annuity protection, study of cost of living adjustments to pensions, and protection against abuses associated with uninsured multiple employer trusts. It also contained provisions prohibiting reductions in welfare plan disability benefits because of social security increases and proscribing reductions in pension benefits because of workers' compensation awards.

These and other provisions of S. 3017 have served as the basic elements out of which the ERISA Improvements Act of 1979 has been molded. Many of the 1979 bill's provisions are similar to its predecessor's, particularly as to agency administration, paperwork reduction, minimum standards, funding, fiduciary responsibility, and the special master plan. Some of the earlier proposals have been substantially modified in light of comments received at the Senate Labor Subcommittee hearings of August 1978, including the deduction for employee contributions, the small employer-new plan credit, the expansion of the joint and survivor annuity, protection, the overruling of Daniel, and the facilitated use of collective funding vehicles by plans.

Other earlier proposals have been dropped, including the consolidation of the EBS-1 form and the form 5300 series, the elimination of the 5-year update of the summary plan description, the MET-related provisions, the denial of IRA benefits to owner-employees, and the improved plan credit. One major new provision has been added to the 1979 bill dealing with the difficult question of ERISA's preemption of state laws which relate to employee benefit plans.

Mr. President, before turning in greater detail to the provisions of the ERISA Improvements Act of 1979, I want to make it clear that even this bill is not the last word on pension reform. In addition to perfecting certain provisions of this bill during the legislative process, further study still needs to be done of such issues as plan termination insurance for multiemployer plans, prohibited transactions, portability, fiduciary liability insurance, employee stock ownership, Federal regulation of public pension plans and the types of investment of pension assets.

This latter issue is particularly crucial when one considers the magnitude of pension assets and the importance of this pool of capital to the American economy. Private pension assets today total $280 billion; State and local governmental plans hold $130 billion more; and Federal retirement programs outside of social security have another $55 billion. By 1985, these assets are expected to aggregate $1 trillion, and within the foreseeable future will provide nearly one-half of all the external capital raised by U.S. enterprises. Because of the essential role pension assets play in fueling the U.S. economic machine, I recommend that we proceed very carefully and deliberately when discussing pension plan investments and the possible scrapping of advanced-funded pension plans, as some have suggested.

The areas I have cited for further attention are but the tip of the iceberg of retirement issues which should be studied. The President's Commission on Pension Policy will appropriately embark upon this analytical endeavor and hopefully will provide useful suggestions for policymakers. It has been suggested that no retirement legislation should be passed until the Commission has completed its work. Senator WILLIAMS and I believe that the Congress should enact the ERISA Improvements Act of 1979 whether or not the Commission has completed its work. There is a real need now to do all we can on pension reform and to deal with those ERISA-oriented matters which will assure the efficiency, integrity, and productivity of private pension plans until we decide as a Nation that there is to be any basic retirement policy change. Presidential study groups have occasionally been used in the past to delay meaningful change, and we must see that this does not happen in this instance.

NEW AGENCY

From a long-term perspective, one of the most important aspects of my bill is the creation of a new, centralized agency to administer ERISA. This new agency, the Employee Benefits Commission (EBC), will exercise all of the ERISA-related powers of the Department of Labor and the Pension Benefit Guaranty Corporation and most of such powers of the Department of the Treasury. The EBC will start its operations 24 months after enactment of this legislation.

I have long advocated the centralized administration of ERISA. The current splintering of jurisdictions between three agencies was the unfortunate result of political compromise. I thought it was a mistake when ERISA was passed in 1974, and after over 4 years of experience, I am more firmly convinced than ever that it was a mistake. I believe that we in the Congress must put aside secondary concerns of committee jurisdiction and have the courage to do what is best for the Nation. And there is little doubt in my mind that a centralized and rationalized administration of ERISA will be in the best interest of this country.

The consolidation of ERISA functions will solve the dual jurisdiction problem. It will also result in better ERISA policy development which will transcend the limited institutional interests of the existing agencies. And of course, from the point of view of plan participants and sponsors, one-stop shopping will reduce confusion and costs.

But, Mr. President, there is an even more important reason for the establishment of a centralized pension agency. Starting in about the year 2000, this country will probably be facing an unprecedented demand for retirement income. Based upon present demographic trends including low fertility rates, low mortality rates and the aging of the post war baby boom, there will probably be early in the next century an unusually large number of older people and comparatively few younger workers. If we do not make sure that adequate resources

are built up now to provide retirement income in the future, we may not be able to provide adequately for all of our older citizens. Younger workers will resist shouldering greater tax burdens to provide for their more numerous elders, and intergenerational conflict will result, similar to but more severe than the turmoil over increased social security taxes.

A centralized pension agency will be an essential tool for developing a national retirement income policy which will deal with the slowly ticking, retirement income time bomb. The agency which I have proposed in this bill deals only with private employee benefit plans and does not have jurisdiction over other elements of the retirement income continuum like Federal, State, and local pension systems or the social security system. As more attention is focused on these matters, it may be appropriate to propose such expanded jurisdiction in the future. For the present, however, I believe the establishment of the Employee Benefits Commission is a necessary first step in developing an administrative mechanism which will aid in formulating a national policy on retirement income and the related matters of capital formation and employee stock ownership.

The Commission which I am proposing will have five full-time members, two of whom will have ties with existing executive departments. The Chairman of the Commission will also be a special liaison officer to the Secretary of Labor and will be nominated by the President from a list of nominees prepared by the Secretary of Labor. The Chairman, like the four other members of the Commission, will be subject to Senate confirmation. The Commission's executive director and general counsel will be appointed by the Chairman.

The Vice Chairman of the Commission will be a special liaison officer to the Secretary of the Treasury and will be nominated by the President from a list prepared by the Treasury Secretary.

The other three Commissioner members will be nominated by the President from a list prepared by both the Secretaries of Labor and Treasury. The purpose for creating ties between the Commission and the two existing agencies is to assure that in carrying out its development of policy on employee benefits, the Commission will give due consideration to pertinent labor law and tax law considerations. I also believe that the maintenance of ties to the existing agencies is necessary for political reasons.

The Commission will administer ERISA title I—reporting and disclosure, minimum standards, funding, fiduciary responsibility, and enforcement—and title IV—plan termination insurance. It will also administer Internal Revenue Code sections 401, tax qualification; 410, participation; 411, vesting and accruals; 412, funding; 413, collectively bargained plans; 414, definitions and special rules; 6057, annual registration, and 6058, annual returns, insofar as these sections relate to plans covered by ERISA.

In addition, the Commission will administer such other code sections as the President designates which relate to ERISA-covered employee benefit plans, including "Mom and Pop" Keogh plans and individual retirement accounts, annuities and bonds. The President will have 9 months after enactment of this bill in order to make his designations. Pursuant to this bill, the Commission will have the power to certify to the Treasury Secretary that an ERISA-covered plan satisfies code section 401's conditions for tax qualification.

Mr. President, I am well aware that last session we in the Congress approved the administration's ERISA Reorganization Plan No. 4 which attempts to lessen the severity of the dual jurisdiction problem. But the reorganization plan, in my view, is a small, first step toward better administration of ERISA. As the plan sponsors admit, it is only an interim measure which will be followed on or befort January 31, 1980, by the administration's long-term proposal. Our inclusion of the new agency proposal in the 1979 bill is intended not to preclude the work of the administration in this regard but rather to keep before the public the approach we think this Nation should take to administering ERISA as well as implementing a coherent retirement income policy.

REPORTING AND DISCLOSURE

Our bill's most far-reaching change in ERISA's reporting and disclosure sections is to grant the Secretary authority to exempt any employee benefit plan from any of the existing paperwork requirements or to modify any of these requirements. In order to grant an exemption or waiver, the Secretary must find that the change is appropriate and necessary in the public interest and consistent with the purposes of title I of ERISA.

This new authority will give the Secretary needed flexibility in tailoring reporting and disclosure requirements to particular situations. The Secretary will be able to exercise his discretion to reduce unnecessary paperwork which adds to the cost of plan administration and may not be essential to protecting the interests of participants and beneficiaries. It should be added, however, that this section is not intended to permit the wholesale abrogation of ERISA's requirements. The existing rules were imposed with specific purposes in mind and should not be waived or modified without good reason.

Consonant with the policy of tailoring paperwork requirements to particular situations, our bill requires the development of reporting forms and requirements which to the maximum extent feasible take into account the different types and sizes of plans. What may be appropriate for a collectively bargained multiemployer plan to report may be unnecessary with respect to a mandatory contribution single employer plan.

Our bill also eliminates a number of requirements which appear not to be cost-justified. The summary annual report, which must be distributed to participants each year and which must disclose, among other things, the plan's assets and liabilities as well as its annual receipts and disbursements, is eliminated because it is too costly in light of the information it provides. Participants who are interested in the fiscal condition of their plans can request a copy of the full annual report which must be provided by the administrator. To assure that this right is practically available, the bill provides that an administrator can charge no more than $10 for a copy of the full annual report.

If an employee is interested in the amount of his own accrued benefit or account balance, he can request such information from the administrator who, under newly combined ERISA sections 105 and 209, must provide such information. An administrator who fails to do so shall be liable to the requesting participant for up to $100 per day from the date of such failure.

Upon the separation from service or incurrence of a 1-year break in service by an employee, a plan administrator will be required to automatically disclose to the former participant his accrued benefit only if the benefit is vested. There is little point in requiring an administrator to bear the cost of notifying a former employee that he has no vested accrued benefit. It is intended, however, that such an employee will have the right to request information on his accrued benefit, whether vested or not, before the occurrence of a 1-year break in service.

Our bill also attempts to cut down on unnecessary fees paid by plans to accountants and actuaries who may be, in some instances, doing duplicative work in preparing parts of a plan's annual report. The bill requires accountants to rely on the correctness of any actuarial matter certified to by an enrolled actuary and requires enrolled actuaries to rely on the correctness of any accounting matter as to which a qualified public accountant has expressed an opinion.

The bill also cuts down on apparently unnecessary auditing by accountants of the assets and liabilities of common or collective trusts, separate accounts or separate trusts of financial institutions such as banks or insurance companies which are regulated and subject to periodic examination by State or Federal agencies. Participants, of course, receive greater protection from a full audit which covers assets in such pooled trusts or accounts, but the cost of doing such an audit may not be justified where the institution is already subject to periodic examination by a governmental agency.

Two paperwork provisions of S. 3017 which have not been included in the new bill are the elimination of the rule that an updated summary plan description (SPD) be furnished every 5 years if amendments have been made, and the consolidation of the plan description (EBS-1) and the determination letter application form (forms 5300, 5301, and 5303). The SPD proposal was dropped because the SPD is generally viewed as the most important ERISA document for participants, and it was felt upon review that the cost of updating and furnishing the SPD every 5 years did not outweigh the need by participants for this information. The plan description—form 5300 consolidation proposal was dropped because the Labor Department announced just prior to our August hearings that it will eliminate the requirements that newly established plans file the form EBS-1 and that existing plans file renewals.

MINIMUM STANDARDS AND FUNDING

Our amendments to parts 2 and 3 of ERISA's title I attempt both to overcome some of the difficulties which plans have experienced with the minimum standards and funding rules and to expand certain participant protections.

In order to facilitate portability and reciprocity among collectively bargained plans, the bill prevents ERISA's title I rules from thwarting the transfer of contributions from a pension or welfare plan—away plan—to a similar plan in which the employee had previously become a participant—home plan. The transfer must be pursuant to a written agreement between the plans, and the Secretary may establish conditions, variances, and exemptions to encourage such transfer arrangements. An appropriate prohibited transaction exemption is granted to avoid uncertainty regarding such transfers of contributions.

Our bill also provides that rather than using the employment commencement date for measuring a year of service for purposes of eligibility, a plan may use the first day of the plan year for such purposes as long as rights and benefits under ERISA's part 2 are determined on the basis of all of an employee's service regardless of the date on which the employee commenced participation in the plan. The intent of this provision is to relieve plans of the extra recordkeeping and reporting and disclosure burdens which arise when service must be measured from a different date for each employee. The new rule will permit a plan to distribute a summary plan description, for example, within 90 days after the end of the plan year—assuming completion of a year of service—rather than 90 days after each participant completes an eligibility year of service. The tradeoff for permitting plans to use the plan year for this purpose is that vesting and benefit accruals, for example, will be determined on the basis of all an employee's service before as well as after his commencement of participation in the plan.

Under the bill, a multiemployer plan will be able to provide that a participant's accrued benefit upon his separation from the service is the sum of different rates of benefit accrual for different periods of participation as defined by one or more fixed calendar dates or by employment in different bargaining units. For purposes of the 3 percent accrual method or the fractional method, the accrued benefit may be determined by projecting the normal retirement benefit to which a participant would be entitled if he continued to accrue benefits at the average of the rates applicable to this period of actual participation.

The intent of this section is to tie a participant's benefit accruals for a given year of service to the maximum retirement benefit in effect during that year. If in year 1980 the maximum monthly benefit for 20 years of service is $200 per month and that benefit is increased to $300 per month for year 1981, under the proposed rule a participant in a 3-percent accrual plan will be entitled to an accrual of $6 in 1980 and $9 in 1981. If the employer separated from the service in 1982, his accrued benefit would be determined by adding the different rates of benefit accrual for the different periods of participation.

The bill also amends the multiemployer suspension of benefit rules upon reemployment. Multiemployer plans will be permitted to suspend the payment of benefits while an employee is reemployed in the same industry, trade or craft, and the same geographic area covered by the plan, as when such benefits commenced. The rule eliminates "industry" as an element separate from "trade or craft" to avoid problems which have arisen in the application of the existing rule.

Under the proposed rule, if a carpenter who worked in covered employment in a furniture factory retired and later returned to covered employment in housing construction in the same area, the plan could suspend benefit payments while the worker was reemployed. Under the existing rule, the plan may not be able to do so because the carpenter arguably was not reemployed in the same industry. The bill also permits the plan, within limits, to impose a financial penalty on pensioners who fail to report their reemployment as required by a plan and also to prevent the periodic payment and suspension benefits to employees who have not retired but who continue to work on an irregular basis.

Under the bill, the funding method may take account, and for plan years beginning after December 31, 1980, shall take account of all plan provisions, including provisions which have not yet affected participants as to entitlement to, or accrual of, benefits. If such a provision is not implemented as of the time specified when the provision was adopted, the funding standard account shall be appropriately adjusted in accordance with Commission regulations. The intent of this provision is to permit a plan which is having a funding shortfall to make a future benefit reduction but to take account of that reduction for present funding purposes. The Secretary's regulations with respect to the failure to implement such a provision are expected to deal with any possible funding abuses in this regard.

Two sections of this minimum standards package will expand the protections of plan participants and beneficiaries. The first of these expands the present joint and survivor annuity protection. With respect to a participant who is credited with at least 10 vesting years of service and who dies before the annuity starting date, a plan which provides an annuity as the normal form of benefit will be required to provide a survivor's annuity for the participant's spouse which begins on the annuity starting date. Such a plan could distribute the actuarial equivalent of the survivor's annuity in the form of a lump sum or installments sooner than the annuity starting date but only if the actuarial equivalency does not exceed $2,000. A pension plan which does not provide an annuity as the normal form of benefit would be required with respect to a participant just described to distribute the benefit in a lump sum or installments to the participant's surviving spouse not later than 60 days after the end of the plan year in which the participant dies or to distribute the benefit in some other manner agreed upon by the spouse and the plan.

As provided by present law with respect to an election by a participant of early survivor's protection, the plan could take account in any equitable fashion any increased cost from the expanded survivor protection including a reduction in the working spouse's normal retirement benefit. The plan participant would have the right to elect "out" from expanded survivor's coverage and subsequently to revoke this election and also to reelect "out" again if circumstances in his or her life changed. The expanded survivor's protection would become effective for plan years beginning on or after the date which is 1 year after the enactment of this bill, and the Treasury Department would be required to develop versions of pertinent model language which could be easily adopted by plans at minimal cost.

In order to encourage defined contribution plans not to drop optional annuity forms of benefit, the bill makes it clear that a plan may provide that the normal form of benefit is a form other than annuity. Presently, many plans have dropped optional annuity forms of benefit because the IRS has taken the position that the annuity benefit must not only be in the form of a joint and survivor annuity but must also be the normal form of benefit.

The second minimum standards section in our bill which will help participants prohibits any decrease of disability benefits paid under a welfare plan because of an increase in the social security benefit level or wage base. A pension plan is also prohibited from reducing benefits being paid to a vested participant who has separated from service because of any employer payment as a result of a worker's compensation award or settlement.

Other minimum standards amendments include clarifying that 125 days of service in any maritime industry shall be the equivalent of 1,000 hours of service, and explicitly permitting the use of the elapsed time method for measuring service.

The definition of "multiemployer plan" is amended to mean a plan which is collectively bargained and which has 10 or more contributing employers. A plan having more than 1 but fewer than 10 contributory employers will also be a multiemployer plan if the Secretary of Labor determines that it is consistent with ERISA to so treat the plan.

FIDUCIARY RESPONSIBILITY

Our bill provides retroactive to January 1, 1975, that collectively bargained plans maintained by more than one employer may return an employer contribution within 6 months after the plan administrator knows that the contribution was made mistake of fact or that holding the contribution would contra-

vene section 302 of the Labor-Management Relations Act. The present rule requires the return of the mistaken contribution within 1 year after the payment of such contribution.

The scope of the party-in-interest definition is narrowed so that the breadth of ERISA's prohibited transaction provisions will be somewhat reduced. The service provider, employer employee organization, and employee-officer-director elements of the definition are narrowed. Clarifying changes are made with respect to the fiduciary, relative, and joint venturer parts of the party in interest definition.

A modification is made in the cofiduciary liability rule which holds one fiduciary responsible for a breach of a duty by a second fiduciary if the first fiduciary knows of the breach and does not make reasonable efforts to remedy it. In large financial institutions, for example, it is very difficult to assure that such knowledge by one employee is communicated to the appropriate employee of that institution who could take appropriate action. Consequently, the amendment provides that with respect to a fiduciary who is not a natural person, "knowledge" means knowledge actually communicated—or knowledge which, in the normal course of business, should have been communicated—to the fiduciary's employee who is authorized to carry out the fiduciary's responsibilities regarding the matter to which the knowledge relates.

In order to make more types of insurance available to plans, the bill provides with respect to plans which are funded by a contract or policy of insurance including, but not limited to guaranteed benefit policies, that such plan's assets shall include such policies, but not the insurer's general account assets. The revised version of this provision is intended to reflect ERISA I.B. 75-2, 29 CFR § 2509.75-2.

ADMINISTRATION AND ENFORCEMENT

On January 16, the Supreme Court unanimously reversed—8 to 0—the Seventh Circuit's decision in *Daniel* v. *International Brotherhood of Teamsters*, 561 F. 2d 1123 (7th Circuit, 1977). The Court held that the Securities Act of 1933 and the Securities Exchange Act of 1934 do not apply to noncontributory, compulsory pension plans. The Court found that the deceased Mr. Daniel's interest in his plan was not an investment contract and therefore was not a security under the Federal securities laws.

I welcome the Court's clarification that the Federal securities laws never applied to pension plans such as Mr. Daniel's. If Mr. Daniel's arguments had succeeded there would have been the potential for the imposition of large unforeseen liabilities, the termination of certain pension plans, the imposition of disclosure requirements which duplicate those of ERISA, and the addition of another body of law and another regulatory agency to an already crowded legal landscape.

The measure we are proposing seeks to build upon the Supreme Court's Daniel decision and to clarify prospectively the inapplicability of the securities laws' antifraud provisions not only to the ERISA-covered plans within the scope of the Supreme Court holding but also to the plans which are not covered by the decision. First, the bill provides prospectively that no person shall be subject to liability as the result of an action alleging that an employee's interest in an employee benefit plan is a security for purposes of the antifraud provisions of Federal securities laws or within the meaning of State securities laws. Second, it removes jurisdiction from the Federal courts to decide any action instituted on or after the date of enactment in which it is alleged that an employee's interest in such a plan is a security for Federal antifraud securities purposes or under State securities laws. Third, it provides prospectively that an employees interest in an employee benefit plan shall not be a security for Federal antifraud securities purposes or under State securities laws and that ERISA supersedes such statutes in this regard.

These changes would leave untouched the Daniel rule that the antifraud and registration requirements of the Federal securities laws do not apply to noncontributory, compulsory pension plans. The amendments, however, would make clear prospectively that the Federal securities antifraud provisions as well as State securities laws do not apply to plans not covered by Daniel, such as contributory, voluntary, defined contribution plans. Any securities laws rights of a participant in such a plan prior to the bill's enactment would remain unaffected.

In order to fill in gaps in ERISA's protections against misrepresentations regarding plans and to have a uniform antifraud rule for ERISA-covered plans, the bill would prospectively make it unlawful for any person to knowingly misrepresent the terms and conditions of an employee benefit plan, the financial condition of a plan or the status under the plan of any employee, participant or beneficiary. A civil action may be brought by any employee, participant or beneficiary for damages due to reliance on such misrepresentation. No plan shall be liable for such misrepresentation, and no person shall be liable respecting a plan document which is required under ERISA or the Internal Revenue Code of 1954 to the extent such document satisfies the requirements of these statutes. The bill's antifraud provision is not retroactive and I am of the view that further study and discussion is needed of the proposal to enable Federal courts to hear State common law fraud action even when there is no diversity jurisdiction, thereby facilitating the availability of the Federal class action rules.

The proposed ERISA antifraud rule is necessary to supplement ERISA's existing protections, particularly with respect to representations made to employees who are not plan participants. ERISA's protections apply only to participants and beneficiaries. ERISA's protections also do not apply to representations by a nonfiduciary, even if made to a participant or beneficiary. The proposed ERISA antifraud rule is also necessary if securities antifraud protections regarding plans not covered by Daniel are removed.

Although not involving the Daniel issue whether an employee's interest in a plan is a security, another section of the bill addresses the application of the securities laws to a plan's interest in a pooled investment fund. This section provides that an interest in a bank's single or collective trust or an insurer's separate account which is issued exclusively to an ERISA-covered plan is not a security for purposes of the registration requirements of the Federal securities laws or within the meaning of any State securities law and that such trust holding exclusively plan assets is not an investment company under Federal or State statutes. For purposes of this section, the term "plan" includes "mom and pop" Keogh plans which do not cover common-law employees, but the term does not include individual retirement accounts (IRA).

The purpose of this provision is to facilitate the interstate marketing of special master and other plans by banks and insurance companies by permitting such institutions to pool the assets from such plans without registering under the Federal securities laws. The provision does not interfere with the continued applicability to such pooled funds of the antifraud provisions of Federal securities laws. In order to assure that plan participants and beneficiaries are protected and that sufficient information is furnished to plans which participate in such pooled investment funds, the Secretary of Labor is directed to promulgate regulations with respect to such pooled funds. These regulations must insure full and fair disclosure of all material facts respecting such pooled funds prior to and during the plan's participation in such fund must establish standards for accuracy in the advertising and publicizing of such pooled funds.

This provision is narrower in certain respects than the overly broad proposal in S. 3017 and is an attempt to balance the interest in increasing the marketing of special master plans with the interest in preserving necessary protections for participants and their plans which purchase participation interests in collective investment media. I should add that even though I have agreed to include this provision in the bill, I will listen carefully to the arguments in opposition to the proposal and further evaluate my position.

My bill also requires employers who are obligated to contribute under the terms of a collectively bargained plan to make such contributions in accordance with the terms of the plan. The Secretary will not be permitted to bring an action to enforce such employer duty, but a fiduciary who brings a successful action under this new section on behalf of a plan shall be entitled to recover from the defendant reasonable attorney's fees and costs of the action. The imposition of this new statutory duty will particularly help multiemployer plans collect delinquent employer contributions.

A Federal study is mandated by our bill of the feasibility of requiring pension plans to provide cost-of-living adjustments to benefits payable under such plans. I favor some form of required cost-of-living adjustment to protect retirees' benefits from erosion by inflation. The high cost of such provisions, however, has convinced me that an in-depth study is required on how this objective

can be achieved without imposing unacceptable economic burdens on pension plans and their sponsors.

Our bill also designates one of the existing employer seats on the Labor Department Advisory Council as a small employer position. I believe this is necessary to assure that the problems of small employers receive adequate attention.

One important area in which I have not previously made legislative recommendations since ERISA's passage and which is addressed in this bill is ERISA's preemption of all State laws, with certain exceptions, which relate to ERISA-covered employee benefit plans. When the broad preemption language of the ERISA conference report was enacted, I realized that further attention to this area would be necessary as experience revealed the outer contours of the preemption doctrine. ERISA, in fact, required the Joint Pension Task Force to study the effects and desirability of Federal preemption of State employee benefit laws, but unfortunately this review was never done.

My staff and I have extensively studied the preemption question and I am convinced both: First, that broad Federal preemption should be affirmed, and second that certain additional exceptions to preemption should be enacted. I believe that the Congress should review the relevant judicial decisions and clarify the boundaries of Federal preemption as problem areas come into focus.

Our bill proposes two new exceptions from Federal preemption. The first deals with State health care-related statutes and is intended to address issues raised in such cases as *Standard Oil Co. of California* v. *Agsalud*, 442 F. Supp. 695 (N.D. Cal. 1977), *Hewlitt-Packard Co.* v. *Barnes*, 425 F. Supp. 1294 (N.D. Cal. 1977), aff'd, 571 F. 2d 502 (9th Cir. 1978), *Wadsworth* v. *Whaland*, No. 76-266 (D. N.H. 1977), aff'd, 562 F. 2d 70 (1st Cir. 1977), and *Insurers' Action Council, Inc.* v. *Heaton*, 423 F. Supp. 921 (D. Minn. 1976). The second exception deals with State domestic relations statutes and is intended to address questions raised in such cases as *Stone* v. *Stone*, No. C-77-1124-CBR (N.D. Cal. Apr. 18, 1978), *Francis* v. *United Technologies*, C.A. No. C 77-1504-CBP (N.D. Cal. Mar. 2, 1978), *General Motors* v. *Townsend*, Slip. op., No. 6-72159 (E.D. Mich. 1976), and *Cartledge* v. *Miller*, 47 U.S. L.W. 2178 (Sept. 19, 1978).

Our bill does not address State sex discrimination laws and such cases as *Goodyear Tire & Rubber Co.*, v. *Dep't of Indus., Labor & Human Relations*, 16 E P D 8163 (Wisc. Cir. Ct. 1978) and *Montana State Telephone & Telegraph Co.* v. *Comm'n. of Labor and Ind.*, No. 41908 (1st Jud. Dist. of Mont., Aug. 14, 1978) because passage of the pregnancy sex discrimination amendments, Public Law 95-955, appears to have mooted the issue of preemption of State laws requiring disability plans to cover pregnancy-related leave. Our bill also does not deal with possible questions involving age discrimination and prepaid legal service plans because these matters appear not to be ripe for legislation. With respect to *Azzaro* v. *Harnett*, 414 F. Supp. 473 (S.D. N.Y. 1976), *aff'd*, 553 F. 2d 93 (2d Cir. 1977), which involved State efforts to regulate pension plans and *National Carriers' Conference Committee* v. *Heffenen*, 440 F. Supp. 1280 (D. Conn. 1977), in which a State taxed benefits paid by a self-funded dental plan, I propose that committee report language affirm these two decisions which upheld ERISA preemption of State law.

The proposed prepaid health care exception would save from ERISA preemption Hawaii's prepaid health care law and the health benefits required under it as in effect on January 1, 1979. The bill would also save any other State law which is determined by the Secretary of Labor to be substantially identical to such Hawaii law and to require benefits which are substantially identical in type and amount to those required or permitted by Hawaii on such date. The bill would not save provisions of any such State law which the Secretary determines to be similar to ERISA's reporting and disclosure, fiduciary, and enforcement provisions. One purpose of this proposal is to save Hawaii's program of mandatory employee health insurance which may be the most progressive and enlightened State program of its kind in the Nation. As a supporter of a National Health Insurance Plan, I like Hawaii's groundbreaking efforts and believe that a humanitarian law like ERISA should not be the pretext for depriving citizens of that State the benefits provided under its law. Another policy behind this provision is to balance the desirability of such mandatory health insurance with the Federal interest in uniformity of regulation of interstate employee benefit plans. Consequently, the bill saves only those State statutes which are substantially identical to Hawaii's. Giving the Secretary authority to determine which statutes are identical to Hawaii's will permit consistent decisionmaking and avoid conflicting court decisions.

The bill contains a second health-care related section which provides that a State insurance law which requires that a specific benefit be provided or made available by a contract or policy of insurance issued to an employee benefit plan is preempted and is not saved under the existing insurance exception—which is limited by the so-called deemer clause. The proposal is intended to overrule the decision in Wadsworth against Whaland in which the first circuit held that ERISA did not preempt a State insurance statute requiring insurers to provide coverage in group health insurance policies for treatment of mental illnesses and emotional disorders. Wadsworth permits indirect State regulation of employee benefit plans and would encourage plans to avoid such regulation through self-insurance. The bill, however, saves from preemption any provision of State law which requires that a contract or policy of insurance issued to a plan must permit a participant to convert or continue protection after it closes to be provided by the plan.

The second exception to broad Federal preemption provided in our bill involves State common law or community property domestic relations laws. The bill provides that Federal preemption does not reach a judgment, decree or order, including an approval of a property settlement, pursuant to a State common law or community property domestic relations law which: First, affects the marital property rights of any person in any benefit payable under a pension plan or the legal obligations of any person to provide child support or make alimony payments, and second, does not require a pension plan to alter the effective date, timing, form, duration or amount of any payments under the plan or to honor any election provided under the plan which is made by a person other than a participant or beneficiary.

The bill also provides that ERISA's antiassignment and alienation of benefits rule does not apply to such judgment, decree or order. The purpose of these provisions is to reserve for the States their traditional control over marital and family matters, and to assist plan administrators who are faced with the conflicting duties of obeying State court decrees to pay benefits to plan participants' former spouses and also complying with the Federal antialienation rule under penalty of plan disqualification.

TAX CODE CHANGES

As I previously mentioned in discussing the new Commission, this Nation is facing a potentially tremendous future demand for retirement income because of a progressively aging population. One important way to meet this coming demand is to foster the establishment of more private pension plans. In 1975 only 46.2 percent of all wage and salary workers were covered by retirement plans, so there is much room for improvement in pension plan coverage.

Our bill seeks to encourage greater growth in coverage by granting tax credits for 5 years to certain small employers who establish new qualified pension plans—new plan credit. A credit equal to 5 percent of the employer's deduction will be permitted for the first taxable year during which such plan is maintained. The credit will phase down to 3 percent for the second and third years of plan maintenance, to 1 percent for the fourth and fifth years, and will terminate in the sixth year. The credit will be available only to those employers who during the taxable year immediately preceding the year in which the credit is first claimed had a monthly average of fewer than 100 employees.

In addition the employer during the period just mentioned had to have profits no greater than $50,000. The policy behind restricting the availability of the credit to the foregoing employers is to target the benefit to those small employers who apparently need the tax subsidy in order to afford the start-up costs for a plan. The credit is not available to employers who terminated their plans at any time after January 1, 1978.

Our bill also proposes a tax incentive to bring about greater benefits for the employees covered by qualified plans. To assist workers who are in low-benefit pension plans or who change jobs frequently and therefore never vest, a tax deduction would be provided for employee contributions to such plans or to individual retirement accounts. The

amount allowable as a deduction would not exceed the lesser of 10 percent of compensation includible in gross income or $1,000. No deduction would be allowed for a highly compensated participant unless the employer certifies that the plan satisfies the extensive discrimination standards set forth in the section.

In addition, no deduction would be allowed for any amount paid to a plan not in existence on January 1, 1978, if employee contributions to such plan are mandatory or employer contributions are not made unless contributions are made by employees. The purpose of this latter provision is to discourage new plans from having mandatory or matching contribution requirements which could be used to reduce participation in the plan by low-income employees. This proposal differs from the employee deduction concept in S. 3017 in the following ways: it does not require plans to accept employee contributions and place them in separate accounts; it permits employee contributions to IRA's; it uses a different discrimination test; and it does not apply to Government employees. The new proposal is very similar to the bill which Senator DOLE is supporting except that it contains the antimandatory contribution rule and also defines more broadly the highly compensated group which cannot be discriminated in favor of.

I view the proposal of an employee deduction for contributions to qualified pension plans or IRA's as an important step toward the development of a consistent tax policy for employee contributions to fring benefit plans and tax favored deferred compensation arrangements. The tax treatment of employee contributions to qualified plans should be made consistent with the tax treatment of "cafeteria" plans, cash or deferred profit-sharing plans, nonqualified deferred compensation arrangements, and 403(b) annuities.

Our bill also makes two changes in code section 402(e) dealing with lump sum distributions. These amendments are intended to solve problems which multiemployer plans have had with the administration of this section.

SPECIAL MASTER PLAN

To encourage further the growth of pension plan sponsorship, our bill makes possible the establishment of "special master plans." Under such plans, employers, particularly small employers, will be able to join plans sponsored by financial institutions such as banks, insurance companies, and investment companies and have a minimal number of responsibilities with respect to such plans. The financial institutions, for a fee, will be responsible for meeting most of the obligations imposed by ERISA on plan administrators.

The employer who adopts a special master plan will be responsible to transmit to the financial institution timely contribution and work force data as may be required by the terms of the plan. The employer's plan, which is established by his signing of the special master plan joinder agreement, will automatically be tax qualified upon the signing of the joinder agreement if the special master plan has been approved by the Government.

Other responsibilities imposed by ERISA and the tax code will be placed on the financial institution sponsoring the special master plan. The institution will be the plan administrator and a fiduciary for each employer's plan. The institution will handle reporting and disclosure matters, communication with the Federal agencies, claims by participants, and asset management. However, to the extent the adopting employer assumes the duty of furnishing ERISA required documents to participants, the master sponsor will not be responsible in this regard. It is expected that the efficiencies of scale will permit the institutions to perform their functions much more cheaply and efficiently than a small employer.

My bill will enhance these efficiencies of scale by permitting the financial institution to file one annual report reflecting the assets of the special master plan as long as the report makes clear the proportion of special plan assets attributable to each adopting employer's plan. My bill also permits the institution to prepare one plan description and one summary plan description for the special plan as long as a description of the variations from the common provisions are included.

Certain changes to ERISA's prohibited transaction provisions are made to facilitate the adopting of such special plans and the providing of services to such plans by master sponsors. In addition, appropriate limits are placed on the responsibilities of the sponsoring institutions so that, for example, an institution will not be required to ascertain whether information required to be furnished by the employer is accurate or complete.

If an employer fails to meet his obligations under the special master plan by, for example, failing to make timely contributions, he shall in accordance with the terms of the plan, be deemed the plan administrator and shall consequently be responsible for performing functions previously handled by the financial institution.

In contrast to S. 3017's proposal, this bill permits both defined benefit and defined contribution special master plans. I favor the establishment of defined benefit plans and am pleased that the insurance industry supports expansion of the special master plan concept to include defined benefit plans. In addition, this bill provides that retroactive disqualification may be imposed only when the failure of the adopting employer's plan to meet code section 401's standards is the result of intentional failure or willful neglect.

Mr. President, the special master plan concept contained in this bill is a variant of an idea I put forward in my ERISA speech of August 1977. In that floor statement, I stated that it may be advisable to establish federally sponsored master plans so that small employers will be encouraged to provide retirement benefits for their employees. The proposal in this bill is an attempt to accomplish through the private sector what I envisioned the Federal Government doing. I am optimistic that the financial institutions will be interested in developing the new special master plans and that greater pension plan coverage among small employers can be achieved, particularly when the new tax credit for establishing plans is added to the equation.

If, for some reason, the special plan concept is not successful, a federally sponsored plan may be one of the few means left to encourage greater plan coverage.

CONCLUSION

Mr. President, the bill that is being introduced today will benefit plan participants and beneficiaries and will make ERISA more congenial for those who run employee benefit plans. It will expand pension plan coverage and will start the development of the administrative tools this Nation needs to formulate a coordinated, national retirement income policy.

The basic policy of the bill is to strengthen the private pension system. Contrary to suggestions that private pensions be scrapped in favor of an expanded social security system, I firmly believe in the private pension system. Private pensions have become an inherent element of our free enterprise system and serve the great economic and social purposes of that system.

I expect that the ERISA Improvements Act of 1979 will be enacted into law in the 96th Congress. The preparatory work was done in the last Congress, and it is time to move farther on pension reform legislation. Besides this bill, the Congress will be faced with the administration's proposals on the multiemployer plan termination insurance program and with proposals to regulate State and local governmental retirement plans, to name just two retirement income matters of concern. It is high time to face the difficult problems before us and to make the decisive policy determinations the American people so rightly expect of us in the Congress and so justly deserve.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced today by the Senator from New Jersey (Mr. WILLIAMS), for himself and the Senator from New York (Mr. JAVITS), to amend the Employee Retirement Income Security Act of 1974, be jointly referred to the Committees on Finance and Human Resources. This has been cleared with the minority leader and is consistent with the original referral of the act and all subsequent amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. RIBICOFF (for himself, Mr. MAGNUSON, Mr. PELL, Mr. NUNN, Mr. WILLIAMS, Mr. PERCY, Mr. ROBERT C. BYRD, Mr. BAKER, Mr. DOMENICI, Mr. JACKSON, Mr. CHILES, Mr. GLENN, Mr. SASSER, Mr. ROTH, Mr. MATHIAS, Mr. DANFORTH, Mr. HEINZ, Mr. PRYOR, Mr. LEVIN, Mr. DURENBERGER, Mr. CRANSTON, Mr. RANDOLPH, Mr. MCGOVERN, Mr. STAFFORD, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CHURCH, Mr. CULVER, Mr. DECONCINI, Mr. FORD, Mr. GRAVEL, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. LEAHY, Mr. MATSUNAGA, Mr. MELCHER, Mr. METZENBAUM, Mr. NELSON, Mr. PACKWOOD, Mr. RIEGLE, Mr. TALMADGE, Mr. THURMOND, Mr. TSONGAS, and Mr. WEICKER):

S. 210. A bill to establish a Department of Education; to the Committee on Governmental Affairs.

DEPARTMENT OF EDUCATION ORGANIZATION ACT OF 1979

● Mr. RIBICOFF. Mr. President, I am pleased to introduce along with Senators MAGNUSON, PELL, NUNN, WILLIAMS, PERCY, and 37 of my distinguished colleagues, a bill to establish a separate Cabinet Department of Education.

This bill is similar to the bill passed overwhelmingly by the Senate by a vote of 72 to 11 last year.

The bill has been considered for over 2 years by the Governmental Affairs Committee. Last year, the committee held 10 days of hearings on the bill and heard from over 100 witnesses. Last year the committee unanimously reported legislation to create a Department of Education. I am grateful for the support given by committee members for the bill, and particularly for the good cooperation and support of the committee's ranking minority member, Senator PERCY. I am looking forward to working with the committee again this year to establish the Department of Education.

It has wide support. Liberals, conservatives, Republicans, and Democrats recognize the importance of the need for the Department of Education. Nearly 100 organizations support the creation of a Department of Education. It is supported by a large number of organizations representing parents, teachers, students and the handicapped. In addition, this is the first time in history the American Society for Public Administration has supported creation of a new Cabinet Department. Mr. President, I ask unanimous consent that the list of organizations supporting the department be included in the RECORD at the conclusion of my statement.

In his state of the Union address yesterday, the President reaffirmed the administration's strong support for the creation of a Department of Education. President Carter said the new department "will enable the Federal Government to be a more responsive and reliable partner with States, localities, and private institutions that have primary responsibility for education." He speaks from experience. His first public office was chairman of a local school board.

The idea of a Cabinet Department of Education has been discussed for more than half a century. I first introduced a bill calling for such a cabinet department in the 89th Congress. Since that time my belief in the need for a separate education department has been many times reinforced. We need a Department of Education now more than ever.

American education is the foundation of our society. Today, more than 60 million people in the United States are directly involved in education. Total education spending in our country exceeds $180 billion.

Alvin Toffler, in discussing his book, "Learning for Tomorrow," stated:

> Young people in our schools today are going to live in a world radically different from the one we know—and a world that will be undergoing continual, and in all likelihood, accelerating change.

The need to provide equal access to education for all Americans, advancing technologies, declining school enrollments, failing confidence in public education, high drop-out rates, increasing numbers of older citizens interested in lifelong careers, displaced homemakers, and a myriad of other factors present new challenges to our educational institutions.

How can we best meet our present and future education needs? The challenge we face today at the Federal level is how can we best manage our existing Federal education programs? How can we best supplement and complement the efforts of States and local governments in their education efforts? Are we able to do this efficiently and effectively? A Department of Education will provide us the best opportunity to meet these challenges.

Let us look at the existing situation for education now in our Government. The largest single concentration of education programs is located in the education division of HEW. HEW's responsibilities are already too immense. Its budget is the third largest of all Government structures in the world—exceeded only by the total budgets of the U.S. Government and the Soviet Union. The HEW secretary is concerned with health insurance, hospital cost containment, welfare reform, social security, medicare, medical research, food and drug regulation, and education. Last year the HEW Inspector General found over $7 billion of waste, inefficiency, fraud and abuse in that Department. This amount alone is larger than the budgets of five other existing departments.

A separate department can actually reduce administrative costs and waste by streamlining the bureaucracy and consolidating scattered programs. The Senate bill folds into the Department 170 scattered Federal education programs. Placing these under one umbrella will reduce paperwork, and conflicting rules and regulations. The Senate bill also contains a provision mandating a stiff ceiling on the number of personnel employed by the new Department. Taking the "E" out of HEW is a serious attempt to break HEW down to manageable proportions, allowing the HEW secretary to devote more time, attention, and scrutiny to massive health and welfare programs. Good management cuts waste and costs. Creation of a Department of Education will represent better management of education programs, and better management of health and welfare programs.

HEW's Education Division's budget this year is expected to be approximately $11 billion. This amount alone is larger than the existing budgets of six other Cabinet departments, and yet it is buried layers deep within the massive $185 billion Department of Health, Education and Welfare. There is no accountability for education in the present Federal education structure. There is no one to insure that education programs are administered effectively, no one to speak up for education in the President's Cabinet, no one for States and localities, citizens, parents, teachers, and students to look to in the Federal Government for educational assistance.

I am amazed at the high turnover of Education Commissioners in HEW. There is no opportunity for an education commissioner to grasp the serious challenges of the Office of Education. We have had 13 U.S. Commissioners of Education in the past 12 years. Our 14th Commissioner, Ernest Boyer, has announced he will resign his post later this year. During our hearings last year, I asked six former Commissioners about this shocking statistic. They told me it is impossible for the Commissioner to have any meaningful impact given the low-level place of education in the large HEW bureaucracy.

We might ask—why a new Department? Cannot our objectives be achieved by elevating education within HEW? Cannot we eliminate the dual conflict between the Commissioner of Education and the Assistant Secretary of Education and elevate one position to a sub-Cabinet level? This alternative has been considered by the administration and by the committee. It was found unacceptable. A Department of Defense model or sub-Cabinet structure would merely serve to increase the power of a super-Secretary. In HEW now the size of the Office of the Secretary is twice that of the Education Division. Policymaking and planning would still be in the Secretary's office. Elevating education into a sub-Cabinet would only increase the layers of bureaucracy that now exist above education. Thus, the present situation cannot be improved by a mere "elevation" of education within HEW—the Department is just too big. The missions are too diverse.

Some argue for the sub-Cabinet model because they feel education needs to be coordinated with health and welfare. Rufus Miles, who served as Assistant Secretary for Administration in HEW for 12 years, responded to this argument before the committee. He stated—

> In all my years at HEW, I never saw any significant coordination of programs and functions between the Office of Education and the other components of HEW. . . . Actually the important coordination that needs to be undertaken is not so much between the Office of Education programs and the health and welfare programs within HEW, but between education and as it exists within the Education Division of HEW, and the education programs of the rest of the government. . . . This coordination within HEW is simply a figment of imagination.

Coordination can be improved by a separate department. For example, some education programs have linkages with agriculture, labor and energy. Education is fundamental to most Government programs. The elevation of the Federal Interagency Committee on Education to the secretarial level will provide an important mechanism for improved interagency coordination of education-related programs. A Secretary of Education will be in a better position to coordinate health-related programs with the Secretary of Health and Human Services. A Secretary of Education could better coordinate labor-related programs with a Secretary of Labor, and so forth.

Most importantly, a Secretary of Education must begin the challenge of coordinating the myriad of education programs already existing within the educa-

tion division. The American Society of Public Administration's resolution supporting the Department states:

The addition of another Cabinet Department would not unduly stretch the President's span of major organization of control. On the other hand, coordination of education programs to minimize unnecessary administrative burdens and expense for educational institutions and to rationalize inconsistent educational policies would be facilitated if a Cabinet official were given this as a major assignment.

Does the creation of a separate Department of Education mean there will be Federal control of education? The answer is simply "no." From the beginning of the United States responsibility for public education has rested in the hands of State and local governments. It is part of our way of life. The diversity and individualism that comes with State and local control is what makes the American educational system one of the greatest the world has ever known. At least 38 percent of the budgets of State and local governments is spent for education. Education policymaking has resided, and will always reside, with State and local boards of education and citizens. This concern was discussed in depth during floor consideration of the bill last year.

The Governmental Affairs Committee carefully considered the question of whether a department means Federal interference in or dominance of State and local policymaking. States and their political subdivisions have the constitutional right to determine their own education needs and policies. The bill reinforces this principle. The bill states the intent of Congress in the establishment of the Department of Education is "to protect the rights of State, local and tribal governments and public and nonpublic educational institutions in the areas of educational policies, administration of programs, competency testing and selection of curricula and program content." It is our intent to also "strengthen the direction of such governments and institutions over their education programs and policies."

Amendments introduced last year by Senators ROTH and DANFORTH addressed this concern. These amendments are contained in the present bill and have been further refined. The bill recognizes the primary responsibility for education resides with the State, local and tribal governments, public and nonpublic education institutions, communities and families. The bill clarifies that in our Federal system of Government, the primary public responsibility for education is reserved, respectively, to the States and to their diverse instrumentalities.

The creation of a Department of Education is supported by State and local groups who say they fear more Federal intrusion will be caused by the existing fragmented, uncoordinated, unaccountable, and low-level bureaucracy. In testimony before the Senate committee, the National PTA said:

Far from being an obstacle to the local control of education, the National PTA feels that the establishment of a Department of Education would produce successful cooperation among Federal, state, and local education agencies in their appropriate roles. The establishment of a Department of Education would make clear the lines of Federal responsibility and authority in the educational effort. It would make it more possible for parents, educators, and other citizens . . . to make (education programs) more fully responsive to their needs.

The bill underlines the unique relationship of the Federal Government with States and localities in the area of education. It provides for an assistant Secretary to perform intergovernmental functions and also creates an Intergovernmental Advisory Council on Education. The Council would act as a continual check on the Department of Education for the impact of its programs on States and localities.

One area of Federal neglect has been in the area of citizen involvement. Underlying the strength of the American educational system has been the traditionally heavy involvement of citizens and parents in the State and local educational processes. Parent, citizen and student involvement will be an important function of the Department and will rebuild lost confidence in education. The Department will be designed to encourage parent, public and student participation in the development and implementation of departmental programs.

Structurally, the bill creating the new Department goes to great lengths to balance all educational interests and give adequate recognition to each. For example, the bill specifically provides for a principal elementary/secondary officer on an equal footing with the principal postsecondary officer. The Education Department will be concerned with all aspects of the broad process of education, from nutrition, to museums, elementary/secondary education, postsecondary education, occupational training, educational research, equal educational opportunity, training of the handicapped, and more. No one interest will dominate another.

Other features of the bill include:

Elementary and secondary education. An Office of Elementary and Secondary Education will administer approximately $6 billion for elementary and secondary education programs participated in by more than 48 million students. The Office of Elementary and Secondary Education will contain a new Office of Nonpublic Education.

Postsecondary education. The Assistant Secretary for Postsecondary Education will have program spending authority of approximately $3.6 billion. He or she will help coordinate programs designed to improve postsecondary educational opportunities.

Research and improvement. An Office of Educational Research and Improvement, containing the National Institute of Education, the Fund for the Improvement of Postsecondary Education, the National Center for Educational Statistics, and certain science education programs, will assist in the development of new knowledge about the educational process.

Occupational, adult, and community education. This office will provide needed visibility for education assistance to States and localities in delivering effective education and training and adult community services.

Handicapped. An Office of Special Education and Rehabilitative Services will combine the functions of the Bureau of Education for the Handicapped and the Office of Human Development Service's Rehabilitation Services Administration into a comprehensive program of education and rehabilitative services for the handicapped.

Civil rights. An Office for Civil Rights—independent of the Department's programs headed by an executive level IV, who reports directly to the Secretary—will continue and improve the Federal commitment to insuring access by every individual to equal educational opportunities. The bill elevates the status of the civil rights director by creating a level IV position—subject to Senate confirmation. The Director will have the authority to issue an independent report directly to the President, to Congress and the Secretary on the status of civil rights enforcement and issue recommendations for its improvement.

Mr. President, I believe the bill introduced today is greatly needed.

It will significantly improve the design and management of Federal education programs.

It directs the new department to involve parents, students, and the public more directly in developing and implementing education programs.

It recognizes the importance of equal education opportunity and the need to effectively enforce the respective laws of the land.

It stresses the importance of maintaining good intergovernmental relations, and closer cooperation with State, local and tribal governments, and public and nonpublic educational institutions.

It balances educational interests by placing them on an equal footing with each other.

It works toward strengthening interagency coordination of Federal education programs.

It gives proper recognition to and increased status for the Department's many and varied components.

I hope the Congress will act expeditiously this year on the legislation. The Committeee on Governmental Affairs will hold hearings on the bill February 6, 7, and 8.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

Mr. President, I recently received a letter from former U.S. Commissioner of Education Terrel Bell, in which he succinctly states the need for the Department of Education. I ask unanimous consent that the letter be printed in the RECORD at the conclusion of my statement.

I urge my colleagues to join with me this year to support a Cabinet Department of Education. We need a Department of Education.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Organization Act of 1978".

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TITLE I—GENERAL PROVISIONS

STATEMENT OF FINDINGS

SEC. 101. The Congress finds and declares that—

(1) education is fundamental to the growth and achievement of the Nation;

(2) there is a continual need to provide equal access to education for all Americans;

(3) the primary responsibility for education has in the past, and must continue in the future, to reside with State, local, and tribal governments, public and nonpublic educational institutions, communities and families;

(4) in our Federal system, the primary responsibility for education is reserved respectively to the States and to their diverse instrumentalities;

(5) the dispersion of education programs across a large number of Federal agencies has led to fragmented, duplicative, and often inconsistent Federal policies relating to education;

(6) there is a lack of coordination of Federal resources for State, local, and tribal governments and public and nonpublic educational institutions;

(7) Presidential and public consideration of issues relating to education is hindered by the present organizational position of education programs in the executive branch of the Government;

(8) the importance of education is increasing as new technologies and alternative approaches to traditional education are considered, as society becomes more complex, and as equal opportunities in education and employment are promoted; and

(9) therefore, it is in the public interest and general welfare of the United States to establish a Department of Education.

PURPOSES

SEC. 102. It is the purpose of this Act to establish a Department of Education in order to—

(1) enable education to receive the appropriate emphasis at the Federal level;

(2) continue and strengthen the Federal commitment to ensuring access by every individual to equal educational opportunities;

(3) supplement and complement the efforts of State, local, and tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education, while acknowledging the right of State, local, and tribal governments and public and nonpublic educational institutions to formulate policies, choose curricula, decide administrative questions, and choose program content with respect to their educational programs;

(4) encourage the increased involvement of parents, students, and the community in the decisionmaking process relating to education, including the development and improvement of education programs and services;

(5) enable the Federal Government to coordinate education activities and programs more effectively through interagency cooperation, technical assistance, and evaluation of program effectiveness;

(6)(A) provide assistance in the support of basic and applied educational research; (B) collect and analyze information on the progress and condition of education in the United States; and (C) work with State, local, and tribal officials, public and nonpublic educational institutions, community organizations, parents, and students to implement the findings of such research at the local level; and

(7) supplement and complement the efforts of State, local, tribal, and nonpublic agencies by providing support to the articulated educational needs of such agencies, especially with respect to the simplification of the process, procedures, and administrative structures for the dispersal of Federal funds, as well as the reduction of unnecessary and duplicative burdens and constraints, including unnecessary paperwork, on the recipients of Federal funds.

STATE AND LOCAL RESPONSIBILITIES FOR EDUCATION

SEC. 103. It is the intention of the Congress in the creation of the Department of Education to protect the rights of State, local, and tribal governments and public and nonpublic educational institutions in the areas of educational policies, administration of programs, competency testing, and selection of curricula and program content, and to strengthen and improve the direction of such governments and institutions over their educational programs and policies.

DEFINITIONS

SEC. 104. As used in this Act—

(1) the term "Department" means the Department of Education or any component thereof;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "Under Secretary" means the Under Secretary of Education;

(4) the term "Assistant Secretary" means an Assistant Secretary of Education;

(5) the term "Director" means the Director of the Office for Civil Rights;

(6) the term "Administrator" means the Administrator of the Office of Education for Overseas Dependents;

(7) the term "Council" means the Intergovernmental Advisory Council on Education;

(8) the term "Committee" means the Federal Interagency Committee on Education; and

(9) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, and activity.

TITLE II—ESTABLISHMENT OF DEPARTMENT

DEPARTMENT OF EDUCATION

SEC. 201. There is established as an executive department of the Government, the Department of Education.

PRINCIPAL OFFICERS

SEC. 202. (a) The Department shall be administered by a Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall be compensated at the rate provided for level I of the Executive Schedule contained in section 5312 of title 5, United States Code.

(b)(1) There shall be in the Department an Under Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary. The Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule contained in section 5314, United States Code.

(2) The Secretary shall designate the order in which other officials of the Department shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Under Secretary or in the event of vacancies in both of those offices.

(c)(1) There shall be in the Department—

(A) an Assistant Secretary for Special Education and Rehabilitative Services;

(B) an Assistant Secretary for Elementary and Secondary Education;

(C) an Assistant Secretary for Postsecondary Education;

(D) an Assistant Secretary for Occupational, Adult, and Community Education;

(E) an Assistant Secretary for Educational Research and Improvement;

(F) a Director of the Office for Civil Rights;

(G) two additional Assistant Secretaries;

(H) a General Counsel; and

(I) an Inspector General.

(2) Each of the Assistant Secretaries, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall be appointed by the President, by and with the advice and consent of the Senate. Each Assistant Secretary, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall perform such duties and exercise such powers as the Secretary shall prescribe. Each Assistant Secretary, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall report directly to the Secretary and shall be compensated at the rate provided for level IV of the Executive Schedule contained in section 5315 of title 5, United States Code.

(d) One of the Assistant Secretaries appointed pursuant to subsection (c)(1)(G) shall administer the functions of the Department under section 203(7) and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe. One of the Assistant Secretaries appointed pursuant to subsection (c)(1)(G) shall administer the functions of the Department under section 203(11) and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(e) There shall be in the Department an Administrator of Education for Overseas Dependents. The Administrator shall perform such duties and exercise such powers as the Secretary may prescribe. The Administrator shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(f) There shall be in the Department one additional officer who shall perform such duties and exercise such powers as the Secretary may prescribe. Such officer shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(g) Whenever the President submits the name of an individual to the Senate for confirmation as an officer of the Department under subsections (c) and (d) the President shall state the particular functions of the Department such individual will exercise upon taking office.

FUNCTIONS OF THE DEPARTMENT

SEC. 203. The functions of the Department shall be to promote the cause and advancement of education throughout the United States and shall include—

(1) administration of programs pertaining to elementary and secondary education;

(2) administration of programs pertaining to postsecondary education;

(3) administration of programs pertaining to occupational, adult, and community education;

(4) administration of education grants and other programs for which the Department has responsibility under law;

(5) administration of programs relating to special education and rehabilitative services;

(6) enforcement of the civil rights laws relating to education;

(7) intergovernmental policies and relations, including responsibility for assuring that Federal education policies and procedures supplement and complement the efforts of State, local, and tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational institutions, public or private nonprofit educational research institutions, community-based organizations, and parents to improve their educational programs;

(8) administration of schools for the overseas dependents of personnel of the Department of Defense;

(9) research, dissemination of improved educational practices, and the coordinated collection and dissemination of statistics;

(10) public information;

(11) planning and evaluation of the programs of the Department, and development of policies to promote the efficient and coordinated administration of the Department and the programs of the Department and to encourage improvement in education;

(12) congressional relations, including responsibility for providing a continuing liaison between the Department and the Congress;

(13) administration and management of the Department, including responsibility for legal assistance, accounting, personnel, payroll, budgeting, and other administrative functions; and

(14) monitoring parental and public participation in programs where such participation is required by law, and encouraging the involvement of parents, students, and the public in the development and implementation of departmental programs.

OFFICE FOR CIVIL RIGHTS

SEC. 204. (a) There is established in the Department an Office of Civil Rights to be administered by the Director of the Office for Civil Rights appointed under section 202(c). The Secretary shall delegate to the Director of the Office for Civil Rights all functions of the Office for Civil Rights of the Department of Health, Education, and Welfare relating to education transferred under section 301 (b)(2)(C) (other than administrative and support functions). The Director shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) Each year, the Director shall prepare and transmit a report directly to the President, the Secretary, and the Congress concerning the status of compliance with the civil rights laws relating to education. The report shall include a statement concerning the plans and recommendations of the Director to insure improved enforcement of and continued compliance with the civil rights laws relating to education.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

SEC. 205. There is established in the Department an Office of Elementary and Secondary Education, to be administered by the Assistant Secretary for Elementary and Secondary Education appointed under section 202(c). The Assistant Secretary for Elementary and Secondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF POSTSECONDARY EDUCATION

SEC. 206. There is established in the Department an Office of Postsecondary Education, to be administered by the Assistant Secretary for Postsecondary Education appointed under section 202(c). The Assistant Secretary for Postsecondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF OCCUPATIONAL, ADULT, AND EDUCATION

SEC. 207. There is established in the Department an Office of Occupational, Adult, and Community Education, to be administered by the Assistant Secretary for Occupational, Adult, and Community Education appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Occupational, Adult, and Community Education the functions of the Bureau of Occupational and Adult Education transferred under section 301(b)(1)(A) (other than administrative and support functions). The Assistant Secretary for Occupational, Adult, and Community Education shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEC. 208. (a) There shall be in the Department an Office of Special Education and Rehabilitative Services, to be administered by the Assistant Secretary of Education for Special Education and Rehabilitative Services appointed under section 202 (c). The Secretary shall delegate to the Assistant Secretary for Special Education and Rehabilitative Services all functions transferred to the Secretary under sections 301(b)(2)(A)(x) (including the functions of the Bureau for the education and training of the handicapped), 301 (b) (2) (G), and 301 (b) (3), relating to the Education of the Handicapped Act, the Rehabilitation Act of 1973, and the Randolph-Sheppard Act (other than administrative and support functions). The Assistant Secretary for Special Education and Rehabilitative Services shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) Nothing in this section shall be construed to require any particular organizational programs at the State level.

OFFICE OF EDUCATION FOR OVERSEAS DEPENDENTS

SEC. 209. There is established in the Department an Office of Education for Overseas Dependents, to be administered by the Administrator appointed under section 202 (e). The Secretary shall delegate to the Administrator all functions transferred from the Department of Defense under section 302, relating to the Office of Dependents Schools of the Department of Defense (and after June 30, 1979, relating to the Office of Dependents' Education of the Department of Defense) and to the operation of overseas schools for dependent children of members of the Armed Forces (other than administrative and support functions). The Administrator shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 210. (a) There is established in the Department an Office of Educational Research and Improvement, to be administered by the Assistant Secretary for Educational Research and Improvement appointed under section 202 (c). The Secretary shall delegate to the

Assistant Secretary for Educational Research and Improvement—

(1) all functions transferred from the Secretary of Health, Education, and Welfare—

(A) under section 301 (b)(2)(A)(i), relating to the Fund for the Improvement of Postsecondary Education; and

(B) under section 301 (b)(2)(E), relating to Federal grants for telecommunications demonstrations and

(2) all programs transferred from the National Science Foundation or the Director of the National Science Foundation under section 303.

(b) The Assistant Secretary for Educational Research and Improvement shall perform such additional duties and exercise such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF GENERAL COUNSEL

SEC. 211. There is established in the Department an Office of General Counsel, to be administered by the General Counsel appointed under section 202(c). The General Counsel shall perform such duties and exercise such powers as the Secretary may prescribe, and shall provide legal assistance to the Secretary concerning the programs and policies of the Department.

OFFICE OF INSPECTOR GENERAL

SEC. 212. (a) There is established in the Department an Inspector General, to be appointed in accordance with the provisions of the Inspector General Act of 1978.

(b) The Inspector General Act of 1978 is amended—

(1) by inserting in section 2(1) "the Department of Education," immediately after "Commerce,";

(2) in section 9(a)(1)—

(A) by redesignating subparagraphs (C) through (L) as (D) through (M), respectively; and

(B) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) of the Department of Education, all functions of the Inspector General of Health, Education, and Welfare or of the Office of Inspector General of Health, Education, and Welfare relating to functions transferred by section 301 of the Department of Education Organization Act;";

(3) by inserting in section 11(1) "Education," immediately after "Commerce,"; and

(4) by inserting in section 11(2) "Education," immediately after "Commerce,".

(c) The title of the Inspector General Act of 1978 is amended to read as follows: "An Act to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Education, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes.".

INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION

SEC. 213. (a) There is established within the Department an advisory committee to be known as the Intergovernmental Advisory Council on Education. The Council shall provide assistance and make recommendations to the Secretary and the President concerning intergovernmental policies and relations relating to education.

(b)(1) In carrying out its functions under subsection (a), the Council shall—

(A) provide a forum for the development of intergovernmental policies and relations relating to education;

(B) make recommendations for the improvement of the administration and operation of Federal education programs and education-related programs;

(C) promote better intergovernmental relations;

(D) assess Federal policies and make recommendations to insure effective direction over educational policymaking and program implementation by State, local, and tribal governments and public and nonpublic educational institutions;

(E) submit a report biannually to the Congress, to the President, and the Secretary which—

(i) reviews the impact of Federal education policies upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(ii) assesses the achievement of Federal objectives in education as well as any adverse consequences of Federal actions upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(F) assist the Secretary in conducting conferences and similar activities to assess the contribution of each level of government to the delivery of equitable, high quality, and effective education.

(2) In carrying out its functions under subsection (a), the Council may review existing and proposed rules or regulations of the Department concerning Federal education programs in order to determine the impact or potential impact of such rules or regulations on State, local, and tribal governments and public and nonpublic educational institutions.

(c)(1) The Council shall be composed of twenty-two members. The President shall appoint—

(A) eight members from among State governors, legislators, boards of education, and chief education officials (both elementary and secondary and postsecondary);

(B) eight members from among local or regional elected general government officials, local boards of education, public and nonpublic school administrators, and tribal governments;

(C) two members from among governing boards of public and nonpublic postsecondary institutions; and

(D) four members from among the public, including parents, teachers, students, and public interest groups.

(2) In making appointments under this subsection, the President shall consult with various organizations representative of the groups specified in subparagraphs (A) through (D) of paragraph (1), including the National Governors' Association, the National Conference of State Legislatures, the National Association of Counties, the National League of Cities, and the United States Conference of Mayors.

(3) Not more than eleven of the members of the Council may be members of the same political party.

(d)(1) Members of the Council shall be appointed for a term of four years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, five at the end of one year, five at the end of two years, six at the end of three years, and six at the end of four years.

(2) Any member of the Council who is appointed pursuant to subsection (c)(1) may serve on the Council beyond the period that such member holds the elective office which served as the basis of the appointment of such member.

(e) The President shall designate one of the members of the Council as the Chair of the Council.

(f) Twelve members of the Council shall constitute a quorum, but a lesser number may hold hearings. Any vacancy in the Council shall not affect its power to function.

(g)(1) In carrying out the provisions of subsection (b)(2), the Council may provide parties to be affected by existing or proposed rules or regulations an opportunity to comment on such rules or regulations, and shall consider any comments received in reviewing such rules or regulations.

(2) The Council may submit to the Secretary a report containing the results of its review of any existing or proposed rules or regulations. Within thirty days of the receipt of such report, the Secretary shall submit to the Council a written response which addresses the recommendations made by the Council concerning any rules or regulations reviewed. If a report by the Council concerns proposed rules or regulations, it shall be submitted to the Secretary within the time established for public comment on the proposed rules or regulations, and shall be placed, with the written response of the Secretary to the report, on the record of the proceeding concerning the proposed rules or regulations.

(h) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, including travel time, for each day such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(i) In order to carry out the provisions of this section, the Council is authorized to—

(1) hold such hearings and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may deem advisable; and

(2) request the cooperation and assistance of Federal departments, agencies, and instrumentalities in carrying out the provisions of this section, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.

(j) The Secretary shall appoint an executive director for the Council. The executive director shall be compensated at the rate provided for GS-17 of the General Schedule under section 5332, title 5, United States Code. The Secretary shall provide the Council with such other staff, support, facilities, and assistance as may be necessary to enable the Council to carry out its duties under this section.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 214. (a) There is established a Federal Interagency Committee on Education. The Committee shall assist the Secretary in providing a mechanism to assure that the procedures and actions of the Department and other Federal departments and agencies are fully coordinated.

(b) The Committee shall cooperate with the Secretary in the conduct of studies and shall make recommendations in order to assure the effective coordination of Federal programs affecting education, including—

(1) the consistent administration of policies and practices by Federal agencies in the conduct of similar programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities;

(3) adequate procedures to assure the availability of information requested by the Secretary;

(4) the improvement, development, and oversight of a comprehensive Federal policy for education; and

(5) the improvement of the administration and coordination of federally funded vocational education and training programs for the purpose of aiding students and adults in preparing for and achieving success in their work life.

(c)(1) The Committee shall be composed of at least seventeen members. One member shall be the Secretary, who shall be the Chair of the committee.

(2)(A) Sixteen members of the Committee shall be representatives of the departments and agencies listed in subparagraph (B), to be appointed by the head of each department and agency from among the senior policy making officials of that department or agency.

(B) The departments and agencies to be represented on the Committee pursuant to subparagraph (A) are:

(i) Department of Agriculture;
(ii) Department of Commerce;
(iii) Department of Defense;
(iv) Department of Energy;
(v) Department of Justice;
(vi) Department of Health and Human Services;
(vii) Department of the Interior;
(viii) Department of Labor;
(ix) Department of State;
(x) National Aeronautics and Space Administration;
(xi) National Endowment for the Arts;
(xii) National Endowment for the Humanities;
(xiii) National Science Foundation;
(xiv) Veterans' Administration;
(xv) Commission on Civil Rights; and
(xvi) Environmental Protection Agency.

(3) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Domestic Policy Staff may each designate a member of the staff of such agencies to attend meetings of the Committee as observers.

(4) The Secretary may invite the heads of Federal agencies other than the agencies represented on the Committee under the provisions of paragraph (2) to designate representatives to serve as members of the Committee or to participate in meetings of the Committee concerning matters of substantial interest to such agencies.

(d) In carrying out its functions under subsection (b)(5), the Committee shall conduct a study concerning the need for improved coordination between all federally funded vocational education and training programs. The Committee shall report the findings of such study to the Secretary and the Congress within two years of the date of enactment of this Act.

(e) The Committee shall meet at least twice each year.

(f) The Secretary and the head of each Federal agency represented on the Committee under subsection (c)(2) shall furnish such assistance, support, facilities and staff to the Committee as may be necessary to enable the Committee to carry out its functions under this section.

TITLE III—TRANSFERS OF AGENCIES AND FUNCTIONS

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 301. (a) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the following agencies, offices or parts of agencies or offices, are transferred to the Department and vested in the Secretary:

(1) the Education Division of the Department of Health, Education, and Welfare, including the National Institute of Education;

(2) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics;

(3) the Institute of Museum Services of the Department of Health, Education, and Welfare;

(4) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education;

(5) the Office of Information and Resources for Handicapped Individuals of the Department of Health, Education, and Welfare;

(6) the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, except that portion of such Administration responsible for the administration of the Developmental Disabilities Assistance and Bill of Rights Act;

(7) the National Institute of Handicapped Research of the Department of Health, Education, and Welfare;

(8) the Interagency Committee on Handicapped Research;

(9) the Helen Keller National Center for Deaf-Blind Youth and Adults; and

(10) the National Council on the Handicapped.

(b)(1) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare, the Assistant Secretary for Education, or the Commissioner of Education of the Department of Health, Education, and Welfare, as the case may be, with respect to—

(A) the Education Division of the Department of Health, Education, and Welfare;

(B) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics; and

(C) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education.

(2) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare—

(A) principally involving education including functions—

(i) under the General Education Provisions Act, including the provisions of section 404 of such Act relating to the Fund for the Improvement of Postsecondary Education;

(ii) under the Emergency School Aid Act (and after September 30, 1979, under title VI of the Elementary and Secondary Education Act of 1965);

(iii) under the Higher Education Act of 1965;

(iv) under the Emergency Insured Student Loan Act of 1969;

(v) under the Act of August 30, 1890 (26 Stat. 417);

(vi) under title II of the Elementary and Secondary Education Act of 1965;

(vii) under the Alcohol and Drug Abuse Education Act, except functions under section 5 of such Act;

(viii) under the International Education Act of 1966;

(ix) under the National Defense Education Act of 1958;

(x) under the Education of the Handicapped Act;

(xi) under the National Commission on Libraries and Information Science Act;

(xii) under the Vocational Education Act of 1963; and

(xiii) under the Career Education Incentive Act;

(B) with respect to the administration of part B of title V of the Economic Opportunity Act of 1964;

(C) with respect to or being administered by the Secretary of Health, Education, and Welfare through the Office for Civil Rights for the enforcement of the provisions of the civil rights laws and educational orders relating to the functions transferred by other subsections of this section and the other sections of this title;

(D) with respect to all laws dealing with the relationship between (i) Gallaudet College (including the Model Secondary School for the Deaf), Howard University, the American Printing House for the Blind, and the National Technical Institute for the Deaf, and (ii) the Department of Health, Education, and Welfare;

(E) under subpart A of part IV of title III of the Communications Act of 1934, relating to Federal grants for telecommunications demonstrations;

(F) under subparts II and III of part B of title VIII of the Public Health Service Act, relating to the establishment of student loan funds and scholarship grant programs for schools of nursing and under subparts I and II of part C of title VII of such Act, relating to the establishment of student loan insurance and student loan funds for schools of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, or veterinary medicine; and

(G)(i) under the Rehabilitation Act of 1973, except that the provisions of this subdivision shall not be construed to transfer to the Secretary the functions of the Secretary of Health, Education, and Welfare under sections 222 and 1615 of the Social Security Act, relating to rehabilitation services for disabled individuals and rehabilitation services for blind and disabled individuals respectively; and

(ii) with respect to or being administered by the Secretary of Health, Education, and Welfare through the Commissioner of Rehabilitation Services under the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936 (commonly referred to as the Randolph-Sheppard Act) (20 U.S.C. 107–107f.)

(3) There are transferred to the Secretary all functions of the Commissioner of Rehabilitation of the Department of Health, Education, and Welfare, and the Director of the National Institute of Handicapped Research of the Department of Health, Education, and Welfare under the Rehabilitation Act of 1973.

(4) There are transferred to the Secretary all functions of the National Institute of Education of the Department of Health, Education, and Welfare.

(5) There are transferred to the Secretary all functions of the Director of the Institute of Museum Services of the Department of Health, Education, and Welfare.

(6) Nothing in the provisions of this section or in the provisions of this Act shall authorize the transfer of functions under part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, from the Secretary of Health, Education, and Welfare to the Secretary.

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF DEFENSE

SEC. 302. (a)(1) There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Office of Dependents Schools of the Department of Defense (and, after June 30, 1979, of the Office of Dependents Education of the Department of Defense).

(2) There are transferred to the Secretary all functions of the Secretary of Defense relating to the operation of overseas schools for dependents of personnel of the Department of Defense (and, after June 30, 1979, all functions of the Secretary of Defense and the Director of Dependents' Education under the Defense Dependents' Education Act of 1978).

(b) In addition to any other authority available to the Secretary under this or any other Act, the authority of the Secretary of Defense and the Secretaries of the military departments under the Defense Department Overseas Teachers Pay and Personnel Practices Act shall be available to the Secretary with respect to the program transferred under subsection (a).

(c) Notwithstanding the provisions of section 601, the transfer of functions under subsection (a) shall be effective at such time or times and in such manner as the President shall prescribe, but in no case later than three years after the effective date of this Act. Not later than one year after the effective date of this Act, the Secretary shall transmit to the Congress a plan for effecting the transfers of functions under subsection (a). Such plan shall contain recommendations for increasing the participation of parents, teachers, students, school administrators, and members of the Armed Forces in the administration and operation of the schools transferred under this section.

TRANSFERS OF FUNCTIONS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 303. (a) There are transferred to the Secretary all programs relating to science education of the National Science Foundation or the Director of the National Science Foundation under section 3(a)(1) of the National Science Foundation Act of 1950 established on the day before the effective date of this Act, except the functions and programs, as determined by the Director of the Office of Management and Budget, which relate to (1) fellowships and traineeships integral to the support of scientific research and development, (2) ethical, value, and science policy issues, or (3) communicating science information to nonscientists.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs, the Secretary shall consult, as appropriate, with the Director of the National Science Foundation.

(c) Nothing in this section is intended to repeal or limit the authority of the National Science Foundation or the Director of the National Science Foundation to initiate and conduct programs not established prior to the effective date of this Act under section 3(a)(1) of the National Science Foundation Act of 1950.

TRANSFERS OF PROGRAMS FROM THE DEPARTMENT OF JUSTICE

SEC. 304. There are transferred to the Secretary all functions of the Attorney General and the Law Enforcement Assistance Administration relating to the student loan and grant programs known as the Law Enforcement and Education Program and the Law Enforcement Intern Program authorized under section 406 (b), (c), and (f) of the Omnibus Crime Control and Safe Streets Act of 1968.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 305. There are transferred to the Secretary all functions of the Secretary of Housing and Urban Development under title IV of the Housing Act of 1950 relating to college housing loans.

TRANSFER OF THE ADVISORY COUNCIL ON EDUCATION STATISTICS

SEC. 306. There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Advisory Council on Education Statistics.

EFFECT OF TRANSFERS

SEC. 307. The transfer of a function or program from an officer or agency to the Secretary shall include the transfer of any aspect of such function or program vested in a subordinate of such officer or in a component of such agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and compensated in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

(b)(1) Subject to the provisions of chapter 51 of title 5, United States Code, but notwithstanding the last two sentences of section 5108(a) of such title, the Secretary may place in grades GS–16, GS–17, and GS–18 all positions in such grades assigned and employed on February 1, 1979, in connection with functions transferred under this Act, subject to the limitation of the first sentence of section 5108(a) of such title.

(2) Appointments under this subsection may be made without regard to the provisions of section 3324 of title 5, United States Code, relating to the approval by the Office of Personnel Management of appointments in grades GS–16, GS–17, and GS–18, if the individual placed in such position is transferred to the Department in connection with a transfer of functions under this Act and, immediately before the effective date of this Act, held a position involving duties comparable to those of such position.

(3) The authority of the Secretary under this subsection to appoint personnel without regard to sections 3324 and 5108 (a) of title 5, United States Code, shall cease with respect to any position when the person first appointed to fill such position no longer holds such position.

(c)(1) In addition to the number of positions which may be placed at the GS–16, GS–17, and GS–18 levels under section 5108 of title 5, United States Code, under existing law, or under this Act, the Secretary may appoint—

(A) for the Office of Educational Research and Improvement, professional and technical employees, in a number not to exceed one-third of the total number of employees of such office; and

(B) not more than 15 transitional employees;

without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may fix the compensation of such personnel without regard to the provisions of chapter 51 and subchapter 53 of such title, except the Secretary may not compensate any such personnel in excess of the maximum rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(2) The authority of the Secretary to appoint and compensate personnel under paragraph (1)(B) shall expire three years after the effective date of this Act.

(d)(1) There are authorized for the Department seventy-one additional positions in the competitive service at levels GS–16, G–17, and GS–18. Such positions shall be for the exclusive use of the Department and shall be in addition to the number of such positions placed in the appropriate grades under section 5108 of title 5, United States Code, or under other provisions of law.

(2) The Secretary is authorized to assign twenty-one of the positions authorized under this subsection to replace, at their former General Schedule levels, the twenty-one positions previously established by law in the Education Division of the Department of Health, Education, and Welfare, except that the Secretary may from time to time evaluate the propriety of the General Schedule level of each such position and make any necessary reductions in such grade level.

(3) For purposes of determining the maximum aggregate number of positions which may be placed at grade levels GS–16, GS–17, or GS–18 under section 5108(a) of title 5, United States Code, of the positions established under this subsection, other than those used to replace positions previously established by law in the Education Division, 63 percent shall be deemed GS–16 positions, 25 percent shall be deemed GS–17 positions, and 12 percent shall be deemed GS–18 positions.

(e) Nothing in this Act shall be construed to prevent the application of any Indian preference law in effect on the day before the date of enactment of this Act to any function transferred by this Act and subject to any such law on the day before the date of enactment of this Act. Any function transferred by this Act and subject to any such law shall continue to be subject to any such law

(f)(1)(A) The Secretary is authorized to accept voluntary and uncompensated services without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)) provided that such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Secretary is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Secretary is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for such volunteers.

(3) An individual who provides voluntary services under paragraph (1)(A) of this subsection shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and of chapter 171 of title 28, United States Code, relating to tort claims.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and may compensate such experts and consultants at rates not to exceed the daily rate prescribed for GS–18 of the General Schedule under section 5332 of such title.

ANNUAL AUTHORIZATION OF PERSONNEL

SEC. 403. (a) Notwithstanding any other provision of this Act—

(1) Congress shall authorize the end strength as of the end of each fiscal year for personnel for the Department. Except as provided in subsection (b)(1) for the fiscal year beginning October 1, 1979, and ending September 30, 1980, Congress shall authorize the end strength for any fiscal year by prescribing the maximum number of personnel that may be employed by the Department on the last day of such fiscal year. No funds may be appropriated for any fiscal year to or for the use of personnel of the Department unless the end strength for personnel of the Department for that fiscal year has been authorized by law.

(2) The end strength for personnel authorized by law for the Department for any fiscal year shall be apportioned among the offices and agencies of the Department in such numbers as the Secretary shall prescribe. Except as provided in subsection (b)(2), the Secretary shall, within one hundred and twenty days after the enactment of legislation authorizing the end strength for personnel of the Department for any fiscal year, prepare and transmit to the Congress a report showing the allocation of such personnel among the offices and agencies of the Department. Such report shall include explanations and justifications for the allocations of personnel made by the Secretary among the offices and agencies of the Department.

(3) In computing the authorized end strength for personnel of the Department for any fiscal year, there shall be included all direct-hire and indirect-hire personnel employed to perform functions of the Department whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth, including temporary summer employment.

(4) Whenever any function, power, duty, or activity is transferred or assigned in any fiscal year after the effective date of this Act to the Department from a department or agency outside of the Department, the end strength for personnel authorized for the Department for such fiscal year shall be adjusted to reflect any increases or decreases in personnel required as a result of such transfer or assignment.

(b)(1) For the fiscal year beginning October 1, 1979, and ending September 30, 1980, the Department is authorized an end strength for personnel equal to the sum of (A) the number of personnel to be employed by the Department under the authorizations provided by other sections of this Act, and (B) the number of personnel transferred, under authority of this Act, to the Department from other departments and agencies of the Government during such fiscal year, as determined by the Director of the Office of Management and Budget. If the Secretary determines such action is necessary for the effective administration of the Department, the Secretary may employ additional personnel during such fiscal year in excess of the number authorized under the preceding sentence, but the number of such additional personnel may not exceed 1 per centum of the number authorized under the preceding sentence.

(2) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, the Secretary shall prepare and transmit the report required by subsection (a)(2) within one hundred and twenty days after the effective date of this Act.

PART B—GENERAL PROVISIONS

AUTHORITY OF THE SECRETARY

SEC. 411. In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as the functions of the agency or office, or any part thereof, exercising such functions immediately preceding their transfer, and the actions of the Secretary in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

DELEGATION

SEC. 412. Except as otherwise provided in this Act, the Secretary may delegate any function to such officers and employees of the Department as the secretary may designate, and may authorize such successive redelegations of such functions within the Department as may be necessary or appropriate. No delegation of functions by the Secretary under this section or under any other provision of this Act shall not relieve the Secretary of responsibility for the administration of such functions.

REORGANIZATION

SEC. 413. (a) Subject to the provisions of section 202(g) of this Act and subsections (b) and (c) of this section, the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate. The authority of the Secretary under this subsection does not extend to—

(1) any office, bureau, unit, or other entity within the Department established by statute or any function vested by statute in such an entity or officer of such an entity;

(2) the abolition of organizational entities established by this Act; or

(3) the alteration of the delegation of functions under this Act to any specific organizational entity.

(b)(1) Except as provided in paragraph (2) of this subsection, the Secretary may not consolidate, alter, or discontinue any of the following statutory entities, or reallocate any functions vested by statute in the following statutory entities:

(A) Office of Bilingual Education;
(B) Teacher Corps;
(C) Community College Unit;
(D) National Center for Education Statistics;
(E) National Institute of Education;
(F) Office of Environmental Education;
(G) Office of Consumers' Education;
(H) Office of Libraries and Learning Resources;
(I) Office of Indian Education;
(J) Office of Non-Public Education;
(K) Institute of Museum Services; and
(L) Administrative units for guidance and counseling programs, the veterans' cost of instruction program, and the program for the gifted and talented children.

(2) The Secretary may not alter, consolidate, or discontinue any organizational entity continued within the Department and described in paragraph (1) of this subsection or reallocate any function vested by statute in such an entity, unless a period of ninety days has passed after the receipt by the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of notice given by the Secretary containing a full and complete statement of the action proposed to be taken pursuant to this subsection and the facts and circumstances relied upon in support of such proposed action.

(c) On the effective date of this Act, the following entities shall lapse:

(1) the Education Division of the Department of Health, Education, and Welfare, including the Office of Education;

(2) the Office of the Assistant Secretary for Education of the Department of Health, Education, and Welfare;

(3) the Bureau for the Education and Training for the Handicapped of the Department of Health, Education, and Welfare;

(4) the Bureau of Occupational and Adult Education of the Department of Health, Education, and Welfare; and

(5) the Office of Dependents' Education of the Department of Defense.

REPORTING RELATIONSHIPS

SEC. 414. (a) Consistent with the provisions of section 413, and notwithstanding the provisions of the General Education Provisions Act or of any other Act, any officer or employee of the Department whose functions were transferred by this Act and who was required prior to the effective date of this Act to report to the Commissioner of Education or the Assistant Secretary for Education of the Department of Health Education, and Welfare shall report to the Secretary.

(b) The Secretary is authorized to delegate the reporting requirements established by subsection (a) to any other officer or employee of the Department.

RULES

SEC. 415. The Secretary is authorized to prescribe, in accordance with the provisions of chapter 5 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out the functions of the Secretary or the Department.

CONTRACTS

SEC. 416. (a) The Secretary is authorized to enter into and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with the Federal departments and agencies, public agencies, State, local, and tribal governments, private organizations, and individuals, and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out his functions in administering the Department.

(b) Notwithstanding any other provision of this title, no authority to enter into contracts or to make payments under this title shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under section 423.

TECHNICAL ADVICE

SEC. 417. The Secretary is authorized to provide advice, counsel, and technical assistance to applicants, potential applicants, and other interested persons with respect to any program or function of the Secretary or the Department. The Secretary shall, upon request, provide technical assistance to any State desiring to develop comprehensive plans applicable to two or more programs administered by the Department.

REGIONAL AND FIELD OFFICES

SEC. 418. The Secretary is authorized to establish, maintain, alter, or discontinue such regional or other field offices as may be necessary or appropriate to perform the functions of the Secretary or the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 419. (a) The Secretary is authorized to—

(1) acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities, laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property (including patents), or any interest therein, as may be necessary; and

(2) provide by contract or otherwise for the establishment of eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations, and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned for similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 420. (a) The Secretary is authorized to provide, construct, or maintain for employees and their dependents stationed at remote locations as necessary and when not otherwise available at such remote locations—

(1) emergency medical services and supplies;
(2) food and other subsistence supplies;
(3) dining facilities;
(4) audiovisual equipment, accessories, and supplies for recreation and training;
(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;
(6) living and working quarters and facilities; and
(7) transportation for dependents of employees of the Department to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2) and (3) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of the cost of such work or services or to refund excess sums when necessary.

USE OF FACILITIES

SEC. 421. (a) (1) To carry out the functions of the Secretary, the Secretary may use the research, equipment, services, and facilities of any agency or instrumentality of the United States or of any State, or of any political subdivision thereof, or of any Indian tribe or tribal organization, or of any foreign government, with the consent of and with or without reimbursement to such agency, instrumentality, State, political subdivision, Indian tribe or tribal organization, or foreign government.

(2) Notwithstanding the transfer of functions from the Secretary of Defense to the Secretary under section 304, all personnel performing such functions shall be treated, for the purpose of access to services and facilities provided by the Department of Defense, as employees of the Department of Defense.

(b) The Secretary is authorized to permit public and private agencies, corporations, associations, Indian tribes or tribal organizations, other organizations, or individuals to use any real property, or any facilities, structures, or other improvement thereon, under the custody and control of the Secretary for Department purposes. The Secretary shall permit the use of such property, facilities, structures, or improvements under such terms and rates and for such period as may be in the public interest, except that the periods of such uses may not exceed five years. The Secretary may require permittees under this section to recondition and maintain, at their own expense, the real property, facilities, structures, and improvements used by such permittees to a standard satisfactory to the Secretary. This subsection shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472 (a)).

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of such cost of the equipment or facilities provided or to refund excess sums when necessary.

COPYRIGHTS AND PATENTS

SEC. 422. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to, the Department:

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;
(2) licenses under copyrights, patents, and applications for patents; and
(3) releases, before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 423. The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury in a separate fund and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift, bequest, or devise donating such property. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift, bequest, or devise to the United States.

WORKING CAPITAL FUND

SEC. 424. The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of components of the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payments for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines will be performed through the fund.

FUNDS TRANSFER

SEC. 425. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year shall be either increased or decreased pursuant to this section by more than 5 per centum and no such transfer shall result in increasing any such appropriation above the amount authorized to be appropriated therefor.

SEAL OF THE DEPARTMENT

SEC. 426. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 427. (a) The Secretary shall, as soon as practicable after the end of each fiscal year, prepare and transmit a report to the President for transmission to the Congress concerning the activities of the Department during that fiscal year. Such report shall—

(1) include a statement of the goals, priorities, and plans for the Department which are consistent with the purposes of the Department as specified in section 102 and the findings of this Act as specified in section 101;

(2) contain an assessment of the progress made during that fiscal year and anticipated future progress toward the attainment of—

(A) the goals, priorities, and plans for the Department specified pursuant to paragraph (1);

(B) the effective and efficient management of the Department; and

(C) the coordination of the functions of the Department;

(3) contain and analyze objective data concerning—

(A) changing trends in education, as measured by indicators such as enrollments, expenditures, and numbers of teachers and other categories of professional and related personnel; and

(B) areas of critical concern such as education of the disadvantaged and education in rural and urban areas.

(4) include budget projections for the five fiscal years succeeding the fiscal year for which the report is made which are based on actual or anticipated appropriations for the fiscal year for which the report is made; and

(5) contain a separate section on the recommendations made by the Federal Interagency Committee on Education regarding the improvement of the coordination and development of Federal education programs.

(b)(1) In preparing and developing the report required by subsection (a), the Secretary shall, to the maximum extent practicable, consult with members of the public, including representatives of parents, students, educators, Indian tribes, State and local governments, and other organizations and individuals. Within ninety days after the transmission of such report to the Congress, the Secretary shall hold public hearings in the District of Columbia and in such other locations as the Secretary deems appropriate to maximize public participation.

(2) The Secretary may reimburse any person for expenses reasonably incurred in the course of consultation or hearings under paragraph (1) if such person—

(A) has made or is likely to make a material contribution to the work of the Department; and

(B) could not otherwise participate fully and effectively in such consultation.

(3) For purposes of this section, the term "person" shall have the same meaning as in section 551(2) of title 5, United States Code.

STUDY OF THE ADMINISTRATION OF FEDERAL INDIAN EDUCATION PROGRAMS

SEC. 428. (a) The Secretary of Health and Human Services, the Secretary of the Interior, and the Director of the Office of Management and Budget shall jointly conduct a comprehensive study on the administration of Indian education programs by the Federal Government. In conducting the study, the Secretaries and the Director of the Office of Management and Budget shall consult with Indians, Alaskan Natives, Aleuts, affected Indian tribes, and Indian organizations.

(b) The study required by this section shall contain—

(1) an analysis of the problems in the Federal administration of Indian education programs;

(2) recommendations for administrative and programmatic improvements in such programs; and

(3) recommendations concerning the proper organizational structure for Indian education programs within the Federal Government, including an analysis concerning

the consolidation of Indian education programs and the transfer of such programs to the Department of Education.

(c) The study required by this section shall be transmitted to the Congress and the President not later than six months after the date of enactment of this Act.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 429. Except where inconsistent with the provisions of this Act, the General Education Provisions Act shall apply to functions transferred by this Act to the extent applicable immediately prior to the effective date of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 430. Subject to any limitation on appropriations applicable with respect to any function transferred to the Secretary, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and to enable the Secretary to administer and manage the Department. Funds appropriated in accordance with this section shall remain available until expended.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 501. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, are transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions expressly specified by statute or reorganization plan to carry out functions transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level I, II, III, IV, or V of the Executive Schedule contained in sections 5312 through 5316 of title 5, United States Code, on the effective date of this Act, shall be subject to the provisions of section 503.

EFFECT ON PERSONNEL

SEC. 502. (a) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer or after the effective date of this Act, whichever is later.

(b) Any person who, on the date before the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position for the duration of the service of such person in such new position.

AGENCY TERMINATIONS

SEC. 503. Except as otherwise provided in this Act, whenever all of the functions of any agency, commission, or other body, or any component thereof, have been terminated or transferred by this Act from that agency, commission, or other body, or component thereof, such agency, commission, or other body, or component, shall terminate. If an agency, commission, or other body, or any component thereof, terminates pursuant to the provisions of the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office or position at level II, III, IV, or V of the Executive Schedule contained in sections 5313 through 5316 of title 5, United States Code, shall terminate.

INCIDENTAL TRANSFERS

SEC. 504. The Director of the Office of Management and Budget, at such time or times as such Director shall provide, is authorized and directed to make such determinations as may be necessary with regard to the transfer of functions which relate to or are utilized by an officer, agency, commission or other body, or component thereof, affected by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the functions transferred by this Act, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all agencies, commissions, offices, and other bodies terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the Department or the Secretary, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before any department, agency, commission, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceedings under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the Department.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer or any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) Orders and actions of the Secretary in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

SEPARABILITY

SEC. 506. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

REFERENCE

SEC. 507. With respect to any functions transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or to any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary or Department.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 508. (a) Section 19(d)(1) of title 3, United States Code, is amended by inserting immediately before the period a comma and the following: "Secretary of Education".

(b) Section 101 of title 5, United States Code, is amended by adding at the end thereof the following: "The Department of Education.".

(c) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(15) Secretary of Education.".

(d) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(70) Under Secretary of Education.".

(e) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(128) Assistant Secretaries of Education (7).

"(129) Director of the Office for Civil Rights of the Department of Education.

"(130) General Counsel of the Department of Education.

"(131) Inspector General of the Department of Education.".

(f) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(152) Administrator of Education for Overseas Dependents of the Department of Education.

"(153) Additional Officer, Department of Education.".

(g) Section 5 of the Alcohol and Drug Abuse Education Act is amended—

(1) by inserting "of Health and Welfare, the Secretary of Education," after "Secretary"; and

(2) by striking out "the Department of Health, Education, and Welfare" and inserting in lieu thereof "the Department of Health and Human Services, the Department of Education,".

(h)(1) Section 203 of the Rehabilitation Act of 1973 is amended by striking out "Commissioner, the Commissioner" and inserting "Secretary".

(2) Section 507 of such Act is amended by striking out "Health, Education, and Welfare," and inserting "Education, the Secretary of Health and Human Services,".

AMENDMENT TO THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

SEC. 509. Section 306 of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"CONSULTATION WITH THE SECRETARIES OF EDUCATION AND OF HEALTH AND HUMAN SERVICES

"SEC. 306. The Secretary of Labor shall consult with the Secretary of Health and Human Services with respect to arrangements for services of a health or human services character under this Act. The Secretary of Labor shall consult with the Secretary of Education with respect to arrangements for services of an educational nature under this Act, and the Secretary of Education shall solicit the advice and comments of State educational agencies with respect to education services. Such education services include but are not limited to basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions. When the Secretary of Labor arranges for the provision of basic education and vocational training directly, pursuant to the provisions of this title, the Secretary of Labor shall obtain the approval of the Secretary of Education for such arrangements.".

AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 510. Section 103(c)(2)(B) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The Secretary of Health and Human Services shall transmit the information required by this subparagraph to the Secretary of Education not later than February 1 of each year.".

REDESIGNATION

SEC. 511. (a) The Department of Health, Education, and Welfare is redesignated the Department of Health and Human Services, and the Secretary of Health, Education, and Welfare is redesignated the Secretary of Health and Human Services, upon the date of enactment of this Act.

(b) Any reference to the Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Human Services, the Secretary of Health and Human Services, or the appropriate official of the Department of Health and Human Services, respectively, except to the extent such reference is to a function transferred to the Secretary under this Act.

TRANSITION

SEC. 512. With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies of the executive branch for such period of time as may reasonably be needed to facilitate the orderly transfer of functions under this Act.

TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

EFFECTIVE DATE

SEC. 601. (a) The provisions of this Act shall take effect one hundred eighty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act—

(1) any of the officers provided for in title II of this Act may be nominated and appointed as provided in such title, and

(2) the Secretary may promulgate regulations pursuant to section 505 (b) (2) of this Act.

(b) Funds available to any department or agency (or any official or component thereof), the functions of which are transferred to the Secretary by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

SEC. 602. (a) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act and notwithstanding any other provisions of law, the President may designate an officer in the executive branch to act in such office for one hundred twenty days or until the office is filled as provided in this Act, whichever occurs first.

(b) Any officer acting in an office in the Department pursuant to the provisions of subsection (a) shall receive compensation at the rate prescribed for such office under this Act.

ORGANIZATIONS SUPPORTING DEPARTMENT OF EDUCATION

Alliance of Associations for the Advancement of Education.
American Alliance for Health, Physical Education, and Recreation.
American Association of Colleges of Teacher Education.
American Association of Community and Junior Colleges.
American Association of School Administrators.
American Association of University Professors.
American Association of Workers for the Blind.
American Choral Directors Association.
American Coalition of Citizens with Disabilities.
American Dance Guild.
American Dietetic Association.
American Educational Research Association.
American Federation of Government Employees (AFL–CIO).
American Federation of State, County, and Municipal Employees (AFL–CIO).
American Library Association.
American Personnel and Guidance Association.
American School Food Service Association.
American Society for Public Administration.
American Theatre Association.
American Vocational Association.
Americans for Democratic Action.
Americans for Indian Opportunity.
Association of Childhood International.
Association for Supervision and Curriculum Development.
Children's Foundation.
Citizens Committee for a Cabinet Department of Education.
Coalition of American Public Employees.
Coalition of Independent College and University Students.
College Art Association of America.
College Band Directors National Association.
College Music Society.
Committee on Research in Dance.
Council for the Advancement and Support of Education.
Council for Educational Development and Research.
Council for Exceptional Children.
Council of Chief State School Officers.
Council of State Administrators of Vocational Rehabilitation (Executive Committee).
Education Commission of the States.
El Congresso.
Home Economics Education Association.
International Council of Fine Arts Deans.
International Reading Association.
Music Educators National Conference.
Music Teachers National Association.
National Art Education Association.
National Academy of Education.
National Association for the Deaf.
National Association of Administrators of State and Federal Education Programs.
National Association of College Wind and Percussion Instructors.
National Association of Elementary School Principals.
National Association of Mexican-American Women.
National Association of Secondary School Principals.
National Association of Schools of Art.
National Association of Schools of Music.
National Association of State Boards of Education.
National Association of State Directors of Migrant Education.
National Association of State Directors of Special Education.
National Audio-Visual Association.
National Committee for Citizens in Education.
National Congress of Parents and Teachers.
National Council of La Raza.
National Council of State Agencies for the Blind.
National Council of Teachers of Math.
National Dance Association.
National Education Association.
National Federation of the Blind.
National Governors Association.
National Guild of Community Schools of the Arts.
National Rehabilitation Association.
National School Boards Association.
National School Public Relations Association.
National Student Education Fund.
National University Extension Association.
National Urban League.
Overseas Education Association.
People United To Save Humanity (Operation PUSH).
Speech Communication Association.
State Higher Education Executive Officers Association.
Student National Education Association.
U.S. Student Association.
Young Audiences, Inc.

SALT LAKE CITY, UTAH,
January 5, 1979.

HON. ABE RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: In response to your letter, I am pleased to express my continued support for legislation that you have been sponsoring to establish a separate U.S. Department of Education. I want to respond specifically to the allegations that have been made in previous testimony that the creation of a separate Department of Education will lead to more Federal control and dominance. Then, I would also like to respond to the argument that a Department of Education will merely add to an increased bureaucracy without improving management effectiveness and coordination in education.

In my view, a separate Department of Education will be more responsive to the needs of schools and colleges in the United States. It is difficult for the education community to have access to the Secretary of HEW. The Department is so large and the problems are so complex that the Secretary simply does not have time to meet with education leaders, hear their problems, and be responsive to them. Moreover, a separate Department of Education would be able to devote more time on the Cabinet level to top White House staff members, to the Office of Management and Budget, and to the President. This simply is not the case now because of the enormous size and complexity of HEW. With three out of ten Americans in the United States involved in education on a fulltime basis, either as students or as employees, a separate Department of Education is justified and necessary. Such a department can be more responsive and more sensitively aware of the problems and concerns of American education. This should lead to more enlightened legislation and administrative regulation. It should lead to more concern for the problems of education and for the realities of local and state control. With a Cabinet-level official in charge of education and responsible for the administration of Federal policy, there should be much more awareness of the traditions of local autonomy and grass roots control and governance of education. And all of this should lead to less control and less Federal dominance than we have at the present time.

More effective management and coordination of education should result from a separate Department of Education. Anyone who has worked in the HEW bureaucracy knows of the cumbersome decision-making structure that exists there. I don't express this as a criticism but merely express it as a normal result of the unreasonable size and complexity of that department. It is simply too large and unwieldy. During the time that I served in Washington as Deputy Commissioner and as U.S. Commissioner of Education, I worked under Secretaries Finch, Richardson, Weinburger, and Matthews. All of these men were simply overpowered and overwhelmed with the enormity of the task of trying to manage HEW. Decisions that the Secretary must make are so numerous that they have to be delegated to subordinates. It was extremely difficult to get time on the Secretary's calendar to discuss serious problems in the U.S. Office of Education. Indeed, I found it even difficult to get in to see the Under Secretary at times. So far as education is concerned, these management and coordination difficulties would be greatly simplified if we had a separate Department of Education. I constantly received complaints from school and college leaders and from their organizations and association groups that they simply could not get an audience with the Secretary. Despite the dedication of the conscientious individuals who served as Secretaries of HEW, the task is so enormous and the span of control is so vast that it is impossible to have effective management and proper deliberation and hearing before decision making takes place. Thus, the bureaucratic tangle that exists in HEW would be greatly simplified if education became a separate department. The health and welfare programs would benefit as well as would the education programs through the creation of a separate U.S. Department of Education.

It is natural for leaders both inside and outside of government to want to have some of their major problems heard by the person who sits at the head of the organization. This is simply another good argument for a separate department. There is no time for the Secretary of HEW to fill many of these needs, because of the pressures on his time.

I hope that you will be successful in getting your legislation passed. American education will benefit if you are successful, and we all owe you a debt of gratitude for the leadership that you are displaying in this matter.

Sincerely,

T. H. BELL,
Commissioner of Higher Education.●

● Mr. WILLIAMS. Mr. President, I am pleased to support as an original cosponsor this legislation to create a Cabinet Department of Education. I supported this measure in the 95th Congress and I do so at the outset of the 96th Congress with the conviction that this legislation is more important than ever to our national interest.

The bill introduced today is essentially the same measure which passed the Senate by a wide margin in the last days of the 95th Congress. The principles underpinning it have been tested repeatedly in hearings, in debate before the Committee on Governmental Affairs, in consultative assistance from the Committee on Human Resources, and before the Senate. The concept of a Department of Education is well founded and the need for a department to concentrate on the Federal role in this essential policy area escalated as school enrollments decline, as educational technology goes unused, and as local ability to finance education is questioned by tax-saving and tax-limitation measures across the Nation.

The measure which I join in introducing today maintains a proper perspective of a Federal role in education—to assist effectively the States and localities to carry out primary responsibility for the formulation and delivery of educational services. By combining from diverse and frequently competing locations in the Federal Government the many programs affecting our young people, a new Department of Education would facilitate Federal administration of education policies and programs. Such a department is the only way that we can reduce the paperwork burden and excessive Federal regulation and at the same time provide those programs which local government is unable to afford.

The passage of this matter is a high priority for the Congress and for the administration. It is my hope that my colleagues in the Senate will consider this measure favorably and that the leadership of the Senate will clear the way for its earliest possible consideration.●

● Mr. NUNN. Mr. President, it is with great pleasure that I again join Senators RIBICOFF, MAGNUSON, and PELL in introducing the Department of Education Organization Act.

Since we last introduced this measure in early 1976, great strides have been made toward the actual establishment of this much-needed department. When the Governmental Affairs Commitee reported this bill for full Senate consideration last August, S. 991 had over 50 bipartisan cosponsors, had been the subject of 10 days of hearings with more than 100 witnesses, and had been extensively reviewed and thoroughly discussed by the committee staff, the administration, and interested citizens from throughout the Nation. And, it received a substantial vote of confidence from the Senate when it passed on September 28, 1978, by a vote of 72 yeas to 11 nays. Unfortunately, it was impossible to bring this important measure to the floor of the House of Representatives for its consideration during the last few days of the session, and S. 991 did not receive full congressional approval prior to adjournment.

I do believe, however, that we still have the momentum to get expeditious approval of the Department of Education Organization Act early in this Congress, because I think that most of my colleagues still share my view that our Government has no national educational policy and no coordinated system of providing educational services to the State and local educational agencies, our colleges and universities, and most importantly, our Nation's youth. It is our hope that a separate Department of Education will help alleviate this problem and bring some guidance to our fragmented educational programs.

Without going into the actual details of the bill, I would like to share several reasons why I feel a separate department will actually improve education in our Nation today.

I believe that the Federal involvement in education, with its primary goal of equalizing opportunities for all citizens, is a commendable one. These programs have made a great difference in the education of many socially, physically, and economically handicapped children.

But the price for these benefits has often been confusion, fragmentation, duplication, delay, and general frustration with the paperwork and painstaking slowness of Federal bureaucratic processes.

Federal regulations require days, even weeks, of administrative time, often at great expense to school systems. But the mandates do not stop at the administrative levels. Teachers also must spend hours of their time in complying with Federal requirements and completing nebulous and often inane forms when time and effort could be better expended in fulfilling the educational needs of the students.

And all of this time and effort is expended at a price. Only 8 percent of the cost of public education is assumed by the Federal Government.

There is a reason for the burdensome paperwork, for the regulations and for the guidelines. It may not be a good reason, but it is a simple one. The paperwork, the regulations and the guidelines

fill the vacuum created by the unconscionable absence of a Federal education policy.

This is not the fault of the executive branch, alone. In a very real sense, Congress must share the blame, because Capitol Hill is responsible for the extraordinary fragmentation in education programs that is now so severe that only a reorganization of Government can respond to the problem.

For example, in addition to the Education Division of the Department of Health, Education, and Welfare, 37 other departments and agencies run 130 education programs of their own. We have also played musical chairs with our Commissioners of Education—there have been 13 individuals holding this position in the past 13 years. With continuity of leadership like that, there is little wonder that bureaucrats write regulations, guidelines, and prepare new forms to their hearts content.

And, although the Secretary of Health, Education, and Welfare is ultimately responsible, it is difficult for even the most competent and concerned HEW Secretary to be a real spokesman for education when the massive health and welfare needs, with their concurrent extraordinary expenditures, demand all his time and energies.

But not only is the Commissioner of Education's responsibilities fragmented, his voice and opinion have little authority and receive little attention. In hearings on the Department of Education which I chaired in the Governmental Affairs Committee, former Commissioner of Education Terrel Bell, testified that—

> The Commissioner is an executive level 5 in the government structure, and in HEW that is one of the lowest forms of human life. . . .

He also stated that during his 2 years service as Commissioner of Education, he had the opportunity to meet directly with President Nixon on only one occasion and that was when he was appointed.

This is just one sad example of the frustration of being U.S. Commissioner of Education, and is perhaps one reason why this job changes hands so much. The Commissioner of Education has almost no opportunity for policy input. His decisions and recommendations on education budgets are usually overruled. He is buried within the HEW bureaucracy with very little access to the Secretary of Health, Education, ad Welfare, much less anyone higher.

All the aforementioned problems describe a generally deplorable situation, yet, such is the state of education at the Federal level. It is incumbent on us now to take steps to remedy this problem.

I believe that the first step we must take is to establish a Cabinet-level Department of Education. I am not going to pretend that I believe that a separate Department of Education will solve all our educational problems or guarantee that the quality of these endeavors will be improved. But I do strongly believe that an identifiable, Cabinet-level department which consolidates existing programs, streamlines administration and establishes direct lines of authority can go a long way toward the improvement of education. But even more importantly, Congress and the American people need a visible, responsible, high-level Federal official who can be held accountable for the successes of failures of educational programs and policies at the Federal level. Education also needs a strong advocate in the executive branch to delineate its priorities and to assist in solving its problems. A Department of Education can go a long way toward meeting these needs.

But I feel I must take a moment to emphasis that the effective management which will accompany a Department of Education should not mean more control. In the report on S. 991 in the 95th Congress, the Senate Committee on Governmental Affairs, with my strong concurrence, stated emphatically that the responsibility for education policy and curriculum will remain at the State, local, and private levels. However, a Secretary of Education can mean improved accountability, coordination, and advocacy, all of which are important if the Federal Government is going to make its involvement in education meaningful.

Education is an investment of no small measure in our Nation. In 1977, the American people spent $140 billion on education—this is 8 percent of our gross national porduct and more than we spend on national defense. Today, nearly 3 out of every 10 Americans—63.7 million citizens—are directly involved in education. And, education is by far the largest expenditure of State and local governments, accounting for more than one-third of their budgets.

The bill which we are introducing today reflects the goals and concerns of citizens throughout our Nation who are interested in improving educational opportunities and wisely spending our educational dollars. It also encompasses the long months of dedicated and diligent work during the 95th Congress which I believe will effectively reorganize our Federal educational effort, reduce fragmentation, give priority attention to these urgent needs and provide more responsive educational services to the youth of our Nation.

Mr. President, I know the Committee on Governmental Affairs intends to move expeditiously on this measure. I urge the Senate to act accordingly so that a Department of Education can become a reality in 1979.●

● Mr. ROBERT C. BYRD. Mr. President, last year the Senate passed legislation to create a Federal Department of Education. However, in the closing days of the 95th Congress, the House was unable to complete its action on the bill. I hope that this year the bill will become law, and I am pleased to add my name to the list of cosponsors.

Senator RIBICOFF, chairman of the Committee on Governmental Affairs, which has jurisdiction over creation of Federal executive departments and agencies, has introduced this legislation today. And I cannot think of anyone more qualified than a former Secretary of Health, Education, and Welfare to be its principal sponsor. He has introduced legislation to create a separate Department of Education in every Congress since the 89th, and he should receive credit for his skillful and successful efforts in guiding the bill through the Senate last year. Credit must also be given, of course, to the distinguished Senator from Illinois, Mr. PERCY, for the role that he played in bringing this bill to passage last year.

The legislation Mr. RIBICOFF is introducing today, S. 210, to create a Cabinet-level Department of Education reflects his longstanding interest in and concern with the whole range of education issues and problems. This bill is the product of many years of hard work—hundreds of hours spent in committee addressing the issues, improving the bill's language and refining its findings and purposes. It is my sincere hope that this year, his efforts and those of so many others will be realized in the creation of a separate Department of Education.

For too long education programs have been smothered in the massive bureaucracy of health and welfare programs administered by the Department of Health, Education, and Welfare. They are scattered throughout at least 40 Federal departments, agencies, and bureaus. Over the years, they have received less and less of the attention and priority they deserve.

At the same time, the budget for the Education Division at HEW already exceeds that of the Departments of the Interior, Commerce, Justice, and State. It is easily large enough to constitute and justify a separate department.

Creation of a new Department of Education will result in increased efficiency in the management and coordination of education programs administered by the Federal Government. It will result in greater responsiveness at the Federal level to the education needs of this country by consolidating education-related programs under one Federal department.

I know that in West Virginia, school boards have run into problems when dealing with the Education Division at HEW. I can cite numerous examples of delay, time-consuming paperwork, duplication, and confusion which the local school boards have encountered. In fact, one of the main reasons I feel so strongly about this legislation is that I believe that creation of a Cabinet-level Department of Education will result in a substantial reduction in redtape, paperwork, and delays. This department should be much more responsive to local needs by bringing the Federal Government into closer contact with State and local education agencies. One Federal Department to administer this Nation's education programs should provide better leadership and management. Education will receive the increased status and visibility it deserves. And our commitment to providing this country with the best possible education opportunities will be strengthened.●

● Mr. SASSER. Mr. President, I am proud to be a cosponsor of the legislation to create a separate Department of Education. As an original cosponsor of the similar bill which passed the Senate

during the 95th Congress, I am pleased to sign my name to the measure which is introduced today.

One of the hallmarks of our 96th Congress will be the emphasis placed on our responsibilities for oversight of the Federal agencies and their programs. In the field of education, our ability to carry out this mission will be considerably enhanced by the creation of a single department to administer programs for education which are now scattered among several Federal agencies.

Current Federal expenditures for education can be more effectively monitored by Congress if they are administered by a single department. We can also hold a Secretary for Education who sits in the President's Cabinet fully accountable for efficiently running the agency.

Roughly $9.5 billion was spent by the Education Division of HEW in 1978. This amount is larger than the budgets for the Departments of Commerce, Interior, Justice, and State. Yet the agency responsible for administering the funds for education is buried within the bureaucracy of a large department which must run other important programs.

Congress is committed to meeting its mandate to see that existing Federal programs are administered wisely and without undue restrictions. The creation of a Department of Education to more effectively and efficiently administer Federal programs for education can help Congress to meet its oversight responsibilities. It is my hope that the Department of Education will become a reality in 1979.

Mr. President, I understand that the Congressional Budget Office is preparing its cost estimate of the Department of Education bill. Until we have that estimate, we will not know if the department as envisioned in this bill will cost the taxpayers any additional money.

I want to state my strong feeling that my support for this bill is based on its potential to give higher priority and better management to Federal education programs. I do not support a new bureaucracy which would require additional funding for administrative and bureaucratic costs at the expense of our Nation's educational needs and at the expense of our commitment to fiscal restraint.

I will pursue these potential costs and benefits when the Committee on Governmental Affairs begins hearings on this legislation next week.●

● Mr. MCGOVERN. Mr. President, I am pleased to be an original cosponsor of the Department of Education bill. It is unfortunate that this bill must again make its way through the legislative process, as a version of this bill should have been passed in the 95th session of Congress. Instead, the Department of Education bill was once again pushed aside—perhaps the most blatant evidence of all that education in its present structure exerts little influence.

This bill would transfer to the new Education Department the Education Division of Health, Education, and Welfare, vocational rehabilitation programs of HEW, parts of the HEW Office of Civil Rights relating to education, schools for overseas military dependents run by the Defense Department, and some science education programs of the National Science Foundation.

Education officials have done their best to meet the educational needs of many Americans. However, without a Cabinet secretary reporting directly to the President on our critical educational needs and the status of education programs, there will never be a coordinated national policy to meet our basic needs. With the demands made on one Cabinet secretary who has responsibility for three major agencies, Health, Education, and Welfare, it is no wonder the focus on education has weakened. Our Nation cannot afford this. There are many problems which require the attention of a Secretary whose sole responsibility is education and who has the authority to make major policies and see to it that these policies are implemented. There is much evidence that we need strong direction: Approximately one-fourth of our children in grade school will not earn a high school diploma; an estimated 30 million teenagers and adults in this country are functionally illiterate; hundreds and perhaps thousands of young children are exposed to cancer-causing asbestos materials in their classrooms, and many students refuse to repay the student loan they borrowed from the Federal Government—resulting in the loss of millions of taxpayer dollars. These are just a few of our many problems. Furthermore, the complicated regulations, and endless paperwork required are the result of education programs being scattered throughout 40 different agencies. Placing these programs under one roof would save the policymaker time, and the taxpayer money.

It should be stated that it is not the purpose of a separate Department of Education to supersede State and local control of education. However, coordination between State and local educational agencies and the Federal Government is needed if Federal education programs are to be effective. The required redtape and regulations as well as the lack of organization and communication have alienated the State and local agencies and have resulted in inadequate education programs for children.

All of these problems will not be solved simply by moving various education divisions to one building. Sincere efforts must be made on the part of the President of the United States, the Secretary of Education, Federal, State, and local officials, and concerned citizens, to see that better educational policies are established, implemented, and consistently evaluated. By creating a Department of Education, this much-needed framework is set—the rest is up to us.●

By Mr. HART:

S. 211. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of individual income tax brackets, and for other purposes; to the Committee on Finance.

● Mr. HART. Mr. President, during the Senate's consideration of the Revenue Act of 1978 in the last days of the 95th Congress, I joined with several of my colleagues in introducing an amendment to insulate taxpayers from the tax impact of inflation by automatically adjusting tax rates to reflect increases in the cost of living. Although not adopted, our amendment received more support than any previous indexing measure to come before the full Senate. Today, I am introducing a very similar indexing proposal which I hope will receive early and thoughtful consideration in the 96th Congress.

Inflation continues to push people into higher and higher tax brackets even though they have no increase in their real income. Their average tax rate rises, that is, their tax burden grows faster than the rate of inflation. The result is that they have less to spend, and even worse, less to save and invest. The most effective way to remedy this situation is to adjust the tax code for inflation. Inflation adjustments, or indexing as this procedure is sometimes called, automatically correct the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets.

Ironically, the big winner from high inflation is the Government. The Government has a vested interest in maintaining inflation since the current system permits the Government a windfall tax profit of about $6 billion a year. Indexing would end Washington's inflation bonus.

More importantly, it would encourage fiscal responsibility since an indexed tax system would require Congress to reduce and control spending or take the necessary action to acquire additional funds. What we have now is taxation without legislation. The question, quite simply, is one of accountability. The question is whether Congress should continue to use the unlegislated tax of inflation to subsidize new legislative initiatives. It is fundamentally wrong for the U.S. Treasury to be reaping a windfall in increased revenues each year, without the Congress ever having to enact a tax bill the President must sign. The Federal Government will continue to take advantage of this destructive economic phenomenon unless the 96th Congress acts on this important issue.

The legislation I am introducing today will index the income tax brackets and the standard deduction, in proportion to the rate of inflation. It is designed to halt the bracket creep which occurs as cost-of-living raises—which are meant to maintain a workers purchasing power in the face of inflation—push him into a higher tax bracket. The result of this proposal will be a tax system that is more fair and equitable due to the elimination of the tax increases now caused by rising price levels. This proposal constitutes a fair and meaningful tax adjustment for every American.

Mr. President, I offer my proposal as a sound beginning toward the principle that our tax system should tax real, not nominal income. This proposal will apply to taxable years 1980–1982.

It is, in a sense, an experimental program, one that will offer both Congress and the American people an opportunity

to evaluate the merits of the indexing concept. The legislation also directs the Council on Wage and Price Stability to conduct a study of the impact of the proposal and to report to the President and to Congress not later than July 1, 1982, the results of such study together with its recommendations concerning the continuation on indexing the individual income tax brackets.

Indexing personal income taxes is not intended to be a correction for all the inequities of the current income tax law, nor need it be the final determining factor about the size of income tax revenues. Adoption of tax indexing does not preclude any other changes the President wishes to propose or the Congress wishes to enact. With indexation, the Congress could, of course, still change the degree of income tax progression or the amount of income tax collections. Income tax indexation simply guarantees that taxpayers will not be subject to nonlegislated tax increases.

Indexing the tax brackets may only be the first step toward eliminating the hidden tax burden caused by inflation. Surely, it is a fair and rational place to begin. Once we have established the principle that taxpayers should not be subject to nonlegislated tax increases that are caused by inflation, we may find merit in indexing other relevant provisions of our tax laws. My proposal will allow us an opportunity to examine and explore the benefits of an indexed tax code. At the same time it will provide a well-deserved break to the American taxpayer who has been the victim of rapidly increasing inflation in recent years.

Mr. President, I would like to discuss a few of the important questions that have been asked about indexing the tax code.

First, what is the relationship between inflation, personal income, and income tax rates?

As inflation increases the cost of living, an individual's income must also increase if that individual is to continue to buy the same goods and services. As the income level rises, however, the taxpayer must pay a higher tax despite the fact that the increased income was due to a cost-of-living adjustment to compensate for the rate of inflation, rather than a real increase in personal income.

Second, how will indexing mitigate the effect of inflation on personal income?

The proposal automatically corrects the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets. It establishes a procedure that widens all tax brackets by a proportion equal to the rate of inflation. This holds the real value of the tax brackets constant and prevents taxpayers from moving from one bracket into another unless their real incomes have changed.

Indexing does not promise to end or even diminish inflation, although it might help. It does promise, however, that no increased tax burden will be placed upon the American taxpayer without legislation enacted by Congress.

Third, how does the proposal work?

Immediately following September 30 and prior to December 1 of each year, the Secretary of Labor will report to the Secretary of Treasury the average rate of increases in prices which occurred during the previous four quarters ending on September 30. Each dollar amount in the tax brackets shall be increased by this percentage increase in the price level and this rate structure will apply for the following calendar year. Such a procedure will keep effective tax rates on real taxable income relatively constant. Because the standard deduction is included as a zero-bracket amount in the tax rate schedules, this change will automatically index the standard deduction as well.

Fourth, is indexing inflationary?

Past experience in other countries has shown that indexing is neither the cause nor the cure of inflation. However, without indexing, the worker whose wage increase just makes up for the annual rate of inflation is pushed up into a higher tax bracket. Just to keep him even his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic causes for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase, simply to maintain the actual value of their take-home pay.

Fifth, has indexing been tried anywhere else?

Yes, a number of other countries have already adopted some form of indexing their individual income tax rates. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and most recently, Australia. Under the Canadian approach, which took effect in 1974, the personal exemptions and the tax brackets are adjusted upward annually by the rate of change in the Consumer Price Index for the year ending in the previous September. As a result, the Canadians have adjusted these two features by 6.6 percent for 1974, 10.1 percent for 1975, and 11.3 percent for 1976.

Sixth, why not index other relevant provisions of the Tax Code?

Although the idea of indexing is not a new one, it has never been tried in this country. It has been successfully employed in other nations; but the dynamics of every country's economy are different. It seems logical, therefore, that we begin by establishing a simple, modest approach which will offer both Congress and the American people an opportunity to evaluate indexing on its merits. For this reason, my proposal indexes the personal income tax brackets only.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) COST-OF-LIVING ADJUSTMENT.—

"(1) IN GENERAL.—Immediately following September 30 and prior to December 1 of each year, the Secretary of Labor shall report to the Secretary of the Treasury the ratio which the price index for the 4 consecutive calendar quarters ending September 30 of that year bears to the price index for the base period. Each dollar amount in the tables under subsections (a), (b), (c), and (d) under the heading 'If the taxable income is' shall be increased by an amount equal to such dollar amount multiplied by such ratio and, as so increased, shall be the amount in effect for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) AMOUNT OF TAX.—The Secretary shall adjust each dollar amount in the tables under subsections (a), (b), (c), and (d) under the heading 'The tax is' to reflect the changes made under paragraph (1).

"(3) DEFINITIONS.—For purposes of paragraph (1)—

"(A) the term 'price index' means the average of the relevant 4 consecutive calendar quarters of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the 4 consecutive calendar quarters ending September 30 of the calendar year preceding the Secretary of Labor's report.".

(b)(1) Section 63 of such Code (relating to the definition of taxable income) is amended by adding at the end thereof the following new subsection:

"(i) ADJUSTMENT FOR CHANGES IN BRACKET AMOUNTS.—Prior to the beginning of each calendar year, the Secretary shall, after adjusting each dollar amount listed in the tables under subsections (a), (b), (c), and (d) of section 1, as provided in section 1(f), adjust each dollar amount in subsection (d) to reflect the adjustments made under section 1(f) which are to be in effect for taxable years beginning in such calendar year.".

(2) Subparagraph (B) of section 3402(m)(1) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,400" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(1)"; and

(B) by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(3) Subparagraph (C) of section 402(e)(1) of such Code (relating to imposition of a separate tax on lump-sum distributions) is amended by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(4) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Each time an adjustment is made under section 63(i) with respect to any dollar amount under section 63(d), the Secretary shall adjust each dollar amount under subparagraph (A) to correspond to such adjustments and such amount, as adjusted and rounded to the nearest $1, shall be the amount in effect under such subparagraph for taxable years beginning in any calendar year with respect to which such adjustment is in effect under section 63.".

SEC. 2. Section 3402(a) of the Internal Revenue Code of 1954 (relating to tax withheld) is amended by adding before the last sentence thereof the following new sentence: "The tables prescribed under this section shall be adjusted in accordance with section 1(f) with respect to the wages paid in

the year following the Secretary of Labor's report under such section.".

SEC. 3. The Council on Wage and Price Stability shall conduct a study of the impact of the amendments made by the first section of this Act and shall report to the President and the Congress, not later than July 1, 1982, the results of such study together with its recommendations including recommendations for continuing the indexation of individual income tax brackets.

SEC. 4. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1979, and before January 1, 1982, except that the first report required to be made under section 1(f) of the Internal Revenue Code of 1954 shall be made in calendar year 1979. The amendment made by section 2 shall apply with respect to wages paid after December 31, 1979 and before January 1, 1982.●

By Mr. SCHMITT (for himself, Mr. GOLDWATER, Mr. DOLE, Mr. RANDOLPH, Mr. DOMENICI, Mr. HEINZ, Mr. HAYAKAWA, Mr. THURMOND, Mr. WALLOP, and Mr. LUGAR):

S. 212. A bill entitled the "National Space and Aeronautics Policy Act of 1979"; to the Committee on Commerce, Science, and Transportation.

NATIONAL SPACE AND AERONAUTICS POLICY ACT

● Mr. SCHMITT. Mr. President, today I am introducing for myself and Senators GOLDWATER, DOLE, RANDOLPH, HEINZ, DOMENICI, HAYAKAWA, THURMOND, WALLOP, and LUGAR the National Space and Aeronautics Policy Act of 1979, a bill that would establish guidelines for a long-term approach to a national space and aeronautics policy. The bill defines broad policy goals for the Nation and establishes specific scientific and technological program objectives critical to the timely achievement of these goals.

This bill is a revised version of S. 3599, a bill I introduced on October 13, 1978. Subsequent to the introduction of S. 3599, I circulated it for comment to leaders in industry, labor, academia, government, and other vital sectors in our national economy. Responses have been most encouraging and helpful. The revised bill I and my distinguished cosponsors are introducing today reflects the thoughtful views and suggestions received from the many individuals who responded to my requests for comments.

The President has recently announced the administration's position on the Nation's future space policy. Many in this country, including young Americans, feel the administration's space policy is devoid of the leadership necessary at this critical juncture in our history. Rather than generating the excitement that the American people and the world expect, the President has continued, and with his fiscal year 1980 budget proposal he appears on the verge of accelerating the policies of retrenchment begun in the early 1970's. Specifically, he refused to make a commitment to the efforts necessary to place necessary extensions of our civilization in space, or to continue to explore the solar system.

As the Soviets steadily move their civilization into space, we merely talk of gradually building worldwide satellite systems in communications, weather forecasting and Earth resource sensing. These are fine but limited objectives which are already in our grasp.

As the rest of the industrialized world runs technological and marketing circles around us, and the dollar steadily weakens, we further close our principal modern faucet of innovation in technology and productivity; namely, new activity in space.

As the extreme danger of our dependence on external sources of fossil fuels increases, we stagnate in the development of alternative conservation, production and conversion energy technologies, most of which have their roots in aerospace research and development.

As the decline in our productivity and markets fuel inflation, we forget that well-conceived expenditures on new technology are inherently deflationary in their creation of new techniques, products and services.

This country and its people need to flex their muscles and their motivation against all the frontiers of human endeavor. They must face the risks and grasp the benefits of those frontiers.

A SPACE POLICY FOR AMERICA

If we were to imagine a space policy that would continue to carry this country and elements of our civilization into space and into the 21st century, upon what factors should such a policy rest?

Let me suggest the following essential criteria:

First, the policy must present a sense of direction and continuity for all present and future generations which must implement the policy.

Second, the policy must have flexibility that can take advantage of new science and technology as well as adapt to rapidly changing goals which events may dictate.

Third, the policy must have clearly identifiable significance to the direct or indirect solutions of the major terrestrial problems of hunger, disease, unemployment, and ignorance.

The policy must integrate budgetary requirements between the various elements of the policy, and between the governmental and private sectors, so that the demands on the taxpayer are both reasonable and consistent from year to year.

Finally, space policy must match the real world of science and engineering with the perspective of the younger generations which will give it life.

WORLD INFORMATION

The decade of the 1980's, a world information decade, should have programs aimed at permanent, eventually self-financing, services for worldwide communications, weather and ocean forecasting, Earth resources discovery or monitoring, education and public assistance, and prediction of natural events of disastrous human consequences or broad scale economic impact.

The collection and distribution of information on a worldwide basis via satellite has provided a distinct change in the course of human history. The most graphic demonstration of this change came when on Christmas Eve, 1968, hundreds of millions of human beings throughout the world simultaneously had a new thought about a familiar object in the night sky—the Moon. The men of Apollo 8 were there, and the Moon would never be the same for anyone. Now, we realize that the world will never be the same; that there are solutions to the age-old problems of the human condition on Earth—hunger, disease, poverty and ignorance.

A world information decade is much more aggressive and far-reaching than the rumblings from the Carter administration about their space policy for the 1980's. Of particular interest is the capability such a decade will provide in our assistance to those developing countries of the world that wish to move with us, as free nations, into the technological 21st century. The benefits of the high technology of space will be available to them without the need to invest alone in its creation.

ORBITAL ENTERPRISE

The decade of the 1990's, an orbital enterprise decade, should emphasize the progressive creation of permanent facilities in near-Earth space. Such facilities will utilize and augment this unique research, service and manufacturing environment. The weightlessness, the vacuum, the unique view of Earth, Sun and stars provide unparalleled opportunities for research, education, space power production, manufacturing, health care, Earth power production and for direct public participation.

Permanent facilities in orbit will provide capabilities that relate directly to current and growing problems facing this Nation. For example, creating new export commodities and inexhaustible energy supplies are needs that cannot be ignored by this generation, nor denied to future generations. In addition, the now-real possibility of research, education, health care, and recreation in space has caught the imagination of millions of young Americans. Let us not disappoint them, nor the future.

As with a World Information System, the management of the development of an Orbital Enterprise System should be rapidly assumed by largely nongovernmental groups. In most cases, the facilities will be economically self-sustaining, except for continual Federal involvement in high-risk improvements in technology.

SOLAR SYSTEM EXPLORATION

In the first decade of the 21st century, a space policy for our civilization should reach a major culmination of excitement with the initiation of a second solar system exploration decade. This is the decade about which most of the very young have their dreams—bases and settlements on the Moon and missions of exploration to Mars and Venus.

A research and test base on the Moon would provide the opportunity to develop and test the systems necessary to sustain a permanent mining, agricultural and research capability. Equipment required for long duration mobile exploration of Mars also can be developed and tested in this environment. It may be that the

Mars and Venus missions themselves would be most economically staged from the Moon.

Whatever may turn out to be appropriate, now is the time to create the options so that the next generation may proceed when they are ready.

SUSTAINING SCIENCES AND TECHNOLOGY

In order to sustain the technological and scientific requirements for these 3 decades of space activity, a significant level of basic research must be maintained, and development programs must be phased in to support the major programmatic efforts.

Of particular significance is the continued development of basic transportation systems, units and structures for space facilities, heavy capacity boosters, deep space boosters and new power and communication systems; particularly those utilizing laser and other advanced technologies.

The Space Shuttle concept, for economical and convenient access to the near-Earth environment and its resources, must be continued through additional phases and maximized to the fullest extent practicable. The chances are that both the development of an orbital enterprise system and the extended exploration of the solar system will demonstrate the need for expanded shuttle concepts. Also, a Moon shuttle capability will obviously be required in the 1990's to establish a Moon base and then conduct 2-way physical transport between Moon and Earth.

New power and booster concepts must be developed to accomplish the civilization and exploration goals economically. New engineering concepts for space construction, and maintenance of large weightless planetary structures, also must mature in parallel with the mission demands.

These efforts in space, science, and technology will be the well from which will come new products and technologies for direct terrestrial applications. The systems, components, and materials developed, as well as the ideas, will, as always, produce unanticipated benefits of value far beyond their costs. This will continue to be true in space as it has always been for basic research and exploration on Earth.

ECONOMIC IMPACT

The estimated annual costs of the development, research, and mission programs, when properly phased, suggest that a sustained level at about one-half of 1 percent of our GNP would eventually be required to establish the basis for Earth-supported space facilities. The buildup to this level would be from about $5 billion in 1980, to about $10 billion in 1990, to about $15 billion in 1995. These figures represent a projected GNP of about $2 trillion in 1990 based on a GNP growth rate of approximately 2 to 3 percent in constant 1972 dollars. This final level would include an estimated Federal work force of about 75,000 and a directly supported industrial force of about 10 times that figure.

The economic and employment impact on commercial and other nongovernmental activities during this period has not yet been estimated. However, a major design philosophy behind this policy is to undertake largely those activities in the world information and orbital enterprise decades which would eventually sustain themselves without Federal support. It is also assumed that the long-term activities on the Moon will be in part, if not largely, supported by commercial interests and will be self-sufficient after a decade or less.

Mr. President, the changes made in this bill over that introduced last year, while not major, more clearly define our thinking as to the most appropriate national space and aeronautics policy.

Perhaps one of the more significant changes appears in the section 302 requirement for a national 30-year space and aeronautics policy goals statement. As presently drafted, this section would require the Administrator of NASA, together with the Director of OSTP and other appropriate Federal agencies, to prepare a series of three separate but integrated reports. No later than 1 year after the enactment of the act, there must be submitted to the Congress first, a firm 5-year program, with annual funding requirements and a detailed R. & D. schedule, second, a 10-year plan, and third, a 30-year policy goals statement. I believe this is a realistic approach to the development of the planning process and recognizes the inherent difficulty in formulating R. & D. mission requirements that span a decade or more. Nevertheless, it is essential that such planning be vigorously pursued.

In addition, the aeronautical section has been expanded and the bill revised to more clearly reflect our thinking on the need to insure the coordinated linkage between scientific and technological research and the realization of long-term space and aeronautical policy objectives.

Mr. President, the Senate Science, Technology, and Space Subcommittee, under the leadership of my distinguished colleague Senator STEVENSON, has scheduled hearings on space policy legislation later this month. I am hopeful that this process will produce a critically needed new vision of our national commitment to U.S. leadership in space and aeronautics.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DECLARATION OF POLICY

FINDINGS

SEC. 101. The Congress finds and declares that:

(1) The activities of the United States related to the explorations and utilization of the space environment have vastly increased our knowledge of the Earth, its history, its resources, and their future limitations.

(2) The scientific and technical advancements resulting from the activities of the United States in space and aeronautics are contributing in ever-increasing ways to the improvement of life on Earth, particularly in the areas of health, education, food production, environment, protective resource utilization, defense, energy production and conservation, communications, transportation, and protection form natural hazards.

(3) The retrenchment of United States space and aeronautical activities since the early 1970's has resulted in a serious threat to our economic progress, our national defense, and to our leadership role in the establishment of the facilities of our civilization in space.

(4) The gradual acceleration of well-managed space and aeronautics activities by the United States, state and local governments, public and private institutions, and industry will further benefit the Nation far exceeding the cost of such activities.

(5) The future potential of automated satellites which will collect and distribute many kinds of information around the Earth, include major improvements in telecommunications, weather and ocean forecasting and monitoring, natural hazard predictions, Earth resources sensing, and communications services.

(6) The activities of the United States in the space environment have demonstrated the great potential for the beneficial application of weightlessness, infinite volumes of vacuum, and the orbital view of the Earth, Sun, and stars.

(7) The future potential of permanent manned and automated facilities in orbit around the Earth include those aspects of our civilization that provide for research, education, power production, manufacturing, and health care.

(8) The continued exploration and utilization of the solar system, including the Moon and Mars, is important to present and future generations of Americans and should be a long-term goal of the United States space program.

(9) The future space and aeronautical activities of the United States must be sustained by a variety of interrelated research, development, and demonstration programs which create the knowledge and capability necessary to maintain leadership in such activities.

(10) The future space and aeronautical activities of the United States must encourage the cooperative participation of commercial, institutional, and international interests in all appropriate undertakings.

(11) It is in the national interest to establish a United States space and aeronautics policy directed toward the creation of—

(A) a world information system during the 1980's that could consist of permanent, generally self-financing services in telecommunications, weather and ocean forecasting, Earth resources sensing, communications services and natural hazard predictions;

(B) orbital facilities during the 1990's that could consist of permanent, generally self-financing facilities for research, education, power production, manufacturing, and health care;

(C) a solar systems exploration capability during the first decade of the twenty-first century which provides the options for Moon bases, manned missions to Mars, a Moon settlement, manned missions to Venus, and a Mars settlement;

(D) space technology development necessary to support the world information systems, orbital facilities and solar system exploration as set forth in (A), (B), and (C);

(E) space research and applications on a sustaining basis in planetary sciences, basic space sciences, astronomy, solar sciences, and engineering; and

(f) aeronautical technology development necessary to support general and commercial aviation, lighter-than-air and supersonic aviation, hydrogen fuel, aircraft propulsion, and appropriate new flight concepts.

PURPOSE

SEC. 102. It is the purpose of this Act to establish a comprehensive national civilian space and aeronautics policy that will provide the framework for a world information system, Earth orbital facilities, exploration of the solar system and the development of other space and aeronautical activities in order to preserve and expand the leadership of the United States in space and aeronautics.

TITLE II—NATIONAL SPACE AND AERONAUTICS POLICY

NATIONAL SPACE AND AERONAUTICS POLICY

SEC. 201. The Congress declares that the United States is committed to the expansion of the peaceful use of space and atmospheric environments for the benefit of the Nation and of all mankind and pursuant thereto establishes the following national space and aeronautics principles:

(1) The United States is committed to the peaceful expansion of the benefits of free institutions and enterprises based on free institutions into space.

(2) The United States is committed to the peaceful use of the environments of space and the atmosphere.

(3) The United States is committed to the allocations of an appropriate and consistent fraction of its gross national product, but no less than one-half of one per centum, to the development of space and aeronautical capabilities and to the support of appropriate sustained activities in space and the atmosphere.

(4) The United States is committed to the establishment of direction and continuity in space and aeronautical policy for present and future generations, while maintaining the necessary flexibility to insure that new scientific developments can appropriately influence this policy.

(5) The United States is committed to a space and aeronautics policy that is directed toward the alleviation of the major human adversities of hunger, disease, poverty, and ignorance.

(6) The United States is committed to a space and aeronautics policy that integrates budgetary requirements between all elements of the policy and between governmental, private, and international participants in related activities.

(7) The United States is committed to the encouragement and continued establishment to the maximum extent practicable, of self-financing, non-Federal, academic or commercial enterprises in space and aeronautics.

(8) The United States is committed to the expansion of scientific knowledge and wisdom through the utilization of space and aeronautical resources and capabilities.

(9) The United States is committed to the widest transfer of space and aeronautical technologies on a national and international basis.

(10) The United States is committed to the maintenance and expansion of its world leadership in space and aeronautical technology as a principal means of insuring the free world economic and political strength.

(11) The United States rejects any a priori claim of national appropriation over outer space, including the Moon and other celestial bodies, or any position thereof, and any limitation on the fundamental right to freely acquire and distribute data from space.

(12) The United States recognizes that the facilities, bases or settlements of any nation or international organization are the property of such nation or international organization and have the right of passage through and operations in space without interference, and that purposeful interference with such systems shall be viewed as an infringement on sovereign rights.

(13) The United States is committed to conducting cooperative international space activities that provide economic, scientific, technological, political, and other benefits to the United States and mankind.

(14) The United States is committed to conducting national and international activities in space with the maximum possible attention given to the safety of participants in that activity, the safety of people and facilities on Earth, the efficient use of the common heritage resources of space and the atmosphere, and the protection of the terrestrial, atmospheric, and space environment.

TITLE III—PROGRAM

SEC. 301. To assure the timely achievement of the policy and purpose of this Act, the National Aeronautics and Space Administration, in cooperation with appropriate private, governmental, and international groups, shall pursue aggressive research, systems development and demonstration in space and aeronautics science and technology. Such activities could include, but not be limited to, the following integrated programs:

(1) The creation of an operational world information system by the year 1990 that would include, but not be limited to, the following elements—

(A) an expanded telecommunications network that makes maximum efficient use of the frequency and orbital position resources in near Earth space;

(B) an expanded weather and oceans forecasting and monitoring network that provides all peoples with short-term assistance in preparing for weather and ocean phenomena and protection from natural hazards;

(C) an operational Earth resources monitoring system that collects and makes available data necessary for maximum efficient and environmentally sound utilization of natural and agricultural resources on Earth; and

(D) an expanded communications service systems that maximizes benefits available from Earth orbiting satellites.

(2) The development of the basic facilities and scientific and technological capabilities by the year 2000 necessary to create space facilities supportive of our terrestrial civilization which could include, but not be limited to the following elements—

(A) research in basic science and engineering that makes use of the unique characteristics of the space environment;

(B) education in disciplines that can benefit from instruction and research in the space environment and with the space perspective;

(C) space power availability sufficient to support the in-orbit requirements of other facilities;

(D) manufacturing that makes use of the unique characteristics of the space environment;

(E) health care that makes use of the unique physiological and psychological characteristics of human beings in the space environment;

(F) an environmentally acceptable space to Earth power capability that is economically competitive with power generation on Earth; and

(G) space participation opportunities for as broad a spectrum of human beings as possible.

(3) The development of scientific and technological capabilities by the year 2010 to undertake further solar system exploration by mankind.

(4) The coordinated development of economical and reliable scientific and technological capabilities necessary to carry out the programs defined by paragraphs 301 (1), (2), and (3) which would include, but not be limited to, the following elements:

(A) Earth to near-Earth space transportation systems;

(B) modern habitation and work units necessary to construct orbital facilities;

(C) high power production and transmission systems for use in orbit and from orbit;

(D) large space structures;

(E) large multi-purpose platforms in low Earth orbit;

(F) large capacity Earth to orbit booster systems;

(G) utility booster system for orbit-to-orbit transfer;

(H) Earth to Moon and return transportation system;

(I) deep space booster system for manned solar system exploration; and

(J) planetary surface structures for habitation and work.

(5) The establishment and maintenance of research and application programs that would include, but not be limited to, activities in the following areas—

(A) planetary sciences;

(B) basic space sciences, including physics, chemistry, and biology;

(C) astronomy and astrophysics;

(D) solar sciences; and

(E) engineering.

(6) The establishment and maintenance of aeronautical technology programs essential to maintain United States preeminence in the design, operation, and manufacture of aircraft. Such programs should include, but not be limited to systems design; basic and applied research in aerodynamics, materials, structures, propulsion, and manufacturing techniques; the study and simulation of operational concepts; and the design, procurement and operation of experimental aircraft in the fields of—

(A) general aviation;

(B) commercial aviation;

(C) lighter-than-air transportation

(D) hydrogen fuel propulsion;

(E) supersonic transportation; and

(F) new flight concepts at the frontiers of aviation technology.

THIRTY-YEAR—POLICY GOALS

SEC. 302. The Administrator of the National Aeronautics and Space Administration, together with the Director of the Office of Science and Technology Policy, and after consultation with appropriate Federal agencies, shall develop and submit to the Congress for review and comment no later than one hundred and eighty days after enactment of this Act, a preliminary five-year program including proposed annual funding requirements and a detailed research and development schedule. No later than one year after the date of enactment of the Act, the Administrator shall submit a final five-year program, a ten-year plan, and a thirty year policy goals. Status reports and revisions to the program, plan, and policy goals shall be submitted to the Congress on an annual basis in conjunction with the submission of budget request beginning with the third fiscal year after enactment of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 303. Beginning with the third fiscal year after its enactment, the provisions of this Act shall be the general basis for authorizations of funds for the National Aeronautics and Space Administration consistent with the provisions of the National Aeronautics and Space Act of 1958, as amended.●

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, and Mr. DURENBERGER):

S.J. Res. 25. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

LIMITING CONGRESSIONAL TENURE

● Mr. DANFORTH. Mr. President, today I am once again proposing a constitutional amendment which would limit the tenure of Members of Congress. I am joined in that effort by Senator DECONCINI, Senator WALLOP, Senator HAYAKAWA, Senator GARN, Senator GOLDWATER, Senator EXON, Senator KASSEBAUM, Senator HUMPHREY, Senator SIMPSON, and Senator DURENBERGER.

The mechanics of our proposal may be stated simply. No person elected to the Senate two times would be eligible for election or appointment to the Senate. No person elected to the House of Representatives six times would be eligible for election to the House of Representatives. For purposes of determining eligibility for election, only elections occurring by reason of the expiration of the term of office of a Member would be taken into account.

In order to prevent the ratification process from becoming embroiled in disputes centering on the personalities of incumbent Congressmen, the proposed amendment would include a limited grandfathering provision — providing that no election which took place prior to ratification would be taken into account in determining a person's eligibility to stand for election. Thus, no matter how many times an incumbent Senator had been elected to the Senate prior to ratification of the proposed amendment, he or she would be eligible to stand for election to the Senate two more times. No matter how many times a Member of the House of Representatives had been elected to the House prior to ratification of the proposed amendment, he or she would be eligible to stand for election six more times.

This proposal is not directed at any Member of Congress, neither does it represent an invective directed at any party or faction. Rather, it represents an attempt at reforming the political system itself. The purpose of this proposal is to make certain that the legislator who comes to Washington understands that his tenure here is limited—that, however adept a politician he may be, and however skillful he may be in pleasing special interest groups, he will not be here forever.

Back in 1947, during the debate over the 22d amendment—the amendment which limits the President to no more than two terms in office—Senator Wilbert O'Daniel of Texas proposed a substitute which would have limited the President and Vice President to a single 6-year term, and which would have prevented any person from serving in Congress, whether as a Representative or Senator, for more than 6 years. His proposal received only one vote—his own. That, to my knowledge, is the only time that either the House or the Senate has put to a vote any proposal—and there have been many—to limit the tenure of Members of Congress.

Much of what Senator O'Daniel said during the course of that debate 32 years ago deserves repeating today—because it is still true. He observed, for example, that much of the power of the Federal Government—power obtained at the expense of the States—could be traced to the amount of time Senators and Representatives spend in Washington. By forcing turnover, he surmised, we would likely see a decentralization of Government. In addition, O'Daniel noted, the power of special interest groups would be lessened, since fewer Congressmen would be beholden to them for reelection. But the key argument advanced by the Senator from Texas, in my opinion, was an argument that I have made the hallmark of my campaign to limit the tenure of Members of Congress—namely, that the laws which Congress passes would be markedly better, markedly more realistic, markedly more equitable, if the men and women who wrote them were faced with the certain knowledge that they would someday have to live with them. As O'Daniel put it:

> Every man who votes for a law should later be required to go back into private life and endeavor to make a living under the laws which he has helped to enact. When that time comes I believe that we will have much more thoughtful consideration of the effect that the application of such laws will have than is the case at present. If a man knows that the law which he helps enact will affect him personally the law will become a personal thing, instead of the highly impersonal thing which is to alter the lives and ways of earning a living of someone else.

Today, here in Congress, the climate for passing a constitutional amendment to put a cap on congressional service is not much better than it was 32 years ago. Still, were Senator O'Daniel with us today he could take some solace in the growing popular support for a limit to congressional tenure. In December of 1977, Dr. George Gallup reported that 60 percent of the American people support a 12-year limit for Representatives and Senators. Shortly thereafter, Nation's Business magazine asked its readers whether they would support a 12-year limit on congressional tenure. Eighty-seven percent of those who responded said they would.

The proposal has received the favorable attention of the press as well. Columnist Tom Braden observed:

> Without the hope of holding onto a lifetime job, Senators and Representatives might vote their convictions. In fact, some of them might develop convictions, so that they would come to Washington, do what they think they ought to do and go home again—for good.

Of course, there have been notable dissenters as well—not all of them sitting Members of Congress. Journalists, editorial writers, political scientists have inveighed against the proposal. But, in many ways, the debate over congressional tenure may be as important as the idea itself. To the extent that this issue is kept alive, to the extent that it is kept before the Congress and the public, to the extent that we continue to question the role of Congress, and the relationship between Congress and the people, we will succeed in achieving much of what we propose to do through this amendment, namely, to change the course of thinking of elected officials who come to Washington, to remind elected officials that they are citizens on leave to their Government.

One final comment. Recently there have been published assumptions in the press that my support for a limit on congressional tenure means I will retire from Congress at the end of my second term. I do not know right now if I will run for a second term, much less a third. And I certainly have no idea whether the people of Missouri will reelect me if I do run. I do not intend to hang around here forever, whatever happens. And I do not intend to be carried out of the Senate feet first. But as a matter of simple equity any limit to congressional tenure ought to be applied to everyone in Congress—it must not just voluntarily be assumed by the few who support the idea. I was careful to make this point when I offered the idea in 1976. If I place a voluntary limit on my time in the Senate that is shared by no other Member of the Senate, I put the people of my State at a disadvantage with other States whose Senators do not share my views. If nothing else, seniority counts for a whale of a lot when decisions are made about dividing up the power in this place.

There are many good reasons, of course, why a person might choose not to stand for reelection to Congress. But, in my opinion, there is little to be gained—either for this proposal or for the people of my State—if I retire simply for the sake of retiring. So—at least for the time being—I am not ready to deal myself out.

I look forward to new hearings on this proposal in the 96th Congress, and I look forward to a continuing vigorous debate.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 25

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. No person who has been elected to the Senate two times shall be eligible for election or appointment to the Senate. No person who has been elected to the House of Representatives six times shall be eligible for election to the House of Representatives.

"SEC. 2. For purposes of determining eligibility for election under section 1 of this article, only elections occurring by reason of the expiration of the term of office of a Member shall be taken into account, and no election occurring before the date this article is ratified shall be taken into account."●

By Mr. HELMS:

S.J. Res. 26. A joint resolution to authorize the President to issue a proclamation designating July 4 of each year

as Independence Day; to the Committee on the Judiciary.

NORTH CAROLINA EXCHANGE CLUBS SPONSOR DRIVE FOR FORMAL DESIGNATION OF INDEPENDENCE DAY

● Mr. HELMS. Mr. President, I find it interesting, and just a little bit ironic, that July 4, perhaps the most significant anniversary date in our Nation's history, has never been proclaimed on a continuing basis as Independence Day.

Numerous other anniversary dates, many of which are of far less significance, have been appropriately designated by proclamation by the President at the request of Congress.

In the light of this, I am today introducing, for appropriate reference, a joint resolution authorizing and requesting the President of the United States to issue a proclamation designating July 4 of each year as Independence Day, and calling upon the people of the United States to hold appropriate ceremonies observing the day.

Mr. President, I have done a good bit of research on this matter just as a matter of personal interest, and this research has disclosed that a somewhat similar proclamation was issued in 1950 by President Harry S. Truman, again in 1952 by President Truman, and in 1953 by President Dwight D. Eisenhower. However, each of those proclamations was limited to the particular year in question. The joint resolution that I am today introducing calls upon the President to issue a proclamation of a continuing nature which refers to July Fourth of each succeeding year.

It is identical to the joint resolution which I introduced in 1975 and which passed the Senate in 1976. I am pleased that my colleague from North Carolina, Representative IKE ANDREWS, is introducing this joint resolution in the House.

Mr. President, I suggest now that the President proclaim July Fourth to be a day of national observance not for 1976 alone but for all future years. Now to be sure, July Fourth has been made a Federal holiday, and it is generally observed as a holiday by private citizens; but, in my view, it should be more, much more than simply a day of rest—it should be a day of national observance and national consciousness. The first step in achieving that can, and should, be by a Presidential proclamation pursuant to a joint resolution duly adopted by the Congress.

This resolution was suggested by the North Carolina District Exchange Club, and I am very happy to be associated with its introduction. The National Exchange Club, together with its many affiliates across the Nation, have done an outstanding job preserving and stimulating appreciation of our national heritage.

As many Senators will recall, on September 17, 1947, acting upon the direction of the Congress, President Truman dispatched the Freedom Train containing the historic documents which form much of the foundation of our American heritage to cities and towns all across the country. Reacting to the continuing interest shown by the millions of citizens who visited the train, the National Exchange Club established the Freedom Shrine, comprised of 28 American documents. Among others, it includes a copy of the Declaration of Independence. These shrines are to be found throughout the Nation, in schools, courthouses, and many other public places. In all, more than 5,000 shrines have been presented.

The Freedom Shrine is an exclusive project of the exchange clubs and a very important American citizenship program. It was conceived to be, and it is, a living symbol of the rich heritage of Americans. Now that we approach our Bicentennial year, the North Carolina Exchange Club believes that the Freedom Shrine concept will become even more meaningful.

To the Tar Heels of North Carolina, the history of our State during the Revolutionary period is very important. North Carolina, for example, was the first colony to adopt a resolution to break its ties with Great Britain—The Halifax Resolves of April 12, 1776. Upon the adoption of that resolution to declare independence from Great Britain, messengers were dispatched to Philadelphia, and the Declaration of Independence of the Thirteen Colonies was proclaimed, of course, on July 4 of that year. Of course, the Mecklenburg Declaration of May 20, 1775, is also well known. The dedicated patriots of what is now the city of Charlotte, N.C., were pressing fervently for freedom. Both of these historic dates appear on the flag of the State of North Carolina as a perpetual reminder of the strong sentiment for freedom and independence in North Carolina.

Indeed, the events in North Carolina leading up to April 12 and July 4, 1776, are demonstrable of the spirit of freedom that our citizens hold so dear. The First Provincial Congress in America was held in New Bern, N.C., on August 25 through 27, 1774. It was called in open defiance of the British Parliament and the Royal Governor, Josiah Martin. Historians rank it as an example "of intercolonial cooperation, of enormous significance"—Lefler and Powell, "Colonial North Carolina—A History," page 262.

At the Edenton Tea Party on October 25, 1774, 51 ladies from Edenton, N.C., and surrounding counties signed an agreement to do all in their power to carry out the wishes of the First Provincial Congress and to support the American cause for independence. It represented the "earliest known instance of political activity on the part of women in the American Colonies"—Lefler and Powell, "Colonial North Carolina—A History," page 259.

The Battle of Moore's Creek Bridge, near Wilmington, N.C., on February 27, 1776, was the earliest victory won by the Americans in the South—

Unquestionably, the victory at Moore's Creek Bridge saved North Carolina from conquest, and it probably postponed the defeat of South Carolina and Georgia for three years. (Lefler and Powell, *Colonial North Carolina—A History*, pages 278, 280).

And July 4 itself has been a very special day in North Carolina. Indeed, the first official observance of July 4 as Independence Day was in the town of Salem, now Winston-Salem, N.C. It was pursuant to a resolution of the general assembly of the State and a resulting proclamation of the Governor. The text of that resolution, which was adopted on May 16, 1783, is as follows:

Resolved, that the fourth Day of July be and is hereby appointed a day of General Thanksgiving and praise to Almighty God for the gracious Interposition of Divine Providence in behalf of this nation; that it hath pleased Him to deliver us from the calamities of War; and crown our wishes with the blessings of Peace; and that his Excellency the Governor notify the same by Proclamation. (The State Records of North Carolina, Collected and Edited by the Honorable Walter Clark, Chief Justice of North Carolina, Vol XIX, page 358 (1901)).

The resulting proclamation of the Governor of North Carolina reads as follows:

[State of North Carolina]

A PROCLAMATION

(By his Excellency Alexander Martin, Esquire, Captain General and Commander in Chief of the State aforesaid)

Whereas the honorable the General Assembly have by a Resolution of both Houses recommended to me to appoint Friday the Fourth of July next being the anniversary of the declaration of the American Independence, as a Day of Solemn Thanksgiving to Almighty God, for the many most gracious interpositions of his providence manifested in a great and signal manner in behalf of these United States, during their conflict with one of the first powers of Europe:

For rescuing them in the Day of Distress from Tyranny and oppression, and supporting them with the aid of great and powerful allies;

For conducting them gloriously and triumphantly through a just and necessary War, and putting an end to the calamities thereof by the restoration of Peace, after humbling the pride of our enemies and compelling them to acknowledge the Sovereignty and Independence of the American Empire, and relinquish all right and claim to the same;

For raising up a distressed and Injured People to rank among independent Nations and the sovereign powers of the world. And for all other Divine favors bestowed on the Inhabitants of the United States and this in particular.

In conformity to the pious intentions of the Legislature I have thought proper to issue this my Proclamation directing that the said 4th Day of July next be observed as above, hereby strictly commanding and enjoining all Good Citizens of this State to set apart the said Day from bodily labour, and employ the same in devout and religious exercises. And I do require all Ministers of the Gospel of every Denomination to convene their congregations at the same time, and deliver them Discourses suitable to the important Occasion, recommending in general the Practice of Virtue and true Religion, as the great foundation of private Blessings as well as National happiness and prosperity.

Given under my Hand and the great Seal of the State at Danbury the 18th Day of June in the Year 1783 and seventh Year of the Independence of the said State.

ALEX: MARTIN.

By his Excellencys Commande: God save the State.

P. HENDERSON, *Pro. Sec.*

("Records of the Moravians in North Carolina," Edited by Adelaid L. Fries, M.A., Archivist of The Moravian Church in America, Southern Province, Vol. IV, page 1919 (1930).)

As one might expect, historical records of that July 4, 1783, are scant. Indeed, there is no record of an observance of that Independence Day anywhere in the State except at the town of Salem. Surely other observances probably did occur without a chronicler present to preserve the day for posterity, and with equal certainty we may assume that due to the inadequate communications of the period, many of the citizens of the State never learned of the resolution of the General Assembly or the Governor's proclamation.

But the Moravians at Salem did hear of it, and with characteristic devotion and piety, they observed July 4, 1783, as a Day of Thanksgiving. An account of the events of the day written in a diary kept by a member of the congregation survives. It is as follows:

July 4. According to the order of the government of this State we celebrated a day of thanksgiving for the restoration of peace. The congregation was awakened by the trombonists. At the beginning of the preaching service the Te Deum was sung, with trombone accompaniment. The Watch-Word for January 20th, the day on which the Peace Preliminaries were signed, was: The God of Jacob is our refuge, taken from the 46th Psalm, which gave opportunity to use this Psalm as the text for the sermon, which was preached by Br. Benzien. The service closed with the singing of: Glory to God in the highest. At two o'clock there was a happy lovefeast, during which a Psalm of Joy was sung with thankful hearts. In the evening at eight o'clock the congregation again assembled in the Saal, and the choir sang: Praise be to Thee, Who sittest above the cherubim. Then the congregation formed a circle in front of the Gemein Haus, and from there passed in procession through the main street of the town, with music and the antiphonal song of two choirs. The street was illuminated. Returning to the Gemein Haus the congregation again formed a circle, and with the blessing of the Lord was dismissed to rest. Hearts were filled with the peace of God, evident during the entire day and especially during the procession, and all around there was silence, even the wind being still. (Records of the Moravians in North Carolina, Edited by Adelaid L. Fries, M.A., Archivist Of The Moravian Church In America, Southern Province, page 1841 (Vol. IV 1930).)

In the words of Patrick Henry—

No free government, or the blessings of liberty, can be preserved to any people without a frequent recurrence to fundamental principles.

I applaud the action of the National Exchange Club and the North Carolina District Exchange Clubs in establishing numerous freedom shrines which serve as a reminder of the fundamental principles of government and liberty that inspired our forefathers to unite in the struggle that gave birth to the United States of America. I urge my colleagues in the Senate to join with me in supporting the resolution that I am today introducing to give added meaning and significance to Independence Day.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 26

Whereas on July 4, 1776, the Declaration of Independence was signed, officially proclaiming the intention of certain colonies in North America to become independent states free of British control: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating July 4 of each year as Independence Day and calling upon Government officials to display the United States flag on all Government buildings and the people of the United States to hold appropriate ceremonies on that day.●

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. GOLDWATER, and Mr. ZORINSKY):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

TO LIMIT CONGRESSIONAL TERMS

● Mr. DECONCINI. Mr. President, today I introduce Senate Joint Resolution 27, a constitutional amendment to limit congressional terms, on behalf of myself and my distinguished colleagues, Senators DANFORTH, GOLDWATER, SCHMITT, and ZORINSKY.

The question of whether to limit congressional terms is one predating the Constitution. It was debated by the Continental Congress over 200 years ago, and resolved in that body by the adoption of a limit of 3 years service in any 6-year period. The question of limitation and length of terms has arisen in each U.S. Congress.

Mr. President, in the 95th Congress the Constitution Subcommittee, chaired by Senator BAYH, held hearings on Senate Joint Resolution 27 and Senate Joint Resolution 28. I believe an unbiased reading of those hearings makes a strong case for enactment of a constitutional amendment limiting congressional terms.

Our constitutional structure with its delicate checks and balances rests on the prudent assumption that men are corruptible and that power may be misused. This is a healthy skepticism; one that keeps us constantly aware of how fragile freedom really is. We have placed the power of the Congress as a check against the power of the Executive, with the Federal courts occupying the third point on the triad. In diffusing power among different groups and persons, we have tried to insure that no individual will dominate the Government and destroy our liberty.

To be true to our commitment that shared power is responsible power, we need to address ourselves to the subtler dimensions of the problem. The 22d amendment to the Constitution removes an inherent contradiction in our system by limiting the terms a President can serve. The same contradiction persists in the unlimited terms for legislators. True, the potential for damage is less; the principle, however, is nonetheless valid.

Adoption of the amendment I propose should be viewed from two different perspectives. First, it would eliminate present disparities between Senators and Representatives based upon length of tenure. It would place each State, each district, each citizen on a more nearly equal footing, simultaneously, it would add an additional safeguard against possible abuse of power.

The second perspective is the one I would emphasize. It is the positive side of the amendment. By limiting the length of service in the legislature, we will be embracing the idea that new people should be brought constantly and consciously into the system. By opening the doors of the legislature to people from every walk of life and every age group, we will be providing far more opportunities for everyone to participate. I am especially committed to the youth of today as the hope of tomorrow. That youth should be encouraged to serve the Nation; it is our responsibility to insure that as few barriers as possible stand in the way.

Mr. President, the support congressional term limitations has received from our national leaders outside the legislative branch speaks well of the soundness of the idea.

In 1951, President Harry Truman announced his support for a 12-year limit on years of service for Senators and Representatives. Later, President Dwight Eisenhower also supported limiting Senators to two 6-year terms and Representatives to three 4-year terms. In his book, "Waging Peace," Eisenhower wrote that each person serving under term limitation—

would tend to think of his Congressional career as an important and exciting interlude in his life, a period dedicated to the entire public rather than as a way of making a living or making a career of exercising continuous political power. . . . more rapid turnover of the membership in both Houses with its constant infusion of new blood would largely eliminate the "career" politician in Congress, but I can see little damage that would result from such a change except possibly to the personal ambitions of particular individuals."

Eisenhower went on to say that—

Experience may produce greater skill in political maneuvering in the legislative process, but [it] does not necessarily produce better statesmen.

When asked to comment upon Eisenhower's support for service limitation, President John Kennedy replied:

It's the sort of proposal I might advance in a post-presidential period, but not right now.

Dr. Milton Eisenhower, brother of the President, scholar and author, wrote not long ago that—

Service in the national Congress, instead of being a career, should be a contribution an individual makes to his country. Re-election should not be paramount and defeat at the polls should not be cause for personal frustration. Service in Congress should be an interruption to one's normal career, whether he or she be a lawyer, educator, manufacturer, finance expert, housewife, or social

or cultural leader. . . . With reelection made less important and with the transcendant problems of keeping the nation at peace, prosperous, and constantly altering social programs and policies to meet changing economic, social, and cultural conditions, it seems inevitable that a more co-operative spirit would be evident in Washington [between the President and Congress].

Of course, in making any change in the Constitution that has served us well for these two centuries, reason counsels on the side of caution. I urge every Member of this Chamber to read the hearing record and weigh the arguments against limitation with those for it. I believe my colleagues will find, as do I, that this proposed amendment will bring the congressional structure more in line with the ideals of representative democracy and balanced power. The advantages the Nation would sacrifice by this change are those of concentration of power, unequal representation, and an insulated legislature.

Mr. President, I would like to conclude these remarks with a most appropriate quotation from America's first great statesman, Benjamin Franklin, who, in speaking of returning legislators to the private realm, stated:

In free governments the rulers are the servants, and the people are their superiors and sovereigns. For the former therefore to return among the latter was not to degrade them but to promote them.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. No person shall be elected to the Senate for more than two full terms. No person shall be elected to the House of Representatives for more than seven full terms.

"SEC. 2. Notwithstanding the provisions of section 1 of this article, any person may serve not more than fourteen years as a Senator or not more than fifteen years as a Representative.

"SEC. 3. For purposes of determining eligibility for election under section 1 of this article, no election occurring before the date this article is ratified shall be taken into account. For purposes of determining years of service under section 2 of this article, no service of any part of a term of office by a Senator or a Representative elected to such term before the date this article is ratified shall be taken into account.".●

ADDITIONAL COSPONSORS

S. 25

At the request of Mr. BAYH, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 25, to designate the birthday of Martin Luther King, Jr., as a national holiday.

S. 46

At the request of Mr. STONE, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

SENATE JOINT RESOLUTION 6

At the request of Mr. STENNIS, the Senator from North Dakota (Mr. YOUNG), the Senator from Arizona (Mr. GOLDWATER), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 6, to require the Federal Government to end deficit financing.

SENATE JOINT RESOLUTION 12

At the request of Mr. HELMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of Senate Joint Resolution 12, proposing an amendment to the Constitution guaranteeing the right to life.

ADDITIONAL STATEMENTS

INAUGURAL ADDRESS BY GOV. RICHARD W. RILEY OF SOUTH CAROLINA

● Mr. HOLLINGS. Mr. President, on January 10, the State of South Carolina installed a new Governor, the Honorable Richard W. Riley. His inaugural address was one of the finest speeches I have ever had the pleasure of hearing.

Governor Riley spoke so eloquently of a "partnership of duty" between the people of South Carolina and their government, a partnership that should also prevail in Washington.

Better, not bigger, government was the prevalent tone of the address and the message was well received by the thousands in attendance. There was an excitement, a spark of electricity, that let all South Carolinians know that the State will be in for a challenge during the Riley administration.

I think my colleagues would take particular interest in what Governor Riley had to say, and I ask that his inaugural address be printed in the RECORD.

The address follows:

INAUGURAL ADDRESS

Governor Edwards, distinguished platform guests, fellow South Carolinians; it is with a feeling of gratitude and deep appreciation that I accept the responsibility entrusted to me today. To the people of South Carolina who have given me their faith and confidence, I thank you, and I pledge my full efforts and energies to live up to your trust. To my family and to those special friends who have given me their encouragement and support all along the way, I say, thank you, and I will try to live up to your expectations. And to those leaving office today—Governor and Mrs. Edwards and Lt. Governor and Mrs. Harvey—I thank you for your distinguished service to our state.

We gather today on the South steps of this historic State House, and we begin this administration looking South. Nothing could be more symbolic of our future, because we live in times when an entire nation is looking South—looking South for new spirit, looking South for new energy, looking South for new leadership.

It is a role which we accept with enthusiasm in South Carolina, and not simply for the economic or material gains which may come our way. We look forward to a reawakening of human and spiritual values, and we welcome a government built more truly upon basic trust and confidence in the people themselves.

This inaugural, after all, doesn't belong to me—it belongs to the people of South Carolina. It belongs to young people impatient for change and reform; it belongs to older citizens looking for human dignity and financial security. It belongs to newcomers who have come here for career opportunities; and it belongs to South Carolinians whose roots stretch back through a history of hard times and hard-earned victories.

This very State House—scarred by war and made sturdy by years of human labor—symbolizes the character of our people. The years have tested the spirit of this state, and have built strong wills and moral toughness. Out of it all, South Carolinians have forged a deep sense of duty—duty to themselves, duty to their families and to their neighbors, duty to their churches, duty to their state, and to their nation.

It is to these people—and to their sense of duty—that I address myself today. It is you—through your words, your deeds and your votes—who have spoken out so clearly for change, for a new way of doing things, for a new day when government not only belongs to the people, but is the people themselves.

For that reason, I am not here to present a long shopping list of promises and pledges. That would be misleading and unrealistic. Instead, I am here to discuss with you what we can expect of each other in terms of hard work, good faith—and mainly in terms of the duty we have to each other.

For my part—as your new Governor—I see a duty to provide not a bigger government, but a better government; not an all-powerful government which has all the answers, but one which is reasonable, sensible and fair; not a government which is a problem-maker, but one which is a problem-solver. In these complex and demanding days, we need a government modern and capable of keeping pace with the times, and adapting to the changing needs of the people.

For you, I see a duty not simply to accept things as they are, a duty not simply to complain when things go wrong, but a duty to work in partnership with your government to face the challenges of the day. Let's talk specifically today about several of them—the public school system, the economic needs of the state, our energy probems, the quality of human relations in this state, the burden of government expense, the issue of public confidence in government itself.

First, public schools. In all candor, and for all our efforts of the last few years, we still have a long way to go. Obviously, there are not going to be any overnight miracles. But we can attack the problems where they count the most—at the early ages. We can establish as our highest priority the needs of children between the ages of three and seven, when their young minds are in their most formative stages. We can have mandatory kindergartens and a much stronger system of early childhood development, and we can strengthen the primary grades. At the end of four years—if we cannot say that South Carolina ranks first in the nation in education—hopefully, we will be able to say that we are first where it counts the most—in the first grade.

That's not so much a promise, however, as it is an invitation to you, the people. It's up to you to roll up your sleeves as involved parents, as caring teachers and administrators, and as concerned citizens to go to work with me. Together, we can build a strong public school system. But to do it, we must put the public back in the public schools. Excellence in public education is our first duty to each other.

Secondly, let's look at economic growth. There should be no question that we will continue to promote the economic growth of South Carolina. As long as there are unemployed or underemployed people, as long as there are towns and countries suffering economic stagnation, as long as there are businesses deprived of their full opportunity for success, we will strive to enhance South Carolina as a good place to work, and a good place to do business. While we will not seek growth simply for the sake of growth, we will develop a sensible and balanced growth plan, which meets the needs of our people, which complements our existing businesses, and which respects the environment of our state. It is not unreasonable to envision a South Carolina of great natural beauty—and great economic strength—at the same time. We will pursue that goal, and we will attain it, and that is a duty for which you can hold me accountable.

Third, let's look at this frustrating problem of energy. To put it plainly, the only way we can solve it is by working together. Whatever may be our energy supplies in the years ahead, we can begin tomorrow to use our resources more wisely. For my part, I will pursue an all-out policy of energy conservation, and I will advance a comprehensive plan to deal with all phases of the energy problem. But all of that is meaningless unless you—the people—get serious about making it work. It's up to you to realize that energy "conservation" is just as important as energy "generation" when it comes to meeting the needs of the future. The time has come for all of us to accept our duty, and to realize that ours is a world which is rapidly running out of time and patience for those who would waste energy.

Fourth, there is another tragic waste we must address forthrightly. I am talking about people—people whose human energy and abilities every day are cut short of their God-given potential. We have passed laws, adopted policies, created agencies and built programs to abolish the evils of prejudice and discrimination. But it is the duty of all of us now—as individual citizens in this great democracy of ours to translate those documents of public will into real progress—economic progress, educational progress, human progress. For black South Carolinians, for women, for the elderly, for the handicapped, for the disabled and the disadvantaged, this is not the time to make more promises. This is the time to make good on promises long overdue. This is a long-standing duty which we all share.

Fifth, we must understand the unmistakable voice of concern over the growth of government in recent years. The size of government has tripled in this state in the last ten years, and so has the cost. While we cannot—and will not—sacrifice the essential needs and service of the people, we must find ways to control government's appetite for expansion. If that means tight-fisted budgets, if that means bureaucratic austerity, if that means even major governmental reform, then so be it. The time has long passed when government could spend money as if it had a charge account with the taxpayers; it cannot continue to run up bills which add to the burden of today's taxpayers, and which may bankrupt later generations. As tough as the fight may be, we can win it by sharing this common and difficult duty.

My sixth and final point deals with public confidence in government today. Government can function effectively only when it has the trust of the people. If it is to regain that trust in South Carolina today, I believe more strongly than ever that members of the Public Service Commission should be chosen by merit; and not by politics. It is a matter of more than common sense and fairness; it is something I view as an absolute article of faith I have with the people of this state. As far as I am concerned, the people have spoken on this issue, and I will respond with all my strength and energy, and with all the resources of the Office of Governor. You can be sure that I will not turn back until this fight is won, whether it is next month, or next year—or however long it takes to produce this victory for the people of South Carolina. There should be no question that this is a duty to you which I gladly undertake.

I approach the Office of Governor believing that your problems are my problems, your concerns are my concerns, your dreams are my dreams. In fulfilling our duties to each other, however, I will not delude myself—or the people of this state—into believing that our fights will be easy ones. The important fights never have been easy and I wasn't elected to seek out easy fights. But by the same token, there is no greater personal joy than working hard, fighting hard, and making this world a little better place to live. The Indian poet, Tagore, had that in mind when he wrote:

I slept, and dreamt that life was joy;
I awoke, and found that life was duty;
I acted, and behold, duty was joy.

As the nation looks South in the years ahead, it will find here more than a warm climate and a chance for economic gain. It will find a people with a special perception of this nation's needs in the 1980's. It will find a people who recognize that our resources are not unlimited. As America looks South, it will find a people who accept the new realities of limited natural resources, limited energy and limited money to do the jobs ahead. At the same time, it will find a people not limited in their commitment to get on with the job of human progress and human service.

Instead of promising to solve problems with more money and bigger government, we pledge to address those problems with a partnership of duty shared by people and their government. As the nation looks South, let it find here in South Carolina a people still striving for greatness. But let it also find a place where people are building not just a great state, but a good state, not just a bigger state, but a better state, not just a richer state, but a happier state.

Today, as I embark on four years of leadership to this state, I accept my duty to you, the people, with every ounce of energy and ability within me. In the words of the poem by Bennie Lee Sinclair of Greenville, as read earlier by Representative Woods:

What shapes our dreams will take
We now decide; government that cares, laws
That can be strong, and yet equate, a system
Pledged to educate both mind and heart
In achieving the potential of our state.

I begin my administration today with the deep gratitude of one who loves South Carolina, and one who loves each one of you.

Thank you, and God Bless You.●

UKRAINIAN INDEPENDENCE DAY

● Mr. BURDICK. Mr. President, we in the State of North Dakota take pride in our communities. Throughout the United States in recent years there has been an increasing appreciation of the great gifts brought to our land through its history by our many ethnic groups. North Dakota has always kept that appreciation and in towns and in rural areas throughout the State, these national traditions thrive yet today. One in particular I would bring to your attention at this time. This week of January 22, Ukrainian people throughout the United States celebrate their national independence. It is a time for calling to mind their strong spirit and the contribution they have made to North Dakota and to the whole country. In the past, many of them endured great suffering in the Ukraine, and today that struggle for full human freedom continues. Their courage and determination, be it in settling the rugged prairie here or working for independence in the Ukraine, provide us with examples to emulate, examples of America's greatest asset, its people.●

CLEAN AIR HEALTH STANDARDS

● Mr. MUSKIE. Mr. President, the Administrator of the Environmental Protection Agency, Douglas Costle, is likely to make a decision this week that will bear directly on the health of millions of Americans.

He will decide whether or not to relax one of the most important health standards established by the Clean Air Act. That standard is the level of oxidant—the key ingredient of most smog—that is to be allowed in the United States.

The Clean Air Act requires the Administrator to establish public health standards for air pollutants. These standards are to be based solely upon medical evidence of the health effects of pollutants and must include an adequate margin of safety. Yet, the Administrator has been urged by industry and some economists to base his decision on economics rather than health.

These standards, by themselves, do not generate the costs of pollution control. States are required to adopt various measures to reduce pollution to achieve this standard. These steps, included in a State's clean-up program, impose the specific costs on industry.

In order to provide a more reasonable schedule and to stretch out the costs of implementing the law, Congress decided in 1977 to extend the deadlines for meeting clean air health standards. The new deadline is 1982, and is especially dirty areas, the deadline is 1987. The previous deadline had been 1975. The congressional action has provided great flexibility. It would be indefensible if economics were to be the determining factor of a public health standard which is to be based solely on public health considerations. This is not the proper stage where economic factors should be considered.

On Sunday, January 21, two articles appeared in the Washington Post which relate to this issue. The first, by Margot Hornblower, discusses speculation about the decision Mr. Costle will make regarding revision of the oxidant standard under the Clean Air Act. The disturbing implication of this article is that Mr. Costle, under pressure from the economic voices in the administration, has decided to relax the standard by more than 50 percent.

The second article is by Mark Green,

and expresses the viewpoint that the attack on environmental health and safety regulations by industry is ill-conceived, founded on poor analysis, and would harm the public. I shall ask that both articles be printed in the RECORD at the end of my comments.

Any relaxation of the oxidant standards will subject to very searching questioning.

First, why has the standard been changed from an oxidant standard, which covered many pollutants, to an ozone standard, which selects only one principle pollutant? What will happen to the other pollutants in the oxidant family?

Second, what is the legal effect of shifting the standard to an ozone standard? Will it create litigation charging that this is really the creation of a new standard, and that all work relating to the previous oxidant standard is null and void?

Third, a panel of health scientists earlier recommended to Mr. Costle that the standard not be changed. A separate review of the standard in 1974 by the National Academy of Sciences stated that the standard should not be changed. What justification can there be for revising this key standard in the face of such recommendations?

Fourth, if the standard is relaxed, what happens to the "margin of safety" required by the Clean Air Act?—This is important in view of the fact that the safety margins adopted in the national ambient air quality standards—public health standards—have always had a smaller margin of safety than standards set in many other areas, such as radio activity.

If new evidence conclusively shows that a public health standard should either be tightened or loosened, then that action should be taken. But if the basis for changing the standard is economic pressure from industry or from officials with narrow professional orientations favoring quantifiable dollar costs over less specific public health benefits and clear congressional statutes, then the impetus for such changes must be rejected.

The decision by Mr. Costle will be watched carefully, and a full explanation will be required if any change is made in the existing public health standards established pursuant to the Clean Air Act.

The articles follow:

EPA SET TO EASE SMOG STANDARDS FOR URBAN AREAS

(By Margot Hornblower)

The Environmental Protection Agency, under pressure from White House inflation fighters and the nation's largest oil, chemical and auto companies, is preparing to relax its standard for urban smog.

The action, which would significantly increase the amount of smog cities may allow in their air, comes after nearly a decade of bitter political struggle and little measurable improvement in smog levels.

Of the country's 105 urban areas, only two—Honolulu and Spokane, Wash., meet the health standard for smog set in 1971. Many cities have such dirty air that they may never comply with the law, short of drastically limiting automobile traffic and closing down industry.

Faced with a head-on collision between economic interests and environmental health, EPA Administrator Douglas Costle is expected this week to raise the allowable level of smog by 50 percent—from .08 to .12 micrograms per cubic meter of air—a down-the-middle compromise between business executives who want a .16 level or higher and environmentalists who prefer to tighten the current rule.

Such numbers are meaningless to the average worker caught in a smoggy traffic jam, but they translate into billions of dollars in cleanup equipment, especially for oil, chemical and auto companies—costs which business leaders say they will pass on to consumers.

The relaxation of the standard means that 20 cities, rather than two, would be judged to have clean enough air, as far as smog goes. More than 80 cities, however, including Washington, New York, Los Angeles, Houston and Denver, would still be forced to adopt stringent limits on automobile and industrial pollution.

In those cities, faced with a choice between clear air and new industry, even the new, relaxed smog standard could have a profound effect on local economies, and could force a change in the transportation habits of millions of Americans.

In the 1977 Clean Air Act amendments, Congress gave EPA the power to cut off federal sewer and highway funds and stop industrial growth in cities that don't clean up their smog. Previously, EPA had been unable to enforce rigid smog standards.

The latest battle in the long war over smog comes at a time when environmental regulations are under strong attack as too costly. The expected relaxation could be interpreted as partial victory for White House inflation fighters Alfred Kahn and Charles Schultze, who intervened personally with Costle to change the standard.

However, that intervention has become an issue. Environmentalists, who recently sued Schultze and Interior Secretary Cecil D. Andrus over White House "interference" in strip-mine regulations, are ready to go to court claiming that President Carter's advisers illegally influenced the smog standard.

Underlying the political and economic issues is a tangle of conflicting evidence on the health effects of smog. This has divided the scientific community. The American Petroleum Institute, which has led the fight against a strict standard, has sued EPA for allegedly suppressing a study attributing 80 percent of the nation's smog to natural vegetation.

Neither industry nor environmental groups would be satisfied by the relaxed standard. The oil industry has rallied against the current standard as a possible "permanent bar to new energy development." A .12 level, says an API spokesman, means "extensive social and economic disruption" and "does not provide any substantial relaxation of impossible controls in many areas of the country."

Fred W. Bowditch of General Motors warned of employe layoffs and widespread inflation if a strict standard is adopted. He said even a .10 level "would cost the nation up to $19 billion in one year, with the prevention of only annoying or discomforting health effects to an extremely small, sensitive segment of the population."

However, Robert Rauch, an Environmental Defense Fund attorney, predicts "regulatory chaos" if the smog standard is relaxed. "Industry will say, 'Why should we comply with any regulations when we can get them changed?' Auto companies, for instance, will try to get emission standards weakened. Costle is opening a Pandora's Box.' "

Rauch says a .12 standard "would have virtually no margin of safety" for people who might suffer from respiratory problems, and that a higher susceptibility to infection would be a result of breathing smoggy air. It would not protect against the combined effects of smog and other pollutants, and would exempt about 20 smoggy cities from requiring citizens to keep their cars' pollution equipment working, he added.

In the nine years since Congress passed the Clean Air Act, smog has proved to be the most intractable of the five air pollutants for which the government set health standards. EPA regularly issues news releases boasting of reductions in sulfur dioxide, carbon monoxide and particulates (smoke and dust). But smog, first measured as photochemical oxidants and now as ozone, its main component, is a painful subject.

Originally, states had until 1975 to meet health standards for all five pollutants. But EPA soon realized it wasn't enough to put catalytic converters on new cars. It began to file lawsuits against cities like New York and Washington to force them to limit automobile use severely through parking bans, bridge tolls and other means.

Cities and states, joined by auto companies and other industries, rebelled. In 1977, Congress amended the act, setting new deadlines. States would have until January 1979 to give EPA firm plans for meeting the standards by 1983. The dirtiest cities could take until 1987 to meet standards if they immediately adopted unpopular programs like car inspection and maintenance, forcing consumers to repair inefficient catalytic converters.

But since about half of the smog in the air can be traced to non-automobile sources, it isn't enough for states to require inspection and maintenance, special bus lanes, staggered work hours, van pools and other transportation controls. They've got to crack down on industry, EPA said, and that, Costle observed recently, is "the crunch."

Chemical plants, dry-cleaning shops, auto-painting operations, and virtually every part of the oil industry, from drilling and refining to gas stations, would have to purchase expensive equipment and alter traditional practices to contain the hydrocarbons which react with sunlight to produce smog.

Already worried about urban deterioration, states are chafing under such orders. Costle last June proposed a .10 standard—a 25 percent relaxation—and the further relaxation to .12 is expected to be equally controversial.

The smog issue has caused unprecedented controversy within EPA. The agency's official science advisory board three times rejected the criteria document on which the standard is based, calling the health risk assessments "largely speculative."

But another panel of scientists, experts in smog, found no reason to relax the standard at all, citing breathing problems and increased chances of infections for asthmatics and other sensitive people at levels ranging from .07 to .38.

Industry maintains that sensitive people should just stay indoors during smog episodes, because it costs too much to base a standard on their problems.

Costs are a major issue in the smog controversy, although Congress indicated that health effects were to be the sole criterion for setting standards. EPA estimated the cost of meeting a .10 standard to be $6.9 billion to $9.5 billion a year—including industry equipment, consumer expenses and government programs.

However, the White House regulatory analysis review group, under Schultze's direction, projected a $14.3 billion to $18.8 billion-a-year cost—a doubling of EPA's estimate, making smog the most expensive regulation the government could adopt this year. (American Petroleum Institute estimates range up to $33 billion a year.)

THE FAKED CASE AGAINST REGULATION

(By Mark Green)

I have this recurring nightmare, Jonas Salk has just announced his cure for polio. A bill is introduced in Congress to require mandatory inoculation of school children under HEW direction. Opposition then appears. Ronald Reagan urges, "free choice by parents rather than compulsory by government." Mobil runs advertisements with the headline, "From gas tanks to bloodstreams. Where will government go next?" An associate professor of economics does a study for the American Enterprise Institute demonstrating that more lives may be lost by car accidents en route to doctors' offices than will be saved by the Salk vaccine. Abbott Labs argues that its product, "Polioside," has been effective since thousands of doctors have been prescribing it for two decades. The bill then fails in the House Commerce Committee by one vote—after the wheelchair industry, citing job losses, gives $200,000 in campaign gifts to committee members.

Farfetched? Perhaps. But as one reads the flood of advertisements, speeches, articles and rhetoric denouncing "big government" and the "costs of regulation," reality and caricature seem to merge. Mobil decries a "national orgy of regulation." The Wall Street Journal attributes the decline of American industry to "berserk proceduralism." Time editorializes against "straitjacket rules imposed by a bulging bureaucracy [that] lift unemployment, slow technical progress, reduce U.S. competitiveness, hamper exports . . ."

To be sure, any government that has acted like a cartel in fixing trucking and airline rates or that mandates the height off the floor for fire extinguishers needs critics who can distinguish between rules that save lives and those that save face. Unfortunately, today's debate over health and safety regulation lacks this sense of discrimination. Instead, it burns incense to supposedly neutral "cost-benefit analysis and manages to neglect the actual benefits of consumer and environmental regulation.

Given the current state of economic art, mathematical cost-benefit analyses are about as neutral as voter literacy tests in the Old South. They are often ideological documents designed to prove preconceived notions. Or, as a Library of Congress review has said of them, "they tend to support the vested interest of the sponsor of the estimate or to fit the hypothesis of the individual making the estimate."

A CHICKEN LITTLE SYNDROME

Consider environmental regulation. Who controls information about its costs? The regulated industry, of course. The result, not surprisingly, is that we end up with regulatory-cost estimates based on what might be called the Chicken Little School of Economic Analysis.

In the early 1970s, for example, chemical manufacturers announced that a proposed federal standard on vinyl chloride, a proven cause of cancer, could cost 2 million jobs and $65 billion to $90 billion. "The standard is simply beyond the compliance capability of the industry," their trade association declared. The standard was adopted and the industry has flourished—without any job losses and at a cost that is one-twentieth of the original industry estimate.

Similarly, in one of a growing number of regulatory battles within the Carter administration, Energy Secretary James Schlesinger recently suggested that Labor Secretary Ray Marshall block a proposed worker exposure standard for beryllium, another known carcinogen, because of its supposed $150 million cost. Energy officials later conceded that their estimate was derived from "a gross estimate based on rule of thumb"—provided by other than beryllium manufacturers.

For one more of numerous examples, the Securities and Exchange Commission has a curious case pending against U.S. Steel: The company allegedly has established two estimates for the cost of meeting certain pollution standards—a higher estimate issued publicly and a lower one sent to the SEC.

To believe that business-dominated cost-benefit studies should control regulatory decisions is about as sophisticated as arguing that one party to a lawsuit should also be the judge.

Inflated cost-benefit studies and the intensity of business propaganda against consumer and environmental regulation might lead a celestial visitor to wonder why we tolerate such stupidity. We seem to have suffered a kind of collective amnesia about exactly why we have these regulatory agencies.

A few years ago the Cuyahoga River in Ohio caught fire. One thousand Americans a day die of cancer, much of it environmentally caused. Auto crashes took 47,000 lives and caused over 3 million injuries in 1977. One out of every 11 workers in the private economy had a job-related injury or illness in 1976. Women around the Love Canal in upstate New York, one of 638 known sites of hazardous wastes, have experienced unusually high miscarriage and birth defect rates.

So, although the debate over regulation has somehow focused on how OSHA dictates the shape of toilet seats, there are clearly more fundamental issues at stake.

While the competitive marketplace can be an engine of efficiency, it was not designed to tell consumers which car might have a steering defect, which drug has dangerous side effects, what product unduly pollutes. In addition, what each of us buys affects others. My car pollutes your bedroom. The plane I travel in envelops you in jet noise. I am a voluntary consumer; without federal standards, in these instances, you would be an involuntary consumer.

Federal regulation can be viewed as a contract between consumers and business—with the government as mediator—in which consumers agree to a market economy if business avoids unnecessary injury and death. It establishes minimum conditions for humane capitalism. So, while the public may moan about regulation in general, as it moans about paying insurance premiums, both are viewed as necessary protection against possible harm.

Indeed, California voters approved $375 million for pollution controls on the same ballot that contained Proposition 13. Polls by even the business-oriented Opinion Research Corp. have indicated public support for regulation to protect worker health and safety (by 4 to 1), product safety (3 to 1) and the environment (2 to 1).

This popularity is well rooted in the measurable benefits of health and safety regulation. In many cases, regulation has stimulated innovation in often rigid, unimaginative industries.

Before the Food and Drug Administration banned spray cans using fluorocarbons, the industry said there was no alternative. The day after the ban went into effect, the country had a new pump spray that didn't use fluorocarbons and that was *cheaper* than aerosol cans. After Washington imposed strict safety standards for car bumpers, auto engineers developed bumpers that are far stronger and lighter—and that save consumers an average $100 in repair costs over the life of their car.

A 1975 study of five industries in five countries by MIT's Center for Policy Alternatives concluded that, in the area of health and safety regulation, "forcing firms to implement product or process changes oftentimes incidentally shocks them out of a rather inflexible production system and thereby provides the catalyst which is necessary for innovation to occur."

Regulation has also produced jobs. Although the Environmental Protection Agency estimates that 20,000 jobs have been lost in plants that could not meet environmental standards, the number of direct jobs created by pollution control expenditures is 600,000. The interior minister of West Germany, one of the world's most productive countries, told a U.S. audience this year: "The expenditures for pollution control contribute decisively to the growth of our economy and create or maintain hundreds of thousands of jobs each year."

Due to product safety standards, there has been a 40 percent drop in infant deaths from crib strangulation and swallowed poisons. An estimated 300,000 Americans alive today would be dead if Washington hadn't been regulating car and highway safety since the late 1960s. By 1985, federal fuel economy standards for cars will be saving 15 billion gallons of gasoline annually, or $640 per car over the life of the vehicle.

Although industrialists almost invariably oppose new government regulations, at times they also grudgingly concede that rules they once denounced make a profound difference. Fletcher Byrom, chairman of the Koppers Co., for example, recently told a business audience that "you and I know that the market system would not give us environmental protection, worker safety and health. These are not economic things . . . they add value, not wealth; the only way to improve the quality of life is through intervention."

IMMEASURABLE BENEFITS

This is to say nothing about the benefits of regulation that involve immeasurable or moral considerations. What is the price tag for lives saved by avoiding future diseases, since asbestos and other substances in our lives today cause cancer in 30 years? How much will you pay for a 6-year-old who is not disfigured from flammable sleepwear? How do we calculate the exact benefits of being able to see across the Grand Canyon, of avoiding needless destruction of recreational areas?

Some social scientists are indeed attempting to put a price on human life. One of their prominent techniques, for instance, tries to peg the value of a life merely by what a person would have earned in the future.

Even when one looks to mathematical pricers of human life, what one finds are wildly varying numbers. The National Highway Traffic Safety Administration prices a life at $270,000, a University of Rochester analysis at $350,000, a Cornell study at $1.5 million and an American Enterprise Institute report at $2.5 million.

Even if these numbers were more precise, regulation often involves noneconomic goals. Society might desire regulation where the calculable costs exceed the calculable benefits because of the standards' redistributive effect: say the costs are shifted from hardpressed workers to relatively well-off stockholders.

Moreover, if the cost of, say, saving a worker's arm approximates the economic "benefit" to him, would any sane person doubt that the arm should be saved? Many, if not most, aspects of life can never be, and should never be, decided by the economists' yardstick. The abolition of slavery or child-labor laws certainly would never have passed a cost-benefit test.

THE JAUNDICED EYE

Nor do problems with cost-benefit studies stop with benefits that are ignored or that cannot be measured with numbers. Several prominent studies that try to document the wastefulness of federal regualtion inadvertently demonstrate the adage that all looks yellow to the jaundiced eye.

An analysis by Chase Econometrics, for example, asserts that environmental regulation will account for an average 0.3 to 0.4 points of the annual increase in consumer prices in the 1970–1983 period. Unfortunately, the study is based on *gross* cost, not *net* costs. As Sen. Gary Hart (D-Colo.) complained of the Chase study, it is "irresponsible to discuss costs of pollution control without comparing them to benefits."

In other words sulphur oxide and particle emission standards from stationary sources may cost $9.5 billion this year, as Lester Lave and Eugene Seskin estimate in a recent book. But the standards will also save an estimated $16.1 billion just in health outlays, which have been playing a large role in fueling inflation. By their calculations, the anti-pollution standards are *deflationary*, not inflationary.

Even taking Chase's numbers at face value, a significant 20 percent reduction in regulatory costs would only lower the annual rate of increase in the cost of living index by one-tenth of a percentage point. Any reduction in inflation is not to be disparaged, but the contribution of regulation to the problem is relatively modest—probably less than the contribution of price-fixing, trade barriers, natural gas deregulation, the depreciation of the dollar or the latest OPEC price increase.

In another well-known study, Sam Peltzman, an economist at the University of Chicago, has declared that the 1962 drug safety amendments cost consumers $250 million to $350 million due to depressed innovation and delays in getting useful drugs on the market. "It sounds shocking to say that the net effect of having some thalidomides is a gain," Peltzman told a congressional committee, "that's the way the world works."

Peltzman's case rests on his determination that new drug applications fell 60 percent after the 1962 act, a drop he attributes to the law. But new drug applications are hardly a measure of good drug therapy. Companies seek approval of new drugs that are minor variations of existing drugs in order to extend an old patent under a new name. Dr. Henry Simmons, director of the FDA's Bureau of Drugs, concluded in 1973 that "the rate of development and marketing of truly important, significant and unique therapeutic entities in this country has remained relatively stable over the last 22 years, numbering five to seven drugs per year."

Undaunted, Peltzman assumes that doctors kept informed of the value or danger of drugs before 1962 via what could be called "learning by experience." Perhaps he has in mind the 107 deaths in 1937 caused by the inadequately tested drug elixir sulfanidamide after which alert doctors probably stopped prescribing the drug. "By your judgment, a drug is important because it is widely used and misused?" Sen. Gaylord Nelson asked in congressional hearings. Peltzman replied, "Senator, I think you've pointed out some of the problems with this sort of methodology." Indeed.

For these and other reasons, the General Accounting Office, the Council on Environmental Quality, the Congressional Research Service, the Senate Governmental Affairs Committee and the House Oversight and Investigations subcommittee have all disparaged the value of mathematical cost-benefit tests.

In the words of the House subcommittee, "the limitations on the usefulness of benefit-cost analysis in the context of health, safety and environmental regulatory decision are so severe that they militate against its use altogether." In a recent report the Senate committee concluded that "while agencies should be required to project and consider costs, benefits and alternatives, that analysis must not be considered a final determinant of whether an action should be taken. The difficulty of quantifying costs and benefits and the appropriateness of applying economic statistical analysis to health and safety areas much be recognized."

A CRITICAL CHOICE

Despite the obvious benefits of health and safety regulation and the problems of mathematical cost-benefit studies, the business war against regulation is beginning to have a public policy impact.

"People like Strauss, Blumenthal and Kreps go around the country to business groups who yell at them about regulation," said one White House aide. "Then they come back to meetings here and relate their selective experiences. It shapes all the discussions." A leading Carter regulator recently commented that "it's one thing to spend my time fighting with business or public interest groups, but now I also spend a lot of time fighting this administration."

The "fight" is a periodic one pitting the administration's regulators against such powers as chief economic adviser Charles Schultze, Treasury Secretary Michael Blumenthal, Commerce Secretary Juanita Kreps, trade negotiator Robert Strauss and wage-price watcher Barry Bosworth. The arena keeps shifting—from cotton dust standards, to strip-mining regulations, to carcinogen standards at OSHA—but the fundamental issue is the same: Should health and safety regulation be sacrificed to the anti-inflation campaign, based on the false specificity of existing cost-benefit analysis?

Obviously, before implementing any proposed legislation, officials should attempt to estimate or at least specify the desired benefits, to minimize the costs of compliance and to consider alternative routes to the same goal. This general "impact review" is the basis of a "regulatory reform" bill about to be introduced by the chairman and ranking Republican of the Senate Governmental Affairs Committee, Abraham Ribicoff and Charles Percy.

The legislation would require agencies to conduct and publish such a review when introducing and implementing any rule; it would speed up agency decision-making by reforming the Administrative Procedure Act; it would increase public participation as agencies make regulatory decisions; it would strengthen the subpoena power of regulators to understand better the community they are regulating. This approach emphasizes that health and safety regulation should be improved, not abolished.

The Carter administration too is now formulating its own regulatory reform bill. As the Office of Management and Budget drafts this version, it has two possible models in mind. It could be stampeded by the kind of business propaganda that is trying to make citizens hate their government, that objects not when regulation fails but when it works too well. Or it could heed the words of Jimmy Carter who, early in his presidency, announced that "the test of any government is not how popular it is with the powerful, but how honestly and fairly it deals with those who must depend on it."

The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of market-place abuse. And the next Salk vaccine may depend on the outcome.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is closed.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. METZENBAUM. Mr. President, I ask unanimous consent to proceed at this time. Under the original order I had 15 minutes at 1:45 p.m. Instead I wish to proceed at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, in the last session of Congress, Senator Jim Abourezk and I had some very strong feelings with respect to the issues pertaining to gas deregulation. By reason of that fact, we addressed ourselves to the issue. We spoke in opposition to it, and there came a point where the Senate in its wisdom invoked cloture.

Thereafter, he and I concluded that we might very effectively continue the debate and raise the level of public attention on the issue by filing a very long list of amendments which were permitted under the rules.

It is a fact that over a period of time he and I had an opportunity to speak to that subject, to offer amendments, and had there not been certain parliamentary procedures invoked, it is entirely possible that the post cloture amendment procedure might have carried on for 1 week, 2 weeks, or possibly even a month longer than it did.

I have no apologies to make for utilizing the rules of the Senate and the procedures that are permitted under those rules to file a long, long list of amendments after cloture had been invoked.

Senator Abourezk and I did so because we felt that was the most effective way we could utilize to indicate our opposition to that measure.

Having said that, I rise today to indicate my strong support for the rules change that has been proposed by the leader of the Senate so that when cloture has been invoked there will be a limit of 100 hours of debate thereafter, including all quorum calls and any other procedural motions that might be made.

I find no fault in any Member of the Senate studying the rules of the Senate, utilizing those rules and attempting to make his or her point in connection with that subject.

But I join the leader in recognizing that once cloture has been invoked it is only fair and right that the debate close at a time certain. As a matter of fact, it is my own personal view that the 100 hours after cloture has been invoked is truly more than need be available.

Cloture is invoked when the Senate has indicated by three-fifths majority that it wishes to terminate the debate. If there is a procedure available under the Senate rules, as there obviously is at the present time that that debate may be continued on for days, weeks, and possibly months, then it is appropriate that the leadership attempt to have the Senate continue to proceed in an appropriate manner.

The only way that can come about is by changing the rules of the Senate, and that is what the leadership of the Senate has proposed to do.

I think that it is right that that be the fact.

I stand here and I am frank to say that if the rules of the Senate were not changed I would not hesitate tomorrow again, were the issue as keenly felt by me as was the issue in connection with deregulation, to use those same rules for the purpose of offering amendments after cloture is invoked.

But I say that neither I nor any other Member of the Senate should be permitted under the rules to do that.

I think this body owes it to the American people to proceed in an orderly manner, and I think that if for some reason our rules in the past have not been sufficiently broad in order to preclude this kind of eventuality from occurring then it is only right this Senate, recognizing its responsibility not alone to itself but to the American people, see fit to change those rules.

Therefore, I stand here today not to make a lengthy speech but as one who has utilized the procedure to indicate as I had indicated to the leadership actually during the period of the filibuster by amendment that I did not think the rules were right, that I was prepared to support a change, and I do support a change and absent there being a change I am certain that there will be other Members of the Senate who will see fit, just as was indicated in the last session, to utilize this procedure of filibuster by amendment.

I think the procedure should be changed, I think it is right that it be changed, and I think it is in the best interests of the U.S. Senate. But far more important than that, it is in the best interests of the people of this country, and I hope that the leadership will be able to prevail and see to it that a change does come about in connection with this subject.

I have previously stated that I think, if the limit were less than 100 hours, it would be appropriate. I have conveyed to the leadership that there is a provision in the change that provides that after cloture has been invoked there is a limitation of the time which might be less than 100 hours; if by rule of the body, by a particular percentage of votes, then there is a question as to who controls the time. I pointed out to the leader that I think that might work out to be equitable if the time at that point were controlled by the minority and the majority leaders because, as was evident in the last instance, that would not have been workable then.

I do not feel this is a major point. I think it is a very minor point. I merely raise it to bring it to the attention of the leadership because I think he wants this matter to be resolved in a manner that is fair to all Members in the Senate, protecting the rights of the minority as well as the majority.

I do hope that the Senate will resolve this issue promptly, expeditiously, and in the manner indicated by the leader of the Senate or if not that in some similar manner that will help us go about our business.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. METZENBAUM. I yield.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for his very statesmanlike statement.

He has told me privately what he has just said publicly, that he favors the change in the rules of the Senate so as to put an end to this filibuster by amendment, this postcloture filibuster approach that has been so divisive in the Senate, and at the same time he has said quite frankly, "As long as the rules are not changed, I as a Senator feel I have a right to resort to them and I am going to," and that is just what he has said here today. As long as the rules are not changed he will feel free to use them. He certainly has the right to use them, and I admire him for his courage in taking the position that he has today, to wit, that if they are not changed he may engage in that type of filibuster again, but he does not approve of that approach. He thinks the Senate rules should be changed and he thinks they should be changed in a way that will be fair to the minority and at the same time will allow the majority of the Senate to work its will on a measure.

He has said that it is in the best interests of the Nation. I applaud him, I thank him, and I say again that I think he has taken a very statesmanlike posture.

Mr. METZENBAUM. I thank the majority leader.

Mr. HELMS. Mr. President, will the Senator yield to me?

Mr. METZENBAUM. I yield.

Mr. HELMS. I listened with great interest to the able Senator's remarks, and I gather that his greatest concern is postcloture; is that correct?

Mr. METZENBAUM. That is correct.

Mr. HELMS. I agree with the Senator's sentiments in a general sort of way. I wonder if the Senator will agree that in the event the 1 hour per 100 Senators, or 100 hours for 100 Senators if claimed, if that is reduced it should be made fungible, that is, transferable?

Mr. METZENBAUM. I think that there might very well be some merit to that. I think that it is a matter I would want to give some further consideration to, but I can well understand that postcloture as to the debate and amendment process, it might only be fair that where one or two Members are particularly involved they be permitted and allowed to have more than 1 hour, and I think we could work out some procedures along that line. Whether or not one Member should be able to hold the floor for 100 hours and tie up the floor under those circumstances I am not quite certain. I think there is certainly a reason to try to provide for some fungibility.

Mr. HELMS. I thank the Senator.

Mr. President, may I have the floor under my own right?

The PRESIDING OFFICER. Does the Senator from Ohio yield the floor?

Mr. METZENBAUM. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

PROPOSED FTC REGULATION A "LEMON"

Mr. HELMS. Mr. President, used car dealers nationwide think the Federal Government is about to sell the American consumer a billion-dollar "lemon" that will substantially add to the inflationary spiral, and jeopardize the existence of over 70,000 small businesses.

The "lemon" is a proposed Federal Trade Commission regulation that would require any individual or business that sells five or more used vehicles in 1 year (up to 4,500 pounds, excepting motorcycles) to inspect each vehicle prior to sale, and to state on a window sticker which of 60 automotive functions are "OK" or "Not OK."

The sticker would have the legal force of a warranty.

Dealers and their representatives, such as the National Independent Automobile Dealers Association (NIADA) headquartered in Raleigh, N.C., have until February 13, 1979, to respond to 43,000 pages of documents compiled by the FTC staff, after which the regulation can be approved or denied by FTC Commissioners.

The FTC staff claims that its intent is to create better-informed consumers and safer used cars, and to drive into court the used car salesperson who uses fraud and deceit.

Upon first blush this might sound like a worthy objective in a noble cause. But underneath the hood of this slick-looking proposal, says NIADA, is a bag full of clinkers and pitfalls that will take the public for one of its most costly rides in decades.

For openers, the FTC staff blithely estimates the average cost of the required car inspection will be $15, which could be passed along to the car buyer.

No way, says Dan Ray, NIADA executive director. The actual inspection cost will be in the $100 to $300 range, depending on such factors as dealer location, access to inspection facilities and qualified mechanics, and age of car. Ray says:

With 14 million used cars sold each year the FTC's regulation will require the public to spend an additional one and a half BILLION to over four BILLION dollars a year. Not only would this be a serious drain on the public's purchasing power, but it will accelerate inflation, doubly damaging the economy.

Ray says his figures are based on realistic data from within the industry, and that the FTC staff "has yet to inspect a single car according to the terms of the regulation. This is not a simple 10-minute State safety inspection we are talking about. Some cars, we are certain, will have to be practically dismantled to be properly inspected."

Ray emphasized that neither set of inspection estimates includes the cost of enforcing the regulation, or the increased burden in the courts to handle the predicted increase in litigation. He continued:

Unless the regulation is strictly enforced, it will only be the honest dealers who are likely to comply with it. States are not equipped with the manpower to handle that strict enforcement, and someone will start talking about creating a new Federal agency. We feel like we are watching the birth of a new bureaucracy.

Car dealers aren't qualified to inspect a car, a certified mechanic will have to tell the dealer whether a car system is okay or not, but it's the dealer who signs his name to the sticker, and the dealer who'll have to pay for any repair work if the mechanic missed something.

No matter how conscientious the inspection, any of the 15,000 moving parts in a car can fail ten seconds after the car is sold,

and the buyer could take the dealer into court to have it fixed. The local court system will be swamped.

Ray said the majority of the estimated 70,000 used car businesses in the country—NIADA represents 8,000—are too small to have the facilities and personnel necessary to perform inspections economically, and many will simply have to go out of business. Ray claims:

It will destroy the small businessman in the market as we know it today. That means less selection for the buyer, and a decrease in the competitive forces.

Current estimates indicate dealers make 40 percent of used car sales annually, with 60 percent handled privately. A history of similar government regulations in West Germany has had a prophetic impact on its dealer market: Virtually all used car sales there occur individual to individual.

To survive, American dealers will have to pass along the extra costs to their customers, which will severely discriminate against the poor.

Add $100 to the cost of a $2,000 used car, and you have a 5-percent markup. But $100 added to an $800 car is a 12-percent increase. The people shopping for a car under $1,000 depend on the used car market for a cheap means of transportation to get to work. According to Ray:

The FTC staff has proposed in one sticker all the worst elements of government regulation, the regulation is inflationary and discriminatory; it penalizes the honest businessman and won't eliminate the dishonest; the regulation exceeds their authority; it will curb, not stimulate, competition; and it will affect corporations and businesses, large and small, that have company cars in the same way it will affect used car dealers.

It does appear," Ray concluded, "that the FTC staff is determined to sell the American public a lemon, and they won't even let us kick the tires.

Mr. President, I share the concern of many of my colleagues over the adverse impact of these regulations. There are 70,000 used car dealers in the United States, and this proposal could possibly put half of them out of business. The across-the-board fixed cost imposed on all dealers as a result of this regulation will impact most heavily on small businesses, which we often call the "moms and pops" ventures. And for those dealers who manage to survive, expenses will be higher, increasing the cost to the consumer and thus fueling the fires of inflation.

In his anti-inflation speech, President Carter stated that unnecessary and overly heavy Government regulations are a prime contributor to inflation and an unfair burden, especially on small businessmen. It is of grave concern to me that the Federal Government's regulators are ignoring their own President and the will of Congress and are intruding into an area that simply ought to be left to the dealers, buyers, State legislatures, and the forces of the marketplace.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in compliance with the order that has been previously entered, I move the Senate stand in recess until tomorrow at 12 o clock noon.

The motion was agreed to; and at 1:46 p.m., the Senate recessed until Thursday, January 25, 1979, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES—*Wednesday, January 24, 1979*

The House met at 3 p.m.

The Right Reverend Monsignor Walter Paska, J.C.D., St. Peter and Paul Church, Baltimore, Md., offered the following prayer:

Almighty God, bless our esteemed President and august Congress, sharers in the responsibility of government, that their efforts culminate in worldwide peace and stability.

As we pray for the United States, we also petition for the welfare of the Ukrainian nation whose Proclamation of Liberty 61 years ago commemorated the effort of a freedom-loving Christian people to share in the blessings of democracy. Respect for individual liberty and acknowledgment of Your divine existence remain integrally united with the aspirations of Ukraine.

We pray for this realization, through Your omnipotence in bestowing and Your infinite charity for humanity.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

NECESSITY FOR A REVIVED CIVIL DEFENSE IN OUR COUNTRY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, civil defense's proposed budget for fiscal year 1980 is $110 million. When inflation is taken into account, we see civil defense gets no increase in funds.

Although I disagree with President Carter's decision not to raise our civil defense budget, I feel it is too late this year to campaign for substantial additional money. However, we must look at the future.

President Carter has set the tone and the theme for his administration. It is called "New Foundations." This motif also should apply to civil defense. It is time to dispose of our old and negative approaches to civil defense and start rethinking of civil defense in fresh and realistic terms. Civil defense too must have "New Foundations."

This year, civil defense is not part of that theme. However, we immediately have to begin the groundwork for a revived civil defense in our country.

□ 1505

ADMINISTRATION OF OATH OF OFFICE TO THE HONORABLE STEWART B. McKINNEY

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIAIMO. Mr. Speaker, in accordance with your designation of me, pursuant to House Resolution 8, 96th Congress, adopted by the House of Representatives, to administer the oath of office to Representative STEWART B. McKINNEY, of the Fourth District of Connecticut, I have the honor to report that on the 22d day of January 1979, at 4480 Congress Street, Fairfield, Conn., I administered the oath of office to Mr. McKINNEY, in the form prescribed by section 1757 of the Revised Statutes of the United States, being the form of oath administered to Members of the House of Representatives, to which Mr. McKINNEY subscribed.

The SPEAKER. The Chair extends thanks to the gentleman from Connecticut (Mr. GIAIMO) for performing the duty he described.

INTRODUCTION OF CITIZEN PROTECTION ACT TO OVERTURN SUPREME COURT'S STANFORD DAILY DECISION

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUAYLE. Mr. Speaker, I am today introducing the Citizen Protection Act to overturn the Supreme Court's Stanford Daily decision which authorizes officials to conduct surprise searches of newsrooms, homes, and offices although no one present is suspected of a crime.

Recently I was pleased to learn that President Carter had instructed the Justice Department to develop a proposal to protect a reporter's "work product." But the Carter proposal is only half a loaf—it protects only the media.

My bill, the Citizen Protection Act, affords protection not only for the media, but for all citizens.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This act mandates any law official to use the "subpena first rule" in cases where "the person in possession of the information has a reasonable expectation of privacy."

Under the provisions of the bill, a search warrant could be issued only in cases in which: First, there is "probable cause to believe the person or persons in possession of the evidence may be involved in the crime"; or second, there is "probable cause to believe the person in possession of the evidence has a reasonable expectation of privacy."

These standards would apply across the board to Federal, State, and local officials under the provisions of this bill.

Although the Stanford Daily case involves a newspaper, the effect of the decision goes far beyond the newsroom. In effect, every business, home or office would be subject to a forcible entry and search even though the person or organization entered was not suspected of criminal activity.

No one will argue that prosecutors and law enforcement officers should have the authority to gather evidence. However, the guidelines established by the Court do not set a good example of how justice should be administered.

Supreme Court Justice John P. Stevens explained the magnitude of the decision in his dissent:

Just as the witnesses who participated in an investigation or a trial far outnumber the defendants, the persons who possess evidence that may help to identify an offender or explain an aspect of a criminal transaction, far outnumber those who have custody of weapons or plunder. Countless law-abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation. The consequences of subjecting this large category of persons to unannounced police searches are extremely dangerous.

Although our cherished first amendment applies to all citizens, there are special problems when it comes to operating a newspaper or any news-gathering organization.

The unannounced search of a newspaper or broadcast studio could jeopardize the confidential sources that journalists have gathered. As search warrant, unlike a subpena, would allow a police officer to go through all the newspaper's files. But through the subpena process, the newspaper would be required to produce only the specific documents ordered.

The majority opinion in Stanford Daily stated that Congress could provide nonconstitutional protections against possible abuses of the search warrant procedure.

Thus the Court refused to set up a constitutional standard for seizure of materials held by persons not suspected of criminal acts. So it is up to us as the Congress to insure the privacy of all Americans, to protect our first amendment rights and further delineate the fourth amendment.

It is our duty to legislate the "subpena first rule," rather than continuing to allow forced searches of innocent third parties whether they be the media or ordinary citizens.

PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, on January 23, 1979, my colleagues and I received President Carter's state of the Union address to the 96th Congress and his budget recommendations for the U.S. Government for the fiscal year 1980. I should like to take this opportunity to applaud the President in his efforts to reduce the Federal deficit to $29 billion in 1980 down $8.4 billion or 22.4 percent from the 1979 deficit of $37.4 billion which was estimated to be $11.5 billion or 23.5 percent below 1978. In addition, the President is trying to curtail Federal spending and in his message to the Congress provide the necessary "discipline over Federal spending by eliminating programs that are unworkable and improving programs to make them more effective, and forcusing on a system and reorganizing and consolidating Federal activities to improve the efficiency and avoid waste, abuse, or mismanagement."

All of these efforts, Mr. Speaker, are geared toward controlling the No. 1 problem that faces the American public, that is inflation, and the possibility of recision and depression.

While I applaud our executive branch in its efforts to come to grips with Federal spending, I want to reemphasize my belief that the Congress of the United States must give direction and policy guidelines to the Federal budget and determine itself and not through the Office of Management and Budget which areas need to be increased or decreased depending on their merits and their needs. I refer specifically, Mr. Speaker, to many of the areas that have been decreased as proposed in the President's and the OMB-directed budget.

Specifically, some of the areas that concern the Fifth District of my State of Tennessee and the United States in general relates to cutbacks in many of the areas of social welfare and agriculture. I understand from reports that new authority to build new or subsidized existing housing units would drop from 323,660 to 300,000 units and a $45 million cut has been proposed in the highly popular program that provides low interest loans for the rehabilitation of older houses, a cutback in the level of summer jobs for youth from 1 million next summer to 750,000 in 1980 by eliminating 14 year olds from eligibility. The budget proposes slashing programs under the Comprehensive Employment and Training Act by $729 million below their 1979 level reducing the number of public service jobs 625,000 to 467,000 by the end of 1980.

The Labor Department officials have indicated that these jobs will be provided by private employers who hire people eligible for CETA jobs. Cutbacks in the Department of Justice in law enforcement, slashing $111.5 million and reducing by 1,000 positions in the Department of Justice in addition to 281 special agents and Border Patrol personnel. This is also in addition to a law enforcement reduction of $122 million in State and local assistance programs. I am especially concerned, Mr. Speaker, in the proposed cuts in alcohol and drug rehabilitation programs. The budget is replete with reductions relating to this key program.

In addition, the largest cuts have been initiated in the area of agriculture and community development. Major cuts in agriculture spending included $326 million reduction in rural development projects and cuts in grant and loan for rural housing by more than $400 million. In addition the agriculture budget calls for $110 million spending cut by eliminating the Federal substantive for milk at schools or milk as provided as part of other food programs.

Mr. Speaker, at the same time that I have detailed several of the major areas of concern to me that reflect decreases in the fiscal year 1980 budget, I want to also highlight some of the budget increases that merit a second reflection by the Congress during our authorization and appropriations process. Two of the areas which received large increases were international affairs, up 12 percent since last year and military defense budget areas, up 10 percent since last year. I understand that the Agency for International Development operates development assistance programs designed principally to help meet basic needs of the poor in developing countries through promotion of economic growth.

These programs are expected to rise from $1.2 billion in 1979 to $1.3 billion in 1980. In addition, outlays for foreign economic and financial assistance are to increase by $220 million to $5.5 billion in 1980 and outlays for multilateral development banks are estimated to rise from $0.9 billion in 1979 to $1.0 billion in 1980. While I understand the need for foreign assistance and international cooperation, especially with financial institutions overseas, I think the Congress should take a long second look, Mr. Speaker, in cutting programs at home while increasing programs for the poor around the world. I shall look forward to studying the authorization hearings relating to international affairs and to consider further the President's recommendations in this area.

In addition, I am a strong believer in a national defense structure that is second to none. I understand the President's thrust in beefing up our military strength, both at home and especially with our NATO allies abroad. However, there must be some reflection on the part of the Congress to specific weapon systems and purchases in our overall strategic weapon systems and purchases in our overall strategic doctrine as well as our commitment to our NATO allies toward fulfilling their role in defense expenditures.

Mr. Speaker, I will personally review each and every area that affects the interest and the well-being of my constituents in the Fifth District of Tennessee. I shall fight for programs whose reduction effects directly the lives and well-

being of the people of Tennessee, ever mindful, however, of the need to control Federal spending and reduce our deficit. It is easy, Mr. Speaker, to attack the President and to call for budget cuts in an ever-constricting Federal budget, however, in my short review of the over 1,180 pages that contain the Federal budget. I have found that the President has tried to grapple with the problem of increased Federal spending and fulfill many of his campaign promises to reduce inflation and prevent recision and depression in this Nation. I shall, where possible, support the President in these efforts keeping in mind the authority of the Congress to authorize and to appropriate the funds for the Federal Government.

REINTRODUCTION OF LEGISLATION TO SUSPEND DUTY ON NITROCELLULOSE

(Mr. PREYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PREYER. Mr. Speaker, I am today reintroducing legislation on behalf of myself, Mr. GUDGER, Mr. HOLLAND, Mr. JACOBS, and Mr. VANDER JAGT, to suspend until June 30, 1980, the duty imposed on nitrocellulose imported into the United States.

Nitrocellulose is the basis for a large number of fast drying, durable lacquer coatings and is used for automotive refinishing, for primers, and other fast drying coatings for metal and plastics. It is also used for nonfurniture wood finishes, paper coatings, and many novelty coatings. However, one of the principal uses for nitrocellulose, and one for which there is no substitute, is in the manufacture of finishes for wood furniture. This is vital to the furniture manufacturers in the State of North Carolina and in the Nation.

Legislation to lift the tariff passed the House and Senate last fall, but died on the floor of the Senate during the hectic, last hours of the 95th Congress, when a controversial tax amendment was added to the bill.

The need to lift the tariff was prompted by one of only two domestic suppliers of nitrocellulose, E. I. du Pont de Nemours & Co., deciding to halt production of the material.

During 1978 the available supply of nitrocellulose fell short of demand by 20 percent and the shortage is expected to be even more critical during 1979.

The remaining domestic supplier, Hercules, Inc., has committed itself to meeting the demand, but needs time to bolster its production capacity.

In the meantime, American coating manufacturers, who have been forced to import nitrocellulose, must pay a 9.7-cents a pound tariff. The result is a minimum 10-percent increase over existing domestic prices and a handicap in the marketplace.

Manufacturers absorbed most of the cost during 1978, but supply problems disrupted the production lines of smaller companies worried about stockpiling the flammable nitrocellulose.

Suspension of the tariff would give Hercules, Inc., the time it needs to expand its nitrocellulose production and give other potential domestic suppliers a chance to enter the market. Hercules has no objections to a temporary suspension of the duty and endorses our proposal.

I urge the Trade Subcommittee and the full House Ways and Means Committee to give this matter early consideration.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 62), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 62

Resolution designating membership on certain standing committees of the House

Resolved, That the following-named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Agriculture: THOMAS S. FOLEY (chairman), Washington; E DE LA GARZA, Texas; WALTER B. JONES, North Carolina; ED JONES, Tennessee; DAWSON MATHIS, Georgia; GEORGE E. BROWN, JR., California; DAVID R. BOWEN, Mississippi; CHARLES ROSE, North Carolina; FREDERICK W. RICHMOND, New York; RICHARD NOLAN, Minnesota; JAMES WEAVER, Oregon; ALVIN BALDUS, Wisconsin; TOM HARKIN, Iowa; BERKLEY BEDELL, Iowa; GLENN ENGLISH, Oklahoma; FLOYD J. FITHIAN, Indiana; LEON E. PANETTA, California; IKE SKELTON, Missouri; JERRY HUCKABY, Louisiana; DAN GLICKMAN, Kansas; DANIEL K. AKAKA, Hawaii; CHARLES WHITLEY, North Carolina; TONY COELHO, California; THOMAS A. DASCHLE, South Dakota; KENT HANCE, Texas; BERYL ANTHONY, JR., Arkansas; CHARLES W. STENHOLM, Texas.

Committee on Appropriations: JAMIE L. WHITTEN (chairman), Mississippi; EDWARD P. BOLAND, Massachusetts; WILLIAM H. NATCHER, Kentucky; DANIEL J. FLOOD, Pennsylvania; TOM STEED, Oklahoma; JOHN M. SLACK, West Virginia; NEAL SMITH, Iowa; ROBERT N. GIAIMO, Connecticut; JOSEPH P. ADDABBO, New York; EDWARD J. PATTEN, New Jersey; CLARENCE D. LONG, Maryland; SIDNEY R. YATES, Illinois; DAVID R. OBEY, Wisconsin; EDWARD J. ROYBAL, California; LOUIS STOKES, Ohio; GUNN MCKAY, Utah; TOM BEVILL, Alabama; BILL CHAPPELL, JR., Florida; BILL D. BURLISON, Missouri; BILL ALEXANDER, Arkansas; JOHN P. MURTHA, Pennsylvania; BOB TRAXLER, Michigan; ROBERT DUNCAN, Oregon; JOSEPH D. EARLY, Massachusetts; CHARLES WILSON, Texas; LINDY (MRS. HALE) BOGGS, Louisiana; ADAM BENJAMIN, JR., Indiana; NORMAN D. DICKS, Washington; MATTHEW F. MCHUGH, New York; BO GINN, Georgia; WILLIAM LEHMAN, Florida; JACK HIGHTOWER, Texas; JOHN W. JENRETTE, JR., South Carolina; MARTIN OLAV SABO, Minnesota; JULIAN C. DIXON, California; BENNETT M. STEWART, Illinois.

Committee on Armed Services: MELVIN PRICE (chairman), Illinois; CHARLES E. BENNETT, Florida; SAMUEL S. STRATTON, New York; RICHARD H. ICHORD, Missouri; LUCIEN N. NEDZI, Michigan; CHARLES H. WILSON, California; RICHARD C. WHITE, Texas; BILL NICHOLS, Alabama; JACK BRINKLEY, Georgia; ROBERT H. MOLLOHAN, West Virginia; DAN DANIEL, Virginia; G. V. (SONNY) MONTGOMERY, Mississippi; HAROLD RUNNELS, New Mexico; LES ASPIN, Wisconsin; RONALD V. DELLUMS, California; MENDEL J. DAVIS, South Carolina; PATRICIA SCHROEDER, Colorado; ABRAHAM KAZEN, JR., Texas; ANTONIO BORJA WON PAT, Guam; BOB CARR, Michigan; JIM LLOYD, California; LARRY MCDONALD, Georgia; BOB STUMP, Arizona; VIC FAZIO, California; CLAUDE (BUDDY) LEACH, Louisiana; BEVERLY B. BYRON, Maryland; NICHOLAS MAVROULES, Massachusetts; JOE WYATT, JR., Texas; DON BAILEY, Pennsylvania.

Committee on Banking, Finance and Urban Affairs: HENRY S. REUSS (chairman), Wisconsin; THOMAS L. ASHLEY, Ohio; WILLIAM S. MOORHEAD, Pennsylvania; FERNAND J. ST GERMAIN, Rhode Island; HENRY B. GONZALEZ, Texas; JOSEPH G. MINISH, New Jersey; FRANK ANNUNZIO, Illinois; JAMES M. HANLEY, New York; PARREN J. MITCHELL, Maryland; WALTER E. FAUNTROY, District of Columbia; STEPHEN L. NEAL, North Carolina; JERRY M. PATTERSON, California; JAMES J. BLANCHARD, Michigan; CARROLL HUBBARD, JR., Kentucky, JOHN J. LAFALCE, New York; GLADYS NOON SPELLMAN, Maryland; LES AUCOIN, Oregon; DAVID W. EVANS, Indiana; NORMAN E. D'AMOURS, New Hampshire; STANLEY N. LUNDINE, New York; JOHN J. CAVANAUGH, Nebraska; MARY ROSE OAKAR, Ohio; JIM MATTOX, Texas; BRUCE F. VENTO, Minnesota; DOUG BARNARD, Georgia; WES WATKINS, Oklahoma; ROBERT GARCIA, New York; MICHAEL E. LOWRY, Washington.

Committee on Budget: ROBERT N. GIAIMO (chairman), Connecticut; JIM WRIGHT, Texas; THOMAS L. ASHLEY, Ohio; LOUIS STOKES, Ohio; ELIZABETH HOLTZMAN, New York; DAVID R. OBEY, Wisconsin; PAUL SIMON, Illinois; NORMAN Y. MINETA, California; JIM MATTOX, Texas; JAMES R. JONES, Oklahoma; STEPHEN J. SOLARZ, New York; WILLIAM M. BRODHEAD, Michigan; TIMOTHY E. WIRTH, Colorado; LEON E. PANETTA, California; RICHARD A. GEPHARDT, Missouri; BILL NELSON, Florida; WILLIAM H. GRAY III, Pennsylvania.

Committee on the District of Columbia: RONALD V. DELLUMS (chairman), California; CHARLES C. DIGGS, JR., Michigan; WALTER E. FAUNTROY, District of Columbia; ROMANO L. MAZZOLI, Kentucky; HERBERT E. HARRIS II, Virginia; DAN DANIEL, Virginia.

Committee on Education and Labor: CARL D. PERKINS (chairman), Kentucky; FRANK THOMPSON, JR., New Jersey; JOHN BRADEMAS, Indiana; AUGUSTUS F. HAWKINS, California; WILLIAM D. FORD, Michigan; PHILLIP BURTON, California; JOSEPH M. GAYDOS, Pennsylvania; WILLIAM (BILL) CLAY, Missouri; MARIO BIAGGI, New York; IKE F. ANDREWS, North Carolina; PAUL SIMON, Illinois; EDWARD P. BEARD, Rhode Island; GEORGE MILLER, California; MICHAEL O. MYERS, Pennsylvania; AUSTIN J. MURPHY, Pennsylvania; TED WEISS, New York; BALTASAR CORRADA, Puerto Rico; DALE E. KILDEE, Michigan; PETER A. PEYSER, New York; EDWARD J. STACK, Florida; PAT WILLIAMS, Montana; WILLIAM R. RATCHFORD, Connecticut; RAY KOGOVSEK, Colorado.

Committee on Government Operations: JACK BROOKS (chairman), Texas; L. H. FOUNTAIN, North Carolina; DANTE B. FASCELL, Florida; WILLIAM S. MOORHEAD, Pennsylvania; BENJAMIN S. ROSENTHAL, New York; FERNAND J. ST GERMAIN, Rhode Island; DON FUQUA, Florida; JOHN CONYERS, JR., Michigan; CARDISS COLLINS, Illinois; JOHN L. BURTON, California; RICHARDSON PREYER, North Carolina; ROBERT F. DRINAN, Massachusetts; GLENN ENGLISH, Oklahoma; ELLIOTT H. LEVITAS, Georgia; DAVID W. EVANS, Indiana; ANTHONY TOBY MOFFETT, Connecticut; ANDREW MAGUIRE, New Jersey; LES ASPIN, Wisconsin; HENRY A. WAXMAN, California; FLOYD J. FITHIAN, Indiana; PETER H. KOSTMAYER, Pennsylvania; TED WEISS, New York; MIKE LYNN SYNAR, Oklahoma; ROBERT T. MATSUI, California; EUGENE V. ATKINSON, Pennsylvania.

Committee on House Administration: FRANK THOMPSON, JR. (chairman), New Jersey; LUCIEN N. NEDZI, Michigan; JOHN BRADEMAS, Indiana; AUGUSTUS F. HAWKINS, California; FRANK ANNUNZIO, Illinois; JOSEPH M. GAYDOS, Pennsylvania; ED JONES, Tennessee; ROBERT H. MOLLOHAN, West Virginia; LIONEL VAN DEERLIN, California; JOSEPH G. MINISH, New Jersey; MENDEL J. DAVIS, South Carolina; CHARLES ROSE, North Carolina; JOHN L. BURTON, California; PETER A. PEYSER, New York; WILLIAM R. RATCHFORD, Connecticut; VIC FAZIO, California.

Committee on Interior and Insular Affairs: MORRIS K. UDALL (chairman), Arizona; PHILLIP BURTON, California; ROBERT W. KASTENMEIER, Wisconsin; ABRAHAM KAZEN, JR., Texas; JONATHAN B. BINGHAM, New York; JOHN F. SEIBERLING, Ohio; HAROLD RUNNELS, New Mexico; ANTONIO BORJA WON PAT, Guam; BOB ECKHARDT, Texas; JIM SANTINI, Nevada; JAMES WEAVER, Oregon; BOB CARR, Michigan; GEORGE MILLER, California; JAMES J. FLORIO, New Jersey; DAWSON MATHIS, Georgia; PHILIP R. SHARP, Indiana; EDWARD J. MARKEY, Massachusetts; PETER H. KOSTMAYER, Pennsylvania; BALTASAR CORRADA, Puerto Rico; AUSTIN J. MURPHY, Pennsylvania; NICK JOE RAHALL II, West Virginia; BRUCE F. VENTO, Minnesota; JERRY HUCKABY, Louisiana; LAMAR GUDGER, North Carolina; JAMES J. HOWARD, New Jersey; JERRY M. PATTERSON, California; RAY KOGOVSEK, Colorado; PAT WILLIAMS, Montana.

Committee on International Relations: CLEMENT J. ZABLOCKI (chairman), Wisconsin; L. H. FOUNTAIN, North Carolina; DANTE B. FASCELL, Florida; CHARLES C. DIGGS, JR., Michigan; BENJAMIN S. ROSENTHAL, New York; LEE H. HAMILTON, Indiana; LESTER L. WOLFF, New York; JONATHAN B. BINGHAM, New York; GUS YATRON, Pennsylvania; CARDISS COLLINS, Illinois; STEPHEN J. SOLARZ, New York; DON BONKER, Washington; GERRY E. STUDDS, Massachusetts; ANDY IRELAND, Florida; DONALD J. PEASE, Ohio; DAN MICA, Florida; MICHAEL D. BARNES, Maryland; WILLIAM H. GRAY III, Pennsylvania; TONY P. HALL, Ohio; HOWARD WOLPE, Michigan.

Committee on Interstate and Foreign Commerce: HARLEY O. STAGGERS (chairman), West Virginia; JOHN D. DINGELL, Michigan; LIONEL VAN DEERLIN, California; JOHN M. MURPHY, New York; DAVID E. SATTERFIELD III, Virginia; BOB ECKHARDT, Texas; RICHARDSON PREYER, North Carolina; JAMES H. SCHEUER, New York; RICHARD L. OTTINGER, New York; HENRY A. WAXMAN, California; TIMOTHY E. WIRTH, Colorado; PHILIP R. SHARP, Indiana; JAMES J. FLORIO, New Jersey; ANTHONY TOBY MOFFETT, Connecticut; JIM SANTINI, Nevada; ANDREW MAGUIRE, New Jersey; MARTY RUSSO, Illinois; EDWARD J. MARKEY, Massachusetts; THOMAS A. LUKEN, Ohio; DOUG WALGREN, Pennsylvania; ALBERT GORE, JR., Tennessee; BARBARA A. MIKULSKI, Maryland; RONALD M. MOTTL, Ohio; PHIL GRAMM, Texas; ALLAN BYRON SWIFT, Washington; GEORGE THOMAS (MICKEY) LELAND, Texas; RICHARD C. SHELBY, Alabama.

Committee on the Judiciary: PETER W. RODINO, JR. (chairman), New Jersey; JACK BROOKS, Texas; ROBERT W. KASTENMEIER, Wisconsin; DON EDWARDS, California; JOHN CONYERS, JR., Michigan; JOHN F. SEIBERLING, Ohio; GEORGE E. DANIELSON, California; ROBERT F. DRINAN, Massachusetts; ELIZABETH HOLTZMAN, New York; ROMANO L. MAZZOLI, Kentucky; WILLIAM J. HUGHES, New Jersey; SAM B. HALL JR., Texas; LAMAR GUDGER, North Carolina; HAROLD L. VOLKMER, Missouri; HERBERT E. HARRIS II, Virginia; MIKE LYNN SYNAR, Oklahoma; ROBERT T. MATSUI, California.

Committee on Merchant Marine and Fisheries: JOHN M. MURPHY (chairman), New York; THOMAS L. ASHLEY, Ohio; JOHN D. DINGELL, Michigan; WALTER B. JONES, North Carolina; MARIO BIAGGI, New York; GLENN M. ANDERSON, California; E DE LA GARZA, Texas; JOHN B. BREAUX, Louisiana; GERRY E. STUDDS, Massachusetts; DAVID R. BOWEN, Mississippi; CARROLL HUBBARD, JR., Kentucky; DON BONKER, Washington; LES AUCOIN, Oregon; NORMAN E. D'AMOURS, New Hampshire; JAMES L. OBERSTAR, Minnesota; WILLIAM J. HUGHES, New Jersey; BARBARA A. MIKULSKI, Maryland; DAVID E. BONIOR, Michigan; DANIEL K. AKAKA, Hawaii; MICHAEL O. MYERS, Pennsylvania; JOE WYATT, JR., Texas; MICHAEL E. LOWRY, Washington; EARL DEWITT HUTTO, Florida; EDWARD J. STACK, Florida; BRIAN J. DONNELLY, Massachusetts.

Committee on Post Office and Civil Service: JAMES M. HANLEY (chairman), New York; MORRIS K. UDALL, Arizona; CHARLES H. WILSON, California; WILLIAM D. FORD, Michigan; WILLIAM (BILL) CLAY, Missouri; PATRICIA SCHROEDER, Colorado; GLADYS NOON SPELLMAN, Maryland; HERBERT E. HARRIS II, Virginia; ROBERT GARCIA, New York; GEORGE THOMAS (MICKEY) LELAND, Texas; GERALDINE A. FERRARO, New York; CHARLES W. STENHOLM, Texas.

Committee on Public Works and Transportation: HAROLD T. JOHNSON (chairman), California; RAY ROBERTS, Texas; JAMES J. HOWARD, New Jersey; GLENN M. ANDERSON, California; ROBERT A. ROE, New Jersey; MIKE MCCORMACK, Washington; JOHN B. BREAUX, Louisiana; NORMAN Y. MINETA, California; ELLIOTT H. LEVITAS, Georgia; JAMES L. OBERSTAR, Minnesota; JEROME A. AMBRO, New York; HENRY J. NOWAK, New York; ROBERT W. EDGAR, Pennsylvania; MARILYN LLOYD BOUQUARD, Tennessee; JOHN G. FARY, Illinois; W. G. (BILL) HEFNER, North Carolina; ROBERT A. YOUNG, Missouri; DAVID E. BONIOR, Michigan; ALLEN E. ERTEL, Pennsylvania; BILLY LEE EVANS, Georgia; RONNIE G. FLIPPO, Alabama; NICK JOE RAHALL II, West Virginia; DOUGLAS APPLEGATE, Ohio; GERALDINE A. FERRARO, New York; BRIAN J. DONNELLY, Massachusetts; EARL DEWITT HUTTO, Florida; EUGENE V. ATKINSON, Pennsylvania; DONALD JOSEPH ALBOSTA, Michigan; MARVIN LEATH, Texas; WILLIAM HILL BONER, Tennessee.

Committee on Rules: RICHARD BOLLING (chairman), Missouri; CLAUDE PEPPER, Florida; MORGAN F. MURPHY, Illinois; GILLIS W. LONG, Louisiana; JOE MOAKLEY, Massachusetts; SHIRLEY CHISHOLM, New York; CHRISTOPHER J. DODD, Connecticut; LEO C. ZEFERETTI, New York; BUTLER DERRICK, South Carolina; ANTHONY C. BEILENSON, California; MARTIN FROST, Texas.

Committee on Science and Technology: DON FUQUA (chairman), Florida; ROBERT A. ROE, New Jersey; MIKE MCCORMACK, Washington; GEORGE E. BROWN, JR., California; JAMES H. SCHEUER, New York; RICHARD L. OTTINGER, New York; TOM HARKIN, Iowa; JIM LLOYD, California; JEROME A. AMBRO, New York; MARILYN LLOYD BOUQUARD, Tennessee; JAMES J. BLANCHARD, Michigan; STEPHEN L. NEAL, North Carolina; DOUG WALGREN, Pennsylvania; RONNIE G. FLIPPO, Alabama; DAN GLICKMAN, Kansas; ALBERT GORE, JR., Tennessee; WES WATKINS, Oklahoma; ROBERT A. YOUNG, Missouri; RICHARD C. WHITE, Texas; HAROLD L. VOLKMER, Missouri; DONALD J. PEASE, Ohio; HOWARD WOLPE, Michigan; NICHOLAS MAVROULES, Massachusetts; BILL NELSON, Florida; BERYL ANTHONY, JR., Arkansas.

Committee on Small Business: NEAL SMITH (chairman), Iowa; TOM STEED, Oklahoma; JOHN D. DINGELL, Michigan; JAMES C. CORMAN, California; JOSEPH P. ADDABBO, New York; FERNAND J. ST GERMAIN, Rhode Island; PARREN J. MITCHELL, Maryland; HENRY B. GONZALEZ, Texas; JAMES M. HANLEY, New York; JOHN J. LAFALCE, New York; BERKLEY BEDELL, Iowa; FREDERICK W. RICHMOND, New York; MARTY RUSSO, Illinois; ALVIN BALDUS, Wisconsin; RICHARD NOLAN, Minnesota; RICHARD H. ICHORD, Missouri; HENRY J. NOWAK, New York; THOMAS A. LUKEN, Ohio; ANDY IRELAND, Florida; DALE E. KILDEE, Michigan; IKE SKELTON, Missouri; BILLY LEE EVANS, Georgia; DOUG BARNARD, Georgia; CLAUDE LEACH, Louisiana.

Committee on Veterans' Affairs: RAY ROBERTS (chairman), Texas; DAVID E. SATTERFIELD III, Virginia; DON EDWARDS, California; G. V. (SONNY) MONTGOMERY, Mississippi; GEORGE E. DANIELSON, California; LESTER L. WOLFF, New York; JACK BRINKLEY, Georgia; RONALD M. MOTTL, Ohio; W. G. (BILL) HEFNER, North Carolina; EDWARD P. BEARD, Rhode Island; ROBERT W. EDGAR, Pennsylvania; SAM B. HALL, JR., Texas; DOUGLAS APPLEGATE, Ohio; MARVIN LEATH, Texas; WILLIAM HILL BONER, Tennessee; PHIL GRAMM, Texas; RICHARD C. SHELBY, Alabama; TONY P. HALL, Ohio; DAN MICA, Florida; THOMAS A. DASCHLE, South Dakota; TONY COELHO, California.

Committee on Ways and Means: AL ULLMAN (chairman), Oregon; DAN ROSTENKOWSKI, Illinois; CHARLES A. VANIK, Ohio; JAMES C. CORMAN, California; SAM GIBBONS, Florida; J. J. PICKLE, Texas; CHARLES B. RANGEL, New York; WILLIAM R. COTTER, Connecticut; FORTNEY H. (PETE) STARK, California; JAMES R. JONES, Oklahoma; ANDREW JACOBS, JR., Indiana; ABNER J. MIKVA, Illinois; JOSEPH L. FISHER, Virginia; HAROLD E. FORD, Tennessee; KEN HOLLAND, South Carolina; WILLIAM M. BRODHEAD, Michigan; ED JENKINS, Georgia; RICHARD A. GEPHARDT, Missouri; RAYMOND F. LEDERER, Pennsylvania; THOMAS J. DOWNEY, New York; CECIL (CEC) HEFTEL, Hawaii; WYCHE FOWLER, JR., Georgia; FRANK J. GUARINI, New Jersey; JAMES M. SHANNON, Massachusetts.

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF CERTAIN MEMBERS TO STANDING COMMITTEES OF THE HOUSE

Mr. RHODES. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 63) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 63

Resolved, That the following-named Members be, and they are hereby, elected to the following Standing Committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

WILLIAM C. WAMPLER, Virginia; KEITH G. SEBELIUS, Kansas; PAUL FINDLEY, Illinois; STEVEN D. SYMMS, Idaho; JAMES P. JOHNSON, Colorado; EDWARD R. MADIGAN, Illinois; MARGARET M. HECKLER, Massachusetts; JAMES M. JEFFORDS, Vermont; RICHARD KELLY, Florida; CHARLES E. GRASSLEY, Iowa; TOM HAGEDORN, Minnesota; E. THOMAS COLEMAN, Missouri; RON MARLENEE, Montana; LARRY HOPKINS, Kentucky; and BILL THOMAS, California.

COMMITTEE ON APPROPRIATIONS

SILVIO O. CONTE, Massachusetts; ROBERT H. MICHEL, Illinois; JOSEPH M. MCDADE, Pennsylvania; MARK ANDREWS, North Dakota; JACK EDWARDS, Alabama; ROBERT C. MCEWEN, New York; JOHN T. MYERS, Pennsylvania; J. KENNETH ROBINSON, Virginia; CLARENCE E. MILLER, Ohio; LAWRENCE COUGHLIN, Pennsylvania; C. W. BILL YOUNG, Florida; JACK F.

KEMP, New York; RALPH S. REGULA, Ohio; CLAIR W. BURGENER, California; GEORGE M. O'BRIEN, Illinois; VIRGINIA SMITH, Nebraska; ELDON RUDD, Arizona; and CARL D. PURSELL, Michigan.

COMMITTEE ON ARMED SERVICES

BOB WILSON, California; WILLIAM L. DICKINSON, Alabama; G. WILLIAM WHITEHURST, Virginia; FLOYD SPENCE, South Carolina; DAVID C. TREEN, Louisiana; ROBIN L. BEARD, Tennessee; DONALD J. MITCHELL, New York; MARJORIE S. HOLT, Maryland; ROBERT W. DANIEL, JR., Virginia; ELWOOD HILLIS, Indiana; DAVID F. EMERY, Maine; PAUL S. TRIBLE, JR., Virginia; ROBERT E. BADHAM, California; CHARLES DOUGHERTY, Pennsylvania; JIM COURTER, New Jersey; and MELVIN EVANS,* Virgin Islands.

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

J. WILLIAM STANTON, Ohio; CHALMERS P. WYLIE, Ohio; STEWART B. MCKINNEY, Connecticut; GEORGE HANSEN, Idaho; HENRY J. HYDE, Illinois; RICHARD KELLY, Florida; JAMES A. S. LEACH, Iowa; THOMAS B. EVANS, JR., Delaware; S. WILLIAM GREEN, New York; RON PAUL, Texas; ED BETHUNE, Arkansas; NORM SHUMWAY, California; CARROLL CAMPBELL, South Carolina; DON RITTER, Pennsylvania; and JON HINSON, Mississippi.

COMMITTEE ON THE BUDGET

DELBERT L. LATTA, Ohio; JAMES T. BROYHILL, North Carolina; BARBER B. CONABLE, New York; MARJORIE S. HOLT, Maryland; JOHN J. DUNCAN, Tennessee; CLAIR W. BURGENER, California; RALPH S. REGULA, Ohio; and BUD SHUSTER, Pennsylvania.

COMMITTEE ON THE DISTRICT OF COLUMBIA

STEWART B. MCKINNEY, Connecticut; ROBERT W. DANIEL, JR., Virginia; MARC L. MARKS, Pennsylvania; MILLICENT FENWICK, New Jersey; and JIM JEFFRIES, Kansas.

COMMITTEE ON EDUCATION AND LABOR

JOHN M. ASHBROOK, Ohio; JOHN N. ERLENBORN, Illinois; JOHN BUCHANAN, Alabama; JAMES M. JEFFORDS, Vermont; WILLIAM F. GOODLING, Pennsylvania; MICKEY EDWARDS, Oklahoma; E. THOMAS COLEMAN, Missouri; KEN KRAMER, Colorado; ARLEN ERDAHL, Minnesota; TOM TAUKE, Iowa; DAN CRANE, Illinois; and JON HINSON, Mississippi.

COMMITTEE ON GOVERNMENT OPERATIONS

FRANK HORTON, New York; JOHN N. ERLENBORN, Illinois; JOHN W. WYDLER, New York; CLARENCE J. BROWN, Ohio; PAUL N. MCCLOSKEY, California; THOMAS N. KINDNESS, Ohio; ROBERT WALKER, Pennsylvania; ARLAN STANGELAND, Minnesota; CALDWELL BUTLER, Virginia; LYLE WILLIAMS, Ohio; JIM JEFFRIES, Kansas; OLYMPIA SNOWE, Maine; WAYNE GRISHAM, California; and JOEL DECKARD, Indiana.

COMMITTEE ON HOUSE ADMINISTRATION

WILLIAM L. DICKINSON, Alabama; SAMUEL L. DEVINE, Ohio; JAMES C. CLEVELAND, New Hampshire; BILL FRENZEL, Minnesota; DAVE STOCKMAN, Michigan; ROBERT E. BADHAM, California; NEWT GINGRICH, Georgia; JERRY LEWIS, California; and CARROLL CAMPBELL, South Carolina.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

DON H. CLAUSEN, California; MANUEL LUJAN, New Mexico; KEITH G. SEBELIUS, Kansas; DON YOUNG, Alaska; STEVE SYMMS, Idaho; JAMES P. JOHNSON, Colorado; ROBERT J. LAGOMARSINO, California; DAN MARRIOTT, Utah; RON MARLENEE, Montana; MICKEY EDWARDS, Oklahoma; DICK CHENEY, Wyoming; CHIP PASHAYAN, California; ROBERT WHITTAKER, Kansas; DOUG BEREUTER, Nebraska; and MELVIN EVANS*, Virgin Islands.

*Nonvoting Delegate.

COMMITTEE ON INTERNATIONAL RELATIONS

WILLIAM S. BROOMFIELD, Michigan; EDWARD J. DERWINSKI, Illinois; PAUL FINDLEY, Illinois; JOHN BUCHANAN, Alabama; LARRY WINN, Kansas; BENJAMIN A. GILMAN, New York; TENNYSON GUYER, Ohio; ROBERT J. LAGOMARSINO, California; WILLIAM F. GOODLING, Pennsylvania; JOEL PRITCHARD, Washington; MILLICENT FENWICK, New Jersey; and DAN QUAYLE, Indiana.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

SAMUEL L. DEVINE, Ohio; JAMES T. BROYHILL, North Carolina; TIM LEE CARTER, Kentucky; CLARENCE J. BROWN, Ohio; JAMES M. COLLINS, Texas; NORMAN F. LENT, New York; EDWARD R. MADIGAN, Illinois; CARLOS J. MOORHEAD, California; MATTHEW J. RINALDO, New Jersey; DAVE STOCKMAN, Michigan; MARC L. MARKS, Pennsylvania; TOM CORCORAN, Illinois; GARY LEE, New York; TOM LOEFFLER, Texas; and BILL DANNEMEYER, California.

COMMITTEE ON THE JUDICIARY

ROBERT MCCLORY, Illinois; TOM RAILSBACK, Illinois; HAMILTON FISH, New York; M. CALDWELL BUTLER, Virginia; CARLOS J. MOORHEAD, California; JOHN M. ASHBROOK, Ohio; HENRY J. HYDE, Illinois; THOMAS N. KINDNESS, Ohio; HAROLD S. SAWYER, Michigan; DAN LUNGREN, California; and JAMES SENSENBRENNER, Wisconsin.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

PAUL N. MCCLOSKEY, California; GENE SNYDER, Kentucky; EDWIN B. FORSYTHE, New Jersey; DAVID C. TREEN, Louisiana; JOEL PRITCHARD, Washington; DON YOUNG, Alaska; ROBERT E. BAUMAN, Maryland; NORMAN F. LENT, New York; DAVID F. EMERY, Maine; ROBERT K. DORNAN, California; THOMAS B. EVANS, JR., Delaware; PAUL S. TRIBLE, Virginia; ROBERT DAVIS, Michigan; WILLIAM CARNEY, New York; and MELVIN EVANS,* Virgin Islands.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

EDWARD J. DERWINSKI, Illinois; GENE TAYLOR, Missouri; BENJAMIN A. GILMAN, New York; JIM LEACH, Iowa; TOM CORCORAN, Illinois; JIM COURTER, New Jersey; CHARLES PASHAYAN, California; WILLIAM DANNEMEYER, California; and DANIEL CRANE, Illinois.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

WILLIAM H. HARSHA, Ohio; JAMES C. CLEVELAND, New Hampshire; DON H. CLAUSEN, California; GENE SNYDER, Kentucky; JOHN PAUL HAMMERSCHMIDT, Arkansas; BUD SHUSTER, Pennsylvania; JAMES ABDNOR, South Dakota; GENE TAYLOR, Missouri; BARRY M. GOLDWATER, JR., California; TOM HAGEDORN, Minnesota; ARLAN STANGELAND, Minnesota; BOB LIVINGSTON, Louisiana; NEWT GINGRICH, Georgia; WILLIAM F. CLINGER, JR., Pennsylvania; GERALD SOLOMON, New York; and JERRY LEWIS, California.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

FLOYD SPENCE, South Carolina; HAROLD HOLLENBECK, New Jersey; BOB LIVINGSTON, Louisiana; WILLIAM M. THOMAS, California; and JAMES SENSENBRENNER, JR., Wisconsin.

COMMITTEE ON VETERANS' AFFAIRS

JOHN PAUL HAMMERSCHMIDT, Arkansas; MARGARET M. HECKLER, Massachusetts; CHALMERS P. WYLIE, Ohio; ELWOOD HILLIS, Indiana; JAMES ABDNOR, South Dakota; TENNYSON GUYER, Ohio; GEORGE HANSEN, Idaho; HAROLD S. SAWYER, Michigan; WAYNE GRISHAM, California; JOEL DECKARD, Indiana; and GARY LEE, New York.

COMMITTEE ON WAYS AND MEANS

BARBER B. CONABLE, New York; JOHN J. DUNCAN, Tennessee; BILL ARCHER, Texas; GUY VANDER JAGT, Michigan; PHILIP M. CRANE, Illinois; BILL FRENZEL, Minnesota; JAMES G. MARTIN, North Carolina; SKIP BAFALIS, Florida; RICHARD T. SCHULZE, Pennsylvania; WILLIS D. GRADISON, JR., Ohio; JOHN H. ROUSSELOT, California; and W. HENSON MOORE, Louisiana.

*Nonvoting Delegate.

COMMITTEE ON RULES

JAMES H. QUILLEN, Tennessee; JOHN B. ANDERSON, Illinois; DELBERT L. LATTA, Ohio; TRENT LOTT, Mississippi; and ROBERT E. BAUMAN, Maryland.

COMMITTEE ON SCIENCE AND TECHNOLOGY

JOHN W. WYDLER, New York; LARRY WINN, Kansas; BARRY M. GOLDWATER, California; HAMILTON FISH, New York; MANUEL LUJAN, New Mexico; HAROLD C. HOLLENBECK, New Jersey; ROBERT K. DORNAN, California; ROBERT S. WALKER, Pennsylvania; EDWIN B. FORSYTHE, New Jersey; KEN KRAMER, Colorado; BILL CARNEY, New York; ROBERT DAVIS, Michigan; TOBY ROTH, Wisconsin; and DON RITTER, Pennsylvania.

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Mr. RHODES (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET FOR EDUCATION

(Mr. FORD of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Michigan. Mr. Speaker, President Carter worked with the 95th Congress to produce great improvements in Federal aid to education at all levels. In fiscal year 1979, appropriations for student assistance increased 21 percent and total education appropriations rose to $12.7 billion.

I am disappointed now that, under obvious pressure from the Office of Management and Budget, the President is proposing substantial cuts in Federal education funds as part of his attempt to curb Federal spending.

The President's fiscal year 1980 Budget recommendation to the Congress for the education programs administered by the education division of the Department of Health, Education, and Welfare proposes a cut of $382 million below the fiscal year 1979 appropriations. Included are reductions of $156 million in the basic educational opportunity grant program, $94 million in the National Direct Student Loan program, and $288 million in assistance to schools in federally affected areas. Programs for school libraries, public libraries and college libraries are slated for cuts totaling $32.6 million. There is no increase in funding for vocational education and only modest increases in support for education of the handicapped and bilingual education.

In my view, reducing the Federal commitment to education is a shortsighted approach to fighting inflation. Investing in the human capital of America's citizens is the most cost-effective way to increase our national productivity and our ability to compete as a nation in the international marketplace. Vocational training, language skills for those of limited English-speaking ability, assistance to the handicapped to enable them to become productive citizens and opening access to postsecondary education for those who would not otherwise afford it will produce far more economic benefits to the Nation than the temporary savings achieved by reducing our commitment to these programs.

This budget recommendation also breaks a long series of commitments by the administration:

On November 1, 1978, the President signed into law the Middle Income Student Assistance Act expressing his high praise and no reservations. The President's budget proposes only $340 million for the supplemental educational opportunity grant program contrary to a provision in the Middle Income Student Assistance Act which requires that $370 million be provided for this program in fiscal year 1980.

On November 1, 1978, the President also signed into law the Education Amendments of 1978 reauthorizing the Elementary and Secondary Education Act. One of the centerpieces of this act was a new program of special incentive grants to those States having compensatory education programs. These special incentive grants were an administration proposal, but the fiscal year 1980 budget recommendation contains no funds for this program.

The Education Amendments of 1976 also contained changes in the program of assistance to schools in federally affected areas (impact aid). These changes were the result of arduous negotiations with the administration. The President signed the bill and praised the savings achieved by these provisions. The fiscal year 1980 budget recommendation proposes violating these recently enacted provisions.

Following a controversy over the level of funding for the national direct student loan program in the consideration of the fiscal year 1978 budget, administration spokesmen promised that reductions in the program would not be proposed until the status of the campus-based revolving funds and the access of low-income students to loans had been thoroughly assessed and a report made to the Congress. This commitment was kept with respect to the fiscal year 1979 budget. However, the fiscal year 1980 budget recommends a major reduction in the program without any such report having been made available to the Congress.

During the formulation of the administration's middle-income student assistance initiative in late 1977 and early 1978, administration spokesmen promised that they would propose an additional $800 million in student aid funds for the second year of the administration's initiative. Rather than an $800 million increase, the administration's fiscal year 1980 budget proposes a $250 million decrease in student aid.

The Middle Income Student Assistance Act liberalized the eligibility of independent students to receive basic educational opportunity grants. The fiscal year 1979 Labor-HEW appropriations bill contained legislative language deferring the funding for this liberalization for 1 year. HEW officials promised that basic grant funds available to be carried over from fiscal year 1978 (and thus not subject to the limitation contained in the fiscal year 1979 appropriation bill) would be used to fund the independent student changes. The fiscal year 1980 budget recommendation proposes reneging on this commitment, using the excess fiscal year 1978 funds in 1980 rather than 1979 and consequently not implementing the independent student changes in the 1979–80 school year.

I hope that the spirit of cooperation that prevailed during most of the 95th Congress on education issues can be reborn. Supporting and reshaping the vital education programs, which will determine our Nation's future, must be done through a constructive partnership between the Congress and the administration.

SIXTY-FIRST ANNIVERSARY OF UKRAINE'S INDEPENDENCE

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

● Mr. FLOOD. Mr. Speaker, 61 years ago Ukraine, the largest non-Russian country in Eastern Europe, declared its independence from the Russian Empire. On January 22, 1918, a new democratic republic was established in a tradition set by our Founding Fathers when they divorced themselves from an empire. Though the Ukrainian nation enjoyed independence before it was subjugated under the Russian Czars, unfortunate circumstances and the power of Trotsky's Soviet Russian Army subjected this valiant people to further enslavement under Soviet Russian imperialism. In the 1918-23 period our Western World was virtually deaf to the pleas for help on the part of the diplomatic representatives of the Ukrainian National Republic.

The glaring fact, Mr. Speaker, is that Ukraine was one of the first victims of Soviet Russian imperio-colonialism. Ironically enough, what too many of our analysts and opinionmakers did not comprehend is that the origin of what they call "the Soviet threat" to our national security today was this first conquest of Ukraine and other non-Russian nations less than 60 years ago by Moscow. Sixty years or so are only a flick in historical time, and yet in this historical instant Moscow's Empire has expanded so rapidly that many analysts are just awakening to the force of Soviet Russian imperialism.

Let me emphasize, the importance of this annual observance lies in the fact that the first international war waged by Moscow was against Ukraine. Without this colony and its exploited resources, Moscow today would be no match for us or some other industrialized nations of the West. The base of its power for imperialist adventurism in Asia, the Mideast, Africa, and Latin America was forged 60 years ago in its armed conquest of Ukraine and other non-Russian nations which fought for their independence from an empire. No one knows this better than the totalitarian elite in the Kremlin today.

One of our conspicuous defects in policy toward the U.S.S.R. since World War II has been our inability to focus on Ukraine and the other captive non-Russian nations in this primary empire called the Soviet Union. After all, over half of the U.S.S.R. population is non-Russian and detests the presence of Soviet Russian domination. Numerous avenues for such concentration have been proposed over the years, without inciting a war or precipitating an international crisis. Imaginative thinking has been lacking in this respect largely because of both a sensitive lack of knowledgeability of the subject and a consequent fear of meeting it. Just reflect, if—and this is possible—we were drawn into a war with Moscow, the 1,000-percent guarantee is that Ukraine and the other non-Russian nations in the U.S.S.R. would be our No. 1 priority for alliance and victory. Commonsense would dictate that we build the relationship now to prevent a war and to work assiduously for freedom and our own security.

This, Mr. Speaker, is in part the real message of this 61st anniversary of Ukraine's independence. Its additional import is conveyed by elaborations which I commend to the scrutiny of my colleagues: First, a letter we all received from Dr. Lev E. Dobriansky of Georgetown University and president of the Ukrainian Congress Committee of America, second, an address at the Third World Ukrainian Congress, and, third, an invitational letter and press release by UCCA on the occasion:

UKRAINIAN CONGRESS COMMITTEE OF AMERICA, INC.,
January 15, 1979.

The kangaroo trials of dissidents in the USSR last summer shocked countless of our fellow Americans, and many eyes were opened to the barbarities of Soviet Russian "justice." However, one salient side of these and preceding trials was not adequately grasped by some of us, though many Members of Congress did see it and spoke out on it extensively. And that is, beyond Scharansky and Ginzburg, the more severe sentences meted out to the national non-Russian dissidents in the USSR, like the Lithuanian Petkus, the Ukrainian Lukianenko and others in Georgia and elsewhere. Why?

The 61st Anniversary of Ukraine's Independence this January 22 provides us with an excellent occasion to explore the "why" of this sordid situation. The answer rests, of course, in Soviet Russian domination over Ukraine and the other captive non-Russian nations in the USSR, as well as in Moscow's fear that the natural drives which led to Ukraine's Independence on January 22, 1918, may crystallize to threaten the present Soviet Russian empire.

I warmly invite you to join with us in this commemoration and let the 50 million captive Ukrainians know that they are not

forgotten by us who enjoy the fruits of freedom. Last month the President defined his human rights advocacy as "the soul" of our foreign policy, but nowhere in his speech will you find any reference to national rights, the broadcast category of human rights. Ukrainians and other captive nations are interested not only in personal and civil rights but also, indeed more so, in national rights. The President's calculated omission here equals that of any public mention of human rights before the sudden recognition of Peiping at the expense of a trusted and firm ally in the cause of freedom. In addition to your support of these national rights, we earnestly hope you will support also the resolution calling for the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine—the two most outstanding cases of Stalin religious genocide.

Your support on this "61st" will be greatly appreciated. In the House the bipartisan efforts of Representatives Daniel J. Flood and Edward J. Derwinski will lead the commemoration on Wednesday, January 24. In the Senate, as always, we look forward to strong statements per the procedures of the body.

With much gratitude and best wishes for your leadership.

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

TOGETHER WE MUST MOVE

Fellow Ukrainians, near and from far away, I most warmly greet you on behalf of the Ukrainian Congress Committee of America. Once again, as it was 11 years ago, we are proud to host this Third World Ukrainian Congress and are certain that with your full cooperation and participation it, too, will be a glorious success. For what lies ahead, both globally and regionally, it is imperative that together we must move.

From the strategic vantage point of our own country, these United States of America, let me just cite five necessary guidelines for this Congress and its operating agencies beyond. These guidelines constitute a part of the current policy and programmatic action of UCCA and, hopefully, in the spirit of Ukrainian togetherness you will seriously consider them for support and implementation in your respective countries:

First, on the ideological plane, the theme of human rights—all three generic categories: personal, civil and national—is an old one for us, but it is permanently dear to our hearts. We have strongly supported President Carter's policy of human rights, but with equal intensity we have urged its definitional fulfillment and application in the broadest category of these rights. Specifically the category of national rights, which means national independence and freedom, especially for the largest non-Russian nation in Eastern Europe and all other captive nations in that last remaining, major empire called the USSR. This direction was not sufficiently pursued in Belgrade. Looking to Madrid in 1980, on this, both philosophically and activistically together we must move.

The second guideline for WCFU is a more intensified concentration on the United Nations. When in that body a committee praises this empire/state for "progress in human rights," such travesty of truth, has reached the pinnacle of political prostitution. One of the most flagrant ironies of our day is to witness representatives of former colonies of Western empires cavort with and support Soviet Russian agents of this last remaining, major empire to the detriment of over half of the USSR population residing in the non-Russian colonies of imperialist Moscow. There's much work to be done here and, on this, together we must move.

Third, a vitally important guideline is the movement to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine. How can one talk about human rights and ignore these most outstanding cases of Stalinist religious genocide? We shall penetrate this stony silence in the Free World by pressing for U.S. Congressional leadership to arouse even world religious bodies on this blatant violation of human religious rights.

The providential meaning of a newly-elected Pope from a Moscow-dominated country, the formation recently of the organization Freedom of Faith—A Christian Community for Religious Rights and many other events are providing a bright climate of opportunity for the success of this task. But to take advantage of this new climate; again, together we must move.

The fourth guideline proposed is organizational action with other world congresses which have in common the plight of the captive nations. What this calls for is contact and projects for mutual and thus stronger action. The Lithuanians, Latvians, Estonians, Slovaks and others have their world congresses. Initiative along this line can produce multiple dividends. Cooperative action, for example, focused on non-Russian athletes in the USSR teams during the '80 Olympics in Moscow is just one of many imaginative tasks for coordinated action. But this, too, demands that together we must move.

Finally, the Captive Nations Week movement, not only in the United States but also in other areas of the world, sets the fifth guideline for this Congress. As many of you know, this movement has concerned Moscow—from Khrushchev down to Brezhnev and his spokesman Arbatov—more than any other in these past 20 years. We have even had a running battle with our own Presidents in this country. No wonder. Let me remind you, each and everyone, that nowhere in the legal statutes or sovereign governments in the Free World can you find a law calling for the independence and freedom of Ukraine, as well as other captive nations, other than in Public Law 86-90 of our own Government. Think about this striking fact. If the free Chinese, voicing the freedom cries of the largest nation in Asia, can superbly observe and advance the annual Captive Nations Week, why can't free Ukrainians, voicing the freedom cries of the largest non-Russian nation in Eastern Europe, assume similar leadership in all the countries represented here? Next year will be the 20th anniversary of Captive Nations Week. This will be another opportunity for all represented here to assume this leadership. And, believe me, on this, together we must move.

In realizing these guidelines for thought and action, rest assured the UCCA will do its maximum part. We earnestly hope that through this Third Congress, together, we shall do our respective parts for the trend of events points in only one direction—together we must move for the liberation of Ukraine and all of the captive nations. Slavaa Ukraini!

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 1979.

DEAR SIR (MADAM): On January 22nd this year, Ukrainians in the United States and in all other countries of the free world will commemorate the 61st anniversary of Ukrainian Independence. On January 22, 1918, in Kiev, the capital of Ukraine, Ukrainians proclaimed their independence from all foreign powers and established the Ukrainian National Republic, as a true democratic state of the Ukrainian nation, created by the Ukrainian people through their political, social and cultural-economic organizations which swiftly came into being after the fall of Russian Czardom in March 1917.

Although the independent Ukrainian state lasted only three years—from 1918 to 1920—its importance has been underscored ever since by several objective moves and developments.

Despite the loss of genuine independence, the Ukrainian people have never lost their hope and desire for regaining their freedom and national statehood. Communist Russia, even though it had conquered Ukraine, did not dare to destroy the framework of Ukrainian statehood: it established the "Ukrainian Soviet Socialist Republic," a nominally sovereign republic and a constituent member of the "Union of Soviet Socialist Republics" (USSR). Its importance is obliquely reflected in the fact that in 1945 Ukraine became a charter member of the United Nations. The U.S. Congress also recognized the importance of Ukraine by listing Ukraine, along with 21 other countries, in the "Captive Nations Week Resolution" of July 17, 1959 (Public Law 86-90), as a captive country aspiring to freedom and independence.

The vitality of the Ukrainian liberation movement is attested to by the mass arrests and trials of Ukrainian intellectuals in Ukraine during the past several years and by the fact, confirmed by a number of world Sovietologists, that the majority of political prisoners in the USSR consists of Ukrainians

We sincerely hope that on the 61st anniversary of Ukrainian Independence you will see fit to comment on the importance of Ukraine in your distinguished publication. A brief historical sketch is enclosed.

Sincerely yours,

LEV E. DOBRIANSKY,
President.

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 2, 1979.

On January 22, 1979, Ukrainians in the United States—some 2 million strong—will observe the 61st anniversary of the proclamation of the independence of Ukraine, their country of origin.

This act of self-determination and expression of the will of the Ukrainian people in a democratic way will also be commemorated by Ukrainians and their descendants in some 20 other countries of the free world.

The date of January 22nd is one of the most important dates in the modern history of Ukraine: that of the rebirth of the modern Ukrainian state.

With the fall of the Russian and Austro-Hungarian empires, both of which controlled Ukrainian territory at the time, the Ukrainians, who for over two centuries had been resisting foreign domination of their country, took a decisive step, culminating in the proclamation of full-fledged independence.

The Ukrainian Revolution at once took an essentially national character. A Central Council (Rada) was established in Kiev and became the center of the Ukrainian liberation movement. It organized the Ukrainian national army, established Ukrainian schools, introduced Ukrainian administrative and judicial systems, and convoked a Ukrainian Constituent Assembly. On January 22, 1918, the full independence of Ukraine was proclaimed, which was at once recognized by the newly-established Bolshevik regime in Petrograd, by the Central Powers and, de facto, by France and Great Britain. For almost three years the Ukrainian National Republic waged a defensive war on two fronts. But by the fall of 1920 Ukraine was conquered by the Russian Communist forces.

Today Ukraine is a colony of Communist Russia, despite its membership in the U.N. and its nominally independent status within the USSR.

Ukraine embraces 232,000 square miles, making it the largest country in Europe; in population it ranks fifth, and its natural resources make Ukraine one of the richest European countries. Its capital, Kiev, was

the center of East European trade and culture long before Moscow ever existed. Yet despite its size and wealth, Ukraine is little known—to most people it is "just a part of Russia." This gross misconception stems greatly from the common practice of using the terms "Russia" and "Soviet Union" synonymously. This is incorrect because Russia is only one of the 15 constituent republics of the USSR. However, for all practical purposes, Russia rules Ukraine, and every other republic of the USSR, as a colonian dependency.

At the present time, Ukraine is suffering political and cultural repression, economic exploitation and all-encompassing Russification.

Millions of Ukrainians perished from starvation is the man-made famine in 1932-1933; other millions were dispersed into the reaches of Central Asia and into slave labor camps in Siberia and the Arctic. Both the Ukrainian Orthodox and Ukrainian Catholic Churches were out-lawed and "liquidated." Ukrainian intellectuals, for voicing their opposition to repressive policies of the Kremlin, are arrested, secretly tried and sentenced to severe terms in prisons, concentration camps and insane asylums.

While most of the former colonial peoples of Africa and Asia have been given the opportunity to establish their own national states, Communist Russia denies this right to the 50-million Ukrainian nation and to 70 million other non-Russian peoples in the USSR.

In conclusion, we may ask: How long will the totalitarian Soviet Russian regime continue to befuddle the Western world by parroting about its "most humane system," while denying fundamental freedoms and independence to some 120 million non-Russian peoples in the USSR?

The plight of the Ukrainians should not go unheeded by the Western world, if the West itself wishes to survive, with all its values and democratic freedoms.●

● Mr. DERWINSKI. Mr. Speaker, an annual commemoration for us to undertake here in the House is the special observance of the anniversary of the declaration of Ukrainian independence. To this day, the 22d of January symbolizes for the Ukrainian people the date on which human dignity, national freedom, and self-determination were gained.

This year will mark the 61st anniversary of this declaration of Ukrainian freedom and national independence. When the czarist regime of Russia toppled in 1917, the Ukraine was able to break away and declare their freedom as a nation. On January 22, 1918, the proclamation of independence of the Ukrainian National Republic was issued in the city of Kiev, which became the capital city of the Ukraine.

However, after 2 years of this nation's existence, Russian control was once again restored by the forced incorporation of the Ukraine into the Soviet Socialist Republic.

The Ukraine is the largest of the non-Russian nationality groups within the U.S.S.R. The Ukraine is also one of the richest in resources of the captive nations, possessing tremendous agricultural and industrial assets. Not only rich in natural resources, the country's people have a strong culture, a distinct language, literature, traditions, and an indomitable human spirit.

During the six decades since the time of the Russian Communist takeover, the Ukrainian people have not given up hope of once more regaining the freedom which they knew only briefly. Their constant efforts are proof of the inability of the Kremlin rulers to break the noble Ukrainian nationalistic spirit. The tenacity of their dissident nationalist movement has never died, and on this occasion we all honor and salute it. Despite the extreme pressure tactics employed by the Soviet Union on the Ukrainian people, dissenters continue to speak out against the cruel Soviet tyranny, and the determination of its people to retain their culture and intellectual freedom still grows.

At a time when a strong commitment for the ideals of human rights and individual freedoms has heightened significantly in the Congress, the executive branch, and the country as a whole, we must reassure the people of the Ukraine and others under Communist rule of our deep commitment to champion the rights of national, individual, cultural, and religious freedoms for all peoples held captive by Communist oppressive policies.

One of the truly dramatic and encouraging factors in the ongoing struggle between freedom and tyranny is the continuing growth of the nationalistic spirit among the non-Russian peoples within the U.S.S.R. This is especially significant when we keep in mind the fact that the Ukrainians are the largest group of non-Russian peoples within the Soviet Union. The Communist dictatorship in the Kremlin has failed in their efforts to eradicate the nationalism of the Ukrainian people.

On this day, we must not forget the struggle of the oppressed nations held captive by Soviet rule, and continue to offer hope and support in their aspirations for freedom and selfdetermination.

Mr. Speaker, in conclusion to my remarks, I wish to insert the following articles and editorials. The first two commentaries appeared in the January 18 edition of the America, a Ukrainian newspaper published in Philadelphia, and the concluding articles pertaining to Ukrainian Independence Day celebrations, were printed in the January 21 Ukrainian Weekly:

[From the America, Jan. 18, 1979]

JANUARY 22

Every year on January 22 the Ukrainian community in the United States and in all other countries of the free world commemorates the anniversary of the proclamation of Ukraine's independence.

Each nation has its specific national holiday which marks some important event in that nation's history.

On January 22, 1918 the Ukrainians proclaimed the full and unqualified independence of Ukraine after several months of revolutionary upheavals in Ukraine. This was brought about after several months of feverish activities by various Ukrainian organizations, societies and political parties, especially after long, protracted and futile negotiations with the Russian Provisional Government, under Alexander F. Kerensky, which tried to preserve the old Russian Czarist empire, despite its lip service to the principles of national self-determination and democracy.

The independence of Ukraine was promptly recognized by the newly established Soviet Russian government in Petrograd, by the Central Powers—Germany, Austria-Hungary, Turkey and Bulgaria—which also concluded a peace treaty with Ukraine on February 9, 1918 in Brest-Litovsk. Recognition de facto was also extended to Ukraine by France and Great Britain, the principle enemies of the Central Powers.

Yet, despite this international recognition, Ukraine could not sustain itself as an independent state. The Bolshevik government broke its pledge by sending Communist troops against Ukraine; the Central Powers capitulated in November, 1918, and could not help Ukraine, even though initially they provided troops to help the Ukrainian National Republic expel the Bolsheviks from Ukraine.

Even though the Ukrainian people lost their genuine independence, they have never lost their hope and desire for regaining their freedom and national statehood. For this determination they paid heavily—millions of them were starved to death in the man-made famine in 1932-1933 in Ukraine; other millions were dispersed in the vastness of Central Asia and in countless slave labor camps in Siberia and the Arctic.

Despite all this, the Ukrainian people continue to struggle for their freedom, as they demonstrated during World War II by organizing the Ukrainian Insurgent Army (UPA), which fought both the Nazis and Soviet forces at the same time, alone and unaided.

The critical importance of Ukraine has also been reflected, though in an oblique way, by the Kremlin which dared not to destroy the framework of Ukrainian statehood, but imposed its own creation, the "Ukrainian Soviet Socialist Republic," which along with the U.S.S.R., became a charter member of the United Nations in 1945.

Today, hundred and thousands of finest Ukrainian men and women are languishing in Soviet concentration camps and prisons for resisting the oppressive Soviet Russian domination of Ukraine, and for propagating the genuine freedom and independence of Ukraine.

For many years the Ukrainian American community has been observing the anniversary date of Ukraine's Independence, as a great historical date of modern Ukrainian history.

This January, in observing the 61st anniversary of Ukraine's Independence, let us be articulate and effective. Let us tell our fellow American citizens, the American press, TV and radio stations—and above—let us tell American Senators and Congressmen—that the plight of Ukraine is and should be their concern as well. For the liberation of Ukraine and other non-Russian nations in the U.S.S.R. would neutralize the Soviet Russian pressure and be a blessing for the world at large.

[From the America, Jan. 18, 1979]

UKRAINIAN HELSINKI GROUP CITES SOVIET RUSSIA TERRORISM IN UKRAINE

UCIS. The second issue of the Ukrainian underground publication, the Information Bulletin, dated March-June 1978, reached the Free World. The original publication consists of 74 typewritten pages in Ukrainian. It was published by the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords.

The Information Bulletin provides a great deal of information on numerous excesses by the Soviet Russian authorities in Ukraine, terrorism, suppression of human rights, persecution of the Ukrainian language and culture.

FREEDOM TO LEVKO LUKIANENKO

UCIS. This appeal of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords on behalf of Levko Lukianenko presents the tragic and moving picture of his life. In particular, it records

the rejection of Marxism by Lukianenko and his embracing faith in God. The appeal concludes with the request to the "international public, lawyers and those who believe in God to come forward in defense of Levko Lukianenko".

Levko Lukianenko has been sentenced recently, to ten years of forced labor and five years of exile for "anti-Soviet propaganda and agitation". The trial was held in Horodnia, near Chernyhiv (Ukraine).

On December 1, 1977, Levko Lukianenko, the member founder of the Ukrainian Public Group (to Promote the Implementation of the Helsinki Accords), the outstanding leader of the movement to defend the law*, the publicist and lawyer, was arrested. He is 50 years old. This is his second arrest.

Released on January 21, 1976, after 15 years of imprisonment, Lukianenko remained free for less than two years, under strict supervision of the militia and the KGB.

Let us look at the course of his life. In 1944, during the World War II, when Levko Lukianenko was 16 years old, he was drafted to the Soviet army, in which he served for 8 years. He studied at the same time and completed secondary studies with distinction. He joined the Communist Party of the Soviet Union while serving in the army. After demobilization in 1953, he became a student at the law faculty of the University of Moscow, from which he graduated in 1958.

He worked as a legal consultant in the organizational department of the Vinnytsya provincial Executive Committee, and afterwards in the Hlynianskyi county of the Lviv province at the County Committee (raikom). There he met the lawyer Ivan Kandyba and other lawyers and employees of the party and governmental institutions; together they discussed various social problems. There were a great many such problems after the terrible, ruinous war. The consequences of the war had been felt especially in Ukraine which had been in the first line of attack by the Fascists and by Stalinist terror.

L. Lukianenko observed the social system of the European states; he compared the life of the nations of Europe with the life of the nations of the USSR, and of Ukraine in particular. Lukianenko had gained knowledge at university in the areas of law, political economy and systems of government of various societies. Access to the holdings of university of libraries give him a chance to become acquainted with the platforms of the prerevolutionary parties of Russia and Ukraine (which had a colonial state within the Russian Empire).

Thus, there arose the idea of the re-organization of the socio-political system of the Ukrainian SSR, which developed into a draft program of a party "Workers' and Peasants' Union." The tenet of the draft program is socialism with state ownership of the means of production; however, private enterprise was to be permissible in small manufacturing, trade and service industry. The draft also foresaw a radical restructuring of the agrarian economy with a truly voluntary cooperative system. State power was to be founded on democratic principles and free elections. The state language of Ukraine was to be Ukrainian. The matter of Ukraine's leaving the Union of Soviet Socialist Republics was to be decided by means of a referendum.

This draft project was discussed in November 1960 in Lviv (at 17 Dekabrists' Street) by seven like-minded individuals. Present was also a student of the Higher Party School, Vashchenko, who turned out to be an informer. On January 20, 1961, all members of the group were arrested and were later tried at an in-camera court, held in the building of the KGB in Lviv. L. Lukianenko was sentenced to death for what was essentially theoretical treatise, for the idea of building Socialism with a human face, pre-dating similar attempts by A. Dubcek in the Czecho-Slovak SR, and also the contemporary ideas of Eurocommunism.

The revenge was terrifying: 67 days in chains on death row. The Supreme Court amended the death penalty to 15 years of strict regime camps. The mills grinding down the spiritual backbone of man turned out to be more horrible still. He was imprisoned at the Vladimir prison for four and a half years and in the KGB prison in Kiev, Lviv and Chernyhiv for almost two years. He was subjected to a psychiatric examination in a special hospital at Rybinsk and was held in the psychiatric camp prison (PKT). He was tormented by heavy labor and hunger.

Several times they proposed to him that he write declarations of repentance.

In the camps, after much contemplation, having experienced the effects of Socialist legality in his own case, L. Lukianenko rejected Marxist theory, as having no basis and being inhuman. His belief in higher justice led him to God. He became a deeply religious man, defending the principles of democracy and rights of man from Christian positions.

Thus it was not an accident that living under constant strict supervision, L. Lukianenko found himself among the founders of the Ukrainian Group; in fact, he became the soul of this group.

In his own name and in the name of the group he comes to the defense of his unfortunate companions languishing in the camps and prisons merely for their convictions.

He wrote an article in defense of the artist Petro Ruban, entitled "Stop the Miscarriage of Justice" and sent it to the editorial board of the Ukrainian journal "Folk Art and Ethnography"; he came to the defense of the Bandera supporter Bohdan Chuiko (who was being defended by the Kievan lawyer Marchenko, as a member of the collegium of lawyers). He defended an agricultural specialist, the teacher Kuzma Matviuk, who was being oppressed, insulted and persecuted even after the completion of his sentence, and others.

Fearlessly he corresponded with the oppressed and the persecuted people who had become like family to him through the torments suffered together. And so, after 15 years of suffering, the KGB arrested Lukianenko again.

Seven months have passed since the time of the arrest by now. He is isolated from his family and the people close to him; his fate is unknown. Interrogations and searches in the case of Lukianenko are being conducted literally all over the Soviet Union, in the Magadan oblast, in the Khabarosk region, in the Krasnodar region, in the Komi ASSR, in Ukhta and also in the cities and oblasts of Ukraine. The young and the old are being intimidated by searches and interrogations.

Neither the family nor friends know to this time* whether Lukianenko had been presented the accusation yet, or what he is accused of. It has become known that the investigation attempts to cast doubt on the mental state of L. Lukianenko (prison psychiatry is being used to that end.) They are terrorizing by interrogating L. Lukianenko's wife, who all her life has been his unbending and devoted friend.

The tragic and noble life of Lukianenko must become the focus of general attention.

The Ukrainian Public, Group "Helsinki" turns with an appeal to the international public, lawyers and those who believe in God to come forward in defense of Levko Lukianenko even now, without waiting for the sentence 15 years' forced labor anew. That evil against which Levko Lukianenko is rising so bravely, with no thought for himself, may reach anyone, if its path is not blocked.

[From the Ukrainian Weekly, Jan. 21, 1979]

INDEPENDENCE DAY CELEBRATIONS

BISHOP LOSTEN CALLS FOR SPECIAL PRAYERS MARKING JANUARY 22 DATES

STAMFORD, CONN.—Bishop Basil Losten, head of the Stamford Ukrainian Catholic Eparchy, issued a call to the clergy in the diocese to hold special services and prayers on January 22, the 60th anniversary of the Act of Union and the 61st anniversary of Ukrainian statehood.

"I ask you, very reverend fathers and dear faithful, first of all, to pray for a better future for our nation, to request blessings from heaven and for the spirit of good will, unity and intelligence in this, our holy struggle for freedom of our Church and people," said Bishop Losten in his statement.

Saying that the "fate of our brothers and sisters in Ukraine must never be foreign to us," Bishop Losten wrote: "In marking the anniversaries of independence and unity of Ukraine, we in the free world must make all efforts possible to hasten the day when our people will become free and independent again."

Bishop Losten also requested the Ukrainian Catholic clergy to participate in state and municipal observances of Ukrainian independence, and he made a special appeal to youth "not only to participate in the observances, but to study the history of Ukraine and the Ukrainian language, so that they can become conscious ambassadors of the Ukrainian cause when the time arises."

MAPLEWOOD MAYOR SIGNS INDEPENDENCE DAY PROCLAMATION

MAPLEWOOD, N.J.—"Ya Ye Ukrayinets," said Mayor Robert H. Grasmere of Maplewood as he greeted a large delegation of Ukrainians at the regular Maplewood Township Committee meeting at Town Hall on Tuesday, January 16, at 9 p.m. He was enthusiastically acknowledged with loud applause that set the mood for the evening.

Mayor Grasmere stated that he looks forward each year to this commemorative occasion because he has observed for many years with deep affection the boundless energy and vitality of the Ukrainian people in Maplewood in the preservation of their heritage. He then remarked that he was fully cognizant that Ukraine continues to suffer political and cultural repression, economic exploitation and all-encompassing Russification. All Ukrainian Catholic and Ukrainian Orthodox Churches have been outlawed and liquidated; Ukrainian intellectuals are arrested, secretly tried and sentenced to severe terms in prisons and concentration camps for voicing their opposition to repressive policies against national, religious and cultural freedoms, he said. He commended all Ukrainians for continuing their struggle for a free Ukraine.

At that point, Mayor Grasmere signed the proclamation designating January 22nd as Ukrainian Independence Day in honor of Ukraine's independence anniversary and read the following:

"Whereas, on January 22, 1979, Americans of Ukrainian descent in Maplewood and throughout the free world, will observe the 61st anniversary of the proclamation of independence of Ukraine, which took place on January 22, 1918, from St. Sophia Square, in Kiev, the ancient capital of Ukraine; and

"Whereas, this nation, dedicated to belief in God and desirous of living in peace and harmony with neighboring peoples, had succeeded, prior to this date, in organizing their own independent government and a democratic parliament, the Ukrainian Central Rada, which was the political expression of all Ukrainian political parties, social and cultural organizations; and

"Whereas, after a defensive war lasting four years, the Ukrainian state was destroyed in 1920 by superior numerical forces of Communist Russia and a puppet regime of the Ukrainian Soviet Socialist Republic was installed and 40 million Ukrainian people lost their national independence; and

"Whereas, despite this loss, the people of Ukraine have withstood successive liquidations by their Communist overlords; millions of Ukrainians were systematically starved to death in Russian-planned famines of 1932 and 1933; millions more were deported to Russian slave labor camps in Siberia; the Ukrainian Catholic and Orthodox Churches were physically annihilated by Moscow and its religious leaders imprisoned and worked to death in Siberian camps and mines; its educational system has been stripped of the Ukrainian language; and

"Whereas, the people of Ukraine live in the hope that their nation can be liberated from its Communistic oppression and rightfully restored to them; and

"Whereas, it is well known universally that the resistance of these brave Ukrainian people against Communist totalitarianism has never waned; and

"Whereas, the United States Congress and the President of the United States of America have recognized the legitimate right of the Ukrainian people to freedom and national independence by respectively enacting and signing the Captive Nations Week Resolution in July, 1959, which enumerated Ukraine as one of the captive nations enslaved and dominated by Communist Russia; and

"Whereas, in order that encouragement shall be given to these courageous people by all Americans, and that Ukrainians and Americans of Ukrainian descent be afforded the opportunity of formally commemorating the significance of this memorable day.

"Now, therefore, I, Robert H. Grasmere, mayor of the Township of Maplewood, do urge our citizens to demonstrate their sympathy with and understanding of the aspirations of the Ukrainian people, and do hereby proclaim January 22, 1979, as 'Ukrainian Independence Day' and direct that the Ukrainian flag be raised at the Town Hall on Monday, January 22, 1979."

BUFFALO UKRAINIANS PREPARE FOR UKRAINIAN INDEPENDENCE DAY

BUFFALO, N.Y.—The Ukrainian American community here, acting upon the initiative of the Ukrainian Congress Committee of America, Buffalo branch, will commemorate the 61st anniversary of the declaration of Ukrainian independence.

On Monday, January 22, at 10 a.m. at Buffalo's City Hall, Mayor Griffin and County Executive Rutkowski will issue a joint proclamation declaring January 22, 1979, Ukrainian Independence Day and declaring the universality of national freedoms and human rights. The ceremony will be witnessed by representatives of local organizations. The flag of free Ukraine will fly at City Hall and County Hall.

On Sunday, January 21, Divine Liturgies will be celebrated in all Ukrainian churches, invoking the Lord's blessing on the quest for Ukrainian freedom and independence, and the independence of all nations enslaved by Russian Communist imperialism.

On Saturday, January 27, at 7 p.m., a commemorative banquet will be held at the Golden Ballroom of the Statler-Hilton Hotel.

The keynote address will be delivered by Dr. Lev Dobriansky of Georgetown University, president of the UCCA, chairman of the National Captive Nations Committee, director of the Institute for Comparative Political and Economic Systems at Georgetown University, and president of the American Council for World Freedom.

Also performing during the program will be the following: the "Burlaky" Ukrainian choir directed by Prof. Jurij Lawriwsky; the Ukrainian girl's quartet directed by Christina Moros; piano soloist David Bilous; ballerina Laryssa Sharvan; the Ukrainian students' folk dance group, Zina Dmytrijuk, choreographer, and the Ukrainian orchestra directed by Michael Teluk.

Introductory remarks will be made by Wasyl Sharvan, president, UCCA Buffalo chapter. Master of ceremonies will be Dr. Bohdan Harasym.

● Mr. FISH. Mr. Speaker, today marks the 61st anniversary of Ukrainian independence. It is one of great significance to freedom-loving people everywhere, and especially Ukrainians living under Soviet domination and oppression. This day also we in the United States can push for strict adherence to the human rights provisions of the Helsinki agreements.

We are all familiar with the events that led to the fall of the Ukrainian Republic in 1920, when the Red Army led by Trotsky finally defeated the gallant defenders of the republic. The Russian tactics of subversion and blatant aggression became the tools for Soviet domination of Eastern Europe. Today, we see the same approach being used by the Soviet Union to gain control over other parts of the world; namely, Africa, the Middle East, and Asia.

Mr. Speaker, the Congress and the President of the United States are keenly aware of the importance of human rights in the Ukraine and all parts of the world. In the past few years, the Congress has taken the initiative by enacting legislation designed to promote Soviet compliance with the Helsinki human rights provision.

While over 2 million Americans are proud of their independent Ukrainian heritage and live under our free institutions, over 47 million live under continuing oppression in their homeland without guarantees of civil rights, without self-government, still fiercely proud of a cultural heritage that predates the establishment of the United States by 800 years.

I join all of my colleagues today in their hope that some day freedom will return to the Ukraine and other nations living under the dark cloud of Soviet rule.●

● Mr. BLANCHARD. Mr. Speaker, last Monday, January 22, marked the 61st anniversary of Ukrainian independence. Today is the first opportunity that the 96th Congress has to reaffirm our strong support for the cause of freedom in those countries of the world like the Ukraine where citizens are being denied their most basic human rights.

The plight of nations like the Ukraine, which are non-Russian yet nevertheless are Soviet controlled, does not often receive a great deal of attention in the public outcry for human rights. For example, last summer, although they received less publicity, Lithuanian Victors Pektus and Ukrainian Lev Lukyanenko were among those who were unjustly tried and harshly sentenced by Soviet authorities. These men and so many other brave individuals like them have been persecuted simply because they seek what we could call "national rights," or the right to live as independent and free countrymen.

This is an area of human rights that we in the Congress must not neglect. We must speak out and support the cause of national rights for people like those in the Ukraine who courageously seek to recapture their independence and, in turn, their own human rights. We cannot forget those who strive to reestablish their independent homeland and their basic freedoms of expressions and religion as those rights existed prior to the forceful takeover by the Soviet Union. We must continue with renewed efforts to support this noble cause.

As we commemorate the 61st anniversary of Ukrainian independence, I hope that all of my colleagues, old and new, will join with the brave men and women of the Ukraine, and with all Ukrainian Americans in their fight for national and human rights in the Ukraine.

I also want to bring to my colleagues' attention the following letter which I received from Dr. Anthony Zukowsky, president of the Ukrainian Congress Committee of America, Metropolitan Detroit Branch. Dr. Zukowsky further emphasizes the need for Congress to support the struggle for freedom and independence for Ukraine. The letter follows:

UKRAINIAN CONGRESS
COMMITTEE OF AMERICA,
Warren, Mich., January 17, 1979.

Re January 22, Ukrainian Independence Day.

Hon. JAMES J. BLANCHARD,
U.S. Congressman, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN: As the 96th U.S. Congress begins its sessions, we would like to call your attention to the fact that, in January, Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Urkaine.

January 22, 1979 will mark the 61st Anniversary of the Proclamation of Independence of Ukraine and the 60th Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine on January 22, 1918 and in January, 1919.

This sovereign Ukrainian state was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. But, despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked both by military aggression and subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense

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* UCIS. The Ukrainian term "pravozakhysnyi", used here, does not lend itself easily to translation. It implies the defence of human, civil and national rights, with a special relation to the Helsinki Accords and the legal rights and guarantees proclaimed in Soviet constitutional documents.

*/UCIS/Access to such materials as indicated in the appeal is ordinarily severely restricted in the Soviet Union.

/UCIS/Levko Lukianenko has been sentenced recently to ten years of forced labor and five years of exile for "anti-Soviet propaganda and agitation."

of their country, alone and without aid from western nations but ultimately were overpowered by the numerically stronger and better equipped Red Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a Communist, puppet government known as the Ukrainian Soviet Socialist Republic, USSR.

The entire history of the Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide, Russification and violation of human rights on a scale not known in the history of mankind.

In summing up, the colonial rule of Soviet Communism, in Ukraine, can be characterised by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations and executions.

B. Both the Ukrainian Orthodox Church and the Ukrainian Catholic Church were ruthlessly destroyed and their clergy, along with hundreds of thousands of members were arrested and persecuted.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violation of human rights was instituted in Ukraine. Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation", arrested, tried, and convicted. Many have been tortured, incarcerated and confined to psychiatric asylums where drugs and chemicals are forcefully administered. Professor and historian, Valentyn Moroz is symbolic of the aforementioned atrocities. Last summer Mykola Rudenko, Olekaa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko were given 7 to 10 year sentences and five years in exile because they were members of a Ukrainian public group to promote the Implementation of the Helsinki Accords.

The Russian Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom and national independence. The new breed of young, adamant fighters for human and national rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. Also, for many years, the 22nd of January has been proclaimed, in our American cities and states, from coast to coast, Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom and National Independence for UKRAINE.

Sincerely,

ANTHONY ZUKOWSKY,
President, UCCA,
Metropolitan Detroit Branch. ●

● Mr. LENT. Mr. Speaker, January 22, 1979, marks the 61st anniversary of the proclamation of the free Ukrainian Republic. It was a day of great joy for the people of the Ukraine for it united all Ukrainian ethnographic lands into one independent and sovereign state of the Ukrainian nation. Even the then new Soviet Russian Government officially recognized this new nation, as did the Central Powers and a number of states of the Entente, including France and Great Britain.

Yet, by 1920, the brave new nation had succumbed to communist aggression and a puppet government known as the "Ukrainian Soviet Socialist Republic" was incorporated forcibly into the U.S.S.R.

The nations of the free world are indeed fortunate to have such impressive groups as the Ukrainian Congress Committee of America, Inc., help focus attention on the plight of their brethren who remain behind in the Soviet Union. I am proud to participate in this public forum and speak out in support of the Ukrainian people who are forced to continue the fight for the right to exercise their basic human rights—cornerstones of which are the rights of self determination and the right of religious freedom.

Despite the Soviet Union's continued attempts to perpetuate the myth that the U.S.S.R. is a model multinational state in which all member republics are "sovereign" and in which the "nationality problem" has been "solved" and in which relations between the various nations are based on the "principles of true equality and friendship," the people of Ukraine seek to one day again achieve the "nationality recognition" to which all mankind aspires.

Along with a plea for national rights, I call for reinstitutions of religious freedom and the resurrection of the Ukrainian Orthodox and Catholic Churches—the two most outstanding cases of religious genocide conducted by Stalin. During the years of Soviet rule, the people of Ukraine have endured not only man-made famines, deportations and outright executions, but they have stood by their religious beliefs in the face of ruthless destruction of their churches and despite efforts to incorporate the faithful into the Kremlin-controlled Russian Orthodox Church.

The sweet taste of independence and freedom was short lived and long ago for the people of Ukraine, and so it is all the more important to demonstrate to the people of that brave nation that they and their struggle for human rights are always in the minds of the people of the free world. The Ukrainian spirit remains unconquered and all mankind knows it. Scores of Ukrainian intellectuals, born and reared entirely under communism, now are questioning why they are not allowed the freedom to express themselves as they see fit. We in this Nation, moreover, know well that slavery cannot survive. And we know that the Soviets sow the seeds of their own destruction because the will for freedom flourishes under oppression like a fire fanned by the thoughts and prayers of those in the free world who continue to stand by a proud people in their quest for liberty.●

● Mr. ST GERMAIN. Mr. Speaker, with unrest in the Middle East and Southeast Asia and the recent developments in our policy toward China claiming attention in the area of international relations, it is easy to become complacent regarding oppression in parts of the world where the denial of human rights has been a fact of life for generations.

Such a condition has existed in Ukraine. Dominated for centuries by Russia, Ukraine has never been able to develop into the strong nation it potentially is, with its vast human and natural resources. Those who would lead the Ukrainian people to independence from Soviet domination are quietly, but severely, punished. The Ukrainian Orthodox and Catholic churches, which could be relied on for leadership, were wiped out by Stalin and have never been allowed to return. The Ukrainian Orthodox and Catholic churches have been expunged, yet undoubtedly there are thousands who continue to worship in the sanctuary of their hearts.

Those of us of Ukrainian descent cannot forget, and it is our duty to keep before all our freedom-loving countrymen, the plight of Ukraine. Each year we come before our colleagues in the House of Representatives to remember those who have fallen under Soviet domination. Most of those now living in Ukraine have never had the privilege, which so many of us take for granted, of living in a nation free of foreign domination. Yet there still lives in the brave people of Ukraine a sense of national pride which can never be snuffed.

It is with pride in my Ukrainian heritage that today I urge my colleagues to take up the cause of human rights and remember not only those who gain the attention of the press, but also those, like the Ukrainians, who, because of historical circumstances, suffer quietly, but no less tragically.●

● Mr. BENJAMIN. Mr. Speaker, For each of the 2 years that I have been a Member of this great deliberative body, I have risen to pay tribute to the Ukrainian people in honor of the aniversary of the Ukrainian Proclamation of Independence on January 22.

In my remarks last year, I expressed the hope that when we celebrated this—the 61st such anniversary—we would have seen the end of brutal domination and suppression in the Ukraine.

Unfortunately, this simple hope has not been realized and the harassment and subjugation of Ukrainian intellectuals and dissidents continues as before.

The signing of the Ukrainian Proclamation of Independence in Kiev on January 22, 1918, marked what was hoped to be a long and durable period of peace and prosperity for the new republic. However, history played a cruel game with this fledging republic and events with which we are all to familiar led to its demise.

It is sadly ironic that a country with such a rich and powerful history—marked by fierce independence—is the focus of suppression and exploitation at a time when human rights has become a powerful and even global issue.

The Ukrainian people are to be continually praised and saluted for their indomitable spirit. As I have stated before, special tribute is to be paid to the citizens of Ukrainian descent in my district who have made such valuable contributions to the progress of their country of heritage.

Once again, I join all Ukrainians in a prayer that human freedom—in all its

varied forms — will be realized for all people and countries where denial of even the most basic human rights continues.●

● Mr. HORTON. Mr. Speaker, it is an honor and a privilege for me to, once again, join my colleagues in the House in commemorating the anniversary of the independence of the Ukraine, 61 years ago. Although that independence was short-lived, it continues to be an important focal point in the Ukraine's history. For many Ukrainians, that brief period of freedom has been the one sustaining part in their lives under Soviet domination.

Our observance of Ukrainian independence 61 years ago takes on particular appropriateness given our Nation's international policy on human rights. However, our strong advocacy for basic human rights must not be accepted out of hand since the United States has failed to call attention to human rights violations in several countries around the World. For example, the State Department does not recognize Romania's persecution of its Hungarian minority within the context of the Helsinki accord. By the same token, the State Department and the administration do not consider the Ukraine's national rights within the broader category of human rights.

Even more troubling was the President's recent address to the Nation announcing that we had abrogated our treaty with the Republic of Taiwan in favor of the recognition of the People's Republic of China. This new foreign policy initiative when tied with the President's decision which led to the return of the Holy Crown of St. Stephen, his intention to remove all U.S. troops from South Korea, the ongoing SALT II negotiations and his failure to fully support Israel in the peace talks leads me to question his direction of American foreign policy. These actions also raise serious questions about his statement that "Human rights is the soul of our foreign policy." This might be an accurate statement in certain instances, such as the condemnation of the Pol Pot regime only recently overthrown by the Vietnamese, however, it does not seem to be true generally.

It is vitally important therefore that those of us in the Congress concerned about continued Soviet human rights violations maintain our support and call for freedom in the Ukraine, and other captive nations.●

● Mr. PATTEN. Mr. Speaker, the sad fete of the Ukrainians brings little reason for celebration in their native land, while scores of Ukrainians living outside the Ukraine observed the all-national holiday on January 22. For these 5 million people, there is a strong sense of nationalism and courage which we Americans admire and respect. Ukrainian-Americans are united in the fight to see that their fellow Ukrainians gain freedom.

The United States has a tremendous regard for the determination of these people, and we should strive to urge all freedom-loving people to be sympathetic and supportive of this cause. I hope that the Ukrainian people's effort to gain independence will soon be realized.

The Ukrainians are a strong, industrious group who do much to add to our American spirit. As we observe this 61st anniversary of Ukrainian independence, we join in support and admiration for their perseverance and dedication to the cause of freedom which we in America enjoy.●

● Mr. YOUNG of Florida. Mr. Speaker, January 22 marked the 61st anniversary of the shortlived independence of the Ukraine prior to its occupation and subjugation by the Soviet Union. It is important that Americans take time to memorialize the plight of the Ukrainian people who have been overcome by the ruthless tyranny of the Soviet Union.

Our Nation carries a great burden and responsibility as the leader of the free world and the champion of oppressed people everywhere. We take for granted many of the rights that citizens of captive nations, like the Ukraine, are systematically denied. Our leaders have made human rights a major consideration of our foreign policy, but the basic human right of freedom of the individual is still denied to many millions. We must not take this obligation lightly. Our Nation was founded on the principles of liberty and democracy which are spelled out in our Constitution and Declaration of Independence. The human right of freedom knows no political or geographical boundaries and we who lived under a free government for all of our lives must be concerned with the plight of the freedom-loving Ukrainians.

Soviet repression has been consistent and harsh. This ongoing repression makes it even more incumbent upon us to uphold our heritage of a free and open society and we must champion the cause of self-determination for the Ukrainian people. The United States must continue to support the aspirations for freedom, independence, and national self-determination of all peoples. We cannot accept foreign domination by any nation over another nation To this end we remain committed and we must not waiver from our responsibility.●

● Mr. MOAKLEY. Mr. Speaker, this week marks the 61st anniversary of the proclamation of an Independent Ukrainian National Republic.

I am proud to pay tribute to those who still recoginze the sovereignty of the Ukraine. For even though Soviet domination of the Ukrainian people has gone unhalted for 57 years, the spirit of the overwhelming majority of Ukrainians living in the Soviet Union and abroad yearns to be free again.

At a time when human rights is a cornerstone of our foreign policy, I believe we must have the courage and conviction to work against the repression of Ukrainians at the hands of the Soviet government. We must speak out against the suppression of Ukrainian culture and history, and help preserve the Ukraine's national identity.

Despite years of suffering under Communist rule, the spirit of the proud Ukrainian people has not dampened their will to be free. On this important occasion we must make it clear that America stands by her tradition of freedom and strongly supports the Ukraine and other nations who still must fight for theirs.●

● Mr. FORSYTHE. Mr. Speaker, For the 2 million members of the Ukranian-American community, who represent every State of the Union, the date January 22 is of great significance. On that date in 1918, the newly formed Ukrainian Central Rada under the presidency of Prof. Michael Hrushivsky, the Ukraine's foremost historian, issued a universal proclamation declaring the sovereignty of the Ukraine.

For Americans of Ukrainian descent, this day recalls the moment in 1918 when in the capital of the Ukrainian people, Kiev, a group of Ukrainian patriots proclaimed their independence from their native land. Now the Ukrainian people, as in the past, are determined to guide their own destiny and to be free in their sovereign state.

Sixty-one years is but a short time in the long span of history. But the drive, the fight, the struggle of this major Eastern European nation for its genuine independence continues to this day. Since 1918, every decade is full of historic expressions and movements for the recovered independence of the Ukrainian people. In this decade thousands of Ukrainian nationalists make up the dissident roll of the Ukraine and are now incarcerated in Russian labor camps and psychiatric hospitals.

Anyone who is familiar with the contemporary history of the Ukraine, knows that in all six decades resistance, sacrifice, and armed opposition to Moscow's imperialist rule have more than amply demonstrated the Ukrainian spirit and fight for independence. It is this spirit of determination for independence that will carry the Ukrainian people onward through the coming decades until they achieve their final goal of a sovereign Ukrainian state.●

● Mr. McHUGH. Mr. Speaker, I regard it as a privilege to participate in commemorating the 61st anniversary of the Ukraine's Declaration of Independence.

In the aftermath of World War I, many European peoples were able to reap the blessings of free and independent national life. Among them were the brave Ukrainians, whose day of freedom finally came after many years of sacrifice and struggle for liberty. Many participants in that struggle devoted their lives wholeheartedly to the cause of freedom for their country. Their efforts emerged successful from the crucible of a great war whose outcome affirmed the principle of self-determination for small nations as well as large. Liberty for the Ukraine was dearly bought, as it has always been throughout human history.

Since those happy, productive days when the Ukraine was blessed with freedom, many years have passed during which millions more people have died in a tragic test of the ability of humans to coexist peacefully on this planet. Because much time has passed since the Soviet Union first subjugated the Ukrainian people and usurped their sovereignty, there are some voices that would urge us

to forget the sorry chronicle of Soviet oppression and genocide, citing the passage of time and suggesting that things can never change once years have taken their toll. Such voices would prefer to believe that the human spirit is limited and domitable, that human aspirations can neither withstand time nor be shared with any intensity by succeeding generations.

In response to such doubters, various events behind the Iron Curtain continually testify to the contrary: A dissident press (both underground and in the open), many public demonstrations throughout the captive European nations, and perhaps most remarkably, the fervent character of resistance to Sovietization shown by the students—not only in the Ukraine but throughout the countries forcibly absorbed so long ago into the U.S.S.R.

On a personal note, Mr. Speaker, a succinct and eloquent example of the Ukrainian people's determination to be free again is contained in a letter I received from Eugene Kurylo, a constituent of mine who is president of the Binghamton, N.Y., branch of the Organization for Defense of the Four Freedoms of Ukraine. He says the following:

> We fought and shall continue to struggle for our human and national rights for a free and independent Ukraine sovereign state, in every section of Ukraine and throughout the free world, wherever the beat of freedom throbs in Ukrainian hearts. May the good Lord help us in our endeavor.

Mr. Speaker, the overwhelming dedication of Mr. Kurylo to his country's freedom reminded me of the passionate eloquence with which a great American writer, William Faulkner, described what makes man great. In accepting the Nobel Prize for literature, he gave a memorable address about the human spirit and what is eternal in man, such as honor and pride and spiritual values. His ringing conclusion was that, "Man will not merely endure; he will prevail." It is that same kind of vision that enables us to see beyond supposed political realities to the abiding, invincible love of homeland and dignity in freedom that characterizes humanity at its best. That vision is splendidly evident in the will of the Ukrainian people to be free again. I salute them all—"wherever the beat of freedom throbs in Ukrainian hearts"—and join with all lovers of freedom in the prayer that their cause will indeed prevail.●

● Mr. GOLDWATER. Mr. Speaker, when the Russian czar was overthrown by revolutionary forces in 1917, the Ukrainian people, seeing a chance for freedom, elected a National Rada. The Ukrainian Congress proclaimed on January 22, 1918, a free and sovereign state called the Ukrainian National Republic, ending 2½ centuries of oppression. This past Monday marked the 61st anniversary of Ukraine's independence.

This day presents an excellent opportunity to reflect on the Ukrainian quest for freedom, and the reasons for its lack of success. The answer lies in Soviet dominance over the Ukraine and in Russia's fear that this movement of 61 years ago may re-ignite a threat to the expanding Russian empire.

Ukrainian sovereignty was recognized by nearly 35 foreign powers including Soviet Russia; however, as history has shown, the Soviets rarely honor an agreement and for over 3 years waged unprovoked war on an unprepared Ukraine. The Ukrainians were severely outnumbered and upon defeat were forcibly incorporated into the Soviet Union.

In the 61 years since the Ukrainians' original thrust for freedom, they have led several more uprisings against Communist enslavement. These actions have been punished by deportation, imprisonment, and death. It should be noted that the Ukrainians have stood up to the Soviets for the principles of freedom despite the persecutions and hardships they have suffered. In 1932, Stalin ordered the Ukrainians to change to a collective farming system. When the farmers protested, Stalin proceeded to confiscate nearly all the grain, causing famine and the loss of 7 million Ukrainian lives. Despite world outcry the past year, the Soviet Union has continued its practice of censuring non-Russian Communist dissenters. In July, a Ukrainian member of a human rights watchdog group, was sentenced to 10 years hard labor and 5 years of Siberian exile for spreading anti-Soviet propaganda. Earlier, three Americans were deported by Yugoslavian officials for trying to hold a news conference complaining of the Ukrainians' treatment in the U.S.S.R.

It is apparent that the Soviets are using these harsh sentencing tactics as a deterrent to dissent by the 41 million Ukrainians in the Soviet Union. However, these tactics have backfired. The persecutions and oppressions have stimulated this brave people's drive for national independence. It is fitting that we in the Congress pay tribute to the Ukrainian struggle for their fellow man and the national rights of their country. I sincerely wish these brave people continued strength and patience as they strive for their ultimate goal of independent self-government.●

THE ELF SUBMARINE COMMUNICATIONS SYSTEM

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Michigan asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Michigan. Mr. Speaker, I know that we cannot realistically hope to eliminate the ravages of inflation unless the Federal budget is brought into closer balance. To do that, we will all have to narrow our definition of what is a necessary expenditure.

Nevertheless, we cannot afford to weaken our national defense posture in view of the threats to the peace in Africa, Central Europe, the Middle East, and Southeast Asia.

It is with that in mind that I must bring to the attention of my colleagues an item which is quite small in relation to the total expenditures contemplated in the budget proposed by the President. But, inclusion of this item raises serious questions about the President's sincerity and credibility in seeking necessary increases in defense spending while at the same time calling for an austere Federal budget.

The item to which I refer is the President's request for $13 million for further development of the extremely low frequency submarine communications system.

For well over a decade, the Navy has spent many millions of dollars on this project. The system would consist of cables buried underground which would act as an antenna through which to send messages to our submarines under the sea. The name of the project has been changed from Sanguine to Seafarer and from Seafarer to ELF. At one point, the system the Navy was proposing would have consisted of 2,400 miles of cable buried in the Upper Peninsula of Michigan. Last year, the Navy's director of command, control, and communications programs, Admiral Kaufman, called that proposal dumb.

Instead, DOD proposed a system consisting of an existing test site at Clam Lake, Wis., and 130 miles of underground cable located in Michigan's Upper Peninsula. The two sites would be tied together by a leased telephone line.

DOD asked for $40.5 million last year to develop this system. This House has not been convinced of either the need for such a system or the capability of the various proposals to accomplish the mission. Accordingly, funding for further development was deleted. Unfortunately, $20 million was finally provided in the conference report for further testing, limited to the existing test facility at Clam Lake.

By again seeking funding for this system, the President has further damaged his credibility on another front. The President is well aware that the residents of the Upper Peninsula have consistently and overwhelmingly voiced their disapproval of this underground network. During his campaign for the Presidency, Mr. Carter said:

> The Navy's proposed ELF submarine communication system should not be built in Michigan's Upper Peninsula against the wishes of the people who live there . . . If I am elected, Project Seafarer will not be built in the Upper Peninsula against the wishes of the citizens.

Now, Mr. Speaker, I do not intend to oppose this project funding request on purely parochial grounds. I do not need to. In the same speech, Mr. Carter also said:

> The Navy has yet to satisfactorily demonstrate the military necessity for Project Seafarer.

This House found those words to be true last year when it deleted the Navy's request for $40.5 million. Now it appears that even if the Navy could demonstrate need for the communications mission which they purport, it is likely that ELF would be obsolete by the time it was deployed. Just last week, our colleague LES ASPIN, pointed to newer, "spread-spectrum" communications technology which could render the ELF underground antenna system obsolete. Furthermore, it would in no way damage the environment as would the installation of the ELF's underground antenna. More importantly, it would provide secure, two-way communication with our submarines, something which ELF is not capable of providing, and at less cost.

Therefore, I call upon my colleagues to support deletion of the request for funding of the ELF system. I also urge the Navy to redirect its efforts toward developing more promising technology to fulfill the Navy's long-term communications needs.

JIMMY CARTER MAKES ME FEEL GOOD

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I cannot tell you how assured I feel after listening to President Carter deliver his state of the Union message last night. I breathed a sigh of relief when he told the American people, "there is every sign the state of our Union is sound."

With this new sense of confidence I will return to my congressional district this weekend and tell my constituents how "our economy offers greater prosperity," and how their income and business profits have "risen substantially." When I talk to the farmers in my district—the very farmers who have been desperately trying to find a market for their crops in Japan and elsewhere abroad—I will tell them not to worry, that our President has informed us that "farm exports are setting all-time records." I will tell my farmers not to be overly concerned; the President says "farm income last year was up more than 25 percent."

What made me feel good about the President's address was that I could have written part of it myself. Since I have served in Congress I have firmly believed that Government is limited in what it can do to solve our problems at home and in exerting its influence around the world. I have felt all along that the root cause of our rising rate of inflation has been an ever-growing bureaucracy. The Jimmy Carter we heard last night senses the mood of the people, and this makes me feel good.

During the President's speech I looked over at a number of my colleagues on the other side of the aisle and saw them squirming uncomfortably in their seats. They are not accustomed to a Democratic President calling for sunset legislation to review the usefulness of Government programs. They seldom hear a President of their party signal the need for regulatory reform and the elimination of obstacles in the way of free enterprise. It is significant that this President wants to build a new foundation, one which relies on conservative principles, one which rejects the disastrous thinking which has guided our administration of government for so long. I am sure a number of those in the President's party felt somewhat deserted last night. It was as if they were players on a football team watching their quarterback walk off the field into the locker room right in the middle of the game.

Nevertheless, I call on the Democratic majority in Congress to follow the President's advice in building this new foundation. If the President sticks to his word, if the President is really committed to what he said last night, then the White House and Capitol Hill will get along just fine, and the people who elected us to represent them will be a little better off.●

AUTOMATIC TRANSFER SERVICES

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the time has come for banks to look to their customers to decide what financial services to offer, not to the rival bank across the street. Unfortunately, for many institutions, competition still means doing what other banks do, rather than offering customers the best service at the lowest cost. The recent experience with automatic transfer services (ATS) is an example of this type of thinking: financial institutions jumped on a bandwagon, just to find it was going nowhere.

As of November 1, 1978, banks have been permitted to link savings and checking accounts so that a customer's funds can earn interest until he draws upon them with checks, at which time the money is automatically transferred from the savings to the checking account. Banks quickly discovered the enormous costs of offering such an intricate service, and consequently decided to place huge service charges on small accounts which did not pay their keep. Some banks are imposing charges which could total well over $50 per year. For many customers, such charges can quickly eat up any interest earned under the plan. Despite this fact, many banks chose to herald the service as a benefit to all in their quest to attract new customers and keep their old ones.

Customers may have been confused by the complexity of ATS, but their heads cleared quickly when made aware of the program's costs. As of mid-December, there were just over 400,000 automatic transfer accounts nationwide, and the low response rate continues. Many banks, recognizing the unpopularity of the service, have even stopped their heavy advertising campaigns. Other banks which planned to initiate ATS programs are now reconsidering. The National Bank of Commerce and the Union Planters National Bank in Tennessee have both tabled plans to offer ATS programs until more enthusiasm is shown by customers.

Preliminary studies indicated that ATS would not be received well, but many banks chose to ignore this, fearful that if they did not offer the system, they would lose customers. As one banker from Second National Bank of Tennessee stated,

> The feeling was that we had to offer a program to protect the bank. But I don't think customers are eager to begin this type of program now.

As a result, the customers this service was intended to serve are now footing the bill for a failure which benefits only a small number of individuals.

In the past, banks have complained that low balance customers whose accounts did not pay for themselves were being subsidized. Now, automatic transfers have neatly turned the tables, and these low- and middle-income account holders are subsidizing large ATS accounts receiving the service free and earning high amounts of interest. Banks may be justified in charging for services which truly benefit their customers, but it is inexcusable to make customers pay for more than they get. Unfortunately, this is precisely the fate of unsuspecting bank customers who responded to the alluring advertisements of the banks. The woman who stormed into her bank in West Virginia and cut up her checkbook exemplifies the frustration of customers who have been hit by the high costs of ATS. For most people, ATS is little more than giving with one hand, and taking with the other.

If banks want to maintain the trust of their depositors, they must earn it by fully disclosing the cost of this and other services, and gearing their advertising to the segments of the populace which such programs benefit. Those banks which ignore the needs and wants of the customers, their source of funds, will be the first to leave the marketplace.●

RESPONSE TO PRESIDENT'S BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, like our President, I am convinced that inflation is our Nation's No. 1 political problem. Inflation erodes the foundation of government. Its stresses and strains threaten not only our economic stability, but the unity of purpose that has traditionally bound our people together in seeking justice, equality, and liberty through faith, cooperation, trust and, when necessary, sacrifice.

Inflation strikes its cruelest blows at people like the majority of my constituents who are farmers, who are poor, who are elderly, or who live on fixed incomes.

Deficit spending is a contributor to our inflation problems. Thus, I frankly do not understand the logic of those who argue that we, as a Federal Government, ought

to indulge in bigger deficits to help the poor. Such arguments smack more of politics than of principle.

As a Democrat, I am willing to help in every equitable way to meet the national emergency, the national challenge, our inflation troubles present.

I believe that everyone should be willing to face up to this national problem. However, I believe the burden should be borne equally and not just by certain regions of our Nation or segments of our people. Those who seek equity must do equitably.

In a meeting with the President to which I was invited, at the White House on Monday I suggested to the President that his budget, as presently constituted, favors the big cities over the countryside. My friend and colleague from New York (Mr. RANGEL) replied, "You gotta be kidding," and laughed.

It is no laughing matter to those of us who represent persons living in the countryside, the 66 percent of the Nation's population whose homes are in places of populations of less than 50,000.

Being poor, elderly, or living on a fixed income and watching inflation erode away your opportunities for decent housing, good food, and employment is no less demoralizing for those living in Arkansas' First Congressional District than it is for residents of New York City.

And, for those of us who represent countryside areas, the situation becomes even more grim when we consider the budget proposals in connection with reports concerning proposals for reorganizing Federal economic and community development programs.

The reorganization proposals would put programs responsive to needs of small cities, towns, and communities into a department dominated by programs favoring our biggest cities and singularly unresponsive to needs of other places.

The last 2 years have taught us some especially bitter lessons where tinkering with such programs is concerned. This is particularly true when favoritism of some regions of the Nation is an evident dominant criterion, or even unintended result.

Let us deal first with just a few of the budget issues that prompted my comment to the President on Monday.

The President has proposed in his budget for the coming year increases for the Department of Housing and Urban Development's principal community development program. For the Community Development Block Grant (CDBG) program it is an increase of $150 million.

And, I quote from the documents accompanying the budget, a reference to the CDBG program:

> This increase will go primarily to metropolitan cities and urban countries.

While the budget does not so state, the past practices of HUD with regard to UDAG leave us in no doubt that the same is true with this program.

In addition, the President is proposing $40 million new dollars for the HUD Livable Cities and Neighborhood Self-Help and Development programs, both of which can be expected to primarily benefit our bigger cities. Half of this he wants to be provided for this current year.

So, we have a request for an increase of $190 million in new HUD grant money, basically to help the cities.

My emphasis on the term "grant" is no accident. This money the recipients are not expected to repay with interest, as is the case with loans. This is another aspect in the difference in the approach to aiding the cities as opposed to countryside areas where the largest blocks of funding for community and economic assistance is in the form of loans.

Now, let us turn to what the President's budget proposes as the fate in fiscal year 1980 for the rural development and business assistance programs. The proposal for the water, sewer, and community facilities loan program is slashed by $200 million. That alone, covers the increases in the CDBG, livable cities and neighborhood self-help and development programs.

But, it is not the end of the proposed cuts. There is the $100 million reduction requested for the industrial development loan program. And, the $18 million bite from the water and sewer grant program. And, the $8.5 million wipeout of the rural comprehensive planning and fire protection programs.

A total of $326.5 million proposed for cutting from the rural development and business assistance programs. And $300 million of this is from repayable loan programs.

There are a number of other areas where the same kind of differences present themselves in the budget before us.

In recreation, $100 million is cut from those activities primarily carried on in countryside areas but benefiting both countryside and city residents. But, $150 million for a 5-year park rehabilitation program for the cities is proposed.

There is the wipeout of the safer off-system roads program which can benefit places of all sizes, and which, even at its past modest level, has had significant impacts on countryside transportation problems. Contrast that with the $46.5 million increase in urban formula grant money for mass transportation operations that primarily benefits our biggest cities.

These budget examples, I have discussed, alone are ample proof that the President's "lean and austere" budget is far more lean and far more austere for our countryside citizens than for our city dwellers.

In recent years there has been a disturbing rise in tension between big cities and small cities, towns and countryside areas and between regions of the Nation. There are lots of names for it, "Sunbelt versus Snowbelt," is one. Whatever you call it, it is destructive of national unity and harmful to the national interest. It is an attitude I have been fighting for years. Thus I find it particularly frustrating to be presented by the President with a Federal budget proposal that is unquestionably going to add to that tension. That is bad enough, but it comes on the heels of reports on economic development reorganization proposals that had already added heat to the regionalism-favoritism debate.

The President and I are in agreement in principle on the need for Federal spending restraint; our disagreement lies in who we believe should practice restraint.

□ 1515

REMARKS OF THE HONORABLE FRANK THOMPSON, JR., CONCERNING THE RESOLUTION OFFERED BY MS. HOLTZMAN

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, this morning in the House Democratic Caucus our distinguished colleague from New Jersey, Mr. FRANK THOMPSON, Jr., offered a resolution that considers our responsibilities as Members of Congress toward charges of misconduct against Members of Congress. I believe his remarks in this regard are exemplary. The Honorable "THOMPY" made similarly eloquent and perceptive remarks on this same issue during the December caucus. The essence of his discussion is that the presumption of innocence until proven guilty is at the core of the Democratic process. Additionally, his comments are not mere rhetoric: In both statements Mr. THOMPSON marshals various case precedents that provide an outstanding legal treatment of this subject. Mr. THOMPSON's remarks are replete with worthy quotes, both literary and legal. For me, these quotes and the Congressman's argument brought to mind Alexander Hamilton's own "Here, sir, the people govern." Clearly, Mr. THOMPSON's remarks tell us this statement is as true for our country now as it was in the past. I include these comments to be made part of the RECORD for the benefit of our colleagues.

REMARKS OF THE HONORABLE FRANK THOMPSON, JR., CONCERNING THE RESOLUTION OFFERED BY MS. HOLTZMAN

Mr. Chairman, Ladies and Gentlemen, Members of the House Democratic Caucus. We meet again today to renew our efforts at a delicate and painful but necessary task—the exercise of our constitutional prerogative and responsibility under Article I, Sec. 5, Clause 3, to sanction our members for conduct offensive to this body. The specific question raised by Ms. Holtzman's resolution is what action, if any, ought we take when the chairman of one of our committees or subcommittees has been indicted on a felony charge. The problem is compounded when the member has been re-elected to Congress after his or her indictment. The broader questions posed concern our constitutional prerogative and responsibility to discipline our members while preserving the representative rights of the people.

Those of you who know me are aware that I am not one to indulge in apocalyptic fantasies. However since our last meeting on this subject, when we wisely turned back efforts to nullify completely the presumption of innocence by automatic removal of an indicted chairman, I have been haunted by the words of one of the great Irish poets, William

Butler Yeats, who was himself not unfamiliar with political struggle.

". . . Things fall apart; the centre cannot hold; mere anarchy is loosed upon the world, the blood dimmed tide is loosed, and everywhere the ceremony of innocence is drowned . . ."

Strong words, but I think not too strong, if we are to realize the potential dangers of constitutional dimension which inhere in the proposal before you. Let me hasten to add that I believe Ms. Holtzman has put forward her resolution with the best of intentions. But that said, we cannot be permitted to ignore the pernicious effect which the action it mandates will surely have upon a member's right to a fair tribunal both within and without this body, upon our legislative independence and integrity, and upon the representative rights of the people. Nor can we ignore the failure to deal with abuses by members generally, not just our chairmen.

The Constitution protects the integrity of the legislative process by shielding us from intimidation by the Executive and the Judiciary. At the same time it gives up the authority and responsibility to discipline any offending member. Although in the exercise of that authority we may come squarely up against the representative rights of the people, the difficulty of the task cannot permit us to shirk our duty.

I, therefore offer a substitute resolution to Ms. Holtzman's, dealing with our constitutional responsibilities with respect to our members generally and the specific problem of committee chairmen. In doing so I take my text from Justice White, dissenting in *United States* v. *Brewster*, 408 U.S. 501, (1972) who said:

"I would insist that (the) Houses (of Congress) develop their own institutions and procedures for dealing with those in their midst who would prostitute the legislative process." 408 U.S. at 563.

Resolved: That the caucus rules be amended to create a new section M II G Subparagraphs (1) and (2) to read as follows:

(G)(1) If a member of the House of Representatives who is chairman of a permanent, select, special or joint committee of the Congress, or subcommittee thereof, is convicted of a felony for which a sentence of two or more years imprisonment may be imposed, the full Democratic Caucus shall at its next regular meeting vote on whether that member shall continue to exercise the powers of chairman, taking into account the nature of the offense, the grounds of appeal which the member may have, and any other circumstances which this body determines appropriate to consider. If subsequently during the Congress, the conviction is reversed and all appeals have been exhausted, then the member shall automatically regain all his powers as chairman.

(2) The Caucus shall forthwith appoint a committee of representative members to study the entire range of problems related to our constitutional authority to sanction offending members and to report back at the earliest possible date with recommendations, including appropriate procedures to implement our authority.

Permit me now to share with you my specific concerns about the Holtzman resolution and the reasons for my substitute resolution.

The Holtzman Resolution provides that if a chairman of a committee or a subcommittee is indicted for a felony which involves an abuse of the powers of his office and for which a sentence or two or more years may be imposed, the full caucus shall at the next regular monthly meeting vote on whether that member shall continue to exercise the powers of a chairman, taking into account whether the prosecution may be frivolous or politically motivated. The resolution calls for us to rush to judgment upon an accusation emanating from the executive branch that one of our members has abused our powers and processes.

When last we met we voted down a resolution calling for automatic removal of an indicted chairman, which I oppose primarily because it nullified the presumption of innocence in this body.

The resolution before us today, because it commits to our discretion the removal of an indicted chairman, does utter violence to the presumption of innocence at the subsequent criminal trial of the defendant-chairman. How could we in good conscience vote for removal when such a vote would certainly occur prior to the selection of a jury, so that any stigma could not even be cured by jury sequestration. A vote for removal would so impinge upon the possibility of a fair trial, that it might render impossible any trial at all.

There are some who will say that a chairmanship is a privilege of this body to bestow or take away as we please. But the Supreme Court long ago did away with any specious distinction between privilege and right in testing against due process standards governmental action depriving an individual of a substantial interest in person or property.

Recently, in a case arising out of investigations and prosecutions begun under Maurice Nadjari, the former special prosecutor for corruption from Ms. Holtzman's own State, the Supreme Court noted the constitutional status of Pat Cunningham's interest in the power and prestige of the county democratic chairmanship, in striking down as unconstitutional a New York law that automatically stripped political party officers of their party jobs if they refused to waive immunity. But the issue need not be left to analogy; for as justice White noted in his dissent in *Brewster*, we are not free to adjust as we wish our members rights to due process . . . 408 U.S. 544. The decision of the court in *Powell* v. *McCormack* makes it amply clear that the power of the House and Senate to discipline the conduct of members is not exempt from "the restraints imposed by or found in the implications of the Constitution". 395 U.S. 486, 519, N. 40 (1969) the presumption of innocence is a basic component of a fair trial, which can only be preserved by careful attention to the fairness of the fact finding procedure.

Because of the implications for the subsequent criminal trial of an indicted chairman, the Holtzman resolution cannot provide for a full consideration of the merits of the charges, which is essential if we are to preserve the presumption of innocence in this body. Under the Holtzman resolution, the indicted chairman must give up the powers of the chair, or defend before a body that is unbridled in its discretion and without specific articulable standards upon which to base its judgment. The vote may follow close on the heels of a well publicized indictment when passions are high and reason is lost in public clamor. Two hundred or more of us will participate; some will be absent, some late, some pre-occupied with other matters, some uninformed, few able to get to the floor for discussion.

And what will we discuss. What will be the bases for a determination that a prosecution is frivolous? Is an indictment based solely on political rumor circulating through the halls of Congress frivolous. Hearsay, you say. But the Supreme Court ruled over 10 years ago in *Costello* v. *U.S.*, 350 U.S. 359 (1956) that an indictment is valid even though the sole evidence before the grand jury be hearsay. Will our determination that the prosecution is frivolous or politically motivated be based on the same political rumor that has been the basis for the indictment. Frankly I am reminded of the Roman arena, where Nero turned to the audience for guidance: The life of the gladiator was spared if the audience turned "thumbs up" and death followed when the audience turned "thumbs down".

When is a prosecution politically motivated? The standard is so vague as to be impossible of implementation, I cite you to the decision of the 5th circuit in *U.S.* v. *Cox* 342 F2 167 (5th cir 1965) in which that court noted that the discretionary power of the United States Attorney to determine whether a prosecution shall be commenced or maintained may well depend upon matters of policy wholly apart from any question of probable cause. The court specifically recognized that he is an executive official of the government, and it is as an officer of the executive department that he exercises a discretion as to whether or not there shall be a prosecution in a particular case. 342 F2 at 171.

Just a month ago we were reminded of how easily a skillful prosecutor can manipulate a grand jury into returning an indictment against a public official. On December 21 of last year the New York Court of Appeals unanimously cleared Justice Andrew Tyler of the New York State Supreme Court of perjury charges, which arose out of an indictment procured by special prosecutor Nadjari by trapping the judge into giving false testimony to a grand jury.

I was moved by the Tyler reversal to look back at the history of the office of the New York Special Prosecutor. I am sure that I do not need to remind the Gentlelady from New York that of the 12 judges indicted by grand juries under the supervision of that officer, nine had the charges against them dismissed long before the trial stage, two were acquitted at trial and the only conviction was Tyler's. We should heed the works of Justice Leonard Sandler of the New York State Supreme Court in dismissing another Nadjari indictment, that the methods used by the special prosecutor to obtain the indictment were "indecent" and "astonishing" but not limited to the Nadjari office or the specific case. Rather they represented a tendency among prosecutors to "translate moral condemnation into criminal charges" (New York Times, Dec. 2, 1976, 1, 34)

So much for my immediate concerns about the implications of the Holtzman resolution for the rights of the indicted chairman to due process both within and without the walls of this House.

But I have some special concerns because the Holtzman resolution is triggered by an indictment for offenses involving abuse of the powers of the office of the member. Such an indictment may well involve an act by the defendant chairman which is protected under the speech and debate clause. Thus the Holtzman resolution may well be viewed as an abdication of our power to call our offending members to account and a waiver of a member's immunity under the speech and debate clause. The majority of the court in *U.S.* v. *Brewster* did not have to address the question of our right to so waive the privilege and defer to the Executive the punishment of our errant members, but dissenting Justice Brennan joined by Justices Douglas and White specifically addressed the question in the following words:

"The framers' judgment was that the American people could have a Congress of independence and integrity only if alleged misbehavior in the performance of legislative functions was accountable solely to a members' own House and never to the Executive or Judiciary." 408 U.S. at 550 (J. Brennan, dissenting) . . .

Let us assume that an indicted chairman intends to move or has moved to quash his indictment on the grounds that it violates the speech and debate clause. Pursu-

ant to the Holtzman resolution, this body may well have acted precipitously on the basis of an unconstitutional indictment to deprive the member of his chairmanship, while abdicating our responsibility to develop fair procedures and institutions of our own to judge the Member's conduct. Permit me to paraphrase the words of Justice White in *Brewster*:

"I fail to understand how a majority of (this body) can bind an objecting congressman to a course so clearly at odds with the constitutional command that legislative conduct shall be subject to question in no other place than the Senate or the House of Representatives. The speech and debate clause is an allocation of power. It authorizes Congress to call offending members to account in their appropriate houses. A (rule) that represents an abdication of that power is in my view impermissable." 408 U.S. at 563.

The scope of the protection the Constitution provides our members under the speech and debate clause is presently uncertain. However, on December 11, the court agreed to again consider the question of reviewing the rulings of the 3d circuit on former representative Helstoski's challenge to his indictment as unconstitutional under the clause. However, the history and purpose of the clause as clearly and succintly set forth by Justice Harlan in his opinion in *U.S.* v. *Johnson* makes clear that:

"The instigation of criminal charges against critical or disfavored legislators by the executive in a judicial forum was the chief reason prompting the long struggle for parliamentary privilege in England and, in the context of the American system of separation of powers, is the predominate thrust of the speech and debate clause."

Let us suppose that certain "special interest" groups who have contributed heavily to the campaign of a member are opposed to certain administration-sponsored legislation. The member is chairman of the committee to which the legislation is referred. A White House aide calls the chairman to inform him that allegations have been made that he is being paid by these groups to oppose the legislation, the President hopes that the charges are not true, and he is confident that the bill will be reported out of the committee and supported by the chairman. As Mr. Justice White noted in detailing a similar hypothetical situation:

"The pressure on the congressman, corrupt or not is undeniable. He will clearly fare better in any future criminal prosecution if he answers the charge of corruption with evidence that he voted contrary to the alleged bargain. Even more compelling is the likelihood that he will not be prosecuted at all if he follows the Administrations suggestions and supports the bill. The speech and debate clause was designed to prevent just such an exercise of power . . ." 408 U.S. 553 (J. White dissenting).

Let us further suppose however, that the Holtzman resolution has passed, the hypothetical chairman has opposed the administration, he is indicted and subsequently stripped of his chairmanship by this body. Two years later, after expiration of the current congress, the Supreme Court determines that the indictment was in violation of the speech and debate clause.

I refer you again to Mr. Justice White's dissenting opinion in brewster in which he clearly recognizes that the present day realities of special interest group financing of costly political campaigns, make it all the more necessary for us to guard against any encroachment upon the speech and debate clause. Equally valid however, is the charge by Mr. Justice Burger, writing for the majority, that we have shown little inclination to exercise our responsibilities in this area.

Preservation of the speech and debate clause is essential to preservation of the integrity of the legislative process; at the same time we must develop our own institutions and procedures for dealing with those among us who would prostitute that process.

For all of these reasons I ask your support for the substitute resolution.

Mr. Chairman, let me thank you for the courtesy of the floor; and let me thank Ms. Holtzman for her resolution which has provoked our long overdue consideration of these matters.

In recent days I have seen a number of different proposals which would attempt to deal with the problem of Members of the House who have been indicted for or convicted of a crime for which a sentence of two or more years imprisonment may be imposed.

It is apparent that some of the authors of these suggestions have not given careful attention to either the House rules, the law, or to the history of our judicial system.

The rule with respect to convictions seems to me to be very clear and it is contained in rule XLIII of the Rules of the House of Representatives, paragraph 10 on Page 674 of the "Jefferson's Manual". The Rule follows:

"A Member of the House of Representatives who has been convicted by a court of record for the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction."

Since the Rule speaks for itself, the emphasis of these thoughts relates to indictments. It is the "quick fix" to a public relations problem, the "easy answer" that will come back to haunt us in ways we can not ever imagine.

Mr. Justice Brandeis once warned in a "wire tap" case that "Our Government is the potent, the omnipresent, teacher . . . . it teaches the whole people by its example. If the government becomes a law-breaker, it breeds contempt for law; it invites every man to become a man unto himself; it invites anarchy". *Olmstead* v. *United States*, 277 U.S. 438 at 49485 (1928).

I say that what we do in this Congress will set an example for others to follow, now and in the future, and that we should be cautious not to be overrun by our own good intentions. Returning again to Mr. Justice Brandeis in the wire-tap decision: "Experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficient," for "the greatest dangers to liberty lurk in insidious encroachments by men of zeal, well-meaning, but without understanding".

This language may seem too strong for this situation, but what is at stake here is the fundamental value determination that it is far worse to convict an innocent man than to let a guilty man go free.

This belief, unique to our heritage, rests upon a presumption of innocence. It is the proud boast of our jurisprudence that every man and every woman is presumed to be innocent until the state proves to the contrary, and only by clear, unequivocal and convincing evidence beyond a reasonable doubt. Indeed, just a few years ago, the Supreme Court extended this presumption of innocence to children at juvenile proceedings when a determination is made concerning "delinquency" status. It required the state to produce proof beyond a reasonable doubt to overcome the presumption of innocence. *In re Winship*, 397 U.S. 358 (1970).

More recently, Mr. Chief Justice Burger held that "the presumption of innocence although not articulated in the Constitution, is a basic component of a fair trial". *Estelle* v. *Williams*, 425 U.S. 501 (1976). He quoted from the holding of the past century that this "is the undoubted law, axiomatic and elementary". *Coffin* v. *United States*, 156 U.S. 432 (1895).

The principle of fair play for the accused goes back much further than 1895. It goes back to the year 1215 when King John granted the *Magna Charta* to the barons outside London. What Lord Coke called the "palladium of English liberties" is found in Articles 39 and 40 of that cherished document.

Article 39 provides that "No freeman shall be taken or imprisoned or disseised or exiled or in any way destroyed, nor will we go upon him nor send upon him, except by the lawful judgment of his peers or by the law of the land". The commentators agree that this Article means at least three things: (1) that no person is to be punished prior to trial, (2) that the trial is to be by "peers", and (3) that the trial itself be fair, according to the "law of the land".

Article 40 provides "To no one will we sell, to no one will we *refuse* or delay right or justice". This article, according to Coke, was "worthy to be written in letters of gold".

Do we tarnish these words with any of the proposals? Do we "refuse the justice" guaranteed by Article 40 when we punish prior to the trial guaranteed by Article 39? I think the answer is plain. I think the proposed suggestions violate the heritage won for us so many centuries ago on the fields of Runnymead.

The "presumption of innocence is a basic component of a fair trial", as Chief Justice Burger noted; and it is also a basic element of Due Process whenever the government seeks to deprive a person of his life, his liberty, his property or even his job with a public institution. See, e.g. *Keyishian* v. *Board of Regents of New York*, 385 U.S. 589 (1967) wherein the Court, once and for all, repudiated the notion that "public employment may be conditioned upon the surrender of constitutional rights which could not be abridged by direct government action", 385 U.S. at p. 605.

The Supreme Court has required the Due Process right to a hearing before a non-tenured professor is denied his property interests in his job, or before his good name and reputation will be tarnished by the non-renewal of a one year contract. *Perry* v. *Sindermann*, 408 U.S. 593 (1972); *Board of Regents* v. *Roth*, 408 U.S. 564 (1972).

Many lower federal courts have held that a teacher may not be "suspended" from his/her job prior to a Due Process hearing where he/she will be given notice and an opportunity to defend against the charges. See, e.g. *Lafferty* v. *Carter*, 310 F. Supp. 465 (W.D. Wis. 1970); *Johnson* v. *Netterville*, 355 F. Supp. 921 (M.D. Louisiana, 1973); *Dougherty* v. *Walker*, 349 F. Supp. 629 (W.D. Missouri, 1972); *Wood* v. *Goodman*, 381 F. Supp. 413 (D. Mas. 1974); compare *Coe* v. *Bogart*, 377 F. Supp. 310 (E.D. Tenn. 1974). In *Strickling* v. *Regents*, 397 F. Supp. 416 (W.D. Wisc. 1969) the Court held that even a student may not be temporarily suspended from a state university pending a "full hearing" except for reasons relating to the physical well-being of the student himself or the safety and well-being of other persons or university property; and even when such reasons are present he must, prior to suspension, be given a "preliminary hearing" in which he is provided a minimal opportunity to hear the charge against him and to make some response thereto.

If Due Process applies when a non-tenured professor is denied or suspended from his job; and when a student is suspended from the campus; it follows *a fortiorari* that a legislator is entitled to Constitutional protection when the privileges of his offices are sought to be taken from him. And so the Supreme Court has held.

In *Bond* v. *Floyd*, 385 U.S. 1116 (1966) the Georgia House of Representatives sought to exclude Julian Bond from membership because of anti-war remarks he had made. A legislative committee reported that these statements had given "aid and comfort" to the enemy, and were totally inconsistent with the mandatory oath prescribed by the Constitution of Georgia for a Member of the House of Representatives. Bond was denied his seat. On appeal, the State of Georgia argued that the First Amendment would have protected Bond had he been a private citizen, but that the state could apply a stricter standard to its legislators. The Supreme Court did not agree that "a State is constitutionally justified in exacting a higher standard of loyalty from its legislators than from its citizens", and ordered that Bond be given his seat.

Similarly, in *Powell* v. *McCormack*, 395 U.S. 486 (1969) Adam Clayton Powell was denied his seat on a finding that he had wrongfully diverted House funds for the use of himself; and that he had made false reports on expenditures of foreign currency to the Committee on House Administration. The Supreme Court held that the Constitution permitted exclusion from Congress only for reasons of age, residency and citizenship; and issued a declaratory judgment that Powell's exclusion for other reasons was in violation of the Constitution.

These two cases are factually distinct from the issue raised by the suggestions which have been made, but they demonstrate that the Constitution controls our actions when it comes to how we treat our fellow members. In *Bond*, the First Amendment restricted the right of the Georgia Legislature to deny Julian Bond a seat. In *Powell* it was Article 1, section 2 of the Constitution. Here it is the presumption of innocence enshrined by case law in the Due Process Clause of the Constitution. In this sense, all three cases are the same.

Let me return for a moment to what these proposals are all about. They would require the unseating of a Chairman upon indictment for a serious crime. An indictment, when all is said and done, is nothing more than an accusation; emanating from a grand jury, it is true, but even grand juries occasionally run amuck; and they have been known to be used for partisan political purposes.

It might be recalled that the *Speech and Debate Clause* had its taproots in Parlimentary struggles of the Sixteenth and Seventeenth Centuries to achieve freedom and independence from the Crown. In this country, the Clause was thought necessary "to prevent intimidation by the executive and accountability before a possibly hostile judiciary". *United States* v. *Johnson*, 383 U.S. 169 (1966). Is this farfetched? Let me recall that just two years ago *The Washington Post* carried banner front page stories that the Department of Justice was investigating the "travel allowances" of some of our most venerable and honored members. Most of the sums were trivial, and the accounting mistakes were honest ones. Attorney General Levy, fortunately did not seek indictments. But had he done so, the grand jury probably would have complied with his request. Had the proposed Rule then been in effect, we would have witnessed the automatic removal of senior Chairmen, disgraced by their colleagues in advance of trial after a lifetime of honorable service.

But, you may say, the proposed Rule has a savings clause: a majority of the Caucus may affirmatively vote to lift the sanction. Indeed, it might; for some but not for others; depending upon political, social and other ties. This rudderless possibility of reprieve can no more save the Rule from its patent unconstitutionality than can the possibility of Gubernatorial pardon save a capital punishment law which on its face is cruel and unusual.

To repeat, I agree that it is a time for action; but for action within the bounds of the Constitution we have all sworn to uphold and defend. I think the proposed Rule exceeds the Constitutional boundaries. It destroys the cherished presumption of innocence with its proposal to deny office rights upon indictment and in advance of trial. I oppose it for that reason.

Article I, section 5 of the Constitution gives us the power, and the responsibility, to punish our "Members for disorderly behaviour, and with the concurrence of two-thirds, expel a Member". I suggest an in-house reevaluation of our present in-house procedures. I think this is what the Constitution contemplates; I think this is enough for the time being.

I appreciate your courtesy in permitting me to share my thoughts with you, but they have been with me for some time and I offer them for your thoughtful consideration.●

FEDERAL DISASTER RELIEF SHOULD BE AVAILABLE DURING ENTIRE TIME OF AN EMERGENCY

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 5 minutes.

● Mr. BENJAMIN. Mr. Speaker, the hazards posed by severe storms in the midwestern sections of our country have been amply documented in the past 2 weeks. The threat to public health and safety in the event of emergency situations imposed by these storms is immediate. Unfortunately, the Federal, and sometimes State, reaction to such emergencies is anything but immediate.

Not only does bureaucratic redtape slow responsiveness to the emergency, the law governing this problem penalizes local units of government that respond quickly to natural disasters such as blizzards and rewards those that fail to marshall their resources on a timely basis.

To correct this inequity, I am today introducing a bill to amend the Disaster Relief Act of 1974 (Public Law 93–288). A similar bill was introduced yesterday in the other body by Senator ADLAI STEVENSON and others.

Under present policies of the Federal Disaster Assistance Administration (FDAA), Federal aid begins at 12:01 a.m. on the day of the President's declaration of an emergency. However, many communities who react quickly and efficiently in emergency situations receive little, if any, Federal supplemental assistance funds since they have completed much of their clean-up operations by the time a Presidential declaration is forthcoming—a process which may consume 3 to 4 days after an emergency situation becomes apparent. By meeting the challenge with speed and efficiency, many of these communities removed enough snow to mitigate the threat to public health and safety but depleted their budgets and exhausted their capacity to conduct normal snow-related services for the remainder of the winter. These communities are not eligible for Federal reimbursement for the work completed prior to the President's declaration. Therefore, despite their efficiency, they are wrongly being denied assistance available to neighboring communities which were not able to complete snow removal before the emergency became "official."

This inequity stems from a decision of the FDAA, not from the law. The Disaster Assistance Act of 1974 does not defer Federal assistance to the day on which the President signs the proclamation. The Congress intended to provide assistance during an emergency and did not intend to set up a artificial and arbitrary scheme for measuring the onset of the emergency.

The bill I am introducing would make clear the intent of Congress that emergency assistance is available for the duration of the emergency or major disaster, regardless of the day on which the President declares the existence of the emergency. The President's declaration is inevitably delayed until a State has been able to compile the necessary information from its local communities and to transmit its request. The more serious the emergency, the more likely the compilation of data will be delayed because officials must deal with immediate threats to life and property before redtape. Officials of FDAA must then examine a State's request for assistance before conveying it to the President. Congress did not intend that aid for citizens be predicated on the completion of bureaucratic formalities and my bill is intended to correct this inconsistency.

In addition to introduction of this legislation, I have requested the General Accounting Office to investigate the procedures by which an emergency is declared. This request was prompted when President Carter rejected an application for emergency assistance for northwestern Indiana despite the fact that he had declared the directly adjacent area of northeastern Illinois an emergency area. More specifically, I have requested the GAO to determine:

First, the procedure utilized by Illinois to ultimately receive an emergency declaration.

Second, the procedure utilized by Indiana in its efforts to receive a similar designation.

Third, the difference and effectiveness, or lack thereof, of each procedure.

Fourth, whether Indiana has a workable procedure to expeditiously convey an acceptable request for national emergency or disaster assistance from a local area.

Fifth, whether FDAA regulations specify a workable system to expeditiously convey a request from a local government.

Sixth, whether the law should be amended to specify a network through which a request may be processed and approved regardless of weekends, holidays or the absence or nonaccessibility of any of the officials in the network.

Seventh, the method used by the FDAA in its efforts to reach its decisions and whether the factors employed are realistic and reliable.

Eighth, the types of reimbursement available to communities when designated in an emergency situation.

Ninth, the cost benefit of the expenditures to emergency-designated areas in this and other situations.

Tenth, (a) a general assessment of the methodology used for communities to receive the most beneficial assistance in this and other emergency situations.

Tenth, (b) whether the law presently penalizes communities initiating recovery actions without Presidential Declaration of Emergency and should be amended to establish provision for Federal assistance from the date of initial emergency rather than the date of declaration.

Although I am introducing this bill today, further legislation may be forthcoming depending on the conclusions and recommendations of the General Accounting Office's study and my own analysis of their determinations.●

H.R. 39: A BALANCE OF THE NATIONAL INTEREST AND THE STATE INTEREST IN ALASKA LANDS

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am pleased today to request that 31 additional Members of the House be added as cosponsors of H.R. 39, the Alaska National Interest Lands Conservation Act of 1979.

This brings to 122 the total number of cosponsors of this bipartisan, refined version of the bill the House so overwhelmingly passed in the 95th Congress. For the record, I wish to list all those who are cosponsors of the bill as of today:

COSPONSORS OF H.R. 39

Udall, Seiberling, Alexander, Andrews (N.C.), Ashley, Aspin, Baldus, Barnes, Bedell, Beilenson, Bingham, Blanchard, Boland, Bonior, Bonker, Brademas, Brinkley, Brodhead, Brown (Calif.), J. Burton, P. Burton, Byron, Carr, Cavanaugh, Conte, Conyers, Corman, Corrada, Coughlin, Danielson, Davis (S.C.), Dellums, Derrick, Downey, Drinan, Duncan (Tenn.), Edgar, Edwards (Calif.), Fascell, Fenwick, Findley.

Fish, Fisher, Florio, Fowler, Garcia, Gephardt, Ginn, Glickman, Gradison, Green, Gudger, Hall (Ohio), Harkin, Harris, Hawkins, Hollenbeck, Holt, Holtzman, Howard, Hughes, Jeffords, Jenrette, Kastenmeier, Kildee, Kogovsek, Kostmayer, Lehman, Long (Md.), Maguire, Markey, Mikva, Miller (Calif.), Mineta, Minish, Mitchell (Md.), Moakley, Moorhead (Pa.), Mottl, Nolan.

Ottinger, Panetta, Patten, Patterson, Pease, Pepper, Perkins, Preyer (N.C.), Quillen, Rangel, Reuss, Richmond, Rinaldo, Rodino, Roe, Rose, Rosenthal, Roybal, Sabo, Sawyer, Scheuer, Schroeder, Sharp, Simon, Solarz, Spellman, Stark, Studds, Thompson, Traxler, Van Deerlin, Vanik, Vento, Walgren, Waxman, Weaver, Weiss, Whitehurst, Wirth, Wolff, Wolpe, Won Pat.

Mr. Speaker, this growing support for our strong Alaska Federal lands protection bill is not only evident within the House of Representatives, but also out across this country. In my experience, there has been no other bill in the conservation field which has attracted so much public awareness and such broad public support.

As a tangible example of the support for conservation of these Federal lands in Alaska, more than 1,500 community groups—conservation groups, civic associations, business groups, and sportsmen's clubs—joined in November in urging President Carter to take executive action to assure protection for the lands under consideration by Congress. The President did, of course, take action in December, and thus earned himself a place at the very top of the list of great conservation Presidents in our history—just as the House had distinguished itself by its historic votes on the Alaska lands bill last May.

A BALANCE OF LAND ALLOCATIONS FOR ALL

Finally, Mr. Speaker, today I want to comment on the balance we have already achieved and continue to work to achieve in the overall resolution of the broader land allocation issue across Alaska.

To read the most extreme statements of some Alaskan opponents of H.R. 39, you would think we were out to tie up all of Alaska and to deprive Alaskans of the use of all the lands they seek for their economic development. For example, I have recently seen a broadside distributed by the Standard Oil Co. of California, which asserts that "If a bill similar to Udall's is enacted, Alaskans will be barred from having more than a third of their public lands available for oil and gas development." Aside from the fact that this statement is inaccurate, it also baldly suggests that the lands covered in my bill are "their" lands—the lands of the State and people of Alaska.

Well, this must come as a surprise to at least the more senior Members of this body, who will recall that we gave the State of Alaska the most generous land gift ever given a new State—104 million acres. The lands covered by my bill are Federal lands, owned by all Americans.

This kind of simplistic and highly misleading rhetoric is clearly intended to confuse the issue. In fact, H.R. 39 is just one part of a more complex series of processes by which every interest is obtaining lands in Alaska—dividing up the 375 million acre "pie" of Alaska, all of which belonged to all the American people a relatively short time ago.

Other interests have already obtained a great deal of the land they seek—and will soon gain much more—while we have only begun to redress the evident imbalance now favoring development, by gaining protection for "national interest lands". These are the potential national parks, national wildlife refuges, and wilderness areas on our federally owned domain, which we have a clear obligation to protect and conserve for the long-term interest of all Americans.

Since 1959 the State of Alaska has made considerable progress in securing its selected lands under the gift we gave them at statehood. Not only was that statehood grant the most generous ever in terms of size, but also in the fact that we gave the State the opportunity to select the best and most valuable development lands. Thus, for example, the State and oil companies have already received some very tangible lands and resources, including such areas as Prudhoe Bay and the right-of-way for the Trans-Alaska pipeline.

Similarly, steady progress is being made in conveying the lands which Alaska's Native people were given in settlement of their land claims pursuant to the 1971 Alaska Native Claims Settlement Act. These, of course, are the real and original Alaskans.

The process for actually identifying, selecting and conveying lands to the State under the Statehood Act involves numerous complex steps. Despite the conveyances of full title which have occurred, there have also been difficult delays. The Committee on Interior and Insular Affairs has conducted oversight hearings into these problems, and worked with the State and the Secretary of the Interior in seeking solutions. In the case of the State's selections, the delays have resulted in part because of withdrawals which were intended to allow fulfillment of the Native land claims, but delays have also resulted from the atmosphere of controversy raised by some of the more extreme, die-hard opponents of H.R. 39 and our national interest lands effort. In the atmosphere of contention, controversy and litigation that these more strident, unreasonable voices have aroused, friendly negotiation and completion of work on land conveyances have obviously suffered.

SPEEDING UP LAND CONVEYANCES

In H.R. 39 as it passed the House of Representatives last year, we included legislative conveyances and other related provisions for both the entitlements of the State of Alaska under the Statehood Act and the lands due to Alaska Natives under the Native Claims Settlement Act. This year, we have not included those provisions in the bill, because the Secretary of the Interior has announced a greatly accelerated process for completing these conveyances under the terms of existing law. It is now estimated that all of the conveyances to the State of Alaska, for example, will have been processed and conveyed in 5 to 7 years, at a rate of some 10 million acres per year—which is a dramatic speed-up.

The Secretary of the Interior has announced three important steps on this subject. First, he is lifting the so-called "d-1" withdrawals and some other land withdrawals which have impeded conveyances to the State. These are being lifted whenever there is no conflict with the lands under consideration by Congress in H.R. 39 or related legislative proposals. Second, he has significantly revised and streamlined the internal procedures of the Bureau of Land Management and the Department, so that the processing of State selections will move more rapidly and more smoothly. And finally, the Secretary has reallocated funds from the Bureau of Land Management's Lands and Realty program, so that considerably more staff can be reassigned and put to work fulltime to complete this effort.

In announcing these new steps, Secretary Andrus said—

Alaska's entitlement will be processed and conveyed more quickly as a result of my decisions to increase the staff processing land applications and to remove most legal impediments to some selections.

This is another in the series of decisions that I've made aimed at ending the confusion and uncertainty over the status of land in Alaska. These decisions are designed to get to the heart of the issue by making land which is worth having available [to the State] and making sure that applications for such are processed in a timely fashion.

There may be areas of conflict that will have to be resolved by Congress. So it remains in everyone's interest to complete legislation on Alaska National Interest Lands, but I want non-conflicting areas to be processed and conveyed as quickly as possible.

UNPRECEDENTED GENEROSITY FOR ALASKA

In his press announcement of these steps, Secretary Andrus made a special point of the fact, so often overlooked by those in Alaska making the loudest anti-H.R. 39 cries, that the ultimate conveyance of lands to this State will comprise the largest land grant awarded to any State on entrance to the Union—

It should be kept in mind during this process that my home state of Idaho received only seven percent of its land area upon admission to the Union, Secretary Andrus said, "while Alaska will receive 28 percent of its area. Andrus pointed out that an area more than *twice* the size of California will be open for development in Alaska as a result of the generous statehood grant, lands conveyed to Alaska's Natives, and Federal lands remaining under BLM's multiple-use management.

During the long debate over Alaska lands and throughout our efforts to clarify land status in Alaska, I think it is vitally important for all Americans to recognize not only our efforts to protect Alaska's crown jewels, but also our efforts to see that Alaska receives its entitlement for economic development and a prosperous future.

It is equally important that all Americans recognize the massive land areas which will be *opened* for development, instead of focusing just on our set-aside for conservation. Simply put, while an area the size of California is being protected, an area 2½ times California's size is being opened for development.

Mr. Speaker, I include the full text of the Secretary's press announcement at this point in the RECORD:

DEPARTMENT OF THE INTERIOR

ALASKA STATE LAND SELECTION TO BE SPEEDED, ANDRUS SAYS

Secretary of the Interior Cecil D. Andrus today announced an expedited conveyance of most of the land due to the State of Alaska under the 1959 Statehood Act.

"We will issue land orders shortly lifting the original d-1 protection from many of the lands outside the composite boundaries, which are not now available, thereby making them available for conveyance," Secretary Andrus said.

The expedited process is one part of the Interior Department's effort to resolve outstanding Alaska land issues including Native Claims lands and conservation lands.

"Alaska's entitlement will be processed and conveyed more quickly as a result of my decisions to increase the staff processing land applications and to remove most legal impediments to some selections," Secretary Andrus said.

"This is another in the series of decisions that I've made aimed at ending the confusion and uncertainty over the status of land in Alaska," Andrus said. "These decisions are designed to get to the heart of the issue by making land which is worth having available and making sure that applications for such are processed in a timely fashion," the Secretary said.

The state selection actions taken by the Secretary focus on areas that do not conflict with conservation proposals. They are designed to carry out Department obligations under the Statehood Act.

"There may be areas of conflict that will have to be resolved by Congress," Secretary Andrus said. "So it remains in everyone's interest to complete legislation on Alaska National Interest Lands, but I want non-conflicting areas to be processed and conveyed as quickly as possible."

This effort to expedite land conveyances to the State of Alaska is estimated to cost approximately $200,000 for the balance of fiscal year 1979. These funds will be made available from the $33.7 million appropriated to the Bureau of Land Management for its Lands and Realty program. The estimated full year cost for fiscal year 1980 is approximately $700,000 and will be made available from the same source. This high priority effort will require 23 additional permanent employees. These additional berths will be supplied from within the 54,973 permanent positions currently allotted to the Department as these new employees become available for recruitment.

The additional staff in the Alaska BLM office would be assigned to review State lands selections to make sure they do not conflict with existing Federal withdrawals such as homesteads or military reservations and to make sure they do not conflict with valid Native withdrawals.

Following such examination the land could be tentatively approved for patent and turned over to State control. Currently patents are not issued until a survey has been completed.

Following an initial review of availability now being completed, as much as half the 41 million acres selected by the State last November could be available for selection. Currently about 9 million of those acres are available. As many as 15 million additional acres may become available following the review. The balance of that land selected by the State falls within conservation boundaries, military reservations, the Alaska Pipeline corridor or other conflict areas.

The twin decisions will increase the amount of land available for State selection and increase to about 10 million acres per year the staff capability to process land.

Secretary Andrus noted that these decisions expediting land conveyance will speed Alaska's possession of the largest land grant awarded to any State on entrance to the Union. "It should be kept in mind during this process that my home State of Idaho received only 7 percent of its land area upon admission to the Union," Secretary Andrus said, "while Alaska will receive 28 percent of its area." Andrus pointed out that an area more than twice the size of California will be open for development in Alaska as a result of the generous statehood grant, lands conveyed to Alaska's Natives, and Federal lands remaining under BLM's multiple-use management.

"During the long debate over Alaska lands and throughout our efforts to clarify land status in Alaska, I think it is vitally important for all Americans to recognize not only our efforts to protect Alaska's crown jewels, but also our efforts to see that Alaska receives its entitlement for economic development and a prosperous future," Andrus continued.

"It is equally important," he added, "that all Americans recognize the massive land areas which will be opened for development, instead of focusing just on our set-aside for conservation. Simply put, while an area the size of California is being protected, an area 2½ times California's size is being opened for development."

Secretary Andrus complimented Assistant Secretary Guy Martin for his energy in overseeing and designing work aimed at carrying out these decisions. "Without Guy's understanding of the Statehood Act and his years of experience in Alaska this process would have gone much slower," Secretary Andrus said.

It should be noted that the State of Alaska has responded in a constructive way to this special effort by Secretary Andrus to meet their requests for expedited conveyances. I include here, for the information of my colleagues, excerpts from two press reports which appeared in the Fairbanks Daily News-Miner on January 5, 1979, and which reflect the State's reaction.

[From the Fairbanks (Alaska) Daily News-Miner, Jan. 5, 1979]

HAMMOND, HAPPY WITH LAND TRANSFER, PLANS TV ADDRESS

(By Charlie Spencer)

JUNEAU.—An announced speed up of conveyance of the lands promised Alaska under the statehood act is "very satisfying," says Gov. Jay Hammond. • • •

Thursday's announcement by Interior Secretary Cecil Andrus that an additional 50 million acres will be conveyed to the state within the next five to seven years follows an Andrus promise to Hammond earlier this year that the transfer would be speeded up.

"This is a very satisfying result of those efforts" to get Andrus to hurry up, the governor said today. Hammond press secretary Scott Foster added that the announced schedule is acceptable.

"I think it's keeping that promise," he said.

The state now holds 36 million acres of the 104 million promised under the Statehood Act. It has selected more, and indications are the federal government will try to turn over about 10 million acres a year until the total tops 90 million. • • •

[From the Fairbanks Daily News-Miner, Jan. 5, 1979]

CONVEYANCE TIMETABLE: 7 YEARS

(By Jon Matthews)

ANCHORAGE.—Alaska should have virtually all its statehood land entitlement within five to seven years, say federal officials in Anchorage.

And the bulk of federal land owed under the Alaska Native Claims Settlement Act also should be turned over within that time, officials said.

Interior Secretary Cecil Andrus Thursday announced steps to speed up statehood land conveyance. The action includes new land orders opening up 15 million more acres for state selection, according to Alaska Interior Department representative Jerry Gilliland.

In addition, the Bureau of Land Management will beef up its permanent staff to further speed the conveyance process, Gilliland said.

The Interior officials, however, said their actions focus only on land that does not conflict with conservation proposals. Those disputes, they said, could end up being settled by Congress or in the courts.

Alaska is due 104 million acres of land under terms of the Statehood Act, but only part of that land has been patented to the state or tentatively approved for state ownership.

"The state will receive its land within the next five to seven years," Gilliland said.

"There may be areas of conflict that will have to be resolved by Congress," Said Andrus in a prepared statement released in Anchorage. "So it remains in everyone's interest to complete legislation on Alaska national interest lands. But I want non-conflicting areas to be processed and conveyed as quickly as possible."

Officials said the bulk of land due Alaskan Natives under the settlement act will be conveyed within five years. Some land tentatively selected by the state also has been selected by Native corporations. The state will have to look elsewhere for other selections if the land eventually is conveyed to the Natives. • • • ●

WATERWAY IMPROVEMENTS NEEDED

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, in October of last year, the 95th Congress established for the first time a mechanism for recouping public funds expended to maintain and develop the inland waterways of the United States. That legislation imposed a Federal excise tax on fuel consumed by barges, which comprise the bulk of commercial traffic using the waterways. The tax will begin at the rate of 4 cents per gallon and will rise to 10 cents by 1985, and receipts from the tax will accumulate in a trust fund for waterway construction and maintenance. The bill also directed the Secretaries of Transportation and Commerce to conduct a comprehensive study with respect to a system of waterway user charges.

In my view, the partial recoupment program established by the 95th Congress, while a step in the right direction, remains deficient in two important respects. First, it does not go far enough in establishing a fee schedule that will make Federal treatment of competing forms of transportation more equitable; and, second, it fails to create any incentive for the commercial users of the inland waterways to join the effort to hold down the cost of maintaining and developing the system. For these reasons I am introducing legislation today to require that a system of limited charges, which facilitate the objectives of the study mandated by the 1978 act and which would insure a more equitable sharing of the cost of operating our Nation's inland waterways, be levied on waterway users.

The Federal Government currently builds, maintains, and operates a network of inland waterways that are used by barge operators to carry about 11 percent of our domestic freight. Providing inland waterways free of user charges dates back to the early days of the Republic when it was the intent of the Government to create a viable water transportation system by protecting canal operators against other forms of competition.

This policy has proven quite successful. Today, the Government maintains more than 15,000 miles of inland waterways deep enough to accommodate commercial traffic. In many cases, these waterways are navigable only because the Government has invested billions of dollars over the years in locks and dams and dredging operations.

In 1977, the Congressional Budget Office reported that—

Federal subsidies are equal to about 42% of all barge revenues, compared with 3% for railroads, 1% for trucking companies, and no subsidy at all for pipelines.

Under present law enacted by the 95th Congress, this subsidy for commercial users of our inland waterways will be reduced to about 36 percent in 1986. Under my proposal, however, Federal subsidies could be reduced even further, to approximately 31 percent of barge revenues. As can be seen, barge subsidies would still be 10 times greater than those for railroads, the next most heavily subsidized carrier.

Even more significant is the cost control factor that is built into a requirement that waterway users pay a percentage of the costs associated with the operation of the system. If users must pay a certain percentage of the cost of Government services, they will have a tremendous incentive to act as "watchdogs" to prevent waste, since they will be forced to pay for a percentage of that waste. The percentage requirement thus promotes efficiency by enlisting the support of users, in whose interest it is to identify and eliminate unnecessary expenditures.

I believe that the principle of operator-supported waterways should be extended to provide that at least 25 percent of the cost of maintaining and developing the Nation's waterway system is borne by private enterprise, which benefits from its use. My bill would require the establishment of a schedule of user charges that will generate revenue sufficient to recoup 25 percent of the cost of waterway operation, maintenance, construction, and rehabilitation. This schedule would be designed to supplement the Federal excise tax on barge fuel levied by the Inland Waterways Revenue Act of 1978, and would be phased in over the same 5-year period. The amount of Federal tax paid by users would be credited against the user fee mandated for that year. In other words, the revenue to be collected under the fee schedule would be the difference between the amount of fuel tax paid and the annual percentage requirement established by the schedule.

The underlying purpose of this proposal is to bestow a reasonable and more equitable financial responsibility for the condition of our Nation's waterways on those who receive the most direct benefit. A well-conceived user fee program will lower the cost of construction and maintenance to the taxpayer, and will provide users with a direct incentive to advocate and carry out cost-effective proposals for waterway improvements.

I urge my colleagues to join me in support of this important legislation.●

UKRAINIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, I am proud to join once again this year in our annual observance of Ukrainian Independence Day. This year marks the 61st anniversary of the original Proclamation of the Independence of the Ukraine and the continuing struggle of the Ukrainian people against assimilation by their Russian masters.

It was on January 22, 1918, after 2½ centuries of Polish and Russian domination, that the people of the Ukraine finally threw off the shackles of oppression and finally declared themselves a free and independent nation. That date marked the fulfillment of the dreams of ten generations of Ukrainians who had never once relinquished their desire for freedom and independence.

But then, as we all know, after less than three years of this new independence, during which the people of the Ukraine put up a valiant struggle for the protection of their homeland, the new Communist Government of the Soviet Union overran the Ukraine by military force and established their particular brand of totalitarian rule over the Ukraine.

Today the Ukrainian people are still denied any recognition of national identity or the exercise of the rights of an independent people. Instead, they are persistently subjected to a deliberate policy of national absorption and attempted cultural extinction by the Soviet Union which wields this political repression in the name of ideological unity.

However, on this anniversary I want to pay tribute in a very special and personal way to the people of the Ukraine who live under this Soviet rule yet still keep alive in their hearts the memory of freedom and the hope of the eventual return of that freedom. I had the pleasure last Easter, along with other members of the committee, of visiting Kiev, the capital of the Ukraine, as part of a trip to the U.S.S.R. We also visited Leningrad and Moscow. But every member of our group agreed that the high point of our Soviet visit was Kiev. The weather was warmer, and the people were more friendly, more outgoing, and obviously this was the manifestation of their inward spirit of freedom and independence, reflected in a warm regard for the United States and for the American people.

So we saw with our own eyes that the tender flame of freedom still does burn in the hearts of the people of the Ukraine.

And, finally, Mr. Speaker, let me extend my tributes to those Americans of Ukrainian descent who have kept alive their Ukrainian heritage here in America and who have made such a valuable contribution to our American cultural development. Because of their interest, their zeal, and their fervor I am sure that the day is closer now than it was a year—or even 61 years—ago when the Ukraine and its people will once again walk in freedom and independence.

FINDINGS AND RECOMMENDATIONS

(Mr. STOKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STOKES. Mr. Speaker, the Select Committee on Assassinations concluded its work on the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr., on January 3, 1979. At that time the committee submitted to the Clerk a summary of the findings and recommendations of the committee. I ask unanimous consent that the text of those findings and recommendations be inserted in the RECORD at the conclusion of my remarks, in order that my colleagues and others interested in our work can have general access to them.

It is expected that the final report, our hearings, and other documents will be edited in a fashion suitable for declassification and publication in the coming weeks under the auspices of the Clerk of the House. My understanding is that these documents should be ready for publication by the end of March.

The material follows:

SUMMARY OF FINDINGS AND RECOMMENDATIONS

(Final report of the Select Committee on Assassinations, U.S. House of Representatives, 95th Congress, 2d session, December 29, 1978)

SELECT COMMITTEE ON ASSASSINATIONS,
Washington, D.C., December 29, 1978.

Hon. EDMOND L. HENSHAW, Jr.,
Clerk of the House,
U.S. Capitol,
Washington, D.C.

DEAR MR. HENSHAW: On behalf of the Select Commitee on Assassinations, and pursuant to the mandate of House Resolutions 222 and 433, I am filing for presentation to the House of Representatives the encolsed Summary of Findings and Recommendations of the Select Committee on Assassinations.

As has been agreed upon with the Speaker of the House, the Committee is filing this Summary of Findings and Recommendations while the preparation of the complete volumes of its Final Report continues under your auspices. The complete Final Report will include Volume I, the Findings and Recommendations of the Select Committee with an analysis of the evidence concerning each finding and recommendation; and Volumes II and sequential volumes, which will contain the Committee's hearings, scientific reports, and other materials pertinent to the Committee's investigation. These volumes will be presented to the House as soon as they can be suitably prepared for publication, including, where appropriate, the declassification of classified information. It is anticipated that the entire Final Report will be published by March 30, 1979.

Sincerely,

LOUIS STOKES, *Chairman.*

I. FINDINGS OF THE SELECT COMMITTEE ON ASSASSINATIONS IN THE ASSASSINATION OF PRESIDENT JOHN F. KENNEDY IN DALLAS, TEX., NOVEMBER 22, 1963

A. Lee Harvey Oswald fired three shots at President John F. Kennedy. The second and third shots he fired struck the President. The third shot he fired killed the President.

1. President Kennedy was struck by two rifle shots fired from behind him.

2. The shots that struck President Kennedy from behind him were fired from the sixth floor window of the southeast corner of the Texas School Book Depository building.

3. Lee Harvey Oswald owned the rifle that was used to fire the shots from the sixth floor window of the southeast corner of the Texas School Book Depository building.

4. Lee Harvey Oswald, shortly before the assassination, had access to and was present on the sixth floor of the Texas School Book Depository building.

5. Lee Harvey Oswald's other actions tend to support the conclusion that he assassinated President Kennedy.

B. Scientific acoustical evidence establishes a high probability that two gunmen fired at President John F. Kennedy. Other scientific evidence does not preclude the possibility of two gunmen firing at the President. Scientific evidence negates some specific conspiracy allegations.

C. The Committee believes, on the basis of the evidence available to it, that President John F. Kennedy was probably assassinated as a result of a conspiracy. The Committee is unable to identify the other gunman or the extent of the conspiracy.

1. The Committee believes, on the basis of the evidence available to it, that the Soviet Government was not involved in the assassination of President Kennedy.

2. The Committee believes, on the basis of the evidence available to it, that the Cuban Government was not involved in the assassination of President Kennedy.

3. The Committee believes, on the basis of the evidence available to it, that anti-Castro Cuban groups, as groups, were not involved in the assassination of President Kennedy, but that the available evidence does not preclude the possibility that individual members may have been involved.

4. The Committee believes, on the basis of the evidence available to it, that the national syndicate of organized crime, as a group, was not involved in the assassination of President Kennedy, but that the available evidence does not preclude the possibility that individual members may have been involved.

5. The Secret Service, Federal Bureau of Investigation and Central Intelligence Agency were not involved in the assassination of President Kennedy.

D. Agencies and departments of the United States Government performed with varying degrees of competency in the fulfillment of their duties. President John F. Kennedy did not receive adequate protection. A thorough and reliable investigation into the responsibility of Lee Harvey Oswald for the assassination of President John F. Kennedy was conducted. The investigation into the possibility of conspiracy in the assassination was inadequate. The conclusions of the investigations were arrived at in good faith, but presented in a fashion that was too definitive.

1. The Secret Service was deficient in the performance of its duties.

(a) The Secret Service possessed information that was not properly analyzed, investigated or used by the Secret Service in connection with the President's trip to Dallas; in addition, Secret Service agents in the motorcade were inadequately prepared to protect the President from a sniper.

(b) The responsibility of the Secret Service to investigate the assassination was terminated when the Federal Bureau of Investigation assumed primary investigative responsibility.

2. The Department of Justic failed to exercise initiative in supervising and directing the investigation by the Federal Bureau of Investigation of the assassination.

3. The Federal Bureau of Investigation performed with varying degrees of competency in the fulfillment of its duties.

(a) The Federal Bureau of Investigation adequately investigated Lee Harvey Oswald prior to the assassination and properly evaluated the evidence it possessed to assess his potential to endanger the public safety in a national emergency.

(b) The Federal Bureau of Investigation conducted a thorough and professional investigation into the responsibility of Lee Harvey Oswald for the assassination.

(c) The Federal Bureau of Investigation failed to investigate adequately the possibility of a conspiracy to assassinate the President.

(d) The Federal Bureau of Investigation was deficient in its sharing of information with other agencies and departments.

4. The Central Intelligence Agency was deficient in its collection and sharing of information both prior to and subsequent to the assassination.

5. The Warren Commission performed with varying degrees of competency in the fulfillment of its duties.

(a) The Warren Commission conducted a thorough and professional investigation into the responsibility of Lee Harvey Oswald for the assassination.

(b) The Warren Commission failed to investigate adequately the possibility of a conspiracy to assassinate the President. This deficiency was attributable in part to the failure of the Commission to receive all the relevant information that was in the possession of other agencies and departments of the government.

(c) The Warren Commission arrived at its conclusions, based on the evidence available to it, in good faith.

(d) The Warren Commission presented the conclusions in its report in a fashion that was too definitive.

II. Findings of The Select Committee on Assassinations in the Assassination of Dr. Martin Luther King, Jr. in Memphis, Tenn., April 4, 1968.

A. James Earl Ray fired one shot at Dr. Martin Luther King, Jr. The shot killed Dr. King.

1. Dr. King was killed by one rifle shot fired from in front of him.

2. The shot that killed Dr. King was fired from the bathroom window at the rear of a rooming house at 422½ South Main Street, Memphis, Tenn.

3. James Earl Ray purchased the rifle that was used to shoot Dr. King and transported it from Birmingham, Ala. to Memphis Tenn., where he rented a room at 422½ South Main Street, and moments after the assassination, he dropped it near 424 South Main Street.

4. It is highly probable that James Earl Ray stalked Dr. King for a period immediately preceding the assassination.

5. James Earl Ray fled the scene of the crime immediately after the assassination.

6. James Earl Ray's alibi for the time of the assassination, his story of "Raoul", and other allegedly exculpatory evidence are not worthy of belief.

7. James Earl Ray knowingly, intelligently, and voluntarily pleaded guilty to the first degree murder of Dr. King.

B. The Committee believes, on the basis of the circumstantial evidence available to it, that there is a likelihood that James Earl Ray assassinated Dr. Martin Luther King as a result of a conspiracy.

C. The Committee believes, on the basis of the evidence available to it, that no private organizations or individuals, other than those discussed under Section B, were involved in the assassination of Dr. King.

D. No federal, state or local government agency was involved in the assassination of Dr. King.

E. The Department of Justice and the Federal Bureau of Investigation performed with varying degrees of competency and legality in the fulfillment of their duties.

1. The Department of Justice failed to supervise adequately the Domestic Intelligence Division of the Federal Bureau of Investigation. In addition, the Federal Bureau of Investigation, in the Domestic Intelligence Division's COINTELPRO campaign against Dr. King, grossly abused and exceeded its legal authority and failed to consider the possibility that actions threatening bodily harm to Dr. King might be encouraged by the program.

2. The Department of Justice and Federal Bureau of Investigation performed a thorough investigation into the responsibility of

James Earl Ray for the assassination of Dr. King and conducted a thorough fugitive investigation, but failed to investigate adequately the possibility of conspiracy in the assassination. The Federal Bureau of Investigation manifested a lack of concern for constitutional rights in the manner in which it conducted parts of the investigation.

III. RECOMMENDATIONS OF THE SELECT COMMITTEE ON ASSASSINATIONS

I. Legislative recommendations on issues involving the prohibition, prevention and prosecution of assassinations and Federally cognizable homicides

A. Prohibition and Prevention:

1. The Judiciary Committee should process for early consideration by the House legislation that would make the assassination of a Chief of State of any country, or his political equivalent, a federal offense, if the offender is an American citizen or acts on behalf of an American citizen, or if the offender can be located in the United States.

2. The Judiciary Committee should process for early consideration by the House comprehensive legislation that would codify, revise and reform the federal law of homicide, paying special attention to assassinations. The Judiciary Committee should give appropriate attention to the related offenses of conspiracy, attempt, assault and kidnapping in the context of assassinations. Such legislation should be processed independently of the general proposals for the codification, revision or reform of the Federal criminal law. The Committee should address the following issues in considering the legislation:

(a) Distinguishing between those persons who should receive the protection of federal law because of the official positions they occupy and those persons who should receive protection of federal law only in the performance of their official duties,

(b) Extending the protection of federal law to persons who occupy high judicial and executive positions, including Justices of the Supreme Court and Cabinet officers,

(c) The applicability of these laws to private individuals in the exercise of constitutional rights,

(d) The penalty to be provided for homicide and the related offenses, including the applicability and the constitutionality of the death penalty,

(e) The basis for the exercise of federal jurisdiction, including domestic and extraterritorial reach,

(f) The pre-emption of state jurisdiction without the necessity of any action on the part of the Attorney General where the President is assassinated,

(g) The circumstances under which federal jurisdiction should preempt state jurisdiction in other cases,

(h) The power of federal investigative agencies to require autopsies to be performed,

(i) The ability of federal investigative agencies to secure the assistance of other federal or state agencies, including the military, other laws notwithstanding,

(j) The authority to offer rewards to apprehend the perpetrators of the crime,

(k) A requirement of forfeiture of the instrumentalities of the crime,

(l) The condemnation of personal or other effects of historical interest,

(m) The advisability of providing, consistent with the first amendment, legal trust devices to hold for the benefit of victims, their families, or the general treasury, the profits realized from books, movie rights, or public appearances by the perpetrator of the crime, and

(n) The applicability of threat and physical zone of protection legislation to persons under the physical protection of federal investigative or law enforcement agencies.

3. The appropriate Committees of the House should process for early consideration by the House charter legislation for the Central Intelligence Agency and Federal Bureau of Investigation. The Committees should address the following issues in considering the charter legislation:

(a) The proper foreign and domestic intelligence functions of the intelligence and investigative agencies of the United States,

(b) The relationship between the domestic intelligence functions and the interference with the exercise of individual constitutional rights,

(c) The delineation of proper law enforcement functions and techniques including:

(i) the use of informants and electronic surveillance,

(ii) guidelines to circumscribe the use of informants or electronic surveillance to gather intelligence on, or investigate, groups that may be exercising first amendment freedoms, and

(iii) the proper response of intelligence or investigative agencies where information is developed that an informant has committed a crime.

(d) Guidelines to consider the circumstances, if any, when an investigative agency or a component of that agency should be disqualified from taking an active role in an investigation because of an appearance of impropriety growing out of a particular intelligence or investigative action,

(e) Definitions of the legislative scope and extent of "sources and methods" and the "informant privilege" as a rationale for the executive branch withholding information in response to Congressional or judicial process or other demand for information,

(f) Institutionalizing efforts to coordinate the gathering, sharing, and analysis of intelligence information,

(g) Insuring those agencies that primarily gather intelligence perform their function so as to serve the needs of other agencies that primarily engage in physical protection, and

(h) Implementing mechanisms that would permit interagency tasking of particular functions.

B. Prosecution:

1. The Judiciary Committee should consider the impact of the provisions of law dealing with third-party records, bail and speedy trial as it applies to both the investigation and prosecution of federally cognizable homicides.

2. The Judiciary Committee should examine recently passed special prosecutor legislation to determine if its provisions should be modified to extend them to presidential assassinations and the circumstances, if any, under which they should be applicable to other federally cognizable homicides.

II. Administrative recommendations to the Executive

The Department of Justice should reexamine its contingency plans for the handling of assassinations and federally cognizable homicides in light of the record and findings of the Committee. Such an examination should consider the following issues:

A. Insuring that its response takes full advantage of inter and intraagency task forces and the strike force approach to investigations and prosecutions.

B. Insuring that its response takes full advantage of the advances of science and technology, and determining when it should secure independent panels of scientists to review or perform necessary scientific tasks, or secure qualified independent forensic pathologists to perform a forensic autopsy.

C. Insuring that its fair trial/free press guidelines, consistent with an alleged offender's right to a fair trial, allow information about the facts and circumstances surrounding an assassination promptly be made public, and promptly be corrected when erroneous information is mistakenly released, and

D. Entering at the current time into negotiations with representatives of the media to secure voluntary agreements providing that photographs, audio tapes, television tapes and related matters, made in and around the site of assassinations, be made available to the government by consent immediately following an assassination.

III. General recommendations for congressional investigations

A. The appropriate Committees of the House should consider amending the Rules of the House to provide for a right to appointive counsel in investigative hearings where a witness is unable to provide counsel from private funds.

B. The appropriate Committees of the House should examine the Rules of the House governing the conduct of counsel in legislative and investigative hearings and consider delineating guidelines for professional conduct and ethics, including guidelines to deal with conflicts of interest in the representation of multiple witnesses before a Committee.

C. The Judiciary Committee should examine the adequacy of federal law as it provides for the production of federal and state prisoners before legislative or investigative committees under a writ of habeas corpus ad testificandum.

D. The appropriate Committees of the House should examine and clarify the applicability to Congressional subpoenas of recently enacted legislative restrictions on access to records and other documents.

E. The appropriate Committees of the House should consider legislation that would authorize the establishment of a legislative counsel to conduct litigation on behalf of committees of the House incident to the investigative or legislative activities and confer jurisdiction on the United States District Court for the District of Columbia to hear such lawsuits.

F. The appropriate committees of the House should consider if Rule 11 of the House should be amended, so as to restrict the current access by all Members of the House to the classified information in the possession of any committee.

IV. Recommendations for further investigation

A. The Department of Justice should contract for the examination of a film taken by Charles L. Bronson to determine its significance, if any, to the assassination of President Kennedy.

B. The National Institute of Law Enforcement and Criminal Justice of the Department of Justice and the National Science Foundation should make a study of the theory and application of the principles of acoustics to forensic questions, using the materials available in the assassination of President John F. Kennedy as a case study.

C. The Department of Justice should review the Committee's findings and report in the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr., and after completion of the recommended investigation enumerated in Sections A and B, analyze whether further official investigation is warranted in either case. The Department of Justice should report its analysis to the Judiciary Committee.

□ 1510

GENERAL LEAVE

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special orders today by the gentleman from Arkansas (Mr. ALEXANDER) and the gentleman from Pennsylvania (Mr. FLOOD).

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GILMAN) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Michigan, for 5 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. ANTHONY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. BENJAMIN, for 5 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. WOLFF, for 30 minutes, on January 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks were granted to:

(The following Members (at the request of Mr. GILMAN) and to include extraneous material:)

Mr. LENT.

Mr. LOTT.

Mr. DERWINSKI.

Mr. YOUNG of Florida, in five instances.

Mr. YOUNG of Alaska.

Mr. GILMAN in five instances.

Mr. FORSYTHE.

Mr. MICHEL.

Mr. DORNAN.

(The following Members (at the request of Mr. ANTHONY) and to include extraneous matter:)

Mr. ROBERTS.

Mr. GUDGER.

Mr. GORE in two instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. BONIOR of Michigan.

Mr. FISHER.

Mr. RAHALL.

Mr. HAMILTON.

Mrs. SPELLMAN.

Mr. BENJAMIN.

Mr. JOHN L. BURTON.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 16 minutes p.m.), the House adjourned until Thursday, January 25, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

464. A communication from the President of the United States, transmitting a draft of proposed legislation to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes (H. Doc. No. 96–39); jointly, to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service and ordered to be printed.

465. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of military equipment to the Netherlands (transmittal No. 79–5), pursuant to section 813 of Public Law 94–106, as amended; to the Committee on Armed Services.

466. A letter from the Director, National Legislative Commission, The American Legion, transmitting the proceedings of their 1978 National Convention, a report of the activities for the year preceding the convention, and a financial statement and independent audit of the organization, pursuant to section 9 of the act of September 19, 1919, and section 3 of Public Law 88–504 (H. Doc. No. 96–42); to the Committee on Veterans' Affairs and ordered to be printed.

467. A letter from the National Adjutant, Disabled American Veterans, transmitting the proceedings of their 1978 National Convention and an independent audit report as of December 31, 1977, pursuant to section 9(a) of the act of June 17, 1932, and section 3 of Public Law 88–504 (H. Doc. No. 96–43); to the Committee on Veterans' Affairs and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA (for himself and Mr. HEFTEL):

H.R. 1319. A bill to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii; to the Committee on Ways and Means.

By Mr. BENJAMIN:

H.R. 1320. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. BROOMFIELD:

H.R. 1321. A bill to amend the Immigration and Nationality Act to provide for the deportation of any alien who receives welfare benefits as a result of causes not affirmatively shown to have arisen after entry, to the Committee on the Judiciary.

H.R. 1322. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

H.R. 1323. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against tax for post-secondary education expenses for tuition and fees paid by the taxpayer attributable to the attendance of a student at an institution of post-secondary education, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHN L. BURTON:

H.R. 1324. A bill to amend title IV of the Higher Education Act of 1965 to establish a system of student tuition advances to be repaid as an income tax imposed by the Internal Revenue Code of 1954, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. CONTE:

H.R. 1325. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

H.R. 1326. A bill to prohibit discriminatory employment practices with respect to physically handicapped persons; to the Committee on Education and Labor.

H.R. 1327. A bill to amend the National Labor Relations Act to provide that a labor organization is not required to provide legal representation to an employee in an arbitration proceeding if such employee is not a member of such labor organization; to the Committee on Education and Labor.

H.R. 1328. A bill to amend the National Commission on Libraries and Information Science Act to require the National Commission on Libraries and Information Science to conduct studies of the library and information needs of children; to the Committee on Education and Labor.

H.R. 1329. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

H.R. 1330. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

H.R. 1331. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

H.R. 1332. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the St. John River in Maine as a potential addition to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

H.R. 1333. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

H.R. 1334. A bill to improve existing tertiary eye centers, to examine the delivery of eye care to the general public, and to study the feasibility of implementing a system of tertiary eye care centers throughout the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 1335. A bill to amend subtitle IV of title 49, United States Code, to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1336. A bill to enact the National School-Age Mother and Child Health Act of 1979; to the Committee on Interstate and Foreign Commerce.

H.R. 1337. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

H.R. 1338. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1339. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications

for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 1340. A bill to amend section 1951, title 18, United States Code, Act of July 3, 1946; to the Committee on the Judiciary.

H.R. 1341. A bill to amend part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide to Federal public safety officers the same benefits accorded under such part to State and local public safety officers; to the committee on the Judiciary.

H.R. 1342. A bill authorizing the Secretary of the Interior to issue certain obligations and to utilize the revenues therefrom to acquire additional wetlands; to the Committee on Merchant Marine and Fisheries.

H.R. 1343. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 1344. A bill to designate the birthday of "Susan B. Anthony" as a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1345. A bill to require that new forms and reports, and revisions of existing forms, resulting from legislation be contained in reports of committees reporting the legislation; to the Committee on Rules.

H.R. 1346. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

H.R. 1347. A bill to amend title II of the Social Security Act to provide that any individual may qualify for disability insurance benefits, and the disability freeze if he has 20 quarters of coverage (and meets the other conditions of eligibility therefor), regardless of which such quarters were earned; to the Committee on Ways and Means.

H.R. 1348. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

H.R. 1349. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1350.—A bill to amend title XVIII of the Social Security Act to provide that the periodic adjustments made in the inpatient hospital deductible shall hereafter reflect increases in social security cash benefits rather than increases in the cost of inpatient hospital services; to the Committee on Ways and Means.

H.R. 1351.—A bill to amend the Internal Revenue Code of 1954 to require the establishment of formal procedures and criteria for the selection of individual income tax returns for audit, to inform individuals of the reasons why their returns were selected for audit, and for other purposes; to the Committee on Ways and Means.

H.R. 1352. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

H.R. 1353. A bill to amend section 167 of the Internal Revenue Code of 1954 to encourage landlords to meet minimal housing standards by disallowing the depreciation deduction to a landlord who has been convicted of violating a housing code; to the Committee on Ways and Means.

H.R. 1354. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 1355. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the first $5,000 of interest received on certain savings deposits in the case of individuals over 65 years of age; to the Committee on Ways and Means.

H.R. 1356. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

H.R. 1357. A bill to amend the Internal Revenue Code of 1954 to remove certain age restrictions applicable to individual retirement accounts and retirement plans for the self-employed; to the Committee on Ways and Means.

H.R. 1358. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1359. A bill to amend the Social Security Act to direct the Secretary of Health, Education, and Welfare to develop standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1360. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. COTTER:

H.R. 1361. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1362. A bill to amend the Elementary and Secondary Education Act of 1965 to provide for drug abuse therapy programs in schools; to the Committee on Education and Labor.

H.R. 1363. A bill to amend the Federal Trade Commission Act to prohibit the Federal Trade Commission from requiring any person, partnership, or corporation to file line of business reports; to the Committee on Interstate and Foreign Commerce.

H.R. 1364. A bill to amend the Civil Rights Act of 1964 to provide a limitation of 2 years on civil actions brought to prevent unlawful employment practices; to the Committee on the Judiciary.

H.R. 1365. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 1366. A bill to impose quantitive limitations on the importation of shrimp into the United States during calendar years 1979 and 1980, and to impose a duty on imported shrimp; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 1367. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 1368. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-based review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. GILMAN:

H.R. 1369. A bill to amend the Public Health Service Act to authorize financial assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded; to the Committee on Interstate and Foreign Commerce.

H.R. 1370. A bill to amend title 38, United States Code, in order to entitle veterans to 54 months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated; to the Committee on Veterans' Affairs.

H.R. 1371. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation; jointly, to the Committees on Ways and Means and Government Operations.

By Mr. GRASSLEY:

H.R. 1372. A bill to amend the Internal Revenue Code of 1954 to subject investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Ways and Means.

By Mr. GUDGER (for himself, Mr. PREYER, Mr. ANDREWS of North Carolina, Mr. NEAL, Mr. WHITLEY, Mr. HEFNER, Mr. EVANS of Georgia, Mr. HALL of Texas, and Ms. HOLTZMAN):

H.R. 1373. A bill to amend the Federal Rules of Criminal Procedure to limit Federal searches and seizures of property in the possession of innocent third parties; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 1374. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1375. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products, and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 1376. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 1377. A bill to amend the Occupational Safety and Health Act of 1970 to provide that such Act shall not apply to employers, including farming operations, having 25 or fewer employees; to the Committee on Education and Labor.

H.R. 1378. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

H.R. 1379. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Administrator of the Small Business Administration may render onsite consultation and advice to certain small business employers to assist such employers in providing safe and healthful working conditions for their employees; to the Committee on Education and Labor.

H.R. 1380. A bill to amend the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 1381. A bill to permit the review of regulatory rules and regulations by the Congress; to the Committee on Government Operations.

H.R. 1382. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, or explicit sexual activity which is offensive to the public taste and morals; to the Committee on Interstate and Foreign Commerce.

H.R. 1383. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

H.R. 1384. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 1385. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

H.R. 1386. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 1387. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

H.R. 1388. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 1389. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs

H.R. 1390. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.:

H.R. 1391. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 1392. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

H.R. 1393. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Ways and Means.

H.R. 1394. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 1395. A bill to amend the Internal Revenue Code of 1954 to encourage the employment of handicapped individuals by providing a tax credit for a certain portion of the wages paid to such individuals; to the Committee on Ways and Means.

H.R. 1396. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

H.R. 1397. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

H.R. 1398. A bill to repeal the earnings limitations of the Social Security Act; to the Committee on Ways and Means.

H.R. 1399. A bill to amend title XVI of the Social Security Act to provide that an alien is not qualified for supplemental security income benefits unless he has a parmanent resident status in the United States and has continuously resided in the United States for at least 6 years, and to provide for the establishment of procedures which will more effectively prevent the payment of such benefits to individuals who become ineligible because of their departure from the United States; to the Committee on Ways and Means.

H.R. 1400. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

H.R. 1401. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 1402. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1403. A bill to provide for quality assurance and utilization control in home health care under the medicare, medicaid, and social services programs in accordance with a plan to be developed by a commission specifically established for that purpose; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1404. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1405. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1406. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, hearing aids, physical checkups, and foot care among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1407. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1408. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1409. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Rules.

H.R. 1410. A bill to protect the public from traffickers in heroin and other opiates, and for other purposes; jointely to the Committees on Interstate and Foreign Commerce, the Judiciary, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. HUGHES:

H.R. 1411. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Armed Services.

By Mr. HUTTO:

H.R. 1412. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of medical and dental care to surviving spouses of members and certain former members of the uniformed services who are not remarried; to the Committee on Armed Services.

H.R. 1413. A bill to amend title 38, United States Code, to provide that a member of the Armed Forces who dies while on active duty shall be considered to be a veteran for purposes of the entitlement of such member's survivors to medical care under the civilian health and medical program of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BIAGGI:

H.R. 1414. A bill to amend the Ports and Waterways Safety Act of 1972 to regulate the safety and siting of liquefied bulk gas facilities, to establish a comprehensive liability and compensation funds for such facilities, to provide for the licensing of such facilities beyond the limits of the territorial sea subject to the jurisdiction of the United States, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. ICHORD:

H.R. 1415. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1416. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1417. A bill to terminate the authorization of the Union Lake flood control project, Missouri; to the Committee on Public Works and Transportation.

H.R. 1418. A bill to require that specific alien and citizenship status information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating the provisions of this act, and for other purposes; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 1419. A bill to amend the Consolidated Farm and Rural Development Act, to provide an alternate method of making loans for acquisition and improvements of the farm, needed by farm families, including young farmers, and to provide the borrower family with adequate standards of living and the consumer with reasonable prices for dairy and other agricultural products, as well as to maintain and improve national health, and for other purposes; to the Committee on Agriculture.

By Mr. LENT:

H.R. 1420. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. LENT (for himself, Mr. COUGHLIN, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. FLOOD, Mr. GEPHARDT, Mr. HAWKINS, Mr. HOWARD, Mr. KILDEE, Mr. LAGOMARSINO, Mr. MOAKLEY, Mr. MOTTL, Mr. MURPHY of New York, Mr. OTTINGER, Mr. PEASE, Mr. PURSELL, Mr. RODINO, Mr. ST GERMAIN, Mrs. SCHROEDER, Mrs. SPELLMAN, Mr. WOLFF, and Mr. YATRON):

H.R. 1421. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MINISH:

H.R. 1422. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 1423. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

H.R. 1424. A bill to increase alternatives to institutionalization for senior citizens; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. MONTGOMERY (for himself and Mrs. HOLT):

H.R. 1425. A bill to amend sections 3686 and 8686 of title 10, United States Code, to credit certain full-time training duty of members of the National Guard; to the Committee on Armed Services.

H.R. 1426. A bill to amend subsection (f) of section 2024 of title 38, United States Code, to credit certain National Guard full-time training or duty as active duty for training; to the Committee on Veterans' Affairs.

H.R. 1427. A bill to amend section 1333 of title 10, United States Code, relating to retirees point credit for non-Regular service; to the Committee on Armed Services.

H.R. 1428. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for reservists and members of the National Guard, under certain conditions, and for other purposes; to the Committee on Armed Services.

By Mr. MOORE:

H.R. 1429. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $100 of interest in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. NICHOLS:

H.R. 1430. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1431. A bill to amend section 1124(c) of title 10, United States Code, to remove the restriction that a member of the armed forces must be on active duty to be eligible for the payment of a cash award for a suggestion, invention, or scientific achievement; to the Committee on Armed Services.

H.R. 1432. A bill to amend section 709 of title 32, United States Code, to allow civilian National Guard technicians to hold their positions and to be promoted without regard to their military grade in the National Guard; to the Committee on Armed Services.

H.R. 1433. A bill to amend Public Law 874, 81st Congress, to provide that children of parents employed on Federal property who attend school in a State contiguous to the State in which such property is situated may be counted for purposes of determining the aid entitlement of the local educational agency having jurisdiction over such school, and for other purposes; to the Committee on Education and Labor.

H.R. 1434. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 1435. A bill to establish a program for the inspection of schools for the presence of asbestos materials, to provide funds for the testing and evaluation of potential hazards, to create a loan program to assist in the containment or removal of imminent hazards to health and safety, and for other purposes; to the Committee on Education and Labor.

By Mr. PREYER (for himself, Mr. GUDGER, Mr. HOLLAND, Mr. JACOBS, and Mr. VANDER JAGT):

H.R. 1436. A bill to suspend until the close of June 30, 1980, the duty on certain nitrocellulose; to the Committee on Ways and Means.

By Mr. QUAYLE (for himself, Mr. ABDNOR, Mr. ANDERSON of Illinois, Mr. BADHAM, Mr. BAFALIS, Mr. CAVANAUGH, Mr. CONTE, Mr. DANNEMEYER, Mr. DUNCAN of Tennessee, Mr. FORSYTHE, Mr. GEPHARDT, Mr. GOLDWATER, Mr. GRISHAM, Mr. GUYER, Mr. HANSEN, Mr. HOLLENBECK, Mr. JENRETTE, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LOWRY, Mr. MCCLOSKEY, Mr. NOLAN, Mr. O'BRIEN, Mr. PANETTA, Mr. PRICE, Mr. SCHEUER, Mr. THOMPSON, Mr. WALGREN, Mr. WALKER, and Mr. WEISS):

H.R. 1437. A bill to secure and protect the rights of citizens and protect the freedom of the press; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 1438. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder, to the Committee on Ways and Means.

By Mr. RAHALL:

H.R. 1439. A bill to extend the period for SBA disaster low interest loans from October 1, 1978 to October 1, 1979; to the Committee on Small Business.

By Mr. RANGEL:

H.R. 1440. A bill to amend title 10 of the United States Code in order to count, for purposes of nonregular retirement pay, service before World War II in certain State militia units which were racially segregated; to the Committee on Armed Services.

H.R. 1441. A bill to amend the United States Housing Act of 1937 to provide that a tenant in a low-rent public housing project may not be evicted therefrom without a public hearing; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1442. A bill to amend title I of the Housing Act of 1949 to provide more adequate relocation payments for individuals, families, and business concerns displaced from urban renewal areas; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1443. A bill to amend the U.S. Housing Act of 1937 for the purpose of making improvements in the program authorized by section 8 of such act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1444. A bill to establish a program of reduced tuition rates to encourage older Americans to attend institutions of higher education, and to establish a program to gather data relating to employment opportunities for older Americans; to the Committee on Education and Labor.

H.R. 1445. A bill to establish a National Rebuilding and Development Bank, to provide for a long-range program to assist in assuring decent neighborhoods for all citizens, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1446. A bill to authorize grants to States for the establishment of vision screening programs for public school students; to the Committee on Education and Labor.

H.R. 1447. A bill to provide for increased international control of the production of, and traffic in, opium, and for other purposes; to the Committee on International Relations.

H.R. 1448. A bill to amend the Foreign Assistance Act of 1961 to prohibit the assignment of international security assistance management teams, defense attachés, or other U.S. Armed Forces personnel to the Republic of South Africa; to the Committee on International Relations.

H.R. 1449. A bill to prohibit exports to the Republic of South Africa under the Arms Export Control Act of defense articles or services, to prohibit exports to the Republic of South Africa under the Export Administration Act of 1969 of items which might be used for military, law enforcement, or internal security purposes, and to prohibit exports to the Republic of South Africa under the Atomic Energy Act of 1954 of nuclear materials, facilities, and technology; to the Committee on International Relations.

H.R. 1450. A bill to provide the Secretary of Health, Education and Welfare with the authority to make grants to States and local communities to pay for the costs of eye examination programs to detect glaucoma for the elderly, to the Committee on Interstate and Foreign Commerce.

H.R. 1451. A bill to amend the Public Health Service Act to provide for the establishment of a National Sickle Cell Anemia Institute; to the Committee on Interstate and Foreign Commerce.

H.R. 1452. A bill to direct the Attorney General to establish Special Drug Forces for the purpose of providing temporary emergency law enforcement assistance to States and local government; to the Committee on the Judiciary.

H.R. 1453. A bill to provide for judicial reform in criminal cases; to the Committee on the Judiciary.

H.R. 1454. A bill to grant a Federal charter to the 369th Veterans' Association; to the Committee on the Judiciary.

H.R. 1455. A bill to repeal the provisions of the Postal Reorganization Act and to reenact the former provisions of title 39, United States Code; to the Committee on Post Office and Civil Service.

H.R. 1456. A bill to amend title 13, United States Code, to require the Secretary of Commerce to conduct surveys to determine the number of individuals not counted by each census, to require Federal agencies using census data for Federal assistance formulas to take into account data from such surveys, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1457. A bill to amend the Tariff Schedules of the United States to prohibit the importation of coal and of certain articles of uranium, if the product of the Union of South Africa; to the Committee on Ways and Means.

H.R. 1458. A bill to provide for greater independence for Federal independent regulatory agencies by prohibiting an individual paid under the Executive Schedule from serving within the same year with both a Federal independent regulatory agency and an Executive agency other than an independent regulatory agency, and for other purposes; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. RICHMOND (for himself, Mr. ADDABBO, Mr. AUCOIN, Mr. BONER of Tennessee, Mr. BUCHANAN, Mr. COELHO, Mr. CONYERS, Mr. EDGAR, Mr. FORD of Tennessee, Mr. GEPHARDT, Mr. HOLLENBECK, Mr. HUGHES, Mr. LEE, Mr. LOWRY, Mr. MAGUIRE, Mr. MINETA, Mr. MITCHELL of New York, Mr. MURPHY of Pennsylvania, Mr. PEPPER, Mr. RAHALL, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SENSENBRENNER, Mr. SOLARZ, and Mrs. SPELLMAN):

H.R. 1459. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. ST GERMAIN:

H.R. 1460. A bill to amend the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food supplements prescribed for consumption by cancer patients; to the Committee on Agriculture.

By Mr. YOUNG of Alaska:

H.R. 1461. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 1462. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1463. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

H.R. 1464. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting, and for other purposes; to the Committee on Government Operations.

H.R. 1465. A bill to require public disclosure by certain recipients of Federal funds of information required to be kept by such recipients as a condition of receiving such funds; to the Committee on Government Operations.

H.R. 1466. A bill to require candidates for Federal elective office to resign any elective public office the term of which ends after the beginning of the term of such Federal office before filing in the general election for such Federal office; to the Committee on House Administration.

H.R. 1467. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 1468. A bill to amend title 5 and title 44, United States Code, to lengthen the time period between the publication of a Federal rule and the effective date of such rule, and the time period between the publication of notice of a hearing and the beginning of such hearing; to the Committee on the Judiciary.

H.R. 1469. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

H.R. 1470. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Secret Service; to the Committee on the Judiciary.

H.R. 1471. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1472. A bill to make Flag Day a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1473. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 1474. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of an individual's civil service retirement annuity (or other Federal retirement annuity) shall be exempt from income tax; to the Committee on Ways and Means.

H.R. 1475. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 1476. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

H.R. 1477. A bill to require the Secretary of Transportation to prescribe regulations requiring certain modes of public transportation in interstate commerce to reserve some seating capacity for passengers who do not smoke; jointly, to the Committees on Public Works and Transportation, and Interstate and Foreign Commerce.

H.R. 1478. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription of certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1479. A bill to amend title XVIII of the Social Security Act to provide coverage of enterostomal therapy services on the same basis as physical therapy services under medicare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1480. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 1481. A bill to require the Secretary of the Army to establish a schedule of user charges to be paid by the owner or operator of any shallow-draft cargo vessel using any inland waterway of the United States, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. CONTE:

H.J. Res. 149. Joint resolution calling for an immediate moratorium on the killing of the eastern timber wolf; to the Committee on International Relations.

H.J. Res. 150. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

H.J. Res. 151. Joint resolution proposing an amendment to the Constitution of the United States to vest the Congress with the power to disapprove reprieves and pardons granted by the President; to the Committee on the Judiciary.

H.J. Res. 152. Joint resolution designating "Anne Sullivan Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 153. Joint resolution asking the President of the United States to declare the fourth Saturday of each September National Hunting and Fishing Day; to the Committee on Post Office and Civil Service.

H.J. Res. 154. Joint resolution to authorize the President of the United States to designate "National Ski Week"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Alabama:

H.J. Res. 155. Joint resolution authorizing the President to proclaim the week of October 7 through October 13, 1979, as "National Stamp Collecting Week"; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H.J. Res. 156. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

H.J. Res. 157. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. ICHORD:

H.J. Res. 158. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of Office of President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. MINISH:

H.J. Res. 159. Joint resolution to authorize the President to proclaim the last Friday of April each year as National Arbor Day; to the Committee on Post Office and Civil Service.

By Mr. QUAYLE:

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution of the United States to change the terms of office

for the President, the Vice President, and Members of Congress, and to establish a 10-year term of office for Federal judges; to the Committee on the Judiciary.

By Mr. RANGEL:

H.J. Res. 161. Joint resolution designating the second Sunday in June of each year as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Alabama:

H. Con. Res. 30. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMON:

H. Con. Res. 31. Concurrent resolution expressing the sense of the Congress with respect to establishing diplomatic relations with the People's Republic of China and continuing the ties of friendship between the United States and Taiwan; to the Committee on International Relations.

By Mr. YOUNG of Florida:

H. Con. Res. 32. Concurrent resolution expressing the sense of Congress that each Federal agency should periodically review and revise all its lists of persons to whom printed materials are mailed by such agency for the purpose of insuring that such lists contain only the names of persons who are still interested in receiving such materials; to the Committee on Government Operations.

H. Con. Res. 33. Concurrent resolution calling for full freedom and independence for the Baltic States; to the Committee on International Relations.

By Mr. CONTE:

H. Res. 64. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. EDWARDS of Alabama:

H. Res. 65. Resolution providing for the establishment of a Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. HAMMERSCHMIDT:

H. Res. 66. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. SOLARZ (for himself and Mr. WAXMAN):

H. Res. 67. Resolution in recognition of the services of Haym Salomon; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Florida:

H. Res. 68. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for

H. Res. 69. Resolution to create a select committee to audit accounts of committees, Members, and officers of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 1482. A bill for the relief of Nicolae A. Popovici; to the Committee on the Judiciary.

H.R. 1483. A bill for the relief of Fede Antolin Rumingan; to the Committee on the Judiciary.

H.R. 1484. A bill for the relief of Guillermo O. Rumingam; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 1485. A bill for the relief of John H. Parker; to the Committee on the Judiciary.

By Mr. HUTTO:

H.R. 1486. A bill for the relief of Lamom Petersen and Dang Petersen; to the Committee on the Judiciary.

By Mr. ICHORD:

H.R. 1487. A bill for the relief of Luis Acosta, doctor of medicine, Nereida Acosta, Julie Acosta, and Juan Carlos Acosta; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.R. 1488. A bill for the relief of Vista Unlimited, Incorporated; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 1489. A bill for the relief of In Sun Pineiro; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 1490. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 1491. A bill for the relief of Josephine Graff; to the Committee on the Judiciary.

H.R. 1492. A bill for the relief of Roy A. Timpson; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 1493. A bill to authorize the President to appoint Capt. John E. Tsavaris, U.S. Navy Reserves retired, to the grade of rear admiral on the Reserves retired list; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. RUDD.

H.R. 154: Mr. DANIELSON and Mr. LEWIS.

H.R. 596: Mr. ANDREWS of North Dakota, Mr. APPLEGATE, Mrs. BOUQUARD, Mr. CLINGER, Mr. COLLINS of Texas, Mr. DELLUMS, Mr. DUNCAN of Tennessee, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. GUDGER, Mr. GUYER, Mr. HILLIS, Mrs. HOLT, Mr. HOWARD, Mr. HUBBARD, Mr. HYDE, Mr. ICHORD, Mr. JOHNSON of California, Mr. KINDNESS, Mr. LAFALCE, Mr. LUNDINE, Mr. MADIGAN, Mr. MATHIS, Mr. MCCORMACK, Mr. MILLER of Ohio, Mr. MINETA, Mr. NEDZI, Mr. NOWAK, Mr. PATTEN, Mr. ROBINSON, Mr. SIMON, Mr. SKELTON, Mrs. SPELLMAN, Mr. STANGELAND, Mr. STEED, Mr. STOCKMAN, Mr. STUDDS, Mr. TAYLOR, Mr. VAN DEERLIN, Mr. WHITEHURST, Mr. WHITLEY, Mr. CHARLES WILSON of Texas, Mr. WYATT, Mr. YATRON, Mr. DAVIS of South Carolina, Mr. PERKINS, and Mr. EDGAR.

H.R. 829: Mr. ADDABBO, Mr. BEVILL, Mr. HOLLAND, Mr. WHITEHURST, Mr. MURPHY of Pennsylvania, Mr. WON PAT, Mr. WINN, Mr. HOLLENBECK, Mr. PRICE, and Mr. LONG of Maryland.

EXTENSIONS OF REMARKS

THE WHY AND HOW OF OUR INFLATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. McDONALD. Mr. Speaker, prompted by the budget message of the President that we received this week, I would commend to the attention of my colleagues a thoughtful and discerning article entitled "The Why and How of Our Inflation," by Percy L. Greaves, Jr. that appeared in the nationally distributed news magazine, the Review of the News on December 20, 1978.

Percy Greaves, a former financial editor of the U.S. News and respected member of the staffs of numerous congressional committees, is the author of "Understanding the Dollar Crisis" and the foremost expert on the monetary analysis of the great conservative economist, Prof. Ludwig von Mises.

In this article on our present financial crisis, Professor Greaves succinctly defines inflation, identifies the cause, and tells how to stop it. If Professor Greaves is correct, and I believe him to be, this Congress can by following his recommendations put an end to inflation, and do it now. The article follows:

THE WHY AND HOW OF OUR INFLATION

'Tis human for all people to want more than they have. We may want more for ourselves—for our better health, convenience, pleasure, or even to survive in our old age. We may also want more for our loved ones, for the more unfortunate, or even for a group or cause we should like to assist.

In fact, our every action is an attempt to improve the future from our personal point of view. Our entire life is an effort to select and carry out those actions which will, in our judgment and within our limited abilities, best provide the kind of tomorrows we prefer. If we cannot produce the things we want most, we strive to contribute to the marketplace those goods and services for which others will voluntarily pay us a good price.

This is the way of a free society. Barring force, fraud, or human error, everyone increases his or her satisfaction (i. e., profits) by every voluntary transaction. If we did not expect to gain from a transaction, we would not participate in it. We thus divide the labors of production and then trade the results of our specialized contributions with the help of a medium of exchange called money.

If we were all perfect we would all operate in the marketplace in accordance with the Golden Rule. The more we contributed to our fellow men, through market processes, the more we would receive in return. The results would be easier, happier, and longer lives for all of us.

In real life, none of us is perfect. We all make mistakes. Many are innocent. Most of these are due to lack of knowledge or understanding of the consequences of our actions. Other mistakes are not so innocent. These are the occasions when people resort to force or fraud in their dealings with others. Such human deviations from moral behavior often lead to violence, with resulting injuries and even death for thousands, if not millions, of innocent people.

Mutually profitable transactions can only take place in a peaceful atmosphere in which everyone feels that both their person and property are safe from anti-social actions. Unfortunately, there are some who will resort to force and fraud. Consequently, we need some means to eliminate or minimize all human threats to our lives, limbs, and private property. Free men assign this duty to government.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In a free society, protection is the primary, if not the sole, function of government. Because we are not all perfect, governments are necessary for the maintenance of peace and the suppression of crimes against persons and property. It is only in such an atmosphere that markets can function in accordance with the Golden Rule, whereby all participants tend to be rewarded in accordance with highest values that others place on their contributions.

For the manning of government, we must select human beings who are no more perfect than the rest of us. Their contributions are very necessary for our welfare. However, their services cannot be controlled by competition or valued by the processes of the marketplace, whereby employers compete for employees by offering wages and salaries they hope to get back from the voluntary purchases of their customers. We certainly cannot pay policemen by the number they arrest, legislators by the length of the laws they pass, or judges by the number of criminals who voluntarily seek and accept their decisions. Accordingly, we must resort to the political selection of "public servants" and limit their salaries by budget figures and their actions by bureaucratic rules.

Politicians and bureaucrats, being human like the rest of us, also want more. However, they cannot seek their higher rewards in the marketplace. They must seek their "more" at the ballot box. When government is limited to equal justice for all and privileges for none, then all voters have an equal interest in the protection of their lives and property. Under those conditions, elections by majority vote can be very satisfactory.

However, when the functions of government are extended to helping some at the expense of others, the door is opened wide to favoritism and corruption. The politicians soon learn there is an easy way to attract majority votes. All they need do is to provide "handouts" and other political privileges to more and more groups, while reducing the direct or observable taxes on the majority. For a while they can "soak" the corporations and the minority rich. But this has its limits. Soon government expenditures exceed government revenues. The result is unbalanced budgets and increased government debts with ever-higher interest charges. Few politicians who vote to increase taxes or reduce political privileges or "transfer payments" are returned to office.

So each new Congress votes higher and higher expenditures and further complicates the tax structure so as to claim a tax reduction for new millions of voters. The debts and deficits mount. If government securities were sold only to private investors, interest rates would soar.

What to do?

Why, leave it to the Treasury and the Federal Reserve System to provide the dollars needed to pay for the expenditures over and above tax collections. In order to create an appearance of prosperity, the Federal Reserve is also authorized to manufacture more dollars which its member banks can and do lend to preferred borrowers, particularly those whose repayment is guaranteed by the government.

As a result of such policies, the Federal Reserve System has been increasing the quantity of dollars in ever-larger numbers for more than half a century. This is inflation. Most of these dollars are allocated in a manner which those in political power believe will best keep them in office. Every new dollar that is created competes in the marketplace with, and reduces the purchasing power of, every earned or previously saved dollar. These newly created dollars (this inflation) not only raise prices and the "cost of living" but they also discombobulate our private production system.

Producers of goods and services cannot tell the politically created dollars from those that people have earned or saved from previous earnings. One dollar is as good as another. Sellers seek sales and they do not ask their customers the source of the dollars they spend. So, as more and more unearned dollars are spent, more of our productive forces are directed toward satisfying the wants of the spenders of the newly created dollars and less toward satisfying those who are spending dollars received for their contributions to the marketplace.

Thus, when our government expanded its basic powers beyond the protection of the lives, limbs, and property of our inhabitants into playing Santa Claus for large segments of the electorate, it paved the way for ever-larger government debts and deficits. These could only be met by the political creation of more dollars—hence inflation. The creation of these dollars might well be called an open secret. Few people know about it, yet the process has been made perfectly legal. The methods used are a matter of public record, as are the amounts created. Yet probably fewer than one-tenth of one percent of our voters know how it is done. And probably less than one percent of this small number has any realistic understanding of the damage it does to our economy and our civilization. We can safely say the process and the degree of harm it does are pretty much of a secret.

The little-understood processes are actually very simple. There are three basic methods the Federal Reserve System uses to create this inflation. They are: 1. Reduction In Reserve Requirements. 2. Loans To Banks. 3. Open Market Operations.

1. Reduction In Reserve Requirements. Our Federal Reserve banking system operates on a fractional reserve basis. Our banks keep in their reserves only a fraction of the amounts their depositors are entitled to withdraw. The Federal Reserve Board, within the limits fixed by Congress, sets the minimum fraction that must be kept in reserves. By reducing the "required reserve" fraction, the quantity of spendable dollars is increased.

This is how it works. Suppose the "required reserve" is 20 percent. Then, for every $1,000 a bank had in its reserves, it could have $5,000 of deposits on its books. So, if new deposits of $1,000 were added to its reserves, it could create, by loans to depositors, up to $4,000 in new deposits. If the "required reserves" were then reduced from 20 percent to 10 percent, a member bank, for that same $1,000 in reserves, could further increase its deposits to $10,000 by lending another $5,000. This total of $10,000 of deposits would be backed by the original deposit of $1,000 in cash and I.OU.s for the $9,000 lent to borrowers by crediting their accounts with the bank.

Most borrowers draw on these accounts by writing checks. Such checks do not reduce the number of dollars in the economy. They merely shift the dollars from one bank account to another within the banking system. So every reduction in the "required reserves" increases the number of dollars available for spending in the marketplace. That is, it inflates the money supply.

In the beginning, some of the reserves had to be in gold. This requirement was first reduced during World War II and later eliminated. That made it easier for banks to increase their reserves and thereby their loans and deposits.

The legal "required reserves" were highest in 1937. They ranged at that time from 26 percent of checking accounts (demand deposits) in member banks in our largest cities to 14 percent for checking accounts (demand deposits) in small country banks, and only 6 percent for all savings accounts (time deposits) in commercial banks. Over the years the percentages required have fluctuated somewhat, but the trend has been steadily and definitely downward. Currently the "required reserves" for checking accounts are:

A Bank's Deposits (in millions)	*Required Reserves for Checking Accounts (Demand Deposits)*
First $2	7.0%
$2 to $10	10.5%
$10 to $100	11.75%
$100 to $400	12.75%
Over $400	16.25%

For savings accounts (time deposits), which are actually withdrawable on demand, the "required reserves" are now only 3 percent. This great reduction in the "required reserves" has been one of the methods whereby the quantity of spendable dollars, largely in the form of bank checks, has been greatly expanded (inflated) over the last 40 years.

2. Loans To Banks. The Federal Reserve System, we are told, was created primarily to prevent money panics and depressions. It was thought that if banks were provided a means for turning their sound loans into instant cash, this would end frantic runs on banks by depositors, who were worried about the safety or availability of their deposits when they needed them. So the 1913 Federal Reserve Act provided that member banks in need of cash could discount their sound loans for Federal Reserve Notes at their Federal Reserve Banks. As this was meant as a safety measure to be available only in time of emergencies, the original discount rates were penalty rates, set higher than the interest rates the member banks received on their loans to depositors. The banks that discounted their loans thus lost money on the transaction.

Then, to help finance World War I, the discount rates were reduced below the prevailing market interest rates. Member banks could then profit by lending money, largely to buyers of Liberty Bonds, at higher interest rates than they could borrow funds from their Federal Reserve Banks. This method of encouraging bank loans was an important factor in the creation of dollars (inflation) to finance World War I. It also played a role in the Federal Reserve policies that led to the 1929 depression. However, this process of creating dollars has been discouraged in recent years. Federal Reserve Bank loans to their member banks were less than a billion dollars as of August 31, 1978.

3. Open Market Operations.—This has been the prime method of dollar creation (inflation) for financing World War II and the government deficits since then. It has also been the base for the great expansion of bank loans to private borrowers, particularly those for which the federal government has guaranteed repayment should the borrower default.

The process is really very simple. The Federal Reserve Banks just issue checks to buy United States Treasury obligations on the open market. When these checks are deposited in a member bank, the amount of the check is added to that bank's reserves. Then, in accordance with the fractional reserve principle, that bank can expand its loans to depositors until the amount of the Federal Reserve Bank's check represents only the "required reserve." This could mean a sixfold or more expansion of the number of dollars Federal Reserve Banks create to buy Treasury obligations. In the case of member banks' savings accounts (time deposits, actually payable on demand), the increase could be 33 times the amount of the Federal Reserve Bank's check.

On occasion, the Federal Reserve Banks also sell Treasury securities. When they do, it has the opposite effect. The member bank, whose depositor buys the security with a check, has its reserves reduced. It must then immediately contract its outstanding loans and deposits. However, over the years the trend has been for the Federal Reserve Banks

to buy more and more Treasury securities. This is a process of turning the federal government's expanding debt securities into money or, as it is often phrased, monetizing the debt. It is inflation.

Open market operations provide a ready market for the government's ever-expanding debt securities and permit the banks to lend newly created dollars not only to the federal government, but also to private borrowers. All of these newly created dollars (inflation) compete in the marketplace for available goods and services. The result is higher prices and fewer goods and services for those who participated in the creation of those goods and services.

The table on the next page tells the story of this inflation.

Now you know the why and how of our inflation. You also know what must be done to stop inflation. We must simply end the legal authority which permits the Federal Reserve System to manufacture dollars against the debts and deficits of the federal government. Of course, this would necessitate a return to a sound economy and a severe restriction of costly political privileges and unearned "transfer payments." It would also mean a federal government largely limited to protecting the lives and property of the peaceful participants in the marketplace.

How the quantity of our money has grown

[All figures in billions]

Date	Gross Federal debt	Ownership of Federal debt by Federal Reserve banks	Quantity of money (M2) *
December:			
1940	$50.9	$2.2	$58.0
1945	278.7	24.3	132.5
1950	255.5	20.8	155.6
1955	279.1	24.8	188.2
1960	287.7	27.4	220.0
1965	317.2	40.8	305.4
1970	388.3	62.1	428.1
1971	423.3	70.2	476.4
1972	448.5	69.9	530.3
1973	469.1	78.5	576.5
December—Continued			
1974	$492.7	$80.5	$617.5
1975	576.6	84.7	670.0
1976	653.5	94.4	745.8
1977	718.9	102.5	814.9
June 1978	749.0	110.1	842.0
Increase during latest 12 months available			
Nov. 22, 1978	$780.1		$870.2
Year earlier	702.4		806.1
Increase	77.2		64.1

* M2 includes currency (bills and coins outside of banks) plus checking accounts (demand deposits) and savings accounts (time deposits) of commercial banks, except for large ($100,000 or more) negotiable Certificates of Deposit (C.D.s).●

FOREIGN POLICY FOR SOUTHERN AND AMERICAN AGRICULTURE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, on November 14, 1978, Mr. C. G. Scruggs, vice president and editor of Progressive Farmer, addressed the Yale Club on the topic of a "Foreign Policy for Southern and American Agriculture."

He explains the importance of agriculture to the American economy and especially emphasis on the role of agricultural exports. Finally, he offers 10 suggestions which would result in a healthy domestic economy and a more realistic approach to foreign trade.

I urge each of my colleagues to read and consider Mr. Scruggs' remarks and keep them in mind as we accept the challenges which will face us in the 96th Congress.

A FOREIGN POLICY FOR SOUTHERN AND AMERICAN AGRICULTURE

American agriculture is still the major economic force in U.S. and the world economy.

Decisions made for and by American farmers will be a major force in the future stability or instability of the world.

Consider this:

Agriculture is the largest single industry in the U.S.—employing some 17-20 million American workers both directly and indirectly.

Agricultural production and the direct agri-support industries accounted for one quarter of the country's gross national product in 1976.

U.S. agricultural assets total approximately 700 billion dollars—equal to 75 percent of the capital assets of all manufacturing corporations in America and ten times that of the U.S. auto industry, for example.

U.S. Agricultural sales exceed 100 billion dollars. Remember that agricultural products are renewable and basic. As this 100 billion moves through the economy its multiplier effects is estimated at 6 to 1—thus we have economic activity in the magnitude of 600 billions—approximately the size of the annual Federal budget.

Exports of American agriculture commodities—in 1978—will bring to this country some $27 billion dollars. Only 10 years ago exports amounted to only 6 billion.

Without these gigantic foreign exchange earnings the U.S. dollar may have already completely collapsed—instead of the present serious sag.

Exports of U.S. farm products account for the production of one out of every three U.S. cropland acres.

One-half of all wheat U.S. farmers grow must be shipped overseas—1 billion bushels.

Two billion bushels of corn must be exported—⅓ of total U.S. production.

700–800 million bushels of soybeans sail from U.S. harbors out of 1.8 billion annual U.S. production.

All the foregoing suggests this:

The continued productivity—and profitability of U.S. agriculture will greatly affect the health of the American economy.

The profitability of U.S. agriculture depends on exports! Thus suddenly you must conclude that what happens overseas is equally as important to U.S. farmers as what occurs in the U.S.

Even in face of an inevitable flow of farm products overseas—U.S. farm prices are barely at a break even point.

Thus, if most of our export markets for U.S. farm products were to collapse or be closed off; American agriculture as we know it today would fall into utter chaos and would threaten seriously the economic and political stability of the U.S.

Thus, as goes U.S. agricultural exports; so goes American agriculture.

Yet, American economic and agricultural leaders focus almost entirely on domestic agricultural policy.

It's therefore apparent that there must be forged a foreign policy for American agriculture and that every American farmer and agribusinessman must become vitally concerned and involved as an international trade observer.

What happens in the Kremlin or Peking or Tokyo is perhaps more important to an individual Southern farmer's price than what happens at the local elevator or auction sale!

What are some of the basic elements of a U.S. foreign policy for America agriculture?

First. The understanding in all levels in U.S. that the keystone of the recent U.S. American agriculture is exports.

Without exports; one-half of the American farm production system would have to be shut down. Economic Chaos would follow.

Second. U.S. agriculture and agricultural authorities should have a preeminent role in the U.S. Department of State and American food and fiber production abundance should be the central feature of all U.S. foreign policy.

Today, U.S. agriculture is given little or no consideration in the evolution of U.S. foreign policy. American agri-power is more potent than petro-power—if wisely conceived, understood and used. However, it's important to point out that food power cannot and should not be used in an OPEC way.

Third. American food productivity is the major strategic force in the world power struggles. Remember, no potential aggressor moves without ample food supplies—or conversely they must move in desperation to acquire food supplies.

Fourth. American agricultural exports policy should begin to concentrate on shipping processed products—using American technology and know how and resulting economic activity—instead of generally exporting only rough grains.

For example, we should ship beef instead of corn; food products in place of rough soybeans. See Progressive Farmer editorial suggesting this in 1977.

Raw agricultural products will begin to find their way back to U.S. as ham, processed meats, ala Polish ham, dairy products, cotton goods from Hong Kong—unless we plan ahead to prevent such.

Fifth. Stability of supply is the solid base on which export markets must be built. Domestic agricultural policy also demands this.

Sixth. Conversely the export market is also extremely volatile—subject to highly erratic swings in price and volume. Trade agreements tend to reduce extremes.

Seventh. Developing nations of world offer great possibilities for export markets.

For example, to just supply Red China with a pound of meat per capita—annually—would take several million head of cattle.

Eighth. Export study and activities of all U.S. farm and commodity groups should be doubled. The success of record soybean exports is mainly a result of aggressive action by the American Soybean Association.

Ninth. More and more U.S. farmers should travel overseas and trace their products from dock to consumer.

Tenth. Trade barriers to U.S. farm products must be surmounted through negotiation.●

UKRAINIAN INDEPENDENCE DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. FLORIO. Mr. Speaker, I would urge my colleagues to join with me in commemorating January 22 as Ukrainian Independence Day. This day, celebrated annually by the peoples and descendents of the Ukrainian nation, marks the spirited determination of a proud nation to be once again free.

The determination of Ukrainians to be free is evidenced throughout their history. Repeated encroachments by foreign governments, devastation by war, and oppressive Soviet political domination has not removed Ukrainian pride for his native culture, his faith, and his unending struggle for national independence.

Soviet dissident trials this past year brought to the world's attention the hypocrisy that exists under Soviet "justice." Sadly those who suffer most severely from this travesty are the national non-Russian dissidents; Ukrainians, Lithuanians, Georgians, and others. Their "crimes" of conscience are more quickly brought to review and sentences more harshly handed out.

The barbarism of Soviet law was clearly brought to my attention during the last 6 months as I assisted a Ukrainian family to emigrate to Israel. Alexander Silnitsky, his wife Tamare, and his grandmother, Ilena Zilberman, citizens of the Ukrainian city of Kharkov, have tried since 1975 to join Alexander's parents in Israel.

Through these intervening years Alexander was expelled from school for renouncing his Soviet citizenship, and served 2 years in a Siberian prison camp for refusing to serve in the Russian Red Army. Upon release from prison, emigration visas for Alexander and his family were approved to only be annulled again and again because of unbending "Catch 22" Soviet emigration policies.

After 4 years of waiting frustration and government harassment, Alexander, his wife and grandmother joined his parents in Israel this past New Year's Day.

Today Alexander and his family are experiencing freedom and a fresh start in life in their new home. I am sure, however, that the Silnitsky family will not forget those they left behind and of their pride and love for their Ukrainian homeland.

Our efforts here today in dedicating the 61st anniversary of Ukrainian Independence Day must equal the spirit and determination shown by the Silnitskys in the successful reunification of their family.

Sixty-one years ago a democratic Ukrainian government and its people proclaimed their land a "free and sovereign" republic. While the Ukraine does not exist today as a politically sovereign nation, the freedom-loving traditions of its people continues. We who have freedom also have the responsibility to assist those whose human, political, and national rights are oppressed. I would like to urge my colleagues to join with me in this continuous effort.●

RETIREMENT OF WILLIAM E. TOWELL AS EXECUTIVE VICE PRESIDENT OF THE AMERICAN FORESTRY ASSOCIATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. FISHER. Mr. Speaker, at the close of the last year Mr. William E. Towell, one of this country's foremost professional resource conservationists, retired from active service. He was executive vice president of the American Forestry Association.

Mr. Towell has an outstanding record of achievement in natural resource conservation. For 28 years he was with the Missouri Department of Conservation where he rose from district forester to director of that department. Twelve years ago he moved to the American Forestry Association as its executive vice president.

In those 12 years the American Forestry Association has been more active and has done more for natural resource conservation than in any like period of its 103-year history. This impressive record has been achieved despite a slim purse and a small staff. I wish to call attention to some of Mr. Towell's accomplishments which in one way or another have benefited all our citizens.

Mr. Towell's major efforts have been devoted toward achieving balanced use of America's forest resources which, as we know, comprise a third of the total area of the 50 States. In seeking that goal, Towell helped to strengthen all Federal and State conservation programs such as forest fire prevention, reforestation of denuded forest lands, wildlife management, forest management, recreation and other aspects of resource conservation.

Prominent among Mr. Towell's achievements is his widely known concept of "areas of agreement" on controversial issues. Meeting with representatives of forest industry, government agencies and citizen conservation organizations, Towell's patience, persistence and tact have been chiefly responsible for the remarkable success of this activity.

Mr. Towell has established a reputation with congressional committees and with individual Members of the Congress as a reliable source of practical, impartial views on proposed legislation.

He has made a name for American forestry in international forestry and has wide knowledge of accomplishments of foresters in other countries.

Under Towell's chairmanship the Natural Resources Council of America, a 30-year old federation of 47 national conservation societies, has gained stature and progress in working toward national conservation objectives.

Under Mr. Towell's leadership the American Forestry Association's board of directors was converted from a group narrowly representative of resource conservation to one with a wide range of interests, experience and skills to include water, wildlife, recreation and other aspects of resource conservation.

The Trail Riders of the Wilderness program has been substantially furthered by Towell who suggested such improvements as the addition of canoe trips and backpack treks.

Mr. Towell's intimate knowledge of possible candidates for awards for distinguished service, fire heroism and other awards has been invaluable not only to the board of directors of AFA but to other conservation organizations as well.

When the American Forestry Association quarters became too crowded for expanded activities it was Towell who hunted up favorable offers to sell the old building at a profit, found new quarters and planned and supervised renovation of the new building.

Towell has persistently sought opportunities to advance the cause of natural resource conservation through writing and speaking.

In recognition of his professional achievements Mr. Towell has received many awards, the most recent one being the infrequently given Sir William Schlich Memorial Award of the Society of American Foresters, the highest honor to which American foresters may aspire.

Still a relatively young man, Mr. Towell has agreed to serve the American Forestry Association and other resource conservation organizations on special assignments. I am glad to report that we can look forward to benefiting from Mr. Towell's exceptions abilities.●

CANADA-FRANCE-HAWAII TELESCOPE PROJECT

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

Mr. AKAKA. Mr. Speaker, in 1974, expansion of astronomical facilities at

Mauna Kea, Hawaii's highest mountain, began. The Canada-France-Hawaii Telescope project has since been involved in the construction of a new 150-inch telescope designed to be used for general astronomical observation. Legislation providing duty-free entry for those parts necessary for the completion of this project was approved by the Congress in 1974. Today, I have introduced legislation that would extend the duty-free period from June 30, 1980 to June 30, 1982.

This bill is akin in legislative spirit to Public Law 89-651, which implemented the so-called Florence agreement, providing for the duty-free exchange of cultural, scientific, and educational material. However, due to the extended nature of this project, the petitioning procedures outlined under Public Law 89-61 would be most difficult without separate legislation.

The New York Times has called this project "one of the world's most important observation sites." Mr. Speaker, I urge the adoption of this legislation, which will greatly facilitate the completion of this important observatory.●

EXTENSIONS OF SBA LOW-INTEREST LOANS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation to extend the period for SBA disaster low interest loans from October 1, 1978 to October 1, 1979.

During the 95th Congress, I introduced legislation which reduced the interest rates for SBA disaster loans to 3 percent or less. Public Law 95-89 included provisions to do just this, however, it was only applicable to loans for disasters occurring after July 1, 1976 and prior to October 1, 1978. This change which I propose will extend the termination date on these low-interest loans to October 1, 1979.

In December of 1978, southern West Virginia and eastern Kentucky were once again severely flooded. The residents of this area were once again faced with the task of rebuilding their homes and surroundings, however, because of the termination date of October 1, 1978, low-interest loans were not available. As April approaches the residents of the Tug Valley face the threat of more flooding, while long-term flood relief remains as a victim of the cost/benefit ratio.

This legislation will merely extend the termination date on these low-interest loans and show these individuals that the Federal Government is willing to help them rebuild. It is important to recognize that these funds are not grants, but rather low-interest loans which are to be repaid along with any other loans which were outstanding when the disaster struck. This measure insures equity for disaster victims by insuring that low-interest loans will be available to help them get back on their feet living a productive life.●

ALLEVIATING THE REAL PROPERTY TAX BURDEN: THE NEED FOR A PROPERTY TAX TASK FORCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GILMAN. Mr. Speaker, in both the 94th and 95th Congresses, I introduced legislation proposing the creation of a task force on the taxation of real property by State and local governments, to study and evaluate ways to help State and local governments reduce their dependence on real property taxation and to find alternative revenues to support schools, social service programs, public works projects, fire and police protection, and other costly governmental programs required by the public. Indeed, in the 95th Congress approximately 70 of my colleagues joined me in cosponsoring this measure. Because high property taxes still plague us, this measure remains as timely as ever. Thus, I am reintroducing this legislation and urge my colleagues to support action to secure its passage during this session of Congress.

Mr. Speaker, the message is clear and urgent. Our Nation's taxpayers have reached the limits of their ability to absorb astronomical real estate taxes, runaway welfare expenditures, the costs of escalating social service programs, soaring utility bills, growing Federal and State income taxes, and substantial State and municipal sales taxes. They are being crushed by the high costs of living in an economy already strained by the high rate of inflation and unemployment.

The proposition 13 fever which swept our Nation last year sent this message to public officials at all levels of government. Coupled with the momentum this movement has generated should be the well-reasoned forward-looking recommendations that a panel of individuals, expert in the area of real property tax, could produce.

New York State has consistently ranked near the top in property tax burdens. Indeed, figures released by the Census Bureau last year reveal that, among various cities and counties across the Nation, property taxes in Rockland County, in my congressional district, experienced one of the largest increases—49.1 percent between 1970-71 and 1975-76. Other regions have experienced property tax increases which, too, cause concern as our economy weathers an alarmingly troubled period.

Under my proposal, a 24-member task force appointed by the President and the congressional leadership, composed of Federal, State, and local governmental officials, members of the academic community and groups concerned with real property taxation would study and evaluate, but not be limited to, the following critical areas:

Waiver of the Federal Government's immunity to State and local taxation;

Federal grant-in-aid and loan programs to State and local governments;

Utilization of alternative forms of revenues;

Redistribution of State and local government taxation;

Consolidation of political subdivisions and other taxing districts in order to more equitably distribute the tax burdens;

The tax burdens of persons and organizations with regard to the income produced by their real property; and

Reduction of real property taxes through Federal tax relief, real property tax exemptions, and the taxation of property owned by tax-exempt persons and organizations.

The Real Property Task Force would be required to submit its report, findings, and recommendations within 1 year after appointment to the President and to the Congress.

Accordingly, I urge my colleagues to support this measure reducing the onerous tax burden on our homeowners and minimizing the dependence of State and local governments on real property taxation. I request that the full text of this measure be inserted at this point in the RECORD:

H.R. —

A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TASK FORCE ON THE TAXATION OF REAL PROPERTY BY STATE AND LOCAL GOVERNMENTS

SECTION 1. (a) There is established a Task Force on the Taxation of Real Property by State and Local Governments (hereinafter in this Act referred to as the "Task Force") which shall consist of twenty-four members who shall be appointed in accordance with this section.

(b)(1) The President shall appoint as members of the Task Force four individuals who are officials of the executive branch of the Federal Government.

(2) The majority leader of the Senate, after consultation with the minority leader of the Senate, shall appoint four Senators as members of the Task Force. No more than two of such four Senators shall be affiliated with the same political party.

(3) The Speaker of the House of Representatives, after consultation with the minority leader of the House of Representatives, shall appoint four Representatives as members of the Task Force. No more than two of such four Representatives shall be affiliated with the same political party.

(c)(1) The President, the majority leader of the Senate, and the Speaker of the House of Representatives, after consultation among themselves, shall each appoint as members of the Task Force four individuals not officers or employees of the United States who, because of their knowledge, expertise, diversity of experience, and distinguished service in their professions, are particularly qualified for service on the Task Force.

(2) In making appointments under this subsection, the President, majority leader of the Senate, and the Speaker of the House of Representatives shall take care that the following interested parties are adequately represented by the members so appointed:

(A) State and local governments.

(B) Members of the academic community concerned with the taxation of real property.

(C) Citizens groups and associations concerned with the taxation of real property.

(3) Appointments shall be made pursuant to this subsection without regard to political affiliation.

(d) The members of the Task Force—

(1) shall be appointed within ninety days after the date of enactment of this Act; and

(2) shall be appointed for the life of the Task Force.

(e) One of the individuals appointed to the Task Force by the President shall be designated by the President as Chairperson of the Task Force. Such individual shall serve as Chairperson for the life of the Task Force.

(f) A vacancy on the Task Force shall be filled in the manner in which the original appointment was made.

(g) Thirteen members of the Task Force shall constitute a quorum, but a lesser number may hold hearings.

(h) The Task Force shall meet at the call of the Chairperson or whenever thirteen members present a petition to the Chairperson asking for a meeting of the Task Force.

DUTIES OF THE TASK FORCE

SEC. 2. (a) The Task Force shall study and evaluate—

(1) the taxation of real property by State and local governments;

(2) the effects of such taxation on middle income and fixed income taxpayers; and

(3) the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation.

(b) The study and evaluation described in subsection (a) shall include, but not be limited to, the following:

(1) An examination of means which would allow State and local governments to reduce real property taxes—

(A) through the waiver by the United States of the immunity of Federal instrumentalities to such taxes;

(B) through Federal grants-in-aid and loans to State and local governments to assist such governments in providing services which otherwise would be supported by real property taxes;

(C) through the utilization of other forms of taxation in place of real property taxation;

(D) through an analysis by State and local governments of their overall taxation policies and of ways to redistribute tax burdens; and

(E) through the consolidation of local political subdivisions and other taxing districts so that tax burdens may be equitably distributed.

(2) An analysis of the tax burdens of persons and organizations with respect to income produced by the real property owned by any such person or organization.

(3) An examination of means to reduce the real property taxes of fixed and middle income taxpayers and other individuals subject to heavy real property tax burdens—

(A) through the granting of Federal tax relief to such taxpayers;

(B) through the granting of exemptions from real property taxes to such taxpayers; and

(C) through the taxation of real property owned by persons and organizations presently exempt from such taxation, including State and local governments and charitable, nonprofit, educational, religious, humanitarian, and philanthropic organizations.

POWERS OF THE TASK FORCE

SEC. 3. (a) The Task Force, or, on the authorization of the Task Force, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, issue such subpenas requiring the attendance and testimony of witnesses, hold such hearings, take such testimony, receive such evidence, take such oaths, and sit and act at such times and places as the Task Force may deem appropriate and may administer oaths or affirmations to witnesses appearing before the Task Force or any subcommittee or members thereof.

(b) Subject to such rules and regulations as may be adopted by the Task Force, the Chairperson shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional personnel as he deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the executive director may not receive pay in excess of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of such title and any additional personnel may not receive pay in excess of the maximum annual rate of basic pay in effect for grade GS-15 of such General Schedule, and

(2) obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(c) The Task Force is authorized to negotiate and enter into contracts with organizations, institutions, and individuals to carry out such studies, surveys, or research and prepare such reports as the Task Force determines are necessary in order to carry out its duties.

COOPERATION OF OTHER FEDERAL AGENCIES

SEC. 4. (a) Each department, agency, and instrumentality of the Federal Government is authorized and directed to furnish to the Task Force, upon request made by the Chairperson, and to the extent permitted by law, such data, reports, and other information as the Task Force deems necessary to carry out its functions under this Act. All such requests shall be made by the Chairperson of the Task Force.

(b) The head of each department or agency of the Federal Government is authorized to provide to the Task Force such services as the Task Force requests on such basis, reimbursable and otherwise, as may be agreed between the department or agency and the Chairperson of the Task Force.

(c) The Task Force may accept, use, and dispose of any gift or donation of services or property.

(d) The Task Force may use the United States mails in the same manner and upon the same conditions as any other Federal agency.

(e) The Administrator of General Services shall provide to the Task Force on a reimbursable basis such administrative support services as the Task Force may request.

PAY AND TRAVEL EXPENSES

SEC. 5. (a) Except as provided in subsection (b), members of the Task Force shall serve without pay.

(b) While away from their homes or regular places of business in the performance of services for the Task Force, members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under subchapter I of chapter 57 of title 5, United States Code.

FINAL REPORT

SEC. 6. The Task Force shall transmit to the President and the Congress not later than the date one year after the first day on which all members of the Task Force have been appointed, a final report containing a detailed statement of the findings and conclusions of the Task Force, together with such recommendations as it deems advisable (including recommendations for legislation).

TERMINATION

SEC. 7. On the ninetieth day after the date of submission of its final report to the President, the Task Force shall cease to exist.●

INFLATION: QUESTIONS AND ANSWERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for January 24, 1979, into the CONGRESSIONAL RECORD:

INFLATION: QUESTIONS AND ANSWERS

These are some questions that Ninth District residents are asking about inflation:

What causes the inflation we are having today? There are several causes. Some of the present-day inflation can be traced to the 1960s when we failed to tax ourselves sufficiently to finance both the Vietnam War and the Great Society. Our "guns and butter" policy pushed unemployment down and set off a chain reaction of wage and price increases which we have never successfully controlled. Also important are the external economic shocks of the early 1970s. Steep rises in the price of foreign oil, heavy demand for raw materials in the industrialized nations, and poor crops in many regions of the world served to destabilize our economy even further. A more recent cause of inflation is the depreciation of the dollar, a direct effect of our huge trade deficit. Cheap dollars are inflationary because it takes more of them to purchase goods from abroad. Other factors behind inflation are government tax and regulatory policies which burden workers and businesses alike. An increase in the social security tax has held down the pay of workers while a minimum wage hike, large budget deficits, and many environmental regulations have added to the cost of doing business. Yet another recent contributor to inflation is the tight market for skilled labor. Wages are rising as firms bid for workers who have special abilities. Finally, the widespread assumption that inflation will continue is a self-fulfilling prophecy. Faced with the prospect of shrinking pay and profits, workers and businesses try to protect themselves with big wage demands and price increases. The result is more inflation.

Who is to blame for inflation? Most of us are persuaded that someone else is to blame for inflation. We tend to believe that inflation would disappear if others would exercise restraint. Businessmen say that inflation is due to labor and government; labor leaders think that the culprits are government and business; government officials criticize the actions of business and labor. In fact, each is about two-thirds right. The real villians are all of us and the nature of the society we live in. We want full employment with real increases in our incomes each year and a constantly improving standard of living. Inevitably, total demand for goods and services adds up to more than productivity and growth in the economy can provide. Inflation has become embedded in the tissue of the economy as a consequence of too many demands by too many people on too limited an amount of national wealth.

Why doesn't the old law of supply and demand curb inflation? The problem is that the economy no longer functions as we think it ought to. Neither wages nor prices fall when demand for goods and services slack-

ens. The fear of unemployment does not seem to hold down wages, and the fear of lost sales appears to have little effect on prices. Wages are for the most part no longer determined by the pressures of supply and demand, but rather by bargaining between powerful interest groups. Prices, too, especially in the highly regulated industries, exhibit little sensitivity to the pressures of supply and demand. Moreover, wage increases are justified by price increases, and vice versa. Insistence on higher wages and prices is understandable, even reasonable. Everyone is playing the "catch-up" game.

Can't we make the fight against inflation completely fair? Probably not, though we must try. A worker once said to me, "I support the fight against inflation, but only if it is fair to all." His position was sound, but in a complex and competitive economy it may be next to impossible to devise an anti-inflation program with no inequities whatever. That same worker asked me why he was expected to show restraint without any assurance that others would follow his example. The logic of his argument is hard to refute, but if no one is willing to take the first step then inflation will go on unabated. We cannot sit idly by until someone comes up with a perfectly fair anti-inflation program.

How important is the fight against inflation? The control of inflation has become the overriding imperative of government today. It is not just a worthy initiative designed to aid one group or another. Our country will suffer severely if we do not cut inflation down. The unchecked upward spiral of wages and prices threatens to destroy nearly everything we seek: a higher standard of living, more opportunities for ourselves and our families, and a more just society for all. In 1978 the voter sent every candidate a message: "Control inflation." This message must not be ignored. Because the political and economic penalties of inflation grow more intolerable every day, power will flow to those leaders who are successful in the fight against inflation.

How long will it take to wring inflation out of the economy? Inflation was long in coming, so several years may be required to get rid of it. Careful fiscal and monetary policies, combined with unceasing efforts to reduce government inefficiency and encourage competition in the private sector, are absolutely indispensable. There is no "quick-fix" solution to the problem of inflation, and we should not hope for any dramatic improvement. However, small gains each year will add up over time.●

A BILL TO ENCOURAGE MEDICAL SCHOOLS TO TEACH SPECIALIZED TREATMENT OF THE RETARDED

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GILMAN. Mr. Speaker, I am introducing today legislation to amend the Health Manpower Act to include in the list of existing grants offered, a grant program to encourage medical schools to train personnel in the care of the mentally retarded. This is a specialty which is sorely lacking in our medical institutions and which, if developed, would allow the medical profession the freedom and capacity to treat the retarded and provide quality health care for the standard 6 million retarded citizens of our Nation.

Medical training institutions are producing a high caliber medical professional and there are substantial efforts to encourage our medical personnel to view medicine as a humanitarian venture, and to expose doctors to an interdisciplinary approach to treatment. The Health Manpower Act lists several fields which are important and timely, and in which medical schools should and can invest time and effort to insure that doctors are receiving a "well-rounded" approach to medical education. Several populations have been pointed out as needing special attention, and the list of available grants includes grants for the study of geriatric medicine, of medicine pertaining to women and minority groups. The addition of specialty training for the treatment of the retarded will enable physicians and other health personnel to become more sensitive to the needs and problems of the retarded of this Nation, the only disabilities group that cannot speak for themselves.

The President's committee on Mental Retardation, a standing committee created by Executive order 12 years ago, stated on several occasions that the retarded are underserved by the medical community, and recommendations have been made by that committee to encourage improved health care for the retarded. In its annual report entitled "MR 76: Mental Retardation Past and Present," the President's committee stated:

> Persons with mental retardation must be served in all health care systems, both medical and dental, available to the general public. To reach all persons in need, a more equitable distribution of health manpower and resources must be developed. Medical, communication and transportation technologies must be more broadly exploited.

In another recommendation pertaining to education opportunities open to individuals working with the retarded, the President's committee states:

> Education for health-related careers should include training in the following areas:
>
> Consumer participation and social problems;
>
> Interdisciplinary team collaboration in patient care;
>
> Administration of multi-disciplinary service programs;
>
> Preventive and public health aspects of all health specialties in relation to problems of mental retardation and developmental disabilities.

The retarded have the right to quality medical care and it is a sad commentary on the state of this Nation's medical care when the retarded are glanced over and are not afforded adequate care. Parents of the retarded have informed me that doctors willing to treat their children are few and far between; that doctors oftentimes cannot communicate with the patients seeking help and that many times quality medical care is available only in private schools and institutions which are too expensive for most parents to afford. With the emphasis on deinstitutionalization, too, the retarded are being gradually "mainstreamed" into our society. Their rights are equal to those of others who are living in, and contributing to society.

The Congress has been receptive to the needs of our handicapped population, but there are still many avenues which should and must be explored. I believe that if we provided incentives to medical schools, in the form of grants, many of them would meet the challenge that the retarded present and the quality of health care available to our retarded would increase.

Under this grant program, medical schools have the option of adjusting their curriculums to reflect the movement toward equalization among the retarded and other populations. Grants will allow the medical schools to directly include the treatment of the retarded in their medical course, or it will encourage the interdisciplinary approach to this field, by enabling medical schools to call in experts in the field of retardation midcourse, or modify their curriculums in such a way as to allow for greater communication between departments and disciplines. Many medical schools do not have the personnel or time to devote to the treatment of retardation. For those schools, grants will provide an incentive to pull together many of the diverse resources presently available.

Curriculums can be modified to include in the course of study information for the physician relating to the special problems of the retarded and developmentally disabled. For instance, in a course of basic biochemistry, health personnel could give special attention to hereditary chemical metabolic imbalances which directly relate to retardation and developmental disabilities, and during the study of neurological disorders, the problems of cerebral palsy might be emphasized. Dental students could learn how to treat the retarded patient who cannot communicate pain and who might not be able to care for his own dental needs. Ethical and legal approaches to the question of retardation and disability could be stressed during the course of study, and the management of developmental disabilities and retardation could be seen as an ongoing process which ties in many of the basic skills learned in medical schools. More emphasis must be placed on the community's role in serving the disabled, and through a medical course on community participation and medicine, students might learn how to deal productively with resources that exist within a given community which would improve the well-being of the disabled individual.

Attitudinal aspects of retardation and disability must be taught from the beginning of a student's career, and an emphasis should be placed on restructuring attitudes to reflect deep concern with the unique needs of the handicapped. Psychosocial aspects of retardation and disability may be taught in psychology courses, and through exposure to the retarded will certainly enhance any physician's approach to humanistic medicine.

Presently, many medical schools have the privilege of access to UAF's—University Affiliated Facilities. UAF's provide teamwork training on a practical level, and were created by Public Law 88-164 when the legislation called for the establishment of:

> Clinical facilities providing clinical training of physicians and other specialized personnel," and "a full range of inpatient and outpatient services for the mentally retarded" which would "aid in demonstrating provision of a specialized service for the diagnosis and treatment, education, training or care of the mentally retarded."

These UAF's encourage multidisciplinary approaches to health personnel in that they provide coordination between universities and the communities in which the UAF exists. This working relationship allows for an exchange of ideas through the inclusion of several aspects of the health field: Social work, clinical psychology, and field work. Yet, I have learned that not all of these 39 UAF's now in existence have any input into the medical school curricula, and that slightly more than half of the UAFs contribute resources in the teaching of developmental disabilities in the universities. Clearly more must be done.

Medical schools have come a long way since the past two decades during which educational facilities viewed retardation with disdain and hopelessness. The President's committee report points out that:

> Textbooks in psychology dismissed it (retardation) with a few paragraphs under "Abnormal Psychology" describing the general gradations and the hopelessness of the condition. Pediatricians, in their training, learned that the defective are condemned to helplessness and that the kindest treatment was to urge parents to place their child in institutional care, dismiss it from their lives, and turn to the future production of healthy children.

Last year, the Washington Post carried an article on the horrible situation in some New York State hospitals. Retarded patients have been overtranquilized, resulting in several deaths specifically linked to tranquilizers. The medical examiner from Rockland County, N.Y., stated that this tranquilization of the retarded has "contributed to countless deaths by deadening nervous reactions that would otherwise serve as a warning," and that "discussions with colleagues indicated that such deaths occur nationwide." This is shocking news; and yet, if the medical profession is allowed to remain in the dark about the treatment of the retarded and developmentally disabled, these instances will continue to occur.

Researchers are attempting to determine the causes of mental retardation, and are examining preventative measures in this regard. But there are many unanswered questions which require careful studies and which may take years to answer. Retardation, at present, is a fact of life, and it is wise to accept the fact that many of our citizens are retarded and that they require special attention. We cannot afford to ignore their needs. The legislation that I am introducing today addresses an issue which will improve the quality of life for all of our retarded.

Accordingly, I urge my colleagues to join with me in seeking to improve the medical care for our retarded.

Mr. Speaker, I am submitting at this point in the RECORD, for my colleagues' review, a copy of this legislation:

H.R. —

A bill to amend the Public Health Service Act to authorize financial assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (d) of section 788 of the Public Health Service Act is amended (1) by striking out "and" at the end of paragraph (20), (2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof "; and", and (3) by adding after paragraph (21) the following:

"(22) projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded.".

(b) Subsection (e)(1) of such section is amended by adding at the end the following: "For the fiscal year ending September 30, 1980, there are authorized to be appropriated such sums as may be necessary for grants and contracts under subsection (d) for projects and programs described in paragraph (22) of such subsection.".●

ATLANTIC COUNTY MIDDLE MANAGEMENT SEMINARS FOR EDUCATORS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HUGHES. Mr. Speaker, the educational community of Atlantic County, N.J., has undertaken an innovative program of great benefit to the public schools of New Jersey. I feel that this program merits wide attention.

Vincent P. Cantillion, the Atlantic County superintendent of schools, with the assistance of his dedicated staff and the guidance of an advisory committee, initiated the first middle management leadership seminar for public schools. Representatives from 87 schools in 25 school districts have already attended or will attend the seminars which began in September 1978 and will continue through May 1979.

The development of the management team concept is exeplored in an in-depth fashion through discussions of human relations, communications, management, finance, personnel administration, and the role of the high school principal in the school setting and the community at large.

The seminars are held at Stockton State College and have received wide support from educators in the tristate area.

Many individuals played important roles in developing the basic format of the seminar series but it could not have been successfully arranged without the help of Dr. Robert G. Scanlon, executive director of research for Better Schools, Inc., and his associate, Dr. James I. Mason, the director of educational services. I would also like to bring to my colleagues' attention the names of the following individuals who served on the program's project advisory committee. They are:

Vincent P. Cantillion, Judith A. Davis, Clark Donlin, Marjorie H. Jones, DeEdwin Hursey, Joseph P. Conroy, Jack Eisenstein, Arthur Rainear, James I. Mason, Hurley Hanley.

Joseph Cudemo, James A. Moran, Henry Miller, Emory Kless, Harold Bills, John Reed, James Field, Johnson Harmon, Ronald Lukas, David Lloyd.

Donald Marrandino, Sheila Perugini, Gerald Toscano, Louis Della Barca, Burton Newman, Ralph Schlavo, Ronald Bonner, Joseph Pino.

The organizers of the seminar series believe that changes are imperative in school procedures and their thoughts are shared by the New Jersey commissioner of education, Dr. Fred Burke, who has decided to repeat the seminars across the State.

In this era of growing complexity in all our public institutions, it is heartening that the middle management leadership seminars have been established to help New Jersey's educators keep up with changing times. In the end, both educators and students will benefit and I believe that this experiment will serve as a guide to educators across the country as they learn new ways of providing our youngsters with more meaningful learning experiences.●

TRIBUTE TO JOHN McLEOD

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to take this opportunity to pay tribute to a man who has served his community, educating young people, for almost three decades.

John McLeod, principal of Carl Brablec High School in Roseville, Mich., will be retiring at the end of the month. He has served as principal at Brablec for the last 10 years and served in the Roseville community school system for a total of 29 years.

A community can place no greater faith in an individual than to entrust him with their children. John has upheld that faith, not only educating but caring for thousands of Roseville students over the years.

John's career in education has been one of notable achievement. Beginning in 1950 as an English and social studies teacher, he advanced to become an elementary school principal, superintendent, assistant principal and ultimately, principal at Brablec.

As a teacher and educator, John also knew what it was like to be a student. A graduate of Eastland High School in Roseville, John went on to complete a B.A. and M.A. and is still pursuing his education, working on an advanced degree.

Along the way, John served in the Army, worked in an automobile factory, tool and die shop, and operated a small business.

A family man with a wife and five daughters, John approached his community life with the same zeal that he brought to his educational responsibilities. As a member of the Roseville Rotary, Roseville Goodfellows, South Macomb YMCA Board, and the Erin Presbyterian Church, John McLeod left a mark on his community that will not be soon forgotten.

Mr. Speaker, the 12th Congressional District of Michigan has been fortunate in having John McLeod as one of its community leaders over the past three decades. Therefore, on behalf of my colleagues, I want to formally recognize the contribution of John McLeod, a man of character, ability, and dedication and wish him a pleasant and fulfilling retirement.●

ROY M. DOPP, JR.—A GUIDING GENIUS OF MANAGEMENT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mrs. SPELLMAN. Mr. Speaker, the distinguished Canadian statesman, W. L. MacKenzie King, once commented that:

> Labor can do nothing without capital, capital nothing without labor and neither labor nor capital can do anything without the guiding genius of management.

I take the floor today, Mr. Speaker, to draw my colleagues' attention to one whose own guiding genius of management has been an indispensable ingredient—indeed an inspiration—to my district's business community for more than two decades.

I speak of Mr. Roy M. Dopp, Jr., a resident of Laurel, Md., whom I have known and worked closely with in several capacities down through the years. On Friday, January 26, 1979, I will be present when Roy presides over his last official meeting as chairman of the board of the Laurel Area Chamber of Commerce.

I will be honored to be there, Mr. Speaker, because I know of the many fine things the Laurel chamber has done, the way it has grown and the progress it has made under Roy's guiding influence. I will be honored because I know that the Laurel chamber has become in recent years one of the most influential organizations in the Washington-Baltimore corridor. I will be honored because I know how the Laurel chamber has been recognized as one of the most involved organizations in the area of landlord-tenant affairs. I will be honored because I know how much of this might not have happened had it not been for Roy Dopp.

Of course, Roy's considerable talents have not been applied just to the Laurel chamber, although he has been an officer of that organization for more than half a dozen years.

A native of Des Moines, Iowa, Roy has been a gifted manager for New York Life and several real estate investment and development firms since being graduated from Grandview College in his hometown in 1949. He came to the Washington area in 1958 and currently is a senior property manager for Dreyfuss Bros., Corp. overseeing several large properties while also handling other key assignments.

Roy also served with the 2d Armored Division in Germany in the 1950s, is active in the Lion's and Rotary Clubs and serves in many other business, civic and church organizations in suburban Maryland.

Mr. Speaker, I know my colleagues will want to join me in recognizing the many fine achievements of this most capable and respected member of my community. I know, too, they will want to join me in wishing him well in all his future endeavors. And most of all, Mr. Speaker, I know they will want to join me in offering my heartfelt thanks to Roy M. Dopp, Jr. for allowing so many others to benefit from his greatest gift, his guiding genius of management.●

EXPOSING OF MALEFACTIONS IN OFFICE

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. ROBERTS. Mr. Speaker, there has been a great deal of newspaper ink devoted to the so-called bloated bureaucracy and malfeasance in office. I applaud the press for exposing malefactions by public officials. I also commend it for keeping the matter in perspective by praising those to whom praise is due.

One of the finest group of employees our Government can boast works in the Veterans Administration Regional Office in Waco, Tex. They are led by a man whose acumen and leadership qualities have been recognized again and again—Jack Coker.

That Mr. Coker was singled out for praise by the Waco Tribune-Herald honors all the VA employees and the newspaper itself. I request that the article be printed in the RECORD.

The article follows:

VETERANS AND THEIR SERVANTS HONORED

Most Americans, we believe, approve the restoration of Nov. 11 as Veterans Day for official national recognition to the men and women who served in all the wars of this century. This anniversary of the ending of World War I in 1918, it seems to us, carries a penetrating message across the years: even total armed victory is no assurance of permanent safety. This message was underscored in World War II and again and again since then. Only vigilance and self-sacrifice can preserve a nation against outside enemies. All honor to the men and women who gave of themselves in the name of freedom on the high seas and on the far-flung battlefields starting in 1916 and continuing ever since.

While we honor the service of those men and women, we in Waco may salute as well those who serve their postwar needs, the men and women who staff the Veterans Administration regional office and hospital here. Accountable to a veterans population of 910,000 ex-service personnel in 164 Texas counties, the VA regional office has earned so many repeated honors for excellence that their work is nationally famous.

Starting with Regional VA Director Jack Coker, the list of awards in 1978 to VA regional office workers would fill a book. Coker was accorded by VA Administrator Max Cleland the Administrators Award for Executive Leadership, one of six persons nationwide so recognized this year. All the service organizations have added to the official commendations to this office here in Waco for the help given by its workers to veterans across Texas from Texarkana to El Paso and from Amarillo to Austin. While the regional office is ninth largest in the nation, it ranks as No. 1 in economy and efficiency, the only one of the 54 nationwide to take top honors in all categories of evaluation.

Nor do the VA regional staff members confine their service solely to veterans. Through United Way, through the blood center, through U.S. savings bond promotions, they continue to stand at the top of extra achievement on behalf of this community.

Theirs is a record of unselfishness that stands as an example to all of us in private and public life and Veterans Day is an appropriate time to say so.●

EXTENDING EDUCATIONAL BENEFITS TO OUR DESERVING VETERANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GILMAN. Mr. Speaker, today I am introducing legislation designed to extend the educational benefits presently available to our Nation's veterans. The bill would extend educational assistance beyond the 10-year period now designated by Public Law 93-337.

The package I am proposing includes the following provisions:

First. Entitling a veteran who has served 18 months or more of active duty to 54 months of educational assistance;

Second. Eliminating the time limitation for completing a particular program of studies; and

Third. Extending the eligibility for these benefits to the veterans' of World War II, the Korean and Vietnam conflicts whose benefits have terminated before the enactment of this legislation.

Mr. Speaker, the imposition of these arbitrary deadlines for utilizing educational benefits is in direct opposition to what our veterans' policy should be. These brave individuals who have contributed so much to our Nation ought to have the chance to complete their educations without the additional burdens of time. Many of our veterans have delayed the continuation of their educations for various reasons: to raise a family, to earn extra money—which we know is necessary now with the ever-spiralling inflation rate—or for unforeseen reasons over which the veteran has had no control.

Adoption of this measure would allow our veterans to meet their educational expectations without the fear of forfeiting benefits due to a change in circumstance, and would allow the veterans to enjoy their rightful status as first-class citizens, a status which, unfortunately has been lacking in the last several years.

Mr. Speaker, it is not too late to grant

our veterans the benefits which are deserved and oftentimes expected. We cannot afford to lose the valuable potential and loyalty which our Nation's soldiers have so willingly given.

I urge my colleagues to support this measure, and ask that the full text of the legislation be inserted at this point in the RECORD.

H.R. —

A bill to amend title 38, United States Code, in order to entitle veterans to fifty-four months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 34 of title 38, United States Code, is amended—

(1) by amending the second sentence of section 1661(a) to read as follows: "If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 54 months (or the equivalent thereof in part-time educational assistance).";

(2) by amending section 1661(c) to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 54 months.";

(3) by amending section 1662 to read as follows:

"§ 1662. Entitlement available until used

"Any entitlement to educational assistance under this chapter shall remain available to the veteran until such time as it is used."; and

(4) by amending the table of sections thereof by striking out

"1664. Time limitations for completing a program of education."

and inserting in lieu thereof

"1664. Entitlement available until used.".

SEC. 2. Section 1795 of title 38, United States Code, is amended by striking out "forty-eight months" and inserting "54 months".

SEC. 3. Notwithstanding any provisions of title 38, United States Code, or any other law, eligibility for educational assistance under chapter 34 of such title is hereby granted to any veteran of World War II, the Korean conflict, or the Vietnam era who—

(1) was entitled to educational assistance under any law administered by the Veterans' Administration as a result of active service during such war, conflict, or era; and

(2) whose entitlement thereto terminated before the date of the enactment of this Act without the veteran concerned availing himself, to or only in part using, any such assistance.

(b) The number of months of entitlement to educational assistance which is granted to any veteran under subsection (a) of this section, which number shall be determined by the Administrator of Veterans' Affairs, shall be as nearly as possible equivalent to the entitlement to education assistance to which such veteran was entitled at the time such previous entitlement terminated.

(c) The Administrator of Veterans' Affairs shall prescribe such regulations as are necessary and appropriate to carry out this section.●

REDUCING THE HEAT

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. YOUNG of Florida. Mr. Speaker, yesterday's edition of my hometown newspaper the St. Petersburg Times carried an editorial which makes the point that the real issue behind this year's budget is inflation. Although the Times editorial board and I disagree at times over issues before the Congress, we could not agree more that the American people expect this Congress to act in a fiscally responsible manner in an effort to cool the fires of inflation. The Sixth District of Florida which I am privileged to represent is particularly hard hit by inflation, because of its wealth of older Americans and it is gratifying to see the newspaper which serves that area to join in the fight to curb the Federal budget. I respectfully submit the Times editorial for the RECORD:

REDUCING THE HEAT

President Carter's new budget has been "cut" by $16 billion. Yet it is "up" by $39 billion. And that extradiction points up as well as anything why Carter had to do what he did.

It's mostly a matter of inflation. If government programs were to be continued unchanged in the new fiscal year, outlays would climb to $548 billion. As modestly pared by President Carter, these programs will cost $532 billion.

But that spending figure, trimmed or not, compares with total outlays this year of only $493 billion. Did we say "only"? Well, it's all relative. Each year's budget is the biggest one yet. And the lesson is that government spending, even when cut, continues to rise.

That is what Carter is worried about.

And if he has read the public temper correctly, as we think he has, that is what the average American also is worried about: inflation, the fact that less costs steadily more, and with no end to the spiral in sight.

As Carter points out, deficit spending by the federal government is one big factor in this continued decline of the dollar. Every year except one for the past couple of decades the U.S. government has spent billions of dollars more than it collected in taxes.

The rest was borrowed, and the national debt has continued to soar. And Carter said that despite his economy efforts, that debt will climb from $789-billion (last week) to $889-billion next year.

Interest payments alone by then will be running $57-billion a year. Taxpayers except for those holding some of those government bonds, notes and bills, get nothing for this except more inflation.

Just three years ago the government ran in the red by $66-billion. So when Carter proposes to hold deficit spending next year to a mere $29-billion, with the aim of cutting it further the following year and eventually starting to make payments on the national debt, you might think everybody would cheer.

Of course that isn't the way it works. Even before Congress had read it, Carter's spending plan for the new year was under attack. Liberals said he had cut dangerously deep. Conservatives said he hadn't touched most of the fat.

Obviously judgments will differ about some of his specific proposals. It is a fact he has trimmed (or reduced projected increases in) spending for most purely domestic programs. At the same time, he has increased funds for defense to offset inflation and finance a small actual increase in arms spending.

That disparity will be hard to swallow for many members of Congress. It is for us too. If there is waste and heedless spending in the government's nonmilitary programs, few would deny there is even more of it in the armed forces.

Carter's contention is that he has taken that into account, and is imposing the same belt-tightening rules on the Pentagon as on other government agencies. The extra money, he says, is for expensive hardware, like a new missile that can be moved around—whether by land, sea or air is not yet determined—from one launching site to another.

He includes in his budget $935-million to get started developing this mobile missile, estimated to cost $30-billion or more in the end. Our hope is that Congress will consider delaying that start, at least until the military has made up its mind how the system will work.

As for the President's proposed cuts in domestic programs, each of those of course also should be examined closely by Congress. Certainly Carter will be found to have made some misjudgments, which Congress will want to correct.

On the other hand, it shouldn't rush into that.

Right or wrong on some of the details, Carter is dead right on the issue. The issue, as he says, is burning inflation. Obviously the government can't shut off the stove and abandon the kitchen. But the smart thing to do is to turn down the heat.●

CLARA LOUISE OSTOICH—1979 SAN PEDRO CITIZEN OF THE YEAR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. ANDERSON of California. Mr. Speaker, on January 25, 1979, the San Pedro Lion's Club will honor one of the most respected and admired residents of my home district in the California South Bay area. On that day, the Community Recognition Award will be added to the numerous awards that Clara Louise Ostoich has received for her contributions to the betterment of our community.

It is indeed remarkable to consider how greatly involved this woman has been in community affairs. Her constant concern for the well-being of San Pedro and its citizens is expressed well by the long list of organizations which have received the benefit of her work. This model of citizenship is something I would like to share with you today.

Mrs. Ostoich has been very active on the Salvation Army Advisory Committee, a body which she has chaired for the last 2 years. With the group, she founded the Salvation Army's annual beef dinner, a popular and profitable affair for the organization. She is currently organizing a local Salvation Army Women's Auxiliary, a club she will lead as its chapter president.

The San Pedro Peninsula Hospital Citizens Committee has also benefited from her activism. Just recently, she helped conduct a very successful fundraiser for the committee's kidney dialysis program.

As a long time owner of her flower shop on Weymouth Avenue, Ostoich mixed philanthropy with business. It is well-known throughout the community that her shop, Clara's for Flowers, could be depended on when civic and charitable organizations were in need of floral arrangements, plants or other decorations for special events.

She belongs to the San Pedro Woman's Club, the San Pedro Garden Club, and the San Pedro Concert Association. The San Pedro Chamber of Commerce Women's Division grew under her leadership while she was its first vice president. She is an active supporter of the Toberman Settlement House.

Throughout the entire year, she shows her devotion to community service. At Christmas time, she helps the San Pedro Chamber of Commerce and Community Development prepare and serve dinners to underprivileged children.

Her selflessness dedication to others has won her wide recognition. Last year, she was nominated as the woman of the year by the California Women in Chambers of Commerce. An outstanding citizen award was given to her in 1970 by the San Pedro High School Parents and Teachers Association.

She has also won the San Pedro Boy's Club Golden Boy Award and the Woman of Achievement honor from the San Pedro Business and Professional Women's Club. In 1974 she was given the Fidelity Award for outstanding community service by the Fidelity Federal Savings and Loan Association.

I am very proud of the great spirit of involvement that exists throughout my home district. I am especially proud to give recognition to one person who symbolizes this special trait.

My wife, Lee, joins me in congratulating Clara Ostoich as she receives this citizen of the year honor. We are fortunate to share a fond friendship that goes back to the years when her late husband, Anthony, established a reputation as an outstanding community worker. All her past accomplishments will be long remembered and will serve as pleasant reminders that the San Pedro community can expect the Ostoich tradition of service to continue for many more years.●

PROTECTION AGAINST UNWARRANTED SEARCHES

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GUDGER. Mr. Speaker, today we are introducing a bill entitled the "Third Party Search Protection Act of 1979"; this bill is identical to a bill bearing a similar name introduced by us on August 2, 1978 shortly after the Supreme Court rendered its decision in Zurcher against Stanford University Daily but not in time to be acted upon by the 95th Congress. This bill is cosponsored again by Representatives PREYER, ANDREWS of North Carolina, NEAL, WHITLEY HEFNER, EVANS of Georgia, HALL of Texas, and HOLTZMAN. This bill is distinguishable from others, introductions prompted by the Zurcher case, in that it is designed to protect the private citizen as well as members of the press from arbitrary search and seizure of documents or other objects when the search victim is not accused of crime or complicity in any criminal activity.

The background leading to the need for legislation of this nature, in brief, is this:

In 1971, the Stanford University campus newspaper published photographs of a demonstration and clash between student protestors and police in which several police officers were allegedly assaulted.

The next day, the county district attorney secured a warrant for an immediate search of the newspaper offices and files which was carried out by four policemen. No qualifying evidence was found in the broadside sifting out of the accumulated photographs, films, negatives, and office files located in the offices of the Stanford University Daily.

The newspaper (and its staff) went to court and won a ruling that the 4th and 14th amendments forbid the issuance of a search warrant when persons in possession of the object or objects sought are not suspected of having committed a crime, unless there is probable cause to believe that a subpena would be impracticable. The court also ruled that, when the object of the search is a newspaper, the first amendment limits governmental power to search to only those cases where there is a clear showing that important materials would be destroyed or where a restraining order would be futile.

In the appeal to the Supreme Court, the lower court was reversed. The May 31, 1978 decision stated that search warrants are aimed not at people, but at things believed to be in certain places, thus making it irrelevant whether any third party involved was suspected of having committed a crime. Any first amendment rights that might be at issue would be protected by applying the reasonableness requirements of the fourth amendment with "scrupulous exactitude."

The majority opinion pointed out that Congress has the power to alter the effects of the decision through its legislative process.

Justice White wrote:

> The Fourth Amendment does not prevent or advise against legislative or executive efforts to establish nonconstitutional protections against possible abuses of the search warrant procedures. . . .

Our friends in the press feel strongly that legislative action is necessary. I agree. The impact of the Supreme Court's decision is not limited to newspapers or radio or television stations.

The Court's view of when and under what circumstances a search may be conducted means that any could be the object of search whenever a judge can be convinced—whether rightly or wrongly—that a search is necessary. This means doctors, lawyers, accountants, anybody.

It takes little imagination to see that, had the Zurcher case ruling been handed down a few years earlier, a friendly judge at that time could have issued a warrant which would have allowed the rifling of Daniel Ellsberg's files in a psychiatrist's office without resorting to burglary. Even the Democratic National Committee at Watergate could have been thoroughly searched under a similar process involving a cooperative judge and an aggressive police officer.

To guard against such happenings, we are proposing in the bill, being introduced today, to restrict the issuance of search warrants without prior use of subpena, including notice of hearing in cases involving property in the possession of third parties.

The only time such warrants could be issued would be when "there is probable cause to believe that the individual whose person or property is to be searched for or seized has committed or is committing a criminal offense" or, if an innocent holder, that he will destroy the records if the search warrant is not used.

This, I think, will protect the first amendment rights of the press and the fourth amendment rights of all persons, while addressing the points raised by the Supreme Court.●

LET THEM DRINK COKE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. McDONALD. Mr. Speaker, in spite of the administration euphoria painted about the benefits to flow to the United States from its recognition of Red China, a realistic note was injected the other day when 100 angry Chinese peasants showed up in Peking to demand food and human rights. They said they wanted human rights for the rural areas of China. Unfortunately, the photo showing the grim, gaunt faces and the ragged clothing cannot be shown in the CONGRESSIONAL RECORD. These people did not even have the price of their next meal. This is the face of China our American visitors seldom see. Communism has kept China poor, miserable, and backward. Nigel Wade reported from Peking the next day that there are about 1,000 open dissidents in Red China at present, but as anyone familiar with Communist regimes knows, these can be silenced overnight. In the meantime, perhaps they can all drink Coke while waiting for conditions to improve. I commend the story from the Daily Telegraph of London for January 15, 1979 to the attention of my colleagues.

PEASANTS' PEKING PLEA FOR FOOD

(By Nigel Wade)

About 100 angry Chinese peasants shouting for food and human rights demonstrated yesterday outside the Peking compound where Chinese leaders live.

Men and women in threadbare padded clothes shook grimy fists in the air and chanted: "We want democracy, we want human rights."

They tried to present a petition urging that human rights guarantees be written into China's constitution but soldiers guarding the compound apparently refused to accept it.

A ragged man carrying a crippled woman on his back led the peasants on a two-hour march through the centre of Peking before arriving at the compound gate.

Many of the demonstrators carried bundles of possessions tied up in cloth and said they had no money or place to sleep. They had come to the capital to protest about conditions in their rural areas and were determined to make the nation's leaders listen.

BITTERLY COLD

They called repeatedly for Vice-Premier Teng Hsiao-ping as they stood outside the elaborate, red-columned entrance to the Chungnanhai leadership compound. After four hours standing in the bitterly cold evening air many were still waiting for their demands to be heard.

Teng has said that the masses should be allowed to express their anger and voice opinions freely, even if they are not always correct.

One 62-year-old man, who said he had walked and hitch-hiked 600 miles from coastal Kiangsu Province, unbottoned five layers of clothing to show foreign journalists the worn-out cotton garments he was wearing.

The innermost layer was completely in shreds and he tore off a strip to show how rotten it was.

The man said he was a factory worker in a city until the widespread famine of 1962 when he was sent back to his ancestral village where he had been a farm worker ever since.

The food ration in the village was one lb of rice or steamed bread per person per day with very few vegetables and rarely any meat.

He wept as he opened his wallet to show that he had no money but said he would stay in Peking as long as he could to make further protests.

The peasants drew a following of several hundred onlookers as they marched across the Square of Heavenly Peace towards Chungnanhai.●

ZEALOUSNESS OR IDIOCY?

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, for the past 2 years, Congress has been grappling with the Alaska lands issue. Many of our colleagues have taken the floor to ask that we "save" Alaska, and have warned us of the "bulldozers waiting on the border" of my State. Unfortunately, this has left many people with the idea that the Alaska lands issue is simply one of parks versus development, and they have, therefore, ignored a much more crucial issue: The promise made to the State of Alaska by the Congress of the United States.

In 1959, when Alaska became a State, we were promised 105 million acres of land as an economic base. We were told that we could select that land almost anywhere we wanted. In order to meet this obligation, the people of Alaska took a long and careful look at the land available and tried to make their decisions on the best available knowledge. Even when the Alaska Native Claims Settlement Act was passed in 1971, granting first preference to the original inhabitants of Alaska and their descendants, the State was careful that selections were made wisely, in the best interests of the people of Alaska. Now however, we are being prevented from choosing what was given to us by a mandate of Congress. By using the Antiquities Act and the Federal Land Policy and Management Act, the administration has put land off limits. Further, our colleague from Arizona (Mr. UDALL) has introduced legislation that would once and for all prevent the people of Alaska from obtaining what was given to them. As I said during the debate on H.R. 39 last year, Congress is saying "Alaska, we did not really mean it."

It might be said that, because I was not a Member of this distinguished body when the Alaska Statehood Act was passed, I have no right to claim that a promise was in fact made. I, therefore, would like to bring to your attention the enclosed letter from our former colleague, the Honorable Leo O'Brien, whose name appeared on that act. He asks a very simple question:

> Can it be they regard Alaska as so remote from the political concern of their constituents that it can be treated as a toy and its Statehood Act as a scrap of paper?

We will have an opportunity in this Congress to pass a bill which meets both this promise and the national interest. I favor passage of such a bill. However, I will not, and cannot support ill-conceived legislation that breaks a solemn promise made to the people of Alaska by this body.

I am enclosing the letter in the RECORD in its entirety:

READER'S VIEWS: ZEALOUSNESS OR IDIOCY?

To the Editor: As author and floor manager of the bill which made Alaska the 49th state 20 years ago next January 3, may I congratulate you on your recent fine editorial titled "Throwing Alaska to the Wolves."

It took courage and insight to challenge the claim that opponents of the 100-million acre Alaskan land grab are motivated by greed and a callous disregard for the beauty of unspoiled nature.

When a good cause, such as proper environmental control, is taken over by extremists, zealousness sometimes skids into idiocy.

Since leaving Congress a dozen years ago, I have refrained carefully from Monday morning quarter-backing, but, because the Alaska statehood bill does bear my name, and because I fought very hard for its enactment, I am compelled to note that there are some in Washington who seek to treat Alaska, even after two decades, as a possession rather than as a sovereign state. Can it be they regard Alaska as so remote from the political concern of their constituents that it can be treated as a toy and its statehood act as a scrap of paper?

The statehood bill gave Alaska the right to select 104 million acres of federal lands, with certain areas distinctly marked off-limits. The new state was allowed 20 years to make its selections but it has been balked repeatedly by federal bureaucratic delays. Now the bureaucrats seek to break faith further by placing an additional 100 million acres off-limits.

The bill on statehood reported from the Committee on Territorial and Insular Affairs would have authorized the 49th state to choose 200 million acres of federal land. I agreed to an amendment on the House floor slashing that total by 96 million acres because I felt we had to make some concessions to win a handful of votes sorely needed for passage.

The do-gooders and the bureaucrats will say that the statehood bill was only a bill and that any bill can be amended in later years. Nonsense! The statehood bill was a solemn pledge by Congress to the new state. Some may have forgotten that we wrote into the statehood bill a provision that it would not take effect unless approved by a majority of the Alaskan voters. They did approve, overwhelmingly, and that means the current shenanigans in Washington not only would break a congressional pledge, but shatter a pact with the people of Alaska.

It is significant that the main spokesman for the forever wild forces in Washington 20 years ago testified before my committee that he was opposed to statehood. He said that leaders of Alaska were too immature. What he really meant was that he and his followers would have more trouble pushing around a sovereign state than a territory ruled by the Department of the Interior. How right he was!

Let us not forget that some of the extremists now seeking the rape of Alaska delayed for years the flow of vitally needed oil from the Great Land.

What about the stake of the American public in this controversy? How much benefit will accrue to the average family in New York, Pennsyvania, Ohio, or any of the 50 states if 100 million acres in Alaska are transformed into a wilderness? I suggest that not one in 10,000 Americans will ever trudge through those trailless lands. I suggest that we will be setting aside an area as large as California and as rugged as Siberia for an American squirearchy.

It would be nice if the John Denvers et al could count on a million acres apiece to get away from sordid money-making now and then. But do they need an area 35 times larger than the Adirondack Forest Preserve?

The Congress and the President, plus the Department of the Interior and those who place the need of man behind the howls of wolves, may feel no compunction about faith-breaking with Alaska. But as one who had a role in the pledge of two decades ago, I want no part of it.

LEO W. O'BRIEN.

ALBANY.●

THE IRS AND PRIVATE SCHOOLS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. MICHEL. Mr. Speaker, there has been much comment about the Internal Revenue Service's proposed revenue procedure on private tax-exempt schools. I have received mail from constituents protesting what they are convinced is an unwarranted intrusion of the Federal Government into religious education. I share with them the belief that this IRS proposal is yet another example of the kind of bureaucratic insensitivity, ignorance, and arrogance that has led to the tax rebellion of recent years.

One of the most cogent and compelling criticisms of the IRS proposals I have yet read is a statement submitted by the National Legal Center for the Public Interest to the Internal Revenue Service concerning this proposal.

At this point I insert this statement in the RECORD:

STATEMENT BY THE NATIONAL LEGAL CENTER FOR THE PUBLIC INTEREST ON THE PROPOSED REVENUE PROCEDURE ON PRIVATE TAX-EXEMPT SCHOOLS

The National Legal Center for the Public Interest is a nonprofit public interest law

firm with supporters and contributors in all walks of life throughout the United States. On behalf of the public interest we present the following comments on the "Proposed Revenue Procedure on Private Tax-Exempt Schools", published by the Internal Revenue Service in the Federal Register for August 22, 1978.

(1) We interpose no objection to the proposed treatment of "adjudicated" schools. Any school which, after opportunity to be heard in its own defense, is found to be racially discriminatory by a final judgment of a court or agency of competent jurisdiction should not be entitled to tax-exemption under Section 501 (c)(3) of the Internal Revenue Code. Our comments rather, are directed against the treatment of the newly created category of "reviewable" schools which we find to be both highly arbitrary as a matter of policy and extremely dubious as a matter of law.

(2) Before turning to a detailed discussion of the legal implications of the proposed procedure, we think a few general comments are in order. Quite apart from debate on the merits, it seems to be generally agreed that the proposed procedure constitutes a significant expansion of the powers exercised by the I.R.S. in its oversight of tax-exempt schools. Yet nowhere to our knowledge has the Service undertaken to explain why so significant a departure from present practice is deemed necessary. It has explained neither why existing revenue procedures and rulings are specifically deficient, nor how the proposed procedure would remedy those deficiencies. Indeed, one searches in vain, either among statements issued by I.R.S. officials or in the proposed procedure itself, for any detailed information defining the nature and scope of the problem to which the proposed procedure is addressed. Does the Service believe that the nation has already witnessed, or is about to witness, a substantial increase in racial discrimination on the part of private schools? If so, on what information does the Service rely in forming that belief? If not, why is it necessary to alter the anti-discrimination provisions set forth in existing revenue procedures and rulings? How many tax-exempt private schools are now thought to indulge racially discriminatory practices? What percentage of the private school universe do they constitute? Is the number of such schools greater in locales where public school desegregation has taken place than it is elsewhere? Has the Service undertaken to compare the racial population of private schools in communities recently desegregated with that of private schools elsewhere? If the Service knows, or has reason to know, which schools may be engaged in racial discrimination, has it taken the necessary steps under existing law to revoke their exemptions?

These questions, which are only a small portion of the many that could, indeed should, be asked, have to our knowledge been wholly unaddressed by the I.R.S., at least in public. Yet it is difficult to square the proposal, given its depth and breadth, with any other belief than that a large number of private schools are now engaged in unlawful discrimination. That there are *some* private schools so engaged, we have no doubt; that there are *many* such schools, we simply do not know. Surely, the Service is conspicuously qualified to provide the relevant information. Existing Revenue Procedure 75-50, among other things imposes detailed record-keeping requirements upon tax-exempt private schools, by which they are required to submit data on the racial composition of their student bodies, faculties, and administrative staffs, as well as other pertinent information. With this storehouse of information at its disposal, the I.R.S. ought to be able to inform the public on the nature and scope of possible private school discrimination. Yet it has thus far failed to disclose that information, even while it is seeking a substantial expansion of its powers to police private schools. This failure is at once unfair and short-sighted: unfair, because without such information the public is not in a position to evaluate the wisdom of the proposed procedure; and short-sighted, because the long-run success of this or any other procedure will ultimately depend on public recognition that it is necessary.

(3) The proposed procedure assumes, contrary to law, that a finding of unlawful discrimination may be inferred from the fact that a private school does not contain a fixed percentage of certain minority students. Quite apart from the dubious constitutionality of any fixed quota, especially in the educational area, *Bakke* v. *Board of Regents*, 97 S.Ct. 2733 (1978), the Service chooses to ignore the rather clear implications of recent Supreme Court rulings which place limits on the inferences to be drawn from statistical information. In *Washington* v. *Davis*, 426 U.S. 229 (1976) and again in *Village of Arlington Heights* v. *Metropolitan Housing Development Corp.*, 97 S.Ct. 555 (1977), the Court ruled that proof of a racially discriminatory purpose was necessary to sustain a charge of racial discrimination and that mere statistics, without more, were insufficient to carry that burden. It is sometimes possible to infer the requisite invidious intent from certain statistical data, but the Service is legally mistaken in assuming that it can be done in the manner suggested by the proposed procedure. The validity of any such inference from mere statistics depends decisively on the particular circumstances presented by particular cases. It is a long-standing rule of equity, many times embraced by the Supreme Court, that "the scope of the remedy is determined by the nature and extent of the Constitutional violation." *Milliken* v. *Bradley*, 418 U.S. 717, 744 (1974). Yet the proposed procedure seems less interested in fashioning a remedy to fit a particular offense than it is in weaving a catch-all legislative net capable of ensnaring the innocent as well as the guilty in its webbing. It first imputes a racially discriminatory intent to an entire class of private schools by automatic operation of an arbitrary statistical formula; a school to whom the invidious intent has thus been imputed is then required to prove its innocence; finally, the school can demonstrate its innocence only by complying with the same arbitrary statistical formula which ensnared it to begin with. In short, schools which manage to escape the net will be able to do so only by an act of administrative grace on the part of the Service. The proposed procedure is in effect a bill of attainder foisted upon a significant portion of American private schools. They are judged guilty as a class of racial discrimination by statistical inference, without reference to their purpose or intent. They are then compelled, at the risk of losing their tax-exemption, not only to prove their innocence, but to do so only in the precise manner prescribed by the I.R.S. To make matters worse, even if a school is able to show substantial and good faith progress in meeting the arbitrary criteria imposed by the proposed procedure, it can obtain a grace period in the revocation process only by agreeing to waive its rights to seek judicial relief under Section 7428 of the Internal Revenue Code. Such a procedure may be administratively beneficial to the Service, but it is a far cry from the sort of fairness traditionally associated with the principle of due process. The government has been forbidden to condition the receipt of a benefit—even one deemed to be a mere "privilege"—upon the non-assertion of a constitutional right. *Sherbert* v. *Verner*, 374 U.S. 398 (1967). Section 7428 was designed precisely to insulate against administrative arbitrariness. To require the waiver of the rights it grants as a condition of receiving a grace period not only defeats the purpose for which it was created, but imposes what is in our view an "unconstitutional condition." See *Frost Trucking Co.* v. *Railroad Commission*, 271 U.S. 583, at 593-94 (1926).

(4) The same arbitrariness which afflicts the proposed procedure as a matter of law may also be observed in the statistical criteria it employs. Section 3.06 defines "community" as the public school district in which the private school is located, together with any other public school district from which the school enrolls 5 percent or more of its students. The Service has not revealed why this particular data base was selected, a failure that applies as well to the selection of 20 percent as the desired level of minority enrollment. Not the least of the difficulties arising from the employment of this formula is that it ignores the principal *raison d'etre* of most private schools. Private schools exist in virtue of the fact that there are a sufficient number of parents who want something different for their children than the local public school system offers. In most cases that difference has to do with the inculcation of religious values. The fact that 90 percent or more of the nation's private schools are religious in nature, and the fact that religious preferences are not evenly distributed among racial groups, suggest the gross impropriety of the statistical base relied upon by the Service. How is the racial mix of the public school population relevant to the establishment or expansion of religiously oriented private schools? The short and simple answer is that it is not relevant. As much may be said for many non-religious private schools, which dedicate themselves to the pursuit of academic excellence. Absent some particular showing of a racially discriminatory policy on the part of a school, the statistical formula contained in the proposal is, at best, a whimsical contrivance and, at worst, a ratcheting device by which private schools can be forced to serve purposes which are deemed socially desirable by the I.R.S. But today's socially desirable purposes are not necessarily tomorrow's. If a 20 percent racial quota can be imposed now, why not a 25 percent quota later? And if school district population is held without reason to be a sufficient base this year, why not some other statistical base, such as state or nation, if it suits I.R.S. convenience next year? Perhaps some criterion other than race, as for example, sex, will be the mandated social desideratum of the future. However one feels about the desirability of achieving such goals, this much seems clear: arbitrary statistical formulations operating automatically should not be permitted to do the work of reasoned deliberation. Nor should I.R.S. be permitted to achieve by regulatory indirection and fiat a policy which, if desirable at all, ought to be imposed only by Congress.

(5) The proposed procedure places great reliance upon *Norwood v. Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973), and upon *Green v. Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *aff'd sub nom. Coit v. Green*, 404 U.S. 997 (1971). The reliance in both cases is misplaced.

NORWOOD V. HARRISON

(a) It is necessary at the outset to distinguish the factual conditions which obtained in *Norwood* from those which the I.R.S. seeks to reach in its proposed procedure. In *Norwood*, the legal issues arose in the context of state textbook aid to a number of so-called private "segregation academies". In the proposed procedure, by contrast, we are speaking not of a particular set of schools in the State of Mississippi as to which specific allegations of racial discrimination were brought, but of a significant number of private schools throughout the entire United States, concerning whom (so far as we know) no specific allegations of racial discrimination have been made. Nor are we speaking of state action under the

Fourteenth Amendment, but rather of the quite different issues presented by federal tax exemption.

(b) It is important to bear in mind the specific factual and geographical setting of *Norwood* because the test there set down—specifically, the establishment of a *"prima facie"* case on the basis of statistics and the consequent reversal of the burden of proof—is inextricably intertwined with that setting. The District Court on remand pointed out that a *prima facie* case of racial discrimination "arises from proof (a) that the school existence began close upon the heels of the massive desegregation of public schools within its locale, and (b) that no blacks are or have been in attendance as students and none is or has ever been employed as a teacher or administrator at the private school." 382 F. Supp. at 924-25. Those two facts having been established as to each school, but only after an exhaustive examination of the special circumstances affecting each school, the burden shifted to the schools to demonstrate that the absence of blacks was not caused by racially restrictive policies. In commenting on the quality of the rebuttal evidence required to be offered by a school, the Court was at pains to point out that "the ultimate issue . . . is not whether black students are actually enrolled at the school, but whether their absence is because the school has restrictively denied their access; simply, does the school have a racially discriminatory admissions policy?" 382 F. Supp. at 926. Contrary to the position adopted by the Service in the proposed procedure, there is nothing in the *Norwood* case, either at the District Court or the Supreme Court level, to suggest that a school must embrace an affirmative action admissions policy in order to rebut a *prima facie* case. And there is nothing which even remotely suggests that the failure to meet an arbitrarily imposed racial quota may be used as a trigger for establishing a *prima facie* case in the first place. In contrast to *Norwood*, the proposed procedure rests not on an independent evaluation of particular schools, but rather on unarticulated assumptions concerning an entire class of schools whose principal defining characteristic is that its members have less than a fixed percentage of minority students. The proposed procedure does precisely what the Supreme Court itself refused to do in its opinion in *Norwood*, namely issue a "blanket condemnation" of predominantly white private schools. 413 U.S. 455, at 471.

(c) It is worth noting that of the seven schools involved in the remand in *Norwood*, two were held by the District Court to be in compliance with the law, even though neither had *any* black students, teachers, or administrators whatsoever. It is surely a measure of the extent to which the proposed procedure distorts the law of the case in *Norwood* that neither school would be able to pass muster under the proposed I.R.S. procedure.

(d) Finally, it is also worthy of note that *Washington* v. *Davis*, *supra*, in which the Supreme Court felt it necessary to remind us that there was a limit, after all, to the intent that could be inferred from mere statistical disparities, was handed down two years after the District Court's decision in *Norwood*. The distortion of the ruling in *Norwood* presented in the proposed procedure is made all the more apparent by the Service's failure to take into account the subsequent ruling in *Davis*.

GREEN V. CONNALLY

Green v. *Connally* holds that racially discriminatory schools are not charitable or educational institutions within the meaning of the Internal Revenue Code. That proposition we consider to be settled law, concerning which there is now no dispute. But the very question in issue is what constitutes racial discrimination. As in *Norwood*, there is nothing in *Green* to suggest that a *prima facie* case of racial discrimination may be inferred from the failure to enroll a certain percentage of minority students. And again, as in *Norwood*, there is nothing in *Green* to suggest that adherence to a racial quota may be imposed as a condition for retaining a tax exemption. While the proposed procedure claims to be only an administrative application of settled legal principles, in fact it redefines the substantive law of racial discrimination, and, in so doing, goes far beyond anything contemplated by the Courts which passed judgment in *Norwood* and *Green*. The principal effect of the proposed procedure, taken whole, is to relieve the I.R.S. of the burden of having to prove the existence of unlawful discrimination. Thus, a *"prima facie* case" of unlawful discriminattion is first "established" by the failure to achieve a rigid racial quota. The *prima facie* case is then automatically converted into a *finding* of unlawful discrimination unless the school agrees to take certain affirmative actions—actions which the federal judiciary has imposed in analogous cases only *after* a finding of racial discrimination has been made. This process is made doubly mischievous because the statistical tests employed by the Service to establish the *prima facie* case are themselves highly arbitrary.

(6) One would have thought that the Supreme Court's ruling in *Bakke* v. *Board of Regents*, *supra*, put an end to the use of rigid racial quotas in school admissions. But if we take the proposed procedure as our guide, the Service apparently believes that it may impose upon private schools a policy which the Supreme Court has said may not be embraced by publicly supported schools. A publicly supported institution, for example, which chose to follow voluntarily the policies laid down in the proposed procedure, including the adoption of a fixed percentage quota of minority enrollment as a gesture of its good faith opposition to racial discrimination, would be unlikely to survive scrutiny under the test laid down by the Court in *Bakke*. Yet the proposed procedure would impose just such a quota. It will perhaps be said that the proposed procedure does not establish a quota contrary to *Bakke*, but merely suggests that failure to meet a minimal percentage level of minority enrollment may be used as *evidence* of a possible discriminatory intent. But, as we pointed out above, the fixed percentage test in the proposed procedure in fact does a very great deal more than that. It serves as a triggering mechanism for determining whether a private school is presumptively discriminatory in its practice, a presumption which, having been thus established, operates so as to reverse the burden of proof. That burden, in turn, can be sustained only if the school thereafter reaches the quota level, or if it agrees to an affirmative action admissions and hiring program. In short, the proposal makes use of a constitutionally dubious quota test as a procedural device in order to impose that same quota as a matter of substantive policy. No amount of verbal legerdemain ought to obscure the reality of what the Service is attempting to do: the use of a fixed racial quota is an integral part of the proposed procedure; indeed, it is its alpha and omega. But the use of a quota in this way, where a school has not been determined to be racially discriminatory as a matter of law, goes far beyond what the Supreme Court would find tolerable under its ruling in *Bakke*.

Bakke is relevant to the discussion at hand, not merely because of the doubt it casts upon the use of all racial quotas, but because of its repeated insistence that constitutional rights are personal and individual in nature. Quite apart from its specific holding, the *Bakke* ruling stands as a forceful reminder of the mischief that ensues when rights or privileges are claimed or recognized on the basis of membership in a racial or ethnic group. In his opinion for the Court, Mr. Justice Powell was at pains to point out that the idea of ethnic or racial group rights was especially noxious in an academic setting, where the individual student's personal characteristics and skills ought to be dominant factors in the admissions decision. It is only in that highly individuated setting that the matter of a student's race or ethnicity may be taken into account, and even then, a school must not embrace the idea of a group quota. In this context, the proposed procedure should perhaps also be reexamined in respect of its definition of "minority". Section 3.05 of the proposal defines minority in accordance with the guidelines of the Office of Management and Budget and the General Accounting Office established in 1976, which limits the category to Blacks, Hispanics, Asians or Pacific Islanders, and American Indians or Alaskan Natives. In the wake of *Bakke*, it is at least doubtful whether any such rigid classification can continue to pass constitutional muster, for what it does, in effect, is establish a limited group of what might be called "Preferred Minorities", that is, racial groups who are set aside for some special treatment on the part of the government. Such classifications have in the past been justified on the grounds that the government's policy toward these groups is benevolent rather than punitive in nature, and because these groups are said to have been the object of particular discrimination in the past. The *Bakke* case casts considerable doubt on whether either supposition is now as tenable as it once may have been. Consider, for example, the plight of a student who is not a member of one of the Preferred Minorities recognized by the proposed procedure and who is denied admission to one of the "reviewable" schools contemplated by the I.R.S. because of a racial quota. Does that student not have rights equal to those enjoyed by students who are the nominal beneficiaries of the quota? And if he chooses to go to court—one could hardly fault him for doing so—in order to vindicate his equal rights, what then will be the position of the Internal Revenue Service? Will the Service then argue that the rights of one student must necessarily be sacrificed in order to secure the rights of another? It is important to bear in mind that we are here speaking not of a school that has been found to have been racially discriminatory after a final hearing and review by courts and agencies of competent jurisdiction, but rather of a school whose only "sin" is that it has run afoul of the arbitrary statistical formulations imposed by the proposed procedure. The *Bakke* case, we believe, leaves no doubt as to the outcome in this hypothetical lawsuit.

(7) The proposed procedure also raises substantial First Amendment questions in respect of its application to religious schools. There is no denying that religious schools stand on the same footing as secular private schools in the requirement that their policies be nondiscriminatory, and we do not object to that general principle as set forth in Revenue Ruling 75-31. But we cannot emphasize often enough that, in this proposed procedure, the Service is attempting to change the legal definition of what constitutes racial discrimination. It is in consequence of that attempt that First Amendment difficulties may arise which were not presented by prior I.R.S. rulings or procedures dealing with religious schools.

It should be unnecessary to have to point it out, but private schools have no control over the racial composition of the communities in which they reside; neither do they have any say over the nature and extent of school desegregation which may take place in their locale; and, more to the point, few private schools have any effective control over who applies for admission. Many private schools admit students on a first-come, first-served basis; some are able to impose moderate admissions requirements; still others—a very few—are able to be highly selective in their admissions, mak-

ing use of interviews, aptitude tests, and the like. But by far the greatest number of private schools—perhaps as many as nine out of ten—are religiously oriented, and it is by virtue of that orientation that a religious preference dominates their admissions policy. But—barring proof or racial discrimination—if a private school employs a religious preference in its admissions, it makes no sense whatsoever to hold that school in any way accountable for failing to reflect a racial mix thought socially desirable by the I.R.S.

The attempt to impose upon religious schools a racial quota as a good faith test of their nondiscriminatory admission policy, without a demonstration of racially discriminatory intent on the part of such schools, will surely run afoul of a long-standing policy of religious freedom embodied in the First Amendment and cases decided under its aegis. See, *e.g., Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925); *Wisconsin* v. *Yoder*, 406 U.S. 205 (1972). It is well settled that the government's right to impose educational conformity in its schools must yield to the prior parental right to educate children in accordance with sincere religious beliefs. The proposed procedure assumes that a mere statistical disparity can suffice to transform the exercise of a religious preference into an act of racial discrimination. That is a bold and dangerous assumption which, if pursued to its fullest extent, would make all religion a creature of the state. Indeed, even if the proposed standard were not otherwise objectionable, the very effort on the part of the I.R.S. to enforce it would conflict with the Supreme Court's holding in *Lemon* v. *Kurtzman* 403 U.S. 602 (1971), which struck down governmental procedures creating, in the Court's words, "excessive entanglement" between the government and religious institutions. It would be impossible, in our view, for the Service to implement the proposed procedure, with its detailed regulations, without entangling itself in almost every aspect of the day-to-day operations of religious schools. That is precisely the sort of involvement the Supreme Court has repeatedly sought to preclude.

(8) One final major comment seems in order. Although the proposed procedure nowhere says so explicitly, it embraces implicitly the argument that tax exemption is to be equated with direct government aid. Indeed, the legal claims implied by the proposed procedure are difficult to justify on any other ground. We do not disagree, indeed, we endorse, the principle that a charitable or educational institution should lose its 501(c)(3) exemption if it operates illegally or contrary to public policy. But, as we have repeatedly emphasized, the very question in issue here is the definition of what constitutes illegality or contravention of public policy; and our central argument has been that the I.R.S., under the guise of administrative regulation, has in effect altered the substantive law of racial discrimination. Even if we did not object to the substantive changes wrought by the proposed procedure, we would still feel compelled to point out that the power of the I.R.S. to regulate the behavior of tax-exempt institutions nonetheless falls short of the power of government agencies to condition their assistance upon a showing of affirmative action on the part of the recipient. Despite a superficial similarity, the difference between these two kinds of power is, we believe, significant; and their difference is a critical measure of the difference between the ends sought to be accomplished by direct government aid and the ends sought to be accomplished in allowing certain organizations to be tax-exempt. The government can by means of grants, financial assistance, and other policies, rightfully attempt to move the body politic in directions thought to be socially desirable, as long as the conditions it imposes upon the recipient are otherwise constitutional. In short, the only real limits on the goverment in this regard are the Constitution, as interpreted chiefly by the courts, and public opinion, as expressed through elected officials. The power of the I.R.S. in regulating tax-exempt institutions must accede not only to these two limitations but, in our view, to yet another: that which derives from an understanding of the philosophy which informs and ultimately justifies the creation of tax exemtions for private charitable and educational organizations. That philosophy was eloquently summarized by Judge Henry Friendly nearly a decade ago:

"Philanthropy is a delicate plant whose fruits are often better than its roots; desire to benefit one's own kind may not be the noblest of motives but it is not ignoble. *It is the very possibility of doing something different than the government can do, of creating an institution free to make choices government cannot—even seemingly arbitrary ones—without having to provide a justification that will be examined in a court of law, which stimulates much private giving and interest.* (Friendly, "The Dartmouth College Case and the Public-Private Penumbra," 12 *Texas Q.* 141, 171 (1969)).

There is much loose talk these days about every tax exemption or deduction being a "loophole", a "preference", a "subsidy", and—in some cases—even an "indirect appropriation". In our view, such talk turns the tax system on its head and makes of the government an all-powerful Leviathan under whose aegis all distinctions between what is public and what is private are eradicated. If the proposed procedure now before us were to be enacted, however noble or well-intentioned its motives, the Service will have taken us a long step down the road at the end of which there will be no possibility of doing something different than the government wants us to do.

In conclusion, we respectfully request that the proposed procedure be withdrawn in the light of the foregoing arguments. We submit that, absent a showing on the part of the I.R.S. of the need for new and expanded powers in this area, extant rulings and procedures are sufficient to enforce the prohibitions against racial discrimination. If the Service believes that it requires new enforcement authority, we further submit that the proper body to make that determination ought not to be the Service itself, but Congress.●

KEEPING WASHINGTON IN TOUCH

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, in keeping with my profound policy of keeping Washington from keeping out of touch with the rest of our country, I insert the following:

IT SAYS SO THERE IN SECTION 4

[From the Topeka Capital-Journal, Nov. 12, 1978]

(By Bob Sands)

Section 4, Page 7, Paragraph 6 of Tom Tendergrass tips of politicking: Get a whole bunch of cars and take them to a parking lot of the voting place in a predominantly Republican neighborhood. Gentlemen on their way to their stock brokers will say: "It'll be too crowded inside, and I just don't have the time." Also, older people will look at the cars and give up because they don't want to stand in a long line. That way fewer Republicans will vote and we'll have a wider victory margin.

Fiction, friends, pure fiction. But the way things are going in politics, it might be a handy tip.

Glib tongues, funny business and backsliding seemed to be in order for the recently-completed campaign.

Governor-elect John Carlin said he never promised lower utility rates. Well, friends, the implication was there. I sure as heck inferred he planned to do that. Many were victims of not paying very, very close attention to what was being said.

It was a case of political glibness getting the job done.

Defeated Governor Robert F. Bennett made the mistake of not paying attention. He called the utility issue as espoused by Carlin: "Tripe and garbage."

With people out there picking Laverne and Shirley, Dear Abby, Family Circus and Ann Landers as their favorites, Bennett should not have been surprised by the superficiality of their interests. When one-issue platforms, like unionism, abortion, ERA, and gun control, take hold, a politician must beware the downfall.

Plus the fact, there was a negative element out there that wanted a piece of Bennett. Although Bennett knows the workings of government as well as anyone, putting on a Stetson did not make him a god ol' boy. It's kinda like Dan Devine at Notre Dame—no matter how well you do your job, you must identify with the people.

Attorney General-elect Bob Stephan, who seemed very much in the spirit of things in his victory speech, said he wanted to thank "the Lord Jesus Christ." He also might want to thank a broken promise. He began his campaign by saying he wouldn't indulge in personal attacks, and then proceeded to run some ads that were heavy in personal attacks.

Representative-elect Jim Jeffries had a neat trick, too. A batch of brochures were printed on a Sunday how well Jeffries did in the lone television debate. That was interesting because the debate wasn't until Monday.

The list of little games is long. Some may answer: "You got to expect that. It's politics."

Those who answer that way also must explain why many people chose not to go to the polls and why they are "up to here" with politics.

Bob McClure, in writing a letter to the editor in support of his candidate wife, eloquently put it: "At one point in my life I was active in politics. However, I grew cynical about the whole business—people bartering their principles for votes and compromising their proclaimed ideals."

Many seem to be at the "one point in life."

A Manhattan Mercury editorial said: ". . . Not only are spurious issues raised in order to attain office—or to remain in one—but even worse is the apparently increasing inclination to get into personalities when all other avenues of campaigning seem to no avail.

"Blame for much of this is without doubt properly laid at the feet of the candidates themselves, but it seems fair to suggest that perhaps those seeking office and engaging in deplorable tactics may actually be responding . . . to a segment of the citizenry which expects and enjoys this type of low-level campaign conduct . . ."

When people win by using such tactics, it no doubt spurs others. Of course, you would never vote for anyone using such underhanded tactics. Wonder who those folks were?

[From the Topeka Daily Capital, Nov. 10, 1978]

PUTTING PIECES TOGETHER ON CONGRESSIONAL BATTLE COULD SIZE UP WINNER

(By Bob Sands)

Jim Jeffries, after "working like the dickens, yes, working like the dickens," will take over as the state's 2nd District representative.

The Atchison Republican defeated incumbent Democrat Martha Keys in Tuesday's elections.

Jeffries . . . how do you feel about him winning?

Let's go back over the events of his successful campaign against Keys. Interesting, putting all the little pieces together.

A Sept. 2 story reported that Glyndon Hanson, Jeffries' press secretary, had to apologize for a young Jeffries' worker who spied on a Keys news conference. The youth first denied he was a member of the Jeffries' staff.

Then came the announcements of Democrat defections to the Jeffries' camp. However, again corrections had to be made from earlier denials.

One of the defectors, Dick Senecal, said Hanson was wrong when he brushed off possible business connections between Senecal, an attorney, and a firm operated by Jeffries' father-in-law.

The Jeffries camp first sloughed that allegation off.

Martha interjected and said Senecal's law firm had represented the Midwest Solvents Co. many years and that Jeffries' wife is a member of the Cray family which owns the big alcohol manufacturing facility. "You don't bite the hand that feeds you," Keys said.

Which brings up another point. Midwest Solvents includes McCormick Distilling Co. of Weston, Mo., and, according to reports on file with the Secretary of State's office, the Cray family and officers of Midwest Solvents had contributed $10,000 to the Jefferies campaign, up to Sept. 11.

You can label this a cheap shot if you want, but with the Jefferies' campaign spending time attacking the abortion issue, "where were they when it came to attacking "demon rum?" Why not take in all the issues of morality?

An analysis report said: "One of his (Jeffries') trouble spots in the campaign has been question-and-answer sessions. At a recent meeting with Kansas State University students, for instance, he was asked how he feels about the Equal Rights Amendment. His reply was that the amendment has to be ratified by the courts or states or something like that".

The courts do not ratify. Oh well.

Then there was the case of the television news film that showed a grim-faced Jeffries taking Marti Johnson, a reporter for KTSB-TV covering the Ronald Reagan trip to Topeka, by the upper arms and physically pushing her to one side while he passed by.

Hanson said, "We just are not going to make a statement on it at this point." Has anyone since heard of a statement? (Does this action remind you of another person now out of politics?)

How about the deal with the "new right?" Martha asked Jeffries to explain it.

"I don't know really what it is she's referring to," he said. "I would like her to explain it to me and the voters what in the world is a 'new right.'"

John Bottenberg, 2nd District Democratic chairman, said Jeffries should know about the "new right" because he went to a campaign school sponsored by the Committee for the Survival of a Free Congress, described as an ultra-conservative radical right group supporting Jeffries' candidacy.

Bottenberg said Jeffries boasted at Kansas State University that he had attended the CSFC school to learn how to campaign. Bottenberg said he would be happy to explain the "new right" to Jeffries:

"The radical right is a small group of extreme right-wing radicals who have set up a series of inter-related front organizations and political committees to further their ultra-conservative causes. The radical right's candidates are hand-picked, well-financed and coached from the outside. Their campaigns are run by dozens of the radical right committees and groups which work closely with each other.

"Jeffries' campaign has received thousands of dollars from these groups, along with a great deal of staff support. One group, in particular, the CSFC, runs the Jeffries' campaign lock, stock and barrel. Two CSFC staff members, Paul Ogle and Russ Costans, have spent a great deal of time in Kansas structuring Jeffries' campaign organization and conducting planning sessions.

"Mr. Jeffries may play innocent about the kind of support he is getting, but ABC news had no questions. In a nationally broadcast television news story, just before the primary election, ABC called the 2nd District of Kansas the 'latest battleground of the new right' and said Jim Jeffries is the 'new right's disciple.' According to ABC news, every detail of the Jeffries' campaign strategy was imported from Washington, D.C."

If he were an alert politician, Jeffries should know what new elements are surfacing.

Bottenberg also called Jeffries a "phantom candidate" because he wouldn't debate. Jeffries' camp countered that by saying he went to the people. However, after claiming victory, Hanson talked about every move being plotted. If the group were so well organized, why was there such hemming and hawing about where their candidate was going to be on a certain date?

According to reporters who have tried to cover Jeffries, he sidesteps many questions. His answer usually is by rote. For instance: "Taxes, inflation and encroachment of government . . ."

He seldom if ever had solutions in the issues, mainly: "Taxes, inflation and encroachment of government . . ."

His ads were something else. The one using the New York fellow was a twisting, turning one-hander. The innuendo, the play on sentiment. For instance, the Royals had just lost to the Yankees and the ad told that your (as if all were Royal fans) tax money was used to renovate Yankee Stadium. In fact, it was only a loan guarantee for New York and Republicans Bob Dole and James Pearson also backed it.

Jeffries glowed over the ad campaigns. He said the ads "have Martha screaming like a stuck pig." A nice, pleasant simile.

Jeffries will have it made in the House If things don't go right—no play on words, heh, heh—he can always claim: "What do you expect from all the liberals back here in Washington. We need more conservatives elected to help me out."

Do fragmented items put together mean a lot? Whatever.

Jim Jeffries is the 2nd District representative.

Is all right with the world?●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, January 25, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on the fiscal year 1979 budgets of the Federal Reserve Board and System, the F.D.I.C., and the Office of the Comptroller of the Currency.

5302 Dirksen Building

Foreign Relations

To hold hearings to receive testimony on the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

4221 Dirksen Building

*Human Resources

Health and Scienctific Research Subcommittee

To hold hearings on the implications of the President's health proposals as contained in the proposed fiscal year 1980 Budget.

4232 Dirksen Building

JANUARY 29

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of Irvine H. Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation, and William B. Welsh, of Virginia, and Sterling Tucker, of the District of Columbia, each to be an Assistant Secretary of HUD.

5302 Dirksen Building

Finance

Social Security Subcommittee

To hold hearings on requirements for deposit by the States of the amounts due to the Social Security Trust Funds as contributions for employees who are covered under social security.

2221 Dirksen Building

Joint Economic

To receive testimony from Chairman of the Council of Economic Advisors Shultze on the state of the U.S. economy.

1202 Dirksen Building

JANUARY 30

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition subcommittee
To hold hearings on nutrition education in medical schools.
322 Russell Building

9:30 a.m.
Judiciary
To hold an organization meeting on committee rules and subcommittee assignments.
2228 Dirksen Building

10:00 a.m.
Finance
To hold an organizational meeting to consider committee budget and other administrative matters.
2221 Dirksen Building

Joint Economic
To receive testimony from Chairman of the Federal Reserve Board Miller on the state of the U.S. economy.
1202 Dirksen Building

JANUARY 31

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.
Human Resources
To hold hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

Veterans' Affairs
To hold an organization meeting to consider its budget and other administrative matters.
412 Russell Building

10:00 a.m.
Rules and Administration
To hold an organizational meeting to consider its budget and other administrative business, and to hold hearings on the nominations of John W. McGarry, of Massachusetts, and Max L. Friedersdorf, of Indiana, each to be a member of the Federal Election Commission.
301 Russell Building

Joint Economic
To receive testimony from Secretary of the Treasury Blumenthal on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To hold hearings on the issues of the safety, effects, and medical use of Darvon.
6226 Dirksen Building

FEBRUARY 1

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.
Human Resources
To continue hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

10:00 a.m.
Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To continue hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

FEBRUARY 2

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 108, to simplify the truth-in-lending laws.
5302 Dirksen Building

FEBRUARY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. export policies.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed regulations to control surface mining operations.
3110 Dirksen Building

Foreign Relations
To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold oversight hearings on the effect of pension fund investment policies on individual contributors.
2228 Dirksen Building

Joint Economic
To receive testimony from Director of the Office of Management and Budget McIntyre on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To resume hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

FEBRUARY 6

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 4, proposed Child Care Act.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on U.S. export policies.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget
6202 Dirksen Building

Foreign Relations
To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

10:30 a.m.
Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

FEBRUARY 7

9:30 a.m.
Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Veterans' Affairs
To resume hearings on S. 7, proposed Veterans' Health Care Amendments.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94-210).
235 Russell Building

Foreign Relations
To mark up proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5303 Dirksen Building

FEBRUARY 8

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
To hold hearings on proposed authorization to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

FEBRUARY 9

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

*Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on GSA's methods of procuring contracts.
1114 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold hearings on proposed FY 1980 authorizations for NASA.
5110 Dirksen Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposals to improve the northeast railroad transportation facilities.
235 Russell Building

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
5110 Dirksen Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed FY 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

FEBRUARY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

FEBRUARY 26

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To resume hearings in preparation for FY 1979 for ACTION.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

FEBRUARY 28

9:00 a.m.
Commerce, Science and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

MARCH 5

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 6

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Programs Act (P.L. 93-113).
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, January 25, 1979*

□ 1100

The House met at 11 a.m.

The Reverend William C. Ellis, Peoples Church of God, Decatur, Ill., offered the following prayer:

Be strong and of good courage; be not frightened, neither be dismayed; for the Lord your God is with you wherever you go.—Joshua 1: 9.

Our Father, we thank You for this word of promise, for this day with its privileges and responsibilities, and for life itself.

We ask for Your blessings to be upon each Member of the House of Representatives, their families, associates in government, and especially those whom they represent.

May all our effort be given to those things that are true, honest, just, pure, and of good report. Give us the mental and moral courage to do what is right.

And now, may the peace of God which passes all understanding, keep your hearts and minds through Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

THE REVEREND WILLIAM C. ELLIS

(Mr. MADIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MADIGAN. Mr. Speaker, it is a special privilege to have a highly respected minister from my district deliver the opening prayer in the House this morning.

The Reverend William C. Ellis, pastor of the Peoples Church of God in Decatur, Ill., has been an ordained minister for 28 years and is well known for his weekly radio and television broadcasts. As chairman-elect of the general assembly of the Church of God in Illinois, he serves on many of its committees.

He has been president of the National Alumni Association for Anderson College, in Indiana, and his interests extend from having served on the boards for both Decatur Baseball, Inc., and Continental Singers, Inc., to being recipient of the 4-H Alumni Award from Macon County.

Bill Ellis is clearly a gifted man who has given vigorous and aggressive leadership to his church and his community. We are grateful for and honored by his presence here today.

□ 1105

WELCOME NEWS ON FREEDOM OF EMIGRATION AND POSSIBLE TRADE WITH THE U.S.S.R. AND PEOPLE'S REPUBLIC OF CHINA

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, this morning's news reports commented on a major shift in emigration policy by the People's Republic of China, indicating that in the last several months, the level of emigration has increased dramatically. It is reported that in January as many as 2,000 Chinese will apply to leave the People's Republic of China, whereas a year ago, the monthly level of permissible emigration was only 25 or 30 a month. The liberalization of emigration permits seems to be a major move by the Peking government to provide the humane and orderly reunification of Chinese families.

This is, indeed, a welcome development.

It should also be noted that the U.S.S.R. has been quietly but dramatically increasing the amount of emigration it allows. By the end of 1978, emigration from the Soviet Union was running at the rate of 3,000 a month, and it is estimated that in all of 1978, more than 31,000 emigrated from the Soviet Union to rejoin families or establish new homes elsewhere. This represents a 25-percent increase over the 1977 level.

This, too, is a very welcome development.

The normalization of U.S. trade with these two giant nations depends on the development of an awareness and respect for the human right of emigration. It appears that this awareness has developed and, if it continues, will enable 1979 to be a year of major improvements in trade between our nations.

SACCHARIN STUDY AND LABELING ACT

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, in May, the 8-month period allowed in the Saccharin Study and Labeling Act for reviewing the continued use of saccharin will expire, meaning the ban proposed by the FDA which prompted that legislation could go into effect unless we take further action.

Certainly, none of us want to keep the Food and Drug Administration from taking off the market foods with additives which pose a real cancer hazard. However, questions still exist as to the potential hazard posed by saccharin use and to date there is no reasonable alternative.

Today I am introducing legislation which would extend the moratorium imposed in 1977 until January 3, 1981, or until legislation has been enacted substantively modifying the Delaney clause. As you know, that clause requires the Food and Drug Administration to ban all food additives which can be shown to produce cancer regardless of other factors. My proposal would not tie the FDA's hands. Like last year's legislation, it would merely block a ban based on tests made before the enactment of that earlier measure. Should information derived from tests conducted since that time prove the carcinogenic nature of saccharin, the Secretary would still be able to pull the product off the market.

We need to look beyond the saccharin question to the more general problem, there seems to be widespread agreement that some changes in the Delaney language are needed to reflect some real problems which have developed in its application. Rather than settle only the application of the Delaney clause to saccharin, leaving other questions to be addressed in a piecemeal fashion, I feel that we should make the necessary revisions in the generally applicable language so it will be workable and can be consistently applied.

By extending the present moratorium, we will give ourselves adequate time to address the question of revisions in the Delaney clause in a reasonable manner rather than setting a precedent for case-by-case congressional action on food additive questions.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

REMARKS OF HON. PAUL FINDLEY ON RESOLUTION BEING INTRODUCED TODAY BY HON. LESTER J. WOLFF

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, I take this time to voice my concern over what I think is a very well-intentioned resolution being introduced today by the gentleman from New York (Mr. WOLFF).

In my view, it would revive the Formosa resolution which Congress wisely repealed 4 years ago. By our action in repealing the Formosa resolution we took a step in the right direction. The Wolff resolution would retreat from that position. I advise very carefully reading of the dangerously ambiguous operative section of the resolution.

WHAT IS NEW, MR. PRESIDENT?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on December 12, 1974, in announcing his candidacy for the Presidency, Jimmy Carter called for "new leadership" and "new ideas."

In his platform proposals to the Democratic Convention, June 16, 1976, he called for a "new beginning."

In his acceptance speech, July 15, 1976, he called for a "new look" at government.

In his inaugural address as President, he called for a "new beginning," a "new dedication," and a "new spirit."

In his first state of the Union message, January 19, 1978, he called again for a "new spirit."

In his recent state of the Union address he has come down to calling for "a new foundation."

Mr. Speaker, I have only one question to ask the President: So what is new today, Jimmy?

THE LATE HONORABLE JAMES I. DOLLIVER

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, I would like to call the attention of my colleagues to the death, on December 8, of former Congressman James I. Dolliver. He served for six terms in Iowa's old Sixth District.

Mr. Dolliver's distinguished public career did not begin with his election to the House in 1945. After moving to Fort Dodge in 1922, Mr. Dolliver served as Webster County's prosecutor for 5 years. In 1938, he was elected to the Fort Dodge school board and served for 7 years. And from 1938 to 1939, he also was the Iowa commander of the American Legion.

His service to the public sector continued after his six terms in Congress. In 1957, he became the regional legal counsel for the International Cooperation Administration in the Middle East.

James Dolliver's 12 years in Congress were marked by his deep concern for the people of Iowa. I extend my sympathies today to his wife, Rachel, and three sons.

□ 1110

WHAT THE STATE OF THE UNION MESSAGE DID NOT SAY

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I was glad to see the gentleman from Illinois (Mr. MICHEL) address the fact that the President did give a state of the Union message the other night. Not a word has been said about it here on the floor. Yesterday, all the speech time went by and nothing was mentioned by either side.

The gentleman from Illinois suggested it was "Rafshoonized" with such buzzwords as the "new foundation," which I guess is what he hoped would catch on. But, I think the President's speech was remarkable in what it did not say. It did not mention a word about energy, one of the key matters facing this Congress; there was not a word about social security; it did not mention the cities; it did not mention the delicate foreign policy matters having to do with Iran and the Middle East.

I think the New Foundation is unfortunately on quicksand.

THE PRESIDENT DELIVERED HIS STATE OF THE UNION ADDRESS

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I came to this Chamber yesterday expecting to hear praise and, of course, as often happens as a matter of course, some criticism of the state of the Union message. It was strangely silent yesterday on the other side of the aisle, as we normally expect the praise of what a great speech had been given. There was none on this side. In fact, it was as though it did not happen.

Today a few have spoken up, remembering that the President was here Tuesday evening.

But, I think this is a little unfair. The President has a constitutional responsibility to address the Nation and give the state of the Union, and he did that.

THE STATE OF THE UNION MESSAGE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I was most pleased and amused to hear the comments of our good friends, BOB MICHEL of Illinois, and JOHN MYERS, and SAM DEVINE. First of all because I never cease to be amazed at the amount of money the Republican Party must have available to computerize every word in our dear President's speeches so that they can go back 4 years and tell us how many times he has used the word "new."

I wish we had one-tenth that amount of money to help bring more good candidates into the Congress, but I am glad that we are not squandering money on such useless efforts. Beyond that, I wish to remind my friends from the other side of the aisle that the Constitution requires the President to give a state of the Union speech, which our President did.

We do not have to praise it; it speaks for itself. The minority leaders cannot criticize it, because it is beyond criticism. The President gave us the state of the Union clearly, succinctly, and right on the head, and we are grateful to him.

AMENDING CLAUSE 1(a) OF RULE XLVIII OF RULES OF THE HOUSE

Mr. BOLAND. Mr. Speaker, I offer a resolution (H. Res. 70) to amend rule XLVIII of the Rules of the House of Representatives to increase the size of the Permanent Select Committee on Intelligence, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 70

Resolved, That clause 1(a) of Rule XLVIII of the Rules of the House of Representatives is amended by striking out "thirteen" and inserting "fourteen" in lieu thereof.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to clause 6(e), rule X and clause 1(a), rule XLVIII, the chair appoints as members of the permanent Select Committee on Intelligance the following members of the House:

Mr. BOLAND, Massachusetts, chairman.

Mr. ZABLOCKI, Wisconsin.

Mr. BURLISON, Missouri.

Mr. MURPHY, Illinois.
Mr. ASPIN, Wisconsin.
Mr. ROSE, North Carolina.
Mr. MAZZOLI, Kentucky.
Mr. MINETA, California.
Mr. FOWLER, Georgia.
Mr. ROBINSON, Virginia.
Mr. ASHBROOK, Ohio.
Mr. MCCLORY, Illinois.
Mr. WHITEHURST, Virginia.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON AGING

The SPEAKER. Pursuant to clauses 6 (e) and (g), of rule X, the Chair appoints as members of the Select Committee on Aging the following Members of the House:

Mr. PEPPER, Florida, chairman.
Mr. ROYBAL, California.
Mr. BIAGGI, New York.
Mr. ANDREWS, North Carolina.
Mr. JOHN BURTON, California.
Mr. BEARD, Rhode Island.
Mr. BONKER, Washington.
Mr. DOWNEY, New York.
Mr. FLORIO, New Jersey.
Mr. FORD, Tennessee.
Mr. HUGHES, New Jersey.
Mrs. BOUQUARD, Tennessee.
Mr. SANTINI, Nevada.
Mr. DRINAN, Massachusetts.
Mr. EVANS, Indiana.
Mr. RUSSO, Illinois.
Mr. LUNDINE, New York.
Ms. OAKAR, Ohio.
Ms. HOLTZMAN, New York.
Mr. LLOYD, California.
Mr. LUKEN, Ohio.
Mr. WATKINS, Oklahoma.
Mr. GUDGER, North Carolina.
Ms. FERRARO, New York.
Mrs. BYRON, Maryland.
Mr. RATCHFORD, Connecticut.
Mr. MICA, Florida.
Mr. STACK, Florida.
Mr. GRASSLEY, Iowa.
Mr. WAMPLER, Virginia.
Mr. HAMMERSCHMIDT, Arkansas.
Mr. ABDNOR, South Dakota.
Mr. RINALDO, New Jersey.
Mr. REGULA, Ohio.
Mr. DORNAN, California.
Mr. HOLLENBECK, New Jersey.
Mr. GREEN, New York.
Mr. HOPKINS, Kentucky.
Mr. LUNGREN, California.
Mr. SHUMWAY, California.
Mrs. SNOWE, Maine.
Mr. WHITTAKER, Kansas.

ADJOURNMENT TO MONDAY, JANUARY 29, 1979, AND TO WEDNESDAY, JANUARY 31, 1979

Mr. OBEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next, January 29, 1979, and that when the House adjourns on Monday it adjourn to meet at 3 p.m. on Wednesday, January 31, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next week.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–50)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed:

To the Congress of the United States:

Two years ago when I took office our economy was still struggling to recover from the deep recession of 1974–75. Unemployment was widespread, and a substantial part of our industrial capacity stood idle.

Today 7 million more Americans are at work, and factories across the country have regained high levels of output. Family incomes, after adjustment for inflation, have risen handsomely and so have business profits.

The task now confronting us is to manage an economy operating at close to its capacity—to sustain prosperity and extend its benefits more widely among our citizens.

Under the best circumstances, designing economic policies to carry out that task calls for restraint and careful choices. Developing such policies has been made more complex by the acceleration of inflation last year and the declining growth of productivity that was partly responsible for it.

My economic and budgetary program deals forthrightly with the economic realities we face today. It is based on four principles.

First, reducing inflation must be our top economic priority. Inflation endangers the gains in employment and income that we have made during the past 2 years. We must act forcefully and effectively to combat inflation, and we must persist until the battle is won.

Second, government must do its job better. Reducing inflation will require budgetary austerity and moderation of economic growth. With productivity growth at a low ebb, living standards will not rise as fast as they have in the past 2 years. In such a climate, waste, inefficiency, or misplaced priorities are particularly intolerable. It is now more essential than ever that our government, in both its budgetary and regulatory programs, make the best use of the resources at its disposal and seek better, less costly means to achieve our national objectives.

Third, we will not reduce inflation at the expense of the most vulnerable members of our society—the poor, the elderly, and those who have difficulty finding jobs even in a high-employment economy. Ours is a compassionate Nation, dedicated to a sense of fairness. We will not lose sight of those who most need our help.

Fourth, our policies must reflect the fact that the United States is a very important part of a closely related world economy. We will continue to pursue domestic policies and undertake other actions as necessary and appropriate to foster a strong and stable dollar, and we will join with other countries to promote an open and growing world economy.

In the months ahead, I will work closely with the Congress to ensure that the policies adopted by this government are consistent with these four precepts. The budget for 1980 must be very tight, and I intend to make sure that a fiscal policy of firm and measured restraint is maintained. But the budget must continue and strengthen our most essential programs, and I have supported such programs strongly. In order to further the fight against inflation, I will seek prompt adoption of my real wage insurance program and my proposals for hospital cost containment and regulatory reform.

I will continue to seek the cooperation and support of the American people in the fight against inflation. Last October, I proposed to the Nation a program of price and pay standards designed to brake the price-wage spiral that has beset our economy for more than a decade. This program has received substantial support from the American people, and I will make every effort to enlist the broadest possible cooperation with it in the year to come.

The pay and price standards ask every American to exercise restraint. Every American should therefore expect the government to ensure that its own actions wil contribute to, not undermine, the voluntary effort to reduce inflation. Steadfast pursuit of fiscal and monetary discipline and limits on the inflationary impacts of other government actions are crucial to the success of the anti-inflation program. Together, the actions of government and the private sector can lay a new foundation for a durable prosperity.

PROGRESS AND PROBLEMS IN 1978

Among my first actions in office were steps to strengthen economic growth and speed the return to a high-employment economy. Those actions paid generous dividends. In 1977 our rate of economic growth increased by nearly a full percentage point over the prior year, and in 1978 the Nation's output of goods and services advanced by a healthy 4¼ percent. Today our Nation is using its industrial capacity more fully than a year ago.

Last year 3 million new jobs were created. A larger proportion of our people is at work now than at any other time

in our history. Gains in employment during the past 2 years have been especially strong among women and members of minority groups.

Unemployment declined to less than 6 percent of the labor force during 1978. Nearly 1½-million fewer Americans were unemployed in December 1978 than 2 years earlier. Unemployment among minority groups has also begun to decline from the very high levels that persisted earlier in the recovery, but these groups still bear a disproportionate share of the burden of unemployment.

Gains in employment and output produced strongly rising incomes for most Americans during 1978. Disposable personal income, adjusted for inflation, rose by more than 3 percent over the 4 quarters of last year. The income of our country's farmers, which was severely depressed in 1976 and 1977, showed a marked recovery.

Business profits rose more than 10 percent in 1978, thereby promoting conditions for the continued growth in investment needed for productivity improvement and healthy economic expansion. Business investment in new plant and equipment also strengthened in 1978, raising the proportion of our national output devoted to capital formation to the highest level in 4 years.

On most counts, the prosperity of our Nation rests on a solid base. Our economy at the end of last year was still growing strongly. The momentum of expansion will be sustained early this year by the reductions in taxes on individual incomes and corporate profits that were provided in the Revenue Act of 1978. Last year, as in the earlier years of the recovery, the process of economic expansion remained relatively well balanced. Business inventories are lean. Industrial firms and financial institutions are in good financial condition. Shortages and speculative buying generally are absent. But inflation does pose a serious threat to the Nation's continued economic health. If we make progress in reducing inflation, the prospects are good for a successful transition from a period of economic recovery to a period of moderate but sustained growth.

For more than 10 years, our country, like many other nations, has faced stubborn inflation. During the course of 1978 our inflation problem worsened. Consumer prices rose by about 9 percent, a large acceleration from the 6¾ percent rate of inflation in 1977. Increases in wages also were larger and, since productivity gains declined sharply, costs of production moved up much more strongly.

The anti-inflation effort was given top priority in 1978. In May, I recommended that the Congress reduce by $5 billion and delay 3 months the tax cut that had been proposed earlier. In October, I set forth a strong and comprehensive program to combat inflation. Shortly thereafter, in cooperation with other countries, the Nation undertook a series of measures to strengthen the dollar abroad and further contribute to a reduction of inflation at home.

INFLATION IN 1978

Rising inflation last year stemmed from several sources. Cold winter weather affected food supplies and prices. Depreciation of the dollar in foreign exchange markets added to prices of imports and to prices of goods produced by U.S. firms that compete with imported products. Costs of land and building materials were driven up by exuberant demands for new homes, and the rise of mortgage interest rates added to the costs of buying a home. At the same time, the cumulative effects of government legislation and regulation over recent years gave further impetus to cost pressures.

A large part of the worsening of inflation last year, however, stemmed from poor productivity. Over the past decade or more, the rate of growth in our productivity has been slowing. In late 1977 and throughout 1978, the slowdown in productivity growth reached serious proportions. Last year the productivity of our economy increased by less than 1 percent.

The reasons for the weakening of productivity growth in our country, especially its poor performance last year, are complex and are not fully understood. But the consequences are well known. With slower productivity growth, our living standards individually and as a Nation cannot rise as fast. Slower productivity growth means that the resources available for carrying out governmental programs become scarcer. It means that large increases in wages and other incomes put greater upward pressure on costs and prices. If we ignore the realities of slower productivity growth—if governments continue to press forward with unabated claims on resources, and private citizens continue to demand large gains in money incomes—our inflationary problem will worsen.

DEALING WITH INFLATION

Inflation injures every person in our country. It means that paychecks do not go as far as they once did. It means that savings accumulated for retirement or for a child's education become inadequate. Many poor and elderly persons see prices they pay for food, shelter, and heat rise rapidly while their incomes rise slowly or not at all. These problems are so acute that they demand an all-out effort to reduce inflation. Yet rising prices and costs have additional and very serious effects on our economy as a whole.

Inflation drives up interest rates. It undermines the competitiveness of our industries and the value of our dollar abroad. Confidence of businesses in the future is reduced and investment plans are upset. Consumer's confidence in their own future is sapped. Sooner or later, these effects of inflation will undermine the basis for economic expansion and make sustained prosperity impossible.

Finally, the corrosive effects of inflation eat away at the ties that bind us together as a people. One of the major tasks of a democratic government is to maintain conditions in which its citizens have a sense of command over their own destiny. During an inflation individuals watch in frustration as the value of last week's pay increase or last month's larger social security check is steadily eroded over the remainder of the year by a process that is beyond their individual control. All of us have to plan for the future when we lend or borrow, save for a child's education, change a job, buy a home, or choose a career. The future is uncertain enough in any event and the outcome of our plans is never fully within our own control. When the value of the measuring rod with which we do our planning—the purchasing power of the dollar—is subject to large and unpredictable shrinkage, one more element of command over our own future slips away. It is small wonder that trust in government and in social institutions is simultaneously eroded.

It is for all of these reasons that reducing inflation must now be the primary concern of economic policy.

POLICIES TO CONTROL INFLATION

Firm, sustained and carefully applied fiscal and monetary restraint must be the first element in our effort to reduce inflation. We have entered a period in which the high rate of economic growth that we experienced when the margin of unused resources was larger no longer is appropriate. We will apply the needed restraint and stick with it.

We will not try to wring inflation out of our economic system by pursuing policies designed to bring about a recession. That course of action would be unfair. It would put the heaviest burden of fighting inflation on those who can least afford to bear it. It also would be ineffective. Twice in the past decade inflation has accelerated and a recession has followed, but each recession brought only limited relief from inflation. The underlying pressures behind rising prices and costs continued to be strong, and inflation eventually accelerated again when recovery began. Stop-and-go policies do not work. A successful anti-inflation program must be durable to deal with a long-run inflation problem. Our program meets that test.

When I announced my anti-inflation initiatives last October, I pledged to pursue a restrained budgetary policy in fiscal year 1980. I have kept that pledge. The central element of my fiscal program is tight control over Federal spending:

—Growth in Federal spending will be curtailed. As in 1979, Federal outlays in the next fiscal year will increase in real terms by significantly less than 1 percent.

—The share of the Nation's output accounted for by Federal spending will be reduced to about 21 percent in fiscal 1980, a full year ahead of the schedule that I had earlier announced.

Restricted growth in Federal spending, combined with the revenues yielded by a moderately growing economy, will reduce the budget deficit to $29 billion in fiscal 1980, less than half its size in the year before I took office. This course of fiscal policy will exert the measured restraint that is needed. Excessive demands upon the Nation's resources will be avoided. Growth in economic activity

will slow to a little below the rise in the Nation's economic potential.

These measures of fiscal policy are being complemented by firm and careful monetary restraint on the part of the Federal Reserve Board. In this way, monetary and fiscal policy are supporting each other to combat inflationary pressures and foster a healthy and stable economy.

OTHER GOVERNMENTAL ACTIONS

I am taking other steps to reduce the inflationary effects of government actions. I have directed the agencies of the executive branch to pay special attention to ensuring that the regulations they issue do not impose unnecessary burdens on the public, and I shall continue the efforts that got under way in 1978 to improve the regulatory process.

Last year the deregulation of the airline industry brought American consumers the benefits of substantially lower prices and better service. This year I intend to seek congressional approval of legislation to increase the role of competitive forces in the trucking and railroad industries. I will submit to the Congress legislation to reform the process by which regulations are developed by Federal agencies, and to increase the emphasis on a careful balancing of costs and benefits. And I am taking steps to reduce the burden of paperwork imposed by the government on the private sector.

Government must set a clear example in the fight against inflation. For that reason, I ordered last year that the rate of pay increase for Federal workers be held to 5.5 percent and that sharp limitations be imposed on new Federal hiring.

Although these actions by government will not, by themselves, bring inflation to an end, they are indispensable. They can create an environment that encourages voluntary cooperation with the pay and price standards. Without restraint by government, the pressures of an overheated economy easily could render meaningless the best efforts of businesses and workers to reduce price and wage increases. However, it will take broad cooperation from the private sector if the voluntary effort is to succeed in reducing inflation.

VOLUNTARY WAGE AND PRICE STANDARDS

The voluntary wage and price standards call for an average rate of pay increase of 7 percent or less this year. I also have asked businesses to hold their average rate of price increase to at least one-half percentage point below the average rate of increase in 1976–77. Where such price deceleration is not possible, the standards provide for limitations on profit margins.

To meet these standards, both workers and businesses must exercise restraint. But they are fair and flexible standards. If they are widely observed, as I believe they will be, we can reverse the momentum of the price-wage cycle and gradually bring down the rate of inflation.

I recognize that cooperation with this program entails uncertainties for workers who comply with the wage standards. They may lose if others do not comply, or if forces beyond anyone's control cause prices to rise unexpectedly. In order to provide them some assurance that those who cooperate will not suffer as a result, and thus to motivate wider observance of the standards, I have proposed to the Congress a program of real wage insurance. Under this program, if inflation increases by more than 7 percent this year, groups of workers that meet the 7 percent pay standard will receive a tax credit at a rate equal to the difference between the actual inflation rate and 7 percent. This credit will insure workers' real wages over a range of inflation as high as 10 percent this year, far higher than is expected to occur.

The elements of my anti-inflation program are mutually supportive and designed to mount a sustainable attack on our long-run inflation problem. Voluntary cooperation with the pay and price standards is essential to reversing the momentum of inflation. Government needs to take strong action to avoid contributing to inflationary pressures in order to ensure that the benefits of voluntary restraint are fully realized. Together, these policies offer our best opportunity to win the fight against inflation.

OUTLOOK FOR 1979

My anti-inflation program will support the health of our economy in 1979 in two respects. First, the rate of inflation should slow this year—to about 7½ percent over the year as a whole, and to somewhat below 7 percent by the end of the year. Second, moderation of inflation will help us avoid a recession and improve the prospects for sustained economic growth in 1980 and beyond.

Over the 4 quarters of 1979, the Nation's output should rise by about 2¼ percent, somewhat less than the economy's potential growth. This should create an economic climate in which the wage and price standards have good prospects for success. The labor force will continue to expand strongly and most new workers will find jobs.

Further progress in reducing inflation can be expected in 1980 as the effects of the anti-inflation program begin to cumulate. Moderate growth in the year ahead, combined with substantial progress against inflation, will lay the basis for an enduring prosperity.

In the years beyond 1980, as we are successful in containing the growth in Federal spending and bringing down the rate of inflation, we can look toward reductions in Federal taxes. Rising real income and inflation, even at a reduced pace, push taxpayers into higher tax brackets and thereby raise the average effective tax rate. Both to sustain economic growth and to relieve citizens from unwarranted tax burdens, tax reductions will, from time to time, be highly desirable.

It would be unwise—and, indeed, very dangerous—to commit ourselves now to any mechanical formula for future reductions. No such formula will pass the test of budgetary responsibility. Our knowledge of future economic conditions and developments affecting the rate of inflation is too limited to make such decisions at this time. There is simply no substitute for the difficult process of matching our overall budgetary policies year by year to the economic requirements of the Nation.

POLICIES TO MEET THE NATION'S NEEDS

In a period when the overall growth of budgetary resources must be tightly restrained, budget decisions take on special importance. Some real growth in our defense budget is essential to meet our national security needs and keep our international commitments in the face of the growing military strength of our potential adversaries.

Within the domestic budget I have given special priority to the needs of the poor and the disadvantaged. I have recommended substantial funding for programs that address their needs for assistance in health care, education, employment and training, and basic subsistence. The 1980 budget directs the resources of those programs more carefully toward those most in need. Similarly I have sought to maintain and, in some cases, expand the assistance provided to our financially troubled cities and counties. I have paid particular attention to the need to move ahead with the development of alternative energy sources, including solar energy, and to spur basic research and development, which has been lagging in our country.

We cannot be satisfied with the condition of our economy while many of our disadvantaged citizens, especially among minorities, are unable to find work even in periods of prosperity. In 1978, the Congress enacted with my support the Full Employment and Balanced Growth Act. That act restates and amplifies the responsibilities of economic policy that have faced our Nation in recent decades. The act challenges us to provide the fullest possible opportunities for useful employment, to rely on the private sector as the principal provider of jobs, and to create an environment of price stability that will make it possible to sustain prosperity. These are very ambitious goals that challenge us as a Nation to set our sights high. The act also establishes important new procedures for moving toward the realization of full employment and price stability.

Neither can we rest while large numbers of Americans still live in poverty. This Nation has made a concerted effort to provide for those in our society who are in need. We have assisted the poor to acquire the basic necessities of life. We have taken steps to assure adequate incomes and medical care for the elderly. And we helped to assure better health care, nutrition, and education for the young. My budget for 1980 continues to respond to the challenge that poverty sets before our Nation.

Each of these challenges calls for action by the government. In a period of inflation, however, our ability to act is limited. We cannot do everything, but we must do what we can and do it well. That is the framework within which I have constructed my budgetary program for 1979 and 1980. This budget provides a carefully balanced spending plan which will ensure that the activities of the Federal Government are well administered and effective, and that we continue to respond to the important needs of the country.

My 1980 budget provides important building blocks for the future in many areas:

—*Health programs*, which I have expanded substantially during my first 2 years in office, will be maintained at those levels and in some cases increased. In addition, consistent with the development of a National Health Plan, new resources have been provided for the Child Health Assessment Program, which will extend Medicaid benefits to over 2 million low-income children. Funds have also been provided for extending Medicaid coverage to 100,000 low-income pregnant women not now eligible.

—*Authority for new spending for education* is maintained at the level that I provided in my budget last year. This program will support spending nearly 20 percent greater, in real terms, than 2 years ago.

—*Publicly assisted housing* will be provided through subsidies for 325,000 new units for families with low or moderate incomes.

—*Job-related programs* will include funds that will support an average of 546,000 public service jobs, phasing down to 467,000 jobs by the end of 1980. These jobs have been targeted more tightly to serve the structurally unemployed. Another 424,000 training opportunities also will be provided for the structurally unemployed. Programs to provide employment and training opportunities for youths remain a high priority. More private sector job opportunities will be made available through the new private sector initiative and the targeted employment tax credit.

—*A welfare reform program*, to take effect in 1982, will expand aid to families with dependent children, increase the earned income tax credit for low-wage workers, substantially improve employment opportunities for the Nation's neediest citizens, and provide fiscal relief to State and local governments with severe welfare burdens. Important reforms in the administration of the program will make America's welfare system easier to operate.

—*Aid to our cities and counties* will continue to be provided through revenue sharing, community development block grants, urban mass transit assistance, and urban development action grants. My budget provides new resources for the National Development Bank and requests funding in fiscal 1979 and 1980 for a new program of special fiscal assistance to cities and counties with severe unemployment problems.

This spending program provides for our Nation's vital needs, while remaining within the constraints required by today's inflationary economy.

THE INTERNATIONAL ECONOMY

Developments last year reminded us once again of the interdependence of our economy and those of other nations around the world. Our trading partners are looking at our ability to deal with our economic problems at home as an indicator of the strength and leadership they can expect from the United States. We will not disappoint them.

Nineteen hundred and seventy-eight was a year of significant progress in the world economy. Real output began to pick up in industrial countries other than the United States. Important initiatives in the international arena occurred in trade policy, in balance of payments adjustment, and in financial markets—all influenced by the cooperation shown at the Bonn Summit.

Late 1978 and early 1979 will mark the culmination of the Tokyo round of multilateral trade negotiations. These historic negotiations—which began in 1975 and were intensified in 1977—should lead to the first comprehensive overhaul of the rules of international trade since the 1960s.

The need for a revamping of the trading system is clear. Our large foreign trade deficit stems in part from a loss of American vitality in world markets. But it has also resulted from the tariff and nontariff barriers of our trading partners. Over the coming years, under a final multilateral trade agreement, barriers at home and abroad will be reciprocally dismantled.

During 1979 I will be working closely with the Congress to adopt the final multilateral trade agreement, along with implementing legislation, that will foster robust export growth and free and fair competition in world trade under rules that are both equitable and economically sensible. These measures will provide a framework for trade that will enhance our living standards in the decade to come.

In recent years, the United States has had a serious balance of payments deficit. Our imports surged as we grew rapidly and drew heavily on imported oil. Our exports lagged because of slow economic growth abroad. These factors contributed to a trade deficit rising from about $10 billion in 1976 to an annual rate of almost $45 billion in early 1978. As a result of the sharp increase in our external deficit and the acceleration of inflation in the United States, the value of the dollar in foreign exchange markets fell substantially last year.

We have taken important steps to correct the deficit:

—In late 1978, Congress enacted the National Energy Act, the first comprehensive legislation for dealing with our energy problems. The effect will be to reduce our oil imports in 1985 by 2.5 million barrels per day.

—In 1978, I announced the first phase of a National Export Policy. By setting up a framework to increase support for exports and reduce disincentives to export, we can begin to increase our share of world commerce. Fundamental improvements in our trade position is critical to a healthy dollar.

—A strong and effective anti-inflation program has been put into place. An integral part of that program consists of monetary and fiscal policies that will moderate the rate of economic expansion. These actions will help reduce our large foreign trade deficit.

These policies were beginning to bear fruit by the end of 1978. Exports today are growing more rapidly than the domestic economy. The merchandise trade deficit declined from a $38-billion annual rate in the first half of last year to about $32 billion in the latter half of the year. Narrowing of the deficit should continue and we foresee a marked improvement in the more comprehensive current account measure.

Nineteen hundred and seventy-eight was also a year of unusual instability in international financial markets. In the fall, movements in the exchange value of the dollar became very disorderly, and its decline became clearly excessive.

On November 1, I announced a series of steps to restore order to the foreign exchange markets and to correct the excessive decline of the dollar. Up to $30 billion in foreign exchange resources were assembled by the United States, to be used in coordination with other countries utilizing their own resources, to protect the dollar's value in currency markets. Domestic interest rates were raised significantly to help reduce inflation and strengthen the dollar in exchange markets. And the United States underlined its commitment to deal with its inflation problem and strengthen its underlying economic position.

These actions have improved the tone of the exchange markets and contributed to a rise in the value of the dollar. More importantly for the longer term, they are helping to create more stable conditions in the exchange markets, in which the value of the dollar can better reflect the fundamental strength of the U.S. economy.

Progress also was made in 1978 in achieving closer economic cooperation among the leading industrial nations. I met in Bonn with the leaders of the six major industrial countries to discuss major economic problems facing us. Out of this came a concerted action program to restore greater balance and confidence in the international economy and in world financial markets. Together, we took the necessary steps to achieve those ends—the United States committed itself to combat inflation and reduce oil imports, Germany and Japan to increase growth and reduce trade surpluses, others to take measures on trade or inflation. Only through continued economic cooperation and sound policies can we attain the goal of full employment and price stability that is our ultimate objective.

BUILDING FOR THE FUTURE

During this coming year, we as a Nation have an opportunity to strengthen our economy and lay the basis for continuing prosperity. The gains of the last 2 years have been notable. We have made great progress at home in recovering from the recession, and we have strengthened the stature of the United States in the world economy. In the year ahead, we can secure and extend those gains by working together to moderate inflation. I am confident that we will rise to the challenge.

JIMMY CARTER.

JANUARY 25, 1979.

□ 1120

NINTH ANNUAL REPORT OF COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I am pleased to transmit to the Congress the Ninth Annual Report of the Council on Environmental Quality.

The Report contains abundant evidence of progress in meeting our national commitment to protecting our environment. The dimensions of the task still before us also emerge from the Report. For example, the Report cites encouraging evidence that the quality of our streams and lakes is improving in many places. Yet few areas of the country are entirely free of even those water quality problems which we understand best and control most effectively. And we are only on the threshold of comprehending and controlling newer problems of toxic pollution in water supplies.

Our efforts to enhance the quality of urban environments offer another example. We have gained many insights in the past few years into how tax, water, sewer, transportation, and a host of other Federal programs affect the shape of cities and the use of land. Those insights are reflected in my Urban Policy Message of last March and in many new laws and Executive Branch policies. Yet as we find ourselves better able to cope with the problems of urban sprawl, new and unfamiliar problems have emerged with the unprecedented migration from cities to small towns and rural counties in the 1970's. The lesson is that even as we learn more and do better in protecting our environment, new challenges will continue to appear.

We can be proud of our achievements so far. In my 1977 Environmental Message, I promised energetic enforcement of the environmental programs already on the books and asked your collaboration in developing certain new ones.

As a result of our partnership, we can point to:

—The first law setting Federal standards for the stripmining of coal;

—a renewal of the Clean Air and Clean Water Acts, with strict but enforceable standards;

—amendment of the 25-year-old Outer Continental Shelf Lands Act to provide orderly development of offshore oil and gas resources with high standards of environmental protection;

—a nuclear non-proliferation law;

—our selection of the environmentally preferable route for shipping Alaskan natural gas to the lower 48 States;

—the permanent protection of nearly 95 million acres of unspoiled lands in Alaska in our park and refuge systems;

—a major expansion of the Nation's park and wilderness systems, including the addition of large acreage to Redwood National Park; and

—effective regulation of fishing in the U.S. 200-mile fishery conservation zone, with a 50 percent reduction of foreign fishing and a total ban on commercial whaling within that zone.

Building on the foundation already laid by Congress and using authority already granted me, I asked agencies of the Executive Branch to undertake a number of broad policy reforms in environmental matters, including:

—a comprehensive new water resource policy that stresses conservation, environmental protection, Federal-State cooperation, cost sharing, and rational economic evaluation;

—an Administration policy that would reduce the risks of plutonium and nuclear weapons proliferation;

—vigorous support for the development of solar energy, continuation of selected solar projects, and a national policy review;

—improved protection of health and safety in the workplace, emphasizing serious health hazards while eliminating trivial regulations;

—a concerted drive by all Federal agencies to design a uniform approach toward the control of cancer-causing, life-altering toxic substances;

—a thoroughgoing reform by EPA of its regulations to minimize costs and delay, welcome outside ideas and participants, and test flexible new approaches, while insuring adequate protection of health and the environment.

Finally, I directed the Council on Environmental Quality to issue regulations under the National Environmental Policy Act which will help all Federal agencies make well-informed, environmentally sound decisions, with a minimum of paperwork and delay. I asked for new regulations which would improve the government's ability to assess the effects of its actions and encourage the preparation of concise, analytic environmental impact statements. After public hearings and a thorough review by other Federal agencies, the Council drafted regulations to achieve these goals.

I am pleased that the United States has pioneered laws to protect our air, water and land. I believe our leadership has proved its worth. Since the National Environmental Protection Act (NEPA) was passed at least 25 States have adopted "little NEPAs" patterned after the Federal model, 16 other nations have adopted some form of environmental impact review of governmental activities, and more than 80 nations have incorporated into their governments a ministry with environmental responsibility.

In the years ahead, let us continue our fruitful collaboration and our leadership in environmental protection.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

□ 1125

TRIBUTE TO HON. WILLIAM A. STEIGER

The SPEAKER pro tempore (Ms. FERRARO). Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ZABLOCKI. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Honorable WILLIAM A. STEIGER.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Madam Speaker, 8 weeks ago the House of Representatives lost one of its most outstanding, dedicated, and competent Members, Representative BILL STEIGER of Wisconsin.

The sense of dismay I personally felt upon hearing that my colleague and good friend, BILL STEIGER, had passed away made me question how a young man, only 40 years of age, so worthy of life, could be taken from us. As human beings, it is difficult for us to understand why good men die young. One consolation, however, is that their goodness, principles, and accomplishments live on.

Professionaly, I admired BILL STEIGER for many reasons: First and foremost, he lived according to a strict moral and ethical code. When he compromised on an issue, it was done with shrewdness and political astuteness, but never with a loss of the guiding moral principles that fashioned his high standards. BILL also possessed the unique quality of being able to disagree without being disagreeable. BILL STEIGER was a producer in the true sense of the word. More than that, he was a leader who made things happen, and a statesman with a keen sense of national priorities. Among the many legislative accomplishments in which he played a major role are OSHA, the all-volunteer Army, and capital gains tax relief, to name but a few.

Madam Speaker, BILL STEIGER unquestionably made many significant legislative contributions during his all too brief tenure in the House. Certainly his future efforts would have been even more important. That his legacy was curtailed by his untimely death is the Nation's loss. But the loss I still feel is a personal one, the loss of a good friend, a warm, thoughtful, and loving human being, who touched my life and left me a better person.

The English poet, Robert Southey, perhaps expressed this feeling best when he wrote:

> The loss of a friend is like that of a limb, time may heal the anguish of the wound, but the loss cannot be repaired.

Madam Speaker, BILL STEIGER died at an early age, but his spirit will live on. Those of us who had the privilege of knowing him and working with him will continue to draw strength from his example of honor, courage, and an inspiration to follow our consciences and our

God, and will aspire to serve our fellow man with similar dedication.

I am deeply saddened by the passing of BILL STEIGER and extend my personal and sincere condolences in friendship to his devoted wife, Janet, his son, Bill, Jr., his father, family, and friends.

Madam Speaker, press accounts of BILL STEIGER's passing have been voluminous, repeatedly expressing highest praise, respect, and admiration for him. I would like to share with my colleagues at least a few editorials and articles, many of which appeared in newspapers throughout Wisconsin and the Nation; specifically I call attention to the article "Politics—As Steiger Practiced It" by George F. Will, a highly respected columnist, which appeared in the Washington Post on December 7, 1978:

[From the Madison Capitol Times, Dec. 4, 1978]

SHOCKED POLITICAL LEADERS PRAISE REPRESENTATIVE STEIGER

Congressmen and political leaders from both sides of the aisle, shocked by the untimely death of U.S. Rep William Steiger, R–Oshkosh, today praised their deceased colleague for his bright mind, friendliness, honesty, energy and potential for party and national leadership.

"Bill Steiger," said Wisconsin Sen. William Proxmire, D, "will be sorely missed for his first-rate mind, his strength of character and his marvelous personality."

His death, said Proxmire, "takes from us a man of intelligence, ability and marvelous sensitivity to the needs of all the people in his district—working men and women, farmers, professional people and small businessmen."

House Minority Leader John Rhodes, R–Arizona, said Steiger, 40, who died this morning in his sleep at his Washington, D.C., townhouse, "exemplified all that was good in our public officials. His energy, dedication and ability to understand the issues made him one of the most valuable members of the Ways and Means Committee.

"He had a great capacity for friendship," Rhodes said. "He was one of the best-liked members—popular on both sides of the middle aisle. The country is the poorer for his untimely death. I am sure that all of his colleagues join me in mourning his loss."

U.S. Rep. Robert Kasten, R–Thiensville, who for several years served with Steiger as the only two Republican members of the state's Washington delegation, said Steiger's death is a personal loss for him. "The tragic, untimely death of my good friend and colleague Bill Steiger is a great loss to the people of his district, the State of Wisconsin and the nation. I personally feel a great sense of loss. Bill was a friendly person I always confided in," Kasten said.

"Bill was truly one of the bright young leaders of Congress," he continued. "His leadership since coming to Washington in 1967 and his work on the Ways and Means Committee reflected intellectual prowess, political astuteness and a deep concern for the direction of America. He has left an indelible mark."

Acting Gov. Martin Schreiber, who served in the State Senate at the same time Steiger was serving in the Assembly, said he was saddened by Steiger's death, adding, "We who have served with him and those who have been served by him were strengthened by his dedication and his example as a public official with superior integrity."

Eugene (Tip) O'Neill, the speaker of the House, said, "Bill Steiger had one of the brightest minds and was one of the most personable members in the House of Representatives. His contributions will be remembered for a long time."

Sen. Gaylord Nelson, D-Wisconsin, called Steiger a "valued friend" and said his death is "shocking and sad. Bill was in his prime. He was a young, vigorous legislator. He worked hard for his party, but he also labored unstintingly on a non-partisan basis in the best tradition of Wisconsin progressive politics."

Fellow Representative Robert Kastenmeier, D-Sun Prairie, said Steiger was "one of the most highly regarded and well-liked members of Congress and was rapidly becoming a national figure because of his work on taxation and other issues . . . A great deal was expected of him in the 96th Congress, since he was just starting to emerge as a Congressional leader and a spokesman for his party.

"I served with Bill for 12 years," Kastenmeier said, "and knew no one who worked harder for the interest of Wisconsin. He was trustworthy, reliable, a man of utmost integrity and a superb public servant."

"He will be greatly missed by the people of Wisconsin and by all of us who knew him and worked for him," Kastenmeier said.

"Oh Lord, we lose a star," said former state GOP Chairman George Parker. "There's no question about that—a star who had national standing. It's a blow. He's going to be very, very difficult to replace—if it's possible to replace him."

An assessment in 1972 by consumer activist Ralph Nader's Congress Watch said of him, "Steiger's near-adolescent appearance and Eagle Scout demeanor hide a legislative toughness and a dozen years of political experience . . . He is very craftsmanlike and meticulous and a helluva lot tougher than you would imagine from his appearance."

Former Republican Gov. Warren P. Knowles said he was shocked to learn of Steiger's death. "He's given a lifetime of service in the political area. His loss will be greatly felt," said Knowles, who said he knew of Steiger's diabetes.

[From the Milwaukee Journal, Dec. 4, 1978]

STATE, NATIONAL FIGURES LAMENT DEATH OF STEIGER

Friends and constituents were shocked Monday to learn of the death of U.S. Rep. William Steiger, congressman from Wisconsin's sixth district.

"Bill Steiger was one of the brightest minds and the most personable members of the House," said House Speaker Thomas P. (Tip) O'Neill. "His contributions here will be remembered for a long time."

Rep. Clement J. Zablocki, of Milwaukee, the senior member of the Wisconsin Congressional Delegation, said he was shocked and deeply saddened at Steiger's death.

"It was a privilege to know and work with Bill Steiger," Zablocki said. "The untimely death of Rep. Steiger deprives his constituents of a fine, dedicated representative and it deprives the Republican Party, the state and the nation of an outstanding leader."

Rep. Henry S. Reuss, of Milwaukee, chairman of the House Banking Committee, said he was shocked and saddened.

"Bill Steiger was a fine man and a splendid public servant," Reuss said. "The people of his congressional district have lost a dedicated leader, the causes he espoused have lost a staunch champion and I've lost a good friend."

J. Michael Borden, state Republican chairman, said he knew Steiger well.

"It's a great personal loss for me, for Wisconsin and the nation as well," Borden said. He said Steiger was one of the top men in Congress.

"I had no idea he had a health problem. I knew he had diabetes, but I thought he had it under control," Borden said. Steiger was found dead in his bed Monday morning.

Borden said Steiger was "incredibly honest" and "was the kind of man you hoped would go into politics."

PRAISED FOR CONCERN

He said some people who go to Washington "get Potomac fever and the party never sees them again. That wasn't the case with Bill Steiger."

Former Republican Gov. Warren Knowles said he was shocked.

"Bill has certainly been an outstanding member of the congressional delegation and has dedicated his life to politics in Wisconsin," Knowles said.

"With his death, I am at a loss even to speculate on who might succeed him and do the kind of job representing Wisconsin that he has done. He is virtually irreplaceable in his district."

POLITICALLY TOUGH

An assessment in 1972 by consumer activist Ralph Nader's Congress Watch said of him:

"Steiger's near adolescent appearance and Eagle Scout demeanor hide a legislative toughness and a dozen years of political experience. . . . He is very craftsmanlike and meticulous and a helluva lot tougher than you would imagine from his appearance."

[From the Milwaukee Journal, Dec. 5, 1978]

SKY WAS LIMIT FOR STEIGER, FRIENDS AGREE

(By Frank A. Aukofer)

WASHINGTON, D.C.—Bill Steiger could have been anything, even president.

That statement is no reflection of present political reality, for the Republican congressman from Oshkosh was not a nationally known figure, although he was on his way to becoming one.

Rather, it is a consensus of those who worked with him and knew him well, and is an assessment of his abilities and his potential.

"I think he was one of the most respected legislators in Congress," said George Bush, the former United Nations ambassador, Republican Party chairman and CIA head. "With his brilliance and his retentive memory, I think the sky was the limit for Bill Steiger."

Over and over, that theme emerged in the aftermath of Steiger's death Monday from a heart attack and hardening of the arteries. Steiger's diabetes contributed to the artery condition.

"There was almost no limit to what Bill could have accomplished," said Bill Brock, the Republican national chairman and a close friend. "He was thoughtful and creative, and he was loved and respected by people across the board, not only in our party but in both parties. And he was developing an ability in the House to truly lead."

President Carter said Steiger had earned the respect of his colleagues.

At 40, with 12 years in the House behind him, the boyish looking Wisconsin representative had earned a reputation for intelligence, diligence, hard work and that most sought after but seldom achieved political asset, timing.

Last spring, Steiger introduced his proposal to reduce capital gains taxes as a way to boost the economy and fight inflation, and it started an avalanche that saw the tax reduced from a top rate of 49 percent to 28 percent—only three percentage points above what Steiger originally wanted.

Even Steiger was surprised at the way his proposal snowballed, and he was delighted with his role as the point man, laughing gleefully when Carter himself was forced to attack the Steiger amendment.

It brought national recognition, and in recent months Steiger had been giving as many as two and three speeches a day. His last was in Boca Raton, Fla., last week be-

fore a group of securities industry representatives, who gave him a standing ovation.

But Steiger was in demand for much more than his knowledge of taxes. He was a leader in legislation that created the all-volunteer military services, that set up the Legal Services Corp. for the poor and that established the Occupational Safety and Health Administration.

CLOSE FRIEND

Bush, a close friend and godfather to Steiger's son, Billy, recalled a meeting of top national economists at Bush's home in Kennebunkport, Maine, last summer. Among those at the gathering were Paul McCracken and Arthur F. Burns, the former chairman of the Federal Reserve Board.

"You could just see how those people respected him," Bush said. "He was younger than all of them but he had their respect."

Bush said he thought that some day Steiger might have run for the Senate.

"I don't know whether he had any presidential ambitions," Bush said, "but he certainly would have had the intellectual capacity to handle that. But he was a modest fellow. He didn't promote himself. . . ."

Members of Steiger's staff said the congressman loved his work. He was "desperately happy," one said, and probably would have continued to carve out a leadership role for himself in the House. Some saw him as a cabinet member—secretary of the treasury or of health, education and welfare—in a future Republican administration.

JOB OFFER

A few years ago, Steiger considered leaving the House when he was offered a position as head of the National Safety Council in Chicago, according to a close friend and colleague, Rep. Barber B. Conable Jr. (R-N.Y.).

The job would have provided financial security for Steiger's family and would have enabled him to live closer to Wisconsin. But Conable said he talked Steiger out of it.

"I said, 'If people like you get out of government what's going to happen to the country?'" Conable recalled.

"I saw him as a national asset, one who would grow in importance and stature and understanding every year, which he did. People expected Bill Steiger to be in the middle of everything, and he never disappointed them."

ON HIS WAY

Conable said Steiger clearly was on his way to becoming a dominant figure on the crucial matter of tax legislation. But he also had started becoming an expert on international trade and was increasingly important to the Republican Party, which he served with the same sort of hard work and diligence he brought to the House.

"He was becoming one of the most effective and articulate spokesmen for the party," said GOP Chairman Brock. "But more so for legislation that had a human component. . . .

"His range of talents made him precisely the kind of person we should be looking for in elective office—from the president to any other office."

[From the Milwaukee Journal, Dec. 5, 1978]

BILL STEIGER'S ENDURING MARK

Rep. William Steiger was the kind of officeholder who gives politics a good name.

He was earnest and diligent about his work, and unusually effective, but he refused to take himself too seriously. He had a clear political philosophy—it was moderately conservative—but he never let himself get ensnared in petty dogma. As a Republican, he was always in the minority in Congress, but he had a talent for finding bipartisan consensus.

Steiger was a professional, mastering the complexity of tax laws or the intricacy of legislative maneuver as thoroughly as a pianist masters an etude. After 12 years in Congress, he was coming into his own as a legislative power.

When death ended his career Monday, Steiger was only 40, but he had left a durable mark. He will be remembered not just for the historic job safety legislation (OSHA) that bears his name, or for his pioneering support of the all-volunteer army, or for the tax policies he helped shape or the sensible influence that he exerted on party politics.

No. Bill Steiger will be remembered also for his quick smile, friendly manner and sharp wit—the human qualities that helped make him an admirable person and a first rate public official.

[From the Milwaukee Sentinel, Dec. 5, 1978]

STEIGER HELD IN HIGH REGARD

(By Richard Bradee)

WASHINGTON, D.C.—The death of Rep. William A Steiger (R-Wis), at the age of 40, ended a political career that was remarkable in this town for trustworthines and personal good humor.

That point was made best by Rep. David R. Obey (D-Wis.), who has debated partisan issues with Steiger for 20 years Obey choked back tears as he talked about their years together.

"We trusted each other so much; he was just personally kind and thoughtful," Obey said.

In a written statement, Obey called Steiger "truly a profesional in the finest and most positive sense of the word. I never saw him do a destructive thing. I never saw him take a cheap shot."

Steiger, who looked not much older at 40 than he did when he was a Young Republican at the University of Wisconsin—Madison 20 years ago, spent most of his years in national politics as a member of a liberal minority in the minority Republican Party.

In recent weeks, he quietly laid the groundwork for another Republican long shot, former Texas Rep. George Bush, the choice of some moderates for the 1980 Republican presidential nomination.

At Republican national conventions in 1968, 1972 and 1976, Steiger fought to open his party to blacks and other minorities. Battles over party rules often droned on into the night, and it was not until 1978 that the causes Steiger fought for proved to have some national impact.

Many of the Republicans who won in 1978 courted the black vote that their party virtually wrote off in the last three presidential elections.

In Congress, Republicans are outnumbered 2 to 1 and often assume the role of simple reacting to Democratic proposals.

When Democrats took both the White House and Congress in 1976, Steiger sometimes talked of the overwhelming odds against Republicans having any influence on national policy.

As a member of the House Ways and Means Committee, Steiger used sheer energy and intellect to become a leader of an influential middle group of Democrats and Republicans.

To the surprise of many politicians, Steiger's bill to cut capital gains taxes formed the basis of the major congressional tax bill last year, despite the opposition of President Carter and Democratic leaders in Congress.

His work on trade, Social Security, health care and inflation were beginning to bear fruit.

In the next Congress he had been expected to play a leading role in developing national policy on both foreign trade and inflation.

"He was the only Republican to vote with me, procedurally, on the first ethics package three years ago," Obey recalled.

The vote cost Steiger an appointment that he had sought to the commission that rewrote the rules of the House of Representatives.

"He was a tremendous bridge between the parties. We don't have anyone who can do that now," Obey said.

[From the Madison Press Connection, Dec. 5, 1978]

DREYFUS, SCHREIBER PRAISE REPRESENTATIVE STEIGER

(By Ed Bark)

The late Rep. William Steiger (R-Wis.) was paid tribute Monday by Wisconsin's two ranking elected officials.

Democratic Gov. Martin Schreiber and Republican Gov.-Elect Lee Dreyfus offered unstinting praise for their political colleague, who died in his sleep Monday at the age of 40. A Republican from Oshkosh, Steiger had represented the state's sixth congressional district since 1967.

Schreiber first met Steiger in 1956 at a Badger Boys State convention. Steiger had been elected "governor" of the Badger Boys State the year before and returned as was customary to address the 1956 group of honored high school juniors.

"He (Steiger) was a person that you warmed to almost immediately," Schreiber recalled. "Although we had a brief discussion and nothing more, it was a heartening experience." Steiger and Schreiber subsequently served in the State Legislature together from 1962–66. "I knew him to be a top notch person," Schreiber said. "He responded to the party line, but always with dignity. He was a person of his word and you never had to be concerned with cuteness and game playing."

In a telephone interview from Stevens Point, Dreyfus described Steiger as a "rising star" who was "moving up in the Republican ranks and then chopped off."

"It's just hard to comprehend," Dreyfus said.

During the gubernatorial campaign, Dreyfus said his wife, Joyce, was apprehensive about campaigning at plant gates until Steiger offered to accompany her.

"I'd gotten to know Bill pretty doggone well this past year," Dreyfus said. "If Steiger had been the candidate (for governor), I would not have seen the kind of need to run that I saw when I first came into the party."

State Sen. Scott McCallum (R-Fond du Lac) was an administrative assistant to Steiger from 1973–74. "It was a personal loss to me," McCallum said of Steiger's death. "It was a loss to everyone in the district, the state and really the nation, as Bill Steiger was emerging as a national leader."

The Senate Minority Leader Clifford Krueger (R-Merrill) described Steiger as "an outstanding congressman . . . recognized throughout the nation for his innovative ideas on taxation."

[From the Wisconsin State Journal, Dec. 5, 1978]

WILLIAM A. STEIGER

Rep. William A. Steiger achieved, and contributed, far beyond his years.

But those years numbered only 40 before he died in his sleep early Monday. The premature death came without warning, adding to the shock.

It was less than a month ago that Bill Steiger, the Oshkosh Republican, had been elected to his seventh term in Congress by an overwhelming 70 percent of the votes. It was his largest victory margin and is why his seat in Congress had been called "the safest one held by the Republican Party."

The congressman, who always looked younger than his years, seemed poised for even more productive work as a lawmaker. That estimate had a solid basis in past accomplishments.

Winning was his political way of life.

He died unbeaten.

It began in 1960 when he was elected to the Wisconsin Legislature at age 22, becoming the second youngest member at the time. He served until 1966 when he won the Sixth District seat in Congress.

He was then the youngest member of Congress at age 28.

But Bill Steiger had a cool maturity beyond his physical and political years. He swiftly became an effective lawmaker and influential member of his party.

Even as a minority-party member in Congress, he got things done. To illustrate, he was prominent in formation of the volunteer armed forces; he helped enact laws to relieve unfair and inequitable burdens on individuals, taking a particular lead in calling for laws to protect the health and safety of workers, and, most recently, was the foremost exponent of capital-gains tax relief that was adopted in part by the Carter administration in its tax bill.

Bill Steiger had the ability not to lose sight of important objectives. He would not sacrifice principle for compromise, but he would compromise if it meant moving toward a desired goal.

Perhaps his most lasting contribution was in helping open the Republican National Convention and the party itself to a more broadly representative membership.

He had a strong commitment to his party, but never feared being critical of his party if he felt it should be improved.

He rarely showed his emotions, remaining in control of himself and the situation, but he felt deeply young and old, to women as well as men, to minority and heritage groups as well as to the predominant whites.

This was convincingly on display at the 1972 Republican National Convention where he led the fight to broaden selection of delegates. He and his colleagues lost that battle but not the war.

The Wisconsin congressman had presented the case so skillfully he was named chairman of the party's Rule 29 Committee, charged with reviewing rules and relationships affecting the total GOP structure.

The committee's work, under Steiger, led to a more open Republican Party as he kept hammering at one theme: " . . . we want to make sure we don't exclude people from our party."

Above all, Bill Steiger was an open, fair, good man.

He won accolades in life (Time magazine named him in 1974 as one of 200 men and women it said seemed destined to provide the United States with a new generation of leadership), and genuine tributes in death from political friends and foes alike.

Speaker of the House Thomas O'Neill, the Massachusetts Democrat, called him "one of the brightest minds and most personable members of the House."

Not many leave such a constructive legacy in so few years. We morn his death; we are grateful for his lifetime's work that enhanced the image of the political leader at a time when it is sorely needed.

[From the Washington Post, Dec. 7, 1978]

POLITICS—AS STEIGER PRACTICED IT

(By George F. Will)

Journalism, it has been said, often involves reporting "Mr. Smith is dead" to people who never knew that Mr. Smith was alive. But that often is important. The end of exemplary lives should not go unremarked.

Many Americans do not even know the name of their own congressman, and few Americans knew of the congressman from Wisconsin's Sixth District. But there are more than a few Republicans who, if asked why they are Republicans, would reply, briefly but sufficiently, "Bill Steiger." They especially, but not they alone, know what the Republican Party, and the republic, lost when William Steiger died in his sleep at age 40.

When Steiger came to Congress 12 years ago, he was the youngest member. When he died, he was the youngest looking member. But any tendency to think of him as "boyish" did not survive the bracing experience of matching wits and wills with him.

When, early this year, Steiger submitted his amendment to lower taxation on capital gains, the Carter administration was ardently, not to say hysterically, opposed. But what Steiger began resulted, after compromises, in rate reduction. It was an example of what one exceptional man, aroused and patient and right, can do.

I first met Steiger early in this decade when the senator for whom I worked (Gordon Allott of Colorado) became interested in passing the military-pay proposals that were a prerequisite for the transition from conscription to all-volunteer armed forces. Steiger had been at work on the problem for several years, and no one in Washington was more ready for battle.

The issues of conscription and capital gains, one early and one late in his career, do not tell the full story of his career, but they summarize the theme of his Republicanism. He was concerned with liberating the nation's productive energies, including energy in the form of capital and, where possible, supplanting coercion with incentives.

Politics when done wrong, and when done right, can be a consuming profession. It is consuming for those whose eyes are always on higher office—who are consumed by ambition as by fire. More admirably, and more rarely, politics is consuming for those, like Steiger, who do justice to their great work of making laws for a free people.

Congress has its share of members who coast, content to derive their satisfactions from the perquisites of office. But the minority side of the House Ways and Means Committee has recently been to Congress what Sugar Ray Robinson was to boxing: pound-for-pound, the best fighting force. And Steiger, an initiating spirit, was among its best members.

It would be doing less than justice to Steiger to say only that he was a superb legislative craftsman. He also resembled another bundle of useful energy from the upper Midwest. It may seem like a contradiction in terms to speak of anyone as a "Republican Hubert Humphrey," but Steiger exemplified what Humphrey called "the politics of joy." Plainly put, he loved his profession, and it showed.

What Burke said of a nation is true, too, of a profession: To be loved it must be lovely. Politics as Steiger practiced it—intelligent, passionate and amused—was lovely. People who remember him as a paperboy in Oshkosh remember that he always aimed to be a congressman.

A few years ago he was offered a job in the private sector at a substantial increase in salary, and he was tempted to take it for his family's sake. His nine-year-old son frequently went up to Capitol Hill, quietly drawing pictures and watching his father work. Politics is a profession that often exacts a terrible price from families, but as a colleague said of Steiger: "We all admired the father in him."

The capriciousness of fate moved Yeats to write:

Some think it a matter of course that chance
should starve good men and bad advance.

It was not chance that advanced Steiger to the front rank of his party and his profession. But chance has done what only chance could do: It has prevented him from completing what would have been one of the most distinguished careers Congress has known.

[From the Milwaukee Journal, Dec. 11, 1978]

STEIGER EMBODIED "WISCONSIN IDEA"

WASHINGTON, D.C.—In the grief and regret that followed the death of Rep. William A. Steiger last week, Sen. Gaylord Nelson probably came closest to describing the political essence of the young congressman from Oshkosh.

He spoke of Steiger, 40, as the epitome of the progressive tradition in Wisconsin government and politics, a tradition that has brought the state a high degree of competence and a reputation for quality and integrity in public life.

For the most part, Wisconsin voters do not like demagogs, curmudgeons and wheeler-dealers. As one writer once said, Wisconsinites care little about the length of a man's hair but a great deal about whether he tells the truth.

THE WISCONSIN IDEA

The progressive tradition had its start around the turn of the century with Wisconsin's famed governor and senator, Robert M. LaFollette Sr. Like Steiger, LaFollette was a Republican, but both Republicans and Democrats in the state have embraced progressivism, or the Wisconsin Idea, as it is sometimes called.

As defined by H. Russell Austin in "The Wisconsin Story," that idea is "the theory that the state should be served by its best minds, its best trained experts in the planning of legislation and its administration."

Though that definition mostly encompassed the employment of private citizens to bolster the work of elected officials, the idea obviously applies to them as well.

Progressivism can be equated somewhat with innovation, and it has been practiced by public officials of varying shades in Wisconsin. Nelson and Steiger represented different political parties, and often disagreed on issues, but Nelson could speak of Steiger with respect and admiration.

"He came out of a tradition of having an open mind, of not having any ideological hangups that would cause him to be against something or for something because he was a Republican," Nelson said.

A classic example, he said, was Steiger's leading role in the creation, and recently the defense, of the much maligned Occupational Safety and Health Administration (OSHA).

Steiger decided that the concept of guaranteed safety to workers was correct, and that it should be part of the cost of doing business. He also saw that some businessmen went to the extra expense of providing safety, but were forced to compete with those who did not.

"It was a posture for a Republican that would not be expected," Nelson said. "The knee jerk reaction is that if you're for free enterprise, you should keep your nose out of such things.

"He was open minded. He concluded that, obviously the marketplace would not settle it. . . . And he had the guts because it surely was against the most conservative wing of his party."

Steiger, of course, was not responsible for the many nonsensical rules that the federal government established to carry out the law. He criticized those while defending the law itself, and he did so with typical good humor. Hanging on his office wall were cartoons that ridiculed OSHA, one with the caption saying, "If you think OSHA is a town in Wisconsin, you're in trouble."

Steiger always was open to ideas, and he allowed his staff a great deal of freedom to work on issues in which they had an interest. Some years ago, a staffer approached him to express concern about Vietnamese orphans and the need to do something to help.

That simple expression was enough. Steiger freed the staffer to work on the problem and took a personal interest in it himself. It led to passage of legislation to help the orphans

through voluntary agencies. Steiger visited Vietnam twice to see how the programs were working.

It was typical. Steiger surrounded himself with self-starters and gave them free rein. An indication of what his people thought of him shows in the fact that five of his six original staffers 12 years ago were still with him when he died.

If one is serious about it, the job of a congressman is extremely difficult and tiring, but no one ever heard Steiger complain about the long hours or the drugery. Last October, in those marathon closing days of the 95th Congress, he stayed up all night with Senate-House conferees working on the tax bill, even though he was not a member of the conference committee and had no vote.

He encouraged his constituents to write letters to him and personally read the more than 150 letters that arrived daily in his office. Once he told his constituents in a newsletter not to let poor handwriting prevent them from writing to him.

In a tribute last week, columnist George F. Will compared Steiger to the late Sen. Hubert H. Humphrey of Minnesota. Though they differed politically, Will pointed out that they both practiced the "politics of joy."

During the last Congress, more than one knowledgeable observer of the Senate and House expressed the opinion that Wisconsin—with its progressive tradition of honesty, service and integrity in politics—had the best congressional delegation of any of the 50 states.

There is no way to prove that, of course, but it unquestionably was a quality delegation, regardless of political persuasion. And the young man, from Oshkosh was a vital ingredient in the blend.

With the departure of Bill Steiger, it may be many years before Wisconsin can again be said to have the best.

[From the Washington Post, Dec. 10, 1978]

"STUPENDOUS STEIGER"

(By David S. Broder)

It is a cliché in the political-reporting business that every one of us carries around in his head a list of stories he would have given his eye teeth to have written. Some are scoops on which you were beaten. Some are exposés for which you wish you could claim credit.

But the most uncomfortably remembered stories are those in which you might have said—but did not—that somebody was doing a helluva job in public office.

Bill Steiger had done that kind of job ever since he came to the House of Representatives in 1966 as a 26-year-old freshman Republican from Oshkosh, Wis. He died last week, after a heart attack, at the wasteful age of 40. The sense of personal loss I share with his other friends and admirers is compounded by the regret that this column was not written earlier.

Not for Bill Steiger's sake, but for the greater credibility it might have had with the young people for whom he had a very special concern. They are awfully cynical about politics and politicians these days. On the college campuses I have visited in the past few weeks, the students are very familiar with the real names and cases of Congressman Kickback and Senator Shakedown, and they ask, in world-weary voices, why the voters re-elect such men and why the Congress seats them.

They don't ask about the Bill Steigers of this world—and for a good reason. We haven't told them nearly as much about them. And we should have.

Bill Steiger was a kid of 13 when he learned he had diabetes. He survived as long as he did by administering two shots of insulin a day. Despite the handicap, he was unstinting in the energy he poured into politics and public office. By the time he was an undergraduate at the University of Wisconsin, his friend and classmate, John Bibby, recalls, "Bill had done so much in campus politics and state and national Young Republican politics, that our professors discussed things with him as they would with a political pro."

He graduated in June of 1960 and the following November was elected to the State Assembly. There, he became a leading proponent of a state open-housing law that was finally passed in his third term. It was a strange issue for a man from a district that then included 189 non-whites, but Steiger was never a parochial politician.

In 1966, he ran against an incumbent Democratic congressman who had opposed federal open-housing laws and tried to make them an issue against Steiger. The voters were wiser than the opponent thought and gave Steiger the first of his seven House victories.

During his House service, Republicans were always in a minority. In that situation, it is tempting to vote against every program that is not desired by the dominant interests in your district.

Steiger did not do that. He took the far harder course of searching out ways to shape basic legislation and push national policy in directions he thought it should go. In doing so, he became, as his Wisconsin Democratic colleague, Rep. David R. Obey (a legislator of comparable quality), said, "the Republican who was the most effective bridge between the parties in Congress."

Working with Sen. Harrison A. (Pete) Williams Jr. (D–N.J.), he devised the compromise that permitted passage of the Occupational Safety and Health Act (OSHA) in 1970. Working with Sen. Spark Matsunaga (D–Hawaii), he succeeded in 1971 in legislating the end of the draft and the start of the volunteer Army. Working with then Sen. Walter Mondale, he was instrumental in gaining passage of the program providing legal services to the poor.

Steiger was a reformer who understood the importance of knowing the rules. He was an "institutional man," devoted to both the House and to the Republican Party, and he was willing to work for long hours against great odds to improve their functioning.

In the early 1970s, he took on the thankless assignment of chairing the party rules committee mandated to open the doors of the GOP to greater participation by minorities, women and youths—an effort that only now is beginning to bear fruit. In the mid-1970s he fought, unavailingly, for an overhaul of the House's antiquated committee structure.

This year, after eight years of prodding and pushing, he finally got the Congress to provide a more honest account of its own proceedings, by identifying in the Congressional Record those prepared speeches that were not actually delivered by the members.

As his reputation inside Congress grew, so did the opportunities to cash in by accepting lucrative outside job offers. Another friend, Rep. Barber M. Conable Jr. (R-N.Y.), recalls that Steiger turned down one industrial foundation post that would have doubled his congressional salary and provided financial security for his wife and young son.

Instead, he stayed at his work. In leading the successful fight this year for reduction in capital-gains taxes, over the opposition of President Carter and the Democratic congressional leadership, he won acclaim from financial circles that had managed to overlook his earlier constructive works in the social policy area.

"Stupendous Steiger," The Wall Street Journal called him, and he accepted the joshing of his conservative colleagues about his new fame with the same smiling equanimity with which he had endured their earlier jibes about being the author of the business-hated OSHA legislation. Methodically, as always, Steiger used his new role as a sought-after speaker on the national GOP fund-raising circuit as a way to mobilize support for his next major goal: the nomination and election of his friend George Bush to the presidency.

Steiger was a man of exceptional talent, drive and integrity. Said his grieving friend Obey: "In the 20 years since we started debating on the steps of the Wisconsin Student Union, I never knew [him] to take a cheap shot."

But there are more than a few Bill Steigers in politics. It would honor his memory if we occasionally wrote about them—before they died.

[From the Washington Star, Dec. 8, 1978]

STEIGER KNEW THE REPUBLICAN PARTY'S PROBLEM

(By James Reston)

The sudden death of Rep. William Steiger of Wisconsin at the age of 40 has been marked here by an exceptional outpouring of respect and affection for one of the most promising young men in the Congress of the United States.

Mainly this was a reaction to the magic of his personality, the gifts of his energy and intelligence, and the shock of his premature death, but there was something beyond that.

It was not merely that Bill Steiger arrived here 12 years ago as the youngest member of Congress or that he advanced by diligence to a leading position on the Ways and Means Committee. It is, in a way, that he was a symbol of the problems of youth in a Republican Party dominated by old men.

The point should not be misunderstood. Steiger was effective in the House of Representatives, not because like Jack Kennedy at his own age he had presidential ambitions, but because he didn't. He thought he had plenty to learn and plenty of time. He studied and learned the cards in the congressional deck, and the mystifying techniques of the legislative process. And he worked tirelessly on the substance of taxes and the military security of the nation, and the internal struggles of his party.

I cannot pretend to be wholly objective about this modest and engaging young man and his lovely wife, Janet Dempsey Steiger. My eldest son, Richard, was his roommate at the University of Wisconsin, and best man at their wedding, but some times you have to be personal to be understood.

Nobody can say that the Republican Party held him back. His qualities of mind and character were recognized. He was able to take the lead in the battle to reduce the capital gains tax this year and he played an important role in the struggle between Gerald Ford and Ronald Reagan at the 1976 Republican presidential nominating convention, but there are limits on the ambitions of youth in the Republican Party that do not exist to the same extent in the Democratic Party.

In congressional politics, the Republicans have been in the minority in both the House and Senate for 41 out of the last 45 years. Only in the 80th Congress from 1947–49 and the 83rd from 1953–55 have they been in control. Getting to the top for a young Republican on Capitol Hill can easily be a lifetime career, even the discouraging career of a very long lifetime, which Steiger didn't have.

In presidential politics, the outlook for young Republicans these days is more bleak, and even for middle-aged Republicans like Howard Baker of Tennessee, the Republican leader of the Senate, or Mac Mathias of Maryland or George Bush of Texas, former head of the CIA and ambassador to the United Nations and Peking, the prospects are not very good.

Even now the Republicans are still looking primarily, not to the rising generation in their 40s or their 50s but to the familiar figures of the past, Ronald Reagan, Gerald Ford and John Connally, now all in their middle 60s.

It was clear to Bill Steiger and some of the other young hopefuls of the GOP that another divisive battle between the elders of the party for the presidential nomination of 1980 could only hurt the Republican chances of recapturing the White House.

There was even some vague talk about trying to organize a midterm convention to test the strength, not of the Steigers or the men of his generation, but to rally behind Baker or Bush or one of the middle-aged Republican moderates, but nothing came of this and Steiger had given up the idea before he died.

For it was clear to him as it still is to most other Republican leaders that the decisive instruments of power in the Republican Party still lie with the dominant figures of the last Republican convention, particularly with Reagan, and that the only hope of younger challengers lies in the primary elections.

It never occurred to Steiger to be one of the challengers, but the thought of change, of debating the issue within the party before staggering into another battle with the same candidates who divided the GOP and lost the last election, was at least a fleeting notion that he didn't live to pursue.

At least, he believed the generation of Republican leaders should be heard before the party loitered down into another election with the same cast of characters, and it's still a pretty good idea.

□ 1135

Mr. CONABLE. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, we have all been not only saddened, but surprised that one who is so young and so full of life was taken from us so abruptly. BILL STEIGER has as many friends as anyone in this House. He had a tremendous impact on this institution and on the lives of everyone with whom he came in contact. We try to find comfort in the thoughts of great writers. I have been looking at Shakespeare, whom BILL loved and whom his wife loved, and I found a few appropriate comments, such as from Julius Caesar:

His life was gentle and the elements so mixed in him that Nature might stand up and say to all the world, this was a man.

Or from Hamlet:

He was a man. Take him for all in all, I shall not look upon his like again.

Remembering BILL as one of my closest friends, and how we used to argue about issues of importance to us, because he never compromised his views or pretended to think other than what he thought, I find in Hamlet also the quotation:

Rightly to be great is not to stir without great argument.

Indeed, BILL participated in all the great arguments of this body. It reflected the greatness of his industry, his spirit and of his intellect.

There was nothing that passed on the floor of this House of which he did not have understanding and very few important events occurred here without his participation, but of course, the things that made BILL special to us all were his human qualities, not his remarkable intellect, not the quickness of his comprehension, not the prodigious industry with which he approached everything, but the fact that he had a human relationship with everyone with whom he came in contact.

I used to have a problem with him as ranking member of the Committee on Ways and Means, because frequently when some earnest discussion was going on his cheerful laugh would disrupt the proceedings. He found joy in everything. Joy was part of his life. It was one of the vital qualities that made him such a special human being to all of us. That capacity for joy was reflected in his dealings not only with us, but with everyone and with his family. We know his family. They were part of his life. Many a time young Billy has come up here and been on this floor; Billy, his son, who is so bright and shows so much promise. Many a time he came to our committee with a decorum unusual for one his age. He used to observe the passing scene there in the committee and draw his artistic impressions.

I am sure that we are well aware that as busy as BILL STEIGER was (in fact, he had six projects going at any given time), he must have had to spend a comparatively modest portion of his time with his family in order to accomplish all his public obligations. Yet the quality of that relationship with his family was an inspiration to us all. That is a human being. That is a man who keeps first things first. This was a man whose intellectual qualities did not obscure the remarkable character and understanding of a first-class person.

Well, I wish I had prepared remarks so that I could do him more eloquent justice, and yet BILL never had prepared remarks on anything. He never needed them.

I regret that many people who cannot be here today are going to have to be bulleted in this RECORD.

□ 1140

They are going to have to be recorded as paying him tribute in absentia, although I am sure their absence—and I have a tremendous number of statements here that I wish to put in the RECORD—does not reflect any lack of respect but the condition of this early Congress and the pressures that take them elsewhere when this is the only order of the day. It is a little ironic that so many of them must be bulleted as a result of BILL's work here. His absolute insistence on honesty means that the record is going to show they were not present.

Madam Speaker, this is just a passing remark about the sort of work he did here. How typical of him to have made a significant contribution in insuring that the record of this House would reflect honestly what transpired here. He believed in openness. His life was as open as it was full. He did not compromise.

He believed in maximum participation, and he was a participator in everything that came along.

He believed in his fellow man, and that was reflected in the human relationships he had with everyone around him, whether they were political friend or foe, whether they agreed with him or whether they disagreed with him. He could be, as has already been said by the distinguished dean of the Wisconsin delegation, a man who disagreed without being disagreeable.

The Nation has lost a major asset. We are all aware of that. We have lost a friend. That frequently, in our own minds, obscures the sad and tragic loss to the Nation, and many of us have been feeling so sorry for our personal loss that we have forgotten to weep for the Nation. But let us be glad he was among us. Let us be glad that he had the chance to do the things he did. Let us be grateful that his life touched ours.

Madam Speaker, I thank the distinguished gentleman from Wisconsin (Mr. ZABLOCKI) for yielding.

Mr. ZABLOCKI. Madam Speaker, I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I think I knew BILL STEIGER longer than anyone else in this Chamber. I knew him for more than 20 years.

BILL and I went to college together. We argued all the way through college. We debated and worked with each other for 4 years in the Wisconsin State Legislature, and we debated and worked with each other here in the House for many years.

A lot has been written about BILL STEIGER. Most of what has been written has been about the issues with which he was associated, for example, the capital gains issue of last session. But my best memories of him are personal.

Lest this session become too morose, which is something that BILL certainly would not have wanted, I would like to tell just a couple stories about BILL. One is about the first time I ever saw him.

BILL came to the University of Wisconsin 2 years before I did. He came as a freshman; I came as a transfer student as a junior. On the first day of classes in constitutional law, I saw BILL STEIGER for the first time. It was a scene right out of "Paper Chase," if any of the Members have ever seen that television series.

We had a professor by the name of David Fellman, who is a distinguished professor of constitutional law. BILL was at that time already a "big man on campus." His father had been president of the board of regents of the university, and Professor Fellman was a dry wit.

The first day of classes, BILL walked into that constitutional law class about 3 minutes late, and Professor Fellman looked over at him—and said, "Mr. Steiger, ordinarily we would have an usher escort you to your seat. Unfortunately, our carnations have not yet arrived."

BILL cringed, looked up at Professor Fellman and said, "Sir, I get the message" and proceeded to his seat.

That was the first time I met BILL STEIGER.

□ 1145

We would debate on the steps of the Student Union, BILL representing the Young Republicans, and I a member of the Democrats. In 1958, the then State Senator GAYLORD NELSON was running for Governor. BILL was taking the position that the incumbent Governor, Vernon Thomson, who we all knew later as a Member of this House, should be retained as Governor. But BILL kept having a slip of the tongue and he kept referring to then State Senator NELSON as "Governor" NELSON. He did it three times during the debate, much to his chagrin. Afterwards, when GAYLORD NELSON had in fact been elected Governor, he remarked to us that that slip of the tongue should have told him that God was telling him something that he did not want to hear.

I also recall, as does the gentleman from New York, the tremendous loyalty that BILL had to his family. I know of no one in this House who showed a greater appreciation for his own family than did BILL STEIGER. His love for his wife, Janet, and his son Bill was obvious to anyone who watched him.

I must say that I have a tremendous sense of personal loss at BILL's death, because our careers did parallel so much. And we compared views and votes often. He was elected to the State legislature in 1960. I followed him 2 years later. I have a picture hanging on my wall of Governor Knowles signing bill 797A, which organized and streamlined higher education in the State of Wisconsin. BILL and I coauthored that bill. That bill would not have become law were it not for BILL STEIGER, and the State is better off because it did become law. Wisconsin today has the finest system of vocational and technical education in the country. One of the reasons for that is because BILL STEIGER worked so hard to establish that system. He was one of the prime movers in the legislature in the creation of that system. In 1963, the State Assembly turned down the fair housing bill by a one vote margin. In 1965 we passed it, in no small measure due to the efforts of BILL STEIGER. I think we can safely say that, without the efforts of BILL STEIGER, that legislation would never have been passed in the State assembly, it never would have passed the State Senate, and it would not have become law.

BILL left the Wisconsin State Legislature 2 years before I did and came here. When I followed 2 years later, I received a note of greeting from him which welcomed me aboard, and he said, "Dave, you will learn one thing here: This ain't Madison!" He was certainly right, and I am sure Wisconsin's two newest Members of the congressional delegation will learn that, as I did.

We all know the record mentioned by the gentleman from New York and the gentleman from Wisconsin, the legislative record, of BILL STEIGER. There would have been no change in the capital gains taxation without BILL STEIGER's driving effort. There probably would have been no change in the draft laws if it had not been for BILL STEIGER. I think BILL's most important legislative accomplishment was the recognition that the workers were not sufficiently protected on the job against both dangerous machinery and dangerous chemicals. That is why he coauthored the legislation creating the Occupational Safety and Health Administration, which, with all of its faults, is a civilizing influence on the American workplace today. And BILL did not just fight to have that legislation become law. He fought to make certain that that agency would perform in a sensible, responsible manner after it was created, and he has had much to do, I think, with the gradual evolution of OSHA into a sensible rather than a nitpicking organization.

□ 1150

But, those things do not define his importance either to this body, to Wisconsin, or to the country. It seems to be that BILL STEIGER's main importance is that he was an institutional man. He understood that institutions—management institutions, labor unions, political parties, churches, family—he understood that those institutions and many others contribute to the strength and security of this society and this country, and he did everything he could to try to hold important institutions in our society together.

He did everything he could to make this institution function more efficiently, with his work on the Bolling committee, for instance. I will remain forever grateful for the fact that he was one of only three minority supporters of the original ethics reform package which I brought to the floor in 1976. He understood that the proper role of the minority party was not to savage the majority, but to look for constructive alternatives and to define better alternatives. Much to our chagrin, he did that often, and the Nation was better off for it. So was the minority party and so, I submit, was the majority party.

His importance to Wisconsin was that he was able to serve as a bridge between the two political parties. We understood that BILL STEIGER was fair, that he would keep his word, and that he would be constructive, so—in plain language—we simply trusted BILL STEIGER as virtually everyone here in this House did whoever dealt with him.

For the last week I have been ill. And over this last weekend as I lay in my bed I tried to think of what BILL would want said about him. I think what he would want said about him more than anything else is something which Dave Broder said about him in that magnificent article he wrote about BILL after his death. What Broder said and what I think BILL would want said was that BILL, in a sense, was not unique. There is no question about it—he was good, he was able, and we all loved him. But part of the reason I still like this job and part of the reason I still like this institution is because there are a lot of people in it who are like BILL STEIGER, who do work very hard for their own vision of what ought to happen in this country, and who do their job here with integrity, with passion, and with decency.

I think that is what BILL STEIGER would prefer that we say about him, that he shared so many goals which so many of us here in this place have. The main quality he brought to this place was decency and his lack of cynicism about politics and the political system that makes this country run. He did not much care for the "cheap shot artists" we all run across in politics from time to time, who try to oversimplify issues and try to tell the American people that the issues are much more easy to solve than in fact they are.

I think he would have agreed with President Carter in his State of the Union message when he said 2 days ago that:

> The problems we face today are different in character from those that confronted earlier generations of Americans. They are more subtle, more complex and more interrelated.

I think the story of BILL STEIGER's political life is that he tried to communicate that to the people of this country and to the people of his State at every opportunity. I think most of all, he would want to be remembered for the faith he had in the political system of this country. I think that the greatest loss that we have is that with his death we have lost an individual who brought a positive rather than a negative vision to politics.

And, much as I miss him as a friend and as a colleague, I will miss him for that reason also, Mr. Speaker.

I thank the gentleman for yielding me the time.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like personally to thank the gentleman from Wisconsin. Many of us were so dazzled by BILL STEIGER's personal qualities that we would find it difficult to do as much justice to his legislative achievements as they did, and I appreciate it. I think this reflected very well the many things that were important to the country from BILL's services here.

Will the gentleman from Wisconsin yield for the purpose of my yielding to a Member?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I yield to the distinguished Republican whip, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the sudden death of BILL STEIGER last December 3, sent shock waves through this House and brought forth an outpouring of tributes, fond reminiscences and well-deserved praise for our good friend and beloved colleague. Those of us fortunate enough to have known and worked with him and members of the media who had long observed his superb leadership wrote and spoke of him in terms that were at once sorrowful and laudatory.

I just want to add a few comments to all that has been said and written about BILL.

BILL STEIGER was truly a "man of the House." His energy and idealism were directed toward reforms of the House as well as to substantive legislation.

The Wall Street Journal once referred to him as "Stupendous Steiger." He took a lot of good natured ribbing about this,

but he knew that the friendly kidding was based on genuine respect for and love of a man we all know was truly "stupendous" in his ability, his dedication and his love of this country. The "Steiger Amendment" was not merely another economic bill—it was a symbol of hope, a brilliantly perceptive piece of legislation that recognized that Americans have always wanted to fight their way out of economic difficulties rather than give into them. His understanding of the way our system works was reflected in that amendment.

His congressional district included Ripon, the birthplace of the Republican Party. I find it fitting that a man who represented all that is best in his party should represent the place of its birth.

We respected, BILL. We admired him. We praise him for his intelligence, his ability and his energy. But most of all, we genuinely loved him dearly.

His wife Janet and his son Billy have suffered an irreparable loss, as has the Nation.

Mr. ZABLOCKI. I thank the gentleman from Illinois.

Mr. Speaker, I yield to the chairman of the Rules Committee, the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Wisconsin for yielding.

I had the very great privilege of working very closely with BILL STEIGER for 2 years in 1973 and 1974. I had hardly known him before that, and when I had the opportunity to chair a select committee dealing with the organization of the committee structure of the House, he was one of the Members selected. I soon came to understand that I was rarely fortunate as the Democrat chairman of a bipartisan committee to have such a man on the committee. Later on in the process I selected him to work with the gentleman from Maryland, Mr. PAUL SARBANES, as the drafter of that effort which, as most of the Members know, failed at least very substantially but succeeded in part. But BILL STEIGER was one of the ones who insisted that we try to do something important rather than something that was patchwork. He felt so strongly about the institution that he wanted to come as close as was reasonably possible to doing a really first-rate job.

He had, I think, the qualities of the perfect public servant, and I have not had the privilege of being around very many like that.

I would like to associate myself with the extraordinary fine remarks that have been made by others before in saying that in my mind his loss in early December was a tragic loss not only for his district, for his State, and for his country, but also for the world because he was a small "d" democratic Republican who understood government from all points of view. He had one of the finest minds I have ever seen. I had the privilege of watching him with his then quite little boy come into our committee, and, as the gentleman from New York said, with extraordinary decorum for one so young, the little boy and he would visit together as the young man discovered the peculiarities of the committee system of the House of Representatives.

□ 1200

It was amazing to me that somebody could do what BILL STEIGER did, having the range of a very gentle, sweet individual human being and the force of a giant in debate and the parliamentary process. I think he is one of the finest people who ever served in this institution. I will miss him personally and I will miss him professionally. To his lovely wife and wonderful son I can only give my heartfelt sympathy and best wishes.

I thank the gentleman from Wisconsin (Mr. ZABLOCKI) for yielding me this time.

Mr. ZABLOCKI. I thank our colleague, the gentleman from Missouri (Mr. BOLLING) for the comments he has made.

Mr. CONABLE. Would the gentleman yield me such time as may be necessary so that I may in turn yield to the distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT) who came to the House of Representatives in the same class as did BILL STEIGER?

Mr. ZABLOCKI. I am pleased to yield to the gentleman from New York so that he may yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding me this time.

Mr. Speaker—

> It is an old belief
> That on some solemn shore,
> Beyond the sphere of grief,
> Dear friends shall meet once more.
>
> —J. G. LOCKHART

Mr. Speaker, the death of one of the most promising young men in Congress, WILLIAM A. STEIGER, came as a great shock. It is with profound sorrow that I stand here and relate that his passing represents a severe blow to the Republican Party and a great loss to this House and to our Nation.

I can vividly recall when the two of us came to Congress in 1967, and how he was often mistaken for a page because of his "boyish looks." Actually, this slim blond looked more like a boy just elected to his college freshman class than a man just elected to be the Republican Representative from Wisconsin's Sixth District.

The fact is that even as a boy his goal was to be a U.S. Congressman. As I recollect, he had been interested in politics for as long as he could remember, and actually began getting involved in politics delivering literature as a page at Oshkosh Republican Headquarters. These early political activities were performed despite his personal battle with a severe childhood illness, diabetes.

In high school, he held a number of school offices. Young STEIGER was Wisconsin's representative to Boy's Nation and a national officer in the Young Republicans. It was still in high school that he was awarded the Young American Medal for Service, an honor bestowed on him by President Eisenhower during White House ceremonies in 1957.

He graduated from the University of Wisconsin with a degree in economics, and the same year ran successfully for the State assembly from his home town of Oshkosh, followed by two more successful tenures. During this period, BILL labored long and hard to pass a State open housing law which was finally passed during his third term in office. Participating with older lawmakers became routine for him since when he was just 22 he was the second youngest committee chairman in history of that State legislature.

Recognized as an eloquent speaker, hard worker, and skilled draftsman of legislation, in 1966 he was able to run for the Congressional seat against the incumbent Democrat in Wisconsin's Sixth District, which gave him his first of seven victories. It would be impossible in the time alloted to enumerate all of the significant legislative enactments that bear his name or on which he left his mark, however, let me stress that he worked tirelessly on the issues of taxes, military security and the unification of the party he loved so well. He was renowned for seeking out innovative solutions to old problems, cutting deep at their cause. BILL STEIGER will go down in history for his successful fight for reduction in capital gains taxes over the opposition of the present administration and the House leadership. Although he fought hard for his tax plan to stimulate capital formation, he supported the final compromise since he unselfishly always put the national interest above his own.

Through his career his dedication and good sense of humor served him well and he employed his recently found notoriety fund-raising for his party. But during this exposure he always managed to remain level-headed and soundly rejected any proposal to seek higher office.

Even those who disagreed with his methods of doing things were fascinated by his continued persistence. He worked long hours and sacrificed valued times with his wife, Janet, and son, Bill, Junior, in the service of his country. Those who ever had the chance to watch BILL with his son will fondly recall that these were precious moments to him.

On a personal note, I can recall many luncheon engagements with BILL and our good friend George Bush, a fellow freshman in the 90th Congress. It was at these meetings that I learned just how much he enjoyed being a Congressman. He had a deep appreciation and love for his country and great insight into the work that needed to be accomplished in order to maintain our present national stature in the world. He enjoyed his chosen vocation in life, that was obvious, and cherished it because he knew that no other career would offer him the chance to help people as much as this one.

Lastly, I would like to extend my heartfelt sympathy to Janet Steiger and to Bill Junior. Through my acquaintance with BILL's brother, Don, and his lovely family, who reside within the borders of my own congressional district in Arkansas, I am aware of how deeply he will be missed.

Mr. ZABLOCKI. Madam Speaker, I

now yield such time as he may consume to the distinguished gentleman from Oklahoma, Mr. JAMES JONES, who has given so much time and effort in helping arrange this particular special order today for this eulogy to our dear friend and colleague, BILL STEIGER.

Mr. JONES of Oklahoma. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, this special order is a very difficult one for me because it is about a man who was a close personal friend of mine, as well as someone for whom I had the highest personal regard, respect and admiration for his professional accomplishments.

I had written some remarks for BILL STEIGER but I prefer not to give those because in reading them over they are simply a lot of words and they do not really capture the vibrancy and the vitality and the warmth and honesty that those of us who kenw BILL STEIGER knew really represented him.

BILL STEIGER was a man who was really driven by excellence in virtually everything he did professionally, personally, and in every other way. He made a very significant impact on the House of Representatives and I think on the Nation as a whole.

□ 1205

He was a man who could not be neatly compartmentalized in some philosophical or partisan cubicle. He was a man who diligently and exhaustively searched out the truth as best he could find it, who sought the facts from all different sources of the political and philosophical spectrum.

Madam Speaker, I think BILL STEIGER is remembered for two legislative accomplishments. One was very early in his career, about in 1970 or so, in his second or third term. He was one of the principal architects of the Occupational Safety and Health Administration Act. This was considered by most to be a liberal accomplishment. In the last Congress I had the pleasure of working very closely with BILL in helping to fashion the tax legislation to get this country moving in the direction of putting more capital into private investments and equity securities, providing more capital formation, and specifically to get into law BILL STEIGER's reduction in the capital gains tax, which he believed very deeply was necessary to get this country strengthened economically. I guess that was considered a conservative accomplishment.

How could BILL STEIGER be noted for both a liberal and a conservative accomplishment? I think it goes back to what I said earlier. He was not straitjacketed by philosophical perceptions. He really sought out the truth in the best way he could.

I imagine the full measure of BILL STEIGER cannot really be summed up in his legislative accomplishments or in his professional career. One really had to know him as a man to appreciate his enormous capacity for accomplishment.

I came onto the Committee on Ways and Means at the same time that BILL STEIGER did, 4 years ago. He had talked about the need for openness, the need to involve more of the American people in the process of Government, particularly the legislative process.

The two of us took hearings out on the road, first in Oklahoma and then in Wisconsin. We held tax hearings. As I understand it, that was the first time that field hearings were held among members of the Committee on Ways and Means. BILL STEIGER went into that endeavor with all of the vitality, enthusiasm, and energy at his command.

I know of one person in Oklahoma City who was present when we had hearings there. He was a businessman whom I had never met. He had never been active in politics. He just came down and he stood in the back of the room. He was captivated by the process and captivated by BILL STEIGER. As a result, he stayed there all afternoon, never said anything, but listened to all the hearings. From then on, he became very active in local government, sharing his advice and comments at the national level and getting more people involved in the political process. He became enthused because of the contagious enthusiasm which BILL STEIGER displayed that day in Oklahoma City.

I have many fond memories and recollections of BILL STEIGER. A lot of them deal with his family because we were neighbors on Capitol Hill. His son Billy is a year older than our older son. I can see BILL STEIGER and Billy coming down the alley at the height of things, when all the pressure was on to pass the tax bill, and most people were scurrying around getting votes and preparing speeches and what have you.

At that time BILL STEIGER went home to take Billy to the local drugstore to get an ice cream cone and to play with Billy before he came back and did his homework here that night. He always made time for his family. That was of prime importance to him.

At one time the kids in the neighborhood, the little 6-, 7-, 8-, and 9-year-old kids, decided they wanted to have a football team. They started lobbying different fathers in the neighborhood, and it was BILL STEIGER who came up with the T-shirts, and the "Steiger Tigers" became the football team of Capitol Hill. The kids looked to BILL STEIGER for that kind of support.

Again, there are many fond memories I have of BILL STEIGER and of Janet, who was his full partner in all he did. I know that he was so dedicated to politics and to public service. A few years ago he was offered a tremendous job at a tremendous salary, many times more than what he could receive here in the House of Representatives; and he turned it down at a time when he could have provided much better for his family, much more security and a much better life for his family; but that was not his motivation.

□ 1210

His motivation was to work within this institution, as has already been said, to work within the established institutions of this country in a way to improve society as a whole and not BILL STEIGER as an individual. He contributed so much to this country, he will be missed very deeply. But those of us who knew him, while we are saddened by his loss—and I know that his family will miss him so much in so many ways—it is also a time of happiness for us because he touched our lives in a very personal way and made us better for having known him.

I thank the gentleman for yielding.

Mr. ZABLOCKI. I thank the gentleman from Oklahoma for his comments.

Mr. CONABLE. Madame Speaker, will the gentleman yield to me?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Madam Speaker, I would like to yield such time as he may consume now to another neighbor of the Steigers on Capitol Hill, the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. I thank the gentleman for yielding.

As the gentleman from Oklahoma (Mr. JONES) indicated, who likewise is a neighbor of the Steigers on Capitol Hill, BILL STEIGER, Jan Steiger, and Billy are our next-door neighbors, so we came to know them personally in a very intimate way, and to love and respect them. We have so many personal accounts that I think my remarks, as brief as they will be here today, would be of a personal nature of the individual and the person of BILL STEIGER.

Madam Speaker, the passing of Congressman WILLIAM STEIGER of Wisconsin on Monday, December 4, the House of Representatives and the entire Nation experienced a great and unexpected loss. From a purely personal standpoint, I should add that my wife, Doris, and I have lost a close personal friend, who was our next-door neighbor on Constitution Avenue.

Congressman BILL STEIGER and his wife, Janet, and their small son, Billy, represent a closely knit family where each reflects the love and devotion which contribute to a perfect household. We have great affection for our neighbors and have watched 9-year-old Billy Steiger develop. At the same time we have observed Jan and BILL STEIGER as they have molded their family ties and developed their individual and joint interests while establishing a permanent and substantial home in Washington—where Congressman BILL STEIGER continued to represent the Sixth Congressional District of Wisconsin.

In my view, Congressman BILL STEIGER has been one of the most resourceful, articulate and useful Members of the U.S. House of Representatives. His thoughtful analyses of the problems and needs of our Nation were translated into logical and attainable legislative solutions. He was eloquent and persuasive in debate and his following on the House Ways and Means Committee and in the House of Representatives was substantial.

The "Steiger amendment" to reduce capital gains taxes for all Americans and

to help provide incentives for capital formations for new plants and equipment, and for more jobs for more Americans, produced the framework for the tax reform legislation of 1978, which has benefited virtually every taxpayer in the Nation—and has contributed to improving the American economy.

My wife, Doris, and I were privileged a few months ago to attend BILL STEIGER's 40th birthday party where joy was coupled with expectations of hope for a future life of public service and family relationships—which had dominated the experiences of this 40-year-old youth during most of his adult years.

Madam Speaker, it can be appropriately observed, that the longest human lives are not always the most productive or rewarding. In the case of BILL STEIGER, his earthly years were relatively short but the importance of his life and the great meaning that it has had for all of us who have come to know him is a priceless and treasured gift for which we are eternally grateful.

Doris and I have a great respect and love for BILL STEIGER, Janet Steiger, and young Billy. We sense that love deeply at this hour as we reflect upon Congressman BILL STEIGER and his life, and as we extend to his wonderful dad, Carl Steiger, and to all members of his family our affection and deepest sympathy.

Mr. ZABLOCKI. Madam Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. I thank my distinguished colleague for yielding. I want to express my appreciation to both the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from New York (Mr. CONABLE) for the time that they have taken to honor BILL STEIGER in the House today.

Madam Speaker, there are occasions when prose is inadequate and only poetry really can serve. Some of the eloquent statements we have heard in the past few minutes approach that. The great life events—marriage, the birth of a child, death—are times when the edges of a larger reality break through the complacent routine of our daily assumptions and overshadow the descriptions and legislative arguments normally spoken here. But I am not a poet and my halting language in memory and honor of BILL STEIGER will have to serve.

Though our specific objectives were sometimes opposed, BILL STEIGER and I shared common interests and goals, including a commitment to young people through our work over the years with the Young Men's Christian Association. He came here 8 years before my own arrival, but we were the same age, shaped by many of the same circumstances—the country's emergence from McCarthyism; the battle for civil rights and equality of opportunity at home; the struggle to define a new concept of America's role in peace abroad, the growing belief that citizens and their government are not opponents, but have a mutual stake in this Nation's future and must act for each other, not just for themselves.

Nearly two decades ago, when BILL STEIGER and I had barely begun our majority, President Kennedy electrified the country and initiated a new enthusiasm for public service by declaring that we should "Ask not what your country can do for you: Ask what you can do for your country." BILL STEIGER exemplified that kind of public service. As the Washington Post noted in its most generous editorial after his death, he was all the more effective because his eye remained genuinely fixed on sound policy and the general good rather than his own advancement.

And I think it is fair to say that despite occasional policy differences, we shared a core of common beliefs based on that focus: A belief, among others, that workers should not be exposed to accidental death, dismemberment, or deadly illness simply because they must work in order to eat; a belief that effective employment training and placement should be made available to preserve the American tradition of upward mobility for the growing ranks of poor; a belief that the tax system can be made both more just and more responsive; a belief that all students, whether they come from middle- or lower-income families, should be assured financing for the best college education for which they qualify; a belief that regulation, like all government, can be made more effective as well as less burdensome and intrusive if market competition and accountability are promoted and the many ways to achieve social goals are more carefully weighed.

□ 1215

Last session these beliefs converged when I had the privilege of coauthoring a measure with BILL STEIGER which we both worked on a great many months. I witnessed then at first hand the energy, the knowledge, the personal, and political sensitivity, and the care and seriousness with which he approached the task of legislation. Our successive Steiger-Maguire education bills were designed to improve fair access to higher education by revising the guaranteed student loan program to remove designed-in barriers to efficient financing of significant portions of college costs by private capital. I am continuing to refine those bills for reintroduction, since I regard them as my own special Steiger legacy.

Madam Speaker, at the time of his funeral one of the Wisconsin papers began its lead story by stating that BILL STEIGER "always looked too young in life and was certainly too young for death." That youthful appearance masked unusual integrity, as well as unusual powers of analysis, persuasion and personal charm.

BILL STEIGER was a bridge builder, credible to many factions, ready to talk with all of them, always able to transcend partisan viewpoints in pursuit of his view of the public interest. Though he went to the State legislature before he had time to begin law school, he was a better lawyer than most lawyers. He was a better Congressman than most of us, and he was a better person than most people I know. We can ask no more than that someday the same might be said of any of us.

Time may heal all wounds, but wounds like this heal slowly. BILL STEIGER's loss was a loss for all of us—Republicans, Democrats, all Americans. But especially to Janet and Billy Steiger: May you somehow find strength at this time of grief and enormous loss. I wish you all speed in the healing process that has now begun.

Mr. ZABLOCKI. Madam Speaker, I thank the gentleman for his contribution.

Mr. CONABLE. Madam Speaker, if the distinguished gentleman from Wisconsin (Mr. ZABLOCKI) will yield to me, I would like in turn to yield to the gentleman from Minnesota (Mr. FRENZEL), who was associated with Mr. STEIGER in many things and who was a close ally and a very close friend.

Mr. ZABLOCKI. Madam Speaker, I am happy to yield to the gentleman.

Mr. FRENZEL. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, there is no adequate or satisfying way to participate in a memorial to BILL STEIGER. Even though BILL had packed a couple of lifetimes worth of achievement into a 40-year span, his passing, by any standard, was premature, and a crushing blow to all of us here.

In this body, we were proud to call him colleague. A few of us who had the privilege to work with him on committees, or on the legislative procedures in which he was so interested, enjoyed the special pleasure of seeing a legislator's legislator at work.

In fact, to serve with BILL was to begin to be dependent on him. His capacity for work was nearly boundless. His research was painstaking. His logic was clean and consistent. Many of you must have felt the same irresistable urge that I always had to "let BILL STEIGER do it", because, whatever it was, he always did it so well.

BILL also had a rare ability either to insult or inspire his colleagues to do a little better. With wide-eyed innocence, he would say, "You know better than that"; or "You, of all people, should understand this point." Usually I did not, but I worked a lot harder to know his point better, or to understand it, sometimes because he shamed me into it, and sometimes simply because I thought he expected it of me. And I certainly did not want to fail to live up to his expectations.

BILL was infrequently wrong but even less frequently in doubt. He tcok strong positions because he had strong beliefs. Capital formation was important to him. So was an honest CONGRESSIONAL RECORD. So was the "volunteer" military. So were a myriad of other issues. But despite his strong feelings he knew when to compromise and how to keep his bills going.

He never preferred to have an issue rather than a bill.

The Sixth District of Wisconsin got more than its money's worth from BILL STEIGER. I have watched him perform here and at home. He gave the constituency its full measure and then some. And he told it like it was. He was as patient with his constituents as he was with us, but when he felt strongly he never backed down to them, either. Few of us ever took as much heat at home over anything as BILL did over OSHA. He admitted to the failings of the agency and he worked hard to improve it, but he never let his constituency or us, forget his consistent devotion to safety in the workplaces of the Nation.

I remember BILL as a prodigious worker, but also as a man of great good humor. He took his work seriously, but never himself.

The death of any colleague is like a personal family loss here. We mourn, and then we close ranks and keep on marching, but life is never quite the same. There will be a fine, new Representative elected to his seat, but no one can replace BILL STEIGER. Our best consolation is that we were so lucky to know him and love him.

Ruth's and my deepest sympathy goes to his wife Jan and his son, Billy, and the rest of his family of which he was so proud. We will remember them in our prayers and in our hearts.

Madam Speaker, this country has lost one of its finest public servants. This House has lost one of its finest Members. And we have lost one of our finest friends. We will best honor his memory by never doing less than our best, because that was the standard which BILL STEIGER set for himself, and left as a challenge to all of us who follow.

□ 1225

Mr. ZABLOCKI. Madam Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. I thank the gentleman for yielding.

Madam Speaker, when I die, who will cry? In the case of our dearly beloved and departed colleague, BILL STEIGER, I think the answer to that question is: Everybody who ever knew him.

Even those who opposed BILL STEIGER, even his opponents through the years, I cannot imagine that his untimely passing would not have touched them in a very personal and sorrowful way, as it has touched all of us here. When I think of the untimely death of BILL STEIGER, I inevitably associate it with the untimely death of President Kennedy.

Adlai Stevenson said, in a eulogy to John F. Kennedy, that he was so "contemporary a man, so intense a participant in the great events of our day, that he seemed the very essence of the vitality which is life itself."

I do not think that BILLY STEIGER was ever bored. And there is something to be said for the relationship of being bored and being boring. It did not make any difference how intense the debate, if a flash of wit crossed BILLY STEIGER's mind—and the word "if" is improperly used there, because inevitably it would—he would give vent to it. Even if it were a split second, his face would light up and he would acknowledge the joke, especially if it were a joke upon himself. You could shoot a zinger to BILLY during the debate, and if you got him, no one in the room would laugh so uproariously as BILLY STEIGER. And in an instant he was right back on the serious track of profound debate.

When President Kennedy had died, Mrs. Kennedy was quoted as saying that the thing which occurred to her most in association was the quotation from the musical "Camelot"—"Don't let it be forgot. . . ."

As my wife, former Congresswoman Martha Keys, and I learned of the death of our dear friend BILLY STEIGER, we remarked to each other that the song that would not go away was the American ballad "We Shall Miss Your Bright Eyes and Sweet Smile. . . ."

Mr. ZABLOCKI. Madam Speaker, I thank the gentleman from Indiana for his remarks.

TRIBUTE TO WILLIAM A. STEIGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Madam Speaker, I would like to invite my distinguished friend, the gentleman from Wisconsin (Mr. ZABLOCKI) to stay here and share the time with me as he has shared his time with me.

Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Madam Speaker, I wish to pay tribute to the late Representative from the Sixth District of Wisconsin, Hon. WILLIAM A. STEIGER. It is with great sorrow that I mourn the death of this outstanding and extraordinary colleague.

We will always remember BILL STEIGER as a brilliant man who had one of the most incisive minds in the Congress. He was dedicated to using his seat on the Ways and Means Committee to make the tax code a contributor to creative capitalism. He took the lead, and everyone in the country knew he was the champion of capital gains improvements that caused the committees, the Congress, and the President to take note of his sincerity and commitment to provide incentives for capital investment in our free enterprise system.

Having been raised on a dairy farm in California, I have always been sympathetic to the special requirements of our dairymen. Coming from Wisconsin—America's Dairyland—BILL STEIGER was their staunch protector and defender, and will be long remembered for his concern and activity on their behalf.

Had BILL STEIGER left us only the legacy of his outstanding professional contribution, we would certainly regret the loss of a fine colleague. But he also left with those who knew him a lasting memory of his enthusiasm and instilled in us a deep appreciation of his character. As George Will aptly described him in the Washington Post, he was a man who "plainly loved his profession."

If ever there was a man qualified to be President of the United States, it was BILL STEIGER. I told him I wanted to be his running mate if he ever chose to run. We would kid each other about this combination, but I, for one, was not kidding. I would have given my all to elect him President.

His quality of sincere and unselfish interest in the needs of this country will be deeply missed and cannot be replaced. To know him was to truly love him. I believe my colleagues in both parties will attest that the caliber of his leadership and his integrity enhanced and dignified the efforts of this body. To Janet Steiger and their son, Bill, Jr., I extend my deepest sympathy.

□ 1230

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Madam Speaker, I yield to the gentleman from Pennsylvania (Mr. LEDERER) such time as he may require.

Mr. LEDERER. Madam Speaker, we pause today in the business of the House to honor and remember one of our most dedicated colleagues—BILL STEIGER of Wisconsin.

I had the enjoyable privilege of serving with BILL on the Ways and Means Committee. I do not think that there has even been a Member of Congress who enjoyed his job more. He never tired of the legislative process; he was always ready and willing to work with you to find solutions to problems of our great Nation.

I will remember BILL STEIGER as a man with a healthy sense of humor about himself, the Congress and the rest of the Washington whirl. And yet, this self-depreciating humor was finely balanced by a constructive and dedicated commitment to our tasks here on the Hill. His job as a Congressman was his passion; his life.

His passing is a loss both to the Congress, and to his party, and the Nation. But, above all, I have lost a good and dear friend. BILL STEIGER was a super guy, and I will miss him.

I thank his wife, Janet, and his son, Billy, and the people of the Sixth District of Wisconsin for sharing this great man with us.

Mr. CONABLE. Madam Chairman, I yield to the eloquent gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Madam Chairman, I thank the gentleman from New York for his kind characterization and I thank both of the gentlemen in the well for taking the time to pay these well-deserved tributes to a colleague we all miss.

It is hard to describe the horror I felt when I entered the Republican Caucus on December 4 and was told by one of

our assistants, Ron Lash, that in the hours of the night before BILL STEIGER had passed away. This was a personal shock, and the fact that BILL was, as has been described here, such an active and vibrant person, made it hard to understand how death could overtake someone so young and so important to this House of Representatives.

I have to go back a long way to recall when I first met BILL STEIGER. He was a student at the University of Wisconsin and I was a student at Georgetown University School of Foreign Service. I had been appointed by the Young Republican national chairman to serve on the executive committee of the Young Republican National Federation. I recall my wife Carol, who is and remains in her own right a political activist of some note, was also very active in college Young Republicans at Dumbarton College of the Holy Cross here in Washington. Carol was in line to be National College cochairman as an acknowledged conservative, as is the gentleman from Maryland. We conservatives had hoped to elect both the college cochairman—in those days as they were known, not cochairpersons—but we also knew we had a problem because in the dim remembrance of two decades I still remember BILL STEIGER was a candidate for that other position. With his usual thoroughness and perceptiveness he had lined up the votes.

□ 1235

It became clear before the Young Republican convention in Denver that the two to be elected were BILL STEIGER and Carol Dawson, and they were, and they served together until my wife went onto the staff of the Vice President who was then striving for a higher office and obtained it. But we formed a friendship then with this intelligent young gentleman, a friendship that has endured all these years.

BILL preceded me to the House by many years, as the record shows, but when I was elected to the Maryland State Senate he took the time to write a note and acknowledged that accomplishment. This was typical of a man who was very busy, but he found the time to do the little things.

I do not think there was ever a time when legislation even on a minor matter escaped his attention. I remember on the Ways and Means Committee there was a minor bill I had a hard time moving, and he came to me and said, "I will take care of it," and in a few weeks he did. When I sought a place on the Rules Committee last fall, he assisted me greatly.

Perhaps it is not generally known but it was common practice for the gentleman from Maryland and the gentleman from Wisconsin to check with each other on procedural rollcall votes. If he came in before the vote ended, and found I had voted "no" and 420 others had voted for a rule, he would come to me and ask why I voted as I had. I would say, "I voted 'no' because it was a procedural matter or a parliamentary principle involved," and he would reply "That sounds reasonable to me. I believe you are right."

Quite often on those rollcalls the gentleman from Wisconsin and the gentleman from Maryland and one or two others voted "no" because of our love for this institution which manifested itself in a respect for parliamentary procedure. BILL had a brilliance that few could ever match. He took time to serve actively in a capacity on our minority side on the committee on personal matters. There are people who serve on our minority staff here on the floor who got the job not because they knew someone but because they needed the job and had the ability. BILL STEIGER took a personal interest in them when they applied for the job. This concern for people was typical.

I am not sure how many know that on any given day when we stayed late in session if one looked around for BILL STEIGER around 5:30 or 6 o'clock he was not here. He was always close enough to come back for rollcalls because he always made arrangements to be called back for them. He was dining at home with Billy and Jan because he wanted to spend that time with his family.

No one can know what great achievements might have come in the years ahead had he been permitted to live, but we can guess from the record he established while he was with us that his accomplishments would have been even greater.

But I prefer to think of what Lincoln once, when he was asked to subscribe for a marble monument for a former colleague in the Congress, wrote back and said he would do so and sent in his check. But he added though he was pleased to contribute for this cause the more important monument to his late colleague was the love and respect that would live in the hearts of those who knew him. BILL STEIGER will always have that love and respect from us all.

My wife, Carol, and I extend our deepest sympathy to Jan, Billy, and their family.

Mr. CONABLE. I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Mr. Speaker, I thank both the gentlemen.

I came to know BILLY STEIGER when I was a newcomer to this body, and there was a tremendous respect that one immediately gained for the man because of his willingness to help, and to listen, and because he cared. He cared enough to take the time to find out what the issues were and to find out what the individual problems were and to try to assist in reaching a compromise solution. If there is anything that this body represents, it is democracy in action, and BILLY STEIGER was this body when he spoke and when he moved and when he thought. His great testimony will be in the way that we can carry on thinking of how BILLY STEIGER served and in trying to serve in his image.

□ 1240

It was a wondrous image and one which all of us can follow in rendering better service, knowing that this body, as a whole, possesses men of his dedication and talent. I am very thankful that I had the opportunity, if only briefly, to know and work with our late colleague, the gentleman from Wisconsin, BILL STEIGER.

Mr. CONABLE. Madam Speaker, I now yield such time as he may consume to the gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. Madam Speaker, I thank the gentleman from New York (Mr. CONABLE) and the gentlemen from Wisconsin (Mr. ZABLOCKI) for yielding me part of their time.

Madam Speaker, I first met BILL STEIGER, on a cold January night in Oshkosh, Wis. As a student, I was hearing much about this new Wisconsin Assemblyman—he was then only 21. After his brief but pointed remarks, everyone in our group immediately recognized that this was an exceptional person who would leave his mark.

Later as a page for the Wisconsin Legislature. I had the opportunity to observe BILL STEIGER. He was always dedicated, conscientious, astute, optimistic, prepared and above all, willing to go the extra mile. He had those qualities and virtues that are admired by all civil people.

The people of the Sixth Congressional District of Wisconsin have suffered a great loss as all of us have in the passing of BILL STEIGER. But, in a large sense BILL STEIGER was the Sixth District's contribution to the Nation. They demanded excellent representation and they received it.

As the historian Allan Nevins stated in his introduction to John Kennedy's "Profiles in Courage"—

> That is, democracy—sound democracy is not a cause but an effect. Our national character will determine whether our legislators will be courageous or cowardly, and our politics good or bad.

The people of the Sixth District of Wisconsin demanded the best and they received the best in BILL STEIGER.

He was an institution man. Our last meeting on the campaign trail came in Kewaunee County, Wis. At a time when many people in Congress fell to the temptation to run against Congress, he spoke up for Congress and spoke up for you who served in this House.

He defended Congress against the slings and arrows of public indignation. Because he believed in the system and this wonderful institution.

He was a model for the words of William Shakespeare, "to thine own self be true and thou can be false to no man."

We will all miss BILL STEIGER. But in his brief span of service he did set a standard for us to follow. A standard of courage, judgment, integrity, and dedication. May his example serve us in Congress and all who aspire to a public career.

Mr. ZABLOCKI. Madam Speaker, I now yield such time as he may consume

to the distinguished gentleman from South Carolina, Mr. KEN HOLLAND.

Mr. HOLLAND. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, it seems our flags have been constantly at half-mast in recent times. So many of our Members have left us in circumstances almost as varied as the circumstances that beset all the people of uor land. That is as it should be, for this House is representative in life and in death, in good times and in bad.

BILL STEIGER would never have considered the flag half-lowered. He would have said it is half-raised. That was his kind, his way and his nature. He was big enough to always understand those who opposed him but never too big to pause and share his humor with us all.

His passing told us once more what his being among us was constantly saying: That this place and these times and our people are good enough to justify whatever sacrifices are necessary to preserve them. Though his departure leaves those of us who worked closely with him saddened, his memory leaves us an inspiration to return our flag again to full mast and to carry on.

□ 1245

Mr. CONABLE. Madam Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Madam Speaker, I have not been here that long. Like many of the newcomers, however, I immediately recognized that BILL STEIGER was one who did command instantaneous respect. He was one of those who, as the commercial says, "When he spoke, people listened," a situation not many of us enjoy when we speak on this floor.

Madam Speaker, I am here today because I think there is one area in which BILL STEIGER really had so much influence and yet perhaps has not received as much notice recently, as other areas. I am referring to his impact on American agriculture.

My position as ranking member on the Dairy and Poultry Subcommittee, brought me in immediate contact with BILL STEIGER. His State of Wisconsin, as does my State of Vermont, has a great deal of interest in what happened to the dairy industry. It was to BILL STEIGER that I went whenever I had a question on what to do in the dairy area. He had great impact on the 1973 and 1977 farm bills in the areas of milk price supports, dairy marketing orders, base plan pricing, and other areas. His work has left its imprint on the laws of American agriculture forever.

However, to me the area in which he left the greatest impact in agriculture had to do with preservation of the family farm. He recognized that without some changes in our estate tax laws and other areas, the family farm might not long endure. It was through his hard work and his leadership that we modified, just a short while ago, the estate tax laws. These charges recognize that the farmers' wives of America, the women of America, should gain and should have the recognition of being copartners in the area of the farm. These changes will do much to create equality in the treatment of women. They will also do much to help preserve the family farm.

Also, unless we are very short memoried, we would remember the sugar bill of this last year. It was the Steiger floor amendment which was able to gain a consensus out of the House at a time when there had been considerable lack thereof. It was the failure of the conference committee to adopt the Steiger amendment which led to the killing of the sugar bill.

We, as proponents of agriculture, also remember BILL STEIGER by virtue of his position as ranking member on the Subcommittee on Trade, and his knowledge of the multinational trade negotiations.

He was a leader in that area, and all of us who wanted to know what to do or where to go went to him for his leadership. His recommendations, as always, were well reasoned and balanced.

I also worked with him in an area looking to the future of this country and what we can do to preserve farming by preserving prime agricultural lands of the Nation. He was one of the original cosponsors of my bill in that area which passed.

As to the future he was deeply concerned about young farmers. His bill, Young Farmer Homestead Act, deserves reintroduction and support. It would amend the Consolidated Farm and Rural Development Act to make financing more accessible to young farmers.

Madam Speaker, for this and for many other reasons previously outlined, BILL STEIGER will be missed. He has left his imprint on many areas. These imprints are deep in the field of agriculture.

Also, I know his passing was commemorated by many of our national media. He was also noted in our small, local papers.

Madam Speaker, I would like to include in the RECORD an editorial which was furnished to me by my good friend, Mr. John McClaughry, and I will ask to have it spread in the RECORD at this point.

The editorial referred to follows:

[From the St. Johnsbury (Vt.) Caledonian Record, Dec. 7, 1978]

WILLIAM STEIGER

The sudden and unexpected death last Monday evening of Wisconsin Republican Congressman William Steiger has deprived the nation of one of its bright future leaders.

Congressman Steiger came to Washington in 1967, at the age of 29, having already served six years in his state legislature. He was shortly thereafter voted one of the Ten Outstanding Young Men of America, and rose rapidly in the Congress and in the councils of his party.

Most recently, Congressman Steiger was nationally known for his two main concerns, increasing the rate of formation of productive capital in the economy, and heading off plans currently afoot in Washington to impose compulsory national service on the young people of this country. The "Steiger Amendment" lowering the tax rate on capital gains gained so much support last year in Congress that a modified version was grudgingly accepted by President Carter and the Democratic leadership, and became an important part of the 1978 tax bill.

Congressman Steiger's long campaign against the reimposition of the military draft, particularly in the guise of "national service" conscription, won him the gratitude of many who see universal conscription as an utterly totalitarian proposition.

We can but hope that others will come forward to carry on the fight for the market economy and the freedom of the citizen from the all-powerful state. Bill Steiger, dead of a heart attack at 40, has left large shoes to fill.

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Madam Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. GEPHARDT).

BILL STEIGER WAS A JOY

Mr. GEPHARDT. Madam Speaker, there are no adequate words in our language to express our sense of loss and sorrow about the death of our colleague and friend, BILL STEIGER. It is incomprehensible that such a dedicated, gifted, and valuable Member of this body should be taken at a time when his contribution to the House of Representatives and our Government was so significant.

I knew BILL STEIGER from my association with him on the Ways and Means Committee. I was a freshman—he was an experienced hand. We were of different political parties—we often agreed and disagreed on issues. We argued and discussed and debated and traded ideas. BILL STEIGER was a joy.

BILL STEIGER was a joy because he was an immensely talented legislator. He was effective because he worked hard, he cared about people, he possessed a joyous sense of humor, he was intelligent, he loved ideas, he had a completely open mind, he was constantly curious, he was meticulous about boring detail, he cherished debate and exchange of ideas, he respected experience, he understood the need for compromise, he understood the necessity of firm convictions, he never forgot who he was or why he was here. I could talk on for a day and a night and not adequately explain my deep feeling of respect for BILL STEIGER.

Some months ago in this chamber our colleague MO UDALL made tribute to Hubert Humphrey by saying:

Will Rogers said he never met a man he didn't like—I say I've never met a man who didn't like Hubert Humphrey.

We can say today that we have never met a man who did not like and respect BILL STEIGER.

This people's House, this Government is less because of his loss. It is difficult if not impossible to find some meaning in the taking of such a young and valuable life. I do not pretend to know the meaning—we must ask God for that understanding. But I do know that BILL STEIGER's life and his work stand as a shining beacon to those of us who attempt to learn from his example. BILL STEIGER's life was the definition of public service. America is better because he was here.

□ 1250

Mr. ZABLOCKI. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Madam Speaker, I yield so much time as he may require to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Madam Speaker, during the past several months, we have lost several of our distinguished colleagues in the House of Representatives.

But the death of BILL STEIGER was a particular shock to all of us.

BILL was a hard-driving and conscientious legislator who took his congressional duties seriously.

He was a thoughtful man who examined each issue closely. Because he defined easy stereotyping, the labels of conservative and liberal could not be easily applied to BILL.

BILL passionately fought for the important issues he held dear.

Before he was appointed to the Ways and Means Committeee, BILL STEIGER served on the Education and Labor Committeee. He was in the front lines of civil rights and the driving force behind the legislation that ultimately led to the creation of the Occupational Safety and Health Administration. He fought diligently for the revision of our capital gains tax treatment. He supported the idea of an all-volunteer military.

His legislative accomplishments are legion and will serve as a fitting monument to a man who gave so much of himself during his tenure in the House of Representatives.

I will miss his smiling face, warmth and love of life as well as his fair and independent approach to the issues. His voice of reason and his sense of fairplay will be sadly missed. I am thankful, however, that he touched our lives.

I would also like to extend to his family, my most sincere condolences.

□ 1255

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Madam Speaker, whenever the name BILL STEIGER comes up I always think of one word, "courage."

I will never forget the day he went into the lion's den, so to speak, defending the controversial legislation, OSHA, which he cosponsored before a large audience of outraged business people.

He did not win them with his argument but they saluted him with applause for courage when he finished.

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Madam Speaker, when one looks back over life's associations, it is that unique individual or event that stands apart. When I look back over my 12 years of service in the Congress, BILL STEIGER was one such individual that stands apart.

I think back to the 90th Congress, when we both first came to Washington. Right from the start BILL stood out. Perhaps in part because of his youthful good looks, but more so for the energetic and enthusiastic manner in which he approached his congressional responsibilities. It was apparent from day one that BILL STEIGER was going to be a very positive influence in the Congress of the United States.

Admired and respected by all who knew him, he was the type of individual people looked to for leadership. When he talked people listened.

The sudden passing that took BILL from us took one of this body's most able legislators, one of our most trusted friends, one of the nicest people I have ever had the pleasure of knowing and working with.

The House will never be the same without him. I just hope that those who have reaped the rewards of his efforts will come to realize the rich legacy he left behind. He was a dedicated individual; a man of the highest purpose, who lived by the highest standards. May we all heed the inspiring example he set.

To his lovely wife Jan and son Billy, to his parents, relatives and friends, my wife Helen, and I express our deepest condolences. I realize the void he has left can never be filled; but because of him, because of the qualities he embodied, this Chamber, this country, will be forever richer. He crammed a lot into his short life, and he will long be remembered for it.

Mr. ZABLOCKI. Madam Speaker, will the gentleman yield?

Mr CONABLE. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Madam Speaker, I yield to the gentleman from Massachusetts, the Honorable Speaker, TIP O'NEILL, such time as he may require.

Mr. O'NEILL. Madam Speaker, I join my colleagues in paying tribute to BILL STEIGER, whose untimely death has saddened all of us.

A very interesting thing happened to me the other day. My secretary said:

You know, there has been a box on your desk for about six weeks, probably for two months, looks like a tie box. You haven't opened it.

So I opened it up. It was a tie with the seal of the Commonwealth of Massachusetts, a Christmas gift sent to me by BILL STEIGER. You can imagine the shock I received when I learned that BILL died early in December and after the session had ended, somewhere or somehow had obtained a tie with the seal of the State of Massachusetts. So I sat down and dropped a personal note to Janet telling her how the gift had been there on the desk. When I opened it, the tie brought back joyous memories of the trip we had taken overseas with Janet and BILL.

What a learned and respected fellow he was and what a force he had, not only with this Congress, but in the political life of America. He was truly loved by all his colleagues.

What else can you say at a time like this about a fellow for whom we all had so much respect. BILL was just truly a beautiful individual, and no matter how or by what means or manner you measure the man, BILL was really tops.

No other Member on either side of the aisle, Republican or Democrat, was harder working than BILL STEIGER; no other Member was more conscientious and diligent than BILL STEIGER; no other Member was more energetic and enthusiastic about the tasks and responsibilities of being a Representative than BILL STEIGER.

Those who served with BILL STEIGER on the Ways and Means Committee will miss his talents, his wit, and his pleasant personality. His Republican colleagues will greatly miss the energy, enthusiasm, and competence that he brought to his diverse duties. As Speaker, I will remember BILL STEIGER for his unique interest in the rules of the House and the fairness with which he always interpreted them.

All of us who served with him will miss the presence of a truly outstanding Member of the House and a distinguished American, for BILL STEIGER was a man of great integrity, personal honor, and sincere compassion and dedication.

□ 1300

Millie and all of the O'Neills join me, as I said in my letter to Janet the other day, in expressing our sympathy and in expressing our affection to the beautiful person we knew so well. Our prayers are with Janet and young Bill in this time of sadness and misery.

Mr. CONABLE. I thank the Speaker.

Mr. Speaker, I now yield to the distinguished gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, Members of the House of Representatives, we are pausing here to pay tribute to a unique individual who gave his life to the service of his State and to the service of his Nation.

WILLIAM STEIGER was born and raised in Oshkosh, Wis., and graduated from the local high school there. He earned a bachelor's degree in economics at the University of Wisconsin in Madison. He was very active in Young Republican politics during his time at the university, rising to the position of national chairman of the College of Young Republicans.

Almost immediately following his graduation from the University of Wisconsin, he ran for and was elected to the Wisconsin State Assembly in 1960. At the time he was elected he was the youngest person ever elected to the Wisconsin Legislature. He was reelected to two subsequent terms.

Right from the very first day he was sworn into the State legislature, BILL STEIGER became a take-charge guy, actively participating in many controversial and critical issues. I remember distinctly that the young assemblyman

from Winnebago County's first district spent hours and hours putting together a legislative reapportionment plan in his very first session of the legislature which was passed almost without amendment.

In 1966 BILL STEIGER left the State legislature to run for this House and was elected, unseating an incumbent Democrat. He served with distinction on the Committee on Education and Labor of the House during his first several Congresses and took an active role in such issues as the Occupational Safety and Health Act, as well as manpower acts, during his tenure on the Committee on Education and Labor.

In the 94th and 95th Congresses he served on the Committee on Ways and Means, eventually becoming the ranking minority member of the Subcommittee on Trade of that committee.

BILL STEIGER was one who never shirked controversy. He was well prepared. He was articulate, and he always spoke with sincerity.

I miss BILL STEIGER personally because I relied on him for advice and counsel that I needed as a freshman Member of this body, and his void for me personally will be as difficult to fill as it will be for the Members of this House that he touched so greatly.

We will all miss this truly fine public servant—we, his colleagues, who profited from his presence, his party which learned from him, and his constituents who were served well.

In Wisconsin we use our political tradition and call it the "Wisconsin Ideal."

BILL STEIGER truly fit the Wisconsin Ideal in the finest traditions of public service.

Mr. Speaker, the best tribute we can pay to BILL STEIGER is to serve in the same manner he did.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may require to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to express my personal sorrow and loss on the death of our friend and colleague WILLIAM A. STEIGER. It was my privilege and pleasure to serve with BILL STEIGER for 2 years, and I learned to respect him quickly.

Having worked with BILL STEIGER on the Ways and Means Committee and on the Trade Subcommittee where he sat as the ranking Republican member, I know that his loss will be deeply felt by his party and the entire House of Representatives. BILL STEIGER was effective. He possessed that uncanny blend of idealistic and pragmatic instincts. His accomplishments came not through intimidation but from hard work, preparation, and persuasion based on a factual presentation.

The persistence of BILL STEIGER in obtaining his legislative goals should inspire each Member of this House. I can only say to each new Member of the 96th Congress that he was a Member to whom his Republican and Democratic colleagues listened when he spoke. We listened because he was very often right and we listened because he was well prepared and his remarks showed thoughtfulness and reason.

It has been one of my most rewarding experiences to sponsor with BILL STEIGER in the last Congress the Investment Incentive Act of 1978. When we began that effort to amend the capital gains tax rates to realistic levels to induce business expansion and investment, we faced a difficult and uncertain road. Against unimaginable odds and obstacles BILL STEIGER's intellectual effort would prevail.

Capital gains tax rates were effectively reduced in the 95th Congress. The effort was led by BILL STEIGER. The national benefits which we achieve from this effort which can be an historic cornerstone for American business development of the future will serve as a memorial to his energy and commitment.

To Janet and Billy I share in your sorrow and I share in your great pride in BILL. He accomplished so much. We mourn his death and commit ourselves anew to the virtues which his life has taught us.

□ 1305

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Speaker, at a time when our country so desperately needs men and women of vision, BILL STEIGER'S death was a loss not only to his family and to the people of Wisconsin's Sixth District but to our entire Nation.

Throughout his six terms in Congress, BILL represented the very best in politics.

He truly loved what he was doing—for his State and for the country. Ernest Hemingway once wrote: "The world is a fine place and worth fighting for." BILL STEIGER's life and career reflected that commitment to stand and be counted.

He believed in the American way of life and in government limited in scope but compassionate in intent. His remarkable record of political involvement is a testimony to his ideals.

I first met BILL STEIGER in 1969 while I was serving as an aide to his close friend, former Secretary of Defense Don Rumsfeld. When I announced for Congress 5 years later, BILL was the first public official to campaign on my behalf, and when I was elected in 1976, he took personal responsibility for showing me the ropes and pointing out the pitfalls of Congress and the legislative process. "Be straight and let the chips fall where they may," was his guidance and his example.

BILL STEIGER's extraordinary skill as a legislator stemmed from his ability to command the respect of Members of all philosophical persuasions. His legislative craftsmanship was never in better evidence than this past year when single-handedly he made the punitive capital gains tax a national issue. With careful argumentation and brilliant persuasion he pushed through a reduction in capital gains taxes which will free up the creativity of American enterprise. This uncanny talent for translating the abstractness of modern economics into a manageable legislative framework was his hallmark.

BILL STEIGER was the leader of the intellectual reform wing of the Republican Party. Serving as chairman of the now famous Rule 29 Committee of the 1976 Republican National Convention he trumpeted the need for the Republican Party to open its doors to blacks and women and minorities of all faiths and countenances. A party that did not represent all the people, he argued, could never achieve a mandate to govern.

But when BILL STEIGER is remembered it will be for more than just a series of accomplishments found on the pages of the CONGRESSIONAL RECORD or reflected in the doctrine of his chosen political party. He will be remembered for the sincerity, the honesty, and the principle that he brought to the political process—characteristics too frequently eclipsed with modern interest group politics.

In a world of impersonal government, he represented family values. In an age of cynicism, he was an enthusiast. In a decade that has witnessed the most tragic abuses of power in American history, BILL STEIGER quietly stood for integrity.

With the passing of BILL STEIGER the Congress of the United States has lost more than a fine legislator. It has lost something of its soul.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, early last December, this body once again was struck by a terrible loss. It was with a sense of great shock and sadness that I, and each of our colleagues, learned of BILL STEIGER's death—a death that was unexpected and unwelcomed.

The sense of injustice and loss is only increased when we consider that BILL's remarkable ascension, both within his party and the House itself, was cut so desperately short. Although he and I served on opposite sides of the aisle and often professed different philosophies, BILL's oratorical ability, his dedication to Wisconsin and to the Nation, and his diligent efforts to be the very best that he could, transcended mere political alliances. He was a man admired and respected by all of those with whom he came into contact.

Those of us who remain to serve here will feel deeply the loss of our dear colleague. My wife, Lee, and I would like to offer our condolences to BILL's lovely wife, Janet and his son, William.

It is my most sincere hope that we, his colleagues, as well as his family and his close friends will remember not the tragedy of his death, but the excellence of his life.

□ 1310

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Speaker, I join my colleagues in expressing our great sadness over the untimely death of WILLIAM A. STEIGER.

The Nation has lost the services of an enormously thoughtful and industrious man. Respected by all, BILL STEIGER will be remembered for his astute political sense and his exemplary work on taxes as a member of the House Ways and Means Committee. He was not only admired as one of the finest legislators in the Congress, but also well liked for his good humor and easy-going manner. BILL STEIGER at 40 had many more years of exceptional service to give to his country. We have been enriched by our association with him and the ideals of public service he epitomized.

BILL STEIGER's loss will be felt keenly among his friends and colleagues in the House, and by the people of Wisconsin. I extend my deepest sympathies to his wife, Janet, and their son, William Raymond.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to join my colleagues and express my deepest sorrow at the death of our friend, BILL STEIGER.

This is a particularly sad occasion, because BILL STEIGER was a young man whose greatest achievements were still ahead of him. He made it a point to be in the forefront of efforts on many important and groundbreaking pieces of legislation, and he had accumulated the kind of experience and insight that would have led to further and greater accomplishments in Congress. To have his life so abruptly ended at a time when his potential was just being realized is tragic for his family and for the Nation.

But BILL provided an inspiration to the new Members of the Congress like myself. His example was that no matter how young you were, no matter how new, no matter what your belief—stand up and say what you believe in and what you think is right. That inspiration—that example—will live within this and future Congresses as a lasting memorial to BILL STEIGER.

At this time, I want to extend my condolences to BILL's family and to his close friends, both in Congress and out. His presence will be sorely missed by all of us who knew and loved and respected him as a Member, a colleague, a friend.

Mr. CONABLE. Mr. Speaker, I now yield such time as he may consume to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, all the Members of this body suffered a great loss with the death December 4 of BILL STEIGER. He had many friends and admirers on both sides of the aisle, and was known for his high ability, his energy, and his great promise as a public servant of unusual stature.

His work in the Congress was of the highest caliber. You could rely on him to have the facts at hand. He was a true legislative craftsman.

Those of us who served with BILL STEIGER since he came to Congress in 1967 knew him as a family man devoted to his wife Janet and his 9-year-old son, William R. Steiger.

Mr. Speaker, we have all lost much by the passing of BILL STEIGER. But so has the Nation. He rose to prominence at an early age, being elected to the Wisconsin State Assembly the same year he was graduated from the University of Wisconsin. After three terms in the statehouse, he won election to the Congress in 1966. The U.S. Jaycees named him one of the Ten Outstanding Young Men in America in 1968, and he served as a delegate to three Republican National Conventions.

During his six terms in Congress, he had many accomplishments. He will be best remembered by many who did not know him personally for his work to reduce taxes on capital gains in the last Congress—"The Steiger Amendment".

His performance on this issue won him well-deserved national attention, and political pundits saw a bright future for our colleague from Wisconsin.

Mr. Speaker, the Congress will miss BILL STEIGER. The Nation will miss BILL STEIGER, and I will miss BILL STEIGER.

Let us honor his memory by upholding the principles and ideals to which he devoted his life, and by following his high example of public service.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. BALDUS).

□ 1315

Mr. BALDUS. Mr. Speaker, it is no easy matter to observe the sudden passing of a close friend and admired colleague. It is even less easy to put into meaningful words what BILL STEIGER meant to me and what he meant to this legislative body. I believe it is fair to say that he was an inspiration to all of us, on both sides of the aisle. Now that he is gone, I know that the memory of his presence here will continue to have that same effect.

In an institution whose mood often reflects the somber weight of the issues that must be decided here, BILL STEIGER brought a special, youthful enthusiasm, a brightness and energy, that gave a glow to all he touched. His fine intelligence and finer dedication set an example not easy to follow, but always encouraging to see.

As a fellow member of the Wisconsin delegation, BILL STEIGER was a coworker whose contributions to his State gained him the respect and appreciation of both the people back home and of all of us here who were privileged to work with him. His influence on the Ways and Means Committee was not always cheered by his political rivals, but was always a boon to the constituency he served so well.

Commentators and journalists have already remarked upon his youth and the personal tragedy of his early death. But the weight of this tragedy will be borne by the living, who must now continue without the benefit of his special presence. As was written long ago on a similar occasion:

He went down
As when a lordly cedar, green with boughs,
Goes down with a shout upon the hill,
And leaves a lonesome place against the sky.

Mr. CONABLE. Mr. Speaker, I yield to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, if I were to forecast the judgment of future analysts of the role of the Congress in the 1970's, their verdict about the performance of the Congress, and the selection they will make as to who the towering figures of Congress were—the latter list would certainly include the name "WILLIAM STEIGER." But if those in the gallery today had seen him on the floor during his service in this House, they would have had difficulty distinguishing that slight figure and crop of blond hair from some of the attractive young pages who serve us so well. He was reticent. Shy.

BILL was a man of enormous commitment, of enormous concern and conscientiousness. He was a man of great courage who dedicated himself to the pursuit of truth. His search for truth involved scholarship, countless hours of research and dedication. He came, I well remember, on one occasion, to a congressional forum in my district, where he spent many hours. BILL listened, carefully, to views on trade which he had never heard, firsthand, before. He came to understand that point of view better. We did not convert him. But he was an understanding adversary.

BILL was one who quietly spoke his always effective piece, spoke for his country and for his party. He believed that good government is the best politics.

BILL was a catalyst among us. He knew how to listen. He never stopped learning. He could talk to everyone because he liked everyone. He brought the boil of conflict to the simmer of reasonable discussion. And to solutions. Answers.

BILL loved this House. Its give and take. Its feeling for and grasp of the public's pulse. Above all he loved us. His colleagues. And what his colleagues stood for and represented.

We knew him as a public man. But there was also a private special world he shared fully with his wife Janet and his son Billy. They suffer and bear the greatest loss.

I speak as a friend and colleague who—already—feels BILL's absence on this Hill and in this Chamber. I will miss

him. So, Mr. Speaker, will this House and our country.

Mr. CONABLE. Mr. Speaker, I thank the gentlewoman.

I yield to the gentleman from Indiana (Mr. QUAYLE).

Mr. QUAYLE. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I did not know BILL STEIGER until I was elected to this House in 1976, but I was one of those among many that quickly grew to respect BILL STEIGER and to love him dearly.

Since we began this special order, I had the opportunity to make a speech to the Close Up Workshop and to return to this floor and find this special order still going on. I think that in and of itself is a tribute to BILL STEIGER.

To those young people I spoke in my opening remarks about the inspiration that BILL STEIGER was to the Members of the House and the inspiration that BILL STEIGER should be to many young people that want to get involved in public service. He was first elected to this House at the age of 28 and had served 4 years in the Wisconsin State Assembly prior to that. BILL STEIGER was a person that everyone respected, and I think if we had to pick a word, whether it is courage, conviction, discipline, or love, respect is the one word that is the most fitting for him and probably the most important characterization an individual can have.

□ 1320

I can remember many times during discussions on the floor, whether it was formal or informal, BILL STEIGER was always in the middle. He always had a definite idea and led a lot of the Members in his direction.

There has been a tremendous outpouring of respect and sympathy from Members of the Congress, friends, relatives, and members of the press regarding our late colleague, WILLIAM STEIGER. I wish his son Billy, and wife Janet the best.

● Mr. RHODES. Mr. Speaker, I know that my colleagues shared the feeling of loss at the untimely passing of one of our most active, and respected Members, BILL STEIGER.

In a Washington Post column, writer George F. Will has caught the spirit of BILL STEIGER's service to his home State of Wisconsin and this body, and his enthusiasm as a participant in our unique American political process.

I urge my colleagues to take the time to read this article, which pays deserved tribute to an outstanding young man. The House certainly is the poorer with his passing.

Text of the article is as follows:

POLITICS—AS STEIGER PRACTICED IT

(By George F. Will)

Journalism, it has been said, often involves reporting "Mr. Smith is dead" to people who never knew that Mr. Smith was alive. But that often is important. The end of exemplary lives should not go unremarked.

Many Americans do not even know the name of their own congressman, and few Americans knew of the congressman from Wisconsin's Sixth District. But there are more than a few Republicans who, if asked why they are Republicans, would reply, briefly but sufficiently, "Bill Steiger." They especially, but not they alone, know what the Republican Party, and the republic, lost when William Steiger died in his sleep at age 40.

When Steiger came to Congress 12 years ago, he was the youngest member. When he died, he was the youngest looking member. But any tendency to think of him as "boyish" did not survive the bracing experience of matching wits and wills with him.

When, early this year, Steiger submitted his amendment to lower taxation on capital gains, the Carter administration was ardently, not to say hysterically, opposed. But what Steiger began resulted, after compromises, in rate reduction. It was an example of what one exceptional man, aroused and patient and right, can do.

I first met Steiger early in this decade when the senator for whom I worked (Gordon Allott of Colorado) became interested in passing the military-pay proposals that were a prerequisite for the transition from conscription to all-volunteer armed forces. Steiger had been at work on the problem for several years, and no one in Washington was more ready for battle.

The issues of conscription and capital gains, one early and one late in his career, do not tell the full story of his career, but they summarize the theme of his Republicanism. He was concerned with liberating the nation's productive energies, including energy in the form of capital and, where possible, supplanting coercion with incentives.

Politics when done wrong, and when done right, can be a consuming profession. It is consuming for those whose eyes are always on higher office—who are consumed by ambition as by fire. More admirably, and more rarely, politics is consuming for those, like Steiger, who do justice to their great work of making laws for a free people.

Congress has its share of members who coast, content to derive their satisfactions from the perquisites of office. But the minority side of the House Ways and Means Committee has recently been to Congress what Sugar Ray Robinson was to boxing: pound-for-pound, the best fighting force. And Steiger, an initiating spirit, was among its best members.

It would be doing less than justice to Steiger to say only that he was a superb legislative craftsman. He also resembled another bundle of useful energy from the upper Midwest. It may seem like a contradiction in terms to speak of anyone as a "Republican Hubert Humphrey," but Steiger exemplified what Humphrey called "the politics of joy." Plainly put, he loved his profession, and it showed.

What Burke said of a nation is true, too, of a profession: To be loved it must be lovely. Politics as Steiger practiced it—intelligent, passionate and amused—was lovely. People who remember him as a paperboy in Oshkosh remember that he always aimed to be a congressman.

A few years ago he was offered a job in the private sector at a substantial increase in salary, and he was tempted to take it for his family's sake. His nine-year-old son frequently went up to Capitol Hill, quietly drawing pictures and watching his father work. Politics is a profession that often exacts a terrible price from families, but as a colleague said of Steiger: "We all admired the father in him."

The capriciousness of fate moved Yeats to write:

Some think it a matter of course that chance
Should starve good men and bad advance.

It was not chance that advanced Steiger to the front rank of his party and his profession. But chance has done what only chance could do: It has prevented him from completing what would have been one of the most distinguished careers Congress has known.●

● Mrs. HOLT. Mr. Speaker, no Member of this House had more friends than BILL STEIGER. He had the great talent of not arousing animosities when he was fighting hard to win a point in this arena and in the Ways and Means Committee. His adversaries were his friends.

I believe BILL STEIGER never harbored the resentments that afflict many of us during and afer a tough legislative contest. He was a man of grace and charity. He was a gentleman in every sense of that term.

Mr. Speaker, all of us are aware of his contributions to the work of the House Ways and Means Committee. He pursued the intricate questions of tax law and the economic effects of tax changes with great diligence and intelligence.

We all admired in his magnificent legislative victory, the enactment of significant reductions in the capital gains tax. The achievement was all the more remarkable, because he was a Republican in a legislative body overwhelmingly dominated by the other party.

That victory was a tribute to his fine mind and his talent at persuasion. He persuaded a majority of the Ways and Means Committee and this House that a substantial cut in the capital gains tax would bring more capital formation and investment to an ailing economy.

Many of us were pleased to support him in that struggle, and those who did not were impressed with the facts and economic projections he presented to the House with clarity and eloquence.

Mr. Speaker, we shall miss BILL STEIGER's warmth and charm, but we will also miss his immense skill as a legislator.●

● Mr. ULLMAN. Mr. Speaker, the Steiger amendment got more headlines than any other issue considered by the Ways and Means Committee last year. All at once BILL STEIGER became the champion of investors and homeowners across the country. Before that, not many people knew BILL beyond Oshkosh and Washington. But to those of us who worked with and admired him, BILL STEIGER was hardly a single issue Representative.

His committee work on trade and social security was distinguished not only for its depth but for a rare determination to reach the highest common ground—no matter how divided the issue. He was one of those remarkable men whose personal philosophy transcended partisan lines. And his stature on "both sides of the aisle" proved it.

BILL STEIGER ranged well beyond the demanding issues of the committee. His campaigns for tougher occupational safety laws and his defense of legal services for the poor are monuments to his social commitment. His understanding and compassion for this Nation's youth took shape in a volunteer Army and tax credits to hire the poor and untrained.

BILL STEIGER belonged to many causes. His pluck and humor steadied many debates. His intellect and the pursuit of the common good recognized no political borders.

We all share his loss.●

● Mr. VANDER JAGT. Mr. Speaker, the startling loss of our dear colleague, BILL STEIGER, is far more than a personal one for me. It is a tragic one for the Congress, the Republican Party, and the Nation.

I served closely with BILL since he first came to Congress 12 years ago. Both of us came to Washington from the Midwest at virtually the same time and later found ourselves serving together on the Ways and Means Committee.

BILL's energy and intelligence made him a tremendously effective legislator which belied his youthful appearance. I think I can easily say that no Member of Congress overcame the inherent disadvantages of being a junior member of the minority party as effectively as BILL STEIGER. There are few of us who can honestly claim to have had, as an individual, as substantial an impact on the laws and policy of this Nation. But, although he was not likely to boast about his accomplishments, BILL surely could claim his mark on the direction of important policy.

Mr. Speaker, although there have been many, many pieces of legislation which BILL STEIGER helped shape, few have been as noteworthy as his amendment to the Tax Reform Act which was passed last year. BILL recognized the vital need to stimulate capital investment in this Nation and authored an excellent proposal to encourage investment to expand our economic production capacity. He worked in a consistent, logical, and completely above-board manner to convince his colleagues that a change in policy was needed. He overcame stiff resistance, illogical rhetoric from the highest sources, and finally managed to win approval of a well-crafted compromise which now stands as the policy of this Nation.

While his legislation successes can serve well as testimonials to his career, it is tragic that they will have to. I have no doubt that BILL STEIGER's career would have been tremendously successful. His effectiveness could only increase and his accomplishments would only multiply.

As an effective young politician, BILL's untimely death robs the Republican Party of one of its most promising individuals. As a brilliant legislator with an uncommon grasp of economics, BILL will be sorely missed by a Nation sadly short of level-headed and forward-thinking leaders. As an extremely energetic and personable individual, BILL will be sincerely missed by all of us who knew him.●

● Mr. SHUSTER. Mr. Speaker, I rise to add my thoughts on the passing of our distinguished colleague, BILL STEIGER. The tragedy of BILL's death at such an early age is softened somewhat by the realization of how much he had accomplished by the time he was 40.

Service in the Wisconsin Legislature begun when he was 22, followed by election to the Congress at 28, heralded a bright and successful career in Washington. At the time of his death, BILL STEIGER was one of the most respected Members of this House. The Steiger amendment that occupied so much of BILL's time during the last session became one of the focal points for the national debate on a return to fiscal conservatism, a debate in which BILL was an articulate and effective spokesman. Those who shared his views on this subject, and I am certainly one of them, will greatly miss his leadership.

I have lost a friend, but I know that many of us will be inspired by the example he set. His tireless devotion to his country will not be forgotten.●

● Mr. ICHORD. Mr. Speaker, we pay tribute today to our colleague BILL STEIGER whose untimely passing brought saddness to those of us honored to have served with him and to his many friends and constituents in Wisconsin. I join with the Nation in extending my personal condolences to BILL's family. We will all be less without him.

BILL was the youngest Member of Congress when the voters of Wisconsin's Sixth District sent him to Washington in 1966. His youthful appearance belied the strong leadership, wisdom, and understanding which all of us soon came to identify with him.

BILL never shirked from difficult decisions. He never forgot his constituents and never failed to serve them. He moved steadily ahead with what he felt had to be done for the Nation and was respected by all.

Elizabeth Barrett Browning once wrote:

Happy are all free people,
Too strong to be dispossessed.
But blessed are they among nations,
Who dare to be strong for the rest.

Such a man was BILL STEIGER and we will miss him.●

● Mr. MAZZOLI. Mr. Speaker, I was deeply shocked and saddened over the news of BILL STEIGER's untimely death.

I served with BILL on the Education and Labor Committee for 4 years. His intelligence, deep grasp of the issues, and his perseverance impressed me greatly. And, when BILL's star rose nationally in 1978, it came as no surprise to me.

BILL was dedicated to improving the quality of life of the citizens of the Sixth District—of the citizens of the entire Nation.

He will be sorely missed by his constituents, and his friends and colleagues in the House.

I extend my deepest sympathies and condolences to Janet and the rest of BILL's family over their tremendous loss.●

● Mr. SEBELIUS. Mr. Speaker, I want to join with my colleagues in paying tribute to one of the truly bright young men of American politics, WILLIAM STEIGER, of Wisconsin.

I feel fortunate to have known BILL during my 10 years in Congress. He was a man whose enthusiasm and vitality rubbed off on almost everyone who had the opportunity to work with him. He brought a fresh insight into politics as only the young people can and gave us new perspectives. But along with his youthful insight BILL had a maturity far beyond his years, an invaluable asset to the State of Wisconsin and our Nation. BILL will be missed by his colleagues on both sides of the aisle. He did his homework well and became a highly respected Member of Congress.

BILL STEIGER was an inspiration to young people who have dreams of entering political life, as well as his family and friends.

I know I speak for all his friends and colleagues when I say that his family and his country have suffered a great loss with the death of our friend, WILLIAM STEIGER.●

● Mr. ABDNOR. Mr. Speaker, seldom can lauds for "outstanding service and lasting achievements spanning more than two decades" be paid a 40-year-old.

Such praise, however, was richly earned by BILL STEIGER.

My association with BILL dates back to his stellar role in region VIII of the Young Republican National Federation when he was a teenager. His activities brought him to South Dakota as well as to other States in the Upper Midwest and across the Nation.

Even in those early days of his career BILL's unique talent for careful crafting of his ideas, pursuit of his ideals, and commitment to bettering this Nation were very evident.

That he had achieved so much at an age when many are only beginning to think seriously about their ultimate goals is testimony to his ability to persuade those of divergent opinions to work together.

In a day and age when "politics" has become a dirty word in the eyes of many, BILL's vision, his character, his diligence, his integrity stand out as a shining example of what is good in politics. He believed the governing of our Nation could be an honorable profession and he set about showing all of us how it could and should be done.

Politics has a better connotation, because of truly honorable people like BILL STEIGER. We all are better for having had the opportunity to know and to work with BILL STEIGER.

BILL's legislative achievements are only part of his rich legacy. Even richer is his legacy of good will and friendship which enabled him to accomplish so much in such a short lifetime.●

● Mr. MOORE. Mr. Speaker, qualities of principle, insight, tireless attention to fine points of tax law while others grew weary, and care for equality in his aggressive and early pursuit of open housing laws reveal the diverse attributes BILL STEIGER shared with us in his public service in Congress. He was a leader in the Republican ranks and his sudden and early death at age 40 leaves us absent a friend and a scholar we miss.

During the 95th Congress, I had the opportunity to work closely with BILL STEIGER on legislation dealing with beef imports and sugar price stabilization. His wisdom and insight proved invaluable in my understanding of reaction by members of the Ways and Means Committee to both issues and it served as a framework for my action on this legislation within the House Agriculture Committee.

His leadership and legislative strategy again proved invaluable to all of us during his pursuit of capital gains tax cuts

others chose not to handle due to the complex nature of the subject matter. His consistent and reasoned pursuit of capital gains tax cuts are now largely written into the Revenue Act of 1978, now Public Law 95–600. He was a leader and his capital gains tax cuts will be a lasting tribute to him.

I have been chosen by my colleagues to occupy the position on the House Ways and Means Committee caused by BILL STEIGER's untimely death. I succeed him on the committee, but neither I nor anyone else there will take his place. His work was exemplary and instructive. It will serve as a benchmark by which I shall judge my own activities and learn from his observations.●

● Mr. COUGHLIN. Mr. Speaker, I find the words difficult to choose in paying tribute to our late friend and colleague, BILL STEIGER, whose unexpected death so shocked us.

To make him bigger than life would be a disservice. For he was a man whose unique ability to put things in their proper perspective, whose detached amusement at the pretentious and pompous, and whose genuine appreciation of the human pysche revealed him at once as a warm, compassionate and intuitive human being.

BILL STEIGER, in fact, was an extraordinary human being.

Much has been said of his outstanding legislative abilities. He was a craftsman of the first order, a man of the House, and a legislator who lived and loved his job.

BILL STEIGER, although he carried no official Republican House leadership title, always was a part of the Republican leadership. His views were sought and respected. His imagination and enthusiasm were invaluable.

Since he came to the Congress as a young man, BILL STEIGER grew with the job. But he never grew too big for the job. He was helpful and encouraging to new Members. He recognized what needed to be done and did it.

BILL STEIGER took his job seriously, but he never took himself too seriously.

There are many things I remember—and always will remember—about BILL STEIGER. In the midst of forceful arguments, when the fate of the Republic may have seemed in doubt to the individuals involved, it was BILL STEIGER who brought us back to reality.

With that detached amusement signaled by the twinkle in his eyes, he would the debate back to Earth. His pinpricks of humor permitted the hot air to dissipate so that realism—or lack of it—quickly became apparent.

That BILL STEIGER will be missed by his colleagues is beyond doubt. Indeed, he was of such caliber that the Nation has suffered a loss in his death.

Perhaps, he would have said that was a bit too much. But, as a realist, he might he might acknowledge more than a little truth in it.

One of the brighest lights of the House of Representatives is gone.

I am sure his attributes as a human being will be remembered as much—and most likely more—than the many legislative accomplishments of his public career.

To his wife, Janet, and his son, go the condolences of Betsey and me. We hope the wonderful memories soon overcome the grief.●

● Mr. GIBBONS. Mr. Speaker, Mrs. Gibbons and I wish to join in this special tribute to BILL STEIGER. We have always felt that he and Jan were our good friends, and we wish to pay tribute to both of them.

BILL's services to his country and to his congressional district have been applauded by many, and I want to add my endorsement.

BILL was a special kind of person—very intelligent, very industrious, and very highly principled. He understood the art of legislating and with his outstanding characteristics, he became one of our most able legislators.

BILL is in a sense irreplaceable, and we shall miss him for that, but we shall also miss him for his very warm, friendly, humane characteristics.

Our thoughts, prayers, and good wishes go forth to Jan and their family.●

● Mr. SCHULZE. Mr. Speaker, our Nation suffered a great loss on December 4 with the untimely passing of our colleague, and my friend, BILL STEIGER. The residents of Wisconsin's Sixth District have lost an able, competent, and articulate Representative. The State of Wisconsin has lost a forceful and sound voice in Washington but most of all the American people have lost a leader.

BILL STEIGER was one of the shining lights of the Republican Party and of our country. I had the good fortune to serve with BILL on the Ways and Means Committee and personally feel a tremendous loss. BILL was a leader who might best be remembered for his concise arguments, his compassion, and his guidance.

He was dedicated to a solid responsible government for the American people, and more, he felt that we must move toward wise and fair tax policies. BILL's push for reduction of the tax on capital gains this past session was an example of his understanding of the economic needs of our Nation but more importantly of the needs of our people.

The Republican Party lost a future star. BILL STEIGER was one of the most articulate and persuasive leaders of our party and he will be sorely missed.

But the private BILL STEIGER will be missed most of all. I was talking with a colleague soon after learning of BILL's death, and he said to me, and I quote:

> The thing I think I'll remember most about Bill Steiger is how much he loved his family. He had his little boy on the floor of the House more times than I can remember, and he always introduced him to his friends with such pride. He told me that he believed that his son should know what his dad did for a living, but more, that he should understand how our Government worked. I always admired the way he included his family in all aspects of his life, and I know that his family has suffered a great loss.

BILL STEIGER will be missed by his wife Janet, and his son Billy, but he will also be missed by his friends in the Congress. His family can be proud of his service to his country as I am proud to have served with BILL STEIGER.●

● Mr. CORMAN. Mr. Speaker, BILL STEIGER joined the Ways and Means Committee in 1975 and quickly became one of its brightest and most articulate members. He was always prepared to deal with any issue and his keen insight and probing questions were a help to us all. He tackled every problem with energy, enthusiasm, and unfailing patience.

As the ranking minority member of the Ways and Means Subcommittee on Unemployment Compensation, BILL played a major role in the development and passage of the Unemployment Insurance Amendments of 1976. This landmark legislation which added almost 10 million workers to the system was the most important action taken in this area since the unemployment insurance program was enacted in 1935. BILL STEIGER's cooperation and leadership were crucial to its success.

When we were in agreement, he was an invaluable ally, and when we differed, a formidable opponent. Last year, we faced each other on "Meet the Press" in a debate over the much discussed capital gains issue. Our differences in this area could not have been greater, but BILL was warm and friendly and made everyone involved feel more comfortable. Needless to say, his arguments were incisive and persuasive, as usual.

We on the Ways and Means Committee will feel the loss of BILL STEIGER greatly. No issue was too technical or complex for him to delve into and digest thoroughly. His integrity was unquestioned and his sense of fairness unmatched. He took a joy in his work that was an inspiration to us all and we shall not forget him.●

● Mr. LENT. Mr. Speaker, this 96th Congress has lost one of its ablest, most effective legislators with the untimely death of BILL STEIGER. I know we all share a great sense of shock and personal loss in the passing of our colleague, for BILL STEIGER's warm personality, penetrating intelligence and his quiet good humor were such that it was impossible not to like and respect him.

Our sense of shock and personal loss is deepened by the knowledge that death took BILL at the very time when his legislative efforts were achieving national influence and recognition, ending his brilliant career before its full promise could be realized.

Those of us who have been privileged to have served in the Congress with BILL long recognized and admired his intelligent grasp of the complex issues which involved his legislative work on the House Ways and Means Committee and his outstanding ability to persuasively articulate his views to his colleagues. These qualities, coupled with BILL's careful attention to detail and his tireless dedication to the legislative tasks insured that BILL played a significant role in shaping the tax laws of our Nation.

We in the House shall miss the intelligent guidance BILL STEIGER gave us in our legislative efforts. The Sixth Congressional District in Wisconsin, whose interests and needs he met so well, shall

miss the services of this truly outstanding public servant, as will the entire Nation.

But, most of all, those of us who knew him will miss the warmth of his friendship and the stimulation of his company.

I know all of us join in offering our deepest condolences to BILL's lovely wife Janet and their fine son, whose grief I share.●

● Mr. NATCHER. Mr. Speaker, today Members on both sides of the aisle, irrespective of party affiliation, are paying tribute to an outstanding Member of the House of Representatives—our highly respected late colleague WILLIAM A. STEIGER.

We are today honoring him in death, but he did not have to wait for the many honors and the respect his colleagues and Americans everywhere accorded him during his life. These sometimes took the form of the silent admiration of the Members even when they were constrained to differ with his position on a particular matter. BILL STEIGER will be greatly missed by his colleagues and by the American people. His kind of honesty, courage, and steadfastness are not easily come by. His concept of public trust was without parallel and never did he hesitate to speak out against any proposal which he felt was not sound and not in the best interest of our people. Words are not adequate to fairly appraise BILL STEIGER's tremendous capacity for loyalty and love of his country. In every position he held, either in private or public, he achieved distinction. His service in all of his assignments was marked by a high sense of conscience and duty. His character, his achievements, and his faithful service will be an inspiration to generations yet to come.

May God let the light of his countenance shine upon him and give him peace.

To his lovely wife and family I extend my deepest sympathy in their bereavement.●

● Mr. YOUNG of Florida. Mr. Speaker, as I rise to join in this tribute to BILL STEIGER, it is with a special feeling of sadness. I am saddened that a career so brilliantly started, should have been so tragically cut short, leaving undone many of those things BILL wished to accomplish.

BILL STEIGER devoted his entire adult life to public service. Elected to the Wisconsin State Assembly shortly after his graduation from the University of Wisconsin in 1960, he remained at his State post until his election to the U.S. Congress in 1966. BILL's exceptional legislative abilities were quickly recognized by his colleagues and his dedication to duty, hard work and resourcefulness won him many friends on both sides of the aisle. Perhaps many of us will remember him best for his service on the Committee on Ways and Means, where his qualities of leadership and powers of persuasion enabled him to have such a profound impact on the legislation which came before that important committee for consideration.

BILL STEIGER served his State and Nation with an honor and distinction that reflected his love of Country and consideration for the rights of people. We may lament that this great source of intellect and talent has been removed from us, before the full potential could be realized, like a valuable resource which has been only partially tapped. But we may be thankful that for even this one short decade this rare and talented man served in the Congress and his accomplishments have left an indelible mark on this body.

I shall miss my good friend and colleague, BILL STEIGER, but I will be forever grateful that I had the privilege of knowing and serving with him.●

● Mr. CONTE. Mr. Speaker, BILL STEIGER's life was short—being only 40 years old when he died—but not so short that he did not have time to make improvements in the world he lived and moved in, in this House and in the Republican Party. He served in Congress for 12 years and for 12 years, we were enlightened by his intellect, amused by his wit, and enjoyed his warmth. And we feel that we are better off for having known him.

He has been described as a rising star of the Republican Party and he most assuredly was. Though BILL himself never seemed very concerned with seeking higher office, anyone could see from his career in the House that he was a man of exceptional ability who had a dynamic future.

In the Education and Labor and Ways and Means Committees, he was an innovator. In his fights for tax reform, better legal aid for the poor and a Volunteer Army, he was relentlessly involved and deeply interested. We are especially indebted to him for his involvement in skirmishes of the Republican Party over party structure and rules. He was totally dedicated to his profession and it seems that no problem was too unpleasant for him to meet, head on.

BILL STEIGER was fortunate in that he recognized time's essence, and the true seriousness and implications of time served in Congress. Hence—the enthusiasm and the extreme dedication and if he seemed to have a sense of urgency, we can now be grateful for it. He was, on all counts, an achiever.

We will note his absence for a long time to come because he was a rare person and very gifted, as a thinker, as a legislator, and as a friend.●

● Mr. WYLIE. Mr. Speaker, I can recall as if it were only yesterday when I met the new freshman Congressman from Oshkosh, Wis. We came to Congress together in 1967 in the second largest Republican class in history. On that day, observing BILL STEIGER, I thought to myself, "Boy, is he young." He looked even younger than his 28 years.

I was impressed that he had been elected to the hallowed Halls of Congress at such an early age. At the same time, I was somewhat curious as to the kind of a contribution he might make. BILL STEIGER's performance in the House quickly dispelled any doubts as to his effectiveness. He proved to be intelligent, extremely articulate, and very hard-working—a combination enabling a person to offer a vital contribution in whatever endeavor he may pursue. He was indeed one of our best Members.

BILL STEIGER's death represents a great loss to the Republican party, which sorely needs young people of ability, integrity, and appeal to rally to its cause. More than that, his fairness, innovation, and open-mindedness will be missed by the American people.

The 96th Congress has already felt his absence because BILL STEIGER always injected himself into the deliberations of the full House, committees and Republican conference. By this time, he would have already proposed several innovative ideas to solve our pressing national problems. The void left by the loss of BILL STEIGER's imagination and his sincere desire to benefit others will not easily be filled.

Marjorie and I wish to extend our deepest sympathy to BILL's wife, Jan, and to his son, Bill.●

● Mr. GRADISON. Mr. Speaker, before I ever met BILL STEIGER, I knew of him through his relatives in Cincinnati. I was told he was young, able, hard working, and that since childhood he had wanted to be a Congressman. Four years ago, when I was elected to the House, I came to know how accurate were those comments about him—and also how they failed adequately to describe a truly remarkable man. BILL STEIGER had the rare ability to understand a problem thoroughly, to go to the heart of an issue with probing questions, to see fresh and imaginative solutions to old concerns, to articulate his views with unusual clarity, and to bring colleagues together in support of his initiatives. This he did with wit, at times with eloquence, always with tolerance for the views of those who disagreed.

All of us are poorer with his sudden and untimely death, just as all of us are richer by having known him. Through his example we are challenged to carry on, to make each day count, to follow his lead. By doing so, BILL STEIGER will continue to live through the work of those who cherish his memory, keep alive his ideals, strive for his high standards.

Somewhere if a roll is kept of Congressmen's Congressmen, BILL STEIGER's name is surely inscribed. For the brief moment he was in our midst, he showed each of us that one person can make a difference in shaping wise public policy.●

● Mr. DRINAN. Mr. Speaker, it was always a pleasure to work with the late Congressman BILL STEIGER. He had a sense of legislation that made it easy to work with him.

I worked with BILL on several issues related to the draft. I worked with him also on his successful attempts to improve the readability of the CONGRESSIONAL RECORD.

I share the shock and sadness of all of his colleagues at his passing. Although we lament his death at such a very early age, we are nonetheless grateful for the very significant contributions which he made during his years as a Member of Congress.

We send to his widow, Janet, and to his son our prayerful compassion and sincere sympathy. They and we can at least take consolation in the fact that BILL STEIGER contributed in very creative

and lasting ways to the Congress and to the country.●

● Mr. GREEN. Mr. Speaker, rising stars are full of promise. Their light shines more brightly as time goes on. Shooting stars are full of brilliance. Their all-too-brief passage leaves the sky markedly dimmer. In life and in death BILL STEIGER was both a rising and a shooting star.

BILL STEIGER started his rise in the birthplace of the Republican Party in Wisconsin nearly 20 years ago. Beginning in 1960 he served three terms in the Wisconsin Legislature before his election to Congress in 1966. His achievements early in his congressional career, such as his work on the Occupational Safety and Health Act, establishment of the Volunteer Army, and programs to provide legal services to the poor led Time magazine to single him out as 1 of 200 rising leaders in the United States in 1974.

His dogged efforts on the Ways and Means Committee on behalf of the Steiger amendment earned him the respect and admiration of all of his colleagues.

As national chairman of the College Young Republicans, Chairman of the Republican National Rules Study Committee from 1973–75, and a national spokesman for Republican policy, BILL STEIGER was certainly a credit to his party. But as the popular representative from a district including cities as diverse as Ripon and Sheboygan, he was also an outstanding Congressman. We miss the brightness of his star, for, like that of the shooting star, it shined all to briefly.●

● Mr. MURPHY of Illinois. Mr. Speaker, I want to join my colleagues today in mourning the loss of Hon. WILLIAM A. STEIGER of Wisconsin.

BILL was one of the House's most conscientious and effective legislators, and deservedly earned the reputation of a Congressman who did his homework. Last Congress, BILL captured national attention by successfully pushing through a proposal to cut capital gains taxes. Not content to live off his laurels, BILL announced just prior to his death that he planned to introduce a bill allowing taxpayers to establish special capital gains "investment accounts" on which no taxes would be paid. To our loss, we will not have the opportunity of hearing BILL argue his views on this legislation in the 96th Congress.

Nevertheless, the memory of BILL STEIGER will endure. In particular, BILL will be remembered for the interest he showed in his work, his vitality and sense of fair play, and his openness to new ideas and fresh approaches. Those qualities will serve as a continuing inspiration to us all.●

● Mr. GILMAN. Mr. Speaker, I join with my distinguished colleagues in today's special order to pay tribute to a fine man, an outstanding legislator, who no longer is with us, WILLIAM STEIGER.

During the recent recess we were all shocked to learn of the untimely death of our good colleague, the gentleman from Wisconsin, who was taken in the prime of his life.

BILL STEIGER had already served six terms in the House of Representatives and three terms in the Wisconsin State Assembly. At the age of 40 he had amply demonstrated a record of hard work, leadership and dedication to the people of Wisconsin.

Congressman STEIGER garnered a national reputation for his devotion to reforming our Federal tax structure.

I have many warm memories of my first days in office, and BILL is a part of those memories. As fledgling Congressmen, the magnitude of our new jobs seemed overpowering. But there was BILL STEIGER offering to help—already a seasoned veteran in 1973. This Wisconsin gentleman helped lead many of us through the labyrinths of the Federal bureaucracy.

BILL STEIGER did more in his short lifetime than many do in twice that span. I join my colleagues in offering deepest sympathy to his widow, Janet, and to his son, William Raymond.

BILL STEIGER's leadership and expertise will be sorely missed not only by all of his friends in the Congress, but by his nation.

● Mr. KASTENMEIER. Mr. Speaker, I was shocked and saddened to learn of the sudden death of our colleague and my friend from Wisconsin, BILL STEIGER.

BILL had all the attributes we generally associate with success in the field of public service. When he came to the House in 1967, as the youngest member of the Congress, BILL already had earned an outstanding reputation as a member of the Wisconsin State Assembly in which he served for 6 years. In a relatively short time in the House, BILL emerged as an articulate and effective spokesman for the causes he championed.

Today, we have set aside this time to recall our association and experiences with our late colleague and our respect for his intellectual and personal character. We had the opportunity to watch him grow and develop during the major part of his career. BILL constantly used his powers along the lines of excellence, and he became an influential member of the House. BILL was a man of good will, a man of ideas, and he was respected and trusted by all.

Although BILL and I knew that we would not always agree on national issues, we each shared a desire to see service in our military forces remain voluntary. We both opposed the military draft and the inequities associated with it. We enjoyed a close working relationship on common problems shared by our neighboring constituencies.

Mr. Speaker, the high court of history sits in judgment on each one of us recording whether, in our brief span of service, we fulfilled our responsibilities. Our success or failure will be measured by the answers to the following questions—were we truly persons of judgment, were we truly persons of integrity, were we truly persons of dedication? Those of us who knew BILL can be sure that the final judgment of history on him will, indeed, be high.

Mr. Speaker, I want to extend my heartfelt sympathy to BILL's widow, Janet, his son, Bill, and the Steiger family.●

● Mr. DERWINSKI. Mr Speaker, the Congress has lost one of its great legislators in the passing of our distinguished colleague, BILL STEIGER. For the House as a whole, it will be his quiet leadership that will be missed.

As a member of the Ways and Means Committee, BILL demonstrated his dedication to solving our economic problems. BILL was an especially hard-working Member whose skilled expertise helped to lead this country toward more responsible fiscal policies and more effective tax legislation.

His outstanding record of faithful service and his strength of character earned him an honored place in the hearts of all those who had the privilege to know him. He was tirelessly dedicated, conscientious, and always constructive.

A man of great personal warmth, BILL was respected by everyone who came into contact with him. He will be remembered not only for his legislative skill but also for his warm character. The country has lost a man of great stature, we have lost a good friend.

My wife, Pat and I would like to express our sincere condolences to Janet and their son, Bill, on their loss. We all share that loss to some extent.●

● Mr. MONTGOMERY. Mr. Speaker, it is with a great deal of sadness that I rise this afternoon to join my colleagues in paying tribute to the distinguished career of the late BILL STEIGER. While we cannot fully understand why the Almighty in his infinite wisdom chose to call BILL from our presence, we can rejoice in having had the privilege to serve with him for 12 years.

BILL STEIGER and I came to the Congress at the same time in January of 1967. It was quite apparent from the very beginning of his public service that he was destined to be a leader in this body and to be one of the hardest working Members we had.

He thrived on the legislative process and the good he always attempted to accomplish for his constituents and his fellow Americans. BILL set an example of dedication and hard work which was the envy of us all. And I might add that his efforts bore fruit in terms of new legislative—proposals which had the Steiger imprint.

Mr. Speaker, in addition to losing a brilliant legislator with the untimely passing of BILL STEIGER, many of us, and I include myself in that number, have lost a warm and personal friend. To know BILL STEIGER was to like him and appreciate his humility and sincerity.

I join with my colleagues in expressing sympathy to the Steiger family and wish it were possible to lessen the burden of grief of his wife and son. We thank you for sharing BILL with us and know that we are better lawmakers for having known and served with him.●

● Mr. BRINKLEY. Mr. Speaker, it is my wish to pay tribute to BILL STEIGER, whose deeds testify to the fact that his life really counted for something.

We came as members of the 90th Club together, and the twinkle in his eye quickly telegraphed his good humor and quick wit. His service for the ensuing 12 meaningful years was in the superlative category. He wore the mantle of responsibility well and never lost the sparkle

that marked him for the uncommon man that he was.

He was a special friend and I miss his presence; yet his example is here, and I am glad.●

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I today join my colleagues to address this body in marking the passing of our close friend, BILL STEIGER. He served the Congress of the United States with distinction for nearly 12 years and we will be the poorer for the loss of his leadership.

In the early 1960's the residents of Oshkosh recognized his unique talents and dynamic energy by choosing him to represent them in the Wisconsin State Assembly. First elected at the youthful age of 22, BILL quickly established himself by carrying on the fine tradition of Wisconsin progressivism.

During his all too brief stay in Washington, BILL served from 1967–74 on the Education and Labor Committee. His service on that committee was characteristic of his entire career—constant work and mastery of technical issues.

BILL was elected to the Committee on Ways and Means in 1975, and his impact was immediately felt on our deliberations. He first became nationally known during the last Congress for his effective work in the area of capital gains taxation, those of us on the committee knew long before the national media that BILLY STEIGER was a force to be reckoned with. His style of questioning—his constant desire to understand "just exactly what we are attempting to do here"—exposed the folly of many an ill-conceived proposition.

BILL was neither a partisan nor parochial politician. He often took stands that transgressed party lines and superseded traditional regional concerns. As a legislator who has always prided himself on his ability to count heads on crucial issues. I knew the unique value of this man. Having BILL STEIGER's head—and his heart—on your side was, to me, always worth far more than just his single vote.

It is too easy to say how much individuals will be missed after they are gone. Superlatives are utilized in such quantity at these times that their true worth often becomes devalued. But my colleagues Mr. CONABLE of New York, Mr. JONES of Oklahoma, and all others on the Committee on Ways and Means know only too well that it can be fairly said that BILLY STEIGER sincerely will be missed by us all. We will remember him not only for what he gave us in the past, but for the future and the challenges we must struggle to meet without his many talents. His positive attitude, his constant desire to accomplish the impossible and his indefatigable drive were traits that will not be easily replaced.

On a personal level, BILL STEIGER was a friend whose courtesy, humor, patience and openness were endearing qualities. That we have been deprived of him so early in life is especially painful. But to have known him as a friend, however briefly, was our common good fortune.

Although BILL's loss to this institution has been great, it cannot be compared to what has been suffered by his wife, Janet, and their child. To them and the rest of his family—particularly his father, Carl, who was justly proud of his son and his many accomplishments—I offer my sincere sympathy.●

● Mr. WYDLER. Mr. Speaker, there are some Members of Congress who are very special people. BILL STEIGER was one of those. Dedicated to his position in Government, he served his district and country very well indeed. He and I used to joke that we formed the backbone of the smallest caucus in the House of Representatives, the Swiss Caucus, for we both had a background and family roots from that country.

BILL was smart, and devoted to his position, but he was different from most Congressmen because of the deep sincerity he brought to his job and the conviction with which he carried out his duties. We will all miss him.●

● Mr. HANLEY. Mr. Speaker, much has been said and written about our dear friend BILL STEIGER since his untimely death. I would like to take just a moment to add my voice to those paying tribute to this truly exceptional man.

Few people knew the personal handicap BILL STEIGER worked with, the necessity of two insulin injections daily since the age of 13. Few people knew about it, because BILL never once let it interfere with his work in this body. His energy, industriousness and dedication to his life's work of representing the people never once faltered.

BILL STEIGER was not a partisan politician in this House. His judgments were based solely on the good for all the people. Even as a member of the minority party, he played a great role in the shaping of policy and legislation passed by the Congress. He never sought to be a divisive force, but always was one who would help bridge the gap between differing factions.

BILL STEIGER was a man of great compassion and of great integrity. His votes were based on principle and never on expediency. His legislative actions were careful and reasoned, never flippant or obstructive.

In his 12 years in the House, BILL STEIGER's accomplishments were indeed impressive. His work contributed greatly to the compromises which brought about the 1970 Occupational Safety and Health Act, the end of the draft and start of the volunteer army, a program providing legal services for the poor. As we all know so well, in the 95th Congress he led the fight for reduction of capital gains taxes.

It is up to us now to continue to work in the spirit of BILL STEIGER, to dedicate ourselves to task for doing the people's business as best we can without feeling the necessity of grabbing headlines for our efforts. That is the type of man BILL STEIGER was, and we shall miss him.●

● Mr. ROYBAL. Mr. Speaker, as the House pauses today to honor the memory of a most distinguished colleague, I would like to express the sense of deep loss shared by all those who had the privilege to know and work with BILL STEIGER. In addition to serving with BILL in the House for the past 12 years, I had the good fortune to have BILL and his family as neighbors here in Washington.

BILL exemplified the hard-working congressman who initiated legislation and then used his political prowess to ensure passage. Clearly, BILL loved his work which he was so good at, and clearly, he will be sorely missed in the Halls of Congress. He will be missed not only for his outstanding contributions to the legislative process, but also for his good humor and personable ways. And while he and I might not have always found ourselves on the same side of an issue, I always knew he had a brilliant career in store for him as a leading force in the Republican Party.

It was a true pleasure to know BILL as a colleague and neighbor, and I place great value on the friendship which developed over the years. His untimely passing is a source of personal sorrow to his many friends in the House of Representatives and our sincerest sympathy is extended to his widow Janet and to his entire family.●

● Mr. RUSSO. Mr. Speaker, he was both a fine human being and legislator and so our loss of BILL STEIGER is an especially great one. I am pleased to have had the opportunity to work with a man of his skill, energy, and lively sense of humor while sharing his friendship.

From early on, as the youngest Member of Congress in 1966 until his death, BILL's diligence and oratorical ability always captured my admiration. He was impressive. And he has indeed left us a legacy of legislative achievements—work with OSHA, the Volunteer Army, rules, taxation. He also opened the door for women and minority groups to participate in the Republican Party.

We all learned the meaning of thoughtfulness and decency from BILL, and these lessons will remain with us.●

● Mr. RANGEL. Mr. Speaker, it was with great shock and dismay that I learned of the death of BILL STEIGER.

I had the honor and pleasure of serving with BILL on the Ways and Means Committee. During that time, I came to appreciate both his wit and insights into the legislation which came before us.

During the consideration of the Revenue Act of 1978, I was extremely pleased to have the opportunity to work with Congressman STEIGER on my jobs credit proposal. It was due to his concern about vocational education and the resultant opportunity for youth to secure employment that a vocational jobs credit was included in the tax package.

The loss of BILL STEIGER is indeed a personal one as well as one for the Congress and Nation as a whole. BILL STEIGER was one Member of Congress who worked extremely hard and took his responsibilities very seriously.

We, in the Congress, would have all benefited from his leadership and will indeed miss his presence.●

● Mr. VAN DEERLIN. Mr. Speaker, BILL STEIGER, whose untimely death last month was widely lamented, was among our most productive legislators whose work while a Member of this body is his own best monument.

The sad part is that Mr. STEIGER's accomplishments did not attract the na-

tional recognition they merited until after he was gone. His record was outstanding. While still in his early 30's, he was instrumental in winning enactment of the bill to end the military draft and inaugurate the all-volunteer Army. He also worked with telling effect for passage of the Occupational Health and Safety Act, provision of legal services to the poor and—most recently—reductions of the capital gains tax.

His success in helping to shape major laws was all the more remarkable considering he was always a member of the political minority during his 12 years of House service. But he knew the art of compromise, and he was well respected on both sides of the House aisle.

As columnist Dave Broder has written, "STEIGER was a man of exceptional talent, integrity, and drive." Of him it can truly be said that he will be missed, and that we need more like him.●

● Mr. GOLDWATER. Mr. Speaker, the sudden loss of BILL STEIGER has been a jolt. He was a rare human being, a man of exemplary character, a tireless worker, an intelligent, bright, and capable public servant, a man true to his convictions, and a devoted husband and father. I will miss him, the Republican Party will miss him, this House will miss him.

Those of us who knew BILL were impressed with his many contributions to this body, especially at so early an age. The story is told that when BILL, at the age of 28, arrived in Washington to take his seat in the House, he was mistaken for a page. Actually, BILL had already established a reputation for himself as an accomplished legislator in the Wisconsin State Assembly. Certainly, BILL's success was no surprise to the folks in Oshkosh who he so diligently served as a paperboy. They knew this was one young fellow with a promising future in politics.

BILL STEIGER has left an indelible impression in the annals of the House. He was in the prime of his career when his life was cut short and there is no telling what even greater things awaited him had he lived. The respect he earned as an influential member of the Ways and Means Committee was evidenced by his leadership on the measure to cut taxes on capital gains. He was also an important figure in the debate on the National Energy Act.

It was not uncommon for me to look to BILL for his wisdom in making decisions as a Member of Congress. He was a statesman in the truest sense of the word. He is not here now, but in carrying out my responsibilities in the House I will often ask myself, "How would BILL have done it?"

To BILL's lovely wife, Janet, and their fine son, William Raymond, BILL STEIGER has a place in our hearts.●

● Mr. REUSS. Mr. Speaker, the death of BILL STEIGER hit close to home in every sense of the word.

BILL's district was only 35 miles from mine, but I was aware of this remarkable young public servant long before he was elected to Congress in 1966, and even before his election to the Wisconsin State Assembly in 1960.

The scion of one of Wisconsin's most distinguished families, BILL made his mark as a political activist while he was still in college. His election to the State assembly at 22 and his emergence as a leader in that body were timely and natural developments in a distinguished career.

By the time he took his seat in this House in 1967, those of us who knew BILL knew that we could expect from him intelligence, dedication to principle, and—even in so young a man and so new a Member—leadership.

His career amply fulfilled that early promise. He was a man of absolute integrity. He understood the needs of the people he represented, and their interests were always foremost in his mind His voting record evidences a well-developed political philosophy combined with a knowledge of how to convert that philosophy into effective legislation.

BILL STEIGER elevated the level of discourse and debate of every issue with which he concerned himself. His sponsorship last year of capital gains tax revision demonstrated his ability to rally popular support for his position without doing violence to the issues at stake. As a result he commanded an influence unusual for a relatively junior minority Member.

The House will miss BILL STEIGER as a legislator. It will also miss him as a friend. His unfailing good humor and genuine modesty made him as popular among his colleagues as he was respected.

We extend our sympathy to Mrs. Janet Steiger, his son Billy, and the Steiger family of Oshkosh. BILL relied heavily upon his lovely wife's judgment and advice. Her wisdom and insight entitles her to an important role in public affairs in her own right.●

● Mr. PREYER. Mr. Speaker, a number of our colleagues have quoted tributes to BILL from the press. In fact, few Members of Congress have ever received the kind of tributes from editorial writers and columnists that have come BILL's way. Such expressions are normally reserved for a Speaker of the House.

They are especially significant because BILL didn't court the press, or seek publicity. He just did his job very well and conscientiously. The press recognized those qualities which we have long admired in BILL in the House—that he was a gentleman, a legislative craftsman, an enthusiastic believer in the House of Representatives.

He worked hard and fought hard. But he always cut square corners.

He was an inspiration to our young people. His presence was living proof that the stereotype of the Congressman as an old fogie was a lie. He assured young people that there was a place in Congress for one who was young, idealistic, able, and enthusiastic. He was living proof that Congress was a place that could meet their highest aspirations.

All of us extend our sincerest sympathy to his family and hope they will take some comfort in the respect and esteem in which BILL was held by his colleagues and by our Nation.●

● Mr. ADDABBO. Mr. Speaker, I join with my colleagues in expressing my deep sorrow at the untimely passing of our colleague, BILL STEIGER of Wisconsin, and I offer my condolences to his family for this great loss.

It is always sad when the young die needlessly, but in this case—with the excellent record already achieved by BILL and with the years of potential service still facing him—the loss is doubly sad, not only for his family and his friends but for the Nation he served.

There are men who are naturally born to public life and BILL STEIGER was one of those. An activist from his campus days onward, BILL gravitated naturally into political life and as anyone who has followed his career knows, he flourished in this environment.

In his work on the House Ways and Means Committee, BILL quickly established a reputation for quiet and dignified hard work. His was not the way of the florid press release and the attention getting statement. Rather, he specialized in the hard analysis that resulted in key legislation. As a new member on the minority side of the Ways and Means Committee he nevertheless played a major role in shaping tax legislation; this was totally a result of his hard work and dedication. BILL, in everything he did, worked harder than almost anyone else and he tried, perhaps more successfully than most of us, to resolve dilemmas through the use of logic.

Personally, BILL STEIGER was as enjoyable a man to know and to be with as any who have ever served in this distinguished House. I think it is possible to say that at his death, BILL did not leave one single enemy in this great body. Instead, on both sides of the aisle, he left friends who were impressed by his decency, his humor, and his basic good will toward everyone he came in touch with.

His death is a distinct blow to this Nation and to the people he represented in Wisconsin. But as I said in the beginning, he played a role far larger than that of a Midwestern representative. Because he worked so hard and because he cared so much for the people of this Nation, his work received national attention, and had he lived we could have expected great things from him.●

● Mr. CARTER. Mr. Speaker, it was with the greatest regret that I had learned of the untimely death of our colleague WILLIAM A. STEIGER.

BILL was an exceptional young man. For six terms he provided superb representation of the views and needs of the people of his district. Yet he succeeded at the same time in accomplishing much toward the betterment of the rest of the country as well. His leadership most recently toward a reduction of the capital-gains tax was marked by the diligence and intelligence with which he always approached his work in Congress.

BILL was first elected 2 years after I had been, and it was an honor to serve with him these past 12 years on this side of the aisle. His presence and wisdom will be missed.

Kathleen and I offer our condolences to his wife and son and other members of his family; we share their sorrow at BILL's passing.●

● Mr. MYERS of Indiana. Mr. Speaker,

it is with a heart full of sorrow that we take this time today to pay a fond remembrance of a fine gentleman, BILL STEIGER. It is with joy that we feel when we think about the personal experience we have had to have been able to serve here and work with such a fine man as he was.

I first met BILL in 1966 when we were both candidates for House seats. We were both first elected that year and joined this body as first termers in the 90th Congress. He was the youngest Member of our class and the youngest in the Congress. His youth never prevented him from very early becoming one of the outstanding Members.

His district, his State, and our Nation have lost a great public servant. We all will miss him very much.

Our prayers are with his wife, Janet, and his family.●

● Mr. BROOMFIELD. Mr. Speaker, I wish to join my colleagues in expressing the great sorrow felt at the loss of our friend, the Honorable WILLIAM A. STEIGER of Wisconsin.

Many in this Nation hold Congress and politicians in low esteem. Yet BILL STEIGER, through his life and work, showed that those attitudes must be reconsidered for he lent dignity and honor to this body and to those who serve in it.

When BILL STEIGER came to the House of Representatives 12 years ago, he came as its youngest Member. Although he was afflicted with diabetes, he gave his all to politics and public office. His hard work, sound mind, and dedication quickly increased his stature and influence among his colleagues.

Because of his devotion to this institution and to public service, BILL worked unstintingly to improve the work of the House of Representatives. Even though he often received job offers that would have given far greater financial security to his family, BILL always turned them down to do the work he believed in and loved.

During the last Congress, BILL's name began to gain national prominence as he led the successful fight to reduce the capital gains tax. In this effort, he effectively took on the President and the majority party leadership because he firmly believed that this tax cut was truly in the public interest.

Although BILL's name is best known for the capital gains tax fight, he was also instrumental in shaping other pieces of major legislation. Among these are the program providing legal services for the poor, the ending of the draft and the institution of the Volunteer Army.

When BILL STEIGER passed away, the people, the Nation, and the Congress lost a truly great public servant. As we watched BILL work, we saw great things in his future. Now that future has been cut short and we mourn the passing of a friend. We will truly miss him.

Mr. Speaker, I wish to express my heartfelt sympathies to the Steiger family and to all his friends who share in his loss.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my distinguished colleague, Hon. CLEMENT J. ZABLOCKI, of the Fourth District of Wisconsin, in paying tribute to the Honorable WILLIAM A. STEIGER, who represented the people of the Sixth District of Wisconsin during the 90th through the 95th Congress: The death of my outstanding colleague at the age of 40 has left a void in this House, for he served his Wisconsin constituents and the American people with devotion and dedication.

BILL STEIGER began his career of leadership in Wisconsin as a member of the Wisconsin State Assembly from 1960 through 1966, when he was elected to the U.S. House of Representatives. In the years 1968, 1972, and 1976, he was designated one of the 10 Outstanding Young Men in America by the Jaycees.

During his distinguished service in the House before he was cut down in the prime of his career, Congressman STEIGER served on the House Ways and Means Committee, and was also instrumental in the congressional passage of legislation establishing the All-Volunteer Army. His record of excellence and creative accomplishment was most commendable.

WILLIAM A. STEIGER was a man of deep conviction, independent in thought and action, and was willing to challenge any person or institution in the pursuit of his high ideals and what he thought was right for his people, and he will certainly be missed here in Congress.

Mrs. Annunzio and I extend our deepest sympathy to his wife, Janet, and to his son, William Raymond.●

● Mr. ERLENBORN. Mr. Speaker, the sudden, shocking loss of BILL STEIGER came at a point in his life at which he was finally beginning to receive the type of public recognition he has so long deserved.

In any organization, there are those who receive a good deal of publicity but do little to deserve it. There are others who receive little publicity, but work long and hard behind the scenes. BILL was one of the latter group.

He was among those who were most surprised when the Steiger amendment began to catch fire and media attention. He was among those who were most deserving of that attention.

Mr. Speaker, sometimes we use a word so often that it begins to lose its meaning. In this Chamber we preface many of our remarks to a colleague by calling him or her "my good friend," when indeed we may not be friends at all. BILL STEIGER was my good friend. He was a good friend to many of us, because that was his nature.

There are too few BILL STEIGERS in this world. We could ill afford to lose the one we had.●

● Mr. JOHNSON of California. Mr. Speaker, BILL STEIGER was one of the finest men to have served in the House of Representatives. It was indeed most unfortunate that he did not have the opportunity to fully develop his career in public life.

BILL came to the House of Representatives at an early age and soon showed that he had the intelligence and the commonsense to handle the job and be an effective voice not only for his district in Wisconsin, but also for the people of the Nation.

Much has been written about his important contributions, and they have been many, particularly when one considers the amount of time in which they were achieved. I cannot add to those fine renditions, but simply want to add my personal testament to his fine work.

BILL STEIGER served on the Education and Labor Committee and the Ways and Means Committee during his service in the House of Representatives. Through his committee assignments he worked continuously for reform and improvement of our Government and its services to the people.

He also worked for improved operation of the House of Representatives within the processes of his party and through bipartisan efforts to review and modernize House procedures.

BILL was an active legislator making many significant proposals and working to seek legislative compromises to assure passage of important legislation.

Although I never had the privilege of serving as a committee colleague of his, I knew BILL as a friend and colleague in the House. He was, without a doubt, one of the brightest and most congenial persons to serve among us. It is particularly sad that he has left us because he was only beginning to realize his tremendous potential as a leader and legislator.

To his wife and family, my wife Albra and I extend our deepest sympathy. We hope that the knowledge of his fine accomplishments and great respect in the House will give them comfort in these difficult days.●

● Mr. UDALL. Mr. Speaker, BILL STEIGER was a special and gentle kind of man. We do not see enough like him in politics—able and willing to listen to both sides of a question, able and willing to compromise, a man who treated his opposition as good friends.

BILL was always the gentleman. He had civility and intelligence—and wit—in superabundance. Certainly, he left his mark in these Halls. The memory is a good and a decent one, for BILL was a good and decent man.

I never knew anyone with more friends. If BILL STEIGER had an enemy or detractor on Capitol Hill, I never saw him. Perhaps, in the long run, that is enough to remember a man by—the way he treated his fellow human beings.

I am glad I knew BILL STEIGER. I am proud that we were friends.●

● Mr. WINN. Mr. Speaker, I, too, want to join my friends and colleagues on both sides of the aisle as they pay tribute to the memory of our friend, the late WILLIAM STEIGER, of Wisconsin.

It was my pleasure to know BILL STEIGER since we both came here in the 90th Congress.

BILL STEIGER tried to hold down Government spending, show concern about the American taxpayer, and just in general keep the Ways and Means Committee responsive to the people.

His statements and challenges to the statements of others on the floor prove that BILL STEIGER was the type of Congressman who was definitely concerned

about the American taxpayer and all American citizens.

He served his district, his State, and his Nation with distinction. BILL STEIGER was the kind of man who was destined for national leadership, and his untimely death was a loss to the Nation.

I read George Will's eulogy of BILL STEIGER, and I felt it was the kind of tribute which this bright and energetic young man truly deserved.

He was kind, thoughtful, hard working, untiring, and respected by all those who knew him. I feel that it was an honor to have known and worked with a man of BILL STEIGER's caliber. He will be missed by all of those who knew him.

Joan and I offer our deepest sympathy to Janet, their son Bill, and his parents.●

● Mr. QUILLEN. Mr. Speaker, I would like to join my colleagues in paying tribute to the memory of the Honorable WILLIAM A. STEIGER. We have all lost a good friend, and the House has lost a Congressman who represented his constituents with tremendous integrity and ability.

He will long be remembered as a man of the highest ideals, and it is a great tragedy that his career was cut off before he had the opportunity to accomplish all of the things he was capable of doing and wanted to do.

As a public servant, BILL always did his very best to truly serve the people, both in the Wisconsin Legislature and in the U.S. Congress. His contributions in the Ways and Means Committee were immeasurable, and his loss will be deeply felt.

The outstanding work BILL did in carving out new pathways for freedom and the free enterprise system is a shining example for others to follow, and his record in the Congress shows his dedication and determination.

We will all miss him, and Mrs. Quillen joins me in extending our deepest sympathy to his family for their great loss.●

● Mr. BROYHILL. Mr. Speaker, I am deeply saddened that, as the 96th Congress gets underway, our friend and colleague, BILL STEIGER, won't be here with us to share his innovative and imaginative ideas. BILL was a hard-working, independent-minded man who will be sorely missed by all of us on Capitol Hill and by his numerous friends throughout Wisconsin. He served his district with excellence and his dedication to the betterment of our country was always foremost in his thoughts and actions. BILL was not afraid to try new ideas and his accomplishments were many and great in his young life.

His loss will affect each of us and I am deeply saddened by his passing. Mrs. Broyhill and I extend our heartfelt condolences to his family and friends but, at the same time, we feel very thankful at having had the opportunity to know and work with this fine individual.●

● Mr. LONG of Louisiana. Mr. Speaker, if any one quality comes to mind when I reflect on Representative BILL STEIGER's outstanding career in the House, it is his remarkable ability to strike a compromise, to find a solution acceptable to all parties involved. We watched him work effectively in the Ways and Means Committee, and we benefited from his efforts on the floor. Energetic, dedicated, and creative, BILL STEIGER had a real love for this body as an institution, and certainly demonstrated this on a daily basis. He strove with a great sense of commitment to formulate workable solutions to the many controversial issues facing the Congress and found support on both sides of the aisle. In times where a myriad of divergent interests are fragmenting this legislative body, BILL STEIGER's gift of compromise was indeed rare and precious. As my good friend and distinguished colleague DAVE OBEY has pointed out, BILL STEIGER was "the Republican who was the most effective bridge between the parties in Congress." I am very proud to have served alongside Representative BILL STEIGER. He was certainly an encouragement to all of us here—an outstanding Member and a fine person.●

● Mr. COLLINS of Texas. Mr. Speaker, I want to thank the gentleman from New York (Mr. CONABLE) for yielding and giving me an opportunity to add my respects to BILL STEIGER. Everyone that knew BILL loved him. And everyone that worked with him in Congress respected him very highly. I was the last one to join him in the great class of the 90th Congress.

BILL was well liked because he was always cordial and he had a cheerful smile that was an uplift to all of us.

Of all of the legislation that BILL worked on, it seems that every session he concentrated on a stronger and more powerful area.

We lost BILL STEIGER after he had successfully led the way this past session for tax reduction. Congress had postponed action. But BILL brought up basic ideas on tax reduction that were absolutely essential to our economy.

In America we are not creating enough new capital, and we are not encouraging the reinvestment of capital. He spoke, he wrote, and he pounded the table in behalf of a lower capital gains tax that would encourage people in their capital transactions.

Under BILL STEIGER's leadership we went a long way toward reducing the capital gains tax. We lost BILL, but I felt like in 1979 he would have led Congress all the way for a complete tax reduction.

BILL was named as one of the outstanding young men in America, and the young man spirit stayed with him always. His vitality and enthusiasm were stimulating. He had a spring in his step and a vibrance in his speech. We will always remember BILL with the progressive spirit, as he was always moving forward.

Dee and I extend our sincerest sympathy to his wife, Janet, and his young son, William. Wisconsin has lost one of the greatest Representatives that ever served in Congress when we lost the great son of Wisconsin, BILL STEIGER.●

● Mr. KEMP. Mr. Speaker, the House and the Nation were stunned during the adjournment period by the untimely death of our colleague, BILL STEIGER. BILL, was only 40 years of age, but he had just been reelected to his seventh term, having been first elected in 1966 at the age of 28.

BILL was a persistent worker. He knew how to work with his colleagues, one by one and from both parties, and he knew how to work within the committee system to win approval of legislation whose enactment he was seeking. That he was successful in this approach is evidenced by the fact that he won almost everything he sought in the way of capital gains tax rate reductions in the 95th Congress. That was his primary target. He had other items on his agenda, but that was the big one, and he died with the satisfaction of having seen it come to pass.

BILL was a man of commitment, of conviction. He was willing to address old, unresolved questions, and he was often able to devise new answers for old questions. He had a vision of Government and political parties responsive to the needs of the people, a vision where Government would remove the impediments to meeting those needs, rather than worsening tions, a vision brought forth from a vibrant two-party system.

BILL was a man of knowledge. He educated a great number of important peoon the relationship between taxes and revenue, between taxes and economic growth. More people in positions to shape public policy are now aware that higher taxes do not mean higher revenues if a point has been reached where those tax rates impede incentive. Capital gains tax rates were an example of that. BILL knew the relationship between taxes and economic growth, and he knew that high taxes stunt the growth essential to helpthem through misdirected good intenple—his colleagues, the media, even economists and administration officials—ing those at the bottom of our economic ladder, and he never tired of making that point. He had a deep sense of commitment to those who did not enjoy the full bounty of our system.

BILL created for us a sense of purpose behind critically important issues, and even in death he does that again, creating a community of those who knew him, who may not have known each other but do know a bond of common sorrow and shared memory. He died as we should remember him; young and productive. He, his enthusiasm, and his commitment will be sorely missed.

I am reminded of Lord Byron's words, "Those whom God loves, die young." The sooner to be with Him.

My sympathy, that of my wife, Joanne, and our family are extended to his widow, Janet, and their young son.

I wish to include a moving tribute to BILL, one written by our mutual friend, George Will:

POLITICS—AS STEIGER PRACTICED IT

(By George F. Will)

Journalism, it has been said, often involves reporting "Mr. Smith is dead" to people who never knew that Mr. Smith was alive. But that often is important. The end of exemplary lives should not go unremarked.

Many Americans do not even know the name of their own congressman, and few Americans knew of the congressman from Wisconsin's Sixth District. But there are more than a few Republicans who, if asked why they are Republicans, would reply, briefly but sufficiently, "Bill Steiger." They especially, but not they alone, know what the Republican Party, and the republic, lost when William Steiger died in his sleep at age 40.

When Steiger came to Congress 12 years ago, he was the youngest member. When he died, he was the youngest looking member. But any tendency to think of him as "boyish" did not survive the bracing experience of matching wits and wills with him.

When, early this year, Steiger submitted his amendment to lower taxation on capital gains, the Carter administration was ardently, not to say hysterically, opposed. But what Steiger began resulted, after compromises, in rate reduction. It was an example of what one exceptional man, aroused and patient and right, can do.

I first met Steiger early in this decade when the senator for whom I worked (Gordon Allott of Colorado) became interested in passing the military-pay proposals that were a prerequisite for the transition from conscription to all-volunteer armed forces. Steiger had been at work on the problem for several years, and no one in Washington was more ready for battle.

The issues of conscription and capital gains, one early and one late in his career, do not tell the full story of his career, but they summarize the theme of his Republicanism. He was concerned with liberating the nation's productive energies, including energy in the form of capital and, where possible, supplanting coercion with incentives.

Politics when done wrong, and when done right, can be a consuming profession. It is consuming for those whose eyes are always on higher office—who are consumed by ambition as by fire. More admirably, and more rarely, politics is consuming for those, like Steiger, who do justice to their great work of making laws for a free people.

Congress has its share of members who coast, content to derive their satisfactions from the perquisites of office. But the minority side of the House Ways and Means Committee has recently been to Congress what Sugar Ray Robinson was to boxing: pound-for-pound, the best fighting force. And Steiger, an initiating spirit, was among its best members.

It would be doing less than justice to Steiger to say only that he was a superb legislative craftsman. He also resembled another bundle of useful energy from the upper Midwest. It may seem like a contradiction in terms to speak of anyone as a "Republican Hubert Humphrey," but Steiger exemplified what Humphrey called "the politics of joy." Plainly put, he loved his profession, and it showed.

What Burke said of a nation is true, too, of a profession: To be loved it must be lovely. Politics as Steiger practiced it—intelligent, passionate and amused—was lovely. People who remember him as a paperboy in Oshkosh remember that he always aimed to be a congressman.

A few years ago he was offered a job in the private sector at a substantial increase in salary, and he was tempted to take it for his family's sake. His nine-year-old son frequently went up to Capitol Hill, quietly drawing pictures and watching his father work. Politics is a profession that often exacts a terrible price from families, but as a colleague said of Steiger: "We all admired the father in him."

The capriciousness of fate moved Yeats to write:

Some think it a matter of course that chance
Should starve good men and bad advance.

It was not chance that advanced Steiger to the front rank of his party and his profession. But chance has done what only chance could do: It has prevented him from completing what would have been one of the most distinguished careers Congress has known.●

● Mr. FORSYTHE. Mr. Speaker, upon my arrival in Washington 9 years ago as a new Member of Congress, one Member in particular impressed me with his thoughtful and intelligent examination of the problems on which the Congress was working. That man was BILL STEIGER.

Over the next 8 years I found that my first observations of him were proven accurate. He was a fine example of what a Member of Congress should be. BILL never failed to bring fair, compassionate judgment to his work and his sense of humor often served to lighten a mood or ease the tension after long hours of meetings, votes on the House floor and committee hearings.

His ability to coalesce support for a piece of legislation and his willingness to work unswervingly to see it enacted was never better demonstrated than last year. He went to battle against a democratic administration and a majority of Democrats in the House to reduce the capital gains tax and he won.

BILL never worked for personal glory or name recognition in the media, but his ability was widely recognized. His potential as a national leader was great. His death was untimely. As Members of Congress we will miss him personally, but the Nation will also suffer from the lack of his leadership and that is the greater loss.●

● Mr. DUNCAN of Tennessee. Mr. Speaker, the untimely death of BILL STEIGER deeply saddens me, and this feeling has been especially acute this past week as the members of the Ways and Means Committee have met to consider its business. BILL was an honored colleague and a good friend, and I know his passing is a loss not only to the State of Wisconsin, but to the Congress and to the country. In a time when many feel that there is not enough leadership in our political process, we can ill afford th loss. The famous Steiger amendment is testimony to the leadership qualities that he possessed.

Some men learn to lead during the course of their life, but it is obvious that with BILL this trait came naturally. Those of us who have served in this House long enough to remember know that when BILL was elected to the 90th Congress he was the youngest Member among us. The Jaycees certainly recognized this talent in 1968, when they designated BILL STEIGER as 1 of the 10 Outstanding Young Men in America. We should all thank the citizens of the Sixth Congressional District of Wisconsin for choosing BILL STEIGER to serve here with us, and giving us the opportunity to know him. Theirs was a wise decision, and one that we have all benefited from. Thank you.●

● Mr. VANIK. Mr. Speaker, during the past 12 years it has been my special privilege to serve with BILL STEIGER, but during the last 2 years, I had a special opportunity to come to know this distinguished American. During the 95th Congress, we served as chairman and ranking minority member on the Ways and Means Trade Subcommittee. During those brief 2 years, BILL and I had the opportunity to work together in a wonderful spirit of close cooperation. His energy, his brightness, intelligence, and wit were a constant source of encouragement and creativity for all of us on the Trade Subcommittee and in the full Ways and Means Committee. Much of the legislation we passed or advanced in the last Congress is strictly due to his genius and love of creativity.

During the congressional adjournment, in the week of his death, we were planning a hearing on one of his ideas—ways to encourage increased U.S. exports. This was typical of his constant energy and desire to do more to improve the quality of government and to serve the national interest. He saw the inadequacies of the present programs as a springboard from which new and better programs could be built. He was anxious to use his time to pursue the public good, even during periods of recess when committees seldom meet. For BILL STEIGER, there was no recess in his efforts for public service.

This is my 25th year in the House, and I have said all too many goodbyes and eulogies to friends. But thinking of what to say this morning, I found this the hardest goodbye of all, for most who have left here leave by choice or after a full and rounded life. But BILL's life was just beginning. We all assumed he was destined to a long and ever-greater career of contribution to the Nation. His outstanding intellect was a bright and stable star among us—we did not dream he would be taken from us at so early an age—that he was like a shooting star, burning up in a blaze of excellence, showing us a path of creativity and genius.

Lincoln is attributed with the phrase:

If we could first know where we were and whither we were tending, we could better judge what to do and how to do it.

This has been quoted over the years, because it expresses in beautifully constructed English a very commonsense but deliberate, thoughtful approach to solving human problems. BILL STEIGER was a genius for asking—and then answering—these fundamental questions. He could isolate and define a problem, state a goal, and suggest ways "to go together" to a solution better than any other I have known.

"Congress" comes from the Latin, "to go together"—to find ways to compromise for the common good. Understanding and tolerance for others' views usually comes only with age, and from this understanding comes the gift of finding creative compromise.

BILL had this gift. Yet BILL was not old in age—only old in wisdom and in understanding. He achieved more principled compromises and solutions in his brief time with us than many deans of the House obtained in half a century of service.

He taught us how to be better legislators and how to listen better to each other.

The editorials which have appeared

throughout the Nation on BILL STEIGER have described better than I can the gift of enthusiasm that he gave to so many for public service. This too is one of his most lasting contributions. He touched the lives of thousands and made them zealous in public spirit. This inspiration that he gave to so many will be felt through generations of renewed service to the public and the Nation.

This legacy will help us and this institution—but I also hope that it will one day bring "Billy" Steiger to this Chamber to complete his father's work.●

● Mr. PERKINS. Mr. Speaker, it is always sad to learn of the passing of a colleague with whom we have served in the House. But it was especially sad when word came of the untimely death last month of WILLIAM A. STEIGER.

He was so able, so decent, so wise—and so young.

BILL was hardly more than a boy when he came to us a dozen years ago, but already he had made a distinguished name for himself in his home State of Wisconsin.

We have all seen cases in which honors, achieved at an early age, seem to engender arrogance and pompousness. But not so with BILL STEIGER.

He seemed to sense that pitfall, and went far out of his way to exercise patience, tolerance, understanding, and especially kindness. His health was precarious from childhood, and it may be that this gave him special insight into human frailty in others.

As a new Member in 1967, he was assigned to the Committee on Education and Labor the same month I became chairman. He was ever helpful, ever cooperative. And even on those occasions when we disagreed on a matter of legislation before us, BILL STEIGER would never, never stoop to cheap obstructionism.

He was wise enough to recognize that in a representative assembly such as ours, men and women must compromise their differences for the benefit of all.

A hard worker, a genuine seeker after the facts, BILL approached a legislative problem analytically and reasonably. He ably and articulately presented his views on matters, and was never personally offended with those who expressed different views.

I was sorry indeed when he went off our committee and onto the Committee on Ways and Means. That did not prevent frequent contacts with him, and we worked together on many related matters with the same ease as before.

BILL'S little boy is not yet 10 years old, but somehow, I hope he understands that his father was a unique figure in the Congress and a great man in his country. I hope that the knowledge that BILL was so universally esteemed by his colleagues offers some degree of consolation to his family.

Mr. Speaker, I recognize that custom and usage erode the meaning of phrases frequently used in congressional procedures—phrases such as the distinguished gentleman or the gentleman or my friend.

But I mean it from the heart when I say that I regret the passing of my friend, and that I shall miss the gentleman from Wisconsin.●

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) and the gentleman from Wisconsin (Mr. ZABLOCKI) for taking this special order to permit us to express our respect for and our sadness at the passing of BILL STEIGER. There have been and there are many Members of this House who demand great respect for their legislative skill and ability; and there are and there have been many Members of this House who are very popular with their colleagues here in the House. But I think very seldom have we had a combination of those two traits to the extent that we had in BILL STEIGER. As the gentleman who just spoke commented, I certainly do not know of anyone who did not like BILL STEIGER, and all of those prticipating in this special order today make that very clear and very apparent.

Certainly there are very few Members of this House who are as effective as BILL was. Even though sometimes we did not all agree with him, I think that there were many times when we knew that what he was saying was right even though we perhaps, for one reason or another, did not vote the same way he was voting or did not take the same action that he was proposing.

As I was sitting here thinking of what I might say about BILL STEIGER, one thing occurred to me very quickly, and that was I do not think I ever saw BILL STEIGER without a smile on his face—never, and yet—apparently I did not know this; maybe the rest of the Members did—I did not know that he had the illness that finally claimed his life, and one certainly would never know that from watching him or listening to him or being around him. Certainly if there is any lesson to this at all—and sometimes we wonder if there is—I guess it is that BILL STEIGER epitomized a lot of things that many of us would do well to remember and to try to emulate.

I would like his wife, Janet, his son, Billy, and his father, Carl, to know that my wife and I are thinking of them and our prayers are with them.

● Mr. HORTON. Mr. Speaker, it was with a sense of deep sadness that we learned of BILL STEIGER'S death on December 4, 1978, at the age of 40. Since 1966, when he was first elected to the House of Representatives, BILL represented Wisconsin's Sixth Congressional District with distinction and dedication.

Although BILL and I did not serve on the same full committee, I did have the privilege of working with him on the Ad Hoc Committee on Energy and the conference committees that followed during the 95th Congress. For more than a year, the conferees labored long and hard over the many controversial provisions of the National Energy Act. I know my colleagues in that effort recall, as I do, the determination with which BILL sought to shape the final sections of the act.

BILL STEIGER may best be remembered for his controversial proposal to reduce substantially the tax on capital gains. Despite opposition from a number of sources, the final 1978 tax bill approved by Congress contained a capital gains tax based largely on BILL'S proposal.

I know his colleagues on the Ways and Means Committee will sorely miss the activist role BILL played on the committee. By the same token, the 96th Congress will be without one of its most able legislators.●

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to add my own tribute to the many others made on behalf of our former colleague, BILL STEIGER. His untimely death will be felt not only in Wisconsin's Sixth District but in the Halls of Congress as well.

BILL skyrocketed into the national limelight last Congress during our deliberations on the tax bill. To those of us who worked with him, that attention came as no surprise. Whether you agreed with his position or not, no one could dispute the fact that BILL STEIGER was one of the hardest working Members of the House. Any debate is only as good as its participants. Judging from the reaction to his capital gains tax proposal, BILL was an extremely worthy opponent.

While the rest of the country may remember the Steiger Amendment, his friends, colleagues and associates knew his scope and interest went far beyond tax issues. He brought the same kind of dedication and hard work that distinguished his involvement in the tax bill to every issue.

His understanding and knowledge of a bill and his understanding of those working with him, enabled him to go beyond partisan lines and work well on both sides of the aisle.

He contributed a great deal in the area of occupational safety, help for our youth, and for the poor and under privileged. His sincerity and belief in the people of this country is unquestioned and will remain a model for all of us.

Last, BILL STEIGER was a legislator's legislator—he truly loved his job. Watching him work in Committee, on the floor, or with constituents, his enthusiasm for the process and the job he held was obvious.

He was a rare kind of politician who did not get bogged down in partisan politics but worked for the common good of everyone. His presence will be sorely missed.●

● Mr. ANDERSON of Illinois. Mr. Speaker, I was deeply shocked and saddened by the sudden death of my good friend BILL STEIGER. The news of his death at the early age of 40 struck me as if life itself had been snuffed out for he epitomized life in its fullest and most intense sense; he had a real joy for living and working and that joy was contagious to all those who knew him. BILL was one of the brightest stars of our party and that star was still on the rise at the time of his tragic death.

BILL came to this House in 1967, but he landed here squarely on his feet and was off and running immediately. His presence was immediately felt for he

threw himself fully into every project he undertook and made a lasting impression and contribution by his industry, his intellect, and his intensity. He loved this House and learned its ways quickly. He was always in the forefront of efforts to improve this institution—a truly progressive reformer in the best sense of the Wisconsin political tradition from which he sprung. He was one of the most active Members of that group of Republican reformers in the House known as Rumsfeld's Raiders who finally forced consideration of what was to become the Legislative Reorganization Act of 1970. He later served with equal enthusiasm and dedication on the next major reform attempt, the Bolling-Martin Select Committee on Committees. His successful efforts in making the CONGRESSIONAL RECORD a more accurate account of our proceedings are also well known. He was equally zealous in his efforts to reform the Republican Party and devoted countless hours to that cause.

But beyond being an expert on procedural matters, BILL STEIGER was a consummate legislator as he so frequently demonstrated on the Education and Labor Committee, and later on the Ways and Means and Ad Hoc Energy Committees. He was a man of substance and a true technician and politician when it came to dealing with the substantive aspects of legislation. Whether it was the All Volunteer Army, the Occupational Safety and Health Act, or the capital gains tax revision, he left his personal imprint on all the major bills he worked on.

My heartfelt sympathies go out to his wife, Janet, his son Billy, his father and family. We share in their grief and loss of a truly great man who represented everything that was good as a husband, a father, a son and a Member of this body. He was the type of person whom A. E. Housman had in mind when he wrote of, "the lads that will die in their glory and never be old." BILL STEIGER will forever be young in our hearts and his glory will live in eternity.●

● Mr. MARTIN. Mr. Speaker, it is tradition and custom that bring us to the floor to eulogize departed colleagues. It is a good tradition and a fine custom because every life and every death can be instructive. We can learn much from every case. This is particularly true in the case of BILL STEIGER.

The grief felt on this Hill and elsewhere in this country on the passing of BILL STEIGER was profound and sincere. BILL thrived on controversy and that meant opponents aplenty; but he had no enemy.

By age 35, BILL had major legislation under his belt, the enacted substitute Occupational Safety and Health Act, legislation considerably better in its drafting than in its enforcement. A suitable memorial would be to bring the latter up to the standards of the former. That "Steiger Substitute" gave BILL a national constituency. In 1978, by age 40, BILL STEIGER authored legislation that led directly to the capital gains tax reforms of the Revenue Act of 1978, and the name of BILL STEIGER was a household word among homeowners.

In spite of all that, BILL STEIGER was not dashing off to New Hampshire's primary. Not only did he like his work here, or love it, but he knew the need to avoid vaulting ambition. Were BILL to have lived, I believe he would some day have been the President of this country. He had the brains for the job, the capacity to get the job, and it would have come to him in spite of his lack of craving for adulation.

What is instructive in the House career of BILL STEIGER is how he came to enjoy it. The more common comment about service here is that it is no longer fun. You never heard that moan from BILL; he relished it. Those who spend time bemoaning the absence of fun in Congress should take note of two facts. First, some can make any activity a crashing bore; it is fairly easy to do if preceded by the loss of one's zest for life and sense of humor. Second, conversely, if you follow BILL'S pattern and create challenges and do not make a holy crusade out of every semicolon you write, the chances are pretty good this job can be fun and you will succeed.

There is another factor in BILL STEIGER'S life that he dealt with as forthrightly, openly, and publicly as with any other subject. Had he not, I would not dream of mentioning it. But he did, so I do. BILL STEIGER was a diabetic. So are millions of other Americans. So what? So, it is less of a bar to achievement than it is to others' perception of one's ability to achieve. BILL is a good case to remember in dealing with the economic bias against hiring a diabetic because it would raise the group health insurance rate. Perhaps the publicity given BILL'S inability to get insurance may be just what we need to start insurance regulators moving on applying the assigned risk pool concept to health and life insurance, so that those now uninsurable because of a chronic illness can be covered. It borders on blasphemy that such a concept is applied to pleasure cars and not to human health.

BILL STEIGER is gone and we mourn his passing. There is meaning for us in his life and in his death if we will but learn from it.●

● Mr. PICKLE. Mr. Speaker, I remember BILL STEIGER with respect and admiration. He was one of America's top Congressmen without any doubt.

It was my privilege to not only know BILL STEIGER on the floor, but to work closely with him in two subcommittees on Ways and Means.

BILL STEIGER was dynamic. He was a fine speaker. His distinguished, yet all too brief career, demonstrates his natural leadership capabilities.

They say that when BILL STEIGER first came to the House in 1966 at the ripe age of 28, some people mistook him for a page. Yet, he was actually a seasoned officeholder, having served 6 years in the Wisconsin Legislature. Before that, he was a leader in the National College Young Republicans. And he was an up-and-coming young businessman.

We sat on opposite sides of the aisles in this Chamber. He was of the minority party and I, the majority party. But BILL STEIGER involved himself tirelessly in service to his constituents. Everyone, regardless of party or political orientation, got to respect and love BILL STEIGER. He was a high-type fellow.

In this age when many citizens look with disdain on officeholders, the example of BILL STEIGER comes to mind as an instant rejoinder to anyone who questions the capacity for decency and honesty in politics.

The Sixth District of Wisconsin gave us this great man. His family's loss and the district's loss is truly our loss. BILL STEIGER entered this Chamber as an already-experienced politician. He quickly proved himself to be a natural-born leader. And, he left us far too soon as a statesman.

If BILL STEIGER had been living in our early American history days, he would have been one of the Alexander Hamiltons or Thomas Jeffersons of that day. His sharp and inquisitive mind, his refusal to accept simple statements without examining it in his own mind, and his active, hardworking discipline made him a natural leader. What a tragedy it is that our country lost him so early. Our committee will not be the same, the Congress will not be the same, and our country will not be the same without BILL STEIGER. I doubt this Congress even yet realizes how badly we have been hurt. But, we also have been helped by the life of this good man and we should all thank the Lord that—every now and then—a man or woman comes to Congress who can make a difference. BILL STEIGER made such a difference, and our country is better for it.

We mourn the loss of this great man, but also feel lucky that we had a chance to know and work with him. May the memory of BILL STEIGER have an uplifting, cleansing effect on the work we do in the Congress.●

● Mr. SENSENBRENNER. Mr. Speaker, I know that many of my colleagues were saddened by the passing of the late Congressman WILLIAM A. STEIGER. His following was not limited to the Congress of the United States. In December 1978 a special session of the Wisconsin Legislature paid tribute to Congressman STEIGER by passing Joint Resolution 47.

I am pleased to make this joint resolution a part of the CONGRESSIONAL RECORD:

WISCONSIN'S OWN TRIBUTE TO WILLIAM STEIGER—1977 ENROLLED JOINT RESOLUTION 47

Relating to the life and public service of William A. Steiger

The legislature and the people of Wisconsin are deeply grieved by the passing on December 4, 1978, of William A. Steiger, member of the U.S. House of Representatives from the 6th Congressional district since 1966.

William Steiger was born on May 15, 1938, in Oshkosh. He graduated from Oshkosh High School and received a bachelor's degree in economics from the university of Wisconsin-Madison in 1960. He was awarded honorary doctorate degrees from Ripon College in 1974 and Lakeland College in 1975.

Mr. Steiger was an active republican during his college years, becoming national chairman of the College Young Republicans in 1959, a post he held until 1961. He had also served on the governor of Wisconsin's Youth Advisory Board to the Commission on Human Rights.

The people of the first district of Winnebago County elected Mr. Steiger to the as-

sembly in 1960. He was 22 years old, one of the youngest legislators in the state's history. A state representative for 3 terms, he concentrated chiefly on 2 issues, education and taxation. He also played a major role in the 1965 law which reorganized and modernized legislative staff services.

In 1966, at the age of 28, Mr. Steiger was elected to the House of Representatives. He was the youngest Republican to serve in the 90th Congress. Reelected 6 times, Representative Steiger became known for his independent voting record, thus defying attempts at pigeonholing by political observers. In 1971 he was part of the move to end the military draft and establish a volunteer army. He sponsored the Vocational Educational Act of 1968, the Occupational Safety and Health Act of 1970, the Manpower Training Act and the Clean Lakes Act of 1970. He was also at the forefront of reform attempts in the House, calling for televising House proceedings, streamlining the committee system and revising the Congressional Record into a verbatim transcript of representatives' remarks.

Representative Steiger was named by Time Magazine in 1974 as one of 200 rising leaders in the U.S. He was a man of rare courage and integrity and a dedicated public servant. His passing constitutes a great loss to the people of his community, his state, and the nation.

In recognition of his record of public service and exemplary life, be it

Resolved by the assembly, the Senate concurring, That the members of the Wisconsin legislature express their sorrow at the death of William A. Steiger, and extend their most sincere sympathy to his family, which includes his wife, Janet, his son, William Raymond, his parents, his 3 sisters, and his brother; and be it further

Resolved, That duly attested copies of this resolution be transmitted to Mrs. Janet Steiger, his wife, and to Mr. and Mrs. Carl E. Steiger, his parents.●

● Mr. RITTER. Mr. Speaker, a large number of my colleagues have, over the past few days, joined in praising the character and dedication of the late BILL STEIGER, who represented his constituents in the Sixth District of Wisconsin so well for 13 years. I would like to associate myself with my colleagues' remarks, and to add my own personal tribute to BILL STEIGER.

BILL was one of those very special Members of Congress who was much more than simply a politician. He was a legislator in the very best sense of the word. And at the same time he was a man who considered his work on Capitol Hill as more than just a job—he threw all his energy and enthusiasm into his work, and the respect he gained from Members of all political persuasions tells his story better than any written tribute can.

Although I never had the honor of serving in Congress with BILL STEIGER, I know from I experience what kind of man he was. Still, I deeply regret that I will not have the benefit of his friendship and his talents as a colleague in the 96th Congress. In that sense, his passing was a special, personal loss to all of us in Congress.

We will not, unfortunately, have BILL as a colleague any longer. But those of us who saw the way he approached his responsibilities with zest and integrity have an example of the very best kind. We will remember BILL STEIGER's example for a long time to come.●

● Mr. PATTEN. Mr. Speaker, in his editorial of December 7, 1978, George F. Will said,

The end of exemplary lives should not go unremarked.

This is especially true of the man of whom we address ourselves today.

BILL STEIGER was a man I was proud to serve with in this distinguished body. When he first came to Congress, he was often mistaken for a page or a student; but not for long. He quickly became known for his drive, his intelligence, his friendliness, and his ability.

The work he did as a Member of this House has benefited all of us. In my heart, I know that the Good Lord had a reason for taking BILL; but the Nation has been left poorer with his passing. And we, here in Congress, who had the opportunity to know and work with him have no doubts as to what this loss means to us.●

● Mr. REGULA. Mr. Speaker, we have been saddened by the loss of our own BILL STEIGER. It is always, so especially when one is so young, so talented, and so dedicated to the service of others.

The Bible (Psalm 112, v. 5) tells us "a good man showeth favor and lendeth; he will guide his affairs with discretion." BILL STEIGER was just such a man. He not only guided his own affairs with discretion but used his considerable abilities and wisdom effectively to help shape the destiny of this Nation.

We will miss our friend and colleague. Let us, however, thank God for BILL's outstanding devotion, dedication, and service to this body and to people throughout the Nation.

On a personal note, having been a colleague of BILL STEIGER is a privilege I will long cherish and respect.●

● Mr. PASHAYAN. Mr. Speaker, there are those of us in the 96th Congress who did not have the great privilege to serve with BILL STEIGER. Yet, his tireless dedication to his country and to the free enterprise system was an example to all of us.

Too often the Federal Government becomes entrapped by its own bureaucracy and quickly loses sight that it exists for the good and at the will of the people. At all times BILL STEIGER reminded us of this basic principle of democratic government.

In addition, BILL's perspective on taxation and the American economy had the precision of a fine jeweler. Most recently his fight for a capital gains tax revision caught the imagination of businessmen, economists, and government bureaucrats everywhere. He truly laid out the blueprint for a stronger and more vibrant economy.

To BILL STEIGER's family may I extend my sincere condolences and the appreciation of a grateful Nation.●

● Mr. BOB WILSON. Mr. Speaker, it is always sad to mark the passing of a colleague, but it is doubly so when we lose one so young, with such a potential for future accomplishments, as BILL STEIGER.

BILL was a man of high principles, who never lost sight of who he was and what he had to do. During his all-too-brief time among us, he made many significant contributions. BILL was indeed one of the "best and brightest," and he set an outstanding example that we would all do well to emulate.

We will never know to what heights BILL STEIGER would have risen, but that he would have gone on to higher positions of responsibility was a foregone conclusion, as BILL was an achiever. He did his homework, took his job seriously, and gained our respect as he worked with us toward our common goals in this House.

BILL was a warm, humorous and intelligent man who in his short time among us left his mark. I feel a great personal loss and I will miss him greatly as a colleague and as a friend.●

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to share some words of tribute to the late Representative WILLIAM STEIGER.

BILL STEIGER was an exemplary Congressman. He joined the Congress in 1966 and his ability was notable throughout his 12 years of service.

BILL and I shared common positions in chairing our respective committees on party rule during the critical period between the 1972–76 elections. As a result we had many lively and positive exchanges on party differences. I shall miss our friendly debates, and always shall remember him as a dedicated and effective representative.●

● Mr. CLEVELAND. Mr. Speaker, the recent loss of our colleague, Congressman BILL STEIGER of Wisconsin, requires much more than an expression of regret or the extension of sympathy, however deeply we may feel those sentiments.

BILL STEIGER was an unusually gifted person whose qualities and characteristics gave to his career in the Congress a significance far beyond his years and his official position. He was, in every respect, a model Congressman. In the fineness of his mind, the generosity of his spirit, and the decency of his instincts, he represented the very best that is in the American people. His presence here elevated the substance and tone of this body to such an extent that his impact on the House deserves to be understood as widely as possible.

Perhaps what best distinguishes BILL STEIGER's contributions to the House lies in his wholehearted and thoroughgoing dedication to his work—to every aspect of his work. To him, being a Member of Congress was not just a title, or a welcome honor, or a routine job. It was a full-time occupation to which he brought all his talents and experience. He allowed it to demand his best and he responded with his best. And this, in turn, enabled him to grow in effectiveness and to earn the remarkable respect which his colleagues accorded him.

BILL STEIGER earned that respect not just because of his intelligence or his energy, his integrity or his openness, his political sophistication or his parliamentary skill. He possessed all these qualities and talents—and more—and developed them to a high degree of excellence. Rather, it was the way in which he integrated those qualities, the way in which he made each serve and support the others. For he was a whole person, and that made him better than the sum of his parts. To every effort, every project, every responsibility, he brought the full complement of professional competence and personal humaneness.

Gifted people are not always the easiest to live with. BILL STEIGER—among the most gifted—was an exception. He did not allow his intelligence to cross the line to arrogance. Persistence, with BILL STEIGER, never became stubbornness. His endless supply of energy was always under control; he was not a compulsive person. Although he was a convinced and committed Republican, one who understood the importance of political parties, he never allowed blind partisanship to outweigh reasoned judgment. Party loyalty was a means to the end of good government; it did not become for him an end in itself. Always friendly and interested and warm and generous, these qualities in BILL STEIGER were not the superficial trappings of the "hail fellow well met," but the deeply genuine responses of a caring person. His integrity never descended to priggishness.

One of the things BILL STEIGER cared for most was the institution of the House of Representatives. The House was not a stage on which he felt compelled to perform. He did not feel obliged to contribute to the sound and fury of the Chamber. His was a voice of reason and high purpose, appropriate to his view of the House as a forum in which public policy should be determined rationally and thoughtfully. And so much of his attention was devoted to ways of strengthening and improving the House, to make its rules and procedures better serve the needs of representative government. He worked for, as well as in this institution.

On many occasions, BILL STEIGER and I shared such efforts. As members of the Republican Task Force on Reform and Rules Change, for example, we spent many hours together seeking to accomplish purposes designed to make the House and its procedures more open and accountable, more effective, efficient, and fair. We fought for better oversight, more equitable committee staffing, a more truthful CONGRESSIONAL RECORD, and greater access for the people to the institutions of Government. We opposed proxy abuses, short-cutting procedural protections, anything that would abridge the rights and prerogatives of all our Members.

And we had a fair amount of success, for which so much of the credit is due BILL STEIGER. He knew what was important and why. He understood the need to master floor procedure, both to protect rights and to advance policies. He combined the highest motives with the finest tactical skills. And everyone here knew that he would persevere—with conviction, good humor, and infinite patience.

Though I did not serve with him on his legislative committees—Education and Labor, Ways and Means, and the Select Committee on Committees, for example—he brought those same qualities and talents to the great questions of public education, labor relations, and trade and tax policy. To those who followed such legislation closely, there was never any doubt where BILL STEIGER stood, never any question of the continuous impact of his probing mind and his analytical skill.

Mr. Speaker, in its highest form, politics can be the noblest of the professions. Its purposes and its functions—no less than the government of the people, in their name and with their authority—require of the men and women who practice it sufficient selflessness to place the welfare of the community ahead of their own.

Too rarely do we reach that ideal. BILL STEIGER, however—in the way he lived his life and practiced his profession—showed us all that the ideal is not entirely out of reach. In doing so, he may well have left us that most elusive of legacies: an increased measure of respect for the worth of what we are seeking to accomplish here.●

Mr. CONABLE. Mr. Speaker, I want to thank everyone who has participated in this special order in sharing with me, with the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Oklahoma (Mr. JONES) who was one of the other organizers of this special order, the sense of personal, institutional, and national loss that we have felt through the passing of this fine man. It is a time for all of us to rededicate ourselves to the high national purposes that BILL STEIGER served so well.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

AMBIGUOUS TAIWAN RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 30 minutes.

● Mr. FINDLEY. Mr. Speaker, my colleague, Mr. WOLFF, is seeking cosponsors to a resolution relating to Taiwan. I urge my colleagues to reflect very carefully on the operative language. It is ambiguous, dangerously so.

The fundamental question posed by the resolution is this:

Should the United States, by statute, establish a policy of defending the territory of Taiwan from armed attack and/or from guerrilla action?

I say "no." Perhaps you say "yes." I support the sale of military equipment and armor, as well as nonmilitary items.

The United States should by diplomatic means support the interests of the people on Taiwan. But the resolution goes far beyond those questions.

Here is the text of the resolution as circulated:

H.J. RES. —

Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes

Whereas the governments of the United States and the People's Republic of China on January 1, 1979, recognized each other and established diplomatic relations;

Whereas the President on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

SEC. 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

I suggest careful reading of section 2.

ARE THERE ANY SAFEGUARDS?

Section 2 of the resolution requires any action taken by the United States to be "in accordance with constitutional processes and procedures established by law." Do not be misled into believing that this requires the President to come to Congress for prior approval before sending U.S. military forces to deal with a guerrilla operation or to repel an invasion of Taiwan.

The War Powers Resolution of 1973—Public Law, 93–148—recognizes the reserve powers of the President and clearly authorizes a President to send U.S. military forces anywhere in the world he perceives a threat to the United States for 90 days without the prior approval of Congress.

Section 5 of that resolution, which the sponsor of today's resolution supported, provides for the President to employ U.S. forces in hostile action for 60 days, and specifically authorizes him to extend that commitment at his own discretion for an additional 30 days—a total of 90 days. If a President brings our forces under hostile enemy fire in Taiwan, it is very unlikely that Congress will see fit to demand a retreat of our men when the guns are blazing and our national honor is on the line. If there is to be a rational judgment made, now is the time to make it, not at a later date when emotion is more likely to rule the day.

The Tonkin Gulf resolution—which sounded all too much like today's resolution—should be vivid in our memory. It was often cited by President Johnson

as a legislative sanction for the introduction into Vietnam of extensive U.S. military forces. On several occasions President Johnson challenged Congress to repeal the resolution if it wanted military operations there stopped. Eventually, Congress did repeal the resolution but found from bitter experience that it is sometimes a lot easier to enact a resolution than to repeal it, and still more difficult for Congress to force a troop withdrawal.

The Tonkin Gulf resolution did not receive thoughtful consideration. It swept through with little discussion either in committee or on the floor.

Fortunately the atmosphere today is more conducive to careful consideration.

It must be noted, too, that the Tonkin Gulf resolution did mention the military measures, whereas the Kennedy-Wolff resolution does not. No one, however, should take comfort from its silence on this point. This resolution certainly does not rule out the use of military measures.

Ambiguity may have its place, but surely not in the realm of war powers. If this resolution is adopted it should either spell out or rule out the use of military force.

WHAT IT REALLY MEANS

As presently drafted, this resolution could be cited by any future President as authorizing him to send U.S. military forces to fight a guerrilla war in Taiwan or to repel an invasion from outside. The resolution states: "It is the policy of the United States to act . . . to meet any danger . . . to . . . the peace, prosperity, and welfare of Taiwan." The word "act" certainly includes the use of U.S. military forces unless Congress defines it more narrowly.

If using U.S. military combat troops is intended to be one of the possibilities contemplated by this resolution, why should that fact not be made more explicit? To clarify meaning, the phrase "including the use of armed force," could be inserted after the word "law" in section 2 so that it would read:

> The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law, including the use of armed force, to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

Even if this language is not added the use of U.S. military forces is clearly one of the possibilities contemplated by the resolution.

WHY REVIVE THE FORMOSA RESOLUTION?

Just over 4 years ago, on October 26, 1974, Congress passed and the President signed into law legislation repealing the old, antiquated Formosa resolution (Public Law 84–4). Like the resolution being introduced today, the old Formosa resolution stated that "the primary purpose of the United States . . . is to develop and sustain a just and enduring peace for all" and that "armed attack if continued would gravely endanger the peace and security of the West Pacific Area." Despite the fact that the old Formosa resolution was meant for a different era following close on the heels of the Korean war, it sounds little different than this retreaded resolution that is being submitted today.

When Congress repealed the old Formosa resolution it did so because, in the words of the committee report, "the resolution has long since become obsolete and ought to be repealed." The committee felt it important to "remove from the law a special grant of authority and support for the President made under circumstances which no longer existed."

Certainly, no one can say that the circumstances that spawned the Korean war and its aftermath have returned to cloud our relations with the People's Republic of China. Why then this retread of the Formosa resolution?

The committee had one additional reason for repealing the old Formosa resolution. As the report stated:

> In the Committee's view, recent Congressional action in enacting war powers legislation renders the case for repeal of the Formosa resolution even more cogent. . . .

The committee and the 93d Congress knew that under the war powers resolution there is ample opportunity for the President to use U.S. combat troops abroad without the added incentive and authorization contained in a resolution like the one being submitted today.

No one has said that a serious threat exists today to the security of Taiwan. Indeed, because of normalization, for the first time in years the People's Republic of China has stopped shelling the offshore islands claimed by Taiwan.

If trouble begins to brew between China and Taiwan, there will be ample time for a future President to take whatever steps are required—either by requesting specific authority from Congress or pursuant to the war powers resolution. There is no reason for the 96th Congress to give some future President a blank check to meet circumstances that cannot even be darkly guessed today.

WHAT THE AMERICAN PEOPLE WANT

Last year, just 8 months ago, I asked my constituents the following question in my annual survey of district opinion:

> The United States currently has a defense treaty with Taiwan (the Republic of China). If Taiwan is attacked militarily by communists from the mainland (the People's Republic of China), what should the U.S. do?

Of the more than 16,000 who responded to that question, only 3,489—just 16 percent—felt that the United States should honor its defense treaty by sending U.S. air, sea, or ground forces to Taiwan. In fact, more people—4,826 or 21 percent—responded that we should do "nothing." The vast majority of my constituents—63 percent—replied that the United States should restrict itself to sending economic and military supplies. The vast majority rejected the suggestion that we send our armed forces, despite the requirements of the treaty and even in the event of overt aggression. Had there been no treaty, had I suggested that a guerrilla uprising and not an invasion might be the cause of our troops being sent to Taiwan, who can doubt that almost no one would have favored that course of action?

I cannot believe that the people of my congressional district are any different than Americans everywhere.●

FORMER REPRESENTATIVE JOHN R. PILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, I was saddened to learn during the adjournment period of the death of a distinguished former Member of the House, John Pillion of New York.

John represented the congressional district in western New York which I now have the honor to serve. He represented it very well during his 12 years in the House, from 1953 to 1965.

John was highly respected and well liked by both his constituents and his colleagues. His constituents knew of his diligence in serving their and the national interests. His colleagues knew and appreciated his commitment to freedom—he was an implacable foe of communism, calling it our mortal enemy, constitutional principles of government and law, and his struggle to maintain the integrity of the dollar. John sponsored the resolution which added "Under God" to our pledge of allegiance.

He came to Congress well prepared. He had studied engineering at Cornell. He was an attorney and had practiced in the depths of the Great Depression. He was a fruit and vegetable farmer and the president and treasurer of a major warehousing corporation. He had served in local government, that closest to the people, first as a city court judge, then as the city of Lackawanna's corporation counsel and tax attorney. He had served as a State assemblyman for 12 years. He had an accurate perception of the broad issues directly effecting all the people, therefore—blue collar, farmers, professionals, State and local government officials.

John resumed the practice of law in 1965, and although he was in declining health in later years, he was a source of valuable counsel to me as I entered Congress in 1970. His advice was sought not only by me, serving in what had once been his congressional seat, but also by other public officials, many of them national. I remember then-Vice President Gerald Ford making a special trip to see John when he was in the area.

My sympathy and that of my family is extended to John's daughter, Mrs. Thomas F. Kelly, and to his grandson.

I wish to enter for the RECORD both an obituary from one of the newspapers in his former congressional district, as well as his official biography from the "Biographical Directory of the American Congress, 1774–1971":

RITES HELD FOR FORMER CONGRESSMAN

Services were held this morning in the Magya Presbyterian Church, Lackawanna, following prayers in Colonial Memorial Chapel for former U.S. Rep. John R. Pillion, who represented the old 39th Congressional District here from 1952 until 1964. Mr. Phillion, 74, died last Sunday following a prolonged illness.

A lawyer, state assemblyman, and businessman, Mr. Pillion was a force in area Republican politics for over three decades. He was an implacable foe of communism in all its guises, terming it "our mortal enemy."

Mr. Pillion entered public life in 1932 as a Lackawanna City Court Judge. He served in the State Assembly from 1940 to 1952 when he was elected to Congress.

A native of Conneaut, Ohio, he moved to Lackawanna as a boy and remained there as corporation counsel after his graduation from Cornell University Law School.

His anti-communism was matched only by his religious zeal. As a Congressman, he cosponsored legislation that added the words "under God" to the Pledge of Allegiance.

Mr. Pillion's wife, the former Charlotte J. Reese, died on May 26, 1970.

He is survived by a daughter, Mrs. Thomas F. Kelly and one grandson.

BIOGRAPHY

John Raymond Pillion a Representative from New York; born in Conneaut, Ashtabula County, Ohio, August 10, 1904; moved to Lackawanna, N.Y., in 1907; attended the public schools of Lackawanna, South Park High School at Buffalo, and Cornell School of Engineering; graduated from Cornell University, LL. B., 1927; was admitted to the bar in 1928 and commenced practice of law in Lackawanna, N.Y., in 1929; served as city court judge 1932–36; corporation counsel and tax attorney, city of Lackawanna, 1936–41; president and treasurer of Bison Storage & Warehouse Corp., Buffalo, N.Y., 1945–1953; operator of a fruit and vegetable farm in Niagara County since 1935; member of the State assembly 1941–1950; elected as a Republican to the Eighty-third and to the five succeeding Congresses (January 3, 1953–January 3, 1965); unsuccessful candidate for reelection in 1964 to the Eighty-ninth Congress; resumed the practice of law; is a resident of Lake View, N.Y.

A former Member who served with John has communicated with me in paying tribute to him and to his service, and I now wish to make that a matter of the permanent record of this institution to which he gave so very much of his life.

STATEMENT OF HON. HOWARD W. ROBISON, FORMER MEMBER OF CONGRESS, NEW YORK

I regret receiving word of the death of John Pillion—with whom it was my pleasure to serve in the House from 1958 to 1964.

In an era when the pattern is one of an unusually rapid turnover in House membership, few of those presently serving in the House of Representatives will remember John Pillion. But those of us who were privileged to know, and to work with, this burly but gentle man, who was at once as affable as he could be blunt, remember him with fondness and lasting respect.

John Raymond Pillion was born in Ohio, moved to Lackawanna, New York, as a youth, attended public schools there and then matriculated to Cornell University from which he obtained his law degree in 1927. Thereafter, he practiced law in Lackawanna, and also operated a fruit and vegetable farm in Niagara County and, after several terms in the New York State Assembly, was elected to the 83rd Congress.

As a member of the House, John was as straight-forward a colleague as one could ask for; a staunch conservative whose reputation for fiscal responsibility soon earned him a seat on the House Appropriations Committee, where he became as hard and devoted a worker as that Committee has ever enjoyed. But John, nevertheless, always had time for his younger colleagues, such as myself, encouraging them to understand and appreciate the nature of their responsibilities, and setting a high standard of service for them to attempt to follow.

Regrettably, he failed of reelection—as did so many Republicans—in 1964, an event he took with good grace and, as chance would have it, it became my lot to succeed him on the Appropriations Committee and on the same two subcommittees thereof on which he had served. I like to think that this pleased John and if, thereafter, my own standards for service to that Committee were acceptable, in large part that would have been because of the example he had set for me.

As I have said, I am sorry to hear of his death. He was a good man, a solid man, a true patriot, and an outstanding Congressman. Those of us who were privileged to call him "friend", will miss him and mourn his passing.

Mrs. Robison joins me in extending our sympathy to his surviving relatives, even as we are grateful to the Hon. Jack Kemp for making it possible to join in this tribute to the memory of John Pillion.●

● Mr. CONABLE. Mr. Speaker, I wish to join with my colleagues today in noting the passing last month of a former Member of the House from western New York, John R. Pillion of Lackawanna, at the age of 74. Congressman Pillion was first elected to the House in 1952 and served here for 12 years. He held strongly conservative views of the role of government and was particularly vigorous in opposing infiltration and expansionism by Communist organizations and governments. In 1960 he was honored by the United Anti-Communist Action Committee of Western New York for his strong anti-Communist activities.

A graduate of Cornell Law School, Congressman Pillion brought to his position the invaluable perspectives developed from wide experience in farming, business, and all levels of government. He operated a fruit and vegetable farm, a warehouse business, and began public life as a Lackawanna City Court Judge in 1932. Mr. Pillion served for another 12 years in the New York State Assembly before his election to Congress.

Representative John Pillion was a strong spokesman for the people of his district and represented their interests commendably in the Nation's legislature. His passing was mourned by those he served.●

Mr. KEMP. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days in which to include their remarks in the RECORD under this special order.

CHICAGO'S LOW-INTEREST MORTGAGE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the United States has come a long way from the age when businesses reigned freely over this land with the consent of the Government and with little regard for the well-being of many Americans. In recent years, however, an antagonistic relationship between the Government and the private sector has developed as lawmakers and bureaucrats have expanded their regulation of business practices. Signs are now pointing to a new, cooperative relationship between these two sectors, and one major beneficiary may be America's cities.

One of the foremost problems confronting cities today is the rapid erosion of their tax base as middle-income families escape to the suburbs. Since local taxes are the lifeblood of the cities, reduced revenues spells disaster for the Nation's urban areas. At least one city has decided that it will not wait for the Federal Government to bail it out, and has stepped ahead to begin a program which in some small measure may improve its condition and serve as a model for others in this country.

In Chicago, the city government, in a joint effort with local banks, has initiated a mortgage financing plan which is designed to attract people to the city, and entice those already there to remain. The program, begun last year, has already provided over 2,000 low interest mortgages, mostly to middle-income families. The city's mayor, Michael Bilandic, recently announced a similar program for the coming year. Financing will come jointly from the sale of $150 million in tax exempt bonds, and funds provided by Chicago's participating financial institutions. The city has invited over 400 lenders to join the program. Each participating institution will be required to provide 10 percent of the mortgage money. This shared funding system will increase the number of loans which the city can offer to local citizens.

Under the plan, mortgages will be offered both to suburbanites moving into the city, and to current inhabitants moving within the city or remodeling their present homes. These loans are offered at interest rates 1 to 2 percent below current market rates for mortgages. In order to insure that these low-cost loans go to those most in need of them, the city will require that 85 percent of the approved mortgages must be reserved for families with incomes falling below $30,000 annually. The rest will be available to families with incomes of up to $40,000 per year.

Although only a small step toward arresting the decline of America's cities, the Chicago plan is an important one. It shows that, by shedding antagonism and working together, local businesses and Government can bring our cities back to life—without the aid or supervision of the Washington bureaucracy.●

CIGARETTE ADVERTISING SHOULD NOT BE A TAX DEDUCTIBLE BUSINESS EXPENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, the recent report to the Congress on smoking and health, issued by the U.S. Surgeon General, once more served to remind us of the overwhelming evidence linking cigarette smoking with cancer, heart disease, bronchial diseases, and a host of other illnesses.

Several years ago, in 1971, Congress took steps to limit the powerful appeal of cigarette smoking. Cigarette packs now carry a health warning label, and cigarette advertisements are banned from radio and television. These efforts to curtail smoking, however, have not succeeded as well as many of us originally had hoped.

The $15 billion tobacco industry has successfully weathered and neutralized the restraints placed upon it, and it continues to prosper. The industry has engaged in an expensive and extensive propaganda campaign emphasizing, particularly to young people, what it considers to be the virtues of smoking. In 1977, about $404 million was spent on advertising cigarettes through newspapers, magazines, billboards, point-of-sales promotions and the promotion of various sporting events. We have witnessed multimillion-dollar media blitzes on the launching of new brand names. In 1977, Philip Morris spent an estimated $40 million to introduce Merit. R. J. Reynolds undertook what was said to be the biggest marketing campaign in the history of consumer packaged goods when it announced its new brand, Real. About $40 million was earmarked for a 6-month Real campaign in 1977. As described in a New York Times article—

> The money is buying 130 boxcar loads of display materials, more than 25 million free sample packages, the biggest billboard overlooking Times Square, the summer-long services of more than 2,000 salesmen, who will be calling on the nation's 360,000 retail stores that sell tobacco, and advertisements, according to the agency running the campaign, on everything but painted rocks.

The industry has been successful in its promotional efforts. Last year, Americans smoked more than 620 billion cigarettes.

It has long been recognized that America's advertisers have the reputation of being able to package and sell any product. However, I do not believe that the cigarette industry should be left entirely free to sell ill health and early death to the American people. While the advertising dollar tax exemption is extended to all businesses, the harmful and deadly effects of cigarettes should disqualify the tobacco industry from enjoying this tax privilege.

Mr. Speaker, the time has come for our society and Government to place a higher priority on protecting the health of the public rather than on promoting the profits of the cigarette industry. In order to minimize the promotion of hazards to the health of the American people, particularly young people, I am introducing legislation today to amend the Internal Revenue Code of 1954 by removing cigarette advertising as a deductible business expense.●

DEPARTMENT OF STATE: CONSOLIDATION OF WESTERN HEMISPHERIC AFFAIRS FROM ARCTIC TO ANTARCTIC STRESSED BY DIPLOMATIC FAILURE AT PANAMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, over a period of many years one of my major interests in the Congress has been the fostering of better relations between the United States and other nations of the Western Hemisphere, especially those of Latin America.

The 1977 Congressional Directory, in addition to the Secretary of State, lists a Deputy Secretary, three Under Secretaries, and twelve Assistance Secretaries of State.

The jurisdiction of the Assistant Secretary of State for Inter-American Affairs has cognizance over all of South America, a large part of North America south of the Rio Grande, and the Caribbean. It does not include Canada, which great country comes under the Assistant Secretary for European Affairs, even though Canada is not a part of Europe and, since the 1931 Statute of Westminster, has been an independent nation.

In view of the rapidly evolving world situation and the growing importance of the entire Western Hemisphere for the security of the United States and the defense of Western civilization, the time is long overdue for a demonstration of leadership by the United States in the Western Hemisphere from the Arctic to the Antarctic. This vast area will include Canada, the Caribbean-Gulf of Mexico Basin countries and those of the Central American Isthmus.

As an important major step in this direction and as part of the current reorganization planning for the U.S. Government, I would urge the statutory increase by the Congress of the rank of the Assistant Secretary for Inter-American Affairs to that of Deputy Secretary for the Americas reporting directly to the Secretary of State. The rising criticism by the people of our country of the projected ill-advised 1977–78 treaties for the Panama Canal and Canal Zone to a Soviet puppet stresses the need for such strengthening of the Department of State to prevent new diplomatic blunders.

Mr. Speaker, to implement the indicated proposal, I have introduced the following measure:

H.R. 339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American Foreign Affairs Western Hemispheric Act".

It is the policy of Congress that, to foster and develop a consistent and comprehensive foreign policy, the foreign affairs agencies should recognize the uniqueness of relations which bind the United States of America to other countries and territories located geographically with it in the Western Hemisphere of the world. Known collectively as the Americas, these countries and territories extend from the Arctic to the Antarctic and are bound uniquely to one another.

Taking into account this situation, it is the sense of Congress that there should be located in the Department of State a Deputy Secretary for the Americas, responsible directly only to the Secretary of State.

SEC. 2. (a) For the reasons given in section 1 of this Act, the first section of the Act of May 26, 1949, as amended (22 U.S.C. 2652), is amended to read as follows: "That there shall be in the Department of State, in addition to the Secretary of State, a Deputy Secretary of State, a Deputy Secretary of State for the Americas, an Under Secretary of State for Political Affairs, an Under Secretary of State for Economic Affairs, an Under Secretary of State for Security Assistance, a Deputy Under Secretary of State for Management, and eleven Assistant Secretaries of State.

(b) The Deputy Secretary of State for the Americas shall answer directly to the Secretary of State, and to the Deputy Secretary of State only when the latter is acting as Acting Secretary of State; in the absence of the Secretary of State and the Deputy Secretary of State, the Deputy Secretary of State for the Americas shall act as Acting Secretary of State."

(c) This Act shall come into force immediately upon enactment.●

UNIVERSAL COVERAGE FOR SOCIAL SECURITY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I plan to reintroduce legislation that would require Members of Congress and employees of the legislative and executive branches of the Federal Government to participate in the social security program.

Not all citizens outside of the Federal Government realize that most Federal employees do not participate at all in social security, and when they do become aware of this fact, their first question, logically enough, is: If the social security system is such a wonderful program, why do not Federal employees and those in Congress—which, after all, was the originator of the system and is now responsible for making desirable changes in it—participate in social security and come under its coverage? Is their own retirement system better and more beneficial?

It seems rather strange that the social security system, which supposedly is good enough to cover 100 million working Americans at the present time, is apparently not good enough for Congress or even for the Commissioner of Social Security himself.

The confidence of the American public in the future viability of the social security system is already rapidly evaporating, as evidenced by the fact that more than 200 local and State governments in the country have relinquished their membership, which is voluntary, in the system, and well over 200 others are now in the 2-year process of doing so.

We cannot let the commitment of the 95th Congress to improve social security falter or fail, because of a lack of concern or inaction on the part of the President and this Congress. And I can think of no better way for those of us who serve in Congress to demonstrate that we fully recognize this commitment and that we are totally resolved to carry it out than by placing ourselves under mandatory participation in the social security system, and thereby tying our own personal finances into the future of a program which already directly affects two-thirds of the country's population—100 million—because they are paying into the system, and 32 million, because they are receiving monthly benefits from it. It is our responsibility to take decisive action, because the wheels of change have already been set in motion in the Social Security Amendments of 1977. The legislation calls for an extensive study on universal coverage which is due by December 1979. Certainly, we must be prepared to respond.

I believe required participation in the system by Members of Congress and other Federal employees would go a long way toward sensitizing the Congress and the executive branch as to what must be done.

After all, if the present system is so good, why should not we all pay for it and benefit from it? On that basis alone, I would confidently anticipate speedy and overwhelming passage of this legislation so that U.S. Representatives and Senators would be able to avail themselves of the social security system's present advantages and opportunities, providing, of course, that Members of Congress really do think that the program as it now exists is a good investment to make for one's future.

On the other hand, if enthusiastic congressional support for this legislation does not materialize after all, we should in all fairness explain to our constituents just why what is good enough for them is not good enough for us. We can certainly be quite confident that such an explanation will be requested, if not demanded, by our constituents. And if it is sought by enough people, the only justifiable and defensible response we can give will be to enact either this bill or the necessary remedial legislation.

In sum, I believe that all of us in the Congress will have more incentive promptly to improve the social security system if we ourselves become part of it.●

TRADE ADJUSTMENT ASSISTANCE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, I am introducing a bill today to improve the operation and effectiveness of trade adjustment assistance programs for workers and firms under the Trade Act of 1974. Except for technical changes, the bill is the same as H.R. 11711 passed by the House last session. That bill also passed the Senate with some amendments, but nongermane amendments were not reconciled in the closing hours before Congress adjourned.

Congress first established a trade adjustment assistance program under the Trade Expansion Act of 1962 for workers and firm dislocated by Federal policies to encourage increased foreign trade. The Trade Act of 1974 made substantial improvements in these programs.

However, during hearings and oversight activity last Congress, the Subcommittee on Trade of the Committee on Ways and Means became aware of many legislative and administrative inadequacies in the programs and proposals for improvement brought to its attention by labor unions, industry associations, individual workers and firms, and Members of Congress.

The bill I am introducing today addresses the most common of these complaints. It extends adjustment assistance coverage to certain workers and firms which supply component parts on other articles or services essential to the production, transport, or storage of import-impacted articles, to workers laid off from import-impacted firms in situations involving exercise of labor union seniority rights, and to workers employed a minimum of 40 of the 104 weeks immediately preceding their layoff with one or more import-impacted firms. Benefits would become available retroactively to workers laid off prior to November 1977 who were unaware of the 1-year time limit under the Trade Act program for filing petitions following layoff.

The bill extends benefit periods an additional 26 weeks, up to a maximum of 104 weeks, to enable workers to complete training and until older workers age 60 or over reach social security age. Job search and relocation allowances for workers are increased and the application period for these benefits extended. Demonstration projects would be established in trade-impacted areas to test vouchers as an alternative method to encourage worker retraining as an economic adjustment measure.

The bill expands substantially technical and financial assistance benefits to import-impacted firms. It provides precertification technical assistance to help firms prepare their petitions, requires provision of technical assistance to firms unable to prepare their economic adjustment plans without outside help, and raises the ceiling on the Government share of the cost of technical assistance from 75 to 90 percent. On financial assistance, the bill lowers the interest rate on direct loans, raises the present ceiling on direct loans from $1 to $3 million, and the limit on loan guarantees from $3 to $5 million, and authorizes interest rate subsidies to reduce interest paid by borrowers on guaranteed loans to rates comparable with direct loans.

The bill also contains provisions to accelerate the certification process and benefit delivery by improving procedures and coordination among the administering agencies.

The bill reflects the concern that adjustment assistance programs provide an effective response to the economic dislocations that increased imports can bring to certain segments of our society and a more viable alternative to increased import restrictions.

Congress has previously determined that trade adjustment assistance is a vital part of a balanced trade policy. Now the Congress and the executive branch have an obligation to make this program effective, based on our experience since passage of the Trade Act of 1974. This purpose is all the more important as the multilateral trade negotiations in Geneva draw to a close and Congress considers legislation this year to implement their results. The bill strikes a balance of addressing some of the most serious criticisms of the program, while recognizing that all of the problems of economic adjustment cannot be solved within reasonable budgetary limits.

I strongly urge the Members of the House to join me in support of this important piece of legislation.●

THE SUPPLEMENTAL STATE OF THE UNION — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–44)

The **SPEAKER** pro tempore (Mr. ANDREWS of North Carolina) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

To the Congress of the United States:

My State of the Union Address was devoted to what I believe are the highest priorities facing our Nation in 1979 as we seek to build a new foundation at home and abroad.

However, my Administration's time and effort this year will also be focused on a significant number of other important initiatives and goals. I am sending this State of the Union Message so that the Members of the 96th Congress are presented with a full picture of my basic legislative program in domestic and foreign affairs for the year.

Over the past two years, my Administration has developed a very cooperative relationship with the Congress. That relationship not only resulted in the extraordinarily productive record of the 95th Congress, but will provide the foundation for a renewed sense of trust and confidence by the American people in their government.

We have an enviable record to match. But with your help, the 96th Congress can meet this challenge. My Administration and I are eager to help in the effort.

Our basic goals will be to continue working with you to build solid foundations for the next century—a solid economic foundation of stable prices and continued growth—a solid foundation for a more efficient, less intrusive Federal government—a solid foundation for world peace and American security.

FOUNDATION FOR PROGRESS

When I took office two years ago, the country faced serious domestic problems:

—the economy had not recovered from a recession;
—unemployment was intolerably high at 7.8%, with 7¾ million Americans out of work;
—the Nation had no sound energy policy and oil imports were rising rapidly;
—the Federal government was operating inefficiently in numerous vital areas;
—trust in the openness and integrity of the government was low;
—major social problems were being ignored or inadequately addressed by the Federal government.

In the ensuing two years, we have tackled these problems head-on. While problems cannot be solved overnight, real progress has been made:

—the economy has strengthened—real Gross National Product has increased 10% and real disposable personal income has increased 8.9%;
—the unemployment rate has decreased by 25% since my election,

from nearly 8% to 5.9%; 7.3 million new jobs have been created; total employment has reached a record of 95.9 million;

—a comprehensive national energy policy has been enacted and a Department of Energy created to help implement it;

—the first major reform of Civil Service System in nearly a century was enacted; 6 reorganization plans have been approved and implemented; the Federal paperwork burden has been reduced by 10%; inspectors general are being placed in departments and agencies to help root out fraud and abuse; zero-based budgeting practices have been instituted throughout the government; several hundred million dollars have been saved through sound cash management reforms; regulations are being written in simple English, and a Regulatory Council has been established to develop the Nation's first regulatory calendar and agenda;

—a renewed sense of confidence and faith in the government is gradually being restored;

—long-ignored domestic problems have been attacked aggressively: the Nation's first urban policy was developed and its implementation begun; the Social Security System was refinanced to assure its long run solvency; the Humphrey-Hawkins Full Employment Act was passed; aid to education has been expanded by 50%; and a welfare reform program was developed and debated in Congress and will serve as a foundation for our efforts this year to overhaul the welfare system;

—cumbersome regulatory apparatus which deters competition in our economy was dismantled by the deregulation of the airline industry.

DOMESTIC POLICY PRIORITIES

Over the next year, our domestic program will concentrate on further developing a new foundation for progress in each of several areas:

—restraining inflation, while continuing to pursue our employment and other economic and budgetary goals;

—making government more efficient and effective;

—enhancing basic human and social needs;

—protecting and enhancing our rights and liberties; and

—preserving and developing our natural resources.

INFLATION

My Administration's major domestic priority is to reduce the rate of inflation, while maintaining economic growth. That is clearly the major domestic concern of the American people, and it is the problem they are looking to us to help solve. Inflation places a cruel burden on the poor and on those on fixed incomes. It serves as a disincentive to investment. It threatens our continued economic growth and job creation. This is more than an economic challenge. Inflation is the persistent, historic enemy of a free society. It saps our confidence and faith in the future. It undermines our trust.

I am determined to meet the challenge now before us. Last October I announced an anti-inflation program which can aid significantly in the effort to reduce inflation. It is a tough and responsible voluntary program.

Throughout this year, we will be working to implement our anti-inflation program. Part of the program requires new legislation, and we intend to work closely with you in developing and enacting that legislation.

The effort to reduce inflation will be one of the most difficult battles our government has undertaken in many years. But it is not a battle we can afford to lose. Government cannot solve the problem of inflation alone. But we can and must lead the way. With your cooperation, we can and will win.

THE 1980 BUDGET

In announcing my anti-inflation program last year, I made a commitment to the American people to reduce the budget deficit for fiscal year 1980 to $30 billion or less. The budget I submitted to the Congress honors that commitment. The FY '80 budget projects a deficit of $29 billion, which is less than half the deficit the Nation had when I ran for office and represents the smallest budget deficit in the last six fiscal years.

The FY '80 budget has $531.6 billion in projected budget outlays, which is an increase of only 7.7% above the previous year. That is the smallest annual increase in Federal spending in the last seven years.

The $531.6 billion spending total also means that we will be meeting my goal of reducing Federal spending to about 21% of Gross National Product one year ahead of schedule.

The decisions I had to make in restraining spending were difficult. But if we are to succeed in breaking the back of inflation, Federal spending must be restrained to set an example for the private sector. If there were easier solutions, they would have been taken by now.

Finally, I want to emphasize that my FY '80 budget does *not* neglect the basic needs of the disadvantaged, the poor, and the unemployed. For instance, the budget will provide $4.5 billion in increased assistance to the poor. It also will provide a total of $11.2 billion for adult and youth employment and training programs, which will be especially targeted to the disadvantaged and long-term unemployed. Moreover there are significant increases for education programs for the disadvantaged and a new fiscal assistance program for our Nation's cities.

In short, this budget *is* austere, but it also maintains our commitment to help those in our country who most need it.

HOSPITAL COST CONTAINMENT

One of my highest legislative priorities for this year is hospital cost containment. It will be one of the clearest tests of the seriousness of the Congress in dealing with the problem of inflation. Clearly the most inflationary part of health care costs in recent years has been in the hospital industry. Last year, hospital charges grew at the rate of about 13 percent. Experience in several States has shown that through programs such as the one I will propose, hospitals can save money and reduce costs through sound cost containment practices. I expect to shortly propose hospital cost containment legislation which will build on the proposal passed last year by the Senate.

REAL WAGE INSURANCE

I have proposed to the Congress a real wage insurance program to protect employee groups that comply with the 7% voluntary wage standard against losses in purchasing power if inflation exceeds 7%. If inflation exceeds 7%, these employees will receive a tax refund equal to their 1979 income up to $20,000 times the difference between the actual inflation rate (up to 10%) and 7%. This program will give workers a strong economic incentive to cooperate with the voluntary pay standards I have established, thereby helping to break the wage/price spiral that is at the root of the current persistent inflation.

This is a novel approach to the inflation problem. The persistence of high inflation for the past ten years makes it clear that now solutions are needed. Innovative approaches must be added to the arsenal if we are to break the back of inflation. Real wage insurance represents the type of innovative approach which is required: it will provide a significant tax benefit for those working people who participate in helping to reduce the inflationary cycle, but without raising taxes for anyone else.

My administration intends to work very closely with Congress in developing and enacting a real wage insurance law.

VOLUNTARY PAY AND PRICE STANDARDS

It is vital that our program of voluntary pay-price standards succeed. At stake is the reduced rate of inflation that all Americans demand and deserve. The cooperation of business and labor is obviously essential, and we have already had clear evidence of their willingness to join in this effort. I have already received assurance from over 200 of the Nation's largest corporations that they will comply with the standards. And just recently the Oil, Chemical, and Atomic Workers Union reached agreement on a contract with the major refineries that met the pay standards.

Throughout this year the pay and price standards will continually be tested. Your cooperation in encouraging voluntary compliance can help ensure the standards' success. The administration will keep the Congress fully informed and involved as we work to implement this program.

STATE AND LOCAL GOVERNMENTS

If we are to succeed in our anti-inflation efforts, the cooperation and active participation of State and local governments is essential. We will soon announce, a program which actively involves the Governors, Mayors, County Executives, and other local officials in a comprehensive approach to restrain inflationary pressures within their control.

THE NECESSITIES

In recent years, the greatest inflationary burden on the working men and women has involved necessities of life—food, energy, housing, and medical care. An effective anti-inflation program must involve a series of concerted attacks on the sources of rising prices in these vital sectors.

In each of these areas, the Administration has established task forces to identify existing government policies that unreasonably inflate prices, and to suggest actions that can be taken, at both national and local levels, to combat inflation. In these efforts we will work directly with Congress, State and local governments, and consumer groups.

MULTILATERAL TRADE NEGOTIATIONS (MTN)

I have already notified the Congress that we expect to sign and submit for Congressional approval a set of trade agreements which we will reach in the Tokyo Round of the Multilateral Trade Negotiations. With these agreements, we expect to achieve major reductions in tariff and nontariff barriers to international trade. These agreements will:

—lead to increased opportunities for U.S. exports;

—ensure that import competition is fair; and

—result in lower prices, increased competition, and greater prosperity for the American people.

Passage of the MTN will be one of my highest legislative priorities this year. It is critical to the health of our domestic and of the world economy.

COUNTERVAILING DUTIES

I have recently sent to the Congress a message urging prompt passage of legislation permitting the waiver of the imposition of countervailing duties on certain imported products. Passage is essential to the successful completion of the Multilateral Trade Negotiations, and, therefore, should be one of Congress' highest priorities at the beginning of this session.

EXPORTS

The United States has entered a period where export growth is essential to improve our balance of payments, strengthen the dollar, and thereby help reduce inflationary pressures. To do this, both the private sector and the Federal government must place a higher priority on exports.

With the National Export Policy I announced last year, we are moving to meet this need. First, we are working to reduce domestic barriers to exports so that exporters are not stifled by excessive governmental regulation. Second, we are providing further incentives in the form of better export financing and better government export development programs. Third, we are working with our trading partners in the Multilateral Trade Negotiations to reduce foreign barriers to our exports and to secure a fairer international trading system for all exporters.

These actions should expand our exports in 1979 and help us move toward a reduced trade deficit, although they will not cure our serious balance of trade difficulties overnight. They are the first steps in an essential, long-term effort to strengthen the U.S. position in world trade, while reaffirming the Nation's commitment to maintain an open world trading system and to resist protectionism.

COUNCIL ON WAGE AND PRICE STABILITY

The Council on Wage and Price Stability is playing a vital role in our anti-inflation efforts. The Council and its staff have the lead responsibility within the Executive Branch for implementing the voluntary wage and price standards that I have announced. Without the Council's continuing role, the anti-inflation effort would have a very slim chance of succeeding.

I therefore believe it is essential that the Council, along with its staff operation, be reauthorized early this year with the additional staff I will request to handle the enormous volume of work under my anti-inflation program. The reauthorization should not contain amendments that interrupt or restrain the necessary work of the Council or its staff.

EMPLOYMENT

The Administration, working closely with Congress, has made significant progress over the last two years in reducing unemployment and creating new jobs:

—the December unemployment rate of 5.9% represents almost a 25% reduction from the December, 1976 rate.

—7.3 million more people have jobs than they did before the beginning of the Administration. This increase exceeds the employment growth in any other two-year period since World War II.

—Total employment has reached an all-time high of 95.9 million.

—Over the past two years black employment is up by 12%, and black teenage employment is up by 19.7%; adult female employment has increased by 10.5%; teenage employment overall has increased by 11%. Although progress has been made, unemployment remains unacceptably high for these groups. And in inner-city areas unemployment remains much too high for all workers.

Last year, which ended with the lowest unemployment rate in 3 years, a framework for continued progress into the next decade was established:

—the Comprehensive Employment and Training Act (CETA) was reauthorized at high levels for four more years;

—the Humphrey-Hawkins Full Employment Act became law after many years of effort;

—the Administration's demonstration youth programs were extended for two more years;

—a new partnership between the government and the private sector to assist the unemployed was approved by Congress with the passage of a new Title 7 of CETA—the Private Sector Initiatives Program; the targeted jobs tax credit, to encourage private employees to hire our poor young people and others who are hard to employ; and an expanded tax credit for mothers on welfare.

In 1979 this framework will help us continue to improve the employment prospects for America's workers. We especially want to improve the targeting of job creation programs to those who most need these opportunities and to improve the quality of the training and employment assistance for the poor, blacks, Hispanics, youth and women.

We expect to achieve these goals through a number of actions:

First, we will continue working toward achievement of the Humphrey-Hawkins Full Employment Act goals. We will provide an average of 546,000 CETA public jobs, and shift many of them to the long-term or "structurally" unemployed. We will continue to search for the most promising ways to reduce the structural unemployment that denies many the opportunity for full participation in American life.

Second, we will begin implementing the new Private Sector programs, including establishment of Private Industry Councils in communities throughout the country, to encourage business to hire the hard-core unemployed. I am proposing to Congress that this effort be supported at a level of $400 million this year.

Third, we will continue our special efforts to provide jobs and training programs for young workers in cooperation with community-based organizations and the private sector. We must meet our responsibility to provide opportunities for young Americans to learn to work.

Fourth, we will take steps to improve the management and delivery of employment and training services. I will seek a reform of the Wagner-Peyser Act, which authorizes the U.S. Employment Service, to integrate that program more effectively into our employment and training system. My Administration will also implement the CETA amendments, which establish practices and procedures to improve the quality of programs, provide better management and prevent fraud and abuse.

MAKING GOVERNMENT MORE EFFICIENT AND EFFECTIVE

The American people are demanding a Federal government which is effective and efficient. For the past two years, I have worked toward that goal by reorganizing and reforming the government's operation and by uncovering and removing fraud, waste and abuse. Real progress has been made. But the government is still not operating as competently as I want or the American people deserve. In 1979, we must build on the base of the last two years to provide our people with the type of government they deserve. Your help in this effort is essential. We have already begun to build a new foundation of government efficiency and we will do more in the year ahead.

REORGANIZATION

We have begun to reorganize the government through the creation of a Cabinet-level Department of Energy and the changes resulting from the six reorganization plans approved by Congress over the past two years. Those plans helped to reshape and improve the operation of the Executive Office of the President, the international cultural and communications agencies, emergency preparedness agencies, the equal employment opportunity enforcement agencies, the Civil Service Commission, and the administration of the Employee Retirement Income Security Act.

I will again propose to the Congress that a Cabinet-level Department of Education be created. This will be a very high priority of this Administration. Education issues deserve far more attention and more accountable management than they can receive in a department as large and complex as HEW. The department would provide a Cabinet-level official devoting full-time attention to education and reporting directly to me. It will also enable the Federal government to be a more responsive and reliable partner with States, localities, and private institutions which have primary responsibility for education.

I will also be proposing to Congress reorganization plans involving economic development and the management of our natural resources development, and will intensively study possible reorganizations in the areas of surface transportation, the Selective Service system and the Alaska natural gas pipeline. The natural resources and economic development reorganizations involve areas where overlap, duplication and unclear authority have hamstrung our efforts. Reorganization here can save money and people. We will be consulting closely with Congress over the next several weeks before submitting these reorganization plans.

REGULATORY REFORM

Last year we took major steps toward reform of the Federal regulatory system, ranging from improved regulation writing to saving hundreds of millions of dollars through improved cash management techniques. The dramatic reductions in airline prices that occurred when Congress joined with us to lift the heavy hand of Federal regulation illustrate the advantages of letting the competitive market, rather than government, control industry performance. The public will benefit similarly through improved service, increased competition, and lower Federal expenditures, if we reform Federal regulation of surface transportation. I will send to Congress shortly a Surface Transportation Reform Message dealing with the rail, inter-city bus, and trucking industries.

In 1978 I used my authority as Chief Executive to improve the management of the Federal regulatory process. I issued Executive Order 12044, setting standards to ensure that each Executive Branch regulatory agency facilitates public participation and avoids needless costs. A regulatory analysis program was established under an inter-agency Regulatory Analysis Review Group to help ensure that major new regulations are as cost-effective as possible. The Executive Order also established procedures for all Executive Branch agencies to conduct sunset reviews to reevaluate outdated regulations and remove them from the books wherever warranted. Finally, I created a Regulatory Council composed of the Executive Branch regulatory agencies, with voluntary participation by independent agencies, to develop a calendar of all major Federal regulations to be issued or proposed in 1979. The Nation's first Regulatory Calendar will be published next month and will be used to eliminate duplication, overlap, and inconsistent practices.

This year I will propose to Congress a number of legislative actions that can be taken to improve the regulatory process. They will include improvements in specific regulatory programs, as well as a Regulatory Reform Act so that no regulation can be issued unless it is genuinely required, and unless it gets the job done with maximum efficiency and minimum paperwork, costs, and other burdens.

The quality of regulations can also be improved by providing opportunities for all interested parties to participate in regulatory proceedings. Public involvement should be enhanced by providing financial assistance to those whose participation is limited by their economic circumstances. While many agencies have inherent authority to fund participation, we will seek legislation to specifically authorize these programs.

While I will propose a wide-ranging legislative program, I will continue to oppose the legislative veto. This approach is unconstitutional; it increases uncertainty and delay; and it deflects attention from the real solutions.

None of our actions in this area will be taken at the expense of my deep personal commitment to protect health and safety in the environment, the workplace, the highway, and consumer products; and to prevent deception and unfairness to consumers. My regulatory reform program will help make needed programs work better, cost less, and gain support among all sectors of our society.

CIVIL SERVICE AND PAY REFORM

Enactment of the Civil Service Reform Act of 1978 by the 95th Congress represented one of the finest examples of cooperation between the Legislative and Executive Branches in recent times. That effort showed a determination to respond to the clear public desire to improve the management of the Federal bureaucracy. Implementation of the Reform Act is well under way. The Office of Personnel Management, the Merit System Protection Board, and the Federal Labor Relations Authority authorized by the Act have been established. In addition, the heads of the Federal departments and agencies have moved promptly to implement the new personnel procedures that will permit a better motivated and more effective civil service.

However, other improvements in management of the government's work force are needed. Our white collar, blue collar, and military systems must be reformed in order to make certain that we neither overpay nor underpay Federal employees. Therefore, I will propose Federal pay reform legislation covering each of these systems to the Congress that is equitable to Federal employees and the public. These pay reforms are an important follow-on to our civil service reform.

PUBLIC FINANCING

The time is long overdue for reforming the way Congressional elections are financed. The current flood of money threatens to pervert our electoral process. We can no longer permit our elections to be open to the highest bidder. The recent elections have clearly demonstrated the kinds of problems caused by uncontrolled campaign spending. It is time to adopt public financing for Congressional elections—before it is too late. Public financing operated successfully in the last Presidential election, and it can do the same in Congressional races. My Administration will work with Congress for passage of a sound Congressional public financing law.

SUNSET

My Administration will again work with the Congress to enact a sound sunset bill. Under such a bill, each Federal program would have to be carefully reexamined on a periodic basis to determine whether its continued existence is justified. Through such a procedure, the American people can be assured that unnecessary government programs and agencies will be ended, rather than continued through the force of inertia; and other programs and agencies will be improved.

There are few more important building-stones to the new foundation of government efficiency we seek than passage of sunset legislation. It goes to the heart of making government work.

LOBBY REFORM

The American people have a right to know what significant influences affect their national legislature. The proliferation of well financed, organizational lobbying activities during recent years has demonstrated the clear need for reform of the outdated and ineffective lobby disclosure law now in effect. This year my Administration will continue to work with Congress to pass a sound lobby law reform bill—one that respects the First Amendment right of all Americans and minimizes paperwork burdens, yet allows meaningful disclosures.

WASTE, FRAUD, AND INEFFICIENCY

Although the vast majority of Federal employees are able, honest and hard-working, we need to continue to be vigilant to ensure that the taxpayers' dollars are not wasted through fraud or abuse. The implementation of civil service reform will lead to improvements in agency management practices and program efficiency. In addition, I am committed to continuing to cut excess paperwork, simplify grants requirements, and evaluate our programs better and more frequently. We have already significantly reduced the paperwork burden and implemented many of the recommendations of the Federal Paperwork Commission. We will continue to do more in 1979.

Early this year I will nominate highly qualified Inspectors General armed with tough new powers to prevent waste and corruption. The Justice Department will increase its already intensive effort to prosecute those few employees and contractors who abuse the public trust. In addition, a new Office of Ethics in the Office of Personnel Management and a Special Counsel in the Merit System Protection Board will help ensure the integrity of the Federal workforce and protect its members from political abuse.

STATE AND LOCAL GOVERNMENT RELATIONS

As the first President in more than 30 years to be elected immediately after service as a Governor, I have made relations with State and local government a high priority of my Administration. During my first two years in office, we have strengthened the Federal system significantly. We have involved the Federal Regional Directors in the management of the government and have reinvigorated the Federal Regional Councils. As a result, the Federal government is now able to respond better and more quickly to State and local needs. In addition, we have involved State and local officials in the development of our policies to a greater degree than any previous Administration.

Since 1977, Federal grants-in-aid to State and local governments have increased to more than $80 billion per year, 25-percent above the level of aid when I first took office. Progress has also been made towards my goal of giving Governors, Mayors, and county officials more flexibility in managing Federal programs. The Federal government is now taking seriously, for the first time, the burdens and costs we impose on State and local governments and all taxpayers when we legislate and regulate from the Federal level.

In this time of limited budget resources we must achieve more cost-effective management of Federal resources and place greater reliance on the experience, knowledge, and ability of State and local governments.

In the future, we must attempt to limit the imposition of new costs on State and local governments, and to avoid where possible prescribing every detail of how they administer Federal programs. We must work together to identify specific ways in which more flexibility can be given to State, city, and county officials in the administration of Federal programs without compromising the national purposes that each program is designed to serve.

TRANSPORTATION

In 1979 we shall continue the effort begun in the 95th Congress to reduce the regulatory burden on the Nation's transportation industry. Our proposals for surface transportation deregulation will build upon the principles of increased competition that have proven successful for the airline industry.

Shortly, I will propose broad legislation which begins to deregulate the railroad industry. Regulatory reform is a crucial first step toward revitalizing this important transportation mode.

In addition, I will also be proposing significant reductions in the regulation of inter-city bus transportation and certain regulatory changes in the trucking area.

We are also committed to improving the level of safety for our transportation industry. As part of this effort, we intend vigorously to pursue legislation improving equipment and conditions affecting truck drivers, and giving stronger enforcement authority to Federal agencies.

My forthcoming Surface Transportation Regulatory Reform Message will provide the details of these proposals.

Finally, I will propose overdue changes in the Nation's maritime policies. We must improve the ability of our Merchant Marine to win a fair share of our cargo.

NO-FAULT

The Administration will continue to support legislation to establish Federal minimum standards for state no-fault automobile compensation systems. No-fault systems have proven to be far more efficient in delivering benefits to the victims of automobile accidents than the current tort system, and they also provide greater opportunities to coordinate and reduce overall insurance costs. Too great a percentage of the premiums paid by policy-holders goes for the administration of the current wasteful tort liability system. No-fault would save money and court-time. It deserves Congressional support.

CONSUMER REPRESENTATION

My Administration has developed new procedures that will set standards and assess performance for effective public representation within government agencies. These procedures are designed not only to improve the delivery of government services to our citizens, but also to enhance the awareness of government to the health, safety, and economic concerns of all consumers. In 1979, we will direct adequate resources to these procedures, which include complaint handling, training and technical assistance for consumer organizations, advocacy, consumer education and information, and citizen participation.

LEAA

Last year I proposed legislation which would institute significant and long-overdue changes in the structure and programs of the Law Enforcement Assistance Administration. The LEAA has the potential to improve and strengthen State and local law criminal justice programs, but in its present form it has fallen far short of its potential. My Administration will work with the Congress again this year to reform this framework, which includes a National Institute of Justice to enable us to obtain better information and research about crime problems. Once the legislation is enacted, we will make certain that the new agency is efficiently carrying out its mission of providing meaningful Federal law enforcement assistance.

JUDGESHIPS

Last year my Administration worked closely with the Congress to enact legislation creating the additional Federal judgeships needed to reduce our court's backlogs and delays. As a result, I will soon be nominating 152 new Federal judges—the largest addition to the Federal judiciary in our history. Some of these judges will still be serving in the next century.

I am determined to nominate judges of the highest quality; our Federal judiciary must be selected on the basis of merit. I am also determined to increase the low representation on the Federal bench of women, blacks, Hispanics, and other minorities. These goals are within our reach, if we work together cooperatively and recognize the importance our country places in the selection of these new judges.

JUDICIAL REFORM

Because our Federal courts do not function as well as we have the right to expect, my Administration has made judicial reform one of its goals. During 1978, Congress took major steps toward alleviating the problem by increasing substantially the number of Federal judges and by adopting numerous substantive and procedural reforms in the handling of bankruptcy matters.

Other judicial reforms remain to be made. Some, such as expanding the authority of magistrates and curtailing diversity jurisdiction, were proposed to the last Congress. I will shortly send a message to the Congress urging prompt action on these and several additional proposals designed to improve the responsiveness and efficiency of our system of justice. They merit the attention and approval of the Congress.

In addition, as was indicated in my Consumer Message to Congress, the Administration will continue to support reform of class action procedures. Reform legislation should seek to ease unnecessary burdens and costs of class actions, while at the same time preventing them from being used in a harassing manner.

ANTITRUST ENFORCEMENT AND COMPETITION

Free enterprise and competition, protected by the antitrust laws, are the central organizing principles of our economic system. Competition produces powerful incentives for innovation and efficiency, fights inflation, and enhances consumer welfare. Strict enforcement of our antitrust laws are critical to the health of competition and the Nation's economy.

Several important strides were made last year in improving antitrust enforcement. In 1978, the courts imposed over $11 million in corporate fines for antitrust violations and imprisoned 29 individuals for antitrust violations. These fines and sentences are significantly larger than in past years, and are consistent with my strong commitment to vigorous antitrust enforcement.

Last year I appointed the National Commission for the Review of Antitrust Laws and Procedures to suggest ways of expediting antitrust cases and making relief more effective. Its members have recently reported to me, and we will work closely with the Congress and the Judicial Conference to implement many of its recommendations.

Similar progress in improving the effectiveness of antitrust enforcement can be made in the 96th Congress.

I continue to support legislation to allow those who are injured by antitrust violations to recover damages from the antitrust violator, whether the injured person is a direct or indirect purchaser. Under the Supreme Court's decision in the *Illinois Brick Case* only direct purchasers may recover, even though they may have passed on the injury to consumers, who are prevented from suing. This decision undercuts state and private enforcement of the antitrust laws, reduces their deterrent effect, may contribute to higher prices, and often allows the violator to keep his gain at the expense of the injured consumer. This needed legislation would overturn that decision.

BANKING

I anticipate receiving shortly the recommendations of the Administration's Task Force studying Regulation Q and the system of deposit-interest rate controls, and I expect to make recommendations based upon the Task Force's findings.

My Administration remains supportive of Congressional action to deal with the need to halt the continuing attrition in the percentage of bank deposits subject to the reserve requirements of the Federal Reserve System.

CARRYOVER BASIS

Carryover basis was one of the most important reforms passed by Congress in the Tax Reform Act of 1976. This reform would add substantial equity to our tax laws and greater efficiency to our capital markets.

The carryover basis reform has the effect of ending a situation in which many of our wealthiest taxpayers could *permanently* escape paying income tax on their gains from inherited property. Unfortunately, the effective date has been delayed until the end of 1979.

My Administration will strongly oppose any efforts to repeal this reform or further delay its implementation.

ENHANCING BASIC HUMAN AND SOCIAL NEEDS

In the years immediately preceding my Administration, too many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the past two years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

The progress over the past two years *has* noticeably moved us forward toward building a new foundation to solve some of the country's fundamental human and social problems. My Administration has vastly expanded assistance in the last twenty-four months in areas of employment, education, housing, community and economic development and health care, which represent an improvement for the American people.

The record of the past two years demonstrates that government can meet our citizens' basic human and social needs in a compassionate way. No longer can there be any doubt that the government is able to treat Americans' problems with sensitivity.

In the coming fiscal year, budget restraints make it more difficult to expand funding significantly for many major domestic programs, though some programs *will* be increased. We will continue to make existing social programs work more effectively; to reduce the waste and fraud and excess bureaucracy which drains tax dollars intended to meet basic human needs. In a period of austerity, efficiency is itself an act of compassion because it unlocks resources needed for health care, education, housing, economic development and other urgent social priorities.

HEALTH PROGRAM

One of the highest goals of the 96th Congress should be taking action to provide all Americans with the opportunity to lead a more healthy life. This opportunity has been denied to many in our country because of health care services which are unaffordable, inaccessible and inefficient. In addition, our current system of health care is focused on the treatment of disease, with too little attention being directed toward its prevention. We need a national health strategy which corrects these inadequacies in the existing system. Some of the elements of this strategy are already in place and need only be strengthened. Others will require new legislation from the 96th Congress.

NATIONAL HEALTH PLAN AND OTHER IMPROVEMENTS

Last year I outlined the principles upon which the National Health Plan I intend to propose will be based. Based on those principles, the Administration has been working to develop a National Health Plan that will enable the country to reach the goal of comprehensive, universal health care coverage. I remain committed to that goal.

The need for improved health care coverage is clear:

—About 19 million Americans have no health insurance.

—Another 65 million Americans face potential bankruptcy because they lack insurance protecting them against catastrophic medical expenses.

—The health care system is highly inflationary. Spending in the entire health care industry—has been rising at an annual rate of 12% These expenditures cannot be successfully contained under current health delivery and financing methods, which produce unnecessary hospitalization, over-reliance on expensive technology and inadequate preventive care.

—Health resources are unevenly distributed across the country, resulting in significant gaps in vital medical services for many residents of rural and inner city areas.

Over the next several weeks, we will be consulting closely with Congress and interested outside groups on the scope and nature of the plan I will propose. I expect to submit a plan later in the year shortly after those consultations have been completed, and I look forward to working with the Congress toward a prompt enactment of that plan.

An essential companion to any plan must be hospital cost containment legislation. As I have indicated earlier in this Message, I will make passage of that legislation one of my highest priorities this year.

Our effort to control health care costs would be further strengthened by the early passage of the Health Planning Act.

We must also continue to promote competition in the health care sector of the economy. Accordingly, the FY '80 budget expands Federal support for Health Maintenance Organizations, which have demonstrated a significant potential for cost saving. I will also continue to press for reforms making it easier for HMO's to obtain equitable reimbursement under Medicare and Medicaid.

PREVENTION AND ACCESSIBLE HEALTH SERVICES

More health care services alone, however, will not necessarily improve the health status of our Nation—even if these services are affordable, accessible, and efficient. Our national health strategy must direct more attention to health promotion and disease prevention if we are to achieve our goal of improved health status. The Surgeon General will present this year a major report outlining our needs in this area. I will be asking for your help in carrying out many of its recommendations.

We have made great strides in expanding the availability of health care services to rural and low-income urban areas in recent years through the creation of the National Health Service Corps and the establishment of a system of Community Health Centers. If health care is to be accessible to all Americans, these programs must be expanded, and the FY '80 budget provides for such an expansion.

CHILD HEALTH ASSESSMENT

I believe that our health strategy must place high priority on the health of our children. Accordingly, I will submit a revised Child Health Assessment Program to improve the early and preventive screening, diagnosis, and treatment program for lower-income children under Medicaid. This program would cover over 2,000,000 low-income children who are not receiving Medicaid services. An additional 100,000 low-income pregnant women would become eligible for medical services prior to delivery, improving the health of both the mothers and infants. This should be part of a national health plan.

MENTAL HEALTH

Based upon last year's recommendations of the President's Commission on Mental Health, I will be proposing comprehensive mental health legislation this year along with a Mental Health Message. A new Community Mental Health System will make new efforts to link mental health, health, and social services for the chronically mentally ill to enable them to live successfully in the community and will provide new community mental health services. We will emphasize efforts to provide improved recognition and treatment of mental health problems in the general health care system. In addition, we will increase support for mental health research to restore our mental health research capacity, which the Commission found had seriously eroded over the past decade.

The First Lady has helped spearhead the Administration's efforts to sensitize the Nation to the problems in the mental health area. She will continue to work directly with me to implement the pertinent recommendations of the Commission.

DRUG ABUSE

In continuing our efforts to combat drug abuse, my Administration will rely on those programs and initiatives which have proven to be successful in the past year and which serve as building blocks for future programs. Today, in the United States, there are 110,000 fewer heroin addicts than there were in 1975; 1,000 fewer Americans died of heroin overdoses in the 12-month period ending June 30, 1978 than in the previous 12 months. Seizures of illegal drugs are at their highest level ever. Improved coordination and cooperation among Federal agencies have resulted in a more effective drug program without major budget increases. But much remains to be done and the situation remains serious.

In 1979 we will look more to the behavior of the individual who turns to drugs. will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic, and will rely heavily on enlisting foreign cooperation in the overall drug program. These efforts should further our success in controlling drug abuse both in the United States and abroad.

DRUG REGULATION REFORM

My Administration will continue to work with the Congress to overhaul our current drug regulation laws in order to assure that consumers have prompt access to safe and effective drugs.

FOOD AND NUTRITION

Last year, we worked with the Congress to enact the Child Nutrition Amendments, which revamped many of our food programs and greatly expanded the Supplemental Food Program for Women, Infants and Children. This year I will propose further legislation to strengthen these and other food programs by: improving the targeting of school meal programs for the needy; instituting an error sanction scheme to encourage States to reduce costly Food Stamp errors; and eliminating the cap on food stamp expenditures. These reforms will insure that additional nutrition resources are targeted to those truly in need.

WORKER HEALTH AND SAFETY

We will continue to fully enforce laws protecting worker health and safety in a sensible and efficient manner. There will be further efforts to eliminate frivolous and unneeded rules while concentrating greater enforcement efforts on the most dangerous and particularly the most unhealthy occupational environments. More efficient management of this program will serve the interest that both labor and management have in better working conditions.

HOUSING

We are committed to holding down housing construction costs and eliminating unnecessary regulatory burdens, so that the American consumer will have an affordable choice in the housing marketplace. Our efforts will be accelerated this year. We have also supported introduction of the new money market certificates, which have helped the housing industry by maintaining a steady supply of mortgage credit.

The Administration has supported the provision of Federal housing assistance to low-and-moderate income people, including the elderly and the handicapped.

During the period of 1978 through 1980, the Administration will have committed resources for over one million additional units of assisted housing for low-and-moderate income renters and homeowners. This is evidence of our commitment to the goal of a decent home for every American. In 1980, I am recommending 325,000 units of housing for low-and-moderate income persons.

The problems of providing adequate housing in rural areas is especially acute. Lack of available land, high site development costs, widespread substandard, overcrowded housing, and limited credit opportunities continue to plague rural areas. Government attempts to help are often hampered by inappropriate, burdensome regulations and paperwork. This year the Administration will take steps to assure that Federal regulations accommodate locally acceptable housing codes and that the endless paperwork, inspections, and processing requirements currently mandated by the three major housing agencies, HUD, FHA, and VA, are consolidated and streamlined.

COMMUNITY DEVELOPMENT

My Administration remains committed to a partnership involving Federal, State, county, and local governments, the private sector, and community organizations. The Community Development Block Grant program is a cornerstone of that partnership, and I am proposing in my FY '80 budget that it be funded at the full authorization level. This will be an increase of $150 million in FY '80 above the FY '79 level.

In 1977, we developed the Urban Development Action Grant program and it has already succeeded in leveraging $2.9 billion in private investment and creating or saving 125,000 jobs. I am proposing a continuation of the Action Grant program next year, at the $400 million authorization level.

NEIGHBORHOODS

My Administration has been devoted to the preservation of neighborhoods and the development of sound neighborhood self-help projects. This goal has been evident in the emphasis on neighborhoods in my urban policy as well as in the operation of the Department of Housing and Urban Development and other agencies. Last year, as part of our urban policy, we proposed and Congress passed the Livable Cities and Neighborhood Self-Help Development programs to enable neighborhood groups and organizations to rebuild their neighborhoods. In addition, Congressional passage of the National Consumer Cooperative Bank makes available new sources of financing and technical assistance to groups who are engaged in building cooperative enterprises to reduce costs in key consumer goods and services.

This year, my Administration and Congress will receive the final report of the National Commission on Neighborhoods. We look forward to working with the Congress on many of the Commission's recommendations. With your help, we can make the Federal government increasingly more responsive to the needs of neighborhood people who are working together to meet basic needs in housing and community development, health care, nutrition, and energy conservation.

URBAN POLICY

Last year, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, thirteen of these bills passed last year.

I will again propose to the Congress several important parts of the urban policy not adopted last year. The two principal proposals are: an urban fiscal assistance program, and the National Development Bank.

My fiscal assistance proposal will include two principal components. The first, a standby countercyclical fiscal assistance program, will protect State and local governments against unexpected changes in the national economy. It would trigger into place if the national unemployment rate rises above 6.5 percent and would provide fiscal aid to many needy governments. The second component is a transitional, highly targeted fiscal assistance program that provides fiscal aid to only the most fiscally-distressed local governments. Relatively few cities and counties will be eligible for this highly targeted program; but those eligible will be truly in need. I will seek a $250 million supplemental in FY '79 and $150 million in FY '80 for this targeted fiscal assistance program.

I also will propose a National Development Bank to provide financing for local economic development projects which will aid the revitalization of our Nation's communities. As part of the Bank, I will propose a significant increase in economic development funding—$550 million in new economic development capital grants to business and $2.65 billion in new loan guarantee authority for FY '80.

This Bank will be the central engine for the economic development in the government. We will propose the consolidation of many economic development loan programs into the Bank as part of the economic development reorganization. This will add over $1 billion in additional loan authority.

SOCIAL SECURITY CHANGES

In 1977 the Congress worked with the Administration to take the difficult but necessary action to make the Social Security system financially sound for the next fifty years. In so doing, we helped protect the benefits of current recipients and of those now working. However, the Social Security system from time to time needs adaptation to changing conditions, so the Administration this year will make proposals which will reduce somewhat the cost of the program by trimming the costs of certain benefits. These proposals will be sent to the Social Security Advisory Council, which is representative of the contributing employers, employees and the public, and to the National Commission on Social Security, appointed in part by the Congress and in part by me, so they can have an ample opportunity to review these proposals prior to the submission of the changes to the Congress and the Administration and the Congress can have their recommendations, if any.

If the Administration's proposals for Social Security outlay reductions and hospital cost containment legislation are enacted, it would be possible to consider a reduction in Social Security taxes beginning in 1981. However, such a reduction would have to be considered in light of alternative uses of such savings, including reduction of any budget deficit and funding of high-priority programs.

Beyond the immediate reforms I have proposed, the Administration is com-

mitted to review the entire pension system that has developed in our country. I have established a Pension Commission to provide the type of long-range analysis this vital area needs.

DISABILITY INSURANCE REFORMS

I will propose to Congress an integrated package of reforms for the Disability Insurance system, separate from the Social Security changes I have just discussed. These measures will improve incentives for rehabilitation of the disabled, ensure that benefits do not exceed pre-disability disposable income, and make administration of the system simpler and more consistent. We must make certain that those who should receive benefits are not excluded, but that those who are not truly disabled or can otherwise return to work, do so.

WELFARE REFORM

The Nation's welfare system is inequitable, inefficient and long overdue for serious reform.

I will recommend to the Congress a package consisting of reforms in cash assistance, expansion of the earned income tax credit, an expansion of private and public job opportunities for welfare recipients, and fiscal relief for State and local governments. This package will enable us to develop a welfare system that is more simple, narrows the great differences in the way States help the very poor, that encourages people to work, and that helps eliminate the fraud and abuse currently plaguing parts of our welfare system.

My Administration has already begun to work closely with this Congress to enact welfare reform this year. We must expeditiously move forward with welfare reform this year.

FAMILIES

Our major social initiatives and goals for this year will be undertaken with vigor and with a commitment to the security and enhancement of the American family structure. Our government must never impede nor work against the American family, but rather we must design programs and policies that support families and ensure that future generations of American families will thrive and prosper. The White House Conference on the Family will continue and expedite its planning this year with that goal firmly in mind.

CHILD WELFARE REFORM

The Nation's present system of overlapping, inadequate child placement programs does a great disservice to parents, foster parents, and children in need of homes. There is too little emphasis on reunification of families and permanent placement of children; the special problems of hard-to-place children often go unattended. I will therefore again propose to Congress major reforms in our foster care and adoption services, and urge prompt Congressional approval. This problem must not be left unattended any longer.

OLDER AMERICANS

Early in the Administration we moved to correct one of the major concerns of older Americans: the possible bankruptcy of the Social Security Trust Funds. The legislation that was enacted ensures the financial solvency of the funds through the beginning of the next century.

The Administration has also acted to help remove discrimination against senior citizens by supporting the legislation which removed the forced retirement requirement in the Federal civil service and postponed mandatory retirement in the private sector from age 65 to 70. In addition, the Administration worked with the Congress to amend the Older Americans Act in a way that will improve the administration of the Act's social and housing programs, employment provisions, food delivery, and establishment of centers for the elderly.

This year the Administration will continue its efforts to ensure that seniors remain in the mainstream of American life, free from age discrimination and able to receive the assistance and other benefits they have earned.

VETERANS

Our Nation has no obligation more basic than providing for those men and women who served us as members of our armed forces.

There are still many veterans who need medical care, employment assistance, and assistance in adjusting to disabilities that resulted from their service.

During the last two years we have made significant improvements in programs to help meet all these needs.

In 1979 my Administration will seek legislation to increase compensation rates for disabled veterans, improve education programs for the disadvantaged under the G.I. Bill, provide special readjustment counseling assistance for those Vietnam Era Veterans who need them, and modernize the VA vocational rehabilitation program. These efforts will help veterans help themselves. In addition, we will continue to provide quality medical care in our VA hospital system by making it more efficient and thus more responsive to the needs of a changing veteran population.

EDUCATION

Improving skills and educational opportunities has been one of my Administration's major goals. To aid in this improvement, I have increased the Federal Office of Education budget authority alone by 50 percent since taking office—from $8 billion in FY '77 to $12.2 billion in the proposed FY '80 budget.

The increased education funding will continue to be targeted at programs which emphasize equal education opportunity, support for local schools, student assistance, basic skills, and the linkages between school and work.

School districts with high concentrations of low income children have extra costs in meeting their commitment to equal educational opportunity. Last year I proposed concentration grants which would give supplemental payments for compensatory education programs in high poverty school districts. This year I am requesting $400 million to fully fund this proposal.

As is stated elsewhere in this Message, I will continue to work with the Congress to create a Cabinet-level Department of Education. Through such a Department, we can make certain that education receives the attention at the Federal level that it deserves.

HIGHER EDUCATION

Last year, I signed into law the Middle Income Student Assistance Act, which extends Federal student aid to middle income families facing rising college tuition costs. I propose to fully fund the Basic Grants program and to continue funding for the other college student aid programs. This year I will propose reauthorization of our omnibus higher education legislation—the Higher Education Act and the National Defense Education Act. Through renewal of these acts, we can help enormously to ensure the continuation of strong higher education institutions and equal educational opportunities for all students.

Our Nation owes a debt of gratitude to the historically black colleges, which in the past were the only source of college education for talented blacks, and which today retain a critical importance to the production of college-educated black citizens. One-half of all college-educated blacks earned their degrees at black colleges. I have vowed that I would enhance the role of black colleges during my term in office. I recently directed all Federal agencies to utilize more fully the resources at black colleges. And, in my fiscal year 1980 budget I have increased funding for Howard University, and asked for $120 million to fully fund the Developing Institutions Program, which strengthens colleges with high concentrations of minority students.

SCIENCE AND TECHNOLOGY

When I came into office, I found Federal efforts to promote basic research and development lagging. I was determined to change this situation and develop a sounder scientific and technological foundation for the future. Basic scientific research and development is an investment in the Nation's future, essential for all fields, from health, agriculture, and environment to energy, space, and defense. We are enhancing the search for the causes of disease; we are undertaking research to anticipate and prevent significant environmental hazards; we are increasing research in astronomy; we will maintain our leadership in space science; and we are pushing back the frontiers in basic research for energy, defense and other critical national needs. Despite the severe budgetary constraints this year, we will continue to increase Federal support for basic research with a request for a 13% increase in outlays for fiscal year 1980.

Even though Federal funding for basic research is being increased, I believe that the government's role in demonstration and commercialization pilot projects should be more selective, with greater reliance upon private sector financing. We are enhancing our high technology approach to defense to counter the growth of Soviet forces. We have a broad energy research program that emphasizes long-term applications of solar, coal, geothermal, biomass and alternate nuclear technologies. But we will rely on industry to do its full part in the demonstration of new technologies in energy and in other fields.

Rather than government funding of

their research and development, companies need more favorable investment climates, better economic growth, better trade prospects, and sound policies about patents, antitrust, procurement, and environmental regulation. Under the direction of the Department of Commerce, we are also engaged in a major Cabinet-level review of these aspects of technological innovation, with participation of numerous individuals from various industrial sectors.

Science and technology are playing an important part in our international relationships as well. Many countries, especially developing countries, look to America for our expertise and problem-solving abilities. I have proposed the establishment of a Foundation for International Technological Cooperation (FITC) to foster collaborative efforts with people and institutions in developing countries. These efforts will be directed to basic human needs in agriculture, nutrition, health, small-scale energy systems, and rural development.

Science and technology also have played a critical part in the dramatic advances of our relationship with the People's Republic of China. These scientific and technological relationships that will be built with China will be parallel to many such relationships we have established and enhanced over the years with other nations and groups of nations.

SPACE

Last year marked the 20th Anniversary of the National Aeronautics and Space Administration. The 21st year started with the incredible success of the Pioneer missions to Venus. This year we hope to open a new era in space with the first launch of the Space Shuttle.

Under the national civil space policy I announced last fall, we will remain dedicated to ensuring U.S. scientific and technological leadership in space. To further that policy, my budget request for FY '80 includes funding to maintain the Shuttle development and production schedule to continue space science and exploration; to initiate efforts on selected areas of advanced satellite communications techniques; and to enhance remote sensing activities that will bring benefits in areas such as earth resources, climate, weather, pollution and agriculture.

COMMUNICATIONS

Last year we worked with Congress to reorganize communications policy-making in the Executive Branch and enact legislation to strengthen public broadcasting. In 1979 our priorities will include:

—continued work with Congress on the important effort to revise the Communications Act to take account of technological changes;

—vigorous pursuit of the program already underway to increase minority ownership of broadcast stations through regulatory actions, government loan guarantees, and private loan and training programs;

—a program to use new communications technologies to improve rural life by delivering education, agricultural, and medical services and by increasing the diversity of radio and TV;

—elimination of unnecessary regulations and paperwork requirements in cooperation with the Federal Communications Commission;

—proposals on the role of the Postal Service in providing electronic mail services; and

—participation in the World Administrative Radio Conference to ensure that increasing demands for radio frequencies are balanced in a reasonable and flexible manner.

SMALL BUSINESS

As a former businessman, I am especially sensitive to the importance of small business in our economy and to the vital role the Federal government can play in assisting small business.

Through a number of actions over the past two years, my Administration has worked to help small business flourish and remain competitive. Under the leadership of the Small Business Administration, we have increased tax incentives significantly for small business; expanded small business loan opportunities; worked to increase small business exports; expanded opportunities for minority-owned small businesses; and initiated programs to increase small business opportunities for women. In addition, we have begun preparations for a White House Conference on Small Business in January of 1980 which will include local and regional conferences throughout the country.

This year, while continuing efforts to prepare for the White House Conference, the Administration will work closely with the Congress to develop legislation to improve the operation and effectiveness of the Small Business Administration.

CULTURAL AFFAIRS

Over the last decade, the National Endowments for the Arts and the Humanities have made enormous progress in developing projects and materials to enhance our Nation's cultural life. This year, the Endowments will continue their distinguished record of achievement. I am hopeful Congress will provide adequate funds for White House Conferences on the Arts and Humanities. This year we will also strengthen the programs of the International Communications Agency, which present the diversity of American culture to the world and deepen our appreciation of other cultures.

PROTECTING BASIC RIGHTS AND LIBERTIES

Since taking office, I have worked to protect and enhance the basic rights and liberties provided to Americans under the Constitution and our other laws. With the cooperation of the Congress, we have made important progress in this area. Over the next year, though, a great deal remains to be done if our goal of ensuring equality and basic freedoms for all Americans is to be realized. The dream of equal opportunity remains unfulfilled. I will do everything in my power to bring that dream closer to realization.

CIVIL RIGHTS

CIVIL RIGHTS AND EQUAL OPPORTUNITY

I take no obligation of my office more seriously then that of striving to secure full civil rights and equal opportunity for all Americans. In the quarter century since the Supreme Court's historic desegregation decision, our Nation's progress in these vital areas of human rights had been significant, but we have more to do. I am determined to use all of my authority to resist any efforts to weaken enforcement of any of our civil rights and equal opportunity laws. Recent actions by some in Congress to impair my Administration's efforts to enforce the law of the land will be forcefully opposed. These laws have made our society more open to equality of opportunity than virtually any on earth, and attempts to weaken them cannot be tolerated or allowed to succeed.

My Administration has taken important steps to make civil rights enforcement more effective. The Justice Department has been diligent in its prosecution of civil rights violations. The Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC) has been reorganized and granted increased authority. The OFCCP will vigorously enforce the guidelines of Executive Order 11246, which prohibits employment discrimination by Federal contractors and requires affirmative action by these contractors. In addition the EEOC will continue this year to provide an effective central mechanism to enforce compliance with our equal opportunity laws.

As we have done in recent cases before the Supreme Court, my Administration will continue to strongly support affirmative action programs to help bring minorities into the mainstream of American life, while opposing rigid and inflexible quotas which have no place in our laws.

Beyond existing laws, however, as I state elsewhere in this Message, we need to ratify two Amendments to the Constitution which will significantly clarify and enhance the liberties and rights of Americans: The Equal Rights Amendment and the District of Columbia Voting Rights Amendment.

The Equal Rights Amendment will provide women with equal legal status in our country. We cannot effectively champion human rights throughout the world until we have given to women the full rights they are entitled to as citizens.

We must also work to ratify the amendment that will finally give the citizens of the District of Columbia the rights other Americans have to elect voting representation in Congress.

In addition, we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then

be able to enjoin further discriminatory acts and to direct an appropriate remedy. My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

WOMEN

One of the overriding concerns of my Administration is ensuring equal opportunity for women. Last year we worked closely with the Congress to extend the deadline for ratification of the Equal Rights Amendment until June 30, 1982. That extension will provide a greater opportunity to ensure ratification of this long-overdue Amendment. I will continue to dedicate myself, as well as the full resources of my Administration, to the ratification effort.

This is not a battle that we can afford to lose. I am determined to win. The opposition to the Amendment cannot be solidly based on an understanding of its legal effect. The Amendment will do nothing more—nor less—than provide equality to more than one-half of America's population. I am confident that with the active support of the members of Congress from States which have *not* yet ratified, we can achieve ratification of ERA. I urge you to join the effort to provide women, at long last, with equal rights under the law.

My Administration has championed, and will continue to champion, the right of women to choose their roles in society. To protect those who have chosen the role of full-time homemaker:

—We have succeeded in enacting legislation that provides assistance for displaced homemakers and we supported the legislation that has now reduced from 20 to 10 years the marriage requirement for a former wife to claim against her husband's social security entitlement.

We are facilitating the choice of many women to combine family and work responsibilities. To accomplish this goal:

—we supported the legislation passed to increase part-time and flexible-hour employment opportunities; and

—we supported the Pregnancy Disability Act that outlaws employment discrimination based upon pregnancy, childbirth, or related conditions.

We are striving to improve women's professional opportunities within the Federal government. To this end:

—women have been appointed in senior positions in the Administration, including two Cabinet officers. About 20 percent of my senior appointees have been women, and many of them are in areas in which no previous women had served; and

—we have strengthened and increased our equal employment opportunity enforcement.

This year, in addition to continuing our efforts to ratify the Equal Rights Amendment, we will work closely with the Congress to enhance the economic standing of women—particularly the poor, minority, and elderly—by improving their access to housing, health care, and child care for those who choose to work. We will expand additional opportunities this year for women business owners and will create a permanent interagency group to review and help improve the position of women business owners. I will make every effort to select as many women as possible to fill the 152 new Federal judgeships. Their under-representation in the courts cannot be continued. Our country needs and deserves the full participation of women in our society, and I am committed to taking the steps needed to ensure this partnership.

DISTRICT OF COLUMBIA

My Administration worked with the 95th Congress to pass a proposed amendment to the Constitution granting full voting representation to the citizens of our Nation's Capital. The ratification process for this proposed amendment has begun and I urge the state legislatures which have not ratified the resolution to join with the States of New Jersey, Ohio and Michigan by promptly ratifying the amendment. My Administration will work this year in the effort to ratify this amendment.

My Administration will also work closely with the Congress and the new District Government under Mayor Marion Barry to expand home rule for the District. This includes streamlining the procedures for Congressional review of locally enacted legislation, removal of the Federal government from the District budgetary process by 1982, developing a rational formula for determining the Federal payment to the District, and an equitable Federal sharing of financial responsibility for funding of the District's pension plan for police, firemen, teachers and judges.

I will work with Mayor Barry to make our Nation's Capital city a model for the rest of the Nation to emulate.

NATIVE AMERICANS

The Federal government has a special responsibility to native Americans, and I intend to continue to exercise this responsibility fairly and sensitively. My Administration will continue to seek negotiated settlements to difficult conflicts over land, water, and other resources and will ensure that the trust relationship and self-determination principles continue to guide Indian policy. There are difficult conflicts which occasionally divide Indian and non-Indian citizens in this country. We will seek to exercise leadership to resolve these problems equitably and compassionately.

HANDICAPPED

For Americans with physical disabilities, this year will result in continued improvements in their accessibility to many opportunities those of us who are not disabled take for granted—education opportunities, employment opportunities, and greater access to public facilities and services. We will make further progress in removing obstacles that impede and discriminate against our disabled community. If our Nation is to remove the barriers of discrimination in our society, the Federal Government must serve as a model in the successful removal of physical and psychological barriers thrown in the way of our Nation's disabled. The Section 504 Regulations issued by the Department of Health, Education, and Welfare provide a basis for the Federal Government to lead the way in insuring the rights of the handicapped.

UNDOCUMENTED ALIENS

One of the most difficult and sensitive domestic issues facing the country concerns the Federal Government's policy toward undocumented aliens.

I continue to believe that effective but humane measures need to be devised which will help relieve the causes and effects of the presence of large numbers of undocumented aliens in this country. I will pursue this issue in my consultations with the Government of Mexico during my visit there next month and will make no final decisions until after those consultations.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and nonviolence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday, and I will strongly support legislation to achieve this.

MINORITY BUSINESS

This year we will move vigorously to implement the strong minority business legislation enacted by Congress in 1978; meet my goal of tripling Federal procurement from minority businesses (to a total of $3 billion); faithfully implementing the minority set-aside programs of the Government and improve the operation of the several programs designed to achieve equal entrepreneurial opportunity and vital minority economic development. We are currently evaluating the adequacy and organization of current minority business development programs, with the commitment to taking whatever action, legislative or administrative, is needed to ensure that their operation is efficient and effective.

CIVIL LIBERTIES

PRIVACY

Government and private institutions collect increasingly large amounts of personal data and use them to make many crucial decisions about individuals. Much of this information is needed to enforce laws, deliver benefits, provide credit, and conduct similar, important services. However, these interests must be balanced against the individual's right to privacy and against the harm that unfair uses of information can cause. Individuals should be able to know what information organizations collect and maintain about them; they should be able to correct inaccurate records; and their should be limits on the disclosure of particularly sensitive personal information.

My Administration is developing a comprehensive privacy policy to address these concerns. Last year, legislation was enacted which established restrictions on wiretapping for intelligence purposes and on government access to financial records. Early in 1979, I will propose privacy legislation to cover medical, financial, and other sensitive personal records. I will also take administrative actions to strengthen privacy controls for Federal agencies' records. These measures will go far toward giving all American citizens the privacy protections they need in a modern society.

I recently announced my intention to submit legislation to Congress protecting the rights of the press, and others preparing materials for publication, from searches and seizures undertaken without judicial approval. Under the legislation I will propose, Federal, State and local law enforcement officials will generally be required to obtain a subpoena before conducting a search or seizure against those preparing materials for publication. Such legislation, which would deal with the problems created by the Supreme Court's decision in the *Stanford Daily* case, should serve as a solid protection of the rights of the news media and others under the Fourth Amendment.

LABOR LAW REFORM

The Nation's labor laws are vital to ensuring that a sound labor-management relationship exists in collective bargaining. Efforts to abuse those labor laws, especially by unduly slowing or blocking their implementation, have increased in recent years. As a result, a reform of our labor laws is required in order to guarantee that their intended spirit is fully observed and enforced.

I am again prepared to work with the Congress to develop legislation which improves the fairness and effectiveness of our labor laws. Efforts to defeat this legislation last year were based on emotion and a lack of information about its actual effect. If the will of the majority in Congress is allowed to prevail, we *can* enact sound labor law legislation.

EXPORT ADMINISTRATION/ANTI-FOREIGN BOYCOTT

My Administration will work with the Congress to reauthorize the Export Administration Act, which plays a vital role in ensuring that American trade serves our national interest. We will make particular efforts to reauthorize that part of the Act which prohibits American compliance with the foreign economic boycott of Israel. The anti-boycott amendments passed by the Congress were fair and equitable and must continue to be strenuously enforced.

INTELLIGENCE CHARTERS

I will be working closely with the Congress to develop and enact statutory charters for the intelligence community. The charters, for the first time, will define in law the duties and responsibilities of our intelligence agencies and will set forth the authority of those agencies to fulfill those responsibilities. The disclosures of abuses in recent years make clear the need for charters, and my Administration is strongly committed to developing and passing charter legislation that protects our citizens' rights, while permitting our intelligence agencies to perform effectively their essential duties.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. My Administration will continue to work with the Congress to develop a Federal criminal code which simplifies and clarifies our criminal laws—as well as protects our basic civil liberties. The criminal code which passed the Senate in the last session can serve as a basis for progress this year.

HATCH ACT REFORM

We will continue to support efforts to reform the Hatch Act so that Federal employees in non-sensitive positions will have the right to participate in off-the-job political activities while preventing any on-the-job political abuse.

HUNGER

We share a growing concern with other Nations and their people over the serious problem of world hunger. While our government and the governments of other Nations and international organizations are working to assure the basic right to food, the problems of hunger and malnutrition are a daily fact of life for millions of people throughout the world. In order to make our own programs more effective and to examine additional efforts that might be undertaken, I have established the Presidential Commission on World Hunger, under the leadership of Ambassador Sol Linowitz, to recommend realistic solutions which we and other Nations might undertake in a prompt and efficient manner. The Commission will report to me this year and will then be involved in the implementation of its recommendations. The Administration will be working closely with Congress on the Commission's recommendation.

HOLOCAUST COMMISSION

Last year I established a Holocaust Commission to recommend to me how our government might officially recognize, for the first time, the tragedy of the Holocaust. The Commission's work is well underway, and I will receive its report this year. I expect to work together with Congress in developing a suitable memorial to the millions who died in the Holocaust.

PRESERVING AND DEVELOPING NATURAL RESOURCES

My highest legislation priority during the 95th Congress was enactment of our first national energy plan. The dedication of many members of Congress made that goal a reality. My Administration is committed to using that legislation as the foundation for further efforts to reduce our dependence on foreign oil; to increase our ability to develop domestic energy sources; and to conserve wasted energy.

Our energy and other development goals can and will be reconciled with the Administration's resolve to clean the Nation's air and water and to preserve our most precious natural resources. We will continue to further the protection of our environment.

We will continue to develop our fertile agricultural land. The Administration is committed to helping our Nation's farmers continue to achieve record yields and exports.

ENERGY

The Administration remains committed to meeting our future energy needs. Building upon the framework of the National Energy Act, signed last November, we will be addressing key issues such as further developing and commercializing solar and renewable energy resources, making better use of our coal reserves and other abundant energy resources, continuing our emphasis on using energy more efficiently, and improving the manner in which we produce and use conventional sources of energy such as oil, natural gas, and uranium. To minimize the impacts of potential supply disruptions, we will continue the storage of oil in the Strategic Petroleum Reserve, and will be submitting for Congressional approval overall energy contingency plans.

While much remains to be done in the energy area, past investments in improving our energy supplies and our energy use are beginning to pay off: the rate of growth of our industrial energy use has dropped while industrial production has increased. From 1975 to 1977 the growth in domestic energy consumption has been 70 percent of the growth in GNP. Previously, the two growth rates had been roughly equal. With significant improvements in automobile efficiency, gasoline consumption is an estimated 5 percent lower than it otherwise would have been. Use of heating oil, electricity, and other home energy sources has become much more efficient. Oil consumption grew last year at a rate of only 1.5 percent.

On the supply side, the new natural gas legislation, whose provisions have just begun to take effect, will insure new domestic production of this premium fuel and help expedite the delivery of natural gas to the interstate market. Furthermore, due to the addition of Alaska North Slope oil, our domestic production of oil has held steady over the last year, and foreign imports were down in 1978.

In 1979 and the FY '80 budget we are continuing strong investments in energy research and development. The FY 1980 budget provides outlays of $3.7 billion for a wide range of programs to develop energy technologies for the future. Particular emphasis will be given to long-term solar energy research and development, to improvements in the mining and burning of coal, fission and fusion research, to improvements in existing technologies for conservation, oil and gas recovery, and uranium efficiency, and to energy-related basic research. These commitments to technologies for the future, both long and shorter term, are critical to a sound and comprehensive energy policy.

SOLAR ENERGY

Within the next few weeks, I will send to the Congress a message on solar energy based on an interagency study under the Domestic Policy Review System. The transition to wide-spread use of solar and renewable resources can and must begin now. Solar, wind energy, and use of biomass resources can contribute

significantly in both the short and long run to meeting our Nation's energy needs. Some of these technologies, such as solar heat and hot water, use of biomass for generation of electricity, and wind energy, are available now and are competing with other conventional energy sources. The tax credits in the National Energy Act, along with other commercialization incentives, will help accelerate the use of solar and other renewable technologies in the residential and industrial sectors of our economy.

The FY 1980 Budget increases our government-wide solar research and development programs by 40% over FY 1979. Total expenditures for solar energy will exceed $800 million, including tax credits and important initiatives undertaken by the Department of Energy, the Agency for International Development, the Tennessee Valley Authority, the Department of Agriculture and the Small Business Administration. Application of solar technologies in federally-owned buildings will also increase, thereby providing new markets for our existing solar industry.

In our research and development program, strong emphasis will be given to photovoltaics through which electricity can be produced directly from solar energy. Conversion of organic materials to useable energy forms will also receive increased funding. Funds for the new Solar Energy Research Institute at Golden, Colorado, will also be increased.

The proposals I will later announce, coupled with the FY '80 budget, will chart a firm and ambitious course for accelerating the use of solar and other renewable energy sources both now and in the future. The time for solar energy has come.

OTHER ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION

In the coming year, significant investments will be made in the demonstration of technologies which can convert coal to more useable and environmentally acceptable energy forms, continued strong research and development in fusion, development of geothermal energy sources, such as hot underground brines and hot rock resources, and efforts to resolve a range of environmental issues which these and other technologies raise.

NUCLEAR ENERGY

A wide range of Administrative initiatives, both legislative and administrative, will be proposed to ensure that this country can further use light water reactors for the generation of electricity, safely and efficiently. Of central importance will be the development and implementation of a strong, responsible program to manage and dispose of nuclear wastes. As a result of the work of the Interagency Review Group on Waste Management, I will be making a series of legislative and administrative recommendations to ensure that the necessary schedules, coordination, and legislative authorities are firmly in place. Public discussion and participation in the nuclear waste management area, along with the close cooperation of State and local elected officials, will receive continued high priority. Legislation will also be proposed to provide interim storage for spent fuel from existing reactors until a permanent waste repository is established.

Enactment of nuclear licensing and siting legislation to shorten the lead-times required to plan, locate, construct and license nuclear power reactors will again be sought. Design and construction activities for the new centrifuge enrichment plant at Portsmouth, Ohio, will continue to ensure that the U.S. is able to meet the nuclear fuel needs of our domestic industry, as well as our international customers who share our nonproliferation objectives. These activities, coupled with the Administration's waste management program will help ensure that our country can continue to rely on current nuclear technologies to meet power needs.

Looking toward the future, we will seek to improve the efficiency of our existing power reactors by reducing their uranium feed requirements. For the longer run, the Administration will maintain and strengthen the strong research and development program we now have for more advanced nuclear fission technologies such as the fast breeder reactor. We continue to believe that the Clinch River Breeder reactor project is premature, technically inadequate, and should not go forward, but the Administration is committed to keeping the breeder option open for the future.

DOMESTIC CRUDE OIL PRICING

Provision of adequate incentives for both domestic production of crude oil and for conservation must be carefully weighed in light of our efforts to control inflation. In consultation with the Congress, I will be making my decisions and recommendations on domestic crude oil pricing and related issues later this year.

ENERGY IMPACT ASSISTANCE

As new domestic energy resources are developed, particularly in rural or isolated areas of the country, provision must be made for the needs of rapidly developing communities. The Administration will again seek enactment of legislation establishing an Inland Energy Assistance program, with funding of $150 million per year, to aid those states and local areas which are experiencing a rapid growth in population as a result of new energy supply development. These communities often cannot plan for or meet increased need for new public facilities or services, since the population increases occur before the new energy supply activities are fully developed and producing local revenues. This legislation is essential to ensure that the burdens associated with solving our energy problems are borne equitably by all citizens and regions of the country.

MANAGEMENT OF FEDERAL ENERGY RESOURCES

The last two Congresses passed landmark legislation to reform the management of federally-owned coal, oil and gas resources. These new laws include Federal strip mine controls; and amendments to the Outer Continental Shelf Lands Act and the Mineral Leasing Act. With this new framework, the Administration is proceeding to implement swiftly new programs which will permit increased leasing and development activities while protecting our environment.

WATER POLICY LEGISLATION

Water is a basic human necessity and its proper management is essential to economic activity, particularly in the arid West. The policies of my Administration are designed to emphasize the more efficient use of water as well as the need to provide adequate water supplies. We are particularly sensitive to the interests of the West and other areas in the development of additional water resources, to the importance of water conservation, and to the concerns of many Eastern urban areas about their water systems.

Last year I announced a comprehensive water policy which included many reforms now being implemented administratively. In addition, I will propose legislation to increase the role of the States in water policy, through increased water planning grants and through new grants for state water conservation programs. I will also propose legislation which would provide for states to share in the costs of Federal water projects. This cost sharing proposal will result in direct participation by states in setting water project priorities and will help insure that Federal programs are responsive to the most pressing water-related needs.

Congressional action is also needed on Administration Amendments to modernize the 1902 Reclamation Act to ensure that acreage limitations in federally-funded irrigation projects are equitable and fair.

ENVIRONMENT

My Administration is committed to balancing the needs for development, conservation and preservation of our natural resources. Our Nation has been blessed with an outstanding natural heritage which, if properly cared for, can meet our needs for food and fiber, mineral, energy, recreation, and solitude in a way that is environmentally sound. The Congress and the Administration have worked together over the past 2 years to achieve this goal. We have enacted the first Federal standards for strip-mining coal; we have improved and extended the Clean Air and Clean Water Acts; we have created a substantial number of new National Parks and other protected areas. During 1979, protection of Alaskan lands, implementation of water policy, resolution of wilderness and nonwilderness designations in the National Forest System and reformed management of Federal energy resources will be major environmental initiatives of my Administration. Efforts to enforce and implement environmental statutes firmly and fairly, to streamline environmental review requirements, to protect public health and to preserve wildlife resources will continue to be pursued vigorously and as cost-effectively as possible.

ALASKA

As in the last Congress, passage of legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration.

To protect these magnificent Alaskan wild lands, I took several actions after the adjournment of the 95th Congress, including the creation of 17 National Monuments covering 56 million acres. These areas, as well as other outstanding parts of Alaska covered in Administration proposals, should be protected promptly by legislation in order to assure that the great national treasures of wildlife, scenery, history and untouched ecosystems can be saved for our children and grandchildren, while permitting appropriate commercial use of certain of the areas.

ROADLESS AREAS DESIGNATIONS (RARE II)

The Agriculture Department has released tentative recommendations and nearly completed work on a study which will lead to proposals to resolve the status of most of the remaining roadless areas in the National Forest System. The Administration proposal will involve additional wilderness designations in many States and the release of remaining lands for nonwilderness activities. This initiative will also eliminate uncertainty over land uses in most parts of the National Forest System and will ensure that development uses will be adequately supported, while preserving critical parts of our natural heritage in an unspoiled condition.

ENVIRONMENTAL PROTECTION

In recent years, the quality of our environment has improved, but much remains to be done to clean up our air and water, and to control contamination by toxic materials. The Environmental Protection Agency is focussing its efforts on the protection of public health by assessing the effects of substances before they are introduced into the environment, and by ensuring that hazardous wastes are disposed of safely.

At the same time, EPA, and the other health and safety agencies are exercising new care when implementing environmental regulations to avoid imposing unnecessary costs or red tape. A healthy, safe environment need not be incompatible with a healthy economy. We are committed to both.

The Nation's investment in environment cleanup must have the incentives and the flexibility to allow our most important environmental goals to be achieved at the lowest cost. Unnecessary requirements which cause delays and increase costs will be removed. EPA will simplify and consolidate its permit programs to reduce paperwork, red tape and delays.

The Agency is beginning to introduce innovations which allow firms the flexibility to find the lowest cost methods of controlling pollution. I will submit legislation to consolidate Federal funds for environmental programs at the State level, thus giving the States more flexibility to use these funds to deal with their most pressing environmental problems.

These and other changes we are making will assure the American public that the money we spend on environmental controls is the best investment we can make in our future and our children's future.

THE STATE OF FOOD AND AGRICULTURE

World food security has been substantially improved in 1978. For the third consecutive year, good-to-record crops were harvested in most parts of the world, pushing supplies to record quantities and creating the opportunity for people all over the world to improve their diets.

For the United States, 1978 was also a year of records. Large food and record feed grain crops were harvested by U.S. producers, re-emphasizing the U.S. farm sector's capability to lead the world in productivity. But despite the record crops which placed downward pressure on prices here and abroad, our farm economy became stronger in 1978 and our agricultural trade reached record levels.

The value of U.S. agricultural exports reached $27.3 billion in fiscal 1978—14 percent above 1977's record. The volume of our farm exports was a record 125 million metric tons—up 18 percent from 1977. Agricultural trade made another record contribution to our balance of payments—$13.4 billion in fiscal 1978. Exports also accounted for one out of every four dollars the U.S. farmer earned.

Net farm income, which was $20.6 billion in 1977, is estimated at over $28 billion for 1978—second highest on record. In constant dollars, this was the best year since 1975. This was achieved while we met our domestic needs, fulfilled our commitments to our overseas customers and built reserves for future stability protection. This recovery in agriculture has been shared by crop and livestock producers alike. Indeed, American livestock producers can now look forward to several years of good returns to help them recover from the last four years which were marked by poor prices and forced liquidation of herds.

Part of the recovery in the farm sector can be attributed to the programs and policies adopted by my Administration and the Congress—which farmers have used to improve their incomes and stabilize prices.

I am personally proud of the recovery our farmers have made.

INTERNATIONAL AGRICULTURAL TRADE

Over the past 2 years, this Administration has worked to reduce barriers to international trade and to develop new markets and encourage increased exports of agricultural products. The Agricultural Trade Act of 1978, for example, provides important new authorities for intermediate credit and the establishment of trade offices in major markets. We have moved to establish new and stronger trade ties with several nations, including Japan and the People's Republic of China. Partly as a result of these efforts, exports of U.S. farm produced goods are expected to reach a record $29 billion in fiscal 1979—21 percent higher than 2 years ago—and contribute $15 billion to our balance of payments.

Unlike previous Multilateral Trade Negotiations, in the current MTN we have placed heavy emphasis on the lessening of restrictions on trade in agricultural products. Our efforts here should have a major impact on U.S. agriculture in the future, by broadening our access to important existing and new international markets.

CROP INSURANCE

The Federal government now operates several programs to protect farmers from economic losses associated with crop failure. The experience of recent years with these programs has demonstrated their many serious shortcomings—in the breadth of coverage, the equity of program benefits, and the efficiency of program administration.

We will propose again a comprehensive, nationwide all-risk insurance reform bill to the 96th Congress aimed at providing fairer and more effective protection for farmers, and at no additional cost to the taxpayer. Under this proposal, several existing disaster assistance programs would be consolidated into one comprehensive, share-the-cost program to ensure against economic losses resulting from natural disaster and other uncontrollable risks.

INTERNATIONAL EMERGENCY WHEAT RESERVES

The cornerstone of our domestic food and agricultural policy is the farmer-owned grain reserve. In little more than a year, we have built this into a 1.3 billion bushel grain reserve—the equivalent of more than a third of our carry-over stocks from the past year. These stocks remain under the ownership of those farmers who produced them rather than in the hands of government or international grain traders. This reserve provides a critical cushion against shocks in the market caused by production shortfalls either here or abroad.

We now need to establish the same sort of protection for our international food aid programs. Accordingly, the Administration will reintroduce legislation to authorize the establishment and management of an international emergency wheat reserve. This reserve will provide developing countries assurance that we will be able to fulfill our food aid commitments. At the same time, it will protect the domestic economy from further inflationary pressures during periods of grain shortages.

SUGAR

In the absence of Congressional passage of a domestic sugar program in the last session, the Administration has taken several further steps to assure domestic producers of a fair return and consumers an assured supply at stable prices. To underscore Administration commitment to achieving ratification of the International Sugar Agreement, I directed that sugar imports from countries not party to the agreement be strictly limited to the levels permitted under the agreement for 1979. We have also asked for and received an extension of the deadline for ratifying the ISA to June 30, 1979. In addition, at the end of last year, I issued a proclamation that provides for a new, more flexible system of sugar import fees protecting a domestic raw sugar price of 15 cents per pound.

To help stabilize world sugar prices, to satisfy our international commitments, and to protect our domestic sugar producers, my Administration is committed to working with the Congress to develop an effective, non-inflationary domestic sugar program early in this session, and

to achieve ratification of the International Sugar Agreement.

RURAL DEVELOPMENT

Throughout 1978 my Administration took steps to make existing Federal rural development programs work better. For many rural areas, and for most rural residents, the 1970's have been a period of rapid growth and development. Income levels have risen and large numbers of better jobs have been created in rural communities across the Nation. Rates of population and employment growth for rural areas have been substantially greater than for urban areas—causing problems of unplanned rapid growth in some areas but also reversing decades of rural out-migration and economic stagnation. Nevertheless, rural Americans still experience a disproportionate concentration of pressing human problems:

—two-thirds of all homes lacking complete plumbing are in rural areas;
—rural infant mortality rates are 10 percent higher than urban ones;
—70 percent of the rural poor and half of the rural elderly have no automobile, causing great hardship because of the distances to travel to get access to basic health care, jobs, and other social services;
—while only a quarter of all Americans live in rural areas, 40 percent of the Nation's poor live there.

For too long the small town mayor, the rural county official and the individual rural American have been frustrated by a maze of Federal grant applications, requirements, eligibility standards, audits and deadlines which have made it virtually impossible to address these rural problems effectively.

For too many years, money and time has been wasted. We are moving to address this chronic problem. In the last year, White House Rural Development initiatives have resulted in:

—a commitment to build 300 rural primary health clinics to serve 1.3 million Americans who lacked access to care;
—major streamlining of the rural water and sewer grant process through which five agencies distribute $2.5 billion in Federal funds each year. The new process permits a single application, single audit, single funding source and single point of Federal contact—at a savings to local government of several hundred million dollars each year along with a reduction in processing time of as much as 15 months; and
—specially targeted rural job training programs for rural disadvantaged in the water and sewer and health support fields.

This effort to address rural problems will continue and be expanded in 1979, addressing the problems of rural transportation, housing, and economic development among others. In addition, during the year I plan to articulate a set of overall rural development principles and goals which will guide the actions of my Administration. These principles will provide focus, direction and priority to the myriad of now separate Federal actions and policies, so that we can more effectively work to:

—overcome the problems of rural isolation;
—promote economic development;
—meet basic human needs;
—protect the quality of rural life;
—assure equity in the administration of Federal programs for which rural Americans are eligible; and
—build a more effective partership among Federal, State and local governments and the private sector in meeting locally defined rural development priorities.

Furthermore, several other Administration initiatives will have an impact on the conditions in rural America. We will make certain that the rural perspective is considered as initiatives are developed in such areas as welfare reform and a national health plan.

FOREIGN POLICY PRIORITIES

THE CONTINUING CHALLENGES OF CHANGE

When I took office two years ago this month, I was convinced that America had to pursue a changed course in a world which was itself undergoing vast change.

In the midst of this accelerating change, America's choice lies between facing chaos or building with others a new foundation for a true world community. Our foreign policy accepts the latter responsibility both because of our basic belief, and because of America's critical role in the world.

To this end, we must have four broad objectives:

—to buttress American power on which global security and stability depend;
—to strengthen our relations with other nations throughout the world in order to widen the spirit of international cooperation;
—to deal constructively with pressing world problems which otherwise will disrupt and even destroy the world community we seek;
—to assert our traditional commitment to human rights, rejoining a rising tide of belief in the dignity of the individual.

Progress towards these goals depends first on our ability as a Nation to work together in the common interest. During the coming year, the Congress, the Executive, and the public will be addressing an unusually wide range of international issues. The action taken will have an impact on our Nation's position in the world for many years to come—in establishing a secure nuclear balance, in developing closer relations with the world's most populous Nation; in achieving an historic step towards peace in the Middle East; or in setting the pattern of trade relations during the next decade and beyond.

This report elaborates on my address to the Congress and, in particular, concentrates on the issues in which the role of the Congress will be most important to building a new foundation for peace. In each case, the challenge is clear: to exercise strong American leadership with others to shape change rather than permit change to shape us.

AMERICA'S MILITARY STRENGTH

Elsewhere in this report I have described the domestic programs and policies required for a just, united and productive America. The maintenance of American military strength is an essential foundation for a successful foreign policy that safeguards our freedom, our accomplishments and our friendships. In a world of accelerating change, fraught with potential danger and uncertainty, and marked by a continuing Soviet military buildup, we must have, together with our allies, unsurpassed military capability to deter attack or attempts at political coercion. Moreover, we must have the military force to mount an effective defense at any level of hostilities where our vital interests are jeopardized.

The defense budget which I have presented to the Congress funds a program of prudent investments that will ensure the effectiveness of our strategic and conventional military posture. It will:

—begin full-scale development of a new, more survivable ballistic missile system to enhance the ICBM component of our strategic triad;
—maintain the Trident submarine and missile programs, increasing the security, striking power and the range of our submarine force;
—extend the effectiveness of our bomber force with the addition of air-launched cruise missiles;
—pursue a vigorous program of research and development in cruise missiles, aircraft and other systems to ensure the continued technological superiority of America's nuclear deterrent.

In addition, the defense budget I have submitted this week will strengthen our conventional capabilities to fulfill our commitments to our major allies and friends and retain a credible military presence in both the Atlantic and Pacific. We will continue to add armor and firepower to our infantry and build a more modern, smaller aircraft carrier which, together with more frigates and destroyers, will improve the effectiveness and flexibility of our surface fleet.

In NATO, we have already achieved important progress toward making the Alliance more effective in the changing security environment.

—We helped launch the Alliance's Long-Term Defense Program to offset growing Soviet modernization of its deployment in Europe. The LTDP will increase NATO military capabilities through better coordination of defense efforts, increased investment, and more modern equipment.
—We removed, with the support of Congress, a serious obstacle to strengthening Turkey's defensive capabilities and made further progress toward the reintegration of Greek armed forces into NATO's military structure; both these efforts helped repair a serious deficiency on NATO's southern flank.
—We neared final agreement with the Portuguese on the renewal of our base rights in the Azores.

The provision of adequate military as well as economic assistance to Turkey, Portugal and other allies and friends in need will be a matter of high priority during the coming year.

NATO's strength is growing. In 1979, we can further that encouraging process by standardizing more of the Alliance's equipment and improving Allied readiness. The proposal I will soon put before the 96th Congress calls for the authorization of intergovernmental agreements to simplify logistical problems both in peacetime and during any period of hostilities. Such agreements will permit the U.S. to reinforce NATO more rapidly and provide more effective defense at lower cost.

We also intend to maintain a vigorous American military presence in the Pacific. Successful completion of a revised military base agreement in the Philippines, following ten years of negotiations, provides an essential underpinning for our military capability in Asia.

Congressional authorization for the transfer of military equipment to the Republic of Korea was another contribution to assuring the security of Korea and Japan. Both actions unmistakably signal not only our desire to promote East Asian stability but our intention to remain a concerned, involved and responsible power in the Pacific.

The essential task of improving our military posture must also be accompanied by increased efficiency. I take this opportunity to thank the Congress for its support last year of our actions to reduce waste and needless duplication in our defense budget. Vigorous cost-saving efforts will continue this year in order to assure that the United States will possess strong military forces at the lowest possible cost.

BUILDING THE COMMUNITY OF NATIONS

Military strength is essential to peace but cannot alone guarantee it. The system of cooperation we have with the rest of the world is part of the foundation for our own security. Our best hope for a safer America and a peaceful world resides in the building of closer ties with as many nations as possible.

THE MAJOR ALLIES

Throughout 1978, the North Atlantic Alliance and the growing partnership which links us with both Western Europe and Japan remained at the heart of our foreign policy. The cooperation we share with those whose purposes and traditions are closest to our own is strong and growing stronger.

Through our summit meetings, and through an unprecedented pattern of consultations at other levels of our governments, we are working together on virtually all of today's most critical issues:

—together we are seeking to reduce the risk of nuclear confrontation;
—we are working on ways to strengthen the common defense;
—we are attempting to promote a peaceful transition in southern Africa;
—we are striving to resolve conflicts in the Eastern Mediterranean to support a just and lasting peace in the Middle East and to maintain stability in the Persian Gulf;
—we are contributing to a sounder international economy;
—we are consulting on the issues that confront all our societies: the problems of youth and age, family and community, growth and conservation—in short, advancing our democratic ideals at home in a time of change in each of our countries.

America's role as host for the NATO summit meeting in Washington last spring, and our attendance at the seven-nation economic summit in Bonn last summer, symbolized American commitment to the strength of relations with Europe and Japan. I look forward to meeting these and other allied leaders at the Tokyo summit next June, where we will continue the essential effort to deepen further the cooperation between us.

A WIDER COMMUNITY

The changing realities of political and economic interdependence require that we strengthen our ties throughout the developing world and seek to improve relations with Communist nations as well.

My trips to Nigeria, India, Saudi Arabia, Iran, Brazil, and Venezuela underlined American sympathy and support for the international roles these countries are playing in the process of world change. Strengthened consultations with the ASEAN nations serve the same end.

My trip to Mexico early next month will be a part of this process; Mexico is important to us not only because it is a neighbor but also because it is one of the most vigorous democracies in this Hemisphere and a leader in the developing world. As neighbors, we share an agenda of common concerns—trade, migration, economic growth and social development—that provides an opportunity to establish a uniquely productive, cooperative relationship.

My trip to Poland and the visits of Secretary Vance and Secretary Blumenthal to Hungary and Romania underscore the importance we attach to better relations with the nations of Eastern Europe. The support of the Congress for our policy toward Eastern Europe has provided a strong foundation for building a stronger economic, cultural and political relationship—a process that will continue to go forward in the coming year.

CHINA

The arrival next week of the first leader of the People's Republic of China to officially visit Washington will give us an early and welcome opportunity in the new year not only to cement the ties of friendship and hospitality between us but to emphasize our expectation that our relationship with China will be a constructive one. It will contribute to diversity in the world and to peace and stability in Asia. It is not directed against the interests of any other country.

To fulfill the promise of this new era in Sino-American relations, we will require legislation and support from the Congress. Such legislation is particularly important to facilitate continued trade and other relations with the people of Taiwan through non-governmental instrumentalities and to assure continued peace and prosperity there. This has very high priority in our legislative program for 1979.

USSR

We seek better relations with both the Soviet Union and the People's Republic of China. Doing so is profoundly in the interests of our Nation and of global security.

I therefore would like also to welcome President Brezhnev to our country in the near future. At that time we would hope to conclude an agreement curbing the strategic arms race. There are other areas where our two nations can work constructively together. These include a comprehensive nuclear test ban treaty; limits on Indian Ocean deployments, and on the transfer of conventional arms; and restraint in areas of turbulence and tension. Such cooperative effort would do much to make the world a safer place for all.

We will never ignore Soviet actions which challenge our interests. We both have a responsibility to our peoples and the world to maintain a pattern of detente which is genuinely reciprocal and broadly defined.

DEALING WITH WORLD PROBLEMS

A true world community cannot be fashioned or endure so long as the weapons of war multiply and spread, so long as ancient disputes fester and the demands for justice are unmet, so long as much of mankind remains impoverished and without hope.

As I emphasized in my State of the Union address, the need to curb the strategic arms race has never been more urgent. It increases the risk of nuclear war. It is a needless competition that draws away scarce resources we need to invest in other areas of our Nation's strength. It undermines America's security.

The conclusion and ratification of a satisfactory SALT II Treaty with the Soviet Union is therefore among our top priorities. It will make a major contribution to enhancing our long-term security, while keeping open our options to carry out needed modernization of our strategic forces and preserve our deterrence.

We will take whatever time is necessary to negotiate a sound, verifiable agreement. I am convinced that once the American people and Congress have had a chance to examine the terms and benefits of this Treaty—and consider the shape of our future without it—they will conclude it serves our vital security interests.

We will continue to consult the Congress as we proceed this year with other important arms control negotiations; on a comprehensive nuclear test ban; the prevention of anti-satellite warfare; mutual and balanced force reductions in Europe; and limits on the rising tide of conventional arms transfers.

The risks inherent in the proliferation of nuclear technology figure prominently among the dangers to the world community. Although we and the rest of the world still have far to go in dealing responsibly with such risks, the United States took an important step last March with the adoption of the Nuclear Non-Proliferation Act. For the first time in our history we established comprehensive legislation covering international coop-

eration in the nuclear field and the export of nuclear-related materials. To build on that promising beginning throughout 1979, we need progress in the following areas, both nuclear and nonnuclear:

—The International Nuclear Fuel Cycle Evaluation (INFCE), a 53-nation effort, can help us develop a new international nuclear fuel consensus that will adequately balance energy needs with non-proliferation concerns. We continue to believe that better alternatives exist to the commercialization of dangerous breeder reactors and we will cooperate as fully as possible with other countries in exploring those alternatives.

—We will seek more substantial progress in the problem of managing nuclear waste and in attracting greater international support for the acceptance of nuclear safeguards. I ask the Senate to ratify the treaty on the IAEA Voluntary Safeguards Offer which will provide concrete proof of our belief that international safeguards do not interfere with the successful development and operation of commercial nuclear power.

—I will call for early Senate ratification of Protocol I of the Treaty of Tlatelolco, which will contribute to the lessening of nuclear dangers for our Latin American neighbors; the U.S. and Cuba are now the only countries in our Hemisphere which have not yet ratified that Treaty.

REGIONAL CONFLICT AND TENSION

Curbing the means of war cannot in itself remove the threat of war. For that, we must seek to resolve conflicts, ease tension and build trust. The urgency of this task and its importance to the United States and the world is nowhere more clear than in the Middle East. Though there has been great progress, the goal of a just and lasting settlement in that troubled part of the world still eludes us. No one who has looked at Middle East history can harbor any illusion about the difficulties ahead. Yet we have made great strides toward a final peace agreement between the two principal adversaries in the Middle East. The differences which they have overcome far outweigh the issues which still divide them. Israeli and Egyptian commitment to peace will provide an indispensable step toward peace between Israel and all its neighbors and foster the stability and orderly change we favor for the entire Middle East region. Peace will permit us to strengthen our ties with the Arab states in the region and enhance our relationship with Israel, a relationship which will always be special to us.

In 1979 I will count on the continued collaboration of the 96th Congress on behalf of our efforts to gain and maintain peace throughout the region. The support of the Congress and the American people for a purposeful role in that region is particularly important in light of the tumultuous events taking place in Iran. Since the end of the Second World War, the United States has maintained a close relationship with Iran and it has a vital interest in Iran's independence and integrity. The people of Iran should shape their own future without foreign interference. That is the policy of the Government of the United States and we expect it to be the policy of all of Iran's neighbors.

AFRICA

Congressional support for peace, stability, and orderly change are essential in other tense regions, as well.

In Southern Africa we are trying to help bring about a peaceful transformation to majority rule which will avoid growing bloodshed between white and black and deeper intervention by the Soviet Union and Cuba.

Together with our European allies, Canada, and African states directly concerned, we are making progress toward the independence and majority rule of Namibia—a step that would have a positive impact on the evolution of events in Rhodesia and elsewhere in Southern Africa. We are heartened by the support of the African leaders who have worked with us in efforts to resolve the Namibian and Rhodesian issues.

Congressional repeal of the Byrd amendment was essential in enhancing our credibility in the effort to avoid a gathering war and further Soviet and Cuban gains in Southern Africa. We will consult closely with the Congress during the coming months, as we seek the most constructive role we can play. It will be increasingly important to maintain our position of impartiality among the parties so we can help them resolve their differences should they choose the path of peace.

LATIN AMERICA

In our own Hemisphere, we can point with pride to the cooperative spirit which enabled us to change, in mutually beneficial ways, the basis of our relations with Panama. Senate approval of the two Panama Canal treaties last year has improved the quality of our historic relationship not only with Panama itself but with our friends in every part of Latin America. By that act, our country helped demonstrate its ability both to protect major security interests and to deal with smaller nations with dignity and mutual respect. Congressional action to pass the necessary implementing legislation for these treaties before the October 1 deadline will ensure that the Canal is efficiently operated during the transition to a new partnership with Panama.

The treaties and implementing legislation, like our efforts to help the people of Nicaragua find an enduring democratic solution to the current crisis there, are important to the future stability of Central America as a whole and the strengthening of our new and mature relationship with the nations of all Latin America.

THE INTERNATIONAL ECONOMY

In our daily lives, we are constantly reminded of the importance of a healthy world economy to the strength of our own. We see this in the wages of our workers who produce goods for export, in the choice of goods for our consumers, in the price of energy.

We must work closely with other countries to ensure that the world economy can steadily develop through noninflationary growth, while together we manage the use of its resources and protect our environment.

The focus for much of this effort during the past year was the Bonn Economic Summit. We worked out a strategy of cooperation with our partners to improve the world economic situation: within the framework of those Summit decisions, West Germany and Japan have taken measures to stimulate their economies while we are giving top priority to fighting inflation. Our actions, along with those taken by other Summit participants, are leading to a convergence of economic policies that will strengthen the global economy.

We have strengthened the dollar by working out arrangements with other countries to counter speculative disorder in currency markets. Since I announced my dollar stabilization measures last November, we stopped the dollar's decline in value against other currencies and have actually increased the dollar's value by around 10 percent against several major currencies. Moreover, we have announced a multi-faceted program to increase U.S. exports, which will benefit American farmers and workers, while further strengthening the position of the dollar.

We are now close to new agreements with our trading partners to establish a fairer, better operating and more open framework for world trade.

The American people have a vital stake in Congressional approval of these agreements. Ten million American jobs depend on our exports. Every third acre of our farmland produces for sales abroad. Two-thirds of our imports are essential raw materials or goods we cannot readily produce.

At a time of difficult strains in our own economy, there is always an impulse to abandon our commitment to an open world trading system. But the costs of such a course to the American people would be enormous. Each American family would pay more for what it buys and would have less choice in the goods available. Inflation would be fueled. Jobs would be jeopardized, for protectionism against our trading partners breeds protectionism by them against us.

I am convinced that our economy can adapt to changing patterns of world trade in ways that protect the future of our workers. We can compete effectively in the world economy. The new trade agreements give us the opportunity to do so.

Our programs of economic development assistance abroad are also an investment in our own future as well as the future of other nations. Our most rapidly growing markets lie in the developing world. By helping the people of these countries, we not only help extend their opportunities for a better life, we help ourselves. By demonstrating to their governments that we are concerned for the well-being of their people, we encourage their increasing cooperation with the West on a broad range of issues.

I therefore urge Congressional approval of the funding we propose for our bilateral assistance programs and our participation in the work of the multilateral development banks and UN agencies.

My proposal to establish a Foundation of International Technological Cooperation reflects our recognition that scientists in many developing nations are ready to work in collaboration with our technological institutions to solve the great problems of health, nutrition, productivity and other aspects of economic development.

Key commodity agreements can also help us deal with the legitimate needs and interests of the developing countries. Senate ratification of the International Sugar Agreement, which we signed last year, along with price support legislation will stabilize prices for that important commodity. We have pledged a contribution to the International Tin Agreement, and we will conduct negotiations on a rubber accord.

Efforts to build a stronger international economy are directed not simply at managing economic relationships among nations, but at improving the lives of individual people around the world. For it is the lives of individuals which define the success or failure of our foreign policies.

REASSERTING AMERICA'S VALUES

America's future is best secured in a world founded on decency, justice and compassion.

The effort to make human rights a central component of our foreign policy comes from our deepest sense of ourselves as a humane and freedom-loving people. We do not make our standards the precondition for every relationship we have with other countries; yet human rights can never be far from the focus of our thinking or we violate our own best values.

In the year just passed, some have quarrelled with the timing or the tactics of our emphasis on human rights abroad. Others have pointed to our own imperfect record on human rights at home. Yet few can dispute an important fact of this experience: our concern for human rights has met with great resonance in the world at large. The very term has entered the language and become imbued with an everyday familiarity that was simply unknown little more than two years ago.

We believe our efforts have contributed to a global awakening:

—thousands of political prisoners have been freed;

—in several countries, torture of prisoners has been significantly reduced or eliminated and trials are more often open to the public;

—open advocacy of human rights has occurred in nations where the concept was heretofore forbidden;

—international organizations such as the UN and the OAS now have vigorous human rights commissions for the investigation and airing of human rights violations and the Commission on Security and Cooperation in Europe has helped to make human rights an institutionalized part of the international agenda on both sides of the Atlantic;

—in a number of key nations around the world, democratic institutions are being strengthened as democratic values are reasserted.

Americans can be proud of the leading role their Government has played in advancing this process. I now ask the Congress to take action in 1979 which will further strengthen our human rights record. I have signed four important human rights treaties, including the Convention on Racial Discrimination, the International UN Covenants on Economic and Social Rights, and on Political and Civil Rights, and the Inter-American Convention on Human Rights. Senate ratification of these treaties will firmly align our Nation with the growing forces for rule of law and human dignity in this world. Similarly, I call upon the Senate finally to ratify the Genocide Convention. The United States is one of the very few countries which have not yet ratified this convention; this anomaly should be corrected at the earliest possible moment in this Congress.

I am also proud of the efforts we have undertaken this past year to alleviate the plight of refugees from the far corners of the world, particularly those fleeing the troubled Indochinese peninsula. We have done a great deal to reduce suffering among these desperate people and to many of them with a possibility of a new home and a new start.

We will continue to do our part and to encourage others to increase their financial assistance opportunities for resettlement. I hope to cooperate closely with this Congress in the passage of new legislation which will allow us to focus U.S. assistance more efficiently in working toward the solution of this global, human problem.

Our challenges reflect a single fact: the pressure of accelerating change in our century. We need not fear this phenomenon; indeed, we should welcome it. Change has not been merely a challenge in American history; to a very real degree, it has been our Nation's charter. We have not prospered and grown for more than two hundred years by worshipping the status quo. In building our Nation and confronting the many tasks which history has assigned us, we have found change to be our natural element.

We should approach the task of building a new Foundation for a world of change with the confidence of a Nation whose strengths are unmatched. Our military forces are strong and growing stronger. Our technological and industrial capacities are unsurpassed. Our allies are strong and reliable. Our way of life, and what we stand for as a Nation, continue to have magnetic international appeal.

I do not pretend that change comes without cost. I do not pretend that it comes without pain. Neither the visionary men of the 18th Century who founded our Republic, nor the citizens of conscience who opposed slavery in the 19th, nor the men and women of the 20th who led us successfully through two world wars looked upon change as easy. They did, however, look upon it as inevitable.

So it was in the beginning of our country, so it has been through all the stages of our history. The future has always brought Americans to a higher level of national achievement as long as we were willing to invest the time and the energy and the imagination toward shaping that future ourselves.

As we begin a new year, I repledge my Administration to time, energy, and imagination essential to build a new Foundation for a world of peace, prosperity and human justice. Together, America's Congress, its people, and its President cannot only master the many challenges of change, but make them a part of our Nation's purpose in the world. In so doing, we can bring America closer to that "more perfect union" of Jefferson's dream in a wider and more secure global community congenial to our values, interests and ideals.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

□ 1325

THE PRESIDENT'S FISCAL YEAR 1980 SHIPBUILDING BUDGET IS ANOTHER BROKEN PROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 15 minutes.

● Mr. TRIBLE. Mr. Speaker, President Carter's proposed fiscal year 1980 shipbuilding budget is another broken promise. Less than 2 years ago, he presented to the Congress a 5-year shipbuilding program in which he proposed to spend $11.1 billion in fiscal year 1980 to buy 38 new ships and modernize 7 existing ships.

During the brief span of time since then, the President has committed massive—and perhaps, terminal—surgery on the shipbuilding budget. He has slashed in half the projected $11.1 billion shipbuilding plan for next year and cut nearly two-thirds of the ships out of the budget. It is easy to see where the President went wrong.

When President Carter came to office he promised to bring economy to Government and said he was going to cut the "fat" out of the Defense budget. However, in the 2 years since he took the oath of office, the President has done just the opposite—he has cut out the "muscle" in our Navy shipbuilding program.

If the President's shipbuilding budget for fiscal year 1980 is any indication of what we can expect from the President's 5-year shipbuilding plan, I believe we can label it in advance as the "no Navy" shipbuilding plan. Let us take a closer look at what the President has cut from the budget.

In May of 1977, President Carter told us we needed to build three new destroyers and modernize six existing destroyers next year to give our Navy antiair protection. But now the President has proposed that we build only one of the new destroyers next year and that we convert only one of the existing destroyers.

In testimony before the Seapower Subcommittee, Navy officials have consistently testified that Soviet aircraft and missiles pose an increasingly grave threat to our surface fleet. However, it is equally clear that the threat of air attack at sea

can be countered effectively. The solution lies with a two-pronged program. First, we need to modernize the air defense capabilities of our existing fleet of DDG-2 guided missile destroyers. Second, we need to authorize construction of new surface ships which can be equipped with the sophisticated Aegis system, which can defeat the most advanced Soviet missiles and aircraft.

The President also appears to have dramatically changed course in his plans for antisubmarine warfare. Since May of 1977, President Carter has cut in half his announced plan for building frigates and attack submarines in fiscal year 1980. Instead of authorizing 12 FFG-7's and 2 SSN-688's, the President now recommends we build 6 frigates and 1 sub. I am at a loss to comprehend how such a savage cut would do anything other than imperil national security. Combined with the deep cut which he made in the destroyer program, President Carter has effectively denied the fleet of the future of its capability to defend itself against submerged attack. In this sense, President Carter is telling Congress that he believes the era of the surface fleet is coming to a rapid end.

I most strenuously disagree. I believe we need a strong and vigorous Navy capable of defending itself against opposition above, below, and on the surface of the water. America cannot afford to do without a surface Navy. Unlike the Soviet Union, the United States is an "island" power—we must cross oceans to reach any potential war zone and must import vast quantities of materials from abroad in order to satisfy our strategic requirements. Our airlift capability is too small and our supply needs too great to plan for major warfare without placing major reliance on sealift. However, we will be unable to move any significant quantity of equipment or supplies by sea unless we have a surface Navy capable of protecting our cargo ships against attack from the enemy.

I realize the President has emphasized in his defense planning the threat which we face in Europe. I agree that we must strengthen our NATO land-based forces, but I disagree with the President when he recommends—as he has in this budget—that we strengthen these forces at the expense of shipbuilding.

If our funds are so limited that we cannot afford bullets for NATO as well as ships for the fleet, I believe we must forego purchase of the bullets in favor of the ships. Bullets and the assorted other small armaments which the President requests for NATO can be produced much more rapidly than ships can. However, if we wait until the outbreak of armed hostilities to begin building ships, the war will be over before we can finish our first warship and any ships which we send out laden with bullets over the seas will be sunk long before they reach their appointed destinations. In short, I believe we cannot have bullets without ships.

In proposing his shipbuilding budget, I believe the President has broken faith with the Congress and the American public. In his August message to Congress vetoing the fiscal year 1979 defense authorization bill, the President wrote:

> We need a fleet that includes more vessels that can perform our Navy's mission but that are not, as this one (the nuclear powered carrier) would be, so designed as to be prohibitively expensive to build.

However, instead of proposing to build more ships of lesser capability for the same amount of money, the President has proposed that we buy about the same number of ships but with reduced capabilities. From this pattern, the only conclusion I can reach is that President Carter believes we can no longer afford to have a first-rate Navy.

I do not share the President's view on this matter. I believe we can have a first-rate Navy and we can have bullets for NATO. But we can only have both if the President and the Congress are willing to make the difficult decisions necessary to keep the budget in line and our national security in mind.

CHANGES IN THE CARTER SHIPBUILDING BUDGET FOR FISCAL YEAR—1980

Type of ship	Number of ships in— Carter 5-yr. shipbuilding program as announced May 1977	Carter budget as proposed January 1979	Difference
Trident missile submarine (SSBN)	2	1	−1
Attack submarine (SSN)	2	1	−1
Aircraft carrier overhaul (CV SLEP)*	1	[a] 0	−1
Conventionally powered aircraft carrier (CVV)	0	[b] 1	+1
Nuclear powered guided missile cruiser (CGN-42)	1	0	−1
Guided missile destroyer equipped with Aegis air defense system (DDG-47)	3	1	−2
Guided missile destroyer modernization (DDG-2 CONV)*	6	1	−5
Guided missile frigate (FFG-7)	12	6	−6
Mine counter measures ship (MCM)	6	0	−6
Fleet oiler (AO)	2	0	−2
Combination ammunition and fleet oiler ship (AOE)	1	0	−1
Destroyer tender (AD)	1	0	−1
Towed surveillance sonar ship (TAGOS)	5	5	0
Cable laying ship (TARC)	1	0	−1
Total new ships	38	15	−23
Total conversion/SLEP*	7	1	−6
Grand total	45	16	−29

*This is a conversion or service life extension program. Money for this work is appropriated out of the new ship construction account because the overhaul work is so extensive. For the carrier program, this overhaul will extend the useful lives of the ships by fifteen years. For the destroyer program, the modernisation will involve removing present air defense systems and replacing them with new equipment.

[a] Absence of a carrier SLEP in FY-80 Budget is a reflection of a modified schedule for this program. Instead of commencing in FY-80, it is now scheduled to begin in FY-81.

[b] Addition of one aircraft carrier in the FY-80 Budget is misleading. President Carter's Five Year Shipbuilding Plan of May 1977 planned for authorization of this ship in FY-79. Request for funding for it in FY-80 represents program slippage.●

FOREIGN PURCHASERS OF U.S. FARMLAND SHOULD BE SUBJECT TO SAME CAPITAL GAINS TAXES AS AMERICAN INVESTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, today I am introducing legislation that will change the capital gains treatment of agricultural lands owned by non-U.S. citizens.

Under current tax law, nonresident aliens who invest in U.S. agricultural lands are not subject to the same capital gains tax resulting from sale of such land as are American investors in farmland. This situation gives the foreign investor a built-in advantage over the American farmer. It allows for land speculation on the part of foreign investors that is not healthy to American agriculture.

Until 1936, when Congress made the distinction between nonresident aliens, including foreign corporations, doing business in the United States and those not doing business in the United States, nonresident aliens were taxed on their capital gains. However, the Revenue Act of 1936 changed the law to provide that those nonresident aliens who did not engage in a trade or business and who did not maintain an office in the United States were taxed only on interest, dividends, rent, wages, salaries, annuities, and periodical gains, profits and income at a special rate of 10 percent. Hence foreign individuals and corporations who hold U.S. farmland for investment can sell it without having to pay tax on the gains.

Our huge balance-of-payments deficit puts billions of dollars' worth of purchasing power in the hands of foreigners. The surplus of dollars in the international money market has resulted in the dollar's devaluation, thus reducing, in real terms, the price of American farmland for foreign investors.

Given the lucrative nature of foreign investment in American agricultural land and the likelihood that such investments will remain safe for the foreseeable future, I believe it is in the best interest of the American agricultural sector that this loophole in present tax law be closed.●

DEPLORABLE EVENTS IN EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, I am compelled by a sense of moral outrage to bring to the attention of this body the deplorable events that are now taking place in the Central American country of El Salvador. In a series of regrettable actions, the Government of El Salvador has systematically persecuted its political opponents, in particular the Roman Catholic Church. At least four priests have been murdered in unresolved crimes over the past 2 years, and recent events have confirmed a continuation of

the disappearances, arbitrary arrests, murders, and torture that has racked El Salvador.

The political situation in El Salvador, an overcrowded nation of about 5 million people, has deteriorated to the point where the United States can no longer stand idly by. We must let the Government of El Salvador know that we cannot condone these acts of violence and oppression.

The leader in the movement for human justice and civil liberty, Archbishop Oscar Romero, has been brought under increasing political pressure to cease his outspoken defense of freedom. Yet in a recent communication from the archbishop to the president of the legislative assembly, Dr. Jose Leandro Echeverria, the archbishop courageously cites the need to grant amnesty to the 108 missing individuals and the 72 political prisoners who are languishing in jails. This letter was forwarded to me, in order to coincide with Dr. Echeverria's trip to the United States, and his meeting with President Carter. I include a translated text of the letter:

Dr. JOSÉ LEANDRO ECHEVERRÍA,
President of the Legislative Assembly.

DEAR DR. ECHEVERRÍA: The Archbishop of San Salvador, Monsignor Oscar A. Romero along with his Vicar General Monsignor Ricardo Urioste and the clergy of the Archdiocese, after having met during this week analyzing the present serious crisis which the nation is experiencing and the way we must help to resolve it through our pastoral labor, have come to the conclusion of asking you to listen to the outcry of the relatives of the 108 missing and 72 political prisoners and to accept the petition of general amnesty, freedom for the missing and repeal of the Law of Public Order which the Archbishop, innumerable institutions and national and international popular organizations in common cause with these families and as representatives of our people's feeling, have made.

We believe that to accept these petitions, instead of being a symptom of weakness in the present government, is a sign of its attitude of wanting to listen and legally and peacefully channel the will of the people.

In addition it would be a needed measure for favoring an environment of greater confidence and less tension to make possible dialoguing and collaborating with all sectors of the people until peacefully achieving daring and radical changes in the present economic, political and social structure of our country to make possible greater justice and equality among us; indispensable conditions for there being a real development and a genuine peace.

We have decided to turn to you because we believe that it is incumbent on you as President of the Legislative Assembly to favor the fulfillment of these petitions and because your action in the face of the University problem has given us cause to expect a positive reply from you, which will undoubtedly bring great joy to the relatives of the missing and political prisoners and will be a good step for the nation towards attaining peace and order.

For our part, we will appreciate anything you do to provide amnesty, freedom for the missing and to repeal the Law of Defense and Guarantee of Public Order and we shall try to keep on fostering a clear awareness in Christians that we are ALL children of God and as such we enjoy the same rights and obligations, we are brothers, and we must help one another build a nation worthy of bearing the name of "El Salvador".

Sincerely yours,

OSCAR A. ROMERO,
Archbishop.

The most recent aberration of human justice in El Salvador was the wanton murder of five people last weekend, including one priest, when a band of militia units stormed a peaceful, nonviolent, nonpolitical meeting in a parish hall. The Washington Office on Latin America was able to obtain a completely reliable, eyewitness account of this tragic event: The eyewitness is not identified to protect his/her life:

On this day 20th January at 6 a.m. while I was asleep at the retreat house "El Despertar" for Christian groups, a property of the Archdiocese of San Salvador located in San Antonio Abad, many uniformed members of the National Guard and National Police entered the retreat house violently, shooting their weapons. A large, olive green vehicle, a military armored truck (tanquota) together with a jeep entered the patio, occupying the center 1 courtyard.

I was at the retreat as co-director along with Father Octavio Ortiz and 10 other young persons, for a gathering of Christian Orientation for 28 young males, 12-20 years old. "El Despertar" is used exclusively for Christian instruction, and not for any other types of meetings. The center does not give instruction for any other types of meetings or any of which conspire against the state, nor are meetings used for teachings of doctrines of anarchy contrary to public order. During the study program called "Retreat for the Orientation of Young People" (Encuentro de Iniciación para Jovenes) which had been started Friday at 5 p.m., we used Catholic songbooks and what instruments there were were musical, such as guitars; no one possessed weapons of any kind.

Before I was captured by uniformed members of the national police, I discovered that precisely in front of the office, at the threshold, Father Octavio Ortiz was lying in a pool of blood, with blood still flowing from his head. The police agents transported me with Ana Maria Barrientos, a leader of the Christian Orientation team, in a radio patrol car to central headquarters of the National Guard, where both of us were interrogated and where I gave witness to that which I have stated in the present document. At the headquarters, while standing frightened, following the hurried reading of a document, I signed that document, whose contents now in this present testimony, given freely and without coercion, I categorically deny. I swear that everything in this present testimony which I began at 7 p.m. on 20 January 1979 and which I finished at 7:50 p.m. of that same day, is true. I hereby end this declaration: Done at my own initiative and which I here sign. . . .

Just 1 year ago this month, I joined with Prof. Thomas Anderson, one of the foremost scholars on El Salvador, and John McAward, director of the international programs of the Unitarian Universalist Service Committee on a fact-finding journey to El Salvador. The findings of that mission, published by the Unitarian Universalist Service Committee, concludes that—

> The Church as a whole has been singled out as a victim of persecution on a scale seldom witnessed in a nominally Catholic country . . . [and that] . . . the Church as a whole continues to live in a climate of fear and intimidation clearly due to the violation of the most basic principles of religious freedom and human rights.●

WILSON INTRODUCES NEW POSTAL SERVICE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, for some time now it has been abundantly clear that the problems of the U.S. Postal Service are of considerable concern to the American public in general and the many businesses in particular which depend on prompt, reasonably priced, and reliable mail service to expedite various aspects of their operation.

In the 95th Congress overwhelming support for postal reform was shown by the House of Representatives when H.R. 7700, comprehensive legislation which I cosponsored with my good friend, JIM HANLEY of New York, was passed by an overwhelming 384-11 vote. Unfortunately, delays in consideration by the Senate prevented floor action on the measure, despite committee approval of their version of the bill.

The fact is, postal problems are not simply going to fade away without some positive input from the Congress to reaffirm the principle of service to the public and other basic guidelines to direct postal management.

For that reason, on opening day of the 96th Congress I introduced a new postal bill which addresses many of the central issues facing the Postal Service.

While the legislation is by no means a cure-all for the myriad problems of the USPS, neither is it a "Christmas tree" of dozens of unrelated topics.

This legislation, which I introduce today, is tightly directed at some of the most important public policy issues facing the Postal Service.

I am confident that it will receive prompt attention by the Post Office and Civil Service Committee and be signed into law during 1979.

Specifically, the bill provides for the direct appointment of the chairman of the USPS Board of Governors by the President and provides the chairman with his or her own independent staff.

One of the greatest concerns in the Congress has been the failure of recent Postmasters General to be responsive to national public policy considerations in postal decisionmaking. Also, the failure of the Board of Governors to assert a fair degree of independence from "recommendations" by the Postmaster General has been properly criticized.

This provision for Presidential appointment of the Chairman of the Board will increase public accountability while preventing any wholesale political interference with postal operations. With an independent staff we can also be confident that the Postmaster General's policy proposals will no longer be simply rubberstamped. The PMG will, however, remain the chief administrative officer of the Postal Service.

Also, as part of this provision, in the future it will be mandated that at least one member of the Board have direct postal management experience and one member with postal labor background.

Further, it will be required that the Board meet at least twice during each calendar month so that it can play a more direct role in the formulation of postal policy.

Another provision of the bill deals with

public service appropriations. Clearly, the idea that the Postal Service will "break even" in its finances without seriously curtailing necessary services is outdated. Whether or not at certain times the Postal Service loses less money than at other times, the point remains that it continues to operate at a deficit.

Under these conditions, the provision in the 1970 Postal Reorganization Act to begin cutting public service appropriations (as the "goal" of selfsufficiency was supposedly reached) in fiscal 1980 is clearly unrealistic.

In my bill, the $920 million in public service subsidy is raised to $1.1 billion for fiscal year 1980; to $1.2 billion for fiscal year 1981; and to $1.3 billion for the fiscal year 1982 and beyond.

I am confident that this very modest increase in public service financing will meet with the full approval of the administration which is, of course, committed to preventing any drastic postal financial crisis.

In relation to the President's anti-inflation goals, my bill also contains a small "stretch-out" of the phasing for postal rates other than first class and parcel post. Under this provision the 26-percent average increase in mail rates facing mailers in July of this year will be stretched by increasing the present 8 year phasing to 10 years for commercials, and from 16 years to 22 years for nonprofit organizations. Again, the cost involved in "revenue foregone" appropriations to cover this item will be quite small in relation to the full postal financial picture, averaging considerably under $100 million per year through 1984.

My bill calls for a complete study by the Postal Rate Commission of the present method of attributing or apportioning postal costs and any alternatives to such a system. It is my belief that in this very complicated area we in the Congress need a better base of data than is presently available.

The bill also provides for an annual report to Congress by the Postal Service on research and development, for certain minor modifications to the rate structure for book and educational materials, and for updating of certain outdated "size and weight" limitations.

Mr. Speaker, I also have introduced several other postal bills today which deal with specific problems.

Again, I introduce the so-called "postal supervisors" bill which passed the House by voice vote on September 26, 1977, but did not receive action in the Senate.

The bill which I am introducing today provides dispute resolution procedures with arbitration as the final step for disputes of national magnitude between the National Association of Postal Supervisors and Postal Service top management.

There is room in this bill for the Postmaster General to step in and resolve disputes in a reasonable way, but the final step of impartial arbitration will be available when necessary.

While Postal Service management continues to maintain that it is improving relations with postal supervisors after the generally-recognized management blunders of the early 1970's, the fact is that the supervisors' organization is once again in court challenging the Service's most recent pay proposals for supervisors. The proper place for resolution of postal top management's disputes with its supervisors is not in the courts. This bill establishes a much more reasonable procedure since the Postal Service has habitually ignored its responsibility under the Postal Reorganization Act to, in good faith, consult with postal supervisors during the development of major issues affecting them.

I am introducing another bill, identical to legislation I sponsored in the 95th Congress, which will place the U.S. Postal Service under all provisions of the Occupational Safety and Health Act.

The need for this legislation is obvious. High accident and injury rates plague the Postal Service. Adequate safety programs are lacking in many facilities, as has been demonstrated by numerous inspection tours which I or members of my staff have made. Indeed, statistics compiled under reports from the Federal Employees' Compensation Act for 1977 indicate that of about 200,000 total injuries to the entire Federal work force, postal workers suffered almost 90,000.

Consideration of this legislation will give the Post Office and Civil Service Committee an opportunity to focus on the deficiencies of the postal safety program and, I am confident, lead to some meaningful solutions.

I am also introducing a bill, identical to a provision in H.R. 7700 as passed by the House last year, which changes the method of transporting surface international outgoing mail. Under current law, the Postal Service contracts for the international carriage of surface mail with American and foreign carriers at negotiated rates. American carriers are generally preferred, and rates paid American carriers are about 25 percent higher than foreign rates. There were 123 million pounds of surface international mail last year.

Under the bill, the Postal Service would be required to contract with American carriers unless no American carrier served the route, and the rate would be based on fully distributed costs plus a fair profit. The Postal Service would be prohibited from specifying the size or characteristics of containers. Under current practice, the Postal Service generally specifies in its advertisements for a 30-, 35-, or 40-foot container.●

A TRIBUTE TO JOHN PILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RHODES) is recognized for 5 minutes.

● Mr. RHODES. Mr. Speaker, we are saddened by the passing of one of our former colleagues, John Pillion, who served in this body 12 years.

John Pillion and I came to the Congress in the 83d and we served together on the House Interior Committee. During his six terms in the House, he was a consistent opponent of waste and deficit spending by Government. He operated a large farm in Niagara, N.Y. and knew firsthand the problem faced by American agriculture.

John was a dedicated Member, and a good friend, and I have many pleasant memories of our associations. He was a fine public servant and earned the respect and admiration of Members on both sides of the aisle.

I join those who served with him in regret of his passing and offer condolences to his daughter.●

FEDERAL SPENDING LEGISLATION

(Mr. WYLIE asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. WYLIE. Mr. Speaker, on opening day I introduced 20 bills and resolutions dealing with Federal spending. My objective is twofold. I want to make it unmistakably clear as to my own position. Second, I want to make suggestions to the many Members of this Congress who have pledged during their election campaigns to do something about inflation by bringing discipline to Federal spending and by reducing or eliminating the deficit in the Federal budget.

I am under some restraints as a member of the minority party, in the committee hearing, consideration and reporting out process of a bill or resolution for consideration by the full House. Nevertheless, many of you who are new to Congress and many veterans of the House have only recently become convinced that in 1980 the voters will finally hold us in Congress accountable for our personal actions this year in getting something done about inflation and Federal spending. Please get a copy of all my bills and resolutions, look them over and if you decide any have merit, I would appreciate your support in getting the appropriate committee chairman to hold hearings on any of my bills or resolutions or any variation of any of the bills you might like to introduce yourself.

Together, we can work with the leadership of the majority party to get a better feel of the mood of this Congress on the issue of fighting inflation and reducing the Federal Government's role in promoting inflation. If the majority leadership knows that House Members truly want to help the country by reducing spending then some constructive action will be taken by this Congress.

The bills I have introduced fall into one of four different categories or sets.

The first group of bills and resolutions contain language requiring a balanced budget each year except in time of war or economic necessity declared by a two-thirds rollcall vote of Congress. This goal could be accomplished either by amending the Constitution or by just simply passing a new law.

The second category of bills provides for a national remedy for inflationary pressures if Congress is required by circumstances to declare a war or economic necessity which then increases the national debt, because of the deficits incurred while the declaration is in effect. Specifically, when a congressional declaration is terminated, some fixed percent of the Federal budget outlays each year thereafter must be used to reduce the national debt until it is returned to the level that prevailed before the declaration. My bills provide for annual reductions of either 1 or 2 or 3 percent per year. The purpose of this is to reduce systematically the inflationary pressures that will arise whenever Congress increases the national debt by running deficits in the Federal budget.

Any one of the third set of bills and resolutions I have offered will tie Federal spending or Federal budget outlays to 20 percent of gross national product. The purpose of this approach is to make sure that the Federal Government grows at the same rate as the rest of the economy except in time of war or economic necessity. What unfortunately has been happening for a number of years is that the Federal Government has been growing more rapidly than the private sector. If this faster rate of growth continues indefinitely, then, as a simple truism of arithmetic, the private sector will disappear and all that will be left will be the public or Government sector. If you feel for any of hundreds of reasons that the private sector of our economy must be preserved, then I urge you to make a commitment to tie Federal spending and outlays to some fixed percentage of gross national product (GNP). My bills all specify that Federal spending or budget outlays shall be tied to 20 percent of GNP. I personally definitely favor that particular number, but you may not. However, it is your commitment to some particular number that I urge you to consider. That is the only way there is, in my opinion, to make sure that the private sector of our economy is preserved for the benefit of posterity.

It seems to me that once a commitment is made to tie Federal expenditures and outlays to a given percentage of GNP, two relatively minor issues remain. One is, do you tie Federal spending or outlays to the gross national product of the same fiscal year or the previous fiscal year? Given the lags in statistical tabulation and reporting of actual gross national product and the wide range of estimates of current economic activity, I prefer tying Federal expenditures and outlays to the GNP of the previous fiscal year. The second choice that has to be made is to decide when (that is, in what year) the decision to the Federal outlays to GNP will take effect. In other words, how long a time span will we allow for the transition to a fixed percentage to occur. My personal opinion is that Federal outlays should be fixed in 1982 at 20 percent of the previous fiscal year's GNP. You may prefer some other year, some other percent, or some other GNP. I only ask that you consider the principle.

The fourth category of bills and resolutions to discipline Federal spending seeks to limit the growth rate of Federal expenditures and new budget authority to a percentage which cannot be exceeded except during a period covered by a congressional declaration of war or economic necessity. In the 1960's and 1970's the growth rate of the economy of the United States in current dollars ranged from just over zero to almost 20 percent from one year to the next. The average for the whole period was about 10.7 percent per year. The bills I have introduced would limit the growth of Federal new budget authority to a maximum in any one year of 7, 8, 9, 10, or 11 percent. If we can put a cap on the maximum for any one year then we will lower the trendline, long run growth rate of Federal expenditures. This must be done, one way or another. I personally prefer 10 percent at this time, but if another number is more acceptable, I will support it if it is reasonably close to the 10 percent.

The central need of our time and particularly this session of the Congress, as I see it, is to make a commitment to discipline Federal spending in order to bring the Federal Government out of the inflationary whirlpool which is buffeting all our constituents.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FINDLEY, for 30 minutes, today.

(The following Members (at the request of Mr. SENSENBRENNER) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 15 minutes, today.

Mr. TRIBLE, for 15 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. MATHIS, for 5 minutes, today.

(The following Members (at the request of Mr. OBEY) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 30 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. CHARLES H. WILSON of California, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revised and extend remarks was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mr. SOLOMON.

Mr. CLAUSEN in two instances.

Mr. LOTT.

Mr. GILMAN in three instances.

Mr. GREEN.

Mr. SEBELIUS.

Mr. GINGRICH.

Mr. HYDE.

Mr. TRIBLE.

Mr. MCCLORY in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. MOORHEAD of Pennsylvania in 20 instances.

Mr. RODINO.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. GORE in two instances.

Mr. VAN DEERLIN in two instances.

Mr. FITHIAN.

Mr. LEVITAS.

Mrs. SPELLMAN.

Mr. LAFALCE.

Mr. MILLER of California in five instances.

Mr. WAXMAN.

Mr. ROBERTS in two instances.

Mr. VANIK.

(The following Members (at the request of Mr. OBEY) and to include extraneous matter:)

Mr. LUKEN in two instances.

Mr. PEASE.

Mrs. COLLINS of Illinois.

Mr. PANETTA.

Mr. CLAY.

ADJOURNMENT

Mr. OBEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until Monday, January 29, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

468. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification have been made of the lands in the Watsonville Subarea, San Felipe Division, Central Valley project, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

469. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107(a) of title 10, United States Code, to extend the age limitation on eligibility of students for the Reserve Officers' Training Corps financial assistance program to recognize active duty previously performed; to the Committee on Armed Services.

470. A letter from the Comptroller General of the United States, transmitting a report on the automated systems security programs in the Federal Government (LCD-78-123, January 23, 1979); to the Committee on Government Operations.

471. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

472. A letter from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting a report recommending ethical principles and guidelines for the protection of human subjects of research, pursuant to Public Law 93-348; to the Committee on Interstate and Foreign Commerce.

473. A letter from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting a report on the implications of advances in biomedical and behavioral research, pursuant to Public Law

93-348; to the Committee on Interstate and Foreign Commerce.

474. A letter from the Comptroller General of the United States, transmitting a report on the Defense Department's ability to manage all available manpower resources in the most cost-effective way (FPCD-78-82, January 24, 1979); jointly, to the Committees on Government Operations, and Armed Services.

475. A letter from the Comptroller General of the United States, transmitting a report on the Federal Deposit Insurance Corporation's supervision of State-chartered banks which are not members of the Federal Reserve System (FOD-79-1, January 24, 1979); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

476. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of hazardous waste management programs (CED-79-14, January 23, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

477. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's fiscal year 1980 budget request, pursuant to section 27(k)(1) of Public Law 92-573; jointly, to the Committees on Interstate and Foreign Commerce, and Appropriations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 1494. A bill to amend the Internal Revenue Code of 1954 to subject investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. ANDREWS of North Dakota, Mr. AUCOIN, Mr. BARNARD, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. BURGENER, Mr. CORCORAN, Mr. CORRADA, Mr. DAVIS of South Carolina, Mr. DOWNEY, Mr. DUNCAN of TENNESSEE, Mr. ENGLISH, Mr. ERTEL, Mr. FOUNTAIN, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. HEFTEL, Mr. ICHORD, Mr. JONES of Oklahoma, Mr. LEACH of Iowa, Mr. LEVITAS, Mr. LONG of Louisiana, Mr. MCHUGH, Mr. MADIGAN, Mr. MARTIN, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. PANETTA, Mr. PATTERSON, Mr. RAHALL, Mr. RANGEL, Mr. ROBINSON, Mr. ROSE, Mr. SIMON, Mr. SPENCE, Mr. STAGGERS, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. YOUNG of Missouri, and Mr. ZEFERETTI):

H.R. 1495. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 1496. A bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

H.R. 1497. A bill to provide that the Sound View Park and the Pugsley Creek Park, both located in the city of New York, shall become part of the Gateway National Recreation Area; to the Committee on Interior and Insular Affairs.

H.R. 1498. A bill to amend section 924 of title 18 to increase the penalties for certain offenses relating to firearms, and to provide mandatory minimum penalties in certain circumstances; to the Committee on the Judiciary.

H.R. 1499. A bill to amend title 18 of the United States Code to provide that persons accused of committing Federal felonies who have attained the age of 15 years shall be tried as adults, and to require the several States, the District of Columbia, and the other territories and possessions of the United States to treat all felony offenders alike who have attained the age of 15 years; to the Committee on the Judiciary.

By Mr. MICHEL (for himself, Mr. ANDERSON of Illinois, Mr. BEDELL, Mr. BEILENSON, Mr. BONIOR of Michigan, Mr. CONTE, Mr. CORCORAN, Mr. DERRICK, Mr. DERWINSKI, Mr. DEVINE, Mr. EDGAR, Mr. EMERY, Mr. ERLENBORN, Mr. MADIGAN, Mr. MARTIN, Mr. MINETA, Mr. MILLER of Ohio, Mr. O'BRIEN, M. PURSELL, Mr. RITTER, Mr. SIMON, and Mr. WYLIE):

H.R. 1500. A bill to terminate the authorizations for certain flood control and navigation projects, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BIAGGI:

H.R. 1501. A bill to require the fingerprinting of juvenile delinquents upon conviction or adjudication and to forbid the withholding of information from criminal trials on the grounds such information relates to a juvenile proceeding; to the Committee on the Judiciary.

By Mr. CORRADA:

H.R. 1502. A bill to permit temporarily the transportation on foreign-flag vessels of passengers between certain ports in the Continental United States and ports in Puerto Rico; to the Committee on Merchant Marine and Fisheries.

H.R. 1503. A bill to amend title 38 of the United States Code to allow judicial review of decisions made by the Administrator of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. PHILIP M. CRANE:

H.R. 1504. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California:

H.R. 1505. A bill to amend subchapter III of chapter 3 of title 38, United States Code, in order to provide additional benefits to employees of the Veterans' Administration serving at offices in the Republic of the Philippines, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ERTEL:

H.R. 1506. A bill for the relief of the Shippensburg Public Library, the Ousterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library, and certain units of local government; to the Committee on the Judiciary.

H.R. 1507. A bill to amend the Flood Control Act of 1970 to provide that, determining the need for a local flood protection project, the Secretary of the Army shall consider the impact on the economy and social well-being of the local area and certain surrounding areas if flood protection is not provided, to specify the factors to be evaluated in considering such impact, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FLOOD:

H.R. 1508. A bill to provide for construction of certain bridges, approaches, and roads in the Canal Zone within the framework of continued sovereign control of the Panama Canal and the Canal Zone by the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GLICKMAN:

H.R. 1509. A bill to amend the Saccharin Study and Labeling Act to extend the period during which the Secretary of Health, Education, and Welfare is prohibited from taking certain actions restricting the continued use of saccharin as a food, drug, or cosmetic; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 1510. A bill to authorize adjustment of the retired pay of certain former members of the uniformed services; to the Committee on Armed Services.

By Mr. HANSEN (for himself, Mr. SYMMS, Mr. CLAUSEN, Mr. BAFALIS, and Mr. DORNAN):

H.R. 1511. A bill to prohibit the use of any U.S. funds to implement the Panama Canal Treaty of 1977 unless the use of those funds for that purpose is hereafter expressly provided for by the Congress, and to prohibit the transfer to the Republic of Panama any territory or other property of the United States in the Canal Zone unless the Congress hereafter enacts legislation which expressly authorizes such transfer; to the Committee on Merchant Marine and Fisheries.

By Mr. HOLLAND:

H.R. 1512. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself and Mr. MAGUIRE):

H.R. 1513. A bill to provide that the U.S. District Court for the judicial district of New Jersey shall be held at Hackensack, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. HYDE:

H.R. 1514. A bill to amend the Flood Control Act of 1937 to increase the funds available for projects for the removal of obstructions and the clearing of channels; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 1515. A bill to amend the Internal Revenue Code of 1954 to provide that cigaretet advertising is not a deductible business expense; to the Committee on Ways and Means.

By Mr. LEACH of Iowa (for himself, Mr. ANDERSON of Illinois, Mr. BONIOR of Michigan, Mr. CONABLE, Mr. COUGHLIN, Mr. DOWNEY, Mr. EDWARDS of California, Mr. FRENZEL, Mr. GRADISON, Mr. GREEN, Mr. HANLEY, Mr. HILLIS, Mr. HUGHES, Mr. KASTENMEIER, Mr. PRITCHARD, and Mr. SAWYER):

H.R. 1516. A bill to require the establishment, on the basis of the decennial census, of congressional districts that are contiguous and compact and that meet certain other requirements, in order to insure fair and effective representation; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 1517. A bill to amend the Immigration and Nationality Act, to make it unlawful to knowingly hire an alien not lawfully admitted into the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 1518. A bill to amend the Federal Water Pollution Control Act to increase the penalties for discharging oil and hazardous substances; to the Committee on Public Works and Transportation.

H.R. 1519. A bill to amend title II of the Social Security Act to provide that an insured individual otherwise qualified may retire and receive full old-age insurance benefits, at any time after attaining age 60, if he has been forced to retire at that age by a Federal law, regulation, or order; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. CHAPPELL, Mr. MYERS of Pennsylvania, Mr. PRICE, Mr. FORSYTHE, Mr. YOUNG of Missouri, Ms. OAKAR, Mr. MOTTL, Mr. GOLDWATER, Mr. FLOOD, Mr. STRATTON, Mr. BROWN of Ohio, Mr. GUYER, Mr. COLLINS of Texas, Mr. CLEVELAND, Mr. YATRON, Mr. LEDERER, Mr. DORNAN, Mr. EDGAR, Mr. SNYDER, Mr. BIAGGI, Mr. SCHEUER, Mr. O'BRIEN, Mr. ST GERMAIN, Mr. MURPHY of Pennsylvania, Mr. WAMPLER, Mr. RUSSO, Mr. ROBERT W. DANIEL, JR., Mr. WYLIE, Mr. LONG of Maryland, Mr. LIVINGSTON, and Mr. APPLEGATE):

H.R. 1520. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. MCCLORY:

H.R. 1521. A bill to amend chapter 30, title 28, United States Code, so as to place certain restrictions on the exercise of contempt powers by the U.S. Bankruptcy Court; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 1522. A bill to amend title 10 and title 37 of the United States Code to provide that a foster child of a member or former member of a uniformed service shall receive the same benefits provided a natural-born child, stepchild, or adopted child, of such member or former member; to the Committee on Armed Service.

H.R. 1523. A bill to amend the Social Security Act to provide improved assistance to children and families in need of services, to promote greater accountability for children in foster care, to promote greater permanency for children, to facilitate the adoption of children who would otherwise remain in indeterminate foster placement, and to reduce the wasteful expenditure of Federal funds, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Mr. WEISS, Mr. THOMPSON, Mr. CORRADA, Mr. MAGUIRE, Mr. PHILLIP BURTON, Mr. SIMON, and Mr. RICHMOND):

H.R. 1524. A bill to establish a program for the inspection of schools for the presence of hazardous asbestos materials, to create a Fund for the testing and evaluation of potential hazards, to create a loan program to assist in the containment or removal of imminent hazards to health and safety, and for other purposes; to the Committee on Education and Labor.

By Mr. MCCLORY:

H.R. 1525. A bill to amend the Bail Reform Act of 1966 to authorize consideration of danger to the community in setting conditions of release, to authorize revocation of pretrial release for persons who violate their release conditions, intimidate witnesses or jurors, or commit new offenses and for other purposes; to the Committee on the Judiciary.

H.R. 1526. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. NICHOLS:

H.R. 1527. A bill to amend title 10, United States Code, to authorize reserve enlisted members of the Army and the Air Force to retire with 20 years of service; to the Committee on Armed Services.

H.R. 1528. A bill to revise the rule for recalculation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between October 1, 1963, and October 1, 1973; to the Committee on Armed Services.

By Mr. PEPPER:

H.R. 1529. A bill to amend title 5, United States Code, to make Inauguration Day a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1530. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H.R. 1531. A bill to amend title 38, United States Code, to exclude certain periods from the absence counting requirements for veterans and eligible persons enrolled in courses not leading to a standard college degree; to the Committee on Veterans' Affairs.

H.R. 1532. A bill to make certain technical corrections in laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 1533. A bill to amend title 38, United States Code, to reduce from 3 months to 12 weeks the period of active duty which a member of the Reserves must serve before being entitled to reemployment rights; to the Committee on Veterans' Affairs.

H.R. 1534. A bill to amend title 38, United States Code, to provide limitations on the payment of educational assistance allowances to certain veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROE:

H.R. 1535. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 1536. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1537. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

H.R. 1538. A bill to provide that the Federal Government shall assume 100 percent of all Federal, State, and local welfare costs; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 1539. A bill to assist cities, counties, and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STAGGERS:

H.R. 1540. A bill to amend the Federal Railroad Safety Act of 1970, and to amend the Hours of Service Laws, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STANGELAND (for himself, Mr. MONTGOMERY, Mr. TRAXLER, Mr. SYMMS, Mr. DUNCAN of Tennessee, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. ENGLISH, Mr. LEE, Mr. EVANS of Georgia, Mr. CHARLES WILSON of Texas, Mr. BURGENER, Mr. JOHNSON of Colorado, Mr. SEBELIUS, Mr. HUCKABY, Mr. ERDAHL, Mr. EDWARDS of Oklahoma, Mr. LOTT, Mr. WINN, Mr. JEFFRIES, Mr. ANDREWS of North Dakota, Mr. CLINGER, Mr. NICHOLS, Mr. BAFALIS, and Mr. HOPKINS):

H.R. 1541. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. TRIBLE:

H.R. 1542. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. ULLMAN, Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. JONES of Oklahoma, Mr. MIKVA, Mr. FISHER, Mr. FORD of Tennessee, Mr. BRODHEAD, Mr. LEDERER, Mr. HEFTEL, Mr. SHARP, Mr. BEARD of Rhode Island, Mr. DUNCAN of Tennessee, Mr. FRENZEL, and Mr. MITCHELL of New York):

H.R. 1543. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. GREEN, Mr. HOLTZMAN, and Mr. STOKES):

H.R. 1544. A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality; to the Committee on Government Operations.

By Mr. WEISS (for himself, Mr. AKAKA, Mr. BONIOR of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. EDGAR, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. GARCIA, Ms. HOLTZMAN, Mr. KASTENMEIER, Mr. KILDEE, Mr. LAFALCE, Mr. LENT, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. NOLAN, Mr. OTTINGER, Mr. RICHMOND, Mr. ROSENTHAL, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SOLARZ, and Mr. STARK):

H.R. 1545. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been substantially and seriously affected by reductions in defense contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realign defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Education and Labor, Government Operations, and Ways and Means.

By Mr. WON PAT:

H.R. 1546. A bill to terminate the requirement that Guam pay interest on certain sums received from the United States to provide assistance to Guam for disaster relief, public works, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1547. A bill to recognize the cultural tradition of the Pacific territories and possessions of the United States by allowing the possession of betelnut for personal use by residents of such territories and possessions; to the Committee on Interstate and Foreign Commerce.

H.R. 1548. A bill to offset the loss in tax revenues incurred by Guam and the Virgin Islands by reason of certain Federal tax reductions; to the Committee on Ways and Means.

By Mr. LEHMAN:

H.R. 1549. A bill to amend title XVIII of the Social Security Act to eliminate all the deductibles, coinsurance, and time limitations presently applicable to benefits thereunder; to eliminate medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insurance benefits (so that all benefits under such title will be financed from general revenues); to provide payment for eye care, dental care, hearing aids, prescription drugs, prosthetics, one physical checkup a year, preventive care, diagnosis of breast cancer, services of certain psychologists, services of registered nurses, and certain other items not now covered; and to provide for the administrative and judicial review of claims (involving the

amount of benefits payable) which arise under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. COELHO (for himself and Mr. MINETA):

H.J. Res. 162. Joint resolution to authorize and request the President to issue a proclamation designating April 1 through 7, 1979, "National Medic Alert Week"; to the Committee on Post Office and Civil Service.

By Mr. FITHIAN:

H.J. Res. 163. Joint resolution proposing an amendment to the Constitution of the United States to limit the expenditure of Government funds during any fiscal year to the total revenue of the Government as projected by the Congress for such year; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 164. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. LUKEN:

H.J. Res. 165. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 166. Joint resolution designating April 17, 1979, as "National Food Day"; to the Committee on Post Office and Civil Service.

By Mr. WOLFF (for himself, Mr. WRIGHT, Mr. BRADEMAS, Mr. RODINO, Mr. ADDABBO, Mr. ABDNOR, Mr. BIAGGI, Mr. BALDUS, Mr. BEILENSON, Mr. BUCHANAN, Mr. COELHO, Mr. DAVIS of Michigan, Mr. DIXON, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. EMERY, Mr. ENGLISH, Mr. ERDAHL, Mr. FLOOD, Mr. FOUNTAIN, Mr. GILMAN, Mr. HANLEY, Mr. HOLLENBECK, Mr. HOWARD, Mr. IRELAND, Mr. JONES of Tennessee, Mr. KILDEE, Mr. LAFALCE, Mr. LEE, Mr. LEVITAS, Mr. LONG of Maryland, Mr. LUKEN, Mr. LUNDINE, Mr. MCHUGH, Mr. MARKEY, Mr. MICA, Ms. MIKULSKI, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of Pennsylvania, Mr. NEAL, Ms. OAKAR, Mr. PEASE, Mr. PEPPER, Mr. PRITCHARD, Mr. RAHALL, Mr. RICHMOND, Mr. ROE, Mr. SABO, Mr. ST GERMAIN, Mr. SEBELIUS, Mr. SIMON, Mr. SOLOMON, Mr. STRATTON, Mr. WILLIAMS of Montana, Mr. CHARLES H. WILSON of California, Mr. WOLPE, Mr. WYLIE, Mr. YATRON, and Mr. YOUNG of Missouri):

H.J. Res 167. Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes; to the Committee on International Relations.

By Mr. PEASE (for himself, Mr. BONIOR of Michigan, Mr. BURGENER, Mr. EDWARDS of California, Mr. BUCHANAN, Mr. DRINAN, Mr. BARNES, Mr. CORRADA, Mr. LEATH of Texas, Mr. D'AMOURS, Mr. LEHMAN, Mr. LIVINGSTON, Mr. FRENZEL, Mr. PEPPER, Mr. DASCHLE, Mr. BEILENSON, Mr. LAGOMARSINO, Mr. DANNEMEYER, Mr. BENJAMIN, Mr. HUGHES, Mr. CORCORAN, Mr. GEPHARDT, Mr. GORE, Mr. MCDONALD, Mr. MURPHY of Pennsylvania, Mr. CORMAN, Mr. BEDELL, Mr. PHILIP M. CRANE, Mr. LAFALCE, Mr. DOWNEY, Mr. WAXMAN, Mr. ANDERSON of Illinois, Mr. EVANS of Georgia, Mr. YOUNG of Missouri, Mr. COELHO, Mr. FROST, Mr. HARRIS, Mr. BONKER, Mr. DODD, and Mr. DONNELLY):

H. Con. Res. 34. Concurrent resolution encouraging cooperation with Mexico in order to develop Mexico's potential as a major producer of oil and natural gas for export to the United States; to the Committee on International Relations.

By Mr. ROE:

H. Con. Res. 35. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

H. Con. Res. 36. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly, to the Committees on Agriculture and International Relations.

By Mrs. SMITH of Nebraska (for herself, Mr. ANDREWS of North Dakota, Mr. BEREUTER, Mr. CAVANAUGH, Mr. GLICKMAN, Mr. GUYER, Mr. HAGEDORN, Mr. JOHNSON of Colorado, Mr. SEBELIUS, Mr. SIMON, Mr. STANGELAND, Mr. WHITTAKER, and Mr. WINN):

H. Con. Res. 37. Concurrent resolution expressing the sense of Congress that the Secretary of Defense should not choose a site for the launching base for the MX intercontinental missile that would result in the destruction or idling of productive farmland and the displacing of farmers and ranchers from their homes and land; to the Committee on Armed Services.

By Mr. BROOKS:

H. Res. 71. Resolution amending the Rules of the House of Representatives to establish a permanent Select Committee on Congressionnal Operations; to the Committee on Rules.

By Mr. ROE:

H. Res. 72. Resolution to create a Select Committee on the Fiscal Problems of Cities; to the Committee on Rules.

H. Res. 73. Resolution expressing the sense of the House of Representatives that the President should establish a Commission on Domestic and International Hunger and Malnutrition; jointly, to the Committees on Agriculture, and International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

18. By the SPEAKER: Memorial of the Assembly of the State of New York, relative to the retention of Jerusalem as the undivided capital of Israel; to the Committee on International Relations.

19. Also, memorial of the Assembly of the State of New York, relative to review by State legislatures of sites in their States selected by the Department of Energy for radioactive waste storage; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 1550. A bill for the relief of Jahanshah Farokhtakin; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 1551. A bill for the relief of Jesse Epstein; to the Committee on the Judiciary.

By Mr. ECKHARDT:

H.R. 1552. A bill for the relief of Brian Milton Bartusek; to the Committee on the Judiciary.

By Mr. ERTEL:

H.R. 1553. A bill for the relief of Yuk Lee Li; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 1554. A bill for the relief of John J. Egan; to the Committee on the Judiciary.

H.R. 1555. A bill for the relief of Roger W. Boyd, Jr.; to the Committee on the Judiciary.

By Mr. HEFTEL:

H.R. 1556. A bill for the relief of Fon-Chiau Shih; to the Committee on the Judiciary.

H.R. 1557. A bill for the relief of Kimiko Tengan Watanabe and Richard Kiyoshi Uyehara; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 1558. A bill for the relief of Antonios Kakoliris-Kekos; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 1559 A bill for the relief of Nelia Ruiz Hedlund; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 1560. A bill for the relief of Father Jose Antonio Esquivel; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 1561. A bill for the relief of Leung, Tak-Ming; to the Committee on the Judiciary.

H.R. 1562. A bill for the relief of Doctor Francisco Dozon and his wife, Luzviminda Dozon; to the Committee on the Judiciary.

By Mr. TRIBLE:

H.R. 1563. A bill for the relief of Boulos Stephan; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 1564. A bill for the relief of Guadalupe Garcia; to the Committee on the Judiciary.

H.R. 1565. A bill for the relief of Vladimir S. Gurevich; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 114: Mr. PEPPER, Mr. RAHALL, Mr. PANETTA, Mr. LOTT, Mr. PATTERSON, Mrs. SPELLMAN, Mr. FORSYTHE, Mr. LAGOMARSINO, Mr. LLOYD, Mr. LEE, Mr. YATRON, Mr. HUGHES, Mr. GOLDWATER, Mr. DORNAN, Mr. BROWN of Ohio, and Mr. HOPKINS.

H.R. 365: Mr. ANDERSON of Illinois, Mr. CHENEY, Mr. HOLLENBECK, Mr. LUNGREN, Mr. STANGELAND, Mr. THOMAS, Mr. WYLIE, Mr. NEAL, Mr. HOPKINS, and Mr. BOWEN.

H.R. 460: Mr. PATTEN, Mr. MARKEY, Mr. QUILLEN, Mr. PEPPER, Mr. PANETTA, Mr. ROBERTS, Mr. MITCHELL of New York, Mr. LONG of Louisiana, Mr. EVANS of Indiana, Mrs. SPELLMAN, Mr. CLINGER, Mr. GOODLING, Mr. DOUGHERTY, Mr. BINGHAM, Mr. HEFTEL, Mr. HINSON, and Mr. BAUMAN.

H.R. 654: Mr. HEFTEL.

H.R. 785: Mr. ROE, Mr. RICHMOND, Mr. CONYERS, Mr. MITCHELL of Maryland, Mr. ADDABBO, Mr. THOMPSON, Mr. RAHALL, Mrs. COLLINS of Illinois, Ms. HOLTZMAN, Mr. WALKER, Mr. WYATT, Mr. MINETA, Mrs. BOUQUARD, Mr. BONIOR of Michigan, Mr. KILDEE, Mr. MARKEY, Mr. DORNAN, Ms. MIKULSKI, and Mr. PANETTA.

H.R. 786: Mr. BINGHAM, Mr. CONYERS, Mr. MOTTL, Mr. SIMON, Mr. STARK, and Mr. DIXON.

H.R. 792: Mr. STOKES, Ms. MIKULSKI, Mr. RANGEL, Mr. VANIK, Mr. YOUNG of Missouri, Mr. RICHMOND, Mr. MITCHELL of Maryland, Mr. CONYERS, Mr. PEPPER, Mr. ADDABBO, Mr. SEIBERLING, Mr. OTTINGER, Mrs. COLLINS of Illinois, Mr. STARK, Mr. MIKVA, and Mr. MURPHY of New York.

H.R. 1076: Mr. FROST, and Mr. HALL of Texas.

H.R. 1173: Mr. MCDONALD.

H. Res. 40: Mr. BEILENSON, Mr. BOLAND, Mr. CAVANAUGH, Mr. CLEVELAND, Mr. CORCORAN, Mr. DAN DANIEL, Mr. KELLY, Mr. MCHUGH, Ms. MIKULSKI, Mr. NOLAN, Mr. OTTINGER, and Mr. SOLARZ.

H.J. Res. 56: Mr. MCDONALD, Mr. HOPKINS, and Mr. MITCHELL of New York.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

43. By the SPEAKER: Petition of the General Assembly of the Presbyterian Church in America, Grand Rapids, Mich., relative to abortion; to the Committee on the Judiciary.

44. Also, petition of the Assembly of the Kenai Peninsula Borough, Soldotna, Alaska, relative to the Liberty amendment; to the Committee on the Judiciary.

45. Also, petition of the Assembly of the Kenai Peninsula Borough, Soldotna, Alaska, relative to land withdrawals in Alaska; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

SENATE—*Thursday, January 25, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us hear the words of the Bible as written in the Book of Jeremiah, the 31st chapter:

* * * *After those days, saith the Lord, I will put my law in their inward parts, and write it in their hearts; and will be their God, and they shall be my people.*

Let us pray:

Almighty God, the source of all truth and the strength of our lives from generation to generation, we thank Thee for the divine law inscribed in scripture and written in the human heart. Put Thy grace and wisdom deep within us that the standards we set and the rules we make may be supported by the higher rule of the Spirit. Help us to know Thee better, to love Thee more sincerely, and to serve Thee more faithfully. May Thy Spirit direct and control this body and our Nation for the advancement of Thy kingdom on Earth.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 25, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY F. BYRD, JR., a Senator from the State of Virginia, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HARRY F. BYRD, JR., thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ORDER LIMITING TRANSACTION OF ROUTINE MORNING BUSINESS TO 1 HOUR, WITH RECESS UNTIL 2 P.M. THEREAFTER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon yielding the floor, there be a period for the transaction of routine morning business, and that that routine morning business may be limited only to statements and to the introduction of resolutions and bills and the presentation of petitions and memorials; that it not be in order to proceed to any matter either by unanimous consent or by motion unless it has been cleared with me; and that Senators may be permitted to speak up to 15 minutes each during the period of the transaction of routine morning business; that the period for the transaction of routine morning business be limited to 1 hour, and that following that period the Senate stand in recess until 2 p.m., at which time I again secure the floor.

Before the Chair puts that request, the only thing I am trying to do is protect my resolution, Senate Resolution 9, and my motion. I do not intend to hold the floor at that time; I just want to be here. There may be a referral matter which may come up this afternoon, which the Senate may have to decide, and the two chairmen may want to debate that matter. I hope if the Senate has to decide it, they will obtain a time limitation on that debate.

But my request, as I have made it, is that following morning business, the Senate stand in recess until 2 p.m., and that at 2 p.m. I would have the floor again. I do not intend to keep it; I simply want to be here and be recognized when we come back.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

The Senator from Tennessee.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, I simply did not hear the part of the request the majority leader stated in reference to something being cleared with him. What was that part?

Mr. ROBERT C. BYRD. Yes. That the Senate not proceed to any matter either by unanimous consent or by motion unless such motion or unanimous-consent request has been cleared with me. I will add "today" to that; cleared with me today, not a month ago but today.

The Senator may be sure that before I would proceed under any situation of that kind today, I would alert him.

Mr. BAKER. Mr. President, I thank the Senator. I understand the reasons for the unanimous-consent request, and I have no objection to it.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Is there further morning business?

THE CITIES' INCREASING DEPENDENCE ON FEDERAL AID

Mr. PROXMIRE. Mr. President, we are all aware of the pressure there will be on this Congress to hold down spending. I applaud that pressure; I think it is fine. I think no Senator is not conscious of the fact that our No. 1 economic problem is inflation, and we have to find ways of reducing spending and moving toward a balanced budget.

One area where Congress has been extraordinarily generous and has massively increased spending, and where that level of spending, while not quite as high as in 1979, will be extremely high in 1980, is in the area of aid to the cities. All of us are aware of the tremendous problems of our cities, but I think few of us are conscious of the fact that, although this Government has fantastically increased the amount of aid to our cities over the last 20 years, the results have been very poor.

In 1957, approximately $1 out of every $100 in the cities' budgets around the country was contributed by the Federal Government—$1 out of $100.

Last year more than $50 out of every $100 spent in the cities was contributed by the Federal Government: in other words, an increase of 5,000 percent. Fifty-fold, Mr. President, we have been pouring money into these cities, and I think we ought to give a hard look at the results.

Just this last week a report was disclosed by Brookings, a report written by a distinguished economist, Richard P. Nathan, which indicated that the cities are not getting better, but that, between 1960 and 1975, the cities have been getting worse.

Mr. Nathan applies three criteria: First, the fraction of older housing units—which would indicate, of course, the status and level of shelter in the cities; second, poverty as measured by per capita income; and third, population change, as indicated by whether or not

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

people are leaving the cities, and of course they are leaving the cities, primarily because jobs are not available.

These, I submit, are objective criteria. He finds that in the following cities between 1960 and 1975, in spite of this enormous infusion of Federal money, the situation deteriorated: Buffalo, St. Louis, Cleveland, Newark, Pittsburgh, Rochester, Boston, Detroit, Philadelphia, Minneapolis, Chicago, Cincinnati, Baltimore, Akron, St. Paul, Louisville, New Orleans, Milwaukee, Birmingham, and San Francisco.

New York was not listed because, of course, their problems developed somewhat later and they do not have the statistics. But in these other cities, the results have been negative.

Now, Mr. President, I think any businessman, any person, any individual, who finds when he is pouring in money to achieve an objective and that objective is not achieved, does not simply pour more money into it. He tries to find out why, and he adopts other techniques.

Mr. President, I submit that we should have that kind of skeptical attitude toward aid to our cities. All of us want to help our cities. We must find more effective methods. We must recognize we have not been able to solve that problem by throwing money at the cities. It just has not worked.

It is much harder, I am sure, to develop new programs than to go on with the old programs. When the old programs are failing as dismally as they are, I think they have to find new ways.

Mr. President, I ask unanimous consent that the newspaper article to which I referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITIES IN POOR SHAPE GETTING WORSE BUT OTHERS IMPROVE, A STUDY FINDS

The disparity between distressed cities and those in relatively good condition increased from 1960 to 1975, Richard P. Nathan says in a paper prepared for the National Tax Association. The cities that are in the worst trouble are generally deteriorating further and those that are the least distressed, are improving, he says.

The recent calculation, showing the extent of change in urban distress, pointed up what has happened in the cities despite mounting Federal aid in that period.

In a project directed by Mr. Nathan, the Brookings Institution has been classifying cities according to their degree of urban trouble, based on such factors as age, the extent of poverty, the economy and population loss.

"In short, the figure suggests that between 1960 and 1975 the rich got richer and the poor got poorer," Mr. Nathan says.

In 1975, the 20 cities most in distress were listed in the following order: Buffalo, St. Louis, Cleveland, Newark, Pittsburgh, Rochester, Boston, Detroit, Philadelphia, Minneapolis, Chicago, Cincinnati, Baltimore, Akron, St. Paul, Louisville, New Orleans, Milwaukee, Birmingham and San Francisco. New York was not listed because of lack of statistical data, but New York is unusual in many respects and there is a consensus that its decline came later than most of the other cities.

DISTRESS INDEX UP IN 19

In all of the top 20 the distress index was higher in 1975 than in 1960, except for Birmingham, which showed a small improvement.

The 20 cities in the best condition in 1975 were given in the following order: San Jose, Calif.; Honolulu; Phoenix; Jacksonville, Fla.; Albuquerque, N.M.; Baton Rouge, La.; Nashville; Tucson, Ariz.; Houston, Austin, Tex.; Charlotte, N.C.; Dallas; San Diego; Tulsa, Okla.; Memphis; Sacramento, Calif.; El Paso, San Antonio, Oklahoma City and Los Angeles.

Of these, 15 showed improvement in the last 15-year period, some because of the expansion of city boundaries that helped their fiscal and economic condition. Only Phoenix, San Diego, Tucson, Albuquerque and El Paso showed a decline, all marginally so.

Because of a lag in gathering statistics, the latest classification is for 1975, and Mr. Nathan says that developments since then may have helped some of the distressed cities.

"Changed demographic conditions—more older persons, single-person households and childless couples—have tended to increase the relative size of the group likely to prefer city life," he says. "Related changes in social attitudes appear to reinforce this preference for an urban life style.

"Higher housing costs and energy costs are also pro-city. Rehabilitation makes more sense under current conditions in the housing market. Higher energy costs should also encourage people to choose shorter commutes and ride mass transportation. There seems to be a cooling off in the cities in terms of lower crime rates and levels of social tension."

Among the distressed cities that appear to have improved since 1975 are Boston, Baltimore, Chicago and Detroit, but there is skepticism about how deep the improvements go and how lasting they will be.

NOT THE TOURIST VIEW

Dr. George Sternlieb of Rutgers University, who over the years has taken a nondoctrinaire approach to urban problems, says that people are often impressed by what he calls "the tourist view" of cities, of which Manhattan is the prototype—a lively center devoted to tourism, conventions, entertainment and the rehabilitation of old sections by the middle class. He says that beyond that, where the tourists never go, the distress continues and is compounded by the fact that the middle class, black and white, is still moving out, leaving a residue of the poor, frequently in large concentrations.

He reports that that is true of Baltimore and Chicago, the two cities most often cited as having turned the corner. And he says it is true of New York, where large sections of Brooklyn, Queens and the Bronx continue to decline at rates that may well outweigh improvements in Manhattan. He sees no hope in the foreseeable future for renewal of cities such as Newark and Buffalo.

An internal document circulating in the Department of Housing and Urban Development says there is no substantiation in any of the literature of statistics today to show that the movement of the middle class into the central cities is more than a "tiny fraction of any city's neighborhood and housing stock."

JANUARY GOLDEN FLEECE GOES TO DEPARTMENT OF LABOR

Mr. PROXMIRE. Mr. President, my Golden Fleece of the Month Award for January goes to the Department of Labor for funding a $140,000, never completed census of the Samoan population of Orange County, Calif. Bureaucrats say, "Samoa;" the taxpayers are saying loud and clear, "No-moa!"

The money for counting Samoans in Orange County was provided under the Comprehensive Training and Employment Act (CETA) public service jobs program to a nonprofit corporation, the Institute of Emergent Nationalisms Determinancy, Inc., largely created and actually controlled by the members of a single family. The corporation was incorporated only a few short months before it received the CETA grant.

NO RAW DATA OR FINAL REPORT SUBMITTED

Not only has no final report been submitted—4 months after it was due—but even the limited raw data supposedly collected cannot be found. The former head of the program is reported to now be in Western Samoa, outside U.S. jurisdiction, and authorities' attempts to contact him have so far failed

At the same time that local auditors were questioning the operation of the project, the same group applied for partial funding of a $2,332,702.14 program to create a "Pacific Island Cultural Art Demonstration Team." While the local CETA sponsors did turn down this particular request, they instructed their own staff to "provide technical assistance to this agency, assisting them to redesign this project into a workable format and toward resolving present operational problems."

NO LABOR DEPARTMENT REVIEW

When questioned about the Samoan project, Labor Department spokesmen justified their lack of oversight and review of the grant on grounds that it was locally reviewed and controlled. However, according to the Orange County Register one local official said that he is not upset by the lack of any finished product to show for the money:

The purpose of the contract was to provide employment and training to unemployed Santa Ana residents and a by-product of this was to be a study. Just because the study wasn't completed I don't think it can be said the city got the raw end of things. That's the philosophy of the CETA program.

Fortunately, local law enforcement officials are presently reviewing the entire question.

WORK FOR SAMOANS IN NEED SHOULD BE PROVIDED

There are enough useful and constructive programs and projects—including genuine help to Samoans in need—to employ those unemployed willing to work without resorting to ridiculous make-work projects.

This mindless method of spending is exactly why there is so much waste and so little accountability of government spending. For example, the Law Enforcement Assistance Administration excused their research on why inmates want to escape from prison and the National Endowment for the Humanities for supporting a study of why people lie, are rude, and cheat on the local tennis courts on the grounds that the approval for spending the Federal money was given by the State or locality. Congress should reexamine the procedures that have led to this lack of Federal oversight of federally funded projects.

THE CASE FOR RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, human rights has become a fashionable topic in foreign policy circles today—so much so that it has almost become a cliche. After all, who can be against human rights? Who?

But is it not time to bridge the gap between rhetoric and action? To my mind, the time for action is long overdue. There are specific steps this body can take and I want to make one specific suggestion today.

For almost three decades now, the Senate has failed to ratify the first major human rights treaty drafted since World War II—the Genocide Convention. The purpose of this treaty is simple: declaring genocide an international crime, whether it is committed in times of war or peace. What could be more straightforward? More ethical? We are simply attempting to outlaw the heinous, outrageous, crime of genocide—the mass murder of members of racial, ethnic, national, or religious groups.

Over the years the list of supporters of the Genocide Convention has grown in number so that now every major religious and civil rights group in America supports this treaty. So does the American Bar Association. And even more importantly, President after President—Truman, Kennedy, Johnson, Nixon, Ford, and Carter—have repeatedly called on the Senate to act.

Yet despite this broad support, the Genocide Convention has languished before the Senate. But this 30-year embarrassment could be overcome in a matter of days with proper consideration and action by each and every Member of this body.

As my colleagues have heard me say time and again, the case for ratification is extremely strong. For the benefit of my 20 new colleagues, I would like to review the case for ratification.

First, the United States is the only major Western nation that has failed to ratify the Genocide Convention. This failure has been a constant source of embarrassment to our representatives abroad, a source of confusion and puzzlement to our allies and a souce of delight to those wishing us ill. It simply makes no sense to ask our reprcsentatives to fight for human rights in international forums, only to be embarrassed time and again by our lack of action on human rights treaties here in the Senate.

Second, the development of international law requires the agreement of the major nations of the world. Our ratification will speed the development of international law in this vital human rights area.

Third, U.S. ratification will help to spur renewed interest in human rights treaties by the newly emergent nations of the world, which achieved independence long after these treaties were drafted.

Fourth, President Carter has made human rights the cornerstone of our foreign policy—a move which many of us in the Senate have both urged and applauded. But our Nation's representatives need the tools to carry out this policy and this treaty will strengthen their hand.

And, finally, ratification is important because it is the right thing to do. It is an important moral stand to take. And it is in the best of American traditions of standing up for the underdog—the oppressed.

Mr. President, let us begin this Senate with a pledge—a pledge to lead the movement for human rights both here and abroad.

The hour is already late.

But we can do no less.

Mr. President, I yield the floor.

THE LATEST ESTIMATES OF SOVIET STRATEGIC STRENGTH

Mr. MOYNIHAN. Mr. President, Senator WALLOP and I wish to take the time of the Senate today to discuss a matter of very large consequence, in our view. My distinguished colleague, the senior Senator from Wyoming, and I are members of the Intelligence Committee and it is infrequently that we are able to come to the floor to discuss the matters with which the Intelligence Committee deals. Indeed, we do so today in large measure because we are at a beginning of a Congress and the beginning of a cycle in the activities of the executive branch, and, as such, we are free to discuss a matter which would not necessarily be possible to discuss later on. This has to do with the latest estimates of Soviet strategic strength and intentions. Since 1974, when Albert Wohlstetter, writing in "Foreign Policy," used some newly released data to show that Soviet intercontinental ballistic missile deployments had exceeded our intelligence predictions in certain respects, there has been a growing concern that the intelligence community may have been generally underestimating the extent, the dynamism, and the seriousness of purpose of the Soviets' long and persistent buildup of their military and, in particular, of their strategic forces.

In order to get a better handle on this question, the President's Foreign Intelligence Advisory Board, as it was then known, initiated in 1975 an experiment in "competitive analysis."

As an aside, it seems to me to have been one of the inspired actions of the then chairman, Leo Cherne, and it was, of course, completely supported by the distinguished head of the CIA at the time, the Honorable George Bush.

In this experiment, the B team, a panel drawn from persons inside and outside the Government who had, over the years, taken a generally more somber view of the Soviet military buildup, was assigned the task of reanalyzing the data available to the official estimators. They were to see if Soviet behavior admitted of explanations other than those offered in official intelligence community documents and which might better account for the persistence of the Soviet buildup.

The B team report was critical of past estimates of Soviet strategic strength and reached somber assessments of the challenge posed by it. Unfortunately, information concerning this report, which, like the national estimates themselves, was highly classified, was leaked to the press at the end of 1976. As a result, the Select Committee on Intelligence undertook an investigation of the B team episode, as it was known, and we issued a report in 1978. This, of course, is a public report.

The majority on the committee, who are our colleagues and with whom we share the closest association, concluded, that "past national intelligence estimates could have profited from drawing in experts on Soviet strategic questions from outside the intelligence community, both in and out of Government, and from subjecting NIE analyses and judgments on this and other areas to competing assessments from such sources." However, it went on to fault the "competitive analysis" experiment on the grounds that:

The composition of the B Team dealing with Soviet objectives was so structured that the outcome of the exercise was pre-determined and the experiment's contribution lessened. The intelligence agencies were cast inaccurately in the role of "doves" when they in fact represented a broad spectrum of views.

In separate views appended to the majority report, Senator WALLOP and I, in parallel and in complete accord, noted that the very existence of the B team was a sign of the serious questions which had risen concerning the accuracy of our estimates of Soviet strategic strength. We both noted the importance of the B team's assessments, and I even ventured the opinion that:

Their notion, that the Soviets intend to surpass the United States in strategic arms and are in the process of doing so has gone [in the past year] from heresy to respectability, if not orthodoxy.

Now, Mr. President, the purpose of our rising today: there is now some evidence on this matter in the form of an open letter to President Carter, signed by more than 170 retired generals and admirals. I ask unanimous consent that this letter, published in the New York Times last Sunday, be reprinted in the RECORD at the conclusion of my remarks, along with an earlier article referring to it.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. In this letter, the retired officers state:

The National Intelligence Estimate, the most authoritative U.S. government evaluation of intelligence data, acknowledges at last that the Soviet Union is heading for superiority—not parity—in the military arena. This represents a complete reversal of official judgments that were a substantial factor in allowing our government to pursue detente and overall accommodations with the Soviet regime.

I hasten to point out that I have not yet seen the National Intelligence estimate to which the retired officers refer. After I have seen it, I will not be able to speak so freely about it in open session. For this reason, I wish to speak now on the basis of the open letter and of an article in the New York Times of January 12, which discusses the letter. I feel justified in doing this on the grounds that these 170 retired generals and admirals probably possess sufficiently good connections to know what they are talking about, and being men of good character and reputation, would not mis-

represent the extent or import of their knowledge.

This raises the possibility that the B team was correct in its assessments. If so, then there are a number of important consequences. I shall only touch on them now, but I think even a brief discussion will indicate how important it is for us to absorb fully the implications of what this newest estimate appears to be.

First, we must raise the following question:

> While SALT I may have been for us a noble attempt to achieve a stable and mutually accepted parity, was it for the Soviets a means of dulling what might otherwise have been a strong sense of threat on our part? During the so-called "missile gap" of the late 1950s, and early 1960s, we reacted very vigorously to the possibility that the Soviets were superior to us in the vital area of intercontinental ballistic missiles. Khrushchev's boasts about this alleged superiority, as Myron Rush and Arnold Horelick showed in their book, "Strategic Power and Soviet Foreign Policy (1966)" heightened our concerns and increased the vigor of our reaction.

As a result, we built up a missile force which, by the mid 1960's, had greatly improved our strategic position vis-a-vis the Soviet Union. Having noted this, the Soviets may well have worried about how we would react to their actual buildup of the late 1960's and 1970's. They may have reasoned that the solution to their problem was SALT:

> As long as the buildup went on within the agreed-upon framework of SALT I, the danger of a major U.S. reaction was minimized.

This view of SALT may sound intolerably cynical, but it should not come as a total surprise. In a series of articles appearing in the Soviet Naval Digest in 1972, at the time the first SALT agreement was reached, the commander-in-chief of the Soviet Navy, Admiral Gorshkov, made this very point by means of an extended historical analogy to the process by which America supplanted England as the world's primary naval power. According to Gorshkov, the various naval arms limitation agreements of the 1920's and 1930's were an integral part of the story, which he describes as the "war of the diplomats for supremacy at sea." He concludes his discussion of the rise to predominance of American naval power by asserting that:

> The Americans . . . succeeded without a war . . . in achieving [the naval supremacy that] Germany could not achieve with two world wars.

Thus, Gorshkov implies, our goal was the same as Germany's: The difference was that we chose the route of negotiation, which proved to be a better route than that chosen by Germany.

Second, we must wonder what this tells us about the ability of the intelligence community to make accurate estimates of future trends in Soviet military forces. In this case, it seems that, having learned too well the lessons of the "missile gap"—in which we overestimated Soviet strength—we were slow to see, accept and digest the evidence that we were now making an equally serious underestimation. Unfortunately, once the initial error was made, the CIA, like any bureaucracy, may have acquired an interest in proving that it was right and hence may have resisted any tendency toward seriously questioning its position. In the case of the B team episode, this resistance was opposed by an outside force, the President's Foreign Intelligence Advisory Board. (This board no longer exists, but this experience should lead us to consider the advisability of recreating it or something similar.)

Finally, we must reflect on the inevitable limits to the knowledge we are likely to be able to collect about a closed society like the Soviet Union. In our domestic policy process, we are constantly impressed with how little we understand about the major trends at work in our own society; hence it should come as no surprise that we understand little about the forces that guide Soviet military development. But in this case, our ignorance is not half so dangerous as our ignorance of our ignorance. In deliberating on our military relations with the Soviet Union, we must always keep in mind that official expectations of Soviet behavior are often based on little more than a mixture of hopes and projections of what we might do in a similar position. In reviewing the SALT II Treaty, our trust must be placed in verifiable, enforceable limits on Soviet strategic forces, not on speculation about what the Soviets might or might not wish to do.

I should like simply to close now, in order that my colleague may speak, by saying that he and I rise because, at this moment, we have not seen the National Intelligence estimate to which this group of retired military officers refers. It is likely that, in the course of the Intelligence Committee's work, we will do so shortly. At that point, we will be required to remain silent. Yet we feel that it is not likely that a group of persons of such responsibility and experience would say they knew something which, in fact they did not know.

Indeed, it is equally likely that they did know it. They are a community. They speak one with the other. They tell us that the national intelligence estimate supports the B team judgment and asserts that the Soviet behavior now is to be accounted for by a move toward strategic superiority. This, to be sure, is not the final word on the matter, but were it the case, it would be the single most important piece of intelligence judgment to be made in our lifetimes.

Now, Mr. President, I see that my good friend and associate in this enterprise, the Senator from Wyoming, is on his feet, and I know he wishes to speak as well. I wish to yield my time, reserving such time as I am allowed.

Mr. WALLOP. Mr. President, I commend the Senator from New York (Mr. MOYNIHAN) for the remarks he has just made and the vigilance that he has held on that committee. It is a disquieting job, as he well knows, to be faced with the information that we are faced with and the constraints which are necessary to make such committee work in the first place.

As he says, neither of us has been privileged to view in any portion the current NIE and we are going on published reports of the contents of it, but which I think are of enough significance, as he says, perhaps the most important intelligence event of our lifetime, to bring us to our feet and take the time of the Senate to comment on it this morning.

NATIONAL INTELLIGENCE ESTIMATES OF SOVIET STRATEGIC ARMS

Mr. President, I commend the remarks of Senator MOYNIHAN, with whom I was proud to join in dissent from our subcommittee's judgment on the controversy over estimates of Soviet strategic strength. While our dissent has proven wise, no one can rejoice in the fact that a grievous national miscalculation did occur and is likely to reoccur unless the executive branch, the CIA, and the Congress come to grips with reality. Wishing the world well does not make it so.

The CIA, it seems, has finally realized what had long since become undeniable. As reported by January 12 New York Times, the new National Intelligence estimate of Soviet strategic strength, I quote, "had finally acknowledged that the Russians were heading for superiority, not parity, in the military arena." I do not doubt it, though I have not yet read the new estimate. I make these comments now because, after reading it, I will be constrained from commenting publicly on its contents.

The CIA has come to this acknowledgment of the Soviet drive for superiority the hard way. One can only hope they have done so wholeheartedly and that they will draw the appropriate conclusions. For 10 consecutive years, while the Soviet Union was engaged in the biggest military buildup of all time, the CIA ignored its own evidence, relegated the opinions of analysts from the Defense Department to footnotes, and minimized what was happening. When the B-team's distinguished scholars pointed out that the CIA's judgements were based less on evidence than on gratuitous assumptions, the response from the Agency and its loyalists was one of strong institutional defense. Nevertheless, they could not deny, as I wrote one year ago, that—

> While the Soviets were beginning the biggest military buildup in history, the NIE's declared that they would never try to build as many missiles as we had. When the Soviets approached our number, the NIE's said they were unlikely to exceed it substantially; when they exceeded it substantially, the NIE's said they would not try for decisive superiority—the ability to fight and win a nuclear war.

Then, long after it became known that the capabilities of the new Soviet systems, as well as the extent of the Soviets' plans for deploying them, would in effect give the Soviet Union the actual capability to fight and win a nuclear war, the NIE's reflected the possibility that the Soviets were seeking such a capability. Now that those deployments are well under way, it seems the NIE admits that the Soviets are planning to do just what they are doing.

As I say, I have not seen the new NIE, and can only hope that not only has it acknowledged the plans inherent to the Soviet arsenal, but also that its authors have dropped the CIA's old habit of dismissing those plans with a peculiar combination of ignorance and arrogance.

In the past, we have been told that it did not matter if the Soviets could deliver more megatonnage on us than we could deliver on them, that it did not even matter if the Soviets developed the capability to destroy most of our land-based strategic weapons while protecting their key population. We have been told that even if the Soviets possessed such capabilities they could never be confident enough to use them. The CIA, along with the administration, believe that the Soviet Union would not take advantage of the opportunity to win a war against us because, even if it destroyed most of our weapons and sheltered its key people, we could still do "unacceptable" damage to them. In his State of the Union, President Carter said that only one Poseidon submarine could destroy every large and medium-sized city in the U.S.S.R. He assumed that the proper task of our nuclear weapons is to destroy Soviet cities, an assumption as militarily unsound as it is immoral. He was expounding the still fashionable theory of mutual assumed destruction (MAD).

Mr. President, that is the most appropriate acronym existing in the world today.

As recent tests run by Boeing have shown, however, such damage claims are wildly exaggerated. But that is not the issue here. The salient fact, which the B-team pointed out and which I hope is dawning upon Langley, is that the Soviet Union's military strategy, unlike our own, does not consist of a second-strike spasm against cities; it is a serious strategy. If the Soviets decided they could not achieve their ends otherwise, they would strike first at our land-based strategic systems. Once these were largely destroyed, what could the United States do? A second strike by American submarines could only destroy some Soviet cities. American submarines, by design, are not equipped to kill Soviet missile silos. So an American second strike could not prevent a Soviet third strike which would quite devastate this country. The Soviets would have good reason to expect that we—and we alone—would be deterred from a second strike under such circumstances.

In the past, the NIE's analyses of Soviet forces simply dismissed the Soviet strategy. In so doing they assumed that the Soviets would be so cautious as to be deterred from doing something rational, while we would not be deterred from doing something irrational. Last year I wrote:

> The problem is . . . that while consciously refusing to entertain the Soviets' own conception of what they are about militarily, the authors of the NIE's over the years have evaluated Soviet strategic forces, using indexes which stress our own doctrine of MAD. . . . The B-team's position is that because the Soviet Union has built its forces all along with a view to fighting, surviving, and winning a war, the use of MAD criteria in evaluating Soviet forces makes no sense.

The sooner we begin to look at nuclear weapons as tools which, in the last resort, can be used to help safeguard this country, the less chance there will be that we will ever have to use them. Over the last decade we have built our nuclear forces unmindful of the fact that unless they can be used to fight and win a war, they will not be able to deter a war. Further, they will be unable to deter our enemies' aggressive local adventures around the world at our expense, and the expense of freedom.

Like my friend from New York, I am skeptical about SALT above all because it has dulled our perception of reality during a period when that reality has become vastly more dangerous to us and to the shrinking band of free nations from Tokyo to Tel Aviv. The proper task of intelligence is to keep nations in touch with hidden foreign realities. Today we are grateful because American intelligence seems to have risen to recognizing the obvious. Let us hope it draws, and inspires, the logical consequences of what it is now saying.

One must now fervently hope that the logical consequences of what the community is now saying will be recognized and reacted to with confidence in our own ability to remain a strength for freedom.

I thank my friend from New York for yielding to me.

Mr. MOYNIHAN. I am more than happy to have done so.

I congratulate the Senator on a clear, thoughtful, and careful statement.

If this is the beginning of the SALT debate in the Senate in the 96th Congress, I think we have set a serious tone which, I hope, will persist.

I would simply like, if I might, to recall to my good friend's attention two remarks I made in my earlier statement, which perhaps help explain what has happened, since we are dealing with people of manifest good will and competence in the intelligence community.

On the basis of reading Rush and Horelick's book, we might suggest that it was Khrushchev's boasting about Soviet missiles which accounted for the great movement forward in American missile efforts in the 1960's. This development greatly improved our strategic situation. They may have learned, it seems, not to do that the next time. So we have heard very little from them, while they do a great deal.

But we can learn something, from the remarkable series of articles by Admiral Gorshkov, to which I referred earlier. Gorshkov is a formidable man, as we know, and he dwelled at some length on the effects of the various naval arms limitations agreements of the 1920's and 1930's.

He described them as "the war of the diplomats for supremacy at sea." He concluded his discussion of the rise to predominance of American naval power by asserting that:

> The Americans . . . succeeded without a war . . . in achieving [the naval supremacy that] Germany could not achieve with two world wars.

I do not want to suggest that I know the workings of the Soviet mind; but it would seem that an admiral of a great power which has embarked upon a policy of détente would write for the Naval Digest in order to tell his community something. I think he was saying, "The Americans got superiority through the use of arms limitation treaties. We can, also."

At least, I suggest to my friend, the Senator from Wyoming (Mr. WALLOP), that this is an explanation we should entertain, because we must entertain the worst possible case as well as hope for the best.

Mr. WALLOP. I cannot disagree in any way. After all, the good admiral has been in charge of the Soviet naval planning, buildup, deployment, and strategy for a considerable period. Unlike ourselves, they are likely to be people who enter into long periods of stability in their planning and their leadership.

Mr. MOYNIHAN. Yes.

Mr. WALLOP. And there is no reason to suppose that he was engaged in any kind of diversion of our thinking by writing that article, because the only conclusion that can be drawn is the one the Senator from New York has drawn, and that is scarcely a diversion.

Mr. MOYNIHAN. It is not the practice of Soviet admirals to speculate to no purpose in a long series of articles in the Naval Digest, in the hope that they can get themselves an adjunct professorship after they retire.

I see that the Senator from Missouri is on the floor. Does he wish to join in this speculation?

Mr. DANFORTH. Not on this subject.

Mr. MOYNIHAN. I know that he has something else.

I simply would like to make clear, so that my distinguished friend will understand, that I hope to vote for a SALT treaty. I hope the President sends us one which will fit the description he gave in the state of the Union message.

There is not a more solemn judgment we will make in this Congress—possibly in our time in Congress—and in the end I hope to make it with as much independence of thought as I can muster, and with as much competence; and I know that is exactly the view of my friend, the Senator from Wyoming.

Mr. WALLOP. I hope to vote for one, also. I have doubts as to whether I will be able to do so, but I will view it openmindedly, until the very last day, when the judgment comes to 15 minutes, when we have that last moment to make up our minds.

EXHIBIT 1

[From the New York Times, Jan. 21, 1979, p. E5]

TEXT OF AN OPEN LETTER TO THE PRESIDENT, SIGNED BY 170 RETIRED GENERALS AND ADMIRALS

DEAR MR. PRESIDENT: As former members of our country's armed forces, we are taking the liberty of addressing you directly as concerned citizens.

Our concern is that current trends in U.S. policy may undermine the maintenance of peace—for America and the world.

Years of frequently tragic experience have taught us that the achievement of genuine peace is not simply a matter of strong desire or good intentions. Peace requires courage as well as patience. It cannot be bought cheaply or easily. Above all, it demands the will to contend with observable realities—even if they may not be to our liking.

The National Intelligence Estimate, the most authoritative U.S. government evaluation of intelligence data, acknowledges at last that the Soviet Union is heading for superiority—not parity—in the military arena. This represents a complete reversal of official judgments that were a substantial factor in allowing our government to pursue detente and overall accommodation with the Soviet regime.

By any criteria, the increasing Soviet challenge to America's position in global affairs is manifest:

. . . while the U.S. has developed only one ICBM system since 1965, the USSR has developed seven;

. . . in addition to modernizing its ICBM systems, the Soviet Union has invested heavily in additional submarine-launched ballistic missiles (SLBM);

. . . the Backfire bomber, the newest addition to the Soviet Union's strategic arsenal, launched from Arctic bases, is capable of delivering weapons anywhere in the U.S. without refueling;

. . . advances in Soviet MIRV technology are overcoming rapidly whatever lead we had in quality and quantity of warheads;

. . . the dramatic development in Soviet naval power, matching the modernization of Soviet air and ground forces, now threatens U.S. security in vital sea lanes providing access to essential resources.

Soviet defense literature explicitly rejects the Western doctrine of "Mutually Assured Destruction." It rejects specifically the notion that nuclear war means suicide. Soviet forces are structured to fight, survive and win nuclear war.

We urge you, Mr. President, to bring these facts to the attention of our fellow citizens so that all Americans will understand the dimension of the Soviet military challenge.

Under the umbrella of growing strategic nuclear and tactical military superiority, the Soviet leaders have become more aggressive. Soviet influence and power are increasingly evident in the Eastern Mediterranean and the Red Sea and Persian Gulf littoral. Afghanistan is being brought under Soviet control. Anti-American forces harass the governments of Iran and Turkey. Through the use of Cuban mercenaries the USSR has moved north from Angola to Ethiopia and Zaire. Some Cuban forces have returned to Syria from Angola and also are entering Lebanon.

Soviet imperial objectives appear to include the neutralization of Western Europe, in part by denying it access to critical raw materials; the encirclement of China; and the isolation of the U.S.

The Soviet focus on the Middle East, as a way of obtaining these aims, represents a real and growing threat to Western security. We strongly support the pursuit of friendship and improved relations with all responsible governments in the Middle East. However, the ability of the U.S. to protect its security interests in the Middle East is closely linked, if not dependent on, the maintenance of a potent Israeli military capability in the area.

In this context, a U.S. Interagency study on the global military balance concluded recently that, in the event of a non-nuclear super-power conflict in the Middle East, Israel, by itself, "might deter Soviet combat forces intervention or prevent the completion of such deployment." At this stage no other society in the area can be counted on to mobilize reliable, battle-tested ground and air units, or to make available secure access points. In brief, if not for the proven capability of the Israeli armed forces, we would be forced now to station a significant number of men and substantial materiel in that region.

We urge you, Mr. President, to recognize that Israel's value as a strategic asset depends on its ability to defend itself, and to reinforce Israel's military capability so that we will not be forced to deploy our own armed forces to the Middle East.

Clearly, moreover, we must restore the global military balance at both the strategic and conventional levels, or neither we nor our allies will be able to defuse the Soviet challenge. Our diplomacy will have little meaning and our search for peace will be futile unless we can demonstrate the necessary political will and military credibility to press effectively for peaceful co-existence based upon balance of power between East and West, between Israel and its Arab neighbors, between our friends and Russia's clients in Africa and Asia.

We urge you, Mr. President, to make our pursuit of genuine peace realistic and effective by moving now to restore the global military balance and America's credibility as a leader of the Free World.

In the absence of this indispensable equilibrium, we oppose any "deal" that freezes the current imbalance and reinforces permanent Soviet strategic superiority. While SALT I accepted our quantitative strategic inferiority, it did not prevent us from doing what was necessary qualitatively to regain equality. Current reports intimate that a SALT II agreement may prevent even these remedial measures. We stress these aspects because military imbalance has inescapable political consequences of global significance.

We urge you, Mr. President, to desist from any new arms control agreement that would threaten to perpetuate the current strategic imbalance and reinforce permanent Soviet strategic superiority.

If one adds up the manpower, productivity and scientific resources of the world's democracies, we have the makings of an effective coalition for global peace. The U.S. is not a helpless and vacillating giant. The American people, we are convinced, have not lost their love of freedom nor their willingness to sacrifice in its defense. They and we believe it is possible to retain control over our destiny.

America must lead the way in facing the challenge to freedom. Together with our friends and allies, we can rally from the defeatist atmosphere of the recent past and build a better more peaceful world.

For America and the world, we urge you, Mr. President, to lead in building a coalition for genuine peace in cooperation with the NATO nations, Japan, Israel and other proven friends and allies who share our commitment to freedom and human dignity.

[From the New York Times, Jan. 12, 1979]

170 RETIRED TOP MILITARY OFFICERS WARN CARTER OF A SOVIET CHALLENGE

(By Drew Middleton)

More than 170 retired generals and admirals have warned President Carter of what they describe as an "increasing Soviet challenge" to the United States.

In an open letter, they said a National Intelligence Estimate that is described as "the most authoritative U.S. Government evaluation of intelligence data" and finally acknowledged that the Russians were "heading for superiority, not parity, in the military arena."

The letter said an American intergency study on the global military balance concluded recently that "in a nonnuclear conflict between the Soviet Union and the United States in the Middle East, Israel alone might deter Soviet combat forces' intervention or prevent the completion of such deployment."

Were it not for the ability of Israel's ground forces, the officers declared, the United States would have to station significant forces and equipment in the Middle East.

SOVIET OBJECTIVES DESCRIBED

The signers, among whom were 6 generals, 15 lieutenant generals and 4 admirals, included Adm. Elmo R. Zumwalt Jr., former Chief of Naval Operations; Gen. Paul L. Freeman Jr., former Army commander in Europe; Gen. T. W. Parker, former Army chief of staff in Europe; Gen. Albert C. Wedemeyer, who was comander of the China theater of operations at the end of World War II; Maj. Gen John K. Singlaub, former chief of staff, United States forces, Korea, and Maj. Gen. George J. Keegan Jr., former chief of intelligence, United States Air Force.

They urged Mr. Carter to recognise Israel's value as an ally that can defend itself and said Israel should be reinforced to avoid sending American forces to the area.

The Soviet Union's "imperial objectives" were described as the neutralization of Western Europe, partly by denying it access to oil, the encirclement of China and the isolation of the United States.

The letter said the Soviet focus on the Middle East to reach these objectives represented "a real and growing threat to Western security." It said Soviet influence and power had expanded in the eastern Mediterranean, the Red Sea and the Persian Gulf, Afghanistan had come under Soviet control and "anti-American forces" were harassing the Governments in Iran and Turkey.

Cuban mercenaries were described as carrying out Soviet policies in Angola, Ethiopia, Zaire, Syria and Lebanon.

DEBATE ON ARMS ACCORD

In appealing to the President to "restore the global military balance," the writers foreshadowed what is expected to be a national debate over the second strategic arms limitation treaty. In the absence of an "indispensable military equilibrium," they said, "we oppose a 'deal' that freezes the current imbalance and reinforces permanent Soviet strategic superiority."

The letter said the challenge was growing in these areas:

The Soviet Union has developed seven ICBM missile systems since 1965, the United States one.

The Russians have invested heavily in submarine-launched ballistic missiles and modernized their ICBM's.

The so-called Backfire bomber, which the letter lists in the Soviet strategic arsenal although the Russians call it a medium-range aircraft, "is capable of delivering weapons anywhere in the United States without refueling."

Soviet advances in multiple independently targetable re-entry venicles (MIRV's) are rapidly overcoming the American lead in the quantity and quality of nuclear warheads.

The development of Soviet naval power threatens vital sea lanes that provide resources essential to the United States.

The writers also mentioned a point raised by nuclear scientists, academic students of Soviet policy and many foreign and American intelligence analysts: "Soviet defense literature expressly rejects the Western doctrine of 'mutual assured destruction.' It rejects specifically the notion that nuclear war means suicide. Soviet forces are structured to fight, survive and win a nuclear war."

Mr. Carter was urged to build a coalition of "genuine peace," including Israel and Japan as well as the North Atlantic Treaty Organization nations.

PAN AMERICAN-NATIONAL AIRLINES MERGER

Mr. MOYNIHAN. Mr. President, the proposed Pan American-National airlines merger is a matter of considerable importance to the State of New York. My colleague Senator JAVITS and I both appeared before an administrative law judge of the Civil Aeronautics Board and testified to that effect.

The 34 members of the New York State congressional delegation have submitted their views in support of the merger to the CAB. The mayor and deputy mayor of the city of New York, and the chairman of the Association for a Better New York, have endorsed it in the strongest terms, as have the New York State Senate, the New York State assembly, and the New York City Council.

Given the significance of the proposed merger to my State and to the United States' interest in a strong international air carrier, I am delighted that the Department of Transportation, which has primary authority and responsibility for air transportation matters within the executive branch, has urged the CAB to approve it. The CAB's Bureau of Domestic Aviation and Pricing also announced, at the conclusion of the hearings, that in its opinion the Board has no alternative but to approve the merger.

I was disappointed, but not surprised, that the Department of Justice, in its brief to the law judge, took a different view. The Department has a long history of opposing mergers between trunk carriers, and despite the clear economic realities of this case, despite the action of Congress last year in reducing the burden air carriers must meet when they seek to merge, Justice has adhered to its historical position.

Running through its brief is the notion that Pan American could, if it only would, develop a domestic route system from scratch, and thus avoid what Justice calls the "anti-competitive" alternative of acquiring National Airlines. Executives of Pan American have said unequivocally that Pan American neither can nor will attempt such a thing. The cost of acquiring the necessary aircraft and building the necessary ground stations is much too high. Even if the funds could be found for it, competitive circumstances would not permit it; by the time Pan Am got such a system under way several years from now, other carriers, in the new deregulated environment, would have already entered and absorbed most of the promising markets.

Mr. President, Pan American's vitality is important to New York and to the Nation. It needs a domestic route system that can feed traffic onto and from its international system, if it is to be and remain economically viable. The only practical way it can obtain such a system is to merge with a going domestic airline. National is the smallest of these. Merging Pan Am with National will eliminate no competition of consequence. On the contrary, it will enable the merged carrier to be more competitive. Thus it is in the public interest.

I sincerely hope that the Civil Aeronautics Board will find it so. I hope that the President, who will also have a role in deciding the matter, will agree.

In this morning's Washington Post there is an excellent editorial that calls on the Board, among other things, to approve the Pan Am-National merger. I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO GETS NATIONAL AIRLINES?

The airlines are responding to deregulation just as the economists said they would. Competition is proliferating all over the place (Air Florida is opening up at Dulles), and lower fares are available to almost anywhere. That's the most visible part of deregulation, as well as the part that provides passengers with the most immediate benefits. But at the Civil Aeronautics Board, the other aspect of deregulation—the question of what the government should do about airlines that want to merge—is grinding along quietly.

The target, in the biggest airline merger case of the last decade, is National Airlines, the most sought after airline in the nation. Pan American World Airways wants to absorb it to get its domestic routes. Eastern Airlines wants it for its international routes. Texas International wants to latch onto it just to get bigger. Within the next two months or so, the CAB will decide who gets it and, in the process, tell airline companies how free of government regulation they really are.

In the days before deregulation, the CAB's job would have been comparatively simple. It would have weighed the anti-competitive aspects of each proposal as well as the strengths and weaknesses of each airline. Eastern, for example, would have been ruled out automatically because it is one of National's major competitors in the Southeast. But with the new kinds of competition the government is now fostering, the balance is more complex. Eastern argues that the competition that would be eliminated if it merges with National would be replaced almost immediately. It says other airlines would leap into the markets left vacant by National's disappearance, something they can do now but could not do before deregulation.

Eastern may be right, but it is doubtful if the CAB—or anyone other than Eastern's executives—is willing to take that chance so early in the new competitive era. There is too much of an overlap between the routes served by Eastern and National to run the risk of a sudden drop in competition in a growing part of the air network. Indeed, this particular merger proposal is a classic violation of old antitrust theory.

The situations involving Pan Am and Texas International are quite different. Neither is a major competitior of National, although Pan Am is a potential one because of National's newly acquired North Atlantic routes. But there is enough other competition already across that ocean so that the anti-competitive effect of a National merger with Pan Am would be minimal.

Texas International's effort to take over National grows from its desire to be a strong, big airline rather than a strong, regional one. That is certainly a desire the government ought not to squelch. On the other hand, Pan Am needs a domestic route structure in the new competitive climate to stop being a weak, big airline. It can get that structure cheaper by buying National than by building one itself, the course suggested to it by former CAB Chairman Alfred Kahn.

In this framework, the CAB Chairman might be well advised to bless both Pan Am and Texas International and let National's stockholders decide who wins. While such a decision could spur more merger proposals, it would be in keeping with the spirit of deregulation. A decision blocking either or both of these takeover bids would suggest the government is not yet ready to let go of the regulatory reins it has kept on the airline industry much too long.

TRADE ADJUSTMENT ASSISTANCE ACT

Mr. MOYNIHAN. Mr. President, I wish to associate myself with the position taken by Senator ROTH, the sponsor of the Trade Adjustment Assistance bill. It is a product of the 95th Congress' work and represents an enormous accomplishment; the changes it makes in the trade adjustment laws in title II of the Trade Act of 1974 are good, and necessary. But the real importance of this measure is as a symbol of what the Congress has been saying about U.S. trade policy since the enactment of the Trade Act of 1974, and the beginning of the Multilateral Trade Negotiations (MTN) in Geneva in 1975. We are, after all, charged by the Constitution with the responsibility of regulating commerce. And while we do not directly negotiate in Geneva, what we say should not go unheard by our own negotiators or our trading partners.

There are two things which ought to be learned from our actions in the past 3 years. The first is our interest in free trade. It is a principle on which the prosperity of the post-war world rested. We accepted that, and we promoted it. We institutionalized it in the international arrangements set up principally by ourselves in the first years after the Second World War. And, it is not too much to say that it is the principle to which the democracies of western Europe and Japan owe much of their remarkable post-war economic recovery. I am proud to say that we continue to act in accordance with those same principles.

But, there is a second, equally important lesson to be learned, which was dramatized in the last days of the 95th Congress.

Last October, in the final days of the 95th Congress, the President asked for additional authority to waive countervailing duties which had been levied on Government subsidized goods from foreign countries. Extending the waiver, which was originally a condition of the subsidy code negotiations in the MTN, was set forth as a condition for successful completion of the MTN. In the end, the 95th Congress did not grant the President his authority, but through a series of administrative and political measures, the negotiations have proceeded nonetheless. Just last week, the President sent a message to the 96th Congress, again asking for an extension of the waiver. Our trading partners have said they will not initial a final agreement unless the waiver is extended.

It may be reasonable to grant the President his extension, increasing the chances that we can complete a successful round of trade liberalization. But, it is also reasonable to say to him that we do so under the condition that he send us an agreement which is beneficial to American workers and industry.

It is in this context, then, that the bill we introduce today ought to be understood. Trade adjustment was a concept introduced into American trade policy in the Trade Expansion Act of 1962—an act which sought first of all to promote free trade. Until then, the only help available to firms and workers injured by import competition were antidumping laws and countervailing duty laws. We did not use those very much because we did not need them much. Times were different and less complicated, and we knew little of trade deficits.

Conditions have certainly changed. It is now common for us to experience a trade deficit. But the real meaning of this turnabout from trade surplus to deficit is the loss of jobs and the erosion of our industrial base which it reflects. Industry after industry—textiles, steel, electronics, shoes—has experienced devastating job losses due to competition, often unfair competition, from abroad. In my own State of New York we lost almost 600,000 jobs between 1969 and 1976—large numbers of which were lost to foreign competition.

Escape clause relief and adjustment assistance are both mechanisms through which we expect to compensate workers and firms hurt by imports. Unfortunately, neither mechanism prevents the problems. But, both become increasingly necessary in today's world economy where our trading partners subsidize goods to protect employment, wages and profit.

What this bill does is to help American firms, workers and communities adjust to patterns of international trade which are distorted by unfair practices of foreign governments. This bill may not be the answer to all the inequities of the international trading order, but it is something we can do for ourselves which has no adverse impact on our trading partners.

It is something we owe to the American people—employees and employers alike—whose life and work have been hurt by these circumstances.

I urge my colleagues to support the bill.

HAZARDOUS WASTE PROBLEM IN KENTUCKY

Mr. FORD. Mr. President, most Members of this body probably by now have either read or heard about a serious environmental problem in Kentucky caused by the improper disposal of thousands of barrels of toxic chemicals in a four-county area.

The magnitude of this situation is slowly beginning to unfold. Massive quantities of hazardous chemical wastes continue to be discovered, exposing residents of the area to a very real and present threat to public safety and health.

State and Federal environmental officials are stunned by the enormity of the problem and steps have been initiated to clean up and remove the chemicals from those sites where an eminent threat to water supplies exists. This threat will persist until an inventory of the chemicals is completed and the barrels can be removed to a safe and legal dumping ground.

Without a doubt, the cost of such an understaking will be staggering. Preliminary estimates run in the millions of dollars, and eventually this could turn out to be the most costly—and potentially dangerous—man-made disaster in our State's history.

The problem is complicated even further due to the fact that both the U.S. Environmental Protection Agency and the Kentucky Department for Natural Resources and Environmental Protection have indicated to me that neither has adequate funds available to cover the cost which will be involved in removing the waste to another site.

Nevertheless, the overriding concern in this situation must be to protect the safety and health of those who live in this area. In all likelihood the eventual decision for providing funds to eliminate the present danger will come before this Congress.

The EPA is now in the process of determining the probable cost which will be involved in relocating the hazardous wastes to a safe and legal site. Since those figures are not yet available, I am not in a position at this time to advise the Senate what assistance in the form of an emergency appropriation will be needed. However, I do want to alert my colleagues that in the not-to-distant future an appeal will be made to enact legislation which will enable the Federal Government to remove this eminent danger.

We will be turning to the Congress for help only as a last resort, and let me assure you that I do not believe the taxpayers of this country should be expected to foot the bill for negligent and irresponsible deeds which threaten public safety and health. While our first priority must be to protect those communities and citizens which are innocent victims, it is incumbent on both the State and Federal Government to insure that the party and/or parties responsible for this situation be held accountable for their actions.

Even though I hope the Congress will see fit to provide funding for the emergency clean-up operations, I have today called on U.S. Attorney General Griffin Bell and Kentucky Attorney General Robert Stephens to begin an immediate investigation to determine the party and/or parties responsible for this situation so that the appropriate legal steps can be taken to recover the full cost of removing the hazardous properties to an approved dumping ground and repairing the damages which occurred as a result of negligent or illegal actions.

There can be no excuse for such a blatant disregard for public health and safety. Such actions cannot be tolerated, and I urge the Attorneys General of the United States and Kentucky to utilize the full powers of their respective offices in recovering any and all expenditures of tax dollars used to remedy this critical situation.

SENATE JOINT RESOLUTION 28—DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

Mr. BAYH. Mr. President, I send to the desk a joint resolution and ask that it be stated.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

Mr. BAYH. Mr. President, I ask unanimous consent to dispense with reading of the measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The joint resolution is as follows:

S.J. RES. 28

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein) That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of Government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"SEC. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish residence qualifications.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".

Mr. BAYH. Mr. President, I ask unanimous consent that the joint resolution be placed directly on the calendar; and, on behalf of the majority leader, who would impose such objection if he were here, I do object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BAYH. Mr. President, I ask that the Senate move to the immediate consideration of this joint resolution; and again on behalf of the majority leader, who would object if he were here, I do interpose an objection to the immediate consideration of this joint resolution.

The ACTING PRESIDENT pro tempore. Objection is heard.

The joint resolution, having been read once, will remain at the desk, pending second reading.

QUORUM CALL

The ACTING PRESIDENT pro tempore. The Chair, in his capacity as a Senator from Arkansas, suggests the absence of a quorum.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VICTIMS OF CRIME ACT OF 1979—S. 190

Mr. MATSUNAGA. Mr. President, I was very pleased on last Tuesday, to join the distinguished chairman of the Judiciary Committee, the Senator from Massachusetts (Mr. KENNEDY), in introducing the proposed Victims of Crime Act of 1979, a bill to provide Federal assistance to State crime victim compensation programs.

As one who has introduced and cosponsored similar legislation in both Houses of Congress since 1965, I am most anxious to see the Victims of Crime Act signed into law during the 96th Congress. The enactment of legislation to provide Federal assistance to the States for the purpose of compensating victims of crime is long overdue. As many of my colleagues know, Mr. President, the Senate has long supported the idea of compensating innocent victims of violent crime. Indeed, in each of the past four Congresses, the Senate has approved some form of victims compensation legislation. Unfortunately, prior to the 95th Congress, the Senate-passed measures died in the House of Representatives.

During the 95th Congress, however, the momentum behind the idea of assisting the States for the purpose of aiding victims of crime led to action on victims compensation legislation in both Chambers of Capitol Hill. In the fall of 1977, the House of Representatives, for the first time, passed a victims compensation bill very similar to the bill we introduced yesterday. Following up on that long-awaited achievement last September, the Senate passed by unanimous consent its own bill to assist State victims compensation programs. A conference committee easily resolved the minor differences between the House- and Senate-passed bills, and accepted an important Senate amendment addressing the unique problems of elderly crime victims, which I authored along with the Senator from Massachsetts and our dear former colleague from Minnesota, Mrs. Muriel Humphrey.

Those of us in the Senate, on both sides of the aisle, who were deeply interested in the Victims of Crime Act, were very pleased with the conference committee bill, which represented an excellent compromise between those who believe that the States should have the prerogative to design their victims programs to fit their own needs, and those who are concerned that certain uniform standards should be established and met as a precondition to the receipt of Federal assistance under the act.

Shortly before Congress adjourned last October, the Senate brought us one step closer to the enactment of a victims compensation law by accepting the conference report by a voice vote. However, the compromise version, which was the product of years of effort by many Members of Congress and outside groups concerned about the plight of innocent victims of crime, was struck down by the House during the crush of adjournment business on October 14, 1978.

Mr. President, the Victims of Crime Act of 1979, which we introduced yesterday, is almost identical to last year's conference committee bill, with the exception of a provision which we have added prohibiting the imposition of a financial means test. This legislation is designed to provide Federal assistance to qualified State programs for the purpose of compensating all victims of crime for losses resulting in physical injuries or death. State programs will be entitled to a Federal reimbursement of 25 percent of the costs of compensating victims of State crimes and 100 percent of the costs of compensating victims of Federal crimes. This legislation will enable those States with crime victim compensation programs to favorably respond to more crime victims than ever before. It will assist more eligible victims by defraying the high costs of medical care and providing reimbursement for lost wages.

Mr. President, one of the newest and, in my judgment, most noteworthy features of our bill is its treatment of the serious problem of elderly crime victimization. Last year, it was brought to our attention by various senior citizen groups that elderly victims of crime, many of whom live at or below the poverty level in this country, experience monetary losses as a result of crime more often and more severely than any other segment of our population. Recent studies also indicate that due to their physical limitations, life styles, and social habits, elderly crime victims frequently require hospitalization and other special services. In short, the problems and needs of elderly victims of crime are different from other classes of victims, and therefore, they deserve special consideration. To insure that elderly victims are treated with special care and consideration under the Victims of Crime Act, a provision of the bill provides a waiver of the $100 deductible clause for victims 62 years of age and over. It is also our intention in this provision to encourage States with victims compensation programs to provide emergency compensation payments to elderly crime victims in view of their limited resources and special needs.

Mr. President, my colleagues and I who are sponsoring this legislation strongly believe that our criminal justice system has not, and is not doing enough to help the innocent crime victim who is assaulted, brutalized, injured or maimed. Indeed, the short-term effect of a crime upon a victim may be only physical injury. However, what has become the most devastating blow to many victims is the long-term financial injury caused by the time lost from work and the high costs of medical care. Financial injury to most Americans victimized by crime is a heavy burden to carry, particularly when high unemployment, runaway inflation, and high prices for housing and consumer goods provide the economic climate of our Nation.

It is certainly clear, Mr. President, that our criminal justice system is geared, as it should be, toward crime prevention and the care, treatment, and rehabilitation of criminal offenders. It is also clear, in my judgment, that there is a pressing need for our criminal justice system to address the plight of the innocent victim of crime. I have heard it said time and time again that innocent crime victims in this country are victimized first by the criminal offender and second by our own criminal justice system. Whether or not this statement is true has long been the subject of debate. However, I do believe that the plight of the innocent victim of crime in this country has had a serious impact on the functioning of our criminal justice system during these times of increasing crime and violence. While there is currently great public concern about crime in our neighborhoods, there is, ironically,

a serious alienation on the part of the American public from our criminal justice system.

This alienation is reported by both law enforcement officials and prosecutors. People are becoming more and more unwilling to assist in apprehension and prosecution of criminal offenders. Those that are witnesses to crime do not want to become involved. Those who are victims of crime many times refuse to cooperate with police and refuse to press charges.

Mr. President, this desire not to become involved has an obvious and serious impact on our battle against crime. Without the full cooperation of victims and witnesses, it becomes very difficult, often impossible, to apprehend, prosecute, and convict criminals. An equally serious problem is the large number of crimes that are not reported by victims and witnesses to law enforcement authorities. As a result, many criminal offenders who are dangerous to the community remain free on our streets.

Mr. President, in the final analysis, we will only be successful in our war on crime if we have the cooperation of all citizens—victims, witnesses, complainants, and voluntary obeyers of the law. Voluntary cooperation is, indeed, the very foundation of our criminal justice system. The legislation which we have introduced is especially designed to reduce the alienation of the American public from our system. The Victims of Crime Act of 1979 will enhance our system of justice by encouraging both citizen cooperation with police and prosecutors and the reporting of crimes to law enforcement authorities. If this legislation would accomplish only these two goals, I believe that it would be worthy of our support.

Mr. President, support for the Victims of Crime Act has been bipartisan and has come from national, State, and local groups and organizations not always found on the same side of the crucial issues of the day.

The Victims of Crime Act has been endorsed by officials, both Democrat and Republican, of many States with and without crime victim programs. It has been endorsed by numerous and diverse groups and organizations such as the National Conference of State Legislatures, the National District Attorneys' Association, the National League of Cities and the U.S. Conference of Mayors, the American Bar Association, the National Council on Crime and Delinquency, the National Retired Teachers Association, the American Association of Retired Persons and the National Council on Senior Citizens, the International Conference of Police Organizations and the Fraternal Order of Police, the International Association of Chiefs of Police, Americans for Effective Law Enforcement, the National Moratorium on Prison Construction, the United Automobile Workers and the Americans for Democratic Action.

Most importantly, President Carter last year announced his administration's full suport for victims compensation legislation and urged the Congress to pass such a bill. I might also remind my colleagues that the Ford administration also endorsed similar legislation during the 94th Congress.

Mr. President, during this year in which Congress may be called upon to consider critical legislation designed to redefine and restructure the Federal role in the war on crime in this country, it is my fervent hope that the continuing plight of the innocent victim of crime is not overlooked. The enactment of a Victims of Crime Act, which will ease the suffering of crime victims young and old, and help curb the disturbing alienation of the American public from their own criminal justice system, will indeed be an important contribution to the improvement of our system, which we call American democracy.

TUITION TAX CREDITS

Mr. MOYNIHAN. Mr. President, our esteemed colleague, the distinguished senior Senator from Connecticut, has championed elementary and secondary tuition tax credits for 15 years now. In the last Congress, he was one of the principal sponsors of the bill that came very close to enactment, and in this Congress he is already one of the principal sponsors of the bills that we hope to enact. If this is an idea whose time has finally come, as I believe it is, much of the credit belongs to Senator RIBICOFF.

A few days ago, Senator RIBICOFF addressed the American Education Finance Association on this subject. His remarks are a concise, eloquent, evocative, and informative discussion of tuition tax credits and should reach a much wider audience. I, therefore, ask unanimous consent that they be printed in full in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BEFORE THE AMERICAN EDUCATION FINANCE ASSOCIATION NATIONAL CONFERENCE

The debate over tuition tax credits for parents who pay elementary and secondary school tuition is a debate over the role for government in helping our citizens get an education.

Education has always held a special place in American society. For many it has been seen as the path upward. Look back over American history and you will find an almost mystical belief in the power of education to move people up the ladder. Parents have worked hard so that their children might obtain a decent education. In the United States we have always believed that education benefits not only the individual, but also the country as a whole. Thus, we have encouraged spending on education and the growth of educational institutions. In fact, we required territories to provide for basic education before entering the union as states.

Traditionally education has reflected both our shared beliefs and those beliefs special to the community or group establishing and running the school. Thus our public schools have been under state and local control rather than Federal control because we do not wish a single national curriculum.

Throughout American history parents are concerned that their children receive an education which meets their needs. Over great odds these parents have created and molded schools to meet their needs and philosophy; to reflect both national values and local values.

Today most parents find the public schools responsive to their needs. Others, however, feel that the public schools fail both them and their children. Often they are correct. When these parents seek alternative education for their children, they face a growing financial burden. They pay the rapidly-increasing taxes to support public schools. And at the same time they pay the rising cost of non-public education.

The right of parents to direct their children's education is a valued right—and it has been so recognised by our Supreme Court. This right will be meaningless if our non-public schools disappear.

Further, this right is threatened by a financial squeeze. Over the last ten to fifteen years our definition of "right" has advanced. We have come to see that promising someone a "right" is an empty promise if he cannot afford to exercise it. The rich have always been able to choose the education they want for their children. We who support tuition tax credits seek to make that right a reality for more of our citizens. We seek to extend freedom of choice.

This is not an argument for or against our public schools. I and my colleagues who propose tuition tax credits have a strong record of support for aid to public education. As Secretary of Health, Education, and Welfare under President Kennedy I fought for his proposals to provide aid to education. At the time this was very controversial and we failed to get favorable action on his program. When I moved to the Senate in 1963 I continued to advocate aid to education. Finally we were successful.

I remain firm in my conviction that the Federal Government should substantially support education and that its first responsibility is to the public institutions in which the vast majority of American students receive their education. However, we are not talking about the survival of the public schools in this country. Their future is secure—in no small part because of the aid for which we fought fifteen years ago. We are talking about preserving an important thread in the educational fabric of this country—the non-public elementary or secondary school. It is this sector which is in danger.

In 1963 when I first proposed a tax credit for elementary and secondary school tuition, over 14% of our Nation's students were enrolled in non-public schools. Today that figure is less than ten percent.

Enrollment in non-public schools has dropped from 6.3 million students in 1965 to 5.3 million in 1976—a drop of 16 percent. Some people are not troubled by this trend, but I believe that it threatens the richness of education in our nation. In the United States three kinds of education—public, parochial, and independent—have grown and existed side by side. There are many faces to education in our Nation: Many kinds of schools. This diversity is a tremendous strength.

There is diversity within each type of school. We are not discussing tax credits for tuition paid to a monolithic system of private schools. The largest number of students enrolled in non-governmental schools are in Catholic schools. These schools are our oldest school system. But there are also 166,000 students in schools run by the Missouri Lutheran Synod; 76,000 in Seventh Day Adventist schools; 49,000 in Calvinist schools; 230,000 in Evangelical Christian schools; 90,000 in Jewish day schools; 14,000 in Quaker schools; and 76,000 in Episcopal. In this country there are 14,000 students enrolled in military schools and 277,000 students in nonsectarian independent schools. This is indeed a varied picture.

Pluralism and diversity are precious. One's identity as an American does not require the abandonment of one's heritage. We do not wish all children to grow up alike. Yes, all children must have the same opportunity to grow and to fulfill their potential, but we must leave room for individual parent preferences. Just as we value the diversity in our people we must value it in our educational institutions. The only nations without non-governmental schools are either very small or very poor and/or one-party dictatorships. As a citizen I would be unhappy to see us lose the variety in our educational systems. I hope that in this country public and private schools continue to exist side by side as far down the road as we can see.

Diversity within schools is important as well. Some fear that a tax credit for elementary and secondary school tuition would be a "white flight" tax credit. This is not so. The legislation which we proposed provided that only tuition paid to schools with 501(c)(3) tax-exempt, tax-deductible status under the tax code would be eligible for the credit. 501 (c) (3) status is denied to schools which discriminate on the basis of race, color, national or ethnic origin. The Internal Revenue Service regulations on that are quite specific. A school must actively demonstrate its nondiscriminatory standards. The supporters of tuition tax credits expect and want strong enforcement of this requirement.

Those who are truly worried about segregation should take a look at the facts—at who is served by our public schools and who by our nonpublic schools. Most of our public elementary and secondary schools are neighborhood schools. Their student body reflects the racial and economic makeup of the neighborhood. It is generally a very homogenous group. For instance, look at the public school in a wealthy suburb—you will not see economic or racial diversity. In fact, in some suburbs you will see no religious diversity.

Private schools have a broader reach. Take a look at the student body at any one of our elite independent schools. Certainly you will see wealthy students, but you will also see poor and middle-class students. You will find a student body varied in its racial and ethnic makeup.

Then take a look at the efforts made by our parochial schools. In city after city the parochial schools have offered opportunity to all. In city after city the parochial schools have refused to let themselves be used by those fleeing integration. In fact, in Alabama the Archdiocese was attacked for refusing to open its doors to those trying to escape integration. In many of our inner cities we see parochial schools drawing protestant children because their parents want them to learn basic skills and the parochial schools teach them better. These are often parents who are too poor to choose any other private school but who care desperately about their children's education. In the Finance Committee hearings last year we heard from protestant parents in the District of Columbia struggling to pay tuition to a Catholic school in the city. One mother testified that she could not afford the tuition for all her children and so felt she was choosing which child would get a better education which year. We seek to lessen the burden of parents like these.

Today minorities make up over 10 percent of the enrollment in non-public schools. In state after state and city after city the distinguishing characteristic of non-public schools is their high degree of racial integration.

Let me cite just two examples from my own State of Connecticut. In our three largest cities the minority student population in the Catholic elementary schools is as high or higher than that in the public schools. In West Hartford the Northwest Catholic High School has more minority students enrolled in it than in any other high school in that city.

Nor are private schools havens for the rich. Fifty-one percent of families with children in non-public schools earn less than $15,000 per year.

Let us not then fall into the trap of assuming that private schools are schools full of people who are all the same while our public schools hold the full range of the American population. It simply is not true.

I have heard people say that tax credits for elementary and secondary school tuition will destroy the public schools of this country. I am truly puzzled by this argument. What can anyone who believes it think of our public schools?

In order to believe that tuition tax credits will destroy the public schools you must believe that given the choice all parents would pull their children out of public schools. I cannot believe that competition in education would be a bad thing. Given rough equivalence in quality there will always be a strong economic incentive to choose free public schools. Can anyone truly believe that providing lower-middle and middle-income parents with a portion of the options available to wealthier parents will result in the abandonment of the public schools? Are our public schools dependent on a captive population for their survival? Do they really offer so little?

Aid to private colleges and to parents paying tuition to those colleges did not destroy the public college system. Why should aid to parents who pay for non-public elementary and secondary education destroy the public elementary and secondary school system?

On the contrary, I believe that the preservation of real freedom of choice is important to the public schools as well as to the private schools. Think about what would happen if the decline in independent and parochial schools was to continue. In 1976 there were 5.3 million students in nonpublic schools. If all those students were to move to the public schools of this nation there would be a massive dislocation in our public school system. Could our public schools absorb these children? Think of the cost. In 1976 the average per pupil expenditure in the public elementary and secondary schools of this nation was over $1600 per year. If 5.3 million students moved into the public school systems of this country it would cost almost $9 billion. And this burden would not fall evenly. Much of it would fall on our already struggling city school systems. I suggest that in comparison a tuition tax credit of $1 billion is a small investment.

There is one other issue which must be addressed: that of constitutionality. In the Senate debate on tuition tax credits last year we heard a great deal about constitutionality. Of course I cannot guarantee that the bill we drafted last year was constitutional. The Senate does not rule on constitutionality; only the Supreme Court of the United States does. However, if I thought that tuition tax credits for those who pay tuition to elementary and secondary schools clearly failed the tests used by the Supreme Court in striking down aid programs designed by various states, I would not support such legislation. I am not interested in dramatic but futile gestures. However, our Supreme Court has never ruled on a Federal law in this area. The Congress does have a right to pass laws about which there exists a constitutional question. The Supreme Court does not issue advisory opinions; it only rules on actual controversies. We can only discover if this is a constitutional form of aid to tuition-paying parents if we try.

The debate over aid to those who pay tuition for non-public elementary and secondary schools will continue. This is an issue which will not go away. It is an important debate. At issue is whether we truly believe in a rich and varied educational fabric in this country or whether we wish to move toward state monopoly in education. Eventually tuition tax credits for elementary and secondary education will prevail.

A CABINET-LEVEL DEPARTMENT OF EDUCATION

Mr. MOYNIHAN. Mr. President, the Senate will soon resume consideration of the important question of whether or not there should be created a separate, Cabinet-level Department of Education. We will naturally want to have at hand the best analyses and best informed opinion that is available. At this time, I wish to draw the attention of my colleagues to a pair of thoughtful editorials that appeared in two of our most distinguished newspapers in recent weeks, and ask unanimous consent that they be printed in the RECORD at this time.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

SLOW LEARNERS

It may seem like just yesterday that the 95th Congress adjourned and gave us a brief respite from the legislative din, but people are already gearing up for the 96th. And unless we get really lucky, one of the perennials on the congressional agenda is going to be a proposal to establish a new Cabinet-level Department of Education. President Jimmy Carter, fulfilling a campaign promise to the National Education Association, has put his administration's support behind the idea; and last time around it actually passed the Senate. In the process, both supporters and critics of the plan gave us a discouraging glimpse into the state of education policy debate in the country today.

The NEA, the nation's largest teachers' union, is the bills' prime backer. The NEA says that the present system of federal aid to education is impossibly fragmented, and that consolidation—into a new department with a $14 billion budget and 16,000 employes—would give a "clear expression, from the national viewpoint, about what we should do for education in this country." The NEA says education merits more than its present "secondary" position in HEW, and surely deserves as much presidential attention as, say, the field of transportation gets through its Department of Transportation now.

But the American Federation of Teachers, a smaller rival educators' union, doesn't want a new department. The AFT says that federal aid to education has benefited mightily by being part of a coalition centered on HEW and including not only education advocates but health care enthusiasts and welfare organizations. And as for presidential attention, says the AFT, "the secretary of a huge department like HEW will always be able to get more time with the President" than if he were carrying the brief for education alone.

Certain jaundiced observers have remarked that the huge gap between the NEA and AFT views on the new department may just have something to do with the fact that the NEA has the better chance of being able to take it over once it's launched. But other interested parties have been weighing into the debate as well. Some Congressmen don't like the fact that a new department would make it easier to fashion a single, centralized education policy for the country. As Representative John Erlenborn has put it, "More educational decisionmaking as to course content, textbook content, and cur-

riculum will be made in Washington at the expense of local diversity."

But not all the bill's opponents think the new department would exert such a centralizing influence. Representative Shirley Chisholm spoke for a number of other black leaders as well when she predicted that a Department of Education would split the educators off from allies who've helped them get more money for education in the past. But she also warned that a new department, by taking over part of HEW's present civil rights responsibilities, would be splitting up HEW's current Office of Civil Rights. The new fragments, she has said, won't be so strong or independent; affirmative action is liable to suffer.

So some of the educators think a Department of Education would get more money and attention paid to the country's schools, while others strongly contend that it would get less. Some people oppose the bill because they think it would promote harmful centralization, while others oppose it because they think in certain crucial respects the change would bring fragmentation. In short there's just not much anyone can agree on in the way of telling just what this reorganization is going to do. Under the circumstances, it would be a great relief to see people stop wasting everyone's time on this shuffling around and use some of that energy on the serious substantive problems that afflict American education.

[From the New York Times, Jan. 16, 1979]

AN ILLUSION OF EDUCATION REFORM

In what seemed like a well-planned omission, Congress concluded its last session without acting on the proposal to create a separate Department of Education. The measure had been overwhelmingly approved by the Senate, but it died quickly when the House leadership failed to bring it to the floor. Now there is a new Congress and, unfortunately, President Carter says that he'll try again.

A separate Department of Education would provide merely the illusion of reform. Unless all education-related items were to be plucked from their present jurisdictions and jumped together to create the Big E, the new department would carry less clout than education does even in its present inadequate form inside the huge Department of Health, Education, and Welfare. But why, for example, would uprooting a program like manpower-training from its functional niche in the Labor Department enhance its effectiveness?

Even more worrisome would be the intimate relationship that might develop between a separate education department and the National Education Association. The N.E.A. represents the professional public school establishment—a vital part of education, but still only a part. It is committed to a much larger Federal role in school financing than is compatible with the tradition of state and local responsibility.

Finally, the creation of a separate department could impel a host of other groups to mount special-interest campaigns for a Department of Science, a Department of Women, a Department of Consumers. There is already too much precedent feeding such appetites. Consider the subject of economic development, now dissipated in the Departments of Housing and Urban Development, Labor, Agriculture, Commerce, Interior and Transportation. Reorganization should be moving in the opposite direction.

President Carter supported a department for education only to fulfill a campaign pledge to the N.E.A. He would be wise now to accept the House leaders' well-considered second thoughts and let the matter drop. The energies of the White House would be better devoted to the long-overdue reorganization of H.E.W. to make that colossus more efficient and to give E an equal place there with H and W.

THE IMPACT OF EXPORTS ON THE AMERICAN ECONOMY

Mr. MOYNIHAN. Mr. President, the magazine, U.S.A. Today, carried an article in its January, 1979 issue on "The Impact of Exports on the American Economy" by Sol C. Chaikin, president of the International Ladies Garment Workers' Union. Mr. Chaikin is a leading citizen of New York and an eloquent and able spokesman for the workers he represents and as well for the entire American labor movement. In a year when Congress will be giving a lot of time to issues of international trade, Mr. Chaikin's article deserves close attention and careful analysis by all of us. I ask unanimous consent that the complete text be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE IMPACT OF EXPORTS ON THE AMERICAN ECONOMY

(By Sol C. Chaikin)

It is natural to assume that, when the president of the International Ladies' Garment Workers' Union argues for regulation of apparel imports, he is indulging in egregious special pleading. Hence, I should like to dispel all doubts at the outset and plead guilty.

It is my sworn responsibility to defend and protect the interests of the 600,000 garment workers in America, especially to safeguard their opportunities for employment. They are not people who can stand prolonged unemployment. Even when they work, their pay is relatively skimpy in a sector of the economy where competition can still be cutthroat; they are drawn from the marginal populations of the nation—black, Hispanic; recent immigrant, poor white; and they are 80% female—often heads of families. It would be a dereliction of duty if our union—or I, personally—were to stand by silently as we watched thousands of their jobs washed away annually in a flood of imports. Therefore, we do plead for our people. In doing so, we are mindful of the dictum of Hillel, who said: "If I do not speak for myself, who will?" However, we are not unmindful of his second dictum: "If I speak for myself alone, what am I?"

If we plead for garment workers alone without regard to what happened to others we would be doing what comes naturally, but not necessarily what is most socially responsible. Hence, in the pursuit of our self-interest—really, our self-defense—we have repeatedly tried to assess our role as it affects the society as a whole, both America and the world.

What we have discovered is that our peculiar problem is really not quite as parochial as we were inclined to believe. The threat to apparel is a threat—in greater or lesser measure—to similarly situated labor-intensive light manufacture in America, involving roughly about 10,000,000 jobs. The peril is spreading to heavy capital-intensive manufacture as well, albeit belatedly. Behind the decline of manufacture—under the assaults of commodity import and capital export—is the consequent decline of the service sector and the total American economy.

None of this sad script is inevitable, of course, if we begin to cope realistically with the realities of world trade in the last quarter of the 20th century—realities that are obscured under a heap of dead dogmas used in the making of our international economic moves.

THE THREAT FROM ABROAD

For some two decades now, the leadership of our union has been prodded by circumstances into a highly instructive intellectual odyssey over stormy economic oceans. In the 1950's, we saw apparel jobs wiped out by a flood of silk scarves from Japan. Our first response was to minimize the unhappy incident as too picayune to concern us in a booming industry in a bouncy economy. A few years later, however, the "dollar blouse" from Japan began to erode a larger sector of our industry, with other apparel lines looming on the horizon. As the picayune became potent, we could no longer afford to be cavalier. We had to think—and act.

How to act was not easy for a union such as ours that had been steeped in internationalist ideology from the day that its earliest founders heard the call: "Workers of the world unite!" We were anti-protectionist in principle, but we were also pro-working class in principle. So, to reconcile this clash of priorities, we fell back on the pragmatic approach of the unionist by urging a sort of collective bargaining with other nations at the international level.

We urged negotiated quotas—first with Japan and, step by step, with dozens of other nations under the currently formal rubric of the multinational Multifiber Arrangement. The basic concept was (and is) to agree upon levels of exports and imports that allow us to live while allowing other nations to share our market. As the American market expands, both imports and domestic production can expand.

Although such quotas have served a purpose, they have done so in a much too limited sense. In years when the U.S. market grew by only two or three per cent, imports were allowed to expand by six per cent. Through loopholes in the arrangements—allowing one year's quotas to be applied to another year, allowing one product to be substituted for another—imports in some lines grew by 25–35% per annum. Consequently, the quotas have become just a delaying action that postpones the day of our death.

In 1966, there were 641,000 employees in women's apparel; by 1976, that number had shrunk to 560,000—a loss of 81,000 jobs in one decade. Behind this sinister story stands a causative statistic: a dozen years ago, one garment out of every 25 was an import; now, it is one out of every four.

Although it was quite natural for us to become aware of the problem as it affected women's apparel only, we found out early on that the same problem was perplexing the entire textile and apparel (including men's clothing) industry—and for the same reasons. Imports were wearing away jobs by the thousands in America's largest factory industry—textile and apparel—that employs one out of every eight manufacturing workers.

As we began to cry out for relief, we were advised that there were many ways to cope with the problem of imports: first, we should be more competitive, both wage-wise and production-wise; second, we should encourage our people to find jobs in other sectors of the economy. Both suggestions were drawn from classical economic notions of "free trade" that assume an inevitable ultimate equilibrium as each country produces what it can turn out best and most cheaply for world sale and as workers move from one industry to another as each country does its special thing on the international mart.

Before applying ourselves to a theoretical consideration of this traditional tenet, however, we should like to present a few facts

that confronted us as we considered these suggestions on what to do. The first fact was the degree of disparity between wages here and in the lands that were exporting to us. While an American sewing machine operator earned something in the vicinity of $3.00 an hour in 1975, workers doing the same job in Hong Kong got 62 cents an hour; in Korea and Singapore, 27 cents; and in Haiti, 18 cents. For American workers to "compete"—even at the low wage of garment workers in the industrial pecking order here—they would have to be five or 10 times as productive as their overseas counterparts. We have no such bionic women in our shops.

If the hands of our workers could not be that many times more nimble than those of workers in other lands, why couldn't we compete by putting our highly touted American know-how to work? In our experiential wanderings, we discovered what Pogo discovered long before us: "We have met the enemy and they is us." We learned that a vast portion of overseas production is carried on by American methods implanted by American companies. U.S. manufacturers and chain stores "contract" out garment manufacture to plants in other lands, where the work is done with American techniques, design, and sizing and is backed up with American financing and merchandizing skill. Indeed, the brand name of the American company is stitched into the garment in the far-away factory.

Under these circumstances, to expect the American worker to "compete" is just so much empty exhortation. The only alternative would be to cut the American wage to something like 75 cents an hour—a move that would not only make life intolerable for the individual worker, but that would (multiplied several million times over) undermine the viability of an American economy dependent on a mass market in America.

THE FREE TRADE FAILURE

These facts, however, did not deter the classic "free traders" from continuing with their formulae. If America's textile and apparel industry could not compete, then so be it. The displaced workers would find jobs in other trades—like boots or shoes or electronic assembly—or in other occupations where aptitudes were comparable roughly with those in textile and apparel.

Yet, precisely because these proposed alternate industries were also comparable—labor-intensive light product manufacture—they were suffering from the same sicknesses as we were. American boots and shoes were being wiped out as Oriental factories were committed to turning out footwear with American brand names on them. Radio assembly is totally foreign to America today, although we once had a thriving industry here. Black-and-white TV has left our land. Even color TV—our proud invention—is now losing its last American bastion as Zenith is forced to leave its native land under competition from others, like RCA, who exported production overseas.

Indeed, all labor-intensive manufacture in the U.S. has been hard hit: glass and rubber wear, metal fabrication, paper and wood products, ceramics, plastics, dolls, toys, novelties, cameras, bikes, furniture, junk jewelry, etc. Our displaced workers discovered that comparable employment was comparably non-available.

The next counsel we heard was to be broad-minded, generous, and far-sighted as our people, dispossessed from the labor-intensive, move into the capital-intensive sector—like steel, autos, chemicals. This forecast was generally packaged in glossy language about how low-wage, labor-intensive industries no longer had a future in America and how the resultant disturbances would only be temporary as workers were absorbed by high-technology sectors that could not be rivalled by any country in the world.

This hypothesis, of course, was pure Richardo. We would be doing what we can do best (capital-intensive production) and we would surrender to the poor lands what they can do best (labor-intensive production.) Thus would we live in the best of all possible worlds.

However, when we gathered at our labor conventions, we found that our brethren in the steel industry were complaining as loudly as we were. In a decade, the number of people employed in basic steel fell from 400,000 to 300,000. The unions representing workers in other heavy industry—like the International Association of Machinists—were bitterly objecting to the way corporations producing airplanes were closing shop here to open plants over there.

This, of course, was not supposed to be happening according to the script of the classic free traders, but the unions in heavy industries could not ignore the facts—and neither could we.

Two modern developments were at work to upset the classic hypothesis of free trade. First, many of the developed nations—with a capacity for capital-intensive production—were subsizing exports or permitting inflated prices in their domestic market to allow their producers to "dump" on the American market. Here, we use the term "dump" in its literal sense, as selling for export at prices below the domestic price or even the cost of production.

The second factor—more important and more enduring—has been the export of capital, plants, technology, and managerial skills by American companies (multinational corporations) to other lands. The movement has been massive and the motives have been many.

Many American corporations move production overseas because they can not move their product overseas. The Common Market, Japan, Argentina, Australia, Brazil, and the Iron Curtain countries make it difficult—sometimes impossible—for American-made wares to penetrate the trade walls. Sometimes, our goods are excluded by tariffs; more often, the obstacles are non-tariff barriers—thousands of bits and pieces of red tape that make entry impossible.

For pursuing such "protectionist" policies, many of these countries that should have been hit with retaliatory measures are rewarded. The reward comes in the form of American investment overseas. The forms of multinational operations are protean: wholly owned subsidiaries, joint ventures, franchises, licenses, patents, or—as noted earlier—use of overseas producers as captive contractors by American concerns.

The overseas investment has a dual advantage to many corporations. They can sell overseas in a protected market, with prices set profitably behind the national walls, then use overseas production as a launching pad to export to the U.S. Hence, many such corporations find themselves in a "captain's paradise," with a "protectionist" love over there and a love for "free trade" over here.

There are distinct tax advantages to multinational corporations who do their thing in another land. Any profits realized in a foreign country are not taxable by the U.S., unless and until the profits are repatriated. Any taxes paid to a foreign government are allowed as a tax *credit* (worth about twice as much as a tax deduction) when corporate income taxes are paid to Uncle Sam. Through a game called "transfer pricing," a corporation can have its subsidiaries bill one another in such a way as to show high profits in low-tax lands and no profits in high-tax lands, so that, when all the bookkeeping is totalled, little or no taxes will be paid anywhere.

This massive export of the *factors of production* makes the Ricardian tenet of "comparative advantage" a dead dogma. Our "advantages," we have been told, are our capital, technology, and management skills. However, when our capital goes overseas, the advantage becomes a disadvantage, as our big gun is turned against us. Ditto for technology and for entrepreneurial know-how.

American manufacture—light and heavy, labor- and capital-intensive—is being worn away under the inflow of commodities and outflow of capital. Between 1974 and 1977, the number of jobs in American manufacture shrank by more than 435,000 at a time when the total number of jobs in the nation rose by 5,000,000.

A POLLYANNA STRATAGEM

It is this total rise in employment, at a time when manufacture is shrinking, that has given rise to another fashionable scenario for our future: a service economy without manufacture. The rationale for this prospect has been our experience since the end of World War II. The service sector has grown—at least in the number of its employees—from a minority to a majority position, now making up about 60% of the labor force. By simple extrapolation, it is predicted that, in the foreseeable future, we ought to be able to make do with a service economy that supplies employment to 75 to 80% of the labor force, providing jobs for all those displaced in the industrial sectors.

This Pollyanna proposition, however, pays no mind to the relationship between the commodity and service sectors of the society. So long as there is a powerful commodity foundation, there can be a lofty service superstructure. For instance, if there are enough taxpayers, we can afford to have one out of every five employees in the nation on government payrolls—as we do—and we can afford to have an expanding number of salespersons and repair people and personal service workers. However, can we continue to maintain such a superstructure once we lose the 20,000,000 jobs in American industry? If we can, then it should be possible to maintain a society by everybody taking in everybody else's washing.

An imaginative variation on the theme of a service economy is the forecast of the U.S. becoming a rentier nation—one living on its overseas investments. The sly stratagem here is to live eternally with an adverse balance of trade as we go on buying more than we sell, then making up for those losses by the returns on foreign investment to give us a tidy equilibrium—perhaps, even a gain—in the balance of payments.

The consequences of such a policy do not have to be left to conjecture. We can learn much from the experience of Great Britain, which became a rentier economy at the turn of the century. British capital sought clean profits in overseas investments that left British manufacture in a state of pernicious capital anemia. Because industry was neglected for at least three generations, Britain came out of World War II without any firm base for a viable economy. The mother of the industrial revolution found itself in the deplorable state of some backward country, with its Prime Minister declaring that the prime need of the United Kingdom was to "industrialize" the impoverished islands.

A rentier economy in America would be a rerun of the British story. First, a nation divided, as income from overseas flowed into the pockets of the elite while the great mass wallowed in unemployment and low wages, dependent on the dole; then, a nation in profound distress without a commodity base to support those employed in commerce, trade, services, or government.

A rentier economy must also assume that American investments overseas are safe, but how secure will they be in a world torn with national, tribal, and class conflict? In the long run, an American "empire," implied in a rentier economy, is likely to be as untenable as the old British Empire.

EXPLOITING THE THIRD WORLD

In our empiric and theoretic peregrinations over the last couple of decades, we have come to the conclusion that our attempts to apply the "free trade" policies of the past to the protectionist world of the present are not only bad for the garment industry, but for the entire economy.

We are also increasingly persuaded that the exploitation of the poor in the Third World countries to manufacture labor intensive products for exports to the developed nations has not proven to be in the best interests of the nations seeking economic "development." After two decades of development—based on a push for rapid industrialization—the masses in the poor countries are as poor as ever, even where there has been a growth in per capita income.

During the 1960's, for instance, Brazil's GNP per capita grew in real terms by 2.5 percent annually. However, the relative share of the national income received by the poorest 40 percent fell from 10 percent in 1960 to eight percent in 1970, while the relative share of the richest five percent increased from 29 percent to 38 percent. The British publication, *The Economist*, noted in September, 1974, that, "in 42 other developing countries, the same trend tends to recur—an enlargement of economic income for the community as a whole with the benefits disturbingly concentrated at the richest end of the spectrum of income." This sad finding is confirmed by the report of the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations, a special committee of the United Nations. While a "host country" may experience "high rates of growth," notes the report, "its income distribution may not improve or may even deteriorate. Welfare standards may be kept low. . . . High income may accrue largely to domestic elites associated with foreign interests. . . . Basic needs of the population such as food, health, education and housing may be left unattended." In sum, the present policies of "industrializing" the Third World turn out to be a process for enriching the rich in both the rich and poor countries at the expense of the poor in both the poor and rich countries.

What the Third World countries need is an "agriculturization," rather than an "industralization," of their economies, since 50–80% of the populace of these lands is rural. What these populations can do best—if one is to return to the theory of comparative advantage—is to grow things in the soil. If they were to concentrate on agriculture, the income of their farm families, which represents the bulk of the nation, would rise; their families would, probably, be smaller; and they could compose a domestic market for their domestic manufacture as well as for imports.

Instead, the direction has been to industrialize and has had tragic consequences. Pinning their hopes on manufacture, these nations have neglected their agriculture. In 1964, a U.S. Department of Agriculture researcher, Lester R. Brown, concluded that ". . . . the less developed world is losing the capacity to feed itself." Up to 1940, these poor countries were all net exporters of wheat, rice, and other grains to the more industrial nations. By the end of World War II, this was turned around and the poor became net importers. Out of neglect, these countries were allowing their soils to be exhausted. As farm income sank, the poor families did what they do everywhere: they produced children as their best cash crop, and populations exploded as the soil shrank. Unable to live on the land, these desperate people poured into the cities to offer a cheap and ever cheaper labor supply. They offered their labor in factories for pennies to produce products to be sold in *other* lands. The foreign exchange they were supposed to accumulate for their countries was insignificant. These countries would have done better raising and selling agricultural commodities.

The poor countries are unable to buy needed food on the world market, since they are so deeply indebted that they find it harder and harder to buy on credit. Meanwhile, the great suppliers of food products—the U.S., Canada, Argentina, and Australia—are finding it harder to give the needed food products because the burden on this handful of grain exporters is becoming impossible to shoulder.

Sterling Wortman, vice president of the Rockefeller Foundation, argues that there still is some hope for these countries that face devastating hunger, provided ". . . that the development of agrarian countries be concentrated less on industry and more on agriculture. . . . If productivity of large numbers of small farmers can be increased in the poorer countries and if for added millions of farm families there is an increase in disposable income, markets will develop for imported food supplies and for products of urban industry" (emphasis added). As farm income rises, family size is likely to be smaller. As fewer rural people feel the need to pour into the cities, wages in the cities are likely to rise as the labor market tightens.

This means that there is no need for us to play this zero sum game in which we have to decide who shall go jobless and who shall go hungry. If the Third World increases its agricultural output and its industrial production, there can be more for all in both the rich and poor lands. Standards of living can go up in both worlds. In such an expanding universe, international trade can continue, as we share our growing market with other nations and as they—with newfound sources of wealth—share their markets with us.

A PRAGMATIC PROPOSAL

In the light of the changed nature of world trade and manufacture since World War II, the simplistic assumptions of classic free trade theory are a fatuous indulgence in outworn shibboleths—as are the equally simplistic notions that poor lands can become rich lands through a rapid industrialization financed with foreign capital to produce goods for sale in foreign lands. Indeed, the propagation of such fantasies serves merely to provide a rationale for the exploitation of working people in both the developed and developing nations by precisely those corporations that once were the prime proponents of old-fashioned protectionism. Their dramatic conversion to free trade and to the once-forbidden industrialization of the "backward" nations, we suspect, is not based on a love for either American consumers or Third World workers, but on a congenital love for profits.

Conversely, we—in the labor movement—now find ourselves advocates of policies that fit into none of the precast patterns of the past. We propose programs that are based on the pragmatic needs of our times:

Negotiated quotas with other nations based on a fair and realistic sharing of markets.

The removal of non-tariff barriers that make a mockery of low-tariff schedules.

Enforcement of anti-dumping provisions.

Retaliatory action where other countries subsidize exports.

Revision or repeal of American tax laws that encourage overseas production.

Repeal of Items 806 and 807 of the present U.S. Tariff codes that reward American companies for production abroad of products intended for sale in the U.S.

Regulation of the export of capital and technology.

Technical aid to the developing nations to assist them in their agricultural development.

These proposals do not exhaust all possibilities, but they do suggest that there are meaningful and constructive alternatives to our present meaningless and disastrous policies of "free trade" and rapid "industrialization."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If there be no further morning business, according to the previous order morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. In accordance with the previous order, the Senate will stand in recess until 2 p.m.

The Senate, at 12:57 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, before I yield to Mr. HOLLINGS, I ask unanimous consent that there be an extension of routine morning business today under the same conditions as previously stated, with the exception that a Senator may speak up to 30 minutes during that morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOM McINTYRE

Mr. HOLLINGS. Mr. President, when the 1st session of the 96th Congress was gaveled to order, one of the Senate's most courageous and effective Members was absent. I refer to our good friend, Tom McIntyre, of New Hampshire. A legislator given to making headway rather than headlines, Tom McIntyre went about his work in a quiet, but always effective, way.

He and I were deskmates. I knew him intimately, and I take great pleasure in making these comments. When the need to speak out forcefully came, however, he did so, with a courage and a tenacity that marked him as one of the most candid and forthright men ever to serve in this Chamber. He had the facility to say exactly what he meant, and you always knew where he was on an issue and why he took the positions he did. Those who knew his background—who knew about his four Battle Stars from World War II infantry service, his Bronze Star with Oak Leaf Cluster—knew that here we had a man who would fight for his principles. And fight he did.

Most of the work of the Senate is laborious, difficult, and far from glamorous. It is not the stuff of which headlines are made and news specials produced. But the final judgment on any session must be made on the basis of what is accomplished in legislation, in committees, in moving one's colleagues along to a decision to enhance the public good. Tom McIntyre worked unsparingly and ceaselessly in the legislative vineyards. He became an expert on the matters before his committees. For example, he devoted much time and effort to military research and development programs, and could speak with an expertise unmatched in this area. Through the Banking, Housing, and Urban Affairs Committee, he came to a knowledge of our urban and housing problems and our financial system that won him the confidence of his colleagues—to such an extent that we eagerly sought his advice in this, as in many other, fields.

No mention of Tom's career would be complete without remembering the valuable work done by his wife and helpmate, Myrtle. As a champion of mental health programs, she contributed to an awakening of the problems of mental health that was long overdue. Although she held no office, she was a public servant in the finest sense, and she continues to work on these and other vital projects.

So I think it is only fitting that we pause today in tribute to this good and courageous Senator and his lovely and public-spirited wife. We hope to see much of them in the days ahead—to seek their counsel, to share their friendship, and to take inspiration from the high standards of character and service which they have contributed to their country. Theirs has been a job well done, and the heritage they left the Senate is written not only in legislation and service, but in the kind of high example to which every public servant, and every citizen of the land, should aspire.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, am I not still protected as far as Senate Resolution 9 and my pending motion, am I not still protected under the extension of morning business as I was earlier?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. It is my understanding that no motions would in any way jeopardize Senate Resolution 9 and be in order; is that correct?

Mr. ROBERT C. BYRD. No motions or unanimous consent to proceed and no action whatsoever.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. No action, even the ordering of yeas and nays.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that we come in tomorrow so that Senators may have the opportunity to debate Senate Resolution 9 and my motion thereto, if I obtain unanimous consent for them to do that. I may change this later in the day. Senator BYRD of Virginia wants to speak for 30 minutes later today. May I ask how soon?

Mr. HARRY F. BYRD, JR. I hope to do so in 10 minutes.

Mr. ROBERT C. BYRD. I will ask Senator BYRD of Virginia to put in a quorum call when he finishes and protect my rights to the floor so that I might come in and change the order for recess over, if I see fit, or transact any other business that needs to be done at that time.

Mr. HARRY F. BYRD, JR. The Senator from Virginia will do so accordingly.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Utah (Mr. HATCH) seek recognition?

Mr. HATCH. Yes, I do, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

THE MAJORITY LEADER'S PROPOSED RULES CHANGES

Mr. HATCH. Mr. President, the majority leader has given all of the Senate a good deal to think about by proposing Senate Resolution 9, a resolution to amend the Standing Rules of the Senate. While there are many unanswered questions regarding the impact of these proposed changes which are currently being studied, I wanted to share with my colleagues my preliminary observations on the impact of some of the provisions of the Byrd resolution.

On January 12, Majority Leader ROBERT C. BYRD notified Senate offices that he planned to introduce as a single resolution a number of Senate rules changes. He did so in the form of Senate Resolution 9 on January 15 of this year. Some of the modifications are similar or identical to portions of Senate Resolution 5, the proposal he introduced 2 years ago. Other parts of the new resolution are drawn from the letter which the majority leader wrote Senator NELSON on September 26, 1978, with regard to rule changes.

In this new proposal Senator BYRD recommends several changes which may have the effect of curtailing the freedom of individual Senators with regard to debate. One of the most important modifications is that dealing with the post-cloture period. Under it, there would be a fixed time of 100 hours for debate, which, unlike now, would apply to votes, quorum calls, and all other actions which consume floor time. The 1-hour time limit per Senator now in existence would be retained. At the end of the 100 hours only the pending amendment or motion and one live quorum call would be in order. The 100-hour limit, moreover, could be increased or decreased on a nondebatable motion if 60 Senators approve. At least 10 hours of consideration must elapse before the motion would be in order.

This proposal is similar to provisions in Senate Resolution 5, and much of the criticism made in 1977 by the Republican leadership and the minority members of the Rules Committee is still applicable. Traditionally, a Senator's freedom to offer amend nents addressing his concerns or protecting his constituents is fairly broad. This freedom is an important distinguishing feature in the operation of the House and the Senate. Senator BAKER and others charged in 1977 that an automatic cutoff time for post-cloture debate could seriously inhibit a Senator's performance of his duties by, in essence, placing a "quota" on the number of amendments he could offer. This translates into a built-in restriction on the number of aspects of legislation which he could focus upon.

There are other problems with the proposal of this sort. Until now a Senator has been guaranteed an hour of post-cloture debate time. Under the Byrd amendment this would become his limit. No time is guaranteed to him; it is on a first-come-first-served basis. This could put pressure on Senators who are deeply involved in the bill to refrain from expressing their concerns fully, lest he be depriving colleagues of their access to the floor.

This problem is compounded by the provision allowing debate to be reduced to as little as 10 hours. Moreover, under Senator BYRD's wording, such a reduction in post-cloture time could come almost automatically on the heels of a vote successfully imposing cloture. This is because it only takes the vote of 60 Senators to reduce the time below 100 hours, and that is the same number as is needed for cloture. So a majority large enough to impose cloture can severely limit the time remaining for debate only a few hours later.

In 1977, the minority opposed these suggested modifications. Senator BYRD, acknowledging the Members' concerns, made a number of significant changes in his proposal. These liberalized considerably Senators' freedom under a post-cloture situation. Eventually, however, he withdrew his proposal, and now he proposes yet another series of proposals which could adversely impact on minority rights.

Senator BYRD offers two other modifi-

cations affecting extended debate. Under his resolution, after September of each calendar year cloture motions could be considered after only 3 hours of debate rather than 2 days as provided for under the current rules.

This proposal is clearly intended to mitigate the threat of filibusters toward the end of the session. Yet this should be considered carefully. It is agreed by all Members of Congress that the closing days of a session are chaotic, and that much unwise legislation is approved during that last-minute scramble. And it is not necessarily tragic for a filibuster to keep a measure from reaching the floor or passing during that time period. Given the existence of enough support, such legislation traditionally comes up again the next session. At that time Members have enough time at their disposal to study the bill carefully, and most importantly to draft whatever amendments he feels are necessary to serve the interests of his constituents. This applies equally whether the Member favors the legislation or is opposed to it. This necessary attention becomes impossible during the closing days of a Congress, when several important bills might be considered during a given day, and when an individual session might extend to 18 or 20 hours as we vividly saw last year.

Two objections can be raised against Senator BYRD's proposal limiting to half an hour debate on motions to consider measures. At times measures come before Congress to which the American people would respond with a strong reaction if they were aware of them. Labor reform is a classic example. Under those circumstances, time is needed to bring the matter to their attention and allow public opinion to coalesce. Prolonged debate on the motion to bring up a bill is a tool currently available to Senators in this regard. It is one which is rarely employed, so charges of abuse would be difficult to sustain. Senators should think carefully before depriving themselves of this option without any showing of abuse by Members of the Senate.

The need for such a change should be questioned from another point of view. Under morning business, measures can be brought up, and the motion to consider them is nondebatable. That would seem to address the problem, to the extent there is one, adequately. In practice, the Senate seldom has a morning hour because it seldom adjourns; but that could easily be remedied by the majority leader unilaterally if he chose to.

Another change proposed by Senator BYRD is to change the "3-day rule" on committee reports to 2 days. Furthermore, whereas now weekends and legal holidays are presently excluded, under the Byrd amendment those Saturdays, Sundays, and legal holidays when the Senate is in session would be included.

Given the workload of the average Senator and the complexity of much of the legislation voted upon, a good case could probably be made for extending the 3 days to 4 or 5 or more. Moreover, as Senator MARK HATFIELD, ranking Republican on rules, observed in a November 21 memo:

> There seems to be no reason to believe that the three-day provision has been the vehicle for abuse.

We should really be guaranteeing time sufficient to insure a better informed Senate and a more deliberative process.

The subject of germaneness is also addressed by Senator BYRD. He proposes that germaneness be imposed by nondebatable motion agreed to by three-fifths of the Senators present and voting. Traditionally, Senators are free to present nongermane amendments in most instances except when these are specifically excluded by a previous unanimous consent order. Members of the minority should weigh this proposal very carefully. Minority Members by definition do not control committees nor have more than minimal input on floor scheduling.

In summary, the majority shapes legislation, decides if it will be considered, and when it will come up. Virtually the only outlets available to the minority for presenting its own proposals are morning hour, which seldom takes place, and the option of offering their bills as amendments to other measures. In practice, my colleagues do make an effort to offer their proposals in connection with germane vehicles, but this is not always possible. It might be that within a given year there will be only one bill on the floor dealing with the general subject in question. In such a situation, offering a proposal as a nongermane amendment becomes the only solution, and it is an option which should not be surrendered lightly.

During the 95th Congress, Senator BYRD publicly expressed concern about nongermane amendments. Clearly they can throw a carefully planned schedule off track. Yet the substance of the legislation should receive at least as much attention as the scheduling and the two interests must be carefully balanced.

Senator BYRD proposes three other changes first brought up in 1977. Under the first the reading of the Journal could be waived by majority vote on a nondebatable motion; and while motions to amend the Journal would remain privileged, they would become nondebatable and must be confined to "an accurate description of the proceedings of the previous day." Under the other proposals, the reading of amendments and conference reports could be waived by majority vote on a nondebatable motion if the document has been identified by the clerk and is available to the Senators in printed form.

When these changes were first suggested in 1977, Senators BAKER and GRIFFIN, in their minority views, raised questions about the language. Nothing in the amendment addressed the crucial point of the Senators specifically having access to the documents; the "availability in print" requirement, they pointed out, could be satisfied by the existence of two or three copies. The two Senators also expressed concern about the motions relating to the Journal, amendments and conference reports all being nondebatable. This, they felt, mirrored a trend toward further encroachment on the freedom of debate of individual Senators, and particularly of the minority.

Another objection can be made. Amendments and conference reports can be as small as half a page or as large as a big-city telephone directory. Conference reports can be very complex, and at times individual amendments involve more issues than the very bill they are offered to. Yet there is frequently heavy pressure to consider them hastily. It is infrequent for a Senator to request the reading of a document, but having the option to do so can sometimes make a sizable difference, allowing Members to read what they are about to vote on rather than make an uninformed decision. The elimination of this tool, which, like others previously discussed, allows Senators to slow down the sometimes breakneck speed of the Senate, should be carefully considered.

Mr. President, I hope I too have given the Senate something of value to think about when, and if, we are pressed to take a position on the matter or to vote upon, any of the proposed rules changes.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Virginia.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. HARRY F. BYRD, JR. Mr. President, the Senate is fortunate, I feel, in having as its majority leader, ROBERT C. BYRD of West Virginia.

He is an individual for whom I have warm affection and I regard him as one of my finest friends. As a legislator and parliamentarian he is superb. He is a leader of great ability.

Last week on the opening day of this session, the majority leader introduced Senate Resolution 9, which would amend the Standing Rules of the Senate. Its purpose, according to the majority leader, is to make the Senate more efficient. This is a reasonable goal.

But the majority leader's proposals, of which there are eight, need to be carefully studied.

In giving greater power to the leadership—and thus presumably creating a more orderly atmosphere—just what will be the real impact on Senate procedure, and on the rights of individual Senators, as legislation is formed and molded in the Senate.

Democracy, it has been accurately and frequently asserted, is not the most efficient form of government. Nor was it intended to be.

Likewise, the Senate, since its establishment nearly 200 years ago, has been unique among world parliaments.

It was fashioned not for speed or efficiency, but rather to be a deliberative body capable of resisting the passions of the moment and of protecting the rights of whichever group might be in a minority at a particular time.

The Senate has no rule of germaneness, unless cloture is invoked, except for appropriation bills.

From 1789 until 1917, there was no

provision in the rules for shutting off debate.

During World War I, on motion of one of my Virginia predecessors, Senator Thomas S. Martin, the then Senate majority leader, the rules were changed to permit debate to be brought to a close by a two-thirds vote of the elected membership. There have been subsequent amendments. Now cloture can be invoked by a constitutional three-fifths, or 60 Senators.

As one who believes the American people are best served in the long run by maintaining as nearly as possible the uniqueness of the U.S. Senate as created by the Constitution, I have studied Senate Resolution 9 with some care.

What the majority leader has proposed is not totally unreasonable. I can support some of the recommended changes.

Others, I must oppose.

The leadership has provided a section-by-section analysis of the proposed resolution. This analysis is accurate, but it is somewhat understated.

I propose today to go into greater detail than is done in the leadership memorandum. My purpose is to expand the leadership analysis and hopefully to bring into clearer focus the real impact Senate Resolution 9 would have on Senate procedure and on the rights of individual Senators as legislation is formed and molded on the floor of the Senate.

Mr. President, the first section of the proposed resolution is not objectionable; nor is it needed.

This first section of Senate Resolution 9 provides that the reading of the Senate Journal at the beginning of morning business may be suspended by adoption of a privileged motion decided without debate.

On rare occasions—and I emphasize, on very rare occasions—Senators have required that the Journal of the preceding legislative day be read in full during morning business as is provided in rule III of the standing rules. Ordinarily, the reading of the Journal is dispensed with by unanimous consent.

The Journal is not the CONGRESSIONAL RECORD. It is, instead, a concise log of major events occurring during each Senate legislative day.

If the leadership saw fit to adjourn the Senate with greater regularity than has occurred in recent years, then the Journal for any given legislative day would be a relatively short document. As it is, a full reading of the Journal, if it covers many calendar days in one legislative day, can indeed be somewhat onerous. I have no objection to the proposed change to provide for a privileged, nondebatable motion to suspend the reading of the Journal.

Further in the same first section of Senate Resolution 9, there is a provision that a motion to correct the Journal shall be privileged and also decided without debate. Should not the rules permit some limited debate, as there could well be a bona fide question of correcting the Journal?

But again, I have no strong objection to this recommended change in the Senate rules, although I would suggest a provision for at least 30 minutes of debate on a motion to correct the Journal.

I would point out, too, that if a dilatory motion to correct the Journal is made, then under existing rules that motion is already subject to a nondebatable motion to table.

Section 2 of Senate Resolution 9 would amend rule VII of the Standing Rules of the Senate by allowing a motion to proceed to a particular item of legislation to be made at any time outside of the morning hour and decided with only 30 minutes of debate equally divided between and controlled by the majority and minority leaders.

This provision would change existing procedure which permits unlimited debate of a motion to proceed except when the motion is made during the morning hour.

In my judgment, this proposed modification of the existing rule is perhaps the most objectionable feature of the entire proposed leadership resolution.

While functions and powers of the leadership are and should be considerable, they should be within reasonable limits. Now, in the Senate, all 100 Senators have some hand in deciding what legislation to consider, what legislation to postpone, and what legislation not to consider at all. That is how it has been throughout our history.

A motion to proceed decided after only limited debate would effectively take from the whole Senate its power in deciding collectively what legislation to consider. It would tend to turn that power over exclusively to the leadership.

Obviously, the majority leader must play a major role in scheduling bills for action on the floor. But the leadership should not have the power to disregard completely—if he so determines—the desires and views of individual Members. One cannot foresee who may be majority leader 5 or 10 or 20 years from now.

The proposed rule change would give to the majority leader the ability to shift at will back and forth and, in fact, roam all over the Senate Calendar by use of this proposed virtually nondebatable motion to proceed.

Use of this new proposed motion would make scheduling the exclusive province of the majority leader and would prevent individual Senators or the minority from having any real opportunity to affect scheduling decisions, to prepare for debate in an orderly fashion, or to contribute to the forming and modification of legislation called up for consideration.

As matters now stand under the existing rules, Senators have a reasonable expectation of receiving forewarning of leadership intentions in scheduling bills for debate. The views of individual Senators, both opponents and proponents, are solicited in connection with scheduling legislation in which they have particular interest. If this new procedure is adopted, I believe the leadership will find it largely unnecessary to consult with the minority or with individual Senators in deciding which item of legislation to bring before the Senate. That power would become the exclusive province of the leadership.

Some would assert, nevertheless, that extended debate of a motion to proceed can never be justified. But there is already a procedure which allows the decision of a motion to proceed without debate.

Under rules VII and VIII, a motion to proceed to the consideration of any matter on the Senate Calendar is determined without debate so long as the motion is made before the close of the morning hour and after the close of morning business or after the end of the first hour of the morning hour. In other words, at the beginning of any new legislative day, there is always a period of at least 1 hour's duration during which a nondebatable motion to proceed is in order.

If the leadership returned to the practice of adjourning the Senate with greater regularity, then after each adjournment, the leadership would have an opportunity at the beginning of the legislative day to make a motion to proceed and to have the motion decided without debate. That is provided in the present Standing Rules of the Senate.

The Standing Rules of the Senate are rules of procedure adopted under the Constitution. At present, they do not formally acknowledge the role of the leader by specifically granting special privileges in the rules. Those special privileges and prerogatives have developed as a result of long practice. To formalize any of these special privileges and prerogatives by setting them out in a provision of the permanent standing rules might well violate the clause in the Constitution which guarantees to the States equal representation in the Senate.

The Senate, by unanimous consent, may allow the two leaders—or one—to control time in a debate, but a rule of procedure to that effect adopted by majority vote falls afoul of the guarantee of equal representation set forth in the Constitution. While this is not a vital point, at least, I believe, it is a point that should be fully considered.

In any event, Mr. President, the existing Standing Rules of the Senate regarding the manner in which the Senate determines what legislation to consider are clearly rules of procedure permitted under the Constitution.

They are rules which insure that the whole Senate is involved in the decision-making process.

But the existing rules also protect at the same time rightful and needed prerogatives of the leadership by giving the leadership the practical ability to make, in an orderly fashion at the beginning of a new legislative day, a non-debatable motion to proceed, if that need should arise.

Section 3 of Senate Resolution 9 would amend rule XV of the Standing Rules of the Senate. The proposed change would prevent a dilatory demand for the reading of a printed amendment. I have no objection to this recommended change. Parenthetically, I believe that the Senate clerk would welcome this recommended change, also.

Section 4 of Senate Resolution 9, on the other hand, is highly objectionable

and would deprive individual Senators of a cherished and valuable right.

There is in the Senate, unlike the House of Representatives, no rule of germaneness except after cloture has been invoked and except in connection with the consideration of general appropriations bills under rule XVI.

Thus, under the existing Standing Rules of the Senate, any Senator may offer a nongermane amendment to legislation under consideration on the floor of the Senate.

Under the existing rules, individual Senators ordinarily have full freedom to offer legislation as a floor amendment and thereby to obtain action on it, if they feel the matter is deserving of full Senate attention.

This freedom thus provides a method of achieving some form of Senate action in those areas in which an individual Senator—or a group of Senators—may have a particularly strong interest. It is a right which I would think individual Senators would be reluctant to give up voluntarily.

Unlike Members of the House of Representatives, Senators are not stifled by a rigid committee system and leadership program.

Moreover, the fact that there is in the Senate no general rule of germaneness permits the fashioning of legislation in the Senate without rigid adherence to the technicalities of a strict germaneness rule.

With 435 Members in the House of Representatives, a general germaneness rule is undoubtedly necessary; in the Senate, it is not.

Frequently, a floor amendment offered in the Senate will deal with the same general subject matter covered by the bill under consideration, but the amendment will not be strictly germane to a particular provision of the bill as reported by a committee. It will not be technically germane.

Even amendments which are nongermane only in a purely technical sense could be ruled out of order, because Senate Resolution 9 would block even those amendments by requiring strict, technical germaneness on the vote of only three-fifths of the Senators present and voting.

A motion to that effect, Mr. President, would be in order as soon as a bill was brought up for consideration. The motion would be decided without debate.

I would judge, Mr. President, that, in practice, we would see it used often and early. The manager of a bill would be likely to move immediately to block nongermane amendments.

I believe it would soon become standard procedure to make the motion promptly in connection with virtually all bills called up. If it failed the first time, the same motion could be made again in the same calendar day.

Now, Mr. President, present rule XXII provides that cloture may be invoked, except in matters directly involving the standing rules, by a vote of three-fifths of the Senate. Once cloture is invoked, two significant procedural changes occur: First, unlimited debate is brought to an end with each Senator allowed only 1 hour of additional time to speak; and, second, consideration of nongermane amendments is not permitted.

Thus, in effect, the proposed new, virtually nondebatable motion to cut off nongermane amendments would operate in practice as a form of partial cloture. By putting into effect one of the two principal features of cloture, it would shut off drastically the range of topics open to consideration and debate on the floor.

It would be a form of "half-cloture" which could be invoked by far fewer Senators than are now needed to invoke full cloture. It would reduce the present requirement for a vote of three-fifths of the Senate for full cloture to a vote for half-cloture of only three-fifths of those present and voting.

I do not know, Mr. President, what the average number of Senators present and voting has been in the past, but I would guess that the number rarely exceeds 80. Thus, under this new proposal, only approximately 48 Senators could, in the typical case, shut off, at will, all nongermane amendments and in effect achieve half of what heretofore could be achieved only by a vote of 60 Senators.

I believe this present provision is most wise. Unless cloture has been invoked, the limited germaneness rules of the Senate which provide one of the great strengths of the Senate—free and open debate—ought to be left alone.

Mr. President, the next section, section 5 of Senate Resolution 9 contains one provision which is acceptable and many provisions which are bad.

Mr. President, I have no quarrel with the first change proposed in section 5. That recommended change merely corrects by elimination a meaningless clause, "or the unfinished business", now found in present rule XXII. Since established rulings of the Chair have made clear that cloture can be invoked against any matter which has come before the Senate long enough for a cloture petition to be filed against it, whether or not it is later the unfinished business, this phrase is unnecessary and confusing. I support striking it out.

The balance of section 5 of Senate Resolution 9 is unacceptable and could do great harm. The balance of section 5 would limit time after the invocation of cloture to an absolute maximum of 100 hours and a possible maximum of only 12 hours.

On the surface, this provision might appear advisable and reasonable. After all, once the Senate has invoked cloture, then debate ought to be brought to a close in a reasonable time.

But under the present rules, debate cannot continue indefinitely. In my judgment, the problems associated with post-cloture consideration of amendments have been considerably exaggerated.

In any event, the proposal contained in Senate Resolution 9 is not the answer.

First, under this proposed 100-hour or 12-hour time limitation, there is no insurance that any individual Senator would, if he desired it, receive his presently guaranteed floor time after cloture.

Existing rules guarantee 60 minutes to any Senator desiring to use that time. But under the new proposal, it is almost inevitable that, even if the 100-hour limitation were not reduced, individual Senators would be entirely cut out of the proceedings by other Senators seeking consideration and action on numerous amendments.

In other words, an individual Senator might have one amendment which he felt to be extremely meritorious and which he particularly desired to be brought before the Senate. Yet, under this proposal, he might be denied that right, and his amendment and his right to speak might fall by the wayside at the expiration of 100 or 12 hours or any other hours in between.

The majority leader has said that if important amendments remain after cloture they will be brought up and debated. But there would be no guarantee. There would be instead the danger that a single Senator or group of Senators would dominate the post-cloture period possibly for the express purpose of blocking consideration of an important single amendment, even if it had leadership and committee support.

Now, Mr. President, so far as I am concerned, I have rarely—if ever—taken more than 4 or 5 minutes of Senate time after cloture. But each Senator should have the option to use his full hour if he feels the matter to be of importance to his State or the Nation. No Senator should be deprived of that right as could well happen under the leadership proposal.

Finally, Mr. President, I must say that the provision of section 5 would allow a cloture motion to be considered within 3 hours after filing the cloture petition is particularly undesirable. Use of this procedure would not be authorized until after September 1 of each calendar year, but why should debate be shut off in so short a time as 3 hours after legislation comes before the Senate? To me, that is very unreasonable.

The practical effect of this 3-hour proposal, Mr. President, would be to allow the leadership after September 1 in a calendar year to stampede the Senate into resolving in short order the entire legislative backlog which might have built up over the year.

Now, Mr. President, any legislative body develops a legislative backlog. It is in the very nature of the Senate as an institution that some legislation during the year will not be enacted.

Legislation can fall by the wayside at many points. The system is intended to operate in that fashion because, in a free society, there is a fundamental presumption against new law and new restrictions on our citizens.

New legislation must prove its value. Such proof is given as the legislation involved clears each hurdle placed before it in the legislative process. One of these hurdles is movement from the Senate Calendar to a final vote before the Senate. It is a hurdle not always cleared.

There is indeed a legislative backlog at the end of a session. There should be. Some bills and resolutions should die on the calendar. Rarely does truly needed legislation suffer that fate.

The leadership should therefore not be permitted to operate the Senate like an automated data processor spewing forth law with machine-like precision.

Law enacted in haste in the fashion which would be permitted by a 3-hour cloture rule is law likely to be dangerous to the individual citizen.

Now, Mr. President, the next section in Senate Resolution 9 is section 6. Its provisions would prevent dilatory action with respect to requiring the reading of a printed conference report. This is a good proposal. I have no objection to this provision.

Section 7, on the other hand, would tamper with the present requirement that 3 days expire before the consideration of any legislation reported by a committee unless unanimous consent is otherwise obtained.

This 3-day rule, I feel, is important and necessary. It is the only way that Senators can be assured of an opportunity to prepare for consideration of legislation reported from committees on which they do not serve.

Frequently, the 3-day rule is waived by unanimous consent, but it is followed in connection with the most controversial and complex bills so that all Senators will have at least 3 days in which to study the issues presented before the debate begins. Three days is not an unreasonably length of time to consider important legislation.

During the last Congress, the Senate considered a complete revision of the entire criminal law of the United States codified in a single bill. What a travesty of the deliberative process it would be to allow legislation of that magnitude and complexity to come before the Senate without even 3 days of prior study.

Billions upon billions of dollars are contained in a single appropriations bill. Even the appropriations bill for the legislative branch contained last year more than $1 billion. The foreign aid appropriation contained over $9 billion. The Departments of Labor and Health, Education, and Welfare appropriations exceeded $57 billion.

Is 3 days too much to ask before the Senate takes up for action bills involving sums of those magnitudes?

One reason our country is faced with such huge deficit-created inflation is lack of adequate consideration of appropriations bills by the Senate of the United States.

I see no reason to change the present rule. For a simple, noncontroversial bill, it is not difficult to obtain unanimous consent for waiver of the rule. In other situations, the rule is necessary. I have no objections, however, to having Saturdays, Sundays, and holidays included as a part of the 3 days provided, of course, the Senate is in session during such time.

Section 8 of the resolution provides for electronic voting.

As one who served 18 years in a legislative body—the Virginia Senate—which does have electronic voting, I know many of the advantages that can be obtained by the use of such voting machines.

On the other hand, I am not convinced that the use of electronic voting in the Senate of the United States would truly be beneficial to this body.

As far as section 8 is concerned, I shall reserve judgment until it is possible to obtain a little better feel as to how that might work in the Senate of the United States.

So, Mr. President, while there are reasonable proposals in Senate Resolution 9, the ultimate effect of the total resolution would be to give tremendous additional power to the Senate leadership and simultaneously deprive individual Senators of their full role in fashioning legislation brought before the Senate for consideration.

In no other legislative body in the world does the individual member have the authority now possessed by each Member of the U.S. Senate.

In trying to reduce inconveniences, in seeking to expedite the procedures, in desiring to cooperate with the wishes of a fine majority leader—I think it important that Senators not give away important advantages which now accrue to the individual Senator.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–201, appoints Dr. Ronald Clifford Foreman, Jr., to the Board of Trustees of the American Folklife Center, Library of Congress, effective January 24, 1979, for the remainder of the term which expires March 9, 1980, in lieu of K. Ross Toole.

ORDER EXTENDING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for another not to exceed 20 minutes and any Senator may be permitted to speak during that period for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the same constrictions with respect to that extended period for morning business as obtained during the earlier periods today apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the apropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 17

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Joint Economic Committee:

To the Congress of the United States:

Two years ago when I took office our economy was still struggling to recover from the deep recession of 1974–75. Unemployment was widespread, and a substantial part of our industrial capacity stood idle.

Today 7 million more Americans are at work, and factories across the country have regained high levels of output. Family incomes, after adjustment for inflation, have risen handsomely and so have business profits.

The task now confronting us is to manage an economy operating at close to its capacity—to sustain prosperity and extend its benefits more widely among our citizens.

Under the best circumstances, designing economic policies to carry out that task calls for restraint and careful choices. Developing such policies has been made more complex by the acceleration of inflation last year and the declining growth of productivity that was partly responsible for it.

My economic and budgetary program deals forthrightly with the economic realities we face today. It is based on four principles.

First, reducing inflation must be our top economic priority. Inflation endangers the gains in employment and income that we have made during the past 2 years. We must act forcefully and effectively to combat inflation, and we must persist until the battle is won.

Second, government must do its job better. Reducing inflation will require budgetary austerity and moderation of economic growth. With productivity growth at a low ebb, living standards will not rise as fast as they have in the past 2 years. In such a climate, waste, inefficiency, or misplaced priorities are particularly intolerable. It is now more essential than ever that our government, in both its budgetary and regulatory programs, make the best use of the resources at its disposal and seek better, less costly means to achieve our national objectives.

Third, we will not reduce inflation at the expense of the most vulnerable members of our society—the poor, the elderly, and those who have difficulty finding jobs even in a high-employment economy. Ours is a compassionate Nation, dedicated to a sense of fairness. We will

not lose sight of those who most need our help.

Fourth, our policies must reflect the fact that the United States is a very important part of a closely related world economy. We will continue to pursue domestic policies and undertake other actions as necessary and appropriate to foster a strong and stable dollar, and we will join with other countries to promote an open and growing world economy.

In the months ahead, I will work closely with the Congress to ensure that the policies adopted by this government are consistent with these four precepts. The budget for 1980 must be very tight, and I intend to make sure that a fiscal policy of firm and measured restraint is maintained. But the budget must continue and strengthen our most essential programs, and I have supported such programs strongly. In order to further the fight against inflation, I will seek prompt adoption of my real wage insurance program and my proposals for hospital cost containment and regulatory reform.

I will continue to seek the cooperation and support of the American people in the fight against inflation. Last October, I proposed to the Nation a program of price and pay standards designed to brake the price-wage spiral that has beset our economy for more than a decade. This program has received substantial support from the American people, and I will make every effort to enlist the broadest possible cooperation with it in the year to come.

The pay and price standards ask every American to exercise restraint. Every American should therefore expect the government to ensure that its own actions will contribute to, not undermine, the voluntary effort to reduce inflation. Steadfast pursuit of fiscal and monetary discipline and limits on the inflationary impacts of other government actions are crucial to the success to the anti-inflation program. Together, the actions of government and the private sector can lay a new foundation for a durable prosperity.

PROGRESS AND PROBLEMS IN 1978

Among my first actions in office were steps to strengthen economic growth and speed the return to a high-employment economy. Those actions paid generous dividends. In 1977 our rate of economic growth increased by nearly a full percentage point over the prior year, and in 1978 the Nation's output of goods and services advanced by a healthy 4¼ percent. Today our Nation is using its industrial capacity more fully than a year ago.

Last year 3 million new jobs were created. A larger proportion of our people is at work now than at any other time in our history. Gains in employment during the past 2 years have been especially strong among women and members of minority groups.

Unemployment declined to less than 6 percent of the labor force during 1978. Nearly 1½ million fewer Americans were unemployed in December 1978 than 2 years earlier. Unemployment among minority groups has also begun to decline from the very high levels that persisted earlier in the recovery, but these groups still bear a disproportionate share of the burden of unemployment.

Gains in employment and output produced strongly rising incomes for most Americans during 1978. Disposable personal income, adjusted for inflation rose by more than 3 percent over the 4 quarters of last year. The income of our country's farmers, which was severely depressed in 1976 and 1977, showed a marked recovery.

Business profits rose more than 10 percent in 1978, thereby promoting conditions for the continued growth in investment needed for productivity improvement and healthy economic expansion. Business investment in new plant and equipment also strengthened in 1978, raising the proportion of our national output devoted to capital formation to the highest level in 4 years.

On most counts, the prosperity of our Nation rests on a solid base. Our economy at the end of last year was still growing strongly. The momentum of expansion will be sustained early this year by the reductions in taxes on individual incomes and corporate profits that were provided in the Revenue Act of 1978. Last year, as in the earlier years of the recovery, the process of economic expansion remained relatively well balanced. Business inventories are lean. Industrial firms and financial institutions are in good financial condition. Shortages and speculative buying generally are absent. But inflation does pose a serious threat to the Nation's continued economic health. If we make progress in reducing inflation, the prospects are good for a successful transition from a period of economic recovery to a period of moderate but sustained growth.

For more than 10 years, our country, like many other nations, has faced stubborn inflation. During the course of 1978 our inflation problem worsened. Consumer prices rose by about 9 percent, a large acceleration from the 6¾ percent rate of inflation in 1977. Increases in wages also were larger and, since productivity gains declined sharply, costs of production moved up much more strongly.

The anti-inflation effort was given top priority in 1978. In May, I recommended that the Congress reduce by $5 billion and delay 3 months the tax cut that had been proposed earlier. In October, I set forth a strong and comprehensive program to combat inflation. Shortly thereafter, in cooperation with other countries, the Nation undertook a series of measures to strengthen the dollar abroad and further contribute to a reduction of inflation at home.

INFLATION IN 1978

Rising inflation last year stemmed from several sources. Cold winter weather affected food supplies and prices. Depreciation of the dollar in foreign exchange markets added to prices of imports and to prices of goods produced by U.S. firms that compete with imported products. Costs of land and building materials were driven up by exuberant demands for new homes, and the rise of mortgage interest rates added to the costs of buying a home. At the same time, the cumulative effects of government legislation and regulation over recent years gave further impetus to cost pressures.

A large part of the worsening of inflation last year, however, stemmed from poor productivity. Over the past decade or more, the rate of growth in our productivity has been slowing. In late 1977 and throughout 1978, the slowdown in productivity growth reached serious proportions. Last year the productivity of our economy increased by less than 1 percent.

The reasons for the weakening of productivity growth in our country, especially its poor performance last year, are complex and are not fully understood. But the consequences are well known. With slower productivity growth, our living standards individually and as a Nation cannot rise as fast. Slower productivity growth means that the resources available for carrying out governmental programs become scarcer. It means that large increases in wages and other incomes put greater upward pressure on costs and prices. If we ignore the realities of slower productivity growth—if governments continue to press forward with unabated claims on resources, and private citizens continue to demand large gains in money incomes—our inflationary problem will worsen.

DEALING WITH INFLATION

Inflation injures every person in our country. It means that paychecks do not go as far as they once did. It means that savings accumulated for retirement or for a child's education become inadequate. Many poor and elderly persons see prices they pay for food, shelter, and heat rise rapidly while their incomes rise slowly or not at all. These problems are so acute that they demand an all-out effort to reduce inflation. Yet rising prices and costs have additional and very serious effects on our economy as a whole.

Inflation drives up interest rates. It undermines the competitiveness of our industries and the value of our dollar abroad. Confidence of businesses in the future is reduced and investment plans are upset. Consumers' confidence in their own future is sapped. Sooner or later, these effects of inflation will undermine the basis for economic expansion and make sustained prosperity impossible.

Finally, the corrosive effects of inflation eat away at the ties that bind us together as a people. One of the major tasks of a democratic government is to maintain conditions in which its citizens have a sense of command over their own destiny. During an inflation individuals watch in frustration as the value of last week's pay increase or last month's larger social security check is steadily eroded over the remainder of the year by a process that is beyond their individual control. All of us have a plan for the future when we lend or borrow, save for a child's education, change a job, buy a home, or choose a career. The future is uncertain enough in any event, and the outcome of our plans is never fully within our own control. When the value of the measuring rod with which we do our planning—the purchasing power of the dollar—is subject to large and unpredictable shrinkage, one more element of command over our own future slips

away. It is small wonder that trust in government and in social institutions is simultaneously eroded.

It is for all of these reasons that reducing inflation must now be the primary concern of economic policy.

POLICIES TO CONTROL INFLATION

Firm, sustained and carefully applied fiscal and monetary restraint must be the first element in our effort to reduce inflation. We have entered a period in which the high rate of economic growth that we experienced when the margin of unused resources was larger no longer is appropriate. We will apply the needed restraint and stick with it.

We will not try to wring inflation out of our economic system by pursuing policies designed to bring about a recession. That course of action would be unfair. It would put the heaviest burden of fighting inflation on those who can least afford to bear it. It also would be ineffective. Twice in the past decade inflation has accelerated and a recession has followed, but each recession brought only limited relief from inflation. The underlying pressures behind rising prices and costs continued to be strong, and inflation eventually accelerated again when recovery began. Stop-and-go policies do not work. A successful anti-inflation program must be durable to deal with a long-run inflation problem. Our problem meets that test.

When I announced my anti-inflation initiatives last October, I pledged to pursue a restrained budgetary policy in fiscal year 1980. I have kept that pledge. The central element of my fiscal program is tight control over Federal spending:

—Growth in Federal spending will be curtailed. As in 1979, Federal outlays in the next fiscal year will increase in real terms by significantly less than 1 percent.

—The share of the Nation's output accounted for by Federal spending will be reduced to about 21 percent in fiscal 1980, a full year ahead of the schedule that I had earlier announced.

Restricted growth in Federal spending, combined with the revenues yielded by a moderately growing economy, will reduce the budget deficit to $29 billion in fiscal 1980, less than half its size in the year before I took office. This course of fiscal policy will exert the measured restraint that is needed. Excessive demands upon the Nation's resources will be avoided. Growth in economic activity will slow to a little below the rise in the Nation's economic potential.

These measures of fiscal policy are being complemented by firm and careful monetary restraint on the part of the Federal Reserve Board. In this way, monetary and fiscal policy are supporting each other to combat inflationary pressures and foster a healthy and stable economy.

OTHER GOVERNMENTAL ACTIONS

I am taking other steps to reduce the inflationary effects of government actions. I have directed the agencies of the executive branch to pay special attention to ensuring that the regulations they issue do not impose unnecessary burdens on the public, and I shall continue the efforts that got under way in 1978 to improve the regulatory process.

Last year the deregulation of the airline industry brought American consumers the benefits of substantially lower prices and better service. This year I intend to seek congressional approval of legislation to increase the role of competitive forces in the trucking and railroad industries. I will submit to the Congress legislation to reform the process by which regulations are developed by Federal agencies, and to increase the emphasis on a careful balancing of costs and benefits. And I am taking steps to reduce the burden of paperwork imposed by the government on the private sector.

Government must set a clear example in the fight against inflation. For that reason, I ordered last year that the rate of pay increase for Federal workers be held to 5.5 percent and that sharp limitations be imposed on new Federal hiring.

Although these actions by government will not, by themselves, bring inflation to an end, they are indispensable. They can create an environment that encourages voluntary cooperation with the pay and price standards. Without restraint by government, the pressures of an overheated economy easily could render meaningless the best efforts of businesses and workers to reduce price and wage increases. However, it will take broad cooperation from the private sector if the voluntary effort is to succeed in reducing inflation.

VOLUNTARY WAGE AND PRICE STANDARDS

The voluntary wage and price standards call for an average rate of pay increase of 7 percent or less this year. I also have asked businesses to hold their average rate of price increase to at least one-half percentage point below the average rate of increase in 1976–77. Where such price deceleration is not possible, the standards provide for limitations on profit margins.

To meet these standards, both workers and businesses must exercise restraint. But they are fair and flexible standards. If they are widely observed, as I believe they will be, we can reverse the momentum of the price-wage cycle and gradually bring down the rate of inflation.

I recognize that cooperation with this program entails uncertainties for workers who comply with the wage standards. They may lose if others do not comply, or if forces beyond anyone's control cause prices to rise unexpectedly. In order to provide them some assurance that those who cooperate will not suffer as a result, and thus to motivate wider observance of the standards, I have proposed to the Congress a program of real wage insurance. Under this program, if inflation increases by more than 7 percent this year, groups of workers that meet the 7 percent pay standard will receive a tax credit at a rate equal to the difference between the actual inflation rate and 7 percent. This credit will insure workers' real wages over a range of inflation as high as 10 percent this year, far higher than is expected to occur.

The elements of my anti-inflation program are mutually supportive and designed to mount a sustainable attack on our long-run inflation problem. Voluntary cooperation with the pay and price standards is essential to reversing the momentum of inflation. Government needs to take strong action to avoid contributing to inflationary pressures in order to insure that the benefits of voluntary restraint are fully realized. Together, these policies offer our best opportunity to win the fight against inflation.

OUTLOOK FOR 1979

My anti-inflation program will support the health of our economy in 1979 in two respects. First, the rate of inflation should slow this year—to about 7½ percent over the year as a whole, and to somewhat below 7 percent by the end of the year. Second, moderation of inflation will help us avoid a recession and improve the prospects for sustained economic growth in 1980 and beyond.

Over the 4 quarters of 1979, the Nation's output should rise by about 2¼ percent, somewhat less than the economy's potential growth. This should create an economic climate in which the wage and price standards have good prospects for success. The labor force will continue to expand strongly and most new workers will find jobs.

Further progress in reducing inflation can be expected in 1980 as the effects of the anti-inflation program begin to cumulate. Moderate growth in the year ahead, combined with substantial progress against inflation, will lay the basis for an enduring prosperity.

In the years beyond 1980, as we are successful in containing the growth in Federal spending and bringing down the rate of inflation, we can look toward reductions in Federal taxes. Rising real income and inflation, even at a reduced pace, push taxpayers into higher tax brackets and thereby raise the average effective tax rate. Both to sustain economic growth and to relieve citizens from unwarranted tax burdens, tax reductions will, from time to time, be highly desirable.

It would be unwise—and, indeed, very dangerous—to commit ourselves now to any mechanical formula for future reductions. No such formula will pass the test of budgetary responsibility. Our knowledge of future economic conditions and developments affecting the rate of inflation is too limited to make such decisions at this time. There is simply no substitute for the difficult process of matching our overall budgetary policies year by year to the economic requirements of the Nation.

POLICIES TO MEET THE NATION'S NEEDS

In a period when the overall growth of budgetary resources must be tightly restrained, budget decisions take on special importance. Some real growth in our defense budget is essential to meet our national security needs and keep our international commitments in the face of the growing military strength of our potential adversaries.

Within the domestic budget I have given special priority to the needs of the

poor and the disadvantaged. I have recommended substantial funding for programs that address their needs for assistance in health care, education, employment and training, and basic subsistence. The 1980 budget directs the resources of those programs more carefully toward those most in need. Similarly I have sought to maintain and, in some cases, expand the assistance provided to our financially troubled cities and counties. I have paid particular attention to the need to move ahead with the development of alternative energy sources, including solar energy, and to spur basic research and development, which has been lagging in our country.

We cannot be satisfied with the condition of our economy while many of our disadvantaged citizens, especially among minorities, are unable to find work even in periods of prosperity. In 1978, the Congress enacted with my support the Full Employment and Balanced Growth Act. That act restates and amplifies the responsibilities of economic policy that have faced our Nation in recent decades. The act challenges us to provide the fullest possible opportunities for useful employment, to rely on the private sector as the principal provider of jobs, and to create an environment of price stability that will make it possible to sustain prosperity. These are very ambitious goals that challenge us as a Nation to set our sights high. The act also establishes important new procedures for moving toward the realization of full employment and price stability.

Neither can we rest while large numbers of Americans still live in poverty. This Nation has made a concerted effort to provide for those in our society who are in need. We have assisted the poor to acquire the basic necessities of life. We have taken steps to assure adequate incomes and medical care for the elderly. And we have helped to assure better health care, nutrition, and education for the young. My budget for 1980 continues to respond to the challenge that poverty sets before our Nation.

Each of these challenges calls for action by the Government. In a period of inflation, however, our ability to act is limited. We cannot do everything, but we must do what we can and do it well. That is the framework within which I have constructed my budgetary program for 1979 and 1980. This budget provides a carefully balanced spending plan which will ensure that the activities of the Federal Government are well administered and effective, and that we continue to respond to the important needs of the country.

My 1980 budget provides important building blocks for the future in many areas:

—*Health programs*, which I have expanded substantially during my first 2 years in office, will be maintained at those levels and in some cases increased. In addition, consistent with the development of a National Health Plan, new resources have been provided for the Child Health Assessment Program, which will extend Medicaid benefits to over 2 million low-income children. Funds have also been provided for extending Medicaid coverage to 100,000 low-income pregnant women not now eligible.

—*Authority for new spending for education* is maintained at the level that I provided in my budget last year. This program will support spending nearly 20 percent greater, in real terms, than 2 years ago.

—*Publicly assisted housing* will be provided through subsidies for 325,000 new units for families with low or moderate incomes.

—*Job-related programs* will include funds that will support an average of 546,000 public service jobs, phasing down to 467,000 jobs by the end of 1980. These jobs have been targeted more tightly to serve the structurally unemployed. Another 424,000 training opportunities also will be provided for the structurally unemployed. Programs to provide employment and training opportunities for youths remain a high priority. More private sector job opportunities will be made available through the new private sector initiative and the targeted employment tax credit.

—*A welfare reform program*, to take effect in 1982, will expand aid to families with dependent children, increase the earned income tax credit for low-wage workers, substantially improve employment opportunities for the Nation's neediest citizens, and provide fiscal relief to State and local governments with severe welfare burdens. Important reforms in the administration of the program will make America's welfare system easier to operate.

—*Aid to our cities and counties* will continue to be provided through revenue sharing, community development block grants, urban mass transit assistance, and urban development action grants. My budget provides new resources for the National Development Bank and requests funding in fiscal 1979 and 1980 for a new program of special fiscal assistance to cities and counties with severe unemployment problems.

This spending program provides for our Nation's vital needs, while remaining within the constraints required by today's inflationary economy.

THE INTERNATIONAL ECONOMY

Developments last year reminded us once again of the interdependence of our economy and those of other nations around the world. Our trading partners are looking at our ability to deal with our economic problems at home as an indicator of the strength and leadership they can expect from the United States. We will not disappoint them.

Nineteen hundred and seventy-eight was a year of significant progress in the world economy. Real output began to pick up in industrial countries other than the United States. Important initiatives in the international arena occurred in trade policy, in balance of payments adjustment, and in financial markets—all influenced by the cooperation shown at the Bonn Summit.

Late 1978 and early 1979 will mark the culmination of the Tokyo round of Multilateral Trade Negotiations. These historic negotiations—which began in 1975 and were intensified in 1977—should lead to the first comprehensive overhaul of the rules of international trade since the 1960s.

The need for a revamping of the trading system is clear. Our large foreign trade deficit stems in part from a loss of American vitality in world markets. But it has also resulted from the tariff and nontariff barriers of our trading partners. Over the coming years, under a final multilateral trade agreement, barriers at home and abroad will be reciprocally dismantled.

During 1979 I will be working closely with the Congress to adopt the final multilateral trade agreement, along with implementing legislation, that will foster robust export growth and free and fair competition in world trade under rules that are both equitable and economically sensible. These measures will provide a framework for trade that will enhance our living standards in the decade to come.

In recent years, the United States has had a serious balance of payments deficit. Our imports surged as we grew rapidly and drew heavily on imported oil. Our exports lagged because of slow economic growth abroad. These factors contributed to a trade deficit rising from about $10 billion in 1976 to an annual rate of almost $45 billion in early 1978. As a result of the sharp increase in our external deficit and the acceleration of inflation in the United States, the value of the dollar in foreign exchange markets fell substantially last year.

We have taken important steps to correct the deficit:

—In late 1978, Congress enacted the National Energy Act, the first comprehensive legislation for dealing with our energy problems. The effect will be to reduce our oil imports in 1985 by 2.5 million barrels per day.

—In 1978, I announced the first phase of a National Export Policy. By setting up a framework to increase support for exports and reduce disincentives to export, we can begin to increase our share of world commerce. Fundamental improvement in our trade position is critical to a healthy dollar.

—A strong and effective anti-inflation program has been put into place. An integral part of that program consists of monetary and fiscal policies that will moderate the rate of economic expansion. These actions will help reduce our large foreign trade deficit.

These policies were beginning to bear fruit by the end of 1978. Exports today are growing more rapidly than the domestic economy. The merchandise trade deficit declined from a $38-billion annual rate in the first half of last year to about $32 billion in the latter half of the year. Narrowing of the deficit should

continue and we foresee a marked improvement in the more comprehensive current account measure.

Nineteen hundred and seventy-eight was also a year of unusual instability in international financial markets. In the fall, movements in the exchange value of the dollar became very disorderly, and its decline became clearly excessive.

On November 1, I announced a series of steps to restore order to the foreign exchange markets and to correct the excessive decline of the dollar. Up to $30 billion in foreign exchange resources were assembled by the United States, to be used in coordination with other countries utilizing their own resources, to protect the dollar's value in currency markets. Domestic interest rates were raised significantly to help reduce inflation and strengthen the dollar in exchange markets. And the United States underlined its commitment to deal with its inflation problem and strengthen its underlying economic position.

These actions have improved the tone of the exchange markets and contributed to a rise in the value of the dollar. More importantly for the longer term, they are helping to create more stable conditions in the exchange markets, in which the value of the dollar can better reflect the fundamental strength of the U.S. economy.

Progress also was made in 1978 in achieving closer economic cooperation among the leading industrial nations. I met in Bonn with the leaders of the six major industrial countries to discuss major economic problems facing us. Out of this came a concerted action program to restore greater balance and confidence in the international economy and in world financial markets. Together, we took the necessary steps to achieve those ends—the United States committed itself to combat inflation and reduce oil imports, Germany and Japan to increase growth and reduce trade surpluses, others to take measures on trade or inflation. Only through continued economic cooperation and sound policies can we attain the goal of full employment and price stability that is our ultimate objective.

BUILDING FOR THE FUTURE

During this coming year, we as a Nation have an opportunity to strengthen our economy and lay the basis for continuing prosperity. The gains of the last 2 years have been notable. We have made great progress at home in recovering from the recession, and we have strengthened the stature of the United States in the world economy. In the year ahead, we can secure and extend those gains by working together to moderate inflation. I am confident that we will rise to the challenge.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979*.

REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM 18

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I am pleased to transmit to the Congress the Ninth Annual Report of the Council on Environmental Quality.

The Report contains abundant evidence of progress in meeting our national commitment to protecting our environment. The dimensions of the task still before us also emerge from the Report. For example, the Report cites encouraging evidence that the quality of our streams and lakes is improving in many places. Yet few areas of the country are entirely free of even those water quality problems which we understand best and control most effectively. And we are only on the threshold of comprehending and controlling newer problems of toxic pollution in water supplies.

Our efforts to enhance the quality of urban environments offer another example. We have gained many insights in the past few years into how tax, water, sewer, transportation, and a host of other Federal programs affect the shape of cities and the use of land. Those insights are reflected in my Urban Policy Message of last March and in many new laws and Executive Branch policies. Yet as we find ourselves better able to cope with the problems of urban sprawl, new and unfamiliar problems have emerged with the unprecedented migration from cities to small towns and rural counties in the 1970's. The lesson is that even as we learn more and do better in protecting our environment, new challenges will continue to appear.

We can be proud of our achievements so far. In my 1977 Environmental Message, I promised energetic enforcement of the environmental programs already on the books and asked your collaboration in developing certain new ones.

As a result of our partnership, we can point to:

—The first law setting Federal standards for the stripmining of coal;

—a renewal of the Clean Air and Clean Water Acts, with strict but enforceable standards;

—amendment of the 25-year-old Outer Continental Shelf Lands Act to provide orderly development of offshore oil and gas resources with high standards of environmental protection;

—a nuclear non-proliferation law;

—our selection of the environmentally preferable route for shipping Alaskan natural gas to the lower 48 States;

—the permanent protection of nearly 95 million acres of unspoiled lands in Alaska in our park and refuge systems;

—a major expansion of the Nation's park and wilderness systems, including the addition of large acreage to Redwood National Park; and

—effective regulation of fishing in the U.S. 200-mile fishery conservation zone, with a 50 percent reduction of foreign fishing and a total ban on commercial whaling within that zone.

Building on the foundation already laid by Congress and using authority already granted me, I asked agencies of the Executive Branch to undertake a number of broad policy reforms in environmental matters, including:

—a comprehensive new water resource policy that stresses conservation, environmental protection, Federal-State cooperation, cost sharing, and rational economic evaluation;

—an Administration policy that would reduce the risks of plutonium and nuclear weapons proliferation;

—vigorous support for the development of solar energy, continuation of selected solar projects, and a national policy review;

—improved protection of health and safety in the workplace, emphasizing serious health hazards while eliminating trivial regulations;

—a concerted drive by all Federal agencies to design a uniform approach toward the control of cancer-causing, life-altering toxic substances;

—a thoroughgoing reform by EPA of its regulations to minimize costs and delay, welcome outside ideas and participants and test flexible new approaches, while ensuring adequate protection of health and the environment.

Finally, I directed the Council on Environmental Quality to issue regulations under the National Environmental Policy Act which will help all Federal agencies make well-informed, environmentally sound decisions, with a minimum of paperwork and delay. I asked for new regulations which would improve the government's ability to assess the effects of its actions and encourage the preparation of concise, analytic environmental impact statements. After public hearings and a thorough review by other Federal agencies, the Council drafted regulations to achieve these goals.

I am pleased that the United States has pioneered laws to protect our air, water and land. I believe our leadership has proved its worth. Since the National Environmental Protection Act (NEPA) was passed, at least 25 States have adopted "little NEPAs" patterned after the Federal model, 16 other nations have adopted some form of environmental impact review of governmental activities, and more than 80 nations have incorporated into their governments a ministry with environmental responsibility.

In the years ahead, let us continue our fruitful collaboration and our leadership in environmental protection.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979*.

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT—PM 19

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Human Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the

Committee on Rules and Administration, the Committee on Commerce, Science, and Transportation, the Committee on the Judiciary, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Veterans Affairs, the Select Committee on Indian Affairs, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Committee on Armed Services, jointly, by unanimous consent:

To the Congress of the United States:

My State of the Union Address was devoted to what I believe are the highest priorities facing our Nation in 1979 as we seek to build a new foundation at home and abroad.

However, my Administration's time and effort this year will also be focused on a significant number of other important initiatives and goals. I am sending this State of the Union Message so that the Members of the 96th Congress are presented with a full picture of my basic legislative program in domestic and foreign affairs for the year.

Over the past two years, my Administration has developed a very cooperative relationship with the Congress. That relationship not only resulted in the extraordinarily productive record of the 95th Congress, but will provide the foundation for a renewed sense of trust and confidence by the American people in their government.

We have an enviable record to match. But with your help, the 96th Congress can meet this challenge. My Administration and I are eager to help in the effort.

Our basic goals will be to continue working with you to build solid foundations for the next century—a solid economic foundation of stable prices and continued growth—a solid foundation for a more efficient, less intrusive Federal government—a solid foundation for world peace and American security.

FOUNDATION FOR PROGRESS

When I took office two years ago, the country faced serious domestic problems:

—the economy had not recovered from a recession;
—unemployment was intolerably high at 7.8%, with 7¾ million Americans out of work;
—the Nation had no sound energy policy and oil imports were rising rapidly;
—the Federal government was operating inefficiently in numerous vital areas;
—trust in the openness and integrity of the government was low;
—major social problems were being ignored or inadequately addressed by the Federal government.

In the ensuing two years, we have tackled these problems head-on. While problems cannot be solved overnight, real progress has been made:

—the economy has strengthened—real Gross National Product has increased 10% and real disposable personal income has increased 8.9%;
—the unemployment rate has decreased by 25% since my election, from nearly 8% to 5.9%; 7.3 million new jobs have been created; total employment has reached a record of 95.9 million;
—a comprehensive national energy policy has been enacted and a Department of Energy created to help implement it;
—the first major reform of Civil Service System in nearly a century was enacted; 6 reorganization plans have been approved and implemented; the Federal paperwork burden has been reduced by 10%; inspectors general are being placed in departments and agencies to help root out fraud and abuse; zero-based budgeting practices have been instituted throughout the government; several hundred million dollars have been saved through sound cash management reforms; regulations are being written in simple English, and a Regulatory Council has been established to develop the Nation's first regulatory calendar and agenda:
—a renewed sense of confidence and faith in the government is gradually being restored;
—long-ignored domestic problems have been attacked aggressively: the Nation's first urban policy was developed and its implementation begun; the Social Security System was refinanced to assure its long run solvency; the Humphrey-Hawkins Full Employment Act was passed; aid to education has been expanded by 50%; and a welfare reform program was developed and debated in Congress and will serve as a foundation for our efforts this year to overhaul the welfare system;
—cumbersome regulatory apparatus which deters competition in our economy was dismantled by the deregulation of the airline industry.

DOMESTIC POLICY PRIORITIES

Over the next year, our domestic program will concentrate on further developing a new foundation for progress in each of several areas:

—restraining inflation, while continuing to pursue our employment and other economic and budgetary goals;
—making government more efficient and effective;
—enhancing basic human and social needs;
—protecting and enhancing our rights and liberties; and
—preserving and developing our natural resources.

INFLATION

My Administration's major domestic priority is to reduce the rate of inflation, while maintaining economic growth. That is clearly the major domestic concern of the American people, and it is the problem they are looking to us to help solve. Inflation places a cruel burden on the poor and on those on fixed incomes. It serves as a disincentive to investment. It threatens our continued economic growth and job creation. This is more than an economic challenge. Inflation is the persistent, historic enemy of a free society. It saps our confidence and faith in the future. It undermines our trust.

I am determined to meet the challenge now before us. Last October I announced an anti-inflation program which can aid significantly in the effort to reduce inflation. It is a tough and responsible voluntary program.

Throughout this year, we will be working to implement our anti-inflation program. Part of the program requires new legislation, and we intend to work closely with you in developing and enacting that legislation.

The effort to reduce inflation will be one of the most difficult battles our government has undertaken in many years. But it is not a battle we can afford to lose. Government cannot solve the problem of inflation alone. But we can and must lead the way. With your cooperation, we can and will win.

THE 1980 BUDGET

In announcing my anti-inflation program last year, I made a commitment to the American people to reduce the budget deficit for fiscal year 1980 to $30 billion or less. The budget I submitted to the Congress honors that commitment. The FY '80 budget projects a deficit of $29 billion, which is less than half the deficit the Nation had when I ran for office and represents the smallest budget deficit in the last six fiscal years.

The FY '80 budget has $531.6 billion in projected budget outlays, which is an increase of only 7.7% above the previous year. That is the smallest annual increase in Federal spending in the last seven years.

The $531.6 billion spending total also means that we will be meeting my goal of reducing Federal spending to about 21% of Gross National Product one year ahead of schedule.

The decisions I had to make in restraining spending were difficult. But if we are to succeed in breaking the back of inflation, Federal spending must be restrained to set an example for the private sector. If there were easier solutions, they would have been taken by now.

Finally, I want to emphasize that my FY '80 budget does not neglect the basic needs of the disadvantaged, the poor, and the unemployed. For instance, the budget will provide $4.5 billion in increased assistance to the poor. It also will provide a total of $11.2 billion for adult and youth employment and training programs, which will be especially targeted to the disadvantaged and long-term unemployed. Moreover there are significant increases for education programs for the disadvantaged and a new fiscal assistance program for our Nation's cities.

In short, this budget is austere, but it also maintains our commitment to help those in our country who most need it.

HOSPITAL COST CONTAINMENT

One of my highest legislative priorities for this year is hospital cost containment. It will be one of the clearest tests of the seriousness of the Congress in dealing with the problem of inflation. Clearly the most inflationary part of health care costs in recent years has been in the hospital industry. Last year, hospital charges grew at the rate of about 13 percent. Experience in several States has shown that through programs such as the one I will propose, hospitals can save money and reduce costs through sound cost containment practices. I expect to shortly propose hospital cost containment legislation which will build on the proposal passed last year by the Senate.

REAL WAGE INSURANCE

I have proposed to the Congress a real wage insurance program to protect employee groups that comply with the 7 percent voluntary wage standard against losses in purchasing power if inflation exceeds 7 percent. If inflation exceeds 7 percent, these employees will receive a tax refund equal to their 1979 income up to $20,000 times the difference between the actual inflation rate (up to 10 percent) and 7 percent. This program will give workers a strong economic incentive to cooperate with the voluntary pay standards I have established, thereby helping to break the wage/price spiral that is at the root of the current persistent inflation.

This is a novel approach to the inflation problem. The persistence of high inflation for the past ten years makes it clear that new solutions are needed. Innovative approaches must be added to the arsenal if we are to break the back of inflation. Real wage insurance represents the type of innovative approach which is required: it will provide a significant tax benefit for those working people who participate in helping to reduce the inflationary cycle, but without raising taxes for anyone else.

My Administration intends to work very closely with Congress in developing and enacting a real wage insurance law.

VOLUNTARY PAY AND PRICE STANDARDS

It is vital that our program of voluntary pay-price standards succeed. At stake is the reduced rate of inflation that all Americans demand and deserve. The cooperation of business and labor is obviously essential, and we have already had clear evidence of their willingness to join in this effort. I have already received assurance from over 200 of the Nation's largest corporations that they will comply with the standards. And just recently the Oil, Chemical, and Atomic Workers Union reached agreement on a contract with the major refineries that met the pay standards.

Throughout this year the pay and price standards will continually be tested. Your cooperation in encouraging voluntary compliance can help ensure the standards' success. The Administration will keep the Congress fully informed and involved as we work to implement this program.

STATE AND LOCAL GOVERNMENTS

If we are to succeed in our anti-inflation efforts, the cooperation and active participation of State and local governments is essential. We will soon announce, a program which actively involves the Governors, Mayors, County Executives, and other local officials in a comprehensive approach to restrain inflationary pressures within their control.

THE NECESSITIES

In recent years, the greatest inflationary burden on the working men and women has involved necessities of life—food, energy, housing, and medical care. An effective anti-inflation program must involve a series of concerted attacks on the sources of rising prices in these vital sectors.

In each of these areas, the Administration has established task forces to identify existing government policies that unreasonably inflate prices, and to suggest actions that can be taken, at both national and local levels, to combat inflation. In these efforts we will work directly with Congress, State and local governments, and consumer groups.

MULTILATERAL TRADE NEGOTIATIONS (MTN)

I have already notified the Congress that we expect to sign and submit for Congressional approval a set of trade agreements which we will reach in the Tokyo Round of the Multilateral Trade Negotiations. With these agreements, we expect to achieve major reductions in tariff and nontariff barriers to international trade. These agreements will:

—lead to increased opportunities for U.S. exports;
—ensure that import competition is fair; and
—result in lower prices, increased competition, and greater prosperity for the American people.

Passage of the MTN will be one of my highest legislative priorities this year. It is critical to the health of our domestic and of the world economy.

COUNTERVAILING DUTIES

I have recently sent to the Congress a message urging prompt passage of legislation permitting the waiver of the imposition of countervailing duties on certain imported products. Passage is essential to the successful completion of the Multilateral Trade Negotiations, and, therefore, should be one of Congress' highest priorities at the beginning of this session.

EXPORTS

The United States has entered a period where export growth is essential to improve our balance of payments, strengthen the dollar, and thereby help reduce inflationary pressures. To do this, both the private sector and the Federal Government must place a higher priority on exports.

With the National Export Policy I announced last year, we are moving to meet this need. First, we are working to reduce domestic barriers to exports so that exporters are not stifled by excessive governmental regulation. Second, we are providing further incentives in the form of better export financing and better government export development programs. Third, we are working with our trading partners in the Multilateral Trade Negotiations to reduce foreign barriers to our exports and to secure a fairer international trading system for all exporters.

These actions should expand our exports in 1979 and help us move toward a reduced trade deficit, although they will not cure our serious balance of trade difficulties overnight. They are the first steps in an essential, long-term effort to strengthen the U.S. position in world trade, while reaffirming the Nation's commitment to maintain an open world trading system and to resist protectionism.

COUNCIL ON WAGE AND PRICE STABILITY

The Council on Wage and Price Stability is playing a vital role in our anti-inflation efforts. The Council and its staff have the lead responsibility within the Executive Branch for implementing the voluntary wage and price standards that I have announced. Without the Council's continuing role, the anti-inflation effort would have a very slim chance of succeeding.

I therefore believe it is essential that the Council, along with its staff operation, be reauthorized early this year with the additional staff I will request to handle the enormous volume of work under my anti-inflation program. The reauthorization should not contain amendments that interrupt or restrain the necessary work of the Council or its staff.

EMPLOYMENT

The Administration, working closely with Congress, has made significant progress over the last two years in reducing unemployment and creating new jobs:

—The December unemployment rate of 5.9% represents almost a 25% reduction from the December, 1976 rate.
—7.3 million more people have jobs than they did before the beginning of the Administration. This increase exceeds the employment growth in any other two-year period since World War II.
—Total employment has reached an all-time high of 95.9 million.
—Over the past two years black employment is up by 12%; and black teenage employment is up by 19.7%; adult female employment has increased by 10.5%; teenage employment overall has increased by 11%. Although progress has been made, unemployment remains unacceptably high for these groups. And in inner-city areas unemployment remains much too high for all workers.

Last year, which ended with the lowest unemployment rate in 3 years, a framework for continued progress into the next decade was established:

—the Comprehensive Employment and Training Act (CETA) was reauthorized at high levels for four more years;
—the Humphrey-Hawkins Full Employment Act became law after many years of effort;
—the Administration's demonstration youth programs were extended for two more years;
—a new partnership between the government and the private sector to assist the unemployed was approved by Congress with the passage of a new Title 7 of CETA—the Private Sector Initiatives Program; the targeted jobs tax credit, to encourage private employers to hire our poor young people and others who are hard to employ; and an expanded tax credit for mothers on welfare.

In 1979 this framework will help us continue to improve the employment prospects for America's workers. We especially want to improve the targeting of job creation programs to those who

most need these opportunities and to improve the quality of the training and employment assistance for the poor, blacks, Hispanics, youth and women.

We expect to achieve these goals through a number of actions:

First, we will continue working toward achievement of the Humphrey-Hawkins Full Employment Act goals. We will provide an average of 546,000 CETA public jobs, and shift many of them to the long-term or "structurally" unemployed. We will continue to search for the most promising ways to reduce the structural unemployment that denies many the opportunity for full participation in American life.

Second, we will begin implementing the new Private Sector programs, including establishment of Private Industry Councils in communities throughout the country, to encourage business to hire the hard-core unemployed. I am proposing to Congress that this effort be supported at a level of $400 million this year.

Third, we will continue our special efforts to provide jobs and training programs for young workers in cooperation with community-based organizations and the private sector. We must meet our responsibility to provide opportunities for young Americans to learn to work.

Fourth, we will take steps to improve the management and delivery of employment and training services. I will seek a reform of the Wagner-Peyser Act, which authorizes the U.S. Employment Service, to integrate that program more effectively into our employment and training system. My Administration will also implement the CETA amendments, which establish practices and procedures to improve the quality of programs, provide better management and prevent fraud and abuse.

MAKING GOVERNMENT MORE EFFICIENT AND EFFECTIVE

The American people are demanding a Federal government which is effective and efficient. For the past two years, I have worked toward that goal by reorganizing and reforming the government's operation and by uncovering and removing fraud, waste and abuse. Real progress has been made. But the government is still not operating as competently as I want or the American people deserve. In 1979, we must build on the base of the last two years to provide our people with the type of government they deserve. Your help in this effort is essential. We have already begun to build a new foundation of government efficiency and we will do more in the year ahead.

REORGANIZATION

We have begun to reorganize the government through the creation of a Cabinet-level Department of Energy and the changes resulting from the six reorganization plans approved by Congress over the past two years. Those plans helped to reshape and improve the operation of the Executive Office of the President, the international cultural and communications agencies, emergency preparedness agencies, the equal employment opportunity enforcement agencies, the Civil Service Commission, and the administration of the Employee Retirement Income Security Act.

I will again propose to the Congress that a Cabinet-level Department of Education be created. This will be a very high priority of this Administration. Education issues deserve far more attention and more accountable management than they can receive in a department as large and complex as HEW. The department would provide a Cabinet-level official devoting full-time attention to education and reporting directly to me. It will also enable the Federal government to be a more responsive and reliable partner with States, localities, and private institutions which have primary responsibility for education.

I will also be proposing to Congress reorganization plans involving economic development and the management of our natural resources development, and will intensively study possible reorganizations in the areas of surface transportation, the Selective Service system and the Alaska natural gas pipeline. The natural resources and economic development reorganizations involve areas where overlap, duplication and unclear authority have hamstrung our efforts. Reorganization here can save money and people. We will be consulting closely with Congress over the next several weeks before submitting these reorganization plans.

REGULATORY REFORM

Last year we took major steps toward reform of the Federal regulatory system, ranging from improved regulation writing to saving hundreds of millions of dollars through improved cash management techniques. The dramatic reductions in airline prices that occurred when Congress joined with us to lift the heavy hand of Federal regulation illustrate the advantages of letting the competitive market, rather than government, control industry performance. The public will benefit similarly through improved service, increased competition, and lower Federal expenditures, if we reform Federal regulation of surface transportation. I will send to Congress shortly a Surface Transportation Reform Message dealing with the rail, inter-city bus, and trucking industries.

In 1978 I used my authority as Chief Executive to improve the management of the Federal regulatory process. I issued Executive Order 12044, setting standards to ensure that each Executive Branch regulatory agency facilitates public participation and avoids needless costs. A regulatory analysis program was established under an inter-agency Regulatory Analysis Review Group to help ensure that major new regulations are as cost-effective as possible. The Executive Order also established procedures for all Executive Branch agencies to conduct sunset reviews to reevaluate outdated regulations and remove them from the books wherever warranted. Finally, I created a Regulatory Council composed of the Executive Branch regulatory agencies, with voluntary participation by independent agencies, to develop a calendar of all major Federal regulations to be issued or proposed in 1979. The Nation's first Regulatory Calendar will be published next month and will be used to eliminate duplication, overlap, and inconsistent practices.

This year I will propose to Congress a number of legislative actions that can be taken to improve the regulatory process. They will include improvements in specific regulatory programs, as well as a Regulatory Reform Act so that no regulation can be issued unless it is genuinely required, and unless it gets the job done with maximum efficiency and minimum paperwork, costs, and other burdens.

The quality of regulations can also be improved by providing opportunities for all interested parties to participate in regulatory proceedings. Public involvement should be enhanced by providing financial assistance to those whose participation is limited by their economic circumstances. While many agencies have inherent authority to fund participation, we will seek legislation to specificially authorize these programs.

While I will propose a wide-ranging legislative program, I will continue to oppose the legislative veto. This approach is unconstitutional; it increases uncertainty and delay; and it deflects attention from the real solutions.

None of our actions in this area will be taken at the expense of my deep personal commitment to protect health and safety in the environment, the workplace, the highway, and consumer products; and to prevent deception and unfairness to consumers. My regulatory reform program will help make needed programs work better, cost less, and gain support among all sectors of our society.

CIVIL SERVICE AND PAY REFORM

Enactment of the Civil Service Reform Act of 1978 by the 95th Congress represented one of the finest examples of cooperation between the Legislative and Executive Branches in recent times. That effort showed a determination to respond to the clear public desire to improve the management of the Federal bureaucracy. Implementation of the Reform Act is well under way. The Office of Personnel Management, the Merit System Protection Board, and the Federal Labor Relations Authority authorized by the Act have been established. In addition, the heads of the Federal departments and agencies have moved promptly to implement the new personnel procedures that will permit a better motivated and more effective civil service.

However, other improvements in management of the government's work force are needed. Our white collar, blue collar, and military systems must be reformed in order to make certain that we neither overpay nor underpay Federal employees. Therefore, I will propose Federal pay reform legislation covering each of these systems to the Congress that is equitable to Federal employees and the public. These pay reforms are an important follow-on to our civil service reform.

PUBLIC FINANCING

The time is long overdue for reforming the way Congressional elections are financed. The current flood of money threatens to pervert our electoral process. We can no longer permit our elections to be open to the highest bidder. The recent elections have clearly demonstrated the kinds of problems caused by uncontrolled campaign spending. It is time to adopt public financing for Congressional elections—before it is too late. Public financing operated successfully in the last Presidential election, and it can do the same in Congressional races. My Administration will work with Congress for passage of a sound Congressional public financing law.

SUNSET

My Administration will again work with the Congress to enact a sound sunset bill. Under such a bill, each Federal program would have to be carefully reexamined on a periodic basis to determine whether its continued existence is justified. Through such a procedure, the American people can be assured that unnecessary government programs and agencies will be ended, rather than continued through the force of inertia; and other programs and agencies will be improved.

There are few more important building-stones to the new foundation of government efficiency we seek than passage of sunset legislation. It goes to the heart of making government work.

LOBBY REFORM

The American people have a right to know what significant influences affect their national legislature. The proliferation of well financed, organizational lobbying activities during recent years has demonstrated the clear need for reform of the outdated and ineffective lobby disclosure law now in effect. This year my Administration will continue to work with Congress to pass a sound lobby law reform bill—one that respects the First Amendment right of all Americans and minimizes paperwork burdens, yet allows meaningful disclosures.

WASTE, FRAUD, AND INEFFICIENCY

Although the vast majority of Federal employees are able, honest, and hard-working, we need to continue to be vigilant to ensure that the taxpayers' dollars are not wasted through fraud or abuse. The implementation of civil service reform will lead to improvements in agency management practices and program efficiency. In addition, I am committed to continuing to cut excess paperwork, simplify grants requirements, and evaluate our programs better and more frequently. We have already significantly reduced the paperwork burden and implemented many of the recommendations of the Federal Paperwork Commission. We will continue to do more in 1979.

Early this year I will nominate highly qualified Inspectors General armed with tough new powers to prevent waste and corruption. The Justice Department will increase its already intensive effort to prosecute those few employees and contractors who abuse the public trust. In addition, a new Office of Ethics in the Office of Personnel Management and a Special Counsel in the Merit System Protection Board will help ensure the integrity of the Federal work force and protect its members from political abuse.

STATE AND LOCAL GOVERNMENT RELATIONS

As the first President in more than thirty years to be elected immediately after service as a Governor, I have made relations with State and local government a high priority of my Administration. During my first two years in office, we have strengthened the Federal system significantly. We have involved the Federal Regional Directors in the management of the government and have reinvigorated the Federal Regional Councils. As a result, the Federal government is now able to respond better and more quickly to State and local needs. In addition, we have involved State and local officials in the development of our policies to a greater degree than any previous Administration.

Since 1977, Federal grants-in-aid to State and local governments have increased to more than $80 billion per year, 25 percent above the level of aid when I first took office. Progress has also been made towards my goal of giving Governors, Mayors, and county officials more flexibility in managing Federal programs. The Federal government is now taking seriously, for the first time, the burdens and costs we impose on State and local governments and all taxpayers when we legislate and regulate from the Federal level.

In this time of limited budget resources we must achieve more cost-effective management of Federal resources and place greater reliance on the experience, knowledge, and ability of State and local governments.

In the future, we must attempt to limit the imposition of new costs on State and local governments, and to avoid where possible prescribing every detail of how they administer Federal programs. We must work together to identify specific ways in which more flexibility can be given to State, city, and county officials in the administration of Federal programs without compromising the national purposes that each program is designed to serve.

TRANSPORTATION

In 1979 we shall continue the effort begun in the 95th Congress to reduce the regulatory burden on the Nation's transportation industry. Our proposals for surface transportation deregulation will build upon the principles of increased competition that have proven successful for the airline industry.

Shortly, I will propose broad legislation which begins to deregulate the railroad industry. Regulatory reform is a crucial first step toward revitalizing this important transportation mode.

In addition, I will also be proposing significant reductions in the regulation of inter-city bus transportation and certain regulatory changes in the trucking area.

We are also committed to improving the level of safety for our transportation industry. As part of this effort, we intend vigorously to pursue legislation improving equipment and conditions affecting truck drivers, and giving stronger enforcement authority to Federal agencies.

My forthcoming Surface Transportation Regulatory Reform Message will provide the details of these proposals.

Finally, I will propose overdue changes in the Nation's maritime policies. We must improve the ability of our Merchant Marine to win a fair share of our cargo.

NO-FAULT

The Administration will continue to support legislation to establish Federal minimum standards for state no-fault automobile compensation systems. No-fault systems have proven to be far more efficient in delivering benefits to the victims of automobile accidents than the current tort system, and they also provide greater opportunities to coordinate and reduce overall insurance costs. Too great a percentage of the premiums paid by policy-holders goes for the administration of the current wasteful tort liability system. No-fault would save money and court-time. It deserves Congressional support.

CONSUMER REPRESENTATION

My Administration has developed new procedures that will set standards and assess performance for effective public representation within government agencies. These procedures are designed not only to improve the delivery of government services to our citizens, but also to enhance the awareness of government to the health, safety, and economic concerns of all consumers. In 1979, we will direct adequate resources to these procedures, which include complaint handling, training and technical assistance for consumer organizations, advocacy, consumer education and information, and citizen participation.

LEAA

Last year I proposed legislation which would institute significant and long-overdue changes in the structure and programs of the Law Enforcement Assistance Administration. The LEAA has the potential to improve and strengthen State and local law criminal justice programs, but in its present form it has fallen far short of its potential. My Administration will work with the Congress again this year to reform this framework, which includes a National Institute of Justice to enable us to obtain better information and research about crime problems. Once the legislation is enacted, we will make certain that the new agency is efficiently carrying out its mission of providing meaningful Federal law enforcement assistance.

JUDGESHIPS

Last year my Administration worked closely with the Congress to enact legislation creating the additional Federal judgeships needed to reduce our court's backlogs and delays. As a result, I will soon be nominating 152 new Federal judges—the largest addition to the Federal judiciary in our history. Some of these judges will still be serving in the next century.

I am determined to nominate judges of the highest quality; our Federal judiciary must be selected on the basis of merit. I am also determined to increase the low representation on the Federal bench of women, blacks, Hispanics, and other minorities. These goals are within

our reach, if we work together cooperatively and recognize the importance our country places in the selection of these new judges.

JUDICIAL REFORM

Because our Federal courts do not function as well as we have the right to expect, my Administration has made judicial reform one of its goals. During 1978, Congress took major steps toward alleviating the problem by increasing substantially the number of Federal Judges and by adopting numerous substantive and procedural reforms in the handling of bankruptcy matters.

Other judicial reforms remain to be made. Some, such as expanding the authority of magistrates and curtailing diversity jurisdiction, were proposed to the last Congress. I will shortly send a message to the Congress urging prompt action on these and several additional proposals designed to improve the responsiveness and efficiency of our system of justice. They merit the attention and approval of the Congress.

In addition, as was indicated in my Consumer Message to Congress, the Administration will continue to support reform of class action procedures. Reform legislation should seek to ease unnecessary burdens and costs of class actions, while at the same time preventing them from being used in a harassing manner.

ANTITRUST ENFORCEMENT AND COMPETITION

Free enterprise and competition, protected by the antitrust laws, are the central organizing principles of our economic system. Competition produces powerful incentives for innovation and efficiency, fights inflation, and enhances consumer welfare. Strict enforcement of our antitrust laws are critical to the health of competition and the Nation's economy.

Several important strides were made last year in improving antitrust enforcement. In 1978, the courts imposed over $11 million in corporate fines for antitrust violations and imprisoned 29 individuals for antitrust violations. These fines and sentences are significantly larger than in past years, and are consistent with my strong commitment to vigorous antitrust enforcement.

Last year I appointed the National Commission for the Review of Antitrust Laws and Procedures to suggest ways of expediting antitrust cases and making relief more effective. Its members have recently reported to me, and we will work closely with the Congress and the Judicial Conference to implement many of its recommendations.

Similar progress in improving the effectiveness of antitrust enforcement can be made in the 96th Congress.

I continue to support legislation to allow those who are injured by antitrust violations to recover damages from the antitrust violator, whether the injured person is a direct or indirect purchaser. Under the Supreme Court's decision in the *Illinois Brick Case* only direct purchasers may recover, even though they may have passed on the injury to consumers, who are prevented from suing. This decision undercuts state and private enforcement of the antitrust laws, reduces their deterrent effect, may contribute to higher prices, and often allows the violator to keep his gain at the expense of the injured consumer. This needed legislation would overturn that decision.

BANKING

I anticipate receiving shortly the recommendations of the Administration's Task Force studying Regulation Q and the system of deposit interest rate controls, and I expect to make recommendations based upon the Task Force's findings.

My Administration remains supportive of Congressional action to deal with the need to halt the continuing attrition in the percentage of bank deposits subject to the reserve requirements of the Federal Reserve System.

CARRYOVER BASIS

Carryover basis was one of the most important reforms passed by Congress in the Tax Reform Act of 1976. This reform would add substantial equity to our tax laws and greater efficiency to our capital markets.

The carryover basis reform has the effect of ending a situation in which many of our wealthiest taxpayers could *permanently* escape paying income tax on their gains from inherited property. Unfortunately, the effective date has been delayed until the end of 1979.

My Administration will strongly oppose any efforts to repeal this reform or further delay its implementation.

ENHANCING BASIC HUMAN AND SOCIAL NEEDS

In the years immediately preceding my Administration, too many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the past two years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

The progress over the past two years *has* noticeably moved us forward toward building a new foundation to solve some of the country's fundamental human and social problems. My Administration has vastly expanded assistance in the last twenty-four months in areas of employment, education, housing, community and economic development and health care, which represent an improvement for the American people.

The record of the past two years demonstrates that government can meet our citizens' basic human and social needs in a compassionate way. No longer can there be any doubt that the government is able to treat Americans' problems with sensitivity.

In the coming fiscal year, budget restraints make it more difficult to expand funding significantly for many major domestic programs, though some programs *will* be increased. We will continue to make existing social programs work more effectively; to reduce the waste and fraud and excess bureaucracy which drains tax dollars intended to meet basic human needs. In a period of austerity, efficiency is itself an act of compassion because it unlocks resources needed for health care, education, housing, economic development and other urgent social priorities.

HEALTH PROGRAM

One of the highest goals of the 96th Congress should be taking action to provide all Americans with the opportunity to lead a more healthy life. This opportunity has been denied to many in our country because of health care services which are unaffordable, inaccessible, and inefficient. In addition, our current system of health care is focused on the treatment of disease, with too little attention being directed toward its prevention. We need a national health strategy which corrects these inadequacies in the existing system. Some of the elements of this strategy are already in place and need only be strengthened Others will require new legislation frc the 96th Congress.

NATIONAL HEALTH PLAN AND OTHER IMPROVEMENTS

Last year I outlined the principles upon which the National Health Plan I intend to propose will be based. Based on those principles, the Administration has been working to develop a National Health Plan that will enable the country to reach the goal of comprehensive, universal health care coverage. I remain committed to that goal.

The need for improved health care coverage is clear:

—About 19 million Americans have no health insurance.

—Another 65 million Americans face potential bankruptcy because they lack insurance protecting them against catastrophic medical expenses.

—The health care system is highly inflationary. Spending in the entire health care industry—has been rising at an annual rate of 12%. These expenditures cannot be successfully contained under current health delivery and financing methods, which produce unnecessary hospitalization over-reliance on expensive technology and inadequate preventive care.

—Health resources are unevenly distributed across the country, resulting in significant gaps in vital medical services for many residents of rural and inner city areas.

Over the next several weeks, we will be consulting closely with Congress and interested outside groups on the scope and nature of the plan I will propose. I expect to submit a plan later in the year shortly after those consultations have been completed, and I look forward to working with the Congress toward a prompt enactment of that plan.

An essential companion to any plan must be hospital cost containment legislation. As I have indicated earlier in this Message, I will make passage of that legislation one of my highest priorities this year.

Our effort to control health care costs would be further strengthened by the early passage of the Health Planning Act.

We must also continue to promote competition in the health care sector of the economy. Accordingly, the FY '80 budget expands Federal support for Health Maintenance Organizations, which have demonstrated a significant potential for cost saving. I will also continue to press for reforms making it easier for HMO's to obtain equitable reimbursement under Medicare and Medicaid.

PREVENTION AND ACCESSIBLE HEALTH SERVICES

More health care services alone, however, will not necessarily improve the health status of our Nation—even if these services are affordable, accessible, and efficient. Our national health strategy must direct more attention to health promotion and disease prevention if we are to achieve our goal of improved health status. The Surgeon General will present this year a major report outlining our needs in this area. I will be asking for your help in carrying out many of its recommendations.

We have made great strides in expanding the availability of health care services to rural and low-income urban areas in recent years through the creation of the National Health Service Corps and the establishment of a system of Community Health Centers. If health care is to be accessible to all Americans, these programs must be expanded, and the FY '80 budget provides for such an expansion.

CHILD HEALTH ASSESSMENT

I believe that our health strategy must place high priority on the health of our children. Accordingly, I will submit a revised Child Health Assessment Program to improve the early and preventive screening, diagnosis, and treatment program for lower-income children under Medicaid. This program would cover over 2,000,000 low-income children who are not receiving Medicaid services. An additional 100,000 low-income pregnant women would become eligible for medical services prior to delivery, improving the health of both the mothers and infants. This should be part of a national health plan.

MENTAL HEALTH

Based upon last year's recommendations of the President's Commission on Mental Health, I will be proposing comprehensive mental health legislation this year along with a Mental Health Message. A new Community Mental Health System will make new efforts to link mental health, health, and social services for the chronically mentally ill to enable them to live successfully in the community and will provide new community mental health services. We will emphasize efforts to provide improved recognition and treatment of mental health problems in the general health care system. In addition, we will increase support for mental health research to restore our mental health research capacity, which the Commission found had seriously eroded over the past decade.

The First Lady has helped spearhead the Administration's efforts to sensitize the Nation to the problems in the mental health area. She will continue to work directly with me to implement the pertinent recommendations of the Commission.

DRUG ABUSE

In continuing our efforts to combat drug abuse, my Administration will rely on those programs and initiatives which have proven to be successful in the past year and which serve as building blocks for future programs. Today, in the United States, there are 110,000 fewer heroin addicts than there were in 1975; 1,000 fewer Americans died of heroin overdoses in the twelve-month period ending June 30, 1978 than in the previous twelve months. Seizures of illegal drugs are at their highest level ever. Improved coordination and cooperation among Federal agencies have resulted in a more effective drug program without major budget increases. But much remains to be done and the situation remains serious.

In 1979 we will look more to the behavior of the individual who turns to drugs, will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic, and will rely heavily on enlisting foreign cooperation in the overall drug program. These efforts should further our success in controlling drug abuse both in the United States and abroad.

DRUG REGULATION REFORM

My Administration will continue to work with the Congress to overhaul our current drug regulation laws in order to assure that consumers have prompt access to safe and effective drugs.

FOOD AND NUTRITION

Last year, we worked with the Congress to enact the Child Nutrition Amendments, which revamped many of our food programs and greatly expanded the Supplemental Food Program for Women, Infants and Children. This year I will propose further legislation to strengthen these and other food programs by: improving the targeting of school meal programs for the needy; instituting an error sanction scheme to encourage States to reduce costly Food Stamp errors; and eliminating the cap on food stamp expenditures. These reforms will insure that additional nutrition resources are targeted to those truly in need.

WORKER HEALTH AND SAFETY

We will continue to fully enforce laws protecting worker health and safety in a sensible and efficient manner. There will be further efforts to eliminate frivolous and unneeded rules while concentrating greater enforcement efforts on the most dangerous and particularly the most unhealthy occupational environments. More efficient management of this program will serve the interest that both labor and management have in better working conditions.

HOUSING

We are committed to holding down housing construction costs and eliminating unnecessary regulatory burdens, so that the American consumer will have an affordable choice in the housing marketplace. Our efforts will be accelerated this year. We have also supported introduction of the new money market certificates, which have helped the housing industry by maintaining a steady supply of mortgage credit.

The Administration has supported the provision of Federal housing assistance to low-and-moderate income people, including the elderly and the handicapped.

During the period of 1978 through 1980, the Administration will have committed resources for over one million additional units of assisted housing for low-and-moderate income renters and homeowners. This is evidence of our commitment to the goal of a decent home for every American. In 1980, I am recommending 325,000 units of housing for low-and-moderate income persons.

The problems of providing adequate housing in rural areas is especially acute. Lack of available land, high site development costs, widespread substandard, overcrowded housing, and limited credit opportunities continue to plague rural areas. Government attempts to help are often hampered by inappropriate, burdensome regulations and paperwork. This year the Administration will take steps to assure that Federal regulations accommodate locally acceptable housing codes and that the endless paperwork, inspections, and processing requirements currently mandated by the three major housing agencies, HUD, FHA, and VA, are consolidated and streamlined.

COMMUNITY DEVELOPMENT

My Administration remains committed to a partnership involving Federal, State, county, and local governments, the private sector, and community organizations. The Community Development Block Grant program is a cornerstone of that partnership, and I am proposing in my FY '80 budget that it be funded at the full authorization level. This will be an increase of $150 million in FY '80 above the FY '79 level.

In 1977, we developed the Urban Development Action Grant program and it has already succeeded in leveraging $2.9 billion in private investment and creating or saving 125,000 jobs. I am proposing a continuation of the Action Grant program next year, at the $400 million authorization level.

NEIGHBORHOODS

My Administration has been devoted to the preservation of neighborhoods and the development of sound neighborhood self-help projects. This goal has been evident in the emphasis on neighborhoods in my urban policy as well as in the operation of the Department of Housing and Urban Development and other agencies. Last year, as part of our urban policy, we proposed and Congress passed the Livable Cities and Neighborhood Self-Help Development programs to enable neighborhood groups and organizations to rebuild their neighborhoods. In addition, Congressional passage of the National Consumer Cooperative Bank makes available new sources of financing and technical assistance to groups who are engaged in building cooperative enterprises to reduce costs in key consumer goods and services.

This year, my Administration and Congress will receive the final report of the National Commission on Neighborhoods.

We look forward to working with the Congress on many of the Commission's recommendations. With your help, we can make the Federal government increasingly more responsive to the needs of neighborhood people who are working together to meet basic needs in housing and community development, health care, nutrition, and energy conservation.

URBAN POLICY

Last year, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, thirteen of these bills passed last year.

I will again propose to the Congress several important parts of the urban policy not adopted last year. The two principal proposals are: an urban fiscal assistance program, and the National Development Bank.

My fiscal assistance proposal will include two principal components. The first, a standby countercyclical fiscal assistance program, will protect State and local governments against unexpected changes in the national economy. It would trigger into place if the national unemployment rate rises above 6.5 percent and would provide fiscal aid to many needy governments. The second component is a transitional, highly targeted fiscal assistance program that provides fiscal aid to only the most fiscally-distressed local governments. Relatively few cities and counties will be eligible for this highly targeted program; but those eligible will be truly in need. I will seek a $250 million supplemental in FY '79 and $150 million in FY '80 for this targeted fiscal assistance program.

I also will propose a National Development Bank to provide financing for local economic development projects which will aid the revitalization of our Nation's communities. As part of the Bank, I will propose a significant increase in economic development funding—$550 million in new economic development capital grants to business and $2.65 billion in new loan guarantee authority for FY '80.

This Bank will be the central engine for the economic development in the government. We will propose the consolidation of many economic development loan programs into the Bank as part of the economic development reorganization. This will add over $1 billion in additional loan authority.

SOCIAL SECURITY CHANGES

In 1977 the Congress worked with the Administration to take the difficult but necessary action to make the Social Security system financially sound for the next fifty years. In so doing, we helped protect the benefits of current recipients and of those now working. However, the Social Security system from time to time needs adaptation to changing conditions, so the Administration this year will make proposals which will reduce somewhat the cost of the program by trimming the costs of certain benefits. These proposals will be sent to the Social Security Advisory Council, which is representative of the contributing employers, employees and the public, and to the National Commission on Social Security, appointed in part by the Congress and in part by me, so they can have an ample opportunity to review these proposals prior to the submission of the changes to the Congress and the Administration and the Congress can have their recommendations, if any.

If the Administration's proposals for Social Security outlay reductions and hospital cost containment legislation are enacted, it would be possible to consider a reduction in Social Security taxes beginning in 1981. However, such a reduction would have to be considered in light of alternative uses of such savings, including reduction of any budget deficit and funding of high-priority programs.

Beyond the immediate reforms I have proposed, the Administration is committed to review the entire pension system that has developed in our country. I have established a Pension Commission to provide the type of long-range analysis this vital area needs.

DISABILITY INSURANCE REFORMS

I will propose to Congress an integrated package of reforms for the Disability Insurance system, separate from the Social Security changes I have just discussed. These measures will improve incentives for rehabilitation of the disabled, ensure that benefits do not exceed pre-disability disposable income, and make administration of the system simpler and more consistent. We must make certain that those who should receive benefits are not excluded, but that those who are not truly disabled or can otherwise return to work, do so.

WELFARE REFORM

The Nation's welfare system is inequitable, inefficient and long overdue for serious reform.

I will recommend to the Congress a package consisting of reforms in cash assistance, expansion of the earned income tax credit, an expansion of private and public job opportunities for welfare recipients, and fiscal relief for State and local governments. This package will enable us to develop a welfare system that is more simple, narrows the great differences in the way States help the very poor, that encourages people to work, and that helps eliminate the fraud and abuse currently plaguing parts of our welfare system.

My Administration has already begun to work closely with this Congress to enact welfare reform this year. We must expeditiously move forward with welfare reform this year.

FAMILIES

Our major social initiatives and goals for this year will be undertaken with vigor and with a commitment to the security and enhancement of the American family structure. Our government must never impede nor work against the American family, but rather we must design programs and policies that support families and ensure that future generations of American families will thrive and prosper. The White House Conference on the Family will continue and expedite its planning this year with that goal firmly in mind.

CHILD WELFARE REFORM

The Nation's present system of overlapping, inadequate child placement programs does a great disservice to parents, foster parents, and children in need of homes. There is too little emphasis on reunification of families and permanent placement of children; the special problems of hard-to-place children often go unattended. I will therefore again propose to Congress major reforms in our foster care and adoption services, and urge prompt Congressional approval. This problem must not be left unattended any longer.

OLDER AMERICANS

Early in the Administration we moved to correct one of the major concerns of older Americans: the possible bankruptcy of the Social Security Trust Funds. The legislation that was enacted ensures the financial solvency of the funds through the beginning of the next century.

The Administration has also acted to help remove discrimination against senior citizens by supporting the legislation which removed the forced retirement requirement in the Federal civil service and postponed mandatory retirement in the private sector from age 65 to 70. In addition, the Administration worked with the Congress to amend the Older Americans Act in a way that will improve the administration of the Act's social and housing programs, employment provisions, food delivery, and establishment of centers for the elderly.

This year the Administration will continue its efforts to ensure that seniors remain in the mainstream of American life, free from age discrimination and able to receive the assistance and other benefits they have earned.

VETERANS

Our Nation has no obligation more basic than providing for those men and women who served us as members of our armed forces.

There are still many veterans who need medical care, employment assistance, and assistance in adjusting to disabilities that resulted from their service.

During the last two years we have made significant improvements in programs to help meet all these needs.

In 1979 my Administration will seek legislation to increase compensation rates for disabled veterans, improve education programs for the disadvantaged under the G.I. Bill, provide special readjustment counseling assistance for those Vietnam Era Veterans who need them, and modernize the VA vocational rehabilitation program. These efforts will help veterans help themselves. In addition, we will continue to provide quality medical care in our VA hospital system by making it more efficient and thus more responsive to the needs of a changing veteran population.

EDUCATION

Improving skills and educational opportunities has been one of my Administration's major goals. To aid in this improvement, I have increased the Federal Office of Education budget authority alone by 50 percent since taking office—

from $8 billion in FY '77 to $12.2 billion in the proposed FY '80 budget.

The increased education funding will continue to be targeted at programs which emphasize equal education opportunity, support for local schools, student assistance, basic skills, and the linkages between school and work.

School districts with high concentrations of low income children have extra costs in meeting their commitment to equal educational opportunity. Last year I proposed concentration grants which would give supplemental payments for compensatory education programs in high poverty school districts. This year I am requesting $400 million to fully fund this proposal.

As is stated elsewhere in this Message, I will continue to work with the Congress to create a Cabinet-level Department of Education. Through such a Department, we can make certain that education receives the attention at the Federal level that it deserves.

HIGHER EDUCATION

Last year, I signed into law the Middle Income Student Assistance Act, which extends Federal student aid to middle income families facing rising college tuition costs. I propose to fully fund the Basic Grants program and to continue funding for the other college student aid programs. This year I will propose reauthorization of our omnibus higher education legislation—the Higher Education Act and the National Defense Education Act. Through renewal of these acts, we can help enormously to ensure the continuation of strong higher education institutions and equal educational opportunities for all students.

Our Nation owes a debt of gratitude to the historically black colleges, which in the past were the only source of college education for talented blacks, and which today retain a critical importance to the production of college-educated black citizens. One-half of all college-educated blacks earned their degrees at black colleges. I have vowed that I would enhance the role of black colleges during my term in office. I recently directed all Federal agencies to utilize more fully the resources at black colleges. And, in my fiscal year 1980 budget I have increased funding for Howard University, and asked for $120 million to fully fund the Developing Institutions Program, which strengthens colleges with high concentrations of minority students.

SCIENCE AND TECHNOLOGY

When I came into office, I found Federal efforts to promote basic research and development lagging. I was determined to change this situation and develop a sounder scientific and technological foundation for the future. Basic scientific research and development is an investment in the Nation's future, essential for all fields, from health, agriculture, and environment to energy, space, and defense. We are enhancing the search for the causes of disease; we are undertaking research to anticipate and prevent significant environmental hazards; we are increasing research in astronomy; we will maintain our leadership in space science; and we are pushing back the frontiers in basic research for energy, defense and other critical national needs. Despite the severe budgetary constraints this year, we will continue to increase Federal support for basic research with a request for a 13 percent increase in outlays for fiscal year 1980.

Even though Federal funding for basic research is being increased, I believe that the government's role in demonstration and commercialization pilot projects should be more selective, with greater reliance upon private sector financing. We are enhancing our high technology approach to defense to counter the growth of Soviet forces. We have a broad energy research program that emphasizes long-term applications of solar, coal, geothermal, biomass and alternate nuclear technologies. But we will rely on industry to do its full part in the demonstration of new technologies in energy and in other fields.

Rather than government funding of their research and development, companies need more favorable investment climates, better economic growth, better trade prospects, and sound policies about patents, antitrust, procurement, and environmental regulation. Under the direction of the Department of Commerce, we are also engaged in a major Cabinet-level review of these aspects of technological innovation, with participation of numerous individuals from various industrial sectors.

Science and technology are playing an important part in our international relationships as well. Many countries, especially developing countries, look to America for our expertise and problem-solving abilities. I have proposed the establishment of a Foundation for International Technological Cooperation (FITC) to foster collaborative efforts with people and institutions in developing countries. These efforts will be directed to basic human needs in agriculture, nutrition, health, small-scale energy systems, and rural development.

Science and technology also have played a critical part in the dramatic advances of our relationship with the People's Republic of China. These scientific and technological relationships that will be built with China will be parallel to many such relationships we have established and enhanced over the years with other nations and groups of nations.

SPACE

Last year marked the 20th Anniversary of the National Aeronautics and Space Administration. The 21st year started with the incredible success of the Pioneer missions to Venus. This year we hope to open a new era in space with the first launch of the Space Shuttle.

Under the national civil space policy I announced last fall, we will remain dedicated to ensuring U.S. scientific and technological leadership in space. To further that policy, my budget request for FY '80 includes funding to maintain the Shuttle development and production schedule to continue space science and exploration; to initiate efforts on selected areas of advanced satellite communications techniques; and to enhance remote sensing activities that will bring benefits in areas such as earth resources, climate, weather, pollution and agriculture.

COMMUNICATIONS

Last year we worked with Congress to reorganize communications policy-making in the Executive Branch and enact legislation to strengthen public broadcasting. In 1979 our priorities will include:

—continued work with Congress on the important effort to revise the Communications Act to take account of technological changes;
—vigorous pursuit of the program already underway to increase minority ownership of broadcast stations through regulatory actions, government loan guarantees, and private loan and training programs;
—a program to use new communications technologies to improve rural life by delivering education, agricultural, and medical services and by increasing the diversity of radio and TV;
—elimination of unnecessary regulations and paperwork requirements in cooperation with the Federal communications Commission;
—proposals on the role of the Postal Service in providing electronic mail services; and
—participation in the World Administrative Radio Conference to ensure that increasing demands for radio frequencies are balanced in a reasonable and flexible manner.

SMALL BUSINESS

As a former businessman, I am especially sensitive to the importance of small business in our economy and to the vital role the Federal government can play in assisting small business.

Through a number of actions over the past two years, my Administration has worked to help small business flourish and remain competitive. Under the leadership of the Small Business Administration, we have increased tax incentives significantly for small business; expanded small business loan opportunities; worked to increase small business exports; expanded opportunities for minority-owned small businesses; and initiated programs to increase small business opportunities for women. In addition, we have begun preparations for a White House Conference on Small Business in January of 1980 which will include local and regional conferences throughout the country.

This year, while continuing efforts to prepare for the White House Conference, the Administration will work closely with the Congress to develop legislation to improve the operation and effectiveness of the Small Business Administration.

CULTURAL AFFAIRS

Over the last decade, the National Endowments for the Arts and the Humanities have made enormous progress in developing projects and materials to enhance our Nation's cultural life. This year, the Endowments will continue their distinguished record of achievement. I am hopeful Congress will provide adequate funds for White House Conferences on the Arts and Humanities. This year we will also strengthen the pro-

grams of the International Communications Agency, which present the diversity of American culture to the world and deepen our appreciation of other cultures.

PROTECTING BASIC RIGHTS AND LIBERTIES

Since taking office, I have worked to protect and enhance the basic rights and liberties provided to Americans under the Constitution and our other laws. With the cooperation of the Congress, we have made important progress in this area. Over the next year, though, a great deal remains to be done if our goal of ensuring equality and basic freedoms for all Americans is to be realized. The dream of equal opportunity remains unfulfilled. I will do everything in my power to bring that dream closer to realization.

CIVIL RIGHTS

CIVIL RIGHTS AND EQUAL OPPORTUNITY

I take no obligation of my office more seriously than that of striving to secure full civil rights and equal opportunity for all Americans. In the quarter century since the Supreme Court's historic desegregation decision, our Nation's progress in these vital areas of human rights had been significant, but we have more to do. I am determined to use all of my authority to resist any efforts to weaken enforcement of any of our civil rights and equal opportunity laws. Recent actions by some in Congress to impair my Administration's efforts to enforce the law of the land will be forcefully opposed. These laws have made our society more open to equality of opportunity than virtually any on earth, and attempts to weaken them cannot be tolerated or allowed to succeed.

My Administration has taken important steps to make civil rights enforcement more effective. The Justice Department has been diligent in its prosecution of civil rights violations. The Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC) has been reorganized and granted increased authority. The OFCCP will vigorously enforce the guidelines of Executive Order 11246, which prohibits employment discrimination by Federal contractors and requires affirmative action by these contractors. In addition the EEOC will continue this year to provide an effective central mechanism to enforce compliance with our equal opportunity laws.

As we have done in recent cases before the Supreme Court, my Administration will continue to strongly support affirmative action programs to help bring minorities into the mainstream of American life, while opposing rigid and inflexible quotas which have no place in our laws.

Beyond existing laws, however, as I state elsewhere in this Message, we need to ratify two amendments to the Constitution which will significantly clarify and enhance the liberties and rights of Americans: The Equal Rights Amendment and the District of Columbia Voting Rights Amendment.

The Equal Rights Amendment will provide women with equal legal status in our country. We cannot effectively champion human rights throughout the world until we have given to women the full rights they are entitled to as citizens.

We must also work to ratify the amendment that will finally give the citizens of the District of Columbia the rights other Americans have to elect voting representation in Congress.

In addition, we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy. My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

WOMEN

One of the overriding concerns of my Administration is ensuring equal opportunity for women. Last year we worked closely with the Congress to extend the deadline for ratification of the Equal Rights Amendment until June 30, 1982. That extension will provide a greater opportunity to ensure ratification of this long-overdue Amendment. I will continue to dedicate myself, as well as the full resources of my Administration, to the ratification effort.

This is not a battle that we can afford to lose. I am determined to win. The opposition to the Amendment cannot be solidly based on an understanding of its legal effect. The Amendment will do nothing more—nor less—than provide equality to more than one-half of America's population. I am confident that with the active support of the members of Congress from States which have *not* yet ratified, we can achieve ratification of ERA. I urge you to join the effort to provide women, at long last, with equal rights under the law.

My Administration has championed, and will continue to champion, the right of women to choose their roles in so iety. To protect those who have chosen the role of full-time homemaker:

—We have succeeded in enacting legislation that provides assistance for displaced homemakers and we supported the legislation that has now reduced from 20 to 10 years the marriage requirement for a former wife to claim against her husband's social security entitlement.

We are facilitating the choice of many women to combine family and work responsibilities. To accomplish this goal:

—we supported the legislation passed to increase part-time and flexible-hour employment opportunities; and
—we supported the Pregnancy Disability Act that outlaws employment discrimination based upon pregnancy, childbirth, or related conditions.

We are striving to improve women's professional opportunities within the Federal government. To this end:

—women have been appointed in senior positions in the Administration, including two Cabinet officers. About 20% of my senior appointees have been women, and many of them are in areas in which no previous women had served; and
—we have strengthened and increased our equal employment opportunity enforcement.

This year, in addition to continuing our efforts to ratify the Equal Rights Amendment, we will work closely with the Congress to enhance the economic standing of women—particularly the poor, minority, and elderly—by improving their access to housing, health care, and child care for those who choose to work. We will expand additional opportunities this year for women business owners and will create a permanent interagency group to review and help improve the position of women business owners. I will make every effort to select as many women as possible to fill the 152 new Federal judgeships. Their underrepresentation in the courts cannot be continued. Our country needs and deserves the full participation of women in our society, and I am committed to taking the steps needed to ensure this partnership.

DISTRICT OF COLUMBIA

My Administration worked with the 95th Congress to pass a proposed amendment to the Constitution granting full voting representation to the citizens of our Nation's Capital. The ratification process for this proposed amendment has begun and I urge the state legislatures which have not ratified the resolution to join with the States of New Jersey, Ohio and Michigan by promptly ratifying the amendment. My Administration will work this year in the effort to ratify this amendment.

My Administration will also work closely with the Congress and the new District Government under Mayor Marion Barry to expand home rule for the District. This includes streamlining the procedures for Congressional review of locally enacted legislation, removal of the Federal government from the District budgetary process by 1982, developing a rational formula for determining the Federal payment to the District, and an equitable Federal sharing of financial responsibility for funding of the District's pension plan for police, firemen, teachers and judges.

I will work with Mayor Barry to make our Nation's Capital city a model for the rest of the Nation to emulate.

NATIVE AMERICANS

The Federal government has a special responsibility to native Americans, and I intend to continue to exercise this responsibility fairly and sensitively. My Administration will continue to seek negotiated settlements to difficult conflicts over land, water, and other resources and will ensure that the trust relationship and self-determination principles continue to guide Indian policy. There are difficult conflicts which occasionally divide Indian and non-Indian citizens

in this country. We will seek to exercise leadership to resolve these problems equitably and compassionately.

HANDICAPPED

For Americans with physical disabilities, this year will result in continued improvements in their accessibility to many opportunities those of us who are not disabled take for granted—education opportunities, employment opportunities, and greater access to public facilities and services. We will make further progress in removing obstacles that impede and discriminate against our disabled community. If our Nation is to remove the barriers of discrimination in our society, the Federal government must serve as a model in the successful removal of physical and psychological barriers thrown in the way of our Nation's disabled. The Section 504 Regulations issued by the Department of Health, Education, and Welfare provide a basis for the Federal government to lead the way in ensuring the rights of the handicapped.

UNDOCUMENTED ALIENS

One of the most difficult and sensitive domestic issues facing the country concerns the Federal government's policy toward undocumented aliens.

I continue to believe that effective but humane measures need to be devised which will help relieve the causes and effects of the presence of large numbers of undocumented aliens in this country. I will pursue this issue in my consultations with the government of Mexico during my visit there next month and will make no final decisions until after those consultations.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and non-violence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday, and I will strongly support legislation to achieve this.

MINORITY BUSINESS

This year we will move vigorously to implement the strong minority business legislation enacted by Congress in 1978; meet my goal of tripling Federal procurement from minority businesses (to a total of $3 billion); faithfully implementing the minority set-aside programs of the government and improve the operation of the several programs designed to achieve equal entrepreneurial opportunity and vital minority economic development. We are currently evaluating the adequacy and organization of current minority business development programs, with the commitment to taking whatever action, legislative or administrative, is needed to ensure that their operation is efficient and effective.

CIVIL LIBERTIES

PRIVACY

Government and private institutions collect increasingly large amounts of personal data and use them to make many crucial decisions about individuals. Much of this information is needed to enforce laws, deliver benefits, provide credit, and conduct similar, important services. However, these interests must be balanced against the individual's right to privacy and against the harm that unfair uses of information can cause. Individuals should be able to know what information organizations collect and maintain about them; they should be able to correct inaccurate records; and there should be limits on the disclosure of particularly sensitive personal information.

My Administration is developing a comprehensive privacy policy to address these concerns. Last year, legislation was enacted which established restrictions on wiretapping for intelligence purposes and on government access to financial records. Early in 1979, I will propose privacy legislation to cover medical, financial, and other sensitive personal records. I will also take administrative actions to strengthen privacy controls for Federal agencies' records. These measures will go far toward giving all American citizens the privacy protections they need in a modern society.

I recently announced my intention to submit legislation to Congress protecting the rights of the press, and others preparing materials for publication, from searches and seizures undertaken without judicial approval. Under the legislation I will propose, Federal, State and local law enforcement officials will generally be required to obtain a subpoena before conducting a search or seizure against those preparing materials for publication. Such legislation, which would deal with the problems created by the Supreme Court's decision in the *Stanford Daily* case, should serve as a solid protection of the rights of the news media and others under the Fourth Amendment.

LABOR LAW REFORM

The Nation's labor laws are vital to ensuring that a sound labor-management relationship exists in collective bargaining. Efforts to abuse those labor laws, especially by unduly slowing or blocking their implementation, have increased in recent years. As a result, a reform of our labor laws is required in order to guarantee that their intended spirit is fully observed and enforced.

I am again prepared to work with the Congress to develop legislation which improves the fairness and effectiveness of our labor laws. Efforts to defeat this legislation last year were based on emotion and a lack of information about its actual effect. If the will of the majority in Congress is allowed to prevail, we *can* enact sound labor law legislation.

EXPORT ADMINISTRATION/ANTI-FOREIGN BOYCOTT

My Administration will work with the Congress to reauthorize the Export Administration Act, which plays a vital role in ensuring that American trade serves our national interest. We will make particular efforts to reauthorize that part of the Act which prohibits American compliance with the foreign economic boycott of Israel. The anti-boycott amendments passed by the Congress were fair and equitable and must continue to be strenuously enforced.

INTELLIGENCE CHARTERS

I will be working closely with the Congress to develop and enact statutory charters, for the intelligence community. The charters, for the first time, will define in law the duties and responsibilities of our intelligence agencies and will set forth the authority of those agencies to fulfill those responsibilities. The disclosures of abuses in recent years make clear the need for charters, and my Administration is strongly committed to developing and passing charter legislation that protects our citizens' rights, while permitting our intelligence agencies to perform effectively their essential duties.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. My Administration will continue to work with the Congress to develop a Federal criminal code which simplifies and clarifies our criminal laws—as well as protects our basic civil liberties. The criminal code which passed the Senate in the last session can serve as a basis for progress this year.

HATCH ACT REFORM

We will continue to support efforts to reform the Hatch Act so that Federal employees in non-sensitive positions will have the right to participate in off-the-job political activities while preventing any on-the-job political abuse.

HUNGER

We share a growing concern with other Nations and their people over the serious problem of world hunger. While our government and the governments of other Nations and international organizations are working to assure the basic right to food, the problems of hunger and malnutrition are a daily fact of life for millions of people throughout the world. In order to make our own programs more effective and to examine additional efforts that might be undertaken, I have established the Presidential Commission on World Hunger, under the leadership of Ambassador Sol Linowitz, to recommend realistic solutions which we and other Nations might undertake in a prompt and efficient manner. The Commission will report to me this year and will then be involved in the implementation of its recommendations. The Administration will be working closely with Congress on the Commission's recommendation.

HOLOCAUST COMMISSION

Last year I established a Holocaust Commission to recommend to me how our government might officially recognize, for the first time, the tragedy of the Holocaust. The Commission's work is well underway, and I will receive its report this year. I expect to work together with Congress in developing a suitable memorial to the millions who died in the Holocaust.

PRESERVING AND DEVELOPING NATURAL RESOURCES

My highest legislation priority during the 95th Congress was enactment of our first national energy plan. The dedication of many members of Congress made that goal a reality. My Administration is committed to using that legislation as

the foundation for further efforts to reduce our dependence on foreign oil; to increase our ability to develop domestic energy sources; and to conserve wasted energy.

Our energy and other development goals can and will be reconciled with the Administration's resolve to clean the Nation's air and water and to preserve our most precious natural resources. We will continue to further the protection of our environment.

We will continue to develop our fertile agricultural land. The Administration is committed to helping our Nation's farmers continue to achieve record yields and exports.

ENERGY

The Administration remains committed to meeting our future energy needs. Building upon the framework of the National Energy Act, signed last November, we will be addressing key issues such as further developing and commercializing solar and renewable energy resources, making better use of our coal reserves and other abundant energy resources, continuing our emphasis on using energy more efficiently, and improving the manner in which we produce and use conventional sources of energy such as oil, natural gas, and uranium. To minimize the impacts of potential supply disruptions, we will continue the storage of oil in the Strategic Petroleum Reserve, and will be submitting for Congressional approval overall energy contingency plans.

While much remains to be done in the energy area, past investments in improving our energy supplies and our energy use are beginning to pay off: the rate of growth of our industrial energy use has dropped while industrial production has increased. From 1975 to 1977 the growth in domestic energy consumption has been 70% of the growth in GNP. Previously, the two growth rates had been roughly equal. With significant improvements in automobile efficiency, gasoline consumption is an estimated 5% lower than it otherwise would have been. Use of heating oil, electricity, and other home energy sources has become much more efficient. Oil consumption grew last year at a rate of only 1.5%.

On the supply side, the new natural gas legislation, whose provisions have just begun to take effect, will ensure new domestic production of this premium fuel and help expedite the delivery of natural gas to the interstate market. Furthermore, due to the addition of Alaska North Slope oil, our domestic production of oil has held steady over the last year, and foreign imports were down in 1978.

In 1979 and the FY '80 budget we are continuing strong investments in energy research and development. The FY 1980 budget provides outlays of $3.7 billion for a wide range of programs to develop energy technologies for the future. Particular emphasis will be given to long-term solar energy research and development, to improvements in the mining and burning of coal, fission and fusion research, to improvements in existing technologies for conservation, oil and gas recovery, and uranium efficiency, and to energy-related basic research. These commitments to technologies for the future, both long and shorter term, are critical to a sound and comprehensive energy policy.

SOLAR ENERGY

Within the next few weeks, I will send to the Congress a message on solar energy based on an interagency study under the Domestic Policy Review System. The transition to wide-spread use of solar and renewable resources can and must begin now. Solar, wind energy, and use of biomass resources can contribute significantly in both the short and long run to meeting our Nation's energy needs. Some of these technologies, such as solar heat and hot water, use of biomass for generation of electricity, and wind energy, are available now and are competing with other conventional energy sources. The tax credits in the National Energy Act, along with other commercialization incentives, will help accelerate the use of solar and other renewable technologies in the residential and industrial sectors of our economy.

The FY 1980 Budget increases our government-wide solar research and development programs by 40% over FY 1979. Total expenditures for solar energy will exceed $800 million, including tax credits and important initiatives undertaken by the Department of Energy, the Agency for International Development, the Tennessee Valley Authority, the Department of Agriculture and the Small Business Administration. Application of solar technologies in federally-owned buildings will also increase, thereby providing new markets for our existing solar industry.

In our research and development program, strong emphasis will be given to photovoltaics through which electricity can be produced directly from solar energy. Conversion of organic materials to useable energy forms will also receive increased funding. Funds for the new Solar Energy Research Institute at Golden, Colorado, will also be increased.

The proposals I will later announce, coupled with the FY '80 budget, will chart a firm and ambitious course for accelerating the use of solar and other renewable energy sources both now and in the future. The time for solar energy has come.

OTHER ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION

In the coming year, significant investments will be made in the demonstration of technologies which can convert coal to more useable and environmentally acceptable energy forms, continued strong research and development in fusion, development of geothermal energy sources, such as hot underground brines and hot rock resources, and efforts to resolve a range of environmental issues which these and other technologies raise.

NUCLEAR ENERGY

A wide range of Administration initiatives, both legislative and administrative, will be proposed to ensure that this country can further use light water reactors for the generation of electricity, safely and efficiently. Of central importance will be the development and implementation of a strong, responsible program to manage and dispose of nuclear wastes. As a result of the work of the Interagency Review Group on Waste Management, I will be making a series of legislative and administrative recommendations to ensure that the necessary schedules, coordination, and legislative authorities are firmly in place. Public discussion and participation in the nuclear waste management area, along with the close cooperation of State and local elected officials, will receive continued high priority. Legislation will also be proposed to provide interim storage for spent fuel from existing reactors until a permanent waste repository is established.

Enactment of nuclear licensing and siting legislation to shorten the lead-times required to plan, locate, construct and license nuclear power reactors will again be sought. Design and construction activities for the new centrifuge enrichment plant at Portsmouth, Ohio, will continue to ensure that the U.S. is able to meet the nuclear fuel needs of our domestic industry, as well as our international customers who share our non-proliferation objectives. These activities, coupled with the Administration's waste management program will help ensure that our country can continue to rely on current nuclear technologies to meet power needs.

Looking toward the future, we will seek to improve the efficiency of our existing power reactors by reducing their uranium feed requirements. For the longer run, the Administration will maintain and strengthen the strong research and development program we now have for more advanced nuclear fission technologies such as the fast breeder reactor. We continue to believe that the Clinch River Breeder reactor project is premature, technically inadequate, and should not go forward, but the Administration is committed to keeping the breeder option open for the future.

DOMESTIC CRUDE OIL PRICING

Provisions of adequate incentives for both domestic production of crude oil and for conservation must be carefully weighed in light of our efforts to control inflation. In consultation with the Congress, I will be making my decisions and recommendations on domestic crude oil pricing and related issues later this year.

ENERGY IMPACT ASSISTANCE

As new domestic energy resources are developed, particularly in rural or isolated areas of the country, provision must be made for the needs of rapidly developing communities. The Administration will again seek enactment of legislation establishing an Inland Energy Assistance program, with funding of $150 million per year, to aid those states and local areas which are experiencing a rapid growth in population as a result of new energy supply development. These communities often cannot plan for or meet increased need for new public facilites or services, since the population increases occur before the new energy supply activities are fully developed and producing local revenues. This legislation is essential to ensure that the burdens

associated with solving our energy problems are borne equitably by all citizens and regions of the country.

MANAGEMENT OF FEDERAL ENERGY RESOURCES

The last two Congresses passed landmark legislation to reform the management of federally-owned coal, oil and gas resources. These new laws include Federal strip mine controls, and amendments to the Outer Continental Shelf Lands Act and the Mineral Leasing Act. With this new framework, the Administration is proceeding to implement swiftly new programs which will permit increased leasing and development activities while protecting our environment.

WATER POLICY LEGISLATION

Water is a basic human necessity and its proper management is essential to economic activity, particularly in the arid West. The policies of my Administration are designed to emphasize the more efficient use of water as well as the need to provide adequate water supplies. We are particularly sensitive to the interests of the West and other areas in the development of additional water resources, to the importance of water conservation, and to the concerns of many Eastern urban areas about their water systems.

Last year I announced a comprehensive water policy which included many reforms now being implemented administratively. In addition, I will propose legislation to increase the role of the States in water policy, through increased water planning grants and through new grants for state water conservation programs. I will also propose legislation which would provide for states to share in the costs of Federal water projects. This cost sharing proposal will result in direct participation by states in setting water project priorities and will help insure that Federal programs are responsive to the most pressing water-related needs.

Congressional action is also needed on Administration Amendments to modernize the 1902 Reclamation Act to ensure that acreage limitations in federally-funded irrigation projects are equitable and fair.

ENVIRONMENT

My Administration is committed to balancing the needs for development, conservation and preservation of our natural resources. Our Nation has been blessed with an outstanding natural heritage which, if properly cared for, can meet our needs for food and fiber, mineral, energy, recreation, and solitude in a way that is environmentally sound. The Congress and the Administration have worked together over the past two years to achieve this goal. We have enacted the first Federal standards for strip-mining coal; we have improved and extended the Clean Air and Clean Water Acts; we have created a substantial number of new National Parks and other protected areas. During 1979, protection of Alaska lands, implementation of water policy, resolution of wilderness and nonwilderness designations in the National Forest System and reformed management of Federal energy resources will be major environmental initiatives of my Administration. Efforts to enforce and implement environmental statutes firmly and fairly, to streamline environmental review requirements, to protect public health and to preserve wildlife resources will continue to be pursued vigorously and as cost-effectively as possible.

ALASKA

As in the last Congress, passage of legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. To protect these magnificent Alaskan wild lands, I took several actions after the adjournment of the 95th Congress, including the creation of 17 National Monuments covering 56 million acres. These areas, as well as other outstanding parts of Alaska covered in Administration proposals, should be protected promptly by legislation in order to assure that the great national treasures of wildlife, scenery, history and untouched ecosystems can be saved for our children and grandchildren, while permitting appropriate commercial use of certain of the areas.

ROADLESS AREA DESIGNATIONS (RARE II)

The Agriculture Department has released tentative recommendations and nearly completed work on a study which will lead to proposals to resolve the status of most of the remaining roadless areas in the National Forest System. The Administration proposal will involve additional wilderness designations in many States and the release of remaining lands for nonwilderness activities. This initiative will also eliminate uncertainty over land uses in most parts of the National Forest System and will ensure that development uses will be adequately supported, while preserving critical parts of our natural heritage in an unspoiled condition.

ENVIRONMENTAL PROTECTION

In recent years, the quality of our environment has improved, but much remains to be done to clean up our air and water, and to control contamination by toxic materials. The Environmental Protection Agency is focusing its efforts on the protection of public health by assessing the effects of substances before they are introduced into the environment, and by ensuring that hazardous wastes are disposed of safely.

At the same time, EPA, and the other health and safety agencies are exercising new care when implementing environmental regulations to avoid imposing unnecessary costs or red tape. A healthy, safe environment need not be incompatible with a healthy economy. We are committed to both.

The Nation's investment in environment cleanup must have the incentives and the flexibility to allow our most important environmental goals to be achieved at the lowest cost. Unnecessary requirements which cause delays and increase costs will be removed. EPA will simplify and consolidate its permit programs to reduce paperwork, red tape and delays.

The Agency is beginning to introduce innovations which allow firms the flexibility to find the lowest cost methods of controlling pollution. I will submit legislation to consolidate Federal funds for environmental programs at the State level, thus giving the States more flexibility to use these funds to deal with their most pressing environmental problems.

These and other changes we are making will assure the American public that the money we spend on environmental controls is the best investment we can make in our future and our children's future.

THE STATE OF FOOD AND AGRICULTURE

World food security has been substantially improved in 1978. For the third consecutive year, good-to-record crops were harvested in most parts of the world, pushing supplies to record quantities and creating the opportunity for people all over the world to improve their diets.

For the United States, 1978 was also a year of records. Large food and record feed grain crops were harvested by U.S. producers, re-emphasizing the U.S. farm sector's capability to lead the world in productivity. But despite the record crops which placed downward pressure on prices here and abroad, our farm economy became stronger in 1978 and our agricultural trade reached record levels.

The value of U.S. agricultural exports reached $27.3 billion in fiscal 1978—14 percent above 1977's record. The volume of our farm exports was a record 125 million metric tons—up 18 percent from 1977. Agricultural trade made another record contribution to our balance of payments—$13.4 billion in fiscal 1978. Exports also accounted for one out of every four dollars the U.S. farmer earned.

Net farm income, which was $20.6 billion in 1977, is estimated at over $28 billion for 1978—second highest on record. In constant dollars, this was the best year since 1975. This was achieved while we met our domestic needs, fulfilled our commitments to our overseas customers and built reserves for future stability protection. This recovery in agriculture has been shared by crop and livestock producers alike. Indeed, American livestock producers can now look forward to several years of good returns to help them recover from the last four years which were marked by poor prices and forced liquidation of herds.

Part of the recovery in the farm sector can be attributed to the programs and policies adopted by my Administration and the Congress—which farmers have used to improved their incomes and stabilize prices.

I am personally proud of the recovery our farmers have made.

INTERNATIONAL AGRICULTURAL TRADE

Over the past 2 years, this Administration has worked to reduce barriers to international trade and to develop new markets and encourage increased exports of agricultural products. The Agricultural Trade Act of 1978, for example, provides important new authorities for intermediate credit and the establishment of trade offices in major

markets. We have moved to establish new and stronger trade ties with several nations, including Japan and the People's Republic of China. Partly as a result of these efforts, exports of U.S. farm produced goods are expected to reach a record $29 billion in fiscal 1979—21 percent higher than 2 years ago—and contribute $15 billion to our balance of payments.

Unlike previous Multilateral Trade Negotiations, in the current MTN we have placed heavy emphasis on the lessening of restrictions on trade in agricultural products. Our efforts here should have a major impact on U.S. agriculture in the future, by broadening our access to important existing and new international markets.

CROP INSURANCE

The Federal government now operates several programs to protect farmers from economic losses associated with crop failure. The experience of recent years with these programs has demonstrated their many serious shortcomings—in the breadth of coverage, the equity of program benefits, and the efficiency of program administration.

We will propose again a comprehensive, nationwide all-risk insurance reform bill to the 96th Congress aimed at providing fairer and more effective protection for farmers, and at no additional cost to the taxpayer. Under this proposal, several existing disaster assistance programs would be consolidated into one comprehensive, share-the-cost program to ensure against economic losses resulting from natural disaster and other uncontrollable risks.

INTERNATIONAL EMERGENCY WHEAT RESERVE

The cornerstone of our domestic food and agricultural policy is the farmer-owned grain reserve. In little more than a year, we have built this into a 1.3 billion bushel grain reserve—the equivalent of more than a third of our carry-over stocks from the past year. These stocks remain under the ownership of those farmers who produced them rather than in the hands of government or international grain traders. This reserve provides a critical cushion against shocks in the market caused by production shortfalls either here or abroad.

We now need to establish the same sort of protection for our international food aid programs. Accordingly, the Administration will reintroduce legislation to authorize the establishment and management of an international emergency wheat reserve. This reserve will provide developing countries assurance that we will be able to fulfill our food aid commitments. At the same time, it will protect the domestic economy from further inflationary pressures during periods of grain shortages.

SUGAR

In the absence of Congressional passage of a domestic sugar program in the last session, the Administration has taken several further steps to assure domestic producers of a fair return and consumers an assured supply at stable prices. To underscore Administration commitment to achieving ratification of the International Sugar Agreement, I directed that sugar imports from countries not party to the agreement be strictly limited to the levels permitted under the agreement for 1979. We have also asked for and received an extension of the deadline for ratifying the ISA to June 30, 1979. In addition, at the end of last year, I issued a proclamation that provides for a new, more flexible system of sugar import fees protecting a domestic raw sugar price of 15 cents per pound.

To help stabilize world sugar prices, to satisfy our international commitments, and to protect our domestic sugar producers, my Administration is committed to working with the Congress to develop an effective, non-inflationary domestic sugar program early in this session, and to achieve ratification of the International Sugar Agreement.

RURAL DEVELOPMENT

Throughout 1978 my Administration took steps to make existing Federal rural development programs work better. For many rural areas, and for most rural residents, the 1970's have been a period of rapid growth and development. Income levels have risen and large numbers of better jobs have been created in rural communities across the Nation. Rates of population and employment growth for rural areas have been substantially greater than for urban areas—causing problems of unplanned rapid growth in some areas but also reversing decades of rural out-migration and economic stagnation. Nevertheless, rural Americans still experience a disproportionate concentration of pressing human problems:

—two-thirds of all homes lacking complete plumbing are in rural areas;
—rural infant mortality rates are 10 percent higher than urban ones;
—70 percent of the rural poor and half of the rural elderly have no automobile, causing great hardship because of the distances to travel to get access to basic health care, jobs, and other social services;
—while only a quarter of all Americans live in rural areas, 40 percent of the Nation's poor live there.

For too long the small town mayor, the rural county official and the individual rural American have been frustrated by a maze of Federal grant applications, requirements, eligibility standards, audits and deadlines which have made it virtually impossible to address these rural problems effectively.

For too many years, money and time has been wasted. We are moving to address this chronic problem. In the last year, White House Rural Development initiatives have resulted in:

—a commitment to build 300 rural primary health clinics to serve 1.3 million Americans who lacked access to care;
—major streamlining of the rural water and sewer grants process through which five agencies distribute $2.5 billion in Federal funds each year. The new process permits a single application, single audit, single funding source and single point of Federal contact—at a savings to local government of several hundred million dollars each year along with a reduction in processing time of as much as 15 months; and
—specially targeted rural job training programs for rural disadvantaged in the water and sewer and health support fields.

This effort to address rural problems will continue and be expanded in 1979, addressing the problems of rural transportation, housing, and economic development among others. In addition, during the year I plan to articulate a set of overall rural development principles and goals which will guide the actions of my Administration. These principles will provide focus, direction and priority to the myriad of now separate Federal actions and policies, so that we can more effectively work to:

—overcome the problems of rural isolation;
—promote economic development;
—meet basic human needs;
—protect the quality of rural life;
—assure equity in the administration of Federal programs for which rural Americans are eligible; and
—build a more effective partnership among Federal, State and local governments and the private sector in meeting locally defined rural development priorities.

Furthermore, several other Administration initiatives will have an impact on the conditions in rural America. We will make certain that the rural perspective is considered as initiatives are developed in such areas as welfare reform and a national health plan.

FOREIGN POLICY PRIORITIES

THE CONTINUING CHALLENGES OF CHANGE

When I took office two years ago this month, I was convinced that America had to pursue a changed course in a world which was itself undergoing vast change.

In the midst of this accelerating change, America's choice lies between facing chaos or building with others a new foundation for a true world community. Our foreign policy accepts the latter responsibility both because of our basic belief, and because of America's critical role in the world.

To this end, we must have four broad objectives:

—to buttress American power on which global security and stability depend;
—to strengthen our relations with other nations throughout the world in order to widen the spirit of international cooperation;
—to deal constructively with pressing world problems which otherwise will disrupt and even destroy the world community we seek;
—to assert our traditional commitment to human rights, rejoining a rising tide of belief in the dignity of the individual.

Progress towards these goals depends first on our ability as a Nation to work together in the common interest. During the coming year, the Congress, the Executive, and the public will be addressing an unusually wide range of international issues. The action taken will have an impact on our Nation's position in the world for many years to come—in establishing a secure nuclear balance, in developing closer relations with the world's most populous Nation; in achieving an historic step towards peace in the Middle East; or in setting the pattern of trade relations during the next decade and beyond.

This report elaborates on my address to the Congress and, in particular, concentrates on the issues in which the role of the Congress will be most important to building a new foundation for peace. In each case, the challenge is clear: to exercise strong American leadership with others to shape change rather than permit change to shape us.

AMERICA'S MILITARY STRENGTH

Elsewhere in this report I have described the domestic programs and policies required for a just, united and productive America. The maintenance of American military strength is an essential foundation for a successful foreign policy that safeguards our freedom, our accomplishments and our friendships. In a world of accelerating change, fraught with potential danger and uncertainty, and marked by a continuing Soviet military buildup, we must have, together with our allies, unsurpassed military capability to deter attack or attempts at political coercion. Moreover, we must have the military force to mount an effective defense at any level of hostilities where our vital interests are jeopardized.

The defense budget which I have presented to the Congress funds a program of prudent investments that will ensure the effectiveness of our strategic and conventional military posture. It will:

—begin full-scale development of a new, more survivable ballistic missile system to enhance the ICBM component of our strategic triad;
—maintain the Trident submarine and missile programs, increasing the security, striking power and the range of our submarine force;
—extend the effectiveness of our bomber force with the addition of air-launched cruise missiles;
—pursue a vigorous program of research and development in cruise missiles, aircraft and other systems to ensure the continued technological superiority of America's nuclear deterrent.

In addition, the defense budget I have submitted this week will strengthen our conventional capabilities to fulfill our commitments to our major allies and friends and retain a credible military presence in both the Atlantic and the Pacific. We will continue to add armor and firepower to our infantry and build a more modern, smaller aircraft carrier which, together with more frigates and destroyers, will improve the effectiveness and flexibility of our surface fleet.

In NATO, we have already achieved important progress toward making the Alliance more effective in the changing security environment.

—We helped launch the Alliance's Long-Term Defense Program to offset growing Soviet modernization of its deployments in Europe. The LTDP will increase NATO military capabilities through better coordination of defense efforts, increased investment, and more modern equipment.
—We removed, with the support of Congress, a serious obstacle to strengthening Turkey's defensive capabilities and made further progress toward the reintegration of Greek armed forces into NATO's military structure; both these efforts helped repair a serious deficiency on NATO's southern flank.
—We neared final agreement with the Portuguese on the renewal of our base rights in the Azores.

The provision of adequate military as well as economic assistance to Turkey, Portugal and other allies and friends in need will be a matter of high priority during the coming year.

NATO's strength is growing. In 1979, we can further that encouraging process by standardizing more of the Alliance's equipment and improving Allied readiness. The proposal I will soon put before the 96th Congress calls for the authorization of intergovernmental agreements to simply logistical problems both in peacetime and during any period of hostilities. Such agreements will permit the U.S. to reinforce NATO more rapidly and provide more effective defense at lower cost.

We also intend to maintain a vigorous American military presence in the Pacific. Successful completion of a revised military base agreement in the Philippines, following 10 years of negotiations, provides an essential underpinning for our military capability in Asia.

Congressional authorization for the transfer of military equipment to the Republic of Korea was another contribution to assuring the security of Korea and Japan. Both actions unmistakably signal not only our desire to promote East Asian stability but our intention to remain a concerned, involved and responsible power in the Pacific.

The essential task of improving our military posture must also be accompanied by increased efficiency. I take this opportunity to thank the Congress for its support last year of our actions to reduce waste and needless duplication in our defense budget. Vigorous cost-saving efforts will continue this year in order to assure that the United States will possess military forces at the lowest possible cost.

BUILDING THE COMMUNITY OF NATIONS

Military strength is essential to peace but cannot alone guarantee it. The system of cooperation we have with the rest of the world is part of the foundation for our own security. Our best hope for a safer America and a peaceful world resides in the building of closer ties with as many nations as possible.

THE MAJOR ALLIES

Throughout 1978, the North Atlantic Alliance and the growing partnership which links us with both Western Europe and Japan remained at the heart of our foreign policy. The cooperation we share with those whose purposes and traditions are closest to our own is strong and growing stronger.

Through our summit meetings, and through an unprecedented pattern of consultations at other levels of our governments, we are working together on virtually all of today's most critical issues:

—together we are seeking to reduce the risk of nuclear confrontation;
—we are working on ways to strengthen the common defense;
—we are attempting to promote a peaceful transition in southern Africa;
—we are striving to resolve conflicts in the Eastern Mediterranean to support a just and lasting peace in the Middle East and to maintain stability in the Persian Gulf;
—we are contributing to a sounder international economy;
—we are consulting on the issues that confront all our societies: the problems of youth and age, family and community, growth and conservation—in short, advancing our democratic ideals at home in a time of change in each of our countries.

America's role as host for the NATO summit meeting in Washington last spring, and our attendance at the seven-nation economic summit in Bonn last summer, symbolized American commitment to the strength of relations with Europe and Japan. I look forward to meeting these and other allied leaders at the Tokyo Summit next June, where we will continue the essential effort to deepen further the cooperation between us.

A WIDER COMMUNITY

The changing realities of political and economic interdependence require that we strengthen our ties throughout the developing world and seek to improve relations with Communist nations as well.

My trips to Nigeria, India, Saudi Arabia, Iran, Brazil, and Venezuela underlined American sympathy and support for the international roles these countries are playing in the process of world change. Strengthened consultations with the ASEAN nations serve the same end.

My trip to Mexico early next month will be a part of this process; Mexico is important to us not only because it is a neighbor but also because it is one of the most vigorous democracies in this Hemisphere and a leader in the developing world. As neighbors, we share an agenda of common concerns—trade, migration, economic growth and social development—that provides an opportunity to establish a uniquely productive, cooperative relationship.

My trip to Poland and the visits of of Secretary Vance and Secretary Blumenthal to Hungary and Romania underscore the importance we attach to better relations with the nations of Eastern Europe. The support of the Congress for our policy toward Eastern Europe has provided a strong foundation for building a stronger economic, cultural and political relationship—a process that will continue to go forward in the coming year.

CHINA

The arrival next week of the first leader of the People's Republic of China to officially visit Washington will give us an

early and welcome opportunity in the new year not only to cement the ties of friendship and hospitality between us but to emphasize our expectation that our relationship with China will be a constructive one. It will contribute to diversity in the world and to peace and stability in Asia. It is not directed against the interests of any other country.

To fulfill the promise of this new era in Sino-American relations, we will require legislation and support from the Congress. Such legislation is particularly important to facilitate continued trade and other relations with the people of Taiwan through non-governmental instrumentalities and to assure continued peace and prosperity there. This has very high priority in our legislative program for 1979.

USSR

We seek better relations with both the Soviet Union and the People's Republic of China. Doing so is profoundly in the interests of our Nation and of global security.

I therefore would like also to welcome President Brezhnev to our country in the near future. At that time we would hope to conclude an agreement curbing the strategic arms race. There are other areas where our two nations can work constructively together. These include a comprehensive nuclear test ban treaty; limits on Indian Ocean deployments, and on the transfer of conventional arms; and restraint in areas of turbulence and tension. Such cooperative effort would do much to make the world a safer place for all.

We will never ignore Soviet actions which challenge our interests. We both have a responsibility to our peoples and the world to maintain a pattern of detente which is genuinely reciprocal and broadly defined.

DEALING WITH WORLD PROBLEMS

A true world community cannot be fashioned or endure so long as the weapons of war multiply and spread, so long as ancient disputes fester and the demands for justice are unmet, so long as much of mankind remains impoverished and without hope.

As I emphasized in my State of the Union address, the need to curb the strategic arms race has never been more urgent. It increases the risk of nuclear war. It is a needless competition that draws away scarce resources we need to invest in other areas of our Nation's strength. It undermines America's security.

The conclusion and ratification of a satisfactory SALT II Treaty with the Soviet Union is therefore among our top priorities. It will make a major contribution to enhancing our long-term security, while keeping open our options to carry out needed modernization of our strategic forces and preserve our deterrence.

We will take whatever time is necessary to negotiate a sound, verifiable agreement. I am convinced that once the American people and Congress have had a chance to examine the terms and benefits of this Treaty—and consider the shape of our future without it—they will conclude it serves our vital security interests.

We will continue to consult the Congress as we proceed this year with other important arms control negotiations: on a comprehensive nuclear test ban; the prevention of anti-satellite warfare; mutual and balanced force reductions in Europe; and limits on the rising tide of conventional arms transfers.

The risks inherent in the proliferation of nuclear technology figure prominently among the dangers to the world community. Although we and the rest of the world still have far to go in dealing responsibly with such risks, the United States took an important step last March with the adoption of the Nuclear Non-Proliferation Act. For the first time in our history we established comprehensive legislation covering international cooperation in the nuclear field and the export of nuclear-related materials. To build on that promising beginning throughout 1979, we need progress in the following areas, both nuclear and non-nuclear:

—The International Nuclear Fuel Cycle Evaluation (INFCE), a 53-nation effort, can help us develop a new international nuclear fuel consensus that will adequately balance energy needs with non-proliferation concerns. We continue to believe that better alternatives exist to the commercialization of dangerous breeder reactors and we will cooperate as fully as possible with other countries in exploring those alternatives.

—We will seek more substantial progress in the problem of managing nuclear waste and in attracting greater international support for the acceptance of nuclear safeguards. I ask the Senate to ratify the treaty on the IAEA Voluntary Safeguards Offer which will provide concrete proof of our belief that international safeguards do not interfere with the successful development and operation of commercial nuclear power.

—I will call for early Senate ratification of Protocol I of the Treaty of Tlatelolco, which will contribute to the lessening of nuclear dangers for our Latin American neighbors; the U.S. and Cuba are now the only countries in our Hemisphere which have not yet ratified that Treaty.

REGIONAL CONFLICT AND TENSION

Curbing the means of war cannot in itself remove the threat of war. For that, we must seek to resolve conflicts, ease tension and build trust. The urgency of this task and its importance to the United States and the world is nowhere more clear than in the Middle East. Though there has been great progress, the goal of a just and lasting settlement in that troubled part of the world still eludes us. No one who has looked at Middle East history can harbor any illusion about the difficulties ahead. Yet we have made great strides toward a final peace agreement between the two principal adversaries in the Middle East. The differences which they have overcome far outweigh the issues which still divide them. Israeli and Egyptian commitment to peace will provide an indispensable step toward peace between Israel and all its neighbors and foster the stability and orderly change we favor for the entire Middle East region. Peace will permit us to strengthen our ties with the Arab states in the region and enhance our relationship with Israel, a relationship which will always be special to us.

In 1979 I will count on the continued collaboration of the 96th Congress on behalf of our efforts to gain and maintain peace throughout the region. The support of the Congress and the American people for a purposeful role in that region is particularly important in light of the tumultuous events taking place in Iran. Since the end of the Second World War, the United States has maintained a close relationship with Iran and it has a vital interest in Iran's independence and integrity. The people of Iran should shape their own future without foreign interference. That is the policy of the government of the United States and we expect it to be the policy of all of Iran's neighbors.

AFRICA

Congressional support for peace, stability, and orderly change are essential in other tense regions, as well.

In Southern Africa we are trying to help bring about a peaceful transformation to majority rule which will avoid growing bloodshed between white and black and deeper intervention by the Soviet Union and Cuba.

Together with our European allies, Canada, and African states directly concerned, we are making progress toward the independence and majority rule of Namibia—a step that would have a positive impact on the evolution of events in Rhodesia and elsewhere in Southern Africa. We are heartened by the support of the African leaders who have worked with us in efforts to resolve the Namibian and Rhodesian issues.

Congressional repeal of the Byrd Amendment was essential in enhancing our credibility in the effort to avoid a gathering war and further Soviet and Cuban gains in southern Africa. We will consult closely with the Congress during the coming months, as we seek the most constructive role we can play. It will be increasingly important to maintain our position of impartiality among the parties so we can help them resolve their differences should they choose the path of peace.

LATIN AMERICA

In our own Hemisphere, we can point with pride to the cooperative spirit which enabled us to change, in mutually beneficial ways, the basis of our relations with Panama. Senate approval of the two Panama Canal treaties last year has improved the quality of our historic relationship not only with Panama itself but with our friends in every part of Latin America. By that act, our country helped demonstrate its ability both to protect major security interests and to deal with smaller nations with dignity and mutual respect. Congressional action to pass the necessary implementing

legislation for these treaties before the October 1 deadline will ensure that the Canal is efficiently operated during the transition to a new partnership with Panama.

The treaties and implementing legislation, like our efforts to help the people of Nicaragua find an enduring democratic solution to the current crisis there, are important to the future stability of Central America as a whole and the strengthening of our new and mature relationship with the nations of all Latin America.

THE INTERNATIONAL ECONOMY

In our daily lives, we are constantly reminded of the importance of a healthy world economy to the strength of our own. We see this in the wages of our workers who produce goods for export, in the choice of goods for our consumers, in the price of energy.

We must work closely with other countries to ensure that the world economy can steadily develop through noninflationary growth, while together we manage the use of its resources and protect our environment.

The focus for much of this effort during the past year was the Bonn Economic Summit. We worked out a strategy of cooperation with our partners to improve the world economic situation: within the framework of those Summit decisions, West Germany and Japan have taken measures to stimulate their economies while we are giving top priority to fighting inflation. Our actions, along with those taken by other Summit participants, are leading to a convergence of economic policies that will strengthen the global economy.

We have strengthened the dollar by working out arrangements with other countries to counter speculative disorder in currency markets. Since I announced my dollar stabilization measures last November, we stopped the dollar's decline in value against other currencies and have actually increased the dollar's value by around 10 percent against several major currencies. Moreover, we have announced a multi-faceted program to increase U.S. exports, which will benefit American farmers and workers, while further strengthening the position of the dollar.

We are now close to new agreements with our trading partners to establish a fairer, better operating and more open framework for world trade.

The American people have a vital stake in Congressional approval of these agreements. Ten million American jobs depend on our exports. Every third acre of our farmland produces for sales abroad. Two-thirds of our imports are essential raw materials or goods we cannot readily produce.

At a time of difficult strains in our own economy, there is always an impulse to abandon our commitment to an open world trading system. But the costs of such a course to the American people would be enormous. Each American family would pay more for what it buys and would have less choice in the goods available. Inflation would be fueled. Jobs would be jeopardized, for protectionism against our trading partners breeds protectionism by them against us.

I am convinced that our economy can adapt to changing patterns of world trade in ways that protect the future of our workers. We can compete effectively in the world economy. The new trade agreements give us the opportunity to do so.

Our programs of economic development assistance abroad are also an investment in our own future as well as the future of other nations. Our most rapidly growing markets lie in the developing world. By helping the people of these countries, we not only help extend their opportunities for a better life, we help ourselves. By demonstrating to their governments that we are concerned for the well-being of their people, we encourage their increasing cooperation with the West on a broad range of issues.

I therefore urge Congressional approval of the funding we propose for our bilateral assistance programs and our participation in the work of the multilateral development banks and UN agencies.

My proposal to establish a Foundation of International Technological Cooperation reflects our recognition that scientists in many developing nations are ready to work in collaboration with our technological institutions to solve the great problems of health, nutrition, productivity and other aspects of economic development.

Key commodity agreements can also help us deal with the legitimate needs and interests of the developing countries. Senate ratification of the International Sugar Agreement, which we signed last year, along with price support legislation will stabilize prices for that important commodity. We have pledged a contribution to the International Tin Agreement, and we will conduct negotiations on a rubber accord.

Efforts to build a stronger international economy are directed not simply at managing economic relationships among nations, but at improving the lives of individual people around the world. For it is the lives of individuals which define the success or failure of our foreign policies.

REASSERTING AMERICA'S VALUES

America's future is best secured in a world founded on decency, justice and compassion.

The effort to make human rights a central component of our foreign policy comes from our deepest sense of ourselves as a humane and freedom-loving people. We do not make our standards the precondition for every relationship we have with other countries; yet human rights can never be far from the focus of our thinking or we violate our own best values.

In the year just passed, some have quarreled with the timing or the tactics of our emphasis on human rights abroad. Others have pointed to our own imperfect record on human rights at home. Yet few can dispute an important fact of this experience: our concern for human rights has met with great resonance in the world at large. The very term has entered the language and become imbued with an everyday familiarity that was simply unknown little more than two years ago.

We believe our efforts have contributed to a global awakening:

—thousands of political prisoners have been freed;

—in several countries, torture of prisoners has been significantly reduced or eliminated and trials are more often open to the public;

—open advocacy of human rights has occurred in nations where the concept was heretofore forbidden;

—international organizations such as the UN and the OSA now have vigorous human rights commissions for the investigation and airing of human rights violations and the Commission on Security and Cooperation in Europe has helped to make human rights an institutionalized part of the international agenda on both sides of the Atlantic;

—in a number of key nations around the world, democratic institutions are being strengthened as democratic values are reasserted.

Americans can be proud of the leading role their government has played in advancing this process. I now ask the Congress to take action in 1979 which will further strengthen our human rights record. I have signed four important human rights treaties, including the Convention on Racial Discrimination, the International UN Covenants on Economic and Social Rights, and on Political and Civil Rights, and the Inter-American Convention on Human Rights. Senate ratification of these treaties will firmly align our Nation with the growing forces for rule of law and human dignity in this world. Similarly, I call upon the Senate finally to ratify the Genocide Convention. The United States is one of the very few countries which have not yet ratified this convention; this anomaly should be corrected at the earliest possible moment in this Congress.

I am also proud of the efforts we have undertaken this past year to alleviate the plight of refugees from the far corners of the world, particularly those fleeing the troubled Indochinese peninsula. We have done a great deal to reduce suffering among these desperate people and to provide many of them with a possibility of a new home and a new start.

We will continue to do our part and to encourage others to increase their financial assistance and opportunities for resettlement. I hope to cooperate closely with this Congress in the passage of new legislation which will allow us to focus U.S. assistance more efficiently in working toward the solution of this global, human problem.

Our challenges reflect a single fact: the pressure of accelerating change in our century. We need not fear this phenomenon; indeed, we should welcome it. Change has not been merely a challenge in American history; to a very real degree, it has been our Nation's charter. We have not prospered and grown for more than two hundred years by worshipping the status quo. In building our

Nation and confronting the many tasks which history has assigned us, we have found change to be our natural element.

We should approach the task of building a New Foundation for a world of change with the confidence of a Nation whose strengths are unmatched. Our military forces are strong and growing stronger. Our technological and industrial capacities are unsurpassed. Our allies are strong and reliable. Our way of life, and what we stand for as a Nation, continue to have magnetic international appeal.

I do not pretend that change comes without cost. I do not pretend that it comes without pain. Neither the visionary men of the 18th Century who founded our Republic, nor the citizens of conscience who opposed slavery in the 19th, nor the men and women of the 20th who led us successfully through two world wars looked upon change as easy. They did, however, look upon it as inevitable.

So it was in the beginning of our country, so it has been through all the stages of our history. The future has always brought Americans to a higher level of national achievement as long as we were willing to invest the time and the energy and the imagination toward shaping that future ourselves.

As we begin a new year, I repledge my Administration to time, energy, and imagination essential to build a new Foundation for a world of peace, prosperity and human justice. Together, America's Congress, its people, and its President cannot only master the many challenges of change, but make them a part of our Nation's purpose in the world. In so doing, we can bring America closer to that "more perfect union" of Jefferson's dream in a wider and more secure global community congenial to our values, interests and ideals.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States, containing an expansion of his state of the Union message, be jointly referred to all those Senate committees having legislative jurisdiction.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SCHMITT, from the Select Committee on Ethics, without amendment:

S. Res. 25. An original resolution amending the Standing Rules of the Senate to allow the defraying of office expenses incurred in connection with official duties from funds derived from certain political committees (Rep. No. 96–1). Referred to the Committee on Rules and Administration.

By Mr. Cannon, from the Committee on Commerce, Science, and Transportation:

S. Res. 26. An original resolution authorizing additional expenditures by the Committee on Commerce, Science, and Transportation for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DURKIN:

S. 213. A bill for the relief of Nesca Nicolas; to the Committee on the Judiciary.

S. 214. A bill for the relief of Rocio Edmondson; to the Committee on the Judiciary.

By Mr. PACKWOOD:

S. 215. A bill for the relief of Renuka Pavla; to the Committee on the Judiciary.

S. 216. A bill for the relief of Chong Hui Schrein; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 217. A bill to prohibit political parties from engaging in credit card solicitations; to the Committee on Banking, Housing, and Urban Affairs.

S. 218. A bill to provide for congressional control over public policy with respect to variable rate mortgages; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 219. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 220. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

By Mr. WALLOP (for himself, Mr. BAKER, Mr BELLMON, Mr. BENTSEN, Mr. DANFORTH, Mr. FORD, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. INOUYE, Mr. JAVITS, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCCLURE, Mr. MELCHER, Mr. MOYNIHAN, Mr. SCHMITT, Mr. SIMPSON, Mr STEVENS, Mr. STEVENSON, and Mr YOUNG):

S. 221. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Governmental Affairs.

By Mr. DURKIN (for himself, Mr. NELSON, Mr. ROTH, Mr. HOLLINGS, Mr KENNEDY, Mr. LEAHY, Mr. LEVIN, Mr. HART, Mr. BIDEN, Mr. MCGOVERN, Mr. METZENBAUM, Mr. PELL, Mr. PROXMIRE, Mr. RIBICOFF, Mr. TSONGAS, Mr. BAUCUS, and Mr. RIEGLE):

S. 222. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. ROTH, Mr. HEINZ, Mr. WALLOP, Mr. RANDOLPH, Mr. LUGAR, Mr. HAYAKAWA, and Mr. HATCH):

S. 223. A bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. STEVENS, Mr. YOUNG, Mr. TOWER, Mr. DOMENICI, Mr. HAYAKAWA, Mr. HELMS, Mr. THURMOND, Mr. GOLDWATER, Mr. SCHMITT, and Mr. DOLE):

S. 224. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. PRESSLER):

S. 225. A bill to create a rural economic development bank to assist in rural community and agricultural development by making financial, technical, and other assistance available for the establishment or expansion of commercial, industrial, and related private and public facilities and services, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MORGAN:

S. 226. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

By Mr. ROTH (for himself, Mr. HEINZ, Mr. BAYH, Mr. MOYNIHAN, Mr. JAVITS, and Mr. RANDOLPH):

S. 227. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. BIDEN):

S. 228. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 229. A bill for the relief of Inocencio Eder and Lourie Ann Eder; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. WILLIAMS, Mr. RANDOLPH, Mr. EAGLETON, Mr. CRANSTON, Mr. RIEGLE, Mr. SCHWEIKER, Mr. STAFFORD, Mr. LEVIN, and Mr. DOLE):

S. 230. A bill to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes; to the Committee on Human Resources.

By Mr. BENTSEN:

S. 231. A bill to amend the Internal Revenue Code to help increase productivity and reduce inflation by providing larger tax deductions for depreciation; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, and Mr. JAVITS):

S. 232. A bill to amend title XI of the Public Health Service Act to increase appropriation authorization for 2 fiscal years, and for other purposes; to the Committee on Human Resources.

By Mr. CANNON (for himself and Mr. INOUYE):

S. 233. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON:

S. 234. A bill for the relief of certain employees of the Long Beach Naval Shipyard, Long Beach, Calif.; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 235. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefits checks, and for other purposes; to the Committee on Finance.

By Mr. CULVER:

S. 236. A bill to modify the Clinton, Iowa, local flood protection project; to the Committee on Environment and Public Works.

By Mr. DECONCINI:

S. 237. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of United States magistrates, and for other purposes; to the Committee on the Judiciary.

By Mr. TOWER:

S. 238. A bill to establish a Citizens Commission on Economic Regulatory Oversight to study Federal economic regulation and recommend the elimination of unnecessary regulatory agencies and laws, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE):

S. 239. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes; to the Committee on Human Resources.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. KENNEDY, Mr. INOUYE, Mr. JACKSON, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. ZORINSKY, Mr. DOMENICI, Mr. STEVENS, Mr. CHILES, and Mr. NUNN):

S. 240. A bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce; to the Committee on the Judiciary.

By Mr. BAYH:

S.J. Res. 28. A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States. Read the first time.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 217. A bill to prohibit political parties from engaging in credit card solicitations; to the Committee on Banking, Housing, and Urban Affairs.

BAN ON POLITICAL CREDIT CARDS

Mr. PROXMIRE. Mr. President, I am today introducing legislation which would prohibit political parties from engaging in credit card solicitations.

Both the Republicans and Democrats have recently announced plans under which they will provide a VISA-issuing bank with their mailing lists of party members and contributors. In the Republican plan, the party will turn its list over to Manufacturers Hanover Trust Co. who will screen the list for creditworthiness and then solicit VISA card requests. The solicitations will be made by letter signed by the chairman of the Republican National Committee, and the RNC will receive a "finder's fee" of $2.50 for each accepted card. Under the Democrats' plan, the party would receive an annual fee based on the use of accepted cards.

We had a hearing on this and it was a fascinating hearing because it indicated that in New York State alone the Republicans might very well be able to raise something like $3.5 million for their party. On a national basis, the amount which could be raised, of course, would be many times that.

These solicitation schemes are a bad idea for several reasons. First, they create serious conflict of interest problems for the political parties. Banks are among the most heavily regulated businesses in our society. They are constantly undergoing Government scrutiny for charter renewals, branch applications, holding company activities, correspondent relationships, and compliance with a host of banking laws. Each year the parties may become more dependent on the millions of dollars they receive from the banks through the VISA solicitations. Bank regulators, Congressmen, Senators, and even the President could not help being aware of this relationship. The temptation may well arise to push certain measures favorable to the banks or derail efforts which would harm them or the credit card arrangements. Even if no direct aid is given the banks, this conflict of interest creates a highly suspicious and unsavory appearance.

In other words, there is a conflict of interest here, Mr. President, that I think we should be aware of. I believe that is certainly one reason why we should be very skeptical.

These plans also divert the parties from their intended role in our society and involve them in cheap hucksterism. Far from rejuvenating the parties, these schemes are bound to turn off even more people at a time when voter turnout is at an alltime low and more public involvement is desperately needed. The Los Angeles Times put it well when it said:

> Political parties, we think, should stick to the business of selling candidates and ideas, not credit cards.

In the hearings, one member of the committee said that our parties and our political activities are notoriously underfinanced.

I believe we are all aware of the fact that the 1978 congressional race was the most heavily financed in our history by far. For example, senatorial races averaged $900,000 for the winners and the losers. That was the average expenditure. It was up 50 percent from 1976. It is getting sky high.

Anybody who says this is necessary to get the message out, in order to have people understand both sides, does not know what goes on in a political campaign and does not know where the money goes.

Mr. President, you know where the money goes: Billboards, 30-second spots in which the name of the candidate and the office and what a great guy he is are put forth in just a few seconds; bumper stickers; campaign literature, which, of course, builds up the candidate as the greatest person since George Washington or Thomas Jefferson. Any connection between that and reality and truth, of course, is coincidental.

The overwhelming majority of that money, 90, 95 percent, simply builds up candidates, tries to persuade people that one side has all the wisdom, and does not certainly get most of us to play any part in getting the political debate, the political understanding, across.

Mr. President, it is a great ego trip. I think all of us like to drive into a city and see a big billboard, "Proxmire For United States Senator." I like to see that. That is beautiful. One sees a nice, big picture that makes you look three times as beautiful as you do look. It is a wonderful thing to have. It costs a great deal of money. I doubt that it gets much in the way of votes. Maybe it does. But it certainly does not play a part in the debate which should permit the public to understand the issues between candidates in our political campaigns.

More and more it appears that congressional races are becoming spending contests in which victory goes to the biggest spender. Defenders of these credit card schemes are missing the point: there is already too much money in politics. The average cost of winning a Senate seat has just exceeded $1 million, almost twice the cost in 1974. Instead of trying to break this spiral by stressing grassroots volunteers and shoe leather, the political parties seem bent on outspending each other through elaborate fundraising gimmicks.

If the parties go ahead with these schemes (and there are some serious questions under Federal election law), I wonder where it will end. Once the parties have crossed the threshold and endorsed a particular credit card, it will be only too easy for them to endorse other products as well, for the right fee of course. This bothers the public, but unfortunately not the party leaderships.

Mr. President, these schemes will just add more momentum to campaign spending, place the parties in a serious conflict of interest, and badly cheapen the political parties in the process. These plans have been condemned by newspapers from coast to coast and my mail is universally negative. If the leadership of the Republican and Democratic Parties will not see the folly of these schemes, then I hope the Congress will by prohibiting this activity before it begins.

Mr. President, there are many other reasons why I feel that these credit cards are a bad idea. I do hope that the U.S. Senate will give serious consideration to prohibiting making the political parties simply huckster units.

The newspapers have been very negative on this. The Los Angeles Times had a good editorial. The Star wrote about this yesterday in which they criticized this approach and thought it was an approach which should not be adopted.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CREDIT CARDS AND PARTY COFFERS

The Democratic and Republican Parties have come up with a new wrinkle in fund raising—peddling bank credit cards.

It goes like this: The Republican Party would contract with banks to solicit party members to sign up for Visa credit cards and would receive a fee for each card it sold. The Democratic version calls for that party to receive a percentage of the gross sales to cardholders signed up by the party.

In addition to these finder's fees and percentages, which could run into substantial amounts, party officials are not unaware of other potential benefits. Having peddled credit cards to party members, it's reasonable to assume that many of the cardhold-

ers could be persuaded to make regular contributions to the party, charging the contributions to the credit cards. Beats cold-turkey soliciting.

There are a couple of drawbacks, however. The legality of the scheme isn't exactly clear. And Sen. William Proxmire, among others, doesn't like the smell of involving political parties in lucrative financial deals with banks that are regulated by the government. Neither do we.

"This is a match made in heaven," said Senator Proxmire, during a discussion of it the other day before the Senate Banking Committee that he chairs. "Banks, credit cards and political parties—what a wedding night you might have with that combination."

The parties have postponed putting their plans into effect pending a ruling by the Federal Election Commission on whether they're legal. Corporations are prohibited by law from contributing to political candidates or parties, but the law is unclear about reimbursement for a service performed by a party for a corporation.

Besides the questions of legality and conflict of interest, there is something unseemly about the scheme. If this is successful, what's next? How about peddling gasoline credit cards for the major oil companies? Maybe the parties could set up a chain of fast food carryouts—there seems to be a lot of money in that. Maybe they could corner the pantyhose-from-vending-machines, market, or finagle a rakeoff on shipping carried in U.S. bottoms. The possibilities are unlimited.

If the parties found themselves too busy making money, maybe they could even farm out their political functions.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 132 of the Truth in Lending Act is amended—

(1) by inserting "(a)" before the first sentence; and

(2) by adding at the end thereof the following:

"(b) No card issuer may solicit a request or application for a credit card pursuant to any arrangement in which it agrees to compensate a political party, as defined by section 301 of the Federal Election Campaign Act of 1971, directly or indirectly based on the response to such a solicitation or the use of a credit card accepted through such a solicitation.".

Mr. MOYNIHAN. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. MOYNIHAN. I would like very much to associate myself with the view of the Senator and express my appreciation for his taking the leadership on something which unfortunately was not thought about earlier. The sooner it is resolved the better. I am sure the chairman of the committee will consider it.

I would like to make one comment about the billboards. It is possible that the Senator from Wisconsin can think of those billboards as an ego trip, as he says, and how nice it is to see your name up there. That is because he always wins his elections.

How would he like to pay all that, lose the election, and still have to face that billboard all winter long?

Mr. PROXMIRE. Let me say to my good friend from New York I am very flattered. But this Senator ran for Governor of Wisconsin in 1952, in 1954, and in 1956, and lost. So I am very familiar with the other side of this.

This would not be anything in New York City or New York State, but in Wisconsin we spent a couple of hundred thousand dollars in that campaign and I lost it anyway.

Mr. MOYNIHAN. The Senator stands corrected, but he got rid of that habit.

Mr. PROXMIRE. I thank my friend from New York.

By Mr. PROXMIRE:

S. 218. A bill to provide for congressional control over public policy with respect to variable rate mortgages; to the Committee on Banking, Housing, and Urban Affairs.

VARIABLE RATE MORTGAGE ACT OF 1979

Mr. PROXMIRE. Mr. President, today I am introducing legislation to reassert congressional authority over variable rate mortgages.

This is to recognize the fact that the Home Loan Bank Board has issued regulations governing variable rate mortgages, something that I very much deplore, but since they are free to do so, and since I think it is unrealistic to expect we would be able to block them promptly at least, I think what we should do is provide that the safeguards the Board has written into this first proposal not be weakened at a later date.

So I introduce this legislation to codify and put into statutory form the regulations that have been issued by the Home Loan Bank Board so that we will be in a position to understand how variable rate mortgages are going to operate in the future, and to exercise the kind of control the Congress should exercise.

Mr. President, the Variable Rate Mortgage Act of 1979, which I am introducing today, is intended to provide for congressional control over public policy with respect to variable rate mortgages. It would do this by incorporating into statute various consumer safeguards and the geographic limitation that have been adopted by the Federal Home Loan Bank Board, so that changes in such provisions can only be made by the Congress, and by incorporating the Board's regulatory sunset provision into statute, so that Congress will have the final say on whether variable rate mortgage authority for Federal savings and loans is made permanent.

For a number of years now, there has been substantial disagreement and controversy as to whether or not variable rate mortgages are in the public interest. Since 1975, the Senate Committee on Banking, Housing, and Urban Affairs has held three separate sets of hearings on variable rate mortgages. The Federal Home Loan Bank Board has strongly supported the concept of variable rate mortgages, arguing that variable rate mortgages would help smooth cyclical swings in the flow of mortgage credit, and that such mortgages would promote consumer choice. The savings and loan industry has strongly urged that variable rate mortgages be authorized, because the industry sees it as a way of addressing the imbalance between their long-term assets and their relatively short-term liabilities.

On the other hand, variable rate mortgages have been strongly opposed by consumer groups, labor, civil rights groups, and the home building industry. These groups have argued: First, that variable rate mortgages unfairly shift the risk of rising interest rates from the lender to the borrower; second, that such mortgages pit the consumer against the lender in a match to see who can better predict future interest rate trends, and that in this process the lender has an enormous advantage; third, that because of more conservative underwriting due to the possibility of a monthly payment increase, variable rate mortgages will have a discriminatory impact on minorities and others whom the lender may not perceive as being "upwardly mobile," and fourth, that variable rate mortgages will fuel inflation.

There has also been substantial disagreement among Members of Congress regarding the merits of variable rate mortgages. About the only thing we have ever had a true consensus on is that the Congress—and not the Federal Home Loan Bank Board—ought to exercise the final say on public policy with respect to variable rate mortgages. In June, 1975 the Senate unanimously passed a resolution—Senate Concurrent Resolution 45—calling upon the Board to refrain from authorizing variable rate mortgages "unless Congress specifically, by law, authorizes such variable interest rates."

In passing this resolution, the Senate was clearly not making an ultimate determination as to whethre variable rate mortgages are in the public interest. The unanimous committee report accompanying the resolution made this point explicit, indicated the necessity of further review of the issue, and summarized the key thrust of the committee's views as follows:

If variable rate mortgages are ultimately judged to be in the public interest, the Committee believes the authority to make variable rate mortgage loans should be prescribed by statute, and that such statute should contain appropriate safeguards to protect mortgage borrowers."

The committee stated its specific belief that—

The subject of VRM's is so important to the public interest and so closely related to other issues before the Congress that the entire matter should be dealt with through legislation rather than by administrative regulation.

It should be noted that one of the related legislative issues which was specifically cited in the committee report was regulation Q. The report stated:

Many of the claimed advantages of the VRM proposal depend ultimately upon the elimination of Regulation Q which limits the rate of interest payable on time and savings deposits. The entire issue posed by Regulation Q is under active reviewed by the Congress in the context of financial institution reform legislation. Thus the ultimate merits of the VRM proposal cannot be

adequately assessed until the fate of Regulation Q is decided.

In 1978, the Congress began to reexamine the variable rate mortgage issue, but due to lack of time, neither House had an opportunity to vote on the issue. Nevertheless, the Federal Home Loan Bank Board acted to grant federally chartered savings and loans in California temporary authority, effective January 1, 1979, to make variable rate mortgages. While I believe that this action was unfortunate in that it contravened the resolution unanimously passed by the Senate in 1975, I do not believe it is productive to talk about rolling back the Board's action. But I do believe it is essential that the Congress act swiftly to reassert its authority and control of public policy on this issue.

In adopting its regulations, the Board, in the preamble, recognized that VRM's have been controversial. The regulations contain a sunset provision with an expiration date set for December 31, 1982. The Board indicated that this 4-year period would provide "sufficient time to assess the value and effect of VRM's in the mortgage market."

The Board's regulations include a number of basic consumer safeguards. One safeguard limits changes in interest rates to 0.5 percent a year and 2.5 percent over the life of the loan. Another provision requires that borrowers to whom a VRM is offered be given a "documented choice" of a standard fixed rate mortgage instrument. A third provision limits variable rate mortgages to no more than 50 percent of an association's home mortgage loans by dollar amount made or purchased in a given year.

The bill I am introducing today does not challenge or amend any of the regulatory actions taken by the Bank Board. Rather, the bill would codify into statutory form the key actions taken by the Bank Board. The effect of this bill would simply be to give Congress the final say over: First, any decision to expand VRM authority to additional States; second, any changes in the Board's basic consumer safeguards, and third, the ultimate decision as to whether VRM authority will become permanent.

Specifically the Variable Rate Mortgage Act of 1979 would provide the following:

First, the Board's action of authorizing federally chartered savings and loan associations in California to make variable rate mortgages would be codified into statute. The Board has determined at the present time that only Federal associations in California face a competitive situation warranting VRM authorization. Codifying this geographic limitation into the statute will assure that the Congress will have the final say on any decision to expand this authority to additional States.

Second, the basic consumer safeguards contained in the Board's regulations would be codified into statute. The unanimous 1975 Senate committee report stated clearly that—

If the PRM concept is ultimately judged to be in the public interest, the safeguards designed to protect consumers should be outlined in law and not merely by regulation.

The committee was concerned that if contained only in regulation, safeguards could be eroded at a later date once VRM's became commonly accepted. The report continued:

Of course, no law or regulation should be cast in concrete and some subsequent change might be necessary. Nonetheless, the Committee believes the Congress is the appropriate body to weigh and balance the conflicting claims of consumers and lenders with regard to VRM's.

Third, the 4 year sunset provision contained in the Board's regulations would be codified into statute. This will assure that Congress, and not the Bank Board, will make the ultimate decision on whether VRM authority is to be made permanent.

Fourth, the bill would require the U.S. Office of Consumer Affairs to conduct a study of consumer experience with variable rate mortgages. The study would assess the extent of consumer understanding of the specific provisions of their variable rate mortgage contracts, and would assess the capacity of consumers to evaluate the information disclosed by lenders in connection with the documented choice requirement.

The U.S. Office of Consumer Affairs was established by executive order in 1971. The Office is responsible for advising the President on all matters affecting the interest of consumers, and it is responsible for analyzing and coordinating the implementation of all Federal activities in the field of consumer protection. One of its specific missions, as set out in the executive order, is to conduct surveys concerning the needs, interests, and problems of consumers. The Office is therefore ideally suited to conduct a study of the experience of consumers with VRM's.

Fifth, the bill would require the Council on Wage and Price Stability to conduct a study of the possible inflationary impacts of variable rate mortgages. In hearings held by the Senate Banking, Housing and Urban Affairs Committee in August of 1978, the AFL–CIO and the National Association of Home Builders expressed strong concern that VRM's would aggravate inflationary pressures. Given the Nation's critical priority of combating inflation, we cannot afford to ignore any possible inflationary impact of VRM's.

Both the inflationary impact study and the consumer study will be completed prior to the expiration of the 4-year sunset period. The information provided by the studies will assist the Congress in making its ultimate determination on whether to make VRM authority permanent.

Finally, the bill would make the same consumer safeguards which are applied to Federal savings and loans in California also applicable to State chartered, federally insured savings and loans in California. This will assure that both the Federal and State chartered associations compete on the same basis. The Bank Board has often indicated that one of its main objectives in adopting VRM regulations was to establish a standard for consumer safeguards which could be applicable to State chartered savings and loan associations. However, currently the Board would appear to lack the legal authority to achieve this objective, and consequently, the Board's regulations apply only to federally chartered savings and loans. Thus if the Board's stated objectives is to become a reality, legislative action is necessary.

Mr. President, the variable rate mortgage represents a potentially fundamental change in the nature of home mortgage financing in this country. The Congress has a clear responsibility to set the policy in this area. I believe that the Variable Rate Mortgage Act of 1979 will preserve congressional control over variable rate mortgages while still permitting a fair test of this new mortgage form under controlled conditions.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Variable Rate Mortgage Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) there has been substantial disagreement and controversy as to whether variable rate mortgages are in the public interest;

(2) the Federal Home Loan Bank Board has authorized Federally chartered savings and loan associations in California to make, purchase, and participate in variable rate mortgages;

(3) careful study needs to be given (A) to the actual experience of consumers with variable rate mortgages, and (B) to the possible inflationary impact of such mortgages;

(4) any decision to expand variable rate mortgage authority to additional States should be made by the Congress;

(5) the ultimate decision on whether to continue to allow Federally chartered savings and loan associations to make, purchase, and participate in variable rate mortgages should be made by the Congress;

(6) safeguards designed to protect consumers should be outlined in law and not merely by regulation; and

(7) State chartered Federally insured savings and loan associations in California should be covered by the same consumer protection safeguards that are applied to Federally chartered savings and loan associations.

(b) It is the purpose of this Act to provide for Congressional control over public policy with respect to variable rate mortgages, by incorporating into statute various consumer safeguards and the geographic limitation adopted by the Federal Home Loan Bank Board, so that changes in such provisions can only be made by the Congress, and by providing for a sunset provision so that variable rate mortgage authority for Federal savings and loan associations will only become permanent if Congress, after careful study, renews such authority.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "home mortgage loan" means a loan secured by real estate which is used or intended to be used as a residence containing not more than four dwelling units;

(2) the term "variable rate mortgage"

means a home mortgage loan in which the interest rate is not, by contract, held constant during the full term of the loan;

(3) the term "grace period" means the length of time, as provided in a variable rate mortgage contract, between the first regular monthly payment and the month when the interest rate can first be adjusted;

(4) the term "rate adjustment period" means the length of time, as specified in a variable rate mortgage contract, between possible changes in the interest rate; and

(5) the term "standard mortgage instrument" means a home mortgage loan with a contractually fixed interest rate, level payments and full amortization.

AUTHORIZATION

SEC. 4. Federally chartered savings and loan associations may make, purchase, or participate in variable rate mortgages, subject to the provisions of this Act and its implementing regulations, except that the authority of Federally chartered savings and loan associations to make, purchase, or participate in variable rate mortgages shall be limited to mortgages secured by real estate located in the State of California and made by associations whose home office is in the State of California.

INTEREST RATE ADJUSTMENTS

SEC. 5. (a) The grace period provided in a variable rate mortgage contract may be of any duration but not less than one year.

(b) The rate adjustment period specified in a variable rate mortgage contract shall be not less than one year. The contract may specify a rate adjustment period which exceeds one year, but any such longer rate adjustment period shall be a whole number of years.

(c) For variable rate mortgages with rate adjustment periods of one year, interest rate adjustments shall not exceed .5 percent in either direction in any given year. For variable rate mortgages with rate adjustment periods of two years or more, interest rate changes shall not exceed an amount equal to .5 percent multiplied by the number of years in the adjustment period.

(d) Interest rate adjustments shall only occur in response to movements of an index which has been approved by the Federal Home Loan Bank Board.

(e) The interest rate on the loan shall never exceed a level which is 2.5 percent above the initial interest rate.

(f) Allowable increases in interest rates pursuant to this section shall be at the lender's option. Allowable decreases in interest rates shall be mandatory.

DOCUMENTED CHOICE

SEC. 6. Each prospective borrower to whom an offer of a variable rate mortgage is made shall be given the option of selecting a comparable standard mortgage instrument. In connection with this option, each prospective borrower shall be provided information containing—

(1) a side-by-side comparison of differing interest rates and other terms;

(2) payment schedules for both types of instruments, including a schedule for the variable rate mortgage showing every maximum increase at the time it could first occur, the highest possible monthly payment during the loan term, and the maximum total payment in dollars over the full term of each loan;

(3) a statement, prominently displayed, that borrowers have the option to elect a standard mortgage instrument; and

(4) such other information as the Federal Home Loan Bank Board may prescribe.

PERCENTAGE OF LOANS LIMITATION

SEC. 7. Not more than 50 per centum of the principal amount of the home mortgage loans made in any year by a savings and loan association shall be variable rate mortgages. Not more than 50 per centum of the principal amount of the home mortgage loans purchased in any year by a savings and loan association shall be variable rate mortgages.

REGULATIONS

SEC. 8. The Federal Home Loan Bank Board shall issue regulations to carry out the provisions of this Act. Such regulations may contain additional provisions designed to protect consumers.

APPLICABILITY OF CONSUMER PROTECTION PROVISIONS TO STATE ASSOCIATIONS

SEC. 9. The provisions of sections 5, 6, and 7 of this Act, and regulations issued in accordance with section 8, shall be applicable to State chartered savings and loan associations in the State of California, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

SUNSET PROVISIONS

SEC. 10. (a) The authority of Federally chartered savings and loan associations to make, purchase or participate in variable rate mortgages shall expire on December 31, 1982.

(b) The applicability of sections 5, 6, 7 and 8 of this Act to State chartered insured savings and loan associations in California shall expire on December 31, 1982.

CONSUMER STUDY

SEC. 11. (a) The United States Office of Consumer Affairs (hereafter in this section referred to as the "Office") shall conduct a study of consumer experience with variable rate mortgages.

(b) Such study shall include—

(1) an assessment of the extent of consumer understanding of the specific provisions of their variable rate mortgage contracts;

(2) an assessment of the capacity of consumers to evaluate the information provided in the side-by-side comparison required by section 6 of this Act; and

(3) such other information relating to possible advantages or disadvantages to individual consumers as is deemed by the Office to be significant and feasible to study.

(c) The Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency and the Board of Governors of the Federal Reserve System shall cooperate with the Office for the purposes of this study, including the provision of available data relevant to the study, and, to the extent necessary to conduct the study, the provision of lists of consumers who have received variable rate mortgages and information contained in mortgage files. Any information which identifies individual consumers shall be handled by the Office so as to protect individual privacy.

(d) The Office shall transmit to the Congress an interim report by not later than December 31, 1980, and a final report by not later than March 15, 1982.

INFLATIONARY IMPACT STUDY

SEC. 12. The Council on Wage and Price Stability shall conduct a study of the possible inflationary impacts of variable rate mortgages. The Council shall transmit to the Congress an interim report not later than December 31, 1980, and a final report not later than March 15, 1982.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 219. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

Mr. MOYNIHAN. Mr. President, Senator PACKWOOD and I are today reintroducing a bill to provide a Federal income tax deduction to any taxpayer who makes a charitable contribution, whether or not he itemizes his other deductions. This proposal, which has been sponsored in the House of Representatives by Congressmen JOSEPH L. FISHER and BARBER CONABLE, attracted much interest in the 95th Congress, and when it was decided not to include it in last years tax bill it was with the understanding that it would receive the most serious consideration in the 96th Congress.

It is our view that nonprofit institutions and charitable organizations—collectively described as the "third sector"'—are a central element of American society as we know it. They are powerfully affected, sometimes for good but sometimes for ill, by the laws and regulations of the Federal Government. We intend this year to turn our attention to this complex impact of public policy on private activity and to seek to develop appropriate remedies for problems that are found there. One such problem that is already well established is the eroding incentive to private giving that results from ever-wider use of the standard deduction. The bill we are introducing today would go a long way to solve that problem. But let it be recognized that this legislation is based upon ideas which have been out of fashion until recently, indeed, ideas that run counter to the spirit that has dominated the welfare state for the better part of this country. Although I believe that interest in and support for our proposal will grow in the coming months, we must begin to develop a clearer appreciation of the fundamental premises upon which our proposition rests.

Return for a moment to a period of extraordinary intellectual ferment, just before the great crises of our century: the World Wars, the Depression, the rise of totalitarianism. Social and political thought was deadlocked in a conflict between two powerful schools. On one hand stood the classical liberals, who asserted the sovereignty of the individual, and looked with skepticism upon most forms of collective human enterprise. On the other hand, emerging from continental traditions both of socialism and conservative absolutism, stood the statists, who feared that such individualism would lead to the disintegration of society—reducing humanity, in Durkheim's powerful phrase, to "a dust of individuals."

In response to this dichotomy, in a sequence familiar to students of Hegel, a third tendency began to develop, a tendency which owed much of its strength to the Anglo-American experience. It was called pluralism. While it is not properly regarded as a school of political thought, its exponents stood more to the democratic left than to the right. Among them were English figures such as R. H. Tawney, G. D. H. Cole, and the young Harold Laski.

The pluralists challenged both the absolute sovereignty of the individual and the sovereignty of the corporate state. They argued that between the individual and the state were to be found a great array of social and economic entities, and that in the strength of these voluntary,

private associations—church, family, club, trade union, commercial association—lay much of the strength of democratic society. Such ideas had considerable resonance here, for as Tocqueville observed a century and a half ago,

> In no country in the world has the principle of association been more successfully used, or more unsparingly applied to a multitude of different objects, than in America.

One ought not be smug about this, for voluntarism as it developed on this continent traces its roots to the other side of the Atlantic, and especially to Britain, where private charity had assumed vast proportions by the mid-Nineteenth century. As Prof. Calvin Woodard of the University of Virginia notes, in 1871 appropriations for the entire Royal Navy totaled 9 million pounds, while the collections and disbursements of the London charities came to 8 million pounds.

On these shores, the pluralist temper influenced the thought of Theodore Roosevelt and the Progressive Movement, and can be heard distinctly in this passage from a speech that Woodrow Wilson delivered a few weeks before his election in 1912:

> If I did not believe that monopoly could be restrained and destroyed, I would not believe that liberty could be recovered in the United States, and I know that the processes of liberty are the processes of life.

Wilson was indulging in a bit of uncharacteristic hyperbole, for liberty did not need to be "recovered" in the United States. It has never vanished. It is important to recall, however, that the monopoly of which he spoke was private sector monopoly, business monopoly. As I said at Skidmore College in May 1978:

> The public life of Wilson's time was much absorbed with fear and detestation of private monopoly, and great chunks of political and social energy were consumed in devising strategies for controlling it. While this was not an easy undertaking at the time, the means were at least conceptually at hand. For the public sector itself—along with public regulation—offered a clear alternative to the private sector and one obviously responsive to public policy. Whereas it is impossible to enact a statute to create a private institution, it is a relatively simple matter to establish public ones and to restrain the activities of private counterparts. In the process, the public sector became powerfully associated with social progress and with liberalism generally perceived.

Then came the cataclysms of our century—wars and economic crises which appeared to require a centralization of public authority and an expansion of public services far beyond anything previously envisioned. In that context, the Pluralists' ideas seemed cautious, deliberate, almost effete. Those seeking to meet social needs that individualism could not provide for turned more and more to the public sector, to the state, and away from the realm of private, voluntary associations.

To be certain, the results were salutary for the society. The result is an irreplaceable set of common provisions for the needy, the aged and the sick. But I sense that we are reaching a point at which it begins to be necessary to consider policies that will maintain a sound balance between our private and public spheres. As I further remarked at Skidmore, recalling Wilson's injunction against monopoly,

> . . . [W]ith its continuing expansion, the public sector commences to displace the private, and to display some of the qualities of an enterprise that desires monopoly control.

Today we begin to glimpse some questionable side effects of our mounting reliance upon government. We see it, I believe, in such diverse phenomena as the unsteady condition of the family and the erosion of private education, the faltering pace of our economic productivity and the cool impersonality that touches so many Government agencies. And if some in political life do not yet see it, or will not see it, it appears that the public sees it, and is beginning to act upon that perception.

Is this a movement of selfishness, miserliness, or a public lapse into what has been described as a "degraded hedonism?" I think not. More likely, we are witnessing a generalized discontent with the vastness, waste, and unaccountability that now characterizes much of the Government.

Here, then, is the larger argument for the incentives to private giving that our proposal would provide.

John W. Gardner, who is much engaged with these activities, put it this way—

> . . . preserving a role for the private citizen in these matters encourages creativity, keeps alive in individual citizens the sense of personal caring and concern so essential if a mass society is to retain the element of humaneness.

One remembers the irony of a phrase familiar in poor Irish neighborhoods of the depression era: "Cold as charity." Those who imagine that our system of public welfare today is no more than an unpleasant replacement for a more personalized, private arrangement should consider the social experience captured in that phrase. But these things do run in cycles. Today Government is coming to be seen as cold and impersonal: A recent Washington Post poll found that its respondents, by the impressive ratio of 2 to 1, hold salespeople and office clerks in the private sector to be more courteous and honest than most public employees. And just as Government once brought a humane touch to the field of public assistance, so now it may fall to private agencies to meet this need today.

Jack Moscowitz of the United Way of America argues that private charities have watched their neighborhoods change and grow and in some cases decay. They have the experience and valuable knowledge acquired throughout the history of service delivery and needs assessments. For the government to duplicate the efficiency of the voluntary agencies, it would first have to duplicate their experience.

Is it, then, some inchoate sense of envy that pushes our great public bureaucracies to advocate policies which can only drive private nonprofit activity out of existence, leaving the field clear for Government monopoly? Perhaps these policies are not so intended, but their effect is surely the same.

Consider the following:

Over the past 7 years, as the amount allowed by the Treasury as a standard deduction from taxable income has increased, the percentage of tax returns on which deductions are itemized dropped from 57 percent to 38 percent. As a result, Prof. Martin Feldstein, the outstanding authority in this field, calculates that private charities have lost about $5 billion since 1970.

Feldstein estimates that the above-the-line deduction would stimulate an increase in charitable giving significantly greater than its cost in Federal revenues. Surely it is at least curious that the Treasury Department last year objected to a method of cutting taxes which would have such a pronounced and salutary effect on nongovernmental activities.

We see here, intended or not, a pattern of Government disincentive and indifference toward private charity, and the distinctive benefits it confers upon our society.

It must be noted, too, that governmental attitudes influence the character of our voluntary organizations as well as their finances. More and more, eleemosynary organizations must turn to the wealthy for support. Taxpayers with incomes under $30,000 itemize their deductions far less often than those in higher brackets; more than 80 percent of the revenues lost to the Treasury under our proposal would sustain the charitable impulses of taxpayers making less than $30,000 a year. This would make it possible for the voluntary sector to look more to low- and middle-income citizens for its support, and would permit it to benefit from the added diversity, vigor, and moral legitimacy that their participation would bring.

Let it not be thought that our proposal embodies a simplistic reaction against Government or the political process. On the contrary, I believe that our politics and Government would be strengthened by renewed vigor in the voluntary sector. The relative decline of that sector has been accompanied not by a rise in the prestige and competency of Government, but by the reverse. I am prepared to believe that the two can prosper alongside one another, indeed, that neither can serve us well without the other.

Tocqueville understood this, as he did so many things:

> A government can no more be competent to keep alive and to renew the circulation of opinions and feelings amongst a great people than to manage all the speculations of productive industry. No sooner does a government attempt to go beyond its political sphere and to enter upon this new track, than it exercises, even unintentionally, all insupportable tyranny; for a government can only dictate strict rules, the opinions which it favors are rigidly enforced, and it is never easy to discriminate between its advice and its commands . . . governments therefore should not be the only active powers: associations ought in democratic nations, to stand in lieu of those private individuals whom the equality of conditions has swept away.

I submit that a revival of vigor in our private associations could well provide the spirit to arouse a revival in Government itself.

Mr. PACKWOOD. Mr. President, today Senator MOYNIHAN and I are introducing a bill to permit taxpayers to take a tax deduction for charitable contributions whether or not they itemize their other deductions. If enacted, this bill would help stem the decline of popular support for nonprofit organizations. It would give nonitemizers the same incentive to support nonprofit organizations available to itemizers.

ROLE OF NONPROFIT ORGANIZATIONS

One of America's traditional strengths is the willingness of its people to give time and money to help each other. Organizations devoted to charitable, religious, and educational purposes are exempt from Federal income taxation. Importantly, contributions to these organizations are tax deductible if a taxpayer chooses to itemize his or her deductions.

These organizations—and the countless number which have preceded them throughout America's history—have engineered a vast number of our most impressive accomplishments, and advances. This has included the fields of education, science, disease control, health and welfare services, adoption services, environment and conservation, the arts, amateur athletics, mental illness, human rights, civil rights, libraries, museums, civic organizations, consumer protection, symphony orchestras, tax reform, public policy research and improvement of relations among peoples of different nations.

Frequently, the goals of nonprofit organizations are identical to the goals of Government agencies. However, an important difference is the fact that nonprofit organizations are highly participatory.

Most Americans have donated time or money or both to nonprofit organizations. Just as many have participated in programs of nonprofit organizations, or utilized their facilities.

In many cases, the private sector has recognized a problem before the Government sector. For example, most education in the United States was in the hands of private organizations—with taxpayer support—prior to the middle of the 19th century.

Sometimes private action preceded Government action because the Government did not yet recognize the problem. For example, nonprofit organizations took the lead—prior to Government—in the areas of civil rights, elimination of the spoils system, prison reform, reform of mental hospitals, and environmental quality.

Unfortunately, in recent years, there has been a shift away from the nonprofit sector toward the Government sector.

For example, in 1971, charitable giving totaled 1.98 percent of the gross national product. By 1976, this had fallen to 1.74 percent. This decline occurred consistently throughout the 1970's, as shown by the following figures:

PERCENT OF GROSS NATIONAL PRODUCT CONTRIBUTED TO PRIVATE PHILANTHROPY

Year:	Percent
1971	1.98
1972	1.94
1973	1.79
1974	1.79
1975	1.77
1976	1.74

SOURCE.—Statistical Abstract of the United States, 1977 pages 354, 428.

The biggest decline in giving is among middle-income groups. This can have unexpected consequences. Upper income persons traditionally support a somewhat different range of nonprofit organizations than middle-income persons. For example, wealthy donors often emphasize higher education and cultural activities. In contrast, middle-income givers have more traditionally supported community-based charities such as the United Way, the Red Cross, the Salvation Army, Meals-on-Wheels, as well as the varied activities of churches.

One reason contributions are not keeping pace with the economy is that, as the Government offers more and more services, a citizen can say, "Let Uncle Sam do it."

But there is also a more concrete cause: The charitable deduction is vanishing. This is occurring because the dramatic increases in the standard deduction in recent years have led fewer and fewer persons to itemize. In 1970, 48 percent of taxpayers itemized. By 1977, only 23 percent itemized. If President Carter's proposals to eliminate and restrict several itemized deductions are enacted, the percentage of Americans itemizing will drop to 16 percent.

Thus, only 16 out of 100 Americans would be able to deduct charitable contributions. These tend to be in upper-income groups. This is shown by the fact that, in 1978, the average income of tax returns with itemized deductions is $25,782. The average income of tax returns with the standard deduction is only $8,969.

Itemizers contribute twice as much to charitable organizations as nonitemizers. This is true for every income level. And, just as importantly, they also contribute more time to nonprofit organizations than nonitemizers—by about the same proportion.

A national survey by the Michigan Survey Research Center in 1973 compares the average contribution of those who itemize with those who take the standard deduction:

Adjusted gross income:	Itemized	Did not itemize
Less than $4,000	[1] $119	$69
$4,000–$7,999	215	89
$8,000–$9,999	314	117
$10,000–$14,999	407	201
$15,000–$19,999	600	329
$20,000–$29,999	800	354
$30,000–$49,999	1,564	[1] 171
$50,000–$99,999	5,679	[1] 3,190
$100,000–$199,999	17,106	[1] 816
$200,000–$499,999	39,763	[1] 8,892
$500,000 or more	71,316	[1] 5,000

[1] Based on fewer than 25 observations.

Source.—Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

The Joint Committee on Taxation estimates that the tax reduction resulting from this bill is $2.2 billion for calendar year 1979, rising to $3.2 billion in calendar year 1983. Others have estimated that this loss of Government funds would be more than offset by an increase in charitable giving.

Prof. Martin Feldstein of Harvard University estimated that, if this proposal is enacted, charitable giving would increase by $4.1 billion. This would mean an increase from the estimated 1978 level of giving of $34.5 billion to a level of $38.6 billion.

This proposal targets the incentive to make charitable contributions to low- and middle-income groups. For example, 57.5 percent of the revenue effect of this bill will be reflected on the tax returns of those earning less than $20,000. More dramatically, 77.3 percent of the tax returns affected have income below $20,000. This is shown by the following table:

DISTRIBUTION OF TAX REDUCTION OF MOYNIHAN-PACKWOOD PROPOSAL

Expanded Income Class	Cumulative percentage of tax returns affected	Cumulative percentage of revenue loss
$0–5,000	7.9	3.0
$5–10,000	36.7	10.5
$10–15,000	69.5	36.0
$15–20,000	77.2	57.5
$20–30,000	93.8	82.8
$30–50,000	98.9	93.4
$50–100,000	99.7	96.0
$100–200,000	99.9	97.8
$200,000–up	100.0	100.0

Source: Joint Committee on Taxation, May 6, 1978.

PRESERVING CHOICE

Individuals taking the standard deduction should not continue to be taxed on private dollars contributed to nonprofit organizations for public purposes; 77 percent of our taxpayers currently pay tax on their voluntary contributions. This bill corrects that inequity.

The bill offers a philosophical choice. The choice is, should we cure the obstacles to continued strength in the nonprofit sector, or should we put this part of our national character behind us under the theory that "Uncle Sam can do it."

Executive branch bureaucracies, and their apologists in the private sector, will no doubt claim that this proposal to stem the decline of self-help organizations threatens continued support of Government programs. I doubt that this is true. Instead, the proposal simply recognizes that the nonprofit sector is a vital link in the chain of concern for our fellow man. The Government addresses many of the same problems as the nonprofit sector, but it cannot accomplish the goals alone.

The choice of determining the role of the nonprofit sector is in the hands of the individual. Assume that a taxpayer decides to give $10 to a school for the blind. If this taxpayer is at a typical income level electing the standard deduction, his last dollar of income is taxed at about the 20-percent rate. This means that the school for the blind receives $10, and the aftertax cost to the individual is $8.

Our tax law has encouraged this choice—through a tax deduction for contributions—since the Second Revenue Act of 1917. To tax that $10—just as if it were used for private consumption—is self-defeating and inequitable.

This proposal is contrary to the theory that the tax code ought not be used to reward desirable conduct. This theory holds that the Government should encourage desirable behavior through Government-run direct subsidies instead of tax incentives to individuals. In my opinion, this view ignores the ability of citizens to recognize and act effectively to solve human needs.

Mr. President, I hope that Congress can approve this vital tax reform proposal this year.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 219

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 62 of the Internal Revenue Code of 1954 (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) Charitable Contributions.—The deduction allowed by section 170.".

(b) Paragraph (1) of section 57(b) of such Code (defining adjusted itemized deductions) is amended—

(1) by redesignating subparagraphs (C) and (D) as (D) and (E),

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) the deduction for charitable contributions allowed by section 170.",

(3) by striking out "the taxpayer's adjusted gross income for" and inserting in lieu thereof "the taxpayer's adjusted gross income (determined without regard to section 170) for", and

(4) by striking out "(A) through (D)" and inserting in lieu thereof "(A) through (E)".

(c) Subparagraph (E) of section 170(b)(1) of such Code (defining contribution base) is amended by inserting "and without regard to this section" after "section 172".

(d) Paragraph (1) of section 213 (a) of such Code (relating to allowance of deduction for medical, dental, etc. expenses) is amended by inserting after "adusted gross income" the following: "(determined without regard to paragraph (15) of section 62).".

(e) Section 213(b) of such Code (relating to limitation with respect to medicine and drugs) is amended by inserting "(determined without regard to paragraph (15) of section 62)" after "adjusted gross income".

(f) Subparagraph (A) of section 3402 (m)(2) of such Code (defining estimated itemized deductions) is amended by striking out "paragraph (13)" and inserting in lieu thereof "paragraphs (13) and (15)".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1978.

By Mr. MATSUNAGA:

S. 220. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

Mr. MATSUNAGA. Mr. President, I am introducing today legislation which would provide for the inclusion of licensed practical nursing services under the medicare and medicaid programs. This proposal would recognize for the first time on the Federal level the important contributions which licensed practical nurses have made throughout the years to our Nation's health care delivery system.

Over 500,000 licensed practical nurses can be found in a wide variety of work settings throughout the country. While the majority of licensed practical nurses work in hospitals, clinics, homes for the aged, and nursing homes, they can also be found working in doctor's offices, schools, public health agencies, and in private homes.

The medical duties of a licensed practical nurse are as varied as their settings. An LPN can provide direct patient care at the bedside in relatively stable nursing situations such as found in hospitals, extended care units, nursing homes, and in private homes in administering treatment and medication prescribed by a physician or dentist. LPN's can also perform nursing functions in semicomplex situations such as found in hospital nursing service units, recovery rooms, and labor rooms, and in more complex situations found in intensive care and coronary care units and in emergency rooms.

In the area of health care delivery, LPN's assist other members of the health care delivery team in the promotion of personal and community health by promoting and carrying out preventive measures in community health facilities such as healthy baby clinics and outpatient clinics.

Mr. President, licensed practical nurses have made and will continue to make valuable contributions to our health and medical care delivery system. By virtue of their training, LPN's are able to provide much needed basic nursing services in a wide variety of patient settings.

It is therefore apparent that in a multitiered, cost controlled, health and medical care delivery proposal such as comprehensive national health insurance, licensed practical nurses will play an important role in the delivery of basic health and medical care to our Nation's citizenry.

I am introducing this proposal today to assist in the recognition of that fact by providing a mechanism in the medicare and medicaid programs which will demonstrate the importance of licensed practical nursing services along with physician services, registered nursing services, and all the other health and medical care professional services which together compromise the health care system of the United States.

Mr. President, I urge my colleagues to give thoughtful consideration and support of this proposal in connection with medicare reform and comprehensive national health insurance legislation. I ask unanimous consent that my bill be printed in the RECORD for the benefit of any interested reader.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 220

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(s) of the Social Security Act is amended by inserting immediately before the matter following paragraph (13) the following: "The term 'medical and other health services' also means medical care, or any other type of remedial care recognized under State law, furnished by licensed practical nurses within the scope of their practice as defined by State law.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by inserting "and" at the end of paragraph (17);

(3) by adding immediately below paragraph (17) the following new paragraph:

"(18) medical care, or any other type of remedial care recognized under State law furnished by licensed practical nurses within the scope of their practice as defined by State law;".

(b)(1) Section 1902(a)(13)(B) of such Act is amended by inserting after "through (5)" the following: "and (18)".

(2) Section 1902(a)(13)(C)(i) of such Act is amended by inserting immediately after "through (5)" the following: "and (18)".

(3) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by inserting immediately after "through (16)" the following: "and (18)".

(4) Section 1902(a)(14)(A)(i) of such Act is amended by striking out "and (7)" and inserting in lieu thereof ", (7), and (18)".

SEC. 3. The amendments made by this Act shall be effective with respect to payments under titles XVIII and XIX of the Social Security Act for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.

By Mr. WALLOP (for himself, Mr. BAKER, Mr. BELLMON, Mr. BENTSEN, Mr. DANFORTH, Mr. FORD, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. INOUYE, Mr. JAVITS, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCCLURE, Mr. MELCHER, Mr. MOYNIHAN, Mr. SCHMITT, Mr. SIMPSON, Mr. STEVENS, Mr. STEVENSON, and Mr. YOUNG):

S. 221. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Governmental Affairs.

CONGRESSIONAL AWARD PROGRAM ACT

Mr. WALLOP. Mr. President, at the end of last session, over one-third of the Senate cosponsored a bill to create a congressional award program. This year, I am pleased to reintroduce the bill and intend to work for its early consideration. We have an opportunity through the establishment of a congressional award program to elevate and encourage the pursuit of excellence and to focus

the creative energies of America's young people on positive ends.

The congressional award is a program which seeks to give national recognition to the creativity, achievements, and leadership of young people of America and to create a real avenue of communication between the young and Members of the Congress and the Government.

Under the program, the young people would earn their awards by themselves, through organizations, or within the setting of their lives, be it industry, school, or Armed Forces. An important feature of the award is the contribution made by adults who, as members of a community with particular talents, are prepared to pass on their knowledge and creative spirit to the young. Understanding between generations is enhanced by a shared endeavor.

A congressional award may be earned by anyone between the ages of 14 and 23 who successfully completes all three sections of any of the three award levels: Bronze, silver, and gold. The qualifying standards are defined in terms of proficiency and perseverance. Participants are assessed on the use which they make of their individual creativity and aptitudes in the three defined sections: Public service, personal interests, and exploration, and not in competition with others. Successful completion in many cases may depend more on persistence than on "brains" or athletic prowess. A handicap should not deter anyone from taking part or prevent anyone from obtaining an award.

There are three levels of the award which may be earned by participants of differing age and maturity. There is no necessity to progress from one to the other, and thus either the bronze, silver, or gold award program may be entered directly. The bronze award is for individuals in the 14 to 16 age range and is a time to discover what their capabilities in the three areas are and what new goals they can achieve. The silver award, for those above 16, has as its goal achievement of a higher level of proficiency in public service, personal interests, and exploration, as well as increased time requirements. The gold award, for those above 19, requires one to take the major role in planning the goals of any area with less supervision and direction. Considerable is expected, both in time demands and levels of endeavor.

For each level of the congressional award, those taking part would have to meet requirements of three sections: Public service, personal interests, and exploration. Each of the three sections prescribes a different kind of activity. While the choice of activities within a section may vary, the names of the sections are the same for the bronze, silver, and gold.

The public service section involves practical community service after preliminary training or more specialized training in the more sophisticated fields. The aim is to encourage young people to develop compassion and a sense of responsibility in order to contribute in a creative manner to their community. Examples of public service could include such activities as lifesaving, youth service, disaster relief, or care of animals.

The aim of the exploration section is to foster the spirit of adventure and self-discovery that spans the history of our country. The cultivation of this aspect of everyone's life and its meaning in American culture cannot be emphasized enough. After training, journeys are planned and undertaken by one of the several modes of travel.

The purpose of the personal interests section is to stimulate young people to discover and develop interests of a creative and rewarding nature. It is hoped that this experience, as well as those of the other two sections, will have a lifetime effect. For all awards special provisions will be made for handicapped young people.

Some comparable perspective may perhaps be of value. A number of ideas for this award program have been developed from observation of the Duke of Edinburgh's award program in Great Britain. It was formulated by the individual who founded the outward bound schools. From its beginning 22 years ago, it has grown in 45 countries and has attracted over 1 million young people worldwide. There is no question that their particular program has been efficient and successful without depending on large government support. In England a high percentage of those achieving the Duke of Edinburgh's award feel it had a substantial part in shaping their lives and helping them reach their life's objectives.

The congressional award is nonetheless wholly American. Dr. Frank Arlinghaus, Jr., the chairman of the committee for the establishment and promotion of the congressional award, has assembled a group of dedicated individuals as well as political, financial, and administrative support. Thirty-seven Members of the House have cosponsored bills introduced by Representative JAMES HOWARD to establish the award program. Nationwide, some 32 Governors, 25 mayors, and 40 to 50 national State, and local organizations indicated their support or interest during the last session of Congress. More recently, other groups have added their blessings. In the last few months alone, letters of endorsement and support have been received by the following groups: National PTA; National Association of Manufacturers; Lions' Club International; National Council of State Committees for Children and Youth; Rev. Jesse Jackson's "Operation Push"; American Chamber of Commerce Executives; Kiwanis International; B'nai B'rith Youth; and the National Center for Voluntary Action.

The award will require no Federal appropriation. A congressional award foundation has been established as an IRS-approved public foundation in association with the National Heritage Foundation, and the fundraising campaign to attract voluntary donations to support the program has already been successful. Congress will neither create nor be obligated to any bureaucracy, and need only appoint a board to oversee the program's operations.

Mr. President, the congressional award will recognize the creative endeavors and achievements of the young people of America, while at the same time bringing the older and younger generations together to achieve that very end. Encouragement of young people is valuable and essential to the future of our country. The objectives of the program are significant, whether in a family, schools, youth organization, business, or government. They affect any community, large or small, and should be supported and encouraged.

Mr. President, I hope that the Senate has the opportunity to consider this legislation during the 96th Congress.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Award Program Act".

ESTABLISHMENT OF THE CONGRESSIONAL AWARD

SEC. 2. There is hereby established a program to be known as the Congressional Award. The Congressional Award shall be administered by a Congressional Award Board (hereinafter referred to as the "Board") and a Director (hereinafter referred to as the "Director").

CONGRESSIONAL AWARD MEDALS

SEC. 3. (a) There are established three Congressional Award Medals, to be designated gold, silver, and bronze awards. The medals shall be of such design and materials as the Board may prescribe.

(b) The Director shall arrange for the presentation of the awards, including participation by Members of Congress and opportunities for the exchange of information and views among award recipients and Members of Congress and the executive branch.

FUNCTIONS

SEC. 4. The Board is authorized to—

(1) initiate and administer in the United States and its territories a program open to young people aged fourteen through twenty-three (with exceptions to be made by the Board) designed to promote youthful initiative, achievement, and excellence in the areas of expedition fitness, personal creative development, and public service;

(2) set the standards of achievement required for young people to qualify as recipients of the gold, silver, and bronze Congressional Award Medals;

(3) establish procedures for the selection of individuals to be awarded the Congressional Award Medals, and designate the recipients of such medals;

(4) delineate the role, if any, of State directors in administering the Congressional Award;

(5) arrange appropriate ceremonies at the State and national levels for the presentation of the Congressional Award; and

(6) establish such policies and programs for the Congressional Award as may be appropriate to carry out the provisions of this Act.

(b) The Board shall prepare and submit an annual report to the Congress before January 31st of each year summarizing the activities of the Congressional Award and making appropriate recommendations. Minority views and recommendations, if any, of members of the Executive Committee of the Board shall be included in such reports.

MEMBERS OF THE BOARD

SEC. 5. (a) The Board shall consist of fifteen members, to be appointed by a Commission consisting of the majority and minority leaders of the Senate, and the Speaker and the minority leader of the House of Representatives.

(b) The Commission shall appoint individuals to the Board who are active in one of the fields of concern of the Congressional Award. The Commission shall, in making appointments to the Board, consider any recommendations submitted by the Committee for the Establishment and Promotion of the Congressional Award or its successor or by the members of the Board then in office.

(c) Members of the Board shall serve for a term of six years, except that, of the members first appointed, five shall serve for terms of two years, five shall serve for terms of four years, and five shall serve for terms of six years, as designated by the Commission at the time of appointment. Members of the Board, except members whose terms are designated by the Commission at the time of appointment, may serve until their successors are appointed. Any individual chosen to fill a vacancy on the Board shall be appointed only for the unexpired term of such vacancy. A vacancy on the Board shall not impair its power to function.

(d) The Board shall establish an Executive Committee and may delegate to such Committee or the Director such powers and functions the Board deems appropriate.

(e) The Board shall meet annually on June 15, unless, prior to May 1 of any year, the Chairman has set a date for the annual meeting for a day in June in that year other than the fifteenth. The Board shall meet at such other times as the Chairman may determine. The Chairman shall call a meeting whenever one-third of the Board requests a meeting in writing. Each member shall be given notice of the call of any meeting by registered mail or certified mail mailed to his last known address of record not less than fifteen days prior to such meeting.

(f) A majority of the members of the Board shall constitute a quorum.

(g) The Chairman and the Vice Chairman of the Board shall be elected at the annual meetings of the Board occurring in even-numbered years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the Chairmanship or Vice Chairmanship, the Board shall elect a member to fill such vacancy at the next meeting of the Board following the date on which the vacancy occurred.

(h) The Board is authorized to appoint from among its members or otherwise such committees as may be necessary and to assign to such committees such functions as may be appropriate to assist the Board in carrying out the provisions of this Act.

DIRECTOR OF THE CONGRESSIONAL AWARD

SEC. 6. (a) The Director of the Congressional Award (referred to in this Act as the "Director") shall be appointed by a two-thirds vote of the Board. The Director shall serve for a term of five years unless removed by a two-thirds vote of the Board.

(b) The Director may from to time authorize any State director appointed pursuant to section 7 or any other officer or employee of the Congressional Award to perform any of the functions of the Director, including functions delegated to him by the Board, except that the Director may not redelegate policymaking functions delegated to him by the Board.

(c) The Director shall, in consultation with the Board—

(1) formulate programs to carry out the policies of the Congressional Award; and

(2) establish such divisions within the Congressional Award as may be appropriate.

(d) The Director shall be an ex-officio member of the Board.

STATE AWARD DIRECTORS

SEC. 7. State award directors (referred to in this Act as a "State director") may be appointed for each State and territory or groups of States and territories of the United States by a two-thirds vote of the Board. The Board shall make such appointments from lists of candidates submitted to the Board by the Director. The Director shall compile such lists from recommendations solicited from a representative number of public and private youth organizations within such State or group of States. Members of the Board may make nominations for State award directors.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Board shall have the authority, within the limits of available resources and donated funds, to take such action as may be necessary to carry out the provisions of this Act, including the authority—

(1) to prescribe such rules and regulations as may be necessary concerning the operations, organization, and personnel of the Congressional Award;

(2) to seek funds and resources only from institutions and sources other than the Government;

(3) to make such expenditures as may be necessary for administering the provisions of this Act;

(4) to enter into contracts or other arrangements, or modifications thereof, for the carrying out of such activities as may be necessary to carry out the purposes of this Act, except that no contract may be entered into for an amount in excess of the amounts available to the Board in any fiscal year;

(5) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by grant, sale, lease, or loan property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act;

(6) to receive and use funds donated from any source, if such funds are donated without restriction or without restriction other than that the funds donated be used in furtherance of one or more purposes among the purposes of the Congressional Award; and

(7) to accept and utilize the services of voluntary and uncompensated personnel.

(b)(1) The Board, its property, and its income (including any income of any fund established under this section) shall be exempt from all taxation now or hereafter imposed by the United States (other than taxes imposed under chapter 21 of the Internal Revenue Code of 1954, relating to Federal Insurance Contributions Act, and chapter 23 of such Code, relating to Federal Unemployment Tax Act), or by any State or local taxing authority, except that any real property and any tangible personal property (other than cash and securities) of the Board shall be subject to State and local taxation to the same extent according to its value as other real and tangible personal property is taxed.

(2) The receipts and disbursements of the Board in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on budget outlays of the United States. The United States is not liable for any obligation or liability incurred by the Board.

(3) For purposes of sections 170, 2055, 2106, (a) (2), and 2522 of the Internal Revenue Code of 1954 the Board shall be considered to be an organization described in section 501 (c)(3) of such Code which is exempt from taxation under section 501(a) of such Code.

EMPLOYMENT OF PERSONNEL

SEC. 9. (a) The Director shall, in accordance with such policies as the Board shall from time to time prescribe, appoint such other personnel as may be necessary to carry out the provisions of this Act, and may compensate such personnel from the donated funds of the Congressional Award.

(b) The Director shall not engage in any other business, vocation, or employment while serving as Director. Neither the Director nor any other personnel of the Congressional Award may hold any office in, or act in any capacity for, any organization, agency, or institution with which the Congressional Award enters into any contract or other arrangement under this Act, except with the approval of the Board.

(c) A person holding any other office in any branch of the Government may serve as a member of a committee created by the Board, but shall not receive remuneration for services as a member of such committee during any period for which he receives compensation for such other office of the Government.

● Mr. HAYAKAWA. Mr. President, I am pleased and proud to join my colleague, Senator WALLOP, in introducing the congressional award program. I cosponsored the legislation to create this program last year, and still feel it is important enough to take another look at it. The congressional award program offers opportunity and incentive to young people to excel and expand their interests through successful demonstrations of proficiency, perseverance, and sustained effort in public service, personal interests, and exploration. The congressional award is given in bronze, silver, and gold. Various well-known organizations such as the Camp Fire Girls, Sierra Club, Boys Club of America, Outward Bound Schools, and others have endorsed adoption of this program, believing it to be a unique way to channel youthful energies in a productive manner.

I think it is our responsibility to support establishment of the congressional award program this year so that we can establish this encouraging program of positive ideals for young people. I urge my colleagues to join me in supporting the congressional award program.●

By Mr. DURKIN (for himself, Mr. NELSON, Mr. ROTH, Mr. HOLLINGS, Mr. KENNEDY, Mr. LEAHY, Mr. LEVIN, Mr. HART, Mr. BIDEN, Mr. MCGOVERN, Mr. METZENBAUM, Mr. PELL, Mr. PROXMIRE, Mr. RIBICOFF, Mr. TSONGAS, Mr. BAUCUS, and Mr. RIEGLE):

S. 222. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

● Mr. DURKIN. Mr. President, as we open the 96th Congress, I am proud to offer to my colleagues and the Nation the Alaska National Interest Lands Conservation Act of 1979—a bill I consider to be the greatest land and wildlife conservation measure ever to come before this distinguished body.

The bill I introduce today will be familiar to many of you who worked long and hard in attempting to secure passage of a strong Alaska lands bill in the last session of Congress. It guarantees protection for the best of Alaska's scenic treasures and wildlife habitat and, at the same time, insures the orderly and reasonable development of Alaska's natural resources.

This legislation is similar to a bill I introduced last May and was among the Alaska bills considered during an arduous schedule of markup sessions lasting over much of the summer before the Senate Committee on Energy and Natural Resources.

Despite conscientious work by members of the committee we were not able to complete work on the bill. Failure to complete action on this bill was a major disappointment to many of us who were involved with this legislation. But, at the same time we realize how important this issue is to Americans everywhere, and that is why we are back working for passage of an Alaska lands bill in the 96th Congress.

When I introduced my Alaska lands bill last year, I counted five of my colleagues as original cosponsors. The fact that 16 of my fellow Senators—from both parties and from all parts of the country—have chosen to back this legislation at the start of the 96th Congress is, to me, a good indicator of the high esteem in which Americans hold Alaska's natural beauty.

The support of Senators NELSON, PROXMIRE, LEAHY, METZENBAUM, TSONGAS, PELL, ROTH, HART, RIBICOFF, BIDEN, LEVIN, HOLLINGS, MCGOVERN, KENNEDY, BAUCUS, and RIEGLE convinces me that the American people want an Alaska lands bill this year.

Our constituents recognize, perhaps better than any of us do, the very real values that pristine, undeveloped land hold for them and the quality of their lives.

They also understand the responsibility, the obligation to pass on these magnificent natural places to future generations just as we received them. The people of this country want a strong Alaska lands bill to protect the valuable heritage that belongs to all of us, and they look to the Congress to assume the role of trustee for the lands and wildlife they want to leave for their children and grandchildren.

Today I challenge my colleagues to embrace this wish of the American people and accept this legislation as the best way to insure lasting protection for Alaska's wilderness.

Let me take a few moments to outline the major points of this finely balanced legislation which meets the needs of both environmental and prodevelopment groups.

Just as it did last year, the bill places federally owned land in Alaska in the three great national conservation systems: The National Park System, the National Wildlife Refuge System, and the Wild and Scenic Rivers System.

National park status is reserved for the best of Alaska's scenic wonders. The premier wildlife habitat in the State becomes a part of the National Wildlife Refuge System, and Alaska's most spectacular, free-flowing waterways are protected as wild and scenic rivers. The bill also gives wilderness protection to the outstanding natural areas in Alaska's two national forests.

The lands in these conservation areas, totaling slightly more than 110 million acres and comprising about 30 percent of Alaska's land mass, will create the greatest system of scenic lands and wildlife habitat on Earth.

NATIONAL PARK SYSTEM

The legislation before us today confirms the protection of 41 million acres of national monuments which President Carter created by executive action in December.

These monuments were established after the Congress was unable to pass an Alaska lands bill before the land freeze under the Alaska Native Claims Settlement Act of 1971 expired on December 18, 1978.

These areas encompass some of the most spectacular natural scenery in the United States today. The monuments protect classic national parks—from the majestic splendor of ice-laden Glacier Bay in the south to the formidable, desolate beauty of the Gates of the Arctic in the north—assuring that these national treasures will remain unspoiled for future generations.

I commend President Carter for his far-reaching actions and seek only to retitle these areas as "national parks," since that is a land designation which only the Congress can confer.

In addition, virtually all of these areas are given wilderness designation as an added measure of protection against incompatible development. About 7 million acres of the proposed parks will be classified as park preserves and thus open to sport hunting.

NATIONAL WILDLIFE REFUGE SYSTEM

This bill creates 55 million acres in new national wildlife refuges in Alaska. Establishment of these areas means that species from the giant brown bear to the trumpeter swan will be certain of surviving in the variety and number that they do today.

In addition, the bill designates as refuges two national monuments created by President Carter for U.S. Fish and Wildlife Service management. These proposed refuges, the Yukon Flats and Becharof, bring the total refuge system to 66 million acres.

About 35 million acres—representing the most fragile and delicate lands within the proposed refuges—are given wilderness designation.

NATIONAL FOREST WILDERNESS

In southeast Alaska President Carter recognized the great natural significance of Admiralty Island and Misty Fjords and established these areas as national monuments within the Tongass National Forest to preserve their unique scenic beauty and wildlife values.

Once again, I commend the President for his foresight in protecting the crucial brown bear and eagle habitat on Admiralty and the spectacular, finger-like canyons of Misty Fjords.

These two areas are part of the 6.4 million acres of wilderness proposed for the Tongass, the Nation's largest forest. The bill also recommends 12 million acres of wilderness in the Chugach National Forest.

Let me stress, as I have many times in the past, that this proposal in no way hinders the orderly development of Alaska's resources.

This concern is misplaced.

In the first place, the conflict between significant conservation lands and those with resource potential has largely been resolved, so there is not much land of high commodity value within the proposed conservation areas.

Testimony before congressional committees and numerous Interior Department studies have shown that the overwhelming majority of commodity resources—like oil and gas, hardrock minerals and timber—is located on lands that do not have the highest wilderness, wildlife, scenic, and ecological values.

Additionally, a rush to develop mineral resources at this time would only benefit our friendly economic competitors in the Far East, harming our already precarious balance of payments and costing New Hampshire workers and workers across this country their jobs.

Alaska, its beauty and its resources must be preserved for Americans.

For instance, 95 percent of all high potential oil and gas lands in Alaska will be open to possible development. Fully 70 percent of the lands with significant metallic mineral potential in Alaska will be outside the conservation system units; 88 percent of all lands in Alaska could be open to sport hunting.

Therefore, we need not fear to establish large national parks, wildlife refuges, wild and scenic rivers, and wilderness areas in Alaska, because we know that the land in question is valuable for these public purposes, and not for resource development.

It is also important to note that in title X of our bill, in the event of a national military or economic emergency, the President and Congress can act to allow rapid resource development where it is prohibited by existing law. Nothing in this bill will in any way endanger our Nation's well-being.

Second, we must remember that the resources located on conservation units are not going to disappear if they are not immediately exploited. We can keep these resources in the ground for the day we might need them, or we can strip Alaska bare of her timber, minerals, and oil for the benefit of our economic competitors in the Far East. And as I know my colleagues are aware, the end result will be increased unemployment for New Hampshire and for all American workers. Preserving the wilderness which will disappear forever without adequate protection, clearly is the better choice.

If we err, we should err on the side of setting too much land aside, since what is set aside is never lost forever.

In the late 19th century, the Congress showed great foresight and resolve by establishing the great national parks of the west—Yellowstone, Yosemite, Sequoia.

Today, the Congress has another once-in-a-lifetime chance to make a truly monumental contribution to this country's already great system of parks and refuges.

Alaska stands in precisely the same position now as the western lands did a century ago. We in the Congress have a responsibility to protect the splendid natural wonders of Alaska. We can save large areas of Alaska where the wilderness—with its scenic values and wildlife—remains untrammeled, existing as it was for decades. We can keep Alaska from falling into the hands of the pavers and the polluters, and that is the purpose of this legislation.

I ask unanimous consent that a detailed summary of the bill, a list of acreage totals, and a breakdown of the effect of this legislation of economic activity be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

TITLE-BY-TITLE SUMMARY

Title I—Findings, Policy, and definitions: Sets forth the Congressional findings and policies which underlie the entire bill and defines terms used in the bill.

Title II—National Park System: Designates thirteen acres, totaling 45.23 million acres, as National Park System units (parks and preserves). Appropriate portions of these areas and existing national parks in Alaska, totaling 42.21 million acres, are designated as wilderness. Sets forth administrative provisions for national parks in Alaska.

Title III—National Wildlife Refuges: The Yukon Flats and Becharof National Monuments, totalling 11.8 million acres which President Carter designated for U.S. Fish and Wildlife Service administration, are confirmed and redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units conform closely to the lands withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act. Appropriate portions of the National Wildlife Refuge Units, totalling 35 million acres, are designated as wilderness.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning a unique concentration of bald eagles in the Chilkat River area of Southeastern Alaska. The studies are to find out whether additional measures should be taken for proper protection of these populations.

Title IV—National Forest System: Section 401 adds 1.45 million acres of public lands to the Tongass National Forest and adds 1.29 million acres to the Chugach National Forest. Section 402 designates appropriate areas in the Tongass and Chugach National Forests as wilderness, 6.7 million acres in the former and 2.12 million acres in the latter.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

Title V—National Wild and Scenic Rivers System: Designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study as possible future additions to the system. Other rivers inside the park and refuge boundaries are specified as wild or scenic rivers.

Title VI—Federal-State coordination: This title creates an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal, State, and private land-owners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

Title VII—Subsistence: This title is based on S.1500/amendment 2176 and the House-passed bill of 1978, with some refinements drawn from corresponding sections of last year's Senate Energy and Natural Resources Committee bill. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and game on the public lands in Alaska so that persons who are dependent upon subsistence resources would have a priority for the taking of fish, wildlife, and plant resources. As with last year's bill, there are provisions for appropriate federal oversight of this state game management responsibility, insofar as the public lands and their resources are concerned.

Title VIII—Administrative and Miscellaneous Provisions: This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of the title deal with access and mineral rights and assessments.

The bill applies existing laws governing access to or on national parks, wildlife refuges, wild and scenic rivers, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholdings within conservation system units and guarantees traditional means of access across conservation system units.

This title also directs the Secretary of the Interior to assess, on an ongoing basis, the mineral potential of all public lands in Alaska. In an addition to last year's bill, this title also guarantees access for mineral assessment purposes.

Title IX—Improvements in Administration of the Alaska Native Claims Settlement Act: This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve the administration of that Act. These provisions are based on similar recommendations in S.1500/amendment 2176, last year's Senate Energy and Natural Resources Committee bill, and the House-passed bill.

Title X—National Need Mineral Activity Recommendation Process: This title is adopted from last year's Energy and Natural Resources Committee bill. If there is a demonstrated national need for future mineral extraction in areas where it would otherwise be prohibited under existing law, this title establishes a procedure which allows the President, with Congressional approval, to permit such development.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Acreage totals

(Figures in millions of acres)

National Park System:	
Park system acreage within 1978 monuments	40.78
Park system acreage added to 1978 Monument acreage	4.45
Total National Preserve Acreage	7.13
Total	45.23
National Wildlife Refuge System:	
Refuge system acreage within 1978 Monuments	11.80
New refuges and additions to existing refuges from unreserved Federal land	46.29
New refuges redesignated from already reserved Federal land	7.71
Total	65.80
National Wild and Scenic River System:	
The bill designates 13 wild and scenic rivers and 10 study rivers for potential wild and scenic river status outside the boundaries of parks and refuges. There is no set acreage for these river units, but the total acreage is approximately 12-million acres.	
Additions to the Tongass and Chugach National Forests	2.74
Wilderness designations:	
Park System wilderness	42.21
Refuge System Wilderness	35.18
Forest System Wilderness (includes 3.3 million acres of national monuments) (6.70–Tongass, 2.12–Chugach)	8.82
Total	86.21
National Park System and National Wildlife Refuge System Totals:	
Acreage within 1978 National Monument proclamations	52.58
Refuge and Park System additions on presently unreserved Federal land	50.74
Refuges redesignated from presently reserved federal lands	7.71
Total Park system and refuge system acreage	111.03

STATISTICAL BREAKDOWN OF ALASKAN LANDS

Under the Durkin bill:

95 percent of all high potential oil and gas lands in Alaska will be open to possible development.

100 percent of all Federal lands in Alaska will be open to mineral assessment for geological information by the Department of the Interior.

88 percent of all the land in Alaska could be open to sport hunting.

70 percent of the lands with metallic mineral potential in Alaska will be outside conservation system units.

61 percent (230 million acres, the sum of the above) of all land in Alaska will be open to a wide variety of uses.

40 percent (149 million acres) of all the land in Alaska will be or will become the property of the State, Native corporations or private land owners.

21 percent (80 million acres) of all the land in Alaska will be Federal land open to mineral entry, logging and other multiple uses.

36 percent (137 million acres) of all the land in Alaska will be in one of the conservation system units either already existing or designated by the bill.●

By Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. ROTH, Mr. HEINZ, Mr. WALLOP, Mr. RANDOLPH, Mr. LUGAR, Mr. HAYAKAWA, and Mr. HATCH):

S. 223. A bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes; to the Committee on Finance.

INTERNATIONAL TRADE LAWS REFORM ACT OF 1979

Mr. DANFORTH. Mr. President, today I am introducing the International Trade Laws Reform Act of 1979. This bill is very similar to S. 3127, which I introduced in the last Congress along with Senators PACKWOOD, HEINZ, MOYNIHAN, and BENTSEN. These Senators, plus Senators DOLE, ROTH, WALLOP, RANDOLPH, LUGAR, HAYAKAWA, and HATCH join me as cosponsors today.

An increasing variety of industries from every section of the country are facing unfair foreign competition. Coping with unfair trade practices has been an important issue in the Tokyo round of

multilateral trade negotiations currently nearing completion in Geneva. However, hoped-for reforms agreed to in Geneva are only one step in the process of securing fairer trade practices. Another important step is embodied in this bill. It is to improve procedures for enforcing the laws now on the books of our country against unfair foreign competition.

The bill is based on the belief that such unfair practices as dumping and sales of subsidized goods, although clearly proscribed under long existing law, are without timely and effective remedy because present enforcement procedures are inadequate. This bill would continue the process, begun in the Trade Act of 1974, of assuring a swift and certain response to such unfair trade practices by tightening enforcement procedures.

The bill should be seen in the larger context of the current condition of U.S. trade. Since the 1970's this country has experienced alarming deficits in its balance of trade. In 1971 our trade deficit was $2.2 billion—the first such deficit in more than 50 years. From 1971 through 1976, America had an accumulated trade deficit of $13.3 billion. By 1977 our trade deficit in a single year reached $26.5 billion. In 1978, in the month of February alone, the deficit—$4.5 billion—was higher than all three annual deficits in this country's history. It is expected the year's total will reach a record $30 billion or more following 30 straight months of deficits.

I believe these poor results are caused by a number of factors, including:

Massive U.S. imports of increasingly expensive petroleum;

A continuing high rate of inflation in the United States which contributes directly to an erosion of the value of the dollar;

Relatively rapid U.S. economic recovery vis-á-vis our trading partners;

A decline in the technological advantage that U.S. products historically enjoyed over foreign competition;

A lack of knowledge about foreign markets by many potential U.S. exporters who have never looked beyond our shores for sales opportunities; and

Unfair, predatory sales practices by other countries selling products in the United States.

What can be done? There are really two sides to the problem. First, we must find ways to encourage more exports by American firms. Over the next few weeks I expect to have more to say about how this might be done. Second, we must make sure that our own markets are operated on truly an equitable basis and are not disrupted by unfair and illegal practices of foreign competitors. That is the purpose of the bill I am reintroducing today.

Essentially, this bill would deal with imports which are subsidized or "dumped" into American markets, but would not impede in any way the importation of goods which are truly competitive on the basis of price or quality.

Many U.S. industries have been affected by unfair foreign competition. The steel industry is but one example. In 1977 alone, steel plant closings resulted in the layoff of 20,000 steel workers. The U.S. consumer electronics industry has also been hard hit. In the fall of 1977, color televisions were added to the list of products, including radios and black and white televisions, which are no longer produced in this country in any substantial quantities. Zenith Corp., the only remaining domestic producer of color televisions at the time, announced that it had to move all but a small fraction of its facilities abroad.

In Springfield, Mo., Zenith was forced to close its television assembly plant, resulting in the layoff of 1,000 workers. This was the end result of Zenith's futile efforts over 10 years to pursue every possible statutory remedy against unfair trade practices in the consumer electronics market. Today the least expensive 19-inch color televisions available for sale in Japan are priced at about twice the amount of similar products imported from Japan.

The manmade fiber industry—an integral and highly efficient segment of the textile industry has been hard hit by the dumping of foreign-made products and has sought aid through the antidumping laws. Smaller industries such as leather apparel, hand tools, motorcycle, bicycle, and valve industries have also attempted to make use of our unfair trade statutes in combating the importation of subsidized goods.

A number of heretofore healthy U.S. industries have begun to express concern about the imminent prospects of unfair international competition in their markets. Such industries include chemicals, semiconductors, and computers.

Unlike the halcyon days of the past, when American industry was preeminent in nearly everything it did, we are no longer invincible. Although U.S. companies are generally able to compete in a relatively free and fair international trading system, they are vulnerable to abuses of the marketplace.

In today's world, the absence of governmental action by the United States increases the likelihood that domestic producers will be victimized by international trade abuse. The sluggish pace of recovery from the world recession of 1974–75 shows only slight signs of improving. In addition, the emergence of major industries in some of the lesser developed countries (LDC's) is also bound to affect the delicate balance between the major trading nations. The trend in many developing nations, even more so than among our major trading partners, is toward greater governmental interference in the economy, both domestic and international. There is also a tendency in many cases simply not to abide by international trade rules.

Another trend which we must examine concerns the efforts of some of our trading partners to "rationalize markets" or to implement a system of "organized free trade." These phrases are meant to disguise the development of international cartels aimed at dividing markets—a concept which is a pernicious barrier to free trade.

In light of these developments, it is not surprising that increased demands for new quotas and other trade barriers have arisen to protect American industries.

The legislation I am introducing today, however, rejects a protectionist approach. It embraces, rather than abandons, the goal of free trade. It would help foster free and fair competition by offering effective procedures for dealing with such marketplace distortions as discriminatory pricing, unfair subsidization by foreign governments, and anticompetitive practices on the part of foreign manufacturers.

Any trade legislation should be dedicated to the principle that free trade must mean fair trade—that free competition must also mean fair competition. It is not free trade and it is not fair trade if Americans play by the rules and our competitors do not. It is not free and it is not fair if foreign manufacturers have ready access to our markets and we in turn are shut out from their home markets.

In the midst of growing cries for "protectionist" measures, we should not abandon our commitment to free competition until we first do a much better job of assuring that trade competition is fair. That is the simple and straightforward purpose of this bill.

Some doctrinarie free trade advocates adopt the view that any restrictions on the market are inconsistent with free trade and brand as "protectionist" those of us who advocate vigorous enforcement of existing antidumping and countervailing duty laws. I reject such arguments. As the Finance Committee report on the Trade Act of 1974 clearly states, the Antidumping Act "is not a 'protectionist' statute designed to bar or restrict U.S. imports, rather, it is a statute designed to free U.S. imports from unfair price discrimination practices."

The danger that Government subsidies and dumping will result in adverse distortions of free trade has been recognized for decades in our own law and in the laws of all of our major trading partners. Our countervailing duty statute was originally enacted in 1897, and our antidumping statutes were enacted in 1916 and 1921. It has been recognized by the General Agreement on Tariffs and Trade since 1947, and by international conventions considerably before that date, that member nations have a right to take action against certain unfair trade practices such as dumping or export subsidization without fear of reprisal from the offending nation.

The cornerstone of free trade theory is that consumers should be free to seek the cheapest and best products available anywhere in the world. Whereas some "free traders" argue that dumped products should be permitted as a benefit to consumers, it is possible to demonstrate that the U.S. consumer's interests are not served by dumping. Whereas there may be lower prices in the short run, the long run impact is likely to be higher prices and greater profits for the foreign producers once the domestic competition has been crippled.

There are three additional reasons why vigorous enforcement of our unfair trade laws is important:

First, we must take into account our national security interests. For example, how dependent on foreign steel can we afford to become?

Second, it is my view that the Government must not overlook the economic health of smaller communities throughout our country. Oftentimes, endangered factories are located in such areas and may be the only employer of any consequence. Consider, for example, what happened when the Pea Ridge Iron Ore Mine, Sullivan, Missouri's largest employer, shut down as a result of the decline in the steel industry. One thousand people lost their jobs with literally no place to turn. The very fabric of the community was damaged.

Third, we cannot ignore trade-distorting subsidies which are granted by governments to promote exports. Such subsidies often involve the triangular cooperation of the manufacturer, lending institutions, and the government's treasury. Especially during economic downturns, such arrangements can help to limit growth in unemployment and to earn foreign exchange capability. However, we cannot afford to permit countries to achieve their political and economic objectives through unfair manipulation of foreign trade. The price this country pays is simply too great.

Trade adjustment assistance and the administration's trigger price mechanism (TPM) for the steel industry, do not, as some contend, serve as adequate substitutes for vigorous enforcement of our trade laws. Offering trade adjustment assistance to those who have been put out of work is a manifestly inadequate response to unfair foreign competition. American labor does not want Federal handouts; it wants jobs. Likewise, industry is entitled to protection from abuses of the marketplace.

The TPM is a step in the right direction. Under a monitoring system, the Treasury Department has calculated a set of trigger prices for a range of steel products based upon Japanese production costs. If merchandise enters the country below these prices, Treasury under the TPM would conduct an expedited antidumping investigation. The TPM deserves a chance to operate, but it only affects one industry and has some definite limitations. Therefore, we must look beyond the TPM to establish the means to enforce promptly and fairly the existing antidumping laws.

Mr. President, that is the sole purpose of the legislation I am introducing today. The bill does not expand the scope of existing unfair trade statutes. Instead, it seeks to simplify, expedite, clarify, and make reliable the procedures under which domestic industries may obtain relief from unfair trade practices.

Mr. President, I ask unanimous consent to have the following material printed in the RECORD: The text of the bill, a document entitled "Explanation of the International Trade Laws Reform Act of 1979"; and a document entitled "International Trade Laws Reform Act of 1979, Section-By-Section Analysis."

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Unfair Trade Laws Reform Act of 1979."

TITLE I—ANTIDUMPING ACT AMENDMENTS

SEC. 101. Section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), is amended to read as follows:

"DUMPING INVESTIGATIONS

"SEC. 201. (a)(1) Whenever the Secretary of the Treasury (hereinafter called the 'Secretary') receives information, whether from a petitioning party or any other source, to the effect that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value, he shall conduct a preliminary investigation. Within forty-five days after receipt of such information, the Secretary shall determine whether there is a reasonable indication that such merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value. In the course of making such determination, the Secretary may request the assistance of the affected industry in gathering information, but shall not require of a petitioning party more information than is reasonably available to it and necessary to determine the question of sales at less than fair value. If his determination is affirmative, the Secretary shall publish his determination in the Federal Register, along with possible margins of dumping. Upon making an affirmative determination, the Secretary shall forward to the United States International Trade Commission (hereinafter referred to as 'Commission') a preliminary indication, based upon whatever price information is available, concerning possible sales at less than fair value, including possible margins of dumping and the volume of trade. (Throughout the investigation the Secretary shall provide the Commission with the most recent information he has on possible margins of dumping and the volume of trade.) If his determination is negative, the inquiry shall be closed. The Secretary shall publish his determination in the Federal Register and any party who has petitioned the Secretary on the matter shall be informed in writing of the negative determination as provided for under subsection (e) of this section.

"(2) Whenever a person files a petition with the Secretary requesting an investigation under paragraph (1), it shall also file with the Commission a petition containing information to the effect that an industry in the United States is being or is likely to be injured, or prevented from being established, by reason of the importation of the merchandise covered by said petition under paragraph (1). Upon initiation by the Secretary of a preliminary investigation under paragraph (1) without receipt of a petition, he shall notify the Commission which shall conduct a preliminary investigation into such question of injury to a United States industry. Within forty-five days after the receipt of a petition under this paragraph or upon being notified by the Secretary to conduct a preliminary investigation the Commission shall determine whether there is a reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The Commission shall publish its determination in the Federal Register and shall so notify the Secretary. If the Commission's determination is negative, the investigation by the Secretary shall be terminated and any party who has petitioned the Commission on the matter shall be informed in writing of the negative determination as provided for under subsection (e) of this section.

"(3) Upon the Secretary publishing his affirmative determination as provided under paragraph (1) and the Commission publishing its affirmative determination, as provided under paragraph (2), the Secretary shall

"(A) Initiate a full-scale investigation under subsection (b) of this section to determine whether such sales at less than fair value in fact are occurring or are likely to occur, and publish notice to that effect in the Federal Register; and,

"(B) Require, as of that date, under such regulations as he may prescribe, the suspension of liquidation as to such merchandise entered or withdrawn from warehouse, for consumption, on or after the date of publication in the Federal Register, under this paragraph, of notice of the initiation of a full-scale investigation relating to such merchandise until the Secretary has made public a finding as provided under subsection (c) of this section in regard to such merchandise or has published notice of a negative final determination, a notice of discontinuance of the subject investigation, or the Commission has published notice of a negative injury determination. Such suspension of liquidation shall apply to merchandise not yet liquidated as of the date of publication in the Federal Register, under this paragraph, of notice of the initiation of a full-scale investigation.

"(b)(1)(A) The Secretary shall, within four months after publication of the notice of initiation of a full-scale investigation, determine whether there is reason to believe or suspect that a class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value.

"(B) If, in the course of an investigation under this subsection, the Secretary concludes that the determination provided for in paragraph (1)(A) cannot be reasonably made within four months, he shall publish notice of this in the Federal Register, together with a statement of reasons therefor, in which case the determination shall be made within six months after the publication in the Federal Register of the notice of initiation of the full-scale investigation.

"(C) If the tentative determination made under paragraph (1)(A) or (B) of this subsection is affirmative, the Secretary shall publish notice of that fact in the Federal Register, along with the tentative margins of dumping and shall advise the United States International Trade Commission of his determination. He shall transmit to the Commission such information concerning the importation of such merchandise into the United States, and its sale in the United States, as is available to him.

"(D) If his determination is negative (or if he tentatively determines that the investigation should be discontinued), the Secretary shall publish notice of that fact in the Federal Register.

"(C)(1)(A) Within three months after publication in the Federal Register of a tentative determination under paragraph (1)(C) of subsection (b), the Secretary shall make a final determination as to whether the merchandise in question is being or is likely to be sold in the United States or elsewhere, at less than its fair value (or a final discontinuance of the investigation).

"(B) Whenever, prior to making his final determination, the Secretary believes that the margins of dumping have changed significantly from those disclosed in the tentative determination, he shall make available to the Commission the most recent information in his possession pertaining to the investigation of sales at less than fair value. Upon making an affirmative final determination under subparagraph (A) of this subsection, the Secretary shall so advise the Commission, and shall transmit to it any

additional information concerning the investigation thus completed.

"(C) Upon making a final determination which is negative, or upon ordering a final discontinuance of the investigation, the Secretary shall so advise the Commission, which shall terminate any investigation it is conducting with respect to the same class or kind of merchandise.

"(2)(A) If the tentative determination by the Secretary is affirmative, the Commission shall, on the basis of the final determination by the Secretary and within four months after publication of such tentative determination, determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

"(B) If an affirmative final determination by the Secretary follows a determination under subsection (b) that was negative, the Commission, after having had transmitted to it such information concerning the importation into the United States of the merchandise with respect to which the determination was made, and its sale in the United States, as is available to the Secretary and, following such investigation as it deems necessary, shall make its determination within three months.

"(C) The Commission shall publish any determination under subparagraphs (A) or (B) of this paragraph in the Federal Register and shall notify the Secretary of its determination. If the determination is affirmative, the Secretary shall make public a notice (hereinafter in this Act referred to as a 'Finding') of his determination and that of the Commission. For the purposes of this subsection, the Commission shall be deemed to have made an affirmative determination if the Commissioners voting are evenly divided as to whether the determination of the Commission should be in the affirmative or in the negative. The Secretary in his Finding shall order the assessment and collection of estimated special dumping duties on the affected merchandise in the amount of such margins of dumping determined in the Finding, with respect to articles entered or withdrawn from warehouse for consumption on or after the date of the suspension of liquidation on such merchandise. The Secretary's Finding shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of customs officers.

"(d) Before making any determination under subsection (a), (c) or (f), or following any notice of a tentative discontinuance of an antidumping investigation, or a notice of a tentative modification or revocation of a dumping finding, the Secretary or the Commission shall, at the request of any foreign manufacturer or exporter, or any domestic importer, of the merchandise in question, or of any domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind, or any other petitioning party, conduct a hearing at which—

"(A) any such person shall have the right to appear by counsel or in person; and

"(B) any other person may make application and, upon good cause shown, be allowed by the Secretary or the Commission to intervene and appear at such hearing by counsel or in person.

Sections 554, 555, 556, 557 and 702 of Title 5, United States Code, shall not apply to the hearings provided for under this paragraph. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Commission), shall be made available in the manner and to the extent provided in Section 552(b) of such title.

"(e) Each determination under subsection (b), (c), or (f), whether affirmative or negative, and each negative determination under subsection (a) of this section, shall be published in the Federal Register, together with a complete statement of findings and conclusions, and the reasons or basis therefor, on all material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission in the course of making their respective determinations).

"(f)(1)(A) Any foreign manufacturer or exporter, or domestic importer subject to a Finding may petition the Secretary to terminate a final determination of sales at less than fair value as to the merchandise covered by said Finding. The Secretary shall publish notice of receipt of the petition in the Federal Register. The Secretary may not grant any such petition until he first determines that sales at less than fair value have not occurred for at least three years since publication of the Finding and either the foreign manufacturer, exporter or domestic importer provide the Secretary with written assurances that sales at less than fair value will not be resumed or the Secretary determines that sales at less than fair value are not likely to resume.

"(B) Upon the Secretary terminating the final determination of sales at less than fair value, and the applicable Finding he shall, thereafter, monitor the importation of merchandise which had been subject to the Finding for at least three years. In the event sales are made at less than fair value during the monitoring period, the Secretary shall initiate an investigation into the existence of less than fair value sales as provided in subsection (a) of this section.

"(2)(A) Any foreign manufacturer or exporter or domestic importer subject to a Finding may petition the Commission to terminate its determination that a domestic industry in the United States is being or is likely to be injured or is prevented from being established by reason of the importation of merchandise at less than fair value. The Commission shall publish notice of receipt of the petition in the Federal Register. The Commission may not grant any such petition until it first determines that the injury found in the original determination has been absent for at least three years.

"(B) Upon the Commission terminating a final determination that a United States industry is being or is likely to be injured or is prevented from being established, the Commission shall notify the Secretary who shall terminate the applicable Finding.".

SEC. 102. Section 202(a) of the Antidumping Act, 1921 (19 U.S.C. 161) is amended to read as follows:

"SEC. 202(a) In the case of all imported merchandise, whether dutiable or free of duty, of a class or kind as to which a Finding under section 201 has been made, there shall be levied, collected and paid on or before entry of such merchandise into the United States in addition to any other duties imposed by law, a special dumping duty. The special dumping duty shall be the difference between the purchase price or the exporter's sales price and the foreign market value (or in the absence of such value, then the constructed value).".

SEC. 103. Section 205(a) of the Antidumping Act, 1921 (19 U.S.C. 164(a)) is amended by inserting after the first sentence the following sentence: "For the purpose of determining the foreign market value, the Secretary, pursuant to regulations prescribed by him, may calculate for each foreign manufacturer, producer, or exporter covered by the Finding, weighted averages over a period of time not to exceed six months.".

SEC. 104. Section 208 of the Antidumping Act, 1921 (19 U.S.C. 167) is amended to read as follows:

"PAYMENT OF ESTIMATED DUTY ON ENTRY

"SEC. 208(a)(1) In the case of all imported merchandise whether dutiable or free of duty, of a class or kind as to which the Secretary has made public a Finding under section 201, and the delivery of which has not been made by the appropriate Customs officer before such Finding has been so made public, such Customs officer shall not deliver such merchandise unless the person by whom or for whose account such merchandise is imported pays to such Customs officer the amount of the special dumping duty estimated to be payable thereon. The amount of such estimated dumping duty shall be based upon the margins of dumping for the foreign manufacturers, producers or exporters included in the final determination of the Secretary or the prior final revised margin of dumping.

"(2) Within fifteen months after publication of the Finding under Section 201, and at maximum intervals of fifteen months after publication of the final revised margin of dumping applicable to that Finding, the Secretary shall publish in the Federal Register a notice of tentative revised margins of dumping setting forth, in addition to any other information required by law, any proposed revisions in the margin of dumping, including any changes in the foreign market value, the constructed value, the purchase price, the exporter's sales price or any adjustment or allowance permitted, or a statement that no revisions are in order. There shall be an opportunity for public comment and a right to a hearing as provided under section 201(d). Within three months after publication of a notice of a tentative revised margin of dumping the Secretary shall publish in the Federal Register a notice of final revised margin of dumping, accompanied by a statement of reason as required by section 201(e).

"(3) The final revised margin of dumping shall be applied retroactively to imported merchandise appraised and liquidated from the date of publication by the Secretary of the prior margin of dumping and any amount owed to or by the Secretary as the result of the revision shall be payable. If, following appraisement and liquidation, the actual liability for dumping duties is less than the amount of estimated dumping duties paid, the excess shall be returned with interest, from the date on which the duty was paid, at the annual rate established under section 6621 of the Internal Revenue Code of 1954 in effect on the date on which such duty was paid.

"(b) Unless the person by whom or for whose account such merchandise is imported makes oath before the appropriate Customs officer, under regulations prescribed by the Secretary, that he is not an exporter, or unless such person declares under oath at the time of entry, under regulations prescribed by the Secretary, the exporter's sales price of such merchandise, such person shall, in addition to paying the estimated dumping duties pursuant to subsection (a), make oath before the appropriate Customs officer, under regulations prescribed by the Secretary, that such merchandise has not been sold or agreed to be sold by such person, and, shall prior to delivery of such merchandise, give bond to such Customs officer, in an amount equal to the estimated value of the merchandise, which shall be forfeited to the United States unless such person—

"(1) reports to such Customs officer the exporter's sales price of the merchandise within thirty days after such merchandise has been sold or agreed to be sold in the United States,

"(2) pays on demand from such Customs officer the amount of additional special dumping duty, if any imposed by this title upon such merchandise, and

"(3) furnishes to such Customs officer such information as may be in his possession, and arranges to furnish such other information as is deemed necessary by the Secretary for the ascertainment of any special dumping duty, and keeps such records as to the sale of such merchandise as the Secretary may by regulation prescribe.".

SEC. 105. Section 209 of the Antidumping Act, 1921 (19 USC 168) is amended by inserting "(a)" before "In the case of", and by adding at the end thereof the following new subsection:

"(b) At the request of an interested party, all information developed in connection with the assessment and liquidation process (other than items to which confidential treatment has been granted by the Secretary), shall be made available in the manner and to the extent provided in section 552(b) of title 5, United States Code.".

SEC. 106. Section 210 of the Antidumping Act, 1921 (19 USC 169) is amended to read as follows:

"PROTESTS FROM DETERMINATION OF CUSTOMS OFFICERS

"For purposes of sections 160 to 171 of this title, the determination of the Secretary of the Treasury as to the foreign market value or the constructed value, as the case may be, the purchase price, and the exporter's sales price, and the action of the appropriate Customs officer in assessing special dumping duty, shall have the same force and effect and be subject to the same right of protest, under the same conditions and subject to the same limitations; the United States Customs Court, and the Court of Customs and Patent Appeals shall have the same jurisdiction, powers, and duties in connection with such appeals and protests as in the case of protests relating to Customs duties under existing law.".

TITLE II—1930 TARIFF ACT AMENDMENTS

SEC. 201. (a) Section 303(a) of the Tariff Act of 1930 (19 USC 1303) is amended by striking out paragraphs (3), (4), (5), and (6), and by inserting in lieu thereof the following paragraphs:

"(3)(A) Whenever the Secretary of the Treasury (hereinafter referred to as the 'Secretary') receives information, whether from a petitioning party or any other source, alleging that a bounty or grant is being paid or bestowed with respect to any imported article or merchandise as to which the Secretary has not determined whether or not a bounty or grant has been bestowed, he shall conduct a preliminary investigation. Within forty-five days after receipt of such information, the Secretary shall determine whether there is a reasonable indication that a bounty or grant is being paid or bestowed. Upon making an affirmative determination, the Secretary shall forward to the United States International Trade Commission a preliminary indication, based upon whatever information is available concerning the possible size of the bounty or grant, the level of the countervailing duty to be imposed and the volume of trade. If the determination is negative, the inquiry shall be closed and any person who has petitioned the Secretary on the matter shall be informed in writing of the specific reason as provided for under paragraph (6) of subsection (c) of this section.

"(B) Whenever a person files a petition with the Secretary requesting an investigation under subparagraph (A) of this paragraph in the case of merchandise which is free of duty, he shall also file with the United States International Trade Commission (hereinafter referred to as 'Commission') a petition containing information to the effect that an industry in the United States is being or is likely to be injured, or prevented from being established, by the importation of the merchandise covered by said petition under subparagraph (a). Upon initiation by the Secretary of a preliminary investigation under subparagraph (A) without receipt of a petition, he shall notify the Commission which shall conduct a preliminary investigation into such question of injury to a United States industry. Within forty-five days after the receipt of a petition under this subparagraph, or upon being notified by the Secretary to conduct a preliminary investigation, the Commission shall determine whether there is a reasonable indication that an industry in the United States is being or is likely to be injured or is prevented from being established by reason of the importation of such merchandise into the United States. The Commission shall publish its determination whether affirmative or negative, in the Federal Register, and shall so notify the Secretary. If its determination is negative, any investigation by the Secretary shall be terminated and any party who has petitioned the Commission on the matter shall be informed in writing of the specific reasons for the negative determination as provided for under paragraph (6) of subsection (c) of this section.

"(C) Upon the Secretary publishing his affirmative determination as provided under subparagraph (A), or in the case of duty-free merchandise upon the Secretary publishing his affirmative determination, and upon the Commission publishing its determination of a reasonable indication of injury under subparagraph (B), he shall—

(A) initiate a full-scale investigation as provided in paragraph (4) of this subsection to determine whether such bounty or grant is being paid or bestowed with respect to any imported article or merchandise and shall publish notice of such investigation in the Federal Register along with a determination of the possible size of the bounty or grant and the level of countervailing duty to be imposed, and

(B) require, under such regulations as he may prescribe the suspension of liquidation as to such merchandise entered or withdrawn from warehouse, for consumption, on or after the date of publication in the Federal Register under this paragraph of the notice of the initiation of a full-scale investigation relating to such merchandise, until the date of publication in the Federal Register of a countervailing duty order pursuant to paragraph (5) of this subsection or the publication of a negative final determination. Such suspension of liquidation shall apply to merchandise not yet liquidated as of the date of publication in the Federal Register under this paragraph of the notice of the initiation of a full-scale investigation.

"(4) Within four months from the date on which the notice of a full-scale investigation is published, the Secretary shall make a tentative determination, and within three months thereafter, he shall make a final determination, as to whether any bounty or grant is being paid or bestowed.

"(5) If the Secretary makes a final determination that a bounty or grant is being paid or bestowed and, with respect to duty free merchandise, the Commission makes a determination that an industry in the United States is being or is likely to be injured or is being prevented from being established, the Secretary shall make public a notice (hereinafter 'Countervailing Duty Order') of his determination and, with respect to duty free merchandise, the determination of the Commission."

(b) Subsection (b) of Section 303 of such Act (19 USC 1303) is amended to read as follows:

"(b)(1) Whenever the Secretary makes a tentative determination under subsection (a)(4) that a bounty or grant is being paid or bestowed with respect to any article or merchandise which is free of duty, so long as a determination of injury is required by the international obligations of the United States, he shall so advise the United States International Trade Commission, and shall transmit to the Commission such information concerning the importation of such merchandise into the United States, and its sale in the United States, as is available to him. The Commission, on the basis of the final determination of the Secretary, shall determine within four months after the publication of the tentative determination under subsection (a)(4) whether an industry in the United States is being or is likely to be injured, or is prevented from being established by reason of the importation of such merchandise into the United States.

"(2) Whenever, prior to making his final determination, the Secretary believes that the amount of bounty or grant ascertained has changed significantly from that disclosed in the tentative determination, he shall make available to the Commission the most recent information in his possession pertaining to the investigation of such bounty or grant. Upon making an affirmative final determination, the Secretary shall so advise the Commission, and shall transmit to it any additional information concerning the investigation thus completed. After such investigation as it deems necessary, the Commission shall notify the Secretary of its determination under paragraph (1). For the purposes of this subsection, the Commission shall be deemed to have made an affirmative determination if the Commissioners voting are evenly divided as to whether the determination of the Commission should be in the affirmative or in the negative.

"(3) Upon making a final determination which is negative, the Secretary shall so advise the Commission, and any ongoing investigation with respect to the same class or kind of merchandise shall be terminated.

"(4) If an affirmative final determination by the Secretary follows a tentative determination under subsection (a)(4) of this section that was negative, the Secretary shall so advise the Commission, transmitting to the Commission such information concerning the importation into the United States of the merchandise with respect to which the determination was made, and its sale in the United States, as is available to him. The Commission, following such investigation as it deems necessary, shall make its determination within three months after the final determination. The Commission shall notify the Secretary of its determination and if it is in the affirmative, the Secretary shall make public an order as provided for in subsection (c)( ) of this section."

(c) Subsection 303(c) of the Tariff Act of 1930 is amended to read as follows:

"(c)(1) Following an affirmative final determination by the Secretary under subsection (a)(4) as to dutiable merchandise not subject to an injury determination, or both an affirmative final determination and an affirmative determination by the Commission under subsection (b) in the case of duty-free merchandise subject to an injury determination the Secretary shall make public an order (Countervailing Duty Order) directing the assessment and collection of estimated countervailing duties on the affected merchandise in the amount of such bounty or grant with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the suspension of liquidation on such merchandise. The Secretary's order shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of Customs officers.

"(2) For all imported merchandise of a class or kind as to which the Secretary has made public an order, and the delivery of

which has not been made by the appropriate Customs officer before such order has been so made public, such Customs officer shall not deliver such merchandise unless the person by whom or for whose account such merchandise is imported pays to such customs officer the amount of countervailing duty estimated to be payable thereon. The estimated countervailing duty shall be levied, collected and paid on affected merchandise on or before entry. The amount of such estimated countervailing duty shall be based upon the bounty or grant established by the Secretary in his final determination or the final prior revised bounty or grant.

"(3) Within fifteen months after such final determination of bounty or grant, and at maximum intervals of fifteen months after publication of the final revised margin of bounty or grant, the Secretary shall publish in the Federal Register a notice of tentative revised bounty or grant setting forth, in addition to any other information required by law any proposed revisions in the bounty or grant, or a statement that no revisions are in order. There shall be an opportunity for public comment and a right to a hearing as provided under subsection (d)(3)(A) of Section 303 of the Tariff Act of 1930. Within three months after publication of a notice of a tentative revised bounty or grant the Secretary shall publish in the Federal Register a notice of final revised bounty or grant, accompanied by a statement of reasons as required by paragraph (6) of this subsection.

"(4) The final revised bounty or grant shall be applied retroactively to imported merchandise appraised and liquidated from the date of publication by the Secretary of the prior bounty or grant and any amount owed to or by the Secretary as the result of the revision shall be payable. If, following appraisement and liquidation, the actual liability for countervailing duties is less than the amount of estimated duties deposited, the excess shall be returned with interest, from the date on which the duty was paid, at the annual rate established under section 6621 of the Internal Revenue Code of 1954 in effect on the date on which such duty was paid.

"(5) At the request of an interested party, all information developed in connection with the assessment and liquidation process (other than items to which confidential treatment has been granted by the Secretary), shall be made available in the manner and to the extent provided in section 552 (b) of title 5, United States Code.

"(6) Each determination under subsections (b) (c) or (d) of the Tariff Act of 1930 whether affirmative or negative and each negative determination under paragraph (3) of subsection (a) of said Act, shall be published in the Federal Register, together with a complete statement of findings and conclusions, and the reasons or basis therefor, on all material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission in the course of making their respective determinations).

"(7) The Secretary shall make all regulations he deems necessary for the identification of articles and merchandise subject to duties under this section and for the assessment and collection of such duties.".

SEC. 202 (a) Sections 303 (d) and (e) of the Tariff Act of 1930 (19 U.S.C. 1303) are amended by redesignating subsection (d) as (e) and (e) as (f) and by adding the following new subsection (d):

"(d)(1)(A) Any foreign manufacturer or exporter or domestic importer of merchandise subject to an order under subsection (c)(1) of Section 303 of the Tariff Act of 1930 may petition the Secretary to terminate a final determination of a bounty or grant as to the merchandise covered by said order. The Secretary shall publish notice of receipt of the petition in the Federal Register. The Secretary may not grant any such petition until he first determines that no bounty or grant has been afforded for at least three years since the publication of the order.

"(B) Upon the Secretary terminating the final determination of the existence of a bounty or grant he shall, thereafter, monitor the importation of merchandise which has been subject to the finding for at least three years. In the event renewed grants or bounties on the merchandise in question are found the Secretary shall initiate an investigation into the existence of a bounty or grant as provided in subsection (a) of section 303 of the Tariff Act of 1930.

"(2)(A) Any foreign manufacturer or exporter or domestic importer of merchandise subject to an order under subsection (c)(1) of Section 303 of the Tariff Act of 1930 may petition the Commission to terminate its determination that a domestic industry in the United States is being or is likely to be injured or is prevented from being established by reason of the importation of such merchandise if such determination is required under this statute. The Commission shall publish notice of receipt of such petition in the Federal Register. The Commission may not grant any such petition until it first determines that the injury found in the original determination has been absent for at least three years.

"(B) Upon the Commission terminating a final determination that a United States industry has been or is likely to be injured or prevented from being established the Commission shall notify the Secretary who shall terminate the applicable order.

"(3)(A) Before making any determination under this subsection, paragraph (3) of subsection (a) or a final determination under paragraph (4) of subsection (a) or subsections (b) or (c) of Section 303 of the Tariff Act of 1930, the Secretary or the Commission shall, at the request of any foreign manufacturer or exporter, or any domestic importer, of the merchandise in question, or of any domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind, or any other petitioning party, conduct a hearing at which:

"(i) any such person, shall have the right to appear by counsel or in person; and

"(ii) any other person may make application and, upon good cause shown, be allowed by the Secretary or the Commission, to intervene and appear at such hearings by counsel or in person.

"(B) Sections 554, 556, 557, and 702 of Title 5, United States Code, shall not apply to the hearings provided for under this paragraph. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Commission, as the case may be), shall be made available in the manner and to the extent provided in section 552(b) of Title 5.".

SEC. 203. Section 484(b) of the Tariff Act 1930 (19 U.S.C. 1484(b)) is amended to read as follows:

"PRODUCTION OF CERTIFIED INVOICE

"(b) The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted under the provisions of this section without the production of a certified invoice. In addition to such other information as the Secretary may require, the certified invoice shall require a statement of the price at which such or similar merchandise is sold or, in the absence of sales, is offered for sale in the principal markets of the country from which it is exported, in the usual wholesale quantities and in the ordinary course of trade for home consumption, to be called the home consumption price, and the purchase price of each item. In determining the merchandise to which the certified invoice is applicable, the Secretary shall make no distinction on the basis of whether merchandise is duty free or subject to an ad valorem or specific rate duty."

SEC. 204. Section 484(e) of the Tariff Act of 1930 (1930 (19 USC 1484(e)) is amended to read as follows:

"STATISTICAL ENUMERATION

"(e) The Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the International Trade Commission are authorized and directed to establish and publish at least every three months for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States, and including purchase prices and home consumption prices, and as a part of the entry there shall be attached thereto or included therein an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and the unit value and the value of the total quantity of each kind of article.".

SEC. 205. Section 484(h) of the Tariff Act of 1930 (19 USC 1484) is amended by adding a new subsection (h) and redesignating existing subsections (h) through (j) accordingly.

"STATEMENT OF PRICE INFORMATION

"(h) Where the imported merchandise is of a type which supplies ten percent or more of apparent United States consumption either by quantity or value, the collector or the appraiser shall require a verified statement from the manufacturer or producer showing the home market value and the purchase price or exporter's sales price, whichever is applicable, as defined in sections 161–164 of this title.".

SEC. 206. (a) Section 337(b)(3) of the Tariff Act of 1930 (19 USC 1337) is amended to read as follows:

"(3) Whenever, in the course of an investigation under this section, the Commission has reason to believe, based upon information before it, that the matter may come within the purview of section 303 or of the Antidumping Act, 1921, it shall promptly notify the Secretary of the Treasury so that such action may be taken as is otherwise authorized by such section and such Act, and, pending such action, the Commission may suspend its investigation as to those matters which may come within the purview of such section or such Act.".

(b) The first sentence of subsection (c) of section 337 of the Tariff Act of 1930 (19 USC 1337) is amended to read as follows:

"The Commission shall determine, with respect to each investigation, not resolved by consent, conducted by it under this section, whether or not there is a violation of this section, unless, where the Commission has reason to believe that the matter may come within the purview of section 303 or the Antidumping Act, 1921, action taken as is authorized by such section or such Act determines the controversy before it.".

(c) Section 337(f) of the Tariff Act of 1930 (19 USC 1337) is amended by inserting "(1)" before "In lieu of", and by adding at the end thereof the following new paragraph:

"(2) Any person who violates an order of the Commission after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $10,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in a case of a violation through continuing failure or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense. In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate in the enforcement of such final orders of the Commission.".

SEC. 207. Section 514 of the Tariff Act of 1930 (19 USC 1514) is amended by adding at the end thereof the following new subsections:

"(d) Within thirty days after the Secretary publishes his Finding under section 201 of the Antidumping Act, 1921, or makes public a Countervailing Duty Order under section 303 of the Tariff Act of 1930, an adversely affected foreign manufacturer, producer, or exporter or domestic importer of merchandise of the same class or kind as that described in such finding or order may commence an action in the United States Customs Court contesting the Finding or Order or any part thereof, including the size of the margins of dumping or the amount of the bounty or grant found.

"(e)(1) Suits challenging decisions to impose countervailing or antidumping duties upon a class or kind of merchandise or the imposition of countervailing or antidumping duties upon particular merchandise, shall be subject to review based upon the administrative record, which consists of the determination, the reasons or basis therefor, the transcript of any hearing, and all information developed in connection with the investigation and in a challenge to the imposition of countervailing or antidumping duties upon particular merchandise, the records pertaining to the liquidation and assessment and the most recent estimated antidumping or countervailing duty adjustment. The Finding or Order of antidumping or countervailing duties shall be upheld if supported by substantial evidence on the record as a whole.

"(2) In any action under this section the Customs Court may order that trade secrets and commercial or financial information which is privileged or confidential of a nonparty to the action, or of a party or information provided to the United States by foreign governments or foreign persons shall not be disclosed to any party or its counsel or shall be disclosed to a party or its counsel only under such forms and conditions as the court may provide.

SEC. 208. Subsections (d) and (e) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) are amended to read as follows:

"(d)(1) Within thirty days after a determination by the Secretary under section 201 of the Antidumping Act, 1921, is published in the Federal Register that a class or kind of foreign merchandise is not being, nor likely to be sold in the United States at less than its fair value, or under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed, a domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination, or a domestic or international labor organization or trade association connected with the production of such merchandise may commence an action in the United States Customs Court contesting the determination.

"(2) Within thirty days after a determination by the United States International Trade Commission under section 201 of the Antidumping Act, 1921, that an industry in the United States is not being nor likely to be injured or is not prevented from being established, by reason of the importation of a class or kind of merchandise into the United States which is being or is likely to be sold at a price less than its fair value, or under section 303 of the Tariff Act of 1930 than an industry in the United States is not being nor likely to be injured or is not prevented from being established by reason of the importation into the United States of merchandise, otherwise free of duty upon which a bounty or grant is being paid or bestowed, a domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination or a domestic or international labor organization or trade association connected with the production of such merchandise, may commence an action in the United States Customs Court contesting the determination.

"(3) Any party who has filed a petition pursuant to section 201 of the Antidumping Act, 1921, or section 303 of the Tariff Act of 1930 may challenge in the United States Customs Court the following decisions of the Secretary or the Commission within thirty days after notice is given the party or the decision is published in the Federal Register:

"(A) A final discontinuance, under section 201 investigation, either in whole or in part, or the decision by the Secretary to exclude one or more foreign manufacturers, producers, or exporters from a final determination of sales at less than fair value.

"(B) A determination by the Secretary under section 201 of such Act that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value or under section 303 of the Tariff Act of 1930 that a bounty or grant is being paid or bestowed, which determination includes margins of dumping or an amount of a bounty or grant which the petitioning party believes incorrect.

"(4)(A) A preliminary determination by the Secretary under section 201(a) of the Antidumping Act, 1921, that there is no reasonable indication that a particular class or kind of merchandise is being or is likely to be sold in the United States at less than fair value or, under section 303(a)(3) of the Tariff Act of 1930, that there is no reasonable indication that a bounty or grant is being paid or bestowed shall be subject to review by the Customs Court upon the filing of a request for review by the party who petitioned the Secretary for an investigation within 15 days of the publication of the preliminary determination. The Customs Court shall schedule a hearing as soon as possible, giving precedence to the consideration of such request for review over all other business before the Customs Court. Foreign exporters, importers, or domestic producers of merchandise described in the petition and the Secretary shall be permitted to appear in the proceedings.

"(B) A preliminary determination by the Commission under section 201(a) of the Antidumping Act, 1921, that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established or, with respect to duty-free merchandise, under section 303(a)(3) of the Tariff Act of 1930, that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established, shall be subject to review by the Customs Court upon the filing of a request for review by the party who petitioned the Commission for an investigation, or, if the Secretary directed an investigation, by the Secretary, within 15 days of the publication of the preliminary determination by the Commission. The Customs Court shall schedule a hearing as soon as possible, giving precedence to the consideration of such request for review over all other business before the Customs Court. Foreign exporters, importers, or domestic producers of the merchandise described in the petition and the Commission shall be permitted to appear in the proceedings.

"(5) If the court determines in favor of the petitioning party as to actions commenced under paragraph (3) or (4) of this subsection, it shall remand the matter to the Secretary or the Commission, whichever is appropriate, for action, not inconsistent with the court's determination, or it may order the Secretary or Commission to take action under section 201 of the Antidumping Act, 1921, or section 303 of the Tariff Act of 1930, where appropriate.

"(e)(1) Suits challenging decisions reviewable under paragraph (1), (2), (3), or (4) of subsection (d) of this section shall be subject to review based upon the administrative record, which consists of the determination, the reasons or basis therefor, the transcript of any hearing, and all information developed in connection with the investigation. The determination of the Secretary or the Commission shall be upheld if supported by substantial evidence on the record as a whole.

"(2) In any action under this section the Customs Court may order that trade secrets and commercial or financial information which is privileged or confidential of a nonparty to the action, or of a party or information provided to the United States by foreign governments or foreign persons shall not be disclosed to any party or its counsel or shall be disclosed to a party or its counsel only under such forms and conditions as the court may provide.".

SEC. 209. The amendments made by sections 204 and 205 of this Act become effective on the day following the date of enactment of this Act. Nothing contained in this Act, or in the amendments made by this Act, shall be construed to require the dismissal of any action brought before the day after the date of enactment of this Act under subsection 1582(b) of title 28, United States Code, to contest any failure of the Secretary of the Treasury to assess countervailing duties or antidumping duties, pursuant to subsection 516(c) of the Tariff Act of 1930, as amended (19 USC 1516(c)), due to negative injury determinations by the United States International Trade Commission under section 303 of the Tariff Act of 1930, as amended (19 USC 1903), or under section 201 of the Antidumping Act, 1921, as amended (19 USC 160).

TITLE III—AMENDMENTS TO CUSTOMS COURT PROCEDURE LAWS

SEC. 301. Section 2632(a) of Title 28 (28 USC 2632(a)), is amended to read as follows:

"(a) A party may contest (1) denial of a protest under section 515 of the Tariff Act of 1930, as amended; (2) a decision of the Secretary of the Treasury made under section 516 of the Tariff Act of 1930, as amended; (3) a determination by the Secretary of the Treasury under section 201 of the Antidumping Act, 1921, as amended, that there is no reasonable indication of the existence of sales or a likelihood of sales at less than fair value, or a determination that a class or kind of merchandise is being or is not being, or is likely or is not likely to be sold in the United States at less than fair value, or that a Finding should be terminated, or under section 303 of the Tariff Act of 1930 that there is no reasonable indication of the existence of a bounty or grant, or a determination that a bounty or grant is or is not being paid or bestowed or that a Countervailing Duty Order should be terminated; or (4) a determination by the United States International Trade Commission under section 201 of the Antidumping Act, 1921, that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established by sales at less than fair value or a determination that an industry in the United States is being or is not being injured or is likely or is not likely to be injured or prevented from being established by sales at less than fair value or that a determination and Finding should be terminated, or under section 303 of the Tariff Act of 1930 that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established or a determination that an industry in the United States is being or is not

being injured or is likely or is not likely to be injured or prevented from being established by the importation of duty free merchandise on which is paid or bestowed a bounty or grant or that a Countervailing Duty Order should be terminated; by bringing a civil action in the Customs Court. A civil action shall be commenced by filing a summons in the form, manner and style and with the content prescribed in rules adopted by the court.".

TITLE IV—STUDY OF TRANSFERRING TREASURY INVESTIGATIVE RESPONSIBILITIES TO INTERNATIONAL TRADE COMMISSION

SEC. 401. The Comptroller General shall undertake a study of the need for and feasibility of a transfer of the duties of the Secretary of the Treasury under the Antidumping Act, 1921, and section 303 of the Tariff Act of 1930 to the United States International Trade Commission, or to an independent section of a department of international trade, and report back to Congress with such study not more than one year after the date of enactment of this Act.

TITLE V—AMENDMENTS TO THE REVENUE ACT OF SEPTEMBER 8, 1916

SEC. 501. The text of section 801 of the Act of September 8, 1916, entitled "An Act to raise revenue, and for other purposes" (15 USC 72) is amended to read as follows:

"(a) It shall be unlawful to sell in the United States, whether through a related or unrelated importer, merchandise manufactured in a foreign country for which the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the constructed value), and where the effect of such sale has been substantially to lessen competition or to restrain trade or monopolize any part of trade or commerce within the United States.

"(b) Upon proof being made under subsection (a) that there has been such sale, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with violation of this section. Nothing in this section shall be construed to prevent the sale of merchandise in the United States from any foreign country at a lower price which makes only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such merchandise is sold or delivered, or at a price established in good faith to meet an equally low price of a competitor in the United States market, or at a price which changes from time to time in response to changing conditions affecting the market for or the marketability of the merchandise concerned, such as, but not limited to, actual or imminent deterioration of perishable merchandise, obsolescence of seasonal merchandise, distress sales under judicial order, or sales in good faith in discontinuance of business in the merchandise concerned or which is the result of good faith reliance by the importer on information contained in the Customs invoice.

"(c) Any person injured in his business or property by reason of any violation of, or combination, conspiracy, or contract to violate this section, may sue therefor in the district court of the United States for the district in which the defendant resides, transacts business, is found, or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by that person sustained, and the cost of the suit, including a reasonable attorney's fee. The action brought under this title shall be barred unless commenced within four years after the cause of action accrued.

"(d) For the purpose of determining the 'purchase price', 'exporter's sales price', 'foreign market value', or 'constructed value', the courts shall take into account and be guided by the applicable provisions of the Antidumping Act, 1921.

"(e) The acceptance by any foreign manufacturer or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer or exporter of the Commissioner of Customs to be the true and lawful attorney upon whom may be served all lawful process in any action or proceeding arising against the foreign manufacturer or exporter under this section.".

EXPLANATION OF THE INTERNATIONAL TRADE LAWS REFORM ACT OF 1979

I. AMENDMENTS TO 1921 ANTIDUMPING ACT

Briefly stated, "dumping" is the sale of foreign made merchandise on the American market at a price (adjusted for transportation and other circumstances of sale) which is below the price at which it is sold in the home market, or in other export markets, or below the cost of producing the merchandise. The 1921 Antidumping Act requires Customs to collect a duty equal to the difference in price if the International Trade Commission finds that a domestic industry is being, or is likely to be, injured or is prevented from being established by reason of the sales at less than fair value.

Enforcement of this law has historically suffered from inadequate staffing, low administrative priority, and lack of will to carry it out, perhaps for what are perceived to be more general economic and foreign policy considerations. In part and for these reasons, Congress in the Trade Act of 1974 found it necessary to make several structural changes in the antidumping laws, principally by means of imposing time limits on investigations. Subsequent events, including the unprecedented level of utilization of unfair trade laws by a wide range of industries, have demonstrated that Congress did not go far enough in 1974 in fashioning statutory procedures to ensure that our laws are vigorously enforced. The proposed legislation addresses four principal problems which stand in the way of fair, swift and effective enforcement of the law:

(A) Treasury's failure to initiate its own investigations, and its movement in the direction of hindering the ability of domestic firms to instigate investigations by filing petitions;

(B) Periods for investigation and delays in obtaining relief that are unnecessarily lengthy;

(C) Lax enforcement after the investigation is completed, permitting the payment of duties frequently to be postponed for an indefinite period of time, with the only payment necessary for years being the posting of a modest bond; and

(D) Judicial review provisions which are not sufficiently broad in their scope to check abuses of the wide discretion possessed by the Treasury and the International Trade Commission.

To correct these flaws, the proposed legislation does the following:

(A) Clarifies Treasury's Duty to Enforce the Law.

In the last decade, with the exception of its administration of the Trigger Price Mechanism for steel and related products, Treasury has not conducted a single investigation on its own initiative. The bill makes clear that it has a duty to do so. It requires Treasury to determine within 45 days upon receipt of information from any source, whether there is a reasonable indication that dumping is, or is likely to be, occurring. If Treasury determines there is present such a reasonable indication then it must initiate a full-scale investigation.

In practice, by imposing burdensome informational requirements, Treasury regulations have made it very difficult for some affected firms or industries, especially the small ones, to instigate a Treasury investigation. The proposed legislation would put more of a burden on Treasury during its 45 day preliminary determination investigation to develop the initial facts when additional information cannot reasonably be required of a petitioning party.

In addition, Treasury in January of 1978 promulgated a new regulation, which subsequently was withdrawn, that would have necessitated the inclusion in petitions of an extraordinarily high level of detailed information regarding the causal linkage between less than fair value sales and injury to domestic industry. The regulation went far beyond the authority given Treasury in the Trade Act of 1974 to conclude that there is "substantial doubt" of injury. The proposal also would very likely have had a significant chilling effect on the filing of antidumping petitions.

The bill eliminates the involvement of Treasury in the injury question by putting the matter entirely in the hands of the International Trade Commission, which has expertise in the area and which has the responsibility for making the ultimate decision. Under the bill, when a petition is filed with Treasury alleging the dumping of merchandise, information pertaining to injury must be filed directly with the Commission and the Commission will determine within 45 days, whether there is a reasonable indication of injury.

(B) Shortens the Overall Investigation and the Delivery of Relief.

Under current law, Treasury has six months following the initiation of the investigation in which to reach a tentative determination, and nine months in especially complicated cases. Following the tentative determination, Treasury has three months to make a final determination. These time periods are almost never completed before the deadline. The bill shortens the period of the tentative investigation to four months, or six months in complex cases, and makes concurrent the final three month investigation at the agencies, with the extension of the Commission's investigation for an additional month so that the injury question can be decided on the basis of the final margins of dumping found by the Treasury.

Thus, the maximum duration of a normal dumping case would be reduced from 13 months to 9½ months, and the length of more complicated investigations from 16 to 11½ months. Shortening the length of the the investigation is in the interest of both domestic industry and importers because both parties are prevented from accurately determining their true market positions until the investigation is completed. These changes would also move us in the direction of greater conformity with the International Antidumping Code, which requires simultaneous consideration of evidence of dumping and injury. The provision also would reduce the time delay before collection of duties would begin.

The present statutory procedures have the effect of deterring sales at dumping prices only after the "withholding of appraisement" (referred to in the bill by the more modern term "suspension of liquidation") following an affirmative tentative determination by Treasury that dumping is or may be likely to occur. The effect of such action is that a potential liability for dumping duties attaches to goods entering the country after that date. Typically, liquidation is not suspended until seven months after the affected industry files its petition. During this seven month period, foreign manufacturers have an incentive to dump all they can into the American market knowing that Treasury has rarely, if ever, used its authority to suspend

liquidation retroactively back to 120 days before the initiation of the investigation.

For example, in the month before the tentative determination was to be announced in a dumping case filed in the summer of 1977 by Monsanto Company against Japanese producers of sorbates, a chemical preservative, the amount of imported sorbates was three times the total for each of the previous months. Even if relief from dumping were to follow shortly thereafter, it is contended that recovery from such an onslaught of imports could take upwards of a year.

In order to deter continued and in some cases increased dumping after the initiation of the investigation, the bill would require that suspension of liquidation occur after the preliminary determination is made by Treasury that there is a reasonable indication of LTFV sales and the Commission had determined that there is a reasonable indication that injury is present.

(C) Requires Timely Collection of Duties.

The one phase of antidumping proceedings which Congress failed to regulate in 1974 was the period after the initial investigation was completed. Consequently, Treasury enforcement has been particularly lacking in this respect. According to an April 1978 General Accounting Office review of the Administration of the Antidumping Act, the average delay in the collection of duties is currently 3 to 3½ years. The G.A.O. concluded that "faced with mandated time requirements for other segments of the antidumping process, Customs has simply not concentrated on the assessment phase."

In 1971, Treasury issued a finding against televisions from Japan. For six years, while Admiral, Motorola, Magnavox, Philco and other American television manufacturers were being forced out of business, the Treasury Department did nothing. It was not until March, 1978, that Treasury, under heavy Congressional pressure, finally assessed dumping duties of $46 million on entries of sets imported into the U.S. in 1972 and the first six months of 1973. The $46 million assessment represents a dumping margin of at least $30 per set at wholesale, and $50 at retail prices. Four more years of imports, on which dumping duties are believed to approximate $350 million, remain unresolved. No reason was offered for the continued delay, but the apparent purposes were to minimize the adverse impact on the importers and to provide time for a protest of the assessments, thus making the limited Treasury action essentially a trial run. Meanwhile, as this delay continues, merchandise under current procedures is permitted to enter under a minimal bond even though the final determination of dumping has been issued, and injury has been found.

The proposed legislation would require payment of estimated duties "up front" after the investigative phase is concluded with a finding of dumping. The estimated duty would be payable retroactively on all merchandise under suspension of liquidation at that time. Such payment, which is required by the European community at the initiation of an investigation and which is the U.S. procedure for payment of regular customs duties, would provide that tough deterrent that is needed to ensure that dumping practices end immediately. It would provide foreign manufacturers with an incentive to cooperate during the assessment process, rather than to obfuscate and delay as they sometimes do under the current system. In the interest of fairness, the bill provides for reasonable flexibility in determining the estimated duty, and for refund payments with interest. Under the bill, once a finding of dumping is made, merchandise covered by that finding could not enter the country and be cleared through Customs unless the estimated special dumping duty is paid.

Recently, Treasury took a significant step to correct this problem of delay in the assessment and then collection of duties on goods covered by a dumping finding. Treasury on December 14, 1978 announced in the Federal Register proposed regulations which would require the payment of estimated duties on goods entered after the finding of dumping.

(D) Expands the Scope of Judicial Review.

There is wide concern that both Treasury and the International Trade Commission frequently infuse their analysis of the facts with economic and political concerns not germane to their statutory obligations. Both agencies at present have little check on their discretion. The standard of judicial review is not at all spelled out in the statute, so the courts have cautiously interpreted it to be minimal. The bill would clarify and increase the scope of judicial review, but not so as to jeopardize the basic informal nature of the present system. Review is not expanded to the extent that reversing and administrative determination would be so easy as to maintain a considerable degree of uncertainty in the marketplace following the completion of agency action. Rather, the greater reviewability should induce the administrative agencies to be more careful in applying the law consistently to the facts, and induce greater disclosure of the issues decided and the reasons for those decisions.

II. AMENDMENTS TO THE COUNTERVAILING DUTY STATUTE

Under Section 303 of the Tariff Act of 1930, Treasury may impose a duty equal to the amount of a bounty or grant bestowed by foreign governments upon articles exported to the United States. The problems resulting from sales of merchandise at less than normal prices in response to government subsidies are very similar to those resulting from pricing decisions made by private firms. Yet the procedures followed under the countervailing duty statute are in some way even less adequate than those under the antidumping law. The bill would make the statutory procedures in countervailing duty cases the same as antidumping procedures, except where the involvement of foreign governments warrants a distinction.

Under current law, Treasury may take six months to make its tentative determination under the 1930 Act and another six months for a final determination. If the merchandise is duty-free, another three months is allowed for an injury determination by the International Trade Commission. The bill would reduce to four months the period before the tentative determination, and to three months the time for a final determination, and would make the injury determination for duty-free merchandise concurrent with Treasury's final determination as provided under proposed amendments to the antidumping laws.

Presently, no potential liability for countervailing duties attaches until after the final determination by Treasury, which means that an industry must wait one year to begin to get relief. Under this proposal, as in the antidumping statute, liquidation occurs when a preliminary determination—that a bounty or grant is being given—is made within 45 days after a petition is filed or Treasury self-initiates an investigation, thus bringing to bear the deterrent value of the statute no later than 45 days after an investigation is initiated.

When the merchandise entering the country is duty-free, the International Trade Commission, as under the antidumping statute, must make a preliminary injury determination within 45 days of the filing of a petition. If the ongoing Tokyo round of discussions relative to reform of the GATT results in the addition of an injury test within the U.S. domestic laws implementing the provisions of the international subsidy/countervailing duty code, as applied to both duty and duty-free merchandise, then the provisions for determining injury contemplated within the International Trade Laws Reform Act of 1979 as relates to duty-free merchandise need only be expanded to cover all merchandise.

III. AMENDMENTS TO SECTION 337 OF THE TARIFF ACT OF 1930

Section 337 authorizes the International Trade Commission to issue cease and desist or exclusion orders in cases of unfair competition where there is substantial injury to a domestic industry or an attempt to restrain or monopolize trade.

Unfortunately, effective enforcement of this statute has been and is likely to continue to be inhibited by a wasteful jurisdictional dispute between Treasury and the International Trade Commission over which cases come within Treasury's responsibilities. In April, 1974, the President disapproved the Commission's first order in a Section 337 predatory pricing case, an order against Japanese producers of stainless steel pipe and tube to cease and desist from selling in the United States at prices below the average variable costs of production. Leaving aside the question of whether the disapproval was justified on the facts of the case, a serious concern has developed that the broad policy terms and precedent-setting manner in which the President disapproved of the use of Section 337 will effectively eliminate that section from use in non-patent infringement cases until Congress legislatively reasserts its support for such broadened use of the 337 remedy.

As a matter of policy, cases involving only dumping should be handled by Treasury which has the authority and expertise necessary for the mathematical calculations required in those cases. On the other hand, the Commission should be empowered to deal with unfair trade practices which extend beyond dumping or countervailable subsidies.

The proposed bill would authorize the International Trade Commission to suspend or terminate its investigation when matters within the purview of the antidumping or countervailing duty statutes come before it. The proposed legislation would preclude the Commission from making a determination where it found that action taken by Treasury had determined the controversy before it.

The second procedural change in Section 337 would vest the International Trade Commission with powers similar to those of the Federal Trade Commission, including a $10,000/day penalty for violations of its cease and desist orders. Under present law, the only sanction for such violations is the possibility of excluding the merchandise entirely, a remedy which is often too drastic to be viable.

IV. STUDY OF CONSOLIDATION OF RESPONSIBILITIES IN AN INDEPENDENT AGENCY

The bill proposes a study of the feasibility and desirability of transferring Treasury's functions under the antidumping and countervailing duty laws to an independent body such as the International Trade Commission or perhaps to an independent section of a possible new department of international trade. This question merits serious consideration for two reasons: (a) the division of responsibilities under the Antidumping Act, and the overlap between that act and Section 337, lead to administrative inefficiencies that would be eliminated by consolidation in one agency, and (b) the history of Treasury's enforcement of these laws raises questions as to whether they can be vigorously enforced by an executive branch agency subject to the pressures exerted by broader trade and foreign policy considerations.

V. PRIVATE CAUSES OF ACTION

Unfair practices in foreign trade often bear striking resemblance to violations of antitrust laws. Yet, while antitrust laws rely

heavily on private lawsuits for their enforcement, private enforcement of trade laws is rare.

This is more by accident than by design. The original antidumping statute was Section 801 of the Revenue Act of 1916 (15 U.S.C. Section 72), which provides for treble damages where an American business sustains a competitive injury by reason of dumping. However, the 1916 Act has been invoked in only a few cases, most of which were brought very recently. To date not one case has been prosecuted successfully to conclusion under this statute. As early as the Tariff Commission report of 1919, commentators have noted that the 1916 Act is a dead letter. The Commission, at that time, concluded that, "Evidently, for the most part, the language of the Act makes difficult, if not impossible, the conviction of offenders and, for that reason, the enforcement of its purpose. . . . If the Act of 1916 is adhered to, attention should be devoted to careful revision and strengthening of its provisions." Primarily out of frustration with the ineffectiveness of the 1916 act, Congress in 1921 legislated the administrative remedies under a new Antidumping act.

The 1916 Act suffers from three defects: (1) plaintiffs must prove a specific motive—a criminal intent—to destroy or injure American business, or to restrain trade; (2) the 1916 Act has been interpreted as a criminal statute, requiring strict construction of its terms and a criminal burden of proof beyond a reasonable doubt; and (3) the statute is laden with vague and uncertain language purporting to describe the proscribed behavior.

The proposed legislation would give substance to the private antitrust remedy enacted by the Congress in 1916 by making use of two statutes enacted subsequently—the Robinson-Patman Act (15 U.S.C. 13, the domestic price discrimination law) and the 1921 antidumping Act.

If dumping is alleged, an injured party would not have to prove that the sales were made with a specific anticompetitive intent, but rather would have to show sales at less than fair value (as defined in the 1921 act) which had the effect of substantially lessening competition or restraining trade or monopolizing any part of trade or commerce. The plaintiff would establish the elements of the violation under a civil standard of proof, by a preponderance of the evidence. As in Robinson-Patman, the burden would then shift to the defendant to establish that the price differential was justified. As in Robinson-Patman, it would be assumed that the party to whom the burden shifts is the party best able to come forward with evidence justifying its action.

An adequate private antitrust remedy directed at predatory dumping is necessary for three reasons:

(1) Neither Treasury action under the 1921 statute nor Commission action under Section 337 of the 1930 Tariff Act will make our free enterprise system whole for anticompetitive harm done to it. The latter actions serve only as deterrents to prospective unlawful acts;

(2) The 1921 Act approach of imposing dumping duties is not a foolproof deterrent to the continuation of dumping practices. A firm may be willing to arrange with its corporate relatives who import the merchandise at an unfair price. The recent history of the television antidumping case has brought to light the possibilities for evading the intending effect of tariff actions under the 1921 Act through kickbacks and rebates. In addition, the use of cease and desist and exclusion orders by the Commission in Section 337 predatory pricing cases is as yet too new to be able to ascertain its effectiveness; and (3) Other domestic antitrust laws are not adequate remedies for predatory dumping. Section 1 of the Sherman Act (15 U.S.C. 1) outlawing combinations in restraint of trade is applicable only to multiple party activity. Dumping is generally viewed as an act not performed in concert or combination with other co-participants. Section 2 of the Sherman Act (15 U.S.C. 2) is directed not so much against anticompetitive conduct as against anticompetitive market structures. Dumping would be cognizable under Sherman 2, but it would simply be one element in a scheme to monopolize or attempt to monopolize trade.

For these reasons, two additional statutes, the 1921 Antidumping Act and the Robinson-Patman Act, were passed subsequent to Sherman 1 and 2 to address specifically the problem of price discrimination. Robinson-Patman, however, has been held to be inapplicable to acts of price discrimination occurring in international commerce even where the effect is on the United States market.

INTERNATIONAL TRADE LAWS REFORM ACT OF 1979

SECTION-BY-SECTION ANALYSIS

Title I—Antidumping Act amendments

Section 101. This section revises section 201 of the Antidumping Act, 1921 (19 USC 160). The subsections are rearranged so that the procedures read in chronological order. Subsection (a), concerning the initiation and preliminary phases of the investigation, replaces subsection (c) of the current statute. Subsection (b) continues to cover the tentative determination of the Secretary of the Treasury. Subsection (c) deals with the final determination of the Secretary and the injury determination of the International Trade Commission while subsections (d) and (e), respectively, deal with the hearings and the statements of reasons supporting the determinations, and replace subsections (a) and (d) of the current statute. Subsection (f) establishes the process by which a final determination of sales at less than fair value or an injury determination may be terminated.

Each subsection amending Section 201 of the Antidumping Act, 1921, is discussed separately below.

Section 201, subsection (a), paragraph (1). Current law simply requires the Secretary to decide within thirty days after receipt of information alleging dumping whether to initiate an investigation. The bill requires the Secretary to conduct a preliminary investigation upon being informed of the existence or likelihood of the dumping of merchandise, and sets a "reasonable indication" standard for the Secretary's determinaton no more than 45 days later as to whether such merchandise is being or is likely to be dumped. The bill makes clear that information from sources other than a petition submitted by an affected domestic industry should trigger a preliminary investigation. The Secretary would continue to receive help from domestic industry in developing facts, but could not require the submission of more information than is reasonably available to a petitioning party nor necessary to determine the question of sales at less than fair value. The bill adds a requirement that possible margins of dumping be published in the Federal Register along with the notice of the initiation of a full-scale investigation in order to provide foreign manufacturers or importers of the merchandise in question information upon which to make price adjustments. In the case of a determination not to initiate a full-scale investigation, the Secretary will inform in writing a petitioning party of the specific reasons for such determination.

Section 201, subsection (a), paragraph (2) concerns the receipt by the Commission of information pertaining to injury to a domestic industry by reason of imported merchandise sold at less than fair value (LTFV). Under subsection (c)(1) of Section 201 of the current law, a petitioning party submits both information of injury and sales at less than fair value to Treasury. The bill provides that a petition setting forth the belief of injury, with reasons, be submitted to the Commission concurrent with the submission of LTFV information to Treasury. In the case of self-initiated investigations by Treasury, the lack of injury information from a petitioner is remedied by the provision for the Secretary to notify the Commission which shall conduct a preliminary investigation to develop facts regarding injury to a domestic industry. Paragraph (2) of subsection (a) also replaces paragraph (2) of section 201(c) of the current law which was added by the Trade Act of 1974 to provide for the interim injury referral by Treasury to the Commission. The bill retains the concept of a selective early injury determination, but eliminates entirely the involvement of Treasury in the injury question. Under current law, the Secretary is authorized to conclude, during the initial thirty day investigation, whether there is "substantial doubt" of injury. If he so concludes, he forwards to the Commission the reasons for such doubt, along with whatever LTFV information is available. Under the bill, upon receipt of a petition or upon being informed by the Secretary of a self-initiated investigation, the Commission conducts a preliminary investigation into the question of injury to a United States industry. The Commission must within 45 days determine if there is reasonable indication of injury or the likelihood of injury or that an industry in the United States is prevented from being established. The Commission is required to publish in the Federal Register its determination, whether affirmative or negative, along with a complete statement of reasons.

Section 201, subsection (a), paragraph (3) Under current law the Secretary upon making a tentative determination of sales at less than fair value withholds appraisement of the merchandise in question. Current law includes the authority to withhold appraisement covering merchandise which entered up to 120 days prior to the publication of the notice of initiation of a full-scale investigation. The withholding, however, would only cover that merchandise which has not been liquidated (fully cleared through Customs). The bill replaces the archaic term "withholding of appraisement" with the more accurate term "suspension of liquidation" inverted into the countervailing duty statute by the Trade Act of 1974. The bill mandates that the Secretary, upon publishing his determination of a reasonable indication of sales at less than fair value and upon a determination by the Commission of a reasonable indication of injury, shall require the suspension of liquidation as to merchandise entered or withdrawn from warehouse, for consumption, or after the date of publication in the Federal Register of the Secretary's notice of the initiation of a full-scale investigation. Also, as of that date, the Secretary must initiate a full-scale investigation under subsection (b) and publish notice to that effect in the Federal Register.

Section 201, subsection (b) Under current law, in the usual case, Treasury is afforded six months to make its tentative determination of LTFV sales. The bill cuts this time to four months. For the more complicated case the time is shortened by the bill from nine to six months.

Section 201, subsection (C), paragraph (1) and (2) Under current law, Treasury has three months following the tentative determination in which to make a final determination. If the final determination is affirmative, the case is then sent to the Commission for an injury determination which may take another three months. The bill makes concurrent the final three-month investigations at the agencies, with the provision of an additional month for the Commission to enable it to base its determination upon the margins of dumping disclosed in the final determination of Treasury. The Secretary is required to make available to the Commission his most recent LTFV data whenever he believes that the margins of dumping have changed significantly from the tentative determination. This provision is designed to give the Commission as much notice as possible relating to the likely final margins of dumping, so that it can complete its injury inquiry as efficiently and expeditiously as possible. The bill makes clear that a negative final LTFV determination or a final discontinuance of the investigation would terminate the Commission's inquiry in progress. In the case in which the Secretary reaches an affirmative final determination following a negative tentative determination, a three month injury inquiry by the Commission would follow the final determination, as under current law. The bill provides that upon the Secretary making an affirmative final LTFV determination and the Commission determining injury, the Secretary shall make public a finding of dumping which shall order the assessment and collection of estimated special dumping entries on the merchandise subject to the suspension of liquidation order.

Section 201, subsection (d) adds to those circumstances under current law following which a hearing will be available the notice of tentative discontinuance of an antidumping investigation or notice of a tentative modification or revocation of a dumping finding. Hearings are now provided for these circumstances by regulation. The paragraph also makes clear that any petitioning party, which may include a labor union or trade association under current regulations, may request and appear at the hearing. The bill requires that a hearing be held before any determination under subsections (a) (preliminary determination stage), (c) (final determination) or (f) (termination of a Finding).

Section 201, subsection (e) includes, along with those provided under current law, the tentative LTFV determination, whether affirmative or negative, in the list of determinations for which a complete statement of findings and conclusions must be published in the Federal Register. This addition would provide interested parties with considerably more information upon which to base their oral and written arguments at the hearing prior to the final determination, and would make more difficult inappropriate uses of the Secretary's discretion in making adjustments and calculating the margins of dumping. The bill also requires that a complete statement of Findings and conclusions be published in the Federal Register for a negative determination under subsection (a) (preliminary determination stage) and determinations, affirmative or negative, under subsection (c) (final determination) and subsection (f) (termination of a Finding).

Section 201, subsection (f), paragraph (1) Current law does not provide for the revocation of a dumping finding or an injury determination. However, both the Secretary of the Treasury and the International Trade Commission have adopted procedure permitting the revocation of dumping findings. The bill provides that a determination of sales at LTFV may be terminated upon petition by a party subject to the Finding but only if the Secretary first determines that such sales have not occurred for 3 years and receives assurances that sales at LTFV will not be resumed or himself determines that such sales are not likely to resume. After terminating such a Finding the Secretary is required to monitor the importation of such merchandise for 3 years and in the event that sales at LTFV resume shall initiate an investigation.

Section 201, subsection (f), paragraph (2) provides that an injury determination may be terminated upon petition by a party subject to the Finding but only if the International Trade Commission first determines that the injury found in the original determination has been absent for at least three years.

Section 102. This section amends Section 202(a) of the Antidumping Act, 1921 (19 USC 161) which provides for the calculation and imposition of the special dumping duty as to merchandise subject to a Finding of dumping, to conform that section with the amendments made to the Antidumping Act by this bill.

Section 103. This section amends section 205(a) of the Antidumping Act, 1921 (19 USC 164(a)) by authorizing the Secretary to calculate the foreign market value for purposes of assessing antidumping duties through the use of averaging techniques used in the LTFV investigation. Currently, Customs attempts to compare the purchase price or exporter's sales price (where the foreign manufacturer and the importer are related) in this country with the home market price or constructed value of the merchandise on the same date, or as near as possible to the same date as the date of purchase or export. Such a detailed comparison is quite time consuming and is in general in the interests of neither domestic industry nor the importers. This section permits the use of weighted averages on a manufacturer-by-manufacturer basis over a period of no longer than six months, which is generally the length of time over which such averages are currently being calculated in LTFV investigations.

Section 104. This section amends section 208 of the Antidumping Act, 1921 (19 USC 167) to provide for payment "up front" of estimated duties upon entry following a Finding of dumping (which includes affirmative determinations by the Secretary and the Commission). The current section 208 simply requires that an "exporter" under Section 207 of the Act (a purchaser who is related to the foreign manufacturer), who does not declare at the time of entry the exporter's sales price (his first sales price in this country), give bond in an amount equal to the estimated value of the merchandise. The bond is conditioned upon (1) reporting the exporter's sales price within thirty days after the merchandise is sold or agreed to be sold; (2) paying on demand the amount of dumping duty imposed; and (3) furnishing to Customs such information as may be in his possession and as may be necessary for the ascertainment of the dumping duty, and the keeping of records as to the sale of the merchandise as the Secretary may by regulation prescribe.

The bill's provision for payment of estimated dumping duties applies to all merchandise subject to a dumping Finding, and would bring the practice with respect to collection of dumping duties into conformance with the collection of regular duties.

Section 208, subsection (a), paragraph (1) provides that upon the Secretary making public a Finding, Customs shall not deliver merchandise subject to that Finding unless the special estimated dumping duty assessed on such merchandise is paid.

Section 208, subsection (a), paragraph (2) provides for adjustments, the necessity of which is to be made every fifteen months, to the amount of the estimated duty, based upon the most recent available data. Initially, the amount of the estimated duty would be based upon the margins of dumping for that manufacturer in the final LTFV determination. The bill provides that at fifteen month intervals after the publication of the Finding the Secretary is to publish tentative revised margins of dumping and three months thereafter the final revised margin of dumping. The opportunity for public comment and the right to a hearing is provided.

Section 208, subsection (a), paragraph (3) provides that the final revised margins of dumping are applied retroactively to merchandise appraised and liquidated from the date of publication of the prior margin of dumping. The bill provides for the return of any excess duties deposited, with interest, from the date on which the duty was deposited, at the annual rate established under section 6621 of the Internal Revenue Code of 1954 in effect on that date.

Section 208, subsection (b) restates the bonding requirement in the special circumstances listed under current law (19 USC 208) but amends the third condition of the bond to require the "exporter" to furnish to Customs such information as is in his possession, and to arrange to furnish other information, which the Secretary deems necessary for the ascertainment of the dumping duty. This should help ensure that Treasury has sufficient access to information upon which to assess duties.

Section 105. This section adds to section 209 of the Antidumping Act, 1921, (19 USC 168), new subsection (b).

Section 209, subsection (b) requires all information developed in connection with the assessment and liquidation of antidumping duties (other than items to which confidential treatment has been granted) to be made available, upon request of an interested party, in accordance with the provisions of the Freedom of Information Act.

Section 106. This section amends Section 210 of the Anti-dumping Act, 1921 (19 USC 169) which provides for the right of protest from certain actions of the Customs officers, to conform that section with the amendments made to the Antidumping Act by this bill.

Title II—1930 Tariff Act amendments

Section 201, subsection (a). This subsection replaces paragraphs (3) through (6) of subsection (a) of Section 303 of the Tariff Act of 1930 (19 USC 1303), the countervailing duty statute.

Section 303, subsection (a), paragraph (3), subparagraph (A) establishes the automatic nature of the initiation of an investigation by the Secretary upon the filing of a petition by any person setting forth his belief that a bounty or grant is being paid or bestowed. Current law provides that the Secretary initiates a "formal" investigation whenever he concludes from information presented to him that such an investigation is warranted. The bill requires the Secretary to conduct a preliminary investigation upon receipt of information to the effect that a bounty or grant is being paid or bestowed. Within forty-five days after receipt of such information, the Secretary initiates a full-scale investigation if he determines that there is a "reasonable indication" that such bounty or grant is being paid or bestowed. The bill adds a requirement that the Secretary publish in the Federal Register the possible size of the bounty or grant and the level of countervailing duty to be imposed. In the case of a determination not to initiate a full-scale investigation, the Secretary will inform in writing a petitioning party of the specific reasons for such determination.

Section 303, subsection (a), paragraph (3), subparagraph (B) provides that a petition setting forth the belief of injury be submitted to the Commission concurrent with its submission to Treasury alleging the paying or bestowing of a bounty or grant as to imported merchandise which is free of duty. In the case of self-initiated investigations by Treasury the lack of injury information from a petitioner is remedied by the provision for the Secretary to notify the

Commission which shall conduct a preliminary investigation to develop facts regarding injury to a domestic industry. Upon receipt of a petition or upon being informed by the Secretary of a self-initiated investigation, the Commission is to conduct a preliminary investigation into the question of injury to a United States industry. The Commission must within 45 days determine if there is reasonable indication of injury or the likelihood of injury or that an industry in the United States is prevented from being established. The Commission is required to publish in the Federal Register its determination, whether affirmative or negative, along with a complete statement of reasons.

Section 303, subsection (a), paragraph (3), subparagraph (C). Current law provides for suspension of liquidation only in the case of duty-free merchandise subject to an injury determination at the time the Secretary makes his final determination. Under the bill the Secretary is required, at the time he publishes his determination of a reasonable indication that a bounty or grant is being bestowed and, where applicable for duty-free merchandise where the Commission determines that there is reasonable indication of injury, to order the suspension of liquidation as to merchandise entered or withdrawn from warehouse, for consumption, on or after the the date of publication of the notice of the full-scale investigation.

Section 303, subsection (a), paragraph (4) shortens from current law the maximum time between notice of the initiation of a full-scale investigation and the tentative determination from six months to four and the additional time before the final determination from six months to three.

Section 303, subsection (a), paragraph (5) provides that when the Secretary makes a final determination that a bounty or grant is being paid or bestowed and, where applicable, the Commission determines injury the Secretary shall publish a Countervailing Duty Order.

Section 201, subsection (b). This subsection amends subsection (b) of Section 303 of the Tariff Act of 1930, which concerns duty-free merchandise made subject to an injury determination by the Trade Act of 1974. The subsection tracks precisely the proposed amendments to the Antidumping Act under Title I of this bill which make the final three-month investigations at Treasury and at the Commission concurrent, with the addition of an extra month for the Commission to make its injury determination on the basis of the final determination of the Secretary.

Section 201, subsection (c). This subsection amends subsection (c) of Section 303 of the Tariff Act of 1930, and brings together the paragraphs concerned with the actions of the Secretary following the issuance of an order directing the assessment and collection of countervailing duties.

Section 303, subsection (c), paragraph (1) provides that upon the Secretary making an affirmative final determination and, in the case of duty-free merchandise, the Commission determining injury, the Secretary shall make public an order directing the assessment and collection of estimated countervailing duties on the merchandise subject to the suspension of liquidation order.

Section 303, subsection (c), paragraph (2) provides that as to all merchandise subject to a countervailing duty order, Customs shall not deliver the merchandise unless the estimated countervailing duties are paid.

Section 303, subsection (c) paragraph (3) provides for adjustments, the necessity of which is to be made every fifteen months, to the amount of estimated duty, based upon the most recent available data. Initially, the amount of the estimated duty would be based upon the bounty or grant established by the Secretary in his final determination. The bill provides that at fifteen month intervals after the publication of the Order the Secretary is to publish tentative revised levels of bounty or grant and three months thereafter a final revised bounty or grant. The opportunity for public comment and the right to a hearing is provided.

Section 303, subsection (c), paragraph (4) provides that the final revised bounty or grant is applied retroactively to merchandise appraised and liquidated from the date of publication of the prior level of bounty or grant. The bill provides for the return of any excess duties deposited, with interest, from the date on which the duty was deposited, at the annual rate established when section 6621 of the Internal Revenue Code of 1954 in effect on that date.

Section 303, subsection (c), paragraph (4) requires all information developed in connection with the amount and liquidation of countervailing duties (other than items to which confidential treatment has been granted), to be made available, upon request of an interested party, in accordance with the provisions of the Freedom of Information Act.

Section 303, subsection (c), paragraph (6) extends the scope of the current requirement under (a)(6) of Section 303 of the Tariff Act of 1930 that the tentative and final determinations of the Secretary, and the injury determination of the Commission, be published in the Federal Register. The bill also requires that any negative preliminary determination under Section 303(a)(3) be subject to the requirement that the determinations be accompanied by a complete statement of findings and conclusions, and the reasons or basis therefor, on all material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission in the course of making their respective determinations).

Section 303, subsection (c), paragraph (7) restates existing paragraph (6) of Section 303(a) of the Tariff Act of 1930.

Section 202, subsection (a) amends Section 303 by redesignating sections (d) and (e) as (e) and (f), respectively and adding a new subsection (d).

Section 303, subsection (d), paragraph (1) provides that a determination that a bounty or grant is being bestowed may be terminated upon petition by a party subject to the determination but only if the Secretary first determines that such bounty or grant has not been afforded for three years. After terminating such a finding the Secretary is required to monitor the importation of such merchandise for three years and in the event that renewed grants or bounties are found shall initiate an investigation.

Section 303, subsection (d), paragraph (2) provides that as to duty-free merchandise an injury determination may be terminated upon petition by a party subject to the Finding but only if the Commission first determines that the injury found in the original determination has been absent for at least three years.

Section 303, subsection (d), paragraph (3) establishes at what stages hearings are to be afforded if requested.

Section 203. This section amends section 484(b) of the Tariff Act of 1930. The bill requires the mandatory reporting to the Customs Service of the home market price and sales price of goods selected by the Secretary which goods represent a major factor within the domestic market at the time the goods are being processed for entry.

Section 204. This section amends section 484(e) of the Tariff Act of 1930. The bill provides for publication of statistical summaries of the kinds and quantities of merchandise imported into this country, their home market price, and the domestic price of the goods. Along with Section 203 this section will permit interested parties to monitor for dumping, thereby encouraging the active enforcement of the antidumping laws by domestic industry.

Section 205. This section amends section 484 of the Tariff Act of 1930 by adding an additional subsection, designated (h). The bill would require information (currently asked for on Customs invoices) on home market price and purchase price or exporters sale price. This provision should facilitate Custom's ad valorem calculations.

Section 206, subsection (a). This section addresses procedural aspects of the jurisdictional overlap between the Treasury Department's enforcement of the Antidumping Act and the countervailing duty law and the International Trade Commission's enforcement of Section 337 of the Tariff Act of 1930 which proscribes "unfair methods of competition." Current subsection (b)(3) of section 337 of the Tariff Act of 1930 simply requires the Commission to notify promptly the Secretary whenever it has reason to believe that the matter may come within the purview of the antidumping or countervailing duty statutes. The bill provides that the Commission not only continue to so notify the Secretary, but that it may suspend its investigation as to those matters which may come within the purview of the above statutes, pending Treasury action. Suspension is discretionary because in all likelihood there will be cases in which a part of the allegation though it be minor in scope may fall within the purview of the antidumping or countervailing duty statutes. To require suspension of the investigation in such cases for a period of many months would deprive interested parties of timely relief from unfair trade practices. It is also felt that an enumeration of the circumstances under which the Commission must suspend its investigation would prove much too complicated to be appropriate for statutory treatment.

Section 206, subsection (b). Under current Section 337(c) of the Tariff Act of 1930, the Commission is required to make a determination in each Section 337 case whether or not there is a violation of that section. This section amends subsection (c) of Section 337 of the Traiff Act of 1930.

Section 337, subsection (c) provides a substantive standard by which the Commission shall decide whether it has jurisdiction to issue a determination under Section 337. Where the Commission has reason to believe that the matter in controversy may come within the purview of the antidumping or countervailing duty laws, it shall not retain jurisdiction to issue a determination if it determines that action taken as is authorized by those statutes "determines the controversy" before the Commission. The latter language means that the dumping or subsidy problem had been or was being eliminated by action taken by Treasury. In requiring the Commission to examine Treasury action to ascertain whether such has determined the controversy, it is contemplated that either the Section 337 case would have been filed after Treasury had acted on the matter, or that the Commission would have made appropriate use of its discretion in suspending its investigation pending such action.

A degree of uncertainty as to where a case is most appropriately determined will remain under this formulation. To completely resolve the jurisdictional dispute would require either total elimination under Section 337 of cases involving discriminatory pricing, or total elimination of any checks on the Commission's ability to decide such cases. It is felt that neither approach would make sound policy. It is contemplated, however, that the legislative history of this bill would expand upon the comment made in the Finance Committee report on the Trade Act of 1974, "it is expected that the Commission's practice of not investigating matters clearly within the purview of either Section 303 or the Antidumping Act will continue."

Section 206, subsection (c). This section adds to Section 337(f) authority for the Commission to seek in a civil action brought by the Commission a civil penalty of no more than $10,000 for each violation of its cease

and desist orders. Each day of failure or neglect to obey a final order of the Commission is deemed a separate offense, and the district courts are also empowered to grant mandatory injunctions and other equitable relief in the enforcement of Commission orders. These additional means of enforcing cease and desist orders are now available to the domestic counterpart of the Commission, the Federal Trade Commission, under 15 U.S.C. 45(m).

Section 207. This section clarifies and expands the scope of judicial review of affirmative final determinations and affirmative injury determinations in antidumping and countervailing duty cases by amending Section 514 of the Tariff Act of 1930 (19 USC 1514).

Section 514, subsection (d) permits challenge in the Customs Court of a Finding of dumping or an order directing the assessment and collection of countervailing duties within thirty days after its issue by the Secretary of the Treasury. The parties who may file such a challenge are expanded to include adversely affected foreign manufacturers, producers or exporters of merchandise of the same class or kind covered by the determination. The party bringing the action may contest both the final determination of the Secretary and the injury determination of the Commission or it may challenge only one of the determinations. Challenges may also be made to the size of the margins of dumping or the amount of the bounty or grant disclosed in the final determination. Current law permits only the domestic importer or his consignee or agent to challenge impositions of antidumping or countervailing duties, and then only following the liquidation of a specific shipment, which does not occur generally until at least many months (or in some cases, years) after Treasury and the Commission had issued their determinations with respect to the class or kind of merchandise in question. An earlier challenge to those determinations is desirable in the interests of fairness because of the bill's provision for payment of estimated duties "up front" on entries following a Finding of dumping or an order to collect countervailing duties. The authority of the courts to consider challenges to the margins of dumping or the amounts of subsidies found is added because there should be some review of the decisions by Treasury as to what constitutes appropriate adjustments for differences in the merchandise, circumstances of sale or quantities sold.

Section 514, subsection (e), paragraph (1) specifies the standard of and record for review in actions under Section 514 contesting determinations by the Secretary or the Commission in countervailing duty or antidumping cases. Current law makes no mention of these matters, and the courts are not certain what Congress intended.

Under existing law, two types of decisions are made respecting the imposition of antidumping or countervailing duties. The first type of decision is one to impose those duties upon a certain class or kind of merchandise. The second type involves an application of a decision of the first type to particular merchandise. The bill provides that the record for review shall include the determination published in the Federal Register, the reasons or basis therefor, the transcript of any hearing, and all information developed in connection with the investigation.

Section 514, subsection (e), paragraph (2) provides authority to the Customs Court to disclose information of a privileged or confidential nature obtained in an investigation to any party or its counsel under such orders as the Court deems necessary.

Section 208. This section clarifies and expands the scope of judicial review of negative final determinations and negative injury determinations in antidumping and countervailing duty cases as set forth in Section 516(d) of the Tariff Act of 1930.

Section 516, subsection (d), paragraph (1) changes existing law by making clear that a labor union or trade association connected with the production of merchandise of the class or kind covered by the Finding or order may challenge the above negative determinations in the Customs Court. Even though such union or association may file an antidumping or countervailing duty petition, they would not in all likelihood, be construed as "an American manufacturer, producer or wholesaler" of such merchandise, and would thus not be permitted to vindicate their rights in the courts under current law. The paragraph also eliminates the need to file with the Secretary a written notice of a desire to contest the determination within thirty days after its publication. Under current law, the Secretary publishes such notice, and it is not until thirty days thereafter that suit may be filed. The extra thirty day delay is unnecessary in view of the public nature of the proceedings under the antidumping and countervailing duty statutes.

Section 516, subsection (d), paragraph (2) locates in the Customs Court on the same basis as provided in paragraph (1), the contesting of a negative injury determination of the International Trade Commission. The failure of current law to address this question, led to two years of senseless litigation which concluded in May of 1978 with a determination by the Customs Court that there is a right to review negative ITC injury determinations under Section 516 (c), and that such review is to be held in the Customs Court (*SCM Corp.* v. *United States*, Customs Court No. 77-4-00553).

Section 516, subsection (d), paragraph (3) adds the right of a petitioning party to seek review of the following two types of decisions not clearly reviewable under current law: (A) a final discontinuance under subsection (c) of Section 201 of the Antidumping Act, 1921, either in whole or in part, or the decision by the Secretary to exclude one or more foreign manufacturers, producers, or exporters from a final LTFV determination; or (B) an affirmative final determination by the Secretary under the antidumping or countervailing duty statutes which contains margins of dumping or an amount of a bounty or grant which the petitioning party believes incorrect. These decisions may be challenged in the Customs Court within thirty days after notice is given the party or the determination is published in the Federal Register.

Section 516, subsection (d), paragraph (4) adds the right of a petitioning party to seek review of the following two types of decisions: (A) a preliminary determination by the Secretary of no reasonable indication of LTFV sales or the giving of a bounty or grant; or (B) a preliminary determination by the Commission under section 201 of the Antidumping Act or section 303 of the Tariff Act of 1930 of no reasonable indication of injury. These decisions may be challenged in the Customs Court within fifteen days after publication of the preliminary determination.

Section 516, subsection (d), paragraph (5) indicates that actions under paragraphs (3) or (4) wherein the court determines in favor of the petitioning party shall be remanded to the Secretary for action not inconsistent with the court's determination or the Secretary may order that action be taken (i.e., an investigation commenced) where appropriate.

Section 516, subsection (e) specifies the same standard of and record for review in actions under Section 516(d) as is provided for actions under Section 514 of the Tariff Act of 1930, under Section 207, Title II of this bill. The Court is given authority to protect from disclosure privileged or confidential information obtained during an investigation.

Section 209. This is a savings clause necessary to prevent the judicial relief amendments contained in the bill from causing the dismissal of any action which was instituted under the present section 516 (c) or (d) of the Tariff Act of 1930 and which is currently pending in the Customs Courts.

Title III—Amendments to Customs Court procedures laws

Section 301. This section amends section 2632(a) of Title 28 (28 U.S.C. 2632(a)) of the Customs Court procedure laws to conform that section to the amendment made by Section 208(d)(4)(A) and (B) of Title II of this bill.

Title IV—Study of transferring Treasury investigative responsibilities to International Trade Commission

Section 401. This provision directs the General Accounting Office to undertake a one-year study of the need for and feasibility of a transfer of the duties of the Treasury Department under the Antidumping and Countervailing Duty statutes to the International Trade Commission, or to an independent section of a possible new Department of International Trade.

Title V—Amendments to Revenue Act of 1916

Section 501. This section amends Section 801 of the Revenue Act of 1916, the original antidumping statute commonly known as the "Predatory Dumping Act." The bill maintains the right as provided under current law for any person injured in his business or property by reason of a violation of, or combination or conspiracy to violate that act, to recover treble damages, and the cost of the suit, including a reasonable attorney's fee in the United States District Court in which the defendant resides or is found or has an agent. This section, however, makes substantial changes in the 1916 Act in nearly every other respect.

The jurisdictional elements establish that the cause of action runs against any person who sells merchandise in this country, at a price proscribed by the Act, which merchandise was manufactured in a foreign country. By comparison, the present 1916 Act reaches any person importing or assisting in importing such merchandise from any foreign country into the United States. The foreign manufacturer is not subject to prosecution notwithstanding its predatory conduct under the 1916 Act.

The proscribed behavior under the proposed legislation is a sale or sales which would constitute an act of dumping under the 1921 Antidumping Act (19 USC 160–173). The 1921 Act defines such dumping to occur when the "purchase price" or "exporter's sales price" is less than the "foreign market value" (or, in the absence of such value, than the constructed value) of such or similar merchandise. Subsection (d) of Section 801 of this bill specifies that for the purpose of construing these terms the courts shall take into account and be guided by the provisions of the 1921 Act. The present 1916 Act, by contrast, proscribes dumping by use of terminology which is vague and has no modern meaning. The 1916 Act proscribes the common and systematic importation of merchandise at a price "substantially less" than the actual market value or wholesale price of such merchandise, at the time of exportation to the U.S., in the principle markets of the country of its production, or of other foreign countries to which it is commonly exported. Under the bill, the elements of a price discrimination under the 1921 Act

would be the same as the elements of such a discrimination under the now amended 1916 Act, except that an anti-competitive effect is required under the amended 1916 Act as opposed to injury to an industry (competitors) under the 1921 Act. Subsection (b) incorporates a technique borrowed from the Robinson-Patman Act (15 USC 13) of shifting the burden of proof once the plaintiff has established a prima facie case, to the defendant, who possesses the best information to establish that a price differential was justified. Justification may be shown, as under Robinson-Patman, by establishing that the lower price (1) makes only due allowance for differences in the cost of manufacture, sale or delivery resulting from the differing methods or quantities in which such merchandise is sold or delivered; (2) was established in good faith to meet an equally low price of a competitor in the United States market; or, (3) was set in response to changing conditions affecting the market for marketability of the merchandise concerned. Also a justification could be that the importer set his price based upon a good faith reliance on information contained in the Customs invoice. This latter defense affords protection to the unrelated importer who sells the merchandise unaware that it is being "dumped" in the U.S. markets.

The anti-competitive effect that must be established under the bill is harm in fact. This is the same as under the Sherman Act standard of restraint of trade or monopolization of any part of trade or commerce within the United States (15 USC 1 and 2). Also, language is borrowed from the domestic price discrimination statute, the Robinson-Patman Act, to proscribe harm to competitors where there has been a substantial lessening of competition. The language differs from Robinson-Patman in that the effect must have occurred in fact, not merely be proven to be incipient. Under the present 1916 Act, no harm to the competitive process needs to be shown. Rather, the act or acts of dumping must be undertaken with a specific criminal intent to destroy or injure an industry in the United States, to prevent the establishment of such an industry, or to restrain or monopolize any part of trade or commerce in such articels in the United States. The bill eliminates the criminal liability contained under current law. The statute of limitations for a cause of action is set at four years.

Mr. HATCH. Mr. President, it is my pleasure to cosponsor, with Senator DANFORTH of Missouri, the "International Unfair Trade Laws Reform Act of 1979."

Two of Utah's largest employers, the steel and copper industries, have been crippled in recent years by a deluge of unfair foreign imports, while the administration has failed to offer protection. Countless small businesses have felt an immeasurable effect from an untold number of subsidized imports.

By the failure of the administration to adequately enforce fair trade laws, which protect our open market from "dumped" goods, the administration has endorsed a policy of eroding industry's world and domestic market shares and have severely handicapped industry's ability to obtain the capital to modernize. By an unresponsive administration untold numbers of small businesses have borne the burden of subsidized goods flooding our open market. What the law has lacked in protection, what Treasury has lacked in initiative and enforcement, this act will correct.

The "International Unfair Trade Laws Reform Act of 1979" will clarify the role of the U.S. Department of Treasury in insuring a fair market in the United States. The antidumping provisions of this bill substantially reduces the timetable for halting imports of unfairly traded goods. It requires Treasury to determine within 45 days, upon receipt of information from any source, whether there is a reasonable indication that dumping is, or is likely to be, occurring. If Treasury finds such a reasonable indication, then it must initiate a full-scale investigation. Payment of estimated duties after a "finding" of dumping would be required "up front" rather than at the current collection time of 3 to $3\frac{1}{2}$ years, if at all. Finally, the antidumping portion of this bill would clarify and increase the scope of judicial review to induce administrative agencies to more carefully apply the law, while not jeopardizing the basic informal nature of the present system.

The countervailing duty provisions of this bill similarly substantially reduces the timetable for halting imports of subsidized goods. Likewise, liquidation of countervailing duties is mandated after the preliminary determination stage, rather than little or no previous payment of countervailing duties. This bill is but one step on the road of effectively maintaining free global trading. Procedurally, it provides the way for protecting our open market from unfair imports. Substantially, much paving must be made, and this bill is not intended to so pave. This is but the first step.

This bill is long overdue. Relief from unfair imports is long overdue. Let us now serve notice on the world that our free enterprise system will not fall from the predatory and unfair practices of the unscrupulous. Free trade will prevail, and a global benefit will be felt. Utah needs these measures, as does the whole of the United States.

By Mr. HATCH (for himself, Mr. STEVENS, Mr. YOUNG, Mr. TOWER, Mr. DOMENICI, Mr. HAYAKAWA, Mr. HELMS, Mr. THURMOND, Mr. GOLDWATER, Mr. SCHMITT, and Mr. DOLE):

S. 224. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

Mr. HATCH. Mr. President, today I am introducing a bill to restrain the Treasury Department from issuing administrative regulations to include employee fringe benefits as part of gross income.

This bill will accomplish the following:

First. Return to Congress the responsibility of levying taxes on employer fringe benefits, an increasingly substantial portion of personal income;

Second. Aid business and labor in negotiating future contracts by ending speculation as to what the IRS might define as taxable income; and

Third. Save taxpayers billions of dollars in additional taxes.

On August 2 of last year, the Senate passed H.R. 12841, a bill which prevented the Treasury Department (IRS) from issuing final regulations on the taxation of fringe benefits until 1980. This bill extended an earlier bill which restricted Treasury from issuing regulations until July 1, 1978. Instead of providing the IRS with specific guidelines concerning fringe benefits, Congress has twice put off considering the matter until "a proper review of these issues" can be undertaken. The manner in which this problem has been handled has only increased the uncertainty about the future taxation of fringe benefits.

It is the constitutional duty of the Congress to legislate tax policy and thus determine what portion of personal income is taxable. If the Congress wants to tax fringe benefits, the Congress, not the IRS, should act. The bill I am offering today will place the burden on the legislative branch to take the initiative in deciding what fringe benefits that are not already taxed should be included as taxable income. This bill will avoid the cumbersome process of legislative veto in which Congress attempts to review and modify regulations put forth by an executive department.

Congress must take affirmative action now. The IRS has already targeted a score of fringe benefits to tax. In an article last May, U.S. New & World Report cataloged several benefits which will no longer be tax-exempt unless additional legislation is passed.

Mr. President. I ask unanimous consent that the article entitled "Forty Fringe Benefits IRS Wants To Tax" from the U.S. News & World Report of May 8, 1978, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORTY FRINGE BENEFITS IRS WANTS TO TAX

New rules that would impose taxes on dozens of employe fringe benefits are about to be unveiled by the Internal Revenue Service.

Just about every employe in the country appears to be a potential target. Congress, which would not have to pass on the actions now in the works, can be expected to howl—and maybe even move to thwart IRS plans.

The boxes on these pages indicate how extensive the tax-free perks of executives and other employes are—and how sizable they can be.

Fringes for millions. At least 40 benefits are under scrutiny, and they reflect an astonishing variety. Many perks, such as price discounts allowed for retail clerks, are the privilege of millions of individuals.

Some, such as free tuition for children of college staff members and free or nearly free air travel for families of airline employes, can mean thousands of dollars in tax-free benefits in a year.

While many business executives are enjoying the use of company cars and airplanes, car salesmen are getting full-time use of demonstrator models and millions of other employes are benefiting from subsidized lunchrooms and free parking spaces—all tax-free.

If all these fringe benefits were to be taxed, the added revenues would run into the billions.

The position of the IRS is that, legally, all of these benefits are taxable compensation to employes.

The Internal Revenue Code, officials point out, defines income for tax purposes as "all income from whatever source derived," including "compensation for services."

That section, the Supreme Court has ruled, "is broad enough to include in taxable income any economic or financial benefit conferred on the employe as compensation,

whatever the form or mode by which it is effected."

Officials point out, however, that there are two kinds of exceptions to that dictum. Many of the most important fringe benefits—pension and profit-sharing programs, group health coverage and the like—are exempted from current taxes by acts of Congress.

In addition, three major perks have been made tax-free by specific rulings or regulations issued by the IRS. These are: free or reduced tuition for children of college employes, free or nominal fares for employes of airlines, railroads and bus lines, and reimbursement of supper money for employees when they work overtime.

However, Internal Revenue Commissioner Jerome Kurtz warns that, for those three benefits, "IRS is legally empowered to change these rules to bring them more into line with the law as it has been developed by the courts over the years."

IRS officials are preparing to act on their own, without seeking legislation from Congress.

What to expect. Tax-agency lawyers are drawing up proposed new regulations that, if adopted, will tax many fringe benefits for the first time.

How inclusive will the proposed rules be? Commissioner Kurtz answers: "I would hope that we can draft rules including most items."

Not all fringe benefits will come under the tax law, to be sure. Many will specifically be made tax-exempt under carefully spelled out guidelines. Some small fringe benefits for example, will be made exempt because they are not worth trying to tax. Just as the law itself now exempts Christmas gifts valued at $25 or less, the new rules will exempt fringes of strictly nominal value. Reimbursement for an occasional dinner brought by an employe working overtime, for example, might come under that exception.

Some other benefits are to remain tax-free because they are too difficult to evaluate. For example, the market value of free parking at a downtown office building is easy to determine, but a space outside a plant miles from any city might be hard to price.

What the IRS is trying to do in writing the landmark regulations on fringes, Commissioner Kurtz says, is "to screen out small, hard-to-handle, difficult-to-value items." But on a vast array of fringes, workers, executives and other recipients may well find themsleves liable for tax payments.

Why is the IRS moving to tax fringe benefits that traditionally have been tax-free?

Because, says Kurtz, "basically, fringe benefits are taxable income under the law," and the IRS is bound to enforce that law.

The problem, he explains, is that the law does not spell out the tax treatment for most fringe benefits. As a result, some or all of them are likely to be subjected to taxes in specific cases when they show up in an audit of an individual's tax return.

Tax lawyers and accountants say this means that any individual's tax may depend on which Internal Revenue district he lives in, or on the mood of the agent who audits his return.

Seeking answers. In an effort to get the fringe issue settled, the Treasury in September, 1975, wrote a set of proposed new regulations setting out standards for determining the taxability of fringe benefits. However, recognizing the explosive nature of the issues, officials did not formally propose the new rules, but simply published them in the form of a "discussion draft."

The move met such a storm of protest from Congress and elsewhere that the draft was suddenly withdrawn on Dec. 17, 1976, by then-Secretary William Simon. He said the blanket approach to the fringe-benefit problem was all wrong.

And Congress, playing for time, wrote legislation forbidding the IRS to issue new fringe-benefit regulations before mid-1978. That measure has yet to become law, but the IRS has committed itself to adopt no new regulations on the subject before July 1.

As a result, the IRS is not even issuing any new fringe-benefit rulings to inquiring taxpayers or responding to revenue agents who request advice in cases that are under audit.

But the pledge to defer the actual adoption of new regulations is not being allowed to prevent the IRS from drawing up and proposing such rules for public study and comment. The plan is to issue these in a few weeks.

Washington's silence has not kept revenue agents in the field offices from demanding added taxes when fringe benefits show up on audits of returns. Some of the resulting disputes find their way to the Tax Court. When they do, the IRS usually wins.

Dealer pays up. Take the case of the auto dealer who was ordered to pay taxes on the value of his free use of one of his company's executive cars. Knowing that dealers and their executives all over the country enjoy free use of company cars without any tax liability, the man was outraged. But the court could find nothing in the law or regulations to let him off free.

In another case, the Supreme Court held that cash reimbursement of troopers' expenses for lunch while they are on duty is taxable income, even though tax law says reimbursement for meal expenses on overnight business travel is not counted as income.

Opponents of the IRS position argue that, because Congress has had many years in which to make fringes clearly taxable, the agency is usurping authority in going ahead on its own.

But Commissioner Kurtz insists that the IRS simply wants to get the issue settled—to make fringe benefits clearly taxable or tax-free under law.

By proposing new regulations imposing taxes on most such perks, Kurtz hopes to push Congress into writing legislation that spells out clearly the tax treatment on all such benefits.

But with Congress already balking on President Carter's tax-reduction-and-reform program, the IRS effort may draw nothing from Congress but another "stop" order on taxing employe perks.

IN THE TAX COLLECTORS' SIGHTS

Scores of employe fringe benefits go untaxed without any provision for them in law. Now the IRS wants to tax most of them. Here are 40 examples of perks under scrutiny:

1. Price discounts for store clerks.
2. Free trips in the U.S. and, in many cases, abroad for employes of airlines, railroads and bus lines.
3. Free tuition for spouses and children of university faculty members and other employes.
4. Free parking on employers' premises.
5. Overdraft privileges for bank officers and directors, often at low or no interest.
6. "In kind" benefits such as free or cut-rate telephone and power service for retired employees of phone companies and other utilities.
7. Use of company cars by executives and other employes, including use of demonstrators and "executive cars" by salesmen and executives of auto dealerships.
8. Cars and chauffeurs provided for high executives of federal, state and local governments.
9. Travel reimbursement for employes going between home and temporary work sites—say, an accountant driving to or from a client's office.
10. Season tickets to football, baseball and other games, used by employes.
11. Free tickets to the theater and concerts.
12. Christmas gifts—worth more than the $25 exempt by law—from employers.
13. Beach cottages and other vacation facilities maintained by companies for free use by employes.
14. Conferences at resorts for "sales leaders," spouses.
15. Employment-agency fees and expenses of interview trips paid by prospective employers.
16. First-class air travel when first class is not essential to the business of company officers and directors.
17. Rebates to employes who buy their firms' products.
18. Free subscriptions and low-cost gift subscriptions for employes of magazines and other periodicals.
19. Executive use of assistants and other staff members on personal matters.
20. Residences provided free for executives.
21. Free receptions and entertainment for wives at trade conventions—some of them overseas.
22. Education in the form of free on-the-job training.
23. Loans to employes at low or no interest to buy company stock or for other purposes.
24. Employer's credit cards used by employes to shift interest costs to the firm.
25. Old-age homes provided by companies for their retired employes.
26. Executive memberships in lunch and country clubs.
27. Home improvements for executives that are paid for by employers.
28. Financial counseling and accounting services provided by companies for executives.
29. Employe cafeterias and executive dining rooms offering subsidized prices.
30. Lunch and dinner money provided for employes in all sorts of situations.
31. Deferred pay for executives who each year elect to forgo a specific amount of their salaries and channel it into tax-sheltered investment accounts.
32. Executive trips on company planes to resorts.
33. Annual medical checkups, with health-unit services.
34. Company picnics, Christmas lunches, parties.
35. Bodyguards for corporate executives.
36. Taxi fares for employes coming or going after dark.
37. Tennis, squash courts, swimming pools, other recreational facilities provided by companies for free use by employes.
38. Free bus transportation to plants in distant locations or offices in unsafe neighborhoods.
39. For Americans working overseas, such benefits as education for children, residences, decoration and furnishing of homes, maid and valet services, meals and entertainment at nominal cost at military or government posts.
40. For members of Congress, haircuts, shoeshines, discounts on merchandise, transportation and meal reimbursements, limousines, parking, personal work by secretaries, day-care facilities, picture framing—and one free steamer trunk each session.

Mr. HATCH. Mr. President, we have heard a great deal about the "three-martini lunch," but the IRS appears to be after ordinary employees. As the U.S. News & World Report article says:

> Just about every employee in the country appears to be a potential target.

I hope my colleagues in the Senate will notice how many of these fringe benefits belong to middle and lower income people. How many "fat cats" work as store clerks? None. But if we let them, the IRS will tax store clerks on the price discounts that their employers grant them.

Another fringe benefit that the IRS wants to tax is free parking on an em-

ployer's premises. The brunt of this kind of "tax reform" is going to fall squarely on the shoulders of the average employee. When I think of the expanse of parking that surrounds many manufacturing plants, I see this reform as a tax against unions.

If allowed, the revenues created by a tax on these benefits would run into the billions. Should the IRS have such powers of taxation? Should the American people be forced to depend on the often inefficient operation of congressional oversight to protect their interests against the IRS?

I am equally concerned, Mr. President, that companies and labor unions which must negotiate long-term labor contracts have no clear indication from the Congress as to what portion of fringe benefits will be taxable. The one most affected by this instability is the middle-income wage earner. Any gains he might achieve in contract negotiations may be wiped out if IRS regulations are upheld at some future date. In addition, long-term planning by business is seriously curtailed by uncertainty with regard to future wage and benefit commitments.

Finally, this bill will have no effect on budget receipts. If the Congress wishes to raise revenues by taxing these benefits, it will still have the authority to do so.

In my opinion, Mr. President, this bill will allow the legislature to maintain direct control over the creation of new taxes at a time when the American people are crying for an end to the increasing tax burden.

Mr. President, I urge adoption of this bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 1 of the Act entitled "An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes", approved October 7, 1978 (Public Law 95-427; 92 Stat. 996) is amended to read as follows:

"(a) In General.—No fringe benefit regulation shall be issued in proposed or final form after April 30, 1979.".

Mr. STEVENS. Mr. President, I am happy to join with Senator HATCH in cosponsoring this legislation to prohibit the Internal Revenue Service from issuing regulations on the taxation of fringe benefits. The Treasury Department has tried for years to include these benefits in the computation of gross income despite widespread opposition. In 1975, for example, the Treasury Department prepared a draft of proposed regulations which set up criteria to determine which fringe benefits would be taxed. After extensive criticism, they withdrew the proposal the following year. In place of the draft, however, Treasury prepared a package of rulings in this area which would have raised an individual's taxes even more than the draft regulations. Again, these rulings were never issued due to pressure from both labor and business groups.

Mr. President, I do not want to imply that the subject of fringe benefits should not be addressed. The use of these untaxed benefits is becoming increasingly widespread and is a potential threat to Government's anticipated revenues. But the necessity or the equity of taxing fringe benefits is not the issue. What is of concern is Treasury's past unsolicited attempts to bypass Congress and deal with the problem through administrative fiat. I noticed that the administration's budget contains a proposal to make certain fringe benefits taxable items and it is encouraging to note that the administration is recognizing the fact that the duty to legislate tax policy lies with the Congress, not the Internal Revenue Service.

My new Senate colleagues may not be aware that the Senate passed legislation in May of last year prohibiting the issuance of regulations on this subject and extended this prohibition last August until January of 1980. Despite the administration's budget proposal, Congress may not act on this issue before the 1980 deadline. As Senator HATCH has pointed out on previous occasions, the IRS is threatening to take tough measures on taxing fringe benefits in 1980, thereby ignoring the clear intent of our recently passed prohibitions. By making the prohibition permanent through this legislation, we would remove any doubt that it is Congress responsibility to levy taxes on fringe benefits and it would keep us from having to continually extend the prohibition should the issue not be resolved this year.

Mr. President, at a time when we are all extremely sensitive to the problems of inflation and balancing the budget, it is important that we review the issue of untaxed fringe benefits and find a reasonable and fair manner in which to approach the question. The IRS claims that billions of dollars worth of fringe benefits are going untaxed and represent uncollected Federal revenues. While uncollected revenues are of concern, it is also important to remember that the growing inclination of workers to seek jobs with attractive fringe benefits is an attempt to escape high taxes. Fringe benefits are simply another indication of taxpayers' unwillingness to pay large portions of their incomes to the Government. Most experts believe that an IRS crackdown on untaxed benefits will increase lower and middle income taxes more than those of higher income earners, because, generally, the smaller one's salary, the greater the percentage of total income represented by fringe benefits. If Congress wishes to tax fringe benefits as income, we have to consider the net effect this will have on individual tax liabilities in all income groups.

Despite the intent of the Revenue Act, the majority of Americans will experience a tax increase this year and further tax cuts are still necessary. If fringe benefits are to be included as taxable items, even more substantial cuts will be required. I hope that we in Congress will accept our responsibility to handle this problem and find a solution that is both equitable and consistent with our general goal of cutting taxes.

Mr. DOLE. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill (S. 224) introduced by the distinguished Senator from Utah (Mr. HATCH) with reference to taxation of fringe benefits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I would say to the Senator, as the ranking Republican member of the Finance Committee, that this is an area we will be addressing. I understand all the frustrations he has expressed, and applaud his initiative and leadership in this area.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HATCH. I am deeply grateful to the Senator from Kansas, and very happy that he will join with me on this particular bill.

Mr. DOLE. I thank my colleague.

By Mr. DOLE (for himself and Mr. PRESSLER):

S. 225. A bill to create a rural economic development bank to assist in rural community and agricultural development by making financial, technical, and other assistance available for the establishment or expansion of commercial, industrial, and related private and public facilities and services, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL ECONOMIC DEVELOPMENT BANK ACT OF 1979

Mr. DOLE. Mr. President, I am introducing today a bill on a subject in which I am certain that the present Presiding Officer of the Senate (Mr. EXON) has had a longstanding interest, which is that of rural America and some of the problems we have had insofar as rural American economic development is concerned.

It seems to me that all of us, whether we classify ourselves as rural, urban, or suburban, have an obligation to be concerned in this area, because if rural America goes, the best food bargain in the world goes with it.

I know of the Presiding Officer's longstanding interest and the great work he has done in this effort.

The bill I am introducing today is designed to assist the revitalization and continued economic growth of our rural communities. The bill would stimulate and support balanced economic growth in rural communities by establishing a rural economic development bank, which would make financial, technical, and planning assistance available to small communities in nonmetropolitan areas.

PAST INITIATIVES HAVE FALLEN SHORT

Mr. President, past Federal initiatives for rural economic development have fallen short. Notwithstanding recent growth trends in some rural sections of our country, substantial disparities still exist between rural and metropolitan areas in terms of job opportunities, income levels, adequacy of housing, access

to quality health care, and other public facilities and services.

Rural America is 87 percent of the Nation's land area. It contains 27 percent of the people—over 60 million persons.

It is where all the Nation's food and fiber for 215 million people are produced by just over 3 percent of the people.

Rural America has over 50 percent of the Nation's substandard housing and 40 percent of the Nation's poverty-line families. Rural America lags behind the rest of the Nation in health, education, and other necessary public and social facilities.

NEW AWARENESS OF RURAL AMERICA

There is a new awareness of the potential attractiveness and future of rural America. The Nation would be wise and foresighted if it would invest its attention, its resources, and its energies to develop this potential.

Since 1979, almost 2 million more people have moved to rural places than have opted for metropolitan life and this migration is more than just a continuation of urban sprawl. Counties not adjacent to population centers are increasing in population after decades of steady out-migration.

Though this rural population trend is not occurring in every area, the general trend is nevertheless real. A national poll revealed that more than half the people now living in urban areas would prefer to live in the countryside, the small towns and cities of rural America, if adequate economic and social opportunities were available.

NEW JOB OPPORTUNITIES NEEDED

The legislation I propose would encourage creation of new job opportunities in rural areas by attracting private capital through the mechanism of a federally chartered rural economic development bank. Such a bank could support local financial institutions and insure that adequate credit resources were available to meet the needs of private enterprises that would expand or locate in small communities.

The development bank concept is not, of course, a new idea. Senator James Pearson, of Kansas, introduced such legislation when he was in the Senate. Other rural development bank proposals have been introduced in previous Congresses by other Senators.

I am continuing the rural development bank concept today, because I sense a reawakening of interest in the economic well-being, and quality of life in general, of rural America.

RURAL ECONOMIC DEVELOPMENT BANK

Mr. President, the rural economic development bank that I propose would be a self-financing, government chartered corporation. The bill provides that the bank would be capitalized through the sale of $3 billion in nonvoting stock to the U.S. Treasury. Initially, the Treasury would purchase 20 percent of this amount. As the bank's business develops, the Treasury would be authorized to purchase additional bank stock in amounts of up to $600 million a year.

The startup moneys paid in by the Federal Government would be financed through the sale of Treasury obligations to the public. Consequently, the $3 billion capitalization of the bank would not represent any direct appropriations from the Treasury. The bank could also require persons who receive financial assistance to purchase bank stock.

With this capital surplus, the bank could issue bonds for sale in the private market to raise the funds it would use to provide loans, loan guarantees, and other financial assistance. The terms and conditions for such financial assistance would be set at a level to recover the bank's operating expenses.

BOARD OF DIRECTORS

Bank policies would be governed by a 17-member board of directors. Initially, 13 members would be appointed by the President, with the advice and consent of the Senate, from the Government and private sectors. The four remaining members would be elected by borrowers and other recipients of bank assistance who held bank stock.

When the amount of voting stock exceeded the amount of nonvoting stock, five of the directors appointed by the President would be replaced by directors elected by recipients of bank assistance, giving them a majority voice in bank policy.

When the amount of nonvoting stock was reduced to zero all of the board of directors would be elected by the recipients of bank assistance.

BANK AUTHORITIES

Mr. President, the bank would be authorized to make loans and loan guarantees to new or expanded private enterprises in small communities located in nonmetropolitan counties. Although small communities in some nonmetropolitan areas have been experiencing economic growth in recent years, these areas are primarily in counties adjacent to metropolitan areas. Other nonadjacent rural areas have experienced little or no growth.

Consequently, the bank's principal focus would be upon communities not located in standard metropolitan statistical areas (SMSA). Nonetheless, a small community located in a SMSA could qualify for assistance if the bank found there was a lack of credit resources available for investment in that community and the community was rural in nature.

PUBLIC AND QUASI-PUBLIC ENTITIES

The bank would also be authorized to provide financial assistance to public and quasi-public entities for the development, expansion, or improvement of industrial sites and other public facilities necessary to support a community's development effort.

Financial assistance could also be provided for housing construction if it were determined that additional housing were necessary for the employees of a new or expanding business.

In addition to loans and loan guarantees, the bill would authorize the bank to buy and sell its own obligations and to buy and sell obligations originated by other lenders for rural development purposes consistent with those outlined in the bill.

The bank would be encouraged to involve other lending institutions in rural development loans and to create a secondary market for such loans.

Finally, the bill provides that the bank would make technical and planning assistance available to public bodies to enable them to maximize the benefits from rural investment in their communities.

LIMITATIONS ON FINANCING

The bank will not provide financing or other assistance for any commercial or industrial facility, supporting public or private development facility, or housing necessarily related unless the bank determines that other public or private financing could not be obtained on reasonable terms and conditions. The bank will not be in competition with private lenders.

Mr. President, the rural economic development bank will not guarantee equality of economic opportunity between rural and urban areas. A rural development bank, however, can contribute to balanced national growth by insuring that adequate credit resources are available to rural communities to encourage and sustain their economic growth.

Mr. President, I think this is a step in the right direction, and it seems to me it is a step that is needed as we look down the road, as far as food supply is concerned, as far as stable growth is concerned, and to assure continuing opportunities in rural America.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Economic Development Bank Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the economic development of rural communities is essential to balanced national growth;

(2) many rural communities are in urgent need of economic development;

(3) such development can be assisted by the establishment or expansion of commercial or industrial enterprises and related public and private services and facilities;

(4) existing rural financial institutions do not have adequate resources to satisfy the capital needs for investment in rural development; and

(5) creation of a rural development bank will attract and support additional private investment in rural communities.

(b) It is the purpose of this Act to stimulate the economic development of rural communities by—

(1) providing financial assistance for the establishment and improvement of commercial and industrial agricultural facilities that increase job opportunities in such communities, supporting private and public development facilities, and housing related to rural development projects financed under this Act;

(2) encouraging private investment in such facilities;

(3) bringing together investment opportunities, public and private capital, and capable management;

(4) making available technical and other supportive assistance to aid rural economic development; and

(5) seeking to achieve these purposes through the establishment of a borrower-owner rural development bank, which will aid private investors, financial institutions, and public agencies to finance rural development projects.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "commercial or industrial facility" means a fixed place of business, in or from which a manufacturing, processing, assembling, sales, distribution, storage, service, or construction business is carried on.

(2) The term "supporting private or public development facility" means an element of infrastructure, including recreational and cultural facilities, typically developed and owned by a public agency or private utility, or other service or facility made available to the public which is necessary to support economic development activities under this Act.

(3) The term "housing necessarily related" means housing of all types in or near a rural community which will provide living quarters for the personnel of any new or expanded commercial or industrial facility if the governing body of the political subdivision in which development assisted under this Act will be undertaken, certifies that there exists a need for additional housing in or near the development.

(4) The term "rural community" means any community, whether or not incorporated, which is located in a county that is not part of a standard metropolitan statistical area, except that the bank may determine that a community located in a standard metropolitan statistical area is a rural community if it finds that (i) there is a lack of public or private financial resources available for investment in the community, and (ii) assistance under this Act is necessary for the continued economic development or redevelopment of such community, (iii) the community is essentially rural in nature.

ESTABLISHMENT OF BANK

SEC. 4. There is hereby created a corporation to be known as the "Rural Economic Development Bank" (hereinafter referred to as the "bank") which shall be an instrumentality of the United States Government, and shall be subject to the provisions of this Act.

DIRECTORS AND OFFICERS

SEC. 5. (a) The bank shall have a Board of Directors consisting of seventeen individuals who are citizens of the United States of whom one shall be elected annually by the Board to serve as Chairman. Members of the Board shall be selected as follows:

(1)(a) Except as provided in paragraph (b) of this paragraph and paragraph (4) of this subsection, the President of the United States shall appoint, by and with the advice and consent of the Senate, seven members of the Board who shall be officials or employees of the government. The terms of directors so appointed shall be for four years, except that the terms of such directors first taking office shall expire as designated by the President at the time of appointment, four at the end of two years, and three at the end of four years after such date. Any director appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. At the discretion of the President, any individual who ceases to be an official or employee of the Government during his term as director may, notwithstanding that fact, complete his term.

(b) Whenever all class A stock issued under section 6(a) of this Act is retired, all replacement appointments of these seven members thereafter shall be made by election of the holders of class B stock.

(2) The President of the United States, by and with the advice and consent of the Senate, shall appoint six members of the Board from among representatives of the private sector. Of the six persons so appointed, three shall be from among representatives of business and finance, one from among representatives of organized labor, one from among representatives of community development organizations and one from among representatives of the general public. The terms of directors so appointed shall be for four years, except that the terms of such directors first taking office shall expire as designated by the President at the time of appointment, three of the members at the end of two years, and three at the end of four years after such date. Any director so appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term and shall be chosen from among representatives of the same category as his predecessor.

(3) Four members of the Board will be elected by holders of class B stock. The terms of elected directors will be for four years, except that the terms of such directors first taking office shall expire as designated by the President at the time of appointment of directors under paragraphs (1) and (2), two of the members at the end of two years, and two at the end of four years after such date.

(4) At the first annual meeting of the Corporation after the amount of class B stock issued and outstanding exceeds the value of class A stock issued and outstanding, three of the members of the Board appointed by the President under subsection (a)(1) and two of the members of the Board appointed by the President under subsection (a)(2) shall, in accordance with the regulations of the Board, be subject to replacement by directors elected by the class B stockholders.

(b) The President, by and with the advice and consent of the Senate, shall appoint a president of the bank. The president of the bank shall be the chief administrative officer of the bank and shall perform all functions and duties of the bank, in accordance with the general policies established by, and subject to the general supervision of, the Board, and shall engage such other officers and employees as the bank deems necessary to carry out its functions. The appointment of the president and not more than two vice presidents may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and they may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The president of the bank shall be an ex officio member of the Board of Directors and may participate in meetings of the Board, except that he shall have no vote except in case of an equal division. No individual other than a citizen of the United States may be an officer of the bank.

(c) Members of the Board may receive up to $200 for each day or part thereof spent in the performance of their official duties, which compensation, however, shall not be paid (1) for more than seventy-five days (or parts of days) in any calendar year, (2) to any Board member who is a full-time officer or employee of the United States, or (3) if such payment is otherwise prohibited by law. In addition, such members shall be reimbursed for necessary travel, subsistence, and other expenses incurred in the discharge of their official duties without regard to the laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States.

CAPITALIZATION OF BANK

SEC. 6. (a) Subject to the provisions of this section, the bank is authorized to issue from time to time and to have outstanding class A capital stock of an aggregate purchase price not to exceed $1,000,000,000. Shares of such stock shall be nonvoting and without par value.

(b) The Secretary of the Treasury is authorized to and shall subscribe for and acquire on behalf of the United States, as an initial investment in the stock of such bank to begin financial assistance operations, upon request of the Board of Directors, the class A capital stock of the bank of a total purchase price of $1,000,000,000. The subscription of the United States shall be paid as follows:

(1) Not more than 20 per centum shall be paid at the time the bank is organized, as provided for in an appropriation Act, and shall be available as needed by the bank for its operations.

(2) The remaining 80 percentum shall be paid on call by the bank only when required to carry out the provisions of this Act, except that not more than 20 per centum of the total amount may be called in any fiscal year, as provided for in an appropriation Act. The Secretary of the Treasury is authorized and directed to pay the subscription of the United States to stock of the bank from time to time when payments are required to be made to the bank. For the purpose of making these payments, the Secretary of the Treasury is authorized to use as a public-debt transaction $1,000,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, and the purposes of which securities may be issued under that Act are extended to include such purpose. Payment under this paragraph of the subscription of the United States to the bank and repayments thereof shall be treated as public-debt transactions of the United States.

(c) In addition, the Board of Directors is authorized from time to time to issue to the public and have outstanding class B stock of an aggregate purchase price not to exceed $1,000,000,000, or such larger amount as may be approved in an appropriation Act. Shares of such stock shall be nonvoting until such time as the amount of such stock issued and outstanding exceeds the aggregate amount of class A stock issued and outstanding.

(d) In providing for the issuance of class B stock, the Board is authorized to require a person receiving financial assistance from the bank to purchase a minimum number of amount of class B shares, but in no case shall such minimum amount exceed five per centum of the amount of the loan, loan guarantee, or other assistance provided by the bank.

(e) Stock and other securities issued by the bank pursuant to this section and section 7 shall be exempt securities under section 3 of the Securities Act of 1933 (15 U.S.C. 77c).

(f) When a person receiving financial assistance from the bank that holds class B stock pays off its indebtedness to the bank, its class B stock may be redeemed in cash at par value: *Provided*, That such class B stock may in the alternative be used as a credit to extinguish final indebtedness at par value. Class A stock held by the Secretary of the Treasury may be retired at any time, subject to approval of the Board, and shall be retired each year to the extent of the availability of earnings in accordance with the provisions of this Act.

(g) The earnings of the bank shall be determined in accordance with approved accounting principles and practices, as established by the Board subject to examination under policies of the General Accounting Office. Earnings shall be distributed as follows:

First, not less than 10 per centum of net earnings for the year shall be paid into the reserve fund of the bank until said reserve fund shall equal 150 per centum of outstanding stock.

Second, not less than 10 per centum of net earnings for the year shall be paid into the capital surplus fund of the bank.

Third, not less than 10 per centum of net earnings shall be used for retirement of class A stock and other evidences of indebtedness of the Bank held by the Secretary of the Treasury.

Fouth, dividends shall be paid on class B stock, at a rate not exceeding the average cost to the Bank of funds obtained through issuance of bonds, debentures, and other evidences of indebtedness in its funding operations.

OPERATIONS AND POWER OF THE BANK

SEC. 7. (a) In order to carry out the purposes of this Act, the bank is authorized to—

(1) make, participate in, or guarantee loans for real or personal property or for working capital to any individual, association, partnership, corporation, or public agency, including a cooperative, for the establishment, expansion, or preservation of any commercial or industrial facility, housing necessarily related thereto, or a supporting private or public development facility which is to be established or is located in or near a rural community;

(2) make, participate in, or guarantee loans, including interim financing, for the construction or improvement of such facilities to building contractors, subcontractors, or other persons engaged in such work;

(3) provide technical assistance to State and local governments in the preparation and implementation of comprehensive rural community development projects and programs, including the evaluation of priorities and the formulation of specific projects proposals, and charge appropriate fees for such assistance;

(4) undertake research and information gathering, and to facilitate the exchange of advanced concepts and techniques relating to rural community growth and development among State and local governments;

(5) develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the community in which the projects to be assisted will be located or disruptive of Federal programs which authorize Federal assistance for the development of like or similar categories of projects;

(6) seek to bring together investment opportunities in such facilities, capital, and capable management; and

(7) carry on such other activities as would further the purposes of this Act.

(b) To obtain indirect participation by private and public financial sources, the bank is authorized to—

(1) issue such obligations as it may determine on a competitive, negotiated or other basis at the discretion of the Board of Directors;

(2) invest funds not needed in its financing operations in such property and obligations as it may determine;

(3) purchase and sell securities or obligations it has issued or guaranteed or in which it has invested;

(4) guarantee securities in which it has invested for the purpose of facilitating their sale; and

(5) purchase and sell loans originated by private financial institutions to borrowers for rural development purposes consistent with the purposes of this Act.

(c) Whenever necessary to meet contractual payments of interest, amortization of principal, or other charges on the bank's own borrowing, or to meet the bank's liabilities with respect to similar payments on loans guaranteed by it, the bank may call an appropriate amount of the unpaid subscription of the United States in accordance with section 6(b)(2).

(d) If the bank finds that a default on financing provided by it may be of long duration, the bank may call an additional amount of such unpaid subscriptions for the following purposes—

(1) to redeem prior to maturity, or otherwise discharge its liability on, all or part of the outstanding principal of any loan guaranteed by it with respect to which the debtor is in default; or

(2) to repurchase, or otherwise discharge its liability on, all or part of its own outstanding borrowings.

(e) The bank is authorized to establish a principal office and branch offices in such locations as it may determine. It may establish regional offices and determine the location of, and the areas to be covered by, each regional office. It may make arrangements with public or private organizations at the regional, State, and local levels, including banking organizations and other financing institutions, to act as agents or otherwise to assist the bank in the conduct of its business.

(f) To carry out the foregoing purposes, the bank shall have such additional powers as are necessary or appropriate in carrying out this Act.

OPERATING PRINCIPLES

SEC. 8. The operations of the bank shall be conducted in accordance with the following principles:

(1) The bank shall undertake its financing, technical assistance, and other operations on such terms and conditions and for such fees as it considers appropriate, taking into account the requirements of the enterprise, the risks being undertaken by the bank, the benefits to the rural community or to the residents of such communities, and the conditions under which similar financing might be available from private investors.

(2) The bank shall maintain such liaison or consultation with other departments, agencies, or instrumentalities of the Government as may be necessary to insure that its operations are carried out in a manner which will supplement and not duplicate the operations and functions of any other department, agency, or instrumentality of the Government.

(3) The bank shall consult with and shall seek to encourage local banking and other financial institutions to participate in its financing and other activities.

(4) The bank shall, to the extent feasible, give emphasis in its activities to providing financing and other assistance to facilities owned in whole or in part by residents of rural communities or to facilities in which such ownership is made available to such persons.

(5) The bank shall seek to revolve its funds by selling its loans, loans guaranteed by it, and other investments to private investors whenever it can do so on satisfactory terms.

(6) The bank shall be subject to the Government Corporation Control Act (31 U.S.C. 841 et seq.) in the same manner and to the same extent as if it were included in the definition of "wholly owned Government corporation" as set forth in section 101 of that Act (31 U.S.C. 846).

(7) The bank shall pay, as an operating expense, a return out of gross income, at a rate determined by the Board, not to exceed 5 per centum per annum, on the amounts of outstanding class A subscriptions actually paid into the bank.

(8) The bank shall adopt such bylaws as may be necessary for the conduct of its business and the management of its affairs and may adopt such additional rules and regulations as are necessary and appropriate for carrying out the provisions of this Act.

LIMITATIONS ON FINANCING

SEC. 9. (a) The bank shall not provide financing or other assistance for any commercial or industrial facility, supporting public or private development facility, or housing necessarily related, unless it determines that—

(1) other public or private financing could not be obtained on reasonable terms and conditions;

(2) adequate arrangements have been made to insure that the proceeds of any loan or other financing are used only for the purpose for which the financing was provided, with due attention to considerations of economy and efficiency;

(3) the borrower or other recipient of financing has adequate equity or other financial interest in or income from the facility to insure his or its careful and businesslike management of the projects;

(4) the governing body of the city or, as appropriate, the governing body of the county, parish, or other political subdivision in which the facility is located or is to be established, or an agency or other instrumentality of such political subdivision designated by such body, has certified to the bank its approval of (A) the establishment of the facility at the particular location, (B) the proposed standards of construction and design, and (C) provisions for the relocation of any residence or businesses to be displaced; and

(5) the establishment, expansion, or preservation of the facility in the particular location will contribute to the level of economic opportunity for residents of the community and contribute to the general development of the community.

(b) The bank shall not provide financing for any commercial or industrial facility which has been relocated from one area to another, except that this requirement may be waived by the Board of Directors if it determines (1) that the establishment of such facility in the new location will not result in an increase of unemployment in the area of original location or in any other area where the enterprise conducts business operations, or (2) that such facility is not being established in the new location with any intention of closing down the operations of the enterprise in the area of original location or in any other area where the enterprise conducts its operations.

EXEMPTION FROM TAXES

SEC. 10. Except as specifically provided in this Act, the bank, including its capital and reserves or surplus and income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by the bank under the provisions of this Act. The security instruments executed to the bank and the bonds, obligations, debentures, issued under the provisions of this Act shall be deemed and held to be instruments of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation.

ANNUAL REPORT

SEC. 11. Not later than one hundred and twenty days after the close of each fiscal year the bank shall prepare and submit to the President and to the Congress a full report of its activities during such year.

AMENDMENTS RELATING TO FINANCIAL INSTITUTIONS

SEC. 12. (a) The sixth sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting before the comma after the words "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association" the following: ", or obligations of the Rural Economic Development Bank".

(b) Section 5200 of the Revised Statutes, as amended (12 U.S.C. 84), is amended by adding at the end thereof the following:

"(15) Obligations of the Rural Economic Development Bank shall not be subject to any limitation based upon such capital and surplus.".

(c) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(c)), is amended by inserting before the semicolon in the second proviso following "stock of the Federal National Mortgage Association" the following: "; or in obligations of the Rural Economic Development Bank".

By Mr. MORGAN:

S. 226. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

Mr. MORGAN. Today, Mr. President, I am proposing a bill directly related to the defense of the United States. The subject of my proposed bill is registration of our young people to meet any future national emergencies.

My bill also provides for specific mobilization planning authority within the Office of the Secretary of Defense to make sure adequate continuing attention is given this crucial defense area, and to report to us with an assessment of the Nation's mobilization capability.

In addition the bill provides for certain reports to be made to the Congress which will enable us to maintain oversight of the way Selective Service registration is to operate, to make sure it is equitable and efficient.

The bill also provides the statutory authority for Selective Service to obtain the information it needs to find and register young men. The following remarks outline my reasons for this amendment.

In 1972, the United States embarked upon an unprecedented method of recruiting military manpower by suspending the draft and moving to a Volunteer Force. As a direct result of this policy, which had its origins and support in the Congress, the U.S. Army Reserves have declined in strength each year until we are at the lowest point in numerical strength in 20 years. Yet the very foundation of the Volunteer Army is based upon the Reserves since half of the combat power and deployable units now reside in the Reserves and the National Guard.

The United States Army has suffered from dwindling strength levels and our pool of Reserve filler personnel in the individual Ready Reserve has declined from 900,000 in 1972 to 150,000 today and the future trends indicate that this pool will stay at a low level.

Mr. President and my fellow Senators, this is an alarming situation since this pool of personnel is supposed to provide the personnel to fill up our Active Army and Reserve forces in the event of a national emergency. It is becoming clearly evident that a standby draft is essential to insure that the necessary personnel can quickly be called up and trained. But do we have a strong standby system?

The answer is no. Testimony by the Defense Department and the Army shows that a standby draft will be required for even a moderate conventional war of short duration. The Defense Department increased its requirements for the Selective Service System by requiring that personnel be furnished to the training base earlier than was previously thought necessary.

The present requirements for Army personnel are presidentially directed and supported by the Defense Department and the Joint Chiefs as necessary for the security of our Nation.

The current Selective Service System cannot meet this new requirement. We simply do not have the machinery and we do not know where our young people are. An expansion of mission will be required if the Selective Service System is to carry out this vital requirement. At present, the Selective Service System cannot adequately meet the deadlines and it could be 5 to 7 months before the first inductions occur. If you combine the weak mobilization posture of the Selective Service and the low force strength levels of the Army Reserve, it becomes clear why the Joint Chiefs have expressed deep concerns about our military posture to the Congress.

My bill is for registration only and is focused upon strengthening the mobilization base for all three services, principally the Army Reserve. Registration would be limited to 18-year-olds in the year of their birthday.

Registration is also cost-effective, since it will save millions of dollars through cost avoidance rather than to patch together a system in the period following a national emergency. Many months of lost time can be saved by returning to registration and the very act of registration makes it plain to the potential enemies of the United States that we still retain our resolve to fully bear arms should this be the decision of the Congress and the President.

Registration also signals to the youth of America that the price of freedom is founded upon a commitment of sacrifice. This action will also clarify the fact that the volunteer force is a peacetime organization only and additional personnel to defend our Nation must come from our citizenry. The volunteer force cannot provide all the personnel to meet every contingency.

Also, Mr. President, registration is not a hardship, it is a civic duty and responsibility in the same manner as registering for a driver's license or for a social security account. It recognizes the right of the Government to call upon its citizenry for information, support, and defense.

There is a historical precedent for this action, since registration existed from 1972 to 1975 during the same period that the draft had ceased. In fact, the Presidential Proclamation that stopped registration in 1975 included language authorizing future registrations. Last year, the Senate Armed Services Committee recommended that the Defense Department furnish a detailed plan on how to implement a program of registration. In my testimony to the Senate Armed Services Committee last year, I stressed the need to move ahead now. Mr. President, we should not wait for another series of studies but be decisive now. The Constitution states that it is the duty of the Congress to raise armies and navies, therefore it is our responsibility to decide how ready we want to be in peacetime and how strong we want to be in wartime. This issue is vital to the security of the United States and it is not an inconsequential matter.

Our military leaders fully support this bill and we need to only look to recent history for a model. In World War II, the Selective Service System had been in operation since 1938 and when the bombs fell upon Pearl Harbor many thousands of young men had already been inducted and the Selective Service was operating. That is why it was possible to enroll over 16 million men 15 months before Pearl Harbor. We have no such capability now and our present Selective Service System is a far cry from its status during World War II and Korea. We must resolve the future of the Selective Services, so let us do the courageous thing by acting now. If we are willing to do controversial things in our treaties, let us not weaken our resolve to wrestle with difficult problems at home. Let us once again put planning, preparation and time on our side. I call upon you and my colleagues to vote in favor of this bill.

I want to make sure everyone understands that I am not proposing a return to the draft. This bill is only to register young men for Selective Service so that, if we ever again had to mobilize for war, we would not have to wait several months while we tried to locate and register the eligible men.

Mr. President, Selective Service registration has the support of the Marine Corps and the chairman of the Joint Chiefs of Staff, among others. We must have the courage to support them and assure the mobilization base now so sadly lacking.

Mr. HARRY F. BYRD, JR. Mr. President, I wish to comment at this point on the legislation just offered by the able Senator from North Carolina. The Senator from Virginia offered what may well be very similar legislation a couple of days ago. In any case, if I understand the legislation of the Senator from North Carolina accurately, it would provide for registration of those who normally would be required to register under Selective Service but who are not now required. I think what the Senator from North Carolina is proposing is important to the national welfare of our Nation. Perhaps the Senator from Virginia and the Senator from North Carolina, at a later date, can get together and work out one bill between us.

Mr. MORGAN. I thank my distinguished colleague. I am delighted to know that he did that.

I might say, I offered this bill last year. While I only got 13 votes on the floor of the Senate, I do not think that accurately reflected the views of our colleagues. I think there were procedural matters.

Also, I do know that the reaction I received back in my State supports the idea of a registration or an inventory of our young men so we may know where they are in the event an emergency does come.

I thank the Senator.

Mr. HARRY F. BYRD, JR. I think the able Senator from North Carolina is so correct in his analysis. I look forward to working with him on this subject.

By Mr. ROTH (for himself, Mr. HEINZ, Mr. BAYH, Mr. MOYNIHAN, Mr. JAVITS, and Mr. RANDOLPH):

S. 227 A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE

Mr. ROTH. Mr. President, I am pleased to introduce today a bill to strengthen our Nation's trade adjustment assistance programs for workers and firms and to remove inequities existing in the present program. Senators HEINZ, BAYH, JAVITS, MOYNIHAN, and RANDOLPH are joining me in sponsoring this bill.

An identical bill is being offered in the House of Representatives by Representative CHARLES VANIK. Our bill is similar to H.R. 11711 in the 95th Congress, which passed the House (by a 261 to 24 vote) and the Senate, but which was not enacted because there was no time for a conference committee to iron out differences on nongermane amendments.

This bill has strong bipartisan support in both Houses. In 1977 and 1978, the Trade Subcommittee of the House Ways and Means Committee, under the leadership of Mr. VANIK and the late and much-missed Congressman, BILL STEIGER, spent many months in developing this bill. It was a great tragedy for trade impacted workers and firms that it was not enacted in the last Congress.

In originally establishing trade adjustment assistance programs, Congress recognized the fact that changes in foreign trade policies designed to enhance our overall prosperity to injure some workers, firms, and communities. Adjustment assistance helps those who are injured to adjust to changing import conditions and patterns of international competitiveness.

It is, of course, not the only remedy that import-impacted workers and firms have. The Trade Act of 1974 also provides other forms of import relief and protection against unfair competition. But adjustment assistance is an essential element in a balanced international trade policy.

I support strong and effective programs of adjustment assistance because those injured by changes in Government foreign trade policies are entitled to relief. Adjustment assistance can help maintain a strong, healthy, competitive, and productive American economy. Unfortunately, present programs are not as effective as they should be, and there have been a number of unintended inequities. As Senator RUSSELL LONG said last year, trade adjustment assistance programs are "now quite inadequate." H.R. 11711 will improve the effectiveness of these programs, correct inequities and extend benefits to a number of workers and firms that should be covered by trade adjustment assistance. It will also accelerate the provision of benefits, provide more realistic job search and relocation allowances, and strengthen industrywide programs to adjust to import competition. In our hearings, on this bill, I think it is also essential to explore means of reducing paperwork connected with the programs.

Mr. President, at a time when the multilateral trade negotiations are being concluded in Geneva, I believe it is essential to put into place a truly effective trade adjustment assistance program. I hope this bill will receive prompt and careful consideration in the Senate Finance Committee.

● Mr. HEINZ. Mr. President, today I join Senator ROTH and a member of our colleagues in introducing legislation to make major revisions in our trade adjustment assistant program. This bill is similar to H.R. 11711, Adjustment Assistance for Workers and Firms, which both the Senate and the House passed overwhelmingly last year in different forms. Regrettably, that bill was not enacted into law.

Today's bill, which is also similar in many respects to legislation I introduced last year (S. 1658), is of considerable importance to trade-impacted industries, such as steel and related products, copper, zinc, footwear, textiles, and apparel, among others.

Adjustment assistance has often been cited as an effective and necessary approach to dealing with trade and import problems. Though I would prefer to see such problems prevented in the first place through more aggressive enforcement of our trade laws—and in fact am introducing other legislation to accomplish that objective—I also believe that there is inevitably a need for domestic adjustment to changing economic conditions in any dynamic economy, and that the Federal Government has a responsibility to assist workers and firms in such adjustment when it is caused by imports.

At present, unfortunately, our programs of assistance have been seriously deficient. Aid to workers has all too often been only a dole instead of providing meaningful help for job retraining and relocation. The program for businesses has been chronically a case of too little too late, mired in redtape that has resulted in many applicants going out of business before they ever receive any assistance. As the General Accounting Office summarized in a recent report: GAO has determined that the assistance program is benefiting only a small fraction of firms in need of assistance.

Changes made by the Trade Act of 1974 made some significant improvements in the program—which had scarcely been used prior to that time—serious problems remain, which this bill will help correct.

The bill broadens the adjustment assistance program for workers by extending eligibility to workers in firms which provide services or articles which are essential to the production of import-impacted products, and to workers manufacturing component parts in a subdivision of an impacted company. In addition, benefits are extended for older workers, job search and relocation benefits are increased, and the threshold of eligibility is extended retroactively to certain workers who were denied in the past because of a time limitation, notwithstanding the fact that the layoffs were import-related.

With respect to assistance for firms, the bill broadens eligibility criteria to conform with the changes in the worker program, makes it easier to obtain technical assistance in preparing a proposal, and increases to 90 percent the proportion of cost of that assistance the Commerce Department will bear. In addition, the effective rate on loans and guaranteed loans to impacted businesses is decreased and the ceiling on loans and loan guarantees is increased.

Finally, with respect to both programs, the bill broadens eligibility to include workers and their firms threatened with an absolute decrease in sales or production, rather than limiting it to those which have experienced an absolute decrease. This expansion will insure that the programs are timely and that assistance does not arrive, as has been alleged, only in the time for "burial."

Mr. President, the bill we are introducing today is not identical to the legislation I have proposed in the past. In some respects it is broader; in others it is noticeably narrower. In any event. I believe it is so important to promptly correct the deficiencies in the current program that the most efficient course of action at this point is to simply pass this consensus bill which has broad support and has passed the Congress before. The same legislation is being introduced today in the House by Congressman VANIK. I have previously indicated to Senator LONG and Senator RIBICOFF my support for this bill, and my strong hope that the Finance Committee will be able to find time in its schedule to take it up immediately. I urge my colleagues to do likewise and express to the committee their support for the bill.●

● Mr. BAYH. Mr. President, I am pleased to join with several of my colleagues in cosponsoring legislation which will make several necessary changes in the trade adjustment assistance program and will, importantly, rectify an error in past administration of the program which has deprived several thousands of workers around the country of the trade readjustment allowances which they were clearly qualified for.

In the closing hours of the 95th Congress, a bill identical in purpose to the legislation being introduced today could not receive final consideration. This is all the more reason that I expect the Senate to move promptly to speed enactment of this long overdue measure.

For the workers in Indiana, the section

of this bill extending retroactively the deadline for filing for trade readjustment allowances will put substance in the pledge of the Federal Government to assist those who might suffer economically as a consequence of a more liberal international trade policy. The cost of providing TRA benefits to those who should have received them in the first place cannot compare to the shock of being unemployed after working for years at a job which required significant skill levels and was a source of pride and support for the workers family.

In passing the Trade Act of 1974, the Congress properly provided various forms of adjustment assistance to workers whose jobs were lost as a result of increased import competition.

Since that time, more and more workers in industries such as textiles, steel, electronics, footwear and other sectors have found themselves laid off, temporarily and permanently, due to foreign imports which have not always been fairly traded. In too many instances, workers who believed they would be compensated under the terms of the TRA program were bitterly disappointed to discover that the inflexibility of an arbitrary 1-year filing rule prevented payments to them of benefits to which they were clearly eligible.

Whether employed by the Warner Gear Co. in Muncie, Ind. or the Allegheny Ludlum Steel Corp. in New Castle, Ind., those workers were simply excluded from receiving compensation they definitely needed and deserved.

In addition to addressing this vital question, the bill we are introducing today also improves the program now in being to assist firms who have been injured because of foreign competition. In so doing, we will be placing our Government more squarely behind home industries whose very existence is threatened, in many instances because our fair trade laws to prevent "dumping" and predatory pricing simply have not done the job.

Finally, approval of this legislation should have a positive impact on our consideration of a good multilateral trade agreement providing expanded markets abroad for our businesses, workers and farmers here at home. Passage of this bill will also help restore the confidence of those who have been hurt in the past by a policy of "free" trade which has not always been fair trade.

Mr. President, I certainly hope that the rest of my colleagues in the Senate will see the wisdom of timeliness of this legislation and move with all deliberate speed to achieve its final passage at the earliest possible date.●

By Mr. ROTH (for himself and Mr. BIDEN):

S. 228. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

Mr. ROTH. Mr. President, the measure my distinguished colleague from Delaware and I are introducing this year is the same we offered last Congress to limit the use of busing as a remedy in school desegregation cases. Our distinguished colleague in the House, Mr. EVANS, is offering an identical measure in that body today. The primary purpose of this measure is to establish guidelines that are consistent with the U.S. Constitution regarding the circumstances under which courts may order the transportation of students on the basis of race, color, or national origin. Reintroducing this bill fulfills the commitment we have made to the citizens of Delaware and to the American people to keep fighting for a clear, rational and uniform Federal policy on public school desegregation.

This bill was the subject of extensive hearings by the Judiciary Committee in June and July of 1977 at which time we heard from legal scholars sociologists and other experts in support of the legislation. The full Judiciary Committee reported the bill out in September 1977 by a vote of 11 to 6.

Our legislation codifies the recent Supreme Court decisions of Dayton Board of Education against Brinkman, Village of Arlington Heights against Metropolitan Housing Development Corporation, and Washington against Davis concerning equal educational opportunity under the 14th amendment to the Constitution. Our bill is completely consistent with the recent actions of the High Court in the Austin, Indianapolis, Pasadena, and Omaha desegregation cases. We believe these cases signal the Court's readiness to accept a clear mandate of Congress establishing reasonable guidelines for court-ordered busing.

In summary, our legislation provides as follows:

First, it requires a court to find that "a discriminatory purpose in education" was a principal motivating factor in the constitutional violation for which busing is proposed as a remedy.

Second, courts would be required to determine the extent to which acts of unlawful segregation have caused a greater degree of racial segregation in a school or schools than would have otherwise existed, and student busing would be limited to eliminating the degree of racial segregation attributable to those proven unlawful acts.

Third, all Federal inter-district busing orders would be stayed pending appeal. However, such stays could be vacated by a majority of the Supreme Court or a court of appeals panel of not less than three members.

Finally, our bill would take effect with respect to any judgment or order not final or effected by June 27, 1977, the effective date of the amendment. Thus, in addition to prospective cases, the bill would apply to cases in litigation on its effective date.

In short, our bill would establish clear guidelines for the Federal courts concerning the use of busing. In practice, it would require the Court to determine the extent to which specific acts of unlawful discrimination by governmental officials have caused a greater degree of racial concentration in a school or school system than would have existed absent those acts. It would further require the Court to limit remedial busing to that necessary to eliminate racial imbalance caused by those deliberate acts. In other words, courts would no longer be able, where only limited or isolated acts are proven, to order busing throughout the entire school district or between districts simply for the purpose of achieving racial balance.

Mr. President, in the name of educational quality, in the name of our colorblind society, above all, in the name of our melting pot of neighborhood schools and our American families and school children of all races, creeds, and colors, I say to my colleagues: The time has come to put this issue of busing to rest.

At the heart of this issue lies a simple but incontrovertible fact: Both opponents and proponents believe busing directly affects the American ideal of human rights for all, the human rights of American families and communities to nurture and convey their culture to their children.

Why are we back on the Senate floor with another anti-busing bill? many of our colleagues ask us.

Because, Mr. President, the vast majority of Americans, black and white, in opinion poll after opinion poll, ask and deserve no less than simple human rights. These rights include not only the right to equal educational opportunity, but also the right to send their children to the neighborhood schools of their choice, the right to set the standards of educational quality for their schools, and the right to self-determination in their own lives and families and in their own neighborhoods and communities.

Local control over education is the history of this Nation and is guaranteed by the constitutional requirements of the 10th amendment, recently underscored by the Supreme Court in the National League of Cities versus Usery case. No tradition in this country is stronger than local control over schools, and no local governmental function in America is more traditional than education.

But in the past decade, the delicate line between the judiciary in the form of Federal district courts and the legislative branch in the form of local control over community schools has been dangerously blurred. In the guise of achieving a supposedly "ideal" racial mix in our schools even where no discriminatory intent has been found, the courts have reached deep into the once private confines of family life to engineer social change that separates families from their communities and children from their families.

The real tragedy is that, while the debate over busing continues, national attention and energy are diverted from the urgent problem of educating the Nation's youth. The quality of public education, as we are only too aware, has declined precipitously. School tests demonstrate that children no longer learn the basic skills that have sustained America's growth and development for two centuries. And the results of the scholastic aptitude test taken by college-bound seniors have been steadily declining since 1963.

Mr. President, the results are now coming in on forced busing, and a three-fold consensus is developing among local leaders, legal scholars, educators, sociologists, and, above all, the American people:

First, a broad majority of Americans, black and white, still oppose busing as a means of achieving equal educational opportunity for all. Opinion polls continue to show that public opposition to forced busing is deeply felt and cuts across all races, colors and income levels.

Second, busing does not work. That is, busing provides neither higher educational quality for blacks and whites nor better relations between the races. In fact, busing has brought confusion, havoc and disruption to many of our Nation's best public school systems.

Finally, an emerging consensus of educators, sociologists, and legal scholars ranging from Dr. Nathan Glazer, Professor of Sociology at Harvard University, to Dr. David Armor of the Rand Corporation, and including Dr. James S. Coleman of the University of Chicago, author of the landmark 1966 "Coleman Report" on equality of education in America, and Professor Raoul Berger, of Harvard University, author of a recent masterwork of constitutional scholarship on the 14th amendment—this consensus concludes that forced busing, far from reducing the inequality of educational opportunity in the United States, has in fact had the exact opposite effect: Busing causes a white exodus from the public schools, sharpens the conflict among groups, and lowers the quality of education for all students, black and white.

In sum, forced busing, far from achieving the goal of a desegregated society, in fact exacerbates urban residential segregation and increases inequality of educational opportunity.

Mr. President, I want to make it clear that I strongly support the goal of a society free from racial prejudice. I also strongly support the concept of quality education and the neighborhood school.

Mr. President, it is time that this Nation moves in new directions to obtain what we all want and that is a colorblind society. It makes no sense to continue along a path that neither provides quality education for our children, black or white, nor achieves desegregated schools. It is time we quit experimenting with the lives of tens of thousands of children that is achieving no meaningful good.

Mr. President, the American people look upon education as the means, the door to a better life, to success for the children. As the committee report points out, in reporting out favorably, our legislation—each generation has sought the best possible education for its children. In neighborhoods everywhere, the school has been the tie that binds an area into a community.

Public schools exist in a world in which confidence in Government is seriously eroded. Schools are a nerve, close to the surface of an anxious public, and the erosion of confidence rubs that nerve raw. The committee report on S. 1651 continues to point out that the parents of minority families are concerned about the quality of education provided their children. There is a crushing burden of evidence that the segregated schools of years ago were inferior schools and that this was a wrong that must be remedied.

Brown against Board of Education recognized equality of educational opportunity as a principle to which our Government must adhere, and it offered proof that courts were an avenue that could restore confidence in public institutions in general and public schools in particular. The Brown case opened a whole new field of law, and it is only now that we can see what equal opportunity means in a legal sense.

This is a diverse Nation and the facts which underlie each court case are different. This makes the process of clarifying the law a time-consuming one. The status of public education in our Nation today dictates that Congress take note of the constitutional meaning which has emerged from these decisions.

Mr. President, that is exactly what this bill intends to do. The principles adopted in our proposed legislation are simple ones with a long history in law.

I believe adherence to these principles, as the committee report points out, will help restore public confidence in schools and Government. I think it important that Congress does that. It is our responsibility, not that of the courts, to establish this type of school policy for the Nation and its children.

Mr. President, I ask unanimous consent that a paper by Dr. Glazer on the supervision of education and social services by courts, which he presented to the American Enterprise Institute recently, as well as three recent articles on desegregation and the role of the Federal courts be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVERSEEING EDUCATION AND SOCIAL SERVICES

(By Nathan Glazer)

It was only in 1971 that the Supreme Court approved for the first time a busing plan to overcome the vestiges of school desegregation—and thereby put the district courts into the business of school management in ways that they had never been before, and never contemplated being. It is doubtful that the state courts have ever become as deeply involved in issues of school management as the district courts now were to become. For busing meant new systems of assignment of children to schools, based on residence and race.

It meant standards reviewed by the district court as to which child could transfer to which school, on what grounds, with what controls to prevent escaping desegregation. It meant setting up standards as to when the system of assignment could or should change in response to changing racial and residential patterns. It meant deciding on the special status of Mexican American and other Hispanic American children, of Japanese, Chinese, and Filipinos, and how their assignments might affect pre-existing bilingual programs or pre-existing after-school programs.

It meant—as school administrators and judges became more creative in trying to connect educational schemes with desegregation schemes—ever deeper involvement in strictly educational considerations, such as, to take some examples, whether children bussed half a day to integrated settings would be hurt or helped by the experience, what programs should be left in home schools and what programs they should be bussed to, whether special examination schools should be allowed to continue, what should be done about tracking, what type of magnet schools should exist and how would choices for them be monitored, how schools might be linked to colleges and universities so as to improve education to counter white flight, and how new programs might be put in place to improve education as well as racial balance for minority children.

How deeply involved courts have become in these matters is indicated in the matter-of-course way in which the Boston newspapers report on Judge W. Arthur Garrity as the overall arbiter of school issues that, on the surface, are remote from issues of desegregation. Thus, in a lengthy report in the Boston Globe on the chances of the politically experienced new superintendent of the Boston schools, Robert C. Wood, getting Judge Garrity to give up jurisdiction of the Boston school system, we may read the following: "But before Judge Garrity is willing to hand over the reins of the schools, there are still unresolved items on his agenda. He wants in place long-range plans on school facilities and vocational education, including completion of the $29 million Occupational Resource Center, which will provide job training for thousands of youngsters."[1]

Now this monster facility may be a very good thing, but one may be tempted to ask—but what is Judge Garrity doing in that galley? And the question arises not only when we deal with school issues, where a long history of Federal judicial involvement may have led insensibly from management of desegregation to management of many things very far from desegregation, but in other areas of social policy, too, where a very recent history of Federal—and state—judicial involvement has raised questions that we are just beginning to ask, and are very far from answering.

It was only in 1972 that Judge Frank M. Johnson, Jr., of Alabama, mandated sweeping reforms in the institutions for the mentally ill and the mentally retarded in Alabama.[2] Since then, the treatment of mentally retarded and the mentally ill in many states has been attacked in suits, the Department of Justice has become regularly involved in these cases, and major changes in the treatment of the mentally retarded in particular have been undertaken under consent judgments or judicial decrees.

The Federal judiciary—again Judge Johnson played a key role—only involved itself in a major way in overseeing the treatment of prisoners a few years later. In many places in the past few years, Federal judges have begun to demand that jails be closed and that new ones be built. The oversight of housing projects is still not a matter for Federal judicial intervention—but at least one state court, as I will report, is involved in these matters as deeply as any Federal court has been in school desegregation. Welfare has, since the later 1960's, been a regular subject of major judicial decrees, and it is a rare change or practice in state welfare administration that is not tested in court, sometimes—as I shall point out—to the point of deep involvement in issues of administration. And intervention in school issues is now based on more than segregation. Bilingual education has been mandated in detail in court decisions and consent judgments, as has been the pattern of education for the mentally retarded.

I would like to give some details on just what this kind of intervention may involve. The details are from Boston cases, but they can be duplicated almost anywhere. Boston is not unique in the enterprise of its litigators or its judges—though perhaps it has somewhat more than its share of foundation and government sponsored public law groups,

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Footnotes at end of article.

and the influence of the Harvard Law School may encourage more creative kinds of intervention than elsewhere. But I believe the newspapers of any major city will give similar details.

A note in explanation as to why I depend so heavily in reporting these cases on newspaper reports. Reported decisions will not get us very far in understanding the character and impact of judicial intervention in social services. Yet the typical law review article does just that. While the reported decision may go into considerable detail on implementation, the day-to-day nuts and bolts of implementation of court decisions, which brings the judge deeper into issues of administration, is to be found in the generally unreported give-and-take of hearings before the judge and in the actions of the masters and reporting or review groups of varying kinds he sets up to implement his decisions. Thus a kind of research is needed to understand judicial role in education and social services that is as yet not too common. Donald Horowitz has written the first book on this subject, an invaluable one, The Courts and Social Policy.

The two footnotes referred to in footnote 2 are model examples of the kind of work that is necessary to understand problems of implementation. But as we move deeper into this area, we will inevitably see a kind of study and analysis that is not characteristic of constitutional law but of social research, and specifically of research evaluating the consequences of social policy. For the fact is that the judges are implementing policy and administering it in an ever wider range of educational and social services, and whatever the constitutional basis for this startling expansion of the judicial role, the typical form of constitutional law analysis gives us no guidance as to whether this is a good or bad thing.

Consider, to see how far we are from what we ordinarily consider constitutional law analysis, the actions of Judge Frank H. Freedman, who ruled on October 21, 1974, in a class action suit, that Massachusetts welfare services were not being rendered with "reasonable promptness," as required by Federal law. On December 20, he directed the state welfare officials to prepare a plan for ensuring that welfare recipients get emergency services immediately, and all other aid and services not later than 45 days after a recipient applies. (One wonders why Judge Freedman did not ask the Federal government to enforce its own rules as to "reasonable promptness," because it would seem this was a matter between the Department of Health, Education, and Welfare, and the Massachusetts welfare services, but as is common in these cases, a Federal regulation gives warrant for extensive judicial intervention.) Judge Freedman also ordered that all vacancies in welfare social worker jobs as well as all necessary new jobs to fulfill his orders be filled.

He ordered the welfare commissioner and other state officials to request supplemental appropriations from the legislature to fill all the authorized social workers jobs in the Welfare Department and for the necessary new social worker positions. At this point (as one might expect), the welfare commissioner and the president of the Massachusetts Social Workers Guild disagreed on how many workers were needed. In his order, Freedman wrote, "The court expects that the Legislature will take all necessary steps to approve the request for appropriations and new positions" that the state welfare officials decided were necessary to fulfill the court's order.

The court's club was withholding all Federal aid for welfare. The judge urged quick approval of the requests "in order that the court may avoid having to enjoin the defendants from receiving hundreds of millions of dollars of Federal welfare funds."[3]

The welfare commissioner estimated he had 186 social worker vacancies; the union leader said there were 225. When the deficiency budget was presented, the number requested was 255 more social workers. Presumably the welfare commissioner was as startled as the legislature that his requests were now to be fulfilled without question or delay.

The legislature balked, and the judge ordered the cutoff of all Massachusetts welfare funds. The legislative revolt was brief—it lasted one day. The judge—perhaps to punish the recalcitrant legislature?—then added 90 more social workers to be hired before the new fiscal year. In this manner, the number of social workers employed by Massachusetts to process welfare cases rose in short order from 1,450 to 1,795, an increase of 24 percent.[4]

Judge Freedman was luckier than many others, since his total victory over the Massachusetts state government seems to have gotten him out of the welfare business for the moment. More typically, there is a more than a few months or even a few years involvement in an education or social services case which reaches to the point of the recasting of the pattern of services and delivery under judicial oversight.

Take, for example, the career of a state judge—Paul G. Garrity, no relative to W. Arthur (those dealing with Massachusetts politics must be aware of many people bearing the same surname)—sitting in a special Housing Court, in dealing with a class action brought against the Boston Housing Authority by the Boston Legal Assistance Project. Many of the project apartments were vacant owing to their poor repair, and there were endless examples of broken windows, inoperative elevators, broken plaster, broken or vandalized mailboxes, water leaks, plugged toilets and sinks.

He ruled in March, 1975, that great numbers of apartments and buildings were not in compliance with the state sanitary code, and issued an order which required the BHA to come up with a plan not only to bring its apartments and buildings up to code standards, but to curb vandalism and reduce crime, which the BHA claimed was the reason its projects were in such bad shape, a judgment with which the judge apparently agreed.

Judges are apparently used to having the authority to deal with the violations that evidence demonstrates to them exist—and so the demand in the judge's order for a plan to curb vandalism and reduce crime, challenges which have defeated more qualified agencies than the Boston Housing Authority.

The original decree was the basis for a 250-page consent decree which emerged more than two years later. Judge Garrity, like his Federal colleague, sought to acquire the funds necessary for the massive overhaul of the projects he required, and thought to do so by diverting the proceeds of state bond issues that were to be devoted to new housing to federal project repairs, but he was overruled in this by the Supreme Court of Massachusetts. He appointed a master to oversee the clean-up of the projects and the reduction of vandalism and crime, who would monitor the authority until June, 1980.

But we may doubt that this Canutian order will be fully implemented in a mere four years. A year and a half have passed since the consent judgment (almost five years since the suit was instituted). The master, in first year's report, asserted with a cautious optimism: "This first year under the consent judgment has resulted in a number of improvements in BHA. Perhaps the most striking change is in the hiring of a large number of highly qualified individuals in senior management positions and in the creation and staffing of a new division of planning, development and modernization.

The hiring of a new, forceful and energetic administrator (Bradley Biggs) . . . has been a major step forward in establishing new leadership for the authority." But the improvement of the projects, and the reduction of vandalism and crime? That would presumably await the ministrations of the new expanded staff.

The Boston Housing Authority has not taken lightly to the reduction of its authority by the appointment of a master and a special administrator who is apparently considered the creature of the master and the court, if we may judge by a remarkable order of last September by Judge Garrity to the BHA "not to interfere in any manner with day-to-day operations of the BHA."

To explain the order, the *Boston Globe* reports, "Bruce Mohl of Greater Boston Legal Services who sought the order for BHA tenants, . . . said testimony before Garrity has brought out such instances of board interference as granting a rental subsidy to someone the BHA staff had deemed ineligible and inquiring of maintenance personnel about whether repairs had been made in certain BHA apartments." The latter peccadillo seems almost innocent—why be a member of the board if one can't ask if repairs have been done for a tenant with the modest influence that a housing project tenant is likely to have?

In any case, the politically appointed authority members seem to have resources that even firm court orders cannot eliminate—the court-favored administrator, on whom the master was counting to do so much, resigned after six months.[5]

One more tale from Boston, and we will distance ourselves from the details of judicial administration to raise the grave questions it suggests, and to consider how far along we are in answering them. Here we come to the well-known Garrity, Federal Judge W. Arthur, who in addition to overseeing the Boston school system has also had before him since 1973 the problem of the Charles Street Jail. This is the jail of Suffolk County, that is, Boston, which, as is true of so many jails, has been found, because of its conditions, to violate the constitutional provision of "cruel and unusual punishment."

This is an impressive great granite structure, and the issue presented to the mayor and city council of Boston was whether to build a new jail—preferred by the mayor—or repair the old one—preferred by the council. In this case, there were no federal funds to cut off, or state bond issues to seize, but the judiciary had set a deadline, after which no further inmates could be put in the jail. The council and the mayor agreed, after a day and a half of court-ordered meetings, on the renovation. That would have seemed to end the matter. But no. There was still further work for the weary judge.

The bare newspaper report may raise eyebrows among constitutional lawyers. It reads: "U.S. District Judge W. Arthur Garrity, Jr., said last night he will rule today whether a $15.4 million proposal to renovate the Charles Street Jail is constitutional." The mayor at the last minute balked, still believing there was a better alternative than an expensive renovation, but an "angry" judge then threatened to close the jail, and the problem of where to put the 230 inmates seemed insuperable. The mayor signed.[6]

The first question that arises in trying to deal with this rising phenomenon of judicial

Footnotes at end of article.

intervention in administration of social services is, how did it happen? I have, in an earlier article, suggested that the experience of the desegregation of the schools was decisive in accustoming Federal judges to involvement in the detailed and day-to-day administration of the schools.[7] After fifteen years of trying to circumvent Southern state evasion of the implementation of the constitutional right to an unsegregated education, District Courts had to become more and more intimately involved with school administration. Just how were students assigned to school? What would be the consequences on racial distribution of one kind of assignment or another? What exceptions would be allowed? What were the requirements for desegregation affecting teachers and administrators? How were they to be assigned, how promoted, who was to be removed from positions of authority when dual school systems were unified?

Insofar as desegregation was finally a reality, there arose a set of "second generation" problems. Were students being unfairly disciplined, dismissed, tracked? How were we to know? What standards were to be set up and who was to monitor them?

Yet a third set of problems arose—not before the early 1970's—when courts began to take into account, under the pressure of both defendant school districts and plaintiffs, educational issues per se only lightly linked to desegregation. The school systems—whether honestly or evasively—proposed a variety of integration schemes that were less than full busing for equal racial representation, at which point the question of whether programs less than this were being suggested for valid educational reasons.

One the other side, creative plaintiff lawyers or citizen groups that were set up by the judge to play a role in desegregation, or masters appointed by the courts, trying to overcome, in particular in the North, the rising resistance to busing, proposed education reforms that they hoped would mollify the parents who would have their children bussed, exchanging educational advantages for the unwanted transportation.

This is a long and complex history, and with great variations in each school district, with very few cases as yet dismissed from judicial oversight, and with many cases rising to barely comprehended heights of complexity. Superintendent Wood of the Boston school system has asserted in a speech that he is operating under 247 separate and distinct court orders.

Under the circumstances, even a fairly full account of the Boston desegregation case and the first two years of its implementation is woefully inadequate in dealing with the issues that deeply concern the analyst of social policy—that is, how have these cases affected the pattern of educational services, in the short run and the long, taking account of the varying kinds of effects court orders and court oversight have had? Only Donald Horowitz, in his analysis of *Hobson* v. *Hansen* in the District of Columbia, has explored effects on the schools in any detail—and this is, one may say, a relatively simple case in terms of the kinds of effects the order has brought, compared with the Boston, San Francisco, Denver, Detroit and many other cases. The analyses of cases, as I pointed out earlier, is still mostly in the hands of constitutional lawyers.[8]

In answer then to my first question, it would appear it was the effort to guarantee rights that created a rising tendency to intervention in the administration of educational and social welfare agencies. Of course this gives us only one reason why the courts became more interventionist. It was necessary for cases to be brought to judges, and the explosion of public-interest law firms that began with the poverty program provided the resources for bringing cases to judges, and for proposing more extensive intervention to guarantee rights than judges had contemplated before.

This explosion began with groups funded by the poverty program and liberal foundations, and has expanded into specialized groups—both for legal investigation and research, and for intervention in cases—that matches the array of governmental social services. There are now legal research and backup groups and public-interest law firms specializing in education, welfare, housing, prisons, mental retardation, and mental health, each with their attendant newsletters and publications. Certainly this has helped expand the scope of judicial intervention.

A second question: There are fifty states, hundreds of Federal district judges, thousands of school districts—to what extent do these operate under the aegis of judicial intervention? Are we not perhaps speaking of "landmark" cases with modest consequences affecting only a few jurisdictions, of hit and run intervention that is not really changing the pattern of social services? I do not believe so. I have not attempted to make full inventories to the cases and consequences in various fields. Yet any given case does expand, and its influence is felt, if not throughout the whole area of social policy involved, in very substantial parts of it.

On the basis of some research I have done in the mental retardation field, I would argue that one reason the influence of a case spreads is because of the specialized bar that develops in each area. From the point of view of the lawyers involved, they may be overwhelmed by the magnitude of the tasks they have undertaken, they may see their work as consisting of modest inroads into the sea of illegality and misery.

Yet from the point of view of the state administrators, a decision in one district has substantial consequences. Every branch of public service now has its specialized lawyers working for the state who will give guidance to social policy administrators as to what they can or cannot do on the basis of key decisions. Many cases are started—which may not involve great resources—and then not carried through, but their presence is known to administrators and affects them.

A key case may lead to many other consent judgments, because the state feels it cannot win. While consent judgments may not make law to the same degree as reported decisions, or appeals court decisions, they do make and effect policy. So the judge's judgment is not something for only a given institution, or limited geographic scope—it may become a model for many other institutions and areas of much larger scope, and thus the decisions we are considering cannot be taken as eccentric and partial and of little consequence.

Welfare agencies do operate under various judicial constraints—through Judge Freedman's rapid expansion of the Massachusetts welfare department is perhaps exceptional. Housing projects and housing administrators must know that their tenants have recourse to legal action—though Judge Garrity's consent judgment is particularly broad in its scope. And prisons are being closed in many places, or are being replaced by new ones.

Indeed, there is a boom in prison building—and it is based not only on a rising prison population but more directly on judicial requirements for the kinds of prisons that will not constitute a form of "cruel and unusual punishment."

From the point of view of the administrator, the new sources of control include state requirements, Federal statutory requirements, Federal regulatory requirements. Thus, one of the main objectives of mental retardation litigation has been to set up systems of protection and advocacy of the mentally retarded, so their fate is not determined solely by either state officials, or medical specialists, or their parents and guardians.

Under these systems, an independent advocate—a lay advocate or a lawyer—would be involved in determining whether a specific retarded person should be institutionalized, or deinstitutionalized, and with what kind of treatment. These systems are specified in court judgments as in the major consent decree affecting the Willowbrook Development Center in New York (now the Staten Island Development Center) in the case of the New York State Association for Retarded Children v. Carey.

But at the time a new protection and advocacy system for persons of the Willowbrook class were specified in a Federal judge's consent judgment, there already existed a state system under the state courts with the same objectives, and Federal requirements for such protection and advocacy systems.

And these Federal requirements were made law in part because of the existence of a movement of parents and guardians of the retarded, because of the growth of a specialized bar in the field of mental retardation, and because of key cases, in particular Wyatt v. Stickney in Alabama. The courts not only enforce what had passed into law; what they enforce in any given case sometimes leads to the passage of laws making the individual judgment national policy.

There is an interaction between judicial role, legislative role, regulatory role. What judge, legislature, or Federal agency in its regulatory capacity pronounces as judgment, law, or regulation all interact, with at times one giving the lead, at times another.

If one wants to make judicial intervention responsible for some course of policy—for good or evil—one must be aware that the judge is not the exclusive actor. But since he is not the exclusive actor in the explosion of rights, not even necessarily the initiator, why concentrate on judicial oversight of educational and social policy?

There are two reasons. One is because of the question of the proper role of the judiciary, and of the structure of our constitutional order and our democracy. There is a growing feeling and suspicion that judges have taken on more than their proper role when they engage in intervention in social policy, regardless of the fact that state and federal legislatures and officials are also involved in the expansion of rights.[9] Certainly there are important questions here. There are questions not only for constitutional lawyers, but for all concerned with the proper ordering of the polity.

The second reason why we concentrate on the judicial role is because there are distinctive characteristics of judicial intervention in social policy which change policy, and in ways, I would argue, the legislative and executive action would not or might not. Let me develop this second issue first. I have in an earlier article argued some points as to what the character of judicial intervention in social policy is.

I pointed out that first, judicial intervention is on the basis of rights, rather than efficacy or efficiency—though it reaches to all the aspects of policy. Rights inevitably have a grandeur that efficacy or efficiency do not. They must prevail even if the resulting program is less efficient or less economic.

Because of their superior position in shaping policy, they inevitably restrict the roles of administrators more severely—in theory, at least, there is even the contempt power under which a judge may place them in jail,

Footnotes at end of article.

a rather more severe constraint than cutting their budget, for example. And I argued that reducing the power of administrators also reduced their sense of responsibility and might well lead to less effort to achieve well rather than more.

I might add here that a judge is more capable of punishing than of motivating. An executive or legislature can do more in this respect. They can provide more resources, expand the scope of powers of administrators, raise them to higher positions. Of course, as we have seen, courts expand resources and powers, too, for some levels—only to punish other levels of government which are presumed to be responsible for the deprivation of rights the court is correcting.

My research on the Willowbrook case has not led me to modify this view of this effect of judicial intervention, that is, to reduce responsibility by raising over the administrator the power of the judge, enforcing rights. The judge of course may be distant and indifferent and dealing with other cases, but the plaintiffs' lawyers are ever-present, or, if not the plaintiffs' lawyers, the master or other overseer the judge decrees.

In the Willowbrook case, the Willowbrook Review Panel, created by the judge, representing the plaintiffs, funded by the state, is an ever-present critic and correcter supervisor of the work of the administrators of mental retardation facilities in New York.

I emphasized, second, the procedural emphasis in judicial administration as having certain consequences. Now any bureaucracy operates under procedures, and it scarcely needs judges and judicial intervention in administration to increase the number of papers administrators must deal with, or the steps of procedure they must endure.

But since the judge is not a regular administrator, since he intervenes basically with a major decree or consent judgment, since he does not have the opportunity of day-to-day adjustment or correction, his order—as guided by plaintiff lawyers—is particularly strong in instituting hopefully fail-safe procedures to assure the rights that have been proclaimed. Of course this also reflects the view of lawyers, who are shaping the decree.

The Willowbrook consent judgment is a mere 39 single-spaced pages, but much of what it calls for are procedures—on who must participate in determining the program for a mentally retarded recipient, who must sign off, under what circumstances he may be shifted, with what rights of appeals, under what procedures.

Of course it includes much else, too. Even though it is nowhere near the length of the 250-page consent judgment under which the Boston Housing Authority operates, it is still remarkably extensive, with many loose requirements—for example, for a "meaningful" "table of organization," or "budget statements" or "policies and procedures manual," all of which opens the way to endless elaboration by the Willowbrook Review Panel.

The procedural emphasis of judicial intervention is demonstrated by the fact that the audit instrument to determine whether and to what extent the consent judgment is being carried out has been expanded to some 500 specific items, which are to be checked presumably for each of—or a reasonable sample of—the 5300 members of the Willowbrook class, now spread through many institutions and mini-institutions.

Now one can foresee that some administrators—indeed most, except for those strong-minded enough to resist the notion that 500 specific requirements add up to good and sound treatment—will operate according to the procedures. They will simply check off that something has been done—rather than consider whether it was done well, or it is the thing that should be done. The procedural emphasis is also an emphasis on rights and guarantees, which inevitably reduces administrators (and their lesser staff) in the eyes of those they deal with and their guardians and their lawyers. Their ability to act professionally is circumscribed.

Their dignity—whatever it consists of—is reduced. Their discretion is limited. And their effectiveness is reduced by proceduralism, just as it is reduced by the introduction of a higher order of administration dealing with rights. My research on the Willowbrook case did not give me any reason to change the hypothesis I proposed on the procedural orientation of judicial intervention and its effects.

I also argued in this earlier essay that the litigational approach resulting in judicial intervention will reduce the effect of practical or clinical knowledge in determining social policy, and raise the weight of theoretical knowledge. My research in the Willowbrook case gave the strongest support to this expectation.

The experts who testify are either professors, or ideologically oriented administrators who are known for being the strong exponents of a distinctive point of view. The plaintiffs' lawyers in this type of case are interested in bringing in the widest possible reform in the service that is the subject of the litigation. That is after all the creative legal task, rather than compensation for or protection of the rights of this or that individual or group of individuals.

The Willowbrook case was started in 1974, tried in 1975. By the time it was tried the intellectual leaders in the field of mental retardation had turned strongly against institutionalization and particularly large institutions. Indeed, by the time of the case persons who had earlier supported institutions of a smaller magnitude than Willowbrook (for 500 or 750 residents as against four or five thousand) had turned against any institutions at all and favored community placements—that is, placing the retarded back with their families, with foster families, or in family-like settings.

The consent judgment accepted this view of optimal treatment and called for the reduction of Willowbrook to an institution of 250, and the placement of Willowbrook residents into settings of not more than 15 residents maximally.

Now the question of whether this is the proper course will not be debated here. But professional opinion, which has moved so sharply against institutions, may well shift back to seeing the virtue of some degree of institutionalization, perhaps in order to concentrate remedial resources, or to permit better oversight and prevent abuse (there are small snake pits as well as large, and it may be easier to supervise a few large institutions than the 500 mini-institutions that are expected to replace Willowbrook).

What do I mean when I say that theoretical knowledge replaces clinical and practical knowledge in judicial intervention? The directors of Willowbrook may barely get to testify—and then very much on the defensive. Nor may the administrators closest to grass roots problems. The top administrators and their experts testify for the defense, and it is their lawyers, guided by them, who engage in the negotiations that lead to a consent judgment.

It is easier to accept high theory on radical deinstitutionalization to get the consent decree signed and settled, and get the governor off the hook, than to examine, with the administrators lower down, just what the problems will be in implementing it. At one point in the many Willowbrook hearings on various problems in meeting deadlines, the judge asked an administrator in some irritation, "Well, didn't you read the decree, didn't you sign it, why are you telling me about problems now?" The hapless administrator answered, "I didn't sign it," and of course he had not. Other cases I have examined—for example, the Aspira judgment mandating extensive bilingual programs in the public schools of New York—have also gotten into serious administrative difficulties "down below."

I am not saying that clinical and practical knowledge is "better" than theoretical knowledge. I am saying that in litigation it is the latter that is emphasized, not the former, which doesn't make for good or coherent testimony. In school desegregation cases and in mental retardation cases, indeed, what we have is travelling testifiers—experts in their field—who, one may doubt, have gotten very deeply into the specific situation they are testifying about.

The defendants are rarely likely to come up with anyone as persuasive, in part because they do not have as good a network as the linked public-law attorneys in the specific field of litigation, and in part simply because in these soft educational and social service fields there is at any given point a dominant ideology and there may well be no university or theoretical expert who can be found willing to testify against the prevailing views in his field.

I argued finally that judicial intervention strengthens some groups in social policy against others. Obviously it strengthens lawyers—who are now important in guiding administrators on what may or may not be done, and who become in many cases the chief advisors of harried administrators. Within each field of educational or social policy, it favors one professional group against another.

One thing that is particularly characteristic of judicial decrees and consent judgments is the demand for "training"—to train teachers on how to participate in desegregation, guidance counsellors on how to deal with minority students, or students who are mentally retarded, to re-train the staffs of institutions. Training sessions and training manuals are often called for—with the state of course footing the bill. Whether this training does any good is another question.

It certainly does a great deal of good for trainers and consultants, whose services the state must use according to the consent judgment. This was certainly the case in Willowbrook, where the preparation of training manuals and training itself was considered an important part of the measures required by the consent judgment.

But what about the larger end of the intervention, first the protection of rights, second the effectiveness of the educational or social program? As to the first, undoubtedly a greater emphasis in protecting rights leads to more rights protection. At what cost, in reducing the effectiveness of administrators and face-to-face workers, it would be difficult to say, because this would involve the kind of research in these cases that simply has not been done. Tens of thousands of students, thousands of teachers, are involved in a desegregation decision, or in a decision to mainstream the handicapped, or to implement bilingual programs.

There are more than 5,000 members of the Willowbrook class, 4,000 employees at Willowbrook itself, hundreds of people engaged in deinstitutionalization, hundreds of thousands more employed in the new smaller institutions or mini-institutions. Just how one evaluates educational or social programs is in any case difficult. Where a wrenching process of reform and administrative change is under way—as in school busing cases or mental retardation cases—it is very difficult to come up with any estimate of whether it is all for the best or not, in the end.

For one thing, it is hard to know in these endless cases where the end is. David and Sheila Rothman are engaged in a three-year evaluation of the Willowbrook case, and when that evaluation comes to an end we

will certainly know more—about this case. And it is true well-studied cases—studied in terms of their effects, not their legal history—will be very helpful in coming to some overall judgment in this area. But we know how complicated it has been to say anything about the educational or social or race-relations effects of school desegregation cases, even three, four or five years after initial implementation of major orders.

But while we may have to hold judgments on social policy effects in abeyance—which is true unfortunately of most programs, whether their origin is executive, legislative, or judicial—we can say more about the political significance of judicial intervention. I would like first to consider a basic political argument for judicial intervention: The judges are there because the legislature and executive would not solve the problem in the first place.

They would not desegregate, improve the conditions of the mentally retarded, appropriate money for new jails or more prison services. A more sophisticated political argument asserts the executive and legislature are perfectly content to have the courts do it, and so let them off the hook of making decisions that must offend someone (in particular, the taxpayers).

For example, the cost of treating persons at Willowbrook expanded in a few years sixfold, and mostly because of the huge infusion of personnel required by the consent judgment. Could Governor Carey or the state legislature have done that if there were no court order? There have been similar huge increases in costs in other mental disability cases, in the education of the mentally retarded and handicapped mandated by courts, and substantial increases in costs of hard-pressed school districts in busing decisions.

The renovation of the Charles Street Jail will cost $70,000 a prisoner. How else could one get that kind of money out of mayors, councils, governors, and legislators?

There is much in these arguments. Difficult problems are sometimes shoved onto the courts by executives and legislatures. In this way they can explain to every group of voters that they have not acted against their interests—the judge did it, and he cannot be reached by ordinary political processes. But these explanations, which incorporate the judicial action ingeniously into our democracy, do not leave me satisfied. I do not believe that the courts are simply taking over when the other branches of government have failed. Or at least that is true only in some cases—in particular, Southern school desegregation cases.

It is not true that the courts move only when legislatures and executives fail. Very often, as was true at Willowbrook, the judicial action took place while legislative and executive were engaged in strenuous action to improve conditions at Willowbrook.

In other cases, we have seen substantial improvements, similar to that instituted by legislative and executive action without the need for court intervention. Indeed, a reform quite similar to that mandated by the Willowbrook judgment was instituted in California through legislative action.[10]

What I am arguing is that judicial intervention, initiated by plaintiff lawyers, is not simply expanding and protecting rights—it is trying to implement in one forum, remote from democratic controls, the kinds of policies that have failed as yet in the arenas of legislative and executive action. Just as war is a way of carrying on foreign policy through other means, judicial action is a way of advancing domestic policy by other means.

To do so one must claim "rights". But the disguise is often transparent. The key *Wyatt v. Stickney* case was started by state employees who were losing their jobs in an economy move. For this reason they argued the rights of mental patients were being infringed. Perhaps they were. But clearly it was the rights of employees that was the chief initial motor.

The regular political process also offers safeguards in the defense of interests that the judicial process does not. The judicial process, structured in an adversary mode, assumes that there are only two interests—the plaintiff v. the defendant. In these cases, the story is not so simple.

There are many plaintiffs, and some of them want very different things than others. In the Willowbrook case, the initial plaintiffs wanted better conditions at Willowbrook. In time, the plaintiffs' lawyers decided they wanted institutional reform. The original plaintiffs—the New York State Association for Retarded Children—broke away because they did not find the New York Civil Liberties lawyers represented them properly, and got their own lawyers. Why the New York Civil Liberties lawyers are still considered to represent the "class' when they have lost their clients is an interesting question I leave it for lawyers to settle. Just as the plaintiffs are varied—even though the judge allows only one group of lawyers to defend them—so is the defendant class. There are many state interests involved. There is the governor, the legislature, the different factions within it, the administrators—whose interests may be different from both that of the executive and the legislature—the taxpayers. In what sense is the structure of legal action competent to represent and balance all these interests? It is not, and the fate of intervenors in many of these cases is evidence of how the interests of many affected parties are ignored.

Finally, one outcome of these cases that is almost normal is that one service of state government is favored over others. The judge decided that the protection of rights demands a great infusion of state money. One asks, why in the mental hospitals, and not the jails, in welfare and not police, in the schools and not the universities. The judge is incapable of determining these questions—he is examining "rights". But actually he is distributing resources, but without the structure of representation and the resources of knowledge with which executive and legislature operate when they distribute resources.

And, I would argue, without the constitutional warrant. Admittedly that is a bold statement by a non-lawyer, when many judges, supported by appeals courts and on occasion the Supreme Court (though that Court, observing its delphic character, has never ruled on many of these cases of judicial intervention in educational and social services), have ruled otherwise. But I would argue that judges are making policy and distributing resources, and without the ability or the warrant to do either.

Whether or not it turns out—as it may—that the judge as administrator has improved the performance of one or another branch of government, the larger question will arise: is that his function? Does his intervention truly reflect the failure of the democratic branches of government that have been assigned the task he is now undertaking? Or does his intervention not contribute to the further weakening of democracy?

I believe the latter. It weakens democracy because it removes from the people and their representatives the ability to shape policy. It weakens it further by creating and fostering a cynicism about how things get done—whatever the judgment of the representatives of the electorate, bright lawyers and ingenious new arguments, it seems, can do anything. Finally it weakens democracy because it encourages that very refusal to deal with great issues directly or indirectly, among legislatures and executives, that many argue is the cause and justification of judicial intervention.

If the judges didn't do it, I believe the executives and the legislatures would have to do it. And I see no reason why we should overthrow this pattern that prevailed under the Constitution for so long.

FOOTNOTES

[1] "Wood Aims at Court Pullout," *The Boston Globe*, December 3, 1978.

[2] See Note: "The Wyatt Case: Implementation of a Judicial Decree Ordering Institutional Change," *Yale Law Journal*, 84:6, May 1975, pp. 1338–1379, and Note: "Implementation Problems in Institutional Reform Litigation," *Harvard Law Review*, December 1977, pp 428–463, for very valuable analyses of the problems of implementing this, and other decisions in the mental health and retardation field.

[3] "Court Tells Welfare Dept. to Hire More Workers or Forfeit Federal Aid," *The Boston Globe*, December 21, 1974.

[4] *The Boston Globe*: "Judge Orders Welfare Funds Cut Off, State Moves to Save Them," February 25, 1978; "Social Worker Funds Voted to Block Cutoff, House Refuses $5000 Pay Raise for Welfare Head," February 26, 1978.

[5] *The Boston Globe*: "Court orders BHA to file repair plan," March 30, 1975; "Court names master to clean up projects," June 1, 1977; "BHA praised for progress in 58 projects", July 9, 1978; "BHA board ordered to keep its distance," September 21, 1978; Editorial, "A turning point at the BHA." November 14, 1978.

[6] *Boston Globe*, "Charles St. Jail repair voted by city council," September 23, 1978; "Garrity plans ruling today on Jail plan," September 29, 1978; "White OK's Charles St Jail plan—reluctantly," October 2, 1978.

[7] Nathan Glaser, "Should Judges Administer Social Services?", *The Public Interest* No. 50, Winter 1978, pp. 64–80.

[8] Horowitz's analysis of *Hobson v. Hansen* is in *The Courts and Social Policy*, Brookings; Ralph R. Smith analyses the Boston case ("Boston: Two Centuries and Twenty-Four Months: A Chronicle of the Struggle to Desegregate the Boston Public Schools"), pp. 25–114, in *Limits of Justice: The Courts' Role in School Desegregation*, edited by Howard I. Kalodner and James J. Fishman Cambridge, Mass.: Ballinger, 1978. It is characteristic of much of the literature on school desegregation in that there is very little in this study—and that inadequate—in answer to the follow-up question of what happened after the judge issued his decisions, the masters their plan, the busing instituted Even the important and disputed question of how many white students were lost to the Boston schools, and the effect of the order and its implementation in causing this loss, is barely touched upon. The studies in this useful volume are studies of legal process, primarily, rather than of school consequences.

[9] In Massachusetts, the silliest problems in the sphere of boys' sports and girls' sports in schools arises from state legislation, and state enforcement of this legislation, not from HEW regulation. See, "What has happened to boy-girl programs," *Boston Globe*, December 3, 1978, p. B–13.

[10] See Eugene Bardach, *The Implementation Game*, Cambridge, Mass.: M.I.T. Press, 1977.

[From the Washington Post, Sept. 18, 1978]

DESEGREGATION DISCOUNTED—SCANT BENEFITS FOUND FOR BLACK PUPILS

(By Lawrence Feinberg)

Sociologist James S. Coleman, whose massive study in the mid-1960s has been widely used to support school desegregation, now says it is a "mistaken belief" that black

students learn better in integrated classrooms.

During the past decade, Coleman said, research throughout the country has shown that "it is not the case that school desegregation, as it has been carried out in American schools, generally brings achievement benefits to disadvantaged (black) children."

In some situations, Coleman said, desegregation has brought slight gains in black achievement, but in many others there has been no change or a slight loss.

Even though he had argued a decade ago that "integration would bring about achievement benefits," Coleman said, "It has not worked out this way in many of the school desegregation cases since that research. . . .

"Thus, what once appeared to be fact is now known to be fiction," Coleman said.

Coleman, a professor of sociology at the University of Chicago, presented his new conclusions in a paper in April. He repeated them in an interview this weekend.

"Desegregation has turned out to be much more complicated than any of us ever realized," Coleman said. "There appear to be beneficial effects for some black kids, those who are better students, and harmful effects for blacks who are poorer students. It all seems to balance out, which is quite the reverse of the implications of my own research" in the mid-1960s.

Coleman's 1966 report, called "Equality of Educational Opportunity," was authorized by Congress in the 1964 Civil Rights Act and sponsored by the U.S. Office of Education. It still is the most extensive piece of educational research ever conducted, involving tests and surveys of about 600,000 students and 60,000 teachers in 4,000 schools around the country.

Its most widely noted conclusions were that the social class composition of a school had more impact on student achievement than either resources or teaching methods, and that lower-class black children scored somewhat higher on standardized tests in schools with a middle-class white majority than they did in schools where all the children were poor and black.

Coleman stressed that the achievement gain occurred not because of skin color but because of the middle-class background and "educational resources" that many white children bring from home.

After his report, Coleman expressed his views widely, not only in scholarly articles but also in testimony before congressional committees and in school desegregation cases in courts.

Among these was Julius Hobson's suit against the Washington school system. Coleman testified in Hobson's behalf and was cited by U.S. Judge J. Skelly Wright to support the court's finding that "Negro students' educational achievement improves when they transfer into white or integrated educational institutions."

Coleman said he now believes that this view is "incorrect . . . wishful thinking."

In the interview, Coleman said the difference between his conclusions a decade ago and the results of desegregation since then reflects two main factors—a difference in the way desegregation has been carried out, and the availability of new research.

When he collected his data in 1965, Coleman said, nearly all the black children attending integrated school in the South were well-motivated volunteers under "open enrollment" plans. In the North almost all integration had occurred in neighborhood schools where blacks and whites lived nearby.

Since then, Coleman noted, many school districts have been desegregated through mandatory busing programs, ordered by courts or state agencies, that bring children together from wide areas.

"Much of it has been accompanied by the kinds of things that don't foster achievement," Coleman said. "Often there's been some degree of turmoil and lower standards, with white teachers being afraid to apply the same standards to black students and therefore not teaching them as well."

Coleman said his 1966 report was based on data collected at one time, with conclusions drawn by comparing youngsters in schools with different proportions of black and white students.

Since then, he said, researchers have been able to follow children for several years after they switched to desegregated schools. Although Coleman has not been directly involved in any of this research, he said a review of over 100 desegregation studies in cities around the country—from Boston to Berkeley—shows "no overall gains."

"Some of the most carefully studied cases, such as in Pasadena and Riverside, Calif." Coleman said, "show either no achievement effects or else losses."

In the South some gains by blacks have been reported by the National Assessment of Educational Progress, but Coleman said these occurred in both segregated and integrated classrooms. He said these gains probably are the result of "the broader impact of desegregation in the South . . . it drew a lot of attention to schools that used to be the worst in the nation," rather than a direct result of blacks and whites being taught together.

Before going to the University of Chicago in 1973, Coleman taught at Johns Hopkins University of Baltimore. He took part in civil rights demonstrations there, and was arrested in one of them.

He said he still strongly opposes legal segregation and strongly favors integrated schools. But he said mandatory busing in many cities has been "counter-productive" because it has been followed by an extensive loss of white students.

Coleman also rejects "the belief that an all-black school is inherently bad."

"That has a curiously racist flavor," Coleman said, "which I can't accept. There have been, and there are, all-black schools that are excellent schools by any standard."

"What is essential," he said, "it that if a child is in an all-black school, it should be because . . . his parents want him to be there, not because it is the only school he has a reasonable chance to attend."

Coleman said he thinks the best ways of increasing school integration now would be to encourage voluntary transfers between city and suburban schools or to offer vouchers allowing parents to pick any school for their children but providing more funds for integrated schools.

"We ought to take measures so we can become a more integrated society," Coleman said, "but we ought to be clear that integrated education does not depend on maintaining romantic notions that are not true."

[From the Washington Star, Aug. 25, 1978]

BUSING IN THE SENATE

"Busing" for the racial integration of public schools, mainly in the Southern states, has been a constitutional fixture for eight years and in most places an unwelcome one. But the busing debate, initially heated, has cooled.

There was a curious illustration of that Wednesday evening in the Senate. Delaware's senators sought again to limit the discretion of judges to order busing. Their amendment to an educational appropriations bill was narrowly beaten, 49 to 47—chiefly, it seems, on the plea of Majority Leader Robert Byrd that a prolonged wrangle might disrupt the Labor Day adjournment schedule.

Congress has toyed intermittently with legislated restrictions on busing; but when the Senate's schedule becomes more important than the issue, something has changed. What is it? Recent Supreme Court decisions, for one thing, have advised the lower court judges that remedies must be limited to the extent of demonstrable injury, thus sweeping aside residential segregation as a target of cross-busing.

But we suspect there is a more fundamental and less encouraging explanation. It is the feeling that, in large metropolitan areas at least, busing has irremediably failed. "It is now evident," Dr. James Coleman recently observed, "that there are extensive losses of white students from large central cities when desegregation occurs," these losses reflecting the inability of judges to control the decisions of parents.

All this seems obvious today, but it was less obvious eight years ago. Dr. Coleman, the University of Chicago sociologist whose optimistic 1964–66 studies became the rationale for a number of extensive urban desegregation plans, pleads guilty to a misjudgment. He is now persuaded that if integration is ever to succeed it must flow from a quite different set of premises and policies, all taking account of urban realities.

In a recent paper, he proposes several. School districts, he believes, should recognize their integral part in statewide systems and stop excluding children who wish—*voluntarily*—to go to school outside their places of residence. Otherwise, suburbs will continue to be havens for mobile parents in flight from integration plans. Vouchers, he further believes, ought to permit parents and children to choose freely among accredited schools, public or private, and their monetary value might be increased for those who choose integrated schools.

Dr. Coleman's vision has a familiar look. It strikingly resembles the "freedom-of-choice" plans that predated busing, with the wrinkle that they would actually guarantee choice. "The aims," he writes, "would be . . . not to 'eliminate segregation' but to provide opportunity to every child, and to facilitate school integration that would have long-term stability. . . . There would be a recognition of the diversity of schools that would result: some black, some white, some integrated. The insurance that equal opportunity was in fact being provided would not lie in an artificial numbers game with children moved like pawns on a chessboard, but in the range of opportunities available to every child."

Dr. Coleman's proposals, though eminently sensible, are likely to be attacked—as he foresees—from two angles: both by suburban school districts whose arbitrary boundaries now guard them against metropolitan integration; and by militant integrationists who view the arbitrary distribution of races in every school as the test of success, even when the success is brief and unstable.

Few of us, unfortunately, are prepared to face earlier errors of judgment and policy with Dr. Coleman's directness and honesty. If the debate over busing has, as suggested above, lost its spark, it has lost it because failure has begotten two attitudes: either a stubborn refusal to admit the failure, and a determination to compound it at all cost, or a decision motivated by the failure to look to educational alternatives outside the public school system.

Neither, of course, is bringing closer the equality of educational opportunity with which the integration experiment began 24 years ago.

[From Time, Jan. 22, 1979]

HAVE THE JUDGES DONE TOO MUCH?

(By Evan Thomas)

"In a pitilessly consistent democracy, judges would not be making law at all," said Judge Learned Hand. Why, then, he wondered, do people not resent it when they do? That was 35 years ago, when judges were for the most part more restrained about making new law than they are now. Today many

Americans do resent an ever-more-activist judiciary. Beware, warns a vocal group of scholars: the Imperial Presidency may have faded, but now an Imperial Judiciary has the Republic in its clutches. The fear, as Constitutional Scholar Alexander Bickel once expressed it, is that too many federal judges view themselves as holding "roving commissions as problem solvers, charged with a duty to act when majoritarian institutions do not." Given license by a vague Constitution and malleable laws, and armed with their own rigorous sense of right and wrong, judges have been roving all over the lot: into school desegregation, voting rights, sex, mental health, the environment—the list goes on and on.

Judges do not just judge any more; they legislate, make policy, even administer. Indeed, says U.S. Court of Appeals Judge Irving Kaufman, "sometimes it seems that business, psychology and sociology degrees, in addition to a law degree, should be prerequisites for the federal bench." When Boston's duly elected school committee refused to bus schoolchildren, the local federal judge did it himself, right down to approving the bus routes. A federal judge in Alabama ruled that inadequate mental-health care is unconstitutional. So what is adequate? His answer was a list of 84 minimal standards, reaching down to a supply of hot water at 110° F. Result: while Alabama in 1971 spent $14 million on its mental institutions, in 1973, after the court order, it spent $58 million.

"Courts are not a budgeting agency," says Harvard Law School Professor Emeritus Paul Freund. "They see problems through a keyhole. What they ordain in the way of expenditures is not correlated with expenditures for other needs." To clean up state prisons, judges in Alabama, Rhode Island, Oklahoma and Louisiana have decreed elaborate instructions on food handling, hospital operations, recreation facilities, sanitation, laundry, painting and plumbing, including the number of inmates per toilet. In Virginia, a federal judge overruled a school-board ban on the publication of a high school poll on birth control; in New Mexico, a judge ruled that Mexican American children must have bilingual education. To save a three-inch fish, the snail darter, the U.S. Supreme Court stopped a $116 million hydroelectric project in Tennessee.

With the 49% growth in the number of civil lawsuits since 1970, courts have seemingly become a forum for redress of all things unfair in life. Old judicial barriers that kept people out of court unless they had been personally harmed have been so loosened that not long ago the Supreme Court allowed five George Washington University law students to oppose a railroad-rate surcharge. Why? Because, the students argued, the surcharge would increase the cost of recyclable goods and thus mean more beer cans littering public parks. (They lost.) Conservatives like Yale Law Professor Robert Bork, who was U.S. Solicitor General during the Nixon Administration, understandably worry that "democratic government gets pushed back and back, as judicial government takes over."

For all their power, judges remain remarkably unaccountable and unknown. Most state judges are elected, but by voters who usually have no idea whom they are voting for. Federal judges are appointed for life; they can be removed only by a two-thirds vote of the Senate, and so far only four have been so punished (the last in 1936). One despotic old coot, Judge Willis Ritter of Utah, was allowed to stay on the bench, despite his erratic behavior and abusive temper (he even threatened workmen with contempt for making too much noise near the courtroom), until he died at 79 last year.

Faceless men in black robes, judges speak a tongue that laymen find baffling. They are beholden only to higher judges, which means the Supreme Court is beholden to no one at all. Said blunt-spoken New Yorker Robert Jackson, a Supreme Court Justice in the Roosevelt and Truman years: "We are not final because we are infallible, but we are infallible because we are final."

Heralded into court by the bailiff's command, "Hear ye! Hear ye!" (*Oyez! Oyez!* in the Supreme Court, which prefers Old French), judges understandably take an exalted view of themselves. An Indiana judge, sued for authorizing in 1971 the sterilization of a 15-year-old girl without her knowledge proclaimed in his plea for judicial immunity: "An aura of deism is essential for the maintenance of respect for the judicial institution." The judge's claim of something like divine right worked: last March, the Supreme Court ruled, 5 to 3, that a judge could act maliciously, exceed his authority and even commit "grave procedural errors" and still be immune to personal-damage suits. Judges must be free to follow their own convictions, said the court, though Justice Potter Stewart dissented: "A judge is not free, like a loose cannon, to inflict indiscriminate damage."

Letting judges roll around like untethered cannons seems indefensible at a time when the public clamor is all for accountability in government. Yet, before judges are judged too harshly, it is necessary to understand how they fit into the political process and became so powerful.

While the Constitution was going through the ratification process in 1788, Alexander Hamilton confidently predicted that the judiciary would be "the least dangerous" branch of the new Government, since judges would not have the power of the purse or of the sword. Indeed, the first Chief Justice of the United States, John Jay, who resigned to be Governor of New York, refused President John Adams' invitation to return, saying that the court lacked "weight and dignity." It was the fourth Chief Justice, John Marshall, who gave the federal bench real clout. Marshall, who believed that a judge should be responsible not to Congress or the President but only to "God and his own conscience," declared in *Marbury* vs. *Madison* (1803) that the judiciary had the right, indeed the duty, to strike down acts of Congress that conflicted with the Constitution. This right of judicial review had support from Federalists like the complacent Hamilton, but is far from explicit in the Constitution.

The Supreme Court did not use the power *Marbury* gave it for 54 years. When it did, with the *Dred Scott* decision of 1857, which struck down the Missouri Compromise and declared slaves to be property with no rights as citizens, it helped start the Civil War. During Reconstruction, the Constitution was amended to ensure that blacks were treated equally: no state, said the majestically vague 14th Amendment, shall deprive persons of "equal protection" or "due process" under the law.

Judges eventually found in the 14th their greatest tool of judicial review, but not for the reasons intended by the amendment's drafters. At the beginning of the 20th century, the 14th was used principally to protect property, not the disadvantaged. The court protected business from government regulation, thwarted unionization and struck down minimum-wage and maximum-hour laws. That trend began to fade only in the late 1930s, after F.D.R. threatened to "pack" the courts with liberals to get his New Deal through.

By the '50s and the coming of the Warren Court, the roles were reversed. It was legislatures that were resisting reform, and the court that was pushing social change. The landmark of that era was *Brown* vs. *Board of Education* (1954), which established that separate was not equal in public schools. The 14th acquired new meaning; judges became guardians of the poor and forgotten. The criminally accused were guaranteed the right to free counsel when indigent, the right to a jury in a felony case, and, with *Miranda* (1966), the right to be told of their rights before confessing. Free-speech guarantees were widely extended; in the 1960s, electoral districts were reapportioned to ensure one-man, one-vote.

The Burger Court of the 1970s has proved less liberal, but it is hardly a model of judicial restraint. Rather, it is what scholars call "selectively activist," which some say means that its activism depends on whether or not it likes the result. One of its most activist decisions remain *Roe* vs. *Wade* (1973), which found in the Constitution an implicit right for women to have abortions. Although equal protection has of late been invoked less in the cause of the poor and the black, it has been extended to just about everyone else, including aliens, bastards and even 18-to-21-year-old males who were barred from drinking 3.2 beer in Oklahoma while women were not. And in areas the high bench has refused to enter, state courts are now active; for example, courts in New York, California, Ohio, Connecticut and New Jersey have mandated equal financing for school districts. Whatever restraint the courts have shown, says Harvard's Freund, are "eddies in the mainstream."

While listening to his brethren's legalistic arguments at Supreme Court conferences during the '60s, the late Chief Justice Earl Warren would impatiently interject. "Yes, yes, yes. But is it right? Is it good?" His stance remains at once noble and unsettling. Says Stanford Law Professor Gerald Gunther: "Part of the price of their remarkable independence, tenure, reverence, is that judges are under a special obligation to justify their opinions, even if they got there by their guts originally." Judges are supposed to look for the intent of lawmakers, heed precedent, and hesitate to read their own moral views into the law.

Most important, the judges are bound to uphold the Constitution. But that is not an immutable piece of parchment that judges can apply to laws like litmus paper. It is rather a set of principles that have proved enduring partly because they are flexible. When the original Constitution was written in Hamilton's day, the U.S. was mostly a nation of small farmers who would have fallen on their pitchforks at the thought of todays' complicated modern society, or of the broad role that Government plays in running it. By giving the Constitution new meaning, the judiciary has allowed it to keep pace with change, to meet what Justice Oliver Wendell Holmes called the "felt necessities of the time."

Moreover, as Kaufman argues, "it is not enough for justice to be declared. The judge must assure that justice is done." That is why judges get involved in decreeing drastic remedies, as in many school-busing decisions. Usually, a court does not start off by telling the state what to do; it just says what the state cannot do: it cannot stuff ten men into a cell built for two; it cannot provide one toilet per 200 inmates; it cannot warehouse mental patients like old furniture. Sometimes that is enough. One Massachusetts judge, hearing a suit protesting prison conditions, took state authorities on a tour of the prison and asked: "You're sure you really want to defend this case?" The state did not, and (wisely) accepted a consent decree to fix the place up. More often, the state does nothing, and the judge will call in the parties to work out a solution.

Thus judicial activism is in large part the product of legislative inaction. Says Yale's Bork: "Rather than making the tough choices, legislatures will frequently write a vague law, and pass [the hard decisions] off on the courts." A phenomenally litigious so-

ciety also fuels judicial power; judges, after all, cannot make law without lawsuits. Tocqueville observed more than a century ago that there is "hardly a political question in the United States which does not sooner or later turn into a judicial one." With the growth of Government, the power of the judiciary has naturally expanded. Thus public-interest groups that cannot sway legislatures will not hesitate to run off to the courts to get their "rights" upheld. Judges are often more likely to extend a sympathetic ear, less likely to get hamstrung by opposing interests.

Finally, democratic institutions simply are not as democratic as they look in civics textbooks. Bureaucrats who actually run so much of government, may be as insulated from popular accountability as judges, and legislatures are notoriously swayed by special-interest groups. By offering redress to people with no special political clout, says Harvard Law School Professor Laurence Tribe, judges give otherwise disenfranchised groups a voice in the way public funds are spent and Government affects their lives. Activist Tribe, complains that what really irks critics of an interventionist judiciary is not activism per se but the (often) liberal result. Says he: "The myth of the Imperial Judiciary is nothing but a mask for injustice." Or, as Civil Rights Lawyer Joseph Rauh puts it: "The Imperial Judiciary is simply the conservative doctrine of inaction dressed up in $5 words."

Still, the feeling persists: the judges have gone too far. Sociologist Nathan Glazer says that the progression of judicially enforced rights has given the country "indigestion," like a boa constrictor that has swallowed a goat. Though judges rate high in public opinion surveys—a poll commissioned by the American Bar Association last year found that 77% believed that judges are "generally honest and fair"—politicians and public alike have begun agitating to make them more accountable for both their judgments and their conduct. But accountability should not come at the cost of compromising judicial independence. The U.S. at once prizes majority rule and individual freedom; an independent judiciary remains the best insurance that the former does not steamroll the latter. In the end, that means relying on judges themselves to exercise self-restraint. Few would ask the judges to undo all the rights they have advanced in the past 25 years. Yet, having done so much to change society, the judiciary might now pay more heed to the dictum of Justice Louis Brandeis. "The most important thing we do," he said, "is not doing."

SOCIOLOGISTS IN THE ROBES OF PROPHETS

(By Edwin M. Yoder, Jr.)

Sociology, you may recall, entered the great debate over school segregation almost casually. The Supreme Court, finding no firm guidance in a mountain of briefs about the 14th Amendment, decided, in the words of Chief Justice Earl Warren, that racial segregation of school children "generates a feeling of inferiority . . . that may affect their hearts and minds in a way unlikely to be undone": a fact, he declared, "amply supported by modern authority."

To this or to some allied passage in the first *Brown* decision in 1954, the Chief Justice appended a memorable footnote: "See Myrdal, *passim*." He spoke of Gunnar Myrdal's encyclopedic study of race. *An American Dilemma*, and the reference set legal conservatives into a rolling boil. The Court, they cried, had not ruled by law; the justices, rather, had fled solid ground for the quicksand of social and psychological theory.

That complaint then seemed suspect and self-interested to many of us. One suspected that if the Court had rested its opinion on law the law would have been as sharply attacked as the sociology.

After a quarter century, however, it is clear that the Court's choice of tactics did have far-reaching effects. Social "science" had got its nose in the tent. Desegregation was thereafter to be defended not only as a matter of right reason but because it promised miraculous social benefits; and it was not surprising that a whole sequence of decisions following the *Brown* case, including the 1970 decision to bus big-city school children across neighborhood boundaries, relied on the confident assertions of sociologists.

Dr. James Coleman of the University of Chicago, whose famous 1966 Report predicted rich academic rewards for minority children transposed to white middle class schools, is today the saddest and wisest of these crestfallen prophets.

He has recently admitted, with rare candor, that all his former beliefs about compulsory integration have been dashed by events and now seem to him "wishful thinking," "romanticism," more "fiction" than fact. Judges, confidently advised by sociological studies, could proclaim good intentions; they could not control the consequences.

There is a striking lesson in all this—a lesson in the humility that becomes (or ought to become) social "science." It is not a new lesson, of course. But the rising prestige of the social sciences has made its absorption more urgent than ever. As sociology supplants the older disciplines of history, law and politics as the underpinning of social policy, the illusion of predictability spreads. Some sociologists are not unhappy to wear prophetic robes. But the fine print in my book says that sociology constructs static, not dynamic, models of human behavior. It gives us cross-sections and snapshots, not movies. Prediction is beyond its powers, if not beyond its ambitions.

Gunnar Myrdal could show the evil consequences of racial discrimination at a fixed point in the American experience. Neither he nor any social scientist could read the future from their candid snapshots.

Now that this old lesson has repeated itself in the disillusioning cross-busing experiment, I notice a tendency to dismiss undesirable consequences as essentially irrelevant to the original aims of the policy. Mr. Eliot Marshall, for instance, commenting in *The New Republic* on Dr. Coleman's "recantation," writes: "The decision to integrate the schools was made because it was judged by moral and legal standards the right thing to do. Integrated schools are crucial to the effort to create an integrated society, in which social interaction defeats racism. Any educational benefits or losses that may have come about as a result of the decision were merely incidental, and should be regarded as such."

The premise is right; the inferences are dubious; the conclusion is astonishing. Are "educational gains and losses" resulting from a given school policy merely "incidental"? This is as if to say that because the "real" intention of Prohibition was to dry up America and transform us into a nation of temperate saints, the "incidental" consequences (crime and scofflawism on a vast scale) should have been received philosophically as the acceptable price of pursuing exalted hopes.

But there are times when "incidental" consequences become a comment upon good intentions, or on the means chosen for their pursuit. Why is it that social engineers resist this fundamental truth? Their blindness, their stubborn determination to "square the error by redoubling the effort," explains in part why so many American reforms remain unconsolidated and eventually fade into disillusioning sham and mockery.

Mr. BIDEN. Mr. President, the legislation which Senator ROTH and I propose today is a reasonable and balanced effort to deal with the problem of involuntary busing.

Unlike some other congressional efforts in the busing area, we believe it is constitutional and will be followed by the courts.

It is predicated on a series of Supreme Court decisions in which the Court has clarified the rules in racial discrimination cases.

The basic rule which the Court has applied is that a court may not impose a remedy for alleged discrimination based on evidence of discriminatory effect alone.

The Court now requires that there be a finding that:

> A discriminatory purpose has been a motivating factor [in the constitutional violation for which the remedy is proposed.] *Arlington Heights v. Metropolitan Housing Corporation* 429 U.S. 252 (1976).

In essence, the Roth-Biden legislation would incorporate that principle for busing cases, along with other important provisions.

First, it would require a court to find a "discriminatory purpose in education" behind any violation for which student transportation is proposed as a remedy.

Second, courts would be required to determine the extent to which acts of unlawful segregation have caused a greater degree of racial segregation in a school or schools than would have otherwise existed, and student busing would be limited to eliminating the degree of racial segregation attributable to those proven unlawful acts.

All Federal interdistrict busing orders would be stayed pending appeal. However, the stay could be vacated by a majority of the Supreme Court or a court of appeals panel of not less than three members. Finally, these requirements would apply both to orders issued after the effective date and to those which have not been put in effect by that date.

The bill would establish for the Federal courts clear guidelines concerning the use of busing.

In practice, it would require the Court to determine the extent to which specific acts of unlawful discrimination by governmental officials have caused a greater degree of racial concentration in a school or school system than would have existed absent those acts.

It would further require the court to limit remedial busing to that necessary to eliminate racial imbalance caused by those deliberate acts.

In other words, courts would no longer be able, where only limited or isolated acts are proven, to order busing throughout the entire district or between districts simply for the purpose of achieving racial balance.

Our amendment strikes at the heart of the injustice of court-ordered busing—in Wilmington, Del. and throughout the country.

It prohibits the Federal courts from disrupting our educational system under the guise of the Constitution where

there is no evidence that Government officials intended to discriminate.

However, we believe that the amendment is both limited and reasonable. It does not prohibit all busing orders. On the contrary, it goes only as far as the Supreme Court has gone in circumscribing busing orders.

The Judiciary Committee held extensive hearings on S. 1651 last year—a substantially similar bill which Senator ROTH and I introduced in the last Congress. S. 1651 which was reported out of the Judiciary Committee last September on an 11 to — vote.

There were two main issues which the hearings on this bill sought to address.

The first was the question of the bill's constitutionality. The committee heard testimony on that issue from constitutional law experts across the country and across the political spectrum.

Although not all the witnesses supported the purposes of the bill, there was remarkable agreement that its provisions are arguably constitutional.

These expert witnesses generally affirmed that the bill closely tracks and clarifies recent Supreme Court decisions in the area of the 14th amendment guarantees insofar as it requires a finding of discriminatory purpose before busing may be ordered to remedy an alleged constitutional violation.

And while they diverged on the desirability of enacting the bill, there was some agreement that it is—on the whole—a sound and moderate piece of legislation.

Perhaps most significant is a memorandum by Attorney General Bell on the bill in which he agrees that the legislation can be interpreted so as to be constitutional.

The second issue focused on in the hearings was the social impact of busing on our communities.

We heard from distinguished sociologists such as Nathan Glazer and David Armor that some Federal judges have ordered busing remedies which far exceed any proven or, indeed, any possible wrong.

These judges have either ignored or been unaware of data showing that some residential racial concentrations are not attributable to official action but to patterns of urban and ethnic development.

What was formerly thought of as the American "melting pot" may be more analogous to a "salad bowl" where all the component parts retain some individual identity.

While not all housing and school concentrations can be thus explained and factors such as income certainly play a part, many judges have discounted this factor entirely, to the detriment of individuals, groups, and society as a whole.

Furthermore, busing orders which are intended to promote integration may sometimes have the opposite effect. Many parents who do not wish to relinquish control over their children's education leave the city and move to areas where their children can attend neighborhood schools.

The separation which results from this exodus is often far more extensive than which existed before the busing order and it cannot be cured by judicial fiat.

Thus, what begins as an attempt to increase integration frequently ends up achieving the opposite result.

In the view of these sociologists, to the extent that the Roth-Biden bill will clarify what is and is not a proper circumstance for busing, it will help alleviate the problems that result when unwarranted and counterproductive orders are imposed.

Unfortunately, last year Senator ROTH and I were unable to have our legislation brought before the Senate in regular order. Therefore, we sought to have it brought up as an amendment to the Elementary and Secondary Education Act. We lost by one vote. Based on evidence we heard before the Judiciary Committee last year, we are more convinced than ever that this bill does represent an acceptable means of reconciling the worthy goals of eliminating unconstitutional segregation from our society while preserving the invaluable asset of our neighborhood communities and schools.

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. WILLIAMS, Mr. RANDOLPH, Mr. EAGLETON, Mr. CRANSTON, Mr. RIEGLE, Mr. SCHWEIKER, Mr. STAFFORD, Mr. LEVIN, and Mr. DOLE):

S. 230. A bill to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes; to the Committee on Human Resources.

NURSE TRAINING AMENDMENTS OF 1979

● Mr. JAVITS. Mr. President, I am pleased to introduce today with Senators KENNEDY, WILLIAMS, RANDOLPH, EAGLETON, CRANSTON, RIEGLE, SCHWEIKER, STAFFORD, LEVIN, and DOLE the Nurse Training Amendments of 1979. This bill authorizes a 1-year extension—through fiscal year 1980—of all existing nurse training authorities (except the authority for financial distress grants which this legislation eliminates) at an authorization level of $125 million.

Mr. President, last year the Congress overwhelmingly passed S. 2416, the Nurse Training Amendments of 1978—a bill which extended through fiscal years 1979 and 1980 the provisions of the Nurse Training Act. The Senate unanimously passed this measure; the House passed the bill by a vote of 393–12. Despite overwhelming approval by the Congress, the President pocket-vetoed this measure. Nurse training programs are now being funded through fiscal year 1979 under a continuing resolution adopted at the end of the 95th Congress.

The bill I am introducing today contains authorization levels which are $287 million less than those contained in S. 2416. The proposed authorization level of $125 million for fiscal year 1980 represents a modest 12.5 percent increase over the 1979 appropriations. The 12.5 percent increase is the inflation factor which was assigned to most health programs in the 95th Congress.

I believe the President's decision to veto S. 2416 wholly unjustified. The President took this action in the belief that the current supply of nurses is adequate to meet the needs of the Nation and that there is no longer a need to continue Federal support of nurse training programs. Mr. President, I disagree.

There are an estimated 1,018,000 registered nurses practicing in this country. The Department of Labor's Occupational Outlook Handbook, a survey of employment trends between now and 1985, estimates that the country will need 1,320,000 registered nurses in 1985 and projects that 83,000 new RN's will be needed annually to fill available positions. In 1976 the Nation's nursing schools graduated 77,633 RN's—with the assistance of the programs funded by the Nurse Training Act. This level of output must be maintained in order to meet the Department of Labor's projected requirements.

Moreover, the need for RN's trained to perform specialized functions varies greatly by category. Nurses with graduate degrees are required to function as practitioners, clinical specialists, educators, administrators, and researchers.

Unfortunately, data which accurately matches our needs in these areas with the current output is virtually nonexistent. What we do know, according to a study conducted by the American Association of Colleges of Nursing, is that in 1978 schools of nursing had 381 budgeted, unfilled faculty positions requiring minimal preparation at the master's level, and 513 budgeted, unfilled positions for faculty prepared at the doctoral level. Projection of additional needs for the year 1980 triples for master's preparation and more than doubles for doctorally prepared nurses.

The relationship between the supply of and demand for nurses is exceedingly complex. It simply cannot be dismissed with broad generalizations such as the one contained in the President's veto message as these could be deceiving, to wit:

> For the past 22 years, the Federal government has provided substantial financial support for nursing education. . . . With the help to this support, the number of active nurses has more than doubled since 1957 to over 1,000,000 in 1978. Ten years ago, in 1968, there were 300 active nurses per 100,000 population in the United States. By the beginning of 1977, this ratio had risen to 395 per 100,000 population.

These are indisputable facts and statistics. But the critical question is, so what? Implicit in the administration's statement is the contention that 395 nurses per 100,000 population are "enough." On the contrary, the Human Resources Committee heard testimony on S. 2416 last year from the American Hospital Association that:

> Hospitals in Texas . . . are forced to recruit foreign nurse graduates to fill posted positions; Chicago hospitals presently have over 2,000 positions unfilled. The shortage of nurses to fill available positions is particularly acute in the inner cities and rural areas. The quantification of nursing shortages, furthermore, is often difficult to document where hospitals have been forced to compromise staffing patterns because of the unavailability of registered nurses in their areas.

These conditions may reflect only a problem of geographic distribution; they

may reflect a shortage of nurses trained in particular specialties. Despite the fact that conclusive data is nonexistent, the President has clearly based the veto decision upon certain unestablished conclusions. But, the consequences of not approving the bill were serious indeed.

Today there are 248,000 nursing students in 1,349 nursing schools throughout the country. Of these nursing schools 1,082 receive capitation grants from the Federal Government totaling $30 million. These capitation grants are used to support faculty salaries, to purchase instructional equipment, for the development of curricula, for payment of clinical training facilities, for development of continuing education programs, and for support of research activities. Clearly, the sudden elimination of these funds must result in financial hardship for these schools. A national survey of the deans and directors of nursing education programs was conducted in December 1977 by the National League for Nursing. Of those responding, over 90 percent indicated that a substantial reduction in capitation funds would create financial difficulty for their programs and in about 50 percent of these instances the impact would be severe.

Not only would the schools suffer severe consequences, the students would also be distressed. Aside from capitation, which indirectly aids every student enrolled in a participating school, the elimination of student assistance in the form of scholarships, traineeships, and loans would leave many students in severe financial straits. Today it is estimated that 37,500 students receive direct assistance under the Nurse Training Act.

Preliminary results of a survey conducted by the National Student Nurses' Association indicated that 51 percent of the respondents come from families with an income of $15,000 or below. Sixteen percent of all respondents were the primary financial contributors to their family units. Furthermore, 65 percent of those surveyed currently hold a job in addition to attending school and 43 percent of the responding students have postponed pursuing a baccalaureate or graduate degree because of the unavailability of financial assistance. Most importantly, 81 percent of the respondents expressed the need for some type of financial assistance.

The President stated flatly in his veto message, "The outlook is good * * * for sustained growth in the supply of nurses." I doubt this assertion will hold true when funds for capitation, other forms of institutional assistance, and student assistance are suddenly withdrawn. Given the absence of relevant data regarding the Nation's nursing needs, and given the obvious hardships which the sudden elimination of institutional and student assistance would cause, I firmly believe we must continue funding these programs for another year. In the interim, we can generate the necessary data and, if appropriate, develop a more rational approach to the curtailment of unnecessary programs.

Although I disagree with the administration's assessment of the impact of S. 2416, the bill I am introducing today I believe responsibly answers the President's concerns regarding the authorization levels. The bill authorizes a 1-year extension of the Nurse Training Act. The purpose of the 1-year extension is twofold: First, it will permit the completion of a study designed to assess the country's needs with respect to the nursing supply. This study is authorized in the bill and was contained in S. 2416. I believe the conduct of this study is vitally important if the current dispute between the administration and the nursing profession is to be successfully resolved. I hope to rely heavily on the results of this study when the Human Resources Committee undertakes its substantive review of the Nurse Training Act next year.

Second, it will bring the review of the nurse training programs in line with the review of all other health manpower programs since the Health Professions Educational Assistance Act of 1976 (Public Law 94–484) expires at the end of fiscal year 1980.

In addition, as I explained earlier, the authorization levels for nurse training programs have been substantially reduced.

This bill is not designed to permit any expansion in nurse training programs; it is designed simply to sustain ongoing efforts until the Congress has had an opportunity to evaluate these programs in conjunction with all other health manpower programs.

Before turning to a discussion of other amendments contained in this bill, I would like to comment on the administration's proposed rescission of $84 million in nurse training funds in the current fiscal year. I believe the President made an implied promise to the nursing schools and nursing students of this country which this proposed rescission would negate. In his veto message, the President said, "Disapproval of this bill will not cause an abrupt termination of funding of the nurse training programs, since funds are available for fiscal year 1979 under the continuing resolution." I believe it is wrong to propose rescinding 70 percent of nurse training funds in the current fiscal year on the heels of this commitment. For the same reasons which make the pocket veto of S. 4216 unjustified, this proposed rescission will have, if adopted, catastrophic consequences for the nursing schools and nursing students of this country.

MISCELLANEOUS AMENDMENTS

The bill contains several other amendments, all of which were included in S. 2416. These are:

First. Section 201. An amendment which permits the Secretary to raise the annual limit on federally insured loans to students in schools of medicine, osteopathy, and dentistry from $10,000 to $15,000 and to raise the overall limit on federally insured loans to such students from $50,000 to $60,000 if the Secretary determines that the costs of education at such schools requires such increases.

Second. Section 202. An amendment which authorizes the Secretary to extend the period of deferral of a National Health Service Corps scholarship recipient beyond 3 years (the current limit) in order to enable the recipient to complete a residency, internship, or other advanced clinical training.

Third. Section 203. An amendment relating to requirements for participation of schools in area health education center programs which provides that if one medical or osteopathic school participating in the program conducted a progrem for the training of nurse practitioners or physician assistants, any other such participating school would not be required to conduct such a program. Existing law requires each participating medical and osteopathic school to conduct such a program.

Fourth. Section 204. An amendment which provides that those AHEC programs which were first funded under section 774 of the act prior to October 12, 1976, would continue to be eligible for Federal support through fiscal year 1981 without meeting the new AHEC requirements of section 781 of the act as added by Public Law 94–484.

Fifth. Section 205. An amendment relating to the maximum amount of funds authorized under section 788(e)(1) which may be obligated for financial distress grants for schools of the health professions. Current law limits the size of a financial distress grant to any particular school to $5 million per year. This amendment would increase that individual limit to $10 million. This amendment does not increase the overall authorization level for financial distress grants; it simply permits the Secretary to award larger grants to individual institutions. This amendment is primarily designed to aid several predominantly black medical schools which are in very serious financial trouble.

Mr. President, I urge early approval of this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NURSE TRAINING

SEC. 101. (a) This Act may be cited as the "Nurse Training Amendments of 1979".

(b) Whenever in this Act (other than section 204) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period at the end thereof "and $4,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) are each amended by striking out "1978" and substituting "1980".

(b) Subsection (e) of section 805 is amended by—

(1) striking out "and" after "1977" and

(2) inserting before the period ", and $17,- year ending September 30, 1980" after "1978".

SEC. 104. Subsection (f) of section 810 (relating to capitation grants) is amended by—

(1) striking "and" after "1977", and

(2) inserting "and $34,000,000 for the fiscal year ending September 30, 1980" after "1978,".

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by—

(1) striking out "and" after "1977", and

(2') inserting before the period ", and $17,- 000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) is amended by—

(1) striking "and" after 1977", and

(2) inserting before the period "and $15,- 000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) is amended by—

(1) striking "and" after 1977", and

(2) inserting before the period at the end thereof "and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b) (4) of section 835 (relating to loan agreements) is amended by striking out "1978" and substituting "1980".

(b) Section 837 (relating to authorizations for student loan funds) is amended by—

(1) striking "and" after "1977",

(2) inserting before the period in the first sentence "and $25,500,000 for the fiscal year ending September 30, 1980",

(3) striking out "1979" and substituting "the fiscal year ending September 30, 1981", and

(4) striking out "October 1, 1978" and substituting "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and substituting "September 30, 1981, and not later than December 30, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and substituting "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and substituting "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) is amended by—

(1) striking out "next two fiscal years" in the first sentence and substituting "next four fiscal years",

(2) striking out "1979" and substituting "1981", and

(3) striking out "1978" and substituting "1980".

(b) Subsection (c)(1) of such section is amended by—

(1) striking out "next two fiscal years" in subparagraph (A) and substituting "next four fiscal years",

(2) striking out "1978" in subparagraph (B) and substituting "1980", and

(3) striking out "1979" in subparagraph (B) and substituting "1981".

SEC. 111. Section 836(b)(3) (relating to student loans) is amended by—

(1) inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979", and

(2) striking out "any such loan" and substituting "any such loan made before the date of enactment of the Nurse Training Amendments of 1979".

SEC. 112. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study to determine the need to continue a specific program of Federal financial support for nursing education, taking into account—

(1) the need for nurses under the present health care delivery system and under that system as it may be changed by the enactment of legislation for national health insurance,

(2) the cost of nursing education, and

(3) the availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agrement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(3) Upon completion of the study, the entity conducting the study shall provide a report of the results to the Secretary and shall include in such report any recommendations for legislation which the entity determines are appropriate.

(4) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(c) Not later than January 15, 1980, the Secretary shall report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the results of the study conducted pursuant to subsection (a) together with such recommendations for legislation as the Secretary determines are appropriate.

TITLE II—OTHER HEALTH PROFESSIONS PROGRAMS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) is amended by—

(1) inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education at such schools requires such increase"; and

(2) inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

SEC. 202. Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) is amended by striking out "(not to exceed three years)" and substituting "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

SEC. 203. Section 781(c) (relating to requirements for participation of schools in area health education center programs) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

SEC. 204. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transitional provisions on area health education centers) is amended by—

(1) striking out "for the next fiscal year" and substituting "for the next three fiscal years";

(2) striking out "no payment shall be made to an entity under such a contract" and substituting "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) inserting before the period at the end thereof: ", or (2) for any fiscal year beginning after September 30, 1979".

SEC. 205. Subparagraph (B) of section 788 (e)(2) is amended by striking out "$5,000,- 000" and substituting "$10,000,000".

● Mr. KENNEDY. Mr. President, I am pleased to join my distinguished colleague, Senator JAVITS, in cosponsoring the Nurse Training Amendments of 1979. This bill extends through fiscal year 1980 the nurse training authorities.

I was surprised and disappointed that the President did not sign S. 2416, the Nurse Training Amendments of 1978. This bill, which was introduced by Senator JAVITS, was cosponsored by 26 Members of the Senate. It passed the Senate by voice vote on June 7, 1978. It passed the House on September 19, 1978, by a vote of 393 to 12.

The bill that we are introducing today extends the programs through fiscal year 1980. The 1979 authorities were contained in a continuing resolution passed in the closing hours of the 95th Congress. The authorization levels in this bill have been reduced to a simple 12.5-percent increase over the appropriations level for 1978 and 1979. The extension through 1980 will bring the nurse training programs in line with the major review we have scheduled of the Health Professional Education Assistance Act (Public Law 94–484).

Included in this bill is a provision that was also in S. 2416 that is of vital importance to three schools active in training much-needed minority health personnel. The amendment would give the Secretary of Health, Education, and Welfare more flexibility in awarding financial distress grants. Meharry Medical College of Nashville, Tenn.; Tuskeegee School of Veterinary Medicine; and Xavier University School of Pharmacy estimate funding deficits totaling at least $7 million a year over the next several years. These schools are in desperate need of this assistance and I am deeply disappointed that the administration ignored this tragic need in the pocket veto of S. 2416.

In his pocket veto message on November 11, 1978, the President stated that "objectives have been accomplished and * * * there is no longer a need" for some of the nurse training authorities.

I believe that the administration's position that the current supply of nurses

is adequate to meet the needs of the existing health care system is premature and unsubstantiated by available data. This bill has a similar provision to the vetoed bill that would require the Secretary of Health, Education, and Welfare, to arrange for a study by the Institute of Medicine to determine the need to continue a specific program of Federal financial support. This study will be the definitive study used by Congress to resolve the longstanding controversy between the nursing profession and the Department of Health, Education, and Welfare over the need for Federal support of nursing education programs.

I know that Senator JAVITS has already outlined the reasons why this bill is so important—and why we so drastically disagree with the administration. I think we should also discuss the people who will be affected by the administration's position.

In the academic year 1978–79 the nurse training authorities issued $22,282,160 in loans and $8,914,314 in scholarships. The students who were awarded these loans and scholarships demonstrated serious financial need. A May 1978 CBO report states that 66 percent of these loan recipients were from families with incomes under $10,000.

This situation is further illustrated by the Howard University School of Nursing here in the District. Seventy-five percent of the students are receiving Federal aid. Dean Anna B. Coles has stated:

> Without assistance they cannot come to school, even though our tuition is very low. As it is, they go from semester to semester, not knowing whether they can return.

We must provide the needed funds for these students.

And when these students graduate, they willl find an employment market eagerly awaiting them. The unemployment rate for newly licensed nurses is only 1.9 percent as compared to the 6-percent national average. A recent Bureau of Labor Statistics report listed nursing as one field with plenty of future job opportunities. BLS projects an increase of 240,000 jobs by 1985.

According to the American Hospital Association, two-thirds of the hospital directors of nursing reported difficulty in recruiting nurses. To confirm this you need only to look at "Nursing" in the employment section of any Sunday newspaper.

Nursing is an integral and major part of our health care system. Nurses are responsible for much primary care and have, in many instances, the most direct patient contact. We have also seen in recent years an expanded role for nurses as nurse practitioners, nurse midwives, nurse anesthetists, and in many other areas. These nurses are making great strides in care of the elderly and children. They are working diligently in many underserved rural and urban areas.

We know how cost effective prevention programs can be. Nurses play a key role in any effective preventive health program. The nurse is also vital to our increased concern over alternatives to high cost institutional care. Nurses are working effectively in caring for the dying at home in many hospice programs across our country.

In conclusion, Mr. President, I urge my colleagues to support this vital piece of legislation. Senator JAVITS has introduced a sound responsible bill and I hope the Senate will act expeditiously on this bill.●

● Mr. RIEGLE. Mr. President, I rise at this time to introduce along with Senators JAVITS, KENNEDY, WILLIAMS, and SCHWEIKER, the Nurse Training Amendment of 1979. The purpose of the bill is to authorize a 1-year extension of the Nurse Training Act at a level of $125 million. Although this authorization level is $81 million lower than 1978 levels, it does come in line with actual 1978 appropriation levels. This 1-year extension would assure continuation of nurse training and at the same time it will permit completion of a study designed to clarify this country's needs with respect to the nursing supply.

Many communities around the country are severely understaffed by medical personnel, particularly primary care registered nurses. Two-thirds of hospital directors surveyed in 1977 complain of difficulty recruiting adequate nursing staff. Nurses today are in greater demand than ever. Any abrupt change in Federal support of nurse training would severely curtail the supply of these vitally needed professionals and would leave severe shortages nationwide.

The new professional demands on nurses are great. Primary and critical care units in hospitals are equipped with modern, sophisticated equipment, and require highly trained nursing staff in their use and in dealing with day-to-day life-threatening situations. Advanced medical or graduate school training is being required in the preparation of nurse practitioners providing care to the elderly, children, and underserved rural and inner-city populations. At a time when 35 million people in 7,000 communities across the Nation are "medically underserved," there is an obvious need to encourage students to enter this health profession. It is imperative that the Federal Government make every effort to increase access to medical care in this Nation.

I encourage my colleagues to join me today in support of the Nurse Training Amendments of 1979.●

● Mr. DOLE. Mr. President, I am pleased to join my distinguished colleague from New York, Senator JAVITS, as a cosponsor of the Nurse Training Amendments of 1979.

The Senator from Kansas, along with the Senator from New York, believes that there is still a possibility that a shortage of nurses continues to exist in the United States or that one may occur in the near future.

IMPLICATIONS FOR RURAL AREAS

There are many Americans, particularly those who dwell in our rural areas, who question the availability of nursing services in these United States. The Senator from Kansas can speak from personal experience that this perception is real and growing on the part of residents from my State. On the surface, at least, a number of indices seem to give credence to this fear.

Employers in States with relatively small populations of registered nurses, have been forced to import hundreds of personnel from Canada to meet the demand for services. One need look no further than the nearest help-wanted page to perceive that demand. The shortage is also confirmed by raw data on unemployment compensation paid to registered nurses. Beyond that, employers in 1977 reported a 30-percent increase in the use of part-time nurses, because of staff shortages. Yet the numbers alone do not tell the whole story. They can hardly convey the suffering and hardship brought on by inadequate health services in rural parts of the land. Nor do they reveal the critical shortage in urban areas and in large hospitals generally, of nurses with specialty preparation.

NEED FOR SPECIALISTS

A study mandated by the 1975 Nurse Training Act revealed serious shortages among nurses whose advanced preparation expands into fields such as community health nursing, teaching, administration, consultation, and research. The study predicted a substantial rise in demand for the services of these registered nurses, precisely at a time when such services were threatened by the overall shortage of trained professionals.

HISTORY OF GOVERNMENT INVOLVEMENT

Ten years ago the Government took the position that an increased supply of nurses and physicians would help solve the problems that both rural and urban citizens experienced with respect to access to health care. Our efforts to produce more health personnel can only be regarded as a success. The growth in the number of registered nurses, for instance, aided by Federal expansion of nursing schools, has been dramatic. But now, the administration's perceptions have altered and apparently they believe that the time for support has ended. The irony of this situation certainly lies in the fact that nursing as a profession has finally begun to come into its own and truly shows the promise of helping us solve the problems with access to care and rising health care costs. Now is not the time for us to back away from our commitment to nursing as a profession and to our citizens as a population.

NEED FOR DATA

Without question we must look carefully at our needs for health manpower and plan rationally for the future. Such planning will require detailed up-to-date information on the present supply and utilization of registered nurses and realistic future projections. I do not believe that we are presently in a situation where we can say precisely how many nurses we will need in the future or what skills or specialties will be of most use. We must take account of the expected societal changes with respect to health care delivery. For instance, I believe that we will finally see a concerted effort on behalf of the Congress and the health care industry as a whole to make home health care a reality and to give those in our society who are terminally ill a choice regarding the location and type of care they receive during their final days.

Efforts in these areas will certainly require the ongoing support of those in the nursing profession.

IMPACT ON STUDENTS

In discussing the Nurse Training Act, we must not overlook the impact of our policy decisions on those who have chosen nursing as a profession. Make no mistake, a great many lives are at stake when we talk about students. Any abrupt change in our Nation's funding policies will profoundly disrupt the lives of more than a quarter of a million individuals. We cannot overlook those lives, nor can we abandon the hopes of millions of rural and urban Americans for the quality health care made possible by these individuals.

With respect to direct student support, the Training Act provides for scholarships, loans, traineeships, and loan repayments. The scholarships and loans are particularly important to students from disadvantaged backgrounds many of whom are minorities.

A May 1978 CBO report stated that 66 percent of Nurse Training Act loan recipients were from families with incomes of less than $10,000. Of these recipients 20 percent were black and 5 percent were from other minorities. A recent survey conducted by the National Student Nurses Association further documented the reliance of students on Federal assistance. Eighty-one percent of the students they surveyed indicated that they could not have attended school without some sort of Federal aid.

Of interest to the citizens of my State was a statistic that NSNA was also able to determine that 65 percent of the students that were surveyed would be willing to work in a critical health manpower shortage area to pay back their loans.

CONCLUSION

As the Senator from Kansas has indicated, we need to give continuing attention to the development of data indicating our real and perceived need for nurses. However, until we have such data, it would be unwise and foolhardy to back away from our long-term commitment to nursing education. We should be fiscally conservative in deciding where our money can best be spent and how much we should spend. But to cut off the majority of these funds at this time is not a fiscally conservative move—it is a foolhardy one. I urge your support of this legislation.●

By Mr. BENTSEN:

S. 231. A bill to amend the Internal Revenue Code to help increase productivity and reduce inflation by providing larger tax deductions for depreciation; to the Committee on Finance.

ACCELERATED DEPRECIATION FOR SMALL AND LARGE BUSINESSES—A METHOD TO HELP INCREASE PRODUCTIVITY AND REDUCE INFLATION

● Mr. BENTSEN. Mr. President, I am today introducing legislation to give businesses larger tax deductions for depreciation. This legislation will help fight inflation by encouraging firms to invest in new equipment to boost productivity and to avoid inflationary capacity shortages.

The proposal was carefully formulated to provide investment incentives for both small and large firms. It is a balanced proposal which recognizes the important contribution that the small business sector of our economy as well as larger businesses can play to help reduce price for the American consumer.

Productivity growth is an important factor in promoting economic growth and curbing inflation. Productivity gains help offset wage increases and thereby help restrain higher prices. This can be particularly important in stopping price-wage spirals.

The President's inflation adviser, Mr. Alfred E. Kahn, recently said that he would surely like to see more liberal depreciation as a way to encourage investment and give a boost to the sagging rate of productivity improvement.

Federal Reserve Chairman G. William Miller said that faster depreciation is the most effective method to increase investment in the modernization of our manufacturing capacity.

My proposal has three parts:

The so-called ADR System (Asset Depreciation Range) would be increased from its present level of 20 to 30 percent.

ADR would be simplified to enable taxpayers to more easily take advantage of this incentive.

A simple depreciation table will be provided for small business.

The United States ranks last in a list of seven major industrial nations with respect to productivity growth. We are even behind Great Britain. According to the Congressional Budget Office, economists generally believe that accelerated depreciation has a larger impact on investment in productive capacity than corporate income tax rate reductions.

Mr. President, I would like to briefly explain the details of this legislation.

My bill would increase the Asset Depreciation Range System from its present level of 20 to 30 percent. Under present law, taxpayers are allowed to increase or decrease the guideline life of eligible machinery by 20 percent. This would be increased to 30 percent under the proposal. Under existing law, if the normal life of a given piece of equipment is 10 years, a business can depreciate that equipment over a range of 8–12 years. Under my bill, the range would be increased to 7–13 years.

ADR will be substantially simplified under my proposal. The complicated annual Federal form will be eliminated and salvage value will be disregarded for purposes of ADR computations.

Investment tax incentives must recognize the particular needs of the small businessman. Accordingly, my bill would allow small firms to use a very simple table for depreciation purposes. It would give small firms the opportunity to choose useful lives for assets which are shorter than the useful lives that other businesses can use. The shorter lives are set so that the present value of the economic benefits of straight line depreciation using those lives is equivalent to the benefits which bigger firms get using ADR lives and double declining balance depreciation.

The lives for different assets will be set forth in a simple table. The proposed system will be available to any business with an adjusted tax basis in assets (other than most real estate assets) of $250,000 or less. This will include more than 90 percent of all businesses. The use of shorter lives will not affect the small business' ability to use the investment tax credit which would have been available if it had used the longer normal ADR lives.

Mr. President, one of the more serious problems facing our Nation is inadequate productivity. The United States ranks last in a list of seven major industrial nations with respect to productivity growth. We are even behind Great Britain. Liberalized depreciation which is directly linked to investment in new equipment will help boost productivity and moderate inflation. We must modernize American industry if we are to remain competitive in world markets and reduce the staggering trade deficit.

Lagging productivity is one of the primary reasons prices are rising so rapidly in this country. Our productivity increased by 3.3 percent a year from 1948–67, but from 1967–77 the increase was only 1.8 percent a year.

Productivity measures the average output per man-hour. Low productivity usually indicates that businesses are not investing in newer, more efficient equipment and machinery. When increases in productivity fail to keep pace with increases in wages, businesses have to charge higher prices for their products and inflation results. An increase in productivity growth will help moderate so-called wage-price spirals.

Gains in productivity helped contain labor costs before 1967. However, as productivity gains slackened after that year, unit labor costs increased and this contributed to inflation.

Barry Bosworth, Director of the President's Council on Wage and Price Stability, has stated:

> We're turning into the British situation of the early '70's when they had almost no productivity growth.

An increase in depreciation will help reverse the trend.

A February 1978 report of the Congressional Budget Office points out that economists generally believe that accelerated depreciation has a larger effect on investment per dollar of tax reduction than a cut in the corporate income tax rate.

Accelerated depreciation is a very efficient way to encourage investment. The tax benefits of faster depreciation accrue to a firm only after new plant and equipment has been in place. Federal Reserve Chairman G. William Miller told the Senate Finance Committee last September:

> It is my judgment that at the present time, when changes affecting the environment in which firms operate seem to occur rapidly and unpredictably and businessmen are highly risk-averse, faster depreciation is

likely to yield the greatest addition to investment per dollar of tax reduction.

Although lower tax rates would improve after-tax profits, the linkage between this improvement in cash flow and spending on new plant and equipment is a loose one. The additional cash might be channeled into any of a number of uses—including the acquisition of other firms, the purchase of securities, or an increase in dividends. A smaller gain in real investment would be achieved for a given dollar of tax revenue loss than would be the case with tax reductions that are linked directly to capital expenditures.

Accelerated depreciation would redress—if in an indirect way—the serious drag on real corporate profitability that has occurred in recent years as inflation has caused replacement costs to exceed depreciation deductions by a wide margin. With high rates of inflation in recent years, the use of historical cost depreciation unadjusted for inflation reduces depreciation deductions by billions of dollars each year relative to economic depreciation.

Mr. President, our economy has been experiencing inadequate levels of capital investment. Of the many factors that influence economic growth rates, none is more important than the level of capital investment. A strong rate of new capital investment is required to generate sustained economic growth. However, during the 1960's, the United States had the worst record of capital investment among the major industrialized nations of the free world. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output between 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations and Great Britain ranks second to last. Our investment was 7.2 percentage points below the average commitment of the entire group.

The following Treasury Department statistics dramatically illustrate this problem:

Investment as percent of real national output 1960–73

	Total fixed	Nonresidential fixed
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OCED countries	24.7	19.4

In 1976, the Department of Commerce prepared one of the most detailed and comprehensive discussions of investment requirements. In its "Study of Fixed Capital Requirements of the U.S. Business Economy, 1971 to 1980," the Department's Bureau of Economic Analysis looked at capital needs on an industry-by-industry basis. The purpose of this study, was to estimate the amount of investment necessary, through 1980, in order to have an economy capable of meeting three objectives—reasonably full employment; a national program of environmental protection; and decreased dependence on potentially unstable foreign energy resources. The Bureau found that capital investment—that is, nonresidential fixed investment—must average about 11.4 percent of gross national product. However, capital spending has averaged less than 10 percent in recent years.

The Commerce Department's study is consistent with other studies. In 1977, the Council of Economic Advisers estimated that business fixed investment would need to account for 12 percent of forecast GNP during the last half of the decade to achieve full employment, reasonable growth in productivity, certain environmental objectives, and greater energy independence. In 1976 however the actual rate of fixed business investment hit a 13-year low of 9.1 percent and in 1977 it was 9.4 percent.

Federal Reserve System Chairman G. William Miller recently stated:

> The Japanese economy spends over 20 percent of GNP on capital investment; West Germany 15 percent. It certainly would be appropriate for us to seek a 12 percent level.

During the decade of the 1960's the United States ranked 17th in a list of 20 industrial nations belonging to the Organization for Economic Cooperation and Development (OECD) as to the average annual growth rate of real output. As the following OECD statistics illustrate, our growth rate was only about one-third the rate in Japan.

Average annual rate of change in real growth for member nations of OCED, 1960–70

	Percent
Japan	11.1
Greece	7.6
Portugal	6.3
Yugoslavia	6.7
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
West Germany	4.8
Austria	4.8
Iceland	4.3
Ireland	4.0
United States	4.0
Luxembourg	2.8
United Kingdom	2.8

SOURCE.—Organization for Economic Development and Cooperation.

Mr. President, faster depreciation will help increase capital investment and promote economic growth. Most importantly this proposal is directly related to investment in new equipment and machinery and will help boost productivity.

Nothing can demonstrate the need for this legislation more than a look at the following Treasury Department statistics which indicate our productivity growth compared to our competitors abroad.

Productivity growth, 1960–1973

[Average annual rate]

	Gross domestic product per employed-person	Manufacturing output per manhour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD nations	5.2	6.1

Source: Department of the Treasury.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed an article from the Washington Post of October 4, 1978 on productivity as well as a chart illustrating my small business depreciation proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRODUCTIVITY PROBLEMS OUTLINED

(By Bradley Graham)

NEW YORK.—It had the look of a sober business conference, but the feel and ring of a pep rally.

In what was billed as part teach-in, part political blitz, 130 representatives of business, government and labor met here yesterday to draw attention to an issue that has been remarkable in its singular ability to put people to sleep—America's productivity slowdown.

The point of the two-day conference is to warn that the U.S. can no longer afford to slough the problem off, that without a concerted effort to improve productivity America stands both to suffer continued inflation and to lose what competitive edge it still has in world markets.

It wasn't your normal demonstration. As a theme, productivity lacks the moral force of a peace movement or the emotional charge of a drug legalization drive. As a drawing card, it isn't likely to attract a militant crowd. The featured speakers, all very establishment, weren't the kind of people one would expect to find raising a ruckus—people like the chairman of General Motors, the chairman of the Federal Reserve, a few distinguished labor leaders and a couple of top Carter administration officials.

But their message was as urgent and alarmist as any clarion call to arms or action. America, they said, has to figure out again how to work efficiently.

"Productivity is a terrible problem for this nation," said Robert Strauss, President Carter's special assistant for both inflation and trade policy and the keynote speaker at yesterday's conference luncheon. "It is a difficult and debilitating problem. The time has come we all are in accord that we must face up to it."

The figures on what's been happening to productivity are indeed disturbing—and were quoted by almost every speaker at some point or another. They show that in the past decade, U.S. productivity gains have slowed to only half what they were during the previous 20-year period (1.6 percent per year increase versus 3.2 percent). In the past four quarters, the gains have averaged less than one percent.

But the U.S. is doing poorly not only in relation to its past record. It has also fallen to the bottom of the list among the world's industrial powers, each of which achieved larger gains in productivity over the last 10 years than the U.S.

"Why don't we shake ourselves awake?" asked Thomas Murphy, chairman of GM. "Why don't we get on with the all-important job of improving?"

The answer isn't simple. For one thing, as Murphy noted, "too few people understand what the concept of productivity really means."

Literally, productivity is a measure of what you get out for what you put in. But a common understanding of the subject ends there. Though economists have a number of ideas about what lies behind America's productivity slump, it remains to most of them somewhat of a puzzle.

The factors most frequently cited as contributing to the slowdown are:

A fall-off in capital investment by industry.

A large influx of relatively inexperienced teenagers and women into the labor force, estimated at 15 million, or 80 percent of the growth in the labor force over the last 10 years.

The rise of service occupations, which are often thought of as less productive than manufacturing jobs.

A slackening in the introduction and development of new technology.

However, in what was generally regarded as the most impressive talk of the day, Barry Bosworth, head of the president's Council on Wage and Price Stability, debunked most of these explanations as hardly significant enough to explain the severity of the current productivity decline.

As critical as the slowdown has been, there is no national program to address it. The National Center for Productivity and the Quality of Working Life, chartered in 1971 to keep at least some discussion going on the subject, went out of business four days ago.

Strauss indicated that President Carter is considering appointing a cabinet-level council which would both monitor productivity improvement within the federal government and draft a national action plan.

Other speakers offered a variety of proposals to improve productivity. Fed Chairman William Miller stressed the need for tax incentives to spur capital investment. GM's Murphy called for major reform of costly and counterproductive government regulations. And Bruce Thrasher, a director of the United Steel Workers of America, emphasized the role labor unions could play in cooperating with management to increase productivity—providing labor received sufficient guarantees that any gains in productivity would not cost jobs.

The thrust of the conference was summarized by C. Jackson Grayson, chairman of the year-old American Productivity Center in Houston and who, along with Business Week magazine, organized the meeting. "Productivity must be put on the national agenda," Grayson said. "We must somehow get the interest, the motivation and the attention of the average individual."

PROPOSED DEPRECIATION LIVES FOR SMALL BUSINESS ASSETS

	Lowest life under 20 percent ADR [1]	Life under administration proposal [2]	Lowest life under 30 percent ADR [1]	Life under administration proposal [2]
SPECIFIC DEPRECIABLE ASSETS USED IN ALL BUSINESS ACTIVITIES				
Office furniture and fixtures	8.0	5	7.0	5
Information systems (computers) and other data-handling equipment	5.0	3	4.0	2
Airplanes	5.0	3	4.0	2
Automobiles	2.5	1	2.0	1
Buses	7.0	5	6.0	4
Light trucks	3.0	1	3.0	1
Heavy trucks	5.0	3	4.0	2
Truck trailers	5.0	3	4.0	2
Vessels and barges	14.5	10	13.0	9
Land improvements	20.0	14	20.0	14
DEPRECIABLE ASSETS USED IN BROAD ACTIVITY GROUPS				
Farming assets	8.0	5	7.0	5
Farm buildings	20.0	14	17.5	12
Mining	8.0	5	7.0	5
Construction	4.0	2	3.5	2
Manufacturing:				
A. Production of electronic products, textured yarn, sawmill and logging operations and oil well drilling	6.0	4	5.5	3
B. Production of machinery; metal, stone and clay, glass, rubber, chemical, wood, plastic, textile, apparel, leather, paper, electric and aerospace products; boat building, and printing and publishing	8.0	5	7.0	5
C. Production of grain, sugar and vegetable food products, tobacco products, and petroleum refining	13.0	9	11.0	8
Wholesale and retail trade, recreational activities, and personal and professional services	8.0	5	7.0	5

[1] Accelerated depreciation methods (e.g. double-declining balance) permitted.
[2] Straight line depreciation used.

Office of the Secretary of the Treasury, Office of Tax Analysis. ●

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, and Mr. JAVITS):

S. 232. A bill to amend title XI of the Public Health Service Act to increase appropriation authorizations for two fiscal years, and for other purposes; to the Committee on Human Resources.

SUDDEN INFANT DEATH SYNDROME ACT AMENDMENTS OF 1979

● Mr. CRANSTON. Mr. President, I introduce today the Sudden Infant Death Syndrome Act Amendments of 1979, a bill to amend title XI, part B, of the Public Health Service Act, regarding sudden infant death syndrome—SIDS—counseling, information, educational, and statistical programs. I am pleased to be joined in introducing this bill by the distinguished Senator from New Jersey (Mr. WILLIAMS), chairman of the Committee on Human Resources, the distinguished Senator from New York (Mr. JAVITS), and the distinguished Senator from Michigan (Mr. RIEGLE).

SIDS, also known as crib death, claims the lives of approximately 7,000 babies annually, making it the leading cause of death of infants between the ages of 1 and 12 months. But, unlike other diseases, there is no warning as to when SIDS will strike. One of the most consistent characteristics of this malady is that the babies who fall victim to it are seemingly healthy, normal infants with no obvious or significant sign of disease. The fact that these babies do appear to be normal at the time of death causes their parents and surviving family members to suffer an incredible amount of guilt, leading them to ask, "Why did it happen to my baby?", or "What could I have done to prevent it?"

And this guilt is not short-lived. It is often compounded by the fact that, indeed, so very little is known about SIDS. Not only about the causes of and the methods of preventing the syndrome, but even the fact that it exists. Because of this lack of information, parents, in certain areas, are sometimes accused unjustifiably of child abuse or neglect. In the past, we have heard stories of parents arrested and jailed on charges of involuntary manslaughter.

Although there have been great advances since the passage of the Sudden Infant Death Syndrome Act of 1974 (Public Law 93–270) in terms of the dissemination of information and the provision of counseling services to those families who have experienced SIDS deaths, there is still a great void in terms of what the public knows about the syndrome—particularly those individuals—such as health professionals and paraprofessionals, who must come to the assistance of families who experience a SIDS death—and in terms of the availability of appropriate counseling services throughout the United States for SIDS families.

Presently, there are only about 32 federally funded information and counseling projects serving only about half of the Nation's population in need of such services. Last year, Mr. President, I introduced legislation to extend for 5 years the SIDS authority in the Public Health Service Act.

In March of last year, the Subcommittee on Child and Human Development, which I am privileged to chair on the Human Resources Committee, held a hearing on extension legislation and on progress that had been made as a result of Public Law 93–270 in terms of the dissemination of information and the provision of counseling services. At that hearing we received testimony from administration witnesses; representatives of the voluntary parent self-help groups, including several SIDS parents them-

selves; a panel of individuals representing federally funded counseling and information projects; a multi-disciplinary panel which included a medical educator, a medical examiner, and a law enforcement representative; and lastly, but perhaps most significantly, representatives from the SIDS research community.

Over and over again, witnesses called for not only an extension of the existing SIDS Act but also various amendments to this legislation so that improvements could be realized in both the administration of the program and in making the services more widely available to a much broader population. I believe the bill we are introducing today does just that.

This legislation was first drafted during the 95th Congress after taking into account all the testimony received at the March 1 hearing. It contained several important revisions in the existing law including an increase in the appropriation authorization levels to permit an extension of federally funded counseling and information projects to those areas of the country not yet being served.

Mr. President, last Congress this legislation was reported from the Human Resources Committee—on May 15, 1978—as part of S. 2522, and it was passed by the Senate on June 7. The corresponding House legislation, however, was not taken up by that body until October 13—just a few days before the 95th Congress adjourned. As my colleagues can well remember, the legislative backlog at that time prohibited our conferring with the House, and so the Senate reluctantly agreed to accept the simple extension of the SIDS legislation as passed by the House.

Thus, the legislation as enacted did not include any of the changes which the Senate deemed necessary based on expert testimony from witnesses at the March 1978 hearing. A significant shortcoming was its failure to increase the appropriation authorization levels so that the badly needed information and counseling services could be expanded to reach those poor, bewildered parents who lost babies to SIDS and are even now wondering if there was anything they might have done to prevent their children's deaths. The amount authorized to be appropriated for fiscal year 1978 was $3,650,000; the figures added to the law for fiscal years 1979, 1980, and 1981 were, respectively, $3,500,000, $4,000,000, and $5,000,000.

The legislation we are introducing today is, except as I will note, derived from S. 2522 as passed by the Senate last June 7. It would require the following:

That an administrative unit be identified within the Department of Health, Education, and Welfare by the Secretary to carry out the SIDS program in a coordinated and cohesive fashion;

That a reporting system be developed so that the information on SIDS, collected at the project level, can be forwarded to HEW in a manner conducive to its full utilization and evaluation;

That coordinated clearinghouse activities be developed with the various entities interested in SIDS both within and outside of HEW;

That the federally funded projects provide for the involvement of parent self-help groups in the development and operation of such projects where appropriate; that the information these federally funded projects collect relate not only to the causes of SIDS, but also to other aspects of the disorder as well; and that the Secretary make an equitable distribution of funds among urban and rural areas to insure that the needs of these areas are appropriately addressed;

That the authorizations of appropriations be extended for 2 years at the following levels: $7 million for fiscal year 1980 and $9 million for fiscal year 1981, rather than through fiscal year 1983 as in S. 2522, which also authorized higher levels;

That the prior requirement for annual reports regarding research activities be renewed and that, in addition to reporting information on the research being carried out specifically related and generally related to SIDS, such reports include information on research being carried out on activities in the area of high-risk pregnancy and high-risk infancy;

That an annual report regarding the federally funded counseling and information projects be instituted and that the first report—required to be submitted not later than February 1, 1980—include a plan for expansion of counseling and information projects to all States and territories not later than July 1, 1981;

That the Secretary conduct a study regarding the death investigation laws and systems in the various States and the impact of these laws and systems on sudden and unexplained infant deaths; and

That the Secretary provide assurances that adequate funds are available for research activities in the area of SIDS.

Mr. President, as I indicated earlier in this statement, this bill includes a modest increase in the authorizations of appropriations for information and counseling programs and other activities for fiscal years 1980 and 1981 to $7 million and $9 million, respectively. The Senate-passed bill had authorized $9 and $11 million, respectively, for those years. These increases were clearly justified by testimony we received at the March 1978 hearing during which expert witnesses called for an extension of counseling and information projects to that half of the population of the United States not presently served by such projects; mandatory reporting requirements for the data gathered at the project level to the central SIDS project office; an improvement in the collection and dissemination of this data and other information relating to sudden and unexplained infant deaths through a clearinghouse mechanism; and activities to help improve death investigation laws and systems. All of these functions are included in the bill we are introducing today, and it is necessary to begin these activities immediately.

We have delayed too long in the application of adequate funding to expand the already successful programs as well as to extend coverage through new programs. We had hoped to enact this legislation last Congress, and achieve needed funding increases in fiscal year 1979. However, due to the heavy legislative backlog during the closing days of the 95th Congress, the bill which was hurriedly enacted provided for an inadequate authorization level of only $3.5 million for fiscal year 1979—a decrease in the authorization level from fiscal year 1978 in which $3,650,000 had been authorized. Because of the requirements of the Congressional Budget Act, however, it will not be possible to increase the appropriation authorization level for the present fiscal year without obtaining a Budget Act waiver. But we can still initiate our schedule and move ahead prudently.

It is my hope, as chairman of the Subcommittee on Child and Human Development—a position in which I hear frequently of the psychological pain and torment experienced by the many young parents and families who lose children to SIDS—that this bill will be taken up and enacted early in the 96th Congress. It is my hope that we here in the Senate who are in a position to do something to alleviate the burden of guilt of these young families, that we who are in a position to encourage the researchers to carry on their studies in the area of sudden infant death syndrome, will respond affirmatively to that responsibility and will quickly pass the proposal we are introducing today.

Mr. President, at this point I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sudden Infant Death Syndrome Act Amendments of 1979".

SEC. 2. Title XI of the Public Health Service Act (42 U.S.C. 300c-11(b)(5)) is amended by amending part B to read as follows:

"PART B—SUDDEN INFANT DEATH SYNDROME

"SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS; PLANS AND REPORTS

"SEC. 1121. (a)(1) The Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome, and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. The Secretary shall administer, through such unit, the functions assigned in this section, and shall provide such unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out such functions effectively.

"(2) The Secretary shall—

"(A) develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section; and

"(B) carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection and dissemination to the public, health and educational institutions, professional organizations, sudden infant death syndrome parent self-help organizations, and other interested parties of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The Secretary is authorized to enter into contracts with public or private entities to carry out the information and clearinghouse activities required under this subsection.

"(b)(1) The Secretary is authorized to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall, by regulation, prescribe. Each application shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under the supervision of the applicant;

"(B) provide for appropriate community representation (including appropriate involvement of parent self-help groups) in the development and operation of such project;

"(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form, at such times, and containing such information as the Secretary may reasonably require, including such reports as will assist in carrying out the provisions of subsection (a)(2) of this section.

"(c)(1) Not later than February 1 of each year after 1979, the Secretary shall submit to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a comprehensive report on the administration of this part (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1980, shall also set forth a plan to—

"(A) extend counseling and information projects to the fifty States and the District of Columbia by July 1, 1980; and

"(B) extend counseling and information projects to all possessions and territories of the United States by July 1, 1981.

"(2) The Secretary shall conduct or provide for the conduct of a study on State laws, practices, and systems relating to death investigation and their impact on sudden and unexplained infant deaths, and any appropriate means for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths. Not later than December 31, 1980, the Secretary shall report to the Congress the results of such study, including recommendations as to any appropriate actions by the Department of Health, Education, and Welfare with respect to the conduct of post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

"(d)(1) For the purpose of making grants and contracts under and otherwise carrying out this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975; $3,000,000 for the fiscal year ending June 30, 1976; $4,000,000 for fiscal year 1977; $3,650,000 for fiscal year 1978; $3,500,000 for fiscal year 1979; $7,000,000 for fiscal year 1980; and $9,000,000 for fiscal year 1981.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts under this section may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The Secretary shall seek to make equitable distribution of funds appropriated under this section among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

"SUDDEN INFANT DEATH SYNDROME RESEARCH AND RESEARCH REPORTS

"SEC. 1122. (a) From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research of the type described in paragraph (1) (A), (B), and (C) of subsection (b) of this section such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.

"(b)(1) Not later than ninety days after the close of fiscal year 1979 and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives specific information for such fiscal year on—

"(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under this Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds;

"(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds; and

"(C) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for high-risk pregnancy and high-risk infancy research which relates to sudden infant death syndrome, specifying how these conditions relate to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

"(2) Each report submitted under paragraph (1) of this subsection shall—

"(A) contain a summary of the findings of intramural and extramural research supported by the National Institute of Child Health and Human Development relating to sudden infant death syndrome as described in clauses (A), (B), and (C) of such paragraph (1), and the plan of such Institute for taking maximum advantage of such research leads and findings;

"(B) provide information on activities underway and plans to bring about the appropriate clinical application of current research findings and the cost and implications of such applications; and

"(C) provide an estimate of the need for additional funds over each of the next five fiscal years for grants and contracts under this Act for research activities described in such clauses.

"(c) Within five days after the Budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1980, the Secretary shall transmit to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for the National Institute of Child Health and Human Development and any other Institutes of the National Institutes of Health, respectively, for research relating to sudden infant death syndrome as described in paragraph (1) (A), (B), and (C) of subsection (b) of this section, and a comparison of such amounts with the amounts requested for the preceding fiscal year.".

SEC. 3. This Act shall take effect on October 1, 1979.●

By Mr. CANNON (for himself and Mr. INOUYE):

S. 233. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, the administration's budget for fiscal year 1980, confirmed the fears which my committee expressed to the President over the past 2 months.

Specifically, the administration proposes to discontinue the international tourism marketing programs currently being administered by the Department of Commerce through the U.S. Travel Service in six major markets and other designated special markets throughout the world.

By failing to request funds for the U.S. Travel Service the administration is, in effect, repealing the International Travel Act of 1961.

When Congress enacted that law we recognized what practically every nation in the world had recognized for some time—there are some international travel promotion efforts which can only be carried out efficiently and effectively under Government auspices. The U.S. Travel Service was, therefore, intended to have a supplementary role assisting the marketing efforts of the public and private sectors of our travel industry to promote the United States as an international destination.

Mr. President, Congress did not act precipitously in an area of little consequence to our national economic interest. Today, travel is a $115 billion a year industry in the United States which supports about 5 million jobs. International travel to the United States in 1978, accounted for 20 million arrivals, who brought $8.6 billion into our country.

According to the Travel Service, pack-

age tour programs through which the agency provided "seed" money to trip wholesalers alone generated $400 million in tourist expenditures here and with U.S. airlines.

Every dollar spent by USTS to promote the United States results in $18.60 foreign exchange earnings. I doubt if many Federal programs can claim to be even one-third that cost effective.

Given these impressive statistics it is not difficult to understand why the futurist Herman Kahn of the Hudson Institute predicts that—

> By the end of this century tourism will be one of the largest industries in the world, if not the largest.

When it enacted the Travel Act of 1961, therefore, it is accurate to say that Congress anticipated Mr. Kahn's prediction by almost 20 years.

And, 5 years ago, the Senate undertook to build upon the modest initiative it undertook in 1961, by unanimously agreeing to Senate Resolution 347, which had been cosponsored by 71 Senators.

That resolution authorized the Senate Commerce Committee to undertake a study and recommend a national tourism policy and a mechanism which would enable the Federal Government in conjunction with the public and private sectors of the industry to capitalize fully on the potential of travel and tourism to contribute to the Nation's economic welfare.

From the outset it was recognized that whatever was done, the role of the Federal Government to assist the industry promote and market the United States as an international travel destination had to be strengthened and made more effective.

That study has been completed, and 3 days of hearings were held last September. A final 3 days are scheduled for February 26, 28, and March 2. Shortly thereafter the committee expects to recommend legislation as mandated bf Senate Resolution 347.

Mr. President, survey after survey has shown that the United States is the country most people wish to visit. Lower air fares and the relative strength of the dollar now make our country the best tourism bargain in the world. Indeed the number of our visitors is increasing in record proportions.

For all of these reasons the committee was especially perplexed to learn almost 2 months ago that the OMB was recommending that USTS be phased out by the end of fiscal year 1979.

We were especially troubled, because OMB had made its recommendation without at least asking for the committee's advice in view of our national tourism policy study which was nearing completion.

Accordingly, Senator INOUYE, chairman of the Tourism Subcommittee, and I twice wrote to the President urging him to withhold action pending completion of the policy study. Numerous industry organizations such as the Hotel & Restaurant Employees & Bartenders International Union, AFL–CIO, the American Hotel & Motel Association, the Air Transport Association, the American Society of Travel Agents, Discover America Travel Organizations, Inc., and others publicly supported the position we had expressed to the President.

In the second of our two letters to the President, dated December 21, we expressed support for his efforts to reduce the cost of Government, and noted that the recently completed study which Arthur D. Little had done for the committee found there was a disproportionate amount of USTS resources devoted to administration, and that industry sources had suggested that USTS could function effectively in its international marketing role with a 60-percent reduction in Washington staff, and a budget of $8 million.

The administration's budget proposal indicates that the recommendations which we made and in which the industry concurs are unacceptable.

Accordingly on behalf of myself and Senator INOUYE I am today introducing legislation which will permit USTS to continue its present international marketing programs for fiscal 1980, with an $8 million budget and a 60-percent reduction in its Washington staff. This will keep USTS' international offices operational while the Congress, the President, and the private sector are considering the legislative recommendations which the committee expects to make shortly pursuant to our national tourism policy study. It will also enable the USTS to continue rendering valuable assistance to the private sector in our common effort to capitalize on an unprecedented opportunity to bring visitors to the United States from abroad.

Since time is of the essence the committee will hold hearings on this legislation beginning at 10 a.m. on February 2. At that time we expect to hear testimony from the administration and representatives of the private sector of the industry.●

By Mr. CRANSTON:

S. 234. A bill for the relief of certain employees of the Long Beach Naval Shipyard, Long Beach, Calif.; to the Committee on the Judiciary.

● Mr. CRANSTON. Mr. President, I am reintroducing legislation today which the 95th Congress did not have time to act upon to relieve Rodney Herold and others listed below of liability for the excess payment for per diem and actual subsistence expenses which they received. These employees were overpaid due to administrative failures in implementing reductions in per diem rates for long-term training assignments. The General Accounting Office has reviewed this case and has recommended that these employees be relieved from liability. This legislation is intended to carry out this recommendation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the following named employees of the Long Beach Naval Shipyard, Long Beach, California, is hereby relieved of all liability to repay to the United States the sum of money specified opposite the name of such employee, such sum representing overpayment of per diem made through administrative error and received in good faith by such employee:

(1) Rodney L. Herold the sum of $2,018.25;
(2) Albert L. Christiansen the sum of $1,254.50;
(3) Edward E. Goodrich the sum of $101.41;
(4) Kenneth E. Butler the sum of $1,808.25;
(5) Allen H. Reynard the sum of $1,310.50;
(6) Donald D. Fish the sum of $1,182.00;
(7) Steve A. Robertson the sum of $2,302.01;
(8) David W. Alton the sum of $1,890.52;
(9) George J. Larson the sum of $1,653.39;
(10) William R. Dow the sum of $1,626.11;
(11) Daniel L. Holly the sum of $1,475.07;
(12) Donald E. Jelinski the sum of $1,412.13;
(13) Leland Kocher the sum of $797.37;
(14) Carl R. Gonsalves the sum of $712.07;
(15) George E. McGuire the sum of $617.25;
(16) Herbert E. Tonkin the sum of $435.45;
(17) Virgil L. Nickell the sum of $194.03.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to any employee named in the first section an amount equal to the aggregate of any amounts paid by such employee or withheld from any sum due such employee on account of the liability referred to in the first section of this Act.

SEC. 3. No part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.●

By Mr. CHURCH:

S. 235. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefits checks, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY ADMINISTRATION ACT

● Mr. CHURCH. Mr. President, I introduce for appropriate reference the Social Security Administration Act.

This bill is based upon legislation that I sponsored during prior Congresses. Those proposals received strong bipartisan support. In fact, a clear majority—51 Senators in all—sponsored the Social Security Administration Act during the 94th Congress. However, no final action was taken on this legislation, because the House Ways and Means Committee acted on several other high priority legislation during the past two Congresses, including tax reductions, a tax reform proposal, a comprehensive energy package, social security financing, unemployment compensation amendments, and others.

The need, though, for the Social Security Administration Act is perhaps more pressing now than ever before.

A clear need exists to reinforce in the minds of the public that social security is a separately financed program from earmarked taxes from workers and employers.

In a very real sense, social security represents a compact between the Government and private citizens to provide partial protection against loss of earnings, because of retirement, death, or disability.

Every effort should be made to safeguard the justifiable expectations of those who have paid into social security.

And, every effort should be made to resist actions to tamper with social security for temporary purposes unrelated to the program's objectives.

MAJOR PROVISIONS

Three major provisions are incorporated in the Social Security Administration Act.

First, the Social Security Administration would become an independent agency under the direction of a three-member bipartisan governing board appointed by the President with the advice and consent of the Senate.

This new autonomous unit would continue to have administrative responsibility for:

The social security cash benefits program—old-age, survivors, and disability insurance;

Medicare;

Supplemental security income; and

The portion of the black lung program now under the direction of the present Social Security Administration.

Second, this proposal would ban the mailing of political notices with social security or supplemental security income checks.

Third, it would remove the transactions of the social security trust funds from the unified budget.

INDEPENDENT AGENCY

Social security affects almost every family in the United States. More than 90 percent of all persons 65 or older are eligible for social security retirement benefits. About 80 percent of all men and women 21 to 64 years old are protected in the event a family breadwinner suffers a long-term disability. And, 95 percent of all mothers and dependent children are eligible for benefits if the father in the family dies.

Every one of these individuals has a very direct and important stake in the financial soundness of social security and the way it is administered. They deserve effective and efficient service from social security offices throughout the country.

An independent Social Security Administration would help to implement these objectives.

First, a three-member governing board—appointed for staggered terms—would permit continuity of operations. This is crucial, because social security affects the day-to-day activities of almost every American family. A gap in leadership while an administration searches for a Commissioner can have an enormous impact on the operations of the social security system.

Second, a three-member board would permit the directors to specialize in particular areas, such as operations, cash benefits, and medicare. Social security is a highly technical and complex program. An opportunity for specialization would be helpful not only for the program operations, but also for the board members.

Third, many leading authorities agree that the Department of Health, Education, and Welfare is unwieldy and unmanageable because of its vast and diverse programs. The job of administering HEW effectively is simply too massive for any one person.

Removal of the Social Security Administration would help to reduce HEW to more manageable proportions. In addition, this action would give the Secretary and his staff more time to devote to other important programs, as well as the smaller units in the Department.

Social security has clearly evolved to the point where it is large enough and important enough to justify independent status. It is one of the larger direct line operations of the Federal Government, employing about 87,000 persons throughout the country.

Fourth, social security clearly deserves full-time nonpolitical executive attention. The rapid changeover in HEW Secretaries and their staff—and there have been a dozen Secretaries during the past quarter of a century—poses operational problems for social security. This situation undoubtedly impedes the administration of this vital institution.

BANNING POLITICAL NOTICES

The Social Security Administration Act includes another safeguard to prevent the social security system from becoming politicized.

Specifically, the bill would prohibit the mailing of notices with social security and SSI checks which make any reference whatsoever to elected Federal officials.

In the past, Republican and Democratic administrations alike have customarily included announcements with social security checks, generally suggesting that benefits were increased, because of action taken by a particular President.

This practice offers great potential for political mischief. It is not only demeaning for the social security system; it can also create misleading inferences from beneficiaries.

Social security should not become a political football to be used by those in positions of high trust or individuals seeking to gain power.

It is simply too important to be exploited for narrow, partisan purposes.

This provision would not—and I want to emphasize this point—prohibit the Social Security Administration from mailing announcements for legitimate informational purposes.

It is designed simply to ban the mailing of political announcements with social security or SSI checks.

REMOVE TRUST FUNDS FROM UNIFIED BUDGET

Finally, this bill would remove the transactions of the social security trust funds from the unified budget.

Prior to the fiscal 1969 budget, the financial transactions of the social security system—except for purposes of economic analysis—were kept entirely separate from the general revenue operations of the Government. And, this is the way it should be.

Social security is, after all, a separately financed program paid for by earmarked taxes from workers, self-employed persons, and employers. These funds can be used for only two purposes: Payment of benefits and the administrative expenses of the program.

Social security represents a commitment by the Federal Government to pay benefits to workers and their families with separate financing on the basis of past earnings and contributions from covered employees. These obligations should not be lumped together with other programs—as if it were possible within the budgetary process to make choices between social security payments and other Government expenditures.

The unified budget has caused confusion for many Americans. Some are concerned whether their social security benefits are secure. Others wonder how separate social security is from general revenue operations.

Public understanding about managing the budget, as a whole, would also be improved if there would be general recognition that social security is separately financed. Its obligations are built up in the past, and no administration should be permitted to repudiate the promises that have been made.

Even though the social security transactions would not be a part of the unified budget, they would be taken into account for purposes of economic analysis, as has always been the case. Any general revenue contributions to social security would also be reflected in the expenditures of the general budget.

EXISTING FEATURES UNCHANGED

I also want to emphasize that the bill would leave unchanged most of the existing relationships between the Social Security Administration and other units of Government.

The Secretary of the Treasury, for example, would still retain responsibility for investment of trust funds.

Authority to spend from the trust funds for administrative purposes would continue to be a part of the regular budget process, as it is now.

The Advisory Council on Social Security would be retained, as well as other special purpose advisory councils. Their membership, though, would be appointed by the three-member governing board.

The new agency would also be subject to the usual clearances on legislative proposals. In general, it would operate under the board supervision of the various control agencies of the Government. The bill would not disturb the existing relationship between social security and the Office of Management and Budget, the General Accounting Office, and the General Services Administration.

NEED FOR PROMPT ENACTMENT

All Americans—whether they are young or old—have a very real and direct interest in the soundness and integrity of the social security system. They also

have a right to insist that the program continue to be built upon sound actuarial principles and equitable policy considerations. They must be assured that the program is administered fairly, impartially, and effectively.

For these reasons, I urge prompt approval of this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Administration Act".

DECLARATION OF PURPOSE

SEC. 2. (a) The purpose of this Act is to strengthen the fiscal and administrative structure of the contributory social security programs. These programs constitute a retirement and group-insurance plan that provides nearly all American workers and their families protection designed to partly make up for the loss of earned income during retirement, during periods of extended and total disability before retirement age, or because of death, and provides protection against the costs of medical care during periods of extended and total disability and after age sixty-five. In conjunction with the program of supplemental security income to the needy, designed to fill the gaps in insurance protection, these contributory social insurance programs form a universal structure of economic security. It is essential that every practical step be taken to assure the long-range fiscal integrity of these programs and to provide for nonpolitical, objective and skilled program administration.

(b) In creating the contributory social security and health insurance programs, the Congress has undertaken a fiscal obligation which differs in essential respects from its obligations under programs financed in other ways. The distinctive nature of this obligation results from (1) the contributory character of the programs which gives to nearly every American a personal financial stake in future benefit rights, (2) the concomitant obligation of Government to assure beyond peradventure that these rights earned by compulsory contributions and based on past earnings will, in fact, be honored when they fall due, whether in the near or distant future, (3) the dependence of the programs, if this assurance is to be fully credible, on adequate long-term sources of income dedicated exclusively to these programs, and (4) the need that changes in these systems which may be required to meet changing economic and social conditions be developed on a long-range basis and in the context of their interrelated benefit and financial structures. In order to assure more completely the full recognition of the fiscal obligations inherent in these programs, this Act separates the transactions of the self-financed social insurance programs from the transactions of the general budget.

(c) The magnitude of these social insurance programs and of the supplemental security income program—in terms of the number of people affected by them, the volume of income and expenditures, the number of persons enaged in their operation, the nationwide network of local offices, and the complexity of these huge operations—demands the utmost in skillful, nonpolitical administration. To help assure such administration and continuously high levels of service to the beneficiaries of and contributors to the programs, this Act constitutes the Social Security Administration as an independent agency in the executive branch, responsible directly to the President. The independence accorded by this change will also serve to emphasize to the public that the Government's role in the insurance programs is essentially that of trustee and manager for those who have worked in covered employment and contributed to the support of the program, a role which is markedly different and carries different obligations from the Government's role in programs financed in other ways.

TITLE I—SOCIAL SECURITY ADMINISTRATION

SEC. 101. (a) Title VII of the Social Security Act is amended by inserting immediately before section 702 the following new section:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. (a)(1) There is hereby established, as an independent agency of the executive branch of the Government, a Social Security Administration (hereinafter in this section referred to as the 'Administration'). The Administration shall be headed by a Board which shall consist of three members who shall be appointed by the President, by and with the advice and consent of the Senate. The President shall, from time to time, designate one of the members as Chairman of the Board.

"(2) No individual shall, during the time that he holds office as a member of the Board, engage in any business, vocation, or employment, other than the discharge of his duties and the exercise of his authority as a member of the Board.

"(3) Not more than two of the members of the Board shall be members of the same political party.

"(4) Each member of the Board shall hold office for a term of four years, except that (A) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (B) the terms of office of the members first taking office after the date of enactment of the Social Security Administration Act shall expire, as designated by the President at the time of appointment, one on January 20, 1981, one on January 20, 1982, and one on January 20, 1983.

"(5) Actions taken, and decisions made by, members of the Board shall be by majority vote; and any action so taken, or decision so made, shall be the action or decision of the Administration.

"(b)(1) It shall be the duty of the Administration to administer the program established by title II, the supplemental security income program established by title XVI, and the programs established by title XVIII of this Act, and to discharge the duties and responsibilities imposed on the Secretary of Health, Education, and Welfare in connection with the administration of the program established by title IV of the Federal Coal Mine Health and Safety Act of 1969.

"(2) The Administration shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning the programs referred to in paragraph (1), and to other programs having similar objectives.

"(3) The Administration shall prepare and submit to the Congress an annual report on its activities, which report shall include the recommendations of the Administration made pursuant to paragraph (2).

"(c)(1) There shall be in the Administration an Executive Director, who shall be appointed by and serve at the pleasure of the Administration, and who shall perform such functions concerning the programs administered by the Administration as the Administration may prescribe.

"(2) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Administration, and who shall be the principal legal counsel in the Administration. The Administration may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code."

(b) Section 702 of such Act is amended by inserting, immediately before the period at the end thereof, the following: "; except that nothing in this section shall be construed to require the Secretary to make studies of or recommendations with respect to programs administered by the Social Security Administration".

(c) Section 706 of such Act is amended—

(1) by striking out "Secretary", wherever it appears therein, and inserting in lieu thereof "Social Security Administration",

(2) in subsection (c)(1) thereof, by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration", and

(3) in subsection (a) thereof, by striking out "the public assistance programs under this Act" and inserting in lieu thereof "the supplemental security income program established by title XVI of this Act".

(d) Section 201(c) of such Act is amended—

(1) in the first sentence thereof, by inserting "the Chairman of the Board of the Social Security Administration," immediately after "Secretary of Labor,", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(e) The last sentence of section 205(g) of such Act is amended by striking out "in the person occupying the office of Secretary or any vacancy in such office" and inserting in lieu thereof "in the membership of the Board of the Social Security Administration or any vacancy in the membership of such Board".

(f) Section 1817(b) of such Act is amended—

(1) in the first sentence thereof, by inserting ", the Chairman of the Board of the Social Security Administration," immediately after "the Secretary of Labor,", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(g) Section 1841(b) of such Act is amended—

(1) in the first sentence thereof, by inserting ", the Chairman of the Board of the Social Security Administration," after "Secretary of Labor", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(h) Title II (other than the first sentence of section 201(c) thereof, and the last sentence of section 205(g) thereof), title XVI, and title XVIII (other than the first sentence of section 1817(b) thereof, and the first sentence of section 1841(b) thereof), of the Social Security Act are each amended—

(1) by striking out, wherever it appears therein, "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration",

(2) by striking out, wherever it appears therein, "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration",

(3) by striking out, wherever it appears therein, "Department" (but only if it is not immediately succeeded by the words "of Health, Education, and Welfare", and only if it is used in reference to the Department of Health, Education, and Welfare) and inserting in lieu thereof "Social Security Administration", and

(4) by striking out, wherever it appears therein, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he," and inserting (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "the Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

(i) Section 1867 (b) of such Act is amended by adding at the end thereof the following new sentence: "Any advice or recommendations so provided by the Advisory Council with respect to title XIX shall be transmitted by the Social Security Administration to the Secretary.".

(j) (1) Title XIX of the Social Security Act is amended by striking out "Secretary" wherever it appears, and inserting in lieu thereof "Social Security Administration" in—

(A) section 1902(a)(9)(A) thereof,

(B) section 1902(a)(33)(B),

(C) section 1902(a)(39), and

(D) section 1903(i)(2) and (j)(2) thereof.

(2) Section 1902(a)(13)(F) of such Act is amended by striking out "Secretary" the first place it appears therein and inserting in lieu thereof "Social Security Administration".

(k) Section 1122 of such Act is amended—

(1) in subsection (c) thereof, by striking out "The Secretary shall pay" and inserting in lieu thereof "The Social Security Administration shall (pursuant to and in accordance with directives from the Secretary) pay",

(2) in subsection (d)(1)(B) thereof, by striking out all the matter that follows clause (ii) of subparagraph (B) and inserting in lieu thereof the following: "then, for such period as he finds necessary in any case to effectuate the purposes of this section, he shall in determining the Federal payments to be made under titles V and XIX with respect to services furnished in the health care facility for which such capital expenditure is made, not include (and shall direct the Social Security Administration, in determining the Federal payments to be made under title XVIII with respect to services furnished in such health care facility, not to include) any amount which is attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of proprietary facilities), or other expenses related to such capital expenditures. With respect to any organization which is reimbursed on a per capita or a fixed fee or negotiated rate basis, the Secretary shall, in determining the Federal payments to be made under titles V and XIX, exclude (and shall direct the Social Security Administration, in determining the Federal payments to be made under title XVIII, to exclude) an amount which in his judgment is a reasonable equivalent to the amounts which would otherwise be excluded under this subsection if payments were to be made on other than a per capita or a fixed fee or negotiated rate basis.", and

(3) in subsection (e) thereof, by striking out "in determining the Federal payments" and inserting in lieu thereof "for the purpose of the determination of the Federal payments".

(l) Part B of title XI of such Act is amended—

(1) in section 1152(e) thereof, by—

(A) inserting "or title XVIII" immediately after "(other than this part", and

(B) inserting at the end thereof the following new sentence: "In order to avoid duplication of functions and unnecessary review and control activities, the Social Security Administration is authorized to waive any or all of the review, certification, or similar activities otherwise required under or pursuant to title XVIII when it finds, on the basis of substantial evidence of the effective performance of review and control activities by Professional Standards Review Organizations, that the review, certification, and similar activities so required are not needed for the provision of adequate reveiw and control.",

(2) in section 1155(f)(2) thereof, by inserting "(or cause to be made, in appropriate cases, by the Social Security Administration)" immediately after "that the Secretary make",

(3) in section 1158 thereof, by striking out "entered into by the Secretary" wherever it appears and inserting in lieu thereof "entered into by the Social Security Administration",

(4) in section 1159(b) thereof, by—

(A) inserting "(or by the Social Security Administration, in the case of a beneficiary or recipient under title XVIII" immediately after "to a hearing thereon by the Secretary", and

(B) inserting "(or the Social Security Administration's final decision, in the case of a beneficiary or recipient under title XVIII)" immediately after "review of the Secretary's final decision", and

(c) inserting "(or the Social Security Administration, as the case may be)" immediately after "The Secretary",

(5) in section 1165 thereof, by inserting "(promulgated in consultation with the Social Security Administration)" immediately after "The Secretary shall by regulations", and

(6) in section 1168 thereof, by adding at the end thereof the following: "In determining the amount to be payable from the Federal Hospital Insurance Trust Fund, the Secretary shall consult with the Social Security Administration; and any amount payable from such Fund shall be payable by the Social Security Administration, pursuant to and in accordance with directives of the Secretary.".

SEC. 102. (a) Except as provided in subsection (b), the term "Secretary of Health, Education, and Welfare" and the term "Secretary", when used to refer to the Secretary of Health, Education, and Welfare, shall be deemed to refer to the Social Security Administration when (and to the extent that) such term is employed in any provision of law which imposes any duty or responsibility on, confers any authority on, or imposes any limitation on the exercise of authority by, the Secretary of Health, Education, and Welfare with respect to the administration of the programs established by (1) title II, XVI (relating to the supplemental security income program), or XVIII, of the Social Security Act, or (2) title IV of the Federal Coal Mine Health and Safety Act of 1969.

(b) The provisions of subsection (a) shall not apply to any provision of law which is contained in (1) title II, XVI (relating to the supplemental security income program), or XVIII, of the Social Security Act, (2) title IV of the Federal Coal Mine Health and Safety Act of 1969, or (3) section 1122 of the Social Security Act, or part B of title XI of such Act.

SEC. 103. (a) There are transferred to the Social Security Administration (established by section 701 of the Social Security Act under the amendment made by section 101 (a) of this Act) all functions carried out by the Secretary of Health, Education, and Welfare, with respect to the administration of programs and activities the administration of which is vested in such Administration, by reason of this Act and the amendments made thereby.

(b) There are transferred to the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101 (a) of this Act) all personnel, assets, liabilities, contracts, property, and records, which the Director of the Office of Management and Budget determines to be employed, held, or used by the Secretary of Health, Education, and Welfare primarily in connection with the functions, activities, and programs which, by reason of this Act and the amendments made thereby, are vested in or become the responsibility of such Administration.

(c) The position of Commissioner of Social Security is abolished.

SEC. 104. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health, Education, and Welfare (or his delegate), and (B) which relate to functions which, by reason of this Act and the amendments made thereby, are vested in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), and

(2) which are in effect at the time this Act takes effect,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by the Social Security Administration (as established by section 701 of the Social Security Act).

(b) The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending at the time this Act takes effect before the Secretary of Health, Education, and Welfare with respect to functions vested (by reason of this Act and the amendments made thereby) in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), except that such proceedings, to the extent that they relate to such functions, shall continue before the Social Security Administration (as so established). Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Social Security Administration (as so established), by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in this subsection—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted. No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health, Education, and Welfare, shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), or such official of such Administration as may be appropriate, and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(d) This Act shall not have the effect of

releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this Act) is vested in the Social Security Administration.

(e) Orders and actions of the Social Security Administration in the exercise of functions vested in such Administration under this Act (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Secretary of Health, Education, and Welfare in the exercise of such functions immediately preceding the effective date of this Act. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in the Social Security Administration shall continue to apply to the exercise of such function by such Administration.

(f) In the exercise of the functions vested in it under this Act (and the amendments made thereby), the Social Security Administration shall have the same authority as that vested in the Secretary of Health, Education, and Welfare with respect to the exercise of such functions immediately preceding the vesting of the same in such Administration, and actions of such Administration shall have the same force and effect as when exercised by such Secretary.

TITLE II—MISCELLANEOUS AND CONFORMING AMENDMENTS

SEC. 201. (a) Section 205 of the Social Security Act is amended by adding after subsection (q) thereof the following:

"(r) The Social Security Administration shall not permit to be enclosed with any check for benefit payments under this title any material which—

"(1) is not related to the provisions of this title or title XVIII, or

"(2) contains the name, signature, or title of any officer of the Government of the United States.".

(b) Section 1631(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) The Social Security Administration shall not permit to be enclosed with any check for benefit payments under this title any material which—

"(A) is not related to the provisions of this title or title XVIII, or

"(B) contains the name, signature, or title of any officer of the United States.".

SEC. 202. Title IV of the Federal Coal Mine Health and Safety Act of 1969 is amended—

(1) in section 402(c) thereof, by striking out "where used in part B means the Secretary of Health, Education, and Welfare, and", and

(2) in all the provisions thereof (other than section 402(c) and section 427) by—

(A) striking out, wherever it appears therein, "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration", and

(B) striking out, wherever it appears therein, each of the following words (but, in the case of any such word, only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he", and inserting (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

SEC. 203. (a) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) in the second sentence of subsection (a) thereof, by striking out "The Budget" and inserting in lieu thereof "Except as provided in subsection (k), the Budget"; and

(2) by adding at the end of such section the following new subsection:

"(k) The Budget shall set forth the items referred to in paragraphs (4), (5), (6), (7), (8), (9), and (12) of subsection (a) which are attributable to receipts of and expenditures from the general fund of the Treasury (commonly referred to as the 'administrative budget'), and shall set forth separately such items which are attributable to receipts of and expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund.".

(b) The amendment made by subsection (a) shall apply with respect to the Budget for the fiscal year ending September 30, 1980, and for each fiscal year thereafter.

SEC. 204. (a) Section 5312 of title 5, United States Code (relating to level I of the Executive Schedule), is amended by adding at the end thereof the following new paragraph:

"(14) Chairman of the Board of the Social Security Administration.".

(b) Section 5313 of such title (relating to level II of the Executive Schedule) is amended by adding at the end thereof the following new paragraphs:

"(24) Member of the Board of the Social Security Administration.

"(25) Executive Director, Social Security Administration.".

(c) Section 5314 of such title (relating to level III of the Executive Schedule) is amended by adding at the end thereof the following new paragraph: "(66) General Counsel, Social Security Administration.".

(d) Section 5315 of such title (relating to level IV of the Executive Schedule) is amended by striking out—

"(99) Commissioner of Social Security, Department of Health, Education, and Welfare.".

The officers referred to in the preceding sentence shall be compensated from the date they first take office, at the rates provided for in the amendments to title 5, United States Code, made by section 204 of this Act. Such compensation and related expenses of such officers shall be paid from funds available for the functions vested in the Social Security Administration by this Act and the amendments made thereby.●

By Mr. CULVER:

S. 236. A bill to modify the Clinton, Iowa, local flood protection project; to the Committee on Environment and Public Works.

PARK AND BIKEWAY FOR THE CLINTON LOCAL FLOOD PROTECTION PROJECT

● Mr. CULVER. Mr. President, today I am introducing legislation to authorize the U.S. Army Corps of Engineers to construct recreational facilities as part of the Clinton, Iowa, flood control project. This legislation also permits the city of Clinton to include the value of the land to be donated for these facilities as part of its share of the cost of this proposal.

Clinton is one of the most rapidly expanding and dynamic communities in Iowa, but over the years it has been vulnerable to severe floods which have hampered its economic and social growth. Prior to the initiation of construction of the current flood protection project in 1974, average flood damage in Clinton was as high as $1 million annually. A single, disastrous flood in 1965 caused over $5.5 million in damages, including $1.6 million in lost earnings. Over 50 major businesses and industrial firms were temporarily closed, and 50 square blocks of the city's residential section were damaged.

As a Member of the House of Representatives from the district which includes Clinton, I worked with city officials and the Rock Island District of the Corps of Engineers to expedite congressional consideration of the necessary improvements to prevent further flood damage. Subsequent testimony before the House Public Works Committee supported the need to initiate work on the flood control measures immediately. In 1968, Congress authorized 8.1 miles of earthen levees and a concrete floodwall along the city's waterfront. The estimated Federal cost of this project is $30 million.

The proposed recreational plan calls for the development of two facilities: A bicycle path on top of the flood control levee and a small park outside the levee with open fields and equipment. The path would be located on the levee entirely within the public property required for the project, and additional easements would not be necessary. Approximately 6.5 acres of land is needed for the proposed Garfield Park recreational development. The city and Federal Government would each pay half of the $224,000 cost of including these facilities in the flood control project. The city will contribute about $70,000 along with the land for the park site.

The bikeway and park were not incorporated in the original project design because the Corps of Engineers was precluded at that time from including such facilities in flood control projects. However, corps regulations were changed in 1970, and it is now usual for local flood control measures to have recreational features. With this new authority, the corps began plans to add the park and bikeway to the Clinton project, which, consequently, constitute a postauthorization change. Congress must specifically authorize these facilities.

Congress must also act to let the city donate the land for the park and bikeway as part of its share of total project costs. Regulations promulgated by the corps in 1977 preclude the value of land donated by local project sponsors from counting as partial fulfillment of its share of project costs. However, before these new regulations were issued, the Rock Island District and Clinton city officials had already agreed to consider the price of the land to be donated as part of the city's overall financial responsibility. If this agreement is not authorized now, the corps would have to renegotiate the local cost share, which would increase the eventual cost of the park and bikeway due to added delays.

Mr. President, the Senate approved these postauthorization changes last year. The House of Representatives, however, failed to take final action on the conference report at the end of the 95th Congress. Consequently, I am introducing legislation today authorizing the modification of the Clinton project to include these recreational amenities and will work for final congressional approval this year.

Mr. President, I visited the Clinton flood control project site last fall and was extremely pleased that the structure is currently about 60 percent finished and is on schedule for completion in fiscal year 1981. The proposed recreational facilities have the strong support of the citizens of Clinton, and I know that city officials are quite anxious for the corps to begin constructing them. When completed, the park and bikeway will provide significant recreational opportunities for the community, and I strongly urge Congress to approve this legislation to enhance the overall benefits of the Clinton flood control project.●

By Mr. DECONCINI:

S. 237. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes; to the Committee on the Judiciary.

MAGISTRATE ACT OF 1979

● Mr. DECONCINI. Mr. President, I am introducing today, S. 237, a bill to amend title 28, United States Code, to improve the access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes.

The main thrust of the bill is to amend the current jurisdictional provisions for U.S. magistrates—section 636, title 28, United States Code, in civil cases and section 3401, title 18, United States Code, in misdemeanor cases—in order to further clarify and expand the jurisdiction of U.S. magistrates and improve access to the Federal courts for the less advantaged. The bill provides for an expansion of the present power of magistrates to dispose of certain minor criminal cases by including all Federal misdemeanors within that jurisdiction. The bill further provides for case dispositive jurisdiction for magistrates in civil cases where the parties to the litigation consent to the exercise of such power by the magistrate.

When the 90th Congress enacted the Federal Magistrates Act in 1968 (Public Law 90-578), it created a system of full-time and part-time judicial officers who would perform various judicial duties under the supervision of the district courts in order to assist the judges of these courts in handling an ever-increasing caseload. The experiment has proven to be enormously successful. During the fiscal year 1977, magistrates performed a wide variety of additional duties for the district judges under the authority of 28, U.S.C., 636(b), including the conduct of 22,787 civil pretrial conferences in 66 districts, the disposition of 17,687 civil motions in 64 districts, the review of 8,515 prisoner petitions in 67 districts, the review of 3,449 social security appeals in 59 districts, and the service as special masters in 871 cases.

In addition, in the criminal area magistrates conducted 4,787 pretrial conferences, ruled on over 7,300 motions, and conducted nearly 22,000 arraignments for the various district courts in which they serve. Magistrates also heard over 85,000 petty offense cases and 17,181 other minor offenses. Magistrates conducted 83,357 preliminary proceedings in more serious criminal cases, of the nature of those formerly conducted by U.S. commissioners, the magistrates' predecessors.

In enacting the Federal Magistrates Act in 1968, the Congress clearly intended that the magistrate should be a judicial officer whose purpose was to assist the district judge to the end that the judge could have more time to preside at the trial of cases. The act facilitated a rational division of labor among judicial officers in the district court, as the magistrate would relieve the judge from personally hearing each and every pretrial motion or proceeding in the preparation of a case for trial. That the magistrates have fulfilled this function to date seems clear from the statistics relating to magistrate activity in the fiscal year 1977. The 1976 jurisdictional amendments to the Federal Magistrates Act clarified and broadened the role of magistrates in assisting district judges in the disposition of cases which would ordinarily be tried by a district judge. This bill would enlarge upon the jurisdiction of magistrates to actually allow them to conduct trials of cases and enter final judgments themselves, in both civil and criminal cases, where both parties to the case had consented. In the civil area the bill would permit magistrates, where specially designated by their district courts, to try any civil case upon the consent of the parties. No limitation is placed on the type of case which may be referred to a magistrate under this provision. Thus, cases may be referred regardless of complexity or the amount of recovery sought.

In the criminal area under present law magistrates are empowered to try persons accused of minor offenses for which maximum penalty that may be imposed does not exceed imprisonment for a term of 1 year or a fine of $1,000, or both (with certain limited exceptions), if the defendant consents to trial before a magistrate rather than before a district judge, and if the defendant also waives whatever right to trial by jury he may have. The bill would expand this trial jurisdiction to include any misdemeanor prosecuted in the Federal district court. The bill would also allow for the first time: First, the trials of misdemeanors above the petty offense level could be by jury before the magistrate; and second, that the Government would be permitted to petition the district court to remove a particular misdemeanor above the petty offense level from the magistrate for good cause shown.

During the last Congress this bill was unanimously enacted by the Senate and later was also enacted by the House of Representatives but failed in the final days of the Congress to make its way through the conference committee. It is my hope that I can bring this bill quickly before the Senate and that it again can receive expeditious treatment and final passage. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Magistrate Act of 1979".

SEC. 2 Section 636 of title 28, United States Code, is amended—

(1) by redesignating subsections (c) through (f) thereof as subsections (d) through (g), respectively; and

(2) by inserting immediately after subsection (b) thereof the following new subsection:

"(c) Notwithstanding any provision of law to the contrary—

"(1) Upon the consent of the parties, a full-time United States magistrate or a part-time United States magistrate who is not engaged in the practice of law may conduct any or all proceedings in a jury or nonjury civil matter and order the entry of judgment in the case, when specially designated to exercise such jurisdiction by the district court or courts he serves.

"(2) Upon entry of judgment in any case referred under paragraph (1) of this subsection, an aggrieved party may appeal on the record to a judge of the district court in the same manner as on an appeal from a judgment of the district court to a court of appeals. Wherever possible the local rules of the district court and the rules promulgated pursuant to section 2072 of this title shall endeavor to make such appeal expeditious and inexpensive.

"(3) Cases in the district courts under paragraph (2) of this subsection may be reviewed by the appropriate United States court of appeals upon petition for leave to appeal by a party stating specific objections to the judgment. Nothing in this paragraph, however, shall be construed to be a limitation on any party's right to seek review by the Supreme Court of the United States.

"(4) Notwithstanding the provisions of paragraphs (2) and (3) of this subsection, at the time of reference to a magistrate, the parties may further consent to appeal directly to the appropriate United States court of appeals from the judgment of the magistrate in the same manner as an appeal from any other judgment of a district court. In this circumstance, the consent of the parties allows a magistrate designated to exercise civil jurisdiction under paragraph (1) of this subsection to direct the entry of a judgment of the district court in accordance with the Federal Rules of Civil Procedure. Nothing in this paragraph shall be construed as a limitation on any party's right to seek review by the Supreme Court of the United States.

"(5) The district court shall inform the parties of the provisions of this subsection. The court, however, shall not attempt to persuade or induce any party to consent to a reference of any civil matter to a magistrate under this subsection.

"(6) The court may, on its motion, or for good cause shown, vacate a reference of a civil matter to a magistrate under this subsection.".

SEC. 3. (a) The first sentence of section 631(b) of title 28, United States Code, is amended by inserting "reappointed to" immediately after "appointed or"; and

(b) Section 631 of title 28, United States Code, is amended by inserting immediately at the end thereof the following new paragraph:

"(5) He is selected pursuant to standards and procedures promulgated by the Judicial Conference of the United States. Such standards and procedures shall contain provision for public notice of all vacancies in magistrate positions and in the case of appointments to full-time magistrate positions for the establishment by the district courts of merit selection panels, composed of residents of the individual judicial districts, as to as-

sist the courts in identifying and recommending persons who are best qualified to fill such positions.

(c) The Congress suggests that the district courts, in selecting individuals for appointment to magistrate positions, select the best qualified individuals regardless of race, color, sex, religion, or national origin.

SEC. 4. Section 633(c) of title 28, United States Code, is amended by striking the final sentence.

SEC. 5. Section 604(d)(3) of title 28, United States Code, is amended by adding immediately after the word "magistrates" the following: ", their professional backgrounds and qualifications, and any appeals that may be taken from the decisions of magistrates".

SEC. 6. Section 1915(b) of title 28, United States Code, is amended to read as follows:

"(b) Upon the filing of an affidavit in accordance with subsection (a) of this section, the court may direct payment by the United States of the expenses of (1) printing the record on appeal in any civil or criminal case, if such printing is required by the appellate court; (2) preparing a transcript of proceedings before a United States magistrate in any civil or criminal case, if such transcript is required by the district court, in the case of proceedings conducted under section 636(b) of this title or under section 3401(b) of title 18, United States Code; and (3) printing the record on appeal if such printing is required by the appellate court, in the case of proceedings conducted pursuant to section 636(b) of this title. Such expenses shall be paid when authorized by the Director of the Administrative Office of the United States Courts.".

SEC. 7. Section 3401 of title 18, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) When specially designated to exercise such jurisdiction by the district court or courts he serves, a United States magistrate shall have jurisdiction to try persons accused of, and sentence persons convicted of, misdemeanors committed within that judicial district.";

(2) By amending subsection (b) to read as follows:

"(b) The magistrate shall carefully explain to the defendant that he has a right to trial before a district judge in any misdemeanor case, including a petty offense case, and that he also has a right to trial by jury before either a judge or magistrate. A petty offense case, however, shall not be tried before a jury except as guaranteed by the United States Constitution.

If the offense charged is a petty offense, the magistrate shall not try the case if the defendant, before the commencement of the trial, demands to be tried before a judge of the district court. If the offense charged is a misdemeanor other than a petty offense, the magistrate shall not try the case unless the defendant first signs a written consent to be tried before the magistrate that specifically waives a trial before a district judge.

(3) by adding at the beginning of subsection (d) the following:

"A magistrate may impose sentence and exercise all powers under chapter 402 of this title. No such sentence shall include a commitment for a period in excess of the maximum term which could have been imposed on an adult convicted of the same offense.";

(4) by amending subsection (f) to read as follows:

(f) The district court may order that proceedings in a misdemeanor case be conducted before a district judge rather than a United States magistrate upon the court's own motion or, for good cause, shown, upon petition by the attorney for the Government. Such petition should note the novelty, importance, or complexity of the case, or other pertinent factors, and be filed in accordance with regulations promulgated by the Attorney General."; and

(5) By adding at the end therefore the following new subsection:

(g) "A magistrate may exercise all powers of the court pursuant to chapter 403 of this title in the case of a juvenile accused of a violation which would be a misdemeanor, including a petty offense, if committed by an adult. If the violation would be a petty offense if committed by an adult, proceedings pursuant to chapter 403 may be initiated against the juvenile by a violation notice or complaint without the certification of the Attorney General referred to in section 5032 of this title. Any term of commitment or imprisonment imposed upon a juvenile by a magistrate shall not exceed six months."

SEC. 8. (a) The heading for section 3401 of title 18, United States Code, is amended by striking the words "MINOR OFFENSES" and inserting in lieu thereof "MISDEMEANORS".

(b) The item relating to section 3401 in the table of sections of chapter 219 of title 18, United States Code, is amended by striking the words "MINOR OFFENSES" and inserting in lieu thereof "MISDEMEANORS".

SEC. 9. Such sums as may be necessary to carry out the purposes of this Act are hereby authorized to be appropriated for expenditure on or after October 1, 1979.●

By Mr. TOWER:

S. 238. A bill to establish a Citizens Commission on Economic Regulatory Oversight to study Federal economic regulation and recommend the elimination of unnecessary regulatory agencies and laws, and for other purposes; to the Committee on Governmental Affairs.

CITIZENS COMMISSION ON ECONOMIC REGULATORY OVERSIGHT ACT OF 1979

● Mr. TOWER. Mr. President, I am today introducing a bill to establish a commission of citizens from outside the Government to review Federal economic regulatory agencies and laws and to recommend to Congress the elimination of those agencies, laws and regulations which are no longer needed.

THE HIGH COST OF GOVERNMENT

The almost unanimous voice of my constituents urging that I take steps to "get Government off their backs," led me in the last session of Congress to introduce the forerunner of my current bill to establish a Citizens Commission on Economic Regulatory Oversight.

The aims initially of Government involvement were the expected immediate benefits to flow from dollars invested or the social or economic problems to be solved over the long term. Performance fell short of the promise and more recently, the public focus has shifted to hard realities: Costs to the American taxpayer in terms of reduction in efficiency and productivity, paperwork, delays, and inflation.

In spite of the public concern and political rhetoric calling for less regulation, there has been no appreciable decline in Government intervention. For example, in the January 19, 1979, Federal Register, the Department of Health, Education, and Welfare reported that it had 453 significant regulations under development. The President's budget for fiscal year 1980 reveals that outlays for civil rights enforcement are projected to increase by 32 percent from $448 million in 1978 to $592.5 million in 1980. Outlays for pollution control and abatement enforcement activities are due to increase by about $100 million in 1979. Nor are the oldline alphabetical agencies taking a cut. The 1979 outlays for the FTC are anticipated to increase from $59,446,000 to $64,919,000; for the ICC, from $65,077,000 to $72,008,000; for the SEC, from $61,328,000 to $67,985,000; and for the FCC, from $64,084,000 to $70,154,000.

A current example may be seen in the recently passed Right to Financial Privacy Act which requires all financial institutions and credit card issuers to "notify promptly all of their customers of their rights" under the act. It has been estimated that the economic impact of sending multiple privacy disclosure notices to millions of people will cost approximately $1 billion.

Of gravest concern to me is the effect regulation is having on our productivity and capital formation.

Within the last decade, a new type of regulation which has nothing to do with harmful or unfair business practices has emerged to change the way capital is allocated. Thus, the large body of environmental regulation growing out of the Clean Air Act, the Occupational Safety and Health Act, and some portion of consumer protection legislation of the last 10 years oblige businesses to do things that they would otherwise not do because there is no market demand for these things. Regulatory agencies "require" business firms to use capital for purposes that they would not otherwise use it for because it would not yield the market rate of return.

The effect of such regulation is to allocate a larger portion of capital generated by businesses into investments required to meet the regulatory objectives such as clean air, a safer workplace, and so forth. This leaves a decreasing percentage for investments that are in response to market factors such as new products and new technology that increase productivity and our standard of living.

While I do not know of a responsible legislator who argues that a share of our capital resources should not go for social purposes, we are faced with the practical problem that if this practice is continued on a sufficiently large scale, it will cause our overall supply of capital to be reduced. Those savers who supply the capital must be compensated adequately or they will not voluntarily make their savings available. If a very large share of the savings invested in the business sector were mandated for social purposes, the private return on capital would visibly decline, and so would the supply of capital available for investments which would increase productivity.

The failure of our productivity rate to increase at an annual rate of more than 2 percent over this last decade of regulation should be of concern to all Americans. An unsatisfactory increase in the rate of productivity will lead to a lower standard of living for most Americans. Those citizens on the bottom rung of the ladder will suffer most because there will be no upward step for them to take.

Another major concern of mine is the effect regulation has on small business. Most of the regulatory laws that are passed by Congress and regulations that

are issued by the agencies are framed with large corporations in mind. The corporate lobbyists and attorneys play an influential role in the shaping of these laws and regulations. Although they seldom get all they want, they at least make the laws and regulations "livable" for their clients. What is "livable" for the big boys "clobbers" the small enterpreneur. Small firms seldom have the computers, copying machines, lawyers, and accountants needed to comply with the paperwork demands of the regulators.

FUNCTIONS OF THE COMMISSION

The primary role of the Commission is to study and evaluate the functioning of the independent economic regulatory agencies and economic regulation generally. The focus of this study is to be on:

Whether, and to what extent, Federal laws and regulations which provide economic regulation and which have been in effect for 5 years or more accomplish their intended goals in light of the economic and judicial costs which they generate, including estimates of the increase in the cost to the consumer of housing, food, transportation, energy, and consumer products;

Which regulatory agencies, due to changed conditions or achievement of intended goals, are no longer needed;

Which regulatory agencies need to be strengthened or altered due to changed conditions; and

Whether economic and tax incentives or penalties may be substituted as alternatives to Federal rules, regulations, and standards.

In order that the Commission can complete its work in a timely fashion, it is anticipated that its research efforts will commence where the many excellent reports of Congress and commissions have left off. Prior work need not be duplicated. The primary effort of the Commission should be on its public hearings in an attempt to develop a national consensus on the appropriate role of the government in the market.

ALTERNATIVES TO REGULATION

An important role of the Commission is to look at alternatives to classical regulation.

First, it is intended that the Commission analyze the desirability of relying on the competitive marketplace to provide the greatest economic benefit to the American consumer. The early initiatives now being taken in the airline industry give strong indication that both the consumer and the industry benefit from deregulation. Looking at natural gas regulation, one finds that the nonregulated intrastate markets fare better than the regulated interstate markets.

Where the market factors are demonstrated to be unable to perform the needed regulatory function and Government intervention in some form appears necessary, the Commission is to look at alternatives to classical regulation. For example, economists have urged that taxes be used to aid in controlling certain kinds of pollution in lieu of regulatory standard-setting.

In some instances, the Commission may find that there are areas where classical regulation is needed but outmoded. Most observers feel that safety standards are needed for food and drugs but that these must be updated to keep pace with modern technology.

Mr. President, the piecemeal remedies and incremental intrusion of the heavy hand of Government into our daily lives and work are destroying individual incentives which are that wellspring of economic growth.

The Citizens Commission on Economic Regulatory Oversight would help channel public disenchantment with government meddling and mismanagement in the direction of constructive action—to give the public a forum and the tools to apply pressure on Congress to make changes by cracking down on unnecessary regulation. It would help develop the necessary public consensus for action.

Mr. President, I ask unanimous consent that the bill and the report of the Committee on Federal Legislation of the New York County Lawyers' Association be printed in the RECORD.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

S. 238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Citizens Commission on Economic Regulatory Oversight Act of 1979".

ESTABLISHMENT OF COMMISSION

SEC. 2. There is established a Commission to be known as the Citizens Commission on Economic Regulatory Oversight (hereinafter referred to in this Act as the "Commission").

MEMBERSHIP

SEC. 3. (a) The Commission shall be composed of fifteen members appointed, from among distinguished citizens not employed in a full-time capacity by the United States, as follows:

(1) three members shall be appointed by the President of the Senate and two by the minority leader of the Senate,

(2) three members shall be appointed by the Speaker of the House of Representatives and two by the minority leader of the House of Representatives, and

(3) five members shall be appointed by the President.

(b) Any vacancy occurring in the membership of the Commission shall not affect its powers, and shall be filled in the same manner as in the case of the original appointment.

(c) Seven members of the Commission shall constitute a quorum for the transaction of its business, but the Commission may provide for the taking of testimony and the receiving of evidence at hearings at which there are present not less than three members of the Commission.

(d) The members of the Commission shall elect a Chairman and a Vice Chairman from among its members. It is the duty of the Vice Chairman to serve in the absence of the Chairman and carry out his duties and responsibilities.

(e) The members of the Commission shall be appointed not later than three months after the date of the enactment of this Act. If the members of the Commission have not been appointed within the above period, the Commission shall begin to transact business as soon as seven members have been appointed and shall have all the powers and authority to act as if the full membership had been appointed.

FUNCTIONS

SEC. 4. (a) It shall be the duty of the Commission to study and evaluate the functioning of the independent economic regulatory agencies in the United States, as well as economic regulation generally, and to present administrative and legislative recommendations to Congress.

(b) In carrying out its duties under subsection (a), the Commission shall conduct a study and analysis—

(1) of whether, and to what extent, Federal laws and regulations which provide economic regulation and which have been in effect for five years or more accomplish their intended goals in light of the economic and judicial costs which they generate, including estimates of the increase in the cost to the consumer of housing, food, transportation, energy, and consumer products;

(2) to determine which regulatory agencies, due to changed conditions or achievement of intended goals, are no longer needed;

(3) to determine which regulatory agencies need to be strengthened or altered due to changed conditions;

(4) of economic and tax incentives or penalties as alternatives to Federal rules, regulations, and standards; and

(5) of the variations in agency procedural requirements as well as compliance machinery.

(c) In carrying out its duties under this section, the Commission shall present to Congress an interim report one year after the time allotted for appointment of members as provided in section 3(e), and shall submit to the President and to the Congress a final report of its findings and recommendations not later than eighteen months after the appointment of members pursuant to section 3(e). The Commission shall cease to exist sixty days after its final report is submitted. The Commission shall not be required to obtain the clearance of any Federal agency prior to the submission of any interim or final report.

(d) In carrying out its functions, the Commission shall conduct town hall meetings in different sections of the country to learn the views of citizens of local communities on the topics of inquiry. These meetings may be conducted simultaneously in different sections of the country.

(e) In carrying out its functions, the Commission shall establish a toll free telephone number which may be used by citizens to express their views on the topics of injury.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable.

(b)(1) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or any members. Any member of the Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances to witnesses summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this section shall be fined not more than $500, or imprisoned for not more than six

months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney may proceed by information for the prosecution of such person for such offense.

(c) The Commission may acquire directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government, available information which the Commission considers useful in the discharge of its duties. Each department, agency, and independent instrumentality, and any other authority of the executive branch of the Government, shall cooperate with the Commission and furnish all information requested by the Commission to the extent permitted by law.

ADMINISTRATION PROVISIONS

SEC. 6. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission is authorized—

(1) to appoint and fix the compensation of an Executive Director, and such additional personnel as it deems necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification in General Schedule pay rates, but—

(A) in the case of the Executive Director, at a rate equal to that for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of all other personnel, at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b)(1) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of General Services.

(2) The Commission is authorized to make grants and enter into contracts for the conduct of research and studies which will assist it in performing its duties under this Act and all such grants and contracts shall be subject to the time limitations imposed upon the Commission by this Act.

(c)(1) Any Federal employee subject to the civil service laws, rules, and regulations may be detailed to the Commission, and such detail shall be without interruption or loss of civil service status or privilege.

(2) Any staff member of any committee of the Senate or of any committee of the House of Representatives may be detailed to serve on the staff of the Commission by the chairman of the respective committee. Any staff members so detailed shall serve on the staff of the Commission without additional compensation except that such staff member may receive such reimbursement of expenses incurred as the Commission may authorize.

COMPENSATION OF MEMBERS

SEC. 7. (a) The Chairman of the Commission shall receive compensation at a rate equal to the daily rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the Vice Chairman shall receive compensation at a rate equal to the daily rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day the Chairman or Vice Chairman is engaged in the performance of the duties vested in the Commission.

(b) All other members of the Commission who are not officers or employees of the Federal Government shall receive compensation at the rate of $200 for each day such member is engaged in the performance of the duties vested in the Commission.

(c) All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

REPORT ON PROPOSED CREATION OF "LITTLE HOOVER COMMISSION" TO REVIEW FEDERAL ECONOMIC REGULATION

RECOMMENDATION: APPROVAL

S. 3459, 95th Cong., 2d Sess. (1978) would establish a twelve member[1] commission with an eighteen-month lifespan to review federal economic regulation as it has accumulated over the decades and to evaluate the independent economic regulatory agencies themselves to determine whether the regulators and their regulations may be failing to achieve their intended purposes or may be creating economically detrimental side effects.

Such an effort is urgently needed because of the tendency of our society to add new layers of rules to deal with our constantly shifting eocnomic problems, while paying minimal attention to those regulations which may have become counterproductive and thus no longer needed.

Unlike many other proposals, this bill would not add another permanent layer of bureaucracy to deal with problems involving existing institutions. Nor would it be aimed at a study of a particular subject matter area. Rather, it would seek to determine whether economic regulations in effect five years or more are worth their cost to consumers and which regulatory agencies should be either strengthened or eliminated. That this is a laudable goal, few could dispute.

In the absence of this type of independent, outside intervention, it is extraordinarily difficult for existing agencies, particularly those that may have become captives of the industries they regulate, to take the kind of critical introspective look at themselves that is so essential to efficiency in government.[2]

In recommending approval of the bill, we suggest that the Commission's charge include preparation of an analysis of the variations in agency procedural requirements[3] as well as compliance machinery.

In this way the triple threats of delay, expense and regulator overreaction can each be subjected to detailed examination.

The proposal has a precedent in the highly successful Commission on Organization of the Executive Branch of the Government ("Hoover Commission") created in 1947.[4]

There are two practical defects in this measure, however. First, the 18-month life span for the Commission seems inadequate for the discharge of the broad review committed to the body. The Commission will necessarily have to study areas of regulation individually or in related groups, and a 3-year or 5-year span for the entire job would seem more realistic. Second, the composition of the Commission (see note 1, *supra*) seems unlikely to produce the overall membership needed to get this job done effectively. Two-thirds of the members are to be appointed by the four separate congressional leaders, with one-third of the body to be appointed by the President. It would be better to reverse those proportions, or provide entirely for presidential appointment, so as to enable the President to have sufficient selections from which to assemble a balanced panel representing the varied groups interested in and affected by federal economic regulations.

Respectfully submitted,

Richard A. Givens, Chairman, Linda Hawley Asay, Sandra Lopez Bird, Edward Broksky, Matthew Burns, Evan A. Davis, Stephen V. Dubin, Elise Anne Geltzer, Robert Lawrence Geltzer, Robert John Grimm, Eric Thomas Haas, Jack Harold Halperin, Michael D. Hess, Robert Elihu Kushner, George William Leopold, Jr., Kim Quincy Matland, Henry Mittler, Solomon D. Monshine, Peter Henry Morrison, Peter M. Phillipes, Ellen M. Poler, Lorraine Cooper Presnick, James W. Rayhill, Peter Repetti, Martin Franklin Richman, Margarita C. Salvia, Salvatore F. Sangiorgi, Lisa A. Whitney, Robert W. Wien, Benjamin J. Zinkin, Lawrence X. Cusack, Ex-Officio, Daniel C. Draper, Ex-Officio.

FOOTNOTES

[1] Four members to be appointed by the President and two each by the House and Senate majority and minority leadership.

[2] See A. Jay, Management and Machiavelli (1968); Peter Drucker, Concept of the Corporation (1960); Robert Townsend, Up the Organization (1970); C. Northcote Parkinson, Parkinson's Law (1957); Peter & Hull, The Peter Principle (1969); Kharasch, The Institutional Imperative (1973); Gall, "Why Nothing Works the Way It's Supposed To", N.Y. Times, 12/26/76, p. 10; R. Alec Mackenzie, The Time Trap ch. 7 (1972); and compare Hermann Hesse, The Glass Bead Game (1943).

[3] See H. Rept. No. 95–575, 95th Cong., 1st Sess. (1977).

[4] Pub. L. 80–162, ch. 207, 1047 U.S. Code Cong. & Admin. News 256; for unanimous legislative committee comment, see id. at 1274–5, H. Rep. No. 704, 80th Cong., 1st Sess. (1947).

For a spectacularly successful example of the influence of the work of a broadly-based study commission, see To Preserve these Rights: Report of the President's Committee on Civil Rights (1947). On inter-interest group consultation in a number of other contexts, compare Frances Perkins, The Roosevelt I Knew (1946). See also Givens, "Deliberative Processes of the Committee on Labor and Social Security Legislation", 21 Record of The Ass'n of the Bar of the City of New York 482 (1966).●

By Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE):

S. 289. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes; to the Committee on Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

● Mr. CRANSTON. Mr. President, today I am introducing S. 239, the proposed "Domestic Volunteer Service Act Amendments of 1979". This bill is similar to S. 2617 which unanimously passed the Senate last July 21, but remained pending in the House of Representatives when the 95th Congress adjourned. It would extend for 3 additional years authorizations of appropriations in the Domestic Volunteer Service Act of 1973 for the VISTA program—Volunteers in Service to America—the service-learning programs, including University Year for ACTION—UYA—, and the discretionary

programs administered by the ACTION Agency, and provide for the initiation of new volunteer programs focused on urban problems. I am joined in this legislation by the distinguished chairman of the Human Resources Committee (Mr. WILLIAMS) and the ranking majority member of the Child and Human Development Subcommittee (Mr. RIEGLE), which I am privileged to chair on that committee. They were also cosponsors of the predecessor legislation in the last Congress, S. 2617.

Mr. President, the major provisions of S. 239 are the following:

ANTIPOVERTY MISSION OF TITLE I PROGRAMS

Mr. President, S. 239 would continue the basic antipoverty nature of the title I programs—VISTA, service-learning programs, including the University Year for ACTION program (UYA), the agency's discretionary programs, and the new urban neighborhood volunteer programs—by requiring that 80 percent of the funds appropriated pursuant to title I must be spent on programs to eliminate poverty and poverty-related human, social, and environmental problems.

UNIVERSITY YEAR FOR ACTION

It would continue to propose protection—although consistently less than S. 2617 did—for the University Year for ACTION—UYA—program by modifying the limitations in present law on the funding for service-learning programs other than UYA so that the requisite amount to continue current commitments to UYA could be provided, dependent upon appropriations actions. Last year, the administration had recommended eliminating all funding for UYA projects beginning fiscal year 1979.

However, since the House was unable to act on extension legislation last year, UYA funding is being continued in fiscal year 1979 under a continuing resolution. Although the administration is requesting no funds for this purpose for fiscal year 1980, it is now requesting approximately $1.7 million for fiscal year 1979; the bill would assure that two-thirds of the first $1 million appropriated for learning programs are made available for UYA programs.

SPECIAL VOLUNTEER PROGRAM EMPHASIS

Mr. President, S. 239 would highlight special volunteer programs authorized to be conducted which would provide assistance to victims of domestic violence, and those which would focus on deinstitutionalization and on the provision of consumer counseling to fixed-income and low-income persons.

SHORT-TERM VOLUNTEER SUPPORT

It would provide the Director of the ACTION Agency with new authority to provide certain in-service support for short-term, part-time, volunteers enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks.

URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

S. 239 would add a new part D—urban neighborhood volunteer programs—to title I of the present law. This new set of provisions results from some very successful collaboration between Senator JAVITS and myself working closely with the administration. The new programs authorized under the new part D would include "urban neighbors programs" and "national urban neighborhood priority programs." The priority programs would include a new program designated "helping hand" focused on deinstitutionalization, and a program to provide personal and group financial counseling to low-income and fixed-income individuals.

APPROPRIATE RECOGNITION OF ENCOURAGING CREDIT FOR VOLUNTEER WORK

S. 239 would include a new provision making it an affirmative responsibility of the Director of the ACTION Agency, in consultation with appropriate governmental units, to take all appropriate steps to encourage State and local governments, charitable, and service organizations, and private employers first to take into account experience in volunteer work in the consideration of applicants for employment and second to make provision for the listing and description of volunteer work on their employment application forms.

NONDISCRIMINATION PROVISION

S. 239 would extend the nondiscrimination provisions of the present law pertaining to volunteer service to include title VI of the Civil Rights Act, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, so as to cover both volunteers serving in programs authorized by the Domestic Volunteer Service Act of 1973 and volunteer applicants. It would charge the Director to establish a remedy process for volunteers and applicants for volunteer service in programs under the ACTION Agency (including Peace Corps service).

RURAL PROGRAMING EMPHASIS

Mr. President, S. 239 includes provisions to insure that the ACTION Agency gives appropriate focus to programing in rural as well as urban areas.

CHANGES FROM S. 2617 AS PASSED BY THE SENATE

Mr. President, in addition to these major provisions which also were included in the Senate-passed S. 2617 last year, S. 239 includes several modifications and new provisions which I would like to highlight for the benefit of my colleagues.

DELETION OF OLDER AMERICAN VOLUNTEER PROGRAM PROVISIONS

First and foremost, the provisions in S. 2617 amending the title II National Older American Volunteer Programs and significantly increasing the authorizations of appropriations for those programs for 3 additional years are not a part of the bill I am introducing today. Those provisions were enacted last Congress as part of Public Law 95–478, the Comprehensive Older Americans Act Amendments of 1978. My detailed remarks on the substance of those provisions are included in my October 14, 1978, floor statement on the conference report. As I indicated at that time, although I would have preferred that all amendments to the Domestic Volunteer Service Act of 1973, including the National Older American Volunteer Program amendments, be enacted in the same piece of legislation, I was quite satisfied with the conference provisions, and was pleased that the 95th Congress was able to provide 3 more years of life for these very valuable ACTION agency programs—the Retired Senior Volunteer Program (RSVP), the Foster Grandparent Program, and the Senior Companion Program.

Our action has been well justified by the Administration budget request for fiscal year 1980 to increase the appropriations for these programs by $10 million—a 17-percent increase—over the standstill fiscal year 1979 budget request and continuing resolution level. I am delighted that this amount would permit an increase in the Foster Grandparent/Senior Companion stipend up to $1.80.

Mr. President, the following are other differences between the Senate-passed S. 2617 and S. 239, some of which are the result of House/Senate staff discussions held last October to prepare for a compromise bill when it appeared that the House might take up the ACTION domestic programs extension legislation prior to adjournment:

GOVERNOR'S APPROVAL PROVISIONS

The new bill modifies somewhat the Governor's approval provisions for VISTA projects and volunteer assignments which were included in S. 2617. It retains those provisions which require the Governor to provide in writing his reasons for disaproval of a VISTA project or volunteer assignment, but does not include those S. 2617 provisions which would have given the Director of the ACTION agency, under certain circumstances, authority to override a Governor's disapproval.

NATIONAL STUDENT VOLUNTEER PROGRAM

As I indicated earlier, the new bill allows for funding at approximately the amount expended in recent years—$333,000—of title I, part B, service-learning programs of demonstrated effectiveness, such as the popular National Student Volunteer Program—NSVP—while assuring at least $667,00 for the UYA program. NSVP is a technical assistance program designed to encourage part-time campus volunteer efforts.

PRE-PROGRAM REPORTING REQUIREMENTS

The new bill deletes some of the extensive pre-program reporting requirements for the new part D urban initiatives which were included in S. 2617 as passed by the Senate in recognition of the fact that the Congress had not held hearings on the administration's specific plans for implementing the new programs. I intend to devote much attention to this subject at hearings I am calling on S. 239 for next month. Because of this change in circumstances, I do not believe that the expense and paperwork burdens that would be associated with the preprogram reporting requirements are justified. The Agency would still be required to include progress reports on its implementation of the urban initiatives in its annual report and to submit a special report on part D activities after 18 months. Moreover, the Subcommittee on Child and Human Development will be monitoring closely program implementation.

DELETION OF PROVISIONS RELATING TO TITLE III

The new bill does not include extensions of authorizations of appropriations for the small business-related volunteer programs previously authorized by title III of the Domestic Volunteer Service Act of 1973 which were included in S. 2617, since these provisions were repealed effective October 24, 1978, by Public Law 95–510, an act to amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensation and travel expenses or experts and consultants, and for other purposes.

Mr. President, as chairman of the Subcommittee on Child and Human Development which is responsible for the enabling legislation for and oversight of the domestic volunteer programs of the ACTION Agency, I have scheduled hearings on S. 239 for February 8 with the hope that we can move this bill quickly through the legislative process. As I indicated earlier in my remarks, a major focus of the hearing will be the proposed new part D urban initiatives.

Mr. President, the ACTION Agency programs involved in this legislation are currently operating under the authority of a continuing resolution which expires at the end of the current fiscal year. We owe it to the many dedicated individuals who serve in ACTION Agency programs, and we have a responsibility to the low-income client communities with whom they work to enact extension legislation for these ACTION Agency domestic volunteer programs without delay. The introduction of S. 239 in this, the second week of the 96th Congress, signifies our early start toward that goal.

Mr. President, having described the provisions of S. 239, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 239

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

SEC. 2. Section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) (hereinafter referred to as "the Act") is amended by—

(1) amending subsection (b) by—

(A) striking out "Prior to" and inserting in lieu thereof "Within thirty days after" in the second sentence; and

(B) inserting at the end thereof the following new sentence: "The Director shall offer to provide each volunteer enrolled for a period of fulltime service of one year or more under this title, and, upon the request of such volunteer, provide such volunteer with an individual and updated plan as described in the preceding two sentences."; and

(2) amending subsection (d) by—

(A) inserting "in a program or project" after "work";

(B) inserting "or project" after "program";

(C) striking out from "has not" in the first sentence through "concerned" in the second sentence and inserting in lieu thereof "such Governor or chief executive officer has not, within forty-five days of the date of such submission, notified the Director in writing, supported by a statement of reasons, that he or she disapproves such program or project. In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate the assignment of a volunteer"; and

(D) striking out "The assignment of a volunteer shall be terminated by the Director when so requested by the Governor or chief executive officer of the State concerned" and inserting in lieu thereof "In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate the assignment of a volunteer".

SEC. 3. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 4. Section 114(a) of the Act is amended by—

(1) striking out in the first sentence "10" and inserting in lieu thereof "15";

(2) striking out in the second sentence "$6,700,000" both places it appears and inserting in lieu thereof "$4,600,000"; and

(3) inserting before the period in the second sentence a comma and "except that, notwithstanding the limitation provided in the first sentence of this subsection, of the funds made available for the operation of projects under this part, one-third of the first $1,000,000 may be used to continue programs of demonstrated effectiveness under this section".

SEC. 5. Section 122 of the Act is amended by—

(1) amending subsection (a) by—

(A) inserting "in urban and rural areas" after "programs" the first place it appears;

(B) striking out "and" the first place it appears and inserting a comma and "a program of assistance to victims of domestic violence, and the programs specified in section 134 (1) and (2) of this Act" after "abusers"; and

(C) inserting at the end thereof the following new sentence: "In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers."; and

(2) amendnig subsection (c) to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 103(d), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.".

SEC. 6. Section 221 of the Act is amended by striking out "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration".

SEC. 7. (a)(1) Title I of the Act is amended by adding at the end thereof the following new part:

"PART D—URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 131. The purpose of this part is to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Neighborhood Volunteer Programs which build on the capacity of existing and emerging neighborhood groups, through the use of volunteers enrolled for a period of full-time service and volunteers enrolled for periods of part-time service, to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly in situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems, and to provide appropriate authorities and responsibilities designed to assist in the development and coordination of such programs.

"GENERAL PROVISIONS

"SEC. 132. (a) The Director is authorized to conduct or make grants to and contracts with public agencies and private nonprofit organizations, or both, for projects to carry out the purpose of this part in accordance with the authorities and subject to the restrictions in the provisions of this part.

"(b) The assignment of volunteers under this part shall be on such terms and conditions, and volunteers may be provided only such allowances, stipends, and benefits and be afforded such status and be subject to such restrictions as are provided for in this Act (except with respect to coverage under section 415(d)) for volunteers whose service and time commitment is of similar character. The Director shall take appropriate steps to encourage the assignment together of volunteers from various age groups, particularly young and old, and the use of volunteers enrolled for a period of full-time service of one year or more and volunteers enrolled for periods of part-time service in assignments as catalysts to extend the effectiveness of paid employees of projects and in assignments to carry out recruitment and placement activities.

"(c) Notwithstanding any other provision of this Act or any other law, not more than an amount equal to 15 per centum of the total amount available for grants and contracts and the conduct of programs under this part for each fiscal year shall be expended for administrative expenses from sums appropriated under section 504 of this Act in order to carry out this part.

"(d) In prescribing regulations to carry out this part and in designating lead agencies pursuant to section 133(a) of this Act, the Director shall consult with the Director of the Community Services Administration established under section 601(a) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2941(a)).

"AUTHORITY TO OPERATE URBAN NEIGHBORS PROGRAMS

"SEC. 133. (a)(1) The Director, with the concurrence of the mayor or other chief elected governmental authority of an urban area with distressed neighborhoods, is authorized to designate and provide financial assistance to a lead agency in accordance with the provisions of paragraph (2) of this subsection to support the efforts of teams (each team consisting of one professional employee familiar with the distressed urban area in question, at least one volunteer enrolled for a period of full-time service of one year or more, and volunteers enrolled for periods of full-time and part-time service) and essential support staff to operate Urban Neighbors Programs to carry out community revitalization and person-to-person service activities in distressed urban neighborhoods through—

"(A) the recruitment, on a request-for-service basis, of volunteers who possess needed skills and the matching of such volunteers with neighborhood groups requiring the skills of such volunteers in carrying out community revitalization and person-to-person service projects, with appropriate emphasis on activities to carry out the national neighborhood priority programs established under section 134 of this Act;

"(B) the development of a resource bank listing locally-recruited persons willing to serve as volunteers enrolled for periods of part-time service to assist such group in such projects;

"(C) the encouragement of the development of neighborhood groups in distressed urban neighborhoods to carry out such projects;

"(D) the coordination and facilitation of volunteer assistance available pursuant to subsection (b) of this section; and

"(E) such other activities consistent with the provisions of this part as the Director determines are necessary to carry out the purpose of this part.

"(2) An organization which is a public or private nonprofit organization (such as a local governmental agency, a community action agency, a community college, a broad-based coalition of neighborhood groups, or other voluntary organization or agency) or a combination of such organizations may qualify for designation as a lead agency under paragraph (1) of this subsection. In the selection of lead agencies, the Director shall assure that—

"(A) an application process, pursuant to regulations which the Director shall prescribe, has been established for organizations and agencies interested in being designated as a lead agency;

"(B) public announcement has been made and other appropriate efforts have been made to provide individual notification about such process to potentially eligible organizations and agencies; and

"(C) special consideration is given to those organizations and agencies which have demonstrated their effectiveness in serving persons in distressed urban areas and in mobilizing volunteers, coordinating volunteer assistance projects, and working with other appropriate private, public, and voluntary organizations and agencies or Federal, State, and local governmental agencies, with priority given to community action agencies (as defined in section 212(b) of this Act) of such demonstrated effectiveness where the program in the urban area in question will focus predominantly on low-income persons served by such agency.

"(b)(1) The Director is authorized to provide directly, and not by grant or contract, appropriate assistance to programs operated under this section, including (A) the recruitment of scarce-skill volunteers to assist in projects carried out pursuant to this part, (B) the provision, where appropriate, of such payments (such as essential job-related expenses) to volunteers serving under this part as are authorized under section 132(b) of this Act, and (C) the provision of technical, management, and coordination assistance for lead agencies designated under subsection (a) of this section.

"(2) The Director, after consultation with the mayor or other chief elected governmental authority of the urban area involved, is authorized to make neighborhood seed-money grants to nonprofit organizations in distressed urban neighborhoods (either directly or for distribution to such organizations by lead agencies designated under subsection (a) of this section) for the purpose of promoting volunteer activities in such neighborhoods, and providing volunteers working in neighborhood groups with such materials, tools, supplies, training, and administrative support as the Director deems necessary to enable such volunteers to work effectively, in community revitalization and person-to-person service projects. No nonprofit organization grantee shall be eligible to receive in any fiscal year funds under this subsection in excess of $15,000 or a total of $30,000 over any three fiscal years for use by an entity in a particular neighborhood.

"(3) Not more than 30 per centum of the sums appropriated to carry out this part for each fiscal year shall be used for the purpose of making grants under this subsection in any fiscal year.

"(c) With respect to activities carried out under this section to assist low-income persons residing in areas served by community action agencies (as defined in section 212(b) of this Act), lead agencies designated under subsection (a) of this section and the Director shall consult with such community action agencies, and, with respect to activities carried out under this section to assist elderly persons residing in an area served by an area agency on aging designated under title III of the Older Americans Act of 1965, as amended (42 U.S.C. ch. 35), such lead agencies and the Director shall consult with such agency.

"AUTHORITY TO DEVELOP AND CARRY OUT NATIONAL URBAN NEIGHBORHOOD PRIORITIES PROGRAMS

"SEC. 134. The Director shall develop and carry out National Urban Neighborhood Priorities Programs, including—

"(1) a program designated 'Helping Hand', utilizing person-to-person services to reduce the necessity for institutionalization (in hospitals, mental institutions, nursing homes, other extended-care settings, and facilities) and to ameliorate residential isolation (through senior centers, halfway-house facilities, and other settings) of older persons, handicapped persons, and other affected persons, stressing interactions between persons from various age groups, particularly young and old, and carried out in coordination with the appropriate State system for the protection and advocacy of the rights of persons with developmental disabilities established pursuant to amendments made by section 203 of the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 94–103);

"(2) a program designed to provide personal and group financial counseling to low- and fixed-income individuals, utilizing volunteers with specialized or technical expertise; and

"(3) such other additional program as the Director may identify each year as a national program priority (based on the Director's determination that the activities to be carried out under such program have been demonstrated in programs carried out under part C of this title to be effective in achieving their purposes) to stimulate and initiate improved methods of utilizing volunteers to carry out the purpose of this part, and the continuation of any such programs as the Director may determine.".

(2) Not later than 18 months after funds are first made available to carry out activities under part D of title I of this Act (as added by paragraph (1) of this subsection), the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report on programs, activities, grants, and contracts so carried out, including a description of all programs established and contracts and grants made under such part D and funds obligated therefor and thereunder and the specific arrangements for the conduct of evaluations of such programs, activities, grants, and contracts pursuant to section 417 of this Act.

(b) The table of contents of the Act is amended by inserting below the heading for section 123 the following:

"PART D—URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

"Sec. 131. Statement of purpose.
"Sec. 132. General provisions.
"Sec. 133. Authority to operate Urban Neighbors Programs.
"Sec. 134. Authority to develop and carry out National Urban Neighborhood Priorities Programs.".

SEC. 8. Section 404(g) of the Act is amended by—

(1) inserting "(1)" after "(g)";

(2) inserting before the period at the end of paragraph (1) (as redesignated by clause (1) of this section) a colon and "*Provided,* That this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 et seq.)"; and

(3) inserting at the end thereof the following new paragraph:

"(2) Notwithsanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek or accept employment or training during the period of such service."

SEC. 10. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provisions for the listing and description of volunteer work on all employment application forms.".

SEC. 10. Section 414 of the Act is amended by inserting "among various regions of the country and" after "equitably".

SEC. 11. Section 415 is amended by—

(1) amending subsection (b) by—

(A) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, as the Director deems appropriate in accordance with regulations, for periods of part-time service of not less than twenty hours or more per week for

twenty-six or more consecutive weeks, under title I of this Act";

(B) striking out in clause (3) "and";

(C) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service under such title I shall be deemed to be that received under the entrance salary for a grade GS-7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service under such title I shall be deemed to be such entry salary or an appropriate portion thereof as determined by the Director,"; and

(D) striking out the period at the end thereof and inserting in lieu thereof a comma and "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes."); and

(2) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28,

for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or ommission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 12. Section 417 of the Act is amended by—

(1) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 et seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(2) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1974 (42 U.S.C. 2000e-16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and in the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers serving under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.), and any remedies under such laws shall be available to aggrieved such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Interagency Coordinating Council (established by section 507 of the Rehabilitation Act of 1973 (29 U.S.C. 797)) and the Interagency Committee on Handicapped Employees (established by section 501(a) of such Rehabilitation Act (29 U.S.C. 791(a))) with regard to the application of the policies set forth in title V of such Rehabilitation Act, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out such Age Discrimination Act, the Director, after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies so as to promote the enrollment and services of persons as such volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 13. (a) Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"SEC. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

(b) The table of contents of the Act is amended by inserting below the heading for section 422 the following:

"Sec. 423. Reduction of paperwork.".

SEC. 14. Title V of the Act is amended by—

(1) amending section 501 by—

(A) striking out "(a)" and striking out "and" after "September 30, 1977," in the first sentence, and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978," in such sentence;

(B) striking out "$29,600,000" in the second sentence of subsection (a) and inserting in lieu thereof "80 per centum", striking out "this" and inserting in lieu thereof "such", and inserting before the period a comma and "and, of the sums so appropriated, not more than $5,000,000 for the fiscal year ending September 30, 1979, not more than $27,500,000 for the fiscal year ending September 30, 1980, and not more than $30,000,000 for the fiscal year ending September 30, 1981, shall be available for the purpose of carrying out part D of such title: *Provided*, That, notwithstanding any other provision of law, no sums appropriated for such purpose shall be obligated or expended (except insofar as is necessary in order to comply with clause (2) of this section) unless (1) not less than a total of $72,000,000 has been appropriated and made available under section 502 of this Act, and (2) not less than $8,100,00 of the sums appropriated for the purpose of carrying out such part D has been obligated for carrying out the programs authorized by section 134 (1) and (2) of this Act"; and

(C) striking out the last sentence of subsection (a) and all of subsection (b); and

(2) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978,".

SEC. 15. Not later than February 1, 1979, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report specifying the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

SEC. 16. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other puropses", approved November 14, 1975 (Public Law 94-130; 89 Stat. 684), is amended by striking out the last sentence thereof.

SECTION-BY-SECTION ANALYSIS OF S. 239, THE PROPOSED DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

Section 1 establishes the short title of the bill as the "Domestic Volunteer Service Act Amendments of 1979".

Section 2(1) amends section 103(b) of the Act to modify the career provisions for low-income VISTA volunteers by requiring that a plan for each such volunteer designed to provide opportunity for job advancement or for transition to a situation leading to gainful employment be developed within 30 days after the assignment of the volunteer, rather than prior to such volunteer's assignment. Section 103(b) is also amended to provide that such career development assistance be provided to any other volunteer (enrolled for at least 1 year of full-time service under title I) who requests such assistance.

Section 2(2) amends section 103(d) of the Act, which presently prohibits the assignment of volunteers to a state unless the Governor has been given 45 days advance notice of the project and has not disapproved it, by providing that if a Governor requests the Director to terminate the assignment of a volunteer within a state, the Director must do so within 30 days. The amendment requires a Governor to state, in writing, the reasons for disapproval of a project or the assignment of a volunteer, or of a request for termination of a project or a volunteer.

This authority is derived from that contained in section 242 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. § 2834) with respect to community action programs.

Section 3 amends section 105(a)(2) of the Act, relating to the payment of volunteers' end-of-service stipends, to make it consistent with a similar provision in the Peace Corps Act. The purpose of the amendment is to authorize advances of the end-of-service stipend under such conditions as the Director of the ACTION Agency shall determine, rather than only in "extraordinary circumstances," as is the case at present.

Under the new provision, the Director could, for instance, authorize the advance of part of the end-of-service stipend for purchase of U.S. Savings Bonds, as has been done with respect to the readjustment allowances of Peace Corps volunteers.

Section 4 amends section 114(a) of the Act, which currently prohibits the expenditure of more than 10 percent of the first $6,700,000 of the service-learning program appropriation for programs other than UYA. The amendments would raise the 10 percent to 15 percent and reduce the $6,700,000 to $4,600,000, so that if the full $4.6 million is appropriated, the requisite amount to continue current commitments to UYA would be available (approximately $3.9 million) for UYA in addition to allowing expenditures for non-UYA service-learning activities. An exception is provided so that one-third of the first $1,000,000 appropriated may be used to continue service-learning programs other than UYA which have demonstrated their effectiveness, such as the National Student Volunteer Program.

Section 5(1) amends section 122(a) of the Act—the Director's discretionary special volunteer and demonstration project authority—to encourage development of these programs in both rural and urban areas and to include specific mention of a program to provide assistance to victims of domestic violence, and the "Helping Hand" and fixed income consumer counseling programs authorized in the proposed new title I, part D. The amendment also clarifies the authority for the Director to recruit, select and train volunteers.

Section 5(2) revises subsection (c) of section 122 to allow the Director, for the first time, to provide, except for stipends (end-of-service allowances), support for short-term, part-time volunteers who are enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks. The amendment also (1) requires that full-time volunteers serving in part C programs take the same oath required for VISTA volunteers by section 104(c), and that the Director insure that they have sufficient support to carry out their assignments (as required for VISTA volunteers by section 105(b)). (2) provides the Director with discretionary authority to provide stipends, in amounts not to exceed the stipends for VISTA volunteers, to full-time, full-year volunteers enrolled under part C programs (such as the National Youth Service demonstration program); and, with respect to those full-time, full-year volunteers whose service under part C is of similar character to VISTA service under part A, requires application of the provisions of section 103(b) (relating to employment counseling and services to low-income community volunteers) section 103(d) (relating to the Governor's veto), section 104(d) (relating to grievance procedures), and section 105(a) (relating to the payment of stipends) to the extent those provisions are applied to part A volunteer service.

Section 6 is a technical amendment to section 221 of the Act by striking "Office of Economic Opportunity" and inserting in lieu thereof "Community Service Administration", which is the name given that agency by section 9(a) of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 (Public Law 93-644).

Section 7 (a) amends title I of the Domestic Volunteer Service Act of 1973 (Public Law 93-113) by adding a new part D—"Urban Neighborhood Volunteer Programs." The new part D combines provisions of the Javits proposals introduced in the 95th Congress for an Urban Service Corps (S. 2740), Senator Cranston's proposals, and the Carter administration urban policy proposals (submitted on April 13, 1978) for a new partnership among governments, voluntary associations, local businesses, neighborhood groups, and individuals to work for urban social and community development. The strength of the approach in new part D lies in its recognition of the vital role which can be played by neighborhood groups through volunteer activities and through teaming volunteers and paid workers to combat urban ills, and in the opportunities it provides for residents of all ages to join together in urban areas in providing person-to-person services to persons in distressed urban areas and elsewhere who need special help to overcome isolation and poverty, poverty-related, or near-poverty conditions.

The new programs authorized by the new part D include "Urban Neighbors Programs" and "National Urban Neighborhood Priority Programs" (which shall include a program designated "Helping Hand," and a program to provide personal and group financial counseling to low- and fixed-income individuals.

NEW PART D—"URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS"

New Section 131 sets forth the purpose of the new part—to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities (including community action agencies) in community revitalization and person-to-person service activities in distressed urban neighborhoods; and to build on the capacity of existing and emerging neighborhood groups, through the assistance of part-time and full-time volunteers, to assist in efforts to reverse deterioration and improve the quality of life in their neighborhoods.

Program emphasis is directed to problems associated with poverty.

Subsection (a) of new section 132 provides the Director of the ACTION Agency with the authority to establish and operate programs and projects pursuant to the new part D.

New Subsection (b) of new section 132 provides that volunteers working in the new part D programs would serve under the same terms, conditions, and restrictions, and would receive and accrue and be subject to the same limitations as volunteers of similar character serving in programs under the various authorities of the Domestic Volunteer Service Act of 1973. These provisions will serve to encourage—as subsection (b) also requires—the working together of volunteers from various age groups and of volunteers able to commit themselves to various periods of full-time and part-time service, while insuring that volunteers serving under this part receive no more or no fewer benefits than volunteers of a similar character serving in other programs under the act, such as VISTA, Foster Grandparents, or RSVP.

Thus, all full-time volunteers would be deemed to be Federal employees to the extent provided in section 415 of the Act, except that section 415(d) relating to noncompetitive appointment to the competitive civil service would not apply to any such volunteers. To the extent that full-time volunteers are enrolled for a full year of service, they would be eligible to receive both stipends and allowances, not in excess of those paid to VISTA volunteers. Part-time volunteers would not be eligible to receive either stipends or allowances, except that volunteers enrolled for not less than 20 hours per week for at least 26 weeks could be paid appropriate allowances (but not stipends). To the extent that volunteers under this part meet the eligibility requirements of section 404(g) of the Act, relating to income disregard for public assistance eligibility, that section would apply to them.

New subsection (c) of new section 132 provides that administrative expenses (appropriated under section 504 of the act) for carrying out the new part D may not exceed 15 percent of the amount available for carrying out part D programs.

Subsection (d) of new section 132 requires consultation between the Directors of the ACTION Agency and the Community Services Administration both during the process of establishing regulations to carry out the new part D programs and in designating lead agencies to carry out the Urban Neighbors Programs authorized by new section 133(a).

Section (a) of the new section 133 establishes "Urban Neighbors Programs" under which the Director—with the concurrence of the mayor or other chief elected governmental authority of an urban area with distressed neighborhoods—would designate and provide financial assistance to a "lead agency" to coordinate and support community revitalization and person-to-person projects in distressed urban neighborhoods. Paragraph (2) of the subsection specifies that an organization which is a public or private nonprofit organization (such as a local governmental agency, a community action agency, a community college, a broad-based coalition of neighborhood groups, or other voluntary organization or agency) or a combination of such organizations may qualify for designation as a lead agency.

In the selection of lead agencies, the Director of the ACTION Agency is directed to assure (a) that an application process is established for agencies and organizations interested in being designated as a lead agency; (b) that public announcement and other appropriate efforts have been made to provide individual notification to potentially eligible organizations and agencies of that process; and (c) that special consideration be given to those organizations and agencies that have demonstrated their effectiveness in serving persons in distressed urban areas in mobilizing volunteers, coordinating volunteer assistance projects, and working with other appropriate private, public, and voluntary organizations and agencies or Federal, State, and local governmental agencies. The requirement that there be "appropriate efforts" made by the agency to make individual notification to potential lead agencies does not require that any particular type of potential lead agency receive individual notification, although community action agencies will be so notified in every case where a section 133(a) grant is being contemplated and where the Agency has decided to designate other than the CAA as the lead agency.

Under subsection (a), the Director would further give "priority" in the lead agency designation process—that is, a presumptive role as the lead agency—to a community action agency (CAA) of demonstrated effectiveness in terms of the enumerated factors where the section 133(a) program in the urban area in question will focus predominately on low-income persons residing in the area served by the CAA. In such cases, it is the intention underlying this provision that such a CAA should be designated as the lead agency unless there is strong justification for concluding that another agency in the area would be superior. This priority would not supersede the request in new section 133(a)(1) that the

mayor or other chief elected official must approve of the lead agency designation.

The "lead agency" would be required to provide staff consisting of a team or teams of paid employees and volunteers (each team composed of one professional employee familiar with the neighborhood and the support systems which can assist in its revitalization, at least one full-time volunteer, and part- and full-time volunteers) and essential support staff. Their work would include—

(1) the recruitment, on a request-for-service basis, of volunteers who possess needed skills (such as lawyers, architects, city planners) and the matching of such volunteers with neighborhood groups requiring their skills with appropriate emphasis on activities consistent with the national neighborhood priority programs established under section 134;

(2) the development of a resource bank listing locally recruited persons willing to volunteer to work with the neighborhood groups in carrying out community revitalization and person-to-person projects;

(3) the encouragement of the development of neighborhood groups in distressed urban neighborhoods to carry out such projects;

(4) the coordination and facilitation of volunteer assistance authorized under the new part (section 133(b)(1)); and

(5) such other activities consistent with the provisions of the new part as the Director determines are necessary to carry out the purpose of the part.

The process of lead agency selection will be based on a partnership with the chief elected official who will be involved in the process from the outset. No proposal will be funded without the concurrence of the chief elected official. It is expected that this process will include the following operational steps:

1. First notice of availability of "urban neighbors programs" grants will go to the mayor.

2. The ACTION Agency and the mayor will work together in developing a proposal from the lead agency.

3. A letter of support from the mayor will be required as part of all lead agency proposals.

Subsection (b)(1) of new section 133 authorizes the Director to provide directly (but not by grant or contract) for backup assistance to lead agencies through the Agency's regional and State offices. *Subsection (b)(2) of new section 133* authorizes the Director, as part of the "urban neighbors programs," to make neighborhood seed money grants (similar to the successful "minigrants" program now operated by the ACTION Agency)—after consultation with the mayor or other chief elected governmental authority of the urban area involved—generally averaging $5–7 thousand, but restricted to not in excess of $15 thousand nor a total of more than $30 thousand over any 3 fiscal years to a particular entity for use in a particular neighborhood. The purpose of these grants is to promote volunteer activities in community revitalization and person-to-person service projects and provide volunteers working in neighborhood groups with such materials, tools, supplies, training, and administrative support as the Director deems necessary to enable such volunteers to work effectively in such projects. The grants would be made to nonprofit organizations in distressed urban neighborhoods either directly or for distribution by lead agencies. Not more than 30 percent of the sums appropriated for the new part shall be used to fund the neighborhood seed-money grants program. It is expected that the mayoral concurrence process will be followed as follows:

1. Advance Notice.—Upon receipt of proposals from neighborhood groups the ACTION Agency will send a letter to the appropriate mayor or chief elected official. This letter will notify the mayor that the proposals have been submitted.

2. Formal Notice of Intent.—After the ACTION Agency has screened the proposals and selected the finalists, the ACTION Agency will notify the mayor or chief elected official of the intent to award a grant. The mayor will have 30 days to communicate concurrence or nonconcurrence. If the mayor takes no action within 30 days the grant will be awarded. If the mayor informs the ACTION Agency within 30 days that he or she does not concur within the 30 day period, no award will be made.

In focusing the urban neighborhood volunteer programs on distressed urban neighborhoods, it is intended to provide the Director with authority to provide assistance to a wider range of neighborhoods and communities than those that meet the test of a poverty target area because they have a high proportion of low-income residents. Neighborhoods might be suffering from stress, for instance, because of a combination of some or all of the following: racial tensions, deterioration or lack of needed municipal services, instability of population, deterioration of housing stock, displacement of residents, or any one of a number of other conditions which combine to prevent the realization of a vital, stable urban environment. The committee expects that the Director will develop standards for determining those areas which may be considered distressed.

It is recognized that the term neighborhood is an imprecise one, and intends that it shall be interpreted to include logical groupings of individuals and families in contiguous areas who are affected in common by the problem sought to be addressed, without regard to traditional political or other subdivisions.

Subsection (c) of new section 133 requires the Director to consult regarding section 133 activities (1) with the respective CAA when an agency other than a CAA is designated as the lead agency and where section 133 Urban Neighbors Program activities will assist low-income persons served by CAA's, and (2) when Urban Neighbors Program activities will assist elderly persons residing in an area served by an area agency on aging (designated under title III of the Older Americans Act of 1963, as amended), with that area agency on aging.

New section 134 establishes "urban neighborhood priorities programs," which the Director is mandated to develop and carry out, with two mandated programs: (1) "Helping Hand," utilizing person-to-person services to reduce the necessity for institutionalization and to ameliorate residential isolation of older, handicapped (physically or mentally) and other persons, stressing interactions between persons from various age groups, particularly young and old, and requiring that the Director coordinate programs under "Helping Hand" which assist handicapped persons with the appropriate State system for the protection and advocacy of persons with developmental disabilities; and (2) a program designed to provide personal and group financial counseling to low- and fixed-income individuals, utilizing volunteers with specialized or technical expertise. The new section also authorizes the Director to add each year (and continue thereafter) a new priority program to stimulate and initiate improved methods of utilizing volunteers to carry out the purpose of the new part. Any new such priority programs must have first been developed as part of programs of demonstrated effectiveness carried out by the Agency under its existing title I, part C, discretionary demonstration and special volunteer authority. It is not intended that the person-to-person services authorized by the national urban neighborhood priorities programs be limited to individuals living in distressed neighborhoods. These services are designed to assist individuals, and are not necessarily related to the place of residence of the person being served.

Paragraph (2) of subsection (a) of section 7 requires a detailed report on new part D activities to be submitted to the appropriate Congressional Committees within 18 months after funds are first made available to carry out the new part.

Section 7(b) amends the table of contents of the Act to reflect the addition of new part D made by subsection (a) of section 7.

Section 8 amends section 404(g) of the Act by limiting the application of that provision (redesignated as paragraph (1) to payments to volunteers the value of which, when reflecting hours worked by a given volunteer, is less than the minimum wage.

Section 8 also amends section 404(g) by adding a new paragraph to resolve an unintended conflict between the Domestic Volunteer Service Act of 1973 and the Work Incentive provisions of title IV of the Social Security Act, which require that recipients of Aid to Families with Dependent Children (AFDC) register with a sponsor of the Work Incentive (WIN) program for manpower services, training, and employment as a condition of eligibility for AFDC (and resultant medicaid eligibility). More recently, eligibility for food stamps has been conditioned on a similar requirement (section 6(d)(1) of the Food Stamp Act of 1977 (Public Law 95–113, section 1301)).

Section 103(b) of the Act contains explicit authority for the Director of the ACTION Agency to enroll low-income individuals as full-time volunteers, and requires that, as part of their service, they receive an individual plan designed to provide an opportunity for job advancement or transition to gainful employment. Section 104(b) requires that all volunteers in the VISTA program be enrolled for periods of service of at least 1 year, with limited exceptions. Section 404(g) of the Act provides that payments to volunteers under the Act shall not reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving under any governmental program.

It is the intention of these provisions that low-income persons should be encouraged to participate in programs of voluntary service, and that the allowances they receive not be counted as income to reduce public assistance benefits for which they or their families were eligible prior to commencing volunteer service. The purpose of this provision is to assure that the families of these volunteers would continue to receive the same level of benefits, for instance medicaid coverage for children, during the volunteer's service as they received prior to the commencement of the service. A WIN registration requirement would disqualify for AFDC, medicaid, and food stamps benefits the families of individuals who are otherwise qualified but who cannot participate in training or register for or seek employment because of their enrollment as volunteers.

Volunteer service provides a positive benefit to the volunteer as well as to the community, and low-income volunteers and their families should continue to receive throughout their service public assistance benefits to which they were entitled before becoming volunteers. If they are required to accept training, or to seek employment, during their service as a condition to receiving benefits, their service will be disrupted, to the detriment of the individual and the community.

Section 9 amends section 410 of the Act, relating to coordination of programs, to require the Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, to take all appropriate steps to encourage State and local governments, charitable and

service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work and all employment application forms.

The concepts embodied in this section were introduced during the 95th Congress by Senator Cranston as part of Senate Concurrent Resolution 21, expressing the sense of the Congress that experience in volunteer work should be taken into account for this purpose. Volunteers acquire valuable skills, which, if remunerated, would no doubt be immediately marketable. But the irony of volunteer work lies in the tendency of employers to measure contributions and skills only by the amount of money expended to secure them. The result is that the value of the contributions made and the skills developed by those dedicated enough to work for little or no pay too often have been underrated.

This section seeks to turn around this situation by making it an affirmative responsibility of the ACTION Agency to encourage employers to take a new look at whether they give sufficient consideration to volunteer experience in the information requested on their standard application forms, and to take positive action to improve the situation. The Civil Service Commission standard form for application for Federal employment (SF–171) already contains an appropriate provision for the listing of volunteer work.

Section 10 amends section 414 of the Act so as to provide that benefits and services under the Act be distributed equitably among the various regions of the country.

Section 11(1)(A), (B), and (C) amend section 415(b) of the Act—the provision deeming volunteers as Federal employees for certain purposes—to provide that, in addition to the full-time, full-year volunteers now covered under this section, part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks are deemed to be Federal employees, as the Director determines is appropriate in accordance with regulations, for the purposes of the Hatch Act, the Internal Revenue Code, title II of the Social Security Act, the Federal Tort Claims Act, and the Federal Employees Compensation Act.

It would not be appropriate, however, for the Director, as an exercise of the Director's descretion, to determine under this provision that part-time volunteers are to be covered by the Hatch Act. For purposes of treating volunteers as Federal employees for purposes of Federal workers' compensation benefits, the Director is authorized to determine the appropriate annual pay rate for a part-time volunteer not to exceed the GS–7 annual rate.

Section 11(1)(D) amends section 415(b) of the Act by deeming full and part-time volunteers covered under this section to be Federal employees for the purposes of section 5584 of title 5 of the United States Code, which authorizes the waiver of collection of erroneous overpayments of pay to Federal employees, up to a limit of $500, where collection would be against good conscience and not to the advantage of the Government. This authority is already available with respect to Peace Corps volunteers, and is necessary because the agency has, in the past, been required to attempt recovery of relatively small overpayments, with consequent damage to volunteer morale and loss of substantial parts of the volunteers' end-of-service allowances. Volunteer in-service allowances are designed to meet only basic needs, and are insufficient to permit repayment of overpayments. In addition, the administrative cost burden to the agency has been substantial in relation to relatively small amounts recovered.

Section 11(2) makes the Federal Tort Claims Act the sole available remedy of an individual making a medical malpractice claim as a result of actions by a volunteer serving in a health-care capacity. At present, the individual can elect to make a claim against the Government, or against the individual volunteer. Since volunteers serve for no personal gain and are paid only minimal allowances, not sufficient to pay for expensive medical malpractice insurance, the agency's ability to attract individuals to serve in health-care programs is severely limited by its present inability to give assurance that there is no possibility of a ruinous malpractice claim against the individual volunteer. This section is similar to the malpractice provisions contained in section 4116 of title 38 of the United States Code which applies to health personnel employed by the Veterans' Administration and similar authority in section 224 of the Public Health Service Act (42 U.S.C. 223) applicable to commissioned officers and employees of the Public Health Service.

Section 12(1) amends section 417(a) of the Act—the provision prohibiting discrimination in programs receiving financial assistance under the Act—to provide that the assignment of volunteers under programs authorized by the Act shall be deemed to be the provision of Federal financial assistance for purposes of the anti-sex-discrimination provision presently incorporated by reference in subsection (a) of section 417 as well as for purposes of title VI of the Civil Rights Act, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. This new provision will assure that minority individuals or those with handicaps, or other conditions which do not interfere with their ability to perform volunteer service, will have remedies against any discrimination by any project or sponsor under the Act if such individuals desire to participate in or secure the benefits of these Federally-supported volunteer programs.

Section 12(2) adds a new subsection (c) to section 417 to make the policies (and remedies thereunder) set forth in section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. section 2000e–16), title V of the Rehabilitation Act, and the Age Discrimination Act, applicable to volunteers and applicants for volunteer service under the ACTION Agency (including Peace Corps service). At present, since volunteers under title I are not deemed employees of the Federal Government, they have no statutorily guaranteed remedy in cases of racial, religious, age, sex, or handicap discrimination. The new subsection charges the Director of the ACTION Agency to establish (generally within 90 days after enactment) a remedy process for volunteers and applicants for volunteer service, after consulting with the Equal Employment Opportunity Commission, the new Interagency Coordinating Council (for discrimination based on handicap), and the Interagency Committee on Handicapped Employees.

Section 13(a) and *(b)* amend title IV of the Act and the table of contents of the Act so as to add a new section 423 concerning the reduction of paperwork. This amendment requires the Director to review critically and evaluate requests for information made under this Act and to take such other action as is necessary to reduce required paperwork.

Section 14 amends title V of the Act—providing authorizations of appropriations—to provide authorizations of appropriations for the ACTION Agency domestic activities carried out under titles I and IV for fiscal years 1979, 1980, and 1981.

Clause 1 amends section 501 of the Act to provide an authorization of appropriations for programs under title I of the Act (National Volunteer Antipoverty Programs) as follows: such sums as are necessary, except that 80 percent of the funds appropriated pursuant to title I must be spent on programs to eliminate poverty and poverty-related human, social, and environmental problems. The Act now stipulates that not less than $29.6 million shall be used for this purpose. Section 501(a) and (b) is also amended by deleting the earmarking for the part A VISTA program and deleting subsection (b) which sets forth a formula for distribution of funds appropriated for title I in excess of $37.6 million. These changes are made to provide greater flexibility to the Director in carrying out title I.

Clause (1) also limits the three-year authorization of appropriations for the new part D programs to $5 million for FY 1979 (the amount requested by the Administration in its revision of its FY 1979 budget request, as set forth in its FY 1980 budget materials, is $4,680,000), $27.5 million for FY 1980 (the Administration's revised FY 1980 request is $25,457,000)), and $30 million for FY 1981. It further adds a proviso to existing section 501 to require (1) that at least an additional $10 million be appropriated in each of the three fiscal years over the Administration's fiscal year 1979 amended budget request of $62 million for the title II, Older American Volunteer Programs (Foster Grandparents, Senior Companions, and the Retired Senior Volunteer Programs), before the Agency may obligate and expend funds to undertake the new part D urban initiatives, and (2) that the first $8.1 million of funds available for these new part D programs be obligated for the new Fixed Income Counseling and Helping Hand programs authorized by new section 134 (added by section 7 of the bill) before further obligations may be made to carry out such part D programs.

Clause (2) amends section 504 to authorize the appropriation of such sums as may be necessary for the ACTION Agency to perform administrative functions in fiscal years 1979, 1980, and 1981.

Section 15 requires that the Director of the ACTION Agency submit a report to the appropriate committees of Congress, not later than February 1, 1979, on the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

Section 16 amends section 5(b) of the 1975 Peace Corps Act Amendments (Public Law 94–130) by striking out the last sentence thereof. This amendment will permit continuing appropriations for the increases in the VISTA volunteer stipend authorized by that Public Law—increased from $50 per month to $75 per month—which have now been fully funded by Congress, without the existing condition in subsection (b) which is no longer necessary to protect the level of volunteers in the program.●

● Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator CRANSTON, the chairman of the Subcommittee on Child and Human Development, in cosponsoring the Domestic Volunteer Service Act Amendments of 1979.

A measure nearly identical to this bill was considered by the Committee on Human Resources last year. That bill was favorably reported by the committee and was passed by the Senate on July 21, 1978. Unfortunately, due to the press of other legislative business, the House was unable to complete action on this measure in the closing hours of the 95th Congress. I am hopeful that we can achieve passage of the Domestic Volunteer Service Act Amendments of 1979 at an early date this year.

The bill we introduce today would extend the ACTION Agency's domestic vol-

unteer programs through fiscal year 1981. It is designed to improve the ACTION programs and strengthen the administration and overall operation of this unique agency.

Since the establishment of ACTION in 1971, this Agency has made marked gains in addressing the needs of the disadvantaged through voluntary efforts and has served as the vehicle to engage older Americans in a variety of productive activities benefiting young and old alike.

The Volunteers in Service to America (VISTA) program, authorized under title I of the act, has served a vital role in the overall strategy to fight poverty. In the State of New Jersey, VISTA has been an invaluable tool for helping those in need. Among the services presently being provided are assistance in neighborhood renewal, day care services, legal services to those who otherwise could not afford them, youth training services, auxiliary health care services, and urban assistance.

These services are at the cutting edge of meeting the basic human needs of the disadvantaged. An increased allocation of appropriations, as authorized under this measure, for these and other services could provide compounded dividends to these communities and others like them across the Nation.

My longstanding and continuing interest in the needs of the disabled and the elderly move me to strongly endorse the proposed provision in the bill which would require ACTION to apply the nondiscrimination policies and authorities set forth in the Civil Rights Act of 1964, the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. I am hopeful that this provision will assist in opening new horizons for the handicapped and the elderly so that they may fully participate in the multiplicity of volunteer activities of the Agency.

An important provision of the Domestic Volunteer Service Act Amendments of 1979 is new authority for an urban neighborhood volunteer program designed to assist in revitalizing communities and delivering self-help services in distressed urban neighborhoods. This program would stimulate neighborhood residents to join forces against urban deterioration and equip communities with the needed resources and manpower to accomplish this objective. The urban neighbors program would provide financial assistance to such organizations as a local government agency, a community ACTION Agency, a community college, or a broad-based neighborhood coalition to administer, coordinate, and support efforts to solve debilitating community problems. Funding for this program would be used to promote volunteer activities, as well as to provide volunteers and neighborhood groups with materials, supplies, local transportation, training and administrative support.

During the 95th Congress, my colleagues, Senators CRANSTON and JAVITS, worked very closely in the development of two self-help programs that would be implemented through the urban neighborhood priorities programs. The "Helping Hand" program would utilize volunteers to reduce the unnecesary institutionalization and isolation of elderly and handicapped persons. The second program would provide financial counseling to low- and fixed-income persons through the utilization of volunteers with specialized or technical expertise. Both of these programs would bring together a coalition of neighborhood based organizations and a cadre of volunteers with particular technical expertise.

Mr. President, I strongly endorse the reauthorization of the Domestic Volunteer Service Act programs which have served so well to enhance the lives of the elderly, the impoverished, and disadvantaged.●

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. KENNEDY, Mr. INOUYE, Mr. JACKSON, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. ZORINSKY, Mr. DOMENICI, Mr. STEVENS, Mr. CHILES, and Mr. NUNN):

S. 240. A bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce; to the Committee on the Judiciary.

FEDERAL COMPUTER SYSTEMS PROTECTION ACT

● Mr. RIBICOFF. Mr. President, I am today introducing the Federal Computer Systems Protection Act.

Sponsoring the bill with me are Senator CHARLES H. PERCY of Illinois, who worked very closely with me on this legislation from the beginning of our Governmental Affairs Committee investigation of computer security in Federal programs beginning in May of 1976; Senator EDWARD M. KENNEDY of Massachusetts; Senator DANIEL K. INOUYE of Hawaii; Senator HENRY M. JACKSON of Washington; Senator SPARK M. MATSUNAGA of Hawaii; Senator DANIEL PATRICK MOYNIHAN of New York; Senator HARRISON A. WILLIAMS, JR., of New Jersey; Senator EDWARD ZORINSKY of Nebraska; Senator PETE V. DOMENICI of New Mexico; and Senator TED STEVENS of Alaska, Senator LAWTON CHILES of Florida and Senator SAM NUNN of Georgia.

I first introduced this legislation on June 27, 1977. Hearings on the bill, S. 1766, were conducted by the Criminal Laws and Procedures Subcommittee of the Senate Judiciary Committee on June 21 and 22, 1978. At that time the measure was endorsed by the Department of Justice, the Federal Bureau of Investigation, the U.S. General Accounting Office, and several former U.S. attorneys.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today, the Federal Computer Systems Protection Act of 1979, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Computer Systems Protection Act of 1979".

SEC. 2. The Congress finds that—

(1) computer related crime is a growing problem in the Government and in the private sector;

(2) such crime occurs at great cost to the public since losses for each incident of computer crime tend to be far greater than the losses associated with each incident of other white collar crime;

(3) the opportunities for computer related crimes in Federal programs, in financial institutions, and in other entities which operate in interstate commerce through the introduction of fraudulent records into a computer system, unauthorized use of computer facilities, alteration or destruction of computerized information files, and stealing of financial instruments, data, or other assets, are great;

(4) computer related crime directed at institutions operating in interstate commerce has a direct effect on interstate commerce; and

(5) the prosecution of persons engaged in computer related crime is difficult under current Federal criminal statutes.

SEC. 3. (a) Chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1028. Computer fraud and abuse

"(a) Whoever knowingly and willfully, directly or indirectly accesses, causes to be accessed or attempts to access any computer, computer system, computer network, or any part thereof which, in whole or in part, operates in interstate commerce or is owned by, under contract to, or in conjunction with, any financial institution, the United States Government or any branch, department or agency thereof, or any entity operating in or affecting interstate commerce, for the purpose of:

(1) devising or executing any scheme or artifice to defraud, or

(2) obtaining money, property, or services, for themselves or another, by means of false or fraudulent pretenses, representations or promises, shall be fined a sum not more than two and one-half times the amount of the fraud or theft or imprisoned not more than 15 years or both.

"(b) Whoever intentionally and without authorization, directly or indirectly accesses, alters, damages, destroys, or attempts to damage or destroy any computer, computer system, or computer network described in subsection (a), or any computer software, program or data contained in such computer, computer system or computer network, shall be fined not more than $50,000 or imprisoned not more than 15 years, or both.

"(c) For purposes of this section, the term—

"(1) 'access' means to approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any resources of, a computer, computer system, or computer network;

"(2) 'computer' means an electronic device which performs logical, arithmetic, and memory functions by the manipulations of electronic or magnetic impulses, and includes all input, output, processing, storage, software, or communication facilities which are connected or related to such a device in a system or network;

"(3) 'computer system' means a set of related, connected or unconnected, computer equipment, devices and software;

"(4) 'computer network' means the interconnection of communication systems with a computer through remote terminals, or a complex consisting of two or more interconnected computers;

"(5) 'property' includes, but is not limited to, financial instruments, information, including electronically processed or produced data, and computer software and programs in either machine or human readable form, and any other tangible or intangible item of value;

"(6) 'services' includes, but is not limited to, computer time, data processing, and storage functions;

"(7) 'financial instrument' means any check, draft, money order, certificate of deposit, letter of credit, bill of exchange, credit card, or marketable security, or any electronic data processing representation thereof;

"(8) 'computer program' means an instruction or statement or a series of instructions or statements, in a form acceptable to a computer, which permits the functioning of a computer system in a manner designed to provide appropriate products from such computer system;

"(9) 'computer software' means a set of computer programs, procedures, and associated documentation concerned with the operation of a computer system;

"(10) 'financial institution' means—

"(A) a bank with deposits insured by the Federal Deposit Insurance Corporation;

"(B) a member of the Federal Reserve including any Federal Reserve Bank;

"(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

"(D) a credit union with accounts insured by the National Credit Union Administration;

"(E) a member of the Federal Home Loan Bank Systems and any Home Loan Bank;

"(F) a member or business insured by the Securities Investor Protection Corporation; and

"(G) a broker-dealer registered with the Securities and Exchange Commission pursuant to section 15 of the Securities and Exchange Act of 1934.".

(c) The table of sections of chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following:

"1028.--------Computer fraud and abuse."

Mr. RIBICOFF. Mr. President, the legislation would impose heavy prison terms and stiff fines for electronic burglars who use computers and computer technology to steal or manipulate information, financial instruments, and other property.

The bill would make it a crime to misuse the computer systems of the Federal Government, certain financial institutions, and other entities involved in interstate commerce.

Because of a growing national dependence on computers, the opportunities for white collar crime in this area are becoming great with little chance for prosecution under existing law.

If adopted, this bill would be the first law enacted by the Congress aimed directly at controlling crime by computer or computer-related crime. Present Federal criminal law, as reflected in title 18 of the United States Code, contains some 40 sections which the Government can use to combat computer-related crime. But all 40 of the statutes were written to combat abuses other than computer crimes and, as such, Federal prosecutors have been handicapped because they have had to construct their cases on laws that did not envision the technical aspects of computer crime.

The measure is a result of a year-long inquiry, begun May 10, 1976, conducted by the Senate Governmental Affairs Committee.

As chairman, and with the concurrence of Senator PERCY, the ranking minority member, I directed the release on February 2, 1977, of a staff report, "Computer Security in Federal Programs," a 130,000-word document that demonstrated evidence of:

First. The Government's inability to adequately secure its 10,000 computers against fraud, compromise, and physical assault. This lack of adequate security is especially evident in those Government computers which handle the distribution of public funds and those which hold economically valuable and privacy data.

Second. Weaknesses in Government procedures for predicting the integrity of its computer personnel; and

Third. A concern on the part of Federal law enforcement and prosecutorial officials that the United States Code, title 18, should be amended to strengthen the Government's ability to prosecute computer crime.

It was noted in the committee staff report, for example, that a major computer crime conviction had been won in one well-known case only because the perpetrator had used a telephone line to penetrate the computer system of a Federal contractor across State lines. Had the telephone been used intrastate rather than interstate, Federal prosecutors said, the wire fraud statute (18 U.S.C. 1343) under which the indictment was brought may have been inadequate. In the same case, a part of the indictment was dismissed because electromagnetic impulses which transmitted valuable data were determined not to be "property" as defined in the interstate transportation of stolen property statute (18 U.S.C. 2314).

In another attempted prosecution, the Government lost the case because of definitional difficulties in establishing whether checks issued by a computer on the basis of fraudulent or manipulated data were forgeries.

The bill we are introducing today would amend title 18 of the United States Code in such a way as to make virtually all unauthorized use of Federal computers and computers used in interstate commerce a Federal offense.

There would be no requirement that telephones or other forms of illicit computer penetration across State lines be used in order to qualify the act as a Federal crime. The bill is further intended to ease the jurisdictional and evidentiary burdens posed by computer technology on Federal prosecutors and law enforcement personnel.

This bill represents an important step forward in combating crime by computers.

The computer has meant progress in our society almost everywhere—from our ability to predict weather to our ability to detect potential health problems.

But the computer, because it has become such an essential aspect of our financial world—both in the private sector and in government—has also become vulnerable to criminal penetration. Another serious threat is the potential compromise and misuse of vast quantities of data on the private lives of individuals currently stored in the computed systems of the Federal Government and private industry.

Crime by computer is relatively new. But when it strikes it is not shy. Violators, with even a limited amount of technical knowledge, can literally steal hundreds of thousands of dollars, either from computer check-writing systems or by directing the computer to divert valuable data or costly equipment.

Our committee investigation revealed that the Government has been hampered in its ability to prosecute computer crime. The reason is that our laws, primarily as embodied in title 18, have not kept current with the rapidly growing and changing computer technology.

Consequently, while prosecutors could, and often did, win convictions in crime by computer cases, they were forced to base their charges on laws that were written for purposes other than computer crime.

Prosecutors are forced to "shoe horn" their cases into already existing laws—when it is more appropriate for them to have a statute relating directly to computer abuses.

This bill will provide the needed corrective action. My committee staff, consulting with Justice Department officials, computer security scientists, and persons expert and actively involved in the criminal justice system, concluded that this measure, if adopted by the Congress will have applicability in virtually every computer crime case not already adequately covered by an existing law.

This bill is specifically designed to give Federal prosecutors a weapon against the four main categories of computer crime. They are:

First. The introduction of fraudulent records or data into the computer system;

Second. The unauthorized use of computer related facilities;

Third. The alteration or destruction of information or files, and

Fourth. The stealing, whether by electronic means or otherwise, of money, financial instruments, property, services, or valuable data.

Computer technology, which has produced enormous benefits for mankind, has also produced great potential for the sophisticated white collar criminal. The simple fact as demonstrated in the staff report is that computer technology has created vulnerability to white collar crime. This bill is designed to provide criminal sanctions at all points where computer operations are targets for criminals.

There are five key stages in a sophisticated computer system, and each stage of operation is vulnerable to a particular method of criminal attack. The first and most important stage is translation of data into computer language or input, where the data is placed on card readers or magnetic tapes. At this stage criminals can introduce false data into the computer so that key documents could be removed and fraudulent records inserted. A criminal or a criminal group with access to this stage of operation could manipulate the computer with introduction of false data, and it might be years before anyone discovers the fraud.

Computer programing is the second stage of operation and occurs when the computer is supplied with a logical se-

quence of instructions for the solution of problems. The computer then responds in a manner dictated by the program. Programs are easily modified, destroyed, or stolen and sold to a competitor.

The third stage involves the computer's brain, known as the central processing unit (CPU). The CPU, which contains the operating system software, guides the computer and directs it to perform the necessary functions following the instructions in the program and is susceptible to various forms of electronic penetration and manipulation. Destruction of the CPU could stop computer operation and be disastrous to a Government agency, industry, or company with most of its records computerized.

Once data is received from the CPU, it is translated into an intelligible form called output—the fourth stage of the operation. Output is vulnerable to theft. Criminals at this stage could steal confidential data, such as privacy information or trade secrets. The computer systems of Government agencies, financial institutions, and others contain voluminous confidential data on firms and individuals; theft of such data could easily lead to blackmail or even be sold on a black market.

The final stage of the operation, communication, involves the transmission of output to other computers and/or users. The computer is vulnerable at this stage to electronic penetration. Initially, the information will be transmitted by telephone circuits, which can be tapped.

The main section of this bill makes it a Federal crime to "access" a computer for the purpose of perpetrating fraud or obtaining money, property or sevice under false or fraudulent pretenses. It should be made clear that the term "access" specifically includes within its meaning as defined in the bill all forms of unauthorized or clandestine penetration of a computer, computer system or computer networks. These penetrations include but are not necessarily limited to:

First. Wiretapping which is gaining access to a system via direct connection to a communication line or part of the central system.

Second. Radiation which is passive eavesdropping without direct connection. It siphons data from a system by detecting acoustic or electromagnetic signals emanating from a computer or component.

Third. Artifice or "trapdoor entry" which is the intentional introduction of a clandestine code into a system to be used later for subversion from within. It is created by unscrupulous programers and designers. An artifice can be implanted at the time the system is implemented or during subsequent modification; it can also be implanted by a successful penetration.

Fourth. Impersonation which is unauthorized activity carried out by performing as a legitimate user or device such as using someone else's user identification, code and/or password to gain access to the system.

All phases of computer operations need to be made more secure from criminal penetration but all the physical security precautions in the world will be of little use if they are not accompanied by adequate personnel procedures to reduce the possibility of employment of dishonest persons. Dishonest employees who themselves engage in computer crime or engage in collusion with criminals on the outside pose the biggest threat to government and business. Computer criminals are the most sophisticated of all white collar criminals. They currently operate in an environment and conditions in which the successful detection and prosecution of their crimes is very difficult. When they are apprehended and convicted, all too often the sentences they receive are extraordinarily light. It is for this reason that I attach great importance to the penalty provisions of this bill.

Under terms of this bill, a Federal judge may, in his discretion, depending on the severity of the crime, impose jail terms of 15 years and fines up to $50,000 or $2\frac{1}{2}$ times the amount of the fraud or theft.

It is my hope that these increased penalties, unprecedented in Federal criminal law for white collar crime, will deter the potential computer thief and at the same time pose a warning to all white collar criminals that the Congress of the United States sees white collar crime as a threat to our society which should be dealt with in a manner befitting the crime.

It is time to tell criminals who use computer terminals, fountain pens, and phony stock certificates to rob millions of dollars, that their corrosive activities will not be tolerated.

This bill also places particular emphasis on the prosecution of crimes against the computer systems of banks and other financial institutions which are insured or regulated by the Federal Government. Today, financial institutions are heavily dependent on computers which process and record billions of dollars in financial transactions daily. If present trends continue, however, banks and other financial institutions will become more dependent on computers in the future. As electronic funds transfer systems are perfected and implemented, more computers, terminals, wires, data banks, and operators will be employed to operate these intricate and complex systems of recordkeeping. Electronic fund transfer systems involve the use of communication and computer networks to relay, process, and store fund transfer information. They may involve transferring funds from a buyer's account to the account of a seller or from an employer to an employee.

A national electronic fund transfer system could supplant the present paper exchange system so that paper currency or stock certificates as we know them would play an insignificant role in transactions or even become obsolete.

The beginnings of a national EFTS can be witnessed today. Computers with multiprocessing capability and high speed mass memory are in operation, providing a basis for at least a regional EFTS. Taking advantage of this technology, several automated clearinghouses appeared in the early 1970's. Under the present system, banks maintain clearing balances on one another or on a common bank such as the Federal Reserve Bank. Because transactions are processed electronically, the cumbersome process of handsorting and paper and pen work has been eliminated; in addition, the automated clearinghouse rapidly adjusts balances. Automated clearinghouses are a logical starting point for the development of a national EFTS.

The "point-of-sale" system represents a more sophisticated step in the development of an EFTS. Under a point of sale the buyer can pay for his purchase without the intervention of currency. As in an EFTS the buyer gives the store clerk an identification card to insert in a terminal linked to a bank's computer; the purchase price is then transferred from the buyer's account to the store account. If the store does not maintain an account at the bank, the transfer process takes place as it presently does through some form of clearinghouse.

The automated clearinghouse and the point-of-sale systems are rudimentary compared to the sophisticated and elaborate technology required to link up a national EFTS. A national system will rely on thousands of computers, millions of terminals, and millions of miles of wire with thousands of technicians and computer operators needed to man it. It can totally displace ink. The workhorse of EFTS is the computer, and the technology which makes the system possible also makes it vulnerable to criminal attack.

There are at least four areas where the protective criminal law sanctions of the bill I am introducing today will apply to EFTS.

They are:

First. Unauthorized access to a customer's account by means of the theft or reproduction of an access "key," such as the plastic card, given the customer;

Second. Unauthorized access to accounts by personnel manning access terminals, such as the store employees operating the supermarket remote deposit-withdrawal system;

Third. Unauthorized access to communication lines between remote terminals and information storage areas, such as a financial institution's central processing unit, in short, wiretapping; and

Fourth. Unauthorized access at the central processing unit site by employees or outsiders.

In addition, I wish to make it clear that nothing in this legislation is intended to reduce, restrict, or supersede existing statutes and nothing in this legislation reduces existing investigative authority of any law enforcement or national security agency under existing law or duly authorized practices.

The Senate Governmental Affairs Committee investigation, which led to the staff report, "Computer Security in Federal Programs," and this bill have been studied by the Office of Management and Budget (OMB). Issues raised in the staff report have been examined by OMB, which has overall fiscal and policy control of all automatic data processing (ADP) operations in the executive branch.

As a result of the attention focused on computer security by the committee inquiry, OMB is in the process of revising its governmentwide regulations affecting computer security. These regulations, which are contained in OMB Circular A-71, are being strengthened and, upon completion of their revision, will be made available to the public.

I wish to note that Senator PERCY, as ranking minority member of the Senate Governmental Affairs Committee, has worked closely with me and the staff for the past year as this examination of computer security and computer crime progressed. Owing to his personal knowledge of how computers fill a great need in financial transactions, Senator PERCY has offered encouragement and advice and the benefit of his long and time-tested expertise in this complicated area.

The committee investigation was conducted at the staff level by Philip R. Manuel and Fred Asselin.

Witnesses who testified in support of the Federal Computer Systems Protection Act before Senator BIDEN's Criminal Laws and Procedures Subcommittee in June of 1978 included John C. Keeney, then Acting Assistant Attorney General, Criminal Division; Special Agent Joseph E. Henehan, Chief of the FBI's White Collar Crimes Section, Criminal Investigative Division; and Donald L. Scantlebury, Director, Financial and General Management Studies Division, General Accounting Office.

Mr. President, I ask unanimous consent that the prepared testimony of each of these witnesses before the Criminal Laws and Procedures Subcommittee be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN C. KEENEY, ACTING ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION

I am pleased to be here today to present the views of the Department of Justice on S. 1766, the proposed "Federal Computer Systems Protection Act". Accompanying me are Mark Richard, Chief of the Fraud Section of the Criminal Division and David Geneson, an attorney with the Fraud Section who, unlike Mr. Richard and myself, has extensive experience in the field of computer technology.

At the outset let me state that the Department of Justice supports the passage of a computer crime statute and believes that, if enacted, S. 1766 will be an important addition to the legal arsenal currently available to prosecutors. The nature and scope of the problem of computer offenses was explored by the Senate Committee on Government Operations in 1976 and 1977 through means of an extensive staff investigation and study. The results of that inquiry, along with those of three separate GAO studies on the subject, the experience of the law enforcement community and a variety of private research efforts, support the following general conclusions regarding computer related abuses:

1. Our political, economic and social institutions have grown increasingly dependent on computers to the point that their illicit manipulation or malicious destruction can potentially wreak havoc on society. Consider in this regard the consequences resulting from the willful disruption of the computer-generated social security checks flowing to the elderly or disabled, the destruction of a bank's computer records of its demand deposits, or the malicious destruction of irreplaceable medical research data stored in a computer bank. Computers have become a part of everyone's life and are being integrated into virtually every facet of human activity at an ever increasing rate. The very existence at the present time of a broad base of computer usage and computer knowledge, and its projected increase in the years to come, suggests that we will experience an increase in the opportunities for computer-related abuses in the years ahead.

2. Computer misconduct can and does take many forms. Examples include:

A. An outsider securing access to a telephone company's computerized inventory control system diverted approximately $1 million of inventory to himself which he thereafter sold on the open market.

B. A bank official with access to computerized account records manipulated dormant accounts to cover up his theft of close to $1 million.

C. A University computer center was destroyed by a bomb with attending loss of life.

D. A disgruntled student employed by a University computer center intentionally placed a 19¢ soybean based milk shake into the central processing unit of the computer whereupon the heat vaporized the milk shake coating the entire insides of the apparatus causing $500,000 worth of damage.

E. A systems programmer who put a secret patch into the system which was designed to reactivate his payroll account and issue him checks six months after he left the firm.

3. Computer experts tend to agree that no computer system, whether in the Government or private sectors, can ever be made completely safe from crime, damage or unauthorized access to data. While Government and the private sector are becoming increasingly more sensitive to the need for adoption of appropriate security measures for their computers, the general consensus nevertheless remains that opportunities for crime, destruction or unauthorized access to data can, at best, be minimized but never entirely eliminated.

4. Although GAO suggests that the incidence of computer fraud is growing in both the Government and private sectors, in the final analysis no precise conclusions can be reached regarding the incidence of computer offenses. In this regard many factors, in my view, contribute to our current inability to determine the extent and magnitude of such offenses and I would like to briefly highlight just a few of them at this time.

To begin with, a consensus has yet to be reached as to what types of situations should be classified as computer crimes. For example, one case currently being prosecuted by the Department involves in part the falsification of computer generated financial statements. However, unlike the notorious Equity Funding case, in this instance no false or fraudulent data was actually fed into the computer. Instead the subjects intentionally provided accurate, but incomplete, data to the computer. By failing to place on the computer financial data which they knew would severely impact on the financial posture of the firm, the subjects were able to distort the entire fiscal picture of the firm and thereby deceive the public. Should such a case be considered as a computer crime notwithstanding the fact that the computer's role was merely to provide credibility for the false financial statements and mask the true picture? As a practical matter, as we become a society dependent on computers, we can expect to find that computers figure into more and more white-collar crime cases, in at least a limited fashion. Yet most of us would be hesitant to suggest that we abandon traditional criminal classifications, such as securities, or banking or bankruptcy frauds merely because a computer was tangentially involved.

Compounding the problem of assessing the extent of computer crimes is the detected but unreported case. There is a growing belief by those working in the field that there exists a large body of detected but unreported cases. As in other areas of white-collar crime, some victims of computer crimes are reluctant to report such offenses because of a real or imagined fear of loss of public confidence, a possible concern over their own liability to shareholders, and a belief that public exposure would be tantamount to an admission that the firm is vulnerable to such penetrations. In fact, one high level executive purportedly argued that he was grateful to the offender who manipulated the firm's computer and stole $250,000 for helping the company pinpoint specific deficiencies in its security.

The final factor that must be considered when evaluating the incidence of computer crimes is that such offenses are more often than not difficult to detect. If white-collar crimes in general are characterized by their low visibility, then computer frauds are characterized by an almost complete lack of visibility. Consider for example a bank programmer who inserts a single so-called "patch" in the bank's computer program directing it to ignore his own overdrafts or credit to his account all fractional splits of interest payments. Or the individual who utilized the computer to break its own access codes, manipulated the data for his own profit and then programmed the computer to destroy all traces of his unauthorized intrusion. Or the technique referred to by some as the "Trojan Horse" approach whereby the computer is programmed to engage in fraudulent manipulations at some predetermined time in the future and then to erase all traces of the transactions. Little wonder then that that experience to date suggests that, to the extent such offenses are detected, they are exposed primarily through happenstance and accident and not by traditional audit procedures.

5. Another characteristic of computer crimes upon which there appears to be general agreement is that the real or potential losses of such crimes tend to be greater than other forms of white-collar crime. The Equity Funding case, which has received such extensive notoriety, involved actual or potential losses in the hundreds of millions of dollars. This loss potential is a function of the concentration of data in the computer. In a sense the virtues of the computer, the ease in storing and manipulating vast amounts of data, is also its Achilles Heel. Fraudulent manipulations of data which, if done in a non-computer environment would be tedious, reasonably visible and require the cooperation of many, can be accomplished in the computer environment in split seconds, frequently without the aid of accomplices, and often without leaving a trace or trail for investigators.

Prosecutions both at the state and Federal levels of computer offenses have been marked by a degree of uncertainty as prosecutors seek to utilize traditional criminal statutes to reach these offenses. It has been estimated by at least one researcher that, depending on the precise factual setting, no less than forty different Federal statutes may be applicable. Yet none of these statutes were originally designed to reach the type of illicit conduct associated with computers. At the Federal level we have been successful in prosecuting cases under various statutes including the wire fraud statute (18 U.S.C. 1343). Illustrative of the problems encountered, however, when applying the wire fraud statute to computer crimes is the *Seidlitz* case which was prosecuted several years ago in the District of Maryland. The case involved the owner of a computer firm who stole a valuable and confidential program by tapping into his former employer's computer center by telephone.

He was charged and convicted under the wire fraud statute which essentially makes it a criminal offense to engage in a scheme or artifice to defraud and using interstate wire signals, such as the telephone and telegraph or other signals, in furtherance thereof. The broad concept of a "scheme and artifice to defraud" found both in the wire and mail fraud statutes, has been widely interpreted by the courts and conveniently fits many factual situations involving computer manipulations.

On the other hand, the interstate requirement of the wire fraud statute, or the requirement that the mails be used in furtherance of the scheme and artifice under the mail fraud statute, can conceivably be an obstacle to successful prosecution. For example, had the defendant in the *Seidlitz* case placed all of the approximately forty telephone calls to the Maryland firm from his home in Maryland instead of the two occasions in which the calls were made from his office in Virginia, there would have been no Federal jurisdiction under the wire fraud statute.

If a Federal computer facility is victimized, the fraud against the Government or theft of Government property statute may be available to Federal prosecutors, while if the crime results in the unauthorized movement of merchandise or other "property" across state lines, the statute dealing with the interstate transportation of stolen property (18 U.S.C. 2314) may be applicable. However, under the latter statute, and given a computer context where the item "stolen" is information and the victim is not denied access to the property because the information still "resides" in the computer, a prosecution may be hindered by traditional notions of what constitutes a "taking" and "property". For example, in the *Seidlitz* case the District court dismissed a count charging the interstate transportation of stolen property on the theory that the movement of the magnetic impulses from the victim's computer in Maryland to the defendant's computer terminal in Virginia did not satisfy the interstate transportation requirement of the statute.

For state and local prosecutors without a comparable mail or wire fraud statute, the road to a successful prosecution may be a difficult one. In terms of common law theft concepts, the distinction between theft and grand theft is muddied where the property stolen is "information" whose monetary value is difficult to determine. Moreover, even where such information is construed as a trade secret and there is an existing state statute proscribing the theft of such secrets, the offense is frequently a misdemeanor.

I have intentionally dwelled on these factors associated with computer crimes for I believe that they should be considered when evaluating the specific provisions of S. 1766. It is because of them that the Department of Justice endorses the passage of a broad criminal statute directly aimed at computer crimes. In our view a specific statute would achieve a greater deterrent effect than existing criminal statutes which may, through strained interpretations, be available for prosecution purposes. Considering the magnitude of the potential injury to society, the difficulty associated with detecting such offenses and the proliferation of computer knowledge throughout broad segments of the community, a specific statute which will be highly publicized in data processing circles is needed, in our view, to achieve maximum deterrence.

We recognize that S. 1766, as currently worded, would reach virtually all computer offenses and contains broad Federal jurisdictional authority. While we are not advocating that Federal law enforcement authorities preempt the computer field, we do believe that broad concurrent jurisdiction with the states is desirable, if not essential, because of the difficulties which may arise in investigating and prosecuting such offenses. As a matter of policy, where the state and local authorities have the investigative and statutory means of reaching such offenses and there is no compelling Federal interest, we would defer to the states and local authorities just as we do in the area of car thefts. Concurrent jurisdiction would, however, provide law enforcement with the flexibility to adequately address the problem regardless of the nuances of the particular case. A similar approach is currently utilized in dealing with a variety of problems which involve concurrent Federal, state jurisdiction including the Hobbs Act (18 U.S.C. 1951) and the Controlled Substance Act (21 U.S.C. 801 *et seq.*). The Department of Justice has no interest in prosecuting every computer fraud and abuse case occurring in the United States.

We have previously communicated several additional suggestions regarding the proposed statute to Senator Ribicoff and I would like to briefly make reference to them at this point.

1. Proposed Section 1028 of Title 18 is titled *Computer Fraud*. In that it also deals in subsection (b), with damage and destruction of hardware, might it not more appropriately contain some reference to that facet in the title, such as *Computer Fraud and Abuse*.

2. In subsection (a), the required intent element is not spelled out in as much detail as we would prefer. This can be corrected by modifying the provision to read: "Whoever knowingly and willfully, directly or indirectly accesses . . . "

3. Neither subsection (a) nor subsection (b) contains an "attempt" provision. As to subsection (a), the preparation of a computer fraud, e.g., file or program manipulation, may be the most time-consuming and traceable portion of the crime, while the actual perpetuation might take place in a fraction of a second. Yet, all the efforts leading up to the execution, if effected without accessing the computer, or if the final step were not taken and the scheme uncovered, would be outside the scope of statute without such an attempt provision. Similarly, in subsection (b), if the perpetrator were unsuccessful in his destructive activities or did not take the final step, he might be beyond the reach of the statute without inclusion of an attempt proscription.

4. While the word "foreign commerce" is not used, it would in our view be desirable to have the legislative history reflect that the statute is not intended to be limited to purely interstate frauds.

5. Subsection (a)(2) speaks of obtaining money, property, etc. It may be desirable to add the phrase "for themselves or another" in order to include those who, while not actually involved in the perpetration, are the knowing beneficiaries of the fraud.

6. Subsection (b) is targeted at those "unauthorized" persons who do harm, but overlooks those who are "authorized" and for whatever reasons under color of their authority may commit the same acts or cause them to be committed. Might it not be better to rephrase the section to address *anyone* who alters, accesses or manipulates any aspect of the computer, computer network, etc., or any part thereof, with "intent to cause destruction or damage" to the computer, the company, or entity or any person related or associated thereto, or causes such acts to be done?

7. In subsection (c)(4) the definition of computer network is restricted to communication lines. Current networks, however, may actually communicate by microwave transmission. It may therefore be more appropriate to speak of "communication systems".

8. Subsection (c)(5) defines property to include electronically produced data. In actuality data is more often processed than produced. For completeness it is probably better to say "electronically processed or produced data".

9. The definition of financial instrument, subsection (c)(7), does not specifically mention electronic fund transfers. Consideration should be given to adding to the end of the definition ". . . credit card, marketable security, or any electronic data processing representation thereof".

10. Subsection (c)(8) defines computer program in terms of a "series" of instructions or statements. While this is technically correct, it is possible to do quite a bit of damage with the execution of a *single* instruction or statement. It is probably unnecessarily restrictive to include the word "series".

This concludes my formal remarks. We would be pleased to receive any questions the Subcommittee may have.

Thank you.

STATEMENT OF JOSEPH E. HENEHAN

Mr. Chairman, I am special agent Joseph E. Henehan, chief of the FBI's white-collar crimes section, criminal investigative division, FBI headquarter's. I have with me this morning from the FBI's training division, special agent James Barko, unit chief of the economic and financial crimes training unit, and special agent William Colvin who has been the principal developer of the FBI's computer fraud training program. Both of these gentlemen are currently assigned to the FBI Academy at Quantico, Virginia. We have been requested to appear before you today and discuss Senate bill 1766. The FBI shares the national concern for the problem of computer fraud and considers this proposed legislation as an outstanding additional tool that could be used in combating sophisticated white-collar crime (WCC).

The FBI's WCC investigative jurisdiction runs the gamut from bank fraud and embezzlement through fraud against the government, to corruption of public officials. A substantial portion of our investigative effort in these areas deals with a review of records maintained by government entities, financial institutions and the business community, the vast majority of which are kept on computerized systems.

The Bureau currently has no specific investigative jurisdiction covering computer fraud matters. We encounter some of these matters in our investigations involving bank fraud and embezzlement, fraud against the government, fraud by wire, interstate transportation of stolen property, and miscellaneous other criminal statutes. Because of our current jurisdictional limits, the FBI is not in a position to view the entire spectrum of the problem of computer abuses. The vast majority of computer abuses that we hear and read about today come under the investigative jurisdiction of state and local authorities.

We maintain our management information system based on specific investigative classifications which do not permit us to pick out from these various investigative categories investigations involving computer fraud. The FBI does not specifically maintain statistics on cases involving the abuses of the computer; however, in preparation for the testimony today I have conducted a survey of our field operations and we have determined that we currently have approximately 50 investigations being conducted that have some aspect of computer fraud.

In approximately 40 of the cases reported there was an altering of the computer data input in order to obtain money or something of value illegally; by way of example, a bank teller substituting mechanically coded deposit tickets in order to place money into an account other than the one for which it was intended, as well as the government supplier who places false material codes into the computer causing the government to be billed at a higher rate for material. In those cases not involving altered input data we encountered such matters as theft of computer time, use of a computer to keep track of kickbacks, the theft of computer software and the alteration of programs for either financial gain or destruction of records. While the examples I have cited are being successfully prosecuted under existing federal legislation within our jurisdiction, the FBI can foresee that with the increased proliferation of computer equipment in government and the business sectors, the proposed legislation could well enhance our position in combatting complicated WCC.

The FBI fully supports this legislation with the reservation that it could have an awesome impact on the Federal Government's investigative resources. The breadth of this act would make virtually every false entry type crime committed on an automated accounting system a federal violation regardless of the amount involved. In addition, it would be putting the Federal Government into a very broad area of concurrent jurisdiction with state and local law enforcement authorities. This bill is recognized by the FBI as being an extremely valuable investigative tool. However, it would be impossible for the FBI armed with this legislation to enter the field of computer fraud in a wholesale fashion with our current investigative resources. Even with an increase in investigative resources it may be necessary for the bureau should we receive investigative jurisdiction to seek prosecutive criteria from local U.S. Attorneys limiting the matters to be investigated so as to continue our quality over quantity thrust in investigating only the most significant cases.

This approach would also require close liaison with local and State authorities to insure there will be no duplication of effort and that less involved matters of concurrent jurisdiction are being handled by someone.

A common problem of law enforcement in handling computer fraud matters is the lack of technical expertise. The FBI for the past couple of years has been attempting to develop expertise in this field. We currently have a computer at the FBI Academy in Quantico, Virginia, that is used for computer fraud training. We have in excess of some 40 special agents who have completed a 4-week course given at the FBI Academy aimed at developing expertise in conducting investigations of complicated computer fraud matters. In addition, we have trained some 500 of our special agent investigators in an abbreviated 1-week computer course aimed at developing a basic understanding of automated accounting systems. Recognizing that local law enforcement has the broader jurisdiction for these matters, the FBI Academy is attempting to expand training being offered to local and State authorities. Some members of the National District Attorney's Association were given a 1-week computer fraud course early this year and a second is planned for the fall. The FBI Academy has also recently developed a road school for computer fraud that will be offered to local law enforcement throughout the country when these resources are available. Enactment of the proposed legislation and the resulting work if handled by the FBI would present a serious training challenge for the FBI. It will not only be necessary to train additional investigators, but consideration will also have to be given to keeping these individuals updated as the science advances.

In summary, we can fully support this legislation as an outstanding investigative tool. However, there is great concern for the breadth of the proposed bill, and it must be recognized that virtually any crime associated on or with a computer will be a Federal violation and will necessitate substantial Federal resources almost immediately.

We will honor any questions.

STATEMENT OF DONALD L. SCANTLEBURY, DIRECTOR, FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION

Mr. Chairman and Members of the Subcommittee: We welcome this opportunity to appear before your Subcommittee to discuss the issue of computer-related crime and fraud, for we in GAO have been concerned for some time about the need for more protection against the many types of crimes that affect computer systems. Before proceeding I would like to introduce, Mr. Walker Anderson, Associate Director, of the Financial and General Management Studies Division, who is accompanying me today.

The use of computers has become widespread in the past few years. So much so that they are now indispensible to the delivery of Government services, with virtually all Government agencies dependent upon computers for carrying out programs and missions. Today, there are nearly 12,000 computers in the Government's inventory and there is every indication that the number will increase. These computer systems impact almost every aspect of Government operations, and have changed the way in which functions are performed and transactions carried out. Moreover, the computer has made obsolete many traditional methods of control, and has created a need for improved methods to assure the protection of the Government's funds and other assets.

In the past couple of years GAO reviews have shown that computer crimes are a serious problem in the Federal Government. The computer crimes we reviewed have resulted in:

Sizeable dollar losses;
Damages to building and equipment;
Losses of software and data;
Personnel injuries; and, in one case
A loss of life.

The types of crimes that produced these results parallel those cited in the bill. They include:

Fraudulent input into the systems.
Unauthorized use of computer-related facilities.
Destruction or alteration of data and computer hardware and software.
Thefts of Government property, including cash, valuable data, and other assets.

Let me cite some information from two of our reports:

Computer-Related Crimes in Federal Programs (FGMSD-76-27, April 27, 1976).

Managers Need to Provide Better Protection for Federal Automatic Data Processing Facilities (FGMSD-76-40, May 10, 1976).

FRAUDULENT INPUT

Our studies show that the majority of computer crimes against the Federal Government—about 62 percent—involved persons preparing fraudulent input to computer-based systems.

We found many cases in which fraudulent input data was introduced into systems that make direct payments to individuals or businesses. The results were fraudulent payroll, social welfare, and compensation payments as well as payments for nonexistent goods and services. For example, a supervisory clerk responsible for entering claim transactions to a computer-based social welfare system found that she could introduce fictitious claims on behalf of accomplices and they would receive the benefits. She was able to process over $90,000 in known fictitious claims (authorities believe such claims might have totaled as much as $250,000) before she was discovered.

Other cases involved individuals stealing Government property through the use of computers. For example, a perpetrator used a computer terminal to ascertain the location and availability of items desired by outside conspirators. Once he located those items, the perpetrator caused the system to prepare fraudulent requisitioning documents. Then he used the documents to obtain the items he wanted, took the items from the installation, and sold them to the outside parties.

The total amount of property stolen through computerized supply systems cannot easily be determined, but our review revealed a number of such cases. One loss of over $300,000 was averted when discrepancies were discovered and the material recovered.

UNAUTHORIZED USE OF FACILITIES

Another type of crime, which has occurred in several agencies, is the unauthorized use of computers by ADP personnel. An engineer who was no longer employed at one Government installation managed to continue using the equipment for his own purposes. Before he was discovered, he had used over $4,000 worth of computer time. At another installation, a programer used a self-initiated training program to obtain use of his agency's computer system. But instead of working on the training exercise, he was developing his own computer programs which he hoped to sell.

Computer-related crime does not always lead to direct losses of Government funds or property. In one case we reviewed, the manager of a non-Federal computer center processing personal information for the Government, was able to steal some of this data and sell it to outside parties who were not authorized to use it. Although the Government did not lose any money, the privacy of individuals whose data records were involved was violated, and this is of concern in protecting the privacy of personal information.

DESTRUCTION OR ALTERATION OF COMPUTER HARDWARE, SOFTWARE AND VALUABLE DATA

We also found a number of cases involving losses of computer facilities or data.

On August 24, 1970, a bomb exploded outside the Sterling Hall Building at the University of Wisconsin. This building housed the Army Mathematics Research Center and other federally funded research activities. One employee was killed and three others were injured during this incident. This explosion damaged 25 buildings at the university, and resulted in a total loss of about $2.4 million for buildings and equipment. Computers at the Army Mathematics Research Center were damaged, and some programing efforts and 20 years' accumulated data was destroyed. It has been estimated that this research data represented over 1.3 million staff hours of effort which we calculate to represent an investment of about $16 million. The intent of the persons who did the bombing is not known to us but it seems likely to us that the target was the computer facility.

Attempts at sabotage of computers have also been made by employees within data processing centers. For example, there were four attempts to sabotage computer operations at Wright-Patterson Air Force Base during a 6-month period, by using magnets, loosening wires on the computer mainframe, and gouging equipment with a sharp tool.

During our study we identified other locations which were susceptible to sabotage. For instance, in some cases outside personnel were not carefully monitored while on the premises or in the computer areas.

We have even heard of cases in which disgrunted persons shot or used other tools to attack and damage computer equipment.

THEFT OF GOVERNMENT PROPERTY

Computerized systems are also vulnerable to theft or stealing by electronic means or otherwise. We noted numerous cases of publicised thefts or misuses involving data or assets; financial frauds; embezzlements; and mistakes made by computer employees.

Industry literature indicates thefts or misuses of computer systems are increasing at an alarming rate.

One case we noted during our study involved theft of Government funds at Kelly Air Force Base, San Antonio, Texas. The Government paid approximately $100,000 to bogus fuel companies for aircraft fuel never delivered to the Air Force. The bogus fuel companies were established by a dishonest Government employee working at the air base. This employee had indepth knowledge of the computerized fuel accounting system which he helped develop and install. An investigation of this matter was initiated when a bank contacted the Air Force regarding suspicious banking transactions involving Government checks. The employee was later arrested.

Other studies of theft and misuse to data processing operations have been identified within the Federal Government and private sectors. Noteworthy were March 1973 studies by the Stanford Research Institute on "Threats to Computer Systems" and a November 1973 study on "Computer Abuse." Each study catalogued over 100 data processing security incidents within and outside the Federal Government that were identified from sundry sources.

INADEQUATE INTERNAL CONTROLS

Next, I would like to comment on the problem of internal controls over data processed through computer systems. "Internal control" is the phrase we accountants use to describe the system of checks and balances that are designed to protect against theft and error. A simple example is the long-honored practice of having two people sign checks. By having 2 signatures, one person has a far greater difficulty in fraudulently obtaining funds for his personal use.

The truth today in most automated systems is that no one signs checks. The signature is simply printed on the check by the computer. Obviously, when a control like double signature is given up in favor of no signature, some new controls are needed as substitutes. There are a host of such controls but they are not always used in computer systems because they take up computer time, storage, or have other effects that cost money and sometimes produce delays in getting the work out.

As an example, let's look at the way in which Federal disbursements were processed a few years ago and how they are processed today in the most modern computer systems.

In the old manual system days, those with responsibility for preparing checks could maintain close supervision over the pay clerks, voucher examiners, and similar employees who computed and/or verified the correctness of payments or transactions. They could see to it that these employees examined the source documents supporting each payment and made sure that—

Each transaction was supported by proper documentation (a purchase order, a receiving document and the vendor's invoice) and was not obviously improper or incorrect;

Each document had been properly approved and processed through all the required steps and was complete;

The data in the various documents was consistent;

All computations were correct; and

The transactions complied with the laws, rules, and regulations which they were responsible for enforcing.

However, in many of today's automated systems, most of this work is done by the computer. The documents often aren't even physically at the same location. Under such circumstances, the controls to prevent fraudulent input into the system, becomes very important. For if the controls don't prevent such input, it is unlikely to be detected at all because the transactions do not receive a detailed review by a human supervisor.

In fact, literally millions of Federal actions take place regularly on automated systems without anyone checking them for correctness. For example, amounts due employees for salary payments are calculated inside the computer system, unseen by human eyes. Parts for aircraft, ships and other equipment are ordered by the computer without human verification of the amounts ordered or the price to be paid.

Despite the need for such controls to supplant those given up when the systems were computerized, Government Managers have not insisted that the appropriate controls be installed. In fact, much education is needed to get managers to take advantage of such controls. We found in many of the computer crimes we reviewed that managers placed more emphasis on making the new automated systems work as soon as possible rather than on designing control over them. For example, one crime involving a social compensation system, the computer operation was built around second-generation computers and had no fraud-oriented controls built in. When the agency converted to more modern equipment, the system was not redesigned because of pressure to get the new computers running. An employee submitted fraudulent claims to this system, and the automated system sent the checks totaling over $15,000.

Our findings with regard to the need for better controls have been reported to the Congress principally in the three reports listed below.

Improvements Needed in Managing Automated Decisionmaking by Computers Throughout the Federal Government (FGMSD-76-5, April 23, 1976).

New Methods Needed for Checking Payments Made by Computers (FGMSD-76-82, November 7, 1977).

Challenges of Protecting Personal Information in an Expanding Federal Computer Network Environment (LCD-76-102, April 28, 1978).

Some action is being taken in regards to better controls over computer systems. Actions include:

The drafting and issuance of policy guidance by the central management agencies[1] on improving controls and developing and implementing computer security programs, and

The strengthening of control over the computer systems at some Federal agencies.

Getting better controls over computer systems is important, but controls alone doubtless will not solve the fraud and abuse problem. History has shown that it is difficult to keep up with the inventiveness of some of the persons who seek to obtain money and other valuables fraudulently. Therefore, we believe a strong deterrent in the form of punishment—like that included in S-1766—is also needed to protect the Government's computers and others from fraud and abuse.

Mr. Chairman, this concludes my prepared statement; we will be pleased to try to answer any questions or furnish additional information.

[1] Office of Management and Budget draft TM No. 1 to OMB Circular A-71 on policy guidance for developing and implementing a computer security program. National Bureau of Standards Federal Information Processing Standard Publication 31, titled "Guidelines for Automatic Data Processing Physical Security and Risk Management".

National Bureau of Standards special publication 500-24 on performance assurance and data integrity practices.

Mr. RIBICOFF. Mr. President, the bill I am introducing today has been amended slightly compared to the bill I introduced June 27, 1977. Most of the amendments which I have made in the bill are the result of minor changes proposed by the Department of Justice on February 14, 1978 in a letter to me from Benjamin R. Civiletti, then Assistant Attorney General, Criminal Division.

Mr. President, I ask unanimous consent that Mr. Civiletti's February 14, 1978 letter to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 14, 1978.

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR RIBICOFF: As you requested, the Department of Justice has reviewed Senate Bill 1766, the proposed Computer Fraud statute. We agree with your view that the potentials for computer related criminal activity, inadequately addressed by current law make a strong Federal statute such as S. 1766 highly desirable. With a view toward further strengthening the bill, we would suggest consideration of the following points prior to action on a final version.

1. The statute is titled Computer Fraud. In that it also deals in Section B, with damage and destruciton of hardware, might it not more appropriately contain some reference to that facet in the title, such as Computer Fraud and Abuse?

2. In Section A, the required intent element is not spelled out in detail. This can be corrected by modifying the provision to read: "Whoever knowingly and willfully, directly or indirectly accesses . . ."

3. Neither Section A nor Section B contains an "attempt" provision. As to Section A, the preparation of a computer fraud, e.g., file or program manipulation, may be the most time consuming and traceable portion of the crime, while the actual perpetration might take place in a fraction of a second. Yet, all the efforts leading up to the execution, if effected without accessing the computer, or if the final step were not taken and the scheme uncovered, would be outside the scope of statute without such an attempt provision. Similarly, in Section B, if the perpetrator were unsuccessful in his destructive activities or did not take the final step he might be unassailable without inclusion of an attempt proscription.

4. While the word "foreign commerce" is not used, it would in our view be desirable to have the legislative history reflect the fact that the statute is not intended to be limited to purely interstate frauds.

5. Section A(2) speaks of obtaining money, property, etc. It may be desirable to add the phrase "for themselves or another" in order to include those who, while not actually involved in the perpetration, are the knowing beneficiaries of the fraud.

6. Section B is targeted at those "unauthorized" persons who do harm, but overlooks those who are "authorized" and for whatever reasons under color of their authority may commit the same acts or cause them to be committed. Might it not be better to rephrase the section to address anyone who alters, accesses or manipulates any asoect of the computer, computer network, etc., or any part thereof, with "intent to cause destruction or damage" to the computer, the company, or any person related or associated thereto, or causes such acts to be done?

7. In Section C(4) the definition of computer network is restricted to communication lines. Current networks, however, may actually communicate by microwave transmission. It may therefore be more appropriate to speak of "communication systems".

8. Section C(5) defines property to include electronically produced data. In actuality data is more often processed than produced. For completeness it is probably better to say "electronically processed or produced data".

9. The definition of financial instrument. Section C(7), does not specifically mention electronic fund transfers. Consideration should be given to adding to the end of the definition ". . . credit card, marketable security, or any electronic data processing representation thereof".

10. Section C(8) defines computer program in terms of a "series" of instructions or statements. While this is technically correct, it is possible to do quite a bit of damage with the execution of a single instruction or statement. It is probably unnecessarily restrictive to include the word "series".

We would like to assure you of our complete cooperation in providing whatever assistance is necessary to aid the Congress in its discussion and debate of this bill. Its passage will create a new and valuable weapon in the fight against white collar crime.

Very truly yours,
BENJAMIN R. CIVILETTI,
Assistant Attorney General, Criminal Division.
By JOHN C. KENNEY,
Deputy Assistant Attorney General, Criminal Division.

Mr. RIBICOFF. Mr. President, in redrafting the Federal Computer Systems Protection Act, I accepted all but one of the recommendations from the Justice Department. The Department's recommendation to alter section B was not followed. In addition, the monetary penalty provision in section A of the bill was changed.

Philip R. Manuel, an investigator on the permanent Subcommittee on Investigations working at the full Governmental Affairs Committee level for the computer inquiry, assisted me in the original drafting of S. 1766. This year I asked Mr. Manuel to prepare a memorandum for me on the advisability of redrafting the bill to reflect the proposed Justice Department recommendations and other proposed changes we had been considering since the original introduction of the bill. Mr. Manuel presented the memorandum to me January 10, 1979.

Mr. President, I ask unanimous consent that Mr. Manuel's memorandum of January 10, 1979 be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To Senator ABRAHAM RIBICOFF.
From Phil Manuel.
Via Fred Asselin.
Re Redraft of the Computer Fraud and Abuse Bill.

At your request, I have redrafted S. 1766 to reflect your concept of how the bill can be strengthened. None of the changes is major.

In the redraft, as you directed, I have incorporated all but one of the recommendations made by the Justice Department as contained in Mr. Civiletti's February 14, 1978 letter to you. In addition, based on advice I have received from certain computer security specialists and law enforcement sources, I have also made an adjustment in the monetary penalty provision in Section A of the bill for your consideration.

The one Justice Department recommendation that is not included, namely number six in Civiletti's letter, has to do with Section B of the bill. If this recommendation were to be incorporated into the bill, it would completely change the thrust of Section B in a way that would not achieve the original intent of that section. Therefore, Section B is essentially intact so that acts of unauthorized trespass into a computer are covered, as well as those criminal acts which do damage or destruction to either the computer hardware or software.

When Senator Biden's Criminal Laws Subcommittee held hearings on S. 1766 last summer, the bill was strongly endorsed by the Justice Department, FBI, GAO and an array of former U.S. Attorneys who have experienced difficulties in prosecuting computer crimes under current Federal law.

Certain private individuals who are regarded as computer experts were somewhat critical of the bill, especially Section B. They charged that 1766 was overly broad and, in essence, would bring ostensibly harmless acts, such as the creation of so-called Snoopy calendars, by computer operators and programmers under the prosecutive power of the Federal Government.

This "Snoopy Calendar" argument appears to have become the main line of opposition to the bill among certain computer professionals along with a similar argument that somehow this bill will insert Federal jurisdiction over operators and owners of hand-held calculators and other sophisticated electronic appliances which now are capable of performing memory and logic functions.

In my view, these arguments have very little merit when one considers that: (1) the same type of browsing and manipulation which creates a Snoopy calendar could facilitate a major fraud; and (2) the Wire Fraud Statute, after which this bill is patterned and which has been consistently upheld by the courts since 1934 is broader than S. 1766 and allows for as much prosecutorial discretion in its application. Taken to the extreme, the Wire Fraud Statute would technically allow the Federal Government to prosecute anyone who uses a slug to make an interstate telephone call from a phone booth. That does not happen because federal prosecutors would not waste their time on such matters, but nevertheless, the discretion to prosecute remains. The same principle holds in S. 1766.

I feel that S. 1766, as currently amended, adequately remedies deficiencies in Federal law with respect to computer crime and abuse.

As you directed, I am attaching a copy of the proposed bill in which the amendments are underlined and footnoted. Explanation of the footnotes is as follows:

Footnote 1.—the phrase "and abuse" is added to the title of 1028 in line with Justice Department recommendation #1 of 2/14/78.

Footnote 2.—the phrase "knowingly and willfully" is added to Section A in line with Justice Department recommendation #2 of 2/14/78.

Footnote 3.—the phrase "or attempts to access" is added to Section A in line with Justice Department recommendation #3 of 2/14/78.

Footnote 4.—the phrase "for themselves or another" is added to Section A (2) —in line with Justice Department recommendation #4 of 2/14/78.

Footnote 5.—the phrase "not more than two and one-half times the amount of the fraud or theft" is added to Section A (2) in lieu of a fine of not more than $50,000. This was not a Justice Department recommendation, but is based on the suggestion that since computer crimes usually involve the theft of large amounts of money, a maximum monetary penalty of $50,000 may be too low. For example, in the recent Security Pacific Bank case, Stanley Mark Rifkin, allegedly accessed the bank's Federal Reserve transfer computer indirectly to transfer $10.2 million dollars to an account in Switzerland via a New York bank. In such a colossal fraud, a maximum fine of $50,000 would appear to be very inappropriate. The increased penalty would allow a federal judge to levy a fine more consistent with the severity of the crime.

Footnote 3A.—The phrase "attempts to damage or destroy" is added to Section B in line with Justice Department recommendation #3 of 2/14/78.

Footnote 6.—the word "systems" is added to Section c(4) in line with Justice Department recommendation #7 of 2/14/78.

Footnote 7.—the words "processed or" are added to Section c(5) in line with Justice Department recommendation no. 8 of 2/14/78.

Footnote 8.—The phrase "or any electronic data processing representation thereof" is added to Section c(7) in line with Justice Department recommendation no. 9 of 2/14/78.

Footnote 9.—the phrase "an instruction or statement" is added to Section c(8) in line with Justice Department recommendation no. 10.

Footnote 1A.—the phrase "and abuse" is added to Section c (Page 4) in the title of §1028.

GAO CITES NEED FOR COMPUTER CRIME BILL

Mr. RIBICOFF. Mr. President, the United States General Accounting Office recently cited the need for passage of the Federal Computer Systems Protection Act, legislation which I reintroduced today with Senators PERCY, KENNEDY, DOMENICI, INOUYE, JACKSON, MATSUNAGA, MOYNIHAN, STEVENS, WILLIAMS, ZORINSKY, CHILES, and NUNN.

The bill would make it a crime to misuse the computer systems of the Federal Government, certain financial institutions and other entities involved in interstate commerce.

In testimony before the Senate Subcommittee on Criminal Laws and Procedures in June of 1978, officials of the General Accounting Office, as well as spokesmen from the Justice Department and the Federal Bureau of Investigation, endorsed the bill.

In addition, on January 17, 1979, Elmer Staats, the Comptroller General of the United States, cited a major computer compromise at the Department of Agriculture to demonstrate the need for passage of the Federal Computer Systems Protection Act.

In his letter to me, Mr. Staats commented on data gathered by the Agriculture Department's Office of Inspector General in connection with security procedures at the Washington Computer Center. The Inspector General's information is contained in a report issued October 13, 1978, entitled, "Review of ADP Security Procedures and Controls, Washington Computer Center and User Agencies as of September 28, 1978" and is identified as No. 50530-4-Hd.

The IG report says that Agriculture Department employees, using remote terminals, gained unauthorized access to computerized Government data on file at the USDA's Washington Computer Center more than 6,400 times in a recent

12-month period, an average of 17 times a day for 365 days.

The Washington Computer Center issues at least $83 million in Government checks annually through the USDA Child Nutrition Service.

Using the Washington Computer Center are more than 20 components of the Department of Agriculture and nine non-USDA agencies including the Department of the Navy, the Treasury Department, the General Accounting Office and the Bureau of the Census of the Department of Commerce.

Although the Agriculture Department identified 6,400 unauthorized accesses to these files, no prosecutions or other legal actions were initiated. Mr. Staats is of the opinion that the computer crime bill I have reintroduced, known as S. 1766 in the last session of Congress, would have enabled the Government to initiate legal action against certain perpetrators of the unauthorized accesses. Mr. Staats said:

Had S. 1766 been enacted and in effect at the time these activities had occurred, there would have been a clear case for legal steps against the perpetrators, as their actions would have been covered.

Mr. President, I ask unanimous consent that Mr. Staats' letter of January 17, 1979 to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. ABE RIBICOFF,
U.S. Senate,

DEAR SENATOR RIBICOFF:

Thank you for your letter of December 7 concerning the penetrations of the U.S. Department of Agriculture's Washington Computer Center (WCC). We had been aware of the matter since April 3, 1978, the date an informant advised us that extensive security breaches had occurred. This was about the time that WCC, which had been tracking the penetrations for some months, took action to stimulate an investigation.

We discussed the matter with representatives of the Department's Office of Inspector General in April, and it was decided that they were the logical group to make the investigation. We have discussed aspects of their report with them, and believe that they have given adequate coverage to the subject. Their work was materially aided by cooperation from technically qualified staff of the WCC itself. Had S. 1766 been enacted and in effect at the time these activities had occurred, there would have been a clear case for legal steps against the perpetrators, as their actions would have been covered.

The enclosure to this letter responds to your request as to what data GAO had on the WCC's systems during the period covered by the OIG review, and presents their current status. We have orally supplied Mr. Asselin with other information on the operations of WCC.

As part of our on-going interest in the area, we plan to keep ourselves aware of further security developments at WCC.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. RIBICOFF. Mr. President, on page 38 of the USDA Inspector General's report an assertion similar to Mr. Staats' is made, indicating that there is not now a legal mechanism for moving against perpetrators of the unauthorized accesses at the WCC but that there would be if the computer crime bill is adopted. The IG report says:

Because of possible large dollar losses from a single act of computer abuse, specific reference of possible adverse actions against computer abuse should be stated in the Department's regulations. Therefore, until the Ribicoff bill becomes law, the Department should remind employees of possible administrative penalties for unauthorized computer accesses and other computer abuses.

According to the IG report, then, the only method now available to the Department for moving against perpetrators of unauthorized accesses is "administrative penalties."

I would like now to cite the specific language from the bill which would apply to the unauthorized accesses at the Agriculture Department's Washington Computer Center. The legislation says that:

Whoever intentionally and without authorization directly or indirectly accesses, alters, damages, destroys, or attempts to damage or destroy any computer, computer system, or computer network . . . shall be fined not more than $50,000 or imprisoned not more than 15 years, or both.

This language is very important to the computer crime bill. In order to understand why, it is necessary to point out that there are two actions—deliberate destruction and unauthorized access—which this language in the bill is written to respond to.

The first action, deliberate destruction of a computer, its data or program, can be initiated by a disgruntled employee, a vandal or a terrorist. The significant consideration about this person whose intent is to destroy is to recognize that his motive is not necessarily to realize a financial profit. It is to inflict damage.

That in itself should be a crime. This kind of damage need not be limited to a traditional assault, property loss or property impairment, such as detonating an explosive inside or near the computer. Instead the damage may be inflicted by peneration into the computer where through means of electronic manipulation data or software can be selectively or indiscriminately erased, altered or destroyed.

At present there is no specific language in Federal law that would adequately cover this form of deliberate action. The Federal Computer Systems Protection Act clearly specifies that this kind of action is against the law. An unauthorized access into a computer is in traditional legal terms, a trespass, and it is this act of trespass which my bill seeks to prohibit.

The IG report on the USDA Washington Computer Center addresses this issue in this explanation:

Most agencies personnel who did not have data considered sensitive were not concerned about data integrity. Data integrity refers to the description of the sensitivity of data to accidental or unauthorized intentional destruction or modification, which indicates the need for protection.

These personnel stated that a person could not gain financially from the unauthorized access of their data. Therefore, they believe that there was no need for concern. Although no financial gain can be obtained from some unauthorized accesses, any malicious change or manipulation of data could cause a temporary or a prolonged setback to the agency. For example, one agency personnel stated that they would have been "wiped out" if there were some unauthorized changes to their data. Their computer files were not password protected. Agencies should be concerned with possible degradation of their data integrity due to unauthorized changes and other malicious acts via computer. Agencies should review this risk in regard to the cost of recovering if their computer data is destroyed or changed.

I have discussed how the computer crime bill responds to deliberate physical damage to computers. The second action the legislation is drafted to confront has to do with what is known in the computer business as "browsing." According to the Federal Information Processing Standards Publication Series of the National Bureau of Standards, "browsing" is defined this way:

Searching through storage to locate or acquire information without necessarily knowing of the existence or the format of the information being sought.

With that definition in mind, it is useful to consider what the USDA Office of Inspector General found in its review of security procedures at the Department's Washington Computer Center.

The 40-page report says that the more than 6,400 trespasses or unauthorized accesses at the WCC occurred in the 12-month period of April 1977 to March 1978. Unauthorized accesses of computer files were made to the Food and Nutrition Service (FNS) payment system which makes payments of about $83 million annually. The IG report goes on to say:

There was no physical evidence of fraudulent payments to individuals and companies. Because of the inadequate computer security environment, individuals could have fraudulently manipulated the payment system without leaving any evidence in the computer of their penetration.

In other words, because they accessed the computer without authorization, the perpetrators at the WCC did what they wanted to do—and left no trace. Because security procedures were lax, they were able to "browse" until they found what they wanted. And no one will ever know what it is they wanted to find, or what they did with the information they found.

Imagine a similar situation in a bank. What bank or other financial house would allow unauthorized employees to go "browsing" through the vault or otherwise wander about the premises, particularly those rooms and offices which contained financial document-issuing apparatus? No bank would tolerate that for a minute.

Yet it went on continuously within the computers at the USDA in Washington Computer Center where at the minimum $83 million in Government checks were issued.

Some persons have said the trespass and "browsing" control section of the computer bill is too broad, that it would make it a Federal offense for harmless activities at the computer console such as making "Snoopy calendars" or filing away and tabulating bowling league scores and standings.

It is the view of many persons concerned about computer security that the same type of browsing, unauthorized access and manipulation which creates a Snoopy calendar also could facilitate a major fraud; or a serious act of intentional destruction. In addition, the criticism of the legislation is oblivious to the fact that Federal prosecutors have discretion in their application of the law.

As the staff of the Senate Governmental Affairs Committee has pointed out, the Federal Computer Systems Protection Act is patterned after the Wire Fraud Statute. The Wire Fraud Act is patterned after the Wire Fraud Statute. The Wire Fraud Statute has been consistently upheld by the courts since 1934 and is actually broader than the Federal Computer Systems Protection Act.

The Wire Fraud Statute allows for as much prosecutorial discretion as does the computer crime bill. The staff of the Committee noted:

Taken to the extreme, the Wire Fraud Statute would technically allow the federal government to prosecute anyone who uses a slug to make an interstate telephone call from a phone booth. That does not happen because prosecutors would not waste their time on such matters but nevertheless the discretion to prosecute remains. The same principle holds in S. 1766.

On the subject of computer security in Federal programs, we must decide whether or not we truly wish to secure Federal facilities and data. Are Federal ADP equipment and facilities purchased and leased at enormous sums of money and vested with huge volumes of information to allow programmers and other support personnel the opportunity to "fool around" by making calendars and maintaining bowling league scores? I hope not. If we are to succeed at protecting Federal ADP facilities and programs against fraud, intentional destruction and unauthorized access, let us do it, and not be persuaded to dilute our efforts to convenience personnel who have become accustomed to utilizing the computer in an unauthorized way.

In the Agriculture Department IG report we have ample evidence of what happens when unauthorized accesses occur at the average rate of 17 a day for 365 days. The IG report cites instance after instance of why unauthorized access to Federal computers ought to be against the law.

The IG report says perpetrators at the WCC accessed confidential data of the U.S. Census Bureau. This data is not made available to the public.

The IG report says perpetrators accessed proprietary computer software programs "which possibly violates contractual agreements and copyright laws."

The IG report says perpetrators accessed computer files containing personnel data which is required to be protected from disclosure based on the Privacy Act of 1974.

On the subject of unauthorized accesses in violation of the Privacy Act, the IG report says:

The Privacy Protection Study Commission recommended amendments to the Privacy Act to Congress which would make the individual gaining unauthorized access to such files subject to a $5,000 fine. Under the proposal it will not be necessary to prove intent, but merely that the Privacy Act violation was done without a "need to know."

Also under the proposed amendment a person whose privacy was violated will be allowed to sue for damages without having to prove personal injury because of the privacy violation. The person will have only to substantiate that the agency did not comply with the Privacy Act.

The USDA IG report goes on to say that among the 6,400 unauthorized accesses to computerized Government data were penetrations of commercial trade information required to be protected from disclosure based on the Freedom of Information Act. The IG report adds:

We believe that no damage resulted from the above unauthorized access of computer files on commercial trade information. However, this area is potentially vulnerable to unauthorized disclosure of commercial trade information and trade secrets.

The IG report says the computer programs used to operate and manage the Washington Computer Center itself were penetrated. The WCC did not use adequate password protection devices and other methods to safeguard against unauthorized access. The report says:

Any tampering or unauthorized changes to the WCC computer programs were potentially damaging to the WCC operating system such as manipulating the WCC billing system and disrupting services provided to customers.

Without proper controls on who could do what, security procedures—or the lack of them—enabled individuals to do pretty much what they wanted to do at the WCC. The IG report says one person copied the WCC computer security system before it was fully implemented in 1976. This security system, along with other computer files copied by employees, gave personnel unlimited capability to manipulate, change or copy most data processed by WCC.

One employee used the WCC computer to assist him in his outside consulting business. The employee also allowed his children to play computer games on the WCC computer from a Government-owned remote terminal in his home, the IG report says.

Most computer programers using the WCC do not have security clearances even though some deal with sensitive data and data required to be safeguarded under the Privacy Act, the IG report says, adding that some agency users of the WCC did not password protect or use other means to safeguard sensitive data and data required to be protected from unauthorized disclosure based on the Privacy and the Freedom of Information Acts.

The IG report offers this warning:

The Department has a chance to correct its computer security procedures and practices before current strong legislation on such areas in Congress become law. If the major provisions of the Computer Crime Bill become law, employees could be subject to stiff penalties for unauthorized computer accesses and other computer abuses.

The IG report also addresses itself to the overall climate concerning security among user agencies of WCC.

Computer security was sacrificed for convenience. A general attitude was found among agencies that password protecting and changing were an inconvenience. There was a lack of employee security consciousness demonstrated by not exercising proper care in handling sensitive data.

The IG report explains one instance of why unauthorized accesses to computer data should be a matter of deep concern to the Department:

At the beginning of this inquiry we noted weaknesses in computer security and internal control procedures concerning ESCS' (Economics, Statistics and Cooperative Service) Agriculture Information System (AIS) formally called Project OASIS (Outlook and Situational Information System). The AIS data base contains historical data, price projections, variables, and computer modeling techniques on domestic and foreign agricultural products. For example, AIS data base contains historical and forecast information on world production and consumption of major grains, vegetable oils and meats. The AIS data base contains sensitive information which will eventually be used to assist in setting USDA agricultural policies.

While acknowledging that investigators found no evidence that financial losses occurred as a result of the more than 6,400 unauthorized accesses at the WCC, the Inspector General's report takes small comfort in the fact, saying:

Although no evidence of large dollar losses were found during this inquiry, a very real potential exists for large dollar losses, damage to agencies' operations, lawsuits, and embarrassment to the Department. In other words, the Department may still have an opportunity to "lock the barn door before the horse gets out."

The Agriculture Department components which used the WCC during the 12-month period are Marketing Research Institute, Agricultural Research Service, Agricultural Stabilization and Conservation Service, Animal and Plant Health Inspection, Automated Data Systems, Cooperative State Research Service, Economic Research Service, Extension Service, Farmer Cooperative Service, Farmers Home Administration, Food and Nutrition Service, Food, Safety and Quality Service, Foreign Agricultural Service, Forest Service, National Agricultural Library, Office of Audit, Office of Economic Management Support Center, Office of Operations, Office of Personnel, Packers and Stockyards Administration, Rural Electrification Administration, Soil Conservation Service, Statistical Reporting Service, and Washington Computer Center.

Nonagriculture users of the WCC included the U.S. Navy, the Treasury Department, the Bureau of Census of the Commerce Department, the GAO, the Federal Mediation Board, and the Renegotiation Board.

It is a matter of concern that agencies such as the Navy, Treasury, and GAO, all of which handle data of varying degrees of sensitivity, have stored information in the WCC. I have notified the Office of Management and Budget, Navy, Treasury, and GAO of my interest. Of special concern was the possibility that the Navy might have had data of a sensitive nature in the WCC.

Equally important, it is apparent that the USDA IG's report demonstrates that when widespread unauthorized accesses are tolerated in any Government computer center compromises of security

will be commonplace. An "anything goes" attitude will prevail and the facility will relegate appropriate security procedures to a back seat status—and all for the convenience of personnel.

It is important, then, that the Government have at its disposal a computer crime statute that enables it to take legal action against perpetrators who are found to have conducted unauthorized accesses of ADP facilities and data in Federal programs and certain organizations involved in interstate commerce. It would be regrettable if a computer crime statute is adopted that does not include such provision because the Congress does not wish to inconvenience personnel accustomed to "playing around" at the console. Moreover, those employees who wish to use the computer to improve their own professional skills or to improve a program have only to obtain needed authority before doing so. Federal procedures in the ADP field ought to require such authorization anyway.

Finally, I wish to commend the Department of Agriculture for this report by its Office of Inspector General. The Department already enjoys a reputation for being concerned about computer security. This report, specific, comprehensive and candid, will result in improved security at the WCC and elsewhere in the Department's computer operations. In addition, the report has shown the need for a Federal computer crime statute.●

Mr. PERCY. Mr. President, I am most pleased to join Senator RIBICOFF in introducing S. 240, the Federal Computer Systems Protection Act of 1979. This is the first Federal criminal legislation that would specifically prohibit misuse of the computer.

The difficulties we face in combatting crime in the computer age are many. Computer thefts and misuse are extremely hard to detect. Very few law enforcement officials and prosecutors are familiar enough with the technical issues to prosecute effectively and convict computer criminals. Private firms and banks are sometimes reluctant to divulge the fact that such crimes have occurred within their institutions. Present laws do not provide the public with adequate protection against computer theft.

Computer crimes often result in losses of millions of dollars. It is imperative that our criminal laws be brought up to date to aid Federal prosecutors in combatting electronic thefts. Presently prosecutors have to "shoe-horn" computer crime prosecutions under antiquated statutes. We cannot expect 19th century statutes to stop 20th century crimes.

This bill is essentially the same as the version introduced in the 95th Congress. However, the bill incorporates a number of revisions, including practically all the suggestions made last year by the Justice Department for improving the legislation.

One of the more significant changes has been the toughening of the financial penalty for computer crime. The permissible fine for computer fraud under this legislation could be as much as two and a half times the amount of the theft. This notion of letting the monetary punishment fit the crime is one I strongly support. I have incorporated this same approach into my proposed legislation, the Securities Protection Act (S. 2323 in the 95th Congress), which would broaden and toughen Federal jurisdiction over stolen and counterfeit securities.

We must bear down hard on white collar crime. Not only should the sentencing judge be able to impose heavy fines, but, when appropriate, he should be able to mete out stiff prison sentences. Under this measure, a maximum prison term of up to 15 years may be imposed.

This legislation prohibits the theft, destruction or fraudulent use of data from computers owned or used by the U.S. Government, or by financial institutions or entities operating in interstate commerce. In addition to facilitating the prosecution of computer crimes, it will serve as a badly needed focus for increased law enforcement efforts that have been to date woefully inadequate.

The bill would make it a Federal crime to "access" a computer for fraudulent purposes such as theft, sabotage, or embezzlement. "Access" includes four specific categories of computer crime:

(1) tampering with the input system by programming fraudulent data into the computer bank;

(2) using computer facilities for illegal purposes;

(3) altering or destroying vital data within the computer system; and

(4) stealing money, property or confidential information through the manipulation of the computer output process.

This includes, but is not limited to, four typical types of computer fraud:

(1) *wiretapping*. This is gaining a direct connection to the computer in order to perpetrate fraud;

(2) *radiation*. This is a sophisticated way to "eaves-drop" on the data within a computer system;

(3) *artifice*. This is the introduction of a secret code or program within the computer banks which can be used for subversion from within; and

(4) *impersonation*. This is using another person's identification or performing as a legitimate user to gain access to the computer for illegal purposes.

This legislation is the result of a year long investigation of the Governmental Affairs Committee which revealed the insufficient security of government computers and the absence of adequate protection in our Federal criminal code against computer crime. The legislation is necessarily designed to be broad and flexible in combating the many sophisticated ways in which the computer can be used to perpetrate fraud.

It has been a year and a half now since this bill was first introduced. That time has only served to emphasize the need for the Congress to act on this legislation. According to a recent article in Police Chief magazine, the Stanford Research Institute forecasts that unless countermeasures are implemented, computer fraud may reach $40 billion a year. That staggering sum is approximately the amount of money that the United States spends annually on imported oil.

As is so often the case, the American consumer ultimately shoulders the burden of the mammoth thefts, which add fuel to the fires of inflation through rising prices and increased cost of services.

Nobody knows for sure how much is actually lost each year. According to the U.S. Chamber of Commerce, computer thefts amount to $100 million a year; an article in the Harvard Business Review estimates it to be as high as $3 billion. Even these figures may be too small. A recent report by the Commerce Department noted that:

> It is estimated that for every detected computer crime, there are 100 undetected crimes in progress. Furthermore, another estimate indicated that for every five computer-related crimes detected, four go unreported.

Computer crime has huge payoffs. While the average bank robbery results in a loss of under $10,000, bank theft by means of a computer averages $193,000 per heist; computer crime against corporations results in an average loss of $621,000; against State and local government, the average is $329,000. This, coupled with the slight chances of being jailed, makes computer crime a very lucrative business for the criminal element.

According to August Bequai, the past chairman of the Federal Bar Association Subcommittee on White Collar Crime, "the likelihood of being convicted of a computer crime is one in five hundred and of going to jail one in a thousand." These odds are appealing to the thief, but appalling to the American public.

As we move closer to becoming a "cashless" society, we see more examples of computer criminals with higher and higher "takes." One of the more recent computer capers involved a very ordinary man who managed to steal an extraordinary $10.2 million from the Security Pacific National Bank of Los Angeles without the bank ever realizing it. Somehow, this self-employed computer expert learned the code to tie into the Federal Reserve Board wire and had $10.2 million transferred to a bank in Switzerland. He flew there and purchased 19 pounds of diamonds which he then smuggled back into the United States. The wire theft slipped past the bank's security system and was only brought to their attention by the FBI a week later. This becomes more understandable, but far more troubling, when you realize that the Federal Reserve normally transfers some $20 billion a week by wire. This computer criminal was apprehended due to his own mistake—he bragged of his crime.

Computer crime not only threatens our property, it also threatens our right to privacy. Computers are increasingly being used to store mountains of personal data due to their massive capabilities and efficiency. The computer saves us incredible amounts of time and effort, accomplishing in a few minutes complex, tedious calculations that would take months or even years to complete without it. But, it also has the Big Brother potential for invading our privacy and destroying our freedom. Like any tool of man, it can be used and misused. But unlike most other tools, its potential harm as well as its potential benefit is almost unlimited.

Most white collar crimes involve hundreds, or even thousands, of victims. Our law must reflect the interest of this nameless group and take a firm stance against white collar crime. Such a stance is presently lacking in the area of computer crime.

I am encouraged by the early introduction of such significant legislation. I hope that it will receive expeditious treatment by the Congress.

Senator RIBICOFF, and his staff have worked long and hard on this problem and have done a truly outstanding job. They deserve a tremendous amount of credit for alerting the Congress and the American public to the necessity of a strong Federal response to computer crime.

What once we thought of as futuristic fantasy is now a criminal reality. Our hesitation contributes to the public dismay and the computer criminal's success.

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. ROTH, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 33, a bill to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. ROTH, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 34, the Spending Limitation Act of 1979.

S. 43

At the request of Mr. HATCH, the Senator from Washington (Mr. MAGNUSON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. STEVENS), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Michigan (Mr. RIEGLE), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 80

At the request of Mr. NELSON, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 80, to maintain through September 30, 1981, an 80-percent minimum support level for dairy products.

S. 93

At the request of Mr. NELSON, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 93, to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

S. 67

At the request of Mr. HOLLINGS, the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. GOLDWATER), the Senator from North Carolina (Mr. HELMS), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from New York (Mr. MOYNIHAN), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Mississippi (Mr. STENNIS), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 67, a bill to amend the Trade Act of 1974.

S. 102

At the request of Mr. TOWER, the Senator from Wyoming (Mr. WALLOP) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 102, a bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938.

S. 112

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 112, a bill to repeal the carryover provisions added by the Tax Reform Act of 1976.

S. 211

At the request of Mr. HART, the Senator from Arkansas (Mr. PRYOR) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 211, to amend the Internal Revenue Code of 1954 to provide for the indexation of individual income tax brackets, and for other purposes.

SENATE RESOLUTION 25—ORIGINAL RESOLUTION REPORTED TO AMEND THE STANDING RULES OF THE SENATE

Mr. SCHMITT, from the Select Committee on Ethics, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 25

Resolved, That paragraph 1(c) of rule XLVI of the Standing Rules of the Senate is amended to read as follows:

"(c) funds derived from contributions (as defined in section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(e)) to—

"(1) the Member's principal campaign committee (as defined in section 301(n) of such Act (2 U.S.C. 431(n));

"(2) the Democratic Senatorial Compaign Committee and the National Republican Senatorial Committee; and

"(3) the national committee of a political party and the State committee of a political party with which the Member is affiliated; and".

SENATE RESOLUTION 26—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 26

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,652,800, of which amount (1) not to exceed $100,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,300 may be expended for the training of professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 27—SUBMISSION OF A RESOLUTION RELATING TO "DAY OF MARTI, APOSTLE OF LIBERTY"

Mr. STONE submitted the following resolution which was referred to the Committee on the Judiciary:

S. RES. 27

Whereas the contributions of Jose Marti to the cause of liberty, freedom, and the self-determination of peoples of the world are worthy of the praise and admiration of mankind;

Whereas the Cuban people derived their independence from colonial government much as a result of the efforts and inspiration of Jose Marti; and

Whereas Jose Marti is remembered as "The Apostle of Cuban Independence" by hundreds of thousands of Cubans and Cuban-Americans residing in the United States who contribute richly to the life of our Nation: Now, therefore, be it

Resolved by the Senate of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating January 28, 1979, as "Day of Marti, Apostle of Liberty", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

● Mr. STONE. Mr. President, the United States has profited immensely, in fact has achieved greatness in large part through, the contributions of the successive waves of immigrants who have provided our Nation with diversity, richness, and a desire to perpetuate and strengthen our institutions of liberty.

I am submitting a resolution to honor the many hundreds of thousands of Cuban refugees in the United States and the man whose efforts secured independence for their homeland: Jose Julian Marti.

Although Cuba is small in size and population, her people's heroic struggles for independence fill the pages of history with heroism, courage, and determination. Both old and young, black and white, rich and poor fought side by side to achieve their liberty.

This small island was the birthplace of Jose Marti, one of the great figures of

Latin American history and culture. Marti dedicated his life to the cause of Cuban independence and ultimately died a martyr's death. He is remembered by Cubans as their "Apostle," and the message he preached of equality, democracy, and justice will be remembered in the hearts of freedom-loving men forever.

It is proper that we remember Jose Marti's birthday, January 28, as the national "Day of Marti, Apostle of Liberty." ●

AMENDMENT SUBMITTED FOR PRINTING

FEDERAL ACQUISITION REFORM ACT—S. 5

AMENDMENT NO. 54

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. CHURCH submitted an amendment intended to be proposed by him to the bill (S. 5) the Federal Acquisition Reform Act.

ARCHITECTURAL-ENGINEERING PROJECT PROCUREMENT

● Mr. CHURCH. Mr. President, today I am resubmitting my amendment to the Federal Acquisition Reform Act. S. 5. My amendment would simply clarify current law, the Brooks bill, which governs the procurement of services directly related to Federal architectural-engineering projects.

Since introducing this amendment, I have received a number of expressions of interest and support, both from the public and Members of Congress. Although there has been no opposition to my proposal, there have been reservations over its wording, and I wish to emphasize that I am open to suggestions to perfect it. For this purpose, I ask unanimous consent that my statement on introducing the amendment last year, along with the text revised to conform with S. 5 be printed in the RECORD at the conclusion of my remarks.

I want to take this opportunity, Mr. President, to again commend Senator LAWTON CHILES for his outstanding work for reform of Federal procurement law. The Federal Acquisition Reform Act is the culmination of years of effort. With the recent prosecutions in the GSA scandals, it has become most timely for the Senate to act on this matter, and I note in Senator CHILES' introductory statement for S. 5 that that is exactly his intention. He has been most helpful to me on my own amendment, and I am confident that this entire matter can be presented for action in the near future.

There being no objection, the statement and amendment of last year were ordered to be printed in the RECORD, as follows:

PROCUREMENT OF SERVICES INCIDENTAL TO ARCHITECTURAL ENGINEERING PROJECTS

Mr. CHURCH. Mr. President, today I have submitted an amendment to S. 1264, the Federal Acquisition Act of 1977, in order to clarify present law governing Federal procurement of services which are directly related to Federal architectural engineering (A–E) projects.

S. 1264 would rewrite Federal procurement laws, based upon the recommendations of the Commission on Government Procurement. It is a major and much-needed undertaking that has spanned several years, and Senator CHILES, chairman of the Governmental Affairs Subcommittee on Federal Spending, is to be commended for his efforts in reporting this legislation to the Senate for action.

One procurement law which S. 1264 would not amend is Public Law 92–582, commonly called the Brooks bill after the chairman of the House Committee on Governmental Operations. This law was enacted in 1972 in order to codify a unique procurement procedure which had been used for A–E projects.

The Brooks bill procedure requires that A–E contracts be negotiated rather than let by competitive bidding. In addition, however, a relatively unique characteristic of the Brooks bill as compared to other present procurement laws—whether they prescribe negotiations or competitive bidding—is its requirement that these projects be publicly announced. Therefore, even though these contracts are negotiated rather than bid competitively, they are negotiated in the sunshine.

The Brooks bill procedure itself is also unique. It requires that Federal agencies maintain a list of eligible firms. When the agency contemplates an A–E project, three firms are selected from the list, and negotiations are undertaken with each in order of preference. I ask unanimous consent that the Brooks bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

SUBCHAPTER VI.—SELECTION OF ARCHITECTS AND ENGINEERS (NEW)

§ 541. Definitions.

As used in this subchapter—

(1) The term "firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.

(2) The term "agency head" means the Secretary, Administrator, or head of a department, agency, or bureau of the Federal Government.

(3) The term "architectural and engineering services" includes those professional services of an architectural or engineering nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform. (June 30, 1949, ch. 288, title IX, § 901, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1278.

§ 542. Congressional declaration of policy.

The Congress hereby declares it to be the policy of the Federal Government to publicly announce all requirement for architectural and engineering services, and to negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices. (June 30, 1949, ch. 288, title IX, § 902, as added Oct. 27, 1972, Pub. L. 82–582, 86 Stat. 1279.)

§ 543. Requests for data on architectural and engineering services.

In the procurement of architectural and engineering services, the agency head shall encourage firms engaged in the lawful practice of their profession to submit annually a statement of qualifications and performance data. The agency head, for each proposed project, shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, in order of preference, based upon criteria established and published by him, no less than three of the firms deemed to be the most highly qualified to provide the services required. (June 30, 1949, ch. 288, title IX, § 903, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1279.)

§ 544. Negotiation of contracts for architectural and engineering services.

(a) The agency head shall negotiate a contract with the highest qualified firm for architectural and engineering services at compensation which the agency head determines is fair and reasonable to the Government. In making such determination, the agency head shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof.

(b) Should the agency head be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price he determines to be fair and reasonable to the Government, negotiations with that firm should be formally terminated. The agency head should then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the agency head should terminate negotiations. The agency head should then undertake negotiations with the third most qualified firm.

(c) Should the agency head be unable to negotiate a satisfactory contract with any of the selectied firms, he shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this section until an agreement is reached. (June 30, 1949, ch. 288, title IX, § 904, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1279.)

Mr. CHURCH. My amendment, Mr. President, will clarify the basic scope of the law as it applies to "incidental services." The general services to be contracted under the Brooks bill procedure are defined to include "those professional serivces of an architectural or engineering nature, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform." My amendment will reiterate the intent of the Brooks bill's inclusion of incidental services when contracts involve these services alone in the context of A–E projects.

The incidental services to which my amendment is targeted are themselves performed by professionals. The best example is surveying. My State of Idaho and a number of others license surveying as a profession. Licensing for professions has traditionally been the responsibility of the States, and I believe that it should remain so. Although States may choose not to license certain professions, such as chiropractic, naturopathy or many others, or, as in the case of surveying, to incorporate it into other professions like architecture or engineering, the Federal Government must not override or "delicense" professions which States do choose to license.

The Brooks bill does not "delicense" surveying because of its specific inclusion of incidental services. A decision by the Comptroller General "Ninneman Engineering," addressed this matter and held:

Where performance of cadastral (land) survey is incidental to professional A–E services, survey must be procured in course of procurement of such professional A–E services, which must follow method prescribed in Brooks Bill. . . . If survey is independent of A–E project, established competitive procedures may be used."

In this decision and another involving the profession of mapping, the Comptroller General ruled that the services in these specific cases were not incidental to A–E projects, and therefore were not covered by the Brooks bill.

In a letter to the Comptroller General requesting a review of these adverse linkage determinations Chairman Brooks wrote:

"As you know, the Brooks Act encompasses the procurement of professional services of an architectural and engineering nature, including those involving ancillary services that members of these professions or those in their employ may logically and justifiably perform. Such ancillary services clearly include those involving surveying and mapping. I recognize that instances may occur where an agency may seek to obtain such services which have no connection with any aspect of an architectural or engineering project and would not fall within the Act. However, if such a service is utilized by an agency, directly or indirectly, in an A–E project, or in gathering data and professional opinions upon which to base a decision to enlist A–E services, then such services would fall within the Act."

Furthermore, Mr. President, the Comptroller General has affirmed the inclusion of contracts for services which are incidental to A–E projects in his letter to me on this matter of April 5, 1978. He also states that surveyors are engaged in a licensed profession under the Brooks bill. I ask unanimous consent that this letter be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Despite all of these assurances, Mr. President, Idaho surveyors and others have told me emphatically that they have been excluded from consideration for contracts let under the Brooks bill procedure. My amendment is designed to clarify the fact that they must be included.

I have discussed this situation and my amendment with Senator CHILES. I am most grateful for his sympathetic and supportive response, although I recognize he may have reservations over its wording. So that all concerned can have an opportunity to review its text, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3435

On page 92, immediately after line 4, insert the following new title:

TITLE X—SELECTION OF FIRMS TO PERFORM INCIDENTAL SERVICES AMENDMENTS TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 1001. (a) Section 901(1) of the Federal Property and Administrative Services Act of 1949 is amended by inserting immediately before the period a comma and the following: "except in the case of incidental services as described in paragraph (3), the term 'firm' includes any individual, firm, partnership, corporation, association, or other legal entity permitted by law or otherwise professionally qualified to perform such incidental services".

(b) Section 901(3) of such Act is amended by striking out "that members of these professions and those in their employ may logically or justifiably perform" and inserting "to professional architectural and engineering services".

On page 43, in the table of contents, immediately after item "Sec. 902." insert the following:

TITLE X—SELECTION OF FIRMS TO PERFORM INCIDENTAL SERVICES

SEC. 1001. Amendments to the Federal Property and Administrative Services Act of 1949.

EXHIBIT 1

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., April 5, 1978.

Hon. FRANK CHURCH,
U.S. Senate.

DEAR SENATOR CHURCH: We refer to your letter of January 10, 1978, enclosing correspondence you received concerning Federal procurement and the profession of surveying. You suggest that two of our recent decisions reflect a usurpation of the states' surveyor licensure requirements by Federal procurement regulation, which you believe was not intended by Congress.

The decisions you reference are Ninneman Engineering-reconsideration, B–184770, March 9, 1977, 77–1 CPD 171, and United States Geological Survey, B–118678, May 6, 1977, 77–1 CPD 314. Copies are enclosed, as well as in a copy of our initial decision in Ninneman Engineering, B–184770, May 11, 1976, 76–1 CPD 307. In the March 9, 1977, decision we considered whether cadastral surveys must be procured in accordance with the Brooks Bill, 40 U.S.C. § 541 et seq. (Supp. V, 1975), which states the Federal Government's policy in the procurement of architect-engineer (A–E) services. Our findings in that decision served as the basis for the May 6, 1977, decision, which involved certain mapping services.

The Brooks Bill declares it to be Federal policy to publicly announce all requirements for achitectural and engineering services and to negotiate contracts for such services on the basis of demonstrated competence and qualification and at fair and reasonable prices. In Ninneman Engineering-reconsideration, we outlined the procedures prescribed in the Bill as follows:

"Generally, the selection procedures prescribed require the contracting agencies to publicly announce requirements for A–E services. (This represents a change in the traditional method of obtaining A–E services.) The contracting agency then evaluates A–E statements of qualifications and performance data already on file with the agency and statements submitted by other firms in response to the public announcement. Thereafter, discussions must be held with 'no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach' for providing the services requested. (The discussion requirement is also a change in the traditional selection method.)

"Based on established and published criteria, the contracting agency then ranks in order of preference no less than three firms deemed most highly qualified. The legislative history makes it clear that the criteria to be used in ranking the firms for selection and final negotiation should not include or relate, either directly or indirectly, to the fees to be paid the firm. S. Rep. No. 1219, 92d Congress, 2d Sess. 8 (1972); H.R. Rep. No. 1188, 92d Congress, 2d Sess 10 (1972).

"Negotiations are held with the A–E firm ranked first. Only if the agency is unable to agree with the firm as to a fair and reasonable price are negotiations terminated and the second ranked firm invited to submit its proposed fee."

The Bill defines A–E services at 40 U.S.C. § 541(3) to include "those professional services of an architectural or engineering nature as well as incidential services that members of these professions and those in their employ may logically or justifiably perform." The issues before us arose because we were advised that performance of the surveys and the mapping services are not unique to professional A–E firms but are often performed by them. In this connection, it is not our position, as represented in the correspondence enclosed with you letter, that surveying is not a "professional" service. On the contrary, we recognize that states may require that land surveyors be licensed by the State. We also recognize, however, that states may have separate registration requirements for architects and engineers.

In considering whether Brooks Bill procedures applied to cadastral surveys, or whether agencies could instead use standard competitive procurement procedures, we reviewed the legislative history of the Bill. The history shows that the first part of the above definition, "professional services of an architectural or engineering nature," refers to services which are either unique to the A–E profession, or to a substantial or dominant extent logically fall within the particular expertise of its members. See S. Rep. No. 1219, 92d Cong., 2d Ses. 7 (1972); H.R. Rep. No. 1188, 92d Cong., 2d Sess. 7 (1972). Those services would essentially consist of design and consultant services traditionally obtained in connection with Federal construction and related programs, including alteration and renovation projects. S. Rep., supra, 1; H.R. Rep., supra, 1. Since we were advised that cadastral surveys could be adequately and properly performed by other than an architect or an engineer, the cited phrase in the definition at 40 U.S.C. § 541(3) could not be a basis to require their procurement by Brooks Bill procedures.

However, we were also advised that cadastral surveys may "logically or justifiably" be performed by professional A–E firms. Thus, their procurement would in fact be subject to the Brooks Bill if, as stated in the second part of the definition, they are "incidental" to otherwise professional A–E services, as described above.

We therefore concluded that where such services are to be performed in conjunction with "professional services of an architectural or engineering nature," which clearly must be procured by the Brooks Bill procedures, they should be contracted for in the course of the procurement of the professional A–E services under the Brooks Bill method. A number of the types of services which may be considered "incidental" are listed at Federal Procurement Regulations § 1–4.1002(c) (1964 ed. amend. 150).

We trust that the above discussion and the enclosed material serve the purpose of your inquiry.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States. ●

NOTICE OF HEARING

SUBCOMMITTEE ON SOCIAL SECURITY

● Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Social Security of the Finance Committee will hold a hearing on the requirements for deposit by the States of the amounts due to the social security trust funds as contributions related to the wages of State and local governmental employees who are covered under social security. The hearing will be held on January 29, beginning at 10 a.m. in room 2221 of the Dirksen Office Building.

Further information can be obtained from the Finance Committee's office in room 2227 of the Dirksen Building, telephone 224–4515. ●

ADDITIONAL STATEMENTS

JAY SOLOMON

● Mr. BAKER. Mr. President, Jay Solomon, the head of the General Services Administration, has apparently made a terrible mistake. He has taken President Carter at his word.

Mr. Solomon heard, as we did, that the President wanted a vigorous investigation of the scandals at GSA.

Mr. Solomon also heard, as we did, that the President wanted an "open" administration.

Acting on these instructions, Mr. Solomon initiated a comprehensive investigation of his own agency—an investigation which has thus far yielded 41 indictments and 27 guilty pleas for defrauding the Government.

Mr. Solomon also made himself readily available to members of the press who thought the American people had a right to know what was going on with these investigations.

His openness and candor, even when the news was not good, won for Mr. Solomon a rare degree of respect from journalists and the public alike.

They have not won him many friends at the White House. For following the President's instructions, Mr. Solomon is being dismissed. But first, he is being allowed to twist slowly in the wind while the President's men decide how to handle a messy situation.

There is a discomforting sense that we have seen all this before, and seeing it again is not likely to arouse new confidence in the Carter administration in particular or Government in general.

It is people like Jay Solomon, Mr. President, who could help restore the confidence in Government so sadly lacking today.

He left a profitable business in Tennessee to take a thankless job at a scandal-ridden agency in Washington, and he has done that job very well.

He has stood firm against political cronyism, against enormous odds, only to be undercut and maligned by the same people who made "cronyism" a major campaign issue 3 years ago.

If Jay Solomon leaves the Government under these conditions, he will leave the Carter administration staring at a credibility gap as wide as any we have seen in Washington in recent years—and that is stiff competition, indeed.●

FOREIGN INVESTMENT IN AMERICAN FARMLAND

● Mr. CULVER. Mr. President, as a cosponsor of the legislation which requires nonresident aliens to pay capital gains taxes when they sell U.S. agricultural land, I urge the Senate to act on it at its earliest opportunity. Current law, which allows foreign individuals who own American farmland to avoid capital gains taxes when they sell or transfer that land, is totally unjustified. This exemption enables nonresident individuals to bid higher than our own farmers for our farmland and still realize the same profits when they sell that land. This not only exacerbates the problem of land price inflation, but is also contrary to the long-stated policy of preserving and promoting the family farm.

In light of the serious questions being raised about the desirability of foreign ownership, there certainly is no excuse for, in effect, subsidizing foreign investors to the detriment of our own farmers. Nor are the potentially harmful effects of this favorable tax treatment for foreigners confined to farmers. As the increased competition for farmland pushes land prices higher, consumer food prices will be increased. In addition, the U.S. Treasury is deprived of tax revenues on these sales.

Since 1967, average farmland prices have more than tripled. The total value of American farmland is now estimated at more than $500 billion. Every time farmland changes hands the escalated costs must be included in the prices farmers receive for their product. With a total value of $500 billion in farmland, it is easy to see that even a small change in land prices can add millions of dollars a year to food production costs and ultimately to our food bills.

For example, we currently have approximately 350 million acres of land in crop production. If foreign investment incentives, such as this discriminatory capital gains tax treatment, result in only a one-dollar-a-year increase in average land values, food production costs, at an estimated 14 percent for interest and property taxes combined, would be increased by almost $50 million per year. Ultimately, this overhead would have to be passed on to the consumer, and if experience is any teacher, the consumers would in fact see some multiple of this increase in farm costs.

This country remains an example to the world of the benefits of economic freedom. Free and fair trade has been and remains a vital determinant of the economic welfare of all nations. Investment is a legitimate aspect of international trade, and this amendment is not intended to pass judgment on the question of the desirability or undesirability of foreign access to investment in U.S. agricultural land. This question is being closely studied now as a result of the broad concern that has arisen in recent years and legislation that has already been enacted into law.

There can be little question, however, that the current capital gains tax exemption for foreign investment is in direct conflict with the principle of free and fair trade. The American farmer is put at an immediate disadvantage to foreign investors in his attempts to compete for land. Elimination of this tax loophole will help restore the competitive position of the American farmer and simultaneously serve the best interests of the consumer and taxpayer.●

PEACE IN THE MIDDLE EAST

● Mr. PACKWOOD. Mr. President, when President Carter, Prime Minister Begin, and President Sadat returned from Camp David last September, we were confident a solution to the Middle East dilemma was finally within our grasp. Our optimism has since faded. Because of the administration's shortsighted concentration on the West Bank and the Palestinian problem, the chance for success of any agreement between Egypt and Israel is now in serious trouble.

The administration's current Middle East policy is threatening the future of a stable solution to the Arab-Israeli dispute—the first step of which is a treaty between Egypt and Israel. If the selling of American jet fighters to the Saudis was an attempt to appease the Arab nation, it did not work. And if our present policy is an attempt to foster stability in that region, it is certainly misguided.

The turmoil in Iran is an omen of, and the nucleus for, a potential disruption of American security interests in that area. Syria and Iraq are controlled by the Soviet Union. Afghanistan has signed a 20-year military cooperation treaty with the Soviets. Most importantly, the dialog between Israel and Egypt is in danger. The situation demands a new American initiative.

Mr. President, in light of this, I am asking that Prof. Steven L. Spiegel's recent article in Commentary magazine be printed in the RECORD in its entirety. His arguments for a "Middle East Alternative" are insightful and provocative, and I think will be of great interest to my colleagues.

The article follows:

TOWARD A MIDDLE EAST ALTERNATIVE

(By Steven L. Spiegel)

A peculiarity of the Camp David accords is that they lend themselves to two opposing visions of the future of the Middle East. In the first vision, held by the Carter administration, the accords are a critical vehicle, but the core of the conflict in the area in the Palestinian issue and therefore an Egyptian-Israeli peace must be linked to a resolution of the future of the West Bank and Gaza. In the second vision, held by many of the administration's critics, an Egyptian-Israeli peace can stand by itself and the Palestinian issue is only one of a host of problems in the area that American policy should confront in the immediate future. To the proponents of the latter vision, a Cario-Jerusalem rapprochement opens new opportunities for American policy and should be pursued as the basis for developing a new strategy.

In this sense the two documents which make up the Camp David accords are contradictory and co-exist uneasily, for they suggest competing strategies. To the administration, Camp David presented the opportunity to produce a comprehensive settlement. When Jordan, Saudi Arabia, and the West Bankers demurred, the accords themselves became less useful and the primary aim became to protect Washington's position among pro-American Arabs and to convince them that Camp David constituted the kind of approach in which their interests could be satisfied. To the critics, Egyptian-Israeli relations were always central, not merely a step toward the resolution of other issues. The most important aim, for these observers, was to achieve a Cario-Jerusalem peace treaty and then move to the structuring of a different order in the region.

These two positions are thus divergent in philosophy, outlook, and the policies they prescribe. They have been, and are likely to remain, at the heart of the national debate over American Middle East policy. The direction of American policy in the area, the fate of American interests, and perhaps the next American election will be determined by the outcome of the national discussion which is currently proceeding. The stakes are thus very high and the rhetorical confrontation has been and will continue to be fierce.

Both sides agree as to the nature of the problems the United States faces in the Middle East: energy, Soviet encroachment, the vulnerability of pro-American and oil-rich regimes to radical assault, the Arab-Israeli conflict, the Palestinian issue, Lebanon, Iran. But each side places these issues in a different context, with a resulting difference in priorities and emphasis.

To the administration, East-West (or Soviet-American) issues are giving way to North-South (or have vs. have-not) questions in international affairs. Economic matters (both among the Western allies and between the West and the developing nations) are becoming more prominent in a world growing more interdependent. The Third World's claims against the West for a greater share of wealth must be taken seriously and accommodated. As the President put it at the 1977 Notre Dame commencement, in his most significant foreign-policy address thus far: "We know that a peaceful world cannot long exist one-third rich and two-thirds hungry."

The administration's Middle East policy follows from this view of the world. The emphasis on economic factors and Third World ideology leads to a diminished focus on the Soviet threat and a heightened concern that anti-American regimes or movements may undermine pro-American oil producers. For the first time since World War II, an American administration sees energy and not Moscow as the central global challenge facing the United States in the Middle East.

Given Saudi Arabia's crucial world role in energy and finances, this perspective leads to a strong reliance on Riyadh as the linchpin of American policy. Saudi Arabia is closely associated with the United States, but the common view is that Washington's failure to resolve the Arab-Israeli conflict will lessen Saudi interest in the American connection and also unleash radical forces (particularly Palestinian) against the regime in Riyadh. The way, then, to keep the Saudis satisfied and safe (and therefore to keep the energy problem manageable) is to resolve the Arab-Israeli conflict. Such a settlement must, in this view, include a major resolution of the Palestinian question. As Zbigniew Brzezinski wrote in 1975: "It is impossible to seek a resolution to the energy problem without tackling head-on—and doing so in an urgent fashion—the Arab-Israeli conflict. Without a settlement of that issue in the near future, any stable arrangement in the energy area is simply not possible." And since the Palestinians have become a rallying cry for "progressive" Third World forces at the UN and elsewhere, this orientation fits neatly into the general conception of world affairs prevalent among the Carter team.

This Weltanschauung explains why the administration at first favored the "Geneva" approach involving a conference of all parties to the conflict under the joint chairmanship of the United States and the Soviet Union. Syria was wooed because of its connection with both moderates and radicals. Including the PLO would have protected the Saudis from accusations of having deserted the Arab cause if they supported American policy. And involving Moscow would have made it easier to arrive at the kind of comprehensive settlement which, it was thought, would protect pro-American clients even at the price of increased Soviet influence in the area.

It was the failure of these efforts that prompted the Sadat to visit Jerusalem. Given its ideological blinders, it is not surprising that the administration initially responded with coldness and bewilderment to the visit. Only after the debate unleashed in this country over the sale of advanced jets to Egypt and Saudi Arabia did the administration come to terms with the reality that no other option than the Sadat initiative existed for promoting peace in the area. Out of the fear that the failure of this initiative would result a new war—with the dreaded cycle of Israeli victory, Arab oil embargo, energy-supply disruption, gas-station lines—the Camp David strategy was conceived. But Camp David was undertaken as a desperate means not only or even primarily of keeping the Egyptian-Israeli negotiations alive; it was seen as a way of saving the original comprehensive approach.

Thus President Carter said plainly in his speech to Congress at the conclusion of the summit: "I have already invited the other leaders of the Arab world to help sustain progress toward a comprehensive peace." A few days later Carter suggested what that comprehensive peace was about:

"There are three elements that no Arab leader would ignore, nor on which they would yield, including Sadat. One is Israeli withdrawal from the West Bank-Gaza Strip territory; secondly, a return of eastern Jerusalem to Arab sovereignty, possibly excluding the Hebrew University area, and probably excluding the Jewish holy places, particularly the Walling Wall. And the third one is a resolution of the Palestinian question 'in all its aspects.' "

On these three points, over which the Israelis were just as unlikely to yield, the President thus indicated where his influence was to be exerted. And in case anyone had any doubt, the Assistant Secretary of State for Near East and South Asian Affairs, Harold Saunders, was soon sent to Amman with replies to King Hussein's questions about the accords. The answers he brought with him were rumored to contain assurances that Israeli settlements on the West Bank would be withdrawn as part of any future peace agreement—a report which gained substance when Saunders met with Arab notables in Jerusalem and commented that the United States regarded the eastern half of the city as "occupied territory." Reports also circulated in Washington that American officials would like to revise the September 1975 agreement with Israel in which—among other promises—the then Secretary of State, Henry Kissinger, had agreed not to deal with the PLO unless it recognized Security Council Resolution 242 and the right of Israel to exist. This rumor, too, seemed confirmed in an obscure report (never denied) which appeared in the *Jordan Times* of Amman in mid-October, based on what the reporter claimed was a series of interviews with "senior American Mideast experts." According to one such official, "We can get some PLO people into the negotiations, but not the big names."

It was clear by now that U.S. officials feared that once an Egyptian-Israeli peace treaty was signed, the chances of moving on toward a comprehensive settlement would be lost. They were therefore trying to set up a series of preconditions which would force continued Israeli concessions over the West Bank. One official told the *Jordan Times:* "What we want to do is start an irreversible process in the West Bank which would be tantamount to ending the Israeli military occupation in most of its visible forms. We are trying to create a new reality on the ground in the Middle East to which all people would have to react." As part of this process, commitments made to Israel at Camp David were being interpreted in their weakest light and the United States was remaining tough on aid to Israel for the removal of heavy equipment from the Sinai to the Negev and the building of two new air bases there.

Many critics in Congress and elsewhere have found these administration efforts perplexing and misguided. To these critics, American policy in the Middle East should be designed to contain the Soviet Union, not Israel. They are concerned about Soviet encroachments in Afghanistan, Ethiopia, and South Yemen, and about radical anti-Western nationalists like Libya's Qaddafi, who are willing to cooperate with the spread of Soviet power in the Persian Gulf. This seems to them a greater threat to the energy supplies of the West than a future oil embargo. They are thus more prone to emphasize strategic and geopolitical factors (such as who will maintain control of the critical Straits of Hormuz, gateway to the oilfields) than to ask who has how many dollars in Swiss banks.

In this light, Israel is seen as an asset because of its political stability, its unswerving opposition to Soviet power, and the utility of its intelligence sources throughout the area. Iran is also viewed as essential to American interests, less for its oil production and reserves (surpassed by Saudi Arabia) than because of its pivotal strategic location, its protective military role in the Persian Gulf. If Iran were to be radicalized, either cooperation or competition with Iraq would arise. Either way, pressures would increase on the Saudis for more hawkish policies on questions of international finance within OPEC and the regime in Riyadh would be threatened by radical forces within and without its borders. Already, moves toward the Soviet Union in Ethiopia, Afghanistan, and South Yemen have cast a shadow over the politics of the Gulf. It can happen here," becomes a prominent whisper among political elites.

From this perspective, the administration's ideological preoccupation with the Palestinian question has clouded its perception of, and damaged its ability to deal effectively with, the more serious threat to American interests in the Middle East. Iran, where the only alternatives being considered seem to be all-out military intervention or occasional verbal outbursts by the President in favor of the Shah, is one example. Lebanon is another.

In Lebanon, a Syrian hegemony would lead to a future confrontation with Israel and would increase tension on the "eastern front"—especially if an Iraqi-Syrian rapprochement should proceed. Yet in Lebanon, a counterbalance exists in the form of the Christian forces seeking, with Israeli assistance, to maintain their identity and continued independence. If the Christians hold out and force the Syrians out of Lebanon, which has become Syria's Vietnam, then the basis for a resolution of the conflict founded on the stalemate among existing forces will have been established. But if this occurs, it will be in spite of rather than because of American policy. The Carter administration tends to see the Christians as an aristocracy fighting to maintain its position and wealth in the country, and little concern has therefore been expressed about the consequences if the Soviet-armed Syrians and their Muslim allies within the country emerge victorious. Thus at a critical moment in late September, when the Syrian "peacekeepers" were bombing Christian neighborhoods in Beirut, the White House exerted the full weight of its political influence in Congress behind $90 million in economic aid for Syria. Simultaneously, it allowed discussions to proceed on the sale to Damascus of four L-100 jets—which is the civilian equivalent of the much vaunted C-130 of Entebbe fame. As also in the case of the potential threat to the Persian Gulf, American actions convey signals, and here Washington's willingness to counten-

ance a major Syrian role in Lebanon was a conclusion that key regional leaders were bound to draw. The Russians were having their revenge for Camp David, with American assistance.

Again, from this perspective, the Palestinian issue was another arena where the wrong signals were being conveyed. The Palestianian question is certainly important and must be confronted by American policy, but critics of the administration argue that this problem should be placed in the context of other, more pressing Middle East issues. Even if the West Bank/Gaza entity which the administration advocates does come into existence, the problems will remain—energy, Iran, the future of the Persian Gulf, Lebanon, a growing Soviet presence, the fragility of oil-rich pro-American regimes. As Elie Kedourie has written:

"It by no means follows that a settlement—even a pro-Arab settlement—of the Arab-Israeli conflict will necessarily safeguard American interests in Saudi Arabia. Such a settlement will not do away with radicalism and instability in the Arab world, and will thus by no means lessen the threat to the present Saudi regime. It may even, conceivably, increase it. . . ."

The critics of the administration have an alternative approach of their own: it is more activist, less defeatist, and paradoxically more comprehensive in its approach to the Middle East as a whole. Because it is propounded by individuals who are out of power and disparate in motive and ideology, it often appears less coherent. But that appearance is deceptive.

So far as the Arab-Israeli conflict is concerned, this alternative strategy would first have been designed to encourage the rapid signing of an Egyptian-Israeli peace treaty and then to encourage the Jordanians and the West Bankers to negotiate with Israel on the basis of the first model. Thus, Egypt would have been pressed to leave the West Bank/Gaza issues until later while proceeding with plans for positive acts of normalization with Jerusalem. Israel would have been rewarded for its Sinai concessions with ample aid to cover the expensive move to the Negev and would have been encouraged to adopt the Egyptian-Israeli normalization as a model for the future resolution of issues on other fronts. The Jordanians, the West Bankers, and the Saudis would have been informed, in no uncertain terms, that the United States expected them to participate in negotiations with Israel on precisely this basis.

The second element of this strategy envisions the promotion of Egyptian-Israeli normalization as a top priority. Some advocates of this approach have gone so far as to recommend that the United States set up a kind of Marshall Plan for the Middle East based on those countries willing to cooperate in moves toward regional integration and therefore beginning, if necessary, only with Cairo and Jerusalem. At the heart of these suggestions is the realization that a stable relationship between Egypt and Israel cannot develop without positive and concrete steps that create an irreversible process which will withstand political differences and changes in leadership. The advocates of this strategy also recognize that unless Egyptian-Israeli contacts succeed, the Middle East peace process is likely to end abruptly because the Israelis will be disillusioned with contacts with their Arab neighbors and the moderate Arabs will have no model on which to base future dealings with Israel except support for terrorism and war.

But for this alternative strategy the Arab-Israeli conflict is only one element of a wider geopolitical context, and it addresses itself to the other elements as well. Thus it would involve a new approach toward Lebanon aimed at achieving a stalemate through support for Christian self-sufficiency followed by a negotiated reconciliation. In Iran, it would mean greater emphasis on the pivotal strategic role of the country, a higher priority given to preserving a pro-American regime. In the Persian Gulf as a whole, it would mean recognition of the strategic dangers inherent in the Soviet role in such peripheral countries as Ethiopia and Afghanistan, and it would mean plans devised for countering the negative momentum created by these Russian gains. These plans would be pursued short of military intervention but in a manner that could check the political and psychological defeatism which promotes unfavorable political adjustments by local regimes and movements. For even if current Soviet objectives are limited and circumscribed, Moscow is bound to gain from a tide of local anti-Western nationalism (as, for example, it has done in Libya despite the anti-Communism of Quaddafi's regime).

The main instrument would be to develop a "cooperative system" among countries of the area willing to align themselves with the United States—Iran, Turkey, Israel, Egypt, Saudi Arabi, Jordan, Oman, Morocco, Tunisia, the Sudan. Several proponents of this strategy have suggested a multilateral alliance, but a formal mecahnism reminds participants too much of Dulles' pactomania and may be politically provocative to countries associated with the USSR. Instead, American diplomacy could simply encourage contacts and informal coordination among friends of Washington. There are precedents. For example, in 1971 Sadat saved the current Sudanese regime from a pro-Communist coup by flying home loyal Sudanese troops stationed along the Suez Canal. In the summer of 1977, Israel passed Sadat information on a planned Libyan-sponsored coup in both Egypt and Saudi Arabia.

A "cooperative system" would serve several purposes. First, it would place new Arab-Israeli contacts in a wider context which could well deepen and solidify them. Second, it would demonstrate an American determination to exercise a newly-regained activist role in defense of American security interests in the entire area. Third, it would serve as a warning to radical movements and regimes that those countries which stand with the United States would be prepared to resist, as a group, assaults on their integrity and security. Fourth, it would create a framework in which interested countries in the area could help each other as they saw fit to withstand mutually perceived dangers. (Sadat's fear of Soviet-Cuban encroachments in Africa—a fear Begin could comprehend—seems to have been one of the factors leading to his Jerusalem visit.) Fifth, a cooperative system would avoid the pattern of the Nixon era when individual states were singled out for "proxy status," thereby exposing them to charges of subservience to Washington without the countervailing protection of regional cooperation.

Most important, a cooperative system would allow Washington to make detailed plans with local participants to withstand what must be recognized as an inevitable onslaught on the Persian Gulf regional structure. Much as NATO was organized to provide stability in the key world crisis a generation ago, so too even a more informal Middle East regional system could strengthen local leaders sufficiently to deter assaults against them.

At Notre Dame, President Carter told us:

"It is a new world, but America should not fear it. It is a new world, and we should help to shape it. It is a new world that calls for a new American foreign policy—a policy based on constant decency in its values and on optimism in its historical vision."

Ironically, however, the President's policies in the Middle East are based on pessimism and a historical vision rooted in the old world we have known since 1948. The actions of his administration reflect an inability to perceive the implications of the dramatic changes which are occurring as a result of Sadat's visit to Jerusalem or to adjust to the challenges posed by the political vulnerability of the Persian Gulf.

Ironically, too, it is the critics of Carter's administration who have heeded the President's words. They have correctly sensed the opportunity which the new Egyptian-Israeli connection provides for addressing the Arab-Israeli problem in particular and the Middle East structure as a whole. But they have also understood that a mixture of impatience over the Palestinian question, pessimism over American power, and passivity in the face of threats to critical American concerns will only result in lost opportunities and a deteriorating American position.●

AMENDMENT OF THE TRADE ACT

● Mr. DURKIN. Mr. President, it is a pleasure for me to sign on as an original cosponsor of the legislation introduced by Senator HOLLINGS, S. 67, to exclude textile and apparel goods from tariff reductions at the multilateral trade negotiations. The distinguished Senator from South Carolina, long an articulate spokesman for a fair trade environment for the U.S. textile industry, has brought before the Senate a bill that is critical to the health and well-being of the American worker.

The administration is proposing significant cuts in the tariff schedules at a time when the domestic textile and apparel industries can least afford them. Already, foreign interests are guaranteed 6 percent annual growth in imports under the multifiber agreement. Rather than negotiating away American jobs by allowing more imports, I believe that it is time that we implement a realistic trade policy that is in the best interests of the United States.

It is well known that the United States faces record levels of trade deficits. What is not common knowledge is that the majority of that trade imbalance is not due to oil imports, but due to imports of manufactured products, the bulk of which is contained in textile and apparel imports that are approaching $5 billion annually. The trade deficit has contributed to the decline of the dollar and to the U.S. inflation rate. To allow increased textile and apparel imports when inflationary presures on the economy are already great seems to directly contradict the administration's own policies on wage and price stability. Not only that, but consumers do not necessarily benefit from low-priced imports. A Library of Congress study has shown that markups on imported goods are higher than on domestic products. Thus, the winners are foreign manufacturers and the losers are American manufacturers, American workers, and American consumers.

The scope of the problem can be seen by the fact that the textile industry is the largest manufacturing employer in the country and the sixth largest in New Hampshire. Moreover, the industry is a major employer of women and minorities—a critical sector of the economy that many costly Government programs are designed to benefit. Textile workers are not looking for welfare handouts; they simply want to keep their jobs and earn their living.

To allow textile and apparel imports to increase would be sadly ironic as the industry has taken major steps to improve its competitive position. In the last few years, the industry has directed its capital spending toward modernization, evolving from a labor and raw material intensive industry to a capital intensive one. A study prepared for the Council on Wage and Price Stability states that—

> This evolution has led to lower costs and an increasing trade surplus.

Indeed, the report concludes that the U.S. textile industry has become more efficient than its competitors.

When given a fair chance, American workers can compete effectively against foreign workers. However, they cannot compete against the power of foreign governments, particularly when their own Government chooses to leave them defenseless. Textile interests abroad do not have the expense of OSHA or environmental regulations, nor do they have to pay reasonable wages.

According to some forecasts, if textile tariffs are cut in half, the U.S. manufacturing industry would stand to lose 500,000 jobs over the next two decades. The actual impact would be even more severe if one takes into account the number of lost jobs in supplier industries. This situation also needs to be considered with the perspective that many of the areas that employ textile and apparel workers already have depressed economies. If U.S. trade policy is not adjusted, more imports could mean the crushing blow to many localities.

The solution lies in section 203 of the 1974 Trade Act, which gives the President authority to reserve articles from negotiations under any tariff round. This bill would compel the President to exempt textiles and apparel industries from the negotiations. As any further cuts in tariffs would pose a direct threat to the solvency of the entire industry, New Hampshire textile workers and workers across this country, already at a disadvantage, because of other nations' unfair trade practices, deserve equitable consideration from their own country.

I urge my colleagues to join in support of the Hollings legislation.●

PRESERVING THE ALASKAN WILDERNESS

● Mr. RIBICOFF. Mr. President, during the waning hours of the 95th Congress the Senate had an opportunity to act on a conservation issue of enormous consequences—the preservation and protection of the Alaskan wilderness. As Interior Secretary Andrus remarked at the time, the Senate had "an opportunity of historic dimension to protect for the benefit of this and future generations the 'crown jewels' of Alaska."

Unfortunately, Congress failed to act. The critical Alaskan lands and their natural resources were seriously jeopardized. The national interest lands would have been left open to mining claims, State selections for development, and other noncompatible uses. A chance for further congressional consideration may have been denied.

The Carter administration took bold and prompt action to offer some protection to these areas. In mid-November Secretary Andrus withdrew, for 3 years, 110 million acres of Federal land in Alaska, from mineral entry and from State selection. Shortly thereafter President Carter signed proclamations creating 17 new national monuments on federally owned land in Alaska, covering an additional 56 million acres. Agriculture Secretary Bergland called upon the Interior Department to withdraw some 11 million acres of the Tongass and Chugach National Forests from mineral entry and other developments for 2 years.

These important developments assure that Congress can now act with care on the Alaskan lands issue. We must not shirk our responsibility on this critical issue but must proceed in an affirmative manner without delay. We must renew our efforts to enact a strong Alaska Federal lands protection measure.

Mr. President, for those of us who live in the East, life is richer for the existence of wild and scenic areas, despite the settlement which surrounds them. We turn from our cities to rivers, forests, mountains, lakes, and hiking trails and find solace and refreshment there. I can fully appreciate the desire to preserve for our children, our grandchildren, and future generations of Americans the land, wildlife, and resources of the Nation's last great frontier.

Last August an editorial appeared in the Hartford Courant on the Alaska lands issue. As this editorial so appropriately notes:

> So much American scenic beauty has been blighted by overdevelopment it would be tragic to make that same mistake in Alaska.

Shortly thereafter the New London Day published an article by John B. Oakes entitled "Will Alaskan Land Be Opened to Plunder?" In this very perceptive piece Mr. Oakes quite properly states that:

> The basic issue is whether the last major areas of ecological significance in the United States . . . will be opened to the usual coterie of developers, prospectors, oil-men, loggers and lobbyists—or whether the unique wildlife, water, forest, wilderness and scenic resources of these fragile Alaskan lands will be protected for the permanent enjoyment and benefit of all the American people who own them.

I shall submit these newspaper articles as well as a summary of the legislation, for printing in the RECORD, at the conclusion of my remarks.

Mr. President, we must make the Alaskan lands legislation a model for the intelligent stewardship of Federal lands. We must consider the long-term impacts of our failure to act on the Alaskan lands bill on the northern wilderness we have been entrusted to protect.

I am pleased to join with Senator DURKIN and others in sponsoring this important Alaskan lands bill. Prompt and affirmative action must be taken on this measure as the Nation cannot afford to lose such a rich and unique natural resource as the Alaskan wilderness. Although President Carter took far-reaching steps in the national interest, legislation is required to insure more permanent and comprehensive protection.

The articles follow:

ALL WE HAVE LEFT IS ALASKA

The U.S. House of Representatives has kept mainly intact the original and sound proposal of the Carter administration to preserve much of Alaska's magnificent land. The Senate should do the same, but obstacles persist.

One of them is the Senate Committee on Energy and Natural Resouces, where sentiment remains strong for exploiting Alaska's mineral and power wealth. The other is the state's U.S. senators, Ted Stevens and Mike Gravel, who argue Alaska should not be arbitrarily limited from developing lands within its borders. They have threatened to filibuster the bill when and if it reaches the Senate floor.

Alaskans who protest there is too much federal interference in their affairs have become a highly vocal group. Their stance has some merit, although the assertion the last frontier isn't a national concern is totally unconvincing.

The state's governor, Jay Hammond, is more realistic and he is opposed to any rapid development of Alaska's 375 million acres. As he has said in his campaign for re-election, "growth comes in two varieties—benign and malignant." Though he opposed the House-passed Alaska National Interest Lands Conservation Act, he stressed that change should be made gradually and carefully.

That point has received strong support from Senator Patrick J. Leahy of Vermont, who has noted that "we can always make available the resources of Alaska, but once the wilderness is lost, it is lost forever." Senator Edward M. Kennedy of Massachusetts agrees Alaskan lands must be protected because "our generation is but the temporary custodian of a heritage we must pass on to future generations."

The House-approved legislation is indeed restrictive but it isn't a "total lockup," as some Alaskans claim. It would set aside 120 million more acres for national parks, refuges, forests, and wild and scenic rivers. That land couldn't be mined, drilled, farmed or developed. However, 86 million acres will become open to logging, mineral exploration and other uses. Furthermore, 149 million acres would become the property of the state, native corporations or private landowners.

So much American scenic beauty has been blighted by overdevelopment it would be tragic to make that same mistake in Alaska. True, our rapacious appetite for energy and minerals may eventually force a retreat in preserving Alaska just to assure national survival.

But as of now, the conclusion in John McPhee's book, "Coming Into the Country," deserves overriding consideration. As he noted:" In the society as a whole, there is an elemental need for a frontier outlet, for a pioneer place to go—important even to those who do not go there. All we have left is Alaska . . . "

WILL ALASKAN LAND BE OPENED TO PLUNDER?

(By John B. Oakes)

Though few Americans outside Alaska seem to be aware of it, a classic struggle to prevent one of the great environmental rip-offs of the 20th century has been taking place this summer in an obscure committee room of the United States Senate—and at this point it looks as though the American

people may well turn out to be the losers once again.

The basic issue is whether the last major areas of ecological significance in the United States, whose ultimate disposition is still in the hands of Congress, will be opened to the usual coterie of developers, prospectors, oilmen, loggers and lobbyists—or whether the unique wildlife, water, forest, wilderness and scenic resources of these fragile Alaskan lands will be protected for the permanent enjoyment and benefit of all the American people who own them.

Because of lack of leadership in the Senate Committee on Energy and Natural Resources, the prognosis at this stage of the game is not good.

It is not as though Alaska—by far the largest state (more than twice the size of Texas) and with by far the smallest population (about that of Buffalo)—were being deprived of what rightfully belonged to it, as many of Alaska's hungry politicians led by its two senators, Stevens and Gravel, would have the American people believe.

Congress has already given Alaska and its 400,000 inhabitants—in the most generous endowment ever bestowed on a new state—the right to select more than 100 million of its total 375 million acres (including Prudhoe Bay and most of the other potential oil lands) as a kind of dowry for economic development. In addition, 45 million acres (and nearly a billion dollars) have been assigned to the 65,000 Aleuts and Eskimos in settlement of native claims.

What more then, can Alaska's people and politicians want? "They want it all, and they want it now," says Chairman Morris K. Udall of the House Interior Committee, who shepherded his Alaska "national interest" land-use bill (H.R. 39) through the House of Representatives in May.

This bill, a compromise proposal that badly needs strengthening in the Senate, would at least reserve, under varying degrees of federal protection for conservation purposes, about 100 million acres of Alaska's irreplaceable natural resources, mainly in the form of national parks, wildlife refuges, scenic rivers and wilderness.

Left open, for all the exploitation Alaska's developers are capable of, would be at least 90 percent of the state's high-potential oil and gas lands, and 60 to 70 percent of its potential hard-rock mineral producing areas.

Yet many of Alaska's development-oriented politicians would undermine the entire system of federal protection in the very areas most in need of it, through a high-sounding but totally destructive proposal for "cooperative management" of state and federal lands.

They want the state to be able to select some 10 million acres (of the 100 million allotted to it) that are included in proposed national parks and refuges of vital ecological significance, thus creating inholdings and reducing boundaries to the extreme detriment of some of the very areas most in need of protection.

They would open up particularly vulnerable parts of the Arctic National Wildlife Refuge to oil and gas exploration that would be sure to result in decimation of one of the greatest remaining caribou herds on earth, on which many Eskimos rely for their livelihood.

They would shrivel the stupendous Gates of the Arctic National Park to promote mining and other forms of exploitation. They would cut into the Yukon Flats for alleged agricultural and probable second-home development, thus further reducing what is still one of the major sources of water fowl for the entire continent.

Alaska's senators have threatened to filibuster the Senate bill if it does not meet their approval; and in a pusillanimous attempt to appease them, the Senate Energy and Natural Resources Committee under Sen. Henry Jackson of Washington (whose great conservation record of the past is in danger of being swept away by his weak leadership in the present crisis) has been giving the exploiters practically everything they want.

The bill to be reported from committee next month looks now as if it is going to be virtually dictated by the Alaskans—who are not even members of the committee but seem to be controlling it. It is shaping up as a rejection of the view held by most Americans that it is more to the national interest to preserve Alaska's resources intact in the most crucial and sensitive areas than it is to exploit every last acre for immediate and transitory gains.

The loss would be a national one, for Congress, ignoring popular opinion and yielding to localized and concentrated pressure groups, would have proved itself this year powerless to prevent the most blatant give-away of natural, environmental and ecological values since the days of the Robber Barons a century ago.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

TITLE-BY-TITLE SUMMARY

Title I—Findings, Policy, and definitions. Sets forth the Congressional findings and policies which underlie the entire bill and defines terms used in the bill.

Title II—National Park System. Designates thirteen areas, totalling 42.79 million acres, as National Park System units (parks and preserves). Appropriate portions of these areas and existing national parks in Alaska, totalling 42.21 million acres, are designated as wilderness. Sets forth administrative provisions for national parks in Alaska.

Title III—National Wildlife Refuges. The Yukon Flats and Becharof National Monuments, totalling 11.8 million acres which President Carter designated for U.S. Fish and Wildlife Service administration, are confirmed and redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units conform closely to the lands withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act. Appropriate portions of the National Wildlife Refuge Units, totalling 35 million acres, are designated as wilderness.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning a unique concentration of the bald eagles in the Chilkat River area of Southeastern Alaska. The studies are to find out whether additional measures should be taken for proper protection of these populations.

Title IV—National Forest System. Section 401 adds 1.45 million acres of public lands to the Tongass National Forest and adds 1.29 million acres to the Chugach National Forest. Section 402 designates appropriate areas in the Tongass and Chugach National Forests as wilderness, 6.7 million acres in the former and 2.12 million acres in the latter.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

Title V—National Wild and Scenic Rivers System. Designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study as possible future additions to the system. Other rivers inside the park and refuge boundaries are specified as wild or scenic rivers.

Title VI—Federal-State coordination. This title creates an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal, State, and Private land-owners and land managers in Alaska, and for creation of an Alaskan Land Bank for similar purposes.

Title VII—Subsistence. This title is based on S.1500/amendment 2176 and the House-passed bill of 1978, with some refinements drawn from corresponding sections of last year's Senate Energy and Natural Resources Committee bill. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and game on the public lands in Alaska so that persons who are dependent upon subsistence resources would have a priority for the taking of fish, wildlife, and plant resources. As with last year's bill, there are provisions for appropriate federal oversight of this state game management responsibility, insofar as the public lands and their resources are concerned.

Title VIII—Administrative and Miscellaneous Provisions. This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of the title deal with access and mineral rights and assessments.

The bill applies existing laws governing access to or on national parks, wildlife refuges, wild and scenic rivers, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholdings within conservation system units and guarantees traditional means of access across conservation system units.

This title also directs the Secretary of the Interior to assess, on an ongoing basis, the mineral potential of all public lands in Alaska. In an addition to last year's bill, this title also guarantees access for mineral assessment purposes.

Title IX—Improvements in Administration of the Alaska Natives Claims Settlement Act. This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve the administration of that Act. These provisions are based on similar recommendations in S.1500/amendment 2176, last year's Senate Energy and Natural Resources Committee bill, and the House-passed bill.

Title X—National Need Mineral Activity Recommendation Process. This title is adopted from last year's Energy and Natural Resources Committee bill. If there is a demonstrated national need for future mineral extraction in areas where it would otherwise be prohibited under exisitng law, this title establishes a procedure which allows the president, with Congressional approval, to permit such development.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Acreage totals

(Figures in millions of acres)

National Park System:	
Acreage within 1978 Monuments	40.78
Preserve and Park additions to 1978 Monuments	2.01
Total	42.79

National Wildlife Refuge System:	
Acreage within 1978 Monuments	11.80
New Refuges and additions to existing refuges from unreserved federal land	48.73
New Refuges redesignated from already reserved federal land	7.70
Total	68.23

National Wild and Scenic River System: The bill designates 13 wild and scenic rivers and 10 study rivers for potential wild and scenic river status outside the boundaries of parks and refuges. There is no set acreage for these river units, but the total acreage is approximately 1-2 million acres.

Additions to the Tongass and Chugach National Forests	2.74
Wilderness designations:	
Park System wilderness	42.21
Refuge System Wilderness	35.18
Forest System Wilderness (includes 3.3 million acres of national monuments) (6.70—Tongass, 2.12—Chugach)	8.82
Total	86.21

National Park and National Wildlife Refuge totals:

Acreage within 1978 National Monument proclamations	52.58
Refuge and Park System additions on presently unreserved federal land	50.73
Refuges redesignated from presently reserved federal lands	7.70
Total Park System and Refuge System acreage	111.01

UKRAINIAN PEOPLE UNDER SOVIET RULE

● Mr. JACKSON. Mr. President, I wish to bring to the attention of my colleagues a speech delivered on January 20 by Senator METZENBAUM before the United Ukrainian Organizations of Greater Cleveland.

The distinguished Senator from Ohio recalls the sufferings of Ukrainian peasants during the Stalin-imposed famines of the thirties and the current persecution of Ukrainian cultural heroes like Valentin Moroz, Mykola Rudenko, Oleksii Tikhy, Mykola Matusevych, who are suffering incarceration even now because of their devotion to the basic personal rights of their fellow citizens.

Pointing out "that the existence of the dissidents demonstrates that there is a deep unease in Soviet society," Senator METZENBAUM calls for continued worldwide efforts to encourage and persuade the Soviet Government to respect its solemn commitments under the Universal Declaration of Human Rights and the Helsinki Final Act.

In noting that the Soviet Union needs Western technology to modernize their economy, Senator METZENBAUM has called attention to a significant Soviet vulnerability. I hope my colleagues will think seriously about regulating the transfer of advanced Western technology to the Soviet Union.

I request that the full text of Senator METZENBAUM's address be printed in the RECORD.

ADDRESS BY SENATOR HOWARD M. METZENBAUM

I am honored that you have asked me to be here tonight to join you in commemorating the sixty-first anniversary of the Ukrainian Declaration of Independence.

This weekend, Ukrainian-Americans will gather in cities and towns across this country to observe the anniversary. In doing so, they will renew their commitment to preserving their rich culture here in America. And at the same time, they will rededicate themselves to strengthening the bonds that exist between the two million Americans of Ukrainian heritage and the fifty million people of the Ukraine.

All of us in this country should be aware that those bonds continue to exist. Anyone who doubts it need only remember that just a few days ago, a group of young Ukrainian-Americans stood in the freezing cold in Cleveland's public square for twenty-four hours to express their support for the many courageous Ukrainian dissidents who have been consigned to Soviet jails and labor camps.

I know that you join me in congratulating those young people. And I want them to know that their action has my warmest endorsement.

This commemoration is an occasion for sadness—sadness because the independence that was proclaimed in the ancient city of Kiev on January 22, 1918, could not for long survive in the face of Soviet power.

It is an occasion to remember and it is also an occasion to remind other Americans of the great suffering that the Ukrainian people have endured under Soviet rule.

It is a time to remember the millions of Ukrainian lives that were lost in the early 1930's, when Stalin's collectivization of agriculture led to one of this century's most devastating famines.

It is a time to remember as well that even while those millions were dying in the Ukraine, Stalin was exporting the food he extracted from them in order to pay for his imports of heavy industrial equipment.

It is a time to remember that for more than half a century, the Soviet Government has spared no effort to Russify the Ukrainians, to root out their distinctive culture and to suppress their religious faith.

And it is a time for all of us to keep in mind that in the Ukraine today no group like this one will be allowed to publicly observe the nation's independence day.

But as we remember these terrible things and as we mourn for the victims of a cruel regime, I believe that we can at the same time find good reason to hope that the future for the people of the Ukraine and for other oppressed peoples as well will be far better than what they have known until this moment.

I say that because I believe that we are now in a period in human history in which people all over the world are demanding the same fundamental human rights that are now enjoyed by the citizens of only a few fortunate countries.

This profoundly important movement for human rights first appeared here in the United States. And it led to this Nation's commitment to bring to an end the shameful discrimination that we have inflicted upon our people on the basis of their race, their ethnicity, and their religious beliefs.

There is much that we in America have yet to do to make our commitment to equal rights a reality. Yet the fact remains that this country has moved. And it is also a fact that we will continue to move toward a better and juster society for all of us.

But Americans are not alone in the high value they place on freedom and equality. Far from it.

In the vast, impoverished nation of India, for example, Mrs. Indira Gandhi tried a few years ago to dismantle that country's democratic institutions. The Indian people, she said, were too poor and uneducated to use them.

Mrs. Gandhi got a surprise.

Her people may be poor. They may not be educated. But when they got the chance to express their opinion, they turned out by the hundreds of millions to do so. And by a huge majority, they removed Mrs. Gandhi and her supporters from office.

The people of India were lucky. They had a chance to vote. But there are too many countries in this world in which that opportunity does not exist. In those countries—and the Soviet Union is foremost among them—the struggle for human rights goes on against overwhelming odds. It is a struggle that requires heroic courage, profound commitment and bitter sacrifice.

The election last year of Pope John Paul II was a reminder to all of us of the way in which the people of one country—Poland—have fought to keep their faith and their national identity.

The Soviet Union dominates the government of Poland.

Large units of the Soviet Army are stationed there.

For more than thirty years, Communists have controlled Poland's schools, cultural institutions and communications media.

Yet the Poles have not given in.

They have rallied around their religious faith. They have found extraordinary leaders. And they have said to all who will listen that they remain Polish, that they remain Catholic and that they will not be absorbed into the Soviet system.

The Poles have made their point. But in the Soviet Union itself, the situation is far more difficult.

Consider for a moment what is means to be a human rights activist in the Soviet Union.

At the very least, it means loss of employment and educational opportunity for oneself and one's family.

It means tapped telephones, opened mail and visits by the KGB.

For Valentyn Moroz, a distinguished Ukrainian historian, it has meant years in prison. And it has also meant commitment to psychiatric hospitals and treatment with dangerous drugs and chemicals.

For Mykola Rudenko, a member of the group established in the Ukraine to monitor Soviet compliance with the Helsinki accords, it meant arrest, a ludicrous trial and a twelve year sentence—seven years at hard labor, followed by another five years of exile in Siberia.

Rudenko, who is sixty years old, is a poet, a philosopher, and a severely wounded combat veteran of the second world war. What was his crime? He was convicted of "anti-Soviet agitation and propaganda" for asking the Soviet Government to honor its own solemn word, given in writing to the other nations of the world, that it would observe the human rights provisions of the Helsinki accords. It is no crime in the Soviet Union for the government to promise such things. It is a crime only when a Soviet citizen asks the government to live up to its promises.

But in spite of what has happened to Moroz, to Rudenko and to other brave people like the Jewish activist Shcharansky in Moscow, the Catholic leader Petkus in Lithuania and to Helsinki monitors like Orlov and Ginsburg in Moscow, Tikhy and Matusevych in the Ukraine and to many others, there are still people in the Soviet Union who are willing to step forward. There are still those who are unafraid to take the places of the brave men and women who have been sent off by the Soviet authorities to the jails, the mental hospitals and the remotest parts of Siberia.

These people deserve all the gratitude, all the admiration, and especially, all the support that we can give to them. They are among the great heroes and heroines of our times.

We have given them support in the past.

Members of the Senate, myself included, have written time and again to the Soviet leaders to ask that peaceful dissenters be treated in accordance with internationally recognized standards of fairness and decency. But we have heard nothing in return.

Some Senators, myself included, have asked our Government to take steps to withdraw our teams from the 1980 Moscow Olympics to protest Soviet human rights violations.

Some Senators, myself included, have called for trade sanctions against the Soviet Union. We have proposed denying to the Soviets the western technology that they desperately need to modernize their backward economy.

Our government has not taken these steps. But the president has spoken out. He has made it clear to the Soviet Union that human rights are of deep concerning to the people of this country. And for that, the President deserves great credit.

Nevertheless, I think you ought to know that there are those in our government who believe that we should back away from the human rights issue.

There are those who argue that our support for human rights in the Soviet Union complicates our relationship with that country.

We must realize, these people say, that the Soviets consider this an internal matter.

And we must be aware, they tell us, that the Soviet leaders are very sensitive about our criticism.

Well I am sorry to hear that the Soviet leaders are sensitive.

I would not want to hurt their feelings.

But I want the Soviets to know that I am sensitive too. And I want them to know that the American people are sensitive.

I am sensitive and I am angry when I hear that people like Valentyn Moros have been confined to mental hospitals and subjected to mind-altering drugs. And the American people are angry too.

I am sensitive and I am angry when I hear of the Soviet Jews who have been denied the right to emigrate to Israel. As many as 200,000 have already asked to leave.

I am sensitive and I am angry when I read that people like Orlov and Ginsburg, Rudenko and Petkus have been jailed for slandering the Soviet state.

How, I ask you, can these men slander a state whose own actions bring down upon it the scorn and contempt of civilized humanity?

If it is a crime in the Soviet Union to make that country look absurd, then let them put the judges in these cases on trial. Let them haul Mr. Brezhnev into the dock. Let them try the secret police, the informers, and the communist party officials who are so frightened, so insecure in their moral claim to power that they make their great country the laughing stock of the world.

The Soviet government may suppress individuals. But even the KGB cannot kill the idea of liberty.

And make no mistake about it—the idea of liberty is loose in the Soviet Union today.

I do not say tha major changes are about to take place in Russia.

I do not think that the dissidents are in a position to challenge the might of the Soviet state.

But I do think that the existence of the dissidents demonstrates that there is a deep unease in Soviet society. I think that they represent a desire on the part of millions of people there for a better life, for more freedom, for the right to practice religion and to honor a national heritage. I believe that those desires will grow stronger and better organized. And someday, they will be felt at the center of Soviet power.

Because I believe these things, I reject the counsel of those who think that our country should back down on human rights.

I reject the idea that we should stop bothering the Soviet authorities with demands about the liberties guaranteed to their citizens by the Helsinki accords and the universal declaration of human rights.

I believe that we should bother them, that we should bother them as often and as forcefully as we can.

And I believe further that we should continue to bother our own government, to let our leaders know that the American people strongly support them when they take up the cause of human rights.

I pledge to you that I, for one, will never back down on human rights. And I urge you in the strongest terms to continue the efforts that you have made so consistently over the years to keep alive the hope that the fifty million Ukrainians—a people as numerous as the French or the British—may someday enjoy the basic freedoms that we in America take for granted.

That is a worthy cause. It is a cause that is in keeping with this country's finest traditions. And it is a cause that will continue to have my strong support.●

A HELPFUL PUBLICATION FOR SENIOR CITIZENS

● Mr. DURKIN. Mr. President, the Senate's Special Committee on Aging has prepared a summary to assist senior citizens as they prepare their income taxes. "Protecting Older Americans Against Overpayment of Income Taxes" is a much needed simplification of our tax code.

The 125,000 senior citizens of New Hampshire and senior citizens all over the country need relief from inflation, crushing health costs, and the redtape that surrounds many Government programs. Although the checklist will not solve these problems, it will help senior citizens utilize, to the greatest extent, our current tax laws to their advantage. Senior citizens struggling on fixed incomes need every penny they can save. Certainly, they must not pay any more in taxes than the law requires.

The checklist does not cover every conceivable circumstance; but it does summarize the major tax breaks passed in recent Congresses. It is vital that senior citizens know to what they are entitled.

I ask unanimous consent that this very helpful and timely checklist of itemized deductions and summary of tax relief measures for older Americans be printed in the RECORD.

The checklist follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$3,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount".—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal

residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040), line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditures in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

INFLATION

● Mr. RIBICOFF. Mr. President, the most serious problem confronting our Nation today is inflation. Inflation impacts every segment of our society. It erodes gains made in every area. If we do not come to grips with this inflation, nothing else we do will be worth anything.

A column by Vermont Royster put the issue very well. I should like my colleagues to see this column. Therefore I ask that Vermont Royster's column from the January 3, 1979, issue of the Wall Street Journal be printed in the RECORD.

The column follows:

1979: THE YEAR OF TESTING

(By Vermont Royster)

There come times in the history of a nation when one issue is so vital to its future that it overrides all other political questions. These are the times that test the vision of its leaders and the resolution of its people.

Such times are most readily recognized in war, as in 1832 when the issue was whether the union could survive. But they come in other guises, as in the Great Depression when what was at issue was whether American society itself would endure.

Now we could well be entering another year of such national testing. The enemy this time comes in the guise of inflation. Will President Carter in his wisdom see the nature of the challenge, and will the people have the resolution to meet it?

If he—or we—should fail, we could be engulfed by a wild, runaway inflation as destructive to our economic and social structure as an invading army. Defeat there could undermine every other national aspiration, social or political, and not least our strength to face a determined foreign foe.

PRESIDENT LINCOLN'S INSIGHT

No one understood the importance of recognizing the central issue of his time better than President Lincoln. "My paramount object in this struggle," he wrote to Horace Greeley in 1862, "is to save the union and it is not either to save or destroy slavery."

It was a statement that outraged the liberals of his time. What he went on to say was even more shocking to those for whom the abolition of slavery was both the cause and justification of the war.

"If I could save the union without freeing any slaves, I would do it," he wrote to Greeley. "If I could save it by freeing all the slaves I would do it; if I could save it by freeing some and leaving others alone, I would also do that."

This did not mean that Lincoln was callous about slavery. He was simply wise enough to see that saving the union was the issue upon which all else depended. The union lost, there was nothing his government could do about slavery. The union saved, the rest became possible.

President Lincoln, as the historians remind us, did much floundering in the conduct of that war, changing policies and generals as he groped his uncertain way to a victory long in doubt. His greatness lay not so much in brilliance as in his perception of the overriding question.

Much the same can be said of President Roosevelt in another time of trial. We tend to forget how much he too floundered in his efforts to pull the country out of that Great Depression. In the beginning he went one way with the NRA, then reversed himself 180 degrees with all his pump-priming spending programs. The history of the 1930s is littered with FDR's mistakes, some of which plague us still.

Nonetheless President Roosevelt had one quality that made the people trust him and that would have given him a place in history even if he had not later also been a wartime leader. Throughout the 1930s he never lost sight of what the nation's number one problem was.

It ought also to be added that from 1932 onward, as in 1862, the people understood the importance of the struggle and faced the problems, each in its own time, with resolution.

The question today is not merely whether the President and the nation will recognize the enemy within, the insidious, corroding inflation; surely by now that is plain enough for all to see. Rather, it is whether all will understand that, for our time, this is an issue so vital that it overrides all other political questions.

If we conquer inflation, everything is possible for this country. If we do not, everything is thrown in doubt.

Failure will undermine our economic prosperity. It will cost us our position in the world. It will weaken our ability to defend ourselves against any enemy from without the gates. It will, because its injuries will fall heaviest upon the poor and the middle class, strain the social contract which binds us together.

And not least, it will put beyond reach all the very social programs, such as a national health plan, so avidly sought by those who think of themselves as liberals devoted to the people's welfare. It is not, then, an issue that ought to divide liberals and conservatives.

To say that the nation has so far failed in this battle is but to state a stark truth. Presidents from Lyndon Johnson to Gerald Ford have talked much of whipping inflation; what happened was that inflation whipped into a frenzy. Some years it hit double-digit

figures; over the past decade alone the value of the dollar has been cut in half.

President Carter, so far, has also floundered. First he appointed Robert Strauss, then Alfred Kahn, to jaw-bone inflation to death; he has sought "voluntary" controls to disguise it. Yet the result is that a year which began with a 6 percent inflation rate ended with at least a 9.5 percent rate, if indeed it hadn't in fact hit double-digits again. For 1979, despite all the talk, his own economists concede the rate will be no less than 7 percent; many expect it to be worse.

But now President Carter has promised a federal budget with a drastically reduced deficit, no more than $30 billion. He has also indicated that he will support moves by the Federal Reserve System to slow the expansion of the money supply.

If that is what actually happens, then at last inflation would be hit head-on. Its root cause has been the creation of money and credit—that is to say, running the printing presses at full tilt—to "pay for" the huge accumulated government deficits of the past. The way to halt inflation is to stop those printing presses.

POLITICAL WILL NEEDED

Make no mistake about it, though. None of this will be easy. To slow down the printing presses will bring complaints about higher interest rates and a slower growth. There is no place the President can cut the budget without an outcry from some quarter; he will be accused of being callous about social needs. So it is not enough that he propose a frugal budget; he must have the political determination to stand behind it on its tortuous way through Congress.

Congress itself will be equally tested. It must have the political will to resist the clamor against any cuts and the pressure for new "socially desirable" programs.

Finally, there is the rest of us. Neither the President nor Congress can be expected to stand fast if they do not receive political support from the public.

As in the nation's past trials, what matters in the end is how it comes out in the end. The future will forgive floundering along the way. What it will not forgive, in this challenge as in others, is a want of courage from our leaders or resolution from ourselves.

All that makes 1979 a crucial year. For we begin it with a nagging doubt whether we will meet the challenge, and with the haunting question: If not this year, then whenever?●

VISIT TO THE MIDDLE EAST

● Mr. ROBERT C. BYRD. Mr. President, in November and December I made a 16-day trip to Iran, Egypt, Israel, Jordan, Syria, Saudi Arabia, and Turkey in my dual capacity as Senate majority leader and as the special emissary of President Carter.

Following my visit to those seven countries I met in London with Secretary of State Vance to discuss the results of the trip prior to his journey to Egypt and Israel. Upon my return to Washington I present President Carter with a lengthy confidential report containing my conclusions and observations.

Although much of the information in the report was based on confidential discussions with foreign leaders and there have been further developments since my trip, I would like to make public a summary of the trip and some of the major points which emerged during my meetings.

Intensive discussions with the key leaders of five Middle East nations—Egypt, Israel, Jordan, Saudi Arabia, and Syria—and with a group of West Bank Palestinians, underscored both the potential and the difficulties of the effort to achieve a comprehensive peace settlement in the region.

My mission also took me to the troubled nation of Iran, and to Turkey, where there is an opportunity for a new era of cooperation.

In each Middle East country, I strongly emphasized the commitment of President Carter, the Congress, and the American people to achievement of a comprehensive peace.

If we are able to move ahead in the peace process, and if there is evidence of strong American commitment to work for a comprehensive settlement on all fronts, there is reason to expect a growing recognition on the part of the affected peoples and states that it is in their process.

One of the most encouraging aspects of my discussions with leaders of five Middle East countries was the increasing conviction that the United States and each of these nations share the objective of achieving peace and stability in the region. The emphasis, and the degree of optimism or skepticism about the achievability of the goal, varied. Motivations also varied. The Saudis are extremely anxious to limit conflict in order to foreclose the threat of Soviet subversion. The Egyptians wish to repossess territories lost in war, and to achieve external stability in order to focus on domestic problems. The Israelis strongly desire a peace settlement which assures their national security. Both Jordan and Syria are anxious to see territorial and refugee problems resolved, and, along with the Saudis, feel strongly about the need to promote Arab unity.

With the exception of Israel and Egypt, national leaders were doubtful about the potential for achieving the common objective through the Camp David accords. An important ingredient in involving these countries in the process begun at Camp David would clearly seem to be continued demonstration of the genuine American commitment to see the process through to a resolution of all the major problems which produce conflict and instability in the region—particularly the Palestinian issue.

In my view, a continuing dialog, at all levels, with the Middle East countries, is needed in order to convey a strong sense of the American commitment to continue our efforts to achieve a comprehensive peace settlement on all fronts.

Of immediate and critical importance is the need for specific evidence of linkage—a need which transcends the achievement of an Egyptian-Israeli Treaty. Definite progress on the West Bank and Gaza issues, as evidenced by a side letter or some positive gesture on linkage, is crucial to encouraging Arab support of President Sadat.

This point was made very clearly by one of the leaders of Saudi Arabia who said to me, "Give Sadat something tangible. He needs to have something in his hands which he can wave in front of his fellow Arab countries." There were indications that specific evidence of movement on the West Bank issue would also strengthen the hand of the Saudis in supporting the peace process. King Hussein of Jordan also indicated that he could not seriously consider entering into the negotiating process without some tangible assurance that it would have a "known end." The requirement of a "known end" would seem to involve time limitations and some indication that the objective is a form of self-rule that is more than simple administrative authority.

A concrete commitment to target dates for elections and for some form of self-determination would help convince skeptical Arab countries of the American concern with the plight of the Palestinians and our commitment to remain an active partner throughout the successive stages necessary to achieve a comprehensive settlement.

Israel and Egypt are far apart with respect to their goals—and apparent intentions—for West Bank autonomy. Leaders of other Arab countries with whom I met were well aware of the differences, shared President Sadat's goals, and were highly skeptical of Israeli intentions.

Prime Minister Begin stated very clearly that, with respect to the West Bank, Israel was not talking in terms of legislative autonomy, but of administrative autonomy only. Defense Minister Weizman stated that Israel's security required a continued military presence on the West Bank for an unspecified period.

West Bank representatives with whom I spoke emphasized their belief that Israel had no intention of permitting self-determination for the Palestinians. Israeli plans for new settlements solidify this belief. Prime Minister Khalid of Egypt and King Hussein of Jordan expressed similar skepticism about Israel's intentions. The continuing establishment of new West Bank settlements by Israel would be a major impediment to peace.

The Israeli plan to create new settlements and to thicken existing settlements is a major irritant to Arab countries—tangible proof in their eyes that the Israelis have no intention of relinquishing military and legislative authority there.

Arab and Israeli leaders with whom I spoke repeatedly expressed admiration for President Carter's concern with, and efforts on behalf of, a Middle East peace settlement. There was universal agreement that his sincerity and dedication are genuine. At the same time, however, there did not seem to be a widespread conviction that the United States is, indeed, committed to seeing the process through to completion.

In order to counteract this view, I feel that the United States must give more evidence of its concern for the Palestinian people and of its determination to press for resolution of the West Bank, Gaza, and Golan Heights issues. Additionally, we must actively encourage the participation by moderate Arab nations and Palestinian leaders in the peace process.

The Arab attitude toward President Sadat's initiative and the ensuing events continues to be marked by coolness and concern. The Saudis are clearly dis-

tressed by Sadat's independent action, which they view as a threat to Arab solidarity; they fear instability and disunity in the region as a breeding ground for subversion, and an invitation to Soviet intervention. The Saudis are distressed by what they describe as Sadat's unwillingness to let them help him.

Specifically, they noted Sadat's refusal to meet with the delegation from Baghdad which went to Cairo at the suggestion of the Saudis. The Saudis are well aware of the need for Arab support and participation in the peace process if it is to succeed, and appear willing to be of assistance with respect to both.

The Jordanians and Syrians are more skeptical of Sadat's ability to obtain settlement on any issues beyond those directly involving Israel and Egypt, and are also more skeptical of his commitment to do so. Leaders of both of these countries—and especially the Syrians—were more outspokenly critical of Sadat, and less positive about the prospects for their eventual support or involvement.

President Sadat should recognize the importance of increased dialog and cooperation with moderate Arab countries. We should continue our efforts to promote such cooperation.

The Israelis feel that they have already made a tremendous concession by agreeing to withdraw from the Sinai, as well as major sacrifices over the years in order to maintain their national security. There is an overriding, ever-present concern among the nation's leaders about the need to assure Israel's security. Among some Israeli leaders, there is uncertainty about the future of their country's relationship with the United States.

Many Israelis have looked upon the Sinai and other occupied territories as buffers against hostile neighbors. The Sinai is not as close to Israel's population centers and is not seen as being as essential to Israel's defense as are the other occupied territories.

Distrust of their neighbors still runs deep among the Israelis and although the nation's leadership seems to believe that President Sadat is truly committed to peace, there is a great concern about what might happen in a post-Sadat Egypt. There is a belief that the Arab countries are characteristically unstable and that most of these countries remain committed to Israel's destruction. Thus Israeli officials say they cannot consider reducing their military deterrence capability.

The Israelis are extremely concerned about the possibility that an independent Palestinian state might someday be created on the West Bank, and they see their settlements and military presence on the West Bank as a continuing and integral part of their defense policy.

Although the Baghdad Conference certainly cannot be viewed as a positive development in regard to the Camp David peace process, discussions with some of the Arab leaders provided a new perspective on the events at Baghdad and their meaning. It was pointed out on a number of occasions—by the West Bank group, among others—that a major result of Baghdad was de facto acceptance of U.N. Resolution 242 by all the Arab world, including the Palestine Liberation Organization. The Saudis, and to a lesser degree the Jordanians, emphasized the "moderating" role they had played at Baghdad and felt there had been significant accomplishments in "limiting damage." It is important to understand the continued significance and renewed vitality of the concept of Arab unity.

Clearly, Baghdad was in reaction to Sadat's independent approach; its greatest significance may lie in the fact that the participants did not break irrevocably and openly with Sadat. Saudi Arabia and Jordan feel that they made important "moderating" contributions at Baghdad, while at the same time keeping their Arab credentials in order—which they believe is a prerequisite for having the ability to influence events within the context of Arab unity.

The Saudis remain committed to strengthening their relationship with the United States by cooperating in a variety of ways. The Saudis are also committed to preserving Arab unity in order to forestall Soviet exploitation of instability in the region. Because of the Saudi capacity to provide financial aid to other Arab countries, they are in a particularly influential position.

Throughout the region I encountered great concern about the instability in Iran and its implications for other countries in the area.

Turkey is facing a particularly difficult situation. In my meeting with Prime Minister Ecevit I discussed Turkey's precarious economic condition, as well as the Cyprus problem, and the importance of a continued growth in our bilateral relationship.

Three major points emerged from my discussions in Turkey. First, though there are stumbling blocks remaining, the atmosphere for movement on the Cyprus question appears improved. Second, if some of the pressure of Turkey's economic problem is not eased, there could be serious domestic and international repercussions. In particular, Turkey needs assistance and a more understanding attitude on the part of the international financial institutions. Third, since the removal of the arms embargo, bilateral relations between Turkey and the United States are beginning to be revitalized and there is an opportunity for growing cooperation.●

THE EXIMBANK AND SOLAR TECHNOLOGY EXPORTS

Mr. PERCY. Mr. President, I wish to draw my colleagues' attention to an exchange of letters I recently had with Mr. John Moore, president and chairman of the Board of the Export-Import Bank, concerning the Bank's program to promote exports of American solar technology. Due to an amendment I authored last year, the Eximbank now has the legislative authority to implement such a program.

The benefits which would accrue to the United States from launching a major solar export program are numerous. Most important, by offering non-OPEC developing countries an alternative to importing oil, demand for OPEC oil could be decreased. This in turn would relieve upward pressure on international oil prices and help reduce our inflation rate at home.

Mr. President, I ask unanimous consent that my letter to Mr. Moore, and his response to me, be printed in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. December 7, 1978.

Hon. JOHN L. MOORE, Jr.,
President and Chairman, The Export-Import Bank, Washington, D.C.

DEAR MR. MOORE: As you know, I have a special interest in Section (2)(b)(1)(c) of the Export-Import Bank Act of 1945 as amended which requires the Bank to designate an officer to promote exports of American renewable energy technology. I believe that this provision gives the Bank a mandate to promote aggressively American solar exports.

I am aware that the Export-Import Bank has already taken certain initiatives to meet the requirements of section (2)(b)(1)(c). For example, a copy of a trip report made by two of Eximbank's engineers to the Solar Energy Research Institute, Sandia Laboratories and E Systems, Inc. was recently given to me. However, I would like to learn more about what the Bank is now doing and how it plans to fulfill this mandate.

My major concern is that the "solar officer" be given "line" responsibilities. He should not be relegated to a powerless position without authority to implement innovative programs to assist solar industries to export. Proliferation of renewable energy technologies is too imoortant a national policy goal. Increased solar energy use by developing nations would lessen worldwide demand for OPEC oil supplies thereby helping to alleviate the upward pressure on prices, and decrease the potential for the spread of sensitive nuclear technologies.

Specifically, I believe this officer should be responsible for determining whether the Bank's existing procedures for approving loans and guarantees constitute a barrier to solar energy technology exports. Should this be so, this officer should be given the responsibility of developing special Bank procedures to fit the particular needs of the solar industry.

This officer should also participate actively in negotiating solar export transactions. Small U.S. solar firms frequently do not have the capability to identify or negotiate with foreign purchasers. The officer could be particularly useful in helping those companies, often lacking foreign manufacturing, installation, delivery or maintenance capabilities, to form joint ventures with foreign partners.

I would very much appreciate knowing whether this officer is already charged with the responsibilities mentioned above or whether they will be part of his duties in the future.

Would you also let me know the name of the person designated as the "solar officer" and the expertise he/she brings to the job. In addition, since the legislation only requires that the Bank select an officer who shall, among other duties, be responsible for solar energy, I would be interested to learn how much of this officer's time will be spent on this issue.

I am confident that Eximbank's present legislative mandate is broad enough to enable the Bank to take decisive steps to develop export markets for the American solar industry. However, should it prove otherwise, I would welcome your suggestions for legislative changes in the Bank's authorization so that it can pursue an aggressive solar export policy in the years ahead.

I appreciate your time and consideration of this vital issue.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., January 3, 1979.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I was pleased to receive your thoughtful letter of December 7, 1978, regarding the Bank's efforts to promote U.S. exports of renewable energy technology and equipment.

Section (2)(b)(1)(c) of the Export-Import Bank Act as amended requires the Bank to designate an officer who, among his other duties, will advise the President of the Bank "on ways of promoting the export of goods and services to be used in the development, production and distribution of non-nuclear renewable energy resources." The Bank has designated one of its three Senior Vice Presidents, John B. Bierman, as its "Solar Officer." Mr. Bierman has responsibility for all of the Bank's short and medium term export support programs and has over ten years of experience in the supplier credit area of Eximbank. He has been a Senior Vice President of the Bank for nearly two years. Mr. Bierman has designated one of his senior loan officers to work with him on this program and also is receiving technical assistance from our engineering staff. Mr. Bierman has line responsibility for those programs which appear to have most direct application for the solar industry.

Mr. Bierman has addressed the Solar Energy Commercialization group sponsored by the Department of Energy and will also take part in a two day Solar Export Opportunities Workshop this January 9–10 in Atlanta. The Workshop is being co-sponsored by the Department of Energy and the Solar Energy Research Institute of Golden, Colorado. I understand there will be 150 to 200 attendees at the Workshop.

In addition to these formal presentations, Bank personnel have had numerous discussions with interested exporters of renewable energy technology and equipment. Further, the senior management of the Bank has been briefed by two experts in the solar field. While I cannot point to any success stories as yet, more and more companies in this field are becoming aware of the existence of the Bank and familiar with its programs.

Let me assure you of our strong interest and commitment in assisting the solar and other renewable energy industries in their export efforts. We appreciate your interest and would welcome any comments on how we might more effectively perform our task.

Very truly yours,

JOHN L. MOORE, Jr.

NSGA CELEBRATES 50TH ANNIVERSARY

Mr. PERCY. Mr. President, the National Sporting Goods Association (NSGA) will celebrate its 50th anniversary year and hold its 50th Anniversary Convention and Show at Chicago's McCormick Place and McCormick Place West—Donnelley Hall—February 8–11, 1979.

The NSGA show is the world's largest sporting goods trade event. It will attract an estimated 50,000 industry members from all over the country. There will be 1,600 exhibits by sporting goods manufacturers.

With Americans participating in active sports more than ever, consumer purchases of sports products have increased from a level of $1 billion in 1947 to $15 billion in 1978.

Membership of NSGA includes more than 4,000 sporting goods retailers and 2,500 sporting goods manufacturers who are associate members.

NSGA's primary purpose is to provide efficient and effective communication among all elements of the sporting goods industry, to encourage more knowledgeable, accurate and target marketing of sporting goods products. The association, working with its members, stresses effective marketing of quality merchandise to the American public.

Founded in 1929, NSGA now has a staff of 50 full-time employees at its Chicago headquarters.

In addition to the annual convention and show, NSGA conducts two other annual trade shows: the Annual Fall Market and the Sports and Apparel Market. Each is designed to facilitate retailer purchasing in advance of peak selling seasons.

Sports interests are much more diverse now than a decade ago. More leisure time, more disposable income and greater attention to physical fitness for health and appearance are some of the factors responsible for the ever-increasing interest in recreational and athletic activities. Many Members of the Congress have raised physical fitness to a higher priority in their own personal lives.

The types of member services provided by NSGA include:

Industry research into the recreational pursuits of Americans. Reports cover consumer expenditures for sporting goods, analyze growth areas and predict future marketing opportunities. The statistics help retailers and manufacturers meet changing consumer preferences.

Publications report on industry news and present informative feature articles on a variety of topics related to the successful marketing of sporting goods and accessory equipment. NSGA publishes Selling Sporting Goods, a monthly trade publication with a circulation of over 20,000 readers, and the NCGA Memo to Management, a confidential newsletter for its members.

Promotions which encourage consumers through national advertising and publicity programs to shop in stores displaying the NSGA seal as a guarantee of product quality.

Seminars that bring together sporting goods retailers and manufacturers to exchange the latest information on how best to serve consumer needs.

Retail management advice on store designs, accounting systems, wage and hour guidelines, personnel training programs, promotion and advertising.

Specialty divisions servicing ski retailers, athletic goods team distributors, outdoor sports stores and award specialists.

The Sports Foundation, Inc., organized in 1965 by the association and leaders of the sporting goods industry, strives to stimulate greater interest and participation in active sports and to support worthy recreational activities.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, sincere and dedicated efforts are being made among Senators on both sides of the aisle on the ad hoc committees that were appointed to reach some resolution of the problem involving the rules, and I have been privy to some of those discussions. The distinguished minority leader is present and I am sure he contributed some.

I am impressed by the fact that there are diligent efforts being made with Senators meeting. I think that if the Senate were not in session tomorrow it would perhaps allow those Senators the opportunity, without being interrupted by quorum calls by the Senate session, to continue their work. So in the long run, it may expedite the final resolution of this matter.

I do not want to unduly press for action without every reasonable opportunity being made available to bring about a resolution of the matter.

ORDER FOR RECESS UNTIL MONDAY, JANUARY 29, 1979

Mr. ROBERT C. BYRD. Mr. President, I, therefore, ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until until Monday the Secretary of the Senate may be authorized to receive messages from the President of the United States and/or the House of Representatives and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 o'clock noon on Monday the Vice President of the United States, the President pro tempore, and the Acting President pro tempore may be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to submit

statements for the RECORD and to introduce bills and resolutions, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PROXMIRE be recognized for not to exceed 15 minutes, after the prayer, on the next day that the Senate is in session but that I be recognized before Mr. PROXMIRE, simply to protect my rights under resolution No. 9 and the motion pending, and it will not be my purpose to keep the floor except to make a unanimous-consent request that will do that and such unanimous-consent request that appears to be advisable at that time to establish the format for morning business, et cetera, for that day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JANUARY 29, 1979

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess, under the order, until 12 o'clock noon on Monday.

The motion was agreed to; and at 3:19 p.m., the Senate recessed until Monday, January 29, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 25, 1979:

DEPARTMENT OF STATE

Jonathan Dean, of New York, a Foreign Service officer of class 1, for the rank of Ambassador during the tenure of his service as Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

DEPARTMENT OF DEFENSE

Michael Blumenfeld, of the District of Columbia, to be an Assistant Secretary of the Army, vice Victor V. Veysey, resigned.

THE JUDICIARY

Robert E. Keeton, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95-486, approved October 20, 1978.

John Joseph McNaught, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95-486, approved October 20, 1978.

David Sutherland Nelson, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95-486, approved October 20, 1978.

Rya W. Zobel, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95-486, approved October 20, 1978.

COMMODITY CREDIT CORPORATION

James H. Williams, of Florida, to be a member of the board of directors of the Commodity Credit Corporation, vice John C. White, resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Evan William Rosencrans, 188-14-0620FR, U.S. Air Force.

Lt. Gen. Andrew B. Anderson, Jr., U.S. Air Force (age 52), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

EXTENSIONS OF REMARKS

TRIBUTE TO JOE HATCHER

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GORE. Mr. Speaker, Joe Hatcher, the dean of Tennessee's political reporters, died last week at the age of 80. Joe worked for the Nashville Tennessean for more than half a century, and his political reporting and columns will stand as a lasting memorial to the skill and dedication he brought to his profession.

I had the privilege of knowing Joe Hatcher as a friend and a colleague during the years I spent at the Tennessean as a reporter and editorial writer. I valued his friendship, and I learned from his work. Even though Joe had retired from daily reporting in 1970, he continued to write a weekly column recalling for younger persons like myself the rich heritage of Tennessee's political history.

As a reporter and a columnist, Joe Hatcher always stood for honest, progressive government. He was always for reform: even in his last political column, which I will reprint, he was fighting for public campaign financing in order to reduce the influence of special interests on politics.

Tennessee politics was better because of Joe Hatcher. All Tennesseans share in the loss which Joe's friends, colleagues, and family feel with his death.

Charles L. Fontenay, Joe's colleague for many years, has written a full account of his career, which I will reprint at this point:

[The Nashville Tennessean, Dec. 17, 1978]

IT'S TIME TO CUT POLITICAL SPENDING

(By Joe Hatcher)

"The time has come, the walrus said, to talk of many things." And our Alice in Wonderland subject is the recent race for governor of Tennessee.

Did you know that if Jake Butcher had been elected governor he would have had to serve 92 years at the $50,000 a year salary just to make back what he spent to be elected?

Did you know that Governor-elect Lamar Alexander would have to spend 36 years in the office at $50,000 a year just to make back what he spent to be elected?

That is not to say, of course, that these men were spending their own money—the greater part of it was contributed by various individuals for reasons of their own.

If this state of affairs doesn't serve as a warning to us to take restrictive measures, we may as well put up a sign over the Governor's office at the State Capitol and offer it to the highest bidder. The auction would save a lot of energy and perhaps attract more outside money into the state for spreading around among the voters on Election Day.

Lamar Alexander and Jake Butcher attracted a total of some 1,185,454 votes last November 7 at a cost overall of $6,400,000 between the two in primaries and general elections. That's an expenditure of some $5.40 a vote for the two major candidates, with some $2 million additional "chicken feed" spent by other candidates.

Lamar got 661,959 votes to win the election, and if my birthday present pocket calculator is correct, they cost him $2.72 for each and every vote. And keep in mind that Alexander won over Butcher, who spent an incredible $8.78 for each of the 523,495 votes he polled.

The costs of running in party primaries compare closely with the general election campaign, except that the candidates are merely seeking the votes in primaries to entitle them to run in general elections.

In the Republican primaries last summer, Lama Alexander spent some $3.47 per vote for the 230,922 votes he got—more expensive than the 661,959 votes he got in November. Butcher polled 320,329 in the Democratic primary at a cost of some $7.50 per vote.

State Senator Anna Belle Clement has recently filed proposed legislation that would set spending limits on all races in public offices in the State. Perhaps the limits proposed are too restrictive after the wild spending on the elections just past, but the whole problem needs study and strong action. The spending can be limited without bankrupting any TV station, radio station, or newspaper in the state, and still give them a fair share of the campaign dollar.

Recent years have brought about the passage of much legislation toward exposing the sources of campaign funds and reports on where it goes, all to the good. Now comes the time that limits should be put on expenditures, lest the cost of winning public office becomes ridiculous.

For example, just think how ridiculous it sounds that an official should serve 92 years at $50,000 yearly salary to earn back what he spent to win a four-year term in the office—and then did not win.

It was probably Butcher's reluctance to make full disclosure that in the final analysis cost him dearly at the polls.

EDITOR'S NOTE: This column was written before Joe Hatcher became seriously ill on Friday.

TENNESSEAN'S JOE HATCHER DIES IN HOSPITAL

(By Charles L. Fontenay)

Joe Hatcher, political columnist for the Tennessean for half a century and one of the state's most colorful old-time newspapermen, died last night in Baptist Hospital, where he had been confined since Dec. 15.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Hatcher, of 1139 Tyne Blvd., was 80 years old Christmas Day, 10 days after he was admitted to the hospital suffering subdural hemotoma, a form of brain hemorrhage. He underwent surgery for removal of a blood clot on his brain.

Funeral arrangements were incomplete last night. The body is at Roesch-Patton Funeral Home, 1715 Broadway.

"Joe was more than the dean of Tennessee political reporters," said Amon Evans, president of the Tennessean. "He was the best.

"His broad knowledge, extensive experience, keen insight and wide range of contacts contributed immeasurably to the credibility, prestige and standing of the Tennessean during the more than 40 years of ownership by the Evans family. My father, my brother and I knew Joe as a great journalist and a true friend.

"He will be missed, but his work will never be forgotten when the subjects of politics and the press are discussed. My mother and I are saddened by his death."

"On the day I went to work for the Tennessean, Joe Hatcher, who was managing editor, gave me some advice I have remembered during the ensuing 30 years," said John Seignethaler, the newspaper's publisher. "He said, 'Always be straight with the paper and with yourself.'

"He always followed his own advice. Joe possessed a rare mixture of character traits—wisdom, wit, good judgment, courage, candor and plain common sense—that made him an outstanding newspaperman and an outstanding man.

"Dozens of younger journalists, like me, who were befriended and helped by him will never forget him."

Lloyd Armour, executive editor of the Tennessean, said: "Joe was a colleague, and a gentle man with warmth, compassion, integrity, and a wisdom that came not of age, but of keen observance of the world around him.

"He was a democrat with both a capital and a small D. He believed in party, but he also believed in people—all people."

Hatcher had not been in the best of health in recent years and had not been seen around much since his retirement April 1, 1970. He continued, however, to write a weekly column for the newspaper, spending much of the rest of his time at home, where he pursued his years-long hobby of rose gardening.

But during most of the years of the mid-century, his short, somewhat stocky form was a familiar sight in the legislative halls, in government offices, and at political gatherings. Hatcher was a quiet man, rarely raising his voice, with a slow, alert smile.

He had two trademarks through the years of his activity on the political scene: his hat and his cigar. Indoors and out, he constantly wore a gray fedora hat with brim turned down front and back, covering the fact that he was totally bald from a youthful illness. Occasionally indoors, he wore a skullcap instead.

And he chewed incessantly on a cigar, right down to the last inch of the stub, even after he had to give up smoking them as much as in earlier years.

Hatcher was generally conceded to know more about the ins and outs of politics, all factions of it, than almost any other person in Tennessee. Except for a break during World War II, his column, Politics, appeared regularly or irregularly without a break since the late 1920's, even when Hatcher was holding management posts on the newspaper staff.

Although occasionally his personal feelings and convictions diverged from the Tennessean's editorial viewpoint—for example, he remained close to Gov. Gordon Browning when the newspaper broke with him during his first term—the two were so closely attuned that Hatcher's column was generally looked on as the "political voice" of the paper for many years.

And both the *Tennessean* and Hatcher were strongly reformist over most of those years, especially the early ones when the *Tennessean* was fighting against the long-entrenched political domination of the state by E. H. Crump, fiery Shelby County political boss.

Hatcher did not lose that orientation with advancing years. One of his last columns decried the increasing cost of conducting political campaigns, brought out so sharply in the 1978 statewide races.

Hatcher had served in most editorial positions in the *Tennessean* city room. He began newspaper work as Vanderbilt University correspondent for the old *Evening Tennessean* in 1918 and 1920, and joined the staff as sports editor Oct. 1, 1921.

He began covering politics for the *Tennessean* during Gov. Austin Peay's campaign for re-election in 1926, and for a good many years was the newspaper's Capitol beat reporter. At different times, he served as telegraph editor, city editor and managing editor.

Joseph T. Hatcher was born Dec. 25, 1898, at Anding, Miss., where his father was temporarily vacation relief agent for the Illinois Central Railroad. Orphaned as a child, he was reared by foster parents at Greenfield, Tenn., where he attended public school and preparatory school.

In a Christmas column in 1976, Hatcher recalled the Christmases of his childhood years in West Tennessee, when there were no electric lights on the Christmas tree, and no radio or television playing Christmas carols.

"It's possible there was a telephone somewhere in my neighborhood in those days," he wrote, "but there were no electric lights in that rural area. There were only wood burning stoves or fireplaces. There were mantles over the fireplaces, and there we hung our long black stockings."

He reminisced about the Christmas dinners, with either a baked hen or turkey "and always a baked country ham," and the side dishes and desserts.

Hatcher entered Vanderbilt University in October 1917 and a few months later became college correspondent for the *Tennessean*. But he entered the Student Army Training Corps in October 1918, and was transferred to the artillery officers' school at Camp Taylor, Ky.

But Hatcher was under-age for a commission, and when the Armistice was signed the following month, he returned to Vanderbilt. There he became the first student ever to edit both the *Hustler* and the *Commodore*, the college's weekly and annual respectively.

Hatcher was also a member of the Honor Committee at the school, and lettered in baseball. A good baseball player, he played some semi-pro ball on a part-time basis during his summers a few years later.

In the summers of 1920 and 1921, he worked as a baseball and golf writer in the sports department of the Atlanta *Constitution*, and after his graduation from Vanderbilt in 1921, he joined the *Evening Tennessean* as sports editor. Later he became a sports writer and then acting sports editor in 1925 of the morning *Tennessean*.

Although he did not become more or less a full-time political writer until Austin Peay's 1926 campaign, Hatcher covered Sen. Kenneth D. McKellar's campaign in 1922, and, he said later, acquired McKellar's political philosophy at that time, "which I think I have followed since."

McKellar became crusty and irritable in later years, but at that time he was a young senator seeking re-election to his second term, and he told Hatcher:

"Never let politics be personal. We may disagree today, but we may get together tomorrow and need each other."

In 1928, T. H. Alexander, a nationally-known columnist, began the newspaper's *Politics* column. Hatcher substituted for Alexander as writer of the column from time to time, then took over the column some time during the 1930's.

He covered virtually all beats of the *Tennessean* during his early years with the paper. He was police and criminal courts reporter, covered the federal courts and all sessions of the legislature beginning with 1921, and covered the state Supreme Court for a number of years.

Hatcher served a total of five years as city editor, then five years as managing editor and for a time was acting editor in the absence of John H. Nye, the paper's editor during the period. He continued to write his *Politics* column during those desk jobs, though, and returned to it exclusively in the late 1940's.

Hatcher volunteered for military service in 1942, soon after the United States was drawn into World War II, and wrote some columns as a private from Fort Oglethorpe, Ga. Later he went to Virginia for officer training, but incurred a hernia during the training period, and was released from service after surgery.

He returned to the *Tennessean* in 1943 and resumed his job as city editor.

Hatcher gained a reputation throughout the South for his familiarity with the shifting political scene, his friendship with men in high office and his understanding of behind-the-scenes forces that permitted him to interpret trends and events consistently and to forecast election results accurately.

He did not accomplish this by buttonholing legislators and other political figures as his contemporaries in the newspaper field were forced to do. So well known was Hatcher that he would post himself at the stairway in the Hermitage or Andrew Jackson Hotel, and politicians, both friendly and hostile to the *Tennessean*, would pause to give him the latest "dope" in low-toned conversation. Many of his major "beats" were acquired simply through knowing where to make a single telephone call.

Although the newspaper was strongly opposed to Browning during the last months of his first administration, from 1936 to 1938, Hatcher remained a close personal friend and adviser to the governor. Later when the paper made its peace with Browning and backed him in an effort to oust Crump from power, Hatcher made a trip by plane to Germany in 1946 to interview Browning, then a lieutenant colonel in the Army.

Browning announced his candidacy for governor through Hatcher that year. He was defeated, but two years later, he and Estes Kefauver won races for the governorship and the U.S. Senate, sweeping Crump out of power and achieving a long-sought goal of Hatcher and the *Tennessean*.

Hatcher's running fight against Crump and the state administrations Crump sponsored infuriated the Memphis boss, who attacked Hatcher and his employer, *Tennessean* publisher Silliman Evans, viciously through public statements and advertisements.

In 1947, *Newsweek* magazine noted that Hatcher, editorial writer Jennings Perry and cartoonist Tom Little were Evans' chief editorial weapons against Crump and his political machine.

"They goad Crump into such fits of rage, he buys space in rival newspapers to blast back, and makes his state and national legislative stooges use personal privilege to call Evans 'bubonic rat' and 'frog' at taxpayers' expense," *Newsweek* said.

"Bubonic rat," however was a term Crump reserved for Hatcher. In 1945, pro-Crump legislators read to the state House and Sen-

ate Crump's letter to the *Tennessean*, which began:

"If the city of Nashville should ever follow the lead of the progressive city of Memphis and inaugurate a campaign for the extermination of rodents, Silliman Evans, Jennings Perry and Joe Hatcher will undoubtedly take to the tall timbers. . . . Rat Joe Hatcher . . . hasn't character—he has a low, filthy diseased mind—lies by nature and tells the truth by accident."

Hatcher became accustomed to such statements, sometimes read in the legislative chambers in his presence. In 1949, Sen. Frazier Biggins of Stewart County, offended at one of Hatcher's columns criticizing his vote against an election reform bill, threatened to have Hatcher arrested and hauled before the Senate, and remarked, "Many a farmer in Stewart County keeps his gun loaded for better men than Joe Hatcher."

Hatcher replied quietly, "There's been too much smoke from Stewart, not to be any fire there."

At the time, Hatcher was a member of the Tennessee Press Association's committee for election reform, which sponsored bills to clean up the election process in the state.

He served on the same committee for the TPA in 1963, and wrote numerous columns on election reforms. It was only one of the campaigns he waged through his writing for the newspaper. Others included efforts to eliminate the state's poll tax, and other conditions that he considered contrary to democratic government in the state.

While he was serving as an executive of the *Tennessean*, Hatcher was the newspaper's representative with the TPA.

Hatcher had covered most of the national Democratic and Republican conventions during the period of his active political writing, and reported the impeachment proceedings against Gov. Henry Horton for the *Tennessean*, the *Commercial Appeal* in Memphis and the Knoxville *Journal*.

In a final column before leaving for military service in 1942, Hatcher reviewed his 20 years as a political observer, and said Tennessee and its Democratic Party stood "at its lowest ebb in modern history, at least, if not at all times." This, he said, was because of the rise of the Crump machine, but he predicted—accurately—that its power was on "the down road toward eventual disaster."

In 1969, nearly a year before his retirement, Hatcher was honored at a luncheon in Washington by national leaders, Tennessee lawmakers and fellow newsmen for his near-half century of news and political writing. The entire Tennessee delegation in Congress was present, along with Amon Carter Evans, then publisher, and John Seigenthaler, editor, of the *Tennessean*, House Speaker John McCormack of Massachusetts and House majority leader Carl Albert of Oklahoma.

"Joe Hatcher is the peer of any newspaperman I've ever known," said Bascom Timmons, dean of Washington political columnists, who had covered Woodrow Wilson's nomination in 1912.

At Vanderbilt, Hatcher was a member of ATO fraternity. He was a member of American Legion Post 5 for many years.

He was married to the former Miss Dorothy Tolman of Boston, who survives.●

UKRAINIAN INDEPENDENCE

SPEECH OF

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HANLEY. Mr. Speaker, I rise to join my distinguished colleagues in observing the 61st anniversary of the independence of Ukraine, a time to pay tribute to the struggle of a brave nation.

While it is a day of honor for these great people, the Ukraine will spend this Independence Day under Soviet domination. It is a tragic reality that millions of Ukrainian people are subjected to live as slaves in their own country, captives of the Soviet Union. However the efforts of the Soviets to stamp their initials into the hearts, souls, and minds of the proud Ukrainians has been fruitless. It is very important for Americans to continue kindling the spirits of Ukrainians in hopes that they will someday attain personal liberty and political freedom. This is our role as the champion of all free people of the world, and of all those who desire to be free.

Congress, as a group must assure our Government's representatives that we will be following their efforts to promote basic human rights for the people of the Ukraine and will hold them accountable for their actions. Only through the continued efforts of the Americans will the hopes of freedom-loving Ukranians remain alive.

As the people of Ukraine look to America they must be proud of their heritage. It is necessary that we as Americans must continue to give these nationalists some encouragement by applying pressure and attempting to make the Soviet Union comply with the Helsinki agreement.

On this day let us not forget that the struggle of an oppressed nation has not ended, and we must continue to offer hope and guidance to the people of Ukraine.●

RECOMPUTATION OF MILITARY RETIRED PAY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GONZALEZ. Mr. Speaker, for many years now I have been proposing recomputation legislation for retired members of the military. Recomputation is a complex subject that has aroused considerable debate since 1958 when the hundred year old tradition of tying retirement annuities directly to active duty pay scales was abandoned in favor of a cost of living increase system. Originally I proposed a bill calling for complete recomputation for all retirees, but in view of the economic realities of the military budget I am proposing a compromise measure.

The bill I am introducing today calls for a one time recomputation to basic rates of pay in effect on October 1, 1979 for those 65 years of age or older, and disability retirees with a rating of 30 percent or more. There is no doubt that any pay equalization plan for retirees will be costly, but we must also consider equity and justice when reviewing my proposal.

Mr. Speaker, we cannot ignore the history behind the military retirement system. From 1958–1958 military retirees received a retirement pay based on current active duty pay—50 percent if they served 20 years, and 75 percent if they served for 30 years. This was a principal attraction of military service and indeed was an institution of service—so much so that no one dreamed the retirement system would ever change drastically. One can only imagine the shock felt by those who had served in the military and had counted on the retirement remaining the same when they were ready to retire as it was when they joined the service. As of 1958 it was not; Congress had changed the game plan.

The retirement system currently in operation is not a just one. This system is currently providing one man only half as much retirement pay as another—even though those men served the same length of time and retired in the same rank. Yet both of these men must pay the same prices for food, rent, clothing and utilities which as we all know have increased drastically since 1958.

The retirees who would benefit from my bill are not seeking a bonanza, but only what they had expected to receive when they first entered into the service of our country, and what they truthfully need now to provide the minimal comforts of life.

I was very pleased to note that the President's Commission on Military Compensation, which was submitted to President Carter last April, includes a recommendation that the Congress resolve the problem of pay equalization for those older retirees and I would hope that we could pass a meaningful law in this Congress that would provide these retirees with the income they need and deserve in exchange for the dedication and service that they provide our Nation.●

THE POSITIVE SIDE OF U.S. INVESTMENTS IN SOUTH AFRICA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LaFALCE. Mr. Speaker, many commentators would have us believe that doing business with the Republic of South Africa directly supports the system of apartheid and represents U.S. backing for that extremely repugnant form of blatant racism and exploitation.

Chief Gatsba Buthelezi, the foremost black leader in South Africa, has taken strong issue with that viewpoint in an interview in the November 27, 1978 issue of Forbes. The chief, who is a firm and unrelenting opponent of apartheid, argues that U.S. companies can be a positive force for peaceful change in South Africa and provide tangible benefits to the black majority in South Africa. His call for steady and peaceful pressure for change is a welcome relief to the frequently invoked bloodbath theory of political change in that country and should be given serious consideration by everyone interested in the future of South Africa and U.S. companies' role there.

The article follows:

SOUTH AFRICA: U.S., DON'T GO HOME

(By John Train)

At more than 25 U.S. corporations this year resolutions have been proposed for inclusion in proxy statements, calling on companies like Coca-Cola and GM to quit doing business in the Republic of South Africa. Polaroid has already acceded. Students demonstrating at dozens of universities wave placards demanding that their trustees sell the stocks of companies that do business in South Africa. Some schools have done so. Doing business with South Africa, the protesters insist, supports social injustice and the exploitation of blacks.

The quit-South Africa argument sounds plausible, given the American belief in democracy and equality. But is it? Absolutely not, says the most popular leader of South African blacks, Gatsha Buthelezi. This champion of black rights is the elected chief minister of KwaZulu, the Zulu homeland, and founder and chairman of Inkatha, the National Cultural Liberation Movement whose first bulletin was seized by the police last year. A recent poll gave him a two-to-one advantage over his nearest competitor as the recognized leader of black South Africa generally.

His credentials as a nationalist leader are impeccable. Only last summer he was brought to the U.S. by the National Urban League and he attacked his country's white government in strong language. He spoke of "unschooled Boers [who] joined hands with the scum of Europe to behave with crass stupidity. . . ." He said: "You know that apartheid is so ugly that it can only survive if it is enforced with the barrel of a gun." He warned South African whites: "Whites should realize that they will have no peaceful future at all without sharing it with the blacks."

And yet here is this same antiapartheid nationalist leader almost begging U.S. firms not to cease doing business in his country.

In a meeting in a village on the Tugela River, in Zulu territory near the Mozambique border, and in a subsequent telephone conversation, Buthelezi was interviewed by Forbes columnist John Train, whose report follows:

A strongly built man, looking younger than his 50 years, the chief talks with rapid intensity. The black leader was blunt about it: American business, he said, was a welcome force for change. Said Buthelezi, "Some of your superliberals in America have got the whole issue exactly upside down. They seem to think it is immoral for American companies to invest here, but irresistably profitable. The truth is the opposite. It is morally imperative that American firms remain active here—and support us in our struggle—even though the business aspects may well present problems. We have been passing through difficult times and will doubtless pass through more in the future. It may be that from a purely financial standpoint there will be disappointments, remembering that labor costs—meaning black labor—are rising fast. But morally, yes! My people want you and need you here, just as we need the whites and the whites need us.

"The uninformed liberals abroad who would like to see a violent confrontation in my country are working for the very thing that *everybody* here most wants to avoid, although it may happen. Black and white alike, our need is for *peaceful* change, and foreign investment is one of the best agents of that change.

"Here is why: Foreign investment creates jobs. Jobs bring money to the blacks, who are by far the majority of all industrial labor—71.6%, to be precise. Money means power. And working in industry also gives the black man the training and experience that he will need to assume his rightful place in our country—just as he did in yours.

"One black journalist, whom I will quote without comment, has also pointed out that the classical Marxists always emphasized that capitalist industrialization, as it develops, revolutionizes traditional relations and thus revolutionizes people's minds; Lenin, this black journalist added, stressed constantly that capitalist industry eliminates the slave mentality among workers and lifts them to the point where they demand a full share in society.

"As industry expands, propelled by domestic and foreign investment, a severe shortage of qualified men is increasingly appearing, and black people are of necessity being advanced to more responsible positions. The government has not only accepted this but made it a matter of policy. So I'd say that further improvement in black labor conditions is irreversible unless something happens to cause the economy to slow down—such as a withdrawal of foreign investment. As the process continues, the role of blacks in South African industrial management will become critical, which will give us more and more economic and political leverage. Our demands are thus increasingly likely to be met, as long as we maintain the pressure at other points.

"Mind you, although pressure on the government in Pretoria must be kept up, I'm not in favor of just any kind of pressure. Some kinds are extremely effective, and American firms should apply them. Pressures in sport have had good results, and I applauded the arms embargo as a meaningful bit of symbolism. But the pressure to disinvest, which brings misery to my people, slows development and may lead to the loss of all we are achieving: That is worse than simplistic thinking; it is reckless and dangerous."

Buthelezi pointed across the river to the barren hills beyond, dotted by the huts of subsistence farmers. He continued: "Johannesburg isn't Africa, any more than New York is America. It is extraordinarily arrogant of visitors to prescribe what's best for my people on the basis of a limited exposure. When I hear them calling, with more enthusiasm than wisdom, for an end to American investment, I say the same thing to them that I say to some people in Pretoria who want to prescribe at a distance what's best for KwaZulu. 'To hell with you,' I say.

"You know," said Buthelezi, shaking his head, "your superliberals don't seem to *want* to learn what conditions here are really like. Many influential persons from abroad come to South Africa. They arrive in Johannesburg, and stay in the Carlton Hotel and see lots of clever and important people. They think they know what is happening. But they don't get around the country. They don't come here to KwaZulu. They don't see me, and they don't see my people. Still, they want to tell us what to do.

"Often they don't seem aware, or even want to hear, of the remarkable gains we have made in the last few years."

Black mine workers have made tremendous earnings gains in recent years. Though their wages are low by U.S. or European standards, they are paid as much as ten times what black workers earn elsewhere in southern Africa. While this may still sound like exploitation, it is several times what blacks make in black-ruled countries that lack substantial U.S. investment.

"And some of that is thanks to the American companies," the chief said. "They pay more, offer better conditions and local companies have to follow suit to be competitive in the labor market.

"But it's very important that your American companies, when they come here, do *more* than just invest. They must take an active role, not just a passive one. They should have a commitment to peaceful change in South Africa, which means more than being model employers, more than giving a good example, useful though that is. It means exercising influence wherever they can to promote peaceful change. If we don't have peaceful change here we're all too likely to have violent change, which none of us wants, not blacks, not whites, not Americans, not foreign investors—only certain groups that we both know."

I nodded. Chief Buthelezi kept coming back to the same theme: that those foreigners and local radicals who call for bloody revolution in South Africa are less interested in the welfare of the South African blacks than they are in proving a political point.

"I often wonder what those bloodthirsty gentry are really up to. I suspect that they are trying to stir up the pot down here, advocating policies that are likely to lead to violence, not for reasons that have much to do with our struggle for decent conditions but instead are projections of political—and indeed emotional—needs of their own. Their opinions seem to flow from *their* politics, *their* needs, *their* conditions, not from *our* conditions. I wish they would give vent to their talents on some other battlefield. They aren't benefiting my people.

"The first need of the impoverished black man is for money to feed his family and to permit him a little freedom of action. What kind of struggle for independence can you wage from a level of utter impoverishment? I am a student of history, and I know that in the past hunger has caused many revolutions. But it's also true that an army marches on its stomach.

"All too often your hard-liners in ivory towers abroad are playing into the hands of the right wing here. When they call for a slowdown of investment, or actual disinvestment, they call for an aggravation of exactly the conditions that we are struggling against. What we demand is a more equitable share of the benefits that investment—both foreign and domestic—is bringing about: education, jobs, human dignity. Things are improving, but they will slow down drastically if foreign investment dries up and a climate of peaceful change is replaced by one of fear."

South Africa is not Rhodesia, where 263,000 whites rule 6.6 million blacks; the South African whites are 4.3 million strong. They are not recent colonists; many of their ancestors arrived three centuries ago, at about the same time the ancestors of the present blacks moved into the then almost empty territory. The whites are well armed and determined, their backs to the wall. They are not going to be driven out or wiped out. Thus the only alternative to perpetual bloodshed is peaceful compromise. For saying so, Buthelezi has annoyed the extremists both of the left and the right. His retort to both sets of extremists: Your violent rhetoric makes compromise difficult.

"Already," said Chief Buthelezi, "the Afrikaners are feeling the wind of fear. Already, as one says here, they are drawing into the *laager* [an encampment protected by a circle of wagons], giving reactionary forces an excuse for repression. It's fear that makes them draw into the *laager*, fear that is the chief impediment to peaceful change. Certain carefully calculated pressures and influences from abroad are fine; but generalized expressions of hatred and encouragement to violence are disastrous.

"The different races here in South Africa know they need each other. The superliberals abroad don't understand that at all. We know that there can be no South African economy within which we can all prosper without the managerial and technical skills that the whites possess, or the jobs, advanced technology and other benefits brought in by foreign investment. It is a wild fantasy to suppose that if the whites were somehow driven away, the economy could function at all. Blacks are not ready to assume their positions, and won't be for a long, long time. The last thing my people want is to bring industry to a standstill.

"I do not, however, favor foreign investment on any terms. We want foreign investors who observe the Sullivan Code and other such codes of conduct and who work for economic and political change."

Buthelezi was referring to the code of corporate conduct promulgated by the Reverend Leon Sullivan, which has been generally accepted by U.S. firms operating in South Africa, whether directly or through affiliates. Its six points are the following:

1. Nonsegregation of the races in all eating, comfort and work facilities.

2. Equal and fair employment practices for all employees.

3. Equal pay for all employees doing equal or comparable work for the same period of time.

4. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other nonwhites for supervisory, administrative, clerical and technical jobs.

5. Increasing the number of blacks and other nonwhites in management and supervisory positions.

6. Improving the quality of employees' lives outside of the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

"By and large though," says Buthelezi, "American companies are leaders and are so recognized in this compaign. Their presence does a lot of good, in more than just the economic sphere. They pay exceptionally high wages and offer good conditions. As a result, the other companies have to raise wages and improve conditions to remain competitive in the labor market. Thus, the secondary results of your investment are very beneficial.

"I think of such companies as Ford, which has given a good example in providing housing and in eliminating discrimination in eating facilities, and of Amoco, which has provided loans for housing. Polaroid set up an excellent education fund, but then unfortunately left—under pressure—although the fund carries on. I was sorry Polaroid was pressured into withdrawing."

I asked Chief Buthelezi if he thought foreign firms should be encouraged to invest in the so-called black homelands rather than South Africa proper.

"I have a strong opinion on that," the chief replied. "I am opposed to the homelands policy. The homelands are a way for Pretoria to shed its responsibilities and to disenfranchise whole segments of the South African population. I don't want it to succeed. These are places, not just political concepts; they have people living in them—my people. And some of these areas are being bypassed by development.

"It's essential, in the interests of peaceful evolution here, that nobody be left behind and that every region should be included in the development process as far as possible. People must feel that they have a stake in the success of our country.

"As chief minister of KwaZulu I've been pushing for what I call 'tri' companies, which draw on local black businessmen, some white businessmen for their expertise and various forms of government support."

I mentioned that one of the problems of the "minority-owned" businesses encouraged by the American government had been that the availability of large amounts of easy money encouraged unsound projects. The system in the U.S. often favored entrepreneurs who were better at wire-pulling and filling out forms than at actually starting and running small businesses, an extremely difficult trick at best.

Buthelezi was intrigued by this point. "We're very conscious of the problem," he replied. "Pretoria wants us to get the whites out of the 'tri' companies as soon as practicable, but in my opinion that's a bad idea, and I'm opposing it. The important thing is to have the projects succeed, to create useful jobs for our people and to make needed products available at attractive prices. The skin color of the participants is irrelevant if they do the job, and besides, that approach is based of Pretoria's ideal of racial homogeneity for the homelands, which I oppose anyway. So to me it's a good thing if American firms come to South Africa, and best if they come to the undeveloped homelands, where they will get the warmest of welcomes.

"My friend Ambassador Andrew Young is hated and vilified by many people in South Africa, but I want to say that I think he is one of the greatest friends of my country, a great ally of *all* the people of South Africa, not just the blacks. He supports American investment here for the same reasons I do. He saw the same thing happen in your South that I want to see happen here: violence being defused by more and more people being drawn into the upward spiral of economic opportunity." (Andrew Young, queried by Forbes on the subject, turned silent. Said his press secretary: "Ambassador Young would be reluctant to comment at all." Has the usually voluble Young suddenly turned prudent? Or is he simply reluctant to antagonize his friends on the liberal left?)

"I challenge anyone to prove that the black people themselves are against American investment," Buthelezi continued. "Some of the Sowetoans and some of the banned leaders are, naturally. They're bitter, I understand that. But not the people who speak for a constituency. . . . Do you understand?" He looks at his interviewer intently. "Not the leaders who have to live with the consequences," he adds, "not those who speak for my people as a whole!"●

UKRAINIAN INDEPENDENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HUGHES. Mr. Speaker, I rise to salute the people of the Ukraine and to join with them in the commemoration of the 61st anniversary of their Proclamation of Independence. Each year on July 4, we celebrate the anniversary of our independence and the freedoms which our Founding Fathers enumerated. But for the people of the Ukraine there will be no celebrations, for these people will be marking this occasion under the yoke of Soviet oppression. The spirit of independence and the insatiable desire for freedom are very much in the hearts of these people, but the practice of these freedoms, which we take for granted each day, is far from their grasp.

The Ukrainians are a Slavic nationality group that has its own customs and language. Their universities are among the oldest and most famous in eastern Europe. Ukrainian farms produce one-fourth of the Soviet Union's meat and dairy products, and one-fifth of its grain. The Ukraine has rich mineral deposits, and about one-fifth of the steel and nearly one-third of the coal produced in the Soviet Union comes from the Ukraine.

On January 22, 1918, the Ukraine was declared an Independent Republic. But this independence was fleeting. During the next 3 years the Ukraine was invaded from all sides. The Ukrainian people fought gallantly against formidable military forces in the defense of the country, but they ultimately succumbed to the invasion and subjugation by the Russians. In 1922, the Ukrainian Soviet Socialist Republic was established.

The Soviet Union has severely limited the cultural and political activity of the Ukrainians. The years of suffering these people have endured under Soviet domination have been exacerbated by religious and national persecution, Russification and inhuman treatment. And yet, despite the attempts of the Russian Government to suppress the aspirations for independence and nationalism in the Ukrainian people, their struggle for freedom has been continuous and vigorous with the flame of hope burning as brightly as ever. Suppression and domination have not quelled the desire for independence in the hearts of these brave people nor arrested their prodigious efforts for freedom from foreign hegemony.

It is a great privilege for me to pay tribute to the courage, spirit and forcefullness these people have demonstrated in their struggle. I urge my colleagues to not merely reflect upon the past and present status of those under oppression; but to renew our conviction to secure for all mankind their basic inalienable rights. The subject of human rights has become a volatile international issue. But all signatory nations should be urged to comply with the Helsinki Accords which set forth basic ideals of human rights and individual freedoms. Let us make this anniversary more than a time of commemoration; let us make it a time of commitment with the intent of making waves in the sea of oppression which continues to engulf not only eastern Europe but also Southeast Asia and Africa. It is my hope that one day the spirit of independence and the reality of freedom will be inextricably linked for the people of the Ukraine, and that life, liberty, and the pursuit of happiness will become the birthright of all peoples.●

CHARLES W. HACKNEY RETIRES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DINGELL. Mr. Speaker, one of the most loyal and conscientious employees of the House of Representatives, Charles William Hackney, whom we all affectionately call Charlie, deserves our applause and commendation as he chooses to retire from service in the House.

We can sincerely say thanks to Charlie for his steadfast service, cooperation, and personal assistance he has provided us as majority reading clerk for 16 years, which is but half of his over 32 years of service as a House employee working on the floor of this Chamber with our colleagues. His dedication truly has been to the House.

I have a personal affection for Charlie. We both came up through the ranks in the House having begun our congressional experiences as pages and can easily claim we both know the system inside and out.

Charlie's career expanded to include service on the staff of the Democratic cloakroom and then as assistant manager of the cloakroom before becoming our reading clerk. Whenever the Chair announced, "The clerk will read," it was Charlie who always for the most part recited page after page of legislative citations in thousands of bills. He may very well hold the record of having had the most time on the floor.

It is, Mr. Speaker, with privilege that I insert my remarks on behalf of Charlie Hackney and take the opportunity to wish him and his family the very best for the future. I am sure he will be successful in any new adventure or career he seeks as his service has been excellent and he has earned the respect of the House and its Members.●

PRESIDENT'S BUDGET REPRESENTS A SETBACK FOR ADEQUATE FUNDING FOR ELDERLY SOCIAL AND HUMAN SERVICES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. BIAGGI. Mr. Speaker, as the chairman of the Subcommittee on Human Services of the House Select Committee on Aging, I would like to outline the adverse impact of the President's proposed supplemental and fiscal year 1980 budgets on the Older Americans Act programs.

As an original cosponsor of the Older Americans Act Amendments of 1978 as well as a member of the House Education and Labor Committee and finally as a conferee, I am proud of the final bill. My role in the drafting and enactment of the amendments was direct and had followed many months of oversight hearings and conferences on the then current programs. Those hearings identified inadequate funding as the No. 1 shortcoming of the act. After many debates the final legislation passed by Congress contained adequate authorization levels totaling $4 billion over the next 3 years.

The Older Americans Act programs range from social services to nutrition services; from employment opportunities to research. As a conferee, I can attest to the fact that the final authorization levels were prudent and reflected funding levels absolutely necessary to fulfill the mandate of the act.

The fiscal year 1979 appropriations for the Older Americans Act programs are funded under a continuing resolution that makes funds available at the fiscal year 1978 level of $709 million. The resolution does not make allowances for inflation; nor does it provide for those programs first authorized in 1979.

The President's fiscal year 1980 budget request contains a supplemental appropriation request for fiscal year 1979. That supplemental requests a paltry $12 million for Older Americans Act programs in fiscal year 1979. Simple arithmetic tells us that the $12 million averages out to 50 cents per senior.

The following chart compares the appropriation, authorization, and President's budget request levels:

[In millions]

OAA program:	1978 appropriation	1979 authorization	1979 supplemental	1980 authorization	1980 budget request
Title III:					
State administration	$19	--------	$3.5	--------	$22.5
Social services	153	$300	3.97	$360	196.57
Nutrition:					
Congregate	250	350	4.5	375	277.5
Home delivered		80	0	100	0

In order to demonstrate how these figures translate into services, I figured that the $4.5 million supplemental budget request for nutrition services in fiscal year 1979 would provide approximately 6,900 meals per day. With 800,000 currently on the waiting list and over 3,000,000 homebound citizens not receiving federally supported meals, it does not take long to figure out the $4.5 million is inadequate.

The President's budget request for fiscal year 1980 does not offer any comfort. Funding for the most important initiative included in the 1978 amendments is completely missing. Funding requests for the social services and congregate programs each fall approximately $100 million short of the respective authorized levels.

I propose to reverse this situation. When the supplemental appropriations bill is introduced to Congress, I will move to amend it to make it more realistic and reflective of the will of Congress as demonstrated in the Older Americans Act Amendments of 1978. My amendments will seek full funding of this legislation, which is the sole social services statute designed exclusively for this country's 23 million senior citizens.

I agree that the goal of reduced spending is laudable; however, I question the priorities used to determine reductions. We must avoid having the elderly, who are already vulnerable to the high cost of living, set up to bear the brunt of budget cuts.

In our passion for economy let us not economize on compassion for those in need.●

UKRAINIAN INDEPENDENCE

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. LEDERER. Mr. Speaker, I would like to take this opportunity to ask my colleagues to join me in commemorating the 61st anniversary of Ukraine's independence.

Mr. Speaker, the term independence is one that is dear to the hearts of the 50 million Ukrainians who suffer under Russian domination. The Ukrainian nation is a proud one, proud of their culture, heritage and belief in human rights. They have a fierce desire to throw off the bonds of Soviet oppression which runs counter to these rights.

Mr. Speaker, here in the United States, we also have a long and strong tradition of support for human rights. Domination by any foreign state would be considered an intolerable condition here. President Carter has stated that human rights are the soul of U.S. foreign policy. However, human rights must be given an expanded meaning in U.S. foreign policy. Not only must individual and civil rights be an integral and forceful element of our policy, but so must national rights. National rights, the freedom for a nation of people to live as they wish, without fear of reprisals cannot be denied in any sensible human rights policy.

Mr. Speaker, above and beyond all else, the Ukraine nation suffers from a lack of national rights. Russian oppression is designed to deny the Ukraine people any hope of independence as a nation, even going so far as to run campaigns against the Ukrainian Orthodox and Catholic churches.

Mr. Speaker, as a Member of the U.S. Congress and as a strong believer in human rights, including national rights, I ask my colleagues to join with me in voicing our support for the independence of the Ukrainian nation on their 61st anniversary.●

MILITARY FOSTER CARE REFORM ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MILLER of California. Mr. Speaker, today I am introducing legislation to alter existing policies of the Defense Department which severely inhibit the placement of foster children with military families. These policies result in a drastic reduction in the potential pool of foster homes in areas of large military concentration, thereby increasing the likelihood of inappropriate, overly costly placement, often at distances from the natural home which are greater than necessary or beneficial to the child.

Current military policy draws distinctions between foster children residing in a military household, on or off base, and natural or adopted children. Foster children are not extended the full military benefits of medical and quartering expenses. This creates enormous financial disincentives against a military family's taking in a foster child.

The result of the Defense Department rulings is that many children are needlessly warehoused in institutions or boarding homes. Often children are simply denied care away from their families when they may be desperately in need of such care. Through a variety of surveys and studies, we know that as many as two-thirds of the children in foster care, regardless of the state studied, are in inappropriate placements. In addition, the paucity of available foster homes prohibits placement of the child near his natural parents, which studies have

shown makes even more difficult the eventual return of the child to his family.

The inadequate supply of foster homes contributes to the existing disproportionate allocation of funds for foster care. Institutional care is the most expensive form of child care. In New York City alone, the State comptroller pointed to excessive expenditures of $233,000,000 resulting from inappropriate placements.

My bill would facilitate the placement of foster children with military families. It would extend the full benefits of medical and quartering expenses to dependent foster children who are eligible to receive maintenance costs under title IV-A of the Social Security Act. In addition to providing these essential benefits to foster children, my legislation would eliminate inequities stemming from the restricted issuance of military base identification cards. Currently, the foster child is subject to daily discrimination when entering military confines or using base facilities.

These practices are unfair and unwarranted. In areas of the country with large concentrations of military personnel, they handicap local foster placement efforts and encourage antifamily policies. I invite other Members to cosponsor this legislation.

H.R. —

A bill to amend title 10 and title 37 of the United States Code to provide that a foster child of a member or former member of a uniformed service shall receive the same benefits provided a natural-born child, stepchild, or adopted child, of such member or former member

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1072(2)(E) of title 10, United States Code, is amended by inserting ", a foster child," immediately after "adopted child".

SEC. 2. Section 401(2) of title 37, United States Code, is amended by inserting "a foster child;" immediately after "an adopted child;".

SEC. 3. Section 551(1)(B) of title 37, United States Code, is amended by striking out "or adopted child" and inserting in lieu thereof ", adopted child, or foster child".●

UKRAINIAN INDEPENDENCE DAY

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GREEN. Mr. Speaker, New York City has long been America's welcome mat to individuals from throughout the world seeking a better life in a free country. While many of us share that heritage, at times we need to be reminded that the opportunity our forebears had is denied to millions of others. Though we may forget, the dreams of freedom live on in the hearts of all of these people, and they courageously live for the day when that opportunity will be theirs.

Such a group are the Ukrainians, who are celebrating both in the United States and in the Soviet Union the 61st anniversary of their former independence from Russia and Communist rule. While that independence was short lived, its spirit remains—it remains in those locked up in Soviet prisons, in those unable to live freely in their own land, and in their families in the United States and other nations who look to us for support in reuniting them with their loved ones.

Despite Russian attempts to repress their national identity, the Ukrainian people have remained a proud people, rich in heritage and tradition. They heroically have refused to succumb to the cultural genocide practiced by the Soviets.

The Ukrainian community everywhere should know that the United States stands behind them in their continuing fight for freedom.●

A CONSTITUTIONAL AMENDMENT TO BALANCE THE FEDERAL BUDGET

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. FITHIAN. Mr. Speaker, I am introducing a joint resolution proposing a constitutional amendment to balance the Federal budget—an amendment which recognizes the need to balance the budget while remaining reasonably flexible to meet potential recessions as well as human and national security needs.

The Federal budget has been balanced in only 8 of the 33 years since the Second World War and only once since 1961. During the 1970's, budget deficits have substantially increased, averaging $41 billion per year.

The turbulent economy of the 1970's has been escalating inflation, at times even in double-digit figures, soaring interest rates, rising Government spending, and a shrinking amount of capital formation funds. The purchasing power of the dollar has been cut in half since 1967. Sluggish economic growth coupled with unfavorable trade balances and a disastrously weakened dollar in foreign money circles have been disruptive forces in the economy. By balancing the budget in a reasonable and flexible manner it might be possible to stabilize the economy, encourage economic growth, and bring more discipline to our economic priorities.

A constitutional amendment for a balanced Federal budget has won the overwhelming support of the American people. Assorted public opinion polls demonstrate that more than three-fourths of the American people support a constitutional amendment. At present at least 26 States have requirements for a balanced budget. In addition, 22 States have urged Congress to adopt a balanced budget and about 16 States have requested a constitutional convention for the purpose of drafting a balanced budget amendment. If 34 States petition for a constitutional convention, an unprecedented and unpredictable convention may result. The time for Congress to act is now—now, before such a convention is thrust upon the Nation. It is imperative that the Congress be more responsive to the desires of the American people for fiscal restraint, spending limitations, and a balanced budget. Congress can do this, and the American people insist that it be done.

The escalation of Federal spending in the 1970's, combined with mounting billion dollar deficits and rapid inflation, has stimulated numerous proposals to balance the budget both in the 96th Congress and in previous years. Some mandate a balanced budget, but require a systematic repayment of the national debt. Some require the imposition of an income surtax to raise whatever additional revenues may be necessary to balance the budget. Some place a ceiling on Government expenditures, providing that appropriations shall not exceed 33⅓ percent of the average national income of the previous 3 calendar years. Some link increased Federal spending to the percentage increase in the gross national product. Some restrict an unbalanced budget only to times of war or national emergency, providing little or no flexibility. Some allow an unbalanced budget whenever the Congress, by a two-thirds vote, deems it necessary.

Each of these proposals has some merit and scattered support around the country. After a comprehensive review of the various alternatives, I am today proposing a different approach—a realistic but flexible proposal to balance the Federal budget while combating recession and meeting human and national security needs.

Since I believe that the Constitution should not contain statute-like verbiage, the language of my amendment is succinct and deals only with a balanced budget. It is not tied to repayment of the national debt or to tax and spending programs per se. It centers the budget authority with the Congress, giving it the power to estimate revenues and expenditures.

The resolution which I introduce today proposes a constitutional amendment to balance the budget, except in times of war or a state of national emergency as declared by a two-thirds vote in the Congress. It allows a budget deficit of up to 2 percent of the revenues projected by the Congress in any given year but provides that this temporary deficit be fully repaid within 5 fiscal years. Upon ratification of this amendment, there would be a 3-year delay in implementation to allow the Government adequate time to make the necessary economic adjustments required to balance the budget. This amendment constructively deals with the basic problem of deficit financing and does so with the reasonableness and flexibility required of so fundamental a change in our Constitution.

This flexible constitutional amendment does not require a balanced budget in every fiscal year but allows the Congress to make critical decisions on a yearly basis. Flexibility is an essential ingredient of the budget process due to the extreme difficulties in calculating revenues in any given year. Economic circumstances fluctuate frequently, resulting in increases or decreases of anticipated revenue, and Congress must have the constitutional flexibility to deal with

such fluctuations to meet pressing human needs or maintain national security.

This amendment contains an important ingredient which other proposals have not considered. By allowing a 2 percent deficit in any given fiscal year, without a declaration of war or national emergency, this constitutional amendment has a built-in flex clause that permits the Congress to adjust the Federal budget to changing economic conditions or accommodate shortfalls in anticipated revenues. Under the provisions of this flex clause, the amendment would have permitted a budget deficit of about $10 billion in fiscal year 1979. From 1946 to 1970, only 3 years—1946, 1959, and 1968—had budget deficits larger than $10 billion. Only in the 1970's did the Nation almost consistently pile up huge deficits. During the 1980's the budget receipts and outlays will increase sharply and the 2 percent fixed flex clause will allow deficits larger than $10 billion if needed.

The flex clause is not, however, a loophole by which Congress could substantially increase Federal deficits and defeat the ultimate purpose of balancing the budget. The most critical aspect of the flex clause is the payback proposal. Under this amendment, any deficits accumulated under the 2 percent deficit provision would have to be paid back by including them as budget obligations within the 5 succeeding fiscal years. Thus, the Federal Government assumes the ultimate responsibility to put its own fiscal house in order and balance the budget. By allowing 5 years, it provides the flexibility to adjust to recessions or other economic consequences without declaring a national emergency. If the Nation were to face a severe 1930's-type depression, it would, however, be a national emergency subject to the provision permitting deficits upon two-thirds vote of the Congress.

The payback provision of the flex clause will provide a reasonable structure by which the executive and legislative branches must exercise self-discipline and make the necessary decisions to cut outlays and/or increase revenues. The 5 year time period is certainly enough time for Congress to make these critical decisions.

The flex clause could be implemented by a majority vote in Congress and would not require a two-thirds or three-fourths vote. Consequently, a small minority of one-third plus one could not thwart the will of the majority, and the Congress could vote this temporary deficit if it were deemed necessary.

This constitutional amendment with a built-in flex clause would neither disrupt the existing congressional budget procedures nor require alteration of the Budget Act. It could be implemented simply. The annual vote on the second budget resolution could serve as the final congressional determination on a balanced Federal budget. By majority vote, the Congress could favor a deficit in a given year. Consequently, the second budget resolution could serve as the device to implement this proposed constitutional amendment.

This amendment also has another degree of flexibility. Some amendments require immediate implementation, a process which is probably impracticable. This amendment provides for its implementation within the third fiscal year after ratification by the States, thus allowing an adequate adjustment time. The time needed to pass both Houses of Congress with the required constitutional majority and secure ratification by three-fourths of the States, plus the 3-year implementation delay, would give Congress and the President adequate time to adjust to the concept of living within our national means.

This amendment also plugs a major loophole neglected by other constitutional proposals. By utilizing the term total expenditures of government, as opposed to a budget term like outlays, the amendment includes both on-budget items and off-budget items. Off-budget items were created in 1973 and showed an additional deficit of $60 million that year. By 1975, the total had skyrocketed to $8.1 billion and jumped to $11.5 billion for 1978. The estimate for 1979 is $12.5 billion. These figures undoubtedly will climb in the 1980's unless remedial action is taken.

Except for the Board of Governors of the Federal Reserve and foreign transactions of the Exchange Stabilization Fund, all other off-budget agencies should be included in the budget process and expenditures for them ought to be included in the total expenditures of government. Consequently, the Postal Service, the Rural Electric Administration, the Rural Telephone Bank, the United States Railway Association, and others would again be included as part of the Federal budget. This amendment, therefore, would prevent the situation in which agencies and programs could be transferred on and off the budget. It enables the American people to get a truer picture of what their Government is really spending.

In addition, this amendment confirms the existing budget procedure of treating capital expenditures and military public works as part of a unified budget and prevents the adoption of a separate capital budget, a procedure many States have followed to give the appearance of a balanced budget.

Many critics argue that it is not possible to balance the Federal budget while providing the necessary human and national security needs. Others consider such a proposal a throwback to the horse-and-buggy days of President McKinley. Still others dismiss it as a conservative, even right-wing proposal not feasible in the post-World War II era. I differ strongly with these assumptions.

One does not have to look too far back into history to find a courageous political leader who achieved balanced budgets in turbulent times and who met not only the human needs of the era but implemented numerous national security programs. The leader is a man I greatly admire—President Harry Truman. During the Truman administration the United States went through a difficult post-war economic adjustment period with social and economic turmoil and great inflation. In the area of foreign affairs, the United States under Truman undertook the rebuilding of Europe via the Marshall plan, provided international security by creating NATO, provided the wherewithal to fight the Korean war, dealt with the Soviet threat, enlarged our role in China, and undertook some far-reaching domestic programs. Despite these obstacles, President Truman did balance the budget during 4 of his 7 years in office. Between 1946 and 1952 Truman actually showed a total budget surplus of more than $2 billion. If President Truman could balance the budget while meeting human and national security needs in difficult, turbulent times, so can we. With discipline, courage, and the will to address a reordering of our national priorities, today's leaders, I believe, can achieve this goal. It is my hope that the passage of this constitutional amendment will provide a structure by which future leaders will act responsibly to curb excessive spending and balance the Federal budget. We as a nation cannot continue to mortgage the future by simply piling one deficit upon another. Reason, sanity, and fiscal responsibility must prevail.

Budgets during the Truman administration [1]

Year	Deficit	Surplus
1946	−$15,856	
1947		$3,862
1948		12,001
1949		603
1950	−3,112	
1951		6,100
1952	−1,517	
Total	−20,485	22,566

[1] Figures are in millions of dollars.

I am hopeful that the Government will conduct a disciplined analysis of priorities and make the courageous, though unpopular, decisions necessary to balance the budget. When opinions differ on the merits of program X or project Y, it is easily expedient to compromise by funding both and piling up the deficit. This trend must be reversed if the Nation is to achieve a balanced budget.

While not central to the arguments for or against a constitutional amendment, I believe that those who propose such an amendment to balance the budget have a moral obligation to suggest what areas the Congress might consider targeting to either reduce spending or increase revenues. I would like to suggest several potential areas for reducing Federal expenditures or increasing revenues. These target areas include: First, reduction of wasteful and ineffective Federal programs; second, elimination of fraudulent Federal payments; third, reduction of Federal regulations; fourth, reduction of aid to State and local governments; fifth, selective cuts in national defense budget to eliminate waste and cost overruns, and sixth, increase in revenue by revising the Tax Code and closing loopholes to reduce tax spending.

I am sure that other target areas could and should be added to this list. But I believe they are a starting point. I am not suggesting that budget changes in any one of the target areas will instantly create a balanced budget. Working with-

in reasonable political and economic constraints, it might be possible to make budgetary changes in each of these areas and perhaps others so that the cumulative effort would result in a balanced Federal budget. A courageous but unpopular program-by-program analysis of the budget, aided by a balanced budget structure mandated by a constitutional amendment, should result in balancing revenues with expenditures in the 1980's. I would like to sketch the prospects of altering the budget in each of these target areas.

A target for potential reduction in Federal spending would be the numerous wasteful and duplicative Federal programs. Congress and the executive branch tend to pile one program upon another without adequately addressing the fundamental question of whether or not these programs ought even to exist. If the Congress adopted sunset provisions, agencies and programs would be automatically terminated every few years unless they were reauthorized by Congress. It would force a regular review of spending priorities, eliminate waste and overlap, and stop the proliferation of unneeded programs. I believe the American people are telling us to reduce spending and enhance our effort against our most pressing problem—inflation. Government must be more efficient and less expensive.

Another target for reducing Government expenditures is the elimination of fraudulent Federal payments. At the Department of Health, Education, and Welfare, top officials admitted last year that approximately $1.5 billion is lost annually as a result of fraud and waste. Overpayments and fraudulent payments for medicare and welfare must be eliminated. Educational loans must be repaid. The Government must determine where the money is going and how the drain can be stopped. Widening reports of payoffs for lucrative contracts from the General Services Administration indicate the need for a thorough examination of Government agencies with contracting authority. The passage last year of legislation establishing offices of Inspector General in executive departments and agencies will strengthen the ability of the Federal Government to audit and investigate programs and operations. A rigorous investigation by the Inspector General will help.

Another target area for reducing Federal expenditures is the need to eliminate unneeded Government regulations. Each year the Federal Government publishes some 10,000 new regulations which have the force of law. Millions of man-hours are expended and thousands of Federal employees become involved in writing, interpreting, and enforcing these regulations. By reducing or even eliminating some of these regulations, it is possible to save the Federal Government millions of dollars and better allocate the Federal work force.

One area of the Federal budget which has escalated dramatically in the last 40 years have been Federal aid to State and local governments. In 1940, the Federal Government gave only $872 million to State and local governments—9.2 percent of the budget and 0.9 percent of the gross national product. By 1949, it had climbed to $18 billion or 48 percent of the budget and 0.7 percent of the GNP. In 1959 the Federal Government contributed $6.4 billion, or 7 percent of the budget and 1.4 percent of the GNP. Ten years later, the amount had climbed to $20 billion, or 11 percent of the budget and 2.2 percent of the GNP.

Since 1972, Federal aid to State and local governments has more than doubled. In 1972, aid was $34 billion. On January 17, 1979, the Treasury Department announced that Federal aid would reach nearly $78 billion this year. This huge increase made Federal aid to the State and local governments one of the fastest growing portions of the Federal budget, outpacing even costs of social security benefits and national defense spending. These huge expenditures require a more careful analysis.

I am not suggesting that the Federal Government take a meat ax to programs of State and local government. I am not suggesting that revenue sharing be terminated or that deep cuts be made in health, education, or transportation programs. If we are to reasonably approach the task of reducing Federal spending and achieving a balanced Federal budget, though, I think it is important to reevaluate and reexamine some of the Federal aid programs to State and local governments and cut those programs where possible. Some programs are no longer needed and can, therefore, be eliminated.

It would be easy to say, let us slash the aid to State and local governments and balance the budget. It is easy to point out that the aid to these governmental units substantially exceeded the national deficit in the past few years and that the Nation could balance the budget by eliminating this aid. It is equally demagogic for the States to cut taxes and to balance their budgets while holding out their hands for Federal aid. Last year, the non-Federal governmental units ran up a surplus of nearly $30 billion, while the Federal deficit plunged to more than $70 billion. The Federal portion of the State and local budgets has almost doubled since 1960, from less than 15 percent to almost 30 percent. It is this trend that must be halted and turned around if we are to accomplish a balanced Federal budget in the 1980's.

While many critics have considered the national defense budget sacred, I believe that it can be selectively pared by reducing wasteful and unneeded programs, by eliminating cost overruns on weapons systems, by reducing the number of military brass in the Armed Forces, and by carefully evaluating future retirement programs and benefits. Recent studies point out that our military forces have a higher proportion of brass to soldiers than we had at the peak of World War II—meaning that we were probably paying for too many admirals and generals in the Pentagon and not getting enough military strength for the dollars we spend.

While spending may be reduced, it is also possible to increase revenue by obtaining tax reform and altering the tax code. Loopholes, tax preferences, tax incentives—call them what you will—usually mean only one thing: lower taxes for a preferential few and higher taxes for the rest. Closing these tax loopholes will not be easy, but a stab must be made. If we can succeed in eliminating unfair tax breaks for the priviledged few, we as a nation can make the tax system more equitable, increase Federal revenues, and balance the budget.

Another target area for the increase of revenues is the need for reductions in tax spending. In fiscal year 1980 almost 100 separate tax expenditures programs will result in a loss of about $150 billion in revenue or 28 percent of the current services budget. Tax expenditure programs have more than doubled since 1971, with total revenues lost increasing at a rate of 141 percent. In the past these programs have enjoyed a preferred status. I suggest that these programs be subjected to the same analytical decisionmaking process and priority basis as all current spending programs are. Perhaps we need to examine the basic tax spending programs in education, housing, employment, health care, nutrition, income security, and other areas. It is important that the Government undertake a comprehensive review of all Federal spending programs, including the need for reductions in tax spending. Increasing revenue, as well as cutting spending, is necessary if we as a nation are going to achieve a balanced budget.

In conclusion, the amendment I am introducing today will establish a reasonable means of balancing the Federal budget while providing flexibility to deal with shifting economic circumstances, human needs, and national security. It will create a structure by which Government can make a disciplined analysis of expenditures and revenues, perhaps on a program-by-program basis, and make the courageous decisions necessary to balance the budget.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Judiciary and the Budget Committees to hold indepth public hearings on this important constitutional amendment. The text of the resolution follows in the RECORD.

H.J. RES. —

Joint Resolution proposing an amendment to the Constitution of the United States to limit the expenditure of Government funds during any fiscal year to the total revenue of the Government as projected by the Congress for such year

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE

"SECTION 1. Except as provided in section 3, the total expenditure of Government funds during any fiscal year shall not exceed the total revenue of the Government as projected by the Congress for that fiscal year.

"SEC. 2. The provisions of section 1 shall not apply with respect to any fiscal year during any part of which the United States is in a state of war declared by the Congress pursuant to section 8 of article I of the Constitution or any fiscal year during which the Congress, by a vote of two-thirds of each House, adopts a joint resolution stating that a national emergency requires the suspension of the application of section 1. This joint resolution shall not be effective unless approved by the President.

"SEC. 3. The total expenditure of Government funds during any fiscal year may exceed the total revenue of the Government as projected by the Congress for that fiscal year by two percent of the total revenue of the Government as projected by the Congress for that fiscal year.

"SEC. 4. If the total expenditure of Government funds during any fiscal year exceeds the total revenue of the Government for that fiscal year, the resulting deficit shall be extinguished by the end of the fifth fiscal year after the fiscal year in which that deficit occurs.

"SEC. 5. If the total revenue of the Government during any fiscal year exceeds the total expenditure of Government funds for that fiscal year, the resulting surplus shall be deemed revenue of the Government for the following fiscal year.

"SEC. 6. As used in this article, expenditure of Government funds shall not include any expenditure for the redemption of bonds, notes, or other similar obligations of the Government, and revenue of the Government shall not include any revenue derived from the issuance of bonds, notes, or other similar obligations of the Government.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 8. This article shall take effect on the first day of the third fiscal year beginning after the date of the adoption of this article."●

ECONOMIC ADJUSTMENT ASSISTANCE AND DEFENSE SPENDING

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. WEISS. Mr. Speaker, one of the most formidable obstacles to effective arms control initiatives is the argument that cutbacks in defense spending will cause serious economic dislocation. The cause of world peace and mutual disarmament is hindered by fears that the conversion of military facilities to peaceful purposes will result in significant job losses and industrial disruption.

To counter these claims and to facilitate a smooth transition from unnecessary defense activity to essential human service production, I am today introducing a Defense Economic Adjustment Act. This legislation represents a sound method of encouraging arms limitation and promoting both economic expansion and the national welfare.

My bill provides economic assistance to those communities, industries and workers affected by reductions in defense expenditures. The legislation would create a Defense Economic Adjustment Council in the Executive Office of the President and would establish an economic adjustment trust fund to finance conversion of defense facilities to peaceful production. Alternative use committees would be formed under the bill to undertake careful economic planning and research. Workers displaced by reductions in defense contracts would receive financial assistance and employment training under my bill.

The Defense Economic Adjustment Act is an essential step toward a more secure world and a more prosperous America. There are currently 24 cosponsors of the legislation—listed below—and I invite our other colleagues to join in this effort to accomplish the urgent goals of arms limitation and socially and economically beneficial production.

H.R. —

A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been substantially and seriously affected by reductions in defense contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realign defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Economic Adjustment Act".

DECLARATION OF PURPOSE AND POLICY

SEC. 2. (a) The Congress finds and declares that the United States during the past two and one-half decades made heavy economic, scientific, and technical commitments for defense; that these commitments led to the development of specialized skills and business practices not directly applicable in the civilian sector of the economy; that as these commitments are modified to take account of changing requirements for national security and domestic needs, careful preparation is necessary if serious economic dislocations are to be avoided; and that the economic ability of the Nation and of management, labor, and capital to adjust to changing security needs is consistent with the general welfare of the United States.

(b) It is the purpose of this Act to provide the means through which the United States can promote orderly economic adjustment which will (1) minimize the dislocation of workers, communities, and industries, (2) assure that the dislocations do not compound recessionary trends, and (3) encourage conversion of technologies and managerial and worker skills developed in defense production to the service of projects in the civilian sector.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Council" means the Defense Economic Adjustment Council established under section 101 of this Act.

(2) "Defense agency" means the Department of Defense, the Energy Research and Development Administration, or the National Aeronautics and Space Administration.

(3) "Defense contract" means any contract entered into between a person or nonprofit organization and a defense agency to furnish defense material or services to such agency, and any contract entered into between a person or nonprofit organization and any foreign country or person acting on behalf of a foreign country to furnish defense material or services to or for such country pursuant to the Arms Export Control Act or similar Act.

(4) "Defense contractor" means any person having not less than 5 per centum of the organization's labor force engaged in the furnishing of defense material pursuant to the terms of the defense contract or subcontract and for whom such contract or contracts, including any under negotiation, represents more than 20 per centum of the total plant business.

(5) "Defense facility" means any private plant or other establishment (or part thereof) used under a defense contract or engaged in the production, repair modification, maintenance, storage, or handling of defense material, or any Government-owned military facility such as a base, fort, shipyard, or depot.

(6) "Defense material" means any item of weaponry, munitions, equipment, or specialized supplies or services intended for use by a defense agency or for sale to or for the use of a foreign country which has primarily military application.

(7) "Defense service" means the research, development, production, test, inspection, or repair of any defense material for use by a defense agency or pursuant to a defense contract.

(8) "Displaced" or "displacement" means with respect to any worker of a defense facility or defense agency the separation, on a permanent or temporary basis, of such worker from employment with such facility or agency.

(9) "Fund" means the Workers Economic Adjustment Reserve Trust Fund established by title III of this Act.

(10) "Person" means any corporation, firm, partnership, association, individual, or other entity.

(11) "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(12) "State agency" means the agency of a State which administers its unemployment compensation law, approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(13) "Substantially and seriously affected" means any community in which more than 5 per centum of its labor force is directly employed by a defense facility or contractor in furnishing specialized materials or services under a defense contract.

TITLE I—DEFENSE ECONOMIC ADJUSTMENT COUNCIL

ESTABLISHMENT

SEC. 101. (a) There is established in the Executive Office of the President the Defense Economic Adjustment Council which shall be composed of—

(1) the Secretary of Commerce;

(2) the Secretary of Labor;

(3) the Secretary of Health, Education, and Welfare;

(4) the Secretary of Housing and Urban Development;

(5) the Secretary of Transportation;

(6) the Chairman of the Council of Economic Advisers;

(7) six representatives of the business-management community who represent nondefense business to be appointed by the President; and

(8) six representatives of labor union organizations to be appointed by the President.

(b) The Secretary of Commerce shall be Chairman of the Council, shall preside over meetings of the Council, and shall designate a member of the Council to preside in the absence of the Chairman.

(c) (1) An Office of Economic Adjustment shall be established within the Executive Office of the President to provide staff support for the Council with a maximum staff size of fifteen. The Office shall be headed by an Executive Secretary who shall be appointed by the President (after consultation with the Council) and who shall be compensated at the rate provided for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(2) The members of such staff and any task force established by the Council shall include marketing specialists, production

engineers, plant layout experts, urban planning experts, and manpower training experts. At the request of the Council, the staff and any task force established by the Council shall carry out such duties as the Council may prescribe.

(3) The Council may appoint and fix the compensation of such personnel as it deems advisable. The Council may procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code.

(4) The Council is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics to carry out this Act, and each such entity shall furnish such information, suggestions, estimates, and statistics directly to the Council upon request made by the Chairman.

(d) Members of the Council who are officers or employees of the Federal Government shall receive no additional compensation by virtue of membership on the Council. Other members appointed to the Council shall receive compensation at the rate of not to exceed $135 per diem when engaged in the performance of duties of the Council. While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

DUTIES

SEC. 102. (a) The Council shall—

(1) encourage the preparation of concrete plans for civilian-oriented public projects addressing vital areas of national concern (such as mass transportation, housing, education, health care, environmental protection, renewable energy resources, et cetera) by the various civilian agencies of the Federal Government, as well as by State and local governments;

(2) supervise the establishment in the Department of Labor of a Job Information Bank intended to coordinate State, local, and Federal employment services so as to serve as a resource on civilian job information for workers released from defense-related employment as a result of the shifting or reduction, or both, of defense-related expenditures;

(3) prepare suggestive lists, by geographic region and area of specialization, of organizations and individual consultants in fields such as marketing, facilities design, organization, production engineering, and engineering economy whose major professional experience has been in civilian-oriented activity, and furnish such lists to local Alternative Use Committees upon their request, without explicit or implicit endorsement of the personnel so listed;

(4) prepare and distribute a Conversion Guidelines Handbook, not to exceed three hundred pages in length, which shall—

(A) include a discussion of the basic problems involved in the retraining, reorientation, and reorganization of personnel (managerial, technical, administrative, and production) and the redirection of physical plants for efficient, civilian-oriented productive activity;

(B) outline the basic requirements of programs for professional retraining of managerial personnel in order to reorient them to the management of civilian, market-oriented enterprise;

(C) outline the basic requirements for a program of professional retraining of technical personnel in order to effectively reorient them to the prevailing conditions of research, product design, and production operations within civilian-oriented facilities;

(D) outline the basic requirements for the length and nature of occupational retraining for production workers and junior level administrative employees;

(E) include illustrative case studies of successful conversion to efficient civilian-oriented production, or references thereto;

(F) provide a checklist of critical points requiring attention at each stage of the conversion process;

(G) contain an annotated bibliography of conversion related works; and

(H) be revised, as necessary, every two years; and

(5) perform such other duties as are imposed upon the Council by this Act; and

(6) promulgate such regulations as may be necessary to carry out the provisions of this Act.

TITLE II—ALTERNATIVE USE COMMITTEES

ESTABLISHMENT

SEC. 201. (a) There shall be established at every defense facility employing at least two hundred persons, and at every business concern having at least 20 per centum of gross revenue due to business resulting from any defense contract or contracts, an Alternative Use Committee to undertake economic conversion planning and preparation for the employment of the personnel and utilization of the facilities in the event of a reduction or elimination of any defense facility or the curtailment, conclusion, or disapproval of any defense contract, resulting in substantial and serious unemployment.

(b) In the case of a defense facility that is a Government military installation, the Alternative Use Committee shall consist of at least nine members, an equal number of whom shall (1) be designated by the base commander, (2) represent the civilian employees of the installation, and (3) represent the local community and interested citizens as designed by the chief executive officer of the local government of the community, but shall not include any individuals employed at the military installation.

(c) (1) In the case of a defense facility that is not a governmental military installation, and of any defense contractor subject to subsection (a), there shall be included in each defense contract provisions to assure that an Alternative Use Committee is established in accordance with the provisions of this subsection.

(2) The Alternative Use Committees shall consist of at least nine members, an equal number of whom shall be named by—

(A) the management of the facility,

(B) the nonmanagement employees of the facility, and

(C) the chief executive officer of the local community government, representing the local community, interested citizens, but shall not include any individuals employed at the defense facility.

(d) The funds for performing the planning and reporting requirements imposed under this title as applied to defense contractors, including market research, independent studies, and the employment of specialized personnel, shall be paid from funds derived from the military contract or base operating costs at a rate equal to $50 per employee per year in the first year and $25 per employee per year in subsequent years. Office space shall also be provided by the management of the facility, without charge.

FUNCTIONS OF THE ALTERNATIVE USE COMMITTEES

SEC. 202. (a) The Alternative Use Committees shall—

(1) evaluate the assets of the defense facility and the resources and requirements of the local community in terms of physical property, manpower skills and expertise, accessibility, environment, and economic needs;

(2) develop and review at least once every two years detailed plans for the conversion of the facility to efficient, civilian-oriented productive activity to be carried out in the event the facility is substantially and seriously affected by a Government decision to reduce, modify, or close the facility, conclude any defense contracts, or disapprove a license to sell or export defense materials to nongovernmental parties;

(3) provide occupational retraining and reemployment counseling services for all employees to be displaced by the implementation of a conversion plan or closing of the facility, beginning eighteen months before the date of commencement of the implementation of that plan or the permanent closing of that facility; and

(4) dissolve itself and return all of its assets to the control of the management of the facility immediately upon final completion of the conversion process.

ADMINISTRATIVE PROVISIONS

SEC. 203. (a) The Alternative Use Committees may hire staff personnel as well as any specialists it may determine necessary.

(b) The Alternative Use Committees are authorized to obtain a complete and detailed inventory of all land, buildings, capital equipment, and other equipment, including its condition, and are authorized to obtain information regarding the occupations and skills of all civilian employees of the facility.

CONVERSION PLANS

SEC. 204. (a) The conversion plans shall—

(1) be so designed as to maximize the extent to which the personnel required for the efficient operation of the converted facility can be drawn from personnel with the types and levels of skill approximating skill levels and types possessed by civilian personnel employed at the defense facility prior to its conversion;

(2) specify the numbers of civilian personnel, by type and level of skill, employed at the facility prior to conversion, whose continued employment is not consistent with efficient operation of the civilian-oriented converted facility;

(3) specify the numbers of positions, by level and type of skill, if any, that will be needed at the converted facility because personnel employed at the preconverted facility do not possess the levels or types of skills required;

(4) indicate in detail what new plant and equipment and modifications to existing plant and equipment are required for the converted facility;

(5) include an estimate of financing requirements and a financial plan for the conversion; and

(6) provide for completion of the entire conversion process within a period not to exceed two years.

TITLE III—ECONOMIC ADJUSTMENT FUND

FUND ESTABLISHED

SEC. 301. There is hereby established in the Treasury of the United States a trust fund to be known as the Workers Economic Adjustment Reserve Trust Fund.

DEPOSITS INTO THE FUND

SEC. 302. (a) The Federal Government shall not enter into any defense contract with any defense contractor to furnish defense material or services to a defense agency, nor shall it permit the sale of such defense material or services to or on behalf of any other country, unless the defense contractor fulfills a requirement to pay to the fund an amount equal to 1¼ per centum per year of the value of the contractor's gross revenue on such sales.

(b) Amounts paid by a defense contractor pursuant to this section shall be deposited in the fund.

MANAGEMENT OF THE FUND

SEC. 303. (a) It shall be the duty of the Secretary of the Treasury to invest such portion of the moneys in the fund as is not, in the judgment of the Secretary, required to meet current withdrawal requirements. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(b) Any obligations acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be reduced at par plus accrued interest.

TITLE IV—ECONOMIC ADJUSTMENT ASSISTANCE FOR WORKERS

CERTIFICATION

SEC. 401. (a) All displacements affecting more than 5 per centum of workers employed by a defense contractor attributable, in whole or in part, to a reduction of the volume of defense work in such facility shall upon certification by the local Alternative Use Committee be reported by the management of the firm or government facility to the State employment office acting as agent for the administration of the employees benefit program.

(b) Any worker (or union representing such worker) of a defense contractor or nonprofit contractor aggrieved by any matter contained in a report filed by such contractor pursuant to subsection (a) of this section (or by any matter relating to such worker's certification, or failure to be so certified, or such worker's eligibility for such conversion benefits, or the kind or amount thereof) shall be entitled to appeal such matter to the Secretary of Labor, or, if such worker is in a State which has entered into a contract with the Council pursuant to section 403 of this Act, to the appropriate State agency.

ENTITLEMENT TO BENEFITS

SEC. 402. (a) Any worker certified pursuant to section 401 of this Act as eligible for adjustment benefits by reason of such worker's displacement from a defense contractor shall be entitled, for the two-year period following displacement, to whichever of the following benefits are applicable:

(1) Compensation, on a weekly basis, sufficient, when added to any benefits which such worker receives or is entitled to receive for such weekly period under any Federal or State unemployment compensation program (or any plan of such worker's employer providing for such benefits) by reason of such worker displacement, and any earnings during such weekly period from other employment, to maintain an income at a level equal to 90 per centum of the first $20,000 per year and 50 per centum of the next $5,000 in excess of $20,000 for that year, of that worker's regular annual wages (based on a forty-hour workweek, or, in the event a defense contractor has a regular workweek payable at straight-time wage rates other than forty hours, for such regular workweek) prior to that worker's displacement.

(2) Vested pension credit under any applicable pension plan maintained by the defense contractor from which such worker was displaced, for the period of that worker's employment with such facility, and the two-year period following that worker's displacement, during which two-year period, for the purpose of the Employee Retirement Income Security Act of 1974 and the corresponding provisions of the Internal Revenue Code of 1954 (relating to a qualified plan) such worker shall be treated as if such worker were employed by such contractor on the same basis as such worker was employed on the day preceding such worker's displacement; except that pension credit during such two-year period shall be reduced to the extent of vested pension credit earned with another employer during such two-year period.

(3) Maintenance of any hospital, surgical, medical, disability, life (and other survivor) insurance coverage which such individual (including members of such individual's family) had by reason of employment by a defense contractor prior to such displacement; except that if such worker so displaced is otherwise employed during such two-year period, such worker shall be entitled to receive benefits under this paragraph to the extent necessary to provide such worker with the same protection described in this paragraph as such worker (including family members) would have had if such worker had not been displaced.

(4) Retraining for civilian work providing pay and status as comparable as possible to the employment from which such worker was displaced or retraining under title I, II, or III of the Comprehensive Employment and Training Act of 1973.

(5) Retraining for civilian work approved by the Secretary of Labor or, in the case of a worker in a State which has entered into a contract with the Council pursuant to section 403 of this Act, by the State agency, and reimbursement for reasonable relocation expenses as specified in regulations prescribed by the Secretary of Labor incurred by such worker in moving to another location in order to take advantage of an employment opportunity to which such worker is referred, or which is determined to be suitable, by the Secretary of Labor or, in the case of a worker in a State which has entered into a contract with the Council pursuant to section 403 of this Act, by the State agency.

(6) No individual shall be eligible for more than one conversion related program of benefits.

(b) All managerial and technical employees who have spent more than 50 per centum of the ten years preceding implementation of the conversion plan working in defense-related industry or at military bases must participate in or have completed a program of professional retraining meeting the requirements specified in the Conversion Guidelines Handbook of the Defense Economic Adjustment Council in order to be eligible for the special financial assistance, relocation aid, and special job information services provided by this Act. All other employees may elect to enter such a program.

STATE AGREEMENTS

SEC. 403. (a) The Council is authorized to enter and shall, on behalf of the United States, enter into an agreement with a State, or with any agency administering the unemployment compensation law of any State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954, which—

(1) as agent of the Council, shall upon certifications and other determinations required in section 401 of this Act, make such payments and provide such benefits as are authorized by section 402 of this Act, on the basis provided for in this Act, and shall otherwise cooperate with the Council and other State agencies in carrying out the provisions of this Act; and

(2) shall be reimbursed for all benefits paid pursuant to such agreement and all administrative costs incurred in carrying out such agreement.

(b)(1) There shall be paid to each State agency which has an agreement under this section, either in advance or by way of reimbursement, as may be determined by the Council, such sum as the Council estimates the agency will be entitled to receive under such agreement for each calendar month, reduced or increased, as the case may be, by any sum by which the Council finds that its estimates for any prior calendar month were greater or less than amounts which should have been paid to the agency. Such estimates may be made upon the basis of statistical sampling, or other method as agreed upon by the Council and the State agency.

(2) The Council shall from time to time certify to the Secretary of the Treasury for payment to each State agency which has an agreement under this section sums payable to such agency under paragraph (1) of this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the agency, in accordance with such certification, from the fund.

(3) All money paid a State agency under any such agreement shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in such agreement, to the Treasury.

(c) In any case involving a worker entitled to benefits under section 402 who is in a State with respect to which there is no agreement pursuant to this section, the Secretary of Labor shall, under regulations prescribed by the Secretary, administer such benefits on behalf of such worker. The Secretary of Labor, in administering such benefits, shall, from time to time, certify to the Secretary of the Treasury for payment to such worker the amounts of such benefits to which such worker and the Secretary of the Treasury shall make payments to such worker, in accordance with such certification, from the fund.

LIMITATION ON BENEFITS

SEC. 404. In no case shall any displaced worker be eligible for benefits under section 402(a) of this Act unless such worker agrees (1) to maintain, on a current basis, during the period of his displacement, an active registration with the Secretary of Labor or an appropriate State employment agency, as the case may be, and (2) to accept any employment, determined by the Secretary of Labor or agency, as the case may be, to be suitable, to which such worker is referred by the Secretary of Labor or such agency. No such benefits shall be paid under this Act to any worker who fails to maintain such registration or to accept such employment.

TREATMENT OF UNEMPLOYMENT COMPENSATION

SEC. 405. In no case shall any adjustment benefits paid pursuant to this Act be taken into consideration in determining eligibility for unemployment compensation under any Federal or State unemployment compensation law or in determining the amount of entitlement thereunder.

TERMINATION OF BENEFITS

SEC. 406. Adjustment benefits shall terminate when a worker eligible for benefits ob-

tains employment providing 90 per centum of the first $20,000 per year and 50 per centum of the next $5,000 in excess of $20,000 for that year of that worker's previous wages or two years after displacement, whichever occurs sooner.

TITLE V—USE OF CERTAIN RESEARCH FUNDS

AMENDMENT TO PUBLIC LAW 91-441

SEC. 501. (a) Section 203(a) of the Act of October 7, 1970 (Public Law 91-441), is amended by—

(1) inserting "or, in the opinion of the Defense Economic Adjustment Council, a potential relationship to an urgent national requirement in a designated nondefense sector," after "function or operation";

(2) inserting "or the Defense Economic Adjustment Council" after "Department of Defense" in paragraph (1); and

(3) adding at the end of such section 203 the following:

"(f) The Defense Economic Adjustment Council shall be required to define urgent national requirements for non-defense sectors of the economy, and shall be required to include in the designation, any areas so defined by the Congress. Research and development related to energy and fuel efficiency shall be considered a designated area.".

(b) Section 204 of such Act is amended by inserting "or, in the opinion of the Defense Economic Adjustment Council, a potential relationship to an urgent national requirement in a designated nondefense sector of the economy" after "military function or operation".

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

APPROPRIATIONS AUTHORIZED

SEC. 601. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

GAO AUDIT OF LEGISLATIVE ACCOUNTS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LEVITAS. Mr. Speaker, during the 95th Congress, there were numerous allegations about misconduct or abuse of funds by our colleagues in Congress. These charges, substantiated or not, have cast a shadow over the credibility of Congress in general. One very direct way I know of restoring public confidence in the honesty and integrity of elected officials is to let the sun shine on official office accounts as provided for in legislation that I plan to reintroduce.

The Legislative Accounts Audit and Control Act, which I will introduce, requires an annual audit by the General Accounting Office of House Members' and committees' accounts. At the present time, every appropriation made by the Congress for any function of the Federal Government is subject to an annual audit by the GAO, except for the Congress of the United States. Our predecessors in the Congress established the GAO and required annual audits to insure that taxpayers' dollars were being properly spent.

In my view, the congressional exemption should never have been granted in for the other body, we in the House have an obligation to the taxpayer to let him know how we expend public funds to run our individual offices and our committees. Certainly, it is not too much to ask that those who set policy and appropriate funds for other governmental functions be subject to scrutiny on how they will spend $1,118,244,400 in tax dollars in 1979 to carry out the legislative function.

Therefore, my bill would require the GAO to perform an audit of any expenditures or financial transactions of each Member, officer, or standing committee of the House of Representatives involving disbursements from the contingent fund of the House during calendar years 1974, 1975, 1976, 1977, and 1978, such audit to be completed within 9 months. Beyond that, my bill would require, beginning with calendar year 1979 and each calendar year thereafter, an annual GAO audit to be completed no later than 3 months following the close of the calendar year. Upon completion of any audit, the Comptroller General would transmit a report to the Speaker of the House with respect to the results of such audit and any such report would be available to the public for inspection and copies furnished upon request for a reasonable charge.

More than ever, Government, and certainly Congress, is being held up to public scrutiny. If we already resolved in the 95th Congress to open up our personal finances to public view, I can think of no reason for not letting the taxpayers see how their public moneys are being used.●

TRIBLE HOMEMAKER RETIREMENT BILL REINTRODUCED

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. TRIBLE. Mr. Speaker, I am pleased today to reintroduce the Trible homemaker retirement bill. During the 95th Congress you may recall, a bipartisan group of 150 Members of the House and 10 Members of the Senate cosponsored this bill, making it one of the more popular pieces of legislation introduced. Unfortunately, the Committee on Ways and Means was unable to take final action on the bill because work on social security financing and tax reduction took precedence. However, the committee did hear testimony on the bill and I understand the committee intends to consider this and other legislation this year as part of its work on the Employee Retirement Income Security Act.

I am optimistic about this bill becoming law during the 96th Congress. Substantial public interest in the Trible homemaker retirement bill has been aroused already through a series of articles appearing in national magazines—such as McCall's and Women's Day—national newspapers—such as the Christian Science Monitor, Los Angeles Times, Wall Street Journal, and Washington Post—and various special interest and trade publications.

My confidence is also buoyed by the addition of a new Senate sponsor for the Trible homemaker retirement bill. During the 95th Congress, former Senator Wendell Anderson of Minnesota introduced S. 1783 as the companion to my H.R. 4649. However, with Senator Anderson's defeat, this bill became a piece of legislation in search of a sponsor—and I believe it has found an outstanding one in Senator LLOYD BENTSEN of Texas. Senator BENTSEN serves as chairman of the Senate Subcommittee on Private Pension Plans, which will be handling the homemaker retirement bill in the other body. Moreover, the other two democrat Members of that subcommittee in the 95th Congress (Senators GRAVEL and MATSUNAGA) were both cosponsors of Senator Anderson's bill.

I believe an urgent need exists for prompt action on the Trible homemaker retirement bill.

The statement follows:

TRIBLE HOMEMAKER RETIREMENT BILL

Recently passed laws permit wage earners to add to their financial security by establishing personal retirement plans. Unfortunately, these laws have done little to help the largest group of workers in America—the homemaker.

My bill would end this discrimination against homemakers and allow these individuals to establish individual retirement accounts—commonly known as IRA's.

Before I outline the specifics of my bill, I would first like to give you some background information on IRA's.

The most commonly asked question is:

"What is an individual retirement account and how does it work?"

An IRA is a personal, tax-sheltered retirement plan. Any wage earner who is not currently a participant in any other retirement plan may establish an IRA.

Establishing an IRA is relatively simple. Almost any bank, savings and loan association, mutual fund, insurance company, or other financial institution can complete the paperwork. There are a wide variety of plans available, but they are all subject to the same legal restrictions.

Once a person establishes an account, he or she can make annual contributions to the account up to $1,500 or 15 percent of his or her income, whichever is less. For Federal income tax purposes, contributions to an IRA are fully deductible from the gross income of the wage earner. In the long run, this can mean considerable savings for the taxpayer.

The earnings of an IRA are, likewise, tax-free until retirement. In fact, the owner of an IRA does not pay any taxes on the account until retirement when the proceeds are taxed as ordinary income. These taxes are generally lower because a retired employee will usually receive less income and pay taxes at a lower rate than he or she did while working. In addition, all persons 65 or older qualify for a double tax exemption on the Federal income tax return.

Under the present law, a homemaker may have an IRA in only two limited situations. First, a homemaker can own an IRA if he or she is employed and not participating in any other retirement plan. Specifically, a homemaker is treated as other workers as long as he or she is earning wages. Second, a homemaker may participate in an IRA if his or her spouse is eligible for an IRA. However, participation in this plan is limited to a maximum of $875 each year for each spouse, instead of the $1,500 ceiling for all other accounts. Homemakers, who are

not members of one of these two narrow groups, cannot now participate in an IRA.

Mr. Speaker, many people have recently been asking me a second question:

"How will the Trible homemaker retirement bill change the present law?"

The answer is fairly simple.

My bill would allow each and every American homemaker to own an IRA, regardless of whether their spouse participates in an IRA, Keogh, corporate, government, union, or other retirement plan.

Relatively minor changes in the law are needed to allow all homemakers to have an IRA. In fact, there is only one reason why homemakers who want an IRA cannot get one today: homemakers are not paid for their work in the home. The law now requires earned income before anyone can have an IRA. Consequently, homemakers cannot participate because the law defines their labor as being economically worthless.

Mr. Speaker, I think this is an irrational provision in the law which should be eliminated. You and I are both well aware of the great worth of the American homemaker's work. Yet, in spite of our common agreement, homemakers cannot own an IRA because they do not draw a paycheck for their work in the home.

My bill would amend the present law and allow homemakers to count as their own income the compensation of their spouse. In other words, the bill recognizes the economic value of a homemaker's work.

Let me give you three examples and compare how a homemaker would fare under my bill as contrasted with the present law.

First, let us consider the situation of Tom and Sally Jackson. Tom works as a lineman for the telephone company. He earns $10,102 per year. The telephone company deducts 5 percent of Tom's annual salary as his contribution to the company's retirement plan. Sally keeps their apartment in order and attends afternoon classes at the local college. Under the present law, Sally cannot have an IRA because she has no earned income.

If my bill is enacted, Sally would be able to put away for her retirement $1,500 per year in her IRA. If Tom earned less than $10,000, she would be limited to 15 percent of his income. For example, if Tom earned $9,000 per year, Sally could put a maximum of $1,350 per year into her account.

Jennifer Wright, Bill Stark, and Betty Herman could also establish their own IRA's although none of them earn any wages. Like Sally, each of their respective spouses is covered by a retirement plan at work. However, they no longer need to be concerned that they cannot get an IRA because their spouses cannot. My bill would allow each of them, as well as all other homemakers without retirement plans, to own an IRA regardless of what type of retirement plan their spouses have. As with all IRA plans under my bill, their annual IRA contributions would be limited to a maximum of $1,500 or 15 percent of their spouse's annual income, whichever is less.

Second, compare with me the opportunities for Jim and Sharon Cram. Jim is a substitute teacher at the local elementary school. His wages average $240 per month. When he is not teaching, Jim takes care of their 3-year-old son, Jason. Sharon is the family's prime wage earner. As the assistant to the city manager, she earns $12,317 per year and participates in the city's retirement system. Jim is not eligible to participate in the teacher's retirement system because he is a part-time employee. Instead, he owns an IRA but can contribute only 15 percent of his annual wages of $2,300 to the account. Jim would like to put more than this $345 in his IRA each year but he cannot. The present law permits homemakers who earn wages to invest only 15 percent of their annual wages in an IRA.

My bill would allow Jim to put away $1,500 in his IRA every year. This would be possible because the bill allows homemakers to count their spouse's income as their own in determining the maximum amount they can put in their IRA. In short, Jim would have the same opportunity and be subject to the same limits as any other homemaker. He would not be penalized for working.

Finally, the Trible homemaker retirement bill will also help Donald and Louise Parker, who face an entirely different situation. Donald is a self-employed newspaper columnist. From his work, he earns an average of $16,000 per year. In March of 1976, he established an IRA for himself and contributed $1,500 to it. Last year's action by Congress has forced Donald into a difficult position. Louise is now eligible to have an IRA because she earns no wages and because Donald now has an IRA. However, if Louise opens an IRA, Donald must reduce the annual contributions to his IRA from $1,500 to $875. Likewise, Louise cannot invest more than $875 per year in her account.

Donald and Louise would both be able to contribute up to $1,500 per year to their individual accounts if my bill became law. Donald would not have to limit contributions to his own account to permit Louise to have an IRA. They can both look forward to retirement with security.

Mr. Speaker, at this point, you are probably ready to ask me:

"In dollars and cents, how much is an IRA worth?"

The answer to this question will vary from person to person and from plan to plan. However, I can give you some examples.

For purposes of illustration, let me discuss what would happen if a homemaker invested the same amount of money in IRA, tax-sheltered certificates of deposit as contrasted with investment in the same certificates of deposit without the benefits of an IRA. In the examples that follow, I will assume that the certificates of deposit earn 7¾ percent interest, compounded quarterly.

If Sally Jackson, the spouse of the telephone lineman, contributes $750 per year to her IRA for 40 years, she will have paid in a total of $30,000. During that 40 years, her investment will earn $172,719 in interest, giving her IRA a total value for her retirement of $202,719. When she retires at the end of this 40 years, she will have an annual net income after taxes of $18,482.

If the law is not amended and Sally invests the same $750 in the same certificates of deposit for each of the next 40 years, she will set aside the same total amount of her income for retirement, $30,000. However, her retirement income will be substantially less. Because she has to pay taxes on the annual interest from the certificates of deposit, her savings will be worth only $88,936 at the end of the 40 years. When she retires, she can expect to draw only $9,560 in annual net income after taxes.

If the law is not changed, Sally's annual after tax income will be $8,922 per year less than it could be if my bill became law. In short, Sally will receive about one-half of the retirement income she would get if she could own an IRA.

Jim Cram, the substitute school teacher-homemaker would fare no better under the present law. If he invested $1,000 per year for each of 40 years in nonsheltered certificates of deposit, he would receive only $12,744 per year when he retires. If, instead, he was able to put the same money in an IRA for 40 years, his investment would be worth $247,317 and he could depend on an annual after tax income of $23,625. Not having an IRA would cost Jim $10,881 per year in lost retirement income.

Finally, consider the advantages of an IRA for Louise Parker, the wife of the newspaper columnist. My bill would let Louise pay up to $1,500 per year into her own IRA. At the end of 40 years, her investment of $60,000 would have earned interest of $345,438 to make the total value of her IRA $405,438. Her after tax retirement income would be $32,405 per year.

Without the protection of an IRA, her investment would accrue a total value of only $177,872. Her annual after tax retirement income would be $19,116. If the law is not changed, Louise will lose $13,289 in annual retirement income.

The future experience of these three couples with and without an IRA can be summarized easily.

RETIREMENT INCOME WITH AND WITHOUT THE TRIBLE HOMEMAKER RETIREMENT BILL

Annual amount invested for retirement for each of 40 yr	Annual net retirement income after taxes		
	With an IRA (Trible bill)	Without an IRA (present law)	Lost income without an IRA
(A) Sally Jackson—$750	$18,482	$9,560	$8,922
(B) Jim Cram—$1,000	23,625	12,744	10,881
(C) Louise Parker—$1,500	32,405	19,116	13,289

This table makes clear that the present IRA law discriminates against the American homemaker. By enacting my bill, the Congress would permit Sally, Jim, Louise, and millions of other homemakers to have the same retirement opportunities as other self-employed workers. No longer will homemakers face the unenviable dilemma of having to choose between no retirement protection and leaving the home to find a job where he or she can acquire pension rights.

Mr. Speaker, there is one more question that should be answered:

"Does the Trible homemaker retirement bill have any spillover benefits for the public as a whole?"

The answer is yes.

My bill would encourage people to commit their money to long-range savings. The dollars placed in an IRA would increase the supply of money and the formation of private capital. As a result, interest rates should lower and, eventually, become more stable. Ultimately, the money invested in IRA's should stimulate the economy, cut unemployment, and reduce dependence on Government.

In conclusion, I urge the House to take speedy action on the Trible homemaker retirement bill, H.R. 4649. The time has come to end discrimination against the American homemaker and to recognize the economic value of this work. American homemakers should have an equal opportunity to plan for their retirement.●

INCENTIVES FOR PEACE IN THE MIDDLE EAST

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. DODD. Mr. Speaker, I would like to bring to my colleagues attention an address on American policy in the Middle East by Senator FRANK CHURCH delivered before the American Friends For Haifa University in New York City.

In his address, the new Chairman of the Senate Foreign Relations Committee calls for a new American policy in the Middle East, a policy based on the incentives for peace which the United

States can most effectively pursue. Senator CHURCH rightfully points out that we have paid heavily for the past wars in the Middle East and that now we should stand prepared to invest generously in the furtherance of peace. We must support those nations which are sincerely interested in a lasting peace in the region, and equally clearly Senator CHURCH adds, we must not continue to give financial and political support to those Middle Eastern countries which are uninterested in the efforts of the Egyptian and the Israeli people to find a just and lasting peace.

I commend the Senator's thoughtful speech to my colleagues, and hope that his strategy for peace in the Middle East through incentives will be considered by all.

INCENTIVES FOR PEACE IN THE MIDDLE EAST

It is a great honor to receive the Carmel Laureate Award, which takes its name from the legendary Mount Carmel that overlooks the beautiful City of Haifa. I am told that the Prophet Elijah ascended to Heaven from this mountain after having made a fiery political speech in front of a great gathering. If my talk tonight appears to be a bit restrained, I hope you will understand that I see no reason to take unnecessary chances.

The Prophet Elijah is the symbol of the very precepts forming the spiritual cornerstone of the State of Israel—independence, freedom and rejuvenation. The symbol is embellished in the wake of Camp David, and on this, the anniversary of the Jewish New Year. For on this Rosh Hashana, I believe the promise of peace has finally come within sight of the people of Israel who have so long yearned for it.

The face of the Middle East, distorted for 30 years by destruction and death, could be vastly transformed in the years ahead. Admittedly, the rapid sequence of events during the past year, since President Sadat's historic trip to Jerusalem, has strained our emotions. Our initial euphoria last November eventually gave way to deep-seated frustration as we witnessed the seeming disintegration of an historic opportunity for a settlement with Egypt. And as the long days and nights at Camp David wore on with increasingly gloomy reports, hope seemed to fade. But the determination of President Carter and the courage and vision of Prime Minister Begin and President Sadat in agreeing upon a framework for peace have renewed our faith.

It is my sincere belief that within a scant two months Israel will be signing a peace treaty with Egypt—removing the most powerful military force in the Arab world from its posture of unremitting hostility toward Israel. An Egypt at peace with Israel changes the whole equation in the Middle East. For, as President Sadat himself has observed: "Without Egypt, there can be no peace, and without Egypt, there can be no war."

It would be a fruitless exercise to try to quantify the concessions made by each side at Camp David, or to determine who came out "ahead." When history is finally written, it will be said that both President Sadat and Prime Minister Begin felt the weight of the past and the responsibility of the future. Neither flinched, despite the heavy pressures upon them, thus bearing out Shakespeare's perception that "courage mounteth with occasion."

President Sadat can now promise his people that within two or three years, Egypt will regain every inch of the Sinai without sacrificing the life of one more Egyptian soldier. He can also honestly claim that he has remained faithful to the larger Pan-Arab concerns by conferring on the Palestinians full autonomy over their own affairs in the immediate future, while furnishing them a framework within which they might peacefully resolve their remaining differences with Israel.

At the same time, Prime Minister Begin can truthfully point out to the Israelis that peace between them and the strongest Arab country is the gateway that can lead to peace throughout the Middle East.

While Sadat and Begin seem irrevocably committed to establish peace between their two countries, it remains to be seen whether the Palestinians, King Hussein, President Assad, and the rulers of Saudi Arabia can be persuaded to cooperate in a common effort to convert a bilateral peace into a regional peace for the whole Middle East.

The United States is attempting to bring the other Arab states into the peace process, as evidenced by Secretary Vance's recent trip to the capitals of these countries. But, thus far, the initial public reactions are not good. President Assad has emphatically endorsed the hard line P.L.O. rejection of the peace accords. King Hussein has negatively characterized the accords as not capable of achieving a just and lasting peace, while the Saudi Government has called the Camp David framework not acceptable.

While relations between Syria and the United States have improved slightly in recent years, we still have limited influence in Damascus. Our leverage over King Hussein, on the other hand, is considerable. Over the years, the United States has been a staunch supporter of the Hashemite Kingdom, and now is the time to bring our full weight to bear upon Jordan to support the Camp David accords. But even in Amman, full account must be taken of another major player in the Middle East drama—Saudi Arabia.

The prospects for peace in the Middle East will be greatly influenced by the decisions in Riyadh, the royal capital of Saudi Arabia. Through its massive financial aid to Syria and Jordan, Saudi Arabia exerts much leverage over the policies of those three countries. If it withdraws its support for Sadat, Saudi Arabia could make it extremely difficult for the Egyptian President to complete the agreement with Israel while withstanding external opposition from the hard line Arab states. Likewise, by threatening to cut off economic assistance to Hussein, the Saudis might block his participation in further talks with Israel. Finally, there is little doubt that the absence or availability of Saudi funds would also have great impact on the attitudes of West Bank and Gaza Strip Palestinians.

Even a Saudi policy of benign indifference falls immeasurably short of what we, the *de facto* protector of Saudi Arabia, should expect. When this Administration successfully proposed furnishing F-15's to the Saudis, I opposed the sale on the grounds that F-15's were not the answer to oil price moderation, nor the appropriate weapon for Saudi defensive needs.

The Administration justified the sale in terms of the immense importance of Saudi Arabia in promoting a moderate and responsible course, both in Middle East regional development, including peacemaking, and international economic and financial affairs. Tonight, I remind the Administration of its own words. It is imperative that we make clear to the Saudi Government that our strategic concerns are mutual, that our interests are intertwined and, in the last analysis, it is the American security umbrella which shields the kingdom from potential Iraqi or Soviet aggression. In such circumstances, we have every right to expect the full and forthcoming cooperation of Saudi Arabia in our quest for a regional peace!

Ultimately, to be genuine and lasting, such a regional peace cannot rest for long upon treaties or individual leaders. It is all too fresh in Israeli minds that historical opportunities for peace have been quashed before by an assassin's bullet, or simply the fear of one. It will be recalled that in 1950, intensive secret negotiations took place with King Abdulla of Jordan and culminated in the initialing of a non-aggression pact. At the time, it was the most far-reaching document negotiated between Israel and any of its neighbors. But before the agreement was signed, Abdulla broke off negotiations as a result of violent opposition by the other Arab governments and the threat of expulsion from the Arab league. In 1951, Abdulla was assassinated as he left the Al-Aksa Mosque in Jerusalem.

Even Gamal Abdul Nasser, the self-proclaimed spokesman for all the Arab countries, is reported to have expressed a desire to meet with David Ben-Gurion. According to Golda Meir, Nasser once said to an intermediary, "If Ben-Gurion came to talk to me, he would return home as a conquering hero. But if I went to him, I would be shot when I came back."

At long last, however, the mood has changed. Anwar Sadat was greeted in the streets of Cairo as a conquering hero. For the first time, the odds in favor of more war in the Middle East have shifted to odds that favor peace.

But advocacy alone may not keep these odds favorable. Diplomatic talk may not be enough to persuade the other Arab countries to cooperate. New incentives for peace should be created. The United States should begin now to fashion a policy that will plainly demonstrate to the hold-outs that the fruits of peace can be infinitely more attractive than the spoils of war.

Having been a partner in hammering out the accords at Camp David, and having agreed to assume the same role in the upcoming peace treaty negotiations between Israel and Egypt, it is time we began to consider the kind of partnership we are willing to enter, once the treaty has been signed. I believe the United States should then become a partner for an expanded peace, working in tangible ways to strengthen its foundations and to extend its frontiers.

Therefore, I call tonight for a new addition to American policy in the Middle East, one based upon a strategy that rewards those that work with us to construct and complete the peace, while extracting a price from those who work against us.

Henceforth, the United States should be prepared to invest generously in the furtherance of peace. We have paid dearly for the wars in the Middle East, and our national interest calls out for an end to the conflict there.

Let us begin our new partnership with the initial peacemakers, Israel and Egypt. We can help Sadat with his pressing economic problems. Take, for example, Egypt's dwindling harvests. Israel's advanced irrigation techniques could be of great help to the Egyptians in making their deserts bloom, as the spectacular success of the Negev proves. The opportunities are ample for the creation of joint projects for water desalination, reclamation, and solar energy.

Similarly, we should declare our willingness to extend the same measure of support to Jordan and Syria, if and when they choose to participate in the building of a regional peace. Once they join in, they can expect our help in alleviating the suffering and in lifting the living standards of their people.

The other side of such a new policy should be made equally clear. If Assad turns his back on the establishment of a "secure and recognized" border on the Golan Heights; if he refuses to withdraw his forces from Lebanon, or to cooperate in the restoration of good order in that tormented land, then I see no reason why the United States should continue to supply him with $90 million a year!

And the same goes for Jordan, where the United States, over the years, has provided King Hussein—and his grandfather before him—with the princely sum of $1.5 billion.

President Sadat has called on Hussein to "shoulder his responsibilities" on the West Bank, within the framework of the Camp David accords. If he now refuses to do this, thus complicating the movement toward a reconciliation with the Palestinians, then let him look elsewhere for his financial support in the future. Why should we continue to pick up the tab!

Let us hope that such a policy is put into effect, and that it proves an effective instrument in widening the boundaries of peace in the Middle East. Still, Israel will be confronted for years to come with those Arab extremists bent upon the destruction of the Jewish state. Unfortunately, savage terrorist attacks by such fanatics will not soon disappear. Thus, it will be necessary for Israel to maintain her preparedness, and for the United States to see to it that her military capabilities remain sufficient.

Let me close with a few words about the institution you support, Haifa University. In a span of eight short years, this university has emerged as a major center of higher learning for the people of northern Israel. It is a unique university, vibrant, young, and bristling with new social experiments. Haifa University has been instrumental in furthering two of the most cherished goals of the Jewish tradition: education and equality. I commend all of you tonight, the American Friends of Haifa University, for helping the people of Israel to realize another part of their impossible dream. For the impossible may yet be the attainable. A great Jewish historian, Cecil Roth, looked toward a future for the Middle East which is no longer beyond the reach of our years.

"Again," he wrote, "as in the days of Solomon, the area seemed about to become a bridge between East and West, drawing and giving inspiration in both directions. In the changed world in the second half of the Twentieth Century, this could well be part of Israel's function and mission

On this joyous occasion marking both the Jewish New Year and the beginning of the road to peace, I would like to extend my heartfelt congratulations to the courageous people of Israel and to Jewry around the world.

On this Rosh Hashana, let us all rejoice in the beginning of a new year, a year that will continue to affirm the Jewish sanctity of peace, the indivisibility of freedom, and the brotherhood of man.●

BAIL REFORM ACT SHOULD BE AMENDED

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. McCLORY. Mr. Speaker, today I will introduce legislation aimed at amending the Bail Reform Act of 1966 in such a way as to help provide added security to our communities when potential criminals are apprehended. Under current law, a Federal judge is able only to consider the probability that a criminal defendant will flee the jurisdiction when setting bail. Whatever record he may have for prior arrests and convictions is not subject to consideration. I believe this state of affairs has proven to be a mockery of our criminal justice system and must be corrected. I introduced this bill in 1977 along with 24 cosponsors and nothing was done. I hope we can do better this time.

How many times in the past few years have we read about crimes committed by persons on bail for another offense? When the Department of Justice funded "Sting" operations throughout the Nation, many of those arrested were convicted felons awaiting trial. I cannot help but wonder how a society can generate respect for law when persons who have a history of ignoring it reappear on the streets within hours of their arrest? How too can we expect law-abiding citizens to report crimes when they know only too well that the person they accuse will soon be free to retaliate? It is a situation where society becomes a victim of itself, where its desire to give the potential criminal the benefit of every doubt backfires in disaster. The irony of it all is that we who make the laws are not the ones most frequently victimized by them. The Bail Reform Act of 1966, as presently applied, is a point in fact.

Behind my motivation is a belief that the Federal courts now have the inherent constitutional right to consider the safety of the community and of future witnesses while setting bail. Many of them do, using the label of "community ties" to justify their action. This view has, in fact, been advocated by the Court of Appeals for the Sixth Judicial Circuit in *United States* v. *Wind*, 527 F. 2d 672 (1975). However, the Wind case, which has not been overturned, is also not yet universal law. It seems only appropriate, then, to codify what I believe to be sound jurisprudence. I urge that this bill be seriously considered and acted upon.●

DIGGS STILL SHOULD RESIGN

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GINGRICH, Mr. Speaker, recently, an editorial appeared in the Atlanta Daily World expressing its support of the forced resignation of Congressman CHARLES DIGGS of Michigan. The Atlanta Daily World is a black newspaper.

A quote from that article reads:

Apparently Congressman Charles Diggs has come to the end of his career as a law maker from Detroit, and for the good of his race, and the future of black elected officials, he should resign.

I urge my colleagues to read this editorial, printed Sunday, November 26, 1978. The text of the article is inserted below:

DIGGS STILL SHOULD RESIGN

Apparently Congressman Charles Diggs has come to the end of his career as a law maker from Detroit, and for the good of his race, and the future of black elected officials, he should resign.

Congressman Diggs has now been convicted, and sentenced to a term in prison. As a convicted felon, he can no longer serve his race as a leader nor his constituents in general.

And although he has been elected to office again, remaining there after his conviction could serve no purpose, unless there was a strong chance of his being vindicated.

To most observers, however, vindication will not come, because of the strong evidence against him.

The congressman has enjoyed 24 years on the public payroll and he owes much to his people for it. He has been a speaker at NAACP gatherings, and a voice that called for better things for his race. . . . But this was in the days, before the shadow of dishonestly descended upon his shoulders, and cast suspicion on everything that he has touched. This, already has hurt the chances of advancement of other black people in his area.

We have come a long way, but we still can't afford to have the reputation of supporting illegal doing. The eyes of leaders still watch the development of the Negro, and always there is the suspicion that we are not ready to take over leadership mantels in our cities and states. This means we must obey the law rather than the majority race, and this means in the same sense, that we can no longer afford Congressman Diggs.

We consider the three year sentence given by the judge most lenient. There is always the danger of too much leniency encouraging others to do likewise in violating the law.●

JACK PORT TO RETIRE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MILLER of California. Mr. Speaker, an outstanding public servant, Jack Port, will soon retire as the executive secretary for the Contra Costa Water Agency.

Since 1958, Jack has served as the first and only executive secretary for the agency, the water arm of the county board of supervisors. In that capacity, he served as liaison between the board and all public and private individuals and organizations interested in protecting and enhancing the economic and water-oriented resources of the Sacramento-San Joaquin Delta and San Francisco Bay.

In carrying out his responsibilities, he worked with the late Congressman John F. Baldwin, the late Senator George Miller, Jr., former Assemblyman James W. Dent, Senator John A. Nejedly and Assemblyman Daniel E. Boatwright and John T. Knox, and numerous consultants and legal experts in the field of water, most notably William J. O'Connell, Jr. and Walter M. Gleason. It has also been my own pleasure to work very constructively with Jack for many years.

Starting in 1964, when the State department of water resources publicly proposed to build and use the peripheral canal as the means of increasing transfer of northern California water around the delta to southern California, Jack successfully spearheaded the fight to prevent the construction of this dangerous facility with its imminent threat to the integrity of the delta and the bay.

In this work, he appeared before numerous Federal and State legislative committees pointing out the dangers and the harm that the canal would wreak upon the bay-delta system. In recent years, Jack's efforts centered on Senate bill 346, which passage would have represented the first step toward the real-

ization of the peripheral canal. His efforts on behalf of the county were critical in the defeat of this unwise legislation twice in the last State legislative session.

In addition to these duties, Jack served as one of the county's expert witnesses in the famous landmark decision 1379 of the State water resources control board, commonly called the delta decision. His testimony, along with other agency witnesses, convinced the State water resources control board that the beneficial uses of the delta, both economic and environmental, came first, ahead of the demand for water in San Joaquin Valley and southern California, and that these uses had to be protected before more water could be exported out of the delta to the southern areas.

From 1958 on, Jack represented the county at several Federal and State hearings and spoke out against the discharge of the San Luis drain into the delta. As a result, the State and Federal Governments have conducted numerous studies concerning the selection of a possible terminus for the drain.

In addition to his water duties, Jack, under the direction of former Public Works Director Victor W. Sauer and present Public Works Director Vernon L. Cline has been responsible for countywide general planning for sewerage, which, among his duties included the administration of five county sanitation districts governed by the board of supervisors and has been instrumental in realizing the subregional facility now under construction in the Pittsburg, Antioch, and west Pittsburg area, and the subregional facility in the Oakley-Bethel Island area. Finally, over the years, he has been directly responsible for countywide planning for solid waste disposal.

Mr. Speaker, Jack's commitment to the people of Contra Costa County has been total. His work there, since 1952, personifies the very best kind of public service. On behalf of the people of our county, I want to congratulate Jack on his retirement, and to express our gratitude to him, his wife Jean, and their family.●

UNITED STATES EUROPEAN COMMUNITY TARIFF TALKS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. VANIK. Mr. Speaker, I ask unanimous consent to include an article from the Washington Post of January 25, 1979, by John Robinson entitled "Hard-Line U.S. Stand Revealed in Trade Talks."

The news, of course, is welcome, if true. However, since it is based on an exchange of correspondence between the U.S. Special Trade Representative Robert Strauss and the European Communities Vice President Wilhelm Haferkamp mysteriously obtained exclusively by the Post reporter, it bears examining. We have been following these negotiations closely. What is at issue here is the unwillingness of the European Community to offer meaningful tariff reduction on imports of paper products, important U.S. exports to the Community. On the U.S. side the European Community is dissatisfied with the tariff offers on U.S. imports of benzenoid chemicals which are presently subject to the high duty incidence of the American selling price—ASP—valuation method. The United States is agreeing to give up the ASP valuation system if the United States is adequately compensated for such reductions in chemical tariffs.

The attempt by the European Community to lay the blame on Bob Strauss for its own hard line of the extent of tariff reductions just would not work. The Post reporter apparently was not briefed too well since he reported the United States has announced its intention to increase rates of duty on a whole range of chemicals imported into the United States.

We have known all along that the European negotiators are skilled, and particuarlly so at the end of the negotiation when the United States is placed in the position of wanting to conclude the negotiations. However, they seemed to have met their match in Bob Strauss, and are attempting to take their case to the press.

The European Communities and the United States have a lot to gain from a real balanced package.

I hope that our efforts will continue in this direction.

The article follows:

HARD-LINE U.S. STAND REVEALED IN TRADE TALKS

(By John Robinson)

BRUSSELS, Jan. 24.—Two confidential memos exchanged between top United States and Europe Economic Community trade officials, obtained here exclusively by the Washington Post, dramatically reveal the precarious state of transatlantic efforts to reach a European-American trade compromise permitting a successful end to the multilateral trade negotiations under way in Geneva.

The EEC letter, sent late last week to Robert Strauss, President Carter's special trade representative, reveals a new hard-line stance being adopted by Washington in crucial trade talks with the Europeans. This has created "a situation gravely prejudicial to a successful conclusion" of the MTN, claimed the author of the letter, chief EEC negotiator Wilhelm Haferkamp.

But in a secret memo recently received here, Strauss stressed the problems he is encountering in his attempts to woo Congress into accepting the emerging MTN liberalization package. Strauss' letter appears to suggest that his task could well prove impossible unless the EEC grants new trade concessions favoring U.S. exporters. This the EEC clearly will not do in view of what European officials see as a new bout of American protectionism which has crept into the trade negotiations.

According to the Haferkamp letter, the major focus of the European complaint is the recently announced American intention to raise tariffs on a whole range of chemicals imported into the U.S. The EEC letter said the administration's move provoked "a background of shock" against which European negotiators cannot respond positively to the demands outlined by Strauss.

The central request in the Strauss letter is for a reduction of EEC tariffs on paper products in an effort to maintain the American paper industry's competitive position on the markets of the nine-nation EEC. Strauss warned in his letter that such an EEC gesture "is absolutely essential for me politically" in his struggle to get Congress to agree to the trade package. President Carter recently said he intends to send it to the Hill in the coming weeks.

But the terse European reaction to the Strauss request appears certain to remain "no dice" for as long as the president's trade representative does not instruct his negotiators, led by Ambassador Alonso McDonald in Geneva, to soften the administration's tough position on chemical imports.

According to EEC negotiators, who had a "disappointing" meeting here with McDonald last weekend, the new conflict centers on the American selling price, a system which they say has been used by Washington to artificially increase the price of certain chemicals imported into the U.S. to protect domestic manufacturers.

In response to other agreements reached in the MTN, the ASP is to be phased out, but disgruntled EEC officials complain that Washington now has revealed that it intends to replace it by applying higher customs duties on a whole range of chemicals, even including those not protected by the ASP mechanism.

This has come as a hard blow to European negotiators, one of whom bitterly complained that "the Americans are trying to pull a fast one." Another griped that Washington "is simply not playing it straight."

The Haferkamp letter claimed that the net impact of the move would be to raise U.S. tariff protection on chemicals from 12.5 percent "to rates of 20 percent or more before falling to 13.5 percent by 1987."●

FINANCIAL SUPPORT FOR THE UNITED NATIONS FUND FOR DRUG ABUSE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GILMAN. Mr. Speaker, I would like to commend Ambassador Andrew Young, our chief spokesman to the United Nations, for implementing my suggestion that the State Department organize a meeting of nation members of the United Nations to help support the United Nations Fund for Drug Abuse Control—UNFDAC—whose budget is dependent upon voluntary contributions from the international community and from the private sector. Representatives from approximately 20 nations attended the donors meeting at the U.S. Mission to the United Nations on November 9, 1978. At that meeting, the gentleman from New York, Mr. WOLFF and I, along with Ambassador Young; Mathea Falco, the State Department's Assistant Secretary-designate for Narcotics Matters; Lee Dogoloff; Associate Director of the White House Drug Abuse Policy; George Davidson, United Nations Under Secretary for Administration and Management and Dr. Bror Rexed, Executive Director of UNFDAC, discussed the work of UNFDAC and the need for nations of the international community to contribute to the U.N. Fund or to increase their contributions to the Fund.

As I have noted before:

It is a myth to think that the drug problem is a problem unique to the United States. Quite to the contrary, drug abuse is a global problem for both heroin user nations and heroin producer nations . . . for developed nations and for the less developed nations" . . .

The drug problem is global, calling for immediate, concerted action of the entire international community to combat the highly organized and heavily financed international criminal syndicates whose illicit drug trafficking tentacles reach into every region of the world, undermining the health of all minkind and corrupting the political, economic and social order of every society.

It is appalling that in 1978 only 30 nations or approximately 20 percent of the 151 nation members of the United Nations contributed or pledged the paltry sum of $7,210,000—an amount that would not even purchase a sophisticated jet aircraft. It is distressing that the United Nations General Assembly regards the drug problem as a low priority in its deliberations.

Last July, a foreign ministerial conference on European cooperation in the struggle against drug abuse and illicit traffic—the Pompidou Initiative Group—met in Stockholm, Sweden to study measures that have been taken to deal with this problem. That conference noted that in most European countries "the drug problem has not improved but is worsening." According to one report:

The foreign ministers are convinced that the fight against drug abuse is a task for the whole international community and that these conditions ought to be given a higher priority within the framework of the regular budget of the United Nations according to Resolution No. 8 taken by the Commission on Narcotic Drugs at its Fifth Special Session in February 1978 and approved by the Economic and Social Council by taking note of the Commission's Report at its first regular session in 1978.

Mr. Speaker, in February of 1978, I presented a paper at the Fifth Special Session of the Commission on Narcotic Drugs urging members of the international community to intensify their efforts to interdict narcotics trafficking, to eradicate the illicit production of drug at their source, to educate citizens regarding the dangers of drug abuse, to treat and rehabilitate individuals who have become dependent upon or addicted to narcotics, and to urge nations to contribute to UNFDAC or, in the alternative, to increase their contributions to the U.N. Fund.

Yet at the U.N. General Assembly, drug abuse prevention and control is given below average priority. On November 28, 1978, the U.S. representative to the U.N. General Assembly, the distinguished Senator from Connecticut (Mr. RIBICOFF) stated in the General Assembly's Third Committee:

A resolution (32/124) was passed by the General Assembly last year calling upon the United Nations drug control units to take new and bold steps in controlling the drug menace. But not one dollar was added to their budgets. Even the voluntary contributions to the United Nations Fund for Drug Abuse Control have dwindled. By some estimates the United Nations and all other international organizations combined are providing only one tenth of one percent of the resources necessary to control the abuse of drugs in this world.

Mr. Speaker, international organizations, whether they be the United Nations or international specialized agencies or commissions, must do more than pass resolutions. The time to translate our well intentioned declarations and resolutions is at hand. If we truly intend to wage war on drug abuse, then nations of the international community must realize that it is in their interest to exert concerted action against a common enemy—the international criminal syndicates that peddle their deadly drugs throughout the world, irreparably maiming the health of our citizens and corrupting our societies.

We must fight this common enemy by contributing to the U.N. Fund, by pooling our resources, technology, personnel, and expertise, by coordinating our efforts to interdict narcotics traffickers, eradicating the illicit production of drugs at their source, reducing the demand for drug abuse, and treating and rehabilitating those who have fallen victim to the deadly dependence upon drugs. If we do not intensify our efforts at waging war on drug abuse by translating our flowery words into joint constructive action, then the international community will truly have lost the war and our societies will reel under the debilitating effects of a drugged citisenry.

Mr. Speaker, in an effort to inform my colleagues regarding the financial plight of UNFDAC, I am inserting at this point in the record, the complete text of my statement at the donors meeting on November 9, 1978:

REMARKS BY REP. BENJAMIN A. GILMAN AT THE UNITED STATES MISSION TO THE UNITED NATIONS

Thank you. Ambassador Young, Secretary Falco, Dr. Rexed, Mr. Dogoloff, my colleague Congressman Wolff, distinguished panelists and guests:

I welcome this opportunity to participate at this donors meeting and wish to thank Ambassador Young for implementing my suggestion that the State Department organize a meeting to help support the work of UNFDAC.

I am pleased that the Administration and the White House is so ably represented here by Secretary-designate Mathea Falco and by Mr. Lee Dogoloff of the White House Drug Abuse Policy Staff. I hope that this donors meeting will be the first in a series of meetings to help raise the consciousness of nations of the international community concerning the necessity to contribute to the UN Fund.

The narcotics problem is a world wide problem. Its resolution necessitates a world wide effort. If the "war" on drug abuse is going to be won, then it is imperative that the member nations of the United Nations pool their expertise, personnel, equipment and funds to exert a unified, concerted effort against this scourage of all mankind . . . against the highly organized international criminal syndicates whose drug trafficking operations reap billions of dollars from the human suffering that their sordid business transactions bring to all of us.

Since its inception in 1971, the United Nations fund for Drug Abuse has received only $37 million to conduct a world wide campaign against drug traffickers and abusers, with the U.S. contribution exceeding 50 percent of the entire UN Fund.

It is appalling that for 1978 only 30 nations or approximately 20 percent of the 151-nation membership in the United Nations have contributed or pledged slightly more than 6 million dollars to UNFDAC. This is a pathetically paltry contribution for a "global war" on drug abuse. That sum would not even purchase a sophisticated jet aircraft. The international community can and must do better . . . UNFDAC urgently needs substantial funding—substantially more than 6 million dollars if it is to effectively fulfill the mission we have assigned to it.

We have heard Dr. Rexed's report—actually the work of UNFDAC is just beginning to be felt and just beginning to be productive.

It is a myth to think that the drug problem is a problem unique to the United States. Quite to the contrary, drug abuse is a global problem for both heroin user nations and heroin producer nations . . . for developed nations and for the less developed nations.

Drug abuse has reached epidemic proportions throughout the world and requires the concerted action by the entire international community. No nation, regardless of its political power, socio-economic status or ideology is immune from the devastating and debilitating effects that drug abuse causes to its citizens or from the drug merchants whose highly organized and sophisticated operations reach into every corner of the world undermining the political, economic, social and moral values of that nation's society.

The statistics on drug addiction are alarming:

Thailand, a major heroin producer, reports a drug addiction population estimated between 300,000 and 600,000;

Iran reports an estimated 400,000 addicts;

Mexico—50,000 addicts;

Burma reports 20,000 individuals that are registered for treatment which international health officials state is many times higher than this registered figure;

West Germany estimates that 40,000 of its citizens are drug addicts; and

In Canada, heroin trafficking represents the fifth largest industry in British Columbia grossing, according to Canadian law enforcement officials, at least $255 million a year and requiring over 365 pounds of heroin to support Vancouver's addict population.

And these statistics do not include the immense trafficking in marihuana and cocaine, the billions of dollars that these illicit drugs produce for the coffers of the international criminal syndicates, or the amount of illicit drugs that have been seized by drug law enforcement officials of the United States, Canada, Western Europe and the Soviet Union. Colombian law enforcement officials are now concerned that the 2 billion dollars of marihuana and cocaine that is being trafficked through that nation is having an injurious effect on its own citisens and upon that nation's economy. The Chief of the Egyptian Anti-Narcotics Administration, General Sami Assad Farag, recently wrote me that Egypt may soon become an illicit opium producing nation. Heroin addiction in Canada and Western Europe has reached such epidemic proportions that Canadian, British, French, West German, Dutch, Swedish and American law enforcement agents have joined their colleagues in Thailand in trying to eradicate the illicit opium production and trafficking. And the amount of marihuana being seised by United States law enforcement agents is staggering: It is being seized, not by the pound but by the ton . . . by the boatload. During a five-month operation running from December of 1977 through April of this year, our drug law enforcement agents seized 40 marihuana vessels flying flags from Colombia, Mexico, Venezuela, Honduras, Panama and Liberia that carried 575 tons of marihuana worth an estimated retail value of $400 million.

If the United Nations means what it says about waging "war" on drug abuse, then it must back up its well-intentioned words with financial support to the UN Fund. It should not rely on the United States to dominate the financial contributions to UNFDAC that cur-

rently represents about 50 percent of UNFDAC's budget and it is unrealistic to expect the United States to contribute more than 50 percent to UNFDAC.

Some of the largest nations of the international community have not contributed a single penny to UNFDAC: the Soviet Union, the People's Republic of China, India, and the Eastern European bloc of nations have failed to contribute one red cent.

Certain oil-rich nations—Venezuela, Kuwait, Iran, Libya—have made only token contributions to the UN Fund.

Major illicit drug producers—Colombia, Bolivia, Ecuador, Peru, Burma—have yet to contribute a single penny to the "war" on drug abuse.

Too many nations have contributed only token amounts to the UN Fund, but disproportionate to their ability to assist in the war on drug abuse.

Greater participation by nations of the international community to back up their well-intentioned words with financial contributions to the UN Fund is urgently needed.

More coordinated and cooperative efforts at the regional level to interdict narcotics trafficking and to eradicate the illicit production of drugs at their sources is also needed.

Clearly, more nations in the UN family of nations must become stockholders in the "war" on drug abuse.

Drug abuse prevention and control has been given a below average priority by the UN General Assembly, a priority position that I find unacceptable and which is shared by many of my colleagues in the Congress. The low priority given to problems of drug abuse prevention and control by the General Assembly also runs counter to UNFDAC's proposed expensive move from Geneva to Vienna and comes at a time when UNFDAC has a relatively small cash reserve.

Ambassador Young, ladies and gentlemen, the issue before us is very clear: The time to translate our well intentioned declarations and resolutions is at hand. We must translate our flowery speeches into action. We must pool our resources, personnel, funds, and technology if we are to effectively win the "war" on drug abuse.

We have a common enemy . . . the highly organized, heavily financed illicit drug trafficking organizations. Accordingly, we must intensify our international efforts to combat their activities to interdict their narcotics trafficking, to eradicate their production of illicit drugs.

In order to achieve this goal, we must provide the necessary funds to assist UNFDAC in accomplishing its mission.

If we truly intend to wage, a "global war" on drug abuse and if we are sincere in creating a better world for all of us, then we must give this problem a top priority.

I commend and thank Ambassador Young for taking the initiative to hold this donors meeting . . . an important step that hopefully will lead to increased contributions for UNFDAC.●

PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. BONER of Tennessee. Mr. Speaker, on January 23, 1979, my colleagues and I received President Carter's state of the Union address to the 96th Congress and his budget recommendations for the U.S. Government for the fiscal year 1980. I should like to take this opportunity to applaud the President in his efforts to reduce the Federal deficit to $29 billion in 1980 down $8.4 billion or 22.4 percent from the 1979 deficit of $37.4 billion which was estimated to be $11.5 billion or 23.5 percent below 1978. In addition, the President is trying to curtail Federal spending and in his message to the Congress provide the necessary "discipline over Federal spending by eliminating programs that are unworkable and proving programs to make them more effective and focusing a system and reorganizing and consolidating Federal activities to improve the efficiency and avoid waste, abuse, or mismanagement."

All of these efforts, Mr. Speaker, are geared toward controlling the No. 1 problem that faces the American public, that is inflation, and the possibility of recession and depression.

While I applaud our executive branch in its efforts to come to grips with Federal spending, I want to reemphasize my belief that the Congress of the United States must give direction and policy guidelines to the Federal budget and determine itself and not through the Office of Management and Budget which areas need to be increased or decreased depending on their merits and their needs.

I refer specifically, Mr. Speaker, to many of the areas that have been decreased as proposed in the President's and the OMB-directed budget. Specifically, some of the areas that concern the Fifth District of my State of Tennessee and the United States in general relates to cutbacks in many of the areas of social welfare and agriculture. I understand from reports that new authority to build new or subsidized existing housing units would drop from 323,660 to 300,000 units and a $45 million cut has proposed in the highly popular program that provides low interest loans for the rehabilitation of older houses, a cutback in the level of summer jobs for youth from 1 million next summer to 750,000 in 1980 by eliminating 14-year-olds from eligibility.

The budget proposes slashing programs under the Comprehensive Employment and Training Act by $729 million below their 1979 level reducing the number of public service jobs 625,000 to 467,000 by the end of 1980. The Labor Department officials have indicated that these jobs will be provided by private employers who hire people eligible for CETA jobs. Cutbacks in the Department of Justice in law enforcement, slashing $111.5 million and reducing by 1,000 positions in the Department of Justice in addition to 281 special agents and Board of Patrol personnel. This is also in addition to a law enforcement reduction of $122 million in State and local assistance programs.

I am especially concerned, Mr. Speaker, in the proposed cuts in alcohol and drug rehabilitation programs. The budget is replete with reductions relating to this key program. In addition, the largest cuts have been initiated in the area of agriculture and community development. Major cuts in agriculture spending included $326 million reduction in rural development projects and cuts in grant and loan for rural housing by more than $400 million. In addition the agriculture budget calls for $110 million spending cut by eliminating the Federal substantive for milk at schools or milk as provided as part of other food programs.

Mr. Speaker, at the same time that I have detailed several of the major areas of concern to me that reflect decreases in the fiscal year 1980 budget, I want to also highlight some of the budget increases that merit a second reflection by the Congress during our authorization and appropriations process. Two of the areas which received large increases were international affairs, up 12 percent since last year, and military defense budget areas, up 10 percent since last year. I understand that the agencies for international development operates development assistance programs designed principally to help meet basic needs of the poor in developing countries through promotion of economic growth. These programs were expected to rise $1.2 billion in 1979 to $1.3 billion in 1980.

In addition, outlays for foreign economic and financial assistance are to increase by $220 million to $5.5 billion in 1980 and outlays for multilateral development banks are estimated to rise from $0.9 billion in 1979 to $1.0 billion in 1980. While I understand the need for foreign assistance and international cooperation, especially with financial institutions overseas, I think the Congress should take a long look, Mr. Speaker, in cutting programs at home while increasing programs for the poor around the world. I shall look forward to studying the authorization hearings relating to international affairs and to consider further the President's recommendations in this area.

In addition, I am a strong believer in a national defense structure that is second to none. I understand the President's thrust in beefing up our military strength, both at home and especially with our NATO allies abroad. However, there must be some reflection on the part of the Congress to specific weapon systems and purchases in our overall strategic doctrine as well as our commitment to our NATO allies toward fulfilling their role in defense expenditures.

Mr. Speaker, I will personally review each and every area that affects the interest and the well-being of my constituents in the Fifth District of Tennessee. I shall fight for programs whose reduction affects directly the lives and well-being of the people of Tennessee, ever mindful, however, of the need to control Federal spending and reduce our deficit. It is easy, Mr. Speaker, to attack the President and to call for budget cuts in an ever-constricting Federal budget, however, in my short review of the over 1,180 pages that contain the Federal budget, I have found that the President has tried to grapple with the problem of increased Federal spending and fulfill many of his campaign promises to reduce inflation and prevent recession and depression in this Nation. I shall, where possible, support the President in these efforts keeping in mind the authority of the Congress to authorize and to appropriate the funds for the Federal Government.●

WETA BEHIND CLOSED DOORS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. CLAY. Mr. Speaker, recently I brought to the attention of my colleagues, a report issued by the Task Force on Minorities in Public Broadcasting which outlines some of the problems associated with the Public Broadcasting System.

Today, I would like to share an article from the January/February issue of Washington Journalism Review, "WETA Behind Closed Doors." I feel this article is particularly important as it provides a case study illustration of the kinds of problems plaguing public broadcast stations.

The article follows:

WETA BEHIND CLOSED DOORS

(By John S. Friedman)

In 1967, E. B. White wrote that public broadcasting "should be our Lyceum, our Chautauqua, our Minsky's, and our Camelot." Although non-commercial broadcasting's budget has increased about seven-fold in the last decade and its influence has grown commensurably, White's now-famous hope was never achieved.

Except for a few gems like *Sesame Street*, *The Adams Chronicles*, the Watergate hearings, and the BBC imports, public broadcasting has, in general, been bogged down by contorted methods of government financing, an expanding bureaucracy, a structure that shuts out independent producers, and by constant pressure to raise funds. And when a local station has its own problems, the faults of the system magnify.

Particularly egregious is the example of a station in the nation's capital, which is supposed to be a model for the approximately 270 public television and 200 public radio stations across the country. Instead, Washington's WETA (Channel 26 TV and 90.9 FM radio) is an example of how a station can go awry in its finances and management, resulting in mediocre programming and an unresponsive attitude to local needs.

The financial picture of the Greater Washington Educational Telecommunications Association, Inc. (WETA), a not-for-profit corporation, is murky because station officials are reluctant to reveal any financial information, even though the Public Telecommunications Financing Act of 1978 specifically requires non-commercial broadcasters to make many of their financial records available. Stations that fail to comply face a possible revenue cutoff from the Corporation for Public Broadcasting (CPB), which distributes federal funds.

In proposing the legislation, President Carter said that stations "should be required to open their board meetings and financial records to the public," because "local citizens should have access to the basic decisions public stations make in allocating tax funds and private donations."

This opinion was echoed during subsequent House and Senate hearings. Rep. Lionel Van Deerlin (D-CA), chairman of the House Communications Subcommittee, noted, "no recipient of public funds should be guaranteed the freedom to waste or misuse such funds." His Senate counterpart, Earnest F. Hollings (D-SC), chairman of the Senate Communications Subcommittee, noted, "we must improve the system's accountability and accessability."

Ward B. Chamberlin, Jr., WETA's president, first said he would show me some of WETA's books, then called and said I'd have to wait until he returned from a 12-day vacation, even though his staff could have supplied the information.

When reminded about the new disclosure requirements, he replied, "I don't want to get into an argument." Why is Chamberlin hesitant to open WETA's books?

A few months ago, CPB completed an audit of the station and discovered that for fiscal 1977, WETA had overstated its non-federal revenue for radio and television by approximately $500,000—about 10 percent of its total income from private sources. This discrepancy of about half a million dollars is one of the largest downward "adjustments" CPB has found recently in its station audits. Moreover, the figure reported for non-federal revenue is crucial because it is the figure CPB uses to compute its federal Community Service Grants to the station. The more a station reports in non-federal revenue, the more it receives in federal revenue.

CPB also warned the station, in particularly strong language, that if it did not implement a "basic audit trail" for the expenditures of the Community Service Grants—that is, detail them more precisely and thoroughly—"it could result in the station repaying part or all of its CSG in future audits." This could mean a loss of up to $600,000, the amount in CSG grants WETA expects to receive for fiscal 1979. Piling this amount on top of WETA's $200,000 deficit of last year would be catastrophic. Unexplainably, the language of the draft audit report was weakened in a second version after WETA executives conferred with CPB officials.

The draft audit report also noted that it was "impossible" to go from records to other documentation, and without the "intimate knowledge," of the vice president of finance, the auditors "could not have substantiated many of the charges made to the grant." This language also was changed.

Although the final audit report was released to the station in late November of last year, the Board of Trustees of the station had not officially learned of the results as late as the end of December. Asked why he had not informed the board of the audit, Chamberlin said, "I do not consider this to be of any significance." He said he didn't know when he would inform the board.

It is a federal offense to "knowingly and willfully" falsify the amount of non-federal contributions that a station reports to CPB. The amount is used not only to compute CSG grants to the stations, but also the federal government's contribution to CPB.

WETA is appealing the audit, contending that the "'Handbook of Instructions' was not clear enough."

The station also has given different agencies of government different figures for the same categories. In the official annual report filed with CPB in December 1977, signed by Chamberlin, WETA listed its total income for the radio station in fiscal '77 as $548,000, of which $52,000 was a Federal CSG grant. But earlier on June 1, John O. Flournoy, then vice president of financial affairs, sent a covering letter and memorandum to the Office of Education of HEW, as part of an application for a facilities grant, in which he claimed that the station received a total income of only $446,000, of which $41,000 was a Federal CSG grant. In February, Chamberlin and Flournoy had requested $52,000 for the fiscal year '77 Community Service Grant from CPB and the entire amount was paid by the end of March.

The memorandum with the lower amount had originally been sent in May to WETA's Board of Trustees. It gave a detailed breakdown of radio's total income and expenses. Described by Flournoy as the "latest forecast" for that year, the memorandum was sent to HEW about thirty days before the end of the fiscal year.

Either CPB received an inflated figure, which would give the station a higher CSG award or the board and HEW were misled. (WETA) did supply other figures to HEW by the end of the year which were the same as the figures it supplied to CPB but still different from the Board.)

Perhaps Flournoy, an experienced accountant, was confused because CPB had changed its fiscal year from June to September, but his office certainly knew what the correct amount was when it submitted the request to CPB in February, and when it prepared the final report for CPB in December.

Asked about the different sums, Flournoy mentioned the change in CPB's fiscal year. Chamberlin said he had "never see" Flournoy's memo to HEW and the board.

The conflicting financial reports and questionable bookkeeping are indicative of WETA's operation. Another examination of the records last spring was conducted by the General Accounting Office (GAO), an arm of Congress. This "summary" investigation, hardly mentioned by the press, was recently made available to me. The GAO examined five public broadcasting stations and singled out WETA for charging the government twice for the same equipment: first when the equipment was purchased with government grant funds; second when equipment depreciation was added to production costs funded by the government.

"Federal funds paid for 22 percent of the cost of equipment purchased in fiscal year 1977," according to the summary. "Also, about 20 percent of the cost of WETA's production that year were financed by CPB production grants." The GAO concluded: "about $8,000 of the depreciation charges related to equipment purchased with federal funds."

WETA was also singled out for charging the government and private underwriters unusually high production costs because equipment and personnel were included as overhead even when they were not used. The investigation found that in 1975 (1976 was said to be the same), "for every dollar paid for actual use of the studio, $2.17 would be added, primarily to make up for underuse."

WETA's own auditors, Seidman & Seidman, also found problems in the station's accounting methods. The firm made seven recommended changes in its October 1977 letter to management. The auditors learned that although "several items of property and equipment were sold" during the year, "none of these items" was "accounted for properly in the general ledger." They also noted that WETA had not conducted a physical inventory of its equipment. In addition, there was "no control" over membership contributions sent to the station.

Many of the auditor's recommendations were implemented, but one recommendation management still refuses to follow. According to the auditors, the salaries of the national programming staff are based on budgets prepared before programs are produced rather than upon actual time spent. For example, 60 percent of Paul Duke's time may be charged in the budget for *Washington Week in Review* and 40 percent to the *Federal City Project*, which produces public affairs programs. The station could list 70 percent of his time on one program's expense reports and 70 percent on another. Duke's salary would not be affected, but the station would benefit from the added revenue. Program personnel have indicated that overcharges and "double timing" are common. Underwriters are thus deceived by the station when this practice occurs.

According to R. Bruce MacGregor, chairman of the finance committee of the Board of Trustees and the board's treasurer, "less than ten" people's time is involved who are not covered by time sheets. (WETA management believes that it is often difficult to list when a producer, correspondent, or research-

er is working on a particular show and therefore doesn't accept the need for time sheets.) But according to John Flournoy, thirty people are involved. If all of their time is overcharged, the station would receive substantially more income.

The station is known to inflate salaries in other ways. Several WETA producers have revealed that a salary, for instance, will be listed in the budget for $30,000. The government or other underwriters will pay this amount, but the producer will only receive $22,000. The station benefits from the difference and in addition receives an added income from fringe benefits and overhead which are based on the higher salary.

Finally, WETA uses funds restricted to the production of one specific program for another program. In the official minutes of the Board of Trustees finance committee meeting of February 21, 1978, Flournoy recorded that an excess of funds or "underages from on-going projects (such as the *MacNeil/Lehrer Report*) are being used to fund pilots or developing programs (such as *Tonight at Carnegie Hall*)." Among the underwriters of the *MacNeil/Lehrer Report* are the Station Program Cooperative of the Public Broadcasting Service, which distributes programs to the system and CPB.

Cortland Anderson, executive vice president of CPB, said that if CPB funds designated for one program were used for another it would be a violation if CPB were not notified of the contract agreement. Chamberlin himself said that the "proper posture would be to inform the underwriter," adding, you can't transfer funds from the government.

Besides submitting conflicting financial reports, inflating salaries and overhead, transferring restricted funds for unrestricted purposes, the station wastes a great deal of money. About a year and a half ago, a truck with mobile cameras was purchased for about $200,000, with a grant from CPB, for coverage of special Washington events. Since then, the truck has been idle most of the time. Producers claimed the equipment until recently didn't work. Also, an $85,000 editing machine was purchased nearly two years ago and couldn't be used until recently, forcing production crews to pay outside editing costs.

There are other "horror stories": of video tapes being ruined and of programs which had to be filmed twice, of expensive equipment being improperly maintained, and of crews sitting around for hours while equipment was being repaired.

WETA's mismanagement, however, is not limited to finances. There has been an unusually large turnover of personnel. Within a little over a year, five vice presidents have left, and in about the same period of time, of six key executives who served on a program planning committee, only one is still working for WETA—Gerald Slater, the executive vice-president.

Chamberlin and Slater treat WETA as their personal fiefdom. Suspicious of the press, Chamberlin sent a scolding poem to the *Washington Post*, after writer Tom Shales had criticised WETA programming in an article. The *Post* refused to publish the poem. Another station official has been known to make inquiries about a critical writer's personal life.

Employees and former employees are afraid to talk about the station. In the tightly-knit world of public broadcasting, it is easy for high-level management to blacklist someone throughout the entire system and make it impossible to find a job.

Chamberlin often ignores and keeps the fifty-one other members on the Board of Trustees uninformed about certain matters affecting the station, including the details of WETA's deficit the CPB audit report, and recommendations from WETA's own auditors. Stephen Ailes, an attorney, who was selected several years ago as chairman of the board by the board's nominating committee, is mainly concerned that meetings end on time. To make sure, he frequently cuts off discussion. A number of board members never attend board or committee meetings; many don't speak when they do attend, perhaps serving only because of the social cachet.

Who suffers from WETA's mismanagement? The answer is Washington viewers as well as viewers across the nation. The Washington community is affected because there is not even one regularly scheduled program specifically for the Washington audience on WETA-TV. Programming for the Washington area has been confined to a few specials on the mayoral election and other special events. This, despite repeated requests by Harry N. Rosenfield, an attorney and respected member of the board, for more such programming, and despite repeated promises by station officials that "next year" they would have more programs specifically for Washington residents. The country suffers because national public affairs programs such as the Federal City Project are constantly forced to cut back production, and the staff becomes discouraged with WETA policies, causing the best people to leave.

WETA is particularly insensitive to the needs of blacks. A coalition of predominantly black organizations, including the D.C. Media Task Force and the Office of Human Rights of the District of Columbia, has filed a petition with the Federal Communications Commission to deny renewal of WETA's broadcast licenses, in part, because the needs of the community are not being met.

Although WETA's way of management reflects the problems of a system that does not permit advertising or allow profits, WETA is an extreme case and seems atypical of most public broadcasting stations.

For example, William McCarter, president of WTTW in Chicago, said that he believes "records must be meticulous. There is no excuse. You can't run a business any other way."

Lloyd Kaiser, president of WQED in Pittsburgh, noted that his station, with a budget fairly close to WETA's, broadcasts about two-and-a-half hours a week of local programs.

Early this year, the Carnegie Commission on the Future of Public Broadcasting is expected to release its report and recommend increased government support of up to a billion dollars a year. Hearings are also expected in Congress on the rewrite of the 1934 Communications Act. Both should be concerned about the management and finances of a station like WETA, which is one of the most important operations in the public broadcasting system. WETA does produce a fair number of quality programs that are distributed nationally, but the overcharging, transference of funds, and inflated budgets suggest that even more money should be available for programming. Instead, there are constant program budget reductions.

WETA is a $9-million-a-year operation, not a mom and pop store. The station must be accountable to its membership and to its viewers. ●

NEW INS TELEPHONE NUMBERS FOR IMMIGRATION CASEWORKERS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. RODINO. Mr. Speaker, I have been advised that a large number of caseworkers from the various congressional offices have experienced difficulties in receiving assistance from the Immigration and Naturalization Service in recent weeks due to a changeover in the telephone system of that agency.

The Department of Justice has recently converted to a consolidated Centrex II telephone system and new telephone numbers have been assigned to all the offices in the Immigration and Naturalization Service.

For the benefit of my colleagues, I wish to advise you that the new telephone numbers for the Immigration and Naturalization Services' offices of congressional and public liaison are as follows: 633-3189; 633-3190; 633-3196; 633-3035; 633-3042; 633-3043.●

INGLENOOK VINEYARDS CELEBRATES CENTENNIAL

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. CLAUSEN. Mr. Speaker, January 24, 1979, was an important milestone in the American wine industry. Inglenook Vineyards of Napa Valley, Calif., inaugurated its year-long centennial celebration with a gala banquet and tasting of old and rare vintages at the Garden Court of the Sheraton-Palace Hotel in San Francisco.

Founded in 1879 by Finnish sea captain Gustave Niebaum, Inglenook is an internationally acclaimed producer of limited quantity, premium Napa Valley wines. Its classic vintages of 1933, 1941, and 1943 Cabernet Sauvignon are considered among the finest ever produced in the United States. Not the least measure of Inglenook's many honors is the world record price of $5,000 for a case of pre-1900 Napa Valley wines paid at auction in 1971.

The year 1879 saw Mrs. Rutherford B. Hayes, wife of the 19th President, create a stir in Washington, D.C., by refusing to serve wine at White House dinners. Fortunately for those who savor the flavor and lore of wine, Mrs. Hayes' temperance did not deter Gustave Niebaum from establishing his Inglenook Vineyards. During its span, Inglenook has made many significant contributions to the development of winemaking in America. Inglenook was the first to establish distributorships in principal American cities thereby insuring availability and correct handling of premium California wines for U.S. consumers. Inglenook was the first to use the now world renowned Napa Valley appellation on its labels. To insure against Pasteur's "micro-organisms," and the then-common practice of adulteration by overzealous merchants, Niebaum required that his Inglenook be sealed and "Sold Only in Glass," a forward-looking practice not adopted by the industry as a whole until the repeal of Prohibition, a half century later.

Today the California wine industry is internationally respected for its advanced technology and superior product quality. Inglenook's devotion of time, talent, and technology throughout its 100-year history has done much to elevate the prestige of our great American wines.●

VA'S HOSPITAL AND MEDICAL CARE SYSTEM

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ROBERTS. Mr. Speaker, Members of the House will recall that last year Congress added several million dollars to the President's budget request to increase the staffing in veterans hospitals and outpatient clinics. This was necessary in order to take care of increased patient demand, eliminate long waiting periods, and so forth.

The conference report on the HUD—Independent Agencies Appropriations bill for fiscal year 1979 added: $32,300,000 for 1,500 staff years to keep open existing hospital beds (3,132 were scheduled to be closed by the administration in fiscal year 1979); $18,000,000 for 700 staff years to meet anticipated increases in outpatient caseload; and $4,375,000 for staffing (175 staff years) new medical facilities.

Notwithstanding these substantial personnel increases, the Office of Management and Budget has informed the Veterans' Administration that the agency cannot use the funds for the purpose for which they were appropriated. OMB is allowing VA to spend the additional $54,675,000 not only for cost-of-living salary adjustments that became effective last October, but also for wage board increases, special and incentive pay for physicians and dentists, and postal rate increases.

After much delay the VA has informed the committee that although funds were included in the budget to keep open the 3,132 beds scheduled to be closed during fiscal year 1979, the agency has already proceeded to close these beds in order to reduce personnel by 1,500 during the first quarter of the new fiscal year.

In addition, Mr. Speaker, in order to meet the ceiling imposed by the Office of Management and Budget, the administrator has reduced medical care personnel in existing facilities by an additional 5,000. This means that within 1 year health care personnel will have been reduced by 6,500, maybe even more. The committee has been informed that some allocations would be made to field stations later on for various "new starts" between now and September 30. This notwithstanding, the fact is that many beds are being closed—entire wards in too many cases, and health care personnel involved in direct patient care are being lost in great numbers. It simply means that fewer veterans are going to be treated in VA hospitals.

Finally, the existing hospitals will lose another 1,646 personnel in fiscal year 1980. In only 2 years, Mr. Speaker, the Department of Medicine and Surgery will experience a reduction of some 8,000 people.

Veterans throughout the country are extremely disturbed by this action, Mr. Speaker. They have every reason to be.

There follows an article that recently appeared in the DAV magazine, by Billy O. Hightower, the organization's national commander. Although this organization represents all veterans, its membership is composed of service-connected disabled veterans. I think Commander Hightower's comments reflect the view of most veterans throughout the country.

The commander's comments follows:

OUR STAND!

(Billy O. Hightower, National Commander)

The Carter Administration has mounted a new assault against the VA's hospital and medical care system during the past month. And the new threat is more menacing than all the threats that have gone before it during recent years.

This time, the Administration is using its anti-inflation program as an excuse to carve right into the muscle of the VA health care system.

The details are spelled out in the "Special Report" on the next page. Briefly put, however, the President has wiped out . . . in one devastating stroke . . . all the gains for the VA's health care programs that you won through your long, difficult battle over the VA budget last spring.

I'm distressed that VA Administrator Max Cleland seems to be going along with the President's plan without so much as a mutter of protest. This has caused further erosion of what little support Mr. Cleland still enjoys in the veterans' community. The feedback I'm getting indicates that the erosion is proceeding rapidly among Vietnam Era veterans in the veteran's organizations, who were among Mr. Cleland's strongest supporters when he first took office.

During the last few years, we've been forced to defend the VA medical system from serious budget cuts and attacks against its integrity on several occasions. Because we've asked you to write so many letters and make so many phone calls, I think it's a good time to examine the DAV's basic stand on the hospital system and the reasons why we want to maintain this system exclusively for veterans.

The DAV's long-standing commitment to preserving the VA medical system is based on demands voiced by our organization's membership. Ever since some leaders in government and medicine began talking about using the VA medical system as the core of a new, national health care system for all Americans, the delegates to DAV National Conventions have been passing resolutions opposing any such move.

We've never taken a stand on the issues of national health insurance or the creation of a national health care system. But, our members have consistently opposed use of the VA's hospitals and outpatient clinics as building blocks in the construction of such a system.

Because of this stand, several DAV National Commanders over the past few years have asked you to write to your President and your representatives in Congress to protect the VA's health care programs from various kinds of threats. But, let's ask ourselves a really tough question here. Is the DAV "crying wolf" with its seemingly constant warnings that powerful people in our government are attempting to destroy the VA medical system?

I don't think so. I really believe the DAV's firm stand has been one of the few obstacles that have prevented social planners from including the VA medical system in their plans for a larger health care system for the general population.

This doesn't mean the DAV is satisfied with the care the VA delivers to disabled veterans. No way! There are several severe problems in the VA's medical programs that demand immediate attention. But, there are quite a few convincing reasons why we feel a separate medical system for veterans is essential. Consider the following:

The nation owes a special debt to those who became disabled in the course of wartime military service to our country. After the sacrifices these men and women made, it would mock all concepts of justice to ask them to stand in line with others whose only claim to government medical treatment is their inability to pay for private care.

A separate medical treatment and research system is needed for veterans because so many war-related disabilities are unique in nature. How many doctors in the general community have experience in treating shrapnel wounds? How many non-VA psychiatrists, psychologists, and social workers know anything at all about post-Vietnam syndrome? How many rehabilitation therapists have worked in a non-VA setting with persons suffering multiple amputations? Getting down to the most common types of combat-related injuries, how many non-VA doctors have extensive experience in the care of bullet wounds?

Specialism in these areas of treatment and rehabilitation is concentrated in the VA. This specialism would be lost if the VA's medical programs were merged with those in the general community.

VA researchers have consistently led the way in the treatment of such severe disabilities as spinal cord injuries and blindness. The VA's work in the field of prosthetics has made immense contributions.

The global impact of VA medical research was highlighted a couple of years ago when two VA scientists received the Nobel Prize. Outside the VA, there is no single system of medical and rehabilitation research that could even compare in size and comprehensiveness in our country. If this system were destroyed nothing could take its place. And it would be a blow to medical science throughout the entire world—not just to disabled veterans.

We've had tremendous problems in trying to get the VA to give priority in treatment to veterans with service-connected disabilities, even though the agency is perfectly willing to admit that the service-connected should come first. Imagine how difficult it would be to secure this priority in an HEW system in which service-connected disabled veterans form only a small part of the total patient population. I think it would be nearly impossible.

If the VA system were destroyed, a number of administrative problems would plague disabled veterans. How would the VA manage admissions into hospitals in a non-VA system? How would the agency locate special medical facilities for a veteran if they did not exist in the veterans' community?

How would the VA obtain the medical records it needs to administer its compensation and pension programs? Where would its examinations for claims purposes be conducted? How would the VA obtain outpatient services for veterans when they were needed? And, how could any level of control be maintained? This is only a partial list, and I'm sure there are many problems we haven't even dreamed of yet.

The VA provides medical care for significantly lower costs than community hospitals, approximately 10 percent lower across the board. Though some of this is due to understaffing, etc., the budget cutters should take note of this efficiency.

These are only the most obvious reasons why the VA health care system should be maintained exclusively for veterans. But, the people who would like to use the system for

their own pet projects simply refuse to understand these arguments.

There are two strategies that are working against the VA health care system. One is direct attacks on the system, recommending that it be used as the foundation upon which a national health care system would be built. The last time we saw this tactic in use was 18 months ago when the National Academy of Sciences (NAS) recommended merging the VA system with the health care system of the entire country.

Though the VA system's enemies scored some propaganda points with this proposal, the NAS recommendation to merge the VA and community health care systems was never seriously considered by Congress. Following a show of strength by the DAV and other veterans' groups the recommendation died in the Veterans' Affairs Committees of Congress.

The second strategy working against the VA medical system has a greater chance of success than proposals like the NAS recommendation. This is the strategy of cutting the system's budget until the quality of care the system can deliver has declined to such a point that no one wants the system anymore. At that point, the only way veterans could get decent health care would be through some national medical or health insurance system.

This budget-cutting tactic is a reality. It's the tactic that eventually bled the Public Health Service's hospital system to death. At this very moment, the medical programs of the U.S. Armed Forces are gasping their last breaths because of budget cuts piled on top of budget cuts.

And we know what budget cutting has done to the VA health care system. The quality of care at many VA facilities has declined to deplorable levels. The slogan, "Care Second to None," has become a grim joke in the waiting lines of many VA outpatient clinics and the wards of many VA hospitals. Conditions at the VA hospital in Fort Lyon, Colo., provide a tragic example. Things reached such a low point there that the hospital's accreditation has been taken away.

In all of this, we shouldn't look at the VA medical system's problems as something caused specifically by the Carter Administration. The problems are older than that. They were building under the Administrations of Presidents Ford, Nixon, and Johnson.

But, that doesn't absolve the Carter Administration from blame for the current round of budget cutting. The President is fond of comparing himself with former President Harry Truman by quoting Truman's phrase, "The buck stops here." Well, until 1980 at least, it sure does stop with President Carter. And, I don't intend to let him forget it.●

TEMPLE BETH EL OF TROY CELEBRATES 50TH ANNIVERSARY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. SOLOMON. Mr. Speaker, on March 31, 1979, Temple Beth El of Troy, N.Y., will celebrate its 50th anniversary. I want to take this opportunity to express my best wishes to Rabbi Mordecai Kieffer and the members of Temple Beth El on this proud occasion.

For 50 years, Temple Beth El has radiated the light of its message, raising a strong, clear voice for that which is good and just in our society. Together with other churches and synagogues in the Troy area, Beth El has added a positive dimension to the spirit and atmosphere of the Troy community.

Our Nation can be justly proud of the freedom of religious expression guaranteed by the Constitution, a freedom which is so evident on so many streets and avenues in the 29th Congressional District. This diversity of religious and ethnic belief is, indeed, one of the strengths of our society.

The members of Temple Beth El have my most sincere congratulations on this occasion, and I look forward to our long and rewarding association.●

WILDLIFE TRAPPING ACT OF 1979

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ANDERSON of California. Mr. Speaker, I recently introduced legislation, H.R. 953, to regulate the trapping of mammals and birds on Federal lands. This bill is identical to H.R. 5292, which I introduced last Congress with the cosponsorship of nearly 100 of our colleagues.

First, my bill attempts to discourage the use of cruel traps and trapping methods by instructing the Secretary of the Interior to issue regulations for the trapping of animals on Federal lands. Included are provisions for the designation of "approved" traps, which must provide the most humane capture method available for the species of mammal concerned, and minimize the probability of capturing animals other than those for which the trap is intended. A seven-member advisory commission, appointed by the Chairman of the Council on Environmental Quality, would assist the Secretary in preparing these regulations.

Second, the bill provides for a trap research program to develop more humane traps.

Third, the bill would halt the interstate shipment of all traps not approved by the Secretary, and would prohibit the interstate commerce of all furs, pelts, hides, et cetera, not trapped according to the regulations issued by the Secretary.

In addition, since the States have traditionally reserved the right to manage resident wildlife, I have devised a State/Federal cooperative arrangement whereby States may follow their own trapping regulations if they are at least as strong as the Federal regulations.

Plus, this bill requires trap identification tags to make proper enforcement of regulations possible.

There are currently no restrictions at all on the use of the steel leg-hold trap during the open season in 10 States. Sixteen States have no limits on the length of time an animal may remain in a trap; only 22 States require daily visits to the trap. Identification marks on traps are mandatory in 27 States.

The cruelty involved in the trapping of animals is totally unnecessary. We must strive to develop more humane ways to capture these animals, for these animals do feel pain and suffer in the grips of present traps. Animals such as the raccoon, use their forepaws to examine things, much the same as we use our hands. His paw is surely quite sensitive to pain, just as dogs are quite sensitive to having their paws trodden upon.

I believe this legislation introduces some reasonable restrictions on the use of traps; restrictions which will move toward eliminating some of the pain and suffering endured by trapped animals, yet reasonable enough as not to drive our American fur industry out of business. If you have any questions, or wish to add your name in cosponsorship, please contact my legislative assistant, John Cullather, at 225-6676.●

"CONTINUITY" BY MARY KENNEDY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. PANETTA. Mr. Speaker, I would like to bring to the attention of my colleagues a beautiful poem written by Mary Kennedy, the wife of Bob Kennedy, who is retiring at the end of this month as president of California Polytechnic State University at San Luis Obispo.

Bob has worked at Cal Poly since 1940 and has served as president for over 11 years. Mary has continually worked at his side, sharing the burdens of the job while they both became familiar with—and gave many fond memories to—several generations of students at the university.

This poem by Mary is one she wrote back in 1967, and I think it expresses very well the feelings of one individual for her town—and the people who live there—and it does it in such a way that we can all identify with her emotions. I hope my colleagues will enjoy the poem:

CONTINUITY

(By Mary E. Kennedy)

This place has put up with me for so many seasons;
Why have I stayed? Oh, perhaps many reasons.
Existence before essence—I had to live,
That's the first excuse I'd give.

Then larger pattern grew from smaller habit,
Conforming ways, some sheer Babbitt;
And pride, I'd say, in some little contribution
To this or that local institution.

At any rate I stayed,
And not until now have I exactly weighed
The reasons this place may have me 'til I die.
I need not strain to express the why.

This landscape in shadow or sunlight's brightest glow,
The seasons of this place I have come to know.
But most of all, you, the people and your way,
You comfort me as I move among you day by day.●

FEDERAL CONSTITUTION CONVENTION AMENDMENT ACT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. HYDE. Mr. Speaker, on the opening day of the 96th Congress, I introduced H.R. 500, the Federal Constitution Convention Amendment Act. H.R. 500 is identical to legislation I sponsored in the 95th Congress, and is substantially the same as the "Ervin bill" which passed the Senate unanimously in October 1971, and by voice vote in July 1973.

There are two methods of proposing and ratifying amendments to the U.S. Constitution, and they are set forth in article V:

> The Congress, whenever two-thirds of both Houses shall deem it necessary shall propose Amendments to this Constitution, or on the Application of the Legislatures of two-thirds of the several states, shall call a Convention for proposing Amendments, which in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the Legislatures of three-fourths of the several States, or by Conventions in three-fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress. . . .

In 1971, the Senate Judiciary Committee declared:

> The Committee believes that the responsibility of Congress under the Constitution is to enact legislation which makes Article V meaningful. This responsibility dictates that legislation implementing the Article should not be formulated with the objective of making the Convention route a dead letter by placing insurmountable procedural obstacles in its way.

A resolution was approved by the House of Delegates of the American Bar Association in August 1973, upon the unanimous recommendation of the ABA Constitutional Convention Study Committee, stating, among other things, that—

1. It is desirable for Congress to establish procedures for amending the Constitution by means of a national constitutional convention.

2. Congress has the power to establish procedures limiting a convention to the subject matter which is stated in the applications received from the state legislatures.

3. Any Congressional legislation dealing with such a process for amending the Constitution should provide for limited judicial review of Congressional determinations concerning a constitutional convention.

4. Delegates to a convention should be elected and representation at the convention should be in conformity with the principles of representative democracy as enunciated by the "one person, one vote" decisions of the Supreme Court.

The ABA report, in its conclusion, said:

> Much of the past discussion of the convention method of initiating amendments has taken place concurrently with a lively discussion of the particular issue sought to be brought before a convention. As a result, the method itself has become clouded by uncertainty and controversy and attempted utilization of it has been viewed by some as not only an assault on the congressional method of initiating amendments, but as unleashing a dangerous and radical force in our system. Our two-year study of the subject has led us to conclude that a national constitutional convention can be channeled so as not to be a force of that kind but rather an orderly mechanism of effecting constitutional change when circumstances requires its use. The charge of radicalism does a disservice to the ability of the states and people to act responsibly when dealing with the Constitution. . . . so long as the convention method of proposing amendments is a part of our Constitution, it is proper to establish procedures for its implementation and improper to place unnecessary and unintended obstacles in the way of its use.

The Constitutional Convention Study Committee was composed of two U.S. district court judges, a judge of the Supreme Court of the District of Columbia, a present and former law school dean, two former presidents of State constitutional conventions, a former Deputy Attorney General of the United States, and a practicing lawyer with wide experience in the amendment process.

Mr. Speaker, the need for legislation to implement article V is ever present. Since 1789, more than 300 petitions have been reeived from State legislatures requesting Congress to call a Constitutional Convention to propose amendments to the Constitution. Every State in the Union, at one time or another, has petitioned Congress for a Constitutional Convention. These State applications have covered a wide range of subjects: For example, slavery, deficit spending, busing, prayer in public schools, apportionment of State legislatures, and revenue sharing. The pressure generated by numerous petitions for a Constitutional Convention is believed to have motivated Congress to propose the 17th amendment providing for the direct election of U.S. Senators, and in more recent times, to Federal legislation providing for revenue sharing.

Public interest in amending the Constitution, for one reason or another, is steadily mounting. I need only refer to California Gov. Jerry Brown's recent attempt to convince the public of his newfound conservatism by calling for a constitutional amendment to balance the budget. Twenty-two States have already submitted such a convention call: Only 8 more are needed to comply with article V; 13 States have submitted a conventional call on the right-to-life issue.

Now that it has suddenly become politically popular to want to balance the budget, the Congress faces the distinct possibility of 34 States asking Congress to call a convention, and the Congress failing to comply with its obligation as set forth in article V.

There seems to be great editorial fear that we may be faced with a run-away convention—a possibility if the Congress fails to enact this measure.

We have an excellent opportunity to act rather than react, as we so often do. We should be able to answer the questions which are being asked today and which will be asked in the future. We should act now, while there is no compelling issue immediately before us, in an objective, unbiased and impartial manner, on an issue of such great significance.

We have an obligation as elected representatives of the people to enact H.R. 500 or some similar legislation which will implement article V. In so doing, we need not get side-tracked by the emotionalism of any single issue—a balanced budget, school busing, prayer in public schools, or abortion. H.R. 500 does not address itself to any single issue now before the various States.

I direct my colleague's attention to Senator Sam J. Ervin, Jr.'s masterful law review article on this subject, which first appeared in March 1968, in the Michigan Law Review, and is available in reprinted form from my office.

I am aware that there are those in authority who believe that in passing such needed legislation they are giving "momentum" to the various resolutions now pending before many State legislatures which call for a Constitutional Convention on one topic or another. But I would hope these Members' commitment to and trust in the processes of representative government will overcome narrow political or ideological considerations.

Following are the main points of H.R. 500. I respectfully suggest to my colleagues that these be studied, and welcome co-sponsors of this Federal Constitution Convention Amendment Act:

H.R. 500—FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

1. States use the same procedure for adopting convention application as they use for the passage of statutes, but without the approval of the Governor.

2. Receipt of an application by Congress is to be announced on the Floor of both Houses, and copies sent to each Member of Congress and state legislature.

3. Each application is to remain in effect for 7 years, unless rescinded by the state legislature.

4. Applications may be rescinded by state legislatures until two-thirds of the states have submitted applications, then all applications remain in effect.

5. After Congress determines the validity of the applications, it shall pass a concurrent resolution calling for a convention.

6. The convention must be convened within 1 year after adoption of the concurrent resolution by Congress.

7. Delegates to the convention shall be popularly elected, one delegate from each congressional district and two additional at large delegates from each state.

8. The convention shall elect its own officers.

9. Each delegate may cast one vote.

10. Each delegate's vote must be recorded and a verbatim record kept.

11. Amendments shall be proposed by majority vote of the delegates.

12. The convention shall be limited to subjects named in the concurrent resolution, and the delegates subscribe to an oath to refrain from proposing or voting in favor of any proposed amendment not so named.

13. The convention shall be terminated 1 year after the date of its first meeting, unless Congress extends its life.

14. Questions arising as to convention procedures shall be determined solely by Congress.

15. Congress may disapprove a proposed amendment on the ground that substantial procedural irregularities occurred at the convention or that the amendment pertains to a subject different from that described in the resolution calling the convention.

16. Congress may not disapprove a proposed amendment on the ground that it disagrees with the substance of the amendment.

17. Congress must transmit the proposed amendment to the States for ratification.

18. The proposed amendment must be ratified by three-fourths of the States.

19. Each state shall adopt its own rules of procedure for ratifying proposed amendments, except that any state ratifying action shall be valid without the assent of the Governor.

20. State ratifications may be rescinded by the same process by which the amendment was ratified; except that a ratification may not be rescinded when there are valid ratifications by three-fourths of the States within the requisite time.●

TUITION TAX CREDITS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LUKEN. Mr. Speaker, today I am introducing the Tuition Tax Credit Act of 1979, to offer relief to students and parents of students who attend colleges, vocational schools, and nonpublic secondary and elementary schools. This is the exact same legislation which passed the House on June 1, 1978, and was shunted aside in the last days of the 95th Congress.

Tuition tax credit legislation offers the freedom of educational choice that students and parents desire. In my district in Hamilton County, Ohio, 24,410 students attend 40 parochial elementary schools and 7 parochial high schools. In attending these schools, students have expressed a strong desire to choose a religiously based education. Yet in this time of high taxation and inflation, it has become increasingly difficult for them to do so.

The parents of these students pay property taxes to support public schools. Yet financial restrictions may well prohibit them from sending their children to the schools which best fit their needs. They pay taxes which allow for the education of others, yet they receive no relief from the soaring costs and the mounting tax burden imposed upon them by the government.

Mr. Speaker, it is not only the tax burdened middle-income group that is calling out for tuition relief. I have received a more consistent flow of mail on this issue than on any other matter before the Congress. This has come from parents and students of various income levels. Even the head of a household in the top 25 percent of income who pays a heavy tax burden and is faced with major educational expenses can be affected severely by rising educational costs. At the same time, children from lower-income families are being forced from attending the school of their choice simply because the expense is too great for their parents to bear.

The taxpayers of our Nation are reaching the end of their rope in terms of taxes and inflation. I believe that parents deserve the right to send their children to the school of their choice without overriding financial burdens. Tuition tax credit legislation, such as that mentioned previously offers the freedom of education at all levels. To insure the development of our Nation's most precious resource, our children, I urge your support of this legislation.

Thank you.●

ON THE CONDITION OF THE UKRAINIAN CATHOLIC CHURCH IN THE SOVIET UNION

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. NEDZI. Mr. Speaker, recently a member of Michigan's considerable Ukrainian community gave me a very interesting message on the condition of the Ukrainian Catholic Church in the Soviet Union.

The author of the message was Joseph Cardinal Slipyj, patriarch of the Ukrainian Catholic Church. He appeals for help for the oppressed clergy and faithful in the Ukraine, whose burdens are not often reported in the Western World.

Under leave to extend my remarks, the statement is set forth below:

VATICAN CITY, *August 20, 1978.*

YOUR EXCELLENCY: May I be permitted to present to Your Excellency the difficult situation of our Ukrainian Catholic Church in the Soviet Union.

On the 7th of October 1977, in Belgrade, during the Conference on European security and cooperation, Msgr. Achille Silvestrini, Undersecretary of the Council for the Public Affairs of the Church and the representative of the Apostolic See pronounced the following declaration: "There are also some serious open wounds that we would like, with a hope that we cannot abandon, to see put right and healed. It is the case, for the Catholic Church, of certain communities of faithful of the Eastern rite which in the past, had a flourishing religious life rich in centuries-old traditions and which, in the new juridico-political post-war regimes have lost the civil right to exist. This is all the more painful because it concerns specifically a central point of religious freedom, which is to profess a faith 'according to the dictates of one's own conscience'." /L'Osservatore Romano, English edition, No. 45 (502), November 10, 1977, p. 4/.

It was the general opinion of the observers that the statement of the representative of the Holy See referred primarily to the Ukrainian Catholic Church. In it he stressed that: 1. The Ukrainian Catholic Church has an ancient history and until recently was flourishing. 2. Today in the Soviet Union she is outlawed and as such does not have the right even to exist. 3. Her state is that of an open wound, which must be healed.

For eighteen years, between 1945 to 1963, I lived under and up to date "carry the marks on my body" of this regime. At the Third Papal Synod on October 23, 1971, before the bishops of the entire world, in the name of the Synod of the Ukrainian Catholic Church, I stated: "The Soviet government liquidated our entire episcopate in Ukraine. The profession of our Catholic faith is forbidden: Celebration of the Divine Liturgy or the administering of Holy Sacraments can be done only in secret. Tens of thousands of faithful, priests and bishops were arrested and deported to Siberia . . . For our faith and for our loyalty to the Apostolic See, we, Ukrainian Catholics, have suffered great losses—mountains of bodies and rivers of blood".

Despite the "Iron Curtain" which separated the Soviet Union from the rest of the world, Pope Pius XII received information about the fierce persecution of this largest Church of the Eastern Rite with 4,300,000 faithful, and on December 15, 1952, for the second time, issued an encyclical "Orientales Ecclesias".

"For the present, however, We sadly turn Our thoughts and affections to another people, truly dear to Us, namely, to the people of Ukraine . . . In a special way We would recall the memory of those bishops of the Oriental Rite, who were among the first in the defence of their religion to endure hardship, affliction and outrage; who transported to the city of Kiev—We say Kiev whence once shone forth throughout all those regions the light of Christian doctrine and whence Christian worship was propagated. Some of these have already met a glorious death, and so, as one may hope, from the abode of heavenly blessedness, which they enjoy, lovingly look down upon their sons and their companions in their unarmed struggle, and implore for them the all-powerful protection of God." (AAS, vol. XLV, Nr. 1, p. 5-14). Today again there are protests against the persecution in the Soviet Union, which uplift in spirit those persecuted, and call out to the conscience of the entire Catholic world—to pray, to do penance, to plead to God for comfort and strength for those persecuted.

On basis of personal experience and of later verified reports, at the Fourth Papal Synod /October 3, 1974/, during the debate on evangelisation in the world, I repeatedly declared before the Fathers of the Synod that our Church does not have the right to exist in the Soviet Union and consequently is not able to spread the Word of God. "A decent person is astounded—I said—when he learns that, today, a priest, who celebrates the Divine Liturgy in secret is sentenced to three or more years of forced labour in Siberia or in the Polar North; or, if someone sends petitions of faithful to the government asking for the right to celebrate the Divine Liturgy, he is locked up in a psychiatric ward, surely not for medical reasons, but to drive him insane. Faithful priests, monks are terrorised by persecutions, inquisitions, searches, beatings. Most of them die after a few days. If such is the reality what is the possibility of preaching the Gospel? Should not the Synod take a stand in this matter? There, the faith does not die. Doctors, artists and other educated persons take vows and heroically hold on to the faith and defend her".

A year ago, on March 6, 1977, a letter from Ukraine, from one of our faithful—Josyf Terelia—was sent to Pope Paul VI asking for help for himself and his family to emigrate from the Soviet Union, because for him, there is no other way out.

Following are some excerpts from the letter describing the situation of our Greek-Catholic Church (the traditional title that the author uses): "Bitter times have come upon the Greek-Catholic Church in Ukraine. We, the faithful of the Church, are forced christen, marry, confess and bury in secret. Our priests are in camps, psychiatric hospitals, physically destroyed . . . I live in a state where to be a Christian is a crime. Never before have the faithful of the Church of Christ been subjected to such persecution as today and as here. Ukrainian Catholics have been deprived of everything—normal family life, freedom of speech, celebration of the Liturgy of our Church—we are in catacombs! For the Word of God they crucify the living spirit! Out of my 34 years of life I spent 14 in jails, concentration camps and psychiatric hospitals . . ."

Further on in the letter, he writes:

"The end to the crimes in the godless world cannot be expected without an counteraction of all the Christian forces of the world . . . The only road for my family and me is the illegal crossing of the border. For the USSR the Helsinki Agreement is a pure fiction, under which the Stalinists have hidden themselves . . . My only hope is that the Holy Apostolic Catholic Church and Your Holiness will help us to leave this terrible state.

"We beg our Catholic brothers and sisters and all Christians of the world to stand up in our defence; to stand up in behalf of the tormented Greek-Catholic Ukrainian Church".

This plea, by a believing Greek-Catholic Ukrainian is made today on behalf of millions of faithful; on behalf of the persecuted, but still living Ukrainian Catholic Church.

We, the Ukrainian hierarchy in the free world together with our faithful are deeply distressed and sympathise with our brethren. We pray unceasingly to God for them. Remembering the words of St. Paul: "That each part be equally concerned for all the others. If one part is hurt, all parts are hurt with it"/I Cor. 12, 25/, we turn also to you.

We call to you: present this injustice and persecution in your press, on radio and in television, stir the public opinion, and warn your faithful of atheistic communism, because on the basis of our 60 years of painful experience, we say to you that it is a very terrible evil. In anguish we also call on you: help us! Implore God and intervene before men on behalf of our persecuted Ukrainian Catholic Church.

Sincerely Yours in Christ,

JOSEPH CARDINAL SLIPYJ,
Patriarch.●

MRS. DOROTHY JOHNSON, GRANDMOTHER OF THE YEAR

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in support of a new and expanded role for the grandmothers of America and the world. As we all know, grandmothers are an integral part of society; both figuratively and literally, we would be nowhere without them. They mend things and people, they cook up a storm, they are mothers to our parents, they are active and youthful in spirit if not in years, they take pleasure in spoiling their grandchildren, they are wise—and even a few get elected to the Congress.

All this is fine and good and as it should be. Yet, a constituent of mine, Mrs. Dorothy Johnson, who was recently named "Grandmother of the Year" by the Pennsylvania Year of the Child Committee in the Miller School area of Pittsburgh, is and has been demonstrating a new role for grandmothers. She is serving as a liaison between her community, the kids of her school, and the Pennsylvania Year of the Child Committee. This effort is part of the International Year of the Child declared by the United Nations General Assembly to focus attention on the concerns and needs of those who are the most special to us but perhaps the least able to effectively articulate those needs and concerns—children. And who among adults is better qualified to voice such concern and needs with force and compassion than grandmothers? And who among adults is better qualified to talk and listen to kids than grandmothers?

Personally, I think the whole idea is splendid. Splendid. With such people as Mrs. Johnson who have the energy, motivation, and feeling to energize a communication link from the smallest of schools all the way up to the United Nations, it strikes me that the International Year of the Child can only be a success. It will emphasize to the people of this Nation and to the people of the world that the greatest resource any of us have—whether we are rich or poor, white or black, tall or short—is our children. It is the children that hold all of our futures and it is they, too, who will measure the quality of their past, which is no more or less than grading us. As we may be good to them, so may they be good to us.●

GENERAL SERVICES ADMINISTRATOR JAY SOLOMON

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GORE. Mr. Speaker, Jay Solomon has performed a tremendous public service to the Nation in his tenure as Administrator of the General Service Administration (GSA).

He came to this office just as allegations of a major scandal were surfacing—involving alleged theft, fraud, bribes, and kickbacks, by Government employees and Government contractors. He immediately directed an intensified investigation into these allegations, and he has done everything in his power to insure that this scandal is fully exposed and that guilty parties are disciplined or prosecuted. He has already instituted new administrative procedures to try to prevent these abuses.

As a Member of Congress from Tennessee, I take particular pride in the fact that Jay Solomon is a Tennessean who has earned the respect of persons in his home State and across the country. For that reason, I was distressed to read news reports over this past weekend suggesting that Mr. Solomon might be asked to leave his office.

Jay Solomon has brought credit upon this administration for his efforts to deal with this scandal in a courageous and forthright manner. I am concerned that President Carter may not be aware of all the developments that are now taking place or may not fully appreciate their implications.

For my own part, I would strongly urge the President to ask Jay Solomon to continue to do the excellent job he has been doing as head of the GSA. An editorial which appeared in the Nashville Tennessean states my own feelings—and the feelings of Tennesseans—that Jay Solomon should complete the job he has undertaken, and I insert it in the RECORD at this point:

KEEP MR. SOLOMON AT GSA

Surely President Carter hasn't taken leave of his pragmatic sense by deciding to dump Mr. Jay Solomon as head of the General Services Administration.

The Washington Post has quoted an unnamed White House official as saying Mr. Solomon would be replaced, probably in April. The Post said some White House officials have been upset by Mr. Solomon's disclosures to the news media of each facet of the investigation of the GSA scandals.

The White House has now indicated that Mr. Solomon has agreed to resign in the near future. He had said earlier he had no intention to leave at this time.

Mr. Solomon, of Chattanooga, hadn't intended to stay for the full term of the administration. But it was he who initiated the investigation of the GSA which subsequently exploded into full scale probes and actions by grand juries. The investigation is still going on and until it is pushed to its conclusion one would assume that an administration which has pledged war on corruption in government would not only desire, but insist, that Mr. Solomon stay.

It is true that Mr. Solomon has been fairly candid about the problems he inherited at GSA and in discussing high-level corruption within the government's housekeeping agency.

But when corruption is found in government the full spotlight of publicity ought to be turned on it and kept on it. One of the reasons that GSA got into the mess that it did was because nobody was paying much attention to it or putting the flashlight on the dark corners.

A replacement for Mr. Solomon at this time would take some impetus out of the investigation and house-cleaning. And no matter whom the White House chose, there would be public suspicion that Mr. Carter is more interested in covering up than cleaning up. That is one suspicion it surely doesn't need.

Mr. Carter pledged an open administration. Is it that Mr. Solomon is too open?●

PRESIDENTIAL CLASSROOM STUDENTS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize several outstanding young people from the Fifth Congressional District of Mississippi: Karen Jane Hall and Michael Wayne Neeley of Biloxi; Cynthia Kay Sanford, Norma G. Cuellar, and Chandra Juanette Hogan of Petal; Melinda Anne Dodson of Bay St. Louis; and Lori Annette Ehlers and Deena Marie Necaise of Long Beach, who are here in Washington this week to participate in the 1979 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.●

MEXICAN OIL RESOLUTION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. PEASE. Mr. Speaker, more and more Americans question the assumption underpinning the Carter administration's energy policies—that the world is running out of oil and that conservation and conversion to alternate energy sources are the only recourse we have. I happen to be a fan of both conservation and alternate energy, but distrust is prevalent in the public mind. Many people have lost faith in their Government's willingness or ability to formulate a comprehensive energy policy that serves the national interest and not just the interests of the major oil companies and the utilities.

The American people have good reason to be skeptical. There is mounting evidence—from responsible scholars and skilled professionals—which contradicts official pronouncements that the world will run out of oil in the next few decades and that there is little we can do to affect the price manipulation of the OPEC cartel. In simple terms, many Americans are very unhappy with policies which appear to reflect greater concern for the well-being of oil and gas producers than for consumers. Moreover, they are tired of our Government acquiescing to OPEC's control over oil supplies and prices. Commonsense tells them that a major cause of inflation, if not the leading cause, is the steadily rising price of imported oil which is subject to the calculated designs and whims of the OPEC magnates.

The primary focus for our national energy policy should be to provide energy at the lowest possible price to the U.S. consumer. A secondary focus should be to insulate a significant portion of our imports from international political upheavals such as we are currently witnessing in Iran.

To further both of these objectives, we ought—as a matter of policy—to do more to increase the world's supply of petroleum products. The most likely sources for increasing supply are the lesser developed countries, particularly the non-OPEC developing countries like Mexico. Bernardo Grossling, a research scientist with the U.S. Geological Survey, recently completed a study for the World Bank which estimated total global petroleum reserves as high as 6,000 billion barrels and which found that the density of drilling in the developing nations is only 1 percent of that of the United States.

It is in the non-OPEC developing countries like Mexico that we should devote more of our attention and energies to increasing the world's supply of oil and gas. The people of these countries and their governments have been more severely affected by the OPEC machinations, in many instances, than we have.

It follows that some of these countries want to develop and sell their resources as a prelude to internal development. But they often lack the money and the technical expertise. We are in a particularly advantageous position to help on both counts.

Unfortunately, past administrations as well as the Carter administration have shown little interest in oil and gas development in non-OPEC countries. Mexico is a case in point. Consider the following facts:

More than 2 years ago, the CIA knew that Mexico possessed oil and gas reserves far in excess of earlier estimates, but it was only last fall that the Congress and the American people were told.

In 1977, Mexican authorities reached a tentative agreement with six American pipeline companies to sell more than 2 billion cubic feet of natural gas per day to the United States, only to have the sale blocked in its final stages by the U.S. Department of Energy.

On January 10, 1979, Energy Secretary Schlesinger was quoted in the Washington Post advocating that the United States place the highest priority on developing domestic natural gas, including building the Alaskan gas pipeline, and only afterward consider buying Mexican gas. He failed to mention that Mexico is offering to sell gas at half the price ($2.60 to $2.90 per thousand cubic feet) of what Alaskan gas will cost (minimum of $5 per thousand cubic feet) when delivered via the proposed $12 billion Alaskan gas pipeline.

Frankly, I do not understand why the administration has not taken full account of Mexico's potential as a major oil and gas exporting country and tailored our policies accordingly.

But it is not to late to overcome this shortsightedness. Today, I am joined by 39 cosponsors in introducing a concurrent resolution calling upon President Carter during his upcoming visit to Mexico in February to agree upon a framework for cooperation with Mexico on several common concerns, including terms for mutually beneficial development of Mexico's oil and natural gas reserves.

There are many compelling reasons why our Government should strive to develop a partnership with Mexico. First, it is in our national interest to diversify our foreign oil and gas supplies and to reduce our dependency upon oil produced in OPEC countries. The recently approved 14.5-percent OPEC price hike is a fresh reminder that OPEC price manipulation is a major contributing cause of our inflation problem.

Second, our national security is undermined by too great a reliance on Middle East oil. Recent events in Iran underscore the limits of our control over events in this volatile region.

Third, increased oil and natural gas revenues could significantly help Mexico cope with such problems as overpopulation, poverty, and large-scale unemployment. The repercussions of these problems have a very real impact upon our own country, so we have an interest in helping Mexico find some solutions.

Fourth, we continue to run up major trade deficits month after month. In November, the trade deficit was $1,945,000,000. If we buy more of our oil and gas from Mexico and assist in its development, it is very likely that Mexico will spend many of those dollars for American goods.

Finally, Mexico is the world's 11th most populous country with more than 65 million people. It represents one of America's most promising export markets for decades to come.

For far too long, at great expense to the American people, U.S. policymakers have assigned little importance to formulating policies to promote oil and gas exploration and development in non-OPEC countries. Hopefully, the discoveries in Mexico and a growing awareness of the oil possibilities elsewhere in the underdeveloped world will help expose the shortcomings of past and present administration policy and will provide some stimulus for new approaches. We should start anew in our relations with Mexico and build from there.

Lest you think the potential for oil and gas development in non-OPEC developing countries is a fanciful illusion not worth pursuing, let me call your attention to an excerpt from an article entitled "Mexico: Emerging Oil Superpower?", by Lawrence Goldmuntz, former Assistant Director of Civil Technology in the Executive Office of the President, which appeared in the Wall Street Journal:

If the Mexican reserves—or any other reserve in a country that needs income—can be brought to production, OPEC's power to set oil prices would be decreased. Mexico, not presently an OPEC member, might follow OPEC pricing policies. Nevertheless, an increase in Mexico's production from one million to five million barrels per day would tend to destroy OPEC's cohesiveness. If enough reserves could be brought to production in the underdeveloped countries, the monopoly rents of OPEC might be reduced and oil prices might fall as much as $4 per barrel. At today's import levels, this might save the U.S. as much as $12 billion annually. This is a measure of the amount the U.S. might invest to develop resources in underdeveloped countries. Other industrialized countries that import major quantities of oil, such as Germany, France and Japan, should be as interested as the U.S. to make such an investment.●

CHINESE-AMERICAN ACCORDS PLEASE ALF LANDON

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. SEBELIUS. Mr. Speaker, since the recent turn of events in our Chinese policy many opinions have been tendered for public consumption including those of a respected statesman from Kansas, our former Governor, Alf Landon.

Recently Governor Landon, a long time student of Sino-American relations, was interviewed by the Kansas City Times. I would like to share his thoughts and this article with my colleagues:

CHINESE-AMERICAN ACCORDS PLEASE ALF LANDON

(By Ray Morgan)

TOPEKA.—Senior Republican statesman Alf M. Landon officially gave his blessing this week to normalization of relations with communist China—a dream he has nurtured for 20 years.

The move constitutes a major step forward in U.S. diplomatic relations, said the 1936 presidential hopeful and former governor of Kansas.

And the economic consequences of such recognition, which goes into effect Jan. 1, could be so far-reaching as to offset reports of a possible economic recession in the U.S., Landon added.

The 91-year-old father of Sen. Nancy Landon Kassebaum, R-Kans., is entitled to a little pride in his foresight.

"As a Republican, I have long supported the concept of better relations with the mainland Chinese, and I applauded the steps taken by Richard Nixon . . . in 1972 and those of Henry Kissinger, the secretary of state, in setting up negotiations that led to the visit to Peking by Nixon as president and the eventual admission of China to the United Nations."

In the world of realistic foreign relations, Landon said, it is much more sensible to maintain open relations with China than "to have the kind of misunderstanding that could bring her to shaking her fist in continual fashion at America."

"It also seems to me to be wise, in the light of global politics, to maintain relations with both the Soviet Union and the Chinese at a time when both . . . appear to distrust each other almost more than they do the United States," Landon said.

A relationship between the United States and China would give the Soviet Union cause to "stop and think," he added.

Landon said he was struck by the fact that Soviet President Leonid Breshnev acted so quickly in informing Carter of his approval of the new American-Chinese relations.

"Despite the fact that one of the official Soviet organs, Pravda, has since said the words of President Brezhnev may have been misinterpreted by President Carter, the fact remains that the Russians could do little else," Landon said.

With problems in their own camp, the Soviets could not afford to take a hard line toward the new U.S.-Chinese pact, he pointed out.

"From all indications, Russia has failed over the last five years in its plans to become self-sufficient in many areas. Climate and the inefficiency of Soviet workers have mitigated its efforts to develop Siberia for mineral and food production. The touted efforts at grain production in eastern Russia have failed for similar reasons. All in all, the current estimates for the Russian future are not bright."

The Soviets also would be a little less inclined to throw their weight around in Western Europe if friendly relations exist between the United States and China, Landon said.

"The Russians would always be faced with the possibility than the Chinese might move against them in the East if the Russians became involved in any kind of action in Europe," Landon said.

"This possibility is doubly important when even among its own European allies, the Warsaw Pact nations, Russia has been less than successful. There are stirrings of unrest in Poland, with a more independent stance by the Poles. In Romania, the leaders even went so far as to entertain the Chinese leaders royally a little over a year ago."

Landon, long a student of American foreign relations, is particularly intrigued by the actions of Chinese Premier Hua Kuo-feng and Vice Premier Teng Hsaio Ping, apparently the new strong man.

"They are openly seeking technological help from us," Landon said. "I believe that this kind of technological help can work to the advantage of both our country and the Chinese, but more particularly I believe that the more Chinese we can expose to Western technology and ideas, the better off we are."

Landon's belief that the new Chinese-American accords might offset a recession is based on estimates that the Chinese expect to spend $40 billion to $48 billion for technology over the next several years.

"Even more particularly, the Chinese have indicated a willingness to purchase American technology in a variety of areas," Landon said, reeling off a list: heavy tractors, plows and harvesting equipment for improved food production; improved electronic equipment for computer technology and communications; development of off-shore oil deposits along both the north and south coasts of China and improved airline operations, "to mention only a few."

"Pan American World Airways has entered into contracts to plan, build and supervise operations of at least five intercontinental Hotels in China over the next three years," he pointed out. "Several major American oil companies, Mobil, Phillips and Exxon, are in major negotiations with the Chinese for construction and operation of offshore drilling platforms."

Landon does not share the fear of some that the Chinese will expect the United States to provide foreign aid funds for such purchases.

"The Chinese appear to have the supply of gold and the credit record which would allow them to obtain the credit to make these purchases," he said. "Here, too, American interests appear to be in a position to benefit, since major U.S. banks are involved in Western financing consortiums which would make the financing available to the Chinese."

Unlike Sen. Barry Goldwater, R-Ariz., and others, Landon is untroubled by the effect of the new accords on Taiwan.

"Certainly it would appear to me that the U.S. has more than fulfilled its commitment to the Chinese on Taiwan over the last 30 years," Landon said. "Taiwan has appeared to have little effect in changing the course of events on the mainland over the past 30 years, even before the death of the real leader of the Taiwanese, Chiang Kai-shek, who incidentally was "originally" trained by the Russians.

"No one realistically can believe that an island of 16 million people could ever retake the mainland with nearly 1 billion people. Rightly or wrongly, diplomatic foreign policy is conducted in the interests of the nation conducting it, and it would seem to be much more in the American interest to have full relations with mainland China."

The Taiwanese could be in a position to profit from the new relationship if they play their cards right and accomplish what they could not do in the past, Landon said.

"Taiwanese business leaders have been astute in developing business and industry," he said. "As far as China is concerned, they (the Taiwanese) are in a better position to provide some of the technology and business counseling than any area of the world."

And the Republican who was offered a diplomatic post by the Democratic president who defeated him emphasized that normalizing relations with China has been a bipartisan effort.

"We should all remember that the effort in this direction was begun by a Republican president, Nixon; continued by his Republican successor, Gerald Ford; and is now furthered by our Democratic president," he said. "I cannot help but feel optimistic about the future as a result of these steps."●

TORRANCE MEMORIAL HOSPITAL CENTER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ANDERSON of California. Mr. Speaker, for over 53 years the residents in the southern California community of Torrance have had the good fortune of having available the medical care service offered at the Torrance Memorial Hospital. Today, I would like to share with you a brief part of this institution's history. This is especially appropriate since on February 3, 1979, expanded facilities will be dedicated and the hospital will be renamed to become the Torrance Memorial Hospital Medical Center. As we continue the great debate on the state of this Nation's health care system, it would seem valuable to present the story of this institution which has served so well the need for health care services in our local community.

The Torrance Memorial Hospital was built in 1925 through the generosity of the Jared Sidney Torrance family. It was originally located on Engracia Street in old Torrance, then was moved to a new location to accommodate expansions and improvements. It opened at the new setting in April 1977 after the Riviera Community Hospital agreed on a merger proposal.

During its growth, the hospital was linked with the area's educational community. It became an extended campus of the University of California at Long Beach to provide nursing internships and to give medical personnel the opportunity to gain additional expertise in their own fields and in other areas of specialty.

The hospital promotes preventive health care by providing health education programs through its series entitled "Miracle of Living."

To combat the fast rising costs of health care, the board of trustees and the medical staff of the Torrance Memorial Hospital and Medical Center have publicly committed themselves to the national voluntary cost containment effort. Programs and procedures have been initiated that are reducing patient's bills by creating thousands of dollars in savings to the hospital each year.

To further improve its services, starting February 3, the hospital will begin to make use of an enlarged emergency facility, day surgery center, critical care wing—which includes the area's only burn unit—heart catheterization laboratory, radiation oncology department, auditorium, health sciences library, gymnasium, surgery suites, labor and delivery rooms, and remodeled areas in other parts of the hospital. This will make available to our South Bay citizens one of the most up-to-date medical facilities in the country, and will allow the hospital to continue its emphasis on acute and comprehensive rehabilitation.

Later this year, the Congress will consider a series of sweeping proposals which are aimed at revamping our health

care delivery system. This task will be difficult, since a most basic need of Americans is being dealt with. Knowing that there are some institutions such as the Torrance Memorial Hospital Medical Center striving to make readily available the most modern equipment and contain costs can help us keep an optimistic attitude.

My wife, Lee, joins me in congratulating the board of trustees, the medical staff, and the volunteers who devote much time to work at the hospital for their successful efforts in making the new Torrance Hospital Medical Center a reality. The entire community owes them many thanks for keeping to their commitment of continuing excellence and making the concern for patients their first priority.●

SOCIAL SECURITY TAX ROLLBACK ALTERNATIVES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. PICKLE. Mr. Speaker, yesterday the Democratic Caucus passed a resolution directing the Ways and Means Committee to formulate and report legislation in this Congress to reduce the Social Security tax burden by 1981. As was expected, this resolution passed by voice vote. It is popular to reduce taxes.

In the discussion of this resolution I made some observations about the difficulty of this situation and about the paucity and unpleasantness of our choices. I expressed the hope that the caucus would not lock the subcommittee in before it had a chance to meet—and the concern that if the caucus did so it might be setting in motion forces which can only result in reductions of social security benefits.

In order that all Members might have a chance to know of my statement, I include the substance of it in the following remarks.

I outline in those remarks three choices which could result in reduced social security taxes. During the meeting one member suggested a fourth: that we increase income taxes in some sort of automatic matter. This is a fourth route to explore, although it may be complicated to formulate it so that it would not result in lowering people's benefits because they would not receive credits for as many social security taxes as they would under the current system.

The other three routes I saw were: First, to cut benefits; Second, to add to the deficit; or third, to hurry through some new tax such as the VAT.

My main concern is simply that what we may be able to produce in the way of a social security tax reduction will be even more unpopular than the taxes we now face.

The gist of my remarks in the caucus follow:

I rise to ask that we assess a bit where we are and what our options and possibilities are.

In 1981 the Social Security trust funds will have a reserve level of 22%. This means that in 1981 we will have less than three months of money in the bank to pay social security benefits—and that we will have that much only if there are no unforeseen economic problems between now and then. This 22% projection is already down from a 25% projection made last summer.

This tells me that if we cut taxes we have three choices. We can cut benefits. We can add to the deficit. Or we can hurry through some new tax such as the VAT.

Every tenth of a percent cut in the employer/employee tax rate currently costs the system $2 billion. To cut a 6.65% rate back to 6.13% would cost over $12 billion. To cut the wage base back in 1981 would cost almost $2 billion more. That's a $14 billion total to knock out in benefits, add to the deficit, or fund in some new tax.

The disability program by 1981 will have an outgo of $19 billion. To fund it with general revenues would add that $19 billion to the deficit that year—and toward the end of the 1980s would add $35 billion each year.

The Hospital fund will have an outgo in 1981 of almost $30 billion. To fund it with general revenues would add to the deficit, for this one program, a figure equal to what the President wants to have for his total deficit for this year for all programs. By the end of the 1980's the Hospital program would be adding $80 billion each year to the deficit.

Let's look at the benefit side. The President has proposed some benefit cuts which have already met with a storm of disapproval. Yet all of those cuts would not reduce the 6.65% 1981 tax rate back to previous tax levels.

Which other benefits shall we cut?

What are our alternatives?

We have no reserves to dip into. So first we can add to the deficit. Second, we can cut benefits. Or, third we can find a new tax.

I think we need to turn this program inside out and find every nickel and dime that we can possibly save. I think we need to try to reduce tax burdens in this program. And I am going to be doing everything in my power to bring that about.

But I think we shouldn't fool ourselves that we can simply order the Ways and Means Committee to act and not expect a product that may be as unpopular as the taxes we now face.●

UKRAINIAN INDEPENDENCE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wed., January 24, 1979

● Mr. RODINO. Mr. Speaker, this week marks the 61st anniversary of the Ukrainian people's pursuit of national independence. Ever since their initial attempt to win political and social freedom, they have sought the kind of individual liberties which we in America take for granted. While their goal of national self-determination has not been realized, the Ukrainian people remain steadfast in their love of liberty and their commitment to their heritage.

Americans of Ukrainian descent have brought pride to their people by their many contributions to American society. Perhaps they appreciate our principles of democracy and human rights all the more because their relatives abroad have been denied these rights.

Mr. Speaker, I think this week is an important time for us to pause and reflect on the many struggles for human rights and national independence being waged all over the world. The quiet courage and unyielding faith of the Ukrainian people should not be forgotten as we pledge our efforts to advance human freedom.●

AMERICAN'S PROBLEMS PARALLEL NEW YORK'S

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. McCLORY. Mr. Speaker, the problems of our domestic economy, including persistent budget deficits and inflation, pose problems which extend beyond our national borders.

The depreciation of the value of the dollar and the lack of respect which our currency commands in foreign money markets, adversely affect our prestige and our relations with other nations around the world.

Mr. Speaker, my friend, Felix G. Rohatyn, who managed so successfully the Municipal Assistance Corporation for the city of New York, spoke recently to the French-American Chamber of Commerce in New York City. His remarks should help alert us to the magnitude of our national economic problems—problems which are being experienced by cities other than New York City, for which he provided successful support, and for other communities around the Nation and for our National Government itself. A condensed version of his remarks appeared in the Friday, January 19, addition of the Chicago Tribune which I am pleased to attach hereto:

AMERICA'S PROBLEMS PARALLEL NEW YORK'S

(By Felix G. Rohatyn)

NEW YORK—We are by any standard the richest country in the world. We carry the heritage of democracy handed down from Pericles through the French Revolution to our Founding Fathers. Yet we treat this heritage, the most precious of our possessions, with contempt in the way we abdicate our responsibility to vote, contempt, in the way we go about our way of life, contempt in our acceptance of mediocre leadership.

I traveled recently to Israel, for the first time. Out of a jumble of impressions one came through most strongly: commitment. Commitment to freedom, commitment to survival, commitment to a way of life. People from all walks of life, from all over the world clawed a country out of rock and desert, fought for it against great odds, prevailed, and still fight, every day.

Commitment is not a museum piece. A great Frenchman, Jean Monnet, changed the face of postwar Europe when, through sheer personal willpower, he brought about first the European Coal and Steel Authority and then the European Common Market.

Commitment saved New York City from a bankruptcy that many cool and sophisticated people led it to. New York did not go down because we would not let it, because we willed it not to. At a time of visible, palpable crisis people rallied around, private citizens and politicians, Democrats and Republicans, union leaders and bankers.

America today is not so different from

New York City in 1975. The similarities are rather striking:

Increasing deficits, internal and external, year after year, papered over with accounting gimmicks to allow sidestepping politically difficult decisions;

Increasing reliance on borrowed money to finance those deficits (N.Y. with short-term notes, the U.S. with Arab oil money) while neglecting capital formation, with resulting dramatic deterioration of physical plant;

Creating greater and greater hidden liabilities in the form of unfunded private and public pensions, Social Security, etc.

What the country faces is not a bigger or smaller recession, more or less inflation, a stronger or weaker dollar. Those are all effects. They are not causes. We face the possible loss of our most precious asset, Western democracy, surely the most magnificent form of organized life, because we are lazy, cynical, and unwilling to make the effort, unwilling to demand the kind of leadership democracy requires.

It is easy to blame the politicians but we put them there by our votes or lack of votes. It is easy to blame the unions but we, in the business leadership, have exercised no greater restraint. It is easy to blame the press, the academicians, almost anybody but ourselves.

New York City found itself at war and put in motion the equivalent of a wartime austerity program and coalition government. A coalition government should manage a similar program on a national scale. If this means gas rationing in order to reduce oil imports, so be it; if it means wage and price restraints, voluntary or mandatory, for some time, so be it; if it means temporarily limiting imports from Japan, so be it.

The President must mobilize the country's dreams as well as its muscle and demand that the people and the Congress support a true wartime program. The hour is very late, almost as late for the U.S. as it was for New York in 1975. In the city, we fought against bankruptcy; in Washington they are fighting the same thing under different names. Controlling inflation, protecting the dollar, avoiding a recission. It does not sound as dramatic, unfortunately.

But there is the real question: Can a Western democracy only find leadership, nobility of purpose, and sacrifice in a time of crisis, at the brink of disaster? Or can it be done in normal, everyday times, recognizing the problems but with the crisis only dimly perceived on the horizon?

We will soon have the answer. But, if the President loses this fight, if, collectively, we cannot create the climate to help him to win, the result will not be noteholders with a moratorium imposed on them or a wage freeze on the unions, but it could be the end of a form of goverament which, since the days of the French Revolution, has done more for more people than any other system ever invented. ●

KENNETH EDWARD STEVENSON, JR.

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise with pride to report on the activities and accomplishments of a young man I had the privilege to appoint to the Air Force Academy in 1965. Kenneth Edward Stevenson, Jr., has done so much in so little time that his efforts stand as a testimony to what one human being can do when he is both determined and talented. Upon graduation from the Air Force Academy—one of only five blacks in his class of almost 700—he successfully completed pilot training. He then served in the strategic air command and volunteered for combat duty in Southeast Asia where he logged almost 1,200 combat hours, flew almost 200 missions, earned 10 air medals and three Distinguished Flying Crosses and ended up commanding his own B-52 crew—all by the age of 25.

After the war, Mr. Stevenson was sent by the Air Force to the University of Pittsburgh where he completed his masters of arts in English, Cum Laude, in only 9 months. While a graduate student he was asked to, and did establish and teach a course in black literature for undergraduates, and served as a liason officer for the Air Force Academy, working to publicise the educational potential the Academy provides to the youth of this country.

Thereafter, he was assigned to the faculty of the Air Force Academy where he taught English and developed a special tutorial program for minority students. He was promoted to the academic rank of assistant professor within 2 years of his appointment on the faculty. As a writer, Mr. Stevenson—whose first poem was published at the age of 16—has recently had published a poem which won a Writer's Forum Award—"On Discussing Revolution With a Dedicated Sister". He was also the editor of the proceedings of the 1977 U.S. Conference of Research on the Shroud of Turin.

He has been deeply involved with and committed to community service. He was instrumental in reestablishing an annual Black Arts/Awareness Festival at the Air Force Academy, which provided both the military and civilian community with increased exposure to black culture. He also lectured in the local community and high schools on black history and culture. And he conceived and implemented a program to feed needy families at Thanksgiving through community contributions and without administrative cost eating away at the effort. In 3 years this program has fed more than 1,000 handicapped, disadvantaged, senior citizens, and refugees a real Thanksgiving dinner in a family-style atmosphere.

There is more. With such people, there always is. But through his accomplishments and interests one easily draws the conclusion that this is a remarkable human being—one with commitment, energy, talent—one who sets an example for others to follow in whatever circumstances. A superb young man. It is clearly no surprise that Mr. Stevenson was recently selected as one of the 10 outstanding in America for 1979 by the National Jaycees. I am proud of him, Pittsburgh is proud of him, and America is proud of him.●

EXCLUSION OF FEDERAL PROPERTY FROM THE TAX BASE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. WEISS. Mr. Speaker, whatever the merit of property tax cuts like Proposition 13, they are vivid reminders of the importance of property taxes to local governments. Efforts, however, to reduce local property taxes are severely hampered by the exclusion of Federal property from local tax bases. I am thus introducing legislation today to address this major problem facing local governments.

Three-fifths of the revenues generated by local governments are derived from property taxes. Undoubtedly, the need to provide adequate services without making property taxes prohibitive is one of the biggest challenges facing communities across the Nation. Exacerbating this problem for localities is the fact that one-third of all the land in the United States is tax exempt, because it is owned by the Federal Government.

As part of an effort to help local jurisdictions, the 94th Congress passed the Payment in Lieu of Taxes Act (Public Law 94–565). Under this law the Federal Government makes payments to local governments in place of property taxes for national park system lands, national forest lands, wilderness areas under the jurisdiction of the Forest Service, Bureau of Land Management (BLM) lands, and other lands within the boundaries of eligible localities.

The payment in lieu of taxes program was enacted in part as a result of a recommendation by the Public Land Law Review Commission. The Commission found that new programs to compensate localities for the reduced tax base caused by Federal lands in their midst had to be established.

Although Public Law 94–565 covers about one-half of all Federal properties, it does not cover property involved in general administration of the Federal Government—facilities designed to assist and promote commerce and other types of properties. For example, Federal office buildings, lighthouses, and Army installations are exempted from paying taxes and are not covered under any Federal program which compensates localities for lost revenues.

The legislation which I am introducing will include these kinds of properties under a payment formula based on the appraised value of property and the local property tax rate. The Administrator of the General Services Administration would be responsible for administering this formula and making payments to local governments.

I believe this bill will go a long way in alleviating local property tax burdens and allow localities to continue to develop essential public services:

H.R. —

A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator is authorized and directed to make payments under section 3 of this Act for each fiscal year beginning on and after October 1, 1979, to each unit of local government in which entitlement properties are located.

SEC. 2. (a) To be eligible for payments

under this Act for any fiscal year, a unit of local government shall submit an application, at such time, in such form, and containing such information as the Administrator prescribes by regulation.

(b) Such applicant shall include a statement by the unit of local government, and an independent verification, of each of the following:

(1) the entitlement properties within its jurisdiction;

(2) the appraised value for each such property for purposes of the local property tax;

(3) the tax rate applicable to each such property;

(4) any other factors used by the unit of local government in computing tax liability; and

(5) the total tax revenues that would be available from the entitlement properties, determined by multiplying the value stated under paragraph (2) by the rate stated under paragraph (3) and applying any other factors stated under paragraph (4), for each such property, and adding the resulting figures for all such properties within the jurisdiction.

(c) The Administrator shall disapprove any application in which he determines that there exists a significant discrepancy between the figures provided by the unit of local government and by the independent verification under subsection (b), or otherwise determines that the figures provided by such unit are not reliable.

(d) Before disapproving any application the Administrator shall give notice thereof to the unit of local government. Such unit may then request a hearing before the Administrator within ninety days of such notice. It shall be within the discretion of the Administrator after such hearing to approve the original application or an amended application, or require a new application to be filed.

SEC. 3. The amount of any payment made under the first section of this Act for any fiscal year to a unit of local government whose application has been approved by the Administrator shall be the amount stated by the unit of local government under paragraph (5) of section 2(b).

SEC. 4. (a) There are authorized to be appropriated such sums as may be necessary for carrying out the provisions of this Act.

(b) If sums appropriated in any fiscal year are not sufficient to carry out the provisions of this Act, the Administrator shall ratably reduce the amounts paid to all units of local government whose applications are approved for such year. If additional funds are made available for such year, they shall be used to ratably increase the amount paid to each such unit of local government.

SEC. 5. As used in this Act, the term—

(1) "Administrator" means the Administrator of General Services;

(2) "entitlement property" means any of the following types of property which are exempt from the property taxation of the applicable unit of local government—

(A) buildings, structures, and other facilities, and land, owned by a foreign government or by an international organization as defined in section 1 of the International Organizations Immunities Act (22 U.S.C. 288);

(B) buildings, structures, and other facilities, and land upon which such improvements have been built, owned by the United States, excluding "entitlement lands" as defined in section 6(a) of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality" (31 U.S.C. 1606(a); 90 Stat. 2665); and

(C) military installations.

(3) "unit of local government" means a county, municipality, parish, township, or other unit of government below the State which is a unit of general government and has taxing authority with respect to real property, as determined by the Administrator.●

PRESIDENT CARTER'S PROPOSED FISCAL YEAR 1980 BUDGET

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, President Carter has just unveiled his proposed fiscal year (FY) 1980 budget for review before Congress begins formulation of its own economic priorities in coming months. I intend to work toward restoration of those cuts made in such vital programs as labor, manpower, social security, in the Department of Housing and Urban Development's (HUD) section 312 program, and education.

It is of grave concern to me that defense spending is geared to rise 9.9 percent or 3 percent faster than inflation—while the President intends to combat the rising inflation rate plaguing our economy by following policies that will keep the unemployment rate at 6.2 percent throughout 1980. Again and again this Nation's poor and disadvantaged are asked to bear a disproportionate share of the burden when it comes time to cut back on national spending. As the representative of a congressional district in which a large number of ill-housed, ill-fed, and jobless people live, I intend to work in coming months toward restoring the 158,000 public service jobs so unwisely scratched out of the Comprehensive Employment and Training Act (CETA) by the Office of Management and Budget's (OMB) injudicious pencil. Congress reauthorized CETA only 4 months ago with the express intention of creating jobs for those who otherwise would be unable to locate meaningful employment. As a cosponsor of H.R. 50, the Full Employment and Balanced Growth Act, which received the support of not only the entire Congressional Black Caucus and the Congress but was also signed into law by the President, I am shocked to learn of this latest lack of commitment by the administration to a program so essential to the national welfare.

In particular, President Carter has indicated a rollback from 72 to 70 for the age at which Social Security retirees may earn as much money as they choose and still receive full social security benefits. The many letters that reach my desk each week attest to the extreme importance of this provision to my many constituents who must depend on social security benefits for the necessities of life.

The section 312 program administered by HUD enjoys a very high cost-benefit ratio. By offering low-cost loans for the rehabilitation of single and multifamily structures, this program is not only popular but successful in counteracting urban deterioration. By reducing the funds available to low-income families to allow them to rehab their homes, the displacement of long-term urban residents by high-income suburbanites will continue unabated.

In the education section of this proposed budget, I am pleased to note an increase in title I grants in the Elementary and Secondary Education Act. However, I intend to push for more funds for vocational education and student loans.

As a strong supporter of Representative MITCHELL's transfer amendment which advocates a reordering of our economic priorities to favor increased spending for social programs, I cannot condone what I view as the administration's effort to buy support in Congress for the upcoming SALT agreement by unfairly biasing the fiscal 1980 budget toward defense spending. The SALT agreement must be reviewed on its own merits. If it cannot stand alone, I cannot agree to selecting the disadvantaged as that group of Americans most suited to paying for national economies through the sacrifice of their jobs, their houses, and their children's education.●

RIGHT TO LIFE AMENDMENT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LUKEN. Mr. Speaker, I am today proposing an amendment to the Constitution of the United States, guaranteeing the right to life for all human beings, both born and unborn. This extraordinary step of a constitutional amendment is necessary, because the Supreme Court of the United States, 6 years ago, attempted to define human beings in terms of "meaningful life," a definition which I, and a large and ever-growing number of American people, find intolerable.

For any legal body to attempt to define human life, a decision upon which scientists and physicians widely disagree, is to threaten the moral and ethical principles on which our country was founded, and the progress of human rights over the past two centuries. Throughout our Nation's brief history more and more groups were brought into full citizenship. Now we our asked to regress and deny the most fundamental right of all, the right to live.

We need the unborn protected, not by a hit-and-miss approach and not by amending various bills to get the Federal Government out of the abortion business. It is our responsibility to reverse the Supreme Court's decision once and for all by amending the U.S. Constitution to protect the right to life of the unborn child. By this action, we would thus recognize the moral principle of protecting human life, which is a part of our heritage contained in the spirit of the Bill of Rights and the 14th amendment to our Constitution.●

SAN DIEGO MAGAZINE: A 30-YEAR SUCCESS STORY

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. VAN DEERLIN. Mr. Speaker, San Diego magazine celebrated its 30th birthday last fall, an occasion worthy of note since the publication is the oldest of the so-called city magazines now flourishing in many parts of the country.

The anniversary issue, recently published, is 400 pages long, and packed with reminiscences on how the magazine and the city it covers so well have evolved over the decades.

I used to contribute myself to San Diego magazine in its early years, so I am inclined to regard the magazine and its publishers, Ed and Gloria Self, as an enduring part of my own background and not just a valued source of information about my home city. But its quality should be manifest to anyone.

The magazine is thought-provoking as well as good to look at. It consistently showcases some of the most incisive coverage of economic, social and political issues on the San Diego scene.

The first years were a struggle for the Selfs, but now the magazine is a well established fixture—"must" reading for thoughtful San Diegans and a glossy vehicle for a long roster of advertisers.

The contributions of San Diego magazine have been aptly summed up by author-editor Carey McWilliams in a commentary published in the November issue. I include Mr. McWilliams' comments at this point as an extension of my own remarks:

WHAT HAS SAN DIEGO MAGAZINE BEEN UP TO FOR 30 YEARS

A FEW OUTSIDE OPINIONS

(By Carey McWilliams)

San Diego, the first independent city magazine and by all odds still the best, is a happy product of the right people appearing at the right place at the right time with a new idea. The Selfs were the right people in the sense that both are magazine buffs, Gloria with a lively interest in magazine graphics, Ed with a fine sense of civic responsibility and sound political instincts. A city of 350,000, in October 1948, San Diego was about to enter its modern phase and to register significant population growth in the three decades that followed. With a superb natural setting, it needed editorial guidance and direction.

The "new idea" that the Selfs had in mind was that of an independent city magazine—not a chamber of commerce bulletin—that would present a cross section of city interests and concerns and maintain a good balance between broad civic interests and the social and cultural life of the city. A case can be made that San Diego has been a major influence on the city's press. After 1950 San Diego was a monopoly newspaper town and, frankly, the monopoly paper was not the best. It was not only conservative—in itself that would be no offense—but editorially biased, and it censored news and slanted stories. Also it did very little magazine-style writing or in-depth reporting.

Today the press is much better—the Los Angeles Times is providing some competition—and San Diego Magazine is in no small measure responsible for the improvement. It did so by creating a new climate of opinion and a greater awareness of the city's real assets and possibilities. Eventually this opinion began to feedback to the press and it also had a noticeable effect on city politics. The city began to develop a new consciousness of its prime values and assets and of its place in the California scheme of things. And in providing an outlet for young writers of talent, eager to have their say about various aspects of the community's life, San Diego has performed a prime service.

Ideas are often contagious and provide the energy that can move mountains. All in all, San Diego Magazine's contribution to American journalism as the initiator of the "city magazine" concept has been noteworthy. San Diego is well-named: it *is* San Diego, at its best, as it struggles to achieve a unique status among American cities. And to have maintained its high standards for 30 years is a remarkable achievement; to have avoided routine performances is no small feat.

My only criticism of the magazine is that it is getting to be so heavy, with bountiful advertising and editorial material, that reading it is a bit like trying to read the New York Telephone Directory. But if necessary I can and will provide a hoist. Congratulations to San Diego, its editors and staff, and best wishes for the next 30 years.●

TRIBUTE TO WACO VA REGIONAL OFFICE

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ROBERTS. Mr. Speaker, there has been a great deal of newspaper ink devoted to the so-called bloated bureaucracy and malfeasance in office. I applaud the press for exposing malefactions by public officials. I also commend it for keeping the matter in perspective by praising those to whom praise is due.

One of the finest group of employees our Government can boast works in the Veterans' Administration regional office in Waco, Tex. They are led by a man whose acumen and leadership qualities have been recognized again and again—Jack Coker.

That Mr. Coker was singled out for praise by the Waco Tribune-Herald honors all employees and the newspaper itself. I include the article in the RECORD:

VETERANS AND THEIR SERVANTS HONORED

Most Americans, we believe, approve the restoration of Nov. 11 as Veterans Day for official national recognition to the men and women who served in all the wars of this century. This anniversary of the ending of World War I in 1918, it seems to us, carries a penetrating message across the years: even total armed victory is no assurance of permanent safety. This message was underscored in World War II and again and again since then. Only vigilance and self-sacrifice can preserve a nation against outside enemies. All honor to the men and women who gave of themselves in the name of freedom on the high seas and on the far-flung battlefields starting in 1916 and continuing ever since.

While we honor the service of those men and women, we in Waco may salute as well those who serve their postwar needs, the men and women who staff the Veterans Administration regional office and hospital here. Accountable to a veterans population of 910,000 ex-service personnel in 164 Texas counties, the VA regional office has earned so many repeated honors for excellence that their work is nationally famous.

Starting with Regional VA Director Jack Coker, the list of awards in 1978 to VA regional office workers would fill a book. Coker was accorded by VA Administrator Max Cleland the Administrators Award for Executive Leadership, one of six persons nationwide so recognized this year. All the service organizations have added to the official commendations to this office here in Waco for the help given by its workers to veterans across Texas from Texarkana to El Paso and from Amarillo to Austin. While the regional office is ninth largest in the nation, it ranks as No. 1 in economy and efficiency, the only one of the 54 nationwide to take top honors in all categories of evaluation.

Nor do the VA regional staff members confine their service solely to veterans. Through United Way, through the blood center, through U.S. savings bond promotions, they continue to stand at the top of extra achievement on behalf of this community.

Theirs is a record of unselfishness that stands as an example to all of us in private and public life and Veterans Day is an appropriate time to say so.●

NATIONAL MIME WEEK, APRIL 1–7

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. WAXMAN. Mr. Speaker, during the week of April 1–7, 1979, the Los Angeles Mime Guild, a nonprofit organization of over 100 professional mimes, will celebrate, in conjunction with similar groups throughout the country, National Mime Week. Festivals, benefit performances, and special theme concerts will be held in Los Angeles and cities across the Nation.

Mime is an enchanting and special art form which is enjoying a renaissance. Mime engages audiences and imaginations, and provides its own counterpoint to the experiences of music, drama, dance, and cinema. Mime is a unique part of our culture, and deserves our fullest support.

The celebration of National Mime Week confirms the emergence of a distinctly American contribution to mime. For the citizens of Los Angeles, the schedule of events is especially rewarding. I am pleased to take this opportunity to inform my colleagues of National Mime Week, and to insert in the RECORD the plans of the Mime Guild:

NATIONAL MIME WEEK, APRIL 1–7, 1979

National Mime Week is an explosion of Mime across the country—a celebration of American Mime and the growth it has experienced in recent years.

People Love Mime—once they see it and know what it is; once they see the range of Mime, its comedy, its drama, its beauty and humour—once they see it.

That's what National Mime Week is all about: Getting Mime out where everybody can see, enjoy and learn to love it.

The L.A. Mime Guild is heading up the National Steering Committee to coordinate the multitude of events planned for National Mime Week all over the country. Our goal is some 2,000 events: Concerts, festivals, parades, workshops, charity fund-

raisers—all happening during National Mime Week and the month before.

Local plans for our celebration during the month of March include:

Vaudeville Mime at the Variety Arts Theatre, March 15, 16 & 17.

Dance Mime at IDEA in Santa Monica on March 11.

Shakespearean Mime at the Globe Playhouse in Hollywood.

Space Age Mime at Griffith Park Observatory.

Childrens Mime at Century City Playhouse on March 10 & 11.

History of Mime lecture-demonstration at Los Angeles City College March 16.

Disco Mime Fashion Show featuring the fashions of Mary Hegges.

Tribute to Silent Westerns at Gower Gulch.

Improve Mime at the Improvisation nightclub.

Comic Mime at The Comedy Story, Hollywood.

Special Events with Municipal Arts and Ports O' Call.

The celebrations for National Mime Week will kick off with an April 1 Parade of Fools on the sidewalks of Westwood, Century City and Hollywood.

Next come Lunchtime Mime Concerts at ARCO Plaza, Broadway Plaza, Music Center, Triforium, Century City & The Security Pacific Plaza.

Joining in Mime Week festivities, the L.A. Schools are planning a series of special performances at high schools throughout the city featuring mimes currently working in the schools. They plan to bring in kids from surrounding elementary schools for the special shows.

Filmex will dedicate one evening of National Mime Week to a Mute Tribute to Silent film Greats with special live mime performances.

The Mime Guild and a private sponsor will stage charity fundraising Mime-A-Thons throughout Southern California to benefit United Cerebral Palsy.

The culmination of the week's events in Los Angeles will be a benefit performance for the Mime Guild and United Cerebral Palsy: An Evening of Caberet Mime in the Grand Salon of the Queen Mary.

We're also planning souvenir programs of the week's events, posters, bumper stickers, buttons, T-shirts, etc. all with National Mime Week's logo and slogan — "Mime's the word".

Around the country news of National Mime Week is spreading and many events are being planned including parades, workshops, special performances, tours of schools and a TV special in Chicago, Washington, D.C., Milwaukee, Pennsylvania, Texas, Ohio and Alabama.

We are expecting many more events to be planned between now and April 1 and hope to see National Mime Week become a truly national celebration of American Mime.●

MANDATORY MINIMUM PENALTIES AND THE ILLICIT TRAFFICKING IN MARIHUANA AND COCAINE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GILMAN. Mr. Speaker, during the 95th session, I introduced H.R. 2583, the Narcotics Sentencing Act of 1977, imposing mandatory minimum prison sentences with restricted parole eligibility for persons illicitly manufacturing, distributing or dispensing narcotic drugs. At the beginning of this session, on January 18, I invited my colleagues in the House to join me in cosponsoring a legislative proposal—the Controlled Substances Sentencing Act of 1979—that would extend the same stiff, mandatory minimum penalties stipulated in H.R. 2583 to both narcotic and nonnarcotic drugs included in schedule I, II, III, or IV of the Controlled Substances Act of 1970 (Public Law 91-513), thereby attacking the extensive illicit trafficking of not only heroin, but also such dangerous nonnarcotic drugs as pep, cocaine, amphetamines and barbituates. The current issue of Time, January 29, 1979, has featured as its cover story "The Colombia Connection: Billions in Pot and Coke," detailing the multibillion dollar drug trafficking industry in that nation with revenues exceeding that nation's export of coffee. The Washington Post this week, January 24, 1979, reported the arrest by Federal and local drug law enforcement officers of a gang of international heroin traffickers who, during the past 2 years, have smuggled into the Nation's Capital at least 100 pounds of 90 percent pure heroin from Southeast Asia at an estimated value of $30 million.

As a member of the Select Committee on Narcotics Abuse and Control that last year studied the illicit drug trafficking operations in Central and Latin America (in Colombia, Ecuador, Peru, Brabil, Bolivia and Mexico), I can assure my colleagues that drug trafficking in Latin and Central America is a gigantic business, involving billion of untaxed dollars, a network of tens of thousands of poor farmers who cultivate cocaine poppies and marihuana over an estimated 500,000 acres, and international criminal syndicates, small-time entrepreneurs and corrupt officials who combine to feed an almost insatiable worldwide demand for narcotics.

Mr. Speaker, in the interest of bringing to the attention of my colleagues the magnitude of the illicit trafficking of marihuana and cocaine from just one of these countries, Colombia and the obstacles that our Nation's drug law enforcement agencies face in interdicting drug trafficking, I am inserting at this point in the RECORD, the complete text of the recent Time cover story. I will welcome the support of my colleagues for my legislative proposal—Dear Colleague letters of January 18, 1979—will help to crack down on the illicit trafficking in drugs that causes so much suffering throughout the world.

THE COLOMBIAN CONNECTION

Like a bird searching for scraps of food, the little Cessna circled lazily over the green hillsides. Below, everything looked peaceful. The one thatched hut nestled in a clearing appeared deserted. This was remote Guajira province in northern Colombia, which stretches from the Caribbean up into the rugged hills and ravines of the Sierra Nevada de Santa Marta. Suddenly three shots rang out, reported Time Correspondent Donald Neff. His Cessna twisted into a steep climb and fled to safety.

The farmers of Guajira do not like visits from inquisitive reporters or other strangers. They have good reason. For the grassy harvest ripening in the sun is marijuana, a luxurious marijuana of heady strength known as Santa Marta Gold. Most of it is destined for the U.S., where the 42 million Americans who have tried pot have made smoking it the most widely accepted illegal indulgence since drinking during Prohibition. They now consume about 130,000 lbs. per day, quadruple the 1974 consumption, and they spend $25 billion per year on their pleasure. Mexico provided most of the best marijuana until two years ago, when the government there began cracking down on drug smugglers and spraying marijuana fields with the herbicide paraquat. Colombia moved rapidly to fill the gap. It now provides roughly two-thirds of all the pot smoked in the U.S. "Colombia is the largest supplier of marijuana in the world," says Peter Bensinger, head of the U.S. Drug Enforcement Administration. "It's a trafficker's paradise."

This is the Colombian Connection, a network of farmers, smugglers, brokers and fixers that extends more than 5,000 miles from Bogotá to the great markets of New York, Chicago and Los Angeles. It owns an armada of ships and planes, and it has recruited an army of bush pilots, seamen, electronics experts, roustabouts and cutthroats. Though the Mafia is starting to move in on this stream of gold, the connection is still operated mainly by Colombians (some 70,000 families are believed to be involved), most of them novices or small-time entrepreneurs. It is by far the largest business in Colombia, providing more revenue than coffee; it is also, astonishingly enough, the largest retail business in Florida. Those who enjoy smoking the weed may regard the traffic as essentially harmless, but wherever the Colombian Connection extends, it spreads violence and corruption.

Although marijuana is its main product, Colombia is also America's chief cocaine supplier, processing paste from the leaves of the coca plant, grown in the Andes, into the snowy-white chic drug of the 1970s. About 2 million Americans pay $20 billion annually for 66,000 lbs. of the stuff, and Colombia provides about 80 percent of it. It is the fashionable drug among movie stars, pop singers and jet-setters. As Robert Sabbag wrote in *Snow Blind*, his hip account of the cocaine trade: "To snort cocaine is to make a statement. It is like flying to Paris for breakfast." Those who have been arrested for possessing it include Rolling Stones Guitarist Keith Richard, New York Rangers Forward Don Murdoch, TV Star Louise Lasser, Conductor Michael Tilson Thomas and one of the owners of Manhattan's top discotheque, Studio 54, where a flashing light tableau shows the man in the moon sniffing coke from a spoon.

Why did Colombia, a relatively backward land, become the world's drug provider? One reason is that climate and soil conditions in the Andes are ideal for growing high-quality marijuana. Another is that Guajira is remote and inaccessible, hard to police from Bogotá, with a long and irregular Caribbean shoreline that is ideal for smugglers. Still another reason is that after World War II, Colombia was prey to 15 years of civil strife, generally known simply as *"La Violencia."* That left 200,000 dead and a society habituated to frontier justice and pervasive corruption. There were widespread rumors that government officials winked at or even sponsored the drug traffic. That changed, however, with the election last June of Julio César Turbay Ayala, 62, former ambassador to Washington, as President.

Until then nobody had any idea of just how big Colombia's marijuana crop was. Former Assistant Attorney General Rodolfo Garcia Ordones doubted reports that 25,000 acres were being used to grow marijuana. To disprove what he considered wild overestimates, he took a three-day helicopter tour of the northern provinces and made a "strict calculation." His final report: the weed was flourishing on not 25,000 but

about 250,000 acres in Guajira. Perhaps 50,000 more acres are cultivated in the southern plains. "I was shocked," he said. "No one thought the problem could be of such dimensions." At a maximum yield, such fields have a potential of producing annually 6 billion lbs. of marijuana, each pound worth $600 on American streets.

A Colombian marijuana grower gets only about one percent of what his harvest will eventually be worth, $6 per lb., but that is five or six times as profitable as growing coffee, corn or cotton. Despite the fact that the government has begun cracking down (it has burned more than 2,000 tons of marijuana since autumn), it is not inclined to be too harsh on the farmers. Says José Miguel Garavito, the swashbuckling operations officer of the Attorney General's antidrug unit: "It is hard to blame a farmer who is growing corn and earning a few pesos for switching when he sees his neighbors working no harder to grow marijuana and earning lots of pesos. The traffickers come in, give them the seeds and then collect the crop."

It comes in many varieties. The *"catadores,"* or crop tasters, report that although Santa Marta Gold is still the most famous of the Colombian line, the Arhuaco Indians in the higher altitudes are growing an even more potent variety of pot: Mona (blond) plants so pale that they look bleached. The Cielo Azul heights produce a pale plant known as Blue Sky Blond, developed as a hybrid two years ago with seeds from Thailand. Even the arid and low-lying fields of the Guajira peninsula, which are irrigated and farmed with tractors, grow a good green grass. The broiling sun forces the plants up to 15 ft. within six months and infuses them with an abundance of powerful resin. The emerging new drug-cultivation area is the Llanos plains, on the edge of the Amazon jungle, where pruning has improved the original coarse green cannabis.

Samples of all these varieties can be found in Bogotá's dope marketplace, just behind the Bogotá Hilton. One of the traders, known only as Ricardo, touts a red hashish from the Llanos area. He waves a smoldering lump of it on the tip of a needle in front of his clients. As the smoke does its magic, he smiles and exhorts the potential buyers, "Just taste the quality."

Cocaine, which reaches the U.S. through the Colombian network, often does not originate in Colombia. Most coca shrubs grow in neighboring Peru, Bolivia and Ecuador, where the Indians of the Andes have chewed the leaves for more than 2,500 years. According to legend, the founder of the Inca dynasty, Manco Capac, brought coca to earth from his father, the sun. The Indians used it to dull their hunger, cold and weariness. (When Georgia Pharmacist John Styth Pemberton invented Coca-Cola, he included small amounts of cocaine to "cure your headache" and "relieve fatigue," but the drug was eliminated from the syrup shortly after 1900.) Colombia's role in the coke trade is middleman and processor. At kitchen labs dotted around the country, coca leaves brought in from all over the Andes are distilled into a paste and then converted into a base (150 lbs. of leaves make 1 lb. of base, worth more than $2,000). In a final stage, this base is crystallized into 1 lb. of pure cocaine, for which a smuggled will pay $7,000.

On a slightly higher level of technology, Colombia drug traffickers have started to manufacture and smuggle other drugs, most notably a counterfeit line of Quaaludes, a prescription brand of the sedative methaqualone. At least five presses for making the white pills have been smuggled into Colombia recently. For 10c apiece, they churn out tablets of methaqualone that are being popped at 35 times that price in the U.S. Last month, during a raid on a marijuana warehouse on the Guajira peninsula, soldiers found a million fake Quaaludes.

The fortune brought in by drugs has created an underground economy that fuels Colombia's 20 percent inflation. Prices of land and homes in coastal areas like Santa Marta have rocketed. Rolls-Royces and $30,000 beds with built-in stereos are among the signs of the drug traders' conspicuous consumption. Also being purchased by traffickers: Colombia's judges, customs agents and police. The jail in the capital of the Guajira is so corrupted that the army has quit sending captured smugglers there. They routinely escape.

The big money in the Colombian drug operations goes not to those who grow narcotics or process them, but to those who get them to the American consumer. One way to get the drugs out is to fly them from one of the hundreds of clandestine airstrips that have been bulldozed in Guajira peninsula. The Colombian army's map of the region is speckled with 150 pinpoints, but an officer admits, "There are so many illegal airstrips we don't really count them."

"The Americans stupidly land here, and and then they naively make up the same lies to explain their presence," according to General Jose Maria Villarreal Abarca, commander in the northern provinces. "They say they got lost." Shortly after he spoke, one of his deputies came in and reported that three Americans had been caught making an emergency landing. The general went to investigate.

"Gosh," said Donald Davis, 36, a former employee of the Michigan state police who was co-piloting the lumbering old DC-6. "I don't know what all the activity is about. We were headed for Costa Rica from Florida when our navigation went out. We were down to our last drop of fuel when we landed."

In Pilot Riddel Marvin's pocket, however, the authorities found evidence indicating another objective: a smudged note giving the coordinates of a large clandestine airstrip in the area. The army, tipped off by the U.S. Drug Enforcement Administration, had been waiting for the three Americans. According to intelligence, they were supposed to pick up six tons of grass and another American, who had been arrested last November after illegally flying into the country. The three are now being held in Colombia on illegal-entry charges, and DEA officials say they may be prosecuted for conspiracy to smuggle when allowed to return to the U.S.

Getting caught is not the only risk facing drug pilots. The peninsula is littered with planes that were overloaded with tons of marijuana and crashed while trying to take off. General Villarreal says he has found. within four months, eleven downed planes and the bodies of ten smugglers. Local fishermen tell tales of planes crashing into the sea and their crews being devoured by sharks.

Finding a safe landing field in the U.S. on the return run is not easy either, but more and more crude landing strips have appeared in rural areas in the South. One pair of hapless smugglers this month made it all the way into the U.S. only to land in a Florida pasture being used by local politicians for a turkey shoot. The pilot was promptly arrested. But for those who make it in safely, and most do, the payoff is high. A pilot can pocket $50,000 for one trip. Ten tons of marijuana, if landed safely, immediately becomes worth $6 million wholesale, making the trip profitable even if the old plane must be abandoned on its makeshift runway in the woods.

Air transport is only one of marijuana's ways north. Colombia has 1,300 miles of jagged coastline, from which it is easy enough to load 30 tons or more of grass aboard freighters, trawlers or large (often stolen) yachts. These mother ships, as they are called, are monitored by the U.S. Coast Guard at a series of "choke points" as they work their way north through the Caribbean. But American authorities have little power as long as the drug ships hover outside the twelve-mile limit of U.S. territorial waters. Using sophisticated electronic equipment, the smugglers on these mother ships monitor Government surveillance and attempt to rendezvous with souped-up speedboats and pleasure craft that dart out from the U.S. coast at night on duty-free shopping sprees, just as in the old rum-running days of Prohibition.

The Winnebago lurking on the shore of Chesapeake Bay one recent weekend looked like any other mobile camper, but with the radio scanner and communication equipment inside, it resembled a war room in the Pentagon. As a command post for the onshore operations of a marijuana-smuggling confederacy, it had been monitoring the area's police for a week, preparing for a mother ship's arrival in nearby waters. The camper was in contact with small trucks and vans waiting along the coast for the merchandise. As the ship reached the southern tip of Assateague Island, five miles off Virginia, the camper, using code that would bewilder a CB buff, arranged meetings with the contact speedboats and guided them back to rendezvous points on the shore.

When the Coast Guard gets a break, it is often by chance: Coast Guardsmen had boarded one mother ship last July when a smuggler's plane, unaware of the seizure, flew over and dropped a note giving directions for a rendezvous with a cabin cruiser. The officers dressed up as deck hands, kept the appointment with the yacht, sold three 80-lb. bales of grass, and then arrested the American buyers. For each such capture, the Coast Guard cutter gets to display a marijuana leaf on its hull.

Despite the ever larger captures (more than 5 million lbs. of marjuana in the first nine months of last year, compared with 2 million lbs. in all of 1977), Coast Guard Admiral John Hayes admits, "We are at almost a wartime status, but we are interdicting only about 10 percent of the illegal drugs coming in." Most dealers feel even that is an overestimation. Successful smugglers hardly bother to hide their activities. Two Florida brothers, Tracy and Darrell Boyd, once donated $10,000 to the muscular-dystrophy telethon signing themselves "the blockade runners."

Cocaine too is carried on mother ships and lumbering old planes, but since it is so much more compact than marjuana, and worth almost six times its weight in gold, there are simpler methods of shipment. A commercial air traveler flying from Bogotá can make $10,000 tax free by carrying a pound about the size of a paperback book. Many passengers do. They carry the white powder on their bodies, inside candy bars or toothpaste tubes, under slightly askew wigs, sewn into leather saddles.

Major coke dealers have bought furniture factories, which churn out coke-filled lamps and stools for the discerning buyer. Forty pounds of coke was recently seised in a load of South American furniture being trucked from Grand Rapids to Detroit. Compressing machines have allowed exporters to conceal their coke inside products ranging from record jackets to water skis. Cocaine can even be dissolved in liquor or perfume (it is easily recovered after passing customs). Water containing dissolved cocaine can be soaked into cotton clothes and retrieved days later with a loss of only about 10 percent. Middle-size traders often hire "mules," innocent-looking travelers, to walk their goods through customs; they profess ignorance if caught.

A former Los Angeles probation officer and his Colombian wife were arrested with five associates last month; 6 lbs. of coke were concealed in the soles of their wedge shoes.

Braniff Flight 922 from Bogotá to Los Angeles is nicknamed "the cocaine special." One scam is for a passenger to hide the powder somewhere on the plane, clear customs in Los Angeles, reboard the plane for the continuation to San Francisco, then collect his hidden coke. Panel bolts in many planes are visibly worn from smugglers' screwdrivers. Four unclaimed kilos were found last month in one jet's nose cone.

Yet another smuggling technique involves an artful use of the mails. Phil is a young entrepeneur from Chicago who went to Colombia last year on vacation. Like many vacationing students, he happened to stumble across someone in the "snow" business. Nervous but eager, he went one night to see his new friend Rafael at a house on a back street of Bogotá's barrio. He had to bring $3,000. Rafael was holding a .38-cal. automatic when he opened the door, but he was ready to deal. For two hours they packaged 18-gram portions of cocaine in cellophane, attached them to greeting cards with flypaper and placed the cards in business envelopes. At different intervals and from different places, the cards, 47 in all, were mailed to the business address of one of Phil's friends in Chicago. Phil never opened the envelopes: he merely picked them up and delivered them to a local dealer recommended by Rafael, charging him $1,000 an oz. For his work and $3,000 investment, Phil made $25,000. He repeated the scam for a few more months; then, $100,000 later, he pocketed his winnings and retired.

Despite such examples of outsiders' getting involved, the Colombians have been fairly successful in keeping the traffic to themselves. They can recognize each other by their accents, and their clannishness has made it difficult for the police to infiltrate their operations.

The cocaine distribution capital of America today is probably Jackson Heights, a quiet, middle-class residential section of Queens in New York City, within walking distance of La Guardia Airport. Despite the elevated train tracks over Roosevelt Avenue, the neighborhood is neat and clean and, except for those in the drug trade, safe. At present 200,000 Colombian immigrants live there, most of them working in garment factories or running small legitimate businesses. But in the early '70s, half a dozen Colombian gangs, a network of perhaps 1,000, established the connection there.

"Restrepo" is 22, about average age for that specialist known as a cocaine diver. He is darker skinned than most Colombians and a good swimmer, both characteristics common to people from the Buenaventura coastal area where he was born. His role is to retrieve a 4-lb. waterproof bag of cocaine dumped overboard from a Grancolombiana line freighter docked at the Atlantic Avenue wharf in Brooklyn. He works at night, wearing a black wetsuit, and he is very cautious. A similar diver, Carlos Riascos, had his throat slit and body dumped in the river as he clambered ashore with his catch. Restrepo is also honest, at least to his trade; another diver, Asaiel Alomia, who decided last spring to keep his valuable garbage bag, was shot and killed. Restrepo brings the package to a sparsely furnished $300-a-month apartment his boss has rented in a quiet building just off Roosevelt Avenue. His fee for a night's work: $2,000.

The boss, "Martinez," has five divers working for him. He cuts the coke by 50% with borax, a cheap powder that adds a lot of weight but nothing else to the once pure coke. At each stage of dealing, the coke will be cut with substances such as procaine, lactose or—for an extra buzz—amphetamines. When finally consumed, it may be no more than 10 percent pure. Martinez deals only with people he knows well. It is up to these additional middlemen, who know the right artists and hairdressers and doormen, to push it further toward the users.

Around midnight, Martinez drops by a club he frequents on Atlantic Avenue carrying a pack of his 50 percent pure. By day the club is a pleasant bar and restaurant, but when the last diners leave, the door is locked and only the select can enter. The man who answers the door after three quick knocks nods Martinez into the red-draped dark room, with music blaring from a four-piece Latin band. After a round of beer with his friend the middleman, Martinez makes the transaction and goes home.

Although Jackson Heights is a quiet neighborhood, the cocaine dealing is dangerous. At least 14 murders there last year were related to the drug trade. Oscar Toro was part of the coke-smuggling gang of Alberto Bravo, in charge of laundering money and sending it from Jackson Heights to Bogotá. One day, perhaps because it was suspected that he had skimmed some of the cash or cooperated with the police, Toro returned home to find his five-year-old daughter hanged from a rafter in the basement. The bodies of his ten-year-old son and the family's babysitter were later found nearby in an abandoned post office. Toro and his wife offered the police no help, and the murders have never been solved.

Violence among traffickers seems to be part of the trade. In the Guajira capital of Riohacha, 92 people were killed in drug wars within a period of two months. In Florida, there have been 27 unsolved drug-related murders in the past year. One case that was solved was the death of Robert Topping, son of former New York Yankee Owner Dan Topping. He was abducted from the Miami airport, robbed of $47,000 he had brought to buy cocaine, stabbed 33 times and dumped on a Miami street. Barry Adler, 19, was sentenced to life in prison plus 99 years for the crime. Said he at his sentencing: "I'm a young boy and not prepared for it."

The Mafia underestimated the American appetite for drugs and has been unable to dominate the lucrative cocaine and marijuana market. This fits the pattern established at the 1957 Apalachin, N.Y., meeting of Mafia dons, where Carlo Gambino counseled that the drug trade was bringing too much heat. A number of old-line families moved out of the business then and have stayed out. But there is so much money involved, police report, that four families—the old Lucchese, Colombo, Bonanno and Genovese clans—are starting to move in after all. One group of Italians was discussing the cocaine trade in the back room of a Bronx restaurant not long ago when they were visited by a pair of Colombians, one of whom had a machine gun. The gun jammed, and the Italians and Colombians ran off in different directions. Says New York Narcotics Officer Bob Mogevaro: "When push comes to shove, watch out."

American enforcement, like Colombia's is hampered by corruption. Says Dade County, Fla., Chief of Narcotics Investigation Jack Rafferty: "The money floating around has the potential to corrupt nearly anyone." Coast Guard officers have reported attempted bribes of as much as $15,000, and one secretary working for the DEA in Florida went to jail for stealing secret intelligence files. In Key West, four city police were charged last September with serving as lookouts while marijuana was unloaded at a city dock by a smuggling ring. In Jamaica Bay, Long Island, a fishing boat named *The Darlene C.* carrying 30 tons of marijuana, was seized last November, but the customs and Coast Guard officers let the two dozen smugglers escape during the bungled and uncoordinated raid. TIME has learned that the smugglers fled because they were tipped off by a well-placed informant in one of the law enforcement agencies. To top that, 1,300 lbs. of Colombian Gold, most of it from the raided boat, were stolen from a "secret" DEA warehouse just three weeks later, once again on the basis of an inside tip.

At the source, however, a major crackdown has been ordered by Colombian President Turbay Ayala. The various Colombian agencies combatting drugs have been unified as a new group, the Judicial Police. Inefficiency and bureaucratic jealousy got the agency off to a slow start: the military, in fact, refused to supply Judicial Police with weapons. U.S. officials ended up smuggling 100 pistols in to them past Colombian customs. Last fall the Colombian army placed the Guajira peninsula under military restrictions, and within two months, the government claims to have captured 15 planes, including a four-engine DC-6; seized 36 boats; confiscated 259 weapons, including an American M-16; and arrested 318 people. More than 3,000 troops are taking part in the effort. Says General Villarreal: "There are so many fields under marijuana cultivation that we couldn't possibly destroy them all. So we are operating against the warehouse and loading areas, the beaches and airstrips. The traffickers have already suffered major injury because they can't move the marijuana out and it's losing its potency." But there is no evidence yet that the crackdown has made a major dent in the flow of grass.

To strengthen customs work in the U.S., the Government is training agents to use the Air Force's new AWAC (airborne warning and control system) planes to track small aircraft from Colombia. Last week, the AWAC plane, at 29,000 ft., spotted a twin-engined D-18 moving north along the Florida coast and alerted customs and police. They seized 1,600 lbs. of Colombian pot shortly after the D-18 landed near Fort Lauderdale. Says Coast Guard Commandant John Hayes: "For once we have something more sophisticated than smugglers can buy."

DEA Chief Bensinger outlines other measures he hopes will cut down the drug flow: "We are going to catch up by hitting their financial base: seizure of assets, real estate, all of the investments that go into a criminal organization. Then get penalties commensurate with the criminal profits; the returns for a smuggler far exceed the risks. Also, we hope to promote a better understanding of the health hazards. And in Colombia, you need the type of commitment that will stop production at the source."

TIME has learned from Latin American sources that the DEA is readying a blockbuster cocaine conspiracy case, involving indictments in four countries, to be made public within two months. The case, part of which has been presented to a San Diego grand jury, involves dozens of people, including high-ranking diplomats and airline officials in the U.S., Colombia, Peru and Mexico, who are accused of trading cocaine worth almost $500 million wholesale.

Current attempts to stamp out Colombia's drugs still seem to be mere stopgaps, however, ineffectual against the tide of American demand for, and tolerance of, marijuana and cocaine. Says Bensinger: "Our efforts are so uphill that it is more than a challenge. The public attitude must change about drugs so the profitability for traffickers will decrease." On this point, Colombia President Turbay agrees: "Colombians are not corrupting Americans. You are corrupting us. If you abandon illegal drugs, the traffic will disappear."●

SENATE—*Monday, January 29, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The Lord gave and the Lord hath taken away; blessed be the name of the Lord.—Job 1: 21.

O God our Father, from whom we came, unto whom we return, and in whom we live and move and have our being, we pause to thank Thee for the life and work of our fallen friend and former President of this body, Nelson Aldrich Rockefeller.

We thank Thee for his high service to the State, the Nation, and the world as executive, diplomat, and benefactor. We thank Thee for his love of beauty, for the vitality of his manhood, the quality of his mind, the warmth of his spirit, the durability of his friendship, the selflessness of his service, and the completeness of his dedication. Bind us heart to heart to those who mourn that they and we may find new faith, wisdom, and strength for the coming days.

We pray in His name who is the Resurrection and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 29, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 9

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Mr. PROXMIRE, the Senators may speak up to 15 minutes each during the period for the transaction of routine morning business or longer if they are speaking, if they are delivering eulogies, with respect to the departing of the former Vice President, Mr. Nelson Rockefeller, and that, in any and all events, no action be taken that can in any way relate to or prejudice Senate Resolution 9, my resolution, or the pending motion thereto for the remainder of this day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NELSON ALDRICH ROCKEFELLER

Mr. ROBERT C. BYRD. Mr. President, America has lost a great and good friend. Nelson Aldrich Rockefeller's death is mourned by those who knew him well, and by those who knew of him, and admired his energy, courage, and determination.

Nelson Rockefeller was a man I held in high esteem. He served his country from a profound sense of patriotism. His family name and vast wealth could easily have guaranteed him a leisured, idle life. But, to his credit, he chose instead to devote himself to his city, his State, and his country, and he served all with boundless zeal.

Rockefeller never let his privileged background blind him to the suffering of those in less fortunate circumstances. His concern for, and his dedication to, those struggling in misery and poverty was a mark of his deep compassion for all people, rich and poor.

Rockefeller packed many achievements into his seven decades, and he turned his great political energy to many tasks during his long career.

As Governor of New York State and leader of his party there, he made great contributions to the economic, cultural and political life of New York. As the Nation's 41st Vice President, he helped heal the wounds left by the tortured Watergate years. His political career was marked by disappointments as well as triumphs, but he never let the dark moments blunt his dedication, or his appetite for public service.

In the final years of his life, he left the political arena and devoted himself to his second love—art. With the same enthusiasm that marked his public life, Rockefeller turned his attention to making beautiful objects accessible to all lovers of art.

Nelson Rockefeller was a man of many facets and many talents. He will be missed.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. May I yield first, if the distinguished minority leader wishes me to yield to him?

Mr. BAKER. Mr. President, I thank the majority leader. I would hope it might be possible at this time, in deference to the obvious propriety of the circumstance, to ask the majority leader if he will yield to the distinguished Senator from New York.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from New York.

DEATH OF NELSON A. ROCKEFELLER

Mr. JAVITS. I thank my colleague. I thought it would be appropriate to read the resolution if the clerk would be kind enough to read it by title first.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 28) relative to the death of the Honorable Nelson A. Rockefeller, a former Vice President of the United States.

Mr. JAVITS. Mr. President, the resolution, which has been drawn by the majority and minority leaders, and which I find eloquent and very satisfactory, is introduced for myself, Senator MOYNIHAN, Senator ROBERT C. BYRD, and Senator BAKER. I am deeply grateful to them, as is the Rockefeller family, for this unique mark of distinction. The resolution reads as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Nelson A. Rockefeller, a former Vice President of the United States.

Resolved, That in recognition of his illustrious statesmanship, his leadership in national and world affairs, his distinguished public service to his State and his Nation, and as a mark of respect to one who has held such eminent public station in life, the Presiding Officer of the Senate appoints a committee to attend the memorial service for the former Vice President.

Resolved, That the Senate hereby tender its deep sympathy to the members of the family of the former Vice President.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

Mr. President, may I also say that in my weekend communications with the leadership of the Senate there was the utmost sympathy and the utmost understanding for what had occurred and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the suddenness with which it struck his close friends and his family .

May I say, too, the leadership was prepared to do everything we could do considering the eminence of the deceased, including the services which were had here for Hubert Humphrey and which are traditional for America's greatest sons.

The family, in deference to its own wishes, which we all, of course, deeply respect, has decided upon what shall be the memorial service and what shall be the burial and that shall ensue, perhaps in the New York State capitol.

I make this very clear because I think it is very proper to note that as far as the leaders of the Senate were concerned there was absolutely no honor which could be paid to Nelson Rockefeller which they would not accord, and the present procedure, which is by the adoption of this resolution, is entirely and just exactly what the family would desire and exactly the way in which it would desire it.

I hope Mr. President, that we will have a very proper and suitable committee of Senators. Many of us Nelson Rockefeller knew personally, and with many of us he had close and intimate relations, including one of our number who is a relative by marriage of Nelson Rockefeller.

I will say a little more later in the morning hour, but again I express the gratitude of the family and my own gratitude as a longstanding friend and political colleague of Nelson Rockefeller for the tact, kindness, and political sensitivity which has been shown by the membership on this occasion.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of the Senator from Wisconsin (Mr. PROXMIRE) be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator from New York for his remarks. I see the distinguished majority leader on the floor. I concur in the assessment of the situation made by the Senator from New York; the majority leader and I have conferred about an appropriate arrangement to do honor to our former Vice President; and it would have been entirely appropriate, I think, to include even a rotunda ceremony for our former Vice President and colleague; but the wishes of the family, of course, prevailed; we honor and respect those wishes, and that is reflected in the contents of this resolution.

Mr. President, Nelson Rockefeller was not only a great Vice President and Governor and a great Republican, but he was that unique and special personality in America's public life who stands on his own feet because of the caliber of his contribution to the national affairs of this Nation.

In more than 30 years of public service, Nelson Rockefeller distinguished himself as one of the most innovative, forceful, and talented men ever to have served the American people.

His 15 years as Governor of New York set a high standard for vigorous and compassionate leadership, and his service as Vice President of the United States helped give the Nation a much needed sense of strength and stability at its most critical hour.

His commitment to a better life for the American people found expression not only in the offices he held, but in the art he greatly shared with us.

The citation accompanying the Medal of Freedom awarded Governor Rockefeller by President Ford in 1977 well states the legacy of this great man:

> Patriot, philanthropist, patron of the arts, diplomat, Governor of New York, Vice President of the United States, his long years of service to his country have yielded governmental, economic, social and cultural contributions beyond measure.

Our deepest sympathy is with the Rockefeller family at this time of sorrow, but there is comfort and solace in the fact that Nelson Rockefeller lived such a long and useful and graceful life.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 28) was considered and agreed to.

Mr. JAVITS. Mr. President, I hope that we will hear from other Members as to their views on our former Vice President, the former Governor of the State of New York, and my friend.

I think I expressed my own deep feeling about this very eminent son of our country between 2 and 4 a.m. on Saturday morning, when I heard this news, and quite spontaneously wrote out what I thought about Nelson Rockefeller. I would like to read that into the RECORD, Mr. President, as my personal memorial tribute:

> His was a big vision and a big concept of what the American people were capable of achieving in peace or prosperity for themselves and the world. His extraordinary public services to our Nation, to New York State, and to his political party are the material of history and will mark him as one of America's most distinguished sons. We will do well to remember his ideas, his teachings, and his personal warmth and dynamism. It will help us as individuals and as a people. We have all lost a good friend.

Mr. President, I appeared on a television program in New York early this morning, giving some of my personal recollections of Nelson Rockefeller's life and career, and was joined in that by William Ronan, who is the chairman of our New York Transportation Authority, one of his closest personal friends and associates, and by Dorothy McHugh, the Republican State Committeewoman from New York, and also a very close and personal friend.

Mr. President, I think the universal feeling which emerged was very accurate. It not only emphasized his dynamism, his friendship, his warmth, his ability to make his presence felt wherever he was and whenever he spoke, but it also epitomized one other thing which I would like to emphasize as his finest memorial: Mr. President, he not only loved the American people—he did that—but he had the most enormous confidence in their dignity, their fairness, their ability to choose among alternatives, and beyond all else, their mission to make a better world and a better life, not only for themselves but for all of us, and also their ability to accomplish anything. Really, his broad mind visualized great alternatives and grand solutions, because he felt that those were the proper measure of the American people.

When he, for example, suggested that we spend $100 billion over 10 years to break the hold of foreign oil upon our balance of payments as well as upon our politics and our society, it was not just an expression of the fact that he could think in big terms; it was an expression of the fact that he believed the American people could accomplish anything to which they set their minds.

Mr. President, I ask unanimous consent that an article written by Linda Greenhouse in the New York Times, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 28, 1979]

FOR NEARLY A GENERATION, NELSON ROCKEFELLER HELD THE REINS OF NEW YORK STATE

(By Linda Greenhouse)

He sought the Presidency of the United States three times, and in his final years of public life he served as the nation's 41st Vice President. But for all his aspirations for national leadership, Nelson Aldrich Rockefeller was a New York institution. He was, it seemed, the eternal Governor.

By the time he left office in Albany in 1973, an entire generation of New Yorkers had reached voting age and entered adulthood scarcely able to remember a time when he was not the state's chief executive. Only New York's first Governor, George Clinton, who served 21 years, held the office longer.

Mr. Rockefeller dominated the state as few men have ever dominated any government. Starting with his upset defeat of the Democratic incumbent, W. Averell Harriman, in 1958, Mr. Rockefeller—a political neophyte whom the Republican leadership had indulged largely because he could finance his own campaign—left his mark indelibly on the economic, political and cultural life of New York.

$1 BILLION ALBANY MALL PROJECT

His influence was measured not in increments but in quantum jumps: under his leadership, the state university system increased from 38,000 students on 28 campuses to 246,000 students on 71 campuses; the number of state employees nearly doubled, from 102,000 to 183,000; the state budget more than quadrupled, from $2 billion to $8.85 billion; and the tax levy went from $94 to $460 for every man, woman and child in the state.

In the $1.5 billion, gleaming white marble South Mall state office building complex in Albany and in 29 other state office buildings from Hauppauge, L.I., to Buffalo, Mr. Rockefeller left a physical legacy that was among the more controversial aspects of his four administrations.

On Dec. 11, 1973, slightly more than a year before the expiration of his fourth term, Mr. Rockefeller announced that he was resigning in order to devote his time to two organizations he headed, the National Commission on Critical Choices for Americans and the Commission on Water Quality.

WAS EXPECTED TO TRY AGAIN

The move was widely interpreted as a prelude to a fourth try by the Governor for the Presidency, a goal that had eluded him throughout his political life. He cheerfully denied that assessment, saying he wished to keep his options open, and turned over the governorship to Malcolm Wilson, who had been his Lieutenant Governor the entire 15 years.

Mr. Rockefeller did not run again for the Presidency, but his political career was not yet finished. After Gerald R. Ford succeeded to the Presidency with the resignation of Richard M. Nixon at the climax of the Watergate scandal, Mr. Rockefeller was persuaded to become an appointed Vice President and was sworn in on Dec. 19, 1974.

"I feel a great sense of gratitude for the privilege of serving the country I love," he said the day he took office as Vice President.

Mr. Rockefeller was the second Vice President installed under the 25th Amendment, which provides for filling vice presidential vacancies with nomination by the President and confirmation by the Congress. Mr. Ford was the first. He succeeded Spiro T. Agnew as Vice President after Mr. Agnew's resignation in the wake of a bribery scandal.

Mr. Rockefeller served two years under Mr. Ford, who completed Mr. Nixon's second term of office.

WORKED ON ART COLLECTION

Since leaving public life in January 1977, after the Republicans lost the White House, Mr. Rockefeller had focused his energies on his considerable art collection, on writing books on art, on setting his family's financial affairs in order and on providing new direction for the $200 million Rockefeller Brothers Foundation.

Notably, he did not involve himself extensively with politics. On the contrary, in what many observers interpreted as a falling-out with the Republican Party, Mr. Rockefeller sharply diminished his contributions to any fund-raising efforts for G.O.P. causes and candidates. He also stopped attending political dinners and managed often to be out of country when important political meetings were being held.

Mr. Rockefeller did, however, take on a few peripherally political assignments, lobbying privately for President Carter's Panama Canal treaties, urging the United States Senate to support a $100 billion Government corporation to finance high-risk energy ventures and attempting to attract Middle East oil money to venture capital investments in the West.

In the past two years, he made a couple of trips to the Middle East, describing himself as a mere tourist, and traveled to Iran in 1977 at the behest of the Shah to dedicate an art museum.

Last November, without fanfare, Mr. Rockefeller opened a retail store at 48 East 57th Street displaying expensive, high-quality reproductions of his own art and art-objects collections. Catalogues were made up and the merchandise was sold by mail order, with the store billed as a place where customers could merely get a look at the goods.

What some critics called the "commercialization" of the Rockefeller collections generated some debate in art circles, but the store was a big success. As a result, Mr. Rockefeller decided to make it a permanent operation and was to have announced today that he had taken out a five-year lease.

Last March, Mr. Rockefeller signed a contract with Alfred A. Knopf, the publishers, to produce five books about his extensive art collections, and had spent much of his time since at work on the project.

The first volume, on his extensive primitive art collection, was published last month. Titled "Masterpieces of Primitive Art," it had a text by Douglas Newton, photographs by Lee Boltin and an introduction by Mr. Rockefeller. At the time of his death, Mr. Rockefeller was at work on the second volume in the series.

Since leaving politics, Mr. Rockefeller had made only one foray—a somewhat sentimental journey—back into the limelight, traveling to the state capital last May for the rededication of the Albany Mall as "the Nelson Rockefeller Empire State Plaza."

HIS GREETING WAS POLITICAL ASSET

When Mr. Rockefeller left Albany in 1973, members of both parties found it difficult to imagine life in the state capital without him. Over the years, his magnetic grin and his perennial greeting of "Hiya, fella!" had become the stuff of political cartoons and easy parody, but there was no disputing their value as political assets, and no doubt of the force of his personality.

Those whom he failed to enchant maintained that the public Rockefeller, with the hearty, good-natured ease he projected, was only a facade carefully constructed to mask a crafty, ambitious, thoroughly political nature.

His critics were most vociferous after he refused to go to the scene of a prisoner riot and cellblock takeover at the Attica State Prison in western New York in September 1971 to negotiate the release of guards seized as hostages. The rebel inmates had demanded his presence as a condition for talks.

Instead of going to Attica, however, he ordered the rebellion crushed by force, and 29 inmates and 10 hostages held by prisoners were killed in the ensuing blaze of gunfire and tear gas. Eventually, 43 persons died of injuries sustained in the insurrection and its bloody conclusion.

MANY NEVER FORGAVE HIM

The Governor defended his refusal to go to Attica and his orders to end the uprising forcibly on the ground that it was his "best judgment," but many people—critics and supporters alike—disagreed with the decisions. His political opponents, contending that it showed he lacked compassion, never forgave him, and even some of his supporters and staff aides were hard pressed to defend the decisions.

A commission headed by Robert R. McKay, then dean of the New York University Law School, concluded in 1972 that Mr. Rockefeller should have gone to Attica before ordering the assault to recapture the prison.

Critics of Mr. Rockefeller attacked him in harsh terms again in 1973, when, nearing the end of his administration, the Governor backed a tough revision of the criminal penalties for convicted narcotics pushers and users. Most of the laws survived court tests, but the harshest sentences called for —up to life in prison for heroin sales—have not been widely imposed.

Mr. Rockefeller's ambition was difficult to deny, but to his supporters, his public personality indicated a real enjoyment of people and a disinterested commitment to public service, in the tradition of his philanthropist father.

HOSPITALITY AND LARGESSE

In any event, the private side of Mr. Rockefeller's life was one that only a very few intimate friends ever saw. Casual acquaintances might be invited to a function at the Playhouse, the "public" building with an indoor swimming pool and bowling alleys on the Rockefeller family's 4,180-acre estate at Pocantico Hills, near Tarrytown in Westchester County.

Closer friends and political notables might gain entrance to the Governor's own castlelike home on the estate or to his Fifth Avenue duplex apartment, where they could admire a Matisse mural that the artist, working in France from a scale model, designed to fit around the livingroom fireplace, or an abstract landscape that Fernand Léger came to the apartment to paint. When Meade H. Esposito, the Brooklyn Democratic leader, admired a lithograph in that apartment, Mr. Rockefeller took it off the wall and gave it to him.

But beyond the affable hospitality and largesse, Mr. Rockefeller was a complex man who used his great wealth to protect his and his family's privacy. There were a number of people he called on often for advice, but few among them could consider themselves his intimate friends or confidants. He usually vacationed in the family's retreat at Seal Harbour, Me., or at his large ranch in Venezuela; spent nearly every weekend at the discreetly but very well guarded Pocantico Hills, and was rarely seen in the Executive Mansion in Albany, the Governor's official residence, except to stand on a receiving line.

STYLE OF HIS YOUNGER DAYS

Mr. Rockefeller's associates like to tell how as a young boy he shined the family's shoes and raised rabbits for use in the Rockefeller Intitute's laboratories to earn money, and how as an undergraduate at Dartmouth he customarily wore baggy pants and a sweater with holes in it. The point such stories were designed to make was that this scion of one of the world's wealthiest families had an ordinary childhood and grew up considering himself just one of the boys.

But in the light of both the circumstances of his early life and some of the rare personal comments he occasionally dropped, that analysis seems disingenuous at best.

One winter night in the early 1960's, Governor Rockefeller's private plane swept in over Washington, the floodlit White House clearly visible below. "How long has it been, Governor, since you wanted to live in that house?" a passenger asked.

Mr. Rockefeller fingered his glass of Dubonnet thoughtfully for a moment, then replied: "Ever since I was a kid. After all, when you think of what I had, what else was there to aspire to?"

And once, when a dinner partner at a small party he gave complimented him on his skill as a dancer, Mr. Rockefeller answered with a short laugh. "Yes, I had two choices," he said. "I could have become a gigolo or I could have become Governor. I chose the latter."

USED TO "GOLDFISH BOWL"

"Being a Rockefeller is like living in a goldfish bowl," he said on another occasion. "The goldfish get used to it and so do we."

He learned early to protect himself from those who might want to use his money or name for their own purposes. As a young man, he served briefly on a civic commission with 20 other persons, none of whom he knew. Before the group disbanded a month later, a third of the members had approached him with a business proposition or other deal.

But if the family name and fortune imposed burdens, they also offered enormous power and instant access to the world's lead-

ers, access that did not depend on a particular Rockefeller's holding public office at a given time. It was Nelson Rockefeller who, out of office in 1946, persuaded his father on a few hours' notice to put up the $8.5 million necessary to acquire the East River site for the United Nations, thus preventing the world organization from building its headquarters in Philadelphia.

Nelson Aldrich Rockefeller was born July 8, 1908 at the family home in Bar Harbor. He was the third of six children of Abby Green Aldrich Rockefeller and John D. Rockefeller Jr., the son of the founder of the Standard Oil fortune. He was named for his maternal grandfather, Senator Nelson Aldrich of Rhode Island, a powerful figure in national Republican politics.

IMAGE AS "MALEFACTORS"

At the time of his birth, the Rockefeller family was not only rich but also notorious—"malefactors of great wealth," Theodore Roosevelt once called them. In 1908, the Standard Oil Company was in the midst of massive legal battles, which it eventually lost, against Federal and state attempts to break up the huge monopolistic trust. A typical political cartoon of the day, by Frederick B. Opper, showed a giant thug labeled "Standard Oil Trust" stomping on a small figure identified as "The Public."

The image changed, largely because of the work of Mr. Rockefellers father. Before he died in 1960 at the age of 86, John D. Rockefeller Jr. gave uncounted millions of dollars for medical research and other charitable and humanitarian endeavors, and the Rockefeller name came to be associated no longer with malevolence but with philanthropy on a previously unmatched scale.

Nelson Rockefeller was educated at the Lincoln School, a "progressive private school in Manhattan and at Dartmouth College, where he majored in economics, wrote his senior thesis on his grandfather and graduated as a Phi Beta Kappa in 1930.

A few days after graduation, he married Mary Todhunter Clark, the daughter of a prominent Philadelphia family. The couple took a round-the-world cruise financed by Mr. Rockefeller's father as a reward for not smoking. His father and grandfather were abstemious Baptists who neither drank nor smoked, and Nelson Rockefeller usually confined himself to a single glass of Dubonnet.

HEADED ROCKEFELLER CENTER

The young graduate took a job as a clerk in the family bank then called the Chase National. He later worked in the bank's Paris and London branches. He also worked in the rental department of Rockefeller Center, then newly completed. Mr. Rockefeller was later president and then chairman of the center, resigning when he was elected Governor.

The year of his college graduation he signaled another lifelong interest by joining the board of trustees of the Metropolitan Museum of Art. His mother was one of the founders of the Museum of Modern Art and urged her children to collect and admire modern art. Nelson Rockefeller took the advice to heart, and during his lifetime he assembled one of the world's most spectacular private collections of modern paintings and sculpture and primitive art of all kinds.

He founded the Museum of Primitive Art in 1957 to accommodate his fast-growing collection. For advice on his collection of American and European art, which was especially strong in cubism, futurism and abstract expressionism, Mr. Rockefeller had the services of a "shadow cabinet" of some of the country's leading curators and museum directors. For many years, he employed a fulltime curator of his own, Mrs. Carole Uht, who kept his catalogues up to date and kept track of works out on loan and of his voluminous transactions with dealers.

However, Mr. Rockefeller himself was extremely knowledgeable about art, and actively enjoyed his paintings, not only as investments but also as objects of beauty. He served as president of the Museum of Modern Art in 1939.

LECTURED ON A MARC PAINTING

In a lecture he gave at the New School for Social Research in 1967, Mr. Rockefeller commented on his fascination as an art student in college with "Red Horses," a painting by the German artist Frans Marc.

"This is a subject in which the composition, the color, the motion, the strength constantly keep hitting you," Mr. Rockefeller said. "If you are in a different mood than when you previously saw it, you are going to see a different painting, different portions, with their fine points of variation in color, as viewed through the slightly tinted glasses of a different mood or attitude of the day. Talking now not of this particular painting alone but in general, this always makes such artistry exciting."

He filled the Governor's mansion in Albany with paintings from his collection, many of them abstract works that left his fellow politicians frankly confused. "They had never seen anything like it," he recalled. "You know: 'My son, who's 3 years old, could have done better.' I got the standard reaction. It was delightful."

Only by outright arm-twisting of the Legislature did the Governor get the state to approve a $15 million contribution to Lincoln Center for the Performing Arts to build the New York State Theater there.

A MEETING WITH MORGAN

Once while Mr. Rockefeller was an officer of the Museum of Modern Art, the museum invited the painter William Gropper to do a modern mural for a special exhibition. The painter selected J. P. Morgan as his subject and also included a chorus girl and a man clutching a bulging moneybag. Mr. Rockefeller, who was in his 20's at the time, was mortified, and decided to go see the older man before the exhibition opened and explain what had happened.

As Mr. Rockefeller later recounted the incident, Mr. Morgan told him: "Of course you've got to hang it. Don't give it another thought." Mr. Rockefeller called that exchange "one of the great experiences in my life."

From 1935 until 1940 Mr. Rockefeller was a director of Creole Petroleum, a Standard Oil affiliate with large holdings in Venesuela, where he spent much time. He became fluent in Spanish and acquired a lifelong interest in South America.

In 1940 he joined the State Department as coordinator of Inter-American Affairs, helping to formulate President Franklin D. Roosevelt's "Good Neighbor" policy for Latin America. In 1944 he was named Assistant Secretary of State for the American Republics.

Mr. Rockefeller left Government service in 1945, and the next year helped to found the American International Association for Economic and Social Development, a private, nonprofit group, to work with Latin American governments in agriculture and nutritional research and development.

ADVISER ON POINT FOUR

In 1947 he helped to organize the International Basic Economy Corporation, a profit-making organization, to foster investment in Latin American industrial and agricultural enterprises.

President Harry S Truman recalled him for a year in 1950 as chairman of the International Development Advisory Board to advise on the Point Four technical aid program.

He served in the Eisenhower Administration as Under Secretary of Health, Education and Welfare from 1953 to 1955, when he became a special assistant to the President for foreign affairs

Frustrated by the lack of effective power in appointive office, he left government in 1956, looking for a place to run. Two years later, he won the Republican gubernatorial nomination in New York, primarily because the party was looking for a wealthy newcomer willing to make what was seen as a doomed run against Governor Harriman.

Mr. Rockefeller was chauffeured around the state by a fellow Westchester County Republican, Malcolm Wilson of Yonkers, a 20-year veteran of the State Assembly. In return, Mr. Rockefeller insisted that Mr. Wilson be given the nomination for Lieutenant Governor. With an expensive media campaign and the tactile, personal campaign style Mr. Rockefeller was to develop into an art form, the Republican ticket won in an upset by 573,000 votes, and the newly elected 50-year-old Governor was immediately projected onto the national political scene as a potential Republican Presidential candidate in 1960.

He made some hesitant overtures toward seeking the nomination, eventually saying that he would accept a draft, but finally backed away from a showdown fight with Vice President Richard M Nixon, who won the nomination easily.

INCOME-TAX WITHHOLDING

Mr. Rockefeller's first years in Albany meanwhile, were busy ones. Soon after he took office on Jan. 1, 1959, he announced the state's first $2 billion budget together with $277 million in tax increases and the state's first withholding for income taxes. There were howls of protest in the Legislature, but Mr. Rockefeller prevailed.

His fiscal policy during the early years of his administrations was traditionally conservative—pay-as-you-go—with little or no borrowing. Eventually he reversed himself—as he did on many other issues—and came to rely on massive borrowing and record bond issues to finance capital improvements, sewer projects, transportation and other major programs.

The voters twice rejected major transportation bond issues. But he was able to incur an additional $6.7 million in state debt without voter approval by creating semiautonomous agencies such as the Housing Finance Agency and the Urban Development Corporation with the power to issue their own bond.

Under Mr. Rockefeller, the state got its first sales tax, which had risen to four cents on the dollar by the end of his 15 years. Taxes of various kinds were imposed or increased in 1959, 1963, 1965, 1966, 1968, 1969, 1971 and 1972. The state debt increased from $92 million in 1959 to $3.4 billion by the end of 1973.

A LIST OF ACHIEVEMENTS

However, for their money the voters got a long list of achievements. Among bricks and mortar, in addition to the State University and the Albany mall and other state office buildings, were the construction of 200 water-treatment plants to combat pollution; the construction of 30,000 housing units by the Urban Development Corporation and 60,000 units by the Housing Finance Agency; three new model communities built by the Urban Development Corporation at Lysander near Syracuse, Amherst outside Buffalo, and Welfare Island; 23 new state mental health facilities; 109 voluntary and municipal hospitals and nursing homes constructed or expanded, and completion of the Long Island Expressway, which opened up Long Island to residential and industrial expansion.

In education, there were major increases in state aid to local school districts, state aid to parochial schools—most of which was later declared unconstitutional; state aid to private universities; 235,000 scholar-incentive awards of $100 to $600 annually for students attending private and public colleges in the state, and 75,000 Regents

scholarships of up to $1,000 annually. In most of these areas, the Governor blasted new trials.

So, too, did he pioneer in injecting the state into the mass transit business by creating the regional Metropolitan Transportation Authority, which took over New York City's subway system and pumped into it funds for new subway cars and new subway-line construction. He also was largely responsible for creating a State Council on the Arts, which provided about $15 million annually for local cultural events.

As Mr. Rockefeller began preparations for running for a second term, the announcement suddenly came that he and his wife of 31 years were being divorced. They had last been seen together in public on March 3, 1961, when they were rescued by firemen from from the Executive Mansion in Albany. A fire almost completely wrecked the interior of the mansion, although no one was injured. The Governor personally paid $58,000 of the $558,000 in the restoration costs.

The Rockefellers had five children: Rodman, Ann (now Mrs Lionel Coste), Steven, Mary (now Mrs. William J. Strawbridge Jr.) and Michael, Mary's twin brother. Michael was lost and declared dead on an anthropological expedition to New Guinea in November, 1961, the month that his parents' impending divorce was announced. He was 23 years old and, according to most accounts, was the closest of the five children to his father.

Mr. Rockefeller chartered a jet from Honolulu and flew to New Guinea to join in the search, but gave up and returned home after 10 days.

Mrs. Rockefeller was granted a divorce on the grounds of mental cruelty. Some political leaders expected the divorce to hurt the Governor's chances for re-election, but he easily won a second term in 1962 by defeating the Democratic candidate, Robert M. Morgenthau. The margin was 530,000 votes.

The next year, he married Mrs. Margaretta Fitler Murphy five weeks after her own divorce. The new Mrs. Rockefeller, nicknamed Happy, was 19 years the Governor's junior. Her former husband received custody of the couple's children.

Whether it was the divorce and remarriage or the conservative tide in the country that defeated Mr. Rockefeller's second try for the Presidency in 1964 was a subject of lengthy debate. He won Republican primaries in Oregon and West Virginia, but lost the important California primary to Senator Barry Goldwater of Arizona and withdrew his candidacy in favor of Gov. William W. Scranton of Pennsylvania.

BOOED AT 1964 CONVENTION

At the Republican nominating convention in San Francisco, Governor Rockefeller was loudly booed by conservatives when he took the rostrum to denounce the philosophy of the extreme right. He did not campaign for Senator Goldwater, who won the nomination and whose defeat by Lyndon B. Johnson was a major disaster for Republicans in New York State: The party lost a Senate seat, seven seats in the House of Representatives and, for the first time in 25 years, both houses of the State Legislature.

Governor Rockefeller began his campaign for a third term in 1966 by declaring: "I speak as one who has taken himself out of national contention, completely and forever, without reservation." He was reported to have spent between $5 million and $6 million on the campaign, a new national record for a state election, and won with 44.6 per cent of the vote in a four-way race against Frank D. O'Connor, the Democrat candidate; Francis Adams, the Conservative, and Franklin D. Roosevelt Jr., on the Liberal party line.

As the 1968 Presidential election approached, Governor Rockefeller once again vacillated to the crucial moments. He first declared that he would support Gov. George Romney of Michigan for the Republican nomination. When Mr. Romney withdrew, Governor Rockefeller called a news conference at which it was widely believed he would announce his own candidacy. But he still hung back, waiting 40 more days until May 1968 to announce that he would fight Mr. Nixon for the nomination "right up to the last vote."

NIXON AN EASY WINNER

Mr. Rockefeller campaigned vigorously, but Mr. Nixon easily won the nomination on the first ballot at the Republican National Convention at Miami Beach. Mr. Rockefeller expected to be offered a high Cabinet position in the Nixon Administration, but no serious offer ever came.

Mr. Rockefeller won his fourth term in 1970 by easily defeating Arthur J. Goldberg, the former Supreme Court Justice and chief United States representative at the United Nations, by 688,000 votes, the largest plurality in his career.

Although he was obviously as effective a vote-getter as ever, and showed few signs that he was approaching an age when many men consider retiring from active life, the flow of innovations that had marked Mr. Rockefeller's first decade as Governor seemed to come to an end, replaced instead by an emphasis on holding down state spending and keeping new programs to a minimum.

Typical of this latter period was the Governor's attempt to impose a residency requirement for welfare—a proposal he had assailed when it was suggested by Mr. Goldwater eight years earlier—and his appointment of a welfare "inspector general" to crack down on welfare recipients.

Liberals, who had once considered Governor Rockefeller one of their number, denounced him for these shifts, especially after he refused to go to Attica in 1971. The criticism reached a peak in 1973 when Mr. Rockefeller proposed a revision of the penalties for convicted narcotics sellers that some considered Draconian.

REVERSED STAND ON U.D.C. POWER

Also that year, Mr. Rockefeller reversed an earlier stand and allowed the Legislature to strip the Urban Development Corporation of its controversial power to override local zoning regulations in the construction of low-income housing, a power the Governor had insisted on when he forced the bill creating the U.D.C. through the Legislature, in the wake of the assassination of the Rev. Dr. Martin Luther King Jr. in 1968.

This later period was also marked by Governor Rockefeller's feud with Mayor John V. Lindsay of New York. The relationship between the two reached its nadir in 1973 when Mr. Rockefeller teamed up with Alex Rose, the Liberal Party leader, to try to put across a former Democratic Mayor, Robert F. Wagner, as the Republican-Liberal candidate for Mayor of New York. Eight years earlier, Mr. Rose and Mr. Rockefeller had joined to back Mr. Lindsay, supposedly to rescue the city from the effects of 12 years of Wagner rule.

As Mr. Rockefeller's politics changed over the years, so did his personality. In the early years of his administration, he was often testy and arrogant off camera, despite his public image of ebullience.

But he mellowed considerably, and toward the end of his four terms his private demeanor more closely resembled his public personality. Some attributed the relaxation to the effect of the second Mrs. Rockefeller, who, at least in public, lived up to her nickname, Happy. The couple had two children, Nelson, Jr., born in 1964, and Mark, born in 1967.

RETAINED A JAUNTY BEARING

At 5 feet 10 inches tall and about 185 pounds, Mr. Rockefeller had a broad-shouldered, stocky build. His reddish-brown hair turned gray during his 15 years in office, but his bearing remained jaunty. He had a rather flat high-pitched speaking voice with an accent that seemed to fluctuate between the broad "a" of the upper classes and the twanged, nasal vowels of upstate New York.

Mr. Rockefeller was not at his best when reading a speech. Few people were aware of the problem, but all his life he suffered from an innate tendency to read backward from right to left, a difficulty that may have had its origin in his fathers' unrelenting effort to change young Nelson from a left-hander to a righthander. Around the family dinner table, the elder Mr. Rockefeller would put a rubber band around his son's left wrist, tie a long string on it and jerk the string whenever Nelson started to eat with his left hand, the one he naturally favored. Eventually, the boy achieved a rather awkward ambidextrous compromise.

But Nelson Rockefeller could be fluent and effective when, as was his habit, he discarded a prepared speech, promised the reporters present that "Boys, I'll stand behind every word," and spoke extemporaneously. His nickname "Rocky" was purely a convenient political invention. His family and friends always addressed him as "Nelson."

His tireless, tactile campaign style was famous. He nudged and hugged and winked his way through crowds with his "Hiya, fella" or "You're terrific, I want to tell you," leaving beaming voters everywhere he went.

A SURPRISE TO CRONKITE

One of the few spontaneous movements of the Republican National Convention in 1972 occurred when Walter Cronkite invited Mr. Rockefeller to the broadcast booth for an interview. After some minutes of perfunctory questions and answers the Governor suddenly thrust his hand out toward Mr. Cronkite, grinned and said, "Walter, I just want to tell you, I think you're terrific, fantastic." It took the usually unflappable Mr. Cronkite a few silent seconds before he realized he should take the proffered hand and return the compliment.

On rare occasions, the homey touch fell flat. Once, for example, he passed a baseball diamond where small boys were playing. Mr. Rockefeller commented on how much he enjoyed the game in his youth. Near him was a boy in shinguards and a chest protector, carrying a big, round glove. "And what position do you play, son?" asked the Governor, putting his hand on the boy's head.

And sometimes there was an outright blunder. He was once asked what he thought of his protégé, Dr. William J. Ronan, head of the Metropolitan Transit Authority. "He's doing a horrendous job," Mr. Rockefeller replied proudly. While reporters tittered, his staff gathered around him in consternation. He emerged to say he had meant to say "terrific." An aide explained that the Governor had always thought "horrendous" was a term of praise.

In his work, his greatest strength, aside from his nearly limitless resources, was an expert, loyal and secure staff. He rewarded competence handsomely, and the men around him worked with the knowledge that when their days on the public payroll were over, there would almost certainly be a position in the far-flung family enterprises.

His aides examined issues meticulously, preparing detailed briefing papers on everything from the apple crop to sewage disposal. Mr. Rockefeller was rarely caught should be being unprepared in discussions around the state.

His years as Governor were remarkably free of public scandal. The only major scan-

dal that struck close to home involved L. Judson Morhouse, the Republican state chairman and former Rockefeller political mentor, who was convicted in 1966 of bribing the chairman of the State Liquor Authority, another Rockefeller appointee named Martin Epstein. Although sentenced to three years in prison, Mr. Morhouse was ganted executive clemency by the Governor on the grounds of illness.

The day after Rockefeller announced his intention to resign from office, Perry B. Duryea, Speaker of the Assembly, and other Republican figures were indicted by a grand jury on charges of violating the election law in an alleged vote-siphoning scheme. The charge against Mr. Duryea was later dropped, and he unsuccessfully challenged Hugh Carey for the Governorship last year.

OBJECTIVITY STRESSED

Mr. Rockefeller's supporters stressed the objectivity and humanity of his years in power. "When I make a decision," the Governor once said, "I think: 'It's human, it's right, it's neither liberal nor conservative, but it's the right thing to do.' I have as much to 'conserve' as anyone."

To his detractors, he was arrogant, opportunistic and shallow, able to retreat to his mansions and pass out of reach of the consequences of his policies, so sure that his decisions were selfless and free from desire for private gain that he held competing views in utter contempt. They saw him as so isolated by millionaire comforts that he was capable of giving an aide a nickel to make a telephone call.

Like many wealthy people, he never carried money and once had to borrow a dollar from a startled receptionist at the Department of Health, Education and Welfare to pay a 90-cent taxi fare.

There never was a precise estimate of Mr. Rockefeller's worth. The family fortune was said to be between $6 billion and $10 billion, and Mr. Rockefeller was estimated to have a personal fortune of something like $200 million. He said in the early 70's that his yearly income taxes had not been under seven figures for the last 25 years.

He dressed impeccably, lived with great style and paid many expenses of the governorship out of his own pocket. He had been brought up with the strong belief that money should not be squandered or spent ostentatiously. Yet he felt he owed no apologies or explanation for spending it as he pleased.

One year he presented Mrs. Rockefeller with a new Rolls-Royce that cost $33,000. Since the car was to be used almost exclusively for driving among other Rockefellers at the Pocantico Hills estate, an aide asked only half-facetiously whether the Governor didn't think the purchase a bit extravagant.

"Well, you know, we're getting along," replied Mr. Rockefeller, who was 64 years old at the time. "It's time to have a little fun."

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JAVITS. Of course.

Mr. GOLDWATER. Mr. President, I appreciate the Senator's yielding to me. I probably had the occasion of knowing Nelson Rockefeller and actually living with his political life more closely than most other Americans. I watched his development.

While we had political differences, they were never of any great nature. But I came to know this man, and I can say, too, without any hesitancy, that I do not think I have ever known another man who lived in America who so strongly supported American ideals and who always put America and the American people at the forefront of everything that he was thinking. I want to join my friend from New York in what he has just said about this great man.

Mr. JAVITS. I thank my colleague very much. I am really grateful to him, and Nelson would be if he could hear it. The Senator has captured the spirit of a political relationship extending over many years.

Mr. President, I ask unanimous consent that the RECORD remain open for 10 days for the convenience of Senators who may not have had the opportunity on this day to express their condolences and their feelings on the passing of former Vice President Rockefeller.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. I further ask unanimous consent that at the end of that period of 10 days, all eulogies with respect to our late departed colleague, former Vice President Rockefeller, be compiled and published as a Senate document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I do not know whether the Senator from New York had a chance to hear the magnificent prayer that the Chaplain gave this morning. It was related entirely to the life of Nelson Rockefeller. I would hope that that prayer might be included also. It was a most moving tribute, as I am sure the Senator will agree if he heard it.

Mr. JAVITS. Mr. President, I was on my way back from New York and was not here to hear it. I ask unanimous consent that the Chaplain's prayer of this morning may be included in the body of that document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NELSON ROCKEFELLER (1908–79)

Mr. DOLE. Mr. President, this morning is one of historic proportions, of bright beginnings and poignant endings. While most eyes are firmly focused on Blair House and Vice Premier Teng, you will forgive me for casting a glance northward, to Westchester County and the family of Nelson Rockefeller, gathered for a simple farewell to this remarkable man. We have heard thousands of words of official sorrow since Governor Rockefeller left us Friday night. We have the tributes of Presidents and Potentates, of political friends and foes. But what struck me as revealing, in a way that Nelson Rockefeller himself might have been moved, was the message from Western Union that their lines were swamped with the condolences of ordinary people, the men and women who were charmed and uplifted by Nelson Rockefeller's obvious love for humanity. It was they who elected him four times Governor of the Empire State, and who grasped in his passion for problem solving a rare blend of compassion and competence.

Americans understand what they have lost. They have lost a political leader who was truly larger than life. They have lost a man who served as a guidepost of sorts, through two tumultuous decades of change here and abroad. They have lost another practitioner of the politics of joy.

Nelson Rockefeller loved people. It was as simple as that. It was the thing that motivated his career of public service. It was the quality most apparent in the man many considered the best street campaigner of our time.

A LEGACY OF LOOKING TO THE FUTURE

Equally important, Governor Rockefeller was never content to rest upon accumulated laurels. Perhaps his most important service, after his assumption of the Vice Presidency in a time of grave peril to our national faith in ourselves, is the example of vision and national foresight that he leaves behind.

Nelson Rockefeller felt that Government in the modern era could not simply administer a nation. To have moral and political legitimacy, it must look to the future, determine trends, ascertain goals, and plan for their implementation. Who else is doing such important work today? Who in current Government is as concerned with what the future might bring? Who brings to the political arena such breadth of vision, such sweeping confidence in America's ability to solve its dilemmas?

Nelson Rockefeller is gone. The man we were privileged to know as our Presiding Officer and our personal friend is consigned this day to the soil of Pocantico—a place rich in American history, cherished by a great American family.

The man's passing should not destroy what he fought for. Perhaps most important for those of us frustrated by the myopia and confusion of present-day Washington, Nelson Rockefeller reminds us that democracy must anticipate the future rather than dwell in the past. We must press forward in the spirit of optimistic conviction that he carried always, rejecting the timid or the prophet of doom.

America is a great Nation because the American people have never shied away from great deeds. The present age, no less than past ones, calls forth all the vision and stamina we possess. That was Nelson Rockefeller's lesson to us. May we accept it as his legacy. To his family, I extend my deepest sympathy, along with my congratulations for having shared in so triumphant a life.

Mr. THURMOND. Mr. President, the death of former Vice President Nelson A. Rockefeller is a cause for sadness throughout this land, for his life was one of service and dedication to America. As a former President of this Senate, he capped a long public career with distinction and effectiveness.

Long before he came to this Chamber, however, he had been a dynamic force in this country for a number of years, whether as Governor of New York or in numerous public and private posts. As one who might have been President of the United States on several occasions, his voice and his driving energy influenced public policy in so many fields. As a major figure in the Republican Party, he was devoted to broadening its ranks and expanding its scope.

Mr. President, all of us knew Nelson Rockefeller as a man of versatile talent who was not only willing but also eager to tackle the jobs he felt would benefit the world around us. His commitment to goals of public well-being was total, and he brought his considerable talent to these often-formidable tasks.

Although we did not always agree on matters of public policy, I always knew that his views were based on the facts as he knew them and a genuine regard for his fellow man. He could be a tough opponent and he could be an irresistible ally.

Although a man of great wealth, Nelson Rockefeller was concerned about the needs and aspirations of average citizens. The obligation he felt to provide a public service to all Americans was the impetus for his outstanding career. Since he left the Vice-Presidency 2 years ago, he had devoted himself to private pursuits in the field of art with the same vigor as in earlier days. Characteristically, he died at his desk, while working well past the normal hours of daily toil.

Mr. President, a person of the stature and national following of Nelson A. Rockefeller comes along only on rare occasions, and he will be missed by people all over America.

My wife, Nancy, joins me in extending deepest sympathy to Mrs. Rockefeller and all members of the Rockefeller family on this sad occasion.

● Mr. MATSUNAGA. Mr. President, the people of Hawaii join other Americans throughout this country in mourning the death of Nelson Aldrich Rockefeller, the 41st Vice President of the United States.

In reviewing the remarkable career of this remarkable man, I was struck by his statement when he was sworn into the Office of Vice President. He expressed gratitude for "the privilege of serving the country I love." Although his name was synonymous with wealth and power, Nelson Rockefeller will be remembered primarily as a servant of the public. Once Vice President, four times Governor of the great State of New York, and three times a candidate for the Office of President of the United States, Mr. Rockefeller also gave generously of his time to the arts and humanities, his family's extensive efforts in conservation and historic preservation, and philanthropies which had as their objective the public good. Having retired from public life to devote his time to these private pursuits, Mr. Rockefeller unselfishly returned at a time of crisis, when the country needed him to help restore dignity to the Office of the Vice President. That debt can never be fully repaid.

Mr. President, I extend heartfelt sympathy to Mr. Rockefeller's widow, Margaretta "Happy" Rockefeller, his children, and the other members of his family. I hope that their grief will be assuaged somewhat by the gratitude and sympathy of a grateful nation.●

CARRYOVER BASIS IN THE ESTATE TAX LAW—A MATTER OF IMPORTANCE FOR ALL TAXPAYERS

Mr. HARRY F. BYRD, JR. Mr. President, in March, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee, of which I am chairman, will hold hearings on the "carryover basis" provision of the estate tax law. It was enacted in 1976, but the Congress last year deferred its application until 1980.

There is tremendous opposition to "carryover basis" as I learned anew when I addressed the Trust and Estates Law Section of the New York State Bar Association in New York City last week.

"Carryover basis" is a dramatic departure from prior estate tax law in which the tax basis of property at the owner's death was "stepped-up" to its estate tax value.

Under carryover basis, the original cost of an asset "carries over" from the decedent to the beneficiary, and a tax upon appreciation of the asset is imposed whenever it is sold.

Today, virtually everyone acknowledges that the present carryover basis law is unworkable.

The way carryover basis got into the 1976 Tax Reform Act is a perfect example of why Congress must take more time in enacting complicated legislation.

At the 59th minute of the 11th hour, after the 1976 Tax Act passed both the Senate and the House, carryover basis was brought up in the conference between the House and the Senate.

There had been no House action.

There had been no hearings by the Senate Finance Committee, and indeed no consideration of this matter by the Senate Finance Committee or by the Senate.

Nine months after enactment, in July of 1977, the Subcommittee on Taxation held hearings on this part of the estate tax law. Witness after witness declared it to be totally unworkable.

It is clear that the carryover basis law as written in 1976 cannot be implemented. Indeed, the Treasury Department itself acknowledged to the Senate-House conference last October that it cannot be administered.

Today, there is strong sentiment for repeal. The Subcommittee on Taxation will be holding hearings on March 12, 19, and 20. These hearings will look closely at the many difficult problems created by carryover basis.

In looking at carryover basis, one proposal is to exempt all but 15 percent or 10 percent or 2 percent of the estates from the law. Treasury advocates something along this line.

While such a proposal may be politically expedient, it certainly offends one's sense of fairness. By subjecting a very small minority of our population to a very complex law—one that cannot be complied with nor administered—we would violate the fundamental principle that tax laws should apply equally to all taxpayers.

Recordkeeping problems associated with carryover basis deserve close attention. Even the most sophisticated taxpayers have difficulty producing adequate tax records when alive.

This problem becomes almost impossible under carryover basis when the taxpayer is dead, and the estate must produce basis information for every conceivable asset—some held for decades or a lifetime.

Another consideration is that carryover basis poses real dilemmas for fiduciaries. If a fiduciary wants to treat all beneficiaries fairly, he must take into account not only the market value of an asset, but also its basis. Otherwise, some beneficiaries will receive low basis assets and others will receive high basis assets.

This is particularly important since fiduciaries are held to high standards and, in some States such as New York, may be held liable if they fail to take basis into account when distributing assets.

Yet, this type of consideration is almost impossible, since beneficiaries' tax brackets may differ and there may be many different types of assets in an estate.

Citizens and private business today cry out for more certainty and freedom from arbitrary changes in Government regulations and rules, and in congressional legislation.

Since 1969, 10 years ago, there has been a tax bill of fairly major proportions every year except three. In 1978, we had two tax bills—the Energy Tax bill and the 1978 Revenue Act.

The uncertainty associated with carryover basis is an important consideration in evaluating it.

For many years, taxpayers have relied upon a step-up in basis at death. Such a step-up provides certainty since it clears the books at death and permits the beneficiaries of an asset to start off again with a known value.

If not carryover basis, then what? That question is asked frequently.

One, the law could again be deferred as it was by the past Congress.

Two, it can be repealed. The chances of repeal are at least 50 to 50.

Three, a total rewrite of the law could be attempted.

Four, another form of taxing capital gains at death could be proposed. In my judgment, there is almost no likelihood that Congress would support any proposal more radical than carryover basis. Indeed, carryover basis would not have been approved if Congress had been aware of what it was doing.

Thus, this Congress will be confronted with deciding upon repeal of carryover basis as enacted in 1976, modification of the current carryover basis law, or further deferral. Other proposals involving a tax at death are not serious possibilities.

Whatever is done, we should remember that carryover basis is not merely a technical problem of legislative drafting. It raises fundamental questions of social and economic policy, which were not debated in 1976.

If one can assume that death usually is an unwelcome event, I am not impressed with the argument that death is a tax loophole. I doubt that the average American is either.

The idea of taxing appreciation of capital assets must be looked at closely in the overall context of American capital formation. American productivity lags greatly behind our competitors in Europe and in the East. If we are to have a strong, vigorous economy which is essential to maintain the American standard of living, we must provide individuals with incentives to take risks and accumulate capital.

It is important to remember, too, that much capital appreciation is due to inflation caused by Government policies in Washington, D.C.

I urge my colleagues to take a close look at this matter of carryover basis as it is of the utmost importance to nearly everyone—except, perhaps, those with everlasting life, of whom I know none.

SOUTHERN AFRICA AND WORLD STRATEGY

Mr. HARRY F. BYRD, JR. Mr. President, developments in recent months in southern Africa have caused concern in many quarters, but a coherent American policy toward the region has not developed.

My purpose today is to suggest courses of action for the Congress and the administration and to urge the adoption of a Western strategy for southern Africa which will protect the vital security interests of Japan, Western Europe, and the United States.

But first, to understand events in southern Africa in proper perspective, I believe a brief review of other developments in foreign affairs would be useful.

Mr. President, 1978 was not a good year for the United States in world politics. Significant changes of strategic proportion occurred in virtually every geographic area of the world, often in locations critical to a sound American defense.

Regrettably, events abroad have, in the main, not been of advantage of the West, and they have come to pass in a manner which suggests an absence of coherent policy and a lack of planning in our relations with foreign nations. Although a busy year, indeed, an interesting year, I believe 1978 must be counted on balance as disappointing for American foreign policy and for Western security.

In this hemisphere, the U.S. Government took the first step in relinquishing control of the Panama Canal and worked hard to plan its transfer to a regime notably friendly to Cuba and receptive to Marxist ideology. This retreat from the defense of this vital strategic waterway was a step which has symbolically, if not materially, weakened the position of the United States in the Americas. It is a step which has, in my judgment, increased the potential for the eventual Cubanization of Central America.

In Nicaragua, the general policy of retreat set in motion in Panama has contributed to instability. Viewed in the best light, the Department of State appears to have done little or nothing to merit while yet another friendly government has been subjected to Cuban-inspired insurrection.

In the Middle East, our Government's policy, while laudable in intent, has come to very little in practical effect. The potential for war in the Middle East remains.

While events at Camp David gave temporary hope for substantial progress toward peace, those well-intended efforts have not proved successful.

In the Far East, the Carter administration has initiated a new diplomacy which threatens to undermine an ally of decades.

I object to the manner in which this diplomacy was put into effect. The President's unilateral action in breaching our defense treaty with Taiwan without Senate approval or even consultation was not proper and may well have been unconstitutional.

While I favor recognition of mainland China, I do not believe it should have been accomplished at the expense of a friend and ally.

In Korea, the withdrawal of U.S. troops has jeopardized the military balance between the North and South. New intelligence assessments of North Korea military power have invalidated the faulty data used last year to justify reductions in American forces. Yet further troop withdrawals are still planned.

As a result of these events affecting Taiwan and Korea, the ability of the United States to project strategic power in the western Pacific has been brought into serious doubt. Certainly our will to do so is now questioned by our few remaining allies in Asia.

In Afghanistan, a coup de'etat brought to power a Communist military government which promptly entered into a 20-year mutual defense treaty with the Soviet Union. Yet, unbelievably, U.S. foreign aid continues.

In Iran, administration miscalculation and inaction has left us unprepared for the events of recent weeks.

The vast petroleum resources of Persia have been shut of. The Persian Gulf region—including Saudi Arabia—is threatened with further and greater instability.

To the west of Saudi Arabia, in the Horn of Africa, the Soviet Union in 1978 achieved the virtual colonization of Ethiopia and regained power and influence in Somalia, in large measure as a result of bungled American programs in both countries.

Meanwhile, throughout the course of all of these disturbing events, the executive branch has, from a position of increasing global weakness, continued negotiations for agreement on strategic arms limitation, an agreement, which if achieved, may prove to be of little practical value in the face of an aggressive and imperialistic Soviet foreign policy.

But these events have not occurred, Mr. President, solely because of errors and misjudgments by the Carter administration. These events of the year past have occurred not by chance and American miscalculation alone. These events have occurred, because our opponent—the Soviet Union—understands global strategy and directs foreign policy in a coherent and integrated fashion, each part interlocked with all other parts.

The United States and the West, on the other hand, have had no ascertainable, comprehensive program, except possibly a program of long-term acquiescence and day-to-day crisis management.

Each facet of American policy can only be considered to have been determined separately from every other facet. Most American foreign policy decisions in 1978 appear to have been made in crisis, on an ad hoc basis, according to the whims of the moment.

But nowhere, Mr. President, has a lack of coherent policy been more evident than in our relations with the countries of Southern Africa.

During the course of each new, dramatic shift in the strategic balance in other locations in the world, American attention has been diverted, perhaps unintentionally, from developments in Southern Africa.

This diversion of attention and of public concern to other regions may in part explain our ongoing failure to adopt a rational policy toward the countries of Southern Africa.

While the public has seen up close each new play of global conflict in Iran, in Israel, and Egypt, in Central America, and in China, while the American public has been absorbed in the ebb and flow of the SALT negotiations, policymakers may have felt free to ignore events in a continent little known to our citizens although in many ways evermore important to our security.

In short, the countries from Zaire to the Cape of Good Hope—principally Rhodesia and South Africa—form an overlooked strategic area in which the security of the West confronts a serious threat.

Moreover, the Southern African region, already important to the West, greatly increased in importance to us during 1978 as a direct result of the many foreign policy defeats we suffered elsewhere.

As maritime routes are threatened, as areas of natural resource production are shut off or potentially shut off from our utilization, so the resources and maritime routes dominated by the countries of Southern Africa become even more vital.

But notwithstanding the growing critical nature of the problem presented, planners at the Department of State persist in pursuing an outdated and unrealistic policy toward Southern Africa. This policy, I believe, is based at least in part on a misplaced nostalgia for the politics of the civil rights movement of the 1960's and on an almost 19th century missionary attitude toward the solution of African problems.

Both these underlying motive trends in forming American policy have confused a perception of society in the United States with the reality of a brutal power struggle in Africa.

The West cannot any longer afford this confusion. The United States cannot afford a foreign policy in Southern Africa based on domestic political extremism.

The Carter administration should act now to divorce domestic political considerations of a past era from decisions on foreign policy in Southern Africa.

Stated simply, the conflict in Southern Africa is a war for resources and strategic position. It is not a war for national liberation between the forces of good and evil.

Virtually no so-called liberated state in Southern Africa has escaped the iron rule of one man or avoided the control of one central party authority. Nowhere

has majority rule been achieved except in fiction.

In fact, nearly every state in Southern Africa recently achieving so-called national liberation has promptly been brought closer to political repression and Soviet domination and further from Western contact and liberty.

There are 51 countries in Africa, and not more than three have any semblance of parliamentary democracy. Yet from the pro-Western governments in Southern Africa we continue to demand one man, one vote. From pro-Communist governments in Africa and elsewhere, we demand nothing and actively curry favor.

It is true, Mr. President, that the new Communist or Marxists governments in Southern Africa have—in their own self-interest—to some extent continued to allow the export of resources to the West. But in a strategic sense these resources must be counted as not available to us, because our potential adversaries have the power to deny their export in a crisis.

Thus, for example, with Cuban soldiers protecting Gulf Oil Co. property in the Cabindan enclave in Angola, it matters little from the perspective of strategic value that oil production from Angola for the present continues available in Western commerce.

No, Mr. President, the policy at the Department of State, which apparently envisions a program of competition with the Soviet Union for the favor of the Marxist liberation movements in Africa, is not going to work. It has set our country at a foolhardly game in which the reward for success will be at best only temporary access to Southern Africa resources doled out to us according to the direction of the new Soviet imperialists.

No amount of Western good behavior toward these new Marxist regimes and Cuban-advised guerrilla movements can provide the required minimum assurance that critical strategic materials and maritime routes will not be denied to the West in a time of need.

I believe, Mr. President, that this misguided American policy in Southern Africa has been permitted by the American public because there is a general failure by Americans to appreciate the true value of the resources and sea lanes of Southern African or to understand fully the region's direct link to the industrial economies of Japan, Europe, and the United States.

This general failure of public understanding is rooted perhaps in American reluctance to admit the unsettling fact that the United States also—in addition to Europe and Japan—depends heavily on imports to satisfy requirements for strategic materials.

A comparable dependence, Mr. President, is not found in the Soviet Union. The Soviets can rely on resources within their own borders for virtually all strategic requirements.

Thus, while the United States must import 100 percent of all manganese, almost 100 percent of all cobalt, titanium, and chromium, and over 90 percent of all aluminum, tantalum, and platinum group metals, the Soviet Union, on the other hand, of the same strategic minerals must import only approximately 40 percent of its aluminum and is entirely self-sufficient in the other materials listed.

This same general contrast in relative dependence on imports is true for tin, fluorspar, nickel, tungsten, germanium-indium, beryllium, zirconium, barium, iron, lead, and even copper.

There are 18 strategic materials which the United States must import from foreign countries at a level of 50 percent or more of its consumption, and 14 of these 18 strategic materials must be imported at a rate of at least 70 percent of use. The Soviet Union must import at a significant level only three.

And when I refer to strategic materials, Mr. President, I do not wish to give the impression that these materials are for military and heavy industrial uses only. Literally thousands upon thousands of basic consumer products could not be made—or could only be made at great expense—if these materials were not freely imported.

If these raw materials were denied to us, major changes in the American standard of living and in our consumer oriented economy would necessarily and promptly occur. Not only would national defense be jeopardized, but the national economy at all levels would inevitably suffer as well.

The picture is of course no brighter in Western Europe. Dr. Wolfgang Bulbrich, of the European Economic Community Center for Industrial Development, states that Germany depends 100 percent on imports for consumption of uranium, chromium, antimony, chrome, gold, cobalt, copper, manganese, nickel, platinum, titanium, vanadium, tungsten, tin, asbestos, diamonds, and phosphate; its dependence on imported petroleum is 95 percent, iron 94 percent, lead 85 percent, zinc and fluorspar 70 percent. Dr. Bulbrich states further that—

> For the EEC as a whole, the picture does not differ very much from the German situation.

Dr. Peter Janke, of the London-based Institute for the Study of Conflict, adds that the United Kingdom is considerably worse off than either the United States or Western Europe insofar as it is dependent on mineral imports. He points out that, with the exception of miniscule iron and tin deposits, there are no strategic ores in Great Britain at all nor are there any deposits near at hand on which the United Kingdom could rely in an emergency.

Japan is, of course, in a comparable predicament and like Britain must rely almost entirely on imports for the base materials needed to sustain its industrial economy.

Thus, Mr. President, because the Communist world is self-supporting in strategic raw materials, and because only the industrial nations of the free world are vulnerable to denial of the many strategic materials found in Southern Africa, a Soviet strategy of resource denial in Southern Africa could prove highly effective if implemented.

Without even taking into account the other countries of Southern Africa, South Africa alone holds 86 percent of the world's reserves in the platinum group metals, 64 percent of world reserves in vanadium, 49 percent of the world's gold, 48 percent of the world's manganese, and 46 percent of the world's fluorspar. Finally, Rhodesia and the countries of the South African Customs Union account for virtually all known chrome ore deposits outside the Soviet Union.

In short, Mr. President, the United States and our closest allies are critically dependent on imports from Southern Africa for essential strategic materials, and the Soviet Union is not.

Now, Mr. President, directly related to the strategic dependence of the West on Southern African mineral resources is the equally important Western dependence on shipping lanes dominated by the seacoast countries of the southern part of the African continent.

An often-quoted passage by Bayard Rustin in his 1977 article in "Commentary," entitled "Africa, Soviet Imperialism, and the Retreat of American Power," summarizes best the nature of this maritime dependence. In describing the Soviet Union's strategy of resource denial in Southern Africa, Mr. Rustin states:

> The significance of command of the vital sea route around the Cape of Good Hope, considered the busiest in the world, is contained in two simple statistics: 70 percent of the strategic raw materials now needed by the European members of NATO, and 80 percent of their oil supplies, now reach them by way of it. The Cape is the only available sea route for oil which is now shipped in supertankers too large to pass through the Suez Canal.

Frankly, Mr. President, Southern African sea lanes must now be considered the most important in the world. Used by about 24,000 oceangoing vessels annually, the route around the Cape of Good Hope is the most crowded and the most heavily utilized shipping channel anywhere on the globe.

We should recognize also that ships transiting this area are not bound exclusively for Western Europe and the United Kingdom. The U.S. Strategic Institute has estimated that, by the 1980's, 60 percent of American oil imports—assuming the continued availability of Persian Gulf oil—will reach our country via the Southern African Cape.

In summary, Mr. President, the industrialized economies of the United States and Western Europe cannot afford to have the maritime chokepoint at the Cape of Good Hope or at the Mozambique Channel become vulnerable to Soviet interdiction, nor can the free world afford a loss of Southern African strategic minerals.

The Soviet strategy of denying to the free world both Southern African resources and Southern African maritime routes must be recognized and met.

But, Mr. President, the Carter administration has, in the face of these very sobering facts, refused to acknowledge the Soviet menace in this critical area. The Carter administration instead has worked actively to undermine the few stable governments friendly to the United States which remain in the area.

The administration's misguided vision of what is right for Southern Africa has nowhere been more evident in 1978 than in the administration's deplorable conduct toward Rhodesia.

Having first baited the trap by proposing to Rhodesia the so-called Anglo-American plan for transition to majority rule, the Carter administration has now literally pulled the rug out from under the transitional government in Salisbury, a government for transition to majority rule which was formed in the first instance in direct response to the original United States-British proposal.

Now that Rhodesia has complied with both the letter and the spirit of the Anglo-American plan and is fighting desperately to insure free elections unfettered by terrorism, the Department of State, with the express approval of the British, refuses even the slightest gesture in support of the internal settlement now in process.

The Congress, Mr. President, has at least partially recognized the impropriety of administration policy toward Rhodesia. During the last days of the 95th Congress, legislation was enacted to require the removal of trade sanctions after free elections are held.

I fear, however, that this legislation may ultimately be rendered meaningless since it contains a clause—the provision is in section 27 of Public Law 95-384—granting to the Carter administration discretion in determining whether the Rhodesian elections have satisfied subjective standards of legality and participation.

Rhodesia, Mr. President, is caught in a dilemma in which the transitional government must insure free elections to achieve a removal of sanctions, but free elections are difficult without removal of sanctions to allow trade with the West and improvements in internal security sufficient to guarantee the safety of voters.

There is in 1979 no justification for a policy of continued, callous disregard for the efforts of Rhodesians to achieve an internal settlement leading to a stable, pro-Western government. Even in the minds of those who have supported sanctions in the past, there can be no remaining justification for refusing to lift an economic blockade which has already achieved the results intended.

Yet both the Carter administration and the British persist in refusing to lift sanctions, operating under the deluded notion that the hearing of a Marxist victory in Rhodesia will somehow be to the advantage of the West and that somehow Western good behavior in siding with Marxism will guarantee access to Rhodesian resources.

This policy is both wrong and dangerous. It promises only the same access we now have to the oil fields at Cabinda, access guaranteed by the Cuban troops of a Soviet-advised regime. The State Department, Mr. President, is apparently determined to bring to Rhodesia the same stabilizing influence Ambassador Young applauded in Angola and Mozambique.

Now, admittedly, I have described a bleak future for the West and for Western influence in Southern Africa, but I have done so because I believe that we must immediately face the reality of this struggle in Southern Africa for resources and strategic position.

The present situation is not irreversible if we act promptly and intelligently.

The Soviet Union has a strategy; the West must develop one.

The United States and other Western nations must first acknowledge the true nature of Soviet strategy in the region. Thereafter we must formulate a coherent policy of our own to offset the threat.

The Soviet strategy is a strategy intended to deny the free world access to vital resources through a process of political and economic disruption. Therefore, the first and most critical step in developing a Western strategy for Southern Africa is to realize that true political stability and real economic health are the two strongest defenses against Soviet penetration.

Rather than seeking to destroy the economies of Southern African countries by embargoes and Trade restrictions, the United States and other Western nations should seek, through trade and through technical assistance, to foster economic and political stability throughout the region.

This policy should be applied evenly, and its benefits should not be denied any country by a blind adherence to the prejudices of doctrinaire American liberalism.

In Rhodesia, a policy of encouraging and supporting the emerging, moderate regime which will follow the transitional government would be a policy directed toward stabilizing a country which holds the key to a new, successful Western strategy for Southern Africa.

I believe the United States should indicate now its readiness to recognize the new government of Rhodesia which will be elected in April. Further, the United States should end immediately the 12-year-old embargo on trade with Rhodesia and should encourage new Western investment in the country. Such action now would go a long way toward launching a politically viable government friendly to the West.

At the same time, the Soviet Union and Cuba should be put on notice that continued adventuring in Africa will result in serious, negative reactions from the United States. The United States should continue to deny additional credits to the Soviet Union for the purchase of material and equipment. Regulations concerning the export of technology to the Soviet Union should be reexamined, revised, and tightened.

Meanwhile, the Cubans—who have been described by our distinguished colleague from New York, Mr. MOYNIHAN, as the Ghurkas of the new Soviet colonial empire—the Cubans should also be made to recognize separately that a price must be paid for aggression. All initiatives toward normalization of diplomatic relations with Cuba should be withdrawn. Cuba should be warned that American recognition of the Cuban Government cannot occur while Cuban troops and military advisers are marauding in Africa and fomenting violence in Central America.

From a defensive perspective, the United States should encourage NATO and Japan to work out sharing arrangements and stockpiling policies that would ease the short-term effects of an interruption in the supply of strategic materials either as a result of source denial from southern Africa or as a result of interdiction of the cape shipping lanes.

In dealing with the new governments of southern Africa, the Western Powers should recognize their own collective ability to affect prices paid in the marketplace. The West should show itself willing to use the power of the buyer in what is no talways a seller's market.

The new governments of southern Africa could thereby be made to understand that their individual need to sell is at least as great as our combined need to purchase.

With a view to the longer term, the United States must maintain a Navy capable of protecting the cape route and able to act in the Indian Ocean.

We cannot, as some have suggested, rely on the small naval forces of Brazil or South Africa for protection of a vital artery of ocean trade of such tremendous magnitude.

The withdrawal of the British from the Indian Ocean, the victory of the Soviet Union in Ethiopia, the instability of Iran, and the daily-increasing presence of Soviet military might in many African countries along the littoral of the continent, all work together to demand a potential for a greater American naval presence near the cape and Mozambique Channel than can now be accomplished in operations from the relatively small American naval base at remote Diego Garcia.

With unfriendly governments in power on both sides of the 1,200-mile-long channel between the island of Madagascar and Mozambique and with South Africa and the Cape seriously threatened, the time has now come for opening discussions with South Africa for increased American naval use of the superb maritime facilities at Simonstown. Only this step can give adequate protection to the Cape route.

Mr. President, I suggest these alternatives to current American policy toward Southern Africa, because it is clear that current policy has not worked and is not going to work.

I suggest these alternatives in the hope that the Carter administration will recognize that the vital security interests of the free world must be allowed to outweigh the lingering extremism of a past era in American politics.

I urge that these actions be taken now before yet another area of the world is brought under Soviet influence.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. I thank the Chair.

(The remarks by Mr. HELMS in connection with the introduction of a joint resolution are printed under statements on introduced bills and joint resolutions.)

THE ECONOMIC DEBATE OF 1979

Mr. HELMS. Mr. President, the issue of wage and price controls is one of the major matters that this Congress will confront. The present system of voluntary controls contains the seeds for massive compulsory financial, wage, and price controls. The same arguments which justify the present voluntary program can be used to justify an authoritarian system of economic controls.

On Tuesday, January 2, an article by Herbert Stein appeared in the Wall Street Journal which discusses these important issues.

I ask unanimous consent that this thoughtful analysis be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CLASH OF 1979

(By Herbert Stein)

The 1978 congressional election campaign and its outcome led to the cliche that the Republicans do not have any issues because the Democrats have appropriated what would normally have been the Republican issues, such as fiscal conservatism. The more learned pundits like to quote Disraeli saying: "The right honorable gentleman caught the Whigs bathing and walked away with their clothes."

But the present fact is that the Democrats have not really preempted what should be the Republican issues. If the American people are now greatly concerned about inflation, about the burden of taxation and about the size of government spending, about excessive and inept government interference with their lives and about slow growth of their real incomes, the Democrats have done nothing to justify confidence in their determination or ability to deal with these problems. But they have adopted the rhetoric of sharing these concerns, and only in this sense have stolen the Republican clothes.

But this theft has been possible only because the Republicans were not wearing their clothes; they were not exploiting what should have been their issues.

One would get the impression from reading the papers these days that all the live economic issues are between President Carter and the Kennedy wing of the Democratic Party. However, that is not the case.

1979 is, in fact, building up to be the year of the great clash between those who seek a fundamental change in the direction which economic policy has taken since 1933—the direction of bigger and more dominant government—and those who want only to make a feint, or a temporary detour, toward change.

1979 will be the year of this clash because we are running out of the time when it seemed that we could have everything—spending without taxes, rapid expansion without inflation, and controls without compulsion. Choices will have to be made, and the choices are fundamental. Moreover, if the Republicans want to run in 1980 on the platform of limited government, they must start making their record in 1979.

The battlegrounds of the clash of 1979 will be a number of specific issues on which decisions have to be made, mainly in Congress, during the year. I would like to indicate here what some of these likely battlegrounds are. (I confine myself to economic issues, although there are clearly issues of at least equal importance in the fields of foreign policy and national security.)

MILD REPUBLICAN CRITICISM

The Republican leadership has so far been strangely mild in its criticism of Mr. Carter's guidelines policy. Perhaps this is because they don't want to risk seeming less anti-inflationary than the President. Perhaps they defer to the polls which show that a majority of the American people like this kind of thing. However, in a country said to be increasingly distrustful of government regulation and suspicious of Executive power, the institution of these crypto-controls by presidential fiat deserves to be and will be a big issue. The issue may confront the Congress in three forms:

1. The real wage insurance plan is the only part of the administration's guidelines program which, at least in the President's opinion, requires congressional approval. This plan is the cheese with which the administration hopes to lure labor into the trap of wage controls. There are many reasons why the Congress should reject the real wage insurance plan; it is inequitable, difficult to administer and possibly destructive of the budget. But the key point is that approval of the plan would constitute congressional endorsement of the whole guidelines program, whereas rejection of the plan would be a severe blow to the program. This issue will present the first opportunity for Congress to express its opinion of this unprecedented assertion of Executive power over the private economy.

2. The act which authorized the existence and operation of the Council on Wage and Price Stability will expire on September 30, 1979. Although the act, first passed in 1974, specifically says that it does not confer authority to impose mandatory controls, the council and its machinery are now being used to establish controls which are effectively mandatory as far as a number of private businesses and unions are concerned. Legislation to extend the life of the Council on Wage and Price Stability will be another test of acquiescence in the controls system.

3. Problems with the present "voluntary" controls are likely to give rise in 1979 to proposals for giving the President explicit authority to do what he is now doing without authority. Such proposals would probably not originate with the administration, which within a few months may have had a bellyfull of the controls business, but they could easily arise on the Democratic side of the Congress. In 1970 the Democratic Congress gave President Nixon authority to impose controls, against his wish, in order to assure that he bore the sole blame for the inflation. But it would be a mistake of principle and tactics for the Republicans to return this favor by joining in a congressional move to give similar authority to Jimmy Carter.

Republican politicians have rarely made an issue of the need for an anti-inflationary monetary policy. This may have been in deference to the independence of the Federal Reserve or in the belief that the Fed was anyway the strongest opponent of inflation in Washington. But the Republicans cannot hope to have an effective program against inflation without a clear position on monetary policy. Moreover, the administration's intervention in the making of monetary policy has recently become more overt than ever. And in the last few years Congress has taken steps, including provisions of the Humphery-Hawkins Bill passed in 1978, to inject itself further into monetary policy. So we no longer need to consider monetary policy to be outside the bounds of partisan politics.

Since Nov. 1 the President and his team have given some signs of conversion to an anti-inflationary monetary policy. A simple but significant test of the durability of this conversion will come soon. There are now two vacancies on the Board of Governors of the Federal Reserve System. When he fills those vacancies President Carter will have appointed a majority of the members of the board and will have set his stamp on monetary policy for years to come. (One of the new members to be appointed will have a term running until 1990.)

There is every reason for the Senate, in the exercise of its authority to confirm appointees to the Board, to assure itself that the new members can be counted on to follow an anti-inflationary policy. "Equal opportunity" may require that there be at least one woman and one black on the Board of Governors; it does not require that there be any inflationists.

In 1975 Congress established a regular procedure for examining the past and prospective policy of the Federal Reserve and commenting on it. This procedure is further elaborated by the Humphrey-Hawkins Act, to take effect in 1979. This procedure has not yet led to any statement or guidance by the Congress to the Federal Reserve. However, an anti-inflationary environment cannot be established as long as the present degree of uncertainty about the future of monetary policy exists.

The time has come to use the congressional procedures to obtain from the Federal Reserve a commitment to a lasting anti-inflationary policy and to assure the Fed of congressional support for such a policy. A Republican move to do this would reveal whether there is an issue between the parties on this basic element of a policy to check inflation.

THE DIFFERENCE BETWEEN THE PARTIES

The President has adopted the whole Republican vocabulary of austerity and prudence as far as the budget is concerned. This has contributed more than anything else to the notion that there are no longer any economic issues between the parties. However, there is a sharp difference. The President regards what he calls budget austerity as an unfortunate necessity, whether or not there is inflation, because the expenditure programs are not yielding benefits that are worth what the citizen pays.

The Republican program for the budget has as its goal and promised result the reduction of taxes. The President's program does not. The President calls for no tax reduction while the inflation goes on. After that, whether we get tax reductions or expenditure increases will depend on the situation of the moment, which means the politics of the moment, and that is precisely what has given us the trend to high expenditures and high taxes.

The test of the difference between the Republicans and the President is the willingness to make a commitment now to tax and expenditure reduction in the future, or at least to procedural change which will tilt the bias of future decision-making less in the direction of expenditure increases and more in the direction of tax reduction. Such commitments or intentions have been embodied in various legislative proposals—the Roth-Kemp Bill, the Nunn Amendment and suggestions by Senators Dole and Danforth—and in a proposed constitutional amendment that would limit federal expenditures.

These have had their support largely from Republicans and have been opposed by the Carter administration. Presumably some of these proposals will be before the Congress in 1979, with the same lineup.

There is one characteristic of these issues which will surely not have escaped the notice of the reader. The "Republican" side of these issues is the hard side—hard to explain and hard to understand and accept. Which is why, no doubt, the Democrats have left that side of the issues for the Republicans. But if our generation is finally ready to accept the

fact that life is often hard, the hard side of the issues may turn out to be the winning side.

NELSON ROCKEFELLER

Mr. STEVENS. Mr. President, it was with deep regret that I learned early Saturday morning of the passing of our former Vice President, Nelson Rockefeller.

Having just come through a shocking personal loss, my family and I certainly know the anguish that Mrs. Happy Rockefeller and her children now face.

About 16 years ago I first started working with Nelson Rockefeller as one of a group that sought to nominate him as a Presidential candidate. One of the things that I shall always remember about Nelson Rockefeller was his insistence that those of us who served as his State campaign chairmen meet together from time to time, not only on a regional basis but also on a national basis so that he could be sure that we were, in fact, conducting a coordinated campaign, and, what is more, that we accurately reflected the desires and goals of Nelson Rockefeller should he become President of the United States.

A summary of those goals was reflected in a book he wrote which was entitled "The Future of Federalism."

I urge that those who are interested in discovering what the country would have been like had he been nominated and elected to refer to that book for I believe it contains recommendations which would still solve many of the problems that we face in the Nation today.

Let me share some of the thoughts embodied to "The Future of Federalism." Rockefeller writes:

> The federal system, conceived by the Founding Fathers and embodied in the Constitution, is a crucial stone of our arch of liberty. For us, it has provided unity without the sacrifice of desirable diversity, strength to achieve national goals while simultaneously enhancing human dignity, and an energized environment of law and custom wherein economic and social progress is achieved through equal opportunity for free individuals rather than the totalitarian dictates of a ruling hierarchy.
>
> The genius of the American concept of federalism and the hope it offers not only for continued solution to our complex national problems but also for adaptation to the problems of the wide community of the free world is the subject matter of this book.
>
> To realize our opportunities and meet our needs at home, we must see to it that our federal system works at its creative best. On the world scene we must strive to match the political creativity of our Founding Fathers and secure a free and better world for all men.

In researching the material for his book, Nelson Rockefeller drew upon his vast personal experience and participation in the Federal system of which he writes. His outstanding record of political accomplishments is well known and need not be detailed here.

But Nelson Rockefeller had another more private passion to which he devoted the early part of his career. He began his illustrious public life in the field of art when he was first elected as a trustee of the New York City Museum of Modern Art. Later, in 1954, he founded the Museum of Primitive Art and served as its president and trustee from that time on.

It is interesting to note that Nelson Rockefeller's life ended in the pursuit of the career in which he began—art. I know how personally thrilled he was at the success of his new business of buying and selling art reproductions, and his enthusiasm for this new venture was infectious and engaging.

The life of Nelson Rockefeller certainly reflects the extent of his many contributions to our times and I am grateful I was alive to share in it.

Again, I quote from "The Future of Federalism" where he describes the hope that the publication of his book will:

> Demonstrate to even more Americans that our system of government, perceptively appreciated and permitted to function at its creative best, contains within it every potentiality for achieving a better Nation and a better world.

And so even though fate may have cut short Nelson Rockefeller's ability to reach his every potentiality in the field of art, there is no doubt that his contributions to America have, in fact, made this a better nation and a better world for us all.

THE ECONOMICS OF AMERICA'S THIRD CENTURY

Mr. STEVENS. Mr. President, last year I brought to the attention of this body a story about the alarming trend of Government to continue to take land from the private sector and put this land in the public domain. Today, I want to bring to the Senate's attention a paper on the same subject written by M. Bruce Johnson, professor of economics at the University of California, Santa Barbara. Professor Johnson's credentials include his being director of the Institute for Economic Research at the University of Washington and departmental chairman at the University of California.

In forecasting the economics of America's third century, Professor Johnson sees the current trend by Government to acquire private property for public parks as the result of an "ecological zoo"—a habitat in which no detail of our private lives will escape the control of the Federal bureaucratic zoo keepers.

Addressing the environmental movement coalition, Professor Johnson says:

> Almost without exception, its members scorn both private property as a tradition and individual free choice as a goal as they seek to impose their allegedly superior view of the end state of nature and society on their less enlightened—if not nefarious—fellow citizens.

He says if the environmentalists succeed and this environmental zoo is created, then:

> In order that the inhabitants of the zoo live in harmony with their environment, the caretakers will tell the occupants where to live and how to live.

Mr. Johnson predicts this new environmental zoo will know no boundaries, and there will be no private sector beyond the gates:

> Indeed, there will be no visitors to the zoo—only the bureaucratic keepers and the caged citizens.

Professor Johnson concludes:

> If you would know what the future holds, visit your local zoo. Watch the restless pacing of the cats, the listless posturing of the apes, and the relentless circling of the seals. Listen to the frantic screams of the monkeys. That habitat is the emerging model of life in America's third century.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ECONOMICS OF AMERICA'S THIRD CENTURY

(By M. Bruce Johnson)

Trade or exchange among consenting individuals is the stuff of which economics is made. The existence of trade—whether by isolated exchange or in organized markets—presupposes that individuals have assets to exchange—goods, services, and claims to resources. The voluntary nature of exchange activity also implies that trade among consenting individuals is the result of conscious personal choice—how much of which assets should one trade and what should one ask in return?

In a free and open society, the opportunities for individual trade (and, hence, choice) are maximized. So it has been through America's history, and so it will be in our third century—to the extent that free market forces are allowed to operate. On the other hand, the state is the enemy of choice. Every regulation by the state restricts the choice of some without necessarily increasing the range of choice for others. Consequently, the economics of America's third century will be shaped by the struggle between two major forces and orientations: the philosophy of the free market, which expands individual opportunities for choice and trade, versus the philosophy of state control, which reduces and even eliminates the scope for individual choice and action.

The virtues of the free market have been extolled by various scholars for more than two hundred years. Indeed, free markets developed as a reaction to the heavy bureaucratic hand of the state during the mercantilist era of the sixteenth, seventeenth, and eighteenth centuries. Two hundred years of relatively free markets have produced remarkable varieties of options as well as enormous increases in income, which permit individuals to indulge their tastes for an ever-enriched variety and increased quantity of goods and services. The available mix is so rich today in America that no two individuals need choose exactly the same lifestyle and menu of goods and services.

The diversity of experiences available in a free-market society extends far beyond matters of grubby materialism. Every dimension of human activity—social, intellectual, and aesthetic—is affected by the institutional organization within which resource-use decisions are made. The richness and breadth of personal experience is directly related to the extent to which individuals are permitted to determine the use of their own resources (including time).

Two hundred years ago, ninety percent of Americans could reasonably anticipate lean, difficult, and brief existences; today, over ninety percent expect, and receive, the bounties of the free market. But it would be a mistake to judge the merits of a free market by noting simply the array of goods, services, and life-styles available at any moment. Instead, it is the process of free-market exchange among consenting individuals that is central to the attainment of the most highly desired mix of goods and services.

The market process is often misunderstood and frequently misrepresented. Since advocates of state action cannot (or will not) acknowledge the spontaneous efficiency of the market process as it works without central direction, they must base their case for state interference on so-called market failures. However, the myriad areas and ways in which the state interferes with voluntary individual activities have expanded far beyond the list of genuine market failures by any reasonable definition. A more persuasive explanation is the following: The critics of the free market attempt to justify state intervention on grounds of market failure, but their true complaint is directed to the results of market success—not failure. For those who wish to shape the community and control the lives and property of others, the market performs too well, as it produces religious books and pornography, junk food and wheat germ, hamburger palaces, massage parlors, and EST seminars, in response to our distinct and evolving individual wants.

Just as free markets produce an amazing variety of goods in a striking range of standards and qualities, state action constrains individual choice. Each activity by the state, whether it be automobile safety standards, food and drug regulations, environmental controls, worker safety rules, automobile insurance standards, "equal" employment opportunity programs—to name a few—restricts and reduces the choices open to individuals. Whether or not one finds some particular interference personally attractive, the net result is an involuntary homogenization and reduction of available goods and services. More and more products and activities that were voluntarily chosen by private decision are becoming involuntarily imposed, restricted, or eliminated by state mandate. Yet, it does not follow that because we are all one people, we all want the same diets, automobiles, medical services, pension benefits, and environmental amenities—or that we all are willing to bear the same costs to obtain a given benefit.

Many special interest groups turn to the state as the easiest and cheapest way to impose their own values and standards on others and to line their own pockets. Perhaps the very effectiveness of the free market frightens them as it responds to the desires of others and, on occasion, threatens vested economic interests.

A desire for predictability and for high standards of product and of conduct can engender in some a fear of freedom—at least, a fear of freedom for *other* people; and, even among those who are not lineal descendants of Attila the Hun, a fear of freedom can lead to an imposed, centrally directed order and Procustean standardization. After all, it is apparent—is it not?—that someone must "run the store." And as the "store" becomes bigger and more complex (the United States annual GNP is now at the two trillion dollar level), the "someone" in charge must have and must exercise greater and more pervasive powers. Granted, some of the spontaneity and variety of activity may be thereby curtailed—but tutored discipline may develop character, and, at its worst, the reduction of freedom is surely a small price to pay in order to have the trains run on time!

The hunger for stability and controlled predictability initially manifests itself in a variety of "concerns"—the environment, energy, income distribution, health, safety, transportation, *etc.* But this desire for stability cannot be permanently realized when the very process of state action relies on *ad hoc* intervention. Although a particular coalition may muster the political clout to win a specific battle, its victory is temporary and uncertain as long as the outcome is subject to change by subsequent *ad hoc* political intervention by an opposing coalition.

Genuine stability, predictability, and confidence in the system follow only from adherence to principles. Professor L. B. Yeager said it well:

> "The principled approach to economic policy recognizes the task of the policy maker is *not* to maximize social welfare somehow conceived, and *not* to achieve specific patterns of outputs, prices, and incomes. It is concerned, instead, with a framework of institutions and rules within which people can effectively cooperate in pursuing their own diverse ends through decentralized coordination of their activities." [1]

When the state—not content with tending the institutions and administering the rules—assumes the activist role and attempts to legislate end results, the principled approach to economic organization and policy is sacrificed to political expediency. Decisions are made on a case-by-case basis, guided only by situation ethics and transitory majorities. This *ad hoc* political approach, without the benefit of guiding principles, both invites and requires recurrent interference and perpetual readjustment of the system. Individuals with "diverse" interests will not passively accept the official goal or end state; invariably, many will respond to state interference by behaving in a fashion imperfectly anticipated by the authorities. Illegal as well as legal efforts in the economic sphere, and collective pressures and reactions in the political arena, will be used to "beat the system." Hence, unlike a free-market regime, wherein the state enforces the rules of the game, social goals defined in terms of end results are only temporarily achievable, stable, and secure. The transitory nature of his success frustrates the activist and creates an intense sense of betrayal. Who, for example, is more outraged at the failure of "the system" to generate a Consumer Protection Agency than that consummate end-result advocate, Ralph Nader?

The typical interventionist's concern for an "optimal" social goal governing environmental, natural resource, technological, and economic matters betrays a lack of coherent commitment to the tenets of a free society. In order to sell his social goal, he must discredit that which he mistakenly believes is the prevailing social goal. For example:

> "The social goal dominant in American economic thought today—to maximize the economic value of our nation's capital, labor and natural resources—does not have a long history. Today the social goal is taken as self-evident by virtually all economists—from Marxists on the left, to capitalist conservatives on the right. Yet, this social goal, first fully articulated in 1776 when Adam Smith published his *Wealth of Nations*, evolved only in the two centuries between 1750 and 1950.[2]

This statement is distressingly inaccurate and misleading. First, individuals have goals, but society does not—except in the crass sense that special interest spokesmen attempt to justify their ends by cloaking them in the rhetoric of "social" goals, the "public" interest, and the "common" purpose. Second, despite the claim that state policies have been designed to maximize the economic value of our resources, evidence from virtually every economic study of regulation suggests otherwise.

Americans—collectively—do not have a social goal; we have individual goals. The state's pervasive interference in our private individual activities cannot be justified by suggesting that its mission is to "maximize the economic value of our resources." Taken literally, this would mean that GNP, the dollar value of new domestic output, is considered an index of our collective well-being.

GNP is a weighted sum of outputs times their respective prices. Clearly, if outputs are chosen by political means and if prices are *set* by the state's bureaucrats, the resulting value of GNP is meaningless for measuring individual Americans' valuation of goods and services. GNP then is not a reflection of individual desires backed up by purchasing power but, instead, is the result of myriad special interest proponents exercising political forces which only coincidentally reflect the true preferences of other individuals.

The state inteferes with the free market process and arbitrarily sets almost countless prices and outputs. For example, the prices of petroleum products, public transportation, public education, and many rental units are set below market-clearing levels. The prices of interstate trucking, air travel, fresh milk, peanuts, and the wages of unskilled labor are set above free market levels. Many rates of output, as well as terms and conditions of sale, are dictated by the state. Subsidies, tariffs, and quotas abound. State interference with economic activity creates so many distortions that only the ignorant would claim the state maximizes, or effectively induces the maximization of, the economic value of our resources, and only the devious would misrepresent the state's behavior as pursuant of that "social" goal.

In order to play the game of social goals successfully, state-sponsored coercion must be rationalized by the interventionists. The dictates of political propaganda and manipulation require that they represent *their personal* goals as *our social* goals.

Today, Americans have expanded still further their view of social justice, to include not only maintaining minimal standards of living for everyone and opportunity for advancement equally without regard to race, religion, sex or economic status, but also access for everyone to natural amenities to enrich life and to a healthy environment." [3]

Clearly, as soon as the game of "social" goals begins, the contending political forces can (only) temporarily strike a bargain by multiplying the number of goals. The preceding passage lists goals for living standards, equal opportunity for advancement, and universal access to natural amenities and a healthy environment. The next iteration of the game can be expected to augment that list with the addition of such social goals as minimizing energy consumption, minimizing oil imports, extending subsidized airline service to small communities, and preserving the snail darter and the furbish lousewort. Attainment of all of these social goals is not possible; the goals—as a group—are mutually incompatible, since typically only one thing can be optimized at a time.

As the contending special interest coalitions jockey to impose their own goals on their fellow citizens, the scope and foundation of individual choice, private property, free markets, and the free society are progressively destroyed. Protestations of good intentions—and even actual purity of heart, combined with befuddlement of mind—will not preclude subversion of freedom as the market is diluted, constrained, and distorted by government.

No single coalition of contemporary interventionists deserves the full blame for the accelerating shift from free market processes to centralized government control. Yet, the coalition of environmental activists that has coalesced into a major force over the past decade and a half is symbolic of the threat that state control holds for our future.

The environmental movement coalition clearly has a specific end result as a goal. Almost without exception, its members scorn

[1] Leland B. Yeager, "Economics and Principles," *Southern Economic Journal*, 42 (April 1976), p. 560.

[2] *Dollars and Sense. The Economic Context of the California Coastal Plan* (Sacramento: The Planning and Conservation Foundation, 1975), p. 11.

[3] *Ibid.*, p. 12.

both private property as a tradition and individual free choice as a goal as they seek to impose their allegedly superior view of the "end state" of nature and society on their less enlightened (if not nefarious) fellow citizens. Like many other special interests in contemporary society, they have discovered that it is cheaper to expropriate through state action than it is to work toward their objective through voluntary, private market actions. Their efforts to legislate environmental ends cannot avoid massive costs resulting from the adverse effects to the structure and the performance of the free market process. They regard the destruction of private property and individual free choice as a necessary, but incidental, side effect of the noble, environmental quest. If any compensation is needed, environmentalism provides its adherents with feelings of higher purpose, group identification, and triumph over evil. Compensation to those whose private property is involuntarily pressed into environmental service is rarely contemplated—and less frequently supported—by the environmental coalition, even when public rather than their own money is at stake.

It is unlikely that any economic analysis, however cogent and complete, will convince the ardent environmentalists that the techniques they use to achieve their end result of a managed, ecological zoo on earth are inherently vicious and destructive of economic performance and individual freedom. Reasoned concern for material well-being and individual rights is not the driving force of the modern environmental movement.

Once the environmentalist has dedicated his own life to the natural environment and has relinquished his own freedom to the power of the state as an instrument for achieving ecological grace, he engages in missionary activity in the worst sense of that word.

"* * * it is always the wish of those who subject themselves to power that others, still able to evade that power, should also subordinate themselves and conform to it. Phenomena such as the totalitarian state and modern dictatorship cannot be fully understood if the social relations between those who have, and those who have not yet, conformed are overlooked * * * these men who have already submitted to the new power are not satisfied with conforming, themselves, and almost invariably develop intense feelings of hostility toward those who continue to stand aside skeptically appraising the new power and considering whether to remain aloof." [4]

The contemporary environmental movement is one of the most potent "new powers" that threaten private property and individual free choice at the beginning of America's third century. The techniques that environmentalists use to achieve their ends include an alliance with the state which, at the expense of private property rights and individual free choice, promises to solidify the state's grip on virtually all uses of private resources. Champions of freedom can hardly be optimistic about future prospects when the system continues to deteriorate:

"Descriptively, we now live in what might best be called 'constitutional anarchy,' where the range and the extent of federal government dominance over all our lives, over all our private behavior, is largely dependent on the accidental preferences of politicians in judicial, legislative, and executive positions of power. Increasingly, men feel themselves at the mercy of a faceless bureaucracy, itself irresponsible and subject to unpredictable twists and turns that destroy and distort personal and private expectations. Furthermore, men have little or no opportunity for redress or retribution." [5]

If the environmentalists and other interventionists ultimately prevail, private property will cease to be the well-spring of individual liberty, the free market will wither and die, the competitive process will channel our individual energies into self-defensive political, rather than voluntary economic, activities, and free choice will be displaced by the edicts of the leviathan state at its zenith of power.

The ecological paradise which is the vision of the environmentalists can be likened to the zoo found in many communities. No detail, however small, will escape the control of the environmental system planner. Individual human residents of the zoo will have no more control over their habitats than the bears and the lions do now. We may—sometimes with fearful misgivings—grown and roar to express our discontent, but the keepers of the environmental zoo will have the authority and the force to prevail. Claws will be clipped and fangs removed as the authorities deem appropriate.

In order that the inhabitants of the zoo live "in harmony" with their environment, the caretakers will tell the occupants where to live and how to live. If the planners find the inhabitants need exercise, they will provide appropriate facilities, as they currently provide a barren tree for the monkeys to climb at the zoo. If some of us require shade, we will be provided an awning of officially approved design and color. If others require special diets, that will be arranged the same way the fox receives his daily ration of rabbit from his keeper. Since freedom of movement would lead to chaos in any zoo, restrictions on movement will be necessary except for the keepers and a few species which, like the domesticated fowl at the contemporary zoo, are thought to be mischief-proof.

Economic interaction or trade among the inhabitants of the zoo will, of course, be out of the question unless it is under the careful supervision of the zoo-keepers. Since "neighborhood" or "spillover" effects will be of paramount concern, all individual action will be carefully controlled by official permit in order to avoid adverse environmental consequences. Production, in particular, will be subject to controls, directives, and constraints. Only that which the keepers find is "needed" will be produced.

It is possible that the environmental zoo will appear pleasant, coherent, and well-run to the visitor—if not to those inhabitants who prize liberty. Some animal zoos are pleasant, largely because of taxes on, or gifts from, the outside private sector. But the new environmental zoo will know no boundaries, and there will be no private sector beyond the gates. Indeed, there will be no visitors to the zoo—only the bureaucratic keepers and the caged citizens.

If you would know what the future holds, visit your local zoo. Watch the restless pacing of the cats, the listless posturing of the apes, and the relentless circling of the seals. Listen to the frantic screams of the monkeys. That habitat is the emerging model of life in America's third century.

The author, M. Bruce Johnson, is Professor of Economics at the University of California, Santa Barbara. He taught and was Acting Director of the Institute for Economic Research at the University of Washington before joining the University of California faculty in 1968, where he has been departmental Chairman. He has been Visiting Professor at U.C.L.A. and Associate Director for Research at the Law and Economics Center, University of Miami. He has served as a Commissioner of the South Central California Regional Coastline Commission. He has written on congestion, peak-load pricing, economics growth, costs of environmental action, economics of time, consumer behavior, and industrial organization.

[4] Helmut Schoeck, *Envy: A Theory of Social Behavior* (New York: Harcourt, Brace and World, Inc., 1969), pp. 89–90.

[5] James M. Buchanan, "America's Third Century in Perspective," *Atlantic Economic Journal*, 1 (November 1973), p. 6.

NEW YORK CITY

Mr. PROXMIRE. Mr. President, back in 1975, the Congress of the United States took an unprecedented action by providing substantial assistance to the city of New York. Never before in the 200-year history of this country had the Congress of the United States, the Federal Government, come to the assistance of a city the way we did New York City.

We had permitted other cities to go into default or, indeed, into bankruptcy, but New York City was a special case.

One of the reasons was, of course, because New York City is an enormously big city, so big that New York State was unable to meet the problem it faced.

Many of us felt, however, that if push came to shove the terrific capital resources in New York City would have been able to prevent the city from going through default or bankruptcy.

At any rate, in 1978, as is well known, we provided a guarantee for another 4 years to help New York out.

All along, I had been urging New York City to go to the market and sell obligations. They came close to it, but they did not do it until about a week ago. When they did go to the market, they were surprised to find that they could, indeed, sell obligations. In fact, they were able to sell at a lower interest rate than they originally asked. They started out at 8¼ percent and ended up with an 8 percent rate. They also were able to sell $125 million in notes.

I think we should put this in perspective, however. I do not think it means that New York is out of the woods, and an excellent editorial in the New York Times makes the same point.

In view of the fact that there is a Federal interest here and a Federal obligation, and our Banking Committee has the responsibility of discharging that obligation on the part of the Senate and keeping the Senate advised, I call to the attention of the Senate the nature of that sale and its significance. I think the best way to do it is to quote from this editorial of last Monday in the New York Times. The editorial reads, in part, as follows:

It should be clear by now how far ahead the road stretches before New York will be able to sell long-term bonds on its own credit to pay for its urgently needed capital improvements. Already the city is responsible for $14 billion in bonds that it has either sold or guaranteed. The new $125 million in short-term notes are less than one percent of its total obligations, but if the sale leads New Yorkers to believe that the worst is over and the city's credit has been restored, it will make the way back even harder.

Borrowing always seems easier than budget-cutting or tax-raising, and City Hall must not be tempted to return to its old tricks of misclassifying current expenses as capital investments, or of trying to turn a profit by investing borrower money in high-interest securities.

The editorial concludes:

What we saw this week was not a sign of April, but a January thaw. There is more cold weather ahead.

Mr. President, the Senate Banking Committee will hold hearings on the New York issue in the next 10 days or so. The Governor of New York State, the mayor of New York City, and other officials will testify.

I think it is very clear that for New York to be able to make the grade, it will be very important that New York holds down its spending. The cuts are extremely difficult—maybe even cruel under some circumstances—but that is the only way they can make the grade, and it is going to be very difficult.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial which appeared in the New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT'S STILL WINTER IN NEW YORK

This week, for the first time in four years, investors did not keep their hands in their pockets when New York City offered to sell $125 million in short-term notes. Instead, they bought them at a lower interest rate than experts had predicted. This merits celebration, but those who dance in the streets should watch out for ice. The fiscal winter is not over.

New Yorkers, who must pay the interest on the city's debt, owe thanks to Comptroller Goldin and his staff for managing the sale and its timing so well that the interest rate has been held to 8 percent a year. Over the 5-month life of the notes, that will mean $1 million less in interest than the city would have had to pay to the clearinghouse banks and the union pension funds for the same loan under a standby credit arrangement.

The public offering was not undertaken to save interest however. By the time the city pays for legal and accounting services and commissions to the underwriters the saving will be reduced to $250,000. Mainly the city undertook the sale because of its commitment to the Federal Government to re-enter the normal private lending market as soon as possible.

This sale was based on the state's credit, not the city's. The security for the notes consists of about $600 million in unpledged state revenue supervised by the state comptroller. The 8 percent interest would probably have been as low as 6 percent if the state borrowed the same amount on the same day for the same five months without putting the city's name on the paper. But the city hopes by this sale to re-establish its credit for the long-term future. A carefully protected borrowing is the necessary first step.

It should be clear by now how far ahead the road stretches before New York will be able to sell long-term bonds on its own credit to pay for its urgently needed capital improvements. Already the city is responsible for $14 billion in bonds that it has either sold or guaranteed. The new $125 million in short-term notes are less than one percent of its total obligations, but if the sale leads New Yorkers to believe that the worst is over and the city's credit has been restored, it will make the way back even harder.

Borrowing always seems easier than budget-cutting or tax-raising, and City Hall must not be tempted to return to its old tricks of misclassifying current expenses as capital investments, or of trying to turn a profit by investing borrowed money in high-interest securities.

What we saw this week was not a sign of April, but a January thaw. There is more cold weather ahead.

THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, I have risen on the floor of the Senate many times during the past years urging the Senate to ratify the Genocide Convention. It would outlaw genocide, the crime of deliberately destroying a racial group or a religious group by outright murder or by any other means of extermination. That treaty has been pending for a long, long time before this body.

I call the attention of the Senate this afternoon to the reaction in Germany to the showing of the television dramatization of genocide, "Holocaust." The reaction in West Germany was remarkable. It was not shown on a nationwide network; it was shown on a regional television. It was expected that, at best, there would be about 15-percent viewership. First reports showed 34-percent viewership of the first segment and 39-percent viewership of the second.

There was a great interest in Germany and an overwhelmingly interesting response, because the Germans called the station and told them, by a 3-to-1 margin, that they thought the program was desirable and necessary and very moving.

A followup story in the New York Times a day or so ago indicated that not only were the West Germans impressed but also that those East Germans who had crossed the border are now agitating to have "Holocaust" shown in East Germany, where there also is deep concern about the terrible outrage that the Nazis perpetrated on the Jews.

Mr. President, "Holocaust," of course, is a dramatization of what happened; and I think it is very useful in calling to the attention of the West Germans, as it did to the Americans, the terrible genocide that was perpetrated against 6 million Jews. But we can do more than be horrified. We can do more than just hope that the murder of 6 million people never occurs again. We can act today to prevent these horrible atrocities from every occurring again.

For the last 30 years, the Genocide Treaty, which makes genocide an international crime, has been before the Foreign Relations Committee of the U.S. Senate. Four times that committee has reported it to the floor of the Senate, and we have failed to act on it.

This treaty is one small step toward prevention of future final solutions such as Hitler's plan, and it is before the Senate.

Mr. President, West Germany and 81 other nations have ratified the treaty. Unfortunately, the world waits for the Senate to take action. The United States is the principal large country in the world that has failed to ratify a treaty which Harry Truman, as President of the United States, was more responsible than any other individual in persuading the United Nations to recommend. As I say, other nations have done it. It is time we did likewise.

RULE XXII SHOULD BE AMENDED

Mr. PROXMIRE. Mr. President, the resolution proposed by the majority leader, Mr. ROBERT C. BYRD, Senate Resolution 9, to amend a number of the standing rules of the Senate, but principally to amend rule XXII, deserves our support.

These amendments are long overdue. Far from any radical departure of the historic rules of the Senate, they would, in fact, return the Senate to a set of rules closer to those prevailing in the first two decades of the Senate—namely, from 1789 to about 1814—than are the rules of the Senate today.

The proposed rules changes are designed to carry out the basic principles of any parliamentary body: First, that there should be full and free debate, but second, after full and free debate, that the body must be able to act and to vote. In my opinion, a majority should be able to act and to vote, but at least the votes of 60 Senators, as in the present rule, should be allowed to bring debate to a close and allow the Senate to act.

Because of a series of rules which were designed to be dilatory and to prevent a majority or even 60 Senators from acting, the majority leader has proposed Senate Resolution 9.

In any parliamentary body and in any democracy itself, the minority must be allowed the right to speak, to debate, to criticize, and, if it can convince the country, to ultimate become the majority itself. The majority must allow the minority this right to peacefully criticise and overturn the government by democratic means. The minority must not use force, provided the majority allows it to criticize and, possibly, to govern.

But there are obligations on the minority as well. After full and free debate and after it has had a chance to be heard, the majority must be allowed to act.

In the Senate, that is now prevented through dilatory tactics which can be exercised by a number of Members far less than a majority. In fact, I am amazed at the modesty and the overgenerous spirit of the majority leader, who is asking merely that 60 Senators—three-fifths—can under his proprosals bring debate to a close and get a vote and a final conclusion.

FILIBUSTER

A filibuster is not only long talk. A filibuster is an extended debate which also has the purpose of preventing a vote.

In the early Senate, a filibuster was not possible. Contrary to the often heard opinion that the filibuster in the Senate is a creature of the Founding Fathers, that is simply not the case. The early Senate operated under Jefferson's Manual, which is still a part of the Rules of the Senate. Jefferson, himself, as Vice President, was not in the chair.

Rule 17 of Jefferson's Manual provided that—

No Senator may speak impertinently, or beside the question, superfluously or tediously.

If we had that rule today, the Senate would come to a screeching halt. Imagine: No Senator may speak "tediously" or "superfluously."

In addition, rule 17 provided that—

In the Senate of the United States the President's decision is without appeal.

There you have it. If a Senator engaged in long talk or spoke tediously or superfluously or beside the question—such as reading cookbooks and nongermane reports—that Senator would be out of order.

Further, the President's decision to call the Senator to order was final. There was no appeal. A filibuster could not happen under those provisions, properly enforced.

In addition, the Senate also had rule XXXIV, the previous question rule. It provided that—

When any question is before the House, any member may move a previous question whether that question (called the main question) shall now be put. If it pass in the affirmative, then the main question is to be put immediately, and no man may speak anything further to it, either to add or alter.

In other words, by moving the previous question and by passing it by a simple majority vote, debate was closed.

During the debate over changing rule XXII in 1957, the constitutional historian and Madison biographer, Irving Brant, researched this issue and found that on four occasions in the early Senate the previous question was moved. On two occasions it had the effect of shutting off debate by majority vote. Mr. Brant's work was brought to the attention of the Senate by Senator Paul H. Douglas of Illinois, who was leading the fight to change rule XXII.

NOT ONLY A MOTION TO POSTPONE—STOPPED DEBATE

Senator Richard Russell of Georgia then asserted that this was the previous question motion from the House of Commons and that its nature was to postpone rather than to end debate. That was a position which previously had been asserted by both Henry Cabot Lodge and Robert A. Taft.

Historian Brant, assisted by Howard E. Shuman, then Senator Douglas' legislative assistant and now my administrative assistant, researched this issue. Mr. Brant examined and Mr. Shuman tabulated the effect of the previous question motion in the House of Commons from 1604, when it was adopted, until 1789, when the Senate adopted the rule.

They found that the "previous question" motion had been moved or "put" on 899 occasions in those 185 years. On 539 occasions, or 60 percent of the time, it brought debate to a close by majority vote. On 360 occasions, or 40 percent of the time, it had the effect of postponing debate. The result depended on whether the motion was put in the affirmative or negative and whether the "yeas" or "nays" prevailed.

The filibuster is, therefore, not a creature of the Founding Fathers. It was effected in the mid-19th century and is the child of sectionalism and slavery.

FILIBUSTER NOT NEEDED

There is one further general point I should like to make. The filibuster is not needed in the Senate of the United States to protect the minority. The minority in the Senate, Congress, and the country is more than adequately supported by the provisions of the Constitution without adding an artificial protection like the filibuster. Here is why:

First of all, any bill or law must first pass Congress. It must then be signed by the President. If the President vetoes it, Congress can overrule that veto by a two-thirds vote in both Houses. Finally, such a law is subject to the will of the courts and can be declared unconstitutional by a majority vote of the Supreme Court. This division of power provides great protection for the minority in the United States.

Second, for a bill even to get to the President's desk it must run a series of hurdles or through a legislative maze which by its intricacies is designed to protect the minority. A bill can be defeated at any of numerous places in the legislative process. Often it must be passed in both subcommittee and committee of the House and again in the Senate. It must pass in both the House and the Senate. It goes to a conference committee if there are differences in the two bills. It must again pass each House in the form of a conference report. In the House of Representatives, it must also get a "rule." In the Senate, it can be subjected to dilatory tactics on the motion to proceed to its consideration.

Altogether, there are almost a dozen key points where a determined minority can kill a bill.

But the majority must pass a bill over all of these hurdles in order for it even to be sent to the President. That is a built-in protection for the minority.

Finally, there is the constitutional provision that each State shall have two Senators, regardless of its size. The Senate of the United States is now the only constitutionally gerrymandered legislative body in the United States.

That provision of the Constitution, article I, section 3 cannot be changed for it provides that—

. . . no State without its consent, shall be deprived of its equal suffrage in the Senate.

Thus, unless there was unanimous consent by all 50 States, even a constitutional amendment could not change this provision.

The 17 largest States and the 17 smallest States each have 34 votes in the Senate. But the former have 70 percent of the population and the latter only 7 percent—one-tenth as many. Talk about protection for the minority. Theoretically, the 7 percent could defeat a treaty, prevent conviction for impeachment, beat a constitutional amendment, or sustain a veto.

What more protection does a minority need? We do not need to add to all these protections—the division of power, the two-House legislature, and a Senate based on each State having equal representation without regard to population—an artificial barrier to action giving 40 Senators or fewer the ability to bring action to a screeching halt.

NEED FOR AMENDMENTS AND SENATE RESOLUTION 9

What we have seen, however, in recent times, is the ability of a very few Senators to thwart the will of even 60 Senators who have voted cloture.

As I said to begin with, in the Senate there should be full and free debate. But ultimately, the Senate must be able to act and to vote.

The majority leader's amendments are designed to bring this about when 60 Senators vote to end debate. Further, he has provided a number of changes to rules other than rule XXII which have been used to waste time and to tie up the Senate, including reading amendments which are printed, filibustering the motion to proceed as well as the substance of bills, and to filibuster by requiring the reading of the Journal. Furthermore, he provides that at the end of the session, which we all know is the time when even one person can tie up the Senate, for a change in the rules allowing cloture motions to be presented and voted on quickly.

On the whole I believe these provisions are sound and that they would return the Senate closer to the body it was when created by the Founding Fathers than it is today. Furthermore, the provisions would both protect the minority while allowing 60 Members of the Senate, more than a majority, to vote and to act.

I applaud the majority leader's proposal and state only that it is a most modest one which may become much less modest if it fails.

ORDER GRANTING EXTENSION OF TIME TO JOINT ECONOMIC COMMITTEE TO FILE CERTAIN REPORTS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Joint Economic Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file a report of its findings and recommendations with respect to the Economic Report of the President, as required by section 5(b)(3) of the Employment Act of 1946 (15 U.S.C. 1024 (b)(3)); and further, that the Joint Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file the report of its findings and recommendations required under section 5(c) of the Comprehensive Employment and Training Act Amendments of 1978 (Public Law 95-524).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF REXFORD A. RESLER AND WILLIAM TOWELL

Mr. JACKSON. Mr. President, on December 30, 1978, after more than 30 years of service to conservation and to his Nation, Resler retired as Associate Chief of the Forest Service. The Forest Service of the U.S. Department of Agriculture has long been recognized as an efficient, well-managed agency which has acted responsibly to conserve the natural resources entrusted to it. Rex Resler's career has epitomized this popular concept of the agency. In these days, when we are so often inclined to overlook the contributions which our public servants are making to our Nation, it gives me pleasure to call attention to Rex Resler's contributions to the cause of conservation.

Mr. Resler is a native of Indiana where he grew up and which he left to serve from 1941 to 1945 in the Army Air Force. After graduating with honors and receiving a master of forestry degree from Oregon State University in 1954, he began work with the Forest Service on the Siuslaw National Forest in Oregon. He served as a District Ranger on the Siuslaw and Rogue River National Forests, as a Deputy Supervisor of the Willamette National Forest, and as a Supervisor of the Melheur National Forest.

In 1968, he transferred to the Forest Service's Washington, D.C. headquarters to the Division of Recreation. During this time he was not only concerned about expanding the national forest wilderness system, he also took a personal interest in expanding recreation opportunities for disadvantaged minorities and the handicapped in urban areas near national forests. He also served as assistant director of timber management before returning to the Pacific Northwest in July 1970 as deputy regional forester.

In 1971, he was named regional forester of the Pacific Northwest region covering Oregon and Washington. He returned to the Washington office of the Forest Service as Associate Chief in August 1972. In that capacity, he has served as an alternate and associate to the Chief of the Forest Service responsible for all activities of the agency.

It was my privilege to know and work with Rex Resler when he was a regional forester of the Pacific Northwest region and to have been closely associated with many facets of his work as Associate Chief of the Forest Service during his recent years in Washington. Rex Resler was not one to seek the limelight. Rather he worked with boundless energy, good humor, great depth of knowledge and expertise, patience, and persistence in order to achieve the conservation goals of the U.S. Department of Agriculture and the Forest Service. He was a "doer."

He liked to get things done and he was willing to work the long hours that it takes to get results. He had many specific areas of interest beyond those of the broad management of natural resources. Although he devoted much energy to improving the timber management operations of the Forest Service, he worked equally hard and was equally concerned with the establishment by the Forest Service of a quality national wilderness preservation system.

He was a well-rounded conservationist and administrator in every sense of the word. During his 6½ years as Associate Chief of the Forest Service, he devoted much energy to improving the efficiency and management of the Service so that it could handle the expanded and more complex programs for which it has become responsible within the limited manpower and budget constraints that have been available. The fact that the work has been done so well is a credit to his managerial abilities. Professionalism and Rex Resler are synonymous. Rex Resler stands tall as a fine example of competence, integrity, and dedication.

Upon his retirement from the Forest Service, Rex Resler has not rested even 1 day. He immediately assumed a position beginning January 1, 1979, as executive vice president of the American Forestry Association replacing William E. Towell who retired at the end of December 1978 after a long and distinguished career in conservation work.

Mr. Towell retired after 12 years as executive vice president of the American Forestry Association. Like Rex Resler, Bill Towell is a professionally trained conservationist, and he has had several leadership positions in conservation organizations. He came to the American Forestry Association from Missouri where he was director of the Missouri Department of Conservation. He has also been a member of many advisory boards and committees and of many professional and scientific organizations. Bill will best be remembered for his work in establishing an "areas of agreement" group which consisted of members from many conservation organizations.

That group sought to find areas of agreement and to emphasize and work together in those areas rather than to use up much energy in disagreements. With this as a background for his operations, Bill has been able to substantially increase public understanding of complex resource issues and has been very helpful to those of us in the Congress in dealing with these issues. Like Rex Resler, Bill Towell is not retiring to a life of inactivity. He has moved to North Carolina and plans to continue his interests in conservation, acting as special consultant and advisor to several organizations.

Bill Towell has always been willing to give of his time, energies, and abilities for causes in which he believed. He will be sorely missed by those of us left here in Washington to continue on with the work.

Mr. President, it has been my pleasure to give this tribute to these two great Americans who in their own way have each made such a substantial contribution to the welfare of our Nation. It can truly be said that this country is better off because Rex Resler and Bill Towell live and work here. I am sure my colleagues join me in wishing them continued success.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORIZATION TO PRINT REPORT ENTITLED "CHINA" (S. DOC. NO. 96-4)

Mr. ROBERT C. BYRD. Mr. President, I shall send to the desk a resolution and I shall ask for its immediate consideration. I ask unanimous consent that there be a time limitation thereon of 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I send to the desk a resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

S. Res. 29. A resolution authorizing the printing of the report entitled "China" as a Senate document.

Mr. ROBERT C. BYRD. Mr. President, I sent this resolution to the desk on behalf of Mr. MUSKIE, and I ask for its immediate consideration.

There being no objection, the resolution (S. Res. 29) was considered and agreed to as follows:

Resolved, That the report entitled "China", prepared by Senator Muskie, chairman of a bipartisan congressional delegation to the People's Republic of China, be printed with illustrations as a Senate document.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe other speakers are on their way to the floor and I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR INSERTION OF STATEMENTS IN THE RECORD AND INTRODUCTION OF BILLS, RESOLUTIONS, PETITIONS, AND MEMORIALS UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I do not think the Senate will be in long today. The Senators who have been working on the rules matter have been participating in the discussions to a considerable extent, and I feel that progress at least is being made at this point and I would expect the Senate not to be in long today. I know there will be a meeting of the ad hoc committee on my side of the aisle this afternoon, and I am informed

by Mr. STEVENS there will be one on his side of the aisle. He is chairman of that committee there. So the Senate will not be in long.

I ask unanimous consent that the Senators may have until 5 p.m. today to insert statements in the RECORD and to introduce bills, resolutions, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNION POLITICAL POWER

Mr. THURMOND. Mr. President, I have before me an excellent analysis of "Legal Sources of Union Political Privileges" by Thomas R. Haggard, associate dean and professor of law, University of South Carolina. He has also taught at Rutgers University, Camden, N.J., and is the author of "Compulsory Unionism, the NLRB and the Courts," the Wharton School of Finance and Commerce Industrial Research Unit, University of Pennsylvania, 1976. The remarks of Dean Haggard were made, while a participant, in a colloquium at Chicago in April 1978. As we begin our work in the Senate as a part of the 96th Congress, his commentary on the use of political power by unions is most timely and deserving of careful study.

Mr. President, in order to share the views of Dean Haggard with my colleagues, I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGAL SOURCES OF UNION POLITICAL PRIVILEGES

(By Dean Thomas R. Haggard)

All of us are aware, in a generalized sort of way, of the vast political influence that labor unions exercise in this country. Millions of dollars have been paid by labor unions into the campaign chests of political candidates who are, or who thus become, sympathetic to labor. On top of that is a virtually incalculable amount of so-called "in kind support"—free use of telephones, mailing lists, postage meters, cars, airplanes, computer time, and even the services of union staff members and secretaries. When legislation affecting labor comes up, massive and expensive lobbying activities are undertaken. And even in the ostensibly non-partisan political vein, labor unions spend a great deal of time, effort, and money in voter registration campaigns, get-out-the-vote drives, and the like.

My purpose today, however, is not to describe in detail the various ways in which unions exercise their political power and privilege. It is, rather, to expose the extent to which this power and privilege find their source in the force of law.

But before getting to that, I must define my terms. First, the term "legal" is used here to include not only statutory authorizations to do things that unions would not otherwise be able to do; it also refers to union conduct which may be technically illegal but which, as a practical manner, cannot be stopped (i.e. most public employee strikes) or which is simply ignored or tacitly tolerated by the government officials (i.e. union violations of the election laws).

Second, in this context, the term "political" is used to refer not only to the traditional activities of the kind that I described in my opening remarks, but also to activities that we would normally think of as "economic." Take public employee unions, for example. They are, by definition, political organizations—even when they are merely engaged in the economic activity of bargaining. The wages that city garbage men are paid is, ultimately, a political issue, as is the question of when a public school teacher can be fired, or the matter of whether certain public employees will provide their services on Saturday.

To a less obvious extent, the same is true of labor unions in what we nostalgically refer to as "the private sector." It is unfortunate but true that, in our present state of syndicalist existence, larger economic issues and disputes are routinely treated as if they were also politial issues and disputes—the recent coal strike, for example.

Finally, by "privilege" I mean preferential treatment that flows from either exemptions, the non-enforcement of prohibitions, and/or affirmative grants of permission.

Let us start, now, with public employee unions. As I indicated earlier, even when they are acting in the traditional union capacity as a bargaining representative of employees, they are, by definition, also acting in a political manner. Indeed, in a sense, they are exercising the ultimate political power, the power of sovereignty itself. What, then, is the nature and source of the privilege to act in this manner?

First, public employee unions have the extraordinary privilege of representing *everyone* within a particular agency or other government unit, whether *all* of those people want to be so represented or not, which is a form of compulsory unionism in and of itself. There is of course, strength in unanimity—even if it is forced! And by virtue of this power to "speak with one voice" unions are able to exert an influence on the political issues of public employee wages and working conditions that they could never hope to exert if they were truly voluntary associations.

Second, there is the matter of mandatory collective bargaining. Here the state imposes on itself and its political subdivisions a duty to recognize a union as the exclusive bargaining representative of its own employees and a duty to bargain with that representative over a wide range of political issues. This is an extraordinary political privilege that is enjoyed by unions, and unions alone. If the state, by law, said that the legislature could not pass an abortion statute until it had first bargained with and obtained the approval of the Right-to-Life Committee, our liberal, labor, and ACLU type friends would raise proverbial Cain about such a perversion of the democratic process.

Next, and in a related vein, there is the matter of compulsory arbitration/mediation. Here again, public employee unions enjoy a privileged position in the political process. By imposing on itself a duty to submit to binding arbitration or mediation all contract disputes that may arise between it and the union, the state surrenders to a third party its sovereign power to decide these clearly political matters.

Finally, there is the so-called "right to strike." Although most public employee collective bargaining statutes contain some kind of prohibition against public employee strikes, as we all know these strikes take place with increased frequency. And the state seems unable, or unwilling, to do anything about it. This, I think, is an inevitable result of the fact that these unions possess and exercise the extraordinary privileges and powers of an exclusive collective bargaining representative, referred to before. To have this power but not the power to strike is almost a contradiction of terms, as events have clearly demonstrated.

To the extent that unions are thus "privileged" to engage in strikes, by virtue of the fact that nothing is or can be done about it, they are able to exert a tremendous influence on the political process. We have made the tragic mistake of giving government a monopoly over many services that are absolutely necessary in an urban society, but which could better be performed by diverse elements within the private sector—the collection of garbage, for example. And we compound that mistake when, through public employee bargaining statutes, we effectively arm labor unions with the power to shut down those services—by going on strike when they don't get in collective bargaining what they have been led, erroneously, to believe that they have an entitlement to.

Well, what exactly are the sources of these privileges? Most courts have held that, in the absence of some statutory or quasi-statutory authority, public agencies have neither the duty nor the power to engage in exclusive collective bargaining with labor unions. That makes it fairly easy to pin-point the source of the privilege; at the state level it is the state legislatures, supposedly the political bodies that are closest and most responsive to the desires and best interests of political bodies that are closest and most respect to the postal workers it is Congress that has authorized the privileged status of those unions. For the unions that represent most of the remainder of the federal work force, privileges flow from a Presidential executive order.

Now, although in my opinion even the purely economic collective bargaining activities of public employee unions should be considered "political," they also encourage in political activities of the more traditional variety—supporting specific candidates, lobbying for legislation, and what have you. The question, thus, is this: To what extent are unions "privileged" in this context?

The privilege, I would suggest, consists in the *source* of the power that they have to engage in these activities. In no small part, that power is simply an overflow or surplusage of the unions' statutory power to act as an exclusive bargaining agent—an equal, in many respects, of the state itself. The concentration of such power in an organization naturally attracts the financial support and allegiance of those who are dependent upon it for their livelihoods, with such support and allegiance being used as the union desires, as in promoting its overtly political ends. Candidates and office holders are, moreover, very apt to listen to so powerful a voice; and all of this thus suggests the presence of an unusual—i.e. a privileged—political power.

There is, however, an even more direct source of the political power of public employee unions—a power of the financial variety. It is a phenomenon most often referred to as "compulsory unionism," whereby public employees are required to pay the equivalent of union dues for the dubious honor of being forced, against their will, to be represented by a union in collective bargaining. This money is used, not only to finance the political activity of collective bargaining, but also for the more literal kinds of political activities.

True, the Supreme Court has indicated that using compulsory dues for these latter kinds of political activities is unconstitutional—although using it for the political activity of collective bargaining is not, a distinction I have some difficulty in accepting. Nevertheless, the vindication of this constitutional right leaves something to be desired. The unions' so-called "rebate procedures" are complicated and inadequate, at the very best; and it seems to require lawsuit after lawsuit to get the unions to go even that far! So again, in furthering their political aims, unions are the privileged beneficiaries of the non-vindication of rights.

So much for public employee unions. Let us now look at the political privileges of private sector labor unions. As I indicated earlier, when a labor union achieves an agreement—or fails to achieve an agreement, and then goes on strike—in any basic industry, such as coal, oil, steel, automobiles, this is, in a realistic sense, a political event, in that the President and/or Congress inevitably become concerned about and involved in the end result.

The political response of the President and Congress is, I think, merely a reflection of the fact that unions are themselves already exercising political, or sovereign, power when they negotiate labor contracts with private employers. And in the exercise of this power, unions are clearly privileged—in that few others in our society enjoy a similar power.

What is the exact nature and source of this power? It consists, again, of the privilege of being the exclusive bargaining representative of *all* employees in a unit, and the corollary power to extract the equivalent of union dues from those who do not want to join the union voluntarily. It consists of the union's legally-backed power to compel employers to recognize and bargain with this representative.

This is all very similar to the powers public employee unions possess, discussed earlier. But in addition, private sector unions, under the guise of engaging in "protected concerted activities," are privileged to do certain things that clearly enhance their economic-cum-political powers. In a variety of ways they are licensed by law to use the employer's private property for their own purposes. Similarly, many union organizational and collective bargaining activities are privileged against any kind of employer counterresponse. And beclause of their special privileges in this regard, which are created by law, unions are able to achieve economic results that have clearly political consequences.

Presently pending before Congress is the so-called "Labor Law Reform Act." I do not have time to go into the details of this Act, but lest there be any doubts in your minds about it, let me assure you that the "reform" in question consists entirely of increasing the privileged status of labor unions—in many of the ways that I have already discussed.

As for the purely political activities of private sector unions: There was a time in the history of the labor movement when a substantial portion of the leadership believed that the improvement of the workers' conditions should be brought about only by collective bargaining or, if need be, by economic pressure, rather than by political action. That, of course, is no longer the case. Unions have found that the political approach is often quicker, easier, cheaper, and altogether more efficient. Instead of bargaining with a multitude of employers to increase the bottom tier of wages, unions will now use their political muscle on Congress to get the minimum wage raised. And in many other instances, things that were formerly matters of contract are now being imposed by law—at the instigation of labor unions; all of which suggest that labor unions are really political action groups in the purest sense of the word.

And our question, thus, is this: What kind of special privileges do unions enjoy in this regard?

Well, there is first the matter of the momentum that unions have by virtue of their special powers to act as a bargaining representative. This is sufficient to carry them not only to the bargaining table with strength, but beyond that into the legislative halls as well, just by the very nature of things. It is foolish for the law to think that it can give an entity extraordinary power to act in one sphere (collective bargaining) without having that power spill over and be exercised in other spheres—as here, in the political arena. So, as a political action group, labor unions enjoy a privilege few if any others do—i.e. their power flows ultimately from the state itself.

Next, there is the matter of the use of compulsory dues for political purposes. Let me outline for you briefly how the law deals with compulsory dues generally, and then indicate how it deals with their use by the union to promote the union's political causes. Section 8(a)(3) of the National Labor Relations Act makes it illegal for an employer to discriminate against employees on the basis of union affiliation, membership, or support—or the lack thereof. In other words, insofar as the employer is concerned, an employee's membership or non-membership in the union is irrelevant. The law then goes on to provide an exception to that prohibition. The law says it will *not* be considered illegal for an employer to agree with a union that it, the employer, will require of its workers, as a condition of their continued employment, that they pay to the union the equivalent of the union's normal initiation fees and dues. This is aptly called a "union security agreement." Armed with the extraordinary powers mentioned earlier, unions were, of course, quick to exploit this exception—and in non-right to work states they have bargained for, struck over, and frequently obtained union security agreements whereby employees are required, as a condition of their employment, to pay money to the union. Much of this money is, of course, used to finance union organizational and collective bargaining activities. But since modern labor unions obviously consider themselves political as well as economic associations, it naturally follows that unions will spend dues, not only for collective bargaining purposes, but also for political purposes—this to the chagrin and outrage of those who disagree with the union's political positions *and* who are required to pay the money under duress.

In the early 1950's litigation was instituted challenging this, and the Supreme Court ultimately held that under the federal statutes a union's privilege of extracting membership dues from unwilling workers does *not* include the privilege of spending that money for political causes which the worker is opposed to. The Court, indeed, intimated that such a practice—or rather, the statutes authorizing it—would probably be unconstitutional.

Well, that was the law; but for the last 20 years or so the problem has been enforcing it. The unions have *not* voluntarily stopped spending compulsory dues for political purposes; they have *deliberately* obscured the amount they spend for this purposes, so as to make it difficult for an employee to know how much of a rebate he is entitled to; and it has only been within recent years, because of a series of cases supported by the National Right to Work Legal Defense Foundation, that any appreciable dent has been made in this illegal practice. Again, this represents political privilege by non-enforcement of rights.

And what has been the impact of the Federal Election Campaign Act of 1974 on all this political activity by unions? Very little, insofar as I can tell, although I am by no means an expert on this particular aspect of my topic. But these observations are in order: First, since organized labor actively supported this bill, one might reasonably conclude that on balance the bill was more helpful than hurtful to unions in the pursuit of their political ends. One way in which this is so lies in the fact that the Act strongly favors incumbents; many of the current crop of Representatives and Senators were put into office by means of (sometimes illegal, even then) union campaign contributions. Thus any Act that favors the status quo, as this one did, naturally tends to favor the labor unions.

It should also be noted that the Act provides special exceptions for some kinds of allegedly non-partisan political activities, such as "get out the vote" drives, which unions nevertheless manage to use with very partisan results! And finally, although the Act does impose various kinds of limits on union political activity, I get the distinct impression that enforcement of the law against unions has been rather lax. Thus again, through non-enforcement of law, we give unions a privileged political status.

So, do unions have too much privileged political power? Yes, I think they do. And so what should be done about it? Let us take public employee unions first. Initially, I *must* note this: If government were reduced to its proper size, and if government did not try to perform so many services (often on a monopoly basis) that could be better left to private industry, the problem of public employee unionism would diminish considerably, if not disappear altogether. And the political power of public employees would be properly insignificant. That is perhaps not a very realistic solution, but I cannot resist venturing it nonetheless.

Next we must attempt to educate both the public and public employees to the fact that no one has a moral right to work for the government (or anyone else) under his own terms—namely, by insisting that the government recognize and bargain with a labor union, and not do anything with respect to terms and conditions of employment unless this third party consents. A lot of people cave in to the notion of public employee bargaining, not because they think it is necessarily a good thing, but because they have been convinced that to deny the (mere) *majority* of public employees the privilege of selecting a representative for *every* public employee, the majority's "inalienable rights" have somehow been violated. So we just give in, out of a sense of "fair play." Clearly, before we can get anywhere with this problem, we must refute that pernicious notion of "rights."

And finally, on a policy basis, we must convince the public of the fact that public employee collective bargaining is not in the public's best interests, that it is inconsistent with both the democratic and the republican forms of government, and that it involves the creation of state-sponsored political action groups that bode ill for our liberties.

Turning now to labor unions in the private sector, and the exercise of their political privileges: One answer that springs readily to mind is to simply pass more election and campaign laws that would restrain labor unions from spendnig their money in this direction.

To me that is an inadequate, temporary kind of solution. The present laws which limit campaign donations are predicated on the notion that all excessive political power and influence is bad—*regardless of how it is obtained*. I do not subscribe to such a conclusion. The political power and influence that a group can amass through voluntary membership and support is *legitimate* power and influence—whether that group be a labor union, the National Right to Work

Committee, or the South Carolina Association of Outdoor Privy Makers! The problem with labor unions is not the political power that they have; it is rather the source of that power. As I have tried to demonstrate, the source of union political power is federal law which gives unions an extraordinarily privileged status as the exclusive collective bargaining representative of millions of American workers who would not otherwise have anything at all to do with a union.

To find a solution to the problem of abusive union political privileges, we must thus look to the laws which lie at the root of their artificial power—we must let unions win adherents and supporters through persuasion rather than through the force of law. We must, in other words, significantly alter the National Labor Relations Act.

But, I must concede, in order for that to be a practical solution, we as a people must *first* educate ourselves to and accept the true meaning of "liberty" within a free and orderly society. More narrowly, until labor unions and their supporters are genuinely dissuaded from the notion that they somehow have an inalienable, God-given right to be recognized and bargained with by otherwise unwilling employers, to be supported and financed by otherwise unwilling employees, and to exercise extraordinary privileges within our political society . . . until they truly give up that pernicious notion, such alterations in the laws which *do* give them those rights may well plunge us back into the violence and disorder that was used to blackmail us, back in the 1930's, into passing these laws in the first place.

It is a tragic dilemma that we face. But I am confident that men of good will and intelligence can resolve it. And it is to those qualities that we must aspire.

THE DEATH OF MR. J. FRED BUZHARDT

Mr. THURMOND. Mr. President, just before Christmas, a great American and brilliant attorney passed away. J. Fred Buzhardt, Jr., a good friend and trusted adviser, died in Hilton Head, S.C., at the age of 54, bringing to an end an illustrious career and a noble life.

I have known the Buzhardt family for many years and well remember the milestones of Mr. Buzhardt's life, beginning with his youth. He was an eager, inquisitive young man, and the spark of greatness could be seen in him at an early age. It was as a cadet at West Point that his inbred qualities of patriotism, leadership, and excellence were finely honed. Throughout his days, he was to carry the West Point ethic of duty, honor, and country with him and apply it to every phase of his life.

After graduation Mr. Buzhardt served in the Army Air Corps during World War II and the Air Force from 1946 to 1950. During his military career, he gained a thorough-going understanding of our armed services which was to prove invaluable later when he was a top policymaker at the Department of Defense.

He left a promising military career, however, to return to his native South Carolina and study law. Characteristically he threw himself totally into his studies as a law student, and, upon graduation he was graduated first in his class. Many professors believed him to be the most brilliant law student ever to graduate from the University of South Carolina.

After graduation Mr. Buzhardt began practicing law with his father in the small town of McCormick, S.C. Since I had long been aware of his keen mind and his constant striving for excellence, I felt he could put his talents to use on a broader scale. Consequently, I induced him to come to Washington as my legislative assistant. In this capacity and as my administrative assistant he served with distinction for nearly 10 years. His service was exemplary.

His association with my office was one which I shall always cherish. During that period he provided invaluable insight and wisdom to a variety of pressing issues. His hard work, dedication, and irreproachable integrity were always his hallmark, and I could always depend on him for sound advice. During his years in my office, he was often considered one of the brightest young men on Capitol Hill.

Fred Buzhardt was a conscientious, energetic man who believed that everything worth doing was worth doing well. He was supremely confident in his work, for he always had a thorough grasp of even the most complex issues. His remarkable erudition coupled with his level-headed judgment enabled him to unravel intricate problems and make sound decisions.

Fred Buzhardt was a brilliant, unflappable man. But, more importantly, he was a gracious, unassuming gentleman. A devout Christian, he was forever sensitive to the people around him, and his casual good humor and genuine concern for his colleagues made him truly a beloved man.

After he left my staff in 1967, Fred Buzhardt practiced law in South Carolina again for a short time and then he became chairman of a special reorganization panel at the Defense Department. His splendid performance in that important post led to his appointment as General Counsel to the Department of Defense. While there he gained the respect and admiration of all who knew him. He immediately steeped himself with the workings of the armed services and was instrumental in many beneficial changes in policy and procedure.

In 1973 Mr. Buzhardt was named Chief Counsel to the White House. In this role he labored assiduously under most difficult and trying circumstances. His loyalty and love for America caused him to work almost round-the-clock in an effort to help ease our Nation through a very grave crisis. For his untiring efforts he gained the respect of people across the country.

Even when he moved back to South Carolina 4 years ago, Fred Buzhardt was never far away from Washington. His keen mind and thorough knowledge of world events made him invaluable, and I continued to draw on his wise counsel up until the time of his death.

When Fred Buzhardt died, I lost one of the best friends I have ever had. But I feel fortunate to have known him for so many years, and to have shared so much with him.

My deepest sympathy is extended to Mr. Buzhardt's wife, Imogene; to his two sons, Joseph and George; and to his two daughters, Linda and Jill. They can take genuine solace, however, from the lifelong benefits gained by sharing a close family association.

Mr. President, I ask unanimous consent that numerous newspaper articles, the eulogy I delivered at his funeral, and other tributes to Mr. Buzhardt be printed at this point in the RECORD so that I may share them with my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EULOGY BY SENATOR STROM THURMOND

Today is one of the saddest days of my life. I have lost a brilliant and dedicated coworker, but more than that, I have lost one of my best friends ever.

Fred Buzhardt, Jr., was like a son to me, not only because of our close relationship but also because I never had a dearer friend than Fred Buzhardt, Sr., Fred, Sr., studied law under my father and me, and Fred, Sr., and I practiced together here in McCormick for about four years.

The Buzhardt family—Fred, Sr., and Edna, Fred, Imogene, Linda, Joe, George, and Jill have been almost as close to me as my own family.

I watched Fred grow to young manhood. He first enrolled at Wofford College before being appointed to the United States Military Academy at West Point, where he further developed his qualities of leadership and excellence. In fact, throughout his life he was imbued with the West Point Code of Honor—Duty, Honor, Country—which he always carried out in all endeavors.

After serving several years in the U.S. Air Force, Fred decided he wanted to be a lawyer, as his father before him, so he went to the University of South Carolina Law School where he was graduated first in the class of 1952. He then practiced law here in McCormick with his father, but he was such a bright young man that I felt his talents could be used on a broader scale. Consequently, I induced him to come to Washington as my Legislative Assistant. Later, he served as my Administrative Assistant when Harry Dent returned to South Carolina.

His association with my office was one which I shall always cherish. It was an association which lasted about 10 years and he provided invaluable insight and wisdom to a wide variety of pressing issues. During the years that Fred Buzhardt and Harry Dent served together in my office, they were considered to be two of the brightest young men in Washington.

Fred Buzhardt was a man of dedication and believed that everything worth doing was worth doing well. He was a person of confidence because he had the knowledge to back up his beliefs. A widely read, thoroughly informed man, he had a natural talent for law and intelligence. He had a great talent for getting information and analyzing it properly.

Holmes Alexander, a respected nationally syndicated columnist, once said that Fred Buzhardt was one of the two top staff members on Capitol Hill. It was no exaggeration.

In addition to all his qualities for efficiency and effectiveness he was a devout man who loved his country and was a great believer in the private enterprise system in America. It is a source of great satisfaction to me that I was able to induce him to Washington where he served so brilliantly, both on Capitol Hill and in the Executive Branch of government. As a matter of fact, when Mr. Nixon was elected President, I flew to New York with Fred Buzhardt and Harry Dent to propose them to the President-Elect because I felt the new administration could not have found two better men for important positions in our government. Both subsequently did excellent jobs.

I shall always be grateful for such dedicated and effective service. After Fred left my staff, I continued to draw on his wise counsel on many tough problems and knew that I was getting the soundest advice available.

Fred Buzhardt gained nationwide fame later, however, for his distinguished work at the Defense Department and at the White House. As General Counsel at the Defense Department and Chief Counsel at the White House, he provided able and courageous leadership for the welfare of this country.

There has never been a more effective and respected General Counsel of the Defense Department than Fred. He completely reorganized all our armed services.

In the White House he served with distinction and honor under most difficult and dangerous circumstances. When the embattled President of the United States needed help in his gravest hours, he summoned Fred for that awesome task.

The role of leaders in Washington who admire and respect Fred are too numerous to mention, and the list reads like the Who's Who of the top policymakers of our country.

Former Presidents Nixon and Ford head the list, followed by Fred's former boss, ex-Defense Secretary Melvin Laird, Henry Kissinger, General Alexander Haig, Armed Services Committee Chairman John Stennis—and many more of the nation's most distinguished leaders.

They came to admire and respect Fred as we here in South Carolina.

To the family and to all Fred's friends I extend my deepest sympathy in our mutual loss. Our only consolation—and a great one it is—is that we all know Fred Buzhardt measured up to the rigid requirements entitling him to be counted among the sheep to be assembled at the right hand of our Heavenly Father.

[From the Anderson (S.C.) Independent, Dec. 17, 1978]

WATERGATE COUNSEL FOR NIXON DIES

HILTON HEAD ISLAND.—J. Fred Buzhardt, 55, chief Watergate Counsel for former President Richard M. Nixon, died Saturday of a heart attack.

Buzhardt was stricken about 9 a.m. at his home on Hilton Head Island. He was rushed to the Hilton Head Hospital and died shortly after arrival.

A native of McCormick, S.C., Buzhardt was a top aide to Sen. Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmond praised him Saturday as "one of the most capable and astute men I have ever known.

"As a top member of my Senate staff for 10 years, he provided invaluable insight and wisdom to a variety of pressing issues. In his service as general counsel of the Defense Department and chief counsel to the White House, he provided courageous leadership for this country," Thurmond said in a prepared statement.

After the Watergate scandal broke in 1973, Buzhardt was named chief White House counsel by President Nixon. He was later replaced by James D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Buzhardt's handling of Watergate matters.

Since 1975, Buzhardt was with a Beaufort-based law firm which also maintained offices in the Hilton Head resort community.

He is survived by his wife, Imogene Sanders Buzhardt; their two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Jill Buzhardt, both of Columbia, S.C.

He was born in Greenwood, the son of the late J. Fred Buzhardt Sr., and the late Edna Hardin Buzhardt, both of McCormick.

Buzhardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

He practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief adviser to former Secretary of Defense Melvin Laird before being named to the White House staff in 1972.

He suffered a heart attack in 1974 and moved to Hilton Head Island.

He was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina.

Buzhardt was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

He was president of the Hilton Head Island Bar Association, a member of the board of Baptist College at Charleston and head of the Strom Thurmond Foundation, which Thurmond set up to provide aid to students to attend college.

A memorial service will be held at 1:30 p.m. Sunday at the Hilton Head First Baptist Church in Hilton Head.

Funeral services are scheduled for 3 p.m. Monday at the McCormick Baptist Church, with the Rev. Henry Gambrell officiating. Burial will be in the McCormick City Cemetery.

The body is at Strom Funeral Home where the family will receive friends from 8–10 p.m. Sunday. The body will be placed in the church at 2 p.m. Monday.

The family is at the home of G. J. Sanders Sr., of Gold Street in McCormick.

[From the Charleston (S.C.) News and Courier, Dec. 17, 1978]

FORMER NIXON AIDE FRED BUZHARDT DIES

HILTON HEAD ISLAND.—J. Fred Buzhardt, 55, chief Watergate Counsel for former President Richard M. Nixon, died Saturday of a heart attack.

Buzhardt was stricken about 9 a.m. at his home on Hilton Head Island. He was rushed to the Hilton Head Hospital and died shortly after arrival.

A native of McCormick, Buzhardt was a top aide to Sen. Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmond praised him Saturday as "one of the most capable and astute men I have ever known."

After the Watergate scandal broke in 1973, Buzhardt was named chief White House counsel by President Nixon. He was later replaced by James D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Buzhardt's handling of Watergate matters.

Since 1975, Buzhardt had served with a Beaufort-based law firm which also maintains offices at Hilton Head.

He is survived by his wife, Imogene Sanders Buzhardt; their two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; and two daughters, Mrs. Henry W. Brown and Jill Buzhardt, both of Columbia.

He was born in Greenwood, a son of the late J. Fred Buzhardt Sr. and Edna Hardin Buzhardt.

Buzhardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

He practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief advisor to former Secretary of Defense Melvin Laird before being named to the White House staff in 1972.

He suffered a heart attack in 1974 and moved to Hilton Head Island.

He was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina.

Buzhardt was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

He was president of the Hilton Head Island Bar Association, a member of the board of the Baptist College at Charleston and head of the Strom Thurmond Foundation, which Thurmond set up to provide aid to students to attend college.

The funeral will be 3 p.m. Monday at McCormick Baptist Church, with burial in McCormick City Cemetery.

Thurmond said of Buzhardt, "In his service as general counsel of the Defense Department and as chief counsel at the White House, he provided courageous leadership for the welfare of this country."

[From the Hilton Head (N.C.) Island Packet, Dec. 19, 1978]

FRED BUZHARDT DIES

J. Fred Buzhardt Jr., 55, chief White House counsel during much of the Watergate affair, died in the Hilton Head Hospital Saturday following a heart attack.

The attack occurred four years to the day since the prominent attorney and his wife, Imogene, moved to Hilton Head Island.

Buzhardt was stricken about 9 a.m. in his Port Royal Plantation home but was revived by personnel from the Hilton Head Island Rescue Squad-EMS and the Hilton Head Fire Department before being taken to the hospital, where he died at 10:20 a.m.

A native of McCormick, S.C., where he once practiced law with his father, Buzhardt served as administrative assistant to U.S. Sen. Strom Thurmond for 10 years before becoming general counsel to the Department of Defense and top advisor to Defense Secretary Melvin Laird in 1969.

In 1972, he joined the White House staff, and in 1973 he replaced John Dean as President Nixon's counsel. It was in this capacity that J. Fred Buzhardt became known to the American public. It repeatedly fell to him to notify the Watergate prosecution staff and Judge John J. Sirica that subpoenaed conversations were not available, including the infamous "18 minute gap" of the June 20, 1973, conversation between Nixon and H. R. Haldeman.

Unlike many of the figures involved in the case, Buzhardt declined to write about Watergate, refusing to betray his former client's confidence, although, as an associate here said, he would discuss the "tenor of the times" with close friends.

Joab Dowling, fellow partner of the Beaufort-based law firm of Dowling, Sanders, Dukes, Novit and Svalina, P.A., was responsible for luring Buzhardt to Hilton Head, where the firm maintains an office.

When the Beaufort attorney realized that Buzhardt was thinking of leaving Washington following his first heart attack in June 1974, Dowling said, "I went up there and asked him to come to work for us and he accepted. We'd been friends since we were young.

"He was an international lawyer, the finest lawyer I ever knew," Dowling said. "We'll have to hire three or four lawyers to take his place, and they won't be able to take up the slack. We'll miss him."

Buzhardt, an expert in federal law, was on retainer to the Raytheon Corp., one of the nation's largest defense contractors, and frequently traveled to Washington in that capacity. Nevertheless, he found time to serve as president of the Hilton Head Island Bar Association, as a trustee of the Baptist College of Charleston, and as head of the Strom Thurmond Foundation, which provides funds for the education of needy students.

He was recently elected a director of the Port Royal Property Owners Association, an honor of which he was particularly proud. According to one islander, he was also valued for his insights as a member of the Seminar on Science and Human Values.

In a statement issued Saturday afternoon, Sen. Thurmond praised Buzhardt as "one of the most capable and astute men I have ever known.

"As a practicing attorney and as a good citizen," Thurmond continued, "Fred Bushardt was a person who matched his deep concern with the effectiveness of his vision and hard work."

In recent months, Bushardt and other members of his firm had been hard at work on two landmark cases, involving the ownership of tidelands, which will be argued before the South Carolina Supreme Court. The cases involves old rice fields, whose titles date back to the king of England, that were constructed along the Combahee River during Colonial times.

As recently as last Thursday, Bushardt had complained of chest pains and had expressed an interest in attending a "longevity" clinic in Florida or California stressing diet and exercise, according to Joab Dowling.

"I urged him to go on right now," said Dowling, "but he insisted on waiting until he had argued the Lane case (one of the tideland cases)."

He was the son the late J. Fred Bushardt Sr. and Edna Hardin Bushardt. He was born in Greenwood, S.C., but grew up in McCormick, where his father was a respected attorney, state representative and circuit judge.

Bushardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

In addition to his wife, he is survived by two sons, Joseph Fred Bushardt III of Centerville, Va., and George Sanders Bushardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Miss Jill Bushardt, both of Columbia, S.C.; and two grandchildren.

The funeral was scheduled for 3 p.m. Monday at the McCormick Baptist Church, with burial in the McCormick City Cemetery. The family has requested that in lieu of flowers, donations be made either to the First Baptist Church of Hilton Head Building Fund or to a favorite charity.

[From the New York Times, Dec. 17, 1978]

FRED BUSHARDT, JR., NIXON'S COUNSEL IN WATERGATE, DIES

HILTON HEAD ISLAND, S.C., December 16.—J. Fred Bushardt, Jr., a former legal counsel to President Nixon, died today of a heart attack. He was 54 years old.

Officials said Mr. Bushardt was stricken in Beaufort, S.C., and taken to nearby Hilton Head Island, where he died.

A LOYALIST AND ABLE LAWYER

(By Peter Kihss)

Joseph Fred Bushardt, Jr., was a Southern lawyer, courtly and courteous. He was able and a prodigious worker. He was at times open, at other times evasive—but he was at all times a loyalist for President Nixon, and a fighter who yielded legal ground only after intense resistance.

Mr. Nixon brought him into the White House on May 10, 1973, as special counsel in problems growing out of the Watergate investigations, a move that resulted in some unhappy experiences for Mr. Bushardt. He had to make the uncomfortable disclosures that two tape recordings promised to a court did not exist and that somehow 18 minutes and 15 seconds of a conversation on a third tape had been erased.

For a time, Mr. Bushardt faded into the background as James D. St. Clair, a Boston lawyer, became special counsel on Jan. 4, 1974. Mr. Bushardt took the day-to-day job of counsel to the President.

But he turned out to be the so-called "keeper of the tapes," the man who controlled access to that evidence, probably the person who had listened to more White House tapes than anyone else.

He was described by Cecil Emerson of Dallas, a departed St. Clair staff member, as "the political person—the only one who knows everything that is going on." In March 1974, when secretaries typed up transcripts to be made public, Mr. Bushardt marked up sections for deletion, although he said the President made the final decisions on what stayed in or went out.

Mr. Bushardt was of medium height, slender, a bit puffy around the eyes. Gold-rimmed glasses emphasized his seriousness. Under pressure as a witness, he might look pale or meek; he hunched over, appearing somewhat embarrassed, and seemed anxious to be friendly.

Under attack elsewhere as in encounters with newsmen or television, he would be forceful, determined, insistent, a man of confidence—and with the confidence of President Nixon, as before he had been trouble-shooter for Secretary of Defense Melvin R. Laird and earlier for Senator Strom Thurmond, Republican of South Carolina.

Mr. Bushardt was born in Greenwood, S.C., on Feb. 21, 1924, and grew up in McCormick, S.C. He first aspired to a military career. He was graduated from the United States Military Academy at West Point in 1946, and served in the Air Force for the next four years.

GRADUATED MAGNA CUM LAUDE

But, as a first lieutenant piloting troop carriers from Japan, he found that his ears could no longer endure air pressures encountered in flight. Back home, he went to the University of South Carolina and received a law degree in 1952, graduating magna cum laude.

He then practiced law with his father. In 1956, he became legislative and later administrative assistant to Senator Thurmond, staying eight years.

After another interval of private practice, Mr. Bushardt joined the Defense Department in 1969.

As general counsel, it was disclosed much later, Mr. Bushardt objected to the 1971 Nixon Administration decision to prosecute Dr. Daniel Ellsberg, who had helped make public the Pentagon Papers on United States involvement in the Vietnam War. In March 1974, Mr. Bushardt said he had argued that the case was too complex and technical to win.

It was not quite 11 months after the June 17, 1972, burglary of the Democratic National Committee's office in the Watergate apartment and office complex in Washington that President Nixon brought Mr. Bushardt into the White House for temporary duty on the ramifying issues of the break-in.

Six weeks after Mr. Bushardt was assigned to the White House, the Senate Watergate committee heard John W. Dean, the Presidents' former counsel, assert that Mr. Nixon had been deeply involved in a Watergate cover-up.

A counterattack written by Mr. Bushardt was read into the committee record on June 27, 1973, contending that "John Dean was the principal actor in the Watergate cover-up," and suggesting that Mr. Dean might have been protecting "his patron." John N. Mitchell, former Attorney General and one-time chairman of the Nixon re-election campaign committee.

Ronald L. Ziegler, the President's press secretary, disclaimed the document as any definitive White House position. Mr. Bushardt then said his paper was "a hypothesis prepared as a basis for cross-examination from available statements of other witnesses in the several investigative forums."

On July 16, 1973, Mr. Mr. Bushardt confirmed in a letter to the Watergate committee that Mr. Nixon had tape-recorded White House talks since the spring of 1971, and the lawyer became a central figure in disputes over investigative needs for tapes.

In April and May 1974, Mr. Bushardt was twice subjected to more than three hours of closed-door interrogation by Senate Watergate investigators looking into a $100,000 cash campaign contribution from the late Howard R. Hughes, the multimillionaire industrialist, to Charles G. Rebozo, a close friend of President Nixon.

On June 12, Mr. Bushardt appeared before Federal District Judge Gerhard A. Gesell in a dispute over bids by John D. Ehrlichman, the President's former chief adviser for domestic affairs, for access to personal notes for defense on charges of plotting a break-in at the office of Dr. Ellsberg's former psychiatrist.

Mr. Bushardt had spent almost all of the previous night reviewing the notes. He reported he found nothing bearing on Mr. Ehrlichman's guilt or innocence, and testified that he believed the President would waive claims of executive privilege on a file of personal correspondence also sought by Mr. Ehrlichman.

After that court appearance, Mr. Bushardt was hospitalized briefly for what was called a "mild coronary."

Mr. Bushardt was married on July 15, 1946, to the former Imogene Sanders. They had four children—Linda, J. Fred 3d, George and Jill—and lived in Fairfax, Va.

[From the Augusta (Ga.) Chronicle-Herald, Dec. 17, 1978]

J. FRED BUSHARDT, COUNSEL FOR RICHARD NIXON, DIES

HILTON HEAD ISLAND, S.C.—Fred Bushardt, 55, chief Watergate Counsel for former President Richard M. Nixon, died Saturday of a heart attack.

Bushardt was stricken about 9 a.m. at his home on Hilton Head Island. He was rushed to the Hilton Head Hospital and died shortly after arrival.

A native of McCormick, S.C., Bushardt was a top aide to Sen. Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmond praised him Saturday as "one of the most capable and astute men I have ever known."

After the Watergate scandal broke in 1973, Bushardt was named chief White House counsel by President Nixon. He was later replaced by James D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Bushardt's handling of Watergate matters.

Since 1975, Bushardt was with a Beaufort-based law firm which also maintained offices in the Hilton Head resort community.

The funeral will be 3 p.m. Monday at the McCormick Baptist Church with the Rev. Henry Campbell officiating. Burial will be in the McCormick City Cemetery.

Survivors include his wife, Imogene Sanders Bushardt; their two sons, Joseph Fred Bushardt III of Centerville, Va., and George Sanders Bushardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Jill Bushardt, both of Columbia, S.C.

Friends may call from 8 p.m. to 10 p.m. at Strom Funeral Home, McCormick. The family will be at the home of Mr. G. J. Sanders Sr. on Gold Street beginning Monday. There will be a memorial service 1:30 p.m. today at the Hilton Head Baptist Church. Donations may be made to the Hilton Head Baptist Church building fund.

Bushardt was born in Greenwood, the son of the late J. Fred Bushardt Sr., and the late Edna Hardin Bushardt, both of McCormick.

Bushardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

He practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief advisor to former Secretary of Defense Melvin Laird before being named to the White House staff in 1972.

He suffered a heart attack in 1974 and moved to Hilton Head Island.

He was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina.

Bushardt was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

He was president of the Hilton Head Island Bar Association, a member of the board of Baptist College at Charleston and head of the Strom Thurmond Foundation, which Thurmond set up to provide aid to students to attend college.

Funeral services are scheduled for 3 p.m. Monday at the McCormick Baptist Church, with burial at the McCormick City Cemetery.

Thurmond said of Bushardt, "In his service as general counsel of the Defense Department and as chief counsel at the White House, he provided courageous leadership for the welfare of this country."

[From the Union (S.C.) Daily Times Dec. 18, 1978]

FORMER NIXON COUNSEL BURIED

HILTON HEAD ISLAND, S.C.—Funeral services were held this afternoon for J. Fred Bushardt, 55, chief Watergate Counsel for former President Richard M. Nixon.

Bushardt died Saturday of a heart attack at Hilton Head Hospital where he had been taken after he was stricken at his home in Hilton Head Island.

Bushardt, a McCormick, S.C. native, was a top aide to Senate Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmon praised him as "one of the most capable and astute men I have ever known."

President Nixon named Bushardt chief White House counsel after the Watergate scandal broke in 1973. He was later replaced by Jamse D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Bushardt's handling of Watergate matters.

He has been with a Beaufort-based law firm which also maintained offices in Hilton Head since 1975.

He is survived by his wife, Imogene Sanders Bushardt; their two sons, Joseph Fred Bushardt III of Centerville, Va., and George Sanders Bushardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Jill Bushardt, both of Columbia, S.C.

Bushardt, a graduate of West Point, was born in Greenwood, the son of the late J. Fred Bushardt Sr., and the late Edna Hardin Bushardt, both of McCormick.

He received his law degree from the University of South Carolina School of Law, and then practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief advisor to former Secretary of Defense Melvin Laird before being named a White House counsel by Nixon in 1972.

After suffering a heart attack in 1974, Bushardt moved to Hilton Head Island.

A specialist in federal law, Bushardt was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina and was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

[From the Columbia (S.C.) State, Dec. 19, 1978]

DENT CITES BUSHARDT'S ROLE IN MAJOR NATIONAL DECISIONS

(By W. Clark Surratt)

A long-time associate of J. Fred Bushardt Jr., who died Saturday, says Bushardt had far more impact on national affairs than most people realize, including the main role in a decision that ultimately led to Gerald Ford serving as president.

Harry S. Dent Jr. of Columbia who served as a political adviser to former President Richard Nixon, said it was Bushardt who delivered the key piece of advice to Nixon to name Ford to replace Spiro Agnew in 1973.

Dent said in an interview that John Connally had been the pick right up to the day of Ford's appointment, but that Bushardt advised Nixon to name Ford instead.

Bushardt, for years on the staff of U.S. Sen. Strom Thurmond along with Dent, died Saturday of a heart attack at Hilton Head Island. Bushardt was buried Monday at his hometown McCormick.

Dent said Bushardt, who was Nixon's Watergate legal defender at the time, had enough savvy of potential problems the Connally appointment might bring to suggest to Nixon that Ford be appointed instead.

Connally, a former Texas governor and treasury secretary during Nixon's first terms as president, was in line to succeed Agnew as vice president in the fall of 1973 after Agnew resigned, but Dent said Ford became the man at nearly the last minute, on Bushardt's advice.

"Fred knew enough that the potential existed for problems with Connally," said Dent. Connally was acquitted in April, 1975, in connection with bribery charges alleged to have occurred in 1971.

Dent said then President Nixon spoke with him (Dent) by telephone on Oct. 11, 1973, and the conversation ended with the understanding that Connally would be appointed vice president the next day. But with Bushardt's intervention, Ford became the man, Dent recalls.

Ford, of course, became president in August, 1974, when Nixon resigned, becoming the first president in history to gain the office other than through election or death of the incumbent.

Dent said, "As close as I was to Fred, he would never talk much about Watergate happenings. He was the kind of guy who kept his mouth shut and stayed in the background."

Dent attributes Bushardt's intense devotion to his work with bringing on two heart attacks, one that led to his giving up the post as Nixon's chief defense lawyer during Watergate and the fatal attack over the weekend at Hilton Head. Bushardt was 54.

Dent also credits Bushardt with playing the lead role in reorganizing the Department of Defense when Bushardt was general counsel to the department under former Defense Secretary Melvin Laird.

In addition, said Dent, the bulk of military intelligence was routed through Bushardt at the Pentagon post to the White House.

"He had a deep mind, steeped in analytical capability, a tremendous problem solver," Dent said Monday.

Dent said Bushardt's "workaholic" personality continued after he established his Hilton Head law practice, although Dent said Bushardt had indicated to friends he had planned to slow down beginning next year.

[From the State, Columbia (S.C.), Dec. 22, 1978]

A PERSONAL CODE OF HONOR

(By Harry S. Dent)

(The author of this article on the late J. Fred Bushardt was a long-time friend. The two worked together in the Washington office of Sen Strom Thurmond and later in the Nixon White House where Mr. Dent was a political adviser to President Nixon and Mr. Bushardt was the special Watergate counsel.)

J. Fred Bushardt Jr. was one of the few people I have known "to have it all put together" in "mind, spirit, and resources." He had a superior mind, a big heart, a voracious appetite for hard work, and sincere, reasoned convictions based on solid moral and Christian principles. He knew what he believed and why. And, he lived in accord with his beliefs.

The character of Fred Bushardt was built on the Code of Honor he learned to revere at West Point and on his convictions about his personal relationship with his Maker.

In recently responding to a rating request on Fred Bushardt from a legal directory, I commented that there "was no attorney in South Carolina who could match the combination of his intellect, his varied and responsible experiences, and his personal integrity."

Similar sentiments by others were responsible for the award to Fred of an appointment to West Point, his selection as the top graduate in his 1952 USC Law School class, his recognition as the most capable assistant in the U.S. Senate, his employment as executive director of the Blue Ribbon Commission to Reorganize the U.S. Deptartment of Defense, his nomination and confirmation as general counsel of the Department of Defense, his appointment as counsel to President Richard M. Nixon when the President was needing the best possible legal counsel in the midst of the Watergate scandal, and his leadership positions in every Baptist church he joined.

Fred dedicated most of his life to working in the interest of the national security of his country. His best work for national security was performed in the U S. Senate under the direction of Sen. Strom Thurmond and in his duties as a key Defense Department leader under Defense Secretary Melvin Laird. He was concerned that America was losing its strength, respect, and position as the leader of the Free World. Fred loved his country because his country provided our rights to be a free people. No one ever believed more in individual responsibility than Fred.

In 1961, Fred caused an investigation in the Senate of military information and education programs on communism. Through speeches and reports written by him, Fred and Senator Thurmond sounded the first alarms on Soviet missiles in Cuba, and they focused attention on "no win" foreign policy decisions and failures in U.S. military preparedness programs.

In 1969, Fred prepared the analysis and recommendations resulting in the most massive reorganization of the U.S. armed services in American history.

As general counsel of the entire defense establishment, Fred became the chief trouble shooter for the Secretary of Defense in defense reorganization, spending procurement, intelligence activities, and in all legal matters affecting the armed services.

While DOD general counsel, Fred defied a White House directive to engage in improper activities concerning the Ellsberg affair. He resisted to the point where President Nixon reversed the order issued in the President's name by John Ehrlichman.

As counsel to the President, Fred convinced President Nixon to name Rep. Jerry Ford as Vice President to succeed Spiro Agnew, who had resigned under fire. President Nixon awarded Fred the only pen used to sign Ford's nomination form.

In 1973 and 1974, Fred was one of the keys to the resignations of Vice President Agnew and President Nixon. He was the one who, in his diligent search for evidence to save the Nixon Presidency, found the "smoking gun" evidence he feared would provide the basis for impeachment. Thus, he recommended immediate resignation. He gave similar advice to Agnew.

While serving the President, Fred suffered a heart attack from his gruelling overtime work. He was counseled to "escape the sinking Nixon White House before its demise." However, he returned to his duties at the side of the President and averted the impeachment processes which were virtually paralyzing the U.S. government.

Fred Bushardt is one of the few persons so close to the Watergate investigation to refuse to write a book or article on the true, inside story of Watergate. He died determined not to betray his attorney-client relationship. No one person could have provided a more interesting and illuminating book. However, Fred protected the confidences of his leader in accord with his personal and public code of honor.

Fred was most appropriately eulogized at his funeral Monday by Senator Thurmond, the Rev. Henry Gambrell of McCormick, and Dr. Wilford Lee of Hilton Head, where Fred had been practicing law.

Senator Thurmond paid tribute to Fred's brilliant mind and his impact on national affairs. Dr. Lee stressed that Fred found his greatest satisfaction not in all his great political achievements but rather in his post-White House realization that the most important work for man was in trying "to achieve the salvation of souls."

McCormick County, South Carolina and Sen. Strom Thurmond provided America with one of the most honest, selfless, valuable, and effective men ever to serve our country in crucial times.

[From the Columbia (S.C.) State, Dec. 22, 1978]

BUSHARDT: A QUIET MAN IN HIGH PLACES

When Fred Bushardt died of a heart attack Saturday, his passing made the national news wires. But we can imagine many persons over the land may have looked at each other quizzically and asked, "Fred who?" And someone may have replied, "Wasn't he one of those fellows messed up in Watergate?"

In all of his public life, Mr. Bushardt was a very private person. But we know of no one who knew him who did not totally respect him for his intellect, his integrity, his honesty, and his loyalty.

Perhaps the first public official to appreciate Mr. Bushardt's attributes was U.S. Sen. Strom Thurmond. Their relationship was a natural one. The senator had read law with Mr. Bushardt's father, J. Fred Bushardt, Sr., and the two once practiced law together in Edgefield and McCormick.

After graduating from West Point, young Fred Jr. went to the U.S.C. School of Law and was considered by some veteran faculty members to be one of the most brilliant graduates of that institution.

That sharp legal mind was to be tested many times during a career that led him from a law practice with his father in tiny McCormick to Senator Thurmond's staff to the Defense Department and to the White House, where he was handed the excruciatingly difficult job of trying to save President Nixon from all of his troubles growing out of the Watergate affairs.

Mud was flying everywhere, but, even though Mr. Bushardt was in the middle of things as White House legal counsel, none landed on him. His reputation, so esteemed on Capitol Hill and elsewhere in the national government, was enhanced while so many of his colleagues were going down the tube.

Some have speculated that he may have become disgusted with what he saw going on in the White House and become "Deep Throat," the shadowy source of information for The Washington Post reporters who broke the Watergate story. Maybe he was, but we doubt it. It would be uncharacteristic of a man who was deeply loyal to his client, Mr. Nixon, and who was always reticent with the press.

That reticence came naturally. He was a military intelligence specialist. When he was a top aide to Defense Secretary Melvin Laird, for example, most of the military intelligence flowed through him to Mr. Laird. A masterful troubleshooter, Mr. Bushardt had the ability to separate the wheat from the chaff. Loyal people trained in intelligence work don't talk about their work much.

In his White House role, Mr. Bushardt did a lot more than conduct Mr. Nixon's defense—a task which, incidentally, led to his first heart attack. He also participated in historic decisions. He is generally thought to have been the key man in persuading Mr. Nixon to appoint Gerald R. Ford as Vice President to replace the disgraced Spiro Agnew. And he is supposed to have been the one who, after finally getting to the real evidence, advised Gen. Alexander Haig, then the White House chief of staff, that Mr. Nixon had to resign. Those were momentous hours, but Fred Bushardt went to his grave without ever discussing them in public.

When on Senator Thurmond's staff, Mr. Bushardt found himself working with Harry S. Dent, another savvy South Carolinian who went on to become a political adviser to President Nixon. The two remained fast friends after returning to South Carolina to practice law. At our request, Mr. Dent has written a personal assessment of his former colleague, which appears elsewhere on this page. It is a fine tribute to a rare man.

[From the Columbia (S.C.) State, Dec. 30, 1978]

FRED BUSHARDT GOOD MAN, GOOD FRIEND

(Letters to the Editors)

Sir: South Carolina and the nation were saddened by the death of J. Fred Bushardt Jr. of Hilton Head Island.

As the news reached editors and columnists, note was made in their articles of his brilliant, analytical mind. His contributions to the nation regarding broad-sweeping military decisions, constitutional policy, and national problem-solving were reflected by heads of state. At his funeral service, eulogies were bestowed from Presidents, cabinet members, senators and governors. His pastor recalled his Christian service to his church, to those who sat to hear his Bible teaching, to his neighbor, who recognized that Fred lived the deep faith that he professed.

The tributes to this stalwart man cannot go unfinished without mentioning the magnanimous contributions that he made to those around him that would never reach a newspaper, that would never become a part of national history, and that would never be known except by the person who received his kindness. His magnanimity may have even shortened his life—but Fred would have preferred it, rather than abort the kind of love that expected nothing in return.

In 1974, Fred had been chosen as chief legal counsel for the Watergate defense; his burdens were heavy, the pressure was growing, and the decisions that he had to make were awesome. That did not deter him from visiting and keeping in constant touch with my son and me at Walter Reed Army Hospital, where my son was being treated for a life-threatening brain tumor. Fred and his wife came faithfully to the hospital with words of encouragement. After surgery, my son suffered a cardiac arrest but was revived to comatose state. Fred and his wife waited with me until my family arrived from South Carolina. When the physicians informed me that my son had died, Fred and his wife sat the night with me to give me comfort. Fred suffered his first massive heart attack the next evening.

After his recovery, Fred continued to be that kind of friend—not just to me, but to all he knew. I am proud, honored, and grateful to have been his friend.

RUTH D. KNIGHT.

COLUMBIA.

[From the Washington Star, Dec. 17, 1978]

FRED BUSHARDT DIES, WAS NIXON ATTORNEY

HILTON HEAD ISLAND, S.C.—J. Fred Bushardt Jr., 54, who presented most of the Watergate defense of former President Richard Nixon, died yesterday after a heart attack.

Officials said Bushardt was stricken with a heart attack in Beaufort and rushed to nearby Hilton Head Island, where he died.

Sen. Strom Thurmond, R-S.C., who first brought Bushardt to Washington as a legislative and administrative aide, expressed sorrow upon hearing of the death of his close friend.

"I am deeply bereaved by the death of Fred Buzhardt," Thurmond said. "In addition to being a friend, he was one of the most capable and astute men I have ever known.

"Throughout his adult life he made outstanding contributions to the public well-being and to those around him."

Buzhardt was general counsel to the Department of Defense when he was picked by Nixon on May 10, 1973, to be his special counsel on Watergate matters. Bushardt managed most of the former president's Watergate defense before suffering a mild heart attack and turning the defense duties over to James D. St. Clair, a Boston attorney, in January 1974.

During his eight months as Nixon's special counsel, Buzhardt spent much of his time haggling with U.S. District Judge John J. Sirica and Watergate prosecutors over whether Nixon would have to divulge the contents of tapes he had made of conversations in his office.

It was Buzhardt who publicly confirmed the disclosure of the tape's existence by presidential aide Alexander Butterfield.

When it was disclosed that Rose Mary Woods, Nixon's personal secretary, had erased 18½ minutes of a subpoenaed tape, Buzhardt said in testimony before Sirica's court that at first he thought there was "no innocent explanation" for the erasure.

He added, however, that after reviewing the situation, he discovered a plausible explanation for the buzzing sounds heard on the tape—a combination of pushing the right buttons on her tape recorder and placing the machine near an electric typewriter and high-intensity lamp.

During Nixon's lengthy battle to retain possession of the tapes, Bushardt presented the former president's assertion that if he were to turn the tapes over to the Watergate special grand jury, "the damage to the institution of the presidency will be severe and irreparable."

He joined the Department of Defense in 1969 as special assistant to the assistant secretary of defense. He gained notice while serving as special assistant to the chairman of the Blue Ribbon Defense Panel, which after a year of study advocated major cutbacks in the department's bureaucracy.

He encountered some controversy after his appointment in August 1970, as counsel to the department. A former Air Force officer testified on Jan. 30, 1973, in the Pentagon Papers trial that Bushardt's office had ordered him to destroy a report he had written.

In that report, the officer asserted that Daniel Ellsberg had not compromised national security by allowing others to see government documents he had in his possession.

The officer, retired Lt. Col. Edward A. Miller, could not say for sure whether Bushardt had issued the order, however.

But former Secretary of Defense Melvin Laird said when Bushardt was hired as the White House's special counsel that he and Bushardt had turned down a request in September 1971, by two White House officials for access to Pentagon files.

A native of McCormick, S.C., Bushardt graduated from West Point and served in the Army Air Corps during World War II and Air Force from 1946 to 1950. He returned home to South Carolina and entered law school, graduating magna cum laude from the University of South Carolina.

He practiced law in McCormick for six years with his father, a friend and law partner of Thurmond, before the senator persuaded him to come to Washington to work on his staff.

[From The Washington Post, Dec. 16, 1978]

J. FRED BUSHARDT DIES: A KEY LEGAL DEFENDER OF NIXON DURING WATERGATE

(By Martin Weil)

J. Fred Bushardt Jr., 55, a politically conservative military officer turned lawyer who was one of former president Richard Nixon's key legal defenders during the Watergate scandal, died yesterday in a South Carolina hospital after a heart attack.

Quiet, intense and extremely hard-working, Mr. Bushardt was striken at his home in Beaufort and died shortly after being taken to Hilton Head Hospital. He had practiced law since 1975 in both Beaufort and the nearby resort community of Hilton Head Island.

Named special White House counsel for Watergate matters on May 10, 1973, Mr. Bushardt served as the president's top legal defender during the period of the Senate Watergate hearings and through much of the legal controversy over the celebrated White House tapes.

In a telephone interview on June 30, 1973, after the testimony of former White House counsel John W. Dean, Mr. Bushardt gave a strong impression of bewilderment.

Dean had alleged before the Senate committee that Nixon was involved in the cover-up.

"What do you do?" asked Mr. Bushardt. "Do you (have the president) testify or make a statement after each witness?"

He also said he did not know which one if any of the president's former aides to believe. "I'm not sure what I believe beyond the innocence of the president," he said.

The interview came after Mr. Bushardt had given a controversial memo to the Watergate committee calling Dean the "principal actor in the Watergate cover-up," and placing much of the blame for the scandal on former attorney general John N. Mitchell.

During the interview, the bespectacled attorney said his role in the White House was "not that of an investigator," but rather one that primarily involved supplying information and documents to the Senate committee and the special prosecutor's office.

After the revelation in July 1973 of the existence of the White House tapes, Mr. Bushardt was active in resisting efforts by the special prosecutor's office to obtain them.

In this regard, it fell to Mr. Bushardt to make known one of the most celebrated symbols of the entire Watergate affair—the famed, and as yet unexplained, 18½-minute gap.

On Nov. 21, Mr. Bushardt told Judge John J. Sirica of the U.S. District Court that an 18-minute portion of a key tape contained an "audible tone" but no conversion.

The tape in question was made during a conversation on June 20, 1972, between Nixon and his chief of staff, H. R. (Bob) Haldeman. The gap occurred at a point where discussion by the two men of the scandal was just beginning.

After court testimony about the gap on Nov. 29, Mr. Bushardt told reporters he still had "no explanation" for the gap, whose existence was seen as an important element in the undermining of Nixon's credibility.

On Jan. 4, 1974, it was announced that James D. St. Clair would handle the president's Watergate defense. Mr. Bushardt was elevated to the post of White House counsel with the expectation, according to a White House spokesman, that he would participate occasionally in the defense, but would gradually become absorbed in other duties.

Mr. Bushardt continued, according to a White House aide, to work seven days a week, 16 to 18 hours a day. At 12:30 a.m. June 13, he was admitted to Fairfax Hospital, suffering from a heart attack.

Mr. Bushardt recovered and returned to work. On July 24, 1974, the Supreme Court ruled that Nixon could not withhold from prosecutors 64 disputed tapes. Soon afterward Nixon reportedly telephoned Mr. Buzhardt to say "there may be some problem with the June 23 tape."

Mr. Bushardt studied the tape, found the significant passages in a conversation between Nixon and Haldeman, and concluded, according to reconstructions of the last days of the Nixon administration, that the president could not remain in office.

Nixon resigned Aug. 9 and Mr. Buzhardt returned the next year to practice law in his native state.

Joseph Fred Buzhardt was born in Greenwood, S.C., on Feb. 21, 1924, and grew up in McCormick, S.C. During World War II he served in the Army Air Corps for two years, and in 1946 he graduated from West Point.

He was an Air Force first lieutenant and troop carrier pilot in 1950 when an inability of his ears to withstand the pressure of flying caused him to abandon plans for a military career.

The son of a lawyer, Mr. Buzhardt studied law at the University of South Carolina. He graduated in 1962 and practiced law in a rural section of his state with his father, a friend of Sen. Strom Thurmond (R-S.C.).

Mr. Buzhardt worked as an aide to Thurmond for eight years, specializing in military affairs and winning a reputation as an expert in the wo.kings of the Pentagon bureaucracy.

He enhanced this reputation after joining the Defense Department in 1969 as special assistant to the assistant secretary of Defense. Named general counsel in 1970, he was known unofficially as the Pentagon's top troubleshooter, handling many of the thorny problems that confronted the military in the 1970s.

"He was one of the most capable and astute men I have ever known," Sen. Thurmond said in a statement.

Mr. Bushardt was married and had four children.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following members of the Judiciary staff during the pendency of Senate Resolution 9: Jim Lockfiemy and Eric Hultman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

At 1:43 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to Senate Resolution 74, relating to the death of the Honorable Nelson A. Rockefeller, former Vice President of the United States.

The message also announced that, pursuant to the provisions of section 2(a), Public Law 85-874, as amended, the Speaker has appointed Mr. THOMPSON, Mr. CORMAN, and Mr. MCDADE as members of the Board of Trustees of the John F. Kennedy Center for the Performing Arts on the part of the House.

PROPOSED LEGISLATION CONCERNING OUR RELATIONS WITH TAIWAN—MESSAGE FROM THE PRESIDENT—PM 20

The PRESIDING OFFICER laid before the Senate the following message received from the President of the United States on January 26, 1979, during the recess of the Senate, together with accompanying papers, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

The United States of America has recognized the Government of the People's Republic of China as the sole legal government of China and is establishing diplomatic relations with that government. The Joint Communique issued by the United States and the People's Republic of China was the culmination of a long process begun by President Nixon and continued by President Ford and me.

I have also announced that, in the future, the American people will maintain commercial, cultural, and other relations with the people on Taiwan without official government representation and without diplomatic relations. In furtherance of that policy, and pending enactment of legislation on the subject, I have directed all departments and agencies to continue unofficially to conduct programs, transactions and other relations with Taiwan.

To authorize legally the permanent implementation of that policy. I am today transmitting to the Congress a bill "to promote the forign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes."

This bill will confirm the continued eligibility of the people on Taiwan for participation in programs and activities that under United States law are to provide for the carrying out of such programs and activities on an unofficial basis through the American Institute in Taiwan, a non-profit corporation, and the corresponding instrumentality being established by the people on Taiwan; and establish funding, staffing and administrative relationshios of the Institute. It also contains other authorizations and provisions relating to the foregoing matters.

I am confident the Congress shares my view that it is in the national interest that these unofficial relations between the American people and the people on Taiwan be maintained. It is highly desirable that this legislation be enacted as promptly as possible. I look forward to working with the Congress on this important project.

JIMMY CARTER.

THE WHITE HOUSE, *January 26, 1979.*

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying re-

ports, documents, and papers, which were referred as indicated:

EC-402. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the U.S. Coast Guard for "Retired Pay," for the fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental appropriation; to the Committee on Appropriations.

EC-403. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, on soil survey and land classification of lands in the Watsonville Subarea, San Felipe Division, Central Valley Project, California; to the Committee on Appropriations.

EC-404. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, on soil survey and land classification of lands in the Watsonville Subarea, San Felipe Division, Central Valley Project, California; to the Committee on Appropriations.

EC-405. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

EC-406. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 6(d)(1) of the Military Selective Service Act (50 U.S.C. App. 456(d)(1)) to provide greater training flexibility for Reserve officers ordered to active duty for training for not more than six months by deleting the requirement that they be ordered to active duty for not less than three months; to the Committee on Armed Services.

EC-407. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting, pursuant to law, the annual report of Department of the Army architect-engineer contracts awarded to the 10 A-E firms receiving the largest dollar total of contracts in the categories of civil works, military construction and work for foreign governments, for the period of 1 October 1977 through 30 September 1978; to the Committee on Armed Services.

EC-408. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report of the design and construction supervision, inspection, and overhead fees charged by the construction agents for the military construction projects of the Military Departments and the Defense Agencies; to the Committee on Armed Services.

EC-409. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, reports of military construction projects placed under contract in Fiscal Year 1978, in which it was necessary to exceed the amount authorized for the project by the Congress by more than 25 percent, or reduce the project scope by more than 25 percent; to the Committee on Armed Services.

EC-410. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to the Netherlands for Defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-411. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107 of the United States Code, to remove the limitation on the number of cadets or midshipmen who may be appointed from the two-year Senior Reserve Officer's Training Corps Course; to the Committee on Armed Services.

EC-412. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment for the quarter ending December 31, 1978, and covering items acquired pursuant to the authority transferred to the Secretary of Defense by Executive Order 10952, effective August 1, 1961; to the Committee on Armed Services.

EC-413. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107(a) of title 10, United States Code, to extend the age limitation on eligibility of students for the Reserve Officers' Training Corps financial assistance program to recognize active duty previously performed; to the Committee on Armed Services.

EC-414. A communication from the President of the United States, transmitting a draft of proposed legislation to implement the Panama Canal Treaty of 1977 and its Related Agreements; to the Committee on Armed Services.

EC-415. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Banks Having Problems Need Better Identification and Disclosure," January 24, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-416. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the 1977 Annual Report of the Comptroller of the Currency; to the Committee on Banking, Housing, and Urban Affairs.

EC-417. A communication from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation.

EC-418. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in Docket No. 36746 (Sub-No. 67), Iron or Steel, Boyles, Alabama, to Youngstown, Ohio, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-419. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to waiving the contract clause requirement in section 2313(b) of Title 10 which provides for the examination of books and records of a foreign contractor by the Comptroller General; to the Committee on Commerce, Science and Transportation.

EC-420. A communication from the Secretary of Transportation, transmitting, pursuant to law, the third annual report of the Automotive Fuel Economy Program; to the Committee on Commerce, Science, and Transportation.

EC-421. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, report entitled (1) "Petroleum Market Shares: Report on Sales of Refined Petroleum Products"; and (2) "Petroleum Market Shares: Report on Sales of Retail Gasoline"; to the Commitee on Energy and Natural Resources

EC-422. A communication from the Secretary of the Interior, reporting, pursuant to law, that Chevron U.S.A., Inc., has submitted an application to the department for repayment of annual rentals totaling $87,519.00 for lease numbers OCS-P 0200, 0201, 0206, 0211, 0212, and 0213, offshore California; to the Committee on Energy and Natural Resources.

EC-423. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Solving Corrosion Problems of Bridge Surfaces Could Save Billions," January 19, 1979; to the Committee on Environment and Public Works.

EC-424. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof, to the Committee on Foreign Relations.

EC-425. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, report prepared by the International Bank for Reconstruction and Development (IBRD); to the Committee on Foreign Relations.

EC-426. A communication from the Secretary of Transportation, transmitting, pursuant to law, the department's fiscal year 1978 report of disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-427. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, the fiscal year 1978 report of the disposal of excess personal property located in areas outside of the United States, Puerto Rico, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands; to the Committee on Governmental Affairs.

EC-428. A communication from the Secretary of Health, Education and Welfare, transmitting, pursuant to law, a report covering the disposal of excess property in foreign countries for fiscal year 1978; to the Committee on Governmental Affairs.

EC-429. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relating to the readiness status and ability of Marine Corps amphibious forces to carry out their more demanding missions and recommending to the Secretary of Defense and the Commandant of the Marine Corps actions to improve capabilities; to the Committee on Governmental Affairs.

EC-430. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Hazardous Waste Management Programs Will Not Be Effective: Greater Efforts Are Needed," January 23, 1979; to the Committee on Governmental Affairs.

EC-431. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Automated Systems Security—Federal Agencies Should Strengthen Safeguards Over Personal and Other Sensitive Data," January 23, 1979; to the Committee on Governmental Affairs.

EC-432. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "DOD 'Total Force Management'—Fact Or Rhetoric?" January 24, 1979; to the Committee on Governmental Affairs.

EC-433. A communication from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting, pursuant to law, a report entitled "Special Study: Implications of Advances in Biomedical and Behavioral Research"; to the Committee on Human Resources.

EC-434. A communication from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting, pursuant to law, a report entitled "Belmont Report: Ethical Principles and Guidelines for the Protection of Human Subjects of Research"; to the Committee on Human Resources.

EC-435. A communication from the President, Legal Services Corporation, transmitting, pursuant to law, its budget request for fiscal year 1980; to the Committee on Human Resources.

EC-436. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of January 2 through January 15, 1979, concerning visa petitions which the service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-437. A communication from the FOIA Administrator, International Boundary and Water Commission, United States and Mexico, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1978; to the Committee on the Judiciary.

EC-438. A communication from the Chief Commissioner, United States Court of Claims, transmitting, pursuant to law, a report of the Trial Commissioner, dated September 29, 1978, *Martin Toy Products, Inc.* v. *The United States*, Cong. Ref. 2-74 and 1-75, and report of the Review Panel dated December 19, 1978; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-26. A resolution adopted by the Kenai Peninsula Borough, Soldotna, Alaska, relating to the Antiquities Act; to the Committee on Energy and Natural Resources.

POM-27. A resolution adopted by the Kenai Peninsula Borough, Soldotna, Alaska, relating to the Antiquities Act, to the Committee on the Judiciary.

POM-28. A resolution adopted by the Legislature of the State of Michigan; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION 554

"ARTICLE —

"Section 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

"Sec. 2. The exercise of the rights and power conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"Sec. 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

"Sec. 4 This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

"Therefore, in the name of, and on behalf of, the people of the state of Michigan, we ratify, approve, and assent to the proposed amendment to the constitution of the United States.

"Resolved further, That certified copies of this joint resolution be transmitted by the governor of the state of Michigan, to the president of the United States, the secretary of state of the United States, the president of the Senate of the United States and the speaker of the House of Representatives of the United States."

POM-29. A joint resolution adopted by the Legislature of the Northern Marianas Commonwealth; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION No. 1-40

"Whereas, section 105 of United States Public Law 95-134 authorizes the appropriation of funds as 'may be necessary to satisfy all adjudicated claims and final awards made by the Micronesian Claims Commission' under title I of the Micronesian Claims Act of 1971 (85 Stat. 96); and

"Whereas, section 105 also provides that no sums appropriated pursuant to section 105 may be paid on awards pursuant to title I of said 1971 Act, until, subsequent to the date of enactment of section 105, the Government of Japan has provided to the Government of the Trust Territory of the Pacific Islands a contribution, which contribution may be in goods and services, which has a value, as determined by the Secretary of Interior equivalent to not less than 50 per centum of the total awards made pursuant to title I of said 1971 Act less $10,000,000 from such total; and

"Whereas, the provisions of Public Law 95-134 are concededly at odds with the provisions of the United States-Japan Agreement of 1969 regarding war damage compensation in that said Agreement purported to absolve the Government of Japan of any future Micronesian war damage claims and that Japan has consistently maintained that it has no legal obligation to provide additional payments under title I of the Micronesian Claims Act of 1971; and

"Whereas, this impasse which has thwarted resolution of the Micronesian war claims issue under title I of said Act cannot be resolved unless both the United States and Japan negotiate to implement section 105 of United States Public Law 95-134; and

"Whereas, the lack of interest and humanitarian concern demonstrated by the Government of Japan toward Micronesians regarding Japan's moral and rightful obligations discourages the United States Congress from paying its 50 per centum share pursuant to United States Public Law 95-134; and

"Whereas, it is the sense of the Legislature that the people of the Commonwealth of the Northern Marianas are once again innocent victims of conflicts between nations; and

"Whereas, it is also the sense of the Legislature that while it understands the binding legal commitments of the United States and Japan in their 1969 Agreement, it is also conscious of the fact that such Agreement was entered into without consultation with the people of Micronesia, and without both the United States and Japan being aware of the total magnitude of claims which were subsequently computed by the Micronesian Claims Commission established by United States Public Law to be $3,875,885 for the Northern Marianas and a total $34,349,509 for all of Micronesia, inclusive of the Northern Marianas; and

"Whereas, subsequent to the first and only payment executed by the 1969 Agreement, the Northern Marianas' balance under Title I is $2,488,686; and

"Whereas, it is the understanding of the Legislature that Japan refuses to provide compensation to the Northern Marianas if such compensation is identified as war claims payments, but is willing to extend economic development assistance in the form of goods and services; and

"Whereas, the Legislature believes that this approach will satisfy conditions imposed by United States Public Law 95-134 for the appropriation of the U.S. contribution; and

"Whereas, the Legislature believes that said goods and services will promote desperately needed economic and social development in the Northern Mariana Islands; now, therefore,

"Be it resolved by the First Northern Marianas Commonwealth Legislature, Second Regular Session, 1979, that the United States Congress is urgently requested to implement the provision of Section 105 of United States Public Law 95-134 relative to appropriating funds for final and full settlement of war damage claims under Title I of the Micronesian Claims Act of 1971; and

"Be it further resolved that the Government of Japan is hereby exhorted to provide the equivalent of the U.S. contribution in the form of goods and services as a humanitarian gesture to the people of Micronesia and for the promotion of Micronesia's economic and social advancement; and

"Be it further resolved that such extension of goods and services is recognized as a gesture of humanitarian concern and goodwill; and

"Be it further resolved that certified copies of this Joint Resolution be transmitted to the President of the United States; the President of the United States Senate; the Speaker of the House of Representatives of the United States Congress; the United States Secretary of State; and Prime Minister of the Government of Japan and the Minister of Foreign Affairs of the Government of Japan."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources, without amendment:

S. Res. 31. An original resolution authorizing additional expenditures by the Committee on Human Resources for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. GLENN, Mr. JAVITS, Mr. LEAHY, Mr. BAYH, and Mr. BAKER):

S. 241. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

By Mr. BAKER:

S. 242. A bill to amend the Endangered Species Act (18 USC 1530 et seq.) by eliminating the Endangered Species Committee; to the Committee on Environment and Public Works.

S. 243. A bill to exempt the Tellico Dam Project of the Tennessee Valley Authority from the provisions of section 7 of the Endangered Species Act; to the Committee on Environment and Public Works.

By Mr. STEVENSON (for himself, Mr. CANNON, Mr. CRANSTON, Mr. FORD, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. MATHIAS, and Mr. ZORINSKY):

S. 244. A bill to establish national space policy and program direction, and for other purposes; to the Committee on Space, Science, and Transportation.

By Mr. CHURCH (by request):

S. 245. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes; to the Committee on Foreign Relations.

By Mr. BENTSEN:

S. 246. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Finance.

By Mr. STEVENS:

S. 247. A bill to amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such Act; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE:

S. 248. A bill to amend title II of the Social Security Act to as to modify the criteria respecting certain self-employment income, derived from the sale of certain agricultural or horticultural commodities, for purposes of the social security retirement test; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HATCH, and Mr. MCCLURE):

S. 249. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, explicit sexual activity, gross physical violence or morbid torture any of which is offensive to the public taste and morals; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND (for himself, Mr. PERCY, Mr. EAGLETON, Mr. HOLLINGS, Mr. HEINZ, Mr. HUMPHREY, Mrs. KASSEBAUM, Mr. MCGOVERN, Mr. RANDOLPH, Mr. SIMPSON, and Mr. TOWER):

S. 250. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 251. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

By Mr. GLENN:

S. 252. A bill to establish an Interagency Committee on Arson Control to coordinate Federal anti-arson programs; to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 253. A bill to declare a portion of the Delaware River in Burlington County, New Jersey, nonnavigable; to the Committee on Environment and Public Works.

By Mr. CHURCH (for himself and Mr. INOUYE):

S. 254. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; to the Committee on Armed Services, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. WILLIAMS:

S. 255. A bill to create a National Commission on Compulsive Gambling; to the Committee on Human Resources.

By Mr. GOLDWATER:

S. 256. A bill to amend title 5 of the United States Code to allow congressional employees with long periods of service with the same Member of Congress to receive civil service retirement credit for employment by the Member during a break in service of the Member; to the Committee on Governmental Affairs.

By Mr. LONG:

S. 257. A bill to extend certain expired provisions related to the child support program under title IV–D of the Social Security Act and to child care under title XX of the Social Security Act; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. BIDEN):

S. 258. A bill to amend section 144 of title 23 of the United States Code, relating to the special bridge replacement program, in order to make highway bridge projects costing more than one million dollars in those States receiving minimum apportionments of Federal funds under such program eligible for Federal aid under the discretionary part of the program; to the Committee on Environment and Public Works.

By Mr. NELSON:

S. 259. A bill to establish the goal of reducing Federal paperwork costs by 25 percent, to prescribe the procedures for the reduction of such costs, to provide for the development of strategies and methods for determining such costs and effecting such reductions, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BAYH (for himself, Mr. BAKER, Mr. JAVITS, Mr. MATHIAS, and Mr. INOUYE):

S. 260. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 29. A joint resolution to establish a Commission on Security and Cooperation in China; to the Committee on Foreign Relations.

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S.J. Res. 30. A joint resolution authorizing and requesting the President to issue a proclamation designating the month of June as "National First Aid Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. GLENN, Mr. JAVITS, Mr. LEAHY, Mr. BAYH, and Mr. BAKER):

S. 241. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

JUSTICE SYSTEM IMPROVEMENT ACT OF 1978

● Mr. KENNEDY. Mr. President, today I join a bipartisan group of colleagues in introducing comprehensive legislation to reauthorize, restructure and streamline the Federal Law Enforcement Assistance Administration. This legislation is of critical importance to the American people and constitutes the most ambitious effort yet undertaken to reform an agency which has often been sharply criticized.

LEAA is the major Federal vehicle to assist localities in their struggle against crime; the "Justice System Improvement Act" is designed with one overriding thought in mind—to make the LEAA program more effective in assisting our local governments deal with crime in America. This legislation, first introduced at the close of the 95th Congress, has enjoyed broad bipartisan support in both the Senate and the House.

Many sections of the bill have been personally endorsed by President Carter, Attorney General Bell and Chairman RODINO and are the result of constructive cooperation involving LEAA and the Congress.

This legislation is the culmination of a decade of debate over the nature and scope of the LEAA program. Its roots go back to the early part of this decade when I and others first proposed steps to improve the functioning and effectiveness of LEAA.

For too long the Congress and the executive have been unable or unwilling to confront the structural and administrative defects of the LEAA program; The Justice System Improvement Act is designed to deal with the problems which have plagued the agency and limited its impact.

Band-aid reforms will not do; major surgery is necessary and is provided for in this legislation I introduce today. The administration, Attorney General Bell, Chairman RODINO and Senator THURMOND have all played a particularly influential role in the development of this bill.

I believe this legislation will go a long way in making LEAA the type of Federal agency contemplated by the Congress when it enacted the LEAA program over 10 years ago.

During the past decade I have often been a vocal critic of LEAA, questioning, not the concept of Federal assistance to aid localities improve their criminal justice systems, but, rather, the nature and administration of that assistance. I have often questioned LEAA's priorities and excessive bureaucracy.

I am, of course, aware that crime is primarily a local problem and that LEAA accounts for less than one cent of every dollar spent on criminal justice at the local level. But the issue is not whether LEAA can cure the Nation's crime problem—it cannot—but whether LEAA can be altered and restructured in order to make a more meaningful contribution. I believe it can.

The legislation introduced today gives LEAA that opportunity—long overdue—to provide valuable assistance to local governments. The bill is designed to assure that the American taxpayers will receive a better return on their investment in the war on crime than they have received so far. As I have often said, we owe it to the public to put this agency in order and to restore the confidence of the people that we are making progress in dealing with the problem of crime in America.

The job is made all the more difficult, however, if LEAA lacks the necessary funding to make the program work. All the substantive reforms envisaged in this legislation are undercut if the agency does not enjoy the type of financial support needed to make it effective and worthwhile. The figures tell the tale.

The administration's 1980 budget provides $536,453,000 in funding for LEAA, $110,000,000 less than that provided for in fiscal 1979. This, in and of itself, is nothing new. Since 1974 each successive administration budget request has involved a reduction in funds from the amount requested in the previous year. The reductions have been especially serious, in light of the high inflation rates the Nation has endured in recent years.

Simply to maintain levels of funding from year to year, the budget requests would have to be increased to compensate for inflation. But instead they have been consistently reduced each year, to the point where the requests no longer give the program a real chance to make a meaningful contribution at the local level. The following chart demonstrates the nature of the problem:

TABLE 1.—FUNDS REQUESTED, AND APPROPRIATED FOR LEAA, FISCAL YEARS 1968–78

[In thousands of dollars]

Fiscal year	Budget request	Appropriation	Percent increase or decrease in appropriations from year to year
1968			
1969	$98,500	$63,000	
1970	296,570	268,119	325.59
1971	532,200	529,000	97.30
1972	698,400	698,919	32.12
1973	855,000	855,597	22.42
1974	891,124	870,675	1.76
1975	886,400	895,000	2.79
1976	769,784	809,638	(9.54)
1977	707,944	754,442	[1] (7.00)
1978	704,500	647,250	(14.21)
1979	651,488	646,488	(.12)
1980	536,453		

[1] Compared to fiscal year 1976.

In recent years, my late, distinguished colleague from Arkansas, Senator McClellan, and I made frequent pleas to the Appropriations Committee to restore needed moneys for the LEAA program. We were often successful in getting some of the cuts restored. But a major effort will have to be made this year in the Senate Appropriations Committee if the LEAA program is to have a chance to succeed. The $110,000,000 cut is unwise, unnecessary and unfair. The fact is that LEAA has been forced to assume an undue burden of the budget cuts in the Department of Justice budget. The administration's overall budget for the Department calls for a cut of $111,560,000; yet LEAA has assumed $110,000,000 of this cut.

The Justice Department has worked closely with us in helping to draft this new legislation—with its new formulas for the special targeting of funds. But now the administration's budget request threatens to damage severely the final product by singling out LEAA for excessive reductions in the level of funding.

It appears that LEAA constitutes the lowest priority in the administration's budget for law enforcement and that Federal officials are all too eager to become conscientious budget cutters at the expense of the only major Federal criminal justice program providing needed financial and technical assistance to States and localities; one cannot help but wonder about the administration's future commitment to this important program.

Many of my colleagues will join me in urging the Senate Appropriations Committee to restore these cuts. Nevertheless, acting on the assumption that the proposed budget will constitute the amount actually appropriated, I plan to offer a series of amendments, joined by my distinguished colleague from South Carolina, Mr. THURMOND, to alter the formulas and distribution of moneys in this authorization bill. I will likely offer the following:

First, provide that 80 percent of the total LEAA budget be set aside for distribution to State and local governments under part D of the legislation. This amount—after deducting the $50,000,000 earmarked for the juvenile justice program—would come to some $317,500,000 of the remaining funds;

Second, provide that 10 percent of the total LEAA budget be set aside under part E for distribution to State and local governments as national priority grant moneys. This will approximate $39,700,000;

Third, provide that 10 percent of the total LEAA budget be set aside under part F for distribution to State and local governments as discretionary grants. This will approximate $39,700,000.

These three amendments—again assuming a bare bones appropriation of $546,000,000—will have a major impact on the LEAA program. Despite a proposed cut of over $110,000,000 in the LEAA programs, available moneys for distribution to State and local jurisdictions will actually increase by over $30,000,000 over fiscal 1979 levels. These amendments are based on my belief that local units of government—the statutory beneficiaries of the LEAA program—should not bear the brunt of proposed LEAA budget cuts. Obviously, Washington-based programs will suffer—training and manpower programs, technical assistance, statistics and research, and others. All will be subject to a certain amount of budget rollbacks. But these reductions should be offset to some extent by provisions of the bill eliminating the earmarking of funds and excessive agency overhead.

I will, of course, continue the struggle to restore these cuts. But this fight will likely be waged in the Senate Appropriations Committee and not in the reauthorization hearings to be conducted in the next few weeks.

I am aware that much of the reluctance to fund LEAA adequately can be traced to the program's questionable past performance record and the lack of faith, held by many, concerning the program. But if the Justice System Improvement Act is indeed to part company with the past and provide new directions and leadership it is essential that it not be stymied at the outset with a limited barebones appropriation.

It is ironic that the LEAA program has, perhaps, the broadest mandate of any federal financial assistance program—criminal justice improvement—yet receives less funding than any of these other programs. This legislation simply cannot work if the amounts appropriated do not approximate to some extent the amounts authorized in the legislation.

I believe that this legislation is a major forward step in the Federal Government's commitment to help States and units of local government in the war against crime. The bill can still be improved and I look forward with anticipation to the upcoming hearings and debate because I am convinced we can do an even better job.

What is especially needed during the months ahead is the valuable input of those manning the front lines in the battle against crime—the police, members of the judiciary, corrections officials, district attorneys, and the defense bar. I also hope to hear from the Governors, mayors, county officials, criminal justice planners, and all those who have a very real, dedicated interest in seeing the LEAA program succeed.

Last year's hearings were most valuable in this regard; initial responses to the legislation were quite favorable. I believe that in the next few weeks we will strengthen the proposal even further.

In introducing this legislation last year, Chairman RODINO and I expressed our strong commitment to the future of the LEAA program. I am convinced that a point has now been reached where effective reform of the Federal Law Enforcement Assistance Administration is nearing reality after more than a decade of delay. This legislation makes the fundamental changes necessary if LEAA is to provide important leadership in the struggle to improve our local criminal justice systems. The bill answers the critics by restructuring and refining the proper Federal role in assisting these localities. It incorporates structural and administrative changes that I and others have long urged.

Despite past LEAA failures I do not believe that we should abandon the potential for leadership that the Federal Law Enforcement Assistance Program holds. We need LEAA.

As I have often stated—rather than throwing out the good with the bad; rather than sacrificing LEAA's potential for achievement and success on the basis of a past record of poor performance in some limited areas; rather than simply throwing up our hands about the Nation's crime problem and saying, like we do, about the weather, while we care there's not much that we can do, we must reshape and restructure LEAA to fulfill the Nation's objectives and expectations. The Justice System Improvement Act goes a long way in achieving that reform. I urge its enactment.

Mr. President, I ask unanimous consent that an outline of the basic features of the Justice System Improvement Act be printed in the RECORD.

There being no objection, the outline was ordered to be printed in the RECORD, as follows:

OUTLINE

I. SUMMARY

The Justice System Improvement Act restructures, reorganizes and reauthorizes the ten year old Law Enforcement Assistance Administration program. It significantly alters the current LEAA statute and is designed to deal with the major criticisms directed at the current program:

Poor priorities;

Excessive red tape;

Lack of clearly delineated federal, state and local crime-fighting roles;

Excessive state control of the program at the expense of the cities and counties;

Poor internal LEAA structural organization;

Absence of effective research and evaluation components;

Lack of clearly understandable purposes and goals;

Poor targeting of block grant funds;

Failure of "comprehensive planning".

The Justice System Improvement Act would reauthorize the program for an additional four years at a cost of $3.3 billion ($825,000,000 per year). The Act is divided into four major new sections: Reorganization, Formula Grants, Priority Grants and Discretionary Grants (additional parts deal with Administration, Funding, Law Enforcement Training, Police Death Benefits and Transition).

II. LEAA REORGANIZATION

In the area of reorganization, the bill adopts in large part suggestions made by the Attorney General's LEAA Task Force. It creates a separate National Institute of Justice (NIJ) and Bureau of Justice Statistics (BJS) within the Justice Department (and outside of LEAA) and places both of them, in addition to LEAA, under a new umbrella office—the Office of Justice Assistance, Research and Statistics (OJARS). OJARS oversees LEAA, NIJ, and BJS. There are various goals underlying this reorganization:

Improve the quality of justice research by taking NIJ out of LEAA (where it was unable to perform effective research);

Separate completely the research (NIJ) and financial grant (LEAA) functions;

Improve the quality of criminal justice statistics through the establishment of an independent Office for that purpose (BJS);

Establish a new agency—OJARS—to coordinate all activities under the new Act and set priorities for Priority and Discretionary Grants after receiving input from both LEAA, NIJ and local officials;

Expand the NIJ research effort to include both civil and criminal justice research (an idea long advocated and championed by the American Bar Association.)

III. FORMULA GRANTS

The sweeping changes in the Law Enforcement Assistance Administration block grant program are designed to make the Act more effective and efficient. The significant features of this new Part include:

The elimination of the annual comprehensive plan requirement and its attendant red tape, one of the most persistent criticisms leveled at the current act;

The replacement of State planning agencies with Criminal Justice Councils having a fixed proportion of city and county representatives, to coordinate—but not plan—under the new program;

Special recognition of judicial needs and programs and the continuation of Judicial Planning Committees (a feature of the 1976 amendments to the current act);

Prohibitions on the use of LEAA funds for construction, since there is simply not enough money for such efforts;

Direct financial assistance.

A provision giving LEAA authority, after public notice, to declare certain programs ineligible for further LEAA funding if shown, through evaluation, to be ineffective or wasteful;

An end to all earmarking of funds (except for Juvenile Delinquency Maintenance of Effort—19.15%) thus allowing more local flexibility to deal with unique local problems;

Greater community and neighborhood involvement in choosing local priorities;

New criminal justice formulas designed to target funds to local areas of greatest need.

The bill contemplates the submission of a simple three-year application to LEAA (as opposed to the annual complex "plans" of current law), thus avoiding much of the current needless paperwork. Annual updates are required. Three year application—still prepared by the State—must reflect an analysis of the crime problems in the State and must include designated priorities for addressing these problems. Formula comprehensive planning is eliminated and is replaced by those criminal justice priorities established by the State after consultation with local governments and representatives of the various components of the criminal justice system.

Under the bill, the State Council would prepare those portions of the three year application which relate to State government and to cities under 100,000 population and counties under 250,000 population, i.e., as to the State and smaller units of government, the State continues to control the distribution of funds. The reason for this apparent—the LEAA authorization of $825 million is simply insufficient to permit a direct distribution of funds to all units of government, regardless of size. There is simply not enough money to allow this. The result would be widespread, in effectual dispersion of funds without effective targeting.

The State courts, through Judicial Coordinating Committees, would continue to prepare a comprehensive application for local court funding. The larger cities and counties prepare their own applications, which are then integrated into the State application, which is then submitted to LEAA for ultimate approval. Neighborhood involvement in the preparation of the applications is mandated.

Unlike the State applications and project applications from the smaller units of government, state review of these applications from larger cities and counties would be very limited. They could only be reviewed for (1) compliance with Federal requirements and State law, (2) duplication with other projects, and (3) inconsistencies with state priorities. Any disagreements between a State and large unit of local government would be resolved by agreed upon procedures. Thus, the State would no longer have absolute veto power over applications from large cities and counties. Resolution of most disputes would occur at the local level.

Block grant funds would be distributed by LEAA to the State on the basis of a two-track alternate formula. Whichever track is chosen by a State, however, a "hold harmless" provision assures that no State receives less than its block grant share under the current Act.

The alternate two-tracks are as follows:

Distribution based on population.

A complex "crime" formula, reflecting both criminal justice need (i.e., extent of crime among a particular jurisdiction's population) plus effort (criminal justice expenditures at the State level weighted by the nature and extent of that jurisdiction's tax effort). Under this approach sixteen States (New York, California, Arizona, Colorado, Alaska, Michigan, Delaware, Hawaii, District of Columbia, Massachusetts, New Jersey, Oregon, Maryland, Washington, Florida and Nevada) receive additional funds. However, a 10 percent ceiling is placed on the funds awarded these sixteen States to prevent funding aberrations. (For example, under this formula, the District of Columbia would receive 76 percent more than it would receive under a population formula. This is unacceptable given the limited LEAA authorization level and requires that a statutory ceiling be imposed to prevent such aberrations.

Larger cities and counties receive a fixed entitlement of funds from this total State share. The amount of funds received by such cities and counties would also be determined by formula and not, as under the current Act, as the discretion of the State.

It is important to point out, however, that these larger cities and counties would *not* be receiving extra funding at the expense of the State and the rest of the smaller localities within the State; these provisions go only to the *method* of distributing funds to localities—direct entitlement for large localities; funding competition among the smaller units of government (again, this is necessitated by the limited amount of available funds.)

The formula for determining the allocations to local government is complex. It is based on local criminal justice expenditures; seventy percent of the money is distributed on the basis of total criminal justice expenditures within the State; the remaining thirty percent is distributed on the basis of local criminal justice expenditures broken down by four specific functions—police, courts, corrections and criminal justice alternatives (for example, counseling, alternatives to judicial resolution, etc.) The impact of this thirty percent breakdown is crucial; it provides badly needed additional funding for county and State governments, where the bulk of court and corrections funding occurs. This formula also assures better targeting of available LEAA funds to those geographical subdivisions most responsible for soldiering the bulk of the local crime fighting effort.

The three-year applications are to be updated annually, with the State performing the evaluation and monitoring functions. An annual performance report is to be submitted to LEAA each year. LEAA will review this performance report; if it determines that the funds are not being used effectively, it can suspend all funds to that jurisdiction or can suspend funds targeted to such ineffective programs or projects.

The larger local governments receiving LEAA funds must establish Advisory Boards at the local level to designate local priorities.

In a major alteration of the current program, none of these block grant formula funds need be matched at the local level (current law requires a ten percent match at the local level.) This reflects the fact that under the current law many localities are simply unable to meet their match obligations and are forced to forego worthwhile projects.

IV. NATIONAL PRIORITY GRANTS

The national priority grants are a major innovation.

Under the priority grant provisions, the Office of Justice Assistance, Research and Statistics is directed, after consultation with the National Institute, Bureau of Criminal Justice Statistics, State and local governments, representatives of the various components of the criminal justice system, and others, to establish voluntary programs and projects for funding, which programs have shown, through research, demonstration or evaluation, to be particularly effective in improving the justice system and/or reducing crime. The priorities are established for up to three years but are subject to annual review. Local jurisdictions or organizations voluntarily may apply for financial assistance under this Part and may be awarded up to fifty percent of the cost of the priority program or project from LEAA priority grant funds. The other fifty percent can come from block grant funds, general revenue sharing funds, State and local appropriations, or any other sources of funds available (thus, there is a fifty percent match but the match need not come from State or local sources.) National priority grants will be awarded on a competitive basis and can be awarded for a maximum three-year period.

This innovative approach to LEAA spending is designed to strike a careful balance between those advocating greater local control of LEAA monies and those still desirous of more federal leadership. The Priority Grants approach is, I believe, a worthy model for other revenue sharing programs: It is purely voluntary; it is competitive (thus assuring funding of the most qualified applications); and, above all, it provides for the type of federal leadership too long absent from the program. Model LEAA projects—such as the Career Criminal Program and Witness Assistance Program—are encouraged and are assured of continued funding and support.

V. DISCRETIONARY GRANTS

Discretionary grants are also a significant feature of the new bill. These funds are to be used primarily to fund programs for improving the justice system, which programs might not otherwise be undertaken under the block grant or priority grant programs. These grants are made at the discretion of LEAA. There is no matching requirement and the grants may fund projects for up to three years (with an additional two year funding period allowed if the locality subsequently picks up fifty percent of the cost, i.e., a fifty percent match for the additional two year period only).●

By Mr. BAKER:

S. 242. A bill to amend the Endangered Species Act (16 USC 1530 et seq.) by eliminating the Endangered Species Committee; to the Committee on Environment and Public Works.

S. 243. A bill to exempt the Tellico Dam project of the Tennessee Valley Authority from the provisions of section 7 of the Endangered Species Act; to the Committee on Environment and Public Works.

● Mr. BAKER. Mr. President, I was extremely disturbed with the decision made a few days ago by the newly created Endangered Species Committee regarding an exemption from the requirements of section 7 of the Endangered Species Act for the Tellico Dam project. As I am sure most of my colleagues are aware, the creation of this committee and the exemption process for conflicts arising under the Endangered Species Act, were the most complex and controversial issues in consideration of the reauthorization of the Endangered Species legislation during the last Congress.

In work last year on these amendments, it was my desire that a process be created that could effectively deal with conflicts involving retroactive application of the requirements of the Act such as that now existing at Tellico Dam. The Senate Environment and Public Works Committee report of this legislation specifically states that the Endangered Species Committee in considering the available alternatives to resolve a conflict under section 7, should give special recognition to the stage of completion of the project involved. The committee report as well as debate on the Senate floor further recognize that as a project approaches completion, certain alternatives to the proposed action may not be reasonably or prudently available as options. Finally, I would like for each of my colleagues to make special note that H.R. 1404, the endangered species bill, which was ultimately approved by the House of Representatives last Congress, contained a specific exemption for Tellico. This exemption was approved by the House principally because of the Tellico project's advanced stage of construction when confronted with the new requirements of the Endangered Species Act.

The fact is that the Tellico project was nearly 50 percent completed when the snail darter was discovered and was over 75 percent completed when the darter's critical habitat was designated within the proposed impoundment area of the project. Thus the question now should really not be whether the project should be completed. The dam is built and the reservoir has been ready for filling since January 4, 1977. Not only is the project essentially completed, but more than $100 million of public funds have been expended at Tellico and little remains to be done before filling the reservoir.

In my opinion, the Endangered Species Committee did not give proper consideration to these facts in reaching their decision on Tellico, and therefore the committee has charted a course which has and will continue to cause their decision to stray far from what the Congress intended when it created this exemption process.

Such a shortsighted decision by the committee not only thwarts the process which Congress set up to deal with this situation but actually jeopardizes the future of the entire Endangered Species Act.

In view of the congressional intent, which is outlined above, the actions taken in the House, and the waste of funds, time, and effort that would result from the committee's decision, I am introducing today amendments that will delete the Endangered Species Committee process from the act and in addition provide a specific exemption for the Tellico project. It has now become my opinion that because the public officials on the Endangered Species Committee by their decision on Tellico have shown an inability to act reasonably within the process which the Congress created to deal with conflicts under the act, that we should eliminate the time-consuming committee process and allow conflicts to be resolved on an ad hoc basis by the Congress. The amendments I introduce today would have that effect.●

By Mr. STEVENSON (for himself, Mr. CANNON, Mr. CRANSTON, Mr. FORD, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. MATHIAS, and Mr. ZORINSKY):

S. 244. A bill to establish national space policy and program direction; and for other purposes; to the Committee on Space, Science, and Transportation.

SPACE POLICY ACT OF 1979

● Mr. STEVENSON. Mr. President, I introduce for myself and Senators CANNON, CRANSTON, FORD, HAYAKAWA, HOLLINGS, MATHIAS, and ZORINSKY the "Space Policy Act of 1979," a revision of S. 3530 that I introduced last year. As I noted then, S. 3530 was circulated for comment and reaction. I have received numerous comments on S. 3530, many of which are incorporated in the present legislation.

While the language of the bill has been improved, its purpose and substance are similar to the initial version. The legislation establishes policies and goals to guide civilian space activities of the United States during the first decade of the Space Shuttle era. The need for such legislation is clearer today than it was last September when I introduced S. 3530.

CARTER ADMINISTRATION POLICY

In October, President Carter issued a directive covering U.S. efforts in space for the next decade. The administration's civil space policy recognized the changing nature of U.S. activities in space, a tenet on which the Space Policy Act is based. The new era in space—made possible by the Space Shuttle—will be characterized by "routine utility," using the space environment on a regular basis to bring economically productive services directly to people on Earth.

The administration's civil space policy also recognized the need to maintain U.S. leadership in space and the importance of continuing research and development to achieve this objective. NASA was given specific authority to resume research and development in communications satellites following a 6-year hiatus in such activity. Such an effort is essential if the United States is to respond to vigorous competition from Japan, France, and West Germany in communications satellite technology. The policy also commits the United States to maintaining a position of leadership in space science and planetary exploration.

President Carter's directive was a good beginning, but only that. The opportunities and challenges in space were recognized. The need for the United States to maintain its position of leadership was acknowledged. Yet the directive was silent on the programmatic goals in space applications and space science that can give meaning to these words. The Space Policy Act of 1979 identifies these goals and establishes a procedure to bring increased purpose and direction to annual authorization and appropriation decisions.

There is no inherent contradiction in setting longer term goals and maintaining a constrained budget in any given fiscal year. To the contrary, a clear sense of direction is essential in making wise decisions about annual expenditures. What we face today is a space budget which is little more than a collection of ad hoc decisions often forced by short-run objectives of the Office of Management and Budget. It makes far greater sense to establish basic programmatic objectives and tailor annual budget outlays to fiscal realities. Passage of the Space Policy Act will provide such a procedure.

NEED FOR A NEW SPACE POLICY

The prospect of conducting frequent trips aboard the Space Shuttle to near Earth orbit—up to 60 flights per year according to current projections—opens a range of applied and scientific activities not feasible with more expensive and less adaptable expendable rockets.

Never has the potential been greater for using the space environment to serve human needs. Remote-sensing satellites can provide vital information in climate and weather research, environmental and pollution monitoring, crop forecasting, plant disease control, drought and flood control, mineral and natural resources exploration and management, land use planning, geodesy, mapping, earthquake research and prediction, and search and rescue missions. The potential for generating electric power in space and for space manufacturing is real. Advanced communications satellites will open up new services to com-

mercial and public users, including educational and medical applications. Advances such as electronic mail and wrist radios are within reach. And we stand on the verge of mankind's most promising era of scientific exploration. Within the next decade we can unravel many of the mysteries of the origin and evolution of our solar system and the universe beyond.

Beyond the economic and scientific and public services afforded by the space exploration and development is the expanded view of mankind's place in the universe that can be achieved. Norman Cousins, editor of the Saturday Review, discussed this aspect of the space program last year before the Subcommittee on Science, Technology, and Space. He noted that:

> The case for space exploration has to do with our philosophy as a people and as a nation—how we see life; how we think about our place in the world's future; how much knowledge can contribute to the quality of life; and finally whether we attach any importance to our uniqueness as members of the human species.

We must also recognize that other nations are challenging the United States' lead in space technology forged during the 1960's. The Soviet Union has given priority to manned space activities. Last year's record breaking missions to near Earth orbit are a prelude to longer and more extensive efforts. Much larger rockets will permit construction of elaborate space facilities by the Soviet Union; a permanently occupied station is only a matter of time. The European Space Agency is developing its own expendable launch vehicle, the Ariane, which will compete with the Space Shuttle for commercial business. France is developing a remote-sensing satellite comparable to the U.S. Iandsat. And Japan, Germany, and France are making rapid strides in satellite communications systems.

These achievements involve more than national pride and prestige. Increasingly, the industrialized nations will have to rely on high technology products to retain a competitive position in domestic and foreign markets. Fundamental changes have taken place in the structure of the world economy. Developing countries are providing an increasing share of the world's manufactured goods at terms the industrialized countries find difficult to match. To survive economically in these conditions, we must recognize the need to replace uneconomic low technology and low productivity enterprises with high technology and high productivity manufacturing.

The choice is ours. We can blindly try to preserve the past through protectionist trade policies and government subsidies of failing industries. Or we can move to build a U.S. economic structure that is attuned to the realities of today's interdependent world. A healthy and growing space program helps sustain this country's scientific and technological base, and we squander these resources at our economic peril.

This does not mean that the Federal Government should do it all. To the contrary, the new era in space should increasingly be pursued by the private sector, using private capital, and offering services and benefits on the open market. The private sector is now the dominant force in satellite communications. The next area ready for substantial non-Government participation is the processing of remotely sensed data and information. Private companies have been exploring ways to lease or purchase one of the Space Shuttle orbiters for commercial use.

It is too early to know what kinds of arrangements will prove to be desirable. I only note that a major consideration in developing greater non-Government participation will be the Government's commitment to maintain U.S. leadership in space science and technology. Passage of the Space Policy Act would be a major step toward establishing the climate in which mutually beneficial public-private sector relationships could be developed.

SPACE POLICIES AND PROGRAM

The findings of the Space Policy Act describe new opportunities and applications in space which are made possible by the development of the space shuttle. The bill then declares fundamental policies that will govern United States' activities in space. Among the more important declarations of policy are:

That the United States rejects any claims over outer space or over natural celestial bodies;

That space systems for peaceful purposes have the right to operate in space without interference;

That the United States will encourage and continue to participate in cooperative international space activities; and

That there should be close coordination among the space activities of the departments and agencies of the Government to avoid unnecessary duplication and achieve maximum use of resources.

The bill identifies a series of goals in space and terrestrial applications and in space science to be achieved within 10 years after the date of enactment.

The goals have been identified on the basis of testimony before the Subcommittee on Science, Technology, and Space and consultation with experts in space applications and space science. Among these goals are:

Design and construction in space of a first generation of large structures;

Research and development leading to the design and testing of prototype systems for electric power generation if technological, environmental, and economic programs can be resolved satisfactorily;

Resumption of communications R. & D. research;

Design and testing of space-based manufacturing technologies;

Establishment of an operational system for remote-sensing of the Earth's resources and environment.

In space science, the bill sets goals to maintain U.S. leadership in planetary and lunar exploration, the study of dynamic relationships between the Sun and the Earth, the understanding of astrophysical phenomena, and the study of life sciences as related to human performance in space and the evolution and distribution of life in the universe.

The President is directed to prepare a 5-year plan that spells out annual funding levels to achieve these goals. He is to update the plan annually, and he has authority to propose revisions. The existing annual authorization and appropriations process would be unchanged. This procedure would hopefully improve what is now a nearly mindless battle between Congress and the OMB over budget details while no one in either branch relates these annual expenditures to broader purposes and directions.

COST OF PROGRAM

In this period of constrained Federal funds, it is necessary to face squarely the budgetary impact of a revitalized U.S. space program. Testimony before the Subcommittee on Science, Technology, and Space indicates the feasibility of initiating a program of this magnitude at the level of recent NASA budgets, adjusted for inflation. Funds which have been used to develop the Space Shuttle, in the range of $750 million to $1 billion annually, can be gradually shifted to other space activities as the shuttle development program concludes. As new technologies mature, some additional Federal funding may be required, but under the terms of the Space Policy Act these will be subject to the scrutiny of Congress through the normal authorization and appropriations process. The 5-year planning process specified in the bill provides a mechanism to hold total expenditures in any fiscal year to acceptable levels. In any event, the goals contained in the Space Policy Act will not require a return to expenditure levels of the Apollo program.

As I have noted, new opportunities also will be opened for greater financial participation by the private sector. Unlike the Apollo program which was supported entirely by Federal funds from start to finish, the new era in space will be characterized by an expanding role for nongovernmental participants. As technologies mature, the potential economic returns from space-based services will generate increasing private entrepreneurial activity.

However, a commitment by the Federal Government is needed to initiate this new era in space. With the launching of the Space Shuttle approximately 1 year away, we are at a watershed. Decisions during the next year or so will more than likely set the course of U.S. space activities for the balance of this century. A balanced and reasonable program, as set forth in this legislation, will insure this Nation's leadership in developing the space environment for the benefit of people in this country and around the world.

Hearings on U.S. civilian space policy before the Subcommittee on Science, Technology, and Space, Committee on Commerce, Science, and Transportation, will begin on January 25, 1979, in room 235, Russell Senate Office Building. Dr. Frank Press, Director of the Office of Science and Technology Policy, and Dr. Robert Frosch, Administrator of NASA, will testify. Other witnesses will be heard on January 31 and February 1.●

By Mr. CHURCH (by request):

S. 245. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes; to the Committee on Foreign Relations.

ENABLING LEGISLATION FOR TAIWAN

● Mr. CHURCH. Mr. President, today, at the request of the administration, I am introducing enabling legislation designed to permit us to continue our trade and cultural relations with Taiwan in the wake of normalizing relations with the People's Republic of China.

While the recognition of the Peoples' Republic of China is a move I applaud and one that brings our policy in line with Asia realities, I consider the legislation deficient and in need of improvement in several areas. Most notably, the legislation fails to provide a statement of official U.S. policy concerning the future security of Taiwan. The President was unable to obtain from the Peking government a commitment that mainland China will not attempt reunification with Taiwan by force of arms. While the mainland presently lacks the military capability to invade and capture Taiwan, I believe it important that the United States make it clear to the Peoples' Republic of China that U.S. recognition rests on the assumption that any resolution of the Taiwan question would be sought only by peaceful means.

The legislation also appears to be deficient on the question of safeguarding and protecting the property of the people of Taiwan in the United States. Taiwan is our eighth leading trading partner with an annual bilateral trade of $7.2 billion; this year that trade is expected to reach $10 billion. Some $4 billion in assets are held in this country by Taiwanese firms. It is most assuredly in the mutual interests of both our country and Taiwan that the legislation insure our trade relations can continue unhindered and unhampered.

Finally, the legislation does not address the question of immunity and privileges for those who represent Taiwan in the United States after March 1, 1979. After more than a quarter of a century as allies, important trading partners, and good friends, I feel that some provision must be made for these people, particularly since the United States granted immunity and privileges to the people in the liaison office of the Peoples' Republic of China before we formally recognized them.

This bill and resolutions pertaining to the security of Taiwan will be considered by the Committee on Foreign Relations on February 5, 6 and 7, 1979. At that time we will be able to fully explore all the issues raised by the normalization of relations with the People's Republic of China and insure that the interests of both the United States and Taiwan are protected.●

By Mr. BENTSEN:

S. 246. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Finance.

INDIVIDUAL SAVINGS ACT

Mr. BENTSEN. Mr. President, I am today introducing legislation to give individuals a tax exemption for the first $500 of interest ($1,000 for a husband and wife who make a joint return) earned from a savings account at a bank, savings and loan association or a credit union.

This would be an important tax incentive to encourage the average taxpayer to save for retirement, education, or other objective.

The United States has a very poor record of savings and investment compared to other industrialized nations. The U.S. rate of savings as a percentage of disposable national income in 1976 was only 4.8 percent compared to a rate of 6.6 percent in the United Kingdom, 13.1 percent in France, 13.2 percent in Germany, 17.2 percent in Switzerland, and 25.3 percent in Japan. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output between 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group. Even below that of Great Britain. Greater savings and investment will help boost productivity and reduce inflation.

Due to inflation, individuals actually receive a "negative" rate of return on savings deposits. A tax on the interest received further penalizes the consumer who has already been hurt by inflation. The money deposited in a savings account has already been taxed at the time the individual earned the income. A second tax can be harsh.

This proposal would also increase the flow of capital to savings and loan associations and provide a more stable source of funds for homebuilding. Efforts must be taken to reduce the severe fluctuations in the housing industry.

Mr. President, I urge Congress to enact this important incentive for greater savings.

By Mr. STEVENS:

S. 247. A bill to amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Peutro Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such act; to the Committee on Commerce, Science, and Transportation.

Mr. STEVENS. Mr. President, in 1972, the Alaska State Legislature, established a commercial fishing revolving loan fund.

The purpose of this act is to promote the development of a predominantly resident fishery and continued maintenance of commercial fishing gear and vessels throughout the State by means of long-term low interest loans.

The maximum loan amount under this act is currently $150,000 per applicant, available to individual commercial fishermen who have been State residents for a continuous period of 5 years and have engaged in commercial fishing for 3 of the last 5 years. The loan may not run longer than 15 years or bear interest exceeding 7 percent. The loans may not exceed 75 percent of the appraised value of the collateral used to secure the loan. A first lien in favor of the State is required.

When a documented vessel is offered a security for a loan, this means the State must perfect a first preferred ships mortgage as outlined in the Federal Shipping Act of 1916 (46 U.S.C. 801). In order to perfect a first preferred ships mortgage, the holder of the mortgage must be a citizen of the United States as defined in the Shipping Act of 1916. The State of Alaska is not a citizen of the United States as that term is used in the Ship Mortgage Act (46 U.S.C. 922(a)(5)).

In order to implement this loan program the State was forced to use a trust deed-bond issue procedure. Although this procedure has enabled us to implement the loan program. it is extremely cumbersome and costly. Trustee cost this year will be over $60,000 and will exceed $100,000 a year beginning in 1979. The individual fishermen who receive loans are forced to pay this added expense in the form of a service fee of one-half of 1 percent on the outstanding balance of their loan to the trustee.

Over 400 Alaska commercial fishermen have received loans through this program and the number of applications is increasing steadily. The trustee service fee is an unnecessary added expense to the fisherman.

I strongly urge the Senate to support favorable action on the legislation I introduce today, legislation which would amend the Shipping Act of 1916 (46 U.S.C. 801) in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory of the United States shall be considered to be a citizen of the United States for the purposes of such act. The bill, if passed, will allow any State, Alaska included, to proceed to create and hold preferred ship mortgages.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 247

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Shipping Act, 1916 (46 U.S.C. 801), is amended by adding the following definition: "The term 'citizen of the United States' also includes a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States".

By Mr. DOLE:

S. 248. A bill to amend title II of the Social Security Act so as to modify the criteria respecting certain self-employment income, derived from the sale of certain agricultural or horticultural commodities, for purposes of the social security retirement test; to the Committee on Finance.

Mr. DOLE. Mr. President, I am today introducing legislation which will correct a defect in the 1977 amendments to the Social Security Act which has caused a serious inequity for a number of retired farmers. The 1977 legislation shifted from a monthly to an annual test of retirement (that is, the time period over which income is measured to determine whether the individual is, in fact, retired changed from a month to a year). In

doing that, the Congress overlooked the problem that this would create for farmers, many of whom sell their crops in the year following their retirement.

The real test should be when the money was earned, not when the money comes in. Accordingly, the legislation I am introducing today would exempt, on a one-time only basis and only if the farmer is truly retired, income received from the sale of commodities grown or produced in the prior taxable year.

Identical legislation was adopted by the Senate last year and sent to the House as a part of H.R. 12380, the unemployment compensation amendments, but as the Members of this body know that legislation died pending a conference between the House and the Senate. This critical legislation, then—like the bill of which it was a part—simply was caught in the legislative logjam, and we should move swiftly and decisively in the current session to remedy the inequity this has caused for farmers across the Nation.

I am aware that the bill is tightly drawn and applies only to farmers; I also know that there are a number of other groups, such as life insurance agents, accountants, and lawyers, who may derive income after retirement from work done preceding such retirement. I would hope that, as we consider this overall problem in the Committee on Finance, we can identify a generic solution that may be commonly applied to the overall problem without undue administrative complexity or cost. In the meantime, however, I believe it is imperative that the clear inequity in the current treatment of farm income from the sale of crops or commodities in a year following retirement be rectified.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(5) of the Social Security Act is amended—

(1) in subparagraph (B)(i), by striking out "subparagraph (D)" and inserting in lieu thereof "subparagraphs (D) and (E)", and

(2) by adding after subparagraph (D) the following new subparagraph:

"(E) For purposes of this subsection, there shall be excluded from the gross income of any individual any amount received by him during any taxable year which ends after December 31, 1977, if—

"(i) such amount constitutes net earnings from self-employment of such individual derived from his engagement in a trade or business which, if such trade or business were carried on exclusively by employees, the major portion of the services involved in the carrying out of such trade or business would constitute agricultural labor as defined in section 210(f),

"(ii) such amount is derived from the sale of agricultural or horticultural commodities (including livestock, bees, poultry, and furbearing animals and wildlife) produced prior to such taxable year in such trade or business,

"(iii) during such taxable year such individual did not render any substantial services (as determined pursuant to methods and criteria which the Secretary shall by regulations prescribe) with respect to any trade or business described in clause (i), and

"(iv) no amount has been excluded from such individual's gross income pursuant to this subparagraph (E), for any preceding taxable year.".

By Mr. THURMOND (for himself, Mr. HATCH, and Mr. MCCLURE):

S. 249. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, explicit sexual activity, gross physical violence, or morbid torture any of which is offensive to the public taste and morals; to the Committee on Commerce, Science, and Transportation.

PROHIBITION OF CERTAIN TELEVISION BROADCASTING

Mr. THURMOND. Mr. President, I rise today to introduce legislation which I believe may ultimately affect the attitudes, behavior, and moral fiber of the citizens of this great Nation.

With the advent of the television, all Americans—old and young, rich and poor—were given the opportunity to become a more meaningful part of our society. This medium was a giant step in modern technology and mass communications. Broad vistas of opportunities and challenges were opened to all who viewed these "images on screen." People could travel to the four corners of the Earth without leaving their living room. The confines of a classroom or library were removed, giving way to a vehicle through which all Americans could become better educated and improve their status in life. The impact of this invention is immeasurable, yet, Mr. President, this great gift to mankind has become a two-edged sword.

Recently, many Americans have become concerned about the effects that the television has had on young people during their maturation process. Educators like Dr. Benjamin Bloom, of the University of Chicago, maintain that by the time a child reaches 5 years of age, he has undergone as much intellectual growth as will occur over the next 13 years.

According to the noted television pollster, A. C. Nielsen, children under the age of 5 watch an average of 23.5 hours television a week. Children between 2 and 11 years of age watch 24.5 hours television a week, and teenagers 12 to 17 years of age watch 22.5 hours per week. Adults have an even greater appetite for television, consuming an average of 27 hours per week. However, the effects on young people can be enormous and possibly dangerous. It has been estimated that by the time of one's high school graduation, today's typical teenager will have logged approximately 15,000 hours before a television screen. These are perhaps the most important years of an individual's life. They are growing years, the learning years.

In a 1975 study by the University of Utah researchers, it was found that children who view television heavily can become desensitized to violence in real life. They concluded that "normal emotional responses to human suffering become blunted and this desensitization may easily cause not only major increases in our society of acts of personal aggression but also a growing attitude of indifference and nonconcern for the victims of real-life violence."

Dr. Robert Liebert, a psychologist at the State University of New York concluded that—

> The more violence and aggression a youngster sees on television, regardless of his age, sex or social background, the more aggressive he is likely to be in his own attitudes and behavior. The effects are not limited to youngsters who are in some way abnormal, but rather were found for large numbers of perfectly normal American children.

He arrived at this conclusion from analyzing over 50 studies on the behavior of 10,000 children between 3 and 19 years of age. Dr. Liebert further states that one important study showed—

> It was not a boy's home life, not his school performance, not his family background, but the amount of TV violence he viewed at age 9 which was the single most important determinant of how aggressive he was 10 years later, at age 19.

A more recent and yet unpublished study conducted with preschool children ages 3 and 4 by Drs. Jerome and Dorothy Singer at the Yale University Family Television Research Center found that the heavy television viewers displayed more aggression during nursery school play.

Almost 2,000 studies have been made over the past two decades into the effects of television. The conclusions are inescapable—televised sex and violence has had and continues to have, a pervasive effect on the entire socialization process of children.

Mr. President, I stand today not as a foe and archenemy of the field of television and its related industries, but rather as both a concerned parent of four children 7 years of age or younger, and as an advocate of responsible television programing. The question I place before the Senate today in the form of this legislation, is whether we, as Senators, owe a duty to require responsible regulation of an industry which profoundly affects the attitudes, behavior and general complement of Americans.

Each of us recognizes that television broadcasting is unique because it is directed indiscriminately toward the public. In a different way from other media of mass communication, it is both pervasive and intrusive. The passive act of watching television is different, practically, socially, and physically from obtaining literature or gaining admission to a movie theater. To gain access to risque literature or motion pictures, a consumer must enter a store or theater and make a purchase. Bookstore and theater proprietors can easily exclude persons who are under age and thus reduce the likelihood that young children will be exposed to matters that are deemed unacceptable for their consumption. Furthermore, the use of magazines, books, and movies are matters which parents find it both simple, and natural, to regulate. Parents can monitor both the movies their children see and the books

they read. But television broadcasts are much more difficult for parents to supervise. Such broadcasts are easily accessible to young persons even in the privacy of the home, without the need for comparable affirmative acts. The offensive matter may be received and consumed with no one the wiser.

Thus, unlike a bookstore owner or theater operator, a broadcast licensee has no comparably effective means of sorting out and excluding youthful customers. Moreover, as is widely known and widely deplored in our society, television viewing for young children is an experience largely devoid of direct parental supervision. Although most parents monitor their children's viewing and listening habits some of the time—particularly during later evening hours when parents themselves place heavy reliance on broadcast media to satisfy their entertainment needs—it is unrealistic to expect such close oversight all the time.

Mr. President, it is those times when unsupervised children are most likely in the audience that I express particular concern. It is at this time that I believe broadcasters must use the "public interest" standard, and program accordingly. A broadcaster should not force parents to accept the risk that their children will be exposed to portrayals of nudity, obscenity, and gross physical violence while in the privacy of their own home.

Mr. President, I believe that a licensee television network station should conduct itself as a fiduciary with obligations to present those views and voices which are representative of the community which it serves. Also, the courts have long recognized the existence of a special societal interest in protecting young children from sexually explicit material. This interest is warranted not only by the State's interest in the moral and emotional adjustment of children, but also a recognition of parents' right to rear their children according to their own best judgment.

Therefore, Mr. President, I believe it is entirely appropriate for Congress, through legislation, to assist the FCC to determine and define the standard by which the "public interest" is judged. It seems to me that an elementary standard of the public interest would be to take into account the concern that millions of Americans share about the level of sexual material, violence and carnage entering their homes.

Today, I, along with Senators HATCH and MCCLURE, am sending to the desk a bill which would direct the FCC to prohibit television stations from broadcasting portrayals of nudity, obscenity, explicit sexual activity, gross physical violence, or morbid torture, any of which is offensive to the public taste and morals. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 is amended by inserting at the end thereof a new section as follows:

"PROHIBITION OF CERTAIN TELEVISION BROADCASTING

"SEC. 332. (a) The Congress finds that in view of the purpose of this Act, as stated in section 301, 'to maintain the control of the United States over all the channels of interstate and foreign radio transmission', television broadcasting stations should in the public interest be prohibited from broadcasting programs portraying nudity, obscenity, explicit sexual activity, gross physical violence, or morbid torture, any of which are offensive to the public taste and morals.

"(b) The Commission shall as soon as practicable prescribe regulations prohibiting such broadcasting stations from broadcasting such portrayals of nudity, obscenity, explicit, sexual activity, gross physical violence, or morbid torture.".

By Mr. THURMOND (for himself, Mr. PERCY, Mr. EAGLETON, Mr. HOLLINGS, Mr. HEINZ, Mr. HUMPHREY, Mrs. KASSEBAUM, Mr. MCGOVERN, Mr. RANDOLPH, Mr. SIMPSON, and Mr. TOWER):

S. 250. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Government Affairs.

ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT

Mr. THURMOND. Mr. President, on October 1, 1976, the Senate took a monumental step in the direction of assisting unemployed veterans, especially hardcore unemployed veterans of the Vietnam era consisting principally of blacks and other minorities, by passing the Veterans' Education and Employment Assistance Act of 1976 (S. 969). Title VI of this act amended chapter 41 of title 38 to create within the Department of Labor a separate agency to be known as the Veterans' Employment Service to be headed by an Assistant Secretary of Labor for Veterans' Employment.

It is the opinion of the Veterans' Affairs Committee in enacting this legislation that the creation of the position of an Assistant Secretary of Labor for Veterans' Employment would significantly increase the ability of the Veterans' Employment Service to deal effectively with employment problems in governmental and private sectors. Unfortunately, the Senate provision creating the Assistant Secretary of Labor for Veterans' Employment was amended in the House and the position was reduced to that of a Deputy Assistant Secretary (DASVE). The DASVE position was formally authorized under Public Law 94-502.

Mr. President, effective administrative implementation of the employment laws is one of the keys to resolution of employment problems. A stronger institutional role in Government policymaking for the Veterans' Employment Service would substantially assist in alleviating the unemployment which is so rampant today among our veterans' population.

Unfortunately, the inefficacy of the role of the Deputy Assistant Secretary of Labor for Veterans' Employment has been tragically dramatized by the administration's dismal failure to implement effectively any of its major employment initiatives for veterans. On March 20, 1978, I stated my criticisms of the Department of Labor's failure to carry out the administration's veterans' employment initiatives or to administer the variety of programs with which it is charged responsibility under existing law. I will not repeat them here today. It is sufficient to say that the administration's record in this vital area is ample evidence that new direction and clout are needed within the Department of Labor to assure that the incidence of veterans' unemployment is reduced. Something positive needs to be done.

I think the proper course which should be pursued by the Senate concerning this critical problem is to reaffirm what was done by the Senate Veterans' Affairs Committee and by the full Senate in the passage of S. 969. The bill which I now propose would do precisely this. The bill would authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment to head the Veterans' Employment Service. I believe this step would assure that veterans' employment problems would receive the attention needed at an appropriate policy level within the Department of Labor to effect genuine results.

Mr. President, The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and AMVETS support the establishment of a full Assistant Secretary of Labor for Veterans' Employment. I ask unanimous consent that letters addressed to me in support of this bill from the above named veterans' organizations be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMVETS,
Washington, D.C., January 11, 1979.

Hon. STROM THURMOND,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: We have learned that you and Senator Percy are going to introduce legislation elevating the current position of Deputy Assistant Secretary of Labor for Veterans Employment (DASVE) to the establishment of the office of a full Assistant Secretary.

Time and circumstances, subsequent to the appointment of the DASVE has, we believe, supports the rationale that a full Assistant Secretary would provide the needed direct line of communication and liaison between the Veterans Employment Service and the Secretary of Labor and the White House.

Therefore, AMVETS strongly urges that steps be taken to elevate the position of Deputy Assistant Secretary for Veterans Employment to that of a full Assistant Secretary and that the person selected to fill that position be a qualified, career professional possessing the knowledge and expertise required for the effective performance of the duties thereof.

AMVETS believes that this action is of vital importance to our Nation's veterans and will fully support all legislation directed thereto.

Sincerely,

GABRIEL P. BRINSKY,
National Service and Legislative Director.

DISABLED AMERICAN VETERANS,
Washington, D.C., January 12, 1979.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: This office has recently been informed that you intend to introduce legislation in the U.S. Senate relating to the Department of Labor's Veterans Employment Service (VES).

The VES is presently administered within DOL by a "Deputy Assistant Secretary for Veterans Employment." It is my understanding that your bill would confer upon the head of the VES the title and position of "Assistant Secretary of Labor for Veterans Employment."

As yourself, our organization has long been concerned over the high unemployment rate of veterans—especially those veterans who served during the Vietnam Era Conflict.

The DAV, through this office and through the office of our National Employment Director, has attempted to ameliorate the employment rate of veterans in both the private and Federal sectors. With respect to the latter, we have had extensive dealings with the VES, as that agency is responsible for policy formulation and administrative implementation of all DOL programs affecting veterans.

In recent years, the DAV has been highly critical of what we perceived to be a definite ineptitude on the part of the VES to effectively and energetically fulfill its responsibilities.

With the establishment of a Deputy Assistant Secretary of Labor for Veterans Employment in 1976 (P.L. 94-502), we had hoped to see a noticeable revitalization of veterans employment intiatives by the Federal Government.

Unfortunately, this has not occurred.

The VES, under the "leadership" of its first DASVE, made no noteworthy contributions in the form of new veterans employment initiatives or effective implementation and enforcement of existing veterans programs. This dismal fact was undoubtedly due in part to the inability of the DASVE himself—who has since resigned.

However, notwithstanding the fact that the new DASVE may be a highly competent individual, we believe that the efforts and impact of the VES in solving veterans employment problems has been and will continue to be impeded due to that agency's status within DOL itself. At present, the DASVE (and the VES Director before him) simply does not have the authority and status within DOL to effectively initiate, administer and enforce veterans employment programs. In our opinion, the DASVE must have such authority and this, in essence, means he must have direct and immediate access to the Secretary of Labor himself.

Your intended legislation would address this problem. Its enactment would place the VES on an equal footing with all other Assistant Secretaries and programs within DOL and at last foster the type of Federal veterans employment effort that all of us have so long desired.

In short, Senator Thurmond, our organization considers passage of this legislation to be most essential and we support and commend you in your efforts to effect such passage.

Sincerely yours,

JOHN F. HEILMAN,
National Legislative Director.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D.C., January 10, 1979.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: It is my understanding that you and the Honorable Charles H. Percy will introduce legislation to establish within the Department of Labor the position of Assistant Secretary of Labor for Veterans Employment.

The 79th National Convention held in Dallas, Texas last August passed Resolution No. 693 entitled, "Assistant Secretary of Labor for Veterans Employment", supporting the introduction and passage of the necessary legislation to establish such position and a copy thereof is enclosed.

It is my personal opinion that the employment needs of our nation's veterans will only be adequately met when there is an Assistant Secretary of Labor for Veterans Employment, with direct access to the Secretary of Labor and authority commensurate with his vast responsibilities.

On behalf of the 1.85 million men and women of the Veterans of Foreign Wars of the United States and the 610,000 women of our Ladies Auxiliary, I commend both you and Senator Percy for your effort in this regard and you have our full support.

With best wishes and kindest personal regards, I am

Sincerely,

ERIC SANDSTROM,
National Commander-in-Chief.

RESOLUTION NO. 693: ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT

(Adopted by the 79th National Convention of the Veterans of Foreign Wars of the United States held in Dallas, Texas, August 18-25, 1978.)

Whereas, Congress has established a Veterans Employment Service in the United States Department of Labor to promote vocational opportunities for veterans and to monitor and functionally supervise the many laws related to veterans employment and training; and

Whereas, Congress has required that the Secretary of Labor shall assign to each State a Representative of the Veterans Employment Service and additional representatives when justified by the veteran population of the state to carry out the purposes of the Veterans Employment Service in the several states; and

Whereas, the Department of Labor has assigned a Regional Veterans Employment Representative to each of its ten Regional Offices to direct veterans employment affairs in the Region; and

Whereas, because of the complexity of veterans employment and training laws and programs, including numerous references to veterans in the various titles of the Comprehensive Employment and Training Act, and because of the involved channels of organization through which he must operate, it is difficult to maintain the necessary direction and control of these significant programs; and

Whereas, Public Law 94-502 established within the Department of Labor the position of Deputy Assistant Secretary of Labor for Veterans Employment; and

Whereas, the present level of the position sufficiently isolates the incumbent from the Secretary of Labor to the detriment of veterans employment; and

Whereas, we believe a full Assistant Secretary is necessary so that the incumbent will have direct access to the Secretary and authority commensurate with his vast responsibility; now, therefore

Be it resolved, by the 79th National Convention of the Veterans of Foreign Wars of the United States, that we support the introduction and passage of legislation in the Congress of the United States, to authorize an Assistant Secretary of Labor for Veterans Employment.

THE AMERICAN LEGION,
Washington, D.C., January 10, 1979.

Hon. STROM THURMOND,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: The 1978 National Convention of The American Legion adopted Resolution No. 343 calling for the establishment of an Assistant Secretary of Labor for Veterans Employment. The American Legion knows how strongly you feel about this issue, and we are pleased to learn that Senator Charles Percy shares your concern for the creation of this position.

We would deeply appreciate your assistance in satisfying the intent of our resolution by introducing legislation along the lines that we suggest. I am enclosing a copy of the resolution, a draft bill, and an explanatory memorandum in support of our draft.

Your attention to this request is appreciated, and I remain

Sincerely,

MYLIO S. KRAJA,
Director,
National Legislative Commission.

RESOLUTION NO. 343: ESTABLISHMENT OF ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT

Whereas, The American Legion from time to time has passed resolutions urging the Congress of the United States to enact legislation creating a position of Assistant Secretary of Labor for Veterans Employment to supervise and direct a meaningful job placement for all veterans; and

Whereas, The Congress has enacted legislation creating a Deputy Assistant Secretary of Labor for Veterans Employment, to be nominated and confirmed by the U.S. Senate, to implement programs to provide employment for the Nation's veterans; and

Whereas, It was intended by Congress that the Deputy Assistant Secretary of Labor for Veterans Employment was to be the principal advisor to the Secretary of Labor regarding the formulation and implementation of all policies affecting veterans within the Department of Labor, such as in the Comprehensive Employment and Training Act, mandatory listing and affirmative action requirements, etc., and

Whereas, The Deputy Assistant Secretary was not placed at a high enough level in the organizational structure of the Department of Labor; did not have direct access to the Secretary of Labor, but was confined to the former channels of command, and, in addition, was given responsibility for the day-to-day operations of the Veterans Emloyment Service, thus being unable to fulfill the intentions of Congress; now therefore be it

Resolved, By the American Legion in National Convention assembled in New Orleans, Louisiana, August 22, 23, 24, 1978, that The American Legion support legislation to establish a full Assistant Secretary of Labor for Veterans Employment, and to establish the Veterans Employment Service as a separate agency within the United States Department of Labor; and be it further

Resolved, To support legislation to establish, in the career civil service, the position of Director, Veterans Employment Service, charged with the day-to-day responsibility of carrying out the veterans programs.

Mr. THURMOND. Mr. President, I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 41 of title 38, United States Code, is amended by—

(1) striking out in the table of sections the word "Deputy" in the item relating to section 2002A;

(2) striking out "Deputy" before "Assistant Secretary" in section 2002;

(3) striking out "Deputy" in the catchline of section 2002A; and

(4) striking out "Deputy" before "Assistant Secretary" in section 2002A.

Sec. 2. Any reference in any law, regulation, directive, or other document to the Deputy Assistant Secretary of Labor for Veterans' Employment shall be deemed to refer to the Assistant Secretary of Labor for Veterans' Employment.

● Mr. EAGLETON. Mr. President, I am proud to join my colleague from South Carolina (Mr. THURMOND) in advocating the elevation of the Office of Deputy Assistant Secretary of Labor for Veterans Employment to that of a full Assistant Secretary.

In my roll as a member of the Labor, HEW Appropriations Committee, I have been concerned that the Department's rhetoric on behalf of veterans employment is not always matched by its work in solving this problem. Possibly, part of the problem in the past may have been the individual holding the position who, as my colleagues are aware, is no longer with the Department.

However, it also seems to me that until the Department elevates the position of the person responsible for veterans employment to the Assistant Secretary level, veterans employment matters never are going to get the consideration they deserve.

In November of 1978, the unemployment rate for veterans age 20 to 24 years of age was 11.8 percent as compared to nonveterans in that same age group with an 8.1 percent unemployment rate. Veterans age 25 to 29 had an unemployment rate of 6.6 percent compared to nonveterans of 4.5 percent as of November 1978. A look at the minority unemployment rate among veterans provides an even bleaker picture—an unemployment rate of 10.5 percent. A problem of this severity deserves top-level action.

Clearly, in my opinion this severe problem has not received that kind of attention from the Department. For example, Congress mandated that certain classes of veterans receive special treatment under the Comprehensive Employment and Training Act. However, a General Accounting Office report entitled "Much More Could Be Done For Veterans In Employment And Training Programs" concluded that "priority veterans have not received special treatment."

It is my hope that by elevating the position of the bureaucrat who is ultimately responsible for veterans employment we will provide a greater awareness within the administration of the need to work tirelessly to find suitable employment for the more than 300,000 unemployed Vietnam era veterans. I am extremely hopeful that this legislation will be enacted into law during the 96th Congress.●

By Mr. THURMOND:

S. 251. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

Mr. THURMOND. Mr. President, I am introducing today a bill that would provide equal protections for small business under the Occupational Safety and Health Act of 1970.

This legislation amends section 10(c) of the Occupational Safety and Health Act of 1970 to give any employer subject to the provisions of the act the opportunity to be awarded attorney's fees for successfully contesting a citation or penalty.

Mr. President, the reasons for amending OSHA in this matter are based on sound principles of law. In almost any civil suit in this country the prevailing party is generally awarded reasonable attorney's fees and costs of litigation. In an action for damages these expenses are charged to the defendant. Thus, there is precedent for requiring the receipt of attorney's fees by a prevailing party. I see no reason for not requiring similar awards in OSHA compliance proceedings.

In the OSHA law now there is no provision for attorney's fees or costs of litigation. Although large companies and businesses have their own counsel or retain counsel, small businesses usually do not have the luxury of permanent counsel. So while a large company can easily challenge and question OSHA compliance notices or citations, a small businessman is not as fortunate. He must, if he wishes to contest a citation or any assessment of penalty with any prospects of success, retain counsel and expend a considerable amount of money to fight these regulatory actions.

Mr. President, the burden on the small employer is great. The employer must show "a good faith effort to comply with the abatement requirements of a citation, and that the abatement has not been completed, because of factors beyond his reasonable control." Other showings and pleadings must be made in order to challenge OSHA orders. Without the possibility of receiving an award of attorney's fees and costs of litigation, most small employers are faced with only the prospect of complying with the order regardless of its validity or reasonableness.

This legislation provides the opportunity for attorney's fees in successful cases where the actions of the Occupational Safety and Health Administration are shown to be unreasonable and inconsistent with the act. It is only a small change in current law, but one that could help thousands of small employers throughout the country.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 10(c) of the Occupational Safety and Health Act of 1970 is amended by inserting immediately after the second sentence thereof the following new sentence: "In any case where the Secretary's citation or proposed penalty is vacated, such order shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty, which shall be paid to the employer contesting the citation or proposed penalty.".

(b) The first sentence of section 11(a) of such Act is amended by inserting immediately after "section 10" the following: ", or any employer seeking enforcement of an order of the Commission issued under such subsection for assessment against the United States of attorney's fees and other litigation costs,", by inserting "or enforcement, as the case may be," immediately after "review", and by inserting immediately before the period "or enforced".

(c) Section 11(a) of such Act is amended by inserting immediately after the third sentence the following: "In any case in which an order affirming or modifying a citation or proposed penalty is set aside by the court, such decree shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty and seeking review of such order, which shall be paid to the employer contesting the citation or proposed penalty and seeking review of such order.".

(d) Section 11 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding section 2406 of title 28, United States Code, costs assessed against the United States under subsection (a) or under section 10(c) shall be paid from funds appropriated under section 33.".

By Mr. GLENN:

S. 252. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs; to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on the Judiciary.

ANTIARSON ACT OF 1979

Mr. GLENN. Mr. President, I am pleased to introduce S. 252, the Antiarson Act of 1979. S. 252 represents a continuation of my efforts in the 95th Congress to curb the rising epidemic of torching and arson throughout the United States. It was 2 years ago that I first introduced the Arson Control Assistance Act which, for the first time, mandated the FBI to treat arson as a major crime for the purposes of the FBI crime reporting system. The bill also gave LEAA specific authority and thus a clear legislative mandate to provide arson-fighting assistance to local authorities. Following the bill's introduction, I chaired 2 full days of hearings in the Governmental Affairs Committee on the impact of arson for profit on States and localities. We then proceeded on a long legislative journey that culminated in enactment into law of the requirement that the FBI classify arson as a major crime under its crime reporting system. The FBI is now implementing this mandate and, hopefully, the Nation will soon have its first reliable statistics on arson-related criminal activity.

However, as our first hearings and those held last fall by the Permanent Subcommittee on Investigations illustrated, the arson problem in the United States will not be solved by improved statistics alone, although these will help attract attention and resource deployment to this rampaging crime. What we really need is an improved and better coordinated Federal strategy of assistance to State and local governments in

arson-fighting training and technical assistance. This is the goal of the Antiarson Act of 1979. Our efforts last year disclosed that Federal efforts in the arson area often are duplicative, working at cross-purposes, are underfunded and uncoordinated. Arson assistance does not have a high priority at the Federal level. Training efforts have been spotty at best. S. 252 is specifically designed to fashion a coordinated and upgraded Federal antiarson effort.

FEATURES OF THE ANTIARSON ACT

First, the Antiarson Act creates a Federal Interagency Committee on Arson Control composed of a representative of every Federal agency involved in helping combat arson. Specifically, these officials or representatives of the following nine offices are required on this committee:

The Attorney General, the FBI, the Postmaster General, the Secretary of the Treasury, the National Fire Prevention and Control Administration, the Federal Insurance Administration, the Director of the Bureau of Alcohol, Tobacco and Firearms, the Commissioner of the IRS, and the Director of LEAA.

This committee's duties are to, first, develop and implement a comprehensive and coordinated Federal strategy and methodology for improving assistance to States and local governments for the prevention, detection, and control of arson; second, to coordinate Federal antiarson training and educational programs; third to coordinate Federal research and development relating to arson prevention; and fourth to make recommendations for anticipated budget levels. So that this committee does not become yet another layer of permanent desultory bureaucracy I have attached a "sunset" provision whereby the committee terminates 3 years from the date of enactment of this act. The committee's mandate is to coordinate to establish lines of continued cooperation and to make recommendations not to become another layer of Government.

Second, the Antiarson Act amends the Omnibus Crime Control and Safe Streets Act by giving specific authority to provide grants to States and localities for purposes of purchasing equipment, establishing laboratories and developing training programs for prosecutors. Although LEAA has provided some antiarson assistance to States and units of local government, its record has been extremely poor. Of roughly $2 billion in LEAA funds distributed to States and local governments over the period 1975–77, only $1.7 million went for antiarson efforts, this at a time of an arson rampage throughout the country. This feature of S. 252 will give the clear message to LEAA that the Congress expects a strong LEAA effort in arson fighting.

Third, the Antiarson Act authorizes, on a permanent basis, the classification of arson as a major crime in the FBI's uniform crime reports. This provision was enacted into law as part of the fiscal year 1979 Department of Justice authorization bill. Since enactment of my bill, the FBI has seriously begun efforts to collect arson data and I applaud their efforts. The Director of the FBI, William H. Webster, has moved aggressively in making arson a priority area for FBI efforts and local assistance. Section 4 of this act further codifies the FBI's responsibility in this area and provides that arson will be considered a major crime for statistic gathering on a permanent basis. This is the first new crime added to the FBI's list of major crimes since 1928 and it reflects the need to greatly modernize the FBI's statistical capacity to more clearly reflect modern, sophisticated criminal activity. Section 4 of S. 252 further directs the FBI to set up and carry out a special investigation program for the crime of arson.

Fourth, in the only spending provision of this bill, $5 million is authorized for the National Fire Prevention and Control Administration for a research program in developing, testing, and evaluating techniques and equipment in arson prediction, prevention, and control. I have been concerned that NFPCA should have more budgetary freedom to provide greater assistance in the arson area. Last year, Senator CANNON and the Commerce Committee and Senator HOLLINGS of the Appropriations Committee were strongly supportive of my efforts along those lines while Members of the House of Representatives were less supportive. Hopefully, in this new Congress, we can give NFPCA a stronger, more effective role.

Finally, S. 252 amends the Urban Property Protection and Reinsurance Act of 1968 by providing that prior to issuance of policies pursuant to FAIR (fair access to insurance plans) that the prospective insurance owner list properties which he owns and whether destruction to any properties has been caused by arson or is arson-related. Coverage would not be automatically withheld due to previous incidents but a pattern or history of owner-related arsons would serve to disqualify the prospective policyholder. I anticipate that some well-intentioned individuals will oppose this provision, arguing that it undermines the purpose of FAIR plans, which is to guarantee availability of insurance to high-crime, inner-city areas.

I want to make it very clear that I strongly support the goals of FAIR plans and that I fully recognize the problem of "red-lining" entire neighborhoods. However, from extensive hearings and days of testimony from professional criminals, exploitative absentee slumlords, and law enforcement officials, I also recognize that the essential purpose of FAIR plans has been subverted in many areas. It is often not honest, low-income residents of inner-cities who are utilizing FAIR plans, but rather fast writeoff absentee speculators and real estate hustlers who are repeatedly hiring professional torches to burn structures down expressly for the purpose of collecting insurance payments. Often, slumlords with actual arson convictions, or with 5- to 10-year histories of other owned properties being torched have utilized FAIR plans as an "incentive to burn." It is this form of parasite that my bill is directed toward. I understand the very real problem faced by honest property owners in low-income areas where high unemployment, drug addiction, and other problems creates other "incentives" to arson. Hopefully, during the course of hearings, we can sharpen and clarify the language of the Antiarson Act so that we deter the criminal element from benefits from FAIR plans while strengthening its overall operation and potential as a tool for community development.

CONCLUSION

Mr. President, the Antiarson Act should be enacted quickly. I plan on early hearings at full committee in Government affairs and, hopefully, this will provide a fresh, solid record for further committee action. Arson for profit is a deadly, expensive, contagious plague that is known as "the easiest crime." It is consuming block after block of many major city neighborhoods, undermining local and Federal rehabilitation efforts, eroding city tax bases, and adding to the insurance premiums of every American taxpayer. In 1977 alone, arson killed 700 people and caused an estimated $1.6 billion in property damage plus millions in hidden damages from lost jobs and tax base erosion, according to a January 8 Newsweek article. Arson losses have tripled since 1975. The Treasury Department's Bureau of Alcohol, Tobacco and Firearms (ATF) has created arson task forces in 26 cities and placed two flying squads on call for particularly tough cases. I have had the pleasure of working with ATF and can testify to their excellent efforts to help stem the growing tide. However, we must develop a totally coordinated local and Federal effort that encompasses research training, investigation, insurance considerations, and so on. This bill is not only the product of our extensive activities in the 95th Congress. S. 252 is also the culmination of 3 full months of work by my staff in consulting with all of the relevant Federal agencies, police and fire officials, public interest groups, insurance officials, and more. Many of their suggestions are incorporated into this bill.

I believe that the Antiarson Act of 1979 will receive broad support and I urge its early enactment.

Mr. President, I ask unanimous consent that an article from the January 8 issue of Newsweek and an article from the Baltimore Sun of January 2 be printed in the RECORD, together with a statement from the Director of the FBI, taken from the FBI Law Enforcement Bulletin of December 1, 1978.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE HOTTEST NEW CRIME

Sam Kerns was getting edgy. "You've got to make sure this roof comes down," he said.

"Sam, don't worry about the roof coming down, it's going to come down," said the confident pro, Vinnie Fardella. "We're going to use napalm and get that roof down."

"Geez," said Kerns' bookkeeper who was listening. "Like we're in Vietnam."

At 3:40 a.m. on March 1, 1977, the roof came down. So did the rest of Kern's bankrupt furniture store, Mr. Living Room, in Marlton, N.J. The long display window blew up, spraying jagged shards. Flames leaped out 40 feet, the glass in the nearest fire truck melted and explosions shook the building for ten minutes. Firemen ran for their lives.

After Vinnie Fardella's expert craftsmanship, store owner Sam Kerns performed as instructed. He visited the fire and immediately suffered a "heart attack," forcing investigators to treat him gently. But the insurance company, suspecting arson, refused to pay the $1.2 million policy, and the conspirators began to squabble over how to collect.

HIGH STAKES

The Federal Organized Crime Strike Force in Philadelphia knew all this because it had "turned" one of the henchmen, wired him for sound and set him loose among his accomplices. Sam Kerns broke first; he pleaded guilty and was sentenced to eight years. Last fall, five others—two of them allegedly involved in organized crime—were found guilty of conspiracy and violation of Federal anti-racketeering laws.

The stakes were a bit higher than usual at Mr. Living Room, but the practice was sadly routine: arson is the nation's fastest growing crime. According to the National Fire Prevention Association, losses in arson-caused fires jumped from $74 million in 1965 to $634 million a decade later—and they have tripled since then. In 1977, arson killed 700 people and caused an estimated $1.6 billion in property damage plus millions in hidden damages from lost jobs and destruction of the tax base. Arson cost Massachusetts an estimated $1.4 billion in property taxes over seven years. "These fires, especially in commercial blocks, have a disastrous economic effect on neighborhoods," says James McCormack, fire marshal of the Bronx, in New York City.

Belatedly, both Federal and local authorities have begun a serious counterattack. The Treasury Department's Bureau of Alcohol, Tobacco and Firearms (ATF) has created arson task forces in 26 cities and placed two flying squads on instant call for tough cases anywhere. The FBI elevated arson to a Class I crime like murder and burglary last year, and director William Webster recently sent a confidential memo to field offices ordering stepped-up enforcement. But arson remains primarily a local law-enforcement problem, and cities such as Boston, San Francisco and New York have all organized their own task forces.

PROFIT MOTIVE

Some people start fires to exorcise personal demons. They may want revenge. A man whose girlfriend went to a party against his wishes hired two teenagers to set fire to a Bronx social club; 25 people died. They may want thrills. Three teen-age boys, who admitted being high on drugs, caused $400,000 damage to a San Jose, Calif., junior high school, then $50,000 more by setting fire to a high school 26 hours later.

But primarily, arsonists simply want money. "Profit is the single greatest motive for arson," McCormack says. This appeals to organized crime, which can deliver a complete package—from hiring a "torch" to buying off insurance adjusters—for a cut of the proceeds. Some property owners and public officials are also attracted by what seems to be easy money. Last year, after FBI agents cracked an arson ring in Tampa, Fla., a Federal court convicted a onetime mayoral candidate, an architect, an insurance agent and nine businessmen. "Arson involves people who are ostensibly respectable citizens," says Massachusetts Attorney General Francis X. Bellotti. "It's a very cool, calculated business venture."

Arson for profit is the hardest of all major crimes to prove. With tips from informants, the torch himself can be an easy catch. But he is usually a small-time hoodlum or a teen-ager who has earned $25 to $150 for his efforts. "Any nitwit can start a fire," say New York fire marshal Cecil Maloney. "All you need is gasoline and something that will burn." The tough job is following a paper chain of building deeds and insurance purchases to determine who profited significantly from the fire. "Prosecution of street-level arsonists alone will never serve to effectively eliminate arson," Eleanor Hill of the Organized Crime Strike Force in Tampa told a Senate committee last summer. "The financiers of arson protect themselves behind the façade of apparently legitimate business, good community reputations and legions of legal documents and paper work."

ELUSIVE VALUE

Businessmen—and organized crime—profit mainly through insurance claims. "Insurance companies don't care about fires," grumbles one fire marshal. "Fires generate a demand for more insurance and higher rates." But companies insist that refusing to sell policies or denying claims is far more difficult than it appears. "The value of a building is elusive," says Walter Swift, vice president of the American Insurance Association, "and how much time and money can be spent appraising each potential policy?" If an insurance company refuses to honor a claim, it can be sued, which means expenses for lawyers, investigators and tests. Unless a claim is large, the company saves money by paying.

Insurance companies face a particular dilemma in deteriorating city centers. Often store owners are losing so much money that the quickest escape is, as one fire marshal says, "to sell your business to the insurance company." But if companies cut back in ghetto areas, they are open to charges of bias. "There are plenty of people in these communities living in well-kept buildings, who are entitled to fire insurance," Swift says.

One well-intentioned Federal scheme to improve deteriorating neighborhoods has actually increased the risk of arson. Since 1968, 25 states have cooperated with the U.S. Government in the Fair Access to Insurance Plan, which requires companies to make insurance available in ghettos so that businesses and residents will remain. But rigid rules sometimes force the insurers to take bad risks. In Illinois, even a person under indictment for arson cannot be refused insurance.

For a long time, wobbly law enforcement almost abetted arson, since authorities lacked both the skill and the will to conduct painstaking investigations. Firemen were usually responsible for arson control, though they considered their principal job to be fighting fires, not sorting through the ashes. District attorneys begrudged the time needed to build a case since the arson conviction rate was low. But now arson task forces—like the model program in Seattle—have encouraged tougher enforcement. To avoid bickering and confusion among authorities, Seattle's special arson unit takes charge from the momement a fire is reported until the evidence is presented to a grand jury. Investigators arrive at fires while they are still burning and, says Lt. Obert Thomas, "their work could be half over by the time the fire is out."

Arson is a crime that conveniently destroys most of its evidence. Yet skilled investigators know what to look for. They first identify the "seat" of the fire, the point where it burned longest and most intensely. There they search for traces of an "accelerant," some flammable material, usually gasoline. "We've found that if someone throws gasoline on the floor and lights it, the gas seeps into the floor," says San Jose, Calif., fire captain Larry Salo, "We can go in two days later, take a wood scraping, have it analyzed and determine conclusively what liquid was involved." Glass fragments tell their own story. If fire begins accidentally, it will usually grow slowly and glass will soften before its cracks, leaving rounded particles. In an arson fire—which burns more rapidly because it is set with highly combustible materials—the glass will shatter sooner, leaving sharper fragments.

NEW LEGAL TACTICS

Conscientious law enforcement does produce results. From 1971 to 1974, arson damage in Seattle quintupled to $3.2 million, while the number of people arrested declined by two-thirds. Since the arson squad was created in 1975, losses have been cut almost in half. In 1977, 222 suspects were arrested and a remarkable 87 per cent convicted.

"Conviction, that's the key," say San Francisco fire chief Andrew Casper, who set up a task force two years ago. After a nearly 800 percent rise in arson over the previous fourteen years, San Francisco held the annual increase to 7 per cent, and boosted convictions by 67 per cent.

New legal tactics are aiding in the battle against arson. Although arson itself is not a Federal crime, the Justice Department's strike force prosecuted the Tampa case under the RICO (Racketeer-Influenced and Corrupt Organizations) Act; Treasury's ATF won another round recently when a U.S. jury in Georgia found that gasoline, as used in arson, constituted an "explosive" under the Federal Explosives Act.

Stricter laws and tighter enforcement will help, too. Perhaps more important is the growing realization of the damage caused by arson; it is a toll measurable not merely in dollars and deaths but, as FBI director Webster says, in a "considerably diminished quality of life." Arson, says Seattle senior investigator Jack Hickam, "is an absolutely manageable crime if everybody is willing to cooperate to stop it." With organized crime grasping for another new source of profit, arson is not likely to diminish rapidly. But some semblance of control seems possible—and that, as things go, means progress.

ARSON "EPIDEMIC" STIRS UNITED STATES TO TAKE LEAD IN CRACKDOWN

(By Stephen E. Nordlinger)

WASHINGTON.—Federal law-enforcement agencies, reversing a long-standing passive policy, are planning a wide-ranging program to combat a nationwide epidemic of arson, the nation's fastest growing major crime.

Starting in March, the FBI will gather statistics on arson and list it among the country's most serious crimes. Officials hope that this step, mandated by Congress, will focus the attention of fire and police departments on the problem and encourage them to cooperate.

At the same time, the Justice Department's Law Enforcement Assistance Administration, which channels federal funds to states and cities, is inviting state and local officials, prosecutors and insurance companies to a meeting in early February to chart a joint drive against arson.

"We are going to provide national leadership to cope with arson, which has not received enough attention because it is difficult to detect," said Henry S. Dogin, a former New York prosecutor who is the new acting LEAA administrator. "We are making arson a top priority for our agency."

While no firm plans have been made, the LEAA is expected to provide $500,000 in late 1979 to test anti-arson programs in three cities.

Officials said these programs would involve finding ways to spot likely targets for arsonists, studying motives for arson ranging from revenge to profit, training police and fire departments in detecting arson, revising insurance practices to discourage arson and organizing communities to patrol arson-prone areas.

The new campaign was prompted in large part by hearings of the Senate Permanent Subcommittee on Investigations, which found that federal officials had been remiss in helping states and cities combat arson, and by a report issued recently by the LEAA

disclosing a heavy nationwide toll from arson.

This report, "Arson and Arson Investigation," prepared by the Aerospace Corporation under a $90,000 LEAA grant, said that in 1974 the property loss from arson had reached $1.2 billion, compared to $325 million 10 years earlier, with the sharpest rises in the last two years of the study.

A thousand persons were killed in the 1974 fires believed to have been set by arsonists and 10,000 persons were injured, the study said.

According to the report, in the decade that ended in 1974 the number of building fires attributed to arson rose 270 percent to 194,000. This was 15 percent of all building fires in the country, but 36 percent of dollar losses from building fires.

These figures were based on samples of fires provided by the National Fire Protection Association, a private group, and statistics from several states. But experts said that, because of the lack of adequate police and fire investigations, the amount of arson in the nation could exceed the report's figures, although at this point the LEAA report is considered the most definitive study.

"The enormity of the arson problem and its dramatic rate of increase in recent years are appreciated by few people," the report said. "Although arson is a felony it is not included in police crime statistics because, in most states, the fire service has the responsibility for arson detection and investigation.

"Since arson cases are characterised by both lack of witnesses and devastation of the crime scene, the arson investigator faces difficulties not posed by other types of crime. Yet less assistance—such as training, equipment, research and development—has been given to arson investigators than to other criminal investigators."

The report said that only 9 persons on the average are arrested for every 100 cases of known or suspected arson and only 2 are convicted.

Jonathan Cottin, a top investigator for the Senate hearings, said the difficulty of detecting arson has discouraged police and prosecutors from becoming deeply committed to investigating suspicious fires.

At the same time, he said fire departments generally do not have the necessary training or equipment to cope with the problem, which is affecting not only cities but also rural areas. Of the nation's firefighters, 85 percent are volunteers, Mr. Cottin noted.

He said local politics has sometimes hampered efforts to crack down on arson because the police have looked down on firefighters and have shied away from joint investigations where fire departments might have received considerable credit for arrests and convictions.

Despite the rapid rise in arson over the last decade, the FBI has omitted arson from its index of serious crimes. This index has remained unchanged since it was created 50 years ago at the request of the International Association of Chiefs of Police.

This omission reflects the past limited interest in the crime by the police and the special nature of arson. To be eligible for the index, which includes offenses from murder to motor vehicle theft, a crime must be reported to the police and be easily identified. Arson failed to meet these standards.

At the urging of Senator John H. Glenn, Jr. (D., Ohio), and Representative John F. Seiberling (D., Ohio), Congress two days before its October adjournment tacked onto the Justice Department's appropriations bill a rider requiring the FBI to include arson in its index of serious crimes.

Although the bill applies only to one year, Richard Dean, a special agent working on the project, said the FBI intends to make arson a permanent part of the index, but to place it in a separate category to avoid duplication.

Often, he said, burglary or some other crime accompanies arson and the FBI wants to avoid inflating the index by counting the crime twice.

The Senate investigations subcommittee also is moving ahead with its study of arson by checking more deeply into the practices of insurance companies to determine whether they encourage the outbreak of arson.

A questionnaire has been sent to the companies writing fire policies asking what their practices are in determining whether to provide insurance and in paying damages after a fire.

These are some other developments in the new federal effort to combat arson:

The Justice Department is setting up arson "strike forces" throughout the country to co-operate with the fight against organized crime, which is believed to be behind some of the major cases.

The Commerce Department's Fire Administration is providing special training to local fire officials in investigating arson.

The Internal Revenue Service is reported to be paying closer attention to arson convictions where insurance has been paid. Payments on fire insurance need not be considered income for tax purposes when an ordinary fire occurs. But taxes must be paid.

STATEMENT FROM THE DIRECTOR OF THE FBI

The FBI is committed to the allocation of investigative, training, and laboratory resources to the growing problem of "arson-for-hire." Senator John Glenn, in hearings of the Subcommittee on Intergovernmental Relations, noted that arson-for-hire is not a new phenomenon: "As residents of older, denser and poorer inner cities can readily testify, the smell of gasoline and the sound of fire engines in the night is an all-too-common characteristic of inner city life."

Arson has a direct and frightening effect; people are killed, including dedicated firefighters, property is destroyed, insurance premiums for all have to be raised. While the investigation of arson is primarily the job of our professional fire services and local law enforcement, the FBI can, and does, help fight this battle.

First, the Racketeer Influenced and Corrupt Organizations Statute and Interstate Transportation in Aid of Racketeering-Arson law offer two avenues for the FBI to investigate organized criminal activity, including arson. We are using these laws: one recent investigation resulted in the conviction and jailing of 19 persons in connection with over 400 arsons. Another case involved the formation of an association to buy slum properties, inflate their insurance value, and burn them—six convictions and jail sentences resulted.

Second, our training of local police and our own personnel in arson investigations has been increased—in the case of FBI Special Agents to meet the increased emphasis on organized arson-for-hire matters—and this training includes participation of the firefighting, prosecutorial, and insurance sectors.

Third, the resources of the FBI Laboratory are available to municipal, county, and State law enforcement agencies—over 1,000 items of evidence in arson cases were examined by us in the last fiscal year alone, all at no charge to the requesting agency, as is the case with all evidence submitted to our laboratory.

Senator Charles Percy, of the same subcommittee, has described arson as " * * * heinous, in terms of ruined lives, ravaged property, whole neighborhoods reduced to rubble, and nightmarish remembrances of things that could have been but will be no more."

The Senate has generated new thinking about this problem; now it is up to us in law enforcement and the fire services to follow through. The FBI pledges to do its part.

By Mr. CHURCH (for himself and Mr. INOUYE):

S. 254. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable—as though it were military service—toward pensions, annuities, or similar benefits under various Federal retirement programs; to the Committee on Armed Services, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Human Resources, jointly, by unanimous consent.

CIVILIAN POW'S

Mr. CHURCH. Mr. President, I am reintroducing my legislation to provide retirement credit for time spent as prisoners-of-war after December 7, 1941, as these prisoners had been performing military service.

Among those who would benefit from my legislation are a group of civilians employed by Federal contractors at Pacific naval aid bases at the outset of World War II. Many in this group were captured on Wake Island, Guam and Cavite at the very beginning of that conflict and remained imprisoned for years thereafter.

These gallant Americans endured grievous suffering during their lengthy internments. Their numbers and the numbers of their survivors are very small. Providing retirement credit for these years under Federal programs like social security, civil service, railroad retirement and the military program itself, would be entirely consistent with the same provisions for Japanese-Americans tragically interned in the United States for that period, a task which Congress completed just last year.

In this regard, I am very pleased, Mr. President, to have Senator INOUYE, who I have joined in supporting such credits for Japanese-American internees, as an original cosponsor of my bill. Over the years, the executive branch has opposed legislation in this area based largely on the argument that benefits should not be credited unless traditional work and service have been performed. Nevertheless, in commenting on H.R. 9471, Japanese-American internee civil service credits finally enacted into law last year, Alan Campbell, speaking for the executive branch, concluded:

Therefore, while still opposing the principle of granting credit for non-Federal service, the Commission, because of the unique circumstances of this group of Japanese-Americans and because non-Federal employees receive credit for similar service under Social Security, does not oppose enactment of H.R. 9471.

I would hope, Mr. President, that the executive branch will also come to appreciate the unique circumstances of all Americans who were interned during World War II. In fact, prisoners-of-war do perform "work and services" for our Government and our Nation. I ask unanimous consent that my correspondence calling upon the administration to reconsider its position on my legislation, and the bill itself, be printed in the RECORD at the conclusion of my remarks.

I feel very strongly that it is only just that we make appropriate compensation for the heroic service these civilian POW's have performed. The accounts of their deeds and courage are among the finest chapters in our history, and I urge the Senate to act on this fair measure of appreciation for the torturous service they rendered.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

ALAN CAMPBELL,
Director, Office of Personnel Management, Washington, D.C.

DEAR MR. CAMPBELL: I am writing you concerning legislation I am reintroducing concerning American civilians who were interned as prisoners-of-war during World War II.

In your comments on H.R. 9471 (P.L. 95-382), concerning Japanese-Americans interned in the United States during that time, you concluded:

"Therefore, while still opposing the principle of granting credit for non-Federal service, the Commission, because of the unique circumstances of this group of Japanese-Americans and because non-Federal Employees received credit for similar service under Social Security, does not oppose enactment of H.R. 9471."

My legislation would provide the same credits for American civilian prisoners-of-war that has finally been accomplished for Japanese-Americans. I would hope that the Executive Branch will come to appreciate the unique circumstances of all Americans who were interned during World War II. In fact, prisoners-of-war do perform "work and services" for our Government and our Nation. I would urge you and all others in the Administration to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

Hon. HAROLD BROWN,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I am taking the liberty of enclosing a copy of my correspondence to the Director of the Office of Personnel Management concerning the legislation I am reintroducing regarding American civilians who were interned as prisoners-of-war during World War II.

As I have asked Mr. Campbell, I would urge you to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

WILLIAM P. ADAMS,
Chairman, Railroad Retirement Board,
Washington, D.C.

DEAR MR. CHAIRMAN: I am taking the liberty of enclosing a copy of my correspondence to the Director of the Office of Personnel Management concerning the legislation, I am reintroducing regarding American civilians who were interned as prisoners-of-war during World War II.

As I have asked Mr. Campbell, I would urge you to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

STAN ROSS,
Commissioner, Social Security Administration, Baltimore, Md.

DEAR STAN: I am taking the liberty of enclosing a copy of my correspondence to the Director of the Office of Personnel Management concerning the legislation I am reintroducing regarding American civilians who were interned as prisoners-of-war during World War II.

As I have asked Mr. Campbell, I would urge you to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced today by the Senator from Idaho (Mr. CHURCH), relative to the relief of American civilian former prisoners of war, be jointly referred to the Committees on Armed Services, Finance, Human Resources, and Governmental Affairs.

It is my understanding that this request has been cleared with the chairmen of all four committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. WILLIAMS:

S. 255. A bill to create a National Commission on Compulsive Gambling; to the Committee on Human Resources.

NATIONAL COMMISSION ON COMPULSIVE GAMBLING ACT

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to create a National Commission on Compulsive Gambling in order to initiate a comprehensive study of the social, financial and health problems caused by this illness.

Gambling in America, final report of the Commission on the Review of the National Policy Toward Gambling, October 15, 1976, begins:

Gambling is inevitable. No matter what is said or done by advocates or opponents of gambling in all its various forms, it is an activity that is practiced, or tacitly endorsed, by a substantial majority of Americans.

Gambling appears to have been with us since the beginning of recorded history. And in all probability, it will always be with us. I would no more advocate outlawing all forms of gambling than I would recommend a return to the Volstad Act. But like the problem of alcoholism until recent years, little attention has been paid to compulsive gambling.

Four hundred years ago Gerolamo Cardano, a physician and scholar of Milan, himself a heavy gambler, wrote:

A man is carried away into playing for high stakes and into feelings of enmity, so that he no longer has control of his own mind. As a result he throws out large sums of money and may be said to abandon them rather than play for them . . . it ought to be discussed by a medical doctor like one of the incurable diseases.

My interest in compulsive gambling began on August 2 of last year, when I was visited by three representatives of the National Council on Compulsive Gambling: Monsignor Joseph A. Dunne, president and chairman of the board; Mr. Arnold Wexler, a recovered compulsive gambler and vice president; and Robert L. Custer, medical advisor. Dr. Custer is chief of the Veterans Administration treatment service division.

During the several hours which I spent with these three men, I was struck by the similarities between compulsive gambling and alcoholism—a subject to which I and the Human Resources Committee which I chair have given considerable attention over the past decade.

Dr. C. F. Mynatt, a psychiatrist from Las Vegas, was quoted in the January 5 issue of the American Medical News as saying that the compulsive gambler shares a common goal with those who exhibit other forms of destructive behavior, such as alcoholics and drug abusers. "Winning is not the goal of the compulsive gambler," according to Dr. Mynatt. "Self destruction is the goal."

Most persons who use beverage alcohol use it in moderation—we usually refer to them as "social drinkers." They might, during their early experimentation, consume too much alcohol and become ill, deciding never to drink again. Others might go on drinking, but never consuming more than they can handle and remain able to stop before becoming intoxicated or incapacitated. A number of drinkers, however—perhaps as many as 10 million in America—seem unable to control their drinking and develop alcoholism or other serious alcohol-related problems.

So it is with gambling: most people who gamble do so sporadically. If they lose they might decide not to gamble again, or they may go on gambling occasionally, being careful never to gamble more than they can afford to lose. But some individuals are unable to control their gambling, and become compulsive gamblers. The results are serious financial, social and family problems.

Until recent years, most people thought of the alcoholic as the "skid row bum." Now most Americans realize that alcoholism is an affliction which strikes every element in our society and that the homeless public inebriate represents no more than 5 percent of the Nation's alcoholics.

So it is with compulsive gambling. The National Council on Compulsive Gambling indicates that compulsive gamblers come from all social and economic backgrounds, races and religions, and from both sexes.

They quote cases which include a titled heiress who dropped millions of dollars at Monte Carlo and was forced to declare personal bankruptcy, little old ladies who gamble away their social security checks on slot machines, printers who bet away their paychecks on the numbers, housewives who gamble away their household allowances at bingo parlors, and bank presidents convicted of embezzling funds to pay gambling debts.

The January 5, 1979, issue of the American Medical News also reports the case history of a former city attorney in Texas, 49, Phi Beta Kappa, honor graduate of the University of Texas law school at age 23, whose bad checks and fraud charges totalled $780,000. Federal charges were brought against him in Las Vegas, and State charges in Texas, Louisiana, Florida, and Nevada.

A recent article in the New York Times told of a socially prominent, impeccable lawyer who had the "Midas touch."

He borrowed hundreds of thousands from acquaintances over six years, but carefully paid interest of 50 percent a year. He told the lenders he was involved in cattle investing in Canada. The only problem was that his cattle didn't exist.

In November 1977 he confessed to fraud. One law partner put the losses at $1.25 or $1.5 million, much of which was gambled away at the casinos of Las Vegas.

On May 5, 1978, a New York Times article by John Vinocur reported a case of a compulsive gambler who embezzled $474,137 from his employer, a chemical company, most of which he lost at the dice tables. He could not say why he gambles except that "From the beginning at Yonkers I loved the noise, the . . . people, and all the . . . screaming." While his gambling habit was growing he received degrees from Hunter College and New York University, worked at a cancer research foundation and published about 30 scientific papers.

The National Council on Compulsive Gambling has defined compulsive gambling this way:

A progressive behavior disorder in which an individual has a psychologically uncontrollable preoccupation and urge to gamble. This results in excessive gambling, the outcome of which is the loss of time and money. The gambling reaches the point at which it compromises, disrupts, or destroys the gambler's personal life, family relationships, or vocational pursuits. These problems in turn lead to intensification of the gambling behavior. The cardinal features are emotional dependence on gambling, loss of control and interference with normal functioning.

Comparing compulsive gambling to drug abuse or alcoholism, Dr. Custer claims that "gamblers get high on the excitement, the 'action.' They find betting as intoxicating and addictive as narcotics." Indeed, Dr. Custer has found that gamblers trying to break their habit even experience withdrawal symptoms.

Mr. President, at the present time compulsive gamblers and their families have few places to which to turn for help. However, they have formed self-help groups in many cities. Patterned on Alcoholics Anonymous and Al-Anon, they call themselves "Gamblers Anonymous." The family groups are called "Gam-Anon."

Gamblers Anonymous began in California in 1957 with two compulsive gamblers. They decided that if they were to control their addiction they would have to bring about personality changes within themselves. In order to accomplish this they used the spiritual principles developed by A.A. Their recovery program consists of the following 12 steps:

1. We admitted we were powerless over gambling—that our lives had become unmanageable.
2. We came to believe that a Power greater than ourselves could restore us to a normal way of thinking and living.
3. We made a decision to turn our will and our lives over to the care of this Power of our own understanding.
4. We made a searching and fearless moral and financial inventory of ourselves.
5. We admitted to ourselves and to another human being the exact nature of our wrongs.
6. We were entirely ready to have these defects of character removed.
7. We humbly asked God . . . to remove our shortcomings.
8. We made a list of all persons we had harmed and became willing to make amends to them all.
9. We made direct amends to such people wherever possible, except when to do so would injure them or others.
10. We continued to take personal inventory and when we were wrong, promptly admitted it.
11. We sought through prayer and meditation to improve our conscious contact with God as we understood Him, praying only for knowledge of His will for us and the power to carry that out.
12. Having made an effort to practice these principles in all our affairs, we tried to carry this message to other compulsive gamblers.

In Gamblers Anonymous meetings, many members have confirmed the self-destructive bent which psychiatrists have attributed to them. GA claims that most compulsive gamblers will answer "Yes" to at least seven of the following questions:

Do you lose time from work due to gambling?

Is gambling making your life unhappy?

Is gambling affecting your reputation?

Have you ever felt remorse after gambling?

Do you ever gamble to get money with which to pay debts or solve other financial problems?

Does gambling lessen your ambition or efficiency?

After losing, do you feel you must return as soon as possible and win back your losses?

When you win, do you have a strong urge to return and win more?

Do you often gamble until your last dollar has gone?

Are you reluctant to use "gambling money" for normal expenses?

Does gambling make you careless of your family's welfare?

Do you ever gamble longer than you planned?

Do you ever gamble to escape worry or trouble?

Have you ever committed, or considered committing, an illegal act to finance gambling?

Does gambling cause you to have difficulty in sleeping?

Do arguments, disappointments or frustrations create within you an urge to gamble?

Do you have an urge to celebrate any good fortune by a few hours of gambling?

Does gambling, especially winning, build up your ego?

The classic example of the self-destructive addict is to be found in the novel "The Gambler" by Fyodor Doestoevsky, the famous Russian novelist, himself a compulsive gambler, who wrote:

I lost everything I had then . . . I walked out of the casino, and suddenly discovered that I still had one gulden in my waistcoat pocket. Well, that'll pay for my dinner at least, so I changed my mind and went back to the roulette table . . . It's true, it gives you a special feeling when you're all alone in a foreign country, not knowing whether you're going to eat that day, and gambling your very last gulden.

Mr. President, in 1976 the federally appointed Commission on the Review of a National Policy Toward Gambling estimated that there were 1.1 million probable compulsive gamblers in the United States. Some members of the National Council on Compulsive Gambling estimate that there may be as many as 10 million compulsive gamblers. Whatever the figure, it is obvious that this is a growing problem which must be addressed. The Gambling Commission report stated:

In 1960, Americans wagered about $5 billion through legal commercial channels. By 1974, this figure had grown to more than $17 billion, an increase of about 340 percent. This phenomenal growth in legal gambling has taken two forms: Existing legal industries have undergone substantial expansion, and new forms of legal gambling have been created. During this 15-year period, for example, six additional states established parimutual horseracing and the total number of horseracing dates increased from 6,000 to 12,000. Nevada's casino industry also underwent significant growth; gross taxable casino revenue increased almost 600 percent, from less than $200 million in 1960 to more than $1 billion in 1974. In 1964, New Hampshire became the first of 13 states so far to establish a state-operated lottery; in 1971, New York legalized the nation's first parimutual off-track betting system; and in 1974, New Jersey added still another industry to the gambling field by establishing the first legal numbers game. Today, the growth in legal gambling shows no signs of abating and may even be accelerating, as additional states compete in the gambling arena with an expanding array of "bigger and better" games of chance. . . .

I might add that on November 1, 1976, New Jersey voters approved a referendum authorizing the establishment of casinos in Atlantic City, a measure which I wholeheartedly support. Nevertheless, I believe it imperative that we not be insensible to those families which will be harmed by the inability of the breadwinner to control compulsive gambling.

Dr. Custer has stated that, as legalized gambling continues to increase throughout the country, so will the problems of compulsive gambling. He points out that:

The lesson learned from the recent International Study on Alcoholism probably applies to gambling problems in that "total consumption is a common denominator for problems." Thus: "If per capita consumption increases, problems increase. Further, the prevalence of heavy users will probably increase at a much higher rate than total consumption."

He notes that compulsive gambling has reached epidemic proportions and he cannot dismiss alarmist arguments that legalization will lead to an increase in the number of compulsive gamblers. He hopes that State governments, especially those which, like my home State of New Jersey, have legalized various forms of gambling, will set aside a percentage of their revenue for research and treatment.

The State of Maryland last year became the first State to enact legislation which defines compulsive gambling and establishes a pilot program for its treatment. The Maryland law declares that:

(1) Compulsive gambling is a serious social problem and there is evidence that availability of gambling increases the risk of becoming a compulsive gambler; and (2) that Maryland with its extensive legalized gambling has an obligation to provide a program of treatment for those persons who become addicted to gambling to the extent that it seriously disrupts lives and families.

Maryland's law defines the compulsive gambler as:

A person who is chronically and progressively preoccupied with gambling and the urge to gamble, with gambling behavior that compromises, disrupts, or damages personal, family, or vocational pursuits.

Mr. President, with legal and illegal gambling escalating at alarming rates, we cannot afford to neglect those many Americans who will be adversely affected. I would hope that we can avoid the mistake we made in our neglect of the victims of alcoholism which is costing our economy more than $42 billion a year. With major cuts in the Federal health budget, it is imperative that we carefully examine these issues in order to reduce not only the economic and societal waste, but the loss of human life and potential as well.

For these reasons I am introducing today a bill to establish a National Commission on Compulsive Gambling. It is my hope that this Commission will study such issues as the impact of the compulsive gambler and his family on the welfare system, the relationship of compulsive gambling to prison populations and the load on the judicial system, the relationship of compulsive gambling to white collar—nonviolent—crime, and related issues.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, together with an article from the April 1977 issue of "Today in Psychiatry."

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Commission on Compulsive Gambling Act".

SEC. 2. (a) The Secretary of Health, Education, and welfare (hereinafter referred to as the "Secretary"), after consulting with the Administrator of the Alcohol, Drug Abuse and Mental Health Administration, shall, within 60 days after the date that funds become available, establish a National Commission on Compulsive Gambling (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of 22 members as follows:

(1) ten members, appointed by the Secretary from among persons who are scientists, physicians, and other health professionals, not in the employment of the Federal Government;

(2) six members, appointed by the Secretary from among persons who are members of the general public, of whom at least three shall have personal or close family experience with compulsive gambling;

(3) three members, appointed by the Secretary, one each from the National Advisory Council on Mental Health, the National Advisory Council on Alcohol Abuse and Alcoholism, and the National Advisory Council on Drug Abuse whose primary interest is in the field of compulsive or addictive behaviors;

(4) the Director of the National Institute of Mental Health or his designee; the Director of the National Institute on Alcohol Abuse and Alcoholism or his designee, the Director of the National Institute on Drug Abuse or his designee.

At no time shall more than five members appointed under paragraph (1), three members appointed under paragraph (2) be members of the same political party.

(c) The Secretary shall designate one of the members of the Commission as Chairperson, and one as Vice Chairperson. Twelve members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(d) Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Other members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of the duties of the Commission; and, while away from their homes or regular places of business in the performance of duties of the Commission, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(e) The Commission shall first meet as directed by the Secretary, not later than 60 days after the Commission is established, and thereafter shall meet at the call of the Chairperson of the Commission or at the call of a majority of the members thereof.

(f)(1) The Commission may appoint and fix the pay of an executive secretary to assist the Commission in carrying out its functions. The executive secretary shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) The Secretary shall provide the Commission with such additional professional and clerical staff, such information, and the services of such consultants as the Secretary determines necessary for the Commission to carry out effectively its functions. Such consultants shall receive compensation at a rate to be fixed by the Secretary, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently.

(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission consistent with applicable laws and regulations with respect to the privacy of medical records.

STUDY AND REPORT

SEC. 3. (a) The Commission shall conduct a study of compulsive gambling and problems related thereto including but not limited to the following areas:

(To be supplied.)

(b) The Commission shall submit to the President and the Congress such interim reports as it deems advisable and shall within 12 months after the date on which funds first become available to carry out the provisions of this section submit to the President and the Congress a final report which shall contain a detailed statement of its findings and conclusions and also such recommendations for legislation and administrative actions as it deems appropriate. The Commission shall cease to exist 60 days after the final report is submitted under this subsection.

COORDINATION AND AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) The Secretary of Health, Education, and Welfare shall be responsible for the coordination of the activities of the Commission.

(b) There are authorized to be appropriated to carry out the purposes of this Act $1,000,000 to remain available until the expiration of the Commission.

THE COMPULSIVE GAMBLER

"Compulsive gambling is a progressive behavior disorder that we psychiatrists must look on as we do any other very serious emotional illness," said Dr. Robert L. Custer. "Unfortunately, one of the things I hear from a few of the psychiatrists I talk to about this is that they feel that the compulsive gambler is someone who could control his gambling on his own if he really wanted to. Well, I would hope that psychiatrists who think this way, or who have the feeling that somehow these are 'bad' people, don't ever attempt to treat them. They're doomed to failure right from the start. But if you do recognize compulsive gambling as an illness, you can be of tremendous help. And this work is so rich in psychological material. Gamblers fantasies, their magical thinking, rationalizations, denials, their almost delusional type of optimism, are fascinating."

I was sitting with Dr. Custer in his office at Veterans Administration headquarters, in Washington, D.C., where he is Chief of Treatment Services of Mental Health and Behavorial Sciences Services. An expert on alcohol and drug abuse, he first became interested in treating compulsive gamblers when he was a staff psychiatrist at the VA Hospital in Brecksville, Ohio, which is in the Cleveland area. There, in 1972, he was instrumental in starting an inpatient and follow-up outpatient program for compulsive gamblers, which today is headed up by Dr. Alida Glen, a psychologist who helped pioneer it.

In addition to his other duties, Dr. Custer is interested in starting similar programs in other VA hospitals. He also serves as a consultant to the National Council on Compulsive Gambling in New York, a nonprofit agency that was organized in 1975 to disseminate information about the problem to the public and professionals.

AA APPROACH

Dr. Custer explained that the Brecksville program got its start after he was approached by three members of Gamblers Anonymous who had attended a lecture he gave on alcoholism. "They wanted to know if we could do for gamblers what we were doing for alcoholics. I took it up with members of my staff and they liked the idea. We reviewed the literature on gambling, but that took only a very short time because there was very little of it.

"Anyway, we gathered as much information as we could, set up a program that was

pretty much modeled after our alcoholism program, and began admitting these patients to the hospital. Basically, the program consists of three or four weeks of inpatient treatment—daily group therapy sessions, individual therapy, recreation, vocational rehabilitation and then, of course, outpatient treatment. And even while they're in the hospital they also attend meetings of Gamblers Anonymous. A branch meets there.

"For years, Gamblers Anonymous—which uses just about the same techniques as Alcholics Anonymous—has been about the only organization providing treatment for these people. Even today, relatively little work is being done in the field, and little or no funds have been allotted for research. We should know, for instance, how many compulsive gamblers there are. One study has put the figure at about 1.1 million. But I've looked at the study and I think it is primarily about people who are in the late phase."

PHASES

Late Phase? What was the early phase like? "Actually, I've found there are three phases. Most compulsive gamblers start when they're between 13 and 18. Women, however, generally start a little later. Now, I call this first phase the 'winning phase.' They're excellent gamblers, are frequent winners, and though they might start off with two dollar bets they may eventually be making two or three hundred dollar bets. Now, the one thing that characterizes the end of this first phase is what they call a 'big win.' This big win puzzled me for a long time, because in one case it might be a few thousand dollars, in another case ten thousand, in still another sixteen thousand. But what eventually struck me was that this big win was just about the same amount of money they were making as a salary all year. And the fact that they could make a whole year's income in just one gambling session hooked them."

In the second phase they start losing progressively. "After they've been a winner, and particularly after that big win, they find losing intolerable. They start structuring their life around gambling. And they lose regularly. Furthermore, they move from being excellent gamblers to very stupid gamblers. For example, they may want to bet on a certain horse, but they'll pick another one because the odds are bigger. And they start losing control—begin cashing in bonds, their insurance, take out another mortgage and so on. They owe a significant amount of money now, and they're getting pressure from their wives, and they're beginning to miss work and get fired. What you then find is that someone in the family pays off their debts on the promise that they'll stop gambling. We call this the 'bail out' and it's really the worse thing anyone can do for them. As far as they're concerned it's another 'big win.'"

Then begins what Dr. Custer calls the "desperate stage." They not only return to gambling, but do so more passionately and at an accelerated pace. "They're gambling with a frenzy now. Although they bet just as stupidly in the second phase, now it's with greater amounts of money. They do win now and then, of course, but they are very hesitant to pay off their debts because they see the money as their one way of making more. If they do pay anyone off it would be a loan shark, someone in the rackets, someone who's threatening them physically. But they still have this fantasy that they're going to win big and they even have this exciting picture in their mind of paying everyone off. But meanwhile they're writing bad checks, might start embezzling. Though it might have taken them fifteen years to reach the third stage, everything happens fast after that. In a year or two they're human wrecks. And it's still all downhill."

LOSERS

But are all compulsive gamblers *unsuccessful* gamblers? What about the person who makes money at it? A compulsive gambler is someone who loses heavily in the long run, who can't afford the losses, and whose whole *life* is gambling. The difference between the compulsive and the professional gambler is that the professional is betting in a controlled way and copes with losses well. And one of the differences between the compulsive and social gambler is that the latter does it to *be* social and, though he may go over his head occasionally and suffers terribly when he loses, he doesn't throw his life after it. Although the compulsive gambler naturally does want to win, *that* isn't his main drive. Basically, he's gambling because he wants to gamble. When these people are gambling they're on as much of a high as if they were on a narcotic. Now, in the late stage those highs aren't anywhere as high as they used to be; but nevertheless, there's still that excitement of gambling."

I wondered if compulsive gamblers had anything in common that would help the psychiatrist differentiate them from other people. "No, there isn't anything that separates them from people with other types of emotional problems. One of the things I've found is that they've invariably been very emotionally deprived as children, maybe a little more so than most, but there's nothing unique about emotional deprivation. But a remarkable characteristic about them is that they don't display antisocial behavior as children; and as adults they're very verbal and can be charming."

TREATMENT

What does treatment consist of? "Let me go into our work with the first group, show how it developed and see how the private practitioners can apply it to his own practice. The first thing we did was check to see if they had any physical or other psychiatric problems. It's important that you rule out such things as chronic brain syndrome, mental retardation, schizophrenia, and manic-depressive disease. It's also important to find out if the main problem is really compulsive gambling, or if it's alcoholism or drug addiction. We found that they were generally pretty healthy, although some were a little malnourished because they hadn't been eating well. We spent the first week getting information. And we didn't expect something that began to happen, although as I look back on it I imagine we should have. They began developing withdrawal symptoms such as restlessness, irritability, diarrhea, abdominal pain, headaches. We thought they might be involved in alcohol or drug abuse, but we ran tests and they turned out negative. It was withdrawal from gambling.

"That lasted for about a week, during which time a lot of their restlessness and hostility would come out toward the staff. They were also preoccupied with returning to gambling. They were sure if they started gambling again the symptoms would disappear. Some of them developed such anxiety or became so depressed that we had to give tranquilizers and antidepressants.

CONTRACT

"You get nowhere with the compulsive gambler, unless you make a 'contract' with him that he must immediately stop gambling. They get very challenged by the fact that they have to change their lives; some find it extremely stimulating. And these are people who have been concerned with challenges ever since they started gambling. But they need a great deal of support, which is why being part of a group, going to Gamblers Anonymous, is so important. You also have to fill the void that gambling occupied. So, during the second and third weeks we got them involved in a lot of physical activity, in sports, as an outlet for their energies. Also, almost all of them were very much in debt; some were faced with having to go to court. These people are extremely good, hard workers; they never have problems getting a job; their problem is *keeping* it. We tried to shift their compulsion from gambling to working, with the idea that they must make complete restitution. Part of the therapy was helping them set up a budget. No way we would let them drop money they owed. But about half of them didn't have a job. However, I can't think of any one of them who left the hospital *without* a job. They got them through the help of our vocational therapy program. Gamblers Anonymous, friends, family and so on."

How to help them with their marital problems? "We learned something interesting very quickly. These people became attached to their therapists. We found that they got jealous and upset if the same therapist who worked on them also counseled, their wives. They looked on it as breaking their trust. So, the wife would have to see a therapist who was not associated closely with the husband. Now, after the patient was out of the hospital and involved in outpatient treatment for about six months, this was no problem. They didn't feel as alienated or sensitive, and we could work with them and their wives together."

I wondered what a psychiatrist could possibly do if his patient couldn't make restitution within a reasonable amount of time to a racketeer-type who was threatening him. "What we do is have the patient contact the person and try to defer payment. We've found that if you tell the person that the patient's undergoing treatment, is going to be working and will pay him back, he will usually go along with it. If it looks to be a very serious threat to the patient's life, I would agree to someone in the family providing a limited amount of 'bail out.'"

RECOGNIZE PROBLEM

How can a private psychiatrist possibly help these patients without the resources of a Brecksville program? "Well, the first thing you have to do, of course, is recognize the problem. Most or these people come to a psychiatrist for other problems—martial, employment, everything—and won't tell you about the gambling unless you ask. After you identify the problem I think it would be a good idea to hospitalize the patient for awhile, to get him away from his environment; and to help him deal with the anxiety or depression that crops up."

He went on to say that trying to give the patient insight into his behavior is a waste of time. "You're only going to lose him. Later on, after he's stopped gambling for about three months, you can then start giving him insight. And it works beautifully and very quickly; they make excellent patients."

Since we'd been speaking primarily of male gamblers, I asked if the woman compulsive gambler had any special problems. "Yes, because society looks on gambling as more acceptable for men than women. And the woman is supposed to be the one to 'preserve' the home. Here that whole mystique is shattered. Also, the woman is often able to go undetected for a longer time than the man, particularly if her husband is financially well-off, because she siphons off her allowance, her dues for organizations and so on, and he may not find out about it for years. Women gamblers generally don't commit a crime to cover up."

LEGALIZED GAMBLING

I was curious about how he felt about legalized gambling. "Let's just say I'm not opposed to it," he said. "But I think we should all be aware that certain types of gambling are more addictive than others.

The shorter the period between the bet and the payoff, the more addictive the game. The number of times you can win also makes it more addictive. For example, if you play Black Jack you might win every other time, while you can go for years playing the lottery without winning anything. And in horse racing, of course, you can have a long lucky streak. Consequently, we should realize that casino gambling and horse racing and sports betting are the most addictive. Not only do they have all the elements I mentioned, but you can play them very conveniently. Many casinos are open 24 hours a day; and some bookies will take bets at all hours.

"So, one of the things I would like to see in legalized gambling is that casinos shouldn't be allowed to be open around the clock. I would also hope they wouldn't permit anyone under 21 to bet, since the disorder generally does begin at a young age."

Moreover, he wished that the judges knew far more than most of them did about compulsive gambling. "Sending these people to jail for embezzlement generally means they don't have to pay back the money, and all it really adds up to is another bail out. And they're not going to get any therapy in prison. The most therapeutic thing the courts could do is put the person on probation, give him so many years to pay every cent back, and have him make regular reports to the court concerning repayment. If he isn't paying the money back, then put him in jail."

Did he think that organized psychiatry is alert enough to the problem of compulsive gambling? "I think it's doing what has to be done at the present time. I've been in contact with the APA's Task Force on Nomenclature, which is working on the third Diagnostic and Statistical Manual of Mental Disorders—I think it will be out next January. They're looking into it as a disease, and I don't see any reason why they won't list it as such. Once it's an official diagnosis, I'm sure we in psychiatry will put more of our resources into dealing with it."—SEYMOUR SHUBIN.●

By Mr. ROTH (for himself and Mr. BIDEN):

S. 258. A bill to amend section 144 of title 23 of the United States Code, relating to the special bridge replacement program, in order to make highway bridge projects costing more than $1 million in those States receiving minimum apportionments of Federal funds under such program eligible for Federal aid under the discretionary part of the program; to the Committee on Environment and Public Works.

SPECIAL BRIDGE REPLACEMENT PROGRAM

Mr. ROTH. Mr. President, I am pleased to introduce this legislation which amends the national discretionary bridge program established by the Surface Transportation Assistance Act of 1978. This bill is of great importance to my home State of Delaware, and I am happy my distinguished colleague from Delaware, Mr. BIDEN, is joining me in sponsoring this legislation. Our colleague Mr. EVANS of Delaware is introducing identical legislation in the House. We are hopeful our bill will receive early consideration when the Environment and Public Works Committee undertakes corrective legislation on the 1978 act.

Last year, the Environment and Public Works Committee under the leadership of its distinguished chairman and ranking member, as well as the chairman and ranking member of its Transportation Subcommittee, established a $200 million discretionary bridge program. This program addresses the critical needs of States to be able to fund high-cost bridge projects which cannot be funded in a reasonable time under the regular bridge replacement program begun in 1970.

However, the States with the smallest annual allocations under the regular bridge program, such as Delaware, are in a real bind when it comes to funding bridge replacement projects. These minimum allotment States cannot accumulate sufficient funds from regular Federal-aid apportionments to undertake even those high traffic volume bridge projects that are only moderately costly. For example, the Augustine Bridge, a high-traffic volume bridge in the commercial and civil heart of metropolitan Wilmington, Del., was closed to all traffic on May 24, 1978, as unsafe. Replacing the Augustine Bridge will now cost $6 million. On August 18, 1978, the Senate adopted my bridge replacement amendment which gave priority under the discretionary bridge program to bridge projects like the Augustine Bridge in small States. At that time, the distinguished chairman of the Transportation Subcommittee of the Environment and Public Works Committee made clear the Augustine Bridge and projects like it were eligible for the discretionary bridge program. However, the House rejected my amendment and the Surface Transportation Act of 1978 included a provision requiring a bridge to cost at least $10 million before it is eligible for Federal funds under the discretionary bridge program.

When it enacted the 1978 act, I do not believe Congress foresaw the effect this $10 million minimum would have on the critical bridge replacement needs of States such as Delaware, where the $6 million Augustine Bridge project is as difficult to finance as a $10 million bridge in a large State. The Federal Highway Administration has refused to fund the Augustine Bridge under the "discretionary bridge program" because of the $10 million minimum, even though the $200 million annual fund remains largely unallocated. The discretionary program is one of the few options available to fund the bridge. This encourages Delaware to inflate its bridge costs in order to meet the $10 million minimum.

The New York Times on January 16, 1979, reported local officials all over the country are citing the Augustine Bridge and the $10 million minimum as an example of the unintended consequences legislative technicalities can have on a perfectly sound Federal program. Our bill will end this technical roadblock and add a strong dose of commonsense to the discretionary bridge program.

In short, our bill will make bridge projects costing less than $10 million but at least $1 million eligible for the discretionary bridge program where they are located in States which receive only a minimum share of national bridge replacement funds, such as Delaware. Other States receiving a minimum share in 1979 include Alaska, Arizona, Nevada, Utah, and Wyoming. This bill will not add one single dollar to Federal spending. It will only make these States eligible for Federal funds already appropriated for bridge replacement out of the highway trust fund. The States made newly eligible under our bill could receive at most, in the discretion of the Secretary of Transportation, only $30 million out of the entire $200 million already available to large States under current law.

Mr. President, the decision by Congress last year to establish the discretionary bridge program was wise, and I believe our corrective legislation is fiscally sound and consistent with the goals of the Surface Transportation Assistance Act of 1978. I ask unanimous consent that a letter I wrote the distinguished chairman of the Environmental and Public Works Committee on this subject be printed in the RECORD, together with an editorial by the Wilmington (Del.), Evening Journal, excerpts from an article in the New York Times, a table comparing Delaware's annual share of the regular bridge replacement funds with those of other States, and also the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 29, 1978.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works, Washington, D.C.

DEAR MR. CHAIRMAN: On August 18, 1978, the Senate adopted my bridge replacement amendment to the Surface Transportation Assistance Act of 1978. My amendment required the Secretary of Transportation in making funds available under the Discretionary Bridge Program to give priority to those otherwise eligible projects whose total project cost would exhaust at least five years of a state's annual allocations under the regular bridge program but whose cost in no case would exceed $8 million, in those states (Alaska, Delaware, Hawaii and Nevada) whose annual allocations under the regular bridge program do not exceed two-tenths of one percent of the total funds available annually nationwide.

My amendment recognized the unique problems of states such as Delaware who cannot accumulate sufficient funds from regular Federal-Aid apportionments to undertake even those high traffic volume bridge projects that are only moderately costly. For example, the Augustine Bridge, a high-traffic bridge in the commercial and civic heart of metropolitan Wilmington, Delaware, was closed to all traffic on May 24, 1978 as unsafe. Replacing Augustine Bridge will now cost $6 million, and prior to my amendment, Delaware would never have accumulated enough Federal funds under its annual allocations to replace the bridge.

Under your leadership, the Senate-House conferees on this bill responded to the problems of states such as Delaware and substituted a one-quarter of one percent (0.25%) minimum apportionment formula under the regular bridge program for the Roth amendment to the Discretionary Bridge Program. The conference agreement adopted by Congress October 14, 1978 boosted Delaware's share of Federal Funds for bridge replacement from $216,481 in 1978 to $1,564,000 in 1979.

However, Delaware in financing the Augustine Bridge project has run into two severe problems unforeseen at the time Congress acted on the Surface Transportation Act of 1978. These are:

1. The Federal Highway Administration has advised Delaware that, despite the intention of the Senate in adopting my amendment, the Augustine Bridge is not eligible for funding under the Discretionary Bridge Program because the final bill limits eligibility to

those bridges costing a minimum of $10 million. This statutory minimum shuts states such as Delaware completely out of the Discretionary Bridge Program, even though their moderate cost bridge projects are as difficult to finance as the high cost projects of larger states.

This is exactly the problem the Discretionary Bridge Program is intended to remedy. The Report of your Committee on the Senate bill stated at page 8:

Because construction of new bridges over major waterways is very costly, many States cannot accumulate sufficient funds from regular Federal-aid apportionments to undertake projects within a reasonable time. Section 139 authorizes a discretionary bridge fund from which the Secretary may provide assistance for costly, high traffic volume bridges over major waterways.

In Senate debate on the bill, the following colloquy took place between Senator Bentsen and myself:

Mr. ROTH: ". . . Is it not true the Augustine Bridge as I have described it is the type of bridge the committee has in mind for eligibility under the Discretionary Bridge Program in Section 140(a) of this bill, as an example of 'high traffic volume bridges located on the non-interstate primary system which traverse major bodies of water'?"

Mr. BENTSEN: "That is correct. The Senator from Delaware is correct in stating that is the type of bridge the committee had in mind." *Congressional Record*, August 18, 1978 at p. 26927.

Clearly, the $10 million minimum slams the door on the critical bridge replacement needs of states such as Delaware. It also provides strong encouragement to such states to inflate their bridge cost in order to meet the $10 million minimum.

2. The 1976 Federal-Aid Highway Act made regular bridge replacement funds apportioned to the states available until obligated or "for a reasonable time," and did not therefore provide for the lapse of unexpended funds. However, the 1978 Act provides that regular bridge replacement funds remain available *only* for three years after the year first made available, and amounts unexpended after that time lapse.

Delaware may be able to accumulate the $4.8 million Federal share necessary to finance the $6.0 million Augustine Bridge, but those funds will lapse if construction is not begun until 1982. In addition, a $6 million bridge in 1979 will cost more than $8 million in 1982, at current inflation rates.

To solve these two problems in the bridge replacement program, I recommend the Environment and Public Works Committee under your leadership in the 96th Congress:

1. Seek passage in early 1979 of corrective legislation which modifies the $10 million statutory minimum in the Discretionary Bridge Program to make projects such as the Augustine Bridge eligible under the same criteria contained in my original amendment which passed the Senate last August. For example, a $1 million minimum and $10 million ceiling placed on projects made eligible under such a modification in those states which receive the minimum apportionment under the regular bridge program would insure the needs of such states (Delaware, Alaska, Arizona, Nevada, Utah, Wyoming) do not outweigh the needs of other states for similar projects whose costs exceed $10 million.

Of projects approved for Federal funding in the 1978 Special Bridge Replacement Program, only 8 projects with a total cost of $26.6 million would be eligible under this modification. Of these eligible projects, the Secretary of Transportation could fund a $6 million bridge project over a period of two years ($3.0 million each year) without significantly depleting the total $200 million available nationwide under the Discretionary Bridge Program.

2. Endorse the "staging" or "phasing" of funding by the Department of Transportation for high cost bridge projects in states such as Delaware unable to finance such projects without an accumulation of more than one year's entire apportionment under the regular bridge program. Staging would allow planning, design and construction to proceed even though the state had not yet accumulated the funds for the total project. Staging would also reduce inflation in the costs of large bridge projects which require more than one year's apportionment of Federal funds to finance as well as more than one year to construct.

Thank you for your consideration of these two problems which are of such critical concern to the citizens of Delaware.

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

[From the Wilmington Evening Journal, Dec. 29, 1978]

YET ANOTHER PROBLEM

Not very much has to be said. All that is necessary is to point out that the federal government has just proven, once again, that what people say about it is true.

It's goofy.

Wilmington's Augustine Bridge is not a big enough project for the federal government to concern itself with. That's what it really amounts to.

The state has been working its corporate head off, trying to cut down the time when this vital crossing of the Brandywine River (maybe if we call it a river instead of a creek the feds will be more impressed) can be restored. The state of Delaware, remiss enough in other areas, has been turning in a stellar performance, paring a month off here, advancing the planning stage here, all under the direction of Secretary of Transportation George Jarvis.

Now the feds come up with the interesting ruling that Washington will not, after all, be anteing up its presumed share of the cost of the replacement project.

Reason? As said earlier, the project isn't costly enough to qualify for the federal aid.

A Washington spokesman—sometimes "Washington spokesman" seems like the most damning swearword in the language—says, "We're aware of the problems."

We wonder, although the spokesman says all three members of Delaware's congressional delegation have been busy pressing for the feds to make good on their presumed commitment. Sens. William Roth and Joe Biden and Rep. Thomas Evans deserve recognition for any efforts in this problem.

We doubt that "Washington" is "aware" of the millions of dollars in the cost of gasoline alone as hundreds of thousands of motorists are forced to drive miles out of their way over the long, weary months to cross the magnificent Brandywine. Some federal energy conservation program! What is this, be kind to OPEC?

Let's face it. The stream is too small, the state is too small. The bridge replacement doesn't cost enough to interest the feds. Delaware, despite the billions it sends to "Washington" in taxes each year, is too small to be worthy of the help it needs in the crisis created by the closing of this small bridge.

A bright spot in this dismal picture is that Secretary Jarvis is mad as hell about it, as we are.

He swears that "We're going to build that bridge next year, come hell or high water."

Maybe the secretary will just get mad enough about this little bridge to stay on in his big job despite his announced intention to resign.

That's just wishful thinking, of course, but it would be nice.

[From the New York Times, Jan. 16, 1979]

CARTER TO STUDY OPTIONS ON REFORM OF $80 BILLION DOMESTIC AID PLANS

(By John Herbers)

WASHINGTON, Jan. 15.—President Carter is scheduled to receive a series of options tomorrow for reforming the Federal Government's complex, sometimes wasteful apparatus for administering more than $80 billion a year in grants in aid.

The President's decision on which plan to present to Congress is expected within a few days, but some of the proposals have already run into tough opposition in and out of the Government.

And some state and local officials, enraged by delay and duplication in the proliferation of programs, say even the most ambitious measures under study are no more than a first step toward reform.

They cite a Delaware case as example.

An old bridge over the Brandywine River in Wilmington has been closed since May. The state applied for Federal aid to rebuild the bridge, which is on a busy traffic artery, at a cost of $6 million, but the request was rejected on the ground that the bridge-replacement program could not consider an application under $10 million.

FIRST STEP INVOLVES H.U.D.

Gov. Pierre S. du Pont 4th said that the bridge could easily have been designed to cost $10 million, but that that would be wasteful, "so we are still in a begging position with Washington."

Delaware's bridge and a host of other problems in a wide range of public services across the country apparently would not be touched under the proposals before Mr. Carter.

Members of a special reorganization project in the Office of Management and Budget have been studying the lack of organization of Federal aid programs for two years, and they suggested recently that Mr. Carter recommended that the Department of Housing and Urban Development be restructured as a Department of Development Assistance to administer a number of economic, urban and rural development, and planning programs now scattered over several departments and agencies. A number of those programs, it was suggested, should be consolidated.

A similar but less sweeping proposal submitted to Mr. Carter would restructure the Interior Department as the Department of Natural Resources, with jurisdiction over several programs and agencies—for example, the Forestry Department, which is now under the Agriculture Department.

Even before these proposals could be sent to the President, however, opposition arose to giving one department authority to handle development grants to both the public and private recipients. Thus one of the options prepared for Mr. Carter's consideration is a compromise that would let the Commerce Department continue as the chief administrator for the private sector and H.U.D. or its replacement for the state and local governments.

One of Mr. Carter's chief campaign promises has been Government reorganization—a misnomer, students of government say, since there has never been any organization to the jungle of programs scattered throughout the executive branch.

And the nation's Governors, who are promising to support Mr. Carter's planned budget cuts, if he will move strongly to reform the aid programs, have told him he could make no greater contribution to improve life and restore faith in government. [Emphasis added]

Estimated apportionments of Federal-aid highway funds authorized by H.R. 11733 for fiscal year 1979 non-interstate programs and fiscal year 1980 interstate system program

[In thousands of dollars]

State:	Bridge R. & R.[a]
Alabama	$8,768
Alaska	1,564
Arizona	1,564
Arkansas	10,403
California	16,525
Colorado	2,941
Connecticut	2,130
Delaware	1,564
District of Columbia	6,806
Florida	21,842
Georgia	16,457
Hawaii	2,292
Idaho	3,776
Illinois	50,060
Indiana	5,649
Iowa	14,933
Kansas	16,713
Kentucky	25,950
Louisiana	37,152
Maine	4,424
Maryland	11,678
Massachusetts	13,408
Michigan	9,091
Minnesota	20,967
Mississippi	4,626
Missouri	8,740
Montana	2,977
Nebraska	10,329
Nevada	1,564
New Hampshire	6,567
New Jersey	10,779
New Mexico	2,672
New York	50,060
North Carolina	14,735
North Dakota	4,110
Ohio	14,305
Oklahoma	3,935
Oregon	6,160
Pennsylvania	36,153
Rhode Island	3,798
South Carolina	10,065
South Dakota	2,853
Tennessee	20,916
Texas	25,619
Utah	1,564
Vermont	6,995
Virginia	24,038
Washington	17,795
West Virginia	9,334
Wisconsin	14,809
Wyoming	1,564
Puerto Rico	2,031
Secretary of the Interior	—
American Samoa	—
Guam	—
Virgin Islands	—
Total	625,750

[a] Primary funds are apportioned after deduction of $125,000,000. Bridge R. & R. are apportioned after deduction of $200,000,000 for discretionary fund and $54,000,000 for two Ohio River Bridges has been deducted.

S. 258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 144(g) of title 23 of the United States Code is amended by striking out "the replacement or rehabilitation cost of each of which is more than $10,000,000" and inserting in lieu thereof "(1) the replacement or rehabilitation cost of each of which is more than $10,000,000, or (2) the replacement or rehabilitation cost of each of which is more than $1,000,000 and which are in any State which is receiving the minimum apportionment for such fiscal year under subsection (e)".

SEC. 2. The amendment made by this Act shall be effective for fiscal years ending September 30, 1979, and thereafter.●

● Mr. BIDEN. Mr. President, I am pleased to join today with my senior colleague from Delaware, Senator ROTH, in sponsoring legislation to assure that Federal bridge replacement funds are available equitably to all States to meet critical bridge safety problems. In passing the Surface Transportation Act of 1978, Congress made unsafe bridge replacement a major national transportation priority.

Unfortunately, because of a quirk in the law as finally adopted, the national purpose may be difficult to accomplish in some of the smaller States. This is because the law provides that, under the discretionary bridge program, intended to finance major projects that cannot be met from regular bridge fund apportionments, no project costing less than $10 million can be undertaken. However, in States receiving the minimum allocation under the regular bridge replacement program it may not be possible to fund a bridge of major economic and transportation significance with costs less than $10 million.

Mr. President, my State of Delaware offers an example of how the law can operate to withhold funding from an important bridge safety problem. In May 1978 the State of Delaware closed to all traffic a 93-year-old bridge known as the Augustine Bridge. Replacement costs are estimated to be $6 million. This bridge is a major transportation route across the Brandywine River in the heavily populated northern portion of Delaware. At the time it was closed it was being used by about 16,000 vehicles daily. These vehicles have been forced to seek alternate crossings of the Brandywine which cuts through the economic heart of northern Delaware. These alternates are not satisfactory substitutes requiring much longer journeys. For the most part, the alternates were operating at or near capacity before the Augustine Bridge was closed and the structural integrity of several of these alternates has also been questioned.

The Augustine Bridge crosses the Brandywine River Valley which contains numerous roads, pedestrian ways and railroad sidings. Thus, even though closed to traffic, it continues to pose a threat to persons passing under it.

The Bridge was originally opened as a railroad bridge and was converted for vehicular traffic in 1920. It is 870 feet long and is over 100 feet above the Brandywine River. Despite repairs in 1970 and the closing of the bridge to truck traffic, it was the unanimous view of State and Federal highway officials in 1978 that this bridge was so hazardous as to warrant its closing. This was done despite the inconvenience to motorists and the serious impact on the economy of this heavily populated portion of the State.

Despite the national priority of repairing important bridges just like this one, Federal financing apparently is not available from the discretionary bridge program because the replacement cost is less than $10 million. If an effort were made to accumulate funds from the annual bridge allotment, it is likely that some of the accumulated funds would lapse because they had not been obligated in a timely fashion. In any event, this is not the only bridge in Delaware needing repair or replacement and it would not make good sense to devote the State's entire allotment for several years to finance this one bridge. In fact, this is one thing the discretionary bridge program was intended to prevent.

Yet the State of Delaware has been told that because the bridge replacement costs only $6 million, it is disqualified from consideration because the discretionary bridge program can finance only projects costing more than $10 million. The idea of funding only major projects may be a sound one, but for a State the size of Delaware, $6 million—or even less—"is" a major project because of the relatively small allotment of bridge funds. My colleague Senator ROTH and I are proposing in this bill, therefore, to allow States receiving the minimum allotment to finance projects from the discretionary bridge program if the cost exceeds $1 million. This should meet the needs of smaller States without doing violence to the concept of the discretionary bridge program. It will correct what I am sure was an inadvertent flaw in the law. I hope the Senate will act on the measure promptly.●

By Mr. NELSON:

S. 259. A bill to establish the goal of reducing Federal paperwork costs by 25 percent, to prescribe the procedures for the reduction of such costs, to provide for the development of strategies and methods for determining such costs and effecting such reductions, and for other purposes; to the Committee on Governmental Affairs.

EMERGENCY PAPERWORK REDUCTION ACT OF 1979

● Mr. NELSON. Mr. President, today I introduce legislation calling for a 25-percent cut in Federal paperwork as an emergency matter. Coping with Federal forms, or "redtape," presently takes 787 million hours of our citizens' time at a cost of about $11½ billion a year. This bill could thus save the American public between $2½ and $3 billion annually.

WHAT THE BILL WOULD DO

The Emergency Paperwork Reduction Act would direct Federal agencies to reduce paperwork by 25 percent within 24 months or explain to Congress why it cannot be done.

Paperwork reduction is not an impossible dream. The evidence which I will discuss is conclusive that the Federal Government can reduce its paperwork requirements on small business and individual citizens if it is given the necessary incentives and tools for doing the job. The Emergency Paperwork Reduction Act of 1979 will provide those incentives and tools.

The bill provides a strong incentive by legislatively requiring Federal agencies to reduce paperwork by 25 percent within a 2-year period. If they are unable to do so, they will have to explain their failure to the President and the Congress.

In order to accomplish this objective, the President is directed to develop a

method for assessing reliably the cost of Federal paperwork. The President and Comptroller General are responsible for developing an overall strategy and specific methods for the 25-percent cost reduction by executive agencies and the independent agencies. The Federal agencies would be required to use those cost assessment methods and reduction strategy as tools for assessing and reducing their paperwork costs.

I would like to add that the determination of costs is one of the recommendations of the Citizens Committee on Paperwork Reduction which is helping to implement the recommendations of the Commission on Federal paperwork.

There is no question that upon careful evaluation of the duplication and unnecessary paperwork requirements of the Federal Government, at least 50 percent of all such paperwork could be eliminated. Accordingly, there should be no excuse for not being able to meet the 25-percent goal in this bill.

PAST REDUCTIONS IN PAPERWORK SHOW WHAT CAN BE DONE

The Senate Small Business Committee, which I chair, has had several specific successes in the past several years in achieving substantial reductions in Government paperwork requirements.

One of the most dramatic examples was in 1976 when Treasury accepted my suggestion that they cancel all general revenue sharing reports that called for the same information already available in even greater detail from the Census Bureau. We cut this paperwork burden by 100 percent. This means that 39,000 units of Government—every city and county in the country—that were previously filing two reports a year with the Treasury Department could stop doing so.

The House of Representatives wanted even more annual reports, a total of five. But, we insisted that reports to Treasury would be completely duplicative, and we finally prevailed. As a result, a stack of paper potentially as high as the dome of the U.S. Capitol was eliminated.

Another example of drastic paperwork reduction was accomplished by an amendment to the minimum wage bill in 1977 which reduced 12 pages of applications and instructions to a single postcard form for employers hiring part-time students. That represented a 92 percent paperwork reduction. A reaction from the business community was immediate. In 1977, the year before the shortened form came into use, only 973 retail, service and agricultural establishments applied for this program; in 1978, the first year of the short form, 5,810 firms applied. This constitutes almost a sixfold increase in a single year. It means at least 5,000 more part-time jobs for students with far less aggravation for employers.

Another sizable reduction came when, beginning in January 1978 we were able to require consolidation of the quarterly wage reporting form 941 into one annual report. Statistically this resulted in a 75-percent reduction of annual paperwork for small operators. In actuality, because 4½ million employers were required to list the name of every employee on every one of their quarterly forms, the consolidation means a stack of paper 2 miles high should be eliminated every year from now on.

In 1976 and 1977 we were able to reduce a proposed new 16-page pension reporting form to 5½ pages—a 65½ percent paperwork cut. For the 710,000 pension plans that were required to comply with ERISA, this eliminated 7½ million pages of reports.

The magnitude of these past paperwork reductions gives us some basis and some hope that further massive reductions can in fact be made.

I am convinced we can get results if we require Government agencies to devote as much time and effort to cutting paperwork in the future as they have done to generating it in the past, and this bill would direct their efforts toward that end.

PAPERWORK CONSTITUTES A SERIOUS DRAIN IN MONEY, TIME AND CONFIDENCE OF OUR CITIZENS

Mr. President, we need to add some logic to the disorder wrought by not knowing exactly what kinds of information we need, why and whether we need it, and whether it is available elsewhere within the Federal Government.

The Office of Management and Budget estimates that citizens and businesses spend 787 million hours each year filling out reports for the Federal Government.

Unfortunately, no one knows for sure the total cost of the paperwork burden. In order to arrive at a ball park figure, we multiplied the 787 million hours times $15, a figure used by the Federal Paperwork Commission, as the hourly cost to business of filling out Federal forms, arriving at an estimated cost of $11.5 billion.

A 25 percent reduction in Federal paperwork would thus save the American taxpayers between $2½ billion and $3 billion. And that figure does not even begin to cover Government costs such as processing, review and filing, which is ultimately also passed on to the taxpayers.

My bill would direct the President to develop methods of determining the costs imposed by the Government on the non-Federal sector due to data collection and recordkeeping, preparation and submission of forms. To obtain a complete picture, administrative costs to the Federal Government of collecting, processing, and filing would also be included.

Federal agencies would be required to use the President's cost methods to determine their overall paperwork costs and then reduce those costs by 25 percent.

One expression of this burden is in the reduced productivity of the U.S. economy. Since World War II, there have been about three dozen new regulatory systems that have required compliance by business.

From 1950 to 1965 productivity in this country grew at an annual rate of 2.5 percent. Between 1965 and 1973 this rate of productivity growth fell to 2 percent per year. Since 1973, productivity growth fell to 1 percent annually, and in 1978, it was down to eight-tenths percent. Regulation and paperwork are not the sole cause of this slump but the President's 1979 Economic Report cited regulation and its uncertainty as a contributing cause, and I believe it is a substantial contributing factor to this slowdown.

Paperwork costs time and money. Perhaps one of the most important costs is the diminution of trust that the public has in their government. People are weary of struggling to comply with complex regulations and fill out incomprehensible forms.

Moreover, this process has affected the way people feel about their elected governments, and the public climate reflects an increased suspicion, and even hostility in some instances. This can only change if Government agencies are made strictly accountable for the burdens they impose upon the citizens and small businesses they are meant to serve.

ACTION TO REDUCE PAPERWORK AN URGENT NECESSITY

The unchecked wave of unnecessary, duplicative, and conflicting paperwork reporting requirements contribute significantly to the costs of a small firm and therefore to the national inflation rate. It diverts businesses from productive work and saps their initiative. It costs jobs and profits and growth. Inevitably the quality of life suffers for business, consumers, labor, and everyone in this country.

If we fail to act now, this unchecked growth of regulation and its attendant paperwork will imperil the very life of every remaining independent entrepreneur in this country. And if that happens, only the giant corporations who have the financial ability to cover the cost of regulation and paperwork will survive. And then our society will be deprived of the intrinsic human touch and spirit that made this country great.

It is with these thoughts and this purpose that I introduce to the Senate the Emergency Paperwork Reduction Act of 1979 and ask for its early consideration by the Senate. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Paperwork Reduction Act of 1979".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

(1) the citizens of the United States spend 787,000,000 hours per year in filling out forms required by the Federal government;

(2) the expenditure of time and money on Federal paperwork constitutes an unnecessary burden on the initiative and productive energies of our citizens and businesses; and

(3) reduction of the burden created by Federal paperwork is an urgent necessity.

REDUCTION OF FEDERAL PAPERWORK

SEC. 3. (a) Each executive agency and independent agency shall reduce by 25 percent the Federal paperwork costs of that agency. Each executive agency and independent agency shall make such reduction in Federal paperwork costs within two years after the date of enactment of this Act unless the agency certifies in a report to the Congress prepared in accordance with subsection (b) that it is possible for the agency to make such reduction within the two year period. If an executive agency or independent agency makes a certification under this subsection, it shall reduce the Federal paperwork costs of that agency to the maximum extent feasible within two years after the date of enactment of this Act, and shall complete the 25 percent reduction of such costs required by this subsection within five years after the date of enactment of this Act.

(b) Within two years after the date of enactment of this Act, each executive agency and independent agency shall report to the Congress concerning the actions of the agency to reduce by 25 percent the Federal paperwork costs of the agency. If an agency certifies that it is impossible to reduce the Federal paperwork costs of that agency by 25 percent within two years from the date of enactment of this Act, it shall include in the report required by this subsection—

(1) an explanation of why the agency has failed to reduce the Federal paperwork costs of the agency by 25 percent within the two year period, including a citation and analysis of any provision of law contributing to such failure; and

(2) a description of the efforts that will be made by the agency to complete such reduction within five years after the date of enactment of this Act.

DEVELOPMENT OF STRATEGIES AND METHODS

SEC. 4. (a) The President, for the executive agencies, and the Comptroller General of the United States, for the independent agencies, shall develop strategies for the reduction of Federal paperwork cos' in accordance with section 3. The President and the Comptroller General shall consult concenrning the development of strategies under this subsection to assure that the strategies developed for the executive agencies and the independent agencies provide as unified an approach as possible to the reduction of Federal paperwork costs.

(b) The President shall develop a methodology for the determination of Federal paperwork costs.

(c) The head of each executive agency and independent agency shall utilize the strategies and methods developed under this section to carry out the provisions of section 3.

DEFINITIONS

SEC. 5. For purposes of this Act—

(1) the term "Federal paperwork" means any requirement under which an executive agency or independent agency seeks to obtain or solicits information through the use of written report forms, application forms, schedules, questionnaires, or other similar methods which request—

(A) answers to identical questions from ten or more persons other than agencies, instrumentalities, or employees of the United States; or

(B) answers to questions from agencies, instrumentalities, or employees of the United States which are to be used for statistical compilations of general public interest,

and includes recordkeeping requirements which require action by more than ten or more persons other than agencies, instrumentalities, or employees of the United States;

(2) the term "Federal paperwork costs" include the costs of compliance with Federal paperwork requirements by the public and the costs to the Federal government of administering such Federal paperwork requirements;

(3) the term "independent agency" means an agency of the United States having quasi-legislative or quasi-judicial powers, as determined by the Director of the Office of Management and Budget, except that the term independent agency does not include any executive department as defined in section 101 of title 5, United States Code; and

(4) the term "executive agency" means any agency of the United States within the executive branch which is not an "independent agency" as defined in clause (3).●

By Mr. BAYH (for himself, Mr. BAKER, Mr. JAVITS, Mr. MATHIAS, and Mr. INOUYE):

S. 260. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

NATIONAL INSTITUTE OF JUSTICE ACT

● Mr. BAYH. Mr. President, today I join a bipartisan group of my colleagues in reintroducing legislation to create an independent agency, the National Institute of Justice. This proposal developed by the American Bar Association over the past 7 years, would provide a research and information center on problems in our justice system. The legislation has broad bipartisan support in both the Senate and the House, has been personally endorsed by President Carter—as former Governor Carter and Candidate-elect Carter—and by numerous national groups—see appendix.

Several State and local bar associations, Governors and other State officials and hundreds of individual lawyers, judges, and lay persons already have strongly supported this proposal.

It is gratifying that our support of the independent NIJ has resulted in such an extraordinary spirit of constructive cooperation between such diverse groups as the United Auto Workers, the Communication Workers of America, the American Bar Association, the American Judicature Society, the Institute for Court Management, the National Juvenile Detention Association, the National Conference of Commissioners on Uniform State Laws, the National Legal Aid and Defender Association, the Salvation Army, the Volunteers of America and the Native American Rights Fund, to mention only a few.

The extremely able and dedicated staff of the ABA has played a particularly helpful role in the development of the bill. I wish to personally acknowledge the efforts of Robert D. Evans, Esq., on the ABA staff and the Honorable Robert H. Hall, chairman of the ABA Commission on a National Institute of Justice, and presently Justice of the Supreme Court of Georgia.

In focusing on the NIJ programs and activities, we have become aware of two things: First, we know very little about the functioning of the justice system in this country; and second, the present efforts to learn more about these systems are meager and distressingly uncoordinated.

In 1972, Bert H. Early, the executive director of the ABA, published an article in the West Virginia Law Review—see appendix—which highlighted these deficiencies and suggested the creation of an independent agency to fund and coordinate justice system research efforts. The article stimulated the ABA's then-president, Leon Jaworski, to appoint a task force to explore the concept, and that task force in turn led to the creation of the commission which Justice Robert H. Hall of the Supreme Court of Georgia now chairs. That commission developed a "Bill to Create a National Institute of Justice," which was approved in principle by the ABA's House of Delegates in August 1974.

I should also note that the ABA proposal was not a criticism of the Law Enforcement Assistance Administration or its research component, the National Institute of Law Enforcement and Criminal Justice (NILE). The ABA proposal was the product of an independent concern with the overall pattern of justice research.

The National Institute of Justice Act has been developed over the years by the ABA with the involvement of many Senators and Representatives. As I mentioned, Leon Jaworski, as president of the ABA, created a 22-member interdisciplinary commission in 1972 to consider the creation of such an NIJ. The commission held a national conference to consider the concept in December 1972, which was attended by 150 national leaders from a variety of fields. The commission thereafter worked for several months preparing its proposal and sent two versions of the proposal to over 12,000 lawyers, judges, and lay persons for their comments and reactions.

The commission also held public hearings in five cities around the country in the spring of 1974 to receive further public response. Thus, the final proposal reflects the collective thinking and ideas of a great number of people from throughout the country. Our highly esteemed late colleague, Senator Hubert Humphrey, introduced a similar version of this bill in the 92d and 93d Congresses.

Among the cosponsors during the 92d and 93d Congresses, in addition to Senator Hubert Humphrey and myself, were Senators BAKER, Bible, INOUYE, MONDALE, MOSS, NUNN, Pastore, PELL, PERCY, RANDOLPH, and STEVENSON. In light of former Senator Hubert Humphrey's support and leadership for an independent NIJ, I was especially pleased to have Senator Muriel Humphrey join with Senators Eastland, BAKER, MATHIAS, Paul Hatfield, RIBICOFF, INOUYE, and Abourezk in reintroduction of this bill in the 95th Congress.

This bill would create an independent agency to fund research and pilot projects aimed at making the justice systems in this country more responsive and more efficient. The proposed Institute would provide badly needed funding and coordination to the few already-existing public and private efforts in this area. A Presidentially appointed Board of Trustees would establish overall research priorities; the Institute would then contract with existing organizations knowledgeable in the particular subject area to conduct research or pilot projects. The range of the NIJ would include constitutional rights, civil and criminal law and procedure, as well as juvenile rights and administrative and regulatory matters at the Federal, State and local levels. The new agency would be authorized to evaluate the effectiveness and quality of justice and the administration of law.

Mr. President, I would like to note that I also am joining my friend, colleague,

and Judiciary Committee chairman, Senator KENNEDY, along with several other Members of this body today, in cosponsoring the administration's proposal for the restructuring of LEAA. I am sure this bill will be given careful study. This proposal, the Justice System Improvement Act, provides for the creation of a National Institute of Justice to perform some similar functions, but would place it within the new Office of Justice Assistance, Research and Statistics in the Department of Justice. The ABA believes that, in order to have the public visibility and credibility which is essential for the success of this program, the NIJ must be established as an independent agency, and not be made part of OJARS or the Department of Justice. This is an issue which I believe deserves careful consideration.

I am joining in cosponsorship of the administration's proposal because I believe it represents a needed legislative vehicle for the improved operation of LEAA and it presents suggestions which deserve our careful consideration. However, I oppose placing the NIJ within the Department of Justice. Among my concerns are:

The political needs of the Department and the State and local governments who receive LEAA grant funds should not dictate the research programs which will be undertaken. These problems have plagued the current LEAA research institute, and I see little possibility of change unless the NIJ is independent of Department control.

To the extent that judicial administration is a problem worthy of study, responsibility for such a study should not rest within the control of a Department that regularly appears before the Judiciary.

The Institute should conduct a balanced research program covering constitutional, criminal, civil, juvenile, administrative and regulatory matters. By placing an Institute under the complete control of the Department of Justice, the administration's proposal may offer little hope of addressing major areas of our justice system other than criminal justice.

In light of these differences in perspective, I look forward to working with Senator KENNEDY and the administration in restructuring LEAA while also assuring that the National Institute of Justice will have independence in its governance and operation.

The National Institute of Justice which is proposed in the legislation I introduced today would not duplicate activities of the many law reform programs now being conducted by such groups as the National Center for State Courts, the ABA, and the American Judicature Society, nor would it duplicate the work of LEAA. The research would be conducted not by the Institute itself, but by persons and groups having expertise in particular subjects. The NIJ would strengthen existing efforts, rather than duplicate them. The Institute would also permit a coordination of effort between such groups which have similar but not identical jurisdiction.

Our proposal has several important features:

First. Research and experimentation will be performed by an independent agency.

Second. The Institute will be governed by a Board of Trustees appointed by the President. It is essential that the Institute have an interdisciplinary, broadly representative governing body; this is much more likely if the President makes the appointments.

Third. Our proposal contemplates a comprehensive research and pilot project effort encompassing all aspects of the justice system—constitutional, criminal, civil, juvenile, administrative, regulatory and so forth. Research is presently done on a piecemeal basis, with little coordination between the various efforts. A comprehensive approach would permit both greater awareness of other research projects and appropriate exchange of information and ideas between, for example, researchers in the criminal justice field and those in the civil field.

Fourth. The great bulk of research would be performed by outside individuals and organizations, thereby fostering diversity rather than a monolithic Federal bureaucracy. Of course, it is important that the Institute's staff be current with the research in the field; otherwise, they will be unable to evaluate research needs and project results. The in-house staff will also be authorized to perform pilot, developmental and evaluative studies.

I have also suggested a variety of other functions which a National Institute of Justice might perform: training and educational programs in the law and information-gathering and dissemination functions. These functions are intended to supplement the primary research function of the NIJ, and the demands for these services hopefully will not divert the Institute from its principal role.

Mr. President, in conclusion, I would like to quote from a statement made in April 1974, about the NIJ proposal by a former Governor of the State of Georgia, Jimmy Carter. The ABA Commission on the NIJ held a series of public hearings around the country to receive comments and reactions to the ABA proposal. Governor Carter submitted a statement at the hearing held in Atlanta—see appendix—and his statement concluded as follows:

> I for one believe that a body like the National Institute of Justice is essential to study these and other problems of our justice system and to achieve meaningful reform. No single city or state can command the resources and personnel to undertake such an effort. Many problems of our justice system are, of course, local in nature; but many others recur time and time again in different cities and in different states. A national body which would study these problems and suggest, not dictate, solutions would be a great resource to me and other governors. The role which the Institute could serve in publicising and coordinating existing reform efforts would also be a genuine step forward. I commend you for the fine and diligent effort which your Commission has put into this effort so far, and I heartily endorse your proposal. Its unified approach will assist us in establishing justice throughout the United States and thereby create "a more perfect Union."

Mr. President, Thomas Jefferson once said:

> I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

Mr. President, I believe this bill can be a turning point in the Federal Government's commitment to assist State and local governments in their administration of justice. I look forward to the hearings and debate over the next few months.

Mr. President, I ask unanimous consent that the National Institute of Justice Act and the accompanying section-by-section analysis be printed in the RECORD.

Mr. President, I also ask unanimous consent that the following materials be printed in the RECORD:

National Institute of Justice Proposal Endorsements;

ABA-NIJ question and answer;

ABA-NIJ former members of the Commission on a NIJ;

ABA-NIJ present members of the Commission on a NIJ;

National Institute of Justice—A proposal by Bert H. Early, West Virginia Law Review, April 1972;

The Association of the Bar of the City of New York, "A National Institute of Justice Report";

Letter from William B. Spann, Jr., president of the ABA to the President, April 18, 1978;

William B. Spann, Jr., president of the ABA information in response to President Carter's remarks to the Los Angeles Bar Association, May 10, 1978;

American Bar Association Journal, "The Candidates Answer" October 1976, volume 62, President Ford and Governor Carter;

Statement of Gov. Jimmy Carter, public hearings, ABA-Commission on a National Institute of Justice. Stouffer's Inn, Atlanta, Ga., April 22, 1974; and

Letters and editorials endorsing the independent NIJ.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress, That this Act may be cited as the "National Institute of Justice Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that—

(1) continuous efforts must be made to improve the quality and access of justice and the fairness and effectiveness of the administration of law and to assure that all persons are able to secure prompt and efficient enforcement of their constitutional rights, legal rights, privileges, and obligations, and will receive equal justice without regard to wealth, social position, race, sex, age, religion, or national origin;

(2) improvement of justice and the administration of the law must be made not only in courts but also in administrative tribunals, agencies of government, and in relations among private individuals and organizations;

(3) the task of improving the quality and access to justice and the administration of law requires development and dissemination of knowledge and understanding of the circumstances and processes through which law affects the lives of persons at all levels of government and society;

(4) the Federal Government, through an independent body can contribute to improving justice and the administration of the law by aiding in the development and dissemination of knowledge while also recognizing the authority and responsibility of state and local government and private individuals and organizations so that their efforts are not displaced but supplemented and assisted; and

(5) the creation of a National Institute of Justice would further these purposes.

CREATION AND POSITION IN GOVERNMENT

SEC. 3. There is hereby established an independent agency to be known as the National Institute of Justice (hereinafter referred to as the "Institute").

POWERS

SEC. 4. (a) The Institute is authorized and directed, through grants, contracts, and its own activities:

(1) to make evaluations and appraisals of the effectiveness and quality of justice and the administration of law, including but not limited to constitutional and statutory rights of individuals, civil and criminal justice, juvenile justice, administrative and regulatory law, and private legal conflicts and their resolution, and to make recommendations based thereon;

(2) to conduct basic and applied research concerning justice and the administration of law, employing all necessary forms of research inquiry, including empirical and doctrinal inquiry and policy and jurisprudential analysis, according to their prospects for valuable results;

(3) to conduct experimental programs in the field of justice and administration of law through responsible public and private agencies and organizations, including agencies and organizations of state and local government;

(4) to conduct training and educational programs in law, legal and judicial procedures, and law-related research procedures, including, if desirable, fellowships for research, technical training, and advanced education;

(5) to coordinate its functions with those of other governmental, academic, and research agencies and organizations, public and private, to avoid as far as possible conflict of purpose and duplicaiton of effort and to promote as far as possible a common set of national priorities in improving justice and the administration of law; and

(6) to conduct such library, clearinghouse, information gathering, and information dissemination functions as may further the realization of its other responsibilities;

(b) In carrying out these functions the Institute shall not undertake research, experimentation, or training through personnel of the Institute, but the Institute through its staff may engage in such developmental studies as may be necessary to formulate or evaluate research, experimental, or training proposals.

(c) In its research, experimental, and training programs, and in making recommendations for improvement and access of justice and the administartion of law, the Institute shall give particular attention to the impact of justice and the administration of law on individual citizens and their opportunities to secure prompt and effective enforcement of their constitutional rights, legal rights, privileges and obligations, and to securing to them equal access to legal redress without regard to wealth, social position, race, sex, age, religion or national origin.

ORGANIZATION OF THE INSTITUTE

SEC. 5. The Institute shall consist of a Board of Trustees, a Director, and a Council.

APPOINTMENT OF BOARD OF TRUSTEES

SEC. 6. (a) The Board of Trustees shall consist of 16 members. The members of the Board of Trustees shall be appointed by the President, by and with the advice and consent of the Senate. The persons appointed shall be eminent in community and public affairs, public administration, the law, the administration of justice, or scholarship in law or related academic disciplines, and shall be selected on the basis of established records of distinguished service or accomplishment.

(b) The membership of the Board shall include:

(1) two persons, each of whom is chosen from a list of not less than five nominations made by the National Governors Conference;

(2) two persons who are judges of the courts of the States, each of whom is chosen from a list of not les than five nominations made by the Conference of Chief Justices;

(3) at least four members who are lawyers;

(4) at least four persons who are neither judges nor lawyers; and

(5) the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Secretary of Housing and Urban Development, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Commissioner of the Office of Education, the Director of the Bureau of Prisons and the Director of the Legal Services Corporation or their respective designees as ex officio members of the Board. Appointments to the Board shall be so made that its membership shall include one resident of each of the Circuits of the United States Courts of Appeals.

(c) In making appointments, the President shall solicit and give due consideration to recomendations submitted by members of Congress and other officers of Federal, State, and local government, by civic and citizen organizations that have manifested an interest in justice and the administration of law, by organizations of the legal profession (including the judiciary), and by the academic branches of the law and law-related disciplines.

(d) The term of each member of the Board shall be four years, except that (1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of that term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, four at the end of one year, four at the end of two years, four at the end of three years, and four at the end of four years after the date of the first appointments made under this Act. Any person who has been a member of the Board for two consecutive terms shall thereafter be ineligible for any subsequent appointment to the Board. Such members shall be appointed within ninety days after the date of the enactment of this Act.

POWERS AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

SEC. 7. (a) The Board shall elect a Chairperson from among its members and may elect from such membership a Vice Chairperson and such other officers as it may designate. The Chairperson and other officers so elected shall hold office for one year and until their respective successors are qualified and may be re-elected so long as they continue as members of the Board.

(b) The Board may appoint from its members an Executive Committee and assign to the Executive Committee such powers of the Board as it deems appropriate except that of reviewing and approving the budgetary proposals of the Director. It may appoint such other committees, whose membership need not be limited to members of the Board, as it deems appropriate, including advisory committees in specific areas of its work.

(c) The Board shall also:

(1) meet quarterly and at such other times as it may specify, or upon the call of the Chairperson, the Director, or at least one-third of its members;

(2) in consultation with the Director, formulate the policies and programs of the Institute;

(3) at least annually prepare and make public distribution of the program plans and descriptions of projects proposed and contemplated by the Institute and solicit suggestions and comments concerning the same, with particular regard to their relationship to similar or related programs and projects of other public and private agencies concerned with justice and the administration of law;

(4) monitor and cause evaluations to be made of the value and effectiveness of the programs of the Institute;

(5) after consultation with the Council, render an annual report to the people of the United States and to Congress on the work of the Institute and the state of justice and cluding, if desirable, recommendations for improvement and access of justice and administration of law;

(6) determine the time and place of sessions of the Council, which shall meet at least twice per year; and

(7) approve and submit budgetary proposals for the Institute.

(d) The members of the Board shall receive compensation at the rate of $100 for each day engaged in the business of the Institute and shall also be allowed travel expenses as authorized by section 5703 of Title 5, United States Code.

DIRECTOR

SEC. 8. (a) The Director shall be appointed by the Board without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service. The term of the Director shall be six years unless he or she is sooner removed by the Board. The Board may remove the Director by vote of a majority of its members.

(b) The Director shall, subject to the direction of the Board, be responsible for carrying out the functions of the Institute and, except as otherwise provided in this Act, shall exercise all authority granted to the Institute by this Act. In addition, the Director shall:

(1) recommend to the Board policies and programs;

(2) prepare, for approval of the Board, estimates of the budgetary requirements of the Institute; and

(3) with the advice and approval of the Board, appoint a Deputy Director, without regard to the provisions of Title 5, United States code, governing appointments to the competitive service.

(c) The Director may delegate to any other officer or employee of the Institute any duty or authority he or she has, except those specified in subsection (b) (1), (2) and (3).

COUNCIL

SEC. 9. (a) The Council shall consist of not less than fifty nor more than 100 members appointed by the Board for terms of three years, except that those selected initially shall be chosen in a manner such that the terms of one-third of them expire respective-

ly one, two and three years after their appointment. The members of the Council shall be selected to provide broad representation of the views of private citizens and groups and various types of agencies concerned with the administration of justice and to draw upon diverse experience in life and various regions of the nation.

(b) The Council shall meet as provided in Section 7(c)(6). The Chairperson of the Board of the Institute, or another member of the Board designated by him or her, shall preside at meetings of the Council. The Council:

(1) shall receive and may discuss and make recommendations concerning proposals and reports of activity by the Institute;

(2) may authorize creation of study and advisory committees of the Council, whose members shall be appointed by the Chairperson;

(3) may suggest problems and topics which the Institute should undertake as authorized by this Act; and

(4) may make reports and recommendations to the Board.

(c) Members of the Council shall receive compensation at the rate of $100 per day for each day engaged in the business of the Institute and shall be allowed travel expenses as authorized by Section 5703 of Title 5, United States Code.

FURTHER POWERS

SEC. 10. (a) In addition to any authority vested in it by other provisions of this Act, the Institute, in carrying out its functions, is authorized to:

(1) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be used for a purpose of the Institute; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(3) in the discretion of the Institute, receive (and use, sell or otherwise dispose of, in accordance with paragraph (2)) money and other property donated, bequeathed, or devised to the Institute with a condition or restriction, including a condition that the Institute use other funds of the Institute for the purposes of the gift;

(4) appoint advisory committees composed of such private citizens, members of civic, citizen, and professional organizations, and officials of Federal, State, and local governments as it deems desirable to advise the Institute with respect to its functions under this Act;

(5) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act without regard to the provisions to Title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(6) obtain the services of experts and consultants in accordance with the provisions of Section 3109 of Title 5, United States Code, at the rates for individuals not to exceed the rate prescribed for GS-18 in the General Schedule under Section 5332 of Title 5, United States Code;

(7) accept and utilize the services of voluntary and non-compensated personnel and reimburse them for travel expenses, including per diem, as authorized by Section 5703 of Title 5, United States Code;

(8) enter into contracts, grants, or other arrangements, or modification thereof to carry out the provisions of this Act, and such contracts or modifications thereo may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds, and without regard to Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(9) provide for the making of such reports (including fund accounting reports) and the filing of such applications in such form and containing such information as the Director may reasonably require;

(10) make advances and other payments which the Director deems necessary under this Act without regard to the provisions of Section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(11) make other necessary expenditures.

(b) Each member of a committee other than a member of the Board appointed pursuant to Section 7(b) or paragraph (4) of subsection (a) of this section who is not an officer or employee of the Federal government shall receive an amount equal to the maximum daily rate prescribed for GS-18 under Section 5332 of Title 5, United States Code, for each day he or she is engaged in the actual performance of duties (including travel time) as a member of a committee. All members shall be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties.

POLITICAL BAN

SEC. 11. Neither the Director nor any other employee of the Institute shall take any active part in political management or in political campaigns, and no such officer or employee shall use his or her official position or influence for the purpose of interfering with any election or affecting the result of any election.

COMPENSATION OF DIRECTOR

SEC. 12. (a) Section 5315 of Title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(95) Director, National Institute of Justice."

(b) Section 5316 of Title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(130) Deputy Director, National Institute of Justice."

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. (a) To carry out the purposes of this Act there is authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, $50,000,000 for the fiscal year ending September 30, 1982, $60,000,000 for the fiscal year ending September 30, 1983, and $70,000,000 for the fiscal year ending September 30, 1984.

(b) For purposes of the Budget and Accounting Act estimated expenditures shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by the President in the Budget without revision, and the Institute shall not be considered to be a department or establishment for purposes of such Act.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Provides that the Act may be cited as the "National Institute of Justice Act".

SECTION 2—FINDINGS AND DECLARATION OF PURPOSE

The objective in creating a National Institute of Justice is to provide an informed mind and voice on matters concerning access to justice and the administration of law in all its aspects in the American community. The Institute is authorized to inquire, to study, and to report concerning the way in which law and justice function in specific contexts of public importance, and to recommend measures for their improvement. The Institute would not be an operating agency, except to the limited extent of being authorized to assist and evaluate experimental programs conducted by other agencies and organizations. The assumption underlying creation of the Institute is that an agency with intelligent and disinterested concern for law and justice can advise and educate public opinion, and thereby help stimulate action for needed change and improvement in this vital aspect of our country's general welfare. To this end, it is contemplated that the Institute will be autonomous, non-partisan, and endowed with excellence and continuity in leadership.

The statement of findings and purposes provides a general statement of the Institute's aims and role. The Institute's field of concern is law and justice in the broadest sense, not merely the courts of the criminal justice system. In the presently foreseeable future it is contemplated that the Institute will play a subordinate role in research and experimentation in matters concerning the courts and criminal justice, because these areas are now being vigorously explored and developed by existing agencies, notably the Law Enforcement Assistance Administration and public and private agencies with which it is collaborating. There are many other important areas of justice and law to which attention and inquiry need presently to be addressed, including such matters as constitutional rights of individuals, legal protection for consumers, access to health-care services, availability of legal services, due process and equal protection in dealing with public agencies, legally secured opportunity to participate in government decision-making, protection of privacy from official intrusion, protection of juvenile rights, accountability of public officials for actions that affect individuals, and economical adjustment of private legal disputes through such devices as arbitration. Our society has become one in which there are ever-increasing involvements of government and private organized groups in the security and well-being of individuals in these respects and many others. There should be a correspondingly increased effort to improve awareness of the legal aspects of these involvements and to reform and improve the law and its administration in response. The Institute would have a responsibility to provide leadership and support for efforts to this effect, collaborating with public and private agencies already concerned with specific areas in the general field.

SECTION 3—CREATION AND POSITION IN GOVERNMENT

Designates the name of the Institute and provides that it is an "independent" agency. In the nature of its work, the Institute will be involved in studying, experimenting, and making recommendations on matters that are complex and potentially controversial. Its effectiveness in doing so will be determined by its record and reputation of candor, thoroughness, and disinterestedness. To assure such effectiveness, it is essential that the Institute be enabled to develop its program without political interference or intervention by other branches or agencies of government. The objective in this regard is an agency maintaining the kind of independence characteristic of the National Science Foundation, the Administrative Conference of the United States, and comparable existing agencies.

SECTION 4—POWERS

States the responsibilities and goals of the Institute and provides directions for pursuing them. The provisions in Section 4(a) that the Institute may act "through grants, contracts, and its own activities" is designed to indicate that the Institute, while having wide flexibility in carrying out its responsibilities, is to draw primarily upon outside capabilities through grants and contracts rather than attempting to perform its functions "in house." Experience with government sponsored research indicates the importance of trying to avoid the insularity

or bias that can result from staff-centered operations. At the same time, the Institute must have the capacity to engage in such development studies as may be necessary to formulate or evaluate research, experimental or training proposals. No percentage or like limitation is imposed on the proportions of effort involved, but it is contemplated that something like three-quarters of the Institute's budget would be expended through grants and contracts.

Section 4(a) paragraphs (1) through (4) describe the basic responsibilities of the Institute. The subject matter domain of the Institute is "justice and the administration of law," a term intended to signify in the broadest sense all aspects of law and justice. It includes not only such matters as the operation of courts and administrative agencies and tribunals but the systems of non-governmental dispute resolution, the problem of access of citizens and private organizations to legal assistance and redress, and the fairness and efficiency with which laws of various kinds operate in everyday life. It includes also education in law, both in law schools and in general education, penal law and corrections, the rights of juveniles, effectiveness of legal services, and comparable specific problem situations. In this large and complex subject area, the Institute, of course, will have to make continuous selection of matters for immediate attention. It cannot be expected to consider all matters included in its authority but will have to develop priorities in the light of the general public importance of various matters within its purview. It is not contemplated that the Institute would engage in any functions or activities, the undertaking of which by another agency has been specifically rejected by Congress as an inappropriate use of Federal funds. The Institute might, however, make further inquiry or investigation into the matter if it appeared that Congress had acted on inadequate or erroneous informatnon in making such rejections.

The methods by which the Institute may concern itself with the subject of law and justice include evaluations and appraisals, basic and applied research experimentation, and training and educational programs. These methods are described in intentionally general terms. At the same time, the Institute is not authorized to become an operating gency in any field of justice or the administration of law, not to become an ongoing source of funding for such operations conducted by other agencies.

The Institute is given no authority to establish or impose standards. Its authority is limited to the persuasive effects of its studies and recommendations, and the influence which it is hoped its prestige and reputation will provide. The provisions of Section 4(a)(4) concerning fellowships contemplate stipends for specific research and educational undertakings, some of which might be made available for research in residence at the Institute, as in the program of the National Institute of Health. It is not intended to authorize a general plan of scholarships for attending law school.

Section 4(a)(5) provides that the Institute shall pursue its responsibilities in a way that minimizes conflict or duplication with existing agencies in the field of justice and the administration of law. This provision recognizes that there are already many private and public organizations devoted to research, education, and reform in law and justice, and that there will continue to be. It is impossible to define jurisdictional boundaries in such a large and complex area, and unwise for an existing or proposed organization to be given preemptive authority in any field within it. Yet it is also important at any given time to avoid duplication and wasteful competition. Many significant problems in law and justice are not now receiving the attention they require and deserve. The direction to promote a common set of priorities requires the Institute to develop its program with an eye to the relative importance of problems, the feasibility of remedies within a given time span, and economy of available resources. Another provision, Section 7 (c)(3), requires the Institute to make public dissemination of its program plans and project descriptions on a regular periodic basis and to solicit suggestions and comments concerning them. Administered by a properly constituted Board and a conscientious Director, these provisions could make possible a much greater degree of harmony and coordination of effort than presently exists.

Section 4(a) paragraphs (6) and (7) authorize library, clearinghouse, and publication activities. These are essential to the collation of existing knowledge and the dissemination of new studies and proposals. The requirement of coordination in Section 4(a)(5) applies to these provisions as well as to other elements in the Institute's program.

Section 4(b) makes clear the priority that the Institute is to give to the use of grants and contracts, and the aim of keeping its staff small. The Institute is authorized to perfom pilot, developmental, and evaluative studies through its own staff, for this is often an essential element in determining whether a particular program is feasible and potentially productive. Aside from this authority, however, the Institute is to conduct its program through outside agencies—academic, research, and governmental—rather than through its own staff.

Section 4(c) provides that the Institute shall give particular attention to the impact of justice and the administration of law on private individuals. Specific attention is directed toward problems of equal protection and access to legal redress where an individual's situation may be affected by discrimination or disability on account of income status, race, sex, age, religion, or national origin. This concept is general and necessarily somewhat vague, but it signifies a very important concern. The Institute is required to give continuing attention to those who are affected by the systems of law and justice, and not merely those who administer the law or who are otherwise involved with it in a professional capacity. The ultimate aim of all legal institutions and procedures is a better and more acceptable quality of justice for the citizenry at large. Primary concern for this interest is a vital element of the Institute's responsibilities.

SECTION 5—ORGANIZATION OF THE INSTITUTE

Provides that the Institute shall consist of a Board of Trustees, a Director and a Council. This arrangement is intended to provide the Institute with a responsible governing body consisting of a small number of nationally distinguished members, competent professional leadership and administration, and the advice of a broadly representative consultative council. The aim is a balance between public stature, technical and intellectual expertise, and popular expression in the policy and program of the Institute.

SECTION 6—APPOINTMENT OF BOARD OF TRUSTEE

Section 6(a) provides for the Board of Trustees. There are to be 16 trustees, a number large enough to have wide representation and yet small enough to assure efficiency and direct responsibility in supervision of the affairs of the Institute. The members of the Board are to be appointed by the President, by and with the advice and consent of the Senate. This is the method most widely employed in constituting an independent federal agency, and has the advantage that the appointments may be made from a single national perspective and through a procedure that facilitates maintaining balanced diversity in the Board's membership.

The trustees are to be chosen on the basis of civic concern and professional stature. All appointments are to be made without regard to partisan or special interest affiliation and with due concern for establishing a broadly representative group. At the same time, recognition of the central importance of the states in the administration of justice is preserved through participation of the National Governors Conference and the Conference of Chief Justices in the process of selecting the Board. Similarly, the requirements for geographical diversity in the Board's membership and inclusion both of persons who are lawyers and those who are neither judges nor lawyers are designed to assure that the Board will have a broad perspective of the administration of justice. In addition a group of ex officio members shall be on the Board composed of the Attorney General, the Secretary of Health, Education and Welfare, the Secretary of Labor, the Secretary of Housing and Urban Development, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Commissioner of the Office of Education, the Director of the Bureau of Prisons and the Director of the Legal Services Corporation. The cause of justice is far too important to be left entirely in the hands of the legal profession or to a group of persons from any one region.

The terms of the Board members are four years, in terms staggered to provide continuity. A limit of two consecutive terms is imposed to provide gradual turnover on the Board and thus the introduction of fresh viewpoints and abilities.

SECTION 7—POWERS AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Chairperson and other officers of the Board are to be chosen by the Board from its members. It is contemplated that the burdens of time and effort falling on the Chairperson will be very substantial, and those on the other officials similar thouxh in lesser degree. The Chairperson in particular should therefore be a person who is able and willing to give substantial and continuing attention to the business of the Institute. The Board would be in the best position to know which of its members could most effectively discharge these responsibilities. Section 7(b) authorizes the Board to constitute necessary committees, including an Executive Committee. This will permit the Board to give close and continuing attention to the program of the Institute. To the same effect is the provision in Section 7(c)(1) that the Board shall meet at least quarterly.

The remaining provisions of Section 7 specify responsibilities and authority of the Board. The Board is required by Section 7(c)(3) to disseminate its program plans and proposed projects on a periodic basis. This provision, as noted earlier, is designed to facilitate coordination of the Institute's program with that of other public and private agencies concerned with justice and the administration of law. It should also provide the Institute with valuable critical commentary on the feasibility and value of projects it is considering to undertake. Section 7(c)(4) requires the Board to monitor the programs of the Institute, which is its inherent responsibility in any event, and to cause evaluations to be made of the Institute's work. The aim is to make sure that the Board has independent advice concerning the usefulness and progress of projects it has authorized. Section 7(c)(5) requires the Board to make an annual report on behalf of the Institute. The report is to be addressed to the people as a whole and to the Congress inasmuch as the points of implementation of its findings or recommendations, depending on their subject and substance, may be either legislative, judicial, or execu-

tive at national, state, or local levels of government.

SECTION 8—DIRECTOR

Provides for a Director to be appointed by the Board. The Director is chief administrative and professional officer of the Institute, but is responsible to and subject to the direction of the Board, by whom he or she may be removed.

SECTION 9—COUNCIL

Provides for the Council. The size of the Council is to be determined by the Board within the limits of 50 to 100 members. It is contemplated that the number may vary from time to time, depending on experience as to the participation of Council members and on availability and willingness to serve of properly qualified individuals. The Board is directed to constitute the Council in such a way as to provide a wide cross-section of civil, vocational, professional and individual interests.

The Council is intended to serve as a forum for suggesting matters to which the Institute should give its attention and for reviewing and commenting upon endeavors which the Institute has undertaken. It is empowered to have committees created and to make reports and recommendations to the Board. It is not empowered to speak for the Institute, nor to authorize expenditure of Institute funds. The Council will thus be dependent on the force of persuasion to make itself effective. If the Board exercises its power of appointment with vigor and dilligence, as it may be expected to do, the Council can provide both guidance and strong public support for the efforts of the Institute.

SECTION 10—FURTHER POWERS

Provides housekeeping provisions, patterned after those in effect for comparable independent agencies already constituted by law.

SECTION 11—POLITICAL BAN

Prohibits political activities as applied to the Director and other staff members of the Institute. It would not prohibit persons who hold political office, for example a state governor, from being on the Board.

SECTION 12—COMPENSATION OF DIRECTOR

Provides for the compensation of the Director and the Deputy Director, under Section 5315 of Title 5, United States Code and Section 5316 of Title 5, United States Code, respectively.

SECTION 13—AUTHORIZATION OF APPROPRIATIONS

Provides for the authorization of appropriations, of $30,000,000, $40,000,000, $50,000,000, $60,000,000 and $70,000,000 for fiscal years 1980 through 1984 respectively.

Provides as a safeguard of the Institute's independence that pursuant to the Budget and Accounting Act, that estimated expenditures shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by the President in the Budget without revision, and that the Institute shall not be considered to be a department or establishment for purposes of such Act.

NATIONAL INSTITUTE OF JUSTICE PROPOSAL ENDORSEMENTS

American Bar Association.
American Judicature Society.
Association of American Law Schools.
Association of the Bar of the City of New York.
Bar Association of Erie County (N.Y.)
Bar Association of Metrocolitan St. Louis.
Barristers Club of Nashville Tennessee.
Barristers Club of Sacramento County.
Chicago Council of Lawyers.
Communications Workers of America.
Detroit Bar Association.
Federal Bar Association (by its Council on Federal Law, Agencies & Practice).
Institute for Court Management.
League of Women Voters of Kansas.
Long Beach (Calif.) Bar Association.
Los Angeles County Bar Association.
Michigan State Bar Association.
National Bar Association.
National Conference of Commissioners on Uniform State Laws.
National Juvenile Detention Association.
National Institute of Municipal Law Officers.
National Legal Aid and Defender Association.
Native American Rights Fund.
New York State Association of Magistrates.
North Dakota State Bar Association.
Salvation Army.
State Bar of Georgia.
Toledo Bar Association.
United Auto Workers.
Vermont State Bar Association.
Volunteers of America.
Washington State Bar Association.
Wichita Bar Association.
Young Lawyers Section of the State Bar of Arizona.

AMERICAN BAR ASSOCIATION—NATIONAL INSTITUTE OF JUSTICE, JULY 1978

Question. How well is our justice system working?

Answer. No one knows. The system is at once huge and complex. Getting a handle on its operation is a massive task. It is perhaps understandable that no on-going comprehensive study of our justice system (or rather systems—local, state and federal civil; criminal; administrative; regulatory; law schools; courts; police; correctional facilities; arbitration panels; small claims courts; legal insurance, etc.) is being made.

We do know that the demands made upon these many components of our justice system grow daily. It is estimated some 20,000 state laws and 300 federal laws are passed each year. The burden on our courts has increased dramatically. The federal criminal caseload alone increased 172 percent between 1960 and 1970. Prisons and other correctional facilities house 450,000 offenders watched over by 150,000 correctional personnel. The system grows like Topsy, moving from crisis to crisis and without the capacity for calm reflection.

Question. What is presently being done?

Answer. A considerable number of groups are doing excellent work with respect to particular aspects of the justice system. But the resources available to these groups have been very limited and have inhibited these groups from achieving the prominence and impact which they deserve. Furthermore, while there has been some attempt to coordinate efforts, there has been no effective system for doing so. Overall, legal research has been performed in a piecemeal and largely uncoordinated fashion. And federal efforts to provide leadership and assistance have been fragmented and very limited in scope.

By contrast, federal investment in research programs in other fields are substantial. The National Institutes of Health are currently funded at an annual level of $2.8 billion; the National Science Foundation, $884.9 million; the National Institute of Education, $90 million; and the National Foundation on the Arts and Humanities, $114 million.

Daniel Webster once said "Justice is the most important thing on this earth." But the problems of justice can't be solved by piecemeal voluntary efforts. To insure a significant national investment of resources into finding solutions for the problems facing our justice system, the American Bar Association in 1974 first proposed the creation of a National Institute of Justice.

Question. What is the American Bar Association's proposed National Institute of Justice?

Answer. As proposed, the National Institute would be an independent agency of the federal government. (The American Bar Association, therefore, would have no control over the National Institute's affairs.) The National Institute would review and study the ways our various justice systems operate in practice and would develop imaginative ways of improving those systems. Research and pilot programs would be conducted under its auspices by groups around the country already having expertise in a particular area. Thus, a large isolated bureaucratic regime would not be created in Washington.

The jurisdiction of the National Institute would be as broad as the field of justice itself. The governing Board of the National Institute would select the specific issues and concerns within that broad jurisdiction which would be dealt with by the National Institute. The following issues are representative of those which the Institute might explore:

(a) How can citizens be better informed about the workings of the justice system which affect their lives so greatly every day?

(b) How might the frequent conflict between an individual's right of privacy and the public's right to security be sensibly resolved?

(c) How might legal procedures and legal documents commonly used by average citizens be simplified to reduce confusion and misunderstandings?

Question. How was the proposal developed?

Answer. The American Bar Association, under the leadership of its then president, Leon Jaworski, created a 22-member interdisciplinary Commission in 1972 to consider the creation of such a National Institute of Justice. The Commission held a national conference to consider the concept in December 1972, which was attended by 150 national leaders from a variety of fields. The Commission thereafter worked for several months preparing its proposal and sent two versions of the proposal to over 12,000 lawyers, judges and laypersons for their comments and reactions. The Commission also held public hearings in five cities around the country in the spring of 1974 to receive further public response. Thus, the final proposal reflects the collective thinking and ideas of a great number of people from throughout the country.

Question. How does the ABA's proposal differ with the Carter Administration proposal to create a National Institute of Justice within the Department of Justice?

Answer. The Carter-proposed National Institute of Justice (DJNIJ) is merely a revamp of the existing National Institute of Law Enforcement and Criminal Justice. As such, the Administration's NIJ would not be independent, would not guarantee a substantial civil justice research program, and would not have the public visibility and credibility which is essential for the success of this program.

In fact, the Administration's NIJ would be plagued by many of the same problems which have plagued the existing LEAA research program. For example, the existing LEAA research arm (NILECJ) has been widely criticized for its lack of independence. Yet the Administration plans not only to leave the institute within the Department of Justice but within the same office which will supervise the LEAA block-grant program.

Question. Why is the question of independence so important?

Answer. Independence is crucial to the effectiveness and eventual success of a National Institute of Justice.

A research institute within the Department of Justice and part of a grant-making "action agency," as the Carter Administration is proposing, could face a number of serious problems that would endanger its control and credibility.

For example, political pressure for short-term results are likely to be far greater if

the research institute is part of a mission-oriented agency. Operational needs of an "action agency," too, could influence the nature of the research program. And, it is quite possible the research institute would be totally obscured and overwhelmed by grant-making activity. Another concern is that budgetary considerations within a Department may prevent the research program from receiving an appropriate level of funding.

Also there is some question as to whether the Department of Justice would be as willing and able to reach out and attract the diversity of cooperation and support from other disciplines which an independent agency could attract. Certainly independent status would substantially enhance the credibility afforded to a federal justice institute by state and local governments. And there is no question that public credibility of and visibility for the research institute and its work will be far greater if it is independent and not part of an action agency.

Finally, justice research, to the considerable extent it involves the Judicial Branch, should not be placed in a line agency within the federal Executive Branch but should be housed in a more neutral setting.

Question. Doesn't the justice system need more money to solve its problems, not more research studies?

Answer. No one disputes that many components of the legal system—the corrections components, for example—are underfunded and understaffed. But throwing money blindly at major problems is not a productive or fiscally-sound approach. A research body offers the promise of returning greater financial returns to society than it costs, apart from the primary benefit of improving the justice system.

Question. Wouldn't NIJ activities duplicate many law reform programs now being conducted by such groups as the National Center for State Courts, the ABA, the American Judicature Society, and others?

Answer. No. The primary purpose of the NIJ would be to infuse badly-needed public funds into the legal research and reform field. The research would be conducted not by the Institute itself but by persons and groups having expertise in particular subjects. Thus, the NIJ would actually greatly strengthen existing efforts rather than duplicate them. The Institute should also permit a coordination of effort between such groups which have similar but not identical jurisdiction.

Question. Isn't the NIJ just another example of the Federal Government telling the states how to run their affairs?

Answer. Absolutely not. The NIJ would have no control over the operations of any component of any state's justice system. It would have no control over decisions as to what states should receive federal assistance for the operation of their legal system. It would perform research and conduct pilot programs in an effort to develop suggestions for improvement to the justice system nationally; but it would have no authority to compel compliance with its suggestions in any fashion.

There are problems common to each State. Some localities do not have the resources to devote to solving some of these problems. The NIJ will be able to help states and localities interchange ideas and coordinate efforts to improve the justice system. It will not, and cannot, tell state and local governments how to run their justice systems.

Question. How much will this cost?

Answer. The projected cost of this agency is small—perhaps $30 million to start (roughly the budget of the research institute now operated within the Law Enforcement Assistance Administration), expanding to around $50–60 million when fully operational. In comparison to the funds now spent for similar federal efforts in the health and science fields (current appropriations for the National Institutes of Health total over $2.8 billion and for the National Science Foundation $864.9 million), and in relation to the benefits which such a program is likely to return to society, the cost is remarkably low. The returns to society—both in dollar savings and in improvement in the quality of justice—will far exceed this modest cost.

Question. Is the ABA the only supporter of this proposal?

Answer. Not at all. The following national groups are among those which have already endorsed the concept: American Judicature Society; Association of American Law Schools; National Bar Association; National Conference of Commissioners on Uniform State Laws; National Juvenile Detention Association; National Legal Aid and Defender Association; Native American Rights Fund; Salvation Army; United Auto Workers; Volunteers of America.

In addition, several state and local bar associations, governors and other state officials and hundreds of individual lawyers, judges and lay persons already have strongly supported the proposal.

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[From the West Virginia Law Review, April 1972]

NATIONAL INSTITUTE OF JUSTICE—A PROPOSAL

(By Bert H. Early*)

FOREWORD BY WARREN E. BURGER †

From his long experience and the vantage point of his unique position in the organized bar, Mr. Early has given voice to a great need—a great void—in our system. He correctly and carefully disclaims any thought of "homogenizing" the systems of justice, but rather presses for some central means to energize the valuable programs for improved justice now in being and to probe for new solutions. We spend more than two billion dollars annually through the National Institutes of Health and the country is better for it. But the social, economic and political health of the country must be fostered by a comparable facility to revitalize the faltering machinery of justice—and happily that can be done for a mere fraction of the NIH budget. Whether it is financed by private as well as public funds is not central to the proposal—the key is the *function* of such an institute.

Mr. Early's provocative article is advanced by him to stimulate debate. It deserves a wide audience and I sincerely hope it will be challenged and debated—vigorously—by the bar and the public.

I. THE PROPOSAL

The intent of this article is to advance a proposal for the creation of a new type of

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organization, national in scope and purpose, to marshal our resources and energies for an accelerated program of modernization of our system of law and justice to serve better the needs of over 200 million Americans.

Such an organization might be called *The National Institute of Justice*. At the outset, it should be clearly understood that the Institute would not conflict with or duplicate the Federal Judicial Center, the National Center for State Courts or other existing organizations. It would, rather, complement their activities and encourage a broader base of support. In broad perspective the concept may be stated simply: the establishment of a national public agency, governed by the most eminently qualified individuals available, and dedicated to the mission of giving national cohesion and increased public and private support to the now inadequate and piecemeal efforts directed toward improving the justice system at all levels. The National Institute must deal with the system of justice as a whole. That system consists of interlocking and interdependent components—substantive laws; procedures; legislative bodies; institutions for dispute settlement, such as courts and administrative agencies; law enforcement offices and agencies and corrections and rehabilitation facilities and services; and a host of individuals who work within the legal profession. The ultimate aim is to achieve a structure of civil and criminal justice that is more effective, expeditious and accessible to the present day needs of all our people.

The goal is unassailable. It was the dream of our founding fathers and it has been the aspiration of our nation's foremost leaders for nearly two centuries. And yet it has eluded us.

No less a figure in American jurisprudence than Roscoe Pound spoke prophetically of its elusiveness as early as 1906. In his historic paper, entitled *The Causes of Popular Dissatisfaction with the Administration of Justice*,[1] Dean Pound addressed the Annual Meeting of the American Bar Association with these words:

"I venture to say that our system of courts is archaic and our procedure behind the times.

"Uncertainty, delay and expense, and above all the injustice of deciding cases upon points of practice, which are the mere etiquette of justice, direct results of the organization of our courts and the backwardness of our procedure, have created a deep-seated desire to keep out of court, right or wrong, on the part of every sensible business man in the community. . . .

"But too much of the current dissatisfaction has a just origin in our judicial organization and procedure. The causes that lie here must be heeded. Our administration of justice is not decadent. It is simply behind the times. . . .[2]"

Again in 1937, more than thirty years later, in Law: A Century of Progress,[3] Dean Pound tolled the same ominous bell:

"Looked at superficially, many features of the legal order of today may well give us pause. . . . The multitude of regulations required by an urban, industrial society encountering the pioneer habits of self-reliance and private judgment which have come down from the past make the time seem one of disrespect for law. . . . The inadequacy of the judicial organization and legal procedure of the past century to deal with the mass of litigation arising in our great urban centers leads to widespread complaint and popular dissatisfaction with the administration of justice. . . .

"Questions of law have ceased to be local. We are so unified economically that no question is limited by jurisdiction and venue as questions used to be. Questions of law today are likely to be questions of business as well. Creative work cannot be done under limitations of party and jurisdictions and venue.

"Even less may the work of reshaping the law be left to occasional legislative commissions or to the intermittent and hurried action of judiciary committees. In such matters as procedure the judicial councils which have been set up so generally in the past decade will do much. But the ministry of justice, which will take the functioning of the legal order as a whole for its province and give to the problems of peace the continuous study which is so generally given by governments to preparations for war, seems to be a long way off in the English-speaking world.[4]"

Progress in the administration of justice has been painfully slow. It has failed to keep pace with a burgeoning, automated, electronic society that is increasingly urban, impatient and demanding. Indeed, the situation has taken on crisis dimensions.

This is not to say or to imply that there has been no progress. Indeed, there has been much. However, its hallmarks too frequently have been a patchwork of effort lacking focus, continuity and adequate funding. Notwithstanding accelerating efforts to improve the administration of justice, Chief Justice Burger, in his address on the State of the Judiciary in July, 1971, was compelled to observe that:

"Essentially the problems of the federal courts, in common with state courts and indeed much of the entire fabric of our national life, are suffering from an accumulated neglect. This disrepair became an acute problem as the load increased, and we cannot ignore it any longer."

It is not the purpose of this article to dwell on the obvious and profound inadequacies of our present system of justice. It is rather to suggest that the evolution of our legal system makes it clear that vital elements still are missing. Those elements are focus, continuity, innovation, experimentation, and research, all melded under capable direction and with adequate funding. The catalytic agency to synthesize these elements can, in this writer's judgment, be a National Institute of Justice.

This article is then a document of advocacy. The historical details of our failure to attain the noblest purposes of our founding fathers are left to the legal philosophers and historians. It is sufficient to accept the fact of that failure as a point of reference and to move on to more promising methods that offer brighter hope for future progress.

II. A NATIONAL INSTITUTE OF JUSTICE

It is proposed that the National Institute of Justice take the form of an independent, not-for-profit, federally chartered corporation designed to coordinate and support the machinery of justice. It would be governed by a board composed of the most eminently qualified and widely representative individuals available. Its mission would be to make the administration of justice more fully responsive to the needs of our contemporary society.

Purposes of the Institute

The primary purposes of the Institute would be as follows:

First, to provide direction and leadership that would be both responsible and responsive. The Institute would serve as consultant and adviser to all components of the machinery of justice at both federal and state levels.

Second, the Institute would provide a permanent body charged with the development of an overview of the law, with the establishment of priorities, with responsibility for the coordination of educational resources, research activities and projects of the organized bar.

Third, the Institute would serve as a fiscal agent to receive and disburse public and private funds for research, evaluation and action.

There is today no single body or individual in the federal or state governments charged with these ongoing overall responsibilities. Cooperation has improved between states and the federal government, but cooperation is not enough. Although each government has certain officers in each branch responsible for specific areas of the administration of justice, each is limited by constitution or statute to only a part of the law's sweep. It seems clear that the three branches of government should have the benefit of the research, counsel, advice and recommendations of an agency that has the primary mission for and a continuing commitment to the improvement of the quality of the legal system as a whole.

Functions of the Institute

It is envisioned that the proposed Institute would perform the following functions:

1. Survey, Appraisal and Information Collection and Dissemination Function

It would be essential that the Institute undertake and maintain an ongoing survey and appraisal of the functioning of the legal system and of the principal efforts to modernize, reform and reconstitute legal processes and the administration of justice. The task of determining what has been and is being done by the federal, state and local governments, private foundations, law schools, interest groups, professional organizations and other educational institutions is a task of great magnitude, but is essential to any coordinated effort directed toward modernization and reform.

The collection and dissemination of information about the operation of our society—*a law society*—is presently conducted by a variety of federal, state and local government agencies, private foundations, the organized bar and private institutions. The present efforts are uncoordinated, frequently incomplete, redundant and permeated with frustrating, circular reference systems. The creation of a National Institute of Justice would, for the first time, provide a single source from which comprehensive and complete information might flow. The Institute could provide an invaluable national link among governmental, private and professional interest groups directly or tangentially concerned with the same or closely related problem areas. The use of modern computer technology makes the goal achievable within a reasonable time and within our economic means.

2. Diagnostic function

The diagnostic function would have as its goal the discovery and evaluation of the principal bottlenecks in the flow of civil and criminal justice and the recognition of new problem areas as they arise. This function has never been assumed by any agency or organization in the country on a continuing and permanent basis. So little attention and money have been devoted historically to this function that the legal profession is constantly in the posture of reacting to certain issues only after they have developed to crisis proportions. With an effective diagnostic function, problem areas can be dealt with more expeditiously and effectively.

3. Coordination function

Coordination would be one of the Institute's foremost roles. This necessarily includes the establishment of priorities, the development of long range goals and a continuing evaluation of the results of action and research programs of the various components of the law society, both public and private.

4. Research catalyst function

The disorganized and proportionately insignificant allocation of resources for legal research is evidence of the crucial need for

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a catalytic function of the Institute in this area. Although lack of sufficient funding is certainly one of the most crippling aspects of the anemic state of legal research in the nation today, a solution does not involve solely the infusion of more dollars. Continual inquiry must be made as to the value and relevance of research undertakings. The Institute could perform a highly valuable service as a catalyst in the development of areas in which research has been long neglected.

Most legal research of the past has been doctrinal research *in law*. However, studies have begun to appear which shed new light on the operation of the processes of law in society—research *about law*.[5]

5. Advisory function

The Institute could play a significant and effective role as an advisor to all branches of government and to the profession. Its recommendation, based upon research and analysis, would certainly tend to carry great weight.

6. Continuity function

Perhaps one of the critical roles which the Institute would assume is to provide functional continuity for the modernization effort. History demonstrates clearly that continuity of direction and operation has been a principal weakness in the functioning of law and in the quest for more effective administration of justice.

7. Neutrality function

A seventh function of the Institute would be its mandate to insure neutrality. It should remain, as much as possible, free from political control of its decision making. While the rule of law in theory knows no party, the nature of our representative government inevitably brings political influences into the operation of the system of justice. An Institute governed impartially is both possible and essential.

Funding

It is contemplated that the Institute would be funded from both public and private sources. It would be both a grantor and a grantee of funds.

In its role as grantee, the Institute would be authorized to receive funds for its general administration, under contract for specific projects and programs and under grants for either specified or unspecified uses. As grantor, the Institute might serve as a funding agency for investment of public or private funds in research or action programs.

It is this writer's view that the creation by Congress of this Institute would not eliminate the continuing need for funding from numerous other sources including individuals, organizations, foundations and state and local governments. On the other hand, it is perfectly apparent to all who have examined the problem that the costs involved in modernizing the justice system—after generations of neglect—will be so large that additional responsibility for making funds available must necessarily rest with the federal government. As the Institute progresses in its survey function, it will only then be able to project accurately financial needs in a realistic way.

It should also be understood clearly that the Institute is not intended to supplant or put out of business existing agencies performing valuable work in the various areas of law and justice. Its aim will be to do more, not less. The Institute will be in posture to provide a common rallying point for concerned individuals and organizational efforts to obtain congressional and executive response for projected needs.

Staff

It is contemplated that the Institute would have an interdisciplinary, broadly experienced professional staff of modest size. The staff, as directed by the governing authority, would not assume the functions presently performed by other organizations; rather, it would undertake functions not now being performed or being performed on a very limited basis.

It is not anticipated, for example that the Institute would itself be a large research organization. It would contract with universities, law schools, bar associations, legal associations, bar foundations, other professional organizations, private corporations and governments to carry out evaluation and research projects.

The staff would be responsible to and serve under the direction of a governing body which might be constituted as a Board of Directors.

Governing authority

It does not seem desirable at this juncture to suggest the specific type, size, or constituency of a governing board. Suffice it to say that the governing body should be appointed for a term of years by the President with the advice and consent of the Senate. Ex officio members might include the Chief Justice of the United States and other high government officers. In all events, members of the governing body should be selected with due regard to their experience, knowledge and proven dedication to the mission of justice.

What the Institute should not be

In any attempt to define what the National Institute of Justice should be, it is critical to inquire as to what it should not be.

The Institute should not usurp functions of existing entities. On the scene today are a number of public and private organizations dedicated to the modernization and efficient functioning of the law society. These include the Federal Judicial Center, the National Center for State Courts, the Law Enforcement Assistance Administration, the American Judicature Society, the American Bar Foundation and other private foundations of research and action in the field of justice, bar-related organizations and research centers. In its coordination role, the Institute would utilize existing organizations, and indeed nurture their further development and usefulness.

The role of the Institute would most certainly not include any attempt to federalize the state courts. Such a statement hardly seems necessary except for the extreme fear of some that action at a national level that involves funding by the federal government may be so motivated. It is contemplated that the Institute would be as much the servant of the states as it would of the federal government. If the Institute were to be successful, its reputation would depend upon its even-handed administration, its thoroughness and its understanding of the broad spectrum of problems in the administration of justice on the local, state and national levels.

It was said long ago and repeated many times since that the law is too important to be left to lawyers. The work of the Institute would be much too pervasive and too important to be other than interdisciplinary in its governing body, its staff and its concept.

The institute is envisioned as a cooperating, coordinating, and consulting organization that would make its resources available for the investigation, analysis and solution of legal and law-related problems. Thus, its staff would primarily perform consulting services, as opposed to having direct responsibility for the implementation of reform movements. In short, the staff would provide insight into ways that modernization resources might be utilized most efficiently.

Because the Institute would not be possessed with coercive power, its effectiveness could only develop as a result of its creativity and its applied expertise in fulfilling its functions. Only if the Institute proves capable of performing that function would its services be in demand or its recommendations be heeded.

III. STRUCTURES OF RESPONSE IN OTHER DISCIPLINES

The concept proposed in this article is not entirely new. Almost precisely fifty years ago Mr. Justice Benjamin Cardozo urged the creation of a ministry of justice.[6] He envisioned that a ministry consisting of five members might observe the law in action, develop recommendations for reform in the civil law and report to Congress and the state legislatures where change was needed. In making his recommendations, Mr. Justice Cardozo observed that his thought was not novel, pointing to the prior proposals of Roscoe Pound, Lord Westbury, Lord Haldane and others.[7]

Other proposals have been made in Congress in more recent years. The late Senator Dirksen and Congressman Emanuel Celler proposed the creation of a national foundation of law in bills submitted in 1967.[8] These bills were offered in full cooperation with the American Bar Association, the Association of American Law Schools and the American Association of Law Libraries. In both the 90th and 91st Congresses Senator Fred Harris submitted proposals for the creation of a National Foundation of the Social Sciences.[9] Senator Harris' proposal envisioned a foundation designed to support academic research, education and training in the fields of political science, economics, psychology, sociology, anthropology, history, law, social statistics, demography, geography, linguistics, communications, international relations, education and other social sciences. In presenting his bill, Senator Harris called particular attention to the fact that his proposed foundation would perform no in-house research, but would, in keeping with the precedents set by the National Science Foundation and the National Foundation for the Arts and Humanities, underwrite, fund and support academic research, education and training in the social science field.

Appropriate inquiry might be made as to whether a National Foundation for the Social Sciences could adequately perform the functions of the proposed National Institute of Justice. The argument can be made quite forcefully that the interdisciplinary atmosphere of an organization devoted to the social sciences might indeed have a statutory effect.

This proposition has been thoughtfully analyzed by Robert B. McKay, Dean of New York University Law School, when he made the following observation:[10]

"[S]ocial scientists do not regard law as a kindered discipline. Accordingly it seems likely that in a social sciences foundation the law would always be the poor relation and that the important tasks we believe should be undertaken would not be supported except where there was an interdisciplinary study to be made in which law could play a complementary, but secondary, role."

With respect to the Dirksen-Celler proposals of 1967, it should be made clear that the leadership of the American Bar Association played a very significant role. Indeed, the leadership of the ABA, the Association of American Law Schools and the American Association of Law Libraries actively solicited the support of Senator Dirksen, Congressman Celler and their colleagues in both the House and Senate in support of that proposal. Why then, it may be asked, after four years has the proposal not been more actively pursued by the associations to the point that it might even today already be a reality. Such legislation commonly requires a germination period. At the time the Dirksen-Celler proposals were introduced it was assumed that it would take a number of years to bring about the adoption of them or similar legis-

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lation. Indeed, the history of the several models described above indicates that this has been the pattern in each case.

The present proposal is thus not reflective of any abandonment of the broad principles contained in the original Dirksen and Celler bills, but is rather reflective of the refinements in thought that have evolved during the past four years. Indeed, it is recognized that there may be other refinements of the concept suggested from many sources before any proposal becomes a reality.

Both the Dirksen and celler bills and the Harris bills envisioned the creation of their proposed foundations as Independent administrative agencies of the federal government—one of four general types of independent government or government funded entities. These are the independent administrative agency, the government owned corporation, and the federally chartered not-for-profit corporation, and federally chartered profit making corporation. The National Institute of Justice is envisioned as a federally chartered not-for-profit corporation.

Existing models of independent administrative agencies are the National Science Foundation and the National Foundation of the Arts and Humanities. An example of a federally chartered not-for-profit corporation is the Corporation for Public Broadcasting.

The National Science Foundation was created to strengthen both research and education in the natural sciences. It was brought into existence as the result of a report prepared at the request of the President describing how best to develop a national science policy and to support basic research and education in the natural sciences. The report was submitted in 1945 by Dr. Vanevar Bush, Director of the Office of Scientific Research and Development. It recommended the establishment of an independent federal agency composed of members to be selected by the President. The establishment of the National Science Foundation took some five years after submission of the Bush report. The Foundation is authorized to make grants to institutions and provide fellowship programs for individuals; it now receives about a half billion dollars annually for its work.

The National Foundation of the Arts and Humanities was created to encourage and support the humanities and the arts through studies and grants. It was many years aborning. In 1951 President Truman requested a report on the status of the arts with respect to government. Two years later a report was submitted to President Eisenhower and in 1962 President Kennedy urged approval of a measure establishing a federal advisory council on the arts. Proposals were made in the next two years for a national council on the arts and a national arts foundation. In 1964 the National Council on the Arts was created and in the following year the National Commission on the Humanities joined forces with the Council to bring about the creation of the National Foundation of the Arts and Humanities. The Foundation has certain unique qualities of organization that are not here relevant. Its importance lies in the fact that responsible individuals in the field envisioned an independent agency modeled along the lines of the National Science Foundation, which would provide general support for research and education in the humanities. There appeared to be no other logical place within the federal establishment to provide a home for the arts and humanities.

The Corporation for Public Broadcasting was created in 1967 following a study by the Carnegie Commission on Educational Television. While acknowledging the free speech dangers implicit in government participation in the communications media, the Commission recommended extensive federal funding for television program production. In terms of structure, it is significant that the Commission proposed the establishment of a federally chartered not-for-profit corporation which would be neither an agency nor an establishment of the United States Government Under the enabling legislation the President of the United States, operating under certain guidelines, appoints the fifteen members of the Corporation's Board of Directors. The Corporation may receive funding from the federal and other sources.

It was thought that the federally chartered not-for-profit corporate structure would most effectively provide the independence, continuity, funding and political insulation vitally needed for operation in this controversial and sensitive area.

Each of the foundations and corporations described above bears some similarities of purpose and function to the proposed National Institute of Justice. Each is designed to provide a home for a discipline or a profession wtih great public service commitment that will make possible a continuity of direction and leadership, will encourage development, research and education, will provide responsible funding grants and will insure competent, independent and neutral direction. Each of these provides an analogy and insight for considering the creation of a National Institute of Justice.

IV. THE MANY PRESSURES OF MULTIPLE CHANGE

An overview of developments within the profession emphasizes the need for the creation of a National Institute of Justice.

In addition, inquiry is justified as to whether any existing institution, or a combination of institutions, including the organized bar, are presently capable of performing along the functions deemed necessary for effective and comprehensive modernization.

Accordingly, some of the major areas of evolution in the modernization process are considered, followed by an analysis of the role of the organized bar in this process.

During the Twentieth Century the components of our machinery of justice—the courts, the practicing profession, legal education, the methods of practice, law related research—have too frequently lagged in their response to the problems and challenges of our rapidly changing society. Indeed, the practice of law in this country has been described as the last cottage industry. It should be observed that this has not been for want of concern on the part of dedicated lawyers, judges and numerous organizations of the profession. Rather, problems concerning the administration of justice and the practice of law have for too long been considered primarily the provincial concern of judges, lawyers and their constituent organizations. As has been described, in areas such as medicine, the natural sciences, and the arts and humanities, it was deemed in the national interest to create national organizations to foster development, research and innovation.

In contrast, the failure of this nation, until recently, to view problems concerning the effective administration of justice with sufficient seriousness to warrant a commitment of substantial resources from the federal government, has meant that those struggling to modernize the legal profession, legal education, and our justice machinery, have had to work with minimal funding wholly inadequate to meet the magnitude of the problems. We have too often gone in separate ways without carefully evaluating the merits and effectiveness of our efforts and without resources to interrelate results with the overall problems of judicial administration. The inescapable conclusion one draws from most of these past efforts is that the approach has been comparable to trying to construct a space vehicle by assigning a thousand engineers, each left in isolation, to design one specific component with little comprehension as to how the components would function together when assembled. It may, therefore, be helpful to look briefly at certain components of the justice system in terms of the recognized needs of an urban society.

How law is practiced

In comparison with other vital aspects of society, the practice of law today and the basic methodology of the courts have changed relatively little from the days of Thomas Jefferson and John Marshall.

For many early nineteenth century lawyers the primary and often sole source of legal research and knowledge * * * and Blackstone's *Commentaries*. And between 1790 and 1840 our courts produced only about 50,000 reported decisions. The next fifty years produced about nine times as many—450,000. From 1890 to the present the courts have added almost two million published decisions to our legal storehouses of knowledge. And this does not include the hundreds of thousands of new regulations which have been issued by administrative agencies or the approximately 10,000 new statutes adopted by legislatures each year.

New tasks and new demands have been placed on today's lawyer. The call for equal access to the machinery of justice and to professional legal counselling for the poor and for members of minority groups has created new demands to which the bar has responded. Increasingly, questions are being raised as to the adequacy of available legal services to middle income American families.

Inherent in the increased recognition and utilization of the courts as effective vehicles for social and political change has been the mounting pressure on the lawyer and his profession to promote and protect equally due process, and the "public interest" for those who could not individually afford a lawyer's services. New opportunities for public service by younger attorneys have developed. Law firms and bar associations have been challenged to attain an even higher level of public service activity.

Unlike industry and government, lawyers have not been able to reduce appreciably the number of expensive man-hours they devote to routine legal tasks. With certain exceptions, which will be discussed later, the ideal of the profession has long been to provide custom-tailored services to each client. The sources of essential legal research—court decisions, statutes, and administrative regulations—have skyrocketed quantitatively. Lawyers' research has become increasingly costly, and it is the client who must pay for the straining shelves of law books and the expensive manpower necessary to extract needed materials in them.

Yet young associates and solo practitioners, still pore through indices, digests, cases, commentaries and looseleaf services in the same manner as their great-grandfathers. These laborious methods remain the primary information retrieval system of the profession.

To this day routine legal research remains largely untouched by computer technology. The reasons are probably less the limitations of the computer than the high capital cost of better legal indices for computer use and for programming millions of bits of information. This high initial cost has certainly been a major deterrent to extensive utilization of automated information retrieval.

Another characteristic of the legal profession today is its increasing specialization. The lawyers image of himself as a generalist, fully proficient in the law as a whole, bears little relation to reality. New areas of legal practice and inquiry have been added steadily during this century, *e.g.*, labor relations law, federal tax law, civil rights law, antitrust law, and securities regulation law. Numerous other examples could be cited. The practicing lawyer today is constantly confronted with the problem of how little

of the "seamless web of the law" he can hope to practice with proficiency.

The growing national uniformity of laws harbors profound implications for the profession and its admission procedures. This century has been particular witness to the growing influence of federal laws and agencies regulating both man and his industry, labor and finance. The portion of a lawyer's time spent on matters regulated solely by state law has declined steadily. Suffice it to say that many practitioners today devote most of their practice to federal matters which were unknown 75 years ago.

The move toward modernization: An unfinished saga

The American Bar Association and the legal profession as a whole have in recent years devoted increased time and resources to consideration of methods for modernization. There exists a growing awareness in the Bar that the profession as traditionally structured has not met many of the legal needs of individual citizens. Changes in society as a whole have exerted certain but incalculable pressure on the profession to change. They have been affected by the emphasis upon research and innovation and by the increasing demands first of the poor and now of the middle class to share in the benefits on an affluent society, including quality professional services of the doctor and lawyer.

Issues with respect to the modernization of the profession have arisen in two broadly defined areas. First, issues concerned with the internal organization of the legal profession, including specialization, use of paraprofessionals and computer technology are increasingly being considered. Second, issues related to the delivery of legal services to individuals are undergoing intensive scrutiny. These include, *inter alia*, prepaid legal cost programs, group legal practice, legal aid and judicare, and lawyer referral services.

Specialization

Specialization in the legal profession is a fact of life. A proportionately smaller number of lawyers today practice alone or with one partner—the standard form in rural small town America—the America of the Nineteenth Century. Industrialization and urbanization brought the growth of large industrial, financial and governmental organizations. As these institutions grew, so did the law firms which provided them with legal services. As large law firms developed, the lawyers within them often began to specialize and to organize into departments in order to provide better services to the client. Large corporations promoted specialization in the legal profession by employing lawyers as corporate counsel to serve the highly specialized legal needs of the corporation. The growth of widely diversified and specialized government agencies resulted in the need for large numbers of attorneys to work in the agency's specialized area. Government has become a vast training ground for specialized legal practice. As a result of these changes in the structure of the profession, over twenty percent of the lawyers who practice in the United States today are "one client"—government or corporation—lawyers. The move toward specialization also has affected the single practitioner and small firm. Specialties such as personal injury litigation, criminal law, domestic relations, and labor law are increasingly areas of specialization for the single practitioner or small firm lawyer.

While the de facto growth of specialization has been recognized both within the profession and by its clients, the bar has only began to cope with the implication, opportunities, and problems of the formal recognition of specialization. Much experimentation will be necessary concerning certification requirements, e.g., the roles of laws school curriculum, "internship" or apprenticeship, continuing legal education and graduate law study in training for a specialty. The area of examinations in speciality certification is still largely unexplored. No state as yet has developed a comprehensive specialist certification procedure, although California presently is experimenting with a certification system for specialists in workmen's compensation, tax law and criminal law.

The implications of specialization also remain largely unexplored. Careful study and thought must be given to the role of the general practitioner in an era of increasing specialization. A determination must be made as to the appropriate mix of formal education and practice for training in various fields of specialization. For example, it may be reasonable to require a litigation specialist to have more courtroom experience than classroom experience. The mix of the practical and the formal education for a tax expert may be quite different. Heretofore, the resources for exploring these questions have been woefully lacking.

Paraprofessionals

The case of greater utilization of paraprofessional legal assistants was well stated by the ABA Special Committee on Availability of Legal Services, which observed that: "freeing a lawyer from tedious and routine detail, thus conserving his time and energy for truly legal problems, will enable him to render his professional service to more people, thereby making legal services more fully available to the public."

Traditionally lawyers have used clerks and secretaries as assistants for handling administrative aspects of the practice of law such as filing papers, searching court records, preparing forms, and other routine tasks. As the profession strives to extend legal services to more and more individuals in lower and middle income groups, the occasions in which routine operations may be performed by trained lay assistants will be multiplied.

The ABA Special Committee on Lay Assistants for Lawyers recently conducted a pilot training program for legal assistants and is developing model curricula for training law office personnel. The future for the development of educational programs for such training in colleges and law schools and of certification standards and procedures for this new vocation are virtually unlimited.

New systems for delivering legal services to individuals

The profession is in a state of ferment with respect to the development of new systems for the delivery of legal services to persons of moderate means and to the disadvantaged. There are genuine considerations of professional standards concerned with independence of the attorney and with conflicts of interest. Serious questions have been raised as to whether the present pattern of providing legal services to individuals is adequate to enable the average person to know when a problem confronting him is one in which a lawyer can help, to know whether the lawyer's service is worth its cost; and to locate a lawyer he is confident can and will provide the expert legal assistance he needs, at a cost he can afford. The conclusion is unavoidable that the profession, as presently structured, does not adequately meet these criteria, to serve low and middle income people.

Pressures of change have come from several sources. In the 1960s the Legal Services Program of the Office of Economic Opportunity was created, as a result of the widespread recognition of the inadequacy of the then existing legal services delivery system for low income Americans. Today about 2,000 legal services attorneys are handling approximately two million cases each year for the poor. The same questions are being raised now of the adequacy of legal services available to individuals above the poverty line—those in the middle and lower-middle income groups.

Probably the greatest force today behind the development of new systems to make legal services more readily available to middle income groups is the trade union movement. Labor organizations have obtained, through collective bargaining, substantial medical coverage benefits for their members in the form of insurance and group practice programs. It was predictable that they would also turn their attention to legal services available to their members.

Group legal services

The term "group legal services" as discussed here connotes a plan in which a group or organization designates one or more lawyers to represent individual members of a group. Numerous group legal service plans are operating today, frequently under the sponsorship of unions.

These plans have created continuing controversy within the legal profession. However, the issue no longer primarily revolves around whether such plans may be allowed to exist. The United States Supreme Court, in a series of decisions, the most far-reaching of which was *United Mine Workers v. Illinois State Bar Association*,[11] has shielded such arrangements against charges of unauthorized practice. One commentator has stated that the holding in the *Mine Workers case* makes it "difficult to conceive a practical and attractive group legal arrangement that would not be protected by the rule it announces."[12]

Group legal services have been around for some time. Certain forms of group practice have been accepted by the profession. Probably the most common group legal service arrangement is in the automobile insurance industry. Individuals protected by automobile casualty insurers must, in the event of a claim, accept counsel of the company's choice. In addition, the legal needs to the poor served through the OEO-funded Legal Services Program are primarily met by a group legal services structure. A substantial amount of additional study and analysis must be performed to determine the effectiveness of group legal services plans. But the need for new methods to better meet the legal services requirements of large numbers of people can be said to constitute one of the most pressing problems facing the profession today. The Bar can ill-afford to ignore the reality of group legal service programs; a brochure published by the ABA Standing Committee on Lawyer Referral Service has observed that "the time may well come when a majority of the general public will receive all needed legal services from lawyers provided by lay organizations."

Prepaid legal cost insurance

Another change in the structure, primarily in the funding of legal services for the middle class, has been embryonic development of prepaid legal cost programs. Examples of the growth and success of hospital and medical insurance plans have raised the question of the feasibility of financing legal services generally through pre-payment plans. The funding of "routine" legal services under this concept is, strictly speaking, a pre-payment or financing mechanism rather than a spreading of the risk. The automobile insurance industry has long had experience in calculating the cost of legal services as part of the insurance premium; but this has been primarily coverage for legal catastrophe. As yet we have had little experience with prepayment mechanisms for routine legal services.

The American Bar Association Special Committee on Prepaid Legal Services is sponsoring a pilot program in Shreveport, Louisiana, in cooperation with the Shreveport and Louisiana State Bar Associations, which has been in operation since January, 1971, with Ford

Footnotes at end of article.

Foundation funding. The Committee is undertaking sponsorship of a pilot program in Los Angeles, California, which has not yet begun operation. Prepaid legal service programs are attractive to trade unions, and other consumer groups, including teachers and municipal, state and federal employee associations. However, problems concerning such sponsorship are myriad. For example, employer contributions to such plans are presently not authorized under the Taft-Hartley Act. Unlike health and medical service benefits, contributions to these plans are not tax deductible. Whether state insurance departments will consider prepayment plans as insurance for the purpose of state regulation is not presently known. These and other questions require further exploration.

Many members of the organized bar see prepaid legal cost programs as a vehicle for providing more effective legal services for individuals without placing a lay intermediary between the attorney and his client. Indeed, due in large part to efforts of the Association, twenty-three state bar committees have been established to explore the establishment of prepaid plans.

Lawyer referral services

Although lawyer referral systems have been in operation in the United States since 1937, there are today only 267 lawyer referral offices in operation, dealing with approximately 250,000 clients each year.

The present system bears some similarities to the legal aid system as it was constituted prior to the introduction of the OEO Legal Services Program. It is typically underfinanced, inadequately advertised, and underutilized. To be sure, the present system is making a substantial day-to-day contribution to the availability of legal services to the public, but those who have given the most penetrating consideration and study to the problem are generally dissatisfied with the capacity of the present system to meet the much wider unfilled needs of middle-income families. The ABA Standing Committee on Lawyer Referral Service has indicated that a major problem is to provide some assurance to the public that the quality of service which an individual will receive would be significantly better than could be accomplished by selecting a lawyer at random from the yellow pages of the telephone book.

Judicare

The OEO Legal Services Program has almost exclusively utilized the approach of funding offices staffed by attorneys employed to perform legal services for the poor. Only a few OEO-funded programs permit the client to select a private practitioner who is then reimbursed by the funded agency. This system is known in the profession as "Judicare," and its supporters argue with considerable logic that it is the only practical method of providing legal services in rural and sparsely settled areas.

The need for evaluation of methods

Thus, there is a pressing need to intensify the study of the effectiveness and relative cost of new and old systems for the delivery of legal services. The basic obligation of the profession is to provide legal services to the public, to make such services available to all members of society, and, in so doing, to insure that they are performed by qualified persons who have been adequately educated.

Legal education—Law schools in lockstep

Law schools are today in a period of profound soul searching and re-evaluation. With striking uniformity they have followed curriculum and teaching methods developed in the late Nineteenth Century. Most are now revising their curricula to introduce more effective methods of educating and training lawyers to deal with the problems of the late Twentieth Century.

Traditionally, the source of most law school teaching materials has been appellate court opinions. Of course, any practicing lawyer knows that the world of the appellate court opinions is often a considerable distance from the real world of most legal practice. Until recently there was little innovation in law school teaching methods and content. The case method of teaching long reigned supreme.

It has been suggested that the complete lawyer should receive three types of education which may or may not be subject to combination. He should be taught to analyze the legal significance of issues. He should be taught techniques of practice. He should learn the social, political and economic dynamics of our society inasmuch as the law is the basic regulator of these dynamics. Traditionally too, law schools have seen themselves as educating prospective lawyers to *think* like lawyers, leaving to others education in the technique of practice. Clinical teaching was relatively rare, with legal writing reserved, in the main, for the law review editor.

Until recently little concern was evidenced over the failure of legal education to familiarize prospective lawyers with how society works. But today, law schools are profoundly involved in a re-evaluation of their role and responsibility to themselves and to society as a whole. Law schools are increasingly concerned with the relevance of their curriculums. This concern has produced new courses and orientation. There has been increasing concern with interdisciplinary aspects of legal education. Clinical training is increasingly supplementing the traditional classroom curriculum.

In the past a major limitation of experimentation with curricula and teaching methods was the view perhaps accurate, that most law students were headed in the same direction, i.e., toward traditional private practice. Law schools today are faced with a far greater diversity of student interest. This is due in part to expanded opportunities for legal practice in government, legal aid, and other full-time public service activities, and to the increasing specialization of private practice. Teaching has been oriented to training legal generalists on the theory that even a specialist needs to know something about other areas of the law. However, the reality of specialization has raised questions about whether there is a role for law schools in the training of specialists. Moreover, continuing controversy revolves around the relevance and use of the third year of law school. Clinical training, interdisciplinary studies and specialization are all increasingly vying for that last year of the law student's education.

Increasingly, law schools are asking whether they should break the uniformity of past patterns and begin to develop specialties and particular emphasis, i.e., should urban law schools emphasize urban legal studies with perhaps a greater research and behavioral orientation.

Three major barriers have served to retard experimentation with new curricula; the conservation inspired by the success of the case method in its time; bar examinations; and funding. The so-called "national" law schools are perhaps most affected by the first factor, because they have been most successful by traditional standards of legal education. On the other hand, although the national law schools have not oriented their course primarily toward bar examination, the majority of schools have been sensitive to that practicality. Undoubtedly, tradition-bound bar examinations have discouraged innovation in law schools. Some experimentation with a national bar examination is now going forward under the auspices of the Association of American Law Schools and the National Conference of Bar Examiners. This effort is being widely applauded and carefully observed.

Formal education in the law is still a remarkably young idea in this country. In fact, it has only been in the last half century that the majority of practicing lawyers have been trained by law schools. Historically, young aspirants to a legal career "read law" in the office of a licensed practitioner, and the requirement of formal legal education as a prerequisite to taking a bar examination is a comparatively recent development.

Many law schools had their beginning in the basement of a YMCA and as night schools catering to the part-time student. A large number of schools were started as proprietary institutions and there remain a surprising number of such institutions, especially in the State of California. Among the law-budget proprietary operations large classes are the normal mode of operation. It is also true that even the law schools forming a part of universities are expected to produce a profit. The notion of a university law school receiving research and educational grants from its parent organization generally has been a foreign thought. As an inevitable result, curricular innovation, including greater clinical and research programs, which would require significant increases in law faculties, facilities and funding, have been slow to develop.

Research by law school faculties and students has, over the years, been minimal, especially as compared with other descriptions. That which has been undertaken has largely been of a doctrinal nature.

The history of the funding of legal education and research from private sources suggests that significant change in the foreseeable future is unlikely, unless new and substantial sources of income are made available.

Continuing legal education

Continuing legal education has in recent years become a significantly more important component of the lawyer's training.

This, too, reflects a recognition of the incompleteness of law school education as preparation for legal practice.

The early efforts of the Practicing Law Institute and the Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association paved the way for rapid growth of programs of continuing legal education. Such programs are now widespread. Today most state and some local bar associations, as well as many law schools, sponsor continuing legal education programs.

Increasingly, the profession sees continuing legal education as at least a partial answer to a number of its problems. It is seen as a way of minimizing the learning which a new attorney might otherwise experience at a client's expense. It is looked upon as a method by which specialists can increase their proficiency and general practitioners develop specialties. It is an avenue for bridging the knowledge gap created every time major new legislation is enacted.

Funding is and will continue to be a major problem in continuing legal education. It restricts the types of programs which can be offered; programs must appeal to significant numbers of attorneys in order to pay for themselves. To a limited extent profitable programs can support the unprofitable ones, but this places serious limitations on developing programs for less profitable specialties or in areas of public service. The result is that these areas are likely to be neglected.

Two illustrations of education in the area of court administration are worthy of note. Until 1964 there did not exist in this country a school for state trial court judges. It was only with the inspired leadership of Tom C. Clark, then Associate Justice of the U.S. Supreme Court, and the infusion of substantial funding by the Kellogg and Fleischmann Foundations that the American Bar Association's National College of the State Judiciary became a reality. More than 30 percent of the state trial judges of courts of general jurisdiction have since attended the college.

Until last year there was no institution in the United States for the education of court administrators and executives. Under the leadership of the Chief Justice, Warren Burger, and with a large grant from The Ford Foundation, the Institute for Court Management was created. It already has graduated two classes and has inspired some law schools to undertake the development of programs leading to a master's degree in Court Administration. It was a large factor in persuading Congress to enact the Court Executives Act creating "business managers" for each of the Federal Circuits.

Regulating professional qualifications

The state has conferred on the lawyer the exclusive right to provide legal services. Yet neither the profession nor the state has developed a procedure for admitting attorneys to the bar which assures the public that those who are licensed to practice have achieved a reasonable level of competency or possess the necessary moral qualifications. It is fair to say that there is near consensus within the legal profession and state bar examinations do not truly test whether an applicant is competent to practice law. Indeed, no law firm would base its decision to employ an admittee on the strength of his passage of such a written examination. The plain fact is that no written test can measure the ability of an applicant to perform many of the facets of practice. Furthermore, while specialization is a growing reality in the legal profession, bar examinations do not reflect this fact, and at the present time there is no later certification procedure regulating such specialization.

Many are of the view that the regulation of professional qualifications is not the concern of the law school. Some suggest that it is the responsibility of the organized bar. Others lay the responsibility on the judicial branch of the state government. In any event, it is certainly the responsibility of some group within the profession, and the plain fact is that professional competency is not now receiving sufficient constructive attention.

Research in and about law

One of the hallmarks of today's society is its reliance upon research as an instrument of development and progress and for the solution of problems. One need look no further than his television set to observe the constant emphasis on research in the advertisements of program sponsors. Typically, one hears such slogan as "progress through research;" "Ford has a better idea;" "progress is our business;" etc.

Insofar as research in the law is concerned, it may be divided into two types: doctrinal and empirical. They have been described by Professor David Cavers of the Harvard Law School, as research in law and research about law. In the field of doctrinal research, or research in law, the legal profession has historically made important contributions. This kind of research required little money and could be traditionally performed in the library. This was pointed out by Dean Robert B. McKay of New York University Law School in his testimony before the Senate Subcommittee on Government Research [illegible] in which he observed that lawyers have made great progress in systematizing and unifying the law through their doctrinal research. This has been true despite the obstacles presented by a diverse federal system comprising more than fifty separate jurisdictions.

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By way of illustration, Dean McKay pointed to the substantial contributions of the American Law Institute and the Commissioners on Uniform State Laws as examples of what lawyers could do with modest sums of money.

However, it has been only in very recent years that the professional has come to realize the importance of empirical research and the responsibility of the profession for its conduct. This awakening concern for research about the law led to the establishment of the American Bar Foundation, the research arm of the American Bar Association. The work of the Foundation has been primarily limited by the funds available to it. Law schools evidence a growing commitment to research about the law, but here, too, financial resources are limited.

As Chairman of a Special Committee on Financial Resources of the Association of American Law Schools, Dean McKay conducted a study financed by the Walter E. Meyer Research Institute of Law, the purpose of which was to ascertain the level of private philanthropic contribution to legal education and legal research. The results of that study indicated that private foundation support has not been large. During the twelve-year period of the study most of the funds were granted for construction, fellowships and individual research. Only a modest amount was made available for empirical research.

Of the funds granted to law schools, more than 60 percent was concentrated among five schools and nearly 80 percent was concentrated among ten. The Ford Foundation was the principal grantor, accounting for more than two-thirds of all foundation support. Grant money went primarily to international legal studies, graduate fellowships for law teachers and the administration of justice, particularly in the criminal field. In the final year of the period studied, only a little over one percent of all foundation grants allocated to the sciences and social sciences was directed to law.

In the same period, the government was providing only negligible support for legal research. At the time of Dean McKay's study, the National Science Foundation had made no grants for legal education or legal research. Likewise the National Endowment for the Humanities made no research grants to lawyers. Proposals introduced in Congress for a National Foundation for Social Sciences and a National Foundation of Law and Justice have not yet received wide support.

In contrast, research in support of the physical sciences has fared very well at the hands of both private and public agencies. Admittedly, the legal profession has been slow to awaken to its responsibilities and opportunities to improve the function of our law society through research about the law. But it has been demonstrated that lawyers working together and working in conjunction with other disciplines are quite capable of making the system work better. The obvious need today is to provide adequate funding, continuity and direction.

The crisis in the administration of justice

The inadequacy of our nation's judicial machinery, which was designed to meet the needs of an agrarian society in the late Eighteenth Century, has produced a crisis in our judicial system. This crisis is the result of a multitude of long-neglected problems which, because of increasing demands being placed upon our court system, now threaten much of the system with virtual collapse. There is hardly an urban court which is not touched by the crisis. Interminable delays threaten to destroy the usefulness of our civil courts for the peaceful and orderly resolution of conflicts. Delays in the criminal courts too often mock both the concept of deterrence or the rights of accused. Many judges now must devote an inordinate amount of time to administrative details which could be better handled by others. At the same time, assembly line justice often prevails. Appellate courts are equally affected. In many state systems the average time required to process an appeal can consume in excess of eighteen months.

The task of resolving the problems which contribute to this crisis is not easy, for resort to simplistic solutions usually creates a high risk of destroying the very system which such solutions are intended to save. What is needed is reform within the context of our legal traditions.

The focal point of the machinery of justice in our country is, of course, the judge himself. Too frequently judges, especially in the minor courts that process the bulk of the civil and criminal litigation, receive little or no judicial training or orientation. There remain substantial problems with respect to insuring that judicial officers are competent and have the requisite temperment to adjudicate disputes in a courtroom setting.

On the positive side of the ledger, this is an area which is receiving substantial direction and attention from Chief Justice Burger. He, for example, has been instrumental in the creation of the new National Center for State Courts. His predecessor, Chief Justice Warren, was the moving force in the establishment by Congress of the Federal Judicial Center. Under the broad mandate of Congress, one of the primary functions of the Federal Judicial Center is "to conduct research and study of the operation of the courts of the United States, and to stimulate and coordinate such research and study on the part of other public and private persons and agencies."

The new National Center for State Courts, together with the Federal Judicial Center, the National College of the State Judiciary under the sponsorship of the Section of Judicial Administration of the ABA, and the Institute for Court Management, all are recent examples of advances in strengthening judicial training and support.

V. TRANSLATING DESIRE INTO REALITY

Inherent in the efforts of most legal reformers, voluntary and professional, has been the assumption that if enough human energy were applied by enough dedicated groups existing machinery could be improved and the crisis in justice could be met. The piecemeal, uncoordinated nature of the various efforts seems not to have been regarded as a deterrent. At least they have been accepted as an inevitable fact of judicial life. But with it all, comprehensive, coordinated national planning is lacking and effective modernization of the system appears still to be an elusive and urgently needed element.

From the time of the creation of our constitutional government, the condition of justice has suffered almost directly in proportion to the increasing population and the increasing complexity of our society. The responsibility, although often the subject of partisan political debate, has fallen on the lawyer and ultimately the organized bar. Lawyers are educated to understand and deal with the application of the rule of law. Moreover, they are virtually the only professional group having complete access to the machinery of the administration of justice; the enforcement of societal mandates through law. In short, they are intermediaries between the theory of the law and its application to society.

Yet the very nature of the practice of law can be contradictory in terms of the interests of society and the interests of particular individuals, or organizational and governmental entities. They are paid advocates, ethically bound to consider the client's interest as paramount to virtually all other considerations. This obligation is to be juxtaposed with a commensurate obligation—also a matter of ethics—to work for the public good.

Efforts to accommodate these co-equal obligations have been pursued, in the past, mainly through the organized bar or through government. One has only to consider the makeup of the executive, judicial and legislative branches of government to note the intricate and pervasive involvement of the lawyer in the administration of justice. Chief Justice Burger aptly articulated this in his State of the Judiciary address at the 1971 ABA Annual Meeting several months ago:

"A strong, independent, competent legal profession is imperative to any free people. We live in a society that is diverse, mobile and dynamic, but its very pluralism and creativeness make it capable of both enormous progress or debilitating conflicts that can blunt all semblance of order. One role of the lawyer in a common law system is to be a balance wheel, a harmonizer, a reconciler. He must be more than simply a skilled legal mechanic. He must be that, but in a larger sense he must also be a legal architect, engineer, builder and, from time to time, inventor as well. This is the history of the lawyer in America, and in this respect he is unique among the lawyers of all societies."

While it cannot be said that kinship among lawyers is so great that one may find them huddled together under one roof, they are gregarious enough that the vast majority of them belong to state and local bar associations. More than half of them voluntarily belong to the American Bar Association, the national organization of the profession.

The movement to organize lawyers into bar associations on a national, state and local level is a little over a hundred years old. The organization started in metropolitan areas and the more populated states. The early associations were voluntary in nature and had modest budgets. Permanent staffs did not exist; association projects were carried on by volunteers. The Bar was not seen in those days as responsible for the discipline of members and certainly not as the harbinger of reform.

The passage of time brought many changes. As bar associations assumed larger roles in professional standards of conduct and practice, and a larger share of responsibility for the machinery of justice, the so-called integrated bar began to develop among the states. This concept, requiring every practicing lawyer to belong to the professional organization of lawyers in a state, took place largely during the middle third of this century. Today, half of the States have integrated bars and the trend in that direction is continuing. Even with this movement, inadequate funding has in most states prevented the mounting of effective programs of discipline, education and improvement of judicial machinery.

It may surprise some to realize that the American Bar Association had no permanent staff for the first half of its nearly one hundred years. Indeed, not until the middle of the 1950's did it have sufficient funds to staff a limited number of projects and activities. Membership in the American Bar Association has trebled in the past fifteen years, while its income has grown by more than 600 percent. In the last decade an even more significant development has taken place—the funding of public service and educational projects through foundation and government funds. About half of the Association's annual income now comes from such sources. It is this writer's belief that that percentage will grow in the decade ahead to between 65 percent and 75 percent of the Association's entire income.

Indeed, the progress of the organized bar in the past decade has been so marked that some believe that the crisis in the administration of justice can be met by the organized bar under the direction and leadership of the American Bar Association. While the forward strides of the last decade are a source of encouragement and even some pride, and while the leadership of the American Bar Association is dedicated to the proposition that this organization has the potential for even greater and more significant contributions to the cause of justice, it must be recognized that there are some inherent qualities of a voluntary organization that militate against its completely effective fulfillment of this lofty role.

On the one hand, the ABA House of Delegates includes the widest possible range of representation from all groups who constitute the legal profession today. The Association's present day structure is its strength when called upon to pass upon the conclusions or proposals of others.—Nevertheless, because it is a voluntary organization and represents so many diverse and often irreconcilable views, it should not surprise or discourage us to note that the contribution of the organized bar to the solution of today's social problems has been, of necessity, confined largely to the realm of ideas. Time freely contributed by volunteers, projects financed by volunteers, machinery tuned to decision by consensus, cannot produce the kind of massive, venturesome, sustained and coordinated attack which is required in the field of justice today. Volunteer bar associations, the American Bar in particularly, perform at their maximum efficiency in unfolding and debating a wide range of views. By their very nature, however, voluntary bar associations cannot, at the same time, be fearless in research, forceful in exposition and confident in criticism.

Even if the organized bar could, through reorganization or otherwise, build a sufficient structure from which to conduct far-reaching research programs and substantial pilot programs in our quest for a better society, an argument can well be made against proceeding in that direction. As long as bar associations remain voluntary, their ability to represent all lawyers is impeded. Should the day come when all lawyers speak with one voice, the rest of society may nonetheless readily question both our method and our motive.

The very size of life and society today minimizes the effectiveness which any voluntary group can now offer. Individual contractors alone cannot produce coordinated space programs. Individual railroads cannot serve a sprawling nation. Society today requires a National Institute of Justice.

VI. CONCLUSION

The late Reginald Heber Smith once observed that men can learn, if they must to put up with physical imparity and economic inadequacy; but that a brooding sense of injustice makes them want to tear things down. We who bear the primary responsibility for the machinery of justice in this nation, if we are to be faithful to our oath, must be vigilant in our search to find new and better ways to make equal justice under the law a living reality. It is incumbent upon us to move forward with common purpose and high aspiration that is worthy of our heritage. The National Institute of Justice is a concept whose time has come.

FOOTNOTES

*Executive Director, American Bar Association, Chicago, Illinois; A.B., Duke University, 1944 ('46); J.D., Harvard University, 1949. Mr. Early wishes to thank his associates, John W. Atwood and David C. Long, for their invaluable assistance in the preparation of this article. Mr. Early practiced law in Huntington, West Virginia from 1949 to 1962.

† The Chief Justice of the United States.

[1] Pound, *The Causes of Popular Dissatisfaction with the Administration of Justice*, 40 AM. L. REV. 729 (1906).

[2] *Id.* at 742, 749.

[3] Pound, *A Hundred Years of American Law*, in LAW: A CENTURY OF PROGRESS 8 (A. Reppy, ed. 1937).

[4] *Id.* at 20, 23, 24.

[5] *E.g.* Laswell and McDougal, *Criteria for a Theory About Law*, 44 S. CAL. L. REV. 362 (1971).

[6] Cardozo, *A Ministry of Justice*, 35 HARV. L. REV. 113 (1921).

[7] *Id.* at 114.

[8] S. 2627 and H.R. 13584, 90th Cong., 1st Sess. (1967).

[9] S. 836, 90th Cong., 1st Sess. (1967), and S. 508, 91st Cong., 1st Sess. (1969).

[10] *Hearings on S. 836 Before the Senate Subcomm. on Government Research*, 90th Cong., 1st Sess. 1967).

[11] 389 U.S. 217 (1967).

[12] Schwartz, *Changing Patterns of Legal Services*, in LAW IN A CHANGING AMERICA 117, (G. Hazard, Jr., ed. 1968).

[13] *Hearings on S. 836 Before the Senate Subcomm. on Government Research*, 90th Cong., 1st Sess. 1967).

A NATIONAL INSTITUTE OF JUSTICE

INTRODUCTION

Vigorous attention is given to specific aspects of justice and law in the American community by numerous government and private groups. But, no overall program exists concerning law and justice. Toward that end, the American Bar Association has proposed the establishment by Congress of a National Institute of Justice. The proposal is the product of a three-year effort by a distinguished commission of the American Bar Association, which conducted hearings, solicited comments from a broad cross section of organizations and individuals, and carefully studied the concept.[1] At its August 1974 meeting the House of Delegates of the American Bar Association voted its approval for a law establishing a National Institute of Justice.[2]

Briefly, the Institute would be established as an independent federal agency along the lines of the National Science Foundation, designed to aid in the continuing task of improving the quality of justice and the administration of law. The Institute would not be empowered to effectuate changes but rather its mandate would be to inquire, study, and report to decisionmakers and the public recommended measures for improving the manner in which law and justice function.

Unlike existing agencies,[3] the Institute's mandate would extend throughout the entire field of law and justice. Areas to which it would devote attention include legal protection for consumers, availability of legal services, access to health-care services, and economical adjustment of private legal disputes.[4]

To implement its far-reaching purposes, yet to avoid duplication, the proposal envisions that the Institute would coordinate its efforts with the many governmental, academic and other organizations currently working in the field of law and justice.

In our opinion, the American Bar Association's proposal for the establishment of an independent, nonpartisan agency to provide leadership on matters concerning law and justice has considerable merit. Although we suggest changes in the present form of the proposal, we join the American Bar Association in urging the establishment by Congress of a National Institute of Justice.

I. EXPLANATION OF THE AMERICAN BAR ASSOCIATION PROPOSAL

Since no bill embodying the proposed National Institute of Justice has been introduced in Congress,[5] our comments necessarily are limited to the form of proposal endorsed by the American Bar Association at its August 1974 meeting. The principal features of the ABA proposal are as follows.

Section 1 of the proposal establishes the Institute as an independent agency of the federal government.

Section 2 authorizes the Institute to conduct research, experimental programs, training and educational programs, and clearing house and library functions. Such efforts may be carried out by the Institute through grants contracts, or its own activities, and must be coordinated with the activities of other bodies to avoid duplication.

Section 3 provides that the Institute shall be composed of a board of trustees, a director and a council.

Section 4 sets forth rules concerning the constituency of the Institute's board of trustees. Charged with primary responsibility for the activities of the Institute, the board would consist of 15 members appointed by the President, with the advice and consent of the Senate. In order to insure that a broad representation of views will influence the board's decision making, it is provided that the members of the board shall include not less than:

(i) Two persons chosen from a list suggested by the National Governors Conference;

(ii) Two state court judges chosen from a list submitted by the Conference of Chief Justices;

(iii) Four lawyers; and

(iv) Four members who are neither judges nor lawyers.

In addition, the membership of the board must include one resident of each of the circuits of the United States Courts of Appeals.

Section 5 provides for the election of a chairman by and from among the board members, as well as for the appointment of an executive committee. This section also describes the powers and duties of the board, to-wit: to hold periodic meetings, formulate the policies and programs of the Institute, and prepare annual reports concerning the program plans and descriptions of projects proposed and contemplated by the Institute.

Section 6 provides for the appointment of a director for the Institute, whose responsibility is to carry out the day-to-day functions of the Institute. The director is to be appointed by the board, and serve a six-year term unless removed earlier by a majority vote of board members.

Section 7 provides for the establishment of a council of the Institute consisting of not less than 50 nor more than 100 members appointed by the board, selected to provide broad representation for the views of private citizens and groups with emphasis on diversity of experience and geography. As so constituted, the council would function as an advisory panel to make suggestions to the board in connection with the work of the Institute.

Other sections of the ABA proposal endow the Institute with various housekeeping powers and authority; provide that neither the director nor any other Institute employee may take an active part in political management or campaigns; provide that the director shall be compensated under the provisions of 5 U.S. Code § 5515 (level 4); and authorize the appropriation of such sums as may be necessary to carry out the provisions of the proposal.

II. L.E.A.A. AND S. 2212

Although, as noted, the American Bar Association proposal has not been introduced in Congress, the issue of whether an independent Institute should be established may already have been joined through the introduction of S. 2212, which deals generally with the Law Enforcement Assistance Administration of the Department of Justice.

By way of background, in 1968 there was established within the Department of Justice a mechanism to provide financial and technical assistance to help state and local governments control crime (42 U.S.C. § 3701 et seq.). The program, identified as the Law Enforcement Assistance Administration ("L.E.A.A."), includes a "National Institute of Law Enforcement and Criminal Justice" as a subsidiary facility and therefore under the control of the Department of Justice.[6]

The L.E.A.A. was originally granted an eight-year tenure, to expire in 1976. In June 1975, however, President Ford urged extension of the L.E.A.A. through 1981, and in response Senator Roman Hruska (for himself and Senator John McClellan) introduced S. 2212.

In addition to extending the tenure of the L.E.A.A., S. 2212 would authorize Department of Justice grants "to strengthen courts and improve the availability and quality of justice including court planning."[7] (In this regard, we wish to emphasize here that neither this report nor our Committee expresses any opinion concerning the extension of the L.E.A.A.) The previously authorized National Institute of Law Enforcement and Criminal Justice would have its name changed to the National Institute of Law and Justice[8] and the Attorney General would be authorized to make grants for research and projects pertaining to both criminal and civil justice matters.[9] We note that in introducing S. 2212, Senator Hruska stated, with respect to broadening L.E.A.A.'s research arm to include civil justice, that "it is sometimes impossible to reform the criminal justice system without at the same time reforming the civil justice system." He also indicated his view that the provision had particular applicability to state and local court customs which perform both civil and criminal functions.[10]

III. NECESSITY FOR AN INDEPENDENT INSTITUTE OF JUSTICE

In April 1974 this Committee issued a report on the proposal to remove the Department of Justice from the Executive Branch.[11] The report concluded that the advisory and prosecutorial functions of the Department of Justice should remain intact under the jurisdiction of the Executive Branch, but stated that "the functions of the Department might well be examined to consider whether any of these [functions] might more effectively be performed by an independent agency or agencies."

We think that research projects pertaining to law enforcement methods and the procedural aspects of the criminal justice system, subject to constitutional restraints, correctly belong within the controlling discretion of the Attorney General.[12] However, to an important degree, other aspects of justice can be, and should be dissected under the eye of an agency which is in no way perceived to be political and which enjoys a reputation for disinterested appraisal. The need for independence in areas of law and justice recently was underscored by both the President and Congress in creating the Legal Services Corporation.

Establishment of the Institute as an independent agency would abrogate the risk that its work would be subject to one of the political branches of government controlling its research priorities so as to paper over or disregard establishment infirmities or selecting research projects which could be accompanied by directions to produce "legislative facts" thought of as politically desirable. To be effective, the Institute must consider all views and can not be subject to accusations that its work is slanted so as to achieve a desired result. More importantly, the Institute must be permitted to devise and conduct its programs without political interference of any kind.

A. The Institute's research function

The federal funding of research and investigative projects dealing with our system for delivering justice, and the quality of justice so delivered, is a governmental imperative which is long overdue. The need clearly exists for an interdisciplinary approach to the broad range of problems confronting the administrators of justice today. We foresee for the Institute a vital role in assembling data from the fields of economics, sociology, political science and even raw public opinion, which must all be of significant concern to those addressing legal issues with broad policy implications. The intent of the ABA proposal is to include, in addition to those previously mentioned, such areas as due process in dealing with public agencies, legally secured opportunity to participate in government decision-making, protection of privacy from official intrusion, and accountability of public officials for actions that affect individuals.

B. The Institute's coordination function

At the present time, a number of entities of all varieties exist on the federal, state and local levels for the purpose of conducting studies, developing plans, making recommendations or funding specific projects relating to various aspects of our system of law and justice. Virtually all of these entities, however, were created to deal with a specific part of the system such as, for example, poor court administration, lack of available legal services for the needy, or the failure of correctional institutions to rehabilitate inmates. Moreover, a substantial majority of these entities focus primarily on improving the criminal justice system, where the problems are particularly visible.

Nowhere does there exist today an entity charged with broadly viewing our nation's entire system of justice, civil as well as criminal, and suggesting improvements from this broader perspective. Indeed, no central organization currently exists for the purpose of providing administrative or clearing house functions to diverse groups dealing with similar problems. It is to be hoped that the Institute would fill this void.

Notwithstanding the obvious advantages in favor of a central agency such as a National Institute of Justice, it is equally important that the Institute neither duplicate nor interfere with the work of the many existing groups which focus on specific aspects of our system for delivering justice. Examples of some of these excellent organizations are the Federal Judicial Center,[13] The National Center for State Courts,[14] the Administrative Conference of the United States,[15] and the American Law Institute.[16]

IV. RECOMMENDATIONS WITH RESPECT TO THE FORM OF THE AMERICAN BAR ASSOCIATION PROPOSAL

A. Scope of the Institute

In reviewing the form of the present ABA proposal to create the Institute, many members of our Committee expressed concern that the Institute might take positions on isolated substantive legal issues, including questions arising under the Constitution, thereby interfering with the work of the Judiciary. In particular, there was concern that the Institute might conceivably operate in a manner that undercut judicial policy and undermined the constitutional principle that the authority to interpret the Constitution and the law rests with the courts. Some Committee members expressed the view that the present wording of certain sections erroneously indicates that the Institute should give priority to substantive issues of equal protection under the Constitution. As we understand the intent of the ABA proposal, however, the Institute is to give priority not to these substantive issues but rather to mechanisms for insuring the delivery of quality legal services to all. Because of these concerns, we believe that certain language changes should be made in the proposal:

First, we suggest that the third paragraph under the heading "Findings and Purposes" and Section 2(c) be amended to make clear

Footnotes at end of article.

Footnotes at end of article.

that the Institute, although not precluded from dealing with substantive matters, is to give priority to the problem of assuring the availability to all of quality legal services and mechanisms for the just, speedy and inexpensive resolutions of disputes.[17]

Second, we suggest that Section 2(a)(1) be amended to insure that the Institute does not purport to assume the role of interpreting the law. Consideration might be given to adding a provision to the effect that the Institute shall take no position on the proper construction of any regulation, statute or constitutional provision or on the remedy required by any such regulation, statute or constitutional provision to redress any violation thereof. Such a provision, however, should not preclude the Institute from setting forth its understanding of the law while taking a position on what the law should require.

Third, we believe that an Institute recommendation for the enactment or modification of legislation is of sufficient importance to warrant plenary consideration by both the board and council of the Institute and that such recommendations should not be made on the authority of the board alone. We therefore suggest the addition of a new subdivision (d) to Section 2 providing that any recommendation by the Institute for legislative action be made only with the approval of a majority of both the board and council.

B. Fact finding

Section 2 of the ABA proposal authorizes the Institute to conduct all forms of research inquiry in its efforts to evaluate and appraise the effectiveness and quality of justice and the administration of law. In so doing, it is imperative that the Institute be entitled to maximum cooperation from other instrumentalities of government. In this context, we believe that consideration should be given to including in the proposal some form of statutory mandate to other agencies, consistent with the laws of privacy governing those agencies, to cooperate with the Institute. However, this mandate should not include the furnishing of information concerning specific individuals or groups of individuals and the Institute's authority for fact finding should be assiduously tailored.

C. Status of director

The effectiveness of the Institute will essentially become a function of its record and reputation for excellence and independence. We believe that in order for the Institute to provide significant impact on the decision-making bodies and public officers who will ultimately decide the fate of the Institute's recommendations, the director of the Institute should be granted greater visibility, power and esteem than is provided by Sections 6 and 10 of the ABA proposal. In order to enhance his position, we suggest that the director be chosen by the President, with the advice and consent of the Senate, rather than appointed directly by the board. Obviously, the President should and would solicit the views of the Institute's board in making the choice. As a presidential appointee, we believe that the director should be compensated under the provisions of Section 5314 (level 3), and not Section 5315 (level 4), of Title 5 of the U.S. Code. As such, his compensation would be established at a level already in existence for the Director of Defense Research and Engineering, Department of Defense; the Deputy Administrator, Energy Research Administration; and the Director of the Federal Bureau of Investigation.

D. Membership of board and council

We agree with the Institute's objective of having a broad representation of views on its board and council. In this regard, one suggestion made during our Committee's deliberations was that the Attorney General and possibly representatives of other agencies operating in the legal area should be made *ex officio* members of the Institute in order to facilitate the Institute's role as coordinator.

We question the advisability of limiting the President's choice of certain nominees to the board to lists of certain groups. We prefer instead the flexibility of an earlier draft of the ABA proposal which placed no rigid restrictions on the President in his choice of persons of merit. In this regard, we note that there are no similar restrictions in the legislation creating the Legal Services Corporation or the National Science Foundation.

E. Reporting function

We note that in a prior draft of the ABA proposal, the Institute was granted authority to issue reports from time to time embodying the results of its research and its recommendations. Such express authority is deleted from the most recent draft. We believe, subject to appropriate privacy safeguards, that this authority should be restored, since the Institute will have no power of persuasion other than the reputation of its work. That work should be disseminated as frequently as possible and should not be limited to an annual report.

CONCLUSION

As we mark the first two hundred years of our history, we believe that the establishment of a National Institute of Justice would be a meaningful affirmation of our belief in law and justice. As Daniel Webster said, "Justice, sir, is the great interest of man on earth." And, indeed, it probably remains true that an ultimate measure of our society is the quality and availability of justice to all our citizens.

We recognize that merely establishing another governmental body is no assurance that justice and its availability will be improved. But we are satisfied that a unifying point for coordination and leadership such as the Institute is needed and, if staffed well, can do important work. We have indicated our national concern with Science and Health and Arts and Humanities by establishing National Institutes and Foundations in those areas. We believe that Justice merits no less a place of national priority and concern.

Our profession can be proud that the system of justice, as imperfect as it may well be, is so often sought out as the mechanism for dealing with the social and economic problems we face. Multiple and diverse approaches to problem solving are desirable. Coordination and cooperation will, in our judgment, make success in solving these problems more likely.

Committee on Federal Legislation

John D. Ferrick, Chairman, Harvey E. Benjamin, Barry A. Berger, Eric Bergman, Jack David, George A. Davidson, Evan A. Davis, Albert W. Driver, Jr., Arnold B. Elkind, Howard L. Feinsand, William Josephson*, John G. Koeltl, Marc J. Luxemburg.

Gerald T. McLaughlin, Gary T. Naftalis, Mathew Nimetz, John F. X. Peloso, Stanley Plesent, Dean Ringel, Steven B. Rosenfeld, Rhoda S. Roth, Thomas J. Schwarz, Richard C. Seltzer, Robert S. Sheehan, Leonard W. Wagman, Harold P. Weinberger.

FOOTNOTES

* Mr. Josephson dissents from this report.

[1] The commission, under the chairmanship of Charles S. Rhyne, solicited comments from over 12,000 lawyers, judges and laypersons; over 100 suggestions for changes were analyzed and the draft was reworked in response thereto. The vast majority of respondents agreed that the Institute would be valuable.

[2] The vote was recorded as 141 for and 86 opposed.

[3] See notes 13–16, *infra*, and accompanying text.

[4] These areas are specifically identified in the informational material accompanying the ABA proposal.

[5] A bill to establish a National Institute of Justice was introduced by Senator Humphrey during the 93rd Congress, but no legislative action resulted.

[6] 42 U.S.C. § 3742.

[7] S. 2212, Part C, § 4(1).

[8] S. 2212, Part C, § 4(2).

[9] S. 2212, Part D, § 5.

[10] 121 Cong. Rec. S. 14089 (daily ed. July 29, 1975).

[11] Federal Legislation Report No. 74–2 (April 30, 1974).

[12] For example, the National Institute of Criminal Law and Justice has conducted studies relating to voice identification, private police, patterns of burglary, and ballistic resistance of police body armor. The annual budget of this organization exceeds $30,000,000 representing only a small fraction of the L.E.A.A.'s multi-billion dollar program.

[13] Pursuant to P.L. 90–219 (1967), a Federal Judicial Center was established within the judicial branch of the government. The Center's purpose is to further the development and adoption of improved judicial administration in the federal courts. Its reports are channeled to the Judicial Conference of the United States for action. Its fiscal 1974 appropriation amounted to some $2,500,000. The Center's studies have focused on such matters as reducing the workload of the Supreme Court and the use of video technology on the trial court level.

[14] The National Center for State Courts was incorporated as a non-profit organization in June 1971. Its financing (approximately $3,000,000 per year) has to date come primarily from grants made by the Law Enforcement Assistance Administration. Its studies are concerned with aspects of state court administration and modernization on both appellate and trial levels. For example, the National Center has funded studies relating to technology and information gathering, financing of state court operations, budgetary procedures, and computer preparation of court transcripts.

[15] The Administrative Conference of the United States, established by P.L. 88–499 (1964), is charged with studying the efficiency, adequacy and fairness of the procedures used by administrative agencies in carrying out their programs. Based on its studies, the Administrative Conference provides evaluations and recommendations for changes to the President, Congress and the Judicial Conference of the United States, as it deems appropriate. In addition, the Administrative Conference arranges for the interchange between administrative agencies of information potentially useful in improving administrative procedures, and collects and publishes informational and statistical reports dealing with administrative procedures and their improvement. Its budget for the year ending June 30, 1976, is $850,000, all of which is federally funded. Among the Administrative Conference's most publicized studies is the recently completed critical analysis of the procedures followed by the Internal Revenue Service in dealing with taxpayers.

[16] Established in 1923 for the purpose of drafting "an orderly statement of our Common Law," the American Law Institute today is engaged in a broad range of activities including sponsoring and coordinating the drafting of model legal codes, the publication of legal texts and periodicals, and promoting continuing legal education in various aspects of the law through its sponsorship of conferences. Funded by an annual budget of approximately $400,000 (derived primarily from dues, sales of published materials and voluntary grants and contributions), the American Law Institute has recently completed such projects as the drafting of a model Code of Pre-Arraignment Procedure; and continuing revisions of the Uniform

Commercial Code; the development of video programs in connection with such current legal topics as the Employee Retirement Income Security Act of 1974; the publication of various practical legal handbooks; and the sponsorship of study conferences for lawyers such areas as bankruptcy, estate planning and litigation.

[17] Consideration might be given to the following amendment of the third paragraph under the heading "Findings and Purposes":

"Particular attention must be given to assuring that *the* individual[s] *citizen is* [are] able to secure prompt and *efficient* [effective] recognition of *his* [their] legal rights, privileges, and obligations *and will receive equal justice without regard to income status, race, sex, age, religion, or national origin,** [through the availability to all of quality legal services and through the just, speedy and inexpensive resolution of disputes.]"

And in Section 2(c) as follows:

"In its research, experimental, and training programs, and in making recommendations for improvement of justice and the administration of law, the Institute shall give particular attention to the impact of justice and the administration of law on *the* individual[s] *citizen* and *his* [their] opportunity to secure prompt and effective recognition of *his* [their] legal rights, privileges and obligations *and to securing to him equal legal protection and access to legal redress without regard to income status, race, sex, age, religion or national origin,* [through the availability to all of quality legal services and through the just, speedy and inexpensive resolution of disputes.]"

AMERICAN BAR ASSOCIATION,
April 18, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The American Bar Association has been gratified by the support you have voiced, both as Governor of Georgia and as a Presidential candidate, for the American Bar Association's proposed National Institute of Justice. Your public statements recognizing the need for an independent institute to foster research aimed at improving the civil and criminal justice systems, particularly as they affect the average citizen, have been both perceptive and supportive.

We are informed that you will soon be considering a proposal prepared by the Department of Justice and the Office of Management and Budget for the restructuring of the Law Enforcement Assistance Administration (LEAA) in the Department of Justice. The restructuring plan provides for the creation of a research institute within the Department of Justice to be called a National Institute of Justice.

Despite our strong belief in the need for a new federal initiative in justice research, the American Bar Association strongly opposes the plan suggested by the Department of Justice and the Office of Management and Budget. As proposed, the new National Institute of Justice (DJNIJ) would not be independent, would not include a civil justice research component, would be subject to many of the same problems which have plagued the existing LEAA research program, and would not have the public visibility and credibility which we believe are essential for the success of this program.

The question of independence is crucial. The existing LEAA research arm, the National Institute of Law Enforcement and Criminal Justice (NILECJ), has been widely criticized for its lack of independence; yet the current proposal would form the DJNIJ out of NILECJ, leaving the institute not only within the Department of Justice but within the same office which will supervise the LEAA block-grant program. While certain steps to provide some measure of independence for the DJNIJ are proposed, such as the strengthening of the institute's advisory board and the giving of final sign-off authority on grants to the Director of the institute, these measures fall far short of the level of independence needed for this program.

Independence for the NIJ is necessary for several reasons:

(a) The NIJ must not be part of an "action agency" whose operational needs are likely to influence the nature of the research program;

(b) Additionally, political pressure for short-term results are likely to be far greater if the research institute is part of a mission-oriented agency;

(c) The NIJ must not be connected with a grant-making agency which provides state and local assistance. The research institute would be totally obscured and overwhelmed by the grant-making activity;

(d) Justice research, to the considerable extent it involves the Judicial Branch, must not be placed in a line agency within the federal Executive Branch but should be housed in a more neutral setting;

(e) A research entity operated within a Department may be less inclined and less able to attract the diversity of cooperation and support from other disciplines which an independent agency could attract;

(f) Public credibility will be greatly increased if the institute is not part of an action agency but instead has independent status. In addition, independent status would substantially enhance the credibility afforded to a federal justice institute by state and local governments;

(g) Budgetary considerations within a Department may prevent the research program from receiving an appropriate level of funding; and

(h) Public visibility for the research institute and its work will be far greater if it is independent.

The lack of independence is only one of the problems with the proposed DJNIJ. There is a great need to establish an institute to promote research in all areas of the justice system—civil, criminal, administrative, and regulatory—at federal, state and local levels. The new proposal states that the DJNIJ would cover both civil and criminal justice issues; yet the Attorney General has suggested a manner of implementation for the DJNIJ which would seriously inhibit its ability to become involved in civil justice research.

Attorney General Bell proposed, in testimony before the House Judiciary Subcommittee on Crime on March 1, 1978, that the DJNIJ be created as soon as possible under Presidential reorganization authority. As the Attorney General stated in his testimony, if the new DJNIJ were created under the Presidential reorganization authority, it would be confined to the legislative mandate already given to the existing NILECJ. Initially, therefore, the DJNIJ would be able to generate only criminal justice research. An expansion into the civil justice field would require additional legislation. Thus, the DJNIJ would be created this year with only criminal jurisdiction; its orientation, advisory board selection process, goals and staffing would be shaped accordingly. Expansion into the civil justice field would occur at the earliest, and only if Congress so provided, a year later when LEAA reauthorization legislation is likely to be considered. By that time, the criminal justice component would be well-established, limiting the likelihood that civil justice research would be accorded due consideration.

We are concerned with other features of the proposal before you. For example, appointments to the advisory board of the DJNIJ should be made by the President and not the Attorney General. Also, the degree of supervision and control to be exercised over the DJNIJ by the Director of the new Office of Justice Research and Assistance should be clarified in a way which will not endanger the independence of the institute. But our principal concerns, articulated above, are sufficient to lead us to the conclusion that we must oppose the proposal submitted by the Department of Justice and the Office of Management and Budget.

The enactment of the half-way measure proposed to you will effectively preclude serious consideration of the ABA proposal which you have previously endorsed. We ask "Why not the best?," and urge that you call for a truly indpendent National Institute of Justice of which we can all be justifiably proud.

Sincerely,

BILL SPANN.

* The Committee's suggestion is that the italicized words be eliminated and the bracketed letters and words added.

WILLIAM B. SPANN, JR., PRESIDENT, AMERICAN BAR ASSOCIATION INFORMATION IN RESPONSE TO PRESIDENT CARTER'S REMARKS TO THE LOS ANGELES BAR ASSOCIATION, MAY 10, 1978

LEAA REORGANIZATION.—President Carter refers to plans to reorganize LEAA and make it more efficient. Yet there is little evidence in preliminary reports on his reorganization plan that he is taking any significant steps to implement campaign pledges.

Item: Candidate Carter pledged his support for creation of an independent, publicly-funded National Institute of Justice. Instead, it seems the Administration's current thinking is to call merely for a revamp of the existing National Institute of Law Enforcement and Criminal Justice. As proposed, the Administration's NIJ would not be independent, would not guarantee a civil justice research program, and would not have the public visibility and credibility which is essential for the success of this program.

Item: Candidate Carter criticized LEAA for providing only 6 per cent of its funding to the courts of this country. To date, nothing indicates this situation will be improved under Carter's reorganization plan.

[From the American Bar Association Journal, October 1976—Volume 62, pages 1270–76, President Ford and Governor Carter]

THE CANDIDATES ANSWER

Question No. 5: Do you favor the creation of an independent, publicly funded National Institute of Justice to conduct, appraise, and co-ordinate research and programs in the administration of justice and the quality and effectiveness of justice?

CARTER

A. Yes. Many people believe that they are denied fairness in the courts, in the marketplace, and in the government generally. Fundamental to this attitude is the lack of a workable system of justice in the broadest sense. As governor of Georgia, I studied court records and visited our prisons. I talked with inmates and heard convincing stories of injustice and inequality. I traveled the state and listened, again and again, to the questions and frustrations of average citizens who had come in contact with our system of justice.

With the co-operation of the Georgia bar, I went to the legislature and we were successful in implementing a series of reforms in our judicial system:

A nominating system to ensure merit appointment of judges;

Mandatory retirement for judges and a method of hearing citizen complaints and removing incompetent judges from office;

Automatic review to ensure increased uniformity of sentencing among judges;

A uniform and unified court system (to allow a more efficient and timely dispensation of justice);

Prison reform with emphasis on rehabilitation;

A professionalized Georgia Bureau of Investigation;

A reduction of emphasis on victimless crimes;

Expanded staff aid for judges and administrative officers for the courts.

My experience as a scientist, a naval officer, a businessman, and a governor of Georgia has convinced me of the critical importance of coming to grips with new ideas, so our institutions can be prepared to cope with the future without abandoning the traditional principles in which we believe. To achieve these ends, we must have solid study and research, guided by devotion to honesty and moral principle, and implemented by leaders who can make and stand on tough decisions. A National Institute of Justice would address itself to the demands for significant, often controversial changes in our legal system. In proper coordination with the Federal Judicial Center and the National Center for State Courts, it could lead toward responsible reforms in our institutions.

FORD

A. No, because its establishment would duplicate other activities already supported by the federal government.

The Law Enforcement Assistance Administration provides national leadership in this area, in addition to providing block grant funds to assist state and local criminal justice agencies. L.E.A.A.'s National Institute of Law Enforcement and Criminal Justice, established by law in 1968, now pursues most of the objectives called for by the National Institute of Justice proposal. It encourages research and innovation and provides training and information for local agencies. The administration had asked Congress to expand the charter of the institute to include civil justice, but this was rejected.

Another effective resource for states and localities is the National Center for State Courts, which is funded largely by L.E.A.A. but which operates independently. The center has received approximately $10 million in federal funds for more than fifty projects to assist state and local court systems in meeting their responsibility to dispense justice.

Also important is the work of the National Advisory Commission on Criminal Justice Standards and Goals. The commission has published a series of thorough and comprehensive volumes containing hundreds of recommendations for all elements of the criminal justice system, including courts, corrections, police, community crime prevention, and the criminal justice system as a whole. These standards and recommendations constitute a detailed blueprint for state and local governments to consider in the improvement of their own law enforcement and criminal justice systems. The role of the commission is a continuing one.

NOTE.—The American Bar Association supports the creation by federal legislation of an independent National Institute of Justice to evaluate the effectiveness and quality of justice in the nation, conduct research, provide training and experimental programs, and to co-ordinate the gathering and publishing of information about the administration of justice.

STATEMENT OF GOV. JIMMY CARTER

(Public hearing, ABA Commission on a National Institute of Justice, Stouffer's Inn, Atlanta, Ga., Monday, April 22, 1974)

Thank you Mr. Chairman.

I want to welcome the Commission and its representatives to our state and to its capital. We are honored that you have selected Atlanta as the culmination of your schedule of hearings; and in looking over the list of fine witnesses you will hear from today, I can see that your selection of Atlanta for your final hearing was indeed auspicious.

But I am here today to do more than extend our state's welcome and hospitality to you. I am here because I share with you a dedication to the cause of securing justice for all the citizens of our land. It is a concern which I have held foremost since becoming Governor of this State. In my inaugural address, I stated that no person should be deprived of simple justice. In my first State of the State address, I said, "The entire field of criminal justice cries out for improvement in Georgia. I shall stake my own personal reputation on this improvement." With support and hard work from judges, lawyers and lay persons we have successfully completed major improvements in the administration of justice in Georgia.

During the first year of my administration I created a Commission on Judicial Processes and instructed it to come up with meaningful improvements in the administration of justice. It was a broad based body composed of lawyers and judges. The Commission submitted a comprehensive report and at the past three sessions of the General Assembly of Georgia most of its recommendations have been adopted. The result is that more improvements have taken place in the judicial branch of government in Georgia in the past three years than over the previous one hundred years. The success of the program was due to unified support we had—lawyers, judges, legislators, and, most important, lay persons—who were interested in their system of justice.

The most important accomplishment has been the establishment of the Administrative Office of the Courts under the supervision of the Judicial Council and the enactment of a constitutional amendment to be voted on this November creating unified court administration for our state. The people have a right to know what is going on in their courts. With unified court administration they now have the means to get this information.

The second most important accomplishment was the enactment of a constitutional amendment creating a Judicial Qualifications Commission with jurisdiction to investigate complaints against any judge or justice in the Georgia Judicial System for misconduct in office. Now any citizen has a remedy for complaints against the judicial branch of government. This will enhance the integrity of the judicial process.

Public drunkenness as a criminal offense has been abolished. Georgia has now repealed the old common law rule that a person charged with a crime was incompetent to testify under oath and became the last State to abolish the right of an accused to make an unsworn statement.

During the 1974 session of the General Assembly, the Commission recommendation that jury sentencing in non-capital cases be abolished was adopted, as was the recommendation to provide for a sentence review procedure.

We have enacted many proposals to strengthen the criminal justice system and to secure more effective means for administering our criminal laws.

One of the most awesome responsibilities of a Governor is to appoint persons to judicial vacancies caused by death, retirement or new judgeships created by the legislature. In the first year of my administration I created a Judicial Nominating Commission to nominate the five best qualified candidates for a judgeship on the Superior, Appeals, and Supreme Court. Since its creation, I have appointed 10 Superior Court Judges, 3 Court of Appeals Judges and 4 Supreme Court Justices. In every instance I have appointed from the list of five nominated by the Commission.

I will, within the next few weeks, appoint, 5 new Superior Court Judges and have asked the Judicial Nominating Commission for their recommendations with respect to these appointments.

It is important to note that I am not a lawyer. I am a graduate of the United States Naval Academy and was a nuclear physicist. Prior to becoming Governor I was, and I still am, a farmer. I am also a firm believer in the saying that "Justice is too important to be left to lawyers and judges." The average citizen in our nation is becoming aware of many deficiencies in our court system and he wants and deserves the right to participate in its improvement. We would have never made all these court improvements in my administration without the support from the general public.

The courts, of course, are only one part of our legal structure. Our police and law enforcement officials, our jails and prisons, our district attorneys and our public defenders, our various administrative bodies, our State mental facilities and our educational institutions—indeed, almost every aspect of our State Government is influenced by the legal processes of our society. We are blessed here in Georgia with a wealth of capable and dedicated public servants working in all of the institutions of our state government. But they often have to work without adequate resources and information; and in making some of the changes and reforms that we have in Georgia, I often have the feeling that we are either inventing or re-inventing the wheel. This situation isn't their fault or anyone else's; it just reflects the fact that our nation has for too long neglected the problems of justice in this land. It is high time that a concerted effort with substantial financial support was established to provide support and guidance for the State and local components of the justice system.

I interpret your presence here today as an indication that you support, as I do, the establishment of such an Institute of Justice.

Take the area of consumerism, for example. What real rights does the average consumer have? Suppose he or she wants to buy a refrigerator or a car or some other item for which he or she has scrimped and saved. And suppose that the only way he or she can purchase that particular item is by an installment sales contract, or "on time". Now I work every day with legal documents as Governor of the State of Georgia; but as I said earlier I am not a lawyer. I am a layman. And when I look at a piece of legislation or some other legal documents, I can call in my legal advisers to tell me the legal implications and consequences of certain provisions of those documents. But if I am out at a store buying a refrigerator, I don't have that option. I am presented with a long contract and am told to take it or leave it. And if I need that refrigerator, I sign that contract and hope for the best. Now as it often happens, the "best" doesn't happen. The refrigerator is damaged when it arrives, or it breaks down under normal use. And the consumer complains, and nothing is done, except that the bills keep coming in like clockwork. Now I am not suggesting that this is the normal course of events, but it happens all too often. And if the matter is ever brought to court for resolution, it is usually brought by the seller's attorneys, while the consumer ends up representing himself.

There ought to be some means or mechanism by which the unequal bargaining position between seller and consumer could be equalized and by which problems such as these could fairly and justly be resolved. I wonder whether some of these problems should even end up in our courts and whether some means of outside arbitration might not be better. No one today, to my knowledge, has even looked to see how widespread this problem is or what its ramifications may be.

Another area where I think we are long on problems and short on solutions is our correctional program—the jails and prisons we maintain and the people who occupy them. There are an estimated 425,000 persons now occupying the nation's jails, prisons, and juvenile detention facilities. Add to this figure the 900,000 persons on probation and the 300,000 on parole, and you have close to 2% of our population at any one time being under correctional supervision.

If we could get at the root causes of crime we could not only spare our taxpayers from the tremendous burden of supporting our various correctional institutions, but could produce the sort of society in which all people can live without fear or restraint.

Our traditional methods of dealing with those who have violated the law is to lock them up behind bars. Has this proved to be an effective approach to eliminating crime and restoring offenders to a useful and productive role in society? Nationally, it has been estimated that up to 80% of these persons released from prison end up committing further crimes. Obviously our rehabilitation efforts have not been very successful. What is the answer? New, modern prison facilities? Or should we move away from building new prisons in favor of smaller community-based facilities? And what about programs to divert offenders from the usual incarceration process entirely? While these questions are being debated by many, there is a crying need for an intensive and thorough examination of this problem. Only in that way can we eradicate the "revolving door" syndrome that has come to characterize our prisons.

I for one believe that a body like the National Institute of Justice is essential to study these and other problems of our justice system and to achieve meaningful reform. No single city or state can command the resources and personnel to undertake such an effort. Many problems of our justice system are, of course, local in nature; but many others recur time and time again in different cities and in different states. A national body which would study these problems and suggest, not dictate, solutions would be a great resource to me and the other governors. The role which the Institute could serve in publicising and coordinating existing reform efforts would also be a genuine step forward. I commend you for the fine and diligent effort which your Commission has put into this effort so far, and I heartily endorse your proposal. Its unified approach will assist us in establishing justice throughout the United States and thereby create "a more perfect Union."

Thank you.

RESOLUTION OF THE COMMUNICATION WORKERS OF AMERICA, 1977 CONVENTION

The Chair recognizes the Resolutions Committee.

Chair DEMPSEY. The Delegates will please turn to page 23. I will call on Committee Member Mary Gregory to read Resolution 39A–77–11, National Institute of Justice.

Member MARY GREGORY (Local 12128 Member of the Resolutions Committee):

Resolution 39A–77–11:

NATIONAL INSTITUTE OF JUSTICE

Among the issues which showed Governor Jimmy Carter different from President Gerald Ford was the proposal for a National Institute of Justice, to be created as an independent agency to help improve the quality of law practice in civil, criminal and administrative tribunals.

In his statement of support for the Institute, Mr. Carter said it would ". . . address itself to the demands for significant, often controversial, changes in our legal system. In proper coordination with the Federal Judicial Center and the National Center for State Courts, it could lead toward responsible reforms in our institutions."

The proposed legislation calls for creation of a small Institute, to give particular attention the impact of justice and the administration of law on the individual citizen and the opportunity to secure prompt and effective recognition of his or her legal rights, privileges, and obligations, and to securing equal legal protection and access to legal redress without regard to income status, race, sex, age, religion or national origin.

In stating the case for establishment of the National Institute, a study commission of the American Bar Association noted that its members almost unanimously shared several important views: "The most important of these was that public authority, at all levels of government, is suffering from a severe problem of 'credibility.' By this is meant that agencies of public authority, including the courts, were not regarded by the public as usually being fully truthful about what they were doing, wholeheartedly concerned about discharging their responsibilities, or even really thoughtful about what they were trying to do. . . .

"Another widely shared recognition," the ABA study group stated, "was that many of the institutions of justice had become fearful, defensive and introverted."

The new Institute, as proposed, would not duplicate other agencies' functions, nor would it become a bloated bureaucracy. Its attention would be concentrated on such subjects as consumer protection, access to adequate health-care services, availability of legal service, due process and equal protection in dealing with public agencies, the opportunity to participate in government decision-making, protection of privacy from official intrusion, accountability of public officials for actions that affect individuals, and economical adjustment for private legal disputes through such methods as arbitration.

Resolved: That this 39th Annual Convention of the Communications Workers of America endorse Presidential and Congressional actions to establish the National Institute of Justice.

Mr. President, the Resolutions Committee moves adoption of Resolution 39A–77–11, National Institute of Justice.

President WATTS. You have heard the motion, and there is support from the Committee.

At Microphone No. 3, the Chair recognizes Delegate Griffiths, Local 1009.

Delegate ROSALIE GRIFFITHS (Local 1009). Mr. President, all my handsome Brothers and Lovely Sisters (applause) I rise in support of this resolution. There is little question that the American people are troubled by gaps in the law that too often let the wealthy escape with little or no penalty for major financial crime, while imposing harsh penalties upon those unable to secure the services of the well-paid lawyer who enters the courtroom preceded by high reputation and awesome fees.

The American people rightly are concerned with the problems of street crime, violence, personal insecurity and the apparent inability of our system of criminal justice to cope with these problems.

As workers, we are deeply concerned with the ability of the Union-busters in major areas of the country to twist the law and even to defy it and to frustrate the desire of workers to choose Unions to represent them.

The outstanding example, of course, is that of the J. P. Stevens Corporation, which stands as the employer-bulwark against the organization of the South.

We have had during these recent years the divisive issue of Watergate and Vietnam and all that has happened since those days. We now have the issues of equal rights in law regardless of sex, race or national origin.

We also have the question of equal representation before the courts and in the administration of justice for all regardles of wealth, education, social status, sex, race, national origin or religion.

The law must deal with the problems of consumer rights, accessibility to health care, equal protection of the law, the ability to cope with government and corporate bureaucracy, and in some equal access to the democratic process.

There now is upon the statute books a freedom of information act, which is balanced by federal law, guaranteeing us the right to privacy in our personal affairs. These two must be balanced, so that the citizens shall have access to affairs of government that affect his or her welfare, while being assured that his or her personal life shall not be assaulted without reason or by arbitrary authority.

The American dream holds that there shall be equal justice before the law, that this is a government of laws not of people. This nation approaches that ideal, as do few others upon this earth, but we would be fool-hardy not to understand that this is the ideal, not the fact.

The American Bar Association, as this resolution states, has recognized the need for greater credibility in government, and that many of our institutions of justice are in retreat.

President Carter has proposed that we begin now to attend to the problems involved, that we begin by establishing a small and scholarly national institute of justice, which shall be an independent agency, devoted to the improvement of the administration of the law in this nation.

This is a concept whose time has come.

Such an institute can be highly influential in the improvement of the legal climate in our land.

I urge the adoption of this resolution. (Applause)

President WATTS: Microphone No. 5, Delegate Ryan, Local 9415.

Delegate RYAN (Local 9415): Mr. President, in supporting this, how do we insure that the same people who are causing these problems will not be on this institute that we are trying to set up?

President WATTS: One of the ways of insure it would be for us to make recommendations and be involved in the process of developing the institute in its final form. With the present administration, I am inclined to believe that we can have such input to good advantage.

You are entitled to a second question.

Delegate RYAN: We may have input, but just about every agency that is set up ends up being run by the people we are trying to protect our members against.

Some of the problems we are having have been caused by members of the American Bar Association. I don't think that is going to—well, there is too much federal government in our lives now.

President WATTS: That was not a question, but we heard what you said.

At Microphone No. 3, Delegate Kinney, Local 7102.

Delegate WANDA KINNEY (Local 7102): I too rise in support of this resolution.

There is a definite need for the creation of this type of agency, an agency that would give all the opportunity to secure legal advice regardless of income, race, age or sex. We have all been paying the price of unequal justice in America. Every time the Supreme Court overturns a decision of the lower court because someone's rights had been violated, it comes out of my pocket and comes out of your pocket.

Another area the institute would cover is

that of consumer protection. God only knows, we need help there.

The Bill System's program to charge for direct assistance is probably the biggest consumer ripoff in this country. We can use all the help we can get.

I am not sure that the National Institute would solve all of our problems, but it seems like a viable alternative.

I urge support in passage of this resolution. (Applause)

President WATTS: At Microphone No. 1, the Chair recognizes Delegate Ibsen, Local 9415.

Delegate IBSEN (Local 9415): I move the previous question. (Applause)

President WATTS: You have heard the motion to close debate. There is support.

Will all those in favor signify by raising their right hand. Down hands. Opposed, by a like sign. Down hands. Debate is closed.

The question before you now is the adoption of the resolution on a National Institute of Justice, Resolution 39A-77-11.

Will all of those in favor of adoption signify by raising their right hand? Down hands. Opposed, by a like sign. Down hands.

The motion is carried.

The Chair recognizes the Resolutions Committee.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,

July 13, 1978.

Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: On behalf of the International Union, UAW I am delighted to lend our strong support, as we have in the past, to your legislation to create an independent, adequately funded National Institute of Justice.

Your legislation earns our support because it not only would create an independent institute with adequate funding, but ensures that the institute will consider a full range of issues. While there are those who would concentrate research on problems of criminal law, and those are important problems, we must not fail to undertake also an intensive study of such issues as individual rights, civil law and procedure, and regulatory matters, among others.

It is important that your legislation is the product of years of work, beginning with an initiative by the American Bar Association, but involving a comprehensive process in which many concerned sectors of our society were involved. The process which led to the creation of the bill you have introduced represents a sincere undertaking in which a conscientious effort was made to reach out for the widest possible points of view. While that alone would not make the legislation meritorious, the bill deserves support on its face and that support is enhanced by the thoroughness, hard work and sincere commitment which went into its formulation.

I mentioned that the independent nature of the institute you propose to create was important. If we are to fund, as the UAW thinks we should, expert outside research, it is essential that the institute providing those funds exist outside the political crucible of a cabinet-level department, and that it also have the stature of a presidentially-appointed board. The fundamental questions that need to be asked about the adequacy and responsiveness of our system of justice demand independence, stature and the funds required to perform this important task. Your bill meets all of those tests and we are pleased to be able to give you not only this statement of support but our commitment to help you secure passage of this important bipartisan legislation.

Sincerely,

HOWARD G. PASTER,
Legislative Director.

ON AN INDEPENDENT NATIONAL INSTITUTE OF JUSTICE

The establishment of a National Institute of Justice appears to be imminent. Legislation pending in both the House and Senate proposes the creation of such an agency, raising the welcome prospect that it may soon become a reality.

Envisioned as far back as the 1920s, a National Institute of Justice would coordinate and fund, on a nationwide basis, public and private efforts aimed at making the justice system more effective and more responsive to the changing needs of society. Specifically, it would establish overall research priorities and make grants to or contracts with organizations operating in the justice field and having the requisite expertise to conduct research or manage innovative demonstration programs.

For such an agency to fulfill its promise as an instrument for improvement in our nation's legal and justice system, however, it should have the freedom to act and react with a high degree of independence. This aspect of a National Institute of Justice is crucial to its success. There are compelling reasons for such independence.

First, any agency with ill-defined ties to a branch or department of government will inevitably be subject to political pressures. Its programs and the projects it funds will too often be dictated by other than professional or scholarly considerations. Further, a NIJ that becomes the handmaiden to any branch or department simply cannot maintain a balanced program perspective. And, perhaps most importantly, in the current climate public credibility could soon wither if the agency were to be viewed as an instrument for carrying out politically motivated objectives.

In its deliberations on this important legislation. Congress must address those considerations which will help to insure that the National Institute of Justice which emerges has independence both to undertake those programs and projects which it deems most appropriate, and to provide funding to organizations best able to carry them out.

[From the Massachusetts Lawyers Weekly, Oct. 30, 1978]

NATIONAL INSTITUTE OF JUSTICE

For a number of decades the federal government has funded the National Institute of Science, which has sponsored and funded major scientific research. The overall record has been outstanding. We have expanded scientific knowledge greatly and have assured ourselves as a nation that science fits into the larger pattern of economic and social structures.

We need a comparable National Institute of Justice. As a nation, we are based upon the concept that law rules rather than man, but we know almost nothing of how our system of justice actually works. Despite its critical importance in the functioning of the government and society, our knowledge is incomplete and based more on hunch than scholarly research.

We have also created an incredible amount of law, most of it legislation, that we hope will solve some social and economic woes. Again, this proliferation of law has never been analyzed to determine if the solutions proposed are the best ones that could be developed and, once adopted, if they are functioning as anticipated.

WHAT WOULD IT DO?

The first proposal for a National Institute of Justice was created by the American Bar Association and sent to Congress in 1974. It is again before Congress for its consideration. The purpose of the NIJ is stated in broad terms—and would involve a comprehensive research program. In the words of one of the sponsors of the legislation, the effort would encompass "all aspects of the justice system—Constitutional, criminal, civil, juvenile, administrative, regulatory and so forth." Coordination of research could be accomplished through the NIJ, and much new and critical research be funded.

President Carter has also proposed a somewhat different form of the National Institute of Justice in the Justice System Improvement Act. The NIJ in this proposal would be a part of the Department of Justice. While this plan seems logical enough on its face, it would limit and perhaps destroy the independence of the proposed Institute.

The Justice Department will have, necessarily, its own research priorities and the NIJ would be the instrument for carrying out these priorities. The problems of justice are, however, much broader than those within the purview and jurisdiction of the Department and the Institute should not be limited by Department policy.

MUST BE INDEPENDENT

Recent history also suggests that the NIJ should be independent. Justice under law is too important to be left solely to government officials. We need a breadth of studies that may, in some cases, require action adverse to the interests of those holding government positions. Studies of this type would not be funded or publicized by at least some persons and agencies.

Lawyers should be strongly encouraging the creation of an independent National Institute of Justice. Improvements in our justice system can only occur if we understand the strengths and weaknesses of the system as it now operates.

Such knowledge, in an organized and complete form, can only be developed by a national organization. And this organization should be independent of any branch of the government, or agency within a branch, if it is to be effective in reviewing and improving the entire justice system.

[From the Wilmington, (Del.), News, July 17, 1978]

NEW DIRECTIONS NEEDED

On the whole, President Carter's proposals to drastically overhaul the Law Enforcement Assistance Administration make a lot of sense. It certainly is a better solution to the problem-plagued agency than abolishment.

The decade-old federal agency has been fraught with lack of direction and any real sense of what it should be doing. The result, in the words of the president, is that LEAA has been "ineffective."

Perhaps the essence of the agency's problems lies in its attempt to be all things to all aspects of the criminal justice system. Because money to help state and local anti-crime efforts came through this agency, all those with any legitimate claim on such money were constantly battling each other for it.

Police departments wanted hardware (patrol cars, uniforms, weaponry), the courts wanted more clerks or pre-sentence investigators, the prosecutors and corrections systems had their demands.

As each group became more sophisticated in the writing of complex applications and in the art of courting the state coordinating body and federal bureaucrats, their slice of the pie got bigger.

A key to intelligent coordination in this scrambled eggs program was the state commission. In Delaware the commission, known variously as Delaware Agency to Reduce Crime, the Law Enforcement Planning Commission, the Governor's Commission on Criminal Justice, and now, the Delaware Criminal Justice Planning Commission, has had a spotty record.

Over the years there have been cries of "Too much money for administration" or "The police are getting all the money." At a meeting last summer a skillfully coordinated coalition managed to gain several changes in the commission staff's proposal, much to the chagrin of other commission members.

Yet, on balance, a federally supported effort to curb crime at local and state levels makes sense. LEAA money was largely responsible for improving the Delaware Superior Court's docketing procedures, establishing the computerized network on criminal records and motor vehicle records used by the courts and police, and LEAA is now funding Atty. Gen. Richard R. Wier Jr.'s investigation of white collar crime.

What President Carter wants to do is streamline the agency and give it some direction. Major elements of his proposal are:

—Ban the use of federal money for salary increases or construction projects and sharply reduce use of federal money for police hardware.

—Eliminate the requirement that state and local applicants submit annual plans—and instead submit three-year plans.

—Guarantee fixed allotments for cities over 100,000 and counties with populations of more than 250,000 because that's where most crime occurs.

These all make a lot of sense. If nothing else they would reduce the amount of needless, repetitious paperwork that applicants must go through year after year.

One part of the president's proposals establishing a research oriented National Institute of Justice within the Justice Department gives us some trouble. We agree with the American Bar Association that such a research unit should be clearly separated from the "action" part of anti-crime efforts. The ABA is promoting legislation that would make a National Institute of Justice a separate governmental body, not unlike the National Science Foundation or the National Institutes of Health. Such an independent body would be relatively free of the kinds of political pressure that have marred the efforts of LEAA for years. So freed it could produce valid data on ways to improve court procedures, police and corrections operations without concern for stepping on toes.

The president's proposals were introduced in the Senate by Sen. Edward M. Kennedy, who is scheduled to head the Judiciary Committee next year. With that kind of backer the reorganization could be accomplished soon.

[From the Miami (Fla.) Review and Daily Record, July 19, 1978]

PUBLISHER'S DESK

JUSTICE SYSTEM NEEDS MODERNIZATION

There's many a slip twixt the cup and lip and it appears that there is also many a slip between what a candidate for president promises and what a president finally proposes.

President Carter's plan for a National Institute of Justice (NIJ) is in the words of William B. Spann Jr., president of the American Bar Association, "an inadequate retread of LEAA's old, worn and much criticized research program."

When he was seeking office, Mr. Carter asked for an independent NIJ to take an in-depth look at the entire justice system. Now, he would bury it in the Department of Justice and deny the visibility and credibility needed for public understanding and success.

In other words, President Carter just isn't giving the nation the bold and innovative leadership needed to reform, strengthen and modernize the justice system.

By placing the NIJ within the Justice Department and closely tied to the grant-making activity of LEAA, the political needs of the Justice Department and the desires of state and local governments who receive LEAA funds are apt to dictate the research program which will be undertaken.

It's too bad the administration proposes a weak Advisory Board for NIJ, with the real power and status vested in the staff. Spann says the authority should be placed mainly in a prestigious, independent Board of Trustees, appointed by the President and not in federal bureaucracy.

We agree with the president of the ABA that the NIJ should conduct a balanced research program covering criminal, civil, administrative and regulatory matters. Enactment of the halfway measure offered by the administration will sound the death knell for any independent agency and end the chances for solving the problems facing our justice system.

Proposals for creation of an independent, federally funded, NIJ have been introduced in Congress. We join with the ABA in urging our national legislators to weigh the two approaches carefully and select a no-strings path which should prove to be far more beneficial for the American people.●

By MR. HELMS:

S.J. Res. 29. A joint resolution to establish a Commission on Security and Cooperation in China; to the Committee on Foreign Relations.

COMMISSION ON SECURITY AND COOPERATION IN CHINA

Mr. HELMS. Mr. President, the recognition of the Government of mainland China by President Carter has raised a great amount of anxiety over the future of the island province of Taiwan, and the Government of the Republic of China which is located there in Taipei. Despite assurances by President Carter that the mainland government is pledged not to use force against the government of Taipei, recent statements by Chinese Vice Premier Teng Hsiao-ping that he would not rule out the use of force as the ultimate sanction to induce negotiations have unveiled the ultimate goal.

The question is whether there are any circumstances whatsoever under which U.S. policy would like to see the peaceful unification of Taiwan with any Communist government on the mainland. The issue raises larger questions about our belief in the nature of freedom and our willingness to see any group of peoples in the world lose their right of self-determination. It is scarcely conceivable—at least to this Senator—that any people living in the relative freedom of life on Taiwan would willingly choose to be absorbed into a Communist society, even if such a fate took place peacefully.

Teng's threat that force must be reserved as the ultimate sanction to induce the government of the Republic of China to negotiate indicates that a policy of pressure will be followed, one that doubtless will include diplomatic, economic, and psychological efforts to isolate Taiwan, to restrict its freedom of action in international activities, and to destroy its economy. Taiwan cannot be said to have a choice if its freedom is strangled "peacefully" in a silken noose.

Similarly, Taiwan's choice cannot be said to be free if it is threatened militarily by a buildup of the kind of forces and armaments directed at military invasion, particularly if these forces are concentrated in regions adjacent to the Taiwan Straits. In part, Taiwan's ability to respond will depend upon the United States; but a great deal will depend upon the actions of the Peking government.

There are those who say, hopefully, that Peking will never invade because it would disrupt relations with Japan and the United States. But no one can predict under what future circumstances Peking might decide to act.

The fact remains that the Peking government has the worst—let me repeat for the purpose of emphasis—the worst human rights record in history, one that surpasses even the graphic descriptions of witnesses to the Cambodian tragedy. A study prepared for the Senate in 1971 estimated that as many as 64 million Chinese died during the Communist programs of liquidation and purge.

Even today, Chinese Communist officials estimate that between 5 and 10 percent of the Chinese people suffer "the dictatorship of the proletariat" in forced labor camps. With a population of 900 million, 5 to 10 percent in forced labor camps is a number equivalent to one quarter to one half of the population of the United States. So that, Mr. President, is what we confront.

Those who are not in the forced labor camps live continually in the fear that they, too, might fall under surveillance or "dictatorship." Legal protections are virtually nonexistent; men and women are incarcerated by party directive (the Gang of Four being the most notorious examples).

Personal mobility is restricted not only by the poverty and failure of the Chinese economic system under communism, but also by one of the most restrictive systems of rationing basic daily necessities in the world. Indeed, the very rights which we hold to be fundamental to the nature of man are rigorously suppressed, including the following:

First. The rights of family. The Chinese sense of family runs very deep, based upon the Confucian ideal of respect for one's ancestors. The party has worked very hard to break down this tradition. The "liberation" of women, most of whom do manual work in the fields, has placed great stress on the family unit. Parents have no control over the education of their children. Millions of so-called "educated" youth have been sent from urban centers to remote villages for permanent settlement. Restrictions on marriageable ages, forced separation of married couples to job assignments hundreds of miles apart, and public pressures on individual women for abortion and contraception further erode marital rights and privacy.

Second. The rights of religion. Millions of Chinese were adherents of the Buddhist, Taoist, Moslem, and Christian faiths before 1949, and millions more were active followers of the ethical precepts of Confucius. The thousands of temples have been closed, many have been destroyed. A mere handful of religious buildings are kept open for the inspection of foreigners, but no Chinese citizen would dare to enter. Attendance at religious rites would result in job loss, discrimination, surveillance, decrease in rations, and perhaps even a trip to the labor camps.

Third. The rights of labor. No Chinese may join an independent trade union, much less enter upon a strike. Wages in China have been raised only twice in 20 years. A worker has no right to select his job or his assignment.

Fourth. The rights of property. Needless to say, the right to hold private property has completely disappeared, including peasants who may have owned only 2 or 3 acres. Forced collectivization was imposed on all agriculture. Property rights are the foundation of human liberties, and they are nonexistent in Communist China.

Fifth. The rights of political expression. There is only one party in China. There is not even an organized network of dissenters, such as in the Soviet Union. The recent, brief flowering of big character posters, under the careful guidance of Party officials, shows that free political expression on the mainland is nonexistent.

Sixth. The rights of economic-self determination. Anyone who advocates personal or private enterprise, no matter how insignificant, is considered a "capitalist roader." No individual may attempt to establish his own economic self-sufficiency outside of the collective plan.

Seventh. The rights of due process. Legal rights simply do not exist in China, and the recent calls for the establishment of legal procedures only points up the fact that, for 20 years, citizens have been at the mercy of party directives, as interpreted by local officials. There is not even a criminal code, much less a code for political offenders.

Mr. President, it is the hope of many that the total absence of human rights, as generally understood in the West, will be ameliorated as time goes by. The emergence of Teng as the strong man in China after the death of Mao has given an indication that there might be evolution toward a better situation. But no one knows how long the adherents of Teng will hold power. The historical record gives little confidence that the situation will change for the better permanently. It is far too soon to decide.

All of these reasons are reasons why we should not be in haste to consign the people on Taiwan to the benevolence of the Peking regime. After all, the Republic of China has not ceased to be a legitimate government merely because the United States has withdrawn its ambassador. It remains in control of a significant part of the territory of China. I believe that it is generally accepted under international law that a country cannot be "de-recognized." A new government may be recognized once it has de facto control of territory. But once it is recognized, it is recognized as long as it has that control. The withdrawal of ambassadors is a separate act that has no bearing on recognition.

Indeed, nations may withdraw ambassadors and go to war with each other, without any implication that their opponents no longer exercise sovereignty over such territory as they control. Infact, quite the opposite is implied.

However, since the administration has chosen to withdraw the U.S. Ambassador from Taiwan and to recognize Peking as the sole government of China, in defiance of reality and international law, special steps should be taken by Congress to safeguard the human rights of the Chinese people who are under the Government of the Republic of China on Taiwan. Neither that Government nor the people cease to exist because of the President's action. It is up to Congress to monitor the human rights situation on the mainland and any potential military buildup which would threaten Taiwan.

Accordingly, the resolution which I am proposing would set up a Commission on Security and Cooperation in China. It would parallel the work of the presently existing Commission on Security and Cooperation in Europe, the so-called Helsinki Commission, which monitors human rights violations of nations which have signed the Helsinki accords.

Like the Helsinki Commission, the China Commission would be a body consisting of six Members of the Senate, six Members of the House, and three members appointed by the administration. Like the Helsinki Commission, the congressional Members would be selected in a ratio of 2 to 1 from the majority and minority parties. Again like the Helsinki Commission, there would be a small staff to perform necessary tasks to implement its mandate.

The main difference between the two commissions, of course, has to do with its goals. Since Peking looks upon human rights as a bourgeois fiction designed to imoede the class struggle, the People's Republic has not signed the Helsinki agreement.

Its mandate, therefore, is based upon the implied promises of the People's Republic with regard to its aspirations toward Taiwan. Its role would be as follows:

First. To monitor the acts of the PRC to determine whether the PRC has directed any aggressive or hostile action against the territory of the Republic of China, or has taken any step which would have the purpose or effect of undermining the governing authorities;

Second. To encourage and monitor the activities of the U.S. Government and of private organizations in strengthening economic and military cooperation with such territory and to conduct liaison with the governing authorities in the territory controlled by the Republic of China, for the purpose of assuring the security of that territory; and

Third. To monitor the status of the People's Republic of China of internationally recognized human rights, including the rights of family, religion, property, labor, political expression, economic self-determination, and due process, in order to decide whether the rights of the people on Taiwan would be abridged if "unification" should take place.

It should be noted that, like its model, the Helsinki Commission, the proposed China Commission does not intrude upon the President's right to conduct foreign policy. Its function is only a monitoring function so as to collect vital information to report to Congress. It is merely an expression of congressional oversight authority, and is designed to have input both from congressional and administration sources.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 29

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established the Commission on Security and Cooperation in China (hereinafter referred to as the "Commission").

SEC. 2. The Commission shall—

(1) monitor the acts of the Government of the People's Republic of China to determine whether such Government has directed, contrary to the understanding of the President, any aggressive or hostile action against the territory of the Republic of China or has taken any step which would have the purpose or effect of undermining the *de facto* governing authorities in such territory;

(2) encourage and monitor the activties of the United States Government and of private organizations in strengthening economic and military cooperation with such territory and to conduct liaison with the *de facto* governing authorities in the territory of the Republic of China, for the purpose of assuring the security of such territory; and

(3) monitor the status in the People's Republic of China of internationally recognized human rights, including the rights of family, religion, property, labor, political expression, economic self-determination, and due process, in order to determine whether the incorporation of the territory of the Republic of China into the People's Republic of China would have the effect of denying or abridging such rights of the people of such territory.

SEC. 3. The Commission shall be composed of fifteen members. Of the members provided for under the preceding sentence—

(1) six shall be Members of the House of Representatives to be appointed by the Speaker of the House of Representatives, four of whom shall be selected from the majority party, and two of whom shall be selected, after consultation with the minority leader of the House of Representatives, from the minority party. The Speaker of the House of Representatives shall designate one of the Members appointed under this paragraph as Chairman of the Commission;

(2) six shall be Members of the Senate to be appointed by the President of the Senate, four of whom shall be selected from the majority party, and two of whom shall be selected, after consultation with the minority leader of the Senate, from the minority party;

(3) one shall be a member of the Department of State to be appointed by the President;

(4) one shall be a member of the Department of Defense to be appointed by the President; and

(5) one shall be a member of the Department of Commerce to be appointed by the President.

SEC. 4. (a) Members of the Commission shall serve without compensation but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

SEC. 5. The Commission may, in carrying out its duties under this joint resolution, sit and act at such times and places, hold such hearings, take such testimony, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

SEC. 6. The Commission shall report quarterly to the President and to the House of Representatives and the Senate with respect to the matters covered by this joint resolution and shall provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

SEC. 7. There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended, $350,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this joint resolution, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S.J. Res. 30. A joint resolution authorizing and requesting the President to issue a proclamation designating the month of June as "National First Aid Month"; to the Committee on the Judiciary.

NATIONAL FIRST AID MONTH

● Mr. WILLIAMS. Mr. President, I am pleased to introduce a Senate joint resolution to declare the month of June as "National First Aid Month." The purpose of this observance is to increase public awareness and knowledge of basic first aid and emergency procedures.

Statistics compiled by the National Safety Council and the National Center for Health Statistics reveal much about the health of Americans.

Accidental injury is the leading cause of death among Americans aged 1 to 38. It is the fourth leading cause of death among all Americans and claims more lives among youth aged 15 to 24 than all other causes combined.

In 1976, chronic and acute illnesses or injuries resulted in an estimated 18.2 days of restricted activity or disability per person. Restricted-activity ranged from about 11 days for children under 17 years of age to approximately 40 days for persons 65 years of age or over.

Motor vehicle accidents are the major single cause of death and disability in this country, however, drownings, fires, poisoning, and firearms also inflict a heavy toll. The cost of these accidents to the individual, his family, and our society is enormous. Accidents in which deaths or disabling injuries occurred, together with noninjury motor vehicle accidents and fires, cost our Nation $52.8 billion in 1976. Included in this total was $31.7 billion for wage losses, medical expenses, and insurance administrative costs.

In 1973, the Congress recognized that disability, loss of health, and death from accidents, as well as from sudden illnesses such as heart failure, could be substantially reduced with an improved emergency medical services system. To help communities meet emergency situations immediately and effectively, Congress enacted the Emergency Medical Services Systems Act. Through this act, communities have been able to correct service deficiencies irrespective of the relative wealth or urban-rural nature of their local areas.

Despite the expansion of professional emergency medical services in this country, there is a need to assure that each American has an awareness and knowledge of basic first aid and emergency procedures. When an accident occurs, use of basic first aid techniques can mitigate the need for professional medical treatment. In life-threatening situations, the use of relatively simple procedures, until professional medical care can be obtained, can often make the crucial difference between life or death.

A number of voluntary organizations diligently work to teach people about basic first aid and emergency medical procedures. The resolution I am introducing today would focus concerted attention on the need for every American to obtain information about these procedures. Several voluntary organizations have already indicated their support for this effort including the National Safety Council, the Boy Scouts of America, the Salvation Army, and the American Heart Association. I am confident support for this resolution by the Congress will result in the protection of the health of countless Americans.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 30

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, accidental injuries and sudden illnesses result in loss of health, disability, or death for millions of Americans each year;

Whereas, the prompt application of first aid and emergency procedures can preserve health, reduce suffering, and save lives;

Whereas, there is a demonstrated need to increase public awareness and knowledge of basic first aid and emergency procedures; and

Whereas, basic first aid and emergency care information should be accessible to every American: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of June of each year as "National First Aid Aid Month" and calling upon the people of the United States and interested groups and organizations to observe such month with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 5

At the request of Mr. CHILES, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 5, to provide policies, methods, and criteria for the acquisition of property and services by executive agencies.

S. 10

At the request of Mr. BAYH, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 10, The Rights of Institutionalized Persons.

S. 25

At the request of Mr. BAYH, the Senator from Maine (Mr. MUSKIE), the Senator from Washington (Mr. MAGNUSON), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 25, a bill to designate the birthday of Martin Luther King, Jr. as a national holiday.

S. 46

At the request of Mr. STONE, the Senator from Nevada (Mr. CANNON) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

S. 55

At the request of Mr. BENTSEN, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 188

At the request of Mr. STEVENSON, the Senators from Iowa (Mr. CULVER and Mr. JEPSEN) were added as cosponsors of S. 188, a bill to amend the Disaster Relief Act of 1974.

S. 196

At the request of Mr. THURMOND, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 196, to provide chiropractic treatment when requested for veterans eligible for outpatient care.

S. 227

At the request of Mr. ROTH, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 227, to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974.

SENATE RESOLUTION 30—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

Mr. WILLIAMS (for himself, Mr. RANDOLPH, Mr. PELL, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. RIEGLE, Mr. METZENBAUM, Mr. SCHWEIKER, Mr. JAVITS, and Mr. ARMSTRONG) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 30

Resolved, That—

(1) clause (1) of paragraph 1.(1) of Rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Human Resources," and inserting in lieu thereof "Committee on Labor and Human Resources,", and

(2) the table contained in paragraph 2 of such Rule is amended by striking out the item relating to the Committee on Human Resources and inserting in lieu thereof "Labor and Human Resources".

SEC. 2. The standing committee described in paragraph 1.(1)(1) of Rule XXV of such

Standing Rules is hereby designated as, and shall be known for all purposes after the date of adoption of this resolution as, the "Committee on Labor and Human Resources".

SENATE RESOLUTION 31—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS, from the Committee on Human Resources, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 31

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Human Resources is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,792,000 of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

NOTICES OF HEARINGS

COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that a hearing of the Senate Special Committee on Aging will be held in Missoula, Mont. on February 14 at 9:30 a.m. and 1:30 p.m. at the Eagles Lodge, 2200 Stephens, Missoula. Senator JOHN MELCHER will preside. The hearing will focus upon rising energy costs and their impact on the elderly. In addition, the afternoon session will concentrate on the nutrition and commodities program for the elderly.●

ADDITIONAL STATEMENTS

SALT II

● Mr. HART. Mr. President, the debate over Senate ratification of the expected SALT II Agreement has been made more complex than necessary by misleading statements from SALT opponents. They have suggested, for instance, that our European allies have serious misgivings about the value of the nearly completed agreement.

The recent summit in Guadeloupe should help to dispel such misapprehensions of European attitudes. President Giscard of France, Prime Minister Callaghan of Britain, and Chancellor Schmidt of Germany were unanimous and unambiguous in their support for an early conclusion to the SALT talks and swift ratification of a SALT II Agreement. I would like to have printed in the RECORD excerpts from their concluding remarks at Guadeloupe. When others present alleged evidence of European concerns over SALT, let us remember the official public views of these three leading NATO allies.

The excerpts follow:

EXCERPTS OF CONCLUDING REMARKS ON SALT BY WESTERN LEADERS

PRESIDENT GISCARD D'ESTAING OF FRANCE

We considered that the legitimate recognition of the realities of the present-day world should be accompanied by the pursuit of efforts designed to improve the world situation, and in particular, the pursuit of efforts toward detente, and efforts toward limitations of armaments and, in particular, express the hope for an early conclusion of the SALT Agreement.

PRIME MINISTER CALLAGHAN OF THE UNITED KINGDOM

. . . We heard from President Carter about the SALT Agreement. It is reaching its final stages now. He gave us his analysis of the (current) position. Of course, during the whole process, there has been continuous consultation. I would like to urge, speaking as someone who is on the other side of the Atlantic, I would like to urge the speedy ratification, the conclusion of the agreement and speedy ratification on both sides, that is, on the United States side and on the Soviet Union. I think it would be a very sad day if this agreement were not ratified, and the Administration will have our support in their efforts when they place it before the American people. And we look forward to the development of a SALT III negotiation, which we believe will be of benefit to us.

CHANCELLOR SCHMIDT OF THE FEDERAL REPUBLIC OF GERMANY

Representing nations who belong to the same Alliance, it was, of course, natural that we at some length dealt with security questions, among which, of course, was of great importance the report that we were given by the American President, Jimmy Carter, on the progress of SALT II, and I would like to join my British colleague here in stressing that in our view, SALT II is going to be a very important contribution toward stabilizing world peace. I do hope for early conclusion, and also for swift ratification thereafter. And as far as my country is concerned, we will take the appropriate opportunity to make this clear to everybody in the world.●

S. 227—TRADE ADJUSTMENT ASSISTANCE ACT

● Mr. JAVITS. Mr. President, I rise in support of the Trade Adjustment Assistance Act, which will substantially improve the delivery of adjustment assistance benefits and, thereby, make the program more effective in carrying out the mandate contained in the 1974 Trade Act—to safeguard American industry and labor against harmful import competition. The bill will raise the ceiling on direct loans to firms from $1 to $3 million and on loan guarantees from $3 to $5 million, extend assistance to workers and firms that manufacture component parts of import-impacted articles, and include provisions for determining the cause of industries' competitive problems and possible adjustment options.

The Trade Adjustment Assistance Act is an essential domestic counterpart to the Multilateral Trade Negotiation package. Our dedication to free international trade must be accompanied by a commitment to assist U.S. industry and labor adjust to structural changes in the international economy. Only by assuring appropriate assistance to workers and firms affected by imports can we build a foundation of support for the MTN and acceptance of its critically important goals of an open international economy.

At present, manufacturing industries in every State benefit from trade adjustment assistance benefits. New York State alone received 30 percent of the total trade adjustment assistance for firms since the Trade Act of 1974 went into effect. As for worker benefits, in 1978, 387,000 U.S. workers were certified for trade adjustment assistance with 41,000 New York State workers—15 percent—receiving benefits. In 1978, New York State received $59 million out of a U.S. total of $507 million. This firm and worker assistance was especially important to the apparel, textile, steel, footwear, and television industries.

I have already written to Ambassador Strauss asking him to submit the Trade Adjustment Assistance Act as early as possible, and I ask that my letter to him be printed in the RECORD. Now that Senator ROTH and I have introduced this legislation, I urge the administration to support its passage. I plan to ask Ambassador Strauss when he testifies before the Joint Economic Committee tomorrow what the position of the administration is on this bill.

In conclusion, I urge my fellow Members to join Senator ROTH and myself in ensuring U.S. workers and firms adequate and effective assistance in adjusting to changes in the international economy.

The letter follows:

U.S. SENATE,
Washington, D.C., January 18, 1979.

Hon. ROBERT S. STRAUSS,
Washington, D.C.

DEAR BOB: I am writing in reference to a matter that I believe is of considerable mutual concern.

As you know, in the rush to adjourn in October, the Trade Adjustment Assistance Amendments were not passed by Congress. This legislation would have substantially improved the delivery of adjusted assistance benefits, thus making the program more effective in carrying out the mandate contained in the 1974 Trade Act to safeguard American industry and labor against harmful import competition.

I urge you to resubmit the Trade Adjustment Assistance Amendments as early as possible in this session. Early resubmission will greatly help consideration of the Multilateral Trade Negotiation package by creating the proper climate in Congress for more liberalized international trade. A strong commitment on your part to support adjustment assistance will help allay protectionist fears in the Congress that may well accompany this major step toward free trade and will also set a receptive stage for successful consideration of the MTN package.

With best wishes,
Sincerely,

JACOB K. JAVITS.●

THE MEAT IMPORT ACT OF 1979

● Mr. BOREN. Mr. President, today, I am cosponsoring S. 55, the Meat Import Act of 1979. This legislation is needed to help alleviate the boom and bust cycles of the livestock industry and will help assure a more dependable supply of quality meat for consumers. Ranchers in my State of Oklahoma and in the rest of the Nation are still heavily in debt from the depression which hit the beef industry from 1973 to 1977. They deserve our help and consideration. One of the causes of the boom and bust cycle has been our present law on meat imports.

The present law has been counterproductive in recent years, and changes are necessary to maintain the economic well-being of our Nation. The current law lets in more imports when domestic supplies are high and prices are low. Additional imports further depress prices. Such was the case recently when many ranchers, both young and old, were on the brink of economic disaster and some were forced out of business. It makes very little sense to allow a greater amount of imported beef into the country at the time when there is already a domestic surplus.

On the other hand, the current law restricts imports when domestic supplies are low and prices are high. With less imports allowed, total supplies are tightened and prices rise. This action may result in Presidential action to suspend quotas and let in more imports. At the very time we should be encouraging our producers to increase production, suspension of quotas causes anxiety and a lack of confidence within the cattle industry. The present law works in just the reverse of market forces and neither the consumer nor the producer benefits in the long run.

S. 55 provides for a countercyclical formula to be used in determining quantities of beef imports. Under this formula, imports will vary inversely during periods of low domestic supplies which will benefit the consumer. Conversely, imports will be reduced as domestic supplies increase which will help the cattle producer.

This bill also tightens two loopholes in the present law. First, live cattle in from foreign countries are considered a part of domestic commercial production. Under the provisions of S. 55, carcass weight of live cattle imports would not be counted as domestic commercial production. Second, partially processed beef which may be shipped in is not counted as imported beef. This bill would include this kind of beef in calculating total imports. This a far better approach because realistically all foreign beef in these categories which comes into this country should be counted as imported beef and be subject to quotas.

I am well aware of the fact that legislation very similar to this bill passed the Congress last year, but unfortunately was vetoed by the President. It is my hope that Congress and the administration can work together in passing and enacting legislation such as this. It is reasonable and fair to both producers and consumers.●

CONDOMINIUMS AND THE OLDER PURCHASER

● Mr. CHILES. Mr. President, in recent years, condominiums have become a major form of housing in the United States with nearly 2 million units currently providing shelter for 5 million Americans. Housing experts predict that within a very few years, at least half of all new housing starts will be condominiums. This supports a 1975 projection by HUD that condominiums which had a dominant share in new-for-sale housing in some areas, "are likely to do so in other rapidly expanding metropolitan housing markets in the future."

One reason for the condominium boom is the record increase in the costs of traditional detached homes. But there are other advantages. For two growing population groups in particular—young marrieds and retirees—condominiums offer attractive homeownership combining amenities, freedom from maintenance responsibilities, and neighborly social interaction.

There is, however, a negative side to condominium growth, especially for older Americans. The widespread conversion of rental housing to condominiums is resulting in the eviction of thousands of elderly tenants around the Nation. This is a deeply troubling situation now under scrutiny by the Senate Committee on Aging.

A second blight on the condominium industry is the abusive schemes and practices of some developers. Shoddy construction, escalating long-term leases, misuse of purchase deposits, deliberate underestimations of operating expenses, and complex and confusing documents are just a few of the frauds and deceptions which have been perpetrated against consumers. The monetary losses, the grief and frustration suffered by buyers, and the damage done to honest builders are incalculable.

Despite these problems, there seems little doubt that condominiums will continue to flourish. Because potential purchasers today face an array of State consumer protection laws which range from the excellent to the nonexistent, and which lack any degree of uniformity, I joined with my colleagues Senators PROXMIRE, STONE, and MATHIAS in sponsoring the administration's proposed Condominium Act in the 95th Congress. That legislation would have established minimum national protection and disclosure standards for purchasers, while leaving it to the States to enact more stringent regulatory provisions. The act held paperwork burdens for developers to an absolute minimum. It also provided notice and option protections to tenants in buildings undergoing condominium conversions. Finally, it contained strong enforcement provisions, and permitted the Federal judiciary to revise or void abusive leasing practices which are today bilking tens of thousands of those who have already purchased condominium units.

There was insufficient time for hearings in the Banking Committees on that legislation in the last Congress, but it is my intention to join in reintroducing it shortly, and to press for early hearings.

In order to assess the problems which elderly households have confronted in the absence of adequate condominium laws, I recently chaired two Committee on Aging hearings on "Condominiums and the Older Purchaser" in Florida.

Today, Florida has one of the Nation's best condominium statutes. But it was achieved at a terrible price in deceptions and abuses which have robbed retirees of their money and their peace of mind, and which for a time crippled that State's development industry.

Thousands of elderly unit owners continue to live under the fear of personal foreclosure and project bankruptcy due to escalating, 99-year leases for recreational facilities. These unconscionable arrangements, where developers are guaranteed rising fees tied to the Consumer Price Index for facilities which they have no obligation to maintain, are cheating retirees of funds which are sorely needed for food, transportation, and medical care. I was told of one particularly outrageous instance where a facility which cost $200,000 to construct returned more than $300,000 in fees to the developer in the first year, and will cost owners more than $700 million over the term of the lease if inflation averages 5 percent annually. However, long before the 99 years have expired, the recreation facilities will need to be replaced, the condominium units will be unsalable, and the project will be forced into bankruptcy.

Assistant Florida Attorney General Thomas Pflaum provided this general prognosis for the recreation lease situation: "The economics of the situation are impossible. In the cases that I have handled, the rent under the leases has doubled, gone up 1 hundred percent in 5 years, and it probably will do so again. That bubble is inconceivable, it simply can't continue to grow."

Some unit owners associations are seeking to evade this tightening noose by purchasing their recreation leases. But, here too, abuses are rampant. One developer is asking for $31 million for a facility which was constructed almost 10 years ago at a cost of $750,000.

And, while Florida law now bans recreation leases, some inventive developers have been quick to write new schemes into condominium documents. Recreation facilities have been replaced by "social clubs," and some condominums have come to resemble the "company stores" of yesteryear—with developers retaining exclusive rights to provide insurance, cable television, management, vending and laundry machines, garbage collection and extermination, and a list of similar services.

Mr. President, uniform national standards and access to the Federal courts for redress are essential if retirees moving to other States are not to suffer the same agonies that took place in Florida before adequate minimum State laws were enacted. I urge my colleagues to join with me to prevent any future perversions of what should be a sound and attractive housing concept, and I ask that excerpts

from my opening statement, and several articles which more fully explain the hearings, be printed in the RECORD.

The material follows:

OPENING STATEMENT—SENATOR CHILES

Today's hearing on "Condominiums and the Older Purchaser" is undertaken in the belief that condominiums and other new forms of residence ownership will be chosen increasingly by the growing ranks of older Americans. Despite the problems which which characterized the early years of Florida's condominium industry, the 1975 HUD Condominium/Cooperative Study foud that 96 percent of South Florida unit owners were either satisfied or very satisfied with the condominium lifestyle, and that more than 70 percent would again purchase a condominium if they could choose again. Clearly, condominium living can offer good housing, recreational opportunities, and a potential for community self-management and social interaction which is attractive to retirees, and well within the means of many.

If so many older residents are so satisfied, then why are these hearings being held, and why in Florida? I believe that the Florida condominium experience has much to teach us about the pros and cons of condominium living for the elderly, and whether there is a need for minimum national standards to protect older purchasers no matter which State they settle in. Florida is in the forefront of condominium construction, and is unique in the percentage of retirees occupying those units. Florida now has one of the Nation's exemplary condominium laws. However, this body of law was not developed to forestall difficulties but came as a result of abusive practices, carried out by a destructive minority within the development industry; at one point threatening not only the savings and well-being of purchasers, but the entire condominium industry.

In April of this year I cosponsored, at its introduction, the "Condominium Act of 1978." This bill, drafted by a Task Force headed by the Department of Housing and Urban Development, would set minimum national standards for consumer protection and disclosure in both new construction and conversion condominiums. It would encourage the individual States to enact strong condominium laws. It would hold red tape and costly regulations for developers to an absolute minimum, while at the same time recognizing that asking this industry to meet basic consumer protection standards is not a large price to ask in exchange for the legitimacy and stability which Federal and State laws have conferred upon it.

It should be realized that enactment of this Federal law would not have a major effect upon Florida's condominium statutes, which now offer sufficient protections to be certified in compliance with the proposed minimum national standards. However, in one specific area, the "Condominium Act of 1978" would offer substantial relief to tens of thousands of older Floridians who have been unduly victimized. This is in regard to the abusive practice of escalating, 99-year leases for recreation facilities, for the bill would authorise the Federal courts to grant relief which Florida's judiciary has not seen fit to confer.

These contractual arrangements are intolerable.

Purchasers were unaware of them and had no power to negotiate and modify them.

They extend far beyond the useful life of these recreational facilities and reimburse developers many times over for their costs.

And, due to escalation clauses tied to the Consumer Price Index, they threaten to rob elderly residents of their dignity and their life savings, and even to destroy the fiscal stability of the condominiums they occupy.

. . . Neither Congressional Committee having responsibility for housing held hearings on this bill during 1978, but prospects for action may be better next year . . .

I pledge today that I will take the evidence gathered at these hearings to tell the Congress about the damage to purchasers and the honest majority of developers in the absence of strong minimum standards to forestall abusive and deceptive practices.

Today's hearing has a wider purpose beyond an examination of the need and specific form of Federal condominium legislation. We want to consider such questions as:

How are retirees coping with the self-management responsibilities, often of enormous proportions, in multi-million dollar projects?

What effect is inflation having upon older residents who have retired on fixed incomes an anticipated relatively stable residential expenses as one of the chief benefits of condominium living?

And, with the conversion of rental units to condominiums on the rise both in Florida and nationwide, is enough being done to protect the interest of both long-term renters and new purchasers?

Finally, we will inquire into whether sufficient thought and planning is being directed to meeting the present and future needs of aging condominium populations.

In our two days of hearings, we will hear from Floridians who are expert in these matters. We will hear from condominium association leaders, from representatives of developers and management, from attorneys, from State officials, and from those who provide social services to older persons.

We will also hear from the real experts, from the condominium residents themselves, during special "Town Meetings" at the conclusion of our scheduled witnesses.

[From the Sun-Sentinel, Nov. 29, 1978]

FEDERAL LEGISLATION ASKED TO CURB RECREATION LEASES

(By Linda Kleindienst)

HALLANDALE.—The evils of condominium recreation leases and the problems older Americans have winning the fight against inflation were the messages delivered yesterday to U.S. Sen. Lawton Chiles, D-Fla.

Chiles, a member of the Senate Special Committee on Aging, chaired a field hearing for the committee at City Hall to get input from condominium owners and builders on proposed federal condominium legislation.

A second hearing will be held beginning at 9 a.m. today at the federal building in West Palm Beach.

Chiles said the purpose of the hearings is to gather testimony that will give impetus to legislation he and U.S. Sen. Richard Stone, D-Fla., cosponsored last year. (The same bill in the House was sponsored by U.S. Rep. William Lehman, D-North Miami, U.S. Rep. Paul Rogers, D-West Palm Beach, and U.S. Rep. Dante Fascell, D-Miami.)

The proposed condominium legislation died without ever having a hearing before a congressional committee.

This year the bill will be filed again and Chiles hopes it will get a better reception.

Although the special committee on aging cannot introduce legislation, Chiles said, "We can build a fire under other committees, such as Banking and Finance."

The hearings this week are being held in South Florida because the state's condominium experience "has much to teach us about the pros and cons of condominium living for the elderly, and whether there is a need for minimum national standards to protect older purchasers, no matter which state they live in," Chiles explained.

Calling Florida's condominium laws "exemplary," the senator said one of the problems is that the legislation was enacted as a result of abusive practices. He said federal laws should be passed to help states where the condominium problem has not yet reached a crisis point.

Chiles explained the ill-fated Condominium Act of 1978, which was drafted by a task force headed by the Department of Housing and Urban Development, proposed minimum national standards for consumer protection in both new construction and conversion condominiums. It encouraged individual states to develop strong condominium laws.

He added the law would not dramatically affect Florida but would "offer substantial relief to tens of thousands of older Floridians who have been unduly victimized. This is in regard to the abusive practice of escalating, 99-year leases for recreation facilities, for the bill would authorize the federal courts to grant the relief which Florida's judiciary has not seen fit to confer."

Those who appeared before the hearing, which was attended by Broward Legislative Delegation Chairman Rep. Harold Dyer, D-Hollywood, told Chiles of the problems Florida's condominium dwellers have had meeting increased costs for recreation and maintenance leases.

Most encouraged the federal legislation to help stave off problems in other states where there are growing numbers of condominium developments.

Statements from Stone and Lehman were read into the record, calling for an end to condominium abuses and reiterating support of a federal law.

Annie Ackerman, a leader of the Point East Condominium Association in Dade County, told Chiles Floridians don't mind being the "guinea pigs" as long as they and other Americans can get some protection now from the government.

"A national standard for condominium housing is imperative," she said. "There is no question future housing will be some form of condominium housing throughout the United States."

Sid Nerzig of Pompano Beach, president of the Condominium Co-op Executive Council, said federal legislation is necessary because standards and degrees of protection for condominium purchases vary among the various states.

"For instance, New York State does not allow these now-infamous and notorious recreational leases, with their even more notorious escalation clauses, while in a number of Sun Belt retirement areas like Florida, such arrangements are still legally permitted," he said.

While the unit owners must pay all costs and expenses for leased facilities and their maintenance, Nerzig said the developer still gets rental escalations based on increases in the Consumer Price Index.

He added there is "no justification or morality for the unit owners to be saddled with any such rental escalations."

The story that developed during yesterday's hearing was that a growing number of elderly Americans are moving into condominiums where they sign contracts before realizing the full legal and financial implications.

To combat what they call "unconscionable" leases, the condo owners have organized into political action groups and have brought developers into court.

Although state law says no escalation clauses are now permitted in Florida recreation leases, those who signed contracts before the legislation are still faced with that financial responsibility.

Chiles said at least passage of national legislation would bring the issue under the jurisdiction of the federal court, where a more equitable solution might be found for the state's condominium owners.

Several speakers at the hearing urged that Congress consider including cooperative apartments and single-family housing developments which have communal recreation facilities into the proposed federal law.

"The cooperative units have the same problems," said Ernest Samuels of Miami, president of the Condominium and Cooperative Officers Association. "There are some cooperatives where the land has been leased to the unit owners."

Condominium activity has been limited to a few states, which have enacted "second generation" statutes, and as a result Chiles said the Condominium Act lacks the "national constituency required for congressional support."

However, Bob Rosen, president of the South Florida Chapter of the Community Associations Institute, said yesterday there is an "explosive growth in the condominium and cluster-housing concept."

He predicted by the mid-1980s, 80 percent of all new residential housing will be the cluster concept.

Chiles, who blamed the necessity for legislation on "greedy developers," promised to bring the testimony back to the special committee "to tell Congress about the damage to purchasers and the honest majority of developers in the absence of strong minimum standards to forestall abusive and deceptive practices."

[From the Sun-Sentinel, Nov. 30, 1978]

CONDO-RELATED ABUSES SHATTER RETIREES' DREAMS

(By Linda Kleindienst)

WEST PALM BEACH.—Tales of Florida retirement dreams that turned into nightmares were unraveled yesterday before a Senate Special Committee on Aging hearing chaired by U.S. Sen. Lawton Chiles, D-Fla.

In a federal courtroom filled with retirees, Chiles learned of the heartaches suffered by those who hoped to spend the rest of their lives in a tranquil Florida retirement.

But that tranquility was shattered for many by legal battles and unscrupulous practices of condominium developers.

Chiles, along with U.S. Sen. Richard Stone, D-Fla., plans to reintroduce federal condominium legislation when the new Congress convenes Jan. 15.

The purpose of the field hearing yesterday in West Palm Beach and Tuesday in Hallandale was to gather information from South Florida residents on condominium problems and abuses and to better determine the needs of the elderly living along the state's Gold Coast.

Yesterday the 48-year-old senator from Lakeland learned about the transportation, social service and medical problems the aged face.

Witnesses testifying before the committee indicated they moved into particular Broward and Palm Beach county condominiums because of the free transportation offered. Later they found out the transportation wasn't free.

Lucille Stang, a resident of Hawaiian Gardens in Lauderdale Lakes, said the primary reason for her purchase of a condominium was the provision of courtesy transportation service.

"After the developer sold the last unit, they moved out the buses," she said. "Then I had to resort to public transportation."

She said she has problems getting public transportation on evenings and Sundays and had to give up her hopes of going to night classes.

"Many times we have to stand in the buses and I've seen many elderly people fall," she said.

Mrs. Stang said there are some people who will drive the elderly to shopping centers, the drug store or a doctor's appointment, but they charge a fee. It may be illegal, but she said the fee is cheaper than taxi fares so many willingly pay it.

"Our sunshine state will be a sunset state unless we take care of these people in some way," she said.

Nan Hutchison, executive director of the Broward County Area Agency on Aging, called for more money to help the elderly with transportation.

She said since the agency was first established as a pilot project in 1972, transportation has been listed by the elderly as one of their three most important needs.

She said 29.7 percent of the nearly 1 million people living in Broward are 60 years or older. That percentage, Mrs. Hutchison added, jumps to 85 percent in Tamarac.

"If we had 100 buses to put into operation we still wouldn't meet the need," she said. "And I'm just talking about buses needed for the handicapped and the elderly."

Although there are some services in the county where a senior citizen can call for a special pick-up to a doctor's appointment or a shopping trip, those reservations have to be made two weeks in advance.

"The only emergency service we have is the paramedics," said Gladys Borenstein; also a resident of Hawaiian Gardens. "They can't take you to a hospital, so they have to call an ambulance which costs money. What happens if I get sick today and have to get to a private doctor?"

Kelly Mann, a resident of Century Village in West Palm Beach and president of the politically powerful Village Mutual Association—a coalition of condominium groups throughout Palm Beach—explained the senior citizens had to group together through condo organizations to gain strength.

"Our feeling was the only way to accomplish something was through the medium of politics," he said, explaining the frustration condominium owners had when they went to court to fight recreation leases and unconscionable escalation clauses.

"When we got involved in politics in 1973 we were horrified by the lack of knowledge of the condominium law on the part of the legislators," Mann said. "It was practically nil."

He said many condominium owners today suffer from "true serfdom" and said many face the reality of losing their apartments because their fixed incomes cannot keep up with the escalated lease costs.

Chiles learned about 300 apartments in Century Village are now undergoing foreclosure and nearly 3,000 more are scheduled to be filed. Besides that, many aged condominium owners are now to the point where they have to apply for food stamps and other welfare-related services.

With recreation lease escalation clauses tied to the rising Consumer Price Index, Bernard Kantor, a Century Village resident who is president of the Village Mutual Service, said many owners will be priced out of their homes.

A battery of state and private attorneys told Chiles the state Supreme Court's reluctance to help those condominium owners who signed contracts with recreation lease escalation clauses indicates the need for federal action.

"The courts of Florida have turned down the antitrust tie-in theory and the state's Little FTC Act and current legislation cannot be applied retroactively to the real problem period between 1968 and 1974," explained Thomas Pflaum, an assistant attorney general in the consumer division. "The situation looks a little grim. I've seen recreation leases go up 100 percent in only five years. Congress has to become involved where the states have failed."

R. Jeff Andrews, chief of the state's Bureau of Condominiums, urged better education programs for the prospective condominium dweller.

"Even people with legal counsel don't always realize what they're getting into," he said.

Gary Poliakoff, a Miami Beach attorney who served as a consultant to the U.S. Department of Housing and Urban Development task force which wrote the proposed legislation, urged a congressional investigation into construction abuses in South Florida condominiums.

"It has been estimated that in excess of one million Floridians reside in condominiums," Poliakoff said. "A substantial percentage of those individuals are senior citizens over the age of 65 who came to Florida seeking carefree living in their retirement years. In a number of instances their dreams have been shattered, life's earnings lost and health impaired by condominium-related abuses."

He said some of the problems have been caused by the owners themselves and some by the developers.

"Most of the problems, however, relate directly to the inexperiences of a rampaging industry which grew too fast to enable it to accumulate a history of experiences and solutions which would have provided readily available answers to the problems associated with the operation and maintenance of commonly owned property," he said.

Rod Tennyson a West Palm Beach attorney who worked on the state's Little FTC Act while in the Attorney General's Office, said federal agencies have an obligation to look at what he calls the "company store concept"—where condo residents have to pay for services provided in the development.

"When you have monthly payments for those services secured with a lien on someone's home, I call that a second mortgage and I call it the new company store," Tennyson said.

Chiles said he hopes to get committee hearings on the proposed condominum legislation started early next year in an effort to get passage of the bill. Although he does not sit on the committee that would hear the bill, Chiles indicated the Committee on Aging will provide testimony to give it impetus.

He said the South Florida hearings were aimed at "building a record to show the plight the people have."

[From the Miami Herald, Nov. 29, 1978]

CONDOMINIUM OWNERS DESCRIBE RECREATION-LEASE WOES TO CHILES

(By Rebecca Ross)

When Fred Engel moved into his Lauderdale Lakes Condominium in 1973, he paid $22 a month for the use of condominium swimming pools, shuffleboard and tennis courts.

Five years later, Engel is doling out $37 a month for recreation fees, and he sees no relief to the increases.

Like thousands of Floridians who bought condominiums during South Florida's peak growth years, Engel is saddled with a 99-year lease for use of his condominium's recreation facilities.

I'm just one of the suckers who was suckered into buying one of these condominiums," Engel said.

Engel and other South Floridians who have adopted the condominium lifestyle in their retirement years testified Tuesday before Sen. Lawton Chiles (D., Fla.) on the problems of older condominium residents.

Chiles, a member of the Senate Committee on Aging, is pushing for adoption of a federal law that would set consumer protection standards for condominium buyers.

To draw attention to the proposed law, Chiles held a hearing at Hallandale City Hall. Another hearing will be held today in West Palm Beach.

"Because the Congress has yet to act on the legislation," he said, "I feel that there is a need for the Committee on Aging to take an in-depth look at both the benefits and

problems which confront older condominium owners."

Since Florida already has a strict state law governing condominiums, Chiles said the proposed federal law would not have as much impact here as in other states that are just beginning to grapple with condominium buyers' problems.

A major part of the proposed law, Chiles said, would allow federal courts jurisdiction in cases challenging escalating 99-year recreation leases. The Florida Supreme Court has refused to rule on cases challenging the constitutionality of these leases.

But Chiles warned senior citizens now tied to recreation leases that even if the proposed law passes it won't offer condominium owners immediate relief and probably will be challenged for several years in court.

Sam Schoninger, president of the South Florida Builders Association, said the 99-year lease is a "dead issue."

"Most of the buyers today are sophisticated to the point that they will not buy a condominium with a recreation lease," he said. "Few buildings in the last two years have had recreation-land leases."

Recreation leases have been outlawed in New York, but they are still permitted in Florida.

Recently, some condominium associations have been able to buy their recreation lease from developers and reduce recreation fees.

Other condominium residents are considering forming special tax districts to issue bonds to buy recreational facilities from developers.

Residents of Sunrise Lakes Phase I recently declared themselves a special tax district. Now residents of The Hemispheres, a 1,300-unit Hallandale condominium, are attempting to follow Sunrise Lakes' lead.

The Hemispheres has asked the Hallandale City Commission to set an election date so condominium owners can vote on whether to form a special tax district.

In September, Hemispheres' residents were ready to go to the polls to decide the issue. But concern over possibly having to open recreational facilities to the public once the condominium became a taxing district threw a scare into condominium owners and they put off the election.

Hallandale City Attorney Bart Budetti studied the problem and determined that the public would not have access to The Hemispheres' recreational facilities.

Chiles said the question of special tax districts is a state and local matter and not something for the federal government to solve.

But condominium owner Engel remained skeptical about the tax district plan and asked Chiles to have the Committee on Aging study it.

"Please keep condominium owners from jumping from the frying pan to the fire," he said.

[From the Palm Beach Post, Nov. 30, 1978]

CONDO CLOSINGS SOAR, CHILES TOLD

ATTORNEY: DEALS HIT OWNERS' POCKETBOOK HARD

(By Martha Musgrove)

Thousands of condominium apartments might be foreclosed or abandoned because their owners can't afford the escalating recreation, maintenance and service leases tied to their property by developers, Sen. Lawton Chiles (D-Fla.) was told yesterday.

Pleading for federal legislation to break the leases, local consumer attorney Rod Tennyson also warned Chiles that the tied-in lease is rapidly spreading to other segments of the housing industry, including mobile homes, townhouses and single-family, moderate-price housing.

"No longer are developers content to build, sell and take their profit," Tennyson said. "They want a continuing income and they've discovered the way to get it is with deed restrictions, leases, almost any kind of document which the purchaser must accept as a condition of sale.

"We've seen tie-ins to cable television, management services, vending machines, carpet selection. The developer also goes one step further and says, 'If you don't pay me, I've got a lien on your house.' All they've done is create a new company store."

Fort Lauderdale attorney Gary A. Poliakoff, another specialist in condominium law, said developers are skirting state laws on recreation leases by requiring apartment purchasers to join "social clubs" for which they pay additional fees.

Escalating maintenance fees, special assessments and construction defects are "placing an increasing burden on fixed-income and retired condominium owners," Poliakoff said.

"Evidence of the problem is beginning to manifest itself in terms of an increasing number of foreclosures being filed against delinquent owners. We're also beginning to see the abandonment of condominiums where owners cannot meet monthly expenses."

Tennyson said Century Village developers have filed 320 foreclosures and are threatening 2,900.

Chiles heard a litany of complaints about developers:

Failing to disclose terms of leases.

Reneging on sales promises of free bus service and construction warranties.

Refusing to negotiate the sale of recreation leases and facilities or contacting unit owners individually offering to sell the lease but neglecting to mention the proposed sale would not include the actual land or buildings.

Refusing owners the right to inspect financial records or challenge maintenance costs.

Threatening and harrassing owners with lawsuits if they don't agree to additional service leases.

Assistant Atty. Gen. Thomas Pfhaum told Chiles federal legislation must come because despite numerous attacks on the leases by the state, it has failed to get a good appellate court decision with precedent value.

He said state courts have rejected theories that tie-in sales violate antitrust laws. "Congress has often had to come in when the states failed. However, I'm concerned as I don't see this as an era in which we can get this kind of legislation through."

The Carter administration's Condominium Reform Act was introduced last June, but Congress adjourned without holding hearings on it. Chiles said he and Sen. Richard Stone (D.-Fla.) will reintroduce the reform act which offers the best chance of voiding leases signed before state regulation in 1974.

"If the Florida delegation alone could pass the law, it would be passed today," Chiles told the applauding crowd in the Federal Courthouse. "But we are dealing with members from 50 different states many of whom don't have the situation we have—yet."●

S. 190, THE VICTIMS OF CRIME ACT OF 1979

● Mr. WILLIAMS. Mr. President, I am pleased to join my distinguished colleague, the Senator from Massachusetts, in support of S. 190, the victims of Crime Act of 1979.

Our Nation's citizens are often forced to bear extreme physical and economic hardships as a result of criminal violence. Many of the victims of violent crime are those who can least afford to be hospitalized or out of work; the elderly and the poor. In addition, after such an experience, many victims may feel angry at society and alienated. Compassion dictates a response to the problems of these innocent victims and their dependents. We cannot undo the damage caused by a violent crime, but we can at least ease the financial burden it can present.

The Federal Government already provides grants to States and local municipalities for law enforcement activities, but not for aiding those who suffer from criminal acts. Through their taxes, crime victims support the vast funding requirements of the criminal justice system, which until recently has paid little attention to the plight of the innocent victims of crime. The Victims of Crime Act represents the first attempt by the Federal Government to compensate these unfortunate victims. This legislation will aid those State programs which have been established to compensate the victims of crime, and help to encourage their institution by those States which have not already done so.

Mr. President, many of these State compensation programs are faced with serious budgetary problems and large backlogs in claims, and Federal assistance will be necessary if these worthwhile programs are to continue. S. 190 will authorize the awarding of grants of up to 25 percent of the State's for providing compensation to victims of State crimes and 100 percent for Federal crimes. The qualifying costs for compensation will include medical, dental, and psychiatric services as well as physical and occupational therapy, and loss of income. This measure will provide substantial relief through these matching funds, which will enable the State compensation programs to aid more people.

The States will be directly involved in the administration of this program through membership on the Advisory Committee on Victims which will be established by this act. Therefore, the Federal Government will have the benefit of the views and guidance of those States which operate compensation programs, while providing the needed funds for their preservation.

Mr. President, since 1971, my State has been operating a victims compensation program. The New Jersey Violent Crimes Compensation Board would qualify for assistance under this legislation. The New Jersey program has, to date, helped some 1,500 people. This is an excellent program, Mr. President, which truly serves the people. The proposed legislation can only enhance such programs.

The lives of victims of violent crimes are often tragically altered. The need for this legislation is reflected in the financial, physical, and emotional hardships sustained by the innocent victims of crime. Mr. President, it would be useful at this time to recount several actual cases which were handled by my State's Violent Crimes Compensation Board.

CLAIM NO. 2185 P 75

This claim involved a 76-year-old man who, with his wife, operated a small grocery store. On May 9, 1975, the claimant was violently attacked and robbed at his place of business. He suffered a fractured hip, and he is now permanently restricted to a wheelchair; the business has been abandoned.

The claim was processed, and the victim was awarded the present maximum of $10,000.

CLAIM NO. 1986 D 75

This case involved a man, age 52, and his adult son who were both shot on May 28, 1974. The son was rendered blind and partially paralyzed. His father was killed.

The board, verifying that the son was totally dependent on the decedent at the time of his death, awarded the son $10,000.

CLAIM NO. 69 TP 74

The innocent victim in this case was assaulted in his backyard which resulted in his falling into a nearby fire. The claimant suffered extensive burn injuries as well as a skull fracture. He was unemployed for 26 weeks as a result of the injuries he had received.

The board awarded the claimant $7,435.60.●

ABANDONED CHEMICAL DUMP SITES WARRANT URGENT ATTENTION

● Mr. MUSKIE. Mr. President, toxic waste from abandoned and illegal dump sites continues to percolate to the topsoil of various dumping grounds and to the top of the front pages of our newspapers across the Nation. In that process, the public health continues to be endangered, and the public demand that something be done to rectify the situation has been intensified.

During the congressional adjournment alone, it was reported that three more chemical dump sites in the Love Canal area had been found which could be as potentially dangerous as the first site found; we heard that more than 600 steel barrels filled with industrial waste were found floating in flood waters near Louisville, Ky.; and we have seen the problems that the State of North Carolina has had in trying to safely bury more than 40,000 cubic yards of soil contaminated with toxic PCB's when the public is alarmed.

In my own State of Maine, citizens of the town of East Gray are unable to drink water from their wells because of toxic chemicals. The chemicals found in the well water were also found at a waste oil disposal site in the same community. The town had to appropriate $600,000 in order to extend public water lines to the affected area.

Siting hazardous waste facilities and expanding State and local roles in the planning and management of hazardous wastes are topics which the 96th Congress will have to monitor through the implementation of the Resource Conservation and Recovery Act in this session. But we also will not be able to ignore the question of who should be responsible for the damages caused by abandoned industrial dump sites. The tough question of who will pay for the mitigation made necessary by the years, sometimes decades, of careless solid waste disposal must be addressed.

An article in the New York Times and two pieces from the Washington Post, printed during adjournment, touch upon many of the significant problems we will encounter as we begin implementing the Resource Conservation and Recovery Act and trying to determine the liability of careless dumping.

Mr. President, I ask that the articles entitled "Niagara Finds New Love Canals," "A $6 Million Hassle Over Spilled Poison," an editorial entitled "Those Deadly Dumps," and from the Maine Sunday Telegram, "Environment, Dumps and Drinking Water" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times]

A $6 MILLION HASSLE OVER SPILLED POISON

(By Joanne Omang)

WOOD-RIDGE, N.J.—Exhibit B-40/40 appears to be a jar of black earth, but if you tilt it you can see small silvery globules and rivulets of mercury rolling back and forth in the dirt.

The spot this dirt came from is so contaminated with the toxic metal that it allegedly contains more mercury than any place on earth outside a mercury mine. A mercury processing plant made fungicides and mercury compounds here for years under a series of owners prior to 1974, slopping as much as 4 pounds a day of the metal onto the floors and washing it into the swampy field out back. Eventually much of it drained into Berry's Creek and now sits in the sediment on the bottom of the stream.

The jar can be found in a file cabinet along with mountains of documents at the New Jersey Superior Court at Hackensack.

Nearby, as more evidence in the tangle of lawsuits that have sprung up around this case, are several cardboard boxes of dirty, broken bottles, plastic jugs and grimy trash from the field, all enclosed in tightly knotted plastic bags.

"One of the expert witnesses told me we shouldn't be breathing the air around that stuff so I ordered the bags put on," said Judge Sherwin D. Lester.

Judge Lester will rule sometime next spring on what kind of cleanup will take place at the Wood-Ridge site and who will pay some or all of the estimated $6 million cost. His decision could set precedents for dealing with the growing number of old hazardous waste sites that are being discovered almost daily, their sources and owners lost in a fog of corporate buck-passing.

"If there are 1,000 hazardous waste sites around the country—and that's not an unreasonable figure—and if we assume $5 million to clean each one up, and that's not unreasonable either, then that's $5 billion that has to be found somewhere," said Steffen Piehn, head of the hazardous waste program at the Environmental Protection Agency.

The EPA last week estimated that 32,000 sites nationwide may contain hazardous wastes in the form of pesticides, acids, caustics, nuclear residues and other chemicals, many of them carcinogenic, from some 425,000 companies. An estimated 30 to 40 million tons of hazardous stuff is produced and is disposed of every year, up to 90 percent of it in ways we will probably regret later, the EPA said.

"WE CAN'T BE TOO CAREFUL"

Mercury in its various forms, for example, can be nasty stuff, causing blindness, nerve decay, birth defects and death. The New Jersey Department of Environmental Protection wants 3,000 feet of Berry's Creek to be dredged out and the entire 40-acre Wood-Ridge field to be blacktopped and then surrounded by an impermeable wall reaching 20 feet underground to a natural layer of clay. Along with a monitoring program, the cleanup would cost $6 million.

"This site is the major source of mercury contamination in the Meadowlands and everything else is insignificant by comparison," said Ronald P. Heksch, deputy attorney general of New Jersey.

He does not try to present Berry's Creek as some kind of pristine brook full of jumping trout that must be saved from the mercury. Much of the swampy, tidal area called the Jersey Meadows has been grossly polluted for decades from dozens of industrial sources, and there have been no oxygen and no fish in Berry's Creek as far back as anyone can remember. That is one of the complications.

Heksch cannot produce a horror story of dead or dying people or hundreds of fish belly up in the water as evidence of damage, but must rely, he said, "on the potential for what could happen" because of the mercury now in the ground and in the sediment of the stream.

Two miles downstream from the Wood-Ridge site is the new Giants' stadium and sports complex, built on mercury-polluted land. Further along is the Hackensack River, which flows into New York harbor. None of the murky water is now used for drinking. "But when the stream gets cleaned of other pollutants and the fish begin to come back, they will spend more time here and will stir up the bottom and pick up the mercury," Heksch said.

We take the position that we can't be too careful. There are a million ways for the stuff to leave the site."

Much of the 50 days of courtroom testimony has involved experts arguing about the relative dangers of one kind of mercury over another, the total tonnage of the metal present in the field and the chances of it moving downstream. These issues of quality and technology recur in virtually every hazardous waste case nationwide. Even when all sides agree, as they do here, that there is in fact a pollutant present, it may still be hard to fix the blame and harder yet to get the cleanup paid for.

In many cases the disposal was perfectly legal at the time it occurred and in others the firms have vanished or been absorbed in a corporate merger.

Some examples cited by EPA's Piehn:

Salisbury Laboratories, a veterinary pharmaceuticals plant in Charles City, Iowa, has been dumping arsenic and other chemical sludge onto an 8-acre site since 1953. The arsenic is now leaking from the landfill into the Cedar River, a major waterway, and the estimated cost of digging up the landfill and moving it is $30 million. But the company's total net worth is only $5 million. Who pays for the repairs?

Pesticide chemicals in the water supply of Hardeman County, Tenn., are identical to those in 50,000 leaky drums of waste that the Velsicol Chemical Corp. buried nearby from 1965 to 1972. There is no other apparent source for the toxic stuff, but even if the drums are the cause, burying them there was perfectly legal when it was done. Should Velsicol have to pay?

The area around New York's Love Canal has been declared a federal disaster area with the discovery that at least 82 different chemicals, including radioactive and carcinogenic compounds, are simmering in leaking drums in a dump that the city of Niagara used legally for 25 years. At least nine chemical producing companies used the dump before it was deeded over to a school district, allegedly against the companies' will, and the chemicals are turning up in basements and back yards. Cleanup may cost $8 million plus whatever it takes to move about 235 families to new homes. Who will pay?

REGULATION BY HINDSIGHT

On top of all these cases is the feeling that pollution control watchdogs should have spoken up earlier when the dangers were first realized. Robert M. Wolf, the New Jersey realtor and developer who now owns part of the Wood-Ridge site, insisted he knew nothing about any mercury on the property when he bought it for $90,000 an acre in 1974 from the Ventron Corp., and if he had, "I wouldn't have touched it with a 10-foot pole."

The contamination was first documented when Wolf began tearing down the old chemical processing plant in order to build warehouses to rent. Wetting the structures for demolition produced a silvery runoff and environmental experts soon overran the place. They found concentrations of mercury up to 123,000 parts per million in the surrounding land and in the stream bed. Nationwide background mercury levels rarely exceed one part per million, and EPA limits mercury levels in drinking water to two parts per billion. A dose of 160 parts per million can be lethal.

Under some state laws, Wolf could be liable for cleaning up the mercury on his portion of the area simply because he now owns the property. But New Jersey wants him merely to be responsible for maintaining and monitoring a containment tank it required him to build under one of his warehouses for the 10,000 cubic yards of topsoil he was forced to scrape off the site. The various requirements, Wolf said, have cost him more than $2 million.

"Ventron ought to pay for this," he said. "They put the stuff there and they can handle the expense of removing it."

Ventron, a subsidiary of the chemical and aerospace giant Thiokol Corp. of Beverly, Mass., and Newton, Pa., has maintained in turn that any mercury emitted during its period of ownership, from 1968 to 1974, was in accordance with federal guidelines and that new, tougher laws cannot be applied retroactively.

The plant, said Ventron attorney Harry R. Hill Jr., was making a mercury-based fungicide and compounds for resale, obtaining the mercury from mines in Spain and Italy and from old battery casings and thermometers. At the time it was one of the largest such operations in the country, selling several hundred thousand pounds of the compounds each year. But three or four pounds of mercury per day were sloshing into the field and the stream when Ventron took over. Hill said Ventron managed to reduce that to about one-tenth of a pound per day by the fall of 1971, substantially complying with a goal set by the EPA.

"But they were hollering about mercury in effluent to the point where there was some feeling there would be none at all allowed in the future . . . and rather than get to that point, which would be uneconomical; we shut it down," Hill said. No mercury has been produced at the site since 1974 and the emission law now being cited passed in 1976.

Ventron disclaims responsibility and wants the state to go to the people who owned the site before 1968 or to the special Spill Compensation Fund of New Jersey to pay for the cleanup.

For eight years before 1968, the mercury compound plant was owned and run by the Wood-Ridge Chemical Corp., a wholly owned subsidiary of the Velsicol Chemical Corp. Velsicol is the Chicago-based firm involved in the Tennessee leakage case and in several other pollution controversies, and Velsicol also denies any responsibility.

"We did not conduct any mercury operations of any kind there," said Velsicol attorney John F. Neary. But didn't the conglomerate have total control of its subsidiary. Wood-Ridge Corp.? "We had the usual control of 100 percent stockholders, but no control of the day-to-day operations," Neary said.

"If we lose on this and get liability for ownership, anybody who owns property in New Jersey and finds out that 40 years ago someone put pollutants on their property . . . could be hit with a substantial judgment for something they didn't know about and had no part in," he said.

Velsicol also wants the state to use its Spill Compensation Fund to pay for any containment wall or other cleanup.

Attorneys for the fund argue in their turn that the fund was set up in 1977, long after the Wood-Ridge plant closed down, and was intended anyway to finance mop-up operations for oil spills off the New Jersey coast. To use it as Wood-Rridge, they say, would be taxing the oil companies to pay for the chemical companies' sins.

The oil companies, unsurprisingly, support that view. "You just have to know New Jersey. There's no way to calculate the numbers of oil, chemical and liquid waste companies here . . . you could have thousands of this kind of claim," said Marvin J. Brauth, attorney for Exxon, Mobil, Chevron and Texaco in this case. "If the state wants to clean this up it should pay for it out of a general revenue fund."

NOBODY FELL OVER

So there is the buck again, having gone round the circle and been passed back to the state. Going back further than Velsicol's subsidiary to the original site owner, F. W. Berk & Co., probably pointless since Berk is out of business. Velsicol still owns the polluted field of swamp grass behind Wolf's warehouses and maintains that, if anything, it is a victim there of others' waste.

Unraveling all this. Judge Lester is expected to make some kind of finding on the applicability of the pollution laws to events that occurred before they were passed. He will look at Velsicol's "corporate veil" and decide whether the firm is liable for what its subsidiary Wood-Ridge may have done. He will consider whether the state has obligations under its tidal waters responsibilities, and whether the spill fund is at all involved, and whether the various parties owe damages to one another. And then he will decide how the mercury is to be dealt with, trying to balance the degree of danger to public safety against progressively higher costs of various remedies. The case is certain to be appealed.

While he ponders, Wolf's warehouse tenants try to ignore the problem. "We were upset when we found out about it, but we've had everybody in the world here to check the plant and there's no mercury anywhere," said Jerry Rosenblum, head of the J. Rosenblum & Sons Inc. food distributors warehouse.

"Well, we used to ask each other how we felt and all, and we were pretty upset at first," echoed Jill Thielmann, office manager of the neighboring Gallyn Packaging Corp. "But when nobody fell over in the first few days, well, you know how it is, you forget about it."

[From the Washington Post, Jan. 9, 1979]

THOSE DEADLY DUMPS

The rising concern about dangerous industrial wastes has made officials more aware of how much toxic junk becomes hot cargo, transported and dumped illegally. "Gypsy hauling" and "midnight dumping" have been widespread and presumably lucrative covert business for years. In a report last year, the magazine Chemical Week cited examples from all over—50 barrels of nitrocellulose (gun cotton) found under a freeway in Newark, caches of waste-filled drums "in the South Carolina pines," 80,000 gallons of waste oil that "just disappear" in Hawaii each month, and 25,000 barrels of wastes abandoned in Minnesota when a disposal site was closed by a court.

Kentucky officials and the Environmental Protection Agency are now trying to deal with 300 to 600 drums, containing an array of dangerous chemicals, that were stored on a farm and swept into an Ohio River tributary by a flood last month. Some of the drums have started to leak. An even more blatant case is causing a furor in North Carolina, where officials are trying to decide how to dispose of some 40,000 cubic yards of soil contaminated with PCBs (polychlorinated biphenyls) contained in wastes illegally dumped, apparently from tank trucks, along 250 miles of rural roads last August.

The most immediate problem in such cases is removing the threat to public health. These hot cargoes are like time bombs whose fuse may be very short or very long. That was proved, of course, by the Love Canal tragedy that gained national attention last summer when foul wastes from an old (and, when it was established, legal) industrial dump bubbled to the surface in Niagara Falls, New York. Authorities found high rates of birth defects and miscarriages among residents of the neighborhood. A number of families had to be relocated—too late. The cleanup there is costing millions of dollars; the human damage can never be repaired.

Nobody wants any more Love Canals. That's why EPA and many states are now trying to identify and cope with other potentially dangerous dumping grounds. That's why stringent controls are being imposed on future transporting and dumping of dangerous wastes. And that's why it's disheartening to see North Carolina officials seeking a waiver of three EPA safety rules in order to bury the PCB-contaminated dirt in rural Warren County—where many residents, understandably, hotly oppose the plan.

We don't mean to suggest that the North Carolina agencies involved are taking a cavalier approach or deliberately trifling with the problem. They face a very real difficulty: cost. Disposal in Warren County might cost the public $2.5 million. Trucking the massive amounts of waste to an EPA-approved site in Alabama would take around $12 million. The difference is not insignificant. In our view, however, securing this toxic stuff where it is less likely to seep into groundwater or otherwise pose a future threat is worth the added expense.

That gets back to the heart of the matter—the immense burdens imposed on the public by people who break the pollution and health laws and spread this potentially lethal litter around. They are the ones who ought to pay, as much as possible, for the damage already done. And vigorous prosecution of such scofflaws is the best way to keep the problem from exploding all around us as the costs of lawful waste disposal continue to rise. In the North Carolina case, three men, charged with a number of state and federal offenses are scheduled to be tried later this month. Elsewhere, other midnight dumpers are being pursued. Those found guilty of such contempt for public safety should be made to pay a lot.

[From the Maine Sunday Telegram, Jan. 29, 1978]

DUMPS—AND DRINKING WATER

(By Bob Cummings)

It's been a spotty month for Maine dumps and for those who dream of better and less wasteful disposal of the trash society creates.

Portland's controversial trash baler began operations—after a final week delay because of the weather.

Shops and stores gradually got geared up to comply with the State's returnable bottle law—which supporters say will reduce the volume of wastes at municipal dumps six percent.

The legislative committee on Natural Resources voted unanimously to allow the giant sawmills of the state to continue to burn wood wastes capable of generating millions of kilowatt hours of electricity a year.

A $300,000 "sanitary landfill" dump in York may not be so sanitary after all. A Department of Environmental Protection report says the dump threatens underground water supplies in the community.

And a Solid Waste Management Advisory Committee issued a comprehensive report urging that the state double its efforts to help Maine cities and towns dispose of their wastes without polluting the air and water of the state.

The solid waste committee concluded that safe and sane dumps are possible, but conceded the task of creating them isn't easy.

"Few environmental problems are as difficult and controversial to solve as finding satisfactory ways of disposing of, or utilizing our solid wastes," the committee concluded.

"Maine's geology is not hospitable to solid waste landfills and Maine's location is not near enough to markets to make reuse or recycling as attractive as in some other states.

"Communities face large capital and operating expenditures to find and implement solid waste practices that will be environmentally acceptable."

The warnings proved prophetic.

For as the DEP board began to ponder the implications of the report, word came from the Town of York that test wells around its new landfill dump show water levels three feet higher than is considered safe.

The board last week ordered the town to take corrective action or close the dump down. The town said it would appeal.

Dump specialists employed by the department had warned last summer that the abandoned gravel pit used by York probably wouldn't be suitable.

But they reluctantly recommended that the board give its okay anyway, when engineers hired by the town said they were confident no water problems would develop.

Less than six months later, however, problems did show up. Corrections could prove expensive and perhaps impossible.

The DEP staff suggested the town try putting another three feet of clay and fine sand on the bottom of the dump in hopes of bringing it above the level of the water.

Town officials complained that this would cost another $200,000.

The appeal procedure will delay a final decision, but if the fears of the DEP staff are borne out time won't help and even the extra dollars may not be enough.

"Another three feet at this time is a reasonable compromise," one DEP geologist commented. "But eventually considerably more fill may be necessary to protect ground water."

Mary Sottery, one of two DEP board members who had opposed using the gravel pit, thinks the site never should have been used.

She argues that ground water supplies are among the state's most precious resources. "If we can keep our water clean, a big industry in the future may be selling clean water to other states," she argues.

No dump, Sottery believes, should be located on top of an aquifer—the underground sand, gravel and rock deposits that hold the drinking water supplies used by thousands of Maine families.

Scientists estimate these underground reservoirs store two-thirds of the world's supply of fresh water.

As such they represent a tremendously valuable resource, but a resource that can be destroyed by pollution.

There is no known way for a polluted underground reservoir of water to be cleaned of wastes from misplaced municipal dumps or poisonous industrial wastes—as has occurred at Gray.

Most wastes normally decay into harmless substances eventually. But in cool, below ground temperatures, this can take centuries. Poisons allowed to seep underground because of poorly placed dumps may eventually become diluted to harmless levels. But this also may require many decades.

Residents of Gray, where industrial solvents have seeped into about 30 wells, have been told they may never be able to use them again.

A similar dilemma faces Provincetown on Cape Cod, where a leaky gasoline storage tank seeped 3,400 gallons of gasoline into the underground water that supplies the town-owned wells.

The town is drilling test wells to monitor how rapidly the gasoline is drifting towards adjacent swamps and ocean waters, in hopes that the town water may be turned on again by the time summer visitors arrive.

York isn't the first Maine community to have dump-polluted ground water.

The solid waste committee report says several privately-owned wells and a pond are threatened in Saco from rain water that has seeped through that communities old dump and into underground reservoirs.

The Norridgewock town dump on the Kennebec River was closed when water tests indicated that wastes were seeping into the town water there also.

And tests at Hartland and Rockland suggest wastes from a tannery and the town dump, respectively, are polluting underground supplies of potentially important drinking water.

No one knows how many other dumps may be causing ground water problems, because no one has ever looked to find out.

The Department of Environmental Protection only recently began a comprehensive inventory of environmental conditions at Maine dumps.

The surveys "will undoubtedly reveal many more examples of environmental pollution," committee members believe.

"One of the most serious concerns is that poorly located dumps will pollute ground water sources virtually forever because groundwater may flush at an extremely slow rate. Pollutants may persist for years."

The committee, however, thinks the state as well as local communities must share the blame.

Members say the $63,000 the legislature has appropriated to manage the dump laws is "woefully inadequate."

The DEP has used its money to enforce the laws, rather than to educate local officials about what has to be done, the committee insists.

"This has led to hard feelings among municipal officials who feel that they are being asked to do things that are unrealistic or confusing."

Because of generally poor soils for burying wastes, the committee thinks top priority should be given to reducing the volumes that have to be buried.

"We are consuming more as a society and as a result, we have more waste" the panel says.

"Fortunately, we in Maine have adopted bottle bill legislation as a first step in reducing our waste at its source."

The bottle bill is expected to eliminate about six per cent of the wastes that have until now been placed in dumps.

Recycling of paper, bottles and cans, and miscellaneous other scrap can reduce the waste load on the state's dumps another 40 per cent, the committee thinks.

But there may be other uses for some dump wastes. The solid waste committee cities efforts by the City of Auburn to burn its wastes to produce energy for an industrial plant.

But ironically, as the report was being pondered, the Natural Resources Committee of the Maine Legislature was approving an amendment to the air pollution laws that would permit waste wood from saw mills to be burned without collecting the energy.

A bill to make "teepee burners" again legal in Maine was approved by the legislative panel unanimously after wood mill owners said they couldn't find a market for any energy produced.

The "teepees" are actually huge cone-like structures, where wood wastes are burned in a controlled bonfire.

The DEP says seven cone burners within one 50-mile radius are capable of burning the equivalent of 30,000 gallons of fuel oil a day.

But owners said there is no market for this amount of energy, even if it could be efficiently produced.

Portland's new baler doesn't produce any energy either, but like the cone burners it reduces the volume of wastes to more manageable levels.

The baler cost $3.2 million to buy and install, but it squeezes wastes to about half their normal volume, making dumps last longer.

The Portland baler will be used by Portland, South Portland, Scarborough and Cape Elizabeth. The baled wastes will be buried in an abondoned gravel pit in Scarborough.

Some fear the compressed wastes may also cause ground water pollution. But the Greater Portland Council of Governments doesn't think so. It has spread an inch-thick plastic liner on the floor of the gravel pit to catch any water that may seep through.●

SALT II AND AMERICAN SECURITY

● Mr. HART. Mr. President, the new strategic arms limitation treaty between the United States and the Soviet Union is nearly complete. This momentous document, the final product of years of protracted negotiations, merits our close scrutiny. When assessing the treaty, we must avoid the temptation to adopt the narrow position of either the technician or the doomsayer. Jan M. Lodal, a well-known defense analyst, offers a broader approach to the SALT II agreement in his article, "SALT II and American Security," which appears in the current issue of Foreign Affairs. Mr. Lodal bases his consideration of the treaty on a wide range of factors: Our ability to verify Soviet compliance, to develop new strategic weapons systems, and to deter a Soviet attack.

Mr. Lodal's thorough analysis leads him to conclude that the SALT II Treaty is clearly in the U.S. interest. The agreement will enhance our security by underscoring our commitment to arms control as an ongoing process that will extend beyond SALT II. At a time when the development of new nuclear weaponry continues to escalate, the SALT negotiations are a means of preserving the global security that spiraling arms races between the superpowers can only destroy.

I commend Jan Lodal's article to the attention of my colleagues, and ask that it be printed in the RECORD.

The article follows:

SALT II AND AMERICAN SECURITY

(By Jan M. Lodal)

A new strategic arms limitation treaty between the United States and the Soviet Union (SALT II) is now essentially complete. As is always the case with a complicated ne-

gotiation, each side has conditioned acceptance of key provisions on the successful resolution of remaining open issues. Thus, it is always possible that the process will break down as each side plays out its end game. But at this stage, it seems extremely unlikely that the basic provisions of the agreement will change further.

The ensuing ratification debate will be one of the major foreign policy debates of the decade, and one of the most intellectually challenging. The complexities of nuclear strategy, weapons technology and our overall policy toward the Soviet Union all come together in SALT. Some will evaluate the treaty primarily from a political perspective, assessing its role in both domestic and international politics; others will focus on predominantly technical questions, such as the extent to which the treaty actually limits the nuclear deployments of the two sides. Yet SALT is much more than either a political exercise or arms control for its own sake. To be successful, SALT must improve our security by helping to stabilize the strategic balance between the United States and the Soviet Union. Evaluating strategic stability involves complex technical questions, and even among the experts there is no consensus on how to measure the strategic balance. But, in the end, no final judgment on the new treaty's worth can be rendered without considering the projected stability of the U.S.-U.S.S.R. strategic relationship during the next decade.

Other considerations, such as the success of our negotiators in obtaining Soviet agreement to our positions, our ability to verify Soviet compliance, and the agreement's effect on our allies are also important in assessing the worth of the new treaty. The following sections contain analyses of the new agreement according to each of these criteria, as well as an evaluation of its likely effect on the strategic balance between the Soviet Union and the United States. I believe these analyses demonstrate that those who examine the technical provisions of the new agreement carefully will find little to criticize. SALT II will undoubtedly stimulate intense debate, but in the end, this debate is likely to focus on the pros and cons of the SALT process itself, rather than those of this particular treaty.[1]

II

The negotiation of the SALT II treaty that is now nearing completion has been underway for four years—since President Ford and President Breshnev agreed on the basic framework at Vladivostok in November 1974. Not surprisingly, a negotiation of this duration has resulted in significant changes and additions to the original agreement.

The new treaty's numerical limits provide an illuminating example of these changes. The key result of the Vladivostok negotiations was to limit both strategic nuclear delivery vehicles (the sum of land-based intercontinental-range ballistic missiles [ICBMs], submarine-launched ballistic missiles [SLBMs], long-range airlaunched ballistic missiles, and heavy bombers) and MIRVed missiles (missiles equipped with multiple independently targetable reentry vehicles) to equal numbers for each side—2,400 delivery vehicles and 1,320 MIRVed missiles.[2] The Ford Administration received significant criticism of the 2,400 and 1,320 limitations, primarily that they were so high that they represented little real constraint on the programs of either side.[3] Secretary of State Kissinger continued to push the Soviets for lower numbers in subsequent negotiations, and by the time the Carter Administration took office, the Soviets had already agreed to reduce the overall ceiling to a number "below 2,300." They have now accepted a final limit of 2,250 rather than 2,400 on the total number of launchers, and also agreed to reduce the limit on MIRVed missiles from 1,320 to 1,200. A new sub-limit of 820 on land-based MIRVed missiles will also be set.

While these revised limits are not as low as some would like, they do have a significant effect on Soviet programs. The reduction in the overall ceiling to 2,250 will require the Soviets to dismantle an additional 150 older systems, although it will have no effect on U.S. force levels. The limit of 1,200 on MIRV launchers cuts somewhat into U.S. plan to deploy 1,250 MIRVs by 1985, but it will almost certainly require a greater cutback in the Soviet MIRV program. The new sub-limit of 820 on land-based MIRVs is perhaps the most important of the revised ceilings; when combined with the limitation on reentry vehicles (warheads) discussed below, it sets an overall ceiling on the total number of Soviet land-based warheads. It also sets an important precedent for including special limitations on land-based MIRVs, the most potentially destabilizing components of the two sides' force structures.

One of the most contentious issues in the negotiations has been that of limits on cruise missiles. The two sides have disagreed on cruise missile limits since immediately after the Vladivostok negotiations.[4] The Soviets took the position that air-launched cruise missiles of a range greater than 600 kilometers should count within the 2,400 ceiling, and that testing and deployment of ground-launched and sea-launched cruise missiles with a range of over 600 kilometers should be banned. The U.S. position was that there should be no limits on cruise missiles.

In the agreement finally reached, air-launched cruise missiles on heavy bombers, which are especially important to the U.S. defense program, are permitted with no limit on their range. The only limits affecting these systems result from the inclusion of aircraft equipped with long-range cruise missiles within the various numerical ceilings specified by the treaty. Such aircraft will have to count as heavy bombers within the 2,250 overall ceiling on strategic nuclear launchers, as well as within a combined ceiling of 1,320 on MIRVed missiles and cruise missile-equipped aircraft. Furthermore, the average number of cruise missiles on the aircraft equipped to carry them is limited to approximately 30.[5]

These limits have the overall effect of permitting the United States to deploy at least 3,000 long-range cruise missiles on strategic aircraft without having to make any offsetting reduction in other strategic forces.[6] Even more cruise missiles could be deployed by reducing the number of MIRVed missiles on a one-for-one basis as each cruise missile carrier is deployed, but it seems unlikely that the United States would desire to deploy more than 3,000 nuclear-armed cruise missiles, each with a 200–400 kiloton warhead, over the next seven years.

The situation with respect to long-range ground-launched and sea-launched cruise missiles is somewhat more complicated. The position of each side on this issue has changed several times in the course of the negotiations. No mention of these systems was made at Vladivostok, or in the subsequent aide mémoire. But as mentioned above, shortly thereafter the Soviets took the position that the deployment of ground-launched and sea-launched cruise missiles should be banned. During the 1975 Helsinki summit meeting between President Ford and President Breshnev, the Soviets proposed to count only intercontinental-range (greater than 5,500 kilometers) ground-launched cruise missiles. The United States later decided that it preferred a 2,500-kilometer limit, at which point the Soviets returned to their demand for a 600-kilometer limit. Clearly, neither side has been sure even of its own position in these negotiations.

The final agreement includes no limits on these systems in the treaty itself, but a protocol to the treaty prohibits the deployment of all ground-launched and sea-launched cruise missiles with a range greater than 600 kilometers for three years. The United States has no capability to deploy such systems during the next three years, and there are no limits on testing cruise missiles, should we decide it is in our interest to continue developing them for later deployment. Thus, in a technical and legal sense, there is no effective limit on U.S. land-based or sea-based cruise missiles. Nevertheless, as I discuss subsequently, the protocol has signincant political implications for both U.S.-European relations and the dynamics of the SALT III negotiations. It will undoubtedly receive considerable attention as the SALT II debate continues.

The major U.S. objective of limiting "qualitative" force improvements (improvements in the capabilities of individual delivery vehicles) has also been achieved. The Soviets agreed over three years ago to limit the throw-weight of individual missiles to that of the largest missiles now deployed in each class—about 7,000 pounds for "light" missiles and 15,000 pounds for "heavy" missiles. But, more importantly, limits have now been placed on new types of land-based missiles and on the number of warheads permitted on each MIRVed missile.

With respect to new land-based missiles, each side has agreed to limit its deployment of new ICBMs to one type over the term of the treaty. The agreement's definition of a "new type" of missile, however, will not necessarily require that either side stop developing all but one new generation of land-based missile, since new missiles do not have to count as a "new type" if they are substantially the same as the older generation they replace. For example, the Soviets' new "fifth generation" systems, which have not yet been fully tested, may in the end not be limited at all by this provision. But if the Soviets act as expected and use their allowance of one new ICBM type to develop a single warhead missile to replace their existing SS–11s, any "modernization" of their land-base MIRV force with a new "fifth generation" will result in replacing existing missiles with new missiles of very similar dimensions and propulsion characteristics.

The number of reentry vehicles (warheads) on each new type of MIRVed missile will be limited by the new agreement to something no greater than ten on ICBMs (the exact limits are not yet agreed) and to 14 on SLBMs. The number of warheads on each existing type of missile is frozen at its present level. These provisions solve a major military problem for U.S. force planners, making a "multiple aim point" (MAP) system—having more hardened shelters than there are missiles with the missiles clandestinely shuffled about among the shelters—at least theoretically feasible for the United States.[7] Without such a limit, proliferating the number of aim points (targets) that the Soviet Union would have to attack if it wished to destroy our land-based missile force could lead to no more than a continuing race between our deployment of additional aim points and the Soviets' deployment of additional warheads. But the treaty will restrain the number of Soviet counterforce warheads to a practical limit of about 9,000, setting this as the worst case situation for which U.S. force planners might have to prepare.

As these examples illustrate, on the whole the United States has achieved almost every negotiating objective it set during the last year. This is also true with respect to its objectives in the important area of verification constraints, a subject which is discussed separately in the next section.

III

The Soviets have maintained from the beginning of the SALT process that the only

Footnotes at end of article.

provisions necessary to ensure adequate verification were those contained in the SALT I agreement: prohibitions on deliberate concealment and on interference with "national technical means" of verification. The United States, on the other hand, has argued that a variety of "counting rules" and "collateral constraints" are necessary to permit U.S. verification of Soviet compliance. The Soviets have strongly opposed such an approach, primarily because the U.S. proposals would require significant modifications in Soviet deployment programs, while requiring no changes at all in U.S. programs.

Nevertheless, the Soviets have now agreed to two important "counting rules" related to MIRVed missiles,[8] accepted in principle the important concept of "functionally related observable differences (FRODs)"[9] agreed to terminate their SS–16 mobile ICBM program for verification reasons, and accepted an important principle on the concealment of testing results relevant to verification. Furthermore, by dropping their demand for a 2,500 kilometer upper limit on the range of air-launched cruise missiles, they have eased the problem of verifying cruise-missile range limits.

The agreement concerning the SS–16 land-based mobile ICBM provides a useful illustration of the extent to which the Soviets have been willing to accept provisions designed to facilitate verification, as well as the thoroughness with which the provisions of the treaty have been worked out. The issue arises because of the similarity of the SS–16 to the SS–20, a mobile intermediate-range ballistic missile (IRBM) capable of hitting targets in China and Europe, but not the United States. The SS–20 is apparently only a shortened version of the SS–16—the two missile stages of the SS–20 are identical to the first two stages of the three-stage SS–16. Furthermore, the mobile launchers for the two systems are almost identical.

This situation led the United States to worry that an SS–16 ICBM deployment could not be distinguished from an SS–20 IRBM deployment by satellite verification methods. The SS–16 missile is considerably less capable than the other new Soviet missiles (SS–17s, SS–18s and SS–19s); nonetheless, such a clandestine deployment would give the Soviets a certain advantage. In any event, the uncertainty about the size of the Soviet program would lead to continuing arguments about Soviet compliance with the treaty.

It has been reported that the Soviets have agreed to ban the deployment of the SS–16 as a mobile missile for the duration of the treaty, a provision that apparently eliminates the problem of distinguishing between the two systems. But if this were the extent of the treaty's handling of this problem, the provision would still be susceptible to criticism. The Soviets could continue testing and producing the SS–16 missile without deploying it in a mobile mode, and the launchers for the missile could be produced and deployed under the guise of the SS–20. Such a state of affairs would leave the Soviets only a few weeks away from being able to deploy an operational SS–16 ICBM system.

The final agreement, however, provides stronger assurance that the United States can verify compliance with this aspect of the treaty. The Soviets have now agreed to ban *all* deployment of the SS–16, whether in a mobile mode or at fixed sites. They have further agreed to ban the production of all missile components that are unique to the SS–16 ICBM version and to cease testing SS–16. These provisions eliminate the possibility of developing a capability to deploy rapidly the SS–16 should the treaty be abrogated.

While the new agreement is by and large extremely comprehensive in its verification provisions, one notable absence is a rigorous definition of a missile launcher. In order to eliminate any possible ambiguity about the meaning of other provisions, such a definition should be agreed upon by the two sides. However, the United States has resisted the inclusion of such a definition, apparently because it would be difficult to write one that drew any distinction between the unMIRVed Minuteman II missile silos and the MIRVed Minuteman III silos, and because such a definition might stand in the way of an American multiple aim point ICBM-basing system.

The Minuteman II and Minuteman III silos are so similar that almost any conceivable definition would result in their both being classified as a single-launcher type. Since we have pressed for any gotten Soviet agreement to a "counting rule" requiring that any launcher of a type that has ever launched a MIRVed missile be counted as containing a MIRVed missile, a launcher definition that did not distinguish between Minuteman II and Minuteman III silos would require that we count all 450 single-warhead Minuteman II missiles within the treaty's ceilings on MIRV launchers—an unacceptable result.

The lack of a precise definition of a launcher is also important to protect America's option to deploy a multiple aim point system. As described earlier, such a system relies on the deployment of a greater number of hardened shelters than missiles, with the missiles being moved clandestinely from one shelter to another. If the "shelters" were actually additional missile silos, an approach now favored by the Air Force, and if the silos themselves were counted as "launchers," they would be prohibited under provisions carried over from SALT I banning new land-based ICBM launchers. But in the U.S. interpretation, the new agreement does not ban a multiple aim point system, because the transportable capsule containing the missile is considered the launcher, rather than the silo itself.

This is one of several examples in the new agreement where the United States has sacrificed its principles in order to avoid a constraint on its programs. In this particular case, the Soviets do not appear concerned about their ability to verify U.S. MIRV deployments; thus, they have been willing to "look the other way." One can only hope that in the end the Soviets do not attempt to take advantage of the agreement's ambiguous definition of a launcher, leading us to wish we had insisted upon a more explicit resolution of the problem.

Obtaining Soviet agreement on these verification provisions involved considerably more than convincing them to accept a set of abstract principles. The verification provisions of the new treaty will actually constrain Soviet programs. The SS–16 mobile ICBM, which was fully tested and ready for deployment, will have to be abandoned altogether. The fully tested single-warhead versions of the SS–17 and SS–18 missiles, some of which may have already been deployed, will either have to be counted as MIRVed missiles or abandoned. Finally, the Soviets probably have 120 unMIRVed missiles now deployed in modernized silos that will have to count as MIRVed missiles unless they are moved to other silos, since the silos they are now in are the same as those used to launch the MIRVed SS–19.

On balance, the new agreement embodies a sensible approach to verification. It implicitly acknowledges that any verification requires cooperation of the two sides, not only in general measures such as noninterference and nonconcealment, but in specific instances as well. By including specific verification provisions, our job is made easier; in many cases, we must verify only that the cooperative procedures are being complied with, rather than verifying compliance with the treaty directly. Finally, the treaty embodies an important shift in the emphasis of the SALT process, with relatively more weight being given to what it is we wish to limit as opposed to what limits we could most easily verify. Only a few years ago, there was almost unanimous agreement among experts that once MIRVs had been fully tested, limits on MIRVed missiles could not be verified. But such limits are one of the most important results of the SALT II agreement. It is gratifying that we sought and achieved limits on MIRVs, albeit modest ones, despite the difficulties in verification which required working out explicit "counting rules."

IV

As discussed earlier, one cannot adequately evaluate the new treaty without considering its effect on the strategic balance between the United States and the U.S.S.R. The simplest measures of the strategic balance are "static" indicators of force quantities, such as numbers of launchers, numbers of weapons, megatonnage, "equivalent" megatonnage, throw-weight, and so forth.[10] Projections are that the Soviets will lead the United States by 1980 in most of these static indicators, although the United States will retain a significant lead in the total number of weapons deployed.

The weaknesses inherent in attempting to measure the strategic balance using static indicators are well known. These indicators do not account for some of the most important characteristics of our forces, such as their survivability against a Soviet attack. It is for exactly this reason that U.S. force planners have consistently chosen not to attempt to match the Soviets in such measures, but rather to emphasize more important force characteristics. Nevertheless, it is worth pointing out that under the terms of the agreement, the United States could essentially match the Soviet Union in each of the commonly used static indicators of force capability, should it choose to do so.

The one unequal limit in the new agreement is the freeze on "heavy" land-based missiles carried over from SALT I. Under this provision, the United States is prohibited from deploying heavy missiles, while the Soviet Union may keep the 300 it now has. Thus, the Soviets could, in theory, deploy four to five million pounds more land-based missile throw-weight than could this country, although the United States could offset this somewhat with additional throw-weight in its submarine-launched ballistic missiles or payload in its bombers. But, in practice, the United States has no interest in heavy missiles, so this apparent asymmetry is of little importance.

A more sophisticated approach to assessing the strategic balance is to examine the results of simulated force exchanges between the two countries. The United States has accepted for many years the notion that the most important criterion for assessing the adequacy of its strategic forces is that enough forces be able to withstand a Soviet surprise attack to destroy Soviet society and industry in retaliation. There is little argument about either the present or projected capability of U.S. forces to carry out this mission with or without SALT II.[11] But there are serious arguments about whether such an "assured destruction" scenario is the proper one for measuring the deterrent capacity of our forces, and whether our forces will remain adequate when their capability is assessed under more complex scenarios.

Until the Soviets began deploying MIRVs

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on their land-based missiles in 1973, the United States maintained an overwhelming superiority in its strategic forces. Furthermore, the SALT I treaty prohibiting antiballistic missile systems (ABMs) meant that U.S. ballistic missiles could attack the Soviet Union in a retaliatory strike without facing the uncertainties associated with having to penetrate enemy defenses. Under such circumstances, there was little reason to use complex force exchange scenarios in assessing the deterrent capacity of the U.S. force.

The advent of large, accurate MIRVs on Soviet missiles changed this situation. The extensive Soviet MIRV deployment program, coming on the heels of SALT I and the beginning of what was supposed to be a period of détente, and occurring simultaneously with Soviet initiatives in Vietnam, the Middle East and Africa, has led to a widespread questioning of Soviet motives. I have argued elsewhere that the Soviets had good military reasons for deploying large throw-weight land-based MIRVed missiles; one does not have to attribute to them a motive of attempting to achieve strategic superiority over the United States to explain these deployments.[13] But the new Soviet MIRVs do create real military problems for the United States: for the first time, the Soviets appear headed for a capability to attack a major component of the U.S. deterrent force—our land-based ICBMs.

It is important to emphasize that most military planners are concerned only secondarily with what might happen once a nuclear war began. The level of destruction of any nuclear war would be so overwhelming that the primary focus must of necessity be on our ability to deter the start of any war. Thus, the concern is not so much that the Soviets might actually attempt a surprise attack against our Minuteman force, although military planners obviously must consider such an eventuality. Rather, the issue is the ability of our strategic nuclear forces to serve as a "nuclear umbrella" in a crisis, given the Soviets' newfound capability to attack our land-based ICBMs.

In the mid-1980s, the Soviets will be able theoretically to destroy virtually all of our land-based ICBM force in a surprise attack. This would leave us with only our submarine-launched ballistic missile force, our strategic bomber force (equipped with air-launched cruise missiles), and our theater nuclear forces deployed overseas and on aircraft carriers. Some of these forces are also susceptible to attack, since not all U.S. bombers are on alert at any one time, some submarines are in port, and many of our theater nuclear forces are vulnerable. Nevertheless, even in the worst case, 5,000 to 6,000 nuclear weapons on alert bombers and submarines at sea would survive a surprise attack.

This force is more than enough to destroy all major Soviet cities and Soviet industry. But defense planners argue, with good reason, that in such a situation, no President of the United States would want to be faced with only "the options of doing nothing or launching an all-out attack on Soviet cities—an attack that would almost certainly lead to a Soviet counterstrike against U.S. cities, presumably left largely undamaged by the Soviets' earlier strike against our land-based ICBMs."[14] Many argue that in such circumstances, the United States would be deterred from retaliating by the Soviet's retention of a large residual "assured destruction" force after attacking our Minuteman force.

I find two weaknesses in this line of thought. First, in the mid-1980s the United States will have the capability to respond to a Soviet counterforce attack with a counterforce response of its own. The United States will have 2,000 to 3,000 highly accurate cruise missiles deployed on its alert bombers, each having a 50–80 percent probability of destroying any hardened target against which it is launched. These weapons could be used in a counterforce retaliation while still leaving the alert U.S. SLBM force, with 3,000 weapons, as an "assured destruction" reserve.

Cruise missiles do have two deficiencies when used in a counterforce attack. First, they require many hours to reach their targets, making them less flexible than ICBMs, which have more "prompt" effects. Second, the Soviets could easily destroy most U.S. airfields in an initial strike, which would require a U.S. President to use his cruise missiles immediately after a full-scale Soviet attack while they remain airborne, or risk their loss. But these deficiencies are relatively minor. If the Soviets' initial attack against our Minutemen were less than all-out, surviving land-based missiles would be available for selective counterforce attacks. We would find ourselves without surviving land-based missiles, and thus without the capability to launch "prompt" counterforce attacks, only after a very large Soviet attack—a circumstance under which no U.S. President should have any hesitance about launching an all-out cruise missile counterforce retaliatory attack.

The second fallacy in using a Soviet first-strike "war-fighting" scenario to evaluate the U.S. deterrent stems from a failure to consider using his counterforce threat to extract U.S. concessions. While there are uncertainties both in force exchange calculation and in force projections for 1985, the Soviets will in all likelihood face a significantly greater potential loss from a U.S. preemptive strike than the United States would face from a Soviet preemptive strike. This stems directly from the Soviets' decision to place the majority of their forces in land-based silos, which will be vulnerable to attack in the mid-1980s.

The United States has long recognized this problem and has put relatively less emphasis on its land-based missile force. By this time, the U.S. land-based missile force will be able to destroy 80 to 90 percent of the Soviet land-based MIRVed missile force in a preemptive strike, even if no new land-based missile is deployed. If the new MX missile (a land-based missile that would carry six to ten weapons, each of one to two megatons yield) is deployed, the United States could destroy virtually all Soviet land-based missiles, MIRVed and single warhead, in such a strike. Soviet submarines in port and Soviet bomber bases could also be destroyed. Thus, the Soviets could well face a situation where they had lost the mainstay of their force, their MIRVed land-based missiles, while the United States retained 7,000–9,000 weapons on its submarines and bombers. If one believes that the prospect of retaining an adequate residual reserve force after absorbing a first strike would deter American Presidents from acting firmly is confrontations with the Soviet Union, a Soviet leader should be even more deterred from initiating a confrontation since he would face an even less favorable situation.

Although the Soviet deployment of a counterforce capability against our Minuteman missiles does not leave the United States at a relative disadvantage, it does give a more significant military advantage to the striking first than has been the case previously, reducing the inherent stability of the nuclear balance. A preemptive strike by either side would risk an immediate retaliation that could destroy most of the attacker's society, so war is still an unlikely event. Nevertheless, in an extreme crisis, such as that which might grow out of a gradual escalation of hostilities in Europe or the Middle East, the world would be safer if neither side felt it could achieve any significant advantage by launching a preemptive strike.

The preferable solution to this problem would be to obtain Soviet agreement in SALT III to reduce fixed-point-based missile deployments. To date, the Soviets have rejected U.S. proposals for such reductions, although past U.S. proposals have tended to be somewhat one-sided in their relatively greater effect on Soviet programs. The Soviets have already accepted separate limits on land-based MIRVed missiles in SALT III, and they have agreed to principles for SALT III calling for reductions and increasing mutual confidence in the stability of the nuclear balance. Thus, it is not inconceivable that they would negotiate a balanced proposal for ICBM reductions.

But unless the Soviets agree early in SALT III to significant reductions in land-based ICBMs, the strategic balance in the mid-1980s is likely to be determined to a much greater extent by the force deployment programs of the two sides than it is by the provisions of arms control agreements. Thus, it is important that the United States retain the flexibility it needs to undertake programs that will maintain this balance. Perhaps the most extensive program suggested to date has been that outlined by the Committee on the Present Danger, a citizens' group organized to support a stronger U.S. response to the Soviet military buildup. Stating their position that "in the short run, it is unlikely that a comprehensive SALT agreement can be negotiated," the Committee has recommended an eight-point program for restoring "both real and perceived strategic adequacy for the 1980s":

1. Urgent attention to the survivability and endurance of our information, communications, and command and control systems;

2. Rapid deployment of an alternate basing mode for our ICBMs;

3. Development of a more capable follow-on missile to replace our Minuteman IIIs;

4. Procurement of a high quality strategic bomber and cruise missile-tanker system with high pre-launch survivability and penetrability;

5. Acceleration of the Trident I SLBM deployment program, Trident II development, and, if possible, Trident submarine construction, and renewed study and development of a smaller SLBM submarine;

6. Rehabilitation of the air defense program with AWACS, F-14/Phoenix, and new surface-to-air missiles.

7. Reexamination of the token U.S. civil defense program;

8. Reinvigoration of ABM research and development programs.[14]

One may or may not agree with the wisdom of the particular measures suggested by the Committee. But in assessing the effect of SALT II on the strategic balance, it is important to note that the new agreement does not prohibit the United States from carrying out any of these recommendations; all eight could be fully implemented under the terms of the agreement. As much as one might believe that the United States needs a larger strategic nuclear defense program, one cannot argue that SALT II will stand in the way of even extensive force enhancement programs such as this one.

V

SALT II has already stimulated considerable debate within the NATO alliance. The U.S. allies clearly see a stronger relationship between their security interests and the terms of the emerging agreement than was the case with SALT I. During SALT I, the allies' primary concern was to ensure that existing nuclear cooperation and technology transfer programs would not be jeopardized. The inclusion in SALT II of only very general "noncircumvention" provisions seems to ensure that the new agreement will pose no

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problems in this regard, especially since the United States explicitly rejected the more restrictive language constraining transfers of weapons technology proposed by the Soviets.

But since SALT I, the Soviets have deployed longer range tactical aircraft capable of launching nuclear attacks in Europe, the new SS-20 mobile intermediate-range ballistic missile with MIRVs, and the Backfire aircraft—an aircraft somewhat more capable than the F-111, our largest aircraft in Europe. At the same time that these deployments have occurred, the Soviets have moved to overall parity with the United States in intercontinental nuclear forces, reducing the Europeans' confidence in the capability of the U.S. "strategic nuclear umbrella" to deter Soviet attacks on them. These two events have stimulated considerable anxiety in Europe, particularly in the Federal Republic of Germany.

The difficulties associated with attempting to accommodate in arms control negotiations the "grey area" systems, such as U.S. forward-based systems and Soviet intermediate-range ballistic missiles and medium bombers, have been analyzed extensively elsewhere.[15] My objective here is not to repeat this analysis, but rather simply to suggest that the problem of providing an adequate nuclear defense for Europe goes well beyond the difficulties the Europeans might have with the specific limits included in SALT II. This is not to claim that SALT II has no effect on Europe. The treaty does not include limits on systems such as the Backfire and the SS-20 IRBM, while it does limit U.S. SLBMs, some of which are specifically dedicated to the defense of Europe and intended to offset these Soviet systems. The three-year protocol to the treaty also limits cruise missiles, which might be used to enhance NATO's "Euro-strategic" nuclear balance. The Europeans correctly perceive a Soviet effort through SALT to limit weapons systems seen as Europe's main hope for offsetting any advantage the Soviets might obtain through their recent SS-20 and Backfire deployments, without the Soviets accepting any limits on their own deployments; the United States must be sensitive to this legitimate European concern.

To a large extent, the United States has brought about the Europeans' present state of anxiety with respect to SALT II. The United States has certainly not spoken with a single voice in its consultation with the Europeans on SALT II and theater nuclear programs. U.S. officials responsible for the SALT negotiations have tended to downplay the significance of land-based and sea-based long-range cruise missiles, while at the same time Pentagon officials have extolled the virtues of cruise missiles to their European counterparts. The fact is that ground-launched and sea-launched cruise missiles have significant weaknesses as nuclear weapons for use in the European theater. While the cruise missiles themselves are relatively inexpensive, the total systems, including the sea-based platforms to carry them and the ground-based launchers and associated systems, are not likely to be significantly less expensive than alternative nuclear systems. Furthermore, no reliable concepts have been developed for solving the pre-launch vulnerability problem of ground-launched cruise missiles. Hardened fixed sites will be vulnerable to Soviet attack, but serious problems exist in attempting to deploy long-range mobile nuclear systems in densely populated Western Europe. Moving nuclear-armed missiles throughout the West German countryside in peacetime is unthinkable, yet stationing them in *kasernes* renders them vulnerable to surprise attack. Deployments on surface ships face similar vulnerability problems, and deployments on submarines would divert valuable antisubmarine warfare systems to a less useful military mission.

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All apart from the relative worth of cruise missiles as "Eurostrategic" nuclear weapons, the basic strategic dilemma associated with providing an independent European force to counter the Soviet theater-oriented forces remains much the same as it has been for the last 20 years. As long as the U.S. President controls the release of the bulk of NATO's strategic nuclear weapons, their use would immediately involve the United States in a strategic exchange with the Soviet Union, with all of the implications, both positive and negative, which that linkage involves. As the French have long realized, for a European deterrent to be truly independent, the Europeans must have complete control of it. Yet no one suspects that West Germany either desires to have or should have its own independent nuclear force, and many Europeans doubt the inherent wisdom of "decoupling" from the U.S. strategic deterrent in any event.

In my view, a threefold set of actions on the part of the United States is necessary to overcome our allies' anxiety created by the growing Soviet Euro-strategic capabilities, the fading of the boundary in SALT between intercontinental and theater forces, and continuing concern over "decoupling." First, the United States must play a more assertive and consistent leadership role in alliance nuclear affairs and demonstrate increased sensitivity to legitimate European defense needs. The enhanced radiation warhead (neutron bomb) affair provides an excellent example of how these almost trite principles seem to have been overlooked in recent months. The United States put the issue to the German government for decision in such a way that it was inevitably propelled into a public debate. The German government was required to chose between rejecting a weapon it thought might be important to Germany's defense (although they would have to look to the United States for a more thorough technical judgment in this respect), or accepting the domestic political consequences of pushing for a new weapon that had come to have particularly distasteful moral implications in the public mind. The German political system, especially while the Social Democratic Party is in power, simply could not be expected to generate a rational policy under such circumstances.

Second, our European allies must more thoroughly accept, nearly 20 years after it was first put forth, the proposition that the "nuclear umbrella" can only go so far in providing adequate security for Europe. The best way to enchance European security is to improve Europe's own conventional defense capability, and any available additional European defense resources should be allocated principally to this task.

Finally, the United States must make clear to the Soviets that large-scale SS-20 and Backfire deployments will be met by comparable U.S. programs—either cruise missiles, extended-range Pershing deployments, or additional nuclear-capable aircraft—unless the Soviets agree to reasonable limits on their "Euro-strategic" forces, or demonstrate unilateral restraint. While one might allow that too many exclusively European-based American nuclear forces could lead to an undesirable "decoupling" of the U.S. strategic deterrent, it seems clear that too extreme an imbalance in the other direction would also have a similar "decoupling" effect. An overwhelming local nuclear superiority might well tempt the Soviets in a confrontation to assume that their intercontinental forces could deter U.S. intercontinental forces, leading them to push for concession in Europe. Thus, it is absolutely unrealistic for the Soviets to expect the United States to accept SALT III limits on systems useful primarily in the European theater without restraints being placed on comparable Soviet systems.

If the United States adopts a firm position on these issues in SALT III, there should be little need for complicated new forums for negotiating "gray area" systems. As I discuss in the concluding section, the Soviets are likely to agree to negotiate on Euro-strategic forces in SALT III as the three-year protocol limiting deployment of long-range ground-based and sea-based cruise missiles nears expiration. If U.S. programs make it clear to the Soviets that this country fully intends to deploy new systems designed to redress the imbalance in Euro-strategic forces created by Backfire and SS-20 deployments, the Soviets should be willing to negotiate reasonable limits on these systems.

VI

The new SALT agreement is, in many respects, more than the sum of its individual provisions. It differs significantly from its predecessors in both its form and in its basic approach, and it sets important precedents for the future.

It is important to review the history of SALT in order to compare the two approaches. SALT I consisted of two parts: a permanent treaty banning antiballistic missile systems (ABMs), and a five-year interim agreement freezing deployment levels of strategic missiles. The ABM treaty has caused very little controversy and remains the preeminent achievement of SALT to date. Without ABMs, it is virtually impossible for either side to eliminate the retaliatory deterrent force of the other side. We have the luxury to debate issues such as the importance of emerging Minuteman vulnerability only because the ABM treaty exists. If both sides had proceeded with antiballistic missile programs, the stability of our deterrent would be dramatically reduced, and the size of the deployment program needed to maintain our deterrent correspondingly increased.

The criticisms of SALT I focused on the offensive forces agreement. Even during the negotiating process, there was considerable controversy concerning whether or not any attempt at all should be made to negotiate offensive limits. In the end, it was the United States that insisted upon the linkage between the offensive agreement and the ABM treaty.[16] The Nixon administration argued that achieving any offensive forces agreement was a major accomplishment since the Soviets were deploying new missiles at a rapid rate, while the United States had no new deployments underway. Thus, it was argued that the interim offensive agreement stopped the Soviet deployment program, while having no effect on U.S. programs.

Nevertheless, the critics, led by Senator Henry Jackson, focused on the offensive agreement, particularly on the fact that the ban on additional launchers left missile launchers frozen at unequal levels for the two sides—approximately 2,400 for the Soviet Union, versus 1,700 for the United States. Later, further controversy arose on two grounds. First, the terms of the agreement itself proved subject to differing interpretations. Terms such as "light missile" and "deliberate concealment" were interpreted quite differently by the United States and the Soviet Union. Second, it quickly became apparent that limiting deployments of new missile launchers had very little effect on the offensive arms race between the two countries. Both sides continued modernizing their forces, with the Soviets pursuing an aggressive program of replacing older single-warhead missiles with larger more capable MIRVed ICBM's.

Since SALT I, there has been considerable debate concerning the best way to proceed with offensive force limitations. Some have argued that the focus on quantitative limits is not itself a problem, but that the limits imposed on so far are simply too high to have any effect. Others have argued that massive reductions are not in the cards and per-

haps not even desirable, and that only a direct assault on advancing technology through limits on qualitative force characteristics can be of any real arms control use. Finally, some have argued that the greatest utility of SALT is likely to come from ruling out destabilizing missions, such as hard target counterforce,[17] or, at a minimum, focusing on measures that will enhance startegic stability, such as limiting the numbers of land-based MIRVs—the weapons that could most easily be used to attack the land-based ICBMs of the other side.

The new treaty at least takes steps toward meeting almost all of these earlier objections. The numerical limits are equal for both sides, which meets Senator Jackson's main criticism of SALT I. The final numerical limits have been reduced from those agreed at Vladivostok and represent a real constraint on future Soviet programs, even requiring that the Soviets dismantle over 250 older systems. Even though the numerical limits themselves still leave room for increases in the capabilities of each side through qualitative improvements, they do eliminate the "worst case" projections of future force levels which would otherwise be considered by force planners in each country. Finally, the new agreement does represent an evolution of SALT in the direction of the United States has long argued that SALT must go if it is to continue to play a significant role in stabilizing the nuclear balance.

There are modest but significant qualitative limits in the treaty, through the ban on more than one new type of ICBM and the ceilings on the number of weapons each missile or bomber can carry. Furthermore, the various limits on land-based ICBMs, as well as the continuation of the ABM treaty, demonstrate at least an implicit acceptance of the basic U.S. strategic view that insuring the survival of secure second-strike retaliatory forces even after a first strike should be SALT's major military contribution.

The new SALT treaty also demonstrates an implicit understanding and acknowledgment of the limits of arms control agreements. Strategic arms agreements will not eliminate nuclear weapons, or even eliminate the military problems faced by the United States in maintaining its deterrent capability against the Soviet Union. The best we can hope for is that they will moderate the competition, reduce the level of hostility, and clarify the intentions of each side. In the long run, it can be hoped that such agreements will set firm limits on the total nuclear capabilities of each side, effectively stopping the arms race. But they cannot, as was attempted by the Administration's March 1977 "comprehensive" proposal, redress what we perceive to be Soviet advantages in the strategic balance—at least not without our offering major concessions in terms of our deployment programs.

Admittedly, this means that the United States faces something of a dilemma. On the one hand, neither our political system nor our objective of rational defense planning is likely to permit us to undertake major force deployments strictly for the purpose of developing SALT "bargaining chips." Yet without programs to trade, we cannot expect the Soviets to make major unilateral concessions, simply because we have chosen unilaterally to forgo certain programs on our own. Perhaps the solution to this problem is inherent in another new direction set by this treaty when compared to SALT I. By including a set of principles for governing SALT III, the new agreement establishes SALT as an ongoing process, rather than as an individual treaty required to stand by itself. Since many of the limitations accepted by the Soviet Union in the negotiation of SALT II represent at least implicit acceptance of arms control principles the United States has always put forward (adequate verification, emphasis on protecting the deterrent forces of the two sides, rigorous definitions, mutual exchange of data, and true limits on overall force capabilities), there remains substantial hope that SALT III will be able to constrain new programs before they are so far underway that the vested interests and bureaucracies on each side make it impossible to curb them.

VII

Much of the criticism of SALT II has focused either on the specific provisions of the Vladivostok accord on which the agreement is based, or on the deficiencies of the treaty when compared to the more ambitious "comprehensive" approach set forth by the Administration in March 1977. But if one puts aside preconceptions based on these earlier efforts and examines the treaty which has actually been negotiated, it is difficult to see how it can be opposed on its technical merits. The treaty embodies a substantial amount of "true arms control," in that it requires actual dismantling of some Soviet systems, cuts off certain areas of possible new competition, and eliminates the "worst case" force projections which have tended to drive the deployment programs of each side. At the same time, the new agreement does not stand in the way of necessary defense programs. It permits the United States to carry on with any necessary modernization of its strategic Triad, whether it be a new bomber or cruise missile carrier, a multiple-aim-point system of ICBM launchers, a new land-based missile, or new types of submarine-launched ballistic missiles. The treaty language is extremely carefully drafted, so that subsequent misunderstandings between the two sides should be small in number, especially when compared to those which occurred in SALT I, and the Soviets have accepted the special verification "counting rules" sought by the United States. The treaty should provide a framework within which the United States can develop a stable strategic program to respond to recent Soviet deployments, knowing that major surprises in the Soviet program are unlikely to occur. This should permit setting aside the present diversionary debate over strategic forces and moving on to focus our defense planning on correcting more serious weaknesses in conventional forces.

Given these technical characteristics of the new agreement, the debate over treaty ratification is likely to focus on predominantly political questions. There is a legitimate issue about whether or not the United States should enter into any additional agreements with the Soviet Union as long as the Soviets continue with their worldwide military buildup and expansionist policies. There will also be a political debate about the relationship between the new agreement and the defense budget, with some arguing that the treaty is unacceptable without a significant increase in the defense budget, including approval of major new strategic nuclear programs, and others cautioning against linking treaty approval to increased defense spending, lest we mortgage our ability to proceed with further arms control measures. Finally, there will be considerable debate about the treaty's three-year protocol.

The protocol will cause particular concern because it limits weapons systems which could potentially be of vital importance to the United States in overcoming what are perhaps the two most significant strategic nuclear problems the nation will face in the 1980s. The protocol limits the testing and deployment of mobile land-based ICBMs (such as the multiple-aim-point system discussed earlier), systems whose main purpose would be to eliminate the emerging vulnerability of our Minuteman ICBMs. The protocol also limits ground-launched and sea-launched cruise missiles, systems proposed primarily to counter the growing imbalance in Euro-strategic forces brought about by Soviet deployments of new systems such as the Backfire and the SS-20. Given the potential importance that mobile ICBMs and cruise missiles could have for the U.S. defense program, any agreement placing limits on these systems would be controversial. The fact that the protocol contains no reciprocal limits on Soviet systems, such as the SS-20 or the Backfire, makes it even more controversial.[18]

As I have pointed out earlier, the protocol will expire before the United States could conceivably deploy any of the systems limited by it, so that in a technical sense, it represents no real constraint on U.S. programs. But it is always difficult politically for the United States to end a deployment moratorium, since the American public never wishes to support what might be seen as unnecessary military competition. Moreover, the protocol does set a precedent for U.S. acceptance of continuing limits on cruise missiles and mobile land-based ICBMs in SALT III.

My own view is that in the absence of a serious SALT III negotiation, political pressures will not inevitably require the United States to continue with the protocol limits. But the Soviets are unlikely to turn down a serious SALT III negotiation, or even to reject a negotiation that includes the important questions of the Euro-strategic balance and Minuteman vulnerability. Initially, they will resist U.S. demands in these areas. But as the expiration of the protocol nears, they will offer enough tangible concessions to induce the United States to extend the protocol's moratoria as the negotiations continue. For the United States, there would be great benefit in obtaining a negotiated solution to the problems of Minuteman vulnerability and Euro-strategic balance, since the deployment of cruise missiles in Europe or a mobile ICBM in the United States are not attractive options from a technical standpoint. Thus, if the protocol serves to engage the Soviets in a serious negotiation on these issues, it will have served a useful purpose. One can only hope that the United States will remain firm in its insistence that the Soviets agree to serious and balanced provisions in both areas, rather than continuing the protocol limits indefinitely while the Soviets continue to threaten both our land-based ICBMs and our European allies.

Most of the political issues raised by SALT II, including the protocol limitations, relate to a more fundamental concern that the United States has lost its will to maintain adequate defenses in the face of Soviet expansion. The strong anti-defense reaction brought about by the years of Vietnam and Watergate, and the hopes that détente with the Soviet Union would mean a greater degree of Soviet restraint in weapons deployments and geopolitical expansionism, led to a period of perhaps excessive reductions in real defense spending. But recent events indicate that this trend has now ended, and that there is a strong and increasing national will to maintain adequate defenses. Public opinion polls indicate that the American people are willing to support higher spending on defense, despite the growing negative reaction to government spending in general and the emergence of the "taxpayer's revolt."[19] President Carter has successfully increased the defense budget and is publicly committed to a three percent annual real growth in our spending on defense. Nor is there any evidence that Congress will oppose necessary defense spending; the defense appropriations veto fight that occurred this year was not over the level of spending, but rather over the best way to spend the available dollars.

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Even if one believes that the nation's main defense problem is the need to demonstrate a strong will to respond to Soviet force deployments and geopolitical expansion, it is not at all clear that Senate rejection of the SALT II agreement would demonstrate such will. If the treaty contained serious technical flaws, or if it explicitly prohibited necessary defense programs, its rejection would perhaps be seen as a demonstration of renewed American strength. But this agreement does not contain such deficiencies. Therefore, in my view its rejection would more likely convey a different set of signals. It would indicate first of all that the U.S. political system cannot generate a stable national consensus on even the most crucial foreign policy issues. Second, rejection would make it clear to our allies that a relaxation of East-West tensions is not likely to come about from bilateral U.S.-U.S.S.R. negotiations; thus, if they wish to pursue a political détente, they will have to do so on their own. Finally, a rejection would imply that we have no confidence in our own defense programs—that we are seriously worried about our military position relative to that of the Soviet Union, and feel that even the modest limits within the treaty would stand in the way of redressing any imbalance.

If there were no other reason to accept the new treaty than to avoid the negative consequences which might flow from its rejection, one could hardly expect more than reluctant acquiescence of either the Senate or the American public. But the new treaty deserves more than this. As this essay has argued, it is a treaty very much in the U.S. interest, and it sets important and positive precedents for a continuation of the SALT process. Given the quality of the treaty, its rejection would lead the rest of the world to see the United States as hesitant, insecure, and incapable of mounting an effective political and military effort to establish a stable peace in the nuclear age.

FOOTNOTES

[1] For a reasonably current statement of the structure and key provisions of the new agreements, see Richard Burt, "The Scope and Limits of SALT," *Foreign Affairs*, July 1978, pp. 756–60

As this article goes to press, apparently only two issues remain open whose final resolution could significantly affect an overall evaluation of the new agreement. One concerns a U.S. proposed ban on concealing test results through telemetry encryption an issue on which the Soviets now seem to be retracting their apparent willingness to cooperate. The other concerns the Soviets' long-standing insistence that all cruise missiles, even if equipped with conventional warheads, be subject to the agreement's cruise provisions. The United States maintains that on aircraft other than heavy bombers only nuclear-armed cruise missiles are covered by the agreement, and that conventionally armed cruise missiles should not count if they can be distinguished from nuclear cruise missiles by externally observable characteristics.

[2] The term "missiles" is shorthand in this connection. Technically the number of missiles is not limited by the treaty. Rather, the treaty's limits apply to missile launchers.

[3] The 2,400 limit would require the Soviets to dismantle about 100 older systems, but it would still permit them to modernize their remaining systems, leading to a dramatic increase in their overall strategic nuclear capability. The 1,320 limit was above the existing deployment level of either side, permitting both to build up further. It was even above the projected 1985 U.S. program, which includes only 1,236 MIRVed missiles. Furthermore, the 1,320 limit, while below projected Soviet deployment levels, was not enough of a constraint on the Soviets' new generation of MIRVed land-based ICBMs to prevent them from eventually posing a serious threat to the U.S. land-based Minuteman ICBM force.

[4] The words "cruise missile" were never mentioned in the Vladivostok negotiations. However, air-to-surface missiles were discussed, and the United States did agree to count ballistic air-to-surface missiles with a range greater than 600 kilometers in the 2,400 ceiling.

[5] The exact limit has not yet been agreed by both sides, but it will probably be in the range of 25–35.

[6] The 1,920 is 120 above the 1,200 limit on MIRVed missiles; thus, the first 120 cruise missile-equipped aircraft can be considered "free." Nor is the 2,250 ceiling a constraint, since no foreseeable U.S. program would reach that limit. Taken together, these provisions mean that if an average of 30 missiles are permitted on each of the 120 "free" cruise missile carriers, a total of 3,600 could be deployed without affecting any other U.S. strategic program.

[7] The United States has agreed that deployment of such a system is prohibited for a three-year period by treaty protocol provisions covering land-mobile ICBMs, but has stated that it would be free to deploy a MAP system when the protocol expires.

[8] These two counting rules require first that any missile of a type ever tested with MIRVs must be counted as a MIRVed missile, and second, that any launcher of a type that has ever launched a MIRVed missile must count as a MIRV launcher. Additional rules require that if new launchers are to avoid being counted as MIRV launchers, they must differ from launchers that have been tested launching MIRVed missiles.

[9] This concept is an important example of the innovative solutions our negotiators have found to complicated verification problems. A long-standing issue in SALT has been how to distinguish between two aircraft of the same type when one is used as a heavy bomber and another is not. This is a problem for both sides in SALT; the United States would like to retain the option of using existing wide-body airframes for a new cruise missile carrier, and the Soviets' Bear and Bison aircraft are used not only as heavy bombers, but also as naval reconnaisance and tanker aircraft.

While the exact details of the treaty language are not yet worked out, the new agreement is likely to permit the use of bomber aircraft in multiple roles, but require that all such aircraft be counted as heavy bombers unless there are observable differences clearly related to the function of the aircraft between the bombers and the nonbombers. For example, the Soviets' Bison tankers have refueling probes, so that they are observably different from Bison bombers. However, some of these tankers also have bomb bays. Since the existence of a a refueling probe is not "functionally related" to the ability to drop bombs, these aircraft will all have to count as heavy bombers, unless they are modified to eliminate the bomb bays. In an analogous fashion, the United States could use an existing wide-body aircraft type for its new cruise missile carrier, without having to count all aircraft of that type as heavy bombers, since existing transport aircraft would not contain the bomb bays or external mounting racks necessary to carry cruise missiles.

[10] Equivalent megatonnage is a measure of blast damage against soft-area targets, and throw-weight is roughly the weight of warheads and MIRV-related devices carried out of the atmosphere by the missile.

[11] Some have argued that Soviet civil defense measures could reduce civilian casualties in such an attack to under ten million. I find such arguments implausible, but will not repeat the debate here. See *United States/Soviet Strategic Options*, Hearings before the Committee on Foreign Relations, U.S. Senate, 95th Cong., 1st Sess., January 16, January 19, and March 16, 1977, Washington: GPO, 1977, for a discussion of both sides of the issue, and *Soviet Civil Defense*, Director of Central Intelligence, July 1978, for the CIA's view. I should point out, however, that if Soviet civil defense is a significant worry, the redeployment of a relatively small number of stockpiled large megatonnage bombs on our alert bomber force could dramatically increase the radioactive fallout associated with a U.S. retaliatory attack, substantially offsetting the Soviet civil defense program.

[12] Jan M. Lodal, "Assuring Strategic Stability: An Alternative View," *Foreign Affairs*, April 1976, p. 467.

[13] There are serious questions about the Soviets' ability to carry out an effective counterforce strike without killing significant numbers of Americans—a key assumption behind the argument that a nuclear exchange could be limited to military targets. See *Analyses of the Threat of Limited Nuclear Warfare*, Congressional Office of Technology Assessment, September 1975, and *Effects of Limited Nuclear Warfare*, Hearings before the Subcommittee on Arms Control, International Organizations and Security Agreements, Committee on Foreign Relations, U.S. Senate, 94th Cong., 1st Sess., September 16, 1975, Washington: GPO, 1975.

[14] *Is America Becoming Number 2? Current Trends in the U.S.-Soviet Military Balance*, Washington, D.C.: Committee on the Present Danger, October 5, 1978.

[15] Lothar Ruehl, "The Grey Area Problem," in Christoph Bertram, ed., *Beyond SALT II*, Adelphi Paper No. 141, London: International Institute for Strategic Studies, Spring 1978, pp. 25–34.

[16] John Newhouse, *Cold Dawn: The Story of SALT*, New York: Holt, Rienhart & Winston, 1973, pp. 195–207.

[17] Christian Bertram, "Arms Control and Technological Change: Elements of a New Approach," Adelphi Paper No. 146, London: The International Institute for Strategic Studies, Summer 1978.

[18] See Burt, *loc. cit.*, pp. 751–770, for an eloquent and thorough discussion of the protocol issue.

[19] For example, see the Harris poll released September 7, 1978, reporting on results of a poll taken in late June 1978 in which 36 percent favored an increase in the defense budget, 18 percent a decrease, 41 percent the same, and 5 percent no opinion.●

SENATE RESOLUTION 12—RELATIONS BETWEEN THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA

● Mr. BAYH. Mr. President, the beginning of a new era in relations between the United States and the People's Republic of China (PRC) has ushered in a period of uncertainty for the people of Taiwan, a long-time U.S. friend and ally. Despite efforts to assure the Government on Taiwan that the United States remains committed to its security and to a peaceful resolution of the "Taiwan issue," doubts persist as to future relations without the formal assurance of a Mutual Defense Treaty with the United States and in the absence of official diplomatic relations with our country. Therefore, in order to provide tangible proof to the people of Taiwan that we do not intend to "abandon" them, I am cosponsoring resolutions here in the

Senate that call for settlement of the Taiwan issue through peaceful means and stipulate that the People's Republic of China would run great risk to its newfound diplomatic and commercial relations with us if it decides to use military force to unite Taiwan with mainland China.

When considering the future of Taiwan, we are discussing a nation of over 17 million people who enjoy a standard of living exceeded only by that of Japan in all of East Asia. This prosperity is based on a system of private enterprise not unlike our own and depends upon an atmosphere of security in order to continue. There is no question that Taiwan plays an important role in the overall economic development of the East Asian region. For the United States, Taiwan has been a reliable customer for farm and manufactured products. In 1977 about 23 percent of its $17.8 billion in trade was with the United States. Interestingly enough, this trade turnover was greater than that of the People's Republic of China whose population is almost 60 times that of Taiwan.

While the system of government on Taiwan is dominated by a single political party, the Taiwanese continue to express a profound desire for national self-determination and economic progress. Those qualities merit the continued support and respect of the American people. As we continue to develop our relationships with the People's Republic of China in diplomatic, commercial, cultural, and scientific areas we must not forsake our moral responsibility to a gallant and industrious people who have been our allies in war and peace. I am convinced that support expressed by Congress for the future security and prosperity of the people of Taiwan will provide an important source of confidence for them in order to face the future free from the fear of a military invasion or outbreak of hostilities in the Taiwan Strait.

The Danforth and Kennedy-Cranston resolutions which I have cosponsored specifically address these concerns and provide for a process whereby the President will inform the Congress of any danger to the interest, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan and that Congress will act to meet any danger. Importantly, the Danforth resolution puts the People's Republic of China on notice that it is the sense of the Senate that any military aggression against Taiwan should result in the termination of diplomatic and commercial relations with the Government on the mainland and should also prompt military assistance to the people of Taiwan on an urgent basis.

Finally, I would also add that I do not believe that the People's Republic of China possesses now or in the near future the military capability to conduct a successful military operation against Taiwan. Nor do I feel that the leadership in Peking now believes it advisable to settle this issue through military means. In fact, the prospects for resolution of this difficult problem are probably improved by our diplomatic recognition of the People's Republic of China. But our responsibility as a great power in our dealings with smaller nations who depend upon us for military and economic support remains clear. Approval by the Senate of the resolutions I am cosponsoring will provide to Taiwan, the People's Republic of China, and the world added proof that we shall not fail that obligation. We do not intend to desert the people of Taiwan.●

FEDERAL NATURAL RESOURCE AND ENVIRONMENTAL PROGRAMS

● Mr. LAXALT. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues my concern about organization of Federal natural resource and environmental programs and to comment on possible improvements which may prove helpful in our efforts to control inflation in our country.

In the way of some background, in order to preserve our quality of life, Nevada's posture has been one of expansion of tourism and visitor development, with promotion of payroll diversification through attraction of light, clean, diversified industry, and the encouragement of a productive attitude on the part of Nevada's work force. In this direction, I believe Nevada has been highly successful by most measurements.

However, within the past year a disturbing trend has evolved bringing concern to many residents of the State, as well as myself. With other citizens of the United States looking for a better life style and the opportunity for economic advancement, whether as a member of the labor force or as an entrepreneur willing to risk capital and create jobs, Nevada has had a steady population increase. As would be expected, this has produced side effects addressed by regulatory agencies, most particularly the Environmental Protection Agency and the Department of the Interior.

At this point let me point out that Nevadans and I share the beliefs and concepts of clean water, clean air, and efficient utilization of natural resources, just as we believe in the principles of conservation. It has, therefore, become a paradox to find that the Federal agencies created to help solve and alleviate these problems have, for reasons which will be presented later in the text of this statement, functioned in a manner counterproductive to these concepts; often in a manner that appears to be arbitrary and capricious, and which has certainly resulted in unwarranted increases in the cost of living for Nevadans, and delay, rather than facilitation of solutions of many of Nevada's problems.

Mr. President, Nevadans and I also mutually believe that a more reasonable approach to rules and regulations is in order, and that regional needs should receive more consideration and attention.

While many of the following comments will be critical, I would like to state that I believe that the criticisms are justified, and I hope they are perceived as being presented constructively.

OBSERVATIONS REGARDING THE ENVIRONMENTAL PROTECTION AGENCY

Generally, it appears to me that the policymakers of the EPA are remote and insulated from local and regional problems. For example, solutions that might be necessary in a high density, highly industrialized manufacturing area which has had a multitude of complex problems contributing to the deterioration of air and water quality, should not be treated in the same manner as low density, isolated areas. Further, criteria for compliance are often completely inflexible without regard to reasonable community standards or the economic health of the community affected.

It appears that regional staffs are arrogant and abusive. As one would expect, this leads to an unresponsive attitude and delays in problem solving. It further appears that perhaps the regional offices have been delegated too much power to grant or withhold the necessary sanctions to solve problems.

Mr. President, it also appears that the higher administrative levels only reinforce lower level administrative decision, which might be considered as questionable as a simple matter of self-preservation. The corollary to this is that various middle level administrators insulate the top level administrators and policymakers from legitimate criticism.

The EPA is slow to respond to needs. Duplication of studies and review time delays implementation and solution oriented programs. This adds to total costs through paying twice for the same study or through substantial increases in costs through inflation.

The agency is in a position of setting new compliance rules which, after substantial local investment in time and money to meet original compliance, can be negated by these new rules for compliance, which can have the effect of forcing a start from ground zero, here again adding to costs and of course causing confusion.

There appears to be a serious inconsistency with the stated goal of full employment of the administration and the Congress and the Environmental Protection Agency's objectives which penalize successful communities which have adopted policies to reduce unemployment. Using just two examples from Nevada—the Ely-McGill area and the Reno-Sparks area—I suggest that a major reason for artificially created unemployment or the threat of unemployment in the future lies with EPA policies.

In the case of Ely-McGill, Nev., an isolated community with generally physically healthy citizens, they suffer unemployment and uncertainty, because the Kennecott Copper operation located there is unable to, but forced to, comply with standards created mainly to alleviate situations in eastern communities. The local economy relied heavily on the functioning of the plant but the unreasonable regulations imposed against Kennecott Copper Corp. in Ely, Nev., has been devastating. Among other things

that occur to me is that Federal officials, in their diligence to dot every "i" and cross every "t," have created unnecessary adversary relationships involving added costs to the taxpayers through numerous court actions and added costs to the consumers of Kennecott's final product, because Kennecott was forced to oppose those regulations at substantial costs. More importantly, this has created trauma, havoc, and unemployment in this small community of 9,000 whose very livelihood depended upon Kennecott Copper being able to remain in operation.

In the case of Reno-Sparks, which has been reasonably successful in creating opportunity, jobs, and employment, that success is now in the process of being slowed or perhaps stopped or reversed, primarily because of the Reno-Sparks joint sewer treatment plant expansion. This has been held up in a maze of unnecessary redtape and what often appears to be intentional delay tactics. Certainly the citizens of these communities have suffered a cost-of-living increase in the last few years, because of confusion, uncertainty, and delay created by EPA.

To be more specific regarding the Reno-Sparks area wastewater treatment expansion, over 5 years ago it became apparent, in order to facilitate proper planning and to prevent deterioration of water quality in the Truckee River, that an expanded and modernized treatment plant was necessary. Although the conditions impacting this issue are quite complex, I believe that rather than provide assistance to expedite and accommodate the area's needs, region IX of the EPA has done just the opposite. Whether this series of delays was intentional or is being fostered by authority higher than region IX, is not completely clear to me.

Factually, the city of Reno commissioned the necessary environmental impact study on August 11, 1975. That study progressed with numerous intermediate review steps by region IX and payment approvals to the consultant. Upon completion of the report, delay and confusion was created by the EPA by not accepting the report in a timely fashion. Further, the cities were advised after the report was almost completed that there would be a change in criteria and that with the passing of time it was necessary to redo the original study, as conditions had changed sufficiently in the area to warrant a new and updated study.

Under this type of condition where the original ground rules are allowed to change, it is not inconceivable that this could accur again and again at some future date. This creates an added burden to the taxpayers since additional studies cost money and the time delay of this situation adds to the capital costs of the plant expansion because of inflationary pressures.

COURT ACTION AGAINST CARSON CITY AND DOUGLAS COUNTY, NEV.

Mr. President, on August 1, 1978, the Justice Department, upon recommendation by EPA, filed a civil suit against Douglas County, Nev. for alleged violations of Federal wastewater discharge standards. A similar suit was then filed against Carson City, Nev., on September 18, 1978. In my view, both suits reduce down to the abuse of administrative process.

Mr. President, because of the complexities of this matter, and in the essence of time, I ask that my letter to Douglas Costle, Administrator of EPA, dated December 12, 1978, be printed in the RECORD at the conclusion of my statement in its entirety.

(See exhibit 1.)

Mr. President, some agencies are in a position of using tax dollars which is counterproductive and works to the detriment of the majority of taxpayers. The following will serve as examples:

O'NEAL BASIN TRANSMISSION LINE ROUTE

As you are aware, power companies everywhere are under attack, because of the high cost of power service. In an attempt to comply with all regulations, Sierra Pacific Power Co., which serves all of northern Nevada, had the necessary environmental impact statements compiled on what their experts considered to be the most efficient routing for a needed intertie connection in Idaho. The substantial cost for the study, required by the EPA and the Department of the Interior, will, of course, be assumed by every power user in northern Nevada.

It is important to note that at the conclusion of the study, the Secretary of the Interior denied the routing, because the area might possibly be considered for a wilderness area.

In response to the contention by Sierra Pacific officials that the alternative routing suggested by the Department of the Interior could cost up to $20 million extra (requiring more delay, studies, costs, et cetera), the Secretary of the Interior, if correctly quoted by the media, stated that he did not care if it did cost an additional $20 million. During the course of the study, consultants retained by the utility company worked closely with BLM field representatives. It is difficult for me to understand how the Secretary could completely ignore their recommendations.

If this attitude continues to prevail, Mr. President, without regard for the taxpayers or the consumers who must bear this burden, then the private individual has practically no hope of saving money or improving his personal circumstances.

TRUCKEE RIVER—PYRAMID LAKE INDIAN LAW SUIT

Mr. President, a suit was brought on behalf of approximately 800 members of the Paiute Indian Tribe, who reside on the Pyramid Lake Reservation, against 13,000 taxpayers, most of whom had no knowledge of what was involved. It is my belief that this suit either was, first, caused by the negligence of the Federal Government in the past, or second, should never have been brought at all.

However, due to an arbitrary and seemingly inflexible court decree mandating a certain flow of water in the Truckee River in order to provide continuity for fish studies on the lower Truckee, virtually all upstream storage was dissipated during a year when serious drought conditions existed. Although Federal officials had this matter called to their attention, and there was sufficient time to prevent this upstream storage from reduction to dangerous levels, nothing was done.

I find it particularly frustrating to learn that of the three Federal agencies involved, none accepted responsibility or leadership to find a solution to this potential problem for the taxpayers they represent. The excuses and the jungle of redtape encountered produced what appears to be intentional delay to the point where another year of drought conditions would have produced health hazards and disastrous side effects for the communities involved. Fortunately, this never came about, but the point is that those who allowed the citizens of the Truckee Meadows to be placed in such a dangerous position had no assurance that drought conditions would be relieved.

Further regarding this matter, and as a separate part of this particular problem, some 13,000 taxpayers in the Truckee Meadows area were individually served with a rather bulky legal document in the above-mentioned lawsuit. For the most part, the individuals served would be presumed to hold properly adjudicated water rights pursuant to the laws of the State of Nevada and had no knowledge of the reason for the lawsuit. Yet, the very tax money with which they support the Government was being used by that Government to bring a suit against them. Naturally, this has required legal costs to provide for their defense. For the Truckee Carson Irrigation District alone this has amounted to $881,583 as of November 1978. Legal costs are running at $20,000 per month and this is assessed back against the district water users per acre they hold. The paradox presented here is that if inequities were visited upon the Indians, this was done without the knowledge of the people joined in the lawsuit and, even more appalling, the fact is that whatever treaties were negotiated in the far-distant past were negotiated by the Federal Government on behalf of the Indians.

In my view, there is a gross injustice in this entire situation. If the Federal Government wishes to discharge its obligations to the Paiute Tribe, and if, in fact, such an obligation was determined to be warranted, the obligation could have been discharged with alternative methods of compensation which would have resolved the problem more equitably and at far less cost to the taxpayers.

Locally this suit has become known in frivolous terms as the "Lawyers Relief Bill." And tragically, during the past and present litigation, this suit has prohibited proper conservation and management of the waters of the Truckee River.

SUGGESTED SOLUTIONS

First. Ways must be found to shorten study periods to a definite time frame and with ground rules which agencies cannot change, once a study is inaugurated.

Second. Regulatory agencies, admin-

istrators and staff should become accountable for their actions.

Third. The policy of these agencies and the administrators should be that they are in existence to serve the needs of the taxpayers and not to create adversary relationships between the taxpayers and their departments.

Fourth. Less emphasis should be placed on regulatory enforcement and more on tax incentives for private industry to provide solutions.

Fifth. In terms of air and water quality, more emphasis and flexibility should be placed on local and regional conditions, creating buffer or mixing zones between population and climatological zones.

Sixth. Eliminate the necessity for duplicated studies. At present, private industry must undergo requirements to provide and pay for comprehensive studies. Following this the agency or agencies involved then do their own independent study, thereby duplicating the costs to the taxpayers who pick up the bill for both studies. I would hope that some method will be found that would simplify requirements to reduce the time and cost so that a single study may be devised which could possibly be cost shared by industry and the involved agency or agencies.

In conclusion, Mr. President, the issues I am addressing are complex. It is difficult for the general public and taxpayer to become completely informed as to the serious consequences that may be before them. And although the taxpayers are aware their taxes are increasing, in general they are not aware that the contributing reasons many times are the duplication of regulatory agencies, complicated and unnecessary forms and study requirements, and built-in delays which escalate costs in many ways.

I am sure my colleagues will all agree with me that it is the responsibility of Government to provide efficient and strong leadership by doing for the citizens who we represent what they cannot do for themselves. I am hopeful at the conclusion of this 96th Congress we will be able to recommend positive policies to cure many of the present abuses. To this end, I pledge my support.

EXHIBIT 1

DECEMBER 12, 1978.

Mr. DOUGLAS M. COSTLE,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. COSTLE: On March 21, 1978, I wrote you to ask that the Environmental Protection Agency defer any punitive court actions contemplated by EPA's Regional Office in San Francisco against Carson City and Douglas County, Nevada, for alleged violation of the Federal Waste Water Discharge Standards.

I noted at that time that EPA had made no direct contact with either community to furnish a bill of particulars or specifics defining the supposed violations, or to offer remedial assistance, and that both communities, within their limits, were making good faith efforts, backed by financial commitments, to comply.

Pursuant to this letter, a meeting was called here in Washington attended by EPA Enforcement Division officials, representatives of Carson City and Douglas County, and the Nevada Congressional Delegation.

This exchange of views produced an indication from the EPA representation that there was some uncertainty about filing the prosecutions, that the cases were still with EPA, Washington, and had not been forwarded to the Justice Department for prosecutive purposes.

We were given assurance that before any prosecutive action was taken by EPA, the Nevada Congressional Delegation would be advised and provided with the specific bases for the charges.

This commitment was not honored. Without contact with the Delegation, a civil suit was filed against Douglas County on August 1, 1978, and against Carson City on September 18, 1978, both in Federal Court in Reno, about which the Delegation learned from news items in California papers several days before each filing.

At the time of both filings, the San Francisco Regional Office of EPA was well aware that both sanitation districts were making every effort to comply, both were acting in good faith; it is an asinity to assume they would do otherwise to their own injury or the injury of the communities they serve.

Let me note here that my interest in the preservation of Lake Tahoe long precedes the entrance on the scene of the EPA or its allies. As an attorney practicing in both Douglas County and Carson City, as District Attorney of Carson City County, as Lieutenant Governor of Nevada, as Governor of Nevada, and now as a United States Senator, my energies and efforts have long been directed to that end

Aside from petty technical considerations, it takes no great expertise to realize that the Carson River is a distinctly seasonal stream and during the periods EPA San Francisco alleges the violations, the West was in the grip of one of its worst and well publicised droughts and the treated discharges were enhancing both water quality and quantity in the river, which was running dry, not degrading it.

It can be no accident that, with over two-thirds of the nation's sanitation districts not in compliance, EPA would initiate civil suits against two very small counties, side by side in Nevada, with virtually no industrial waste discharge, which happen by chance, to border on Lake Tahoe.

The continuity and circumstances under which both suits were filed can lead only to the conclusion that the prosecutions were selective, arbitrary, and perhaps even filed in bad faith for reasons other than violations of standards or compliance schedules on the Carson River under adverse conditions.

To put it simply, EPA's San Francisco Regional Office and the groups it has aligned itself with can have very little interest in the trickle of water called the Carson River. As we both know, the prosecutions are aimed at Lake Tahoe.

Carson City has no casinos within it on Lake Tahoe and no prospects for any. It is the innocent victim of the by-play between EPA San Francisco Office and organizations which not only pressured the suits but joined them immediately on being filed.

Let me carry this further. The two suits were filed in August and September, 1978. It came as no surprise to me, therefore, to be advised that EPA, with both suits well into litigation, would again single out both sanitation districts in November, 1978, for surprise inspections by EPA's National Field Inspection Center, of Denver.

There must be some plausible explanation for unleashing on those two tiny communities, several months after they were charged, an EPA task force composed of eighteen technical and forensic personnel and three supervisors plus their mobile laboratories and other equipment. At this point, I don't know what that explanation could be or what, under the circumstances, would justify the costs involved.

Further, it can be no more coincidence that while the prosecutions against the two communities were being promoted in San Francisco, Charles Warren, the Chairman of the White House Council on Environmental Quality, was in negation with representatives of Nevada for a revision of the Tahoe Regional Planning Agency Compact.

And it should come as no surprise that both prosecutions were handed up by the U.S. Justice Department's Land and Natural Resources Division under the direction of Mr. James W. Moorman, Assistant Attorney General, the former staff attorney for the Sierra Club, a primary instigator of the suits along with the National Resources Defense Council.

Under the circumstances, the filing of both suits reduces itself to an abuse of process and has little to do with the Carson River, miles removed from Lake Tahoe, and is nothing more than a contrivance to curb construction of casinos at Lake Tahoe, an empty gesture in itself since Nevada has already conceded there will be no new construction.

There is little doubt that if the funds wasted on legal fees, administrative costs and other useless gestures in both cases had been placed in remedial and constructive actions, the minor technical problems would have long since been solved.

As it stands, Nevada citizens, many of them with no connection with casino operations at Lake Tahoe, are being victimized by the Regional Office of EPA in collusion with the Sierra Club, the Natural Resources Defense Council and others.

In the light of what has been outlined above, I would ask you to conduct through independent sources within your agency a complete investigation of the San Francisco Regional Office and its relationships with the Sierra Club and the Natural Resources Defense Council and to take whatever remedial steps are indicated by the results.

By means of a copy of this letter to you, I am asking the Attorney General, Mr. Griffin Bell, to review the handling of both cases in the Justice Departments Land and Natural Resources Division under Mr. Moorman and to take remedial steps based upon those findings.

The economic distress being inflicted on all the people of Nevada by the actions cited in the above cases and others is already incalculable and escalating rapidly.

Sincerely,

PAUL LAXALT,
U.S. Senator. ●

QUORUM CALL

Mr. SIMPSON. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL JANUARY 31, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 12 noon on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the prayer on Wednesday and following recognition of the majority leader, which I shall seek, Mr. PROXMIRE then be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL WEDNESDAY, JANUARY 31, 1979

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with the order previously entered, and pursuant to Senate Resolution 28, as a further mark of respect to the memory of the deceased Honorable Nelson A. Rockefeller, a former Vice President of the United States, that the Senate stand in recess until 12 o'clock noon on Wednesday.

The motion was agreed to; and at 1:51 p.m., the Senate recessed until Wednesday, January 31, 1979, at 12 noon.

HOUSE OF REPRESENTATIVES—*Monday, January 29, 1979*

The House met at 12 o'clock noon.

Chaplain James David Ford, B.D., offered the following prayer:

Hear the words of Psalm 121.

I will lift up mine eyes unto the hills, from whence cometh my help. My help cometh from the Lord, who made heaven and earth.

Let us pray.

O God, from whom comes every good and perfect gift, remind us that we do not walk through life alone, or face the cares of the day by ourselves. Make us aware that no matter how great the task or awesome the event we face, we can depend on your guidance and leading.

We give thanks for the life of Nelson Rockefeller and his service to our country. For his enthusiasm and spirit and his selfless contributions to all the people, we offer praise. Give to his family and all those who mourn the assurance of your abiding presence and the certain confidence in the promise of eternal life. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Vice President, pursuant to Public Law 79–304, appointed Mr. JAVITS, Mr. ROTH, Mr. MCCLURE, and Mr. JEPSEN as members of the Joint Economic Committee for the 96th Congress.

And that the President pro tempore, pursuant to Public Law 94–201, appointed Dr. Ronald Clifford Foreman, Jr., from private life, to the Board of Trustees of the American Folklife Center, Library of Congress, effective January 24, 1979, for the remainder of the term which expires March 9, 1980, in lieu of K. Ross Toole.

That the Vice President, pursuant to Public Law 94–304, appointed Mr. JAVITS to the Commission on Security and Cooperation in Europe, in lieu of Mr. Case, retired.

THE AMERICAN FARMER IS SUBSIDIZING THE TAXPAYERS OF JAPAN AND EUROPE

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, as the 96th Congress begins I am sure that all of its Members are going to be looking very carefully at the President's budget and will be giving special attention to all items that are contributing to the inflation that the President recognizes as the top issue before the Congress today.

If we are to control inflation we are going to have to attack it on many different fronts, and one very critical area is our balance of payments and the whole field of international trade.

Mr. Speaker, I have been very much upset by the fact that in our major field of export agriculture, we are not getting the price for American products that we should. If we were getting a fair price, then we would see a substantial improvement in our balance of payments and the entire economy.

Some of the countries that are importing U.S. wheat are raking off substantial profits because of low prices being paid to American producers. The Japanese Government has recently decided that it will continue reselling U.S. wheat to flour millers at $9.11 a bushel. This gives the Japanese Government Treasury a profit of about $5 a bushel after paying freight and handling costs. I understand that the European Community is making a profit of $3.60 a bushel on wheat purchased in the United States.

The American farmer is subsidizing the taxpayers of Japan and Europe. These are direct benefits that are flowing out of the pockets of American farmers into the foreign national treasuries. This is one reason why farmers continue to be very much concerned about the treatment they are apparently receiving from their own Government.

While it may be true, as the President stated, that the average farm income is up 25 percent, this really tells us only that farm income was already way too low and even this kind of increase has not been felt in many critical areas. The wheat and cotton farmers in Texas are still hurting.

In building a new foundation I hope we will build it on fair play for our own producers who must provide the real foundation for a healthy American economy.

THE LATE HONORABLE NELSON A. ROCKEFELLER

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, as my colleagues have heard over this past weekend, my good friend, Nelson Rockefeller, whom I have had the privilege of representing in this Congress for a number of years, our former Vice President and four-time Governor of the State of New York, passed away. In order to give Members an opportunity to express their feelings about Nelson Rockefeller, I will be taking a special order for 1 hour on Thursday in order that we can all properly show our concern and respect for a great American who has left our scene.

THE VISIT OF VICE PREMIER TENG HSIAO-PING

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, today the Vice Premier of the People's Republic of China, Teng Hsiao-ping, is visiting Washington. I have been impressed with some of the response of the American people. I see where former Governor Meldrim Thomson has characterized this visit as immoral, disgusting, and treasonous, and he says that President Carter is putting the dollar ahead of patriotism.

I am reminded of a discussion that I had with Foreign Minister Carlos Romulo of the Philippines in Manila last month, an authority on China. I asked him, "Mr. Minister, if you were to rank the priority of the PRC's concern for modernization and its concern for defense against the Soviet Union, which would you consider their principal concern?" He replied that the people in the People's Republic of China want to enjoy a better life, but China is modernizing in order to defend itself against the Soviet Union.

We are not going to turn our back on Taiwan. Patriotism, Governor Thomson,

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

is serving the best interests of the American people.

□ 1205

PRO-COMMUNIST APPEASERS HAVE THEIR DAY

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, Monday, January 29, 1979, is a day which will live in infamy. The unrepentant tyrant of the most repressive, murderous regime in history will get the red carpet treatment by the leader of a free society which supposedly stands as a beacon of freedom and symbol against tyranny. When they lift their glasses to toast at the White House tonight, the memories of more than 50 million Chinese slaughtered by the Communists on the mainland will be mocked, human and civil rights will be set back, and America will stand guilty of complicity in the systematic repression of 800 million Chinese on the mainland.

No amount of pro-Communist sophistry by the State Department patsies can gloss over the brutal record of the Communists. That our Government leaders would roll over to every demand of our Communist enemies and yield to so-called normalization is a national disgrace. The betrayal of our staunch allies and friends of free China on Taiwan should bring a stench to the nostrils of all decent Americans. The only thing normal about the sad affair is the unbroken record of the State Department in accommodating our enemies.

Bad enough to yield to this barbarous regime which has not changed, not recanted for their atrocities but rather "waited it out" until a liberal administration would cave in to their demands. Worse, however, that this same Carter administration would actively engage in a pro-Communist propaganda drive, painting Vice Premier Teng Hsiao-ping and his Communist government in a favorable light that does not approximate any faint resemblance to the bleak, repressive reality on the mainland.

This is indeed a day which will live in infamy. The pro-Communist, anti-American bureaucrats in the State Department and administration have had their day. The people will have their day in 1980 when they turn this sorry bunch out into the streets.

THE NEW BUDGET

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, the rhetoric of austerity is permeating the press. The President's budget—which calls for spending $135 per person in the Nation more than is taken in with our already too high taxes—is being portrayed as "lean." The press is reporting as fact the representations of those who should know better that this budget is heavy on defense spending at the expense of so-called "social programs."

The proposed increase in defense spending of 9.9 percent is less than the proposed 11 percent increase for payments to individuals and grants. The increase in defense spending is $11 billion compared to an increase of $24 billion for payments to individuals and grants.

It is incredible that we are greeted with headlines such as "Defense Up, Social Spending Down" and "Budget Cuts $5 Billion from Federal Social Programs."

The proposal for 1980 defense spending from President Carter, while a 9.7-percent increase over the budget he was so successful in decimating for 1979, is a mere $2 billion above President Ford's projections for the 1979 budget for defense. Thus, Carter's so-called increase for defense puts us almost a year behind the official projection of President Ford's budget people in just 2 years.

The central fact to remember is this: The new budget falls far short of expectations on three fronts. It does too little to balance our budget. It does too little to reverse the damage done to our defense posture in the first 2 years of the Carter administration. It does not cut spending for social programs.

SMALL BUSINESS TAX RELIEF ACT OF 1979

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, in the last Congress my Small Business Tax Relief Act attracted the bipartisan support of over 100 Members of the House. Unfortunately the conditions which motivated my introduction of this bill still exist. I am therefore, today introducing the Small Business Tax Act of 1979.

Briefly, the seven provisions of my bill would:

First. Permit a small businessman to sell his business, reinvest the profit within 18 months in another small business without paying tax as in the case of an individual's residence;

Second. Increase the allowance of additional first depreciation for small business;

Third. Permit rapid amortization of certain federally required expenditures;

Fourth. Liberalize the provisions with respect to small domestic international sales corporations;

Fifth. Provide for the optional cash or accrual method of accounting for sole proprietors;

Sixth. Require the IRS to refund to employers their proportionate share of excess social security payments made on behalf of employees who were employed by two or more employers during the year. And finally my will would—

Seventh. Grant a tax credit of $5 for each document or form which a small business is required to file under Federal law.

The Small Business Tax Relief Act of 1979 is a balanced and multifaceted bill which will assist our small entrepreneurs in a meaningful way. I urge all of my colleagues whose constituencies include small businesses to join me in facilitating the formation and growth of small business by cosponsoring the Small Business Tax Relief Act of 1979.

To give a more detailed explanation of my bill I am providing a description of each provision:

First gain from sale sole proprietorship. This "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 18 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism.

Second. Increase in additional first-year depreciation allowance for small business. This section of the bill simply increases the amount which may be claimed for additional first-year depreciation from the existing 20 percent of the first $10,000 to $20,000 if married and filing jointly—of investment to 25 percent of the first $25,000 to $50,000 if married and filing jointly—of investment. This provision is designed primarily to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability.

Third. Rapid amortization of certain federally required expenditures. This section provides for the rapid amortization, over a 36-month period, of federally required expenditures to plant and equipment. The aim of this provision is to give a rapid writeoff to businesses enforced to comply with Federal laws or regulations such as OSHA, HEW rules for the handicapped, regulations governing pollution control, and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. The provision would apply only to existing facilities.

Fourth. Removal of certain limitations of deferral in case of small DISC's. The Domestic International Sales Corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having adjusted taxable income of $1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth. Optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation in inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth. Refund or credit of employer share of certain excess social security taxes. Social security taxes are a source of agitation to most employers, because of the amount and related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld. However, there is currently no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit. Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms or paperwork.

Seventh. Expense of filing Federal forms. This final section of the bill grants a tax credit of $5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision is simply that the Government should help to defray the expense of complying with the requirements it imposes on business.

The tax policy plays an integral part in the success or failure of a new business enterprise. It is significant to note that the Small Business Administration indicates that out of every 10 new businesses, only 5 will be operating within 2 years. In order to insure the viability of our economy, it is essential that the Congress take the actions needed to bolster the existing small business community and encourage the creation of new businesses.

I urge my colleagues to join me in aiding American small business. Thank you.

AMERICAN BUSINESSMEN—EGYPT

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, on my visit to Egypt last month, I asked U.S. Ambassador Hermann F. Eilts about U.S. businessmen. Specifically, my concern was about American oil companies and how the Egyptians viewed them.

I just received a report from Ambassador Eilts. He stated the report was prepared without the assistance or knowledge of any American oil company operating in Egypt. It was based on embassy files and interviews with Egyptian officials. It was an extensive report, but the Egyptian respect for American businessmen is a credit to Americans abroad. Below are quotes from sections of Ambassador Eilts' report.

The history of petroleum in the Middle East begins in Egypt in the year 1869. U.S. firms, although active in exploration, remained essentially on the sidelines until 1964 when Egypt signed exploration/production agreements with Standard Oil of Indiana (Amoco) and the Phillips Petroleum Co. The modern history of petroleum development in Egypt began with these agreements, and since then U.S. firms have taken a leading role in this development. Both Amoco and Phillips struck oil in 1964–65, Amoco in the Gulf of Suez and Phillips in the Western Desert. Production began in 1967, but the Arab-Israeli war of June 1967 set back Egyptian plans for increased oil production.

With the creation of the Ministry of Petroleum in 1973, a new impetus was injected into the oil picture, and the new minister began an active campaign to attract foreign oil companies to Egypt. He pointed to the excellent relationship Egypt had maintained with Phillips and Amoco throughout the trying years between 1967 and 1973. The October war of 1973 served to boost the confidence of Egypt's planners, and from 1973 until January 1979, the Egyptian General Petroleum Co. (EGPC), an agency under the Ministry of Petroleum, has signed 53 exploratory/production agreements, representing the involvement of 69 foreign companies, 47 of which are American. Nearly $1 billion has been committed to exploration for the period 1974–82.

THE CURRENT SITUATION

Egypt's oil production has risen steadily since 1973, as the following figures indicate:

Crude oil production

[Barrels per day average]

1974	171,500
1975	269,300
1976	335,370
1977	419,717
1978	[1] 484,110

[1] Final.

Production in January 1979 is averaging between 505,000 and 515,000 barrels per day, and Egypt expects to hit an average daily production of 570,000 barrels by the end of this year.

The U.S. firm Amoco accounts for nearly 80 percent of Egypt's current production, and should maintain this percentage in the near future. Phillips accounts for an additional 2.2 percent of production.

While 85 percent of the marketing of petroleum products is in the hands of the Egyptian Government, approximately 10 percent is handled by Mobil, and 5 percent by Esso.

EGYPTIAN VIEWS OF U.S. OIL COMPANIES

In conjunction with this report, officials of the Ministry of Petroleum, Egyptian General Petroleum Corp. (EGPC), and General Petroleum Corporation (GPC) were interviewed. The ministry is essentially concerned with policymaking regarding Egypt's petroleum development, GPC is a public sector company involved in production, thus making it, in the words of Chairman Ahmed Barquqi "a competitor of U.S. oil firms," while EGPC handles concession agreements, exploration, and production studies, and day-to-day relations with foreign oil companies. EGPC unquestionably has the most contact with oil firms, and more officials from this agency were contacted for their views.

Without exception, the Egyptian officials interviewed expressed their satisfaction with the performance of U.S. oil companies. Hussein Abdallah, Undersecretary of the Ministry of Petroleum, said that U.S. oil firms "are best suited for Egypt." He explained that U.S. oil companies are the recognized international leaders in oil technology, have ample financial resources, and since there is a relatively large number of them, fit well into Egypt's policy of diversification. He added that U.S. oil companies are the "easiest to deal with, since they have flexibility."

Ramsey Leithey, Chairman of EGPC, noted that there have been no cases of arbitration between the Egyptian Government and U.S. oil companies. He added that they have always honored their obligations, and fulfilled their expenditure commitments.

Ahmed Barquqi, Chairman of GPC, said that Egyptians feel they have a firm share of the decisionmaking regarding exploration and production. He said that Egypt gets a "fair deal," and these companies are not dictating their point of view.

Emileen Youssef, Director General for Production at EGPC, said that the Egyptian system of requiring establishment of joint venture operating companies between the Egyptian Government and international oil firms has worked very well. The two sides share in the management and decisionmaking, and one Egyptian Gupco (a joint venture between EGPC and Amoco) official, who was not interviewed for this report but who is contacted frequently by an Embassy officer, has noted on many occasions that seldom are there differences regarding the day-to-day decisions and management policy at Gupco.

Dr. Mustafa Ayouti, Deputy Chairman of EGPC and keynote speaker at a reception held for Standard Oil of Indiana's board of director's meeting held in Cairo last October, believes that recognition should be given for what some firms have done which went far beyond contract stipulations. He cited Conoco, for example, which has completed an invaluable set of geologic maps of Egypt's Western Desert at their own expense. Conoco derives nothing from these maps, except the obvious goodwill which they have generated among Egyptian officials.

Dr. Ibrahim Radwan, Director of Agreements at EGPC, has provided the following table on how much U.S. firms have overspent their expenditure obligations under concession agreements:

[In percent]

Conoco	400
Esso	150
Chevron	200
Arco	150
Amoco	more than 1,000
Union	200
Santa-Fe	200
LVO	120
Tripco	120
Transworld	600
Phillips	200

He added that these figures only cover up to April 1978, and will rise even further for most firms listed.

Dr. Hussein Abdallah made a special point of noting the performance of U.S. oil firms during the difficult period 1967–73 when the United States and Egypt did not maintain diplomatic relations. In his view, they were America's tie with Egypt and the symbol of America to Egyptians. In his view, they performed admirably. Mr. Youssef remarked that during this period there was stronger cooperation and better mutual treatment than at any other time. Amoco and Phillips were visible daily reminders of America's continuing relationship with and contribution to Egypt.

On the somewhat negative side, Dr. Barquqi mentioned that U.S. firms should provide more training for Egyptians, and should employ fewer expatriates. He did, however, recognize the problem of Egyptians receiving training and then leaving Egypt for more lucrative work in other Arab oil-producing countries.

The petroleum sector in Egypt is an increasingly important factor in Egyptian economic development. In addition to its notable contribution to wages and employment foreign sales brought in an estimated $600 million in hard currency in 1978, and may top the $1 billion mark by 1980. Egypt is optimistic that oil production will hit 1 million barrels per day in the early 1980's.

Egypt has had a long, friendly relationship with U.S. oil firms. One, however, must look at both sides of the coin. As the director of one of America's oil companies in Egypt once told an Embassy officer, "You have to look hard to find an unpleasant Egyptian. They are all a pleasure to work with."

Our country needs stronger and more active economic ties all over the world. All of us are proud to see the American oil companies leading the way with their exemplary experience.

□ 1210

IN APPRECIATION OF THE EFFORTS OF GSA ADMINISTRATOR JAY SOLOMON

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I have been distressed by the recent stories in the newspapers indicating someone is trying to hasten the departure of Jay Solomon as Administrator of the General Services Administration.

I have had occasion over the years in my work on the Government Operations Committee to work closely with a number of GSA Administrators, and I can say without hesitation that Jay Solomon is one of the very best they have had.

He has worked hard and with a sense of dedication to improve the operations of this large, but very important Government agency. I sincerely hope it has not been his zeal to uncover past misdeeds in GSA that has led to the highly placed leaks and unattributed statements on which the current news stories appear to be based.

Mr. Speaker, if someone is unhappy with the way Jay Solomon is running GSA, they should at least have the decency to bring the matter before him personally and not leave it for him to find out about in the newspapers. That is no way to treat a dedicated public servant who is carrying out his responsibilities in a highly capable manner.

I hope Jay Solomon stays on long enough to assure that the investigation he helped launch is carried out successfully. And while he remains in office, I hope this sniping—wherever it is coming from—ceases.

MYTHICAL HITLER WELCOME POSTULATED ON BASIS OF PEOPLE'S REPUBLIC OF CHINA WELCOME

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. I want to compliment the gentleman from Ohio (Mr. ASHBROOK) for his earlier remarks. One can only wonder whether, had Adolf Hitler and his successors continued in control of Germany until this present day, our State Department and our President would be welcoming them at a banquet at the White House. Such a comparison certainly can be made with today's tragic event.

Teng Hsiao-ping is one of the leaders of a Communist regime directly responsible for one of the most brutal mass slaughters of a nation ever recorded in history. He served not only as a provincial official of the Communist government under Mao but as General Secretary of the Communist Party, and depending on which estimate one accepts, 20 to 40 million Chinese were systematically annihilated by this man and the henchmen who have worked with him in the government since 1949. Yet our national leaders embrace him and fawn over him. It is a strange sense of priorities when a South African prizefighter is the subject of a deportation proceeding by our State Department but one of those who led in the mass murders of the Chinese is welcomed by our leaders.

Mr. Speaker, the American people should know the truth about this Red visitor and the truth about those in our Government responsible for his presence in this country. His visit defiles the history of our Nation and makes further mockery of President Carter's alleged concern for human rights.

APPOINTMENT AS MEMBERS OF BOARD OF TRUSTEES OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 85–874, as amended, the Chair appoints as members of the Board of Trustees of the John F. Kennedy Center for the Performing Arts the following Members on the part of the House: Mr. THOMPSON of New Jersey; Mr. CORMAN of California; and Mr. McDADE of Pennsylvania.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *January 26, 1979.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 9:50 a.m., Friday, January 26, 1979, and said to contain a message from the President wherein he transmits proposed legislation concerning our relations with Taiwan, together with a section-by-section analysis.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

PROPOSED LEGISLATION CONCERNING RELATIONS BETWEEN THE UNITED STATES AND TAIWAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–45)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

The United States of America has recognized the Government of the People's Republic of China as the sole legal government of China and is establishing diplomatic relations with that government. The Joint Communique issued by the United States and the People's Republic of China was the culmination of a long process begun by President Nixon and continued by President Ford and me.

I have also announced that, in the future, the American people will maintain commercial, cultural, and other relations with the people on Taiwan without official government representation and without diplomatic relations. In furtherance of that policy, and pending enactment of legislation on the subject, I have directed all departments and agencies to continue unofficially to conduct programs, transactions and other relations with Taiwan.

To authorize legally the permanent implementation of that policy, I am today transmitting to the Congress a bill "to promote the foreign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes."

This bill will confirm the continued eligibility of the people on Taiwan for participation in programs and activities that under United States law are to be carried out with foreign governments; provide for the carrying out of such programs and activities on an unofficial basis through the American Institute in Taiwan, a non-profit corporation, and the corresponding instrumentality being established by the people on Taiwan; and establish funding, staffing and administrative relationships of the Institute. It also contains other authorizations and provisions relating to the foregoing matters.

I am confident the Congress shares my view that it is in the national interest that these unofficial relations between the American people and the people on Taiwan be maintained. It is highly desirable that this legislation be enacted as promptly as possible. I look forward to working with the Congress on this important project.

JIMMY CARTER.

THE WHITE HOUSE, *January 26, 1979.*

□ 1215

HON. ALBERT GORE, JR., INTRODUCES LEGISLATION TO REEMPHASIZE INTENT OF CONGRESS TO ALLOW TVA TO MAINTAIN HEADQUARTERS IN MOST COST-EFFECTIVE LOCATION

Mr. GORE. Mr. Speaker, last Thursday, January 25, the U.S. District Court for the northern district of Alabama ordered the Tennessee Valley Authority to uproot almost 5,000 employees and their families and move its administrative headquarters from Knoxville, Tenn., to Muscle Shoals, Ala. If this sounds like a joke, Mr. Speaker, it is not. The court has ordered 4,900 employees occupying a brandnew twin tower complex in Knoxville, constructed especially for TVA, to descend upon an unprepared rural Alabama town with a population of 7,000. The moving and construction costs would be astronomical. The disruption to the workers and their families would be chaotic. Unfortunately, the judge's opinion is quite sweeping and uncompromising. Thus today I am introducing legislation cosponsored by the entire Tennessee delegation to reemphasize the intent of Congress to allow TVA to maintain its headquarters in the most cost-effective location.

The judge's opinion focused on one sentence in section 831(g) of the TVA Act which says:

> The Corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Alabama.

The judge interpreted "principal office" to mean "headquarters." However, a careful reading of the original act, I think makes it clear that the Congress intended this to be construed as the "principal office" for the purposes of venue and other legal purposes. This is how TVA has interpreted the language since 1933. Congress has amended the act four times since 1933 and has not found it necessary to change this section. Congressional intent was being carried out in allowing TVA the discretion to locate its office in the most cost-effective manner anywhere in the area served by it.

It is a well-established practice of corporations to incorporate in one State for legal purposes and to establish operating headquarters in another. There is nothing devious about this, nothing unusual. The place of incorporation becomes its residence for service of notice, venue, and similar legal purposes.

In 1933, the Federal Government was operating a number of facilities at Muscle Shoals and it made perfect sense to establish its legal residence there. However, the Congress did not think it necessary to specifically mention that TVA should have the discretion to locate its offices anywhere in its service area. That seemed a bit too obvious.

Our judicial system has long noted the dangers of plain meaning in statutory construction. There are not more than a handful of words in the English language, if that many, that are not subject to more than one interpretation. Certainly "principal" and "office" are not in that select group. There is no absolute plain meaning of those words.

It is not my intention to quarrel with the legal analysis of the judge. Reasonable men can always differ on the meaning and interpretation of words. However, I think it is safe to assume that this case will find its way into the legal textbooks as an example of the mischief of plain meaning.

I would also like to stress that the introduction of this legislation in no way ratifies the court decision. This is not a confirmation of the ruling passed down by U.S. District Judge Frank McFadden. I direct your attention to my introductory phrase "To clarify the authority." The thrust of our action today is to illuminate the language set out in section 8 of the TVA Act of 1933.

Our Constitution set up an incredibly durable system of checks and balances between the three branches of Government. In this case, the judicial branch has, in my opinion, erroneously interpreted the meaning of the TVA Act and overlooked the intent of Congress. I am hopeful that the appeals court will lend a fresher analysis to this debate. However, if the court upholds this ruling, the Congress has the right and the duty to clarify the intent legislatively. The bill I have drafted makes a very simple change in the act making explicit that Muscle Shoals is the TVA residence for legal purposes only.

In President Carter's address introducing the National Energy Act, he emphasized the role he would like TVA to assume as "a model for energy efficiency in this country." Chairman S. David Freeman and Director Richard Freeman have breathed new life into TVA and have made innovative efforts toward realizing President Carter's goals. This lawsuit, which now appears to be a mere annoyance, has the potential to completely disrupt an entire Government agency, its workers, and their families. Simply put, TVA has better things to do with its time. This bill has been introduced to make certain that rationality has a chance to win out.

STATEMENT OF HON. EDWARD J. DERWINSKI ON WASHINGTON VISIT OF TENG HSIAO-PING, DEPUTY PREMIER OF THE PEOPLE'S REPUBLIC OF CHINA

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, the Deputy Premier of the People's Republic of China, Teng Hsiao-ping, is visiting Washington and is receiving news coverage and a public relations buildup that borders on the unprecedented.

If there is a weakness in the makeup of the American public, it is the tendency to believe the best and, therefore, prove susceptible to euphoria. Without being critical of the Peking Government, I believe that some practical points must be made.

We must keep in mind that Mr. Teng will be concentrating on refurbishing the image of his government with the American public. We once again will find the Communist Government of Peking pictured as peaceful, agrarian reformers who now wish to industrialize their backward country.

The realities are that there will be substantial limits on how far U.S. trade with the People's Republic can expand and for many, many years, our trade volume with Taiwan will surpass that with the mainland. A further reality in the race for foreign trade with the People's Republic of China is that the Japanese will be competing directly with us and other nations, and realistically, they will outmaneuver us, utilizing their standard procedures of government subsidy of business which is evident in their worldwide trade.

The next point that must be made is that the Government in Peking is not by any stretch of the imagination a democracy nor is there any evidence it would permit its political structure to evolve into a democracy.

The reality is that the Peking Government is absolutely paranoid about the Soviet Union. The reality of the situation is that Mr. Teng and his government are interested in the U.S. presence in Asia as a balance to Soviet power. Their sudden affection for us is really motivated by their fear of their Communist neighbor.

In addition to a few of the realities which I have noted, there are some timely questions that should be asked. Will our President, fortified by his personal religious zeal, inquire of Mr. Teng whether freedom of religion will be restored to the People's Republic? Will this administration recognize the fifth column problem which the Chinese Reds create in the overseas Chinese communities througout Asia and, for that matter, here in the United States?

Mr. Teng is a major public official of a major nation. But he should not be mistakenly identified as a knight in shining armor, a peace-loving rural philosopher, or as a spokesman for moderation in world affairs.

Last but not least, we must with constant realism recognize the motivations of the Peking leaders, their desperate need for capital and industrial know-how, the internal weakness within their country, their lack of a modern infrastructure, and other obvious complications which they face. Any government that must remain in power by depriving its citizens of their basic rights has to be thoroughly suspect.

To sum up, the visit of Mr. Teng is a major international episode, but the realities of United States-PRC relations are such that the limitations, rather than the expectations, must be appreciated.

KEMP-ROTH II

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, today I am introducing a legislative package to reduce tax rates 30 percent for all Americans, to "inflation-proof" the tax code against automatic tax increases, and to limit the excessive growth of Federal spending. Our legislative goal is to restore incentives for noninflationary growth to the economy.

The Tax Rate Reduction Act of 1979 and the Spending Limitation Act of 1979, which Senator WILLIAM ROTH of Delaware has introduced in the Senate, are cosponsored by the following 70 Congressmen:

Mr. ASHBROOK of Ohio, Mr. BADHAM of California, Mr. BAUMAN of Maryland, Mr. BROWN of Ohio, Mr. BUCHANAN of Alabama, Mr. BURGENER of California, Mr. CAMPBELL of South Carolina, Mr. CHAPPELL of Florida, Mr. CLAUSEN of California, Mr. CLEVELAND of New Hampshire.

Mr. CLINGER of Pennsylvania, Mr. COLLINS of Texas, Mr. CORCORAN of Illinois, Mr. COUGHLIN of Pennsylvania, Mr. COURTER of New Jersey, Mr. DAVIS of Michigan, Mr. DICKINSON of Alabama, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma.

Mr. ERDAHL of Minnesota, Mr. FORSYTHE of New Jersey, Mr. GINGRICH of Georgia, Mr. GOLDWATER of California, Mr. GOODLING of Pennsylvania, Mr. GRADISON of Ohio, Mr. GRISHAM of California, Mr. GUYER of California, Mr. HANSEN of Idaho, Mrs. HOLT of Maryland.

Mr. HOPKINS of Kentucky, Mr. HORTON of New York, Mr. HYDE of Illinois, Mr. JEFFRIES of Kansas, Mr. KINDNESS of Ohio, Mr. KRAMER of Colorado, Mr. LATTA of Ohio, Mr. LEE of New York, Mr. LENT of New York, Mr. LIVINGSTON of Louisiana.

Mr. LOTT of Mississippi, Mr. LUNGREN of California, Mr. MADIGAN of Illinois, Mr. MARLENEE of Montana, Mr. MARTIN of North Carolina, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MOORE of Louisiana, Mr. MOORHEAD of California, Mr. O'BRIEN of Illinois.

Mr. PASHAYAN of California, Mr. QUILLEN of Tennessee, Mr. RITTER of Pennsylvania, Mr. ROBINSON of Virginia, Mr. ROTH of Wisconsin, Mr. ROUSSELOT of California, Mr. RUDD of Arizona, Mr. SHUMWAY of California, Mr. SHUSTER of Pennsylvania, Mr. SPENCE of South Carolina.

Mr. STANGELAND of Minnesota, Mr. STOCKMAN of Michigan, Mr. SYMMS of Idaho, Mr. VANDER JAGT of Michigan, Mr. WALKER of Pennsylvania, Mr. WAMPLER of Virginia, Mr. WHITTAKER of Kansas, Mr. WILSON of California, Mr. WINN of Kansas, and Mr. YOUNG of Alaska.

Last year was a learning experience for politicians about the way our economy works. Most of that education was performed by the voters at the polls, and its effect is obvious in the membership here today. But I believe last year's debate on the Kemp-Roth bill also had something to do with airing the issues raised in recent years by economists like Robert Mundell of Columbia and Arthur Laffer of the University of Southern California. In a December 4, 1978 editorial the Wall Street Journal gave this postelection analysis:

> The economic case for Kemp-Roth made serious points about both revenue feedbacks and the response of private saving to higher after-tax rates of return. Whatever magnitudes these supply-side responses turn out to be, the economic debate generated by Kemp-Roth has established that these responses do in fact occur. Models that assume only demand responses are no longer taken seriously. This in itself is no small accomplishment in the sphere of theoretical economics.
>
> The political accomplishments of the Republican tax proposals are even clearer. A Republican issue that results in big-spending Democrats proposing cuts in spending is a political victory of the first magnitude for the entire country. In the days before Kemp-Roth, when politicians attempted to compete politically with spending programs by offering to cut the budget, they were always asked where they proposed to make the cuts. Did they want to cut national defense or aid to education or unemployment compensation or Social Security or agricultural subsidies? Obviously, such a political platform is treacherous, and decades of such "competition" resulted in an enormous growth in government.
>
> The Kemp-Roth bill let politicians from both parties get out of this box. The spenders, who never worried about budget deficits when they proposed spending increases, did not declare themselves against tax cuts but against the deficits they said would result if spending were not restrained.
>
> In effect, the big spenders were mousetrapped by the Kemp-Roth bill, and the Holt-Nunn version of it swept through the Congress. Although abandoned in conference by tax committees that naturally don't want their handout power automated, Holt-Nunn was an amazing end to a year that started out with justifications of $60 billion budget deficits and all sorts of tax-increase proposals in the guise of tax reform. The Kemp-Roth bill was the most successful bill in recent memory in terms of what it prevented from happening.
>
> By emphasizing the effect of incentive on the supply of goods and services, the Republicans' "blunder" offers a promising alternative to the stop-go policies of Keynesian "Phillips curve" thinking.

As the Wall Street Journal points out, the issue in this Congress is no longer whether a deep and permanent tax rate reduction will lead to more work, saving, investment, and real economic growth. That is beyond doubt. To be sure, there will always be a few holdouts who will attempt to replay last year's debate, but history and the voters have passed them by.

Instead, the administration poses the question, "Do we really want economic growth?" The same economists who brought us "stagflation" advise the President that the way to reduce inflation is to slow down the economy to a standstill—and hope to avoid recession. Using code words like "national austerity" and "the new realities," the administration is saying that putting a few hundred thousand people out of work is simply the price we in Washington must pay to reduce inflation half a percentage point.

The President's budget is supposed to be a symbol—if only a symbol—for the fight against inflation. But how does it propose to reduce the budget deficit? By massive tax increases caused by inflation moving all Americans relentlessly into higher and higher marginal tax brackets.

The administration's "lean, austere" budget proposes to increase spending by 7.7 percent in fiscal 1980, or 10 percent more than the pay limit the administration seeks to impose on American workers. At the same time, the budget calls for tax increases of 13.4 percent this year, 10.3 percent in fiscal 1980, and 14.5 percent in fiscal 1981, financed primarily, as I said, by inflation pushing taxpayers into higher tax brackets. Personal income taxes alone are proposed to increase $24 billion next year. This makes nonsense of last fall's alleged "tax cut."

Debate in this Congress will quickly demonstrate why the "Phillips curve" notion of a tradeoff between inflation and unemployment is no longer seriously believed anywhere outside the White House. The single cause of inflation is the Government's failure or refusal to maintain the value of its currency, period. Inflation means the Government is creating too much money while the economy produces too few goods. The price of goods necessarily rises. Applying the administration's "tax brake" to economic activity can only increase inflation, not reduce it, because incentives for production are being eroded day by day with counterproductively high tax rates on both labor and capital.

The Kemp-Roth legislative package is an anti-inflationary plan for real economic growth, because it increases the after-tax incentives for work, saving, and investment. It is obvious, of course, that completely stopping inflation will also require responsible monetary policy, and further relief from oppressive tax rates, excessive spending, and over regulation. But Kemp-Roth II is a beginning.

TAX RATE REDUCTION ACT

The Tax Rate Reduction and Indexing Act of 1979, the first part of the Kemp-Roth package, would reduce personal income tax rates for all Americans about 10 percent a year for 3 years, beginning January 1, 1980. Tax rates would be reduced from the current range of 14 to 70 percent, to 10 to 50 percent. Following this rate reduction, beginning January 1, 1983, all tax brackets would be adjusted yearly according to the Consumer Price Index, to prevent taxpayers from being pushed into higher tax brackets without real increases in income.

There are two results of every reduction in tax rates—a revenue effect and an incentive effect. The revenue effect reduces the revenue collected on a given amount of a taxpayer's income. The incentive effect increases revenue through economic growth, by increasing the size of taxable incomes and the number of people who earn them.

The revenue effect of tax rate reduction will leave more after-tax income in the hands of Americans. The Joint Committee on Taxation estimates the average reduced tax liability for the 66 million tax returns filed will be $724 when the rate reduction is complete.

The joint committee estimates that the reduced tax liability from 1978 income levels would total $19.7 billion in calendar 1980, $34.9 billion in 1981, and $53.7 billion in 1982. We should also add the revenue effect due to the fact that real economic growth will not be pushing people into higher tax brackets as quickly. Assuming 3-percent real growth, this amounts to $0.9 billion in calendar 1980, $2.4 billion in 1981, and $5.3 billion in 1982. The sum of these figures is what I consider the real revenue effect of the Kemp-Roth tax rate reduction:

Real revenue effect of Kemp-Roth tax rate reduction

[From 1978 income levels, billions of dollars]

Calendar year	1980	1981	1982
Real reduced tax liability	$19.7	$34.9	$53.7
Real growth bracket creep	.9	2.4	5.3
Total real revenue effect of Kemp-Roth bill	20.6	37.3	59.0

Although this is the "real" revenue effect of Kemp-Roth, ignoring incentive effects, it is not the "official" estimate. The Treasury asserts that the size of any cut in tax rates is not, in fact, the actual amount by which taxes are reduced. In the Treasury's view, the "cost" of a cut in tax rates includes the yearly tax increases which are prevented because inflation cannot push taxpayers as fast into higher tax brackets. The Treasury calculates that every 10-percent increase in inflation is worth a 16.7-percent increase in revenue.

At the request of my staff, the Joint Committee on Taxation has calculated how much of the Treasury-based estimates are due entirely to inflation. These are arranged in the following table:

Real revenue effect of Kemp-Roth compared with Treasury estimate

[Billions of dollars]

Calendar year	1980	1981	1982	1983	1984
Treasury estimate	$25.8	$52.5	$92.6	$109.2	$128.9
Real revenue effect [1]	20.6	37.3	59.0	62.9	67.1
Tax increases due to inflation [2]	5.2	15.2	33.6	46.3	61.8

[1] Actual reduced tax liability plus bracket creep assuming 3 percent real economic growth.
[2] Assumes 8 percent inflation.

Source: Joint Committee on Taxation.

As the table so startingly shows, the Treasury's estimate overstates the real revenue effect of Kemp-Roth by 25 percent the first year, increasing to 92 percent within 5 years. If the table is extended for 10 years, the overstatement amounts to more than 200 percent.

In other words, the Treasury's assumptions support the position that significant tax-rate reduction will be increasingly impossible, because inflation is an ever more lucrative revenue-raising device.

I have thought long and hard about this question, and I must reject the Treasury's assumptions. If the administration, as it claims, is truly committed to stopping inflation, then it should not count on profiting by it. Either the Treasury must concede that it may not claim automatic tax increases due to inflation as a "cost" of cutting tax rates—or the administration must admit that it depends on perpetuating inflation as a source of revenue.

As a matter of fact, I received some figures from the Joint Committee on Taxation only this morning which astonished me with how modest a 30-percent reduction in tax rates really is. Considering scheduled social security tax increases, if inflation continues at 8 percent, Kemp-Roth would not reduce revenue at all after the first year. Unfortunately, the Joint Committee on Taxation has not released figures beyond fiscal 1981.

Clearly, the Kemp-Roth bill can be only the beginning of tax rate reduction to reduce the massive economic disincentives which are caused by the combined impact of inflation and a highly progressive tax system on all Americans. A 30-percent tax rate reduction over the next 4 years will unmortgage only a few of the past 13 years of automatic tax increases. We must also unmortgage the future.

Revenue effect of Kemp-Roth tax reduction bill, net of inflation and social security tax increase in 1980 and 1981

[Billions of dollars]

Fiscal year	1980	1981	1982	1983
Tax reduction	$16.1	$42.4	$77.5	$102.9
Tax increase:				
Inflation	7.6	19.5		
Social Security	11.1	17.7		
Net revenue effect	−2.6	+5.7		

Source: Joint Committee on Taxation.

REBUILDING THE TAX BASE

Static revenue estimates are only half the story of tax rate reduction. The existence of powerful offsetting incentive effects is undeniable. Last year, even the Treasury conceded for the first time that there are substantial "feedback effects" from tax rate reduction, in the case of capital gains. The Congressional Budget Office now finds in Kemp-Roth a feedback of 20 to 30 precent a year. Michael Evans of Chase Econometrics has placed the amount of "reflow" caused by Kemp-Roth at a minimum of 30 to 53 percent a year. Walter Heller has testified that after the virtually identical Kennedy tax cut of 1964–65:

> Within one year the revenues into the Federal Treasury were already above what they had been before the tax cut. * * * Did it pay for itself in increased revenues? I think the evidence is very strong that it did.

Of course, he said that before KEMP and ROTH dared to emulate the Kennedy tax cut strategy.

What is meant by all this technical language is that people work for after-tax income, not to pay taxes. Reducing marginal tax rates increases incentives for work, saving, and investment, with a powerful positive effect on our economy's efficiency and real output. It follows that not all "tax cuts" are created equal. A direct rebate, for example, even in the same dollar amount as Kemp-Roth, would have little if any impact on the way people behave. The reason is that the marginal tax rate—the tax on the next dollar earned—would be same. By reducing tax rates, Kemp-Roth increases incentives for both capital and labor.

Unfortunately, no econometric model in the country is yet fundamentally equipped to estimate the magnitude of these incentive effects in dollar terms. I hope to be able to present such figures early in this session of Congress. In the meantime, we do have the encouraging historical evidence of the Kennedy 30-percent reduction in tax rates. While the Treasury predicted an $89 billion revenue loss over 5 years as a result of the cuts, revenue actually increased by $54 billion in that time—an error of $143 billion.

Along with tax reduction for business from 1962–66, the Kennedy income tax

cuts of 1964–65 had a dramatic positive impact on saving and investment.

Increase in savings resulting from Kennedy tax cuts

Year	Total individual savings[1] (billions)	Increase over preceding year: Dollars (billions)	Increase over preceding year: Percent
1960	$34.900	−$2.472	−6.61
1961	34.693	−.207	−.59
1962	40.243	+5.550	+16.00
1963	45.232	+4.989	+12.40
1964	54.901	+9.669	+21.38
1965	62.028	+7.127	+12.98
1966	72.003	+9.975	+16.08
1967	72.726	+.723	+1.00
1968	78.028	+5.302	+7.29
1969	69.563	−8.465	−10.85

[1] Increase in financial assets, plus net increase in tangible assets, less debt.

The size of these dramatic increases in private and business saving strongly indicates that any short-term increase in the budget deficit would be more than covered by private saving. Deficits are not in themselves inflationary if they do not require "borrowing from the Federal Reserve"—that is, printing money.

This across-the-board rate reduction provides relief for all Americans, not just a favored few. Both capital and labor desperately need incentives for increased production. When the Government taxes trucks, there are fewer jobs for truck drivers. When the Government taxes the drivers, there are more idle trucks. The following table shows that Kemp-Roth is not biased toward any income groups:

Income groups	Percent of taxes paid	Percent of tax cut
0 to $10,000	4.9	5.5
$10,000 to $15,000	9.4	9.9
$15,000 to $20,000	13.2	13.8
$20,000 to $30,000	24.4	24.8
$30,000 to $50,000	21.8	21.5
$50,000 to $100,000	13.0	13.0
$100,000 and over	13.9	11.4

TAX INDEXING

Reducing tax rates for all Americans is not enough. As we have seen, the proposed Kemp-Roth tax-rate reductions are almost too modest, considering the impending tax increases due to social security payroll taxes and the automatic increases caused by inflation. The 30-percent reduction in tax rates would bring Americans barely back to 1972 in terms of tax rates on real income.

Yet even this modest progress would quickly be erased by inflation pushing people into higher tax brackets. For example, a family of four earning this year's median income of $18,000 pays $1,343 in Federal income taxes. A cost-of-living raise of 7 percent increases the family's nominal income to $19,260, even though real income has not increased. Yet this inflation puts the family in a higher tax bracket, where it pays $1,537 instead of $1,343. The $194 tax increase is a real loss of $100 in the spendable income.

Title II of the Tax Reduction Act would "inflation-proof" the Tax Code by fixing the tax brackets to the Consumer Price Index. In other words, taxes would not increase in real terms unless real income increased.

Indexing the Tax Code would end the unlegislated tax windfall to the Treasury, and release the inflationary tax brake on our economy.

SPENDING LIMITATION ACT

The Spending Limitation Act, the companion bill to the Kemp-Roth Tax Reduction Act, would limit Federal spending to a declining share of the gross national product. The act would limit Federal spending to 21 percent of GNP in fiscal year 1980, 20 percent in 1981, 19 percent in 1982, and 18 percent in 1983. Given the probable inflation rates if current Government money and tax policy does not change, this amounts to a maximum 7-percent annual Federal spending increase, or no growth in real terms.

The Tax Reduction and Spending Limitation Acts are separate but mutually reinforcing. Government spending as a share of GNP has been above 22 percent for the past 5 years—a historically almost unprecedented level.

Runaway Federal spending is only half the reason. The other half is the staggering burden of rising tax rates, which act as a "tax brake" on real growth of GNP. This sluggish growth, in turn, increases the need for spending on social welfare programs to alleviate the symptoms of economic stagnation.

The Spending Limitation Act would encourage the administration to cut tax rates to promote real economic growth, since Federal spending could not increase in real terms unless the economy grew even faster.

The Tax Reduction Act would increase real economic growth, providing more revenue while reducing the need for spending on welfare, unemployment, and public jobs without forced slashes.

Mr. Speaker, the first priority of Congress is promoting real economic growth, not squabbling over peripheral issues. Attempts by Congress or the administration to reduce the deficit through spending restraint alone are meaningless without significant tax rate reduction. Without tax rate cuts, the increasing tax burden caused by inflation will throw the economy into recession, further mushroom Federal spending, and the deficit will balloon anyway.

Americans want and need both tax rate reduction and spending limitation now. This is the only way we can avoid higher unemployment and higher inflation.

I ask the unanimous consent that the texts of these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed into the RECORD, as follows:

H.R. 1597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Spending Limitation Act of 1979."

SEC. 2. Add to the Congressional Budget and Impoundment Control Act of 1974 the following new section:

"SEC. 312. Notwithholding any other provision of this Act, in calendar years 1979 through 1982, the total amount of Federal outlays agreed to in the second concurrent resolution on the Budget or any further concurrent resolution on the Budget adopted by Congress under section 310 of the Congressional Budget and Impoundment Control Act of 1974 (referred to elsewhere in this section as the 'budget resolution') for the fiscal year which ends within such next calendar year shall not exceed, unless waived by a two-thirds vote in each House of Congress, the following percent of the projected gross national product projected by the Congressional Budget Office for that fiscal year on the basis of the budget resolution for that fiscal year:

21.0% in FY 1980.
20.0% in FY 1981.
19.0% in FY 1982.
18.0% in FY 1983.

H.R. 1598

A bill to provide for permanent tax rate reductions for individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Rate Reduction and Indexing Act of 1979."

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL TAX RATES

SEC. 101. REDUCTION IN RATES.

(a) IN GENERAL.—Section 1 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b)(2), of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year, and

"(4) married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax equal to one-half the tax which would be determined for an individual described in paragraph (1) with the same taxable income.

"(b) APPLICABLE SCHEDULES.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 2,

"(B) individuals described in subsection (a)(2) is schedule 3, and

"(C) individuals described in subsection (a)(3) is schedule 1.

"(2) APPLICATION OF SCHEDULES TO TAXABLE YEARS.—

"(A) CALENDAR YEAR 1980.—The schedules in effect for taxable years beginning in 1980 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$2,300	$0+ .0%	$0
$2,300-	$3,400	$0+12.0%	$2,300
$3,400-	$4,400	$132+14.0%	$3,400
$4,400-	$6,500	$272+16.0%	$4,400
$6,500-	$8,500	$608+17.0%	$6,500
$8,500-	$10,800	$948+19.0%	$8,500
$10,800-	$12,900	$1,385+21.0%	$10,800
$12,900-	$15,000	$1,826+23.0%	$12,900
$15,000-	$18,200	$2,309+27.0%	$15,000
$18,200-	$23,500	$3,173+30.0%	$18,200
$23,500-	$28,800	$4,763+35.0%	$23,500
$28,800-	$34,100	$6,618+38.0%	$28,800
$34,100-	$41,500	$8,635+44.0%	$34,100
$41,500-	$55,300	$11,941+50.0%	$41,500
$55,300-	$81,800	$18,841+57.0%	$55,300
$81,800-	$108,300	$33,946+61.0%	$81,800
$108,300-		$50,111+63.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$3,400	$0+ .0%	$0
$3,400-	$5,500	$0+11.0%	$3,400
$5,500-	$7,600	$231+13.0%	$5,500
$7,600-	$11,900	$504+15.0%	$7,600
$11,900-	$16,000	$1,149+17.0%	$11,900
$16,000-	$20,200	$1,846+20.0%	$16,000
$20,200-	$24,600	$2,686+23.0%	$20,200
$24,600-	$29,900	$3,698+25.0%	$24,600
$29,900-	$35,200	$5,023+30.0%	$29,900
$35,200-	$45,800	$6,613+35.0%	$35,200
$45,800-	$60,000	$10,323+40.0%	$45,800
$60,000-	$85,600	$16,003+44.0%	$60,000
$85,600-	$109,400	$27,267+48.0%	$85,600
$109,400-	$162,400	$38,691+52.0%	$109,400
$162,400-	$215,400	$66,251+55.0%	$162,400
$215,400		$95,401+56.0%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$2,300	$0+ .0%	$0
$2,300-	$4,400	$0+12.0%	$2,300
$4,400-	$6,500	$252+14.0%	$4,400
$6,500-	$8,700	$546+16.0%	$6,500
$8,700-	$11,800	$898+20.0%	$8,700
$11,800-	$15,000	$1,518+22.0%	$11,800
$15,000-	$18,200	$2,222+23.0%	$15,000
$18,200-	$23,500	$2,958+28.0%	$18,200
$23,500-	$28,800	$4,442+32.0%	$23,500
$28,800-	$34,100	$6,138+36.0%	$28,800
$34,100-	$44,700	$8,152+41.0%	$34,100
$44,700-	$60,600	$12,499+48.0%	$44,700
$60,600-	$81,800	$20,289+54.0%	$60,600
$81,800-	$108,300	$31,737+57.0%	$81,800
$108,300-	$161,300	$46,842+61.0%	$108,300
$161,300		$79,172+63.0%	$161,300

"(B) CALENDAR YEAR 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column.	
$0-	$2,300	$0+ .0%	$0
$2,300-	$3,400	$0+11.0%	$2,300
$3,400-	$4,400	$121+13.0%	$3,400
$4,400-	$6,500	$251+15.0%	$4,400
$6,500-	$8,500	$566+16.0%	$6,500
$8,500-	$10,800	$886+17.0%	$8,500
$10,800-	$12,900	$1,277+19.0%	$10,800
$12,900-	$15,000	$1,676+21.0%	$12,900
$15,000-	$18,200	$2,117+24.0%	$15,000
$18,200-	$23,500	$2,885+28.0%	$18,200
$23,500-	$28,800	$4,369+31.0%	$23,500
$28,800-	$34,100	$6,012+35.0%	$28,800
$34,100-	$41,500	$7,920+40.0%	$34,100
$41,500-	$55,300	$10,880+45.0%	$41,500
$55,300-	$81,800	$17,090+51.0%	$55,300
$81,800-	$108,300	$30,605+55.0%	$81,800
$108,300-		$45,180+56.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$3,400	$0+ .0%	$0
$3,400-	$5,500	$0+11.0%	$3,400
$5,500-	$7,600	$231+13.0%	$5,500
$7,600-	$11,900	$504+15.0%	$7,600
$11,900-	$16,000	$1,149+17.0%	$11,900
$16,000-	$20,200	$1,846+20.0%	$16,000
$20,200-	$24,600	$2,686+23.0%	$20,200
$24,600-	$29,900	$3,698+25.0%	$24,600
$29,900-	$35,200	$5,023+30.0%	$29,900
$35,200-	$45,800	$6,613+35.0%	$35,200
$45,800-	$60,000	$10,323+40.0%	$45,800
$60,000-	$85,600	$16,003+44.0%	$60,000
$85,600-	$109,400	$27,267+48.0%	$85,600
$109,400-	$162,400	$38,691+52.0%	$109,400
$162,400-	$215,400	$66,251+55.0%	$162,400
$215,400		$95,401+56.0%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$2,300	$0+ .0%	$0
$2,300-	$4,400	$0+11.0%	$2,300
$4,400-	$6,500	$231+13.0%	$4,400
$6,500-	$8,700	$504+15.0%	$6,500
$8,700-	$11,800	$834+18.0%	$8,700
$11,800-	$15,000	$1,392+19.0%	$11,800
$15,000-	$18,200	$2,000+21.0%	$15,000
$18,200-	$23,500	$2,672+25.0%	$18,200
$23,500-	$28,800	$3,997+29.0%	$23,500
$28,800-	$34,100	$5,534+34.0%	$28,800
$34,100-	$44,700	$7,336+37.0%	$34,100
$44,700-	$60,600	$11,258+44.0%	$44,700
$60,600-	$81,800	$18,254+48.0%	$60,600
$81,800-	$108,300	$28,430+51.0%	$81,800
$108,300-	$161,300	$41,945+55.0%	$108,300
$161,300		$71,095+56.0%	$161,300

"(C) CALENDAR YEAR 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$2,300	$0+ .0%	$0
$2,300-	$3,400	$0+10.0%	$2,300
$3,400-	$4,400	$110+11.0%	$3,400
$4,400-	$6,500	$220+12.0%	$4,400
$6,500-	$8,500	$472+13.0%	$6,500
$8,500-	$10,800	$732+16.0%	$8,500
$10,800-	$12,900	$1,100+18.0%	$10,800
$12,900-	$15,000	$1,478+19.0%	$12,900
$15,000-	$18,200	$1,877+21.0%	$15,000
$18,200-	$23,500	$2,549+25.0%	$18,200
$23,500-	$28,800	$3,874+28.0%	$23,500
$28,800-	$34,100	$5,358+32.0%	$28,800
$34,100-	$41,500	$7,054+36.0%	$34,100
$41,500-	$55,300	$9,718+40.0%	$41,500
$55,300-	$81,800	$15,238+46.0%	$55,300
$81,800-	$108,300	$27,428+49.0%	$81,800
$108,300		$40,413+50.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$3,400	$0+ .0%	$0
$3,400-	$5,500	$0+10.0%	$3,400
$5,500-	$7,600	$210+11.0%	$5,500
$7,600-	$11,900	$441+13.0%	$7,600
$11,900-	$16,000	$1,000+15.0%	$11,900
$16,000-	$20,200	$1,615+18.0%	$16,000
$20,200-	$24,600	$2,371+21.0%	$20,200
$24,600-	$29,000	$3,295+23.0%	$24,600
$29,900-	$35,200	$4,514+27.0%	$29,900
$35,200-	$45,800	$5,945+32.0%	$35,200
$45,800-	$60,000	$9,337+35.0%	$45,800
$60,000-	$85,600	$14,449+40.0%	$60,000
$85,600-	$109,400	$24,689+43.0%	$85,600
$109,400-	$162,400	$34,923+47.0%	$109,400
$162,400-	$215,400	$59,833+49.0%	$162,400
$215,400		$85,803+50.0%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0-	$2,300	$0+ .0%	$0
$2,300-	$4,400	$0+10.0%	$2,300
$4,400-	$6,500	$210+11.0%	$4,400
$6,500-	$8,700	$441+13.0%	$6,500
$8,700-	$11,800	$727+16.0%	$8,700
$11,800-	$15,000	$1,223+17.0%	$11,800
$15,000-	$18,200	$1,767+19.0%	$15,000
$18,200-	$23,500	$2,375+23.0%	$18,200
$23,500-	$28,800	$3,594+26.0%	$23,500
$28,800-	$34,100	$4,972+31.0%	$28,800
$34,100-	$44,700	$6,615+34.0%	$34,100
$44,700-	$60,600	$10,219+39.0%	$44,700
$60,600-	$81,800	$16,420+43.0%	$60,600
$81,800-	$108,300	$25,536+46.0%	$81,800
$108,300-	$161,300	$37,726+49.0%	$108,300
$161,300-		$63,696+50.0%	$161,300

TITLE II—INFLATION ADJUSTMENT

SEC. 201. INFLATION ADJUSTMENTS TO INDIVIDUAL TAX RATES.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—For taxable years after 1982—Not later than December 15 of each calendar year beginning in 1982, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustment in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for calendar year 1981.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(b) DEFINITION OF ZERO BRACKET AMOUNT.—

Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) In the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

SEC. 302. COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

" * * * the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—for the calendar year in which the taxable year begins. If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

SEC. 203. ADJUSTMENTS IN WITHHOLDING.

(a) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year."

(b) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall not later than December 15 of each calendar year, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year."

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTION.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemised deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

SEC. 204. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual."

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return."

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount."

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

SEC. 205. EFFECTIVE DATES.

(a) The amendments made by sections 201, 202, and 204 of this Title shall apply to taxable years beginning after December 31, 1982.

(b) The amendments made by section 203 of this Act shall apply to remuneration paid after December 31, 1982.●

CONGRESSMAN ANNUNZIO SUPPORTS CONSTITUTIONAL AMENDMENT TO END FORCED BUSING OF SCHOOLCHILDREN

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. I wish to address the issue of unwarranted intrusion by the Federal courts into the day-to-day administration of the public schools to enforce student busing orders.

Public school systems all across the country have become the virtual captives of Federal judges who, in the name of educational equality, have assumed the role of self-appointed school superintendents. Instead of law, these unelected officials of the people are seeking their own brand of social justice by imposing a costly and educationally self-defeating regime of racial quotas in the public schools.

The failure of these efforts is obvious in the experience of communities in the North and South where the disruption visited upon the school systems, and the consequent loss of public support, have far outweighed any imagined gains.

To resolve this tragic situation, and restore a measure of rationality to the law of school desegregation, I have introduced House Joint Resolution 20. That measure proposes an amendment to the Federal Constitution which, very simply, is designed to place parents back in control of their children's educational destiny.

Section 1 states that "No student shall be compelled to attend a public school other than the one nearest his home." Section 2 confers on the Congress power to enforce this mandate by legislation insuring equal educational opportunity for all students wherever located.

It is all too apparent that a constitutional amendment is necessary if we are to succeed in ending judicial tyranny in the matter of forced busing. Recently, the Supreme Court has itself attempted to restrain the zeal of the lower Federal courts by placing stringent limits on judicial authority to formulate busing remedies.

Almost 3 years ago, the Supreme Court in Dayton Board of Education against Brinkman, vacated a busing plan ordered by the sixth circuit which required a racial balance in every school in the Dayton, Ohio system. The Supreme Court declared that the lower Federal courts may act only where it is proven that school officials are guilty of intentional discrimination, and that remedial decrees must be specifically tailored to eliminate the "incremental segregative effects" of those past discriminatory actions. Subsequently, the Court remanded the Omaha and Milwaukee cases for additional proceedings in light of Dayton.

Nonetheless, the sixth circuit in Dayton proceeded at its first opportunity to ignore and distort the Supreme Court's ruling and reinstated its original racial balance decree. The Supreme Court this term agreed to review this latest Dayton ruling and a companion sixth circuit decision out of Columbus, and it can be hoped that the Court will again correct these instances of judicial abuse.

However, experience such as this, and the courts' consistent disregard of congressionally legislated limits on student busing decrees, leave one skeptical of permitting the courts to police themselves in this area. Only by adoption of a constitutional amendment can we insure that our children will no longer be uprooted from their neighborhood schools at the whim of Federal judges and forced to attend schools many miles, and in many cases hours away from their homes.

House Joint Resolution 20 would require the courts to employ remedies other than busing to desegregate the schools. As final arbiter of Federal policy in this area, Congress could, under section 2, shift the emphasis to where it properly belongs—that is, to the development of programs to improve educational quality in all schools regardless of their student racial composition. At the same time, the amendment is restricted to governmentally coerced student transfer schemes. It would not prevent the voluntary transfer of students to schools outside their neighborhood to obtain the benefits of special or enriched programs, vocational education, or otherwise.

I urge the Congress to act swiftly on this proposal so that the ratification process can begin. Only in this manner may we bring to an end the long national turmoil caused by the excesses of the Federal judiciary. Immediate action is especially important now as we enter a period of economic hard times when the school systems in many strapped urban areas face imminent financial collapse. During such time, it is indeed wasteful and foolhardy to pursue an expensive policy of racial balance that promises neither improvement in education nor good social relations in the community.

The courts have usurped unprecedented power over educational decision-making in this country. As a consequence, the schools have suffered, our people have suffered, and what is more tragic, the education of our children has suffered. This process cannot be permitted to continue. We must act at once to restrain the intemperate hand of the judiciary so that the long delayed objective of equal educational opportunity promised nearly three decades ago by Brown against Board of Education may finally be fulfilled.●

ELIMINATING SCHOOL ASBESTOS HAZARDS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 10 minutes.

● Mr. WEISS. Mr. Speaker, I am today introducing legislation along with other Members of the House which will help eliminate hazardous exposure to asbestos for schoolchildren thoughout our Nation.

Asbestos is a proven carcinogen that is especially dangerous for young persons. In many older school buildings, the substance is visibly damaged and may be flaking from walls and ceilings. The problem has reached alarming dimensions in some areas, such as New York City, where schools have been closed because of the seriousness of the danger.

Local governments and school districts lack the resources needed to ascertain the extent of the hazard and to eliminate the possibility of asbestos exposure. The gravity of the situation demands federal attention and the active cooperation of asbestos manufacturers. The legislation I am cosponsoring recognizes these factors by establishing an asbestos hazard detection fund and a Federal loan program for removal of the substance.

The trust fund would consist of payments by asbestos manufacturers based on the amount of material they produced over a given period. Asbestos corporations have a moral obligation to assist in the amelioration of this problem. Through this legislation, they would have a legal obligation as well.

The bill would also create a task force under the auspices of the Secretary of Health, Education, and Welfare to coordinate Federal efforts in detecting the hazard and assisting in its elimination.

I believe that enactment of this legislation is a vital step toward safeguarding the health of thousands of schoolchildren.

Asbestos has been found in 1,000 of 6,000 schools inspected in the country, and in New York City the presence of asbestos has been identified in 70 percent of schools surveyed.

I urge Congress to consider this legislation and to move toward its passage. It offers us the opportunity of preventing a major public health calamity that would strike hardest at our children.●

JOURNEY TO CHINA: AN ANTAGONIST BECOMES AN ALLY

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, last November I was part of a 25-member delegation, including 8 members of the House Appropriations Committee and Under Secretary of State for Management Ben H. Read, which traveled to the People's Republic of China.

Upon my return, I wrote a series of articles which were published by interested newspapers in Arkansas. Inasmuch as this Nation welcomes China's Vice Premier Teng Hsiao-ping to this country today, I would share these articles with my colleagues. The four-part series follows:

JOURNEY TO CHINA: AN ANTAGONIST BECOMES AN ALLY

(By Bill Alexander)

Confusius said, "A journey of 1,000 miles begins with a single step." Perhaps. But my recent journey to the land of Confucius began with a long reading list and a half dozen briefings by government agencies, including the most famous (or infamous) agency of them all—the CIA. However, nothing in all the books or all the briefings truly prepared me for what I was to experience during my stay in China.

With the exception of a few personal Chinese-American friends, like Mayor and Mrs. Charlie Wah of Turrell, Ark., my knowledge of China and its people was painfully limited. Arkansas does not have a large Chinese population, as does California or New York. The cultural diffusion that made those states truly metropolitan did not extend to mid-American, much less to Mississippi County, where I was raised.

So, I read and listened and tried to learn. But the more I knew, the less I understood of a culture and a people that has regarded itself as the center of humanity on this planet for the last 4,000 years.

When I was a boy, growing up in Osceola, I loved to dig caves. My mother told my brother and me that if we dug deep enough, we would come out in China. After digging so long and so deep that we needed a rope to climb out of the hole, I decided that there had to be an easier route.

Now, 30 years later, I was on my way to China—via Anchorage and Tokyo, aboard a U.S. Air Force C-137 as a member of a congressional delegation composed of members of the House Appropriations Committee. As I reflect back, my boyish fantasies about China were probably not as wild as the realities I encountered.

When the delegation departed, our itinerary was as mysterious as the land we were about to visit. The Chinese government kept our route and agenda completely secret until we arrived in Peking. I guessed that they were reluctant to commit themselves to any particular stop lest there be unrest, disturbances, natural disaster or political chaos.

I was wrong. They merely concluded that we foreigners simply didn't know enough about China to make an intelligent choice about what to see.

That sort of benevolent contempt for foreigners is probably the most characteristic thing about the Chinese. After all, China was the fabled "Middle Kingdom" whose tradition held that all foreigners were barbarians; that all foreign nations were vassal states. Throughout her long history, China has gazed inward at herself. Not since Marco Polo's travels in the 13th century has China voluntarily opened her doors to outsiders. Her land and her people have been denied to all but a very few Western observers since the Communist victory in 1949.

Why does China, long contemptuous of the ways of the rest of the human race, suddenly wish to reverse its course of isolation and look to the West for ideas that will change the direction and orientation of the "ancient kingdom?"

To answer that question, it is necessary to look backward for about four decades. When the Japanese attacked China in 1931, America sympathized, but we were in the throes of a Great Depression and could not help—even if we'd had a mind to. During World War II, we embraced the government of Chiang Kai-shek as one of our principal allies. Our support for Chiang during the Civil War did nothing to endear us later to the government of Mao Tse-tung. Our subsequent protection of Chiang and our policy of non-recognition of the Maoist victory aggravated the growing antagonism.

Then in November 1950, Gen. Douglas MacArthur's resurgent United Nations forces in Korea appeared to be ready to drive across the Yalu, threatening the young Communist Chinese government at a time when they were still consolidating their power at home. For the first time in history, American and Chinese armies fought one another, and Mao hurled massive numbers of ill-equipped troops at the U.N. forces, driving them back to a position below the 38th Parallel.

Our relations with China then went from bad to worse. The vast ideological chasm between us deepened; the bitterness between our two counties intensified. Our interests in Asia—in Korea, Vietnam and elsewhere—brought us time and again to the edge of conflict with the Chinese. Our policy of non-recognition and containment was an openly expressed strategy for destroying the government of Peking. In that climate of mutual fear, China was quick to express its hatred.

Then, in 1972, the world was shocked to learn that Henry Kissinger had been secretly shuttling in and out of Peking and that an American president had been invited to China. From that visit came the Shanghai Communique which established official contact and promised movement toward widened relations on the political, economic and cultural levels.

Why the dramatic turn-around? Certainly, the most important factor was the Sino-Soviet split that began in the late 1950s. The level of conflict between the two socialist powers escalated during the next decade from ideological name-calling to open military confrontation. In 1965, the Soviet Union began its military build-up along its common border with China, a move that culminated in bloody, full-scale fighting along the Ussuri River a few years later. Today, the Soviet Union has replaced the United States as the main threat to China's security and the Russians have become her principal enemy.

To counter-balance the Soviet threat, China has turned westward. But it is not military assistance that China seeks. Rather, the new generation of Communist leaders in Peking is beginning to recognize that in a world of increasing interdependence, not even a nation as huge as China can go it alone.

They are threatened by forces more dangerous than Russian infantry or American bombers. Their population is burgeoning but industrial development has lagged. Agricultural production is near capacity. The old revolutionary leaders are nearly all dead. The time has come for China to assume a place among the international community of nations.

So, in the fall of 1978, I find myself in Peking, preparing to discuss ways of solving mutual economic problems with Chinese officials and hopeful that old antagonisms won't obscure new opportunities.

ALEXANDER "SELLS" STATE PRODUCTS TO THE CHINESE

(By BILL ALEXANDER)

We have just been informed that the delegation's itinerary will take us from Peking to Chungking to Chung-tu to 'K'unming. The inclusion of Chung-tu is surprising. Chung-tu is the provincial capital of Szechwan, the locus of the vast preponderance of Chinese agriculture. They've just experienced a second year of drought in Szechwan and I'm surprised they'll let us go there. My main interest is agriculture so the surprise is a pleasant one.

After five days in Peking, I'm ready to see more of the country, although the Chinese have treated us well. Our delegation is housed on the eighth floor of the Peking Hotel, a new and imposing structure facing Eternal Peace Boulevard. The furnishings are all Chinese, the service is prompt and courteous and my room has all the comforts of home—including television. There is even an English language channel to which Alyse, my 10-year-old daughter, is becoming addicted. The programming is right out of the Chinese propaganda phrase-book, full of references to "capitalist bandits" and "running dogs of imperialism." However, I don't think Alyse will become a convert to the Chinese brand of communism. Fifteen minutes viewing is all it takes to put her soundly to sleep, curled up in the overstuffed armchair.

Our business in Peking is nearly completed. I have spoken with Li-Chiang, the Chinese minister of foreign trade, about the possibility of establishing direct contact between his government and Arkansas farmer-owned cooperatives. I explained that Arkansas has some of the most productive farmers in the world who grow more cotton, soybeans, feed grains, breeding stock, poultry, cattle and swine than almost any state in our country.

I also explained that although we are great producers of food, we are lousy salesmen. The usual practice is for the individual to sell to large dealers who then resell the products to customers abroad. This practice has the effect, I told him, of forcing the farmer to sell at whatever the market price happens to be at harvest time while allowing the large trading companies to store the products until prices are driven higher by the market. As a consequence, most of the profits of the sale go to the dealer while the customer must pay higher prices and the farmer receives less profit for his efforts. Some years, I explained, there is no profit for the farmer.

Mr. Li seemed somewhat surprised that an American politician would be interested in seeking an arrangement which would be more beneficial to the farmer and the customer than to big business. He responded that "China would welcome the opportunity to deal directly with farmer-owned cooperatives that wish to sell directly to the PRC."

At the conclusion of the meeting, I invited Li, or his representative, to visit Arkansas to discuss methods of direct merchandising and assess the quality of our products. He seemed genuinely interested in the proposal.

Later, I had an opportunity to discuss the possibility of exporting Arkansas rice directly to the PRC. At the present time, China is an exporter of rice, selling about 1 million metric tons abroad each year. However, the population is growing by an estimated 15–20 million persons annually and the Chinese will consume more than they grow by the mid-1980s. Chinese government economists are aware of that sobering fact and are going ahead with development of their huge oil reserves which can be traded for food and fiber products.

I next met with Li Hsien-nien, vice premier and number three man in the PRC. During the lengthy meeting, he discussed the state of Chinese relations with Vietnam, Cambodia, Singapore, Indonesia, Cuba and the Soviet Union. Generally, relations with all of these nations are not very stable. He exhibited considerable hostility toward Vietnam, which he said, is "the mad dog of the Soviets." He was certain that we, as Americans, could understand what it meant to have a "mad dog of the Soviets" on one's doorstep because, after all, we have Cuba less than 90 miles from our shores.

On the positive side the vice premier was pleased and optimistic over the direction of Sino-Japanese relations and indicated that China would continue to encourage independence among the socialist states of Eastern Europe.

He also asserted that agricultural and trade policy enjoy the highest priority within the government of the PRC. "We will buy more than we export," he said, "until we catch up. But we realize it will take us a few more years to equal the United States." I admired the vice premier's determination but could not share his optimism about Chinese agriculture.

Practically every square inch of arable Chinese land is already under intensive cultivation, whereas the full productive capacity of American agriculture has yet to be tested. Li Hsien-nien concluded by announcing that "China will buy 10 million tons of grain this year—five to six million tons from the United States."

That announcement reverbrated loudly in the commodity trading market at home because, until now, China has preferred to buy most of its grain from Canada and Australia. The U.S. has been only a residual supplier. The announcement was, in my view, a signal that the PRC was ready to regularize its trade with the United States. We now know that it was also a signal that normalization of relations was in the offing.

CHINA'S INTERIOR TERMS

(By BILL ALEXANDER)

Peking is behind us. CAAC Flight 145 to Chungking moves through the clear winter air at jet age speeds but the terrain passes below almost languidly. The topography is mostly mountainous but there are no forests nor rocky promontories such as we're used to seeing in America. Every square foot of the land below is cultivated. Even the mountain tops are capped by terraced fields. Villages are tucked into river valleys that fan out into alluvial plains. The cottages and huts cluster closely together. The fields are cultivated nearly to the front doors. The fall harvest is almost in and the fields are sear and brown.

We touched down in Chungking right on schedule. Our luggage was gathered up and hauled away to our quarters where it was waiting when we arrived. Then, I noticed a curious thing. Before leaving Peking, I had purchased a $6 zippered duffle bag and in my last-minute haste to pack, I broke the zipper by overstuffing the bag. I finally secured it with a spare belt. When I started to unpack in Chungking, I saw that the bag was closed and that the zipper was working perfectly. Somehow, our hosts had managed to repair the zipper between the time we landed and delivery of the luggage at the guest house. Not even Hilton Rainbow service could provide that nice little touch.

The Chinese are honest to a fault. Personal property and valuables can be left out without fear they'll be stolen. Crime, as we think of it—robbery, burglary, muggings—is practically non-existent.

As a matter of fact, Chinese honesty can become a problem. It's nearly impossible to throw anything away. Plastic dry cleaning bags, bottles and cans casually tossed into the trash are sure to reappear in a prominent place after the room has been cleaned. In a country which wastes nothing, the people have trouble understanding our "disposable society."

Chungking sits on a narrow wedge of cliffs, squeezed by the Yangtse and Chia Long Rivers which drain the Tapa Shan mountains to the east, the Min Shan range to the north and the Fah Sueh Shan on the west and south. These mountains encircle the fertile Szechwan Basin, the principal agricultural region of China.

The city of Chungking was once the provisional capital of Generalissimo Chiang Kai-shek's Nationalist government. But our communist tour guides never mentioned that fact. Chungking's only claim to historical fame lies in the existence of Chou En-lai's civil war headquarters at Number 50, Tseng Chia Ai. It was from that shabby, darkened house that Chou directed all military operations of the South China communist forces during the revolution.

The house had been restored to the same condition it enjoyed during the conflict. That means it was a damp, drafty, leaky, sparsely furnished and as ramshackle on the day we saw it as when Chou lived there. As a national shrine, it wasn't much to look at but I came away from the place with a firmer appreciation for the sheer doggedness and determination of the Chinese character.

We traveled by train to Chung-tu, the capital of Szechwan Province. Amtrak could take lessons from the Chinese in how to run a railroad. The berths were spotless, the compartments spacious and the food and service superb. The coal burning steam engine didn't set any speed records, but we arrived in Chung-tu right on time at dawn, as refreshed as though we had slept all night in our beds. I asked the conductor, through an interpreter, whether many Americans had ridden on his run. "I don't know," he said. "All foreigners look alike to me." Touché.

In Chung-tu, we were greeted by the vice chairman of the Szechwan Revolutionary Committee, Mr. Ju Fuyi. Since we had no formal commitments until that evening, I decided to see some of the countryside. Driving out of the city, the poplar-lined roadways were alive with incredible vigor. They were choked with a staggering variety of animal-drawn and people-powered vehicles carrying a montage of fruits, vegetables, grain, bamboo bundles and livestock. A common sight was a squirming, squealing pig draped over a bicycle frame pushed along by a leather-skinned peasant farmer.

The fields teemed with production brigade workers, hoeing, digging, cutting, planting, fertilizing and plowing with water buffalo. Everywhere there were people working—repairing roads, quarrying stone, digging irrigation ditches, building terraces, constructing their peasant-proletarian society.

And where there was no work or cultivation, there were flowers. The roadways were festooned in a veritable riot of reds, yellows, purples, greens and oranges. Life in the People's Republic may be drab, but the countryside certainly isn't.

The Chinese are a vigorous and determined people. They willingly subject themselves to discipline and no people on Earth work harder. I came to have a great respect for the people in the few days I was in China. Politics and poverty, power and propaganda, poise and patience are the fundamental characteristic of modern-day China. The government and the people are doggedly determined to catch up with the world and only the doctrinaire approach to development has inhibited them in achieving that goal.

But in recent days, there has been a stirring in the cities . . . an elusive air of both discontent and hopefulness. The words democracy and liberty are faintly heard. Wall posters calling for more personal liberty, for modernization, and some openly critical of political deities are appearing in Peking. There is no doubt that the government is carefully orchestrating the campaign, but for good or ill, China has turned westward and maybe, just maybe, she has caught the scent of freedom.

THE CHINA DECISION: REALITIES DICTATED CHANGE

(By BILL ALEXANDER)

To the world at large, President Carter's announcement of normalization of relations with Peking came as a surprise but for those of us who were in China during the past month the announcement should not have come as a shock. There were signs, signals and hints aplenty that something big was afoot.

Chinese government officials and bureaucrats, famed for their implacable close-mouthedness, talked freely of China's problems and how the U.S. could help solve them. Democracy Wall in Peking was pasted with posters calling for freedom and liberty. They could not have appeared there a year ago. The number three man, Li Hsien-nien, informed our delegation that the United States was being elevated to the status of a principal supplier of agricultural products to the People's Republic. There was a new spirit of tolerance for the decadent westerner. The polemic of hate once reserved for the United States is now being directed at the Soviet Union. High government officials and other knowledgeable Chinese hinted that Taiwan was not the insurmountable obstacle to normalized relations that we had long been led to believe. Everywhere there was enthusiasm for the recently concluded Treaty of Friendship and Cooperation with Japan, as though the agreement were proof positive of Chinese willingness and ability to cooperate with capitalist governments. It was a new version of Mao's "Let a hundred flowers bloom, a thousand voices speak." The announcement of normalization should not have come as a complete surprise and it didn't.

Perhaps the suddenness of the event was more surprising than the event itself. Normalization was inevitable. A nation of 900 million persons could not forever be consigned to the position of international non-person. But it was not preceded by the signals that usually serve as indicators of major policy shifts. There were no hastily called consultations with congressional leaders in the Oval Office. There were no furtive, backgate ambassadorial visits to the White House. In fact, even those countries most concerned weren't consulted in advance. It was reported that ROC President Chiang Ching-kuo was awakened by his brother-in-law at 2 a.m. and informed of the announcement.

Congressional reaction was mixed. Some thought the President had acted wisely and well. Others grumbled that they should have been consulted. Still others, like Arizona Senator Barry Goldwater, rose up in outrage and have threatened to test the President's authority to unilaterally abrogate our mutual defense treaty with the Republic of China in the courts.

What will normalization mean? Those who favored the move contend that recognition of Red China will strengthen the U.S. strategic position and enhance the chances for success in ongoing negotiations with the Soviet Union on SALT, a nuclear test ban and mutual force reductions in Europe. They say also that the potential for trade with a nation of 900 million is vital to curing our own domestic economic ills. They conclude that recognition of China is a recognition of current international realities.

Those who opposed the move say that we are abandoning a friend while further eroding the confidence of American allies. Opponents assert that trade with Taiwan, roughly 15 times our trade with the People's Republic, is as important as the potential offered by the mainland market. Finally, they argue, the Russians are likely to become more intransigent in current talks rather than more conciliatory.

Whatever the merits of each of the arguments, there are some irrefutable facts which must be taken into account. First, China's turn westward is the consequence of political and economic necessity, not the result of an ideological turnabout. With a population nearing a billion persons, China was faced with three alternatives—to seek rapproachment with the Soviets, to move toward closer relations with the United States and the west or to continue to try to make her own way. Her choice of the middle course underlines the visceral hostility China harbors for her socialist neighbor to the north. Even more important, China's abandonment of a go-it-alone policy is tacit admission of its failure to achieve its economic objectives in a world of increasing interdependence.

Second, it is clear that for the United States, China represents the last great untapped market for U.S. products remaining on the globe. Our faltering economy badly needs to find new customers for its products so long as we insist on squandering our wealth on foreign oil. China's need for food and technology is as great as our need for fossil fuels, which as fortune would have it, she has in great abundance. Our ideological differences pale by comparison with our mutual needs. In China, the United States could have a near perfect trading partner.

Third, despite the lack of public urgency and concern over the Soviet threat, there is no question of their emerging military preimminence. A strong and developing China would undoubtedly have the effect of checking Soviet adventures in South and Southeast Asia with the added bonus of diluting Soviet military power in Europe by creating the necessity of maintaining a two-front defense posture.

Fourth, Taiwan has been and will continue to be our ally. The economy is tied inextricably to our own. Our two-way trade with Taiwan last year was nearly $6 billion. That amount constituted roughly half of Taiwan's total trade. President Carter has vowed to maintain close economic, commercial and cultural ties with Taiwan and if that promise is kept, there is little chance that the island republic will be the one to sever the bonds. From a military standpoint, Taiwan sits a comfortable 200 miles from the mainland shores. It has a standing defense force of about a million men, well equipped and well trained. The chances of China mounting an invasion on Taiwan (even if we were to stand still for such a move) are very slim given the current state of communist Chinese military capability.

Fifth, China is real. The communist government is in effective control of 3.7 million square miles of territory, has an estimated gross national product of $300 billion per year, is a member of the United Nations, and enjoys diplomatic relations with most of the world's nations, including our own NATO allies. It is ironic that the majority of the states with which China has no formal ties are socialist countries, aligned with the Soviet Union. For too many years, and on too many occasions, the United States has pursued international policies defined in terms of rhetorical ideals rather than objective realities. Our China policy has been a reflection of that tendency. We could not indefinitely persist in the political fantasy that the Nationalist government on Taiwan will someday achieve reunification of China by force of arms. Nor ought we to believe that the PRC will be tumbled by internal dissent. My recent travels in China led me to one inescapable conclusion: life for the common people there may not be the socialist paradise their government has sometimes claimed, but it is substantially better than it has ever been in the four thousand years of Chinese history.

Hua Kuo-feng, China's Communist Party Chairman and Premier is a pragmatic, practical politician. "I do not care whether a cat is black or white, so long as it catches mice," he has said in defending China's move toward liberalization. In my view, China is a long way from democracy, but its turn to the West perhaps represents the first halting step in that direction.

TIME SEQUENCES IN HOUSE PORTION OF CONGRESSIONAL RECORD

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, Members may have noticed that the House portion of the CONGRESSIONAL RECORD now carries time sequence notations at roughly 5-minute intervals during House proceedings. The time is shown following a box □ symbol utilizing the 24-hour clock system. For example, □ 1315 indicates 1:15 p.m. and □ 1945 would be 7:45 p.m.

The purpose of this new system, authorized by the Joint Committee on Printing, is to provide easier cross reference to audio and video taped versions of House proceedings with the printed proceedings in the RECORD. A byproduct of the time sequence notations will be the easier location of Member's remarks in the printed RECORD than has often been possible in the past.

LEGISLATION INTRODUCED BY CONGRESSMAN ROBERT F. DRINAN

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, today I am inserting in the RECORD a list and brief description of 39 bills which I have introduced in the first 2 weeks of the 96th Congress.

Only a few hundred of the thousands of bills introduced in the House during each session of Congress are signed into law. I am hopeful that several of the measures described here will find themselves among the select few:

ECONOMY AND BANKING

H.R. 270. A bill to provide more effective job placement services through improved management and planning in state employment offices;

H.R. 267. A bill to extend the two-year prohibition on employment of bank regulators by insured banks and Federal Reserve member banks to include bank holding companies;

H.R. 296. A bill to require that whenever the International Trade Commission recommends import restrictions, it shall examine and report on the probable impact those restrictions would have on domestic prices;

H.R. 268. A bill to strengthen the Truth in Lending Act to require biannual examination of creditors and public disclosure of information obtained in such examinations; and to require persons affected by violations of the Act to be so notified; and

H.R. 269. A bill to require banks to disclose how they compute and pay interest on savings accounts.

EDUCATION

H.R. 272. A bill to exclude the value of a home when determining eligibility for Basic Education Opportunity Grants.

ENERGY AND ENVIRONMENT

H.R. 278. A bill to authorize matching grants to public water systems to clean and update waterlines in order to meet federal drinking water standards;

H.R. 298. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices;

H.R. 273. A bill to authorize grants for special educational programs designed to promote conservation of energy and more efficient use of natural resources; and

H.R. 290. A bill to provide for research and demonstration respecting the disposal of sludge and the reclamation of waters damaged by sludge and sewage.

FOREIGN AND MILITARY POLICY

H.R. 276. A bill to allow Congress more time to review proposed arms sales; and

H. Con. Res. 8. A resolution to work toward strengthening the Charter of the United Nations.

HEALTH AND CONSUMER PROTECTION

H.R. 275. A bill to restrict major agricultural exports which would result in increased retail prices or unemployment within the United States;

H.R. 279. A bill to authorize the Food and Drug Administration to regulate tobacco products;

H.R. 280. A bill to provide for an annual report to Congress on the effect of cigarette smoke on nonsmokers;

H.R. 281. A bill to strengthen the warning label on cigarette packages and advertisements;

H.R. 293. A bill to establish a health protection tax on cigarettes;

H.R. 300. A bill to protect the rights of nonsmokers by separating smokers and nonsmokers in Federal facilities and in facilities used for interstate transportation; and

H.R. 284. A bill to provide for attorney fees, expert witness expenses, and other costs reasonably incurred in certain proceedings before Federal agencies.

OLDER AMERICANS

H.R. 294. A bill to provide for cost-of-living increases to social security recipients twice a year;

H.R. 295. A bill to provide that an individual may qualify for disability insurance benefits if he or she has enough quarters of social security coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; and

H.R. 631. A bill to prohibit discrimination based on age in employment, housing, and other activities covered by the civil rights laws.

TAX REFORM

H.R. 301. A bill to allow private citizens to challenge in Federal court certain lenient tax rulings affecting third parties.

SMALL BUSINESS

H.R. 291. A bill to help small businesses acquire procurement information and contracts from the Federal Government; and

H.R. 299. A bill to require the payment of interest by Federal agencies on overdue contract payments to small businesses.

CIVIL LIBERTIES

H.R. 271. A bill to provide increased job protection for employees who celebrate the Sabbath on a day other than Sunday;

H.R. 283. A bill to secure and protect the freedom of the press against surprise police searches;

H.R. 287. A bill to carry out the principles of the Helsinki Final Act by making it easier for foreign citizens to obtain a visa for travel to the United States; and

H.R. 1294. A bill to modify the Communications Act of 1934 to strengthen and further the objectives of the first amendment as applied to radio and television broadcasting.

GOVERNMENT REFORM

H.R. 292. A bill to establish an independent agency to administer the internal revenue laws;

H.R. 274. A bill to limit congressional members of the Advisory Commission on Intergovernmental Relations to single two-year terms;

H.R. 265. A bill to allow the President greater flexibility in choosing a person to chair the Federal Reserve Board; and

H.R. 266. A bill to shorten the terms of the Board of Governors of the Federal Reserve system from 14 to 8 years.

OTHER PROPOSALS

H. Res. 17. A resolution seeking to shift the site of the 1980 Summer Olympics from Moscow;

H.R. 282. A bill to promote methods of testing and research that would minimize the use of, and pain and suffering to, live animals;

H.R. 285. A bill to restrict the availability of handguns;

H.R. 286. A bill to provide for a federal system of registration and licensing of all firearms, and for a ban on the sale, manufacture, or importation of certain handguns;

H.R. 288. A bill to protect the rights of visual artists not to have their works distorted, mutilated, or altered; and

H.J. Res. 31. A resolution proposing a constitutional amendment to lower the age requirement for membership in Congress.

THE RETIREMENT OF THE HONORABLE JOHN MOSS OF CALIFORNIA

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

Mr. JOHNSON of California. Mr. Speaker, one of the finest Representatives from the State of California to serve in the Congress was my good friend and colleague John Moss. After 26 years of service to this Nation and to the people of Sacramento, John decided to retire at the end of the last session.

Throughout his career in the House of Representatives, John was a strong advocate of representative government and continually strove to make government as responsive to the needs of the general public as possible. His principal weapon in this never-ending battle was the oversight investigation by congressional committees. John was a master of this art and demonstrated time and time again that Congress could act on behalf of the little man and his needs.

The past two decades have seen a plethora of legislation pass through these halls. If a problem needed correcting, all too frequently we simply passed further legislation. John foresaw the need to review what we had done and made the executive branch of Government more responsive to the needs of the people by bringing abuses to light.

The wisdom of the oversight approach is just now being clearly made evident to us. Unfortunately, John Moss who spent a career showing us how to effectively use the oversight hearing, has chosen to retire. It is ironic that now that oversight has become a key goal of the Congress, John is no longer serving in the House.

It was with great pleasure that I read an excellent article in the Outlook section of the Washington Post of Sunday, January 14, 1979, concerning our former colleague. Ward Sinclair has outlined the important contributions of John Moss to the Congress and discusses the effect of John's example on oversight in the 96th Congress.

So that my colleagues that did not see this article may have a chance to review it and learn from it, I ask permission that it be reprinted in its entirety at this point in the RECORD.

[From the Washington Post, Jan. 14, 1979]

THE MAN WHO PERFECTED OVERSIGHT

(By Ward Sinclair)

It never fails. Just when they find a use for the wheel, the inventor is not around to explain it. So it goes on Capitol Hill where this year's reinvention of the wheel is something called "oversight."

The papers will be full of talk this year about the 96th Congress being the Oversight Congress. The sense of that term is that enough laws have been passed, enough Big Issues confronted and it is now time for a pause. They will go back and study what they have wrought.

The truth of the matter is that oversight is one of the lesser understood and least exercised functions of Congress. It is overseeing the functions of government and the

actions of its officials. In a word, it is investigation. All congressional committees have an oversight role, but few take it seriously. It is messy, it takes time and concentration and, should one dare a cynical thought, it has little appeal to the young and chi-chi Boob-Tube Babies who increasingly inhabit the House and Senate.

So whatever the meaning, oversight is "in" and now that Congress is about to rediscover this wheel, the past master of the art—and be not mistaken, it is an art—has gone home to retirement in Sacramento.

At noon on Jan. 3, for the first time since 1953, John E. Moss was no longer the representative from California's 3rd District. Too bad. For if this is in fact the Oversight Congress, as its leaders have proclaimed, Moss would have been in hog heaven had he stayed.

In many ways, at least in recent times, John Moss had to be considered the inventor of oversight. For two decades, his subcommittee investigations put a relentless light on almost every imaginable kind of federal and corporate misdeed. Moss flayed, groused, flayed, pestered and then flayed some more as he charged along on his legislative Rocinante.

IMPRINT ON GOVERNMENT

But why John Moss? Why this mild, not very colorful, onetime appliance dealer and real estate salesman from the Central Valley? The best answer seems to be that Moss somehow figured that a congressman was supposed to come here and take names and kick tail. So he did, to a fare-thee-well.

By the time Moss left Washington he had achieved something that others can lay only spurious claim to: an imprint on the way life is lived in the United States, an imprint on the way government governs.

Almost single-handedly, over enormous resistance, Moss championed the Freedom of Information Act of 1966 that opened government files to the public. Subsequent amendments in 1975 refined the law further and opened the process even more. Most of his colleagues and admirers agree the FOIA was the brightest of the gems Moss left behind.

But laws broadening the scope of the Federal Trade Commission, tightening securities regulation, establishing automobile and tire-safety standards, providing product-warranty protection and setting up a Consumer Product Safety Commission are among the other major legacies. The list is more impressive because Moss never was chairman of a full committee, the usual power base of the super-doer.

The subcommittee level, to which he was limited by the seniority system, was where Moss as overseer compiled his lengthy record as the House's gadfly. His last assignment, as chairman of the Commerce Committee's subcommittee on oversight and investigations, gave him rein to look into almost anything that tweaked his pique.

In the 95th Congress, in 1977 and 1978, the inquiries and investigations rolled at floodtide: the world uranium cartel, FBI foreign security surveillance, Air Force contract shenanigans, accountants' practices, hospital care and unnecessary operations, natural gas shortages, drug costs, college athletics, HEW birth-control policy, pesticide regulation all came under the subcommittee's investigative eye.

The results then, as before 1975, when Moss directed oversight investigations by other Commerce subcommittees, often meant hearings that attracted the press and reports that made Moss a front-page name all over the country.

ASSESSING THE RECORD

In a world where ego-tripping is *de rigeur*, there's an almost sour grapes view among some of Moss' old House Democratic colleagues, conceding that he did some big things but that all in all he wasn't the most effective congressman a district might have. To be sure, Moss made enemies, not a few of them in the House, where he violated the old-boy codes by calling the drones by their real names. His detractors—mostly Republicans and corporate captains—liked to say he was arrogant and unfair, publicity-happy, a power-crazy left winger.

One day before he left for home, Moss looked back to ponder the record. The criticism, if anything, mostly amused him. He treated it the same way he treated critical reactions to his votes: "Too many people want to be popular around here. I don't really give a damn. If it's the right vote, it will become popular."

The notion that he was antibusiness or a shill for the lefties amused him equally. "Actually" he said, "I am very conservative. People who want to dismantle the regulatory machinery of government are not conservatives, as many of them claim. They are very radical. That machinery is there because abuses occurred: the FTC, the Federal Reserve, the Securities and Exchange Commission, the Interstate Commerce Commission. These things, you just don't tear down and destroy. Those cries come from people who claim regulation is onerous."

Typical of his don't-give-a-damn attitude was what Moss did in early 1973, when those early rockets from Nixon's Watergate started bursting. Moss called on the House to get the machinery ready to deal with a presidential impeachment. The House, typically, decided to wait awhile after less blunt but more timorous souls prevailed.

"The leadership told me I was premature," Moss recalled "but the thing of concern to me was that the House do its job . . . The pardon of Nixon [by Gerald Ford] interfered with the role of the House. The House should have completed its impeachment action. We were less than we should have been on that occasion. I don't think the country would have been hurt by an impeachment. I like nice clean pages of history."

PRAISE FROM NADER

Ralph Nader, who is not given to soaring praise of your public servant, thinks the clean pages of history will show Moss to be "one of the greatest members of Congress of this century." Before Nader was inspiring legions of young idealists into their own oversight of corporate and governmental waywardness, Moss had been there already. "Nobody perfected oversight as John Moss did," Nader said.

The curious thing is that Moss came to Congress in 1953 with none of the polished tools one might expect a bulldog investigator to have. He did have, however, a high indignation level, a basic sense of right and wrong and a belief that Congress was intended to be something more than a rubber stamp for vested interests.

He was born in Utah, the son of a coal miner, but moved to California with the family as a boy. He attended a Sacramento college for two years, then went into business and Democratic politics. He was a state assemblyman for two years before his election to Congress in 1952.

His victory that year was by four-tenths of one percentage point and, as Moss remembered it, "By all that was holy, I was surely destined to be a one-termer." He seemed to seal his fate when he voted against California's interests, citing constitutional grounds, on the controversial Tidelands oil legislation. "With that, the opposition savored victory. But, in 1954, I got 62 percent of the vote. People said they admired my courage and that became a rule with me—to vote the way I think I should vote."

So with relative electoral security at home and armed with his idea that he was a part of the most representative segment of the federal government, Moss was a natural for the investigative work his subcommittees did. Before there was such a thing as "consumerism," Moss was practicing it on Capitol Hill. "I just have a strong feeling that when I buy something I am committing my dollars and my confidence to a product and I have a right to get a commitment of quality. It is wrong to sell people things that are dangerous to them in normal use."

The trouble with Congress, he continued, is that not enough of its members are looking much beyond the next election—they're too busy with their political careers to let sensitive and potentially damaging issues get in the way.

"Congress is not doing the kind of work that ought to be done. We ought to be monitoring the executive branch much more closely here. Take the General Services Administration. That is an incredible situation. What were the committees with the proper jurisdiction doing when these scandals were occurring? That is where the failure occurs."

BELIEF IN CONGRESS

Michael Lemov, a Washington attorney who once was Moss' chief counsel on consumer oversight, remembers him as "a brave man in a town of compromisers . . . While he was not a lawyer, he knew as much law as there was to be known about legislation. He also had a great belief in Congress as an institution. Whenever he took up the gavel, he felt he was representing an institution created by the Congress, and he was very strict and demanding in public as a chairman."

"In private," Lemov went on, "he was gentle and fair—revered by his staff—and he would never end a meeting until the other side had finished its presentation. Never blew his top, never raised his voice."

In public, with the gavel in hand, though, Moss gave another impression. He could be downright nasty with witnesses who spouted mumbo jumbo. He was unforgiving of malfactors and curt with bureaucrats who didn't want to share information with Congress.

"You have to hold a tight rein on a hearing," was the way Moss explained that. "Maybe I was too tight . . . . But I think if we are to preserve our system, we have to be certain that nothing shatters the integrity of this institution."

Moss had a simple formula for conducting his subcommittee inquiries. He hired the brightest investigators he could find and then let them go where the leads took them. He made up his mind that he would be prepared to take "all the heat your opponents can put on you."

"Every Congress needs an SOB who ignores courtesy and convention. Moss did it without compromise. It's pretty glib to call a man courageous, but he was. He was persona non grata to a lot of members of the House—and that is what made him so essential around here," said one of his admirers.

Thomas Greene, a young lawer from Sacramento who was Moss' last general counsel, said the congressman's "secret" such as it was, was that "he always perceived himself as a man from Sacramento—never a part of the Washington establishment, never got into the big power game. He never said he was a crusader. He would feel uncomfortable saying that. But he had a sense of where he was going. In that area of the country, you can't be too outrageous and continue to be elected."

John Moss did his thing and now he's gone, maybe to teach in California, maybe to go back into business, but, at 63, not regretting for a minute that he could walk away from Washington cold turkey.

"You actually do represent the people when you come here. You are selected to

speak for them and it is a great opportunity. But Congress should not be a career, and staying here should not be more important than the quality of your work."

THE OLD FOUNDATION

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. ASHBROOK. Mr. Speaker, I doubt that anyone on either side of this House honestly believes that the President said anything in his speech here on January 23. It was a long, dreary, vacuous performance, and for a very good reason: the only solutions to our problems the President knows to offer are liberal, and it is the liberal approaches that have failed.

The dead-end nature of liberal Democratic policy was admitted by the very title of Mr. Carter's effort: The New Foundation. His party has controlled Congress for 50 of the past 54 years. It is his party which has so badly damaged the foundations upon which this country must stand. Liberal Democrats have done enormous damage to our economy, our balance of payments, and our international fiscal reputation by their steady expansion of the budget deficit. Liberals have steadily limited our freedoms by the constant expansion of government and bureaucracy, and by their erosion of the separation of powers and the rights of States.

Liberal weakness against our enemies and hostility toward our friends has almost completely undermined our once towering reputation in international affairs. Under liberal leadership, our national genius is dissipated by trying to find loopholes in the crushing tax burden, and we are even failing to teach our children to read in an educational system increasingly run from Washington.

We do need to return to a solid foundation, but not one jerry-built by James Earl Carter. Our old foundation, built by the genius of Washingtons, Jeffersons, and Franklins, is the finest any nation has ever been blessed with. That foundation, which encourages individuals rather than government to blaze new trails and to make thier own fair deals, is the basis upon which we must build in the future. The country is clearly in a mood for it. Any President who offers us less will be, like Mr. Carter, a stopgap between the liberal past and a future which has outgrown that ideology.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BADHAM) to revise and extend their remarks and include extraneous material:)

Mr. WYDLER, for 60 minutes, February 6, 1979.

Mr. WYDLER, for 60 minutes, February 7, 1979.

Mr. WYDLER, for 60 minutes, February 8, 1979.

Mr. KEMP, for 10 minutes, today.

Mr. COLLINS of Texas, for 15 minutes, today.

(The following Members (at the request of Mr. MATSUI) and to revise and extend their remarks and include extraneous matter:)

Mr. WOLFF, for 60 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEISS, for 10 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. THOMPSON, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. JOHNSON of California, for 5 minutes, today.

Mr. PEYSER, for 60 minutes, on February 1, to pay tribute to the memory of the late Nelson A. Rockefeller.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PERKINS.

Mr. ALEXANDER, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $965.

(The following Members (at the request of Mr. BADHAM) and to include extraneous material:)

Mr. KEMP in three instances.

Mr. DERWINSKI in three instances.

Mr. O'BRIEN.

Mr. MICHEL.

Mr. SYMMS.

Mr. CONABLE.

Mr. COLLINS of Texas in four instances.

Mr. LAGOMARSINO in three instances.

Mr. LENT.

Mr. GRADISON.

Mr. REGULA.

Mr. HANSEN in five instances.

(The following Members (at the request of Mr. MATSUI) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. DRINAN in 10 instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. NATCHER.

Mr. THOMPSON.

Mr. RAHALL.

Mr. SIMON in two instances.

Mr. MCDONALD in five instances.

THE LATE NELSON A. ROCKEFELLER, FORMER VICE PRESIDENT OF THE UNITED STATES

Mr. STRATTON. Mr. Speaker, as dean of the New York delegation and on behalf of the majority leader of the House and of the minority leader of the House, I offer a resolution (H. Res. 74) on the death of the Honorable Nelson A. Rockefeller.

The Clerk read the resolution, as follows:

H. RES. 74

Resolved, That the House has heard with profound sorrow of the death of the Honorable Nelson A. Rockefeller, former Vice President of the United States.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the memorial service.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The SPEAKER. The gentleman from New York (Mr. STRATTON) is recognized for 1 hour.

Mr. STRATTON. Mr. Speaker, this resolution of course expresses the sorrow of the House over the sudden and untimely passing last weekend of the former Vice President of the United States and Governor of New York, Nelson A. Rockefeller. As all of us in New York who had the privilege of knowing Nelson Rockefeller and serving with him—as I did over an exciting and hectic 20-year period, know that he was a most remarkable individual who gave fully of his time and enormous energies to public service in both the State and the Federal Government. His passing has created a great void, and he will be sorely missed by the people of the State and the Nation that he served so enthusiastically and diligently.

□ 1225

This public service began when Mr. Rockefeller was a young man, in the administration of Franklin Roosevelt as coordinator of inter-American affairs, and ended formally, but not informally, as Vice President under President Ford.

We in New York realize that his long governorship of our State resulted in many dramatic improvements, and transformed our State in many ways. For example, in my own district, which includes the capital at Albany, Governor Rockefeller, was responsible for creating what was known originally as the South Mall but now has been officially designated by Governor Carey as the Nelson A. Rockefeller Plaza, one of the truly architectural wonders of the modern world, and an urban redevelopment program of almost fantastic proportions. When the project first began it was widely criticized around the State. But today the Governor's vision and courage have been vindicated and people come from all around the world to see it.

Even Vice President Rockefeller's passing was characteristic of his fabulous drive and energy. Although he had officially retired from public life, although his wealth was obviously enough to allow him to spend his remaining days in leisure, he had embarked on still another project which was very dear to his heart. That was to make available to the people of the United States, at comparatively small cost, reproductions of the very remarkable collection of works of art, particularly modern art, which he

had amassed over his lifetime. His death came last Friday night while he was working on the details of a book that would make those paintings available.

The gentleman from New York (Mr. PEYSER), who is Vice President Rockefeller's own Congressman, has already obtained a special order on Thursday so that Members of the House might be able to pay their tributes to the late Vice President and his remarkable service to his country. So I will reserve the balance of my remarks for that time. But it might be appropriate to conclude by mentioning the fact that just about a year ago the organization of Former Members of Congress met in this Chamber for the unique purpose of presenting to the former Vice President, their special award for distinguished public service. At that time the former Vice President made a very profound and impressive address on some of the critical problems facing our Nation. Once again he demonstrated his profound understanding of the critical issues of our time, a subject to which he had also dedicated much of his time and energies in recent years.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I thank my friend, the gentleman from New York.

It was with profound sorrow that Mrs. Rhodes and I learned of the passing of the late Vice President.

Nelson Rockefeller was not only a distinguished and able public servant. He was a person with great capacity for friendship and for love. We both have had the honor of being personal friends of the Governor. It is because of that warm personal friendship that I will miss him. He will leave a void certainly in the public life of our country, but he leaves a bigger void in the lives of those of us—and there were many of us—who knew him and thought of him as a very warm personal friend.

I join my friend, the gentleman from New York in expressing sympathy to Mrs. Rockefeller and her family.

Mr. STRATTON. I thank the gentleman from Arizona.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, I appreciate my friend, the gentleman from New York yielding, and I am glad to join my friend, Mr. STRATTON in this bipartisan tribute to Governor Rockefeller.

It was 20 years ago this month, on a frigid morning in Albany, N.Y., that Nelson A. Rockefeller took the oath of office to become the State's 49th Governor since the American Revolution. Repeating the event three more times, he served as Governor for 15 years, to become affectionately known to a generation of New Yorkers as "the Governor."

To most he appeared to be a figure that was bigger than life, an activist, as he inspired civil servants, State legislators, and his personal staff to take on the toughest problems and find a solution. He knew there were no easy answers and that the political risks were high, yet he believed it would be an act of cowardice to avoid taking a stand on the most controversial issues of the day. While some of his decisions may not have been universally popular, he could rest assured, knowing he acted in behalf of his beloved State.

Perhaps, had he acted differently or taken the expedient approach in these tough situations, he might have grasped the brass ring—the Presidential nomination, as did other former Governors of New York. But Nelson Rockefeller never took the easy way, even when the stakes were at their highest. He knew that to achieve the Presidency and to lose one's principles along the way would be an empty victory. He never became President, but he will always stand tall as a national leader whose impact was felt far beyond the geographic boundaries of New York State.

He was the architect of open and responsive government in New York. Through his actions tens of thousands of young people got the chance to attend college, health care was brought to those who could not afford to be treated, and he was the first to take action to restore our deteriorating environment so that future generations could swim in clean lakes and rivers, and breathe healthy air.

It is difficult in a few words to mark the passing of a great man, indeed an institution. Nelson Rockefeller was a man of vision, a patron of the arts, a patriot, and an exceptional humanitarian. Although he never liked being second in anything, he agreed to serve as Vice President during a difficult time in our history. In that position, he turned his administrative expertise over to a new President in order to help get the country on the right track again.

It is a tribute to his life that he did not sit on the sidelines in the splendid isolation of wealth and let others play the game. He got on the playing field and gave it his best efforts. He led what President Theodore Roosevelt called "the strenuous life" and Nelson Rockefeller died as he lived—working.

On that cold day in Albany 20 years ago, many New Yorkers wondered what to expect from its new Governor, and he wondered aloud what sort of mark he would leave upon the State. Time has answered that question. Unlike footsteps in the sand that are soon washed away by the sea, Nelson Rockefeller has indelibly carved his mark upon the face of New York and its people. From the shores of Lake Erie to the beaches of Long Island are the thousands of parks, schools, buildings, cultural centers, health facilities, transportation systems, and housing that all stand in silent tribute to the career of one man. All of us shall miss him.

I strongly urge the adoption of this resolution.

□ 1230

Mr. STRATTON. Mr. Speaker, I thank the gentleman from New York (Mr. KEMP) for the fine remarks he has made.

Mr. Speaker, just permit me to observe that former Vice President Hubert Humphrey was known around the Nation for many years as an examplar of the happy political warrior. In many respects Nelson Rockefeller represented the same kind of ebullient, enthusiastic and dedicated public service. Certainly this House and the people of this great Nation will miss him very, very much.

Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 32 minutes p.m.), under its previous order and pursuant to House Resolution 74, the House adjourned until Wednesday, January 31, 1979, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

478. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

479. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training students loads and for other purposes; to the Committee on Armed Services.

480. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report covering the quarter ended December 31, 1978, on property acquisitions of emergency supplies and equipment, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

481. A letter from the Attorney General, transmitting his annual report for fiscal year 1978 on the enforcement of title II (Extortionate Credit Transactions) of the Consumer Credit Protection Act of 1968, pursuant to section 203 of the act; to the Committee on Banking, Finance and Urban Affairs.

482. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a report on the study of the feasibility and usefulness of requiring depository institutions located outside standard metropolitan statistical areas to make disclosures comparable to those required by the Home Mortgage Disclosure Act of 1975, pursuant to section 308(a) of the act; to the Committee on Banking, Finance and Urban Affairs.

483. A letter from the Chairman, Federal Council on the Arts and the Humanities, transmitting the Council's third annual report on the arts and artifacts indemnity program, covering fiscal year 1978, pursuant to section 8 of Public Law 94-158; to the Committee on Education and Labor.

484. A letter from the Secretary of Health, Education, and Welfare, transmitting a re-

port on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

485. A letter from the Secretary, American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

486. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

487. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during December 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

488. A letter from the Secretary of the Interior, transmitting notice of the bidding systems to be used and the tracts to be offered in OCS Lease Sale No. 49, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 60); to the Committee on Interior and Insular Affairs.

489. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in docket Nos. 13–F, 15–I, 29–G, 133–C, 141 and 308, *James Strong et al. and Related Cases* v. *The United States*; to the Committee on Interior and Insular Affairs.

490. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Iran for permission to transfer certain U.S.-origin military equipment to the Government of Pakistan, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

491. A letter from the Chief Commissioner, U.S. Court of Claims, transmitting the reports of the Trial Commissioner and the Review Panel on Congressional Reference Cases 2–74 and 1–75, *Marlin Toy Products, Inc.* v. *The United States*, pursuant to 28 U.S.C. 2509; to the Committee on the Judiciary.

492. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Madaket Harbor, Nantucket, Mass., pursuant to section 219 of the River and Harbor Act of 1968; to the Committee on Public Works and Transportation.

493. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Mill Creek at Ripley, W. Va., in response to a resolution of the House Committee on Public Works adopted July 18, 1963; to the Committee on Public Works and Transportation.

494. A letter from the President, Legal Services Corporation, transmitting the Corporation's budget request for fiscal year 1980, pursuant to section 1105(e)(2) of the Economic Opportunity Act, as amended (88 Stat. 380); jointly, to the Committees on Appropriations, and the Judiciary.

495. A letter from the Comptroller General of the United States, transmitting a report on Navy's shore-based ship maintenance support in the Western Pacific and Indian Oceans (LCD–78–426, January 26, 1979); jointly, to the Committees on Government Operations, and Armed Services.

496. A letter from the Comptroller General of the United States, transmitting a report on the Navy's shore-based ship maintenance support in the Western Pacific and Indian Oceans (LCD–78–426A, January 26, 1979); jointly, to the Committees on Government Operations, and Armed Services.

497. A letter from the Mayor of the District of Columbia, transmitting his response to the Comptroller General's report on mental health services at St. Elizabeth's Hospital (HRD–78–31, September 27, 1978), pursuant to section 736(b)(3) of Public Law 93–198; jointly, to the Committees on Government Operations, and the District of Columbia.

498. A letter from the Comptroller General of the United States, transmitting a report on the development of a domestic common carrier telecommunications policy (CED–79–16, January 24, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

499. A letter from the Deputy Assistant Secretary of Energy for Environment, transmitting certification that a safe container for air transport of plutonium has been developed and tested which will not rupture under crash and blast testing equivalent to the crash and explosion of a high-flying aircraft, pursuant to section 501 of Public Law 94–187; jointly, to the Committees on Armed Services, Science and Technology, and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 1566. A bill to amend section 521 of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BRINKLEY:

H.R. 1567. A bill to amend title 38, United States Code, to grant eligibility for home, condominium, and mobile home loan benefits to certain persons who are serving or have served in the Selected Reserve of the Ready Reserve of any of the reserve components of the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. PHILLIP BURTON:

H.R. 1568. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. CARR:

H.R. 1569. A bill to amend the Employee Retirement Income Security Act of 1974 to provide that benefits paid by the Pension Benefit Guaranty Corporation under terminated employee benefit plans be adjusted annually by the percentage change in the Consumer Price Index; to the Committee on Education and Labor.

H.R. 1570. A bill to amend the Employee Retirement Income Security Act of 1974 to require the Pension Benefit Guarantee Corporation to insure certain nonbasic benefits; to the Committee on Education and Labor.

H.R. 1571. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for amounts paid or incurred for lobbying before Congress or other legislative bodies; to the Committee on Ways and Means.

H.R. 1572. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 1573. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; to the Committee on Agriculture.

By Mr. COLLINS of Texas:

H.R. 1574. A bill to amend the U.S. Housing Act of 1937 for the purpose of assuring energy savings with respect to rental units assisted under such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CONABLE:

H.R. 1575. A bill to amend the Internal Revenue Code of 1954 to exclude certain mission societies and their missionary members from social security taxes; to the Committee on Ways and Means.

H.R. 1576. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 1577. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 1578. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church, and to make certain clarifying amendments to the definition of church plan; jointly to the Committees on Education and Labor, and Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1579. A bill to amend the Communications Act of 1934 to establish orderly procedures for the renewal of broadcast licenses to the Committee on Interstate and Foreign Commerce.

H.R. 1580. A bill to reaffirm the intent of the Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service in certain instances; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1581. A bill to amend the Internal Revenue Code of 1954 to exclude certain service performed on fishing boats from coverage for purposes of unemployment compensation; to the Committee on Ways and Means.

H.R. 1582. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

H.R. 1583. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives to improve the economics of recycling waste paper; to the Committee on Ways and Means.

Mr. EVANS of Georgia (for himself and Mr. PEASE):

H.R. 1584. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to require, prior to disposal, that notice and first right of refusal be given to certain previous holders of surplus real property; to the Committee on Government Operations.

By Mr. FRENZEL:

H.R. 1585. A bill to amend title 18 of the United States Code to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes; to the Committee on the Judiciary.

H.R. 1586. A bill to authorize the Secretary of Transportation to make grants for the construction of bikeways; to the Committee on Public Works and Transportation.

H.R. 1587. A bill to suspend the duty on gypsum building boards and lath until the close of June 30, 1981; to the Committee on Ways and Means.

H.R. 1588. A bill to amend the Internal Revenue Code of 1954 to allow the tax-exempt status of the interest of certain life insurance accounts to flow-through to policyholders; to the Committee on Ways and Means.

H.R. 1589. A bill to amend the Internal Revenue Code of 1954, and the Tax Reduction Act of 1975, with respect to employee stock ownership plans; to the Committee on Ways and Means.

H.R. 1590. A bill to amend the Internal Revenue Code of 1954 to permit heads of households to use the standard deduction used by married persons; to the Committee on Ways and Means.

H.R. 1591. A bill to amend the Internal Revenue Code of 1954 relating to group-term life insurance purchased for employees; to the Committee on Ways and Means.

H.R. 1592. A bill to amend title II of the Social Security Act to provide that insurance renewal commissions, and other income attributable to services performed prior to retirement, shall not be taken into account in determining net earnings from self-employment for purposes of the earnings tests; to the Committee on Ways and Means.

H.R. 1593. A bill to declare the need for an explicit population policy and to establish an Office of Population Policy; jointly, to the Committees on Government Operations, and International Relations.

H.R. 1594. A bill to regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. GORE (for himself, Mr. JONES of Tennessee, Mrs. BOUQUARD, Mr. FORD of Tennessee, Mr. BONER of Tennessee, Mr. QUILLEN, Mr. DUNCAN of Tennessee, and Mr. BEARD of Tennessee):

H.R. 1595. A bill to clarify the authority of the Tennessee Valley Authority to establish and maintain administrative offices anywhere within its service area; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 1596. A bill to protect the public health and welfare by providing certain minimum standards of sanitation for imported dairy products; to the Committee on Agriculture.

By Mr. KEMP (for himself, Mr. ASHBROOK, Mr. BADHAM, Mr. BAUMAN, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. BURGENER, Mr. CAMPBELL, Mr. CHAPPELL, Mr. CLAUSEN, Mr. CLEVELAND, Mr. CLINGER, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. DAVIS of Michigan, Mr. DICKINSON, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. FORSYTHE, Mr. GINGRICH, Mr. GOLDWATER, Mr. GOODLING, Mr. GRADISON, Mr. GRISHAM, Mr. GUYER, Mr. HANSEN, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HYDE, Mr. JEFFRIES, Mr. KINDNESS, Mr. LATTA, Mr. LEE, Mr. LENT, Mr. LIVINGSTON, Mr. LOTT, Mr. LUNGREN, Mr. MADIGAN, Mr. MARLENEE, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MOORE, Mr. MOORHEAD of California, Mr. O'BRIEN, Mr. PASHAYAN, Mr. QUILLEN, Mr. RITTER, Mr. ROBINSON, Mr. ROTH, Mr. ROUSSELOT, Mr. RUDD, Mr. SHUMWAY, Mr. SHUSTER, Mr. SPENCE, Mr. STANGELAND, Mr. STOCKMAN, Mr. SYMMS, Mr. VANDER JAGT, Mr. WALKER, Mr. WAMPLER, Mr. WHITTAKER, Mr. BOB WILSON, Mr. WINN, and Mr. YOUNG of Alaska):

H.R. 1597. A bill to establish a spending limitation; to the Committee on Rules.

H.R. 1598. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

By Mr. LAGOMARSINO (for himself and Mr. AKAKA):

H.R. 1599. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; jointly, to the Committees on Armed Services, Interstate and Foreign Commerce, Post Office and Civil Service, and Ways and Means.

By Mr. SCHULZE:

H.R. 1600. A bill to aid in the creation and expansion of American small Business enterprise through the enactment of tax reform and relief amendments to the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 1601. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide mandatory social security coverage for Members of Congress, and for the President and Vice President, offsetting against any benefits based on the coverage so provided the amount of any civil service annuities simultaneously payable on the basis of such coverage; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 1602. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. MARLENEE (for himself, Mr. BARNARD, Mr. SENSENBRENNER, Mr. LOTT, Mr. KINDNESS, Mr. CONTE, Mr. JOHNSON of Colorado, Mr. ICHORD, Mr. LAGOMARSINO, Mr. NICHOLS, Mr. EVANS of Georgia, Mr. HUGHES, Mr. ROBINSON, Mr. GLICKMAN, Mr. SOLOMAN, Mr. PRICE, Mr. STOCKMAN, Mr. WHITLEY, Mr. ABDNOR, Mr. LUNDINE, Mr. FAZIO, Mr. CHENEY, Mr. JENKINS, Mr. CHAPPELL, and Mr. WEAVER):

H.R. 1603. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. O'BRIEN (for himself, Mr. MURPHY of Illinois, Mr. RUSSO, Mr. DERWINSKI, Mr. HYDE, Mr. YATES, Mr. MIKVA, Mr. McCLORY, Mr. ERLENBORN, Mr. CORCORAN, Mr. ANDERSON of Illinois, Mr. MICHEL, Mr. RAILSBACK, and Mrs. COLLINS of Illinois):

H.R. 1604. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. RAHALL:

H.R. 1605. A bill to amend the Internal Revenue Code of 1954 to treat permanently and totally disabled individuals in the same way as individuals who have attained the age of 55 for purposes of the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 1606. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H.R. 1607. A bill to provide for the confidentiality of individually identifiable medical records; jointly, to the Committee on Interstate and Foreign Commerce, and Ways and Means.

By Mr. SATTERFIELD (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 1608. A bill to amend title 38, United States Code, to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SIMON:

H.R. 1609. A bill to amend the Legislative Reorganization Act of 1946 to establish a board to supervise a school for congressional pages; to the Committee on House Administration.

By Mr. SLACK:

H.R. 1610. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit or deduction to individuals who maintain within their homes a dependent aged 65 or older; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 1611. A bill to provide that certain territorial provisions in licenses relating to trademarked soft drink products shall not be considered to be in violation of the Federal Trade Commission Act or the Federal antitrust laws; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. WOLFF:

H.R. 1612. A bill to direct the Department of Commerce to prepare an economic impact statement with respect to the proposed rule of the Department of Commerce revising the criteria for determining standard metropolitan statistical areas; to the Committee on Post Office and Civil Service.

H.R. 1613. A bill to provide that statistical data and Federal benefits provided to a standard metropolitan statistical area be provided to the same extent to certain designated statistical areas under revised criteria of the Department of Commerce for designating such areas; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (by request):

H.R. 1614. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people of Taiwan on an unofficial basis, and for other purposes; to the Committee on International Relations.

By Mr. FRENZEL:

H.J. Res. 168. Joint resolution proposing an amendment to the Constitution of the United States to provide an age limit and a single 6-year term for the President; to the Committee on the Judiciary.

H.J. Res. 169. Joint resolution proposing an amendment to the Constitution of the United States to limit the tenure of office of Senators and Representatives; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself, Mr. LUKEN, and Mr. KOGOVSEK):

H.J. Res. 170. Joint resolution proposing an amendment to the Constitution of the United States providing for staggered 4-year terms for Representatives, for a limitation on the number of terms a person may serve in the House of Representatives or the Senate, and for other purposes; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H. Con. Res. 36. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H. Con. Res. 39. Concurrent resolution expressing the sense of Congress with respect to the Internal Revenue Service's proposed revenue procedure on private tax-exempt schools; to the Committee on Ways and Means.

By Mr. CARR:

H. Res. 75. Resolution amending clause 2(n) of rule XI of the Rules of the House; to the Committee on Rules.

By Mr. FRENZEL:

H. Res. 76. Resolution to require that the Congressional Record contain a verbatim account of remarks actually delivered on the floor, and for other purposes; to the Committee on Rules.

H. Res. 77. Resolution amending rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution, and to provide for the addition and deletion of names of Members as sponsors after the introduction of a bill, memorial, or resolution; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

20. The SPEAKER presented a memorial of the Assembly of the State of California, relative to the Federal Republic of Germany's statute of limitations on war crimes; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 1615. A bill for the relief of Theresa Macam Alcalem; to the Committee on the Judiciary.

H.R. 1616. A bill for the relief of Caroline M. Babcock; to the Committee on the Judiciary.

H.R. 1617. A bill for the relief of Marie Georgette Claire Danielle Bouchard Bihr; to the Committee on the Judiciary.

H.R. 1618. A bill for the relief of Roberto Santiago Galos, his wife, Flora Justina Borjas de Galos, and their children, Giselle Sofia Margarita Galos, Denise Renee Galos, and Leonie Desiree Claudia Galos; to the Committee on the Judiciary.

H.R. 1619. A bill for the relief of Rolando R. Gaza and Teresita C. Gaza; to the Committee on the Judiciary.

H.R. 1620. A bill for the relief of Edgardo Faro Herrera and Elisa Feliciano Herrera; to the Committee on the Judiciary.

H.R. 1621. A bill for the relief of Efren Segovia Hunter; to the Committee on the Judiciary.

H.R. 1622. A bill for the relief of Amelia B. Rivera; to the Committee on the Judiciary.

H.R. 1623. A bill for the relief of Ernestina Rosales; to the Committee on the Judiciary.

H.R. 1624. A bill for the relief of Norman Tam; to the Committee on the Judiciary.

H.R. 1625. A bill for the relief of Antonio T. Tangalin; to the Committee on the Judiciary.

H.R. 1626. A bill for the relief of Ralph Lafi Alisa Toelupe; to the Committee on the Judiciary.

H.R. 1627. A bill for the relief of Barry David Tombs; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 1628. A bill for the relief of Susan Katherine Adamski; to the Committee on the Judiciary.

H.R. 1629. A bill for the relief of William Greerson; to the Committee on the Judiciary.

H.R. 1630. A bill for the relief of Anthony McCartney; to the Committee on the Judiciary.

H.R. 1631. A bill for the relief of M. Javier Rivera; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 1632. A bill for the relief of Jeffrey Parrack; to the Committee on the Judiciary.

H.R. 1633. A bill for the relief of Jeffrey Parrack and Wanda Parrack; to the Committee on the Judiciary.

By Mr. LEWIS:

H.R. 1634. A bill for the relief of Teresa Miramontes Yglesias; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1635. A bill for the relief of Kumarlal Khemchand Nichani; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 1636. A bill for the relief of Julia S. Gardner; to the Committee on the Judiciary;

By Mr. YOUNG of Missouri:

H.R. 1637. A bill for the relief of Irene Hoffman; to the Committee on the Judiciary.

H.R. 1638. A bill for the relief of the Jewish Employment Vocational Service, St. Louis, Mo., to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 34: Mr. BROWN of Ohio, Mr. DAN DANIEL, Mr. EDGAR, Mr. GEPHARDT, Mr. MCEWEN, and Mr. SCHEUER.

H.R. 35: Mr. BROWN of Ohio, Mr. DAN DANIEL, Mr. EDGAR, Mr. GEPHARDT, Mr. HOPKINS, Mr. MCEWEN, Mr. SCHEUER, and Mr. CLINGER.

H.R. 262: Mr. COLLINS of Texas, Mr. DODD, Mr. DORNAN, Mr. MCDONALD, Mr. MURPHY of New York, and Mr. MYERS of Indiana.

H.R. 282: Mrs. SCHROEDER, and Mr. HOWARD.

H.J. Res. 23: Mr. BROWN of Ohio.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

46. By the SPEAKER: Petition of the membership of Trinity Baptist Church, Lake Charles, La., relative to China; to the Committee on International Relations.

47. Also, petition of the 1978 National Convention of the American Legion, New Orleans, La., relative to the Federal Bureau of Investigation; to the Committee on the Judiciary.

48. Also, petition of Frederick Mosteller, Belmont, Mass., relative to the proposed transfer of National Science Foundation education programs to a new Department of Education; to the Committee on Science and Technology.

EXTENSIONS OF REMARKS

OFFSHORE OIL—MORE ENERGY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. COLLINS of Texas. Mr. Speaker, in this morning's mail, my friend Wally Roath asked if I had seen Dick West's column on offshore oil. Since Wally is an Armstrong Cork man, I wondered what his interest was. When I read the concise analysis by West, I see that offshore oil is essential as an answer to all of us for Energy.

This country has too much Energy Department bureaucracy and needs to give more encouragement to drillers to develop offshore oil.

Dick West has been writing editorials for the Dallas News for decades. Here is part of West's most recent excellent column in the Dallas Morning News:

The Department of Energy now employs 20,000 permanently entrenched employees with an annual budget of $10 billion.

For your information, the oil companies themselves don't earn that much in any given year.

The industry must employ 10,000 people just to handle the red tape and regulations conceived in the Department of Energy. The regulations, themselves, cost the companies $500 million each year; for half a billion, they could drill more than 3,000 new wells.

The consumer who fills 'er up once or twice a week is furious about the dent in his wallet. Has he taken the trouble to learn what's behind it?

Never, never does he realize the element of risk in the industry. And no other industry in America has such costly and often-ruinous risks.

Why don't we get it? he asks himself—as though getting it is as simple as pulling a head of cabbage out of a backyard garden.

The Continental Oil Company got a dry hole in its first attempt to drill off the Atlantic seaboard.

This venture cost Continental $4 million. It was a tremendous risk, as are all such ventures.

But the government never takes such a risk—in an operation like this, it gains any way you look at it. Two years ago the oil companies paid Washington $1.1 billion in bids just for the privilege of taking the risks.

If they don't hit, it's their loss—the record in offshore ventures is one producing well in 48 drilling attempts.

If they do hit, the government is the winner again.

From 1953 to 1977, the volume of offshore oil production amounted to $33.3 billion. Of this amount, the government got $25.4 billion in bids, rentals and royalties.

Commented columnist John Chamberlain not long ago: "If the $33.3 billion represented an obscenity, the government profited by taking 76 percent of it."

To the less knowledgeable who wonder why the companies don't rush out into the ocean and get the oil as easily as a gardener pulls his cabbage, consider this: In the 1953–77 period, the industry paid $10 billion in offshore exploration and production costs—and at last reports it still was in the red on this operation.

In the immediate future, the oil and gas bounties—if any—appear to lie beneath the ocean floors.

Our coastal waters, geologists say, may contain 20 billion barrels of undiscovered petroleum; a third of all the oil remaining in the United States is in offshore areas.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

PRESIDENT McKINLEY'S BIRTHDAY

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. REGULA. Mr. Speaker, Scotland has its heather, and, as you know so well, Ireland has its shamrock. Hawaii can boast of a multitude of magnificent orchids and Florida of its fragrant orange blossoms.

Ohio, the Buckeye State, is equally proud of its State flower, the red carnation, which is adding a pleasing splash of color to the House floor today.

This bright and lovely blossom was a favorite of William McKinley of Ohio, our Nation's 25th President. During his early political campaigns for the office I now hold, Congressman from Ohio's 16th District, he always wore a scarlet carnation boutonniere.

He initiated this custom in the campaign of 1876 when he and his opponent appeared together throughout the district. The carnations, incidentally, were willingly provided from a greenhouse owned by his opponent.

For many years now, on this date, I and my predecessor, the late Frank Bow, have distributed carnations to the Members of the House in memory of our martyred President's birthday.

Many of my colleagues have heard these testimonials before but this year there is an unusually large number of new Members. For them, especially, I would recall the distinguished career of William McKinley.

This man, who won fame for his Canton, Ohio, front-porch campaigns, ably served 13 years as a member of this body from Ohio's 16th District, including 2 years as chairman of the Ways and Means Committee.

He also had a distinguished career as a trial lawyer and served as Governor of Ohio prior to becoming President.

In one of his speeches as President he made a statement which I have repeated before. However, I think its message has special meaning for Americans today and for our country as it strives to reestablish its diminished eminence:

> Let us ever remember that our real eminence lies in victories of peace, not those of war. Our earnest prayer is that God will graciously vouchsafe prosperity, happiness and peace to all our neighbors—and like blessings to all peoples and powers on earth.

The carnations we are wearing today in observance of William McKinley's birthday were provided by Dale Anderson of the Lamborn Floral Co. of Alliance, Ohio.●

AN EVENING WITH LEONARD KUMMER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

Monday, January 29, 1979

IN THE HOUSE OF REPRESENTATIVES

● Mr. LAGOMARSINO. Mr. Speaker, as many of us plod through life, burdened by responsibility, material worries and objectives, striving always for one's self, we often miss those who walk tall, standing head and shoulders above mediocracy, devoting their lives to serving their fellow man. One such person is Leonard Kummer of Santa Barbara, Calif.

His list of accomplishments and community service is legion; Santa Barbara Man of the Year, 1973; service to his community recognized by the California Assembly, 1974; advisory council to Santa Barbara Adult Rehabilitation Center; award for 20 years of service to scouting; charter member, director, secretary, president, and executive board member of the Santa Barbara Better Business Bureau; active member of Santa Barbara Elks since 1959; member, director, president, life member, Santa Barbara Chamber of Commerce; active in Kiwanis since 1936 receiving many of its awards for community service and unselfish dedication to youth; a participant in Santa Barbara Old Spanish Days since 1938, chairman of its parade for 2 years, its president in 1959; Meritorious Community Service Award from California Gov. Pat Brown in 1960 and from Gov. Ronald Reagan in 1971; Semana Nautica; Novena Toastmasters; Harbor Pageant; only non-Catholic in group of 10 to meet with Cardinal McIntyre, result, Bishop Diego High School, Santa Barbara; Santa Barbara Girls Club; WORK, Inc.; Tri-Counties Air Conditioning and Sheet Metal Contractors Association for over 30 years.

I personally introduced a resolution in the California State Senate, in 1973, commending Leonard Kummer for his program of voluntary binding arbitration to resolve, out of court, problems between business and consumers; my predecessor, the Honorable Charles Teague, entered into the RECORD a commendation for the same program.

With all these activities he still found time to work at his trade, plumbing, heating, and sheet metal.

A man who walks tall indeed. Is it any wonder that his friends wish to acknowledge our debt and pay tribute to Leonard at an "Evening With Leonard Kummer" on Saturday, February 17, 1979?

Because of this life of service to others I ask the Members of the House to join with me, his wife, Mary, and Leonard's myriad friends, in thanking this quiet, unassuming, dedicated man, and wishing him many more years of happiness.●

FREE KUZNETSOV NOW

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LENT. Mr. Speaker, I would like to direct the attention of my colleagues to a letter from the noted author, Herman Wouk, which appeared today in the Washington Post. In commenting on the 40th birthday of Edward Kuznetsov, well-known Soviet author imprisoned for his efforts to bring the plight of Soviet Jewry to the attention of the world, Wouk asks us to redouble our efforts to secure his release. Mr. Speaker, this is a cause for which we should all speak out. I ask that Mr. Wouk's letter be reprinted in its entirety that we may all speak out in demanding the Soviet Union end its brutal oppression of Soviet Jews, and release Kuznetsov and his equally courageous comrades who are suffering in Soviet prisons for their beliefs.

The text of the letter follows:

EDWARD KUZNETSOV'S 40TH BIRTHDAY

Today is the birthday of Edward Kuznetsov, one of the most famous of the imprisoned Soviet dissidents. Kuznetsov is 40. He has spent 15 of his 40 years incarcerated. He has seven more years of imprisonment to serve. Unless world opinion compels a swift reconsideration of his case, he will not survive to be freed. His health, deteriorated by prison life and by a hunger strike, is now at the breaking point.

Edward Kuznetsov is a fellow author. All over the world today, writers are speaking out on behalf of Kuznetsov—in letters such as this one, in speeches, at rallies, at artistic exhibitions, at concerts—wherever and however we can attract public attention to this remarkable and endangered human being.

Kuznetsov's legal offenses are these. First of all, he participated in the underground literary movement in Russia, *samizdat*, the private dissemination of "forbidden literature." For this he served seven years. We who live in freedom tend to forget that there can be such a thing as a forbidden literature, but in the Soviet Union it includes a large proportion of modern thought and art.

After his release, the undaunted dissident joined a rash and pitiful plot to steal an airplane and fly it to Sweden, as a stunt to call world attention to the plight of Soviet Jewry. The plot was exposed before the plan was put into action, and Kuznetsov was condemned to death. That was "commuted" to 15 years in the harshest of the *gulags*—the sentence he is now serving.

Kuznetsov is the son of a Jewish father and a Russian mother. He has himself insisted that his Soviet identity documents bear the special mark for Jews. Upon his first release from prison he tried to emigrate to Israel, thus removing a troublesome presence from the Soviet Union. Denial of that request led him to the desperate fiasco of the airplane plot.

If the Soviet authorities want to lend credence to their claim that their country lives up to the Helsinki agreements on human rights, here is a chance for an act of clemency with world repercussions among intellectuals and artists. Kuznetsov incarcerated is a widely known disgrace to the Russian people and to the Soviet system. Kuznetsov freed can be a visible token that times are changing, that the hopes of further détente, and of tangible results from the SALT talks,

may not be the empty delusions that our hardliners scornfully call them.

HERMAN WOUK.

WASHINGTON.●

A STATE DINNER AT THE WHITE HOUSE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. SYMMS. Mr. Speaker, today President Carter is hosting a State dinner at the White House for Teng Hsiao-ping, the 74-year-old Vice Premier of Communist China. Any number of Congressmen may, out of a sense of protocol, have to be on their best behavior with a man who is partially responsible for the murder of at least 45 million Chinese persons. Such diplomatic etiquette needs to be balanced as if one were meeting Adolph Hitler.

Vice Premier Teng (pronounced dun) is the official representative of Communist China and has been a member of the brigands that originated under the leadership of Mao Tse-tung. Teng was an early member of the Communist Party and trekked the wilds with Mao on his famous long march to the province of Yenang. Such an early antidemocrat is expected to be familiar with the words of his fellow traveler Liu Shao-chi who correctly epitomized Teng when he stated on July 13, 1947:

There is no such thing as a perfect leader, either in the past or present, in China or elsewhere. If there is one, he is only pretending, like a pig inserting scallions into his nose in an effort to look like an elephant.

In the history of humanity, no greater murderer exists than Teng. Jimmy Carter's White House bash for this political heir to Caligula is reminiscent of the utter decadence of the last days of Rome. I urge all of those attending this event to remember the untold millions of corpses while they enjoy a dinner prepared in a free society for the totalitarian ruler of the People's Republic of China.

Mr. Chairman, at this time I should also like to introduce into the RECORD an excellent article that appears in the February 3, 1979, issue of Human Events. Smith Hempstone, a noted Washington journalist, writes in an article entitled "Let's Not Forget What Teng Represents" the true picture of this tyrant. It would behove the Members of Congress to read and understand the article:

LET'S NOT FORGET WHAT TENG REPRESENTS

(By Smith Hempstone)

For hype and hoopla, it promises to be the gaudiest spectacular since Superbowl XIII.

We will hear President Carter, his Camp David Middle East peace initiative in shambles, pull out all the stops in hailing a new era of peace and understanding between the United States and the People's Republic of China.

We will see Vice Premier Teng Hsiao-ping dutifully plodding over the frozen fields of a Middle Western farm, peering at the wonders of a Texas oil refinery and flinging witty aphorisms about cats that catch mice at television anchormen whose networks hope to open bureaus in Peking.

We will be treated to the spectacle of the entire American Congress in the unfamiliar setting of the Kennedy Center for a gala starring the top entertainers in the land.

But one thing we are unlikely to hear much about during Teng's visit is human rights, be it Chinese aggression in Tibet or the fate of the mainland's millions of Christians. The twice-purged Great Survivor made that clear as a nun's conscience in Peking on January 25 when he told a group of visiting American reporters:

"As for the question of human rights, I hope that we will not discuss it, because each has his own interpretation of the question."

Just so. And the Chinese Communist "interpretation" of human rights has according to Sinologist Richard L. Walker of the University of South Carolina, cost somewhere between 34 million and 64 million lives.

Ever since 1971, when diplomatic pingpong became the vogue, many American visitors to China have found it convenient to accentuate the positive aspects of life on the mainland while ignoring the equally real and massive evidence of inhumanity there.

Former Sen. James O. Eastland, in commenting on this phenomenon some years ago, put it about right when he observed:

"It was almost as though American reporters in Hitler Germany during the 1930s had limited themselves to reporting that the streets were clean, there was an air of general prosperity, the trains were running on time, unemployment had been eliminated, and the people appeared well fed and contented. All these things were true about Nazi Germany. But any reporter who focused exclusively on these aspects of Nazi rule and ignored all the negative aspects would justly have been excoriated as a propagandist."

Which is not to say that the diminutive Teng and the forces he represents are the worst in China. They are not; indeed, they are the best that unhappy country can hope to experience under the yoke of communism. But one does not live to be 74 and reach the pinnacle of power under such a system, as Teng has done, without climbing a ladder of dead men's bones.

This is not to suggest that Teng should not have been invited here, or that his visit should be protested. Worse tyrants than he, including Comrade Brezhnev, have been our guests, and will be again.

But it is important that the American people understand what Teng is and why he is here.

He is here not because he loves us, but because he covets our technology, not because he respects our political system but because he needs us as a counterweight to the Soviet Union.

Teng is here to import computers, not constitutions; fertilizers, not freedom; radar, not religion; electronics, not elections. He is here because the massive failures of the totalitarian system of which he is part and product have made it impossible even for a people as industrious and intelligent as the Chinese to raise themselves, as their brothers in Singapore and Taiwan have done, above a bare subsistence level.

He is here, not because he is pro-American, but because he is intelligent and pragmatic enough to understand that China cannot hope to achieve great-power status without access to American technology and financial credits.

Because he needs these things and understands that people must have some incentive if they are to produce, he is willing to ease up a bit on domestic oppression. The scope of this tyranny was illustrated by the release in June of some 110,000 political prisoners, most of them Teng's supporters. Some of their cells in all probability will soon be filled by his foes, for the apparatus of control, the *Pao-tsei* (secret police), remains firmly in place.

By all means, let us help China to modernize if by so doing we can restrain the Russians. But let's not kid ourselves about the nature and objectives of the regime in power in Peking.

We have made a marriage of convenience with a despotic, tyrannical state. Such calculated unions are best celebrated without a euphoria that is both undue and indecent.

In conclusion, Mr. Speaker, I would like to emphasize the irony in all this. Would President Carter be likely to hold a State dinner for Samoza of Nicaragua or the head of state of Chile or Botha of South Africa or Ian Smith of Rhodesia? I think not. But why not? If asked this question the White House or State Department would likely say that all of these leaders violate the principles of human rights. Now that is ironic, is it not? I suppose it is all right to violate human rights if you are a Communist dictator, but if you are an anti-Communist accused of human rights violation—well, that is another matter.

UKRAINIAN INDEPENDENCE DAY—1979

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. NEDZI. Mr. Speaker, January 22 marked the 60th anniversary of the proclamation of independence of the Ukrainian Republic.

The history of that period is rather hazy for us more than two generations later. It was a time which saw the collapse of the Tsarist forces, the coming of Kerensky, then of the Bolsheviks, and of efforts by the Allies to keep Russia in the war and by the Germans to get Russia out of the war. Inevitably, the Ukrainians had contacts with both sides. But the essential moving force of Ukrainian thought was to establish an independent state.

The idea of Ukrainian nationhood is, at this point in history, beyond achievement. But it is not beyond imagination.

What we can be sure of is there exists among people of Ukrainian blood a permanent sense of grievance.

The grievance is based on the collective memory of independence snuffed out, of famines, deportations, persecutions, and arbitrary controls. And the grievance relentlessly searches for means of popular expression.

We do not know where the undercurrent of Ukrainian protest will take them. We do know that longer than the Russians, perhaps longer than the Poles, the Ukrainian people have maintained a sense of national identity.

Generations of anonymous Ukrainians have worked, suffered, loved and died. They left children and grandchildren informed enough, caring enough, and daring enough to keep Ukrainian culture and nationalism alive.

This we acknowledged by observing Ukrainian Independence Day, and we thank them for alerting us once again to history, hope, and opportunity.●

UKRANIAN INDEPENDENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. PEYSER. Mr. Speaker, I want to take this opportunity on the day of the congressional commemoration of the 61st anniversary of Ukrainian Independence to reaffirm the American people's dedication and commitment to the cause of human and civil rights both here at home and for the many peoples and nationalities of the world.

Today we are here to celebrate the anniversary of the freedom of a great nation of people in the 47 million of the Ukrainian nation. This is the largest of the 100 million of non-Russian nationality groups in the Union of Soviet Socialist Republics.

Today we memorialize and witness the continuing struggle for the social, cultural, and religious freedom and identity that is the mark of a truly free people.

Today, we pay tribute to a nation with a long illustrious, and often tragic history—a people who have fought domination many times throughout its centuries of existence.

The Ukrainian nation is a rich and prosperous nation. Its fertile lands and industrious people once earned it the title of "bread basket of Europe." It is a country blessed not only with a rich cultural and religious heritage, but also with natural resources from manganese and iron ore to coal and salt and oil.

Because of these resources the Soviet Russian regime has systematically explicited this region; at the same time it has systematically endeavored to deprive the people of this region of their social, cultural, and religious rights.

From the forced collectivization and resulting deaths of millions in the 1930's to the abolition of the Ukrainian Orthodox and Catholic Churches, to the recent persecution of those who sought merely to monitor and promote implementation of the Helsinki accords; the Soviet Union has followed a policy of Russification and resulting cultural and religious genocide in its attempts to subvert and destroy the uniqueness and spirit of a great people.

The Soviet Union in its own Constitution provides in article 124 that—

In order to insure citizens freedom of conscience, freedom of religious worship, and freedom of anti-religious propaganda is recognized for all citizens.

Yet, despite this provision, it continues to practice its brutal antireligious policy and refuses to grant legitimacy to the Ukrainian Orthodox and Catholic religions.

The Soviet Union, a signatory of the Helsinki Accord granting basic human rights to participating nations, continues to persecute such leaders as Mykola Rodenko, Oleksiy Tykhy, Lev Lukyvnenko, and others who have attempted to monitor the implementation of these accords in the Soviet Union and the Ukraine.

Apart from these much publicized events there are other examples that demonstrate the policy of denial and destruction. Take for instance, the lack of adequate supplies of Ukrainian language books or the policy of favoring Russian language secondary school graduates over those from Ukrainian language schools in job opportunities and access to institutes of higher education. I cite also the persistent official denial of Ukrainian historical cultural heroes.

These examples may seem small matters in the world of détente and super power strategies and conflicts; but they constitute an important part of the everyday struggles these people must endure.

As important, such actions demonstrate that despite contrary official policy, the ruling regime continues to utilize its massive centralized state powers and control to methodically subvert and deny the reality of a unique and separate nationality.

Mr. Speaker, in the interest of basic human rights we call on all Americans to celebrate this great commemoration and we reaffirm our commitment not to allow détente to form the basis or justification for the continued denial of the identity of a great people.●

USFS FUELBREAK SAVES $2.6 MILLION OF TAX MONEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LAGOMARSINO. Mr. Speaker, much is said today about misspent tax dollars. If it please my colleagues in the House, I would like to mention some well-spent tax money.

Some of our Nation's most unique environment and priceless resources are contained in our national forests. Fires, from whatever cause, often decimate great areas of this environment, in addition to lives and private property. The Los Padres National Forest, part of which is in my congressional district in California, has only recently been able to complete the Nordhoff Fuelbreak in the forest behind the community of Ojai. This fuelbreak, late in September 1978, held the Cozy Dell fire to 900 acres. Without this fuelbreak a potential 7,400 acres would have been lost. The Cozy Dell fire cost $300,000 in damage and rehabilitation and $400,000 to put out. Professionally projected loss from this fire was $3,600,000. The Nordhoff Fuelbreak, 14 miles in length, cost $300,000 to construct, it saved the taxpayers, in this fire alone $2,600,000.

Today's modern fuelbreak, as opposed to the old firebreak provides many benefits, only two of which are: First, a safety zone for firefighters during the battle, and second, a protection of the scenic qualities of an area that would be degraded by hastily constructed fire lines. In this respect it is interesting to note that there are only 265 miles of fuelbreaks in the 2,000,000 acre Los Padres National Forest; 685 miles more are needed to properly manage and protect the many resources here.

Oldtime firebreaks left giant scars and were objectionable to almost everyone. The USFS has developed techniques to make fuelbreaks naturally appearing parts of the mountain slopes and ridges.

Because of this ecologically and environmentally significant breakthrough in the protection of life, property and natural resources, I would like to take this opportunity to congratulate the Department of Agriculture and the USFS.●

NEED MORE ENERGY—LESS PAPER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. COLLINS of Texas. Mr. Speaker, down in Texas people are disturbed about Government overregulation and excessive paperwork requirements. I have called on our businessmen to tell me about their own experiences. Here are some facts that I received from Frank Cass in Dallas who is a small gas producer with only three people working in his office:

Let me give you an example of over-regulation. I have made my first filing under the Natural Gas Policy Act of 1978 for a determination covering "Interim Collection Authority" and "price request" for new gas under the NGPA. We have conducted an analysis of the time and number of documents to be filed with the Federal Energy Regulatory Commission, Jurisdictional Agency, the purchaser and offset lease owners to obtain a price determination under the present FERC procedures for *one* well. It should be noted that a separate filing must be made for each well.

It requires 240 pages (legal and letter size) consisting of Federal and State forms plus, among other things, 40 pages of notary acknowledgements, 52 pages of certifications, 48 pages of various RRC documents, miscellaneous statements, etc. I have eight new wells selling gas that qualify under the NGPA for new gas pricing; 1,920 pages of documents must be filed to determine the new gas rates for these wells. There is no conceivable way I can do this paper performance without error or inadvertently omitting some instrument.

To illustrate this point, what is being determined in the filing for rates under the NGPA for each well is (1) date spudded, (2) depth drilled, (3) completion reservoir, (4) proration unit and (5) property identification. I contend this information can be furnished on a single page. Provided the government found the information improper or not factual, then the massive filing should be required as we are subjected to up front now.

FERC has resurrected all the old procedures of its predecessor agency that were discarded, set up a compliance procedure that proved obsolete and ineffective long ago, and subjected the producer to a paper blizzard that is ridiculous. This exercise was a failure when the FPC administered the Natural Gas Act controlling natural gas pricing; it is regula-

tion overkill. It will prove to be unnecessary red tape that will drive some people out of business, cut down production and eventually hurt the national interest.

Small business cannot withstand this form of bureaucratic regulation. Federal regulatory affairs have become the dominant factor in my business.

The small businessman with three employees is subject to regulations that would be too much for a Washington lawyer, a New York C.P.A., and a Harvard economist. I agree with this businessman that all of the facts could be put on one page. He has already filed all of these documents with the Texas Railroad Commission. If his basic facts are right, let the matter stand. Let us have less paperwork and more production. Let us have less Government so America can become self-sufficient in energy.●

POPE JOHN PAUL II'S VISIT TO LATIN AMERICA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DERWINSKI. Mr. Speaker, Pope John Paul II's visit to the Latin American countries represents a great challenge not only for religious but also for diplomatic purposes.

I noted a very positive editorial in the January 22, Southtown Economist Newspaper, serving suburban Cook County, Ill., which I believe is a practical commentary on this historic trip.

I insert it at this point:

POPE JOHN PAUL II ACCEPTS CHALLENGE

Those who have traveled in Mexico can well imagine the impact of a visit by Pope John Paul II this month.

It will be the pontiff's first trip outside Italy since his election this past fall.

Mexico and Latin America hold almost half of the world's Roman Catholics and, in most cases, their devotion is overwhelming.

On the other hand, the government of Mexico has disassociated itself from the church and cannot offer an official welcome. That is an historical reminder of the controversial role of the church in the colonization of Latin America and in the turbulent period when these countries won their independence from colonial rule. Anti-clericalism became especially strong in Mexico in the aftermath of the Mexican revolution of 1910.

The pope's trip is not to be a social visit. He will be attending a critical meeting of Latin American bishops opening January 27 in Puebla, Mexico. A number of the bishops and priests want the church to support Marxist liberation movements in order to alleviate the blinding povery of the pious masses. Others want the church to steer clear of anything resembling politics, unless it is to support the established power, no matter how selfishly they use that power.

John Paul II knows first-hand the dangers of encouraging leftists and helping them obtain political influence. Having lived under communism in Poland, he is under no illusion as to the hostility of Marxism toward the church, toward religious freedom and indeed to all human rights.

It looks like a visit that will try the pontiff's skill in diplomacy and reconciliation.

John Paul II had been advised by many Vatican officials to avoid the Puebla meeting but he has courageously accepted the invitation. May he have the strength to meet the challenge.●

COMMEMORATING UKRAINIAN INDEPENDENCE DAY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. CONTE. Mr. Speaker, I take pride in joining my colleagues in commemorating the 61st anniversary of Ukrainian independence. While the shackles of Communism chain the people physically, the Ukrainian soul is still characterized by the indomitable independence which led to the rebirth of a sovereign nation—the Ukrainian National Republic—in 1917. This state's life was cut short by forced cooption by the Union of Soviet Socialists Republics in the early 1920's. But, as manifestation of the spirit of the Ukrainians, it has given inspiration to the generations which have followed. It is such spirit which deserves recognition and praise today.

One often wonders at how a people so oppressed can retain that idealism, that driving force for freedom. It is a tribute to the nation and her people that she has not been crushed by the countless burdens inflicted upon her. In the late 1920's Soviet fear of rising independence movements culminated in a mass attack on Ukrainian culture. The intellegentsia began to be dismantled, the planned destruction of the orthodox church was undertaken, forced collectivization of the peasantry became an overriding goal, and most importantly, the deportation of the youth—the future portenders of Ukrainian culture and spirit—began. All were designed to annihilate the particular characteristics of the Ukrainian culture. Yet, six decades of oppression have been countered by six decades of Ukrainian struggle for independence. Although classified as a captive nation, the Soviets have been unable to capture the minds and hearts of these people.

As a free Nation, we often become too complacent about our apparent freedoms. We have the liberty to speak our minds, to publish our ideas, to worship as we please. Yet, for the 50 million Ukrainians and millions of others throughout the world, such liberties are only ideals. But such ideals have kept the quest for freedom alive.

I have let my voice be heard on the plight of the captive nations countless times. As these words echo and re-echo from this well, I hope that their import will transcend the bounds of mere rhetoric and help to inspire the Ukrainians to continue their struggle. Without a doubt, the perseverance of these people is inspiration to all freedom lovers around the globe. It further makes us realize that despite its shortcomings, the American system which nurtured freedom and human rights throughout the decades is a system worthy of admiration, respect, and love.●

THE DISTRICT AND HOUSE DEPENDED ON REPRESENTATIVE NATCHER

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. THOMPSON. Mr. Speaker, an article appeared in the January 27, 1979 issue of the Washington Star which I hope my colleagues in the Congress will read.

The title of this article is "The District—and House—Depended on Representative Natcher" and it pertains to our friend BILL NATCHER of Kentucky.

The article follows:

[From the Washington Star, Jan. 27, 1979]

THE DISTRICT—AND HOUSE—DEPENDED ON REPRESENTATIVE NATCHER

(By Diane Brockett)

The name William H. Natcher for many people conjures up the image of the District's foremost budget cutter.

He is the man who as chairman of the House District Appropriations subcommittee single-handedly blocked the proposed subway and proposed convention center, who ordered the District to increase D.C. taxes or he wouldn't give them their requested federal payment increase, who in his Southern gentlemanly soft-but-firm tone chastized numerous D.C. officials over the years for appetites grander than the District's pocketbook.

But now that the Kentucky representative is stepping down as chairman after 18 years, the one thing that anyone close to the situation is quick to say is that "the District is losing a friend."

Natcher will remain on the D.C. subcommittee, but is relinquishing the chairmanship to assume the leadership role being vacated by Rep. Daniel Flood on the Appropriations' labor and health, education and welfare subcommittee.

Although the rhetoric and headlines every year targeted what programs were headed for the Natcher ax, the actual figures are that, during Natcher's tenure, the District's operating budget requests—before the current year's when the shadow of Proposition 13 echoed in most congressional committees—were cut less than one-half of one percent.

Today, the District has a $1 billion budget in addition to millions more in federal program funds and is at the tail end of a 10-year capital program unmatched in any other city, one Capitol Hill staffer pointed out. "Basically, he has supported the city and what it's wanted," the staffer said.

"He has basically supported us except where certain issues had a larger perspective than the city," a District Building official agreed.

The two primary examples of those exceptions are the subway and D.C. police department.

Natcher, adamant about the need for a "balanced transportation system," held up funding for the new Metro system for two years, attempting to force D.C. and Arlington to build driveways as well as a subway.

And he has been a sharp-eyed friend of the D.C. Police Department, refusing all proposed cuts and standing fast on the need to add an additional 2,000 officers to the District force in the late 1960s.

Both items "scarred his image, maybe somewhat unfairly," one person who worked with Natcher a number of years recalled.

The subway versus highway controversy came at a time when blacks were fighting superhighways as "white men's roads through black men's homes," and the police additions came when the D.C. Department was "just plain unpopular," the source said.

Natcher vigorously opposed the D.C. convention center proposal when then Mayor Walter E. Washington first suggested it, but after home rule was enacted, the chairman said it was the city's decision to make, and he became an active supporter of the project.

The annual appearance before Natcher was an uncomfortable one for many D.C. bureaucrats, especially those who had been cited in a GAO report or newspaper story for financial waste or other shenanigans. The reports and articles always laid in a pile to his right, ready for refreshing the memory of a forgetful witness.

However, said one who appeared before him regularly for more than a decade, "if you met his number one requirement of absolute candor and had done your homework, you always got a fair shake with Natcher."

And although Natcher requested detailed statistics from each department annually, only once in his 18 years as chairman did he ask for a special investigation in any area and that was at the request of another committee member. Similar investigations have not been infrequent by his counterparts in the Senate.

Another difference between Natcher and the Senate side of the hill has been that senators have relinquished the D.C. Appropriation Subcommittee chairmanship just as soon as another became available.

Another aspect of Natcher's chairmanship that the District government may miss is that, once Natcher had approved the budget the fight was over, several persons agreed. The full Appropriations Committee and then the full House would take only a pro-forma vote adopting his package.

While the District budget, over which Congress has total authority, is generally of little to no interest to other members, several hill insiders said it could easily come in for more scrutiny by the full committee and on the floor under a new and more liberal chairmanship. "Under Natcher's care, everyone is assumed it was well taken care of," one member said.

One phrase used by everyone asked about Natcher was "a man of integrity."

For the District, this meant a chairman who never called the District Building to recommend someone for a job or who used his almost absolute voice over District resources for other personal favors.

A very private man who avoids the press except to extend a courtly "good morning," Natcher also never used the chairmanship for political headlines.

Natcher's replacement won't be clear until next week when appointments to the committee are completed. The uncertainty is, at least in part, because it is one of the least promising leadership posts in the House.

The Carter administration is supporting the District's goal for achieving financial independence from Congress by 1982 and a set formula for the federal payment to D.C. If both of these come about, the House Subcommittee could be abandoned. It now appears the new chairman will likely be a freshman and thus an unknown quantity for the District.●

DEPUTY CHIEF EUGENE FLETCHER

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. AKAKA. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues, Deputy Chief Eugene Fletcher, of the Honolulu Police Department, a man of great dedication, who retired on December 30, 1978.

A native of Texas, Deputy Chief Fletcher came to Hawaii in military service prior to World War II. In 1946, Fletcher joined the police force as a patrolman and continued to work through the ranks, serving in every major division of the department. After graduation from the Traffic Institute at Northwestern University, he took command in 1956 of the Traffic Division of the Honolulu Police Department until transferred to command the Criminal Investigation Division. In June 1968, he was appointed commander of the rural districts of the Field Operations Bureau, and on December 15, 1971 was promoted to Assistant Chief of Police as Head of the Technical Bureau. Fletcher became Deputy Chief of Police on June 5, 1974 and has served in that capacity since that date.

Not only was Fletcher an outstanding member of the Honolulu Police Department, he also held several different positions in community-oriented services. These positions have included being a member of the Board of Directors of the Niu Valley Community Association and President of the Board of Directors of the Princess Kealoha of Owners. Fletcher has served the Hawaiian citizens admirably since 1946 and deserves much recognition for his outstanding service to the Aloha State.

Mr. Speaker, I ask my colleagues to join me in congratulating this fine public servant for his many contributions to Hawaii and its citizens. No doubt the police department will face problems replacing a man who was such a highly able official and public spokesman.●

REMOVING EARNINGS LIMITATION FOR SOCIAL SECURITY RECIPIENTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. McDONALD. Mr. Speaker, today I am introducing legislation to remove the outside earnings limitation on social security benefits.

Presently, eligible recipients between the ages of 65 and 72 have their social security benefits reduced if they are earning an income greater than $375 per month or $4,500 per year. The rate of reduction is $1 for every $2 earned.

Thus if an individual becomes eligible for social security benefits at age 65 and continues to work, he or she must pay what amounts to a tax of 50 percent on their income.

Mr. Speaker, this is grossly unjust on a number of grounds to those so penalized.

First, to deny the recipient his full benefits is to imply that social security is a welfare program—that if someone is earning outside income, he or she does not need the income from social security.

But this is not what those who have been paying social security have been told by their Government. The program was and is presented to them as a retirement program. And, although they are forced to pay into it for their own good, the payments are earned income held in trust by the Government to be repaid at age 65.

In other words, social security beneficiaries are not welfare recipients or wards of the State, but self-respecting Americans who have paid for the benefits they thought they would receive at age 65. They are entitled to receive these benefits as a matter of right.

Second, the earnings limitation is discriminatory, hitting hardest those who have limited means and who wish to continue working to supplement their income. Not only are their social security benefits reduced or eliminated, but they are taxed on their outside income to finance the social security benefits which they are not receiving. A person of greater means, on the other hand, may receive his full social security benefits while drawing a large income from his investments.

Third, by punishing those who work, the earnings limitation punishes and discourages productivity. Every individual has an unalienable right to pursue his own goals in life and his own happiness, and thus to continue to be productive after age 65 if he so chooses, for whatever reasons be they financial or psychological.

Therefore, Mr. Speaker, I sincerely hope that the Committee on Ways and Means will give this bill early and favorable consideration.●

THE EXPORT IMPERATIVE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LaFALCE. Mr. Speaker, international trade is at long last now receiving attention as one of the most important economic subjects. This has been brought home to us by the substantial trade deficits which this country has been running for the past few years.

As has been true in the past, the first reaction to those deficits was renewed calls for higher tariff barriers against foreign goods, in order to protect jobs at home. While this protectionist wave is still mounting, a counter current has appeared, which empahsizes the other side of the deficit: the increasing U.S. inability to effectively compete both at home and abroad. As evidence for this trend, a congressional export task force has been formed; and the administration has announced a new export policy.

As Secretary Juanita M. Kreps argues in an incisive article in the January 17, 1979 edition of the Washington Post, entitled "Looking Beyond the Rush to China," international trade holds many benefits for this country. However, along with those benefits are many challenges for U.S. industry, because it must be pre-

pared to seek out innovative products and technologies to sell in the emerging markets of the Third World.

Henry Brandon makes a similar point in an article in the January 20, 1979 edition of the Washington Star, entitled "America's need to compete." Drawing parallels between the British and the American experiences, the author calls for greatly intensified efforts by U.S. industry to compete in foreign markets, in order to avoid the fate of British industry.

The articles follow:

LOOKING BEYOND THE RUSH TO CHINA

(By Juanita M. Kreps)

The rush to China is on. It is reminiscent of the drive to trade with the Soviet Union when détente unfolded in 1972. U.S. businessmen are eager to supply nations throughout the world with the capital and technology that they seek to help them become modern industrial states.

The new export opportunities are welcome. But they foreshadow a significant expansion in worldwide industrial capacity that will eventually affect world trade in fundamental ways nd severely test both our commitment to free trade and our ability to compete. The emergence of new centers of industrial capacity abroad is a challenge that to date we have largely ignored.

The dilemma was captured by a question often raised during my recent trip to India: Why does the United States continue to produce goods which can be made more cheaply in other countries?

An answer based on the need for jobs in a nation with six million unemployed is unpersuasive to a nation that suffers a hundred million idle—a total that is roughly the size of our entire labor force.

It is not surprising that pressures for protectionism are strong today. They will mount as wordwide industrial capacity expands. With the help of Western capital and technology, China in time will be selling machinery, steel, chemicals and similar goods to the rest of the world, including the United States. Countries such as India, with far fewer resources, will intensify their demands for access to Western markets for products such as textiles, with which the world is already oversupplied. The Soviet Union has ambitious plans for major new factories, built with Western equipment and technology to produce truck tires, automobile engines, television tubes, even blue jeans. The image of a generation of card-carrying comrades clad in American-style blue jeans gives as much pause, perhaps, as the one now being offered for refreshment in Peking.

As China, India, the Soviet Union and others build their industrial bases, they will make for themselves things they now buy from us; they will intensify their demands to sell in the United States; and they will compete with us in Third World markets.

In response, we can retreat into fortressed America, erecting walls around domestic industries threatened by competition from "cheap foreign labor" and restricting the transfer of capital and technology abroad.

But to do so would be inefficient, because it would lock us into wasteful patterns of production and would violate the basic principle of competition, which helped build the richest country on earth.

It would be self-destructive, because it would trigger a chain of similar defensive measures around the world.

And it would be irresponsible, because it would condemn the world to missed opportunities as the engine of change embodied in U.S. economic power withers from lack of competition.

Alternatively, we can view what is happening as an opportunity, not a threat—an opportunity to apply our resources to the things we do best and most efficiently. Increasingly, much of our advantage will lie in the high technology and service industries. Increasingly, too, the change will involve a shrinking of old industries with all the pain that such decline entails. But if we believe that worldwide economic growth promises a better life for all mankind, we have a profound responsibility to help rather than hinder that promise.

Mere recognition of the gains from trade and a willingness to let it occur are not enough. Our survival as a world leader and our commitment to expanded trade cannot be taken for granted in a world reshaped by powerful new participants in international trade, many of which have highly centralized economies and are capable of bending economic decisions to political objectives.

To survive and advance, economic policymakers must look further ahead than is our custom. We need a clearer notion of probable shifts in the composition of world output and a realistic assessment of our future competitive strengths. We need to sustain an economic environment in which industries that offer the best promise for the United States in the years ahead can emerge and prosper. High employment, rationality in regulation and a tax system that encourages private initiative should all be part of this environment. At the very least, government should take care not to impede industrial development.

In short, we need an industrial policy that permits us to take advantage of the trade opportunities that lie ahead. We now lack a clear sense of direction, perhaps because we continue to think of our markets as domestic rather than worldwide.

Although these are not new issues, China dramatizes their importance. If industrial development around the world is to be a positive force and if we are to compete effectively with powerful new economies now bursting on the world scene, we shall have to do more to emphasize our industrial strength by providing the climate necessary to permit its full expression.

In recent discussions with Soviet leaders, I stressed the fact that trade itself is not our common goal. The goal is the well-being of all people, and reaching that goal is a common responsibility.

All of us will have to adjust. Countries that seek our markets will have to open theirs. We, in turn, must accept rapid economic evolution as our charter and deal with it with foresight. To do otherwise would impair mankind's chances for a better life. History will judge harshly a generation that fails to meet that challenge.

Perhaps cola in China, vodka on U.S. tables and blue jeans on Soviet youths will help ease the way.

AMERICA'S NEED TO COMPETE

(By Henry Brandon)

It will surprise many Americans, who feel a justifiable pride in American industrial power, that the Carter administration is deeply worried about the eroding competitiveness of American industry. But unlike the decline of American military dominance to "rough equivalence" with the Soviet Union or the dramatic enfeeblement of the dollar, this erosion has so far aroused relatively little public attention.

It was an act of true British smugness when in 1898 the board of General Electric of Great Britain gave an American firm permission to use its name, which after World War II led to a bitter controversy with General Electric of America and has cost millions in legal fees since then to settle. But however trivial in retrospect, it was indicative of what foreigners at that time thought of the risks of American industrial competition. They expected it to concentrate on domestic expansion.

Historically this period lasted until World War II. Then during the war American industry became the powerhouse of the Western alliance and by the end of that war was the most powerful in the world. In this second phase it was kept busy and prosperous by helping to restore the shattered industrial capacities of Western Europe and by the rearmament needs during the Cold War and the war in Indochina.

The third phase began about 10 years ago, when the American share of world markets began to fall from 23½ percent in 1968 to 14 percent in 1978. As a consequence the United States, despite the massive power of its industrial machine, is only sixth among the world's leading exporting countries, a loss that accounts for about half of the current American trade deficit.

A profound change of the whole world trading situation is in the making. International economic forces are challenging the United States as never before and unless American industry becomes more export-minded, this country is bound to fall even further behind in the fierce competition for foreign markets.

American companies have been in many ways as smug about this international challenge as the British were when they could rely on secure markets in the Commonwealth and in the colonies. They prefer to rely on the huge domestic market, which they know and are accustomed to. They find it hard to compete with such aggressive exporting countries as Japan and West Germany, whose industries are willing to cater to the specific needs of foreign countries. They are also up against better credit facilities offered by many foreign governments.

This lack of interest in exporting on the part of American industry and the growing competition from more efficient foreign manufacturers has not only hurt the American foreign trading balance, it has also reinforced protectionist sentiment, which will make congressional ratification of the world trade accords such a savage battle.

The forces arrayed against ratification can be gauged by the relatively small number of companies involved in exports: 100 of the major companies account for 50 percent of American exports and 2,000 for 85 percent of the total, of 300,000 manufacturers in the United States. Much will therefore depend on whether the administration can make the trade agreement palatable to American industry as offering great opportunities to be taken advantage of.

When the U.S.-USSR Trade and Economic Council took some 400 American businessmen to Moscow last December, it was not only to promote a list of 28 major projects worth close to $10 billion to expand trade with the Soviet Union, but also to open the eyes of these American businessmen to the opportunities of doing business with the Russians.

It would be an exaggeration to say that the reversal of last summer's restrictions on official visits to the Soviet Union was influenced by commercial considerations, but they did play a role. It would also be misleading to attribute the swift normalization of relations with China to the vast commercial opportunities that suddenly opened up with the abandonment of the principle of Chinese self-reliance.

But there is no doubt that concern that the United States would fall badly behind other countries in not being able to compete with other countries for Chinese orders helped to accelerate that decision.

The bitter battle over the ratification of the world trade accords in Congress will have a good deal in common with the ferocious fight over the SALT II agreement. Ratification of both will neither seriously restrain the arms race nor have a dramatic effect on world trade. Yet both will have an important salutary effect, and failure to ratify them would have devastating psychological repercussions on international relations in this unstable world.●

DAILY NEWS FINDS WIDE COST RANGE FOR SAME Rx

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. ROSENTHAL. Mr. Speaker, several years ago I conducted a survey of pharmacies in the Washington, D.C., area as well as in New York City.

I found that for the identical prescription, prices were grossly inconsistent. They varied from store to store in the same neighborhood and, in some instances, even from customer to customer in the same drug store.

These findings were reaffirmed in recent days when the New York Daily News published the results of a similar survey in the New York-New Jersey metropolitan area.

These findings also emphasize the need for legislation I have introduced to promote better retail prescription drug price competition. My bills call for drug price posting and advertising, open dating of prescriptions, generic prescribing and dispensing, and patent licensing. The object of these four pieces of legislation is to improve competition, give consumers the information they need to make their decisions, and protect against abuses. The four bills are H.R. 43, the Prescription Drug Price Information Act; H.R. 44, the Prescription Drug Labeling Act; H.R. 45, the Prescription Drug Freshness Act; and H.R. 46, the Prescription Drug Patent Licensing Act.

The pricing practices discovered by the Daily News and by my survey are not unique to New York City or Washington, D.C. In the 6-year period separating these two studies, many similar ones have been conducted by the media, consumer groups, and others throughout the country and the findings have been the same. This is a nationwide problem. Accordingly, I am today inserting in the RECORD the report by the New York Daily News.

[From the New York Daily News, Jan. 21, 1979]

DRUG PRICE SPREAD A BITTER PILL—NEWS FINDS WIDE COST RANGE FOR SAME RX

(By Steve Lawrence)

Drug pricing is so chaotic in the New York-New Jersey metropolitan area that some people are paying four times more than others for the same prescription.

Fourteen reporters, members of a Daily News investigative team, made 58 purchases in 47 drugstores in the five boroughs, Long Island, Westchester County and New Jersey, with identical prescriptions (20 capsules of 250 milligrams of tetracycline, a common antibiotic).

The lowest price was $1.20; the highest, $4.50, a difference of 364 percent. And one druggist in the Bronx apparently misread the prescription and charged $5.85 for 500 milligrams of tetracycline instead of 250.

The price variation did not seem to depend on the neighborhood. The highest priced drugs were bought in Harlem as well as Nassau County. The lowest prices were found on 14th St. in Manhattan, as well as in Nassau County's New Hyde Park.

SAME STORE, DIFFERENT PRICE

In four boroughs, two reporters intentionally took the same prescription to the same store. At two Manhattan pharmacies the reporters were charged different prices. However, reporters who checked pricing consistency of two pharmacies each in Queens, the Bronx and Brooklyn found no such discrepency.

At Halpern Pharmacy, 420 Second Ave., at 24th St., reporter Sheryl McCarthy paid $4.50 for her tetracycline. Six hours later Alex Michelini paid $2.25 for the same quantity and dosage of the drug.

"Gee I'm sorry to hear that because that's not right," said Halpern Pharmacist Donald Dinerman. "She must have been charged the price of a branded generic of tetracycline called Sumycin, which is about twice the price of the generic," he said.

Then, at Martin's Pharmacy, 451 Third Ave., at 31st St., Michelini paid $2.75 for his prescription. Three hours later, McCarthy was charged $2.95 for the same thing.

"It's possible, but the 20 cents doesn't really make any difference," said Louis Cohen, a pharmacist at Martin's. "Okay, so there may have been an oversight for the 20 cents," he said.

POOR BUSINESS PRACTICE

"There's no reason for that; it's really poor business practice," said Sal Rubino, executive director of the Pharmaceutical Society of the State of New York. "It not only alienates the consumer, but it shows he hasn't done his homework to determine the cost of business."

The prescription blanks were all signed on the "substitution permissible" line. Under a state law that went into effect last April, druggists receiving such prescriptions were required to fill them with a lower priced generic drug, instead of a higher priced, brand-name alternative.

A survey by The News last April showed that brand-name tetracycline such as Achromycin can cost 20 percent to 50 percent more than its generic equivalent.

The News team spent $173.57 in the latest survey. Purchases were made in at least five drug counters in each of the five boroughs; three each in Nassau and Westchester counties, two in Suffolk and four in New Jersey.

WIDE PRICE VARIETY

The result was 30 different prices for the same prescription in the 47 stores with most of the stores charging $2.75 to $3.95.

Three Manhattan stores charged the highest price, $4.50. They were Cambridge Chemists, 702 Madison Ave., at 62d St.; Halper Pharmacy, 420 Second Ave., at 24th St., and Harlem Community Pharmacy, 2149 Eighth Ave, near 116th St.

But a Manhattan store, Central Prescription Center, 145A Fourth Ave., at 14th St., charged the lowest price, $1.20. The next lowest price was $1.25 at the Pathmark Pharmacy, 2317 New Hyde Park in Nassau.

The survey did not determine which drugstores had the lowest or highest prices for a full range of drug products. But the message is that you can save a considerable amount of money by shopping and comparing prescription prices.

There was yet another hurdle for consumers. In New York, pharmacies are required to post the prices for the 100 most prescribed drugs. The News survey found that many are not complying with the law.

"Some wholesalers charge as low as $1 a hundred and some as high as $10 a hundred, so depending on the quality of the product and the pharmacist's costs, the retail price will vary," said the Pharmaceutical Society's Rubino. "And some of these places probably offer different services, delivery for instance, and that too would affect retail prices," he said.

Each borough sampled showed a considerable range of prices. In Brooklyn, for instance, the high was $3.95 and the low $1.29. In the Bronx, $3.95 was the highest price paid, but the low was $1.75. The Queens range was $3.95 to $1.50.

On Staten Island, reporter Mary Engels paid $3 to $1.89 for the same prescription. The Long Island high was $4.40 and the low was $1.29. New Jersey's prices showed the most limited range, $3.95 to $3, but the sample there also was the smallest.

The reporters who participated were: Jesse Brodey, Westchester County; Alice Murray and Jerry Cassidy, Long Island; Randall Sullivan and Bernard Rabin, Queens; Roger Witherspoon, New Jersey; Alex Michlini and Sheryl McCarthy, Manhattan; Albert Davila, Keith Moore and Robert Kappstater, Brooklyn; Mary Engels, Staten Island; John Cirri and Daniel O'Grady, the Bronx.

HERE'S THE DOPE ON PHARMACY SURVEY

Here is a list, 58 purchases, in the 47 pharmacies covered in the Daily News survey and the retail prices charged by them for the same amount (20 capsules) of the prescription drug, 250 mg, tetracycline:

WESTCHESTER COUNTY	
Courtesy Drug, 109 Mamaronek Ave., White Plains	$1.50
Finch's Drug, Rye Ridge Center, Port Chester	$3.95
Less 10% Sr. Citisens discount	$3.55
Scott's Drug Store, 157 Westchester Ave., Port Chester	$3.85
Less 10% Sr. Citisens discount	$3.47
NASSAU COUNTY	
Mar's Pharmacy, 152 7th St., Garden City	$4.40
Genovese Drug Store, 3056 Hempstead Turnpike Levittown	$1.29
Pathmark Pharmacy, 2317 New Hyde Park Road, New Hyde Park	$1.25
QUEENS	
Carol Pharmacy, 64–28 108th St., Forest Hills	$3.19
Birchwood Pharmacy, 205–21 35th Ave., Bayside	$3.45
Blank Drug Corp., 28–16 Ditmars, Astoria	$2.75
Square Pharmacy, 103–04 Roosevelt Ave., Corona	$3.50
Disco Drugs, 82–13 37th Ave., Jackson Heights	$2.29
Blank Drug Corp., 28–16 Ditmars, Astoria	$2.75
Carol Pharmacy, 64–28 108th St., Forest Hills	$3.19
Estates Pharmacy, 169–01 Hillside Ave., Jamaica	$3.95
Whelan Drug, 147–02 Jamaica Ave., Jamaica	$1.50
Medical Hall Pharmacy, 108–18 Queens Blvd., Forest Hills	$3.19
SUFFOLK COUNTY LONG ISLAND	
Melville Whitman Pharmacy, 638 Walt Whitman Rd., Huntington Station	$3.50
Rexall Liggett Drugs East Islip, 16 Wheeler Road	$2.69
NEW JERSEY	
Broadway Health Pharmacy, 57 Broadway, Newark	$3.00
Hamilton Pharmacy, 3500 Park Ave., Weehawken	$3.95
Teaneck Drugs Inc., 939 Teaneck Rd., Teaneck	$3.50
Lozito's Pharmacy, 276 Trenton Ave., Paterson	$3.55
MANHATTAN	
Gallery Drug, 131 E. 60th St.	$1.85
Halpern Pharmacy Inc., 420 Second Ave.	$3.25

MANHATTAN

Martin's Pharmacy, 451 Third Ave. (31st St.)	$2.75
Central Prescription Center, 145A Fourth Ave	$1.20
Cambridge Chemists, 702 Madison Ave.	$4.50
Martin's Pharmacy, 451 Third Ave	$2.95
Halpern Pharmacy, 420 Second Ave	$4.50
Harlem Community Pharmacy, 2149 Eighth Ave	$4.50
Martley Drug Co. 731 Columbus	$2.95
Whelan Drug, 402 Sixth Ave	$2.25

BROOKLYN

Adams-Whelan Drug, 169 Montague St.	$1.29
Goldberg's Drug Store, 1709 Pitkin Ave.	$3.45
Harrico Pharmacy, 893 Manhattan Ave.	$2.99
Rossi Pharmacy, 1906 Eastern Parkway	$2.95
Saffrans Pharmacy Inc., 5624 Eighth Ave.	$3.95
Key Drug Co., 1212 Neptune Ave	$2.39

STATEN ISLAND

Millers Pharmacy, 173 Broad St	$2.50
The Medicine Man, 2204 Victory Blvd.	$1.95
Green's Drugs, 253 New Dorp Land	$3.00
Delco Drugs, 3833 Richmond Ave	$2.95
Dongan Hills Pharmacy, 1674 Richmond Rd	$2.75
Say-On Drugs, Hylan Shopping Plaza	$1.89

BRONX

Korvettes, 1998 Bruckner Blvd	$2.75
Ratner's Pharmacy, 4196 White Plains Rd.	$3.95
Ju-Ton Pharmacy Corp., 236 Willis Ave	$5.86
Leff Prescription Center, 70 E. 161 St.	$3.39
Fordham Drug Store, 2487 Creston Ave.	$3.75
S&A Pharmacy Inc., 702 Allerton Ave.	$1.75
Ju-Ton Pharmacy, 236 Willis Ave.	$3.50
Leroy Pharmacy, 1449 Metropolitan Ave.	$2.25

DISASTER RELIEF CLARIFICATION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. O'BRIEN. Mr. Speaker, today, I am introducing a bill to amend the Disaster Relief Act to clarify the intent of Congress in enacting the original legislation in 1974 with respect to the date an emergency or disaster commences for assistance purposes. I am pleased that 13 members of the Illinois delegation have joined me in cosponsoring this bill.

On January 16, President Carter declared 22 counties in Illinois eligible for emergency assistance and later added 2 additional counties. Unfortunately, the Federal Disaster Assistance Administration has determined that the current law permits Federal assistance for snow removal only from the date of the President's declaration. The emergency in Illinois began 2 days before the declaration. While I agree that local and State governments must plan in their annual budgets for snow removal, it is not possible to budget sufficient funds to anticipate the magnitude of snow removal that my district, and a large portion of the State has been forced to deal with this winter. Although 75 inches of snow means little in some mountainous regions of the country, in Illinois it is a disaster. And more is on the way. Local funds are exhausted and, in many communities, were already exhausted by the time of the President's declaration.

I welcomed the President's efforts to restrict Federal spending and reduce the Federal deficit. However, disaster assistance is not an area where Federal spending can be or should be reduced. We are dealing with human lives and property. I urge my colleagues to work with me in obtaining immediate hearings on this bill and swift enactment, so that proper assistance can be provided.●

NEW STUDY INDICATES MARKED EDUCATIONAL ACHIEVEMENT LEVELS FOR NEW YORK CITY CATHOLIC SCHOOL STUDENTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. BIAGGI. Mr. Speaker, last spring, a major survey was conducted of some 100,000 students attending Catholic elementary schools in the city of New York. The results were released last week and they were extremely positive. The children surveyed were achieving on the average at a rate 2 or 3 months above the national norm in reading and math skills.

These dramatic findings are a tribute to the excellence inherent to the Catholic school system in the city of New York. The Archidiocese of New York has always run these schools with the highest degree of competence and as a result it is one of the most stable systems in the Nation.

Interpretations of the survey findings have been varied. Some point to the outstanding quality of the teachers in the system. Others cite the nature of the curriculum in the schools with its heavy concentration of learning the basic skills.

The absence of crime was cited as another contributing factor to the levels of achievement. I have a special interest in this area and this year I was successful in offering an amendment to the Education Amendments of 1978 to provide $15 million for 15 local educational agencies to establish or maintain school safety programs. If the diminution of school crime results in better education for students, my amendment is a step in the right direction.

Also of special interest to me is the dramatic improvements recorded among students attending the 100 title I parochial schools in the city. These schools are primarily located in inner city neighborhoods and have been designated as areas of educational deprivation. This permits the schools to be eligible for title I assistance. The survey revealed that in just over 1 year, students in these schools improved from being 4 months behind the national norm in math to only one-half a month behind and from 6 to 3½ months behind in reading.

These figures are quite relevant especially in light of the continuing dispute about the use of title I funds in non-public schools. I fully respect the need to separate church and state but I do not feel the distinction need be so overly rigid as to prevent Federal funds from being used to teach students basic skills. The New York survey indicates that where title I moneys are used in nonpublic schools it is producing excellent results. It must also be kept in mind that the parochial school system in New York has considerably widened its constituency in recent years with many more non-Catholics and minority students attending its schools. We cannot lose sight of the fact that the objective of title I is to improve the education of children.

I am most enthusiastic about the results of this survey. I commend the Archdiocese of New York for its outstanding administration of its school system and hope they will continue to pursue this standard of excellence.

At this point in the RECORD I wish to insert an article from the New York Post of Thursday, October 19, which discusses the survey at length:

CATHOLIC SCHOOL PUPILS MAKING HIGH MARKS IN MATH, READING

(By Peter Honerkamp)

New York City's 325 Catholic elementary schools are achieving at a level two to three months above the national norm in math and reading skills, according to newly released test results obtained by The Post.

The tests were given last spring to more than 100,000 students in the 3d through 7th grades.

The students were an average of 2.7 months above national norms in reading, and 2.5 months above the math norms.

"The parochial school results indicate achievement well above average. When you're dealing with large numbers of students a shift of one month is a very significant figure," said Dr. Leigh Van Ausdall, Senior Programs Manager at Scientific Research Associates, the national agency that conducts the tests for city parochial schools.

1978 IMPROVEMENT

"We're very encouraged by the results, especially the improvement in the last year. We've got nothing to hide. We're very proud of what we're doing and the fact that our students are bearing us out," said Brother Robert Kealy, Archdiocesan Associate Superintendent for Curriculum.

Catholic officials were quick to point out that credit for the dramatic results belongs equally to the increasing number of noncatholics enrolled, now over 25 percent of the students in city parochial schools.

Numerous reasons were cited for the dramatic success:

"Essentially it's the dedication of our teachers and the high expectations they have of their pupils," said Kealey.

PARENTAL INTEREST

Frank DeRosa, director of public information in the Brooklyn Diocese, credited parental interest, while Kealy noted that the absence of crime contributed to an "environment conducive to education."

They said that the small size of parochial schools enabled them to attain "a professional give and take among students, principals, teachers, and parents."

Officials pointed out that a student's intelligence is not a factor in the admissions policy. One said it is a "myth that Catholic elementary schools screen out intellectually undesirable applicants." The official said there is no evidence that any student was ever denied admission or expelled from an elementary school on the basis of his grades.

TITLE I SCHOOLS

Kealy referred to the results of the poverty-stricken Title I schools as a key indication of the parochial system's success. There are more than 100 parochial Title I schools in the city.

These inner-city schools, located primarily in Manhattan, Brooklyn and The Bronx, are located in areas the state has listed as "educationally deprived." This designation entitles them to special federal funding.

"Nationally, Title I students are performing well below the national norm," Kealy said.

In 1977 Title I parochial school students were performing at an average of over four months below the national norm in math and six months below it in reading.

But in 1978 the average student was only one half month below the national standard in math and three and one half months below it in reading.

MATH EMPHASIS

In math, where city parochial schools have placed increasing emphasis, students had done significantly better than in 1977, Kealy said.

In the Bronx the 4th through 7th grades averaged one and one half months above the national norm in 1977. In 1978 they averaged nearly three months above it.

Similar trends were evident in the other two counties of the Archdiocese, Manhattan and Staten Island, and in Brooklyn and Queens in the Brooklyn Diocese.

In Brooklyn and Queens math scores rose an average of more than one month from 1977 to 1978 while reading scores rose an average of one month.

The statistics also show that parochial school children are scoring well above the national standard on every grade level tested.●

THE PRESIDENT IS MISINFORMED ON OUR NATIONAL DEFENSE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. McDONALD. Mr. Speaker, the President in his state of the Union message stated:

The American nuclear deterrent will remain strong after SALT II. For example, just one of our relatively invulnerable Poseidon submarines—less than two percent of our total nuclear force—carries enough warheads to destroy every large and medium-sized city in the Soviet Union. Our deterrent is overwhelming. . . .

This is a gross oversimplification. It is true that all the missiles fired from one Poseidon submarine, which carries 24 missiles, each having 10 MIRV's (Multiple Independent Re-entry Vehicles), could hit all major Soviet cities. But would it destroy them? Not likely. Under present Soviet Civil Defense readiness, most of the Soviet population would survive and most of its factories would be back in operation within weeks. In fact, if the radiation levels were tolerable the machinery would be in operation in an even shorter period of time. Yes, some buildings would have been knocked down and some utilities would be in bad shape. But this would be nothing as compared to the damage suffered by the American cities in a similar exchange. A Poseidon missile exploding in the center of a Soviet city would create a 100 percent damage radius of one-sixteenth of a mile—300 feet—against present Soviet defenses. The explosive power of one Soviet SS-9 or SS-18 warhead, 25 Megatons versus 50 Kilotons in a Poseidon warhead, could create a 100 percent damage radius of 14 to 20 miles. This means that a Soviet ICBM has 500 times the yield of destructive power of the Poseidon weapon. Our cities would be blown off the map. This is in addition to the fact our cities have few shelters, no evacuation plans and no protection for our factories. I ask you is that insurance or calculated insanity? ●

SOVIET UNION VERSUS UNITED STATES MILITARY STRENGTH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the upcoming congressional debate over the Salt II Treaty will raise a number of questions about the relative military strength of both the Soviet Union and the United States. The following article by William Randolph Hearst, Jr., warns that the massive increase in Soviet military spending over the past decade has eclipsed the effect of the deterrent force which the United States once possessed.

MILITARY MIGHT NOW FAVORS SOVIETS

(By William Randolph Hearst, Jr.)

For more than 30 years, the world's two great superpowers have maintained a rough equality in their military defenses. Russia has often enjoyed superior land forces, but the United States has, throughout that period, maintained effective sea power and nuclear supremacy.

Now it has all changed. The U.S.S.R. is stronger in just about every way. The balance that was believed to have staved off any aggressive action by the Russians has now tipped in their favor. The Soviets have a four-ocean navy, compared to our two-ocean force. They can out-gun us in just about every kind of warfare.

When we decided to abandon the B-1 bomber, they went ahead with their new Backfire bomber which is capable of reaching any part of Europe, Asia, or the United States.

The blunt truth: The United States of America is now second-best militarily, vulnerable to attack from a nation that declared its enmity toward us, and its goal of world domination, from the moment the communists seized control.

As I have pointed out at other times, being second-best militarily is like having the second best hand in a poker game—you lose, this is the time to play the role of Avis, in second place and trying harder.

This is why one finds it difficult to understand the opposition by some to the president's budget requests for higher defense spending at the expense of some of our social programs. It really is not a decision to be made in Washington, it is made in the Kremlin if we are to continue to seek equality with the Soviet war machine.

I am no warmonger, but I see no alternative. A course which leads to unilateral disarmament is sheer folly, and one which would virtually invite the Russians to shift to an aggressive role.

This year we will spend $112.4 billion on defense, which is 29.1 percent of the tax bill of $4,800 that would be paid by a married couple with a family income of $25,000.

By comparison, we will spend $159.3 billion on welfare and pensions which is 31.1 percent of the same tax bill of $4,800.

Let us admit freely that the military can be wasteful in its procurement programs and that it is reckless about cost overruns. Surely it can tighten up and do a more efficient job. But you can say the same for even foreign aid (a form of defense) which will nick the taxpayers for $7.1 billion this year.

I strongly support President Carter in his efforts to beef up defense spending and for heavier spending for NATO, and I urge him to go forward with plans for developing the neutron weapon for battlefield defense against armored equipment.

Another thing he might do to ease the cost burden on Americans, is to convince the West Germans and the Japanese to spend more on their own defense, relieving us of some of the responsibility.

There is a great deal of imbalance between what we spend for defense and what these two major allies spend.

The Pentagon says that West Germany is spending 3 percent of its gross national product for defense, and Japan—which is geographically vulnerable—is spending only 1 percent.

The United States is spending more than 6 percent of its gross national product for defense, a good portion of which goes to maintain the U.S. garrison in West Germany and the Pacific fleet that protects navy-less Japan.

It must be recognized, also, that the pressure on the U.S. dollar would be relieved if Japan and West Germany bore a greater share of their own defense needs. After World War II, it was perfectly normal to insist that both Japan and West Germany maintain a meager military force, but that time has long since passed.

Defense Secretary Harold Brown, on a recent trip to Japan, claimed some success in persuading the Japanese to pick up a more substantial share of Pacific defense costs. He said the Japanese had made a "great step forward," but he did not give any specifics.

I, for one, would not be very frightened to see both Japan and West Germany with large and powerful defense forces of their own. The same could be said for all of the NATO countries.

There is some movement underway by the West Germans and other NATO countries toward increasing their defense expenditures, the Pentagon stated to reporter John Hall of the Hearst Newspapers' Washington bureau.

Even so, the United States share of NATO defenses is increasing this year as a result of President Carter's heavy stress on the defense of Western Europe. Navy brass is said to be burned up because their programs were severely cut back to make room in the defense budget for increased air force and army costs in Western Europe.

If Japan and West Germany are to boost their defense spending, much maneuvering will have to be done. The Japanese are prevented by treaty from rearmament except for self-defense forces. West Germany's neighbors, especially France, have a deep-seated fear of a strong German force.

In fairness, it must be noted that, in constant dollars, United States outlays for defense declined by 1.2 percent between 1971 and 1977, reflecting, of course, the end of

the war in Vietnam. West Germany, in the same period, increased its defense budget in constant dollars by 2.42 percent.

Thus, the framework for improvment is already in existence.

While there has been a modest improvement by the West Germans, that nagging imbalance in defense costs—which may be a major cause of the sinking dollar—continues, as it has since the end of the war in Europe.

It is time we got around to making the game more even so that, in pooling our defenses we can present a stronger front to Soviet aggression.

Let's deal ourselves the winning hand in this poker hand.●

INAUGURAL ADDRESS OF ROBERT J. BUCHERT

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. GRADISON. Mr. Speaker, I wish to share with my colleagues the inaugural address of Mr. Robert J. Buchert, president of the Home Builders Association of Greater Cincinnati. His remarks are particularly appropriate as the 96th Congress begins to grapple with the problem of excess Government regulation.

His address follows:

A GREAT EXPERIMENT

As I accept the presidency of this association, I must think for a moment about what made this possible. The logical answer would be my parents; without them I wouldn't be here. But, what they really made possible, about my being here tonight, was a loving childhood, a good upbringing, a super home life and moreover, encouragement, continual encouragement, to be whatever I wanted to be, to do whatever I wanted to do. But then maybe what made it possible was the Arcose Company, where I became a carpenter's helper; or Coral Homes, where I was a draftsman and salesman; or Jim Brown, who needed a general manager; or Bill Ryan, who wanted to have a Ryan Home of his own. All of these things I'm sure helped to make my being here this evening possible. However, we all realize that the real reason it's possible for me to accept this presidency, is just that there is a Home Builders Association of Greater Cincinnati.

It is said that you would no more want to be in an industry without a trade association than in a community without churches. Just as churches set the moral environment in which to raise a family, so do trade associations set the ethical and economic environment with which to run a business. Trade associations are part of a great experiment in democracy, a bulwark against government regulations and dictatorship, a protector of our free enterprise system. As we near 1979 and set our goals for this association, we realize that it will be an unsteady and uncertain year, facing an economic downturn due to the tight money policy being used by our government, to cure the ills of past mistakes. It's our responsibility to review the problems that cause these drastic economic cycles that are so devastating to our industry.

FREEDOM TO BUILD

Just a little over two hundred years ago, George Washington designed and built Mount Vernon, his beautiful residence on the Potomac River. He had but two major hurdles to overcome: he had to expedite construction and he had to pay for it. He was free to be his own unlicensed architect, his own unlicensed builder. He was free to build to his own sensible building code. He was free to plan Mount Vernon for whatever square footage, whatever density he chose without approval from any zoning board or even private deed restrictions. He was free to cut any trees, to take advantage of any view of the river he deemed best without the prior approval of an environment protection agency, regional or state planning commission. He was free to hire whomever he pleased, at whatever labor rate he could negotiate, without interference from labor unions or government restrictions.

In our industry today there are enough regulations on a builder's freedom to discourage even George Washington. There is a maze of building codes, stretching from Mount Vernon to the Pacific Ocean, that defies understanding in their lack of uniformity. There are zoning restrictions that wouldn't even permit Mount Vernon to be built in some areas today. There are local planning commissions, regional planning commissions, environmental protection administrations, sewer and water commissions, fire and police commissions, noise and smoke abatement commissions, private deed restrictions, and even the Army Corps of Engineers standing in the way of the builder's freedom to buy land and develop it the way he chooses.

GOVERNMENT INFLUENCE GROWS

As we look at our country today, we see a powerful, but uncertain and unsteady giant caught in a growing web of government rules and regulations, to the point where it can no longer exert its strength.

Perhaps it's only a coincidence that the recent period of rapidly rising government spending and regulations also has been a time of soaring government deficits and unprecedented inflation. But we don't believe it's a coincidence at all. Despite the mounting record of failure and frustration, our leaders have failed to grasp the fact that too much government inevitably leads to economic decay. It should be obvious that the more government spends, the less wealth is left for productive investment as well as for private consumption. What is not so obvious is that private spending to meet government requirements has similiar consequences.

We should not argue with the need for government action to conserve energy, reduce harmful pollution and protect the health and safety of all of us. But what we must argue with is the tendency to sanctify each goal, to seek instant perfection with little regard for the cost and consequences, in our national effort to solve common problems caused by private choices.

We have spent too much time on moralistic and ideological disputes and too little time seeking practical compromises. Our real task in this effort is to find the best balance between benefits to people as citizens and cost to people as consumers.

THE ASSOCIATION RESPONDS

Through troubled times as well as the good, it should still be the goal of our association to accomplish—as a group—what we cannot accomplish for ourselves as individuals. We must continue to voice our opposition against deficit spending and over regulation in order to end these drastic economic cycles which dramatically affect our members, to protect the freedoms of the private enterprise system:

. . . freedom to choose to be a giant builder selling hundreds of millions of dollars of houses annually

. . . freedom to remain a small builder producing houses that are a pride to both the builder and to the buyer

. . . freedom to finance our building—large or small—with long-term mortgages and a modest cash downpayment

. . . freedom to build many houses at a time in various locations because of the availability of materials, tools and equipment

. . . freedom to build whole new communities and environments that were impossible to build when George Washington built Mount Vernon.

Working together we must preserve this freedom, not so much for ourselves, but for the generations that will follow us. Not so they can do what we do, but so they can do so much more. As an association and as individual entrepreneurs we must face the challenges of 1979 and get started now.

For, as a builder, we are the backbone of this nation. Collectively we employ more people directly and indirectly than any other industry in America. We use more initiative, have more technical skills, take greater risks and simply have more guts than any group of businessmen in America today. And when we prosper, this nation is in better shape and better served.●

CAPT. DAWN D. TANNER—AN OUTSTANDING LAW ENFORCEMENT OFFICER RETIRES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. ANDERSON of California. Mr. Speaker, the people of southern California rely on the automobile as its major mode of transportation. Here, each day, hundreds of thousands of people use their cars to travel to their jobs, schools, and favorite recreation spots. This creates congestion and safety problems of the greatest magnitude. The California Highway Patrol is given the enormous task of keeping order on the highway network. They are charged with enforcing the State's traffic laws and assuring safe travel. It is a heavy responsibility.

Today, I would like to share with you an account of how one individual, Capt. Dawn D. Tanner, lived up to this responsibility in an admirable fashion as commander of the south Los Angeles office of the California Highway Patrol. It is a special privilege for me to bestow this recognition, since this man displayed outstanding citizenship traits by serving the State of California through the highway patrol and at the same time serving his country with a career in the U.S. Naval Reserve.

Mr. Tanner was born in San Diego to Leola G. Tanner and Hurschel C. Tanner. He was raised in this city and graduated from Hoover High School in 1942. He furthered his education by traveling to the Southwest and attending the University of Arizona. He returned to the west coast to study at the University of California at Los Angeles and Pomona State College.

In 1942, Tanner began his long and achievement-filled career in the military service by enlisting in the U.S. Naval Reserve as an aviation cadet. Two years later he was commissioned an ensign-naval aviator. He fought in World War II, flying F-4U Corsairs in the Pacific.

He had a brief stint out of active military duty between the years 1947 and 1952 but was then called back once again

to fly in combat. From the U.S.S. *Princeton*, Tanner flew intruder missions to North Korea. After this, he moved on to piloting jet fighters.

In 1967, he received recognition for his long and efficient service with promotion to the rank of captain. He continued to serve with the U.S. Naval Reserve until October 1975. He has been awarded the Navy Commendation Medal and 12 air medals earned during his 33 years of both active duty and Reserve service and 5,000 flight hours.

His career with the highway patrol paralleled his time with the Naval Reserve. In 1949 he joined the organization as a radio dispatcher in San Diego. After 2 years he entered the Highway Patrol Academy as a traffic officer, then was assigned to Ventura as a motorcycle officer.

He applied his aviation skills with the highway patrol by flying in the patrol's first fixed wing aircraft program in 1960. His quality performance earned him an assignment as the supervisor of the third CHP fixed wing aircraft program in Indio. In 1968 he was promoted to the position of lieutenant and assigned for the first time to the south Los Angeles office. A transfer took him to San Diego, then a promotion to captain brought him back to command the south Los Angeles office.

During his tenure as commander of the south Los Angeles office, the highway patrol was experiencing difficult times. The demands made by Californians for tax relief brought great budget reductions in many State agencies, including the California Highway Patrol. At the same time the number of vehicles on the highways and vehicle miles traveled continued to soar. However, this did not prevent Commander Tanner from giving the southern Los Angeles community excellent service. By implementing a number of cost cutting measures such as developing a more effective personnel deployment policy, he managed to absorb the cuts and still prevent a rise in accident rates or a reduction in arrest rates.

Mr. Speaker, the law enforcement effort in Los Angeles county will certainly miss the talents of this man. He deserves the highest recognition for what he has done to make our freeway system work.

My wife, Lee, joins me in congratulating Mr. Tanner for his outstanding career with the California Highway Patrol. His years of service with the California Highway Patrol combined with his service in the U.S. Naval Reserve make him a citizen of great standing. We also offer our best wishes to his wife, Mary, and their children Eric, Mary, Dane, Joan, and Randy.●

BOTSWANA—AND EDUCATION IN THE UNITED STATES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. SIMON. Mr. Speaker, columnist William Raspberry, whose writings appear in newspapers throughout the country, recently had a column commenting on the teaching of English in Botswana, that country in southern Africa that defies the circumstance of geography to provide an example of stability and progress.

But more than a commentary about Botswana is the commentary on education in the United States.

The column suggests that the efforts of our colleague, Representative RON MOTTL, of Ohio, to encourage basic education make a great deal of sense.

I hope my colleagues will take the time to read the Raspberry column.

WHY BOTSWANIANS CAN WRITE

WASHINGTON.—I've been making excuses to Ernie Ingram, a tennis-instructor friend who is trying to talk me into taking lessons.

I'd like to play better, of course, but the truth is I have no patience for practicing footwork, rehearsing kneebends, swinging at balls thrown at me by a machine, or the other drills that Ernie thinks are so important to a good game. Tennis, even when poorly played, is fun. Drill isn't. That's why I keep making excuses.

So why is it that I have no sympathy for teachers who want to teach writing while sparing their students the tedium of drills on grammar, spelling, punctuation, sentence structure, and paragraphing?

Why don't I want students to get directly to the fun part: drawing on their imagination and creativity, writing about things that interest them, taking a shot at exposition, argumentation, and description, without all those boring drills?

You see the logical trap, of course, even if an entire generation of educators has managed to miss it. I never expect more from my tennis than to have fun and keep myself in reasonable physical condition. For my purposes, mediocrity will suffice.

But learning to write is not primarily recreational, although writing can be a good deal of fun. Good writing, like good arithmetic, good music, and good tennis—requires discipline, a grounding in the basics until they become second nature. It requires drill.

And if this flies in the face of the learning-should-be-fun precept of recent years, so be it. Adherence to that precept may be one of the key reasons why so many young Americans write so badly.

An article in the August issue of Human Nature magazine makes precisely that point. The author, Edward T. Hall, had been aware of the decline in the writing ability of the students who came to his private school.

But it wasn't until he went off to Botswana, to teach English to boys and girls for whom it is a second language, that the reason crystalized for him.

"The Botswana program is as rigid and authoritarian as the American one was loose and permissive," he found. "One of the required exams [for future academic opportunities] is English language. . . . To prepare students for this exam we give them an essay nearly every week, or as often as we can. We give them practice in English usage, punctuation, and vocabulary. We correct with care and require revisions of papers until they are acceptable. We stress proper paragraphing."

And the result? "The 15- and 16-year olds whom I have had in this program for two years write better and with more ease than the privileged 17-year-olds I left behind in America four years ago. And only a handful of my students know English as their first language."

Hall acknowledges that the Botswana program is too rigid, even for his taste. For example, the literature examination is based on only four or five "set" books, and only these books are taught in the literature classes.

He also acknowledges that the course is old-fashioned, repetitious, and, yes, boring—so much so that American students would surely rebel. But:

"Boring drills are as necessary to the ability to speak and write correct English as piano scales are to the ability to play concertos. There are some things that students simply will not learn without routine practice.

"Young Africans here tend to say: 'I am ready of going,' or, 'We will eating.'" The only way to correct this type of error is by precise and patient drill.

"I think that the American student who says, 'I would of come,' or, 'Play like you mean it,' needs the same treatment. At the moment, he or she is not getting it because teachers in America are afraid to stifle a student's 'individuality' or to restrain his 'creativity' by instructing him to write well."

Hall believes that the biggest problem with the esoteric electives routinely available in many American schools is less in the courses themselves than in the time they take away from the classics. "Science Fiction" or "The Literature of War" are fine, but not at the expense of Shakespeare, classical novels, and poetry.

But his major pitch is for a solid grounding in the basics. "Teachers are shortchanging our young people, whatever their race or background, if they let a false emphasis on self-expression stand in the way of accuracy and basic skills," he said. "Their attitude reminds me of Robert Frost's observation that 'free verse is like playing tennis with the net down.'

"They are teaching netless tennis when they refuse to point out or correct errors in students' spoken and written English."

Maybe I'll give Ernie Ingram a call after all.●

THE DEPARTMENT OF EDUCATION: BORN LOSER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. MICHEL. Mr. Speaker, Washington Post columnist William Raspberry has written an incisive and thoughtful column about the proposed Department of Education. Since Mr. Raspberry writes so well, I will let him speak for himself. I only want to say that either the Congress makes a firm stand on this issue and ignores the threats of reprisal from the well-financed, special-interest big education lobbies, or else the American educational system will be totally dominated by those who have given it such horrors as declining test scores, parent and taxpayer dissatisfaction, and the epidemic of illiterate high school graduates that has become the disgrace of many American school systems.

The Washington Star recently published an editorial which addressed the same problems in education. The Star quotes one scholar who states the Federal Government's involvement in education has been a multibillion-dollar source of fraud and political interference. Amen.

At this time I insert in the RECORD "A Federal Education Policy," by William Raspberry, the Washington Post, January 26, 1979, and "The Literacy Hoax," the Washington Star, January 27, 1979.

A FEDERAL EDUCATION POLICY?

(By William Raspberry)

I suppose there may be some bureaucratic efficiencies that have resulted from the creation of the Department of Energy.

But bureaucratic efficiency was not the reason for creating the department. President Carter wanted to pull together the bits and pieces of energy programs scattered throughout the federal bureaucracy for one principal reason: so that the federal government could bring a unified approach to energy—so it could get a handle on energy policy.

Similarly, there might be some efficiencies that would result from the creation of a Department of Education, though I doubt it.

But don't kid yourself for one second that efficiency is the reason the backers of the idea are so fervent about it. The real reason is that pulling together the bits and pieces of education-linked programs presently scattered throughout the federal bureaucracy would give the federal government—and those who could reasonably expect to influence the new department—a handle on educational policy.

The difference between the two things is this: We were pretty well agreed that we needed a rational, consistent federal policy on energy. But we are by no means agreed that we want a federal policy on education, with Washington taking over more of the policy function now relegated to state and local officials.

We aren't agreed because we haven't even debated the question. We haven't understood that the creation of a Department of Education is in fact a policy question, not merely a matter of efficiency.

Do we want a federal policy on education? The impulse is to say: Why not? Standards (for high school graduation, for instance) vary so much from jurisdiction to jurisdiction that a diploma cannot be taken at face value. Why not a single, federal standard?

Wouldn't it make sense to have consistent standards to determine what and how much children should be expected to learn at every grade level? After all, we already have nationally standardized tests to see what they've absorbed.

"That's easy enough for you noneducators to say," one government official told me. "But if one of us said it, I can predict what would happen.

"The first day, there would be applause. The second day, the unions and chief state school officials and the school boards would attack.

"And the third day, the same people who thought it such a wonderful idea on Day One would begin saying, 'On second thought . . .'"

The scenario might not be far off. The teachers' unions—including members of the National Education Association, one of the major lobbyists for the proposed department—would quickly learn that national standards for what and how much should be taught naturally lead to national standards for determining who is qualified to teach it. All teachers' colleges are not created equal.

The state and county school authorities would attack because they are responsible for running some of these bad schools. The school boards would resent the federal usurpation of their policy-making role.

Okay, I know that the supporters of the proposed department don't anticipate federal standard-setting and policy-making. Their dubious rationale is that a president would pay more attention to education if its interests were articulated at the Cabinet level. Thus, a Department of Education would enhance the visibility and prestige of education within the federal establishment.

But visibility and prestige for *what?* For greater federal outlays? Is there any reason to suppose that creation of the department would in fact increase the amount of federal money available? And if it did, do they think for one moment that they could get more Washington money without more Washington standard-setting?

Maybe we ought to have national standards and educational policy. The point is, you cannot create a Department of Education first and decide the question of policy and standards later.

The creation of the department is a policy decision—even if it masquerades as reorganization for bureaucratic efficiency.

We ought to keep that in mind when the proposal is taken up again, probably later this month.

"THE LITERACY HOAX"

It would be nice if we could definitively focus responsibility for one or another of our nagging national concerns: A blue-ribbon presidential commission would call a press conference and announce: "Low productivity rates during the past fiscal year are wholly due to Farley Fennell, 1089 E. Turnip Terrace, Apt. 301, Ottumwa, Iowa, who on Aug. 3, at 10:06 a.m. refused to. . . ."

Nonsense, of course. From time to time, though, a problem is illuminated with wonderful clarity. A news item several days ago was one such rocket. Another is David Copperman's book, *The Literacy Hoax*.

The news squib reported that two professors at Eastern New Mexico University—whose names we omit, out of charity if the item was askew, out of malice if they were indulging in intellectual exhibitionism—are campaigning for what they call a grammarless English, without sentence structure or punctuation. The "whole cancerous structure of the English language" and its complicated rules are driving students away from reading and writing, the pair contended.

An appropriate reaction to that sort of absurdity is to pray that the two academicians are not tenured. But the brief story also said their notions are being put on film for public television. If that is so, absurdity becomes dangerous.

Mr. Copperman's *The Literacy Hoax* (William Morrow and Co.) drew attention when it was published late last year, but not in proportion to its merit and the subject: The frightful decline in the quality of the public schools and student achievement.

Mr. Copperman is young, in his early 30s, a Phi Beta Kappa graduate of the University of California at Berkeley, and the founder of the Institute for Reading Development. He began research for the book in 1974 after experiences at his reading school first astonished and then appalled him.

"The decline in basic academic skills is directly attributable to the curricular degeneration of the past dozen years (and) the curricular deterioration is a direct result of the degeneration of authority relations in education," he writes.

Mr. Copperman's analysis is as thorough as his indictments are broad. The federal government's involvement in education has been a "multi-billion-dollar source of fraud and political interference," with efforts at "compensatory education" among the most dismal. Institutional and personal authority have become anathema, parents have abnegated responsibility, teachers have not taught and are not supported when they attempt to; the educational bureaucracy, inside and outside government, has created a fortress increasingly managed by younger troops from the counter-culture '60s, bringing with them a spurious egalitarianism that disdains both traditional values and educational methods; innovations have been shoved into classrooms without adequate testing of their validity.

The result of this unholy pattern is that "young people have been given the freedom not to learn." And take full advantage of it.

All of which may be shrugged off by some as a case of premature old-fogeyism in Mr Copperman. Except that the arguments and the data he marshals are persuasive unto despair.

We are seeing the growing dissatisfaction with the public school system being translated into action—competency testing, the return-to-basics movement. But it will be a long war against an entrenched opponent.

The subject requires urgent and informed national debate. *The Literacy Hoax*, and Mr. Copperman's prescriptions, would be one of the texts.●

BUT RADIOACTIVE RAIN MUST STOP

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DRINAN. Mr. Speaker, today Teng Hsiao-ping, Vice Premier of the People's Republic of China will be welcomed at the White House by President Jimmy Carter. This historic occasion marks a new period in modern history that will witness a new spirit of cooperation between our two great nations.

At the outset of this new relationship it is imperative that the President bring to the attention of the Vice Premier the dangerous detonation of nuclear devices into the atmosphere. China remains the only nation in the world that still conducts these harmful explosions which raise radiation levels throughout the Northern Hemisphere.

In the following article which appeared in the Boston Globe, Jerome Grossman, one of the organizers that led the movement for the Partial Test Ban Treaty in 1963, explains the necessity for strong action at the outset of normalization of relations with China.

The article follows:

BUT RADIOACTIVE RAIN MUST STOP

(By Jerome Grossman)

When President Carter sits down to dinner at the White House this Monday evening with his new friends, the Chinese Communists, he ought to make an important request. He should ask the Vice Premier of the People's Republic of China, Teng Hsiao-P'ing to stop exploding atom bombs in the atmosphere.

And he should insist. For every time it rains, it rains Chinese radiation on some part of the United States. This radioactive material, even in small doses, may cause cancer and generate birth defects in children. The United States is right in the path of the prevailing west-east winds. Some of these radioactive clouds have passed over New England.

This does not mean that I am against President Carter's new policy of normalization of relations with Mainland China. Nor does it mean that I am unimpressed with the new slogans about freedom and democracy coming out of Peking. But if Teng really wants to do something for us, he ought to stop poisoning the air we breathe and the food we eat.

China is the only country in the world that still makes these explosions in the atmosphere. It did not sign the 1963 Partial Test Ban Treaty, now in force for 105 countries,

that prohibits underwater, atmospheric and outer space testing. Neither did France sign the treaty, but a threatened worldwide boycott of French products and the protests of Pacific islanders near the testing grounds forced the French to stop atmospheric explosions in 1974. Now China is the only country still sending clouds of radioactive dust around the world to fall on grazing lands where cows and other animals ingest the material and pass it on to humans.

The President might point out to Teng that the first increase in worldwide radioactive fallout in four years took place in 1977, triggered by a large 1976 Chinese nuclear atmospheric test. The Environment Measurements Laboratory of the U.S. Energy Department, which was charged with measuring fallout of radioactive strontium and cesium from A-bomb nuclear weapons tests, reported the increase. The Chinese test was on Nov. 17, 1976. The radioactive clouds reached the U.S. Pacific Northwest on Nov. 20 and New England on Nov. 21. Radioactive debris from this four-megaton explosion (equivalent to four million tons of TNT) did not begin to fall out of the stratosphere until April 1977. It then dropped in such large quantities that it produced for all of 1977 the greatest amount of fallout since 1974. The laboratory calculated that the 1976 Chinese test produced as much as 95 percent of the Strontium 90 that appeared in the 1977 rainfall. The fallout for 1978 was only a little less than the previous year. Most of this radioactive debris, even in 1978, was from the Chinese test.

As recently as Dec. 14, China detonated a nuclear bomb in the atmosphere at its Lop Nor test site in northwest China. The test was in the yield range of less than 20 kilotons, equal to 20,000 tons of TNT, larger than the explosion that destroyed Hiroshima. Even though this was a much smaller bomb and produced much less radiation, increases in ground level radiation were detected in some areas of the United States.

Underground nuclear tests such as those conducted by the United States, USSR, Great Britain, France, and India also put lethal debris into the atmosphere. They could also contaminate underground water and surrounding earth. But the hazards surrounding atmospheric testing are much greater.

Since normalization, the Coca-Cola Corporation has received a tremendous contract, making it the sole maker and distributor of cola drinks to the one billion people of China. Boeing Aircraft and other U.S. corporations have also made profitable commercial arrangements. I do not begrudge them their profits. But I think the American people deserve a dividend from the new diplomatic state of affairs, too. And Jimmy Carter can get it for us. All he has to do is ask Teng Hsiao-p'ing to stop nuclear weapons testing in the atmosphere. Friends should do no less.●

HAS UNITED STATES DRAWN BOTTOM LINE?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DERWINSKI. Mr. Speaker, veteran Washington correspondent, Paul Sisco, in his regular column, "Capitol Comments," appearing in the January 17, Suburban Life Citizen, serving Cook County, Ill., discusses the pertinent question in the application of U.S. foreign policy—namely, can the United States, with its present leadership, draw a hard fast line against Soviet machination? His column follows for the Member's attention:

HAS U.S. DRAWN BOTTOM LINE?

(By Paul Sisco)

WASHINGTON.—At a gathering at our home a few days ago the teen-age son of a cousin of ours wanted to talk about the situation in Iran.

After a few minutes of discussion, he said "Well, I don't want to fight for Iran."

Some time later we got to thinking: okay, but where will the United States fight? Where will the U.S. stand and say, "No farther?"

NOT SEEN IN AFRICA

Clearly our bottom line wasn't reached in Angola when that nation was overrun by a Cuban-Soviet-backed revolutionary group. It wasn't in Somalia where a government that kicked out the Soviets was abandoned by us.

It doesn't seem to be in Rhodesia where the U.S. backs a solution which would turn the nation over to guerillas who refuse even to negotiate.

We could add a diminishing commitment to Taiwan and to South Korea to this list and there are probably other areas of U.S. disinvolvement if we put our minds to it.

In Angola and Somalia the United States had few of its citizens and some, but not much, involvement of economic interests. In Iran this nation has more than 40,000 American citizens and millions, perhaps billions, in investments, particularly in oil.

MORE TALK THAN ACTION

And still we seem to have done little except for lukewarm public pronouncements supporting the government headed by the Shah.

Americans have been killed in Iran. Americans have been run out of the country. American businesses, and don't kid yourself, U.S. firms depend on profits from foreign investments for much of their economic well-being, are being destroyed.

There is another factor. Evidence is mounting that the Soviet Union has taken a direct hand in supporting the groups demonstrating in Iran. Regardless of the right of the demonstrators, they are clearly getting Soviet help.

MINORITY MAKES TROUBLE

Bear in mind, too, that despite all the publicity surrounding the disorders, it is still only a fraction of the Iranian populace which is taking part.

The frustration in all this, of course, is what can the United States do? After all, it is an internal Iranian situation.

For one thing, we can get tough with the Iranian students in the United States who have demonstrated against the Shah in Washington and on the West Coast. The irony is that the U.S. demonstrators are almost all university students whose education here is being paid for by the Iranian government.

We see nothing wrong with "gunboat" diplomacy of some sort. And if need be, I think our Air Force has every right to conduct evacuation of Americans if they are in danger.

Diplomatically we have to expand our neglected weapon of "linkage"; that is we have to make it plain to the Soviet Union that they cannot act irresponsibly in one area of the world and still seek SALT and other agreements with the United States at the same time.

Where is that bottom line for the U.S.? ●

THE NEA: A WASHINGTON LOBBY RUN RAMPANT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. McDONALD. Mr. Speaker, the National Education Association long ago ceased to be really interested in education. It is really just another power-hungry lobby that has now assumed all the functions of a nationwide militant union. It is interesting to note that the NEA's tax exempt status was recently modified from that of a business league under section 501(c) (6) to that of a labor association under section 501(c) (5). The NEA's principal activity is the exercise of raw political power through its teacher membership across the Nation. There is really a basic question as to whether it deserves tax-exempt status at all. The Reader's Digest in its November 1978 issue describes this new NEA and its power brokers; I commend the article to the attention of my colleagues.

THE NEA: A WASHINGTON LOBBY RUN RAMPANT

(By Eugene H. Methvin)

"Teachers in 1976 earned an A in advanced politics!" exclaimed John Ryor, president of the National Education Association, as he addressed the 1977 national convention of his 1.8-million-member union.

And a well-earned A it was. NEA sent 265 members to the 1976 Democratic National Convention, more than any other organization in the nation. That November, NEA endorsees won in 291 of 349 House and Senate contests. For the first time, NEA endorsed a Presidential candidate, Jimmy Carter; and after his victory, President-elect Carter made a prompt personal thank-you call to Ryor. Carter's campaign manager, Hamilton Jordan, said enthusiastically, "The massive support from teachers was crucial to our winning. We turned to the NEA for help and it delivered nationwide."

Now President Carter has delivered for the NEA. Last spring, he formally asked Congress to create a separate Department of Education—a cherished NEA goal—and raised his overall budget so as to make available a record $12.9 billion for federal aid to education, a 46-percent increase since he came into office.

Yet the President appears to understand the problem. "The fight against inflation," he said in a recent speech, "becomes nearly impossible when special-interest lobbyists are successful." Well, certainly the NEA lobbyists were successful, and the political payoff they earned dramatically demonstrates why President Carter has now admitted he will not fulfill his promise to balance the federal budget by 1980. And why, instead, deficits and inflation are soaring, imposing the equivalent of a ten-percent tax on every dollar American families spend this year. It also demonstrates why every American voter needs to bone up on "advanced politics" as practiced by the NEA.

Warns Rep. John Ashbrook (R., Ohio), a veteran member of the House Education and Labor Committee: "An integral part of the NEA design is to siphon ever more control of public education from the grass roots to Washington, closer to its own powerful lobbying influence, farther from the parents and taxpayers who elect the school boards and pay the bills."

YOUNG TURKS

Fifteen years ago, the NEA was chiefly a staid coffee-and-doughnuts professional association. Most state and local affiliates did not require members to pay dues. "Strike" was generally a dirty word. But then the American Federation of Teachers (AFT) mounted a militant challenge, and teachers walkouts erupted across the nation. In 1968, afraid it might lose the whole teaching profession to the AFT, the NEA backed its first full-fledged strike.

By the early 1970s, a "Young Turk" faction had gained control of the NEA. They wrote a new constitution compelling the payment of national dues, drove out most of the administrators who were also members, dispensed with the trappings of a "professional organization" and launched into full-scale unionism. Using militant strike action, the new NEA has won collective bargaining for 5000 of its 12,000 locals, and leaped headlong into national political campaigns. A succession of NEA presidents have proclaimed its aims:

"We are the biggest potential political striking force in this country," said Catharine Barrett in 1972. "And we are determined to control the direction of education."

"We must reorder Congressional priorities by reordering Congress," Helen Wise told NEA political fund-raisers in 1974. "We must defeat those who oppose our goals."

Promised current NEA president, John Ryor, "We will become the foremost political power in the nation."

At NEA headquarters, five blocks from the White House, Ryor and executive director Terry Herndon, a 39-year-old former teacher, now lead 1.8 million of the nation's 2.2 million public-school teachers. Already they outnumber all other public-employe unions by far, and among all unions trail only the No. 1 Teamsters. With its affiliates, NEA has a combined annual budget of $250 million, more than ten times that of the AFL–CIO. And Ryor and Herndon oversee 1436 professional field organizers, who keep the political and legislative machinery well-oiled.

TEACHER POWER

When Herndon became NEA's executive director in 1973, he set about building a huge political machine. One project was to beef up the newly formed Coalition of American Public Employes (CAPE), an umbrella group including the American Federation of State, County and Municipal Employes (AFL–CIO) and several other public-employe unions. Financed largely by NEA, CAPE has organized chapters in 21 states to promote political and legal action. And, come election time, CAPE orchestrates the march of its unions' four million members into political work.

Campaign consultant Matt Reese, hired to help NEA develop its "teacher clout," marveled at the potential: "Teachers are the ideal political organization. They're in every precinct." Indeed, NEA averages 4,000 members in each Congressional district—and many elections turn on smaller margins than that.

Since 1972, NEA professionals have run an estimated 30,000 teachers through "political-action workshops," in some cases giving them graduate-study credit for taking the program. The union offers political candidates privileged access to these trained battalions. In every state, the NEA has set up political-action committees (PACs). At election time, screening committees quiz candidates, and once PAC endorses a candidate, its chairman uses the NEA "talent-inventory" files to provide campaign managers with volunteers for every imaginable task, from stuffing envelopes and manning telephone banks to chauffeuring voters to the polls. "We can elect friends of education and unelect foes," boasts Ryor.

Is he right? Sen. Claiborne Pell (D., R.I.), chairman of the Senate education, arts and humanities subcommittee, candidly admits that he owes his 1972 re-election to "teacher power": "Before they arrived, I was a two-to-one underdog. Then an army of teachers began knocking on thousands of doors and making thousands of phone calls, and I won by 33,000 votes. You can be sure," he concludes, "that I will continue to fight in Washington for a better deal for education."

"A GOOD THING"

The teachers' special capacity for organizing and motivating people is awesome—and there is money, too. In 1976, NEA-PAC and the state PACs funneled an estimated $3 million into federal, state and local campaign coffers, with notable effect. For example, the Michigan Education Association helped elect three-fourths of its chosen candidates for the House by pouring $138,000 into their campaigns—$35,000 more than the giant United Auto Workers, long the biggest powerhouse in Lansing.

Writing in the NEA's official journal, the *Reporter*, Ryor has urged every teacher to contribute to the 1978 Congressional campaign: "We've got a good thing going politically. Let's keep it going." By August, NEA-PAC had raised $536,000 to ladle out before Election Day. And NEA's state and local PACs have raised an estimated $2.5 million for their own war chests.

CALLING THE TUNE

What is NEA's ultimate goal? Herndon is blunt: "To tap the legal, political and economic powers of the U.S. Congress. We want leaders and staff with sufficient clout that they may roam the halls of Congress and collect votes to re-order the priorities of the United States of America."

NEA's drive for a Cabinet education department is a part of this reordering. As a separate, Executive Branch pipeline into the budget process, such a department would help to achieve the aim of swelling the federal share of the nation's education spending to a third of the total. NEA's campaign-aid dispensers would also be better able to influence state and local officials.

For example, in 1976 then-Senator Walter Mondale (D., Minn.)* and Sen. Alan Cranston (D., Calif.) sponsored an obsecure, complex provision that now appears as part of a 161-page law called the Education Amendments of 1976. This provision, largely written by NEA, authorized a new three-year-grant program of up to $203 million for "teacher centers" that would take responsibility for local in-service teacher training and curriculum development. The hooker: Each center had to be run by a "policy board" manned by a majority of teachers (meaning, almost everywhere, NEA members). Neither Senate nor House seems to have held a single hearing to find out whether such centers actually need federal financing—or *why* Washington should try to induce elected school boards to turn over their own statutory duties to non-elected union officials. Crowed the NEA: "For the first time, federal law has cut teachers into policymaking."

DEMOGRAPHIC DYNAMITE

Fueling the NEA's turn to political militancy are radical changes in the composition and prospects of the nation's 2.2 million public-school teachers. In the 15 years between 1961 and 1976, there were relatively few senior teachers from the low-birth years of the 1930s to replace retirees. The gap was eventually filled by young teachers born in the postwar baby boom. But just as the eager fledglings began to pour out of college, school enrollments dropped in response to post-1961 birth declines.

*Mondale's brother is an NEA state president turned full-time union organizer.

This was a sure-fire demographic recipe for explosion. For several years, school boards avoided reductions. But in 1975–76 they issued layoff notices to 61,000 teachers. Some were rescinded as the boards scraped up additional funds, but the notices had sent a chill through all teachers. That school year, strikes hit a record 203, most of them led by the NEA.

Although the current school year began with 20,000 fewer teachers than last year, public schools now employ 177,000 *more* teachers than in 1969–70, for 2.7 million *fewer* pupils. Says a National Institute of Education school-finance expert: "For years, policymakers have been told, 'More kids cost more money.' Now they're asking, 'Why don't fewer kids cost *less* money?' "

To counter this pressure, the NEA is demanding that class size be limited to 15 pupils (the current mean is 25). This move would require hiring hundreds of thousands of additional teachers. NEA also wants a national $15,000-a-year minimum salary for starting teachers with bachelor's degrees, rising to $34,500 in ten years for those with master's degrees.

"Teachers are more dependent than ever on their ability to concentrate power on the federal decisionmakers," proclaims Herndon. "One thing no school board can manufacture is money." But Congress can and does manufacture money, especially when surrounded by special pleaders with political muscle. The legislators can cry "aye" on appropriations "for education," without voting for taxes to pay the bill; those "taxes" then come via inflation.

POWER ELITE

Americans—and teachers above all—should look carefully before rushing headlong to the Potomac power brokers for educational salvation. Of course, the NEA can more easily move a few dozen key Capitol Hill committeemen, whose election campaigns it has backed, than it can move 50 state legislatures and 16,000 school boards. But is this really in the best interests of teachers?

In his 1976 nomination-acceptance speech, President Carter declared, "Too many have had to suffer at the hands of a political and economic elite who have shaped decisions and never had to account for mistakes." If the alliance now building among Capitol Hill politicians, the White House and the NEA's power brokers continues to grow, decisions for America's teachers—and for pupils, parents and taxpayers, too—will more than ever be made by a permanent Potomac power elite. Which would deliver a mortal blow to our traditional system of grass-roots control of education.●

BUCHWALD HAS WISDOM WITH HUMOR ON WEAPON

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. SIMON. Mr. Speaker, Art Buchwald entertains America through his well-done column.

And every now and then he is not only humorous, but he brings a point to the Nation that is worth listening to.

He did this recently in a column on the neutron bomb.

My colleagues who may have missed this column while they were out campaigning will, I think, enjoy reading this column.

And more than that, I hope we heed its wisdom.

The article follows:

THIS WHOLE IDEA IS BOUND TO BOMB

(By Art Buchwald)

My wife and I were watching the evening news when Walter announced that President Carter had given the go-ahead to the Defense Department to start making the components for a neutron bomb. Walter said that while the components would be manufactured, they would not be assembled at the present time.

My wife, whose only weakness is she doesn't keep up on sophisticated nuclear weaponry, turned to me and said:

"What's a neutron weapon?"

"It is designed to kill people without destroying property. We call it an enhanced radiation weapon," I told her.

"Who's we?"

"Those of us in the military-industrial complex."

"Are you in the military-industrial complex?" she wanted to know.

"No, but some of my best friends are. It's one helluva piece of hardware. With the right warhead you can zap a battalion of Soviet tanks 80 miles away," I said.

"Why do we need it?" she wanted to know

"That's the most stupid question I ever heard. We need every type of nuclear weapon we can get. We've got hydrogen bombs and atomic warheads, and Nike and Polaris missiles. But they're too powerful to use in the field. The neutron weapon fills the gap and lowers the kill threshold to just the right level to fight a civilized war."

"Do the Russians have it?" She asked.

"They certainly do not. All they have is monster weapons that can destroy entire cities. They're in a lot of trouble."

"I guess I should know this," she said, "but if the Soviets don't have a neutron weapon and we do, how do we prevent them from using their monster weapons after we use our small one on them?"

"Because if they use their monster ones they know we'll use ours, and then we'll destroy each other," I said patiently.

"But if we use the neutron weapon against their armies in the field, won't we be destroying them? They're certainly not going to stand by and see all their men and tanks destroyed without retaliating with everything they've got."

"I'm sorry but I'm not at liberty to answer that at this time," I replied.

"Can I ask you another question? If we have developed a smaller weapon that just kills people and doesn't destroy property, what is to prevent the Soviets from doing the same thing?"

"They don't have the know-how to make a neutron bomb or they would have before now."

"That's what you said about the atomic bomb after World War II."

"Can you keep a secret?" I asked her.

"You know I can."

"Carter really doesn't care if we have a neutron bomb or not. But he wants a SALT treaty very badly. Even if the Soviets agree to one, he'll have a hard time getting the Senate to approve it. So by announcing he was going ahead with the neutron bomb, he'll win over the senators who are against SALT."

"Then," she said, "Carter's not going ahead with the neutron weapon to impress the Soviets, but to placate the U.S. Senate?"

"Now, you're catching on," I said.

"I think I'll watch The Gong Show."

"How can you watch The Gong Show at a time like this?" I asked.

"Because it makes a lot more sense than building a neutron bomb." ●

TROOP WITHDRAWALS FROM SOUTH KOREA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DERWINSKI. Mr. Speaker, with their return to the United States, a number of Congressional delegations that have recently visited the Asian area, have expressed opposition to the President's plan of further troop withdrawal from South Korea, and have contended that troops presently stationed in South Korea be at this time. I share that assessment.

An editorial in the Chicago Tribune of January 23, very accurately addresses the situation in the Asian area. This editorial follows for the Member's attention:

SHAKING THE WEB IN ASIA

When President Carter began to withdraw U.S. ground combat troops from South Korea, it shook the whole web of assumptions and relationships in that part of the Far East. The latest demonstration of this shift is South Korean President Park Chung Hee's offer to hold summit talks with North Korea about the means to achieve peaceful reunification. For 17 years, Mr. Park has refused to consider such discussions. North Korean President Kim Il Sung still refuses.

Among the nations alarmed at U.S. plans to withdraw from South Korea were, naturally enough, Japan, Taiwan, and South Korea itself. They fear that the U.S. retreat from the Korean demilitarized zone would encourage Mr. Kim in his grand and open designs of conquest and also that the U.S. move signals a general retreat from its commitments to other allies in this part of the world. Taiwan's fears, at least, seem to have proven justified.

But alarm was also registered, ironically, in Peking. China, of course, fought the U.S. during the Korean war and is still regarded as North Korea's patron. But the Soviet Union, which has become increasingly aggressive in North Asia as its relations with China deteriorate, also has a strong presence in Pyongyang. And the Chinese fear that a U.S. withdrawal could provoke competition between themselves and the Soviets in encouraging Kim Il Sung to fill the vacuum.

China, having just reached new agreements with Japan and the U.S., has much more to lose than the Soviet Union from conflict between the two Koreas. But this doesn't mean that China is likely to restrain North Korea, which is far from China's puppet. Indeed, the indomitable Mr. Kim probably thinks of both China and the Soviets as marionettes he can make march to his own music.

The Carter Administration is bound to be pleased with Mr. Park's new willingness to talk with North Korean leaders. The withdrawal plan put pressure on the South Korean leader to moderate his position, and the administration will probably note this as an example of the virtues of its North Asian diplomacy. Discussions might serve a constructive purpose if there were corresponding pressure on Mr. Kim to participate in them and to agree to a fair settlement.

But the Carter policy does no such thing, and Mr. Kim shows no signs that his belligerence has been tempered by his age. Indeed, recent intelligence estimates indicate that North Korea's army is 60,000 men stronger than previously believed. Talks between north and south, if they ever do begin, would open with South Korea at a disadvantage.

The idea of withdrawing troops from South Korea was conceived by Mr. Carter during his presidential campaign for purely domestic political reasons. He believed the nation was tired, after the Viet Nam War, of military activity in Asia. And Korea looked like the best place to demonstrate that he was tired, too. The announced withdrawal schedule has already been postponed. Pressure is growing in Congress that the plan be suspended entirely, and we favor this. But President Carter has not yet admitted that, like many of his other campaign promises, this one would be better honored in the breach.

North Asia is one area in which a U.S. Third World ally has found itself in a state of sufficient military and diplomatic stability to undertake rapid economic development. South Korea, like Taiwan, is a model of what U.S. economic ideas can accomplish in comparison with communist development theories. The faint promise of negotiations between North and South Korea is small compensation for the instability that our troop withdrawal would be bound to produce in an area where the east-west balance of power has been genuinely stable.●

LEGISLATION TO EXCLUDE CAPITAL TAX ON RESIDENCES OF PERMANENTLY DISABLED

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation to amend the Revenue Act of 1978 (Public Law 95–600). The purpose of my amendment is to permit totally and permanently disabled individuals, regardless of age, a one-time exclusion on the capital gain from the sale of their principal residence. This would merely amend the provision we adopted as part of the Revenue Act of 1978 which extended this provision to homeowners age 55 and above.

I am sure we will all agree that being disabled has many financial burdens that others do not experience in life. In many cases the cost resulting from their disability proves to be over 50 percent of their income. I believe that we must provide additional tax benefits to these individuals to counter their exceptional expenses.

It is one thing for all of us to acknowledge that the disabled people of this country are denied many basic rights, and also to agree that they have a right to participate in our society to the fullest possible extent: but, it is quite another thing for us to commit ourselves to these principles we espouse. As in the past when Congress has tried to end discrimination against other oppressed groups in the country, we have found that simply acknowledging the oppression but offering no assistance to put an end to it was not enough. I believe it is time we play our cards face up and give the benefits and assistance where they are needed most. The disabled of our country deserve every tax benefit and assistance program we have provided to this date. I intend to continue to monitor programs providing assistance to the disabled and call upon my fellow colleagues to lend their support to this endeavor.●

THE NONPROFIT TAX REFORM ACT OF 1979

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. CONABLE. Mr. Speaker, on January 18 I introduced H.R. 990, a bill entitled The Nonprofit Tax Reform Act of 1979. This is a comprehensive measure with a number of separable provisions, and I introduced it for study purposes so that interested parties can consider its impact on their organizations and their tax relationships.

Tax problems in the nonprofit area are frequently complicated, although they often do not involve large amounts of revenue. Due to complexities, uncertainties and ambiguities, and the evolution of increasingly diverse functions, considerable man-hours can be invested by both the Internal Revenue Service and the nonprofit groups themselves in assuring compliance with the law. H.R. 990 is designed to try to reduce the problems inherent in nonprofit status and to make the overseeing of such organizations by the IRS more definite and certain so that activities and programs can be planned with confidence. The law must change through redefinition and increasingly precise provision for changing institutions, including those in the nonprofit sector.

I am hopeful that interested parties will suggest changes and additions to the provisions of this legislation. Although I have reservations about some of the matters included in the bill, I introduced it in the hope that Congress will benefit from the public discussion, definition, and efforts to resolve the many different issues involved.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 30, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 31

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 212, to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.

Human Resources
To hold hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

10:00 a.m.

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Defense.
1114 Dirksen Building

Environment and Public Works
To hold an organizational meeting to consider committee budget and other administrative matters.
4200 Dirksen Building

Rules and Administration
To hold an organizational meeting to consider its budget and other administrative business, and to hold hearings on the nominations of John W. McGarry, of Massachusetts, and Max L. Friedersdorf, of Indiana, each to be a member of the Federal Election Commission.
301 Russell Building

Joint Economic
To receive testimony from Secretary of the Treasury Blumenthal on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To hold hearings on the issues of the safety, effects, and medical use of Darvon.
6226 Dirksen Building

Foreign Relations
To hold a business meeting to consider the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency, followed by hearings on and consideration of the nominations of Stephen W. Bosworth, of Michigan, to be Ambassador to the Republic of Tunisia; W. Beverly Carter, Jr., of Pennsylvania, to be Ambassador at Large; Jonathan Dean, of New York, to be Ambassador during the tenure of his service as U.S. Representative for Mutual and Balanced Force Reductions Negotiation; K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters; and Robert H. Pelletreau, Jr., of Connecticut, to be Ambassador to the State of Bahrain.
4221 Dirksen Building

FEBRUARY 1

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 212, to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.

Human Resources
To continue hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

Judiciary
To hold hearings on proposed legislation to permit those injured by antitrust violations to recover civil damages measured by the extent of their injury.
2228 Dirksen Building

10:00 a.m.

Armed Services
To hold closed hearings on proposed military procurement authorizations for fiscal year 1980 for the Department of Defense, and to receive the nuclear forces report.
212 Russell Building

Budget
To hold an organizational meeting.
6202 Dirksen Building

Select Small Business
To continue hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

3:00 p.m.

Select on Ethics
To hold a closed business meeting.
357 Russell Building

FEBRUARY 2

10:00 a.m.

Armed Services
To hold closed hearings on proposed military procurement authorizations for fiscal year 1980 for the Department of Defense, with testimony on funds for Air Force programs.
212 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 108, to simplify the truth-in-lending laws.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 233, to extend programs administered by the U.S. Travel Service through fiscal year 1980.
235 Russell Building

Joint Economic
To receive testimony on the employment-unemployment situation for January.
1202 Dirksen Building

FEBRUARY 5

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. export policies.
5302 Dirksen Building

Foreign Relations
To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Judiciary
Citizens and Shareholders Rights and Remedies and Subcommittee
To hold oversight hearings on the effect of pension fund investment policies on individual contributors.
2228 Dirksen Building

Joint Economic
To receive testimony from Director of the Office of Management and Budget McIntyre on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To resume hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

FEBRUARY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 4, proposed Child Care Act.
6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue oversight hearings on U.S. export policies.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

10:30 a.m.

Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

FEBRUARY 7

9:30 a.m.

*Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94-210).
235 Russell Building

Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Veterans' Affairs
To resume hearings on S. 7, proposed Veterans' Health Care Amendments.
412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To mark up proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs
To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

FEBRUARY 8

9:30 a.m.

Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation
To hold hearings to examine safety problems in the transportation and storage of liquified energy gases.
235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

FEBRUARY 9

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on GSA's methods of procuring contracts.
1114 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 20

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

FEBRUARY 21

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold hearings on proposed FY 1980 authorization for NASA.
5110 Dirksen Building

9:30 a.m.

Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

FEBRUARY 22

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
5110 Dirksen Building

9:30 a.m.

Veterans' Affairs
To hold hearings on proposed legislation to provide for a judicial review of decisions made by the VA in matters involving claims for veterans.
318 Russell Building

10:00 a.m.

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed FY 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

FEBRUARY 23

10:00 a.m.

Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

FEBRUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on proposed authorizations for FY 1979 for ACTION.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 106, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

FEBRUARY 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Commerce, Science and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 5

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 6

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1930 from Veterans of Foreign Wars.
318 Russell Building

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
2355 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

MARCH 12

10:00 a.m.
Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Programs Act (P.L. 93-113).
4232 Dirksen Building

CANCELLATIONS

FEBRUARY 5

10:00 a.m.
Energy and Natural Resources
To hold hearings on proposed regulations to control surface mining operations.
3110 Dirksen Building

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS
FIRST SESSION

VOLUME 125—PART 2

JANUARY 31, 1979 TO FEBRUARY 15, 1979

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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Wednesday, January 31, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Blessed are the pure in heart: for they shall see God.—Matthew 5: 8.

Almighty God, seen by the pure in heart, known by those who love Thee, and found by those who seek Thee, come to us in this quiet moment and shed Thy light upon the work of this day. Save us from the idolatry of the Nation, from destructive ego-drives, from self-worship and all false deities. Help us to worship Thee and Thee alone, to seek righteousness for the sake of righteousness alone, to cling to truth for the sake of truth, and in all our ways to acknowledge Thy Lordship. May we find Thee and have communion with Thee not only in the time of prayer but also in the broadening history of our age, not only in the sanctuary of the spirit but also at work in our common days, shaping the destiny of men and nations. So wilt Thou bless, guide, and keep all who serve in the Government of this Nation.

Through Him who is Lord of all history. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 31, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry: Does Mr. PROXMIRE have an order for recognition?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is to be recognized for not to exceed 15 minutes.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Mr. PROXMIRE, there be a period for the transaction of routine morning business, for not to exceed 2 hours, with Senators permitted to speak during that period for not to exceed 15 minutes each; that no motion, no unanimous-consent request, no action whatsoever, be in order which would have the effect of jeopardizing or relating to Senate Resolution 9 and/or the motion which I have made and which is now pending thereto, during the remainder of this day.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, while we are awaiting the arrival of Mr. PROXMIRE, I ask unanimous consent that there be a period of 5 minutes for the transaction of routine morning business, with Senators permitted to speak for 1 minute therein, without prejudice to Mr. PROXMIRE.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SUGAR ISSUE

Mr. McGOVERN. Mr. President, because of my concern over the administration's apparent preference for borrowing money to make payments as a means of reducing the price of sugar to sugar users, instead of achieving a fair price in the marketplace which Congress sought to provide for producers, I had asked the General Accounting Office to look into the operations of such payment programs in the hope of getting an unbiased appraisal of the pros and cons of such an approach.

As an interim report, Mr. President, the GAO has provided me with a copy of an audit report on the payment program for the 1977 crop of sugar beets and sugar cane made by the USDA's own Office of Inspector General.

Quite frankly, the Inspector General's report increases my deep concern, setting forth glaring weaknesses and abuses in trying to assist either growers or consumers by this payment approach.

It seems only prudent to carefully pursue this inquiry in view of indications that the administration is once again debating return to the processor payment program as the basis for a domestic sugar program.

Before Congress makes any such decision, however, I believe we should carefully review what has happened under the old payment program as at least partially indicated by this Inspector General's report.

We must determine who benefits from the cheap sugar sold into the market as a result of these payments and whether these buyers could in fact not afford to pay cost of production for their sugar requirement. And we should determine to what extent the treasury-financed dumping of sugar at less than cost of production caused other sugar inventory

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to be turned over to the Government and stored indefinitely at taxpayers expense.

We must determine once and for all whether it is in fact in the public interest to borrow hundreds of millions of dollars at high interest rates, which result in our children and grandchildren paying, perhaps forever, for the cost of selling sugar below the cost of production. And we must determine at the same time the real inflationary effect of such payment programs at a time Government is borrowing the money.

Because of these concerns, I call the attention of my colleagues to the Inspector General's report and I serve notice of my intent to ask the Agricultural Committee to pursue in more depth a full inquiry into the sugar payment program.

Mr. President, I ask unanimous consent to have the USDA Inspector General's report printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AUDIT REPORT, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, PRICE SUPPORT PAYMENT PROGRAM FOR 1977 CROP SUGARBEETS AND SUGARCANE

I. INTRODUCTION

A. Scope

This report presents the results of a nationwide audit of the Price Support Payment Program for 1977 Crop Sugarbeets and Sugarcane. This program is administered by the Agricultural Stabilization and Conservation Service (ASCS) National Office in Washington, D.C. Our review was made to determine: (1) whether the ASCS National Office was administering the 1977 price support payment program in accordance with the laws and regulations; and (2) whether sugar processors were following the regulations in reporting 1977 crop year sugar sales for program payment purposes.

Program participation extended to 49 corporate and cooperative processors of domestic sugarbeets and sugarcane. These processors submitted program claims for a total of 62,412,809 hundredweight (cwt.) of raw weight equivalent sugar marketed through May 31, 1978. ASCS had authorized the Commodity Credit Corporation to disburse $179,185,422 on these claims as a 90 percent partial payment.

Our field work was conducted during the period April 1978 through August 1978 and included a representative sample of program claims submitted by 11 processors. The claims audited for program periods through May 31, 1978, included 43,477,729 cwt. (raw weight equivalent) upon which the Commodity Credit Corporation had paid processors about $130,566,050 as a 90 percent partial payment.

We interviewed ASCS National Office officials and Office of the General Counsel officials. We contacted officials of a 12th processor whose claim we did not audit, and we spoke with buyers of sugar reported under the program. We reviewed loans under the 1977 crop loan program at five processors to determine if conflicts with the 1977 crop payments program existed. We also reviewed all contracts and purchase orders submitted to the ASCS National Office by processors. We did not audit processor payments to sugarbeet and sugarcane growers because final payments had not been made.

During our audit we learned that the General Accounting Office (GAO) was also auditing the payment program. In order to coordinate our efforts with the GAO, we routinely kept each other informed of audit activities and results. To avoid a duplication of audit work and to reduce our own audit scope, we terminated coverage of the national average market price (NAMP) concepts employed by ASCS. However, we did review the preliminary calculations of the NAMP for the first two program periods for mathematical accuracy. Prior to our decision to terminate work in this area we had substantially developed one facet of the NAMP which is reported in Audit Results—3.

B. Background

The price support payment program for 1977 crop year sugar was implemented to support prices to domestic producers of 1977 crop sugarbeets and sugarcane. This support was to be accomplished through payments made by the Commodity Credit Corporation to sugar processors based on the 1977 crop sugar marketed. ASCS, which administers the program, determined the amount of payments by substracting from the 13.5 cents per pound support rate the average price of raw sugar or its equivalent received by processors. ASCS computed the average price on a national basis and made equal payments per pound to all processors. Processors were required to pay producers rates stipulated in the program regulations, which are equivalent to a price support of 52.5 percent of the parity prices for the commodities as of July 1977.

Originally, 1977 crop sugar marketed after September 14, 1977, was eligible for payment. Later, eligibility was extended to include all 1977 crop sugar marketed, until such time as the payment program was superseded by another support program. On November 7, 1977, the payment program was superseded by the price support loan program for 1977 crop sugar. Eligibility under the payment program was extended to cover sugar committed prior to November 8, 1977, for future delivery under contractual agreements. Audit Results 1 and 5 contain additional data concerning this extension.

ASCS authorized 90 percent partial payments to processors based on preliminary calculations of NAMP received by processors. For this report, we computed program overclaims based on 100 percent payments to processors.

II. HIGHLIGHTS

Based on our audit, we concluded ASCS did not adhere strictly to program regulations in its administration of the price support payment program for 1977 crop year sugarbeets and sugarcane. ASCS also did not adequately review claims and supporting documentation submitted by participants in the program, and participants themselves did not strictly adhere to the regulations. Several problem areas were not covered by the regulations, resulting in individual decisionmaking and lack of uniformity in program reporting.

The overall weaknesses in program control resulted in significant price support overclaims and unnecessary government expenditures.

Seven participants overclaimed at least $10.4 million in support payments on sugar marketed under contractual agreements and purchase orders which we concluded did not meet eligibility requirements.

We informed ASCS of this condition in an interim report, dated May 30, 1978, prior to the completion of our field work.

ASCS made an administrative decision which permitted program participants to claim support payments of $8.9 million on prior years' sugar. This decision was not documented in any written format but had been communicated to program participants verbally. Some participants were not aware of the ASCS decision, and implementation was not uniform among those who were. Program legislation and regulations extend eligibility only to 1977 crop sugar.

We reported these conditions to ASCS in an interim report, dated May 28, 1978. We have also referred this matter to the Office of the General Counsel for its opinion on the legality of the ASCS decision.

Because program regulations allowed a special deduction on the gross proceeds of one processor, support payments to all program participants were unjustifiably increased by over $9 million through December 31, 1977.

Program regulations allow cooperatively owned cane sugar refiners to deduct up to 8 percent from gross proceeds reported. During the 1977 program this rule applied only to processor E who, partly because of this deduction, consistently reported lower gross proceeds than other cane processors. This diluted the national average market price and therefore increased support rates. Processor E's deduction was excessive and equaled a 30 percent annual return on the owner-members' investment in the cooperative.

Four processors received $58.5 million in loans on ineligible prior years' sugar because the ASCS National Office did not provide its state and county offices with payment program data needed to correctly compute 1977 crop year sugar eligible for the loan program. We estimate that the Commodity Credit Corporation incurred interest losses of over $272,000 through June 30, 1978, on these loans.

We reported this matter to the Administrator of ASCS in a letter dated July 18, 1978, and corrective action was initiated.

A variety of program reporting errors resulted in over $430,000 in support payment overclaims. These errors included claiming the same quantity of sugar twice, and claiming quantities of sugar that had been purchased from other processors.

Other weaknesses in program control contributed to program problems. Program regulation amendments caused a lack of uniformity in reporting. This resulted in unequal support rates on sugar marketed during the same time period by different processors.

Some processors did not include in the gross proceeds of their reported sales the gains and losses they sustained from trading futures contracts as a pricing method. Withholding these gains and losses could cause the national average market price and program support rates to be incorrect.

We have noted in the General Comments Section two other areas to which ASCS should give consideration.

III. RECOMMENDATIONS AND DISCUSSION WITH MANAGEMENT

A. Recommendations for the Administrator, ASCS

1. Verify the data reported by participating processors not included in our field review. (See Audit Results—1 and 5)

2. Update and deduct from the final 10 percent program payment to processors the amounts of overclaims cited in this report and any overclaims subsequently found during ASCS reviews. If the final 10 percent payment is insufficient to cover any overclaim, bill the processor for the difference. (See Audit Results—1 and 5)

3. Withhold the final 10 percent program payment to processors until the OGC opinion is rendered. (See Audit Results—2)

4. Require that future instructions be communicated to processors in writing. (See Audit Results—2)

5. Eliminate or substantially reduce the 8 percent deduction from gross proceeds allowed to processor E before recalculating final support rates. (See Audit Results—3)

6. Adjust program reports of processor E to reflect gross proceeds from damaged sugar before recomputing final national average market prices (NAMP). (See Audit Results—5)

7. Clarify regulations pertaining to marketing periods and require participating processors to revise reports to permit recomputation of payments on a basis which will be equitable to all participants. (See Audit Results—6)

8. Instruct participating processors to submit amended reports to include gains and losses from trading in futures contracts before recomputing the NAMP and making final settlements. (See Audit Results—7)

B. Discussion with management

We discussed the audit results and recommendations on September 28, 1978, with the following ASCS National Office representatives:

Ray V. Fitzgerald, Administrator.

William Cherry, Executive Assistant to the Administrator.

Walter C. Ferguson, Assistant to the Administrator.

Grant Buntrock, Assistant Deputy Administrator, State and County Operations.

Robert Stansberry, Acting Director, Procurement and Sales Div. (PSD).

James Agnew, Acting Deputy Director, PSD.

George Rippel, Liaison Officer.

David W. Anderson, Program Specialist, PSD.

Fred Oxley, Systems Accountant, PSD.

John Gibbs, Consultant.

The Office of the General Counsel (OGC) was represented at the discussion by Thomas Conway and James Walczak.

ASCS officials agreed with our findings and recommendations, except in the following areas:

1. Ceiling Price Agreements (CAs)—ASCS requested that OGC be asked to determine whether CAs constitute a binding legal contract and meet program eligibility criteria. We agreed to request an OGC opinion on this matter. (See Audit Results—1)

2. Integrated Cane Sugar Refineries—ASCS requested that OGC be requested to determine the legality of allowing processors to report sugar as marketed when the raw sugar is delivered to the integrated refinery. We agreed to request an OGC opinion on this matter. (See Audit Results—1)

3. Prior Crop Years' Sugar Claims—ASCS's position, stated in Audit Results—2, remained unchanged pending on OGC opinion in this area.

4. Deduction for Return on Investment—ASCS's position, stated in Audit Results—3, remained unchanged.

The OGC requested that we provide them with additional information on the contract of processor F (Audit Results—1) which was negotiated after November 7, 1977, and subsequently amended several times. We will provide the additional information.

The following personnel represented the Office of the Inspector General, Office of Audit, at the discussion:

T. T. Osasa, Acting Director.

Joseph E. Fisch, Acting Director, Rural Development and Farm Programs Division.

James J. Scott, Acting Regional Director, Western Region.

Cletis L. Wills, Assistant Regional Director, Western Region.

Jesse H. Morris, Supervisory Auditor, Western Region.

Terry A. Cover, Auditor-in-Charge, Western Region.

IV. AUDIT RESULTS

1. Contractual agreements and purchase orders

Of the eleven processors audited, seven reported sales transactions under contractual agreements and purchase orders which we concluded did not meet program requirements for eligibility. Sales reported under these agreements resulted in support payment overclaims of $10.4 million on about 400 million raw value pounds of sugar reported as marketed. There will be additional claims under ineligible agreements since our audit includes only claims submitted to the time of our audit.

The 1977 crop sugar payments program was superseded by the price support loan program on November 7, 1977. November 7 thus became the end of the marketing period for sugar eligible for support payments. Only sales committed under contractual agreements made prior to November 8, 1977, were eligible for support payments after November 7, 1977.

Changes to the original program regulations extended program eligibility. The original regulation gave the following definition:

"Quantity of sugar marketed" means the pounds of refined beet sugar or cane sugar, raw value, marketed from the 1977 crop during the marketing period as provided herein. Refined beet sugar or raw cane sugar shall be deemed to have been marketed when delivered to the purchaser or to a carrier for delivery to the purchaser or when title otherwise passes to the purchaser or *when sugar has been contracted and committed for future delivery, but only to the extent that gross proceeds are accounted to the seller.* [Emphasis added—Part 1435.3(d)]

An amendment to the program regulations was later issued. The amendment states:

It was also brought to the Department's attention that *to deem all sugar contracted and committed for future delivery as being considered as "marketed" for the purpose of eligibility to receive payments under this program provided the opportunity for serious program abuse.* To eliminate this potential problem area, this amendment limits the future delivery period of such sugar. [Emphasis added—Supplementary Information]

The original definition was revised as follows:

"Quantity of sugar marketed" means the pounds of refined beet sugar or cane sugar, raw value . . . marketed from the 1977 crop during the marketing period as defined in paragraph (e) of this section. Refined beet sugar or raw cane sugar shall be deemed to have been marketed during the marketing period when (i) delivered to the purchaser, or (ii) delivered to a carrier for delivery to the purchaser, or (iii) *title otherwise passes to the purchaser and the sugar is committed for delivery within a period not to exceed 30 days following the end of the marketing period, under a written contract fixing both the quantity and price of sugar to be delivered within such 30-day period;* but, in each of the preceding cases, only to the extent that gross proceeds are accounted to the seller within the marketing period . . . [Emphasis added—Part 1435.3(d)]

A second amendment adds the following to the revised definition without deleting any of the revised wording:

"Quantity of sugar marketed" . . . Provided, however, that a quantity of sugar which does not meet the requirements of the foregoing provisions of this paragraph shall be considered as being marketed during the marketing period *i. such quantity of sugar has been committed by the processor under a contractual agreement entered into prior to the end of the marketing period which (1) requires delivery to the purchaser on a scheduled basis or at the option of the purchaser and (2) specifies the method of determining the price of such sugar.* [Emphasis added—Part 1435.3(d)]

According to ASCS National Office officials, this last addition was the result of sugar industry and Congressional pressure. Some Louisiana processors had contracts which called for them to sell all sugar produced by one buyer. Since these processors were committed to sell all their sugar, they could not take advantage of the loan program, which provided support for unsold sugar. Once the loan program went into effect on November 7, 1977, these processors could only receive payments for those deliveries they would make within 30 days after November 7.

Revisions of the program regulations indicate that it was the intent of Congress to provide price support under the payment program only for that portion of the 1977 crop which could not be placed under the superseding loan program. The following excerpt from a conference report was cited in the amended regulation:

It was not intended by the amendment to create a hardship in any producing area. Consistent with existing law, the added language thus makes clear the Conferee's intent that fair and equal treatment be afforded all domestic producers by extending price support to that portion of the 1977 crop marketed before the new [loan] program could be made effective, it being a purpose of this section that a substantially equal level of price support be provided for all sugar cane and sugar beets of the 1977 crop.

Under the regulation processors had a choice either to place unmarketed sugar under the loan program or to market it outside the payments program. The final program revision extended eligibility to processors, like those in Louisiana, who had already marketed their sugar and, therefore, had no choice.

Ceiling Price Agreements

The second amendment to the program regulations eliminated the requirement that contracts (1) be in writing, (2) state specific price, and (3) state quantity. Our audit disclosed that the sugar industry commonly operates under certain informal agreements. Some of these are verbal agreements and some are what amount to ceiling price agreements.

Processors generally grant a ceiling price to buyers on a quarterly basis. Buyers agree to do business at market prices, not to exceed the ceiling price, but generally do not agree to purchase specific quantities until purchase orders are actually submitted.

Based on our review of program legislation and regulations, we concluded ceiling price agreements did not meet program requirements for contracts. The agreements did not commit processors or buyers to any sales. While the processor was committed to a ceiling price, neither the processor nor the buyer was committed to any quantity. Processor E revised its ceiling prices at the request of buyers. Processor E agreed to the revisions because had it not done so buyers would have purchased sugar elsewhere.

Purchase Orders

Purchase orders were considered to meet the program requirements as contracts. Many buyers did not enter into formal contracts, but simply issued purchase orders when they wished to buy. Purchase orders received after November 7, 1977, would not be eligible unless they were orders submitted as part of an otherwise eligible contract.

Audit exceptions regarding contracts and purchase orders are detailed below by processor.

a. Processor A

We reviewed all 118 contractual agreements in which processor A had reported sugar sales and claimed support payments. Twenty-seven of the agreements were ceiling price agreements and were not binding contracts; three were entered into or revised after November 7, 1977; and five involved computation errors. As a result, processor A overclaimed $2,911,494 on 130,656,844 raw value pounds of ineligible sugar.

Ceiling Price Agreements

Of the 118 agreements we reviewed, 27 were actually ceiling price agreements (CAs) and not binding contracts. CAs were generally used by the processor to compete with other sugar companies by setting a ceiling price for sugar to be sold in a future period. Buyers were not committed to purchase sugar from the processor at any time, and the agreements stated no quantities of sugar.

In fact, processor A had to estimate the quantity of sugar that probably would be sold under the CAs. From these conditions, we concluded that CAs are not contracts and that sugar sales made under CAs are not eligible for the payment program. The following table details the CA sales reported by processor A:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Dec. 31, 1977	17, 349, 515	2. 69	$466, 702
Jan. 31, 1978	21, 097, 404	2. 38	502, 118
Feb. 28, 1978	19, 157, 922	2. 11	404, 232
Mar. 31, 1978	25, 920, 643	2. 35	611, 727
Apr. 30, 1978	13, 320, 751	2. 14	285, 064
May 31, 1978 [1]	12, 886, 646	1. 73	208, 134
Overclaim	108, 934, 881		2, 478, 977

[1] Preliminary report.

The unsold quantity of sugar remaining to be reported under these agreements amounted to 44,408,745 raw value pounds.

CONTRACT QUANTITIES NEGOTIATED AFTER DEADLINE

One contract was negotiated after November 7, 1977, and two other contracts involved increases in quantities after November 7, 1977.

Ineligible sales under these three contracts are detailed below:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	95, 658	3. 98	$3, 807
Dec. 31, 1977	256, 047	2. 69	6, 968
Jan. 31, 1978	1, 048, 279	2. 38	24, 949
Feb. 28, 1978	585, 183	2. 11	12, 347
Mar. 31, 1978	1, 058, 300	2. 36	24, 999
Apr. 30, 1978	8, 872, 654	2. 14	189, 875
May 31, 1978 [1]	9, 103, 560	1. 73	157, 492
Overclaim	21, 023, 681		420, 437

[1] Preliminary report.

The unsold quantity of sugar remaining to be reported under these three contracts amounted to 22,755,919 raw value pounds.

Computation Errors

Processor A also made errors in computing the quantity of sugar remaining to be sold under five contracts. This resulted in processor A making an overclaim of $12,090 on 498,-283 raw value pounds in the period ending May 31, 1978. Due to these errors, processor A's records also overstate remaining commitments by 5,430,678 raw value pounds.

b. Processor B

Processor B reported ineligible sugar sales made to three buyers. The following table details the ineligible sales reported and the reasons therefor:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim	Reason sales were ineligible
Dec. 31, 1977	38, 024	2. 69	$1, 050	Purchase order received after Nov. 7, 1977.
Feb. 28, 1978	107, 000	2. 11	2, 258	No contract.
May 31, 1978	113, 420	1. 73	1, 962	Clerical error.
June 30, 1978	115, 560	1. 89	2, 184	Quantities reported exceeded quantity shown on purchase order.
Overclaim	375, 004		7, 454	

There were 1,857,520 raw value pounds remaining unreported due to the clerical error and another 5,392,900 ineligible raw value pounds unreported under an amended contract, both of which represent potential overclaims. The contract amendments which increased the quantity occurred in January and March 1978. No sales had been reported under the amended contract at the time of our audit.

c. Processor C

Processor C overclaimed support payments of $86,486 on 2,424,267 raw value pounds of sugar on 41 purchase orders received after November 7, 1977. The processor claimed these sales on the report ending November 7. The processor also overclaimed a support payment of $2,547 on 107,000 raw value pounds claimed on the January 31 report for a contract which was not entered into until after November 7, 1977.

An official from this processor's office informed us that the company only had one or two days to collect the information and that it was not familiar with the program regulations when the claim was prepared.

d. Processor D

Our review of purchase orders received by processor D from 46 customers showed that nine purchase orders were received after the November 7, 1977, deadline. As a result the processor overclaimed support payments of $116,903 on 4,151,236 raw value pounds covered by these purchases orders.

The following schedule shows the periods in which the overclaims were made:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	1, 078, 688	3. 98	$42, 932
Dec. 31, 1977	1, 388, 560	2. 69	37, 352
Jan. 31, 1978	585, 269	2. 38	13, 929
Feb. 28, 1978	403, 476	2. 11	8, 513
Apr. 30, 1978	524, 407	2. 14	11, 222
May 31, 1978	170, 836	1. 73	2, 955
Overclaim	4, 151, 436		116, 903

e. Processor E

Our review of 149 contractual agreements and 39 purchase orders submitted by processor E showed that 104 agreements and 29 purchase orders did not meet program requirements. In addition, processor E reported sugar sales that had been sold at a discount under 11 promotional allowance bulletins. These bulletins did not meet the program requirements as being "contracts." Altogether, processor E overclaimed $6,004,272 on 206,642,856 raw value pounds of ineligible sugar.

Ceiling Price Agreements

Of the 149 agreements we reviewed, 104 were actually competitive activity ceiling price agreements (CAs) and not binding contracts. Like processor A's ceiling price agreements, processor E's agreements stated no quantities of sugar and committed neither the processor nor the buyer to a sale. In reporting the quantities "committed" under these agreements, processor E estimated the quantity of sugar that probably would be sold under the CAs.

Processor E's buyers had requested and received revised ceiling prices. Processor E agreed to these revisions; otherwise the buyers would have purchased sugar elsewhere. From these conditions, we concluded that CAs are not contracts and that sugar sales made under CAs are not eligible for the payment program. The following table details the CA sales reported by processor E:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	23, 821, 709	3. 98	$948, 104
Dec. 31, 1977	21, 037, 011	2. 69	565, 986
Jan. 31, 1978	23, 832, 786	2. 38	567, 220
Feb. 28, 1978	16, 063, 570	2. 11	338, 941
Mar. 31, 1978	25, 414, 640	2. 36	599, 786
Apr. 30, 1978	26, 366, 283	2. 14	564, 238
Overclaim	136, 535, 999		3, 584, 185

Purchase Orders Received After Deadline

Twenty-nine of 39 purchase orders were received after November 7, 1977. A total of 10,134,725 raw value pounds were reported in the first program period on these 29 purchase orders and resulted in an overclaim of $403,362.

An official of processor E informed us the processor's legal department had decided that because the company had not received notification of the November 7 payment program deadline until noon November 8 it was entitled to report sales through noon November 8. However, the regulations are specific—contractual agreements were required to be executed prior to November 8 for the sales to be eligible for the payment program.

Promotional Allowance Bulletins

Processor E reported sales transacted after November 7 under 11 promotional allowance bulletins. The bulletins which were dated prior to November 8, 1977, offered discounts on promotional display products for a stated time period, but were not contractual agreements. The bulletins did not show names of buyers, quantities of sugar to be purchased, or prices of products.

The following table details the ineligible bulletin sales reported by processor E.

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	31, 335, 621	3. 98	$1, 247, 158
Dec. 31, 1977	28, 302, 023	2. 69	761, 324
Jan. 31, 1978	423, 349	2. 38	10, 076
Feb. 28, 1978 [1]	(230, 880)	2. 11	(4, 872)
Apr. 30, 1978	142, 019	2. 14	3, 039
Overclaim	59, 972, 132		2, 016, 725

[1] Adjustment credits. Amounts in this period appear in credit memoranda the processor issued to buyers who purchased sugar under bulletin sales during previous periods.

f. Processor F

Processor F claimed payments on quantities of sugar that exceeded quantities committed under 8 of its 20 contracts and/or purchase orders. This resulted in overclaims of $162,-367 on 8,171,160 raw value pounds of sugar, with potential overclaims on another 21,-992,908 raw value pounds in program periods subsequent to our audit.

Contract Revised After November 7, 1977

Processor F and one customer changed the quantity of sugar after November 7 on a previously negotiated contract. The following schedule gives details of the contract:

Date and explanation:

Sept. 6, 1977, Processor and buyer sign original contract for 50,000,000 refined pounds. Payment for this sugar is based on New York spot price.

Nov. 6, 1977, New York sugar and coffee exchange spot price is discontinued.

Nov. 7, 1977, Program deadline date for entering into contracts.

Dec. 6, 1977, Processor and buyer mutually agree to discontinue shipments.

Dec. 12, 1977, Processor and buyer renegotiate and sign a new contract for 30,000,000 refined pounds. Payment based on different pricing method from the one used in original contract.

Jan. 16, 1978, Processor and buyer cancel original contract. Pricing on 5,494,000 refined pounds already shipped is settled.

Jan. 23, 1978 and Mar. 16, 1978, Processor and buyer revise quantity on new contract to 75,000,000 refined pounds and change delivery schedule.

As of June 30, 1978, processor F had reported sales of 4,444,945 refined pounds (4,756,091 raw value pounds) over the 50,000,000 refined pounds stipulated in the original contract. Because the original contract had to be discontinued after the New York spot price was discontinued, it would be unfair to limit the eligible quantity to actual deliveries (5,494,000 refined pounds) under the original

contract. However, increases in the original quantity cannot be considered eligible because they were committed after the November 7, 1977, deadline.

The processor has already overclaimed $67,-036 on sales of 4,756,091 raw value pounds which are in excess of the quantity originally contracted. Processor F representatives informed us they will continue to report sales under the revised contract. The potential amount of raw value pounds that could be overclaimed is 21,992,908.

Shipments Exceed Contracted Amounts

Processor F reported sales in excess of quantities stipulated in two contracts and five purchase orders. These uncommitted quantities are ineligible and resulted in an overclaim of $75,331 on 3,415,069 raw value pounds. The following table details the periods and amounts involved:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Dec. 31, 1977	79, 197	2. 69	$2, 130
Jan. 31, 1978	887, 623	2. 38	21, 125
Mar. 31, 1978	1, 543, 136	2. 36	36, 418
May 31, 1978	905, 113	1. 73	15, 658
Overclaim	3, 415, 069		75, 331

g. Processor I

Processor I reported sales on seven contracts entered into after the November 7, 1977, deadline. (Five of these contracts were later withdrawn from program support.) The processor also included sales on 13 ceiling price agreements. The ineligible claims totaled $1,107,244 on 47,843,838 raw value pounds.

Contracts entered into after November 7, 1977

Processor I had claimed sales of 25,400,088 raw value pounds for a support overclaim of $560,262 on seven contracts entered after the November 7 deadline. During the course of our audit, the processor sent amended SU-1 reports to the ASCS National Office for five of the seven contracts, but did not amend the amounts for the other two ineligible contracts.

The periods and amounts overclaimed for these two contracts are shown below:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Jan. 31, 1978	2, 459, 930	2. 38	$58, 546
Feb. 28, 1978	2, 240, 473	2. 11	47, 274
Mar. 31, 1978	3, 515, 485	2. 36	82, 965
Apr. 30, 1978	663, 079	2. 14	14, 190
May 31, 1978 [1]	615, 999	1. 73	10, 657
June 30, 1978 [1]	3, 095, 082	1. 89	58, 497
Overclaim	12, 590, 048		272, 129

[1] Processor I informed us of these quantities. We did not audit these periods.

Ceiling Price Agreements

Thirteen of processor I's contractual agreements were actually ceiling price agreements (CAs) and not binding contracts. Like processors A and E, processor I's ceiling price agreements stated no quantities of sugar and committed neither the processor nor the buyer to a sale. CAs were generally used by the processor to compete with other sugar companies by setting a ceiling price for sugar to be sold in a future period.

Six of the 13 agreements were entered into after the November 7, 1977 deadline and were determined ineligible also for that reason (see prior paragraph). On the seven remaining agreements the processor overclaimed support payments of $835,115 on 35,253,290 raw value pounds from November 8, 1977 to April 30, 1978.

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Dec. 31, 1977	8, 266, 285	2. 69	$222, 363
Jan. 31, 1978	7, 607, 272	2. 38	181, 053
Feb. 28, 1978	7, 063, 498	2. 11	149, 040
Mar. 31, 1978	8, 677, 914	2. 30	204, 799
Apr. 30, 1978	3, 638, 321	2. 14	77, 860
Overclaim	35, 253, 290		835, 115

h. Other sugar processors

We reviewed 120 contractual agreements and/or purchase orders which had been submitted to the ASCS National Office by 27 other processors. At least 31 agreements and/or purchase orders from eight processors did not appear eligible for support payments. Since we did not make field visits to these eight processors, we do not have adequate information regarding the quantities specified under each agreement and/or purchase order, and we cannot compute the ineligible quantities or program overclaims. Altogether the eight processors with ineligible agreements and/or purchase orders claimed $22,-760,150 on 654,723,369 raw value pounds of sugar through April 30, 1978.

The 31 agreements and/or purchase orders indicated several problem areas. Eleven agreements and/or purchase orders were dated after the November 7, 1977 program deadline, and 25 of the agreements were actually ceiling price agreements which did not state the quantity of sugar to be purchased. We also found one processor who used a copy of a purchase order from one customer as an example of an agreement with another customer.

Two claims were based on agreements to transfer raw sugar to refineries owned by the processors. The two program claims were for the quantity of sugar transferred to the refinery, not for the quantity of sugar marketed. The regulations require that claims for support payments be based on the quantity of sugar marketed.

The following schedule shows these problem areas by processor:

Processor	Number and types of exceptions: Contract dated after Nov. 7, 1977	Ceiling prices (quantities not stated)	Other	Raw value pounds reported
L	1	9		[1] 96, 341, 158
M	1			18, 206, 060
N			[2] 1	7, 332, 327
O			[3] 1	140, 911, 107
Q	1			120, 711, 288
R			[3] 1	124, 154, 486
S		4		[1] 51, 164, 018
T	8	[4] 12		[1] 95, 902, 915
Total	11	25	3	654, 723, 369
Total support claimed, all periods				22, 760, 150

[1] Beet companies—pounds shown as refined value on SU-1 report but converted to raw value pounds here.
[2] Copy of another buyer's purchase order submitted to ASCS.
[3] Transfer and delivery of raw cane sugar to processor's own refinery.
[4] Duplicates 8 contracts dated after Nov. 7, 1977.

Conclusion

Based on our review and the cited deficiencies, we concluded that ASCS should (1) initiate verification of program claims submitted by all processors not included in our audit; (2) update and deduct the overclaims we have reported from the final 10 percent of payments which have not yet been paid; and (3) bill processors for excess if the 10 percent is insufficient to offset overclaims.

2. Prior crop years' sugar claims

The ASCS National Office made an administrative decision which permitted participants in the 1977 price support payment program to receive support payments on sales of sugar from prior crop years. Of the eleven processors audited, eight reported sales totaling 2.2 million cwt. (raw value) of prior crop years' sugar, for which the Commodity Credit Corporation has paid 90 percent of the $8.9 million program subsidy.

Program Requirements

The Food and Agricultural Act of 1977 (Public Law 95-113—September 29, 1977, Title IX—Soy Beans and Sugar) states in Section 902, Sugar Price Support, that the program is "effective only with respect to the 1977 and 1978 crops of sugarbeets and sugarcane." This act also amends the Agricultural Act of 1949, Section 201, by adding a new subsection (f)(1) which states, in part:

The price of the *1977 and 1978 crop* of sugar beets and sugar cane, respectively, shall be supported through loans or purchases. [Emphasis added]

Further, the Code of Federal Regulations (Part 1435—Sugar Payment Regulations) provides that:

Eligible processors will receive payments on the quantity of refined beet sugar or raw cane sugar *marketed from the 1977 crop.* [Emphasis added]

The Regulations also provide the following four definitions:

(1) "1977 crop" means domestic sugarbeets and sugarcane, the substantial portion of which is harvested in the areas indicated below during the following periods:

Sugar producing area and harvesting period:

Sugarbeets: All States, excluding California and Arizona, Sept.–Nov. 1977.

California, excluding southern area, July 1977–June 1978.

Southern California, Mar.–Sept. 1977.

Arizona, lowland area, Apr.–Aug. 1977.

Arizona, upland area, Sept. 1977–Jan. 1978.

Sugarcane:

Florida, Oct. 1977–May 1978.

Louisiana, Oct. 1977–Jan. 1978.

Texas, Oct. 1977–May 1978.

Hawaii, Calendar year 1977.

Puerto Rico, Calendar year 1977.

[Part 1435.3 (a)].

(2) "Quantity of sugar marketed" means the pounds of refined beet sugar or cane sugar . . . *marketed from the 1977 crop* during the marketing period. [Emphasis added—Part 1435.3 (d)]

(3) "Marketing period" means the period commencing when *1977 crop sugar was first marketed* and ending on November 7, 1977. [Emphasis added—Part 1435.3 (e)]

The Regulations (Part 1435.5 (d)) specifically define how processors may identify 1977 crop sugar:

(4) The processor may select either the "first-in-first-out" or "last-in-first-out" method of inventory accounting for the purpose of identifying sugar of the 1977 crop. Once a method of inventory accounting has been selected by the processor, no change may be made therein.

Inventory Accounting Method

The inventory accounting method selected by each processor serves to identify the 1977 crop. However, only sugarbeet processors who selected the last-in-first-out (LIFO) method of inventory accounting were affected by the ASCS decision. LIFO is an inventory valuation method used to determine the monetary value of inventories for financial statement purposes. LIFO assumes the last goods placed into inventory are the first goods sold. Under the 1977 crop sugar payment program, this inventory method allowed processors to report sales of 1977 sugar as it became available without first selling all the prior years' sugar in inventory. The ASCS administrative decision is inconsistent with this inventory method because it allows sales of prior years' sugar to be reported before any 1977 crop sugar has been produced.

Marketing Contract Years

ASCS allowed sugarbeet processors to report sales as of the first day of their marketing contract years. A marketing contract year is a one-year period used by processors to compute the average sales price for a quantity of sugar. Growers are paid a percentage of this average price for the sugar produced from their annual crop. The quantity of sugar sold during this one-year period will not be equal to the quantity of sugar produced from the 1977 crop, unless by coincidence, and could result in USDA subsidizing a quantity in excess of the 1977 crop. Furthermore, the USDA support payments cannot be matched to the sales the processor used to compute his average price because the payment program, which ended on November 7, 1977, did not cover the same period as the full marketing year.

Marketing contract years started from 8 to 51 days before the start of 1977 crop production. Sugar sold during these periods was prior years' sugar because it was the only sugar available. Large sugar processors complicate the situation because they have facilities in two or more regions of the United States and have two or more marketing contract years. Even after production starts in one area, that production may be less than the processors' total sales. We found two such multi-regional processors who for one or more months reported sales in excess of their 1977 production.

Limitation on Quantity Claimed

ASCS attempted in two ways to limit the quantity of sugar that could be claimed under its administrative decision. Both were ineffective. First, ASCS stipulated that sales reported through November 7, 1977, could not exceed 1977 production through the same date. However, sugarbeet processing is not a year-round activity. During periods of full production, inventories are accumulated for sale throughout the year. The reported sales of prior years' sugar were easily offset with 1977 crop production before November 7, 1977. Second, ASCS ruled that sugar committed for sale prior to November 8, 1977, would not be eligible for payment if marketed after the contract marketing year expired. During the 1977 program, November 8 passed well before most contract marketing years expired, and some processors placed sugar committed that far in advance under the 1977 crop loan program for the intervening months. (See Section V—General Comments.) Moreover, sugar sold after contract marketing years expire will be sold at a substantially higher price and receive a smaller subsidy than sugar sold earlier. The preliminary support rate for June 1978 was 1.89 cents per pound, while the support rate for the first program reporting period (through November 7, 1977) was 3.98 cents per pound. All prior years' sugar was reported in the first period at the highest support rate and, therefore, would not be fully offset by excluding an equal quantity in a later period.

The following table details prior years' sugar reported by processors affected by ASCS's decision:

Processor	Starting date of— Contract marketing years	1977 crop production	Sales reported	Prior years' sugar reported (hundredweight raw value)	Support on prior years' sugar
A [1]	July 1	Aug. 19	Aug. 19	854,735	$3,401,966
	Sept. 1	Sept. 19	Aug. 19		
B	Oct. 1	Oct. 19	Oct. 1	291,864	1,161,700
C [1]	July 1	Aug. 20	July 1	480,306	1,951,418
	Oct. 1	Sept. 22	Oct. 1		
D	Sept. 1	Sept. 12	Sept. 12	0	0
F	Oct. 1	Oct. 8	Oct. 1	84,747	337,293
G	Oct. 1	Oct. 15	Oct. 1	5,754	22,900
H	None	Oct. 14	Oct. 1	11,596	44,600
I	July 1	July 12	July 1	266,493	1,062,196
L	Aug. 1	Sept. 3	Aug. 1	235,768	937,598
Totals				2,241,263	8,920,231

[1] Processor had 2 separate marketing years for growers in different regions.

ASCS did not include in program regulations, correspondence, or any written document its decision to extend program eligibility to sales as of the start of marketing contract years. The decision was conveyed orally to the sugarbeet processors. (This decision only benefitted sugarbeet processors.) Consequently, processors affected by the decision reported sales under different understandings of program eligibility.

Processor A, with facilities on the west coast and in the midwest, was unaware of the ASCS decision to extend program eligibility and acted under its understanding of the original program tenets. It reported sales beginning on August 19, 1977, because production from the 1977 crop began at one of its west coast facilities on that date.

The sales it reported, however, were nationwide sales, even though its midwest facilities did not begin 1977 production until September 19, 1977. Consequently, the sales processor A reported exceeded its 1977 production until after September 19, when midwest production began. Sales of sugar delivered from the midwestern plants before September 19 should have been considered ineligible. Extending eligibility to these kinds of multi-regional sales gives an unfair advantage to large processors with processing facilities in different parts of the country.

Processors B, C, F, G and I were aware of ASCS's administrative decision and reported sales from the start of their contract marketing years. Because 1977 production did not start until 8 to 51 days after the start of contract marketing years, these five processors reported prior years' sugar for those first 8 to 51 days. Processor C, with facilities similar to those of processor A, reported the quantities sold and delivered only from its west coast plant from July 1, 1977, to October 1, 1977, the start of its second contract marketing year. On October 1, processor C began reporting nationwide sales. The prior years' sugar reported by processor C resulted from sales over the 51-day period prior to the actual start of 1977 crop production.

Processor D was unaware of the ASCS decision and reported sales starting on the day 1977 crop year production began. This was a proper application of LIFO and resulted in no prior years' sugar being reported.

Processor H learned of the ASCS decision from an unidentified sugar association. Processor H's contract with growers did not use the contract marketing year concept; instead, processor H based payments to growers on actual sales of the 1977 crop. Thus, ASCS's decision could not be applied directly to processor H's sales. In the absence of a contract marketing year, processor H applied LIFO on a monthly basis, reporting sales beginning October 1, 1977, the month in which its 1977 production started.

Processor L did not know about ASCS's administrative decision and initially reported sales starting on the date production began. However, processor L amended its program claim after OIG auditors interviewed the processor concerning the ASCS decision. We did not audit processor L's program claims. Processor L informed us of the additional sales reported under the ASCS decision.

From our review of the legislation and regulations governing this program, we concluded that only sugar produced from the 1977 crop is eligible for support payments. Under the LIFO method, sales became eligible when 1977 production began. Processors with production in two or more areas with different harvesting periods should be limited to reporting sales from the area where production had started (LIFO applied to each different harvest period area). Otherwise, large processors with production in two or more harvest period areas would receive an unfair advantage. The recent amendment to the Regulations which changed the harvesting period for southern California and lowland Arizona will increase this advantage for some processors.

This matter has been referred to the Office of the General Counsel for an opinion on the legality of ASCS's decision. Therefore, ASCS should withhold the final 10 percent of program payments until the OGC opinion is rendered. In the future, instructions should be communicated to processors in writing.

3. *Deduction for return on investment*

Excessive support payments estimated at over $9 million were made on sugar marketed through December 31, 1977, because program regulations permit an excessive deduction from reported gross proceeds.

Program regulations permit cooperatively owned cane sugar refiners to deduct up to 8 percent from the gross proceeds on refined cane sugar marketed. The intended effect of this deduction is to subtract from the gross proceeds on refined sugar sales that portion attributable to investments in the refinery. During the 1977 program this provision applied exclusively to one program participant (processor E) but resulted in increased program payments to all participants. Furthermore, the 8 percent deduction was equal to a 30 percent annual return on the investment (equity) of processor E's owner-members.

The Code of Federal Regulations (CFR) Title 7 states: "For the purposes of computing gross proceeds as used herein, a facility which refines raw cane sugar that is cooperatively owned by its raw cane sugar processors shall be allowed to deduct *up to* 8 percent from gross proceeds to the cooperative-member processors to reflect that portion of returns which can be attributed to their investment in the refining facility." [Emphasis added—Part 1435.7]

This regulation implies a relationship between gross proceeds and equity that does not exist. Moreover, since it permits an excessive deduction from gross proceeds, it disturbed the calculation of the national average market price (NAMP) for the 1977 program and altered the level of all support payments.

The ASCS National Office bases the NAMP per pound for sugar marketed on the gross proceeds reported by program participants. The NAMP, when subtracted from the 13.5 cent program support price, yields the program support rate which is payable on domestic sugar marketed during the program period. The NAMP and the support rate are recomputed for each program period.

During the 1977 program, the gross proceeds reported by participating cane sugar processors averaged from .75 of one cent to 1.77 cents per pound higher than the gross proceeds per pound reported by processor E. The consistently low gross proceeds reported by processor E is largely attributable to the special 8 percent deduction allowed by regulation. A recalculation of processor E's gross proceeds, substituting a deduction equal to 8 percent of the cooperative owner-member's equity, increased processor E's gross proceeds per pound by .42 of one cent and .65 of one cent for the first and second program periods, respectively.

Because processor E marketed over 38 percent of all sugar reported in the first two program periods, the excessive deduction substantially understated the NAMP.

The following table presents program overpayments attributable to processor E's excessive deductions in the first two program periods:

Program periods ended	In cents: NAMP per ASCS	NAMP per audit	Reduction in NAMP	All sugar reported raw value (cwt)	Estimated overpayment
Nov. 7, 1977	9.52	9.7873	0.2673	29,837,083	$7,988,817
Dec. 31, 1977	10.81	10.9658	.1558	8,213,200	1,282,733
Totals				38,180,283	9,271,550

In our revision of the NAMP we reduced the 8 percent deduction to 1.964 percent of gross proceeds, a figure which approximates a deduction equal to 8 percent of the owner-member's equity in the cooperative during 1977. We also revised a factor ASCS used to convert refined beet sugar proceeds to a raw value equivalent. We made this revision to reflect the change in the average price for cane sugar which resulted from revising the 8 percent deduction. We also used additional decimal places in stating the NAMP because rounding to two decimals significantly affects program payments.

We reported the condition created by CFR, Title 7, to the ASCS National Office in an interim report on May 22, 1978. ASCS disagreed with our position and stated their position as follows (names omitted):

[This cooperative's members] benefit considerably from their investment in the refining and marketing capacity of [processor E]. [Processor E] regularly measures the financial advantage of selling [its] sugar to refined sugar customers as compared to selling raw sugar to other cane sugar refiners. When members of our sugar staff visited [processor E] earlier this year, they were shown an analysis indicating that returns to [its members] were enhanced by millions of dollars because refined sugar rather than raw sugar was marketed. The gross proceeds reported by [processor E] for price support purposes were materially higher than they would have been had the raw sugar been sold to refiners on the Gulf and East coasts. It follows then that total program payments were probably reduced because of the existence of [processor E], made possible through the investment of [its members].

The analysis to which ASCS refers is prepared periodically by processor E for internal purposes and assumes a cost of raw sugar based upon domestic prices quoted by the New York Coffee and Sugar Clearing House Association. The actual raw sugar production costs incurred by processor E's members are higher than this quoted price. The purpose of the analysis is to demonstrate to cooperative members how much profit the refinery would realize if it were buying raw sugar outside the cooperative. While the analysis does show a theoretical profit on refining activities, processor E's normal practice is to refine and market its members' raw sugar.

The ultimate goal of the price support payment program was to support prices to growers, not returns on investments. Processor E is fully accountable to its members for the proceeds from sales of refined sugar, and ASCS should count those proceeds in measuring the payments to growers. Therefore, ASCS should eliminate or substantially reduce the 8 percent deduction on gross proceeds granted under CFR, Title 7. Having done so, ASCS should also recompute the NAMP for each program period before making final payments to processors. The NAMP and program conversion factors should be computed to four decimal places to avoid payment distortions (e.g., 2.3456 cents for the NAMP).

4. *Prior crop years' sugar under loan*

ASCS state and county offices did not deduct ineligible prior years' sugar from inventories on hand when making loans on 1977 crop sugar. We audited five processors who had received 1977 crop year sugar loans and who had prior years' sugar in inventory. Four of these five processors had received loans totaling $58.5 million on 3,762,105 cwt. of ineligible prior crop years' sugar. We estimate the Government incurred about $272,000 in excess interest charges on these ineligible loans through June 30, 1978.

Interest losses were computed using the difference between the 6 percent loan rates charged by the Commodity Credit Corporation (CCC) and the rates paid by CCC to the United States Treasury during the months of loan disbursement. The quantities reported below were as of the latest date for which adequate data were available and are subject to constant change as inventories increase and decrease.

The following table presents the quantity of ineligible prior crop years' sugar under loan:

Processor	Ineligible sugar under loan (hundredweight)	Loan value	Estimated interest loss through June 30, 1978
A	2,563,950	$39,920,701	$212,734
B	1,120,110	17,440,112	54,037
D	33,652	523,962	2,159
N	44,393	632,156	3,214
Total	3,762,105	58,516,931	272,144

The ACSC National Office (NO) did not inform its state and county offices of inventory accounting methods selected by those processors participating in the 1977 crop payments program, nor did the NO inform its field offices of the prior years' sugar inventories reported by the processors. This information was essential in order to determine the quantity of 1977 sugar eligible for the 1977 crop loan program.

We informed ASCS of this condition during our audit. The ASCS NO agreed with our position and began taking corrective action. The NO issued to all sugar producing and storing states Wire Notice SU-6, dated August 2, 1978, which called for ASCS State Offices to determine, for each processor with loans, whether quantities of sugar currently under 1977 crop loan represent only 1977 crop sugar according to the inventory accounting method selected. Pending notification of the results of the reviews, we have no further recommendation for corrective action.

5. *Reporting errors*

Our audit revealed a number of processor reporting errors which resulted in payment program overclaims of $430,467 on about 16.9 million raw value pounds of sugar. The details of these audit exceptions are presented below for each processor audited.

a. Processor A

Four invoices for goods in transit on November 7, 1977, were inadvertently reported by processor A in the first program reporting period. Small quantities of brown sugar and corn syrup, processed by another company and purchased for resale by processor A, were also inadvertently reported. Also, one large shipment was reported in the first program period, returned by the customer, and deducted in a later program period when support rates were lower.

The following table details processor A's reporting errors:

Type of error	Raw value pounds reported	Support rate (cents)	Support overclaim
In-transit goods—Claimed twice	301,345	3.98	$11,994
Sugar purchased from other processors:			
	4,633	3.98	184
	25,252	2.69	679
	11,276	2.11	238
Returned shipment	35,417	3.98	1,410
Returned shipment—Adjustment	(35,417)	2.14	(758)
Overclaim	342,506		13,747

Processor A also made several errors in calculating the balance of undelivered sugar committed under contracts. These errors overstated the total quantity committed by 13,998 cwt. (refined weight), but had not resulted in any overclaims through May 31, 1978.

b. Processor B

Processor B inadvertently reported the sale of 107,273 raw value pounds of sugar purchased from another sugar processor. We concluded sugar purchased from another domestic processor is ineligible for the payment program because subsidizing sugar purchased for resale might result in two processors receiving a subsidy on the same sugar. This sale was reported in the second program period and resulted in an overclaim of $2,886.

c. Processor C

Processor C reported 1,037,558 pounds of raw sugar twice by including it in two different periods. This resulted in a program overclaim of $25,140.

Processor C's reporting error involved two sales. One sale of 749,000 pounds of raw sugar was reported in the first program reporting period ending November 7, 1977, and again in the second program period ending December 31, 1977. Another sale of 283,558 pounds of raw sugar was reported in April 1978 and again in May 1978. These sales should have been reported only in the November and April periods, respectively.

d. Processor D

Processor D purchased 45 carloads of sugar from another sugar processor and reported the resale of the sugar for program support payments. Processor D's purchased sugar, like processor B's, should be ineligible for support payments. The following table details the sugar purchased, resold and reported:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Mar. 31, 1978	4,629,505	2.36	$109,256
Apr. 30, 1978	4,269,214	2.14	91,361
May 31, 1978	3,918,533	1.73	67,791
Overclaim	12,817,252		268,408

Processor D also overestimated sugar sales for one 30-day period. Under program regulations, sugar sold and delivered within 30 days after November 7, 1977, was to be reported in the program period ending November 7, 1977. For this 30-day period, processor D reported estimated sugar sales which exceeded actual sales by 1,566,287 raw value pounds and resulted in an overclaim of $62,338.

A clerical error and a returned shipment also resulted in overclaims. In the period ending December 31, 1977, processor D mistakenly reported 98,718 raw value pounds of sugar for a $2,655 overclaim, and in the period ending January 31, 1978, the processor reported a returned shipment of 160,414 raw value pounds for a $3,818 overclaim.

e. Processor E

Damaged sugar sales

Processor E reported some sales of damaged sugar twice and some adjustments on sales of damaged sugar at an incorrect price. Altogether, these sales amounted to an overclaim of $45,408 on 569,170 raw value pounds of sugar.

A quantity of processor E's sugar inventory was damaged on about July 1, 1977. At this time, processor E's insurer became liable for the damage. Processor E salvaged and sold the damaged sugar for the insurer. In the first two program periods, processor E reported damaged sugar sold from November 1, 1977, through December 31, 1977. These sales, however, were reported at the reduced price for damaged goods rather than at the insurance settlement price which should have been used.

Also in the second program period, processor E made an adjustment to add a large quantity of damaged sugar contracted for by one buyer. The adjustment included the

quantity of damaged sugar previously reported and stated gross proceeds at the insurance settlement price, which was greater than the reduced damaged price. The adjustment in effect duplicated at a different price the quantities of damaged sugar previously reported.

In the fourth program period, processor E attempted to correct the duplication by deducting some of the reported sales. The processor, however, deducted the insurance settlement price rather than the reduced sales price, and eliminated duplication of sales only from November 8, 1977, through December 31, 1977.

The following table details the damaged goods reported:

Program period ended	Gross proceeds	Raw value pounds reported	Comments
Nov. 7, 1977....	$32,028	1,485,649	Sales of damaged sugar from Nov. 1 through Dec. 7, 1977, at reduced price.
Dec. 31, 1977....	17,485	968,363	Sales of damaged sugar from Dec. 8 through Dec. 31, 1977, at reduced price.
Do.....	3,208,413	32,966,812	Quantity of damaged sugar reported at insurance settlement price, includes and duplicates quantities reported above.
Feb. 28, 1978....	(183,438)	(1,884,842)	Amount deducted this period to eliminate duplication of sales from Nov. 8 through Dec. 31, 1977, at insurance settlement price.

The February adjustment made by processor E was incorrect because it excluded the November 1 through 7 sales and because gross proceeds were adjusted at the insurance settlement price rather than the reduced "damaged" price as originally reported. Also, the damaged goods should have been reported in the second program period since that was when the insurance proceeds were settled. The quantities of sugar reported at reduced "damaged" prices should have been adjusted out of the periods in which they were reported (1) because they dilute the average price, and (2) because support rates vary from period to period.

The following table details (1) the adjustments needed to correct the program reports (Form SU-1) and (2) the amount of the support overclaim before adjustments:

Program period ended	Gross proceeds	Raw value pounds marketed	Support rate (cents)	Support overclaim
Nov. 7, 1977[1].....	(132,028)	(1,485,649)	3.98	159,129
Dec. 31, 1977[1].....	(17,485)	(968,363)	2.69	26,049
Feb. 28, 1978.....	183,438	1,884,842	2.11	(39,770)
Overclaim.....		569,170	.....	45,408

[1] Bracketed gross proceeds and pounds marketed should be subtracted from SU-1 reports. February amounts should be added.

Non-Sale Items

Under processor E's accounting system, certain dispositions of sugar were recorded in the sales account. Program claims through October 31, 1977, were taken directly from the books and included 65,610 raw value pounds of non-sales sugar. Non-sale items included inventory adjustments, free samples, and miscellaneous losses and damages. According to the program regulations, price support is provided for sugar marketed. These non-sale items are not marketing transactions; they are ordinary operating expenses and therefore ineligible for support payment. The support overclaim amounted to $2,611 (65,610 x .0398).

f. Processor G

Due to a clerical error in recording sugar sales, processor G overreported 19,902 raw value pounds in the program period ending January 31, 1978. This resulted in a support overclaim of $474.

g. Processor H

Processor H reported the sale of 74,900 raw value pounds of sugar in two reporting periods. This sale should have been reported in the second program period. The overclaim was $2,981 (74,900 x 3.98¢).

ASCS should make the appropriate reductions in quantities of sugar reported prior to paying the final 10 percent of program payments. The adjustments reported for processor E relating to damaged sugar should be made prior to computing the final national average market prices because the gross proceeds on damaged sugar were materially understated.

6. Marketing periods

Amendments to the payment program regulation concerning eligibility of sugar marketed after November 7, 1977, caused a lack of uniformity in processor reporting. As a result, some processors reporting sales of sugar over the same 30-day period will receive payment at different support rates.

While the program marketing period ended November 7, 1977, processors continued to report contract sales after that date on a monthly basis. Deadlines for the first and second reporting periods were November 7, 1977, and December 31, 1977, respectively.

The regulation amendments created one exception to the reporting schedule. According to ASCS regulations, sugar delivered within 30 days of November 7 under written contracts which specify fixed quantities and prices was to be reported in the period ending November 7. Thus, sales under written contracts that fixed quantities and prices and that scheduled deliveries between November 8 and December 7, 1977, should have been determined and reported in the first reporting period. Verbal contracts and written contracts not stating specific terms were excluded from this 30-day exception.

Processor responses to the 30-day exception period varied. To meet reporting timetables, two processors (A and D) reported estimated quantities and prices under written contract sales for this period. Processor C reported estimated sales under all contracts, both written and verbal, while processor E reported all actual contract sales, including verbal ones. Two processors, B and H, did not include any sales from the 30-day period in the first reporting period, but simply cut off sales as of November 7, 1977.

While these variations should not affect the total payments made by ASCS, they do affect the amounts payable to each processor. The preliminary payment rates in the first and second program periods were 3.98 and 2.69 cents per pound, respectively. Processors reporting excessive quantities in the first period will receive a greater payment, while processors reporting in the second rather than the first period will receive less.

ASCS should clarify and correct this problem to assure equitable treatment to all participants.

7. Hedging gains and losses

Of the 11 processors included in our audit, five were trading futures contracts on the commodity markets as a practicing method. Three of the five did not include gains and losses from such transactions in the gross proceeds reported under the payment program. While program regulations make no mention of reporting gains and losses from futures contracts, we believe they should be included in the gross proceeds reported to enable ASCS to compute a more accurate national average market price (NAMP). ASCS officials agreed.

Processors E and I had included gains and losses from futures contracts in their original program reports for the year ending June 30, 1977, and for each program reporting period. Processor A did not include the results of futures trading in its program reports. However, during our audit processor representatives stated they were aware of this deficiency and that they intended to amend their reports. Processor A's futures gains amounted to $171,701 for the year ending June 30, 1977, and $415,359 for the period September 1, 1977, through May 31, 1978.

Processor B included the results of futures transactions in its report for the base year ending June 30, 1977, but not in the program claim periods. However, prior to our audit processor B had amended its reports to include the results of futures transactions.

Processor C did not include futures results in its program reports. This data was not collected during our audit.

The effect of unreported futures gains and losses on the NAMP may or may not be significant. However, because of inconsistencies in reporting, ASCS should (1) issue written clarification instructing processors to include gains and losses from trading in futures contracts and (2) have processors amend reports for the year ending June 30, 1977, and for program reporting periods where necessary.

V. GENERAL COMMENTS

The objectives of the price support payment program for 1977 and the price support loan program for 1977 were the same—to support prices to producers at 52.5 percent of parity. Processors who participated in either program were required to pay producers no less than the applicable support price for unprocessed sugar commodities. We did not audit this area because final payments to producers had not been made. We did determine however that at least one group—cooperative sugarbeet refiners—will not pay their producer-members the support rate stated in the regulations because cooperatives must pass on operating losses to their members. We plan to perform a followup audit in this area after final payments to processors are made.

ASCS has informed processors that they may place sugar under the 1977 crop loan program, liquidate the loan, and then report the same sugar under the payment program. ASCS contends that (1) growers of other commodities are allowed to participate in two or more USDA programs using the same commodity, and (2) there is no prohibition against sugar processors doing the same.

We believe the legislative intent was clearly to supersede the payment program with the loan program. The extension provision of the payment program was intended to make quantities contracted for future delivery eligible for the payment program because they could not be placed under loan. The Code of Federal Regulations' definition of "Sugar Marketed" includes sugar committed under contractual agreements for delivery after November 7, 1977, and the loan program regulations exclude from eligibility sugar reported as marketed under the payment program.

Although this area was not developed during our audit, ASCS should review this matter further before making final payments to processors.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. PROXMIRE now

be vitiated and that the period for the transaction of routine morning business continue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Each Senator will have 15 minutes.

Is there morning business?

RURAL DOCTOR COMMENTS ON FEDERAL HELPS AND HINDRANCES

Mr. McGOVERN. Mr. President, a recent special edition of the magazine Channels concentrated on health care in the Midwest, and among the many perceptive articles was an excellent feature story on Dr. Roscoe Dean of Wessington Springs, S. Dak.

Dr. Dean has served the rural community of Wessington Springs and surrounding area for 30 years. He has had an opportunity to experience changes in medicine, but, more important to our task, he has worked with the adjustments made by the Federal Government. Some regulations have caused trouble, such as denying him the services of his anesthetist of 15 years, and other new laws have added much needed medical personnel to rural areas, such as the Rural Health Initiative National Service Corps.

The article is a tribute to the dedicated work of a very special person. I offer my personal thanks to Dr. Dean for his service to the people in his South Dakota community, and encourage my colleagues to review his comments on our work.

Mr. President, I ask unanimous consent that the article "Country Doctor" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROSCOE DEAN STILL MAKES HOUSE CALLS, BUT SMALL-TOWN MEDICINE WILL NEVER BE THE SAME

WESSINGTON SPRINGS, S.D.—The man in the boots, hat and leather string tie has been at this hospital since seven this morning and will probably be busy until 11 tonight. He works seven days a week, hardly ever goes on vacation and thank heavens, hardly ever gets sick—he wouldn't have time.

Everybody in town knows Roscoe Dean. At one point or another, he has probably helped them all. For the last 30 years, he has been their doctor. And unlike most physicians today, he still makes house calls.

A MAN OF THE TIMES

That's not to say Dean doesn't bend with the times. He is a product of change with the high frequency, two-way radio he keeps in his jeep and his heavy reliance on long distance calling.

More important, the country doctor is a man in transition. And he admits that at times, it's frustrating.

Dean was born and raised here, and left home in the late '30's to study medicine. Then in 1945—just as he was completing his residency—he contacted pulmonary TB. "I came home to rest," he recalls, "but never got a chance. The minute word got out there was a doctor in town, I had patients on my doorstep."

Dean recuperated, and for the next few months, he practiced out of his home. "Then one day, a boy came into our living room dripping blood all over the place. When my wife saw that, it was the last straw—she sent me looking for an office." Dean found one off mainstreet and has been there ever since. In the process, he has survived three partners and picked up a caseload of 8,000 patients—many of them from the nearby Ft. Thompson Indian Reservation and a Hutterite community.

There have been days when he felt like packing up and leaving, and he knows he would have made more money working in the city. "But I'm not sorry I stayed. There was a real need here."

Now suddenly, his mind is on the building he's in, the hospital he helped to start.

Before Wessington Springs had this place, he explains, folks either took the train to nearby Huron or Mitchell, or went by car over the old gravel roads. Originally a home, the building was converted into a hospital in the mid '40's. Since then, a wing has been added. Even at that, it only holds a couple dozen beds.

Dean admits the hospital isn't much by big-city standards, but it serves its purpose, he says. And over the years, that purpose has changed dramatically, just as the nature of small-town medicine has changed.

"I used to do everything except operate on a kitchen table," Dean says, "but not anymore. The specialists and big hospitals are better equipped than I am to handle the tougher cases. So I refer them out and concentrate on the primary level of medicine."

RULES AND MORE RULES

"Besides, there are too many restrictions these days," he adds. "For instance, I'm told a nurse anesthetist I've worked with for 15 years shouldn't be on the job because she lacks one certificate. I know she's qualified, but my hands are tied. So rather than have someone I'm not used to, I just don't perform surgery at all anymore."

Even at that, Dean is a busy man. He sees from 40 to 60 patients a day, and that sometimes involves making house calls miles away. Then there's the tremendous amount of long distance calling connected with referrals and other patient matters. If Dean and his staff aren't using the phone to line up ambulances or consult with lab technicians out of Sioux Falls, they're telephoning to make arrangements for patients to get into hospitals or to see specialists.

There's also the great amount of paperwork associated with Medicare and other publicly subsidized programs. Dean estimates about 60 percent of his people qualify for such programs. As a result, his hospital records are an easy target for government audits. "They have to be thorough—there's no doubt about that," he says. "But even with a records librarian and two typists, it's a lot of work for me."

Still, Dean has found ways to make life easier. Several years ago, for example, he became one of the first rural doctors in South Dakota to utilize a high frequency, two-way radio system in his work. It enables him to keep in touch with his hospital staff while he's in his jeep.

HELP ARRIVES

Dean has other help, too. Recently, Wessington Springs got another doctor—Dean's nephew—who's part of the Rural Health Initiative National Service Corps, a federal program for rural areas. He brought with him a nurse practitioner, who's qualified to perform many of the routine duties of a physician.

Dean hasn't seen the end of changes—there's one more coming up: a medical complex consisting of a clinic, a rest home and a hospital.

He is anxious to see the building completed; it has been a dream for over 25 years. That doesn't mean he won't be just a little sad when he moves out of the old hospital. "I have a lot of precious memories connected with this place—sure, I'm going to miss it," he says.

Dean pauses for a minute, then picks up his bag and heads for his jeep. He has an office full of patients waiting for him, including a young fellow who's running a fever and wants to be well for his wedding Saturday.

Today is Wednesday, which means he has a small miracle to perform. He has to get going.

MARTIN SORENSEN

Mr. McGOVERN. Mr. President, on Saturday, January 13, the State of South Dakota lost one of its most beloved and respected citizens. Martin Sorensen spent more than 30 years serving the State of South Dakota as an educator and food program administrator. He had served as superintendent of schools in Castlewood, Webster, and Lemmon before moving to Pierre where he served as the State's school food service director. After he left State service, he became the founder and director of the prairie mountain regional office of the children's foundation, a Washington-based child nutrition advocacy organization.

During his career, Martin never lost sight of the needs of the children of South Dakota. Both on the State and national level his opinions were sought out, and his counsel respected. We will miss Martin Sorensen.

POLITICAL ILLITERACY AND OUR SCHOOLS

Mr. McGOVERN. Mr. President, in recent months I have warned the Congress and the public of the serious threat to our Nation's social, economic and political well-being posed by more than a decade of declining achievement in our schools. Three articles recently published in the Washington Post and the Washington Star remind us of the result of educational deprivation among our youth, and the need to discover what can be done to restore educational achievement. Neal R. Peirce of the Washington Post catalogs the shocking degree of political illiteracy, while his colleague, William Raspberry reviews Paul Copperman's recent book on the cause of the achievement decline. The editors of the Washington Star, in their review of Mr. Copperman's book, call for an active and serious investigation.

Mr. President, I ask unanimous consent that these three articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 16, 1979]

POLITICAL ILLITERACY AMONG THE YOUNG

(By Neal R. Peirce)

LOUISVILLE KY.—Only 3 percent of the nation's 17- and 18-year olds can correctly identify Alaska and Hawaii as the last two states to join the Union. Only 38 percent realize a voter can split his party choice between president and other offices. A scant 4 percent can name the three men to serve as president immediately before Gerald Ford. A quarter don't realize that New Jersey is on the East Coast, Oregon on the West Coast. Only 44 percent know California is the most heavily populated state.

If such survey results raise your concerns about the young people coming of voting age,

your fears are shared by the man who took the poll—George Gallup Sr. Gallup spoke of "tremendous political illiteracy" among the young as he presented the survey results to the poll's co-sponsor, the National Municipal League, at the league's conference on government in Louisville.

Other results of the survey, which the Gallup organization administered to one thousand 17- and 18-year olds across the country last year under a grant from the Scherman Foundation of New York:

Only 29 percent realize that conventions make the final choice of presidential nominees. A third don't know which party has a majority in Congress. Ninety-seven percent know they're eligible to vote at 18, but only 42 percent apparently had heard of absentee ballots and knew how they'd get their vote counted if they were away from their home district on election day.

The intent of this "citizenship test," Gallup said, was to see how young people could handle questions any reasonably well-informed voter should be able to answer. On American history, only 60 percent could name the war in which states' rights was an issue. Only 57 percent knew Russia fought on our side in World War II and only 55 percent knew Joseph Stalin's nationality.

On geography, 93 percent could name the capital of their state. But only 23 percent had any idea of the distance between New York and San Francisco. Only 28 percent guessed close to the U.S. population total. Forty-one percent didn't know China is the world's most heavily populated nation; 61 percent hadn't grasped the fact that Mexico has more people than Canada.

Gallup said he was particularly shocked by the young people's ignorance of basic geography. "In my day, 50 or 60 years ago, even though America was very isolated then, we had to draw maps of the world and show all the capitals." Now, Gallup noted, although transportation has made the world smaller and the United States' role is far more important, geography has dropped out of the curriculum of the schools and been folded into social studies—with the dreary results his poll indicated.

On foreign policy, the results were equally poor. Only 40 percent knew what NATO is; only 18 percent had any notion of what "détente" means; a scant 15 percent could identify Ottawa as the capital of Canada.

Civic illiteracy goes hand in hand with declines in national student performance on standard achievement tests, a concern in virtually every state and region. It's difficult not to place a major share of the burden at the doorstep of the country's schools and schoolteachers.

On the curriculum front, all states maintain a minimum teaching requirement in American history. But social studies as a whole—not just geography—have been seriously eclipsed. "Social studies are receiving very low priority in the curriculum and the attrition rate of these courses is very high. Electives are being substituted for hard-core government classes," says National Council for the Social Studies president Anna Achoa.

While we wring our collective hands and search for corrective steps, Dr. Gallup offers us the entertainment of some certified answers of young people who took his citizenship test:

Question: "Who was the Democratic candidate for President in 1972?" Answer: "Richard Ford."

Question: "In what year did Columbus discover America?" Answer: "1942."

Question: "Where is Angola?" Answers: "in Siberia," "in the Philippines."

Question: "If oil tankers cannot use the Suez Canal, by what route do they get from Saudi Arabia to the United States?" Answers: "the Panama Canal," "I-95."

Question: "Which were the last two states admitted to the United States?" Answers: "Florida," "Mexico," "Canada."

Question: "What nation in the world has the largest population?" Answer: "United Nations."

Question: "What language is most widely spoken in Latin American countries?" Answers: "French," "Latin."

Question: "Name two agencies through which the United Nations organization carries on its work throughout the world." Answer: "CIA and FBI."

One answer may have provided profound wisdom, however. Gallup's question: "The economy of Russia is described by economists as communistic; that of Sweden socialistic. How is ours described?" The student's answer: "Inflationary."

[From the Washington Star, Jan. 27, 1979]

"THE LITERACY HOAX"

It would be nice if we could definitively focus responsibility for one or another of our nagging national concerns: A blue-ribbon presidential commission would call a press conference and announce: "Low productivity rates during the past fiscal year are wholly due to Farley Fennell, 1089 E. Turnip Terrace, Apt. 301, Ottumwa, Iowa, who on Aug. 3, at 10:06 a.m. refused to . . ."

Nonsense, of course. From time to time, though, a problem is illuminated with wonderful clarity. A news item several days ago was one such rocket. Another is David Copperman's book, *The Literacy Hoax*.

The news squib reported that two professors at Eastern New Mexico University—whose names we omit, out of charity if the item was askew, out of malice if they were indulging in intellectual exhibitionism—are campaigning for what they call a grammarless English, without sentence structure or punctuation. The "whole cancerous structure of the English language" and its complicated rules are driving students away from reading and writing, the pair contended.

An appropriate reaction to that sort of absurdity is to pray that the two academicians are not tenured. But the brief story also said their notions are being put on film for public television. If that is so, absurdity becomes dangerous.

Mr. Copperman's *The Literacy Hoax* (William Morrow and Co.) drew attention when it was published late last year, but not in proportion to its merit and the subject: The frightful decline in the quality of the public schools and student achievement.

Mr. Copperman is young, in his early 30s, a Phi Beta Kappa graduate of the University of California at Berkeley, and the founder of the Institute for Reading Development. He began research for the book in 1974 after experiences at his reading school first astonished and then appalled him.

"The decline in basic academic skills is directly attributable to the curricular degeneration of the past dozen years (and) the curricular deterioration is a direct result of the degeneration of authority relations in education," he writes.

Mr. Copperman's analysis is as thorough as his indictments are broad. The federal government's involvement in education has been a "multi-billion-dollar source of fraud and political interference," with efforts at "compensatory education" among the most dismal. Institutional and personal authority have become anathema, parents have abnegated responsibility, teachers have not taught and are not supported when they attempt to; the educational bureaucracy, inside and outside government, has created a fortress increasingly manned by younger troops from the counter-culture '60s, bringing with them a spurious egalitarianism that disdains both traditional values and educational methods; innovations have been shoved into classrooms without adequate testing of their validity.

The result of this unholy pattern is that "young people have been given the freedom not to learn." And take full advantage of it.

All of which may be shrugged off by some as a case of premature old-fogeyism in Mr. Copperman. Except that the arguments and the data he marshals are persuasive unto despair.

We are seeing the growing dissatisfaction with the public school system being translated into action—competency testing, the return-to-basics movement. But it will be a long war against an entrenched opponent.

The subject requires urgent and informed national debate. *The Literacy Hoax*, and Mr. Copperman's prescriptions, would be one of the texts.

WHO'S IN CHARGE AT SCHOOL?

(By William Raspberry)

Paul Copperman is the stern-faced Miss Grundy of "Archie" comics. He is the unbending law professor on "The Paper Chase." He is the humorless nun who taught you in parochial school, the mean science teacher who assigned homework as though science were your only subject.

He is all the teachers you hated until years later, when you discovered theirs were the only classes in which you learned anything.

At any rate, that is the composite that came to my mind as I read his new book, "The Literacy Hoax: The Decline of Reading, Writing, and Learning in the Public Schools and What We Can Do About It."

Consider his provocative chapter on "Authority."

He begins by reading the indictment against public education: its grade inflation, its faddism and confusion and, most of all, its abject failure in neglected inner-city and affluent suburb. Then:

"These symptoms of educational decay are manifestations of a deeper malady, the breakdown of authority relations in education.

"Virtually every significant educational problem of the past decade results directly from the abrogation or subversion of normal educational authority."

The very word "authority" has fallen into disfavor these days. It is startling to hear it proclaimed so fervently by a man who (notwithstanding my description of a moment ago) is not quite 32 years old, who is as casually handsome as television's "Kotter," and whose love for children and learning comes through in every chapter of his controversial book.

Authority, he believes, is essential to successful teaching, whether for Arctic wolves teaching their young how to spot caribou, Tasaday fathers teaching their children how to identify edible roots, or public schoolteachers instructing their children in the mysteries of U.S. history and decimals.

He is not opposed to patience and love and ego enhancement in the teaching process, but he is firmly convinced that we make a grievous mistake when we confuse those positive traits with lowered standards and overbroad choices.

"If it is not clear to a child why he must learn grammar or long division, educational authority should communicate its utility and the consequences of not acquiring it, *but above all insist it be learned*," he asserts. "Educational authority abrogates its responsibility when it permits children to choose not to acquire the basic skills and knowledge necessary to survive and function in modern society."

Americans, having accepted democracy—

governance by the consent of the governed—as the overriding ideal, have mistakenly tried to extend the concept to education: "The consent of the governed becomes the consent of the children.!" The result: Our children are given more freedom, more veto power, more choice than they are equipped to handle.

Says Copperman, with characteristic starkness: "The only freedom for students that educators should be concerned about is the freedom to function in the world, which comes as the result of an adequate education. Upon graduation, how free is the young person who freely chose not to study any math, science, history or composition?"

The decline of authority, he says, manifests itself in two types of teachers: the young ones, who never were taught any differently, and the older ones, who have become demoralized.

And who is to blame? Administrators who sabotage teacher efforts at maintaining standards with the first hint of any significant student resistance; communities that are more concerned with peace and calm than with learning; and parents.

"In hundreds of conversations with teachers and school officials over the past several years," Copperman writes, "I have been told that parents are not backing up the schools the way they have in the past. They are not reinforcing the teacher by making sure their children do their schoolwork every day. They are not nearly as concerned about their children cutting classes or using drugs.

"Some parents actively subvert the teacher's authority by denigrating the teacher or the school to their children, or siding with a child in a dispute with the school."

I can see some of my dearest friends bristling at that last statement.

But a lot of parents who agree with him have already begun to move—either by reinforcing the authority of the schools where their children are, or by putting their children into schools where respect for authority is taken for granted.

There are such schools, and you could probably discover most of them merely by looking at their test scores.

HERITAGE AND VIRTUE IN THE MIDWEST

Mr. McGOVERN. Mr. President, the December 11, 1978, issue of U.S. News & World Report carries an interesting and thoughtful article exploring and explaining the stability and progressive growth of the Midwest, that stretch of America starting with Ohio and continuing westward to the Dakotas, Nebraska, and Kansas.

It is that vast area which produces 86 percent of the corn and 55 percent of the wheat grown in our country. Livestock is grown, fed, and slaughtered in greater abundance here than in any other area of the nation. In addition to agricultural production, much of the region's stability comes from its reliance on small- and medium-sized industry. In the last 3 years, 128 new plants have been established in South Dakota alone.

Most researchers and students on the subject attribute this solid economic growth to the productivity of American workers and farmers—especially the capability of American families who work the land. Most of the people who reside in the large, the medium sized, and small towns are only one or two generations removed from the early tillers of the soil. The farms themselves are oftentimes worked by third generation farm families. Hard work and self-reliance are the hallmarks of this proud region. There are seldom any great "booms," but on the other hand, there are few "busts."

Raven Industries of Sioux Falls, S. Dak., is cited as an example of the reliable and steady work force found in this area of our land. Its president, David Christensen, says the rural backgrounds of the work force in small towns make them ideal places to build plants.

Mr. President, I ask unanimous consent that the article to which I have referred, entitled "The Diversity," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DIVERSITY OF THE NATION'S RICH HEARTLAND

MARSHALLTOWN, IOWA.—America's Midwestern heartland is demonstrating once again why many consider it the strong and solid backbone of the nation—a major producer of food, machines and leadership.

Bountiful harvests from the Midwest make the U.S. one of the world's best-fed nations. Its factories are shipping products as diverse as automobiles, artificial heart valves and computers.

And behind it all, hard-working citizens across the 12-state region are keeping alive traditional ideals: self-reliance, patriotism and grass-roots democracy.

Within this highly diverse region stretching from Ohio to the Dakotas and from Kansas to the Canadian border, visitors find large cities with ethnic and racial ghettos, factories and sprawling suburbs.

Yet they also learn that the Midwest's roots are deeply imbedded in its rural and small-town heritage, as well as the world's most productive farms from which the annual harvest is now heading for world markets.

In recent years, the importance of the Midwest has grown to international proportions. Its grain is helping many Third World nations feed their hungry and growing populations. Midwestern farm exports also are providing the U.S. itself with a prop for the beleaguered dollar by keeping the trade deficit with foreign countries from soaring even higher.

Midwestern farmers produce an estimated 86 percent of the nation's corn and about 55 percent of its wheat. When America sits down to breakfast, 7 out of every 10 bacon slices it consumes come from pork grown in this area. About half of the dinner beefsteak comes from Midwestern cattle—and most of the rest from beef that was fattened on grain that was grown here.

From Wisconsin comes 16 percent of the nation's milk. Iowa supplies the U.S. with 25 percent of its pork. Kansas is the leading wheat producer.

IT'LL BE HERE FOREVER

The Midwest was settled by the forefathers of these productive, modern-day farmers. Dozens of immigrant groups, pushing west, dared to challenge what was then a wilderness. They broke virgin prairie land and fought to make homes. The weak quickly dropped aside before the stresses of bitter weather, crop failures and constant, unrelenting work. Those who remained were the tough and the determined, and many of their descendants still live on farms and in small towns that are home to almost half of the Midwest's population.

"There's a feeling of tradition here, of pride," said an Iowa banker. "People have a personal strength, inherited from the stock that carved homes out of the wilderness."

Typical of these small Midwestern communities is Marshalltown, a city of 26,000 in the heart of Iowa's corn country. Marshalltown has a wide, well-kept street that's still the center of town—a place where people come to shop and talk on street corners. The public buildings are neat and well kept but certainly not fancy. Stephen Jonland, a Chamber of Commerce official, points out that there is not a single empty storefront on Main Street. There are 24 religious denominations and 45 churches in Marshalltown, and they exert a strong influence on life in the community.

"This town is solid," says a proud resident. "It may never get real big, but it'll be here forever."

Adds George E. Taylor, chairman of the Commercial State Bank: "Marshalltown has a steady, progressive growth. Some might call it slow, but this way your foundation is solid. There's no boom and bust."

THE WORK ETHIC

There are major factories in Marshalltown, such as Lennox Industries, Inc., and Fisher Controls Company, which were founded here and are now international corporations. Some old-timers still remember that "Dave Lennox was just an old boy off the farm who was handy with tools."

Townspeople have a deep respect for the free enterprise that built such businesses—and there's an almost evangelistic feeling toward the work ethic.

Says Mayor Howard Stegmann: "Work or starve—that's our attitude. If you want to work, you're welcome here. But if you don't want to work, then you're not welcome."

Such feelings are not confined to Marshalltown. Says George Kremer, publisher of Wisconsin's *River Falls Journal*: "The people here have vigor and determination. They keep their towns and their lives neat."

Many people in the small towns are just one or two generations off the farm, noted an Iowa editor, "and they know how to work. A lot of them were handing wrenches to their fathers before they could walk."

"People here are hard-working and self-reliant—and they don't understand people who aren't," says a Kansas man. And in South Dakota, David Christensen says his company has benefited greatly from that fact. He is president of Raven Industries, which makes such products as chemical storage tanks, hot-air balloons, electric equipment and ski clothes. Christensen says the rural background of the work force in small towns makes them ideal places to build plants—a theory Raven Industries has successfully followed.

Says Christensen: "It's very easy to go into a small town—and by that I mean 1,500 to 2,500 population—and hire 50 to 100 workers. You find a strong work ethic and a super talent available in those small towns. I'm amazed that big companies haven't recognized this sooner."

But the big companies *are* finding it out. Towns like Pratt, Kans., are attracting more and more small to medium-sized plants. In thinly populated South Dakota, for example, 128 new plants have been established in the last three years.

"Companies are seeking the rural environment often because of the labor available," says Joe McCarthy of the Indiana Industrial Development Bureau. "It's dependable and productive, and there's generally a low turnover."

The low turnover, most believe, comes from a tradition of stability that is rare in America's mobile population.

It is common in the small towns and on the farms of the Midwest to meet people whose families have lived in the same county for two, three and even four generations. Many say that they've found a contentment where they are and feel no urge to move.

Perhaps, suggests a Kansas farm wife, people in the rural-oriented Midwest are closer

to the basics of life, more in tune with the pulse of nature.

"There's a place in our pasture where you can stand and not see anything but what God made," she says. "It's a nice feeling—real contentment."

A recent *Minneapolis Tribune* poll showed that 6 percent of the Minnesotans questioned considered themselves happy or very happy, an amazing figure in an era of national discontent.

THE MULTITUDINAL PEOPLE

Such attitudes give rise to the idea that Midwesterners are isolated provincialists. That's a myth, according to James Youngdale, a writer and former professor at the University of Minnesota. "We're a multidimensional people," he says. "We're not provincial—just the opposite is true. People here are aware of how we're caught up in the national and international life."

Often, he adds, people living in or near small towns are better able to learn how a society works than someone isolated in a single neighborhood of a big city.

"I grew up on a farm, and when you do, you know the local banker and the mayor and others of importance," he says. "You know what a total community is."

Adds a Kansan, "You grow up on a farm or in a small town, you learn responsibility early." It's not unusual, he says, to see a boy of 14 guiding a $20,000 combine through a field of wheat that represents the family income for the next year. "That's responsibility."

This background may have helped create some of the political leadership that shaped the nation's history. In the last half century, the Midwest has nurtured national leaders across a political spectrum ranging from Herbert Hoover (Iowa), Dwight Eisenhower (Kansas); Joe McCarthy (Wisconsin) and Gerald Ford (Nebraska and Michigan) to Harry Truman (Missouri) and Hubert Humphrey and Walter Mondale (Minnesota):

Midwesterners suffer the reputation of being staid and unimaginative—yet, beginning with Mark Twain, they have sent out such world-renowned writers as Ernest Hemingway, T. S. Eliot, Sinclair Lewis and Carl Sandburg.

There has been a long succession of Midwestern-born entertainers, from Buffalo Bill to Johnny Carson. Eminent actors of the modern era have included Clark Gable, Fred Astaire and Marlon Brando. And the first footprints on the moon were put there by a Midwesterner, Neil Armstrong, who grew up in Ohio.

Others attribute the success of Midwesterners to the stability of the lifestyle and the emphasis on moral values. "This is a conservative population," says a university professor. "They may accept new ideas or innovations in business, but they're slow to accept them in their personal lives."

AN OUTWARD THRUST

Whatever its cause, Midwesterners carry their vigor and spirit with them even when they leave the farm.

In the last centrury, the states clustered around the central Great Lakes and on the upper reaches of the Mississippi River have become the American Ruhr—producing most of the nation's steel, more than 65 percent of its cars and trucks and more than 70 percent of its iron ore.

Chicago, the nation's second-largest city, got its start more than 302 years ago as an Indian trading post on Lake Michigan. It has the world's tallest building, the 1,454-foot Sears Tower. O'Hare Airport is the world's busiest. The nation's biggest single steel plant is in East Chicago, Ind.

It was at the University of Chicago in 1942 that the world's first controlled nuclear reaction was set off. The "Windy City" also is the home of the world's largest retail catalog firms—Sears, Roebuck and Montgomery Ward—as well as Wrigley's chewing-gum empire and McDonald's hamburger chain.

The Twin Cities of Minneapolis-St. Paul are the home of the University of Minnesota Medical School, where researchers first defined cholesterol's role in heart disease, and where new techniques in open-heart surgery and kidney transplants were developed. Nearby, at Rochester, more than a quarter of a million patients annually seek the medical help of the famed Mayo Clinic—a name synonymous with excellence in medicine for more than 100 years.

Some Midwestern cities are forever identified with what they produce—Detroit for cars, Milwaukee for beer, Kansas City for sirloin steaks, Akron for auto tires and Battle Creek for breakfast cereal.

Many innovative ideas in government were first tried in the Midwest. Nebraska has the nation's only unicameral state legislature. Wisconsin pioneered social legislation with pensions for the blind in 1907, and later with old-age assistance and unemployment compensation.

North Dakota has the nation's only state-owned bank, flour mill and grain elevators—valuable marketing tools for its farmers. Minnesota has instituted a new concept of metropolitan government in the Minneapolis-St. Paul area. It collects individual communities under a single state-controlled umbrella for such things as taxation, transportation and sewage control.

Despite its world importance as a producer of industrial goods and the achievements of its people, however, the Midwest retains its rural heritage. "Scratch a Midwesterner and you'll find a farmer," claims a man in Nebraska. "It's what makes us the way we are."

INDOCHINESE REFUGEES

Mr. McGOVERN. Mr. President, in recent weeks we have heard heartbreaking accounts of the plight of the "boat people" and the thousands of other Indochinese refugees already in camps in Thailand and Malaysia. The United States is cooperating with the United Nations in its effort to elicit an international humanitarian response to this situation, and I believe there will be an attempt early in this session of Congress to reform our refugee laws so we will be able to respond quickly when faced with such a tragedy.

Richard F. Kneip, U.S. Ambassador to Singapore and former Governor of South Dakota, has visited the camps and spoken with the refugees. He has written an account of the situation for the Aberdeen (S.D.) American News which I believe will be of interest to my colleagues. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Aberdeen (S. Dak.) American News, Jan. 17, 1979]

THE FUTURE IS NOT BRIGHT FOR MILLIONS IN INDOCHINA

(By Richard Kneip)

(EDITOR'S NOTE.—The following is a response from former S.D. Gov. Richard F. Kneip to an editorial in the Nov. 29 edition of the American News. The editorial dealt with the plight of Indochinese refugees and suggested a report from the governor, who is now U.S. ambassador to Singapore, would be of interest to South Dakotans.)

Southeast Asian countries (Thailand and Malaysia in particular) have been overwhelmed in the past three and a half years by the number of refugees fleeing from Indochina (Vietnam, Laos, Cambodia). An estimated 140,000 Indochinese refugees remain in camps in Thailand as of December 1978, with an additional 50,000 refugees, largely Vietnamese "boat people" in camps in Malaysia. There are also another 150,000 Cambodian refugees in Vietnam. The United States since 1975 has admitted nearly 200,000 Indochinese refugees, and Australia, Canada and France have also taken sizable numbers.

In recent months the problem has become acute, and has attracted world attention, especially with the dramatic flights of "boat people" from Vietnam to Malaysia. The people escaping from the Indochinese countries are fleeing societies torn by years of warfare, disrupted by extensive and often brutally executed programs of economic and social restructuring, and damaged by natural disasters such as floods.

The countries of first asylum to which they come, notably Thailand and Malaysia, are themselves developing countries with their own problems of promoting economic development, providing adequate services and encouraging social justice for their own population.

The future is not bright for the many millions of people in Indochina, as the war continues to rage between Vietnam and Cambodia—and the Communist powers of Russia and China add fuel to the fire.

The Free World (especially the United States) through the United Nations is attempting to alleviate this misery inflicted on human beings, but much more needs to be done. It appears that many thousands have yet to leave Indochina (some guess as many as a million more), and a solution to this problem will require no less than international attention and action.

Singapore (as mentioned in your editorial), which has restricted the number and length of stay of refugees given temporary asylum, is a densely population city-state. It does not accept refugees for permanent resettlement because of that density.

Refugees rescued at sea by ships stopping at Singapore as their next port of call may be landed provided, however, that a guarantee of resettlement elsewhere is made.

Countries of ownership or registration of the vessel involved normally provide these guarantees through the local representative of the United Nations High Commissioner for Refugees, and a total of 1,842 such persons have been granted temporary asylum in Singapore in 1978. Refugees housed temporarily in Singapore are well cared for.

Those refugees approaching Singapore in small boats are not permitted to land, although their boats are repaired and reprovisioned if necessary before they are sent on their way.

Many people disagree with this decision of the Singaporean government, but it is firmly enforced. Singapore officials did, however, offer an island of temporary asylum more than a year ago, and they continue to press the point that Singapore views its policy of temporary, limited accommodation of refugees as one which will encourage speedy acceptance and movement of people by countries of permanent asylum, without further "encouraging" the outflow of discontented people from Indochina.

The problem of boat refugees in Malaysia was brought home to me personally in a visit to an island refugee camp on Pulau Tengah in Malaysia on Dec. 13 of this year.

The island is located off the Malaysian town of Mersing, a three-hour drive from Singapore, and a further one-and-a-half hour ride in a 30-foot fishing boat in the choppy South China Sea. The island is a rounded hill, about three quarters of a mile by half a mile in dimension. Previously uninhabited, and thus lacking infrastructure, the island now houses some 10,000 Vietnamese refugees, clustered in three camps near the shore.

The population had doubled in the month before my visit; this rate is typical of the increased flow of refugees to Malaysia which has overwhelmed facilities there.

Despite what might seem to be insurmountable problems, I found the camps to be well organized and the refugees in remarkably good spirits. The refugees have built a dock and huts with sleeping areas up off the wet ground, using lumber from the boats they came in.

They have one good well (out of several dug), and have about a two-week supply of food, primarily noodles and rice, on hand. They have organized kindergarten groups for the younger children, and I saw several English classes in progress.

The average length of stay on the island before resettlement is six months, although some people have been in the camp as long as 22 months. Those refugees with relatives abroad or with special skills are given preference by virtually all the countries of permanent resettlement, and these people are resettled more quickly.

On the day of my visit, interviewers from Canada and Australia as well as the United States were present. I was struck by the care with which the refugee family groups dressed for their interviews; somehow in these camps of makeshift thatched huts they managed to appear in clean, well-pressed clothes for the most important interview of their lives.

In talking with the refugees about their decision to leave their homes, it was clear that for most of them the principal reason was that they did not want to live under the new "reforms" put into effect by the Vietnamese government.

Some said that everything had been taken from them, and many, largely urban shopkeepers and professionals, said that the prospects of existence as subsistence farmers in the New Economic Zones were so bleak that they preferred to flee.

Knowing the hardships they faced on that flight, and the conditions in which they live in the refugee camps, I was truly impressed by what these people were prepared to go through to gain freedom from communist rule.

After interviewing many families over a period of six hours and listening to their stories of human misery and deprivation, I would only conclude by telling you how fortunate we are to be a part of the Free World. Simply put, it's great to be an American.

PUBLIC DIVIDED ON ABORTION ISSUE

Mr. McGOVERN. Mr. President, recently Washington has witnessed marches and countermarches concerning the sixth anniversary of the Supreme Court decision on abortion. Since this is considered a landmark decision, and since it has been the source of polarization on both sides of the issue, a polarization that threatens to disrupt families, political parties, churches, and the U.S. Constitution itself, I would like to submit to the RECORD three articles from the Washington Post covering the marches and the issue itself.

The first article, "Abortion Passions Rise on Both Sides," appearing in the January 23, 1979, issue of the Washington Post points out the emotional dedication by opponents of the Supreme Court decision. The article also notes the invitation extended by other women's groups, who support the Court's decision, to meet together and discuss the issue.

The second article in the same issue of the Washington Post deals with the demonstration directed by religious leaders who object to certain stands taken by opponents of the 1973 decision.

A third article by Kathleen Newland entitled "The Abortion Trend" which appeared in the Washington Post of January 25, 1979, brings out the international, as well as domestic, side of the controversy and presents the situation for women in restrictive and liberal cultures. Ms. Newland's recommendations regarding abortion as a symptom of other problems and the need to address those problems, is in agreement with what I believe we should be considering in Congress, in the churches, in our families, and as individuals.

Because this issue is so important, I would urge my colleagues to review these articles which underscore the complexity of the abortion issue.

Mr. President, I ask unanimous consent that the articles from the Washington Post be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 23, 1979]

ABORTION PASSIONS RISE ON BOTH SIDES

(By B. D. Colen and Judy Mann)

Chanting "Life, Life," and "No Compromise," an estimated 60,000 people marched down Pennsylvania Avenue past the White House to the Capitol yesterday in the sixth annual protest against the Supreme Court's 1973 decision legalizing abortion.

Fresh from what they claim are "prolife" victories in unseating several congressmen who supported abortion, the marchers renewed their call for a constitutional amendment outlawing abortions under any circumstances and vowed to defeat other proabortion candidates at the polls.

Earlier in the day, the National Organization for Women held a press conference to announce it has invited some 40 antiabortion and "prochoice" organizations to a meeting in Washington on Feb. 15 in an attempt to establish a dialogue between the two sides in the increasingly bitter dispute.

The invitation was immediately rejected by March for Life President Nellie J. Gray, who, speaking from the steps of the Capitol, declared to cheering supporters, "I do not sit down and negotiate with baby killers."

The rhetoric and rancor resounded across the city throughout the day as various groups vied for center stage to be heard on the sensitive issue.

"We believe it is time for both sides of the abortion controversy to seek ways to lessen the need for abortion, to reduce the incidence of unwanted and troubled pregnancies, and to end the increasing polarization and violence that surrounds this issue," said NOW president Eleanor Smeal at her press conference.

"We are convinced that the leadership on both sides of the issue have a responsibility to meet and begin a dialogue, although we know our respective positions on abortion itself will not change," she said.

The NOW invitation was sent out by telegram to some 19 organizations, including the March For Life, sponsors of yesterday's rally at the Capitol, and about 5 other major antiabortion groups.

The spurning of the NOW offer by Gray of the March for Life was greeted with enthusiastic chants of "No Compromise" by the almost all-white crowd estimated by U.S. Capitol Police at 60,000. Their ranks included large numbers of school-age children, many bused from Catholic schools, according to march participants, as well as individuals and antiabortion groups from across the country.

As in past years, there were varying unofficial estimates on the number of marchers. It was clear this year that many people, particularly women with young children, dropped out of the march before it reached the Capitol, apparently as a result of the 36-degree temperatures and heavy winds.

About two dozen marchers who were interviewed at random said they were from out of town and were Roman Catholics. Religious banners identifying marchers as members of such Catholic societies as Knights of Columbus and as representatives of various Catholic dioceses and schools were visible throughout the crowd.

Some 150 people from the Pittsburgh area marched behind a huge banner that said "Stop the Murders, Catholics for Life Pittsburgh Archdiocese, Byzantine Rite." They were led by the Rev. Robert Bayusik who said the delegation was "traveling as family units" and that a third of the marchers were children. Many of them carried high in the air red and black pictures of an infant crucified on the cross. Asked about the possible effects of the pictures on the general public, Father Bayusik said, "As far as I'm concerned, it tells the message as it is."

"This is my sixth march," said Diane Trombley, a member of Michigan Citizens for Life, who said some 200 people came from that state by plane and bus for the march. "We're obviously becoming a political force."

Told of NOWs' overture, Trombley, who favors abortion only when the life of the mother is in danger, said she believes there are areas apart from the abortion question where the two sides could find common ground. "There are these collateral areas where I'm sure dialogue is possible. As far as (sex) education, I'm sure there's dialogue to be had there. As for artificial birth control, there's dialogue to be had there. There's always room for dialogue when you're not considering destruction of human life."

Lucille Canty, a Catholic mother of two from Worcester, Mass., disagreed. "Our basic values are in conflict," she said.

Like the marchers themselves, several members of Congress speaking at the rally all hit hard at abortion as the "killing of babies."

Some, like Rep. Robert K. Dornan (R-Calif.), laced their messages with sarcasm not lost on the enthusiastic crowd.

"Are we here to save the snail darter?" asked Dornan, referring to the congressional battle to save a tiny species of fish. "No!" roared the crowd.

"Are we here to speak out for those cute little seals who are killed in Canada! . . . We are here to stop the abuse of children," Dornan thundered, "an abuse that's always fatal. The official death toll that we are here to stop is 1,300,000 that are killed in their mothers' wombs.

"The unofficial total is closer to three million," said Dornan, "and that's a war! We are now asking for a moratorium on the death toll in that war raging across America before we will sit down at any peace table and negotiate the terms of what will be the parameters for the respect for life in our nation in its future."

"[Sen Richard] Dick Clark [D-Iowa], where are you now?" Rep. Robert E. Bauman (R-Md.) asked rhetorically to the delight of the crowd. "Where are you now, [Sen.] Ed[ward] Brooke [R-Mass.]?" The antiabortion movement is claiming credit for defeating both Clark and Brooke in last November's election and has publicly stated it has a "hit

list" of six other senators and six representatives, including Sen. Frank Church (D-Idaho) and Rep. Morris Udall (D-Ariz.) whom it wants to defeat because of their pro-abortion voting records.

The antiabortion forces have also been instrumental in getting federal Medicaid funds for abortions cut off.

The National Abortion Rights Action League announced yesterday the formation of the Rosie Jimenes Fund to help impoverished women obtain legal abortions. The fund will start off helping 10 women in Texas, where Jimenes lived. "Prochoice" forces, who believe a woman is entitled to choose whether to terminate a pregnancy, claim that Jimenes was the first of several women to die following illegal abortions since Medicaid abortion funds were cut off.

Yesterdays' march ended on an emotional note as the crowd held hands and sang songs such as "Ave Maria." As marchers dispersed to go into the Capitol and lobby members of Congress, a group of several hundred people remained behind to say the rosary on the steps of the Capitol.

[From the Washington Post, Jan. 23, 1979]

CLERICS MARCH TO PROTEST CATHOLIC VIEW ON ABORTION

(By Lee Lescaze)

NEW YORK, January 22.—In counterpoint to the massive anti-abortion demonstration in Washington, D.C., a small group of Protestant and Jewish clergy marched on St. Patrick's Cathedral today to present a petition attacking Catholic leaders' anti-abortion stand.

The Rev. Howard Moody hung a declaration signed by 43 church figures on the upraised bronze hand of Mother Elizabeth Seton, one of the saints carved on the cathedral's seldom-used giant main door.

The declaration denounced "the level of unwillingness to compromise" of Roman Catholic leaders. The tactics and theology of the Catholic leaders, it said, "are a threat to the civil peace if pursued with the same clear disregard for others convictions."

"We cannot accept this," Msgr. Eugene Clark of the New York Archdiocese said later. "Of course we are absolutely unwilling to compromise on the destruction of human life." He compared abortion to the Nazi Holocaust and asked: "Considering what we consider the offense to be, how can our rhetoric be moderate?"

The declaration accused Catholic leaders of opting for demagoguery "that sows the seeds of bitter religious discord" by comparing hospitals and abortion clinics to Auschwitz and Buchenwald and calling advocates of freely available abortion murderers and Nazis.

In all the debate over when human life begins in the womb, Moody said from the pulpit of Central Presbyterian Church before leading the march, the important question "When is freedom of conscience threatened?" is not being addressed.

Moody and about 30 other church figures led the march out of the church as their noon service dedicated to support of freedom of choice on abortion ended with about 500 people singing "America."

On the steps of St. Patrick's a few picked up the song again, singing "Let freedom ring" as photographers crowded forward to shoot Moody placing his scroll's white ribbon on the hand of Mother Seton.

Moody, who earlier had stressed the significance of the large proportion of clergywomen taking part in the march, was asked if he chose the statue of Seton to receive the scroll because she was a woman or because she was the first American saint.

"I chose her because her hand was raised so I could hang this on it," he replied.

The church service before the march began with Eugenia Lee Hancock, a minister of the host church, saying: "We are here to raise a voice to the voiceless."

The Rev. Beatrice Blair of the Episcopalian Church of the Heavenly Rest reminded the congregation that the Hyde amendment barring federal payment for abortions went into effect Oct. 1, 1976 and said its legacy has been "disease, sterility, enormous physical and psychological damage—and death."

She cited six cases of women who have died or suffered, and added: "The list is a long and growing one."

Rabbi Sheldon Simmerman of Central Synagogue told the congregation that as a Jew and as a human being he takes offense at comparisons of arbortion to Nazi murder. "The right to choose is our basic human and religious right," he said.

One sign with the words Dachau and Buchenwald greeted the marchers as they left their church and there were two anti-abortion protesters waiting for them outside St. Patrick's "Here come the false prophets," one man remarked as they arrived in their varied church robes.

Their declaration hung on the door as Moody answered reporters' questions and was photographed. As the crowd began to thin out, the heavy door swung open slightly and a man took down the declaration and disappeared inside St. Patrick's.

[From the Washington Post, Jan. 25, 1979]

THE ABORTION TREND

(By Kathleen Newland)

The marchers who gathered in Washington on Monday for the annual protest of the Supreme Court's decision liberalizing abortion were part of a backlash movement that is making itself heard in several countries. Almost weekly, it seems, there is a new report about restrictions on the availability of abortion. Local jurisdictions in the United States have passed ordinances against it in defiance of the court's decision declaring abortion a private matter between a woman and her physician. Congress has virtually eliminated the use of federal funds for abortion. Many French hospitals still refuse to provide abortion services three years after the passage of France's liberal law. A section of Chile's new constitution purports to protect human life from the moment of conception, and the Swiss recently voted down a referendum that would have liberalized their abortion law.

Taken in isolation, these events give a misleading impression, for they have occurred against a background of steady liberalization of abortion laws. In fact, few legal changes have ever found such rapid and widespread acceptance in so many diverse societies. In the mid-1960s, only about one-third of the world's people lived in countries where legal abortion was liberally available. Today, that proportion has reached two-thirds, and several additional countries are contemplating legislation that would widen the grounds for legal abortion.

The four most populous countries in the world—China, India, the United States, and the U.S.S.R.—all have liberal laws. Italy, literally and metaphorically the bastion of Catholicism, passed in 1978 one of the world's most generous abortion laws. Other countries that recently have revised their abortion codes include Austria, France, Hong Kong, Iran, Israel, Tunisia, West Germany, and Zambia. The list runs the gamut of cultures, religions, ideologies and stages of development.

The list of countries that have moved the other way, toward a more restrictive abortion law, is short. It contains only one democratically governed country: New Zealand. In addition, four Eastern European states—Bulgaria, Czechoslovakia, Hungary and Romania—have recently narrowed the conditions under which women can obtain legal abortions (though by world standards, even the new conditions are fairly liberal). The Eastern Europeans acted for demographic reasons, fearing a damaging, long-term decline in their labor forces, rather than on medical, moral or juridical grounds. In contrast to those five, more than 40 countries have liberalized their laws since the late 1960s.

In legalizing abortion beyond the narrow grounds of preventing a woman's death or serious injury, governments are simply facing the reality of a major public-health problem. The international record shows that legal prohibition does not prevent abortion. Before France's liberal law was passed in 1975, officials there admitted that more abortions were taking place in France than in Britain, where a liberal abortion law has been in effect since 1967.

In any country, the issue is not whether or not abortions are performed but how and under what circumstances they occur. Faced with a restrictive law, the rich can usually flee to a country where abortion is readily available or pay a considerable sum of money for a medically safe, black-market abortion; the less privileged have little choice but to take the grave risk of an inexpert and unhygienic abortion.

There is ample evidence of the high social and human cost of illegal abortions. Bolivia, with one of the strictest abortion statutes in the world (only grave risk to a woman's life justifies abortion) finds that complications from illegal abortions account for more than 60 percent of obstetric and gynecologial hospital costs in the country according to the Bolivian Ministry of Social and Public Health. In El Salvador, access to abortion is also severely restricted. Yet a study done for the El Salvador Maternity Hospital showed that illegal abortion cases constituted almost one-quarter of the deaths in the hospital. The great majority of the abortion patients treated were married, Catholic, over 26 years old and had more than two children.

Another striking example of the consequences of illegality comes from a country with well-developed medical services. Before Romania tightened its abortion law in 1936, illegal abortions were extremely rare. Ten years after the restriction, in 1976, an estimated 100,000 Romanian women were hospitalized for complications from illegal abortions; nearly 400 of them died.

When abortion laws are liberalized, on the other hand, there is a measurable drop in injury and death in the United States, illegal abortions annually took about 100 women's lives up to 1970, before legal abortion was generally available anywhere in the country. Five years after nationwide liberalization in 1973, the number of such deaths dropped to five or six a year.

Widespread resort to abortion is itself a symptom of other problems: inadequate sex education, poor access to family-planning services, unsatisfactory contraceptive methods, weak social structures, and the like. Clearly, restricting access to abortion does not relieve these fundamental conditions, but only adds the risk of death and injury to their consequences. The record shows that this is no deterrent to the many women whose circumstances make them feel desperate enough to seek illegal abortions. As a matter of practicality as well as of principle, therefore, abortion belongs in the realm of private, individual choice.

EUPHORIA

Mr. DANFORTH. Mr. President, it was euphoria.

A packed house at Kennedy Center, Cabinet officers, Congressmen, and business magnates (having paid $2,500 a seat) stood and applauded. Vice Premier Teng Hsiao-ping handled the occasion and us with predictable skill. Before nationwide TV he kissed the little children

who had sung for him and greeted the assorted entertainers assembled for his and our pleasure.

When had we last experienced such euphoria? I can recall the date and the place. It was September 18 in the House Chamber when President Carter, with Begin and Sadat looking on, proclaimed the new spirit of Camp David. What drama. What coverage. What euphoria.

A patient fears cancer, and is beside himself with joy when reassured that all is well. A nation fears the worst and is beside itself with joy when told, suddenly and dramatically—"We interrupt this program"—there will be a new era of peace—in the Middle East. No, forget that one, today it is Asia.

The patient, thought sick, is miraculously cured. But wait, was there not something about the treatment? Was there not something unpleasant, something we want to forget? Was there not some pain involved? Perhaps an amputation. Something about Israel being pressured—or Taiwan being cut off. And is the patient really cured, or is the sickness still there—in the Middle East? In Asia? In our own Government? Perhaps the patient has not been cured. Perhaps the euphoria is induced by drugs.

Jeremiah knew the difference between false and true prophets. False prophets tell the cheering crowds what they want to hear—that their problems are solved, that their deliverance is at hand, that there will be peace. True prophets annoy us by pointing out the defects in ourselves, our land, our world. False prophets have all the fun. They make the electrifying announcements. They win the standing ovations. They speak to the radiant faces at Kennedy Center—in the House Chamber. They wear tuxedos, not sackcloth.

It is not fun to hear from Jeremiah. He is not happy like the others. He speaks of purpose and responsibility, of Israel and Taiwan. He calls a people to see their problems and meet their destiny. His message is not euphoric.

But tell me, what should be the place of euphoria in the foreign policy of America?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

A PROCLAMATION ON WINTER

Mr. PROXMIRE. Mr. President, all of us are well aware of what a very difficult and painful winter is being endured in the Middle West with the great amount of snow.

I call the attention of the Senate to what this means to the biggest city in my State, Milwaukee, by reading from a remarkable proclamation that was carried in the Milwaukee Sentinel just the other day. It is by a very gifted writer named William Janz. This is the proclamation:

PROCLAMATION

Whereas, being buried is nothing to brag about;

Whereas, the healthy glow that winter leaves upon our cheeks has now become a permanent stain;

Whereas, God created snow but forgot to give us northerners shovels instead of arms;

Whereas, mailboxes, bushes, trees, Volkswagens, the village of Hales Corners, several schnauzers, a couple of joggers and the president of SPAM (Small People's Action Movement) have disappeared in the snow;

Whereas, we're apparently trying to surpass a memorable Wisconsin winter 8,000 years ago popularly known as the Ice Age that left a glacier a mile thick on freeways and completely ruined rush hour drive times;

Whereas, it seemed that every meeting in the world was cancelled Wednesday;

Whereas, some people dream of seeing Mars or Venus, but we'd like to see earth before we die;

Whereas, psychiatrists have discovered a dangerous new mental syndrome brought on by incessant falling snowflakes and people have been noted dreamily sitting in fishing boats in closed garages with outboards running . . . others have sudden urges to dig their way through 10 feet of snow to light outdoor barbecue grills . . . while some are simply starting lawn mowers in basements and listening to the sound as if it were music;

Whereas, there are visitors in town from California and their complexions are fading because it's hard to get a tan in a blizzard;

Whereas, this winter may be a three foot deep plot by skiers to take over the world;

Whereas, the midwinter conference of the local chapter of the Winter Is Wonderful Club was called off Wednesday when the only person able to get to the meeting was the guy who lived in the house where the meeting was scheduled;

Whereas, the weather has caused a change in the name of the Arena's principal winter production, which is now known as Holiday on Snow;

Whereas, the sun could be seen only in dime store paintings in the last few weeks and we trudged through the snow to take a peak at that beautiful ball of fire so we wouldn't forget what it looked like, only to find the dime store closed by the weather;

Whereas, if this keeps up, Winter Festival could be canceled by winter.

Whereas, so much snow has been dumped by city trucks into the Milwaukee River that the drain has been clogged and officials have decided to loosen it with a can of dynamite, Josephine's old standby drain opener;

Whereas, so many snowbound cars have been removed from city streets that there is no room to store them and to gain space, officials have decided to flatten a few junkers, which may make them a trifle difficult to drive when the owners show up;

Whereas, snowbanks on side streets have become so high that plows can no longer push snow on top of them and second banks are being created, narrowing streets so that only thin cars and bicycles with snow tires can get through;

Whereas, we looked out of the window a few minutes ago and several feet of winter were still there;

Whereas, we'd raise a white flag but no one would see it;

Now, therefore, be it resolved, that the County of Milwaukee, the City of Milwaukee, all of its suburbs, and any other communities in southeastern Wisconsin that want to affix signatures hereon, do, with snow shovels in hand, officially and unconditionally SURRENDER to the winter of '79, and proclaim and declare it upon this document, to be:

A cold hearted . . . back stabbing . . . lower than a snake's belly . . . kick its own mother in the face . . . pull the wings off flies . . . monster.

Respectfully submitted and dated this dreadfully miserable 24th day of January, in the first month of the new Ice Age, 33.7 inches higher above sea level than we want to be.

THE GENOCIDE CONVENTION PROVIDES US WITH A CLEAR INTERNATIONAL STANDARD FOR JUDGING ALLEGATIONS OF GENOCIDE

Mr. PROXMIRE. Mr. President, recent developments in Uganda and other countries demonstrate all too clearly that massive violations of human rights and indiscriminate political killings are not a pattern of the past. They remain a very real threat, and the cost in human terms is incalculable.

There have been numerous allegations in the media that the recent atrocities in Uganda constitute "genocide." In following news commentaries of the past few months I have become concerned that the term "genocide" has been used all too loosely in describing any and all violations of human rights.

As you know, Mr. President, there is a major human rights treaty pending before the Senate—the Genocide Convention—which sets forth a very clear definition of the acts which constitute genocide and provide us with criteria against which we can judge recent events. These criteria have been accepted by 82 other nations and represent a true international standard.

According to the Genocide Convention, the following acts constitute genocide when committed with the intent to destroy, in whole or in part, a national, ethical, racial, or religious group:

First. Killing members of the group;

Second. Causing serious bodily or mental harm to members of the group;

Third. Deliberately inflicting on the group conditions of life calculated to bring about its destruction in whole or in part;

Fourth. Imposing measures intended to prevent births within the group; and

Fifth. Forcibly transferring children of the group to another group.

Mr. President, it is important to emphasize that the definition of genocide provided by this treaty is a limited one. It is a treaty with a limited, narrow purpose.

It does not cover political harassment or events that are now termed "cultural genocide."

Against this background, Idi Amin's mass killings directed at such tribes as the Acholi and Langi appear to constitute a clear case of genocide.

These events are an all too brutal reminder that ratification of the Genocide Convention is still desperately needed.

As I pointed out before, this treaty is no panacea for human rights violations. Its scope is very, very limited.

But as the events in Uganda demonstrate, this convention would represent a very practical—as well as symbolic—first step toward meeting these threats to civilization.

Mr. President, the power to act rests here, in this body, and nowhere else.

We cannot afford to delay any longer.

I urge my colleagues to join me in seeking ratification of the Genocide Convention.

Mr. BENTSEN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. PROXMIRE. Mr. President, I have not yielded the floor. Is my time up?

The ACTING PRESIDENT pro tempore. No. I thought the Senator was through.

Mr. BENTSEN. I thought the Senator was through.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin will proceed and then the Senator from Texas.

Mr. PROXMIRE. I shall be through shortly.

THREE PERCENT NATO PLEDGE ILLUSORY

Mr. PROXMIRE. Mr. President, on January 26 the New York Times printed an editorial entitled "The Guns-or-Butter Trap." The thrust of this analysis was that U.S. vital interests in NATO demand that the U.S. defense budget rise by a constant 3 percent in real terms. The Times argued:

> What Congress must do first is decide whether it will support the President's pledge to NATO to increase overall defense spending by 3 percent. We think it should.

It is unfortunate that once having articulated the goal the editorial did not then explore how it could be met. Certainly the President's 3-percent pledge does not translate into a 3-percent increase of the U.S. contribution to NATO. Far from it. The 3-percent across-the-board increase includes such unrelated items as retired military pay, and civilian manpower. Neither contributes directly to the defense of Europe. And yet each is counted toward the NATO 3-percent goal.

Mr. President, I ask unanimous consent that the New York Times editorial and my response to the New York Times editorial, which was published in the letters to the editor section of the Times on January 30, be printed in the RECORD.

There being no objection, the editorial and response were ordered to be printed in the RECORD, as follows:

THE "GUNS-OR-BUTTER" TRAP

There is a temptation to portray the President's defense spending proposals as guns vs. butter—or "tanks vs. widows," as The Washington Star put it. Such a portrayal casts more heat than light on the real choices confronting the nation.

We need both guns and butter and will spend on both. The question is how much. True, at $122.7 billion, defense accounts for almost a quarter of all spending and the proposed increase would amount to about $11 billion. But most of that, it should be understood, is to offset inflation; what the shouting is about amounts to little more than $3 billion, an increase of 3 percent in constant dollars.

Even if that were to be reduced by $1 or $2 billion, it could not significantly alter the balance in a Federal budget of $530 billion. In any case, beyond defense there is another $400 billion in the budget that could be drawn on if Congress feels that Mr. Carter's proposals pinch the poor unduly.

Another way to look at the numbers is to note that defense, for the first time in nearly 30 years, will take less than 5 percent of the gross national product, as compared with, arguably at least, about 12 percent in the Soviet Union. The United States, which was spending 8.2 percent even before Vietnam, should be able next year to afford 4.9 percent of its total output on defense. That leaves 95 percent of national income spent for other purposes, which could, after all be taxed a bit more. The choice is not just tanks or widows.

Will every defense dollar be spent in the most effective way? Hardly. Congress undoubtedly will seek, this year as last, to alter in great detail the Administration's proposed allocations, spelled out by Defense Secretary Brown yesterday in his annual posture statement. We will examine these issues in the months ahead. But allocation of the defense dollar is not what the current debate is all about. What Congress must do first is decide whether it will support the President's pledge to NATO to increase overall defense spending by 3 percent. We think it should.

There is a consensus in NATO that annual 3 percent increases in defense spending by the Soviet Union over the past decade have so improved the Warsaw Pact forces in Central Europe that a dangerous disequilibrium is developing. The chief danger lies in an enhanced Soviet capability for surprise attack. The West has concluded that it must improve weapons, logistics, communications and, above all, the readiness of NATO forces to react quickly in a crisis.

With the United States taking the lead, the alliance decided that a 3 percent annual defense spending increase by its members would narrow the gap over a period of years—and, most important, persuade Moscow that any bid for supremacy in Europe is futile.

In proclaiming his budget, President Carter has insisted on holding the deficit below $30 billion—thus imposing a useful, indeed essential, discipline on the budget process. The 3 percent pledge to NATO imposes a similar discipline on the United States and on its allies: they have pledged to meet that goal.

If the United States backed away now, only months after reaffirming its commitment at a 15-nation summit conference, the whole effort would disintegrate. The United States has no more vital interest abroad than the freedom of Western Europe. The 3 percent budget pledge symbolizes American determination to defend that freedom. The debate over it should not be allowed to fall into the guns-or-butter trap.

TWO "MYTHS" ABOUT 3 PERCENT FOR NATO

To the Editor:

Your Jan. 26 editorial "The 'Guns-or-Butter' Trap" would be more convincing if it did not rest on two obvious myths.

The first is that the Warsaw Pact forces in Central Europe have so improved "that a dangerous disequilibrium is developing."

Actually, the facts demonstrate the opposite. According to C.I.A. and D.I.A. testimony before the Joint Economic Committee, the significant Soviet buildup has been on the Chinese border rather than in Eastern Europe. Soviet troop strength on the eastern front has gone up sharply, from 400,000 in 1969 to 650,000 in 1978, or 63 percent, while Moscow added only 13 percent on the western front.

While it is true that the Soviet Union is strengthening its forces in Europe, so has the United States, and the relative improvement has favored the West, not the Warsaw Pact. Soviet tanks in Europe are more numerous, but NATO tanks are of superior quality, and we also lead in both quantity and quality of antitank weapons. Warsaw Pact nations enjoy a small advantage in numbers of tactical aircraft, but NATO aircraft are far superior in quality and numbers available for attack missions.

The second myth is that the 3 percent budget increase contributes to NATO defense and thus can be justified. Nothing could be further from the truth.

Consider that $1.2 billion of that so-called NATO 3 percent contribution represents an increase in retired military pay. How does that contribute to the defense of NATO? And yet it is part of the overall 3 percent increase. The same could be said of military manpower not associated with Europe. If NATO defense were a sound justification, then the budget should reflect increases in those areas dedicated to NATO—not an overall 3 percent in totally unrelated programs.

Finally, it should be noted that the 3 percent figure misrepresents the real increase in outlays since it compares fiscal year 1979 plus a $4.4 billion supplemental with the fiscal year 1980 totals. The $4.4 billion has not been approved by Congress. That means any comparison is artificially low. If we dismiss the supplemental, except for the planned pay increase, then the real increase in this budget is 4.4 percent—much higher than the Administration is claiming. The strength of this rationale becomes evident when it is understood that the $4.4 billion supplemental would break the Congressional budget ceiling set for last year.

ANDY BIEMILLER'S DESERVED HONOR

Mr. PROXMIRE. Mr. President, a distinguished former Wisconsin Congressman has retired as the principal lobbyist for the AFL–CIO.

Andy Biemiller did a magnificent job not only representing labor's interests, but representing the interests, in my judgment, of humanity in general.

He is a remarkable man, extraordinarily intelligent. He has a fine record in human rights, and he was selected as the recipient of the Leadership Conference on Civil Rights Hubert Humphrey Award.

I think that there is no person in the country who more earnestly deserves that award. He was the man who stood shoulder to shoulder with Hubert Humphrey in the 1948 convention in fighting for the strong civil rights plank which the convention adopted over the objection of the establishment.

Mr. President, I ask unanimous consent that an editorial entitled "Andy Biemiller's Deserved Honor" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANDY BIEMILLER'S DESERVED HONOR

The Leadership Conference on Civil Rights paid a well deserved tribute to Andrew Biemiller the other day. Biemiller, a former congressman from Milwaukee and, for many years, the top Washington lobbyist for the AFL–CIO, received the organization's Hubert H. Humphrey Civil Rights Award.

It's singularly appropriate that this honor to Biemiller should bear the name of Humphrey, the politician who in this century was identified perhaps more than any other with the effort to expand America's concept of "liberty and justice for all." Biemiller and Humphrey stood shoulder to shoulder in the struggle to secure a strong civil rights plank at the Democratic National Convention of 1948.

Later, lobbyist Biemiller worked with civil rights groups to get a fair employment practices section written into the Civil Rights Act of 1964. But his efforts as a lobbyist weren't just limited to legislation. He was a major force in helping the US Senate avoid two of former President Richard Nixon's biggest mistakes—the attempts to saddle the US Supreme Court with the likes of Clement F. Haynsworth and G. Harrold Carswell.

Biemiller has retired now. But he can look back with satisfaction on a career in which he made a contribution to the expansion of the democratic ideal. He deserves the honor paid to him.

COMMENDING THE PITTSBURGH STEELERS FOR WINNING THE SUPERBOWL FOR THE THIRD TIME

Mr. HEINZ. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

> A resolution (S. Res. 32) to congratulate the Pittsburgh Steelers for winning the Super bowl on January 21, 1979.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, and I have no desire to suspend the completion of the resolution, but reserving the right to object to its immediate consideration, I ask unanimous consent that there be a 5-minute time limitation on the resolution.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Then I have no objection.

Mr. PROXMIRE. Mr. President, will the Senator yield? Will the Senator from Pennsylvania consider amending his resolution by commending the Green Bay Packers for having a winning season, having previously had a losing team the last 2 years, the only team that has? The Green Bay Packers were tied for the record before. Let us give Green Bay something; we need it.

Mr. HEINZ. You do. [Laughter.] But we expect that you will handle that very important situation on your own time.

Mr. PROXMIRE. I thank my generous friend. [Laughter.]

The ACTING PRESIDENT pro tempore. Without objection, the Senate will consider the resolution.

Mr. HEINZ. Mr. President, on January 21, the Pittsburgh Steelers performed an unprecedented achievement—they won the Superbowl for the third time. It was a proud day for everyone in my hometown of Pittsburgh and for Steeler fans everywhere. More than 140 million fans across the Nation watched two superb teams, Pittsburgh and the Dallas Cowboys, play the best and most exciting Superbowl yet. I know my colleagues in the Senate will want to join in congratulations for this great sporting accomplishment.

The ACTING PRESIDENT pro tempore. Without objection the resolution is agreed to and the preamble is agreed to.

The resolution (S. Res. 32), with its preamble, is as follows:

S. RES. 32

Whereas, the Super Bowl game is played each year to determine the world champion football team;

Whereas, not any team in the history of this event has won the championship three times until this year;

Whereas, in Super Bowl XIII, the Pittsburgh Steelers were victorious over the Dallas Cowboys, beating the Cowboys by a score of 35 to 31;

Whereas, in this game Quarterback Terry Bradshaw broke the records for total yards passed and number of touchdowns in any one Super Bowl game, and was chosen most valuable player; and

Whereas, the Pittsburgh Steelers have shown sportsmanship, team work, effort and dedication: Now, therefore, be it

Resolved, That the Senate of the United States commends the Pittsburgh Steelers for their Super Bowl victory and joins with Pittsburgh Steeler fans everywhere in congratulating the coaches and players.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONTINUED TREASURY INEPTITUDE IN TRADE LAW ENFORCEMENT

Mr. HEINZ. Mr. President, two recent articles by Seymour Hersh in the New York Times reveal the details of a scandal that many of us in the Congress have been complaining about for some time—the apparently deliberate failure of the Treasury Department to fully enforce our antidumping laws against the import of Japanese television sets. In brief, it is becoming apparent that the Treasury Department, in the face of growing suspicions of secret rebates by American retailers deliberately concealing the true price of the imported product, not only failed to collect the full amount of dumping duties due, but has since tried to sweep the entire matter under the rug by settling the whole case for a fraction of what should be paid.

For some years now, Mr. President, there has been considerable congressional concern about the mysterious failure of the Treasury Department to act aggressively or competently in the television case. Mr. Hersh is to be commended for his fine investigative work in bringing out the details of this shabby story and clarifying Treasury's role. These revelations only serve to reaffirm the need for major improvements in the Antidumping Act of 1921 and for legislation to remove from the Treasury Department the authority to administer that act. I am also introducing today the Fair Trade Act of 1979, which I first introduced in November 1977, as the Trade Procedures Reform Act, which meets the first objective, and I am once again pleased to be a cosponsor of Senator ROTH's Department of International Trade and Investment legislation, which would meet the second objective.

Mr. President, I ask unanimous consent that both articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TESTIMONY ON FRAUD IN IMPORTING TV SETS FROM JAPAN IS STUDIED

(By Seymour M. Hersh)

WASHINGTON, January 23.—A Federal grand jury investigation is hearing testimony that some of the nation's largest retailers and a group of Japanese electronics companies took part in a widespread customs fraud to conceal the true extent of the "dumping" of Japanese-made television sets in American markets, Government sources said.

Dumping is the selling of a foreign product in the United States at a price lower than the same product is sold at home. It is not illegal, but exposes the importer to penalty duties. The current inquiry concerns charges that the American companies made false reports and contrived arrangements that disguised how much dumping was going on.

The investigation, centered on Federal grand juries currently hearing testimony in Los Angeles, Chicago and Norfolk, Va., was described by Government officials as the largest fraud inquiry in the recent history of the Customs Service. As many as 80 American companies that import Japanese television sets are under investigation, the Government sources said, including such leading American retailers as Sears, Roebuck & Company, Montgomery Ward & Company and the J. C. Penney Company. The investigation is being conducted jointly by the Customs Service and the Justice Department.

Some of the retail companies acknowledged that the grand jury inquiry was under way but declined to comment further. Asked for comment, Patrick J. Head, general counsel of Montgomery Ward in Chicago, said: "We've been cooperating with the Government since last April. But since it is a criminal grand jury matter, we can't comment."

Similarly, Charles W. Harper, vice president for public relations of Sears, the nation's largest retailer, said in Chicago: "We've been asked to provide certain documents to a Federal grand jury in Los Angeles. We have no further information." Sears has previously said that it has not violated the law.

Duncan Muir, a spokesman for J. C. Penney, said in New York that Penney was aware of and had cooperated with Federal investigators in the customs fraud case. No Government charges have been made against the company, Mr. Muir added.

Customs Service officials contend that the total dumping duties owed by all the American importers since mid-1972 would come to more than $400 million if the Treasury Department had rigorously enforced the dumping penalties. In fact, Customs officials said, only $1 million in dumping duties was actually collected by the Treasury between 1971 and 1977; $46 million was assessed last March, but has not yet been fully collected.

CONTROVERSY FLARED IN 1971

The dumping controversy flared in 1971, when the United States Tariff Commission ruled that the Japanese had engaged in dumping to the detriment of the domestic television market.

Customs Service officials contend that some Japanese-made television sets were being sold for more than twice the amount in Japan than in the United States, and the "dumping margin"—the difference between the higher Japanese price and the lower American price, after certain adjustments—has been as high as $150 on each set imported into the United States. The importer may be assessed a penalty tariff equal to the dumping margin.

The dumping assessments grew out of the bitter competition between television manufacturers in this country and their Japanese rivals, which priced their sets well below what the American manufacturers could match.

The ability of the Japanese makers to do so at little profit or perhaps even a loss is believed to stem mainly from a desire to penetrate markets and to keep their production lines going. There have been some charges that such practices in various products have been subsidized by Japanese and other governments abroad to keep unemployment down.

American retailers of television sets, bent on keeping their consumer prices down,

abandoned the United States industry for the Japanese suppliers. At least eight major American television set manufacturers have left the business since 1966, the American companies complain.

40 PERCENT OF AMERICAN MARKET

At present, Japanese sets take 40 percent of the American market, with half of the Japanese sales coming from wholly owned subsidiaries that leading Japanese manufacturers have established in this country in recent years.

According to the Government, during an inquiry into the extent of dumping violations, the Customs Service discovered that the Japanese manufacturers were providing some American importers of the television sets with secret rebates—that is, under-the-table payments—in part to conceal the full extent of the dumping. These rebates allegedly were not reported to the Customs Service in violation of the law, officials said.

Shortly before last Christmas, high-ranking officials of the Treasury Department, seeking to avert any possible international trade repercussions, privately sought Congressional approval of a proposed settlement of the dispute. The Treasury officials reportedly were fearful of touching off a trade war with the Japanese while the multilateral trade agreement negotiated in Geneva was nearing fruition.

According to first-hand Government sources, at least two senior Democratic members of the House Ways and Means Committee categorically rejected the Treasury Department's approach, which would have permitted the accused American importers to pay less than 10 percent of the pending dumping assessments as well as waiving civil penalties, if any, growing out of the current grand jury proceedings.

DIFFICULTY ON TRADE PACT CITED

The Congressmen, in rejecting the proposed settlement, told Treasury Department officials that any such solution in the television dumping case would make it more difficult for the Carter Administration to obtain Congressional approval of the Geneva trade pact, which is expected to be submitted to Congress later this winter.

Government sources said that Federal investigators had been given access to internal company documents laying out complicated schemes that some Japanese and American companies devised for the transfer of rebated funds, including in some cases the setting up of numbered Swiss bank accounts. In other cases, these sources said, rebates were made by reducing prices on other components or materials sold to some American retailers or by billing for warranty costs far above the standard costs.

In one internal Customs Service document, dated April 17, 1978, and made available to The New York Times, Lou Balaban, an investigator, reported that "the U.S. Customs Service has at present in its possession documented evidence that Japanese producers of television receivers, in concert with certain U.S. purchasers, have engaged in double invoicing to circumvent the provisions of the U.S. antidumping statutes."

Officials said that the Government investigators subsequently obtained evidence indicating that some Japanese and American companies purportedly involved in failing to report rebates to the Customs Service were aware of the illegality of that failure; various company executives repeatedly expressed concern in internal memorandums that the Customs Service would uncover the true level of dumping and thus raise the dumping duties. Many of the rebate schemes initially were set up in the late 1960's, the officials said.

In one case reported to be typical, involving the purchase of 15,000 black and white television sets from a Japanese manufacturer, a major American company reported the price to the Customs Service as $51 a set when the actual price was $46.50, or $4.50 lower.

Subsequently, in filling out Customs invoice forms that asked, among other things, whether there were "any rebates, drawbacks, bounties or other grants allowed upon the exportation of these goods," the American company answered, "no," or in some cases simply failed to answer. According to Government officials, the Japanese were dumping at the $51 price, and the additional $4.50 reduction was a concealed rebate.

In a later internal memorandum, a senior executive of the American company noted that, if the purchase order for a Japanese purchase were listed at a fictitious price, and if the company then secretly "accept[ed] rebates in any form (cash, yen, Swiss account, tooling, expenses, tooling allowances, etc.) then . . . our participation is [a] criminal offense."

Officials said that most of the major Japanese manufacturers of television sets, with the exception of the Sony Corporation, had been linked to the illegal rebate schemes, including such concerns as the Sanyo Electric Company, the Sharp Corporation, the Matushita Electric Industrial Company and the Toshiba Corporation.

JAPANESE DENY ANY WRONGDOING

A spokesman for the Japanese companies denied any wrongdoing on their part. The spokesman, an official of the Electronic Industries Association of Japan, the main trade group for Japanese television manufacturers in the United States, noted that the rebate practices of the Japanese companies were by themselves not illegal.

"The question," he said, "is whether or not the rebates have been disclosed." Such disclosure was the responsibility of the American importers and the Customs Service, he added, and not the Japanese manufacturers.

This official also complained that the Japanese companies were "being tarred by the same brush" in the case, contending that the American purchasers had demanded rebates. In addition, he said, the money involved in rebates was minute.

According to Customs Service officials, the most momentous aspect of the current grand jury investigation was the possibly enormous civil penalties facing the importing companies if they were convicted of customs fraud. Under the law, the civil penalties theoretically could equal the total value of the goods fraudulently imported—at least $1 billion, officials estimated.

SETTLEMENT POSSIBILITY RAISED

It was to erase that possibility, Customs officials said, that the Treasury Department sought out some leading members of Congress late in December and discussed the possibility of settling both the assessed dumping penalties and any civil fraud penalties that might result from the current grand jury investigations.

Knowledgeable sources explained that the proposed settlement, if accepted, called for the American importers facing customs fraud charges to plead nolo contendere to those charges, pay the resulting criminal penalties—far less than the potential civil liability—and thus avoid a public trial.

The initial Treasury Department suggestion, which called for a payment of at least $50 million to settle both the outstanding dumping penalties and any future civil fraud findings, was vetoed, officials disclosed. Some Congressional aides said in recent interviews that they expected the Treasury Department to return late with a more substantial settlement offer.

Representative Charles A. Vanik, in a telephone interview this week, sharply criticized the Treasury Department. "I certainly don't think we should compromise grand jury proceedings, and it would compromise them to try to dispose of this claim before the grand jury has settled the issue of fraud," the Ohio Democrat said.

Senior Treasury Department officials declined to discuss the issue for quotation. The officials did, however, acknowledge that the agency was considering various settlement proposals in the dumping case.

DUMPING VIGILANCE DEBATED

(By Seymour M. Hersh)

WASHINGTON, January 25.—A bitter dispute that could jeopardize the pending multilateral trade treaty has developed between some Customs Service analysts and their superiors in the Treasury Department over whether the Treasury has failed to enforce the nation's antidumping laws, Government officials say.

Dissidents in the Customs Service contend that Japanese manufacturers of television sets would owe more than $500 million in accumulated dumping penalties if they were rigorously assessed. But the Treasury Department has assessed only $46 million in penalties since 1971 and has collected less than $7 million.

Treasury officials concede that there have been delays. They add, however, that a new formula for imposing dumping duties is now in effect. It takes time, department officials have said in interviews and in Congressional testimony, to assure that the new procedures are fair.

COMMENT BY OFFICIALS

The situation was described by one senior Treasury Department official as a "mess" that began years ago. He declared that the issue of how to impose the dumping duties should have been resolved when it arose in the early 1970's. In dumping television sets, the Japanese sell them in this country for lower prices than they do in Japan.

Robert H. Mundhein, general counsel of the Treasury Department, said that he doubted that the dispute was significant. "The Commissioner of Customs and I have worked closely on all significant matters relating to the TV case," Mr. Mundheim said in an interview. "He and I are the people who make the decisions."

The debate has come to the attention of Congress. Representative Charles A. Vanik, the Ohio Democrat who is chairman of the House Ways and Means subcommittee on trade, has threatened to delay approval of the proposed trade treaty unless the Treasury Department accelerates the collection of dumping duties.

WORDING OF TRADE BILL

Robert S. Strauss, the President's special trade representative, acknowledged in an interview that he was aware of protests that antidumping enforcement had been lax. "Because of our concern about this situation, which was inherited by this Administration," Mr. Strauss said, "we will put language into the trade bill that will make the enforcement of the antidumping laws more certain and give the Treasury Department some additional tools it needs."

For the last 18 months, a group of senior lawyers and analysts in the Customs Service has been urging superiors to permit Customs agents to collect the duties from Japanese television manufacturers, whose sales now account for more than 40 percent of the market in the United States.

Since 1971, when the Treasury Department and the Tariff Commission ruled that the Japanese manufacturers had been dumping their products, an estimated $2 billion worth of sets have been sold here, officials said.

THREE GRAND JURY INQUIRIES

The Justice Department has three grand juries investigating the question of whether there has been a widespread scheme of customs fraud involving the major Japanese producers of television sets and many leading American retailers. The alleged scheme was said to involve the use of unreported cash rebates designed to shield the true price of each set imported into the United States, officials said.

Customs officials said that the discovery of the apparent rebate scheme was a major factor in the Custom Service's preparation early last year of more than $400 million in dumping assessments from 1972 through 1976. One day before the bills were to be sent to American importers, however, senior officials of the Treasury ordered that assessments of only $46 million for 1972 and part of 1973 be sent out. This action came after protests from the Japanese.

The dispute came to a head last summer, officials said, when Mr. Mundheim abolished the antidumping functions of the Office of Regulations and Rulings in the Customs Service and transferred those functions to his own office.

TERMED A ROUTINE MOVE

Asked about that decision, Mr. Mundheim called it a routine administrative switch. He also dismissed as not "significant" the complaints of lower-level people in the Customs Service about the television dumping case.

One of those with a complaint is Thomas L. Delaney, the senior Customs Service staff attorney working on the TV case. He was taken off that assignment two weeks ago. Mr. Delaney and some of his colleagues had become disenchanted with what they saw as the Treasury Department's reluctance to offend Japanese diplomats and manufacturers by enforcing this country's antidumping laws.

Mr. Delaney was the only senior Customs Service official to speak out sharply against a proposed Treasury Department settlement of the dumping case. It would have permitted the Japanese manufacturers to pay roughly $50 million, or less than 10 percent of the taxes customs officials insist are due.

MATTER OF ADJUSTMENTS

One of the major areas of dispute between the Customs Service and the Treasury Department involves the power of Mr. Mundheim to permit "adjustments" of pending dumping duties.

The law lets Japanese manufacturers present claims for the additional costs of doing business in Japan and to have those costs, if approved, deducted from the price of television sets in Japan. Since the difference between the cost of sets in Japan and in the United States is the margin of dumping, any adjustments reduce the dumping margin and hence the dumping penalty.

It was not until the rebate accusations became known in early 1977, officials said, that it was recognized that the documents supplied by Japanese companies to verify their adjustment claims might be inaccurate.

CHANGE RECOMMENDED

In October 1977, according to Treasury Department documents, Robert E. Chasen, Commissioner of Customs, wrote to his superiors and recommended that the Customs Service drop its complicated mechanism for assessing penalties and instead simply determine the value of a Japanese-made TV set by using a formula based on the tax paid on each set by the manufacturer to the Japanese Government.

Treasury Department documents indicate that Mr. Chasen received preliminary approval from Mr. Mundheim to proceed with his revised assessment method. On March 31, 1978, notices of such duties—known in the Customs Service as liquidation notices—totaling more than $400 million for 1972 through 1976 were scheduled to be sent out.

Shortly before that, however, a number of Japanese manufacturers and Japanese Government officials met in Washington with Treasury Department officials. The Japanese heatedly complained that the new techniques for computing such taxes were inadequate, unfair and misleading.

On March 30, Government officials say, a formal protest came from the Government of Japan. Later that day, the documents show, Mr. Mundheim instructed the Customs Service to revise its liquidation schedules and instead post dumping assessment notices totaling $46 million for the years 1972 and 1973.

Only $5.5 million of those duties have been paid, Government officials said. There have been delays in collection while the Japanese claim further adjustments.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I notice that the Senator from Arkansas (Mr. BUMPERS) and the Senator from New Mexico (Mr. DOMENICI) seek recognition. I ask unanimous consent that when they have completed their statements in morning business, I be recognized.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from New Mexico.

PROPOSED RULES CHANGES

Mr. DOMENICI. Mr. President, I have reviewed many of the changes proposed by the distinguished majority leader and the counter proposals offered by the distinguished minority leader.

Without getting into the details of these proposals, let me make a few comments about the general premise behind Senator BYRD's actions.

I read in his letter to his colleagues that he is concerned because certain rules have been "abused" and delays in consideration of legislation by this body occur too frequently. His proposals would make abuse less likely to occur and make delays less frequent.

My experience here in the last three Congresses persuades me that in the post cloture area, especially, reform is needed. Once the Senate, through its established rules, has decided to limit debate, it seems to me that the body has fulfilled stringent enough requirements for full debate. My judgment is that the distinguished majority leader has been fair on this point in the past. Abuse of postcloture debate, using every twist and turn of the rules, seems calculated to do two things: lead ultimately to a weakening of precloture debate rules to the detriment of the minority and, more important perhaps, lead to reduced confidence in the Senate on the part of the American people.

However, I still have misgivings about the general tenor of some remarks made in support of wide ranging changes in the Senate rules.

Let me focus on two points, with all deference to the concern of my distinguished colleague from West Virginia, Senator BYRD, for keeping this Senate on a rational timetable.

First, this Nation's people, businesses, and Federal agencies suffer right now from past Congresses "rush to legislate." The executive branch now attempts to draw regulations on bills that were either unsound in concept or faulty in execution. We are besieged by legislative proposals. All Senators, and every one on staff, have great ideas; ideas that they believe should become law. This legislative activism, I believe, has not been without grave practical consequences. We have seen some laws passed, then amended in short order by their original authors, because in the real world the laws were simply unworkable. Worse, these laws have often harmed the very people they were intended to help.

It may be argued, in fact, that in an age of "recalls," when motor companies and other businesses are recalling their products in record numbers, that we really need another massive recall—a "statutory recall," during which Congress would recall some of the most egregiously unworkable laws and programs that it has created in its "rush to legislation." I look upon Senator MUSKIE's "sunset" provision as a type of legislative recall, but I wonder how well even this good idea will work in the chaotic world of this Senate, where we have little time for a good first view at programs, let alone effective "oversight."

Second, I would propose that rather than make it easier for laws to pass this body, we should make it more difficult. I only refer briefly to the Founding Fathers' notion that the Senate should be a deliberative body, reflecting adequately and thoroughly on those measures passed and proposed by our brothers and sisters in the House of Representatives. It was argued by some of this Nation's farsighted citizens that the House would pass legislation in response to citizen demand, since House Members, with shorter terms and representing specific populations, would be closer to the people and more likely to succumb to less enduring passions of the people. The Senate, if I recall correctly, would be the body that would take the ideas that came from the intellectual ferment of the House, and impose some dispassionate deliberation on them.

Thus, it seems to me, that both as a theoretical matter—based upon the original conception of the Senate's proper role—and as a practical matter—with the evidence of badly drawn and hastily passed laws all around us—that measures to accelerate the number of laws passed through this body are pernicious.

I, too, am frustrated when bills that I propose, or upon which I have spent many, many hours of subcommittee, committee, floor, and then conference work, fail to pass. Indeed, I can recall my more than 2 years of almost nonstop activity with other Members of this body on the Clean Air Act Amendments of 1977. That act had first failed in the waning hours of the 94th Congress because of the proper use, in my judgment, of the rules of this body.

Yet, I am not willing to say that that delay was all bad. It may be that the amendments we originally passed were improved by a further delay. Certainly, I am not persuaded that the Nation's welfare was harmed in a substantial manner by the additional delay.

So in blunt terms, I hope we can im-

pose more quality control on the legislation we produce here, not less quality control. I hope we give our fellow Americans fewer faulty products, fewer laws that deserve recall. And, I want more time, not less, in which to understand the legislation that comes to the Senate floor. I want a slower pace, not a quicker one. I believe we should strive for a Senate that does its work in a timely fashion, not merely a Senate that does its work "on time," regardless of the craftsmanship of the final product.

Thus, while I will listen carefully to the proposals and counter-proposals during this debate, I must admit that I come to this question with a bias against bad laws, anything that would facilitate a further rush to legislation, and favoring proposals that would maintain our reputation as "the world's greatest deliberative body."

I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. HART. Mr. President, will the Senator yield for the introduction of a resolution?

Mr. BUMPERS. I yield.

SENATE CONCURRENT RESOLUTION 3, COMMENDING THE AIR FORCE ACADEMY ON ITS 25TH ANNIVERSARY

Mr. HART. Mr. President, April 1 of this year is the 25th anniversary of the founding of the Air Force Academy located in Colorado Springs, Colo., an institution of which every American man and woman should be justifiably proud.

An institution whose pursuit of excellence should become a model in Government and in academia.

An institution which has built tradition while maintaining a leading position in technology.

An institution where rigorous standards have been set and maintained.

Where leadership is the central focus.

Where the security of our Nation is the primary underlying consideration.

I refer to the U.S. Air Force Academy at Colorado Springs, Colo.

When Generals Eisenhower and Vandenberg and their distinguished colleagues sat down to design an academy for the youngest and most modern of our military services, they emphasized five points.

First, they stressed the need for officers to possess a broad and general education.

Second, they emphasized the importance of initiative, inquiry, and analytical skills.

Third, they charged the Academy with conveying theory and practical experience leading to development of sound professional knowledge.

Fourth, they specified that all activities at the Academy foster the sense of duty and loyalty essential to military leaders.

Last, and most important, they directed continued emphasis on the critical role of personal integrity within the cadet wing and within the officer corps.

Every facet of activity at the Air Force Academy is designed to meet these challenges. The record shows they have been met. Through a balanced program of academics, military training and athletics, Academy graduates have developed a sense of dedication, leadership, moral character, and courage which provides the cornerstone for their later lives and careers.

As chairman of the USAF Academy Board of Visitors, I have witnessed the Academy's programs firsthand. Men and women of the cadet wing have proven their mettle not only in the extremely demanding scholarly program at the Academy, but also in intense competition for scholarships against graduates of other great colleges and universities. Since 1958, when the first class graduated, 20 Rhodes scholars have emerged. Cadets and alumni have captured more than 300 other scholarships and fellowships. Several hundred hold doctorates.

The Academy curriculum has grown from 50 to nearly 400 courses, and cadets may major in any one of 23 fields ranging from basic and engineering sciences to social sciences and humanities.

The Academy faculty is a distinguished group of young scholars who are not only teachers of the finest order, but also dedicated officers, whose knowledge, skill, and behavior the cadets emulate.

The military accomplishments of graduates from the Academy prove these young people are being provided the training necessary to defend our Nation. There are 191 who have earned Silver Stars in action; 15 have been awarded the Air Force Cross; and 1, Capt. Lance P. Sijan, earned the Medal of Honor, awarded posthumously. He was among 143 graduates to die in combat. The 31 others were POW's and another 13 remain missing in action.

The careers of all these officers reflect well upon a code of honor they first accept when they arrive at the Academy. Adherence to this code is intended to provide a foundation for development of a broad sense of moral and ethical responsibility.

While more than 70 percent of Academy graduates are still on active duty, those who have chosen a civilian career also do honor to the Nation. Graduates can be found as leaders in business, medicine, law, and government. Two examples right here in Washington are the Honorable John A. Hewitt, Jr., Assistant Secretary of the Air Force for Financial Management, who is a 1965 graduate, and Dr. Edward R. Jayne II, Associate Director of the Office of Management and Budget, from the class of 1966.

In short, the men and women of the Academy, on the staff, in the faculty, and in the cadet wing constitute a uniquely valuable national resource. We owe our gratitude to all of them. They have met the challenge set for the Academy by its foresighted founders. The Academy's unrelenting pursuit of excellence guarantees preservation of the legacy of outstanding service established during its splendid first quarter century.

I salute the cadet wing and the faculty and staff of the U.S. Air Force Academy during this, the Academy's 25th year. And I am proud to introduce this concurrent resolution extending the appreciation of the Nation to the Air Force Academy, its staff, cadets, and graduates for the immense contributions they have made to the defense of the Nation in the 25 years of the Academy's existence.

I would like the majority leader's indulgence and advice this morning for the purpose of introducing a concurrent resolution calling the public's attention to this occasion, and commending the Academy on its anniversary, but I would like an understanding from the Chair and majority leader on calling the concurrent resolution itself up for action on April 1 of this year, if that is an appropriate procedure.

Mr. ROBERT C. BYRD. I beg the Senator's pardon; will he state that request again?

Mr. HART. Yes. The concurrent resolution commends the Air Force Academy on the occasion of its 25th anniversary. It would be my intention and purpose to disseminate the language of the resolution and have it printed, to introduce it today and seek the majority leader's consideration of having it acted upon on the specific date of the anniversary, April 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator be permitted to introduce his concurrent resolution today, and that it be held at the desk until April 1, at which time it be laid before the Senate in accordance with the request of the distinguished Senator from Colorado, and acted upon on that date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The concurrent resolution will be received and printed, and will be held at the desk.

The concurrent resolution (S. Con. Res. 3) is as follows:

S. CON. RES. 3

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby extends to the Air Force Academy, its staff, cadets, and graduates on the occasion of the 25th anniversary of the founding of the Academy the appreciation of the Nation for the immense contributions they have made to the defense of the Nation in the 25 years of the Academy's existence.

SEC. 2. The Congress expresses its appreciation to the Academy staff for its commitment to the great goals of our Nation and to the values of scholarship, wisdom, and selfless patriotism, through which they have conveyed to cadets the spirit essential for the survival of our democracy.

SEC. 3. The Congress expresses its appreciation to the graduates of the Academy, who by their knowledge, spirit, and self-sacrifice have mirrored the values of the institution and have served the Nation valiantly.

SEC. 4. A copy of this concurrent resolution shall be promptly transmitted to the Superintendent of the Air Force Academy.

Mr. HART. I thank the majority leader, and I thank the Senator from Arkansas.

Mr. ROBERT C. BYRD subsequently said: Mr. President, referring to the concurrent resolution introduced earlier by the Senator from Colorado (Mr. HART), I ask unanimous consent that the earlier order be vitiated and in lieu thereof the following order be entered, to wit, that the resolution be printed; that it be

placed on the General Orders Calendar; that it not be called up prior to April 1; that on April 1 the majority leader or Mr. HART be authorized to call up the resolution, and that there be a 5-minute time limitation thereon at that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HART. Mr. President, I thank the majority leader for his customary courtesy.

Mr. ROBERT C. BYRD. I thank the Senator from Colorado.

THE CRISIS IN COKE IMPORTATION

Mr. ROBERT C. BYRD. Mr. President, freer and fairer trade between nations can provide benefits both at home and abroad. However, unfair trade practices on the part of our trading partners might lead to the undermining of certain of our industries.

Reports have recently been issued by some representatives of the U.S. metallurgical coal industry indicating that the American coke industry may be confronting just such trade practices. Coke is a hot-burning, specially processed high-grade coal product, used by steelmakers here and abroad, and is essential in the manufacture of quality steel. The coal which yields the best coke is found in abundance in the mines of southern West Virginia and other coal-rich regions of the country.

Allegations have been made by industry leaders that foreign-produced coke is being dumped on the American market by overseas manufacturers at rates below the home-market price. If this is, indeed, the case, it is in violation of our domestic law—specifically the Antidumping Act of 1921 which prohibits a foreign manufacturer from selling an item at a lower price in the United States than it is sold in the manufacturer's home market.

For example, during calendar year 1977, U.S. imports of coke suitable for fuel were at a level of about 2.1 million tons. However, in calendar year 1978, such imports dramatically increased to nearly 6 million tons. By 1980, coke imports are expected to reach approximately 10 million tons.

According to current forecasts, the steel industry worldwide should recover from its current slump. Consequently, the demand for coke could grow stronger, and coke prices would probably rise sharply. Moreover, a large proportion of the U.S. coke-making facilities are 25 years old or older, which has caused many of them to close in recent years.

Ordinarily, the combination of rising demand for coke and the closing of older facilities would be expected to render investment opportunities in the construction of new coke plants extremely attractive. However, the alleged dumping of foreign coke on the U.S. market is one of the factors stifling the normal development, growth, and modernization of the U.S. coke industry.

According to available data, fully 72 percent of our coke imports from January to November 1978 came from the Federal Republic of West Germany. Apparently, Germany is not producing steel at its full capacity and, as a result, has coke surpluses and excess capacity in its coking industry.

Mr. President, in addition to threatening our domestic coke industry, the marked stepup in coke imports can cause other immediate and serious economic injury in this country. Preliminary reports from West Virginia indicate that they are having just such an effect on coal production and employment. And as the imports increase, as they are expected to, so will the extent of the injury.

The importation of coke has a serious depressing effect on our domestic coal industry. Since it takes between 1.45 and 1.7 tons of metallurgical grade coal to make a ton of coke, the importation of some 10 million tons of coke would displace—not taking into account shipping losses—domestic production of approximately 15 million tons of coking coal. This level of imports would represent about 19 percent or one-fifth of our domestic coking coal consumption.

The importation of coke has as great an impact on employment. According to the Bureau of Mines, the average underground miner produces 2,000 tons of saleable coal in 1 year. The importation of 10 million tons of coke—again, not taking into account shipping losses—would, therefore, be the equivalent of 7,500 man-years in U.S. coal mines. In short, rising coke imports mean layoffs in the coal fields.

The impact of increased imports does not stop here. Domestic industries that are tied to the coal industry are also affected. A prime example is the railroad industry. Those railroads that haul domestic metallurgical coal say that they are losing business and that their shipment reductions can be traced to the rise in coke imports.

There are still broader implications. Unfair trade practices undermine domestic support for measures that can broaden trade. Such measures are to the economic benefit of American citizens as well as citizens abroad. But freer trade cannot and should not be supported by unfair trade practices that mean the loss of American jobs and business.

Mr. President, it is ironic that our Nation—with coal resources measured in trillions of tons—is importing coke. If ever there were an area that should contribute to improving our overall trade picture and the strength of our dollar, is it in the sale of coal and the export of coal. These increased imports of coke do nothing, but exacerbate our balance-of-trade difficulties.

In addition, there is something seriously amiss in our energy policy if at the very time we should be dramatically stepping up coal production, we find ourselves doing the very opposite by displacing domestic production with high levels of coke imports. This suggests that we are veering from what should be the underlying tenet of our energy policy: Increased reliance on coal.

That is what we heard so much about last year, that this country is going to rely increasingly on this source which has been supplied to us by Providence in almost unlimited supply. Congress enacted legislation to encourage the conversion to coal. Apparently, the interest in reliance on coal and in converting to coal has waned somewhat in recent days and weeks. There were less than 1 dozen words in the President's state of the Union message about energy. Last year, the President referred to the energy problem and he used the words which the distinguished Senator from Kentucky (Mr. FORD) who is now presiding over the Senate, reminds me were included in the phrase, "The moral equivalent of war."

That war has not been won yet. Yet less than a dozen words were in the President's state of the Union address on the subject of energy, not one word on coal; not one word.

If the trend is not reversed, our steel industry is also headed for trouble. Once the expected boom in steel production gains momentum, a strong domestic coke industry will be domestic steel's only insurance of adequate coke supplies at reasonable prices. Should our dependence on foreign coke continue, today's "dumped" prices would be tomorrow's high prices. Finally, increased reliance on foreign sources for such an important material as coke may have serious implications for our national defense.

Mr. President, I strongly believe that a thorough investigation should be undertaken by the Department of the Treasury and the Special Office for Trade Negotiations. I have written Secretary Blumenthal and Ambassador Strauss, President Carter's special representative for trade negotiations, asking that the facts be ascertained and the actions to be taken be identified. I might add that, according to the Bureau of Mines, German coke comes from an industry that is subsidized by the German Government. This suggests that U.S. coke imports may be subject to the imposition of countervailing duties under the Tariff Act of 1930.

We need a thorough evaluation by the administration and the Congress, including but not limited to the impact of Federal regulations on the future viability of the domestic coke industry. Mr. President, the costs of inaction are high and the consequences of inaction may be serious, not only for the industries involved but for the economic health of the Nation.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR CHURCH: A RECORD OF DISTINCTION AS CHAIRMAN OF THE SENATE COMMITTEE ON AGING

Mr. ROBERT C. BYRD. Mr. President, Senator CHURCH became chairman of the Committee on Aging in 1971 and has served in that capacity with distinction during the past 8 years.

Senator CHURCH is, of course, the new chairman of the Foreign Relations Committee. He will have many weighty problems to consider in that position in the months ahead—several with far-reaching implications for peace in our troubled world. But he has also made it clear that he will continue to be an active member of the Committee on Aging.

That is good news for older Americans, because Senator CHURCH is an effective and capable advocate.

Over the years, he has won the respect of his colleagues, people in the field of aging, and others because of his grasp of complex issues, his quiet leadership, and his overall fairness.

Really, I guess, Mr. President, every individual in life is aging, whether he be 5 years old or 10, 15, or 20. I do not know why we refer to older Americans, because when one thinks about the process of aging, it begins at the beginning of life. In any event, many notable advances have been made on behalf of older Americans since he became chairman. Today many more elderly persons live in dignity and self-respect than 8 years ago. Nearly 3.7 million more persons 65 years or older have incomes above the poverty line, compared with 1970. Much of this progress is directly attributable to legislation sponsored by Senator CHURCH.

He has never lost a floor amendment for the elderly since becoming chairman of the Committee on Aging. And, most of his Senate-passed amendments have withstood the scrutiny of conference committees and have become law. His record of legislative achievements for older Americans is both lengthy and impressive, including:

A 20-percent social security increase in 1972;

A cost-of-living adjustment mechanism to make social security benefits inflation-proof;

A 2-step, 11-percent social security increase in 1974;

Improved social security protection for elderly widows;

Numerous improvements to the Older Americans Act;

Establishment of a community education program to provide recreational, educational, and other community services for the young and old alike;

Expansion of the senior community service jobs program for persons 55 years or older;

Reduced air fares on a space-available basis for older Americans;

Establishment of an older Americans tax counseling assistance program for persons 60 years or older;

Additional tax relief in taxable year 1976, averaging $182 for 165,000 aged taxpayers who would have been adversely affected, because the new tax credit for the elderly replaced the former retirement income credit; and

A one-time, up to $100,000 exclusion on profits from the sale of a personal residence by taxpayers 55 years or older.

A few months ago, Senator CHURCH had an opportunity to reflect on these measures as well as other congressional actions during the 1970's, when he was interviewed by Elliot Carlson of Modern Maturity. In addition, he outlined some of his high priority goals for the elderly in the 1980's and beyond.

This conversation is described in detail in the December–January edition of Modern Maturity.

Mr. President, I commend this article—entitled "Wanted—New Aging Policies"—to Members of the Senate, and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WANTED—NEW AGING POLICIES

(By Elliot Carlson)

Eight years ago, when he took over as chairman of the Senate Special Committee on Aging, Senator Frank Church knew what direction policy should take. More and more people were retiring at a younger age, and the job for lawmakers seemed primarily to build up retirement income so people leaving the work force—voluntarily or otherwise—wouldn't suffer in old age.

Moving to do just that, Congress put through huge Social Security increases and tied future payments to the Cost-of-Living Index. Supplemental Security Income (SSI) was expanded for those with earnings falling below a cetrain level. Still other laws increased health benefits and established nutrition programs; consequently, living standards for the nation's elderly vastly improved.

Presumably, what's needed is more of the same—more programs that will let people do what they obviously want to do; settle into long and comfortable retirement.

Not necessarily, says Senator Church. He still wants retirement to be comfortable, and he remains strongly committed to programs that will make life better for older Americans. But he is no longer convinced that retirement should be long.

In sum, Church believes that times have changed, and as a result he proposes that working Americans reexamine their retirement ideas. And he thinks the Federal Government should modify some of its rules, counterbalancing old policies that encourage retirement with new ones that promote a longer worklife.

For Senator Church this is a time of reappraisal. After eight years the Idaho Democrat is stepping down as chairman of the Committee on Aging to head the Foreign Relations Committee (although he will remain a member of the Special Committee). Not long ago, in one of his last interviews as chairman, he shared his parting thoughts on what direction United States aging policy should take.

The main thing right now, says the Senator, "is that we must rethink our traditional notions about education, work and retirement." The reason is a compelling one: what some people call the graying of America.

"While I have been in the Senate, the ratio of elderly persons to the rest of the population has gone from one in 10 to one in nine," Church tells a visitor to his private office in the Capitol building. "And in no time it will be one in eight."

Because of this population change he sees a worrisome problem down the road. Citing the latest Government projections, he notes that the ratio of retired citizens to active workers is expected to change from one in six at present to one in three by the year 2030—thus placing an enormous burden on young people to finance the retirement of a growing number of elderly.

Consequently, says Church, "it's clear we're going to have to make some adjustments"—adjustments aimed at boosting the number of older citizens in the work force.

Congress has already taken a vital first step, says the Senator, by raising the legal age for mandatory retirement from 65 to 70. "The change won't significantly affect the trend toward early retirement," he says. "But such impact as the law may have will be in the direction of keeping people in the work force."

To make a real impact, Church believes Congress will have to bolster the incentive to work. The problem now, he says, is that incentives work in the other direction, tempting people to retire early rather than at age 65 or some later age.

Church says he doesn't want to tamper with the current Social Security payout provision that lets an individual retire as early as 62 with 80 percent of his benefits. He believes early retirement should remain a basic right for those who want to exercise that option.

But he does want change—specifically, incentives that will materially reward people staying on the job past 65. There do exist delayed retirement credits through which people can earn 3 percent more in Social Security for every year worked past 65. Even though the amount is up from last year, when the credit was only 1 percent, Church says it's not enough. He says the amount should be at least 6½ percent per year to achieve the desired effect.

Even if larger credits suddenly are granted the problem won't automatically be solved. The reason is jobs. "Many older people in this country would like to work," says Church. "But there aren't sufficient opportunities for them. Once individuals reach a certain age they don't have many options. They don't have alternatives to retirement."

To provide such alternatives, the Sentor says, the country's institutions will have to change. Educational institutions, for example; Church points out that our education is heavily loaded at the front end, but provides "little opportunity in the middle years—and almost no opportunity in the later years—to upgrade old skills or learn new skills."

Corporations will also have to do things differently. For starters, says Church, "it would help if businesses felt some obligation to provide part-time work for older people, to help them supplement their retirement incomes."

Employers might learn how to make better use of older workers, says the Senator, by studying new work practices that will be tested by the Federal Government. The Government is changing into a kind of social laboratory because of the new law eliminating mandatory retirement for nearly all Federal employees. As a result, Uncle Sam will test not only the practicality of ending compulsory retirement altogther, but also the feasibility of programs intended to keep older persons on the job.

"The Government probably will experiment with flexible work schedules that are better adapted to the needs of older workers," says the Senator. "And it might inaugurate new retraining programs that improve the abilities of many elderly, and enable others to work at less strenuous jobs."

Church hopes such programs will serve as models for private industry, and thus lead the way to a far more flexible society. Instead of life patterns with a set beginning, middle and end, he believes our institutions will have to provide alternative arrangements; creative interludes, pauses for additional education, and the possibility for two or three careers.

With opportunities for work and education throughout the lifespan, Church thinks people will be too busy to consider early retirement.

ACTIVITIES OF SENATE GOVERNMENTAL AFFAIRS COMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I want to take this opportunity to commend Chairman ABE RIBICOFF and the Governmental Affairs Committee for the

outstanding work of the committee during the 95th Congress

The activities of the Governmental Affairs Committee are indeed impressive. During this past Congress, the committee considered 51 bills which became public law—more than the total enacted by the committee for the three previous Congresses. In addition, the committee considered 6 reorganization plans, issued a total of 134 committee reports, reported favorably 18 nominations and held 278 days of hearings.

Of the 51 pieces of committee legislation which were enacted during the 95th Congress, among the most significant were the following:

Civil Service Reform Act of 1978 (P.L. 95–454).

This act is the most comprehensive reform of the Federal civil service system since its establishment more than 100 years ago. It abolished the Civil Service Commission, created new incentives for hiring and promotions, including a new Senior Executive Service, adopted streamlined disciplinary procedures and created a new Merit Protection Board to prevent abuses of the civil service merit system. It also establishes a new code of standards and disciplinary procedures to govern Federal employees.

Public Officials Integrity Act (P.L. 95–521).

The act is designed to promote the accountability and integrity of public officials. It establishes a mechanism for appointment of a special prosecutor for certain high-ranking executive branch officials, sets financial disclosure requirements for the executive, legislative, and judicial branches of the Federal Government, and restricts postemployment practices by former executive branch officials. The act also provides for creation of a new Office of Senate Legal Counsel to represent the institutional interests of the Congress and its Members in the Federal courts.

Department of Energy (P.L. 95–91).

The act created a new Department of Energy. It is the 12th Cabinet-level department, and the first since the Department of Transportation was created in 1966. The Department incorporates the functions of the Federal Energy Administration, the Energy Research and Development Administration, and various energy functions of the Departments of Interior, Housing and Urban Development, Commerce, Navy and the Interstate Commerce Commission. Its responsibilities include oil leasing policies, research and development, economic regulation, conservation, and overall energy planning It also has new authority for collecting energy information. The act thus ends the previous fragmentation of the Government's energy programs by transferring to the new Department energy functions previously exercised by eight existing departments or agencies.

The White House Personnel Authorization Act (P.L. 95–570).

The act for the first time provides specific authorization for White House personnel, including the White House office, executive residence, and the domestic council.

Establishment of Inspector General Offices (P.L. 95–452).

The act established an Inspector General in 12 executive departments and agencies. It consolidates existing auditing and investigative resources in order to combat fraud, abuse, and waste in Federal programs. The Inspectors General are charged with reporting and investigating problems, abuses, and inefficiencies in the administration of Federal programs and operations.

Nuclear Non-Proliferation Act of 1977 (P.L. 95–242).

The act establishes for the first time specific criteria to govern the Nation's nuclear exports. It also sets additional goals for international proliferation controls, reorganizes U.S. export control functions, and imposes new requirements for Presidential and congressional review. The act lays the basis for establishing an international authority for the handling of nuclear fuel.

Part-time and Flexi-time legislation (P.L. 95–437 and P.L. 95–390).

This legislation is a first step in establishing guidelines and promoting opportunities for flexible jobs and part-time career by experiments in the Federal Government. The legislation provides opportunities for the elderly, handicapped, women, and others who have responsibilities which preclude full-time or inflexible employment requirements.

Federal Banking Agency Audit Act (P.L. 95–320).

The act authorizes the Comptroller General to audit the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Prior to this legislation, the Nation's bank regulatory agencies had been exempt from most Federal auditing requirements.

Reorganization Act of 1977 (P.L. 95–17).

The act provides authority for the President to submit reorganization plans to Congress proposing the reorganization of Federal agencies. This authority is limited to 3 years from the date of enactment.

The committee considered 6 reorganization plans during the 95th Congress. They are as follows:

Reorganization Plan No. 1 of 1977 restructured and streamlined the Executive Office of the President and reduced the size of the White House and EOP staffs.

Reorganization Plan No. 2 of 1977 consolidated responsibility for the international communications programs of the USIA, and the international educational and cultural exchange activities previously conducted by the State Department's Bureau of Educational and Cultural Affairs, into a new International Communication Agency.

Reorganization Plan No. 1 of 1978 streamlined civil rights enforcement functions and expanded the role of the Equal Employment Opportunity Commission.

Reorganization Plan No. 2 of 1978 established the organizational groundwork for the Civil Service Reform Act—the Office of Personnel Management, the Merit Systems Protection Board, the Office of Special Counsel, and the Federal Labor Relations Authority.

Reorganization Plan No. 3 of 1978 improved and reorganized Federal emergency management and assistance into a new Federal Emergency Management Agency.

Reorganization Plan No. 4 of 1978 simplified and improved administration requirements of the Employee Retirement Income Security Act (ERISA).

Two major pieces of legislation which passed the Senate last year but did not clear the House calendar were the Department of Education legislation and the sunset proposal.

The Department of Education would establish for the first time a high-level Cabinet spokesperson for education. It would establish accountability and improve manageability of existing Federal education programs. The bill passed the Senate on September 26, 1978, but then did not have an opportunity to be acted upon by the House prior to adjournment of the 95th Congress.

Sunset legislation would require periodic reauthorization of all Government programs and agencies subject to systematic congressional review. The legislation would provide for the first time a systematic comprehensive scheme for congressional oversight of Federal agencies. The bill passed the Senate on October 11, 1978, but could not be considered by the House in the closing days of the 95th Congress.

Regulatory Reform Study: The Senate directed the Committee on Governmental Affairs to conduct a comprehensive review of the regulatory agencies—the first comprehensive study of Federal regulation ever conducted by Congress. The study was in response to a growing feeling that a number of Federal regulatory programs were functioning inadequately, and that structural and procedural changes are needed. All six volumes of the study were published during the 95th Congress.

Volume I—The Quality of Regulatory Appointments: The study found there is a need to improve the appointments process for Federal regulatory agencies. In the years preceding the study, commission memberships had not been adequately balanced, with a high percentage drawn from the regulated industries. The study also found that very few appointments were women or minorities. With respect to conflict of interest, Federal regulatory agencies have done very little to insure that the statutory provisions are properly enforced and policed. The report recommended a new Government-wide statute on post-employment activities, which was enacted late last year (S. 555).

Volume II—Congressional Oversight of Regulatory Agencies: In the past, oversight of regulatory agencies has occurred on an ad hoc basis, with very few committees willing to systematically review agencies under their jurisdiction. The Governmental Affairs Committee recommended periodic and greater use of congressional resource agencies, such as GAO and CBO, in order to assure systematic oversight.

Volume III—Public Participation in the Regulatory Process: The study concluded that regulated industries often dominate the regulatory process. In over half of the Federal agency proceedings, reviewed by the study, there was no public participation at all. In the other agency proceedings, regulated industry participation outnumbered public participants by as much as 50 or 100 to 1. The volume recommended that Congress enact legislation authorizing agencies to provide compensation to eligible persons for costs incurred in agency proceedings.

Volume IV—Undue Delay in Regulatory Administration: The study concluded that regulatory proceedings take much too long. The average ratemaking case averages 21 months, the average licensing averages 19 months, and the average enforcement action averages 3 years. In order to reduce delay, the report recommended that agencies make increased use of informal rulemaking and use less formal procedures for actions that now utilize lengthy trial-type procedures. The committee also recommended that agencies be required to establish and adhere to published deadlines.

Volume V—Regulatory Organization: The study examined Federal regulation of food production, banking, transportation, energy, and health and safety. The recommendations included proposals to transfer the food regulatory functions of the Department of Agriculture to the Food and Drug Administration; to consolidate the functions of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board into a single Federal Bank Commission; and to provide a certain focus for coordination of Government programs to control radiation levels. The study also endorsed the continued independence of these Federal regulatory programs.

Volume VI, just recently issued, called for a governmentwide statute requiring regulatory agencies to make economic impact analyses before proposed rules and regulations are issued in final form. It also questioned the effectiveness of Federal regulation of the trucking industry.

Other major reports issued by the committee covered U.S. participation in international organizations, computer security in Federal programs, Federal regulations of radiation health and safety, Federal advisory committee memberships, the accounting establishment, interlocking directorates among the major U.S. corporations, and publicly owned corporations and their auditors. The committee's investigations included Teamsters pension funds and prepaid health plans.

This has truly been an outstanding effort. I commend Senator RIBICOFF and Senator PERCY for their outstanding leadership on that committee. I look forward to an equally successful year for the Governmental Affairs Committee during this Congress.

AUTHORIZATION OF PAYMENT OF EXPENSES OF SENATORS ATTENDING MEMORIAL SERVICES FOR FORMER VICE PRESIDENT NELSON A. ROCKEFELLER

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask that it be stated by the clerk.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution S. Res. 33 authorizing the payment of expenses incurred by Senators and officers of the Senate in attending the memorial services for former Vice President Nelson A. Rockefeller.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of this resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a time limitation of 30 seconds on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution (S. Res. 33) was agreed to as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by Members and officers of the Senate in attending the memorial services for former Vice President Nelson A. Rockefeller, on vouchers approved by the chairman of the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

THE IMPACT OF A STIFFENED FEDERAL ETHICS LAW

Mr. MOYNIHAN. Mr. President, I should like to take a moment of the Senator's time to draw attention to an article in this morning's Washington Post, the headline of which is "Stiffened Federal Ethics Law May Make Officials Quit."

Mr. President, the thrust of this article is that the provisions of the 1978 Ethics in Government Act require such detailed financial disclosure statements, and put such inordinate restraints on what Government officials may do after leaving Government, that we face an alarming prospect—that some of the most important officials of the present administration may have to resign their positions by the 1st of July, when these new regulations come into effect.

I have just had a conversation with the Under Secretary of Health, Education, and Welfare, Mr. Hale Champion, who is an old and dear friend of mine. Without him we would have a lot less health, education, and welfare in this country. He helps to run Health, Education, and Welfare.

He has been advised by his lawyer that if he does not quit by the 1st of July he will not be able to work again at any of the occupations he has pursued in his life.

He came to Washington after serving as a vice president of Harvard University. Here he is Under Secretary of Health, Education, and Welfare.

In that capacity, he signs off on medicaid and medicare regulations. Under the provisions of the act, he could not go back to his previous job at Harvard University because that institution benefits from medicare and medicaid regulations.

It is just that simple a matter.

The Commissioner of Education, Dr. Ernest Boyer, has arranged to succeed the very distinguished Clark Kerr as head of the Carnegie Commission on Higher Education 1 year from now, on January 1, 1980. He has been advised that he had better resign as Commissioner before July 1 because thereafter, for similar reasons, he would not be able to take the job.

Yesterday I received a letter from one of the most distinguished science administrators in America, and, it happens, an official of IBM—I need not bring his name into this—whom I had written to congratulate for having been appointed by the President to a position on a very important science advisory committee.

He enclosed with his note a copy of a 3-page letter in which he states, essentially, that he cannot now accept the appointment, since he would not care to reveal everything about his life—and let anybody have access to it—in order to advise the President.

I simply wish to state that I think we passed a law that had much more in it than we originally realized, and that in the name of ethics in Government we are making service to Government impossible for ethical people. I believe the administration was the originator of this effort. I think we had better pay attention to it before we look up and suddenly find that we have not only lost so many absolutely indispensable people, but that we cannot replace them.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 31, 1979]

STIFFENED FEDERAL ETHICS LAW MAY MAKE OFFICIALS QUIT

(By Joanne Omang)

Hundreds of government officials—scientists, educators and researchers—may resign this spring to avoid coming under a stringent new code of ethics aimed at curbing conflicts of interest.

The 1978 Ethics in Government Act requires detailed financial disclosure statements and puts stiff limits on what high-ranking officials may do in the private sector after they leave government.

Several affected officials say the limits in the law may leave them virtually unemployable outside the government after the act takes effect on July 1.

"Under this law, I couldn't go back and do most of the things I have spent a good part of my life doing," said Hale Champion, undersecretary of health, education and welfare. "I have to consider resigning if the implications are as grave as they look."

Others who said they could be similarly affected include Richard Atkinson, director of the National Science Foundation; William J. Perry, director of research and engineering in the Department of Defense, and Donald S. Frederickson, director of the National Institutes of Health.

They are typical of hundreds of executives, professors, scientists and others who join government for a few years, intending to return eventually to their old jobs or to others like them. Often these jobs are at nonprofit or academic institutions having extensive government research grants; others are at private companies with large federal contracts.

"The higher up in the decision-making you are, the more difficult it becomes," said Champion, who was formerly vice president for finance at Harvard University. "You then have official responsibility for lots of things you don't deal with personally . . . it could come down to meaning you can't participate in the governance of any institution that has anything to do with the government."

The new law covers all federal employes at grade GS16 or above or earning more than $42,500, which includes nearly everyone in a policy-making position. It also covers judges, members of Congress and senior congressional staff members, as well as political appointees; in all, about 15,000 persons.

Passed in the wake of the Korean influence-buying scandal, the measure requires listing outside income, gifts, debts, property transfers, spouse's income and holdings and other financial matters beginning May 15.

It also tightens existing lifetime bans on representing outsiders before the government on issues in which the official had "personal and substantial" dealings while in government. And it extends from one year to two the ban on acting for a private party in issues that were under the policymaker's "official responsibility" in the year before leaving public office.

These provisions, effective July 1, are not considered particularly troublesome to scientists and academics, although Atkinson criticized the requirement that even those who serve on advisory boards for as little as 20 days annually must file disclosure statements.

Far more troubling, according to those concerned, is the provision that says a former government official shall not "aid, assist, counsel, advise or assist in representing" before the government a private organization on any matter under the official's former jurisdiction. "He can't talk about anything he knows anything about," summed up an HEW official.

This could mean, said Frederickson of NIH, "that quite possibly I would be barred from my old job" as president of the National Academy of Sciences Institute of Medicine. It involved handling government contracts and studies which concerned NIH, he said.

Another 50 persons now at NIH—"the people who run the institute, the key administrators"—would be affected, he said. "The law might mean that our usual movement from medical schools and the academic world and back would be severely impaired."

Perry of the Defense Department was formerly president of an electronics firm in Sunnyvale, Calif. "I don't believe I could return to that job under this as I read it," he said, "and I would certainly like to have that option."

Perry added that many DOD engineers who oversee research and acquisition programs have told him they are considering resigning before July 1. "We may so completely limit the ability of a technical manager to return to industry that we may not be able to hire them away from industry in the future," he said.

At the National Science Foundation, Atkinson said that under the provisions of the law as outlined by a reporter, "I would probably never have come here in the first place" since he would probably be unable to return to Stanford University, where he is on a leave of absence. "If that is the case, I would think twice about whether I'd have to resign" from NSF, he said.

HEW Secretary Joseph A. Califano, Jr., said that he and Defense Secretary Harold Brown had "expressed serious concern" about the matter to President Carter. "We suggested that the thing to do is to postpone the effective date of the law and have some hearings on it," Califano said. "We would hope the law could be amended."

Carter, he said, had asked aide Jack Watson to look into the matter.

Jim Graham, staff counsel to the Senate Governmental Affairs Committee that drafted the new law, said there is "a severe lack of information" among those affected. "We do think the bill is reasonable. One of the ways scientists make a living is through consulting and there is at least the same potential for abuse as there is with lawyers," he said.

He and others suggested that an exception in the law permitting "scientific and technical communications" with the government might be adapted in forthcoming regulations to solve some of the problems, although new legislation might also be necessary.

At the moment, all eyes are on Bernard Wruble, 36, who is drafting those regulations in his first week on the job at the brand new Office of Government Ethics. The post was established by the act within the Office of Personnel Management (the old Civil Service Commission) to come up with rules on application and enforcement of Ethics in Government.

"We are aware of the scientists' problem," he said. "We feel we have an obligation to settle the problem well in advance of the time when people will have to act on it."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for calling this matter to the attention of the Senate. I appreciate his observations. I think the matter may very well need some further study and consideration in the light of these developments.

Mr. MOYNIHAN. I appreciate that.

Mr. MATSUNAGA. Will my colleague yield?

Mr. MOYNIHAN. I am happy to yield to my senior deputy whip.

Mr. MATSUNAGA. Mr. President, I do wish to join the majority leader in commending the Senator from New York for bringing this matter to the attention of the Senate.

It has occurred to me, too, that of recent years we have been directing our attention so much toward preserving the institution that we are in many respects sacrificing the all-important individual liberties for which this Nation, above all countries in the world, stands.

Once again, I wish to commend the Senator from New York for bringing this matter to the attention of the Senate.

Mr. MOYNIHAN. I think few people could speak more directly to this point than the Senator from Hawaii, who fought for those liberties in the Armed Forces and has defended them in the House of Representatives and the Senate all these years.

We have at issue a measure which will raise the cost of participating in American Government to the point where it, in fact, becomes a privilege of the rich or simply an opportunity for the thoroughly unprincipled.

Mr. President, there is a limit to everything, and it appears we have gone beyond that limit in this case. I hope we will soon hear from the administration as to what it proposes to do.

I thank the Chair for its courtesy.

Mr. DURKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. ROBERT C. BYRD. Will the distinguished Senator from New Hampshire yield to me briefly?

Mr. DURKIN. I am happy to.

SENATE RESOLUTION 34—PROVIDING FOR SENATE MEMBERSHIP ON THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. ROBERT C. BYRD. Mr. President, Senate Resolution 34, which is at the desk, has been cleared with the minority leader, and I ask unanimous consent that it be immediately considered with a time limitation of not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 34

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. Pell of Rhode Island, Mr. Cannon of Nevada, and Mr. Hatfield of Oregon.

Joint Committee of Congress on the Library: Mr. Pell of Rhode Island, Mr. Cannon of Nevada, Mr. Williams of New Jersey, Mr. Baker of Tennessee, and Mr. Schweiker of Pennsylvania.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 34) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SERMON BY WILLIAM J. CARL III

Mr. BAKER. Mr. President, on the Sunday following the inauguration of Gov. Lamar Alexander, I had the opportunity to hear a most inspirational and enlightening sermon. It was delivered by

William J. Carl III, who is Governor Alexander's brother-in-law.

I asked Dr. Carl for a copy of his sermon so that I might share it with my colleagues in the Senate. I ask unanimous consent that Dr. Carl's sermon be printed in the RECORD at this point.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

". . . SO HELP ME, GOD"

(Texts: I Kings 3:3–5; Jeremiah 17:5–8; Romans 14:7–9)

(Sermon delivered at Inaugural Worship Service for Lamar Alexander as Governor of the State of Tennessee, Westminster Presbyterian Church, Nashville, Tennessee, January 21, 1979; Dr. William J. Carl III, Assistant Professor of Homiletics, Union Theological Seminary in Virginia.)

Several years ago New Yorker magazine had a cartoon showing two ministers—one elderly, comfortable, a little plump; the other young, eager, earnest. The older man was depicted as saying to the younger: "Drawing upon my not inconsiderable experience, Andrews, my advice to a young man, ambitious of preferment in our calling, is to steer clear of two subjects—politics and religion." And here I am stuck with both. Especially in a family like ours. The marriage of the two came with my marriage to Jane Alexander—Lamar's sister. Politics and religion. Of course, we would have trouble finding complete agreement in the old clergyman's statement either among churchmen or politicians. Some think that religion should play a big role in politics; some don't. Andrew Jackson, whose own faith was a personal matter, stated bluntly in 1826, "When once more I am clear of politics I will join the church."[1] And yet, in one of the top ten religious news stories of 1978, the three heads of state cited religion as a factor in arriving at a preliminary accord on the Middle East at Camp David. Politics and religion. There's great discrepancy over how they should relate.

Not surprisingly, the two come together in the Bible as various leaders from Abraham to Moses and the judges and kings after them had to administrate in social and political arenas. On every turn God's chosen leaders are plagued with questions of economics, education, health care, food distribution, and military defense. Look at Joseph making big grain deals for the President Sadat of his day. Watch Moses lead a whole people out of Egypt, with no budget for provisions or arms for defense. It's little wonder he trusted in the Lord. Who else could he trust?

And look at Solomon. His greatness and power defy description. When Jesus, referring to the beauty of the lilies of the field, said "Even Solomon in all his glory was not arrayed like one of these," it was clear that Solomon had become the symbol of wealth, the trademark of worldly splendor. Even Washington's protocol experts would have difficulty offering a title appropriate enough to call him in his presence. But in our Scripture, he may still be a young man at the beginning of his administration. Already king upon his father David's death, in a dream or a vision, he prays to the Lord. And what does he ask? "Give therefore thy servant an understanding heart to judge thy people, that I may discern between good and evil." It may be remembered that when Franklin Roosevelt died, Harry Truman offered this prayer of Solomon as his own petition for guidance. (By the way, I will quote Democrats and Republicans alike, since God is really non-partisan. He makes his rain to fall on the just and the unjust. He loves both publicans and sinners. He finds good and bad leaders in both parties.)

"Give therefore they servant an understanding heart." What a prayer for a leader to make! Even God was astonished. He thought surely Solomon would ask for riches or honor or at least the life of his enemies.

Of course, Solomon had good reason to pray for wisdom and understanding. His responsibilities were great—as awesome and sobering as any leader's today. After praying for God's help, he did what any good leader do—he began making political appointments. He depended on a whole cadre of leaders to help him administer and rule his kingdom. And the first appointments he made were the members of his cabinet. In chapter 4 of I Kings we read of these appointments: the man in charge of the calendar, the adjutant general, the secretary of state, the commander of the army, the priests, the superintendent of regional governors the King's friend (now that would be a good appointment even today), the comptroller of the household, and the the superintendent of forced labor. (Here labor sounds more like management.)

Then we are told that Solomon appointed 12 regional governors each over a different district. The chief duty of these regional governors was to collect the King's taxes, which I'm sure made them very popular with the people. Solomon needed the tax money to support his own household, his commercial interest in horses and chariots, as well as a burgeoning metal industry, and to support the building of the temple, probably his greatest achievement.

Solomon's kingdom was large by any standards. In chapter 4, verse 21, we are told that "Solomon ruled over all the kingdoms from the Euphrates to the land of the Philistines and to the border of Egypt." In sheer miles this is almost exactly the distance from Bristol to Memphis. Even today, that would be a pretty good distance to walk! To get the idea of its dimensions, put Solomon's kingdom on its side and you could practically place it on a map of Tennessee.

Solomon's kingdom ranked in power with those around it. It was a power to be reckoned with in the Middle East, just as Israel is today. Solomon knew the problems of ruling over such a great kingdom. That's why he prayed to the Lord. He knew that evil was real and that to trust only in man would be the act of a fool. Long before Jeremiah said it, Solomon knew the meaning of the prophet's words, "Cursed is the man who trusts in man." Yes, Solomon had reason to pray.

And what did he pray for? "Give therefore thy servant an understanding heart to govern thy people, that I may discern between good and evil." What does he call himself? A servant. "Give thy servant." Solomon recognized that even as a king he was a servant—a servant of God and a servant of the people. Any leader who forgets that forfeits his right to lead. And what did he desire? An understanding heart—and here the Hebrew means almost literally a "hearing" heart—a receptive mind; one that listens and considers before it decides; one that can hear the voice of God and the voice of the people.

But Solomon also prays for the ability to discern between good and evil. How difficult that is to do even today; for in real life distinction between good and evil is never as clear cut as the good guys and the bad guys or the characters in "Star Wars." Every area of our lives, whether in politics, business, or the church, is fraught with compromise and gray-area decisions. Decisions about who to trust or who to believe in government are laden with ambiguity. As one of my colleagues at Union Seminary, John Leith, has said, ". . . we ought never to underestimate the residual powers of goodness in evil people nor should we ever underestimate the power of evil in good people. . . . The good are never as good as they think they are and the bad are never as bad as they are thought to be."[2] This is still true today, even in government. The prayer then for the ability to discern between good and evil should not be taken lightly. What Solomon prayed for essentially was that he be a good man—something all public officials should covet. Lamar's mother told me not long ago that all she has ever prayed for Lamar since he was a child was that he be a good man.

This was what Solomon sought. And of course, his prayer was answered a hundred times over. He was given a discerning heart and great wisdom. The Scriptures give account after account of his wise decisions. He served not only as ruler but as Supreme Court. And here wisdom does not mean the philosophical speculation of Greek wisdom, but the practical know-how to judge rightly in the very ordinary matters of everyday life.

Of course, with all these comparisons, we should remember that in many ways we are different from Solomon. Our world is different—more sophisticated, more technological, more efficient. And Solomon was king of God's chosen people, Israel. We need to be reminded of that, lest we fall into the kind of civil religion that Robert Bellah and others have cautioned against. In the same way, Solomon was a monarch, whereas we live in a democracy where we vote for our leaders and, with checks and balances, many lead us, not just one. And of course Solomon had 700 wives and 300 concubines. Even by today's standards that would be extravagant. So in many ways we are different from Solomon.

And yet our times are not different. Human sin is still very real. The malaise of human existence has turned many to despair. There is a disease in our land, a sense that something has gone wrong somewhere. Trust in our elected officials has declined. Trust in each other is frayed and frazzled. The tragedy of human history played over and over again is that we have lost trust in our God. "Cursed be the man that trusts only in man" is Jeremiah's message to us. And Reinhold Niebuhr's paraphrase offers a significant caution to governors and governed alike: "Cursed be the man who trusteth in collective man and imagines that the immortality of his nation compensates for the insecurity of his own life. Nations are also mortal."[3]

We live in a time when hardly anything lasts. Our money seems gone before we get it. Our children are grown up and gone before we know them. Our spouses die and leave us alone. To the tick-tock of our rockers we play only yesterday. Sooner or later, we all realize—hardly anything lasts; not nations, not even us. To trust only in each other is a fatal mistake. History books are littered with examples of leaders who trusted only in their own power and ability and both they and their people suffered for it. But who needs to read history when it happens in our own time? Leaders ousted from office or taken out before their term has expired. It's the mark of our decade. Our text comes to us as a warning, for Solomon the great king transgressed. He trusted in the gods of his foreign wives. He taxed his people heavily and forced them into slave labor. He heard neither the cries of his people nor the cry of his God. A reign begun with great promise ended in tragic failure. And the message is clear. We may ask for gifts of wisdom and understanding and God may give, but if the gifts are not put to proper use, God will take them away. Not only that, he will take away your reign and the trust of your people. You see, trust in government begins with trust in God. For God by his providence rules over all.

Of course, those of us who claim to be Christian know that Christ lived in our world. He knew its sin, the power of its political and economic systems. He knew the kind of world we live in. He suffered and died at its hands—but rose above it. And so to trust in him is to understand the meaning of Paul's words, "None of us lives to himself and none of us dies to himself. If we live, we live to the Lord. If we die, we die to the Lord. So then, whether we live or whether we die, we are the Lord's." That kind of trust can turn cynicism into promise and despair into hope.

But trusting in the Lord should never be done with unreasonable expectations. I think Lamar understands that. Trust in the Lord never means instant miracles, instant solutions to all public problems. We pray not for instant solutions but for the wisdom and understanding to do what is right. Teddy Roosevelt understood this when he stated, "One verse in Micah * * * I am very fond of—'to do justly and to love mercy and to walk humbly with thy God'—that to me is the essence of religion."[4]

As leaders trust in the Lord, so should we, the people. We should pray for those who govern us. Yesterday Lamar asked for our prayers. Whether Democrat or Republican, shall we let him down when he asks so openly?

Not long ago, James Michener, who is not known for brevity in his books, was interviewed before the National Press Club in Washington. He was asked how he got his ideas for his books. He said, "I usually have lots of ideas rattling around in my head at one time; and I whittle them down and whittle them down until I get one good idea. You take that one good idea and devote the next four years of your life to it. Once you're in, there's no turning back." Michener concludes, "Now that takes a lot of dedication." One idea for the next four years * * * well, my friends, what will it be for us? For Lamar, for the state of Tennessee, for the people of this country? It's very simple—that we "balance the powers in our hands with God in our hearts."[5]

Footnotes at end of article.

FOOTNOTES

[1] Caroline Tomas Harnsberger, ed., Treasury of Presidential Quotations (Chicago: Follett Publishing Co., 1964), p. 29.

[2] John Haddon Leith, Sermon Delivered at Myers Park Presbyterian Church, Charlotte, N.C., June 6, 1976, pp. 2, 4.

[3] Reinhold Niebuhr, *Beyond Tragedy* (New York: Charles Scribner's Sons, 1965), p. 18.

[4] Harnsberger, *op. cit.*, p. 293.

[5] Lyndon B. Johnson, in Harnsberger, *op. cit.*, p. 294.

PRESIDENT CARTER'S TOOTH FAIRY

Mr. HARRY F. BYRD, JR. Mr. President, the millennium has arrived.

The Associated Press reports today that President Carter has tentatively decided to propose a national health insurance program that, over a period of time, would guarantee to every American the same benefits, with no individuals being billed for any service covered.

The benefit package would pay for hospital bills; physician fees; prescription drugs; out-patient, laboratory, and X-ray services; and for alcoholics, drug addicts, and the mentally ill. And no one will have to pay a cent.

Any individual who believes that all hospital bills, a doctor's bills, anything connected with health, will be paid entirely by the Federal Government, with no one paying a cent, must believe strongly in Alice in Wonderland.

The proposed program also would protect everyone from being bankrupt by catastrophic illness or accident. I favor a catastrophic illness or accident bill and have supported one. I want to see protection against catastrophic illness.

But when you talk about bankruptcy, if you want to bankrupt our Nation, just follow the program which the Associated Press says the President will send to Congress. Of course, Mr. Carter may take the view that the Government is already bankrupt, so why worry.

I think it is totally ridiculous to talk about a program whereby the Federal Government would pay for hospital bills; physicians' fees; prescription drugs; outpatient, laboratory, and X-ray services; and help for alcoholics, drug addicts, and the mentally ill, and no one would have to pay the bill.

Anyone who believes that, must believe in the tooth fairy.

Mr. President, the American people are smarter than many. The American people know who pays for the cost of Government.

The cost of Government must be paid for either by direct taxes—direct taxes are high now, and wait until you put in a program such as this—or they must be paid for through inflation, already soaring.

In my judgment, inflation is the cruelest tax of all, because it hits hardest those on fixed income, and those in the lower economic groups.

However, as I say, perhaps the millennium has come. Perhaps a program such as envisioned to be presented to Congress at an early date can be accomplished without anyone paying for it; perhaps, indeed, there is a tooth fairy. But I doubt it very seriously.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT—PM 21

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I herewith transmit the Annual Report of the Office of Alien Property, Department of Justice, for the transition period July 1, 1976, to September 30, 1976, and for the fiscal year ended September 30, 1977, in accordance with section 6 of the Trading With the Enemy Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

SPECIAL MESSAGE ON RESCISSIONS AND DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 22

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying document, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Human Resources, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Select Committee on Small Business, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Finance, the Committee on Environment and Public Works, and the Committee on Foreign Relations, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten proposals to rescind a total of $914.6 million in budget authority previously provided by the Congress. In addition, I am reporting six new deferrals of budget authority totalling $1,169.8 million and six revisions to previously transmitted deferrals increasing the amount deferred by $28.8 million.

The rescission proposals affect programs in the Department of Energy, Health, Education and Welfare, Housing and Urban Development, the Interior, and several independent agencies.

The new deferrals and revisions to existing deferrals involve programs of the Departments of Agriculture, Commerce, Defense, Energy, the Interior, Justice, Labor, Transportation, the Treasury, and the Tennessee Valley Authority.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 34. An original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library. Considered and agreed to.

S. Res. 35. An original resolution authorizing the reprinting of House Document Numbered 504, Eighty-ninth Congress, second session, entitled "Washington's Farewell Address", as a Senate document (Rept. No. 96–2).

S. Res. 36. An original resolution authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigation (Rept. No. 96-8).

S. Res. 37. An original resolution to pay a gratuity to Sibyl M. Brown.

S. Res. 38. An original resolution to pay a gratuity to Charles F. Clark, Sr.

S. Res. 39. An original resolution to pay a gratuity to Guy D. Hunter and Bonnie G. Hunter.

S. Res. 40. An original resolution to pay a gratuity to Allie M. McAdams.

S. Res. 41. An original resolution to pay a gratuity to Carl W. Sours.

By Mr. McGOVERN (for Mr. TALMADGE), from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 42. An original resolution authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

S. Res. 43. An original resolution authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. McGOVERN:

S. 261. A bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. KENNEDY, Mr. COHEN, Mr. EAGLETON, Mr. BAKER, Mr. GLENN, Mr. JAVITS, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. METZENBAUM, Mr. NUNN, Mr. PROXMIRE, Mr. PRYOR, Mr. ROTH, and Mr. TALMADGE):

S. 262. A bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and if one committee orders reported, the other committee has 45 days.)

By Mr. BENTSEN (for himself and Mr. PROXMIRE):

S. 263. A bill to amend the State and Local Fiscal Assistance Act of 1972 to terminate the State government share of funds allocated to the States beginning with fiscal year 1980; to the Committee on Finance.

By Mr. HEINZ (for himself, Mr. RANDOLPH, Mr. BAYH, and Mr. GLENN):

S. 264. A bill to amend the Antidumping Act of 1921, the Trade Act of 1974, and the Tariff Act of 1930 to improve procedures relating to the determination of certain unfair foreign trade practices; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. NELSON, and Mr. DECONCINI):

S. 265. A bill entitled the "Equal Access to Justice Act"; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. HARRY F. BYRD, JR.):

S. 266. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Finance.

S. 267. A bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards; to the Committee on the Judiciary.

By Mr. DURKIN (for himself, Mr. BUMPERS, Mr. EAGLETON, Mr. CHILES, Mr. CRANSTON, Mr. FORD, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. MCCLURE, and Mr. MCGOVERN):

S. 268. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements relating to the manufacture, sale, or distribution of soft drink products are not unlawful; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 269. A bill to amend the Tennessee Valley Authority Act; to the Committee on Environment and Public Works.

By Mr. BUMPERS (for himself and Mr. FORD):

S. 270. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

By Mr. GRAVEL:

S. 271. A bill for the relief of Clifford Gibbons; to the Committee on the Judiciary.

S. 272. A bill for the relief of Carlos C. Montanes; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 273. A bill for the relief of Maxine Ann Fricioni; to the Committee on the Judiciary.

S. 274. A bill for the relief of Sang Sun Russo; to the Committee on the Judiciary.

S. 275. A bill for the relief of Mr. and Mrs. Edward Cohen and their adopted daughter, Leah Mi Cohen; to the Committee on the Judiciray.

S. 276. A bill for the relief of Steve Wing-On Yan; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 277. A bill for the relief of Margaret Duff; to the Committee on the Judiciary.

By Mr. TOWER:

S. 278. A bill for the relief of Enrique Dagoberto Macher and Maria Del Rocio Garrido-Macher, husband and wife; to the Committee on the Judiciary.

S. 279. A bill for the relief of Tadeusz Darocha, M.D., and Halina Darocha, husband and wife; to the Committee on the Judiciary.

S. 280. A bill for the relief of Virgilio C. Carandang, M.D., and Cecilia Tanedo Carandang, husband and wife; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 281. A bill for the relief of Doris Mauri Coonrad; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 282. A bill for the relief of Hsiu-Yin Ma; to the Committee on the Judiciary.

S. 283. A bill for the relief of Eurith Lloyd; to the Committee on the Judiciary.

S. 284. A bill for the relief of Romulo Cayetano and Erlinda Cayetano, husband and wife; to the Committee on the Judiciary.

S. 285. A bill for the relief of Mrs. Eae Soon Sin; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 286. A bill for the relief of Jin Suk Park; to the Committee on the Judiciary.

S. 287. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mrs. KASSEBAUM:

S. 288. A bill for the relief of Robinson J. Munos; doctor of medicine; to the Committee on the Judiciary.

S. 289. A bill for the relief of Belino D. Iway, doctor of medicine, his wife, Olivia Nunes Iway, and his children, Yvonne Iway, Christine Iway, and Edsel Francis Iway; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. THURMOND):

S. 290. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transition Fund, and for other purposes; to the Committee on Armed Services.

By Mr. RIBICOFF:

S. 291. A bill to provide for posting information in post offices with respect to registration, voting, and communicating with lawmakers; to the Committee on Governmental Affairs.

By Mr. McGOVERN (for himself, Mr. TALMADGE, and Mr. DOLE):

S. 292. A bill to reduce the fiscal year 1980 authorization for appropriations for the Special Supplemental Food Program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI:

S. 293. A bill for the relief of Julio Antonio Morales-Flores; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 294. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Finance.

By Mr. NUNN (for himself and Mr. DECONCINI):

S. 295. A bill to establish a procedure in addition to impeachment for the retirement of disabled members of the Judiciary of the United States and the removal of those whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. CULVER (for himself, Mr. PROXMIRE, Mr. McGOVERN, Mr. EAGLETON, and Mr. PELL):

S. 296. A bill to prohibit the appointment of any person as Director or Deputy Director of the Arms Control and Disarmament Agency who has been relieved from active duty as a commissioned officer in a regular component of an armed force within a ten-year period prior to the proposed appointment; to the Committee on Foreign Relations.

By Mr. KENNEDY:

S. 297. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. SASSER:

S. 298. A bill to amend the Endangered Species Act of 1973 to eliminate the Endangered Species Committee and provide for certain exemptions from the provisions of the Act; to the Committee on Environment and Public Works.

By Mr. CULVER (for himself, Mr. NELSON, Mr. THURMOND, Mr. WALLOP, Mr. BAUCUS, Mr. NUNN, Mr. TOWER, Mr. PRESSLER, and Mr. LEAHY):

S. 299. A bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. METZENBAUM, Mr. MORGAN, Mr. BAYH, Mr. CULVER, Mr. DOMENICI, Mr. DURKIN, Mr. EXON, Mr. GRAVEL, Mr. HART, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. NELSON, Mr. PELL, Mr. PROXMIRE, Mr. RIBICOFF, Mr. RIEGLE, Mr. STAFFORD, Mr. TSONGAS, and Mr. WILLIAMS):

S. 300. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. TOWER:

S. 301. A bill to amend laws relating to housing and community development with respect to labor standards; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE:

S. 302. A bill for the relief of Vincente Alvarez; to the Committee on the Judiciary.

S. 303. A bill for the relief of William Armstrong and Rita Armstrong; to the Committee on the Judiciary.

S. 304. A bill for the relief of Roman Enriques, Andrieta Enriques, and their son Sol Allan Enriques; to the Committee on the Judiciary.

S. 305. A bill for the relief of Carlo Lim, M.D., his wife Cecilia Lim, and his son Ronald Christopher Lim; to the Committee on the Judiciary.

S. 306. A bill for the relief of Reginald Carlson Lim; to the Committee on the Judiciary.

By Mr. DANFORTH:

S. 307. A bill for the relief of Alexis Maria Davaraj; to the Committee on the Judiciary.

By Mr. SASSER:

S. 308. A bill for the relief of Rosita N. Pacto; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN:

S. 261. A bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL SUBTERMINAL FACILITIES ACT OF 1979

Mr. McGOVERN. Mr. President, today I am pleased to introduce the Agricultural Subterminal Facilities Act of 1979.

The family farm system, so vital to the future of our Nation remains in serious economic trouble. While farm prices overall edged the parity index up to 72 percent last year, wheat prices remain critically low at 55 percent with corn still lower at 54 percent. With such low farm income, recent record harvests mean little if anything to our Nation's farmers.

In conjunction with this obvious need to improve farm income levels through Department of Agriculture commodity programs, we must also look to improving the farmer's control over prices through more efficient commodity storage and movement systems. Presently, due to inefficient systems we consistently experience at harvest an enormous shortfall in storage and movement capacity. Farmers and elevator operators in South Dakota constantly call my office, particularly during harvest, in need of assistance to move and store their products. And there is no effective and comprehensive program of assistance available.

It is an immense and tragic paradox that while we possess the technology to be the most efficient producers of food and fiber worldwide, we stand behind an economic eightball when it comes to movement and storage of agricultural products.

As a result, economic benefits made possible by increasingly efficient production are to a significant degree, lost to both farmer and consumer, because of storage and shipping problems particularly in the grain producing States. In point of fact, potential farm income lost as a result of the inability to efficiently store and ship farm products may be millions of dollars annually.

To date, the Nation's storage and farm to market system consists largely of limited on-farm storage, small capacity elevator operations, unreliable and insufficient rail service and increasing reliance on expensive truck operations.

Historically, Federal programs and policies designed to assist agricultural producers have considered commodity movement and storage as separate and distinct issues. Unfortunately, the two are inseparable, and past policies based on this error may have hurt rather than helped our Nation's producers.

Our current system, consequently, is largely based on small scattered storage facilities located at points not easily served by any transportation system. The inadequacy in size and location as well as the inability to utilize more than one transportation mode is a primary contributor to our perennial and worsening grain car shortages.

Most railroads own the necessary power and equipment to transport the Nation's agricultural commodities. The current shipping patterns for grain, however, are substantially different from other industries which have the advantage of centralized points of production and subsequently, centralized points of shipping. Agricultural commodities by their nature of production seemingly defy the ease of movement to market available to other industries.

Railroads have never been able to efficiently or economically move farm products when their equipment must be simultaneously distributed across a vast trackage system to thousands of small collection points. However this is precisely what happens at harvest.

And the dilemma worsens as the health of the rail industry declines and its track system deteriorates. Prior to the construction of our massive highway system, this vast rail network was our sole means of transport for bulk commodities. Much of that system, although in disrepair, remains essential today.

However, with the advent of our highway system, the growth of the trucking industry, and the decline of our railroads, the ability and the economics of serving thousands of individual elevators has declined rapidly. We can no longer demand that the rail industry serve the farm industry in a manner that became outdated and inefficient decades ago.

Rail transport, however, continues to be the most efficient and economical means of transporting bulk commodities over long distances. In addition, the small country elevator continues to be essential to the economic health of small communities throughout the Nation.

Consequently, I am not advocating the demise of rail branchlines or of the small elevator system.

I am stating the need to bring both systems into the 20th century in order that each industry may maximize its benefits.

I am proposing a mechanism whereby local producers and existing elevator operators may enhance and improve their commodity storage and market delivery systems which would in turn greatly improve the ability of all modes of transportation to provide efficient and reliable service to our Nation's farmers.

LEGISLATIVE RESPONSE

Mr. President, in response to these circumstances, I have today introduced the Agricultural Subterminal Facilities Act of 1979. Above everything else, this bill is designed to help eliminate crippling inadequacies in agriculture transportation. It will go a long way toward giving farmers the storage and delivery system they must have to match and fully realize the great efficiencies achieved in the production of grain and other bulk commodities. The savings thus made possible can flow to both farmers, in terms of increased income, and to consumers through lower prices.

MODERN STORAGE AND DELIVERY SYSTEM

The Agriculture Subterminal Storage Facilities Act is predicated on a successful pilot program that has been in operation for several years in Iowa. The legislation provides the means by which modern, adequate bulk commodity and intermodal shipping facilities can be located as close as possible to sources of production within a given State, or within a group of States acting together on a regional basis. For the most part this means positioning these facilities at points on a State's core railroad system. to take advantage of the best elements of railroad, highway, and waterway transportation.

Subterminals would include rail sidings and loading facilities capable of making up 40- to 100-unit covered hopper car trains, the most efficient means of shipping dry agriculture bulk commodities over land as well as facilities to efficiently load and receive goods from trucking operations. To maximize the potential economies of these installations, subterminal facilities would also have the capacity to unload and store bulk commodities used in agriculture production, such as fertilizer, propane gas, and diesel fuel.

ELEMENTS OF THE PROBLEM

Once in place and operating, subterminals would eliminate the major elements, which when combined, constitute

a recurring crisis in the storage and shipping of bulk agriculture commodities.

Producers and shippers would no longer have to rely solely on poorly maintained, light density unviable branchlines capable of carrying only 40 foot boxcars.

Nor would they be dependent on 40 foot boxcars themselves which are often delivered late and in inadequate numbers. These cars have become obsolete within the rail industry as a whole and are no longer being replaced. Large numbers of them have been and are being retired from service in a state of disrepair. Their use as components of a freight train carrying an assortment of items to various destinations assures slow delivery and even slower return for reloading.

In essence, the Agriculture Subterminal Facilities Act has three main features. The first would provide funds to finance efforts to determine location of subterminals. The second furnishes a means to assure adequate financing of construction and start up operations at reasonable cost. And perhaps more importantly, this proposal contains provisions to assure continued local control over the movement and storage of farm products.

LOCATING SUBTERMINALS

The Secretary of Agriculture would be authorized to make planning grants available to a State or group of States acting together on a regional basis, to develop a bulk agricultural commodities storage and shipping plan. These funds would be made available upon application by the Governor or appropriate State agency from a $30 million appropriation authorized by the act.

Subterminal State/regional plans would include:

(a) an analysis of the short and long range marketing, shipping, storage and production trends regarding bulk agriculture commodities in question;

(b) a determination as to the need for subterminal facilities and their most efficient location;

(c) a program for continued use of existing on-farm storage facilities and the delivery of bulk commodities from farms to subterminals or directly to market and export points;

(d) a program for the continued use of existing small country storage facilities on the basis of subterminal ownership, as separately owned operations with the option of utilizing subterminal storage and shipping facilities, or as separately owned and operating entities independent of subterminals;

(e) an evaluation of the various types of possible subterminal non-profit and for profit ownership arrangements which will provide maximum benefits to producers and improve their control over the marketing of commodities while minimizing any adverse impacts on existing small storage facilities;

(f) an evaluation of potential benefits of subterminal ownership or lease of railroad rolling stock, trucks, barges and other bulk agriculture commodity transportation equipment;

(g) findings as to the potential benefits and possible cost and methods of financing state or regional offices to coordinate the use of freight transport equipment owned or leased by subterminals; and

(h) plans for constructing and improving subterminal facilities.

ORCHESTRATING SYSTEMS

Mr. President, the description I have thus far given of this legislation makes it clear that subterminal locations are to be planned on a statewide or regional basis. This is essential to assure maximum benefits and efficiencies are derived from minimum investments. To plan the location of such facilities on a random, individual basis, is to run the risk of locating them too close or too far apart with resulting waste or inadequate capacity. In point of fact, the central thrust of this program is to establish a system of subterminals covering large areas and, insofar as possible, to orchestrate their operations to complement and strengthen each other.

This need not only extend to subterminal storage and loading facilities but to the use of rail, truck, and other types of transportation equipment as well. For the sake of self-reliance and operational flexibility, many subterminals, either individually or jointly, may wish to lease or purchase trucks and covered hopper cars to deliver grain to railside storage facilities and to make up unit trains for long-haul transportation. Under these circumstances it may be desirable to establish regional coordinating offices covering two or more States to direct the use of transportation equipment in order to achieve maximum utilization for subterminals and to assign such equipment to other transportation uses when it is not needed by subterminals so that it will continue to earn income to defray purchase or lease costs.

ESTABLISHMENT OF CRITERIA

The proposed State subterminal storage facility plans must be made subject to public hearings and must be approved by the Secretary of Agriculture in order to qualify for Federal assistance.

The Secretary of Agriculture would be authorized to establish criteria, based on the production of bulk agricultural commodities, to determine which States qualify for Federal funding assistance for planning and construction.

Governors of such States must certify to the Secretary that producers of bulk agriculture commodities have experienced serious storage and shipping problems during the 3-year period preceding application for assistance.

Funding assistance will be provided only to those States designated by the Secretary of Agriculture which have rail plans approved by the Department of Transportation under provisions of the Railroad Rehabilitation and Regulatory Reform Act of 1976 which requires development of core system plans to qualify for branchline subsidies.

CONSTRUCTION FUNDING

The Consolidated Farm and Rural Development Act would be amended to specify that loans for subterminal construction would qualify for assistance under this legislation. This means that loans for approved subterminal projects could be made directly by the Secretary of Agriculture or could qualify for Federal loan guarantees when adequate credit at reasonable cost is not otherwise available.

The total amount of loan authority for this purpose is to be allocated by the Secretary of Agriculture among qualifying States on the basis of a formula established by the Secretary. The formula shall include the total railroad mileage in each State, annual bulk agriculture commodity production, and the existing storage capacity for such commodities in each State. A loan allocation not used by one State shall be reallocated among other States.

PROTECTION OF SMALL ELEVATORS

I wish to emphasize that the importance of existing country grain elevators must be recognized and their interests protected. For decades these businesses have been the focal point of agriculture communities throughout agricultural-producing States. Their services have been and will continue to be absolutely vital. Under this legislation, small elevators would be provided with the first opportunity to participate in the ownership and operation of subterminals, or to share in the facilities of subterminals to satisfy their own shipping needs. Accordingly, the Agricultural Subterminal Facilities Act would amend the Internal Revenue Code to allow existing elevator operators to sell their holdings and invest in subterminals or other enterprises without being subject to a capital gains tax. Although such new enterprise investments may be made anywhere, it is my expectation that in most cases they would be made in or near the same communities where the small elevators are located. Thus those elevator owners who have played a vital role in the economic activity of these areas will be given incentive to further expand the industrial and commercial base of their communities.

MAXIMIZING POTENTIAL BENEFITS

Mr. President, I believe the Agricultural Subterminal Facilities Act of 1979 provides a tested and successful answer to the critical storage and transportation needs of a vast segment of the Nation's farm industry.

Beyond this, it establishes a program that helps to assure that the Nation's surface transportation system will provide maixmum benefits to a large part of our agriculture industry and to rural America. It does this largely on a self-help basis. Aside from the relatively small sums that are needed for subterminal planning purposes, funds for this program would come from the private sector. When necessary, Federal loan guarantees, as they have been for many other successful agriculture credit programs, would be available to assure adequate credit at reasonable cost.

This is not a Federal handout; nor is it in any way inflationary. Rather, it provides basic incentives for the agricultural sector of our Nation's economy to become more efficient in its storage and delivery systems as well as providing a system that may be efficiently and economically served by all transportation modes.

It offers local producers independence, increased command of essential markets. Under this proposal they may respond quickly to market conditions without being dependent on a boxcar that may never arrive or arrive too late. And it offers a program that is consistent with current State transportation plans and conforms to the freight transportation needs of rural America to the mutual benefit of local producers, transportation industries, and consumers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Subterminal Facilities Act of 1979".

FINDINGS

SEC. 2. The Congress finds and declares—

(1) that an adequate system for the efficient transient storage and movement of bulk agricultural commodities is essential to the overall success of the agricultural industry of the Nation, the development of rural areas of the Nation, and the economic stability of the Nation;

(2) that the movement and storage of bulk agricultural commodities has been seriously and repeatedly impeded by shortages of transient storage facilities, adequate rail rolling stock, and the deterioration of many railroad track beds and rural highways throughout the United States;

(3) that the efficient movement and storage of bulk agricultural commodities may be achieved and facilitated by the joint location at strategic points throughout the United States of transient storage facilities and multimodal terminal facilities constructed especially for the efficient shipment and receipt of agricultural commodities; and

(4) that the location of such facilities must be carefully planned to assure maximum benefits to producers of agricultural commodities and to assure the most efficient means of transporting bulk agricultural commodities to domestic and export markets.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "subterminal facility" means any facility—

(A) which is used for the transient storage of bulk agricultural commodities or for the transporting, upgrading, receiving, drying, or loading out of such commodities;

(B) which is used for the transient storage of any commodity or product that is used by producers in the production of agricultural commodities and that can be stored or shipped in bulk, such as fertilizer and fuel;

(C) which is located in the area of production of agricultural commodities and any major storage or major export point for such commodities; and

(D) which is located (or after construction, will be located) at a place that conveniently serves the needs of producers and purchasers of such commodities.

Such term also means any rail siding, loading, or unloading facility which can accommodate unit railroad trains or multiple car trains of 20 cars or more and other appropriate transportation modes designed for the transport and storage of bulk agricultural commodities and production materials.

(3) The term "bulk agricultural commodity" means any agricultural commodity that can be transported in bulk from the farm where produced and can be temporarily stored in bulk quantities without undergoing processing or packaging. Such term also includes any commodity or product that is used by producers in the production of agricultural commodities and that can be stored or shipped in bulk.

STATE AND REGIONAL PLANS; PLANNING GRANTS

SEC. 4. (a)(1) The Secretary shall, beginning not more than 180 days after the date of enactment of this Act, make financial assistance available to States which make application therefore, and which otherwise meet the requirements of this section and further requirements developed by the Secretary for the purpose of assisting such State in the development of a subterminal facilities plan (hereinafter in this Act referred to as the "State plan") for such State. Assistance under this section shall be made available in the form of a grant. No grant may be made to any State unless the Governor of such State or the appropriate agency of such State makes an application therefor as provided in this section.

(2) The Secretary may also make such grants available to two or more States acting together to develop a coordinated regional subterminal facilities plan (hereinafter in this Act referred to as the regional plan") for such region.

(3) The amount of the grant made under this section to any State, or to any two or more States acting together (as provided in paragraph (2)), shall be proportionate to the amount to which such State, or States acting together, would be entitled for the purpose of implementing an approved State plan or an approved regional plan (as defined in subsection (d)) under the provisions of section 310B (e)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(2)), except that in no case may the amount of the grant exceed an amount equal to 80 percent of the cost of preparing the State plan or regional plan, as the case may be.

(4) The State or regional plan shall prescribe in detail the actions such State or group of States proposes to take in order (A) to facilitate the efficient movement of bulk agricultural commodities from the points of production within such State or region to major market or export points, (B) to provide adequate storage facilities for such commodities between points of production and market, and (C) to provide adequate receiving, storage and loading facilities for any commodity or product used in the production of agricultural commodities and that can be stored or shipped in bulk.

(5) The State plan of any State or regional plan of any group of States shall include the following:

(A) an analysis of the trends in the marketing, shipping, storage, and production of bulk agricultural commodities produced in such State or region and the short and long range projections with respect to the marketing, shipping, storage, and production of such commodities in such State or region.

(B) A determination, on the basis of the analysis and projections described in clause (A), of the needs of the State or region for subterminal facilities and a determination of the most efficient locations for and the handling capacity of such facilities.

(C) A program for the continued use of existing on-farm storage facilities located within the State or region and for facilitating the transport of bulk agricultural commodities stored on the farm, either to subterminal facilities or directly to market or export points.

(D) An assessment of the impact of subterminal facilities on small rural storage facilities within the State or region and a program for the continued use of such small storage facilities under arrangements which make subterminal facilities available to them on an equitable and fair basis.

(E) An evaluation of the various types of nonprofit and for profit ownership arrangements available with respect to subterminal facilities that will provide maximum benefits for producers of agricultural commodities within the State or region, that will enhance such producers' control over the marketing of commodities produced by them, that will provide reasonable ownership participation opportunities of subterminal facilities by the owners and/or operators of small rural storage facilities, and that will otherwise minimize any adverse impact on existing small rural storage facilities within the State or region.

(F) An evaluation of the potential benefits of subterminal ownership and leasing arrangements for rail rolling stock (including locomotives), motor trucks, barges and other bulk agricultural commodity transport equipment that will help achieve maximum benefits from the operation of subterminal facilities within the State or region.

(G) Findings regarding the need for, the potential benefits of, the estimated cost of, and the possible methods of financing a State or regional office which would (i) coordinate the use of freight transportation equipment with subterminal shipping requirements, and (ii) be owned and operated by the subterminal facility developed in such State or region with assistance under this Act.

(H) Specific plans for constructing and improving subterminal facilities within such State or region, including features of such facilities that will facilitate the efficient movement of bulk agricultural commodities from points of production to market or export points.

(b) Any funds made available to a State or region for the purpose of assisting such State or region to develop a State or regional plan shall be made available on condition that the appropriate State agency (1) hold public hearings in connection with the development of such plan, and (2) upon completion of such plan submit a copy thereof to the Secretary.

(c) No State or region shall be eligible for a grant under this section unless—

(1) the average annual production of bulk agricultural commodities by such State or region meets minimum levels established by the Secretary for a period the Secretary considers appropriate preceding the year in which application for such grant is made;

(2) the Governor of such State or the Governors of such States acting together on a regional basis certifies to the Secretary that producers of agricultural commodities have experienced serious storage and transportation problems within such State or region during the three years preceding that year in which application for such grant is made; and

(3) such State or group of States acting together on a regional basis has established an adequate plan, as described in section 5(j) of the Department of Transportation Act (49 U.S.C. 1654), for rail service in such State or States.

(d) Whenever any State or group of States acting together on a regional basis has submitted a State or regional plan under this section, the Secretary shall approve such plan if it meets the conditions specified in this Act and those prescribed in regulations of the Secretary to carry out this Act. Such a plan when approved by the Secretary shall be known as an "approved State plan" or an "approved regional plan", as appropriate.

(e) To carry out the purposes of this section, there are authorized to be appropriated not to exceed $5,000,000 for the fiscal year 1980 and for each of the three succeeding fiscal years.

LOANS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1930) is amended by adding at the end thereof a new subsection as follows:

"(e)(1) The Secretary may also make and insure loans under this section to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for the purpose of constructing or improving a subterminal facility in any State if the construction or improvement of such facility is consistent with the approved State plan or approved regional plan of such State or region. Such loans may also be made to purchase rolling stock (including locomotives), motor trucks, barges, and other bulk agricultural commodity transport equipment to be used in conjunction with the operation of subterminal facilities.

"(2)(A) The total amount of loan authority made available for the purposes of this subsection for any fiscal year shall be allocated by the Secretary among those States that have approved State plans or approved regional plans. Such allocation shall be made among such States on the basis of such formula as the Secretary shall prescribe by regulation, except that any such formula shall include the following factors: the total railroad mileage in each such State, the annual production of bulk agricultural commodities in each such State, and the existing storage capacity for bulk agricultural commodities within each State. In no event may the amount of loan authority allocated to any such State in any fiscal year be less than an amount equal to one percent of the total loan authority available for allocation in such fiscal year.

"(B) Any loan authority available for use in any State in any fiscal year that is not utilized by such State shall be reallocated, to the extent practicable, among other States eligible for the assistance provided under this section, in accordance with the same formula developed by the Secretary for the initial allocation of loan authority under this subsection.

"(C) The total railroad mileage, bulk agricultural commodity production, and storage capacity within any State shall be determined by the Secretary in consultation with the Interstate Commerce Commission.

"(3) As used in this subsection, the terms 'subterminal facility', 'approved State plan', or 'approved regional plan' shall have the same meanings as provided in the Agricultural Subterminal Storage Facilities Act of 1979.

"(4) Within 180 days after the date of enactment of the Agricultural Subterminal Storage Facilities Act of 1979, the Secretary shall establish such rules and regulations as may be necessary to implement the provisions of and to carry out the purposes of this subsection.".

NONRECOGNITION OF GAIN FROM SALE OF FACILITY IF PROCEEDS ARE REINVESTED IN ANY TRADE OR BUSINESS PROPERTY

SEC. 6 (a) Section 1033 of the Internal Revenue Code of 1954 (relating to involuntary conversions) is amended by redesignating subsections (g) and (h) as (h) and (i), respectively, and by inserting after subsection (f) the following new subsection:

"(g) Certain Agricultural Storage Facilities Adversely Impacted Under the Agricultural Subterminal Storage Facilities Act of 1979.—If the taxpayer sells or exchanges a single purpose agricultural structure (within the meaning of section 48 (a)(1)(D)) used by the taxpayer during a preceding taxable year ending 24 months or less before the date of sale or exchange by the taxpayer in his trade or business for the storage of agricultural commodities, and such sale or exchange is due to the construction of a subterminal facility (as defined in paragraph (2) of section 3 of the Agricultural Subterminal Storage Facilities Act of 1979) which serves the area previously served by the taxpayer's structure, then—

"(1) the sale or exchange shall be treated as an involuntary conversion for purposes of this section,

"(2) the sale or exchange shall not be considered a disposition of, or cessation of being section 38 property for, such property for purposes of section 47, and

"(3) any other property (including real property) used by the taxpayer in a trade or business, including farming, shall be treated as property similar or related in service or use to the property converted.

For purposes of this subsection, the gain, if any, properly allocable to the sale or exchange of any building or structure used in connection with such an agricultural structure, or to any land on which such structure (and building and other structure) is located used in connection with the operation of the agricultural structure, shall be treated the same as gain from the sale or exchange of the agricultural structure if such building, structure, or land is sold at the same time as the agricultural structures.".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. KENNEDY, Mr. COHEN, Mr. EAGLETON, Mr. BAKER, Mr. GLENN, Mr. JAVITS, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. METZENBAUM, Mr. NUNN, Mr. PROXMIRE, Mr. PRYOR, Mr. ROTH, and Mr. TALMADGE):

S. 262. A bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and if one committee orders reported, the other committee has 45 days.

REFORM OF FEDERAL REGULATION ACT OF 1979

Mr. RIBICOFF. Mr. President, today I am introducing a bill which will provide comprehensive far-reaching reform of the process of Federal regulation. The bill is entitled, "The Reform of Federal Regulation Act of 1979."

This measure is cosponsored by Mr. PERCY, Mr. KENNEDY, Mr. COHEN, Mr. EAGLETON, Mr. GLENN, Mr. JAVITS, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. NUNN, Mr. PROXMIRE, Mr. PRYOR, Mr. ROTH, and Mr. TALMADGE.

I am particularly pleased to have, as cosponsors of this legislation, four distinguished chairmen of Senate committees: Mr. KENNEDY, chairman of the Judiciary Committee; Mr. PROXMIRE, chairman of the Banking, Housing, and Urban Affairs Committee; Mr. LONG, chairman of the Finance Committee; and Mr. TALMADGE, chairman of the Agriculture, Nutrition, and Forestry Committee.

The legislation we introduce addresses many fundamental problems of Federal regulation. The Reform of Federal Regulation Act of 1979 will provide for—

A regulatory analysis for proposed rules to reduce the burden of regulation. All Federal agencies will be required to estimate and publish the projected costs, benefits, and other impacts of proposed major regulations before they are adopted. That will include consideration of practical alternatives.

Periodic review of existing regulations to insure that Federal resources are committed wisely. All agencies will be required to systematically review the need, objectives, achievements, consequences, and alternatives of existing regulations to determine whether they are justified and effective.

Deadlines to be set by agencies on proposed actions. In order to encourage expeditious action, agencies will be required to set and publish deadlines.

An improved agency decision-making process. The bill will require the use of more informal, less time-consuming procedures to decide cases; and will provide financial assistance to groups who could not otherwise afford to participate in agency proceedings.

Standards for appointment for high level agency officials to improve the quality of regulators. This includes reform of the process by which administrative law judges are selected and evaluated, as well as qualification requirements for regulatory commissioners.

A restructuring of the Administrative Conference to insure better regulatory coordination and planning. The conference, which will be headed by a single administrator, will be given guidance authority for certain Government-wide statutes. The restructured conference will thus act as a monitor for the regulatory process.

The recommendations contained in this bill have been carefully studied by the Committee on Governmental Affairs. The bill incorporates many of the recommendations made in the committee's "Study on Federal Regulation" which was authorized by the Senate pursuant to Senate Resolution 71. During the 95th Congress, all six volumes of that study were published. Together, the six volumes are the most comprehensive review of Federal regulation ever conducted by Congress.

THE NEED FOR ACTION

Government regulation has grown dramatically—and it has sometimes grown haphazardly. Government intervention has become almost a reflex response to social and economic problems. But these regulations present their own set of social and economic problems. Today people are questioning what Government can and should do. This question combined with persistent high inflation has increased our awareness of the extent of Government regulation.

In my opinion, the extent of Federal regulation is a serious matter of concern.

For example, in 1975, the Federal Government proposed or adopted nearly 500 new regulations and over 9,000 amendments to existing regulations. Some were but a paragraph, others several hundred pages in length—and all were printed in the Federal Register, the official daily record of Federal administrative actions.

Agency regulations are also gathered and published in the Code of Federal Regulations, which now runs over 130 volumes in length. To cite one example, the rules of a single regulatory agency,

Federal Trade Commission, consumes two 500-page volumes of the Code. As a recent FTC action indicates, some of the Code's provisions are clearly unnecessary. The FTC cut its share of the Code by 10 percent through the repeal of about 80 trade practice rules, concerning such items as corsets, brassieres, steel bobby pins, milk bottle caps, and sunglasses. Everyone (including the industries involved) agreed that the rules were toothless, inactive, and redundant.

Clearly compliance with Government regulations costs money. The costs of complying with these regulations is added to the cost of producing a good or service and thus is passed on to the consumer. We know regulation is not free—but we are not sure just how expensive it really is. Estimates of the total cost of Government regulation range from a low of $20 to $130 billion. Anytime a cost estimate is that broad you can be sure we do not really know how much something costs.

But certainly there are benefits from those efforts, particularly in the health, safety, and environmental areas.

Many of the protections instituted by these programs have been so successful that the security they provide is taken for granted: Pasteurization, meat and poultry inspection, control of patent medicines are among the classical examples of success. Also, we rarely acknowledge the excellent Federal performance in such areas as aviation safety or drug testing requirements or highway safety. CPSC Commissioner Pittle has recently outlined some of the benefits from those and similar programs which include: A 40-percent reduction in ingestions of poisons by children over a 4-year period, due to safety packaging requirements; a decrease of 45 percent in the number of crib deaths, since the safety standards for cribs became effective in 1974; the saving of some 28,000 lives between 1966 and 1974 as well as a substantial reduction in serious injuries, because of Federal motor vehicle safety regulation; and what appears to be a complete elimination of flame-burn injuries involved in children's sleepwear, as a result of Government standards for that clothing.

Those accomplishments are of real value, a fact that is not diminished by an inability to reduce them into statistics in an economic equation. Thus, public discussion of the need for careful appraisal of the projected impact of proposed regulations should not lose sight of the major advantages and compeling needs for effective health, safety, and environmental protection.

At this time, I would like to briefly describe the major provisions of the bill.

REGULATORY ANALYSIS

One important provision in this bill is the requirement that all Federal agencies conduct a regulatory analysis before issuing regulations.

The bill provides a two-step process: When a regulation is first proposed, an initial regulatory analysis must be prepared and published along with the proposed rule. No less than 60 days is then allowed for public comment. When a regulation is promulgated, a final regulatory analysis must be provided to the public at the same time. A regulatory analysis is required to contain a discussion of the need and objectives of the proposed rule, as well as a description of practical alternatives which could nearly accomplish those objectives. In addition, for the proposed rule, and for each of the alternatives, the analysis shall contain a preliminary description of projected economic, and projected health, safety, and other noneconomic effects which the agency is permitted by law to take into account, and an appraisal of the effectiveness of each approach in meeting the stated objectives of the rule. In addition to those items, the final regulatory analysis shall contain a discussion of the public comments received on the initial regulatory analysis. The Congressional Budget Office will be charged with the responsibility of periodically reviewing regulatory analysis to make certain that there is compliance with these provisions.

Thus agencies would systematically consider and evaluate the projected consequences, anticipated achievements and practical options of proposed agency action. A comparable procedure is required for executive branch agencies, by an Executive order issued in March 1978 by President Carter. However, when that order was announced, President Carter indicated that it would not apply to the independent regulatory commissions. At that time, the President stated that regulatory independence should be "preserved." I agreed with that action, because only Congress has the authority to establish the regulatory analysis requirement for these commissions. Extending the requirement to the independent commissions is one important purpose of the bill we introduce today.

Moreover the regulatory analysis provision will insure a rational and systematic process of agency consideration before the issuance of regulation. Careful analysis of the known aspects of a proposed action is an obviously sensible course. It is logical and reasonable to estimate costs, project benefits, and consider alternatives before making any significant decision. In addition, I believe such analysis can make a significant contribution to determining whether the conditions perceived as justifying intervention presently exist, and how they are likely to change in the future. Also economic evaluations can help Congress, the President, and the public assess the strategies adopted by regulators. Finally, impact analysis could produce reliable information on the burdens imposed by regulation.

It is necessary in looking at this to distinguish between two different classes of regulation: Regulation for the protection of health, safety, and the environment, and economic regulation. These two classes of regulation sometimes present different cost and measurement problems, and may require differences in approach. In broad terms, that distinction is clearly illustrated by recent Federal legislation to deregulate the airline industry. While the Civil Aeronautics Board, the regulatory body for airlines, is now scheduled to go out of existence by 1985, no one has seriously questioned the continued need for Federal oversight of air safety. The Federal Aviation Administration will retain its important responsibility for the safe operation of air traffic.

Therefore the appropriate way to cut the costs of economic regulations may well be to eliminate it entirely. We cannot take this approach to health, safety, and environmental regulations.

Certainly health, safety, and environmental regulations impose costs—sometimes very substantial costs. However, unlike some economic regulations, they also provide broad public benefits. Often it is easy to measure the costs of compliance with these regulations—the capital cost of new equipment, the number of forms to fill out, and so forth. Benefits, however, may be harder to measure. We can measure the reduction in contaminants in the air and the improved cleanliness in our water, but we do not yet know how to give these things precise monetary values. For years clean air was viewed as a free resource. The cost of using it up was not included in the cost of goods. Now we recognize that air is not a free resource and we count the cost of preserving it. It is, therefore, difficult to compare costs.

Many of the benefits of this kind of noneconomic or social regulation are long-term and cumulative. How do we value in dollar terms preventing asbestos from slowly killing workers in our shipyards? Or keeping an unsafe drug off the market, And it may be even harder to place a value on the benefits of pension regulation or antidiscrimination regulation.

Reducing the cost of regulation in these areas presents us with something more difficult than simple deregulation or simple economic impact analyses. This is not to say that we should ignore the costs of health, safety, and environmental regulations. We should be looking for the most efficient and least costly means to achieve our goals in these areas. Clearly we should move to eliminate duplication and costly delay. There is no reason to waste resources in steps which do not move us closer to our goals. Moreover we do need more and better information on the anticipated consequences and achievements of regulatory action. We do need to insure careful considerations of practical alternatives, including the option of no action at all, before regulations are issued in final form. All of which suggests the need for a governmentwide statute containing a regulatory analysis requirement.

The legislation we introduce today attempts to balance those various, sometimes competing, considerations. In short, what we seek is more effective and efficient decisionmaking, but without crippling the ability of agencies to discharge their statutory duties. Thus, in drafting this legislation, we have been guided by the following general considerations.

First, results of a regulatory analysis can only be one part of any decision about a regulation. Thus even if the

benefits you can quantify are less than the costs, the regulation may still be valid.

Second, we do not want to add another costly step to the regulatory process. Nor do we want agency actions delayed for years by litigation over the adequacy of economic evaluations.

Third, it is important that appropriate expertise go into this analysis. Therefore, the analysis should first be conducted within the department or agency considering action. Oversight of these analyses will be necessary, and should be achieved by Congress and by periodic review outside the agency. It should also be noted that the executive branch, under this legislation, would still be able to conduct its own review and monitoring, such as that presently mandated under Executive Order 12044.

REVIEW OF EXISTING REGULATIONS

In addition to making certain that new major regulations are the least costly and most effective, the bill also addresses the need to review existing regulations. Periodic reappraisal is essential to determine whether the original reasons for a regulation have continuing vitality. We need to know that existing rules and regulations are working. Otherwise regulation tends to develop a life of its own, sometimes imposing burdens without commensurate benefits.

Under this legislation, all Federal agencies are required to evaluate those rules that are on the books to make certain that they are both effective and efficient.

This review will occur in two stages. Agencies must first review existing rules in order to determine which ones should be singled out for intensive reexamination. Thereafter agencies shall publish a general plan for review of selected regulations over a 5-year period. In deciding what rules should be reviewed, agencies shall consider—

First, the extent to which the rule has significant economic, or health, safety, or other noneconomic consequences;

Second, the length of time since the rule was issued;

Third, the nature of any technological, economic, social, or other changes which have taken place in the area affected by the rule since the rule was issued;

Fourth, the extent of compliance with the requirements of the rule; and

Fifth, any comments made by members of the public concerning the effects of the rule, as implemented by the agency.

We intend that the rules selected for review will be subjected to a close scrutiny, involving opportunity for vigorous public comment and appraisal. Selected rules will be reviewed in light of the following considerations:

First, the need for and the objectives of the rule at the time the regulation was issued;

Second, whether there is a continuing need for the rule;

Third, the extent to which the rule achieves its objectives;

Fourth, the economic, health, safety, and other noneconomic consequences of the rule;

Fifth, the paperwork, recordkeeping, or other similar burdens imposed by the rule;

Sixth, the cost and nature of any problems encountered by the agency in obtaining compliance with the rule;

Seventh, whether the objectives of the rule may be met through a less burdensome alternative;

Eighth, the extent to which the rule overlaps or duplicates other rules; and

Ninth, whether the rule should be rescinded, expanded, or continued without change.

Agencies will be required to report annually to Congress on the reviews conducted pursuant to these provisions. And the Congressional Budget Office will periodically monitor agency efforts in this regard to insure compliance.

BETTER PLANNING AND REFORMING REGULATORY PROCEDURES

The Reform of Federal Regulation Act of 1979 also seeks to remedy the serious delay that now plagues the regulatory process. These provisions, like others in the bill, implement the recommendations of the committee's Study on Federal Regulation.

The committee study found that delay occurs at many stages of the agency process, and for many different reasons. It also found, however, that undue delay is not inevitable. Agencies can take practical steps to make the regulatory process more efficient.

The data presented in volume IV of the study indicates that the regulatory process is anything but swift in its operation. From start to finish, the proceedings averaged more than 19 months for licensing, 21 months for ratemaking, and over 3 years for enforcement actions. Each stage of the three types of proceedings was very time consuming. In licensing and ratemaking proceedings, it took about 160 days for matters to even reach the hearing stage; for enforcement actions, it averaged well over a year before a hearing was convened. Protracted hearings also characterized the proceedings, and once again enforcement was the lengthiest of the three—just under 18 months devoted to hearings, which was nearly double the time spent for ratemaking and licensing hearings. Finally, the time necessary for agency review and decisionmaking accounted for about 25 to 30 percent of the total agency time on the case. For licensing the agency review took more time than either of the two preceding stages individually.

The committee study identified the following agency practices as among the most serious causes of needless delay:

Planning, priority setting, and leadership by top agency management is often inadequate.

Widespread failure of agencies to set and enforce deadlines and follow other good management practices results in needless delays. The committee study found that many agencies do not set timetables for completing action on proceedings.

Excessive reliance on formal, trial-type hearings is one of the most important causes of delay. Among proceedings which travel the full route of hearing and agency review, informal rulemaking is at least 1½ to 3 times faster than adjudicative proceedings featuring full trial-type proceedings.

Cumbersome review provisions are another major cause of unnecessary delay. They add extra and unnecessary layers of review before agency actions become final.

Substantial delay also occurs at the prehearing stage.

The bill carries out the specific proposals the committee study makes for reducing delay at each stage in the process. At the same time, the bill respects the principles of due process. It preserves for all parties to a proceeding a full opportunity to be heard before the agency acts.

Specifically, the bill seeks to reduce delay by encouraging better agency planning and management. Each year the agency will have to establish specific regulatory priorities and describe them in an annual report to Congress. Also the bill requires an agency to adopt, at the start of each proceeding, deadlines for completing the proceedings. Each agency will report annually to Congress on how well it has met its deadlines. It will have to describe what it is doing to complete action on the proceedings that have been delayed the longest. Any agency that does not already have an office to oversee the planning and management of its regulatory activities will have to assign this function to an office.

The bill also addresses procedural reforms, by amending portions of the Administrative Procedure Act, to reduce the delays that plague all stages of regulatory proceedings.

The Administrative Procedure Act now requires the use of trial-type proceedings in all formal proceedings. The bill would change this for all formal rulemaking, including ratemaking, all initial licensing proceedings, and all subsidy proceedings where any of these proceedings must now be decided in trial-type proceedings. The bill requires the use of less formal procedures to decide these cases. In other kinds of formal proceedings the agency could, at its discretion, use the new procedures instead of holding trial-type proceedings. Under the new procedures the agency must give persons a chance to submit briefs and present oral arguments on the relevant facts and law. There would be no formal witnesses at the hearing to present evidence, however, and no cross-examination.

Formal trial-type hearings could subsequently be held only if the initial proceedings highlight the need to resolve specific factual disputes.

The bill specifically charges the administrative law judge with general responsibility for controlling the course of the hearing so it is completed expeditiously. It authorizes him to set deadlines for the completion of the hearing. It encourages him to rule on questions before the conclusion of the hearing when additional, evidentiary hearings would be pointless.

To speed the agency review process, the bill allows each agency to establish review panels to review administrative law judges' decisions in place of review by the agency heads. It authorizes the agency to place final authority for a proceeding in these boards, or in the employee who presides over the initial hearing. The bill also gives agencies and courts the authority to impose sanctions on a party who unreasonably delays or obstructs a proceeding.

In order to improve the quality of regulatory officials, the bill contains procedures for the selection and evaluation of administrative law judges, and standards of qualifications for regulatory commissioners.

Administrative law judges are a critical element of the regulatory process. The quality, and, indeed, the pace, of regulatory decisionmaking depends in significant part on the ability of these officials. Although the vast majority of administrative law judges are doubtless able and conscientious, there is not at present any process by which administrative law judges' performance is periodically reviewed and evaluated. That observation was made in a recent report by the Comptroller General as well as in our committee Study on Federal Regulation. Administrative law judges appointed after this act takes effect will, after a 10-year term, be subject to review and reappointment by the Administrative Conference, as restructure in this bill. In addition, the bill authorizes the Conference to take appropriate action in the case of administrative law judges who are not performing adequately in that position. We believe the review role proposed for the Administrative Conference will have positive effects on the quality of these important officials.

REVITALIZATION OF THE ADMINISTRATIVE CONFERENCE

The final major component of the Reform of Federal Regulation Act of 1979 concerns a major restructuring of the Administrative Conference, in order to provide better coordination for the regulatory process.

At present, the Administrative Conference is a small, independent Federal agency created in 1964, and activated in 1968. Its function is to study and make recommendations and to exchange information concerning administrative proceedings. It has no ongoing operating program other than to "study the efficiency, adequacy, and fairness of the administrative procedure used by administrative agencies in carrying out administrative programs."

The conference is presently headed by a chairman, who is nominated by the President and confirmed by the Senate. However, the conference itself is composed of as many as 92 members, most of whom come from either the academic community or the Federal agencies. Reduced to essentials, the conference has acted as a research body in its more than 10 years of existence. The background and responsibility of the conference is discussed in volume VI of the committee study.

In this legislation, we propose that the administrative conference be restructured to enable it to assume a major role in dealing with problems of regulatory inefficiency, delay, and complexity.

Such an agency must necessarily have a structure more suited to solving problems instead of the present conference organization which is designed for studying and recommending. The existing structure is more appropriate for a research organization than a body charged with important oversight or monitoring functions.

We believe a leadership role for the administrative conference is not assisted by a governing board composed of at least 75 members, many of whom are officials of the regulatory agencies. The bill we introduce today provides that the conference be headed by a single administrator, nominated by the President and confirmed by the Senate. On the issues of appointment, tenure, and removal of the administrator, the bill guarantees sufficient independence to enable the conference to provide guidance to the independent regulatory commission. The membership body itself is reduced in size and reconstituted as an advisory committee to the administrator. Thus streamlined, and with appropriate additional resources, the administrative conference will be equipped to assume major responsibilities for improving the regulatory process.

The bill provides that the conference would continue to exercise its present research, advisory, statistical, educational, and coordinative responsibilities. But more than that, it will actively monitor the way agencies plan and manage their regulatory responsibilities, and will propose procedures to improve the effectiveness of agency operations.

The Administrative Conference will have, under this legislation, the responsibility to issue advisory guidelines for laws of general application which comprise the framework of Federal administrative, open government and access to information laws. These laws have common goals and objectives—fairness in administrative practice and insuring open government and availability of Government information. They also impact on management of agency procedures and on reducing paperwork. Interpretations and definitions under one law often affect other laws in this group and coordination among them is necessary. For these reasons, the bill provides that the conference have the responsibility for all Federal regulatory agencies and programs.

As proposed in this legislation, the statutes for which the conference will have advisory guidance responsibilities include the Administrative Procedures Act, the Freedom of Information Act, the Privacy Act of 1974, the Government in the Sunshine Act, the Federal Advisory Committee Act, and the Act to Establish a Commission on Federal Paperwork. The Administrative Conference will also issue guidelines for procedures for the regulatory analysis requirement proposed in this bill.

In addition, it will be the responsibility of the conference to provide, to the extent that funds are made available, financial assistance to qualified intervenors in regulatory agency proceedings. Applicants for those awards must meet specific standards contained in this legislation. Centering this responsibility in the conference will, in my opinion, result in a fair and impartial management of this program. It should be noted that this provision does not in any way alter the existing requirements for standing to intervene in agency proceedings. Indeed, an eligibility requirement for an award is that the applicant have standing to intervene under existing law or practice.

As previously mentioned, the conference will also have a role in the evaluation process of administrative law judges.

In summary, I am pleased to introduce what I believe is a comprehensive legislative measure, designed to address many pressing and basic issues of Federal regulation. Without doubt, there will be changes and modifications as the bill is considered and debated. It is particularly gratifying to begin the process with what are the results of deliberate and detailed study by our committee. The recommendations incorporated in the Reform of Federal Regulation Act represent, in my opinion, careful review of the best thinking available on the problems of the regulatory process. Thus it is evidence of our commitment that the results of the committee study will not rest on library shelves, but will instead be the basis for active congressional consideration of needed changes in Federal regulation. The promise of this legislation is an efficient and effective regulatory process.

Mr. President, I ask unanimous consent that the Reform of Federal Regulation Act of 1979 be referred jointly to the Committee on Governmental Affairs and to the Committee on Judiciary, and after one committee orders the bill reported, the other shall have 45 days to consider it or be automatically discharged. It is my understanding that this referral has been cleared by the minority.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I also ask unanimous consent that the text of the bill and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reform of Federal Regulation Act of 1979".

TITLE I—THE ANALYSIS, PLANNING AND MANAGEMENT OF REGULATORY FUNCTIONS

FINDINGS AND PURPOSES

SEC. 101. The Congress finds and declares that—

(1) the agency decisionmaking process should be rational and systematic, and should examine the need for proposed action as well as practical alternatives, projected consequences, anticipated achievements, and other impacts of such action;

(2) to assure effective regulatory decisions, consideration of the justifications for, consequences of, and alternatives to proposed agency action should occur at an early stage in the decisionmaking process;

(3) to ensure a full and balanced discus-

sion of the desirability of proposed agency action and its alternatives, each agency should maximize the opportunity for timely and meaningful public comment in the decisionmaking process;

(4) good planning and management procedures, including the establishment and observance by the agency of deadlines for completing action on proposed regulations, should be adopted to help each agency avoid unnecessary delay and make the regulatory process as efficient as possible; and

(5) the head of each agency should be responsible for assuring full and effective achievement of the purposes of this Act.

IMPROVING THE REGULATORY PROCESS

SEC. 102. Title 5, United States Code, is amended by adding immediately after chapter 5 the following new chapter:

"Chapter 6—THE ANALYSIS, PLANNING AND MANAGEMENT OF REGULATORY FUNCTIONS

"Subchapter I—Analysis of Regulatory Proposals

"601. Definitions.
"602. Initial regulatory analysis.
"603. Final regulatory analysis.
"604. Elimination of duplicative analyses.
"605. Conditions for waiver.
"606. Review by the Congressional Budget Office.
"607. Judicial review.
"Subchapter II—Establishing Regulatory Priorities and Schedules for Completing Proceedings
"621. Definition of regulatory functions.
"622. Agenda of regulatory priorities.
"623. Establishment of deadlines.
"624. Annual report on regulatory activities.
"625. Offices for regulatory planning and management.

"Subchapter I—Analysis of Regulatory Proposals

"§ 601. Definitions

"For purposes of this chapter—

"(1) the term 'agency' means an agency as defined in setcion 552(e) of this title;

"(2) the term 'rule' has the same meaning as in section 551(4) of this title, except the term 'rule' does not include a rule issued with respect to (A) a military or foreign affairs function of the United States, (B) agency management or personnel, or (C) agency organization, procedure, or practice; and

"(3) the term 'major rule' means any rule which in the judgment of the agency is likely to result in an effect on the economy in any one year of $100,000,000 or more, or any other rule which the agency determines is likely to have an equally significant effect on the national economy.

"§ 602. Initial regulatory analysis

"(a)(1) Prior to publishing notice of any proposed rule for public comment, each agency shall determine whether the rule is a major rule in accordance with section 601(3). If an agency determines that a rule is not a major rule for purposes of this chapter., the agency shall publish, at the time of publication of the proposed rule, a statement explaining the reasons for such determination.

"(2) Whenever an agency is required by section 553(b) of this title, or by any other law, to publish notice of any proposed rule which the agency determines is a major rule in accordance with section 601(3) of this title, the agency shall publish an initial regulatory analysis in the Federal Register with such notice.

"(b) Each initial regulatory analysis shall contain—

"(1) a description of the reason why agency action is required;

"(2) a succinct statement of the need for, and objectives of, the rule, and the statutory authority on which the rule is based;

"(3) wherever feasible, a description of no fewer than two available alternative approaches which could most nearly accomplish the stated objectives of the rule; and

"(4) for the rule, and for each of the alternatives required by paragraph (3), a preliminary description of projected economic, and projected health, safety and other noneconomic effects which the agency is permitted by law to take into account, and an appraisal of the effectiveness of each approach in meeting the stated objectives of the rule.

"(c) Following the publication of the initial regulatory analysis in the Federal Register, the agency shall allow a period of not less than 60 days for public comment on the initial regulatory analysis prior to the adoption of the final rule. In addition to publication of the initial regulatory analysis in the Federal Register, the agency shall take whatever additional steps it deems appropriate to ensure that interested members of the public receive notice of the initial regulatory analysis.

"§ 603. Final regulatory analysis

"(a) Whenever an agency—

"(1) prepared an initial regulatory analysis of a major rule under section 602 of this title; or

"(2) determines, on the basis of comments received concerning a proposed rule, or the changes made in the rule, that such rule is a major rule in accordance with section 601(3) of this title for which an initial regulatory analysis should have been prepared under section 602 of this title;

the agency shall prepare and make available to the public, upon adoption of the rule a final regulatory analysis. Such final regulatory analysis, or a summary of such analysis, shall be published in the Federal Register with the publication of the final rule.

"(b) Each final regulatory analysis shall contain—

"(1) a succinct statement of the need for, and the objectives of, the rule;

"(2) a description of each of the alternatives to the rule which were considered by the agency, and a statement of the reasons why each one of the alternatives was rejected;

"(3) a detailed analysis of projected economic, and projected health, safety and other noneconomic effects which may result from the rule, and which the agency is permitted by law to take into account; and

"(4) a summary of the comments made by the public in response to the initial regulatory analysis, and a summary of the assessment by the agency of such comment.

The requirements of this section, or of section 602 of this title, shall not alter in any manner the substantive or procedural standards otherwise applicable to the agency action.

"§ 604. Elimination of duplicative analyses

"In order to avoid duplicative action or the waste of resources, an agency may—

"(1) consider a series of closely related rules as one rule for the purposes of sections 602 and 603 of this title; and

"(2) whenever appropriate, incorporate any data or analysis contained in a regulatory analysis in any other impact statement or analysis required by law, or in any part of the record of the rulemaking proceeding for purposes of judicial review.

"§ 605. Conditions for waiver

"The head of an agency may waive the requirements of sections 602 or 603 of this title by certifying in writing that the action of the agency is being taken in response to an emergency situation or is governed by short term statutory or judicial deadlines which make compliance with the provisions of such sections impracticable. The agency shall, within a reasonable time, but in no event later than the publication of the final rule, publish the certification of waiver in the Federal Register, along with a statement of the reasons justifying the waiver of such provisions.

"§ 606. Review by the Congressional Budget Office

"(a)(1). The Director of the Congressional Budget Office shall, through periodic review of selected agency actions, in accordance with paragraph (2) of this subsection, monitor agency compliance with the requirements of this subchapter, and shall keep Congress fully informed of any failure by an agency to comply with this subchapter, or of any problems arising in the implementation by an agency of the requirements of this subchapter.

"(2) The Director of the Congressional Budget Office shall review a selected number of rulemaking proceedings that have been completed by agencies in order to determine the extent of agency compliance with the requirements of this subchapter applicable to the issuance of such rules. In conducting such review, the Director shall consider, whenever appropriate, statements containing—

"(A) the decision by the agencies that a rule is not a major rule under section 602 of this title;

"(B) the initial regulatory analysis prepared by the agencies under section 602 of this title;

"(C) the final regulatory analysis prepared by the agencies under section 603 of this title; and

"(D) certifications of waiver made under section 605 of this title.

"(b) The Director of the Congressional Budget Office shall select for review statements described in subsection (a) on the basis that—

"(1) the economic, and health, safety or other noneconomic effects of the rule with which the statement is concerned are particularly significant;

"(2) the rule with which the statement is concerned may overlap or be inconsistent with other rules or policies of the Federal Government;

"(3) the statement raises other policy issues of broad interest to Federal agencies, Congress, or the public; or

"(4) review will help assure full and effective implementation of the provisions of this subchapter.

"(c) In reviewing a statement under this section, the Director of the Congressional Budget Office shall consider—

"(1) the methodology used in preparing the statement;

"(2) the thoroughness and adequacy of the statement;

"(3) the usefulness of the statement to the agency, Congress, and the public; and

"(4) such other factors as the Director finds appropriate.

"§ 607. Judicial review

"Any regulatory analysis prepared or issued under section 602 or section 603 of this title, including any procedure involved therein, and any determination by an agency concerning the applicability of this subchapter to any action of the agency, including any determination that a rule is not a major rule under section 602(a)(1) of this title, or that the requirements of this subchapter are otherwise inapplicable to any rule, shall not be subject to any judicial review in any court. Nothing in this section shall bar judicial review of any other impact statement or similar analysis required by any other law in any case in which judicial review of such statements is otherwise available under law.

"Subchapter II—Establishing Regulatory Priorities and Schedules for Completing Proceedings

"§ 621. Definition of regulatory function

For purposes of this subchapter, the term "regulatory function" includes any agency function which involves the protection of the public interest or the determination of the rights, privileges, benefits, and obligations of private persons through the issuance or enforcement of rules or licenses, or the conduct of adjudications, except that the term "regulatory function" does not include a military or foreign affairs function of the United States.

"§ 622. Agenda of regulator priorities

(a) Each agency responsible for a regulatory function shall, on at least an annual basis, determine its regulatory priorities.

(b) Between October 1 and December 31 of each year any agency subject to the provisions of subsection (a) shall report to Congress and the public on its regulatory priorities and agenda for the fiscal year in which the report is made. The report shall describe with specificity—

(1) the regulatory priorities and goals of the agency for the fiscal year in which the report is made, including the specific areas where substantive regulations, generic standards, or enforcement policies should be developed, the specific areas where other action is needed, and the steps the agency has taken or intends to take, or the procedures the agency has adopted or intends to adopt, to assure that the agency achieves such priorities and goals in a timely manner; and

(2) the extent to which the regulatory activities of the agency in the fiscal year prior to the fiscal year in which the report is made conformed with the previously announced priorities and goals of the agency; and

(3) for each item listed on the agenda in accordance with clauses (1) and (2), the name and telephone number of an agency official knowledgeable about such item.

(c) Each agency shall, whenever it deems it appropriate, amend the report required by subsection (b) by issuing a supplement to such report on July 1 of any year.

(d) Each agency shall carry out the requirements of this section with the assistance of the unit established or designated pursuant to section 625 of this title, and with the further assistance of any other units in the agency which the agency deems appropriate. Agencies shall prepare and announce regulatory priorities and agendas under this subchapter solely for the information and guidance of Congress and the public. Nothing in this section shall preclude an agency from considering or acting on any matter not included in the agenda, or any supplement to the agenda, nor require an agency to consider or act on any matter listed in such agenda or supplement, nor require the agency to consider or act on any matter in the manner, or in the order described in such agenda or supplement. No court shall review agency compliance with the requirements of this section.

"§ 623. Establishment of deadlines

"(a)(1) Whenever any agency responsible for a regulatory function provides notice of a proposed action pursuant to section 553(b) or 554(b) of this title, or other similar requirement of law, the agency shall include in such notice an announcement of the date by which it intends to complete final agency action on the matter.

"(2) If any agency announcement under this section indicates that the proceeding relating to such matter will require more than one year to complete, the agency shall also indicate the date by which it intends to complete each major portion of that proceeding. In carrying out the requirements of this subsection, the agency shall select dates for completing agency action which will assure the most expeditious consideration of the matter possible, consistent with the interests of fairness and other agency priorities.

"(3) The requirements of this subsection shall not apply to any matter in which the agency intends to complete action within 120 days of providing notice of the proposed action.

"(b) If an agency fails to complete action in a proceeding, or a major portion of the proceeding, by the date announced, or, in the case of a proceeding described in subsection (a)(3) of this section, if an agency fails to complete action within 120 days of providing notice of such proposed action, and the expected delay in completing action will exceed 30 days, the agency shall promptly announce the new date by which the agency intends to complete action in such proceeding, including each major portion of the proceeding.

"(c) Each agency responsible for a regulatory function shall by rule indicate any other category of significant agency action which the agency determines should be subject to the provisions of this section in whole or in part.

"§ 624. Annual report on regulatory activities

"(a) Between October 1 and October 31 of each year, each agency responsible for a regulatory function shall prepare and transmit to the Congress, and the Administrative Conference of the United States, and make available to the public, an annual report on the regulatory activities of the agency in the fiscal year prior to the fiscal year in which the report is made. The report shall include the information required by sections 622 and 644 of this title, subsection (b) of this section, and such other information as the agency deems appropriate.

"(b) The report required by subsection (a) shall include for any proceeding subject to the requirements of section 623 of this title, including actions exempted from the provisions of such section by subsection (a)(3) of such section—

"(1) the number of such proceedings initiated by the agency during the prior year;

"(2) the number of such proceedings concluded by the agency during the prior year;

"(3) the number of such proceedings concluded by the agency during the prior year in which the agency failed to conclude a proceeding by the date originally announced for the completion of such proceeding, and an explanation of the reasons therefor, and the general extent to which the agency complied with any guidelines for completing such proceedings established in accordance with section 625(b) of this title;

"(4) an analysis of the 10 percent of all pending proceedings which have been under consideration by the agency for the longest period of time, including—

"(A) an identification of each such proceeding, and the subject matter involved;

"(B) the reason for the length of the proceedings; and

"(C) the steps the agency has taken to expedite a conclusion of the proceedings.

"(5) any changes the agency has made in the prior year in its organization, management, or procedures to expedite its regulatory actions, to improve the nature of participation by members of the public in all appropriate stages of the decision-making process, or otherwise improve the effectiveness of the regulatory process; and

"(6) any recommendations the agency has for legislative changes to improve the ability of the agency to act in regulatory matters in an expeditious and efficient manner.

"(c) Each agency shall arrange the information required by paragraphs (1) through (4) of subsection (b) by categories according to the type of procedures involved. Each agency shall adopt only such categories as are approved by the Administrative Conference of the United States.

"(d) In order to avoid duplicative or unnecessary reports, an agency may satisfy any other provision of law requiring the agency to report annually to Congress, by including such material in the report required by this section.

"§ 625. Offices for regulatory planning and management

"(a) Each agency responsible for one or more regulatory functions shall establish a single office or other organizational unit, or shall designate an existing office or other unit within the agency, as the unit which shall exercise, as one of its principal functions, primary responsibility for the planning and management of the regulatory activities of the agency. Such unit shall carry out this responsibility under the direct guidance and supervision of the head of the agency. If an agency is composed of one or more component agencies, the head of the agency shall require each component agency to establish or designate a unit in accordance with the provisions of this section, or the head of the agency shall establish or designate a single unit with primary responsibility for the planning and management of the regulatory activities of the entire agency.

"(b) Each agency shall act, through the unit established or designated pursuant to subsection (a) of this section, to—

"(1) develop the necessary criteria, methods, and procedures for determining which rules require the issuance of regulatory analyses pursuant to subchapter II of this chapter and for preparing such analyses in full compliance with the requirements of such subchapter;

"(2) develop, where feasible, guidelines for completing action on each category of proceedings subject to section 623 of this title, and establish and publish the specific deadlines required by such section 623, prepare the information on deadlines required by section 624, of this title, and track on a regular basis the progress of agency proceedings at each stage of the proceeding to assure compliance with such deadlines;

"(3) review, in accordance with subchapter III of this chapter, rules of the agency in order to eliminate or amend any regulations which are conflicting, inconsistent, redundant or obsolete;

"(4) monitor the regulatory functions of the agency to assure that the agency employs, to the greatest extent possible, administrative procedures, including the procedures added to chapter 5 of this title by the Reform of Federal Regulation Act of 1979, which will enable the agency to achieve its goals in the most efficient and expeditious manner possible;

"(5) promote the use of any other appropriate means, including the provision of appropriate incentives to all participants, which will help avoid unnecessary delay in the regulatory process;

"(6) monitor the activities of the agency to assure prompt action on all regulatory matters;

"(7) monitor the regulatory functions of the agency to assure the fullest and most efficient use of agency resources possible consistent with the priorities of the agency; and

"(8) assure compliance by the agency with the provisions of this chapter.

"(c) Before acting to carry out the provisions of subsection (b), the agency, or the unit established or designated pursuant to subsection (a), shall consult with any other employees of such agency that the agency deems appropriate."

CONCURRENT SUBMISSION OF BUDGET AND LEGISLATIVE RECOMMENDATIONS

SEC. 103. (a) Notwithstanding any other provision of law, whenever an independent regulatory commission submits any budget estimate, request, or information to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such budget estimate, request, or information to the Congress. The original budget requests of the commissions shall be set forth in the budget recommendations submitted to Congress by the President.

(b) Notwithstanding any other provision of law, no officer or agency of the United States shall have any authority to require an independent regulatory commission, or any member thereof, to submit any legislative recommendations, or testimony, or comments on legislation, to that officer or agency or any other officer or agency of the United States for approval, comments, or review, prior to submission of such recommendations, testimony, or comments to the Congress. Whenever an independent regulatory commission, or any member thereof, submits any written legislative recommendations, or testimony, or comments on legislation, intended for Congress, to an office or official of the executive branch, a copy thereof shall be concurrently transmitted to the Congress, on the initiative of the commission or member as the case may be or on the request of any Member of Congress.

EFFECTIVE DATE

SEC. 104. The provisions of the amendment made by sections 102 and 103 of this Act shall take effect 180 days after the date of enactment of this Act, except that section 624 of such title, as added by section 102, shall apply to any fiscal year beginning after the date of enactment of this Act.

TITLE II—IMPROVING THE EFFICIENCY OF ADMINISTRATIVE PROCEEDINGS

FINDINGS AND PURPOSES

SEC. 201. The Congress finds and declares that—

(1) administrative procedures too often unreasonably delay the agency decisionmaking process;

(2) the agency decisionmaking process is frequently overly judicialized;

(3) in a significant number of cases, the adoption of adjudicative proceedings that more closely resemble legislative hearings would increase the ability of decisionmakers to analyze the policy issues involved; increase the ability of members of the public to contribute to the record of the proceedings; and reduce the length of time required to decide such matters;

(4) agencies, including administrative law judges, should take action and adopt procedures, consistent with the requirements of due process, that will prevent parties from unduly or intentionally delaying any stage of the proceeding;

(5) in order to improve the efficiency of the decisionmaking process, agencies should be given additional authority, and encouraged, to delegate to administrative law judges and employee appeals boards, the responsibility for making the final decision in matters which do not involve significant policy decisions; and

(6) since administrative law judges will be required to play an increasingly important role in determining the speed and quality of the administrative process, changes should be made in the personnel laws governing the selection and evaluation of administrative law judges to assure the highest quality work by the administrative law judges.

PART A—ADMINISTRATIVE PROCEDURES

FORMAL HEARINGS

SEC. 202. (a)(1) Section 554(b) of title 5, United States Code, is amended by inserting after the subsection designation the following: "Notification; Initial Submissions—".

(2) Such section 554(b) is further amended by inserting after the second sentence the following new sentence: "In the case of any proceeding required by this section or by general agency rule to be conducted pursuant to subsection (e), each agency shall require the moving party, including the agency, to submit in written form at the time the proceeding is initiated all the facts and arguments upon which the moving party proposes to rely that are known at such time to that party.".

(b) Section 554(c) of title 5, United States Code, is redesignated section 554(f).

(c) Section 554 of title 5, United States Code, is amended by inserting immediately after subsection (b) the following:

"(c) AUTHORITY OF PRESIDING EMPLOYEE.—(1) A presiding employee shall preside at hearings conducted pursuant to this section. For purposes of this section, and of sections 556 and 557 of this title, the presiding employee may be—

"(A) the agency;

"(B) one or more members of the body which comprises the agency; or

"(C) one or more administrative law judges appointed under section 3105 of this title;

except that nothing in this paragraph shall supersede the manner in which specified classes of proceedings are conducted, in whole or in part, by or before boards or other employees specifically provided by, or designated under, statute. The employee who presides over a hearing held pursuant to this section shall comply with the requirements of section 557 unless he becomes unavailable to the agency, in which case another employee qualified to preside at the hearings pursuant to this subsection shall preside. The functions of presiding employees, and of employees participating in decisions in accordance with section 557 of this title, shall be conducted in an impartial manner. A presiding or participating employee may at any time disqualify himself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case.

"(2) Subject to published rules of the agency and within its powers, employees presiding at hearings conducted pursuant to this section may—

"(A) administer oaths and affirmations;

"(B) issue subpenas;

"(C) take depositions or have depositions taken when the ends of justice would be served;

"(D) regulate the course of the hearing;

"(E) hold conferences for the settlement or simplification of the issues upon the initiative of the presiding employee or at the request of the parties;

"(F) dispose of procedural requests or similar matters;

"(G) ask such questions, or conduct such cross-examination, as the presiding employee believes are appropriate;

"(H) make or recommend decisions or findings in accordance with section 557 of this title;

"(I) request the agency to consider and act on interlocutory appeals when agency action on such appeals would help expedite final agency action; and

"(J) take other action authorized by agency rule consistent with this subchapter.

"(3) In a hearing pursuant to this section the presiding employee shall act to—

"(A) assure that discovery, and all other prehearing and hearing stages of the proceeding, are completed in an expeditious manner;

"(B) provide a record of the proceeding that contains in a concise form only matters that are relevant and material to a decision in the case, and not unduly repetitious;

"(C) establish, whenever appropriate, deadlines for the completion of the hearing, or any other portion of the proceeding, except that any such deadline shall be consistent with the deadlines established by the agency pursuant to section 623 of this title;

"(D) rule on questions of fact or law in such a manner as to define the issue in as narrow and specific a manner as possible; and

"(E) take any other appropriate action authorized by this subchapter or any other applicable law designed to assure prompt disposition of the matter.".

(d)(1) Section 554(d) of title 5, United States Code, is amended by redesignating paragraphs (1) and (2) of such section as subparagraphs (A) and (B), respectively.

(2) The matter preceding subparagraph (A) of such section 554(d) (as redesignated by paragraph (1) of this subsection) is amended to read as follows:

"(d) SEPARATION OF FUNCTIONS.—(1) Except to the extent required for the disposition of ex parte matters as authorized by law, neither the employee who presides over a proceeding conducted in accordance with this section, nor any person participating or advising in any decision or review of a decision pursuant to sections 554 or 557 of this title, including any member of an employee board, or any other responsible employee, may—".

(3) Subparagraph (B) of such section 554 (d) (as redesignated by paragraph (1) of this subsection) is amended by striking out "prosecuting" and inserting in lieu thereof "litigating".

(4) Such section 554(d) is amended by striking out the last sentence and inserting in lieu thereof the following:

"(2) An employee or agent engaged in the performance of investigative or litigating functions for an agency in a case may not, in that case or in a factually related case, participate or advise in making or reviewing any agency decision pursuant to sections 554 or 557 of this title, except as a participant or counsel in public proceedings.

"(3) For purpose of this subsection, the term 'litigation function' does not include participation in a judicial proceeding concerning such agency action.

"(4) Nothing in paragraph (1) of this subsection shall prohibit members of an employee board from consulting among each other, or prohibit employees advising the presiding employee pursuant to section 554 (e) from consulting with each other or with the presiding employee. Nothing in paragraph (2) of this subsection shall apply to the agency or any member of the body comprising the agency.".

(e) Section 554(e) of title 5, United States Code, is amended to read as follows:

"(e) GENERAL HEARING PROCESS.—(1) This subsection shall apply to—

"(A) any rulemaking or licensing proceeding subject to subsection (a) of this section, other than a proceeding to withdraw, suspend, revoke, or annul a license;

"(B) any proceeding subject to subsection (a) of this section to determine initial claims for subsidies or other benefits; and

"(C) any other agency proceeding subject to subsection (a) of this section which the agency determines should be conducted in accordance with the provisions of this subsection after considering such factors as the extent to which the decision is likely to depend on the resolution of genuine and substantial disputes of facts, the number of persons interested in participating in the proceedings, and whether the conduct of the proceeding solely in accordance with subsection (f) of this section is essential to a full and fair disclosure of all material facts.

"(2) In any proceeding subject to this subsection, the agency shall conduct a hearing to afford parties an opportunity to submit for the record such written data, views, or arguments and such responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify. At the request of any party in the proceeding, the hearing shall include an opportunity for oral argument with respect to such written submissions. To the extent authorized by section 555 of this title or other law, the hearing shall be preceded by such discovery procedures as the agency or presiding employee determines appropriate.

"(3) At the conclusion of any hearing held pursuant to paragraph (2) of this subsection, the presiding employee shall designate any disputed question for resolution in a formal hearing conducted in accordance with subsection (f) of this section, only if he determines—

"(A) there is a genuine and substantial dispute of fact, including a dispute involving factual assumptions or methodology upon which expert opinion is based, which can only be resolved with sufficient accuracy by the introduction of reliable evidence in a formal hearing; and

"(B) the decision of the agency in the case is likely to depend in whole or in part on the resolution of such dispute.

In making a determination under this paragraph, the presiding employee shall designate in writing the specific facts which are in genuine and substantial dispute, and the reason why the decision of the agency is likely to depend on the resolution of such facts. Upon review no court shall hold unlawful or set aside any agency action, finding, or conclusion on the basis of the choice of procedures made by the agency under this subsection, unless such choice was a clear abuse of discretion which substantially prejudiced the rights of the parties.

"(4) For the purposes of any proceeding conducted pursuant to the procedures of this subsection, the agency may designate one or more employees to assist the presiding employee by questioning parties at an oral hearing, or otherwise advising the presiding employee. No employee designated under this subsection shall have any authority to issue any findings, decisions, or other orders in the proceedings."

(f)(1) The section heading of section 554 is amended to read as follows:

"§ 554. Proceedings on the record"

(2) The item relating to section 554 in the analysis of subchapter II of chapter 5 of title 5, United States Code, is amended to read as follows:

"554. Proceedings on the record.".

SUBPENA POWER AND OTHER ANCILLARY POWERS

SEC. 203. (a) Section 555(b) of title 5, United States Code, is amended by inserting immediately after the third sentence the following: "In addition to any other remedy available under law each agency may prohibit any individual from appearing before the agency or its responsible employees whenever such individual refuses to adhere to reasonable standards of orderly and ethical conduct or continues, despite agency requests to the contrary, to engage in the deliberate use of dilatory tactics, such as the repeated filing of frivolous motions, repeated efforts to engage in repetitive or irrelevant cross-examination, or the repeated failure of the individual to be in attendance, or to make witnesses available, when the presence of such individual or witnesses is necessary to the orderly progress of the proceeding.".

(b)(1) Section 555(d) of title 5, United States Code, is amended by inserting immediately after the subsection designation the following: "In any proceeding subject to section 554 of this title, the agency is authorized to require by subpena any person to appear and testify or to appear and produce books, papers documents, or tangible things, or both, at a hearing or deposition at any designated place.".

(2) The last sentence of such section 555(d) is amended to read as follows: "Each agency shall designate by rule the officers, who shall include the presiding employee in all proceedings subject to section 554 of this title, authorized to sign and issue subpenas or similar processes.".

(c) Subsection (e) of section 555 of title 5, United States Code, is redesignated as subsection (g).

(d)(1) Section 555 of title 5, United States Code, is amended by inserting immediately after subsection (d) the following new subsections:

"(e)(1) In case of failure or refusal of any person to obey a subpena or similar process, the agency may invoke the aid of the district court of the United States for any district in which such person is found, resides, or transacts business, or in which the inquiry is carried on, to enforce the subpena or similar process. In a proceeding for enforcement of a subpena or similar process found to be in accordance with law, the court shall issue an order requiring the appearance of the witness or the production of the evidence or data within a reasonable time under penalty of punishment for contempt for failure to comply.

"(2) Except as provided in paragraph (3), if any person fails to comply with any subpena or similar lawful process issued by the agency, and if such failure continues for 30 days after service by the agency on such person of a notice of such default, such person shall be liable to the United States for a civil penalty of not more than $5,000, as the court may determine, for each day that such failure continues after such 30th day. The civil penalty shall be recoverable in a civil suit brought in the district court of the United States for any district in which person is found, resides, or transacts business, or in which the inquiry is carried on. In determining the amount of such a civil penalty, the court shall take into account the reasonableness and good faith of any action or inaction of such person with respect to which the penalty is being assessed, and such other matters as justice may require. The amount of such civil penalty shall be payable into the Treasury of the United States.

"(3) Any person who has been served with a notice of default issued by the agency with respect to any subpena or similar process referred to in paragraph (2) may apply to an appropriate district court of the United States requesting a stay of the accumulation of penalties under such paragraph for the default with respect to which such notice was served. A court may, in accordance with applicable law, stay the accumulation of penalties for failure to comply with any part of the subpena or similar process.

"(4) No court shall have jurisdiction over any action or claim seeking—

"(A) to stay the accumulation of any penalties authorized in paragraph (2) for failure to comply with any subpena or similar process referred to in such subsection; or

"(B) to challenge the validity of, or enjoin the enforcement of, any subpena or similar process;

unless the action is brought by a person upon whom a notice of default respecting such subpena or similar process has been served, or by a person expressly authorized by other law to bring such action. Any such action shall, at the request of the agency, be transferred to a court in which there is pending an action or proceeding for enforcement or civil penalties based on the same or a substantially similar subpena or other similar process.

"(5) In lieu of any action brought pursuant to any other paragraph of this subsection, or in addition to any such action, the employee presiding at a hearing conducted pursuant to section 554 of this title may issue an order whenever a person fails to comply with an agency subpena or similar process—

"(A) refusing to allow such person to support or oppose designated claims or defenses, or prohibiting him from introducing designated matters into the record;

"(B) inferring that the testimony, documents, or evidence concerning which the order was issued would have been adverse to such person; or

"(C) striking out pleadings or motions or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the action or any part thereof, or rendering a decision by default against such person.

"(f) The authority granted by subsections (d) and (e) of this section is in addition to, and not in limitation of, any other authority for the issuance of agency subpenas or the enforcement thereof.".

(2) Such section 555 is amended by adding after subsection (g) (as redesignated by subsection (c) of this section) the following new subsections:

"(h) The agency, with like effect as in the case of other orders, and in its sound discretion, may issue a declaratory order to terminate a controversy or remove uncertainty.

"(i) Each agency shall compile and maintain in a file significant material from the record of proceedings conducted pursuant to section 554 of this title which are likely to be of particular interest to the agency or other persons participating in subsequent agency proceedings, together with a detailed subject matter index to such file. The agency shall include in such file motions, briefs, and other legal arguments or pleadings relating to each such action filed with the agency by any party, and any action issued by the agency in connection with such filings. The agency shall make the file and index required by this subsection readily accessible to the public, and shall take any additional steps the agency deems appropriate to provide for the dissemination of such material to interested members of the public.".

THE CONDUCT OF TRIAL-TYPE PROCEEDINGS

SEC. 204. (a) Section 556(a) of title 5, United States Code, is amended by inserting "formal" before "hearings" and by striking out "section 553 or 554" and inserting in lieu thereof "section 554(f)".

(b) Sections 556 (b), (c), and (e) of title 5, United States Code, are repealed.

(c)(1) Section 556(d) of title 5, United States Code, is redesignated section 556(b) of such title.

(2) The fourth sentence of such section 556(b) (as redesignated by paragraph (1) of this subsection) is repealed.

(3) The last sentence of such section 556 (b) (as redesignated by paragraph (1) of this subsection) is amended to read as follows: "Subject to published rules of the agency and within its powers, employees presiding at formal hearings may rule on offers of proof and receive relevant evidence. The presiding employee may require the submission of evidence in written form, or the conduct of cross-examination in written form, if oral presentation of testimony or oral cross-examination is not required for a full and true disclosure of relevant evidentiary facts and a denial of such opportunity for oral proceedings would not materially prejudice such party. Upon the motion of any party, the presiding employee may, prior to the completion of the hearing, issue a decision in the case when there is no genuine and substantial dispute as to any material fact and the moving party is entitled to a judgment as a matter of law.".

(d)(1) The section heading of section 556 of title 5, United States Code is amended to read as follows:

"§ 556. Formal hearings; powers and duties of presiding employees; burden of proof; evidence".

(2) The item relating to section 556 in the analysis of subchapter II of chapter 5 of title 5, United States Code, is amended to read as follows:

"556. Formal hearings; presiding employees; powers and duties; burden of proof; evidence.".

AGENCY REVIEW OF DECISIONS

SEC. 205. (a) Section 557(a) of title 5, United States Code, is amended by striking out "section 556" and inserting in lieu thereof "section 554".

(b)(1) The first sentence of section 557(b) of title 5, United States Code, is amended to read as follows: "(1) If the agency did not preside at the hearing, the presiding employee shall initially decide the case unless the agency requires, either in specific cases or by general rule, the entire record to be certified to it for decision, in accordance with paragraph (2) of this subsection.".

(2) The last sentence of such section 557 (b) is amended to read as follows:

"(2) If the agency makes the decison without having presided at the hearing, the agency may require the entire record to be certified to it for decision without an initial decision by the presiding employee. In any such case, the presiding employee shall first recommend a decision, or the agency may, except for any portion of a case conducted pursuant to section 554(f) of this title, require the employee to submit the record without a recommended decision, but with such analysis of the record as the agency may specify. Whenever the presiding employee submits the record without an initial or recommended decision, the agency shall issue a tentative decision or the agency shall designate one of its responsible employees to recommend a decision, except that such tentative or recommended decision may be omitted in a case in which the agency finds on the record that due and timely execution of its functions imperatively and unavoidably so requires.".

(c) Section 557 of title 5, United States Code, is amended by redesignating subsection (d) of such section as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

(d)(1) Each agency may establish by rule one or more employee boards to review decisions of presiding employees in accordance with the provisions of this section, except that no agency may subject any decision of the presiding employee to more than two different levels of review, including any review conducted by the agency itself. Each board authorized by this subsection shall be composed of one or more members of the body comprising the agency, or three or more agency employees of any type, including any member of the body comprising the agency, any administrative law judge, or any other appropriate agency employee, except that such board may not include the presiding employee in the proceeding on appeal, or any employee who advised the presiding employee pursuant to section 554(e)(5) of this title. Subject to paragraph (2) of this subsection, any agency may provide by rule—

"(A) any decision or any category of decisions by the presiding employee shall become final unless reviewed by an employee board or by the agency; and

"(B) any decision or any category of decisions made by an employee board on review shall become final unless reviewed by the agency.

Each agency shall specify by rule the circumstances and conditions, if any, under which the agency will entertain and consider appeals from the decision of the employee board or presiding employee. Such rule shall also specify the circumstances and conditions under which the agency shall exclude from the jurisdiction of the employee board responsibility for reviewing a decision or category of decisions.

"(2) The agency may exercise its discretionary right to review a decision pursuant to paragraph (1) of this subsection only after determining that—

"(A) a finding or conclusion of material fact appears clearly unsupported by the evidence;

"(B) the proceeding involves novel or important issues of law or policy;

"(C) a necessary legal conclusion appears to be clearly erroneous; or

"(D) a clearly prejudicial error of procedure was committed.

"(3) Nothing in this subsection shall be construed to supersede—

"(A) any provision of law specifically governing in a particular agency the composition and organisation of any employee board or the right of any agency members to direct review of decisions, or

"(B) any authority otherwise possessed by an agency to delegate the final decision to any agency members or other employees.".

(d) Section 557(e) of title 5, United States Code (as redesignated by subsection (c) of this section), is amended by redesignating paragraph (2) of such section as paragraph (3) and by inserting immediately after paragraph (1) the following new paragraph:

"(2) The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of this subsection sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur.".

SCOPE OF JUDICIAL REVIEW

SEC. 206. Section 706 of title 5, United States Code, is amended by inserting "(a)" immediately before "To" and by adding at the end thereof the following new subsection:

"(b) In determining whether to compel agency action unreasonably delayed pursuant to subsection (a)(1) of this section, the reviewing court shall consider, in addition to any other relevant factors, the extent to which the agency has failed to complete the action or a portion of the action by any date announced by the agency for completion of such action in accordance with section 623 of this title.".

CONFORMING AMENDMENTS

SEC. 207. (a) The last sentence of section 553(c) of title 5, United States Code, is amended to read as follows: "When rules are required by statute to be made on the record after opportunity for an agency hearing, section 554 of this title applies instead of this subsection.".

(b)(1) Section 554(a) of title 5, United States Code, is amended by inserting after the subsection designation the following: "APPLICABILITY.—".

(2) The first sentence of such section 554(b) is amended by striking "every case of adjudication" and inserting in lieu thereof "all adjudication and rulemaking.".

(c) The matter in section 554(f) of title 5, United States Code (as redesignated by section 202(b) of this Act) is redesignated as paragraph (2).

(2) Paragraphs (1) and (2) of such subsection (f)(2) are redesignated subparagraphs (A) and (B);

(3) Such section 554(f) is amended by inserting immediately before the matter redesignated by this subsection as paragraph (2) the following new paragraph:

"(f) FORMAL HEARINGS.—(1) This subsection shall apply to all proceedings subject to this section except proceedings or portions of such proceedings conducted pursuant to subsection (e) of this section.".

(d)(1) Section 556(e) of title 5, United States Code, is redesignated section 554(g).

(2) Section 554(g) of title 5, United States Code (as redesignated by this subsection), is amended to read as follows:

"(g) RECORD AS BASIS OF DECISIONS.—The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding conducted pursuant to this section, constitutes the exclusive record for decision in accordance with section 557 of this title and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the record, a party is entitled, on timely request, to an opportunity to show the contrary.".

(e) The first sentence of section 556(b) of this title (as redesignated by section 304 (b)(2)) is amended by striking out "a rule or order" and inserting in lieu thereof "an order".

(f) The first sentence of section 558(c) of such title is amended by striking out "sections 556 and 557" and inserting in lieu thereof "section 554".

(g) Section 706(a)(2)(E) of such title (as redesignated by section 205), is amended by striking out "sections 556 and 557" and inserting in lieu thereof "section 554".

PART B—SELECTION OF RESPONSIBLE OFFICIALS

APPOINTMENT OF ADMINISTRATIVE LAW JUDGES

SEC. 208. (a)(1) Section 3105 of title 5, United States Code, is amended—

(A) by striking out "Each" and inserting "(a) Subject to the provisions of this section, each";

(B) by striking out "sections 556 and 557" and inserting" section 554"; and

(C) by adding at the end thereof the following:

"(b) Subject to the provisions of subsections (c), (d), and (e) of this section, each agency is authorized, without regard to any provision of this title governing appointments or promotions in the competitive service, to appoint as an administrative law judge any individual certified to the agency by the Office of Personnel Management.

"(c)(1) The Office shall conduct appropriate examinations for the position of administrative law judge, and shall establish minimum scores for such examinations. The Office shall prepare a register of eligibles containing the names of applicants for the position of administrative law judge who have qualified on such examinations.

"(2) If an appointing agency requests from the Office a certificate of eligibles for the position of administrative law judge, the Office shall certify the register of eligibles for the position of administrative law judge the names of the 10 eligibles with the highest scores.

"(d) For appointment to each vacancy as an administrative law judge, the appointing agency shall select from the highest 10 eligibles available for appointment on the certificate furnished under subsection (c)(2) of this section.

"(e) Each administrative law judge appointed pursuant to the provisions of this section shall be appointed for a term of 10 years.".

(2) The amendments made by paragraph (1) shall apply to administrative law judges appointed on or after the effective date of this title.

(b)(1) Chapter 43 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Evaluation of Administrative Law Judges

"§ 4321. Definitions

"For the purpose of this subchapter—

"(1) 'administrative law judge' means an individual appointed under section 3105 of this title; and

"(2) 'Administrator' means the Administrator of the Administrative Conference of the United States appointed under section 592 of this title.

"§ 4322. Performance and qualification appraisal system

"(a) The Administrator, after consultation with one or more of the review boards established under subsection (b), shall establish a performance appraisal system for administrative law judges which provides for an evaluation of the performance and qualifications of every administrative law judge at least once every 10 years, and which provides for evaluations of the performance and qualification of administrative law judges at such other times as the Administrator determines appropriate. The findings of any evaluation conducted under this subsection shall be contained in a written report which shall be provided to the administrative law judge and, whenever applicable, to the chief administrative law judge for the agency in which such administrative law judge is employed.

"(b) The Administrator shall establish performance and qualification review boards, more than one-half of the members of which shall be administrative law judges, to assist the Administrator in establishing the performance appraisal system or in conducting the evaluations described in subsection (a), and to make recommendations to the Administrator relating to the performance and qualification of administrative law judges.

"§ 4323. Performance and qualification reviews

"(a) Before the expiration of the term of an administrative law judge, a performance review and qualification review board shall—

"(1) conduct an evaluation of the performance and qualification of the administrative law judge under the procedures set forth under section 4322 of this title to determine whether the administrative law judge is affirmatively qualified to be reappointed, and

"(2) make recommendations to the Administrator with respect to such reappointment.

"(b) The Administrator shall review any recommendation received under subsection (a) of this section and shall make a determination as to whether the administrative law judge is affirmatively qualified to be reappointed.

"(c) An agency—

"(1) shall reappoint to a 10-year term any administrative law judge the Administrator determined affirmatively qualified for reappointment; and

"(2) may not reappoint any administrative law judge determined not so qualified.

"(d) The determination of the Administrator under subsection (b) is final and may not be appealed to the Merit Systems Protection Board or any court of the United Statec.

"(e)(1) Any individual serving as an administrative law judge who is not reappointed under this section shall be entitled to be placed in a civil service position in any agency. Any such individual—

"(A) shall be placed in a position at a level in the General Schedule equivalent to or above the highest level of the position in which he served as administrative law judge;

"(B) shall be entitled to receive basic pay at the higher of—

"(i) the rate of basic pay in effect for the position in which he is placed; or

"(ii) the rate of basic pay in effect for the individual as an administrative law judge immediately before being appointed to the civil service; and

"(C) the placement of any such individual under this paragraph may not be made to a position which would cause the separation or reduction in grade of any other employee.

"(2) An employee who is receiving basic pay under paragraph (1)(B)(ii) of this subsection is entitled to have the basic pay rate of the employee increased by 50 percent of the amount of each increase in the maximum rate of basic pay for the grade of the position in which the employee is placed under paragraph (1) of this subsection until the rate is equal to the rate in effect under paragraph (1)(B)(i) of this subsection for the position in which the employee is placed.

"§ 4324. Actions involving unacceptable performance

"(a) Whenever the Administrator finds, on the basis of an evaluation conducted in accordance with section 4322 of this title (other than an evaluation on which a determination is made under section 4323 of this title), that the performance of an administrative law judge appointed under section 3105 of this title was unacceptable, the Administrator may file a complaint with the Board requesting that the administrative law judge be reduced in grade or removed. The Merit Systems Protection Board shall reduce in grade or remove an administrative law judge under this section if the Board finds on the record, after a hearing before the Board, that the performance of the administrative law judge was unacceptable.

(b) The Board may direct any agency to place an administrative law judge removed under subsection (a) in a position in the same manner and at the same rate of basic pay as prescribed in section 4223(e) of this title.

(2) The table of sections for chapter 43 of title 5, United States Code, is amended by adding at the end thereof the following:

"Subchapter III—Evaluation of Administrative Law Judges

"4321. Definitions.

"4322. Performance and qualification appraisal system.

"4323. Performance and qualification reviews.

"4324. Actions involving unacceptable performance."

(3) The amendments made by this subsection shall take effect on the effective date of this title, except that the provisions of section 4323 of title 5, United States Code, as added by paragraph (1), shall not apply with respect to administrative law judges serving before such effective date.

(c) Section 7521 of title 5, United States Code, is amended to read as follows:

"§ 7521. Actions against administrative law judges

"(a) If, after investigation, the Administrator finds that an action should be taken against an administrative law judge appointed under section 3105 of this title for good cause shown, the Administrator may file a complaint with the Merit Systems Protection Board seeking such action. The Merit Systems Protection Board shall order such action if the Board finds on the record, after a hearing before the Board, that such action would promote the efficiency of the service.

"(b) The actions covered by this section are a removal, a suspension, a reduction in grade, a reduction in pay, and a furlough of 30 days or less, but do not include—

"(1) a suspension or removal under section 7532 of this title;

"(2) a reduction-in-force action under section 3502 of this title;

"(3) any action initiated under section 1206 of this title; or

"(4) any action under sections 4323 or 4324 of this title."

(d) So much of section 3344 of title 5, United States Code, as follows the heading thereof is amended to read as follows:

"The Administrator of the Administrative Conference of the United States shall select administrative law judges appointed under section 3105 of this title to be detailed from any agency (as defined in section 551 of this title) to any other agency which occasionally or temporarily is insufficiently staffed with administrative law judges, and such administrative law judges shall be detailed if the agency from which they are to be transferred consents to the transfer.".

(e)(1) Subchapter IV of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3352. Reassignment of administrative law judge positions

"The Administrator of the Administrative Conference of the United States may make recommendations with respect to the reassignment of administrative law judge positions from one agency (as defined in section 551 of this title) to other agencies.".

(2) The table of sections for subchapter IV of chapter 33 of such title is amended by adding at the end thereof the following new item:

"3352. Reassignment of administrative law judge positions.".

(f) Section 7701(b) of title 5 is amended by inserting ", and in any case involving an administrative law judge, the case shall be heard by the Board."

COMMISSION APPOINTMENTS

SEC. 209. (a) The President shall nominate for membership on an independent regulatory commission individuals who by reasons of training, education, or experience are qualified to carry out the functions of such commission pursuant to law. In nominating individuals for membership on an independent regulatory commission, the President shall insure that commission membership is well balanced with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of such commission.

(b) The chairman of an independent regulatory commission shall be appointed by the President, by and with the advice and consent of the Senate. An individual may be appointed a member of an independent regulatory commission at the same time as he is appointed as chairman.

EFFECTIVE DATE

SEC. 210. (a) Except as provided in subsection (b) or (c) of this section, the provisions of this title shall become effective one hundred eighty days after the date of its enactment.

(b) Each agency subject to the provisions of this title shall, within one hundred fifty days after the date of enactment of this title, issue such agency rules as are required to conform the procedures and organizations of the agency to the requirements of this title.

(c) Section 209 of this Act shall apply to any nomination of a commission member or appointment of a chairman made after the date of enactment of this Act.

TITLE III—AGENCY REVIEW OF RULES

STATEMENT OF FINDINGS

SEC. 301. The Congress finds and declares that—

(1) the economic, and the health, safety or other noneconomic effects of regulations may not always be fully apparent at the time rules are issued;

(2) technological, economic, and social changes may require modifications in rules;

(3) each agency should systematically review its rules to determine whether the need for the rules still exist, and whether the rules of the agency use the least burdensome and most effective approach for accomplishing the objectives of the rules; and

(4) a regular procedure should be established by law to assure that each agency periodically reviews its rules to determine whether such rules should be rescinded, amended, or continued without change.

REGULATORY REVIEW

SEC. 302. (a) Chapter 6 of title 5, United States Code (as added by section 102(a) of this Act), is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Agency Review of Rules

"§ 641. Requirement for review of agency rules

"(a) Each agency shall annually review one or more of its rules in order to determine whether continuation or amendment of the rule is in the public interest.

"(b) Between October 1 and December 31 of each year, each agency subject to the provisions of subsection (a) shall (1) examine all the rules of the agency to determine which rules should be reviewed under this section and (2) establish and make public a general plan and set of procedures for reviewing one or more rules of the agency during each of the next five years. The plan shall specify which rules will be reviewed during each of the five years succeeding the year in which the report is made. Each agency shall publish a description of the plan in the Federal Register and include the plan in the annual report required by section 624 of this title.

"(c) In deciding which rules to review under this section, the agency shall consider—

"(1) the extent to which the rule has significant economic, or health, safety or other noneconomic effects;

"(2) the length of time since the rule was issued;

"(3) the nature of any technological, economic, social, or other changes which have taken place in the area affected by the rule since the rule was issued;

"(4) the extent of compliance with the requirements of the rule; and

"(5) any comments made by members of the public concerning the effects of the rule, as implemented by the agency.

"§ 642. Nature of agency review

"(a) In reviewing a rule, an agency shall consider—

"(1) the need for and the objectives of the rule at the time the rule was issued;

"(2) whether there is a continuing need for the rule;

"(3) the extent to which the rule achieves its objectives;

"(4) the economic, and health, safety or other noneconomic effects of the rule;

"(5) the paperwork, recordkeeping, or other similar burdens imposed by the rule on the public;

"(6) the cost and nature of any problems encountered by the agency in obtaining compliance with the rule;

"(7) whether the objectives of the rule may be met through a less burdensome alternative;

"(8) the extent to which the rule overlaps or duplicates other rules; and

"(9) whether the rule should be rescinded, amended, or continued without change.

"(b) The agency may consider a series of closely-related rules as one rule in carrying out this section.

"§ 643. Public comment on rules under review

"Each agency shall provide an opportunity for public comment on any rule under review pursuant to sections 641 and 642 of this title.

"§ 644. Report to the Congress

"(a) Each agency shall, in accordance with subsection (b) of this section, prepare and transmit to the Congress, and make available to the public, a report on each review of a rule conducted pursuant to sections 641 and 642 of this title. The report shall specify whether a proceeding will be initiated by the agency under chapter 5 of this title, or other applicable law, to rescind or amend the rule, or whether the rule will be continued without any change in its content or status. The report shall also include any recommendations of the agency for legislative action relating to the rule.

"(b) Each report required by subsection (a) shall be made available to the public upon its completion and shall be included in the annual report required under section 624 of this title.

"§ 645. Review by the Congressional Budget Office

"(a)(1) The Director of the Congressional Budget Office shall periodically monitor agency compliance with the requirements of this subchapter and shall keep Congress fully informed of any failure by an agency to comply with this subchapter, or of any problem arising in the implementation of this subchapter by an agency.

"(2) In carrying out the provisions of this section, the Director of the Congressional Budget Office shall review a selected number of reports made to Congress under section 644 of this title.

"(b) The Director of the Congressional Budget Office shall select reports for review on the basis that—

"(1) the economic, and health, safety or other noneconomic effects of the rule with which the report is concerned are particularly significant;

"(2) the rule with which the report is concerned may overlap or be inconsistent with other rules or policies of the Federal Government;

"(3) the report raises other policy issues of broad interest to Federal agencies, Congress, or the public; or

"(4) a review of the report will help to assure full and effective implementation of the provisions of this subchapter.

"(c) In reviewing a report under this section, the Director of the Congressional Budget Office shall consider—

"(1) the methodology used in preparing the report;

"(2) the thoroughness and adequacy of the report;

"(3) the usefulness of the report to the agency, Congress, and the public; and

"(4) such other factors as the Director finds appropriate.".

(b) The amendments made by subsection (a) of this section shall apply to any fiscal year beginning after the date of enactment of this Act, except that the provisions of section 641(b) of title 5, United States Code, as added by subsection (a), shall take effect immediately upon enactment of this Act.

(c) The analysis of chapter 6 of such title (as added by section 102(a) of this Act) is amended by adding at the end thereof the following:

"Subchapter III—Agency Review of Existing Rules

"641. Requirement for review of agency rules.
"642. Nature of agency review.
"643. Public comment on rules under review.
"644. Report to the Congress.
"645. Review by the Congressional Budget Office.".

TITLE IV—ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to—

(1) reorganize the Administrative Conference by providing that the Conference shall be directed by a single Administrator who shall have responsibility for carrying out the functions of the Conference;

(2) change the basic nature of the functions of the Administrative Conference by specifically charging the Conference with responsibility for issuing guidelines and actively monitoring the administrative procedures of the Federal agencies to assure that such procedures are as effective and efficient as possible;

(3) require the Administrator of the Administrative Conference to evaluate the performance of the administrative law judges and to take appropriate action based on such evaluations;

(4) improve the quality of agency decisions by compensating persons for the cost of participating in agency proceedings in cases in which persons who could not otherwise afford to participate in the proceeding contribute substantially to the ability of the agency to make the best possible decision based on the most complete and balanced record possible; and

(5) place responsibility for compensating persons who participate in agency proceedings with the Administrator of the Administrative Conference to assure that such program is administered consistently, and to avoid any problems that might arise if the agency responsible for deciding a matter is also responsible for compensating persons for the cost of participation in the proceeding involving such matter.

REPEAL

SEC. 402. (a) Sections 571 through 576 of title 5, United States Code, are repealed.

(b) The items of the analysis of chapter 5 of title 5, United States Code, which relate to subchapter 3 of such title, including items 571 through 576, are repealed.

ESTABLISHMENT OF CONFERENCE

SEC. 403. (a) Chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Administrative Conference of the United States

"§ 591. Definitions

"For purposes of this subchapter—

"(1) The term 'agency' means an agency as defined in section 552(e) of this title;

"(2) The term "regulatory function" means a function as defined in section 621 of this title; and

"(3) 'administrative procedure' shall be broadly construed to mean any procedure used by an agency in carrying out a regulatory function, including any aspect of agency organization, procedure, or management which may affect the equitable consideration of public and private interests, the fairness of agency decisions, the speed of agency action, and the relationship of operating methods to later judicial review, but does not include the scope of agency responsibility as established by law or matters of substantive policy committed by law to agency discretion.

"§ 592. Establishment of the Conference

"(a) There is established the Administrative Conference of the United States (hereinafter referred to as the 'Conference').

"(b)(1) The Conference shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate and by a Deputy Administrator appointed by the President, by and with the advice and consent of the Senate. In the absence of the Administrator, the Deputy Administrator shall act in the place of the Administrator. The President shall appoint persons to the office of Administrator and Deputy Administrator who are by reason of training, education, or experience qualified to carry out the functions of that position in accordance with the provisions of this title.

"(2) The Administrator and Deputy Administrator shall be appointed for a term of four years which shall be coterminous with the term of the President. The Administrator or Deputy Administrator may be removed from office by the President only for inefficiency, neglect of duty, or malfeasance in office. An Administrator or Deputy Administrator appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. An Administrator or Deputy Administrator may

continue to serve after the expiration of his term until his successor has been nominated and confirmed, except that he may not so continue to serve for more than one year after the date on which his term would otherwise expire.

"(c) The Administrator shall be responsible for the executive and administrative operation of the Conference. The Administrator shall have the authority to appoint, subject to the provisions of this title, such officers and employees as may be necessary to administer the provisions of this subchapter, and to prescribe the powers, duties, and responsibilities of all officers and employees engaged in the administration of this subchapter.

"§ 593. Functions of the Conference

"In order to carry out the provisions of this subchapter, the Conference shall—

"(1) study the efficiency, adequacy, and fairness of the administrative procedures used by administrative agencies in carrying out regulatory functions, including the extent to which agencies provide for meaningful participation by members of the public in all appropriate stages of the decisionmaking process, and make recommendations to agencies, collectively or individually, to the President, the Congress, or the Judicial Conference of the United States, in connection with any such study as the Conference deems appropriate;

"(2) issue advisory guidelines, and otherwise provide guidance and assistance to any agency which is subject to subchapter II of this chapter (commonly known as the Administrative Procedure Act, the Freedom of Information Act, the Privacy Act of 1974, and Government in the Sunshine Act), or which is subject to the Federal Advisory Committee Act, chapter 6 of this title, chapter 15 of title 44, United States Code, or any other law governing the administrative procedures of agencies;

"(3) monitor the compliance by agencies with the laws described in paragraph (2) in order to assure effective and consistent implementation of such laws;

"(4) issue guidelines with respect to reducing paperwork and monitor compliance with such guidelines, consistent with the objectives of the Act entitled 'An Act to work' (88 Stat. 1789; 44 U.S.C. 3501 note), approved December 27, 1974;

"(5) provide financial assistance, including advance payments, to persons for the costs of participation, including the cost of attorneys, transcripts, and experts, in any agency proceeding or analysis involving a regulatory function, when—

"(A) the person is an effective representative of an interest the representation of which could reasonably be expected to contribute substantially to a fair disposition of the proceeding, taking into account the need for representation of a fair balance of interests, and the complexity and relative importance of the issue involved;

"(B) the economic interest of the person, or the individual economic interests of a majority of the members of such persons, in the disposition of the proceeding is small in comparison to the costs of effective participation in the proceeding, or the person does not have sufficient resources available to participate effectively in the proceeding in the absence of financial assistance; and

"(C) participation by such person in the proceeding is otherwise authorized by statute, regulation, agency practice, or the exercise of agency discretion;

"(6) comment with respect to and testify on aspects of proposed legislation affecting administrative procedure, without the prior approval or review of any executive branch official;

"(7) monitor, and participate as amicus curiae, in court cases which involve significant issues relating to administrative procedure;

"(8) arrange for interchange among agencies of information potentially useful in improving administrative procedure, and approve the categories used by administrative agencies in collecting statistics on their proceedings pursuant to section 624(c) of this title; and

"(9) evaluate the performance of administrative law judges and take actions in accordance with sections 3344, 3352, 4322, 4323, 4324 and 7521 of this title.

"§ 594. Reports to the Congress

"(a) The Conference shall review the annual reports submitted to the Congress pursuant to section 624 of this title, and shall, not later than June 1 of each year, prepare and submit to the Congress an analysis of such reports together with any recommendations the Conference deems appropriate.

"(b) The Conference shall study possible means for providing additional incentives to participants in proceedings involving a regulatory function in order to expedite the conduct of such proceedings. Within one year after the date of the enactment of this title, and at such subsequent times as the Conference determines appropriate, the Conference shall report to the Congress on the findings and conclusions of such study, together with such recommendations that the Conference may have for legislation or amendments in agency procedures or practices.

"(c) The Conference shall from time to time prepare and transmit to the President and to the Congress, and make available to the public, reports on the effectiveness of the laws specified in section 593(2) of this title, and the extent of agency compliance with such laws. To the extent the Conference deems it appropriate, such reports shall include recommendations for legislation or for changes in the practices and procedures followed by agencies.

"§ 595. Administrative provisions

"(a) In carrying out any of its functions, the Conference shall have the power to issue guidelines and other interpretative rules and general statements of policy, to conduct any hearing or other inquiry, and to establish such administrative and procedural rules, as necessary or appropriate to its functions. In order to carry out the provisions of section 593(5) of this title, the Conference shall issue rules in accordance with the procedures described in section 553(c) of this title.

"(b) The Conference is authorized to collect such information and statistics from agencies, examine such records in the possession of agencies, and require agencies to provide the Conference with such records and information as the Conference deems necessary to carry out its functions under this subchapter. The Conference is authorized to make such grants and enter into such contracts and cooperative agreements as may be necessary to carry out the provisions of this subchapter. Any restrictions on public disclosure of information, and any penalties for unlawful disclosure of information, shall apply to the officers and employees of the Administrative Conference to the same extent, and in the same manner, as such restrictions or penalties apply to the officers and employees of the agency which supplied the information to the Administrative Conference.

"(c) The principal office of the Conference shall be in or near the District of Columbia.

"§ 596. Advisory commission

"(a) There is established within the Conference an Advisory Commission. The Administrator shall consult with and receive the advice of the Advisory Commission regarding decisions of the Conference.

"(b)(1) The Advisory Commission shall be composed of nine members appointed by the President. Not more than five members of the Advisory Commission may be adherents of the same political party. In appointing members for the Advisory Commission, the President shall insure that the membership of the Advisory Commission is balanced with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of the Advisory Commission.

"(2) Members of the Advisory Commission shall serve for a term of three years. Any member of the Advisory Commission appointed to fill a vacancy before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

"(3) The Advisory Commission shall elect a chairman from among its members.

"(c) Each member of the Advisory Commission who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for level V of the Executive Schedule contained in section 5316 of this title, including traveltime, for each day he is engaged in the actual performance of his duties as a member of the Advisory Commission. A member of the Advisory Commission who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Advisory Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.".

(b) The analysis of chapter 5 of such title is amended by adding at the end thereof the following:

"Subchapter IV—Administrative Conference of the United States

"591. Definitions.
"592. Establishment of the Conference.
"593. Functions of the Conference.
"594. Reports to the Congress.
"595. Administrative provisions.
"596. Advisory Commission.".

(c)(1) The term of the person first appointed to the Office of Administrator or Deputy Administrator of the Administrative Conference of the United States under section 592(b)(1) of title 5, United States Code, as added by this section, shall expire on January 20, 1981.

(2) The terms of the first members appointed to the Advisory Commission of the Administrative Conference of the United States under section 596(b)(2) of such title, as added by this section, shall expire, as designated by the President at the time of appointment, three at the end of one year, three at the end of two years, and three at the end of three years.

(d) To carry out the provisions of subchapter IV of title 5, United States Code, as added by this section, there are authorized to be appropriated $——— for the fiscal year ending September 30, 1980, and $——— for the fiscal year ending September 30, 1981.

CONFORMING AMENDMENTS

SEC. 404. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(69) Administrator, Administrative Conference of the United States.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(157) Deputy Administrator, Administrative Conference of the United States.".

SECTION-BY-SECTION ANALYSIS

TITLE I—THE ANALYSIS, PLANNING AND MANAGEMENT OF REGULATORY FUNCTIONS

Sec. 101. Findings and Purposes. This section expresses Congress' view that agency decisionmaking processes should be rational and systematic and should take full account

of the consequences of agency action. Agencies should consider, at an early stage in the decisionmaking process, the justifications for, consequences of, and alternatives to major actions. In order to ensure a balanced and careful decision concerning the desirability of proposed agency action and its alternatives, each agency should maximize the opportunity for timely and meaningful public comment. This section also declares that good management procedures, including the use of deadlines, should be adopted by each agency to reduce delay and make the regulatory process as efficient as possible. Finally, the section declares that the head of each agency should be responsible for assuring that the purposes of the act are achieved.

Improving the regulatory process

Sec. 102. This section of the bill establishes a new chapter 6 in title 5 of the United States Code. Chapter 6 would have the following new provisions:

Subchapter I—Analysis of Regulatory Proposals

Sec. 601. Definitions. This section defines an agency by referring to the definition contained in section 552(a) of title 5, United States Code. That definition includes any executive department, government corporation, government-controlled corporation, or other establishment in the executive branch of the government (including the Executive Office of the President). It also includes any independent regulatory agency.

The term "rule" is given the same meaning as in section 551(4) of title 5, United States Code. The term excludes a rule issued with respect to (A) a military or foreign affairs function, (B) agency management or personnel, or (C) agency organization, procedure, or practice.

A "major rule" is one which, in the judgment of the agency, is likely to result in an annual effect on the economy of $100,000,000 or more, or any other rule which the agency determines is likely to have an equally significant effect on the economy of the country.

Sec. 602. Initial Regulatory Analysis. The bill requires that before an agency publishes a proposed rule for public comment, it must determine whether the rule is major, as defined by section 601. If an agency determines that a proposed rule is not major, it must publish, along with the proposed rule, a statement explaining the reasons for its determination.

For those rules that are major, an initial regulatory analysis must be prepared and published along with the proposed rule in the Federal Register. The initial analysis must contain a description of the reason why the agency action is required. It must state the need for and objectives of the rule, as well as the statutory authority on which the rule is based. In addition, the analysis must, wherever feasible, describe two alternative approaches to the rule which could most nearly accomplish the stated objectives. An estimate of the projected economic and projected health, safety and other noneconomic effects which the agency is permitted by law to take into account must be made for the rule and each of the alternatives. It is expected that an agency will attempt to weigh the anticipated consequences of its actions without necessarily reducing all of its analysis to dollar-and-cents terms. The public will be given at least sixty days to comment on the initial regulatory analysis. In addition to publication in the Federal Register, the agency must take other appropriate steps to ensure that interested members of the public receive notice of the initial regulatory analysis.

Sec. 603. Final Regulatory Analysis. When the agency adopts a major rule, the bill would require publication of a final regulatory analysis. The final regulatory analysis would be required for those proposed rules which were the subject of an initial regulatory analysis and for proposed rules which the agency determines, based on public comments or changes made in the rule, are major. Since one of the problems of regulation is that agencies often neglect to consider alternative methods of regulation to address a perceived need, the bill would require the final analysis to describe, among other things, practical alternatives to the rule adopted by the agency. It must also explain why the agency selected one alternative over the others. In addition, the bill requires a detailed analysis of the projected economic and projected health, safety and other noneconomic effects that may result from the rule, and which the agency is permitted by law to take into account. Finally, the analysis must include a summary of the comments made by the public in response to the initial analysis, and a summary of the assessment by the agency of such comments.

The bill makes clear that the requirements of this section, or of section 602, do not change the substantive or procedural standards applicable to agency action. For example, if a statute requires an agency head to consider one item, e.g., the public health, and no other, the bill would not change that decisionmaking standard.

Sec. 604. Elimination of duplicative analyses. Various statutes and regulations require impact analysis of one kind or another. In order to reduce paperwork and delay, this section allows an agency to incorporate any data or analysis contained in a regulatory analysis in any other impact statement or analysis, which is required by law, or in any part of the record of a rulemaking proceeding for purposes of judicial review.

Sec. 605. Conditions for waiver. The section allows the head of an agency to waive preparation of a regulatory analysis if he certifies that the agency's action is in response to an emergency situation or is governed by short-term statutory or judicial deadlines which makes compliance with the regulatory analysis requirements impracticable The agency head must state the reasons justifying the waiver no later than the publication of the final rule.

Sec. 606. Review by the Congressional Budget Office. The bill authorizes the Congressional Budget Office to monitor compliance with the regulatory analysis requirements outlined above. The Director of CBO is authorized to review a selected number of completed rulemaking proceedings to determine how agencies are complying with the regulatory analysis provisions. The criteria for selection of an analysis for review are set forth in subsection (b). Subsection (c) requires the Director to consider, when reviewing a completed regulatory analysis, the methodology used in preparing the statement and the thoroughness of the statement. The Director must also consider the usefulness of the statement to the agency, Congress, and the public.

Sec. 607. Judicial Review. The rigorous and systematic analysis required by this subchapter should improve the agency decisionmaking process and lead to better agency decisions. Impact statement requirements imposed by other laws, however, have frequently resulted in lengthy litigation and needless delay. In order to avoid these problems, the bill specifies that there be no judicial review of an agency's compliance with this subchapter. Adherence to the requirements of the subchapter will be ensured through the efforts of the Congressional Budget Office and by congressional oversight generally. It should also be noted that the executive branch, under this legislation, would still be able to conduct its own review and monitoring, such as presently mandated under Executive Order 12044.

Subchapter II—Establishing Regulatory Priorities and Schedules for Completing Proceedings

The study of the Senate Governmental Affairs Committee found that much of the present delay in the regulatory process could be reduced by careful management and adequate planning. Subchapter III of the bill is designed to encourage each agency to adopt management and planning procedures that effectively eliminate regulatory delay wherever possible. Consistent with Executive Order 12044, it requires agencies to establish an agenda of regulatory priorities. It also provides for periodic reports to Congress by each regulatory agency and the Administrative Conference on the agency's planning and management efforts.

Sec. 621. Definition of regulatory function. The bill defines regulatory function broadly to include any function which involves protecting the public interest or determining the rights, privileges and obligations of private persons by issuing or enforcing rules or licenses or conducting adjudications. Military or foreign affairs functions are not included within the term.

Sec. 622. Agenda of regulatory priorities. This section requires each agency responsible for a regulatory function to determine its regulatory priorities. At least once a year the agency would report to Congress on those priorities.

The report would describe, with specificity, the priorities and goals of the agency for the fiscal year in which the report was made. The report must include an indication of the specific areas where substantive regulations or generic standards should be developed and where other action should be taken. For example, the report would indicate whether the agency intends to rely on informal rulemaking or more formal adjudications, and the relative priority such efforts will receive. The report would also indicate the steps the agency has taken or intends to take and the procedures the agency has adopted or will adopt to assure that the agency reaches its goals and adheres to its priorities in a timely manner. Included in the report would be an analysis of the extent to which the regulatory activities of the agency conformed with the previously announced goals and priorities of the agency. In order to improve public access to and understanding of agency proceedings, each item listed in the agenda must include the name and phone of an agency official knowledgeable about that item.

Subsection (c) authorizes a semi-annual update of the report to keep the information timely.

Subsection (d) specifically gives responsibility to the office for planning and management for assisting in the preparation of the agency's regulatory agenda. The agency may, of course, be assisted in that effort by any other appropriate unit in the agency. Preparation of the report should serve as a useful planning tool for the agencies. The subsection also makes clear that agency preparation of regulatory agendas is for the information and guidance of the public and Congress; no court may review the extent to which any agency succeeds in carrying out its stated priorities and goals. The agenda required by this section is to be used as a guide for both the agency and the public. It is unrealistic, though, to expect an agency to predict precisely every issue it may act on or consider months in advance. Subsection (d) thus makes clear than agency would not be precluded from acting upon or considering an item that was not listed in the agenda or supplement to the agenda. Nor would the agency be required to adhere to the specific order of items listed in the agenda.

Sec. 623. Establishment of deadlines. This section requires the agency to announce the

date when it expects to complete action on particular agency proceedings. In those cases where the proceeding is expected to take more than one year to complete, the notice will also indicate the date the agency intends to complete each major portion of the proceeding.

Section 623 applies to any informal rulemaking or formal on the record proceedings where the agency must already provide notice of the proceeding under the provisions of section 553(b) or section 554(b) of the Administrative Procedure Act. Other statutes may impose on particular agencies further, more detailed notice requirements in addition to those in sections 553 or 554. Or statutes may follow section 553(b) or section 554(b), but require particular agencies to conduct other aspects of the proceedings in a way that is not entirely consistent with sections 553 or 554. Nevertheless, the requirement in section 623 that the agency establish a date for completing the proceeding would still apply in each of these instances.

Where an agency proceeding is exempt from the notice requirement of section 553 of the Administrative Procedure Act because it involves, for example, the issuance of rules of agency organization, procedure, or practice, or matters relating to loans, grants, or contracts, the requirements of this subsection would not apply.

The agency will have to adopt a specific deadline for each proceeding. In many cases, however, the agency will find it useful to adopt general guidelines establishing how long each type of proceeding should take on the basis of its past experience. With these guidelines to assist it, the agency can with relative ease and consistency adopt deadlines for the completion of each individual proceeding. In any event, the bill specifies that the schedule adopted in any particular proceeding should be designed to assure the most expeditious conclusion to the proceeding possible, consistent with other requirements.

The schedule must, of course, still make it possible for all due process requirements to be met and for full disclosure of all relevant facts. The schedule should also reflect the relative priority of the proceeding, and the extent that agency resources can be devoted to the proceeding consistent with the overall priorities of the agency.

The bill requires that the deadlines be announced whenever an agency provides notice of a proposed action pursuant to section 553 (b) or 554(b) of title 5, United States Code.

The section does not apply to agency proceedings that will take less than 120 days to complete. Proceedings of this type are sufficiently short to make the establishment of precise deadlines unnecessary.

Deadlines should help avoid unnecessary delays. Deadlines will alert the agency to the need to take corrective action when a proceeding is unduly delayed. In any particular proceeding, deadlines will inform participants in advance when they must be ready to meet filing dates, participate in hearings, or the like. This should help prevent delays due to scheduling problems. Deadlines will make agency officials more accountable to agency heads and to the public for their record of success or failure in completing proceedings in an expeditious manner. They will provide further incentives for agency officials to complete on time the stage of the proceeding for which they are directly responsible. Finally, deadlines will enable agencies to follow schedules which reflect their priorities.

The Civil Aeronautics Board announces a target date for the completion of each of the hundreds of items that come before it. The National Labor Relations Board has a highly successful system of fixed deadlines. Tracking systems keep management informed about missed deadlines, and efforts are made to expedite those cases that are identified as being behind schedule. The Committee Study reports that one aspect of the NLRB system of deadlines that contributes to its success is that the time limits for each stage of agency action are well known to its practitioners. Being candid about its scheduling efforts puts the agency in a stronger position to insist that lawyers adjust their own timing to the agency's needs.

Section 623(b) requires the agency, if it fails to complete final action within 30 days of its original estimate, to announce publicly a new target date for completion. This includes a proceeding for which no date was originally announced because the agency expected to complete it in less than 120 days. When such a proceeding becomes so delayed that it will still not be completed after 150 days of consideration, the agency will have to adopt a schedule and announce it.

Subsection (c) provides that the agency may, in its discretion, adopt rules requiring the use of deadlines for other kinds of agency actions, such as policy statements or investigations that are not subject to the mandatory requirements of this section.

Section 624. Annual Report on Regulatory Activities. This section requires each agency responsible for regulatory functions to report to Congress and the Administrative Conference of the United States between October 1 and December 31 of each year. The report is also to be made available to the public. Subsection (a) requires statistical information about agency proceedings. It applies to each informal rulemaking or formal adjudicative proceeding subject to the notice provisions of the Administrative Procedure Act. The agency is required to provide the information according to procedural categories so that separate statistics are available for each kind of agency proceeding.

The bill specifically requires the following information: the number of proceedings initiated in the prior year; the number of proceedings concluded in the prior year; the number of times when the agency failed to meet one of the deadlines established pursuant to section 623; and an explanation why the agency failed to meet its deadline in a particular instance or in a general category of cases.

The section also requires the agency each year to examine the 10 percent of all its pending informal rulemaking and formal adjudicative cases combined that have been under consideration for the longest period of time. The agency must identify the proceedings singled out in this fashion, specify the reason for the length of the proceedings, and indicate to Congress what it intends to do to expedite a conclusion to them.

It is essential, for comparative purposes, that each agency provide its statistical information according to categories that are as comparable as possible. To assure this comparability subsection (c) requires the Administrative Conference of the United States to approve the categories each agency adopts.

The annual report will also provide each agency an opportunity to report on what steps it has taken to expedite its regulatory actions by changing its organization, management, or administrative procedures. It will be expected to inform Congress of any legislation which it believes would be helpful in increasing the efficiency of the agency's regulatory process.

In 1969, the Administrative Conference recommended that each agency compile statistics on their current load and the length of time proceedings take to complete. Yet in 1974 the Conference concluded that only five agencies were collecting such statistics on a regular basis. This subsection will assure that in the future each agency collects and reports the necessary data. This will allow Congress to exercise its oversight responsibilities in the area. It will also provide additional assurance that each agency has management procedures which adequately track, on a regular basis, the progress of proceedings under consideration in the agency.

Section 625. Offices for regulatory planning and management. This section requires each Federal regulatory agency to charge a single high-level office with primary responsibility for the planning and management of the agency's regulatory activities. An agency would not be required to create a new office; it could designate an existing office to carry out the functions outlined in this section. If an agency is composed of one or more component agencies, the agency head may designate a planning and management office for each of the component agencies or designate a single planning and management unit for the entire agency. The agency heads should be responsible for proper management of the agency. Establishment or designation of a planning and management office is not meant to diminish this responsibility; on the contrary, these offices should aid agency heads in carrying out their roles as managers.

Acting under the direct guidance and supervision of the agency heads, the office would be responsible for implementing those planning and management procedures which can help reduce delay and improve the quality of decisions by the agency. This will include the following:

(1) Developing the necessary criteria, methods, and procedures for determining which rules require the regulatory analyses mandated by this title of the bill and for preparing those analyses. Although another unit of the agency may actually prepare a regulatory analysis, the planning and management office is charged with responsibility for seeing that the analysis complies with the requirements of the bill. Formulation of guidelines and criteria by the office will be especially important if more than one operating unit in an agency actually prepares regulatory analyses.

(2) Adopting deadlines and tracking the progress of proceedings. The office is charged with responsibility for seeing that each agency fulfills the requirement, established in section 623 of this title, to announce deadlines for the completion of agency actions. The office will work with the operational divisions of the agency to establish general criteria for determining deadlines for each type of proceeding. It will assure that reasonable deadlines are adopted in the case of particular proceedings. The office will be responsible for tracking the course of each proceeding through appropriate management techniques to make sure that the proceeding complies with the announced deadlines. This may require, in some agencies with a heavy workload, a sophisticated computer tracking system. In other agencies less elaborate systems may be necessary. Where proceedings fall behind schedule, the office can work with the heads of the agency to assign extra resources, implement new procedures, or take whatever action is necessary to eliminate the delay. In addition, the agency will have general responsibility for monitoring the activities of the agency to assure prompt action on all regulatory matters.

(3) Review of regulations. Another responsibility of the office will be to assist in the review, in accordance with title III of this bill, of selected rules and regulations of the agency on a periodic basis. It will be expected to draw to the attention of the agency heads those rules and regulations which are inconsistent, ineffective, or no longer necessary. The elimination of inconsistent, ineffective, or unnecessary rules will

allow the agency to devote its resources to implementing other regulations, or drafting regulations that are needed. It will protect the public from the burden of having to comply with unnecessary regulations.

(4) Improving administrative procedures. The office will also be responsible for assuring that the agency employs, to the greatest extent possible, the kind of procedures that are likely to enable the agency to complete action as quickly as possible consistent with the requirements of due process.

(5) It will also be the responsibility of the office to see to it that the agency does whatever else it can to assure expeditious agency action. In fulfilling this function each office can work closely with the Administrative Conference as it studies procedural reforms pursuant to their responsibilities under title IV of this bill.

(6) Monitoring the activities of the agency to assure prompt action on all regulatory matters. The Office should serve as the agency's principal watchdog on regulatory delay.

(7) Establishing priorities. It will be the responsibility of the office to assist the agency heads in establishing regulatory priorities for the agency and then in assuring that the agency's resources are committed in a way that is consistent with these priorities. By establishing and following priorities, an agency should be able to expedite agency actions by avoiding instances where the agency initiates a large number of proceedings without the resources necessary to complete all of them in an expeditious manner. And it can avoid instances where an agency commits a large proportion of its resources to a proceeding which is of relatively low importance, while ignoring a number of other long-delayed proceedings of greater importance.

The office will also have the responsibility to assure compliance with the provisions of this chapter. In addition to these functions, the office will carry out such related functions as the agency assigns.

To be effective, the office will have to be in frequent and direct contact with the agency heads. It will also have to have good working relationships with other units within the agency. Indeed, if the office lacks either direct access to the agency heads or integration of its activities with agency operating units, it will not succeed in its mission. In order to foster coordination and cooperation, the bill requires that the agency or the office of planning and management consult with any other agency officials that agency deems appropriate.

TITLE II—IMPROVING THE EFFICIENCY OF ADMINISTRATIVE PROCEEDINGS

Title II amends the Administrative Procedure Act to encourage the use of a variety of procedures best designed to assure expeditious agency action consistent with the requirements of due process. This is achieved by a number of important, but limited amendments to the Administrative Procedure Act. Most of the proposed amendments are to the provisions in sections 554 through 557 of the current Act which primarily deal with the more formal kinds of agency proceedings. The general effect of many of the amendments is to make these procedures more closely resemble the procedures that govern informal rulemaking and to give the agency greater flexibility in conducting such proceedings. Since informal rulemaking generally takes less time than formal proceedings, this change should help expedite the regulatory process. The changes will also allow agencies to use procedures that are best suited to resolve the issues before them. Other amendments are designed to avoid unnecessary delay at the discovery and review stages of a proceeding.

In his recently updated treatise on administrative law, the expert Professor Kenneth Culp Davis endorsed the Governmental Affairs Committee recommendation upon which these amendments are based. In addition to reducing delay, Professor Davis thought the recommendation was a good one because (1) nonparties should have a chance to submit written comments on policymaking that affects them, and (2) policymaking based on a factual foundation is best from the standpoint of both fairness and effectiveness.

Title II does not amend in any significant way the current provisions in section 553 of the Administrative Procedure Act which govern informal rulemaking. One of the major recommendations of the Committee study was that agencies should make greater use of section 553 of the Administrative Procedure Act. Section 553 already provides agencies, however, with great flexibility in adopting procedures best calculated to assure speedy agency action. Major amendments to this section are therefore unnecessary in order to make possible expeditious agency consideration of proposed rules.

Concurrent Submission of Budget and Legislative Recommendations

Sec. 103. This section provides that independent regulatory commissions shall concurrently transmit to Congress any budget request, testimony, or comment, intended for the legislative branch, at the same time it is submitted to an official or agency of the executive department. In addition legislative messages originating with independent regulatory commissions and intended for submission to Congress would be exempted from prior clearance by any official or agency of the executive branch.

The justification for these provisions is discussed in detail in volume V of the Committee's study. Briefly, the purpose of this section is to exempt the independent regulatory commissions from oversight of budget and legislative recommendations, intended for Congress by the eexcutive branch—specifically the Office of Management and Budget. At present one form or another of this exception is accorded several of the independent commissions, including the CPSC, CFTC, ICC, FERC, SEC and the Board of Governors of the Federal Reserve System. In the 95th Congress, the Senate passed legislation extending the exemption to the Federal Communications Commission, the Federal Maritime Commission, and the Federal Trade Commission.

In advancing this proposal, we do not dispute the benefits to be gained from coordination and executive branch expertise. Indeed arguments for a certain measure of integration have been found to be persuasive. We do not propose excluding OMB from the budget process for the independent commissions; nor has any serious consideration been given to precluding OMB consideration of legislative recommendations made by those agencies. What we propose detracts neither from a unified budget approach or a coordinated legislative program for the executive branch.

What is desired is direct access to information from the independent commission on funding and legislation, unfiltered by OMB processes. That is not to say that OMB opinions on those matters would go unconsidered. What it does mean is that OMB should not be permitted to cloud or unduly influence the independent judgment of those agencies.

Section 201. Findings and Purposes. This section sets forth Congress' findings that administrative procedures too often delay the regulatory process and that the agency adjudicatory process is frequently overly judicialized. The section also finds that in many cases adoption of legislative-type hearings in proceedings that now use more formal procedures would aid decisionmakers in analyzing the policy issues involved. Adoption of these procedures would also increase the ability of members of the public to contribute to the record of the proceedings as well as reduce the time required to decide many matters.

The section also declares that officials of agencies, including administrative law judges, should take action and adopt procedures to prevent parties from unduly or intentionally delaying any stage of the proceeding. Any action taken or procedure adopted by the agency of administrative law judge should be in accordance with due process.

The bill finds that in order to improve the efficiency of the administrative process, agencies should be given additional authority, and encouraged, to delegate to administrative law judges and employee appeal boards the responsibility for making final decisions in matters which do not involve significant policy decisions. The bill gives administrative law judges a greater role in determining the speed and quality of the administrative process. Changes are, therefore, needed in laws governing the selection and evaluation of administrative law judges to assure that the best possible people are employed in that position and that the judge's work is of the highest quality.

Part A—Administrative Procedures

Formal hearings

Section 202. This section amends section 554 of the Administrative Procedure Act which governs proceedings now conducted as formal, on the record proceedings.

The amendments require the use of an expedited procedure in all formal rulemakings (including ratemaking), all initial licensing proceedings, and all proceedings involving the initial grant of a subsidy or other benefit wherever the law now requires that proceedings of these kinds be conducted as formal, trial-type proceedings. The bill requires the agency in such cases to substitute procedures more like those used in informal rulemaking proceedings. Formal trial-type hearings may only be conducted after more informal hearings are first conducted, and then only if a participant can convince the presiding employee that there remains a factual dispute on which a decision in the proceeding is likely to depend.

Some agencies on their own have begun to use such hybrid procedures, especially in the many economic and technical areas that are often involved in licensing and ratemaking.

The Food and Drug Administration enacted rules of procedures in 1977 adopting this basic approach. Similarly, several recent statutes have required an agency to combine informal rulemaking with limited use of other procedures, such as cross-examination, more typical of formal adjudication. Examples include the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (P.L. 93-637), and section 6 of the Toxic Substance Act administered by the Environmental Protection Agency. (P.L. 94-469). The 1975 amendments to the laws administered by the Securities and Exchange Commission provide another example (P.L. 94-29).

The thrust of this bill is different, however, from acts which force informal rulemaking into a more formal mold. This amendment converts proceedings which are now considered formal trial-type proceedings into largely informal rulemaking proceedings. Furthermore, under the Magnuson-Moss Act, the presiding employee designates at the beginning of the proceeding which facts must be decided in a trial-type proceeding. Issues are therefore designated for a full trial before any record is made showing which questions are key to a decision, and which of these really involve disputes of fact. The procedures proposed by section 202 reserve the designation of certain factual disputes until after a more informal hearing has demonstrated the need of resolving a particular question in a trial-type hearing.

The amendment is also consistent with a growing number of statements by courts and commentators endorsing agency procedures which seek to combine features of both formal and informal proceedings in a way that functionally makes the most sense in each case. Commenting on the best procedural means for establishing rates for natural gas before the Federal Power Commission, the Court of Appeals for the District of Columbia noted:

"As we stated in *Mobil*, 483 F.2d at 1251, the informal procedures of section 553 of the APA and the more formal requirements of §§ 556 and 557, are not mutually exclusive. Moreover, they are not pre-emptive of available procedures. There may be occasions when rulemaking by notice, comment and reply, essentially as now before us, is all that is required insofar as the proceedings as a whole are concerned but in particular parts a more formal procedure should be followed. As an example, the unsatisfactory state of the evidence on productivity could no doubt have been clarified one way or the other had the Commission subjected the submissions on reserves and reserve additions, so vital in arriving at the important productivity factor, to some method of testing their reliability and adequacy." *Second Natural Gas Rate Case*, D.C. Cir. No. 76-2000 et al. (June 16, 1977).

The respective subsections of section 202 amend particular portions of section 554 of the Administrative Procedure Act. The changes to each subsection of section 554 are described below.

Initial submissions

Section 554(b). Section 202(a) of the bill makes one addition to section 554(b) of the current Administrative Procedure Act. The new sentence makes it clear that the agency may require the party that initiates a proceeding to submit, as the proceeding is initiated, all the facts and arguments on which it proposes to rely that are known at that time to the moving party. This requirement applies only to proceedings involving initial licensing, rulemaking and subsidies that *must* be conducted pursuant to the new subsection (e). If a private party requests a license from an agency, the requirement could apply to the private party when the license application is filed. When an agency is the one that initiates the action, the procedure could apply equally to it. By requiring that the moving party discloes all his facts and arguments at the outset of the proceeding, other interested persons can more quickly discover the nature of the moving party's case. The procedure will also allow the other interested parties to prepare their own case more rapidly, and to decide whether there is any reason to contest the proposed action.

Application of this provision to the agency, however, is in no way intended to reinstitute the *All-States* doctrine which required the Federal Trade Commission staff to have all of its evidence in hand prior to the issuance of a complaint by the Commission. *All-States Industries of North Carolina, Inc.*, 72 F.T.C. 1020 (1967); 74 F.T.C. 1591 (1968). The FTC abandoned the *All-States* doctrine because it resulted in an excessively lengthy pre-complaint process and it was inefficient to prepare every case for trial when many would be settled before that point. Unlike the *All-States* requirement, though, this bill would not require that a moving party prepare its entire case prior to initiating a proceeding. Nor is there any intent to inhibit discovery after the initial filing. Rather, the bill would require inclusion only of those facts and arguments that are known to the moving party at the time the proceeding is initiated; development of additional facts and arguments would not be precluded.

Selection of presiding employee

Section 554(c). Provisions now in subsections 556(b), 556(c), and 556(d) of the current Act, specifying who should preside over a hearing conducted pursuant to this section, and the general procedures applicable to the hearing, will continue to apply to all proceedings conducted under section 554. The bill transfers most of this wording from section 556 to section 554(c)(1) and (2), or a new section 554(g).

Section 554(d) of the current Act contains the requirement that the employee who presides at the reception of evidence should make the recommended or initial decision required by section 557 of this title, unless he becomes unavailable to the agency. For purposes of clarity, this sentence has been moved to this subsection. The bill amends current wording in one respect. It states that if the presiding employee becomes unavailable to the agency, another employee qualified pursuant to this section may be appointed to take his place and conclude the proceeding. The current Act fails to specify what happens when the presiding employee becomes no longer available.

The proposed change, recommended by the Administrative Law Conference, eliminates this oversight. The amendment should help assure that most proceedings will not have to be begun all over again if the presiding employee becomes unavailable in the middle of the proceeding. Current case law, however, that requires a new hearing where the credibility of witnesses is a key to the outcome of the case would not be changed by this amendment.

The present section 554(c) describes some of the trial-type procedures that must be provided in all cases subject to this section. Under the procedures proposed by this bill, such formal trial-type procedures will only be applicable in some cases, and for limited purposes. This wording has been separated, therefore, from the remainder of the section and placed in a new subsection (f).

Authority of presiding employee

Section 554(c)(2) authorizes a presiding employee to ask questions or conduct cross-examination as he or she deems appropriate. The bill also allows the presiding employee to request the agency to consider and act on interlocutory appeals when agency action on such appeals would help expedite final agency action. It will remain up to the agency, as it is now, to decide whether to entertain interlocutory appeals and under what circumstances. These provisions make explicit the now implicit authority of presiding employees to perform these functions.

Section 554(c)(3). Paragraph (3) of section 554(c) of the Act as amended by the bill would contain new provisions not found in the current Act. This new wording will require the presiding employee to take an active part in shaping the nature and extent of the record. It will be his affirmative duty to see that both the prehearing stage and the hearing itself is completed in an expeditious manner. It will be his affirmative duty to see that the record is a concise one that contains only those matters that are relevant and material to a decision. It will be his affirmative duty to exclude repetitious material from the record. The employee is authorized to establish deadlines for the completion of the hearing, or any other portion of the proceeding, in accordance with overall deadlines established by the agency pursuant to title I of this bill. The presiding employee is encouraged to rule on any questions of law or fact where by doing so, the official can help narrow and define the issues, and thus control the scope and length of the proceeding. The presiding employee will also be authorized to take any other appropriate action authorized by this subchapter, or any other applicable law, to assure prompt agency disposition of the matter.

Separation of functions

Subsection 554(d). This subsection of the current Act limits whom the presiding employee and other agency decisionmakers may consult during the course of formal adjudicative proceedings. It prohibits, in general terms, agency employees engaged in the decision-making process from consulting off the record with those engaged in an investigative or prosecuting function in the same or factually related case.

Section 201 of the bill broadens the present provision in the following ways:

(1) The current subsection does not apply to formal rulemaking, including ratemaking, and requests for initial licenses which must be decided in formal on the record proceedings. The bill makes these provisions applicable to all formal on the record proceedings.

As a practical matter, agencies have in most cases voluntarily applied the rules on separation of functions to formal licensing and ratemaking procedures without unduly restricting their flexibility. Both the Administrative Conference and the American Bar Association have studied this matter for a number of years. They both support the general principle that these procedural protections should apply in some form to all formal on the record proceedings. A similar provision in somewhat different form was passed by the Senate in 1976 as section 1 of S. 798.

(2) A portion of the current wording applies only to the employee who presides at the reception of evidence. The bill amends this portion of the subsection to specifically extend to an employee board created pursuant to this bill. The kinds of employees covered by the prohibitions of the subsection is further broadened to include any other employee, except an agency head, who participates or advises in any decision or review of a decision whether or not the individual has presided over the original decision. The current Act exempts agency heads from the prohibitions of this subsection, and the bill does not amend this exemption. The bill makes clear that members of an employee board would be allowed to consult with each other.

(3) The current Act prohibits the presiding employee from consulting with any other employee who is engaged in prosecuting, as well as investigative functions. Since the term prosecuting fails to accurately describe all the kinds of formal proceedings which may now be subject to the prohibition of this subsection, the term litigating has been substituted for the term prosecuting. Similarly, the exemption for a witness in public proceedings has been amended to refer to a participant in proceedings since, under the new procedures, on the record comments may come in a number of different forms in addition to the testimony of a witness. The wording of the bill specifically provides that the term litigating does not include participation in a judicial proceeding concerning the agency action. For example, an agency official involved in a court appeal case would not be barred from subsequent agency consideration of the matter if the court remanded the proceeding to the agency with instructions to reconsider the matter.

These wording changes are not intended to change the substantive nature of the prohibition. As now, an agency employee who acts as an investigator, or who participates as an advocate, in connection with any formal on the record proceeding should not be able to turn around and, off the record, act as a decision-maker in the same matter. The wording does not affect an agency employee whose only involvement with a case is to act as a confidential adviser to a decision-maker, such as a law clerk to any administrative law judge or an expert adviser to a commissioner.

General hearing process

Section 554(e). Section 201 adds a new subsection (e) to section 554 of the Administrative Procedure Act. It provides for more informal hearings in proceedings that currently must be conducted in their entirety as formal trial-type hearings.

Paragraph (1) specifies which kinds of proceedings must be conducted in accordance with this new subsection. Any rulemaking, including ratemaking, and most licensing now required by law to be conducted as a formal on the record proceeding must be conducted in accordance with the procedures of this subsection. Licensing proceedings to withdraw, suspend, revoke or annul a license are exempted from the otherwise mandatory application of the subsection to formal licensing proceedings. The procedures of this new subsection must also be followed in the case of any matter involving an initial grant of a subsidy or other benefit which must by law be conducted as a formal on the record proceeding. For example, the Civil Aeronautics Board or Maritime Administration may, on occasion, conduct such proceedings.

In additin to those rulemaking, licensing, or other proceedings that must follow the procedures of this subsection, an agency may utilize these new procedures in any other matter which must be considered in a formal on the record proceeding. It is expected the agency would choose to follow these more informal procedures where questons of policy or law predomnate over specific factual disputes of the kind most approprately resolved by a more formal trial-type proceeding. Another factor an agency should consider is whether the large number of participants make it unduly cumbersome and unnecessary to consider the entire matter in a formal, trial-type proceeding. In each case the agency should consider whether a full trial-type hearing is essential to a full and fair disclosure of all material facts.

Paragraph (2) describes the procedures applicable to all hearings conducted under this subsection. The paragraph requires the presiding employee to first conduct a general hearing that addresses all questions of law and fact the agency or a participant believes relevant. Prior to the hearing, there would be whatever discovery the presiding employee determines appropriate.

The hearing will provide an opportunity for persons participating to submit any data, views, or arguments on the facts and law relevant to the case as it wishes. This may include affidavits, interrogatories or other written material. An opportunity to present responses to the data, views, or arguments submitted by other parties would also be permitted. Whenever a participant in the proceeding requests, the hearing will include an opportunity for participants to argue their views orally in a manner similar to the opportunity the agencies may provide in informal rulemaking procedures for the oral presentation of views. The presiding employee could ask questions of any person appearing before it. Participants in the oral hearing could not call witnesses to testify, however, or cross-examine other participants.

Paragraph (3) specifies when a particular issue may be designated for a trial-type hearing. The standards are intended to limit trial-type hearings to only those questions where a hearing of this kind is really essential. The presiding employee must find there is "a genuine and substantial dispute of fact, including a dispute involving factual assumptions or methodology upon which expert opinion is based, which can only be resolved with sufficient accuracy by the introduction of reliable evidence in a formal hearing." In addition, the issue in dispute must be one on which the resolution of the case is likely to depend in whole or in part.

When the presiding employee designates a dispute for a trial-type hearing, the official must specifically state which factual disputes will be the subject of the hearing, and why the decision of the agency is likely to depend on the resolution of such facts. The hearing will be limited to only those factual disputes specified by the presiding employee and any questions of law which depend for their resolution on an unresolved question of fact.

Courts should only reverse the agency's exercise of discretion under this paragraph in rare instances. Unless an agency's action is a clearly arbitrary or capricious one which materially prejudices the rights of participants, the agency's choice of procedures should not be disturbed. Otherwise the value of the new procedures will be undermined, and the experience and judgment of the agency concerning the conduct of its own proceedings ignored.

The Governmental Affairs study concluded that use of this hybrid procedure would contribute in a significant way to more expeditious proceedings. Many issues which arise in licensing, ratemaking, and other, often technically oriented proceedings are more appropriately resolved by an informal hearing. Often these proceedings feature a battle between experts on technical, scientific, or economic matters. The decision may rest in large measure on policy choices, on weighing acknowledged costs versus acknowledged benefits. The litigious atmosphere of a full trial-type proceeding is often not the best atmosphere in which to explore and weigh, in light of agency policy, differing interpretations of scientific, technical, or economic data.

In these kinds of situations the views and arguments may be presented more quickly, and the disagreement highlighted more easily, in a less formal hearing. Where the hearing does serve to isolate and sharpen a genuine issue of fact, trial-type proceedings are always available to resolve them.

Subsection (4) authorizes the agency to designate one or more employees to assist the presiding employee by questioning parties at an oral hearing, or otherwise advise the presiding employee. Under the bill, the general hearings will become less legalistic and adversarial, and more focused on the policy issues involved. The presiding officer may well benefit by the assistance of scientists, doctors, economists, or other experts in developing the complex issues that often underlie the policy choices involved.

The procedures described in subsection (e) will thus save time by reducing or eliminating the need for oral, trial-type hearings. It will also assure the existence on review of a clear record which highlights the issues and the positions which each participant takes on these issues. The record would thus be clearer and shorter, which should result in time savings at the review stage of the proceeding.

Subpena authority and other ancillary powers

Section 203. Section 555(d) of the current Act governs agency use of subpenas where such use is authorized by other statutes.

The amendment authorizes the agency to take a number of steps to encourage prompt compliance with any agency subpena. The delays that now occur in proceedings while the agency obtains compliance with the subpena will be reduced by these provisions. This section of the bill also adds for the first time a general grant of subpena authority to the Administrative Procedure Act. Finally, it increases an agency's ancillary power in other ways to make it easier for the agency to avoid unnecessary delay.

Regulating the conduct of individuals before the agency

Section 555(b). The bill adds to this subsection of the Administrative Procedure Act a new sentence specifically authorizing the agency to bar individuals from appearing before the agency. This authority is in addition to any other remedy available under law. The amendment provides that an attorney representing a party to a proceeding, or any other individual, may be barred from appearing "where such individual refuses to adhere to reasonable standards of orderly and ethical conduct or continues, despite agency requests to the contrary, to engage in the deliberate use of dilatory tactics." Examples of dilatory tactics as set forth in the bill include the repeated filing of frivilous motions, repeated efforts to engage in repetitious or irrelevant cross-examination, or the repeated failure of the individual to be in attendance or make witnesses available when the individual or witness is necessary to the orderly progress of the proceeding.

This provision would apply to the attorney or other individual who delays or obstructs a proceeding. The sanctions would not apply to the party represented by the contumacious attorney.

Individuals who continually seek to obstruct the course of proceedings should be held personally responsible for their conduct. Agencies probably have this inherent authority now. Specific reference to it in the Administrative Procedure Act should make it easier for agencies to act in those relatively rare cases when it is necessary.

Grant of subpena authority

Section 555(d) and section 555(e). The bill adds to section 555 a general grant of authority to all agencies to issue subpenas. The subpena authority conferred by this bill is in addition to, rather than in place of, the preexisting authority most agencies have under other statutes to issue subpenas.

The provision auhorizes the grant of subpena authority by an agency only in connection with proceedings that are required by law to be conducted in accordance with the proceedings of section 554. The authority to issue subpenas under this general authority will be available to agencies only after the initiation of formal proceedings. An agency may not invoke this new authority during the preliminary investigative stage. These limitations on the use of the subpena contained in this subsection will not apply, of course, to the agency's use of subpenas under its preexisting authority.

The Administrative Procedure Act does not now grant agencies any subpena authority. While most agencies operate under statutes which give the agency this authority, there are a few instances where this authority is lacking or the grant of authority is inadequate. This includes the Food and Drug Administration, the Postal Service, and the Department of the Interior. The Administrative Conference favors including a general grant of subpena authority in the Administrative Procedure Act. The amendment will eliminate any possibility that the discovery stage is slowed because the agency lacks adequate subpena authority. It will help eliminate the possibility that parties to a proceeding before an agency lacking subpena authority will slow the actual hearing by engaging in extensive cross-examination, and by otherwise using the hearing process itself, to accomplish the discovery it was unable to obtain before the hearing.

The amendment to section 555(d) also adds to the end of the subsection a new sentence specifying that the agency shall authorize the presiding employee, as well as any other official the agency may wish to designate, to issue subpenas or similar process. Although section 556 of the present Act implies such an automatic delegation of authority to the presiding employee, nowhere in the Act is the delegation specifically required. Obvious savings in time occur when requests for subpenas may be acted upon by the presiding

employee without requiring the action of agency heads.

The bill also amends subsection (e) of section 555 by adding at the beginning of the subsection a sentence specifically authorizing agencies to obtain enforcement of any subpenas or similar process issued by it through actions brought in the District Court of the United States for any district in which the person is found, resides, or transacts business or in which the inquiry is carried on. The action would be brought by either agency lawyers or the Department of Justice, in accordance with current law.

Imposition of civil penalties for noncompliance with subpena

Section 555(e). Section 555(e), as amended by the bill, provides that an agency may obtain from the United States District Court the imposition of a penalty upon any person who violates any subpena issued by the agency. Enforcement suits would be brought either by the agency through its own attorneys, or by the Department of Justice, depending upon what current law provides.

Any person in violation of an agency subpena or other lawful process would accrue penalties for each day that he continues to refuse to comply with it after the agency has notified him of his default and provided him thirty days to comply. This thirty-day period also gives a person time to seek an injunction from a court staying the imposition of a penalty, but to do so he will have to convince the court of the likelihood that the court will sustain his objections to the subpena. The bill specifically authorizes an appropriate district court to stay the accumulation of penalties.

The civil penalty shall not exceed more than $5,000 for each day the violation continues. The court will be able to fashion the exact size of the penalty after review of all the circumstances. The bill provides that in determining the amount of the civil penalty, a court should take into account the reasonableness and good faith of the person who is being penalized, and such other matters as justice may require. Where any person's refusal to obey a subpena is frivolous, the penalty can be accordingly high.

Paragraph (4) provides that a court may not take jurisdiction over an action or claim (A) seeking to stay the accumulation of penalties for failure to comply with a subpena, or (B) to challenge the validity of, or enjoin the enforcement of, a subpena unless the action has been brought by a person upon whom a notice of default respecting the subpena has been served, or by a person expressly authorized by other law to bring such action (e.g., the Bank Records Privacy Act, P.L. 95-630). An action challenging an agency's compulsory process is premature if there is no present risk of accrual of penalties because no notice of default has been issued. Until the service of a notice of default—which causes civil penalties to begin accruing 30 days thereafter—no real harm flows from requiring a party subject to a subpena or similar process to wait until the agency brings an enforcement action. Preenforcement challenges to agencies' compulsory process have increased in recent years and have resulted in unnecessary delay. By prohibiting actions to stay the accumulation of penalties or challenge the validity of a subpena prior to the issuance of a notice of default, the bill would preserve an agency's option of seeking enforcement without resort to penalties, and would eliminate premature and duplicative actions. Agencies and the courts would thus be spared needless waste of time and resources.

In order to reduce the problems which result when a number of different parties challenge essentially identical subpenas in different courts, the bill provides that any action to stay the accumulation of penalties or challenge a subpena be transferred to a court in which a similar action is pending. The transfer of the action would be made at the agency's request.

Agency rulings against persons in noncompliance with discovery order

Section 555(e)(5). The bill provides an additional means to avoid delay that may otherwise result from any person's failure to cooperate in a discovery request; paragraph (5) provides that the presiding employee may make certain rulings against a party who fails to cooperate. The presiding employee may refuse to allow a person to support or oppose designated claims or defenses, or prohibit him from introducing designated matters into the record. He may infer that the testimony, documents, or evidence concerning which the subpoena was issued would have been adverse to the person refusing to comply with the subpoena. He may strike out pleadings or motions, or dismiss the action, or render a decision by default, against any person who declines to comply with an agency subpoena.

The presiding employee may instead stay further proceedings until the order is obeyed. This final option would be particularly appropriate where the noncompliance is by the moving party in the proceeding.

These provisions are analogous to Rule 37(b) of the Federal Rules of Civil Procedure and provisions in the current procedural rules of the Federal Trade Commission.

Section 555(f). The bill also adds a new section 555(f) to the Administrative Procedure Act. It specifically provides that the authority provided an agency pursuant to this bill to issue subpenas and to take certain actions when the subpenas are not complied with are in addition to, and not in limitation of, any other statutory authority for the issuance of subpenas or their enforcement.

Section 555(h). The Administrative Procedure Act, in section 554(e), currently authorizes the agency to issue a declaratory order to terminate a controversy or remove uncertainty. This could be an important device to expedite agency action, and end uncertainty in the private sector about agency intentions. However, the wording appears in section 554, which governs procedures for the conduct of formal, on-the-record proceedings only. In order to make it clear that the agency should be able to employ this procedure, whether or not a formal on-the-record proceeding is involved, the provision has been moved to section 555. The actual wording of the provision has not been changed.

Other conforming changes to section 555 rearrange the order of some of the provisions governing the enforcement of subpenas.

Maintenance of public files

Section 555(i). Finally, section 203 of the bill adds a new section 555(i) to the Administrative Procedure Act. The purpose of the new subsection is to require each agency to maintain a public file of significant material from the record of proceedings conducted pursuant to section 554 as well as an index to the file. The agency must include in its files those motions, briefs, and other legal arguments or pleadings, and any action issued by the agency on such filings, that the agency considers of significance and which it thinks could be of particular interest to the agency or other persons participating in subsequent agency proceedings. The agency would be expected to make it possible for the public to have ready access to the file and to copy material from it. Each agency is also encouraged to consider other ways to make the material available to the public. This could include, for example, cooperating with any company that wished to publish it in a series of volumes, opinions or other material from the file.

Some agencies do not now have a public file to assist agency staff or outside parties in preparing arguments or motions. The purpose of this section is not to require disclosure of internal agency memoranda or confidential information; rather, the file will enable agency attorneys and participants to readily determine how agency officials have ruled on similar issues in the past, and why. This should in turn help reduce the length of time proceedings are slowed while participants research and prepare anew legal arguments. It will provide a repository of practical experience which all presiding employees may readily consult when considering what practices and procedures may appropriately be used to assure the most expeditious conduct of the proceedings.

The conduct of trial-type proceedings

Section 204 amends provisions in section 556 of the Administrative Procedure Act further governing the conduct of formal trial-type hearings. As a result of the bill's amendments to section 554, only hearings conducted under section 554(f) will be subject to these procedures. The purpose of the amendments is to provide the agency with greater flexibility to conduct the proceedings in the most expeditious manner possible.

Procedures generally

Section 556(b). The bill transfers to section 554(c)(2) most of the procedures that now appear in section 556(b) since they are procedures applicable to all kinds of proceedings conducted under section 554. The bill does retain in section 556 the provisions governing offers of proof and receipt of evidence, since they are uniquely applicable to trial-type hearings.

The use of written testimony and summary judgment to expedite hearings

Section 556(b). The bill restates the authority, currently provided in 556(c), of the presiding officer to rule on offers of proof and receive relevant evidence. The bill's major amendment to this subsection is intended to encourage reliance on written material rather than oral hearings. It authorizes the presiding employee to require the introduction of evidence in written form and the use of written interrogatories if an oral presentation of testimony, or oral cross-examination, is not necessary for a full and true disclosure of relevant evidentiary facts, and denial of such opportunity would not materially prejudice a party. The amendment removes any present uncertainty about the authority of an agency to require the submission of evidence in written form regardless of the kind of formal proceeding involved.

The last sentence of section 556(d) of the current Act already authorizes an agency to rely on written presentations in considering initial licensing, rulemaking, or claims for money or benefits. The amendment simply makes this option available in all formal proceedings. It is consistent with recent court decisions upholding the agency's reliance on written procedures. The case of *Shell Oil Co.* v. *FPC* (520 F.2d 1061, 5th Cir. 1975), for example, upheld a denial of oral cross-examination where such oral cross-examination was not necessary for a full and true disclosure of the facts, and the party's rights were not prejudiced by having to rely on written procedures. The bill adopts a similar standard.

The reliance on written material will reduce the length of the oral hearing. It eliminates the time at the oral hearing that must be devoted to receiving direct testimony orally or to conducting oral cross-examination. It also saves time in other ways. Even if oral cross-examination follows the submission of direct testimony in written form, the cross-examination will be better organized and more precise because the parties have had ample time to study the direct testimony. Since scheduling problems can often be the cause of delays in completing oral trials, greater reliance on written testi-

mony also avoids instances where an oral hearing has to be postponed until the presiding employee, all the attorneys, and the witnesses can be available. At the Interstate Commerce Commission, for example, a case scheduled for an oral hearing must wait an average of 207 days before it is heard. A proceeding conducted solely in written form is subject to a wait that is only about one-half as long before an agency official can begin to consider the testimony.

Material submitted in written form is likely to be more concise and relevant, and better organized than evidence submitted orally. Greater use of written evidence should therefore reduce the time it takes during each subsequent step to analyze the record.

An analogous provision was recently adopted by the Food and Drug Administration. These rules specify, for example, that oral direct testimony and cross-examination shall be permitted only where other means are insufficient for a full and true disclosure of all relevant facts. The Interstate Commerce Commission and the Civil Aeronautics Board have also enjoyed considerable success reducing the length of proceedings by requiring proceedings to be conducted in written form.

The bill's amendment to section 556(b) also specifies that the presiding employee may issue a decision prior to the completion of the evidentiary portion of the hearing if the official believes that the facts and law in the case require a decision for one party or the other. This may occur, for example, after the prehearing conference, or after one side has submitted its case. In such instance, the development of a further evidentiary record only delays the final agency disposition in the matter. The agency, through its presiding employee, should be free to conclude the evidentiary stage of the hearing at that point, just as a court may issue a summary judgment to avoid further unnecessary proceedings.

Agency review of decisions

Section 205. This section contains amendments to section 557 of the Administrative Procedure Act governing procedures for making initial decisions and for agency review of initial decisions in formal proceedings governed by section 554. By authorizing agencies to reduce the number of steps in the agency decision-making process, it will help eliminate unnecessary delay.

Authorizing the issuance of recommended decisions by employees who have not presided at the hearings

Section 557(b). The Administrative Procedure Act provides that an agency may request the presiding employee to make an initial decision. This initial decision then becomes the agency's final decision if the agency heads do not review it. On the agency may have the presiding employee simply recommend a decision to the agency heads who then must make the actual decision.

Section 557(b) of the current Act further provides that in the case of rulemaking or initial licensing the agency may elect to eliminate the formality of an initial or recommended decision altogether. Instead the agency may have someone other than the presiding employee recommend a decision, or it may issue a tentative decision of its own.

The bill amends section 557(b) to conform these provisions to the changes made in section 554. The amendment allows the agency to use some agency official other than the presiding employee to prepare a recommended decision, or issue a tentative decision of its own, in any proceeding or portion of a proceeding considered under the more informal procedures established by the new section 554(e). The matter would not have to involve rulemaking or initial licensing. The amendments in section 202 of this bill, enlarging the scope of the Act's separation of function provisions, will mean, of course, that whoever does prepare the recommended decision will not be able to confer with agency employees who advocated the agency position at the hearing.

The amendment retains the provisions in the present law permitting the agency to omit entirely either an initial, tentative or recommended decision where the agency finds that "due and timely execution of its functions imperatively and unavoidably so requires." The current law permits this exception in the case of rulemaking or initial licensing. Consistent with the bill's other changes, the amendment has the effect of making this exception available in any matter heard pursuant to section 554(e). The exception would not apply as to any matter that became the subject of a formal trial-type hearing under section 554(f).

Where the agency heads intend to review the record thoroughly, reach their own decision, and prepare their own opinion, it may be faster for the agency heads to have an employee familiar with their thinking and policies, rather than have the presiding employee recommend a decision or draft a tentative decision, and then work with the agency heads in issuing the final decision. The recommended or tentative decision in such circumstances would be of more use to the agency heads, and be less likely to require substantial revision before a final decision. It also gives interested persons more accurate indication of the tentative thinking of the agency heads themselves.

Such expedited procedures will not reduce the quality of the decision. In any matter subject just to the informal procedures of section 554(e) policy questions will more likely prevail over factual questions. Any factual findings will not rest on the demeanor or credibility of witnesses as they may in a trial-type proceeding under section 554(f). Consequently it will not be essential in these cases to have the official who presided over the hearing make an initial or recommended decision.

Furthermore, section 557(c) of the current Act requires the agency to give parties an opportunity to file exceptions to tentative or recommended agency decisions where the agency does not have the presiding employee issue the initial or recommended decision. The bill retains this provision. Consequently, parties are still assured the opportunity to learn the agency's tentative thinking. They will still have the opportunity to file comments on such thinking.

Finally, the amendment adds a new provision specifying that when the presiding employee does not issue a recommended or initial decision, the agency may require the presiding employee to submit, along with the record, such analysis of the record (and such findings) as the agency may require. Requiring the presiding employee to provide such analysis of the record may be another way to obtain the insights and conclusions of the presiding employee while at the same time expediting the time it takes to reach a final decision.

Vesting final authority in presiding employees or employee boards

Section 557(d). Section 205 adds a new section 557(d) to the Administrative Procedure Act authorizing agencies to establish employee boards to review initial or recommended decisions by the presiding employee. At the same time, the subsection authorizes the agency to rest final agency decision-making authority either in the employee who presides over the hearing, or in the employee board. When the agency delegates authority under this subsection to the presiding employee or the employee board, review by the agency heads would be at the discretion of the agency, and for limited kinds of cases.

Currently there is uncertainty whether under section 557 agency heads can refuse to review an initial decision by lower level agency officials where review is requested by one of the participants. A report of the Administrative Conference has concluded that amendments to the Administrative Procedure Act are also required for some agencies to establish employee review boards. Both the American Bar Association and the Administrative Conference have recommended authorizing each agency to establish employee boards and to vest final authority for final decisions in such boards or in the official who presides over the hearing.

Delegating final decision-making authority to the presiding employee will only expedite proceedings if the agency exercises its discretionary right of review in those few cases where further review is clearly necessary. The bill therefore sets forth the specific grounds upon which the agency may grant review.

In some cases the importance or complexity of the issues will make review by the agency itself inevitable. In those cases the agency should directly review the decision without waiting for an employee board to review it first. Otherwise, the matter will be subjected to an unnecessary layer of agency review, and inevitable delay. The provision therefore requires each agency to specify the conditions, and circumstances under which it will act to take immediate jurisdiction over the review of an initial decision. The rule should indicate the category of decisions, if any, which will be subject to agency review without any intermediate review by an employee board. It should also indicate what procedures the agency will follow, on a case by case basis, to remove from board jurisdiction cases that would otherwise be subject to board review.

If an employee board is to reduce the number of decisions the agency heads review, review board members must be in tune with the thinking of the agency leadership, and be trusted by them. To assure this, the amendment gives the agency broad discretion in specifying the manner of selection and removal of the members of employee boards, and in selecting the type of employees chosen to serve on the board. A review board may be composed of one or more members of the body comprising the agency or three or more employees. The employee board may not include the presiding employee in the proceeding which is on appeal or any employee who advised the presiding employee in the action. In order to avoid unnecessary layers of review, the bill limits the levels of review by the agency to two. Thus a presiding employee's decision could, at the most, be reviewed by one employee board and the body comprising the agency. Normally, though, there would be no more than one level of review within the agency.

Finally, the amendment specifies that it does not supersede any preexisting provision of law governing a particular agency's ability to create review boards or to delegate a final decision to one or more of its members or other employees. For example, several agencies such as the Interstate Commerce Commission, the Federal Communications Commission, and the Nuclear Regulatory Commission already have specific authority to create such boards. The Federal Mine Safety and Health Amendments Act of 1977 provided that review by the Federal Mine Safety and Health Review Commission of decisions by the Administrative Law Judge would be entirely at the discretion of the Commission. Similarly, some departments already have the authority to delegate final decision-making authority to a board or judicial officers. This saving provision is intended to preserve any such existing authority.

Reliance on employee boards should help reduce the delay now commonly experienced when action on the appeal of a large number of initial decisions is deferred until agency heads and their staff have time to

review each one. The amendment will give agency heads more time to concentrate on establishing general policies and reviewing cases of special importance. Residing greater authority in the presiding employee to make the final decision in the case will also have the effect of increasing his authority and stature generally. This should make it easier for him to control and direct the course of the proceeding.

Technical amendments

Section 557(e). Additional amendments to section 557 have been made to conform the section to the amendments in prior sections, and to further clarify the procedures available to the agency. The bill renumbers as subsection (e) the current subsection (d) prohibiting ex parte contacts during the course of the proceeding. It includes in the subsection the provision now in section 556 which authorizes an agency to consider a violation of the ex parte prohibitions when ruling on the merits of the case. The amendment is necessary as a technical matter since section 556, as amended, will not include all the kinds of formal proceedings to which these ex parte prohibitions apply under present law.

Scope of judicial review

Section 206. This section contains an amendment to the provisions in section 706 of the Administrative Procedure Act governing the review of agency action by a court. Section 706 of the current law authorizes the court to compel agency action unreasonably delayed. It complements the provision in section 555(b) directing the agencies to conclude each matter presented to it within a reasonable time. The amendment specifies that in considering whether agency action has been unreasonably delayed, the court should consider the extent to which the agency has failed to meet any date announced for the completion of agency action pursuant to the requirements established in title I of this bill. Failure of an agency to meet its announced deadline will not be conclusive evidence that it has delayed action unreasonably. It will be one significant piece of evidence which the court shall consider, however, in considering a request to compel agency action.

Conforming amendments

Section 207 makes technical conforming amendments in sections 553, 554, 558 and 706 of the Administrative Procedure Act to conform provisions in those sections with the changes made in the remainder of the bill. This action makes no new substantive changes to the Administrative Procedure Act.

Part B—Selection of Responsible Officials—Appointment of Administrative Law Judges

Section 208. This section alters the provisions in section 3105 of title V of the United States Code governing the appointment of administrative law judges. The bill anticipates that administrative law judges will play an increasingly important role in agency proceedings. For example, section 554, as amended by this bill, will require administrative law judges to play an active leadership role in shaping the record of the hearing, clarifying the issues, and bringing the hearing to a speedy conclusion. The bill's amendment to section 557 encourages the agency to rest final decision-making authority in the presiding employees. It is therefore very important that agencies have the authority to select individuals most able to fulfill this role anticipated for administrative law judges.

The Governmental Affairs Committee study found that under the present selection procedure an agency's choice of individuals to serve as administrative law judges is often restricted to the three people who have been ranked the highest on a list compiled by the Civil Service Commission (now the Office of Personnel Management). Selection of these three candidates is based on examinations, work experience, education, interviews, and preferences based on length of service with the government, status as a veteran, and other factors.

In order to increase the range of candidates from which it may choose, an agency often requests the Civil Service Commission to find that a particular administrative law judge position requires special experience in the regulatory field of concern to the agency. This permits an agency to select individuals on the list of qualified candidates even if they are not at the top of the list. It often results, however, in the agency selecting individuals who already work for the agency as attorneys, because they are most apt to possess the special expertise indicated. For example, a study by the Administrative Conference of the United States reported that between 1964 and 1969, 52 of 66 administrative law judges appointed by this method had been previously employed on the staffs of the selecting agency. The selection of agency employees does not encourage public acceptance of the administrative law judges as impartial, independent decision-makers.

The Administrative Conference has recommended that the agency be allowed greater flexibility in selecting individuals to serve as administrative law judges.

Section 208 requires the Office of Personnel Management to continue to maintain a list of eligible candidates. The OPM would continue to have responsibility for administering an appropriate examination which an individual would have to pass in order to have his name appear on the list of eligible candidates. Any individual who achieves a minimum score established by the Office of Personnel Management on the examination, and who meets the minimum experience requirements, would be placed on the list of eligible candidates without having to meet additional qualifications. An agency would be allowed to choose from a list of persons with the ten highest scores. Selective certification would not be permitted.

Evaluation of administrative law judges

Under current law once an administrative law judge is appointed he or she may only be removed for such cause as will promote the efficiency of the service. Since only two administrative law judges have been removed for cause since 1946 (in both instances for taking bribes), an administrative law judge enjoys what amounts to lifetime tenure. Agencies, concerned about the "independent" status of ALJs, do not evaluate or supervise administrative law judges. Although some chief administrative law judges play a supervisory role, there is no formal and systematic evaluation of the performance of administrative law judges.

The bill would change not only the selection, but evaluation, of administrative law judges. First, under new subsection 3105(e), an individual appointed, on or after the date of enactment of the Act, to an administrative law judge position would serve a ten-year term. In addition, the bill adds a new section 4322 to title 5, U.S. Code, which would require the Administrator of a restructured Administrative Conference to establish a performance and qualification appraisal system for administrative law judges. The system must provide for the evaluation of the performance and qualification of every administrative law judge at least once every ten years. The system must also provide for evaluations at other times as the Administrator deems appropriate.

Subsection (b) of 4322 requires the Administrator to establish performance and qualification review boards to assist the Administrative Conference in establishing a performance appraisal system and in conducting the evaluations of administrative law judges. The boards would, based on their evaluations, make recommendations to the Administrator relating to the performance and qualifications of administrative law judges. At least one-half of the members of the review boards must be administrative law judges. The findings of any evaluation must be contained in a written report which would be transmitted to the administrative law judge who is the subject of the evaluation. Where applicable, the chief administrative law judge at the agency in which the ALJ who is the subject of the evaluation must also receive a copy of the report.

Section 4323 requires that an evaluation of the performance and qualifications must be made of an administrative law judge before the expiration of his or her 10 year term. The Administrator must review any recommendation based on an evaluation and determine whether the administrative law judge is affirmatively qualified to be reappointed. If the Administrator determines that the administrative law judge is affirmatively qualified for reappointment, the agency must reappoint the ALJ to another ten-year term. An agency may not reappoint an administrative law judge who is not found by the Administrator to be affirmatively qualified. The decision concerning the qualifications and reappointment of an administrative law judge is not appealable.

If an administrative law judge is not reappointed, he or she may obtain another position in the civil service at a level equivalent to or above the highest level of the position in which he or she served as an administrative law judge. Subsection (e) provides that an employee would not suffer a reduction in grade level or salary as a result of his or her failure to be reappointed.

Section 4324. Actions involving unacceptable performance. This section provides that where the Administrator of the Administrative Conference of the United States finds, on the basis of an evaluation conducted under section 4322, that the performance of an administrative law judge is unacceptable, the Administrator may file a complaint with the Merit Systems Protection Board requesting that the ALJ be reduced in grade or removed. If the Board finds, on the record, after a hearing before the board, that the performance of the administrative law judge is unacceptable, the board shall reduce in grade or remove the ALJ. Subsection (b) authorizes the Board to direct an agency to place an ALJ who is removed from his position in another position without a loss of grade or salary.

Section 208(b)(2) of the bill makes clear that the provision requiring an administrative law judge to be reappointed every 10 years applies only to ALJs appointed after the date of the law's enactment; the ten-year term provision in section 4323 would not apply to ALJs serving before the Act's effective date. All administrative law judges, however, would be subject to sections 4322 and 4324. All ALJs would likewise be covered by the pay and grade retention provisions of these sections.

The bill also amends section 7521 of the U.S. Code to authorize the Administrator of the U.S. Administrative Conference to initiate disciplinary proceedings against an ALJ for good cause shown.

This provision is consistent with the recently enacted Civil Service Reform Act of 1978 in which Congress made a distinction between removal of an employee for "cause" and removal for "unacceptable performance." "Good cause" is the same as "misconduct": engaging in illegal conduct, such as taking a bribe. Unacceptable performance involves failure to perform competently.

One important difference between the Civil Service Reform Act and this bill is that under this bill only the Administrator of ALJs could bring an action against an administrative law judge for cause. Only the inde-

pendent Merit Systems Protection Board could remove an administrative law judge. It could do so only if it decides, on the basis of the Administrator's complaint, that disciplinary action is warranted.

Reassignment of administrative law judge

Subsection—(d) of the bill amends section 3344 of title 5, United States Code, so that the Administrator of ALJs may detail an administrative law judge to an agency which is temporarily or occasionally insufficiently staffed if the agency from which the ALJ is to be transferred consents to the transfer. This provision essentially restates the authority which now resides in the Office of Planning and Management, and transfers that authority to the Administrator of ALJs.

Subsection (e)(1) adds a new section 3352 to the Code governing reassignment of administrative law judge positions. The bill authorizes the Administrator of ALJs to make recommendations to the Office of Personnel Management and the Office of Management and Budget concerning the reassignment of ALJ positions. Unlike section 3344 above, which deals with the temporary assignment of individual employees, this section is concerned with how many permanent ALJ positions agencies should have. In performing his other duties under the Act, the Administrator will obtain valuable information on the needs of agencies for permanent ALJ positions. This section allows him to make recommendations based on that information.

Commission appointments

Sec. 209. This section provides that the President shall, in making appointments to independent regulatory commissions, nominate those people, who by reasons of training, education, or experience, are qualified to carry out the functions of such commissions pursuant to law. The President is also mandated by this section to use his nominating authority to insure that the commission membership is well balanced with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of the commission In addition, the bill provides for Senate confirmation of commission chairmen, when those individuals are designated by the President from the membership of the commission.

The Governmental Affairs Committee study recommended that certain general guidelines be established to encourage the selection of qualified appointees of diverse backgrounds, and to emphasize the importance that Congress attaches to those matters. Appointees without relevant experience of any kind are a problem for some agencies and some statutory background qualifications—even if general in nature—would be of positive benefit. Also the goal of a balanced commission is very desirable. But, as a general proposition, we do not favor amending the statutes to divide commission seats among various groups or professions. The requirements in this section, although admittedly general in nature, will provide emphasis that the commissions should be representative of various backgrounds and occupations; it may also prove helpful to the Senate in its exercise of its confirmation responsibility.

On the issue of confirmation of commission chairmen, the present situation is that the President designates the chairman, often without any opportunity for public appraisal through the confirmation process. When an individual is nominated to the commission, and it is known that he will also be designated chairman, the Senate of course is free to consider that fact in confirmation proceedings and there is some opportunity for public comment. However, in a significant number of cases, agency chairmen are selected from commission membership, which means that the Senate has no formal role in the process and the public is not given an opportunity for review. For example, a recent study of FCC and FTC appointments found that from 1950 to 1974, FCC or FTC chairmen were designated in seventeen instances, and nine were sitting members and therefore did not require any confirmation action. The situation is of particular concern with those agencies where the Chairman, once designated, holds the office for the duration of the term as a commissioner. For example, a CPSC member could be designated Chairman and be entitled to hold that office for something less than seven years—all without Senate approval public comment or the ability of the President to require the Chairman to step aside. As such, designation of this important official solely by the President constitutes an unusual and unwise exception to the general principle that top government office holders be subject to advice and consent of the Senate.

TITLE III—AGENCY REVIEW OF EXISTING RULES

Section 301. Findings and Purposes. Once regulations are issued, they are rarely reexamined. Even if an agency can accurately predict all of the immediate consequences of a regulation at the time it is issued, technological, economic and social changes may require modifications in existing rules. Yet regulations may continue in force for years even though the original conditions justifying the regulations may have changed.

Section 301 of the bill recognizes this problem and declares that the agencies should systematically review their rules to determine whether the need for the rules still exists as well as whether the rules use the least burdensome and most effective approach for accomplishing the objectives of the rules. The section also declares that a regular procedure should be established by law to assure that agencies periodically review existing rules.

Regulatory review

Section 302 of the bill adds a new subchapter to the U.S. Code. The subchapter has the following new sections.

Section 641. Requirement for review of agency rules. This section requires regulatory agencies to annually review one or more of its existing rules in order to determine whether continuation or amendment of the rule is in the public interest.

Subsection (b) requires that each agency examine its existing rules to determine which rules should be reviewed under this section. The agency must also establish and make public a general plan and set of procedures for reviewing one or more rules during each of the next five years. The plan must specify which rules will be reviewed during each of the next five years. The agency must publish a description of the plan in the Federal Register and include the plan in the annual report required by section 624.

The bill grants a great deal of flexibility to an agency by allowing it to review a minimum of one, or as many rules as it wants to, in a given year. This flexibility is necessary because engaging in an intensive, thorough review of an important rule can require devotion of significant agency resources; rules that took years to formulate may have consequences that cannot be hastily assessed. An agency may review just a few of its more important rules in a given year or reevaluate a larger number of less complex rules.

In order to assure that agencies concentrate on rules that need review, however, subsection (c) specifies criteria for an agency to use in deciding which rule or rules to review. Generally, the more significant the economic and other consequences, the longer the length of time since the rule was issued, and the greater technological, economic, social or other changes which have taken place in the area affected by the rule, the more likely the rule should be reviewed. Another element to consider in deciding whether or not to review a rule is the extent of compliance with the requirements of the rule. In addition, the agency must consider any comments made by the public about the implemented rule in deciding whether review is proper.

Section 642. Nature of agency review. Subsection (a) lists the issues an agency must consider in reviewing a rule. Among the factors to be considered are: the need for and the objectives of the rule at the time it was issued, whether there is a continuing need for the rule; the extent to which the rule achieves its objectives; and the health, safety or other noneconomic effects of the rule; the paperwork, recordkeeping, or other similar burdens imposed by the rule on the public; and the cost and nature of any enforcement problems associated with implementation of the rule. The agency must also consider whether the objectives of the rule may be met through a less burdensome alternative and the extent to which the rule overlaps or duplicates other rules. Ultimately, the agency must decide what changes, if any, should be made in the rule. The proposed changes are not limited to rescinding or weakening the rule; a rule may need strengthening as well.

Subsection (b) provides that in conducting its review an agency may consider a series of closely related rules as one rule.

Section 643. Public comment on rules under review. The bill requires that reviews conducted under this subchapter should involve the public as much as possible. Section 643 specifically provides that agencies must provide an opportunity for public comment on the rule under review.

Section 644. Report to Congress. This section requires each agency to prepare and transmit to the Congress, and make available to the public, a report on each review of a rule it conducts under sections 641 and 642 of title 5, U.S. Code. The report must specify whether a proceeding should be initiated to rescind, amend, or continue the rule without change. An agency recommendation for changes in a rule would not be self-executing; a rule promulgated under section 553 of title 5, U.S. Code, would presumably have to be rescinded or modified by following the procedures set forth in that section. The report must include any recommendations for legislative action relating to the rule.

The report would be included in the annual report required by section 624. It must also be made available to the public upon its completion.

Section 645. Review by the Congressional Budget Office. The bill assigns the Congressional Budget Office the duty to monitor agency compliance with the subchapter's review requirements. The standards to be used by CBO in fulfilling its duties under this section are similar to those listed in title I of the bill (new section 625).

TITLE IV—ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Section 401 outlines the purposes of the new subchapter created by this title. The subchapter reorganizes the Administrative Conference of the United States (ACUS).

At present, the Administrative Conference is a small, independent Federal agency created in 1964, and activated in 1968. Its function is to study and make recommendations and to exchange information concerning administrative proceedings. It has no ongoing operating program other than to "study the efficiency, adequacy, and fairness of the administrative procedure used by administrative agencies in carrying out administrative programs."

The Conference is presently headed by a Chairman, who is nominated by the President and confirmed by the Senate. However, the Conference itself is composed of as many as 92 members, most of whom come from

either the academic community or the Federal agencies. Reduced to essentials, the Conference has acted as a research body in its more than ten years of existence. The background and responsibility of the Conference is discussed in volume VI of the Committee study.

One of the purposes of the bill is to restructure the Conference to enable it to assume a major role in dealing with problems of regulatory inefficiency, delay and complexity.

Such an agency must necessarily have a structure more suited to solving problems instead of the present structure of ACUS, which is designed for studying and recommending. The present structure of the Administrative Conference is more appropriate for a research organization than a body charged with important oversight or monitoring functions.

Section 401 thus specifies that one of the purposes of the title is to restructure the Conference so that it will be directed by a single administrator who will be charged with carrying out the functions of the agency.

Among the new functions of the Conference are the duty to evaluate the performance of administrative law judges and to take appropriate action based on such evaluations. In order to improve the quality of agency decisions, the Administrative Conference would be authorized to compensate persons who could not otherwise afford to participate in the proceedings and who contribute substantially to the compilation of the most complete and balanced record possible.

Establishment of conference

Section 402 abolishes the existing Administrative Conference of the United States. In its place subchapter IV establishes a new Administrative Conference, the major provisions of which are described below.

Section 591. The definitions section is based largely on the current definitions contained in present section 572.

Section 592. Establishment of the Conference. This section establishes a Conference to be headed by an Administrator appointed by the President and confirmed by the Senate. The person appointed Administrator must be qualified by his or her training, education, or experience to carry out the functions outlined in the bill.

Because of the new important functions assigned to ACUS, and its relationship to the independent agencies, the bill grants the Administrator and Deputy Administrator a measure of independence. The Administrator and Deputy Administrator would be appointed to a four-year term coterminous with that of the President and be removable only for inefficiency, neglect of duty, or malfeasance in office.

The Administrator would be responsible for the executive and administrative operation of the Conference. The Deputy Administrator would act in the Administrator's place during the latter's absence.

Section 593. Functions of the Conference. This section restates the present function of the Conference to study the efficiency, adequacy, and fairness of the administrative procedures used by administrative agencies. As part of this duty, the Conference should pay particular attention to the extent to which agencies provide for meaningful participation by members of the public in all appropriate stages of the decisionmaking process.

The bill thus provides that ACUS would continue to exercise its present research, advisory, statistical, education, and coordinative responsibilities. But more than that, it will actively monitor the way agencies plan and manage their regulatory responsibilities, and will propose procedures to improve the effectiveness of agency operations.

For the first time ACUS will have, under this legislation, the responsibility to issue advisory guidelines for laws of general application which comprise the framework of Federal administrative, open government and access to information laws. These laws have common goals and objectives—fairness in administrative practice and ensuring open government and availability of government information. They also impact on management of agency procedures and on reducing paperwork. Interpretations and definitions under one law often affect other laws in this group and coordination among them is necessary. For these reasons, the bill provides that ACUS have the responsibility for all Federal regulatory agencies and programs.

As proposed in this legislation, the statutes for which ACUS will have advisory guidance responsibility include the Administrative Procedure Act, the Freedom of Information Act, the Privacy Act of 1974, the Government in the Sunshine Act, the Federal Advisory Committee Act, and the Act to Establish a Commission on Federal Paperwork. ACUS will also issue guidelines for the regulatory analysis requirement proposed in this bill.

In addition, ACUS would be authorized to comment and testify on legislation as well as participate, as amicus curiae, in court cases which involve significant issues relating to administrative procedure.

The bill also states that the Administrative Conference shall provide financial assistance, to the extent that funds are made available, to eligible persons to cover the costs of participation in regulatory proceedings. Under certain circumstances, financial assistance would be provided to cover the cost of attorneys, transcripts and experts. In order to receive an award under this provision, each of the following criteria must be met:

(A) the applicant must be an effective representative of an interest, the representation of which could reasonably be expected to contribute to a fair disposition of the proceeding. In that determination, the Conference shall take into account the need for representation of a fair balance of interests, and the complexity and relative importance of the issues involved.

(B) the economic interest of the applicant must be small in comparison to the cost of effective participation, or it must be found that the applicant does not have sufficient resources to participate effectively.

(C) participation by the applicant in the proceeding must otherwise be authorized by statute, regulation, agency practice, or the exercise of agency discretion. It should be noted that the provision does not in any way modify the present rules on who is permitted to participate in regulatory agency proceedings. Indeed, meeting those standards is a prerequisite for an award under this provision.

The justification for this provision was discussed in volume III of the Committee's *Study on Federal Regulation*. In that study, we found that proper functioning of the administrative process requires that all affected interests be heard. That policy is reflective of a series of court decisions, expanding the rights of citizens to participate in regulatory proceedings. See *Office of the Communications of the United Church of Christ* v. *FTC*, 359 F.2d 994 (D.C. Cir. 1966). It is also a recognition that the "public interest" is in fact a variegated concept. Public involvement in determining the "public interest" in a particular matter was found to be positively beneficial to the work of the agencies. However, the extent of participation very often turns on financial ability, thus excluding what otherwise would be useful contributions to decisionmaking.

Volume III of the Committee's study clearly demonstrated that participation by public or non-regulated interests is generally far less than the involvement of the regulated interests. The data also suggests that in all type of proceedings, regulated interests commit much greater resources than their public interest counterparts. In short, the study found a serious imbalance in this regard, all of which has, in our opinion, a harmful impact on the quality of regulatory decisionmaking.

This provision on intervenor funding is intended to address that imbalance. The primary goal is to assist agencies to reach well-reasoned decisions based on a balanced record.

By granting these responsibilities to ACUS, rather than individual agencies, the bill differs from prior proposals for intervenor funding. Vesting the Administrative Conference with decisionmaking authority concerning intervenor funding would eliminate the suspicion of bias raised by the ability of an agency to fund intervenors of its own choosing. In addition, since the Conference will distribute funds from a common pool, it will have flexibility to earmark funds where they are most needed at a particular time.

Some agencies already have the authority to fund qualified intervenors. The experience of these agencies indicates that intervenor funding can help improve public participation in the regulatory process. The Administrative Conference would be responsible for establishing equitable procedures for implemention of this program on a wider basis.

Section 594. Reports to the Congress. The section authorizes the Conference to analyze the agency's annual reports required by section 624 of this title and by June 1 of each year provide Congress with an analysis of those reports. In its annual report the Administrative Conference will provide any recommendations it determines appropriate for additional legislation, for changes in agency practices and procedures that may be implemented without legislation, or any other steps it thinks Congress or the agencies should take to carry out the purposes of this bill.

The bill also charges the Administrative Conference with specific responsibility for studying ways to increase the incentives that all participants in a proceeding have to complete the proceeding in an expeditious way. This could include, for example, increasing the benefits accruing to parties that complete a proceeding quickly, as well as imposing costs of various kinds on participants that delay proceedings. While the bill contains a number of changes to increase the speed of agency proceedings, further experience under the new proceedings and further study should provide suggestions for additional ways to improve the process through the greater use of incentives. The Administrative Conference will submit its first report within one year of enactment of the bill, and additional reports from time to time as it determines appropriate.

Finally, the bill requires the Administrative Conference to submit reports on the effectiveness of the laws specified in section 592(2) of this title (e.g., Privacy Act, Administrative Procedure Act) and the extent of agency compliance with such laws. The Conference would include appropriate recommendations for legislation or for changes in the practices and procedures followed by the agencies.

Section 595. Administrative provisions. This section gives to the Conference necessary powers that will enable it to effectively carry out its functions. Specifically, the Conference may issue guidelines and other interpretative rules and general statements of policy. It may also conduct hearings and inquiries. It is also authorized to establish necessary administrative or procedural rules.

It would also issue substantive rules in accordance with section 593(5) concerning intervenor funding. For example, it could bar funding to any person who has improperly harassed any participant in an agency proceeding, acted in bad faith, or sought to participate primarily for the purpose of delaying or obstructing the proceeding.

Subsection (b) authorizes the Administrative Conference to gain access to such records and information and analysis that the Conference requires to carry on its functions under this Act. Currently, the Administrative Conference does not possess such specific statutory authority. In order to assure the confidentiality of that information which should remain confidential, the bill applies to the officers and employees of ACUS the same restrictions on public disclosure of information that apply to the agency which supplied the information to ACUS.

Section 596. Advisory commission. Although the membership of the present Conference may be too large and unwieldy, there is a continuing need for a body of knowledgeable persons with an interest in the Conference's work. There is also a continuing need to have experts with varied perspectives advise the Conference in its work. For this reason, the bill establishes a nine-member Advisory Commission within the Administrative Conference. The Advisory Commission would be a bipartisan group composed of members with a broad representation of talents, backgrounds, and experience.

Section 402(d) of the bill specifies a two-year authorization for the Administrative Conference.

Section 404 contains conforming amendments which place the Administrator of the Administrative Conference at level III of the Executive Schedule and the Deputy Administrator at level V.

Mr. PERCY. Mr. President, I am delighted to join with my distinguished colleagues in introducing the Reform of Regulation Act of 1979. This legislation is the culmination of a 3-year, six-volume study on Federal regulation conducted by the Senate Committee on Governmental Affairs under the mandate of Senate Resolution 71.

Reforming the Federal regulatory structure will be a top priority in the Governmental Affairs Committee in 1979. The legislation we are introducing today will go a long way toward improving the quality of regulation, minimizing its burdens, and reducing delay. In addition, the committee will be considering the Regulatory Reform Act, which I drafted and introduced last year along with Senator ROBERT C. BYRD, Senator RIBICOFF, and 43 other Senators. The Regulatory Reform Act requires a comprehensive congressional evaluation of regulatory agencies under an 8-year sunset process. Every 2 years a group of related agencies would be reviewed, and unless each agency is reauthorized with or without change it would automatically cease to function under a phased procedure which insures adequate time for congressional action.

The Senate adopted this bill as an amendment to S. 2, the Sunset Act, last fall. Although the House of Representatives was unable to consider the bill before adjournment, I will work with our House sponsor, Representative JOHN ANDERSON, to bring the Regulatory Reform Act to vote in the House this year.

Federal regulations currently fill tens of thousands of pages of the Code of Federal Regulations, covering an enormous range of issues such as market entry and rates in various industries, health and safety of citizens, and protection of the environment. The net cost of regulation was between $113 and $135 billion in 1975, according to estiates of the Office of Management and Budget. Others have estimated an even larger cost.

The administrative costs of regulatory proceedings, staff, and enforcement are reflected in annual budgets and paid through tax receipts. These are easily identified. But costs imposed on consumers and industry are not always so clear. For instance, the Council on Environmnetal Quality recently estimated a $3 billion price tag for Federal environmental cleanup requirements, $3 billion which not only cannot be used for productive investment and plant modernization, but is also passed on to the consumer. While environmental protection and similar activities are clearly vital, regulatory side effects cannot be ignored if we are to make responsible decisions.

Another major regulatory cost is the delay which stems from overly rigid procedures and backlogs. According to the Governmental Affairs Committee's study on Federal regulation, time consumed in regulatory proceedings averages 19 months for licensing, 21 months for ratemaking, and over 3 years for enforcement actions. Although exacting procedures may be a necessary attribute of "due process of law" under our constitutional system, the adage of "justice delayed is justice denied" should be remembered.

Reforming the regulatory process to insure adequate attention to costs need not conflict with the goals of regulation. One of the clearest examples of this is the airline industry, which had been under strict Federal control almost from birth. Although reluctant to give up CAB protection at first, this industry has benefited immensely from Congress recent decision to dismantle the CAB. Stock prices and profits have increased dramatically. One major airline's net profits rose from $91 million in the first 9 months of 1977 to $286 million for the comparable period of 1978. But perhaps the biggest beneficiary of this new competition has been the consumer, as air fares nationwide have fallen even as inflation increased.

Thus, while regulation has played an important role in improving the lives of Americans, the accumulated number and complexity of rules enacted over a period of decades has also resulted in a drag on the economy through significant costs and red tape. It is time Congress addressed these issues.

The Reform of Regulation Act will be a major contribution to responsible reform of the regulatory process. The bill will require that every significant new Federal regulation be accompanied by a detailed analysis of the need for Federal action and the costs and benefits of the specific approach involved.

This proposal stems directly from the Governmental Affairs Committee's study, and will force agencies to consider the wide range of potential economic and other impacts before proceeding with regulatory initiatives. It will also insure that an informed public can raise pertinent questions concerning new rules.

In addition, the legislation will require rudimentary self-discipline by the agencies themselves, including deadlines for the completion of regulatory proceedings, setting agency priorities and agendas, and annually reviewing existing regulations to see if they are still necessary and effective.

Finally, in an effort to reduce delay in the regulatory process, the legislation will amend portions of the 30-year-old Administrative Procedures Act to eliminate excessive trial-type hearings and relieve logjams in the decisionmaking process.

I do have reservations about one provision which would authorize Federal funding to enable certain interests to participate in Federal regulatory proceedings. I could not support such a proposal if it would significantly delay the regulatory process. I also am troubled by the possibility that funds would be made available to groups which are not truly in need or which would not make a substantial contribution. I will reserve judgment on this provision until I have had the opportunity for careful study.

The enactment of regulatory reform legislation will be a long and complex process. The Governmental Affairs Committee will receive testimony representing wide ranging viewpoints to help us refine our proposals. Certainly, we will appreciate constructive suggestions and recommendations as we consider this legislation. We will also give serious consideration to complementary proposals such as the Regulatory Reform Act which I will soon reintroduce. I am confident that meaningful and comprehensive reform legislation will be enacted into law in the 96th Congress.

Mr. JAVITS. Mr. President, I am pleased to join as a cosponsor the Regulatory Improvements Act of 1979. It is clear that the subject addressed by this bill—regulatory reform—is one of the most important issues that the Congress will have to face in the coming session. During the last 40 years, Federal regulation of the private sector has grown tremendously, until now nearly every major activity is subject to some Government control. There is a widespread feeling that much of this regulation is unnecessary, and that regulatory procedures have become so time-consuming, expensive, and unwieldy that they are stifling private initiative. The American people are demanding that something be done about these concerns, and I believe that we in Congress must respond and act to rationalize our regulatory system.

For balance, however, I think that we must recognize that much that is good has come out of Government regulation, too. The great progress we have made in cleaning up our environment, in making our factories and mines safer places to work, and in protecting the U.S. consumer from fraudulent practices and unsafe products would not have been accomplished without Government intervention.

It is, therefore, important that efforts

to reform our system of regulation be done in a responsible manner, so that the regulatory system can be made to work better, without jeopardizing needed public safeguards. I believe that this legislation introduced which grows out of the excellent and comprehensive study of Federal regulation just completed by the Senate's Governmental Affairs Committee, goes a long way toward that goal.

In my view, the bill makes a number of improvements in current law:

First, it requires agencies to plan and set priorities for their major regulatory activities. These plans would be subject to congressional oversight, and would help to reduce misallocation of resources.

Second, the bill would require agencies to engage in a cost-benefit analysis of significant proposed rules, where the underlying law permits such a review. Too often, rules are promulgated without adequate consideration of their impact on the total national economy or on the regulated industry. In conducting this analysis, agencies would have to look at feasible alternatives to their proposals, and measure the economic and social effects of each such alternative. Cost-benefit analysis remains an inexact science, because although costs are easy to measure, it is often very difficult to place quantitative value on benefits. How, for example, does one measure the economic value of reduced exposure to disease in the workplace?

For this reason, it would be wrong to require proposed rules to pass some sort of mechanical cost-benefit test before they can be implemented. Nonetheless, despite the difficulty in measuring benefits, we cannot afford to simply ignore costs. The bill requires agencies to begin to focus on these concerns, and the economic impact analyses prepared pursuant to the legislation will provide another mechanism for meaningful Congressional oversight.

Third, a major purpose of the bill is to reduce the delays inherent in administrative hearing procedures. The bill encourages the resolution of most issues through the submission of written testimony and documentary evidence rather than through lengthy adjudicative proceedings; only when substantial issues of fact remain would the agency hold a trial-type hearing. Importantly, the bill also upgrades the method of selection and the status of the administrative law judges who would conduct such hearings.

Fourth, the bill would require regulatory agencies to review at least some of their major rules each year to determine whether they should be modified or are necessary at all. It is often the case, now, that a rule, once promulgated, is forgotten and expensive compliance required long after the rule has served its purpose. The bill does not, however, require that all rules expire automatically unless the agency can justify their continuation; that approach would bog down agencies in the review process to such an extent that their primary missions would suffer greatly.

Fifth, the bill strengthens the Administrative Conference of the United States, and provides it with the authority to fund intervenors in agency proceedings.

I know that there are those who will believe that this bill does not go far enough. It does not, for example, include provisions for a legislative veto of agency rules. But I believe that one of the strengths of this bill is that Congress is acting in its proper role, providing overall direction and oversight, without getting involved in the day-to-day management of the regulator agencies.

I look forward to hearings on this and similar legislation in the near future, and believe that we will see the enactment of serious and responsible reform this session.

By Mr. BENTSEN (for himself and Mr. PROXMIRE):

S. 263. A bill to amend the State and Local Fiscal Assistance Act of 1972 to terminate the State government share of funds allocated to the States beginning with fiscal year 1980; to the Committee on Finance.

Mr. BENTSEN. Mr. President, the American people have made it quite clear that they are fed up with the rapidly growing costs and enormous deficits of an ever-expanding Federal Government. They want the Federal Government to begin to operate in a rational fashion by eliminating programs that are no longer necessary and serve no useful purpose.

As a step in this direction, I am introducing, today, legislation which would prohibit State governments from receiving Federal revenue sharing funds. At this point in time, State participation in the Federal revenue sharing program simply make no sense.

According to the most recent figures compiled by the Center for Policy Research of the National Governors' Association, the 48 States for which figures are available had an aggregate surplus of $8.9 billion at the end of fiscal year 1978. These 48 States are projected to have a surplus of $4.3 billion for fiscal 1979. The Federal deficit for fiscal year 1978 was $48.8 billion and the projected deficit for fiscal year 1979 is $37 billion. It makes no sense for the Federal Government to continue to send revenue sharing funds to State governments when they are in far better financial condition than the Federal Government and when huge Federal deficits are contributing to inflation at home and a declining dollar abroad.

There are those who may suggest that it is unfair to eliminate all State governments from the Federal revenue-sharing programs because this action treats all States alike. While the financial condition of State governments varies from State to State, however, the figures compiled by the National Governors' Association demonstrate that all State governments are alike in one important respect—each one is in a better financial condition than the Federal Government. Not one single State is projected to have a deficit for fiscal year 1979.

Mr. President, the American people are correctly demanding that the Federal Government put its financial house in order. They want Federal spending cut and Federal deficits reduced. The bill which I am introducing today would cut $2.28 billion from the Federal budget in fiscal year 1980.

The legislation I am introducing today would not reduce the level of revenue-sharing funding which goes to city and county governments. These local units of government have real needs which must be met. But it is illogical for the Federal Government to increase the size of its deficits in order to provide money which contributes to surpluses accumulated by State governments. I feel it is about time that Federal programs like revenue sharing are streamlined to eliminate waste and meet legitimate needs.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 107 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1226; relating to division of entitlements between State and local governments) is amended to read as follows:

"(a) DIVISION BETWEEN STATE AND LOCAL GOVERNMENTS—

"(1) STATE GOVERNMENT SHARE.—The state government shall be entitled to receive—

"(A) one-third of the amount allocated to that State for each entitlement period ending before October 1, 1979, and

"(B) no part of such amount for any entitlement period beginning after September 30, 1979.

"(2) LOCAL GOVERNMENT SHARE.—Two-thirds of the amount allocated to a State for an entitlement period shall be allocated, as provided in section 108, among the units of local government of that state.".

(b) (1) Subsection (c) of section 105 of such Act (31 U.S.C. 1224; relating to authorization of appropriations for entitlements) is amended—

(1) by striking out "$6,650,000,000" in paragraph (1) and inserting in lieu thereof "$4,428,900,000",

(2) by striking out "$6,850,000,000" in such paragraph and inserting in lieu thereof "$4,566,662,100",

(3) by striking out "$4,780,000" in paragraph (2) and inserting in lieu thereof "$3,186,663", and

(4) by striking out "$4,923,759" in such paragraph and inserting in lieu thereof "$3,282,473".

SEC. 2. The amendments made by section 1 of this Act apply with respect to entitlement periods beginning after September 30, 1979.

Mr. BENTSEN. Mr. President, I hope my colleagues will take a look at it and give it serious consideration. I would welcome cosponsors to it.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I ask unanimous consent that I be listed as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I think the program has become ridiculous. The Governors of New York, California, New Mexico, and Arizona, if you read their inaugural speeches, what do they say? They say the Federal Government is spending too much money and to stop it; that it is engendering inflation.

Here is one way to stop it. The League of Women Voters made a study of revenue sharing, a 2-year study, and they found a very large proportion of the Governors, State legislators, reporters who covered the legislatures, had no idea where the money went, had no idea where it had gone, completely unaccountable.

If there is a program that ought to be arrested, it is this program, and I am delighted that the Senator from Texas, who is a member of the Committee on Finance, which has jurisdiction, as I understand it, over revenue sharing, is introducing this legislation. In fact, I would go further and abolish the entire program. But he is talking about the program as it applies to the States.

Mr. BENTSEN. Some jurisdictions have very serious problems and substantial deficits, but I am talking specifically about the States. I am delighted to have the Senator as a cosponsor. There is still time to go on the bill.

Mr. PROXMIRE. I thank the Senator.

Mr. HART. Mr. President, if the Senator will yield, I congratulate the Senator from Texas for the action he is taking on one of the most popular programs in the country, based on what I hear from the local officials in Colorado and other parts of the country.

The fact of the matter is that the Senator from Texas is absolutely right, and the Senator from Wisconsin is absolutely right. Over half the States in the Union or more than half are calling for the passage of resolutions providing for a constitutional convention to change the Constitution so as to mandate a balanced budget, where every one of them got hundreds of millions, if not billions, of dollars from the Government the last year.

The Governor of the largest State in the Union, it is reported, is running for President on the platform of supporting that constitutional convention and balancing the Federal budget. The State of California got $6.8 billion from the Federal Treasury this year. Every one of these States that is passing these resolutions to balance the Federal budget is taking a ton of money from the Federal Government every year, $82 billion all told this year.

There is a great deal of political hypocrisy in this country, and I think it is time we ended it. If it takes a measure such as this to strike the most popular program of Federal support for State and local governments, then let us do it, and people like myself may end up supporting this even though every one of the county commissioners in Colorado wants it.

Mr. BENTSEN. I appreciate the Senator's comments very much.

Mr. BUMPERS. Mr. President, the Senator from Texas, the Senator from Colorado, and the Senator from Wisconsin have raised some important points.

I am for balancing the budget. I have been talking about the budget deficit since I arrived in Washington. Suddenly it has become very trendy around the country to talk about it, but the comments the Senator from Texas, the Senator from Wisconsin, and the Senator from Colorado have made are right on target.

Total Federal aid to State and local government will approximate $85 billion in 1979, or nearly twice as much as the estimated Federal budget deficit for fiscal year 1979 of $48.5 billion.

If you want to excuse some of the deficit spending say that the budget is really not out of balance, it should be pointed out that approximately $67 billion of the Federal budget is in loans which will ultimately be repaid to the Treasury. The American people never hear these facts because the people who talk about Federal spending are only interested in the political mileage they get out of it.

The Senator from Texas has taken a very courageous stand. He understands the impact of inflation. Inflation is universal. Everyone suffers from it. We talk about the poverty programs, but the poor, the people on fixed incomes are the ones who suffer most from inflation. You can talk about cutting back poverty and social programs and ohw the poor are going to suffer. These people suffer because of the most insidious theif in the country—inflation.

I commend the Senator from Texas for his courage.

Mr. BENTSEN. I thank the distinguished Senator from Arkansas and the distinguished Senator from Colorado. I appreciate their comments very much.

If anyone would like to contribute on the other side of the aisle in support of this measure we will be pleased to have them do so! I say this knowing of their sincere and deep interest in fiscal responsibility in trying to achieve a balanced budget.

By Mr. HEINZ (for himself, Mr. RANDOLPH, Mr. BAYH, and Mr. GLENN):

S. 264. A bill to amend the Antidumping Act of 1921, the Trade Act of 1974, and the Tariff Act of 1938 to improve procedures relating to the determination of certain unfair foreign trade practices; to the Committee on Finance.

TRADE PROCEDURES REFORM ACT

Mr. HEINZ. Mr. President, on September 28, 1977 Senators convened in the Capitol at the invitation of Senators RANDOLPH, GLENN, METZENBAUM and myself to form the Senate Steel Caucus. Our motivation at the time was the unprecedented crisis in the steel industry which was causing massive layoffs (some 20,000 at that point), large losses and plant shutdowns. At the meeting we resolved to take action to deal with the serious problems confronting the industry and to make sure they were brought to the President's attention.

Soon afterward we clearly had results with the latter, as the President met first with the organizers of the House and Senate Steel Caucuses, along with industry and labor leaders, and subsequently with a larger group of Senators and Congressmen, to learn about steel problems and discuss different solutions.

These meetings resulted in the appointment of Treasury Undersecretary Tony Solomon to head a task force to develop a plan for the steel industry. That report was issued later in 1977 and included a number of positive recommendations, among them the trigger price mechanism.

The TPM was ostensibly designed to improve the operation of the Antidumping Act of 1921, which presumably would lead to a reduction in steel imports due to the elimination of predatory pricing practices by our trading partners. The steel industry had by that point made a convincing case that the upsurge in imports was in large part due to those same unfair trade practices.

The experience of the past year, however, has proved the failure of TPM, as steel imports reached the record level of some 22 million tons. At first delays in implementing TPM produced large increases in shipments by importers trying to beat the deadline. Subsequently, imports have still exceeded expectations, with European and lesser developed country imports more than making up for Japanese reductions.

Although TPM has had some benefits, notably the effective creation of a price floor which has allowed the domestic industry to raise its prices and increase its earnings, it has clearly failed in its primary objective of controlling imports, and it has, by its use of Japanese production costs in its calculations, effectively permitted European manufacturers to dump their product in the U.S. legally—by selling below their costs but above Japanese costs.

This failure reaffirms the importance of the legislation caucus members introduced late in 1977—the Trade Procedures Reform Act. That bill was designed to deal with the problem that TPM fails to conquer—the continued influx of subsidized and dumped steel sold in this country. The Trade Procedures Reform Act (S. 2317 in the 95th Congress) was intended to help cope with trade and import problems by streamlining investigatory procedures and making the imposition of penalties swifter and surer. The bill did not expand the scope of existing trade statutes; if anything it simplified those laws and strengthened them to make sure they, in fact, achieve the originally intended impact.

Today I am introducing, along with the other leaders of the Senate Steel Caucus a somewhat revised version of the Trade Procedures Reform Act—the Fair Trade Act of 1979. Although there have been a number of drafting changes in the language of the bill, its basic thrust remains the same—to make the Antidumping Act of 1921 a more effective deterrent by speeding up the investigatory process and by requiring the full payment of dumping duties at an earlier point in the process, thus imposing a significant financial liability on the importer or foreign manufacturer.

At present a normal antidumping investigation takes 13 months—an initial 1-month period for Treasury to accept the petition, a 6-month investigation prior to a tentative finding of sales at less than fair value, a 3-month period for finalizing the finding and a 3-month period for the International Trade Commission to determine injury. The bill we are introducing today reduces that period

to 8 months and requires the impositions of duties (assuming a finding of dumping) after 7 months. Under our bill the procedure would begin with a 2-month period for Treasury to decide whether to accept the petition and launch an investigation. Also during that time the petition is referred to the ITC for a preliminary injury investigation. (This coincidentally coincides with the GATT, which urges an early injury determination.) If both preliminary inquiries indicate a full investigation is needed, a 5-month investigatory period begins, which culminates in both a Treasury tentative determination of sales at less than fair value and a final ITC finding of injury. At that point—the end of the seventh month—full estimated dumping duties are assessed. Finally, there follows a 1-month period for Treasury to review its decision and adjust dumping margins if further evidence warrants before the finding becomes final. Through these changes the period from beginning to end is substantially shortened, and the "up front" payment of duties instead of the assessment of a bond costing only a fraction of its value makes the Anti-Dumping Act a notably stronger deterrent to sales at less than fair value in this country, while at the same time providing greater speed and certainty in the adjudication process, which will be of interest to importers.

Another important change in the Fair Trade Act from the bill we introduced in the last Congress relates to section 301 trade discrimination cases. In the original bill, prompted by a 301 case filed by the steel industry which was not acted on for some 18 months, we imposed certain time limits on 301 investigations by the Office of the Special Trade Representative, although we did not impose restraints on the President's latitude in acting pursuant to an investigation by STR. In this revised version we have expanded the changes somewhat to require that STR, upon receipt of a petition alleging a violation of section 301, either undertake an investigation or state to the petitioning party its refusal to do so, with an explanation; that such investigation include an open hearing process; and that such investigation take only 5 months, rather than the 12 months in the earlier version of the bill.

Other sections of the bill relating, among other things, to section 303 countervailing duty cases and section 337 unfair trade practice cases remain the same, although I plan shortly to introduce a separate bill dealing more comprehensively with countervailing duty problems.

Mr. President this revised bill represents a renewed effort by the steel caucus to deal with dumped steel—an important part of the industry's problems which administration action has not fully solved. The upcoming submission of a multilateral trade agreement and the opportunity for Congress to act on implementing legislation for that agreement provides an opportunity to obtain enactment of substantive trade law reform.

In addition to this bill, Senator DANFORTH has also introduced legislation dealing with some of these same issues and others not touched by our Fair Trade Act. I am pleased to sponsor that bill as well, as it clearly moves in the same direction as the steel caucus' bill. Hopefully, with all interested parties working closely together we can make these bills a reality.

I would also remind Senators, Mr. President, that the steel caucus is inaugurating the 96th Congress with two meeting. On February 6 at 3 p.m. the caucus will meet with Treasury Under Secretary Solomon to discuss what actions have been taken on his proposals of 14 months ago. A day later, on February 7, also at 3 p.m., the caucus will meet with executive officers of a number of major steel companies to hear their views on the industry's current situation and the outlook for the year ahead. I invite all Senators, old and new, to attend these meeting and join with the steel caucus in its efforts to restore the steel industry to economic health.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today, along with a section-by-section summary be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Trade Procedures Reform Act".

SEC. 2. AMENDMENT OF ANTIDUMPING ACT OF 1921.

(a) Conditional Payment of Special Antidumping Duty.—Section 208 of the Antidumping Act, 1921 (19 U.S.C. 167) is amended to read as follows:

"ENTRY OR WITHDRAWAL OF MERCHANDISE

"SEC. 208. (a) If—

"(1) the Secretary has made public a finding under section 201(a) with respect to a class or kind of merchandise, or

"(2) appraisement has been withheld with respect to a class or kind of merchandise under section 201(b)(1)(B),

a customs officer may not deliver merchandise of that class or kind to the person by whom or for whose account it was imported unless that person complies with the requirements of subsection (c) and deposits with the customs officer an estimated special dumping duty determined under subsection (c).

"(b)(1) For purposes of this section, the term 'estimated special dumping duty' means the excess of—

"(A) the foreign market value (or, in the absence of that value, the constructed value), over

"(B) the purchase price or exporter's sale price,

as determined by the Secretary under section 201(b)(3), or section 201(b)(1), as the case may be, without any allowance for differences in circumstances of sale.

"(2) In the case of merchandise described in paragraph (2) of subsection (a), the estimated special dumping duty shall be such excess determined by the Secretary on the basis of amounts he has reason to believe or suspect to be correct at the time he makes his determination under section 201(b).

"(c) In order to comply with the requirements of this subsection, a person shall—

"(1) furnish, or arrange to have furnished, to the customs officer such information as the Secretary deems necessary for determining the foreign market value (or, in the absence of such value, the constructed value) of the merchandise imported by or for the account of that person, and such other information as the Secretary deems necessary for ascertaining any special dumping duty to be imposed under this title;

"(2) maintain and furnish to the customs officer such records concerning the sale of the merchandise as the Secretary, by regulation, prescribes;

"(3) if he does not state under oath before the customs officer that he is not an exporter, or if he does not declare under oath at the time of entry the exporter's sales price of the merchandise, agree to report the exporter's sales price of the merchandise to the customs officer within 30 days after the merchandise has been sold, or has been made the subject of an agreement to be sold in the United States; and

"(4) pay, or agree to pay on demand, to the customs officer the amount of any increased or additional special dumping duty imposed under this title on the merchandise.

"(d) If, upon liquidation or reliquidation, the amount of estimated special dumping duty deposited for merchandise imported by or for the account of a person exceeds the amount of the special dumping duty finally determined to be payable for that merchandise, then the Secretary shall refund the excess to that person.".

(b) INITIAL ASSESSMENT DATA.—Section 202 of such Act (19 U.S.C. 161) is amended by adding at the end thereof the following new subsection:

"(d) In determining the amount of the special dumping duty which may be levied under subsection (a), the Secretary may use figures, amounts, and other data developed by the investigation under section 201 if such figures, amounts, and other relevant data are revised not less frequently than annually.".

(c) SIMULTANEOUS INVESTIGATION BY SECRETARY AND INTERNATIONAL TRADE COMMISSION.—Section 201 of such Act (19 U.S.C. 160) is amended by striking out subsections (a), (b), and (c) and inserting in lieu thereof the following new subsections:

"SEC. 201. (a)(1) Whenever the Secretary of the Treasury (hereinafter referred to as the 'Secretary') receives information alleging that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value and that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, the Secretary—

"(A) shall immediately notify the United States International Trade Commission (hereinafter referred to as the 'Commission') and furnish copies of that information, and such additional information as he considers pertinent, to the Commission, and

"(B) shall, within 60 days after receiving the information, determine whether to initiate an investigation into the question of whether such merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value.

"(2) Upon receipt of notice and information from the Secretary, the Commission shall proceed to inquire into the question of whether there is a reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

"(3) If the Secretary's determination under paragraph (1)(B) is affirmative, he shall publish notice of the initiation of an inves-

tigation in the Federal Register. If the determination is negative, the inquiry shall be closed.

"(b)(1) If an investigation is initiated by the Secretary under subsection (a)(3), then—

"(A) within 120 days after the date of publication of the notice of investigation, the Commission shall determine whether an industry in the United States is being or is likely to be injured, or is being prevented from being established, by reason of the importation of the merchandise into the United States, and shall notify the Secretary of its determination, and

"(B) within 150 days after the date of publication of the notice of investigation, and after receving the determination of the Commission, the Secretary shall determine whether the class or kind of foreign merchandise is being or is likely to be, sold in the United States or elsewhere at less than its fair value.

"(2) If the determination of the Commission and of the Secretary are in the affirmative, then the Secretary shall make public a notice (hereinafter referred to as a 'finding') of the determinations, including a description of the class or kind of merchandise to which it applies in such detail as the Secretary deems necessary for the guidance of customs officers.

"(3) For the purposes of paragraph (1)(A), the Commission shall be deemed to have made an affirmative determination if the Commissioners of the Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative.

"(c)(1) In the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, he shall within 5 months after the publication under subsection (a)(3) of a notice of initiation of an investigation—

"(A) determine whether there is reason to believe or suspect, from the invoice or other papers or from information presented to him or to any other person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the constructed value); and

"(B) if his determination is affirmative, publish a notice of that fact in the Federal Register, and require, under such regulations as he may prescribe, the withholding of appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of that notice in the Federal Register (or such earlier date, not more than 120 days before the date of publication under subsection (c)(1) of notice of initiation of the investigation, as the Secretary may prescribe), until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subsection (a) in regard to such merchandise; or

"(C) if his determination is negative (or if he tentatively determines that the investigation should be discontinued), publish notice of that fact in the Federal Register.

"(2) If in the course of an investigation under this subsection the Secretary concludes that the determination provided for in paragraph (1) cannot reasonably be made within 5 months, he shall publish notice of this in the Federal Register, together with a statement of reasons therefor, in which case the determinatiton shall be made within 7 months after the publication in the Federal Register of the notice of initiation of the investigation.

"(3) Within 1 month after publication in the Federal Register of a determination under paragraph (1), the Secretary shall make a final determination whether the foreign merchandise in question is being or is likely to be sold in the United States at less than its fair value.

(d) ANNUAL REPORT.—Title II of such Act (19 U.S.C. 160 et seq.) is amended by redesignating section 213 as 214, and by inserting after section 212 the following new section:

"ANNUAL REPORT

"SEC. 213. The Secretary of the Treasury shall report to the Congress annually with respect to enforcement actions undertaken under the provisions of this title for the preceding year, including, but not limited to, the amount of special dumping duties collected and not refunded, the average length of time required for an investigation, the number of cases considered, the disposition of cases considered, the number of followup investigations conducted, and the status of such investigations.".

SEC. 3. CONGRESSIONAL REVIEW OF IMPORT RELIEF REDUCTION OR TERMINATION DECISIONS.

Paragraph (4) of section 203(h) of the Trade Act of 1974 (19 U.S.C. 2253 (h)(4)) is amended to read as follows:

"(4) The President may reduce or terminate any import relief provided pursuant to this section if—

"(A) the President determines, after taking into account the advice received from the Commission under subsection (1)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest;

"(B) within 30 days after the receipt of all of the advice specified in subparagraph (A), the President transmits to the Congress a document setting forth his intention to reduce or terminate such import relief and the reasons for such proposed action, as well as the advice received from the Commission, the Secretary of Commerce, and the Secretary of Labor, and

"(C) both Houses of Congress (within the 30-day period following the date on which the document referred to in subparagraph (B) is transmitted to the Congress) have not adopted, by an affirmative vote of a majority of the Members of each House present and voting, a concurrent resolution disapproving the action proposed by the President in such document.

The President may not request a review of a particular section 201 decision more than once during any twelve-month period.".

SEC. 4. CONGRESSIONAL PROCEDURES.

(a) DISAPPROVAL RESOLUTIONS.—Paragraph (2) of section 152(a) of the Trade Act of 1974 (19 U.S.C. 2192 (a)(2)) is amended—

(1) by striking out "and" in subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subpargraph (A) the following new subparagraph:

"(B) in the case of a resolution referred to in section 203 (h)(4), with the phrase 'the action proposed by the President under section 203 (h)(4) of the Trade Act of 1974'; and".

(b) SPECIAL RULES.—Section 154 of the Trade Act of 1974 (19 U.S.C. 2194) is amended—

(1) by inserting "203 (h)(4)(B)," after "203 (b)," in subsection (a); and

(2) by inserting "203(h)(4)(C)," after "203(c)," in subsection (b).

SEC. 5. UNFAIR TRADE PRACTICE DETERMINATIONS.

(a) DETERMINATIONS BY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.—Subsection (d) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended to read as follows:

"(d)(1) Whenever the Special Representative for Trade Negotiations receives information which he has reason to believe is reliable and accurate that a foreign country or instrumentality is engaging in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) with respect to a class or kind of merchandise, he shall conduct an inquiry into the unfair trade practice with respect to that class or kind of merchandise and, within 30 days after receiving the information, determine whether to conduct an investigation into the matter. For the purpose of making his inquiry, the Special Representative may request the assistance of an industry affected by the unfair trade practice which is the subject of the inquiry, but may not require the production of more information than is reasonably available to that industry.

"(2) If the Special Representative determines that an investigation into the unfair trade practice which was the subject of the inquiry conducted under paragraph (1) is warranted, the Special Representative shall publish notice of the investigation in the Federal Register, and shall include in that notice an estimate of possible monetary losses which the affected industry might reasonably be expected to suffer as a result of such an unfair trade practice. If the inquiry was commenced pursuant to a complaint or petition and he determines that an investigation is not warranted, he shall notify the complaining or petitioning party of his determination in writing, set forth the reasons for his determination in the notice, and publish the notice and reasons for the determination in the Federal Register.

"(3) If the Special Representative determines that an investigation is warranted, then he shall conduct an investigation to determine whether a foreign country or instrumentality has engaged in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) which has the effect described in that paragraph. In conducting the investigation under this paragraph, the Special Representative shall, under regulations prescribed by him, conduct public hearings on the subject matter of the investigation, furnishing an opportunity for the presentation of the views of all parties concerned.

"(4) The Special Representative shall publish his findings and determination in the Federal Register not more than 5 months after publication of the notice of investigation, and—

"(A) if he determines that a foreign country or instrumentality has engaged in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) with the effect described in that subparagraph, he shall also publish, with his findings and determination, his recommendations to the President with respect to action the President may take under subparagraphs (A) and (B) of such subsection, or

"(B) if he does not make that determination, he shall publish in the Federal Register the specific reasons for not making the determination.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of such section is amended by inserting after "the President determines" the following: ", through the Special Representative for Trade Negotiations,".

(2) Subsection (c) of such section is amended by striking out so much of the subsection as precedes paragraph (1) and inserting in lieu thereof the following:

"(c) Whenever the Special Representative makes a determination under subsection (a)(3), the President may take action with respect to the exports of a product to the United States by a foreign country or instrumentality if—".

(3) Subsection (d) of such section is amended—

(A) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the Special Representative shall provide for appropriate public hearings concerning the taking of action with respect to such product or service, including an opportunity for the presentation of views through testimony and written submissions,

"(2) the Special Representative shall publish in the Federal Register, within 30 days after the conclusion of such hearings, his final recommendations to the President on such action, and",

(B) by striking out "he may" in paragraph (3) and inserting in lieu thereof "the President may",

(C) by striking out "thereafter promptly provide an opportunity" in the second sentence and inserting in lieu thereof "thereafter promptly direct the Special Representative to provide an early opportunity", and

(D) by striking out "The President" in the last sentence and inserting in lieu thereof "The Special Representative".

SEC. 6. TIME LIMITS FOR INITIATING INVESTIGATION OF CERTAIN TARIFF ACT VIOLATIONS.

Paragraph (3) of section 303(a) of the Tariff Act of 1930 (19 U.S.C. 1303) is amended to read as follows:

"(3) In the case of any imported article or merchandise as to which the Secretary of the Treasury (hereafter in this section referred to as the 'Secretary') has not determined whether or not any bounty or grant is being paid or bestowed—

"(A) within 30 days after the filing of a petition by any person setting forth his belief that a bounty or grant is being paid or bestowed, or

"(B) within 30 days after the receipt of information presented to the Secretary or to any person to whom authority under this section has been delegated which warrants a formal investigation into the question of whether a bounty or grant is being paid or bestowed,

the Secretary shall initiate a formal investigation to determine whether or not any bounty or grant is being paid or bestowed and shall publish in the Federal Register notice of the initiation of such investigation.".

SEC. 7. TIME LIMIT FOR INITIATING CERTAIN INTERNATIONAL TRADE COMMISSION INVESTIGATIONS.

The first sentence of paragraph (1) of section 337(b) of the Tariff Act of 1930 (19 U.S.C. 1337) is amended—

(1) by striking out "shall investigate" and inserting in lieu thereof "shall commence an investigation", and

(2) by striking out "on" and inserting in lieu thereof "within 30 days after the receipt of a".

FAIR TRADE ACT OF 1979

Amendments to the Antidumping Act of 1921:

Sec. 2 (a, b). Payments of duties. Requires full payment of estimated dumping duties from the time of tentative determination (end of 7th month). Ultimate liquidation of entries after the final finding would require a refund of any excess paid or a further payment on any balance due.

Sec. 2 (a). Time periods for investigation. Under present law a normal investigation runs 13 months: 1 month to accept the petition, a 6 month investigation culminating in tentative determination, 3 additional months for final determination, followed by 3 months at the ITC for an injury finding. This section would shorten this normal period to 8 months: 2 months for Treasury and ITC to examine petition and tentatively decide that injury has occurred, 5 months for investigation culminating in tentative finding of dumping and finding of injury by ITC, followed by 1 month period for final finding. Language permitting Treasury an additional three months for particularly complicated investigations is retained.

Sec. 2 (d). Report. Requires annual Treasury report of its action to enforce the Act.

Amendments to other Trade Statutes:

Sec. 3, 4. Although section 201 of the Trade Act of 1974 (escape clause section) provides for a two-House Congressional override of a Presidential decision, section 203, which permits the President to revise or revoke his earlier decision, has no override provision. This section creates such a procedure similar to that in section 201 of existing law, and in addition, a) permits the President to make such a redetermination only once every 12 months, and b) provides that the Presidential determination must be made within 30 days of receiving the required advice from the International Trade Commission (ITC) and Departments of Labor and Commerce. This section grew out of the Administration's handling of the specialty steel case in 1977.

Sec. 5. Section 301 of the Trade Act of 1974 relating to trade discrimination and unfair trade practices by foreign nations is amended by 1) requiring the Special Trade Representative (STR) to either undertake an investigation within 30 days of receiving a complaint or state publicly the reasons for his refusal to do so; 2) shortening the peroid of such an investigation to 5 months; 3) including public hearings as part of an investigation; 4) requiring the publication of the STR recommendation (or the reasons for the lack of one) pursuant to the investigation.

Sec. 6. Section 303 of the Tariff Act of 1930, relating to countervailing duties, is amended by requiring that a Treasury investigation must begin within 30 days of receipt of a complaint or petition.

Sec. 7. Section 337 of the Tariff Act of 1930, relating to unfair methods of competition, is amended by requiring that any investigation begin within 30 days of receipt of a complaint.

● Mr. GLENN. Mr. President, I join my colleagues, Senators RANDOLPH, BAYH, and HEINZ in introducing the Fair Trade Act. The purpose of this act is to render our trade procedures consistent with the intent of our trade laws, and to make them responsive to the pressing problems of U.S. industry in the face of unfair foreign competition. The bill consists of procedural reforms that streamline the processes whereby certain trade complaints are considered, and provides for more effective penalties when violations are found.

The bill introduces badly needed reforms that will strengthen Federal procedures governing the investigation and prosecution of trade violations. It preserves the President's power to negotiate complex international trade problems and strengthens congressional overview of the enforcement of our trade statutes. It clarifies and, where possible, reduces the time guidelines for the initiation, administration, and conclusion of trade procedures. In addition to providing for more responsive and vigorous enforcement of existing legislation, this bill changes the timing and amount of penalties applied to trade violations to enhance the effectiveness of these penalties as deterrents to unfair foreign competition.

In the course of our deliberations on this bill we consulted with representatives of the administration and with professional and legal representatives of industry. We found widespread agreement that our trade procedures are in need of reform and that a more aggressive approach to unfair trade practices is in order. Let me briefly outline my reasons for supporting the changes in existing trade procedures that are contained in this bill.

The Fair Trade Act amends the Anti-Dumping Act of 1921 to require that after a tentative finding of dumping the full amount of estimated dumping duties will be held in escrow pending final determination. This requirement differs from existing procedures whereby a tentative finding of dumping requires the posting of a bond to cover prospective duties. This change in procedures establishes a deterrent to dumping that is more effective than that posed by current procedures.

This bill also insures that our anti-dumping procedures operate in a timely fashion. Under current practices the full amount of dumping duties is not collected until after: First, the conclusion of Treasury's final determination of dumping; second, FTC's determination of injury to American industry as a consequence of dumping; and third, the Customs Service's calculation of duties to be assessed. The latter procedure requires an analysis of all import transactions involving the goods in question on a current price comparison basis. Thus, following the investigations and determinations by Treasury and the ITC, the Customs Service must gather new figures that take into account variations and/or changes in the costs of merchandising, advertising, and other factors of production that have arisen since the Treasury's tentative determination that dumping has occurred. These item-by-item price comparisons and adjustments slow down the duties assessment process and frequently result in the lowering or dissolution of dumping margins.

The Fair Trade Act addresses the problems of the timeliness and accuracy of our current procedures by requiring that the assessment of duties on the data compiled during the tentative determination of dumping. It further accelerates the administration of antidumping procedures by requiring that the International Trade Commission and the U.S. Treasury Department conduct their investigations of alleged trade act violations and their injury to American manufacturers concurrently rather than consecutively. Under present law a normal investigation runs 13 months; 1 month to accept the petition, a 6-month investigation culminating in tentative determination, 3 additional months for final determination, followed by 3 months at the ITC for an injury finding.

This section would shorten this normal period to 8 months; 2 months for Treasury and ITC to examine the petition and tentatively decide that injury has occurred, 5 months for investigation culminating in tentative finding of dumping and finding of injury by ITC, followed by 1 month period for final finding. Language permitting Treasury an additional 3 months for particularly complicated investigations is retained.

The bill also renders our trade procedures more responsive to legislative intent by authorizing congressional override of Presidential decisions to lift or alter import guotas—section 203 of the Trade Act of 1974. This is consistent with

the existing authority Congress has to override certain Presidential decisions relating to the imposition of those quotas in the first instance. The theory underlying this portion of the bill is that if Congress has power to act with regard to the initial imposition of quotas, it should also have power to act with respect to subsequent modifications of them. The bill also requires the various agencies dealing with trade matters to report to Congress their actions in the enforcement of our trade laws.

The bill streamlines other trade complaint procedures by establishing statutory time guidelines for the initiation of investigations relating to countervailing duties (section 303 of the Tariff Act of 1930) and unfair methods of competition (section 337 of the Tariff Act of 1930). The institution of such guidelines accords with the President's mandate that the various agencies handling trade complaints do so in an expedient manner. Moreover, it responds to the needs of American manufacturers for quick and fair relief from unfair trade practices.

In addition, the bill establishes time guidelines for the administration of trade complaints by the President's Special Trade Representative. Our amendments to the procedures administered by the Special Trade Representative recognize the special needs of this office. As a negotiating agency involved in sensitive international trade negotiations, the Special Trade Representative needs flexibility with regard to time guidelines and external pressures. We do not believe that this need is incompatible with the imposition of time guidelines on its investigations. Our proposed legislation leaves intact the President's and the Special Trade Representative's latitude for actions, and their timing, after any determination of unfair trade practices by the Special Trade Representative. It does prevent the Special Trade Representative from "burying" complaints and requires the Office of the Special Trade Representative to conclude its investigations within 5 months after their initiation. This insures that all valid complaints will receive a fair hearing and that such hearings will be concluded within a reasonable period of time.

Mr. President, the trade problems confronting us are among the most sensitive and critical problems we face. In recent years, American industries and American workers have been swamped by a flood of imported goods into our domestic markets at artifically low prices. Such prices are the product of unfair trade practices that enable our trading partners to "dump" foreign products into our markets. These practices violate U.S. trade laws, threaten the vitality of our domestic industries and rob American workers of employment opportunities.

Since World War II the United States had led the world in the liberalization of international trade. To advance the prospects for free and healthy markets we have worked to become efficient producers. By opening our borders to imports, we have endeavored to be good customers. Following World War II, the United States took the lead, by way of the Marshall Plan and the Truman Doctrine, in developing and redeveloping industrial economies throughout the free world. Through these policies we sought to establish a system of global economic cooperation that would provide nations with fuel for their factories and markets for their goods.

In the wake of OPEC oil embargo and price escalation, however, the United States alone has been both willing and able to act as a good customer. America's strength as a customer of foreign industries has provided energy-hungry nations with the foreign exchange they need to purchase their fuel supplies. In addition, by purchasing the products of government-subsidized industries, we have provided the capital foreign governments require to finance their industrial modernization and employment programs.

American industries can no longer afford to pay the costs of our trading partners' energy demands and employment programs. We can no longer allow our foreign trade policy to perform the functions of foreign air. We can no longer afford to pursue the ideal of free trade when our trading partners do not reciprocate. Nor can we afford to sit idly by while our trading partners' practices disrupt the efficient allocation of global resources.

The peaceful realization of the world's material ambitions demands the establishment and timely enforcement of rules of fair dealing. This bill brings us closer to the realization of that goal.●

By Mr. DOMENICI (for himself, Mr. NELSON, and Mr. DECONCINI):

S. 265. A bill entitled "The Equal Access to Justice Act"; to the Committee on the Judiciary.

EQUAL ACCESS TO JUSTICE ACT

Mr. DOMENICI. Mr. President, in the last Congress I introduced legislation which would provide that when a small business or individual citizen prevails in litigation with the Federal Government, then that individual would be reimbursed his attorney fees and costs, if the Government could not justify its position.

Mr. President, that measure was adopted as an amendment here. It did not clear the House; it was deleted in conference as being nongermane. We have made some changes to accommodate the views of others.

Mr. President, much time, energy, and cooperative effort has been expended on my original concept since it was accepted by this body. Our colleague from Wisconsin (Mr. NELSON), who was manager of the Legal Services Corporation legislation, has seen the bill's potential for small business, and has kindly offered his expertise in that area. My friend from Arizona (Mr. DECONCINI), after his subcommittee held extensive hearings on the bill, offered his advice in refining the language of the original bill.

Therefore, I am happy today to reintroduce the Equal Access to Justice Act for myself and Senators NELSON and DECONCINI, whose contributions have enhanced and added precision to this legislation.

Mr. President, in 1916, Elihu Root in an address as president of the American Bar Association, made a statement that can hardly be improved upon even with the hindsight of more than half a century:

> There is one special field of law development which has manifestly become inevitable. We are entering upon the creation of a body of administrative law quite different in its machinery, its remedies and its necessary safeguards from the old methods of regulation by specific statutes enforced by the courts. . .
>
> . . . The necessities of our situation have already led to an extensive employment of the method.
>
> . . . Before these agencies the old doctrine prohibiting the delegation of legislative power has virtually retired from the field and given up the fight. There will be no withdrawal from these experiments. We shall go on; we shall expand them, whether we approve theoretically or not, because such agencies furnish protection to rights and obstacles to wrong doing which under our new social and industrial conditions cannot be practically accomplished by the old and simple procedure of legislatures and courts as in the last generation. 41 A.B. A.R. 355, 368, 369 (1916)

At the same time he uttered important words of caution:

> If we are to continue a government of limited power, these agencies of regulation must themselves be regulated. . . . The rights of the citizen against them must be made plain.

Today the volume of regulation of Federal agencies far exceeds the volume of the legislative output of Congress. For example, the accumulation of agency legislation by regulation in the Federal Register since 1934 fills far more shelf space than the accumulation of congressional legislation since 1789.

The Comptroller General of the United States in a report issued on March 16, 1978, identified 120 Federal agencies with regulatory impact on the private sector.

Consequently, the average American is much more directly and more frequently affected by the administrative process than by the legislative or judicial process. The original tenent for administrative proceeding was the need of modern governments for the reasonable exercise of discretionary power and the public's demand for speedy, inexpensive, and procedurally simple adjudication.

As President Roosevelt stated in 1940:

> The administrative tribunal or agency has been evolved in order to handle controversies arising under particular statutes. It is characteristic of these tribunals that simple and non-technical hearings take the place of court trials and informal proceeding supersede rigid and formal pleadings and processes. A commonsense resort to usual and practical sources of information takes the place of archaic and technical application of rules of evidence and an informed and expert tribunal renders its decision with an eye that looks forward to results rather than backward to precedent and to the leading case.

However, this has not been the case. In 1955, the President's conference on administrative procedure was called to consider the problem of "unnecessary delay, expense and volume of records in some adjudicatory and rulemaking proceedings in the executive department and administrative agencies."

In 1971, a report on the President's advisory council on executive organization entitled, "Report in Selected Independent Regulatory Agencies," concluded:

> The judicial cast of agency review proceedings places too great an emphasis on legal perspectives to the detriment of economic, financial, technical and social perspectives. One result is a high level of legal skill among agency professionals and commissioners but generally insufficient capability in other disciplines. Over-judicialization encumbers the time and energies of commissioners and staff, causes undue case backlogs, imposes high costs upon litigants, prevents anticipatory action through rulemaking, deters informal settlements.

American administrative law has gone through three stages of development. First, the first focus was on constitutional underpinnings of the administrative process, with a good deal of emphasis on separation and delegation of powers; second, the next focus was on judicial review and the relationship between the agencies and the judicial branch of Government; third, the last major stage was formalization of procedures for adjudication and for rulemaking.

And now we have entered the age of pervasive Federal regulation and there are few elements of life, commercial or otherwise, where the Federal Government does not have some role to play.

In fact, pollsters have indicated that the American people consider one of the major domestic problems to be the size and unresponsiveness of the Federal bureaucracy.

This bill would combat this growing tendency of escalating legal and related costs deterring Americans from enforcing and defending their legal rights against the Federal Government in its regulatory capacity.

The basic problem this bill seeks to overcome is the inability of many Americans to combat the vast resources of the Government in administrative adjudication. In the usual case, a party has to weigh the high cost of litigation or agency proceedings against the value of the rights to be asserted. Individuals and small businesses are in far too many cases forced to knuckle under to regulations even though they have a direct and substantial impact because they cannot afford the adjudication process. In many cases the Government can proceed in expectation of outlasting its adversary. The purpose of the bill is to redress the balance between the Government acting in its discretionary capacity and the individual.

Today, the average American must be made to feel that he can question the exercise of the Government's discretionary power as to its reasonableness—without incurring large costs if he prevails.

Providing for award of legal fees to prevailing private litigants, except where the governmental action was substantially justified, will not deter the Government from pursuing meritorious governmental action. The purpose is to readjust the tension between the Government acting in its regulatory capacity and individual rights. It is to insure against capricious and arbitrary Federal regulation.

There have been numerous documented cases of conflicting regulations in areas of overlapping jurisdiction of various agencies. Regulations have proliferated as agencies have expanded their jurisdiction, unchallenged, through regulatory fiat.

This bill will, as Elihu Root said, allow the agencies of regulation to be regulated by those affected by their regulation. Those who are affected by regulations will be given the incentive to challenge such regulations. Today, the prevailing attitude is, "if I win in court, I still lose because of the cost." And when Americans give in, the arbitrary exercise of power by administrative agencies will continue to grow larger and stronger.

This bill, by requiring litigants who prevail to be entitled to fees, will prevent spurious suits and insures the contesting of meritorious disputes with a fairer presentation of the issues.

I ask unanimous consent to have printed in the RECORD and article entitled "Rage Over Rising Regulation," published in the Nation, an article entitled "New Study Finds Chaotic Use of Federal Lawyers," written by Stuart Auerbach and published in the Washington Post, and the results of an inquiry on the subject by the National Federation of Independent Business.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RAGE OVER RISING REGULATION

Joe Pinga could scarcely believe his eyes when he opened the innocent-looking letter from the Occupational Safety and Health Administration. It charged him with twelve federal violations in his bakery in West Warwick, R.I., including electric plugs with two prongs instead of three and a safety railing four inches too low. Deeply hurt, Pinga asked himself: "My God, how can I be guilty? I haven't even had a trial." So he challenged the charges in court and spent $1,500 in legal fees to beat a $90 fine. His heart went out to the young OSHA inspector who broke down on the witness stand and admitted that her only qualification was a 40-hour series of OSHA seminars. But Pinga is convinced that his fight was worthwhile. Thumping a thick tome of OSHA regulations, he declares: "If this book existed when my dad came to this country in 1906, this nation would still be a prairie. Now it's bureaucracy on top of bureaucracy. That's not America."

John Loughlin, assistant superintendent of schools in Portsmouth, N.H., is worried, as are most other U.S. education officials, about the U.S. Civil Rights Commission's Forms 101 and 102. They demand that he list the number of black, Hispanic, female and handicapped pupils in each class in the city's schools. Loughlin notes that the federal rules require gathering "a lot of data that we don't keep and that is illegal for us to find out." How does Loughlin cope? "Some of the answers we just make up," he confesses.

Irving S. Shapiro, chairman of E.I. Du Pont de Nemours & Co. (annual sales: more than $6 billion), says, "It costs the company a lot of time and money to comply with Government reporting requirements." Du Pont has to spend $5 million and 180 man-years of work annually to file 15,000 reports to the Federal Government. Among many other things, the company is held accountable not only for its own programs for hiring and promoting minorities and women, but also for the affirmative action programs of every supplier that sells it more than $2,500 worth of goods a year. As a Government contractor, it is required to provide such information and thus sends out 28,000 letters a year to these suppliers. Shapiro contends that the regulations are so excessive that if Du Pont were starting out today, "perhaps the company wouldn't make it. Even in the best of times, there is a high infant mortality rate for business. Today we compound the risk with so much Government intervention that it's a wonder that anyone survives."

Like Pinga, Loughlin and Shapiro, entrepreneurs, executives and local officials throughout the land are bewildered and outraged by the growing number of federal rules and regulations. They seem to float out from Washington as casually as children blow soap bubbles, and all too often contain about as much substance. No one can possibly keep up with all the pronouncements affecting him and his business or profession, and many people have given up trying. Each national Administration has promised to cut the paper burden, only to end up adding to it. The Commission on Federal Paperwork, created in 1974 to figure out how to control red tape, estimates that the Government cranks out enough documents every year to fill 51 major league baseball stadiums or eleven new Washington Monuments. "It's unbelievable," says a former commission member. "Washington is the source of so much red tape that you'd think it was working on a landfill somewhere. Like the Grand Canyon."

The paper is backed up by the stern might of the law; it can be followed by fines, loss of federal aid, harassment and obloquy. The regulations are impeding and inhibiting Americans in almost all areas of endeavor and transforming the society in ways that nobody can quite foresee. Writing in a new bimonthly magazine, *Regulation*, published by the conservative American Enterprise Institute in an effort to keep track of federal rulings, Social Critic Irving Kristol argues that many of the zealous regulators have an "ideological animus against the private economic sector. They are inclined to believe that a planned economic system would create a superior way of life for all Americans. They detest the individualism so characteristic of a free society."

Eighty-seven federal agencies and offices with 100,000 workers keep the private sector behaving as Big Brother sees fit. The most important 30 of these outfits have combined operating expenses of $2.9 billion a year. The older agencies—including the Interstate Commerce Commission (founded in 1887), the Federal Trade Commission (1914), the Food and Drug Administration (1931), the Civil Aeronautics Board (1938)—impose limitations on particular industries. The newer agencies—the Equal Employment Opportunity Commission (1964), the Environmental Protection Agency (1970), OSHA (1970,) the Consumer Product Safety Commission (1972)—issue orders to institutions across the board. Their potential for change, and for damage, is far greater than their more circumscribed predecessors. Says Kristol: "This creates a lot of questions about who is running the country."

Most of the agencies were created to meet a legitimate need. The question is how they are administered. Wisely or foolishly, punitively or conciliatorily, arrogantly or sensitively? Above all, regulations must be considered within the broader context of the whole society, hidden costs must be calculated. There is little effort made to determine trade-offs. To what extent, for example, should environmental restrictions be imposed

if the consequence is the loss of jobs? The problem is to find the happy medium, with which, of course, nobody will be all that happy. Says Harrison Wellford, the White House aide in charge of Government reorganization: "You have four or five agencies impinging on a particular industry. No one is considering the cumulative impact or the contradictions."

The contradictions can be incredible and infuriating, as shown by just two conflicts between OSHA and the Department of Agriculture. OSHA demands grated floors in butcher shops to reduce the risk of employees' slipping. The Department of Agriculture declares that the same floors must be smooth because grates increase the hazards of contamination. Last year OSHA also directed that the Made-Rite Sausage Co. of Sacramento, Calif., place protective guards on its meat-blending machine to keep employees' hands out of it, even though the machine is too high for workers to reach. But such a guard would have violated Agriculture Department regulations because it would have made the machine too difficult to clean. The company did the only sensible thing: nothing.

Some of the most hard-pressed industries are the ones most penalized by overregulation. Already threatened by low-cost imports, the steel industry has been forced to spend $3 billion to control air and water pollution; industry leaders estimate that they will have to come up with another $5.5 billion in the next six to eight years to comply with EPA directives. These costs are eating up a high percentage of capital expenditures at a time when the industry desperately needs to invest in new plant and equipment in order to ease unemployment and become competitive in world markets. The low-profit textile industry estimates it will have to spend $6 billion over the next five years to comply with just two OSHA regulations intended to reduce noise and dust in the mills.

It is not only businesses that are under increasing pressure from Washington. The University of Pennsylvania found that the cost of complying with twelve federal programs jumped from $350,000 in 1972 to $3.2 million in 1977. Now the university is being forced to spend an estimated $2.5 million to make changes to meet new regulations aiding the handicapped. The Department of Health, Education, and Welfare insists that the university install an elevator in College Hall, which would cost $100,000. Catch-22 is that if the university makes any change in the 100-year-old building, it must bring the entire hall up to standards set out in the local building code. Cost: $1 million. Says Donald Murray, professor of statistics at the university: "No institution has traditionally done more than higher education for the handicapped. We have educated the lame and the blind since we have been in existence. Now, to try to comply with the letter of the law, all the institutions would go broke."

Everybody foots the bill. Bigger educational expenses push up tuitions; higher business costs are passed along to the consumer. Barry Bosworth, director of the President's Council on Wage and Price Stability, feels that excessive regulation is a primary reason why the average annual increase in U.S. productivity slowed from 3% between 1948 and 1966 to 2% since then. Gerald Ford's White House figured that the price of regulation—the cost of bureaucracy along with declining productivity—takes $2,000 out of the pocket of the typical American family each year, a larger sum than is collected in federal income taxes.

Robert S. Smith, professor of industrial and labor relations at Cornell, condemns the common assumption that "when you're dealing with business, you are only hurting a small and very wealthy group of citizens. That is fallacious." Adds J. Peter Grace, president of W. R. Grace & Co.: "The consumer is caught in a double squeeze. He pays the taxes that support the bureaucrats in Washington, and he pays higher prices for almost everything he buys, from automobiles to aspirin."

NEW STUDY FINDS CHAOTIC USE OF FEDERAL LAWYERS

(By Stuart Auerbach)

New York environmentalists found an unexpected ally in January when they took the Federal Power Commission to the Supreme Court. The Justice Department, representing seven other federal agencies, took their side.

That example was used in a presidential reorganization paper to illustrate the chaotic and uncoordinated state of the government's legal representation, where its almost 20,000 lawyers often take positions that hurt other agencies by running contrary to government-wide policy.

"That happens all the time; it's not unusual," said one high official of the Justice Department, which is fighting to keep its turf as the prime legal authority of the government against an assault by other agencies—especially independent regulatory bodies—who want to handle their legal matters.

The study on government lawyers finished Friday and to be received today, by cabinet members and heads of independent agencies, is part of President Carter's efforts to streamline the federal bureaucracy. The study was made available to The Washington Post.

It is the first look at the federal legal establishment since the 1955 Hoover Commission report on government organization.

Until now no one knew how many lawyers were employed by the government. Today's study found there are 19,479—with a little more than 10,000 working here and the rest scattered across the country.

That doesn't include lawyers who hold nonlegal government jobs, such as, for example, Secretary of State Cyrus R. Vance, a New York lawyer; Joseph A. Califano, Jr., a Washington lawyer who is secretary of Health, Education and Welfare, or Simon Lazarus, who left the Washington firm of Arnold & Porter to become associate director of President Carter's domestic policy staff.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS—NATIONAL RESULTS OF MANDATE 390 BY STATE

QUESTION 4: RECOVERY OF COURT COST—ARE YOU FOR OR AGAINST ALLOWING SUCCESSFUL RECOVERY OF REASONABLE ATTORNEY FEES AND COURT COSTS IN CIVIL ACTIONS BROUGHT BY THE FEDERAL GOVERNMENT?

State	Total votes	In percent		
		Pro	Con	No opinion
Arkansas	461	88	9	3
Louisiana	540	89	8	3
Oklahoma	1,108	85	11	4
Texas	4,730	85	12	3
Total, West South Central	6,839	86	11	3
Montana	697	84	12	4
Idaho	625	89	7	4
Wyoming	393	88	9	3
Colorado	1,662	88	8	4
New Mexico	583	86	11	3
Arizona	655	89	9	2
Utah	568	89	9	2
Nevada	275	92	5	3
Total, Mountain	5,458	88	9	3
Washington	2,118	89	7	4
Oregon	1,419	89	7	4
California	6,953	86	10	4
Alaska	174	86	10	4
Hawaii	343	89	7	4
Total, Pacific	11,007	87	9	4
Maine	359	86	9	5
New Hampshire	287	84	13	3
Vermont	178	80	12	8
Massachusetts	1,046	86	9	5
Rhode Island	78	85	10	5
Connecticut	282	84	10	6
Total, New England	2,230	85	10	5
New York	1,963	85	11	4
New Jersey	634	83	14	3
Pennsylvania	1,402	83	13	4
Total, Middle Atlantic	3,999	84	12	4
Ohio	2,481	84	12	4
Indiana	1,463	85	11	4
Illinois	1,835	85	11	4
Michigan	2,164	84	12	4
Wisconsin	1,651	86	11	3
Total, East North Central	9,594	85	11	4
Minnesota	2,105	83	12	5
Iowa	1,390	83	13	4
Missouri	1,253	86	10	4
North Dakota	419	85	11	4
South Dakota	526	81	15	4
Nebraska	988	85	11	4
Kansas	1,177	84	12	4
Total, West North Central	7,858	84	12	4
Delaware	103	82	13	5
Maryland	460	83	11	6
Washington, D.C.	14	71	21	8
Virginia	576	85	10	5
West Virginia	163	82	10	8
North Carolina	824	84	12	4
South Carolina	348	88	8	4
Georgia	776	87	10	3
Florida	1,464	86	12	2
Total, South Atlantic	4,728	85	11	4
Kentucky	477	86	11	3
Tennessee	976	86	9	5
Alabama	351	87	10	3
Mississippi	470	81	14	5
Total, East South Central	2,274	85	11	4
National ratios	53,987	85	11	4

● Mr. DECONCINI. Mr. President, I am pleased to join today with Senators DOMENICI and NELSON in introducing the Equal Access to Justice Act. This legislation which is the product of several years of effort and analysis reflects the deepest concern of all of us that the bureaucracy needs to be tamed.

As Americans we are proud of the fact that we are a nation governed by laws. And we are equally proud that we are able to resort to our courts to challenge those laws as well as to vindicate our rights under them. Unfortunately, however, the system today is out of balance. Regulation is excessive. The laws have grown into a pernicious web of rules, regulations, responsibilities, and rights—complex, confusing, and sometimes conflicting. At the same time, justice has simply become too expensive for the average American, particularly when he must litigate against the seemingly unlimited resources and legal expertise of the government.

Because of these economic deterrents, many citizens today have no effective remedy against unreasonable government regulation. When the cost of contesting a government order exceeds the amount at stake, a citizen or small business has no realistic choice, even if he believes the government action is unwarranted or unfair. Under these circumstances, it is obviously more practical to pay a fine than to contest it.

The danger here, however, extends beyond the individual case. When citizens cannot afford to challenge unreasonable regulations, the result is a type of coerced compliance which undermines the integrity of the entire decisionmaking process. Administrative decisions should reflect informed deliberations. But where citizens are forced to comply with regulations simply because it is too costly to fight them, precedent is established on the basis of an uncontested order rather than the thoughtful presentation of opposing views. And this precedent then can be applied industry-wide.

In fact, there is evidence that small businesses bear the brunt of administrative regulation and enforcement precisely because they do not have the resources to fully litigate the issues. They are, in short, the easiest targets.

The time has come to take hold of our laws and the labyrinth of administrative regulations. We must give the individual and small business at least a fighting chance to challenge the unreasonable exercise of governmental power. I believe that the legislation we introduce today can be an effective instrument toward this end. By allowing an award of reasonable fees and expenses against the Government when its action is not substantially justified, this legislation provides an effective legal or administrative remedy where none now exists. By allowing a decision to contest Government action to be based on the merits of the case rather than the cost of litigation, this legislation promotes informed administrative decisionmaking. And even more important, I think, is that by taking these fee award from the budgets of the offending agencies, we will provide a quantitative measure of whether an agency is engaging in excessive unreasonable regulation.

I recognize, of course, that this bill represents a significant change in the general American rule that each party must bear his own costs. A change of this magnitude must be carefully studied and evaluated. We began this process last Congress when S. 2354, the predecessor to the bill we introduce today, was referred to the Subcommittee on Improvements in Judicial Machinery which I chair. The subcommittee held one day of hearings during which administration witnesses objected to its potential costs and its inclusion of actions arising under the internal revenue laws. We worked on the bill, refined it, and we reported to the full Judiciary Committee a revised bill which I believe served to improve citizen access but at the same time did not unduly burden the taxpayer. The bill we introduce today is based on this revised bill.

This legislation deserves full and serious consideration by the Congress. I commend Senators DOMENICI and NELSON for their fine work in developing and promoting this legislation. I look forward to holding additional hearings on the bill, some of which I hope will be in conjunction with the Small Business Committee which Senator NELSON chairs. Although we can no doubt make further improvements in the bill, I am convinced its basic concept is sound.

Mr. President, in closing I would like to emphasize again that the imbalance between the power of the bureaucracy and the power of the American citizen must be redressed. Congressional oversight alone will never be a sufficient safeguard against regulatory abuse. Individual citizens and small businesses, the persons who bear the brunt of administrative regulation, must be able to check arbitrary agency actions by contesting them. Through the device of fee shifting, this legislation will improve our citizens' access to courts and administrative proceedings. It will encourage them to vindicate their rights and not to acquiesce in a ruling or sanction which they believe arbitrary, misguided or unfair. And it will, I hope, make the Government more accountable in the exercise of its regulatory powers and more responsive to its citizens' needs.●

Mr. DOMENICI. I ask unanimous consent that a section-by-section analysis and the bill as now introduced, cosponsored by Senators NELSON and DECONCINI, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follow:

S. 265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Justice Act."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that certain individuals, partnerships, corporations, labor, and other organizations may be deterred from seeking review of, or defending against, unreasonable governmental action because of the expense involved in securing the vindication of their rights in civil actions and in administrative proceedings.

(b) The Congress further finds that because of the greater resources and expertise of the Federal Government, the standard for an award of fees against the United States should be different from the standard governing an award against a private litigant, in certain situations.

(c) It is the purpose of this Act—

(1) to diminish the deterrent effect of seeking review of, or defending against, governmental action by providing in specified situations an award of attorney fees, expert witness fees, and other costs, against the United States unless the governmental action was substantially justified; and

(2) to insure the applicability in actions by or against the United States of the common law exceptions to the "American rule" respecting the award of attorney fees.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN AGENCY ACTIONS

SEC. 3. (a) Subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 504. COSTS AND FEES OF PARTIES

"(a) An agency that conducts an adjudication subject to section 554 of this title shall award, to a prevailing party other than the United States, fees and other expenses incurred by that party in connection with that proceeding, unless the agency finds that the position of the agency as a party to the proceedings was substantially justified or that special circumstances make an award unjust. The agency may reduce the amount to be awarded, or deny an award, to the extent that the prevailing party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of the agency under this section shall be made a part of the record and shall include written findings and conclusions and the reason or basis therefor.

"(b)(1) For the purposes of this section—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the agency to be necessary for the preparation of the party's case, and reasonable attorney or agent fees. The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the agency involved; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the agency determines by regulation that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee; and

"(B) 'party' means a 'person' as defined in section 551 of this title, but excludes any individual who had, at the time the adjudication was initiated, net assets in excess of $1,000,000 and any partnership, corporation, association, or organization that had, at the time the adjudication was initiated, net assets in excess of $5,000,000.

"(2) Except as otherwise provided in paragraph (1), the definitions provided in section 551 of this title apply to this section.

"(c)(1) Each agency shall by rule establish procedures for the submission and consideration of applications for an award of fees and other expenses. If a court reviews the underlying decision of the agency adjudication, an award for fees and other expenses may be made only pursuant to section 2412(d)(3) of title 28.

"(2) A party dissatisfied with an award for fees and other expenses as determined by the agency may petition for leave to appeal to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adjudication. If the court denies the petition for leave to appeal, no appeal may be taken from the denial. If the court grants the petition, it may modify the determination of the agency only if it finds that the failure to make an award, or the calculation of the amount of the award, was an abuse of discretion.

"(d) Fees and other expenses awarded under this section shall be paid by the General Accounting Office out of the general fund.

"(e) The Office of the chairman of the Administrative Conference of the United States shall report annually to the Congress on the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this section. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards. Each agency shall provide the Conference with such information as is necessary for the Chairman to comply with the requirements of this subsection.".

(b) The table of sections of subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new item:

"§ 504. Costs and fees of parties.".

(c) Effective three years after the date of enactment of this Act, section 504 of title 5, United States Code, as added by subsection (a) of this section, is repealed.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN JUDICIAL PROCEEDINGS

SEC. 4. (a) Section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Costs and fees

"(a) Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title, but not including fees and other expenses of attorneys, may be awarded to the prevailing party in any civil action brought by or against the United States in any court having jurisdiction of such action. A judgment for costs when taxed against the Government shall, in an amount established by statute, court rule, or order, be limited to reimbursing in whole or in part the prevailing party for the costs incurred by him in the litigation.

"(b) In addition to the costs which may be awarded pursuant to subsection (a) and except as otherwise specifically provided by statute, a court may award reasonable attorney fees to the prevailing party in a civil action brought by or against the United States, in those circumstances in which the court may award such fees in such suits involving private parties.

"(c)(1) Any judgment against the United States for costs pursuant to subsection (a) shall be paid as provided in sections 2414 and 2517 of this title and shall be in addition to the compensation, if any, awarded in the judgment.

"(2) Any judgment against the United States for fees and other expenses pursuant to subsections (b) and (d) shall be paid as provided in sections 2414 and 2517 of this title unless the basis for the award is a finding that the United States acted in bad faith, in which case the award shall be paid by the agency found to have acted in bad faith and shall be in addition to the compensation, if any, awarded in the judgment.

"(d)(1) In addition to the costs which may be awarded pursuant to subsection (a) and except as otherwise specifically provided by statute, a court shall award fees and other expenses to any party other than the United States which prevails in any civil action (other than cases sounding in tort or cases arising under the internal revenue laws of the United States) brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust. A party seeking an award of fees and other expenses shall, within thirty days of final judgment in the action, submit to the court an application which provides evidence of such party's eligibility for the award and the amount sought, including an itemized statement from attorneys and experts stating the actual time expended in representing such party and the rate at which fees were computed.

"(2) For the purposes of this subsection—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and reasonable attorney fees. The amount of fees awarded under this subsection shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the United States; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means any individual who had at the time the civil action was filed, net assets less than $1,000,000, and any partnership, corporation, association, or organization that had, at the time the civil action was filed, net assets less than $5,000,000; and

"(C) 'United States' includes any agency, and any official of the United States acting in his official capacity.

"(3) In awarding fees and other expenses under this subsection to a prevailing party in any action for judicial review of an agency adjudication conducted pursuant to section 554 of title 5, the court shall include in that award, the fees and other expenses for services performed during that agency adjudication unless the court finds that during such adjudication the position of the United States was substantially justified, or that special circumstances make an award unjust.

"(4) The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party, during the course of the civil action or the agency adjudication, engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy.

"(5) The Director of the Administrative Office of the United States Courts shall include in its annual report prepared pursuant to section 604 of this title, the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards.".

(b) The item relating to section 2412 in the table of sections for chapter 161 of title 28, United States Code, is amended to read as follows:

"2412. Costs and Fees.".

(c) Effective three years after the date of enactment of this Act, subsection (d) of section 2412, as added by subsection (a) of this section, is repealed.

Sec. 5. (a) Subdivision (f) of Rule 37 of the Federal Rules of Civil Procedure is repealed.

(b) The Table of Rules of the Federal Rules of Civil Procedure is amended by deleting the item relating to subdivision (f) of Rule 37.

SECTION-BY-SECTION ANALYSIS

SECTION 1. Section 1 provides that the bill may be cited as the "Equal Access to Justice Act."

SECTION 2. Section 2 contains a statement of the Congressional findings on which the bill is based and the purposes for which it is intended.

SECTION 3. Section 3(a) amends chapter 5 of title 5, United States Code, by adding a new section, § 504, which provides for an award of reasonable fees and expenses to prevailing parties in agency adjudications under section 554 of title 5.

Under section 504(a), a party other than the United States who prevails in an agency adjudication is entitled to reasonable fees and other expenses unless the agency finds the position of the agency as a party to the proceedings was substantially justified or that special circumstances make an award unjust. The language used in this section creates a presumption in favor of an award of fees to a prevailing party and is identical to language presently found in Rule 37, Federal Rules of Civil Procedure. This standard requires that to defeat an award, the government must make a positive showing that its position and actions during the course of the proceedings were substantially justified or that some other circumstance makes an award unjust. The section identifies one circumstance which may defeat or reduce an award—the actions of the prevailing party in unreasonably protracting the resolution of the controversy. The section further requires that the fee determination include specific written findings and conclusions which will be made a part of the record and which may be subject to judicial review under section 504(c).

The presumption of an award of fees replaces a mandatory award in S. 2354 as originally drafted. The mandatory award was rejected because it did not account for the reasonable and legitimate exercise of governmental functions. On the other hand, a purely discretionary award would not account for the natural reluctance of agencies to award fees against themselves. If a prevailing party had the burden of showing that the agency action was unreasonable, it is clear that an agency would make few awards and the bill would not fulfill its purpose of lessening the economic deterrents to contesting unreasonable government action. The presumption in favor of an award of fees, however, presses the agency to address the problems of abusive and harassing regulatory practices. It is intended to caution agencies to carefully evaluate their cases and not to pursue those which are weak or tenuous. At the same time, the language of the section protects the government when its case, though not prevailing, has a reasonable basis in law and fact. It also provides a safety valve where unusual circumstances dictate that the government should not be held liable.

The section covers only adjudications under 554 of title 5 and not rulemaking or other administrative proceedings. In part, the decision to award fees only in agency adjudications reflects a desire to narrow the scope of the bill in order to make its costs acceptable. It also reflects a desire to limit the award of fees to situations where participants have a concrete interest at stake but nevertheless may be deterred from asserting or defending that interest because of the time and expense involved in pursuing administrative remedies. In these situations, in order to insure that individuals will actively seek to protect their rights vis-a-vis the government, they must have the opportunity to recover the costs of litigating. An administrative remedy in these circumstances cannot be truly effective unless a prevailing party is made whole.

Section 504(b) defines terms used in the section. The "fees and other expenses" which may be recovered under this section include the reasonable fees of attorneys and expert witnesses as well as the reasonable cost of any report, study or test which is necessary to the party's case. The definition establishes that fees are to be based on the prevailing market rate but that expert fees may not exceed the highest rate paid by the agency and attorney fees may not exceed $75 unless special circumstances dictate otherwise. The definition of "party" in this subsection identifies those individuals, businesses and organizations which may recover fees and expenses under this section. Those persons eligible to recover fees include individuals with net assets less than one million dollars and partnerships, corporations and associations or public or private organizations with net assets less than five million dollars. The definition thus establishes financial criteria which limit the bill's applications to those persons and small business whom costs may deter from vindicating their rights.

Section 504(c)(1) directs each agency to establish rules governing the procedure for awarding fees. It is the Committee's intention that the rules specify that an award will be made unless the government comes forward with a showing that its case was substantially justified. Thus, if no opposing petition is filed, an award should be made. Subsection (c)(1) further specifies that where the underlying adjudication is reviewed by a court, an award shall be made under 28 U.S.C. 2412(e)(3), a new section added by this bill. Under that section, an award by a court may cover the fees and expenses of the administrative adjudication as well as the civil action upon review.

Section 504(c)(2) provides that a party

who is dissatisfied with an agency decision regarding attorneys fees (either the failure to award or the amount of the award) may petition for leave to appeal to the United States court which would have jurisdiction to review the merits of the underlying decision of the agency adjudication. Review was made discretionary in order to prevent the federal courts from being inundated with routine appeals from fee determinations in agency adjudications. For similar reasons, the denial of a petition for leave to appeal is not reviewable. If a petition is granted, the court may reverse or modify the fee determination if it finds that the agency abused its discretion.

Section 504(d) establishes that awards will be paid out of the budget of the agency involved in the adjudication, thus making each agency accountable for its actions. The impact of awards on the agency's budget will provide a quantitative measure of agency error which should encourage review of its practices and its regulations.

Section 504(e) directs the Administrative Conference of the United States to report annually regarding the number and amount of fee awards under this section. The report will allow Congress to evaluate the legislation's cost and impact on the regulatory process at the end of three years when it expires. The report may also stimulate Congressional oversight of those agencies which appear to be engaging in unreasonable regulatory activity.

Section 3(b) amends the table of chapters to reflect the addition of section 504.

Section 3(c) is a sunset provision, repealing section 504 of title 5 at the end of three years. The bill is intended to be a limited experiment which will be reviewed and re-evaluated at the end of three years.

SECTION 4

Section 4(a) amends section 2412 of title 28, United States Code, by adding new provisions regarding the award of attorney fees and other expenses in certain judicial proceedings.

Section 2412(a) preserves the law of the existing section 2412 which provides for a discretionary award of costs in any civil action brought by or against the United States. The costs which may be awarded are enumerated in section 1920 of title 28. They include the various fees payable to the court and its officals but they do not include the expense of legal counsel. Certain technical changes are necessitated by the addition of the subsections which follow.

Section 2412(b) permits a court in its discretion to award attorney fees and other expenses to prevailing parties in civil litigation involving the United States to the same extent it may award fees in cases involving private parties. Thus, under this section, cases involving the United States would be subject to the "bad faith", "common fund", and "common benefit" exceptions to the American rule against fee-shifting.

It has been generally held that existing section 2412 prevents an award of attorney fees against the United States, even under the common law exceptions, in the absence of express statutory authority. The issue, however, continues to be the subject of litigation. See, e.g., Pealo v. Farmers Home Administration of the United States, 562 F.2d. 744 (D.C. Cir. 1977) (reversing lower court's application of "common benefit" exception); Rhode Island Committee on Energy v. General Services Administration, 561 F.2d. 397 (1st Cir. 1977) (refusing to apply "bad faith" exceptions). This subsection reflects the belief that at a minimum, the United States should be held to the same standard in litigating as private parties and that no justification exists for exempting the United States from fee awards in these limited situations.

Section 2412(c)(1) incorporates language found in existing section 2412 which establishes that judgments for costs are to be paid as provided for in sections 2414 and 2517 of title 28. Section 2412(c)(2) establishes that fees and expenses under either subsection (b) or (e) are to be paid in the same manner as costs unless the award is based upon a finding that the United States acted in bad faith. In those circumstances, the award is to be paid by the governmental entity found to have acted in bad faith. This fiscal responsibility is intended to make the individual agencies and departments accountable for actions pursued in bad faith. The awards and resulting impact on the budget will provide a concrete basis for evaluating agency error.

Section 2412(d) incorporates the definition of "United States" found in the existing section 2412 and applies it to all the provisions added to the section by this bill. Under this definition, the "United States" includes any agency, and any official of the United States acting in his official capacity.

Section 2412(e) authorizes an award of reasonable fees and expenses in judicial proceedings analogous to the awards authorized in agency adjudications under section 3 of this bill.

Under subsection 2412(e)(1), a party other than the United States who prevails in certain civil actions brought by or against the United States is entitled to reasonable fees and other expenses unless the government action was substantially justified or other circumstances make an award unjust. The subsection applies to all civil actions except those based in tort, those arising under the internal revenue laws, and those already covered by existing fee-shifting statutes. Tort cases were excluded from S. 2354 as originally drafted because the bill's sponsors considered the legal remedies adequate and equitable in those cases. Tax cases were excluded after testimony by the Department of Treasury that the unique problems of tax collection dictate separate treatment for those cases. Moreover, this section is intended to supplement, and not supplant, existing fee-shifting statutes such as the Freedom of Information and Civil Rights Acts.

The same presumption which is applied in agency adjudications under section 3(a) of this bill is also applied to fee awards in civil actions under this subsection. Courts are often reluctant to award fees because they have operated so long under the American rule prohibiting fee-shifting. In fact, the reluctance of the courts to award fees prompted the adoption of the language in Rule 37 on which this standard is based.

Under Section 2412(e)(1) a party seeking an award of fees must apply to the court within 30 days of final judgment. As in the case of agency adjudications, it is the intent of the Committee that if the government does not oppose an application for fees, the award should be granted.

Subsection 2412(e)(2) defines terms which apply to this subsection. The definition of "fees and expenses" and "party" is explained under section 3(a) of this bill. (New section 504(e) of title 5).

Section 2414(e)(3) provides that a court may award fees to a party who prevails upon judicial review of an agency adjudication. The presumption in favor of an award of fees should be particularly strong in cases where a party has had to engage in lengthy administrative proceedings before final vindication of his rights in the courts.

Subsection 2412(e)(4) allows a court to reduce or deny an award to the extent that the prevailing party protracted litigation during the administrative or judicial proceedings.

Subsection 2412(e)(5) directs the Administrative Office of the United States Courts to report annually regarding the number and amount of fee awards under this subsection. The report will allow Congress to evaluate the legislation's cost and impact on agency litigation when it expires at the end of three years. The report may also stimulate Congressional oversight of those agencies or departments which appear to be engaging in unreasonable litigation.

Section 4(b) of the bill conforms the item relating to section 2412 in the table of sections for chapter 161 of title 28.

Subsection 4(c) is a sunset provision, repealing subsection (e) of section 2412 of title 28 at the end of three years. Subsection (e) which parellels the authorization of awards in agency proceedings is likewise intended to be a limited experiment which will be reviewed and re-evaluated at the end of three years.

SECTION 5

Section 5(a) deletes subdivision (f) of Rule 37, of the Federal Rules of Civil Procedure which states: "Except to the extent permitted by statute, expenses and fees may not be awarded against the United States under this rule." This change reflects the belief that the United States should be liable for fees the same as private parties where its opposition to a motion compelling discovery is not substantially justified.

Section 5(b) conforms the Table of Rules of the Federal Rules of Civil Procedure by deleting the item relating to subdivision (f) of Rule 37.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOMENICI. I will be pleased to.

Mr. PROXMIRE. Does that bill provide that if a citizen brings suit against the Government and he wins, his attorneys' fees would be paid by the Government?

Mr. DOMENICI. If the Government could not substantiate the position that it has taken, that the citizen seeks to have overturned. Basically, there will be more times than not when a citizen is a defendant or has been cited and then seeks to set aside an arbitrary ruling or the like, takes it up administratively in due course, and wins. What I am seeking to have redressed is the situation where, with the growing mass of rules and regualtions in the bureaucracy, little people pay rather than challenge, because to challenge is to lose, because it costs too much.

This bill seeks to reimburse the citizen in that kind of situation, to push federalism a little bit harder against the tendency to make more and more rules affecting citizens.

Mr. PROXMIRE. Has the Senator considered another change that would be very helpful along the same kind of lines? As the Senator knows, in this country, if one is sued and the suer loses, you still have to pay your attorneys' fees maybe $50,000 or $100,000, and you may be ruined. You may be right, but if you are sued, you are in that difficulty.

As we all know, suits against lawyers, doctors, manufacturers, and so forth, have proliferated; they have become a real scandal in this country. In England, if a suit is brought and the person who brings the suit loses, they have to pay the attorneys' fees of the person who defends himself, which I think makes sense, and it would greatly reduce the amount of litigation in this country, which is harassment, which is terribly destructive, and which results in a real injustice: If a completely innocent person is sued, defends himself, and wins, he is ruined.

Mr. DOMENICI. Yes. Let me say to my

good friend that I do not seek to change that part of the American jurisprudence system which he has described. We inherited that from England, as a part of the common law. I do not seek to change that. This is an attack on over-regulation. Let me say here it is difficult enough to get it changed, because of the precedent——

Mr. PROXMIRE. I hope the Domenici initiative here will serve as a precedent for reconsideration of the other provision. Although, as the Senator points out, we took our common law from England, we do that differently from England, because England does provide that those who sue and lose have to pay the attorneys' fees on the other side.

Mr. DOMENICI. Yes, but they have changed that since we adopted their common law, and we are stuck with it. They have changed their old approach.

By Mr. MOYNIHAN (for himself and Mr. HARRY F. BYRD, JR.):

S. 266. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Finance.

S. 267. A bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards; to the Committee on the Judiciary.

Mr. MOYNIHAN. Mr. President, today I am introducing two bills to correct a serious problem: The counterfeiting and sale of social security cards. I believe our Government has a duty to assure employers and employees alike that every social security card, the document always a prerequisite to work, is genuine.

The two bills are utterly simple. The first instructs the Secretary of Health, Education, and Welfare to begin issuing social security cards that are as counterfeit-proof as possible. The second makes it a crime, and thereby corrects a curious omission in our Criminal Code, to counterfeit, alter, sell, or trade social security cards.

Let me strongly emphasize what I am not doing. I am not supporting the creation of a national identity card—I recoil at the thought—and dissociate myself from the bills introduced in previous Congresses with that ultimate end in mind. My bill does not in the least specify what information should be on a new tamper-proof card. Above all, I desire no photo, I envision no central computer that contains personal information on all Americans, and intend that no one be given the right to demand the showing of the card. My goal is to stop the easy commerce in false cards, cards that now present no obstacle to duplicating even to a clever child. Let the Senate decide, or let Secretary Califano decide, what is printed on the cards, but let us at least agree on stopping the unauthorized production and sale of them.

I have suggested in this legislation that the new cards be made of banknote paper, in the belief that the Social Security Administration is already moving in that direction. The bill directs the Secretary to report back to the Congress within 90 days with plans both to begin issuing the new card and to replace existing cards. The replacement of existing cards will no doubt take years to accomplish, but it can and should be done.

In the bill which amends the Criminal Code I have suggested a maximum imprisonment of 5 years and fine of $5,000 as punishment for counterfeiting or selling the cards. Let the Judiciary Committee consider this and change it if they see fit. Again, my interest lies in making such counterfeiting or sale a crime, not in the severity of the punishment.

Within the space of a few days earlier this month, three distinguished national leaders expressed to me their support for this legislation: Attorney General Bell, Labor Secretary Marshall, and Secretary-Treasurer Lane Kirkland of the AFL–CIO. The interests of these men are by no means uniform, and I believe their support evidences that to be found in Congress.

Perhaps the most powerful argument for a tamper-proof social security card is the increase in illegal immigration and in the employment of illegal aliens in the United States. Illegal immigration is an especial difficulty at a time when considerable unemployment exists in groups competing with illegal aliens for scarce jobs. It is estimated, for example, that 3 to 4 million illegal aliens are now in the labor force. With the national unemployment rate for 1978 at 6 percent and the New York rate an even higher 8.2 percent, we cannot afford to give over more jobs to the illegal immigrant.

Furthermore, because legal and illegal immigrants come from the same countries, there is too often a presumption by prospective employers that certain job applicants are here illegally when they are not. This presumption puts an unfair burden on such legal workers, and our Government ought to protect them by destroying any presumption of illegality.

Now in all of this a further note of caution must be sounded, for as I wrote in Commentary in 1974:

> The United States is . . . resuming its role as a nation of first- and second-generation immigrants, almost the only one of its kind in the world, incomparably the largest, and for the first time in our history or any other, a nation drawn from the entire world.

Men and women the world over flee oppression and poverty for America's freedom and prosperity. The continuing ethnic character of American life, a puzzle needing explanation, as Nathan Glazer and I tried to emphasize in our book, "Beyond the Melting Pot," is a source of America's greatness. This legislation treating social security cards is not framed to encourage even a half step backwards into the lamentable disease of know-nothingism—far from it. I embrace and applaud the robust desire on the part of so many men and women to come to the soil of the United States. Indeed, I would argue that therein lies a great lesson for Americans about the quality of our way of life.

This legislation is meant to aid the orderly entrance of legal immigrants into our national labor force. Above all, it is meant to assure the unemployed of our Nation that our Government is doing everything it can to protect for them new jobs that become available.

I fully expect to see these two bills altered to fit the sense of the Senate on this matter; they represent but the beginning. I welcome the coming debate on this issue and invite my colleagues to join in the effort.

By Mr. DURKIN (for himself, Mr. BUMPERS, Mr. EAGLETON, Mr. CHILES, Mr. CRANSTON, Mr. FORD, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. MCCLURE, and Mr. MCGOVERN):

S. 268. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements relating to the manufacture, sale, or distribution of soft drink products are not unlawful; to the Committee on the Judiciary.

SOFT DRINK BOTTLERS' PROTECTION ACT OF 1979

Mr. DURKIN. Mr. President, I am today introducing the Soft Drink Bottlers' Protection Act of 1979, a bill to protect hundreds of small bottlers from the harmful effects of a recent Federal Trade Commission ruling which would force the end of the industry as it now exists.

I am pleased that this legislation is being cosponsored by Senators BUMPERS, EAGLETON, CHILES, CRANSTON, FORD, HOLLINGS, HUDDLESTON, MCCLURE, and MCGOVERN.

Small soft drink bottlers, who would be protected by this legislation, are one of the last remaining bastions of small business left in the country. The soft drink industry is at the same time fiercely competitive and still relatively free from the overconcentration and overlapping ownership that have ruined so many small businesses in this country.

I am proud to say that this is a small business bill. I believe that it is a consumers' bill. In the long run the only people who would stand to gain by this bill's defeat are the large corporations and the regulatory bureaucrats who depend on them.

In New Hampshire there are 11 small soft drink bottlers who are in direct jeopardy from the FTC ruling. These bottlers employ several hundred people. If the FTC's peculiar interpretation of the antitrust laws stands, these bottlers and hundreds like them in other States are living on borrowed time.

For the past 75 years the structure of the soft drink industry has been stable. Local bottling plants in each area are franchised by syrup manufacturers to sell a line of soft drinks in a specific geographic area. Within its territory, of course, each bottler competes with a multitude of other soft drink bottlers dealing in other brands.

The FTC would demolish this time-tested approach by holding that any territorially-based franchise is anticompetitive on its face. This ruling would apply regardless of the actual competitive situation, regardless of the circumstances, and regardless of commonsense.

It is time that the bureaucrats in Washington used commonsense—and helped some small businesses instead of destroying them.

Unless corrected by legislation, the FTC's ruling would effectively destroy the marketing structure of the soft drink industry and put many small bottlers

out of business. Most of these small businesses do not have the resources to defend themselves against cut-throat competition and predatory practices on the part of larger firms. Their defenses are few, late and expensive.

Furthermore, Mr. President, the FTC ruling flies in the face of reality. With well over a hundred brands on the market, the industry is one of the most price- and product-competitive in the economy. It is one of the few in the country that has not been taken over by the giant corporations that are aggressively trying to make small businesses an endangered species. Today a large number of these independent bottlers still dot our small towns and rural areas, providing local employment and much needed tax dollars for many communities.

Mr. President, the legislation that I am sponsoring would not give blanket approval to all exclusive territory arrangements. It would not bar the FTC from upholding the law. It would merely make it clear that such franchise arrangements in the soft drink industry are not illegal per se. The FTC could still undertake case-by-case investigations. It could still examine regional or area patterns. If, under the language of this legislation, it found a lack of substantial and effective competition it could still act. But first it would have to get the facts on its side.

If the current ruling stands, it will cause chaos.

It will not protect consumers. It will expose them to monopoly pricing.

It will not protect free enterprise. It will destroy a number of flourishing small businesses.

It will not stimulate competition. It will open the road to predatory pricing.

Mr. President, we must act to ward off these problems. I urge the adoption of this bill and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Soft Drink Bottlers' Protection Act of 1979".

SEC. 2. Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following new paragraph:

"(3) Nothing contained in this Act, or in any of the antitrust Acts, prohibits the inclusion and enforcement in any trademark licensing contract or agreement, pursuant to which the licensee engaged in the manufacture (including manufacture by a sublicensee, agent, or subcontractor), distribution, or sale of a trademarked soft drink product, of any provision granting the licensee the sole and exclusive right to manufacture, distribute, or sell such product within a defined geographic area or limiting the licensee, directly or indirectly, to the manufacture, distribution, or sale of such product only for ultimate resale to consumers within a defined geographic area, if in such defined geographic area—

"(A) such product is in substantial and effective competition with products of the same general class manufactured, distributed, or sold by others;

"(B) the licensee is in substantial and effective competition with vendors of other products of the same general class; and

"(C) the licensor retains control over the nature and quality of such product in accordance with the provisions of the Trademark Act of 1946 (15 U.S.C. 1051).".

Mr. DURKIN. Mr. President, this is a very competitive industry. It is primarily made up of small businessmen.

Once again, the heavy hand of the downtown bureaucrats is reaching into hamlets all across the country, without any real appreciation of the actual situation and any real appreciation or concern for the very competitive structure they are supposed to be trying to maintain and protect.

● Mr. EAGLETON. Mr. President, I am pleased to join with my colleague, the distinguished Senator from New Hampshire (Mr. DURKIN), in offering a bill to reverse a very heavy handed Federal Trade Commission ruling against the soft drink bottling industry.

In a recent case involving the Coca-Cola and Pepsi-Cola companies, the FTC ruled that territorial soft drink bottling franchises constitute per se anticompetitive practices. The territorial franchise is the accepted device for bottling and marketing soft drinks. The FTC ruling thus strikes at the very foundation of the industry's marketing structure.

The effect of the FTC ruling can most easily be illustrated by example. Under the ruling, the man who owns the rights to bottle and sell Pepsi-Cola in Brookfield, Mo., automatically is considered a monopolist, even though he is competing with the man who bottles Coca-Cola, the man who bottles Royal Crown, the man who bottles Dr. Pepper, and those who bottle dozens of local and regional brands.

FTC maintains that this grant of exclusive rights to one particular brand of a product stifles competition. They want the small business which bottles Pepsi-Cola in Brookfield to be forced into competition with the big business which bottles and sells Pepsi-Cola in Kansas City. I do not think that would promote competition; I think it would stifle competition, after the big company swallows the little company up.

The FTC action could destroy the marketing structure of the soft drink industry and give large bottlers an opportunity to engage in predatory pricing and marketing practices. Within a few years, the small businessmen who are so important to the industry could be wiped out. In the long run, this would mean higher consumer prices dictated by fewer and larger bottling companies.

The FTC ruling flies in the face of the historical fact that the soft drink industry is one of the most price-competitive and product-competitive businesses. In 1977, Missouri had 51 soft drink bottling plants, 44 of which were owned by Missourians; 35 of these plants employed fewer than 50 employees each, and only 6 of the plants employed more than 100 employees apiece. There were 34-single plant bottling firms; 1977 soft drink sales in Missouri totalled $304.6 million.

Clearly, in some instances, a small bottler can be guilty of anticompetitive or monopolistic practices. Our bill would not prevent FTC from taking action in such instances on a case-by-case basis. By establishing that territorial franchises are not per se anticompetitive practices, our bill simply would make sure that the FTC looks at the facts in each case. The bill would prevent the FTC from making blanket judgments condemning the entire soft drink bottling industry.●

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 269. A bill to amend the Tennessee Valley Authority Act; to the Committee on Environment and Public Works.

Mr. BUMPERS. Mr. President, the bill I am introducing today, as the first of two, is designed the cover an oversight made 20 years ago. In 1959 the Tennessee Valley Authority Act was amended to allow the Tennessee Valley Authority to issue its own bonds. Because there was a feeling at the time that such authority would enable TVA to freely expand its service area to the detriment of private utilities, the act was amended to restrict TVA's service area. The restrictions were left somewhat flexible, however, in order to allow TVA to make adjustments to serve areas contiguous with its service area as it stood when the restriction was imposed. The single rigid restriction is that TVA is not allowed to sell power in a State which it was not serving on July 1, 1957. Apparently to avoid unduly harsh results to certain cities in Kentucky, Georgia, and Tennessee, those cities were specifically exempted from the restriction.

This bill merely adds the city of West Memphis, Ark., to the list of exempted cities, and it does so without violating the purposes and principles of the overall restriction. West Memphis is contiguous with Memphis, which is within TVA's service area. Statistically, West Memphis is considered a part of Memphis, as defined by the Bureau of Census' standard metropolitan statistical area, and, as such, West Memphis is counted as part of Memphis for purposes of receiving some Federal aid. Moreover, electricity generated by TVA may well be sold in West Memphis at this time, as a result of power exchange agreements with other suppliers.

I want to emphasize the limited nature of this amendment, because it does not reopen the debate over public power versus private power, and the citizens of West Memphis should not become hostage to that argument. The amendment does not require TVA to sell power to West Memphis; nor does it require West Memphis to buy TVA's power. It gives each party freedom of choice rather than imposing a barrier, which in this particular case is purely artificial and, for that matter, contrary to the purpose of the territorial restriction which was intended to allow extensions of TVA service to contiguous areas, such as West Memphis. Indeed, West Memphis would qualify for TVA service, even under the present restrictions, except for the statute's use of State boundaries as a barrier to the flow of TVA power. Such a barrier is purely arbitrary, as West Memphis' case demonstrates, since it is united economically with Memphis by the very boundary between Arkansas and Tennessee, the Mississippi River, which solely as a result of the statute bars West Memphis from sharing in TVA power. It is especially

ironic that this arbitrary barrier should exist under Federal law when it would most likely be unconstitutional if Tennessee had imposed it upon a private utility. I am not proposing to eliminate that barrier in toto, even though it would be justified. I only propose that it be removed to the extent that it artificially walls off West Memphis from participation in TVA's power. Thus, the amendment merely puts West Memphis within the wall.

Mr. President, the 31,000 people in West Memphis are victims of a rank injustice. They cannot compete for industry, because of the tremendous disparity in electricity rates, even though they have every other asset necessary to attract industry, including industrious hard-working people.

I have some rate comparisons which I would like you to consider and then tell me whether you would like to live in West Memphis and try to entice into your community an industry that uses even small amounts of power when that industry can go right across the Mississippi River Bridge and get power at rates which are 30 to 50 percent cheaper. For example, 1,000 kilowatt hours to a residential customer in West Memphis is now $37.08. If you live in Memphis you can get that amount for $29. For a commercial enterprise, 3,000 kilowatt-hours in West Memphis now costs $167, but if you go 3 miles across that bridge, it costs $111; 100,000 kilowatts for an industry under the industrial rate base costs $3,413 in West Memphis, and across the river in Memphis it costs $2,830.

Mr. President, I ask unanimous consent that a chart entitled "Comparison of Rates of West Memphis and Memphis Light, Gas & Water—1969, 1974 and 1979," be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Comparison of rates of West Memphis and Memphis Light, Gas & Water—1969, 1974, and 1979

	1969	1974	1979
Residential (1,000 KWH):			
West Memphis	17.28	28.36	37.08
Memphis LG&W	10.71	14.97	29.30
Commercial (3,000 KWH):			
West Memphis	92.50	145.98	167.76
Memphis LG&W	38.28	53.82	111.90
Industrial (100,000 KWH):			
West Memphis	1340.00	2384.40	3413.10
Memphis LG&W	621.00	1043.00	2830.00

Mr. BUMPERS. Mr. President, we are not talking about a construction project. We are not talking about any cost to the Federal Government. We are talking about simple justice. We are talking about this law and the pushing of a button rectifying that injustice.

We have all become acutely aware of the necessity for minimizing the cost of energy, not only by conserving but by seeking less expensive sources of energy. This bill would simply allow West Memphis a fully justified opportunity to do so.

Mr. President, I ask unanimous consent that the bill amending the Tennessee Valley Authority Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 15d(a) of the Tennessee Valley Authority Act is amended by inserting the words "West Memphis, Arkansas;" following the words "South Fulton, Tennessee."

By Mr. BUMPERS (for himself and Mr. FORD):

S. 270. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

Mr. BUMPERS. Mr. President, today I am introducing a bill that is similar to the bill that was just introduced by the Senator from New Mexico (Mr. DOMENICI) dealing with attorney fees.

As I understood Senator DOMENICI's explanation, his bill would allow attorney's fees to be awarded to any citizen who prevails in a suit brought by the U.S. Government.

I have a series of bills on this subject, I am attacking this problem selectively because a bill that allows attorneys' fees in every instance may not be enacted into law.

This morning I am introducing a bill that would require OSHA the Occupational Safety and Health Administration to pay all attorneys' fees and other reasonable litigation costs when it loses a case against an employer. At the present time, as the Senator from New Mexico has pointed out, there is no incentive for a taxpayer to have a stiff enough spine to challenge OSHA.

OSHA has the U.S. Treasury, the U.S. Mint, and the Government printing presses to use against any citizen who may rightly or wrongly believe he has been persecuted unjustly.

If I may digress for a moment, the following could take place if an inspector from the Wage and Hour Division comes into your office and says you have not been paying a minimum wage. You may have thought you had an exemption. Regardless of your reason, let us assume that the inspector says, "You lack $10,000 having paid the minimum wage for the past year. Therefore, we are assessing you $10,000. Pay up."

The taxpayer says, "I don't believe I violated the law. I am in compliance with the wage and hour law. I will let you take me into court."

Then the Federal inspector says, "If you do that, instead of your fine being $10,000 it will be $20,000 if you lose, plus costs and attorney fees."

I have heard a lot of arguments from labor lawyers to justify that law, but none have ever been compelling to me. I do not know where the equity and the fairness is in a law that operates in this manner.

However, that is another bill, Mr. President. I will introduce that bill early next week.

I have another bill, called the "taxpayer's bill of rights," that provides for the Internal Revenue Service to pay your attorney's fees and costs if the IRS sues you and loses.

However, the bill I am introducing today is one of the best ways we can bring to bay some of the arrogance of Federal people who inspect businesses and the citizens of this country. These inspectors will be aware when they go into a plant or business that the taxpayer may just stiffen his spine if he knows that a successful court challenge is going to cost the Federal Government attorney's fees and court costs.

I am not condemning OSHA. Arkansas once had the highest rate of industrial accidents of any State in the Union. I would have been completely insensitive to have been against the Occupational Safety and Health Act. But I can tell you that the mail in my office is too consistent. It comes from sensible, thoughtful small businessmen across this country. They tell me of the rudeness and contempt with which they are treated by some inspectors who come into their plants and levy a $50 fine because OSHA detected a toilet seat that did not comply with OSHA regulations.

Mr. President, last year Secretary of Labor, Ray Marshall, announced that the Occupational Safety and Health Administration (OSHA) was proposing to eliminate nearly 1,100 of its regulations. After a lengthy comment and evaluation period, 928 were finally wiped off the books last fall. This was, in the words of Secretary Marshall and OSHA Administrator Eula Bingham, the first in a series of steps designed to bring a little "commonsense" into OSHA's regulation of worksites.

I must say that if any announcement received more praise since I have been in Washington, I have not heard of it. But why did the public embrace the policy change with such enthusiasm? I think it is clear that they viewed this as an indication that OSHA was finally trying to "clean up its act," finally going to settle down and work with business, not against business, toward the goal of worker safety.

The question remains—where do we go from here? How do we transform OSHA from the all-intrusive, nitpicking, big brother role it has played in the past, into a constructive agency that employers will respect and welcome into their workplaces?

Today I am proposing a second step in the "commonsense" campaign. My bill would require OSHA to pay all attorneys fees and other reasonable litigation costs when it loses a case against an employer. Pure and simply, it represents commonsense.

Needless to say, this bill will not require OSHA to pay attorneys' fees where the defendant does not prevail. However, where the defendant is exonerated, it is only fair that he should not bear the burden of the costs he incurred while defending his position.

In looking at existing law, it is evident that where an employer chooses to contest a decision of OSHA, he is at a decided disadvantage. Even if he thinks he is innocent of any wrongdoing, an employer is forced to decide between acquiescing to OSHA's ruling on the one hand and contesting the ruling with the possibility of losing the case on the other. It is important to note that if he picks the latter alternative, he is saddled with the costs of preparing a defense—regardless of the case's outcome. Thus, whenever OSHA brings suit against an employer, the employer loses one of three ways:

First. He can agree to comply with OSHA's ruling from the start; or second, he can contest and lose, thus incurring both legal expenses, as well as compliance costs; or third, he can contest and win, yet still be forced to pay his own legal costs.

In theory, our court procedure is supposed to be impartial. This is one blatant example where it is not. Fortunately, this is one case where the solution is clear cut and easy to achieve. We must simply give an employer the chance to win his case. This is what my bill is designed to do.

One additional point that should be made is this: The small businessman really needs and deserves the relief this bill provides. Although as a matter of principle, the right to recoup attorney's fees should exist for large, as well as small businesses, the detriment to the small businessman is more acute and graphic.

Obviously, there are not many small businessmen who can afford to hire a topnotch lawyer to defend themselves against a battery of attorneys from OSHA's Solicitor's Office. The poor small businessman knows OSHA's legal defense team will be awesome. He knows that if he hires an expensive lawyer to counteract the legal talent of OSHA, he is going to be faced with a large bill whether he wins or loses the case. Many small businessmen simply cannot afford this.

The few that can often find that attorneys' fees exceed the cost of complying with OSHA's decree. Thus, regardless of whether the small businessman acquiesces to OSHA in the first place, loses the case, or even wins the case, he ends up being penalized.

What we are then doing to our small businesses is forcing them to capitulate to OSHA's rulings without a fight. We are effectively denying them their day in court because it just is not worth it for them to contest OSHA's rulings. We boast that we give employers a fair shake, but we stack the cards so heavily against them that they lose any way they turn.

Mr. President, there can be no better way for OSHA to foster the growth of ill will toward the Government than to force a man to admit to something he feels he did not do. At the same time, there can be no better way to rectify this condition than to give the innocent employer a chance to win his case with no hidden penalties and costs. My bill will afford every employer this opportunity.

Let us be tough on employers who endanger the safety of our workers. Let us take these violators to court if we have to. But let us be fair to those whom we find innocent of wrongdoing.

I sincerely hope that my colleagues will cosponsor this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 10(c) of the Occupational Safety and Health Act of 1970 is amended by inserting immediately after the second sentence thereof the following new sentence: "In any case where the Secretary's citation or proposed penalty is vacated, such order shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty, which shall be paid to the employer contesting the citation or proposed penalty.".

(b) The first sentence of section 11(a) of such Act is amended by inserting immediately after "section 10" the following: ", or any employer seeking enforcement of an order of the Commission issued under such subsection for assessment against the United States of attorney's fees and other litigation costs,", by inserting "or enforcement, as the case may be," immediately after "review", and by inserting immediately before the period "or enforced".

(c) Section 11(a) of such Act is amended by inserting immediately after the third sentence the following: "In any case in which an order affirming or modifying a citation or proposed penalty is set aside by the court, such decree shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty and seeking review of such order, which shall be paid to the employer contesting the citation or proposed penalty and seeking review of such order.".

(d) Section 11 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding section 2408 of title 28, United States Code, costs assessed against the United States under subsection (a) or under section 10(c) shall be paid from funds appropriated under section 33.".

By Mr. HART (for himself and Mr. THURMOND):

S. 290. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a national defense stockpile transition fund, and for other purposes; to the Committee on Armed Services.

STRATEGIC AND CRITICAL MATERIALS STOCK PILING REVISION ACT OF 1979

● Mr. HART. Mr. President, today I am introducing a bill which is a complete revision of the outdated Strategic and Critical Materials Stock Piling Act of 1939. My colleague, Senator THURMOND, who worked with me during the last session of Congress on strategic stockpile matters, is a cosponsor of the bill.

This bill is in essence the same stockpile policy bill which was reported by the Senate Armed Services Committee during the 95th Congress. The bill has been slightly revised in concert with Representative BENNETT of Florida and he has introduced a similar bill in the House—H.R. 22.

Mr. President, I want to reiterate and reinforce a position I took during the 95th Congress on the strategic stockpile issue. Before any action is taken that would involve the buying or selling of strategic and critical materials, I believe the Congress must first address the question of stockpile policy. My intention in introducing this stockpile policy bill at this early date is to provide the opportunity for that bill to be acted upon by the Senate before we address the highly controversial issues of buying and selling commodities such as: tin, copper, silver, diamonds, and other commodities.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strategic and Critical Materials Stock Piling Revision Act of 1979".

SEC. 2. The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98—98h-1) is amended to read as follows:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Strategic and Critical Materials Stock Piling Act'.

"FINDINGS AND PURPOSE

"SEC. 2. (a) The Congress finds that the natural resources of the United States in certain strategic and critical materials are deficient or insufficiently developed to supply the military, industrial, and essential civilian needs of the United States for national defense.

"(b) It is the purpose of this Act to provide for the acquisition and retention of stocks of certain strategic and critical materials and to encourage the conservation and development of sources of such materials within the United States and thereby to decrease and to preclude, when possible, a dangerous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency.

"MATERIALS TO BE ACQUIRED: PRESIDENTIAL AUTHORITY AND GUIDELINES

"SEC. 3. (a) The President shall determine from time to time (1) which materials are strategic and critical materials for the purposes of this Act, and (2) the quality and quantity of each such material to be acquired for the purposes of this Act and the form in which each such material shall be acquired and stored. Such materials when acquired, together with the other materials described in section 4 of this Act, shall constitute and be collectively known as the National Defense Stockpile (hereinafter in this Act referred to as the 'stockpile').

"(b) The President shall make the determinations required to be made under subsection (a) on the basis of the following principles:

"(1) The purpose of the stockpile is to serve the interest of national defense only and is not to be used for economic or budgetary purposes.

"(2) The quantities of the materials stockpiled should be sufficient to sustain the United States during a national emergency of up to three years in duration.

"(c) The quantity of any material to be stockpiled under this Act, as determined under subsection (a), may not be revised unless the Committees on Armed Services of the Senate and House of Representatives are notified in writing of the proposed revision and the reasons for such revision at least thirty days before the effective date of such revision.

"MATERIALS CONSTITUTING THE NATIONAL DEFENSE STOCKPILE

"SEC. 4. (a) The stockpile shall consist of the following materials:

"(1) Materials acquired under this Act and contained in the national stockpile on the day before the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(2) Materials acquired under this Act on or after the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(3) Materials in the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (as in effect from September 21, 1959, through December 31, 1966) on the day before the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(4) Materials acquired by the United States under the provisions of section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and transferred to the stockpile by the President pursuant to subsection (f) of such section.

"(5) Materials transferred to the United States under section 663 of the Foreign Assistance Act of 1961 (22 U.S.C. 2423) and allocated by the President under subsection (b) of such section to the General Services Administration for stockpiling in the stockpile.

"(6) Materials acquired by the Commodity Credit Corporation and transferred to the stockpile under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)).

"(7) Materials acquired by the Commodity Credit Corporation under paragraph (2) of section 103(a) of the Act entitled 'An Act to provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes', approved August 28, 1954 (7 U.S.C. 1743(a)), and transferred to the stockpile under the third sentence of such section.

"(8) Commodities transferred to the stockpile by the President under paragraph (4) of section 103(a) of such Act of August 28, 1954.

"(b) Notwithstanding any other provision of law, any material that (1) is under the control of any department or agency of the United States, (2) is determined by the head of such department or agency to be excess to its needs and responsibilities, and (3) is required for the stockpile shall be transferred to the stockpile. Any such transfer shall be made without reimbursement to such department or agency, but all costs required to effect such transfer shall be paid or reimbursed from funds appropriated carry out this Act.

"AUTHORITY FOR STOCKPILE OPERATIONS

"SEC. 5. (a) Except for acquisitions made under the authority of paragraph (3) or (4) of section 6(a), no funds may be obligated or appropriated for acquisition of any material under this Act unless funds for such acquisition have been authorized by law. Funds appropriated for such acquisition shall remain available for a period of two fiscal years, if so provided in appropriation Acts.

"(b) Except for disposals made under the authority of paragraph (4) or (5) of section 6(a) or under section 7(a), no disposal may be made from the stockpile unless such disposal of, has been specifically authorized by law.

"(c) There is authorized to be appropriated such sums as may be necessary to provide for the transportation, processing, refining, storage, security, maintenance, rotation, and disposal of materials contained in or acquired for the stockpile. Funds appropriated for such purposes shall remain available to carry out the purposes for which appropriated for a period of two fiscal years, if so provided in appropriation Acts.

"STOCKPILE MANAGEMENT

"SEC. 6. (a) The President shall—

"(1) acquire the materials determined under section 3(a) to be strategic and critical materials;

"(2) provide for the proper storage, security, and maintenance of materials in the stockpile;

"(3) provide for the refining or processing of any material in the stockpile when necessary to convert such material into the form most suitable for storage and subsequent disposition;

"(4) provide for the rotation of any material in the stockpile when necessary to prevent deterioration of such material by replacement of such material with an equivalent quantity of substantially the same material;

"(5) subject to the notification required by subsection (d)(2), provide for the timely disposal of materials in the stockpile that (A) are excess to stockpile requirements, and (B) may cause a loss to the Government if allowed to deteriorate; and

"(6) dispose of materials in the stockpile the disposal of which is specifically authorized by law.

"(b) Except as provided in subsections (c) and (d), acquisition of strategic and critical materials under this Act shall be made in accordance with established Federal procurement practices, and, except as provided in subsections (c) and (d) and in section 7(a), disposal of materials from the stockpile shall be made by formal advertising or competitive negotiation procedures. To the maximum extent feasible—

"(1) formal advertising procedures shall be used in the acquisition and disposal of such materials;

"(2) efforts shall be made in the acquisition and disposal of such materials to avoid undue disruption of the usual makets of producers, processors, and consumers of such materials and to protect the United States against avoidable loss; and

"(3) disposal of such materials shall be made for domestic consumption.

"(c)(1) The President shall encourage the use of barter in the acquisition of strategic and critical materials for, and the disposal of materials from, the stockpile when acquisition or disposal by barter is authorized by law and is practical and in the best interest of the United States.

"(2) Materials in the stockpile, the disposition of which is authorized by law, shall be available for transfer at fair market value as payment for expenses (including transportation and other incidental expenses) of acquisition of materials, or of refining, processing, or rotating materials, under this Act.

"(3) To the extent otherwise authorized by law, property owned by the United States may be bartered for materials needed for the stockpile.

"(d)(1) The President may waive the applicability of any provision of the first sentence of subsection (b) to any acquisition of material for, or disposal of material from, the stockpile. Whenever the President waives any such provision with respect to any such acquisition or disposal, or whenever the President determines that the application of paragraph (1), (2), or (3) of such subsection to a particular acquisition or disposal is not feasible, the President shall notify the Committees on Armed Services of the Senate and House of Representatives in writing of the proposed acquisition or disposal at least thirty days before any obligation of the United States is incurred in connection with such acquisition or disposal and shall include in such notification the reasons for not complying with any provision of such subsection.

"(2) Materials in stockpile may be disposed of under subsection (a)(5) only if the Committees on Armed Services of the Senate and House of Representatives are notified in writing of the proposed disposal at least thirty days before any obligation of the United States is incurred in connection with such disposal.

"SPECIAL DISPOSAL AUTHORITY OF THE PRESIDENT

"SEC. 7. (a) Materials in the stockpile may be released for use, sale, or other disposition—

"(1) on the order of the President, at any time the President determines the release of such materials is required for purposes of the national defense; and

"(2) in time of war declared by the Congress or during a national emergency, on the order of any officer or employee of the United States designated by the President to have authority to issue disposal orders under this subsection, if such officer or employee determines that the release of such materials is required for purposes of the national defense.

"(b) Any order issued under subsection (a) shall be promptly reported by the President, or by the officer or employee issuing such order, in writing, to the Committees on Armed Services of the Senate and House of Representatives.

"MATERIALS DEVELOPMENT AND RESEARCH

"SEC. 8. (a)(1) The President shall make scientific, technologic, and economic investigations concerning the development, mining, preparation, treatment, and utilization of ores and other mineral substances that (A) are found in the United States, or in its territories or possessions, (B) are essential to the national defense, industrial, and essential civilian needs of the United States, and (C) are found in known domestic sources in inadequate quantities or grades.

"(2) Such investigations shall be carried out in order to—

"(A) determine and develop new domestic sources of supply of such ores and mineral substances;

"(B) devise new methods for the treatment and utilization of lower grade reserves of such ores and mineral substances; and

"(C) develop substitutes for such essential ores and mineral products.

"(3) Investigations under paragraph (1) may be carried out on public lands and, with the consent of the owner, on privately owned lands for the purpose of exploring and determining the extent and quality of deposits of such minerals, the most suitable methods of mining and beneficiating such minerals, and the cost at which the minerals or metals may be produced.

"(b) The President shall make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 3(a) of this Act to be a strategic and critical material or substitutes therefor.

"NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

"SEC. 9. (a) There is established in the Treasury of the United States a separate fund to be known as the National Defense Stockpile Transaction Fund (hereinafter in this section referred to as the 'fund').

"(b)(1) All moneys received from the sale of materials in the stockpile under paragraphs (5) and (6) of section 6(a) shall be covered into the fund. Such moneys shall remain in the fund until appropriated or

until the end of the third fiscal year following the fiscal year in which they are received. Any such moneys remaining in the fund after the end of such third fiscal year that have not been appropriated shall be transferred to miscellaneous receipts of the Treasury. Any of such moneys that are appropriated shall be disbursed from the fund in the order in which they were covered into the fund.

"(2) Moneys covered into the fund under paragraph (1) shall be available, when appropriated therefor, only for the acquisition of strategic and critical materials under section 6(a)(1) of this Act.

"(c) All moneys received from the sale of materials being rotated under the provisions of section 6(a)(4) or disposed of under section 7(a) shall be covered into the fund and shall be available only for the acquisition of replacement materials.

"ADVISORY COMMITTEES

"SEC. 10. (a) The President may appoint advisory committees composed of individuals representing industries concerned with specified stockpile materials to advise the President with respect to the acquisition, transportation, processing, refining, storage, security, maintenance, rotation, and disposal of such materials under this Act.

"(b) Each member of an advisory committee established under subsection (a) while serving on the business of the advisory committee away from such member's home or regular place of business shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons intermittently employed in the Government service.

"REPORTS TO CONGRESS

"SEC. 11. The President shall submit to the Congress every six months a written report detailing operations under this Act. Each such report shall include—

"(1) information with respect to foreign and domestic purchases of materials during the preceding six-month period;

"(2) information with respect to the acquisition and disposal of materials under this Act by barter, as provided for in section 6(c) of this Act, during such period;

"(3) a statement and explanation of the financial status of the National Defense Stockpile Transaction Fund and the anticipated appropriations to be made from the fund during the next fiscal year; and

"(4) such other pertinent information on the administration of this Act as will enable the Congress to evaluate the effectiveness of the program provided for under this Act and to determine the need for additional legislation.

"IMPORTATION OF STOCKPILE MATERIALS

"SEC. 12. Notwithstanding any other provision of law, the President may not prohibit or regulate the importation into the United States of any material determined to be strategic and critical pursuant to the provisions of this Act, if such material is the product of any foreign country or area not listed as a Communist-dominated country or area in general headnote 3(d) of the Tariff Schedules of the United States (19 U.S.C. 1202), for so long as the importation into the United States of material of that kind which is the product of such Communist-dominated countries or areas is not prohibited by any provision of law.

"DEFINITIONS

"SEC. 13. For the purposes of this Act:

"(1) The term 'strategic and critical materials' means materials that (A) would be needed to supply the military, industrial, and essential civilian needs of the United States during a national emergency, and (B) are not found or produced in the United States in sufficient quantities to meet such need.

"(2) The term 'national emergency' means a general declaration of emergency made by the President or by the Congress."

SEC. 3. Nothing contained in this Act shall be construed as amending, repealing, replacing, or otherwise affecting the authority contained in any Act, including the Act entitled "An Act to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome", approved March 18, 1977 (91 Stat. 22), other than the Strategic and Critical Materials Stock Piling Act, as in effect on the day before the date of the enactment of this Act, regarding the acquisition or disposal of strategic and critical materials for the United States.

SEC. 4. (a)(1) Section 103(a) of the Act entitled "An Act to provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes", approved August 28, 1954 (7 U.S.C. 1743(a)), is amended—

(A) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)" in paragraph (4) and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)";

(B) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended" in the third sentence and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act"; and

(C) by striking out "funds appropriated pursuant to section 8 of such Act of June 7, 1939" in the third sentence and inserting in lieu thereof "funds appropriated for the purposes of that Act".

(2) Section 105 of such Act (7 U.S.C. 1745) is amended by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)" and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)".

(b) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by striking out "section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)" and inserting in lieu thereof "section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98a)".

(c) Section 303(f) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(f)) is amended—

(1) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended," in the first sentence and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)"; and

(2) by striking out "from funds available under such Act of June 7, 1939, as amended" and inserting in lieu thereof "from funds appropriated for the purposes of such Act".

By Mr. RIBICOFF:

S. 291. A bill to provide for posting information in post offices with respect to registration, voting, and communicating with lawmakers; to the Committee on Governmental Affairs.

VOTERS INFORMATION ACT OF 1979

● Mr. RIBICOFF. Mr. President, I introduce for appropriate reference the Voters Information Act of 1979.

This legislation would require that certain information which every citizen of our country needs to have would be posted in each post office. This information would include the qualifications for registration and voting, and the places, dates, and times for registration and voting at elections in the areas served by the post office. The posting would also include the names and office addresses of the Members of Congress and of the State legislature serving the area in which the post office is located. Finally, the posting would include information on the availability and cost of public opinion messages which can be sent to the President, Vice President, or Members of the Congress.

In recent polls taken by both the Gallup and Harris organizations, it has been found that over 50 percent of the American people cannot name their lawmakers at the State or national level. If these people do not even know who their elected representatives are, how can they participate in the democratic process by communicating with their elected representatives and judging the conduct of their elected representatives in the next election.

This act would provide the most basic information about our form of government to the citizen in a location which is easily accessible. The posting of such information would not cost much money and would not in any way involve the postal service in any political matter. Rather, the legislation would provide American citizens with the basic information which they need in order to register and vote and to contact and judge their elected representatives.

Mr. President, I urge the adoption of this bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voters Information Act of 1979."

SEC. 2. (a) There shall be posted in a prominent place in each post office, information with respect to the qualifications for registration and voting, the places, dates, and times for registration and voting at elections in the area served by such post office.

(b) There shall likewise be posted in each post office the names and office addresses of the United States Senators from the State and the Representative in Congress from the congressional district in which such post office is situated.

(c) There shall likewise be posted in each post office the names and office addresses of the representatives to the State legislature from the area in which the post office is situated.

(d) There shall likewise be posted in each post office information on the availability and cost of public opinion messages to the President, Vice-President and members of Congress.

SEC. 3. The Postmaster General shall prescribe such regulations as may be necessary to carry out the provisions of this Act.●

By Mr. McGOVERN (for himself, Mr. TALMADGE, and Mr. DOLE):

S. 292. A bill to reduce the fiscal year 1980 authorization for appropriations for the special supplemental food program; to the Committee on Agriculture, Nutrition, and Forestry.

WIC FUNDING LEVEL

● Mr. McGOVERN. Mr. President, the bill I am introducing today will reduce by $50 million the 1980 funding level for the

special supplemental food (WIC) program. The Child Nutrition Amendments of 1978, Public Law 95-627, approved by the President on November 10, 1978, provides an entitlement level of $800 million for fiscal year 1980. This amendment would lower that level to $750 million.

The amendment does not in any way indicate a lessening of my support for the WIC program.

Evidence continues to mount that the WIC program is one of the most effective and successful health and nutrition programs operated by the Federal Government. Continuation and expansion of the program are crucial in the fight to reduce the high infant mortality rate in the United States. The following table shows the current national infant mortality rate in comparison to other countries:

Infant mortality rates around the world

[Deaths per thousand live births]

1. Sweden	9.2
2. Norway	10.5
3. Denmark	10.7
4. Japan	10.8
5. Finland	11.0
6. Holland	11.0
7. France	12.1
8. Switzerland	12.5
9. Spain	13.7
10. Canada	15.0
11. New Zealand	15.6
12. England and Wales	15.9
13. West Germany	15.9
14. Belgium	16.2
15. Australia	16.4
16. United States	16.7
17. Hong Kong	16.8
18. Ireland	17.1
19. Czechoslovakia	20.4
20. East Germany	21.1
21. Italy	22.6
22. Austria	23.4
23. Israel	23.5
24. Poland	23.5
25. Greece	24.0

Source—National Center for Health Statistics, Rockville, Md. Demographic yearbook of the U.N.—1974 data.

Data collected independently by State WIC programs in Arizona, Oregon, and Louisiana during 1974 and 1977 show that WIC participants demonstrated a substantial reduction in anemia, a reduced incidence of low-birthweight infants, and improvement in achieving proper weight in participants who were underweight or overweight when entering the program.

A recent Center for Disease Control study documents that children entering the WIC program have a high prevalence of anemia. After 1 year on the program, the children experienced dramatic improvement in their hemoglobin and hematrocrit values; 94 percent had been raised to satisfactory levels by the second WIC followup visit. The improvements were most dramatic for those children who had the lowest values prior to entering the WIC program. This study indicates that the WIC program also results in a considerable reduction in the number of low-birthweight infants.

When the child nutrition amendments reached the President's desk, I was informed by the White House that the $800 million funding level for 1980 was unacceptably high and that a commitment to reduce that figure by $50 million was crucial to the President's decision of whether or not to sign the bill. As the child nutrition amendments was one of the last bills taken up by the 95th Congress, there was not time for a conference between the House and Senate during which we could have taken into consideration the position of the President. We, therefore, agreed upon this procedure.

Rather than possibly jeopardizing the implementation of many of the meaningful reforms contained in the 1978 act, an agreement was reached under which the sponsors of the legislation agreed to support a $50 million decrease in 1980 WIC funding.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(g) of the Child Nutrition Act of 1966 is amended by striking out "$800,000,000" and inserting in lieu thereof "$750,000,000".

SEC. 2. The provisions of this Act shall become effective October 1, 1979.●

By Mr. DOMENICI:

S. 293. A bill for the relief of Julio Antonio Morales-Flores; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, the private bill I introduce on behalf of Julio Antonio Morales-Flores is at the suggestion of an Assistant U.S. Attorney and a Federal Public Defender.

Mr. Morales lawfully resided in this country from 1954 until 1967, was married to an American citizen and fathered a son who is an American citizen.

For 3½ years he has been in Federal prison at the Government's expense, serving sentences imposed for immigration violations. Yet, had he been more knowledgeable about immigration laws, or had he been informed about the INS laws, he would not have suffered the deportations upon which the subsequent criminal convictions were premised.

This legislation is, therefore, meant to equitably clarify Mr. Morales' status and allow him to lawfully remain in this country with his son.●

By Mr. MATHIAS:

S. 294. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Finance.

Mr. MATHIAS. Congress must again address the issue of social security reform. The Social Security Amendments of 1977 creates a serious inequity. If all Americans are to receive a fair return on their investment in the social security system, the 1977 amendments must be revised.

Under the 1977 amendments, men who retire on a civil service pension cannot, in addition, collect benefits as a survivor or dependent of a spouse who has qualified for social security coverage, unless the social security benefit is greater than the amount he receives under his civil service pension. In that case, he can collect the difference between his pension and social security benefits.

The same offset provision will apply, in 1983, to women who retire on a civil service pension and whose husbands are under the social security system.

This is a gross injustice. Earning a pension through contributions to a civil service system should not make an individual ineligible for benefits as a survivor or dependent of a husband or wife who has fully qualified by their contributions, for social security benefits. While I realize that the civil service pensioner himself has not paid into the social security system, neither have many other dependents who continue to receive social security benefits.

Hundreds of thousands of Federal, State, and local government employees have counted on these benefits as part of their retirement income, especially in this period of intense inflation. The provision clouds the economic future for these citizens. Congress has the responsibility to eliminate a major inequity in the social security system. My bill S. 294 would give Congress the opportunity to do so. It is imperative that we meet this challenge.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The bill follows:

S. 294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 334 of the Social Security Amendments of 1977 is amended—

(1) by striking out subsections (a), (b)(3), (c), (d)(3), (e), and (g); and

(2) by striking out "is amended to read" and all that follows in subsections (b)(2) and (d)(2) and inserting in lieu thereof in each instance "is repealed.".

(b) Subsections (a)(1) and (b)(1) of section 336 of such amendments are each amended by striking out all that follows "Act" where it first appears and inserting in lieu thereof "is amended by striking out all that follows 'subsection (q)' and precedes 'and subparagraph (B)'.".

SEC. 2. Subsection (a) of the first section of this Act shall be effective with respect to benefits payable for months beginning with the month in which the Social Security Amendments of 1977 were enacted, in accordance with section 334(f) thereof (as though the amendments made by such subsection (a) had been incorporated in section 334 of such amendments upon its enactment); and the amendments made by subsections (a), (b)(2), (3), (c), (d)(2), (d)(3), and (e) of such section 334 as in effect without regard to this Act shall be deemed never to have become effective. The amendments made by subsection (b) of the first section of this Act shall become effective (as though they had been included upon the enactment of such amendments) as provided in sections 336(c)(1) thereof.

Mr. President, I ask unanimous consent that an article which appeared in the Washington Post, written by Mike Causey, entitled "Pension Offset Plan Is Set," be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

PENSION OFFSET PLAN IS SET

Federal and postal workers retiring after September of this year stand to lose at least $80 million a year in benefits if they are eligible for both civil service annuities and social security. That is the proposal under a complicated pension offset plan President Carter will send Congress shortly.

The number of future federal retirees that would be hit by the partial pension offset is impossible to predict. But federal officials estimate that nearly 50 percent of the government work force now has some social security entitlement, or will have after they leave government.

The legislation is aimed at cutting back on "double dipper" benefits by future federal retirees who also qualify for social security payments based on service in the private sector. President Carter announced the plan in his new budget, but did not spell out details. Insiders say it would work like this:

The idea is to reduce $1 in benefits from social security for every $3 the retiree receives from his or her federal pension "to the extent that the federal pension exceeds the mean (average) social security worker's benefit." That mean, or average, social security benefit as of now is $279 a month. It changes—usually going up—each year based on the cost of living.

Here is a purely hypothetical example: Suppose that a future retiree leaves government and is entitled to a civil service pension of $500. Because he or she also worked under social security, that individual would also—for sake of the example—get $200 monthly from social security. Under the present system the retiree would get two monthly checks from the government, one for the $500 federal pension (which is taxable) and $200 (nontaxable) from social security.

Under the Carter offset plan, the pension offset would be made on that portion of the federal annuity that exceeded the current social security average payment. For the moment, that figure would be $279. So the $3 for $1 offset in this case would reduce the retiree's social security check by $73 a month.

There is a guarantee in the proposed legislation that would protect retirees entitled to civil service and social security benefits from losing all social security money. It would come into play where the civil service pension was very high, and the social security payment very low. In that case the retiree would be guaranteed social security benefits based on 32 percent of his or her lifetime indexed wages under social security.

Carter's plan, if Congress approves it, would not affect anyone now retired and drawing both civil service retirement and social security. It would go into effect only for persons retiring after September of this year, and only for benefits commencing after that date.

Nevertheless, the offset plan will be a big jolt to everybody now in government. It will mean a minimum annual reduction in their social security benefits of between $77 million and $80 million when fully effective. And that amount of loss will increase as pensions and social security benefits rise.

Pay Protest: Federal workers and a coalition of employe unions are planning a noontime protest march today, blasting President Carter's plan to hold their October pay rise to 5.5 percent. Preliminary data indicates federal workers will be due a 10.25 percent increase to keep pace with inflation, and with industry wages.

The march will start at HEW. Demonstration leaders say the parade route will go to the Housing and Urban Development building, then back to HEW. Union officials and Washington area politicians will be on hand.

National Treasury Employees Union continues its winning ways outside the Treasury Department. Last week it won exclusive bargaining right to represent Department of Energy's 3,600 headquarters workers. NTEU got 601 votes to 286 for the American Federation of Government Employees. One hundred Energy workers voted "no union."

Since last June, the NTEU (once composed exclusively of Internal Revenue Service workers has won representation elections at the Nuclear Regulatory Commission (field and headquarters), Federal Elections Commission, Federal Communications Commission and Pension Benefit Guarantee Corporation.●

By Mr. NUNN (for himself and Mr. DECONCINI):

S. 295. A bill to establish a procedure in addition to impeachment for the retirement of disabled members of the Judiciary of the United States and the removal of those whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution, and for other purposes; to the Committee on the Judiciary.

JUDICIAL TENURE ACT

● Mr. NUNN. Mr. President, I rise today to reintroduce legislation which I believe to be one of the most important judicial reforms considered by the Congress in recent years. I first introduced the Judicial Tenure Act in the 93d Congress. It has since progressed through the hearing and committee approval process in the 93d and 94th Congresses, culminating in Senate passage of the bill in the 95th Congress. The bill which I am introducing today, on behalf of myself and Senator DECONCINI, is identical to the one which the Senate passed in September of last year.

The purpose of the Judicial Tenure Act is to provide a means, as an alternative to impeachment, for the disciplining of a Federal judge who is not conforming to the constitutional standard of "good behavior." Examination of our history reveals that impeachment is a ponderous and little used process which, in fact, has resulted in a Federal judiciary which is virtually unchecked and accountable to no one. This realization is particularly disturbing at a time when the other branches of Government are recognizing that it is imperative that the public trust in governmental officials be restored through meaningful standards of conduct and disciplinary mechanisms.

Furthermore, even if impeachment were a more effective means of enforcing the constitutional tenure standard, it is unreasonable to expect the legislative business of this country to come to a halt while the House impeaches and the Senate tries some obscure yet misbehaving judge. Commonsense requires that a logical balance be struck between the gravity of the situation and the interruption of congressional activity.

Mr. President, the facts bear out these assumptions. Over the course of our 200 years as a Nation, only 54 judges and 1 Justice have been officially investigated. Of these, only eight judges and one Justice have been impeached by the House, resulting in the conviction and removal of a mere four judges in two centuries. The last impeachment of a Federal judge was 40 years ago. It is unreasonable to assert that a mere four Federal judges have misbehaved or been disabled in our history.

The Judicial Tenure Act is intended to make available, pursuant to constitutional authority, a more workable and realistic disciplinary mechanism. Detailed examination of existing statutory provisions in this area has revealed that, while administrative authority has been provided to various entities within the Federal court system, no specific statutory language exists which would authorize disciplinary action in the case of a misbehaving judge.

The principles embodied in this bill are not new ones and the procedures proposed have been thought through and refined over a period of more than 40 years. Constitutional amendments on the subject of judicial discipline and tenure were proposed in the early 1800's, and legislation contemplating statutory authority has been considered periodically since 1936.

This legislation has been carefully drafted so as to create a procedure, appropriately circumscribed by due process protections, which would ultimately authorize the censure, removal or involuntary retirement of a judge or Justice determined to be in derogation of the constitutional standard of "good behavior." Hearings have been held on various aspects of this proposal over the years and changes have been made in the legislation to reflect the constructive suggestions developed in those forums.

Some have asserted that this proposal may present constitutional problems. I believe that these concerns are unfounded and that the weight of credible authority not only supports its constitutionality but indicates that the procedure, based upon common law precedent, is contemplated by the applicable provisions of the Constitution.

The Judicial Tenure Act has been endorsed in total or in principle by the American Bar Association, the American Judicature Society, the American Association of Attorneys General, and the Judicial Conference of the United States. As I mentioned, it was passed by the Senate last year.

Mr. President, a great deal of the credit for the progress of this legislation in the 95th Congress must be accorded to Senator DECONCINI, who is the principal cosponsor of the bill. In his role as chairman of the Subcommittee on Improvements in Judicial Machinery, he did yeoman-like work in conducting hearings on this issue, developing constructive additions to the bill and shepherding the legislation through the Judiciary Committee. I would like to thank him for those efforts and I look forward to working with him in the same fashion this year.

I will not take up any more time at this point. In closing, I would like to express my belief that the Judicial Tenure Act represents a principle whose time has come and my hope that the Judiciary Committee and the full Senate will act expeditiously to confirm that fact.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Tenure Act".

PROCEDURES FOR INVOLUNTARY RETIREMENT, REMOVAL, OR CENSURE

SEC. 2. (a) Title 28, United States Code, is amended by adding immediately after chapter 17 the following new chapter:

"Chapter 18.—PROCEDURES FOR INVOLUNTARY RETIREMENT, REMOVAL, OR CENSURE

"Sec.
"381. Judicial Conduct and Disability Commission; establishment.
"382. Committees; selection of members; receipt of complaints.
"383. Complaint concerning the condition or conduct of judges; filing and processing.
"384. Procedure before the Judicial Conduct and Disability Commission.
"385. Court on Judicial Conduct and Disability; duties of the Judicial Conference of the United States relating to proceedings with respect to involuntary retirement, removal, and censure.
"386. Disqualification of judges.
"387. Confidentiality of proceedings.
"388. Removal or censure of judges.
"389. Justices of the Supreme Court; report of impeachment or censure.
"390. Claims of involuntarily retired judges relating to judicial duties.
"391. Rules of procedure; Court on Judicial Conduct and Disability, Judicial Conduct and Disability Commission, and committees; attorney's fees.
"392. Intervention; amicus curiae; mandamus.

"§ 381. Judicial Conduct and Disability Commission; establishment

"(a) There is established in the judicial branch of the Government a body which shall be known as the Judicial Conduct and Disability Commission. The mandate of the commission shall be to further the honest, impartial, and efficient administration of justice in the courts of the United States in accordance with the duties imposed upon it by law. The Judicial Conference of the United States is authorized and directed to appoint an executive director, whom it may remove for cause shown. The Judicial Conference shall fix the compensation of the executive director at a rate not to exceed the lowest annual rate of pay payable for grade 16 of the General Schedule (GS-16) prescribed under section 5332 of title 5. The executive director shall be eligible for increases in pay corresponding with those provided for by section 5335 of title 5. The executive director with the approval of the commission, may appoint necessary employees of the commission in such number as may be approved by the Director of the Administrative Office of the United States Courts.

"(b)(1) The commission shall be composed of one member from each judicial circuit, and one member selected collectively by the judges of the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court. Each member shall be a judge of the United States in regular active service or senior status. Each member from a circuit shall be elected by the circuit and district judges of the circuit who are in regular active service or senior status, at a judicial conference of the circuit held pursuant to section 333 of this title. The one member representing the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court shall be elected by the judges of those courts who are in regular active service or senior status. A judge of any court created by an Act of Congress in a terriory which is invested with jurisdiction of a district court of the United States may not take part in any election or be elected as a member of the commission. A judge who is a member of the Judicial Conference may not serve simultaneously as a member of the commission. The members of the commission shall elect one of its members as chairman of the commission.

"(2) The chairman may appoint, pursuant to rules promulgated under section 391 of this title, a panel of seven members of the commission to carry out the duties of the commission under this chapter and to consider any complaint not dismissed under section 383(a) of this title. The panel is authorized to act on behalf of the commission upon the concurrence of four of the members of the panel.

"(c)(1) The term of each member of the commission shall be three years except that when the commission is initially selected four of the members shall serve two-year terms and four of the members shall serve one-year terms. The chairman shall decide who shall serve each of the initial terms. The term of any member shall automatically be extended until his successor has qualified. A member selected to fill a vacancy shall commence a full three-year term. A judge may serve on the commission any number of terms but may not serve consecutive terms.

"(2) The term of a member of the commission shall automatically expire when that member resigns as a judicial officer, is involuntarily retired under section 372(c) of this title, or is removed or censured under section 388 of this title.

"(d) For the purposes of section 456 of this title, the performance of duties as a member of the commission shall constitute the transaction of official business.

"§ 382. Committees; selection of members; receipt of complaints

"Each circuit, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court shall have a committee of judges who are in regular active service or senior status to receive, process, and review any complaints against judges of their respective circuits or courts transmitted from the Judicial Conduct and Disability Commission under section 383(a) of this title. The chief judge of the circuits, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court, shall sit as the presiding officer of the respective committee. The other members shall be selected in accordance with the rules promulgated under section 391 of this title. Judges of the district court and court of appeals must be represented in the case of a circuit committee. During consideration of a complaint filed by or against a chief judge, the next most senior member of the circuit, or of the Court of Claims, the Court of Customs and Patent Appeals, or the Customs Court, shall sit as presiding officer of the committee and select the other members of the committee. Upon receipt of a complaint transmitted from the commission, the committee shall convene and conduct its proceedings in accordance with the rules promulgated under section 391 of this title.

"§ 383. Complaint concerning condition or conduct of judges; filing and processing

"(a) Any person may file a complaint with the Judicial Conduct and Disability Commission setting forth the condition or conduct of a judge of the United States, alleging that such condition or conduct violates the good behavior standard required by article III, section 1 of the Constitution. All complaints shall be in writing and certified or subscribed in the manner set forth in section 1746 of this title. The commission, acting through its executive director, shall dismiss by written order, without prejudice, any complaint found to be improperly verified or subscribed, or, after preliminary inquiry, with prejudice, any complaint which is frivolous or outside the jurisdiction of the commission. Complaints which are outside the jurisdiction of the commission include, but are not limited to, complaints relating to the merits of any decision or procedural ruling of a judge, and complaints relating to the condition or conduct of a judge which is not connected with his judicial office or which does not prejudice the administration of justice by bringing the judicial office into disrepute. Any complaint not initially dismissed by the commission, acting through its executive director, shall be transmitted within seven days of the filing of the complaint to the presiding officer of the committee of the respective circuit or court. A judge whose condition or conduct is the subject of a complaint transmitted to a committee shall receive a copy of such complaint and shall be notified in writing by the commission of his right to submit to the committee within ten days a written statement in his own behalf and of other rights under rules promulgated under section 391 of this title.

"(b) Upon receipt of the complaint from the commission, the committee shall conduct a preliminary investigation to determine the nature and existence of any of the grounds specified in section 372(c) of this title for the involuntary retirement of a judge, or in section 388 of this title for the removal or censure of a judge.

"(c)(1) Each committee, after completion of its investigation and on the basis of the grounds specified in section 372(c) or 388 of this title, shall, by majority vote, recommend to the commission—

"(A) dismissal of any complaint which it finds to be frivolous, insufficient in law or fact, or outside the jurisdiction of the commission; or

"(B) further investigation by the commission of any complaint for which the committee finds sufficient cause to believe that the condition or conduct of the judge may be inconsistent with the good behavior required by article III, section 1 of the Constitution; or

"(C) that there be a reasonable period of time in which the committee be authorized to attempt to address the specified matter raised in such complaint.

"(2) A copy of the recommendation of the committee under this subsection, accompanied by a written explanation, shall be forwarded to the commission and the judge under inquiry.

"(d) The committee shall have no longer than thirty days from the receipt of the complaint from the commission in which to make a recommendation under subsection (c) of this section, except that the commission, in the interest of justice and for cause shown, may grant a reasonable extension upon application made by the committee.

"(e) The committee may utilize existing staff employed by the circuit or court, or employees of other circuits or courts, or may request the Director of the Administrative Office of the United States Courts to procure personal services of experts and consultants, as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the committee in any particular case under this chapter.

"§ 384. Procedure before the Judicial Conduct and Disability Commission

"(a) Upon receipt of the recommendation of a committee as provided in section 383 of this title, the Judicial Conduct and Disability Commission, pursuant to rules promulgated under section 391 of this title, shall either dismiss the complaint, initiate an investigation of its own to determine the nature and existence of any of the grounds specified in section 372(c) of this title for the involuntary retirement of a judge or in section 388 of this title for the removal or censure of a judge, or if necessary, authorize a reasonable period of time for the committee to attempt to address the specified matter raised in such complaint. Upon the conclusion of the time period, the committee shall either recommend that the case be dismissed or that the commission conduct a further investigation. Any judge whose condition or conduct is the subject of an investigation under this subsection shall be notified in writing of the pending investigation, and of his right to submit a written statement in his own behalf and of other rights under rules promulgated under section 391 of this title.

"(b)(1) The commission is authorized to administer oaths, order and otherwise provide for the inspection of books and records, and issue subpenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony relevant to the conduct of any investigation under this chapter. Such attendance of witnesses and the production of such evidence may be required from any place within the United States and its territories at any designated place of hearing within the United States upon payment of fees and expenses as prescribed by law.

"(2) If a person who is the subject of a subpena issued under paragraph (1) of this subsection refuses to obey such subpena, the commission may invoke the aid of the district court of the district in which the subpenaed party either resides or may be found. The district court may issue an order requiring such person to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the district court may be punished by such court as contempt thereof.

"(c) The commission, or a panel acting on behalf of the commission, after completion of its investigation and on the basis of the grounds specified in section 372(c) or 388 of this title, shall, by majority vote—

"(1) dismiss any complaint which it finds to be frivolous, insufficient in law or fact, or outside the jurisdiction of the commission; or

"(2) recommend to the Court on Judicial Conduct and Disability that it hold a hearing on any complaint for which the commission finds sufficient cause to believe that the condition or conduct of the judge may be inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(d) Whenever the commission dismisses a complaint under subsection (c)(1) of this section, section 383(a), or 384(a), the judge against whom the complaint was filed and the complainant shall be notified in writing of the action taken and the reason for the order of dismissal. Within ten days after such notification, the complainant may petition the Court on Judicial Conduct and Disability to issue a writ of certiorari to review an order of dismissal. If certiorari is granted, the court may summarily affirm, or, if it determines that the dismissal was arbitrary or capricious, reverse with directions for further investigation by the commission.

"(e) Whenever the commission recommends under subsection (c)(2) of this section that a hearing be held in the court, it shall make and file a report with the court which includes the complaint made against the judge, the recommendation of the committee, the recommendation of the commission, and a summary of the factual evidence which its investigation has disclosed. Such report shall be entered on the records of the court. A copy of the report shall be forwarded to the judge under inquiry and to the complainant.

"(f) The commission shall have no longer than ninety days from receipt of the recommendation of a committee in which to prepare and forward any report to the court, except that the court, in the interest of justice and for cause shown, may grant a reasonable extension upon application made by the commission.

"(g) The commission may utilize its own staff or other employees of a circuit or court, or the executive director, with the approval of the commission, may request the Director of the Administrative Office of the United States Courts to procure personal services of experts and consultants, as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the commission in any particular case under this chapter.

"(h) The commission shall prepare an annual report to the Congress showing the number of complaints and the action taken on each complaint.

"§ 385. Court on Judicial Conduct and Disabilities; duties of the Judicial Conference of the United States relating to proceedings with respect to involuntary retirement, removal, and censure

"(a)(1) The Judicial Conference of the United States shall elect annually one member of the conference to be presiding officer of the Court on Judicial Conduct and Disability to hear matters concerning the involuntary retirement, removal, or censure of a judge of the United States. A member of any committee established under section 382 of this title who was a member of the committee which conducted the preliminary investigation relating to the condition or conduct of a judge shall not sit as a member of the court in a matter concerning the same judge. The chief justice shall neither participate in the election of the presiding officer nor be the presiding officer of the court.

"(2) The presiding officer shall select six members of the conference to serve on the court with the presiding officer each for a one-year term pursuant to rules promulated under section 391 of this title. Any temporary or permanent vacancy in a term of a member of the court shall be filled by the presiding officer. The court is established under article III of the Constitution of the United States as a court of record and may exercise all appropriate judicial powers incident or necessary to the jurisdiction conferred upon it by this title. Appropriate judicial powers include, but are not limited to, administering oaths, ordering and otherwise providing for the inspection of books and records, and issuing subpenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony relevant to the conduct of a proceeding of the court. Such attendance of witnesses and the production of such evidence may be required from any place in the United States and its territories at any place designated for holding court within the United States. The clerk and marshal of the district court of the District of Columbia shall be the clerk and marshal of the court and shall be responsible for the maintenance of all records of the court and the service of process and execution of all orders of the court. When the court is sitting outside the District of Columbia, the clerk and marshal of another district court, with the approval of the court, may act as the clerk and marshal of the court. The court may hold court at the District of Columbia and at such other places within the United States and at such times as the court may designate by rule or order.

"(b) Upon receipt of a report from the commission under section 384(e) of this title, the presiding officer shall convene the court at the earliest practical date to hear and decide the merits of the written complaint made against the judge. The commission, or its representative, shall appear, offer evidence in support of the report of the commission, and shall have the burden of proving its report before the court by clear and convincing evidence. Any judge whose condition or conduct is the subject of a hearing shall be given no less than ten days' notice of such hearing, shall be admitted to the hearing, may be represented by counsel, offer evidence in his own behalf, confront and cross-examine any witness against him, and have the right to compulsory process to obtain evidence or witnesses.

"(c)(1) The commission shall on its own motion or upon the filing of a complaint pursuant to section 383 of this title compile information and maintain current records of all cases in which a judge has pleaded guilty, nolo contendere or has been found guilty in a court of competent jurisdiction of a crime punishable as a felony under State or Federal law or of any crime State or Federal law which involved moral turpitude.

"(2) The commission shall file a report directly with the court whenever it has determined pursuant to rules promulgated under section 391 of this title that a judge has pleaded guilty, nolo contendere, or has been found guilty in a court of competent jurisdiction of a crime punishable as a felony under State or Federal law or of any crime under State or Federal law which involved moral turpitude. The court may suspend such judge of the United States from the exercise of any judicial powers or prerogatives pending final disposition of the complaint against him. If the conviction of the judge is reversed, the suspension shall automatically terminate. If such reversal is subsequently overturned, the suspension shall be automatically reinstated. In either case the clerk shall confirm the automatic termination or reinstatement by entering the appropriate order. Whenever the conviction of the judge becomes final, the court may, pursuant to rules promulgated under section 391 of this title, order his removal or censure from office under section 388 of this title.

"(3) In all other cases, the court may suspend a judge who is the subject of an inquiry from the exercise of any judicial powers or prerogatives only upon the holding of the hearing as specified in subsection (b) of this section. The entry of an order specified in subsection (d)(1) (A) or (B) of this section may include an order of suspension.

"(4) An order of suspension shall be issued upon a majority vote of the members of the court. During the period of suspension, the judge shall continue to receive the salary of his office. The court shall send a copy of the suspension order to the suspended judge, to the commission, and to the authority responsible for the assignment of business to judges within the court of the judge affected by the order. Upon receiving notification of a suspension order, the authority responsible for the assignment of business shall refer the assignment of business pending before the suspended judge to other judges as it may deem appropriate.

"(d)(1) The court shall, in each case brought before it, order one of the following:

"(A) involuntary retirement of the judge under section 372(c) of this title;

"(B) removal from office of the judge under section 388 of this title;

"(C) censure of the judge under section 388 of this title; or

"(D) dismissal of the case.

"(2) Each order under paragraph (1) of this subsection shall be made by a majority of the members of the court and shall be supported by clear and convincing evidence on the record.

"(3) Each order of the court shall be in writing and the commission, the complainant, and any judge affected by such order shall receive a copy. Within ten days after such notification of an order under subsection (d), only the commission or the judge may file a petition for writ of certiorari to

the Supreme Court under section 1259 of this title.

"(e)(1) An order of the court directing involuntary retirement, removal or censure of a judge shall become final upon either the denial of a petition for writ of certiorari to the Supreme Court under section 1259 of this title, affirmance of the order by the Supreme Court, or expiration of the time for filing the petition. Upon filing the petition with the Supreme Court the order of involuntary retirement, removal, or censure shall be automatically stayed and the clerk of the court shall prepare an order to confirm the stay.

"(2) In any case in which a judge is involuntarily retired or removed under this chapter, the court shall, at the time its order becomes final, certify to the President that a vacancy exists in the office from which the judge has been involuntarily retired or removed. The President shall appoint, by and with the advice and consent of the Senate, a successor to fill any vacancy caused by the involuntary retirement or removal of a judge under this section.

"(f) Whenever a person, other than the judge who is the subject of an inquiry, refuses to give or produce evidence on the basis of his privilege against self-incrimination, the court may issue an order requiring that person to testify or produce evidence. The testimony given or evidence produced in compliance with that order, and any information directly or indirectly derived from that testimony or evidence, may not be used against the person so ordered in any criminal case, except a prosecution for perjury, giving a false statement, or for otherwise failing to comply with that order. The court shall not issue an order compelling a person to testify or produce evidence under this subsection until thirty days after notification of the Attorney General of the United States of its intention to do so.

"(g) All proceedings had in open court shall be recorded verbatim by shorthand, by mechanical means, or by electronic sound recording by an official court reporter. The court report shall transcribe and cetify the record of proceedings and shall deliver the original records and transcript to the clerk of court. Notwithstanding the provisions of section 753 of this title, if the proceedings are reported and transcribed by the reporter appointed by the district court under that section, the Director of the Administrative Office of the United States Courts shall pay the court reporter a fee for the transcript at the rates established under section 753(f) of this title.

"(h) The court may utilize existing staff employed by a circuit or court or may request the Director of the Administrative Office of the United States Courts to procure personal services of experts or consultants as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the court in any particular case under this chapter. The court may arrange for the attendance of witnesses, including witnesses not subject to subpena. Each witness, other than an officer or employee of the United States, shall receive the same attendance fees and other amounts allowed by law to a witness in a civil case as provided in section 1821 of this title. The amount shall be paid by the United States marshal for all witnesses for the court upon certification of the clerk of court.

"(i) The Federal Rules of Evidence shall apply to all proceedings before the court.

"(j) The court shall act upon the concurrence of any four of its members.

"§ 386. Disqualification of judges

"A judge who is a member of a committee established under section 382 of this title, of the Judicial Conduct and Disability Commission, or of the Court on Judicial Conduct and Disability shall not sit in any proceeding of that body when it inquires into his own condition or conduct, or when it inquires into a complaint filed by him against another judge.

"§ 387. Confidentiality of proceedings

"Unless authorized in writing by the judge whose condition or conduct is the subject of an inquiry under this chapter or otherwise authorized by this section, all matters filed with, all testimony or evidence given before, and all deliberations of a committee or the Judicial Conduct and Disabling Commission in connection with the involuntary retirement of a judge under section 372(c) of this title or the removal or censure of a judge under section 388 of this title shall be confidential. Upon the filing of a report under section 384(e) of this title with the Court on Judicial Conduct and Disability, the contents of the written complaint, the recommendation of the committee, the report of the commission, and all documents and proceedings before the court shall be made public. Any participant in the proceedings who violates the provisions of this section shall be in contempt of court and may be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 388. Removal of censure of judges

"(a) A judge of the United States may be removed from office or censured in accordance with the procedures established in this title only upon a finding by the Court on Judicial Conduct and Disability that the conduct of such judge is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(b) Conduct which shall be inconsistent with good behavior includes, but is not limited to, willful misconduct in office, willful and persistent failure to perform duties of the office, habitual intemperance, or other conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

"(c) Upon a final order of removal, the office of the judge shall become vacant and the entitlement to the salary of the office shall terminate. For the purposes of section 376(g) of this title, a judge removed from office shall be deemed to be a judge who resigned from office without entitlement to retirement salary.

"§ 389. Justices of the Supreme Court; report of impeachment or censure

"(a) Any person may file a complaint with the Judicial Conduct and Disability Commission setting forth the conduct of a Justice of the United States, alleging that such conduct violates the good behavior standard required by article III, section 1 of the Constitution. All complaints shall be in writing and verified or subscribed in the manner set forth in section 1746 of this title. The commission, acting through its executive director, shall dismiss by written order, without prejudice, any complaint found to be improperly verified or subscribed, or, after preliminary inquiry, with prejudice, any complaint which is frivolous, or outside the jurisdiction of the commission. Complaints which are outside the jurisdiction of the commission include, but are not limited to, complaints relating to the merits of any decision or procedural ruling of a Justice and complaints relating to the conduct of a Justice which is not connected with his judicial office or which does not prejudice the administration of justice by bringing the judicial office into disrepute.

"(b)(1) Any complaint not dismissed by the commission, acting through its executive director, pursuant to subsection (a) of this section, shall be investigated by the commission, or a panel acting on behalf of the commission under section 381(b)(2) of this title, to determine whether there is sufficient cause to believe that the conduct of the Justice may be inconsistent with the good behavior required by article III, section 1 of the Constitution. A Justice whose conduct is the subject of an investigation under this section shall receive a copy of the complaint and shall be notified in writing of the pending investigation, of his right to submit a written statement in his own behalf, and of other rights under rules promulgated under section 391 of this title.

"(2) The commission, or a panel acting on behalf of the commission, after completion of its investigation, shall by majority vote—

"(A) dismiss any complaint which it finds frivolous, insufficient in law or fact, or outside the jurisdiction of the commission; or

"(B) recommend to the Court on Judicial Conduct and Disability that it hold a hearing on any complaint for which the commission finds sufficient cause to believe that the conduct of the Justice may be inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(3) Whenever the commission dismisses a complaint under subsection (a) of this section or under paragraph (2)(A) of this subsection, the Justice against whom the complaint was filed and the complainant shall be notified of the action taken and the reason for the dismissal. Within ten days after such notification the complainant may petition the Court on Judicial Conduct and Disability to issue a writ of certiorari to review an order of dismissal. If certiorari is granted, the court may summarily affirm, or if it determines that the dismissal was arbitrary or capricious, reverse with directions for further investigation by the commission.

"(4) Whenever the commission recommends under paragraph (2)(B) of this subsection that a hearing be held in the court, it shall make and file a written report with the court which includes the complaint made against the Justice, the recommendation of the commission, and a summary of the factual evidence which its investigation has disclosed. Such report shall be entered on the records of the court. A copy of the report shall be forwarded to the Justice under inquiry and to the complainant.

"(5) The commission shall have no longer than one hundred and twenty days from the initial filing of a complaint in which to prepare and forward a report to the court, except that the court, in the interest of justice and for cause shown, may grant a reasonable extension upon application made by the commission.

"(c)(1) Upon receipt of a report from the commission under subsection (b)(4) of this section, the presiding officer of the court shall convene the court at the earliest practical date to hear and decide the merits of the written complaint made against the Justice. The hearing shall be conducted under subsections (a), (b), (f), (g), (h), (i), and (j) of section 385 of this title.

"(2) The court shall, in each case brought before it—

"(A) recommend to the House of Representatives the impeachment of any Justice whose conduct is found to be an impeachable offense as defined in article II, section 4 of the Constitution; or

"(B) recommend to the House of Representatives the censure of any Justice whose conduct is found to be inconsistent with the good behavior required by article III, section 1 of the Constitution and whose conduct is not found to be an impeachable offense as defined in article II, section 4 of the Constitution; or

"(C) order the dismissal of the case.

"(3) Each determination of the court under paragraph 2 of this subsection shall be made by a majority of the members of the court and shall be supported by clear and convincing evidence on the record.

"(4) Conduct which shall be deemed to be inconsistent with good behavior includes, but is not limited to, willful misconduct in office, willful and persistent failure to perform duties of the office, habitual intemperance, or other conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

"(5) Whenever the court recommends to the House of Representatives the impeachment or censure of any Justice under paragraph (2)(A) or (B) of this subsection, it shall prepare a written report which includes the complaint made against the Justice, the recommendation of the court, the recommendation of the commission, a copy of the transcript of the hearing, and specific findings made by the court. Such report shall be submitted to the House of Representatives for appropriate action. A copy of the report shall be forwarded to the Justice under inquiry and to the complainant. There shall be no judicial review of a recommendation for the impeachment or censure of a Justice.

"(6) Whenever the court orders a complaint dismissed under paragraph (2)(C) of this subsection, the Justice against whom the complaint was filed and the complainant shall be notified in writing of the action taken and the reason for the dismissal. There shall be no judicial review of an order of dismissal.

"(d) Unless authorized in writing by the Justice whose conduct is the subject of inquiry under this chapter or otherwise authorized by this subsection, all matters filed with, all testimony or evidence given before, and the deliberations of the commission in connection with a recommendation for the impeachment or censure of a Justice under this section, shall be confidential. Upon the filing of a report under section 389(b)(4) of this title, the contents of the written complaint, the report of the commission, and all documents and proceedings before the court shall be made public. Any participant in the proceedings who violates the provisions of this section shall be in contempt of court and may be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 390. Claims of involuntary retired judges relating to judicial duties

"(a) The Court on Judicial Conduct and Disability shall hear and determine any claim for assignment as authorized under section 294 of this title by a judge retired under section 372(c) of this title who alleges that his mental or physical disability has improved to the extent that he is able to efficiently perform the duties of the judicial office from which he was retired.

"(b) The court may prescribe by rule such procedures as may be appropriate to the consideration and disposition of these claims. The court shall, by majority vote, issue an appropriate order with respect to such claim and shall transmit such order to the authority responsible for the assignment of judicial duties to retired judges within the circuit or court of the judge affected by such order.

"§ 391. Rules of procedures; Court on Judicial Conduct and Disability, Judicial Conduct and Disability Commission, and committees; attorneys' fees

"(a) The Judicial Conference of the United States shall promulgate rules of procedure for the Court on Judicial Conduct and Disability and the Judicial Conduct and Disability Commission.

"(b) The Judicial Conference of the United States shall promulgate rules of procedure for the committees established under section 382 of this title, or authorize the judicial council of each circuit, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court to promulgate rules of procedure for their respective committees. Such rules shall be consistent with the rules promulgated for the court and the commission under subsection (a).

"(c) All rules promulgated under this section may be modified at any time by the Judicial Conference of the United States and shall be a matter of public record.

"(d) A judge or Justice whose condition or conduct is the subject of a complaint shall be reimbursed for a reasonable attorney's fee and for other costs reasonably incurred in proceedings before the commission, the Court on Judicial Conduct and Disability, and the Supreme Court from funds appropriated to the Judicial Conference of the United States if such complaint is finally dismissed.

"§ 392. Intervention; amicus curiae; mandamus

"(a) No person shall be granted the right to intervene or appear as amicus curiae in any proceeding before a committee established under section 382 of this title, the Judicial Conduct and Disability Commission, or the Court on Judicial Conduct and Disability.

"(b) Notwithstanding any other provision of law, the Court on Judicial Conduct and Disability shall have exclusive original jurisdiction to hear any action in the nature of mandamus directed against a committee established under section 382 of this title or the commission.".

(b) The table of chapters for title 28, United States Code and for part I of title 28, United States Code, are each amended by inserting immediately after the item relating to chapter 17 the following:

"Procedures for involuntary retirement, removal, or censure..... 381".

INVOLUNTARY RETIREMENT

SEC. 3. Section 372 of title 28, United States Code, is amended by adding at the end of the following new subsection:

"(c)(1) Whenever any judge of the United States appointed to hold office during good behavior is eligible to retire and does not so retire, and a majority of the Court on Judicial Conduct and Disability finds, pursuant to a complaint filed under section 383 of this title, that the judge is unable to discharge efficiently the duties of his office by reason of a permanent mental or physical disability, the court shall order the involuntary retirement of the judge. Habitual intemperance shall constitute a disability for the purposes of this subsection. Such judge shall be entitled to salary as specified in subsection (a) of this section. An involuntarily retired judge shall be deprived of all powers of the office except that an involuntarily retired judge who has been determined again able to undertake judicial duties under section 390 of this title may be designated and assigned under section 294 of this title.

"(2) The President shall, by and with the advice and consent of the Senate, appoint a successor to any judge retired involuntarily under the provisions of this subsection. After the successor has been appointed, the vacancy subsequently caused by the death or resignation of the judge involuntarily retired shall not be filled.".

SUPREME COURT REVIEW

SEC. 4. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1259. Court on Judicial Conduct and Disability; appeal of order

"(a) Upon the petition of an aggrieved judge, the Supreme Court may review by writ of certiorari an order of the Court on Judicial Conduct and Disability under chapter 18 of this title that such judge be involuntarily retired, removed, or censured for a condition or conduct inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(b) Upon the petition of the Judicial Conduct and Disability Commission, the Supreme Court may review by writ of certiorari, an order of the court under chapter 18 of this title that a complaint against a judge be dismissed.

"(c) Each petition shall be filed within ten days after receipt of the written notice of the order of the Court on Judicial Conduct and Disability.".

(b) The analysis of chapter 81 of title 28, United States Code, is amended by adding at the end the following new item:

"1259. Court on Judicial Conduct and Disability; appeal of order.".

ASSIGNMENT OF RETIRED JUDGES

SEC. 5. (a) Section 294(c) of title 28, United States Code, is amended to read as follows:

"(c) Any voluntarily retired circuit, district, or any other judge of the United States, or any involuntarily retired judge who is determined again able under section 390 of this title to undertake judicial duties, may be designated and assigned by the chief judge or judicial council of his circuit, or the chief judge of his court, to perform such judicial duties within the circuit or in such court as he is willing and able to undertake.".

(b) Section 294(e) of title 28, United States Code is amended to read as follows:

"(e) Neither a Justice or judge who has voluntarily retired nor a judge who was involuntarily retired but has been determined again able under section 390 of this title to undertake judicial duties shall perform judicial duties except when designated and assigned.".

MISCELLANEOUS

SEC. 6. (a) Section 569(b) of title 28, United States Code, is amended by inserting "and of the Court on Judicial Conduct and Disability and the Judicial Conduct and Disability Commission under chapter 18 of this title" immediately after "Canal Zone,".

(b) Section 604 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(f) The Director shall provide facilities and pay necessary expenses incurred by the Judicial Conduct and Disability Commission under chapter 18 of this title, including mileage allowance and witness fees, at the same rate as provided in section 1821 of this title, and fix the compensation not otherwise fixed by law of employees, experts, and consultants of the commission.".

(c) Section 610 of title 28, United States Code, is amended by striking "the Customs Court." and inserting "the Customs Court, and the Court on Judicial Conduct and Disability.".

SEPARABILITY

SEC. 7. If any provision of this Act or any amendment made by this Act, or the application of such provision or amendment to any person or circumstances, shall be held invalid, the remainder of this Act or such amendment or the application of such provision or amendment to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out this Act.●

● Mr. DECONCINI. Mr. President, I am cosponsoring today, together with my distinguished colleague from Georgia, Senator SAM NUNN, a bill which would create machinery within the judiciary to deal with judges who, through their actions, have failed to meet the standard of "good behavior" required by article III of the Constitution, or who are unable to perform their judicial duties because of disabling mental or physical infirmities. On September 7, 1978, after full hearings and almost unanimous approval by the Senate Judiciary Committee, this body approved the Judicial Tenure Act after an extensive 6 hour floor debate. Today's introduced proposal is identical to that approved last year.

Legislation of this type is not new to the Senate. Similar bills were introduced

in the 90th and 91st Congresses by Senator Joseph Tydings, while Senator NUNN renewed these efforts in the 93d, 94th, and 95th Congresses. Since 1965, the Subcommittee on Improvements in Judicial Machinery has heard from 50 witnesses in approximately 20 days of comprehensive hearings. Seldom has any proposal received such lengthy and focused attention. In my capacity as chairman of the Subcommittee on Improvements in Judicial Machinery, I assisted in moving this legislation to a vote on the floor last year. Unfortunately, the House of Representatives did not initiate any processing of the act. This year I am more optimistic that early Senate consideration and approval will provide ample opportunity for a full and comprehensive consideration by the House of Representatives.

This bill is demanded by a public who is increasingly skeptical of our political institutions. All branches of Government must account for their actions, but it is especially critical that our Nation's courts be beyond any doubt. Although most Americans have a high regard for the overall integrity of the Federal judiciary, the publicity surrounding the activities of a few U.S. judges has provided ample opportunity for questions to arise. We owe constituents an accessible means of protesting judicial conduct that is inconsistent with the behavior required by the Constitution. Conversely, we owe Federal judges an alternative to the stigma attached to impeachment proceedings, in those cases where aberrant behavior is the innocent product of a poor mental or physical condition.

Historically, Congress has been reluctant to use the drastic measure of impeachment. Only eight Federal judges and one Supreme Court Justice have been impeached by the House of Representatives. Of those, only four judges were convicted by the Senate and removed from office. The last conviction took place in 1936. One reason for this reluctance is the fact that impeachment is a complex, slow, and cumbersome process that absorbs an incredible amount of time in both Houses of Congress. The average Senate impeachment trial lasts 16 days while several have continued for as long as 6 weeks. For many years, lawmakers have been unable to divert their time and attention from legislative work that grows with each session, and the impeachment process has fallen into disuse. Because it is not used, impeachment has ceased to be a real deterrent to misconduct on the bench.

These developments come at a time when the total number of Federal judges is increasing rapidly. Present law authorizes 673 active judges and justices. Further, a significant number of judges have taken senior status while continuing to serve in a judicial capacity. Thus, approximately 750 judges now serve in the judicial system. The Federal Judicial Center has predicted a need for 1,000 district judges and 250 circuit judges by 1990. Clearly, we face a judicial body that will continue to expand beyond its present size. Future reliance on a presently inadequate impeachment process as the only viable procedure for inquiry into alleged misconduct is unrealistic.

Under the proposal, any person can file a complaint alleging judicial misconduct or a permanent mental or physical disability. The filed complaint, if not found to be frivolous, wil be transmitted to a committee in each circuit or each of the special national courts. Upon completion of its preliminary investigation, the committee will prepare a recommendation to a newly created Commission which is known as the Judicial Conduct and Disability Commission. Depending on the nature of the recommendations, the Commission will either dismiss the case, or, upon its investigation, file a report with a newly created Court on Judicial Conduct and Disability.

The Court on Judicial Conduct and Disability will hold a hearing which conforms to specified due process requirements and either order the removal, censure, involuntary retirement, or dismissal of the case. Due to the uniqueness of the Supreme Court, the Court on Judicial Conduct and Disability will either prepare a report to the House of Representatives recommending that the Justice be impeached or censured or dismiss the case. I believe these procedures will allow a growing judicial branch to better cope with increasing demands of the future.

There has been concern over the constitutionality of this legislation. There are those who argue that the Constitution expressly authorizes the impeachment process as the only available method of investigating and remedying judicial conduct. The argument is based on a very literal reading of the Constitution and claims support from the Federalist papers, as well as the well-established principle of the independence of the judiciary. After weighing the constitutional arguments, both for and against the bill, however, I have come to the conclusion that the language of the Constitution ultimately lends support to this proposal. The need for the Judicial Tenure Act is reflected in the framer's sanction that Federal judges "shall hold their offices during good behavior." This is the only explicit reference to any standard of conduct expected of Federal judges. I believe the words "good behavior" were not intended to mean simply the absence of impeachable conduct. The "good behavior" requirement describes a condition which must prevail if a judge is to retain his office. That a significant gap exists between the impeachment power as presently exercised and the constitutional prescription for judicial conduct becomes increasingly evident. A truly viable mechanism must be developed for removing judges who have not committed impeachable offenses, but have, nevertheless, substantially departed from good behavior. I believe the framers knew what they wanted and said it. This legislation is in full accord with that view.

In order to insure that we not only implement the apparent wishes of the framers, but also do not impinge upon judicial independence or any other constitutional imperative, such as separation of powers, the Judicial Tenure Act provides that the Federal judiciary itself will be responsible for examining and acting upon filed complaints. Of course, impeachment should remain as an available alternative. However, a reasonable reading of the Constitution does not lead to the conclusion that impeachment is the exclusive means of removing a Federal judge. We should not require that a judge commit "high crimes or misdemeanors" before he or she will be subject to a removal procedure. A Federal judge occupies too important a position of public trust to allow "bad behavior" to go unnoticed. In my view, "high crimes and misdemeanors" represent one special category of "bad behavior." The "good behavior" standard is the criterion by which judges must finally be evaluated.

The doctrine of separation of powers implies the plenary power of each branch of Government to implement its own functions. Only where the Constitution specifically provides otherwise is there an exception to the general principle. Inherent in this doctrine is the power of each branch to remove unfit members of that branch. The framers provided for impeachment of Federal judges as one of the limited checks and balances of one branch upon another. Impeachment was not intended to preclude the judiciary from disciplining itself. I recognize that the opponents of this view suggest that if the framers had wished to give each branch power over its members, they would have said so.

The theme of judicial independence really comes in two forms. One is the matter of judicial independence from interference from the other two branches. The other, however, is a broader question and seems to be one raised by most lavmen.

Independence in the traditional sense is a corporate concept that involves the judiciary as a branch and its relations with the other branches. Prof. Rauol Berger has noted that:

> All remarks in the several conventions that bear on judicial independence, as far as I could find, referred to freedom from legislative and executive encroachments. No one suggested that judges must be immune from traditional judicial conduct.

I might add that Professor Berger supports the legislation and finds nothing in it antithetical to any provision of our Constitution.

Our legislation clearly preserves judicial independence in this traditional sense. Since the mechanism we have created lies entirely within the judicial branch itself, there is no reasonable way to argue that it weakens the corporate independence of the judiciary vis-a-vis the legislative or executive branches.

In all fairness, however, I believe that our critics are more concerned with a far broader question—that is, the independence of an individual judge from any pressure whatsoever, be it from his or her peers or anyone else. They argue that judicial independence can only be preserved by condoning all sorts of activities that may bring the bench into disrepute, and tell us that this license and ultimate irresponsibility is the price we must pay to maintain independence. This is a viewpoint that I heartily reject as inconsistent not only with the Constitution, but with the prevailing values of our society.

The only way in which this argument can be made against the Judicial Tenure Act is to assert that the independence of

individual judges will be threatened by other judges. In our bill, judges sit in judgment of other judges in much the same way as they do in the appeals process. Of course, in a proceeding under our act, the final outcome can be removal from office, not merely reversal. However, such a decision can only be reached if it is demonstrated by "clear and convincing" evidence that a judge committed a major breach of "good behavior." Ultimately, any order issued against a judge by the Court on Judicial Conduct and Disability is reviewable by the Supreme Court. Throughout the procedure, the greatest care is taken to insure that, even under the "worst case" scenario, there is no chance for abuse. The proposal provides, for example, that "complaints relating to the merits of any decision or procedural ruling of a judge are outside the jurisdiction of the Commission."

Logically, the only fears that these critics could have is that judges might wish to influence one of their number who espouses views contrary to their own. How this might be accomplished in the context of the bill is unclear. First, complaints are lodged by individual citizens. Second, they undergo a a careful screening process to insure that they fall within the scope of the legislation. A decision must be made to pursue the matter before the Court on Judicial Conduct and Disability by the Commission set up for that purpose and composed of judges representing the 11 circuits and 3 national courts.

The Court on Judicial Conduct and Disability, also composed of judges, can remove a judge if the complaint is deemed valid in a proceeding where the accused judge is represented by counsel. We were particularly sensitive at every juncture to create a bill that would be above criticism. For example, we specifically did not give the judicial council of each circuit a broader role because of the possibility that we might be criticized for allowing judges who work reasonably closely with one another to adjudicate each other's behavior.

In conclusion, I am proud of the proposed Judicial Tenure Act, and I believe it will in all respects enhance the Federal judiciary and make a positive contribution to the quality of American justice. I am convinced that there is a need for this legislation and that it is long, long overdue. I have examined all the possible constitutional arguments and am totally convinced that this legislation is totally within the letter and spirit of the Constitution. Others, including the American Bar Association, the Judicial Conference of the United States, the Department of Justice, the American Judicature Society and many individual judges and lawyers throughout the country endorse this legislation.

The proposed Judicial Tenure Act has had a long history. It is a product of a great deal of work and thought on the part of many people. It represents an idea whose time has come and as previously stated, I am optimistic that both the Senate and House of Representatives will have ample opportunity to consider and approve the Judicial Tenure Act early in the 96th Congress.●

By Mr. CULVER (for himself, Mr. PROXMIRE, Mr. MCGOVERN, Mr. EAGLETON, and Mr. PELL):

S. 296. A bill to prohibit the appointment of any person as Director or Deputy Director of the Arms Control and Disarmament Agency who has been relieved from active duty as a commissioned officer in a regular component of an armed force within a 10-year period prior to the proposed appointment; to the Committee on Foreign Relations.

CIVILIAN CONTROL FOR ACDA

● Mr. CULVER. Mr. President, I am today introducing legislation to bar recently retired military officers from appointment to the positions of Director or Deputy Director of the Arms Control and Disarmament Agency (ACDA). Senators PROXMIRE, MCGOVERN, EAGLETON, and PELL have joined me in cosponsoring this important and timely legislation.

ACDA was created in 1961 in order to provide a strong, institutional voice for arms control in the policymaking process. Since no one apparently envisioned that a military officer would ever be named director, the basic law fails to provide the guarantees of civilian control which had earlier been enacted for the Department of Defense and the Central Intelligence Agency. My proposed legislation would repeat the restrictions now governing the top positions in the Defense Department by providing:

> A person may not be appointed as Director (or Deputy Director) within 10 years after relief from active duty as a commissioned officer of a regular component of an armed force.

Regardless of how the Senate acts on the proposed nomination of Gen. George M. Seignious as ACDA Director, I believe that it is important to enact this principle for the future.

The compelling reasons for this provision, in my judgment, are not simply to insure civilian control, nor to suggest that military officers cannot be trusted to perform the duties for which Congress specially created ACDA. The objectives of arms control are entirely consistent with a strong national defense.

However, as in the case of conflict of interest legislation, it is important to shield appointees from the crossfire of conflicting loyalties and tensions. Habits and perspectives built up through the years of a military career conceivably could make it difficult to adjust to new responsibilities in arms control that frequently put ACDA in an adversary role to the Pentagon.

Mr. President, the importance of assuring civilian control at ACDA has been widely recognized and endorsed. The Federation of American Scientists has supported this legislation and has obtained and released the names of several notable Americans who also favor it. These include:

William Attwood, publisher and former Ambassador.
Alain Enthoven, former Assistant Secretary of Defense.
Joseph H. Filner, businessman.
William C. Foster, former ACDA Director.
John Kenneth Galbraith, Harvard economist.
James P. Grant, President, Overseas Development Council.
Theodore M. Hesburg, President, Notre Dame.
Carl Kaysen, former Deputy National Security Adviser to President Kennedy.
George F. Kennan, historian and former Ambassador to the Soviet Union.
George B. Kistiakowsky, former Presidential Science Adviser.
Franklin A. Long, former Assistant Director of ACDA.
Leonard C. Meeker, former Ambassador to Romania.
George W. Rathjens, Chairman, Federation of American Scientists.
Charles W. Whalen, Jr., President, New Directions.
Jerome B. Wiesner, President, MIT.

In addition, the FAS listed 14 groups whose operating officers, speaking either for the group or for themselves, endorsed the legislation:

American Friends Service Committee.
Americans for Democratic Action.
Board of Church and Society, United Methodist Church.
Center for National Security Studies.
Council for a Livable World.
Council on Economic Priorities.
Friends Committee on National Legislation.
Fund for Constitutional Government.
Mennonite Central Committee.
New Directions.
Unitarian Universalist Association, Washington Office.
Women's Division, Board of Global Ministries, United Methodist Church.
Women's International League for Peace and Freedom.
World Federalist Association.

Mr. President, I hope that this legislation will be carefully considered and supported by the Foreign Relations Committee and the Senate.●

By Mr. KENNEDY:

S. 297. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

WAR ON PAPERWORK: IMMIGRATION REPORTS

● Mr. KENNEDY. Mr. President, we are all concerned over the mountain of unnecessary paperwork clogging Government, and many of us have strongly supported the President's war on redtape. Obviously, there is much more that the President can and must do within the executive branch to reduce this paper burden—but there is also a great deal that we in Congress can do to eliminate unnecessary paperwork caused by antiquated laws requiring useless reports to Congress.

Since becoming chairman of the Judiciary Committee, I have found a number of statutory reporting requirements in the Immigration and Nationality Act that create tens of thousands of pages of useless reports, at great cost to the taxpayer. On just a preliminary examination I have found that more than $100,000 could be saved every year if we were to repeal three small reporting requirements contained in the Immigration Act. In addition, we on the Judiciary Committee would be spared receiving and handling a mountain of useless paper.

The bill I am introducing today will accomplish this modest objective by repealing several technical and unnecessary reporting sections of the Immigra-

tion and Nationality Act of 1952, as amended. For example, one section to be repealed is 204(d) of the act, which now requires that approval of all visa petitions under the third or sixth preference be reported to Congress twice a month. In practice, this has meant that the Immigration Service sends to the Judiciary Committees of both Houses nearly 40,000 useless forms, at an estimated cost of $65,000 each year. In two decades, Congress has made no use of these reports. They are no longer needed, if they ever were, yet they have cost the taxpayer some $1.2 million over the years.

Another section of the law, section 212(d)(6) of the act, requires that a report be made on the temporary admission of nonimmigrants who are excludable under section 212(a) (9), (10), and (28) of the act. Another requires reports to Congress in all cases where aliens are determined to be defectors from a Communist or other totalitarian party. Neither of these reports to Congress are necessary on a routine basis; if the information is needed, it is always available from the Immigration Service. Eliminating this paperwork would save another $13,000 each year, as well as the additional amount the Congress must spend handling them on our end.

Mr. President, I shall work closely with the Commissioner of Immigration in reducing other examples of waste and unnecessary paperwork in the Immigration Service—to allow him and the Service to use their time to compile the statistics that we really need for wise legislation and effective oversight.●

By Mr. SASSER:

S. 298. A bill to amend the Endangered Species Act of 1973 to eliminate the Endangered Species Committee and provide for certain exemptions from the provisions of the act; to the Committee on Environment and Public Works.

● Mr. SASSER. Mr. President, today I am introducing two pieces of legislation of great interest to the people of my State, and, indeed, of great interest to all Americans.

This bill and resolution (S. Res. 46) are designed to end the impasse which exists between the Endangered Species Act and water resource projects. All of us are familiar with the celebrated Tellico Dam in Tennessee. But there is another project in Tennessee which is also being delayed because the Endangered Species Act has, in my judgment, been misinterpreted and abused. As a result, work on the Columbia Dam in middle Tennessee has come to a halt.

I am advised that the administration is sending to the Congress a deferral message outlining the President's decision to withhold $15 million which had been appropriated for the project. Of the $26 million approved for this project by the Congress, and signed into law by the President, we are told that only $11 million—less than half—will be spent in the current year.

The deferral message indicates that these funds should not be spent because of the uncertainty surrounding the application of the Endangered Species Act to the project.

Mr. President, the bill and resolution I introduce today will end that uncertainty and will permit the Columbia Dam as well as the Tellico Dam to proceed to completion. I think the time has come that the Congress must clarify the intended purpose of the Endangered Species Act.

First, I am introducing a deferral resolution which would deny the administration the opportunity to defer these funds. If my resolution passes, the entire $26 million can be spent as originally intended.

Second, I am introducing a bill which would legislatively exempt the Columbia Dam and the Tellico Dam from the provisions of the Endangered Species Act.

Late last year the Congress approved amendments to the Endangered Species Act drafted by the able senior Senator from Tennessee, Senator BAKER, which established an Endangered Species Committee to review projects such as Tellico and Columbia and exempt them from the act. In recent days we have seen the inflexibility of that committee which ruled against continued development of the Tellico project.

I want to commend Senator BAKER for introducing legislation earlier this week to abolish the Endangered Species Committee and exempt the Tellico Dam project from the act. My bill seeks to achieve the same goal, except I have included the Columbia Dam in the list of projects to be exempted.

I believe the time has come for the Congress to meet this issue head on. Several years ago an earlier Congress passed the Endangered Species Act which was broadly written and has been broadly interpreted to halt the construction of public works projects which were already underway before the Endangered Species Act became law. That same Congress and each succeeding Congress since have passed appropriations bills which provided funding to continue and complete the projects.

I did not serve in the Congress that approved the Endangered Species Act. But I do not believe that most Members who voted for that bill ever intended it to be used to halt water resource development. In fact, many Members who were in Congress then and who voted for the act have told me they had no idea that the act would be used to halt congressionally mandated projects.

Mr. President, I have been a Member of the Senate for the past 2 years. I have supported appropriations for both the Tellico and Columbia projects, even though these projects had come in conflict with interpretations of the Endangered Species Act. These appropriations bills are as much the law of the land as the Endangered Species Act.

I ask my colleagues to join me in accepting the project that the great majority of the people in Tennessee want completed. Today only Tellico and Columbia are affected to this extreme; tomorrow it could be projects in your State, dams could be halted, road construction stopped, the application of this law would never end.

My colleagues should be aware that the Tellico Dam was begun in 1967, 6 years before the Endangered Species Act became law. The famous endangered snail darter was not even found in the Little Tennessee River until 1975.

This project is 95 percent complete. More than $111 million of the public's money has been spent on this project. Now we are told that expenditure of funds was wasted, that the Endangered Species Act will not permit the project to be completed.

The Columbia Dam is part of the Duck River project which was begun several years ago, before the Endangered Species Act was passed. This project is 29 percent completed. More than $44 million has already been spent. But the threat of the Endangered Species Act has delayed this project and today it threatens to kill the project. The people of the area have already agreed to pay $16 million toward the cost of this project. The people want it completed.

Now I can understand the concern of many Members. None of us want to be considered antienvironment. Each of us wants a clean and natural environment. Therefore, some of us may be reluctant to speak up. So I say to my colleagues that we should not destroy the Endangered Species Act. We must preserve that act so it can protect the truly endangered species.

But we should allow flexibility in the act to permit certain exemptions to be made on a case-by-case basis by the Congress.

My bill and resolution would establish a new and more reasonable procedure. I think the Congress must face the responsibility of sorting out the conflicting laws which have created the situation we face today.

I urge my colleagues to support this bill and resolution and provide clear congressional intent that the Columbia and Tellico Dams should be completed. For 10 years my constituents have been told that these projects would be built. One is substantially completed and one is well underway—their completion is in the public interest.●

By Mr. CULVER (for himself, Mr. NELSON, Mr. THURMOND, Mr. WALLOP, Mr. BAUCUS, Mr. NUNN, Mr. TOWER, Mr. PRESSLER, and Mr. LEAHY):

S. 299. A bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes; to the Committee on the Judiciary.

REGULATORY FLEXIBILITY ACT

● Mr. CULVER. Mr. President, the bill that I am introducing today, the Regulatory Flexibility Act, addresses one of the most pressing problems faced by many small businesses, organizations, local governments, and individuals in dealing with the Federal Government—the problem of complying with a never-ending stream of complex and expensive regulations.

While this legislation does not attempt to stop the issuance of rules and regulations, it would reduce the flow significantly and simplify rules for many individuals, businesses, organizations, and units of government with limited resources who have been increasingly overburdened by regulatory requirements.

The Regulatory Flexibility Act has two main objectives. First, it would increase the sensitivity of those writing regulations to the needs and capabilities of those who will have to comply. Second, it would establish a principle that regulatory requirements should fit the scale and abilities of those being regulated.

To accomplish these objectives, this bill will require agencies, when new rules are proposed, to invite public comment on ways to reduce the burden on individuals, small businesses, small organizations, and small government units. Agencies will also have to justify the final form of new regulations in light of the comments and alternative proposals submitted by the public. Finally, they must periodically review the appropriateness and effectiveness of all existing rules and regulations, with a particular eye toward eliminating unnecessary burdens they may be creating for individuals and small entities.

Perhaps the most important feature of the Regulatory Flexibility Act is the authority it gives Federal agencies to issue different regulations and reporting and recordkeeping requirements for different-sized businesses, organizations and Government units. This will enable agencies to tailor their requirements to fit, more realistically, the abilities of those who may be affected. All too often small businesses, towns, and organizations are saddled with regulations and reporting requirements designed to get at problems of big business and large cities and organizations. The result is that these smaller units are forced to waste an enormous amount of time, money, and energy on an unnecessary burden that does absolutely nothing to advance the general health, safety, or welfare.

Under the provisions of the Regulatory Flexibility Act, agencies will be able to target more effectively their efforts to correct serious abuses of the competitive process and critical threats to health or safety without overburdening small businesses, for instance, with requirements that simply increase costs but produce no benefits.

The bill I am introducing today is a slightly modified version of the legislation Senator NELSON and I introduced in the 95th Congress and which passed the Senate unanimously. The changes we have made will apply the legislation's protections to a somewhat broader range of individuals and will require most federally generated paperwork to be subjected to public scrutiny and comment before being imposed on the public.

I would like to stress, Mr. President, that this legislation is designed to improve, not undermine, worthwhile Federal regulatory efforts. Much Federal regulation and information-gathering requirements are necessary to protect American workers, consumers, the environment, and even business. In the long run, many Federal rules make a positive contribution to the quality of life in our society.

It is not the aim of this bill to allow the continuation of practices that are dangerous to workers, consumers, or the environment. But the agencies promulgating regulations must be required to recognize the wide diversity in our economic and governmental system and the broad range of needs and abilities that exists within this diversity.

Indeed, if we can accomplish this, the Federal regulatory process can be made more meaningful and more effective. The time that is now spent on meeting complex and inappropriate requirements can be focused on real and productive improvements in our quality of life.

As chairman of the Administrative Practice and Procedure Subcommittee, which will have jurisdiction over this measure, I intend to begin action on the bill in the near future. I urge my colleagues to support this much-needed regulatory reform and ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Flexibility Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) in numerous instances compliance with Federal regulatory and reporting requirements imposes inequitable demands and burdens on individuals, small businesses, small organizations, and small governmental jurisdictions;

(2) regulatory efforts to protect the health, safety, and economic welfare of the Nation have in many instances imposed unnecessary and burdensome legal, accounting, and consulting costs upon individuals, small businesses, small organizations, and small governmental jurisdictions and are adversely affecting competition in the marketplace;

(3) the scope and volume of rules or regulations have created high entry barriers in many industries and have discouraged potential entrepreneurs from introducing beneficial products and processes;

(4) the practice of treating all regulated individuals, businesses, organizations, and governmental jurisdictions as equivalent has led to inefficient use of regulatory agency resources, enormous enforcement problems, and, in some cases, actions inconsistent with the legislative intent of health, safety, environmental, and economic welfare legislation;

(5) in many instances reasonable alternative rules or regulations could be adopted to minimize adverse economic effects on individuals, businesses, organizations, and governmental jurisdictions subject to regulation without significant loss of regulatory efficiency;

(6) Government information collection has not adequately weighed the privacy rights of individuals and enterprises against the need of the Government for information because the design of the regulatory process has encouraged regulators to treat information as a free good; and

(7) deep public dissatisfaction with the regulatory process has stemmed in large part from a public perception that burdensome rules or regulations fail to correct key national problems.

(b) It is the purpose of this Act to establish as a principle of regulatory issuance that regulatory and informational requirements fit the scale of the individuals, businesses, organizations, and governmental jurisdictions subject to a rule and that fewer and simpler requirements be made of individuals, small organizations, small businesses, and small governmental jurisdictions. To achieve such principle, agencies are empowered and encouraged to issue rules or regulations which apply differently to different segments of the regulated population and are required to solicit and consider alternative regulatory proposals from the public prior to the adoption of final rules.

AGENCY RULEMAKING REQUIREMENTS

SEC. 3. (a) Section 553(b) of title 5, United States Code, is amended—

(1) by striking out the word "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting a semicolon; and

(3) by adding immediately after paragraph (3) the following:

"(4) the goals and purpose of the proposed rule;

"(5) the estimated number of individuals, businesses, organizations, and governmental jurisdictions to which the proposed rule would apply;

"(6) a statement that the agency seeks and shall consider alternative proposals to the proposed rule which would accomplish the goals and purposes of the proposed rule while substantially reducing the adverse economic impact of the rule on individuals, small businesses, small organizations, and small governmental jurisdictions affected by the rule through—

"(A) the establishment of differing compliance or reporting requirements that take into account the amount of resources available to individuals, businesses, organizations, and governmental jurisdictions;

"(B) an exemption from coverage of the proposed rule, or any part thereof, for such individuals, businesses, organizations, and governmental jurisdictions whose activities are of a nature which makes the inclusion of such individuals, businesses, organizations, and governmental jurisdictions of minimal value to the realization of the goals and purposes of the proposed rule;

"(C) the clarification, consolidation, or simplification of requirements of the proposed rule; or

"(D) other suitable means, including performance standards and differing timetables for compliance for such individuals, businesses, organizations, and governmental jurisdictions; and

"(7) with regard to any reporting or recordkeeping requirement which the agency anticipates requiring of 10 or more members of the public pursuant to the proposed rule—

"(A) a statement of the purpose of the requirement, its form, its length, and the type of professional skills necessary for its completion;

"(B) an estimate of the number of persons who would be required to submit or maintain reports of records;

"(C) a statement of each proposed use of the information required to be recorded;

"(D) a statement of the method to be used to store such information, the length of time such information would be maintained, and the identity of the persons who would have access to such information; and

"(E) an estimate of the average amount of time necessary for each person to comply with the requirement.".

(b) Section 553(c) of such title is amended to read as follows:

"(c) After notice required by this section,

the agency shall give interested persons an opportunity to participate in rulemaking through submission of alternative proposals, written data, views, or arguments with or without opportunity for oral presentation. After consideration of all relevant matter presented, the agency shall incorporate in the rule adopted a concise general statement of its basis and purpose. In addition, the agency shall publish a description of any alternate proposals to the proposed rule which were considered and a statement of the reasons for adopting the final rule rather than any alternative proposals which would have had a lesser adverse economic impact on individuals, small businesses, small organizations, or small governmental jurisdictions. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.".

(c) Section 553 of such title is amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section, the term—

"(1) 'individual' does not include any individual who is affected by a rule primarily in his capacity as an officer or employee of a business, organization, or governmental jurisdiction;

"(2) 'small business' has the same meaning as the term 'small business concern' in section 3 of the Small Business Act (15 U.S.C. 632), and includes such additional businesses as the agency shall establish by rule;

"(3) 'small organization' includes unincorporated businesses, sheltered workshops, not-for-profit enterprises which are not dominant in their fields, and such other groups or enterprises as the agency shall establish by rule;

"(4) 'small governmental jurisdiction' includes—

"(A) governments of cities, counties, towns, villages, school districts, water districts, or special assessment districts, with a population of less than 100,000; and

"(B) other governmental jurisdictions which the agency shall establish by rule to be of limited means or resources based on factors such as location in rural or sparsely populated areas or limited revenues due to the population of such jurisdiction.".

DEFINITIONS

SEC. 4. Section 551(4) of title 5, United States Code, is amended by inserting "recordkeeping or reporting requirements estimated to apply to ten or more persons in any calendar year, and" immediately after "includes".

REVIEW OF REGULATIONS

SEC. 5. (a) Within 180 days after enactment of this Act, each agency shall publish a plan for the review of the rules or regulations of that agency. The purpose of such review shall be to determine whether the rules or regulations of the agency are achieving, in an efficient and equitable manner, the goals of the legislation under which such rules or regulations were promulgated. Each plan for the review of agency rules or regulations shall include a statement of the criteria the agency will employ to select which rules or regulations shall be reviewed in accordance with the provisions of this section. Each agency shall periodically review its rules and regulations in accordance with the schedule and criteria set forth in its published plan.

(b) In selecting and evaluating rules or regulations, the agency shall consider factors such as—

(1) the continued need for the rule or regulation;

(2) the type and number of complaints or suggestions received concerning the rule or regulation;

(3) the burdens imposed on persons directly or indirectly affected by the rule or regulation, especially the burdens placed on individuals, small businesses, small organizations, and small governmental jurisdictions;

(4) the need to simplify or clarify language of the rule or regulation;

(5) the need to eliminate overlapping and duplicative rules or regulations;

(6) the need to resolve conflicts between the rules or regulations of the agency and the rules, regulations, or laws administered by other agencies; and

(7) the length of time since the rule or regulation has been evaluated or the degree to which technology, economic conditions or other factors have changed in the area affected by the rule or regulation.

(c) Each year, each agency shall publish in the Federal Register a list of rules or regulations which it expects to issue during the following twelve months and a list of rules or regulations to be reviewed during the following twelve months. Such publication shall be accompanied by a brief description of the rule or regulation, the need for such rule or regulation, and the legal basis for such rule or regulation.●

● Mr. THURMOND. Mr. President, I rise in support of the bill offered by my distinguished colleague, Senator CULVER. I commend the effort and spirit embodied in this bill. It is time we relieved small businesses and communities of some of the burden of regulation. This bill will require Federal agencies to take into account, in their rulemaking process, the scale of those being regulated. Wherever possible, the agencies must tailor the rules and regulations to the smaller regulated units.

Mr. President, the problem addressed in the Regulatory Flexibility Act, that of overregulation, has political and economic consequences for a substantial portion of our population. It breeds cynicism and distrust and fuels the fires of inflation.

Therefore, Mr. President, I urge speedy action on this bill. It is unfortunate and more than a little ironic, that the Government which has for so long been the champion of small business and has drawn so much of its vitality from small communities, should come so close to crushing them with the weight of regulatory burdens. It is not too late to hope that regulatory agencies will be required to consider more realistically the nature and size of the regulated units.●

● Mr. BAUCUS. Mr. President, the Regulatory Flexibility Act, which today I am joining several of my colleagues in sponsoring, offers the promise of correcting many of the problems which have engendered a national surge of dissatisfaction with Government regulations. It will enable regulation writers to match regulations to the real tasks at hand, to cut back on redtape and paperwork, and to assess the differing burdens which regulations can impose on diverse segments of our country.

As everyone here is well aware, one of the most heated, and repeated, criticisms of the Federal Government and its bureaucracy is its tendency to overlook the natural diversity within our Nation. The reach of the Federal arm is not only long, but too often it is indiscriminate, almost unthinking.

The Regulatory Flexibility Act gives agencies the responsibility of recognizing the effects of regulations on those who must live by them, and then requires regulation writers to act positively to find out the most efficient and effective ways of accomplishing a particular regulatory job.

In short, regulation writers would be required to seek out and listen to the opinions of people who would be affected by the regulations—to see if there may be better ways of doing a job—before a regulation goes into effect.

If there are better ways of doing a regulatory job, this act empowers and requires the regulation writer to change regulations and paperwork requirements in order to reflect the different needs and problems of differently sized businesses, Government entities and organizations. A State such as Montana, which according to the 1970 census has a population density of 4.8 people per square mile, would no longer have to be saddled with a regulation meant for a nation whose population density is 57.5 people per square mile.

In other words, what is good for New York may not necessarily be good for Montana, and under this act, regulation writers at last will be able to recognize this, and they will be required to act accordingly.

Identical logic would govern regulations which, for example, might be written with giant agribusiness concerns in mind but which now would be applied indiscriminately to family farmers and ranchers. Every individual who would be affected by a regulation would have the right to ask the Government to listen to his problems. Under this act, the Government not only would be required to listen to the problems of the individual, of the small businessman, of the small town, of the rural area, and of geographically diverse sections of our Nation, but the Federal Government would have to make reasonable efforts to tailor its regulations to meet the problems and objections of the many individual parts which comprise the whole of this country.

This act seeks to accomplish within the regulatory process what, in effect, Congress regularly accomplishes within the legislative process. The entire hearings process of Congress, combined with the constituent services which are offered by each Member of the House and the Senate, have been constructed in order that individual people and groups of people are able to have an impact on the laws which govern them. Despite all of the criticisms of our legislative process, one of the stronger points of our representative democracy is the way in which it maximizes the voices of those who will likely be most keenly affected by pending legislation.

Perhaps the single most powerful force behind the general disgruntlement with Federal regulations is the strong feeling by many who are most affected by particular regulations that their individual problems have not been addressed, that their voices have not been heard, and that the bureaucracy has no desire or power to consider their viewpoints. The Regulatory Flexibility Act will go a long, sensible way toward correcting this problem.●

By Mr. KENNEDY (for himself, Mr. METZENBAUM, Mr. MORGAN, Mr. BAYH, Mr. CULVER, Mr. DOMENICI, Mr. DURKIN, Mr. EXON, Mr. GRAVEL, Mr. HART, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. NELSON, Mr. PELL, Mr. PROXMIRE, Mr. RIBICOFF, Mr. RIEGLE, Mr. STAFFORD, Mr. TSONGAS, and Mr. WILLIAMS):

S. 300. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

ANTITRUST ENFORCEMENT ACT OF 1979

● Mr. KENNEDY. Mr. President, during the 95th Congress both the House and Senate Judiciary Committees reported favorably legislation to establish the right of those injured by illegal price-fixing to recover damages measured by the extent of such injury, whether or not in privity of contract with those who violate the antitrust laws. That legislation, which would overrule the Supreme Court's decision of June 9, 1977, in Illinois Brick Co. against Illinois, was a product of 12 days of hearings by the House and Senate committees, involving 55 witnesses in the Senate hearings alone. Their testimony, as well as other evidence, makes clear the overriding mandate for the legislation which we reintroduce today: To compensate those who are actually injured as a consequence of antitrust violations; and to structure our laws to deter such violations to the greatest extent possible.

Without question, those twin goals comprise the central purpose of our antitrust laws, expressed by Congress in passage of the Sherman Act in 1890, the Clayton Act in 1914, and the recent Hart-Scott-Rodino Act adopted by the 94th Congress. As early as 1890, Senator George described the sense of Congress that:

> The right of action against the persons in the combination is given to the party damnified.
>
> The consumer, therefore, paying all the increased price advanced by the middlemen and profits on the same is the party necessarily damnified or injured.

That central purpose had been reaffirmed in all the years since. None was more important to Senator HART, who sought to fulfill it through the Antitrust Improvements Act by allowing State attornevs general to commence actions on behalf of consumers under the theory of parens patriae. Yet that important tool was rendered hollow when the Supreme Court drastically constricted the underlying rights of consumers by its decision in Illinois Brick.

Despite a clear and consistent legislative history, recognized by five of six Federal courts of appeals to address the question, the Supreme Court held in Illinois Brick that only "the overcharged direct purchaser, and not others in the chain of manufacture or distribution, is the party 'injured in his business or property' within the meaning of section 4 of the Clayton Act." Since most individuals and organizations purchase goods through retailers and other middlemen, that decision effectively precludes consumers, small businesses, farmers, State governments, many Federal agencies, and other indirect purchasers from seeking redress for antitrust violations. In the process, it denies compensation to those who are injured, and undermines deterrence of the overwhelming force of illegal price-fixing in the United States today.

Conservative estimates place the cost of antitrust violations at $150 billion yearly. Over 25 percent of private damage actions brought since 1960 under section 4 of the Clayton Act involved only indirect purchasers. Those actions are lost to Illinois Brick. And fully two-thirds of all such private actions involved at least some indirect purchasers. Many would not have been filed without their involvement. Illinois Brick itself is an example, since all direct purchasers who were parties to that action settled very early on terms highly favorable to the defendant. The recent tetracycline litigation is another example, brought initially by indirect purchasers, and joined by direct purchasers only very late in the process, after a settlement had been proposed. These drug cases alone brought settlements of over $250 million.

California's former attorney general told our committee that claims of well over $100 million in pending cases just in that State were seriously jeopardized by the Illinois Brick ruling. Our colleague, Senator DANFORTH, testified that virtually all of $2.5 million collected on behalf of governmental and individual purchasers during his two terms as attorney general of Missouri, would not have been collected under Illinois Brick. And evidence presented to our committee set the loss in uncompensated overcharges just to indirect State and Federal governmental purchasers at almost $1 billion a year.

The Illinois Brick decision strips from indirect purchasers, and from Government lawyers acting on their behalf, the power to challenge conduct which harms them more than anyone else in our society. And we cannot be confident that those enforcement mechanisms left untouched by Illinois Brick—the private actions of direct purchasers, and the power of criminal prosecution by the Justice Department—will significantly prevent such harm to the indirect purchasers now powerless to help themselves. Most direct purchasers are middleman. Most middlemen are not harmed by illegally exacted overcharges, because they pass them on to their own purchasers. All middlemen confront the costs and dangers both of extensive pretrial discovery, and of courting the disfavor of their immediate suppliers. And all suppliers who engage in antitrust violations enjoy the power to select direct purchasers mindful of such costs and dangers.

Exclusive reliance upon criminal enforcement by the Department of Justice would be equally misplaced. Despite the training and talent of Department litigators, the resources of the Antitrust Division are necessarily limited, as Assistant Attorney General John Shenefield told our committee. It is not surprising, therefore, that private damage actions exceeded governmental enforcement actions by more than tenfold before Illinois Brick. Moreover, the threat of private action is far more likely to deter misconduct. The stricter burden of proof in criminal prosecution, the necessarily superior knowledge of those who participate directly in the distribution chain of a product, and the far more threatening prospect of treble damages instead of criminal fines, all operate to make private actions an indispensable tool of enforcement. One businessman observed that "most of us" would risk a $30,000 fine, or even 30 days in jail, to yield a profit of $30 million in fixed prices. Only a real threat of civil penalty—here of $90 million—would change that calculation.

The Supreme Court reached its judgment in Illinois Brick despite the obvious costs to consumers and other indirect purchasers, and the obvious inability of criminal prosecution or direct-purchaser suits to prevent them. It did so in reliance upon the Court's earlier decision in Hanover Shoe, Inc. against United Shoe Machinery Corp., which held in 1968 that antitrust defendants cannot escape liability by proving that a plaintiff had passed on illegal overcharges to its customers and thus had not been injured in its business or property. In light of that ruling, the Court reasoned in Illinois Brick that permitting suits by indirect purchasers would subject a defendant to the obvious unfairness of multiple liability for the same offense. Middlemen could collect the full amount of an overcharge even if they had passed it on to consumers, and consumers could then collect again.

But the ruling in Illinois Brick creates a situation equally or even more unfair. It permits the middleman to collect twice—to reap the profits of overcharges from the consumer, and then to charge the manufacturer for the illegality. And it leaves the one party injured in fact—the consumer—wholly uncompensated.

That outcome would be unacceptable even if there were no alternative to subjecting a defendant to multiple liability. But it is especially unacceptable because there is an obvious alternative: Overruling Hanover Shoe in part, and allowing the apportionment of damages according to the actual injury suffered by the parties to an action. That alternative was rejected by the Supreme Court in Illinois Brick, on the ground that apportionment of damages is a complex and time-consuming judicial task. Thus, the Court found more important the swift and efficient disposition of antitrust cases, and the most wooden application of precedent, than the rights of consumers and the principles of fairness in our society. And despite the legislative record, the Court was confident of its power to make that judgment, absent "clear directions * * * to the contrary" by Congress.

Now is the time for Congress to provide that direction, clearly and unequivocally. This legislation will permit consumers and other indirect purchasers in a chain of product distribution to recover

damages measured by the extent to which they are injured. But it will not alter traditional rules of standing, remoteness, and proximate causation which serve to limit the number of parties who can seek recovery.

This legislation subjects a defendant to liability to multiple claimants. But by apportioning damages according to actual injury, it will not permit multiple liability. The number of separate suits for a single offense can be minimized by existing principles of joinder, statutory interpleader, and informal coordination. The complexities of apportionment will be no more difficult than those in a variety of other judicial undertakings—in patent litigation, securities fraud, bankruptcy, and admiralty cases. In the 9-year period between Hanover Shoe and Illinois Brick, Federal courts handled effectively cases brought by both direct and indirect purchasers. They capably apportioned damages, and they can do so again.

This legislation will permit defendants to restrict claimants to damages reflecting the actual losses which they suffer. But it will not permit defendants to engage in a judicial shell game, shifting their identification of the truly injured party according to the plaintiff seeking redress. Existing principles of collateral estoppel and res judicata will operate to prevent that. And the bill permits apportionment of damages only for the purpose of preventing multiple liability. The pass-on defense cannot be used when the overcharge was exacted from persons too remote to recover under rules of standing, or those barred from recovery by the applicable statute of limitations of other rules.

At a time of serious and rising inflation, this legislation provides a weapon against prices illegally exacted from consumers, but it will not increase the costs of Government, and it will not create new regulations.

Most important, this legislation will return to our antitrust laws the opportunity for enforcement consistent with its fundamental purposes: To deter violations and to compensate victims. The importance of those objectives is undeniable and support for this bill comes from every sector of our society. From President Carter; from Vice President Mondale, once attorney general of Minnesota; from the Justice Department, the Federal Trade Commission and other executive agencies; from all 50 Governors last year, and all 50 State attorneys general; from the National League of Cities, the 7,600 members of the National Conference of State Legislatures, and the National Association of Counties. And business entities, as well as labor, rancher, farmer, and consumer groups have all offered strong support. The 100,000-member National Association of Home Builders, the Independent Bankers Association, the Consumer Federation of America, the National Council of Senior Citizens, United Mineworkers of America, and dozens of other groups. All of them recognize the strong and compelling mandate for this bill. And I introduce it today with great confidence that the Congress will do so as well.

Mr. President, I ask unanimous consent to have printed in the RECORD some of the many letters and other indications of support which we have received on this bill. To these supporters, and many others, I can promise our vigorous effort to assure the swiftest possible passage of this important legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to express my strong support for the proposed "Antitrust Enforcement Act of 1979." This bill would amend the Clayton Act to permit indirect purchasers—consumers, businesses, farmers, government agencies, and others—to recover damages whenever they pay inflated prices because of price-fixing or other antitrust violations.

Competition is one vital safeguard against the kind of inflation we have been experiencing; and vigorous enforcement of the antitrust laws is an essential plank in any anti-inflation program. And damage suits by purchasers—direct or indirect—who have paid unlawfully inflated prices are enormously important in enforcing the antitrust laws, both in deterring anti-competitive practices and in providing redress when they have taken place.

Before the Supreme Court's decision in the *Illinois Brick* case, it was widely assumed that indirect purchasers, no less than direct, could recover antitrust damages under existing laws. It is often—perhaps typically—they who bear the full cost of illegally inflated prices, since direct purchasers are frequently middlemen who simply pass the charges on to their customers. It is important to assure indirect purchasers the right to recover damages also because the direct purchasers often have little incentive to enforce the antitrust laws by suing their own suppliers.

The proposed "Antitrust Enforcement Act of 1979" would correct the imbalance created by Illinois Brick. It would help assure competitive prices in our economy by permitting indirect purchasers to take part in enforcing the antitrust laws; at the same time it would avoid unfairness by authorizing the courts to prevent overlapping recoveries by successive purchasers.

This is sound legislation that will be of significant help in the anti-inflation effort; I urge its adoption.

Sincerely,

ALFRED E. KAHN,
Advisor to the President on Inflation.

NATIONAL GOVERNOR'S ASSOCIATION,
January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary,
Dirksen Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is the policy position adopted by the National Governors' Association last August which calls upon Congress to pass, and the President to sign "legislation amending the antitrust laws (to) overrule the Supreme Court's decision in Illinois Brick . . ." NGA urges speedy passage of such legislation by the 96th Congress.

Sincerely,

JOHN P. LAGOMARCINO,
General Counsel
and Legislative Director.

ANTITRUST ENFORCEMENT

As major consumers, states spend billions of dollars each year on the procurement of goods and services. As one means of ensuring that taxpayers receive a fair return on the use of their taxes, states have actively used antitrust laws to recover damages for the violation of those laws by suppliers of goods and services needed by states.

Recently, the Supreme Court of the United States decided in Illinois Brick Company v. Illinois that in most cases state and local governments may recover for injuries sustained as a result of antitrust violators only if they deal directly with violators of the law, that is, if a state purchases goods or services directly from a manufacturer rather than through a wholesaler. The decision bars states from recovering tax dollars from violators with whom they have dealt indirectly, thus hindering efforts to hold down the cost of government.

The judiciary committees of the Senate and the House of Representatives have approved legislation that would amend the antitrust laws and effectively overrule Illinois Brick by allowing states to recover damages for injuries sustained as a result of antitrust violators of indirect as well as direct suppliers of goods and services.

The National Governors' Association strongly recommends that Congress enact and the President sign legislation amending the antitrust laws that would overrule the Supreme Court's decision in Illinois Brick and enable states and other antitrust plaintiffs to maintain suits against antitrust violators from whom they have purchased goods or services either directly or indirectly.

Adopted August 1978.

WASHINGTON, D.C.,
January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee,
Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of the Association, I am writing to express our appreciation for your prompt legislative response to remove the barriers to effective antitrust enforcement which the Supreme Court established in its Illinois Brick decision. We are grateful for your commitment to reverse Illinois Brick as your highest antitrust priority this session and for the time which you and your staff devoted to this task in the last Congress.

The state Attorneys General share your commitment to restore effective antitrust enforcement. At our winter meeting, the Association reaffirmed by the enclosed resolution its support for reversal of the Illinois Brick case. The impact of the ruling on the states is disastrous. As you know, state governments rarely purchase goods directly from the manufacturer and under Illinois Brick they are virtually foreclosed from suing for overcharges from price-fixers and other violators of the antitrust law. In the broad commercial experience of the states, it is not common that the bids are rigged, or the prices jacked-up by an agreement. But it does happen, and when it does and when we can prove it with evidence, we believe that the state governments should be permitted to present their cases in the courts of this land. It is that which your bill seeks to set right and we will help you to get it to the Senate floor.

Our sense of urgency in this matter derives from the fact that throughout the nation, the states have pending cases valued at at least $200–$300 million, all jeopardized by Illinois Brick. Unless the Congress acts to reverse this ruling, this money will be lost forever from state and local government treasuries.

Effective enforcement of the antitrust laws is one of the best tools we have to fight inflation. Every President in recent history, of either party, has agreed as does President Carter. But, Illinois Brick weakens this tool and opens a gap for price-fixers, bid-riggers and other violators of the antitrust laws to continue their illegal practices undeterred; the price for this gap will be paid for by the citizen-taxpayer in higher prices. For these reasons we support you and your bipartisan groups' efforts and will help you in any way possible.

With sincere thanks for your efforts, and

Respectfully yours,

C. RAYMOND MARVIN.

RESOLUTION ON ILLINOIS BRICK

Resolution as adopted by the National Association of Attorneys General, 1978 Mid-Winter Meeting, November 30–December 3, 1978, Dorado, P.R.

Whereas, the United States Supreme Court held in June 1977 in Illinois Brick Co. v. Illinois that only direct purchasers of price-fixed items may sue the antitrust violator and that all who purchased on an indirect basis through a middleman are precluded from recovering damages; and

Whereas, the states purchase billions of dollars each year in the procurement of goods and services for state and local government on an indirect basis; and

Whereas, under Illinois Brick the states are unable to recover tax dollars from price-fixers and other antitrust violators from whom they have purchased indirectly; and

Whereas, the effectiveness of the parens patriae provision of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 may be severely diminished by Illinois Brick and at the least, casts the Act's effectiveness in grave doubt; and

Whereas, the 96th Congress will consider legislation which would overrule this Supreme Court decision;

Therefore, be it resolved that:

(1) This Association urges the Congress of the United States to adopt legislation to reverse the Illinois Brick decision so that all purchasers, whether direct or indirect, whether governments, businesses, or citizens, may have an opportunity to prove injury by price-fixers and other antitrust violators; and

(2) The Association's Washington Counsel is authorized and directed to take all reasonable and appropriate steps to communicate the Association's position to the United States Congress and to the Administration; and

(3) A special Illinois Brick subcommittee appointed by the Chairman of the Antitrust Committee will manage the Association's efforts on behalf of this legislation in conjunction with the Washington Counsel; and

(4) The Chairman of the Senate Judiciary Committee, Senator James O. Eastland, the Chairman of the Senate Antitrust Subcommittee, Senator Edward M. Kennedy and the Chairman of the House Judiciary Committee and Monopolies Subcommittee, Mr. Peter W. Rodino, Jr. be commended for their assistance in developing the legislative record and gaining committee approval of the bills considered by the 95th Congress.

JANUARY 24, 1979.

Hon. EDWARD M. KENNEDY,
Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of over a million members of the American Federation of State, County and Municipal Employees, I commend you for your continued support and leadership for the legislation to amend the antitrust laws reversing the Illinois Brick Supreme Court decision.

Without such legislation, effective antitrust enforcement for all purchasers will not be possible. Taxpayers and their governments will pay more for goods as price-fixers and antitrust violators reap the profits.

This unfair situation must be reversed. In the interest of fairness to all American consumers, I hope the Congress will grant prompt and favorable consideration to this critical matter.

Sincerely,

ANTHONY CARNEVALE,
Director of Legislation.

DES MOINES, IOWA,
January 25, 1979.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: First, I would like to take this opportunity to thank you and your staff for the great amount of effort which you have put forth to remedy the problem which we as cattlemen face today.

Because of the decision handed down in the *Illinois Brick* case, we as cattlemen now have no place in which we can seek recovery for the great amount of damages which were incurred by us in the past. The sad part of this matter is that we have the evidence in our possession which would prove our charges.

Over 50,000 cattlemen who are independent businessmen face a very bleak future if Congress fails to overrule the *Illinois Brick* decision. I know that you are very concerned by the inflation which we face in America. Unless we have the right to enforce anti-competitive laws in the courts of our land, we will never conquer the evil of inflation.

We greatly appreciate your leadership to restore effective antitrust enforcement.

Thank you,

GLENN FREIE,
Chairman, Meat Price Investigators Association.

JANUARY 25, 1979.

Senator EDWARD KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I am writing to express the strong support of the Disability Rights Center for the legislation which you have introduced to overrule the Supreme Court decision in the *Illinois Brick* case. The Disability Rights Center is a non-profit public interest group concerned with issues involving the civil rights and consumer protection rights of persons with disabilities. The Center's interest in this issue stems from our involvement in an antitrust action that is currently pending against the major U.S. manufacturer of wheelchairs. Since almost all wheelchair consumers do not purchase wheelchairs directly from the manufacturer, they cannot use the Federal Courts to seek redress for anti-trust violations.

We commend you for your prompt scheduling of hearings on *Illinois Brick* and hope that the Congress will reverse the ruling as soon as possible. If *Illinois Brick* is allowed to stand, individual citizens as well as states and businesses will be denied access to the courts. We believe that all who have been injured by illegal antitrust practices, including citizens, governments and businesses should be able to recover damages.

Your leadership in restoring effective antitrust enforcement is much appreciated.

Sincerely,

DEBORAH KAPLAN,
Director.

JANUARY 24, 1979.

Hon. EDWARD M. KENNEDY,
Senate Judiciary Committee,
Washington, D.C.

DEAR SENATOR KENNEDY: The Retail Bakers of America, founded in 1918, is the national trade association for the nation's retail baking industry, which comprises in excess of 20,000 retail bakeries according to U.S. Census figures.

I am writing on behalf of the association to express our support for S. 1874 (H.R. 11942), as it was styled in the last Congress, the Clayton Act Amendments of 1978, otherwise known as the Illinois Brick bill.

We support such legislation because if the Supreme Court's decision in the Illinois Brick case is allowed to stand. It will deprive many of our members, all of whom are small businessmen, of a cause of action they otherwise would have had. Most retail bakers buy the materials they use as ingredients in the many varieties of freshly baked foods they make on a daily basis and sell directly to the ultimate consumer indirectly from wholesalers, middlemen, suppliers and others. In the event a group of sellers were alleged or found to have violated the antitrust laws, our members would be prevented from recovering damages under the Supreme Court's decision because they were indirect purchasers.

As a specific example of this, I cite the Eastern and Western Sugar Anti-trust litigations. In the Western case, the percentage of the settlement fund available for distribution to the industrial-user class (the class into which our members and other retail bakers would fit) has been reduced as a direct result of the decision in Illinois v. Illinois Brick. Similarly, in a letter addressed to me from counsel for the Wholesaler Class in the Eastern Sugar Anti-trust litigation, I was informed:

"Since your membership undoubtedly consists of a number of firms which were indirect purchasers only, under the present status of the law they would have no claim in the above pending litigation."

The reference to the "present status of the law" of course was to Illinois Brick.

For these reasons, then, the Retail Bakers of America supports your efforts to enact legislation which will overrule the Supreme Court's decision in Illinois v. Illinois Brick and restore the right of indirect purchasers, such as retail bakers, to sue or share in damages awarded for cases in which sellers further up the distributive chain are alleged or found to have violated the antitrust laws.

Sincerely,

GERARD PAUL PANARO,
Associate General Counsel.

JANUARY 26, 1979.

Hon. EDWARD M. KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I am writing on behalf of the 180,000 members of the Oil, Chemical and Atomic Workers International Union to express our support for legislation which would reverse the disastrous impact of the *Illinois Brick* decision. Effective antitrust enforcement has always been a major concern of OCAW and we are pleased that you are introducing corrective legislation early in the 96th Congress.

We believe that the *Illinois Brick* ruling is a serious obstacle to effective antitrust enforcement in this nation. We urge the Congress to act as soon as possible to reverse this ruling so that all citizens as well as business may avail themselves of the benefits that the antitrust laws were designed to provide. Competition is a basic element in our national economy and every step must be taken to ensure its preservation. Reversal of *Illinois Brick* is a step in the right direction.

Your leadership on this issue is much appreciated.

Sincerely yours,

A. F. GROSPIRON,
President.

JANUARY 26, 1979.

Senator EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The Cooperative League which is the United States member of the International Cooperative Alliance, represents both urban and rural cooperatives and has a long history of support for vigorous enforcement of the antitrust laws. We are pleased that reversal of the *Illinois Brick* decision is a priority issue on your legislative agenda this year, and commend you for your leadership in this matter.

That decision which barred indirect purchases from recovering damages from price-fixers and other violators of the antitrust laws is a step backwards from effective antitrust enforcement. The Cooperative League joins with a broad coalition of consumer, business, labor, farm and state government organizations in urging that Congress act as soon as possible to overturn this ruling and restore effective antitrust enforcement in this nation.

Sincerely,

SHELBY E. SOUTHARD,
Legislative Director.

JANUARY 26, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The UAW worked in coalition with many groups in the 95th Congress for legislation to overturn the Supreme Court decision in the Illinois Brick case. As you know, this is vitally needed consumer legislation to permit indirect purchasers of items sold in restraint of trade to undertake legal action for redress. We understand that it is your intention to renew the effort for legislation to overturn the Illinois Brick decision. I am writing at this time to thank you for taking the initiative in this area and to assure you of our continued active support for such legislation.

Thank you very much.

Sincerely,

HOWARD G. PASTER,
Legislative Director.

JANUARY 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee,
Washington, D.C.

DEAR SENATOR KENNEDY: The National Retired Teachers Association and the American Association of Retired Persons, representing more than 12 million older Americans, are glad to have this opportunity to reaffirm our strong support for legislation which will overturn the Supreme Court's ruling in Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977).

Our Associations have constantly supported strengthened antitrust legislation which would deter antitrust violations in the first place, which would insulate marketplace mechanisms from the artificial maneuvering of price fixing and other antitrust activity, and which would provide consumers with adequate recourse once victimized by an antitrust violator.

The Court's decision in the Illinois Brick case seriously undermines antitrust enforcement activities. To remove the ability of indirect purchasers to regain losses suffered through price fixing violations is a great disservice to the American public. It eliminates any opportunity for those who must pay the full cost of the violation to regain their losses and it removes a substantial deterrent against violation of antitrust statutes.

Americans, particularly older Americans and others who are living on extremely small, fixed incomes, should not and cannot be asked to bear the costs of illegal excesses in business and industry. If the law is not strong enough to prevent such abuses, certainly the Congress must recognize its responsibility to provide citizens with appropriate rights to protect themselves. We believe that all purchasers who have been injured by antitrust violators, whether directly or indirectly, should be able to recover damages; this includes individuals as well as states, federal government, businesses and producers.

In an era of "Proposition 13 fever," allowing the Illinois Brick decision to stand will only mean that taxpayers at both the federal and state levels will be asked to bear the higher prices charged to government as indirect purchasers of illegally priced goods. The California experience clearly illustrates that Americans do not want to continue shouldering this burden.

NRTA/AARP offer their support of the Antitrust Enforcement Act of 1979 as the means of achieving the reversal of the Illinois Brick decision. We pledge to work singly and with other organizations and groups to win passage of this significant antitrust legislation.

Sincerely,

PETER W. HUGHES,
Legislative Counsel.

JANUARY 26, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The Paralyzed Veterans of America support your efforts in overturning the June 9, 1977, Supreme Court ruling in *Illinois Brick Company* v. *Illinois*. PVA encourages you to again introduce legislation in the 96th Congress that would make violators of the antitrust bills subject to court review.

PVA, along with many other organizations and consumers, believes that injured consumers, whether government, businesses or individuals, should have access to the court. The courts should have the flexibility to determine on a case-by-case basis whether the suit has merit and is to be pursued. Furthermore, we believe that *all* purchasers who have been injured by antitrust violations, whether direct or indirect, including the federal government, states, businesses and consumers should be able to recover damages.

In addition to reviewing cases of price-fixing, the courts should have the power to rule on cases where monopolistic manufacturers of specialty items injure their often small but dependent market.

Thank you for your consideration of our views.

Sincerely,

GERALD JONES,
Legislative Director.

WASHINGTON, D.C.,
January 25, 1979.

Senator EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The nation's county officials would like to extend our warmest congratulations and best wishes to you on becoming Chairman of the Senate Judiciary Committee. This committee will be the forum for the development of some of the nation's most important legislation and we look forward to a hard working and productive congressional session.

County officials strongly endorse legislation to broaden the ability of consumers to recover damages resulting from violations of the antitrust laws. The nation's 3,600 counties are responsible for a wide variety of public services. In performing these services, counties are continually purchasing a multitude of products, making us a large, albeit vulnerable, consumer.

In protecting the rights of consumers to receive products at the lowest price possible, it is essential that ultimate purchasers be able to recover damages for antitrust violations whether or not they have dealt directly with an antitrust violator.

Counties and other units of government purchase extensive amounts of materials and supplies. As the ultimate purchaser, counties must often absorb the entire cost of overcharges that result from antitrust practices. While these overcharges are "passed on" through the chain of manufacture, production and distribution, it is the final purchaser who is the one bearing the burden.

When county governments are forced to incur higher prices due to such practices, it adversely affects county finances and budgeting. In the final analysis, it is the individual taxpayer, the ordinary citizen, who is affected by seeing his tax dollars absorbed by illegal private sector practices without having any recourse. Therefore, units of government injured by antitrust violations should have the right and ability to recover damages whether or not they have dealt directly with the actual antitrust violator.

To accomplish this, NACo strongly endorses legislation that would overturn the "Illinois Brick" decision of the Supreme Court. This legislation would enable the ultimate consumer to recover damages for antitrust violations.

We once again support your efforts in sponsoring this legislation and congratulate your leadership in this field. We hope to work closely with you on this and related matters. Thank you.

Sincerely,

ELLIOTT A. ALMAN,
Legislative Representative.

WASHINGTON, D.C.,
January 20, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary,
Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the 113,000 members of the National Association of Home Builders, I would like to thank you for your efforts in support of legislation to overrule the effects of the Supreme Court's *Illinois Brick* decision.

As you are aware, the National Association of Home Builders strongly supported such legislation in the last session of Congress. We believe it is essential for Congress to amend Section 4 of the Clayton Act to once again allow indirect purchasers the standing to sue for injuries they sustain as a result of antitrust violations. The vast majority of NAHB's members are in the class of indirect purchasers because they purchase building materials from supplier-middlemen rather than directly from manufacturers. Thus, unless Congress passes legislation to overrule the decision in *Illinois Brick*, most, if not all of NAHB's members have no standing to be plaintiffs or class members in such litigation. As indirect purchasers, they could not recover damages against the manufacturers of building materials, despite the fact that the illegal overcharges had been passed on to them.

NAHB will continue its support for legislation to reverse the *Illinois Brick* decision and appreciates your prompt scheduling of the bill for hearings early in the new Congress.

Sincerely,

VONDAL S. GRAVLEE,
President.

WASHINGTON, D.C.,
January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The American Association of State Highway and Transportation Officials (AASHTO) would like to express our appreciation for your early introduction of a bill which would reverse the disastrous effects on States of the United States Supreme Court ruling in *Illinois Brick* v. *Illinois* which held that indirect purchasers of a price-fixed item cannot bring suit against an antitrust violator.

AASHTO is an organization of the departments of highways or transportation of each of the fifty States, the District of Columbia, Puerto Rico, and the U.S. Department of Transportation. The Association was created in 1914.

A minimum two-thirds approval of the States is required before positions involving questions of policy are taken as an Association.

AASHTO supports legislation which would reverse the Supreme Court decision in *Illinois Brick*. Without corrective legislation State transportation departments would have no recourse in cases of price fixing by materials suppliers on contracted transportation construction projects.

We hope these comments will be helpful as the Judiciary Committee proceeds in the legislative process.

Respectfully submitted,

HENRIK E. STAFSETH,
Executive Director.

JANUARY 30, 1979.

Hon. EDWARD KENNEDY,
Chairman, Judiciary Committee,
U.S. Senate,
Washington, D.C.
Hon. PETER RODINO,
Chairman, Judiciary Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN KENNEDY AND CHAIRMAN RODINO: The National Conference of State Legislatures is pleased to join with other groups in supporting legislation which would overturn the Supreme Court's Illinois Brick v. Illinois decision. We believe this decision violates the spirit of the anti-trust statutes adopted by the state and federal governments and weakens a state's ability to protect its own and its citizen's rights as consumers.

Your legislation is a positive step toward resolving this continuing controversy, and you have the full support of our organization.

Sincerely,

JASON BOE,
President, NCSL, President, Oregon Senate.

JOHN BRAGG,
Chairman, State-Federal Assembly of NCSL, Chairman, Tennessee House Finance, Ways and Means Committee.

JANUARY 30, 1979.

Attention: Joel Perwin.
Senator EDWARD KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The principal goals of the National Institute of Law and Economics, a division of the Public Interest Economics-Foundation, are to foster free and open competition and to decrease the concentration of economic and political power by encouraging effective enforcement of laws to curb monopolistic and unfair business practices.

In light of our aims as stated above, we express our appreciation of, and support for your efforts to strengthen and expand the anti-trust laws; and to provide the necessary legal tools to effectively enforce those laws.

Sincerely,

ALLEN R. FERGUSON,
President.

JANUARY 26, 1979.

Hon. EDWARD KENNEDY,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I urge you to oppose the legislation soon to be introduced to overrule Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977). We believe the Supreme Court was correct when it decided in that case that indirect purchasers should not be able to sue for antitrust violations.

Overturning Illinois Brick will fuel inflation by increasing enormously the cost and complexity of antitrust litigation. Furthermore, as Professor Milton Handler and others have said, the Illinois Brick legislation would weaken antitrust enforcement, because the direct purchasers, who have historically prosecuted the bulk of private antitrust cases, would no longer enjoy the incentive of full treble damages unless they could win a costly battle against the indirect purchasers over the pass-on issue.

The Illinois Brick legislation in my opinion is not advisable even from the point of view of indirect purchasers. The few dollars each indirect purchaser might recover after years of legislation would neither offset his loss from the market-wide inflationary impact of high litigation costs nor provide an incentive for him to help enforce the antitrust laws. I fear that any increased benefits and incentives flowing from overturning Illinois Brick would accrue instead to a segment of the citizenry not deserving of special favor under the antitrust laws: plaintiffs' lawyers.

While I would be happy to provide further information or testify in support of the Illinois Brick decision, I believe the testimony already heard by the Committee clearly favors letting the decision stand.

Very truly yours,

J. E. CLUTE.●

● Mr. METZENBAUM. Mr. President, I am pleased to join with Senator KENNEDY and 20 of my colleagues in introducing legislation to reverse the Supreme Court's decision in Illinois Brick.

That decision, which bars indirect purchasers from bringing private damage actions against antitrust violators, has set antitrust law on its head. It bars those truly injured by antitrust violations from seeking relief in the courts while providing windfall profits to those who suffer no injury. And in the process, it threatens to undermine our national commitment to promote competition in the marketplace through effective enforcement of the antitrust laws.

Mr. President, the antitrust laws were enacted for the ultimate benefit of the consumer.

The reason we strive through our antitrust laws to promote competition in the marketplace is to insure individual consumers the highest quality products at the lowest prices possible. But under Illinois Brick these ultimate consumers are left remediless. Let me illustrate.

Assume for a minute that manufacturers of drugs, hardware products, household appliances—to take just a few examples—agree among themselves to fix the prices of their products at levels higher than those products could command in the competitive market. Their customers, the wholesalers and retailers, purchase these products at the inflated prices and mark them up for resale to the consumer.

In this manner, all or most of the illegal overcharges are passed on to the ultimate consumer. But under Illinois Brick these consumers are barred from recovering because they are not "direct" purchasers. The middlemen, on the other hand, can collect treble damages from the antitrust violator even though they have suffered no injury.

Who are these ultimate consumers left remedies under Illinois brick? They are average citizens—small businessmen, individual consumers, and taxpayers whose tax dollars are wasted on illegal overcharges paid by State and Federal agencies for goods they consume. Testimony last year before the Judiciary Committee revealed for example, that 90 percent of State government purchases were made through middlemen. Over the last 15 years, States have recovered hundreds of millions of dollars in antitrust suits, most of which would have been barred had the ruling in Illinois Brick been applied. Fundamental fairness requires that average citizens not bear the costs of antitrust violations while middlemen are permitted to reap the benefits of treble damage antitrust awards.

Mr. President, this bill we are introducing today is of critical importance. It is imperative that we reassert in no uncertain terms our commitment to use the antitrust laws to protect the average citizen—the consumer and the taxpayer.

Up until Illinois Brick, the notion that our goal was to protect individual consumers was not seriously challenged. Now, we find some courts holding that the Clayton Act was only designed to protect injury to business property. Prior to Illinois Brick, I do not think such a notion could possibly have been taken seriously. But that decision so undermined the principle of protection of individual consumers that I suppose anything is possible now.

Mr. President, we must put a stop to this disturbing trend. We must reaffirm our long-standing commitment to use the antitrust laws to protect the rights of individual citizens.

Not only is the result reached in Illinois Brick fundamentally unfair, it runs counter to long-established judicial precedents and defeats Congress intent in enacting the antitrust laws. In Illinois Brick the majority of the Court held, over vigorous dissent by three Justices, that only overcharged direct purchasers and not other purchasers farther down the distribution chain were "injured in [their] business or property" under section 4 of the Clayton Act and therefore entitled to recover treble damages under that act from the antitrust violator.

But if one reads the debate at the time the Sherman Act was passed in 1890, it is evident that the legislators at that time believed they were according all individual consumers the right to seek damages from antitrust violations. In fact, Senator George addressed the question of "indirect purchasers" specifically during the debate, concluding that "the consumer * * * paying all the increased price advanced by the middlemen and profits on the same, is the party necessarily damnified or injured." [21 CONGRESSIONAL RECORD 767 (1890).] And if such remarks were not sufficient to clarify Congress intent, surely enactment of the Hart-Scott-Rodino Parens Patriae Act in 1976 removed any misunderstanding. This act afforded States the opportunity to bring damage suits against antitrust violators on behalf of all individual consumers in that State illegally overcharged as the result of an antitrust violation. The legislative history of this act is replete with criticisms of the recent judicial decisions banning

suits by indirect purchasers. And both the House and Senate committee reports accompanying the bill specifically interpreted section 4 of the Clayton Act to permit suits by indirect purchasers.

Up until Illinois Brick, virtually every Federal court addressing the issue was of the view that indirect purchasers had a right to sue for damages under the Clayton Act. The Supreme Court itself, as recently as 6 months before Illinois Brick, reaffirmed the notion that treble damage antitrust actions were intended to protect individual citizens, particularly individual consumers. In fact, the case relied on by the Court to reach its result in Illinois Brick was a strong proenforcement decision entirely consistent with permitting damage suits by indirect purchasers. In summary, neither the legislative history of the antitrust laws nor judicial interpretations of the laws prior to Illinois Brick supports the results reached in that case.

Finally, Mr. President, the Illinois Brick decision troubles me because I fear it will undermine enforcement of our antitrust laws. Private treble damage actions are critical to an effective antitrust enforcement effort. We need the deterrent effect that the threat of treble damages can create above and beyond the threat of fines or imprisonment. And we need private suits to supplement the limited Government resources available to investigate and prosecute antitrust violators. Before the Illinois Brick decision came down, there were 10 times as many private antitrust damage actions as there were suits by the Government.

However, it is far from clear that we can depend on direct purchasers to bring such private suits. Fear of retaliation by their supplier or the burden and expense of complex litigation may discourage direct purchasers from bringing suit. Or the fact that they themselves are not injured, because they have passed on to the consumer all of the illegal over charges, may deter them.

It is apparent that suits by those parties actually injured as a result of antitrust violations—parties not in a position to fear the threat of retaliatory actions—are essential to effective enforcement of the antitrust laws through treble damage actions.

Mr. President, the result reached in Illinois Brick is intolerable and cannot be permitted to stand. It is fundamentally unfair to the consumer and taxpayer; it runs counter to long-established judicial precedent and Congress's intent in setting up the statutory antitrust framework; and it threatens to undermine our antitrust enforcement effort. We urgently need this legislation to restore fairness and effectiveness to our antitrust laws.

Mr. President, as you no doubt know, Senator KENNEDY toiled ceaselessly on this bill last session. Extensive hearings were held and a comprehensive record was compiled. The bill commanded broad support from all of the Nation's Governors, the National League of Cities, the National Council of Senior Citizens, the Disabled American Veterans, the Consumer Federation of America, to name just a few. But despite all this, we were unable to get serious consideration of the measure on the Senate floor last year.

This bill is too important to be consigned to a similar fate in this Congress. I sincerely hope we will see a full debate and expeditious passage of this measure during the coming year.●

By Mr. TOWER:

S. 301. A bill to amend laws relating to housing and community development with respect to labor standards; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. TOWER. Mr. President, I am introducing legislation today that would repeal the Davis-Bacon Act as it applies to our Nation's housing and community development programs. The Davis-Bacon Act is an outdated Federal law that is clearly out of place in an economy wracked by inflation, mounting construction costs, and unnecessary regulation, and it should be repealed. As a member of the Committee on Banking, Housing, and Urban Affairs. I am very aware of the inflationary impact and the disruptive effect which the Davis-Bacon Act has on housing and community development efforts. For that reason, I am particularly interested in removing the requirements of the Davis-Bacon Act from the housing and community development laws.

The Davis-Bacon Act is an economic dinosaur. It was adopted during the 1930's when there were concerns over the effect which falling wage rates would have on the incomes of American workers. The Davis-Bacon Act was designed to shore up the wage rates of construction workers, particularly those working under negotiated wage rate schedules. It was the first Federal law designed to regulate the wage rates of workers on nongovernmental payrolls.

Whatever justification there may have been for this law at the time, there is no justification for it now. Declining wage rates are not a major threat to the incomes of American workers today. Indeed, the problem is just the opposite. Wage rates are increasing more rapidly than productivity. As a result, unit labor costs are rising dramatically, which in turn is putting upward pressure on prices.

The hourly wage rates of contract construction workers have risen steadily since the end of World War II and they are relatively high compared with the wage rates of workers in other major industries. According to a survey conducted regularly in 20 selected cities, the average hourly wage rate of skilled construction workers is approaching $14 an hour, and common workers in construction earn an average hourly wage rate in excess of $10 an hour. This compares with an average hourly wage rate of roughly $6 for all workers in the private nonagricultural sector.

The economy has changed a great deal since the 1930's, and it makes little sense to maintain a law designed to bolster wage rates when the threat of declining wage rates is no longer a real one. And it makes little sense to keep such an inflationary law on the books when the cost of housing is rising so rapidly that many American families are finding it difficult to afford decent housing. The costs involved in running our Nation's housing and community development programs are extremely high, and they should not be inflated by the requirements imposed under the Davis-Bacon Act.

The Davis-Bacon Act requires construction contractors engaged in federally assisted projects over $2,000 to pay their workers at wage rates determined by the Secretary of Labor. Those wage rates are supposed to reflect the wage rates prevailing for similar types of workers in the community where the project is located. The purpose of this act was to prevent contractors from using so-called "itinerant" workers from outside the local community to work on federally assisted projects at lower wage rates than prevail in the community. The concern was that this would undercut the wage rates of local construction workers. The problem is that this has inflated the wage rates which contractors must pay their workers on federally assisted projects. As a result, the American taxpayer has had to foot the bill for the higher costs of federally assisted construction. Moreover, the Davis-Bacon Act is disruptive to the private wage scales of many contractors, and has discouraged many of those contractors from bidding on Federal projects.

The reason for this was clearly stated by Armand J. Thiebolt, Jr., in his study entitled "The Davis-Bacon Act," published by the Wharton School of The University of Pennsylvania:

> [I]f . . . Davis-Bacon prevailing rates are set at the union scale or somewhere in between the open-shop scale and the union scale, then open-shop contractors will have to raise pay rates in order for their workmen to be employed on the project. Although this situation should create, for the open-shop firm, no problem with the immediate job involved (the government picks up the additional tab), it might well cause disruptions in the firm's relations with its employees—particularly if not all of them are assigned to the Davis-Bacon job—and affect its future work patterns. In addition, the competitive situation would be altered to the relative disadvantage of the open-shop firm.

The costs involved with the Davis-Bacon Act are enormous. They have been estimated at $2.7 billion annually. Of this, $1.8 billion is estimated to result from the effect which the act has on inflating construction wage rates in the case of private construction contracts. The price tag on new home construction alone is estimated at $430 billion.

Repealing the Davis-Bacon Act would not only reduce the direct costs which the taxpayer is asked to bear as a result of inflated wage rates on federally sponsored construction projects, but it would eliminate the added costs which spillover into private construction projects as a result of the higher wage rates which the Davis-Bacon Act encourages workers to seek.

As everyone knows, inflation is our Nation's No. 1 economic problem. And, as the President said in his economic report to the Nation:

> It is now more essential than ever that our government, in both its budgetary and regulatory programs, make the best use of the resources at its disposal and seek better, less costly means to achieve our national objectives.

If we are really serious about dealing with inflation, there is no better place to begin than by repealing the Davis-Bacon Act. The bill I am introducing today would repeal the application of that act on all housing and community development programs. These programs are under the jurisdiction of the Committee on Banking, Housing, and Urban Affairs, and as a member of that committee I intend to pursue this matter vigorously during the 96th Congress.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 110 of the Housing and Community Development Act of 1974 is repealed.

(b) Section 802(g) of such Act is repealed.

SEC. 2. Section 707 of the Housing and Urban Development Act of 1965 is repealed.

SEC. 3. Section 202(c)(3) of the Housing Act of 1959 is repealed.

SEC. 4. (a) Section 212 of the National Housing Act is repealed.

(b) Section 803(k) of such Act is repealed.

(c) Section 903(c) of such Act is amended by striking out all that follows the last semicolon down to the colon which precedes the proviso.

SEC. 5. (a) Section 410 of the Housing and Urban Development Act of 1968 is repealed.

(b) Section 906(d) of such Act is repealed.

SEC. 6. Section 110 of the Demonstration Cities and Metropolitan Development Act of 1966 is repealed.

SEC. 7. Section 727 of the Housing and Urban Development Act of 1970 is repealed.

SEC. 8. (a) Section 109 of the Housing Act of 1949 is repealed.

(b) Section 516(f) of such Act is repealed.

SEC. 9. Section 12 of the United States Housing Act of 1937 is repealed.

SEC. 10. Section 310 of the Defense Housing and Community Facilities and Services Act of 1951 is repealed.

SEC. 11. Section 707 of the Housing and Urban Development Act of 1961 is repealed.

SEC. 12. Section 402(f) of the Housing Act of 1950 is repealed.●

By Mr. DOLE:

S. 302. A bill for the relief of Vincente Alvarez; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing a private relief measure which is unlike any other private relief measure which I, or that of my colleagues, have introduced during this session of Congress.

Mr. President, this measure grants permanent residency to Mr. Vincente Alvarez of Mulvane, Kans. It is of crucial importance, not only to Mr. Alvarez and his family, but also to the Senator from Kansas, that this bill pass quickly through the legislative process. The reason for this request is that Mr. Alvarez has terminal cancer and it has been his request, joined by his family and many friends in the area, that he become a U.S. citizen before his death.

Mr. President, we all know too well the unpredictability of cancer. And all of us, have in some way, suffered losses due to the disease of cancer. Time is of the essence. And I ask that the committees in both Houses weigh this factor heavily during consideration of this measure.

Mr. President, the Senator from Kansas is quite aware of this uncommon request, but due to the nature of this situation, I see no objection as to the speedy passage of this bill.

In the 1920's thousands of people immigrated to the United States in hopes of a new future and Mr. Alvarez was one of those in coming with little family and few papers. Because there were no living relatives in 1967 to attest to the immigration of Mr. Alvarez, he was denied application for naturalization. Administratively, it would now take months to complete application, but for Mr. Alvarez and his family there is no time to spare.

Mr. President, I ask unanimous consent that a letter written to me by the Alvarez family in making this request be printed in the RECORD. I am hopeful that my colleagues will join me in seeing this measure through as quickly as possible.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 3, 1979.

Senator ROBERT DOLE,
Washington, D.C.

DEAR SIR: This letter is a request from our family for any assistance you and your office may give us in our endeavor to help our father and husband become a United States citizen. He is terminally ill with cancer and is not expected to live through the month of February, thus prompting us to obtain a solution to his problem of citizenship outside the usual procedures provided by the Immigration Service. We are requesting your help for special legislation or a private bill in order to speed the process in hopes of our father and husband receiving his citizenship before his death.

His problem with the Immigration Service is briefly as follows. He left Spain as an infant at a time when it was illegal for males to leave the country due to the demand for military service. He arrived in this country in the early 20's with little family and few papers. It is because of this that in 1967 the Immigration Service rejected his application for citizenship since he could not answer such basic questions such as when and where he arrived (see enclosures). The fact remains that he has been in this country for over fifty years, evidenced by employment records etc., and as succinctly put, lead a life as an American.

This family, until recently, had neither the education nor the resources to deal effectively with the Immigration Service and now we do not have the time. It has been our father's and husband's dream all his life to become an American citizen and we now ask that you please help him.

All the documents we have concerning this situation are inclosed. Any additional information that you might need will be provided upon request. Thank you.

Very truly yours,
MRS. VINCE ALVAREZ.
Mr. and MRS. DENNIS ALVAREZ.
TIMOTHY M. ALVAREZ.
DEBRA ALVAREZ.
Family of Vince L. Alvarez.●

By Mr. DOLE:

S. 303. A bill for the relief of William Armstrong and Rita Armstrong; to the Committee on the Judiciary.

S. 304. A bill for the relief of Roman Enriquez, Andrietta Enriquez, and their son Sol Allan Enriquez; to the Committee on the Judiciary.

S. 305. A bill for the relief of Carlo Lim, M.D., his wife Cecilia Lim, and his son Ronald Christopher Lim; to the Committee on the Judiciary.

S. 306. A bill for the relief of Reginald Carlson Lim; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing several private relief measures for individuals who have become great assets to the communities in Kansas they have found as a home.

Without these individuals, two communities in Kansas would be without medical services which is sorely needed in the rural areas of the United States due to the physician shortage in another area, the need for a language interpreter has benefited the industry's operation and well-being of the community.

Mr. President, I am hopeful that during the 96th Congress these measures will receive affirmative action by the Judiciary Committees in both the House and Senate and that permanent residency will be accorded to those designated in the measures.●

ADDITIONAL COSPONSORS

S. 37

At the request of Mr. PROXMIRE, the Senator from Pennsylvania (Mr. HEINZ), the Senator from Texas (Mr. TOWER), the Senator from North Carolina (Mr. MORGAN), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 37, to amend the Right to Financial Privacy Act of 1978.

S. 55

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Missouri (Mr. DANFORTH), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 55, the Meat Import Act of 1979.

S. 79

At the request of Mr. HELMS, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 79, to reinstate the gasoline tax deduction.

S. 111

At the request of Mr. BUMPERS, the Senator from Montana (Mr. MELCHER) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 111, to improve the administrative process by making the Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress.

S. 190

At the request of Mr. KENNEDY, the Senator from Michigan (Mr. LEVIN) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 190, the Victims of Crime Act of 1979.

S. 192

At the request of Mr. BUMPERS, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 192, to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors.

S. 195

At the request of Mr. BUMPERS, the Senator from Texas (Mr. BENTSEN), the Senators from Maryland (Mr. MATHIAS and Mr. SARBANES), the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. BURDICK), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Montana (Mr. MELCHER), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 195, to extend through October 1, 1979, the provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital.

S. 200

At the request of Mr. DANFORTH, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 200, the Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.

S. 210

At the request of Mr. RIBICOFF, the Senator from Missouri (Mr. EAGLETON) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 210, the Department of Education Organization Act of 1979.

SENATE RESOLUTION 35—ORIGINAL RESOLUTION REPORTED AUTHORIZING REPRINTING OF "WASHINGTON'S FAREWELL ADDRESS" (H. DOC. 89-504)

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 35

Resolved, That House Document Numbered 504, Eighty-ninth Congress, second session, entitled "Washington's Farewell Address to the People of the United States", be reprinted as a Senate document; and that there be printed five thousand five hundred additional copies of such document for the use of the Joint Committee on Printing.

SENATE RESOLUTION 36—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 36

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $695,000, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 37—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 37

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Sibyl M. Brown, mother of James R. Brown, an employee of the Senate at the time of his death, a sum equal to three months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 38—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 38

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Charles F. Clark, Sr., widower of Lucille B. Clark, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 39—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 39

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Guy D. Hunter, father of Gary D. Hunter, and Bonnie G. Hunter, mother of Gary D. Hunter, an employee of the Senate at the time of his death, a sum to each equal to one month's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 40—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 40

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Allie M. McAdams, sister of Jesse James, an employee of the Senate Restaurant at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 41—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 41

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Carl W. Sours, father of Ray W. Sours, an employee of the Architect of the Capitol assigned to study on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 42—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MCGOVERN (for Mr. TALMADGE), from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 42

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $766,000, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the

Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 43—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. RANDOLPH, from the Committee on Environment and Public Works, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 43

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,429,200, of which amount (1) not to exceed $17,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practical date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 44—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF "STUDY ON FEDERAL REGULATION, FRAMEWORK FOR REGULATION, APPENDIX TO VOLUME VI"

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 44

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Framework for Regulation, Appendix to Volume VI" be printed as a Senate Document, and that there be printed four hundred and fifty additional copies of such document for the use of that committee.

SENATE RESOLUTION 45—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF "STUDY ON FEDERAL REGULATION, VOLUME VI, FRAMEWORK FOR REGULATION"

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 45

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume VI, Framework for Regulation," be printed as a Senate Document, and that there be printed one thousand additional copies of such document for the use of that committee.

SENATE RESOLUTION 46—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF PROPOSED BUDGET AUTHORITY FOR THE COLUMBIA DAM AND RESERVOIR

Mr. SASSER submitted the following resolution, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

S. RES. 46

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D 79-52) for payment to the Tennessee Valley Authority Fund of $15,000,000 for the Columbia Dam and Reservoir set forth in the special message transmitted by the President to the Congress on January 31, 1979, under section 1013 of the Impoundment Control Act of 1974.

SENATE RESOLUTION 47—SUBMISSION OF A RESOLUTION RELATING TO THE FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR 1980

Mr. ROTH (for himself, Mr. DANFORTH, Mr. LUGAR, Mr. PROXMIRE, and Mr. STONE) submitted the following resolution, which was referred to the Committee on the Budget:

S. RES. 47

Resolved, That it is the sense of the Senate, that the first concurrent resolution on the budget for fiscal year 1980 reported by the Committee on the Budget of the Senate should set forth—

(1) an appropriate level of total budget outlays which is at least $10,000,000,000 less than the total budget outlays proposed in the Budget submitted by the President for such fiscal year, and an appropriate level of total new budget authority necessary, together with other action recommended by the Committee, to achieve such reduction in total budget outlays.

● Mr. ROTH. Mr. President, on behalf of the Save Our Bucks (SOB) Task Force, I am submitting a Senate resolution calling on the Senate Budget Committee to establish in the first concurrent resolution on the budget that the appropriate level of total budget outlays be $10 billion less than in the President's budget. This proposal calls for a 2-percent reduction in the President's budget for fiscal year 1980.

When I entered Government service in 1967, the Federal outlays were $158.2 billion. This year's proposed outlays of $532 billion indicate the runaway growth in the size and cost of the Government. Since 1967, Federal budget outlays have increased by an astonishing 237 percent.

Largely as a result of this increased spending, we now find ourselves faced with the difficult problem of inflation.

The budget approved last year was the highest in our Nation's history—$494 billion. This year, the President's budget will set a new record—it calls for an increase to $532 billion. This is an increase of 7.7 percent.

Last October, the President told the American people something they have known for a long time. The Government is a major cause of inflation. The President promised that the Government would "take the lead in fiscal restraint."

Now it is time for the President to practice what he preaches. It is time for the President to enforce his anti-inflationary measures on the Federal Government. If the President can tell the American people how much money they can earn, then the American people can tell the President how much of their hard-earned money the Government can spend.

The President was correct in saying that Government spending sets an example. I think a 7.7-percent increase in 1 year is the worst example we could have. It is an insult to the American people to demand in one breath that wages increase by less than 7 percent, and in another breath announce that the budget will increase by over 7 percent.

That is why I am proposing that the President's budget be reduced by an additional $10 billion. In so doing, the budget would total $522 billion, an increase of only 5.6 percent. If the President is serious about the Government setting an example, and I hope he is, then the best example I know of would be for the President's budget to be significantly below the 7-percent limit on wages the President has demanded of the American people.

For those who would criticize this reduction as being overly excessive, I would like to point out that it represents a 2-percent reduction from the President's proposed budget. I find it hard to believe that we cannot cut the President's budget by at least 2 percent. I am afraid to think of the consequences if we do not cut the President's budget.

Another advantage to my proposal is its relationship to the GNP. The President has set an ultimate goal that Federal outlays will not exceed 21 percent of the GNP. However, the President's budget would exceed the GNP by 21.2 percent. This proposed budget would be below the 21-percent goal, with budget outlays being 20.8 percent of the GNP.

For years the Government has been throwing money at our Nation's problems, and when that did not work the solution was to throw more money at our problems. In doing so, we have contributed to the biggest problem in this country—inflation.

I believe Government must begin to clean up its own house before it has any right to look the American people in the eye and demand that they cut back. Cutting the President's budget by $10 billion is an important step in that direction.●

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on February 8 and 9, 1979 to consider legislation on the extension of the Council on Wage and Price Stability and an increase in authorization for the current year and the next 2 years. The hearings will be held in room 5302 of the Dirksen Senate Office Building.

That is a critical hearing and I am sure Members of the Senate will be interested in it, whether they are on the committee or not.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, on Thursday, February 8, 1979, the committee shall hold hearings at 10 a.m. and shall hear the testimony of three witnesses: The Honorable Henry C. Wallich, member, Board of Governors of the Federal Reserve System; Dr. Jack Carlson, chief economist, Chamber of Commerce of the United States; and Dr. Rudy Oswald, director, department of research, AFL–CIO.

On Friday, February 9, 1979, the committee shall hold hearings in both the morning and the afternoon. At 10 a.m., the committee shall hear the testimony of two witnesses: The Honorable Alfred Kahn, Chairman, Council on Wage and Price Stability; and Dr. Barry Bosworth, Director, Council on Wage and Price Stability. On Friday afternoon beginning at 3 p.m. the committee shall hear the testimony of three witnesses: Mr. Donald V. Seibert, representative, the Business Roundtable; Mr. William J. Brodbeck, representative, National Association of Retail Grocers of the United States; and Mr. Boris H. Block, secretary/treasurer, United Electrical Workers.

Anyone interested in obtaining additional information about the committee's hearings should contact Steven M. Roberts, chief economist for the committee, at 224–7391.

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, the hearings before the Subcommittee on Child and Human Development, which I announced on January 23 will be held on child care (S. 4) on February 6 and 21, and on the ACTION Agency reauthorization (S. 239) on February 8, will begin on those dates at 9 a.m. and not at 9:30 a.m. as previously announced.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on February 5, 1979, on the status of foreign debts owed to the United States.

The hearings will begin at 10 a.m. in room 2221 of the Dirksen Senate Office Building. Witnesses to testify are Mr. C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, and Mr. Julius Katz, Assistant Secretary of State for Economic and Business Affairs.

In January 1977, similar subcommittee hearings were conducted and, at that time, foreign debt owed the United States was over $60 billion.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by March 9, 1979, to Michael Stern, Staff Director, Committee on Finance, room 227 of the Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on the administration's request to increase the statutory debt ceiling.

The Honorable W. Michael Blumenthal, Secretary of the Treasury, and Mr. James T. McIntyre, Director of the Office of Management and Budget, will testify on the public debt at 9:30 a.m., Tuesday, February 6, 1979, in room 2221, Dirksen Senate Office Building.

The permanent debt limitation under present law is set at $400 billion, with a temporary additional limit of $398 billion. The debt limit of $798 billion is due to expire March 31, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by March 1, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce that the oversight hearing scheduled before the Committee on Energy and Natural Resources for Monday, February 5, 1979, at 10 a.m., on surface mining regulations, issued by the Department of the Interior, has been canceled.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce that the Committee on Energy and Natural Resources has scheduled hearings to evaluate the impact of the President's proposed budget for fiscal year 1980 on Federal programs and activities under the jurisdiction of the committee.

On February 7, 1979, Secretary of Energy James Schlesinger will appear before the committee to discuss the impact of the proposed budget on Federal programs of the Department of Energy.

On February 8, 1979, Secretary of the Interior Cecil D. Andrus and Assistant Secretary of Agriculture Malcolm Cutler will appear to discuss the proposed budget impact on the programs and activities of the Departments of the Interior and Agriculture.

Each of these meetings will take place in room 3110 of the Dirksen Senate Office Building, at 9:30 a.m.

Anyone wishing information about these hearings should contact Richard Grundy, senior professional staff member for energy at 202–224–9894.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, February 5, 1979, the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold a hearing on the Department of Energy's plans for emergency energy conservation and gasoline rationing. The hearing will commence at 10 a.m. in room 3110, Dirksen Senate Office Building.

There is a clear danger that the current situation in the Middle East could worsen, and, if it does, the United States will suffer petroleum shortages. The Secretary of Energy has discussed this situation in a general way in hearings before the Committee on Energy and Natural Resources on January 17, 1979. At these hearings, the Secretary alluded to various energy demand restraint measures which could be imposed to reduce domestic petroleum consumption in the event of a supply shortage. These measures included service station closings and, ultimately, gasoline rationing.

In my opinion, it is time that the Congress focused its attention on these measures. Emergency conservation plans were published in the Federal Register by the Ford administration on May 28, 1976. We have heard nothing more about them since. The Carter administration rewrote the gasoline rationing plan last year and published their proposed plan on June 28, 1978. Any of these plans, if implemented, would have a traumatic impact on the everyday lives of millions of Americans. It is, therefore, essential that we realize that, first, these plans may be imposed and second, that we have a responsibility to examine them very carefully. This is the purpose of the hearing on February 5. It will initiate a process which I hope will lead to a recognition of the seriousness of our energy situation and of the need for creative attention to devising reasonable solutions to our vulnerability to energy shortages.

Questions about this hearing should be addressed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

ADDITIONAL STATEMENTS

SENATE JOINT RESOLUTION 10—CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

● Mr. ROTH. Mr. President, I am proud to once again sponsor legislation calling

upon the Congress to initiate a constitutional amendment to balance the budget, specifically Senate Joint Resolution 10 introduced by Senator McCLURE.

In the 94th and 95th Congresses, when I first supported a constitutional amendment to balance the budget, the issue was not very popular. During the past 4 years, however, State legislatures have supported the movement to urge the Congress to pass a constitutional amendment to balance the Federal budget. Twenty-four States have passed legislation calling for such a plan, with more State legislatures considering the question. I am proud to say that my own State of Delaware endorsed the plan in February 1976. It is reinforcing to see that a balanced budget amendment has been growing in popular appeal to such an extent that it is now embraced by a "born again" Gov. Jerry Brown.

Twenty-four States have sent a message to the Congress—the American people are fed up with runaway inflation and the Government's response: "Spend now and the people will pay later." The legislation I am sponsoring gives the Congress an opportunity to affirmatively respond to this message.

It has been 11 years since we have seen a budget surplus. It is even more frightening to look at the figures for the last 50 years—42 deficits, only 8 surpluses.

An impartial observer would be hard pressed to find evidence in such a sad record indicating a Government concerned about excessive spending and doing something constructive about it.

Every year, the President and the Congress lose more control over ever-increasing budgets which result in an ever-increasing Federal debt. The budget approved last year was the highest in our Nation's history—$494 billion. This year, the President's budget set a new record—it calls for an increase to $532 billion.

Even more astonishing, the President's budget increases the national debt to almost $900 billion—a $900 billion debt which the American taxpayer is carrying on his shoulders. When I entered Government service in 1967, the American people were paying $12.5 billion in interest alone on the Federal debt. By 1975, they were spending $30 billion. We have now reached the sad state where the American people will be paying $57 billion for the interest alone if the President's fiscal year 1980 budget is adopted. Even more outrageous, this $57 billion ranks as the third highest spending program in the country. We only spend more on income security and national defense.

Whenever one talks of cutting back on Government spending, the critics inevitably start protesting that such measures are reckless, irresponsible, and a blow to representative government. Upon closer inspection, I find that those yelling the loudest have been receiving the most money from the Government.

We must ask ourselves when and where it will stop. It should have stopped long ago, but it did not. I am convinced that without the proper discipline, without a constitutional amendment calling for a balanced budget, it will not stop now. I am convinced that if the Congress and the President are compelled to face the issue, are compelled to balance the budget, then and only then will we have a balanced budget.●

THE DEATH OF NELSON A. ROCKEFELLER

● Mr. MUSKIE. Mr. President, I want to say a few words today about my friend Nelson A. Rockefeller. Nelson Rockefeller and I shared as many common experiences as we had differences. We were both in the State of Maine. We both were elected Governor. And we both aspired to the Presidency of the United States.

Nelson was born of great wealth. It bought him time. He devoted that time to the public service. He was, as much as any man I know, absolutely dedicated to the public service. He genuinely cared about the quality of our Government, the services Government provides and the opportunities available to the American people.

I knew Nelson best in the years in which we served together on the National Commission on Water Quality. That service began when he was Governor of New York and ended during his Vice Presidency. We disagreed from time to time but never with each others' motivation. Nelson brought the same enthusiasm and ardor to the efforts of that Commission as he did to everything else. He expected that the sheer force of his effort and his personality would shape the outcome of the Commission, and to a large extent, it did.

He brought that same degree of commitment to the State of New York and to his national political effort. Nelson Rockefeller was a progressive in a party which vigorously promotes the status quo. As such, he was denied the chance to serve his country from the position in which he would have felt most effective.

As a Democrat I took some comfort, at the time, in the fact that he was denied the opportunity to create what surely would have been another great American political dynasty. As a friend and an admirer I feel a sense of sadness that this man did not have his chance at the helm.

Mr. President, I ask that two articles by the Associated Press in Maine, and an editorial in the Portland Press Herald of Tuesday, January 30, 1979, be printed in the RECORD.

The material follows:

ROCKEFELLER LOSS AFFECTS MAINE TOWN

(By John Halvorsen)

SEAL HARBOR.—The death of Nelson Rockefeller was felt especially keenly in this tiny community on Mt. Desert Island where he was born, later built a magnificent home and returned each summer.

Three generations of Rockefellers have had ties to Maine, and the year-round residents of the area, many of them employees or former employees of the family, knew Nelson Rockefeller as a friendly, open man.

He was "an awful nice fella—everybody spoke well of him. He should have been president," said Harry Fernald, 77, who retired as Rockefeller's gardener seven years ago.

"Wonderful. The whole family was wonderful," said Robert F. DeRevere, 89, who worked for the Rockefeller family for 56 years, both at Tarrytown, N.Y., and Seal Harbor.

DeRevere's son, Robert E. DeRevere, who runs a garage in Seal Harbor, said townsfolk "regard the whole Rockefeller family as being a pretty model family . . . They did supply a good amount of work here on the island, kept the economy well-bolstered here for years."

Rockefeller's death "is going to be a real blow to this town," said Christia L. Skillin, who runs the only restaurant, which Rockefeller often visited in the last 20 years.

"He was a very nice man. We thought very much of him," Mrs. Skillin added. "He didn't make you feel as if he thought he was any better than you were."

His father, John D., Jr., had built a 99-room house long before, "The Eyrie," but it was torn down in the 1960s. The elder Rockefeller also donated 7,000 acres of land to create nearby Acadia National Park.

When Rockefeller built his own house, known as "The Anchorage," he is said to have stood on a point and told the architect, "I want this view and this one and this one."

The 21-room stone and glass house, viewed as ultramodern at the time, includes a doublelevel living room, a banquetsized dining room, a balcony jutted out over the ocean, and a master bedroom with a ship ladder down to the heated ocean-water swimming pool.

Besides sailing and relaxing at his summer home, Rockefeller used it to host several fundraising events for the Maine GOP. In 1967 he put his private art collection, housed in a converted coal wharf at Seal Harbor, on public display for the first time.

He was vacationing here in August 1974 when he learned President Gerald R. Ford wanted him to be vice president.

Last spring, Rockefeller put the house up for sale. It was offered through Sotheby Parke Bernet Galleries of New York for "around $1 million." But several local residents said they heard it had later been taken off the market.

Rockefeller's brother David, president of the Chase Manhattan Bank, and other relatives still have houses here.

Some of those who knew Rockefeller best still guard his privacy in death as they did when he was alive. One caretaker at his estate declined comment, and a man at the Seal Harbor General Store, who talked with Rockefeller "for sure last August," offered an explanation:

"Seal Harbor's a very private residential community, and we guard each other's privacy very jealously."

But others were less reticent. Nelson Leland, a retired school guidance counselor who is five years younger than Rockefeller, recalled playing with him on the town beach as youngsters. "You always felt special to be with a millionaire."

Leland's mother, now 86, was executive housekeeper for John D. Jr., "and when he died, she stayed there with Nelson and Happy." And when she retired, the Rockefeller family "gave her a new car and a year's salary. Anybody who worked for the Rockefeller's got a fine pension."

Leland recalls that Rockefeller "donated generously to the hospital fund, the library fund—anything that came up, he was right there. * * *"

Rockefeller's fellow politicians remembered him, too. To former Maine Republican chairman John R. Linnell of Auburn, Rockefeller was "a very vibrant person to be around. He was full of enthusiasm" and "he could transmit his enthusiasm to other people."

Robert A. G. Monks of Cape Elizabeth, also a former state GOP chairman, was struck by

Rockefeller's "sheer energy and gusto. Just extraordinary.

"I couldn't believe it when I read in the paper (of his death)," Monks added. "It's almost as if, with Rocky's energy, if he were going to die, he'd decide when and let us all know . . . He seemed to have a capacity to create his own reality."

Monks praised Rockefeller as a man "who was very committed to trying to make things work in America."

Gov. Joseph E. Brennan said Rockefeller "will be remembered for his life-long commitment to strengthening America's stature in the world community, a goal he pursued as both a public servant and a private citizen.

"He was a man of great wealth and privilege who chose to offer himself for public service when he could have followed more comfortable and less frustrating pursuits. He'll be remembered as a statesman and a patron of the arts. We of his native state join the rest of the nation in mourning his loss."

ISLANDERS REMEMBER ROCKY'S GENEROSITY

SEAL HARBOR, MAINE.—Nelson Leland remembers the two dozen roses Nelson Rockefeller gave Leland's mother one Christmas, and the big donations he made to the local hospital and library funds.

Robert E. DeRevere, who runs a garage in Seal Harbor, recalls how the Rockefeller clan helped "supply a good amount of work here on the island" by hiring dozens of people like his own father, who worked for the Rockefellers for more than 50 years.

And Christia Skillin remembers simply that Nelson Rockefeller, in numerous visits to her restaurant—the only one in town—"didn't make you feel as if he thought he was any better than you were."

Three generations of Rockefellers have had ties to this tiny community on Mount Desert Island, touching the lives of dozens of local residents. The death of Nelson Rockefeller, whom they knew as a friendly, open man, had a particular impact on them.

He was "an awful nice fella—everybody spoke well of him. He should have been president," said Harry Fernald, 77, who worked as a gardener for Rockefeller.

Leland, a retired school guidance counselor, five years younger than Rockefeller, recalled playing with the future vice president on the town beach as boys. Despite the Rockefellers wealth, I don't think we ever felt resentful."

Leland's great-aunt worked as executive housekeeper for about 40 years for Nelson's father, John D. Rockefeller, Jr. When she died, Leland's mother took over as executive housekeeper for John D. Jr. and his new wife. When he died, my mother stayed with Nelson and Happy."

When his mother, now 86, retired, the Rockefellers "gave her a new car and a year's salary," Leland said.

Rockefeller was born on Mount Desert Island in 1908 on his family's first visit to Maine. He built his own home in Seal Harbor in 1939, and returned to it every summer.

[From the Portland Press Herald, Jan. 30, 1979]

DEATH OF A MAINER

There is a story, perhaps apocryphal, that they tell about one of the Rockefeller brothers, perhaps Nelson, growing up on Mount Desert.

A local companion asked the youngster why he didn't have an automobile, and the Rockefeller boy replied indignantly, "Who do you think we are, Vanderbilts?"

Throughout his life Nelson Rockefeller wore his immense wealth easily and unostentatiously. It is not stretching matters greatly to suggest that those boyhood summers on Mount Desert may have nurtured and matured this special aspect of his character.

He was an engaging combination of the practical and the poetic, as evidenced by the twin passions of his life—politics and art collecting. His taste in both ran to the progressive, which served him well in the art world but frequently caused him grief in the political.

Three times he sought the presidency but each time he was denied the Republican nomination by the more conservative elements in his party. No one knows how well he would have done as president, but he would have brought to that office outstanding qualities of energy, imagination and leadership.

He was always graceful in victory and—like his nickname and his native state—rock-like in defeat.

We tend naturally to view momentous events in a parochial context, so while the rest of the world this week remembers Nelson Rockefeller as a New Yorker and a man of fabulous wealth, we prefer to recall him as a native Mainer and an admirable neighbor.

Rich as they come, of course, but no damn Vanderbilt.●

THE NIMBUS OF MYTHS ABOUT DEFENSE

● Mr. STEVENS. Mr. President, during the next several months as Congress considers the President's proposed Department of Defense budget for fiscal year 1980, we are certain to again debate the old argument of guns versus butter. In anticipation of this controversy, I would like to share with my colleagues a timely article by Robert Debs Heinl, Jr., entitled "The Nimbus of Myths About Defense" in Sunday's, January 28 Washington Post.

The author carefully states and refutes some of the more common misconceptions about military spending. In an appropriate conclusion, Mr. Heinl quotes Britain's Marshal of the Royal Air Force, Sir John Slessor, "The most important social service a government can render its people is to keep them alive and free." I ask that the article be printed in its entirety in the RECORD.

The article follows:

THE NIMBUS OF MYTHS ABOUT DEFENSE

While he was at the Pentagon, James Schlesinger had a favorite saying: "Each of us is entitled to his own opinion, but not to his own facts."

The vortex of the federal budget where facts and opinions become inextricably mixed is, as usual, the debate over how much we should spend for defense.

This should be no surprise: In a budget that approximates $500 billion a year, a defense share in excess of $120 billion, though less than one-quarter of the grand total, represents about two-thirds of the disposable money that budgeteers, Congress and competing constituencies can maneuver to suit particular objectives. The rest of the budget, over $300 billion, amounts to fixed charges—debt service, Social Security, pensions, etc.—which are largely immune to the tugging and hauling that goes into a defense budget.

Thus, as in the defense debate, when opinions and facts get squashed together, the fusion process produces heat but not much light. The charged particles that fly in all directions are a series of myths about defense that have orbits and half-lives of their own.

Myth: The defense budget is "spiralling."

This assertion would be true if a downward spiral were intended, but in this context it never is. In 1957, for example, we allocated 56 percent of the federal budget to defense; in this budget, the percentage is 23.1. In 1957, defense consumed 10 percent of the GNP; now it amounts to half that. Comparable declines over the past two decades can be measured in the defense share of all public spending, in the proportion of national labor force devoted to defense and in virtually any other indicator that can be marshaled.

But there is an upward spiral we need to notice. In the decade from 1967 to 1977, annual Russian expenditures for strategic nuclear forces rose from double what we spent to triple that amount today. We now spend about five percent of GNP for defense; the Soviet Union allocates 11 percent to 13 percent. In estimated dollar costs, Soviet defense outlays now exceed ours by 45 percent and the margin is widening or, perhaps, "spiralling."

Myth: The defense budget goes mainly for weapons.

A corollary myth is that alleged Pentagon "indulgence" in expensive weapons is a giveaway of taxpayers' money to what, in his farewell address, President Eisenhower—at a speechwriter's suggestion—called the "military-industrial complex."

In last year's budget, 52 percent went for people; this year, according to Defense spokesmen, it is slightly down, to 50. Thirty-five percent, roughly one-third, paid for weapons and materiel and research and development. This proportion, another downward spiral, has declined by 25 percent since 1964 when we put 44 percent of the defense budget into arms and related research. This decline obviously means that the "arms merchants" of the military-industrial stereotype are hardly fattening off the Pentagon. In fact, they are now getting 25 percent less government business, in constant dollars, than they were 15 years ago.

Myth: A strategic nuclear "arms race" drives U.S. defense spending.

Less than eight percent of the defense budget goes for U.S. strategic weapons and forces. The highest proportion in any budget for nuclear weapons was President Kennedy's in 1961, when we devoted 27 percent for that purpose. The proposed Fiscal Year 1980 budget calls for spending 38 percent of our defense money for general-purpose conventional forces—nearly five times as much as we spend for strategic arms.

In any case, there is no "race" with Russia. The Soviet Union now puts three percent of GNP into strategic nuclear forces. We allocate less than one-half of one percent.

Myth: "Nonproductive" defense spending causes inflation.

U.S. inflation has become progressively more severe since 1968, throughout a decade in which defense programs have been massively cut back. Moreover, inflation has been most severe in sectors whose defense input is smallest. To cite only one example, the greatest inflation over this period has been in the construction industry, where defense accounts for less than one percent of total business.

As for the alleged "nonproductivity" of defense expenditures, compared to social services, Britain's Marshal of the Royal Air Force Sir John Slessor made a telling comment: "The most important social service a government can render its people is to keep them alive and free."

Myth: We must reorder our priorities.

This Vietnam-era slogan has been overtaken by events. We have already rendered priorities to a dramatic extent. As shown by the figure cited, the implicit priority accorded to defense—measured by all financial and statistical indicators—has declined during the past two decades to about half what it was in the 1950s.

Behind the nimbus of myths about defense lies a generalized set of feelings—particularly dear to people who pride themselves as enlightened—to the effect that military spending is regressive, uneconomic, socially unproductive and, above all, out of control.

The facts, as we have seen, are otherwise.

Defense is an insurance premium whose costs are going up in a dangerous world.

When Isaiah talked about beating swords into plowshares (or, as we would say, reordering priorities), he added that this could only come about "when nation shall not lift up sword against nation," a reservation that hardly describes the late 20th century.●

THE PLIGHT OF THE VIETNAM VETERAN

● Mr. CANNON. Mr. President, the plight of the Vietnam veteran has been given considerable attention in the Nation's media. Unfortunately, much of what has been written has concentrated on the problems of a few rather than the success of many.

I do not mean to disparage the real struggles that have faced our Vietnam vets. As participants in an unpopular war, they have too often borne the brunt of public wrath or negligence.

But instead of recognizing only the negative, instead of endlessly criticizing the Veterans' Administration or whatever Presidential administration happens to be in office, I have often wished the media would try to project a more balanced picture.

That is why I was particularly pleased to read a recent article on the Vietnam veteran in Nation's Business magazine. It points out that the overwhelming majority of Vietnam vets have adjusted well to their postwar lives, are happily married, and are leading productive lives.

Because I feel this side of the story should be told, I have asked that the article be printed in full immediately following my remarks. I might add that the author, William Kroger, is a former member of my staff and I am pleased to see him making a valuable contribution to the national debate over this problem.

The article follows:

WHATEVER HAPPENED TO THE VIETNAM VETERAN?

(By William Kroger)

He is 32 years old and has taken advantage of federal education programs. He is married, has a good job, and makes more money than many in his age group.

Who is he? The average Vietnam veteran today.

There are 8.5 million veterans who served in America's armed forces between 1964 and 1975—the Vietnam era. While 2.6 million actually served in Vietnam, all 8.5 million are considered Vietnam veterans, just as those who did not go overseas or serve in combat zones during World War II or Korea are veterans of those wars.

When the 8.5 million Vietnam veterans left the service, about 80 percent had completed high school, making them the best educated veterans in the history of the nation.

About 63 percent of their counterparts from the Korean conflict and only 45 percent from World War II had completed high school by the time they left the service.

Since separation from the military, 64.6 percent of the Vietnam veterans have used the educational portion of the GI Bill to some extent. This figure compares with 50.7 percent of Korean conflict veterans and 29.6 percent of World War II veterans.

PUTTING DOWN ROOTS

The median income for a Vietnam veteran and his family, according to the Veterans Administration, was $15,790 in 1976, the year of the latest survey. Families headed by comparable male nonveterans earned a median income of $14,620 in 1976.

The Vietnam veteran is establishing roots. The VA reports that through August just under 1.8 million guaranteed or insured loans had been made to such veterans, mostly for the purchase of homes. The total amount guaranteed was more than $44 billion.

Today's Vietnam veteran is also beginning to join organizations, a further indication that he is settling down. The American Legion, the largest veterans organization, has a membership of 2.65 million; about 500,000 are Vietnam veterans.

The Veterans of Foreign Wars, which requires members to have served overseas in a combat zone, has a total membership of 1.85 million, of whom 560,000 are Vietnam veterans. Some veterans may belong to both groups.

The Disabled American Veterans has a membership of 575,000. That organization says 143,000 members—25 percent—are Vietnam veterans.

Statistics support the image of the Vietnam veteran as an involved and productive member of society. But many Americans have a negative perception of him. They think that:

He's poor, addicted to drugs, and has few, if any marketable skills.

He hangs around on street corners, or drifts aimlessly.

He has been in trouble with the law and has deep-rooted psychological problems.

He's a walking time bomb, a potential psychopathic killer.

How did the Vietnam veteran acquire this reputation?

"The media—primarily television and movies—have damaged the image of the Vietnam veteran," says William E. Lawson, founder of the American Association of Minority Veterans Program Administrators. "You look at programs, and the Vietnam veteran in them is usually on the bad side of the law."

There is a basis for this perception, however.

The Vietnam war, through the media, continuously bombarded the American consciousness in great detail. And what was seen, heard, and read was mostly accurate.

For example, a 1973 study conducted by Dr. Lee N. Robins of Washington University Medical School, St. Louis, showed that usage of hard drugs by military personnel in Vietnam was very high.

SO-CALLED HEROIN EPIDEMIC

Dr. Robins surveyed 900 Army Vietnam veterans after their return to the U.S. The study, funded by the government, pointed out that nearly 35 percent of those sampled tried heroin in some form at least once during their one-year tours in Vietnam.

Media coverage of the so-called heroin epidemic among American military personnel in Southeast Asia during 1970–72 was factual, widespread, and left an indelible impression that was reinforced by popular opinion.

Also covered by the media, but not as extensively, were these statistics: Of those surveyed in the 1973 study, only 9.5 percent used narcotics in the eight to 12 months following their return to the U.S., only two percent were using narcotics at the time of the interview, and only 1.3 percent felt they were dependent on narcotics at any time in the year after their return.

The Defense Department, when releasing the study, reported that narcotics dependence among those who had served in Southeast Asia during 1970–72 was no higher than for nonveterans of the same age group.

This statement never registered in the minds of most Americans, and the image of the drug-addicted Vietnam veteran lingers today.

Dr. Charles A. Stenger, chief psychologist for the Veterans Administration, says one of five Vietnam veterans could be helped with some counseling or psychological therapy.

MENTAL DISTURBANCE

A widely-cited study says that one in ten Americans could benefit from the same type of therapy. The statistics seem to show that the incidence of mental disturbance is twice as great among Vietnam veterans as nonveterans.

However, says a spokesman for the American Psychiatric Association, the one-in-ten statistic comes from a study conducted in the 1920s.

More recent information, from a report submitted to the President earlier this year by the Commission on Mental Health, shows that possibly 15 percent of the U.S. population could benefit from some psychological therapy. That's only five percent lower than the Vietnam-veteran statistic.

Further, Dr. Stenger says, as many as one out of five young Americans—the same ratio as for Vietnam veterans—could benefit from psychological therapy. He adds that the need for readjustment counseling among returning World War II veterans probably was as great as it was for Vietnam veterans. But there was practically no recognition of the problem then.

Another myth about the Vietnam veteran is that he is or has been in trouble with the law.

LACK OF INFORMATION

In 1974, a General Accounting Office study estimated that a quarter of the prison inmates in the U.S. were Vietnam veterans. Another study by the Law Enforcement Assistance Administration in the same year estimated that 20 percent of those in state prisons were Vietnam veterans.

There is a real lack of information about veterans, and Vietnam veterans especially, in prisons and jails, says an official of the federal Bureau of Prisons. Much of what is available, such as the GAO and LEAA studies, involves estimates. "Once you're dealing with estimated statistics, you're in a very gray area," the official says.

The total federal prison population was about 24,000 in 1973, the only year the Bureau of Prisons has made a study involving Vietnam veterans. Of that number, 11 percent were Vietnam veterans.

A 1975 Massachusetts survey found that 11 percent of the inmates were Vietnam veterans. In Pennsylvania that year, the figure was 13 percent.

The total federal and state prison population last January was 292,000. Even if GAO's and LEAA's estimates are correct, the total number of jailed Vietnam veterans is small compared to the 8.5 million Americans who served during the 11-year period.

If most Vietnam veterans are mentally stable, have good jobs, make good money, and are productive members of society, why all the fuss about them?

One big reason is that America has a long tradition of taking care of its veterans.

"For him who shall have borne the battle, and for his widow and his orphan" is the slogan that adorns the entrance to the Veterans Administration headquarters in Washington, D.C. Those are the words of Abraham Lincoln, taken from his second inaugural address.

THE VA IS VAST

The VA became a part of the federal government in 1930. Today, it is the third largest federal agency, with an annual budget of more than $19 billion and a work force of 224,000.

The agency oversees federal programs for about 30 million veterans, including the GI Bill, pensions, loan guarantees, and medical services.

The VA operates 172 hospitals. On any given day, those hospitals will have 80,000 pa-

tients; 12 percent of them will be Vietnam veterans.

The VA is also helping 20,000 veterans—90 percent whom are Vietnam veterans—through outpatient rehabilitation training. The largest single group of disabled veterans is physically disabled.

At the head of this vast organization is a Vietnam veteran, Max Cleland. When he became administrator last year at the age of 35, he was the youngest in the VA's history.

GRENADE EXPLOSION

Mr. Cleland is no stranger to the system he is running. He lost both legs and his right arm in a grenade explosion in Vietnam in 1968 and spent the next 18 months in military and VA hospitals.

"I think the VA, like all large government agencies, can slip into bureaucratic behavior that fails to provide service to our clientele. We have had our problems.

"Since I've become administrator, we have attempted to focus on those veterans who have the most serious problems, and you can certainly count some of our Vietnam veterans among that number."

Mr. Cleland says that "if the VA is bureaucratic and unresponsive, it is only because we allow it to be. I do not intend to sit idly by and see this agency, which is supposed to do its best for those who have given their best, be unresponsive and bureaucratic."

He has instituted several programs to reach veterans who have not contacted the VA for benefits to which they are entitled.

The Vietnam war coincided with a period of great change in America. It began during the civil rights movement and continued through the hippie phenomenon and on into a time of increasing unemployment and slow economic growth.

The war itself was provocative. "Are you for it or against it" was the argumentative question of the late 1960s and early 1970s.

It was an issue that divided families, shut down college campuses, and inspired demonstrations of every description. Americans—regardless of which side they supported—were bitter.

"It was an unpopular war," says Ralph Hall, a specialist in the Labor Department's Veterans Employment Service in Washington, with more than 20 years' experience in veterans affairs.

FEELINGS OF FRUSTRATION

"When we came back from World War II, it was a war that had been supported by the nation. The economy needed the labor force.

"When the Vietnam war ended, the economy wasn't booming. There were no jobs, and many veterans didn't have job skills."

The VA's Dr. Stenger adds: "The Vietnam war was an extra burden on those who served in the armed forces. It came at a very complex time.

"Those who were in combat, especially those who had killed someone, had trouble making the transition back to civilian life. They felt they had risked their lives. Why? What did the U.S. give them in return? People were against them, there were no jobs, no help.

"People wanted to forget Vietnam. They wanted Vietnam veterans to go away. They felt: 'I don't want to remember that war—or you.' "

In April, 1969, more than 540,000 American military people were in Vietnam. By February, 1973, U.S. military strength had fallen to a mere 10,200. Many of those individuals were discharged in the following months. Along with the returning military personnel who had served elsewhere, millions of other young Americans were being forced into the U.S. economy in a short period of time.

ONE MILLION JOBS

Something had to be done to help them.

One answer came from business. In tandem with government agencies, private businessmen hired thousands of Vietnam veterans. The National Alliance of Businessmen's Jobs for Veterans alone is responsible for finding more than one million jobs for Vietnam veterans since its inception.

Veterans organizations also helped, conducting job-finding programs in various communities around the country.

The GI Bill was another answer. In 1974, it was upgraded by Congress. Today, a qualified veteran with two dependents can receive as much as $422 a month to go to school.

MASSIVE PROGRAM

Yet an additional avenue of help involved government-subsidized jobs.

In 1973, Congress passed the Comprehensive Employment and Training Act, a massive public service job and training program through which many Vietnam veterans found jobs. Last year, President Carter announced a three-part, one-shot program aimed at helping younger Vietnam veterans.

One part involved continued preference hiring for Vietnam veterans under CETA. Another part centered on the private sector with a program called HIRE—Help Through Industry Retraining and Employment. This subsidized private employers who placed veterans, primarily Vietnam veterans, in permanent full-time jobs. The program's goal was 100,000 jobs, but it ran into problems.

Sen. Alan Cranston (D-Calif.), majority whip and chairman of the Senate Veterans' Affairs Committee, says: "The original HIRE program was not a success, unfortunately, and very few veterans were placed in jobs."

Labor Department officials admit that the HIRE program had problems. Only employers who would place 100 individuals were considered, and the program was operated from Washington, often many miles from the scene of employment.

HIRE was amended and is now called HIRE II. It began this past summer, and it permits any employer to participate. It is operated through CETA prime sponsor offices across the country.

The third part of the President's program involves disabled veterans. Its goal was to place 40,000 disabled veterans in jobs. Initially, 2,000 disabled veterans were hired at local and state employment offices to find jobs for the other 38,000 disabled veterans.

Wesley W. Caison, Jr. is manager of the Alexandria office of the Virginia Employment Commission. He told NATION'S BUSINESS that the disabled veteran program "is the best program I've ever seen. It had a specific priority, and it worked."

The Disabled Veteran Outreach Program will be continued by the Labor Department at a reduced rate through 1981.

With all these programs, the previous high unemployment rate among Vietnam veterans, especially among younger ones, began to decrease. But still the rate for this group remains higher than that for nonveterans of the same age.

For example, in late summer the unemployment rate for male Vietnam veterans aged 20 to 34 was 6.3 percent. The rate for nonveterans of the same age was 5.8 percent.

The biggest target for help in recent months has been the younger veteran, aged 20 to 24. The unemployment rate in this group has fallen nearly four percentage points in the past year but remains high. In late summer, it was nearly 14 percent, compared to about six percent for the overall population.

BIGGEST CONTRIBUTION

"Business can do a great deal to help the Vietnam veteran," says Sen. Cranston. "It will only be through the joint efforts of private industry and the agencies involved in vocational rehabilitation that we will make needed progress in providing employment opportunities for the disabled."

Mr. Cleland of the VA says: "The single biggest contribution American business can make in terms of the Vietnam veteran is not to treat him as a stereotype. I think each business that is considering hiring a Vietnam veteran should deal with that veteran as an individual.

"The Vietnam veteran probably has more personal qualifications," he says, "because of the experience of being under stress. We recognize that the veteran of World War II was a more mature and better motivated student, and eventually employee, because of his experiences. I think we can make the same assumption about the Vietnam veteran."

"Vietnam veterans feel betrayed," says Dr. Peter E. M. Beach, director of veterans affairs for the Department of Health Education, and Welfare.

UNDER THE RUG

One of their biggest problems, he adds, is their image of themselves. "Society as a whole is to blame for how it has treated the Vietnam veteran. Society wants to sweep that whole era under the rug. It cannot look objectively at Vietnam, and it will be many more years before it can."

The whole question of the Vietnam veteran is complex; even the experts cannot agree on the psychological consequences of that controversial era.

But one thing is certain. Most Vietnam veterans have made good readjustments to to civilian life. They are not drug-crazed killers, or dopers, or prison inmates. They have families, buy homes, and conduct their lives just like the fellow who lives next door.●

INAUGURAL ADDRESS OF GOV. WILLIAM P. CLEMENTS OF TEXAS

● Mr. TOWER. Mr. President, on January 16, 1979, an outstanding American was inaugurated Governor of the State of Texas. The Honorable William P. Clements, Jr. had previously served his State and his country as Deputy Secretary of Defense during a trying period in this Nation's history.

His concern for Texas and the United States was eloquently expressed in his inaugural address delivered in the State Capital at Austin. I feel that his assessment of the role of the Federal Government in the lives of the citizens of Texas is of particular importance and equal application to all Americans. I, therefore, submit for printing in the RECORD Governor Clement's remarks on the occasion of his inauguration:

THE INAUGURAL ADDRESS OF THE HONORABLE WILLIAM P. CLEMENTS, JR.

Lieutenant Governor Hobby, Mr. Speaker, members of the Sixty-Sixth Texas Legislature, distinguished officials and guests, my fellow Texans:

An inauguration traditionally marks the beginning of a new administration, and any beginning requires an awareness and an understanding of the past.

So, an Inauguration is a time when we must pause to reflect on our past before embarking on the future.

An Inauguration also is a time to offer thanks and I would like to begin by thanking our Divine Leader who is the fountainhead of our very existence.

The first Governor of the State of Texas, the Honorable J. Pinckney Henderson, said in his Inaugural Address of 1846:

"Who can look back upon our history, and not be fully and deeply impressed with the consideration that the arm of Deity has shielded our nation, and His justice and wisdom guided us in our path? It is therefore our duty, in deep humility, to make our acknowledgements for his many favors."

As your public servant, I want to thank you for the trust you have placed in me and for the opportunity you have given me to represent you.

This being the first time I have ever taken the oath of public office as an elected official, I take it with extreme seriousness and with a keen awareness of its meaning and obligations.

To take this oath is an honor because to be your Governor is to be the leader of the most exceptional state in the union, a state made great by its people.

This Inauguration would be incomplete if we do not stop to publicly thank our outgoing elected leaders for their contributions to this state.

As a citizen, I want to thank Governor Dolph Briscoe for his six years of distinguished and unselfish service to this state.

He will be remembered as the Governor who successfully fought the creation of any new state taxes.

And, he will be remembered as the Governor who took the first steps toward returning the tax-generated surplus in our state treasury back to its rightful owners.

This is Governor Briscoe's legacy to Texas, and it's one he can be proud of and one this state will always appreciate.

As your Governor, I too have goals for Texas and I am committed to making our state government accountable to the taxpayers.

I want to conduct government in a business-like manner, with elected officials and government leaders responsible to the taxpayers just as a board of directors and company officials are responsible to the stockholders.

You will hear voices during my administration expressing doubts about some of my proposals. But, I will persist, we will prevail.

I will persist because I believe that you, the people have made clear your desire for better government and for less government.

I will persist with my plans to return to you, the taxpayers; one billion dollars of the state's surplus. I will persist with my plans to give you longterm, constitutional safeguards—including the right of initiative and referendum—to protect against excessive taxation and wasteful government spending.

I will persist with my plans to reduce the size of our state bureaucracy.

And, I will persist with my plans to improve the quality of our education system so that we can give our children the basic building blocks they need to develop meaningful careers.

I will persist with these and many other priorities because I believe you have clearly stated that we must persist, together.

I believe we will be successful because these are issues and concerns that cut across partisan lines. These are not just Republican issues or Democrat issues. These are Texas issues and the people of Texas are the ultimate beneficiaries.

I believe we will be successful because Texans have elected a unique leadership team to address these issues and concerns.

This Inauguration, where a Republican governor takes office with a Democratic lieutenant governor, stands as living proof of the independent thinking of the people of this state.

I am uplifted and encouraged by that kind of spirit, and in that expression from the people of Texas, I see the clear message that I must be a governor who puts quality, excellence, achievement, and the best interests of this state, above partisan loyalties.

We have a healthy blend of leaders, who like myself, are assuming the responsibilities and challenges of elective office for the first time; and, we have leaders like Lieutenant Governor Bill Hobby and House Speaker Bill Clayton who have dedicated many years of their lives to public service.

This leadership team is one of enthusiasm and experience, but foremost, it is one of dedication and unity of purpose.

As public servants, we all were elected by the people of Texas and we must be responsive to the needs and concerns of the same electorate.

The challenge to government is to help people deal with their needs and concerns. I believe our founding fathers provided us with the framework for doing this.

I believe this framework is often overlooked and that we often forget the words upon which our state and our nation were founded.

These are not the words of demagogues for demagogues are quickly forgotten. History has proven the value and meaning of these words and they bear repeating.

For Texans, these words are found in the first three sections of Article One, the Bill of Rights, in the State Constitution.

The first section states: "Texas is a free and independent state, subject only to the Constitution of the United States, and the maintenance of our free institutions and the perpetuity of the union depends upon the preservation of the right of local self-government, unimpaired to all the states."

This Bill of Rights is saying that while we must work with other states and with the federal government for the betterment of the entire nation, we must be vigilant and protect our independence as a sovereign state.

For when the federal government weakens the power and independence of the states, the union itself is weakened.

In recent years, we have seen a disturbing trend toward the creation of a new branch of the federal government, the regulatory branch, a branch that doesn't include you and me among its constituency.

It is not elected by anyone and, in fact is accountable to no one.

By an excessive and improper transfer of authority to these regulatory agencies, the congress and the president have further removed government from the reach of the people and further weakened the power of the states.

This must not be condoned by Texans. We must assert our rights and our spirit at every opportunity.

And, at the same time, we must take steps to ensure that our state government does not usurp the rights of individuals or of local governments within our boundaries.

The best government is that government which is closest to the people. The second section of the Bill of Rights in our state constitution speaks to that relationship between the people and their government.

It states, "All political power is inherent in the people and all free governments are founded on their authority, and instituted for their benefit, the faith of the people of Texas stands pledged to the preservation of a Republican form of government, and, subject to this limitation only. They have at all times the inalienable right to alter, reform or abolish their government in such manner as they think expedient."

Those are potent words and they create a straightforward message. That message is this: Power in this state and in this nation rests not with political parties, not with governmental institutions, not with elected leaders, but with the people.

Like many other citizens, I have seen the governmental bureaucracy and some politicians trying to infringe on our rights as individuals.

We have seen the consequences of such infringement by government in other parts of the United States. When excessive intrusion by government into the lives of individuals is permitted, government becomes an economic master and the people become its slaves.

Texas, though, has had the benefit of more enlightened leaders through the years. We are still in the position of being able to control our state government, but warning signs are present and we must be aware of them.

Now is the time for us to set firm limits on our government. Now is the time for us to emphatically state that we want our government to serve us, not to dominate us.

In controlling government, in making it our servant, we must proceed without diminishing the rights of any citizen.

Section three of the Bill of Rights in our state constitution says: "All free men, when they form a social compact, have equal rights, and no man, or set of men, is entitled to exclusive separate emoluments, or privileges, but in consideration of public services."

That same section also says: "Equality under the law shall not be denied or abridged because of sex, race, color, creed or national origin."

The greatest strength of Texas long has been the vitality and diversity of its people. They came to this land as Indians, as Spaniards, as Frenchmen, as Englishmen, as Germans, as blacks, as browns, as whites, as people from many different backgrounds. And, they are still coming.

Yet when they arrive, they become Texans, people bound together by a common quest for a better life for themselves and for their children and grandchildren.

We must respect the rights of all Texans. Regardless of their cultural background. And, we must continually work to safeguard those rights. We must see that equal opportunity is a reality for all of our citizens.

People came here because this was the land of opportunity. It still is today.

Texas was a frontier then and it is today. It is a frontier in the sense of unparalleled economic opportunity. It is a place where people can realize their dreams and aspirations—and a place where free enterprise can flourish—without laboring under the yoke of a burdensome government.

It's not difficult to explain these vast opportunities, but it is becoming increasingly difficult to protect them and extend them to all Texans.

By being ever mindful of these three sections in the Bill of Rights—by stepping back to that firm foundation of government outlined in our state constitution—our steps forward in the future will be steadier and longer.

These three sections in our state constitution help form what will be a guiding philosophy of my administration.

Condensed to its most basic form, my philosophy is this: The proper function of government is not to guarantee prosperity for its citizens; rather, it is to guarantee them the opportunity to achieve prosperity.

Putting our government into its proper perspective is a job too large for me, or Lieutenant Governor Hobby, or Speaker Clayton, or the members of the legislature, or for any public official, without the direct involvement of the citizens of Texas.

You, too, have a responsibility to help achieve good government, and that responsibility goes beyond voting on election day.

When we as individuals, and as a state are silent—when we let others make decisions for us without stating our beliefs—we forfeit some of our freedom.

When we stand up and speak out, when we express our desires and concerns, then and only then, will we have effective government.

I am confident we can achieve that kind of effective government because the people of Texas are the state's most outstanding natural resource.

I am confident, too, that we can achieve the abundant potential with which our state has been endowed.

Now is the time for us to begin. I ask all of you to join with me, to put the best interests of Texas at the forefront of your thoughts.

We must be diligent, we must be bold, we must be energetic.

All of us, all Texans, must lock arms and work together. We must shape a new alliance of greatness, an alliance that will perpetuate and enhance the blessings our Almighty God has bestowed on our state.●

INDOCHINESE REFUGEES

● Mr. PELL. Mr. President, this past December I was a Senate adviser to the U.S. delegation to a conference on Indochinese refugees held under the auspices of the U.N. High Commissioner for Refugees. The conference was called to explore ways to relieve the burden being borne by non-Communist Asian countries that have been deluged by Cambodian and Vietnamese refugees.

Little was accomplished at that conference, however; and on January 17, the Citizens Commission on Indochinese Refugees, headed by Mr. Leo Cherne, met with Secretary of State Vance and urged that the United States take a lead in seeking a solution to the Indochinese refugee problem.

The Commission requested that the President call an emergency White House conference of national leaders to mobilize Americans to participate in a resettlement program, with the conference to be followed by similar action on an international scale. The Commission also presented a list of 10 recommendations for specific action by the United States.

These recommendations deserve serious and sympathetic attention by all Members of the Senate. I ask that the full text of the Commission's recommendations and an accompanying description of the refugee problems be printed in the RECORD.

RECOMMENDATIONS OF THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

(The Citizens Commission in Indochinese Refugees was formed in late 1977. It visited Southeast Asia in February 1978, and submitted its first series of recommendations upon the conclusion of its mission. It returned to Southeast Asia in December 1978. On January 10, 1979, it adopted the following recommendations. An amplifying statement of the Commission follows the recommendations set forth.)

Recommendation 1: The United States should declare its readiness to extend its resettlement program for Indochinese refugees beyond the present target date of April 10, 1979. We must move toward a continuous program that will go on as long as refugees are being created by the policies of the governments of Vietnam, Cambodia and Laos. United States acceptance of refugees must be doubled to 100,000 for the year 1979 to assure countries of first asylum that they will be relieved of their burden. This resettlement program must be directed equally to the refugees escaping by land as well as by boat.

Recommendation 2: More countries will have to accept a fair share of the Indochinese refugee population, and those that have been generous will have to increase their participation. It will not do to expect the United Nations High Commissioner for Refugees to achieve these results. A governmental initiative at the highest level is called for, and the cause must be carried to the churches, civic bodies, trade unions, political parties, indeed the people of the Free World.

Recommendation 3: The funds provided to the United Nations High Commissioner for Refugees must be increased immediately to a level which will enable him to improve the living conditions in those refugee camps which lack a minimum of shelter and hygiene. At the same time the financial support to the Voluntary Agencies in the United States must be substantially augmented if they are to cope successfully with the resettlement of refugees coming to this country whose numbers have tripled.

Recommendation 4: While urging the nations of first asylum to remain open to both the boat people and land refugees—a necessity dramatized by the spectacle of disintegrating ships off Asian ports unable to discharge their human cargoes and by the appearance of a new wave of Cambodian refugees at the borders of Thailand—we must implement measures to assure them that they will not be penalized for their humanitarian actions.

Recommendation 5: Toward this end we recommend consideration of a U.S. transit center or centers at appropriate locations to permit the rapid movement from countries of first asylum of refugees approved for resettlement in the United States.

Recommendation 6: We further propose that the United States establish, in consultation and cooperation with other governments, an international holding center or centers, reasonably close to the areas of refugee flow. We are persuaded that no other step or combination of steps will do to avert tragedy, sustain the patience of the countries of first asylum, and provide the time required for the international community to mount a resettlement effort adequate to the exodus which now exists and which may grow even larger.

Recommendation 7: Beyond these interim measures, the Commission endorses the concept of territories which, with massive international financial support, could be converted into permanent homes for all those for whom resettlement in industrialized countries is neither feasible nor desirable.

Recommendation 8: Continuing non-compliance of vessels of many registries with the "law of the seas" requiring captains to come to the rescue of disabled vessels, commands an effort by governments and trade unions to impose compliance by persuasion and, if necessary, sanctions.

Recommendation 9: We recommend that the United States request the Human Rights Commission of the United Nations to conduct an investigation into actions directed against the Hmong hilltribe minority of Laos. There is substantial evidence of attempts to obliterate the hill people by Laotian and Vietnamese ground and air forces. Interviews with recent arrivals lend credence to these charges with such consistency as to make it impossible for the Commission to disregard them.

Recommendation 10: We urge the President of the United States to take the lead in a nationwide effort to increase public awareness of the plight of the Indochinese refugees, and the need to respond quickly and generously to this fundamental human rights emergency.

STATEMENT BY THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

1. The exodus from Indochina by land and sea continues unabated, and so do its attendant horrors and human tragedies. People killed while trying to cross the Mekong river from Laos and the Cambodian border. Vietnamese boat people pushed back into the open seas, drowning when boats capsize, sometimes close to land or to indifferent ships. Boats pillaged, women and young girls raped by pirates. Camps unfit for human existence. Women and children sleeping on beaches under torrential rains. Polluted drinking water and abhorrent sanitary conditions, meager medical and food supplies, infectious diseases spreading rapidly. Major epidemics a constant threat.

While all this is happening, and even growing worse, the countries of first asylum have not been assured that the free nations of the world are ready to accept the fact that responsibility for the fate of the refugees does not rest with the countries adjacent to Indochina. Nor the fact that this is a worldwide human rights issue. Affluent nations argue endlessly about the problems of finding homes for the most ardent seekers of freedom.

2. The circumstances in which the refugees live—and die—compels priority action, including immediate steps by the United Nations High Commissioner for Refugees to meet at least the minimal needs of all refugees in countries of first asylum with speed, confidence and decisiveness. We must in particular point to the disaster of Pulau Bidong, the island off Malaysia, where 26,000 boat people live on 85 inhabitable acres. In spite of valiant efforts by the refugees to help themselves, they live in subhuman conditions: shortage of food, water, medicines, and medical care, rampant sickness and disease, unimaginable sanitation facilities, with 16 toilets for 26,000 people. Yet there seems to be no bottom to this human disaster, as new refugees keep arriving.

3. The more than tenfold increase in the numbers fleeing Vietnam by boat during the last 11 months, and the more than doubling of those fleeing from Laos and Cambodia during the same interval, has placed an onerous burden on Asian countries of first asylum, particularly Malaysia, Thailand, and Hong Kong. It is clear that interim measures as well as permanent resettlement assurances on an international scale are vital if these countries are to keep their shores and borders open to refugees, thus averting the broader tragedy of tens of thousands forced back into the hands of governments from whose oppression they fled. There is no margin of uncertainty in this conclusion: the denial of first asylum rights—unless their countries and people were relieved of their burden—was made clear during full, frank discussions with the Prime Ministers and Foreign Ministers of Malaysia and Thailand.

4. The additional fact of the large numbers now fleeing, and those still to come, makes it obvious that resettlement efforts must be shared more generously by the few countries, including the United States, which have already provided the overwhelming number of resettlement opportunities. Of equal importance is the direct involvement or additional countries which have thus far not taken part in the final asylum process.

The Consultation held in Geneva on December 11 and 12 under the auspices of the United Nations High Commissioner for Refugees was intended as a step toward the internationalization of the issue. It brought the severity of the problem before the governments that had sent representatives to Geneva. The presentation of the U.S. delegation was forceful and constructive. The United States has increased its quota to about 50,000 through the end of April 1979. But except for France, none of Europe's democratic countries has thus far gone beyond a token reaction to the tragedy that has overtaken Southeast Asia. Japan, a country that has always encouraged its citizens to seek opportunities in other lands, has remained closed to the exiles from Indochina. And Latin America, where there is space and a tradition of openness, has remained unresponsive.

5. The figures have an eloquence of their own. There are now 145,000 "first asylum" refugees in the camps of Thailand; 45,000 on the islands, beaches, and inland camps of Malaysia; 6,000 in Hong Kong, Macau, and Taiwan; others in the Philippines, Indonesia, and Singapore. These exclude the 160,000 Sino-Vietnamese reported to be in the People's Republic of China, and 150,000 Cambodians in Vietnam.

While more than 3,000 Hmong, Laotian and

Cambodian refugees enter Thailand each month overland, in December alone almost 20,000 Vietnamese refugees made it across the South China Sea. At this moment, countless thousands are in boats seeking asylum anywhere. There is no end in sight. At the same time, the total acceptance by countries of resettlement does not exceed 10,000 a month for both land and boat cases.

6. A frequent excuse offered by governments that prefer to look the other way is that boat people who "bought" their way out of Vietnam, or left with the connivance and extortion of Vietnamese officials, are migrants who do not deserve the compassion of their fellow men. This position flies in the face of the accepted definition of a refugee, and is not consonant with historical precedents.

In the thirties, Jews were allowed to leave Nazi Germany with outrageously priced passports, exorbitant fees for ship passage and, of course, the seizure of all their possessions. It was indifference and lack of comprehension on the part of free countries that prevented more from leaving, and thus from being condemned to die in the Nazi concentration camps. More recently, Cuban refugees were permitted to leave Cuba if they bought their way out by surrendering all their belongings.

There are Indochinese refugees who flee in the dark of night, through minefields and closely guarded borders. Many are captured or shot. And there are Indochinese refugees whose escapes seem to be less dramatic even though their losses are no less severe. Yet all are refugees leaving homelands where they were persecuted for reasons of religion, nationality, ethnic origin, membership in a particular social or economic group. If returned to their countries, harsh punishment, even death, would be decreed. They are all, beyond question, refugees.

7. A particular refugee group among the many suffering in primitive camps is deserving of special attention—the hill people of Laos, the Hmongs. They are the survivors of the undeclared war against the Hmong community being waged by Laotian and Vietnamese troops who have been reported to use lethal chemicals and gasses. The Hmongs' homes are being destroyed and their families decimated. These people were our allies during the years of the ambiguous conflict in Laos up to the very end in 1975. Hmongs from different areas of Laos told identical stories of efforts to destroy their ethnic identity, their culture, their livelihood and even their lives.

8. The Indochinese refugees are a resilient and resourceful group. Their presence provides us with a body of people who deeply value freedom, and a culture with an intense work ethic. The refugees make a positive economic contribution. It was the understanding of this reality, in addition to humanitarian concerns, that last March led to the endorsement of a wide resettlement program for Indochinese refugees by the Executive Council of the AFL–CIO and by over 100 of the nation's most distinguished black and hispanic leaders, and by a number of civic groups. No country has ever bled because it has been moved by the suffering of refugees; indeed, nations have benefited by not growing callouses on their hearts.

9. But resettlement and integration cannot be achieved at bargain rates. In the United States, resettlement is the responsibility of voluntary agencies. Several represent the major religious denominations, the others are nonsectarian, among them the International Rescue Committee which assisted in the organization of the Citizens' Commission. These organizations have for more than a generation cooperated in the resettlement of uprooted victims of tyranny and terror.

Inflation has greatly added to the cost of the operations, even as governmental assistance to their functioning has declined. Finding and assisting sponsors—or directly sponsoring refugees in the accelerated numbers now required—is a vast and costly undertaking. It is incumbent upon the federal government and the Congress to enable the agencies to perform so major a task.

10. The numbers of refugees involved necessitate an active campaign of conscience and concern to generate public awareness within and without the borders of the United States. The magnitude of the task justifies a call to action by the White House, supported by the leaders of the major faiths, business and labor, as well as an international initiative spearheaded by the United States, France and Australia. To an Administration that deserves credit for making human rights its continuing preoccupation, helping these victims who have been denied their basic rights must be a high priority and continuous job.

11. The Citizens Commission on Indochinese Refugees submits its recommendations sensitive to the fact that the United States is confronted with serious inflation, and consequent austerity and budget-cutting programs. The time is an awkward and difficult one. Nevertheless, this a refugee crisis of such compelling humanitarian urgency, a matter of life-or-death for so many thousands of Indochinese, and a human rights issue of such overriding importance, that the Commission must urge the adoption of its recommendations. All the measures recommended are essential lest the dismal history of the 1930's repeat itself.●

S. 222—ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

● Mr. ROTH. Mr. President, I am proud to be a cosponsor of the Alaska National Interest Lands Conservation Act of 1979 and delighted to join with my colleagues in its active support. As the first and principal Republican sponsor of this bill in the 96th Congress, I want to point out that Delaware—"The First State"—has a long and proud history of commitment to preservation of our natural resources.

This is truly the conservation bill of the century. It is a balance between the legitimate development needs and desires of the great State of Alaska and the national wilderness treasures which belong to all Americans. The forests, the fowl, and the fjords are irreplaceable, and this bill will protect them for our future generations.

Conservation has never been the exclusive province of one or the other political party in this country. On the contrary, our impressive history of conservation achievements shows that each step has been built upon the previous step, regardless of which party controlled the Congress or held the White House. Teddy Roosevelt built much of the great foundation for our conservation policies during his Presidency. On these foundations later Presidents and later Congresses have built, without regard to partisan differences, the policies which now protect our clean air, our wildlife, and the migratory waterfowl so important to my own fellow Delawareans, the waters of our streams and rivers and shorelines, and our matchless forest and alpine wilderness.

Prior to 1971, the Federal Government owned 95 percent of Alaska's total area of 375 million acres. The Alaska Statehood Act of 1958 provided for the eventual transfer of 104 million acres, about 30 percent of the 375 million, from Federal ownership to State ownership.

The Alaska Native Claims Settlement Act of 1971 granted 44 million acres of Federal lands to Alaska's Native people. Section 17(d)2 of the Native Claims Act authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by Congress as additions to National Park, Wildlife Refuge, Wild and Scenic River, and National Forest Systems. Congress was given 5 years, from December 17, 1973 until December 17, 1978, to act on the withdrawals.

The House passed Alaska Lands legislation, H.R. 39, on May 19, 1978 by a vote of 277 to 31. The Senate Energy and Natural Resources Committee worked all last summer on an Alaska bill. After reviewing the actions of the committee and the views of hundreds of Delawareans who took stands and expressed their positions to me on the d–2 issue, I decided to fully support Senator DURKIN's amendment to the late Senator Metcalf's bill and legislation similar to H.R. 39. I also supported floor amendments to strengthen the Senate committee bill, including the Durkin-Roth national parks integrity amendment. But lack of time and a threatened filibuster by opponents of Alaska lands legislation prevented final passage, and my hopes for a strong bill in the 95th Congress for our Alaskan wilderness were disappointed.

When it became clear we in Congress would not enact an Alaska lands bill before the December 17, 1978 expiration of the d–2 withdrawals, I wrote the President as well as Secretary of the Interior Andrus urging them to provide interim protection to Alaska lands pending congressional action in the 96th Congress. On November 16, 1978, Secretary Andrus withdrew 10 million acres from development under his statutory authority, and on December 1, 1978, President Carter designated 56 million acres as national monuments under the Antiquities Act of 1906. This was intended to be an interim measure until Congress could exercise its prerogative on the issue this year.

This bill we have introduced in the 96th Congress is very important to the Delawareans I represent. Our bill will double the amount of national conservation lands in America. These are not lands owned individually by private landowners—these are public lands held in common by all of us and dedicated to future generations of Alaskans, Delawareans, Americans.

Under our bill, we seek simply to identify and protect those areas of richest wildlife value, of greatest scenic splendor, of unique and nationally important value—and especially of foremost ecological value to future generations of Americans. Forty-three million acres will be added to our National Park System and 68 million acres set aside as wildlife refuges. In addition, over 1 million acres are designated as wild and scenic rivers and 9 million acres of national forest lands are given wilderness

protection. Of these new Park, Refuge and Forest Lands and Scenic River Systems, a total of 86 million acres will be designated as wilderness and preserved from destructive development. Even with this bill, there will remain many millions of acres of other Federal lands in Alaska not in these conservation systems units, left available for development.

This bill contains provisions for access, guaranteeing that rights of access through or across these conservation system units will be provided to those needing access to their own lands. This bill contains careful provision for mineral assessment, on a continuing basis, across the length and breadth of these conservation units. We will have information on mineral potential, should we ever use up every other source and must then make the decision for development. This bill provides that, with careful exceptions, the President may propose specific mining activity within these areas and a procedure is assured for expedited congressional consideration of any such Presidential proposal. In title X of our bill, in the event of a national military or economic emergency, the President and Congress can act to allow rapid resource development where it is prohibited by existing law. Nothing in this bill will in any way endanger our Nation's well-being.

Under our bill, out of the total 375 million acres in Alaska, 40 percent (149 million acres) will be State-, native-, or privately-owned; 21 percent (80 million acres) will be Federal land open to mineral entry, logging, and multiple uses; 61 percent (229 million acres, the total of the last two) will be open to a wide variety of uses, unaffected by our bill; 36 percent (137 million acres) will be in existing or new conservation system units; 70 percent of metallic mineral lands will be outside conservation units; 87 percent of all Alaska lands will be open to sport hunting; 95 percent of all high potential oil and gas lands will be open to possible development; and 100 percent of all Federal lands in Alaska will be open to mineral assessment and geological survey by the Department of the Interior.

In short, this is not only the conservation bill of the century, it is a fair and balanced bill for all Americans. Time is short, Mr. President, and our future generations are watching us. I urge my colleagues to join us in swiftly enacting this truly historic Alaska lands bill.

I submit for the RECORD a summary of the major provisions of S. 222 and a comparison of it with H.R. 39, the 1978 House-passed Alaska lands bill.

The material follows:

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

TITLE-BY-TITLE SUMMARY

Title I—Findings, Policy, and definitions: Sets forth the Congressional findings and policies which underlie the entire bill and defines terms used in the bill.

Title II—National Park System: Designates thirteen acres, totaling 45.23 million acres, as National Park System units (parks and preserves). Appropriate portions of these areas and existing national parks in Alaska, totaling 42.21 million acres, are designated as wilderness. Sets forth administrative provisions for national parks in Alaska.

Title III—National Wildlife Refuges: The Yukon Flats and Becharof National Monuments, totalling 11.8 million acres which President Carter designated for U.S. Fish and Wildlife Service administration, are confirmed and redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units conform closely to the lands withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act. Appropriate portions of the National Wildlife Refuge Units, totalling 35 million acres, are designated as wilderness.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning a unique concentration of bald eagles in the Chilkat River area of Southeastern Alaska. The studies are to find out whether additional measures should be taken for proper protection of these populations.

Title IV—National Forest System: Section 401 adds 1.45 million acres of public lands to the Tongass National Forest and adds 1.29 million acres to the Chugach National Forest. Section 402 designates appropriate areas in the Tongass and Chugach National Forests as wilderness, 6.7 million acres in the former and 2.12 million acres in the latter.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

Title V—National Wild and Scenic Rivers System: Designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study as possible future additions to the system. Other rivers inside the park and refuge boundaries are specified as wild or scenic rivers.

Title VI—Federal-State coordination: This title creates an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal, State, and Private land-owners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

Title VII—Subsistence: This title is based on S. 1500/amendment 2176 and the House-passed bill of 1978, with some refinements drawn from corresponding sections of last year's Senate Energy and Natural Resources Committee bill. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and game on the public lands in Alaska so that persons who are dependent upon subsistence resources would have a priority for the taking of fish, wildlife, and plant resources. As with last year's bill, there are provisions for appropriate federal oversight of this state game management responsibility, insofar as the public lands and their resources are concerned.

Title VIII—Administrative and Miscellaneous Provisions: This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of the title deal with access and mineral rights and assessments.

The bill applies existing laws governing access to or on national parks, wildlife refuges, wild and scenic rivers, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholdings within conservation system units and guarantees traditional means of access across conservation system units.

This title also directs the Secretary of the Interior to assess, on an ongoing basis, the mineral potential of all public lands in Alaska. In an addition to last year's bill, this title also guarantees access for mineral assessment purposes.

Title IX—Improvements in Administration of the Alaska Native Claims Settlement Act: This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve the administration of that Act. These provisions are based on similar recommendations in S. 1500/amendment 2176, last year's Senate Energy and Natural Resources Committee bill, and the House-passed bill.

Title X—National Need Mineral Activity Recommendation Process: This title is adopted from last year's Energy and Natural Resources Committee bill. If there is a demonstrated national need for future mineral extraction in areas where it would otherwise be prohibited under existing law, this title establishes a procedure which allows the President, with Congressional approval, to permit such development.

Alaska National Interest Lands Conservation Act of 1979 compared to H.R. 39

ACREAGE TOTALS

[Figures in millions of acres]

S. 222

National Park System, total, 42.79.
Acreage within 1978 monuments, 40.78.
Preserve and park additions to 1978 monuments, 2.01.

H.R. 39

Total, 42.72.

S. 222

National Wildlife Refuge System total, 68.23.
Acreage within 1978 monuments, 11.80.
New refuges and additions to existing refuges from unreserved Federal land, 48.73.
New refuges redesignated from already reserved Federal land, 7.70.

H.R. 39

Total, 76.84.
National Wild and Scenic River System: The bill designates 13 wild and scenic rivers and 10 study rivers for potential wild and scenic river status outside the boundaries of parks and refuges. There is no set acreage for these river units, but the total acreage is approximately 1–2 million acres. H.R. 39 added 1.69 million acres to the Wild and Scenic River System.
Additions to the Tongass and Chugach National Forests: S. 222, 2.74; H.R. 39, 2.74.

S. 222

Wilderness designations, total, 86.21.
Park System wilderness, 42.21.
Forest System Wilderness (includes 3.3 million acres of national monuments), 8.82 (6.70, Tongass; 2.12, Chugach).

H.R. 39

Total, 65.54.
National Park and National Wildlife Refuge totals.—

S. 222

Acreage within 1978 National Monument proclamations, 52.58.
Refuge and Park System additions on presently unreserved Federal land, 50.73.
Refuges redesignated from presently reserved Federal lands, 7.70.
Total park system and refuge system acreage, 111.01.

H.R. 39

Total park system and refuge system acreage, 119.56.●

JAMES D. RIELLY—A TRULY REMARKABLE "SANTA CLAUS" FROM RHODE ISLAND

● Mr. PELL. Mr. President, before the pleasures and memories of the recent holiday season slip from our minds completely, I would like to share with my colleagues a tribute to a truly remarkable "Santa Claus" from the State of Rhode Island.

I am referring to Mr. James D. Rielly of Bristol, R.I. This past holiday period marks the 51st year in which Jim Rielly has donned red suit and white whiskers and with a large bag of goodies has visited hospitals, senior citizen centers, and children's centers throughout the East Bay area of Rhode Island.

His is a particularly effective and welcome presentation of Saint Nichols because Jim Rielly is himself the personification of the spirit of cheerful, selfless giving of oneself for the benefit of others.

I am proud to be among the many thousands of Rhode Islanders who claim to be good friends of Jim Rielly, and I join all of those friends in the mutual hope that Jim will be bringing his special brand of seasonal joy to Rhode Island for many more years.●

DEPARTMENT OF EDUCATION

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will begin consideration next week of S. 210, the Department of Education Organization Act of 1979.

The creation of an Education Department separate from HEW is long overdue. It will be the first order of business for the committee this year. I was pleased to see that, in the President's state of the Union message, the administration has designated the Department of Education "a very high priority." Together with the administration, I hope we can create the new Department this year.

Mr. President, there have been two recent statements which cogently and eloquently present the case for a separate Department of Education. The first is a letter to the editor of the New York Times which appeared in the Saturday, January 27, 1979 edition, and was written by James Farmer, now director of the Coalition of American Public Employees. The letter is entitled, "Fresh Hope for our Schools." The second is a statement by Samuel Halperin, a respected authority and leader in education, given at a debate held on this issue at the Brookings Institution, entitled, "The Case for a Department of Education." I submit both statements for printing in the RECORD.

The statements follow:

[From the New York Times, Jan. 27, 1979]

FRESH HOPE FOR OUR SCHOOLS

To the Editor:

Your Jan. 16 editorial opposing a Cabinet-level Department of Education was narrow and disappointing. It falls far short of the kind of leadership which we have grown to expect from a great newspaper noted for its social concern.

As a black American and a father, I am deeply concerned about quality and equality of education in this nation. Millions of children, particularly minorities, are being deprived of their birthright because there is no coordinated national focus on the myriad problems facing public education. The creation of a separate Department of Education can provide the leadership and direction necessary to provide that focus.

Your allegation that President Carter supported a Department of Education only to fulfill a campaign pledge to the National Education Association belies all the facts in the case for the new education department. The President made his commitment not to N.E.A. alone but to the nation as a whole.

After all, education is the nation's largest enterprise, with more than 65 million Americans, young and old, involved as students, teachers, college and university professors and administrators. In the past two years I have been associated with more than 100 national organizations—in civil rights, government, labor and education—all of which support the Federal education department legislation. It is a disservice to President Carter to suggest that his commitment to education and support of this legislation are as shallow as a mere campaign promise.

Further, your assertion that "N.E.A. is committed to a much larger Federal role in school financing than is compatible with the tradition of state and local responsibility" flies in the face of the crucial fact that the inability of states and municipalities to finance public education adequately is the single biggest problem crippling our schools.

Local school systems, including New York City's, are in deep financial trouble. While there is no need, nor any reason, for Federal control over local school systems, there most certainly is urgent need for financial assistance, particularly in our urban schools. Immediate need is seen by even casual observers for a redistribution of resources and for responsible and effective management if the public schools are to meet the challenge of quality and equality for all the nation's 60 million elementary, secondary, college and university students.

The bedrock purpose of education is to prepare our nation's children for useful lives and sound citizenship—prerequisite for a nation that is stronger, wiser and, we hope, a bit more civil.

Finally, I have no illusion that a Federal Department of Education will be a panacea, but it is a good first step toward providing us with a new perspective on the many complex problems confronting American education. It can replace despair with fresh hope that those problems can be tackled effectively by a nation committed to all its citizens wherever they live. I think that is what the President is attempting to do by establishing a Cabinet-level Department of Education, responsible to the President, the Congress and the American people. We can do no less than give him our full support for this most worthwhile endeavor.

THE CASE FOR A DEPARTMENT OF EDUCATION

(By Samuel Halperin)

When I listen to all of the predictions of dire consequences to come from the creation of a cabinet-level Department of Education, I think I am reading a Jewish telegram. A Jewish telegram, as you may know, is one that reads: "Start worrying. Letter follows." The truth of the matter is that things seldom go as bad as we fear they may—even when we want them to. The truth of the matter is also that things seldom work out as well as we hope they will. Much of the rhetoric for and against the department of education is hopelessly overblown.

Felix Frankfurter, the late Supreme Court Justice, once said that "Americans have never learned the art of reforming by littles." In this, he was mirroring Ralph Waldo Emerson who had a similar thought: "we Americans have only one defect—a passion for sudden achievement." If we have a department of education, many of our problems will obviously remain. They will have to be worked at for many years and there is no guarantee of ultimate success.

Yet, I support the department of education because there are at least six good reasons for thinking that such a change will make a modest and useful improvement in our present unsatisfactory situation:

First of all, education, I submit, is too important to be left to part-timers. No one disputes the ability of the management team that Secretary Califano has gathered around him. But many knowledgeable people at HEW will tell you of the enormous difficulties in getting the attention of the Secretary and the Under Secretary to important educational issues. These are harried men, rushing from welfare reform to hospital costs to drug abuse, and so on. They simply do not have the time to give their all to education. They must share education with many, many other constituencies and problems. Therefore, a full-time staff, dealing solely with educational issues, is something that we can all aspire to, a full-time, highly competent staff addressing important questions of educational policy and implementation.

Secondly, education is too important to be sandbagged by what former Commissioner of Educatiuon Ted Bell called "CLAP trap." One consequence of HEW's vast size is the removal of the top education official from the final decisions affecting NIE, ASE, and USOE. Education is layered in and isolated from decision by Assistant Secretaries: C(Comptroller), L(Legislation), A(Administration), P(Planning and Evaluation); CLAP-TRAP for short. And education is layered by a whole host of faceless special assistants to the Secretary. These real policymakers, unlike the titular top education officials, are neither particularly visible nor are they accountable to the Congress, the education community, and the public at large. This situation is destructive to education's long-term interests. It does not permit building the institutions that we need in order to make an effective use of federal resources in the field of education. If we mean to recruit truly top flight people into the federal education service, we must create positions that have genuine decisionmaking responsibility and not see those positions vitiated by layering and smothering at the sub-Cabinet level.

No. 3. Revitalization of morale and the effectiveness of the public service has to be a top priority of this Administration. Launching a new Department of Education is a good time and a good way to undertake that priority. Few Americans are very happy with the current state of the federal role in education or with the morale or effectiveness of the federal service delivering education programs. We must do better. And one way to do it is to create positions of leadership that will resist the kind of instability we have had in Washington for 15 years. A new Commissioner of Education every 18 months or so! Incidentally, I don't believe that the first Secretary of Education, the second Secretary of Education or maybe even the third has to be an educator. I don't think we should settle for less than the very best leadership talent in the country. I think we can find persons with broad managerial experience to lead the new department. I think it's fair to say that we would not get people of Secretary Califano's abilities, Secretary

Andrus' abilities, Secretary Brown's abilities for such a low-level protocol position as the Commissionership of Education. If we want good people, we have to offer them a job where they can make a difference. That is not the case in federal education posts today.

No. 4. A cabinet department provides better opportunities to advocate education's needs with the President and the staff of the Office of Management and Budget. Currently, we are all aware, trade-offs affecting education have to compete with welfare, with rehabilitation, with the aging, etc. When H.E.W. appeals to the White House, it has to present a balanced slate; Education versus this or that. I would like the trade-offs to be made at the White House level, at the OMB level.

Some of my friends head very small federal agencies with budgets of under $300 million. They can and do go directly to OMB Director McIntyre; they can and do go directly to Eisenstat; and they get results. Education, on the other hand, has to wait at the end of the table of H.E.W. If H.E.W. is well disposed, if H.E.W. is well led, if H.E.W.'s priorities are in the correct place, education makes out all right. But that is not usually the case. This situation is intolerable, I submit, if you believe that education is important enough to the nation to be able to make its case to the top Executive officers of the land.

No. 5. A cabinet-level Department of Education could assist in the improvement of educational performance throughout the federal government. All of us recognize that most education programs will not be in the new department. Just as two-thirds of the housing support of the federal government is outside of HUD and much of transportation is out of Transportation, and much of energy policy is out of the Department of Energy, much of education will be out of the Department of Education. But a Cabinet post, a powerful Cabinet post backed by a President who cares, can give education a spokesman, an ombudsman, a rallying point, a coordinating point to worry about the health of educational programs regardless of where they are lodged in the federal government. I'm not talking about a warmed over Federal Interagency Committee on Education; I'm talking about a post that makes a difference. A Cabinet-level officer can be mandated by legislation and by the President to worry about the health of education, regardless of where those programs are lodged.

Finally, we have to recognize that, in the American system, for better or for worse, the Presidential level is where our people voice their most important concerns. Education remains important despite much self-defeating talk to the contrary in the media and in the academic community. Despite declining enrollments in traditional schooling, education and the knowledge industry are high growth areas. But there are serious problems, and if we want to address those problems effectively, we address them at the top. To quote Charles Schultze, a former OMB director when he testified 12 years ago on the creation of the Department of Transportation: "Departmental status in our form of government has been given to those agencies which (1) administer a wide range of programs directed toward a common purpose of national importance, and (2) are concerned with policies and programs requiring frequent and positive presidential direction and representation at the highest levels of government." I think education today, with an ASE budget of $14 billion, meets those criteria. It's about time we got on with the job of improvement both in personnel and in organization.●

AVIATION SAFETY AND NOISE REDUCTION LEGISLATION

● Mr. CANNON. Mr. President, during the 95th Congress, a great deal of work was done on the problem of aircraft noise. Both Houses had their own pieces of legislation shaped by extensive hearing records and developed in committees, but both aimed at helping the airport operator reduce the number of land uses which are noncompatible with noise and helping the aircraft operator meet the deadlines established by the FAA for making their fleets compliant with the noise standards. Unfortunately, a compromise could not be worked out between the two bills before the session ended.

Next week I will introduce a bill very similar to the one passed by the Senate last year together with additional provisions aimed at improving aviation safety. I feel that it is vital to show the nearly 7 million people impacted by aircraft noise that we have not forgotten our commitment to them. While I do not share the view held by some that the noise standards, once met, will solve the noise problem, I do believe that if we are to make some progress toward reducing aircraft noise and if we are going to require the airlines to modify their equipment to meet the standards, then we must give them a mechanism whereby those equipment modifications are financially realistic. It is true that airline profits soared last year, but it is also true that the airline industry is the first to feel the effect of a recession or a downturn in the economy. That is why the bill I will introduce contains guidelines for the Secretary and the Civil Aeronautics Board to follow in order to provide moneys to the airlines to meet the noise rules, but only if such funds are necessary in the future.

As part of my commitment to achieving the greatest noise reduction possible, the bill will also contain an extension beyond the deadlines for compliance with the noise regulations on an individual basis if the operator has a signed contract for a replacement aircraft that meets at a minimum the stage 3 levels of FAR 36. Stage 3 aircraft are those in the new generation of aircraft which are significantly quieter and more fuel efficient than those operated today. This double-edged benefit to the aircraft operator will also benefit those in the noise-impacted areas as well as the consumer and makes abundant sense in this day and age when fuel prices are soaring faster as sources of fuels become more scarce. As my commitment to the airline deregulation bill proved last year, I am not supportive of Government regulation for regulation's sake but only when those regulations carry with them a real and measured benefit to the public. That is why I believe we can get more from the noise regulations by offering this new-technology aircraft incentive, for even though it extends the use of older aircraft, it promises more in the way of noise reduction through accelerating the introduction of the quieter, new-generation aircraft.

Of greatest importance were the title II provisions of last year's bill. Title II consisted of a number of amendments to the Airport and Airway Development Act which would increase the amount of moneys spent from the aviation trust fund for the purpose of improving safety at our Nation's airports. The tragic crash last year in San Diego involving a PSA jet and Cessna was an accident which served as a warning to us to redouble our efforts toward improving the quality of air traffic control facilities and equipment to decrease the likelihood that similar accidents will occur.

The bill I will introduce next week, will contain increases in the amount available to both air carrier and general aviation airport construction and development, an increase in the amount made available for facilities and equipment and an increase in the amount available for development of reliever airports. Improvements in reliever airport facilities may be the biggest single factor in reducing the mix of general aviation traffic using air carrier airports. And the increase in the facilities and equipment fund may be used in many instances for more TCA's, that is, terminal control areas, which require all aircraft utilizing an airport be equipped with a transponder which will show the air traffic controller the altitude and location of all aircraft in the vicinity.

As a final part of the legislation, we will ask the Secretary to continuously study and report to Congress on the development and scheduled timetable for implementation of a nationwide collision avoidance system.

I will also introduce a separate bill, for the Finance Committee to consider, containing a two percent reduction in the taxes on the passenger ticket and freight weighbill and a reduction in the international departure tax. These taxes will continue to supply revenue for the aviation trust fund, only at a lower rate. That fund, which is now running a surplus of $2 billion, was established by ADAP which will come before the Congress for reauthorization for the post-1980 period.

I have a very strong commitment to these legislative proposals and I hope that many of my colleagues will join with me in supporting them.●

A BUREAUCRAT WHO WORKED

● Mr. CRANSTON. Mr. President, recently, Robert "Bat" Batinovich stepped down as Chairman of the California Public Utilities Commission to return to his business in San Mateo. The Los Angeles Herald Examiner noted the occasion with an editorial praising "Bat" as a bureaucrat who worked. Friends of "Bat" expected nothing less for he is a man of intelligence and boundless energy with an enthusiasm for ideas and action.

I ask that the Herald Examiner editorial of January 17, "A Bureaucrat Who Worked," be printed in the RECORD.

A BUREAUCRAT WHO WORKED

It's not often we use this space to heap praise on a bureaucrat. Especially a bureaucrat involved in stage managing the mess we call the "energy crisis." But there are, particularly in California, exceptions to every rule. And the state's Public Utilities Commission—

only recently a monument to the kind of unresponsive regulation we abhor—has, over the last few years, become such an exception.

That transition is largely due to the efforts of Robert Batinovich, who today steps down as chairman of the commission. Under his leadership the PUC initiated the kind of exciting and innovative change we always hope for—but rarely get—from regulatory agencies.

When Batinovich took over the PUC in 1975 things were a mess. The utilities were in sad financial shape because the PUC took two and a half years to turn out rate decisions which needed to be decided in a year in order to be relevant. And its decisions often were so shoddy they begged to be challenged in court. And many of them were, at which point the legal process took up where the PUC left off. The added delays denied both consumers and utilities the benefit of timely rate decisions.

As a result, much of the business community was reluctant to invest in California. After all, dire predictions of imminent energy shortages were then circulating, utilities continued to offer "declining block" rates to large industrial and commercial energy users.

The declining block rate structure gave energy buyers a price discount on volume consumption. The more energy used, in other words, the cheaper the unit price. As such, it was a disincentive to conservation, and an incentive to production capacity expansion. These were incentives which made no sense in 1975, an era of wildly fluctuating and ever-increasing energy prices. But the alternative was to tackle the rate structure system, a labyrinth regulators had always been reluctant to enter.

Batinovich and the PUC changed all that. They redesigned the rate structure, introducing industry to flat, or "inverted", rates. The new rates ended volume discounts, thereby discouraging wasteful consumption. Large users were not penalized for needing energy to do business, but, by the same token, the rate structure no longer smokescreened the true cost efficiency of incremental consumption.

Concurrently, the PUC rationalized residential rates by instituting the "lifeline" program. Lifeline rates are not a welfare measure, as some have charged. They are a conservation incentive, designed to allow everyone to meet basic energy needs at the lowest possible cost. Once consumption rises above necessary levels, however, rates rise sharply.

The point is, the consumer gets to make his own decision. And it is the same decision we all make when we decide whether to buy a car which gets 10, or 25, miles per gallon of gas.

This sort of approach is resource allocation at its best—and it is working. In the three years since rates were redesigned, California's economy has boomed. Simultaneously, the electricity growth rate has been cut to a third of what it was prior to 1975; and, gas consumption has seen a 10 percent growth saving.

In the meantime, the PUC has trimmed its case-decision timetable to a year. The result is healthier utilities, low energy rates, and good service for all Californians. The regulatory process has been simplified, and California is experiencing a net conservation of energy—a change in the growth pattern for which the utilities are not being penalized.

And the utilities, so long a matter of concern to investors, are emerging from the transition with flying colors. In the words of Vernon Sturgeon, a Reagan appointee who recently retired from the PUC after 10 years of service, California's utilities "are now in better shape than they've ever been since I've been around."

In short, the PUC under Robert Batinovich has done a nearly impossible job unexpectedly well. This is a remarkable and significant achievement. The best we can hope for is that Governor Brown's new PUC chairman is able to meet the high standards set by the retiring commissioner.●

JOSEPH M. KANE

● Mr. PELL. Mr. President, shortly after the adjournment of the 95th Congress last year, my State of Rhode Island suffered the loss, through retirement, of one of the most distinguished and able labor leaders in the history of the State.

Joseph M. Kane, who served for 32 years as an officer in Rhode Island of the International Association of Machinists and Aerospace Workers, and for 26 years as the directing business manager of the union in Rhode Island, retired in late October of 1978, after a career that won him respect and admiration from businessmen, workers, and indeed all segments of Rhode Island economic life.

Joe Kane's career is an inspiring example of what a man can accomplish through sheer ability, hard work, and dedication to the well-being of his fellow man and fellow workers.

Joe Kane was forced to leave college in the midst of the depression for economic reasons and worked as a construction laborer and as a chauffeur before finding a job as an assembler at Brown & Sharpe Manufacturing Co., one of the Nation's leading producers of machine tools.

It was at Brown & Sharpe that Joe Kane's abilities as a spokesman, a negotiator, and an organizer on behalf of his fellow workers won quick recognition and led to his rapid rise to the State leadership of the machinists union.

His leadership played a major role in the development of the machinists union as one of the largest and strongest in the State of Rhode Island with nearly 8,000 members working at major manufacturing plants throughout the State.

Mr. President, I join with Joe Kane's legion of friends through the State of Rhode Island in extending to him and his wife, Eileen, warmest wishes for many richly enjoyable years in retirement.

I ask that an article from the Providence Journal of October 29, 1978, entitled "Champion of Unions Steps Down," be printed in the RECORD.

The article follows:

CHAMPION OF UNIONS STEPS DOWN

(By Dave Reid)

CRANSTON.—As hundreds of workers from the Brown & Sharpe Mfg. Co. milled in the yard of St. Patrick's Church on Smith Street in Providence to consider going on strike back in 1951, their union president got up on a platform to explain their alternatives.

"Which are we going to use," Joseph M. Kane shouted to the crowd, "this (he held up a gavel) or this (he held up a feather duster)?"

The ensuing bitter strike lasted 13 weeks.

As he stood there, a Journal-Bulletin photographer snapped a picture of the scene and that night's newspaper identified Kane, holding the gavel, as the man "with club."

Kane chuckled Friday as he looked at the yellowed clipping—for a man whose career focused on the nuts and bolts of labor relations, the role of union rabble-rouser seemed absurd in retrospect.

It was far more appropriate that the last 32 years of his life—26 as the top executive of the machinists' union in Rhode Island until he retired last week—were set in motion by something as mundane as a union grievance.

The grievance came when Kane was working as an assembler in the sewing machine department at Brown & Sharpe back in 1945 and a study was carried out to determine piecework rates. Under those rates, "You just couldn't make any money," Kane recalled.

Impressed with the way the union stuck up for his interests, Kane got involved and was elected treasurer of Lodge 1142 of the International Association of Machinists and Aerospace Workers only six months later. The Presidency came only six months after that.

Shortly after he led the Brown & Sharpe union lodge (local) through the 1951 strike, Kane became directing business manager for the union in Rhode Island.

It now has about 8,000 members covered by 95 contracts at such major plants as Brown & Sharpe, Leesona, the Raytheon Corporation's submarine signal division, Sheldahl and Fram.

There were some major events during Kane's tenure—strikes and a huge layoff at Brown & Sharpe in 1970 have obviously left scarred memories.

But he remembers most the smaller milestones—the satisfaction of arbitrations he won and the depression of losing others.

He also never lost his interest in time studies and other employee-rating systems and was a guest speaker on the subject at Columbia University for several years.

As leader of one of the state's largest unions, he was a member of the executive board of the American Federation of Labor. He was on the committee that negotiated the local merger of the AFL and the Congress of Industrial Organizations and he has been on the State AFL–CIO executive board ever since.

Kane's path into Brown & Sharpe and then the machinists' union was less than direct.

A La Salle Academy graduate (he was a star baseball pitcher for four years), Kane went to the college in pharmacy for a year, but his scholarship wasn't renewed and in the midst of the Depression (1934), there was no other way to support his education.

So, for several years, he wielded a pick and shovel—first in the Providence city highway department and then for the A. C. Beals Co., building the Point Street viaduct.

After a year as a chauffeur for a wealthy, Blackstone Boulevard family in Providence, Kane next found his job at Brown & Sharpe.

Other than spending more time with his wife, Eileen, at their Warwick home, Kane has few plans for retirement. He turned 65 yesterday and will probably be honing his golf game, he said.

He will be succeeded as directing business manager by Daniel Chapman. Robert T. Thayer, president of the Brown & Sharpe lodge, will be added to the machinists' full-time staff in Rhode Island.●

TESTIMONY ON PRESIDENT CARTERS' FISCAL 1980 BUDGET

● Mr. BENTSEN. Mr. President, last Thursday, January 25, 1979, I testified in my capacity as chairman of the Joint Economic Committee before the House Budget Committee concerning the economic implications of President Carter's fiscal 1980 budget proposal. In my state-

ment, I addressed a number of issues, including:

The state of the economy in 1978 and the outlook for 1979;

The economic restraint resulting from rising tax burdens;

The appropriate mix of monetary and fiscal policy;

The President's forecast for lower interest rates in 1980;

The 5-year projections for unexpended budget authority; and

The need for a regulatory budget.

I submit my testimony for printing in the RECORD.

The material follows:

STATEMENT BY SENATOR LLOYD BENTSEN

Mr. Chairman and members of the Committee, it gives me great pleasure to be with you this morning in my new capacity as the Chairman of the Joint Economic Committee However, I must remind you that the Committee is in the process of its annual economic review and will not make its policy recommendations until that review has been completed in March. Therefore, the views which I express this morning are my own. At this point, my own views are somewhat tentative, but by the time the Joint Economic Committee submits its March report, I expect that we will have some firm policy recommendations to consider.

I would like to begin this morning by complimenting President Carter on his budget proposal for fiscal year 1980. Despite the fact that this budget was put together under a very difficult set of economic circumstances, it seems to be relatively free of many of the gimmicks that have been used in earlier years to distort the deficit estimates. The President has presented us an honest economic document as well as a clear statement of his own budget priorities.

Let me review, briefly, some of the major economic developments which lie behind this budget. As 1978 neared its end, industrial production was continuing to hold up well after a year of steady advance. Measures of capacity utilization, were reflecting a general tightness in the manufacturing sector. The unemployment rate stabilized in early 1978 at about 6 percent. Employment, however, continued to grow throughout the year at a much more rapid pace than most analysts had expected. Inflation was running at a 5 percent annual rate at the end of 1977, but at the end of 1978 prices were advancing almost twice that fast, about 10 percent per year. The Government's estimates of productivity have bounced around erratically throughout the economic recovery, but by late 1978 it was clear that the year as a whole would slow little, if any, advance. This is at least partly explained by the strong gains in employment, in contrast with the moderate gains in output.

Interest rates rose steadily throughout most of 1978, jumped sharply in November due to policy moves, and by the end of the year stood near the record peaks reached in 1974. In summary, the Gross National Product expanded almost 5 percent in 1977 and 4 percent in 1978.

Clearly the economy had deteriorated with respect to inflation in 1978. In addition, the growth rate slowed, and there was unanimous agreement that a further decline could be expected. The only question was whether the decline could be limited to a mild slowdown or whether there would be an actual recession.

The economic forecast underlying the Administration's budget projects a decline in growth from 4 percent during 1978 to 2.2 percent during 1979. While the Administration's forecast shows an improvement in the rate of inflation, the estimate of 7.4 percent is certainly worse than the Administration was hoping for just a few weeks ago. During 1980 the Administration's forecast shows an improvement in real growth—GNP growing at 3.2 percent—and an improvement in inflation—with the GNP deflator growing 6.4 percent.

The key question is whether the deficit that is being projected for 1979—$37.4 billion—and the deficit being projected for 1980—$29 billion—is consistent with these growth and inflation targets. I do not have a firm answer to this question today, but the Joint Economic Committee will be considering it very carefully during our annual review. Let me just point out that there may be some problems associated with these economic forecasts and budget projections.

First, President Carter has characterized this budget as "lean and austere." He says it represents a "policy of restraint." I personally find it difficult to characterize a $30 billion deficit at this point in the business cycle as restrictive. However, when you look at this more carefully, I think the President is correct. However, President Carter seems to indicate that restriction is focused on the spending side of the Federal budget. My own preliminary evaluation indicates that while there is restraint in spending growth, there is even more restriction on the tax side. Attached to my testimony is a table which shows Federal receipts and expenditures after they have been adjusted for inflation. This table was prepared by the Joint Economic Committee staff, using the Administration's estimates of inflation, tax receipts, and expenditures. This table shows that for fiscal year 1979 real Federal purchases are expected to be about $102 billion; for fiscal year 1980 they are expected to be about $103 billion—very little increase. On the tax side, however, real tax receipts total $269 billion in fiscal year 1979 and about $297 billion in fiscal 1980. As the table shows, the receipts are estimated to grow steadily over this two-year period in real terms. Therefore, I must conclude that if we are interested in examining the potential impact of this budget proposal on the economy, the behavior of taxes is likely to be more restraining than the behavior of expenditures. As we consider the budget for 1980, we must continually ask ourselves whether this is the most desirable policy mix for reducing inflation while sustaining economic growth.

A second problem I find somewhat disturbing, and one which is, again, related to the policy mix issue, is the degree of restriction planned for both fiscal and monetary policy. The Joint Economic Committee urged for many years better coordination between fiscal and monetary policy, and a method of achieving this has now been incorporated into the Humphrey-Hawkins Act. Recently, some witnesses have advised us that it is preferable to focus the restriction on fiscal policy and ease up on monetary policy. Hopefully, this policy mix would stimulate investment and thus improve our long-term growth prospects. As you know, the JEC is required under the Humphrey-Hawkins Act to review fiscal and monetary policy coordination and report back to you prior to development of the First Concurrent Resolution.

A different group of issues relates to some of the more technical aspects of the budget. I raise these because they represent significant changes. For example, you know that in past years the Office of Management and Budget (OMB) and the Treasury Department have always stoutly defended the position that they do not forecast interest rates. I realize that there were both advantages and disadvantages to this approach, but it did guarantee that Administrations would not be accused of manipulating the numbers or trying to commit the Federal Reserve Board to some specific monetary policy.

The 1980 budget changes this long-standing policy by forecasting lower interest rates. The budget argues that this change is necessary in order to make the interest rate figures consistent with the inflation projection. While this may be true, it is also true that lowering the interest rate projection will reduce the estimate of budget outlays by reducing interest paid on the national debt. I do not know whether this forecast should be taken as an Administration recommendation to the Federal Reserve Board, a commitment of a policy target by the Administration and the Fed, or something else. But I believe this forecast should be used with caution, and I plan to discuss with with Chairman Miller.

Another aspect of the budget which we always examine carefully are any assumptions about policy change. I know that you will examine all of the proposed policy changes carefully, so I just want to single out one for your special attention. This concerns the Administration's plan to accelerate State and local government deposits of social security taxes. This is a regulatory change which does not require legislation, but it will be very controversial. I raise the issue because the proposal will reduce Federal revenues if it does not become effective.

One final point in these technical issues concerns the relationship between budget outlays and budget authority. This gets back to the degree of restriction recommended in this budget. When you look beyond 1980 and examine the five-year projections in this budget, you will find that budget authority is estimated to grow substantialy faster than budget outlays. My staff estimates that while outlays are projected to grow less than 40 percent over the next five years, unexpended balances of budget authority are projected to grow roughly 60 percent. Since unexpended balances of budget authority often foreshadow future increases in spending over which Congress may have little control, it is crucial that we get a better grip on this aspect of the budget. This may be the key to controlling expenditures over the long run and regaining a position where a balanced budget is a realistic possibility.

Now, Mr. Chairman, I would like to turn to some longer-range issues which will occupy the attention of the Joint Economic Committee under my leadership. As you know, the Joint Economic Committee has often been an innovator in Congress, trying to stimulate improvements in our government institutions. The Committee and its individual members were active participants in drafting the Budget Act of 1974, and we have strongly supported the congressional budget process.

The Joint Economic Committee staff took the lead in preparing the first current service estimates, and these formed a model for the estimates which are now included as a regular part of the President's budget submission. I expect the Joint Economic Committee to continue to be a strong supporter of the budget process, and I look forward to working with you. I also hope that we can continue to provide leadership in instituting further improvements in the congressional process.

One important long-run issue currently being studied by the Committee is the need for a regulatory budget. When I use this term, I do not mean to imply that we should do away with all Federal regulations. I mean that we need to find ways to use regulations more efficiently.

Until recently, the fiscal budget provided an adequate accounting of the Federal Government's use of resources, since almost all Federal activity was carried out through spending programs. But during the past decade and a half, the Government has greatly enlarged its ability to command the use of private resources for public purposes through regulatory programs in such areas as health, safety, environmental protection, equal employment opportunity, and energy conservation. The private sector costs of complying with these regulatory programs do not appear in the Federal budget. Therefore, the Federal budget understates the use of resources for public purposes; in respect to regulatory programs, we are today in the same place we were in the 1920s with respect to the Federal budget, with no overall view.

Because of this lack of information, there are a number of important questions we simply cannot answer today:

1. To what extent have Federal regulatory programs contributed to the extraordinary inflation of the past decade?

2. How much of our Nation's scarce resources are being devoted to regulatory programs?

3. Would additional resources for public purposes be better used in spending or regulatory programs?

4. What is the overall level of Federal command over resources?

We must have a document that can provide us with a comprehensive accounting of the Federal Government's use of resources for public purposes. The current budget is only part of the picture. Filling the gap is one current area of long-run concern for the Joint Economic Committee.

Another long-run interest of the Joint Economic Committee is productivity growth. The *Economic Report of the President* projects that productivity will increase less than ½ percent during 1979. This is far too low. For the average working American man and woman, an improved standard of living depends on the productivity of the economy, and we must make productivity a major focus of economic policy in the years ahead.

One action we could take now is to liberalize depreciation allowances. In the *Review of the Economy, October 1978*, the Joint Economic Committee points out that per dollar of budget cost the best result can be obtained by liberalizing investment tax credits or depreciation allowances. Next in order of effectiveness is reduction in the corporate income tax rate. . . . The rationale for the hierarchy is easily explained by noting that the benefits from liberalization of investment tax credits and depreciation allowances are directly tied to additional spending on plant and equipment. The other measures provide investment incentives only indirectly.

Tax policy changes may not be the total answer to our productivity problems, but they certainly form an important part of it. The Joint Economic Committee will continue to examine ways of improving our productivity and will be glad to share our findings with you. Of course, any changes we might propose will have some budget impact, and we will want to discuss that with you.

RECEIPTS AND EXPENDITURES—NIA BASIS

[Billions of 1972 dollars, annual rates]

	1978:4	1979:1	1979:2	1979:3	Average, fiscal year 1979	1979:4	1980:1	1980:2	1980:3	Average, fiscal year 1980
Personal income taxes	133.8	125.2	125.9	127.5	128.1	129.7	135.5	137.2	139.1	135.4
Total tax receipts	295.2	285.7	286.3	289.0	293.1	289.9	296.7	298.6	300.6	296.5
Federal purchases	104.7	102.9	100.7	102.1	102.6	104.5	103.9	102.9	101.5	103.2
Total Federal expenditures	307.8	304.5	303.3	310.1	306.4	313.0	313.4	311.2	310.1	311.9

Source. Joint Economic Committee Staff. Based on assumptions and projections contained in the Budget and Special Analyses for fiscal year 1980.●

ANDREW P. PALMER—THE BRIDGE BUILDER

● Mr. PELL. Mr. President, Andrew P. Palmer, editor-publisher of the Woonsocket Call, has been an extraordinary influence for progress in northern Rhode Island's Greater Woonsocket area.

A remarkable 70-year-old newsman, Mr. Palmer has used his daily newspaper to advocate and improve the Greater Woonsocket area. Despite his influence and accomplishments, he is a modest man who insists on sharing honors with "the Call family."

A few months ago, he was honored with the dedication of a minipark and carillon in a busy shopping area and last month he was honored as 1978 Kiwanis Club "Citizen of the Year" in Woonsocket.

During the Kiwanis Club presentation a poem, submitted by Leo Bernier of Union St. Jean Baptiste, was read. Titled "The Bridge Builder," the poem described an elderly man who has crossed a chasm. Once on the other side, the man stops to build a bridge to make it easier for the young to follow.

I would like to share with my colleagues the story of this presentation and of Mr. Palmer's remarkable "bridge building," and I ask that a report of his most recent award from the Woonsocket Call of December 28, 1978, be printed in the RECORD.

The material follows:

A. P. PALMER, PUBLISHER, ACCEPTS "CITIZEN" AWARD

(By Tim Manigan)

True to a style that has become his hallmark, Andrew P. Palmer, editor-publisher of The Woonsocket Call, accepted the honor of being named 1978 Kiwanis Club "Citizen of the Year" this afternoon with the hope that the news media can become an even stronger force in making Greater Woonsocket a better place to live.

In a voice choked with emotion, the 70-year-old newsman said the honor is not his alone, but represents the entire effort of his newspaper staff.

"I have a pet saying," Palmer said. "I'm only as good as those around me."

The publisher, who was honored for his devoted work toward the betterment of Greater Woonsocket, uged the gathering of 230 well-wishers in the Cercle Laurier's new hall to continue to cooperate with The Call in helping this area.

Palmer is the 29th recipient of the distinguished award, long regarded as the highest honor paid to a citizen of this area.

State Rep. Roger N. Begin, Kiwanian chairman of the event, noted in presenting Palmer with a huge plaque, that the honoree, when told he had been chosen for the honor, said he would only accept it on behalf of the city and his "Call family."

Palmer, who has been ill, looked fit for today's occasion but was overcome with emotion as the audience rose to provide him with a standing ovation and after Begin told the crowd that Palmer's "allegiance" to Greater Woonsocket is "unquestioned and unparalleled."

Begin described the publisher as a man who has used his newspaper in a continuous fight to "promote" this area and make it a better place to live. He said Palmer did so "beyond the ordinary performance of duty."

In a touching moment, Begin recited a poem submitted by Leo Bernier of Union St. Jean Baptiste, and entitled "The Bridge Builder." The poem describes an elderly man who has crossed a chasm, but once on the other side, stops to build a bridge to make it easier for the young to follow.

As Begin described Palmer as the "epitome of a good citizen," many eyes in the audience watered and a silence gripped the gathering.

Begin presented the award by noting that the publisher "can't understand why he is being honored for doing what comes so naturally."

Palmer, noting that he was honored only two months ago with the dedication of a mini-park and carillon in the Mill River Square shopping district, said simply: "I stand here very proud."

The publisher said he is honored to join a group of previous recipients, who he said comprise "the greatest cross-section of persons from this area."

"As you know, I'm a dreamer," he continued, and expressed the hope that The Call can stand as the battler against the evils that continue to bother Greater Woonsocket. He promised the newspaper would continue to wage the struggle, and suggested that all recipients of the "Citizen of the Year" honor gather more frequently and form an ad hoc committee "to try to make this an even better city and area."●

WILL CHINA INVADE VIETNAM? A WARNING

● Mr. McGOVERN. Mr. President, as we mark the normalization of relations with the People's Republic of China through Vice Premier Teng's visit, it is essential that we underscore the limited nature of this step. Recognition is just that. It is not endorsement, alliance, or support. It gives us a better chance to address our differences; it cannot be an excuse to ignore them. Nor should we leave any misimpression about our intention to pursue our own national interests, even when they may be in conflict with what Chinese leaders perceive to be theirs.

It is not in our interest, for example, to set aside the process of détente through which we hope to reduce the tensions and dangers inherent in our relationship with the Soviet Union. The bitter rivalry between China and the Soviet Union is a conflict between two branches of the same ideology, and both variations are in conflict with our view of the world. I subscribe fully to President Carter's determination to hold the United States clear of that fight. Vice Premier Teng's exhortations on the subject have been, in my view, an unfortunate detraction from his visit.

By the same token, I have been deeply disturbed by reports of Chinese preparation for major military action against Vietnam. On the basis of these reports, as many of my colleagues know, I told

Vice Premier Teng during yesterday's luncheon that I thought it would be a tragic mistake for China to intervene militarily in Vietnam, just as I had thought it was a tragic mistake for us to do so some years ago. I asked him if there was any danger of that happening.

The Vice Premier gave what to me was a very discouraging response. He said, in essence, that on the basis of what he called "provocative acts against our borders," and also the overthrow of the Government of Cambodia "with the support of the Soviet Union," Vietnam may "force us against our will to take action against them to preserve our own security and in the interests of world peace." Combined with the accumulating buildup along the border, these words constitute a clear threat of war.

No one disputes the right of the People's Republic of China to defend its own territory. But I have every confidence that China has the resources and capacity to do that without plunging Southeast Asia back into a major military conflict. Such a struggle can only inflict needless suffering on the Chinese and Vietnamese people, and risk a wider conflict that would bring destruction and sorrow to China, the Soviet Union, and Southeast Asia.

On this basis I want to reinforce what I said to Vice Premier Teng yesterday. I join in enthusiastically welcoming him and his party to the United States, and in celebrating the normalization of relations after 30 unfortunate years of mutual suspicion. But at the same time, I can only abhor reckless words and preparations for war.●

THE FRAUD HOTLINE

● Mr. SASSER. Mr. President, I wish to take the opportunity to report to the Members on progress of the recently established fraud hotline.

ESTABLISHMENT OF FRAUD HOTLINE

The hotline was established at my request and with the strong support of the ranking minority member of our Appropriations Subcommittee, Senator SCHWEIKER.

The hotline was installed at the General Accounting Office with the cooperation of Comptroller General Elmer Staats.

Senator SCHWEIKER and I first made the suggestion for the hotline at a December 4, 1978, hearing which we conducted on the newly established GAO Special Task Force for the Prevention of Fraud.

The hotline will allow any concerned citizen with knowledge of fraud and abuse in any Federal program to report that knowledge to the GAO Fraud Task Force. The anonymity of any caller will be respected—the name of the caller need not be given to the task force.

The national toll-free fraud hotline is 800-424-5454. In the Washington, D.C., metropolitan area the number is 633-6987.

FIRST WEEK PROGRESS

Mr. President, during the first week of operation—the period of January 18 to January 25—some 3,011 calls were received, of which 1,224 were recorded by task force personnel for further evaluation. The remainder of the calls were received and recorded on tape at the General Accounting Office after business hours. Task force personnel are in the process of contacting the parties in the latter group who left call-back telephone numbers. In addition, numerous calls are being received in GAO regional offices.

UNANIMOUS-CONSENT REQUEST

Mr. President, I ask unanimous consent that a description of the GAO fraud hotline procedures be placed in the RECORD at this point along with a list of the 15 GAO regional offices, the names of managers and their local telephone numbers.

The information follows:

GAO TASK FORCE HOTLINE PROCEDURES

Each caller on the GAO "Fraud Hotline" is interviewed following the general format of a data collection form, with a separate control number assigned to each call. This will be used to track those allegations which appear substantive through later verification of facts and investigation if warranted. The type of information GAO is attempting to record is:

Federal agency or source of Federal funds/material involved in the allegation.

Specific locations where the action is alleged to be taking place.

Recurring or one time?

Length of time activity has been going on.

Extent of activity (some idea of number of people involved).

Estimate of dollar value involved.

The GAO Task Force will provide an initial screening of the calls to eliminate those which are obviously non-substantive. Those which appear to be substantive but relate to program effectiveness and efficiency rather than fraud will be referred to the operating divisions of GAO for consideration in their audit work. Those which appear to be allegations of fraud will be coordinated with the appropriate agency Inspector General for investigation. In the event the agency Inspector General is unable to respond in a timely manner because of manpower limitations or priority of on-going work, GAO will perform a verification of facts relative to the allegation utilizing regional offices. This data will be evaluated by GAO and a decision made relative to referral to the Department of Justice for possible prosecution.

Atlanta, Manager Marvin Colbs, 221 Courtland Street NE, Atlanta, GA 30303,(404) 221-4616.

Boston, Manager Fred D. Layton, Suite 1907, Blue Cross-Blue Shield Building, 100 Summer Street, Boston, MA 02110, (617) 223-6536.

Chicago, Manager Joseph W. Kegel, Federal Building-16th Fl. West, 230 South Dearborn Street, Chicago, IL 60604, (312) 353-0514.

Cincinnati, Manager Robert W. Hanlon, 8112 Federal Office Building, 5th & Main Streets, Cincinnati, OH 45202, (513) 684-2107.

Dallas, Manager Irwin M. D'Addario, Suite 800, 1200 Main Tower, Dallas, TX 75202, (214) 767-2020.

Denver, Manager William D. Martin, Jr., Suite 300-D, 2420 W 26th Avenue, Denver, CO 80211, (303) 837-4621.

Detroit, Manager Walter C. Hermann, Jr., Room 865, Patrick V. McNamara Federal Building, 477 Michigan Avenue, Detroit, MI 48226, (313) 226-6044.

Kansas City, Manager David A. Hanna, Room 717 Gateway II Building, 4th and State, Kansas City, KS 66101, (816) 374-4641.

Los Angeles, Manager James T. Hall, Jr., Los Angeles World Trade Center, Suite 1010, 350 South Figueroa Street, Los Angeles, CA 90017, (213) 688-3813.

New York, Manager Francis X. Fee, Room 4112, 26 Federal Plaza, New York, NY 10007, (212) 264-0730.

Norfolk, Manager Alfonso J. Strazzullo, 5705 Thurston Avenue, Virginia Beach, VA 23455, (804) 441-6621.

Philadelphia, Manager Ralph V. Carlone, 434 Walnut Street, 11th Floor, Philadelphia, PA 19106, (215) 597-4330.

San Francisco, Manager William N. Conrardy, Suite 900, State Fund Building, 1275 Market Street, San Francisco, CA 94103, (415) 556-6200.

Seattle, Manager John P. Carroll, Room 201, 415 First Avenue North, Seattle, WA 98109, (206) 442-5356.

Washington, Manager David P. Sorando, 441 G Street, NW, Washington, DC 20548, (202) 633-0120.●

THE FISCAL YEAR 1980 DEFENSE DEPARTMENT BUDGET

● Mr. KENNEDY. Mr. President, one of the most important issues in the administration's 1980 budget is the level of spending proposed for national defense. The President's proposed anti-inflation budget is tight. Only defense receives a real increase in funding, up to $122.7 billion in outlays, with budget authority climbing to $135.2 billion.

The issue is complicated not only by the number of controversial items in the defense portion of the budget itself, but also by the misleading way in which the defense budget is presented.

For weeks, the priorities debate has centered on whether a real increase of 3 percent can be justified for defense spending in light of the austerity imposed on other areas of the budget and the urgent need to bring inflation under control.

First, we were led to believe that there would be a 3-percent increase for NATO-related programs, an increase which I believe is justified.

Then we learned that the increase would be 3.1 percent not only for NATO but for the defense budget as a whole.

Now, it turns out that the administration is proposing not just a 3.1-percent increase for the defense budget, but an increase of over 4 percent above spending for fiscal year 1979.

The administration's figure assumes approval of its supplemental request for fiscal year 1979, which the Congress has not granted. In order to bring the sizable increases in defense spending proposed for 1980 within the 3-percent target, the budget submitted to Congress pads the 1979 spending level, thereby yielding a misleadingly low figure for the increased spending requested for 1980.

We must give this one-quarter of our budget the same close scrutiny as we give to nondefense programs. Three major issues stand out:

First, in the strategic field, we should not reorient our defense posture more to fight a nuclear war than to prevent it. We should not develop weapons systems that increase the threat of nuclear war. We should not buy weapons to appease the opponents of SALT.

Here our No. 1 concern ought to be the MX missile and its basing system. The administration plans to spend nearly $1 billion in the fiscal year 1979 supplemental and the fiscal year 1980 budget. This billion is but a foot in the door for many additional billions. Even

without cost overruns, the system will cost us at least $30 billion to build and deploy.

The MX missile is highly accurate and devastating. It is so threatening to Soviet nuclear forces that it could tempt Soviet leaders to strike us first in a crisis. The result will be unparalleled destruction to both societies.

The Defense Department has labored over at least three new ICBM basing concepts, but still has not reached a decision. All are very expensive, and all present profound technical difficulties. One basing concept—the so-called multiple aim point—would make adequate verification of similar Soviet systems impossible.

Above all, we should resist any premature decisions on MX. It may prove to be the wrong system for the wrong reasons in the wrong place, at the wrong time. Racing into this program—or any other—to feed the appetites of SALT critics is not rational, responsible defense planning.

The Congress must also examine carefully the hundreds of millions of dollars allocated to counterforce strategic warfare—such as command and control, civil defense, and revised targeting doctrines.

Second, in the general purpose field, conventional forces and operations and maintenance costs consume the lion's share of the defense budget. I will be looking for ways to make our defense force more capable and efficient.

The President has rejected—and he deserves our support—the nuclear aircraft carrier. His reasoning applies just as strongly to the latest carrier (the CVV) proposed by the Defense Department. This new ship, just by itself, will cost $1.6 billion. This heavy price excludes billions of dollars for the carrier's aircraft and the fleet of surface and subsurface ships needed to protect it—not to mention cost overruns and the millions of dollars needed each year for operating and maintaining the carrier.

Given its exorbitant cost, its questionable mission and its vulnerability to attack, this proposed aircraft carrier should be struck from the budget.

Third, is it, fair to the American people—in this year of financial sacrifice—to accept highly questionable military increases in such areas as:

The $5.1 billion increase in military procurement over fiscal year 1979 appropriations, resulting in a disproportionate 10 percent real growth in military purchases; and

The $2.2 billion weapons supplemental for fiscal year 1979, when no emergency exists and when each weapon should be debated in the context of the fiscal year 1980 budget.

In each of these areas—strategic, conventional, and budget management—the American people have a right to expect the Congress to scrutinize proposed defense spending just as closely as the remainder of the budget. As we make our crucial defense budget decisions, we should seek to reduce the strategic arms competition with the Soviet Union, to strengthen NATO capabilities consistent with our commitment, and to help eliminate waste in military spending.●

CBS NEWS ENVIRONMENTAL SERIES

● Mr. MUSKIE. Mr. President, for 5 nights during the first week of this year, CBS News presented a series entitled, "The Earth Revisited." The series was an update of a series that the network aired in 1970—when environmental consciousness originally emerged.

The theme of the series was that the earth remains extremely fragile and sensitive to man's activities. The possibility of substantial manmade destruction, CBS concluded, is not merely science fiction to be tossed off lightly. The environmental laws enacted in this decade are attempts to prevent such ecological damage.

The five segments, narrated by Walter Cronkite, center around four crises which drew our attention in 1970 and still do so today: Population growth, pollution, the depletion of our natural resources, and the threat of nuclear war.

Mr. President, I ask that the transcript of this fine series be printed in the RECORD for the benefit of those who may have missed it.

The transcript follows:

CBS EVENING NEWS WITH WALTER CRONKITE

CRONKITE. There are places out here that look like doomsday has come and gone. This is the White Sands Missile Range in southern New Mexico, 6,000 square miles of greasewood and range grass. A few herds of wild horses live on this land, but mostly this land is empty. So it was here we came to test the weapons of modern war, and it was here we learned that there could be a man-made doomsday.

We're not, of course, the first people to think about the end of the world. Christians eighteen centuries ago watched for the "Four Horsemen", who would signal the coming of Apocalypse. And it seemed in 1970 four great crises were riding down on us like the horses we saw in the New Mexico desert, or like the "Four Horsemen" of the Book of Revelations. The experts we interviewed told us population was the fundamental crisis. And indeed, since the start of this decade we've added 700-million people to the world; in nine years the equivalent of 93 New York Cities.

The second crisis was pollution. And today you can find great clouds of poison hanging over our great cities. Not even the past is safe. In Rome, Venice and Athens a heritage is being eaten away by polluted air.

If we were to pick a third Horseman today it would be depletion of our natural resources, and this desert would be a perfect example. Barely a hundred years ago this was grassland, until the cattle barons of the last century destroyed the ecosystem here. Overgrazing turned this into a desert and a symbol of ignorance and greed.

A fourth great danger of biblical times was war, and so it is today. But even doomsday isn't what it used to be. On this windswept desert in New Mexico, July 16th, 1945—a Monday—was a day with two dawns. First light was a sun that man had built. This is the same spot 34 years later. A simple rock monument marks "ground zero", and a cement stump all that is left of the concrete and steel structure that held the first atomic bomb.

We've built and tested bigger bombs since then, but somehow doomsday has stayed away. Yet even when we got used to living with the bomb, there was the thought, the nagging thought, that we could end our world.

[Feb. 23, 1970]. We're going to report regularly here the greatest battle man has ever waged, a true battle for survival—the battle, to put it crudely but accurately, to keep our heads above the rising tide of our own garbage. The stakes in this battle are far greater than any other we have ever fought. To lose this one is to lose the planet earth.

Many of the specialists we interviewed in our environment series nine years ago thought mankind's prospects were bleak. We asked some of them if they had changed their mind.

PAUL EHRLICH [biologist; 1970]. Sometime in the next 15 years the end will come. And by the end, I mean an utter breakdown of the capacity of the planet to support humanity.

[1978]. The world is older and going downhill fast. The only thing that's healthier is a lot more people are aware of the essential problems in the world. In other words, there is—we do have a—an Environmental Protection Agency. Environmental problems are considered at least newsworthy enough to go onto the Cronkite show.

BARRY COMMONER [biologist; 1969]. In 1970, this country and a large part of the world faces the crisis of survival.

[1978]. Since then we've done a great deal to incorporate that concern into the ordinary operations of our political life. And I think that in that sense the movement—if you want to call it that—is a smashing success.

DENIS HAYES [activist; 1970]. And if this does prove to be a fad, it's going to be a very costly one, definitely costing hundreds of millions of deaths, very possibly costing the death of the species.

[1978]. Since then I think we've bought ourselves some time. We've solved some of the really easily solved issues. We're still facing a variety of very-difficult-to-solve ones. And if we don't resolve them expeditiously in the next decade or two, then I think that that prophecy might well still hold—hold true.

CRONKITE. It is difficult to say whether we're any closer to saving the world than we were in 1970. Our intention is to use some of the resources of CBS News over this next year to examine our progress and explore our prospects. But one thing is worth noting: I'm standing on the spot where an atomic bomb was exploded. The very grains of sand on this desert floor were fused into something like green glass by that awesome heat. You can find shards of it in the weeds here. But there are weeds here. The birds have come back, and the spiders and the tough range grass; "ground zero" is coming back to life. And maybe that's the lesson we're learning. The earth will save itself if we just give it a chance.

When we offered a series of reports on the environment back in 1970, it seemed one crisis was fundamental, and in the second installment in our update of those reports we looked at the response to the challenge of that crisis in the decade of the environment. There are 4,300,000,000 human beings on this planet, but you can't tell that from this view. To see the works of man, you have to move around to the night side of the Earth. There in the dark satellites can see constellations of sparks. The East Coast of the United States is rimmed with foxfire. Those lights are our cities and our homes. At the beginning of this decade, it seemed that lights were going on all over the world. The experts we interviewed offered the prospect of an urban, overcrowded world, a world just too small for our numbers.

[February 24, 1970.] In preparing this report, we asked a number of those population experts in and out of government where in all the world we could take our cameras to study an effective, broad-scale program of population control. The answer—there is no such place. And that's the way it is Tuesday, February 24th, 1970. This is Walter Cronkite. Good night.

That's the way it *was*, not the way it *is*. We have found an effective, broad-scale program of population control here on the other

side of the world. This is the city and the nation of Singapore. And this is the prime minister of Singapore, Lee Kuan Yew.

Prime Minister LEE KUAN YEW. Well, we decided that unless we could check the population explosion, then all our efforts—health, education, economic development—would all come to naught, because you are—each time you are climbing up the tree, you reach a greasy patch, and you slip down again.

CRONKITE. Slipping down again is what was happening in 1966 in Singapore. A mother could expect to have four or five children. Today, the two-child family is the average. Of Singapore's married women, one in seven has had an abortion; one in five has been sterilized. In just ten years Singapore achieved one of the lowest population growth rates in Asia. It was done through disincentives—a package of laws urged onto the books by Prime Minister Lee.

Prime Minister LEE. If you decide to have seven in the family or ten in the family, nobody can stop you. It's just that you will carry—beyond the third child you carry the full social and medical costs.

CRONKITE. The law says that hospital delivery fees go up with the number of children. The birth of a third child can cost twice as much as the first. The law says no income tax deductions for a fourth child. The law says no paid maternity leave after the second child. The law says that only the first two children will have priority at nearby schools; the third child may be bused. The law says abortion must be available on demand for five Singapore dollars. And they backed up their disincentives with a campaign to win the hearts and minds of the people of this small island. While it may not be up to the state of Madison Avenue art, the campaign was straightforward, direct to the point.

And the message is everywhere—on posters, on key chains, on tea coasters, on school supplies. The message shows up in movie theaters, and is projected on buildings at night. The message is on Singapore television.

[Excerpt from TV commercial on family planning.]

A recent survey of the women of Singapore showed that 93% knew the message of the government family planning and population board.

TEACHER [in classroom]. What is the message?

CRONKITE. The word waits for the children in school.

TEACHER [in classroom]. Two is enough. Good!

CRONKITE. This is a sixth-grade class.

NURSE. Are you interested in family planning?

MOTHER. Yes.

NURSE. This was your second child, isn't this one?

MOTHER. Yes.

CRONKITE. And the word is waiting for the parents at the child health clinics.

Criticism of the measures has been muted, perhaps because the Chinese, who make up 75 percent of the population here, are pragmatic, shrewd, and fairly adaptable to new ideas. Church leaders of the 75,000 Catholics here refuse to comment on the laws, but some expressed the feeling that eventually the Church will have to take a stand.

Singapore is small—an island 15 miles across. The population, which 200 years ago was about 150 fishermen, is now 2,300,000. Almost nothing is left of the original plant and animal life on the island. Instead, there are flocks of people, rivers of cars, forests of apartment buildings. And in that, the story of Singapore could well be a parable for the rest of the world.

Population growth had to be brought under control here. There was simply nowhere to go. The methods might be called repressive, Orwellian. It might be said that 1984 came early to Singapore. But it also can be said that in Singapore can be seen the future, and it can be made to work.

This is Walter Cronkite, CBS News. Good night.

ANNOUNCER. This has been the CBS Evening News with Walter Cronkite.

CRONKITE. This is Old Stockholm nine o'clock of a Sunday morning. The sun rises late here in the winter and can't do much to warm up the cold gray days. The weatherman tells us in degree days Sweden has about the same weather as North Dakota. The economist tells us the standard of living in the United States and Sweden is about the same. Swedes have more second homes, Americans more second cars. Americans have more television sets, Swedes have more vacuum cleaners. But it's engineers who tell us the principal difference between the two nations. The Swedes in this cold climate maintain their standard of living by using just two-thirds of the energy of the Americans.

It may seem strange for us in a land where even toothbrushes are electric that the good life is not strictly dependent on using energy, but that seems to be the lesson of Sweden. If you could convert all the different kinds of energy each country uses into coal, you would find that the average Swede at mid-decade was consuming seven tons of coal a year, while each American was using up the equivalent of twelve tons.

Transportation makes up a good part of the difference. Cars in Sweden and the United States are driven about the same number of miles a year—about 10,000. But the Swede's car is smaller and lighter and gets more miles per gallon. In the United States, smaller cars now make up about half of all new cars sold, but sales of gas-guzzling motor homes also are way up. The second car in Sweden is more likely to be a bus or a train. Almost half of a Swede's travels are on some form of public transportation. Just ten percent of an American's travels are on mass transit.

Another major difference in energy use is space heating. Buildings in Sweden are planned with the high cost of energy in mind. Windows are smaller, and may have two or three panes of glass. Homes in Sweden are likely to leak half as much heat as an American home. While new homes in the United States contain twice as much insulation as they used to contain, experts estimate there are 15-million homes without adequate, easily installed attic floor insulation.

The difference is regulation. Here a law says that you must have an exhaust fan for your stove. It says how much heat can leak through your roof. Another law says how large your windows can be. Building a new home? The government tells you what sort of heat you may have. A new housing development is built around a mass transit stop. Everything here according to plan—a government plan.

And the plan calls for recycling in Sweden. Paper is separated from the other garbage, and ends up back at the paper mill. Heat left over from making electricity is sold to apartment buildings as steam. A deposit paid to the government when a car is purchased is returned when the car goes to the junkyard. Almost five percent of all steel used in Swedish industry is recycled steel. Swedish industry, experts conclude, is ten to fifteen years ahead of U.S. industry in energy efficiency.

Sweden's energy use is growing, but only eight-tenths of one percent a year. U.S. energy use is growing three times as fast.

What Sweden can do with a national plan and regulation, we try to do through individual initiative and the marketplace. The process is slower; the scale is smaller. Consider the "Golden Goat" of Scottsdale, Arizona. It's the brainchild of Tike Miller, a former toy manufacturer. His "Goat" eats aluminum cans, crushes them, weighs them, and pays twelve cents a pound for them. Miller says this machine takes in two tons of cans a week, which he resells to manufacturers.

TIKE MILLER. Oh, this is a profitable operation for the public and for the country and for the operator of the machine. It requires only five percent of the energy to recycle this aluminum in the cans again, as opposed to doing it with bauxite ore.

CRONKITE. The "Goat's" innards are complex, and its durability is still to be proved in service. For examples, vandals might be attracted by the silver in the "Golden Goat". But it does seem to be a way to put capitalism in service to the environment.

Compared to the energy conservation and recycling efforts we saw in Sweden, the "Golden Goat" at Smitty's Big Town shopping center in Scottsdale, Arizona, may not look like much. But compared with conservation efforts experts say will be needed, our efforts so far are pretty small change.

MAN. Twenty-four cents.

WOMAN. Well, that's not bad. [Laughter]

CRONKITE. This is Walter Cronkite, CBS News. Good night.

ANNOUNCER. This has been the CBS Evening News with Walter Cronkite.

CRONKITE. Even if you've never been here, this in a sense is your home town. This is the Acropolis in the center of Athens in the Republic of Greece. Twenty-three centuries ago it was the center of a government, of a faith, of a great civilization, a civilization that gave us Plato and Socrates and Aristotle, a civilization that gave us the very words democracy and politics, ethics and ecology, a civilization that gave us an architecture that has been duplicated in thousands of government buildings.

The man in charge of building this place was a statesman named Pericles. He said it would bring glory to Athens for all time. But the glory of Athens is being threatened by the city of Athens. The architecture may be timeless; it turns out the stone is not.

Athenians live in the shadow of the Acropolis. It rises from the center of town on a huge flat-topped rock. Fifty years ago, 500,000 people lived among the relics of Greece's golden age, but Athens has grown and grown. Athens has added apartment blocks, office buildings, industries, three million people and their cars. The famous crystal clear air of Attica has become the now familiar alphabet soup of pollution: CO, CO_2, SO_2, NO. The gases mix with fog and make an acid mist. The smog turns the hard, translucent marble into gypsum, a soft, crumbly, plaster-like substance. The work of artisans 23 centuries ago washes away with the rain or disappears beneath a layer of gypsum and soot. This maiden has escaped the ravages of the acid bath because she's a concrete copy made in the last century. Her five sisters on the Acropolis are marble. They show what modern civilization has done to the wellsprings of modern civilization.

Government officials in Greece say frankly that industrial development is more important to them than the pollution that comes with industrial development. They say Greece cannot yet afford stringent environmental laws, so sewers reach only 60 percent of Athens' population, so their are no enforced auto emission laws, so a thousand industries discharge smoke into the air and liquid waste into Homer's wine-dark seas.

ALEXANDER GILAD [Athens Pollution Project]. Our primary concern was human life, and it also happened to be very good for the Acropolis.

CRONKITE. Gilad heads a five-year, six-million-dollar study of sources of pollution in Athens. His report, a cooperative effort between the Greek government and the U.N., led to a ban on high-sulphur fuel oil in the

Acropolis area. The air is now easier on the marble, easier on human beings.

GILAD. I always think that more should be done and quicker, but one has to be realistic. These things do not happen overnight. It takes time, and it takes work, and it takes a lot of money. Therefore, one must have patience.

CRONKITE. Is there anything more pragmatic or realistic than saving human life, or preserving civilization, for that matter?

GILAD. No, I think this is [indistinct] one of the most important goals that we have, and we're trying to do it in a way which is feasible, in a pragmatic way. Because if we demand too much, we will get nothing perhaps.

CRONKITE. The director of antiquities on the Acropolis says he is encouraged by the progress that has been made and the attention that is being paid, but he would like to see more done.

GEORGE DONTAS [Acropolis director]. There are other measures to be taken which would be of a more drastic language. One of them would be perhaps—perhaps to have—to change altogether the heating system in the neighborhood of the Acropolis. For instance, a change from gasoline to gas.

CRONKITE. On that subject too a study is underway. The machinery of pragmatic politics turns, and the marble decays. The experts now think the best hope here will be a kind of transparent plastic coating painted on the marble. And the maidens who have patiently supported the temple roof for all those centuries will finally get a rest. They'll be moved to an air-conditioned museum, replaced by skillful, pollution-proof copies.

Thucydides left us the words of the man who built this Acropolis 2300 years ago, and they're well worth re-reading:

"Fix your eyes on the greatness of Athens as you have it before you day by day. Fall in love with her, and when you feel that she is great, remember that this greatness was won by men with courage, with knowledge of their duty, and with a sense of honor in the things they do. Their story is not graven only on stone over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives."

Whether the harmony and grace of the Acropolis will be woven into the stuff of our children's lives is an unanswered question of the decade of the environment.

This is Walter Cronkite, CBS News. Good night.

ANNOUNCER. This has been the CBS Evening News with Walter Cronkite.

CRONKITE. Nuclear proliferation, one of the modern Four Horsemen threatening our environment, indeed our lives and our civilization. It's the subject of today's update on the decade of the environment.

They come here from all over the world—to see some shreds of clothing, a scorched toy horse, a watch stopped at 8:16. They come here to see shadows that never go away. They come here to stand before this unlikely shrine to peace: a burned-out industrial exhibit hall. They come here to pause a moment, and to ring the bell.

[Man ringing bell.]

On August 6th, 1945, two thousand feet above this very spot, the atomic bomb exploded. For a brief moment the Japanese city of Hiroshima was bathed in light, and then it was blown away. Thus began the modern age, a third of a century ago. And then there was just one nuclear power.

Now there are six nuclear powers in the world. The United States, Russia, Great Britain, France and China have both atomic and hydrogen bombs. India has the A-bomb. Experts say Israel either has the bomb or could have it within hours. South Africa was reported ready to test a weapon in 1977, until diplomatic pressure was brought to bear. Some Carter Administration officials think Pakistan may be next to get the bomb. And as nuclear knowledge spread around the world in this past decade, the number of weapons in the arsenals of the nuclear powers has grown. Theoretically, the United States alone could deliver the nuclear explosive power of six and a half billion tons of dynamite.

Sweden has some war memorials—not many, because the country hasn't been officially at war in 165 years. And it has a peace memorial. In this office building is the Stockholm International Peace Research Institute. It was set up by the Swedish parliament to keep tabs on the arms race. Frank Barnaby is the director of the Institute, and he is worried.

FRANK BARNABY [SIPRI]. The—the major thing that's happened in the last ten years is a move from strategies and policies based on counter-city, mutual assured destruction, or whatever you call it—nuclear deterrence.

CRONKITE. Balance of terror.

BARNABY. Balance of terror, nuclear deterrence. We're moving away from that now into a counter-force strategy which is based on the philosophy that you can fight a nuclear war and win it. I just can't believe that one side or the other would surrender while they have within their arsenals a significant amount of weapons that they regard to be usable. So, I believe that one—the use of one nuclear weapon will escalate to the use of the nearly 100,000 we have in the arsenals, which—which have an explosive power equivalent to a million and a quarter Hiroshima bombs. So I think that one nuclear weapon will lead to a million and a quarter Hiroshimas.

CRONKITE. It's hard to imagine even one Hiroshima. There are hints of the horror in the museum on the site. But we have to rely on government training films made during test explosions to tell us how much like hell is war.

[Excerpts from U.S. Atomic Energy Commission film "Operation Greenhouse" showing buildings blowing away during A-bomb tests].

There is something fascinating about the red tornado at the heart of the blast, and something beautiful about the cloud that has become the symbol of our age. It's easy to forget that these weapons are designed to kill.

It's not forgotten here. In that stone is a scroll with 94,000 names—the names of those who were killed here. And the Japanese inscription on the front says: "The evil shall not be repeated."

Still, we have stockpiled the explosive power of three tons of dynamite for every man, woman and child on this planet. Still we are spending a million dollars a minute on weapons of war. In the years since the Hiroshima bomb, we've invented apparently unstoppable means of delivering bombs to their targets. What we haven't invented is a way to deliver on the promise on that stone: "Let all the souls here rest in peace, for we shall not repeat the evil."

This is Walter Cronkite, CBS News. Good night.

ANNOUNCER. This has been the CBS Evening News with Walter Cronkite.●

ORDER FOR RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 95-599, appoints the following Senators to the National Alcohol Fuels Commission: The Senator from Idaho (Mr. CHURCH), from the Committee on Energy and Natural Resources; the Senator from South Dakota (Mr. MCGOVERN), from the Committee on Agriculture, Nutrition, and Forestry; the Senator from Oregon (Mr. HATFIELD), from the Committee on Energy and Natural Resources; the Senator from Kansas (Mr. DOLE), from the Committee on Agriculture, Nutrition, and Forestry; and the Senator from Oklahoma (Mr. BELLMON), from the Committee on Appropriations.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Executive order signed by the President on December 14, 1978, appoints the following Senators to serve on the President's Commission on the Coal Industry: The Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Illinois (Mr. PERCY).

ORDER FOR RECORD TO REMAIN OPEN TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the record may remain open today until 3 p.m. for the introduction of bills and resolutions, petitions and memorials, and until 5 o'clock for the introduction of statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED RULES CHANGE

Mr. ROBERT C. BYRD. Mr. President, the deliberations and discussions with respect to the rules change are continuing. I am encouraged thus far by the discussions. I believe that if Senators have completed their statements for today, I will shortly move to recess the Senate, so as to allow those discussions to continue without interruption.

SPECIAL ORDERS FOR TUESDAY, FEBRUARY 6, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday, February 6, I may be recognized for not to exceed 5 minutes following the prayer; that Mr. JAVITS be recognized for not to exceed 15 minutes following my recognition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow I be recognized for not to exceed 3 minutes, following which Mr. CRANSTON,

Mr. KENNEDY, Mr. BRADLEY be recognized for not to exceed 15 minutes; that they be followed by Mr. CHILES, Mr. BENTSEN, Mr. PROXMIRE, and Mr. BAKER for not to exceed 15 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with order previously entered, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and at 1:17 p.m., the Senate recessed until tomorrow, Thursday, February 1, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 31, 1979:

DEPARTMENT OF AGRICULTURE

Dale Ernest Hathaway, of the District of Columbia, to be Under Secretary of Agriculture for International Affairs and Commodity Programs (new position).

DEPARTMENT OF COMMERCE

Sidney A. Diamond, of Arizona, to be an Assistant Commissioner of Patents and Trademarks, vice Bernard A. Meany, resigned.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be members of the National Commission on Libraries and Information Science for terms expiring July 19, 1983:

Francis Keppel, of Massachusetts, vice Daniel William Casey, Sr., term expired.

Bessie Boehm Moore, of Arkansas (reappointment).

Philip A. Sprague, of Indiana, vice Julia Li Wu, term expired.

NATIONAL SCIENCE FOUNDATION

Michael Kasha, of Florida, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Anna J. Harrison, term expired.

IN THE NAVY

The following-named captains of the Reserve of the U.S. Navy for temporary promotion to the grade of rear admiral, in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, sections 5910 and 5912:

LINE

Nelson Otto Heyer
Robert Louis Zralek
William Henry Langenberg
Clarence Arthur Edward Johnson, Jr.

MEDICAL CORPS

Henry Turner Edmondson, Jr.

SUPPLY CORPS

Alexander Jackson, III

CIVIL ENGINEER CORPS

Roy "L" Dunlap

DENTAL CORPS

Charles Frederick Schreier, Jr.

IN THE NAVY

The following-named lieutenant commanders of the U.S. Navy and Naval Reserve for temporary promotion to the grade of commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), 5791, and 5798 (Medical and Dental Corps), subject to qualification therefor as provided by law:

LINE

Abbate, Robert P.
Abbott, Richard L.*
Aeschleman, Vance E., Jr.
Albers, Steven C.
Alexander, Marion R., Jr.
Allen, Glenn R.*
Allen, Harry B.
Amos, Robert E.*
Amundsen, Rickard O., Jr.
Anastasi, George M.
Andersen, Robert V.
Anderson, Harold M.
Anderson, Richard G.*
Anderson, Russell F.
Apple, Lester A.
Argubright, Stephen F., Jr.
Arny, Louis W., III
Arrison, James M., III
Ashburn, Erich H.
Atchison, Thomas L.
Axtman, Darold S.*
Ayers, Daniel O.
Bacon, Robert P.
Bailey, James W.
Bailey, Jerry R.
Baker, Robert W.
Baker, Ronald B.
Baldock, Frederick C.*
Ballard, Michael H.
Ballback, Leonard J., Jr.
Bankson, Rodney A.
Barker, Kenneth D.
Barnes, James C., Jr.*
Barnett, Thomas J.
Bartol, John H., Jr.*
Barton, William B.*
Bates, Billy G.
Baumstark, James S.
Baxter, Peter C.
Beall, James M., Jr.
Beam, David M.
Beard, Garnet C., Jr.
Beardsley, John W.
Beck, Melvin D.
Beckett, Robert S.
Bell, Corwin A.*
Bell, Duncan W. J., Jr.*
Bell, John M.*
Bell, Robert A.
Bell, Robert S.
Bell, Russell A.
Bell, William F.
Bennett, David C.*
Beougher, Rolland B.
Berkebile, Donald P.
Best, John A.
Bilbrey, Harlan K.*
Blades, Peter D.
Blakely, Frederick M., Jr.
Blinn, Norman R.
Bliss, Larry D.
Bloomer, John G.
Blount, Thomas E., Jr.
Bobo, Wilton C., Jr.
Bolger, Robert K.
Bond, Rogers A.
Bontrop, Paul N., Jr.
Bookhults, John W.*
Boone, George J.*
Borchers, Carl B.
Borchers, Doyle J., II
Borcik, Paul R.
Bowman, Gene M.
Bosselli, Philip A.
Bracht, Steven E.*
Brackx, Omer M.*
Bradbury, Donald T.
Brady, Timothy S.
Brewer, Joe R.*
Brannon, Michael L.*
Brennan, William J.*
Bright, Charles N.
Brittain, Albert R., Jr.
Brown, Charles J., III.
Brown, David M.
Brown, Jeffrey L.
Bryan, Herbert F.
Buckley, Russell H., Jr.
Bunting, Daniel C.
Burck, Clarence W.
Burgess, Clifford T., Jr.
Burke, James L.
Burlingame, Anson H., Jr.
Burman, George A.
Burnett, Robert V.
Burns, Richard J.
Burrows, John S., III*
Burton, Hurshel B., Jr.
Busch, John R.
Bush, Gary A.
Bush, Harold S.
Buttram, Robert H.
Cain, William M.
Callahan, Gary W.*
Cameron, John F.
Cannon, Olin C., Jr.*
Caplinger, Royce L.
Carey, Albert D., Jr.
Carey, David J.
Carey, James R.
Carlin, Daniel S.
Carlton, Raymond M., Jr.*
Carolan, James C.
Carpenter, Robert A.*
Carroll, David L.
Carson, William H., II
Caseman, Jerry B.
Cashman, David M.
Castro, Alexander, Jr.*
Catlin, Carl V.
Cavaluchi, Robert A.
Cebrowski, Arthur K.
Cepek, Robert J.
Chalkey, Henry G.
Chander, James F.*
Charles, James R., Jr.
Chenault, David W., II
Chernesky, John J., Jr.
Chotvacs, Charles J.
Christensen, Ernest E., Jr.
Christie, Warren B., Jr.
Clark, Dale V.*
Clark, James W.
Clark, Robert H., Jr.
Clark, Terrell I.
Clark, William H.
Clemins, Archie R.
Clime, Robert H.
Cloward, Richard S.
Cobb, Robert M.
Coburn, Clarence D., Jr.
Coker, George T.
Colburn, Herbert T.
Cole, Ronald A.
Collier, Arthur H.
Collins, James A.*
Colthurst, Wallace R.*
Combe, Andrew J.
Conant, Edward H.
Connor, James V.
Cook, Gary N.
Cook, James R.*
Coonan, John J., Jr.
Costello, Terence W., III
Coyle, Michael T.
Craig, Norman L.
Cramer, Charles R.
Crane, Stephen H.
Crawford, Frederick R.
Creager, Hugh G.
Creely, Allan J.
Crump, David A.
Cumble, James B.
Curley, Richard C.
Dadant, Dennis J.*
Dahlvig, Alan L.*
Daly, Thomas M.
Darsey, Edgar B.*
Davies, William E., Jr.
Davis, Aubrey, Jr.*
Davis, Dean D.
Davis, George H., Jr.
Davis, James W., Jr.
Davis, John E., Jr.
Davis, Lee A.*
Davis, Norman E.
Davis, Stephen B., Jr.*
Davis, Walter B.
Day, Charles J.
Day, James R., Jr.
Dell, Julius B., Jr.
Derocq, Alan P.
Dias, Donald G.*
Dickson, James W.*
Dietz, Gary C.*
Dirkx, Peter C.
Dirren, Frank M., Jr.
Dobbins, William P., Jr
Donahue, John C., III*
Donnelly, Ambrose T.
Donnelly, John T., Jr.
Donnelly, Michael P.
Dopson, Michael I.*
Dorsey, Medford D.*
Dow, Paul R.
Doyle, Dennis M.
Doyle, Michael W.
Drake, Keland L., Jr.
Drennan, Arthur P.
Dubois, Vern A.
Dunlap, David B.
Durham, Andrew C.*
Dwyer, David S.*
Dyches, Fred D.*
Dyer, Donald A.
Dyer, Robert D.
Dykeman, Paul R.
Eckhoff, Clarence J., Jr.
Ehlers, Theodore J.
Elder, Philip R.
Ericson, Walter A.
Erskine, Donald A.
Erwin, Arthur R.
Evans, John M.
Everette, Oliver G.*
Fantin, Jonnie R.*
Faricy, John J., Jr.
Farris, Robert O., Jr.
Fee, James W.
Feeback, Ralph S.
Feeser, Henry R.
Fenton, Paul H.
Ferguson, James B., III
Ferguson, Lawrence L.*
Ferguson, Robert L.*
Feuerbacher, Dennis G.
Fickenscher, Edward R., III
Field, John B.*
Fike, Burtis P.*
Finney, James H.
Fladd, Wirt R.
Fletcher, Paul R.
Flint, Lewis W.*
Flynn, James M.
Flynn, John P.
Foltzer, Louis L.
Foust, James E., III*
Fox, Arthur D.
Foy, Basil W., Jr.*
France, Frederick M.*
French, Gary L.
Frenzel, Joseph W., Jr.
Fricke, Harold J., Jr.
Friel, David J.
Fuetsch, Carl T.
Fuge, Douglas P.
Fulkerson, Grant D.
Gaither, Ralph E., Jr.
Galkin, Kenneth E.
Gallagher, Tilden M., Jr.*
Gamrath, James C.
Garrett Philip T.*
Gastar, Stanley D.
Geddie, John M., Jr.
Gehman, Harold W., Jr.
George, Paul, J.*
Gerard, Walter J.
Gifford, Corydon E.*
Giadin, Bennie R.
Glaes, Roger B.*
Glaeser, Frederick J.
Gnilka, Charles W.
Goesling, William H.*
Goodwin, James H.*
Goodwin, Michael R.
Goolsby, Richard E.
Gordon, Kenneth E., Jr.
Gottlieb, William A.
Grant, Richard F.
Grasser, Philip F.
Greeson, Bernard D.
Griggs, Carlton A.
Grillo, Pat L.*
Grosser, Harold J., Jr.
Grostick, John L.
Hack, David F.
Haines, William R.
Haley, Willard J.
Hall, John P., Jr.
Halyburton, Porter A.
Hamilton, Gerald K.
Hamma, John F.*
Hanke, Robert R.
Hannam, Donald C.
Hanson, Dale E.
Harder, Ronald E.
Hardy, Richard W.
Harlan, Richard L.
Harley, James H.*
Harris, Michael J.*
Harris, William R.
Hart, Bruce H.
Hartkopf, Kenneth W.
Hassell, Benny K.*
Hastings, Steven C.
Hawley, John A., III
Hawver, Jack H., Jr.
Hayden, William B.
Hefty, William A.
Heid, Billy L.
Heinecke, Walter R.*
Hekel, Ulis D.
Henderson, Harry G.
Hendon, Jerry E.*
Herrmann, Robert H.
Hershey, David G.*
Hess, Gerald R.
Hewitt, George M.*
Hickey, Robert P., Jr.
Hickman, Donald P.
Higgins, Edward P.*
Hildebrandt, John L., III
Hill, Theodore D., Jr.
Hlas, Roger A.
Hitchcock, Terrence W.
Hoepfner, Karl T.
Hoferkamp, Richard A., Sr.
Hofstetter, Lawrence L.
Holbert, William H.
Hollinger, Merlin B.
Honts, Edward B.
Hood, William T. T., Jr.*

Hoover, Charles B., Jr.
Hope, Robert E.
Horn, Maurice D., Jr.
Hornick, James F.*
Horst, Rudolph A.*
Horton, Forrest A.
Hotalen, Robert J.
Howell, Stephen H.
Hubble, Hilbert R.
Hudson, Charles E.
Hughes, Gary M.
Humphreys, Wayne I.
Hunter, Robert S.*
Hutmaker, Matthew A., Jr.
Hynes, Robert F.
Irvine, Pickens W.
Jacobi, Leslie M.
Jacobs, Brent W.
Jeffers, Barry N.
Jenkins, Alan K.*
Jensen, Michael G.
Jessup, Frederick D.*
Joa, William R.
Johns, Ernest H.*
Johnson, Douglas J.
Johnson, Golden H.
Johnson, John D.*
Johnson, Kenneth G.
Johnson, Kenneth H.
Johnson, William L., Jr.*
Jolley, Ronald S.
Jones, Dennis A.
Jones, Robert D.
Jones, Stephen H.
Joplin, James E., Jr.*
Jordan, David L.
Joyce, Robert H.
Kahrs, J. Henry, III*
Kalyn, Richard A.
Kamrath, Robert A.
Karl, George J., III*
Kastel, Bruce A.
Katz, Richard G.
Keenan, Richard C., Jr.
Kellner, Gary E.
Kelsey, John P.
Kemple, Morris M., Jr.
Kenneally, Thomas D.
Kenslow, Michael J.
Kenton, Bruce H.
Kight, Ben*
Killam, Kent H.
King, Carl
King, John D.
Kipp, John L.
Kirk, Kerry E.
Klein, Karl M., Jr.
Klemm, Richard E.
Knight, Ralph W., Jr.*
Kolata, John D.
Konetzni, Albert H., Jr.
Kott, James R.
Krieger, Dennis H.
Krieger, Eric W.*
Kristensen, Edward K.
Krohne, Theodore K.*
Krueger, Roger W.*
Krueger, Rudolph V.*
Kruse, Harry R.
Kyzar, Sammy B.*
Lacher, Richard G.
Laible, Norman W.
Lamb, James B., Jr.
Landon, John L.*
Lapierre, Terrence P.
Larguier, Isidore, Jr.
Larsen, Donald M.*
Larson, Gary L.
Lashley, Lewis*
Lassen, Clyde E.
Latendresse, Thomas B.
Lauer, John N.*
Lavarre, Claude A., Jr.
Law, James W.
Lee, Howard F.
Lefavour, David A.
Leon, Kenneth F.*
Levien, Henry A.
Levin, Kenneth
Lewis, Earl G., Jr.
Lherault, David J.
Libbey, Miles A. III
Linz, Edwin R.
Linzay, Herman A.
Lischke, Erwin J., Jr.
Litrenta, Peter L.
Lockard, John A.
Lockhart, Albert L.*
Long, Edward C., III
Lonsdale, Paul T.*
Losure, Edward R., Jr.
Luck, David L.*
Ludlow, Ronald G.
Lyford, George Jr.
Lyman, Melville H., III
Madden, Lynn M.*
Maixner, Harold V., Jr.
Marchetti, Michael J.*
Marciniak, Walter Jr.
Marcinko, Richard
Marsden, Richard A.
Martin, Jerome L.*
Martin, Kenneth M.
Martin, Ronald E.
Matson, Howard L.
Matthews, John E.
Mattson, James L.
Mauney, Louie A.
May, Douglas E.
Mayfield, George A.
Mazach, John J.
McCallum, James A.*
McCarthy, Richard J.
McClellan, William D.*
McConagha, David L.
McDaniel, Brinley K.*
McDaniel, Howard R.
McDermaid, Steven W.
McDevitt, James J., Jr.
McFeely, Thomas E.
McGaraghan, Michael J.
McKay, Dennis A.*
McKinley, David H.
McMahon, Thomas W.
McMillen, Robert H.*
McMullin, Lynn D.*
McMunn, David J., Jr.
McRae, Charles R.
Melanson, Alfred J., Jr.*
Mellin, William F., Jr.
Meneeley, William T.
Merchant, Michael G.*
Merritts, Michael H.
Messman, Harold E.
Metzger, William J., Jr.
Meyer, Herman J.
Meyer, John F.
Michelini, Raymond T.
Milam, Lonzo O.
Milioti, Louis D., Jr.
Millard, August V., Jr.
Miller, Calvin O.*
Miller, Harry J., Jr.
Mills, Archibald E., Jr.
Mills, Michael J.
Milner, Scott F.
Mitchell, Charles S., IV
Mitchell John T., Jr.
Moffat, John W.
Montgomery, David J.
Moore, David B. A.*
Moore, John A.
Moore, John C.*
Moore, Robert B., II*
Morgan, Thomas E.
Morris, Ricky K.
Morrison, Virgil E.
Morrissey, Thomas K.
Morrow, Emil D.
Mosley, Thomas J., Jr.*
Mosher, Richard L.
Moyer, Clyde T., III
Mumford, Thomas F.
Murkland, Richard G.*
Murphy, Andrew J.
Murphy, Charles R., Jr.
Murphy, Richard L.
Murphy, Thomas E.
Murray, Robert L.*
Myron, Terry J.
Nakayama, Homer S.*
Negin, Jerrold J.
Nelsen, Lynn H.*
Nelson, Barron C.
Nelson, Thomas S.
Nester, Cletis M.*
Newell, Robert B., Jr.
Newlon, Arthur W., Jr.
Newman, Martin H.
Newton, William J.
Nichols, Aubrey A.
Nicholson, Edwin P.
Nickel, Hilary J.
Nickelsburg, Michael
Norton, James L.
Norwood, Richard L.
Nuernberger, John A.
Nute, Charles C.*
Nutwell, Robert M.
O'Brien, John L.
O'Brien, Robert J.*
O'Connor, Paul P.
O'Connor, Peter E.
O'Donnell, Robert*
Ohlander, Ronald B.
Olen, Harley M.
Oliver, Daniel T.
Oliver, Michael F.
Olsen, Dieter H.*
Olson, Harold M., Jr.
Olwin, James L.*
Onorato, James R.
Orr, William S., Jr.
Owen, Harry C., III
Owen, Harry C. III
Pagano, Frank P.*
Paige, Gordon C.
Pannunzio, Thomas W.
Parish, Roger D.
Parker, Brance J.
Parker, Charles D.*
Parnell, Allan D.*
Paron, John R.
Parry, Thomas L., Jr.
Patten, Freddie J.
Paulsen, William G.
Pearsall, Richard E.*
Perine, Philip C.
Perkins, Henry G., Jr.
Perkins, James B., III
Pernini, James K.
Perron, Robert A.
Perry, Rightly R.
Petersen, Richard J.
Peterson, Eric L.
Peterson, Brent L.*
Peterson, John C.*
Peterson, Lawrence L.
Peterson, Richard S.
Pewett, Robert H.
Pfeiffer, John J.*
Phelan, Richard H.
Picotte, Leonard F.*
Pierce, David I.*
Pierce, Peter W.
Pignotti, Dennis A.
Pivonka, Leo M.*
Pile, Kenneth J.
Plott, Barry M.
Plunkett, Garry R.
Pollock, John C., III
Popp, Robert L.*
Powers, Robert L.
Powell, Robert R.
Price, Joseph M.
Probst, Lawrence E.
Prueher, Joseph W.
Puccini, Donald E.
Purdy, Robert P., Jr.
Purrington, Frederick R.
Quinn, Jeffrey*
Radigan, Matthew J.*
Ralston, Gene D.
Reaves, Curtis F.*
Redd, John S.
Reddoch, Russell
Reighley, Robert W.
Reser, Gerald H., Jr.
Reuthinger, Richard C., Jr.*
Rhode, John R.*
Rhodes, Gerry B.
Raddick, George T., Jr.
Riley, Robert H.
Riordan, Francis P.
Rissecuw, Hugh J.
Ritchey, Glenn W., Jr.
Ritzman, William F.
Robbins, Richard J.
Roberts, William A.
Robertson, Charles L.
Roffey, Robert C.
Rogers, Clyde W.*
Rogers, Howard W.
Rogers, Will C., III
Rosselle, William T.
Roy, James C.
Russell, David L.
Russell, Jay B.
Ryland, Robert B.*
Ryman, Garry J.
Rypka, Allan E.
Saenz, Roland A.
Sager, Harold E.
Sapp, Charles N., Jr.
Sargent, William P.
Saul, Joe M.
Savage, Eugene M.
Scearce, George E.*
Schlichter, Ralph
Schmidt, Clifford B.
Schmidt, Richard H.
Schmitt, Stuart O.
Schnier, Keith L.
Schram, Richard W.
Schultz, James S.
Schwendinger, Ronald G.
Scott, Norman S.
Scott, William R.
Scully, Michael C.
Seay, Marvin E., Jr.*
Selfridge, Harry E.
Seligson, Harold E.
Senappe, John Jr.*
Seymour, Harry A., Jr.
Shaffer, Leslie V., II*
Shanahan, James F.
Shaw, Michael G.
Shepherd, Patrick M.
Shields, Charles D., Jr.
Shiffer, William T., Jr.
Shipway, John F.
Shumway, Geoffrey R.
Shurts, Richard L.*
Sidney, Richard W.
Siebert, Harro H.
Signorelli, Ignatius A.
Silver, Lawrence M.
Simkins, Kenneth R.
Simpson, John P., III*
Sjuggerud, David M.
Smalling, John A.*
Smallwood, Frederick K.
Smith, Bradley E.*
Smith, Esmond D., Jr.
Smith, Gerald C.*
Smith, Gordon L.
Smith, Herbert C. L.
Smith, Ralph F.
Smith, William S., Jr.
Snodgrass, Donald J.
Snyder, Gerald W.
Snyder, Keith R.
Sokol, David
Soucek, Philip M.
Sowa, Walter, Jr.
Spencer, James L., III
Spencer, Robert C.*
Spigai, Joseph J.*
Springer, Robert W.
Sprowls, George F.
Spruitenburg, Fredrik H. M.
Stair, Sammy D.
Staley, Richard J.*
Stamps, David W.
Stankowski, Robert J., Jr.
Staplin, Ralph A.*
Stark, James R.
Starnes, Phillip V.
Stauffer, Barry C.*
Steele, Jon A.*
Stephan, Charles R.
Stevens, Thomas F.
Stewart, Robert P.
Stier, Theodore G.
St. Martin, Ronald C.
Stone, John F.
Stranick, Francis J.*
Stratton, Phil Z.
Strickland, Henry W.
Stromberg, David L.*
Strong, Barton D.
Strong, Walter G., Jr.
Stull, David A.
Suarez, Ralph*
Sullivan, David C.
Sussilleaux, John F.
Sutton, Robert
Swinger, Alan W.
Switzer, William H., III
Taday, Alexander A.
Tangeman, Richard G.
Taylor, Billy G.
Taylor, John M., IV
Taylor, Kermit A.
Teague, Reginald B.*
Telquist, Lee M.
Thompson, Bryce A.
Thompson, Joseph C.*
Thompson, Melvin E., Jr.
Thurman, Ronald J.
Tinston, William J., Jr.
Tipper, Ronald C.
Tisaranni, James
Tobias, Walter A., II
Todd, John H.
Tolbert, James K.
Tolley, Richard L.
Tonti, Louis G.*
Tow, James D.
Tracy, Robert N., Jr.
Trahan, Edwin C.*
Trapnell, Robert G.*
Trieber, Gale R.
Triebel, Theodore W.
Tsukalas, Denis N.

MEDICAL CORPS

Albert, Philip R.
Alvarez, Rosa M.
Anderson, Daniel S.
Aronen, John C.
Ashe, Walter D., Jr.
Auman, James R.
Baggett, James C., Jr.
Barber, Martin S.
Beamis, John F. Jr.,
Beaty, Forrest O.
Beier, James J.
Bell, Robert B.
Berdecio, Eduardo T.
Berg, Samuel W., II
Bigbee, John A.
Booher, Kermit R., Jr.
Braga, Djalma A.
Brown, Fred C.
Bumagat, Ferdinand M.
Burson, Freddy E.
Byrd, John W.
Callaway, Robert A.
Campana, Gerald J.
Ceriani, Philip D.
Chambers, James R.
Chestnut, Julian S.
Coale, Thomas W.
Coleman, Robert M. J.
Danier, Michael J.
Dalton, Conrad I.
Danziger, Richard E.
Tucker, Albert L.*
Tucker, Douglas*
Tucker, Gary L.*
Tuma, David F.
Turner, Laurence H., Jr.
Ulrich, William S.
Unrau, Jerry L.
Usborne, Roger W.*
Vacin, Edward M.
Vajda, Thomas C.
Vanderschroeff, Coenraad
Vanderwier, Gerald M.
Vandyke, John C.
Vanheertum, Bruce
Vaniue, Kenton W.
Vanwinkle, Pieter K.
Viafore, Kenneth M.
Vinroot, Charles A.
Vogt, Frederick H.
Vollmer, Ernest P.
Vroom, James E., II
Wagner, Tod W.
Walden, Kenneth A.*
Walker, Jerry D.*
Walker, Joseph S., IV
Wall, James H.
Ward, Robert F.*
Warren, Ferrell D.*
Watkins, John R.
Watson, Richard G., IV
Webb, Hugh L.
Weed, Wilson G.
Weerts, Gary L.
Weiss, John N.
Welborn, Paul B., Jr.
Welsh, Richard G. T.
Welsh, Walter L.
Wertzberger, Charles R.
Wheat, David R.
Whiffen, Calvin U., III
Whitaker, Roger B.*
White, Raymond M.*
Whitehead, Albert E.
Whitten, Audrey B., Jr.*
Wicker, Charles L.
Wilkinson, Jay H.
Willan, Robert F.
Williams, Donald E.
Wilson, Thomas B.*
Winter, Albert W.
Wise, Aubrey L.*
Witter, Ray C.
Wixom, Robert F.
Wojcik, Raymond T.
Wojtkowski, William S., Jr.
Wolter, Richard C.
Womble, George C., Jr.*
Wright, Daniel A.*
Wright, James R.*
Wright, William H., IV
Zohlen, John T.
Zuberbuhler, William J.
Zwirschitz, Gary W.

Dewell, Larry M.
Dysart, Noel K., Jr.
Fabry, Gerald B.
Fetter, Theodore W.
Fischbach, Howard P.
Florio, Richard L.
Fowler, James T., II
Frost, David S.
Gamas, Francis C.
Gardner, James S.
Gay, Thomas A.
Gibbons, Gary R.
Gilbert, Walter L.
Golden, Stephen M.
Gorman, John R.
Groves, Robert M.
Hambidge, William R.
Handy, Richard D.
Hanlon, Jon J.
Harley, Earl H.
Hengerer, James R.
Heye, George H.
Hire, Delroy
Ho, Ben T.
Hooper, Richard R.
Hopewell, William J.
Hutchins, Richard K.
Johnson, Dennis L.
Johnson, Dennis L.
Kerr, James E.*
Kilpatrick, Michael E.
Kingsbury, William S.*
Kirkman, Robert L.
Klayton, Ronald J.
Larsen, Loren G.
Larson, Susan G.
Lee, Chuck W.
Lee, Jong K.
Leyva, Justiniano C.*
Liston, Steven E.
Llibre, Jose D.
Long, Harry J.
Luttenegger, Thomas J.
Lynch, Donald F. J.
Mack, Gregory R.
Magnuson, Robert L.
Marshall, Paul C.
Marusov, Paul N.
Mason, Dan E.
Massey, Edward W.
Mayhew, James F.
Mazur, David O.
Mazzeo, John T.
McCarroll, John R.
McCole, James R.
McCreary, Maurice L.*
McIlreath, Ricky L.
McIntosh, Bruce J.
McLaughlin, Charles R.
McPhail, Ronald C.
Menacha, Moussa Y.
Mewha, Malcolm K.
Meyer, John G.
Miller, George D.
Miller, William M.
Morris, Thomas O., III
Morrison, John C., Jr.
Murphy, James G.
Nolte, James E.*
Obedoza, Segundino O.
O'Neill, Thomas J.
Othman, Ghalib L.
Otten, Richard H.
Packard, Russell C.
Parker, Robert C.
Parlette, Harry L., III
Pellegrini, Arthur E.
Posner, Mark A.
Powell, Randall W.
Rabalais, Robert R., Jr.
Richmond, David S.
Ritcher, George A.
Roberts, John C.
Robey, Dennison B.
Robinson, Lawrence H.
Rockel, Thomas H.
Ronlov, Carsten S.
Rosenblatt, Elias S.
Ross, Cecily D. G.
Ross, William B.
Rowley, William R.
Ruis, Hernan G.
Saltzman, Stephen L.
Sauer, Curtis M.*
Savides, George
Shaschnig, Robert J.
Schneider, James R.*
Schultz, Thomas A.
Schwartz, Judy E.
Sherman, Maurice P.
Simmons, Leo B., Jr.
Skipworth, Robert D.
Smith, Joseph J.
Soballe, Peter W.
Sohn, Hong
Solares, Arturo H.
Spencer, Jerry D.
Spielman, Charles C.
Stafford, Sam III
Stass, Sanford A.
Stoianoff, John R.
Taub, Martin
Tepas, Joseph J. III
Thalmann, Edward D.
Thompson, Eric N.
Timmons, Robert W.
Tormes, Felix R.
Travers, Henry
Varley, Liwayway M.
Veach, Stephen R.
Vecchione, John J.
Velasquez, Augusto C.
Volpe, Rocco J.
Wagner, Kenneth F.
Ward, Harold W., Jr.
Webster, John S.
White, Thomas E.
Willgrees, Edwin R.
Williams, Terry J.
Wimmer, John E., Jr.
Winkler, Christie W.
Wolski, Eugene J.
Wyre, Harry W., Jr.

SUPPLY CORPS

Anderson, John F.
Armstrong, George R.
Bishop, Henry H. II
Bishop Phillip E.
Black, John F., Jr.
Blaylock, James S.*
Bosworth, Paul R.*
Brighton, Edward E., Jr.
Burgess, Edward L.*
Campisi, Ronald A.
Canale, Vincent T.
Caplan, David A.
Carter, W. J., Jr.
Certain, James D.
Christopher, Donald D.
Cicio, John D.
Cook, Frank C., III
Cook, Herman T.
Cribbin, Thomas M.
Daniels, John G.*
Deane, Thomas J., Jr.
DeJanovich, James P.
Delcoach, Stephen J.
Deruiter, Kenneth
Doran, William E.*
Downer, Glenn I.
Drucis, Timothy J.
Dunkle, Charles T.*
Dunkle, James A.
Earlston, Robert P.
Ebbers, Richard E.
Ebbesen, Preben E.
Evans, Neale W.
Fahrenthold, Harvey K.*
Figueros, Ernest L.
Gabor, John B., Jr.
Gavin, Victor M.*
Gayton, Lewis E.
Gifin, Donald H.*
Gonzales, Virgilio G.
Graeter, William F., II
Green, William T.*
Griffin, Leonard C., Jr.
Gross, Royce A.
Hamilton, Howard H.
Hamilton, James B.*
Heeb, Benny J.
Henderson, Andy L.*
Hephner, Patrick J.
Hoffler, Robert E.
Hopkins, Bruce A.
Hoyt, Michael C.*
Hunter, Don L.
Jaffin, Frederick T., Jr.
Johnson, Paul N.*
Jones, Allan H.
Jones, Eric B.*
Ketcham, Richard D.
Kleckhefer, Edward H.*
Kingston, David T.
Kowalski, Karl A., Jr.*
Less, Joseph G., Jr.
Lord, Clifford C.
Lovett, Heyward M., Jr.*
Martin, Patrick E.
Mate, Gerald E.
Mayer, Carl M.
McCook, Kevin W.
McCormack, Robert S.
McDonald, John F.*
McGavran, Samuel B.
Mesterhazy, Andrew P.
Meyer, Fred L.
Miser, Robert J.
Modrowski, Richard W.
Monteith, Gary H.*
Mullen, John D.
Norton, Ronald W.
Patterson, Kenneth L.
Payne, David A.
Pittman, Harold S.*
Privateer, Charles R.*
Rapp, Carl A.
Reagan, Joseph E.
Rebarick, William P.
Rutherford, David O.*
Santucci, David M.
Scroggs, Clifton R., Jr.*
Simpson, Steven E.
Spradlin, Willie L.
Thompson, Ronald H.
Torrey, Tracy E.*
Tucker, James T.
Tuggle, Richard C.
Tyson, George J., Jr.
Vigrass, David H.
Walker, Francis D., III
Walsh, Martin J.*
Webb, James M.
Weekes, James E.
Wilde, Charles L.
Wilkinson, Ronald C.
Yeatts, Ralph L.

CHAPLAIN CORPS

Baldwin, John F.*
Bevins, John J.
Billings, Bennie I.*
Blackburn, Warner P.
Boerger, Antonine
Bond, Thomas D.*
Bouck, Wayne L.
Briske, Larry F.*
Carson, Bobby C.
Crowe, Richard R.
Day, Richard T.
Depascale, Daniel F.*
Dike, William L.*
Dressler, Raymond H., Jr.
Eckles, James W.*
Essex, Otis D., Jr.
Ethridge, William M.
Everts, Paul J.*
Fiol, John R.*
Forrester, Oscar B.*
Ganaway, Samuel
Greco, Robert J.
Hannigan, Richard F.
Hettish, Richard C.
Holderby, Anderson B., Jr.
Huebschman, Merlin E.
Hummer, George B.*
Kelley, Edward J., Jr.
Klapps, William J.*
Lesher, John Q.*
Macho, George S.
Martin, Henry I.*
O'Connor, R. Conway
Olander, Edward A.*
Parker, Charles R.*
Pocock, Thomas R.*
Rothermel, Fred A.
Rutherford, James H.*
Sestito, Joseph N.
Slattery, Maurice C.
Spreier, John E.*
Starling, Ira C., Jr.
Swift, Roy O., III*
Thompson, Irvin H.
Turner, Jerome R.
Whitsell, John L.*
Williams, Paul H.*
Wright, John M.

CIVIL ENGINEER CORPS

Ahl, John S.
Baratta, Mario A.
Bare, James C.*
Bersani, Robert R.*
Bilden, Richard P.*
Bohning, Lee R.
Bonderman, Warner E.*
Clayton, James B.
Connelie, Thomas P.*
Coston, Oscar L., Jr.
Donnelly, William P.
Estes, George B.*
Fusch, Kenneth E.
Gagen, Robert E.
Gallen, Robert M.
Green, Joseph B., Jr.
Gunn, Alexander C.
Hall, Frederick S., Jr.
Hartman, Franklyn J.
Herrell, Orval G.
Hilderbrand, William C.
Hopper, Mark A.
Jokela, Carl R.*
Kelley, Timothy C.
Long, Thomas A., Jr.
McTommey, William P.
Milkintas, John C.
Mitchum, William R., III
Olsen, Ole L.
O'Neill, Charles P., Jr.
Rein, David A.
Riggin, Donald C., Jr.
Runberg, Bruce L.
Schlesinger, Francis D.
Simon, Charles R.*
Stark, James R.*
Stevens, Joseph M., Jr.*
Valenti, Alan C.
Watson, Francis X.

DENTAL CORPS

Acquavella, Richard F.*
Altaras, David E.*
Ancowitz, Stephen J.
Backlund, Gary A.
Barco, Martin T., Jr.*
Beastall, Raymond H.*
Biiger, Kenneth B.*
Brandt, Alfred E.*
Brian, John D., Jr.*
Brown, James K.
Budnikas, Peter K.
Carlberg, Terry L.
Carlson, Robert B.
Chang, Ronald S. N.*
Crowley, Leo V., Jr.
Cunningham, Walter T.*
Curry, Robert L.
Daley, Arthur S., Jr.*
Davies, Jonathan F.*
Davis, Kenneth J.*
Doblecki, Walter
Durso, Peter J.
Eakin, Donald R.*
Eschete, Earl P.
Escude, Leon R.
Farace, Anthony J.
Garrett, William R.
Gher, Marlin E., Jr.
Hanst, Michael T.*
Hargrave, John W.*
Herrman, Larry G.
Innes, Joseph C.*
Isaacson, James H.
Johnson, Peter F.
Kielt, Raymond J.
Kris, John F., Jr.
Kuhl, Larry V.
Kurtz, Glenn A.*
Lange, Walter M., Jr.*
Leff, Eldon R.*
Lewis, Doyle M.
Lynde, Thomas A.*
Malin, David M.*
Marchelya, Lawrence S.
McKinley, Lawrence D.
Moore, James D., Jr.*
Mudler, James T., Jr.*
Owens, Gayle A.
Patterson, Michael W.
Pentecost, Robert L.
Ponsler, James R.
Post, Robert M.*
Quine, Gary D.*
Rapps, Daniel M.
Rathbun, Walton A.
Richards, Mark W.*
Riemann, Richard A.*
Rippert, Eric T.
Rog, Richard P.*
Romine, Gilbert F.*
Rothermel, Richard A.
Schroeder, John D.*
Schroer, John C.
Scott, Steven H.*
Silverthorn, Thomas L.
Smyth, Robert N.*
Stevens, Randolph M.
Sweet, Phillip M.*
Taybos, George M.*
Tereshalmy, Gene T.
Vinton, Jeffrey R.
Walker, William A.*
Warnock, Gary R.
Wattenbarger, Clyde K.*
Werrell, Joseph M.*
Wilson, William H.*

MEDICAL SERVICE CORPS

Anderson, Dennis G.
Ashburn, James H.
Bates, James F.
Berghage, Thomas E.
Beuchler, Lamarr G.*
Bienkowski, Faustyn J.*
Biersner, Robert J.
Bondi, Kenneth R.
Briand, Frederick F.*
Collings, Donald E.
Connors, Francis S.
Cook, Elvis D., Jr.*
Cunningham, William F.
Dalton, James T.
Dekrey, Charles R.
Denison, Neslund E.*
Devault, Richard L.*
Duley, John W., Jr.
Eklund, Paul G.
Evans, Delbert E.
Fisher, Frank D. R.
Fisher, Stephen T.
Gaugler, Robert W.
Johnson, Larry W.*
Lewis, Larry A.
Loar, Charles R.
Maynard, William S., Jr.
McCullah, Robert D.
McManaman, Vincent L.
Oglesby, Norman G.
Osment, Bob L.*
Parsons, William M.
Riley, Phillip T.
Schinski, Vernon D.
Schubert, Deane E.
Shaver, Roger G.
Sholdt, Lester L.
Sippel, John E.
Smith, Lamar R.*
Spillman Graham B., Jr.
Stant, George M., Jr.*
Stefanakos, Thomas E.
Thomas, Thomas E.*
Truman, Patrick A.
Uddin, David E.
Veckarelli, Donald T.
Vickermane, Raymond H.
Windhois, Francis L.
Wood, Duell E.*
Woodman, Daniel R.
Young, John W.

JUDGE ADVOCATE GENERAL'S CORPS

Baker, James N.
Coyle, Robert E.*
Ellis, Charles E., Jr.*
Garrett, Henry L., III
Gordon, John E.
McMahon, Dennis C.
Miller, John R.
Pinnell, James E.
Ratzlaff, Richard R.
Rogers, James N.
Rohner, Richard A.*
Schachte, William L., Jr.
Strow, Peter H.
Weigle, Gerald F.*
Willever, Kent A.

NURSE CORPS

Betsch, Janice R.*
Bronokoskie, Ann M.*
Coltharp, Dove A.*
Dlouhy, Elaine J.
Grace, Roberta J.
Grigg, Peggy J.
Hicks, Shirlee C.*
Hildebrand, Patricia A.
Hill, Shirley A.*
Holmes, Sandra A.
Iwata, Miki
Lee, Annelle K.*
Linehan, Patricia A.
Lufkin, Janice M.
McClelland, Jerry W.*
McCumber, Susan A.
Miesko, Judith A.
Murphy, Rosemary E.
Pike, Helen J.
Smith, Ruth H.
Stoll, Caroline J.
Tate, Catharine*
Uischmid, Margaret M.
Whalen, Delores M.*
White, Patricia M.*
Wright, Dolores A.
Yates, Minnie S.*

The following-named women lieutenant commanders of the U.S. Navy for permanent promotion to the grade of commander in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

Bell, Barbara F.
Cook, Dixie C.
Hansen, Kathleen
Holmes, Gloria A.
Motz, Ingrid M. I.*
Tracy, Barbara O.
Turner, Bonnie L.
Turner, Margie L.
Ward, Gail M.
Wilmot, Louise C.

IN THE NAVY

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), 5791, and 5793 (Medical and Dental Corps), subject to qualification therefor as provided by law:

LINE

Aasen, Roy V.
Able, Guy H., III*
Achille, Franklin S.
Acre, Clifton H.*
Adams, Roger C.
Adcock, Fred E., Jr.
Aiken, Joel W.*
Akin, Lawrence E.
Akins, Olen C.
Alexander, David J.*
Alfieri, Paul A.*
Alford, Ralph M., Jr.
Allen, Barry R.
Allphin, James A.
Alm, Steven W.
Altizer, Robert D.
Altmann, Raphael J., III
Ambersley, Robert T.
Ammons, Richard P.
Andersen, Richard F.*
Anderson, Don R.
Anderson, Kenneth N.*
Anderson, Marc E.*
Anderson, Merlin F.*
Anderson, Russell L.
Anderson, Samuel E.*
Anderson, Terence L.*
Anglim, Edward P.*
Antrim, Stanley R., Jr.*
Archambo, Hubert E., Jr.*
Archer, Dennis L.
Arfman, John F., Jr.
Armstrong, William E.*
Arnold, Michael J.*
Arthur, Marvin L., Jr.
Arthur, William C.
Ashlock, Edward L.*
Ashmore, George W.*
Ashworth, Robert A.
Auckland, John S.
Augustus, James R.
Austin, John D., Jr.
Avila, Richard F.*
Aycock, Joe E.*
Ayers, Douglas P.*
Ayers, James L.
Baber, Dennis R.*
Backes, Douglas A.
Backlund, Bruce E.
Baeder, Robert A.
Bailey, Bernis H.
Baker, Mark C.
Baker, Stephen H.
Balisle, Phillip M.
Balke, Phillip L.
Ballew, William T.*
Bankart, William D.*
Barasha, Lewis M., Jr.*
Barber, Charles H., III
Barbero, Mark*
Barbour, Richard E., Jr.
Barclay, Robert D.
Bardal, David L.*
Barnes Thomas D., II
Barnett, James H.*
Barratt, James T.
Barrow, Ronnie L.*
Barrowman, Glenn J.
Batteen, Earl R., Jr.*
Baucom, Larry C.
Bauer, Louis W.
Baumgartner, William E.
Baxter, Robert M.
Baylis, Robert O.*
Beach, Don F.
Beatty, Larry V.
Beck, Allen E.*
Bell, Edison L.
Bell, Howard F.
Bellamy, Malcolm E., Jr.
Bellamy, Robert R.
Bender, Gene P.
Bender, John F.
Bengtson, Loren D.
Benjes, Christopher
Benko, Michael J.
Benning, Vale J.
Benson, Rodney L.
Bepko, John J., III
Bermudes, Eulogio C.
Bernsen, Thomas J., Jr.
Berree, Norman G.
Berthiaume, William F. H.
Bertsche, Roger B.
Bethke, Gary W.
Beuerlein, Alan F.
Biernesser, James C., Jr.
Biggers, Edward M.
Bingay, Charles P.
Birch, Howard L., Jr.*
Bisgrove, Michael E.
Bishop, Robert A.*
Bissell, Robert E.
Black, Terrence W.*
Blackburn, Gregory R.
Blackwood, Peter S.
Blake, Clifford D.
Blank, David A.
Bloom, Wade D.
Blount, Wilburn M.
Bobo, Billy J.
Bobo, Jerry L.
Bock, Jim B., Jr.
Bogosian, David E.*
Bohman, Richard B.
Bolin, Phil W.
Bollenbacher, Robert A.
Bonacquisti, Frank Jr.*
Bond, King C. P., Jr.*
Bone, John F.*
Bonnett, John W.*
Boor, Leo J.*
Borgmann, Frederick W.
Boucree, Raymond J.
Boudreaux, Joseph C., III*
Boughton, Phillip G.
Bovey, Robert D., Jr.
Bowler, Daniel R.
Boyle, David J.
Bozin, William G.
Bradley, Howard A.
Bradshaw, Michael J.*
Brady, James R.
Brands, Robert K.
Branum, Jerome S.*
Brasil, Robert F.*
Brawn, Michael D.
Breese, Jack R.
Brennan, David M.
Brenner, Robert C.
Brevig, Leroy D.*
Bristigam, Charles T.
Brookbank, Michael A.
Brooks, Wayne G.
Brown, James M.
Brown, Paul M.*
Brown, William H., Jr.*
Browning, Jonathan E.
Brunings, Robert E.
Bryan, John R.*
Bunnell, David L.
Burbrink, Roger R.*
Burgess, David R.
Burgess, Ross W.
Burlin, David S.*
Burtchell, Steven G.
Bush, Frank J., Jr.
Bushore, Robin P.
Butler, Charles L.*
Butler, Lonnie D.
Butorac, George E.
Bussell, Brian V.
Byers, Bernarr M., Jr.
Byrd, Carroll D.*
Byrne, Neil F.
Byrne, Thomas M.*
Cahill, Edward A., III
Cahill, Philip T.
Cain, William A.
Cairnes, George W., III*
Callahan, Dan L.
Callahan, Roy H.
Cameron, Kerry D.
Campbell, Cager W.*
Campbell, Robert B.*
Campbell, William R.
Capps, Charles J., Jr.*
Carey, Geoffrey M.
Carey, John D.
Carlson, David R.
Carrier, John X., II*
Carroll, Charles R.*
Carroll, David A.*
Carroll, Gerald J., Jr.
Carroll, James W.*
Carroll, Kenneth W.*
Carter, James B., Jr.
Carver, Bobby W.*
Casey, Rodney L.
Cash, Paul D.
Cassedy, William A., IV
Cassidy, Richard M., Jr.
Cast, Frederick A., Jr.
Castro, Ignacio, Jr.*
Caswell, Gary J.
Cataldi, Richard A.
Catania, John J.*
Caton, Robert N.
Chambless, James E.*
Champney, Robert K.
Chance, Thomas H.*
Chandler, Frank L.
Chase, Andrew B.
Chatham, Ralph E.
Chenevey, John V.
Chewning, Warren C.
Chisholm, Leonard M.*
Chitwood, Orvis H., Jr.
Choop, Daniel M.
Christian, Roy C.*
Christiansen, Carl S.*
Christianson, David L.
Churins, Peter R.*
Cipriani, Alfred L.
Claggett Ronald L.*
Clark, Allan F.*
Clark, Garnett Y., III
Clark, Richard E.
Clark, William L., III*
Clayton, Richard E.
Cleland, Todd
Clement, Orrin P.
Clifford, William F.*
Clifton, Lowell D.
Cocolin, David P.
Cohen, Joseph J.
Colantoni Anthony V.*
Coll, William F.
Collins, Neil J.
Colucci, Robert J.
Colvin, Joe F., II*
Comeau, Thomas A.*
Compton, James L., Jr.
Compton, James R., III
Conallen, Michael J.*
Conatser, Charlie C.
Conaway, Richard E.*
Conley, William E.
Connell, John C., Jr.
Connor, Thomas E.
Conrad, John W.*
Corbin, Ridgeway W., II*
Corbitt, James A., Jr.
Corcoran, Thomas J.*
Cordes, Donald L.
Corey, Robert O., Jr.*
Corley, Gwinn E.*
Cosgriff Robert W.*
Cox, Earl F.
Coxe, William K., Jr.*
Coyle, Barry J.*
Craddock, David G.*
Crain, Robert L., Jr.
Crandall, Charles K., Jr.
Crandall, Scott M.*
Crawford, Keith E.
Crecelius, Frederick E.
Crellin, Bruce E.*
Crenshaw, Keith V.
Critzer, Arthur E.
Crotts, Raymond B.
Crouch, Christopher
Croucher, Barry L.*
Cruser, Thomas P.*
Cuccias Robert F., Jr.*
Cudia, David T.*
Culmer, Bruce B.
Cummings, Kevin P.
Curley, William H.
Curry, Samuel G., II*
Curtis, John M.
Curtis, Keith P.
Cutcher, John M.
Cutler, Thomas J.
Cyboron, Robert E.
Czech, Gregory J.
Dady, Mark W.
Dailey, Eugene T.
Dallman, Roger A., Sr.*
Dame, Roderick W.
Dampier, Craig R.
Daniels, James N., Jr.
Dannecker, Ronald H.
Darling, Larry W.
Darnell, Thomas R.
Davis, Charles C.*
Davis, Dean O., Jr.*
Davis, Earl R., Jr.
Davis, Kenneth D.*
Davis, Neil C.*
Davis, Noble S.
Davis, Roderick F.*
Davis, William O.
Davison, Henry G.*
Dawes, Larry E.
Dawson, Donald R.
Day, Robert S.*
Dean, Thomas E.
Deantonio, Robert F.*
Deaver, William N., Jr.
Deeter, Michael L.
Dejaegher, Richard H.
Dempsey, Francis B.
Dempsey, Peter M.
Detwiler, Donald V.*
Deutsch, Joseph K.
Devries, Peter J., Jr.*
Dewey, Roger S.
Dickey, James A.
Diddlemeyer, Lawrence F.*
Digennaro, Timothy J.
Dimuzio, Robert G.
Dixon, Lewis R.
Dobbins, Dennis G.
Dobrydney, Frank J.
Dobson, Anthony L.
Dodd, Jack D.
Dodd, Richard P.
Dodge, Frederick J.
Doehring, Robert F.
Doempke, Gerald T.*
Doherty, Hugh F.
Dominique, Leo G.
Dorsey, Edward B.
Doud, William E., Jr.
Dougherty, Thomas J.*
Dranchak, John C.*
Dreesen, Robert W., Jr.
Drew, David O.*
Drier, Melvin F.
Driscoll, William P.
Driver, John E.
Dubeau, Robert W.
Duckworth, Eddie L.*
Dudley, Harrison G., Jr.*
Dueringer, Richard L.
Duignan, Michael J.
Duke, Arnold L.*
Duma, David W.
Duncan, Lynwood H.
Dunn, Carl B.*
Dunn, Franklin T.
Dunn, Michael O.
Dunn, Vance G.
Dunning, James L.*
Dunning, Kenneth G.*
Durham, James L.
Duval, David A.
Duvall, George E.
Dyer, Joseph W., Jr.
Eason, John W.
Eason, Richard A.
Eby, Ronald G.*
Eckes, George H.*
Edgington, Bobbie G.
Edmonds, Carl H.*
Edwards, Raymond L.
Egan, Dennis J.
Ege, Robert P.
Ehemann, David A.*
Eick, Ira J.
Ekl, John C.
Elfelt, James M.
Elfers, Glen E., Jr.
Elias, William T.*
Elleson, Stephen D.
Elliott, Robert H.
Elliott, Thomas J., Jr.
Ellison, Curtis J.
Ellison, David R.
Enevoldsen, Jack
Epley, Clinton E.
Erickson, Donald P.
Erickson, Sidney L.
Ertel, Gregory W.
Erti, Charles C.
Ertischweiger, John T., II
Estabrooks, Joseph O.
Etheridge, Melvin R., Jr.*
Evans, Robert B., Jr.
Evans, Robert S.*
Evans, Steven R.*
Evermann, George S.
Fahrenkrog, Steven I.
Faneuf, Leo J., III*
Fargo, Thomas B.
Farley, James M.
Farrell, Gerard M.
Farrington, Robert P.
Faulkner, George P., Jr.
Featherstone, John V.
Felerabend, Richard C.
Felgate, George
Fellows, Mark D.
Felton, Bobby J.
Fenn, Marshall E.
Fenton, John W.*
Ferber, Allen A.
Fergione, John A., Jr.
Ferguson, Jeffrey E.
Ferguson, Paul F.*
Ferretti, Edwin D.*
Ferriman, Robert L.*
Ferris, Richard L.*
Ferver, Robert G.
Feesenden, Richard E.
Fike, Raymond F.
Finan, Kevin P.
Findrick, Edward J.
Finfrock, Patrick*
Finley, Jeffrey A.
Fiser, Larry D.
Fisher, Glen A.
Fisher, Jack A.
Fiske, Richard P.
Fitten, John A.
Fitzgerald, Dennis J.*
Fitzgerald, Lynd L.
Flanagan, Thomas J.
Flood, Stephen M.
Ford, Jerry W.
Forness, William L.
Forsyth, William M.
Fowler, Paul L. Jr.
Fowler, Thomas V.*
Francisco, Larry J.*
Franklin, Gary W.

Franzoni, John C., Jr.*
Frasher, Steven J.
Fraunfelder, Maurice F., Jr.
Frawley, James R.
Fredricksen, Robert A.
Freybe, Harald
Fry, Scott A.
Frysinger, James R.
Fuellenbach, Joseph C.
Funke, Richard H. III
Gagliardi, Dennis L.
Gaillard, Franklin D.*
Gana, John C.
Gannon, Harvey J., Jr.
Ganthner, Raymond W.
Gantley, John E.*
Garavito, Donald E.*
Gardner, Dale A.
Gardner, Daniel E.
Garrahan, Richard*
Garrett, Spencer L.*
Garrett, William S., Jr.
Gastrell, Philip C.
Gates, Richard W.
Gatewood, John L., Jr.
Gatewood, Joel W., Jr.
Gauss, John A.
Gauthier, Maurice A.*
Gepford, Richard D.
Germany, Charles J.
Getsinger, Clarence L.
Giannaris, Robert J.
Gibbens, Richard J.*
Gibbs, Thomas R.*
Giesemann, Frank T.
Gillespie, Thomas R. II*
Gillies, Dugald L. M.
Giraldi, Walter R.*
Gist, Walter J.
Glover, Thomas J.*
Goehring, Clayton A.
Goldberg, Allan T.
Gongaware, William R.*
Goninan, Harvey G.*
Goode, Thomas G.
Goodmundson, Gary C.*
Goodnight, Lyman E., III
Goodrum, Daniel J.*
Goodwin, Hugh G.*
Gordon, Alan L.
Gordon, Edward P.
Gordon, George M.*
Gorman, Paul R.
Gorthy, Alan R., Jr.
Gospodarec, Donald S.
Goss, Marlin E.
Gourley, James E., II
Gradisnik, Gary A.
Gragg, William L.
Graham, David L.
Graham, Dennis L.*
Graner, William R.
Grant, Frederick I.
Grauert, Christopher M.
Graves, David H.
Gray, Craig A.*
Gray, Robert J.
Green, Leon C., Jr.
Greene, Joseph M., Jr.*
Greene, Justin N. D.
Greer, Richard E.*
Gregory, Thomas
Grehawick, Gregory D.
Griffin, James C.
Griffin, Mallie A., III
Griffith, Curtis B., II
Grittsen, Edward F., II*
Grove, Dale M.
Guardiano, Jerry J.
Guilford, Walter B.
Gunter, Clarence E., Jr.
Guppy, Gerald F.
Gutridge, Wallace G.
Hackenburg, John R.
Haddock, Joseph W., III
Hagee, Edmon D.
Hager, Alan R.*
Hagood, James T.
Hahnfeldt, Don V.
Haight, Richard W.
Haigis, John
Hall, Richard W.*
Hall, Stephen J.
Hallenbeck, David L.
Haller, Bernard J.*
Halliday, Alvin L.
Halwachs, Thomas E.*
Hambley, James G.
Hambrecht, Robert M.
Hamilton, Baker Robert
Hamilton, Leon B., Jr.
Hammes, Richard K.*
Handlers, Robert G.
Hanna, Norman W. III
Hansell, William R., Jr.
Hanson, Gary A.
Hanson, Kenneth W., Jr.
Hanson, Terris L.*
Harbison, Donald S., Jr.
Harold, Thomas L.
Harris, James L.*
Harris, Robert C.*
Harry, David A.
Harry, Robert M.
Hart, George L.*
Hart, Terry C.
Hartman, Charles R.*
Hartmann, Bruce M.
Hartsell, Gerry R.
Hash, Steven P.
Hastings, James J.
Havel, Richard W.*
Havlik, Charles E.
Hawkins, John B., Jr.*
Hayball, Robert M.
Hazelrigg, Steven A.
Healy, Donald J.*
Healy, Robert J.
Heath, Terrill S.
Heilman, Stephen C.
Held, Rene*
Helfen, William
Helin, William C.
Helsley, Ronald E.
Henke, Milton P., Jr.
Hennegan, Dennis S.*
Henning, Peter J.
Henry, Joseph G.
Hensch, Richard L.
Herbert, Robert S.
Herrman, Larry V.
Hester, William L., Jr.*
Heuchert, Richard H.
Hewett, Michel E.
Hickey, William A., III
Hichman, William F.
Higdon, Ronald G.
Higgins, Edward J.
Hilburn, John E.*
Hildebrandt, Thomas G., Jr.
Hill, Michael L.
Hill, Robert W.
Hill, Roger D.
Hillmann, Leo C.*
Hills, Ronald E.*
Hillyer, Richard S.*
Hilton, Hugh A.
Hobbs, Harold T.*
Hobbs, Hurshel B., Jr.
Hobgood, William H.
Hodges, Dean C.
Hohn, Joseph F.
Hoff, Norman L., Jr.
Hogan, Daniel T.
Hoge, Donald C.*
Hognander, Orville C., Jr.*
Holbrook, Wade D.
Holden, Harvey G.*
Holder, Paul B.
Holiway, Weldon Y.*
Holland, Daryl T.*
Hollerbach, Robert J.*
Hollinger, Wayne M.
Holloway, Wyman L., Jr.
Hornberger, William B.
Horton, John V.
Horton, Ronnie R.
Howard, Donald R.
Howard, Philip G.
Howarth, Gary L.*
Howell, Robert D., Sr.*
Hughes, John G.
Hulatt, Keith W., Jr.
Humberd, Calvin C., Jr.
Hume, Robert L.
Hunt, Lawrence B.*
Hunter, David T.
Hunter, Edward E.
Hunter, Harry S.
Hunter, Peter G.
Husted, George G.
Ihrig, Clyde J.
Ikuma, Gary K.
Ingram, Carl E.*
Isele, Charles P.
Issi, Dominick F., III*
Jackson, Lavern A.
Jacobs, John W.*
Jacobsen, Lloyd S.
Jacobson, John F.
Jacques, Harry A., Jr.
Jadryev, James M.*
Jahn, Theodore B., II
James, Bobby C.
James, Gary B.
Jamison, Michael E.
Jaques, James A., III*
Jarina, Michael P.*
Jarman, Roger C.
Jarrell, James R., IV
Jeffries, Charles L.
Jennings, David B.*
Jewett, Eric L.*
Jinks, John B.
John, Paul M.
Johnson, Charles M.
Johnson, Christopher H.
Johnson, Don M.
Johnson, Robin R.
Johnston, James E.
Johnston, Wilford P.
Jones, Earl R.
Jones, Fred C.
Jones, Harland W., Jr.*
Jones, James S.
Jones, Michael O.*
Jones, Talmadge C., II
Jorgensen, Alfred C., III
Joyce, James M.
Judd, William H., III
Justiss, Ronnie L.
Karcher, James N.
Kearley, John J.*
Keen, James D.
Keenan, Michael F.
Kellar, Richard A.
Kellner, Harry H., Jr.
Kellum, William C., Jr.
Kelly, Robert J.
Kendrick, James L.
Kennedy, Kenneth L.*
Kennedy, Kraig M.*
Kennedy, Reginald R.
Kenney, Daniel F., III
Kern, Robert D.*
Key, Kenneth W.
Kidder, John L.
Kidder, Paul A.
Kimble, Gerald A., Jr.
Kirby, James D.*
Kissell, Peter B.
Kistler, Jay R., Jr.
Klassen, Kenneth W.
Klemm, William R.
Klich, David J.
Kline, Howard K.*
Kline, James G., Jr.
Klinger, James E.*
Klocek, Thomas E.*
Knecht, Jacob F., Jr.
Knieriem, Guy R.
Knutson, Andrew C.
Kockler, Frank R.*
Koller, John*
Koning, Jack A.
Korinis, Peter W.
Kratt, Clifford L.*
Krupp, Thomas M.
Krygier, Thomas J.*
Kutys, John V., Jr.
Kyle, William C.
Lagrone, James M.
Lahren, Jack W.*
Lakser, Lawrence J.
Lale, Tully S.
LaMartin, Douglass H.
Lame, Philip C.*
Lancaster, Emmett J., II
Lance, Peter M.
Landers, Jerome C.
Landry, James R.
Lanoux, Steven M.
Lansing, William E.
Larcck, Robert E.
Larsen, Larry M.
Larson, David A.
Larson, David R.
Larson, James R., Jr.*
Larson, William D.
Latham, Rodney G., III
Laturno, Raymond J., III
Lusten, Eric R.*
Lautenschlager, Jack A.
Lawing, Charles W.
Lawless, Patrick H.
Lawrence, James R.
Leake, Laurence W.*
Lear, Richard B.
Leath, Dudley W.
Lechtenberg, Richard C.
Leeder, Frederic G.
Lekberg, Eric L.
Lemke, Robert J.*
Lentner, Russell W., Jr.
Lentz, Joe B.
Leonidoff, Leon J.
Lerseth, Roger G.*
Lewis, Billy L.*
Lewis, Kirk T.
Liebschner, Douglas V.
Liles, John U., Jr.
Lind, Stephen M.*
Lindner, William G.
Lineman, John J.
Lingan, James N.
Lippincott, Lincoln H., III
Little, Robert E.
Liussi, Donato A.
Locke, Gary W., Jr.
Locke, John S., Jr.*
Lohmeyer, Lonnie F.
Londot, Jack L.*
Longaker, Chester C.
Looft, Vincent F.
Lopez, Clyde C.
Lord, Francis B.
Losh, Dennis M.
Loturco, James S.
Lovejoy, Jay E.
Lover, Kevin F.
Lowe, Douglas T.
Lucero, Seferino*
Luck, Eugene W.
Ludwig, Arthur W.
Luebbecke, Donald S.
Lund, Robert M.
Lunney, Francis M.
Lunsford, Hollis E.
Lyda, William W.
Lyman, Richard L.
Maas, Edwin Jr.*
Mabry, Robert C., Jr.
MacDonald, Joseph M.
MacDougall, Joseph S.*
Mace, Frederick E., Jr.
Mack, Lawrence J., Jr.
MacKenzie, Gordon A.*
MacLaren, William F.
Macy, Earl E.*
Mader, Thomas W.
Madren, Amos B.
Mady, Clemens J., Jr.
Magnan, William J.
Mahoney, Leon F.
Majchrowicz, Edward J.
Malone, Laurence J.
Malone, Michael D.
Maloney, Patrick J.
Mancini, Anthony J.
Mann, David R.
Marco, Phillip C.
Marits, Edward G., Jr.
Marsh, Michael T.
Marsh, Robert D.
Marshall, Steven A.
Martin, David F.
Martin, Peter W.
Martin, Richard F.
Martin, Robert S.
Martines, Luis C.
Martino, Michael F.
Massetti, Ennio*
Masica, John M.*
Mast, Raymond L.
Matthes, Gregory W.
Matthews, Tim W.
Maurer, Heins G.*
Mautner, Donald A.
Maxwell, George G.*
Maxwell, Gregory L.
May, Albert L.
Mayhew, Lance H.
Maynard, Teddy R.
Mayo, Robert E.*
Mazzafro, Joseph M., Jr.
McAfee, John D.
McCabe, William C.
McCain, John L.
McCain, William T.*
McCamish, Michael J.
McCleer, James L.
McClellan, Malcolm W., Jr.*
McCully, Michael J.
McCullough, David G.
McDevitt, Robert J.*
McDonald, James M.
McElwee, Charles G.
McFillin, James F., Jr.*
McGahan, Michael P.
McGee, Thomas E.*
McGrath, Joseph W.*
McGuire, Edward P.
McHenry, Stephen W.*
McInchok, George S., Jr.*
McInnis, Richard D.
McIntosh, Richard C.
McIntyre, Lewis F.
McKaige, George T., Jr
McKay, Russell L.
McKee, Thomas E.
McKeldin, Charles E., Jr.*
McKenzie, James R.
McKeown, James B.*
McKim, John H., Jr.
McKinney, Douglas L.
McLain, John H.
McLean, Angus L., Jr.*
McLean, Owen D.*
McNamee, John R., Jr.
McNeil, Maurice M., Jr.*
McNulty, Patrick L.
McPheeters, James H., Jr.
McPherson, David A.*
McSorley, William J., III
McWilliams, George R.
Melchioris, Charles J., Jr.
Melton, James D., Jr.
Merrick, Walter F., II.
Merrill, Dean R., Jr.
Messersmith, Ronald E.
Messing, James A.*
Messman, George R.
Meteer, Thomas D.*
Metzger, James W.
Metzger, Paul C.
Meyertholen, Joseph A., Jr.
Michaelis, Frederick H., Jr.
Mickett, Thomas G.
Middleton, Michael E.
Mihalak, Edward
Miller, David D.
Miller, Gary A.*
Miller, Michael L.
Miller, Steven W.*
Miller, Thomas P.
Miller, William R.*
Milner, Daniel D.
Mixter, Henry F., Jr.*
Mock, Jesse I., Jr.
Moffit, James W. Jr.*
Mohn, John G.*
Molloy, James W.*
Moneymaker, Patrick D.
Monroe, John F.*
Moon, Ronald R.
Moore, Eric C.
Moore, George M.*
Moore, Harry R., II.*
Moore, Keith T.
Moore, Ronald B.
Moore, Stephen R.
Moore, Wesley H.
Morales, Vicente*
Moran, Gary W.*
Morgan, Michael C.*
Morgan, Newton H., Jr.
Morin, Paul R.
Morrell, Michael F.
Morris, Ralph L.
Morse, John P.
Moeby, David C.
Moseley, Ronald P.*
Moser, Thomas G.
Moussette, David K.*
Mrowczynski, Ronalid M.
Mueller, Robert A.*
Mugg, William A.
Mullaly, Lawrence A.*
Mullen, George A.
Mullen, Michael C.
Muller, David G., Jr.
Mullins, William P.
Mulroy, Charles E.
Munninghoff, Jay M.*

Murphy, Dennis G.
Murray, Marshall R.
Murray, Michael A.*
Muth, Michael A.
Myers, Albert C.
Myers, Terry R.
Naeve, Jerry M.
Napior, Dennis A.
Nash, Donald H.*
Nash, Edward S., III
Nassar, Albert N.
Nation, Charles W., Jr.*
Neal, Teddy M.*
Nechvatal, Charles J.
Neighbors, Earnest L., III.*
Nelson, Gary S.
Nelson, James M.
Nelson, Kenneth L.
Netzorg, Gregory B.
New, Melvin R.*
New, Millard W., Jr.
Newman, Michael S.*
Newsome, Larry D.
Nichols, David F.
Nichols, Paul M.
Nickels, Lowell H.*
Nie, John C.
Nieuwsma, John E.
Ningen, Russell K., Jr.
Noble, Jerry R.
Nolan, Terry R.*
Noland, David J.
Noonan, Thomas F.
Norton, John A.
Nunn, Ronald G.
Nurthen, William A.
Nusom, Frank A., Jr.
Oakes, John R.
O'Brien, Leslie J., III
Ochs, John L.
O'Connell, Brian J.
O'Connell, John T., Jr.
O'Connor, Theodore J.*
O'Dell, Charles F.*
O'Donnell, Robert B.*
Oehler, James C.*
Oehler, Michael W.
Ogden, Frank E., II
O'Hara, Stephen F.
Ohlinger, John F.*
O'Keefe, Michael J.
Olsen, Charles C., Jr.
Olson, David R.*
Olson, James A.*
Olson, John T., Jr.
Olson, John S.
Olson, Wayne R.
O'Malley, Barry P.
O'Neal, Richard E.
O'Neill, Bruce M.
O'Neill, John, Jr.
Onyon, Dale E.
O'Rourke, Ernest R.
Orr, George H.
Osborn, Lawrence E.
Otjen, Fred M.
Otterbein, Thomas G.
Otterman, Terry R.*
Owens, Roger L.*
Paine, William G., Jr.*
Palkie, Thomas G.*
Palmer, Charles F.*
Panico, John R.
Papineau, Paul W.
Pardee, William M., Jr.
Park, David V.
Parker, Daniel M.
Parker, James A.*
Parker, Travis W., Jr.
Parsons, Clarence L.
Partesius, John S.*
Patteson, Walter R., Jr
Pattison, James W.*
Patton, Dennis D.
Paugh, David L.
Peach, Ellis E.
Pearson, Robert T.
Peck, Michael L.*
Pellegrino, Richard L.
Pelt, Chester H., Jr.
Pentimonti, Richard J.*
Perch, Robert L.
Perkins, Richard K.*
Perkins, Thomas A., III
Perry, Comadore A. J.
Peterson, Charles C.
Pettitt, John A.
Pettus, Richard A.
Petty, John C.
Petze, Charles L., III*
Phillips, Thomas L.*
Phillips, William J., Jr.
Philpot, Carlton G.
Piazza, Frank
Pierno, Ralph
Piland, Richard A.
Pillitteri, Robert G.
Pinkard, Dennis M.
Pinnell, Robert B.*
Pinney, John H.
Piotrowski, James M.
Pittet, Leroy T.
Pitts, John L., IV
Plank, Dennis W.*
Plant, Joseph M., III
Plett, John R.*
Ploss, Richard S.
Plutt, Richard S.
Poh, Lawrence C. J., Jr.*
Pohl, Matthew John
Polorny, John L., Jr.
Poliakon, Joseph A., Jr.
Ponton, Robert G.
Ponzo, James F.
Pope, Edmond D.
Porter, Frans H.
Potter, Richard W.
Powell, George A.
Pratt, James W.
Prescott, Jesse A., III
Prescott, Leonard F., III
Preston, John W.
Prestridge, Robert J.
Prince, Michael D.*
Pritchard, Kenneth W.
Proes, Roger E.
Provencal, John E.
Prucha, Robert S.
Psimas, George N., Jr.
Pudas, Terry J.
Purcell, Richard L.
Purkat, John R.
Purves, William
Quinn, Donald L.
Quinn, Richard A.
Randle, Grover C., Jr.
Rawls, Robert S.
Reagan, Martin W.
Reager, William R.
Reaghard, James A.*
Reaves, Keith C.
Reddinger, John W., Jr.
Reed, William C.*
Reed, William E.
Reed, William S., Jr.
Regula, Stanley J., Jr.*
Reichert, Timothy M.
Reid, John D.
Reifsnyder, Frank W. Jr.
Reigner, Charles B.
Reinsehl, Phillip W.
Renwick, David*
Reusche, Robert L., II*
Reuter, Kenneth E.*
Reynolds, Rickie G.
Rice, Charles O.*
Rice, Donald S., Jr.
Richards, Thomas R.*
Richardson, Billy E.
Richardson, James J., III*
Richey, Stephen T.
Ridener, Linville L.*
Rieth, Joseph C., Jr.*
Rigg, Gary L.
Rishel, Michael P.*
Rist, Donald F.
Rizzi, Robert A.
Roberts, Francis A.*
Roberts, Gary R.
Robinson, Alan E.
Robinson, Frank J.
Rockwood, Donald J., Jr.*
Rockwood, Sidney R.
Roe, John A.
Roeber, Dennis K.
Roed, Carl J.
Rogge, John A.
Roggow, Ralph R.
Roman, Donald A.
Rome, Gary B.
Romito, Vincent A.*
Ronnie, Scott C.
Root, Barth J.
Root, George R., Jr.
Root, Stephen L.
Rose, David O.*
Rose, Raymond P.
Rosecrans, Douglas J.
Ross, Albert J. Jr.
Ross, Richard B.
Rowley, Arthur N. III
Ruddock, David H.*
Runnerstrom, Eric
Rush, James C., Jr.
Russack, John A.
Russell, David E.
Russell, Perry B.*
Russell, Thomas G.
Rutherford, David L.*
Ryan, Franklin T.
Ryan, Larry W.
Ryan, Michael K.
Saccio, Edward A.
Sadler, William H. III
Sadowski, Dennis R.
Salkeld, Stephen C.
Sallee, Fred M.*
Salter, Jesse E.*
Samuels, Arthur M.
Sanderson, Gilles C.
Sanderson, Robert J.*
Sandin, Terry L.
Sanford, George S., Jr.
Satak, William R.
Satoris, Frank E.
Savage, Carter D.
Schaefer, Edward M.
Schaffer, Lawrence C., Jr.
Scharnus, Robert M.*
Schatti, Charles H.
Schaum, Robert T.
Schellhaas, Richard B., Jr.*
Schlichting, Helmuth C., Jr.
Schmidt, Alden D.
Schmidt, Hubert F.
Schneider, Anthony J.
Schnurrpusch, Gary W.
Schoonderwoerd, Martin G.*
Schrock, Joseph A.*
Schroeder, Rodney C.
Schwartz, Albert Z.
Schwoerer, Barry F.
Scofield, Roger L.*
Scott, Gary H.
Scott, George W., Jr.
Scott, Gregory J.
Scrapper, John C.*
Scruggs, Thomas D., Jr.
Scull, John C.
Scurria, James F.
Sears, James A.*
Sedgwick, Gordon L.
Sedun, Peter J.
Selby, Michael R.*
Semko, Paul S.
Serafine, Gene C.
Serwich, Thomas G., II
Seymour, Hubert E., III
Shackelford, Edward A.
Shake, Douglas W.
Shannon, Frank X., III*
Shea, Joseph E., Jr.
Shelton, Lynn D.*
Shelby, Stephen L.
Shelton, Lynn D.*
Sheppard, Dennis D.
Sheridan, John J.
Shickle, David L.
Shields, John T., III
Shreve, Julius G.*
Shultz, Martin A.
Shumpert, Harold C.*
Shutt, Michael D.
Sidor, Theodore L.
Siedschlag, Daniel D.
Sigler, William A.
Silverman, George M.
Sims, Gary M.
Singleton, Jerry B.
Sink, Francis L.*
Sinz, James P.
Sitz, William W.
Skaw, Larry R.*
Skolds, Charles R.
Slaight, James B., IV*
Sledge, Loyd D.
Sloan, Patrick B.
Slover, William S.
Smart, Jonathan*
Smiley, Michael C.*
Smiley, Philip T.
Smith, Burton D.
Smith, Dallas T.
Smith, Daniel E.*
Smith, Earl R.
Smith, Kenneth F.
Smith, Kenton L.
Smith, Larry C.*
Smith, Michael J.*
Smith, Milton W.
Smith, Peter B.
Smith, Richard A.
Smith, Robert N.*
Smith, Robert W., Jr.
Smith, Roger W.
Smith, Stanley H.
Smith, Stephen C.
Smith, Thomas W.
Smith, Tracy R.
Smith, William G.*
Sniffin, Edward M.
Snyder, Neil F.
Snyder, Thomas F.
Snyman, Vern M.
Sokolo, William K.*
South, Michael L.
Sparks, Howard F.
Speer, James W.*
Spencer, Robert H., Jr.
Spotts, William W.
Sprigg, Robert G.*
Springer, Gregory V.*
Spruiel, Jerry W.
Sronce, Frank T.
Stafford, Robert H.
Stanbridge, Harold G.
Stanek, David M.
Stanfield, Wesley C.*
Stanford, Michael L.
Stanton, Bruce W.
Stanton, Richard W.
Stanton, Thomas P.
Starnes, Charles N., Jr.
Steele, Dean L.*
Steffens, Thomas W.*
Stenstrom, Frank E.*
Stents, Robert G.
Stephan, Herbert A.
Stephens, Grant S.
Stephenson, James M.
Stepien, John Z.*
Stevens, Jack M., Jr.*
Stevens, Robert P.
Stewart, Hamilton M
Stockho, William L.
Stone, Daniel J.
Stone, John L.*
Stonesifer, Frederic S
Stratton, James W.
Stratton, Larry R.
Stromquist, David W.
Stroop, Patrick A.
Stuart, Michael F.
Stuck, James R.
Suggs, Ralph E.
Sujdak, Edward J., Jr.
Sullivan, Larry M.
Sullivan, Patrick D.*
Sullivan, Paul P.
Sullivan, Timothy T.*
Sutliff, Richard W.*
Svec, James H.
Swah, Samuel R.
Swain, Philip F.
Swanson, Eldon C., Jr.
Swarts, Edward L.
Sweet, James F.
Sweetman, James M.*
Tait, William A.*
Talbot, Ronald E.
Tankersley, Carl M.*
Tanner, William E.*
Tarantino, Paul S.*
Tarter, Arlan G.*
Taylor, Ronald M.
Tettelbach, Gary J.
Teves, Arthur G.*
Thacker, Reginald A.*
Therrell, Thomas S.
Thies, Denzil D.
Thomas, David W.
Thomas, James B., III
Thomas, Robert M.
Thomas, Robert J., Jr.
Thomas, Scott S.*
Thomas, William C.
Thomason, William R.
Thompson, Douglas S.
Thompson, John A.
Thompson, Robert M.
Thompson, Thomas L., Jr.
Thorgerson, Arne R.
Tiedeman, George R.*
Tinsley, Steven G.*
Tomanelli, James R.*
Tower, Dennis R.
Treadway, Alton G.
Trevett, Robert E.
Trower, James D
Tucker, Richard S.*
Turk, Joseph*
Turley, Brian D.*
Turner, Elder D.
Turner, Jack E.*
Turner, Ronald D.
Tyler, Robert J.
Underwood, Van D.
Vanbrocklin, Stephen T.
Vanbrunt, Tommy H.*
Vanbuskirk, Dennis J.
Vance, Thomas C.
Vance, William D.
Vanderbosch, Steven W.
Vandyne, Leroy T.*
Vanhoose, Ronald*
Vantassel, Paul F.
Vanwie, Steven L.
Vaughan, Steven A.
Vaurio, David G.
Vehorn, Roger P.*
Veltman, Richard J.*
Vershish, Robert J.*
Vettese, Anthony
Vine, Gary L.
Visco, Dominick W.
Vittum, David A.
Voss, Philip D.
Waddell, James B.
Waddell, John W.
Wagner, David J.
Wagoner, Robert C.
Waite, Lynn L.
Waite, Michael P.
Waitz, Merrill A.
Wall, Laurence L.*
Wallfred, James G.*
Walling, Kenneth E.*
Walsh, John P., Jr.*
Walsh, Michael J.
Walsh, Myles E.*
Walsh, Robert W.
Walsh, Thomas M.
Walters, Gary A.*
Ward, James G.*
Warner, Thomas G.*
Washer, William L.*
Waterman, Ralph J.*
Watkins, John B.
Watkins, William A.
Watson, Donald R., Jr.
Watson, Michael J.*
Watson, Thomas R.*
Weaver, Sterrie L., Jr.
Webb, Chauncey F.
Weber, Robin Y.
Weborg, Gene M.
Weeks, Stanley B.
Weik, Thomas A.
Wein, Michael C.*
Weir, Michael W.
Weiscopf, Carl E.
Weldon, William A.
Wells, John T.
Welsh, Patrick T.*
Wengierski, Irwin T., Jr.
Werling, Robert*
Werts, Bruce N.
Westcott, Richard E.
Whall, David G.*
Wheeler, William J.
Whitaker, Dwight V, III
White, John S.*
White, Nestor D.*
Whitelatch, Robert C.
Whitford, Daniel L.
Whitten, George B., III
Widhalm, Kenneth C.
Wiens, Leonard A.
Wilbricht, Thomas E.
Wild, William J., Jr.
Wilkins, Thomas W.
Willey, James F.
Williams, Harold A.*
Williams, James S.
Williams, James M.
Williams, Thomas C., Jr.
Williams, Thomas Y.*
Williams, Wallace B., Jr.
Wilson, Charles H.
Wilson, Jerrold B.*
Wilson, Philip B.*
Wilt, Donald A.
Winkler, Michael F.
Winters, Keith A.*
Witherspoon, Lewis J.
Witkowski, Christopher J.
Witowski, Gerald T.*
Woltman, Ronald R.
Womack, Lee T., Jr.
Wood, Larry R.*
Wood, William B., Jr.*
Woods, Gerald B.
Woodworth, Richard A.*
Wootton, Ronald E.
Word, Ross A.
Worley, Michael J.*
Wright, Herbert R., III
Wrobel, Richard A.*
Wurtzbacher, Henry T.
Wyld, Thomas C.
Xefteris, Constantine L.

Yesensky, Douglas A.
Yetsko, Joseph F.
Young, Charles B.
Young, Richard A.*
Young, Richard A.
Young, William D.
Yunker, John M.
Zackary, Fort A., Jr.
Zavadil, Stephen W.
Zerbian, David A.
Zia, Ralph K.
Zimman, Robert
Zullinger, Charles E., III

MEDICAL CORPS

Brown, Mark V.
Davis, Mark S.
Gilmore, Dennis M.
Gipson, Bernard F., Jr.
Hastay, Peter C.
Johnson, Larry H.
Larocque, James C.
Ramos, Huberto I.
Rorick, Jay T., Jr.
Salaysay, Michael R.
Zaide, Amanda C.

SUPPLY CORPS

Achenbaugh, Dennis A.
Adams, Roy S., Jr.
Anastasi, Richard
Archer, Raymond A., III
Arcuri, Louis E.
Arilen, Eric A.*
Asselin, Andre S.*
Avery, James A.
Barnes, Jerry D.
Bassi, Felix J.*
Beaty, Richard M.
Benedict, William P.
Bennett, Robert D.*
Blood, Roger J.
Bollman, Terry L.
Boyarski, John R.
Brooks, Ted E.
Buchleiter, Charles R.
Burgess, Roy H.
Carl, David E.
Carney, David G.
Casey, Michael W.
Chandler, Brian J.
Cogswell, Peter M. L.
Compton, David D.
Conner, Terrence A.
Cook, David M.
Cormier, Edward N., Jr.*
Cote, James R.
Cummings, Donald L.*
Daniels, David L.
Dase, James R.
Dawson, Howard W., Jr.
Dickey, Donald W.*
Difranco, Steven J.
Dolan, Kevin C.*
Doyle, Joseph D.
Easton, Frederick E.
Engelmann, Robert A.
Fantroy, Ward E.
Faucher, David P.
Felts, Warren T.
Finefrock, Carl G.*
Flahiff, Daniel E.
Flanagan, John E., Jr.
Foley, Robert F.*
Frial, Ernesto F.*
Gavin, Joseph W.
Gianfagna, William L.
Gibbons, Lawrence B.
Gibbs, David M.
Gorman, Howard F., Jr.*
Goss, Ardin F.*
Gresham, Michael W.
Gulliford, Steven R.
Hall, Richard P.*
Hankins, Stanley E.
Harder, Larry D.
Hargrove, James W., Jr.
Harris, Craig S.
Hartman, John M.*
Hackett, William B., III
Hastings, Richard G., III
Hawkins, Paul R.
Hawthurst, Jack M.
Heikkila, James L.*
Hein, Jonathan J.
Hempson, Donald A., Jr.
Higgins, Thomas F., Jr.
Hinson, Kenneth E.
Hodges, James V.
Holbach, James H.
Holcombe, James O.
Hornyak, Edward J.
Howdyshell, Robert J.
Hrabosky, Bryan, Jr.*
Hudock, Steven A.*
Ishman, Michael D.
Ison, George S.*
Jenkins, Michael L.
Johnson, Jay C.
Johnson, Mark R.*
June, Michael A.*
Keeton, Ronald J.
Keith, William B., Jr.
Kelley, Kevin P.*
Kennedy, Harvey L.
Ketts, Robert L.*
Kiefer, Roy W.
Kline, Richard W.
Kramer, Keith S.*
Lengkeek, Dale R.
Lewis, Richard E.
Lindsey, Larry A.
Low, David H. J.
Machado, Bruce M.
Madaio, Paul F.
Malcolm, Nathaniel D., Jr.
Mansfield, David K.*
Marchetti, Ronald A.
Marquez, Ernest B., II
McAllister, John J., Jr.
McCarthy, Justin D.
McCulloch, John W.
McDowell, Tommy G.
McQueen, Thomas W.*
Miller, Thomas G.
Mitchell, Colonus, Jr.
Moore, James B.
Murff, Bruce W.
Nichols, James S., Jr.*
O'Reilly, Patrick J.
Parham, James L.
Parker, Kenneth L.*
Payne, David D.
Payne, Harold R.
Pearrell, Larry W.
Pendarvis, Daniel, III
Perkins, James M.*
Perry, Keith M.*
Pettersen, Alan J.
Pointer, Billy R.
Purdy, Kenneth C.
Reed, Ronald F.
Reese, James M.
Renard, Geoffrey K.*
Rich, Bruce E.
Riege, Duane J.
Rinaldo, John C.
Ritzel, Charles J.
Robertson, Jimmy W.
Rogers, Robert W.
Ross, Charles A.
Rossi, Philip R.
Ryan, Robert J.
Sanford, Robert M.*
Schimpf, Barry J.
Sellers, Benjamin R.*
Shapack, Arnold R.*
Shubert, Tommy L.*
Siemers, Uwe
Smith, Emmett W.
Soderberg, Paul O.
Stanger, Thomas J.
Stephens, Edward N.
Stokes, David V.
Tarver, James E.
Tissier, Robert J.
Turpie, James A. G.
Vanderslice, Wayne J.*
Vanhorn, Roy D.
Verbic, Alan R.*
Walsh, Robert A. II
Wenchel, George F.*
White, Richard S.
Wiecorek, Richard J.
Wilund, William P.*
Younker, Michael E.*
Young, Charles K.
Zurinski, Donald J.*
Zychowski, Thaddeus F.

CHAPLAIN CORPS

Brogan, Leo T.
Burnett, Ivan B., Jr.
Colton, Alan F.
Gibson, William H.
Ha, Young, C.
Heslop, Thomas C.
Kimokeo, Samuel A.
Kincl, Robert L.
Passero, Ernest F.
Shirley, Jerry W.

CIVIL ENGINEER CORPS

Armstrong, Glenn M.
Beattie, Steven R.
Becker, Raymond H.
Brandenburg, Tim R.
Broaddus, James A.
Bromilow, Neil F.
Brubeck, Gregory W.*
Bussey, Dennis R.*
Buttolph, Leslie W.
Carl, James W.
Carpenter, Ronald G.
Ching, Clayton Y. K.
Cordes, Edward J., Jr.*
Davis, William L.*
Deluca, John, Jr.
Dillon, Terry M.
Ealy, James E.
Erickson, Stephen F.
Fehlig, Charles J.
Foster, Michael E.
Gibb, Thomas W., Jr.
Goltz, Kenneth E.
Hadbavny, Michael T.
Hart, Stephen L.
Haydon, Donald M., Jr.
Horne, Dennis E.
Hudson, Ronald R.*
Johnson, Michael R.
Jones, John E.
Kiesling, Robert F.
King, Claude V., III
Knowlton, Robert D.*
Koiro, Frank J., Jr.*
Lewis, Ronald C.
Martin, Norman R.
Miller, Paul J.
Morrison, William J.
Newton, Willis G.
Palomaki, Donald W.*
Parker, Robert V.
Rosenbaum, David E.
Roussos, George J.
Rushing, Ernest C., Jr.
Sabbatini, Julian
Scarborough, William L.
Schottler, David A.
Shepard, David B.
Shepard, Scott H.
Sherbak, Patrick M.*
Smith, Earl L., Jr.
St. Peter, Harold B.
Vanable, Joseph B.
Vogt, John F.
Walley, James M., Jr.
Walsh, David F.
Williams, James R.
Wray, Terry L.
Wright, James C.

DENTAL CORPS

Albright, Robert L.
Devin, Robert F.
Dollard, Wayne J.
Eivera, Ronald D.
Hickey, Martin D.
Hickson, Harry T.
Keeney, Bradford L.
Klein, Kenneth M.
Loar, Robertson D.
Milinichuk, Walter M.
Montgomery, Alan B.
Prendergast, Richard O.*
Reavis, Ralph M.
Rivera, Napoleon D.
Sandifer, Johnny B.
Starck, Thomas F.

MEDICAL SERVICE CORPS

Anderson, Richard L.
Arnold, Anthony R.
Auld, John N.
Banellis, Georgiana M.
Bason, Robert
Bawden, Monte P.
Betts, Lawrence S.
Blanks, James A.
Bryan, Clark L.
Carroll, Norman E.
Chalstrom, William J.
Clair, James E.
Coleman, William M., III
Converse, James D.
Cooper, James M.
Cox, Peter T.
Crigler, Patricia W.
Criscitiello, Joseph J.
Daddario, Anthony P.
Decicco, Joseph E.
Decker, David L.
Depolo, Dominick, Jr.
Donohue, Edwin A.
Dumais, Gary W.
Dunaway, Floyd J.
Eckstein, Michael D.
English, Jerry W.
Faherty, Stephen A.
Ferda, Robert
Figura, Richard T.
Fogelsonger, Jack L.
Fowler, David W.
Gerlach, Herman
Glover, Wayne P.
Hand, Brian C.
Hanrahan, James E.
Hardy, Frederick C.
Harrington, Gary R.
Hora, Charles D.
Hosssu, Joseph L.
Humphrey, Charles R.
Irving, John
Jackson, Robert W.
Jackson, Thomas C.
Jamison, Hubert M.
Janoski, Thomas J.
Jemionek, John F.
Johnson, John L., Jr.
Johnson, Wesley J.
Kayler, Robert S.
Knight, Paul L.
Kraft, John E.
Kretchmer, Robert S.
Lissner, Christopher R.
Lobaugh, Larry G.
Longacre, Don T.
Macys, David A.
Makris, Kenneth A.
Malone, John J.
Marolf, Walter K.
Meegan, James M.
Mendenhall, Karl G.
Mitchell, Michael L.
Montgomery, John E.
Mumford, William M.
Nelson, Lee D.
Oels, Wendell M., Jr.
Otterman, Glenn E., Jr
Perryman, Roy E.
Peterman, Eugene A.
Peterson, Frans R.
Petroski, Joseph W.
Powers, James M.
Prodanovich, Milo J.
Reichman, David A.
Reinhart, David F.
Renish, John F.
Rinard, Lanny A.
Roach, William L., Jr.
Rosen, Howard S.
Saleker, Albert D.
Scaramozzino, James A.
Schlagel, Charles J.
Schoeneck, Harry J., Jr.
Sciarrini, Dominic E.
Sengbusch, Craig H.
Shockley, Richard S.*
Smith, James T.
Snook, Darrell F.
Snyder, Stephen L.
Storment, John H.
Strnad, William R.
Surratt, Colonel O.
Suttle, Douglas
Swales, George A.
Terry, Lynn M.
Vonminden, David L.
Vonstuck, Murlowe L.
Wayland, Marshall W., Jr.
Weathersby, Paul K.
Weeks, William E., Jr.
Wiggins, Michael C.
Williams, Ralph T.
Wolf, Richard

JUDGE ADVOCATE GENERAL'S CORPS

Barnett, Eric J.
Bingman, Terrence L.*
Bloxom, Richard R.
Boseman, William S.
Cox, Joseph B., Jr.
Gottry, Brian M.
Hewson, William C.
Hutson, John D.
Kelly, David L.
Leclere, Dennis E.
Mattson, Michael V.
McAuley, David
McKenna, Lawrence F.
Osborne, Thomas W.
Owens*, Michael R.
Pinkelmann, Eugene M., Jr.
Pointer, Homer S., III
Prentace, Charles S.
Pries, William E.
Principi, Elizabeth A.
Randall, Thomas E.
Reeve, Thomas B., Jr.*
Reynolds, Albert A., Jr.
Rose, Stephen A.
Sabot, David A.
Smith, Harmon B.
Stewart, Richard G., Jr.
Williams, Jeffry A.
Wright, Steven E.
Zoellner, David H.

NURSE CORPS

Beaton, Meredith I.*
Beeby, Barabara J.
Bingham, Marilyn K.
Bohn, James D.
Boyle, Mary E.
Brown, Donald W.
Burns, Jesse P., Jr.
Caffrey, John F.
Campbell, David A.
Carlton, Carolyn Z.
Carter, Eileen
Caton, Mary L. D.
Cole, Stephanie A.
Davidson, William M., IV *
Depoix, Suzanne G.*
Devney, Anne M.
Dinubilia, Jacqueline L.
Doyle, Wanda
Emanuel, Anne M.
Evans, Carole C.
Fay, Doris A.
Ferguson, Raymond A.
Foore, Karen I.
Gardner, Mary A.
Gray, Pamela
Gump, Margaret E. L.
Guy, Bruce D.
Hayes, Linda A.
Heydon, Mary M.
Houser, Mary L.
Hultsch, Maureen C.
Johnson, Donna L.
Labelle, Carson V.
Laberis, Arthur H.
Lahren, Kathy S.
Laursen, Lawrence E.
Law, Easty A.
Lefort, David M.
Leppanen, Margaret
Malone, Diane
Marsh, Sharon J.
Matula, David L.
McBurney, Richard E.
McKinzie, Dorothy A.
McMillin, John M.
McPherson, Robert C.
Minzes, David H.
Moore, Louise F.
Moses, Melanie L.
Mullinix, Margaret B.
Murray, Judith L.
Muse, Thomas Michael
Oberbeck, Jacqueline I.
Perry, Eleanor E.
Pickens, Connie L.
Pickens, Nancy A.
Poland, Edith A.
Probst, Louise G. A.
Protsman, Nancy L.
Ramsey, Barbara L.
Reiter, Larry L.
Richardson, James L.
Riess, Marymartha
Riordan, Patricia T.
Robson, John E.
Rossi, Maria V.
Rucker, Meriel T.
Sant, Jeanne P.
Savige, Elaine C.
Scarborough, Claudette
Scollins, Catherine E.
Sheehan, Renee G.
Snyder, Barbara J.
Soppe, Wilfred E., Jr.
Squires, Jerry J.
Staiger, Donna D.
Taylor, Ruth A.
Thorr, Faye A.
Truhe, Jean A.
Tynan, James F., Jr.

Vickers, Joyce M.
Wallace, Blair H.
Zettler, Marcella R.

The following-named women lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

Alberta, Christopher*
Barkell, Marcia M.
Becker, Catherine Z.
Borst, Sharolyn B.
Boynton, Johnnie M.
Brown, Judy L.
Bruner, Judith N.
Burson, Jacquelyn M.
Crounse, Carole J.
Curtin, Cara A.
Dersch, Lynnette R.
Dowd, Peggy R.
Downing, Gayle M.
Dugan, Kathleen M.
Gaskin, Ann J. M.
Groves, Linda K.
Hughes, Michele M.
Hull, Lee B.*
Humphreys, Mary M.
Kohlmeyer, Jean L.
Lucie, Janice M.
McClellan, Sheryl L.
McGann, Barbara E.
Mocsygemba, Elaine D.
Mohr, April D.
Moran, Marlene L.*
Moyher, Linda L.
Mullin, Linn A.*
Newill, Patricia E.
O'Malley, Margaret M.
Oskam, Margaretha I.
Overstreet, Joanne K.
Pullen, Lynn D.
Rawlinson, Linda C.
Regan, Sandra J.*
Reynolds, Sharon A.
Roach, Leslie M.
Roberts, Elaine N.
Roberts, Karyl K.
Rodes, Joann
Romero, Eleanor C.
Rudd, Pamela S.
Rutherford, Louise M.
Sanders, Jo Ann
Schaefer, Linda K.
Scott, Bonnie M.
Shie, Barbara F.*
Skaling, Kathleen D.
Smith, Helen E.*
Stagg, Frances L.
Stankowski, Barbara J.
Stephens, Susan H.
Thornton, Sydney D.*
Tracey, Patricia A.
Vinson, Rebecca G.
Weavil, Mary A.*
Weinewuth, Mary A.*
Weishaar, Pamela J.
Wheaton, Martha J.
Whitehead, Martha L.
Zielinski, Margaret M.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Aardahl, Lyle N.
Aaseng, Gordon B.*
Abbitt, John D., III
Abbott, Thomas R.
Absher, William C.
Adams, Christopher T.
Adams, James J.
Adams, Orland I.
Adamson, Robert E., III
Adcock, Daniel W.
Addison, Leroy E., II
Adkins, Edward J.
Adolphe, Robert G.
Aguilera, Marino
Albert, Paul W., Jr.
Aldon, James A.*
Alexander, Joseph L.
Alexander, Robert C.
Alfred, Michael A.
Alger, Daniel F.
Allbee, Gary T.*
Allen, Charles T.
Allen, Damon E., Jr.
Allen, James F.
Allen, William H.
Alston, Moses D.
Alvarez, Don J.
Alvarez, Michael F.
Ambrose, Steven F.
Amelon, Richard R.*
Ament, Joseph W.*
Amundson, Glenn M.
Andersen, Terry L.
Anderson, Alan D.
Anderson, James S.
Anderson, Lee F.
Anderson, Paul A., Jr.
Anderson, Scott P.
Anderson, Stephen D.
Andrews, Vincent J.*
Angel, Russell B.
Annunziata, Michael J.
Anthes, Ernest S.*
Archer, Paul L.*
Areizaga, Charles
Arildsen, Jesse A.
Armstrong, David T., Jr.
Armstrong, Lorain B. Jr.*
Army, Denis V.
Arnold, Richard R.
Askins, Larry E.
Assel, Michael D.
Atkins, Thomas B.*
Atkins, William C.
Atkinson, Thomas P.
Atkisson, Fred G.
Atwood, Daniel L.*
Atwood, Jack D.
Austell, Theodore, Jr.
Austin, George E.
Avers, Randall J.
Averyt, Dennis E.
Ayala, Richard J.
Ayars, Arthur D., Jr.
Ayers, Lew L.
Azzole, Peter J.
Baar, Eric C.
Babbitt, Homer A.
Bacin, Mark S.
Baila, Dorel L.
Bailey, Arthur E.
Bailey, Dallam
Bailey, Joseph L., Jr.
Bailey, Roger L.
Bain, Edward D.
Baker, Francis E.
Baker, James M.*
Baker, Jeffrey W.
Baker, Joe F.
Baker, John V.
Baker, Keith D.
Baker, Robert D.
Baker, Robert D.
Baker, Troy G.
Baldwin, Henry S.
Baldwin, James P.
Balko, Brian L.
Bampfield, James R.
Bange, Jeffrey D.
Bannon, Michael G.
Baptista, Armand L., Jr.
Barba, Robert E., Jr.
Barber, Nelson W.*
Barbieri, Anthony A.
Barclay, Bruce M.
Barger, Edward B., Jr.
Barner, Mark E.
Barnett, George A.*
Barns, William F.
Barreto, Paul K.
Barrie, Robert W.
Barringer, Robert M.
Barry, Michael J.*
Bartlett, David F.
Bass, Luncford L.
Bateman, Dale D.
Batse, Donald R.
Bauer, Geoffrey L.
Bauer, Michael E.
Bauer, Russell A., Jr.
Bauer, Scott A.
Baum, Gordon E.
Baumgaertel, James L.
Bayer, Michael J.
Bayma, Benjamin A., Jr.*
Bayne, Edward M
Beall, Joseph S., III
Beatty, Thomas P.*
Beavers, James E.
Beck, Charles E.
Beck, David W.
Beck, Reece, N.
Becker, William J.
Beebe, James E.
Beeler, Dale E.
Beemer, Bruce A.
Beersdorf, Jerry W.*
Begley, Grant A., Jr.
Bell, Fredrick A.
Bell, Mark T.
Bell, Steven D.
Bellard, James A.
Bellinger, Gene R.
Bello, Joseph V.
Benavage, Peter*
Benavides, Ralph L., Jr.*
Bender, Gregory L.*
Bender, James C.
Benfield, Paul K.
Benigno, John C.
Benkert, Francis M.
Bennett, Gary D.
Bennette, Donald D.
Berberich, Larry E.
Beres, Dennis P.*
Bergman, Fred W.
Bernas, Barry L.
Berner, Mark D.
Bernhard, David L.
Bernier, Brett B.
Bernier, Carroll D.
Berry, Wendell S.
Bertalan, Frank J.
Berthrong, Williams E.
Bertsche, Mark S.
Best, Thomas H., Sr.
Beth, Daniel R.
Bettisworth, Allen K.
Beuchel, Bruce E.
Bigelow, Jerry B.
Bigham, Harry R.
Billingsly, David E.
Black, Michael T.*
Blackmore, Thomas O.
Blair, Brian E.
Blair, Richard
Blake, John T.
Blanchard, Eldon D.
Blauser, David J.*
Blausey, Arthur E.
Bleeker, Hans J.
Blevins, Jerry L.*
Blind, Edward W., Jr.*
Blits, Victor E., Jr.
Bloomberg, William R.
Bloomer, James W., II*
Bloomquist, Mark P.
Bloss, Walter J.
Blume, Frederick L.
Blummer, Roger G.
Bobb, Kenneth A.
Bobenage, James M.
Bocchino, Alfred J.
Bock, Wolf H.
Bodin, Kenneth C.
Boehm, Lee I.
Boggio, Joseph H.*
Boggs, Howard D.
Bohn, John L., II
Bolger, Randall C.
Bollenbacher, Thomas M.
Bolyard, John W.
Bonanno, Samuel J.
Bond, David L.
Bonner, Robert B.
Bonnette, John E.
Bookert, Reubin B.
Boon, Gene R.
Booth, Grady L.*
Bordelon, Richard S.
Borovicka, Stephen J.
Borries, Robert B.
Borruso, Vincent J.*
Boschert, Gregory H.*
Boswell, James H.*
Boswell, Mark M.*
Bottorff, Jerry L.
Boucon, Daniel L.
Bourgeois, Neil C.
Bourgeois, Karl F.
Bourne, Carlton M.
Bowen, Michael M.
Bowers, Steven G.
Bowles, Paul R.
Bowling, Raymond B.
Bowser, Glenn L.
Boyce, Robert L.
Boyd, Edwin E., II
Boyd, Lloyd R., Jr.
Boyd, Thomas E.
Boyer, James
Boyle, John J.
Boyle, Robert J.
Bozin, Stanley D.*
Brackett, Robert C.
Bradford, Charles P.
Bradley, Kenneth D.
Brammer, Harry M., III
Bramsen, Jeffrey
Brands, Michael B.
Brandt, Donald E., Jr.
Brannon, Robert B.
Brannon, Todd C.
Brasco, Thomas C.
Brassel, Thomas M.
Breland, Don
Brewer, Robert G., Jr.
Briant, Charles C.
Briley, Jo*
Brink, John H.
Britt, John A.
Brinkley, George W.
Brissette, Richard J., Jr.
Broadway, Michael W.*
Brockhoff, Charles S., Jr.
Brody, Robert A.
Broughton, Hubert L., II
Brown, Budd C.
Brown, Chalker W., III
Brown, Christopher M.
Brown, Gary L.
Brown, Gerald R.
Brown, Kevin M.
Brown, Robert C.*
Brown, Robert D.
Brown, Steven W.
Brown, William H.
Brownlee, Robert E., III
Bruce, Richard V.
Bruce, Robert L., Jr.
Brueckbauer, Roger L., II*
Bruno, Paul N.
Bruski, Terrance J.
Bryan, Dewey G.
Bryan, James J.
Bryant, Richard A.
Bryce, Francis P.
Bryce, James H.
Bryce, Thomas D.
Bryndal, Gerard L.
Bryson, George Y.*
Buchanan, Peter W.
Buddington, George R.
Budin, Patrick A.
Budway, Edward J.
Buescher, Stephen A.
Buhrlage, Charles A.
Buker, Jeffrey A.
Bullock, Robert A.
Bultemeier, Craig W.
Bumgardner, Mark L.
Bundy, William F.
Burch, Carl D.
Burd, James E.
Burger, Gerald A., Jr.
Burger, Rolf J.*
Burgess, Richard R.
Burkhart, Grey E.
Burks, Donald M.
Burlingame, Neil C.
Burns, John W.
Burns, Robert F.
Burtis, Thomas C.
Burton, Eugene R.
Bush, John R.
Bush, Richard A.
Bush, Richard L.
Bush, Robert B.
Bushong, Gregory B.
Bussey, Michael D.
Bust, Jeffry D.
Bustamante, Robert P.
Butcher, Marvin E., Jr.
Butler, Brian F.
Butler, John D.*
Butler, Richard M.
Butler, Stephen C.
Butts, Jeffrey M.
Busby, Robert E.
Busek, Mark C.
Byrd, William J.
Byrne, Charles M.
Byrne, John W., IV
Cable, Larrie G.*
Cabrian, Stephen L.
Caddell, Marvin R.*
Cadwell, Charles A., Jr.
Cady, David W.
Cage, Benjamin L.
Cain, Dannie L.*
Caifor, Fred J.
Calhoun, John D.
Calland, Wynn E.
Callaway, James R.
Callejas, Ruben
Callier, Robert D.*
Callinan, Maurice M.
Cameron, Wallace R., Jr.*
Camp, Neil W.*
Campagna, Mark S.
Campagna, Michael S.
Campbell, William B.
Campobasso, Thomas D.
Caracci, Vincent E.
Caramello, Joseph J.
Caramia, Lawrence
Carey, Leslie F.
Carey, Richard P.
Carl, Keith P.
Carlisle, Garold E., Jr.
Carlson, Carl G.
Carlson, Jay A.
Carlson, Morris E.
Carlson, Phillip D.
Carlson, Robert J.
Carlson, Thomas A.
Carman, John W.
Carmichael, David L.
Carnes, David F.
Carpenter, Edward J.*
Carpenter, Jeffery E.
Carpenter, Stephen E.
Carrizales, G. Javier
Cart, Harold E.
Carter, Gregory L.
Carter, James C.
Carter, Steven M.
Casey, Edward J., III
Casey, Kevin D.
Casey, Patrick J.
Casey, Ronald L.
Cashbaugh, David M.
Cassias, Jeffrey B.*
Cassin, Stephen J.
Cassoutt, James M.
Catchpole, Frederick R.
Cattolico, Michael A.*
Cauley, Bruce A.
Cavalieri, Ralph P.
Cavalli, Joseph P.
Cavanagh, Jeffrey D.
Cavanaugh, Thomas A., III
Cecere, Michael L., III
Cenci, Anthony W.
Centelo, Anthony F., Jr.
Cerino, Michael N.
Cetel, Alan J.
Chamberlain, Robert M.*
Chapman, David B.
Charlsen, Randolph A.
Chase, Richard E.
Chatlos, David J.
Chavis, Francis D.
Cheeseman, Edward W., Jr.
Chegin, George M.
Cheney, David M.
Cherney, James R.
Chesla, Frank J.
Chesson, Roy W.
Childress, G. H.
Chilton, Michael A.
Chimiak, William J.
Chomas, Edward J.
Christensen, Nyles L.
Church, Richard C.
Cihlar, Thomas J.
Cikanovich, Christopher J.
Ciola, Joseph P.
Clark, Brosia H., III
Clark, David R.
Clark, Frank N.*
Clark, Michael D.
Clark, Michael L.
Clark, Miles I., II
Clark, Randall
Clark, Robert L.
Clary, Michael D.*
Clark, Robert L.
Clausen, George E., III
Clausen, Scott A.
Clayborne, Earl K.
Cleary, William W.
Clements, Michael E.
Cloud, Thomas A.*
Clough, Karl E. R., Jr.
Cluster, Chris J.
Coad, William D.
Coady, Jerry J.*
Cobb, David L.
Cockrel, Robert G.
Coday, Harold G.

Cole, Stephen D.
Cole, Walter B.*
Colegate, Gregory A.
Coles, Bryan D.*
Coley, Anthony A.
Collier, Clifford L.
Collier, James R., Jr.
Collins, Patrick A.*
Collins, Ronald E.
Collins, Steven P.
Collis, Jerry C.
Comer, Kenneth W.*
Comi, Patrick M.*
Conklin, Kenneth J.*
Conley, Jeffrey M.
Conn, Stephen A.
Connal, Edson N., Jr.
Connell, James M.
Connell, Roger J., Jr.
Connor, Emil K.
Connors, Michael P.
Conrad, Lawrence J.
Conrad, Robert D.
Conroy, Philip L.*
Conte, Donald V.
Conway, Daniel R.
Cook, Frederick C.
Cooke, Terrence A*
Cooper, Wade T., Jr.
Cope, James O.
Coppins, Stephen B.
Corbett, Bruce B.
Cordes, George A.
Cordray, David R.
Corley, Robert D.
Cornwell, Paul G.
Corrigan, Patrick J.
Corrigan, Robert D.
Costa, Joseph R.
Couch, Jay R.
Coulter, John S.
Courtney, John D.
Covington, Benjamin B.
Cowell, Harry T.
Cowen, Sherry T., III
Cowley, Kevin J.*
Cox, Carson D.*
Cox, Charles D.
Cox, Charles R.
Cox, David C.
Cox, Vincent H.
Cox, William E., Jr.
Coy, Curtis L.
Coy, John H.
Crager, Scott R.
Cramer, Michael L.
Crandall, James W., Jr.
Cranford, James W.
Crawford, Robert D.
Crawford, Tom H., III
Crawford, Thomas A.
Crissinger, Michael A.
Critz, Michael R.
Crocker, Michael D.*
Crook, Sean P.
Crooks, John S.
Crosby, Paul J.
Crow, David L.*
Crowe, Curtis W.
Crowe, Dennis *
Crowe, Richard C.*
Crowley, James A.
Cudd, Robert J.
Culbertson, Arthur L.
Cullen, Michael J.
Culver, David R.*
Culver, Walter C.*
Cummings, William R.
Cunningham, James R.
Cunningham, Robert L., Jr.
Cuppett, Bruce J.
Curlee, Steven D.
Curry, Kenneth W.*
Curry, Patrick F. D.
Curtis, Harold R.
Curtis, Lebbeus
Cutter, Arthur E., Jr.
Dabrowski, Jerome A.
Dahlmeier, Michael C.
Daley, William H., III
Dalrymple, John E.
Dalton, Jerry W.*
Daly, Terrence F.
Dames, Anthony E.
Damisch, Peter W.
Damm, Peter S.
Dandeneau, Allan H.
Dandrea, Joseph W.
Daniels, Hoyle H., III
Daniels, Kirk J.
Danko, Lawrence W.
Dann, Geoffrey
Darland, Dallas M.
Darrow, Mark F.
Daugherty, David W.
Daugherty, Charles E.*
Daum, Michael G.
Davidson, Gary R.*
Davidson, James E.
Davila, Frank D.
Davill, Thomas B.
Davis, Alfred R.
Davis, Billy G.
Davis, Clayton R.
Davis, Francis P.
Davis, Lee S.
Davis, Robert H.
Davis, William T., Jr.*
Davison, Jimmy L.
Dawson, Lawrence
Daselle, Kirk W.
Dealy, David M.
Dearth, Randolph S.
Dess, Roseman L.*
Debs, Brian T.*
Dedels, Ronald A.
Dehoff, George R.
Delaney, Robert P.*
Delbando, John T.
Delery, Thomas A.
Delpino, Joseph M.
Demeranville, Stephen G.
Deming, Christopher L.
Deml, Robert J.
Dempsey, James R.
Dempsey, John M., II
Denham, Keith N.
Denis, David A.*
Dennis, Samuel E.
Dennis, Timothy J.
Derrick, Michael B.
Despain, James E.
Deutsch, Bruce R.
Devane, Benjamin L.*
Devlin, Donald F.
Dewey, Brian E.*
Diantonio, Dennis J.
Diantonio, Brian A.
Dick, Richard
Dickason, Clarence W., Jr.*
Dillingham, John M.
Dillon, Steven F.
Dillon, Thomas C.
Dilmore, William D., Jr.*
Dimaio, Ralph S.
Dinunzio, Joseph A.
Disney, Mark S.
Ditewig, William T.*
Dixon, Richard P.
Dobry, Thaddeus P.
Dodge, Byland T., III
Doehnert, Mark P.
Doherty, John T., Jr.
Dolan, Thomas F.
Dolat, Stephen W.
Domoslay, Steven D.*
Donald, Kirkland H.
Donaldson, Thomas Q. V.
Donnelly, John J.
Donnelly, John P.
Donnelly, William J.*
Dorman, Robert A.*
Dorrance, William H., VI
Doughty, Michael H.
Douglas, Michael L.
Douglas, Rex R.*
Dove, Thomas E.
Downs, Joseph O.
Doyle, David M.
Doyle, John R.
Doyle, Michael T.
Drake, Wesley C.
Draughon, Clarence G.
Drennan, Bruce C.*
Drew, Bryan C.
Driver, Robert K.
Droddy, James E.
Ducharme, James E.
Dudley, Noel F.
Duffie, David A.
Duisik, Jeffrey G.
Duke, Paul S.
Dumont, Sidney P., III
Dunaway, Frank R., III
Duncan, David L.*
Duncan, James L.*
Duncan, Marshall B.
Duncan, Ralph E.*
Duncan, Robert B.
Dundics, Desi G.
Dungca, Patricio P.
Dunlap, Donald K.
Dunlap, James C.
Dunne, Michael J.
Dunn, Robert K.
Dupaul, Gilbert A.*
Durmick, John R.
Durnan, Jaymie A.
Durr, Richard D.*
Durst, Robert G.
Dutton, Terence L.
Duym, Wade D.*
Dwyer, Richard M.
Dyer, Lawrence C.*
Eaton, Albert L., Jr.
Edgar, Leslie I.
Edwards, David G.*
Edwards, Gary A.*
Edwards, Jeffrey L.*
Edwards, John A.
Edwards, John W.
Eggebroten, James K.
Eggleston, Dennis C.
Eichelberger, Robert M.
Eichstedt, James R.
Elins, Daniel J.
Elliott, Boyce W.
Ellis, Gary J.
Ellis, James M.
Ellis, Robert S.
Ellison, Stephen K.
Elmer, Joseph S., Jr.*
Elrod, Herman C.
Emery, James W., Jr.
Emley, James E.
Endrikat, Hansjoachim
Engelman, Peter B.
Engler, James H.
English, Charles P.
Enlow, George W.
Ennis, John F.
Ensenauer, Raymond J.
Ephraim, Richard
Erickson, Steven G.
Ervin, Franklin A.
Eshleman, Joe K.
Estes, Steven C.
Evans, Richard L.
Evans, Ross, M., III
Evans, Thomas L.
Everest, Gary L.*
Ewers, Barton A., Jr.
Ewing, Ronald J.*
Eyman, Roy L.
Eyre, Michael E.
Ezzard, Henry S., Jr.
Fackrell, Michael A.
Fair, Christopher K.
Falby, John S.
Fandey, Dennis F.*
Farber, Martin J.
Faris, Richard D.
Faries, William R.
Faris, John M.*
Farley, John P.
Farmer, David H., Jr.
Farr, Craig L.
Farrell, Paul F.
Fasano, Michael A.
Fay, James E.
Feeley, Stephen L.
Feeney, Michael L.
Feinberg, Roy H.
Feldman, David S.
Fellows, Larry A.*
Ferguson, Charles D.
Ferguson, Julian A., III
Ferguson, Stephen W.
Ferris, William F.
Feuillerat, Robert A.
Fickling, Philip J.
Field, John G.*
Finnegan, Raymond W.
Firth, Edwin G.
Fitzpatrick, Ulysses
Fitzpatrick, Walter F., III
Fitzsimons, John V.
Fitzsimmons, William M., Jr.
Flammang, Harold J., Jr.*
Flannery, Brian E.
Flick, Robert M.
Flint, Thomas P.
Flippin, Walter N., III
Flood, Joe S.
Floyd, Charles A.
Flynn, John E.*
Foerster, Bernd A.
Foerster, John C.
Fogelsanger, Robert W.
Foley, Christopher P.
Foley, Lee M.
Foley, Patrick J.*
Folly, Frank E.*
Fonnesbeck, Robert W.*
Ford, Richard K.
Ford, William A., III*
Foreman, David E.*
Forsley, Richard T.
Forsmark, William T.
Fosberg, Barry L.
Foster, John I., III*
Foster, Leslie
Fowler, Gene G.
Fowler, Harold E., Jr.*
Fowler, John D. M.
Fowler, William S.
Fox, Dana L.
Fox, Leonard A.
Fraser, Donald B., Jr.
Frederick, Randal S.
Frederick, Robert E.
Frederickson, James T.
Freeman, Richard W.*
Freeny, Charles L., Jr.
French, Richard D., II
Frese, Robert M.
Freund, Jack L., Jr.
Frey, Thomas W.
Frigo, Ronald J.
Frost, David E.
Frye, Wilson E.
Fuhrman, Robert E.
Fuhrmeister, Roy L.
Fulca, Michael J.
Fuller, James T.
Fuller, William J.
Funk, Dan R.
Fuqua, Michael T.*
Fursman, Thomas M.*
Fusco, Louis L., Jr.
Gabor, James R.
Gabriele, John*
Gade, Richard E.
Gadzala, Thomas J.
Gagliardi, Michael J.
Gahran, Brian H.*
Gaines, Eugene
Galicki, Dennis M.
Gallaher, Robert D.
Galle, John L., Jr.
Galloway, Craig E.
Gann, Timothy J.
Gantt, Robert M.
Ganse, Robert H.
Garbolevsky, Alexander F., Jr.
Garmer, Stanley A.
Garnett, Lloyd M.
Garrett, Gene W.
Garrett, William L.
Garwood, Bruce W.
Gascho, Gerald G.
Gates, Franklin C.
Gates, Gregory F.*
Gentile, Joseph P.
Gentry, Guy M.
Gentry, Ronald E.
Gerding, Gregory S.
Geyer, Charles E., Jr.
Gheesling, Joe B., Jr.
Gibbons, Matthew J.
Gibson, James H.
Gibson, Robert D.
Gibson, Steven B.
Giesey, William C.*
Gilbert, Jon C.*
Gilbreath, James V., Jr.
Giles, Robert T.
Gill, James J.
Gillcrist, Mark C.
Gillespie, Richard D.*
Gilliam, Brent G.
Gilliam, Charles D.
Gilliland, Manuel A.*
Gilmore, James R.*
Gimbrone, Carl J.
Gimma, Joseph A., Jr.*
Ginn, John D.
Gladden, Riley J.*
Glendinning, Robert E.
Glenn, Theodore L., III
Glenn, William J.*
Glover, Michael D.
Godbold, William F.
Goepfert, Douglas A.
Goforth, Hunter B.
Gold, Robert J.
Good, Steve H.
Goodman, James B.
Goodwin, Frederick L., Jr.
Goodwin, James D., Jr.
Goodwin, John W.
Gooley, William P.
Gorby, Craig C.
Gordon, Jonathan R.
Gordon, Royal P., III
Gore, William P., III*
Gossett, William D.*
Gothard, David L.
Gottschalk, Patrick O.
Gough, David B.
Goughan, Lawrence D.
Gould, Thomas E.
Gove, David A.
Graf, Gary A.
Graf, Joseph G.*
Graff, Frederick W., Jr.
Graham, Jerry L.
Graham, Michael G.
Granger, Douglas S.
Grant, Patrick W.
Grant, Stephen R.
Grause, Jerome E., Jr.*
Graves, Robert G.
Graves, Ronald L.
Gray, David P.
Gray, Thomas B.
Green, Norman K., Jr.*
Greenawalt, Stanton C.*
Greenberg, Allan J.
Greenberg, Donald M.*
Greenert, Jonathan W.
Gregalt, Robert E.
Gregor, Kevin M.
Gregory, Paul G.
Gregory, Thomas J.
Grella, William A.
Gribble, Richard E., Jr.
Grice, Gary G.
Griffin, Gerald B.
Griffin, James P.
Griggs, Michael S.
Grisham, Jimmy D.
Groothousen, Michael R.
Gross, Donald E., Jr.
Grover, Ronald O.
Gucwa, Terence J.
Guenther, Siegfried
Guernsey, Charles L.*
Guernsey, Neal F.
Guerrazzi, Eric L.
Guidry, Dell J., Jr.
Gullick, Jerry W.*
Gustafson, Timothy M.
Gustafson, Victor G.
Guth, James D.*
Gutsman, Howard W.
Haage, George W.
Haas, James E.*
Haas, Jon M.
Hack, Harold R., Jr.
Hadel, Paul J., Jr.
Haefner, Gregory G.*
Hagin, James M.*
Hale, Dudley R.
Hale, Patrick C.
Hall, Charles F.
Hall, Christopher J.
Hall, Douglas A.
Hall, Gerald S.*
Hall, Graham T.
Hall, Russell E.
Hall, Steven C.
Hall, William A.
Hallman, Lyston L.
Halter, Stanley F.
Hamel, David A.
Hammer, David A.
Hammitt, Frank D.
Hammond, Richard S.
Hampey, John M.
Hampton, Gary
Hancock, Dennis D.
Hancock, Frederick J., Jr.
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Hankins, Robert D.
Hanley, Robert I.
Hanna, James S.
Hannah, Phillip J., Jr.
Hanrahan, John M., Jr.*
Hansen, Bertel J., Jr.
Hansen, Kurt F.
Hansen, Wilhelm A., Jr.
Hanson, Alvin C., Jr.
Hanson, Paul G., III
Harar, Paul W.
Harden, Timothy S.
Harding, Warren A.
Hardy, Thomas E.*

Hargrove, Charles D.
Harmon, Benjamin F., IV
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Harmon, Mitchell T.
Harmon, Steven A.
Harper, Mark J.
Harrington, James T.
Harris, Andrew V. V., Jr.
Harris, Glover L.
Harris, Lary E.
Harris, Robert R.
Harrod, Robert L.
Hart, Kenneth R.
Hart, Robert H.
Hartman, Thomas T.
Hartmann, Francis X., Jr.
Harvey, Gaylord L.*
Harvey, Kenneth D.
Harvey, Terrence D.
Harwell, Rickey D.
Hasselfeldt, John K.
Hasslinger, Karl M.
Hatstat, Gregory D.
Haug, William C.
Haupt, Francis J.
Hawkens, Edward R.
Hawkins, David A.
Hawver, Lee A.
Hayden, Ernest N.*
Hayes, Edwin J.*
Hayes, Fred E.
Hayes, Thomas D.
Hayes, William R.
Haynes, Curtis J.
Hays, Charles E.*
Hayward, Robert M.
Hazeltine, Joseph T.
Headley, Robert B.
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Hedelund, Richard D.
Hedgpeth, Lewis F., Jr.
Heely, Timothy L.
Heffley, John M.*
Heine, David G.
Heinzer, Michael R.
Heisler, David E.*
Heitfeld, Richard V.
Helsell, Peter F.*
Hempel, James P.*
Henderson, William J.
Henderson, James W.
Herbein, David S.
Herbert, Maurice M.*
Herman, Robert S.
Hermann, Edward P.
Hernandez, Anthony *
Hess, Richard W.
Hessey, John H. V.*
Hetzel, Gary P.
Hewitt, Allan B.*
Hicks, Lawrence F., III
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Hill, George C.
Hill, John D.
Hill, Stephen A.
Hill, Thomas B.
Hilliard, Chris A.
Himel, Craig A.
Hinnefeld, Garrett J.*
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Hirsch, Thomas J.
Hite, Kent H.
Hixson, Ralph S.
Hodun, Anthony L.
Hoefer, Ronald K.
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Hogan, Gary P.
Hoggatt, Frederick A.
Hoke, Richard T.
Holkum, John V.
Holmes, Douglas M.*
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Holthus, Gregg B.
Hood, James E., Jr.
Hood, Robin L.
Hoover, Todd J.
Hoppock, Ronald E.
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Horsman, John P., Jr.*
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Housley, Michael J.
Houtman, Bauke H.
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Howard, Keith C.*
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Howe, Charles M., Jr.
Howe, William S., III
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Hubbard, Stephen D.
Huchowski, John A.
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Huetter, Patrick B.
Hufty, Lawrence M.
Hughes, Stephen M.
Hugo, Robert J.
Hunnicutt, Thomas G.
Hunsucker, Charles R., Jr.
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Hunton, Lynn M.
Hurst, Richard E.
Huston, James W.
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Ingram, Ronald W.
Isaacson, Leroy D.
Iverson, Robert G.
Jaap, Joseph B.*
Jablonski, Edward R.
Jackson, Andrew E.*
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Jackson, Lesley J., Jr.
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Jagoe, Donald A.*
Jahnke, Larry D.*
James, Donald L.
James, Edwin M., III
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Jaramillo, Bernardino J.
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Jarvis, Jan Philip*
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Jenkins, James L.
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Jenkins, Robert E.*
Jennett, Gaston P., III
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Jesson, Andrew R.
Jewell, Edwin D.
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Johnson, Aaron B.
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Johnson, Darrell J.*
Johnson, Douglas A.*
Johnson, Edward G., Jr.
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Johnson, Johnny L.
Johnson, Kirk E.*
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Johnson, Ronald P.
Johnson, Scott T.*
Johnson, Steven W.
Johnson, Steve A.
Johnson, Thomas E.
Johnson, Warren H.*
Johnson, Warren P.
Johnson, Wayne D.
Johnson, William S.
Johnson, William W.*
Johnsrud, Roger P.
Johnston, Sydney L.
Joller, Walter C., Jr.
Jonas, Jon B.
Jones, Buck P.
Jones, Daron E.
Jones, Edgar J.
Jones, Gary R.
Jones, James O.*
Jones, John C.
Jones, John L.
Jones, Patrick W.
Jones, Richard L.*
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Jones, Robert G.
Jones, Ronald E.*
Jones, Steven A.*
Jones, Thomas D.*
Jones, William J.*
Jordan, Edgar A.
Jordan, Will H.
Joseph, Marc W.
Joyce, Maurice S.*
Judd, Curtis D.
Jump, Donald H.
June, Carl H.
Junk, Kevin R.
Jurewicz, Thomas A.
Kaeser, Dana S.*
Kagey, Leslie O., III
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Kane, Michael B.*
Kanewske, Robert H.
Kangalos, Angelo J.*
Karl, Michael L.
Karnesky, David A.
Karstens, Michael G.
Kasten, George D., III
Kaul, Charles E.
Kawamoto, Worth M.
Kearney, Francis J., Jr.
Kearney, James P.
Kearns, John R.*
Keckler, Michael A.
Kee, Scott C.
Keeler, Donald L., Jr.
Keeley, James J.*
Keene, Charles R.
Keene, Donald L.*
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Keith, Julian F., III
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Keller, Douglas J.
Kelley, Thomas C.
Kelly, Douglas B.
Kelly, Scott H.*
Kelly, William A., Jr.
Kemhus, Jeffrey W.
Kendall, Walter A.*
Kendrick, James A.
Kennard, Charles W., Jr.
Kennedy, Claybourne, A.
Kennedy, John H., Jr.
Kent, Steven
Kent, Tycho L.*
Kepferle, Michael R.
Kerce, Richard J.*
Kern, Ludwig A., III
Kern, Robert L.
Kersey, John K. J.
Kersch, Kurt W.*
Keesling, Phillip F., III
Ketchum, Timothy G.
Ketterer, Barry L
Keydash, John M., Jr.
Kiessling, Kristin P.
Killen, Jeffrey L.
Kilpatrick, William J., III
King, Richard N.
King, William H., IV
Kinney, Paul C.
Kirshhoff, Stephen A.
Kirk, Michael W.
Kirst, Alfred O.
Kirtley, John D., Jr.
Kisslinger, John L., Jr.
Kittler, John L.
Klaren, Charles W., Jr.
Klauss, Mark F.
Klee, Carl R.
Kleinhols, Adam F.
Klett, Mark N.
Kline, Kim F.
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Kloth, Lawrence G.
Klugh, David C.
Knapp, David A.*
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Knieriem, Kenan J.
Knight, Darrell E.
Knight, James T.
Knight, John R.
Kochanik, Randall W.
Komselman, Edward E.
Kondrack, Charles J.
Konrad, William H.,
Koppin, Larry E.
Korney, James M.
Kosloske, Douglas L.
Koven, Steve
Kosik, Douglas W.
Krech, Kenneth G.
Kriel, Ronald J.
Kroshl, William M.
Kruer, Dennis A.
Kruger, Frederick L., II
Kruger, Wayne K.
Krull, James C.
Krull, Rodger P.
Kruschke, Dale E.*
Kucinski, John M.
Kuehl, Russell O.
Kuhse, Bruce E.
Kulick, Francis J. J.
Kunz, Gary M.
Kuppers, Robert H., Jr.
Kurdys, Martin P.
Kusuda, Robert A.*
Laabs, Steven R.
Labaw, Richard A., Jr.*
Lafrenz, Paul T.
Lahren, Dean B.
Lair, Thomas W.
Laird, William R., Jr.
Lake, James R.
Lam, Daniel T.
Lamb, Charles L.
Lamb, William G., Jr.
Lambarth, Stephen P.*
Lambert, Richard A.
Lamboni, Mark W.
Lambright, Joseph M.
Landis, Kerry D.*
Landmann, Michael A.
Lane, Benjamin C.
Lane, Rodney L.
Lane, Monroe A.
Lang, Robert H., Jr.
Langan, John R.
Langdell, John M.*
Langford, Leonardo D.*
Langley, Frank M.
Lanini, Earnest D.
Lanser, Glenn A., Jr.
Larger, Christopher J.
Larned, Robert T.
Larsen, Dennis G.
Larson, Jerome G.
Larson, Keith R., Jr.
Larue, James W.*
Lathrop, Jonathan E.
Latahaw, Todd E.*
Laughinghouse, Vernon P.
Laughlin, John M.
Lavassaur, Gregory J.
Lavigne, Barry A.*
Law, Donald R.
Lawier, Glenn H.
Lawior, John J.
Lawrence, Mark S.*
Lawson, Jeffrey P.
Layton, Robert P., Jr.
Leach, Brian S.
Leasure, Rodger M.
Leaverton, Thomas H.*
Lebeaux, Keith G.
Lecky, Richard L.
Ledyard, John C.
Lee, Jeffery S.
Lee, Richard H.
Leghart, Martin J., Sr.*
Leininger, Matthew J.
Lenci, Mark R.
Lennon, David D.
Lennon, Gary R.
Leonard, Ellis A.
Leopold, Gary R.
Leslie, David R.
Lester, Deloss M.
Lester, Timothy W.*
Letscher, James W., Jr.
Levedahl, William K.*
Levens, Robert F.*
Levin, William B., Jr.
Lewis, John R.*
Licata, Lee A.
Lihach, John H.
Lilek, Michael R.
Lillis, James J., III
Lilly, Norvell L.
Lind, James J.
Lindamood, Edgar V.*
Lindgren, Mark P.
Lindner, Hutson H.
Lindsay, Richard H.
Lindsey, Mark R.
Lingerfelt, Michael L.
Lipari, Michael S.
Lippert, Rollin G.
Lisak, Keith S.*
Lisota, Gary*
Lisowski, Thomas E.
Liss, Stanley M.*
Little, Thomas M.
Livingston, Craig B.
Livingston, David M.
Livingstone, David D.*
Llewellyn, Ronald A.
Locke, Rodney M.*
Lockwood, Alan W.
Lockwood, Peter
Lofaso, Joseph M.
Lohoski, Edward F., Jr.
Loll, Kim R.
Longshore, William L., III
Loranger, Steven R.
Lord, James M.
Lorhammer, Donn N.
Loucks, Michael J.
Louie, Chuck L.
Lousek, David M.
Lovell, Laverne R.
Lowell, Richard W.
Luce, Loran L.
Ludwig, James L.
Ludwig, James W. S.
Luebke, William H.
Lueker, Randal E.
Luke, Richard T.
Lundell, Glenn W.*
Lunny, Mark C.
Lupinos, Gerald *
Lutes, Frank A.*
Luti, William J.
Luts, Hiriye R., Jr.
Luts, Philip E.
Lyman, Michael F.
Lyons, William M., Jr.
Lytle, Richard A.
Mac Donald, Gregory A.
Machala, Robert P.
Mac Intyre, John M.
Mac Leod, Scott C.
Mac Lin, James S.
Macris, John J.
Mader, John F.
Madigan, Thomas J.
Madre, Thomas E., II
Madsen, Gil J.
Madson, Richard O., Jr.
Magill, David S.
Magnant, Michael F.
Mahon, Charles R.
Maloney, John K.
Mandigo, Alan M.*
Manfredi, Michael J.
Mangan, Patrick C.
Manion, Mark M.*
Mann, Charles H., Jr.
Mann, Rick W.*
Manthei, Jerry L.
Marano, Frank B.
Marchi, Joseph A.
Mardik, Walter E.
Marks, Harry E.*
Markulis, George J.
Marlowe, Robert L.
Marquis, Jarrett, T.
Marsh, Bert
Marsh, James P., Jr.
Marsh, Robert W.
Marshall, David E.
Martin, Clifton C., Jr.*
Martin, Douglas F.
Martin, Edwin H. Jr.*
Martin, Gregory
Martin, John C.
Martin, Lance S.
Martin, Philip L.
Martin, Raymond F., Jr.
Martin, Richard E.
Martin, Richard L., Jr.*
Martin, William E., II
Masley, Michael C., Jr.
Maslow, David L.
Masoero, Robert E.
Mason, Leo
Mason, Martin W.
Massicotte, Thomas E., Jr.
Matasic, Charles S.
Matheny, Leonard R.*
Mathews, Michael J.
Mathews, Richard T.*
Mathison, Robert C.*
Matson, Keith J.
Matthews, Darrell L.
Maughan, Richard V.
Mauney, Carl V.
Mauthe, John M.
Maxwell, Michael D.
May, Zachary P.
Mayer George E.
Mayhue, Frank M., II*
Maynard, John P.
Maynard, Michael J.
Mayo, David L.
Mayoral, Leopoldo M.*
McAlexander, Robert K.
McAllister, Archibald A.
McCabe, Walter S.
McCain, Charles M.

McCall, David M.
McCaman, Brock G.
McCamy, John D.
McCammel, Gregory J.*
McCarstle, Richard W.
McCauley, Jeffrey F.
McCauley, John J.
McClellan, Craig S.
McClellan, Gene E.
McClelland, Roger C.*
McClure, Charles G., Jr.
McClure, John R.
McCole, William E., III
McCollum, Edward M.
McConville, Brian S.
McCorkle, Jack W., Jr.
McCormick, Landy L.
McCracken, Larry M.
McCrillis, Richard T.
McCullough, Bernard J., III
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McDermott, Michael J.
McDonagh, Daniel
McDonough, William J., Jr.
McDonough, Martin B.
McEwan, Llewellyn P.*
McFee, John K.
McGee, David L.
McGhee, Daniel K.
McGinnis, Daniel C.
McGlashan, Douglas R.
McGloon, James W., Jr.
McGowen, Thomas L.
McHale, Phillip M.
McHugh, Robert J.*
McInnis, Marcus A.
McInvale, Thomas R.
McIsaac, William A.
McKannon, Thomas M.
McKee, William L.
McKernan, Patrick F.
McKnight, John H. III*
McLaughlin, Don O.
McLeish, Michael J.
McLeod, Ronald C.
McMahan, Gerald T.
McManus, Robert T.
McManus, Roger T.
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McMurdy, Ronald E.
McNair, Tommy H.
McNally, Mark T.
McNally, Michael T.
McNamara, Brian S.
McNamara, Christopher F.
McNeil, Dane W.
McNeil, James J.
McNeill, Alexander, III
McSwain, Donald W.
McTighe, John A., III
Mead, Thomas
Meaker, Michael J.
Mears, David W.
Meisner, Robert M.
Meinychenko, George, A
Menocal, Antonio G.
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Montas, Michael W.
Mens, Robert C.
Mercado, Edwin W., III
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Merwin, John D., II
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Meyer, Kenneth W.
Meyer, Peter C.
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Miller, Bruce E.
Miller, Cecil D., Jr.
Miller, Charles R.
Miller, David E.
Miller, Donald R., Jr.*
Miller Edward M.
Miller, Frank B.
Miller, Harold A.
Miller, James R.*
Miller, James R.
Miller, Kerwin E.
Miller, Paul E.
Miller, Richard E.
Miller, Robert E.
Miller, Robert L.
Miller, William E.
Milliken, Mark R.
Mills, Gary B.
Mills, James G.*
Mills, Lester D., Jr.
Mills, Lowell C.
Mills, Mark A.
Minges, William T., III
Mingle Leo L.*
Minnifield, Warren A.*
Misch, Gary L.
Mitchell, Michael P.*
Mitchell, Thomas P.*
Mixon, James F.
Moffatt, Michael M.
Mogish, Nicholas M.
Monger, Albert J., Jr.
Monk, Robert L.
Moody, John F.
Moody, Keith W.
Moody, Martin L.
Moore, Milton E., Jr.
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Moore, William F.
Moorehead Donald F., Jr.
Moorman, Timmons P.
Moormann, Eric R.*
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Moran, John F.
Moran, Thomas J., Jr.
Morck, Richard H.
Morgan, James M.
Morgan, Ralph A.
Morgan, Richard W.
Morgan, Robert G.
Morgenstern, Roger W
Moriki, Richard G.
Morison, Mark A.
Moritz, David J.
Morris, Barry S.
Morris, Bruce H.
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Morrison John W.
Morrison, Ronald G.
Morrow, Charles J.
Morse, David M.
Morse, Ronal B.*
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Moseley, Ben P. P., III
Mosher, Robert D.*
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Moss, William L., Jr.
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Moyseowicz, Thaddeus J.
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Mueller, Robert D.*
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Mulholland, David J.
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Mullen, Alan L.
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Murphy, Brian B. A.
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Murphy, Raymond E.
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Myers, Timothy R.
Nagle, Raymond M.*
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Napoli, Lane E.
Narcum, John A.
Nash, Allan H.
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Nash, Robert J.
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Naylor, James G.
Neal, Harold L., III
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Neal, Richard S.
Neal, Thomas S.*
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Neill, William R.
Nelms, Dovard W.
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Nemechek, Michael M.
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Neumann, Donald E., Jr.
Newberry, Stephen G.
Newell, William M.
Newman, James S.
Newman, Lawrence G.
Newton, James A.
Nicholson, Scott L.
Nicol, Ronald L.
Nicol, William J.
Niedermaier, David G.
Nielsen, Christian R.
Nietmann, Kevin J.
Nishimura, Rodney
Noe, Curtis H.
Nollie, Thomas C., Jr.
Norcross, John P.
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Nordstrom, Daniel L.
Norland, Eric R.
Norris, John C.
Norte, Joseph L.
Northam, Donald R., Jr.
Northup, Donn R.
Norton, Carlton P.
Norton, William L., III
Nothom, Charles T.*
Nowakowski, Michael P.*
Nuss, Jimmie L.
Oberst, Alan P.
O'Brien, James D.
O'Brien, John F., Jr.
O'Brien, Stephen A.
Obryant, Milton H., Jr.
Ochenkoski, James
O'Connell, Robert K.
O'Connor, Thomas J. Jr.
Ogden, James S., Jr.
O'Hare, Hugh A.
Oker, William R.*
Okrepkie, William S.
Olcovich, George E.
Oldemeyer, Keith W.
O'Leary, James J., Jr.
Olender, Kurt M.
Olexik, Carl S., Jr.
Oliver, Randall G.
Oliveria, David K.
Olson, Carl D.*
Olson, Warren H.
O'Neal, Michael A.
O'Neill, Gary S.
Onken, Charles R.
Orlandi, Daniel J.
Orlandi, Ronald J.
O'Rourke, James J.
O'Rourke, John T.*
Oraki, Gary A.
Oraki, Mark A.
O'Shaughnessy, John L.*
Oskielunas, Lawrence A.
Oster, Lynn F.
Overturf, Richard W.
Owen, Charles W.
Owen, Kaye K.
Owen, Richard P.
Owen, William G.
Owens, Christopher D.
Owens, John R.
Owens, Raymond P.
Packer, Vernon E.
Page, Marshall T.
Page, Mitchell B.
Paha, Edmund J.*
Painter, Donald J.
Pannell, Thomas B.*
Pappas, Drew A.
Pappenfus, Patrick A.*
Parico, Robert F.
Park, Alan M.
Park, John S., Jr.
Park, Stephen J.
Park, Steven A.
Parker, Daniel A.
Parker, Edward C.
Parker, Frederick H.
Parker, John S.
Parks, Robin L.
Partain, Joe B.*
Pascarell, Carl S.
Patchin, Alan E.
Patrick, Larry A.
Patterson, Louis W.
Patterson, Malcolm D.
Patterson, Robert F.*
Pattoon, Daniel C.
Paulewicz, Frank W., Jr.*
Paulikonis, John F.
Paulis, Joseph J., III
Pay, Alec A.
Payne, David C.
Payne, Leonard K., III
Pearl, David R.
Pearson, Richard A.
Pearson, Steven C.
Pedersen, Earl J.
Peifer, Mark A.
Peitzmeyer, Kenneth D.
Pekarek, Edward W.
Percich, Mark E.
Perez, Oscar
Perkins, Lenard
Perkins, Richard C.
Perks, Thomas W.
Perriman, Ronald O.*
Perry, John A.
Person, John L.
Pesses, Thomas M.
Peters, Lyman, Jr.
Petersen, Paul D.
Peterson, Douglas, J.*
Peterson, Gary A.
Peterson, Robert C.
Peterson, Robert R.
Peterson, Scott C.
Peterson, Wayne
Petito, Michael D.
Petska, Lyle R.
Pealtagraff, James R.
Pfeifer, John T.
Phillip, Douglas T.
Phillips, Duane J.
Phillips, Daniel E.
Phillips, Edward A.
Phillips, Earl W., Jr.
Phillips, Stephen W.*
Phillipson, Richard W., Jr.
Pierce, Burt W.*
Pierce, Stephen E.
Pierson, William E.
Pinney, Thomas E.
Pistol, Jordan D.
Pittman, Ray C., Jr.
Pitzer, Paul D.
Place, William D.
Planck, Charles W.
Plouse, Henry S.*
Poage, David R.
Polizzi, Vincent J.
Polley, David P.
Pollock, Louis W.
Pope, Larry G.
Porras, Oscar J.
Porter, Donald L.
Porter, Julius E.
Potter, Don H., Jr.
Poulos, Terrence P.*
Powell, Leland C.
Powell, Thomas B.
Powell, Thomas D.
Powers, Denis F.
Powers, Gary D.
Powers, Trent R., Jr.
Prahl, Harry W., III
Pratt, David L.*
Prescott, Ernest A., Jr.
Pribesh, John W.
Prikansky, Cyril H.
Pritchard, Nolie D., Jr.*
Pro, Carl W.
Proctor, Walter N.
Provenzano, Joseph G.*
Pruett, David D.
Pruitt, James D.
Pruitt, Ted E.
Prussenski, Keat D.
Pryjmak, Peter G.*
Pryor, Monte E.
Pudsey, William E.
Puksta, Charles P., Jr.
Purcell, Marc L.
Querry, Calvin H.
Quigley, Allen L., III
Quigley, Craig R.
Quigley, Michael E.
Quinn, Christopher D.
Quinn, Timothy P.
Quirk, Edward J.
Rabideau, Michael B.
Raley, James R.
Ramey, Robert F.
Randall, Charles R.
Randich, Kevin T.
Ranelli, Peter H.
Rankin, Craig A.
Rantanen, Robert W.*
Rapin, Jerome P.
Rarig, Scott L.
Rasmussen, Lloyd J.
Ratcliffe, Robert E.
Ratte, Richard A.
Ray, David C.
Ray, Philip D.
Rayback, Terrence L.
Razalan, Patrick G.
Rea, James R.
Rea, Jerry F.
Reardon, Paul J.
Redmon, Danny R.*
Reed, Gary E.
Reed, Robert E.
Reel, George W.
Reglin, Gary L.
Regn, Mark W.
Reid, William R.
Reilley, Miles L.
Reilly, Robert D., Jr.
Reilly, Thomas J.
Repka, Rodney P.
Reskusich, John
Reust, Gerald M.
Reynolds, Charles P.
Reynolds, Rondel G.*
Reynolds, William W.
Rhinesmith, Gary R.*
Rice, Edwin D., III
Richards, Robert E.
Richards, Stuart A.
Richason, Steve K.
Riche, Robert S.
Richey, Truman A., Jr.
Rickert, Dale R.
Ricketts, Steven D.*
Rickner, Darryl A.
Riconscente, Paul P.
Rider, Daniel E.
Rider, James W.*
Ridgeway, George A.
Ridley, John D.
Rieger, Richard A.
Riel, Robert G.
Ries, Daniel E.
Rikard, Ralph M., Jr.
Riley, David L.
Rives, James D., III
Rix, William H.*
Robbins, Alan M.*
Roberts, Alvin N., Jr.
Roberts, David N.
Roberts, Donald R.
Roberts, Roger W.
Robertson, O. Zeller, III
Robinson, Christopher B.
Robinson, Gerald L.
Robinson, Henry E., Jr.
Robinson, William R.*
Robison, Michael W.
Robison, Russell H.
Roche, Harold E., Jr.
Rodgers, Stephen J.
Roesler, Gordon M., Jr.
Rogers, David W.
Rogers, Edward J., III*
Rogness, Steven L.
Rohda, Charles M., III
Rohling, Henry J.
Roles, James R.
Rolfe, Richard B.
Rolle, Andreas D.
Rollins, Richard L.
Rollow, Thomas A., Jr.
Romano, Steven
Ronacher, Andrew J., Jr.
Rose, Jimmy V., Jr.
Rosemond, Julian B., Jr.
Ross, John L., Jr.
Ross, Steven S.
Rossi, Thomas J.*
Rosynek, Dennis J.*
Roth, Glynn E.
Rothchild, Randall L.
Roumaya, Louis T.
Rouse, Alfred C.
Rousseaugeraldos, Marcel C.
Rowan, James S.
Rowell, William H.
Rudin, William E.
Ruggiero, Robert W.
Rundgren, Conrad L.
Ruoti, Anthony J., Jr.
Ruscitto, David G.
Rush, Richard C.
Russell, Darrell A.
Russell, James R., Jr.
Russell, Joseph M.
Russell, Robert D.
Ryan, David M.
Ryan, Lester E.
Ryan, Paul J.
Ryan, Robert C., Jr.
Sabel, Joseph M.
Sabin, Burritt H.
Sabol, Alexander J.
Sagen, Michael E.
Saig, Stewart F.
Sales, Christopher A.*
Salley, Robert J.
Salter, Larry G.*
Sammons, Donald S., Jr.

Sampson, John R.
Santangelo, Peter C.
Santowski, Richard D.
Satorius, Mark A.
Satterfield, George C.
Saunders, Charles C.*
Savonarola, Dennis P.
Sawyer, Thomas E.
Sayers, Clay S., II
Saylor, Bev L.
Sayre, Roscoe R.
Scalia, August
Scarbrough, Travis E.
Schacherer, Timothy G.
Schachtman, Jack G.
Schaefer, Michael R.
Schapper, Gary E.
Schemel, Craig A.
Schenk, Richard S.
Schenzel, William P.
Scherer, Robert J., Jr.
Schires, Brian G.
Schlaefer, Douglas C.
Schmidt, Dennis A.
Schoenbauer, Martin J.
Schoeneman, David D.
Scholes, Michael L.*
Schoultz, Robert P.*
Schratz, Paul R., Jr.
Schreiber, Robert C.
Schrinar, Samuel R.*
Schropp, John T.
Schueneman, Fredrick W.*
Schuler, Richard J.
Schultz, Dale E.
Schultz, John J., Jr.
Schutzenhofer, Robert R.
Schwarting, Richard A.
Schweiger, Jeffrey M.
Scott, Bill R.*
Scott, Charles T.
Scott, Dale R.
Scott, Daniel D.
Scott, David A.*
Seaward, Randall A.
Sechrist, John D.
Sell, Robert D.
Sellers, Charles E.
Selsor, Harry D.
Severs, Gary L.*
Seymour, Lane L.*
Shafer, Michael K.
Shannon, William E., III
Sharp, Michael A.*
Sharoe, Daniel A.*
Sharrett, Patrick J.
Shaw, Brian D.
Shaw, Richard S.
Shegrud, Steven K.
Shelley, Kenneth L.
Shelor, James L.
Shelton, James M.
Shepard, John A.
Sheridan, Glenn W.
Sherrill, John B.
Shick, Harold D.
Shippee, Randall C.
Short, Keith E.
Shriver, Timothy D.
Shroyer, Timothy M.
Shughart, Robert C.*
Shutters, William D., II
Siedband, Marc A.
Siedsma, Paul R.
Sill, John A.
Silvast, Stevan D.
Simmonds, Jonathan R.
Simmons, George W.
Simmons, Larry R.
Simonson, Steven C.
Singer, Donald R.*
Singer, Larry
Single, John M.*
Sipe, Alan M.*
Siraguss, George A.
Sisk, Charles E., Jr.
Sisterhen, Gerge W.
Sizemore, Jack*
Skinner, Thomas B., Jr.
Skotty, Donald R.
Skrincosky, Dennis A.
Skura, Gary M.
Skurla, Dale G.*
Slack, Randall J.
Slaughter, Charles J.
Slight, Stephen I.
Sloan, Patrick F.
Sloss, Daniel D.
Smart, James S.
Smart, Scott W.
Smart, William A.
Smedberg, Richard A.*
Smith, Alfred E., Jr.
Smith, Billie L.*
Smith, Byron V., III*
Smith, Daniel B.
Smith, David H.
Smith, David A.
Smith, George W.
Smith, Norman E., II*
Smith, Peter G.
Smith, Raymond L.
Smith, Richard L.
Smith, Richard E.
Smith, Robert F.
Smith, Robert D., II
Smith, Steven S.
Smock, Jackson D.
Smolski, Stefan L.
Smouse, William M.
Snead, Hugh D.
Sneed, Brandon M.*
Snyder, Richard L.
Sokolowski, John A.*
Solem, Craig R.
Somogyi, Michael R., III
Soto, Ralph M.
Souder, Charles C.
Souders, Alan R.
Spagna, William S., Jr.
Spear, Gary L.
Speer, William W.
Spencer, Douglas G.
Sperlich, James L.
Spilman, Theodore L., III
Spinnato, Joseph C., III
Spoto, Russell A.
Sprague, Thomas L.
Spunar, Vincent P.
Spurr, Joseph J.
Squicciarini, Peter D.
Squires, William D., Jr.
Staeb, Roland W., II
Stafford, David S.
Stagl, Frank P., Jr.
Stair, Gerald K., Jr.
Stanko, Frank J.
Stanley, Paul S.
Stanley, Rolland V.
Stanley, William B.*
Stanton, Paul E.*
Steel, George D.
Steele, Robert D., Jr.
Steen, Allen R.*
Stefanik, Edmund J.
Steger, James M.
Steiner, Michael B.
Stelten, James Robert
Stemp, Roger
Stangle, Barry J.
Stephenson, George M.
Stephenson, Luther G., Jr.
Stephenson, Michael P.
Stephenson, Richard D.*
Stetson, William S., Jr.
Stevens, Martin M.
Stevens, Richard A.
Stevens, Richard E., Jr.
Stevens, Thomas J.
Stevenson, Billy W.
Stewart, John M., Jr.
Stewart, John W., III
Stewart, Robert B.
Stewman, John H.
Stich, Andrew T.
Stichter, Michael C.
Stiles, Kenneth R.
Still, Roger C.
Stine, Danny A.
Stinson, Ralf H., II
St. John, Charles W.
Stokoe, Grant S.
Stone, Dennis D.
Stott, Kermit P.
Stout, Chester H.*
Strandquist, John H., III
Streeter, Paul J.*
Stribling, Charles S., Jr.
Stringer, Gary L.
Strott, John B.
Strul, Gary R.
Stuart, Wayne S.*
Stufflebeem, John D.
Stumpf, Michael E.
Sturgis, Gregory T.
Sturm, John R.
Sudweeks, Verl B.
Suhr, Thomas W.
Sullivan, Daniel D.
Sullivan, Dennis M.
Sullivan, Mark P.*
Sullivan, Martin D.
Sullivan, Mark D.
Sullivan, William R., Jr.
Sunderland, Paul R.
Sussdorff, Thomas E.
Suttinger, Michael E.
Sutton, Donald R.
Swartz, Melvin C., Jr.
Sweeney, Francis M.
Sweeney, Joseph W., III
Sweeney, Kelvin J.
Sweeney, Randal C.
Sweeney, Robert L., III
Sweeney, Robert B.*
Sweet, Robert B., Jr.
Swepston, Carl E.
Swift, Thomas O.
Swiontek, Richard L., Jr.
Sycuro, Frederick A.
Szepe, Victor H.
Szymanski, John R.
Tabb, Henry J.
Taggart, David B.*
Tague, Charles L.
Takahata, Richard H.
Talcott, Michael A.
Tarbet, Gary L.
Tarkington, Larry G.
Taskoski, Joseph L.
Taylor, Allen D.
Taylor, Arthur L.
Taylor, Ross M.
Tenga, Richard
Tenuto, James E.
Terrell, James M.
Tesch, Thomas G.*
Tharp, Mark E.
Theobald, Robert L.
Thomas, David L.
Thomas, Eugene L.
Thomas, Glenn A.
Thomas, John A.
Thomas, Richard J.
Thomas, Richard C.
Thomas, Richard L.
Thomas, Robert B.
Thompson, David C.
Thompson, David D.
Thompson, Daniel P.
Thompson, Richard H.
Thoms, James M.
Thorn, David J.*
Thornburg, Donald W.
Thorne, Stephen D.
Thorne, William B.
Thrift, Henry S., Jr.
Tierney, Michael J.
Tillotson, Robert N.*
Timm, Rodney D.
Tindall, John M.*
Tippett, Leo P.
Todd, Gregory B.
Todd, James A.*
Toll, Harry V.
Tollefsrud, Neil E.
Tomassewski, Daniel J.
Tomkins, Philip A.
Tooley, Norman E., Jr.
Torgersen, Richard C.
Torsney, George P.
Town, John W., Jr.
Towne, James B.*
Towner, Richard L.
Tozer, Michael M.
Tracy, Michael C.
Tracy, Robert E., Jr.*
Trimmer, Thomas A.
Tritchler, Wayne K.
Troske, Paul S.
Troy, Philip E.
Tucker, Jack W.
Tufte, Duane M.
Tull, John T., Jr.
Tully, Brian E.
Tunstall, Thomas N.
Tuohy, Matthew W.
Turnbull, Thomas
Turner, Arden C.
Turner, Dick W.*
Tusing, George M., III
Tye, Charles R.
Tyson, David S.
Udicious, Richard A.
Udick, Steven J.
Uhal, Howard T.*
Uhl, Thomas W.
Ulmer, Edward W.
Undersander, Robert L.
Urban, Clement D.
Urban, Russell T.
Ursery, Ronald M.
Vagts, Wayne F.
Valvo, Gary M.
Vanbladeren, Ronald W.
Vandermeer, Raymond R.
Vandoren, Wayne R.
Vanduyne, George S., Jr.*
Vandyke, Mark A.
Vanhook, Keith C.
Vann, Jarvis W.
Vannatter, Richard P.*
Vanosdol, Donald W.
Vardell, Donald K.
Vasquez, Alberto E., Jr.
Vasquez, Harry W.
Vaughn, Thomas N.*
Vehslage, Louis M.
Velasquez, David M.
Veley, Richard K.
Vendeland, Ralph P.
Vereb, Guy L.
Verhofstadt, Francis A.
Verschure, Robert M.*
Versecke, Michael S.
Viar, Lawrence F.
Vick, Roger L.
Vickers, Charles T.
Vilotti, Daniel T.
Vineyard, Michael H.
Violette, Thomas F.
Viscovich, Paul W., Jr.
Volk, Ralph L., III
Vollmer, Leo W., Jr.*
Vonchristiersen, Steven
Vonk, Martin J.*
Waechter, Thomas M.
Walden, Kim C.
Walker, Farley L.
Walker, John M.
Walker, Kenneth D.
Walker, Lambert R., III
Walker, Samuel D.
Wall, John G.
Wallace, David B.
Wallace, Justin L.*
Wallace, Kevin E.
Wallace, Lawrence K.
Wallace, Philip B.*
Walls, Keith A.
Walpole, Archie F., Jr.
Walsh, Stephen W.
Walsh, Stephen E.
Walter, Ainslie B.*
Walters, Clyde T.
Walthers, Phillip A.*
Ward, David T.
Ward, Larry W.
Ware, William G.
Warmbrunn, Robert J.
Warner, John R.
Warren, Darrell W.
Warren, Gordon H.*
Warren, Jay K.
Warren, Timothy R.
Warrenfeltz, Larry L.
Washington, Michael B.
Washington, Leroy L., Jr.
Wassel, Raymond P., Jr.
Wasson, Warren J.
Waterfield, Michael G.
Waters, Neil R., Jr.*
Watkins, Gary N.
Watkins, Thomas V., III
Watson, Larry J.
Watson, Michael G.
Wawrzyniak, James S.
Weaver, Brian R.
Webb, Lawrence L.
Weber, Bruce A.
Weber, Frederick W.
Weber, Paul D.
Weber, Paul J.
Webster, William E., Jr.
Weckbaugh, Larry L.
Weckerle, Richard S.
Wedoff, Steven D.*
Wegner, Brian J.
Wehle, John K.*
Weidele, Alvin L., Jr.
Weidman, Robert P.*
Weimer, John C.*
Weinhardt, Stephen A.
Weinstein, Frank D.
Welch, Lawrence H.
Wellok, Stephen M.
Wells, Roderick A.
Wells, William A.*
Welsh, Kenneth H.
Wentzel, Philip E., Jr.
Wernli, Daniel E.
Weronko, William A.
Wessel, Kirk D.
West, David D., Jr.
West, Jeffrey A.
West, Robert T.*
West, Spencer T., Jr.
Weyand, William G., II
Whalen, Harold G.
Wham, Norman E.
Whatley, Joseph W.
Wheaton, Richard W.
Wheeler, Daniel A.
Wheeler, Dennis R.
Wheeler, Steven R.
Whipple, David E.
White, Allen E.
White, Gregory J.
White, James F., III
White, Jerry S.
White, Norman L.
White, Scott R.
White, Stephen F.
White, Stephen R.
White, Stuart T.
Whiteside, Richard E., Jr.
Whitmer, Lynden D.
Whitted, George W.
Whyms, Michael L.*
Wick, Daniel B.
Wickersham, Francis M.
Wicks, James H., Jr.*
Widman, Stephen C.
Widmann, Jeffrey B.
Wiebe, John M.
Wiener, Gregory P.
Wierenga, Michael A.
Wiggers, Raymond P., Jr.*
Wildemann, Leonard W., III
Wildey, Gary R.
Wildfong, Daniel J
Wilhoit, George Z.
Wilken, Dennis E.*
Wilkerson, Gordon M.
Wilkerson, Lonnie O. III
Willett, Kenneth L.
Williams, Craig L.
Williams, Charles M.
Williams, Dale J.
Williams, Daniel R.
Williams, Danny B.
Williams, Darrell W.
Williams, James H.
Williams, Nathaniel Jr.
Williams, Raymond E.
Williams, Richard E.
Williams, Robert G.
Williams, Robert P.
Williams, Russel T.
Williams, Thomas D., IV
Williams, William H., Jr.
Williams, Thomas J.
Willis, Carl J.
Willis, Joseph W., Jr.
Willis, Montgomery P.

Wilson, John L.
Wilson, Harold K.
Wilson, Joseph D.*
Wilson, Peter C.
Wilson, Steele D.
Windsor, George B.
Winslow, Robert S.
Winston, Jeffrey N.
Wischerath, Lambert J.
Wiseman, Fred E., Jr.
Withrow, John F.*
Wittenberg, Charles F.*
Wolfe, Christian E.
Wolfe, Rex R.
Wolff, William S.
Wood, Michael P.
Woodall, James W.
Woodard, Trygve M.
Woodcock, David A.
Woods, James A., Jr.
Woods, John E., Jr.
Woods, Ronald W.
Woods, Wayne A.
Woolley, James R.
Wooster, Michael H.
Wooten, Hubbard S., III
Work, Edward P.
Worst, Terry J.*
Wren, William C.
Wright, Riley L.
Wrightson, David J.
Wrobleski, John J., Jr.
Wrona, Kenneth W.*
Wunderlich, Erwin J.
Wurzel, Donald J.
Wurzel, James D.
Wyatt, Charles A.*
Wydra, Mark J.
Wykowski, Henry S., Jr.
Yaeger, Richard K.
Yasment, Frank P.
Yates, John M., Jr.
Yates, William R.
Yeager, Francis J., Jr.
Yeatman, Richard W.
Young, Bradley W.
Yost, Charles P.
Yost, Jerald E.
Young, David R.
Young, Gregory D.
Young, John H.
Young, Leroy
Young, Robert V.
Yumen, David Y.
Yungk, George L.
Zakrajsek, Michael J.
Zambrano, Steven P.*
Zapolski, Edward S.
Zaworsky, Daniel S.
Zebrowski, Jeffery L.
Zeiders, Michael D.
Zeller, Randel L.
Ziebelman, Michael S.
Zimmerman, James H.
Zoepfl, Frederick J.
Zurbrick, William W.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, Sections 8771 and 8791, subject to qualification therefor as provided by law:

Adams, Louisa D.
Adams, Susan M. B.*
Allen, Lois E.*
Ament, Marion D.*
Aubel, Pamela J.*
Baivier, Anita G.*
Barrie, Virginia D.*
Bary, Charlene G.*
Beatty, Florence E.*
Black, Margaret A.*
Blaha, Milady A.
Bolter, Dee A. R.
Bond, Margaret H.*
Bracken, Dody
Brehm, Barbara L.
Brennan, Ainslie S.
Brown, Elena W.
Brown, Lane
Bruner, Bettyjo D.
Burgess, Leslie A.*
Burgess, Stella B.
Bushong, Anne L.*
Chaloupka, Joy L.*
Cottey, Susan A.
Coullard, Mary V.*
Coulter, Stephanie L.*
Crawford, Billie E.*
Crisp, Donna L.*
Crognale, Katherine E.
Defrank, Deborah E.*
Diekman, Diane J.
Dixon, Deirdre E.
Downing, Julie A.*
Eason, Virginia L.*
Egbert, Jean L.*
Eliason, Susan A.*
Elston, Sheryll L.*
Ferris, Joyce M.*
Fleming, Martha M.*
Foureman, Ariadna R.*
Fulham, Marcia L.
Gabus, Cynthia L.
Gallinger, Kathy A.
Gandl, Cheryl R.
Gilchrist, Lorri P.*
Gleason, Mary F.*
Gomez, Norma E.*
Graham, Sheila A.*
Grill, Cecelia A.
Hagin, Patricia A.*
Hansen, Cindy A.*
Hayes, Onedia J.*
Hill, Cheryl A.
Hirabayashi, Donna M.*
Honda, Frances T.
Horley, Susan L.*
Houck, Rebecca E.
Huebscher, Mary
Humeweinkam, Christina*
Illig, Christina F.
Iverson, Mildred N.
Jagger, Sandra J.
Jamieson, Margaret D.*
Jennings, Kathleen R.
Johnson, Roxanne T.*
Johnstone, Claudette G.
Jorgensen, Janis M.
Jori, Carol D.
Kelso, Nancy E.
Kozaklewicz, Kathryn G.*
Kreitman, Gayle
Kruse, Marcia A.*
Kuhn, Pamala A.
Langford, Mary E.*
Larson, Kathleen E.*
Leder, Kris A.
Leighty, Melinda J.*
Lenhardt, Julie A.
Levin, Canice K.*
Long, Linda D.
Lynch, Anne*
Mac Donald, Marcia M.
Mangham, Cheri J.
Maybaum, Susan C.*
McCauley, Karen L.*
McCoy, Sheila K.
McKenzie, Colleen J.*
Miller, Cathleen A.
Miller, Janet B.
Morgan, Jean P.
Muller, Pamela C.
Myers, Linda M.*
Nash, Betty Jo
Nadeau, Lynda I.*
Nelson, Betty A.
Nelson, Cynthia A.
Neshiem, Paulette R.
Nichols, Dorothy K.
Noonan, Ruth S.*
Oakleaf, Ann C.*
Oday, Dale K.*
Orr, Bonnie A.
Parker, Dealey S.
Pearson, Vicki S.
Perry, Mary F.*
Peyronel, Sharon A.*
Plato, Gayle J.*
Price, Rebecca J.
Purdy, Mary C. H.*
Reily, Patricia J.
Rider, Maradee*
Rios, Patricia B.
Rocheleau, Karen D.*
Rogerslayton, Valerie
Rosenberg, Joan R.*
Rosenthal, Ellen S.
Rubinkowski, Adrienne L.
Scarbro, Pamela J.

*Ad Interim.

Recess 16 October 1978 thru 15 January 1979.

IN THE NAVY

The following-named midshipmen (Naval Academy) to be a permanent ensign in the line of the Navy, subject to the qualifications therefor as provided by law:

*Barry R. Smith

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Larry D. Aasheim
Jamie M. Acker
James M. Adams
William W. Adams
Robert A. Adamski
Danny R. Adamson
Jeffrey J. Ahern
Ronald F. Aiello
Timothy A. Aines
Eugene K. Aiu
Tony L. Albano
Lance R. Alderman
Kelly R. Alexander
Thomas P. Allan
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David G. Allen
Thomas G. Allen
Anthony R. Allmon
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Timothy M. Andersen
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David G. Archambault
Lawrence E. Archer
Timothy A. Armstrong
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James R. Arnett II
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Anthony T. Bell
Kenneth L. Bell
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John D. Berard
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David C. Best
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Keith A. Ranker
Daniel L. Rath
Clifford H. Ratte, III
Robert A. Rauss
John F. Reardon, Jr.
Martin D. Reardon
Frank W. Reed, III
Kevin J. Regan
Henry C. Regis
John A. Reid
Robert D. Reilly
Bruce E. Reinard
Richard C. Reinecke
Christopher P. Reisch
Teresa A. Reisinger
William F. Reiske
Frederick P. Remellus
Ricardo J. Rendon
Kenneth M. Reynolds
Bryan M. Rhoades
William B. Rhue
Russell J. Rice
Adrian K. Richardson
Randolph A. Riedel
Harry J. Ries, Jr.
Michael K. Riley
William E. Riley, III
Mark J. Ringlein
Timothy E. Ritsert
Jose E. Rivera
William E. Rizzio, Jr.
Thomas E. Robb
Bruce V. Roberts
Jon J. Roberts
Allen J. Robertson
James S. Robertson
James W. Robertson, Jr.
Samuel A. Robertson
Steven M. Robertson
Ronald J. Robinson
Brian D. Rodeck
David A. T. Rodgers
David B. Rogers
Morgan M. Rogers
Theodore E. Rogers
Susan M. Rokes
Peter C. Romaneski
Kenneth M. Rome
Terry L. Rooker
Steven M. Roper
Vernon B. Rose
Gary W. Rosholt
Michael A. Ross
Sarah L. Ross
Christopher J. Roth
Brian J. Rothwell
Roger E. Rouleau
Lawrence A. Rowe, Jr.
James R. Roys
Jonathan C. Rucker
Meade H. Rudasill, Jr.
Germaine M. Ruddell
Mark A. Rusbens
Thornwell F. Rush, Jr
James F. Rushton
Angela G. Russell
John M. Russell
Robert M. Russell
Walter R. Russell
James A. Rutherford, Jr.
James R. Ryan
Joann L. Saalfeld
Robert P. Sabo
Roy D. Sadler
Gabriel R. Salazar
Peter Salerno
Robert R. Saltsman
Marc J. Salvatori
Keith M. Sampey
Paul M. Sampson
David F. Samson
Benjamin W. Sanches
Jean M. Sando
Benjamin F. Sands, III
William R. Sanford, Jr.
Stephen Santa Ana
David T. Sapone
Mark V. Saries
Sam M. Savas, III
Steven J. Schad
John N. Schaffner, Jr.
Jon A. Schauber
Mark E. Scheitlin
Henry R. Scheller, Jr.
Alan T. Scherer
John D. Schmid
Marybeth Schnabel
James K. Scholl
Richard A. Schollmann
Stephen J. Schrader
Paul F. Schuler
Charles S. Schuster
Michael A. Schwarzkopf
Jay P. Schwermer
Brian C. Scott
Gary W. Scott
George R. Scott
Gregor G. Scott
Kathleen M. Scott
Michael Seay, II
Edward A. Sechrest
Mark K. Seglem
Stephen W. Seim
Joey L. Seisler
Harry E. Semler, III
Neil A. Sendler
Robert C. Sermon
Tero T. Sevon
Mark S. Shafer
Douglas F. Shaffer
Paul T. Shaffer
John M. Sharry
Kevin J. Shaughnessy
Trenton D. Shaver
David R. Sheehan
Terence R. Shelton
Theodore H. Shepard, III
Jeffrey B. Sherwood
David G. Shields
Richard J. Shields
Robert E. Shields, III
Kon Y. Shin
David W. Sholler
James D. Shore
Paul G. Shotsberger
Lee T. Shrader
Mark S. Shumaker
Scott R. Shuman
Kimberly Shunk
Paul A. Sicard
Rolf A. Siegel
Joseph P. Sienicki
Douglas P. Sifford
Vincent J. Silvester, Jr.
William J. Simmons
Peter S. Simon
David L. Singer
Dana C. Sjogren
Carol A. Skiber
David O. Skinner
Mark A. Slawson
Timothy J. Sloan
Michael E. Slomke
Anthony T. Sly
Allan E. Smith
Blake H. Smith
Bret W. Smith
Charles E. Smith
David C. Smith
Douglas Smith
Galen L. Smith
James D. Smith II
Jamie L. Smith
John H. Smith
Richard B. Smith
Robert J. Smith
Roy M. Smith
John W. Snedeker, Jr.
Jeffrey C. Snyder
Mark C. Snyder
Matthew R. Snyder
Walter C. Sorenson
James R. Soriano III
Rory L. Souther
Harvey D. Spear III
Brian E. Spelliesy
Ronald W. Spiker
Ricky C. Spillman
Cosmas R. Spofford
Phillip B. Spotts
Michael K. Stacey
Frank J. Stadius
Russell E. Stalters
Paul C. Stanfield
Kevin C. Stangl
Robert W. Stansbury
Kenneth A. Stansell
William G. Stark
Mark B. Steelman
Fredrick A. Steiner
James M. Stephen
Carl W. Stephens
Clark D. Stevens
James G. Stevens
Mark D. Stevens
Gregory A. Stevenson
John B. Stevenson IV
Lance J. Stewart
Donn O. Stiner
Richard V. Stockton
Howard L. Stone III
Mark G. Storch
Martin D. Stowe
Jeffrey P. Stratton
Edward Straub
Robert T. Strickland
Victor B. Stuckey
Christopher J. Sullivan
Michael P. Sullivan
Robert J. Sullivan
William J. Sullivan
Christopher L. Summers
Marc A. Summers
James F. Sumner III
Mark L. Suycott
Gary F. Svatek
Geoffrey S. Swanson
Ernest V. Swauger, Jr.
Gary L. Swearingen
Gary V. Sealucka
Michael L. Szymanski
Charles A. Szypszak
Thomas D. Towle
Bradley K. Toy
Timothy J. Tracy
William L. Trager
William T. Trainer
James M. Trees
James E. Trimmer
Rocco L. Tripepi
Bruce A. Troutman
Jerry R. Trudell
Alan A. Tucker
Richard J. Tucker
James S. Tully
*David W. Tungett
Timothy D. Turner
*Arthur E. Turrif
David R. Twardosky
Timothy N. Udell
Mark J. Uhar
Kevin K. Uhrich
Keith A. Ullman
Peter T. Underwood
Frank D. Unetic, Jr.
Darrell G. Ussery
Eric T. Vanderslice
Steven C. Vanhorn
Robert A. Vanmeter
Marjorie L. Vann

David D. Vanwagoner
Guy L. Varland
Harley E. Vasper
Byron K. Veasey
Michael G. Vezinga
Matthew R. Verrando
John A. Verstegen
Michael L. Vick
James M. Victorine
David L. Vinci
Donald W. Vinci
John H. Vivadelli
Emanuel Vlastaras
Paul A. Voelker
Richard A. Vogels
David M. Volonino
Carl E. Vonbuelow
Gerald J. Voorhies
Thomas B. Vosloh
Mark A. Wagner
Victor E. Wagoner
Stephen G. Waite
Joseph A. Walbert
Michael R. Walsh
Susan J. Walsh
David L. Walter
James R. Walter
Peter J. Walter
Glenn M. Walters
Linwood G. Walton, Jr.
David A. Warah
Robert G. Ward
*Carey E. Warren
Patricia F. Warren
Ronny D. Washington
Michael J. Wasnik
David J. Wassink
David A. Watson
Donald D. Watson
Philip P. Watson
Walter B. Watson, Jr.
William J. Watters
David J. Watts
Michael Watts
Clifford D. Weber
Juergen Weber
Kenneth B. Weber
Leonard E. Weddle
John W. Weeks
Robert C. Wein
Thaddeus B. Welch, III
Christopher B. Welsh
James L. Welsh
Juanita F. Wendland
Gary R. Wenta
Leonard D. Wert, Jr.
Patrick H. West
Randall T. Westhaus
Roland Weyman
Gary S. Wheeler
Kenneth Wheeler
Stephen C. Whipple
Jeffrey B. Whitacre
Joseph M. White
Margaret L. White
Peter C. White
Tolor E. White
Mark E. Whited
Joseph A. Whiting
Mark E. Whitson
Sam E. Whittle, Jr.
John W. Wickel
Frank P. Wieder
Robert A. Wiedower
Robert D. Wiemann
Dennis M. Wiesbicki
Brian C. Wild
Gerald R. Wild
Wendell S. Wiley
Paul S. Wilhelm
Scott A. Wilkening
Paul S. Wilkerson, Jr.
Jackie L. Wilkes
Jay C. Wilkinson
Brian J. Williams
John C. Williams
Morris E. Williams
Norris O. Williams
Stanley Williams
Timothy B. Williams
Larry D. Williamson
Charles B. Wilson
Douglas M. Wilson
Gregory J. Wilson
Herbert M. Wilson
Kenneth D. Wilson
Thomas A. Wilson
Richard L. Wingfield, Jr.
Bruce E. Winter
James M. Winterroth
Frank C. Wise
Jeffrey R. Wismom
Randall J. Wittry
Markus A. Woehler
Jean M. Wolk
David E. Wood
David R. Wood
John S. Wood
John T. Wood
Richard D. Wood
Steven W. Woodson
Craig G. Wooldridge
Mark A. Wootten
Thomas V. Works
James M. Wright
James R. Wylly
Kevin A. Yancy
Dean H. Yarborough
Ralph H. Yarwood
Derwin G. Yee
Bruce W. Yep
Hershel C. Young
Jeffrey C. Young
Randolph K. Young
Thomas B. Young
Thomas A. Zackary
Michael S. Zarzycki
Brett N. Zeits
Peter M. Zelechoski
Gary R. Zeller
William F. Zeller, III
Michael A. Ziegler
Michael P. Zmijewski

The following-named Navy enlisted scientific education program candidate to be a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Patrick E. Venetinski

The following-named (U.S. Naval Reserve officers) to be appointed permanent commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Bernard J. Borts
*John A. Hansen
*Lombardo M. Santiago

The following-named (U.S. Naval Reserve officers) to be appointed permanent lieutenant commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*James R. Auman
*Thomas W. Coale
*William A. Herndon
*Jong K. Lee
*Robert W. Lukens, Jr.
*Lloyd B. Mandel
*Rafael A. Pagan-Pagan
*Charles D. Saul, III
*Marion H. Tankesley
*Bernard S. Thomas, Jr.
*James W. Thorp

The following-named (U.S. Navy officers) to be appointed permanent lieutenants in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Harry M. Brammer, III
*Julian F. Keith, III

The following-named (U.S. Naval Reserve officer) to be appointed a permanent lieutenant in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*John W. Murray

The following-named (U.S. Naval Reserve officer) to be appointed a permanent lieutenant commander in the Dental Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Earl F. Fisher

The following-named (U.S. Naval Reserve officers) to be appointed permanent lieutenants in the Dental Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Eugene B. Pankey
*Richard J. Wilkinson

The following-named temporary chief warrant officers to be appointed permanent chief warrant officers, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Jose A. Alexander
Milburn M. Anderson
William G. Anderson, Jr.
Edward R. Appleby
Roland M. Bagley, Jr.
James M. Boley
Raymond C. Bucheister
Elmo L. Bumgarner
Edward J. Bunker
Larry D. Burke
Michael L. Burke
John J. Campbell
John D. Casteen, Jr.
Stephen M. Casto
Linwood C. Claytor
James D. Cope
Gary L. Crawford
Adelbert Cruz, Jr.
Richard C. Cullison
Charles C. Curtis
Richard F. Doolittle
Michael E. Drain
Fred A. Drajna
Craig A. Engdahl
Edward F. Fahey
John Fairbanks
Harold Farley, Jr.
Francis C. Fenwick, Jr.
Clayton A. Francis
Gerald J. Franzen
John W. Garrison
Benjamin A. Gearo
Milton Goldin, Jr.
Richard J. Grass
Robert L. Graves
Robert H. Gross, III
James R. Guss
William P. Guy
Jesse J. Hall
Ellis Hamilton
Jonathan C. Harrison
John H. Hayes
John W. Hays
Wayne Hendrickson
Billy J. Hildreth
David C. Hobart
Robert H. Hoffer
Billy D. Holloway
William D. Howard
Carleton T. Howell, Jr.
Michael T. Hutson
Kenneth I. Jelley
Hubert S. Jones
Thomas G. Kahler
Johnnie N. Kantirakis
Jerry L. Keast
George E. Kell, Jr.
Wayne J. Kislingbury
William D. Knight
Eugene L. Knutson
Charles "C" Koon
George W. Lanman, Jr.
Gary L. Laun
Dudley B. Locke, Jr.
Thomas T. Logue, Jr.
Paul F. Loveless, Jr.
Arthur R. McAvoy
James P. Mackie
Marvin D. Metheny II
Bryan T. Moody, Jr.
Robert L. Morgan
Richard B. Morse
Robert D. Nielsen
James L. Norton
Charles T. Ogden
William R. Palmer
Allen H. Patterson
Thomas E. Pauls
Thomas R. Poland
Richard H. Quijada
Ray Ramires
George H. Randolph
Jerry D. Risk
Johnny G. Robbins
David A. Roby
Ronald J. Rodger
Roger D. Rosenboom
David C. Schmitz
Gary N. Schorr
George L. Scott
Terance R. Scribner
Robert E. Seater
Alan R. Simons
Randall C. Smith
Harrison H. Solt III
Larry O. Sparks
James E. Stein
John P. Sudik
Roger A. Summey
Connie G. Taylor
Paul L. Temer
Larry E. Thompson
Marvin F. Tyrrell
Clyde Q. Webb
Ronald W. Whitener

The following-named Navy enlisted candidates to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Donald R. Absher
Carl T. Alexander
Dannie K. Almond
Carlos D. Andaya
Robert B. Andles
Dennis L. Arens
John D. Arglian
Kenny E. Armstrong
Charles G. August
Durward C. Ayre
Charles B. Aydelott
Joseph S. Badnek
Don F. Bailey
William W. Baker
Patrick L. Baldwin
Gerald W. Ball
Maurice E. Ball
John M. Banks
Charles B. Barber
William E. Barbra
Billy L. Barker
Charles Barreras
Jack D. Bartlow
Richard L. Bate
Rodolfo R. Bautista
Teddy O. Baylen
Paul H. Bayne
Bryan A. Becken
Robert J. Benfer
Ronald N. Besser
Melvin C. Bird, Jr.
Henry "A" Bishop
Hubert W. Bishop, Jr.
Raymond L. Bishop
Robert E. Blake
Karl S. Blount
Rudy Q. Bojo
James R. Braccio
Edwin D. Brack
William W. Braxton
Albert M. Bredemeyer
Charles J. Breslin, Jr.
James A. Briggs
Joseph R. Brigiin
Michael D. Bright
Roy E. Brinkley
Robert G. Bristol
Dale R. Britt
James R. Brooks
Mark N. Brown
Glenn R. Browning
Wardee R. Bruce, Jr.
Kenneth C. Buck
Roger A. Burkhart
James P. Bush
Ronald G. Bush
Ronald L. Buttrum
Harold D. Byers
Edward M. Cadorette
Frederick N. Callahan
Donald L. Camacho
Richard D. Cannon
Sandra Cantu
Nelson R. Carter
William M. Carter
George S. Case
Andres P. Cell
James T. Chambers
Harry W. Chesnut
David P. Childers
Percy H. Chinery III
Mel D. Chiong
Doyle R. Church
Jimmy C. Clark
Robert B. Clark
Philip L. Clemente
Clifford Clouser
Jimmy R. Cochran
Harold J. Woodburn
Hubert F. Woods, Jr.
Harry A. Wright
Adrian C. Youngblood, Jr.

The following-named Navy enlisted candidates to be appointed permanent chief warrant officers, W-3, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Raymond A. Cochran
Danny D. Cole
Reuben W. Collier, Jr.
Daniel J. Collins
Clifford T. Cook
George T. Copes
Robert C. Cote
Earl "W" Craig, Jr.
Bonnie S. Creamer
David L. Creed
Roger W. Cross
Jerry Crownover
James L. Cunningham
Harry A. Curtis, Jr.
Sheldon "G" Curry
Larry Ray Daugherty
James E. Davis
John W. Davis
Robert "B" Debona
John W. Dickenson
William G. Dickson
Frederick R. Dixon
John W. Dobbins
Douglas A. Doemel
Benjamin A. Domondo
Douglas W. Donnelly
Ronnie B. Dooley
Thomas R. Dunn
Robert J. Dupalo
James E. Dye, Jr.
Leonard J. Edgar
Ralph D. Edwards
William N. Edwards
John F. Eget, Jr.
William W. Eggleton
Cheyenne Eichelberger
Beaudwyn P. Eichlepp
Roger A. Ellis
Donald M. Epperson
George W. Estes
Harry W. Falco
Harold L. Fales
Robert D. Falcon
Virgil C. Fegarido
Gaylord R. Finch
William F. Finch
Douglas W. Fleischer
William E. Flood
Gary E. Flynn
Myrle C. Foraker
Joseph C. Ford
Ralph E. Ford
Ronald L. Fowler
Claude I. Franklin
James H. Fritz
Sergio M. Frost
Jerry M. Fugich
Jeffrey L. Funk
George E. Gabaldon
Antonio M. Galanides
Patrick Garcia, Jr.
Talmadge C. Garrett
Charles R. George
David R. Getty
Wesley R. Gibson
Phillip G. Gilbert
William R. Gilchrist
Leonard F. Gilles
Freddie H. Gilliland
Raymond R. Gillip
Aaron C. Ginn
Francis H. Girouard
Bedford D. Glenn
William J. Gork
Charles D. Grady
Alfred L. Graham
John I. Grant, Jr.
Donn E. Green

Robert L. Gregory
Michael L. Greiner
Clyde C. Griffin
Francis M. Groff, Jr.
Farrell J. Grogg
Lloyd L. Guffey
John N. Gullett
Paul D. Hacker
Douglas J. Hall
Charles F. Hammer
Rudolph M. Hanna
Robert F. Hand, Jr.
Lawrence E. Harden
Joseph P. Harmon
Franklyn K. Harper
Randolph A. Harper
Robert P. Hayes
Robert M. Heath
Charles E. Heiney
Jack L. Helm, Sr.
Frank E. Helms
Thomas R. Henderson
Charles N. Herman
Edgar B. Hestand
Jimmy R. Hickey
George C. Hill
Richard A. Hill
William J. Hinds
Edward L. Hinton
Manning A. Hooker
James F. Houlette
Robert E. Houston
Albert J. Huffman
Merrill W. Inglis
James R. Ingram
Andrew Isola
Auston M. Jackson
Galle B. Jennings
John S. Jennings
Larry D. Johnson
Lawrence J. Johnson
Bobby L. Jones
Ronny G. Jones
James J. Jordan, Jr.
Bruce D. Kehr
James H. Kaiser
Barry Kennedy
Royd Keys
Raymond J. Kimball
Franklin D. Kimes, Jr.
George H. Kinshofer
John B. Kite
William E. Koester
James L. Kohlbeck
Paul H. Korntop
Arno A. Kretzschmar
Thomas H. Krohn
Lawrence L. Kurtz
Albert H. Lachance
John D. Lacko
Louis P. Ladow
Robert C. Laduke
Donald W. Lane
Gary L. Lang
Kevin J. Laplante
Eugene R. Lasater
Carol L. Lawrence
Charles E. Lawson
James C. Lawson
Shirley W. Lawson
Donald A. L. Leatherwood
Richard D. Lee
John E. Leindecker
Francis A. Leong
John T. Lloyd
John A. Lomsnick
Cecil J. Long
Lawrence H. E. Long
Thomas J. Long
Jay W. Lunsford
William M. Lyman
James J. Lynch
Raymond R. Lynch
Paul D. Lyon
Preston O. Lytle
Arthur L. McCauley, Jr.
Ronald E. McBee
Charles F. McCowan
Harold D. McCurdy
Bruce McDonald
Albert F. McGurr
Keith A. McKee
John M. McNealy, Jr.
Larry A. McNulty
George J. McQuade
Gilbert J. McWane
Edward L. Mangel
John L. Martin
Lawrence E. Martin
Frank O. Marsetta
Anthony H. Massey, Jr.
Tim I. Mathisen
Bruce Maxaner
Donald R. Mayberry
Genelito V. Medina
Nicholas S. Medved
Richard L. Micklich
Richard J. Mihok
Charles E. Miller
Hershel M. Miller
Merle J. Miller
Ralph F. Miller
Charles R. Milton
Ronald Mobley
Martin C. Moffett
George V. Mohan
James J. Montgomery, Jr.
Joseph M. Moore
Paul A. Moore
Robert W. Moore
William V. Moore
Daniel Moran, III
Terry L. Morris
Lawrence W. Morrison
Leroy R. Moser
George K. Mulder
Noah T. Mullins
Max E. Murray
Raleigh J. Nauta
Francis E. O'Halloran
Glen S. Olsen
Mark H. Otto
Raymond W. Owens
Gerald J. Padula
Robert D. Palmer
George D. Paul
Francis H. Payne, Jr.
James E. Pearsall, Jr.
Sherman J. Pearson
Thomas F. Pelis
Lawrence A. Pemberton
John E. Penner
Dieter Peplinski
Philip T. Peterson
William R. Pincek
Robert L. Pittman
William F. Ponder
Donald R. Posey
Elwood S. Pratt
Charles R. Pressley
Robert G. Provost
Glenn K. Pryor
Wade T. Pryor
Hans L. Putz
David L. Quaschnick
Charles W. Rambo
Raymond N. Rapaloe
Ponciano L. Reyes
John S. Rial
Gary L. Richardson
Jerry A. Riddle
Dean P. Ringrose
Kenneth J. Ritter
Rickie L. Robinson
Tommy L. Robinson
Alberto T. Rodriguez
Ronald R. Roe
Walter S. Rogalski, Jr.
James F. Romig
Gerald R. Rominger
Marcelino R. Ronquillo
John Rossetti
Anice J. Rougeau
Cipriano C. Salonga
John W. Sanders
Thomas L. Sappington
Oronzo J. Savino
Edward G. Schell
Franz C. Schneider
Ray Schultz
Frederick A. Schwab
Edward C. Scott
Ronald A. Sewell
Gerald T. Shafer
Terry W. Shanklin
Floyd G. Sharp
Larry W. Sharp
Harvey J. Shaw, Sr.
Rodney A. Shawn
Cornelius A. Sherman, II
Joseph N. Shields, II
Leroy K. Shinkle
Gerald "D" Shotts, Jr.
Larry D. Shoults
David W. Sieruta
Donald B. Simmons, Jr.
Frank L. Simpson
Leonard W. Simpson
Jerry K. Sipes
Austin L. Sissemore
John S. Skinder
David Sloan
Edward L. Slupski
James L. Smith
Richard E. Smith
Samuel B. Snodgrass, Jr.
Robert J. Sommer, Jr.
Paulino Soto, Jr.
Henry W. Spath
Clyde R. Stanfield
Dennis B. St. Clair
Bruce A. Steeves
Richard J. Stephens
Jack D. Strange
James M. Stribling
McCoy O. Strickland
Jerry R. Sully
Arthur H. Swift
Joe T. Sykes

The following-named (U.S. Navy Reserve officer) to be appointed a temporary commander in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Lloyd B. Mandel

The following-named temporary chief warrant officers to be appointed lieutenants (junior grade), in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Jose A. Alexander
Milburn M. Anderson
William G. Anderson, Jr.
Edward R. Appleby
Roland M. Bagley, Jr.
Kenneth R. Bassett
James M. Boley
Raymond C. Bucheister
Elmo L. Bumgarner
Edward J. Bunker
Larry D. Burke
Michael L. Burke
Ralph F. Callaway
John J. Campbell
John D. Castech, Jr.
Stephen M. Cauto
Linwood C. Clayton
Gregorio A. Contreras
James D. Cope
Gary L. Crawford
Adelbert Cruz, Jr.
Richard C. Cullison
Charles C. Curtis
Harold W. Dew
Richard F. Doolittle
Michael E. Drain
George E. Taglioli
Juan M. Taijito
Billy A. Tankersley
Maligi F. Tato
Aureo S. Tayag
Glenn E. Taylor
Walter F. Tennis
Wayne G. Terry
David R. Thomas
Juan A. Thomas
Thomas Thompson
Raymond E. Thorn
Donald M. Thorp
John H. Tines
Daniel Tom, Jr.
James W. Treme
Robert J. Udell
William R. Vanausdal
Clifford E. Van Nostrand, Jr.
Jose Velis
John G. Vigil, Jr.
Francis J. Vogan
Kenneth R. Waddell
Thoma G. Wagner
Robert A. Waite
James E. Walden
Charles Walker
Charles A. Walker
Ramon G. Wallen
Rex E. Walls
Lawrence P. Wandel
James W. Ward
Edward J. Westermeyer
Larry H. Whitaker
William C. Whitney
James D. Whittingham
James H. Williams
Luther O. Williams
Edward L. Wilson, Jr.
Wayne A. Wilson
Buddy V. Wilson
Orville G. Wise, Jr.
Victor L. Witek, Jr.
Thoma L. Worthen
Harvey L. Yeager
Dennis C. Young

The following-named temporary chief warrant officers to be appointed lieutenants (junior grade), in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Fred A. Drajna
Dennis E. Ekardt
Craig A. Engdahl
Edward F. Fahey
John Fairbanks
Harold Farley, Jr.
Francis C. Fenwick, Jr.
Clayton A. Francis
Gerald J. Prannen
John W. Garrison
Benjamin A. Gearo
William M. Glidden
Richard V. Golden
Milton Goldin, Jr.
Sammie Goodlet
Richard J. Grass
Robert L. Graves
Roy D. Griffin
Robert H. Gross, III
James R. Guss
William F. Guy
Gareth R. Habel
Jesse J. Hall
Ellis Hamilton
Jonathan C. Harrison
John H. Hayes
John W. Hays
Wayne Hendrickson
Billy J. Hildreth
David C. Hobart
Robert H. Hofer
Billy D. Holloway
Norman C. Horn
William D. Howard
Carleton T. Howell, Jr.
Michael T. Hutson
Kenneth I. Jelley
Charles L. Johann
Hubert S. Jones
Thomas G. Kahler
Johnnie N. Kantirakis
Jerry L. Keast
George E. Kell, Jr.
Peter J. Kelly
Wayne J. Kislingbury
William D. Knight
Eugene L. Knutson
Charles "C" Koon
George W. Lanman, Jr.
Gary L. Laun
Dudley B. Locke, Jr.
Thomas T. Logue, Jr.
Paul F. Loveless, Jr.
Arthur R. McAvoy
James P. Mackie
Allen T. Merideth
Thomas E. Metcalf
Marvin D. Metheny, II
Bryan T. Moody, Jr.
Robert L. Morgan
Richard B. Morse
Robert D. Nielsen
James L. Norton
Charles T. Ogden
William R. Palmer
Allen H. Patterson
Thomas E. Pauls
Thomas R. Poland
Gilbert C. Poppe
Richard H. Quijada
Ray Ramires
George H. Randolph
Randall M. Richardson
Jerry D. Risk
Johnny G. Robbins
David A. Roby
Ronald J. Rodger
Roger D. Rosenbloom
David C. Schmitz
Gary N. Schorr
George L. Scott
Terance R. Scribner
Robert E. Seater
James A. Sheldon
Alan R. Simons
Randall C. Smith
Richard C. Snow
Harrison H. Solt, III
Larry O. Sparks
James E. Stein
John P. Sudik
Roger A. Summey
John F. Szakas
Connie G. Taylor
Paul L. Temmer
Larry E. Thompson
Marvin F. Tyrrell
Raymond A. Viau
Richard H. Vredenburgh
Clyde Q. Webb
Ronald W. Whitener
Harold J. Woodburn
Hubert F. Woods, Jr.
Harry A. Wright
Adrian C. Youngblood, Jr.

The following-named Navy enlisted candidates to be appointed ensigns in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Michael J. Abbott
Orencio D. Albano
James R. Albright
Ronald D. Anderson
Jon J. Andreasen
Leslie E. Andrus
David C. Ankrom
Alfred J. Ashton, Jr.
Larry R. Aten
Donald R. Aumont
Kenneth R. Avery
Michael D. Axline
Kenneth M. Badget
William G. Bailey
Robert E. Barnes
Todd L. Barnett
Ramon M. Barredo, III
Albert R. Barton
Anthony C. Bascianelli
Richard E. Berardi
David R. Berry
Richard A. Biskis
Moses L. Bing
Donald E. Bishop
Roy K. Bixby
George P. Bluntschly
Russell L. Boggess
Richard A. Bolin
Michael J. Boling
Jeffrey E. Bonner
William J. Bosma
Craig D. Bowles
Arthur C. Bradford
William D. Bradford
Charles E. Brannan
Larry G. Brantley
John E. Brooks, Jr.
Daniel G. Brown
Danny R. Brown
Dewayne C. Brown
Patrick N. Brown
William G. Brown
Michael J. Browning
Harry D. Bryant
James D. Buchan
Roland R. Buis, Jr.
Gary W. Bumgarner
Gary L. Burgart
William C. Burke, Jr.
John A. Butler
Ronald D. Cagle
Carl T. Callender
Gary R. Campbell
Roland L. Cantin
Norman M. Capati
Jose A. Cardenas
Victor L. Carella
Alfredo P. Carmona
James F. Cavin
James A. Channell
Philip C. Chasse, Jr.
James L. Clark
Joseph R. Cloutier
Charles A. Cole
Benny D. Conine
Arthur R. Cook
John A. Copes
Gary W. Cosper
Robert H. Cowles
Harold E. Craig
Clifford W. Cress
Lloyd E. Crimmins, Jr.
Roy L. Cripps
Robert B. Crisler
Donald R. Cronin
Harry A. Crutchfield
Nicanor F. Crusata
Charles L. Dale
Garrett "R" Dalton, Jr.
Edgar L. Dameron, II
Joseph C. Daniel
Stephen J. Daniel
Michael L. Davidson
Michael A. Davis
Thomas M. Deam
Ernesto M. De Castro

Joseph T. Deger
Roy J. Deitz, Jr.
James P. Delaney
Joseph A. Delre
Jay Derrick
John Deyoung, Jr.
Robert Diamond
Clarence L. Diaz
Harold F. Dicer
George E. Diehl
Veon R. Dillon
Reynaldo D. Domingo
Robert L. Doney
John J. Donohue
John R. Donzella
Joseph A. Doyle, Jr.
John V. Drinan, Jr.
Ernest Driscoll
James M. Duke, Jr.
Donald G. Dunbar
Edward P. Dunn
Charles E. Eberhardt
James C. Elder
Kenneth D. Ellis
Randall G. Emmons
Harry E. Ennis, Jr.
William A. Ewing, Jr.
Karl M. Feller
Brent A. Fernald
Jesse J. Fleury
Douglas M. Ferrell, Jr.
James N. Flowers
Rodolfo E. Fontilla
Dale A. Ford
Stephen G. Ford
Don H. Foster
Larry F. Fraczak
James D. Gallagher, Jr.
Eddie J. Gardiner, Jr.
Ellsworth M. Garrity III
John R. Gemmell
Charles M. Georgi
Alan P. Goldstein
Timothy E. Goodbred
Edward J. Gradwell
Richard T. Graves
Stephen J. Grisell
Ronald L. Grochow
Ronald H. Grunstra
Leif G. Grytebust
Redgie L. Gutshall
Kendall R. Hall
Richard T. Hall
Walter I. Hall
David D. Hallock
Robert L. Hampton
James V. Hand
Harold W. Hannah, Jr.
Frank L. Harer
"I" "W" Harper
Larry Harper
Lemual R. Harris
Verle L. Hartley
Terrell L. Hass
Daniel "A" Hassell, Sr.
William E. Havens
Roger L. Hedrick
Richard W. Herman
James R. Higgins
Richard L. Higgins, Jr.
Gregory Hlinka
Thomas K. Hohl
Lewis N. Homan
Gary L. Holtz
Robert C. Houghton
Joseph C. Howard III
Stephen L. Huffer
Robert J. Huffman
Ross M. Hufford, Jr.
Earl R. Hunt
Stephen G. Hyman
Michael R. Hyytinen
Ronald F. Jarabak
David L. Jenkins
Ronnie B. Jenkins
Spike R. Jenkins
Richard G. Johnson
Robert J. Johnson
William R. Johnston
Lloyd L. Jones
Rick M. Jones
Joseph B. Jordan
Rodante R. Joves
John J. Joyce, III
Kenneth R. Kalbach
Keith L. Kaldenberg
Kenneth E. Karr
David W. Keich
William D. Kerr
Pat R. Kervin
Gerald J. Kiehne
Phillip G. Kimbro
William D. King
Gregory D. Kinneman
Robert B. Kirtley
Andrew M. Kociban
Richard G. Lacey
Paul A. Lafleur
Dwight E. Lamont
Henry G. Landry
Aubrey E. Lane
Danny A. Larmon
Robert L. Laser
Lyle G. Leader
Arthur E. Legare, Jr.
Lawrence L. Lehman
Daniel J. Lejman
Jay A. Leonard, Jr.
Sterling L. Leonard
Donald J. Leroi
Bentley C. Leware
Harborough I. Lill, III
Barry M. Loonam
Dale K. Lueck
Michael A. Lyon
Robert H. McArthur
William D. McCabe
Patrick M. McCarthy
Michael C. S. McCartney
Daniel H. McCready
William F. McCullough, Jr.
Gordon J. McElhatten
George G. McElveen, Jr.
Michael W. McFadden
David R. MacDougall
Kenneth MacDowell
Brian P. Maguire
Steve A. Manning
George W. Markert, IV
James O. Marshall
John L. Martin
Timothy V. Martin
Donald W. Massey
Samuel A. Matthews
Loreto L. Mauricio
Richard J. Meador
Gerald D. Medders
Vernon C. Meierotto
Jerry J. Miller
Ronald A. Miller
Neal J. Mills
Sean M. Model
Donald J. Moody
David R. Moran
Robert E. Morrison
Clyde D. Moses
Bobby F. Moulden
Thomas S. Mumpower
Ignacio A. Munar
Richard H. Murphy
James P. Neary
Robert L. Nelson
Robert W. Nevin
Michael L. Nigro
Harold G. Noel
Donald E. Norton
Daniel A. Noyes
Thomas C. O'Connor
Billy L. Owens
Renato M. Paco
Romeo M. Pagdanganan
Ernesto E. Panado
Bary L. Parker
John R. Parrish
Rodney K. Pauls, Jr.
Edward Payne
Charles D. Pennington
Rolando S. Peres
William E. Pertle
Martin T. Pestcoe
Larry N. Peters
Merle N. Peterson
George M. Phillips
Harry L. Pieper
Thurman R. Plumlee
Lester C. Poehler
William E. Powell
Peter W. Powers
Lawrence J. Prnzel, Jr.
Donald L. Pritchard
Theodore J. Quale, Jr.
Kelvin D. Ralston
Robert S. Rawlins
Philip K. Reily, III
Kenneth L. Reuer
Theodore A. Reynolds
Guy R. Riddle
Louis F. Rill
Robert H. Rivers
Gene A. Roberts
James F. Roberts
Gilberto Rosado
Jerald A. Rosenberg
Lester G. Rousseau
James D. Rowen
George H. Sanderson, Jr.
Dioscoro C. Santos
Bundy C. Sarmiento
Arthur R. Sauer
Danny R. Sawyer
Keith B. Schukraft
Raymond Scott
Michael S. Scranton
John Sepulveda
Joseph D. Sheehan
Glen E. Sheets
Wayne E. Shepard
Kelly F. Sherbanee
Richard A. Sherley
Terry L. Shreiner
Donald A. Silva
William A. Simmons
Thomas P. Simons
Richard L. Simpson, Sr.
Gerry L. Slain

The following-named Navy enlisted candidates to be appointed temporary chief warrant officers, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Donald R. Absher
Carl T. Alexander
Dannie K. Almond
Carlos D. Andaya
Robert B. Andies
Dennis L. Arens
John D. Arligan
Kenny E. Armstrong
Charles G. August
Durward C. Ayre
Charles R. Aydelott
Joseph S. Badnek
Don F. Bailey
William W. Baker
Patrick L. Baldwin
Gerald W. Ball
Maurice E. Ball
John M. Banks
Charles B. Barber
William R. Barbra
Billy L. Barker
Charles Barreras
Jack D. Bartlow
Richard L. Bate
Rodolfo R. Bautista
Teddy O. Baylen
Paul H. Bayne
Bryan A. Becken
Robert J. Benfer
Ronald N. Besser
Melvin C. Bird, Jr.
Henry "A" Bishop
Hubert W. Bishop, Jr.
Raymond L. Bishop
Robert E. Blake
Karl S. Blount
Rudy Q. Bojo
James R. Braccio
Edwin D. Brack
William W. Braxton
Albert M. Bredemeyer
Charles J. Breslin, Jr.
James A. Briggs
Joseph R. Briglin
Michael D. Bright
Roy E. Brinkley
Robert G. Bristol
Dale R. Britt
James R. Brooks
Mark N. Brown
Glenn E. Browning
Wardee R. Bruce, Jr.
Kenneth C. Buck
Roger A. Burkhart
James P. Bush
Ronald G. Bush
Ronald L. Buttrum
Harold D. Byers
Edward M. Cadorette, Jr.
Fredrick N. Callahan
Donald L. Camacho
Richard D. Cannon
Nelson R. Carter
William M. Carter
George S. Case
Andres P. Celi
James T. Chambers
Harry W. Chesnut
David P. Childers
Percy H. Chinery, III
Mel D. Chiong
Doyle R. Church
Jimmy C. Clark
Robert B. Clark
Philip L. Clemente
Clifford Clouser
Jimmy R. Cochran
Raymond A. Cochran
Danny D. Cole
Reuben W. Collier, Jr.
Daniel J. Collins
Clifford T. Cook
George T. Copes
Robert C. Cote
Earl "W" Craig, Jr.
David L. Creed
Roger W. Cross
Jerry Crownover
James L. Cunningham
Harry A. Curtis, Jr.
Sheldon "G" Curry
Larry R. Daugherty
James E. Davis
John W. Davis
Robert "B" Debona
John W. Dickenson
William G. Dickson
Frederick R. Dixon
John W. Dobbins
Douglas A. Doemel
Benjamin A. Domondon
Douglas W. Donnelly
Ronnie B. Dooley
Thomas R. Dunn
Robert J. Dupalo
James E. Dye, Jr.
Leonard J. Edgar
Ralph D. Edwards
William N. Edwards
John F. Eget, Jr.
William W. Eggleton
Cheyenne Eichelberger
Beaudwyn P. Eichlepp
Roger A. Ellis
Donald M. Epperson
George W. Estes
Harry W. Falco
Harold L. Fales
Robert D. Faloon
Virgin C. Fegarido
Gaylord R. Finch
William F. Finch
Douglas W. Fleischer
William E. Flood
Gary E. Flynn
Myrle C. Foraker
Joseph C. Ford
Ralph E. Ford
Ronald L. Fowler
Claude I. Franklin
James H. Fritz
Sergio F. Frost
Jerry M. Fugich
Jeffrey L. Funk
George E. Gabaldon
Antonio M. Galanides
Patrick Garcia, Jr.
Talmadge C. Garrett
Charles R. George
David R. Getty
Wesley A. Gibson
Phillip G. Gilbert
William R. Gilchrist
Leonard F. Gilles
Freddie H. Gilliland
Raymond R. Gillip
Aaron C. Ginn
Francis H. Girouard
Bedford D. Glenn
William J. Gork
Charles D. Grady
Alfred L. Graham
John I. Grant, Jr.
Donn E. Green
Robert L. Gregory
Michael L. Greiner
Clyde C. Griffin
Francis M. Groff, Jr.
Farrell J. Grogg
Lloyd L. Guffey
John N. Gullett
Paul D. Hacker
Douglas J. Hall
Charles F. Hammer
Rudolph M. Hanna
Robert F. Hard, Jr.
Lawrence E. Harden
Joseph P. Harmon
Franklyn K. Harper
Randolph A. Harper
Robert P. Hayes
Robert M. Heath
Charles E. Heiney
Jack L. Helm, Sr.
Frank E. Helms
Thomas R. Henderson
Charles N. Herman
Edgar B. Hestand
Jimmy R. Hickey
George C. Hill
Richard A. Hill
William J. Hinds
Edward L. Hinton
Manning A. Hooker
James F. Houlette
Robert E. Houston
Albert J. Huffman
Merrill W. Inglis
James R. Ingram
Andrew Isola
Auston M. Jackson
Galle B. Jennings
John S. Jennings
Larry D. Johnson
Lawrence J. Johnson
Bobby L. Jones
Ronny G. Jones
James J. Jordan, Jr.
Bruce D. Kehr
James H. Kaiser
Barry Kennedy
Royd Keys
Raymond J. Kimball
Franklin D. Kimes, Jr.
George H. Kinshofer
John B. Kite
William E. Koester
James L. Kohlbeck
Paul H. Korntop
Arno A. Kretzschmar
Thomas H. Krohn
Lawrence L. Kurtz
Albert H. Lachance
John D. Lacko
Louis P. Ladow
Robert C. Laduke
Donald W. Lane
Gary L. Lang
Kevin J. Laplante
Eugene R. Lasater
Carol L. Lawrence
Charles E. Lawson
James C. Lawson

Shirley W. Lawson
Donald A. L. Leatherwood
Richard D. Lee
John E. Leindecker
Francis A. Leong
John T. Lloyd
John A. Lomenick
Cecil J. Long
Lawrence H. E. Long
Thomas J. Long
Jay W. Lunsford
William M. Lyman
James J. Lynch
Raymond R. Lynch
Paul D. Lyon
Preston O. Lytle
Ronald E. McBee
Arthur L. McCauley, Jr.
Charles F. McCowan
Harold D. McCurdy
Bruce McDonald
Albert F. McGurr
Keith A. McKee
John M. McNealy, Jr.
Larry A. McNulty
George J. McQuade
Gilbert J. McWane
Edward L. Mangel
John L. Martin
Lawrence E. Martin
Frank O. Marsette
Anthony H. Massey, Jr.
Tim I. Mathisen
Bruce Maxaner
Donald R. Mayberry
Genelito V. Medina
Nicholas S. Medved
Richard L. Michklich
Richard J. Mihok
Charles K. Miller
Hershel M. Miller
Merle J. Miller
Ralph F. Miller
Charles R. Milton
Ronald Mobley
Martin C. Moffett
George V. Mohan
James J. Montgomery, Jr.
Joseph M. Moore
Paul A. Moore
Robert W. Moore
William V. Moore
Daniel Moran, III
Terry L. Morris
Lawrence W. Morrison
Leroy R. Moser
George K. Mulder
Noah T. Mullins
Max E. Murray
Raleigh J. Nauta
Francis E. O'Halloran
Glen S. Olsen
Mark H. Otto
Raymond W. Owens
Gerald J. Padula
Robert D. Palmer
George D. Paul
Francis H. Payne, Jr.
James E. Pearsall, Jr.
Sherman J. Pearson
Thomas F. Pelis
Lawrence A. Pemberton
John E. Penner
Dieter Pepliński
Philip T. Peterson
William R. Pincek
Robert L. Pittman
William F. Ponder
Donald R. Posey
Elwood S. Pratt
Charles R. Pressley
Robert G. Provost
Glenn K. Pryor
Wade T. Pryor
Hans L. Putz
David L. Quaschnick
Charles W. Rambo
Raymond N. Rapalee
Ponciano L. Reyes
John S. Rial
Gary L. Richardson
Jerry A. Riddle
Dean P. Ringressy
Kenneth J. Ritter
Rickie L. Robinson
Tommy L. Robinson
Alberto T. Rodriguez
Ronald R. Roe
Walter S. Rogalski, Jr.
James F. Romig
Gerald B. Rominger
Marcelino E. Ronquillo
John Rossetti
Anice J. Rougeau
Cipriano C. Salonga
John W. Sanders
Thomas L. Sappington
Oronso J. Savino
Edward G. Schell
Franz C. Schneider
Ray Schultz
Frederick A. Schwab
Edward C. Scott
Ronald A. Sewell
Gerald T. Shafer
Terry W. Shanklin
Floyd G. Sharp
Larry W. Sharp
Harvey J. Shaw, Sr.
Rodney A. Shawn
Cornelius A. Sherman II
Joseph N. Shields II
Leroy K. Shinkle
Gerald "D" Shotts, Jr.
Larry D. Shoultz
David W. Sieruta
Donald B. Simmons, Jr.
Frank L. Simpson
Leonard W. Simpson
Jerry K. Sipes
Austin L. Sissemore
John S. Skinder
David Sloan
Edward L. Slupski
James L. Smith
Richard E. Smith
Samuel B. Snodgrass, Jr.
Robert J. Sommer, Jr.
Paulino Soto, Jr.
Henry W. Spath
Clyde R. Stanfield
Dennis B. St. Clair
Bruce A. Steeves
Richard J. Stephens
Jack D. Strange
James M. Stribling
McCoy O. Strickland
Jerry R. Sully
Arthur H. Swift
Joe T. Sykes
George E. Taglioli
Juan M. Taijito
Billy A. Tankersley
Maligi F. Tato
Aureo S. Tayag
Glenn E. Taylor
Walter F. Tennis
Wayne G. Terry
David R. Thomas
Juan A. Thomas
Thomas Thompson
Raymond E. Thorn
Donald M. Thorp
John H. Tines
Daniel Tom, Jr.
James W. Treme
Robert J. Udell
William R. Vanausdal
Clifford E. Van Nostrand, Jr.
Jose Velis
John G. Vigil, Jr.
Francis J. Vogan
Kenneth R. Waddell
Thomas G. Wagner
Robert A. Waite
James E. Walden
Charles Walker
Charles A. Walker
Ramon G. Wallen
Rex E. Walls
Lawrence P. Wandel
James W. Ward
Edward J. Westermeyer
Larry H. Whitaker
William C. Whitney
James D. Whittingham
James H. Williams
Luther O. Williams
Edward L. Wilson, Jr.
Wayne A. Wilson
Buddy V. Winslow
Orville G. Wise, Jr.
Victor L. Witek, Jr.
Thomas L. Worthen
Harvey L. Yeager
Dennis C. Younger

The following-named (U.S. Navy officers) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Wayne O. Buck
*Janet R. K. Hutcheson

The following-named (U.S. Navy officers) to be appointed temporary captains in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Wayne O. Buck
*Janet R. K. Hutcheson

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Gary D. Graham
*Cyril Newman

The following-named (ex-U.S. Naval Reserve officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Douglas R. Elliott

The following-named (ex-Army officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Herbert E. Cohn
*Ariel J. Thomann

The following-named (civilian college graduates) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Eli Breger
*Clifford L. Tartalia

The following-named (U.S.P.H.S. officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Umbert Hart

The following-named (U.S. Navy officers) to be appointed temporary commanders in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Robert J. Kennelly
*Hansel T. Wood, Jr.
*Kenneth A. Schroeder, Jr.

*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 16 October 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, January 31, 1979*

The House met at 3 p.m.

Chaplain James David Ford, B.D., offered the following prayer:

Heavenly Father, Creator of all the world, give us the awareness that under Your providence we are one people. We give You praise that, with Your guidance we may overcome estrangement and hostility toward others, that we may reach out in love and reconciliation. Strengthened by Your divine power, we pray always for peace on Earth, good will to all in the name of the Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a resolution of the following title:

S. Res. 28

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Nelson A. Rockefeller, a former Vice President of the United States.

Resolved, That in recognition of his illustrious statesmanship, his leadership in national and world affairs, his distinguished public service to his State and his Nation, and as a mark of respect to one who has held such eminent public station in life, the Presiding Officer of the Senate appoints a committee to attend the memorial service for the former Vice President.

Resolved, That the Senate hereby tender its deep sympathy to the members of the family of the former Vice President.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

The message also announced that the President pro tempore, pursuant to Public Law 95-599, appointed the following Senators to the National Alcohol Fuels Commission: Mr. CHURCH, from the Committee on Energy and Natural Resources; Mr. MCGOVERN, from the Committee on Agriculture, Nutrition, and Forestry; Mr. HATFIELD, from the Committee on Energy and Natural Resources; Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry; and Mr. BELLMON, from the Committee on Appropriations.

TRIBUTE TO RETIRED CHIEF GRADY COCHRAN OF FORT VALLEY, GA., POLICE FORCE

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRINKLEY. Mr. Speaker, Chief Grady Cochran retired from the Fort Valley, Ga., police force in 1970, after completing 35 years of outstanding service. As chief of police, Grady Cochran earned the respect and trust of every citizen he served, and he has continued to maintain a vital role in the life of the community.

Good commonsense and humor were Chief Cochran's secret weapons. Three examples come to mind illustrating his skills as a juvenile psychologist and marital counselor, as well as a public safety officer.

One Christmas a trio of young boys threw firecrackers from a rooftop at a passing policeman. When their ammunition was spent, Chief Cochran strolled around to the back of the buildings and calmly removed their ladder to freedom. After being stranded 2 hours on the roof that cold December night, their lesson was learned.

A second episode involved four rowdy youngsters, whose favorite pastime was chopping down shrubbery. After nabbing the culprits, Chief Cochran locked them up. Soon, he began to worry that once released, they would again be bent on destruction that same night. Applying his favorite commonsense approach, he hit upon the idea of releasing them one at a time, at 10-minute intervals, and saw to it that they were escorted home, and kept apart.

Chief Cochran's junior police force helped to establish his reputation as a skilled marriage counselor. A young boy on the force had made three reports to him outlining the dates and exact times of one couple's marital fights. The couple's fourth fight prompted a neighbor's formal complaint, citing disturbance of the peace. Catching the couple in their fight, Chief Cochran reeled off the exact details of all their previous bouts. Stunned into silence and fearing that their minds were being read, the baffled couple agreed on the spot to settle their differences and never fight again.

I submit for the RECORD and commend to the attention of my colleagues the following Macon Telegraph and News article by George Landry, saluting Chief Cochran's splendid example and distinguished career:

[From the Macon Telegraph and News, July 26, 1970]

A CITATION TO A CHIEF

(By George Landry)

Grady W. Cochran has been much, much more than just a police chief at Ft. Valley, as if that hasn't been a full-time job and more than he could say "Grace" over.

He's also had to be:

A psychiatrist, a diplomat, an ambassador-of-good-will, a marriage counselor and advisor in other people's marital difficulties.

An expert on race-relations, an idol of youth, an example, to fellow-enforcement officers, a traffic expert, a genius with those who stray on the wrong side of the law.

All these, of course, among many other things.

Grady Cochran's heart and hand reaching out to help others have been as big as the great grin that is such a familiar trademark of his.

He's like an old shoe, to use the phrase with utmost respect—it's a shear comfort and pleasure to be around him, to see him and talk with him in the neat little office he has in back of City Hall.

Chief Cochran just can't be around you for more than a minute before breaking slap out in a hearty laugh, the kind of laugh that is contagious and makes you enjoy laughing with him.

He is as good-natured as he is efficient and perhaps it is that he is so efficient because he is so good-natured.

Being a police officer has been his life—a life of constant, potential risk and dangers, yet a good and full life of being guardian and watching over one of the prettiest little towns in Middle Georgia.

If ever there was a contest to name the dean of Middle Georgia police officers, Grady Cochran sure would get this corner's vote. Chief Cochran's retiring soon and all of us who know him will miss him. All the many years he's been my friend, it's been good to be running with him, and not from him.

COMMEMORATING 30TH ANNIVERSARY OF NATO ALLIANCE

(Mr. CHARLES H. WILSON of California, asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, on August 24 of this year, the NATO alliance will be 30 years of age. Thus, the alliance was formed when most Members of the U.S. Congress were young people in high school. The alliance, in fact, is older than several Members of the House of Representatives.

The alliance has survived for 30 years, and has deterred war in the North Atlantic region, for three reasons:

The alliance has been cohesive;

The alliance has demonstrated a collective will to defend itself; and

The alliance has maintained the means of defense through constant modernization.

I need not dwell on the well-recognized fact that NATO now faces the greatest military threat in its history. The threat is real and is expanding in both conventional and nuclear terms, as well as in strategic and theater terms.

At this point, I should explain that the Armed Services Committee is aware that there is no clearly defined dividing line between theater nuclear weapons and strategic nuclear weapons where Western Europe is concerned. With the introduction of new Soviet aircraft, such as the Backfire and new missiles such as the SS-20, the dividing line is becoming blurred even in the case of the continental United States.

The addition of long-range Backfire bombers and SS-20 missiles greatly expands the threat to NATO and is in addition to SS-4 and SS-5 ballistic missiles and other nuclear-capable aircraft.

The situation is one in which the nuclear balance has rapidly turned against NATO, and which will become worse in the near future unless NATO is provided with a variety of modernized nuclear deterrent forces which truly respond to the threat.

In spite of Soviet statements about "balanced forces" and good intentions, it is not likely that the Soviet Union would welcome the modernization of NATO's nuclear forces. In fact, the persistent Soviet propaganda campaign against "neutron" weapons presents ample evidence that such NATO improvements would be subjected to similar propaganda. Yet, unless new systems are developed and deployed, improvements to short-range artillery, the Lance, and Pershing, will have little impact.

NATO strategy includes the first use of nuclear weapons if necessary. We must also assume that Warsaw Pact strategy would include a preemptive attack. For this reason, it is necessary that NATO's future systems include long-range, survivable systems providing an optimum flexibility in deployment and in command and control.

There are two obvious options which are suggested. One is the highly mobile ground-launched cruise missile, or GLCM. The other is a mobile intermediate-range ballistic missile or IRBM. Either of these systems, or a mix of both, would provide a highly survivable deterrent. Flexibility would be enhanced, since these systems could be used to strike targets inside the Soviet Union or for use against shorter-range targets. Together with other theater and tactical nuclear weapons, these systems would provide an impressive deterrent to a possible Soviet preemptive strike.

There is, I believe, substantial agreement in both the United States and in other NATO countries that NATO's forces must be modernized. However, there is a distinct lack of frank discussion about NATO's weaknesses and vulnerabilities, or how one is to go about a remedy. It seems clear, however, that these pressing issues, and the risks which they represent, are being submerged in the interest of a SALT II agreement.

In fact, the energies of the United States Department of Defense, the State Department, the Arms Control and Disarmament Agency, and the National Security Council are being spent almost exclusively toward obtaining the approval of SALT II and a nuclear test ban. There is little if any appreciation for the risks to NATO involved in SALT.

While the GLCM and IRBM systems are reasonable future options for NATO and the United Kingdom, it would appear that U.S. assistance in developing or providing the necessary technology and hardware might be circumscribed by SALT II. Two provisions of SALT II would apply.

First, the U.S. and U.S.S.R. have agreed that neither side will deploy sea-based or land-based cruise missiles with a range in excess of 600 kilometers for the duration of a protocol period.

Second, both parties have agreed not to undertake initiatives, either directly or through third countries which would circumvent or undermine the viability of the agreement.

The deployment in Europe of ground-launched cruise missiles limited to ranges of 600 kilometers or less would be of little strategic value to NATO since no targets within the Soviet Union could be threatened. If the GLCM were to be used as a theater weapon, forward basing would expose the GLCM to the risk of enemy overrun.

While the proponents of SALT minimize the effects of a range limitation on the ability to exercise a real GLCM

option, pointing out that the United States will be free to develop and test a longer range system, tremendous political pressures against production and deployment of a longer range system may well prevent any deployment of GLCM's if a SALT II treaty is signed. The Soviets were insistent upon the inclusion of cruise missile range limitations for obvious reasons and could well insist on the continuation of these limitations as a prerequisite for any SALT III negotiations.

Notwithstanding the fact that the SS-20 mobile missile and the Backfire bomber are in fact intercontinental systems, and are unrestrained by SALT, the Soviets can be expected to strenuously oppose both GLCM and NATO IRBM systems originating in the United States under the vague "noncircumvention" provision now incorporated in SALT.

It could be argued with some logic that the transfer by the United States of weapons which are of strategic value when located in Europe circumvents and undermines the purpose of SALT II; that is, to control the numbers of nuclear weapons of the U.S. and U.S.S.R. capable of striking the territory of the other country.

The Soviets could logically claim that the United States, through initiatives taken with its allies, had undermined the treaty, while protecting themselves with the fact that SALT II was negotiated with the SS-20 and Backfire clearly in mind. These are aspects of SALT II which the United Kingdom and other NATO allies should clearly have in mind, and the expected Soviet reaction is no less logical than the worldwide propaganda against neutron weapons fomented by the Soviets.

It should be clear that SALT II would do nothing to keep the nuclear strategic balance in Europe from swinging further toward the Warsaw Pact. To the contrary, SALT II may place serious impediments in the way of options to restore the balance.

By limiting NATO's self-defense options in partnership with the United States, the Soviets hope to prevent the modernization of Western European forces and to sow a spirit of disunity within the alliance. They may be willing to gamble that the West will not choose to "go it alone" with their own independent nuclear forces and to accept permanent Soviet strategic superiority in the area.

Should this occur, the Soviets will have accomplished diplomatically what they could not accomplish with arms for three decades—the destruction of the alliance and the power to militarily dominate Western Europe. This would be a very high price to pay for an arms control agreement which only theoretically limits Soviet intercontinental strategic systems.

□ 1505

GRANTING AN EXTENSION OF TIME FOR JOINT ECONOMIC COMMITTEE TO FILE REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Joint Economic Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file a report of its findings and recommendations with respect to the Economic Report of the President, as required by section 5(b)(3) of the Employment Act of 1946 (15 U.S.C. 1024(b)(3)); and further, that the Joint Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file the report of its findings and recommendations required under section 5(c) of the Comprehensive Employment and Training Act Amendments of 1979 (Public Law 95-524).

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RENAMING CHICAGO AS HARTKE, ILL.

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUAYLE. Mr. Speaker, once again a bill has been introduced in the House by the gentleman from Illinois (Mr. YATES) which would rename the Indiana Dunes National Lakeshore in memory of the late Paul Douglas, a Senator from Illinois. I must say that I admire the gentleman's persistence in what I hope will be a continued dead issue.

I certainly do not intend to degrade the memory of the distinguished late Senator from Illinois. Last year, despite the objections of a number of my fellow Hoosiers here in the House, an amendment was passed designating the "Paul H. Douglas Indiana Dunes Lake Shore." Fortunately, it died in the Senate.

There surely is a more appropriate memorial to Senator Douglas—perhaps in his own beloved State of Illinois.

I am confident that my colleagues from Indiana here in the House as well as in the other body will work in concert to oppose this Illinois intrusion on the work of hundreds of Indiana Hoosiers who labored long and hard to establish the dunes.

In the event this bill should surface, Indiana will seek reciprocity from the Illinois gang. I would offer a resolution renaming the windy city of Chicago in honor of one of Indiana's famed Senators. Under this proposed resolution Chicago would become Hartke, Ill., in honor of Senator Vance Hartke who served the people of Indiana in the other body for 18 years.

Surely renaming the Indiana Dunes has nothing to do with building President Carter's New Foundation. Therefore, I would expect him to veto it should it reach his desk. Failing this, we would launch our effort to rename Chicago.

A CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED FEDERAL BUDGET

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KRAMER. Mr. Speaker, today many Americans are worried—and rightfully so—about the cost of living. They are concerned whether they will have enough money to buy groceries, whether they can afford a decent home and, after a lifetime of saving, whether they can even afford to retire.

I think most of us would agree that bringing inflation under control is one of the top priorities facing the 96th Congress. However, I would submit that anything short of decisive action on our part will fail to accomplish this goal.

Today, I am introducing a constitutional amendment which would require a balanced Federal budget. My amendment would phase in a balanced budget over 3 years by setting the maximum deficit at $15 billion the first year, at $10 billion the second year, and at $5 billion the third year. Any subsequent deficit could only occur in times of war or national emergency—and then only with a two-thirds vote of both the House and Senate for each and every deficit year.

Even though recent polls show that an overwhelming majority of those surveyed favor a balanced budget, many State legislatures, with an eye toward the fate of similar balanced budget proposals in the past, are skeptical about the willingness of Congress to live within its means. To date, 24 States have joined in calling for a constitutional convention to draft such an amendment and submit it to the States for ratification. Although I was instrumental in getting a resolution of this nature through the Colorado Legislature last year, clearly the better route would be for Congress to draft and pass a constitutional amendment mandating a balanced Federal budget.

I hope that you and my other colleagues agree with me that inflation is public enemy No. 1 and, therefore, support this amendment.

A CONSTITUTIONAL AMENDMENT TO LIMIT CONGRESSIONAL TERMS OF OFFICE

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, today I am introducing a joint resolution proposing a constitutional amendment providing for the limitation of congressional terms of office, and for the lengthening from 2 to 4 years of the terms of Members of Congress. My proposal would limit Senators to two terms of 6 years each; Representatives to three terms of 4 years each.

The fact that a great number of similar proposals have been introduced in recent years, particularly during the 94th and 95th Congresses, and that many will undoubtedly be offered during the 96th Congress, is indicative of the increasing recognition by those of us in the Congress that, more and more, our constituents feel their interests could be more effectively and responsively represented if the terms of their officials in Washington were limited. In 1977, the Gallup poll showed that fully 60 percent

of the American people supported such a measure. During my campaign for Congress this past year, I asked the people of California's 14th District for their views on this question; 67.5 percent responded that all Congressmen should be limited to 12 years in office. Even more conclusively, 73.2 percent asserted that most Congressmen have lost touch with the people back home.

Throughout the 19th century, it was quite uncommon for a Member of the House to serve for more than two terms. It was not until 1901 that, for the first time, less than 30 percent of the incoming Congress were not freshmen. In the years since, the average length of service has increased to the point where, today, the mean length of service is about five terms. While there may be some justification for the longer periods of service in this century because of the rise of the committee system and the increasing variety and complexity of the legislative issues taken up by Congress, it is also true that the perception of Congress as a desirable and attractive permanent career has grown dramatically. And it is for many of the same reasons that service in Congress has become so attractive that the American people have, to a large degree, lost faith in the ability and willingness of Congress to truly represent their best interests.

The demise of the committed citizen legislator is a serious threat to our tradition of representative democracy. Our Founding Fathers viewed the Congress as a body in which citizen legislators established the laws by which they and their fellow citizens chose to abide. It was not expected that individuals elected to Congress would remain in Washington for years on end; rather, it was felt that service in the Congress would be the same as a duty—not necessarily a pleasant one, but important if the experiment in democracy were to succeed.

We have strayed from this concept. Life as a Congressman has become so attractive that it has become increasingly difficult for us to remember just why we are here. Longevity in Washington has, in many instances, become an end in itself. My suggestion that the length of service be limited by law would, I believe, contribute to a revitalization of the Congress—a revitalization which is crucial given the problems and issues with which we are confronted today—while, at the same time, insuring that Members are closely attuned to the needs of our constituents.

Twelve years is time enough for any one of us to make our mark in Washington, to make the kind of contribution to the course of our Nation's affairs that our forefathers intended. While it can be argued with some justification that such a limitation would prematurely end the contributions of a few exceptional legislators—and the roll of those who have been outstanding Members of Congress for 12, 30, and even 40 years includes many of the leading figures in the history of our Nation—I nevertheless would argue that my proposal would provide an opportunity for many more outstanding Americans to apply their energy and talents for the benefit of their country than would otherwise be the case.

The most important reason for limiting the congressional term of office is, of course, to restore the confidence of the American people in Government. By providing for the regular turnover of congressional membership, we can make a lasting contribution in this area. Members of Congress would be chosen by their fellow citizens to represent them on a temporary basis—and would then return home to pursue their various chosen careers. We are American citizens first, Congressmen second—and the American people have every right to expect that we understand this basic fact.

We in Washington are not here to accumulate personal power. Nevertheless, given the nature of our responsibilities, our influence can be great. Unfortunately, such power and influence has, in recent years, all too often been abused. I can make no greater argument for urging my colleagues to support my resolution than to recall the words of James Madison who wrote in the Federalist Papers:

> It is a received and well-founded maxim, that where no other circumstances affect the case, the greater the power is, the shorter ought to be its duration.

In conjunction with limiting the length of service in both the House and Senate, I am proposing that the congressional term of office be increased from 2 to 4 years. My resolution provides that the House be divided into two classes, each to be elected alternately.

The requirement that we run for reelection every 2 years means most of us must begin campaigning almost immediately upon our initial elections. Given the burden of the legislative workload, as well as the many other demands on our time, such a requirement can only detract from the quality of service we are able to offer our constituents. Further, the congressional process is increasingly intricate and requires that a great deal of time be devoted to attaining a sufficient familiarity with it. A 4-year term, I believe, can satisfy these requirements; the 2-year term is, in most cases, just too short. In order to most effectively represent our constituents, we must have adequate opportunity to consider closely, evaluate, and then proceed—all with due caution and reflection.

The American people have demanded, and certainly deserve, an improvement in the quality of the work of Congress. They demand reform and, according to all the surveys of public opinion with which I am familiar, overwhelmingly support the 4-year term. My proposal is an attempt to meet this demand.

Mr. Speaker, recently I was honored for the first time with election to Congress. Throughout my campaign, the message I received most consistently and clearly from the people of the 14th Congressional District of California was that Congress was "out of touch," was "not in tune" with their problems and concerns. They believe their representatives should serve in Washington for a period long enough to make a contribution, but not for so long that they are forgotten. They also ask that, having invested their trust in us, that it not be abused—but, rather that they receive a fair return on their investment. The 4-year term would enhance this return.

Mr. Speaker, I would urge my colleagues to heed the voice of the people, and work to make Congress more responsive to it. The American people deserve no less. I believe my resolution is a needed step in this direction.

RESIGNATION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY

The SPEAKER laid before the House the following resignation from the Committee on Science and Technology:

WASHINGTON, D.C.,
January 29, 1979.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Since there has been some confusion regarding my committee assignments, I am enclosing copies of correspondence in which I indicated my preferences. Please see especially my letter dated December 7, 1978, in which I stated my desire to serve only on the Committee on Banking.

Therefore, I wish to resign as a member of the Committee on Science and Technology for the 96th Congress. I know that as a result of my resignation, I will forfeit my seniority on the Science and Technology Committee.

Thank you very much for your help with this matter.

Best wishes,

STEPHEN L. NEAL,
U.S. Congressman.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

□ 1510

RESIGNATION AS MEMBER OF COMMITTEE ON THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following resignation as a member of the Committee on the District of Columbia:

WASHINGTON, D.C.,
January 30, 1979.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Because of the extremely heavy demand on my time as Chairman of the NATO Subcommittee, and my other committee and legislative responsibilities, I will appreciate your accepting my resignation from the District of Columbia Committee.

I feel that it would be unfair to the other members, as well as the people of the District of Columbia, for me to continue to serve on the D.C. Committee.

It has been a pleasure for me to work with the members of that committee, and with the staff.

With kind regards,
Very sincerely,

DAN DANIEL.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER laid before the House the following resignation as a member of the Committee on Veterans' Affairs:

WASHINGTON, D.C.,
January 30, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.
The Capitol.

DEAR MR. SPEAKER: As you no doubt are aware, earlier today the Democratic Policy and Steering Committee nominated me to fill the 25th vacancy on the Small Business Committee. As I had indicated to you, this assignment was my first preference for a secondary committee assignment. Therefore, I am delighted!

It is my understanding that I must submit to you my letter of resignation from the Veterans' Affairs Committee for transmittal to the House leadership and to Chairman Roberts. I have already personally discussed with Chairman Roberts the reasons for my leaving his committee, and while I never served as a standing member of the committee I was honored to have been chosen as a member of that body. Nevertheless, I feel that I will be much more effective to both my constituents and our country as a member of the Small Business Committee. I hope you will consider this resignation.

Should you need any further information or documentation from me to finalize resignation from the Veterans' Affairs Committee, please do not hesitate to advise me immediately.

Again, thank you for your assistance in helping me to obtain this assignment.

With warmest regards.

Sincerely,

TONY P. HALL.
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by the authority of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 78) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 78

Resolution designating membership on certain standing committees of the House

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on the District of Columbia: GEORGE THOMAS (MICKEY) LELAND, Texas.

Committee on Education and Labor: DON BAILEY, Pennsylvania.

Committee on International Relations: DAVID R. BOWEN, Mississippi; FLOYD J. FITHIAN, Indiana.

Committee on Judiciary: ABNER J. MIKVA, Illinois; MICHAEL D. BARNES, Maryland; RICHARD C. SHELBY, Alabama.

Committee on Post Office and Civil Service: DONALD JOSEPH ALBOSTA, Michigan.

Committee on Science and Technology: STANLEY LUNDINE, New York; ALLEN E. ERTEL, Pennsylvania; KENT HANCE, Texas.

Committee on Small Business: TONY P. HALL, Ohio.

Committee on Standards of Official Conduct: CHARLES E. BENNETT (chairman), Florida; LEE H. HAMILTON, Indiana; RICHARDSON PREYER, North Carolina; JOHN M. SLACK, West Virginia; MORGAN F. MURPHY, Illinois; JOHN P. MURTHA, Pennsylvania.

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore (Mr. STUDDS). Is there objection to the gentleman from Washington?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF COMMITTEE ON THE BUDGET

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on the Budget:

WASHINGTON, D.C.,
January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
U.S. Capitol, Washington, D.C.

DEAR MR. SPEAKER: This is to advise you that I wish to resign from my assignment on the Committee on the Budget.

Sincerely yours,

JOHN J. DUNCAN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON THE BUDGET

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 79) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 79

Resolved, That BILL FRENZEL, of Minnesota, be and he is hereby elected a member of the Committee on the Budget.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS A MEMBER OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 80) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 80

Resolved, That RICHARD B. CHENEY, of Wyoming, be and he is hereby elected a member of the Committee on Standards of Official Conduct.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE WACKY WIT OF WEST VIRGINIA

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STAGGERS. Mr. Speaker, in my native State of West Virginia, there is a famous weekly newspaper, the West Virginia Hillbilly, which is published in Richwood and edited by a very good friend of mine, Jim Comstock.

He has been described by Coronet as "the wacky wit of West Virginia," by Pearl Buck as, "my idea of what the best editor of a best country newspaper should be," and by Nation's Business as a man whose writing is "as pungent and incisive as anything being written about politics and today's society."

He probably knows more than any man alive about the yesterdays and todays of Appalachia and how it got that way.

Recently Jim Comstock was the subject of an article by Norman Corwin in Westways magazine. I would like to share his thoughts and article with my colleagues at this time.

HILLBILLY?

(By Norman Corwin)

Newspapers have been described as great engines that never sleep, with ambassadors in every quarter of the world and couriers upon every road, whose officers march along with armies and whose envoys walk into statesmen's cabinets. The description is Thackeray's and is a good one, but it applies only to behemoths, those tremendous organs whose presses roar at the pitch of a hurricane, whose Sunday edition comes in twenty sections and weighs enough to hazard a hernia if you try to pick it up off a doorstoop with one hand, and whose classified ads, if pasted end to end in a continuous strip, would, in a year's time, reach the moon and climb over a rill.

But there are other, lesser newspapers whose engines may only purr, which sleep on weekends and holidays, and whose only ambassadors may be the mailmen who deliver copies to subscribers once a week. Nevertheless they may be formidable and famous, sometimes more so than middling giant newspapers of middling cities. Three such, to name only a few weeklies in recent annals, come immediately to mind: Harry Golden's *Carolina Israelite*, Wilson Minor's *Capital Reporter* and Jim Comstock's *The West Virginia Hillbilly*.

Golden is known nationally for his books, and was even the subject of a Broadway play by Lawrence & Lee; Minor is known to Mississippi because his little paper (circulation 6,000) makes a big noise in that state's politics, and is known to Southern California because of a fine story in the *Los Angeles Times* ("Editor Rakes Mississippi Political Muck"); but Jim Comstock is better known in Appalachia, Washington, D.C., and in New York City than he is in the West, and I think that should be corrected.

In fact, next Thanksgiving I intend to thank the Editor in Chief up there for Comstock, and suggest the creation of more editors and publishers like him. Then I will follow up with a letter to the Pulitzer Prize Committee (a big step down), asking it not again to overlook an award in journalism to the man who, I regret, was once described by Pearl Buck as "my idea of what the best editor of a best country newspaper would be." My regret is that I did not say it about him first.

Jim calls himself "editor emeritus" of *The Hillbilly*, whose masthead describes it as a "Weakly Publication" put out in Richwood, West Virginia. The "weakly" is not a misprint, but a token of Comstock's inability to take himself seriously for very long at a time. However, the emeritus is entirely misleading because it means retired, as for age, whereas there is nothing retiring about him. He is as active as a cat high on nep, chasing a Ping-Pong ball. In Jim's case the ball is our life and times. Each week he writes a full

page of pieces of assorted lengths and subjects, under the heading of "The Comstock Load," which is to Appalachia what "Talk of the Town" is to *The New Yorker*. He also writes feature stories and whatever else comes into his marvelously maverick head.

There is an earthiness to *The Hillbilly* that honors its name—an occasional outcropping of humor that might be called rustic by the prim or near-prim. Example:

TOO LATE

The old farmer was standing by the woman's car over on Leaping Branch, telling her how to get to Hell's Half-Acre, when this bird flew over and let him have it on the shoulder. They were both embarrassed, the old farmer and the nice city woman. And she *was* nice, because she asked him did he want a tissue. He said no, he reckoned not, because as fast as that damn bird was flying, it'd be to Charleston by now.

Ornithological scatology? For the birds? No matter. Similar jokes are scattered throughout *Hillbilly*, saucy but never prurient, caricatures more than ribaldry, shards of country comedy. Take the story of old Doc Hyer, who every day for a month had been delivering babies all over Nicholas and Webster counties. "Every time he asked the poor girl who it was it turned out to be Morty Martin. It made old Doc Hyer mad. And then when the Widow Wilson had triplets and her daughter had twins, Doc hunted Morty down to have it out with him. He cussed him out for a while and then he said, 'Great balls of fire, man, how could you do such a thing?' Morty said shucks, it wasn't nothing, he just got a bicycle."

If that is all there were to *Hillbilly*, Comstock would not have been Pearl Buck's nomination for best editor of best country newspaper. But *Hillbilly* fights just as hard and eloquently as any newspaper anywhere, including Minor's *Capitol Reporter* and *The Washington Post*, for what it believes, and what it believes is usually on the side of decency and dignity and justice and compassion and those old, embattled, scarred angels, the freedoms. Comstock's weakly is an extension of his extraordinary self, which means that he is long on local history and short with nay-sayers, doom-criers, hucksters, shysters, exploiters, and people who push other people around; strong for West Virginia writers and artists, especially living ones, who would like to make a living; scornful of the pompous, the poohbahs; drawn as by irresistible magnet to good yarns and colorful characters and the ways, the wisdom, the passions and peccadillos of mountain folk.

Ten years ago an anthology of Comstockana was compiled and edited by Otto Whittaker, a Chicago advertising man and inveterate Comstock buff, who wrote in his introduction an appreciation that appreciates every time you read a new issue of the weekly. "Scratch his mountain hide and you open a bonanza of humility and love of God and fellow man, and see into a heart that is continually tugged-at by the mountain sorrows that mushroom all around him. He's a sparrow-watcher—a man who can't pass up a hitch-hiker, a man who persuades his readers to build a house for one whose arms are burned off, a man who goes into personal hock to build a hospital, starts a college fund for two tykes whose widowed mother lives in a wheelchair, creates an annual 'Past 80 Party' to make the aged feel once again a part of the world they helped to make, and mourns a poor, sick, skinny, bewildered and be-wretched little woman who died with her babies huddled about the bed while her husband went down the railroad track with a bottle of Sweet Lucy."

Yet through all this, Whittaker adds, there runs a delightful and indelible streak of Peck's Bad Boy. He takes delight in nagging the *Charleston Gazette*, which he suspects of looking down the left side of its nose at him. "Their photographer always takes two pictures of me in case one's good," says Jim. When the *Saturday Review* referred to *Hillbilly* as "sophisticated"—which it is—Comstock asked for a retraction. "I occasionally send something to the *Saturday Review*," he told Whittaker, "because if they publish it, it adds a little dab of intellectualism. And a little dab'll do when you live where I live and put out a paper called what this one's called."

It's a kidding depreciation, of course. Intellectuals are attracted to Comstock's writing because it has style, verve, clarity, point and wit. He has Lincoln's gift and Sandburg's ear for a good story; his pungency is wrapped in drollness as Italians wrap melon in ham; there is often a kind of Will Rogers offhandedness that is almost sleight of hand; and he has Mark Twain's radar fix on the absurdities. If this sounds like too broad a range of claims, then I propose that you see for yourself. *The Best of Hillbilly*, published by Droke, will back me up. In it, for example, you will find just ahead of the story about the bird, and following a genial joke about a hillbilly soldier, a very moving piece on his first encounter, as a boy, with death.

Love of man and dog mingles easily with love of language. Of his boxer: "As long as we have been publishing, Bounce is the only living creature that has come to us and loved us for ourselves alone. I rise early and Bounce does too, and he is invariably waiting for me at the shop. As I approach, his entire nether half shakes with enormous violence. He makes a whimpering noise as if to say that if I had been with him during the night, things wouldn't be so bad. He attempts a smile and I open the door, and he lies down and remains there until I leave."

Of himself: "I know of no member of a race, nationality or religion different than mine that I wouldn't sit down and have a meal with, except maybe cannibals."

As for language, it would be hard to find a more ingratiating excursion on a single word than this: "I don't know how long it has been since I have seen a list of favorite beautiful words. . . . Cellar-door was one. You can see that it does have liquidity of sound, a nice, rolling utterance. . . . My idea of a beautiful word would be one that is aesthetically compounded, and at the same time functionally beautiful. Recently I thought of such a word. It is short and pretty, and is perhaps the only word in the English language which immediately lifts one out of the depths of despair to the keenest joy. You don't say it trippingly like Lo-li-ta, but short and sweet and quick as if you don't want to prolong by one syllable the agony that it will immediately stop. The word is received by any ear, but only one kind of person says it. That's a fellow in a white coat with a mirror on his forehead. And the word doesn't mean a thing, isn't beautiful at all, unless it is said to you about somebody you love. The word is *benign*."

"The Comstock Load" is always on the back page of *Hillbilly*, but every now and then Jim runs a feature article starting on the front page. Recently he wrote at length about the delivery, by himself, of a bust of the poet Dylan Thomas, bought by the citizens of Richwood for presentation to the president, because Mr. Carter had let it be known that Thomas was his favorite poet. Comstock, who had been invited to the White House for a meeting at which 20 media men were to be "briefed," decided to carry the plaster cast with him. "I didn't want to chance mailing it because in one shipment from the moulders, one arrived smashed and poor old Dylan had been enough of that when he was living."

Jim had written in advance to Jody Powell, to ask if he could hand the bust personally to the President, and "Mr. Powell had his press relations person write right back that the President was a terribly busy man and hoped I would understand which I did, being busy myself."

In Washington, Jim dined at a restaurant "which lets you look down on Washington, certainly a pleasant thought." Once in the White House, the bust was taken by a guard to be x-rayed, and the briefees were conducted to the cabinet room. "We were told each member (of the cabinet) was invited to take his (name-plated) chair with him upon leaving his post if he pays the government for it. I wonder if Bert Lance took his, and if he did, did he pay for it by check."

The briefing over, Jim started for home. The bust of Dylan Thomas had by now been cleared through x-ray, and was sitting on a desk in a hall. "I bade him goodbye and he implored me not to go gentle into the dark night and leave him there all alone. I said he would be with one who loved him, rather doubting that the President ever sees him at all."

Comstock had wangled the round trip by road, from Bernie Hanna, whom he met on the street in Richwood, "and knowing that he was retired from his life of truck driving, I put it to him, and he said he would be glad to go along." So they started back for the long drive home to West Virginia, Hanna at the wheel. "I worked in the back seat while there was daylight, and up front by the light under the glove compartment writing this and other things. We arrived in Richwood at 1:30 a.m."

It was just another day in the life of Jim Comstock. The following week he received, and printed, a letter from President Carter thanking the citizens of Richwood for the bust and adding that if a Presidential library is built in the future, the sculpture will be placed there. So, I hope, will be a copy of Comstock's account of the presentation. It would be the more valuable of the two items, by far.

WILL THE NEXT AGREEMENT BE ENFORCED?

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, yesterday I met with China's Vice Premier Deng Xiaoping during which I had the opportunity to ask a question that is on the minds of many Americans as evidenced by its wide discussion in the news media. The question I asked of the Vice Premier was as follows:

Mr. Vice Premier, when I visited your country last November I met with Third Vice Premier Li Hsien-Nien in Peking who said that the only deterrent to the goal of Soviet hegemony (world domination) is the strategic power of the United States. From your experience, what changes in Soviet policy do you foresee if the United States and the Soviet Union enter into a Strategic Arms Limitation Treaty?

The Vice Premier responded as follows:

We are not opposed to negotiations. We are not opposed to U.S.–U.S.S.R. agreements. But, we note that if an agreement is reached it should be one that is enforced.

I recall that you first began discussing arms limitations with the Soviets in 1963 (Limited Test Ban Treaty). At that time there were very great differences in the strategic power of the United States and the Soviet Union.

Nine years later you entered into a second agreement with the Soviet Union (SALT I). The U.S.S.R. used the time between the first and second agreements to catch up in military power, so that the strategic strength of

the Soviet Union came very close to that of the United States.

But, two years later by 1974, the year in which an agreement was executed at Vladivostok (protocol to ABM Treaty of SALT I) even U.S. public opinion recognized that the strength of the Soviet Union was equal to that of the United States.

Now, you are about to reach a fourth agreement (SALT II).

We are not opposed to negotiation. We are negotiating ourselves with the Soviets. The problem in agreements with the Soviets can be illustrated by the agreement that was reached between Mr. Kosygin and former Vice Premier Chou En-lai at the airport. This was a valid agreement when it was reached. The trouble with it was that when the agreement reached Moscow, the agreement was scrapped.

Nevertheless, we are still engaged in talks with the Soviet Union, but during these years we have not advanced one inch toward an agreement.

In a nut shell, we approve of negotiation, but in accordance with our own experiences with the Soviet Union, such agreements cannot restrain the hegemonist' goal (of world domination).

If we are really to work for a long term peace and stability in the world we need to carry out some down to earth work.

In a recent Newsweek editorial, January 22, 1979, columnist George F. Will postulated that the American people appear to have convinced themselves that there need be no concern for the Soviets; that Americans are not in the mood to listen to the facts about defense needs. Mr. Speaker, maybe the Chinese Vice Premier is trying to tell us something we need to know.

□ 1515

INTRODUCTION OF DISASTER RELIEF ACT OF 1979

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute.)

Mr. O'BRIEN. Mr. Speaker, on Monday, I introduced H.R. 1604, a bill to amend the Disaster Relief Act of 1974, along with 13 cosponsors in the Illinois delegation. My bill, which would provide assistance to areas of the country declared by the President to be experiencing an emergency or major disaster, would make governmental bodies eligible for this assistance from the day the emergency or disaster commences.

While it has been 15 days since the President declared 24 counties in Illinois in a state of emergency, the situation has not improved. Chicago and parts of my district have measured record snowfalls. Local governments have exhausted their snow removal budgets. Major interstate highways are closed in the rural areas. Many parents are keeping their children out of school because the children cannot safely arrive at school buildings because funds are not available to adequately clear city streets and roadways.

I respectfully urge my colleagues on the House Public Works and Transportation Committee to schedule hearings on my bill and similar legislation as soon as possible so that meaningful assistance can be provided.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m., Wednesday, January 31, 1979, and said to contain a message from the President wherein he transmits the Fifth Special Message for Fiscal Year 1979 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FIFTH SPECIAL MESSAGE FOR FISCAL YEAR 1979 UNDER THE IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–46)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten proposals to rescind a total of $914.6 million in budget authority previously provided by the Congress. In addition, I am reporting six new deferrals of budget authority totalling $1,169.8 million and six revisions to previously transmitted deferrals increasing the amount deferred by $28.8 million.

The rescission proposals affect programs in the Departments of Energy, Health, Education, and Welfare, Housing and Urban Development, the Interior, and several independent agencies.

The new deferrals and revisions to existing deferrals involve programs of the Departments of Agriculture, Commerce, Defense, Energy, the Interior, Justice, Labor, Transportation, the Treasury, and the Tennessee Valley Authority.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

JEWISH COMMUNITY RELATIONS COUNCIL OF NEW YORK, INC., RESOLUTION URGING MOBILIZATION TO HELP "BOAT PEOPLE"

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, the plight of a large group of Southeast Asians, known as the "boat people," is parallel to the plight experienced by many Jews prior to World War II.

Recognizing that the United States must take leadership in aiding these brave Asian individuals, the Jewish Community Relations Council of New York, has adopted a very timely resolution urging that the United States mobilize all of its available resources to rescue and assist these refugees.

Already the United States and Israel have initiated efforts to come to the rescue of these refugees. I believe it is time for us to examine our current efforts on behalf of the "boat people" in order to determine how we can expand the ongoing international outreach program to encompass all remaining refugees.

I commend the council for their action and would like to share a copy of the resolution with my colleagues.

RESOLUTION ON VIETNAMESE BOAT PEOPLE

The Jewish Community Relations Council of New York is deeply concerned with the plight of thousands of Southeast Asian refugees who have been forced to flee their homelands. We note with particular dismay the group of more than 2500 people plying the Pacific Ocean in search of a safe haven. Reports of their tragic situation and the refusals of so many countries to allow them refuge recalls the desperate voyage in 1939 of the "St. Louis". With over 900 Jewish refugees on board, the boat was denied entry to many countries, including the United States. The soul-searching memory of hundreds of thousands of our brethren who could have been saved prior to World War II and the many boats of Jewish survivors who were turned away from Palestine after the war, compels us to speak out strongly at this time.

We appreciate the efforts of our government in the past and are mindful of the hardships that accompany an influx or refugees. However, we feel that special efforts must be undertaken immediately under the leadership of the United States to ensure that history does not repeat itself.

We applaud the government of Israel for their efforts in granting asylum to a group of "boat people" plucked from Asian waters by an Israeli freighter last year and their recent decision to grant asylum to more refugees. We hope that other countries will emulate this example.

This country has a deep-rooted tradition of support for victims of political oppression and has, in recent years, resettled large numbers of Hungarians, Cubans and Vietnamese.

We believe it is now time to mobilize all available resources, public and private, for a comprehensive international humanitarian rescue program.

□ 1520

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m., Wednesday, January 31, 1979, and said to contain a message from the President wherein he transmits the Annual Report of the Office of Alien Property for the transition quarter (7/1/76 through 9/30/76) and the 1977 Fiscal Year.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ANNUAL REPORT OF THE OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the Annual Report of the Office of Alien Property, Department of Justice, for the transition period July 1, 1976 to September 30, 1976, and for the fiscal year ended September 30, 1977, in accordance with Section 6 of the Trading with the Enemy Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of section 194(a), title 14 of the United States Code, the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following Members on the part of the House: Mr. DODD of Connecticut and Mr. MCKINNEY of Connecticut.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER pro tempore. Pursuant to provisions of the 46 U.S.C. 1126c, the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House: Mr. WOLFF of New York and Mr .WYDLER of New York.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 4355(a), the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Military Academy the following Members on the part of the House: Mr. MURPHY of New York; Mr. LONG of Maryland; Mr. CONTE of Massachusetts; and Mr. GILMAN of New York.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 6968(a), the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Naval Academy the following Members on the part of the House: Mr. MCKAY of Utah; Mrs. SPELLMAN of Maryland; Mr. KEMP of New York; and Mrs. HOLT of Maryland.

There was no objection.

□ 1525

LATE HONORABLE LEO J. RYAN

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 20 minutes.

Mr. JOHNSON of California. Mr. Speaker, I have asked for this special order so that all Members would have an opportunity to participate in the eulogies and memories and tributes to the late LEO RYAN of the 11th District of California.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of the late Honorable LEO RYAN, of South San Francisco.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the distinguished majority leader, the Honorable JIM WRIGHT of Texas.

Mr. WRIGHT. Mr. Speaker, in the Congressional Directory, where Members of Congress are permitted to edit or even to compose their own biographies, LEO RYAN's is one of the briefest. Only seven lines recite the barest facts of his remarkably eventful 53 years.

This reveals one facet of the character of Congressman LEO J. RYAN. He was not given to extensive self-advertisement, nor to the superficial trappings and social floss of political life.

He was his own man, at times introspective and never fully predictable. There was nothing stale or stereotyped or unoriginal in LEO's makeup. He defied the confinement of glib political labels.

LEO RYAN was a brave and compassionate man who thought his own thoughts, fought his own fights, and followed his own convictions. Yet what is "integrity" but that?

This above all. To thine own self be true;
And it follows as the night the day
Thou Canst not then be false to any man.

In local, State, and Federal office, LEO was a friend of the disadvantaged, the disenchanted and the dispossessed—those who most need a friend in high places. He took on their habiliments, tasted their anguish with them, and in their service he went literally to the ends of the Earth.

In the 1960's, after the Watts riots spread shockwaves of fear throughout the land, LEO RYAN's insatiable curiosity and his innate sympathy would not let him rest. Then a member of the California legislature, he concealed his identity moved in with a black family and took a job as a substitute teacher in the ghetto, there to learn as well as teach—and to serve where the need was greatest.

In 1970, to learn the real truth which no outsider can ever truly know about our prison system and prison life, Assemblyman RYAN assumed the identity of a prisoner and lived for 8 days as an inmate at Folsom Prison.

Repelled by reports of the cruel wholesale slaughter of seal puppies, Congressman RYAN went to Newfoundland to see for himself.

Perhaps it is not an irreverence to suggest that LEO RYAN's ever willing readiness to go where there is suffering is in some ways akin to the response of Isaiah who said "Here am I, Lord. Send me."

And last fall when friends and constituents came to LEO with alarming horror stories about human captivity and bizarre inhumanities carried on against loved ones in a remote jungle colony in faraway Guyana, LEO went to see and to serve.

It was there, while helping to free captives, that he met his death.

Greater love hath no man than this, that a
man lay down his life for his friends.
So he died for his faith? (wrote Crosby) That
is fine, more than most of us do;
But, say, can you add to that line
That he lived for it, too?

It seems to me that in only slightly less dramtic ways, LEO RYAN throughout his life has been giving his life to people.

As a volunteer in the U.S. Navy during World War II at the age of only 18, he offered his life to our country.

As a teacher, LEO's first occupation, he gave his life to youngsters.

As a mayor of his community, as State assemblyman and as a Member of the U.S. Congress, he has given the greater part of his life to the public.

There must be in this a consolation for LEO's loved ones—for it is in giving that we receive and in dying that we are born to eternal life.

And the King shall say to those on his right hand, Come ye blessed of my Father and enter into the kingdom prepared for you from the foundation of the world, for I was an hungered and ye gave me to eat; I was thirsty and ye gave me drink; I was naked and ye clothed me; I was sick and in prison and ye came unto me . . . for inasmuch as ye have done it unto one of the least of these, my brethren, you have done it unto me.

And that is the legacy into which our brave and generous friend, LEO RYAN, is now embraced.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from Texas, our majority leader, for his participation.

Mr. Speaker, I yield to the gentleman from Missouri, the chairman of the Rules Committee (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I thank the gentleman from California. I would like to associate myself with the remarks already made.

LEO RYAN was a good friend of mine. We talked together a lot. I found him thoroughly consistent in one thing: He was a completely dedicated public servant. He cared about the people that he represented, and he was absolutely fearless—as his death demonstrates—in his efforts to serve them.

Some of the things that he did may have appeared to some to be Quixotic. They were not. He moved in to try to help people when nobody else would. He was a man of great courage, great character, and a very, very fine representative of the people. I will miss him, as will we all.

I thank the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman from Missouri for his participation.

Mr. Speaker, I would like at this time to yield to the chairman of the Government Operations Committee, the Honorable JACK BROOKS of Texas. LEO RYAN was a member of his committee.

Mr. BROOKS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, we have taken up our duties in the Government Operations Committee this year saddened by the loss of our colleague, LEO RYAN. LEO headed the Subcommittee on Environment, Energy, and Natural Resources for 4 years, and did so in the vigorous, full-spirited manner that characterized his approach to his responsibilities as a Member of Congress.

Under his leadership, the subcommittee made significant contributions with its investigations of dam safety, nuclear power costs, aircraft noise, and the need to protect California's redwood forests. He did not swerve from the course he thought was right because of opposition or because of controversy. He followed where the facts led him. It was in this spirit he undertook his fateful journey to Guyana, with the tragic results that still shock the World.

His career here was all too brief. He had much to contribute; much to accomplish. Besides the sense of personal loss I feel, I mourn the loss the Congress and the Nation have suffered by his death.

□ 1530

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from Texas (Mr. BROOKS), the chairman of the Government Operations Committee, for his participation.

I yield now to the dean of the California delegation, the Honorable BOB WILSON of San Diego.

Mr. BOB WILSON. Mr. Speaker, I thank the gentleman from California (Mr. JOHNSON).

Mr. Speaker, LEO RYAN is gone, a victim of a tragedy that staggers the imagination, and we are all the poorer for his passing.

LEO RYAN was first of all a teacher, and in his all-too-brief time as a Member of this body, he taught us new meanings to the words "involvement" and "responsibility," and he set an example for the thousands whose lives he touched.

LEO was a man possessed of a keen sense of adventure, and of living life to its fullest. It was typical of him to travel to a virtually unknown part of the globe because he felt that there were those there who needed his help.

LEO RYAN was always a people-oriented man who consistently came down on the side of the human being as opposed to the bureaucracy. One of the finest examples of his caring attitude was his outspoken advocacy of the pardon of Patricia Hearst, an effort in which I was proud to join. And I could not be happier that the matter has just been brought to a successful conclusion. This was LEO RYAN at his best.

His spirit affected us all, and as dean of the California delegation, I know I express the sentiments of all of us from California, including many of his colleagues who have retired in recent years, when I say that LEO RYAN was a friend of mankind and will be sorely missed.

Mr. JOHNSON of California. Mr. Speaker, I thank the dean of the California delegation for his participation.

I yield now to the gentleman from California, the Honorable GEORGE DANIELSON.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman from California (Mr. JOHNSON) for yielding.

Mr. Speaker, my friendship with LEO RYAN dates back to 1962, when we both were elected to the California State Assembly. LEO and I served together in the assembly for 4 years, and our friendship continued after I was elected to the State senate, and we continued to work together in the legislature on an almost daily basis during the 4 years I served in the senate. I was indeed pleased when I was able to welcome LEO, in 1972, to join us in the 93d Congress.

I knew LEO, not only as a close friend, but also as a dedicated, hard worker in both the California Assembly and the U.S. Congress. Although LEO's work with the International Relations Committee consumed more and more of his time during his last years in Congress, his many interests went far beyond the area of foreign affairs. I served with LEO on the International Relations Committee for 2 years.

Having been a teacher before his election to the California Assembly, LEO maintained a firm commitment to the improvement of our public education system, and strongly believed that the education of our Nation's youth must be one of our greatest priorities. LEO often remarked to me that too much emphasis was placed upon satisfying the demands of school officials, without focusing enough attention upon the needs of the students in our public school system. In this area, as in everything he worked for throughout his life, LEO RYAN demonstrated his great concern for his fellow human beings. It was this great concern for others which brought about the tragic end to his life.

I join my colleagues in mourning the loss of my good friend LEO RYAN, and know that he will be missed, not only by his friends, but by all those who benefitted from his dedication to public service.

□ 1535

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. DANIELSON) for his participation.

I now yield to the gentleman from California (Mr. JOHN L. BURTON) such time as he may consume.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding.

I have known LEO RYAN since 1958 when he was on the city council of South City. The first time he ran for the State assembly and lost, many of us from San Francisco were as disappointed as our Democratic brethren in South City over this loss.

LEO—or, as many of us who served with him in the State legislature called him—REO, was urged to run again in 1960. For someone who was really not a politician but an educator, he was, as has been said before, one who had a very astute political sense and he decided to sit out that year and wait until 1962. In 1962 he ran and was elected to the State assembly. There he became a member of the committee on education. The educational establishment in the State of California was never the same as a result of LEO, who was a true maverick on any and every issue. He was a person who in every instance marched to the beat of his own drum. And when people in this Congress sometimes would come up to me and said, "What's with LEO? Why is he voting that way?" the only answer anyone could give, who knew LEO as I did, was, "That's LEO RYAN, and that's how it is, and that's how he is going to do it. And there is no sense in trying to talk to him, because when he makes up his mind, he does it with full knowledge of every issue involved, and you are not going to talk him out of the position he has taken."

He was always in political trouble in his district if you could believe some of the political activists. The one instance in which he was in "great political trouble" was the year that he ended up winning the Republican nomination in the primary on a write-in vote. That is what kind of trouble he was in.

Then he was in big trouble in the Congress one year if anyone listened to the activists' reports, and if anyone had listened to Secretary Simon, but LEO won by a margin bigger than he did the previous election.

I am going to miss LEO a great deal because we served in the State legislature, and we were on the rules committee of the California Assembly for several years. For four of those years I had the privilege of being chairman when LEO was a member of that committee. He was the one who encouraged me back in 1967 to go on that committee on rules in the California State Assembly because he said it was more important than any chairmanship in the State legislature. I could not believe it at that time; but after lunch was over, LEO convinced me and I did pursue my interest on rules, which leads me to this point in time when I have a special interest in the

House Committee on House Administration.

It was a very weird fact that when I returned from a recess, in my office was a letter from LEO asking me to accompany him on his trip to Guyana. I will never be able to answer the question throughout the rest of my life of what would have happened, and what I would have done had I gotten this letter before they had left, and what my response to him would have been.

Again, we are all going to miss LEO RYAN. I am even going to miss him to the extent that I will miss people coming up to me and asking me, "What's with LEO? Why did he do that?" The answer will always be: "LEO did it because that is the way LEO was."

Mr. Speaker, I extend condolences at this time to his mother Autumn, to his children and to their mother, and especially to Flo Stevens who was his second wife and a very close personal friend of mine because she had worked with LEO and me in the State legislature, and so I would add special condolences to Flo.

Mr. Speaker, I thank the gentleman, my colleague from California (BIZZ JOHNSON) for yielding me this time.

□ 1340

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. JOHN L. BURTON) for his dissertation.

Mr. Speaker, I now yield such time as he may consume to the Honorable Speaker of the House of Representatives, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I want to thank the dean of the California delegation for affording me the opportunity to participate in this special tribute to LEO RYAN, a dear friend and colleague.

It is with a deep sense of loss that I rise to join my colleagues in paying tribute to the late LEO RYAN, whose tragic and premature death has saddened all of us who serve in this House of Representatives.

We are truly saddened, because LEO RYAN passed away in the prime of his life, long before the completion of his noble life objectives; we are also saddened because LEO RYAN died in a far away place, on a foreign soil, rather than among his close friends and loved ones. We are further saddened because a Member of Congress died while investigating allegations of injustice to American citizens in response to urgent pleas for help from his own constituents.

Those of us who knew LEO knew him to be a very dedicated and compassionate man, a champion of causes which enhanced the plight of the less fortunate of our society. LEO RYAN was a public servant of the finest caliber. He was a doer, a willing participant in the heroic causes of mankind. In addition, LEO was an active and enthusiastic legislator who always had his feet planted firmly in the soil of his beloved State of California.

My own personal friendship with LEO really developed from the fact that he had spent his boyhood days in Massachusetts and that his dad was the editor of one of the former Boston newspapers. LEO knew so much about the area from which I come, about the beauty of our fall and our autumn foliage, and how he loved to reminisce about those days in Andover, Mass., where he lived during his adolescent years.

Consequently, because of the fact that we both spent our youth in the same region, we became extremely friendly.

I had the pleasure of going to California 3 years ago to campaign for LEO. It was a typical Democratic fund-raising dinner. LEO's friends were all gathered together here. I remember so well how eloquently he spoke that night. He told his many friends that he was expecting a heated re-election contest. He gave to them the credo and the motto by which he lived: "I am my brother's keeper. I believe in truth and veracity."

LEO RYAN tackled many of the problems of the day and gave his viewpoints to his friends, even though those viewpoints were not in agreement with many of those who were present that night at the fundraiser.

One would have to have had the utmost respect for a man like LEO. I will never forget that night. LEO was so outspoken, so clear in setting down a pattern with respect to what he truly believed about public service.

The 96th Congress will miss the wise counsel of LEO RYAN, and I know the House Committee on International Relations will particularly miss this genuine crusader on behalf of human rights, human dignity, and human justice. Once LEO RYAN believed in the righteousness of the cause, there was no turning back.

He was, indeed, a beautiful individual. My wife Millie and our family join in expressing the deepest of sorrow to his mother and to his family. May God always hold him in the palm of His hand.

Mr. JOHNSON of California. Mr. Speaker, I thank the beloved Speaker for his participation here today.

I now yield such time as he may consume to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the distinguished gentleman from California (Mr. JOHNSON), the dean of the California delegation. I want to commend him for holding this special order in tribute to our beloved late colleague, LEO RYAN.

□ 1545

If the Members remember the Federalist Papers, they will recall that Alexander Hamilton, one of the authors of the Constitution, and his colleagues were concerned about what they believed were the propensities of legislative bodies to venality and demagoguery. In one of the Federalist Papers he said that the reputation of the British Parliament of those days for corruption and venality was well known, but, he said, there are always some men of character and independence who were able to provide the standards by which the level of the whole body was raised.

I think our House of Representatives, of course, has demonstrated that those same Founding Fathers structured our Government in a way that overcame some of the weaknesses of the body he referred to. Nevertheless, LEO RYAN was an example of the kind of person Alexander Hamilton was referring to—a man of character, integrity, and upright qualities who helped elevate the level of thought, integrity and humanity in our institution.

LEO RYAN was a man of independence and a man of compassion, a person who believed that it was not enough to talk or even to vote to help his fellow human beings. He believed in direct action and personal involvement.

Some of the letters that were written to the Washington Post and to my hometown papers after the terrible events in British Guyana were very revealing.

I would like to read one excerpt from one of those letters to the Washington Post and then I will include the two of them following my remarks. I quote now from a letter by a person named Joseph Webb from Washington, D.C.:

> My whole heart goes out to the innocents who were slain. Representative Leo Ryan was on a mission of mercy. He was responding to anguished cries for help that were being screamed by people whose blinded eyes were opened.

LEO felt sorrow and compassion for people who had been trapped by their own dependence and by the kind of demagoguery that is always present in every generation. We do not have to go back very far to recall what happened to mankind when an entire nation was trapped by a charismatic psychopath, Adolf Hitler. If there had been more men like LEO RYAN in the right places at the right time, the horror of nazism might have been exposed and blocked before it had reached such enormous proportions.

In any case, we can honor and admire LEO for his humanity and his willingness to help his fellow man. I am proud to join with other Members in paying tribute to him.

The letters referred to are as follows:

NOVEMBER 26, 1978.

> The catastrophe in Guyana throws a chilling light on a question that has been asked by historians and social scientists about a recent period in European history. Were Adolf Hitler and the Nazi experience really unique to one time and place—a "German sickness" that even to Germany was an aberration?
>
> There are the clearest of parallels in the early nature and methods of the Nazi movement and the more lately deceased Peoples Temple: the special feeling of closeness and mutual affinity within the group while the outer world is faced with a siege mentality; the thin veneer of community-service projects approved by "businessmen, civic leaders and politicians" masking the ugly reality of the group; the turning of child against parent. Deplorably noteworthy as well was the posture of lethargic indifference by authority in the face of continued and documented abuse to human beings until a violent and irreversible tragedy took place.
>
> Whether it be called "Nazism" or "Peoples Temple," or by any other name, what we confront in essence is a dangerous and ominous flaw in the psychology of humanity: the apparently inherent predisposition to be mobilized, directed and dominated in the mass by the force of a single psychopathic personality possessing extraordinary oratorical power and representing a transcendent father or security figure.
>
> If a severe deterioration in social conditions ever permitted the emergence of somethink like the Peoples Temple on a large

scale in human society in a nuclear age, it could mean the end of mankind.

MILNER BENEDICT.

CHEVERLY.

NOVEMBER 26, 1978.

The situation in Guyana is an extreme example of the ritualism that permeates all of the world's formal religions. Blind belief in anything—even a concept of God—can result in the same horrifying spectacle right here at home. After all, was not the Rev. Jim Jones' cult founded on American soil?

My whole heart goes out to the innocents who were slain. Rep. Leo Ryan (D-Calif.) was on a mission of mercy. He was responding to anguished cries for help that were being screamed by people whose blinded eyes were opened. He went to Guyana as a liberator, and he returned to America as a martyr.

I can only feel sorrow and compassion for those who committed this atrocity. In reality, they had died long before they drank that deadly, poisonous concoction.

Within a world where humans have forgotten how to be human, I have seen the depths to which my fellow man can stoop. Perhaps, one day, humankind will fully extend its arms, then I shall see the heights we can reach.

JOSEPH WEBB.

WASHINGTON.

Mr. JOHNSON of California. I thank the gentleman for his contribution and for his kind words.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. I thank the gentleman for yielding.

Mr. Speaker, LEO RYAN was a curious combination of daredevil, investigative reporter, and public official.

Most of us are content to have our staff study reports of conditions which may need legislative correcting, discuss the matter amongst ourselves in this Chamber, then issue press releases on our carefully considered positions. LEO was not that kind of legislator. His previous forays into dangerous situations have been well-documented. His trip to Guyana was not his first to look, firsthand, at a problem.

LEO RYAN charted his own course, figuratively and literally. When LEO came to a decision, we listened to his reasoning carefully, knowing that it was not reached cursorily, but after a great deal of thought.

Most of us, Mr. Speaker, do not possess LEO's nerve, stamina, mettle, or valor. That is our failing. LEO RYAN set a standard that will be difficult for those of us remaining to meet.

Mr. JOHNSON of California. I thank the gentleman from Illinois for his remarks and for his participation.

Mr. Speaker, I now yield such time as he may consume to the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. I thank the gentleman for yielding. I want to join my colleagues in paying tribute to LEO RYAN. Mr. Speaker, countless questions have been asked about the November tragedy in Guyana. Yet, there have thus far been few solid answers as to how and why this horrible and unbelievable event occurred.

Doubtless few single incidents in our lifetimes have caused more words to be written or provoked more searching for elusive reasons to help in explaining just what happened.

However, today we temporarily lay aside those concerns in order to pay homage and tribute to our fallen colleague LEO RYAN. At the same time, let us honor the memory of the journalists who lost their lives on that forsaken jungle airstrip far from home. Let us also remember the special needs of the wounded whose physical and emotional scars may not have healed over.

Mr. Speaker, LEO RYAN served three terms in this House. But in that short span of 6 years, he established a deserved reputation as a tireless worker who never shied away from tackling any problem or any issue with determination and perseverance, even when he found himself almost alone in his thinking.

LEO and I sat together on two committees—International Relations and Government Operations. He chaired the Government Operations Subcommittee on Environment, Energy, and Natural Resources, upon which I served in the 95th Congress as ranking majority member.

Largely as a result of our committee work, I knew LEO RYAN as a dedicated and conscientious member who possessed a certain streak of independence. It was in the end that quality which led him to go to Guyana on behalf of his California constituents to view the situation firsthand, based on his own private investigation.

Regrettably, LEO and some in his party were unable to escape the terrible consequences of what they learned. They paid a precious price which set off a chain of inhuman events rarely before witnessed by a civilized society.

Mr. Speaker, I hope that one meaning we extract from the tragedy in Guyana will be the dangers—potential and real—of misuse and abuse of the freedoms we proudly use and defend, such as the constitutional guarantee of freedom of religion.

For instance, we ought to examine what consequences might ensue when freedom loses its intended purpose and becomes instead a menace to other rights and to other citizens. In so doing, we should be guided by the ancient maxim of law and logic which states that while a man has a right to swing his fist, that right ends where another man's nose begins. The Guyana tragedy should remind us that even our most basic freedoms are not absolute—they are in fact subject to the bounds of law, of rationality, of commonsense, and of respect for the equally valid rights of others.

Hopefully, a realistic and responsible examination of the tragedy in Guyana, keeping in mind the dangers of extremism, will enable us to give greater meaning to LEO RYAN's life and to his untimely death.

I join with my colleagues in extending heartfelt sympathy to the Ryan family.

□ 1550

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from North Carolina for his participation.

Mr. Speaker, I yield to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I wish to thank the chairman of the California delegation for holding this special order for our friend, LEO RYAN.

The tragic circumstances under which LEO died have been so tremendous that few of us have been able really to understand the full extent of them; but that cannot obscure the great loss that each one of us feels in the death of our friend and colleague. We cannot lose a capable, productive Member of the House like LEO RYAN without being the poorer for it.

LEO RYAN and I were Members of the class of 1973. Prior to that, we spent 6 years together in the California Assembly, although he was 4 years my senior in that body.

During that dozen years of association, LEO always showed great independence. He was careful to examine issues in great detail and to come to his own conclusions, some times divergent from the majority of the House, whether the assembly or the Congress; but he would always have sound logic and reasons for his conclusions and usually he would be able to take many others along with him in his position.

He was a hard worker, a good friend of California, especially California education, out of which community he himself came before he became a part of the political community.

During his brief stay in Washington he made a real impact on the national political scene. He will be missed for a long time. I think each one of us misses him as a friend.

□ 1555

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. MOORHEAD) for his participation.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker, I, too, take this time today to honor the memory of LEO RYAN of the 11th District of the State of California whose home was in south San Francisco.

LEO and I were alumni of the lower house of the California legislature, the assembly, and we were classmates of the 1962 class. I became close to LEO because one could tell immediately upon meeting LEO that here was a man who had something to offer. It was my pleasure to know LEO well over the years, and when I joined him in the Congress, our friendship became even closer. I had the opportunity to know LEO as an author, as a sailor, as a legislator, and as an advocate—and a strong one—for those things in which he most strongly believed.

There are, of course, all kinds of people in this world and all kinds of legislators. We see cause-oriented people, issue-oriented people, party-oriented people, bureaucrat-oriented people, and so on. I would classify LEO as a people-oriented legislator.

LEO was one of those legislators whose strongest advocacy was in behalf of people for whom he felt, and felt strongly, were not being heard or who were being heard incorrectly.

This legislative body will sincerely and sorely miss the LEO RYAN's. This body should pay homage to the LEO RYAN's, in the hope that we can have more LEO RYAN's to take over where one left off through most tragic and unfortunate circumstances.

Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. BADHAM) for his contribution.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

● Mr. LEWIS. Mr. Speaker, in the California Legislature we have at least made efforts to see that new members did not spend a lot of time early in their service speaking on the floor, but since it was my privilege to be one of LEO RYAN's close friends in the legislature, I very much appreciate the dean of this delegation yielding this time to me today to express a few of my feelings about my colleague, LEO RYAN.

LEO was many things to those of us who worked with him in California. He was, first and foremost, a teacher and a friend. Beyond that, he was, for me, one of the toughest men I ever met in my life. LEO was also a very passionate man, a man who loved very deeply.

It was in his capacity as a teacher and a friend that many of us involved in education grew to watch him closely very early in our services because LEO was a fellow who, a teacher himself, insisted that we ought to look at the educational establishment in a little different manner. Many of the Members will be interested to know that in his home district, right in the heart of his district, was the home of the powerful California Teachers Association, and yet LEO RYAN found it within himself to praise his peers and at the same time fight them intensely when he thought they were wrong.

I would guess that that association worked no harder against any other Member of the House than LEO RYAN, because he had the guts to stand up and talk about the fact that too often they were wrong in dealing with the children of California.

I never will forget that LEO first described to me what he considered to be the most reactionary of all establishments, and that, as he described it, was the educational establishment in our society. He did not just talk about organized teachers; he talked about organized school boards, organized administrators, and third level bureaucrats in the Department of Education, and his concern was that kids were missed because of their concern about their own individual bailiwicks.

LEO RYAN was a friend. I spent hours with him listening to him discuss his philosophy about mankind, about politics, about life. I am afraid that many of my colleagues missed that in LEO because often we do not have the time to listen. He was a man who we found, if we were willing to listen, had an awful lot to say that would change one's own view of things, and particularly the way one ought to handle himself in public affairs.

LEO was a man who loved passionately. He loved his family. He talked about his children often in our after-hour sessions. He loved his colleagues and was often frustrated about the fact that many did not understand him and did not understand his indirect and unusual way of handling problems.

He would never walk away from a fight. He was always ready to express his views regardless of what the establishment might think.

Mr. Speaker, in closing, I would like to add to my remarks to the House a message received from LEO RYAN's family. It is as follows:

We would like to express our appreciation to the members of the House of Representatives for taking this time to remember our father, Leo Ryan, and to acknowledge the contributions he made to his constituents and to all the people of this country.

The fact that our father was in Guyana at all illustrates his unique political philosophy. He had just come through an exhausting campaign and had been reelected to his fourth term in Congress by a comfortable margin. By all rights he should have taken some time off to rest and relax. Instead, he traveled to an obscure little country in South America, deep in the heart of a tropical jungle, to get answers to questions asked by his constituents that he could not get elsewhere.

It was this need to get information first hand that characterized our father's career. Everyone has by now heard of the trips to Folsom prison, to Watts during the riots of the 1960's, and to the ice floes in Newfoundland to investigate the seal hunts, but these are just the most publicized examples of his work. He was often accused of seeking publicity on an issue to further his own political ambitions, but anyone who knew him would know that this was not the case. The publicity he sought was to focus attention on an issue or to help solve a problem. He was a politician who cared more for the people he served than for the office he held. The tragedy of the situation is not just that we have lost our father, but that his district and indeed the whole country have lost an exceptional leader.

We hope that the Congress of the United State will see fit to continue on in his spirit, to complete the investigation he started. It is the unfortunate truth that there still exist in this country many organizations (or sects or cults) that regularly engage in the repression of human rights in the name of religion. We believe that there is still the definite possibility of another Jonestown happening in this country at any time. We hope that the Congress will carry the investigation through to its logical conclusion, to find a solution to this immediate problem so that our father's life will not have been lost in vain.

Mr. Speaker, it is my privilege to extend this message from his family to the House.

I thank the gentleman from California (Mr. JOHNSON) for allowing me to participate today in this special order.●

Mr. JOHNSON of California. I thank the gentleman from California very much for his very fine remarks and for the statement from the family.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding, and I appreciate his requesting this special order so that we may pay homage to the memory of LEO RYAN.

Mr. Speaker, it is never easy to accept the death of a friend and colleague, particularly when his passing is completely unexpected and when it comes, like a cruel intruder, at the very prime of his life.

LEO RYAN's murder shocked all of us who worked with him and it horrified every American.

Here was a man who was not content to let assertions and ideas go unexamined. He refused to live vicariously, choosing instead to participate fully and to meet challenges directly.

This course inevitably involved risks at times. LEO RYAN knew that he had not taken a safe or easy route, but he knew, too, that it was the only one with which he could be satisfied.

This was the outlook that led him to live for a time in the Watts section of Los Angeles immediately following the disturbances there. It was the philosophy that motivated him to pose as a prisoner so he could have an unvarnished understanding of conditions in penal institutions. And it was this sense of direct involvement that led him finally to Guyana.

There is a certain tragic symmetry in the fact that LEO RYAN was killed in the course of action, in the pursuit of his duties and ideals.

Mr. Speaker, it is fitting, too, that tomorrow marks the successful culmination of one of his last great causes—the commutation of Patricia Hearst's sentence by the President and her release from jail.

I know from my work with him on the Government Information and Individual Rights Subcommittee of the Government Operations Committee and on the floor of the House that LEO RYAN was a most conscientious and able Congressman. He had enormous talents and he did not squander them. He always sought to do his best to fulfill his own demanding concept of the type of legislator and the type of man he ought to be.

It is a privilege to have known LEO RYAN. I will miss him greatly as will the entire House.

Mr. JOHNSON of California. I thank the gentleman from New York for his very kind remarks.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield such time as he may consume to the gentleman from Wisconsin, the chairman of the International Relations Committee, the Honorable CLEMENT J. ZABLOCKI.

Mr. ZABLOCKI. Mr. Speaker, I commend our colleague, Congressman BIRK JOHNSON, chairman of the Public Works Commission, for arranging time to pay tribute today to a man of great courage and dedication—our late and valued colleague, LEO J. RYAN of California. Those of us who served with LEO RYAN on the Committee on International Relations were keenly aware of his fiercely independent spirit. He was a big man, with a strong personality and a missionary zeal for the helpless and those in need.

In addition to courage, LEO also had

great compassion, and it was this quality which, more than anything else, led him to the jungles of Guyana in an attempt to assist the relatives of the Jonestown inhabitants. It was his decision, and a courageous one, to make a personal visit to the People's Temple commune and investigate the charges that people were being held against their will and were being otherwise mistreated. Although he was aware of some of the risks involved in such an undertaking, it is clear that no one really anticipated the extreme level of violence which LEO was to encounter there.

By all accounts, LEO conducted himself, during his visit to Jonestown with great bravery and concern for others. To the very end, his first concern was for those in greatest need, in greatest danger. He initially decided to stay behind in Jonestown, after sending out those defectors who wished to leave under his protection. Finally, after a knife attack, the Deputy Chief of Mission of the American Embassy, who was also present, had to order the Congressman to leave with the others. Upon reaching the airstrip, like a good captain, he ordered those fleeing Jonestown to board the airplane first while he waited on the airstrip to insure that everyone was taken care of. Those who boarded the plane were able to shut the door after the attack began and save themselves. LEO RYAN was gunned down helplessly outside.

LEO RYAN was a member of the Committee on International Relations for all of his 6 years in the House and participated actively in the work of the committee during that period. He was a member of the Subcommittee on International Operations which oversees Department of State operations, including the protection of American citizens abroad—the focus of LEO's fatal study mission to Guyana. He was also a member of the Subcommittee on International Organizations dealing with the United Nations, human rights, and during the last Congress, with an investigation of Korean-American relations. He also served with distinction on behalf of the committee as chairman of the U.S. congressional delegation at its 13th meeting with a delegation of the European Parliament.

In legislation before our committee, LEO was a vigorous advocate of human rights, intelligence reform, and the protection of harp seals and whales.

Mr. Speaker, LEO RYAN was an activist in the best sense of that term—that he could make a difference. He frequently did so and he will be missed.

Today at the organizational meeting of the International Relations Committee a resolution was adopted to rename the Committee to Foreign Affairs. Two years ago LEO sponsored such a change. Today's Committee action is in no small measure a tribute to him.

□ 1605

Mr. JOHNSON of California. I thank the gentleman from Wisconsin, the chairman of the International Relations Committee, for his very fine tribute to one of his members.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it is always sad to learn of the untimely passing of a fellow Member of the House. It was particularly shocking to learn of the bizarre and brutal murder of our colleague from California, LEO J. RYAN.

I had the opportunity to serve with LEO on the Government Operations Committee, and the Subcommittee on Environment, Energy, and Natural Resources, which he chaired. Although we differed greatly at times and on a number of issues, I can say that LEO made the work of the subcommittee interesting and challenging. I shall never know whether his pleasure in the contest was as great as mine, but there was no question that he always met in the contest the views with which he was confronted and with which he may have disagreed.

His devotion to solar energy development, dam safety, radiation protection, and other energy and environmental issues will be sorely missed.

In LEO's work with the subcommittee, I was always impressed with his dogged determination and persistence to learn about an issue under investigation. Much has been said and written about his desire to see things first hand. For example, once while a State legislator, he had himself taken to Folsom Prison in shackles and handcuffs so he could observe prison conditions there without being detected. This instance and others exemplify his drive to fully understand the facts of a situation.

It was this personal involvement in the issues he pursued that took LEO to Guyana last November. Several of his constituents had asked him to help them learn about a cult known as the People's Temple, because their relatives had gone to the small Latin American nation and had become virtual captives of the group.

LEO was aware of the possibility of danger in Jonestown, yet he believed it was his duty to pursue the matter personally. I think all of us admire the dedication and bravery LEO displayed by refusing to be satisfied with a bland State Department inquiry, and ignoring the risk, to go size up the cult group for himself.

It is fitting that this tribute to LEO RYAN comes just before the completion of another matter he cared deeply about. Tomorrow Patricia Hearst will be released from prison, her sentence for bank robbery having been commuted by the President earlier this month. LEO was concerned about Ms. Hearst's safety in prison and he felt she had been punished enough. I am sure his interest in the Hearst situation helped encourage the Justice Department to consider the question of commuting her prison sentence. LEO would be pleased that his efforts in her behalf have been successful.

LEO's 22 years of public service are a legacy of which his family can be justifiably proud. Today's tribute is well deserved.

I wish to join LEO's mother, sisters, and children in mourning his death and extend to them my sincere sympathy.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from the State of Ohio (Mr. KINDNESS) for his very kind words. He was a member of the same committee LEO served on in the Government Operations Committee.

Mr. Speaker, I yield now to the gentleman from California (Mr. LAGOMARSINO) such time as he may consume.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding to me. I commend the gentleman from California (Mr. JOHNSON) for taking the time for this special order so that we might pay tribute to our departed comrade. LEO RYAN.

I had the privilege, as several of us in this Congress did, of serving with LEO RYAN not only here in the Congress, but in the California State Legislature. As my colleague from California (Mr. LEWIS) pointed out a few minutes ago, LEO RYAN's courage, bravery, and ability to buck great odds, and his willingness to do so, did not start when he arrived here in Washington. It was carried on with the same zeal and ardor in Sacramento.

Very often LEO was one of only a handful, or in some cases the only one, who would start a movement, start a program, introduce an idea into the legislature. He did not always win, but he had a pretty good batting average considering the fact that on many of these issues he represented a very, very small minority on that issue.

I will never forget the evening that I heard of LEO's death.

My wife and I were at a party and we had just heard a discussion on the car radio about LEO's mission to Jonestown. It was not over 15 or 20 minutes after we had turned the radio off and gone into this party that someone came in and said he had heard that a congressman had been killed in a foreign country. He did not have to say who it was. I knew immediately it was LEO, because of his brave attitude in going down there on behalf of his constituents. It really struck home to me because just before he had left on that trip he had asked me to go with him, and due to a number of circumstances I was unable to do so.

The year 1978 was a very sad year for the California congressional delegation. We lost two very outstanding Members, Bill Ketchum and LEO RYAN. It occurred to me even as I heard of LEO's death, that in many ways LEO RYAN and Bill Ketchum were very much alike. They were both bulls in a china shop, so to speak, and they both had great courage, and neither one lacked the will to speak up on the interests they were so very much involved in. They both had the interests of the common folks at heart.

I well remember also that at Bill Ketchum's funeral the officiating minister, who had known him for many years, recounted that he had been in the hospital some time before that and he had received a get well card which said:

Don't just lie there. Bitch a little bit.

He said that described Bill Ketchum very well; and I think that described LEO RYAN also.

We should take a lesson from LEO's life and public service: We should be involved more heavily than we are at times and fight harder for what we believe in.

I know his family misses him, and the State of California and the entire Nation will miss him as well.

Mr. JOHNSON of California. I thank the gentleman from California (Mr. LAGOMARSINO) for his very fine remarks and tribute to a great Congressman from California.

I yield now to the gentleman from Vermont (Mr. JEFFORDS) such time as he may consume.

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, I rise also to commemorate LEO RYAN.

I had the opportunity and good fortune to go with LEO RYAN on one of his missions. It dealt with a wrong that LEO felt strongly about. I had the opportunity to travel with him off the coast of Labrador to protest the killing of the baby harp seals. That was an experience which I, of course, will never forget. It was one which made me feel very close to LEO in the short time that I did have an opportunity to work with him. He demonstrated to me what could be accomplished if someone was willing to go out and not be afraid to confront the problems head on. We had experiences there which required a considerable amount of courage. LEO rose to the challenge. He was not afraid to confront the Canadian Government. He was not daunted by the emotional reactions of local officials He acted with forcefulness and a zeal to accomplish the goal for which we were there. Yet at the same time he acted with the kind of responsible conduct which would result in finding answers without unduly antagonizing those he confronted.

On that trip I grew to admire LEO. He taught me much. LEO had a long history of going to the scene—he used every weapon at his command—including the press—to maximize information and exposure regarding the issue of concern. He had a real knack for getting at the truth.

I also had the opportunity to work with him on the resolution which made Sun Day a national day. It was his resolution which did that. I served on the board of directors of the Sun Day organization. LEO and I traveled together down to the Mall on Sun Day to talk to the thousands of young people who had gathered there to express their desire to do something about solar energy. I was amazed at and admired the way LEO was able to stand in front of that group and turn them on and get an enthusiastic response from them.

Both of these issues reflect LEO's character—in supporting something, he gave 150 percent.

He was a man of causes. They were generally the right kind of causes. Where he saw the need to protect something that was being violated—be they young animals, or a fragile and developing technology. In Guyana, of course, it was more than that, the lives of his constituents and their relatives.

But most of all I think I will remember LEO RYAN for what he accomplished in enhancing the diminished image of this body. That terrible day in Guyana occurred at a time in our history when we have many problems with some Members of Congress that embarrass and taint us all. To me he demonstrated to this body, to the Nation, and to the World, another side, a noble side, and I believe a more representative side.

□ 1615

LEO is not alone in this kind of representation—many other Congressmen also are activists like he was—but in an era where public opinion of Congress is low and where the trials of some hog the front pages, it is a reminder of what Congress can be when we look at LEO's example.

Certainly he was an example of greatness in his ability to go out and confront people and to seek out and try to solve those problems of concern of his constituents. But he also demonstrated to the American people that there are a number of Congressmen who were willing to go so far as to risk their own life in the pursuance of the goals of their jobs. Hopefully, his sacrifice will, at least momentarily, take the public's mind off some of the other less noble problems that this body has faced with its Members. I believe that he did a great service to Congress, to us, in demonstrating to the American people that there are many Members willing to sacrifice not only their time, effort, and money but their very lives for the cause of their constituents.

What I have just said about Members of Congress is also true of faithful dedicated staff who work the same long hours, and take the same risks. It would not be proper for me to end without mentioning Jackie Speier. As you know Jackie suffered a double tragedy. She lost a man she admired, and who admired her. She also suffered violent physical harm because of her willingness to assist LEO in his mission.

Jackie Speier traveled with us on to the ice flows of Labrador. I noted with admiration her ability to negotiate difficult issues under pressure and trying circumstances. I noted her courage in facing the emotional confrontations that we encountered. It did not surprise me to find that she was at LEO's side when he died.

I would like to include at this time some reflections that I had about that adventure on the ice with LEO and Jackie. This article appeared in the May 1978 issue of New England Outdoors magazine:

In the early morning hours of March 11th, 3 small helicopters lifted off a pad near St. Anthony's, Newfoundland, and began a spectacular 200-mile flight north over pristine frozen wilderness. The choppers carried myself, Congressman LEO RYAN of California, several members of the internationally-based Greenpeace Environmental Foundation, Congressional aides, and Canadian press and officials on the way to view first hand the killing of young Harp Seal pups on the thick ice off the east coast of Labrador.

"First-hand observation" is a many-edged instrument. The edges are multiplied when American Congressmen visit abroad to view an event over which emotions have run high recently. The activist Greenpeace organization has successfully focused the world's attention on the annual Harp Seal "hunt," "slaughter," "harvest," or "assassination," depending on which term fits *your* perception of the rationale for the destruction of these young mammals (i.e., is it for "economic," "luxury," "subsistence" or "traditional" reasons).

As a hunter myself, I can assure sportsmen that this is no "hunt." Whereas, traditionally, sealers braved ice and storm in small boats to locate the seals to take a few pelts, today modern craft and spotting techniques have taken all the risk out of it. There is no element of surprise, and no contest.

Last year both Houses of the Congress passed a resolution asking the Canadian government to reassess its policy of permitting the kill. This year the first Congressional visit again drew the attention of the world's media. Why was I there? What are my reactions?

First, the Canadian press took us to task last year for legislating without sufficient information. We'd never been up there. Who were we to talk? Were the Yanks so damn perfect? Second, we've got a fast-growing organization in the Congress called the Environmental Study Conference, now numbering 270 House Members and 70 Senators, of which I am the House Chairman. The ESC membership, I think, would benefit from whatever facts I could gather. Lastly, we were invited both by Greenpeace and the Canadian Ministry of Fisheries to be their guests.

Although we were, then, invited guests, we discovered a remarkable degree of both private and official paranoia over the visit. We were, it seemed, rather in the genre of skunks at a lawn party. What kind of irrational blokes were we to traipse around a sub-freezing ice flow observing a practice which civilization, these many eons, has not made much improvement upon.

Our emotions and sympathies fluctuated rapidly; it is admittedly difficult to sort out the balance of benefits and detriments, rights and wrongs, essentials from nonessentials, particularly on the spot on a blood-stained remoteness. No one can come away from the destruction of pups still in the process of nursing from their mothers without being affected. It was difficult to watch the reaction of the mothers without feeling a sense of general shame. Yet, too, suppose the pups were completely protected, would the herd grow too large, unbalanced due to the absence of the seal's traditional predator, the polar bear? What also of the economic benefit accruing to that minority of Newfoundlanders whose income is substantially improved by the proceeds from the pelts?

The crucial perspective is ecological balance. What is the proper level of herd management? What is "optimum" size given the ecology of the area? Indeed, do we understand well enough the "workings" of this "ecological balance?" Opinions on such basic questions as the growth of the herd vary widely, in large part because, as the Canandian Department of Fisheries and Environment admits, "population assessment is extremely difficult." Aerial census techniques using ultraviolet film have been developed,

and this and other methods have led the Canadian government to set annual "sustainable yield" figures, i.e., catch ceilings which would still maintain population size. A ceiling of 180,000 was thus established for 1978 (this includes adults, but most of the take will be pups). Other, highly reputable organizations such as the International Union for the Conservation of Nature, have disputed Canadian estimates, even to the point of officially calling for a moratorium on the killing. They claim the herd is being depleted.

With reputable scientists on both sides, it is clear that new analysis is in order to determine what the size of the herd should be, and what the level of kill should be to sustain that size. It is not enough, certainly, to be content with the comments of one TV commentator who maintained that unrestricted killing would be all right since it looked to him as if the seals were "thick as fleas down there."

Other, more regrettable, events occurred on the ice, illustrating how easily the emotions of the issues can overtake us as individuals and, yes, as governments too. When we landed on the ice a Newfoundland government Minister, dressed as a sealer, provoked arguments with the visitors. We were not, of course, aware of his official position, but when we were informed later that it was in fact a government Minister who told us to "go back to the U.S. and mind your own business," we were certain he did not speak for the central government which had invited us. He shortly thereafter resigned his post.

Likewise, it was bizarre when, in an incident which occurred after I left the ice, Canadian Fisheries officials arrested the President of Greenpeace, Dr. Pat Moore, for, as the charge read, "sitting on a seal." Since Pat had not interfered with anyone nearby hunting that seal, and since traditional property law invests ownership in one who catches the quarry, it is strange legal regime which arrests a person for catching his own seal.

Further, there seemed to be unnecessary local official harassment of all the visitors by denying or making very difficult access to the ice, and by threatening Canadian helicopter crews with being "accessories" to unstated offenses if they transported individuals anywhere in the direction of a seal without a government permit to be in the sealing "area." "Area" was conveniently never defined or delineated, despite repeated inquiries by a respected Canadian lawyer accompanying the group. Overreaction can be understandable, but it always is regrettable.

Other than tightening up methods for identifying proper herd management, I will be recommending to the ESC several other matters for its consideration. Although the method of killing may be humane to the pups, I am concerned that it has an unnecessarily terrifying and shocking impact on the mothers. Perhaps ways may be devised to remove the pups (they can be easily picked up) from the scene before their destruction. Or, herd management principles may allow destruction of only young adults rather than pups.

Second, I would like to ask for a thorough review of American protection of marine mammals, including the fur seals in Alaskan waters, various species of whales including particularly the Bowhead, and the porpoise. Perhaps it is time to enlist the support of other nations in more rational protection of marine mammals, through using various international forums and educational and study programs.

Lastly, we should be making very certain that Americans as individuals or officials are never guilty of restricting access to anyone who desires to observe what we are doing in our "outdoors." First-hand observation" has its very good points, on balance. It changes your perspective on things.

□ 1620

Mr. Speaker, I now yield such time as he may consume to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. Mr. Speaker, I thank the dean of the California delegation for yielding, and I wish to associate myself with his remarks.

Mr. Speaker, it was a great shock to all of us last November when we received the tragic news from Guyana about Congressman LEO RYAN's death. LEO's death left a void within the forces of those visionaries who dare labor for a world where equality, justice and love are more honored in practice than in rhetoric.

During the 4 years that I knew LEO, I respected and admired his dedication to those whose voices and concerns were seldom heard and often ignored by persons in positions of power and influence. Indeed, throughout his public career LEO was the representative of the powerless and a voice for the less fortunate in our society—even when they were not his immediate constituents.

Those of us who remain in this Chamber will miss his insight and direction for the complex difficulties which plague our society. For idealists and visionaries like LEO RYAN, foolish enough to throw caution to the winds and express their ardor and faith in some supreme deed, have advanced mankind and have enriched the world.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. PATTERSON) for his participation.

I yield such time as he may consume to the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. Mr. Speaker, it was my pleasure to serve on the Environment, Energy, and Natural Resources Subcommittee of the House Committee on Government Operations during the 95th Congress under the chairmanship of LEO J. RYAN of California.

This committee put in many hours of hearings on very crucial questions of nuclear energy waste and other issues of vital concern to the preservation of our environment.

The chairman was hardworking and hardhitting in his approach to every issue. He was not reluctant to describe things as he saw them, and to put difficult questions to the witnesses in order to get the very necessary information that Congress must have if it is to effectively deal with its many problems.

LEO RYAN was conscientious in carrying out his committee and congressional responsibilities.

The fact that LEO RYAN never hesitated to take up a difficult task was another example of the strength of his character and his bravery. The way he moved ahead with assignments or responsibilities that might well have been postponed or assigned to others was evidence of his dogged determination to see a job well done. I do not think that he could be characterized as "fearless" because the term "fearless" could imply an absence of knowledge or reason for concern. "Brave" is the better word which implies a knowledge of danger overcome by a personal strength of character.

LEO RYAN knew that political opposition could be real and formidable yet he did not hesitate and would apparently even court it by his approach to some difficult problems.

In his final mission there were certainly enough reasons for a more cautious or less brave spirit to stand aside and let others investigate the tragedies that were taking place in South America. In his own way he assumed the responsibility that he knew was his, and became one of the few Members of Congress assassinated while in the course of carrying out a difficult congressional responsibility. His name will be honored and his memory must be preserved. In his life and service he demonstrated qualities of character that must be emulated in the years ahead if our Nation is to have the type of brave men and women who will recognize the cost of freedom and be willing to pay that price in meeting the challenge of those who would destroy the Nation itself.

LEO RYAN was a brave man.

I share in a special way the loss of our colleague because he was also a friend.

□ 1625

Mr. JOHNSON of California. I thank the gentleman for his comments.

I now yield such time as he may consume to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. I thank the gentleman for yielding, and I thank him for allowing the Members of this body to have the opportunity to recall the memory of LEO RYAN.

Mr. Speaker, it is with great sadness that I rise to join my colleagues in memorializing our friend, LEO RYAN.

LEO RYAN, during the several years he served in Congress, was always a great credit to this Chamber. The work he accomplished on behalf of his district, our State, and the Nation was formidable, and he earned the everlasting respect of everyone who knew and worked with him.

We will remember LEO best, though, for his great courage—the kind of courage that led him to risk, and tragically give, his own life to save the lives of others, caught in the grasp of an evil, powerful force. This dedication to helping others, the willingness to put others ahead of himself, should serve as an example for all who strive to work in the public interest. I believe this will be the most important legacy of LEO RYAN.

I would like to express my deepest sympathy to LEO's family. They, of course, will miss him more than anyone. But it is a credit to his life that LEO RYAN will also be remembered by the people of California, and by this entire Nation for his great ability, his courage, and his integrity of purpose. Let us hope that by alerting the world to a horrible situation, by exposing this evil to the light of day, LEO did not die in vain.

● Mr. REUSS. Mr. Speaker, it was typical of LEO RYAN to take political and physical risk to get to the bottom of a problem. It was also typical of him not to be satisfied with Government assurances without checking out the situation for himself.

His colleagues knew LEO RYAN as a legislator with an inquiring mind and a passionate commitment to what was right. He knew his district intimately, and no legislation or administrative action which affected that district got by without his discerning scrutiny.

LEO RYAN understood that his duty to his constituents could take him beyond Washington, beyond the borders of his district, and out of the country. He died in the line of that duty.

We will miss LEO RYAN. But he left behind him an example of public service which will sustain and inspire us.●

● Mr. LLOYD. Mr. Speaker, I am grateful for the months which have passed since Guyana and now, since I can sift the morbidity and desperation of the place and its people from LEO RYAN's life, which was hopeful, independent, and always straightforward. Those qualities were evident to me from the beginning when LEO and I, as fellow Democrats and Californians, became co-workers. As news of his committee work, particularly in those areas regarding individuals and their rights and responsibilities in a democratic society, came back to me, I understood that those qualities were only chapter headings to a personality open to the potential of the poorest citizen.

When LEO RYAN died, the resulting publicity painted a black picture for those who like to participate personally in helping others and see things for themselves, as LEO did. The stories also cast clounds on entire agencies, professions, and philosophies which, in less tragic times, generally are considered helpmates and guides for the troubled. None of this is a fitting memorial to LEO RYAN, who thought that the hands-on approach was not only preferable, but also necessary to getting the full picture. As an educator, city and State official, Member of Congress and humanist, he gave those organizations, jobs, and philosophy a life which no Guyana can take away.

The winter of LEO RYAN's death should be allowed to break up. His life is most important and his deeds held before us as true representation.●

● Mrs. SPELLMAN. Mr. Speaker, France's Gen. Charles de Gaulle would have had us believe that "every man of action has a strong dose of . . . hardness and cunning." He was willing that those traits be regarded as high qualities indeed if the man could "make of them the means to achieve great ends."

I cannot help but think of my disagreement with his evaluation, Mr. Speaker, as we pause today to eulogize one of this Chamber's own great "men of action," the late Representative LEO J. RYAN.

I am proud to say that LEO RYAN was my friend. I had the distinct honor of serving with this dedicated Californian on the Post Office and Civil Service Committee and I can speak firsthand of his total lack of "hardness," of his complete lack of "cunning." Rather he was known for his honesty, his inquisitiveness, his zest for life, and his steady impartiality in matters of all kinds. In LEO RYAN, we knew a man of compassion, a man of candor.

We all witnessed his compassion for the wronged and oppressed and his desire, always, to see justice done. And most of all, Mr. Speaker, we know how LEO RYAN blended these qualities to achieve the "great ends."

As with other such "men of action," LEO was never one to be satisfied with secondhand reports or hearsay evidence. When a problem arose, he wanted to see things for himself—to go to the source, the scene of the controversy.

It was this quality that led LEO RYAN to don prison denims for a firsthand look at conditions in California's correctional system and to brave Arctic winds to investigate the senseless slaughter of hundreds of baby seals.

And, ultimately, it was this desire to witness things firsthand that led LEO RYAN to the remote South American airstrip where he, too, was senselessly killed in an outbreak of carnage that rivals any our Nation has seen.

His death was tragic in many respects. LEO RYAN was a true friend who will be sorely missed in this body as well as in his city and his home State. His passing not only deprived us of a source of sound counsel and sage advice but it served to cut short an ever-brightening political career.

Amid our sadness over LEO's death, however, we can all take refuge in the realization that the Nation is better off today because this "man of action" lived.

He spent his last few hours as he had spent his life, seeking truth and justice—firsthand—regardless of the personal consequences. His mission to Guyana, while ending in tragedy, served to insure that others would not suffer even worse fates at the hands of a depraved man and his unseeing followers.

I think, Mr. Speaker, this is how LEO RYAN would want us to remember him on this special day. I feel certain he would want us to recall him as the "man of action" he truly was. I know, Mr. Speaker, all my colleagues will join me in expressing the profound sense of sadness and loss we feel at his untimely passing.●

● Mr. JONES of North Carolina. Mr. Speaker, one of the advantages of being a Member of the U.S. Congress is the opportunity to create friendships which are sincere and lasting. I am referring to the relationship between the late LEO RYAN and myself.

Although with varying backgrounds between the two of us, to say nothing of the geographical difference between North Carolina and the State of California, this did not prevent us from enjoying one another's presence from time to time. One thing I admired about LEO in addition to his dedication to his job, was his fine sense of humor. Quite often on rollcall votes, when we had voted the same way, one of us would say to the other," one of us has voted wrong, I don't know which one it might be!"

Certainly his untimely death was indicative of his life's work in that, as we all know, he gave his life as a personal sacrifice while trying to help others. To his family I again extend condolences, and to some degree share with them a sense of loss, for I feel I have lost a true friend.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it was with great shock and sadness that I learned of the death of my friend and colleague, LEO J. RYAN, and I am honored to join in paying a well deserved tribute to his service in the House.

His untimely death cut short a career of exemplary public service. Before entering Congress he had already distinguished himself as a teacher, school administrator, author, city councilman, and mayor in the State of California. During his three terms in Congress he demonstrated an intelligence and competence which won him the respect of all of us.

I had the honor of working with LEO RYAN when we served together on the Environment, Energy and Natural Resources Subcommittee of the Committee on Government Operations. He succeeded me as chairman of that subcommittee, of which I remained a member; so I had the opportunity to observe first hand the outstanding contributions he made in these areas. He was also well known for his keen interest in the concerns of his constituents, and for his insistence on investigating first hand matters within his legislative responsibility. That he died in the performance of his duties as a Congressman exemplifies his extraordinary dedication to public service.

A man of indefatigable energy and courage, both physical and moral, his absence in the Congress will be keenly felt.●

● Mr. HORTON. Mr. Speaker, the violent and untimely death of LEO RYAN was a shock to us all. The circumstances of his passing will long be remembered as among the most tragic and bizarre. LEO's unexpected death is a loss to the House and to those of us who worked with him on the Committee on Government Operations.

LEO brought to the Congress and the committee a background of experience as an educator, school administrator, city councilman, mayor, and State legislator. This experience helped him to quickly grasp the crux of an issue and pursue it vigorously.

The members of the Committee on Government Operations will remember him for his commitment to protection of our environment, development of alternate energy sources, and concern for strong autonomous, local control of public schools. He was an active and effective committee member.

I add my voice to those who today pay their respects to LEO J. RYAN and join in this tribute to his memory.●

● Mr. BINGHAM. Mr. Speaker, it is highly appropriate that we take the time today to pay tribute to our friend and colleague, the late LEO J. RYAN.

I do not wish at this time to discuss the question of whether the State Department and its representatives were in any way at fault in connection with Mr. RYAN's visit to Jonestown which ended so tragically. But I would like to say that LEO RYAN obviously felt that he should visit Jonestown in the line of

duty and that, as a man of great courage, it was in character for him to do so whether or not he felt he would be in any danger.

I had the privilege of serving with LEO RYAN on the International Relations Committee. His comments were always thoughtful and well expressed, and his participation was constructive. It is interesting to note that 2 years ago Mr. RYAN actively supported the idea of changing the committee's name back to "Foreign Affairs." His view did not prevail then, but its wisdom was recognized earlier today when the committee decided thus to reassume its traditional name.

I do not mean to suggest that LEO RYAN and I were always in agreement on the issues. Indeed we had our differences. But I always found that LEO was an honorable, as well as a formidable, opponent in debate.

LEO RYAN's qualities as a legislator, as an investigator, and as a human being became very clear to me on a fact-finding trip we took together to the Middle East in January 1974. The questions he asked were penetrating and revealed a remarkably wide knowledge of the countries we visited, and his friendly nature and sense of humor made him an excellent traveling companion.

We shall miss LEO RYAN very much in the House and on the Foreign Affairs Committee. I join with my colleagues in extending to LEO's family our deepest sympathy. ●

● Mr. DERWINSKI. Mr. Speaker, we were all shocked to learn of the tragic death of our gallant colleague, LEO RYAN. Today, we pay tribute to a fine man, outstanding legislator, and a dedicated public official whose death was a result of his desire to effectively serve his constituents.

LEO will certainly be remembered as a man of the highest ideals, and it was more than a great tragedy that his career was cut short before he had the opportunity to accomplish all the things he was capable of and wanted to do. His investigative qualities and appetite for information and truth were insatiable.

LEO was wholeheartedly responsive to the needs of our Nation and of his district. He displayed courage and determination in serving the inquiries of his constituents by taking his fateful trip to Guyana. He had all the qualities and talent that are essential to the makeup of an effective legislator.

We served together on the International Relations Committee, where I found LEO to be tirelessly dedicated, conscientious, and always constructive. LEO set an example of hard work and outstanding leadership.

I had hoped to join LEO in Guyana, but it was the fortunes of fate that intervened. Hopefully, this tragic turn of events will give rise to our need to fully look into the circumstances that surrounded the Jonestown community.

In the death of LEO RYAN, we have lost a great man, a great leader, and a great statesman. The country has lost a man of great stature, and we have lost a good friend and a good human being.

Mrs. Derwinski joins with me in extendin our heartfelt sympathy to the entire Ryan family.●

● Mrs. HOLT. Mr. Speaker, on November 18 last year, the world was shocked by the senseless killing in Guyana that took the life of LEO J. RYAN, our colleague representing the 11th District in San Mateo County, Calif. At a time when our country is at peace with other countries in the world, it does not seem so obvious that we are indeed quite involved in wars against extremism, in wars against bigotry, and in wars against ignorance. LEO RYAN was one of those warriors who chose to go on one of those battlefields. It was a dangerous undertaking. He was a sincere and dedicated Member of Congress who was deeply concerned about his constituents held hostage by the Jones cult. He went beyond the call of normal duty and paid dearly for it.

LEO RYAN was a teacher by training and he was always trying to understand his charges—his students. He was compassionate and was always concerned about their problems. He was sensitive to the educational needs of the deaf. This was manifest in his service as a member of the board of governors of Gallaudet College, the National College for the Deaf, in Washington, D.C. He was a decent human being.

Mr. Speaker, LEO RYAN is and will be missed in this Chamber.●

● Mr. NATCHER. Mr. Speaker, I was deeply saddened and shocked to receive word of the passing of our beloved and esteemed colleague, LEO J. RYAN.

He was one of the truly great humanitarians in the House. I know of no Member who was more interested in the welfare of the people of this country and especially of those who needed help than our friend, Representative RYAN. He was a man of courage and he always believed that in order to ascertain the truth you must at first hand, know all of the facts. He exemplified the best qualities of a public servant and he was unswervingly loyal to our country. It was a privilege to know LEO J. RYAN and to work with him as a Member of the House of Representatives. He will long be remembered as a dedicated and conscientious legislator whose interest in the health and welfare of the people throughout the Nation was translated into action.

He was a patriotic citizen, a devout Democrat and a man of reason and integrity.

Mr. Speaker, our departed friend and colleague enjoyed the friendship and the respect of his colleagues throughout the Congress and while we shall greatly miss his presence, the results of his work in terms of a richer and better life for countless people will stand as a monument to him in his district, State, and the Nation.

His fine family has every right to be proud of his distinguished record and my heartfelt sympathy is with the Ryan family. It is my prayer that they will be comforted in the knowledge that LEO J. RYAN deserves the highest tribute of all—that of a just and honorable man.●

● Mr. YATRON. Mr. Speaker, I am deeply saddened to speak today of the violent death of my good friend and colleague, the Honorable LEO J. RYAN, who gave his life while attempting to help his constituents and the American people.

LEO RYAN's untimely death has cut short a career of public service which exemplified the best in American politics. Before entering the Congress he had already achieved a record of distinction as city councilman and mayor of South San Francisco and as a State assemblyman. During his almost three terms in the House he quickly demonstrated an intelligence and competence which won him the respect of all his colleagues.

I had the privilege and honor to serve on the House International Relations Committee with Congressman RYAN and through my many discussions and meetings with him I came to know him as a man of indefatigable energy and courage, both physical and moral.

Congressman LEO J. RYAN dedicated his public life to preserving the rights of the people of the 11th District of California and the American people he loved so dearly.

I deeply enjoyed my years working with him and I consider it a deep personal privilege to have known him. His absence in the Congress will be keenly felt.●

● Mr. RHODES. Mr. Speaker, the untimely death of LEO RYAN has left everyone of us saddened. He died as he lived, in service to his constituents. Congressman RYAN was a hard-working, dedicated public servant who was held in genuine affection by all who knew him, regardless of their political persuasion.

His concern for the well-being of his people exemplifies the highest tradition of service, and I know I speak for all of my colleagues on my side of the aisle when I say that we shall miss him.●

● Mr. WOLFF. Mr. Speaker, I rise to join my colleagues in memorializing our late friend and colleague, LEO RYAN. This distinguished body has had in its midst many people of courage, many Members whose public service has aided not only their constituents, but the entire Nation.

LEO RYAN epitomized these traits. He approached his role of serving his constituency with a sense of mission. He was of the people and never far from their concerns. Where others have come to Washington to represent their constituents, and have soon become removed from them, LEO RYAN remained in touch and involved.

What is most extraordinary about LEO RYAN is the compassion he displayed for his constituents and his determination in getting the facts about the People's Temple. On the face of it, it seems incredible that he persisted in investigating the People's Temple. Jim Jones was hailed from all sides as a religious sociologist, a civil rights worker whose inspiration uplifted the hopeless poor. Jones had friends among the powerful, and had held public office in San Francisco. The few dissenting voices about his character and his mission were often and easily discounted in the face of the intense support from his followers and friends. When reports of mistreatment and involuntary residence at Jonestown came to RYAN through his constituents,

he at first employed the normal channels of investigation, the proper Federal agencies. Most people would have quit when positive reports of the Jonestown commune came back from the State Department. Few would have checked further after the State Department reported that they had interviewed many members of the cult in privacy. But RYAN knew his constituents well enough to be skeptical of such reports, and he cared enough about them to do more than his duty.

RYAN was the kind of investigative Congressman that this Nation needs and values. His courage in getting to the bottom of the People's Temple situation was unparalleled. He was undaunted by warnings of personal danger in his mission to Guyana. His trip was not a "media event" or a publicity stunt to get himself in the news.

LEO RYAN's compassion and perseverance can be a lesson to us all. His tragic death and the ghastly events which followed horrified the Nation and the world. The entire situation has sparked a national debate concerning the nature of cults and the role of the Federal Goverment in investigating them. Long-avoided questions concerning religious freedom versus the phenonmenon of cults are being addressed head-on. In-depth discussion of these questions is long overdue.

We in the Congress can say that we respect the ideal that LEO RYAN represented, and will hold him as a example of a public servant who envisioned his role as one of unqualified pursuit and promotion of America's most cherished values.●

● Mr. GORE. Mr. Speaker, I want to add my own comments to this tribute that we are paying today to LEO RYAN.

As a new Member of the 95th Congress, I had the privilege of serving with LEO RYAN for only 2 years. During that short time, I came to know him as a friend and to respect him as a colleague. He was a man of great ability and dedication. He worked hard and cared deeply about the issues he worked on, especially issues affecting human rights in this country and throughout the world.

The incredible series of events which followed LEO RYAN's death has left all of us, I am sure, with unanswered questions about how such a grotesque tragedy could occur. But for those of us in this House, the tragedy is keenly felt. We have lost a friend, and this House has lost a valued Member. We will miss LEO RYAN very much.●

● Mr. RANGEL. Mr. Speaker, it was with great sorrow that I learned of the death of my friend and colleague LEO RYAN.

LEO's compassion for the poor and disadvantaged, a compassion which set the tone of his long and distinguished career of public service, finally led him to his death in Guyana. The motives that guided him to that strange country could not have been better; in LEO we find the rare quality of true and pure altruism. If one must die so young it is best to die for a cause so just.

From serviceman to schoolteacher, from schoolteacher to elected official, LEO RYAN led a life of unceasing service. Time and again, he put the causes of others above his own safety. No more can be asked of any public servant, and the people of California have lost a dedicated and irreplacable representative. Likewise, we in Congress have lost a dedicated and irreplacable friend and colleague.

We must long remember the fearlessness with which LEO championed the cause of the poor and underprivileged. His compassionate crusades for the championless will serve as an inspiration for us all.●

● Mr. MILLER of Ohio. Mr. Speaker, I too at this time wish to pay tribute to our departed colleague, LEO J. RYAN.

His tragic and untimely death shocked the Nation and took from this body one of its most vigorous and dedicated Members.

The fervent commitment be made to public service never waned. He was independent of mind and intense in spirit. LEO RYAN's dogged determination and persistence in seeking out the truth will long be remembered by those of us who served with him and those citizens of California's 11th Congressional District who he so ably served.●

● Mr. GOLDWATER. Mr. Speaker, I join my colleagues in expressing my sorrow at the tragic death of LEO RYAN, Democrat, conservationist, political activist, concerned citizen—whatever label could be applied to this man—LEO RYAN was above all a leader of uncommon courage and a gentleman of the first order. He was my friend, and his loss will be felt by this Congress.

Throughout his years in this Chamber, LEO RYAN consistently demonstrated the kind of interest and concern for people which should be the motivating force behind the career of any politician. I looked to him as a man who truly cared about his constituents, and about injustice wherever he sensed it might exist.

Despite the known danger, this great concern for others led LEO RYAN to his fate in Guyana. He lost his life seeking to expose inequity, and in so doing revealed the monstrous injustice taking place in that little-known corner of the world.

It may be that LEO's need to know and his spirit of overcoming obstacles to that knowledge will outlast any lesser achievements that the rest of us claim. That was LEO RYAN's true spirit and his enduring legacy.●

● Mr. RODINO. Mr. Speaker, I want to join my colleagues in commemorating the life and work of LEO RYAN. As a Congressman from California, he served his constituents and his Nation with intelligence, determination, and integrity. LEO RYAN knew his own mind and followed his conscience on the issues. He was forthright with his colleagues and true to his word.

Mr. Speaker, LEO RYAN's tragic death in the South American jungle will not easily slip from our memories. His was a lifetime of concern for individuals. His instincts always were to try to understand what troubled people and to get at the cause of the problem. He travelled to Guyana because of his pursuit of truth and social justice. In his life as in his death LEO RYAN showed tremendous courage.

We have lost a proud American and a good human being.●

● Mr. EDWARDS of California. Mr. Speaker, I am honored to join with my fellow colleagues to eulogize and commemorate the outstanding work of our late friend and and colleague, LEO J. RYAN. A truly unique individual, LEO's tragic and untimely death signals a tremendous loss to this congressional body, as well as to others who knew and depended upon him.

A congenial activist with whom I had the pleasure of serving the people of the San Francisco Bay Area for over 6 years, LEO exhibited a special interest in understanding the concerns of his constituents. This interest ran especially deep for the oppressed and helpless. LEO demonstrated his concern in the way he committed himself to problem-solving. In an effort to better grasp the issue, it was typical of LEO to personally undertake the fact-finding mission. During his 10 years in the California Assembly, LEO once spent 8 days as an inmate in the Folsom Prison to understand prison conditions. Following the Watts riots in Los Angeles, Calif., LEO took an assumed name, moved in with a black family, and became a substitute teacher in the area, hoping to discover the reasons for the unrest.

A determined and persistent spirit, gifted with a probing mind, LEO tackled issues with a zeal worthy of the attention and respect of his constituents and colleagues alike. It was this same sense of mission and gusto which characterized LEO's life that brought him to his senseless death while investigating constituent concerns surrounding the mysteries of Guyana. Regrettably, his spirit no longer graces us.

I would like to take a final moment to express my deepest felt sympathies to the Ryan family and loved ones. Your loss is a great one. LEO was a fine man and an accomplished Congressman. His contributions to the welfare of the people of the San Francisco Bay Area and the people of this country are great ones. We are immensely proud of LEO and he shall be fondly remembered, I am sure, by us all.●

● Mr. ROYBAL. Mr. Speaker, I join with my colleagues in paying tribute to the memory of the late Congressman LEO RYAN of California's 11th District. His many friends here in Congress will certainly miss this hard and dedicated worker who will be remembered for his willingness to set aside his own safety in order to better serve his constituents.

He was a man of action and of principle who was unafraid to tackle any issue. And his quest for solutions to difficult human problems led him to live as an inmate at Folsom Prison and to substitute teach in Watts long before his fateful trip to Guyana.

LEO served his constituents faithfully and well during his 6 years in Congress and had been easily reelected to serve in the 96th Congress just prior to embarking on his fact-finding trip to Guyana. It is, indeed, regrettable that LEO was not given the opportunity to

follow through on the many issues and causes he felt so strongly about.

We are all deeply saddened by the senseless death of this able and dedicated public servant.●

● Mr. FORD of Michigan. Mr. Speaker, the tragic death last month of LEO RYAN took from us a respected colleague, a good friend and a dedicated public servant. His death has created a void that will be difficult to fill.

I had the privilege of serving with LEO RYAN on the Post Office and Civil Service Committee. He was a conscientious, hard-working member of the committee, whose enthusiasm was an inspiration to all of us.

LEO was the kind of legislator who worked at his job 24 hours a day, 7 days a week. He was a Congressman in the very finest sense of the word. He was also an extremely fine human being, and was respected by every Member of this House.

My wife, Martha, and I extend our heartfelt condolences to LEO's family and loved ones.●

● Mr. SHUMWAY. Mr. Speaker, like most Americans, I was not only saddened to learn of the tragic death of LEO RYAN—I was appalled. When the Federal flags are lowered to half mast across our Nation to mark the loss of one of our Members, it is seldom from so violent a cause.

As a Member newly elected to the 96th Congress, I did not have the privilege of working with LEO RYAN, nor can I claim as many of my colleagues can to have known him personally over the years. However that does not lessen the level of my respect for him as a legislator, and as a man.

As a legislator myself, I admired his dedicated efforts on behalf of California's 11th Congressional District.

As a man who believes in the value of truth, I admired his determination to ferret out the truth in every situation, no matter what dangers his search might incur.

Finally, as a fellow human being, I lament the bizarre and vicious forces which robbed LEO RYAN of his life, and I deplore the fact that the contributions of so fine a man were clouded amid the lurid coverage which chose to lionize his enemies rather than to eulogize his memory.

My wife and family join with me in extending sincere condolences to those whom LEO RYAN left behind.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sorrow that I rise to join my colleagues in paying tribute to the late LEO RYAN, who died so tragically in Guyana.

LEO RYAN came to the Congress the same year I did, as a Member of the 93d Congress. But it was obvious from the start he was not to be a run-of-the-mill Member of Congress.

All of us believe in service to our constituents. After all, that is why we are here. But LEO RYAN was willing to take that extra step, make the extra effort to assist those who needed—or thought they needed—his help.

That is why he was in Guyana. The reports of individuals held against their will in Jonestown were too persistent, too damning to be ignored by LEO RYAN. It was a matter which cried for examination, even though an examination meant he had to go to Guyana.

We all know what happened when LEO RYAN arrived in the People's Temple commune and the terrible aftermath so there is no need for us to recount that here.

But, what we must do is remember the example LEO RYAN set, remember that the people's problems are our problems and be willing to take the extra step, ask the extra question and give that extra effort to help them.

That is what LEO RYAN did. And it was in the highest traditions of the House of Representatives.●

● Mr. MURTHA. Mr. Speaker, shortly before Congress adjourned last fall, I sat in the House of Representatives with LEO RYAN and talked about the session that was about to conclude. During the discussion, we talked about his concerns about the Peoples Temple cult and the research he had done into the possible damage this group was doing to the individuals who had joined it. At that time I knew virtually nothing about the group, but listened with great interest as he talked about possibly going to visit the cult in Guyana, and the dangers of such a mission.

While I knew little about the cult or their operation, I did know LEO RYAN's concern for the people he represented and the people of this country. That had become personally clear to me in 1977 when the Johnstown area—which I represent—suffered a disastrous flood. LEO RYAN sent his committee staff out to investigate the situation and offered me the complete assistance of himself and his staff as the community struggled to recover from the terrible flood. After the work was done and the community beginning to get back on its feet, he talked to me about the Federal laws on dam safety, water runoff, and weather forecasting to see what could be done to prevent such tragedies from occurring elsewhere.

Thus, I well knew of LEO RYAN's concern for people and his efforts to improve their lives through his Government service. Therefore, I was not surprised he went to Guyana, despite the risks involved. That kind of concern is in the highest tradition of the U.S. Congress.

We all learned from LEO RYAN's dedication and concern, and we will all miss him.●

● Mr. BRINKLEY. Mr. Speaker, I wish to pay tribute to LEO RYAN, whose legacy as a courageous champion of human rights is an example for us all.

We remember LEO as a leader who never hesitated to take a stand and make a mark. We remember both his serious commitment to the highest standards of public service and the lighthearted sparkle of his Irish wit.

Characteristically, LEO's last mission demonstrated his determination to investigate widespread reports of human abuse, even in the face of great personal risk.

In defining moral courage, John Kennedy once said:

A man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures—and that is the basis of all human morality.

LEO RYAN was such a man, and I shall miss him.●

● Mr. CORMAN. Mr. Speaker, the shocking and ruthless slaughter of LEO RYAN remains vivid in the minds of all Americans. For those of us who served with him, the horrors of paranoia and senseless brutality leave a numb and hollow feeling. LEO was by far one of the most conscientious and responsible men ever to serve in Congress. He will be remembered for many reasons, but his total commitment to the people of the 11th District of California can never be denied.

While our service together in Congress was brief, and our areas of concentration different, I was afforded the opportunity to travel abroad with LEO, and experience firsthand his keen ability to perceive critical international issues and immediately act to bring some degree of resolution to conflicts and problems. He was an outstanding representative of the United States wherever he traveled.

LEO's inquiring mind and commitment to his constituents won their trust and confidence in his leadership and concern for their needs and problems. It was this dedication to those people which resulted in his untimely death.

LEO's zest for life and unquenchable thirst for truth, fairness, and freedom will long be remembered by all who worked with him, and especially, those people he devoted each day to helping. His work will continue, but his determination and selfless dedication to public service will be hard to equal. His presence and achievements as a member of this body will be sorely missed.●

● Mr. RICHMOND. Mr. Speaker, today we honor the memory of our colleague, and our friend, LEO RYAN, as decent, dedicated, and good-natured a man as anyone could ever hope to meet. While maintaining his infectious good humor, he nevertheless carried out his responsibility to his constituents and to his fellow citizens with the utmost seriousness.

Throughout his career in public service, LEO RYAN believed it was his duty as an elected official to experience firsthand the problems his constituents faced as the best means of resolving those problems. He defied the risk of danger in his quest for the truth, wherever that quest led him. It was on just such a mission, in a faraway jungle—on yet another personal effort to find the facts he needed to help his fellow Americans—that he gave his life.

We will all miss this warm, sensitive, and compassionate man whose exemplary sense of duty guided his every action in public life.●

● Mr. WHITTEN. Mr. Speaker, I would like to join the many friends and associates who today rise to pay tribute to our colleague, Congressman LEO RYAN.

It was saddening to all of us to learn of Congressman RYAN's tragic death, but it was not surprising to those who knew him to hear that he was busy in what he conceived to be service to his

district, State, and country when he met his untimely end.

LEO RYAN's contributions will be long remembered.

To his bereaved family we extend our deepest sympathy.●

● Mr. DELLUMS. Mr. Speaker, it is with great sadness that I recall today the image of LEO J. RYAN, the man and the Representative.

The dramatic events surrounding LEO's tragic death are of a dimension that is difficult to ponder. Words cannot describe, nor thoughts conceive, the horror that occurred at Jonestown. LEO knew that there might be trouble, yet went forth courageously because he knew that concerned relatives of the People's Temple members were depending on him.

Throughout his career, LEO RYAN was a man who cared about people's welfare, who cared about the impact of laws upon society, and who took up the cudgel himself when it came time to take a stand on controversial issues. His eagerness to do all he could for the 11th District of California, and for the Nation as a whole, was exemplary.

Of course, he will be missed by all of us, but it goes deeper than that. LEO stood for something that we all cherish more highly than even life itself—that is, dedication to the cause of humanity and justice. The manner of LEO's death speaks for the nature of his dedication to that cause. It is with humble admiration that I reflect upon his courage, vision, and compassion in having been willing to die for the sake of rescuing American citizens trapped in a situation that was threatening their most basic freedoms. I can think of no more noble purpose than that.●

● Mr. CHARLES H. WILSON of California. Mr. Speaker, in paying tribute to my friend and colleague, LEO RYAN, I am reminded of the words by John Donne:

No man is an island, entire of itself; every man is a piece of the continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manner of thy friends or thine own were; any man's death diminishes me because I am involved in mankind; and therefore, never send to know for whom the bell tolls, it tolls for thee.

I had the privilege and distinct honor of knowing LEO since he first came to the Congress in 1973. As members of the California delegation, we worked together on a variety of projects beneficial to the State and also served together on the Post Office and Civil Service Committee.

Public services meant a great deal to LEO RYAN—it meant a personal commitment and involvement in any matter that came to his attention. When I reread the words of John Donne, I was particularly struck by the phrase, "any man's death diminishes me because I am involved in mankind." LEO RYAN could have said those words. It was not in his nature to work solely for himself, but for the good of everyone. No problem in society was too complicated or sensitive for his interest.

In the past several years, we have been hearing a great deal about "investigative journalism." For LEO RYAN, "investigative representation" was his trademark and his contribution to the people of this country.

Receiving reports from various Government agencies was just not enough for him. And, unfortunately, his commitment to "seeing something for himself" not only proved there is a need for such involvement, but also tragically resulted in his untimely death.

We who served with him in the Congress know how hard he worked on legislative and constituent matters. His priorities were people and their problems.

In a much larger sense, we in the Congress not only owe him our gratitude, but society as a whole should also be thankful there was a LEO RYAN. If it is possible to the public's conscience, then LEO RYAN fit the bill. He raised the level of public awareness on so many different issues, it would be impossible to reiterate them all at this time. That awareness has had a profound effect on many, many people so that in solving one problem for a person or a group of people, he managed to benefit larger segments of society. Suffice to say, LEO RYAN believed in solving problems and placing himself and his reputation on the line to figure out solutions.

His motto was—you cannot solve a problem unless you personally know the facts. That meant employing all the tools open to a Representative—committee meetings, briefings, information from colleagues and constituents, and of course, seeing something firsthand. To illustrate just one way person involvement is a must is to consider the amount of money the Federal Government spends. When you authorize billions of dollars, it makes sense to see precisely how that money is being spent.

He was thorough, dedicated and extremely hardworking. He was widely respected by both his peers and the people he represented. It is my hope that the legacy LEO RYAN left us will continue on.●

● Mr. DERRICK. Mr. Speaker, there is no way for any of us to address the death of Congressman LEO RYAN. For this senseless tragedy, away from our shores and in harm's way, has numbed us all. Yet in its aftermath what still remains is the legacy and testament of a man who was willing to serve those whom he represented regardless of cost or danger.

It is compelling to hold up such a life as the pinnacle of public service. Certainly, LEO RYAN's achievements warrant such an accolade. I know I need not tell my colleagues in the Congress or the people of California's 11th District that he cannot be replaced. As this historic and important 96th Congress begins, we shall all miss LEO RYAN very much.●

● Mr. FUQUA. Mr. Speaker, no doubt we were all equally shocked and dismayed by the tragic death last year in Guyana of our former colleague, LEO J. RYAN. As one who served with him on the Committee on Government Operations from the time he was first elected to Congress, I can attest to the fact that his trip to that foreign land was not an uncommon act when one considers the uncommon nature of LEO RYAN.

He always showed great courage and remained true to his convictions. As chairman of the Environment, Energy and Natural Resources Subcommittee, he led the fight for what he believed to be best for the future of our Nation and, although he and I often disagreed with one another during committee debates on important issues, I like to believe that our disagreements were always expressed in the best tradition of congressional debates and we certainly never let our disagreements interfere with our friendship. He always proved a worthy adversary in any debate and never backed off or retreated from what he felt was right.

LEO always sought the truth and was committed to diligent research, even if it meant long hours reading through volumes of reports or traveling to foreign countries to discern the relevant facts.

He knew there were risks in the course he charted but he could live no other way. His entire career of public service documents the fact that he was willing to take whatever personal risks were essential to his quest for answers to questions many believed could not be answered. He never considered any problem insurmountable and continued his search for ways to make ours a better society in which to live.

He was indeed an uncommon man, one we will all miss deeply. Too few in any generation are willing to take up the challenges LEO assumed as normal tasks to undertake and it is a sad occasion, not only for his family, but for the entire Nation when we lose such an individual.●

● Mr. BROWN of California. Mr. Speaker, I would like to pay tribute to the passing of LEO J. RYAN. As a fellow Californian and as a man who shared many of the same concerns, I will truly sense the loss of this man.

LEO RYAN was a Member of Congress who practiced an active style of leadership. Not content with reports of vital issues and events, he sought first hand information and experience of those things with which he was concerned. He pursued environmental issues with equal enthusiasm, especially in the areas of dam and nuclear safety.

As we enter the 96th Congress, LEO J. RYAN will be missed. He was a respected leader and an effective lawmaker.●

● Mr. MINETA. Mr. Speaker, much has been said and written about the bizarre events in Guyana last November, when the entire world was shocked by the cult which LEO RYAN was investigating. Let me say, simply, that LEO RYAN will be missed here in the Congress.

In recent years, we have seen many Members of Congress decide to call it quits because they tired of living in the public eye, they tired of the 80-hour work-week, and they tired of the constant pressure. LEO RYAN did not tire. He recognized that serving in Washington as a Representative is not a privilege, it is a duty. He accepted the workload and the pressure, and he learned to focus that public eye on injustice. To LEO RYAN, investigating and exposing the intimidation and oppression of the helpless was simply a part of his job as Congressman. Whether it concerned disaffected cultists, or harp seals, or citizens having problems with a government agency, LEO

felt an obligation to help and to use his power on their behalf.

LEO RYAN will also be sorely missed in California, in the bay area, and in the communities comprising the 11th Congressional District which he served. He became a familiar figure to all of us in the bay area as a State legislator during the 1960's, and he has been elected to Congress by resounding majorities since he first ran in 1972.

Mr. Speaker, LEO RYAN's energy, his commitment, and his sense of responsibility were an inspiration, and those qualities will remain as his legacy to Congress and to public servants everywhere.●

● Mr. GREEN. Mr. Speaker, The word "Jonestown" stirs outrage in all of us since the tragic events of last November. Much of that outrage comes from the senselessness of what happened. The circumstances behind the loss of life were so bizarre as to be almost unbelievable. Even as the stories of the strange occurrences at the People's Temple continue to unfold, they still seem to be unreal.

At a time when many claim that their Representatives are unresponsive to the needs of the people, LEO RYAN stood ready to investigate their concerns. Whether that involved becoming a prison inmate in California to see firsthand correctional facility conditions or trekking to Newfoundland to witness the slaughter of baby seals, that firsthand look at the issues of importance to his constituents was what made him an outstanding Member of Congress.

Congressman LEO RYAN would not ignore the concerns of his constituents. He was always available, always accessible. As the media have continued to note since the tragedy in Guyana, he took the time and trouble to find things out for himself. It was such concern that brought him to Guyana to look into charges and accounts about the practices at Jonestown.

We should not let LEO RYAN's tragic death deter us from continuing his method of obtaining information firsthand, or exposing ourselves to the problems and issues for which our constituents look to us for answers, and of displaying visible concern and sensitivity to the needs of the people we represent. This is the legacy of LEO J. RYAN.●

● Mr. LONG of Maryland. Mr. Speaker, with the death of LEO RYAN, the U.S. House of Representatives lost one of the most honest individuals ever to grace its Chambers. I personally lost a close friend for whom I had tremendous respect. The underprivileged have lost a friend who defended human rights in every sense.

LEO was a man of courage. He would not retreat from a sound position, even if it proved to be unpopular.

LEO was a leader. The record is full of examples where he was among the first to champion a position that later, sometimes much later, became the prevailing point of view.

He was one of the few who had a total commitment to the right of every human being to live in a free, safe, and peaceful world. His efforts for a sane policy of nuclear energy, withholding economic and military support from countries who are gross violators of human rights, and a responsive and effective federal system should be remembered long after the horror of Jonestown has dimmed.

LEO died as he lived—looking for the truth and unafraid of it when he found it. I am proud that he counted me among his friends in Congress.●

● Mr. MONTGOMERY. Mr. Speaker, I join with my colleagues today in paying tribute to the life and good works of the late LEO RYAN, of California. His tragic and untimely death was a shock to all of us and resulted in a great loss to this Chamber.

LEO was known, well known, for his dedication and tenacity. Once he tackled a problem, he tackled it with all his human capabilities. He was never one to shirk his responsibilities.

That LEO lost his life "on the job" is indicative of the type of public servant he was. He was never satisfied to let others investigate problems. He had a deep and abiding interest his entire life in learning from personal experience the problems facing his fellow Americans. He rightfully felt that only through personal experience could he offer workable solutions.

I join with my colleagues in offering deep-felt condolences to LEO's family and our thanks for having had the privilege to serve with him.●

● Mr. LENT. Mr. Speaker, it is a privilege to join in this tribute to our courageous friend and colleague LEO RYAN. His untimely death dealt all of us a stunning jolt.

We who worked with LEO in the House of Representatives knew well of his intense dedication to the interests of his constituents, and his determination to personally attend to investigating and remedying their problems and difficulties wherever possible .

We were not surprised, therefore, when LEO journeyed thousands of miles from the United States deep into the South American jungle on the mission which claimed his life. This determination to get the facts at firsthand was LEO's method of dealing with problems troubling his constituents.

I well remember LEO RYAN's strenuous efforts against the attempts of the United States to allow the Concorde SST to land in the United States bringing its added burden of noise to those living near its base of operations. His work assembled voluminous scientific evidence to support his case.

Mr. Speaker, our Nation sorely needs legislators with LEO RYAN's ability and dedication in searching out the truth on matters of concern to constituents. His death is a great loss, not only to the 11th Congressional District of California, but to our entire Nation.

We in the House of Representatives shall miss LEO's informed guidance on legislative matters, the inspiration of his dedicated search for the truth, and his personal friendship.●

● Mr. BROOMFIELD. Mr. Speaker, I will always remember LEO RYAN—the gallant leader of that fateful mission to Jonestown—as a dedicated public servant and a true profile in courage. His forceful presence in the Congress will be missed by us all.

To be sure, LEO was a dedicated Congressman who tried very hard to keep his pledges to his constituents. In attempting to serve his constituents—by examining threats to their lives and their loved ones, by investigating reports of mistreatment to American citizens, LEO RYAN was tragically killed.

For several years, I had the good fortune to serve with LEO on the House International Relations Committee. In both our committee work and on our trips abroad, including a study mission to the Middle East a year ago this month, I found him to be a creative and dedicated public servant. Moreover, in serving the public, LEO had a tremendous thirst for the truth. It was this sense of public mission, as well as LEO's quest for the truth, which was so constant and so admirable and which, in the end, led to the Saturday nightmare of November 18, 1978.

Courageous and dedicated—persistent and forceful—these were the virtues so well understood and admired in the gentleman from California—the gentleman who died in a faraway jungle in service to his people and to his country.●

● Mr. UDALL. Mr. Speaker, this remarkable man, LEO RYAN, was my friend. I grieve for him and for his family, as well as for the California people that he loved and served so well.

It was LEO's courage and compassion—two of his exceptional qualities—that led to his tragic and untimely death.

We had a close and very satisfying relationship. In the fall and summer of 1978, LEO was a pillar of strength on the Post Office and Civil Service Committee, as we wrestled to complete civil service reform. He was fiercely independent of pressures and could be counted on to do the right thing.

LEO offered to come to Arizona and campaign for me last year, at his own expense. That was the kind of guy he was.

I shall miss him. He was truly a good man.●

● Mr. MURPHY of Illinois. Mr. Speaker, the shocking death of Congressman LEO J. RYAN of California, resulting from the tragedy in Guyana, brought grief to this House and Nation. So it is fitting that we take this opportunity today to pay tribute to our late friend and colleague.

The way that LEO RYAN met his death revealed much about the way he lived his life. He was a dedicated public servant, unafraid to go where his convictions and interests might take him. And that he did, as is evidenced by his fateful mission to Jonestown. With the advantages of hindsight, we all wish that LEO had never gone to Guyana; nevertheless, by doing so, LEO acted on the dictates of his conscience and in the best interests of his constituents.

Thucydides, who wrote this history of the war between the Peloponnesians and the Athenians, once wrote:

> But the bravest are surely those who have the clearest vision of what is before them, glory and danger alike, and yet notwithstanding go out and meet it.

I know of no more appropriate words to describe the life and actions of LEO RYAN.●

● Mr. FASCELL. Mr. Speaker, I had the privilege of working with LEO RYAN on the Government Operations and the International Relations Committees. He was an earnest, warm, and down-to-earth person who had a keen sensitivity to the problems of his fellow man. He believed deeply in the people of this country, and his years in public service were dedicated to better understanding the problems of every individual.

LEO RYAN was a very determined go-getter. He was not content to sit back and wait for the pieces of a puzzle to fall into place. Rather, he went firsthand behind the scenes of every issue, probing and questioning until he was certain that he had the facts. This search for the facts led him to take a teaching position in riot-torn Watts in order to learn about the problems of education there. It led him to spend a week as an inmate at Folsom Prison to learn about the difficulties of prison life. And finally, it led him to Jonestown.

The shadow of the Guyana tragedy is still upon us as we remember the persistence and courage of our colleague from California, LEO RYAN. We pay tribute to a man who believed that every person was worth helping, and that every problem could, and should, be confronted. His untimely death robbed the House of Representatives of one of its most dedicated Members, but his enthusiasm and his concern stand as a tribute to this great body. Let us not quickly forget LEO RYAN's zeal for truth as we continually seek better ways in which to serve those who have placed their trust in us.

We shall all miss LEO RYAN. I extend my deepest sympathy to his mother and other members of his family.●

● Mr. MAZZOLI. Mr. Speaker, LEO RYAN was a Congressman in the best sense of the word. Respected by his colleagues, he was a man who always wanted to see how things worked—or failed to work—firsthand.

He always wanted to act as his own interpreter of life and people. There was no room for a middleman in LEO RYAN's life.

Although we deplore the tragic end to his life, we recognize that in dying, LEO opened an international inquiry into the very roots and causes of life and people. In a way, such a global debate would have appealed to LEO and is a testimonial to a full life of public service.

I will miss LEO RYAN in the House of Representatives as a friend and as a legislator. And, I extend sympathy and condolences to his family.●

● Mr. GIBBONS. Mr. Speaker, LEO RYAN was a fine man. Mrs. Gibbons and I first learned to know him during our work with LEO and the Members of the European Parliament.

LEO was courageous and brave. He was a man of principle and could state his principles with clarity and vigor. He was also a very friendly person and during our long plane trips and sometimes exhausting conferences we got to know LEO very well. We loved him and we will miss him, and we extend our good wishes and prayers to his family. ●

● Mr. DRINAN. Mr. Speaker, it was with profound sorrow that I learned last November of the death of my friend and colleague, Congressman LEO J. RYAN.

LEO and I served side by side for 2 years on the Government Operations Subcommittee on Environment, Energy, and Natural Resources. Under his chairmanship, no issue was too controversial for consideration by the subcommittee, and no issues of special interest to individual subcommittee members were too unimportant for LEO's personal attention. LEO distinguished himself during the 95th Congress through the subcommittee's work on airport noise control, oilspill prevention, the economics of nuclear power, and oversight of Federal solar energy, radioactive waste disposal, and radiation protection programs.

Even when LEO and I found ourselves on opposing sides of an issue—as was the case when we debated the merits of holding the 1980 summer Olympics in Moscow—I found him to be an able, articulate, and honorable spokesman for the views he represented.

LEO was a Member with unique style, whose personal commitment to his job and to his constituents was unsurpassed. His presence will be missed in this Chamber.●

● Mr. PREYER. Mr. Speaker, LEO RYAN was an aggressive and creative legislator whose dedication to his constituents and sense of duty eventually took him to a tragic death on a jungle airstrip in Guyana.

LEO served on my Government Operations Subcommittee and I served on his Subcommittee on Environment, Energy, and Natural Resources. It was through our work together that I learned to appreciate the vigor and enthusiasm he brought to his work in the House. I remember going out to Dulles Airport with LEO to measure the noise levels of the first Concorde landing. We stood in the woods far from the terminal with a couple of scientists to record the engine roar of the landings. LEO was all enthusiasm and excitement which demonstrated his real interest in insuring compliance with the law. He really wanted to get the facts firsthand. Most Members would have been content to read in the newspaper what the noise readings were; not LEO.

Only time will temper the tragedy and horror of the events in Guyana, but I hope the knowledge of how highly regarded and respected LEO was will ease some of the sorrow felt by his loved ones.●

● Mr. McCLORY. Mr. Speaker, when recollecting those who have served above and beyond the call of duty, we cannot fail to include our beloved and martyred colleague, Congressman LEO RYAN of California. The human concerns and dedication to constituent service exemplified in the public career of LEO RYAN are unsurpassed.

My personal experiences with LEO were related more particularly to a joint concern that he and I shared for the welfare of those who live in the hazardous areas adjoining or below private and public dams—dams which might fail and bring death and tragedy to those who lie in the path of a wall of uncontrolled water. LEO RYAN's concern in the case of such a catastrophe is comparable to the concerns which he expressed for constituents who became victims of a distorted program and actions of some misguided leaders of the Peoples Temple.

Mr. Speaker, Congressman LEO RYAN was a courageous, forthright, and determined individual who expressed himself fearlessly on the floor of this House of Representatives on more than one occasion—and who evidenced this lack of fear in facing the ordeals and ultimately the unprovoked and vicious armed attack which took his life as well as the lives of San Francisco Examiner photographer Greg Robinson and NBC News reporter Don Harris and cameraman Bob Brown in Guyana on November 15, 1978.

Mr. Speaker, I cannot help but honor LEO RYAN for his courage and for his determined actions in behalf of justice and decency. He deserves to be honored by all of us in this body and by all Americans who respect human life and the right and privilege of making individual human decisions. In the absence of LEO RYAN's visit to Guyana, the tragedy of ruined lives might have been far greater. It is my hope and prayer that through his life and his death the malpractice of would-be religionists or cult leaders shall be brought to the surface and after being identified may be handled appropriately.

Mr. Speaker, it is most fitting that we pause at this time to pay tribute to our beloved and highly respected friend and colleague, Congressman LEO RYAN, and that we extend to his children and to all members of his family our respect and deepest sympathy.●

● Mr. MOTTL. Mr. Speaker, we have congregated today to pay homage to the Honorable LEO J. RYAN whose tragic death deeply grieved us all.

To his constituents, he was an accessible and responsive public official dedicated to meeting the needs and fulfilling the wishes of his electorate.

To the American people, he was known as a friend of the oppressed, committed to their liberation from subjugation and servitude.

And to us, he was a model of excellence—a truly dedicated public servant who kept the public trust.

LEO RYAN was known as a maverick in the House. He acted in the manner his conscience dictated—doing what he felt he had to do. He maintained the highest standards of conduct and he worked with unsuppressable and enviable vitality.

His sojourn to Guyana exemplified his dedication to admirable causes. LEO repeatedly asked the State Department officials to investigate reports of mistreatment of American citizens who settled Jonestown. Yet, having found embassy officials evasive, their efforts to monitor the group's operations unsatis-

factory, and their reports, at best, cursory, he set out to investigate himself.

LEO knew what a grave risk he was taking, but he felt it was necessary to answer the questions posed by his constituents and other Californians as well as address the legitimate concerns of the broader American public.

Regrettably, the affair ended as it did. LEO died in the midst of a promising and immensely gratifying career in public service. So that his death will not be in vain, we must carry on his work. We must investigate all aspects of this tragedy. So too, we must take a careful and complete look into all of the more controversial "religious" groups so that such an unfortunate and distressing event will never occur again.●

● Mr. EVANS of Indiana. Mr. Speaker, the book of Ecclesiastes says, "Mourn but a little for the dead for they are at rest." It is truly those who LEO RYAN left behind who suffer most, for we had the privilege of knowing and working with this courageous man; we suffer his loss.

How can one day pay tribute to such a man as he? Eloquent praise and heartfelt words are hardly adequate. His loyalty to his family, to his colleagues, to his constituents, was outstanding. His memory will be with me for many years because it was a symbol of love for country and mankind. He gave them his boundless energy, his sharp legislative mind, and his determination to make nothing unattainable.

But from the tragedy of my friend's death I must ask that we remember the warning of what can transpire when men yield to the powers of hatred, prejudice, fear, and all that tends to dehumanize, for "those who do not remember the past are condemned to repeat it."●

● Mr. ANDERSON of California. Mr. Speaker, last November, our country and the world was stunned and horrified by the events which took place in Jonestown, Guyana. Included among the nearly 1,000 lives which were lost was our colleague and good friend, Congressman LEO RYAN. Not only the constituents of California's 11th District, but this body and the Nation as a whole mourn the tragic, senseless loss of this extremely able Representative.

As we are all aware, LEO was unquestionably a man of action, one who feared neither the responsibility of decisionmaking nor the execution of those decisions. He was not content to remain cloistered within the walls of the Capitol, gathering information only through those political tentacles with which every Member is familiar. His entire career reflected his philosophy that knowledge is best attained through firsthand experience.

My wife, Lee, and I have known LEO for over 20 years and are well acquainted with the valuable qualities this man displayed in his years of public service. During that period, LEO and I served in Sacramento together where he exhibited the strong yet progressive character which would eventually send him to Washington.

The people of California's 11th District will feel a special loss, for LEO RYAN was a dedicated, diligent man, truly concerned for the well-being of his district, which he so capably represented. I know that all of us in Washington miss him as the 96th Congress gets under way. Lee and I would like to extend our deepest sympathies to LEO's family, and most especially to his children, Shannon, Patricia, Chris, Kevin, and Erin. While LEO's life was cut tragically short, it is my hope that we his colleagues, and the members of his family will take comfort in the memory of LEO's life as one of active concern and love for his country. There can be no higher honor.●

● Mr. VAN DEERLIN. Mr. Speaker, our late colleague, LEO RYAN, followed his instincts to the end. He was never one to rely solely on staff reports or other secondhand intelligence in assembling the information he needed to do his work—first as a city official in the San Francisco area, then in the California Legislature and, for his final 6 years, here in the House.

He often found what he was seeking, as evidenced by his successes in furthering such causes as solar energy development, expansion of the Redwoods National Park and—belatedly—clemency for Patricia Hearst.

A born investigator, LEO had much empathy for the news media. As a former newsman, I can applaud these traits in LEO which helped to sharpen public awareness on a number of important matters—jet engine noise problems, nuclear waste disposal, and the unnecessary killing of Arctic seals.

Our late colleague knew how to get a headline, but in the process he served the public interest by shedding new light on complex issue.

He was very much his own man, going his own way whether voting in the House or endorsing candidates for President. He was first in the California delegation to support Jimmy Carter's candidacy, at a time when Mr. Carter was still something of an outsider to most establishment politicians.

In the way he died, as throughout his public life, LEO was personally involved. He was a truth seeker, for he realized perhaps to a greater extent than most of us that enlightenment usually follows, once all the facts are in hand.

He was described rather poetically by one publication, the California Journal, as "a hunch player in search of hell." In the end, in truth, he uncovered a sort of hell on earth. But the meaning of LEO RYAN's life is, or should be, much more than that: In taking us where we otherwise would be reluctant to go, he opened our eyes not only to the despair but also to the promise around us.●

● Ms. OAKAR. Mr. Speaker, today, in this great House of liberty and law, we pause in our deliberations to remember and reflect on the life of a former colleague, LEO J. RYAN, whose tragic and untimely death last year in the jungle of Guyana touched us all with horror and anguish. LEO J. RYAN died as he lived, a man of basic courage and compassion, who preferred to act publicly on the often uncertain outcome of principle and conviction, rather than hide behind the private pretense of glib verbal commitment to abstract causes.

LEO J. RYAN embodied activism and despised indifference, practiced personal involvement, and warned of the silent danger of social and political apathy. LEO RYAN cared enough about people to do something whenever a problem or injustice distressed him and demanded his complete attention and dedication.

As a teacher in Watts, in Los Angeles, LEO RYAN observed firsthand the cultural and psychological damage done to ghetto children by centuries of deprivation and discrimination—and so worked toward making equality of opportunity a living reality for all Americans.

As a member of the city council of south San Francisco, LEO RYAN did much more than just sit in a comfortable chair at chamber meetings and routinely vote: He walked the streets of his city and met with the people whose views and needs and aspirations he wanted to know and understand.

As a member of the State legislature in California, LEO RYAN acquired a larger personal knowledge of the responsibility a legislator has in representing the interests of his constituents—and so he traveled between Sacramento and his district and listened to the people and learned that government, in a democracy, exists only with the consent of the governed and that elected public servants have a sacred trust to do for the people what the people cannot always do for themselves.

As a Member of this Congress, LEO RYAN served his constituents and country with a high sense of personal commitment and political responsibility, guided in his decisions and actions by the lessons he had learned about service to the people in San Francisco and Sacramento. His philosophy of involvement—inspired by his sensitivity to injustice, motivated by a sense of public morality, and vindicated by his vision of truth in government and trust among men—shone like a bright light in this Chamber and showed us the difference that courage, conscience, and compassion can make in improving the lives of ordinary people. Let all of us, on both sides of the aisle, be faithful to, and remindful of, the beliefs that LEO RYAN lived and ultimately died for. As we mourn and remember LEO RYAN today, let us reaffirm our commitment to work always for the good of everyone, because the life of man is brief, our words but sounds that die on the wind, our deeds the only real legacy we leave to unborn generations. Only God, in His infinite yet mysterious wisdom, knows the time, and place, and manner, and reason for our death. Today, it is fitting to recall the words of John Donne, who wrote:

(A)ny man's death diminishes me, because I am involved in mankind; and therefore, never send to know for whom the bell tolls; it tolls for thee.●

● Mr. ADDABBO. Mr. Speaker, I join with my colleagues in paying tribute to the memory of our friend and colleague LEO RYAN whose life was taken away so needlessly last November.

LEO's tragic death came because he could not ignore the pleadings that had come his way; as always, he went to look for himself so that he could do whatever possible to alleviate injustice and suffering. The good die young, the old saying goes, and it was certainly true in this case. He died simply because he was a good man whose desire to help others led him to that nest of unbelievable horrors in Guyana.

But the measure of any man is his desire to help others, and LEO scored high under any means of measurement you can name. Even before he entered Congress in 1973 LEO's style of helping people through firsthand investigation was well established. In 1970 he spent 8 days at Folsom Prison in California to learn about conditions facing inmates. Even further back during 1966, he taught in a neighborhood high school following the Watts riots and visited Newfoundland to investigate the hunting of harp seal pups. For this latter effort he received a well earned "Man of the Year" award from the International Wildlife Foundation. Suffering and injustice, these were his only enemies.

Aside from these more dramatic efforts, and long before the tragedy of November, LEO RYAN's congressional efforts were also geared to helping resolve problems that plague everyday life for people. When I went to him for help in resolving the nagging problems of jet noise in my own district, he stirred for action as though the planes were flying right over his own home.

He wrote letters, sent investigators out, held hearings with the Federal Aviation Administration and in the end, came to the District himself to see and hear for himself the disruption of family life that jet noise causes. He held that hearing on a Saturday morning and my constituents poured out their frustrations to LEO and his subcommittee members.

He kept his pledges and promises, personally following every trail that would lead him to the very heart of each problem he probed. His spirit and dedication will be sorely missed.●

● Mr. JONES of Oklahoma. Mr. Speaker, courage and dedication are like diamonds, things of sparkling beauty—and rarity.

Congressman LEO RYAN of California possessed these qualities. LEO was a man of energy and vision, a troubleshooter, who spent 22 of his 53 years in public service. He voluntarily lived behind bars to learn about prison conditions. He flew to Newfoundland to witness the killing of baby seals. And, finally, he went to an obscure region in South America by the name of Guyana to investigate reports of suspicious doings. Always, LEO was ready to do whatever was necessary to look the problem in the eye, to get involved, to help the suffering, to right the wrong.

It is with a bittersweet feeling of grief and pride that I pay my respects to the great memory of my dear colleague, LEO RYAN. LEO and I came to Congress in January of 1973. While I never had the opportunity to serve on a committee with him, I did work with him on various pieces of legislation and developed a deep respect for him as a Congressman and as a human being.

LEO approached his job with an enthusiasm and innovation that few could match. He tackled tough issues—such as the collapse of the Teton Dam in eastern Ohio and corruption in the Immigration and Naturalization Service—with an intellectual curiosity, an investigative eye and a tenacious zest for reform.

LEO will be sorely missed. But we must remember that the greatest tribute we can give to him, to his memory, to his family and friends, are not tears or eulogies, heartfelt though they be, but a vow to rededicate ourselves to the goals he had. What were his goals? LEO had many, to be sure. But foremost among them was a very simple aim: to serve the people. Let us, his fellow Members of Congress, strive toward that goal in memory of LEO RYAN, who died as he lived, serving his country.●

● Mr. SENSENBRENNER. Mr. Speaker, today we have the sad task of commemorating the passing of a colleague whose exemplary career in the House was tragically cut short by a gunman's bullet last November 18.

Unfortunately I never had the pleasure or honor of serving with LEO RYAN. But in the short time I have been a part of this body, I have learned much about the many contributions he made to the House and to the people of the 11th District of California he served so well.

During his tenure Mr. RYAN developed a reputation for being a conscientious, hard-working Congressman who always did his homework. Whether it was on the floor, in committee, or in his district, LEO RYAN was always persistent in seeking solutions to the problems he faced. These are qualities every one of us should always aspire to.

Mr. RYAN devoted his lifetime to public service—as a school principal, a school superintendent, a submarine service veteran in World War II, a State assemblyman, and finally as a Congressman. His career was the embodiment of the ideal of being a public servant.

Ironically, it was his courage that led to his death. During his legislative career both here and in California, LEO RYAN frequently showed great courage as he sought to satisfy his intense curiosity and interest in problems he personally investigated. He once was confined to a California prison so he could experience the troubles it was having first-hand, something very few would attempt. In Guyana he again placed his duty above his personal safety in investigating the bizarre Peoples Temple which had victimized many of his constituents. The courage cost him his life.

At a time when most people do not commit themselves to anything, the death of a truly committed person like LEO RYAN is especially tragic.

The people of the 11th District of California were fortunate in having a dedicated public servant like LEO RYAN represent them. Whoever they now elect to succeed him has a hard act to follow.●

● Mr. HEFTEL. Mr. Speaker, as I join with you today in trying, and inevitably failing, to find words sufficient to express the grief I feel at the loss of LEO RYAN, this question forces itself to the center of my thoughts:

LEO's memory is redeemed, but is it not our obligation to redeem his mission as well?

LEO RYAN was murdered by people who had rejected the institutions with which our colleague had associated himself and on behalf of which he was acting in his final hours. His murderers preferred instead the dissolution of all impersonal institutions of government in favor of an overruling, unmediated, so-called personal relationship with their governing leader. Thus freed from institutional restraint, with no codified check upon his personal powers of manipulation, this hoisted demigod absorbed their individual personalities into himself, and so rendered himself helpless to prevent his own self destruction, with all it portended. That should give pause to those who arrogantly dismiss government institutions as destroyers of individuality. To take even the most extreme example, a Solzhenitsyn could survive for years in the institutional horror of the Gulag, but he would not have survived for very long in institutionless Jonestown.

If we could enter into communion with LEO long enough to hear his final testament, I think he would tell us:

Restore the faith of all the American people in their institutions of government, work ceaselessly to make those institutions so strong and decent and secure and respected that anyone challenging them will be speaking to an empty room.

To the extent we accomplish that, LEO RYAN's tragic mission will have been redeemed.●

● Mr. BIAGGI. Mr. Speaker, the passage of time has not diminished the shock which this House and this Nation incurred over the murder of our beloved colleague and friend LEO J. RYAN. LEO RYAN was a martyr to this system—to this body—to this Nation—a man who pursued what he considered to be an unjust situation—only to die at the hands of those who he had revealed to be people of evil.

LEO RYAN in life was a dedicated public servant—with a sense of compassion for his fellow man that never seemed to waver. He approached life as an activist not an observer. He did not wait for someone else to correct a problem he found—he did it himself—it was this type of behavior that led LEO to his death.

Members in this body have taken risky trips. Just prior to LEO's ill fated trip I traveled to Belfast Northern Ireland and while there the single largest wave of bombing—in the past decade took place. Yet should we be deterred from seeking the answers to problems? What will LEO RYAN's death do to this House—will it make us crawl into a shell and shy away from controversy. LEO RYAN would not want us to, I assure you.

I considered LEO a real friend. We worked together on various projects and I was always impressed with his depth of knowledge of issues—his relentless drive to complete what he started.

We are here paying tribute to a man whose presence we all miss so much. We offer our prayers to his family—his friends—his staff. We implore that justice be rendered against those responsible for his murder. But above all, we pray that LEO RYAN is in peace away from the world of violence which took him away from us.●

Mr. JOHNSON of California. Mr. Speaker, let me say that I had the opportunity to talk with LEO just before the elections. He called me at my Roosevelt office and we discussed the 96th Congress and the elections. He was not concerned with the elections, but he was concerned with some of the committee assignments that were going to be forthcoming if certain things happened.

I asked him at that time if he was satisfied with the committees that he was serving on because he had worked up seniority and was entitled to consideration for many committee vacancies that would be coming up. He said that no, he was satisfied and that he was doing just what he would like to do. He served on the Committee on Government Operations and also served on the Committee on International Relations. He had made many trips into various parts of the United States and the world. He did not mention this trip to Guyana in that telephone conversation.

Mr. Speaker, it was with shock and profound sadness that we heard the reports of the death of our friend and colleague LEO RYAN in Guyana.

The events there have shocked the world and continue to puzzle all of us.

I admired LEO's determination and his foresight in investigating the problems there.

He quite obviously found a serious problem and it was most unfortunate that events turned as they did.

In his 53 years, LEO RYAN distinguished himself in many fields of endeavor.

When World War II came upon us, LEO proudly accepted his call to duty and enlisted in the U.S. Navy.

Even at that early age, he was not satisfied to do just what was expected of him.

He joined the submarine forces and demonstrated his ability to take on any challenge and master it.

LEO's understanding of people and his ability to communicate with them led him naturally to a career in education.

He served not only as a teacher, but also as a school administrator.

This experience helped to kindle his interest in public service, and LEO sought and won election to the South San Francisco City Council, and later he served as that city's mayor.

He brought to the Nation's Capital a reputation for hard work and dedication which he deservedly earned in the Assembly of the State of California, where he served for 10 years.

It was my privilege to serve with LEO in the House of Representatives throughout his career in this Chamber.

His prior legislative experience served him well, and he was quickly respected for those same qualities here.

LEO RYAN's sense of caring and devotion to duty were well known to the people he represented.

He was tireless in his efforts in their behalf and no problem was too large or too small for him to take an interest in.

He gave it all his full measure.

LEO not only listened to the problems of his constituents, he also acted on them.

To understand the problems in our prisons, he spent 8 days imprisoned in a correctional facility.

To more fully understand the consequences of killing baby seals, LEO RYAN went to Newfoundland.

So, when a constituent of his alerted him to possible problems in Jonestown, LEO RYAN went personally to find out what was going on.

LEO died doing what he liked best and what he did best—representing the people who sent him to Washington to the fullest.

He was a complete public servant.

We in the House of Representatives will certainly miss him.

He has set an example for forthrightness and determination which will be hard to match.

His beloved mother and family can take comfort, however, in knowing that LEO has made his mark on the country, and his legislative efforts will not soon be forgotten.

They can be proud of him, as indeed, all of us from California are.

My wife, Albra, and I want to extend our deepest sympathies to his mother, Autumn, and to his family.

Mr. Speaker, I want to thank all of those who participated today in paying tribute with their remarks and eulogies in relation to a great Member of this House who is not with us. I can look out and see where he used to sit, where he used to stand, where he spoke from. He always had a very fine presentation and message.

Mr. Speaker, I yield back the remainder of my time.

● Mr. STOKES. Mr. Speaker, I would like to commend my distinguished colleague, Mr. HAROLD T. JOHNSON of California for having this special order to memorialize Congressman RYAN. By doing so he has given many of us, who could not attend services in California, the opportunity to express our sympathy to the family and to commend this great man.

It is my honor to participate in a special order honoring the late Congressman LEO JOSEPH RYAN who represented the 11th District of California. Mr. RYAN was a distinguished man who held my respect and esteem. He will be missed, not only by his constituents but also by the Members of Congress.

Mr. RYAN was elected to the Congress in 1972 when I was entering my third term. As a Member of the Congress, he proved his capabilities in many ways, but particularly as chairman of the Environment, Energy and Natural Resources Subcommittee of the House Government Operations Committee. This committee has the responsibility to investigate how sufficiently and properly legislation passed by Congress is being carried out by the executive branch of Government and the various Government agencies. In light of the environmental energy problems that now confront our country this was a huge responsibility since the subcommittee has direct oversight for the Department of the Interior and the Department of Energy.

In addition to his career in the House of Representatives, Congressman RYAN served his country with honor in the submarine service of the U.S. Navy. A former teacher and school administrator, LEO RYAN has served as an elected public official since 1956 in the roles of city councilman, mayor of South San Francisco, and California State assemblyman. He also served his community through various appointments including his appointment to the South San Francisco Recreation Commission.

As an author, Congressman RYAN has been recognized for his book entitled, "Understanding California Government and Politics" which has been lauded as one of the best presentations of California politics in print and for editing "The U.S.A.: From Where We Stand," a collection of articles concerned with the current state of American society.

Congressman LEO J. RYAN has been an asset to this country. He has contributed a great deal to our society. I personally will miss LEO as a friend and always remember the goodness he has shared with us.●

● Mr. HARKIN. Mr. Speaker, while it was a great shock to me to learn of the death of my good friend, LEO RYAN, it was not a shock to learn that he was murdered while on a personal mission to investigate abuses of human rights. During the 4 short years that I was privileged to know and associate with LEO RYAN, I came to know him as a dedicated and absolutely fearless champion of individual human rights. He had a rare blend of sensitivity and hardheadedness which served him well in his fight for human rights. He was sensitive to the needs of the poor, the underprivileged, the powerless, and he was hardheaded enough to pursue, both legislatively and personally, the protection of basic human rights for these groups. When it came to the deprivation of the most fundamental of human rights, there was no compromise suitable for LEO RYAN. People were not to be deprived of their basic human rights because of who they were or what they were or whatever regime happened to be in power, and whether or not they were friendly or not friendly to the United States. To LEO, every human being had an inherent right to be treated decently and fairly by his or her government.

I will miss LEO RYAN because of the kind of person he was and the ideals for which he stood and fought. I will miss him because in fighting for human rights he was a skilled debater on the floor of the House and in committee. I will miss him because no institution to LEO RYAN was so big or so important or so powerful that it could escape public accountability for any actions taken by that institution which led to violations of human rights. He has left a definite void here in the House of Representatives and it would be a great tribute to him and a great step forward for this institution if every Member tried to fill that void.●

● Mr. CARR. Mr. Speaker, it is with a tragic sense of loss that I join my colleagues in mourning the death of the Honorable LEO RYAN of California.

LEO RYAN set an example for us throughout his career. He was an activist Member of Congress who exemplified the belief that Government's purpose is to respond to the needs of the people.

LEO RYAN was also a man of courage. When he was blocked in his attempts to get the facts surrounding the situation in Guyana, he was brave enough to go to the source and try to get the information he needed. It is particularly tragic that this act of individual courage ended in his death.

I know we will all miss LEO RYAN, and I know our memory of his efforts and his leadership will remain strong.●

● Mr. DUNCAN of Oregon. Mr. Speaker, I take this opportunity to join with many of our colleagues in the Congress in a special tribute to our late friend and colleague, the Honorable LEO RYAN. While his tragic and senseless death will certainly dwell in our memories, we must not let that event overshadow his distinguished record of service to his constituents, his State, and the Nation.

LEO was a tireless worker, a man of strong convictions, and a fighter who championed causes which too often went unrepresented in the past. Mr. Speaker, we will miss his abilities in the House of Representatives for he was greatly admired by virtually every Member of this body.●

● Mr. HANLEY. Mr. Speaker, I know all of us were shocked when we heard of the untimely death of our colleague, LEO RYAN. In fact, in the more than 2 months since that day, the shock of the Guyana tragedy still has not worn off.

While the facts of this story are still emerging, one thing we do know for certain is that LEO RYAN lost his life in the line of duty—the duty of a U.S. Representative to serve his constituents. LEO RYAN was in Guyana, because his constituents went to him to express fear for the safety of their loved ones.

As was his style, LEO did not send an emissary to check out the facts for him. He felt compelled to learn the situation firsthand. His personal safety and comfort were clearly secondary concerns. In the words of LEO's administrative assistant, Joe Holsinger:

> He knew there was a danger down there, but he went anyhow. He felt that his job was to inspect things personally.

The Guyana trip was not the first time that LEO RYAN wanted to get the facts firsthand. In 1966, following the riots in the Watts area of Los Angeles, he worked as a high school teacher in the neighborhood. That same year, he made a trip to Newfoundland to investigate the hunting of harp seal pups. His opposition to the hunting earned him the International Wildlife Foundation's Man of the Year award. In 1970, he spent 8 days living as an inmate of Folsom Prison to learn about conditions there.

LEO RYAN was a man of action and a man of deeds, one who put a premium on personal experience to guide him during his service to the people. His passing is a great loss to us all.●

● Mr. WON PAT. Mr. Speaker, I am honored to have this opportunity to join my colleagues as we gather to eulogize our late friend and colleague, LEO J. RYAN.

Congressman RYAN, who met a most tragic death in Guyana last year, left behind a legacy of outstanding public service to the Nation. Even in his final moments, he cared only for those whom he sought to serve. His last efforts revolved around his heroic attempts to save a few persons from the horrors of Jonestown. The price he paid was his life, but in the process he left behind a tradition of dedicated service that few have ever matched.

To his family and staff, I offer my greatest sympathy. Although they, and LEO's many friends, will deeply mourn his loss, we can carry on in the knowledge that he would wish us to carry on his own efforts to play an active role in ending human suffering wherever it may occur.

LEO RYAN was a public servant in the truest sense of the meaning. He gave totally of himself, regardless of the problems he may have faced. This is equally true of his brave and loyal staff.

I am confident that our colleagues will not permit the tragedy that befell LEO RYAN to go unpunished. Hopefully, we will also learn to deal with such events in a manner that can prevent future tragedies of this kind.

Thank you.●

● Mrs. COLLINS of Illinois. Mr. Speaker, it is a sad fact of life, to which I return time and again, that words can only serve as an empty promise in comparison to the realities of a human life and its accomplishments. Not only was U.S. Representative LEO J. RYAN a man of action who placed a high value on acquiring knowledge from first-hand experience, he was a tireless worker and protector of the interests of the so-called "common" man—if there is such a person. Representative RYAN's murder in Guyana last November, at the hands of a fanatical band of American expatriots, occurred as the result of his undertaking a congressional mission to investigate the reports he received from anguished family and friends of commune members who feared their loved ones had been enslaved and tortured by its leaders and were being prevented from returning to the United States.

During his 22 years in public office, LEO RYAN developed a reputation as an independent-minded reformer. It was my pleasure to serve with LEO on both the House Government Operations Committee and on the House International Relations Committee. As chairman of the Government Operations Subcommittee on Environment, Energy and Natural Resources, he was particularly active in releasing reports which warned of the dangers of abuse of nuclear power and the lack of adequate safeguards for the storage of radioactive waste. Today, the Washington Post carried a front-page article revealing that Government officials ignored warnings from experts that a major nuclear safety study had serious flaws and that low-level radiation is related to an increased incidence of leukemia. It is a source of satisfaction to me, to see those warnings of danger that LEO brought to our attention so persistently, finally gain widespread acceptance in the executive branch.

As representative of the 11th Congressional District in California, LEO investigated the collapse of the Teton Dam in eastern Idaho and corruption in the Immigration and Naturalization Service. He also campaigned for more openness in the Central Intelligence Agency and stood against allowing the Concorde jetliner to land in the United States.

Representative RYAN was a man who believed in dedicating his life to the goal of truly bringing Government to the people. He will live in the hearts of his family and friends and in the hearts of those of us in Congress who found him a man of enormous practical wisdom and tenderness.●

● Mr. CONTE. Mr. Speaker, we salute today the memory of a man of uncommon courage. A man who dared, in the words of a great American poet and esteemed former resident of my district, to take the "road less traveled" to find the truth, no matter where that road led.

To our great sorrow, the last road our friend and colleague LEO RYAN took led to his tragic death and set off a chain of events that shocked the world with its horror. I do not want to dwell on that tragedy, only to say that his persistence and insistence upon taking personal action where his constituents were concerned was typical of the man.

LEO RYAN and I shared no committee assignments, but I would like to take my time during this special order to share one personal remembrance. I recall just months before his death another courageous stand LEO RYAN took. It, again, was on behalf of a constituent, a young man who was being unfairly discriminated against by the U.S. Army. This young man, an Army officer from LEO's district in California, had had the audacity to fall in love with an enlisted woman and married her, a course of natural events that had caused him to be relieved of his command and led to his and his wife's eventual resignation from the Armed services after being charged with fraternization.

LEO and I joined our colleagues, the gentleman from California, Mr. MCCLOSKEY; the gentlewoman from Colorado, Mrs. SCHROEDER; and the gentleman from Texas, Mr. WHITE, at a press conference here in Washington on October 13 to express our support for the young couple and to express our dissatisfaction with the actions taken by the Department of Defense.

LEO stood up and made a strong statement in support of his constituent and then pledged to pursue the case further and to a conclusion during the recess period, the time in which he died.

I, therefore, join you today to honor the memory of a man who stood with me 3 months ago and bucked the Pentagon,

and whose articulate voice and strong convictions are sorely missed in this House this afternoon.

I want to take this opportunity to express my deepest sympathy to the Ryan family.●

● Mr. MIKVA. Mr. Speaker, the recent tragedy in Guyana shocked all Americans. It is difficult for many to conceive of the reasons which would drive so many to such wasteful self-abuse.

But, for those of us who knew LEO RYAN, Guyana is both a personal and an ironic tragedy. The obituaries and histories of the victims of the Peoples Temple reveal a group of people alienated and isolated from the mainstream of American life. The Temple catered to people who feared and mistrusted institutions, but felt powerless to change those institutions. LEO RYAN, in the mainstream of American political affairs, knew exactly where the levers of change existed.

The Guyana victims were, in fact, the kinds of people to whom LEO RYAN had dedicated a lifetime of public service. When stories circulated about the poor quality of education in public schools, or the mistreatment of inmates in a prison, LEO RYAN did more than condemn the injustice from his Washington office. He visited the school or the prison and talked to the people there. For many of the most disadvantaged and most powerless in society, LEO RYAN served as a spokesman, not in an abstract way, but as the actual communicator of their fears and hopes, and the catalyst for change.

LEO RYAN was performing this same role for the members of the Peoples Temple when he was killed. As usual he insisted on a personal visit to talk to people directly. As usual, he was not deterred by physical dangers. For LEO RYAN the issue was simple: People were being abused and threatened and they deserved protection.

The sad irony is that his death deprived this lonely outpost of Americans with precisely the kind of influential voice which they so desperately wanted.

LEO RYAN will be sorely missed. Committed and compassionate public servants are in short supply, and his death has reduced the number by one.●

● Mr. SOLARZ. Mr. Speaker, I want to join my colleagues today in paying tribute to the memory of an esteemed and respected Member of this Chamber, LEO RYAN. Sitting next to LEO on the International Relations Committee, I got to know him rather well. He was a determined and decent Congressman who took seriously his responsibilities to his country and constituents.

It is LEO's dedication that tragically cost him his life, but it is a tribute to his sense of commitment that he lost his life in the line of duty, while trying to help people who felt they had nowhere else to turn for assistance. LEO preferred to see for himself what was going on in the world, instead of relying for his information on State Department bureaucrats, especially when important interests, issues and even lives were at stake. It is a great loss for us all that he was struck down in his prime as an effective and able legislator.

LEO's assassination leaves many questions unanswered and I believe that it is the responsibility of this Congress to fully investigate the circumstances of his death. This is the least we can do in the wake of this loss of a fine gentleman and respected colleague.

LEO leaves behind not only family and friends, but a legacy of compassion and concern which should serve as an example to all of us. His career embodied the very resurgence of this House as a dynamic and vital institution. He was the kind of Congressman that makes me proud to have served with him in the U.S. Congress.●

● Mr. PEPPER. Mr. Speaker, it is with much sadness that I make the following remarks about a man who these hallowed halls will miss though had only begun to see and feel his tremendous potential.

LEO RYAN was a man of great courage and character. Many people talk about their dedication to duty, LEO showed that dedication. If something needed to be done he would do it himself even a hazardous mission such as the one in which he lost his life.

We as Members of Congress and the Nation as a whole has lost an individual of outstanding integrity and great moral dedication. Though we will no longer have him here in person he will always serve as an inspiration to all who enter here.●

● Mr. PASHAYAN. Mr. Speaker, the assassination of LEO RYAN at the infamous Jonestown Commune in Guayana deeply shook this Nation just several months ago. Like an inquisitive cub reporter, LEO RYAN felt obligated to investigate first hand the allegations that the followers of the Reverend Jim Jones were being denied their basic human rights: Many were his constituents; almost all were despondent Americans.

The concern that LEO RYAN showed for the well-being of these people was typical of his great conscientiousness as the elected representative of the people. No challenge was too great; no detail too small.

As a fellow Californian and a newly elected Member of Congress, I truly regret that I was not able to serve beside LEO RYAN. This House has truly lost a dedicated public servant. ●

● Mr. WYDLER. Mr. Speaker, the violent, tragic death of our colleague, LEO RYAN, shocked us all. I received the news while on a congressional trip in the Philippine Islands. It was simply hard to believe.

As one who worked with and against LEO on various proposals, I realized he was a man of convictions and he served this House and our Nation well.

I only wish that he were with us as this new Congress gets underway.●

● Mr. DE LA GARZA. Mr. Speaker, I am still in a state of shock over the bizarre and tragic news which has come from the jungles of Guyana. The senseless and brutal deaths of the People's Temple members cannot be understood—they defy reason.

But the loss of my friend and colleague LEO RYAN makes the tragedy immediate to me and all the Congress.

LEO's accomplishments on behalf of the weak and oppressed all over the globe will live on as a warm and glowing testimonial to his energy and vision. Our mere words can do little to add or detract from his legacy. LEO RYAN died as he lived—in service to the country he loved.●

● Mr. STARK. Mr. Speaker, it is my privilege to submit, for the RECORD, the attached newspaper articles and editorials regarding our late colleague, Congressman LEO RYAN. These articles were selected by Congressman RYAN's children. I agree with the Ryan family that these words speak to the deep concern and persistent questioning that characterized our colleague throughout his life.

LEO J. RYAN 1925–1978

(By Rex Weyler)

A Buddhist historian once told me to never write about anything I didn't know. I don't know who killed Leo Ryan, or why, or what the circumstances were. Rather foggy news reports from Guyana say he was gunned down by assassins in a panel truck who belonged to a religious sect living in the remote South American jungle. I don't know; I wasn't there. It doesn't sound to me like a very religious thing to do. But you can read about that in your weekly news magazine. I'm sure there will be lots of Mansonesque trailers to go with it.

I first met Leo Ryan in July, 1977 at the Old Waldorf in San Francisco where a local rock band was doing a benefit to help get a Greenpeace boat out into the Pacific. Congressman Ryan showed up with a mutual friend, Robert Taunt who introduced us. When he took the stage between sets, I listened with a skepticism nurtured by experiences with politicians and popular causes.

Ryan got right to the point: "I know of no braver, more committed, or more intelligent action than for people to put their lives on the line to help stem the tide of environmental degradation of our planet. Our seas, our land, without a reversal of the present momentum will die." The urgency of the environmental, global, holistic position could not have been more succinctly stated. "The man's a believer," I thought to myself.

Ryan was more than a believer; he was a diligent and thorough environmentalist. He played a major role in saving thousands of acres of giant redwood trees in California, and in passing the marine mammal protection act in the U.S. Congress. As chairman of the House subcommittee on the environment he monitored countless ecological issues from cruelly trapped fur-bearing animals to giant nuclear reactors.

I met Leo Ryan a second time in the spring of 1978 during an expedition to New Foundland to protest the annual slaughter of harp seal pups. Ryan, a vocal opponent of the hunt, had come along for a first-hand look. At an Ottawa press conference, when it was suggested to him that he go back to America and mind his own business, he said: "Environmental questions don't follow the same boundaries as political states."

After persevering an inhospitable gauntlet of federal fisheries officers from Romeo LeBlanc on down, Ryan gained a permit to go out to the ice. He was accompanied by Dr. Patrick Moore, Congressman James Jeffords, Pamela Sue Martin and a contingent of newsmen. Leo Ryan, 53, was a tall,

stately, strong man, but on the evening of March 12, 1978, after returning from a day of bearing witness to the seal slaughter, he walked back into Decker's Boarding House in St. Anthony looking like a ghost.

An impromptu press conference had converged around the supper table, cameras whirring and lights glaring. Ryan, a man who had weathered hundred of such scenes, glared at the eye of the global media network in a state of self-proclaimed shock: "After what I have just seen," he said, "I don't want to hear the reasons. I don't want to argue the pros and cons with you any more. I just want to say, enough! Enough! I just quit."

He was a reasoned man who was not ruled by reason, a sensitive man who was not ruled by motion, but most important of all, he was a powerful man who was not ruled by power.

I last saw Congressman Ryan on October 7th of this year when he spoke at the Critical Mass conference in Washington D.C. He had recently completed an exhaustive study of nuclear power costs, for the U.S. congress, in which he specifically indicted the nuclear industry for misleading the public about the actual costs involved in producing nuclear energy. His study stands as a definitive work, citing everything from the mining and milling of uranium, to environmental and health dangers, the decommissioning of power plants and the burial of nuclear wastes.

He told a story of how, as a child, his parents made him take out the garbage, a job which he disliked, and always put off as long as he could. "But I realized," he said, "a long time ago, that you can't let your house fill up with garbage, and that is exactly what we are doing in America: nuclear garbage, consumer garbage, toxic wastes of all kinds. And, my firends, we are all one family, and we can't just walk out and lock up the house when all the rooms are full of our trash."

The accomplishments of his life are far more important than the macabre details of his murder. The planet lost a Rainbow Warrior, and those left are going to have to take on a bit more of the load.

QUESTIONS ABOUT GUYANA

(By William Randolph Hearst, Jr.)

Could the tragic murders and suicides in Guyana have been averted?

This question is still being asked by millions of Americans, three weeks after the horrible deaths occured. We wish there were easy answers, as with ordinary crimes, so we could say an assassin has been arrested, a murderer nabbed, or an arsonist apprehended, and the case is about to be concluded. But nothing about the gory Guyana story can be that neatly summarized.

When nearly 1,000 Americans kill themselves, or are killed, under bizarre circumstances in a foreign country, their fellow Americans have a right to ask what went awry. Was some person or some group of people responsible, or is it impossible to assess responsibility for a death scene of such monstrous proportions?

In the Guyana case, explanations have been slow in coming. One's first tendency is to blame anyone connected with American security, to shout at the State Department, to pin the button of guilt on the first federal lapel we can find. Scapegoats are a great solace. But grabbing the first scapegoat in sight is just as cowardly and unproductive as not asking any questions at all.

So we must continue to ask questions, of the president, of the State Department, of all who are willing and patriotic enough to respond. We must determine whether the Federal Bureau of Investigation, the Central Intelligence Agency and the Internal Revenue Service have been able to do their job of protecting American citisens from injustice.

The questions I would ask are not prompted by any routine act of criminality. They are prompted, rather, by the most horrible and traumatic event in recent American history. How else can you describe the shock of the deaths of 917 men, women and children in a land few people were previously acquainted with? How else can you describe the first murder of a United States congressman while performing his duty?

Smothered by the noise of other comments about the brutal death of California Representative Leo Ryan were the pleas of his mother. She resented, and rightfully so, President Jimmy Carter's admonition that "we should not overreact" to the Guyana deaths, but should remember that the "Constitution protects religion."

The late Mr. Ryan's sorrowing mother, Autumn Mead Ryan, was not being unkind to the president, but merely reminding him that he, too, might be overreacting, by forgetting the protection due citizens of the United States.

The 80-year-old woman sought to address her countrymen, as well as her government, in saying:

"When close to a thousand people die by murder and forced suicide in a pseudo-religious entrapment, can this cult be regarded as 'constitutionally protected'?"

The question Mrs. Ryan raised was one of basic freedoms. Of course we have freedom of religion, but does that freedom extend to religious cultists who murder human beings, or order them to kill themselves?

Mrs. Ryan wrote a letter to the nation's newspapers last week, in which she asked, pointedly: "When did we lose our capacity for rational thought?" She was blunt in her criticism of church leaders, who in her opinion reacted rather callously to news about the People's Temple and its leader, Jim Jones, and the killing of her son. She wondered why she had seen "no public expression of mourning, no note of alarm about the perversion of Christ's teaching."

What especially concerned Mrs. Ryan was that her dead son had received no cooperation from the U.S. State Department in response to requests for information about the reception he might receive in Guyana. Rep. Ryan asked for counsel and guidance from the State Department, his mother said, but the replies were marked by "ineptness, indifference, bureaucratic inertia and outright incompetence."

Mrs. Ryan also spoke her mind about religious cults. She wrote: "We have not yet begun to attack this newest form of totalitarianism, perhaps bechuse we have saddled ourselves with an obsession about the separation of church and state which leaves us impotent before the clear spectacle of crime and intimidation masquerading as religion."

Mrs. Ryan's questioning was seconded by the late congressman's legislative counsel. She is Jacqueline Speier, a 28-year-old lawyer who was seriously wounded in the Guyana shooting.

"The State Department," she said, "at no time made it even remotely clear to the congressman or myself that there would be danger encountered of the nature that we found." She added that "they just hadn't done enough investigating" into the People's Temple community.

In other words, if the State Department isn't responsible for protecting the lives of Americans abroad, who is? I submit that the questions raised by Mrs. Ryan and Miss Speier should be taken seriously, and answered respectfully. The State Department should be made to answer for its "incompetence."

Other questions concern the role of the FBI, which had its wings clipped recently when it was discovered some of its agents had overreached their authority. Congress imposed severe limitations on the agency's capacity to infiltrate suspicious organizations and inform appropriate authorities before it is too late.

It may profit us little to talk about "what might have been," but I can't help but think that the Guyana story wouldn't have been as bloody if the FBI had been allowed to protect Americans in the great FBI tradition.

What role should the CIA have been playing in this situation? Politicians and pundits alike have given this agency the image of a villian, when actually it was created and has performed nobly as a bulwark of defense against dangerous people and policies. To what extent it could have defended the Americans in the Guyana tragedy, we may never know.

The CIA, like the FBI, has had its effectiveness reduced by overreactions to a few cases of alleged wrongdoing. This is partly due to the mentality of those who call policemen "pigs" and throw bottles, rather than treating them as an essential force in the protection of human rights.

The Internal Revenue Service owes America an explanation in the Guyana case. For instance, did the IRS, which grants tax exemptions to religious organizations, determine that the money collected by Jim Jones' People's Temple was used for the purposes intended? Did the IRS know much about the leadership and conduct of the cult it was treating so charitably with tax exemptions?

I am not one who believes the whole country is sick just because something sickening has happened. I do believe, however, that if we can find out the truth, the whole truth, concerning lapses in security measures to protect Americans abroad, we can better defend ourselves against another tragedy.

That is all Rep. Ryan's mother is asking. She noted in an exclusive interview with Tom Eastham of The Hearst Newspapers that neither the executive, legislative nor judicial branches of our government had given satisfactory or sympathetic answers to questions about Guyana.

Mrs. Ryan stressed that, in view of the fact her son was the first congressman murdered in line of professional duty, the House of Representatives "can do no less than" launch a full-scale investigation. "The investigation," this mother respectfully requests, "should fully inform the public of its findings, shirking no avenue of inquiry, however uncomfortable."

Pursuit of this mission would be the finest tribute America could pay to the late Rep. Ryan, to his brave and bereaved mother, and to the spirit of American justice.

TEXT OF STATEMENT BY SLAIN CONG. LEO J. RYAN'S MOTHER

The Progress publishes below the complete text of the Dec. 4 statement by Autumn Mead Ryan, mother of slain San Mateo Congressman Leo J. Ryan, in which she discussed the circumstances preceding and following the Congressman's Nov. 18 murder.

The Progress reported sections and excerpts from Mrs. Ryan's lengthy public statement Wednesday, Dec. 5.

Mrs. Ryan's statement both relates the emotional attitude of the surviving Ryan family members and presents questions and issues future Congressional investigations of the deaths of Ryan and four others in his party and of the mass suicide-murder of 900 People's Temple members will address.

The text follows:

The President's remarks as reported on the TV news last week compel reply. He said we should not "overreact" to the Guyana tragedy but should remember that the "Constitution protects religion." Surely, he did not mean to make such a callous and cruel observation which ignores the primary purpose of our government, the protection of people and their personal liberty in an ordered society.

To date, I have seen no public expression of mourning from our churches, no note of

alarm about the perversion of Christ's teaching. Has the President added the capstone to our loss of Christian concern?

Or does the statement reflect his uneasiness about any investigation of how the disaster came about with its inevitable questions concerning the role of the State Department in this tragedy? When close to a thousand people die by murder and forced suicide in a pseudo-religious entrapment, can this cult be regarded as "constitutionally protected"? When did we lose our capacity for rational thought?

This indifference reflects a dismaying cynicism. So too did a radio broadcast which suggested that the Guyana murders "likely could be a set-up of our government," designed to destroy a successful on-going commune which had found a happy solution in Guyana to the evils of capitism in the United States. And so, to, did a TV pundit who intimated that my son's trip was publicity-motivated.

It was not. Leo Ryan was a man who marched to his own tune. His entire public career has demonstrably been one of trying to help and if possible to improve in some small way the world about him.

Early on, he learned that only by marshalling public interest and concern can things really get done and he sought ways to reach the public through the media whenever possible. He was a pragmatic and intelligent man. He did no breast-beating, no public strutting to promote himself. Those who know anything about his work know there are uncounted activities which never reached the press. I am amased by the enormous number of messages his family has received from home and abroad, from the ordinary and extraordinary, the meek, the humble, the literate, the semi-literate, telling us of his help, of activities which produced the results he sought and were never mentioned again, offering solace, wanting to ease the pain. We who shared Leo's life have been deeply moved by their understanding and appreciation of his efforts and their sympathy for his tragically unnecessary death.

I will not here recite again the growing evidences of ineptness, indifference, bureaucratic inertia and outright incompetence which characterized the responses of federal departments and agencies to Leo's requests for investigation of the appeals for help which came to him, of documented charges, eyewitness accounts, serious allegations which clearly merited immediate action. Evidence mounted about enslavement, brutality, vicious forms of brainwashing including endless labor and slow starvation. Large sums of money were reported to be moving into and out of the commune, reports that, had they involved the ordinary citizen, would have had the IRS moving with alacrity to hunt down its share.

Why, then, was there no serious, effective effort to even begin to look into these significant and unanswered questions, either by our government or by Guyanese authorities?

Why did Congressman Leo Ryan himself have to go at the end of a grueling Congressional session and immediately after a successful election campaign, accompanied only by loyal aides, concerned relatives and intrepid journalists, to a small and obscure country to try to get to the truth of a situation of surpassing evil that our own embassy had failed to identify? That he knew it was going to be dangerous was evident by the sober, thoughtful manner in which he bade me goodbye at his home when he left for the plane and for what rapidly became a rescue mission. His sense of the extreme danger of the situation came through clearly in the strategically soothing speech made to the colony the night before his death and filmed by the TV cameras as he tried to keep open the avenue of escape for his party and those cultists seeking to flee their nightmare under his protection.

We now know that my son's information about the number of Americans incarcerated in Jonestown and the magnitude of the cult's criminality was correct and that the denials of Mark Lane and Charles Garry were both worthless and venal. Had the appropriate government officers responded responsibly (rather than by asinine interrogations "in the middle of a field," for example) to Leo's legitimate request for help in verifying charges of serious crimes against our citizens, he would be alive today, as would so many others.

What can we salvage from this dreadful wreckage? At the very least, we should as a nation now show concern in an effective way about these proliferating, money-making cults, skillfully using the now-familiar "brainwashing" techniques to ensnare the most vulnerable in our society, from the impressionable, young to the lonely aged, using religion as a sanctimonious and legally unassailable cover to systematically deprive them of their rights, their assets and their freedom.

We have not yet begun to attack seriously these newest form of totalitarianism, perhaps because we have saddled ourselves with an obsession about "the separation of church and state" which leaves us impotent before the clear spectacle of crime and intimidation masquerading as "religion." Neither the legislative nor the executive nor the judicial branches of government have so far been able to find a way back to rational solutions although heaven is witness to our facile ability to use all three branches of government more simplistically.

I am told that Leo Ryan was the first member of Congress to be assassinated in the performance of his duties. Surely the House of Representatives can do no less than create a joint bipartisan committee to fully investigate not only the murders and mass suicides, the wholesale destruction of human life, but also the failures of the State and Justice Departments to protect, aid and rescue our citizens, as they have at other times all over the world.

The investigation should fully inform the public of its findings, shirking no avenue of inquiry, however uncomfortable. Much depends on whether it is vigorously and honestly pursued or concludes as an indifferent whitewash, a suppression of embarrassing evidence.

The enormity of the evil event also deserves the full attention of the press in examining in depth the growth of this particular cult, how it accumulated and used money and its accompanying power; how money was moved about with seeming ease and with nary a tax glove laid on it, despite our vaunted tight tax controls over our citizens; how the cult was able to function in a small underdeveloped country by using indentured American labor under inhuman conditions; how the cult was able to separate children from parents, to operate a tight blackmail scheme to hold its prisoner-laborers while nationally known American attorneys smoothly represented its nefarious interests; how a man, on whom some American politicians danced attendance in return for his political favors, was able to imprison a thousand Americans and ultimately shepherd most of them to their deaths in a distant jungle.

The investigation can, if it is in earnest, expose the roots of a profoundly serious social aberration in our civilization. Indeed, we might even learn something meaningful about ourselves.

My son, in his will, expressed a wistful envy of those who will live "to see whether or not we win the race in saving the human race from its own greed" and urged that we "love one another."

I can not speak a better epitaph.

AUTUMN MEAD RYAN.

[From the San Francisco Progress, Dec. 6, 1978]

A CONGRESSMAN'S BLOOD ON BARE HANDS

(By Les Kinsolving)

WASHINGTON.—California Congressman Leo Ryan, NBC newsmen Bob Brown and Don Harris and San Francisco Examiner photographer Greg Robinson were unarmed and on a mission of mercy when they were murdered in a massacre conducted by members of the People's Temple in Guyana, near the Venezuelan border.

The People's Temple and its pastor, the Rev. James Jones, belong to the 1.3 million-member Disciples of Christ (Christian) Church, headquartered in Indianapolis and a member of the National Council of Churches.

For at least six years this denomination has been aware and frequently informed:

That Jones has been regarded by some of his 20,000-member flock as a reincarnation of Jesus Christ—a belief which he has cultivated through faith healing, and claims that "more than 40 people have been literally brought back from the dead" (attested to in writing by Timothy Stoen, Assistant District Attorney of Mendocino and San Francisco counties).

That Jones is guarded by men carrying .357 Magnums, who police his six- and seven-hour worship services, which have featured beating of children as well as compulsory public confessions, often of nonexistent sins.

That Jones controls his congregation and almost all of the income of individual parishoners with an iron hand—while keeping some of the younger members in dawn-to-midnight servitude.

That the Disciples of Christ National Headquarters did nothing about the Rev. Mr. Jones—except to bank the substantial amounts of money he had sent to them.

If the Disciples of Christ had investigated, exposed and unfrocked Jones, Congressman Leo Ryan and three newsmen might be alive today.

Six years ago, the San Francisco Examiner, in cooperation with the Indianapolis Star, published on page 1, a series of exposes of Jones, whose faith healing methods had been the subject of investigation by authorities in Indianapolis (from whence he went west to Ukiah, Calif., along with part of his Indiana congregation, more than a decade ago).

Jones' reaction to the Examiner was to order 150 Temple members to picket the newspaper for nine hours daily—while three lawyers went upstairs to threaten publisher Charles Gould and President Randolph Hearst with a lawsuit. The Examiner promptly stopped examining. It killed the remaining stories in the series and substituted a story about Jones which was adulatory.

If the Examiner had done its duty, its photographer and Greg Robinson might be alive today.

Even this Examiner capitulation could not match the loathsome conduct of San Francisco's other daily, the Chronicle, and its city editors. The Chronicle not only accepted money from the People's Temple (as an "award" for the devotion to the "freedom of the press") but it opted for laudatory stories about Jones—aided and abetted by its TV station, KRON. Chronicle reporter Marshall Kilduff wrote an extensive expose of Jones—but not for the Chronicle, rather for New West magazine.

The Chronicle management did send Jones' "award" to Sigma Delta Chi, the journalism fraternity which fancies itself as an arbiter of the fourth estate ethics. When asked how in good conscience they could accept money from the People's Temple, Ralph Otwell, editor of the Chicago Sun Times, replied, "That Sigma Delta Chi is not the CIA." So the Disciples of Christ and Sigma Delta Chi banked the money from the People's Temple.

If the Disciples and the San Francisco dailies and Sigma Delta Chi have blood on their hands for not opposing—exposing—this ecclesiastical mania, so by God does the Democratic Party. The Rev. Mr. Jones, who could produce a crowd of 500–1,000 with one hour's notice, along with two or three thousand hand-written letters per night, was found to be an invaluable political asset.

Governor Jerry Brown has, dutifully, been a guest at the People's Temple. So has Los Angeles Mayor Tom Bradley and former Lieut. Gov. Mervyn Dymally—who also visited the 27,000-acre People's Temple commune in Guyana. Dymally returned singing the praises of this installation.

When Walter Mondale campaigned in 1976 he invited Jones aboard his chartered jet. And Jones also shared a speakers' platform with Mrs. Jimmy Carter. (Jones got more applause, since 500 of the crowd of 750 were his parishioners.)

It could be concluded that Mondale and Rosalynn didn't know any better. But surely local politicals should have. And so should the dailies' city editors and so should the Disciples of Christ.

May the souls of Leo Ryan, Bob Brown, Don Harris and Greg Robinson find infinitely more rest than the consciences of those who closed their eyes to the true nature of the Rev. Mr. Jones and used his ability to draw people for political purposes.

Editor's Note: Les Kinsolving wrote the original stories about the unusual nature of People's Temple and Rev. James Jones. More than six years ago Kinsolving started investigating People's Temple because of rumors of unusual conduct in worship services and claims that Jones raised the dead.

[From the San Francisco Examiner, Dec. 6, 1978]

JONESTOWN AND CONGRESS' DUTY

How do we work to prevent another Jonestown? This is the question to which the country should address itself, now that the shock of the event itself has begun to subside, just a bit, into the great cushion of history.

Indeed, is there anything the nation can do to help prevent a recurrence of this kind of horror, or some bizarre new manifestation of violence which might arise from some other aberrant cult that has spiraled away into malevolent delusion? Some of our leaders, including the president, seem to be saying no, there isn't anything we can do legally, because of the constitutional prohibition against government interference with religion.

This is, we think, escapist malarkey—a dodging of unpleasant responsibility.

The government of this country has a mandate in the First Amendment to keep its hands off the exercise of religion, and to protect the right of religious belief. But it also has a firm responsibility to protect other rights—most notably, the right of the individual to life itself. There is a right not to be killed, and not to be kept in captivity, or otherwise to be preyed upon illegally, and harmed grievously thereby.

When a "religion" has gone over the brink of fanaticism to endanger life, or into the depths of avarice, or into the massive exploitation of mind control, to work great harm or even death upon people, then the First Amendment protection recedes. Its blanket cannot be pulled over demonstrable crimes to safeguard them in the name of religion.

Certainly, the Constitution is a stringent shield over the practice of religion. But 60 years ago Justice Oliver Wendell Holmes, an eloquent champion of First Amendment rights, had this to say in a famous decision on the freedom of speech aspect of the amendment: "The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic." It follows then, quite plainly, that no one is protected by the amendment in killing citizens in a theater or any place else, or robbing them, or beating them, or holding them captive, under the shield of the First Amendment.

It's natural that officials and politicians shy away from any investigation of a religious activity that they fear a collision with both law and the loud activists who never would countenance such a thing, no matter what the provocation. Not even the provocation of more than 900 bodies sprawled on the ground at Jonestown is enough to make some of them re-examine their inflexibility. But it's enough to make one gentle lady, Mrs. Autumn Ryan, explore the question with a clear and searching eye.

Her son, Rep. Leo Ryan, was one of those bodies, and she says that if the State and Justice Departments had done what they should have, beforehand—had investigated properly all the warnings and cries for investigation and help for that tragic congregation of the Peoples Temple in Jonestown—then her son would not have died trying to do it himself, without protection.

She spoke of President Carter's statement last week that there should not be "an overreaction" to the tragedy, that the "Constitution protects religion." And she commented, incisively: "When close to 1,000 people die by murder and forced suicide in a pseudo-religious entrapment, can this cult be regarded as 'constitutionally protected'?"

Her son told her, she said, that "if anyone else had been willing to pick up the ball and go down there, he would not have wanted to go. He was not anxious to go." So it's time now for the whole country to pick up the ball and try to fashion some defense against this sort of mad occurrence, for assuredly there are still cults in business from which disturbing indications emanate, evoking no official response.

Whether any response to possible danger will come from President Carter is unclear, but all the signs are discouraging. Certainly he has not overreacted—essentially he hasn't reacted *at all*. He said the Guyana slaughter was not typical of America and it ought not to provoke the government "into trying to control people's religious beliefs . . ."

No, it isn't typical, but cults that entrap people by one means or another certainly are a strain in American life of a size worthy to be acknowledged by the president.

And no one is talking about "trying to control people's religious beliefs"—far from it. The Constitution protects anyone's right to believe anything, no matter how wild it may be. That is a settled matter. But there is a sharp demarcation between beliefs and actions. The latter are not protected, if they are criminal. And we've seen one secretive, rapacious cult, whose leaders prated about harassment for their beliefs, wipe out lives as with a scythe. If only the government had bothered to learn more—had responded to some of the cries for help more effectively.

The first step toward some kind of remedy has to be a vigorous and thorough congressional investigation, not limited by time or lack of resources, into Jonestown and all that went before it, and into other cults from which disturbing reports have issued.

Painful though it may be, and loud though the howls may be from people unable to separate the issues of crime and religious freedom, we have to see these questions illuminated. And Congress has to do it because the executive branch shows no readiness to do so.

And then, if the investigations reveal a need for it, we may have to have some new law to deal with this problem, to protect citizens from actions, not beliefs. Otherwise, even more shock and sadness may lie before us.

[From the San Francisco Examiner, Jan. 4, 1979]

THE LOST CHILDREN OF GUYANA

(By Kenneth Wooden)

"The only banner that flies over the graves of the dead is silence . . ."—Sean O'Casey.

It is understandable that most Americans have found it hard to express anything but bewilderment and disbelief for the macabre "suicides" in Guyana. What is difficult to comprehend, however, is the silence and indifference to the news that over 100 of the children who were forced to drink the cyanide mixture were foster-care children—public wards of the state. More than 100 of our youth murdered, yet our nation is silent.

On April 14, 1978, by Executive Order 12053, President Carter established the U.S. Commission on the International Year of the Child for 1979:

"We shall foster within the United States a better understanding of the special needs of children in particular . . . special attention to the health, education, social environment, physical and emotional development and legal rights and needs of children that are unique to them as children."

And yet, to date, there has been no official White House reaction to this tragedy, which occurred virtually on the eve of the International Year of the Child—1979. Only silence.

Newspapers and magazines, saturated with stories and pictures on the Peoples Temple, have either lost interest or are ignorant of the mass murder of those foster kids. There exists much interest in where the temple's money came from and where it went.

Why is there no interest in where the children came from and to whom they went? Editorial writers who have consistently raged against youthful violence have said nothing about foster-care youths who perished in the jungle. Only silence.

Where are our religious leaders, whose preaching fills evangelists' tents, cathedrals and airwaves with the horrors of sin? We hear no words of comfort or supplication for those foster-care children who perished in the Guyana massacre. Only silence.

Nor have the national children's organizations spoken out, either to condemn or comment or investigate. Only silence.

National figures who rush to be quoted on everything from gay rights to commercial endorsements of toys, liquor, and beauty creams have joined the chorus of silence.

California politicians, including Gov. Brown, were gulled into unqualified support of the Peoples Temple, hence their silence. But is Brown's silence conscionable when, in fact, he was the legal parent of the children in question—the legal "parens patriae" father of his dead wards?

Should there not be a review of the California Mental Health Department, which granted a license to Happy Acres, a facility for retarded boys privately owned and run by the Peoples Temple near Ukiah—as well as other care homes run by temple members? The Happy Acres lease arrangement called for remittance of all profits from the operation of the institution to the Peoples Temple. Would it not also be in order to look into the work files of the Rev. Jones' wife, Marceline, who worked in the Santa Rosa Health Department's facility licensing section, which licensed community care facilities such as

Happy Acres, and who was listed in the 1977 State of California telephone directory under JONES, Marceline M., health, 542-6813.

Most pathetic of all is the silence of placement workers for California state, county and city agencies who are now confiding to close friends, "We knew it was bad, but Jim Jones had powerful political friends."

It was federal money, under Child Protective Services, that gave Jones the AFDC, BHI, SSI funds for his care homes (six children to a home and $1,000 per month average). These little streams of U.S. Health, Education and Welfare dollars fed into a river of millions of dollars hidden in personal reservoirs of foreign bank accounts, safes and suitcases.

When legislation that would have provided due process and mandatory six-month review of all foster-care placements (the 1978 Foster Care Reform Act, H.R. 7200) was killed in the U.S. Senate, national opinion makers said nothing about millions of children who would continue to pass in and out of foster care like driftwood washed up on the shores of indifference.

Thousands of foster parents who wanted reform were no match for the Washington-based wealthy self-interest groups such as the Child Welfare League that effectively lobbied against the bill. Except for those economy-minded souls who complained that public money would be used to bury the Guyana dead, Congress and governors from across the country have been silent.

It is strange for a society to be chilled by the mass death storm that was Guyana. But stranger still is that the death of all the children, especially the foster-care children, hasn't been acknowledged with any form of a religious service or even a public sadness. Do we bury these children, like the senate subcommittee on juvenile delinquency, in silent shame?

Why the national silence? The question begs an answer. Is it a silence based on our ignorance of foster-care children and its programs? Is it a silence based on dislike for children or basic lack of sensitivity to their needs? Or worse, is it a silence because those children are a faceless, powerless, minority—cast aside, forgotten in death as in life?●

A NEW YEAR FOR CONGRESS

The SPEAKER pro tempore (Mr. SEIBERLING). Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 10 minutes.

● Mr. STAGGERS. Mr. Speaker, we are here to bring into being the 96th session of the Congress of the United States of America. And, as with all new life, one wonders what will be written thereon. Invariably, one hopes for the best.

As a returning Member, I am pleased to renew old friendships. I am delighted to note the energetic new faces in our midst, and to those joining this body for the first time, I offer my warm welcome. To all, I extend best wishes for the New Year from the people of West Virginia's Second District, which I am honored to represent. And, I would share with you the thought that among my New Year's resolutions, perhaps the most important pledge I make is to earn this honor by serving each day to the best of my ability.

This is a new year. It will close a decade. It has not been an easy decade, and this is not an easy period in our history. The average citizen is frustrated and angry with all the institutions he perceives as controlling the destiny of the Nation, and his own destiny. The average citizen sees with trepidation signs that can be interpreted as the relinquishment of America's position of primary influence in the world.

We are battered by inflation, bullied by high interest rates, beset by energy shortages, and badgered by trouble in Iran, Cambodia, Rhodesia, the Middle East, Nicaragua, and many other volatile places around the World.

What an incredible change? Twenty years ago the United States stood alone and unchallenged as the richest and most powerful nation on Earth. The average citizen of this country was the envy of the World, with more personal freedom and more material possessions than had ever been dreamed possible. Indeed, a standard of living and way of life for large numbers of people heretofore unknown in the history of the World. Little wonder that the average citizen today feels threatened and distressed. Little wonder that he seeks a villain. But, we must do more than identify the villain. We must—and without time to waste—seek and find solutions.

Slightly more than 200 years ago, the British historian, Prof. Alexander Tyler wrote as follows:

> A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury with the result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship. The average age of the world's greatest civilizations has been 200 years.

I need hardly remind you that America is in its 202d year. I think it is appropriate to reflect on Professor's Tyler's statement. Is it an epitaph? Or can an educated, sophisticated, and dedicated American people turn America into the exception to this historical rule? Can we, in this Government, and in this Congress, provide the kind of leadership that Americans seek? I submit that we must, and if we do our work well, America will enter the 1980's sturdier than ever.

Apathy is a villain to be banished. In the off-year election of 1978, fewer than 36.1 percent of all voting age Americans went to the polls. Typical of their reasoning: "It does not matter who is elected because things never seem to work right."

A columnist who is probably in as close touch with the man in the street as any writer assesses the general public attitude somewhat as follows:

> For the first time since pollsters started asking, most Americans are pessimistic. No longer do we believe that our country is moving ahead. No longer are we sure that tomorrow will be better than today. This is an alarming development. For two centuries, the buoyancy of America has been our distinguishing national stamp. Confidence is what has made us tick. If a vast, tumultous democracy like ours is to work, there must be a fundamental optimism in the land, an undergirding belief in this nations' purpose and direction.

Yet, this same columnist is himself essentially an optimist. He goes on to argue:

> If there is a temporary exhaustion of the national spirit, as the polls indicate, it is time to shake ourselves out of our melancholy . . . We must continue to dream the dream of 200 years. We have overwhelming evidence that the spirit is still alive . . . The great mass of Americans are committed to the idea that our country represents something vitally important to the world . . . It is time for individuals to reduce needless energy consumption, to increase personal production, to join in fighting crime, to bend effort to guide our youth, and, above all, to accept the public and private austerities that the times require.

The Congress—no less than the American people—must be committed to the belief that our country represents something vitally important to the world. The times demand vision and statecraft. Historian James McGregor Burns calls "followership" as indispensable as leadership in rebuilding a national consensus and renewing national momentum.

I think that President Carter has proposed a fair, evenhanded framework for bringing down the wage-price spiral. We can do no less than give our active support to this effort to combat the inflationary time bomb that threatens all of us, and wreaks particular hardship on the old, the poor, and the needy. Leadership can no longer afford the luxury of what has been called, "immobilization by demands for more programs and services with, ironically, demands for lessened government interference and lower taxes." Indeed, political scientist, Seymour M. Lipset, contends that "individual woes, such as losing jobs, going backrupt, aging, getting an education, and falling ill are now considered to be problems of the government."

I do not hold that there is no responsibility of government for the welfare of its citizens. To the contrary, the citizen is what government exists to serve. But leadership, worthy of its salt, is compelled to the long and broad view, to assess what best serves most citizens, to establish and adhere to imperative priorities, and—yes—to urge the understanding and support of the American people for that which preserves and protects the very life of their homeland.

The good life—as we have come to know it—does not have to be synonymous with lavish, extravagant, or careless handling of the blessings with which Americans have been so richly endowed. We have let ourselves become a "throwaway" society of conspicuous and wasteful consumption. Dr. Michael Rosenzweig of the University of New Mexico has said that the United States, with only 6 percent of the world's population, consumes 35 percent of its food. We overeat. Yet it is claimed that 75 percent of our population would like to lose weight. Our trash disposal areas, which constitute a significant ecological headache, are the largest in the world, and rubbish disposal is a multibillion-dollar business. At the rate we consume and throw away, Dr. Glenn Seaborg, former Chairman of the Atomic Energy Commission and a Nobel Prize winner, foresees sufficient exhaustion of natural resources to force us to become a "recycle" society.

But, we do not have to wait until drastic conditions force Americans to accept drastic and disruptive measures and change. We can act responsibly now and avert crisis. Most reasonable persons will agree that we have a form of government that has served us well for over 200 years, that our technology remains the best in the world, and that our free enterprise system has provided us with an enviable material standard of living. We have but to renew American determination and resolve, the climate of opportunity in which ambition and competition can thrive and be rewarded, the pioneer spirit of self-reliance and mutual helpfulness.

It was over 200 years ago—1776—when Thomas Payne wrote:

> These are the times that try men's souls.

So we know that the problems in the beginning were vexatious to our forefathers. Were he with us today, I am sure he would write the same words—although in recognition that citizenship is not a male prerogative, he might recast his words to "men and women." The point of looking back at his words is to know that the times moved forward, and that America has persisted.

My colleagues, there is a little church in the hill country where I come from. When the first pioneers came to America, many drifted back into the Appalachian highlands, and there they settled to remain generation after generation. Affirming their allegiance to their new home, they built small churches—even before schools or courthouses were established numbers of such churches in my native West Virginia count their age by centuries. And many of those early pioneers, who believed in America, rest in eternal sleep in the rustic churchyard cemeteries. Such a church is my own church, supported and loved by my ancestors as I do today. When I visit my church, and stand in the shadow of their strength, my spirit is at peace and my confidence in this Nation's destiny is renewed.

My good friend, the late, great, Hubert Humphrey, God rest his soul, enriched this Nation with his presence. His words can guide us today. He said:

> The biggest mistake people make is giving up. Adversity is an experience—not a final act. Some people look upon any setback as the end, they are always looking for the benediction rather than the invocation.

So, I want this to be my invocation for the new year and the new 96th Congress rather than the benediction.

Carl Sandburg, the great American poet once wrote:

> I see America, not in the setting sun of a black night of despair ahead of us. I see America in the crimson light of a rising sun, fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of will and vision.

I am confident of America's future. I believe the people of this great country will experience adversity with courage and America will triumph and endure.

Thank you very much.●

IRS GOING TOO FAR IN TAXING PRIVATE SCHOOLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I won't stand for it. The people in my district won't stand for it. Families with children attending private schools in this country won't stand for it. The Internal Revenue Service is on the verge of promulgating a revenue procedure which would deny the tax exempt status of private schools across the land, and put an end to tax deductable contributions to these schools. The IRS is doing this despite the criticism voiced by many of us in Congress, and notwithstanding a grassroots protest unprecedented in the history of the IRS.

Last October I wrote IRS officials to make known my serious objection to this proposal. I told them that their action impinged on our right to pursue private education. The growth of private school enrollments is as much the result of declining standards in our public school system as it is an inference—a mere presumption—of circumventing mandatory busing plans.

In December I testified before the IRS at their hearings on this proposal. I spoke for the large number of my constituents who value their private education. They do not want this bureaucracy in Washington pushing affirmative action on them, simply because the schools they attend do not meet the statistical criteria the IRS would like to see.

Commissioner Kurtz was notified by me, and a number of my colleagues, that he would do well to postpone implementation of his regulations until oversight hearings were conducted by our Ways and Means Committee. I am a sponsor of, and will lend my active support to, legislative measures which will block this ruling from becoming law. The IRS is venturing into an area where it has no jurisdiction, and I do not intend to stand idly by.

No fewer than 125,000 letters of protest have been received by Internal Revenue on this issue. The agency is obviously insensitive to these views. In no way is it appropriate, or even legal, for the IRS to mandate social policy. It is not their mission.

The light of this pending action, Mr. Speaker, is it not our responsibility, as representatives of the people who sent us to this House, to impose our will? Chairman ULLMAN will be notified shortly of sentiment in Congress for committee hearings on this matter. I call on the leadership to lend their support to this request. It is imperative that we have our say in the exercise of power by Federal agencies. In this case, the Internal Revenue Service is going too far.●

LEGISLATION TO AMEND CONSTITUTION TO PROVIDE FOR BALANCED BUDGETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, today I am introducing a resolution to amend the Constitution of the United States to require that each year the Congress balance the Federal budget unless three-fourths of both Houses declare a national emergency. For the last 4 years Congress has been using a new budgeting procedure that many hoped would bring Federal spending and revenues into closer balance. So far the results have been spotty.

I introduced the first bill to establish a congressional budget process in 1972 to give Congress an overview of Federal spending and taxing and their impact on the economy. Congress approved a similar bill in 1974. Prior to that, Congress had never had an overall budget for the Government.

Instead, Congress made individual appropriations whenever money was needed. Inevitably, more money was spent than taxes brought in, and each year huge deficits resulted.

The new budget system, unfortunately has not changed that. In each of the first 3 years, Congress actually increased the Federal deficit even more than proposed by the President in his budget recommendation. In 1976, for example, Congress called for a deficit of $67 billion—$15 billion more than requested by President Ford. The deficits for 1977 and 1978 were also increased by a total of $4 billion over Presidential recommendations.

Finally, last year Congress cut President Carter's debt figure from $61 billion to $37 billion, thus beginning to get a handle on the situation. That $24 billion cut seems large, but the Federal debt is still too high.

In fact, this year President Carter proposed a deficit of $29 billion. Unless Congress cuts it to almost nothing, Federal spending will continue to feed the inflationary spiral that threatens not only the poor and those living on fixed incomes but also the economic future of the Nation's vast middle class.

One effect of deficit spending is an enormous expenditure each year just to pay the interest on the national debt. Interest costs will top $60 billion in 1979. $850 for the average American family.

This is why I am introducing a constitutional amendment to control inflation by requiring a balanced budget each year except during a national emergency. Now it is up to Congress to pass an amendment and to make the hard decisions that it and the budgeting procedure requires.

Americans can and should hold Congress responsible for deficit spending and

the inflation it spawns. They should insist that the flow of Federal red ink stop.

Mr. Speaker, I include the text of my proposed constitutional amendment to be printed in the CONGRESSIONAL RECORD:

Joint resolution to amend the Constitution of the United States to provide for balanced budgets

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. During the fiscal year beginning after the ratification of this article, total outlays of the Government shall not exceed total estimated receipts by more than 50 per centum of any excess of outlays over receipts in the preceding fiscal year. For each succeeding year, total outlays of the Government shall not exceed total receipts.

"SEC. 2. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a roll-call vote of three-fourths of all the Members of each House of Congress, that total outlays may exceed total receipts.

"SEC. 3. The Congress shall have power to enforce this article by appropriate legislation."●

WHEN THE PRESIDENT TRIES TO REGULATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, how refreshing it has been in recent weeks to read the numerous Dear Colleague letters proposing various types of regulatory reform legislation. As a long-time advocate of regulatory reform, I am pleased to see such a consensus among my colleagues over the critical need to provide greater accountability by the regulatory bodies in carrying out congressional mandates. As a result, I am hopeful that the 96th Congress will go on record and enact meaningful regulatory reform legislation.

In this context, I would like to bring to the attention of my colleagues an article by Timothy B. Clark of the National Journal which appeared recently in the Washington Post. I think this article clearly points out the need for Congress to do a better and more thorough job of oversight of these regulatory actions. As my colleagues will learn from the article, the American people cannot depend on the office of the Presidency to "save them" from "regulatory-itis."

I trust my colleagues will find the following comments by Mr. Clark of interest:

WHEN THE PRESIDENT TRIES TO REGULATE

(By Timothy B. Clark)

Is the man who occupies the most powerful office in the world powerless to control the federal agencies that regulate the country—even those directly responsible to him?

Experts disagree, but the federal courts will provide an answer before long. The question is one of the hottest items of debate among regulatory specialists in Washington today, though the debate has just begun to surface in public.

The answer will determine whether President Carter is able to deliver on his repeated promise to get a better grip on federal regulation and to reduce its costs to the private sector.

It may seem strange to suggest that the president cannot order the administrator of the Environmental Protection Agency (EPA) or the Occupational Safety and Health Administration (OSHA) to delay or modify proposals for new regulations. But that very suggestion is being made loudly by environmental groups, labor unions and others with concerns at stake in major regulatory debates.

A confrontation seems inevitable. Carter is clearly committed to increasing White House control over the regulators. And in exercising that control, he will, as he said Oct. 31, be "deeply committed to seeing that the regulatory agencies" avoid "imposing unnecessary costs." The regulators and their constituencies, however, are deeply committed to achieving goals almost regardless of costs, whether it be the cleanest air or the safest workplace possible.

The huge sums of money involved can be illustrated by citing just three regulations now being developed; an EPA proposal to limit pollution from new power plants, expected to cost $44 billion to $90 billion in capital investment over 40 years; an EPA regulation to reduce auto emissions that increase ozone levels, at a cost of $7 billion to $19 billion a year; and a Transportation Department rule to make public transit systems accessible to wheelchair users, with a price tag between $2 billion and $8 billion.

The confrontation has been building for at least a year. Last December, Carter appointed a Regulatory Analysis Review Group, directed by his economic and budget aides, to analyze the cost and inflationary implications of new regulations. Last March, he issued an executive order requiring better economic-impact analysis by executive-branch regulatory agencies. And in October, he gave his blessing to the establishment of a new U.S. Regulatory Council, which is supposed to achieve better coordination among the regulator.

Carter and his economic aides have already had some impact on individual regulations. Last summer, an OSHA regulation protecting textiles workers from cotton dust provoked a dispute over costs between Labor Secretary Ray Marshall and Council of Economic Advisers Chairman Charles L. Schultze. The issue went to the Oval Office, where some cost reductions were ordered.

The cotton-dust standard is being challenged in court as too expensive by the textile manufacturers and as too weak by the textile workers' union. In preparing its case, the union considered trying to invalidate the rule on the grounds that the president acted illegally when he engaged in "ex parte" contacts with the regulators after the close of the public comment period.

The union decided not to raise the issue in its Dec. 15 opening brief, but the first test of presidential authority to intervene in regulatory decisions will come soon. Groups representing the handicapped have threatened to sue if the White House exerts undue pressure on regulators drafting the transit-accessibility rule, for which the public comment period closed on Oct. 20. In fact, White House aides called a private meeting in late November with officials responsible for writing the regulation. They say the purpose was to keep informed of progress, but the Council of Economic Advisers is known to favor major cost-cutting changes in the Transportation Department's proposed rule.

Similarly, the Environmental Defense Fund Inc. is worried that Carter might intervene to weaken proposed standards for controlling ozone levels and emissions from new power plants. Schultze's review group already has recommended a major dilution of EPA's ozone standard, and cost-cutting steps are certain to be proposed over power plant emissions.

Today, it seems, environmentalists and others are ready to sue at the drop of an impact statement, and in this case the environmentalists are particularly well prepared. The Environmental Defense Fund has completed, and sent to various White House officials, a 40-page legal memorandum, arguing that the president has no more authority to intervene in regulatory proceedings after the public comment period has closed than anyone else—unless that authority is explicitly granted him by the statute under which the rule is being written. The brief even suggests that Carter may not be able to fire the EPA administrator should he disagree with his decisions.

Judicial rulings on the extent of presidential power over the regulators soon will decide what Lloyd N. Cutler, a prominent Washington attorney, has called "one of the most important constitutional questions of modern times." Cutler is a member of the American Bar Association's Commission on Law and the Economy, which said in a recent report that presidential authority in the area was ambiguous. The commission recommended legislation to strengthen the president's power over the regulators, saying that the agencies "enjoy an independence from the political process—and from one another—that weakens the national ability to make balancing choices, or to hold anyone politically accountable when choices are made badly or not at all."

White House officials say that such legislation will be among a number of options for strengthening executive control over regulatory decisions that will be put before the president soon. But proposals of this kind would be fiercely resisted in Congress and by the agencies themselves.

And so, for all of Carter's determination to rationalize the growth industry of federal regulation, the dozens of regulatory agencies under his command may well continue to resemble their independent counterparts, which were characterized in a 1937 study as a "headless fourth branch of government."●

SOCIAL SERVICES ENTITLEMENT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Social Services Entitlement Amendments of 1979. This bill amends title XX of the Social Security Act to increase the social services entitlement ceiling and to provide for the reallocation of unused funds from a State's allotment to other States which need additional funds.

Title XX of the Social Security Act provides block grants of funding from the Federal Government to the States at a 75–25 matching rate. It is a general revenue sharing type program that enables the States to determine their own

needs and to structure their social service programs accordingly.

The general emphasis of these programs has been to improve the self-sufficiency of low-income people. Except for protective services, information and referral services, and family planning services, no person with a gross family income higher than 115 percent of a State's median income may receive title XX services.

Among the services States provided with title XX funding are: child day care services; counseling, education and training services aimed at increasing employment of welfare recipients; senior citizen activity centers; homemaker services to enable senior citizens to remain in their own residences; community services for the mentally and physically handicapped; protective services; and family planning services.

In 1975, when the title XX social services program went into effect, the 1972 ceiling of $2.5 billion was maintained for Federal funding. The ceiling was increased by $200 million in 1976 to provide special Federal support for child day care services.

During the 95th Congress, the Fraser-Keys bill, H.R. 10833, was introduced to raise the permanent Federal ceiling on title XX expenditures. I was among the cosponsors of this legislation, which provided for an increase in the entitlement ceiling to $2.9 billion in fiscal 1979, $3.15 billion in fiscal 1980, and $3.45 billion in fiscal 1981 and in each succeeding fiscal year.

The ceiling increases provided in H.R. 10833 were incorporated in H.R. 12973, the Social Services Amendments of 1978. The Social Services Amendments of 1978 passed the House under suspension on July 25, 1978, by a vote of 346 to 54.

Notwithstanding this vote, a multiyear entitlement ceiling increase was not enacted by the 95th Congress. Instead, a 1-year increase was included in the Revenue Act of 1978 (Public Law 95–600). The ceiling for fiscal 1979 was set at $2.9 billion; that is, $2.7 billion for the permanent ceiling plus $200 million for day care services. The administration expects the total Federal share for title XX social services to reach $2.818 billion in fiscal 1979.

Unless Congress acts, the Federal title XX ceiling will revert back to the $2.5 billion level for fiscal year 1980. The administration is assuming in its budget projections that the ceiling will be maintained at an overall level of $2.9 billion for fiscal 1980. This is noted in the appendix to the budget for fiscal year 1980 at page 480:

In 1980, an authorization is requested which would raise the ceiling to $2.9 billion.

The appendix also presents the administration's assumption that the Federal share of social services costs will be $2.850 billion in fiscal 1980.

The bill I am introducing today provides for a higher Federal ceiling than that sought by the administration. While I share the administration's concern that the ceiling should not be permitted to return to the $2.5 billion level, I believe that maintaining funding at the $2.9 billion level fails to account for inflation. It would prevent expansion of programs and would require existing programs to be cut back in the face of rising costs.

My bill would restore the Federal ceiling increases scheduled under the Social Services Amendments of 1978. For fiscal 1980, the ceiling would be $3.15 billion, rather than $2.9 billion—or $2.5 billion, if Congress fails to act. The ceiling would rise to $3.45 billion in fiscal 1981. The $3.45 billion level would be preserved for fiscal years after 1981, unless Congress decided to increase it.

While it is fortunate that a 1-year increased extension was enacted last year, multi-year increased funding should be a priority in this year's legislation. Such an approach to title XX expenditures will permit States and local governments to plan more effectively and to budget with confidence of Federal support.

The Social Services Entitlement Amendments of 1979 also provides for the reallocation of title XX funds not expended by States out of their allotment. Unspent funds would be reallotted among States which reach their ceiling.

The bill I am introducing is unlikely to fund a host of new social services programs. However, the entitlement increases it provides could help to restore some of the purchasing power which social services programs have lost as a result of rising costs hitting the title XX ceiling. As the Ways and Means Committee's report to accompany the Social Services Amendments of 1978 pointed out, title XX funds today can only purchase three-fourths of what they bought in 1972 when the $2.5 billion ceiling on Federal funds was established.

Quite simply, the purpose of the Social Services Entitlement Amendments of 1979 is to enable successful locally oriented programs for senior citizens and lower-income individuals to continue their essential contributions to improve the quality of life in this country. I urge my colleagues to help make an increase in the social services entitlement ceiling an early priority for the 96th Congress.

The bill follows:

H.R. —

A bill to amend title XX of the Social Security Act to increase the entitlement ceiling under the social services program, and to provide for the reallocation of unused funds from a State's allotment to other States which need additional funds

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Services Entitlement Amendments of 1979".

SEC. 2. Section 2002(a)(2)(A)(ii) of the Social Security Act is amended by striking out "and $2,500,000,000 for fiscal years after fiscal year 1979" and inserting in lieu thereof "$3,150,000,000 for fiscal year 1980, and $3,450,000,000 for fiscal years after fiscal year 1980".

SEC. 3. (a) Section 2002(a)(2)(B) of the Social Security Act is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking out "at the earliest practicable date after the commencement of such fiscal year" and inserting in lieu thereof "prior to the commencement of such fiscal year";

(3) by striking out "is greater or less than" each place it appears and inserting in lieu thereof "exceeds or is less than"; and

(4) by adding at the end thereof the following new subdivision:

"(ii) If—

"(I) any State which certified under subdivision (i) that its limitation for any fiscal year is equal to or less than the amount needed by the State (for uses to which the limitation applies) subsequently determines that the amount of such limitation exceeds the amount so needed, or

"(II) any State which certified under subdivision (i) that its limitation for any fiscal year exceeds the amount needed by the State (for such uses) subsequently determines that the amount of such limitation exceeds the amount so needed by more than the amount of the excess so certified,

such State shall certify to the Secretary the amount, or the additional amount, by which the limitation exceeds such need.".

(b) Section 2002(a)(2)(C) of such Act is amended to read as follows:

"(C) If any State certifies—

"(i) in accordance with subparagraph (B)(i) that the amount of its limitation for any fiscal year as promulgated under subparagraph (A) exceeds its needs for such year, or

"(ii) in accordance with subparagraph (B)(i) that the amount of its limitation for such fiscal year as so promulgated exceeds its need for such year or exceeds such need by an additional amount,

then such limitation shall be reduced by the amount of such excess or such additional excess; and the amount of the reduction shall be available for allotment as provided in subparagraph (D), and for reallotment as provided in subparagraph (E).".

(c) The proviso in section 2002(a)(2)(D) of such Act is amended—

(1) by striking out "the amounts made available" and inserting in lieu thereof "the amounts which have been made available as of any time during the fiscal year"; and

(2) by striking out "such amounts as are available" and inserting in lieu thereof "such amounts as have theretofore been made available".

(d) Section 2002(a)(2) of such Act is further amended by adding at the end thereof the following new subparagraph:

"(E) Of the amounts made available pursuant to subparagraph (C)(i) or (C)(ii) for any fiscal year, the Secretary, after making the allotments provided for in subparagraph (D), shall reallot the balance (if any) among the States which certified (pursuant to subparagraph (B)(i)) that the amounts of their limitations as promulgated under subparagraph (A) were less than the amount of their need for such fiscal year. The amount reallotted to any such State for any fiscal year shall bear the same ratio to the total amount available for reallotment under this subparagraph for such year as the amount of such State's allotment (as determined without regard to this subparagraph) bore to the total amount allotted to all States which so certified for such fiscal year (as so determined); except that there shall not their limitations as promulgated under subparagraph an amount which exceeds the difference between such State's allotment (as so determined) and the amount such State

certified it would need for such year pursuant to subparagraph (B). Any amount reallotted to a State under this subparagraph for any fiscal year shall, for purposes of this title, be added to and deemed a part of such State's allotment for such year (as determined without regard to this subparagraph)."

(e) The amendments made by this section shall apply with respect to fiscal years beginning after the date of the enactment of this Act.●

USE MORE CASH TO CURB INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, America is evolving into a Nation of "credit card junkies" hooked on the miracles which their all-purpose cards perform. Just as laboratory animals are trained to respond to the sound of a bell, consumers have learned to grab their favorite piece of plastic when asked that often heard question, "cash or charge?" Currently, there is an average of approximately three credit cards in circulation for every American man, woman, and child. That question, "cash or charge?" is rapidly being replaced by a new inquiry: "which credit card do you wish to use?" What often goes unrecognized is that this obsolescence of cash has had an important impact on the rise in the prices of goods and services.

Inflation has become synonymous with excessive Government spending in the political lexicon, but this has blinded us to other causes of, and possible cures for, the upward spiral of prices. The use of credit cards is one such factor generating inflation. Businesses which accept credit cards are required to pay a certain percentage of each sale to their bank for the privilege of offering instant credit services. So far, merchants have gladly paid his "discount fee" because accepting credit cards has dramatically boosted sales. But this charge has been passed on to consumers in the form of higher prices. Consumers hold a key to curbing these price increases, but until they break the credit card habit, they will be chained to these unnecessarily high charges.

Since 1975, merchants who accept credit cards have been permitted, under the Fair Credit Billing Act, to offer discounts of up to 5 percent to customers paying with cash or checks. Although some highly successful experiments with this discount program have been conducted throughout the Nation, the lack of awareness by consumers and merchants' fears of losing profits have prevented these cash discounts from catching on. If American consumers encouraged the use of cash discounts, it could have the effect of slowing inflation by lowering costs, while simultaneously stimulating the economy by increasing sales.

A significant number of credit card holders use their cards as a convenience, not as a means of borrowing money they do not have. According to a study by the Federal Reserve Board, in 1977, 50 percent of credit card holders were "convenience users," that is, they paid their bills in full at the end of each billing cycle. Sales to these individuals totaled $69 billion, equaling 60 percent of all credit card sales.

In this age of skyrocketing prices, these customers would think twice before using their card if they could realize savings by paying with cash. The explosion of check guarantee cards into the marketplace should also serve to make merchants more comfortable about accepting checks, which are also eligible for discount prices. By offering cash discounts, the costs to businesses go down, and the price of goods follows, thus dampening the fires of inflation. But this will not happen unless consumers, individually and in groups, encourage merchants to offer the discounts. Once a few stores begin to advertise these discounts and attract new customers, their competition will be quick to follow. Cash discounts also allow merchants to develop friendly relations with new and old customers alike, and reduce the burdensome paperwork associated with credit cards.

Consumers need not sit back and look to Washington to slow inflation. Through aggressive, concerted action, they can lower prices by kicking the credit card habit. Next time they shop they should leave their plastic cards at home and use the real thing—cash—once again.●

LEGISLATION TO AMEND HIGHER EDUCATION ACT OF 1965

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, today I am introducing a bill to amend the Higher Education Act of 1965 as it applies to the national direct student loan program and the federally insured State loan program. This bill would allow for deferral of repayment on insured and direct student loans during temporary total disability of a borrower or spouse.

The need for this legislation was brought to my attention by two of my constituents. One was a dental student who, during the summer between his third and fourth years of dental school, was diagnosed as having cancer. The treatments which he required made it impossible for him to return to school in September. These treatments also made it impossible for him to work at any job. In order to finance his first 3 years of dental school he had taken out several student loans through the New York Higher Education Service Corp., a State agency which administered the FISL program in New York. Under the terms of his agreement with the Higher Education Service Corp., terms dictated by the Higher Education Act of 1965, repayment of the principal came due 9 months after the student ceased attending an approved educational facility. Sure enough, 9 months after the last class he was able to attend he was informed that payments in the amount of $82 per month were due. His savings long gone, as a result of the expensive treatments, the still convalescing student was unable to pay the amount due and was left with no choice but to default. The default meant not only that the Federal Government would have to repay the lending institution, but that the following September, when the student was well enough to resume his education, he would be unable to borrow the money to finance his educational expenses.

The second case was one in which the spouse of a cancer patient had to temporarily suspend her work and education in order to care for her ailing husband who, because of the harsh nature of his treatment, was left too weak to care for himself. Finally, the wife received a notice to begin repaying the loans she took to finance her education. However, at that point even the required $42.62 per month payment would have caused a hardship for this couple, which was then living on social security disability payments.

The legislation I am introducing today would help people who find themselves in the same circumstances as did my constituents. This bill would require that all federally insured student loans include the 3-year deferment when the student is able to document that due to personal illness or injury, or illness or injury of a spouse, he or she is unable to attend an approved educational institution or to seek employment, but does expect to be able to do so in the future. There are already provisions in the act to forgive a loan in case of permanent disability. It should, therefore, be stressed that these amendments would not forgive the loans but merely defer their repayment so that the students in these circumstances would not be forced to default and eventually could repay the full loan. The bill would allow the Government to continue to subsidize any interest due on the loans if it was subsidizing the interest while the students was in school. The bill would also make similar changes in the loan agreements made pursuant to the national direct student loan program where a similar set of events could just as easily occur.

As we are all aware, there has been much criticism of these low-interest student loan programs because of reports of widespread student defaults. This bill would reduce the number of defaults and for that reason would actually be less costly for the Government. This bill would protect those students who are unable to work or attend classes, through no fault of their own, from the stigmatizing effect which defaulting on a loan could have on their ability to continue

their education after they or their spouse have recovered.

This bill would benefit both the public pocketbook and the unfortunate student. It would help insure eventual repayment of the loan by the student, and it would be a demonstration that the Federal Government can and will respond to the particular needs of individuals. It is a reasonable, fair, and humane bill. I urge its swift passage.●

ANIMAL POPULATION CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, today I am introducing legislation that will alleviate one of our country's most serious urban problems by providing loans to cities for the construction and initial operation of low-cost spay and neuter clinics.

The problems affiliated with animal population control are steadily increasing in magnitude. Each hour, over 2,000 dogs and cats are born into our country; these animals produce 3,500 tons and 36 million liters of waste daily. Under optimal conditions, one female dog and her offspring can produce 4,400 additional offspring in just 7 years. Of our total dog and cat population, nearly 40 percent are unowned and roam the streets hungry and diseased until they are committed to shelters. The shelters have become inefficient and ineffective, and they are operating at great expense to the taxpayer. The United States spends over $100 million a year destroying unwanted animals.

It is imperative that something be done to stop this unwarranted growth of our pet population, and spaying and neutering are currently the only available methods of decreasing the birth rate of animals. Because of the difficulties in enforcing mandatory sterilization, the only sensible solution is to encourage the operations by lowering the cost.

My bill would provide Federal loans to cities and counties throughout the United States with populations of at least 200,000 persons, to establish and operate low-cost nonprofit clinics for the spaying and neutering of dogs and cats. The maximum loan per city would be $200,000 through a 4-year loan fund of $4 million per year. An education fund of $1 million will be allocated to the training of paraprofessionals to aid veteranarians in clinics. The use of these paraprofessionals will help keep down the overall cost of operating the clinics.

Public spay and neuter clinics have already proven themselves to be successful. Since 1971, the city of Los Angeles has operated a clinic where the service can be obtained for less than $20. Studies of Los Angeles and similar clinics have shown that the long-term savings in the cost of animal control has more than offset the initial cost of establishing the clinic. It has been estimated that after 10 years of operation, the clinics return $6.50 in reduced animal control costs for each dollar invested.

There has been overwhelming public support for this legislation. When I introduced this same bill in the last Congress, I received thousands of letters from citizens and organizations across the country expressing strong support for my efforts. In 1978, the Committee for Humane Legislation conducted a poll of humane organizations throughout the Nation. Of those responding, an overwhelming 81 percent favored loans for the establishment of spay and neuter clinics.

Therefore, I strongly urge my colleagues to support this vital piece of legislation, and to work with me in promoting its prompt consideration and passage in the 96th Congress.●

PRODUCT LIABILITY INSURANCE: IT IS TIME FOR CONGRESS TO ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, I am pleased to introduce today four bills to alleviate product liability problems experienced by businesses across the Nation. In the course of hearings held during the last 2 years by the Subcommittee on Capital, Investment and Business Opportunities, it has become clear that thousands of small businesses nationwide have seen their product liability insurance premiums increase exponentially. Yet, in many cases, these rate increases have been shouldered by firms who have experienced no product liability claims whatsoever.

Last Congress, the subcommittee held 15 days of hearings, and pored over voluminous studies, reports, and position papers. It was assisted in its efforts by the Interagency Task Force on Product Liability, chaired by the Department of Commerce, which provided valuable input in our deliberations. Both the subcommittee and the Interagency Task Force found problems with both the insurance pricing mechanisms and uncertainty in the present status of product liability tort law. Further, since remedies addressed to these difficulties would not impact the problem of excessive rates in the immediate future, both the subcommittee and the task force recommended tax assistance to each businesses' burdens immediately.

Two of the bills being introduced today—the Standards for State Product Liability Tort Litigation Act and the Uniform Product Liability Act—represent the recommendations of the subcommittee and the Interagency Task Force respectively. Both proposals will add greater certainty to tort litigation by harmonizing disparate State product liability laws.

While I do not agree with all the provisions in the Uniform Product Liability Act, it is nevertheless a most thoughtful and carefully drawn proposal. This, together with the Standards for State Product Liability Tort Litigation Act, will provide an excellent vehicle for focusing congressional attention on the formulation of appropriate tort standards.

I am also introducing the Product Liability Tax Assistance Act and the Product Liability Partial Self-Insurance Act. Both of these will permit businesses to deduct amounts set aside, in trust, to pay product liability claims and expenses. Similarly, the first of these follows the subcommittee recommendations, with the latter being a proposal by the Interagency Task Force on Product Liability. While not identical, both bills embody the "product liability trust" approach, which last Congress had the support of over 120 Members. These proposals are being made despite the Revenue Act of 1978 which extends the period for the loss carryback from 3 to 10 years. This extended carryback provision will have virtually no impact whatsoever on alleviating product liability difficulties.

I urge support and early consideration of these proposals by the Commerce Committee and Ways and Means Committee (which has jurisdiction over them).

For further information about the Product Liability Partial Self-Insurance Act, please refer to a section-by-section analysis of this bill in the Federal Register of April 6, 1978, at page 14612 (the bill introduced today contains some minor technical changes from the bill found there, but they are essentially identical). A comparable analysis of the Uniform Product Liability Act can be found in the January 12, 1979, Federal Register beginning at page 2996.

Additional details about the Standards for State Product Liability Tort Litigation Act and the Product Liability Tax Assistance Act follow:

STANDARDS FOR STATE PRODUCT LIABILITY TORT LITIGATION ACT

Subtitle A. These provisions provide that the title may be cited as "Standards for State Product Liability Tort Litigation Act", and set forth Congressional findings.

Subtitle B. These provisions set forth standards for state product liability tort laws. Essentially, each state is required to adopt them within two years; otherwise, the standards shall become law of that particular state.

These standards include the creation of a single product liability cause of action for bodily injuries which distinguishes among liability arising out of a defect in construction (i.e., where a product is not manufactured in accordance with the manufacturer's own specifications), and liability arising out of other unsafe conditions or situations where appropriate warnings or instructions were allegedly not given for defects in construction, liability shall result if the defect proximity causes the injury. In the latter two cases, however, the trier of fact shall be required to balance the foreseeability and seriousness of the injurys proximately

caused, with the utility of the product to society, and the cost to have avoided the risk.

The standards also include a statute of limitations which expires three years after the date of the incident; however, ten years after the product have been in use, the burden of proving liability shall be exclusively upon the plaintiff without benefit of any presumptions.

Further, the standards clarify that the state of the art at the time of manufacture is relevant to the unsafe condition of the product. Moreover, the standards clarify that the court in which a product liability action is pending has the power to appoint its own expert witnesses.

Moreover, the standards provide for pure comparative responsibility. Responsibility is to be apportioned among plaintiff and all defendants.

Work place injuries are treated separately. In the event of a work place injury, the injured employee can continue to sue the manufacturer; however, the recovery in a product liability action shall be reduced by the amount of workers compensation benefits the employee has previously received. Moreover, the workers compensation insurer will no longer be able to recoup from the manufacturer the amount of benefits it paid the injured employee.

Subtitle C. These provisions provide for the review state adopted standards to assure compliance with the federal standards.

Subtitle D. These provisions provide for definitions, and jurisdiction over product liability actions.

PRODUCT LIABILITY TAX ASSISTANCE ACT

These provisions permit a taxpayer engaged in trade or business to deduct cash contributions made to "product liability trust." There is a limitation to the amount of any such deduction to the "fair market value" of product liability insurance for such a taxpayer. The Secretary of Treasury is charged with promulgating regulations to determine fair market value which shall take into account rates charged and quoted by insurers to the taxpayer and comparable firms, as well as a coverage customarily maintained and claims experience of the taxpayer and such firms.

The product liability trust shall be a tax-exempt trust, the corpus and income of which must be used to satisfy product liability claims. The contributors to such a trust are prohibited from using the money for a purpose other than the satisfaction of product liability claims and expenses unless the trade or business ceases and all known product liability claims are satisfied.

Further, the title provides that if the funds ever do revert to the contributor, they shall be taxable at such time. Additionally, the entire scheme is safeguarded by a series of excise taxes. These provisions are similar to those used to insure arms length transactions in the case of employee benefit trust, and provide for taxes on self-dealing, on uses of the funds for other than product liability claims, and on excess contributions.●

PROTECTING THE VICTIMS OF PROPERTY INSURANCE REDLINING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 60 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to help combat the effects of property insurance redlining. This bill would require that State FAIR plans—insurance pools which provide property insurance to victims of redlining—must provide full homeowners coverage in addition to basic fire insurance. I am hopeful that passage of this bill, together with the 1978 law I wrote which requires that FAIR plan rates be no higher than those in the private market, will help stop the widespread building abandonment and neighborhood deterioration which are plaguing our urban areas.

Insurance companies, like banks, practice "redlining"; they refuse to write insurance on properties in particular areas that they consider to be "high risk," even if the properties themselves are in good condition. Such determinations about risk are often arbitrary; they may be based on the racial composition of the neighborhood, the deterioration of some buildings, the economic class of residents, or mere location in the inner city. Redlining may occur in rural areas as well, because many times insurance companies will simply refuse to write policies on homes with low market values.

In 1968, following the urban riots, Congress attempted to address the redlining and insurance availability problems through the Urban Property Protection and Reinsurance Act. This legislation made Federal reinsurance benefits available to insurance companies doing business in States which set up FAIR plans in accordance with Federal guidelines. Twenty-eight jurisdictions subsequently established such plans.

FAIR plans are like assigned risk pools for auto insurance; they provide coverage to property owners who are denied insurance in the private market. Insurance companies contribute to the plans according to the share of property insurance they write in the State. In a FAIR plan, property owners have a right to have their properties inspected and to obtain insurance if their property meets normal safety standards for insurability.

Unfortunately, FAIR plan coverages are almost universally more limited than those offered in the voluntary market. As a rule, the broadest plan coverage provides insurance for losses caused by fire, vandalism, and malicious mischief, and hazards listed under so-called extended coverage—windstorm, hail, explosion, riot and civil commotion, falling aircraft, damage by vehicle, and smoke. However, traditionally the FAIR plan does not offer liability insurance or theft coverage, both of which are obviously critical to homeowners, landlords, and business people. Only Illinois, Massachusetts, Rhode Island, and Wisconsin currently provide for such coverage in their FAIR plans.

Passage of the legislation I am introducing today which requires that all FAIR plans offer a complete homeowners package—including liability and theft protection—will go far toward changing the second-class protection currently available to those who are redlined and forced into the plans. It also should help to save money for consumers in the plans since they will be able to purchase full coverage in package form. Presently, those who are redlined must buy fire insurance separately through the FAIR plan, and then look elsewhere for crime and liability policies. They thereby lose the substantial discount—which can be as high as 20 to 40 percent—available when these coverages are purchased together in package form. In short, plan participants now pay far more for inferior coverage.

Mr. Speaker, the legislation I am introducing today will do much to remedy the abuses suffered by the innocent victims of insurance company redlining. Together with the 1978 law I authored to limit exorbitant FAIR plan rates, this bill would allow those unfortunate enough to be redlined to purchase full insurance coverage at reasonable rates. I urge this legislation's prompt passage.

The text follows:

H.R. —

A bill to amend title XII of the National Housing Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1203 (a)(5) of the National Housing Act is amended to read as follows:

"(5) 'essential property insurance' means insurance against direct loss to property as defined and limited in standard fire policies and extended coverage endorsement thereon, as approved by the State insurance authority, and insurance for such types, classes, and locations of property against the perils of vandalism, malicious mischief, burglary, or theft, as the Secretary shall designate, by rule. Such insurance shall include forms of insurance which are determined by the Secretary, by rule, to be property insurance primarily (notwithstanding that they contain an element of liability or other casualty insurance), such as, but not limited to, homeowners insurance. Such insurance shall not include automobile insurance on such types of manufacturing risks as may be excluded by the State insurance authority;".●

TVA POWER FOR CRITTENDEN COUNTY, ARK.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, I am introducing legislation today similar to that being introduced by my colleague in the Senate, DALE BUMPERS, to remedy an omission in the service area that the Tennessee Valley Authority was mandated to serve in 1959 amendments to the Tennessee Valley Authority Act.

Service area restrictions in that law were made flexible, except that TVA was prohibited from providing service to an area in a State which was not being

served on July 1, 1957. Exemptions were given, however, from this provision to some cities in Kentucky, Georgia, and Tennessee.

My bill adds Crittenden County, Ark., a part of the Memphis standard metropolitan statistical area (SMSA), to the list of exempted areas. It does so, I believe, without overturning the purposes for which restrictions were made in 1959, those being to insure that TVA would not expand its service area to the detriment of private utility companies in the area.

At this time electricity could be generated by TVA into West Memphis through existing power exchange agreements. This legislation will facilitate TVA selling its power without intervening parties.

West Memphis would, indeed, be eligible now for TVA power, except for the State boundaries provision of the 1959 amendments. TVA now can provide service to contingous areas of those already being served.

Mr. Speaker, inasmuch as Crittenden County is considered a part of the Memphis SMSA and is called upon to compete with the metropolitan area in securing industry, so essential to growth, I believe it is nothing less than fair to allow the citizens of this county the same choice in securing utility power at the most reasonable rate.●

BEDELL INTRODUCES LEGISLATION TO ROLL BACK SOCIAL SECURITY TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, the social security tax increases has now gone into effect, and the Congress should do something about it.

According to the Congressional Budget Office, the new tax rates are expected to have the following consequences:

First. A dampening effect on real economic activity over the next 3 years. Real GNP is expected to be two-tenths percent below estimates for 1979, five-tenths percent below for 1980, and as much as nine-tenths percent below for 1982.

Second. An increase in unemployment. The number of jobs to be lost in 1979 is estimated at 100,000, rising to 500,000 in 1982.

Third. An increase in prices. Higher payroll taxes may be expected to add five-tenths percent to the inflation rate this year, and an additional five-tenths percent in 1981.

That is not all. It has also been estimated that 47 percent of the taxpayers making $10,000–$15,000 will experience a net tax increase this year, despite the fact that a tax cut bill was passed in 1978.

Clearly, we ought to rescind this increase in the payroll tax if we can do so without jeopardizing the self-financing base of the social security system. I believe we can. For this reason, I have introduced legislation to roll back the mandated tax increase to the pre-1977 level and keep it there for 7 years so that comprehensive reform of the social security financing system may be devised.

My proposal would accomplish this by removing the disability insurance portion of OASDHI from payroll financing and shifting it temporarily to general revenue funding. Specifically, it would hold the tax rate for employers and employees to 5.85 percent through 1985, after which it would be allowed to rise at a rate lower than that scheduled under the new law. This tactic would preserve the solvency of the old-age and medicare portions of social security for a period of several years, long enough to enable the Congress to institute permanent reform of the social security financing mechanism.

The rate structure of my bill is as follows:

Years	Current law		Bedell bill	
	Employer/employee	Self-employed	Employer/employee	Self-employed
1979	6.05	8.10	5.85	7.90
1980	6.05	8.10	5.85	7.90
1981	6.30	9.30	5.85	7.90
1982–4	6.30	9.35	5.85	7.90
1985	6.30	9.90	5.85	7.90
1986–9	6.45	10.00	6.20	8.58
1990–2010	6.45	10.75	6.55	9.10
2011–	7.45	10.75	6.55	9.10

Although we should theoretically be able to predict how much a disability program will cost, our past experience has been one of large and unexpected increases in the number of beneficiaries. The reason for this is the difficulty encountered in determining what constitutes a disabling impairment for the purpose of establishing eligibility. Whether a given impairment prevents employment depends on characteristics that are specific to each individual situation. As a result, unpredictable program costs such as we have experienced are a constant threat. As a way of dealing with this problem until a permanent solution can be found, we should take advantage of the flexibility afforded by general revenue financing.

The current administration of the disability program, moreover, is badly in need of reform. The State officials responsible for making determinations of disability have never had training that would enable them to evaluate applications in accordance with any standard criteria. The result is that it is easier to qualify for disability in some States than in others. My bill would improve this situation by requiring all State officials to undergo a standard national training program before being allowed to make determinations of disability.

Another problem with current administration of the program is that it encourages prolonged appeal of adverse determinations, because an applicant's chances of ultimately receiving benefits improves significantly if they go through the first few appeal levels. This clogs an already overburdened process and prolongs the period a claimant must wait for a determination of disability. My bill would provide claimants with a personal interview at the first appeal level. This change would provide the official making the determination with more information at an earlier stage, thereby reducing the need for multiple appeals. In addition, my proposal would require HEW to develop updated criteria for identifying disabling characteristics. They should also facilitate the determination process.

Finally, my bill would place an unearned income limitation on disability benefits, which would help insure families having outside income do not receive unneeded assistance. Specifically, disability benefits would be reduced by $1 for every $2 of unearned income a family receives in excess of $6,960. Additional income earned by a member of the disabled person's family would have no effect on benefits.

It should be noted that my bill does not provide for the general revenue financing of the medicare component of OASDHI. Before we could seriously contemplate such an alternative, we must devise an effective way of controlling the spiraling increases in health care costs. I believe that financing the program exclusively through general revenues would greatly reduce the institutional constraints on costs.

I recognize that shifting responsibility for disability insurance to general revenue funding creates its own difficulties. Most importantly, it runs head on into the need to hold down Federal spending. Additionally, general revenue financing weakens the link in the taxpayer's mind between increasing benefits and how to pay for them. While my bill would fund the DI program in this manner, it would impose a measure of financial discipline through the requirement of an unearned income limitation. Additionally, I believe that the Federal income tax is preferable to a payroll tax for raising revenue. It is less regressive than a payroll tax, and has considerably less adverse impact on the ability of employers, particularly

small firms, to retain and hire extra employees. What we need is a short-term guarantee of solvency for the existing disability program, and an alternative to the increased payroll tax. In my opinion, the answer is temporary general revenue funding.

Mr. Speaker, there is widespread sentiment that the 1977 social security tax increase was excessive. While there are compelling reasons for rolling back that increase, we should not lose sight of the long-term need for placing the financing of the social security system on a sound basis. In the meantime, however, we can roll back the tax increase responsibly, and thereby enable ourselves to address the basic issue of permanent reform. I urge my colleagues to give my proposal their consideration and support.●

LEGISLATION TO REDUCE THE HEALTH HAZARDS OF CIGARETTE SMOKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, in 1964 Surgeon General Luther Terry released the historic report of his advisory committee on health and smoking, which warned that cigarette smoking caused lung cancer, chronic bronchitis, and other diseases. That report concluded that "cigarette smoking is a health hazard of sufficient importance to warrant appropriate remedial action."

After the publication of this recommendation, Congress acted to require a cigarette health warning label, and to end all broadcast advertising of cigarettes. However, it is clear that these actions have not been sufficient to reduce the problem of cigarette smoking—54 million Americans continue to smoke 615 billion cigarettes annually, and smoking related illness will kill almost 350,000 Americans this year. In addition, smoking costs the Government $5 to $8 billion each year in health care expenses, and accounts for $12 to $18 billion economic losses through absenteeism and lost productivity and wages.

In the 15 years since the release of the first report on smoking and health, the evidence that cigarette smoking is dangerous has grown from compelling to overwhelming, but Congress has done nothing in over 8 years to limit smoking—the largest single preventable cause of death in the United States.

Congress has a clear responsibility to address this tremendous public health problem by enacting legislation to further discourage cigarette smoking, to protect the rights of nonsmokers, and to reduce as much as possible the danger to those who continue to smoke. In the 95th Congress a number of Members joined me in sponsoring the bills that are described below; I hope that these bills will receive the prompt and thorough consideration they deserve in the 96th:

THE PUBLIC HEALTH CIGARETTE ACT OF 1979

H.R. 281, the Public Health Cigarette Act of 1979, would improve and strengthen the Cigarette Labeling and Advertising Act of 1965 in several key respects.

First, it would strengthen the cigarette warning label in accordance with a recommendation of the Federal Trade Commission (FTC) and in keeping with the latest medical evidence. The new warning would read:

Warning: Cigarette Smoking is Dangerous to Health, and May Cause Death from Cancer, Coronary Heart Disease, Chronic Bronchitis, Pulmonary Emphysema, and Other Diseases.

Second, the bill would require that cigarette tar and nicotine content be printed on every package in both absolute and relative terms. This would enable smokers to shop comparatively for the least noxious product.

Third, the bill would require that all cigarette advertisements carry both the strengthened warning label and information on tar and nicotine content. This provision also follows a recommendation made by the FTC.

Fourth, the present preemption of State action to control cigarette advertising labeling would be repealed. There is no reason why States desiring to enact stringent antismoking laws should not be permitted to do so.

Fifth, the bill would require that cigarettes manufactured in the United States and subsequently exported carry a warning label in the predominant language of the recipient country. At the present time, exported cigarettes need not carry any warning at all. The cigarette industry has a responsibility to warn every smoker, whether American or foreign, of the proven health hazards of smoking.

FEDERAL NONSMOKERS PROTECTION ACT OF 1979

The issue of nonsmokers' rights has gained increasing prominence during the past few years as numerous localities and more than 30 States have enacted laws to protect the nonsmoking majority against air contaminated by tobacco smoke in confined public places.

There are more than 160 million nonsmoking Americans who find themselves breathing the smoke emitted by others in elevators, offices, conference rooms, restaurants, and nearly everywhere else that people congregate. Most Americans who do not smoke consider such involuntary smoking an unpleasant nuisance.

To 30 million Americans with heart conditions, lung disease, allergies, or other particular susceptibility to tobacco smoke, involuntary smoking is not merely annoying; it is dangerous to their health. According to the U.S. Public Health Service:

People with certain heart and lung diseases may suffer exacerbations of their symptoms as a result of exposure to tobacco smoke-filled environments.

Scientific research indicates that sidestream smoke, which is released into the air by a burning cigarette, contains up to 3 times the carbon monoxide, 2½ times the nicotine, and more than 200 times the ammonia of the mainstream smoke which goes into the smoker's own lungs. Scientists have measured carbon monoxide in the air of a smoke-filled room which exceeds the maximum permissible standards set by OSHA for the safety of employees. To again quote the U.S. Public Health Service:

Carbon monoxide generated in a confined area by the smoking of tobacco products reaches excessive, irritating, and potentially hazardous levels.

This is particularly significant because it is difficult to remove carbon monoxide from indoor air. In addition, carbon monoxide at levels occasionally found in smoke-filled environments has been shown to slightly reduce attentiveness and cognitive function.

H.R. 300, the Federal Nonsmokers Protection Act of 1979, would require all Federal agencies to prohibit smoking in their elevators, hallways, conference rooms, reception areas, and areas serving the general public in which the effective separation of smokers from nonsmokers would not be practical. Separate smoking sections would be established in cafeterias, recreation areas, and lounges of Federal buildings.

The most serious difficulty in protecting the rights of nonsmokers is how to deal with smoking on the job. A nonsmoker whose desk assignment is next to that of a smoker is virtually a captive to involuntary smoking. If the nonsmoker is one of the 30 million Americans with particular susceptibility to tobacco smoke, he or she may find the predicament intolerable. This situation exists in thousands of Federal facilities throughout the Nation. Disgruntled employees can ask to be transferred to a different office, but there is no assurance that they will be listened to. I have received numerous complaints from Federal employees who have been forced to resign to protect their health due to involuntary smoking.

H.R. 300 would require Federal agencies to permit nonsmokers to have separate work areas or offices wherever such separation would be practical. A worker submitting medical documentation of particular susceptibility to tobacco smoke would be assigned a separate work area in any event. Moreover, in planning, purchasing, or leasing future workplaces, Federal agencies would have to take into account the need for effective separation of smoking from nonsmoking employees. This provision would serve to protect the health of Federal employees who do not smoke without infringing upon the rights of smokers or placing a large financial burden upon all Federal agencies.

In addition to protecting nonsmokers in Federal facilities, this bill would prohibit smoking in waiting lines, lobbies, and boarding areas of airports, train stations, airport buildings, and bus terminals involved in interstate commerce. Separate smoking sections would be established in the cafeterias and lounges of such facilities. At the present time, Federal regulations limit smoking on airplanes, trains, and buses, but the regulations do not apply to the corresponding station facilities covered by this bill.

H.R. 279

H.R. 279 would enable the Food and Drug Administration to regulate tobacco products under the Food, Drug, and Cosmetic Act of 1938. Specifically, this legislation would allow FDA to promulgate standards for cigarette manufacturing, and establish tolerance levels for toxic substances in cigarette smoke. Enactment of H.R. 279 would insure, at the very least, that safer tobacco products would be available for those who choose to smoke.

Mr. Speaker, over 1 million people have died of smoking-related illness in the 4 years since my no-smoking legislation was first introduced. We should ask ourselves why, over this period, not a single public hearing was held on smoking-related legislation.

The evidence that smoking is the largest preventable cause of death in the United States is incontrovertable. In the coming months, the House must decide whether to continue to ignore this massive public health problem, or to begin to fulfill our public trust. It is my hope that legislation to discourage smoking and protect the rights of nonsmokers will be a high priority of the 96th Congress.●

DANIEL KELLY BEGINS A NEW LIFE IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

● Mr. EVANS of Indiana. Mr. Speaker, I would like to take this opportunity to recognize a very special American citizen and current resident of Indiana's Sixth Congressional District. Daniel Kelly arrived in the United States recently after spending many years hoping for the day he would set foot in his native land. The son of a Presbyterian missionary doctor, Mr. Kelly was born in China and has spent 17 of his 38 years in a Chinese labor camp because he refused to renounce his U.S. citizenship. The recent change in diplomatic relations with China made Mr. Kelly's release possible. But without knowing what the future held in store, Mr. Kelly lived on hope for 17 years that he would one day enjoy freedom in his homeland. He has now been reunited with his family and looks forward to beginning a new life in the United States. Mr. Kelly's faith, determination, and love of country has culminated in a dream come true. I and, I know, the entire House of Representatives extend our heartfelt welcome to him and wish him the best of success as he begins his new life of freedom.●

PRESERVATION OF AMERICA'S HERITAGE ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RICHMOND) is recognized for 5 minutes.

● Mr. RICHMOND. Mr. Speaker, the fabric of our society is strengthened by visible reminders of the historical roots of that society. Among the visible reminders of America's past are the cemeteries, monuments, and historic buildings located in other nations which are associated with the foreign heritage of American citizens.

Many of the cemeteries, monuments, and historic buildings which visibly represent the foreign heritage of present-day Americans are threatened and are in need of protection. These landmarks are in danger of deterioration or destruction, because there are no longer descendants or compatriots in the communities where these landmarks are located, or because of neglect or deliberate actions by the governments of the countries in which the landmarks are located.

I am sure my colleagues have heard the tragic stories of the destruction or neglect of several of these landmarks:

The last remaining wall of the Warsaw ghetto was torn down by the Polish Government in the mid-1970's. The remains of the ghetto lie underneath modern apartment buildings, and all that remains of the wall is a pile of rubble and a shattered monument.

The Soviet monument at Babi Yar in Kiev, where more than 100,000 people, one-half of whom were Jews, were murdered by the Nazis, was not built until the 1970's, and then only because of worldwide public opinion, aroused by the moving verse of the poet, Yevgeny Yevtushenko. A combination of Soviet anti-Semitism and actions by Ukranian officials had previously converted the area into the site for apartment houses and a television transmitter.

Many of Czechoslavkia's Jewish cemeteries have been designated for other uses. The Slovakian Jewish community's 3,500 remaining members were unable to save them. In 1976, six cemeteries were officially listed for demolition, and descendents in the West and in Israel claimed they were given insufficient notice to arrange for reburial of their relatives.

In a November 22, 1977, article in the Washington Post, Richard Cohen wrote of his search for firsthand information about his grandparents in Ostroleka, Poland. He closed his article on a poignant note:

Now the old man is saying that the construction that has taken the cemetery is also going to take his house. He worries about what kind of apartment he will be given and then he returns to the topic of the cemetery. He said a woman complained about conditions there. She was an old woman and she had gone to Communist Party headquarters in the town and she said that something should be done about the cemetery that bones were turning up and the children were playing with them. Something was done and for a while the place was cleaned up.

Outside it was raining and outside it had turned windy and cold. It was dark and unlighted out by the cemetery and so we stepped in puddles and slipped in the mud and finally made it back to the town. Now we had a person to look for—the woman who had complained about the cemetery. She must be very old and she must know things about the town and about the square where my grandparents once lived and maybe something about them. We went off looking for her. The old man had been very specific.

She was the last Jew in the town.

Mr. Speaker, the graves and monuments of our ancestors in foreign lands are worthy of great reverence and respect, for they serve as a reminder of the contributions of those men and women, not only to their own country, but to the foreign heritage of the United States as well.

When these visible reminders of our foreign past are destroyed or allowed to deteriorate, it is a cause for profound sadness among the descendants and compatriots in America whose roots are obliterated.

I have introduced legislation, H.R. 657, to establish a commission for the preservation of America's heritage abroad. This Presidential Commission will be responsible for identifying threatened cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of U.S. citizens. In addition, the Commission will publicize the names and locations of these landmarks. Most importantly, the Commission, in cooperation with the State Department, will obtain assurances from the involved foreign governments that the cemeteries, monuments, and historic buildings will be preserved and protected.

I urge my colleagues to join me in support for this measure which will help preserve America's heritage in foreign nations. The text of the bill follows:

H.R. 657

To establish a commission to identify, designate, preserve, and protect cemeteries, monuments, and historic buildings which are located abroad and which are associated with the foreign heritage of United States citizens.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

SEC. 2. There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter" in this Act referred to as the "Commission").

SEC. 3. The Commission shall—

(1) identify cemeteries, monuments, and historic buildings which are located abroad and which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) designate such cemeteries, monuments, and historic buildings which are associated with the foreign heritage of United States citizens by such means as publishing a list of the cemeteries, monuments, and buildings;

(3) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by such means as, in cooperation with the Department of State, obtaining assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(4) sponsor or otherwise support demonstration projects to help preserve and pro-

tect such cameteries, monuments, and historic buildings; and

(5) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings.

SEC. 4. (a) The Commission shall consist of five members appointed by the President.

(b) Members shall be appointed for terms of three years except that—

(1) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(2) a member may retain membership on the Commission until the member's successor has been appointed.

(c) The President shall designate the Chairman of the Commission from among its members.

(d) The Commission shall meet at least once every three months.

SEC. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) Subject to the availability of appropriations, while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

SEC. 6. (a) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(b) Subject to the availability of appropriations, the Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332(a)).

(c) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

SEC. 7. (a) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(b) The Commission may accept, use, and dispose of gifts or donations of money or property.

(c) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 8. The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

SEC. 9. This Act shall take effect on October 1, 1979.●

□ 1505

WEBER CASE MAY ALTER JOB AFFIRMATIVE ACTION

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CONYERS. Mr. Speaker, on December 11, 1978, the U.S. Supreme Court agreed to review the case of Kaiser Aluminum and Chemical Corp., et al. against Weber. Although ostensibly an employment case, Weber involves discrimination questions similar to those addressed in the Bakke case. In fact, most legal opinions hold that this case may have potentially a far more sweeping impact than Bakke.

The key question, once more, is the appropriate use of race/ethnicity in voluntary affirmative action efforts. Unlike Bakke, Weber directly addresses voluntary affirmative action efforts.

In 1974, the United Steelworkers of America (USWA) voluntarily initiated a national program to mitigate the effects of historic racial discrimination within selected industries. The program sought to negotiate collective bargaining agreements which would offer minority workers, mainly in the steel, aluminum, and can industries, the opportunity to fill half of all vacancies in craft-training programs via affirmative action efforts. Program implementation was predicated on an agreement that it would continue until disproportional underrepresentation of minorities within these industries was dissolved.

The Weber litigation arises from an employment dispute within the Kaiser Aluminum Plants in Gramercy, La. In 1974, Gramercy, La., had a population of 46 percent black; its work force was 39 percent black. However, the Kaiser Plant in Gramercy had a work force 15 percent black. Only 5 of the 290 skilled jobs were filled with blacks.

Pursuant to a nationwide agreement between Kaiser and the USWA, Kaiser's Gramercy Plant implemented the affirmative action agreement by setting aside 50 percent of the openings in three craft-training programs for bidding among blacks. The program selection was determined on the basis of plant seniority. Thirteen craft-training positions were created at the Kaiser, Gramercy Plant; seven blacks and six whites filled the available slots.

Brian Weber, who is white, applied for one of the openings; he was denied a position and sued on behalf of himself and other white workers on the grounds that two of the blacks accepted had less seniority at the plant. Weber prevailed in the U.S. district court and was upheld on appeal in the Fifth Circuit Court of Appeals. The case is now before the Supreme Court.

The pursuit of racial equality in this country is at a crossroads; and it is up to the Supreme Court to chart the future course. Either the Court will reverse the majority decision—as amici in the brief that follows strongly urge—and allow this country to move forward toward racial equality, or the Court will affirm that lower court's decision and permit backsliding to an earlier era.

The brief follows:

[In the Supreme Court of the United States, October term, 1978, Nos. 78-432, 78-435, and 78-436]

BRIEF AMICI CURIAE OF THE AFFIRMATIVE ACTION COORDINATING CENTER; THE CONGRESSIONAL BLACK CAUCUS; THE NATIONAL CONFERENCE OF BLACK LAWYERS; THE NATIONAL LAWYERS GUILD; THE CENTER FOR CONSTITUTIONAL RIGHTS; THE CENTER FOR URBAN LAW, ET AL.

(United Steelworkers of America, AFL-CIO-CLC, *Petitioners*, v. Brian F. Weber, et al., *Respondents*. Kaiser Aluminum & Chemical Corporation, *Petitioner*, v. Brian F. Weber, *Respondent*. United States of America and Equal Employment Opportunity Commission, *Petitioner*, v. Brian F. Weber, et al., *Respondents*.)

INTEREST OF AMICI CURIAE

The 63 national and local organizations which have joined as *amici curiae* in this brief represent many sectors of American society—civil rights groups, church groups, bar associations, rank and file labor groups, labor unions, political groups, women's organizations, community groups, and other organizations concerned with the public interest. They have done so from a mutual deep concern that the reversal of the *Weber* case is of vital importance to all affirmative action programs across the country.

These groups share a belief that over 200 years of discrimination on the basis of race, sex and national origin has resulted in freezing non-whites and women out of jobs, skills training, and promotional opportunities. Affirmative action has proven to be in many instances the only effective tool towards alleviating the still pervasive badges and incidents of slavery in American society. Any cut-backs in affirmative action programs and the underlying commitment which they represent will result in continuing the injustices described in this brief.

INTRODUCTION AND SUMMARY OF ARGUMENT

The pursuit of racial equality in this country is at a crossroads. It is the pivotal function of this Court to chart the proper course. Either this Court will reverse the majority decision (as *Amici* will strongly urge herein) and allow this country to move forward toward racial equality, or this Court will affirm the lower court's decision and precipitate a return to an earlier era.[1]

This case has striking parallels to the *Civil Rights Cases* of 1883, 109 U.S. 3 (1883). Speaking for the majority in the *Civil Rights Cases, supra*, Justice Bradley stated that there must come a time when the newly freed slave "takes the rank of mere citizen and ceases to be the special favorite of the laws." 109 U.S. at 25. Given the oppressive conditions facing the newly freed slaves, this transformation of civil inequality into formal legal equality is a remarkable example of judicial legerdemain. It contributed to what, in *Bakke*, Justice Powell called the virtual strangulation of the Equal Protection Clause in its infancy by "post-war judicial reactionism." *Regents of the University of California* v. *Bakke*, —— U.S. ——, 98 S. Ct. 2733, 2749 (1978). It also led to the relegation of the freedmen into "second class citizenship," as Justice Harlan prophesied in his dissent in the *Civil Rights Cases*.[2] The social and political consequences of that abandonment cast a well-documented shadow that is still lengthening over this nation's history.

Footnotes at end of article.

In a very real sense, this Court is challenged to meet its historic responsibilities to enforce the written Constitution. The Bradley Court rewrote history and ignored social reality. This Court must not repeat the same tragic errors.

This Court must not construct a judicial rationale for the abandonment of affirmative action by pretending that equality for racial minority has been achieved. The Court must grasp the mettle",[3] and acknowledge the truth of what Justice Marshall said in *Bakke:*

"The position of the Negro today in America is the tragic but inevitable consequence of centuries of unequal treatment. Measured by any benchmark of comfort or achievement, meaningful equality remains a distant dream for the Negro. . . ." 98 S. Ct. at 2802.

Affirmative action programs for Blacks and other racial minorities are not preferential treatment or "reverse discrimination", but rather a step toward the reversal of discrimination.

The majority ruling in the *Civil Rights Cases* is explicable only in view of the hostility of most whites toward the newly freed slaves. *Amici* fear that such conditions as inflation, unemployment, and a contracting economy, could serve as a politically expedient excuse for the betrayal of the constitutional promise of equality for racial minorities. That promise was renewed after the angry outbursts of Watts, Newark, and Detroit, which marked to date has been known as the "Second Reconstruction." It may be politically expedient for the government and the courts to refuse to face the qualitatively different and harsher realities of institutionalized racism still facing Blacks and other racial minorities.[4]

In this historically significant case, which may have an adverse impact on millions of minorities and women, the issues go beyond the mechanical interpretations of the anti-discrimination principle within Title VII and Executive Order 11246. Neither of these was promulgated in a vacuum. Both were born out of the great social upheavals of the late fifties and early sixties that followed the Court's historic decision in *Brown* v. *Board of Education*, 347 U.S. 483 (1954).

In a very real sense, Title VII and the Executive Order were passed and promulgated to fulfill the broken promises of the Civil War Amendments, in particular, the Thirteenth and Fourteenth Amendments.[5] The rights created by Title VII and the Executive Order for minority and white citizens must be interpreted in this context.

Only by acknowledging the national commitment to racial equality created by the Wartime Amendments, particularly the Thirteenth Amendment, can this Court put into the proper perspective the personal and class rights that Respondents assert were violated. Since this case involves actions of private parties in private employment decisions, of necessity it involves a reexamination of the Thirteenth Amendment, which the total Court in the *Civil Rights Cases, supra*, recognized as giving Congress and all the coordinate branches of government the power to directly and primarily enforce.

Amici contend that the actions taken by Kaiser and the United Steelworkers were fully protected by the Thirteenth Amendment, and that Respondents have no rights which contravene the rights of minorities protected by the Thirteenth Amendment.[6]

ARGUMENT

I. The thirteenth amendment protects efforts to overcome badges and incidents of slavery.

By 1883, the implementation of the Thirteenth and Fourteenth Amendments had come full circle. The Reconstruction Congress, which passed these amendments and the sweeping legislation designed to protect the civil and political rights of freedmen, had been decimated by the elections of 1876 and the Compromise of 1877. The newly freed slaves enjoyed few, if any, of the rights allegedly guaranteed to them. Indeed, they faced conditions similar to those they had suffered in slavery.

In 1883, several constitutional challenges to the Civil Rights Act of 1875, which prohibited discrimination in public accommodations or public places of amusement came before the Supreme Court. In the *Civil Rights Cases* of 1833, *supra*, the Court had to answer a fundamental question: Did Congress have the power to pass legislation to enforce all of the substantive rights mandated by either or both the Thirteenth and Fourteenth Amendments?

The Court's answer reflected the times. Chief Justice Bradley, writing for the majority, created the "state action" doctrine and disposed of the Fourteenth Amendment as a meaningful provision to vindicate the rights of the newly freed slaves. He wrote that the Fourteenth Amendment's enforcement powers only allowed congressional action that was secondary and corrective of discriminatory state actions. By implication, substantive rights, guaranteed by the Fourteenth Amendment, could not be protected unless affected by state action.

A. In the *Civil Rights Cases* of 1883, the Entire Court Agreed That The Thirteenth Amendment Was Designed To Abolish Slavery as well as its Badges and Incidents. The Bradley Majority Disagreed With Harlan On The Nature of Such Badges and Incidents.

Justice Bradley found that the Thirteenth Amendment was not restricted to the mere prohibition of discriminatory action:

"By its own unaided force and effect it abolished slavery, and established universal freedom. Still, legislation may be necessary and proper to meet all the various cases and circumstances to be affected by it, and to prescribe proper modes of redress for its violation in letter or spirit. And such legislation may be primary and direct in its character; for the amendment is not a mere prohibition of state laws establishing or upholding slavery, but an absolute declaration that slavery or involuntary servitude shall not exist in any part of the United States. *Civil Rights Cases, supra,*" 109 U.S. at 20.

In addition, Justice Bradley held the Thirteenth Amendment to have a "reflex character, establishing and declaring civil and political freedom throughout the United States." *Id.* He assumed that Congress was clothed with "the power to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States." *Id.*

Justice Harlan fully agreed with this characterization. His vehement dispute was with how to define and what constituted the badges and incidents of slavery. For Justice Bradley, the badges and incidents of slavery were limited to those legal disabilities imposed on slaves—such as not having the right to sign and enforce a contract, or purchase and inherit property—the literal trappings of human bondage.

Justice Harlan understood "badges and incidents" to refer to all discrimination on account of race. He believed that the Thirteenth Amendment gave Congress the power to legislate against those discriminations—

"I do hold that since slavery, as the court has repeatedly declared, was the moving or principal cause of the adoption of that amendment and since that institution rested wholly upon the inferiority, as a race, of those held in bondage, their freedom necessarily involved immunity from, and protection against, all discrimination against them, because of their race, in respect of such civil rights as belong to free men of other races. Congress, therefore, under its express power to enforce that amendment, by appropriate legislation, may enact laws to protect that people against the deprivation, *on account of their race*, of any civil rights enjoyed by other free men in the same state." 109 U.S. at 36.

Justice Harlan further reminded the Court of its position nine years earlier in the *Slaughter House Cases*, 109 U.S. at 36-37. The Court had disapprovingly characterized certain state laws restricting the right to contract of people of African descent. These laws excluded them from many "occupations of gain" and prevented them from freely traveling. The Court said that this: "imposed upon the colored race onerous disabilities and burdens; curtailed their rights in the pursuit of life, liberty, and property to such an extent that their freedom was of little value." *Id.* at 37.

There was no doubt that such laws contravened the Fourteenth Amendment. As to the Thirteenth Amendment, Justice Harlan rhetorically asked:

"Can there be any doubt that all such legislation might have been reached by . . . [direct] power to enforce the thirteenth amendment? Would any court have hesitated to declare that such legislation imposed badges of servitude in conflict with the civil freedom ordained by that amendment?" *Id.*

Only Justice Harlan gave a meaning to the concept of badges and incidents of slavery that gave substance to the Thirteenth Amendment as a charter "declaring civil and political freedom throughout the United States." 109 U.S. at 20.

B. Justice Harlan's Broad Understanding of What Were Badges and Incidents of Slavery Was Based On His Belief That the Thirteenth Amendment Overruled the Theory of Racial Inferiority Enunciated in the *Dred Scott* Opinion.

Justice Harlan had understood from "repeated declarations" by the Court that the Thirteenth Amendment was enacted to abolish an institution that *"rested wholly upon the inferiority as a race, of those held in bondage"*. From this he concluded that discrimination based on theories of racial inferiority was a substitute for slavery and as such, a badge and incident of slavery. 109 U.S. at 39.

Central to this conclusion was his view that the passage of the Thirteenth Amendment completely overruled the infamous opinion in *Dred Scott* v. *Sanford*,[7] 60 U.S. 393 (1856).

Thirty years later, Justice Harlan paraphrased Chief Justice Taney's odious characterization of the Negro race in that case:

". . . '[T]hey had for more than a century before been regarded as beings of an inferior race, and altogether unfit to associate with the white race, either in social or political relations and so far inferior that they had no rights which the white man was bound to respect, and that the negro might justly and lawfully be reduced to slavery for this benefit;' That he was 'bought and sold, and treated as an ordinary article of merchandise and traffic, whenever a profit could be made by it;' and that 'this opinion was at that time fixed and universal in the civilized portion of the white race. It was regarded as an axiom in morals as well as in politics which no one thought of disputing, or supposed to be open to dispute; and men in every grade and position in society daily and habitually acted upon it in their private pursuits, as well as in matters of public concern, without for a moment doubting the correctness of this opinion." 109 U.S. at 31.

For Justice Harlan, the Thirteenth Amendment outlawed all the badges and incidents

Footnotes at end of article.

of slavery that were based on the racial inferiority and white supremacy theories enunciated in *Dred Scott, supra*. The Bradley opinion failed to even mention or acknowledge this fact.

C. A Majority of the Supreme Court Adopted Justice Harlan's Formulation of the Badges and Incidents of Slavery in *Jones* v. *Alfred H. Mayer Co.* and *Runyon* v. *McCrary*.

In *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409, 438 (1968), a majority of the Supreme Court reminded the nation that "'[b]y its own unaided force and effect', the Thirteenth Amendment 'abolished slavery and established universal freedom.'"[8]

Writing for the majority, Justice Stewart ruled that "racial discrimination which herds men into ghettos" is a "relic of slavery" prohibited by legislation passed pursuant to Section 2 of the Thirteenth Amendment, 392 U.S. at 442–3.

The Court did more than say that the Thirteenth Amendment protected Blacks and other racial minorities[9] from purely private racial discrimination in the sale of property. To a large degree, the Court embraced the broad Harlan analysis of the rights created and protected by the Thirteenth Amendment. In the courageous language of Justice Stewart, the Court pointed out:

"Just as the Black Codes, enacted after the Civil War to restrict the free exercise of those rights, were substitutes for the slave system, so the exclusion of Negroes from white communities became a substitute for the Black Codes. And when racial discrimination herds men into ghettos and makes their ability to buy property turn on the color of their skin, then it too is a relic of slavery. Negro citizens, North and South, who saw in the Thirteenth Amendment a promise of freedom—freedom to 'go and come at pleasure' and to 'buy and sell when they please'—would be left with 'a mere paper guarantee' if Congress were powerless to assure that a dollar in the hands of a Negro will purchase the same thing as a dollar in the hands of a white man. At the very least, the freedom that Congress is empowered to secure under the Thirteenth Amendment includes the freedom to buy whatever a white man can buy, the right to live wherever a white man can live. If Congress cannot say that being a free man means at least this much, then the Thirteenth Amendment made a promise the Nation cannot keep." 392 U.S. at 441–443.

These words are remarkably similar to those of Justice Harlan in his dissent in *Plessy* v. *Ferguson*, 163 U.S. 537 (1896). Much of the argument in *Jones* was reinforced by the majority in *Runyon* v. *McCrary*, 427 U.S. 160 (1976):

"The statutory holding in *Jones* was that the '[1866] Act was designed to do just what its terms suggest: to prohibit all racial discrimination, whether or not under color of law, with respect to the rights enumerated therein—including the right to purchase or lease property.' 392 U.S. at 436, 88 S. Ct., at 2201. One of the 'rights enumerated' in § 1 is 'the same right . . . to make and enforce contracts . . . as is enjoyed by white citizens. . . .' 14 Stat. 27. Just as in *Jones* a Negro's § 1 right to purchase property on equal terms with whites was violated when a private person refused to sell to the prospective purchaser solely because he was a Negro, so also a Negro's § 1 right to 'make and enforce contracts' is violated if a private offeror refuses to extend to a Negro, solely because he is a Negro, the same opportunity to enter into contracts as he extends to white offerees." 427 U.S. at 170.

Both *Jones, supra* and *Runyon, supra* reestablished the proper role of the Thirteenth Amendment in helping this nation overcome its legacy of slavery and racism. In much the same way that the racial exclusion of Blacks from white neighborhoods is a relic of slavery, so is the virtual exclusion of Blacks and other non-white minorities from the skilled trades a badge and incident of slavery. Just as in *Jones, supra*, where the Court found that 42 U.S.C. § 1982 protects Blacks and minorities from racial discrimination in the sale or lease of private housing, so does the Thirteenth Amendment protect efforts by parties that are designed to overcome and abolish the badge of slavery manifested by the current underrepresentation of minorities in the skilled trades.

II. Institutional discrimination against racial minorities as currently manifested in their disproportionate underrepresentation in the skilled trades is a badge and incident of slavery.

A. Institutional Discrimination Against Racial Minorities In The Skilled Trades Continues Through The Present.

Amici use the phrase "institutional discrimination"[10] against racial minorities to refer to the phenomenon whereby this nation's institutions almost reflexively grant advantages to whites and impose disadvantages upon Blacks and other racial minorities. Institutional discrimination against racial minorities continues to flourish in the "skilled trades," even though some progress has been made as a result of Executive Order 11246 and Title VII. In May, 1976, the United States Commission on Civil Rights (hereinafter Civil Rights Commission) issued a report entitled *The Challenge Ahead: Equal Opportunities in Referral Unions*. This report (hereinafter referred to as the Report) is of particular relevance in this case because it is the referral unions, particularly the building trades unions, which have historically provided training for trade craftsmen. Further, it was these referral unions that Kaiser apparently relied on to refer trained craftsmen to them in Gramercy prior to the institution in 1974 of the training program at issue in this case.

The Civil Rights Commission found in its examination of the statistics in the 1974 EEO–3 reports of 15 major building trades unions that, at most, minorities constituted 6.2% of the journeymen working in the construction industry in 1972, and more likely only 5.5%.[11] In view of the time required to complete an apprenticeship program, usually two to four years (Report at 53), it is unlikely that these statistics had changed significantly by 1974, when Petitioners, Kaiser Aluminum and the United Steelworkers, negotiated the contract provision challenged herein. It is also safe to state, as did the Civil Rights Commission in 1976, that:

"[T]he percentages of minorities . . . among journeymen in the construction industry are extremely low, whether compared with population or relevant labor force statistics." Report at 52.

The Civil Rights Commission concluded that the "extremely low" percentages of minorities within the construction inustry resulted from two sources: (1) overt discrimination and (2) institutional discrimination. Such overt discriminatory practices included, among other things, "white only" clauses in many union constitutions until the mid-1960's and exclusion of minorities from participation in apprenticeship examinations. The Report recognized that while overt discrimination is not as "widespread as it once was, it is far from uncommon" (Report at 92) and that although a few "progressive locals" have made the entry of racial minorities a "relatively routine matter" *id.*, the most common form of discrimination which accounts for the continued exclusion of racial minorities is the use of seemingly neutral practices that disproportionately exclude them.

As for institutional discrimination, the Report states:

"Institutional discrimination occurs when policies and practices used in selecting apprentices and applicants for membership and employment have an adverse impact on minorities and women, even when these policies and practices are not intentionally applied in a discriminatory manner. The adverse effect these policies and practices have on minority groups may have been caused by the past intentional discriminatory policies of a union or by economic, educational, and social disparities in the society. Whatever the cause, the effect is exclusion from employment." Report at 64.

The Report identified, and discussed at length, four common institutional practices within building trades unions which have caused the virtual exclusion of significant numbers of racial minorities: (1) membership selection practices; (2) restrictions on the size of membership; (3) methods of recruitment; and, (4) examinations. Report at 65–92.

In summary, the Civil Rights Commission concluded:

"The effect of intentional and direct employment discrimination in the building trades continues to be severe. The proportion of unions that neither discriminate directly nor intentionally or that do not continue to use widely practiced institutional mechanisms that adversely affect the employment opportunities of minorities and women is unfortunately quite small." Report at 94.

B. The Current Disproportionate Underrepresentation of Minorities in the Skilled Trades Reveals Past and Continuing Legal Disabilities on the Rights of Minorities to Contract in Violation of 42 U.S.C. § 1981.

If today, minorities make up close to 20% of the nation's population, but make up only 5.5% of the journeymen in the skilled building trades, it is only logical to state that some mechanism has been operating to cause and perpetuate this disproportionate underrepresentation.

Amici will not repeat here the history of the exclusion of minorities from the skilled trades.[12] *Amici* would point out that such disabilities as "white only" clauses in skilled trade unions' constitutions, the exclusion of minorities from taking journeymen's exams, or the exclusion of minorities from hiring halls[13] severely impaired minorities' rights to contract for jobs in the skilled trades.

Even Justice Bradley, in the *Civil Rights Cases, supra*, conceded that placing burdens on the making of contracts was an "incident of the institution" of salvery that Congress identified and outlawed by passing the Civil Rights Act of 1866 (42 U.S.C. § 1981). Although after 1883, this Act was no longer used by the courts to vindicate the rights of minorities (thus discouraging actions to enforce it), there can be no doubt that massive and unanswered violations of its provisions occur daily. If the 1866 Civil Rights Act, which was not "rediscovered" as a basis of jurisdiction for employment discrimination until *Johnson* v. *Railway Express Agency*, 421 U.S. 454 (1975), had been consistently enforced over the years so as to invalidate racially motivated refusals to contract for skilled trades jobs, or enforced so as to have fought craft unions that placed obstacles in the way of minorities' rights to join the unions, the current underrepresentation would most likely not be as extreme as it is today and affirmative action would not be necessary. This identifiable incident of slavery still perpetuates the underrepresentation of minorities in the skilled trades.

III. The constitutional context in which title VII and Executive Order 11246 must be interpreted is one which effectuates the mandate of the thirteenth amendment to eradicate the badges and incidents of slavery.

A. Executive Order 11246 and Title VII

Footnotes at end of article.

Cannot Be Read to Contravene the Dictates of the Thirteenth Amendment.

Although Title VII was not passed pursuant to the Thirteenth Amendment, the time-honored principles of this country's constitutional government require the courts to interpret all statutes and executive orders consistently with the provisions of the Constitution. If a statute or executive order is inconsistent with any portion of the Constitution, or if it is applied in such a manner as to be inconsistent with the Constitution, then it cannot stand. *Marbury* v. *Madison*, 5 U.S. 103 (1803).

Title VII, therefore, cannot be constitutionally interpreted by this Court unless the interpretation is consistent with every asaspect of the Constitution, which involves the mandates of the Thirteenth Amendment. Similarly, under Executive Order 11246, the Presidential power to further federal interests in the procurement of goods or services also must be consistent with the Constitution, including the mandates of the Thirteenth Amendment.

Furthermore, the Thirteenth Amendment is self-executing. It requires no implementing legislation for its enforcement.

"By its own unaided force and effect, the Thirteenth Amendment abolished slavery, and established universal freedom." *Civil Rights Cases, supra, Jones* v. *Alfred H. Mayer Co., supra* at 438.

Because the Thirteenth Amendment is self executing, it becomes automatically the context within which civil rights legislation must be interpreted.[14]

Because the interpretation of Title VII and Executive Order 11246 advanced by the courts below hinders the achievement of the Thirteenth Amendment objective to eliminate the badges and incidents of slavery, it cannot be sanctioned by this Court. That interpretation must be rejected.

B. When Read Consistent With the Thirteenth Amendment, Title VII and Executive Order 11246 Encourage Efforts to Overcome the Badges and Incidents of Slavery.

Title VII creates rights for all persons to be free of employment discrimination based on race, color, religion, sex, or national origin. This principle, and its parallel in other civil rights laws, did not emerge on the legal landscape merely because of abstract notions of natural justice. Title VII was passed against a factual backdrop of an aroused citizenry no longer tolerant of systematic, pervasive, and unabashed discrimination against the descendants of this nation's slaves. Although the race relations of this country have undergone some positive changes in response to the great push for civil rights in the 1960's, overt racism still persists; covert racism is still widely practiced; and relatively pervasive basic ignorance of the realities of racism still flourishes. The effects of continuing white supremacist attitudes and practices are all too apparent in any review of the social and economic indicators of equality.[15]

The concept of affirmative action has developed as a critical theory for moving the nation beyond a mere commitment to nondiscrimination to a means for remedying the many current expressions of this nation's history of slavery, white supremacy, and racial discrimination. Affirmative action programs are remedial tools responding directly to this historic, negative, and stigmatic use of race.

The ruling of the court below denies this history. Its premise is that all discrimination is the same, despite the historical reality to the contrary. All discrimination is not the same. White people simply have not, do not, and will not suffer from the affirmative use of race in ways which should cause this Court to restrict racial affirmative action programs.

Footnotes at end of article.

Amici contend that while Respondents have rights under Title VII and Executive Order 11246,[16] Respondents' rights do not outweigh the constitutional protection afforded the Petitioners pursuant to the Thirteenth Amendment to implement the affirmative action plan challenged herein. Contrary to the demands of the Thirteenth Amendment, the court below would interpret Title VII to forbid voluntary effective measures aimed at eliminating the "badges and incidents of slavery." It would make voluntary race conscious devices designed to end the overrepresentation of whites in preferred areas of employment unlawful. It would make the voluntary efforts to build a new system free of the institutional racial discrimination which today dominates employment relations in this nation illegal.

It is the need to undo the badges and incidents of slavery which provide the basis and justification for reconciling the competing principles argued by the parties in this case. On the one hand, all people have the right not to be discriminated against on the basis of race; on the other hand, this nation is constitutionally committed to eliminating the still pervasive effects of slavery. To achieve this end, Petitioners must be permitted to use race in affirmative ways to effectuate the goal of the Thirteenth Amendment.

C. The Interpretation of Title VII and Executive Order 11246 by the Court Below Defeats Rather Than Effectuates the Mandate of the Thirteenth Amendment.

(1) The court improperly searched for villians and victims.

The trial court below erred in making two assessments: (1) that those who would participate in the benefits of affirmative action programs must show that they have been victims of past discriminatory conduct by the proponents of the affirmative action plan, and (2) that the proponent of an affirmative action plan using race as a criterion must reveal itself as a "villian" in the past by demonstrating evidence of its prior practice of racial discrimination. These conclusions of the court below evade the purposes of the Thirteenth Amendment.

This Court has properly identified two different but interrelated purposes of Title VII. *Albemarle Paper Co.* v. *Moody, supra*, 422 U.S. at 417–18, 421; *Franks* v. *Bowman*, 424 U.S. 747, 767, n. 27, 771 (1976). The first and primary purpose is "prophylactic," designed to encourage employers and unions to change any and all of their employment practices that create barriers to equal opportunity. The second purpose is compensatory, and allows individuals to be "made whole" for specific violations of the law.

The prophylactic purpose emphasizes the eradication of *conditions* caused by barriers to equal opportunity. The "make whole" purpose stresses the rights of identified *victims*.

As Justice Stewart recognized in *Albemarle, supra*, the threat of "make whole" remedies provides a spur or catalyst to the achievement of the prophylactic objective of Title VII. Conversely, if prophylactic measures are taken, discriminatory conditions will have been eliminated so that fewer individuals will need to be made whole. This case involves voluntary action, spurred by the threat of "make whole" remedies, pursuant to the prophylactic purposes of Title VII.

Title VII of the 1964 Civil Rights Act promotes the adoption of voluntary remedial affirmative training hiring and promotional schemes. Courts have ordered affirmative action under Title VII, including race conscious temporary remedies, such as preferences, goals and timetables in hiring and promotion.[17] Consent decrees approved by the courts have also included such provisions.[18] Further, the determination that affirmative action is also required under Executive Order 11246 and conciliation agreements under Title VII of the Civil Rights Act has been given the approval of the courts.[19] And, in applying the intent and purposes of Title VII and Executive Order 11246, recognition has been given to the appropriateness of a group remedy. The validity of a group remedy, in contrast to a requirement that a prospective beneficiary of an affirmative action program establish that he has been the victim of past racial discrimination at the hands of the sponsor of the program is not without justification.[20]

Indeed, the Wartime Amendments, including the Thirteenth, have been construed to transcend the limitations of race.[21] It is virtually undeniable that race and the concommitant notions of inferiority—with regard to Blacks—was a vital underpinning of the institution of slavery. The effects of racial discrimination were imposed upon the injured parties as a group. Race was the sole determining factor. It was race and race alone that was responsible for the underrepresentation of Blacks and other racial minority groups in the specialized crafts.[22] Therefore, if the effects of such racial discrimination as reflected in craft membership is ever to be eliminated, then we need not identify individual "victims" or "villains". It should be sufficient to recognize that a class of people has been systematically ostracized on the basis of race and if their current underrepresentation is to be remedied, then race alone is necessary to identify the target population for purposes of remediation.

The standard for an employer seeking to bring his work force in compliance with Executive Order 11246[23] and Title VII[24] is not "proof of past discrimination." To require that an employer prove intentional discrimination against himself *completely subverts* the congressional intent of Title VII, and the underlying intent of the Executive Order. The Equal Employment Opportunity Commission seeks compliance with Title VII under a reasonable belief standard, and §§ 703(a) and 703(d) are not prohibitions to affirmative, remedial, preferential remedies.

(2) The court inaccurately characterized the facts in this matter as an employment seniority case.

The majority opinion of the court below characterized the issues raised by this litigation as impacting upon seniority rights. The court focused upon the standards for altering seniority rights as a consequence of remedying past discrimination under the "rightful place" theory articulated by the Supreme Court in *Franks* v. *Bowman, supra*, and then determined that absent a finding of past discrimination, all employees at the Kaiser Plant were in their "rightful place," "since none [had] obtained any unfair seniority advantage at the expense of any other." *Weber* v. *Kaiser Aluminum & Chemical Corp.*, 563 F.2d 216, 266 (5th Cir. 1977). The court below concluded:

"Where admissions to the craft on-the-job training programs are admittedly and purely functions of seniority and that seniority is untainted by prior discriminatory acts, the one-for-one ratio, whether designed by agreement between Kaiser and the USWA, or by order of court, has no foundation in restorative justice, and its preference for training minority workers thus, violates Title VII." 563 F.2d 216 at 226.

Amici contend that seniority exists as a byproduct of collective bargaining. It carries with it certain agreed to rights and privileges as determined between management and the collective bargaining agent which are protected by the Constitutional right to contract and the public policy favoring collective bargaining agreements.

The Court in *Franks* rejected the argument that the granting of seniority relief deprived other employees of "vested rights":

"This Court has long held that employee expectations arising from a seniority system agreement may be modified by statutes fur-

thering a strong public policy interest. [Citations omitted] The Court has also held that a collective bargaining agreement *may go further, enhancing the seniority status of certain employees for the purposes* of furthering public policy interests *beyond what is required by statute* . . . even though this will to some extent be detrimental] to the expectations acquired by other employees under the previous seniority agreement." 424 U.S. at 778, 779.

The Court continued.

"The ability of the union and employer voluntarily to modify the seniority system to the end of ameliorating the effects of past racial discrimination, a national policy objective of the 'highest priority,' is certainly no less than in other areas of public policy interests." *Id.*, at 779.

One of the most significant aspects of seniority is that it provides the means of determining the order by which both promotions and lay-offs may take place when all other factors appear to be equal. This case addresses neither the issues of promotion nor lay-off, but, instead, addresses those factors *other than seniority* which establish qualifications for advancement within the company.

The affirmative action program under review here must be seen as a training program, and, in that sense, educational. The Kaiser plan was designed to develop, within certain employees, skills which would permit them, as successful participants in the training program, to become eligible for advancement to job status as craftsmen, as opposed to that of lesser-skilled production workers. The means of selection for the affirmative action training program were tied to seniority only because of its convenience and availability as a selection criterion.

This is not a case in which a promotion roster was being altered, although courts have condoned the alteration of promotion rosters based upon race.[20] This is not a case in which hiring policies have been altered to accommodate racial minority groups; nor is this a case where selection on the basis of race precludes non-participants in the program from ever achieving the goals and purposes of the program, that is, participation in the crafts. Access to the crafts has long been accomplished without the benefit of company-sponsored training programs. Indeed, this on-the-job training program was created only because of the underrepresentation of Blacks and other racial minorities in the crafts. The traditional methods for entrance into the crafts did not produce significant numbers of Blacks and other racial minority group members. In the face of this certainty, the company took it upon itself to train significant numbers of racial minorities for participation within the crafts.

No duty existed by virtue of seniority rights to train members of the class which predominated within the crafts. But where an employer determines upon analysis of his work force that he is potentially liable for unlawful discrimination under Title VII, it is his duty to correct the discriminatory situation voluntarily.

Both Executive Order 11246 and Title VII (706(b)) envision voluntary compliance in the enforcement scheme which the Supreme Court endorsed in *Albemarle Paper Co.* v. *Moody* (quoting from *U.S.* v. *N.L. Industries, Inc.*, 479 F.2d 354, 379 (8th Cir. 1973). Consent decrees have also been sanctioned by the Court.

The specific language of 703(j) was emphasized by the court in *Contractor's Assoc., supra*:

"Possibly an employer could not be compelled, under the authority of Title VII, to embrace such a program, although 703(j) refers to percentages of minorities in an area work force, rather than percentages of minority tradesmen in an available trade work force. We do not meet that issue here, however, for the source of the required contract provision is Executive Order 11246. Section 703(j) is a limitation only upon Title VII, not upon any other remedies, state or federal. 442 F.2d at 172.

Assuming, but not admitting, that 703(j) in any way limits remedies under Title VII, the limitation is perhaps in the context of hiring, probably not promotion, and certainly not training programs. A careful reading of 703(j) suggests the only practice not required of employers is "hiring" in order to balance the "total number of percentages, of persons of any race, color, religion, sex or national origin employed by an employer in comparison with their representation in the work force." Training programs such as are at issue in the instant case, that are intended to alter the available work pool to include qualified Blacks, are not addressed by 703(j) of Title VII. And, more importantly, attempts to alter the work pool from which an employer obtains his personnel to overcome underrepresentation of Blacks and other racial minority group members are protected by the Thirteenth Amendment and cannot be thwarted by misplaced notions of seniority rights which ignore the strnegth of constitutional protection.

IV. Guidelines on affirmative action recently promulgated by the Equal Employment Opportunity Commission enunciate for the executive branch comprehensive and proper standards governing Federal civil rights law which are in accordance with the mandates of the 13th amendment.

A. EEOC's Affirmative Action Guidelines Are Based Upon the Commission's Reading of the Legislative Purpose of Title VII.

EEOC's newly enacted affirmative action guidelines (44 Fed. Reg. 4422 (Jan. 19, 1979) are explicit in their reading of the legislative history of Title VII:

Congress enacted Title VII in order to improve the economic and social conditions of minorities and women by providing equality of opportunity in the workplace. These conditions were part of a larger pattern of restriction, exclusion, discrimination, segregation and inferior treatment of minorities and women in many areas of life. Section 1608.1(b).

If the end of Title VII is to "improve the economic and social conditions of minorities and women" by overcoming widespread and diverse patterns of discrimination, the preferred means to achieve this objective is "voluntary action."

". . . Congress strongly encouraged . . . persons subject to Title VII . . . to act on a voluntary basis to modify employment practices which constituted barriers to equal opportunity, without awaiting litigation or formal governmental action." *Id.*

Based on this understanding of the purposes of Title VII, Section 1608.1(c) of the guidelines declares its interpretation in furtherance of this legislative purpose:

"The principle of nondiscrimination in employment because of race, color, religion, sex, or national origin, and the principle that each person subect to Title VII should take voluntary action to correct the effects of past discrimination and to prevent present and future discrimination without awaiting litigation, are mutually consistent and interdependent methods of addressing social and economic conditions which precipitated the enactment of Title VII. Voluntary affirmative action to improve opportunities for minorities and women must be encouraged and protected in order to carry out the Congressional intent embodied in Title VII."

The seeming inconsistency created by the affirmative use of race, sex, or national origin necessitated the guidelines:

"Many decisions taken pursuant to affirmative action plans or programs have been race, sex, or national origin conscious in order to achieve the Congressional purpose of providing equal employment opportunity. Occasionally, these actions have been challenged as inconsistent with Title VII, because they took into account race, sex, or national origin. This is the so-called "reverse discrimination" claim. In such a situation, both the affirmative action undertaken to improve the conditions of minorities and women, and the objection to that action, are based upon the principles of Title VII." Section 1608.1(a)

The Guidelines dispel any possible contradiction, not only by reference to the legislative purpose of the Act, but also by drawing upon knowledge that a failure to reconcile the competing principles would cause serious difficulties:

"The Commission believes that by the enactment of Title VII Congress did not intend to expose those who comply with the Act to charges that they are violating the very statute they are seeking to implement. Such a result would immobilize or reduce the efforts of many who would otherwise take action to improve the opportunities of minorities and women without litigation, thus frustrating the Congressional intent to encourage voluntary action and increasing the prospect of Title VII litigation." *Id.*

As noted in the joint opinion of Justices Brennan, White, Marshall, and Blackmun in *Regents of the University of California* v. *Bakke, supra*, in the context of Title VI:

"We have recently held that '[w]hen aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no "rule of law" which forbids its use, however clear the words may appear on "superficial examination."' (Citations omitted). This is especially so when, as is the case here, the literal application of what is believed to be the plain language of the statute, assuming that it is so plain, would lead to results in direct conflict with Congress' unequivocally expressed legislative purpose." 98 S. Ct. at 2774.

The interpretation advanced by EEOC's affirmative action guidelines properly "clarify and harmonize the principles of Title VII . . ." Section 1608.1(a). This statement by the executive branch should be given great deference. Not only because it is the view of the executive branch of a congressional act, and thus of at least co-equal weight with that of the judiciary (*see* part D of this argument), but also because it is amply supported by congressional debates.

Amici share EEOC's understanding of the legislative history of Title VII, as it is wholly consistent with this Court's ruling in *Griggs*, 401 U.S. 424, *Albemarle*, and *Franks*. *See* Section III, *supra*. EEOC's finding of the congruency of Title VII with Executive Order 11246 is also correct.

"The legislative history of the Equal Employment Opportunity Act of 1972 shows that Congress repeatedly rejected limitations on affirmative action under the Executive Order, including the goals and timetables approach that had become by that time a central feature of the implementation of the Order. . . . The Congress which acted to allow the Executive Order program to continue would not, in the same measure, invalidate it under Title VII. The statute should be construed to avoid such a contradictory conclusion, especially where such a conclusion would undermine the expressed Congressional purpose of opening employment opportunities to minorities and women who had in the past been denied such opportunities." 44 C.F.R. at 4423.

For a more detailed analysis of the 1972 Title VII debates, *amici* refer the Court to the *amicus curiae* brief submitted in this case by the NAACP Legal Defense and Education Fund, Inc.

Footnotes at end of article.

Assuming for the purposes of argument that there are other possible readings of the legislative intent behind Title VII, *amici* contend that at best, those readings would lead to an ambiguous or ambivalent intent upon the part of Congress. As *amici* argued in Section I of this brief, in such circumstances the Court must interpret that ambiguity or ambivalence in accordance with the mandates of the Thirteenth Amendment so as not to erect barriers to the elimination of vestigal badges and incidents of slavery. EEOC's interpretation of the legislative history is consistent with the Thirteenth Amendment and should be embraced by this Court for this reason as well.

B. The Standards of Reasonableness Contained in EEOC's Affirmative Action Guidelines Give Employers, Unions, and Others Subject to Title VII the Legal Latitude and Protection Required to Encourage Voluntary Affirmative Action.

The standards spelled out by the guidelines reveal a practical understanding of the interests of those subject to Title VII's commands and of the existence of institutional discrimination.

The core of the guidelines is their "three A's" concept: reasonable self-analysis, a reasonable basis for concluding that action is appropriate, and reasonable action. Section 1608.4.

If the self-analysis (Section 1608.b(4)) discloses any one of the conditions described as a "reasonable basis for concluding that action is appropriate" (Section 1608.4(b)), voluntary action which is "reasonable in relation to the problems disicosed by the self-analysis" (Section 1608.4(c)) may be taken. These "reasonable actions" include "appropriate employment tools which recognize the race, sex or national origin of applicants or employees" and "may include . . . practices which will eliminate" the conditions revealed by the self analysis. *Id.*

The circumstances under which one can conclude that voluntary affirmative action is appropriate are explained in Section 1608.3. Of particular relevance to this case is Section 1608.3(c) which explains that "historic restrictions" by other than the party taking affirmative action may cause the "available pool . . . of qualified minorities and women" to be "artificially limited." The section goes on to encourage voluntary action to overcome such circumstances, including training programs such as the one at issue in this case.

These standards do not in any way make the lawfulness of affirmative action hinge on the lawfulness of the prior conduct of the party taking affirmative action. (Section 1608.4(b); Section 1608.3.) Evidence of past discrimination of any kind by that party—even the existence of a "prima facie" case—is not a pre-condition for taking affirmative action.

C. EEOC's Affirmative Action Guidelines Do Not Condition Affirmative Action on the Existence of Evidence that the Law May Have Been Violated; They Recognize That the Interest of Parties Who Implement Affirmative Action Plans Is to Suppress and not to Produce Evidence of Their Own Discriminatory Actions and to Portray Themselves as Remedying "Societal Discrimination."

This case convincingly demonstrates and simple logic confirms that it is unrealistic to expect those who can be held liable for violating Title VII and the civil rights of minorities and women to come forth with evidence exposing themselves to such liabilities. It is far more likely that employers and unions will attribute existing segregated areas to discrimination by others or to acts which, though discriminatory in result, nonetheless were legal. Furthermore, in many cases, such attribution will be entirely accurate.

There is a "smoking gun" in this case: the clear evidence of past discrimination alleged by a government agency. Petitioners, the United States of America, have filed with this Court findings made in 1971 by federal compliance officers, acting pursuant to Executive Order 11246, that craft employment practices at Kaiser's Gramercy plant did not conform with the O.F.C.C.'s antidiscrimination requirements. (Brief of the United States of America on *Petition for Writ of Certiorari* at 16.) Additional findings by federal compliance officers in 1973 state that Kaiser had waived its prior experience requirements for whites, but not for Blacks who had applied for craft positions. *Id.* Furthermore, those experience requirements had not been validated. (1973 findings filed with this Court by the United States of America, at 1-2.) Were it not for the petition for *certiorari* to this Court, and the government's resulting decision to file these critical documents with the Court, this case might have proceeded under the illusion that there had been no past discriminatory acts by the Petitioners.

Although the "smoking gun" was not presented to the district court, there was overwhelming evidence of its existence: the repeated testimony that Kaiser and the Union were acting to conform to the requirements of Executive Order 11246 and Title VII (Jt. Ex. No. 2, p. 13, Tr. 41, 100, 104, 106, 108, 110), the glaring statistical disparity between Blacks in the skilled jobs (2%) and Blacks in the area's labor force (39%), and the absence of evidence validating the skill experience requirements.

Despite all of this evidence and the undoubted awareness of the existence of the "smoking gun," Kaiser has insisted throughout this litigation that it was completely innocent of any wrongdoing. It has consistently attributed the statistical disparities in its craft jobs to the discriminatory acts of others, labeling such conditions "societal discrimination." Only the Union has pressed some of these arguments of possible past violations, which it now has chosen to abandon.[21]

Amici believe that both the union and the employer have a substantial interest by their affirmative action programs to curtail liability for past discrimination and to eliminate the badges of slavery. Nonetheless,

". . . [N]o litigant wanted to see past discrimination found. The plaintiffs knew it would weaken their case. Kaiser and the Union could only admit past discrimination by strongly inviting private suits by blacks. Although the trial below was in no way collusive, the defendants could well have realized that a victory at the cost of admitting past discrimination would be a Pyrrhic victory at best. In the district court no one represented the separate interests of the minority employees of Kaiser, the only people potentially interested in showing past discrimination. It is not surprising, therefore, that no party fully analyzed the facts within the context of Title VII." 563 F.2d at 231 (Wisdom, J., dissenting opinion).

Reliance on employers and unions to marshal any evidence of their own misconduct, much less convincing evidence, which may give rise to massive civil liability and warranted public criticism is wholly misplaced.

The revelation of past discrimination in this particular case should not cloud the fact that parties are more apt to do as Kaiser has done—proclaim their innocence and blame their sorry statistical patterns on discriminatory conduct of others. However, as argued in Section II, *amici* fully agree that "societal discrimination" (a concept included in the term "institutional discrimination" used by *amici*) occurs and undoubtedly contributed to Kaiser's segregated work force. Kaiser's position may in fact be accurate with respect to other Kaiser operations or similar industrial employers. The consequences of a position which prevents voluntary action to overcome societal discrimination were well-stated by Judge Wisdom:

"In the present case the problem is clear. The history of discrimination in the trades is a sorry record of continual exclusion of women and minorities. Yet how many of the excluded workers could prove that they had applied for and been refused crafts jobs or training? How many have been deterred by the knowledge of their exclusion from even attempting to find crafts jobs? In some circumstances it is possible to determine whether a particular person has been harmed by discrimination, and to provide relief to that person. Here we know the discrimination existed, statistics show that it was effective, but it is difficult to identify individual victims. That situation would prevail against Title VII suits directly against the discriminating unions or in situations similar to the one this case presents, where third parties seek to compensate for the discrimination. *The result would be a wrong without a remedy.*" 563 F. 2d at 235–236 (emphasis added).

The concept of societal discrimination is useful to describe the phenomenon whereby discrimination in one economic sector affects outcomes in another sector. It also encompasses the fact that present discrimination and the effects of past discrimination in employment, education, housing, and other areas of private and public life interact with one another. *See, e.g.*, U.S. Commission on Civil Rights, *Equal Opportunity in Suburbia* (1974). Its emphasis is on systems of discrimination and their resulting conditions, not on any need to identify individual entities which may legally be held responsible for causing those conditions.

When used in this sense, societal discrimination describes that kind of institutional discrimination which is not subject to judicially compelled remedies—in Justice Wisdom's words, where "[t]he result would be a wrong without a remedy," 563 F.2d at 236. If this Court requires that some evidence of a legal violation be acknowledged to exist as a pre-condition for affirmative action, it would limit affirmative action to the scope of legal obligations: conditions that the law did not arguably *require* an employer to remedy, the law would not *permit* the employer to remedy voluntarily. The result would be to freeze societal discrimination into the social and economic order. The EEOC's guidelines, by eschewing any such limits on voluntary action, properly avoid erecting such barriers to the full implementation of the national commitment embodied in the Thirteenth Amendment.

D. EEOC's Guidelines on Affirmative Action, Issued Pursuant to Reorganization Plan No. 1 of 1978 and Executive Order 12067, Express the Interpretation of a Congressional Act by the Executive Branch and Should Be Accorded Great Judicial Deference.

As a result of the President's Reorganization Plan No. 1 of 1978 (43 Fed. Reg. 19807 (May 9, 1978)), reorganizing federal fair employment enforcement efforts, the EEOC has gained several new responsibilities and added authority, including replacing the Equal Employment Opportunity Coordinating Council (EEOCC).[22] EEOC's Affirmative Action Guidelines are the first action by the EEOC pursuant to its new powers.

In his message transmitting the reorganization plan to the Congress,[23] the President summarized its intent as follows:

This plan makes the EEOC *the principal Federal agency* in fair employment enforcement. . . . It gives the Equal Employment Opportunity Commission—an agency dedicated solely to this purpose—*the primary Federal responsibility* in the area of job discrimination. . . . *Weekly Compilation of Presidential Documents* at 400, 404 (February 27, 1978)" (emphasis added).

Footnotes at end of article.

With respect to the abolition of the EEOCC and the transfer of its functions to the EEOC, the President stated:

". . . [T]his plan places the [Equal Employment Opportunity] Commission at the center of equal employment opportunity enforcement. With these new responsibilities, the EEOC can give coherence and direction to the government's [fair employment] efforts. . . . Such direction has been absent in the Equal Employment Opportunity Coordinating Council." *Id.* at 402–403.

The absence of such leadership by the EEOCC on both substantive and procedural civil rights matters had caused the U.S. Commission on Civil Rights to call for the elimination of the EEOCC and the creation of a new body with the needed overall authority. United States Commission on Civil Rights, *The Federal Civil Rights Enforcement Effort—1974; Volume V, To Eliminate Employment Discrimination.* 617, 647–649.

The reorganization plan makes the EEOC the leader in setting and coordinating federal job discrimination laws. Its authority to do more than coordinate the federal fair employment effort is manifest in Executive Order 12067 (43 Fed. Reg. 28967 (July 30, 1978)), the Presidential decree implementing Reorganization Plan No. 1. Section 1–201 of this Order states that the EEOC "shall provide leadership . . . to the efforts of Federal departments and agencies" having equal employment opportunity enforcement responsibilities. Section 1–303 instructs these departments and agencies to "comply with all final rules, regulations, policies, procedures and orders of the EEOC." These formal grants of power are reinforced by Section 1–306, which empowers the EEOC to make budgetary recommendations to the Office of Management and Budget regarding "staff size and resource needs" of covered agencies. Consolidating EEOC's authority and providing for orderly decision-making in the event federal fair employment departments or agencies may disagree, Section 1–307 of the Executive Order creates a "dispute resolution mechanism" for taking disagreements to the Executive Office of the President. Section 1–307(a) stresses that this dispute mechanism "should be resorted to only in *extraordinary circumstances*" (emphasis added).

Pursuant to Executive Order 12067, drafts of the now final affirmative action guidelines were repeatedly circulated among and reviewed by government civil rights agencies before being adopted by the EEOC. *BNA Daily Labor Report*, September 19, 1978, at A–7; October 20, 1978, at A–6; December 11, 1978 at AA–1. Pursuant to Section 1–303 of Executive Order 12067, all federal departments and agencies must comply with its requirements.

These guidelines therefore, are not only the administrative ruling of the agency charged with enforcing Title VII. They also declare fair employment law for the entire executive branch; they embody congressionally approved policy reasons demanding a coordinated and consistent executive fair employment enforcement effort; and they state the executive branch's considered determination of the legislative history of Title VII and of its long practical administrative experience with enforcing fair employment laws.

Amici submit that the understanding of the amount of deference owed EEOC's judgments explained in *Gilbert* v. *General Electric Co.*, 429 U.S. 125 (1976), should be reexamined in light of the recent reorganization. Congress and the President gave EEOC civil rights leadership authority. That decision and EEOC's actions pursuant to it should be given "great deference". *Griggs* v. *Duke Power Co., supra*, at 433–434; *Espinoza* v. *Farah Mfg. Co.*, 414 U.S. 86, 94 (1973); *Albemarle Paper Co.* v. *Moody, supra*, at 430–431. However, judged under even the restrictive (and as *amici* believe, outdated) standards in *Gilbert, supra* at 141–142, much less the more deferential (and now correct) standards in prior cases, the guidelines should get "high marks" (*Gilbert, supra* at 143).

Obviously, the guidelines are not "a contemporaneous interpretation of Title VII." *Gilbert, supra*, at 142. There was no need for affirmative action guidelines until those subject to Title VII began to realize in recent years that if they did not voluntarily act to correct conditions attributable to discrimination, they would be forced, potentially at great expense,[29] to take such corrective action in any event. The issuance of guidelines was appropriate only after the EEOC and the executive branch had acquired some experience in dealing with charges that those seeking to comply with Title VII were allegedly violating the very Act they were seeking to implement. The Guidelines were issued as soon as the need became apparent and the executive branch could decide upon a comprehensive approach.[30]

Unlike other EEOC interpretations struck down by this Court in *Espinoza* and *Gilbert*, the affirmative action guidelines are consistent with—indeed, they even incorporate—the only pre-existing document which stated the position of the key civil rights enforcement agencies on affirmative action. Section 1608.4(c)(1) quotes the most important sections of the Equal Employment Opportunity Coordinating Council's "Policy Statement on Affirmative Action Programs for State and Local Government Agencies." 41 Fed. Reg. 38814 (September 24, 1976). There may exist other pronouncements issued by individual agencies stating views on the legality of affirmative action plants. To *amici's* knowledge, however, no other pronouncements express the position of the principal civil rights enforcement agencies (the EEOC, the Department of Labor, the Civil Service Commission and the Department of Justice). While the 1976 policy statement is not nearly as comprehensive or specific as the 1979 guidelines, it is wholly consistent with the more definitive standards set forth in the guidelines.

The critical question with respect to the guidelines is their reading of the legislative purposes behind Title VII. Notably, these guidelines once again differ from other EEOC interpretations struck down by this Court. The affirmative action guidelines contain a reasoned and explicit statement of the fundamental purposes underlying Title VII. The administrative interpretations in *Espinoza* or *Gilbert* addressed discrete, limited areas. The guidelines at issue herein go to the very heart of the meaning of Title VII. This Court cannot equate the *Espinoza* and *Gilbert* situations of specific provisions having little legislative history with the definitive expression by the executive branch of its position on the overall purposes of Title VII.

The President, and by their consent to the reorganization, the Congress, have vested considerable new power in the EEOC. Their confidence in that agency and the real need for confidence in its judgments by the American public should be reflected in the great weight this Court should accord its guidelines promulgated pursuant to its Federal fair employment leadership authority.

V. CONCLUSION

For the foregoing reasons, *Amici* respectfully urge the Court to reverse the judgment of the court of appeals with instructions to the district court to dismiss the case.

Respectfully submitted,

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FOOTNOTES

[1] *Amici* firmly believe that the loss of voluntary affirmative action as a remedial tool will most definitely mean reversal of progress already made. *Amici* would point out only that a recent Association of American Medical Colleges report stated that the proportion of first year Black medical students is the lowest it has been since 1970. The report said that Black students make up 6.4% of the first year class in the 124 medical schools in the country, as against 6.7% last year. This drop occurred despite the fact that most admission decisions in this year's class were made prior to the Court's ruling in *Regents of the University of California* v. *Bakke*, —— U.S. ——, 98 S. Ct. 2733 (1978).

[2] 109 U.S. at 26, *United States* v. *Jefferson County School Board of Education*, 372 F.2d 836, 873 (5th Cir. 1966).

[3] See opinion of Justice Wisdom in *Singleton* v. *Jackson Municipal Separate School District*, 348 F.2d 729, 730 (5th Cir. 1965).

[4] Similarly, women coming into the work force are often the victims of institutional sexism and blamed for "taking men's jobs." Indeed, the outcome of this case may well have an adverse impact on affirmative action for women also. A portion of Kaiser's affirmative action plan not challenged by Respondents contains a 5% goal for women.

[5] The fact that the original Title VII in 1964 was passed pursuant to the commerce clause alone, and not pursuant to the commerce clause and Section 5 of the Fourteenth Amendment or Section 2 of the Thirteenth Amendment, does not mean that Title VII was not intended to enforce the mandates of those amendments. The 1963 Congress inherited the "state action" doctrine of the *Civil Rights Cases* of 1883, as well as Justice Bradley's evisceration of both the Thirteenth and Fourteenth Amendments. The Representatives and Senators who debated the Civil Rights Act of 1964 were clearly mindful of these legacies. Some wanted to accommodate them and some desired to challenge them. *See, e.g.*, the discussion on this point in Senate hearings on Title II, the public accommodations section of the Act. Then Attorney General Robert Kennedy presented the Administration's position supporting the use of the commerce clause to circumvent the Bradley rationale:

"We base this on the Commerce Clause which I think makes it clearly constitutional. In my personal judgment, basing it on the 14th Amendment would also be constitutional. . . .

". . . I think that there is argument about the 14th Amendment basis—going back to the 1883 Supreme Court decision [Civil Rights Cases], and the fact that there is not state action—that therefore Congress would not have the right under the 14th Amendment to pass any legislation dealing with it. . . . I think that there is an injustice that needs to be remedied. We have to find the tools with which to remedy that injustice. . . .

"There cannot be any legitimate question about the Commerce Clause. That is clearly constitutional. We need to obtain a remedy. The Commerce Clause will obtain a remedy and there won't be a problem about the constitutionality. . . . Hearings before the Senate Committee on Commerce on S. 1732, 88th Cong., 1st Sess., parts 1 and 2."

[6] Because of the extraordinary interest in the issues presented in this case, a large number of *amicus* briefs have been filed. The following statement of principles will apprise the Court of the mutual support of many *amici* for a number of basic positions in defense of the affirmative action program in controversy in the present case.

1. This country cannot attain true equality of opportunity without affirmative action.

2. Title VII and the anti-discrimination principle must be understood in the context of our nation's history of discrimination against non-white people and women and its resulting national patterns of underrepresentation and inequality in the workforce.

3. As explained by the Equal Employment Opportunities Commission in its "Guidelines on Affirmative Action," which, as a result of Executive Order 12067, states the position of the executive branch: "Congress enacted Title VII in order to improve the economic and social conditions of minorities and women by providing equality of opportunity in the workplace . . . Voluntary affirmative action to improve opportunities for minorities and women must be encouraged and protected in order to carry out the Congressional intent embodied in Title VII."

4. Title VII and the anti-discrimination principle should not be a search exclusively for villains and villainous acts. On the contrary, the focus should be on current unequal conditions and providing mechanisms for their elimination.

5. The remedies for discrimination against minorities and discrimination against women are inextricably linked.

6. Voluntary action on the part of employers and unions is instrumental in redressing the pervasive patterns of discrimination addressed by Title VII and Executive Order 11246, but this objective cannot be achieved if employers and unions must first expose themselves to charges that they are violating the very laws they are seeking to implement.

7. Long experience shows that, in many instances, appropriate "employment tools which recognize the race, sex, or national origin of applicants and employees" (EEOC's Affirmative Action Guidelines), such as those at issue in this case, are presently the only means by which true equal opportunity can be achieved.

8. Endorsement of voluntary affirmative action in no way diminishes the need for judicially mandated or administratively required affirmative measures which provide the necessary incentive for voluntary action.

[7] See Kinoy, The Constitutional Right of Negro Freedom. 21 *Rutgers Law Review* 387 (1967).

[8] In *Jones*, the Court upheld an effort by black citizens to invoke federal equity power to restrain racial discrimination by private individuals in the sale of real estate. The Court found statutory authority for this exercise of federal judicial power in one of the original Reconstruction Statutes, the Civil Rights Act of 1866. Section one of this Act provided that "citizens of every race and color . . . shall have the same right . . . to inherit, purchase, lease, sell, hold, and convey real and personal property . . . as is enjoyed by white citizens. . . ." In resting judicial action upon this statutory basis the Court was forced to face the ultimate question of the source for Congressional legislation in the area of Negro rights in the power created by the Thirteenth Amendment "to *pass all laws necessary and proper* for abolishing all badges and incidents of slavery in the United States.'" Arthur Kinoy, "The Constitutional Rights of Negro Freedom Revisited: Some First Thoughts on *Jones* v. *Alfred H. Mayer Company*." 22 Rutgers L. Rev. 537, 538–539 (1968) (footnotes omitted).

[9] *Amici* believe that other racial minorities of color suffer from the badges and indicia of slavery imposed on Blacks. *Amici* agree with the views propounded by *Amici* Rutgers University, Rutgers Alumni Association, and the Student Bar Association of the Rutgers Law School in their brief in *Bakke, supra*, where it is stated: "American Indians, Hispano-Americans, and Asian-Americans are also persons of color belonging to racial classes whose position makes them subject to the badges and incidents of servitude. Social scientists have defined minorities as groups of people 'who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and *unequal treatment*, and who therefore regard themselves as objects of collective discrimination. The existence of a minority in a society implies the existence of a corresponding dominant group with higher social status and greater privileges. Minority status carries with it the exclusion from full participation in the life of society.' G. Simpson & J. Yinger, *Racial and Cultural Minorities; An Analysis of Prejudice and Discrimination II* (4th ed. 1972) (emphasis added). Pursuant to Title VII of the Civil Rights Act of 1964, the United States Equal Employment Opportunity Commission requires reporting firms to provide periodic employment statistics on blacks, orientals, American Indians, and Spanish surnamed Americans. Employer Information Report Form EEO–1. These groups fit the social science definition, as the EEOC has recognized. Although in this brief *Amici* emphasize the excluded condition of black Americans, the situation of these other racial minorities replicates in varying degrees the situation of blacks." (p. 7)

[10] *See* J. Feagin and C. Feagin, *Discrimination American Style: Institutional Racism ad Sexism*, Chs. 1–3, 6 (1978); U.S. Commission on Civil Rights, *Racism in America: How to Combat It* (1970).

[11] The difference in percentages reflects irregularities in data provided by the unions on the EEO–3 forms, including: failure to report; overestimation of minority membership; categorical combining of non-construction and semi-skilled workers with construction journeymen; combining apprentices with journeymen; and failure to report actual referral opportunities. Report at 38.

[12] *See* Brief *Amicus Curiae* of the NAACP Legal Defense and Education Fund, Inc., submitted in this case.

[13] *See* part A of this section of the argument.

[14] The Thirteenth Amendment reaches private employment contracts and justifies prohibitions against racial discrimination in that context. *Johnson* v. *Railway Express Agency*, 421 U.S. 454, 459–60 (1975); *Jones* v. *Alfred H. Mayer Co., supra* at 441 n.78. While these cases upheld Congressional legislation that may be appropriate under the Thirteenth Amendment, both cases indicated that the Thirteenth Amendment does not require implementing legislation. The Thirteenth Amendment is "an absolute declaration that slavery shall not exist in any part of the United States." *Civil Rights Cases, supra* at 28. *See* section I, *supra*.

[15] See, *e.g.*, United States Commission on Civil Rights, *Social Indicators of Equality for Minorities and Women* (August, 1978).

[16] See *McDonald* v. *Santa Fe Transportation Co.*, 427 U.S. 273 (1976).

[17] *Commonwealth of Pennsylvania* v. *O'Neill*, 473 F.2d 1029 (3d Cir. 1973); *Southern Illinois Builder's Assoc.* v. *Ogilvie*, 471 F.2d 680 (7th Cir. 1972); *Assoc. General Contractors of Mass. Inc.* v. *Altshuler*, 490 F.2d 9 (1st Cir. 1973), *cert. denied*, 416 U.S. 957 (1974); *Crater* v. *Gallagher*, 452 F.2d 315 (8th Cir. 1972), *cert. denied*, 406 U.S. 950 (1972); *Occidental Life Insurance Co. of California* v. *EEOC*, 432 U.S. 355 (1977).

[18] *United States* v. *Allegheny Ludlum Industries, et al.*, 517 F.2d 826 (5th Cir. 1975), *cert. denied*, 425 U.S. 944 (1976).

[19] *Contractors Assoc. of Eastern Pennsylvania* v. *Secretary of Labor*, 442 F.2d 159 (3d Cir. 1971).

[20] *See* generally, Askin, F. *Eliminating Racial Inequality in a Racial World*, 2 Civil Liberties L. Rev. (1975).

[21] *Yick Wo* v. *Hopkins*, 118 U.S. 356 (1886).

[22] Although the concept of racial inferiority is a "badge and incident of slavery", it is anomolous to state that Blacks were not denied the opportunity for skill development during slavery, but as a facet of the "peculiar institution" were required to serve as skilled craftsmen to maintain the plantation as an ongoing, viable economic entity. Only as freed slaves did craft participation on the part of Blacks become an issue. In the marketplace of skilled labor, Blacks were not allowed to compete, thus preventing them from continuing as skilled craftsmen although as slaves, skilled services were required. Exclusion of freed slaves from skilled trades was justified on the basis of Black inferiority, a "badge and incident" of slavery.

[23] In speaking to his amendment to strike a provision transferring Executive Order enforcement to E.E.O.C., Senator Saxbe stated:

"The Executive Order should not be confused with the judicial remedies for proven discrimination which unfold on a limited and expensive case-by-case basis. Rather, affirmative action means that all Government contractors must develop programs to insure that all share equally in the jobs generated by the Federal Government's spending. Proof of overt discrimination is not required. 118 Cong. Rec. 1385. *See also, Contractors Assoc. of Eastern Pennsylvania* v. *Secretary of Labor, supra.*"

[24] *Albemarle Paper Co.* v. *Moody, supra*, citing *United States* v. *N. L. Industries, Inc.*, 479 F.2d 354, 379 (8th Cir. 1973); Title VII, Civil Rights Act, 1964, 2000 *et seq.*

[25] *Porcelli* v. *Titus*, 302 F. Supp. 726 (D.C. N.J. 1966) aff'd, 401 F.2d 1254 (3rd Cir. 1970).

[26] The Union argued in the court below that the statistics created a *prima facie* case of discrimination against Kaiser. (Brief of United Steelworkers of America on *Petition for Writ of Certiorari*, at 3, n. 2.)

[27] *Id.*, Reorganization Plan No. 1 of 1978, Section 6. The EEOCC, composed of the Department of Justice, Department of Labor, Civil Service Commission, Commission on Civil Rights and the EEOC, had been charged with responsibility for "developing and implementing agreements, policies and practices designed to maximize effort, promote efficiency and eliminate conflict, duplication inconsistency and competition," thereby improving the federal civil rights enforcement effort. 42 U.S.C. § 2000e–14.

[28] 5 U.S.C. § 906 provides that a reorganization plan goes into effect 90 days after its transmittal to Congress unless vetoed by either House of Congress.

[29] *Albemarle Paper Co.* v. *Moody, supra*, establishing the right to back pay even in the absence of bad faith, was decided only three and one half years ago, in June, 1975.

[30] A draft of the guidelines on this controversial issue was first released to the public in 42 Fed. Reg. 64826 (December 28, 1977) and subjected to extensive public comment.

APPENDIX

The *Affirmative Action Coordinating Center* (*AACC*) is an organization created by the National Conference of Black Lawyers (NCBL), the Center for Constitutional Rights (CCR) and the National Lawyers Guild (NLG), with the participation of a cooperating network of civil rights, civil liberties, and other organizations. Many network organizations as well as other groups have joined as *amici* in this brief.

The AACC was formed in response to the proliferation of attacks on affirmative action programs. Its purposes are to stimulate and

coordinate resources and legal strategies for the defense and expansion of affirmative action programs. The AACC has convened roundtables of civil rights, labor and women's rights attorneys to discuss the *Weber* and *Bakke* cases.

AACC publishes an informational newsletter entitled *AACC News*. It has installed a national telephone "hotline" to receive and dispense information on affirmative action developments. It is preparing several educational publications on affirmative action in education and employment. The AACC has conducted and is planning other activities designed to increase communication and enhance joint efforts by all groups and individuals interested in strengthening effective affirmative action programs.

The *National Conference of Black Lawyers* (NCBL) is an activist legal organization of Black Lawyers, law professors, judges and law students dedicated to serving as the legal arm of the Black community. Since its inception in 1968, NCBL has been actively involved in the continuing struggle for equal employment opportunity. Over the past five years, NCBL has been a leader in the battle against the growing concept of "reverse discrimination." NCBL strongly believes that the adoption of the principle of reverse discrimination by the courts and the continued attacks on voluntary affirmative action plans, as in *Bakke* and *Weber*, represent a rejection of the nation's professed commitment to equality of opportunity. Without the right to initiate voluntary affirmative action plans to redress the effects of 400 years of racial discrimination, the goal of equal employment will continue to be a commitment with form but no substance.

The *National Lawyers Guild* was founded in 1937 as a multi-racial and progressive alternative to the racially restrictive and conservative American Bar Association. Its commitment to civil rights dates back to efforts to eliminate the poll tax and white primaries. In 1962, the Guild dedicated its full resources to the legal support of the civil rights movement. In support of affirmative action, the Guild filed briefs as *amicus curiae* throughout the course of the *Bakke* litigation and in 1977, joined with the NCBL to ccsponsor a *Bakke amici* roundtable attended by forty organizations.

The *Center for Constitutional Rights* (CCR) was born of the civil rights movement and the struggles of Black people in the United States for true equality. CCR attorneys have been active in cases involving voting rights, jury composition, community control of schools, fair housing and employment discrimination. Through litigation and public education, they have worked to protect and make meaningful the constitutional and statutory rights of women, Blacks, Puerto Ricans, Native Americans and Chicanos.

The *Center for Urban Law, Wayne County Neighborhood Legal Services*, represents persons in the Detroit metropolitan area. Its client population is composed of numerous racial and ethnic minorities unable to afford the price of conventional legal services. Many of its clients are non-white and the historical victims of societal and institutional racism. A large percentage of them are unemployed, underemployed, and frustrated by the employment market. Voluntary affirmative action programs of the nature instituted by the appellants have aided this client population by opening a small avenue to secure employment and other benefits. To withdraw the benefits of these affirmative action plans just as small yet significant gains are occurring will have a devastating effect on them.

The *Affirmative Action Coalition of Chicago* is a coalition of minority and non-minority workers, students, professionals and community people. Its goal is to build a broad affirmative action coalition within Chicago to educate and organize people to fight for equal rights in employment, education and community services. The *Weber* case has particular significance to Chicago since it has the largest concentration of steelworkers in the country and the largest percentage of minorities of any union district in the United Steelworkers of America. The Affirmative Action Coalition of Chicago sees the importance of extensive legal, as well as general political work in the fight around the issues in the *Weber* case. It firmly supports the belief that all forms of racial discrimination must be eradicated as remnants of slavery.

The *Affirmative Action Coalition of San Diego* (*AAC*) is a group of individuals and organizations that evolved out of the anti-Bakke movement. It has been involved in educating the community and the labor force about the *Bakke* decision and pending *Weber* case. The AAC of San Diego's position is that affirmative action in employment and education is legal and must be defended and expanded. It is administering a survey to over 60 organizations and institutions to determine the effect in San Diego of the *Bakke* decision.

The *American Association for Affirmative Action*, a non-profit organization, was founded in 1974. Men and women from protected and unprotected classes, corporations and educational institutions, representing both the public and private sector, work together through the Association for effective affirmative action/equal opportunity in employment and education nationwide. As a national organization of professionals in the field of affirmative action/equal opportunity, the Association strongly endorses and supports the concept of voluntary affirmative action It recognizes this vehicle as an essential tool in overcoming the effect of systematic discrimination and exclusion.

The *Black American Law Students Association* (BALSA) is the representative organization of Black law students in the nation.

The purpose for which BALSA was formed is to articulate and promote the professional needs and goals of Black American Law Students: to influence American law schools, legal fraternities and associations to use their expertise and prestige to bring about change within the legal system in order to make it responsive to the needs of the Black community. In keeping with this purpose, BALSA supports the maintenance of affirmative action programs within education and employment. Recognizing the reality that most Black Law Students are the products of affirmative action admissions programs, BALSA actively endorses programs that insure their employment. It is with this interest that BALSA has chosen to participate in an Amicus Brief that argues the legality of the voluntary affirmative action employment program as exemplified in the *Weber* case.

Black Economic Survival (BES) is a community-based organization that seeks jobs for minorities in the construction industry in the New York metropolitan area. BES joins this brief because it is acutely aware of the exclusion of Black and other minority workers from skilled jobs in the construction industry and elsewhere and from access to the training necessary to obtain such jobs. BES believes that affirmative action training programs such as that instituted at the Kaiser Gramercy plant are essential if Blacks and other minority workers are ever to obtain access to skilled craft jobs. Without such programs, Blacks and other minority workers, who have for 200 years been the victims of a racist society, will continue to be excluded from a large segment of employment opportunities and from obtaining necessary skills.

The *Center for United Labor Action* (*CULA*) is a national organization devoted to the furtherance of unity and solidarity in the labor movement. Its members are trade union officials, rank and file workers, unemployed persons and activists in the community. The CULA, through its individual members and as an organization, has participated in fighting for affirmative action programs throughout industry. In 1972, the CULA was named a Party of Interest in one of the first major affirmative action battles in industry. In proceedings before the Federal Communications Commission on behalf of many telephone workers and the public, AT&T was charged with race and sex discrimination. The CULA strongly objects to the dangerous interference of the lower courts into the collective brgaining process of the United Steel Workers with Kaiser Aluminum. The *Weber* decision below infringes upon the right of a union to enter into negotiated agreements that are fully consistent with the spirit and needs of the union movement and its members. In defending the Gramercy program the United Steel Workers of America is upholding its own constitution and its obligation to represent all of its members. The present decision clearly endangers the right of the union to carry out the mandate of its constitution.

The *Charles Houston Bar Association of Oakland, California*, is a bar association of Black attorneys in Northern California which promotes the interests of justice and equality for all people. The Association joins this brief in order to express its interest in ensuring that voluntary affirmative action programs are upheld throughout the country.

The *Christian Church* (*Disciples of Christ*) is a protestant denomination of some 1.2 million members. Through the resolutions of its General Assembly and the work of the Department of Church in Society, it has long been involved in social ministries in the fields of human relations and civil rights. On a number of occasions it has joined with others in filing *amicus curiae* briefs arguing for the rights of all persons before the law.

The *Church and Society Network, Inc.* is an independent society of Episcopalians and other Christians involved in carrying out the Church's social mission in over 20 metropolitan areas in the United States. Church and Society Network joins as an *amicus* because its daily contact with ghetto neighborhoods makes it acutely aware of the physical and emotional devastation caused by the lack of employment opportunities for non-whites and women in this country, pointing to the urgent need to support all voluntary affirmative action efforts.

Church Women United (*CWU*) is an ecumenial movement of Protestant, Roman Catholic and Orthodox women seeking to witness for Christ in the church and in the world. CWU's support for affirmative action in order to achieve equal employment opportunity is validated not only by the United States Constitution, but by its commitment to justice as religious women of faith.

The *Coalition of Black Trade Unionists* (*CBTU*) is an organization consisting of representatives from 57 international and national unions with 27 chapters located across the country. CBTU filed an *amicus curiae* brief with this Court in the *Bakke* case. CBTU joins as an *amicus* in this brief because it considers that the *Weber* case has a tremendous potential adverse impact on affirmative action employment programs established for Blacks, other minority workers, and women across the country. CBTU especially supports the Thirteenth Amendment analysis taken in this brief because of its knowledge of the daily experience of its members, who suffer the impact of this country's two hundred years of racial discrimination.

The *Delta Ministry*, which functions in Mississippi, is a related movement to the National Council of Churches and is affiliated with the Division of Church and Society. The Delta Ministry is involved in community development efforts, human rights, and educational and economic justice issues with the poor and Black communities in the state of Mississippi. The Delta Ministry joins as an *amicus* because its 15 years of involvement in economic justice issues, particularly in the struggle for equal employment rights for all Americans and especialy those in the State of Mississippi, has demonstrated that affirmative action programs are essential if the badges and indicia of slavery are to be overcome in the area of employment.

Equal Opportunity Forum is a national equal rights publication reporting on classes protected by federal and state anti-discrimination laws. *Equal Opportunity Forum* joins as an *amicus* because of its understanding of the necessity for affirmative action programs including those of a voluntary nature, such as the one at issue in the *Weber* case. It considers these programs to be essential vehicles for the implementation of equal employment opportunities.

The *Farm Labor Organizing Committee* (*FLOC*) is a farm worker's union and community organization dealing primarily with Chicanos in northwestern Ohio, eastern Indiana, and southern Michigan. It is FLOC's experience that Chicanos and other minorities suffer from staggering rates of unemployment and underemployment. FLOC joins as an *amicus* because it believes that an elimination or weakening of affirmative action programs would increase the suffering of Chicanos and other minorities who have extreme difficulty meeting the basics of life. FLOC is especially concerned about the thousands of farmworkers displaced by mechanization. Without affirmative action programs to increase the number of minorities employed generally, even fewer jobs would be available to these workers.

Filipinos for Affirmative Action, Inc. is an Oakland, California, based organization which seeks to accomplish the following goals and objectives: 1) to promote and project Filipino interests on all aspects of life that affect the general well-being of Filipinos; 2) to identify and evaluate the educational social and economic problems of Filipinos with the view to helping find appropriate relief and solutions; 3) to provide information and referral services to new immigrants, unemployed Filipinos, youth, and other segments of the Filipino community; 4) to encourage and assist in developing and implementing, in cooperation with appropriate agencies, affirmative action programs, and other such programs as well and better equip themselves toward attaining self-sufficiency; 5) to encourage and facilitate the greater exchange, compilation, and distribution of information concerning Filipinos on local, state, and national levels.

The *Health Coalition for Affirmative Action* is a New York based group of health professionals and health and civil rights organizations working to preserve and enlarge affirmative action programs in medical and nursing schools. The Health Coalition for Affirmative Action joins as an *amicus* in this brief recognizing the interdependence of affirmative action programs in employment and in education.

The *Indian Law Resource Center* is an educational and charitable organization based in Washington, D.C., devoted principally to the protection and enhancement of the legal rights of American Indians. One of the purposes of the Center is to seek the elimination of racial discrimination through education and legal efforts. Essential to this effort is the concept of "special measures" and affirmative action. For many years the federal government has established and implemented, albeit imperfectly, the policy of "Indian preference" regarding employment of Indian persons by various federal agencies. The Center is vitally interested in the protection and continuing affirmation of the Indian preference policy and other measures, such as affirmative action, designed to overcome the continuing social and economic discrimination experienced by American Indians and other nonwhite people.

The *Interreligious Foundation for Community Organization* (*IFCO*) is a public, charitable foundation whose 37 member board represents a cross-section of religious, educational and grass roots organizations. From its inception twelve years ago, its purpose has been to support programs to alleviate discrimination and to empower the poor. Recognizing that underrepresentation of minorities and women has a two hundred year history, a major focus of IFCO has been the implementation of strategies to combat institutional racism. The Board has consistently supported efforts to this end, including filing an *amicus curiae* brief in *Bakke*. It urges the Court to uphold all voluntary programs of affirmative action.

La Raza Legal Alliance (*LRLA*), is a national organization composed of Latino lawyers, law students and legal workers dedicated to the realization of social, economic, and political equality for all Latinos. Its goal is to promote and to protect the rights of Latino people and thereby, all peoples, to a decent standard of living, a high quality of education, decent housing and equal employment opportunities.

Labor Research Association, Inc., was formed in 1927. The purposes of the organization are to conduct investigations and studies of social and economic questions. It publishes its findings in the form of reports, articles, pamphlets and books. Labor Research Association joins as *amicus* in this brief because of its belief that the *Weber* case represents a significant challenge to affirmative action programs so necessary to achieve equality for all Americans.

Law Students Civil Rights Research Council (*LSCRRC*), is a law student organization which seeks to respond to the needs of minority and poor people in all areas of the United States. Since its inception in 1963, it has assisted the efforts of every major civil rights, civil liberties, and public interest law organization. In 1976, the LSCRRC Board of Directors mandated a sharper organizational focus on the problems surrounding affirmative action/minority admissions. The theme for its National Convention in October 1976, was the "Crisis in Minority Admissions." It has also co-sponsored two regional minority admissions conferences during the 1976–77 year, and has sponsored several LSCRRC interns working on projects concerning affirmative action in the last two summers.

The *Legal Services Staff Association* (*LSSA*) is a labor organization that represents all non-managerial employees of Community Action for Legal Services in New York City. It understands the need for affirmative action because in their work its members daily witness the devastating effects on human beings of sexism and racism in our society. LSSA has a long held commitment to support affirmative action programs and policies. LSSA joins as an *amicus* because of its deep concern about the adverse repercussions that would result from a decision by this Court which does not fully support and encourage voluntary as well as court-ordered affirmative action programs.

Movimiento de Izquierda Nacional Puertorriqueño (*M.I.N.P.-El Comite*) is an organization composed predominantly of Puerto Ricans and other Latins dedicated to social change for the achievement of equality and full democratic rights. Affirmative action for minorities and women is one means, but a vital one, for overcoming the effects of centuries of discrimination and prejudice in this country. El Comite views the action brought by Weber as a serious threat to these efforts, having repercussions in the area of employment as well as housing, education, health care, and other vital areas of concern to the community that it serves.

The *National Ad Hoc Committee of Black Steelworkers* (*Ad Hoc*), a national organization, has been deeply involved in fighting discrimination in both the steel industry and its own union, the United Steelworkers.

Ad Hoc has been an integral part of this struggle, leading to most of the key federal court decisions involving discrimination in the steel industry. Ad Hoc has filed hundreds of discrimination charges against steel companies which led to a consent decree in their industry. Ad Hoc commends all parties who are struggling in support of affirmative action. It joins as *amicus* in the hope that this brief will help the Court understand the necessity of speaking out in support of the affirmative action program under attack and lend its support in eradicating the badges and indicia of slavery.

Ad Hoc, an organization shaped, formed and grounded in the struggle of Black steelworkers, urges the Court not to stop the programs of social and economic reconstruction. They know from bitter experience that without the support of the courts, promises are made only to be a force for fundamental change in the system of all patterns in our free society which oppress or which give rise to the oppression of Blacks, minorities and women. Oppression refers not only to the economic, social and political disenfranchisement. It is a disenfranchisement of the mind, the spiritual and moral values that hold together the fabric of a nation. By emancipating Blacks, women and other minorities from the effects of white racism, the Court thus provides authentic freedom for both white and Black people. The Court must not once again move through history ignoring the realities, and hiding these painful truths behind a facade of myths and real and imagined anxieties. Ad Hoc believes the task of the Court is to analyze the nature of this enormous problem in the light of the oppressed people in our free society.

The *National Alliance Against Racist and Political Repression* (*NAARPR*) is a broad based coalition of Church, civic, community, student and professional groups formed in 1973 to fight against repression, in its myriad forms. The NAARPR appears here because of its conviction that should the case of *Weber* v. *Kaiser Aluminum* be upheld, private programs across the U.S., designed to equalize the employment of Blacks, Native American, Asian American, Hispanic American and other minorities, will be virtually eliminated. Further, NAARPR believes that the immediate result of upholding *Weber* would be increased unemployment and further victimization of minority people. Current patterns and practices of police conduct will result in increased arrest of these unemployed citizens and further swell this nation's jails and prisons with numbers all out of proportion to minority representation in the population.

The *National Association of Social Workers* is a nonprofit, national organization of professional social workers. It is devoted to the advancement of sound public policy for social work consumers as well as its 80,000 professional members. It joins as an amicus because it has voluntarily adopted an association-wide affirmative action program for women and minorities which would be threatened by any adverse holding in the *Weber* case.

The *National Bar Association* (*NBA*), 1900 L Street, N.W., Washington, D.C. 20036, is a professional membership organization representing more than 7,000 Black attorneys, judges and law students in the United States. The NBA was founded to achieve equalization of opportunities for minorities in the legal profession and to further the goal of equal justice for all.

Thus far, affirmative action has proven to be the most effective method for ameliorating the gross underrepresentation of minorities in the legal and other professions, and certainly has been the most critical factor in doubling the number of Black attorneys in America in the past decade. The NBA believes that this country cannot achieve true equality of opportunity without affirmative action to correct past societal discrimination. The NBA interprets affirmative action to mean those programatic efforts designed to fully integrate minorities and women in this country into employment, entrepreneurship and education. With the advent of the "reverse discrimination" principle, Blacks and other minorities stand to lose the gains that have been made through the use of affirmative action.

Legal actions, such as *Weber* and other cases, have dampened the efforts of employers and unions who are attempting to redress a national pattern of discrimination as mandated in Title VII and Executive Order 11246. Further approval of the reverse discrimination principle by the United States Supreme Court will not only impede, but will totally destroy the gains accomplished to date.

The *National Black Political Assembly* (*NBPA*) is a national, independent, Black political organization with chapters in 20 states. It is devoted to voter registration, political education campaigns, and the formulation of resolutions and positions on issues which affect the national Black community. It provides skill development training in various areas of electoral politics and community struggles, education, economics and other categories of knowledge and work as may be required to fulfill the goals of the NBPA. The NBPA believes that affirmative action is essential to guarantee access to skilled jobs for those minorities who have traditionally been denied access to equal opportunity within American society, especially in the skilled crafts. The failure to maintain vigorous affirmative action programs in the skilled crafts would not only stymie progress in this area, but would offer an opportunity for those who are opposed to the entry of minorities into the skilled crafts on an equal basis to maintain and increase barriers which have been used traditionally to discriminate.

The *National Black United Fund* (*NBUF*) is a non-profit, tax-exempt organization founded to increase the amount of charitable contributions targeted for organizations serving the black community. The local affiliates of NBUF raise funds through payroll deductions and will be adversely affected if there is any reduction in voluntary affirmative action plans which will produce a significant decline in black employment in predominantly white industry.

The *National Committee to Overturn the Bakke Decision* is a multi-racial organization, formed in April, 1977, to publicize the issues presented by racism and the *Bakke* decision. The NCOBD is comprised of community agencies, church groups, students, women's organizations and working people who organized to demand the reversal of the *Bakke* decision. Educational brochures, pamphlets, and leaflets were written to press the need for affirmative action and the need for people actively to take up the struggle against racism. In the aftermath of the *Bakke* decision, the NCOBD is continuing the struggle against racism and resolutely supports affirmative action plans in employment.

The *National Council of Churches of Christ* in the United States of America (*NCC*) is the cooperative agency of thirty national Protestant and Eastern Orthodox religious denominations with an aggregate membership of over forty million people. It is organized exclusively for religious purposes and is committed to promoting the application of the law of Christ in every sphere of human relations.

The Council has been active in the civil rights effort since its inception in 1950 and has filed briefs *amicus curiae* with this Court in several historic cases, including *Jones* v. *Mayer* (1968) and *Regents* v. *Bakke* (1977). Because its Governing Board has repeatedly supported affirmative action to eliminate the disadvantage engendered by discrimination, the Council joins this brief to urge the Court to uphold voluntary programs of affirmative action in employment.

The *National Emergency Civil Liberties Committee* (*NECLC*) was founded in 1951 for the purpose of reestablishing the constitutional freedoms then under severe attack. For 27 years, NECLC has pursued this goal through numerous test cases to vindicate the civil liberties and civil rights of citizens, including many such cases before this Court. It has also engaged in extensive educational activities in support of the constitutional rights of citizens.

The *National Employment Law Project, Inc.* (*"The Project"*) is a legal services organization which provides backup assistance to local legal services offices in all areas of employment law. In conjunction with these local offices, and in some instances on its own, the Project represents a number of individual clients in employment discrimination litigation brought under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, as well as constitutional and other statutory provisions.

Since its inception in 1969, the Project has been involved in efforts to combat the effects of racial discrimination in employment. It believes that progress in civil rights depends primarily upon the voluntary efforts of public and private organizations to rectify the widespread effects of racial discrimination. Societal discrimination is so pervasive that litigation alone cannot be relied upon to protect the rights of racial and ethnic minorities. The Project has been involved in the creation of numerous affirmative action programs voluntarily and involuntarily adopted by private employers and public agencies that use racial classifications to remedy racial discrimination. Affirmance in this case would seriously jeopardize, if not destroy, these and future programs, to the severe detriment of the Project's minority clients.

The *National Organization of Legal Service Workers* (*NOLSW*) is a national organization open to all nonmanagerial employees of the Legal Services Corporation. NOLSW supports affirmative action within Legal Services offices, in employment generally, and in all other areas. NOLSW joins as an *amicus* because it believes that all affirmative action programs including voluntary ones are legal when designed to overcome the long history of discrimination against minorities and women in this country.

The *National Puerto Rican Law Students Association* (*National PRLSA*) is the organization established by Puerto Rican and other Latino Law students to represent the concerns and needs of their people before the national legal and educational communities. National PRLSA is specifically committed to the increased recruitment and admission of Puerto Ricans and other Latinos into law schools, the strengthening of its local organizations at all law schools, and the development of positive working relationships with Latino lawyers, legal workers, community organizations and undergraduate groups across the nation. National PRLSA's specific concerns emanate from its solidarity with the struggles of all minority, poor and underrepresented people of the United States to attain and preserve full socio-economic and political equality.

The *New American Movement* is a nationwide democratic socialist organization which sees the struggle for socialism integrally linked to the struggle for democracy and to the struggle for the special needs of women and minorities. It sees equality for women and minorities as essential to democracy and to the making of any progress in the lives of the American people as a whole. It joins as *amicus* in this *brief* because of its understanding of the importance of voluntary affirmative action as a step in gaining needed equality to provide better working and living conditions for all people.

The *New Jersey Association for Affirmative Action in Higher Education*, through its executive committee, confirms its interest in affirmative action by joining as an *amicus* in this brief (*Weber* v. *Kaiser Aluminum*) and encourages the United States Supreme Court to overturn both lower courts' decisions in order to allow voluntary affirmative action programs, including quotas without the necessity of an admission of past employment discrimination practices, a consent decree worked out through a government agency and/or a court finding of past employment discrimination.

The *New Jersey Association of Black Educators* (*NJABE*) has existed since 1973 and includes in its membership Black educators, students, and parents from throughout New Jersey. The NJABE is committed to developing and maintaining involvement in educational policymaking and implementation so that Blacks may enjoy greater educational and employment opportunities. The NJABE's interest in the *Weber* case is great because educational opportunity is rendered void without accompanying opportunities for employment in every facet of American society.

The *People's Alliance* is a national network of groups and individuals working to defend the achievements reached in struggles by working people and to build towards a society based on justice and full equality. Many of the people in this network are working women or minority people, some of whom got their current jobs because of affirmative action programs. In addition, all members and member organizations of the People's Alliance believe that an upholding of the claims of Brian Weber would serve the interests of the racist, sexist, right-wing forces which are working to roll back the gains of the civil rights, women's, and labor movements—gains which are just the first small steps in what should be a process of bringing justice and equality to all people in this land.

Philadelphia Area Project on Occupational Safety and Health (*PHILAPOSH*) is a nonprofit corporation which unites labor, health, and legal workers to act for improvements in health, safety and environmental conditions for all workers in the Delaware Valley. It has traditionally supported affirmative action programs to overcome the effects of past discrimination against minority workers. Employment discrimination not only concentrates minority workers in the most hazardous and dangerous jobs, it is also a source of intense stress affecting all workers both on and off the job. Such stress is known to be a direct cause of illness and an indirect cause of occupational injuries. The elimination of employment discrimination, therefore, not only contributes to the achievement of a more democratic society, but also contributes toward the goal of improving the health and safety of workers on and off the job. For these reasons, PHILAPOSH has a special interest in joining with others to present an *amicus* brief to the Supreme Court in support of voluntary affirmative action employment plans.

The *Puerto Rican Socialist Party* (*PSP*) is a registered political party in Puerto Rico with active chapters in all major cities of the United States where there is a substantial Puerto Rican population. The United States Branch of the PSP seeks to organize Puerto Rican workers in the United States with the principal objective of obtaining the liberation of Puerto Rico and the establishment of a socialist republic. Additionally, the PSP supports and participates in all those economic, social and political struggles in the United States which may contribute to the achievement of full democratic rights and the establishment of a Socialist form of government in the United States. In this context, the PSP views affirmative action as a modest victory of the working class, women, and racial and other minorities in their struggle toward total liberation. The PSP is vehemently opposed to any action such as the *Weber* case which might jeopardize these hard won rights.

Southerners for Economic Justice (*SEJ*) is an organization of prominent public citizens living throughout the South. It has offices in Knoxville, Tennessee, and Greenville, South Carolina.

SEJ was formed because of a conviction that economic rights can only be insured by extending the protection of our civil rights to the work place. In the South, SEJ has been active in community education, advocacy, and in monitoring race and sex discrimination on the job.

The *Southern Regional Council* is a nonpartisan, privately funded research and action organization founded in 1944. Composed of a 120 member bi-racial governing board drawn from eleven states, the council is working to eliminate institutional racism and poverty by making the region's own institutions more accountable to all the people they are supposed to serve. The Council accomplishes its work through a small core staff and special project staffs that analyze issues, monitor government responses to these issues, and document and publicize their findings in order to increase citizen awareness of any influence on public policy at the national, state, and local levels.

Teamsters for a Democratic Union (*TDU*) is a national rank and file group of Teamster Union members and their spouses. TDU's purposes are to strengthen and democratize the ineffectual and corruption-ridden International Brotherhood of Teamsters. Consisting of some 3100 members nationwide, TDU has chapters or members in 45 Teamster locals. At its founding convention in 1976, TDU adopted resolutions strongly favoring affirmative action for both women and blacks in the trucking industry. As in the skilled trades, with union acquiescence, the trucking industry has long excluded women and minorities from the most favored jobs. TDU believes that past and present discrimination must be remedied at the employer's expense. It is employers in general who have been responsible for and have benefitted from discrimination. The affirmative action plan adopted by Kaiser in this case implements that position. At the 1978 national TDU convention, attended by 500 Teamsters, a resolution was unanimously passed on the floor mandating TDU to join in this proceeding as *amicus*, and to generally publicize the issues of this case.

The *Texas Farm Workers Union* (*TFU*) is an independent, unaffiliated union of farm workers in the Rio Grande Valley of south Texas, primarily composed of Mexican farm workers. It is currently attempting to secure the passage of legislation in the state of Texas which would allow farm workers to bargain collectively. The Union is vitally interested in the outcome of the *Weber* case because its members are victims of discrimination as were the minority workers in the Gramercy, Louisiana area. Furthermore, most of the working population of the Rio Grande Valley are Mexicans. They, like the members of TFW, are discriminated against in all areas of their lives.

The *Transit Workers in Coalition, Inc., The Committee, the Revenue Collector's Benevolent Association*, the *Coalition of Concerned Transit Workers*, the *Coalition of Signal Maintainers* and *The Committee of Concerned Transit Workers* are the major rank-and-file groups within *Local 100 of the Transport Workers Union of America, AFL-CIO*. Our local, which is multinational, has 33,000 members of whom 27,000 are employed by the New York City Transit Authority. We are united in our support of the affirmative action plan at stake here and the many similar plans which will be affected by this Court's ruling.

The Kaiser plan is but a small step toward remedying the discrimination to which minority workers have historically and currently been subjected. Our groups believe in justice for all workers and in the unity of all workers fighting for better conditions for all. Voluntary affirmative action plans are a concrete step toward equality between workers of different nationalities. It is this equality which lays the basis for the unity of workers of different nationalities. Thus affirmative action programs, far from discriminating against white workers, in the long run help white as well as minority workers.

The *United Church of Christ Commission for Racial Justice* has been actively involved in this struggle for civil and human rights since the 1960s. It has been actively involved in such cases as the Wilmington 10 and the Charlotte 3. It vigorously opposes this Court's decision in the *Bakke* case, a ruling which is producing devasting effects in the minority community. As the Commission has analyzed the present pending *Weber* v. *Kaiser Aluminum* case, it is convinced that this is simply another effort to set back the gains made in the civil rights area, with the focus now on employment.

The Commission joins in the filing of this *amicus* in the hope that this Court will have a sense of justice and foresight found lacking in the *Bakke* decision. We are firm in the belief that there are strong Thirteenth Amendment arguments in favor of the reversal and dismissal of this case.

The *United Coalition* is an organization of members of Local 51 of the United Auto Workers (UAW) committed to building more aggressive representation and equality for all in the union and work force. The struggle for equality is a prime interest of the United Coalition. The group has struggled in local level contract negotiations for strong affirmative action programs for entrance to the skilled trades for women, Blacks, and Arab workers. The Coalition has called for strict enforcement of existing affirmative action programs. It has advocated strict enforcement of transfer rights which gives priority to inplant workers over new hirees resulting in improved jobs and advancement potential for women and minorities. United Coalition feels the *Weber* case poses a threat to all existing affirmative action programs.

The *United Construction Workers Association* (*UCWA*) is a rank and file workers' organization based in Seattle, Washington, representing Black and other minority workers in the building trades. The UCWA seeks out minority workers with potential employment discrimination problems, educates them about their rights under federal and state civil rights and labor laws, and, where necessary, initiates and sponsors law suits on behalf of its members to remedy discriminatory employment patterns. UCWA has always supported affirmative action in all forms as necessary to get rid of the badges and indicia of slavery.

Western Center on Law and Poverty is a public interest law firm representing low income clients throughout California. One of the highest priorities established for the Center by its client community during the past several years has been in the area of employment and affirmative action. In meeting that priority, the Center has litigated many cases which have resulted in the establishment of affirmative action programs for women and minorities, programs that will now be directly affected by the decision in *Weber*. The Center also filed two briefs as *amicus curiae* in the *Bakke* case, reviewed and decided by the Supreme Court during its last term.

The *Women's Division of the Board of Global Ministries of the United Methodist Church* (*Women's Division*) is the national expression and policy making body of United Methodist Women. It is a mission organization formed more than 100 years ago to offer women opportunities for service from which they were excluded by the prevailing custom and official policy of the Church at that time. It has a long tradition of concern for the interests of women and children and especially of minority groups, and supports programs throughout the world. It has always supported the effort to extend full civil rights to all United States citizens. The Women's Division joins as an *amicus* because its program and policy supports and is consistent with the position taken in this brief.

Women for Racial and Economic Equality (*WREE*) is a multi-racial and multi-national organization with chapters in 25 cities. Its membership is mainly working class and low income women. It is concerned with those necessary actions and legislation that will enable women to achieve economic equality as the foundation for true social and political equality. The elimination of racism is basic to this effort since it is used to prevent unity among women who have the same needs, aspirations, and goals. Affirmative action is the operational base for any attempt to achieve economic parity for women and minorities. WREE believes that affirmative action must be expanded to include laws and regulations that enable women to get and *keep* jobs. This would mean day care, pregnancy and maternity benefits, health protection, etc. Minimum quota guidelines for hiring must be protected to make affirmative action meaningful.

The *Women's Law Project* is a non-profit, feminist, legal organization in Philadelphia, Pennsylvania. It is working for the legal equality of men and women through litigation, public education, research and the representation of organized women's groups. Since its inception in 1974, the Project has been concerned with the implementation of constitutional principles of equality and of civil rights statutes. Its goal is to use these laws to effectuate a just transaction to a system in which the legal rights and obligations of both sexes are fully and equally recognized in all areas of life. Within these purposes, it has been particularly concerned about advancing opportunities for women in employment. The Project has been involved as counsel or *amicus* in a number of lawsuits aimed at opening up equal opportunities and benefits for women workers. Through this work, it has become aware of the critical role that voluntary affirmative action efforts in the workplace must play if women and minorities are to achieve their rightful place within the labor market.●

THE EXECUTIVE'S PROPOSAL TO IMPLEMENT THE PANAMA CANAL TREATY

● (Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, even though the new Panama Canal Treaty arrangement has been approved by the United States and Panama, and instruments of treaty

ratification have been exchanged, no clear picture of the new canal regime can emerge until the terms of the legislation to implement the treaties have been approved. The importance of the implementing legislation to the new regime for operation of the canal was made clear during the treaty debates in 1978. The U.S. Senate, during the treaty debates, was insistent that the terms of the implementing legislation be made known and, in accordance with that desire, the executive dispatched a draft of its legislative proposal to implement the treaties

The final version of the executive branch proposal for treaty implementation has recently been forwarded to Congress. Today I and the other chairmen whose committees will be dealing with the implementing legislation are introducing this proposal.

The treaty implementing is one part, but it is the key part, to a whole series of actions that must be undertaken to fill out the rights and responsibilities accorded to the United States under the new canal treaties.

Since the exchange of instruments of ratification on June 16, an intensive effort has been made to reach more precise understandings on many matters that were generally treated in the Panama Canal Treaty and related agreements. Twenty-four binational committees have been organized to provide for the joint planning that is needed to transfer governmental and commercial functions, modify the provision of services, and change jurisdictional arrangements.

While planning is being done for the major changes now scheduled for October 1, 1979, the canal organization cannot, through the binational committees or otherwise, do that which is not authorized by law. To provide for the relocation of resources and the changes in personnel that must be accomplished before October 1, 1979, some supplemental appropriations will have to be made and the treaty implementing package of legislation must be enacted.

Three recently concluded agreements illustrate some of the work that has been done to supplement the terms of the treaty arrangement and clarify U.S. rights.

Pursuant to paragraph 11 of article IX of the Panama Canal Treaty, the United States and Panama have signed an agreement which authorizes a prisoner exchange whereby nationals of one country who are convicted in the courts of the other country may serve their sentences in their own country. The transfer of canal employees or dependents convicted of crimes in Panama would be automatic. This arrangement will do much to relieve the anxieties of those U.S. citizens who serve with the canal organization and whose terms of employment are being changed significantly by being placed under non-U.S. jurisdiction. As the members of this body will recall, the protection of the human and civil rights of canal employees, particularly U.S. citizen employees, was a major issue in the debate on the treaty arrangement.

A second agreement recently negotiated provides that the U.S. Battle Monuments Commission would continue (until the year 2000) to operate a portion of Corozal Cemetery, now in the Canal Zone, as a suitable resting place for deceased U.S. citizens who have worked in the canal area. A later agreement will provide for the burial of eligible U.S. citizens and the care of the cemetery after the year 2000. This agreement, too, is an attempt to insure that the best conditions of employment and life for U.S. citizens are maintained.

A third agreement, initiated January 8 of this month, provides for an orderly turnover of air traffic control systems to Panama. It is crucial for the United States and Panama that the air traffic control on the isthmus be technically proficient because of the strategic position of that area.

As I have said before, Mr. Speaker, it is the responsibility of the Congress to enact legislation to fill out the terms of the new treaty relationship. We ought to act to preserve U.S. interests within the framework of the new treaty relationship. The proposal of the executive branch, derived after many long hours of research and review, deserves serious consideration. It is my understanding, based on the proposals I intend to submit to the committee which I chair, and based on discussion with other committee chairmen, that such consideration will be given to this proposal early in this Congress.

For the benefit of my colleagues and the public, and because of the limited time available for the consideration of the implementing legislation, I set forth for the RECORD a copy of the executive proposal and the accompanying section-by-section analysis.

H.R. —

A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to provide legislation necessary to or desirable for the implementation of the Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama and of the related agreements accompanying that Treaty.

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DEFINITIONS AND GENERAL PROVISIONS

SEC. 2. (a) As used in this Act, references to the Panama Canal Treaty of 1977 and related agreements mean the Panama Canal Treaty between the United States of America and the Republic of Panama signed September 7, 1977, the agreements relating to and implementing that Treaty signed on the same date, and any agreement concluded pursuant to the Exchange of Notes relating to Air Traffic Control Services signed September 7, 1977.

(b) The Canal Zone Code is hereby redesignated the Panama Canal Code.

(c) Except as otherwise provided in, or where inconsistent with, the provisions of this Act, the following words and phrases are amended as follows wherever they appear in the Panama Canal Code and other laws of the United States, unless in context the changes are clearly not intended, or unless such words and phrases refer to a time prior to the effective date of this Act, as defined in section 503 (herein called "the effective date"):

(1) "Panama Canal Company" to read "Panama Canal Commission".

(2) "Company" to read "Commission" wherever the word "Company" has reference to the Panama Canal Company.

(3) "Canal Zone Government" to read "Panama Canal Commission".

(4) "Governor" or "Governor of the Canal Zone" to read "Panama Canal Commission" wherever the reference is to the Governor of the Canal Zone.

(5) "President" to read "Administrator" wherever the word "President" has reference to the president of the Panama Canal Company.

(6) "Government of the Canal Zone", or "Government", wherever the reference is to the Government of the Canal Zone, to read "United States of America".

(7) "Canal Zone waters" and "waters of the Canal Zone" to read "Panama Canal waters" and "waters of the Panama Canal", respectively.

(8) "Canal Zone Merit System" to read "Panama Canal Employment System".

(9) "Canal Zone Board of Appeals" to read "Panama Canal Board of Appeals".

(d) Reference to the Canal Zone in provisions of the Panama Canal Code or other laws of the United States which apply to transactions, occurrences, or status after (treaty effective date) shall be deemed to be to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(e) The President shall, within two years after the Panama Canal Treaty of 1977 enters into force, submit to the Congress proposed legislation which would—

(1) amend or repeal provisions of law which in their present form are applicable only during the transition period prescribed in Article XI of that Treaty, and

(2) incorporate the remaining provisions of the Panama Canal Code into the United States Code, proposing any changes thereto considered advisable in light of the experience as of that time under that Treaty.

TITLE I—PANAMANIAN RELATIONS AND SECURITY MATTERS

UNITED STATES-PANAMA JOINT COMMITTEE

SEC. 101. (a) The President shall appoint the representatives of the United States to the Joint Commission on the Environment to be established under paragraph 2 of Article VI of the Panama Canal Treaty of 1977.

(b) The President shall designate and the Secretary of State shall coordinate the participation of the representatives of the United States to the Consultative Committee between the United States and the Republic of Panama to be established under paragraph 7 of Article III of the Panama Canal Treaty of 1977.

AUTHORITY OF THE AMBASSADOR

SEC. 102. (a) The Ambassador to the Republic of Panama shall have full responsibility for the coordination of the transfer to the Republic of Panama of those functions that are to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) The Administrator of the Panama Canal Commission and personnel under his supervision shall not be subject to the direction or supervision of the United States Chief of Mission in the Republic of Panama with respect to the responsibilities of the Commission for the operation, management or maintenance of the Panama Canal as established in this or other acts, and the Panama Canal Treaty of 1977 and its related agreements; in other respects, 22 U.S.C. § 2680a shall be applicable.

SECURITY LEGISLATION

SEC. 103. (a) Sections 34 and 35 of title 2 of the Panama Canal Code are repealed.

(b) Section 1 of title II of the Act of June 15, 1917, (50 U.S.C. § 191) is amended by (1) striking the second paragraph of that section, and by (2) striking the term "the Canal Zone,".

(c) Section 2 of the Act of November 15, 1941, (50 U.S.C. § 191b) is repealed.

(d) Section 1 of title XIII of the Act of June 15, 1917, (50 U.S.C. § 195) is amended by striking the term "the Canal Zone and".

(e) Section 1 of the Act of August 9, 1954, (50 U.S.C. § 196) is amended by striking the term "including the Canal Zone,".

ARMS EXPORT CONTROL

SEC. 104. Section 38 of the Arms Export Control Act (22 U.S.C. § 2778) is amended by striking out subsection (d) thereof.

PRIVILEGES AND IMMUNITIES

SEC. 105. The Secretary of State shall from among persons recommended by the Panama Canal Commission determine, and shall maintain and from time to time furnish to the Government of the Republic of Panama, the list of those officials and other persons who shall enjoy the privileges and immunities accorded under Article VIII of the Panama Canal Treaty of 1977.

TERMINATION OF CANAL ZONE GOVERNMENT; TRANSFER OF RECORDS

SEC. 106. (a) Sections 1, 2, 3, 31, 32, 33, 333, and 334 of title 2 and sections 5081–5092 of title 6 of the Panama Canal Code are repealed.

(b) The Panama Canal Commission, other agencies or departments, and United States courts in the Republic of Panama are authorized to transfer any of their records, or copies thereof, including records acquired from the Canal Zone Government or Panama Canal Company such as vital statistics records, to other agencies, departments or courts of the United States and, if determined by the head of the agency or department concerned to be in the interest of the United States, to the Government of the Republic of Panama. Transfer of records or copies thereof under this section to the Government of the Republic of Panama shall be accomplished under the coordination and with the approval of the Ambassador.

PAYMENT TO PANAMA; REPEALER

SEC. 107. Title I of the Act of November 27, 1978, (87 Stat. 636) is amended by striking out the heading "Payment to the Republic of Panama" and all that follows under that heading.

TITLE II—PANAMA CANAL COMMISSION

Chapter 1.—COMMISSION: FISCAL MATTERS

SEC. 201. (a) Section 61 of title 2 of the Panama Canal Code is amended to read as follows:

"CONTINUATION, PURPOSES, OFFICES AND RESIDENCE OF THE COMMISSION

"SEC. 61. (a) For the purposes of managing, operating and maintaining the Panama Canal and its complementary works, installations and equipment, and of conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission is established as a body corporate and as an agency and instrumentality of the United States, and is declared to be the successor to the Panama Canal Company.

"(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish agencies or branch offices in such other places as it deems necessary or appropriate in the conduct of its business. Within the meaning of the laws of the United States relating to jurisdiction or venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia, and of the eastern judicial district of Louisiana."

(b) Subsection (a) of section 62 of title 2 of the Panama Canal Code is amended by substituting the words "Panama Canal Company" for "Company" and the words "Panama Canal Commission" for "Panama Canal Company".

SEC. 202. (a) Subsection (e) of section 62 of title 2 of the Panama Canal Code is repealed.

(b) Subsection (f) of section 62 of title 2 of the Panama Canal Code is amended by substituting the words "compute its capital surplus account" for "account for its surplus", and by deleting the words "in determining the base for the interest payments required by subsection (e) of this section".

(c) Section 70 of title 2 of the Panama Canal Code is amended by deleting the words "in determining the base for interest payments required by section 62(e) of this title", and by inserting the term "including operating expenses and payments required by paragraph 5 of Article III and paragraphs 4 (a), (b), and (c) of Article XIII of the Panama Canal Treaty of 1977," after the term "working capital requirements,".

(d) Section 72 of title 2 of the Panama Canal Code is amended by deleting the words "pursuant to section 62(e) of this title".

SEC. 203. Subsection (g) of section 62 of title 2 of the Panama Canal Code is amended to read as follows:

"(g) The Panama Canal Commission shall pay directly from Canal operating revenues to the Republic of Panama those payments required under paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. In determining the adequacy of operating revenues for the purpose of payments to Panama under paragraph 4(c) of that Article, such operating revenues of a given fiscal period shall be reduced by (1) all costs attributable to the operation, maintenance and improvement of the Canal of that period including (i) operating expenses determined in accordance with generally accepted accounting principles, (ii) payments to Panama under paragraphs 4(a) and 4(b) of that Article and under paragraph 5 of Article III of the Treaty, and (iii) amounts in excess of depreciation and amortization programmed to fund requirements for plant replacement, expansion and improvements; (2) amounts allocated prior to the effective date of an increase in toll rates for the purpose of matching revenues with expenses during the period projected for the increase to remain in effect; (3) the accumulated sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of such cost requirements of the Commission over operating revenues; and (4) working capital requirements of the Commission as approved annually by its Board of Directors."

SEC. 204. Section 62 of title 2 of the Panama Canal Code is amended by adding a new subsection (h) to read as follows:

"(h) Payments by the Commission to the Republic of Panama for providing public services in accordance with paragraph 5 of Article III of the Panama Canal Treaty of 1977 shall be treated for all purposes as an operating cost of the Commission."

SEC. 205. Subsection (a) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with

paragraph 3 of Article III of the Panama Canal Treaty of 1977, and neither this chapter nor any other law prevents the appointment and service as a director, or as an officer of the Commission, of an officer or employee of the United States, or of a person who is not a national of the United States. Each director so appointed shall, subject to paragraph 3 of Article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office."

SEC. 206. Subsection (c) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) The directors shall hold meetings as provided by the bylaws of the Panama Canal Commission. A quorum for the transaction of business shall consist of a majority of the directors of which a majority of those present are nationals of the United States."

SEC. 207. Section 64 of title 2 of the Panama Canal Code is amended to read as follows:

ADMINISTRATOR AND DEPUTY

"SEC. 64. The President of the United States shall appoint the Administrator and Deputy Administrator of the Panama Canal Commission. The Administrator shall, subject to the direction and under the supervision of the Board, be the chief executive officer of the Commission. The Administrator and Deputy Administrator shall hold office at the pleasure of the President."

SEC. 208. Paragraph (3) of subsection (a) of section 65 of title 2 of the Panama Canal Code is amended to read as follows:

"(3) Sue and be sued in its corporate name, except that—

"(A) its amenability to suit is limited by the immunities provided by Article VIII of the Panama Canal Treaty of 1977, and otherwise by law;

"(B) salaries or other moneys owed by the Commission to its employees shall not be subject to attachment, garnishment or similar process, except as otherwise expressly provided by the laws of the United States; and

"(C) it is exempt from any liability for prejudgment interest."

SEC. 209. The opening clause of subsection (a) of section 66 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) Subject to the Government Corporation Control Act (31 U.S.C. §§ 841 *et seq.*), and to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may:".

SEC. 210. Sections 67 and 73 of title 2 of the Panama Canal Code are repealed. Section 68 of that title is amended to read as follows:

"ASSETS AND LIABILITIES

"SEC. 68. (a) Property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other United States Government agencies or to the Republic of Panama, or otherwise disposed of, shall, notwithstanding section 5 of the Act of July 16, 1914, as amended (31 U.S.C. § 638(a)), be the property and assets of the Panama Canal Commission from and after the effective date, and except as otherwise provided by law, the Commission shall assume the liabilities of the Panama Canal Company and Canal Zone Government then outstanding.

"(b) The Commission may depreciate the Panama Canal, its complementary works, installations and equipment, and all other property and assets of the Commission, and may amortize over the life of the Panama Canal Treaty of 1977 the right to use certain assets such as housing made available to the United States under that Treaty and related agreements. The value of these use rights, as determined by the Commission, shall be established as an asset on the books of the Commission and amortized over the period of use.

"(c) The assets and liabilities referred to in this section shall be deemed to have been accepted and assumed by the Commission without the necessity of any act on the part of the Commission except as otherwise stipulated by section 62 of this title."

SEC. 211. (a) The introductory phrase to Section 1331 of title 2 of the Panama Canal Code is amended by striking out the word "President" and by inserting in lieu thereof the word "Commission".

(b) Paragraph (1) of section 1331 of title 2 of the Panama Canal Code is amended by striking out the words "harbors and other waters of the Canal Zone" and by inserting in lieu thereof the words "waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal".

(c) Paragraph (4) of section 1331 of title 2 of the Panama Canal Code is amended by striking out the words "waters of the Canal Zone" and by inserting in lieu thereof the words "waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal".

FUNDS AND ACCOUNTS

SEC. 212. (a) Section 231 of title 2 of the Panama Canal Code is repealed.

(b) Section 232 of title 2 of the Panama Canal Code is amended to read as follows:

FURNISHING OF SERVICES; REIMBURSEMENTS

"SEC. 232. (a) The Department of Defense shall reimburse the Panama Canal Commission for amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

"(b) Such agency as the President may designate is authorized to provide educational and health care services to persons eligible to receive such services under the Panama Canal Treaty of 1977 and related agreements. Notwithstanding any other law, the appropriations of such agency are made available for conducting educational and health care activities, including kindergartens and college, formerly carried out by the Canal Zone Government, and for providing the services related thereto.

"(c) Amounts so expended for furnishing services to persons eligible to receive them under the Panama Canal Treaty of 1977 and related agreements, less amounts payable by such persons, shall be fully reimbursable to the agency furnishing the services, except to the extent that such expenditures are the responsibility of that agency. The appropriations or funds of the Panama Canal Commission are made available for such reimbursements on behalf of employees of the Commission and other persons authorized to receive such services and eligible under the Panama Canal Treaty and related agreements. The appropriations or funds of other agencies conducting operations in the Republic of Panama, including the Smithsonian Institution, are made available for reimbursements on behalf of employees of such agencies and their dependents.

"(d) The appropriations or funds of United States agencies conducting operations in the Republic of Panama are made available to defray the cost of (1) health care services to elderly or disabled persons who were eligible to receive such services prior to the effective date, less amounts payable by such persons, and (ii) educational services provided by schools in the Republic of Panama which are not operated by the United States to persons who were receiving such services at the expense of the Canal Zone Government prior to the effective date."

(c) Section 233 of title 2 of the Panama Canal Code is amended by striking the terms "Canal Zone Government or the Panama Canal Company" and by inserting in lieu thereof the term "Panama Canal Commission".

(d) Section 234 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone" and by inserting in lieu thereof the term "Panama Canal Commission".

(e) Section 235 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone Government and the Panama Canal Company" and by inserting in lieu thereof the term "Panama Canal Commission".

PUBLIC PROPERTY AND PROCUREMENT

SEC. 213. (a) Section 371 of title 2 of the Panama Canal Code is repealed.

(b) Section 372 of title 2 of the Panama Canal Code is amended to read as follows:

TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES

"SEC. 372. (a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred, notwithstanding section 5 of the Act of July 16, 1914, as amended (31 U.S.C. § 638(a)), between departments and agencies, with or without exchange of funds, all or so much of the facilities, buildings, structures, improvements, stock and equipment of their activities located in the Republic of Panama as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee. With respect to transfers without exchange of funds, transfers to or from the Panama Canal Commission are subject to section 62 of this title, as amended.

"(b) The Panama Canal Commission and other agencies of the United States may enter into cross-servicing agreements for the use of facilities, furnishing of services, or performance of functions.

"(c) The provisions of subsections (a) and (b) above shall be applicable to the Smithsonian Institution."

Chapter 2.—TOLLS

SEC. 230. Section 411 of title 2 of the Panama Canal Code is amended to read as follows:

PRESCRIPTION OF MEASUREMENT RULES AND TOLLS

"SEC. 411. (a) The Panama Canal Commission may prescribe, and from time to time change:

"(1) the rules for the measurement of vessels for the Panama Canal; and

"(2) subject to section 412 of this title, the tolls that shall be levied for the use of the Canal.

"(b) The Commission shall give three months' notice, by publication in the Federal Register, of proposed changes in basic rules of measurement or in rates of tolls, during which period a public hearing shall be conducted. Changes in basic rules of measurement and changes in rates of tolls shall be subject to and shall take effect upon the approval of the President of the United States, whose action in such matters shall be final.

SEC. 231. In order to insure that the rates of tolls in effect on the effective date are adequate to meet the requirements of section 412 of title 2 of the Panama Canal Code, as amended by section 232 of this Act, the Panama Canal Company is authorized, in advance of that date, to change the rates, effective on the effective date, such change to be subject to the approval of the President whose action in the matter shall be final. If and to the extent that time permits, the Company shall give three months' notice, by publication in the Federal Register, of such proposed changes in rates of tolls, during which period a public hearing shall be conducted.

BASES OF TOLLS

SEC. 232. (a) Subsection (b) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all anticipated costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including depreciation of assets, amortization of use rights, and the payments to Panama pursuant to paragraph 5 of Article III and paragraphs 4(a) and 4(b) of Article XIII of the Panama Canal Treaty of 1977. In determining the rates of tolls, there may also be taken into account unrecovered past costs, funding required to establish or maintain a capital reserve account programmed to fund requirements for plant replacement, expansion, and improvements, and the necessity of establishing reserves for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect."

(b) Subsection (c) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) Vessels operated by the United States, including vessels of war and auxiliary vessels, and ocean-going training ships owned by the United States and operated by State nautical schools, shall pay tolls."

(c) Subsection (d) of section 412 of title 2 of the Panama Canal Code is amended by deleting the words "of articles XVIII and XIX of the convention between the United States and Panama concluded on November 18, 1903, and", by inserting a comma in place of the period at the end of the subsection, and by adding thereafter "and of Articles II, III, and VI of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977."

Chapter 3.—CLAIMS

SEC. 260. Chapter 11 of title 2 of the Panama Canal Code is amended as follows:

(a) The title of the chapter is amended to read "Claims Arising from Operation of Canal."

(b) Section 271 of title 2 of the Panama Canal Code is repealed.

(c) The headings of subchapters I and II are deleted.

(d) Section 291 of title 2 of the Panama Canal Code is amended as follows:

(1) The period at the end of the first sentence is changed to a comma, and the following language is added: "unless it is established that the injury was not proximately caused by the negligence or fault of any of its officers or employees acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal."

(2) In the fourth sentence, the words "the side" are amended to read "any portion of the hull".

(e) Section 293 of title 2 of the Panama Canal Code is amended to read as follows:

MEASURE OF DAMAGES

"SEC. 293. (a) In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included:

"(1) actual or estimated cost of repairs;

"(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for only the time the vessel is actually undergoing repairs, on drydock or otherwise;

"(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire, for only the time the vessel is actually undergoing repairs, on drydock or otherwise; and

"(4) except as prohibited by subsection (b) of this section, or by any other provision of law, other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

"(b) Agent's fees or commissions, general average expenses, attorney's fees, bank commissions, port charges or other incidental expenses of similar character, or any items which are indefinite, indeterminable, speculative, or conjectural shall not be allowed.

"(c) The Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the use of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary."

(f) Section 294 of title 2 of the Panama Canal Code is amended by deleting the word "or" in paragraph (5), by renumbering the present paragraph (6) as paragraph (7), and by inserting a new paragraph (6) to read as follows: "(6) time necessary for investigation of marine accidents; or".

(g) Section 296 of title 2 of the Panama Canal Code is amended by deleting the words "United States District Court for the District of the Canal Zone" in the first sentence and inserting in lieu thereof the words "United States District Court for the Eastern District of Louisiana".

(h) The present section 297 of title 2 of the Panama Canal Code is designated as subsection (a), and a new subsection (b) is added to read as follows:

"(b) Lack of knowledge on the part of the master, officers, crew or passengers that an accident giving rise to a claim under this chapter has occurred does not excuse noncompliance with the requirements of this section."

(i) A new section 298 of title 2 of the Panama Canal Code is added, to read as follows:

"TIME FOR PRESENTING CLAIM AND COMMENCING ACTION

"SEC. 298. A claim against the Commission under this chapter shall be forever barred unless it is presented in writing to that agency within two years after such claim accrues or unless action is begun within one year after the date of mailing of notice of final decision on the claim by the Commission."

(j) A new section 299 of title 2 of the Panama Canal Code is added to read as follows:

"BOARD OF LOCAL INSPECTORS

"SEC. 299. (a) There is established a Board of Local Inspectors of the Panama Canal Commission which shall perform, in accordance with regulations prescribed by the Commission—

"(1) the investigations called for by section 297 of this chapter; and

"(2) such other duties in matters of a marine character as it may be assigned by the Commission.

"(b) The Commission shall, by regulation designate the members of the Board and establish procedures by which the Board carries out its functions.

"(c) In conducting the investigations provided for by subsection (a) of this section, members of the Board may summon witnesses, administer oaths, and require the production of books and papers necessary thereto."

Chapter 4.—SEA LEVEL CANAL STUDY

SEC. 270. (a) The President shall appoint the representatives of the United States to any joint committee or body with the Republic of Panama to study the possibility of a sea level canal in the Republic of Panama pursuant to Article XII of the Panama Canal Treaty of 1977.

(b) Upon the completion of any joint study between the United States and the Republic of Panama concerning the feasibility of a sea level canal in the Republic of Panama pursuant to paragraph 1 of Article XII of the Panama Canal Treaty of 1977, the text of the study shall be transmitted by the President to the President of the Senate and to the Speaker of the House of Representatives.

(c) No construction of a sea level canal by the United States in the Republic of Panama shall be undertaken except with express Congressional authorization after submission of the study by the President as provided in subsection (b).

TITLE III—EMPLOYEES AND POSTAL MATTERS

Chapter 1.—EMPLOYMENT SYSTEM

SEC. 301. (a) Sections 101, 102, 122, 123, 147 and 154 of title 2 of the Panama Canal Code are repealed.

(b) Section 103 of title 2 of the Panama Canal Code is amended by striking the terms "Canal Zone Government, Panama Canal Company" and inserting in lieu thereof the term "Panama Canal Commission", and by redesignating that section as section 122 of that title and Code.

SEC. 302. Section 141 of title 2 of the Panama Canal Code is amended as follows:

(a) The definition of the word "department" is amended to read as follows:

"'department' means (i) the Panama Canal Commission, and (ii) an executive agency (within the meaning of section 105 of title 5 of the United States Code) which makes an election under section 142(b) of this chapter;".

(b) The definition of the word "position" is amended to read as follows:

"'position' means those duties and responsibilities of a civilian nature under the jurisdiction of a department which are performed in the Republic of Panama."

SEC. 303. Section 142 of title 2 of the Panama Canal Code is amended by redesignating subsection (b) thereof as subsection (d), and by striking the caption and subsection (a) thereof and inserting in lieu thereof the following:

PANAMA CANAL EMPLOYMENT SYSTEM

"SEC. 142. (a) The Panama Canal Commission shall conduct its wage and employment practices in accordance with a Panama Canal Employment System which shall be established in accordance with—

"(1) the principles established in the Panama Canal Treaty of 1977 and related agreements, and with the provisions of this chapter and other applicable law; and

"(2) regulations promulgated by, or under the authority of, the President in accordance with this chapter and taking into account any recommendation of the Panama Canal Commission.

"(b) The head of an executive agency other than the Panama Canal Commission may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of his agency in the Republic of Panama.

"(c) The provisions of chapter 71 of title 5 of the United States Code shall not apply to the Panama Canal Commission or to its personnel. In lieu thereof, the President shall establish a form of collective bargaining, applicable to the Commission's employees; into which is incorporated the substance of sections 7102, 7106, 7116, 7120, and 7131. The form of collective bargaining so established shall contain such other necessary provisions, and shall be administered, so as to provide the Commission's employees with the right to bargain col-

lectively under the same conditions and with respect to the same subject matter that obtains where that right is exercised generally in the Federal service within the continental United States."

SEC. 304. Notwithstanding other provisions of this chapter, the provisions of subchapter III of chapter 7 of title 2, of the Panama Canal Code establishing the Canal Zone Merit System, and the administrative regulations promulgated thereunder, shall continue in effect until such time as the Panama Canal Employment System has been established pursuant to section 303 of this Act.

SEC. 305. Section 144 of title 2 of the Panama Canal Code is amended by deleting subsection (d) thereof. Section 146 is amended to read as follows:

"RECRUITMENT AND RETENTION REMUNERATION

"SEC. 146. (a) In addition to basic compensation, additional remuneration in such amounts as the head of the department concerned determines, may be paid as overseas recruitment and retention differentials to the following categories of individuals if, in the judgment of the head of the department concerned, the recruitment and retention of such employees is essential—

"(1) persons employed by the Panama Canal Company, Canal Zone Government or a department in the Canal Zone prior to the effective date;

"(2) persons thereafter recruited outside of Panama for a position in the Republic of Panama; and

"(3) Medical doctors employed by the Department of Defense or Panama Canal Commission.

"(b) Employees who fall into more than one of the three categories described in subsection (a) of this section may qualify for additional remuneration under only one of those categories.

(c) Additional remuneration prescribed under this section may not exceed 25 percent of the rate of basic compensation for the same or similar work performed in the continental United States by employees of the Government of the United States."

SEC. 306. (a) Title 2 of the Panama Canal Code is amended by adding a new section 147 to read as follows:

TRANSFER OF FEDERAL EMPLOYEES TO PANAMA CANAL COMMISSION

"SEC. 147. The head of any Federal agency, including the United States Postal Service, is authorized to enter into agreements for the transfer or detail of that agency's employees, serving under permanent appointment, to the Panama Canal Commission. Under regulations prescribed by the Office of Personnel Management, any employee so transferred or detailed shall, upon completion of his tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority or other rights or benefits to which he would have been entitled had he remained on the rolls of that agency."

(b) Section 148 of title 2 of the Panama Canal Code is amended by—

(1) changing the parenthetical citation "(5 U.S.C., sec. 2091 et seq.)" in paragraph (1) to read "(5 U.S.C. §§ 8701 et seq.)";

(2) changing the parenthetical citation "(5 U.S.C., sec. 751 et seq.)" in paragraph (2) to read "(5 U.S.C. §§ 8101 et seq.)";

(3) changing the parenthetical citation "(5 U.S.C., sec. 2251 et seq.)" in paragraph (4) to read "(5 U.S.C. §§ 8331 et seq.)"; and

(4) revising the unindented portion of the section following paragraph (6) to read as follows:

". . . the basic compensation of each employee shall include the rate of basic compensation established for his position, and, where appropriate, the amount of overseas recruitment and retention differentials, determined in the manner respectively provided by sections 144 and 146 of this title."

SEC. 307. Section 149 of title 2 of the Panama Canal Code is amended to read as follows:

"MERIT AND OTHER EMPLOYMENT REQUIREMENTS

"SEC. 149. (a) Subject to this subchapter, the President may, from time to time and taking into account any recommendation of the Panama Canal Commission, amend or modify provisions of the Panama Canal Employment System, including provisions relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and individuals under consideration for appointment to positions, established by regulations under section 142 of this chapter.

"(b) The Panama Canal Employment System shall:

"(1) subject to and as limited by the Panama Canal Treaty of 1977 and related agreements, be based on the merit of the employee or individual and upon his qualifications and fitness to hold the position concerned;

"(2) conform generally to policies, principles, and standards for the competitive civil service of the Government of the United States; and

"(3) include provision for appropriate interchange, between the Panama Canal Employment System and the competitive civil service of the Government of the United States, of citizens of the United States employed by the Government of the United States.

SEC. 308. Section 155 of title 2 of the Panama Canal Code is amended by redesignating subsection (b) thereof as subsection (c) and by inserting in lieu of subsection (a) thereof the following:

"(a) The President shall issue regulations necessary and appropriate to carry out the provisions and accomplish the purposes of this subchapter and, in the event of any election under section 142(b), coordinate the policies and activities under this subchapter of the departments involved.

"(b) In order to assist in carrying out his coordination responsibility under subsection (a) and in implementing the provisions of the Panama Canal Treaty of 1977 and related agreements relating to recruitment, examination, determination of qualification standards and similar matters, the President may establish, as the successor to the Canal Zone Central Examining Office, an office which shall be an entity within the Panama Canal Commission."

SEC. 309. Subsection (a) of section 201 of title 2 of the Panama Canal Code is amended by deleting the words "Governor of the Canal Zone and President of the Panama Canal Company, or as Lieutenant Governor of the Canal Zone and Vice President of the Panama Canal Company," and inserting in lieu thereof the words "Administrator or Deputy Administrator of the Panama Canal Commission."

SEC. 310. The provisions of this chapter shall be applicable to federal employees of the Smithsonian Institution.

Chapter 2.—CONDITIONS OF EMPLOYMENT, PLACEMENT, AND RETIREMENT

SEC. 321. Title 2 of the Panama Canal Code is amended by adding a new section 202 to read as follows:

TRANSFERRED EMPLOYEES

SEC. 202. With respect to employees of the Panama Canal Company or Canal Zone Government who are transferred to employment with the Panama Canal Commission or other United States Government agencies in the Republic of Panama, the following terms and conditions of employment shall be generally no less favorable, from and after the entry into force of the Panama Canal Treaty of 1977, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government immediately prior to that date:

Wage rates; tropical differential; premium pay and night differential; reinstatement and restoration rights; injury and death compensation benefits; leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred; transportation and repatriation benefits; group health and life insurance; reduction-in-force rights; an employee grievance system, and the right to appeal adverse and disciplinary actions as well as position classification actions; veteran's preference eligibility; holidays; saved pay provisions; and severance pay benefits."

SEC. 322. Title 2 of the Panama Canal Code is amended by adding a new section 203 to read as follows:

"PLACEMENT

"SEC. 203. (a) A United States citizen who, immediately preceding the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977, was an employee of the Panama Canal Company or Canal Zone Government, who separates or is scheduled to separate on that date or thereafter in accordance with the program established under subsection (c) of this section for any reason other than misconduct or delinquency, and who is not placed in another appropriate position with the United States Government in the Republic of Panama shall, upon the employee's request, be accorded appropriate placement assistance to vacancies with the United States Government in the United States.

"(b) A United States citizen who, immediately preceding the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977, was an employee of an agency of the United States Government, or a Federal employee of the Smithsonian Institution, in the Canal Zone other than the Panama Canal Company or Canal Zone Government, whose position is eliminated as the result of implementing the Panama Canal Treaty of 1977 or related agreements, and who is not placed in another appropriate position with the United States Government in the Republic of Panama shall, upon the employee's request, be accorded the placement assistance provided for in subsection (a).

"(c) The Office of Personnel Management shall develop and administer a Federal Governmentwide placement program for all eligible employees who request placement assistance under this section."

SEC. 323. Title 2 of the Panama Canal Code is amended by adding a new section 204 to read as follows:

"EDUCATION TRAVEL BENEFITS

"SEC. 204. Dependents of United States citizen employees of the Panama Canal Commission who are eligible for educational travel benefits under regulations issued by the Commission shall be entitled to one round trip per year for undergraduate studies in the United States until they reach their 23rd birthday."

ADJUSTMENT OF COMPENSATION

SEC. 324. United States citizen employees of the Panama Canal Commission shall be paid an allowance to offset the increased cost of living that may result from the withdrawal of the eligibility of such employees and their dependents to use military postal services, sales stores and exchanges five years after the date of entry into force of the Panama Canal Treaty of 1977. The amount of the additional compensation shall be determined by the Panama Canal Commission.

EARLY RETIREMENT ELIGIBILITY

SEC. 325. Section 8336 of title 5 of the United States Code is amended:

(1) by redesignating subsection (c) as subsection (c)(1) and adding a new paragraph (2) to read as follows:

"(2) A law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who is separated from the service prior to January 1, 2000, and, upon separation, meets the age and service requirements in paragraph (1), or who is separated within 2 years prior to meeting the age and service requirements in paragraph (1) is entitled to an annuity."

(2) by redesignating subsection (h) as subsection (k) and inserting new subsections (h), (i), and (j) to read as follows:

"(h) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama, who is separated from the service prior to January 1, 2000—

"(1) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977 or related agreements, except by removal for cause on charges of misconduct or delinquency, after completing 20 years of service;

(2) voluntarily, after completing 25 years of service or after becoming age 50 and completing 20 years of service; or

(3) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977 or related agreements, except by removal for cause on charges of misconduct or delinquency, or voluntarily within 2 years prior to meeting the age and/or service requirements in paragraph (2) is entitled to an annuity if he—

(A) was employed by the Canal Zone Government or the Panama Canal Company immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

(B) has been continuously employed by the Panama Canal Commission or by an Executive agency conducting operations in the Canal Zone or the Republic of Panama since the effective date of exhange of instruments of ratifiation of the Panama Canal Treaty of 1977 or its entry into force.'

"(i) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama, who is separated from the service as a result of the implementation of the Panama Canal Treaty of 1977 or related agreements, prior to January 1, 2000, involuntarily, except by removal for cause on charges of misconduct or delinquency—

(1) after completing 20 years of service; or

(2) within 2 years prior to meeting the age and/or service requirements in paragraph (2) of subsection (h) of this section is entitled to an annuity if he—

(A) was employed in the Canal Zone by an Executive agency other than the Panama Canal Company or the Canal Zone Government immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

(B) has been continuously employed by the Panama Canal Commission or an Executive agency conducting operations in the Canal Zone or the Republic of Panama since the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force."

"(j) For the purpose of subsections (h) and (i) of this section, Federal employment by or under the United States District Court for the District of the Canal Zone and by the Smithsonian Institution shall be treated as employment by an 'Executive agency.'"

EARLY RETIREMENT COMPUTATION

SEC. 326. Section 8339 of title 5 of the United States Code is amended—

(1) by inserting in subsection (f), immediately after "subsection (a)–(e)", the following: "and (n)";

(2) by inserting in subsection (i), immediately after "subsections (a)–(h)", the following: "and (n)";

(3) by inserting in subsections (j) and (k)(1), immediately after "subsections (a)–(i)" each time it appears, the following: "and (n)";

(4) by inserting in subsection (l), immediately after "subsections (a)–(k)", the following: "and (n)";

(5) by inserting in subsection (m), immediately after "subsections (a)–(e)", the following: "and (n)"; and

(6) by adding at the end thereof new subsections (n), (o), and (p) to read as follows:

"(n) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government immediately prior to the entry into force of the Panama Canal Treaty of 1977, who continues in employment with the Panama Canal Commission, or with another Executive agency or the Smithsonian Institution, in the Republic of Panama is computed with respect to the period of that service performed on a continuous basis after the entry into force of the Panama Canal Treaty of 1977 by multiplying—

(A) 2½ percent of the employee's average pay by so much of such service as does not exceed 20 years; plus

(B) 2 percent of the employee's average pay multiplied by so much of such service as exceeds 20 years."

"(o) The annuity computed under subsection (n) of this section for an employee who was employed as a law enforcement officer or firefighter shall be increased by $8 for each full month of such service in the Republic of Panama after the entry into force of the Panama Canal Treaty of 1977. This increase in annuity shall not be paid with respect to service performed after completion of 20 years as a law enforcement officer or firefighter."

"(p) The annuity computed under this subchapter for an employee who was employed as a law enforcement officer or firefighter by the Panama Canal Company or the Canal Zone Government immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who does not qualify for retirement under section 8336(c) of this title, shall be increased by $12 for each full month of such service prior to the entry into force of the Panama Canal Treaty of 1977. This increase in annuity shall not be paid with respect to service performed after completion of 20 years as a law enforcement officer or firefighter.

LAW ENFORCEMENT, CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD, AND RELATED EMPLOYEES

SEC. 327. (a) For the purposes of sections 202, 203, and 204 of title 2 of the Panama Canal Code, as amended by sections 321, 322, and 323 of this Act, and sections 325–326 of this Act, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants, shall be treated the same as employees of the Panama Canal Commission.

(b) For the purposes of this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered employees of the Panama Canal Company for service prior to the entry into force of the Panama Canal Treaty of 1977 and as employees of the Panama Canal Commission for service on or after that date.

SEC. 328. (a) Chapters 81 (Compensation for Work Injuries), 83 (Retirement), 87 (Life Insurance), and 89 (Health Insurance) of title 5 of the United States Code are inapplicable to persons who are not citizens of the United States, who are hired by the Panama Canal Commission after the effective date and who are covered by the Social Security System of the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) In section 8701 of title 5 of the United States Code, the definition of "employee" in subsection (a) is amended by revising paragraph (B) to read as follows:

"(B) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such person was an employee for the purpose of this chapter on the day before the effective date by virtue of service with a Federal agency in the Canal Zone, or the Smithsonian Institution."

(c) In section 8901 of title 5 of the United States Code, the definition of employee in subsection (1) is amended by revising paragraph (ii) to read as follows:

"(ii) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States unless such person was an employee for the purpose of this chapter on the day before the effective date by virtue of service with a Federal agency in the Canal Zone, or the Smithsonian Institution."

NON-U.S. CITIZEN RETIREMENT UNDER SPECIAL TREATY PROVISIONS

SEC. 329. (a) Under such regulations as the President may prescribe, there shall be paid to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement Fund under section 8334(a)(2) of title 5 of the United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in that System for each person who is separated from employment with the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission, as the result of the implementation of the Panama Canal Treaty of 1977 or related agreements, and becomes employed under the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program, provided such person—

(1) has been credited with at least five years of Federal service under the United States Civil Service Retirement System;

(2) is not eligible for an immediate retirement annuity, and does not elect a deferred annuity under the United States Civil Service Retirement System; and

(3) elects to withdraw the entire amount of his contributions to the United States Civil Service Retirement System and transfer it to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph 3 of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The sums of money made available under subsection (a) shall not exceed, in any case, the amount of the employee contribution withdrawn from the fund and paid over to the Panamanian Social Security System.

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, there are authorized to be appropriated such sums of money as may be necessary to purchase a nontransferable deferred annuity for the benefit of each employee of the United States Forces, including employees

of all nonappropriated fund activities of the Department of Defense, in the Republic of Panama—

(A) who is not a citizen of the United States of America;

(B) who was employed prior to and is employed upon the effective date by an instrumentality of the United States Government in the Republic of Panama (including, in the case of employment prior to such date, the former Canal Zone);

(C) who, for any period of his or her employment with that instrumentality of the United States Government prior to the effective date was not covered by a retirement program for the full period of employment;

(D) who, on the effective date is under a retirement system provided by the United States or an instrumentality of the United States Government, or would have been eligible to be under a retirement system of such instrumentality had one been available during previous creditable service; and

(E) who, on the effective date has at least five years of creditable service.

(2) The President of the United States, or his designee, shall pay out of the general funds of the United States Treasury such sums as are appropriated pursuant to subsection (c)(1) of this section in accordance with such regulations as the President or his designee may prescribe.

(3) The annuity referred to in subparagraph (c)(1) above will cover retroactively, from the effective date, all periods of creditable service of such persons with United States Government instrumentalities in the Republic of Panama (including the former Canal Zone) during which such persons were not covered by an appropriate retirement program.

(4) Neither the United States Government nor its instrumentalities is required to furnish or to pay for retirement coverage for the individuals referred to in subparagraph (c)(1) above in the Social Security System of the Republic of Panama for periods of employment with the United States Government or its instrumentalities prior to the effective date.

SEC. 330. (a) Section 5316(87) of title 5 of the United States Code is amended by striking out "Governor of the Canal Zone" and substituting in lieu thereof "Administrator of the Panama Canal Commission."

(b) Section 6322(a) of title 5 of the United States Code is amended by deleting the words "the Canal Zone, or", by inserting a comma in place of the period after "the Trust Territory of the Pacific Islands" at the end of the same sentence, and by adding thereafter "or the Republic of Panama."

(c) Subchapter III of Chapter 59 of title 5 of the United States Code, pertaining to Overseas Differentials and Allowances, is inapplicable to employees assigned to work in the Republic of Panama for the Panama Canal Commission or an executive agency which makes an election under section 142 (b) of title 2 of the Panama Canal Code.

(d) References to the Canal Zone in the following sections of title 5 of the United States Code shall be deemed to refer to areas in the Republic of Panama used or regulated by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements:

(1) section 5595(a)(2)(iii);

(2) section 5724a(a); and

(3) section 6102(b).

(e) Section 1(b) of the Act of April 14, 1966, (20 U.S.C. § 903(c)) and section 6(a) of the Act of July 17, 1959, (20 U.S.C. § 904 (a)(2)) are inapplicable to teachers who are employed by the Canal Zone Government school system immediately prior to the effective date and are transferred to the Department of Defense Overseas Dependent School System.

(f) Section 5102(c)(12) of title 5 of the United States Code is amended to read as follows: "federal employees whose pay is fixed under authority and regulations of the Panama Canal Employment System."

Chapter 3.—POSTAL MATTERS

POSTAL SERVICE

SEC. 341. (a) The postal service established and governed by chapter 73 of title 2 of the Panama Canal Code shall be discontinued upon the effective date.

(b) The provisions of chapter 73 relating to postal-savings deposits, postal-savings certificates, postal money orders, and the accounting for funds shall continue to apply for the purpose of meeting the obligations of the United States concerning outstanding postal savings and money orders and disposition of funds.

(c) The Panama Canal Commission shall take possession of and administer the funds of the postal service and shall assume its obligations. The Commission and the United States Postal Service are authorized to enter into agreements for the transfer of funds or property and the assumption of administrative rights or responsibilities, with respect to the outstanding obligations of the postal service.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission is authorized and directed to furnish personnel, records and other services to said military post offices to assure wherever appropriate the proper distribution, rerouting, or return of said mail.

(e)(1) The words "Except as provided in the Canal Zone Code, the", in the second sentence of section 403(a) of title 39 of the United States Code are revised to read "The";

(2) The words "each post office in the Canal Zone postal service," in section 3402 (a) of title 39 of the United States Code are revised to read "each military post office of the United States Forces in the Republic of Panama" and section 3402(b) of title 39 of the United States Code is deleted;

(3) Section 3682(b)(5) of title 39 of the United States Code is amended by striking the words "the Canal Zone and"; and

(4) Section 3401(b) of title 39 of the United States Code is amended by inserting the word "or" before the words "the Virgin Islands" and by striking the words "or the Canal Zone."

TITLE IV.—COURTS AND RELATED FUNCTIONS

CONTINUATION OF CODE AND OTHER LAWS

SEC. 401. (a) Except as otherwise provided in this Act, the provisions of the Panama Canal Code, as amended, and other laws applicable in the Canal Zone prior to the entry into force of the Panama Canal Treaty of 1977 by virtue of the territorial jurisdiction of the United States in the Canal Zone shall continue in force only for the purpose of the exercise of the authority vested in the United States by that Treaty and related agreements.

(b) None of the provisions or laws referred to in subsection (a) shall be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal Treaty of 1977 and related agreements.

JURISDICTION DURING TREATY TRANSITION PERIOD

SEC. 402. (a) The Congress of the United States finds that article XI of the Panama Canal Treaty of 1977 prescribes certain special provisions governing the jurisdiction of the United States in the Republic of Panama during a transition period of thirty months beginning upon the date the Panama Canal Treaty of 1977 enters into force.

(b) Notwithstanding inconsistent provisions of the Panama Canal Code or any other law, the jurisdiction of the district court and magistrates' courts established pursuant to title 3 of the Panama Canal Code shall be limited as provided by article XI of the Panama Canal Treaty of 1977.

(c) For the purposes of the exercise of the jurisdiction described in subsection (b), the terms "United States citizen employees," "members of the United States Forces," "civilian component," and "dependents" shall be construed as they are defined in the Panama Canal Treaty of 1977 and related agreements. Similarly, the term "areas and installations made available for the use of the United States" shall be construed to mean (1) the canal operating areas and housing areas described in annex A to the agreement in implementation of article III of that treaty, (2) the ports of Balboa and Cristobal described in annex B to that agreement, and (3) the defense sites and areas of military coordination described in annex A to the agreement in implementation of article IV of that treaty.

DIVISIONS AND TERMS OF DISTRICT COURT

SEC. 403. The United States District Court for the District of the Canal Zone is authorized to conduct its affairs at such places within the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

(b) Sections 2 and 3 of title 3 of the Panama Canal Code are repealed.

TERM OF CERTAIN OFFICES

SEC. 404. Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Panama Canal Code, the term of office of a district judge, magistrate, United States attorney or United States marshal appointed after the date of enactment of this Act shall extend for a period of 30 months beyond the date the Panama Canal Treaty of 1977 enters into force, and be subject to such extension of time as may be provided for disposition of pending cases by agreement between the United States and the Republic of Panama pursuant to the last sentence of paragraph 7 of article XI of the Panama Canal Treaty of 1977.

RESIDENCE REQUIREMENTS

SEC. 405. Sections 5(d), 7(d), 41(d), and 45(d) of title 3 of the Panama Canal Code, the second sentence of section 42 of that title, and the second sentence of setcion 82(c) of that title, which require that certain court officials reside in the Canal Zone, are repealed.

SEC. 406. (a) Section 6 of title 3 of the Panama Canal Code is amended to read as follows:

SPECIAL DISTRICT JUDGE

"SEC. 6. The chief judge of the judicial circuit of which the district court is a part may designate and assign a special district judge to act when necessary:

(1) during the absence of the district judge;

(2) during the district judge's disability or disqualification, because of sickness or otherwise, to discharge his duties; or

(3) when the office of district judge is vacant.

(b) Each such designation and assignment by the chief judge shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

MAGISTRATES' COURT

SEC. 407. (a) The two magistrates' courts established pursuant to section 81 of title 3 of the Panama Canal Code and existing immediately preceding the date upon which the Panama Canal Treaty of 1977 enters into force shall continue in operation for 30 months from that date unless discontinued during that period as otherwise provided by this section.

(b) During the period referred to in subsection (a), one or both magistrates' courts, together with the positions of magistrate and constable corresponding thereto, may be abolished by the President or his designee if in his judgment the workload is insufficient to warrant continuance of either or both courts. If one of the courts is so abolished, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the abolished court and shall take custody of and administer all its records.

(c) If both magistrates' courts are abolished pursuant to subsection (b), the following provisions shall thereafter apply:

(1) The district court shall exercise the jurisdiction of the magistrates' courts.

(2) All records of the magistrates' courts shall be deemed records of the district court.

(3) A criminal action that otherwise would have come within the original jurisdiction of the magistrates' courts shall be instituted in the district court by a complaint executed pursuant to section 3701 of title 6 of the Panama Canal Code, and the law and rules applicable in the district court shall thereafter apply. All other criminal actions shall be instituted in the district court by the filing in each case of an information pursuant to chapter 213 of title 6 of the Panama Canal Code.

(4) The requirement of and procedures for preliminary examinations under section 172 of title 3 and section 3801–3806 of title 6 of the Panama Canal Code shall not apply.

SEC. 408. Section 543 of title 3 of the Panama Canal Code is amended to read as follows:

OATH

"SEC. 543. Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge."

TRANSITION AUTHORITY

SEC. 409. Except as expressly provided to the contrary in this Act, in any other statute, in the Pamana Canal Treaty of 1977 and related agreements, or by executive order, any authority necessary to the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the Panama Canal Commission.

SPECIAL IMMIGRANTS

SEC. 410. (a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. § 1101(a)(27) relating to the definition of special immigrant, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by inserting after subparagraph (D) new subparagraphs (E) and (F) to read as follows:

"(E) an immigrant who is an employee of the Panama Canal Company or Canal Zone Government, who is resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year, or more, and his spouse and children who accompany or follow to join him; or

"(F) an immigrant, and his spouse and children who accompany or follow to join him, who is a Panamanian national and (i) who, prior to the date of entry into force of the Panama Canal Treaty of 1977, has been honorably retired from United States Government employment in the Canal Zone (or former Canal Zone) with a total of fifteen years, or more, of faithful service or (ii) who, on the date of entry into force of the Panama Canal Treaty of 1977, has been a faithful employee of the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment."

(b) Section 212(d) of such Act (8 U.S.C. § 1182(d)), relating to waivers of conditions of inadmissability to the United States, is amended by adding after paragraph (8) new paragraphs (9) and (10) to read as follows:

"(9) The provisions of paragraph (7) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27).

"(10) The provisions of paragraph (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27) and who applies for immigration no later than thirty calendar months after the date the Panama Canal Treaty of 1977 enters into force."

PRISONS; PAROLE; PARDON

SEC. 411. (a) Subsection (c) of section 6503 of title 6 of the Panama Canal Code is amended to read as follows:

"(c) Pursuant to the provisions of section 5003 of title 18 of the United States Code, the Governor shall contract with the Attorney General for the transfer to the custody of the Attorney General of prisoners sentenced by the United States District Court for the District of the Canal Zone to terms of imprisonment in excess of one year."

(b) Upon entry into force of the Panama Canal Treaty of 1977—

(1) all prisoners then imprisoned in United States prisons pursuant to contracts entered into under subsection (c) of section 6503 of title 6 of the Panama Canal Code shall be committed to the custody of the Attorney General as if committed in accordance with Part III of title 18 of the United States Code;

(2) all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment of one year or less, shall be committed to the custody of the Panama Canal Commission;

(3) the Panama Canal Commission shall prescribe, and from time to time may amend, regulations providing for the management of prisoners in the jails located in the areas and installations made available for the use of the United States pursuant to that Treaty, including provisions for treatment, care, assignment for work, discipline, and welfare;

(4) sections 6501 through 6505 of title 6 of the Panama Canal Code are repealed; and

(5) chapter 355 of title 6 of the Panama Canal Code is repealed.

(c) After entry into force of the Panama Canal Treaty of 1977, all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment in excess of one year, shall be committed to the custody of the Attorney General pursuant to Parts III and IV of title 18 of the United States Code.

TITLE V.—MISCELLANEOUS PROVISIONS

HEALTH DIRECTOR; HOSPITALS

SEC. 501. (a) In chapter 57 of title 5 of the Panama Canal Code, references to "hospitals", to the "Health Bureau", and to the "health director", shall be deemed to be, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date, to the organizational unit operating such hospitals, and to the senior official in charge of such hospitals.

(b) In section 4784 of title 6, section 2 of title 7, and sections 32, 35–38 of title 8 of the Panama Canal Code, references to the health director shall be deemed to be to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date.

DISINTERMENT, TRANSPORTATION, AND REINTERMENT OF REMAINS

SEC. 502. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes and provisions of reservation 3 to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted by the United States Senate on March 16, 1978, said sums to be made available to those agencies that are directed and empowered by the President of the United States to carry out such purposes and provisions.

(b) With regard to remains that are to be reinterred in the United States, the United States will not bear the cost of funeral home services, vaults, plots, or crypts unless otherwise provided for by law.

EFFECTIVE DATE

SEC. 503. (a) Except as otherwise provided in subsection (b) of this section, the provisions of this Act shall take effect on the effective date of the Panama Canal Treaty of 1977.

(b) Sections 231, 321, 322, 325, 326, 404, 410, 411 and 502 of this Act shall become effective upon the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes.

INTRODUCTION

This draft legislation would implement several aspects of the responsibilities and role of the United States under the Panama Canal Treaty of 1977 and related agreements. It includes the establishment of the Panama Canal Commission as a corporate agency of the United States to operate the Canal as a self-sustaining entity. It would provide regimes for the Commission's tolls, employees and fiscal management, modify existing law to comport wtih the jurisdiction of the United States during the 30-month transition period under Article XI of the Treaty, and cover other matters relating to implementation of the new relationship between the United States and the Republic of Panama.

Section 2. Definitions and General Provisions.

The bill would amend or repeal various provisions of the Canal Zone Code (redesignated as the "Panama Canal Code") and other laws necessary or desirable to implement the new treaty and related agreements. However, most of the Canal Zone Code, consisting of eight titles published in three volumes, would remain in force for purposes of the jurisdiction of the United States during the 30-month transition period following the entry into force of the Treaty six months after the effective date of the exchange of instruments of ratification (Article XI of the Treaty). It is provided, in section 2 of the bill, that, before the end of the transition period, other follow-up legislation would continue or amend provisions needed for the rest of the Treaty period taking into account experience during the transition period, would repeal provisions applicable only during the transition period, and would incorporate the remainder of the Canal Zone Code into the United States Code.

Section 2 also provides definitions which would amend certain proper names appearing in the Canal Zone Code and other laws of the United States. The term "Panama Canal Commission" is substituted for the terms

"Panama Canal Company", "Canal Zone Government", and "Governor of the Canal Zone" for purposes of applying existing law after the Treaty enters into force, unless other parts of this bill provide otherwise. This will permit the Panama Canal Commission to assume those existing authorities (1) of the Panama Canal Company and (2) of the Canal Zone Government which the United States will exercise under the Treaty.

The term "Government of the Canal Zone", however, would be replaced by the term "United States of America". Unlike "Canal Zone Government" which is the name of a governmental unit, "Government of the Canal Zone" is the generic term for the local governmental authority in the present Canal Zone. To the extent that this authority could be exercised under the Treaty, it will inhere in the United States. Finally, insofar as laws of the United States which refer to the Canal Zone apply to events occurring after the effective date of the new Treaty, the phrase "Canal Zone" is redefined to refer to areas and installations used or regulated by the United States pursuant to the Treaty.

Notwithstanding section 2(d) of the bill, which establishes the general rule that laws of the United States presently applicable in the Canal Zone will continue to apply in areas and installations made available to the United States pursuant to the Panama Canal Treaty, laws which are presently applied to the Canal Zone on the basis of the territorial jurisdiction of the United States over the Zone will continue to apply in these areas and installations only for the purpose of exercising authority vested in the United States by the Treaty and related agreements. This limited application of United States law is necessitated by the termination of United States territorial jurisdiction effected by the Treaty. Section 401 of the bill reflects this principle.

TITLE I—PANAMANIAN RELATIONS AND SECURITY MATTERS

Section 101. United States-Panama Joint Committees.

Subsection (a) provides that the President shall appoint the United States representatives to the Joint Commission on the Environment.

Subsection (b) would require the President to designate and the Secretary of State to coordinate the participation of the United States representatives to the Consultative Committee to be established under paragraph 7 of Article III of the Panama Canal Treaty. As provided in the Treaty, this Committee would provide a diplomatic forum for discussion and advice on issues of primary importance; general tolls policy, policies to increase Panamanian participation in the Canal's operation, and international policies on matters concerning the Canal. It is contemplated that other affected Federal agencies will participate in this consultative process under the coordination of the Secretary of State.

Section 102. Authority of the Ambassador. Section 102 provides that the United States Ambassador to the Republic of Panama has full responsibility for coordinating the transfer of functions which are assumed by the Republic of Panama under the Treaty. The Administrator of the Panama Canal Commission and personnel under his supervision are exempted from the direction and supervision of the Chief of Mission concerning Commission responsibilities for the operation, management or maintenance of the Canal; in other respects 22 U.S.C. § 2680a applies.

Section 103. Security Legislation.

Sections 34 and 35 of title 2 of the Canal Zone Code which deal, respectively, with the authority of the President and of the Governor of the Canal Zone over certain military activities within the Canal Zone, would be repealed by Section 103(a) of the bill to reflect the termination of the Canal Zone and of the office of the Governor. After the effective date of the Treaty, authority over the United States forces in Panama will be exercised in accordance with the constitutional authority of the Commander-in-Chief and with the normal chain of command.

Subsections (b) through (e) would make inapplicable, as no longer appropriate after the loss of territorial jurisdiction, certain provisions of title 50 of the United States Code concerning the regulation or seizure of foreign vessels in time of national emergency. Repeal of these provisions reflects the termination of the Canal Zone. Provisions governing United States protection and defense of the Canal are set out in Article IV of the Treaty and the agreement implementing that Article.

Section 104. Arms Export Control.

This section would repeal section 38(d) of the Arms Export Control Act which makes the licensing requirements of that Act applicable in the Canal Zone. This licensing authority would no longer be within United States jurisdiction under the Treaty.

Section 105. Privileges and Immunities.

Article VIII of the new Treaty authorizes the United States to designate up to twenty officials of the Panama Canal Commission who, with their dependents, shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. This section would vest in the Secretary of State the authority to make such designation from among persons recommended by the Panama Canal Commission and to furnish a list to Panama as required by the Treaty.

Section 106. Termination of Canal Zone Government; Transfer of Records.

The provisions that would be repealed by this section would be inappropriate under the new Treaty arrangements. Sections 1, 2, and 3 of title 2 of the Canal Zone Code concern the designation of the Canal Zone, the acquisition of land to be made part of the Canal Zone in addition to the 1903 grant, and the creation of towns and subdivisions in the Canal Zone. Section 31 establishes the Canal Zone Government and states its functions; section 32 provides for the appointment of the Governor; and section 33 states his powers and duties. Sections 333 and 334 authorize the Governor of the Canal Zone to issue and revoke property licenses within and without Canal Zone town sites.

Sections 5081 through 5092 of title 6 of the Canal Zone Code provide authority to the Canal Zone Government to extradite persons to the Republic of Panama. With the termination of the Canal Zone Government, these sections would be repealed.

Subsection (b) authorizes the transfer of records, or their copies, including those of the Canal Zone Government, Canal Zone courts and Panama Canal Company, to other United States agencies and courts. Under the coordination and with the approval of the United States Ambassador to Panama, needed records or copies could also be transferred to the Republic of Panama for the purpose of carrying out their jurisdiction or functions under the Treaty.

Section 107. Payment to Panama; Repealer.

At present, annuity payments to Panama are made through a special State Department appropriation. (The Panama Canal Company reimburses the United States Treasury for $519,000 of the total annuity of $2.3 million paid by the Department of State.) This appropriation would be repealed because the Panama Canal Commission would make the payments required by the Treaty (see analysis to section 203).

TITLE II—PANAMA CANAL COMMISSION AND OTHER AGENCIES

CHAPTER 1—COMMISSION; FISCAL MATTERS

This chapter relates principally to the organization of the Panama Canal Commission, its financial management, and its functions and authorities. The Commission would be established as the successor to the Panama Canal Company, would assume the assets and liabilities of the Company and the Canal Zone Government which are not transferred under the Treaty or otherwise disposed of, and would be subject to most of the statutory provisions which now govern the Company, including its powers as a government corporation and its authority to borrow funds up to a fixed ceiling from the Treasury. In addition to the provisions of this chapter, the transition is effected to a large extent by the definitions in section 2 of the bill, which provide that references in the Canal Zone Code (redesignated as the "Panama Canal Code") to the "Panama Canal Company" would be amended to read the "Panama Canal Commission".

Section 201. Establishment; Purposes; Location of Offices.

Subsection (a) of this section would amend section 61 of title 2 of the Canal Zone Code which presently states the purposes, and establishes the offices and residence of the Panama Canal Company. As revised by this section, the Panama Canal Commission is established and declared to be the successor to the Panama Canal Company. References to the civil government of the Canal Zone are deleted, as are references to the Canal Zone as a geographical area. The Commission would be a resident of the eastern judicial district of Louisiana rather than the Canal Zone, as well as the District of Columbia, for the purpose of federal laws relating to jurisdiction or venue in civil actions. Subsection (b) provides a conforming amendment to section 62(a) of title 2 of the Canal Zone Code, which would have tht effect of continuing the United States direct investment in the present Panama Canal Company on the books of the Commission.

Section 202. Payment of Interest to United States Treasury; Repeal of Requirement.

Subsection (e) of section 62 of title 2 of the Canal Zone Code, which requires the present Panama Canal Company to pay into the United States Treasury interest on the net direct investment of the United States in the Panama Canal Company, would be repealed by section 202(a) of this bill. The elimination of the interest obligation has been recommended in order to balance the policy objectives of keeping the Commission self-sustaining and avoiding an uneconomic increase in tolls. The conforming amendments in subsections (b), (c), and (d) of section 202 delete other references to the payment of interest. Subsection (b) also clarifies that the surplus referred to in section 62(f) is a capital surplus account, a means for accounting for undistributed earnings accumulated to date, and not the type of annual operating surplus from which Panama would receive an additional payment under paragraph 4(c) of Article XIII of the Treaty.

Dividends to United States Treasury. Subsection (c) of section 202 would amend section 70 of title 2 of the Canal Zone Code, which requires the present Panama Canal Company to pay any operating surplus into the United States Treasury, by indicating that the phrase "working capital requirements" includes operating expenses and payments to Panama under the Treaty. This amendment will require the Commission to pay as dividends to the Treasury any surplus not required to be paid to Panama under paragraph 4(c) of Article XIII of the Treaty.

Section 203. Expenditures and Payments to Panama.

Subsection (g) of section 62 of title 2 of the Canal Zone Code would be amended to authorize and direct the Commission to pay, directly to Panama from Canal operating revenues, the payments required under paragraph 4 of Article XIII of the Treaty.

The amended subsection (g) would also provide a method for determining whether the Canal operating revenues in any year produce a surplus sufficient to pay all or part of the contingent $10 million, payable under paragraph 4(c) of Article XIII of the Treaty from any excess of Canal operating revenues over costs of the Commission. Revenues of a given fiscal period would be reduced by: (1) all costs of that period attributable to Canal operation, maintenance, and improvement including (i) operating expenses, (ii) payments to Panama under paragraphs 4(a) and 4(b) of Article XIII and paragraph 5 of Article III, (iii) amounts in excess of depreciation and amortization necessary to fund plant replacement, expansion, and improvements; (2) amounts allocated in order to match revenues and expenses during the projected period for an increase in toll rates; (3) the accumulated sum from prior years of any excess of these costs over operating revenues; and (4) working capital requirements.

This formula is intended to insure that the contingent payment to Panama will be made only after all costs of operating the Canal have been met.

Section 204. Public Service Payments to Panama.

At present, the Panama Canal Company is required to treat as an operating cost the net costs of operation of the Canal Zone Government. A new subsection (h) added to section 62 of title 2 of the Canal Zone Code would similarly require the Panama Canal Commission to treat as an operating cost payments to Panama for providing certain public services in the Canal operating areas and housing areas (police, fire protection, street maintenance, street lighting, street cleaning, traffic management and garbage collection) as required by paragraph 5 of Article III of the Treaty. The Treaty fixes the amount of this payment at $10 million annually, and provides that every three years the costs involved in furnishing the services are to be re-examined to determine whether adjustment of the annual payment should be made because of inflation and other relevant factors affecting the cost of such services.

Section 205. Board of Directors of Commission.

Subsection (a) of section 63 of title 2 of the Canal Zone Code, concerning the Board of Directors of the Panama Canal Commission, would be amended to conform to the new Treaty provisions. Article III of the Treaty provides that the Board will have nine members, four of whom are Panamanians and five of whom are nationals of the United States. Under this revised subsection, all members of the Board would be appointed by the President of the United States and hold office at his pleasure, except as limited by paragraph 3(b) of Article III of the Treaty.

Section 206. Quorum of Board of Directors.

Subsection (c) of section 63 of title 2 of the Canal Zone Code would be amended to provide that a quorum for transaction of business of the Board of Directors of the Commission shall consist of a majority of the directors of which a majority of those present are nationals of the United States. The present provision states that a majority constitutes a quorum. The proposed new statement of a quorum would assure that for the transaction of business the United States members would retain their majority.

Section 207. Administrator and Deputy.

Section 64 of title 2 of the Canal Zone Code, which provides that the Governor of the Canal Zone, shall serve, *ex officio*, as president of the Panama Canal Company, would be amended to reflect the fact that the office of the Governor would be discontinued by section 105 of the bill. The amended section provides that the Administrator and the Deputy Administrator will be appointed by the President of the United States. The new Treaty provides that the Administrator be a United States national until 1990 and that he be a Panamanian national thereafter. The Deputy would be a Panamanian national until 1990 and a United States national thereafter.

Section 208. Suits against Commission.

Section 65 of title 2 of the Canal Zone Code states the general powers of the Panama Canal Company, and this amendment to paragraph (3) of subsection (a) restates the sue-and-be-sued clause so as to provide that the amendability of the Commission to suit is limited by the immunities provided by Article VIII of the Treaty or otherwise by law. Article VIII of the Treaty provides that the Commission as an agency of the United States government is immune from the jurisdiction of the Republic of Panama. The suability of the Commission would also be limited by a provision that the Commission, under the general rule applicable to judgments against the United States Government, is exempt from any liability for prejudgment interest. Monies owed by the Commission to its employees are protected against attachment or garnishment except at otherwise provided by law.

Section 209. Applicability of Government Corporation Control Act.

Section 66 of title 2 of the Canal Zone Code, which states the specific powers of the Panama Canal Company, would be amended to provide that the exercise of such powers would be subject to the new Treaty and related agreements, which limit activities and functions of the Panama Canal Commission. Thus, the enumerated powers in the present section 66 may be exercised only to the extent permitted under the Treaty.

Section 210. Commission Property and Assets; Depreciation and Amortization.

This section would repeal sections 67, 68, and 73 of the Canal Zone Code which reflect the transfer of assets and functions from the former Panama Railroad Company to the Panama Canal Company. These provisions would have no further relevance under the Treaty.

A new section 68 would be added to the Canal Zone Code, providing that the Commission, as successor to the Canal agencies, would take over those assets and liabilities of the Panama Canal Company and the Canal Zone Government that have not been transferred to other United States agencies or to Panama or otherwise disposed of. The assets and liabilities would be deemed to have been accepted and assumed by the Commission under subsection (c) without the necessity of any act on its part. Subsection (b) of the new section 68 would permit the Commission to depreciate the assets to which it would succeed, in particular the Canal and its complementary works, installations, and equipment. The Commission could also amortize its right to use certain assets made available under the Treaty, in particular the employee housing that Panama will make available for use by the Commission under the Treaty.

Borrowing Authority. No special provision is needed to continue with the Commission the present borrowing authority of the Panama Canal Company under section 71 of title 2 of the Canal Zone Code. This is accomplished by section 2 of the bill which amends the term "Panama Canal Company" to read "Panama Canal Commission".

Section 211. Regulations Regarding Navigation, Passage and Pilotage.

Section 1331 of title 2 of the Canal Zone Code would be amended to preserve the basic authority of the United States to prescribe regulations governing the navigation of the waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal, the passage and control of vessels through the Panama Canal or any part thereof including the locks and approaches thereto, and pilotage in the Canal or the approaches thereto through adjacent waters. Under this restatement of present law, the United States would exercise its regulatory authority in accordance with provisions of the new Treaty and related agreements.

Section 212. Furnishing of Services; Reimbursement.

Section 231 of title 2 of the Canal Zone Code would be repealed because it refers to funds of the Canal Zone Government, which is being discontinued. Section 232 would be amended to continue the arrangement under which the Panama Canal Commission would be reimbursed for amounts expended by the Commission in maintaining defense facilities in stand-by condition for the Department of Defense.

The Panama Canal Commission is not authorized by the new Treaty to continue operating schools and health care facilities. Under section 232, as amended, the President will designate an agency to provide educational and health care services to those individuals who are authorized under the Treaty and related agreements to receive such services. The agency designated would be authorized to utilize its appropriations to conduct educational and health care services. The amounts expended by this agency for furnishing services to employees of other agencies and their dependents, less amounts payable by such persons, would be fully reimbursable, as at present. The funds of other agencies of the United States in Panama would be made available for such reimbursements related to their employees and dependents. These agencies also would be authorized to pay for educational services for such other eligible persons as the heads of those agencies determined and for health care services provided to certain elderly or disabled persons, primarily disability relief recipients, Civil Service annuitants who retired prior to 1970, and a relatively few elderly persons receiving domiciliary care at Corozal Hospital. This provision would recognize the moral responsibility of the United States to continue past practices in this regard. Payments by the Panama Canal Commission under this section would be treated as operating costs of that agency.

Section 213. Public Property and Procurement; Transfers and Cross Servicing.

This section would repeal section 371 of title 2 of the Canal Zone Code which refers to the acquisition of equipment, buildings, and structures by the Canal Zone Government, which is being discontinued under the new Treaty. This section would also amend section 372 of title 2 of the Canal Zone Code, by deleting material concerning the Canal Zone Government and continuing existing provisions for transfers of property and facilities between departments and agencies that would be located in Panama. The Panama Canal Commission and other agencies would also be expressly authorized to enter into cross-servicing agreements for the use of facilities, furnishing of services, or performance of functions.

CHAPTER 2—TOLLS

This chapter amends the present provisions applicable to the determination of tolls charged for vessels transiting the Panama

Canal, in order to conform to the requirements under the new Treaty.

Section 230. Measurement Rules; Changes in Rates.

This section would amend section 411 of title 2 of the Canal Zone Code concerning the prescription of measurement rules and tolls. The present provisions would remain the same except that, in order to provide a more timely response to changing economic conditions, the required period for notice of proposed changes would be reduced from six months to three months.

Section 231. Setting of Rates Under New Treaty.

This section would recognize the fact that the increased financial obligations of the Commission imposed by the annuity provisions of the new Treaty would begin on the effective date of the Treaty and that increased rates of tolls should be put into effect on that same date so that revenues will be sufficient to meet these obligations. This section would take effect on the date of enactment of this legislation and would authorize the present Panama Canal Company to review and change the rates of tolls, as necessary, effective on the Treaty effective date. The changes would be subject to the approval of the President. The section would require that, if and to the extent that time permits, the Panama Canal Company would give three months' notice and conduct a public hearing in the usual manner.

Section 232. Bases of Tolls.

This section would amend the tolls formula in subsection (b) of section 412 of title 2 of the Canal Zone Code. Section 232 is intended to assure that tolls will be set at a level sufficient to provide for the operation of the Canal on a self-sustaining basis.

Tolls would continue to be prescribed at rates calculated to cover, as nearly as practicable, all anticipated costs of maintaining and operating the Canal, together with the facilities and appurtenances related thereto, including depreciation of assets, amortization of use rights, and payments to Panama pursuant to paragraphs 4(a) and 4(b) of Article XIII and paragraph 5 of Article III of the new Treaty. Paragraph 4(a) provides for payment to Panama of 30 cents per Panama Canal net ton for each vessel transiting the Canal for which tolls are charged, with a periodic adjustment for inflation (based on changes in the United States Wholesale prince index for total manufactured goods during biennial periods). Paragraph 4(b) provides a fixed annuity of $10 million to be paid to Panama out of Canal operating revenues. Paragraph 4(c) of Article XIII requires an additional annual amount of up to $10 million to be paid out of Canal operating revenues to the extent that such revenues exceed expenditures of the Panama Canal Commission, including the amounts paid to Panama pursuant to paragraphs 4(a) and 4(b). The payment under paragraph 4(c), to be made only if earned, is not included in the tolls formula. Under paragraph 5 of Article III, the Commission would pay Panama for certain public services rendered in specified areas.

In determining the rate of tolls, the Commission may also take into account unrecovered past costs, capital requirements, and the necessity of matching revenues with expenses during the projected period of a given toll rate.

Subsection (c) of section 412 of title 2 would be amended to require vessels operated by the United States, including warships and other military vessels, to pay direct tolls for transiting the Canal. The present law provides that if the President does not require such vessels to pay tolls (and he has not so required), the tolls shall nevertheless be computed and the amounts thereof offset against the obligations of the Panama Canal Company to the United States Treasury. This, in effect, has resulted in the indirect payment of tolls for United States vessels by the Treasury. The proposed legislation would convert the present system of computing toll credits and offsetting them against payments to the Treasury to a system of direct payment of tolls by United States vessels.

Subsection (d) of section 412 of title 2 of the Canal Zone Code which provides that the levy of tolls is subject to the provision of certain treaties, would be amended to delete the reference to the 1903 Treaty with Panama, which is abrogated by the new Treaty, and to include appropriate references to the new Neutrality Treaty. The provision implementing the 1914 treaty with Colombia prescribing free passage of the Canal for Colombian troops, materials of war, and war ships would be continued.

CHAPTER 3—CLAIMS

Section 280. Measure of Damages; Time for Filing; Board of Local Inspectors.

This section would make a number of changes in chapter 11 of title 2 of the Canal Zone Code dealing with claims for injuries to persons or property. Section 271 of title 2 of the Canal Zone Code would be repealed because it deals with the authority of the Governor in claims arising from civil government. The civil government functions would terminate on the Treaty effective date. The Panama Canal Commission would have its own authority to settle claims after that date.

Section 291 of title 2 of the Canal Zone Code, relating to claims for injuries to vessels in the locks of the Canal, would be amended to include the element of negligence as a condition of the liability of the Commission, as is the case in section 292 concerning injuries outside the locks. In cases under section 291, as revised, the Commission would have the burden of showing its freedom from negligence. A clarifying amendment to section 291 would also be made by substituting the words "any portion of the hull" for the words "the side."

Section 293 of title 2 of the Canal Zone Code, dealing with the types of damages recoverable from the Commission in vessel accident claims, would be revised to confirm the long-standing administrative construction of those damage provisions, that was affected by a court decision in 1973 concerning liability for charter hire, expenses for maintenance of the vessel, and wages of the crew, for the time the vessel is undergoing repairs. Subsection (b) would be amended specifically to cover other questions that have arisen with reference to general average expenses, attorneys' fees, bank commissions and port charges.

Section 294 of title 2 of the Canal Zone Code, specifying delays for which the Panama Canal Commission would not be responsible, would be amended by the addition of a new item, time necessary for investigation of marine accidents, which was previously covered by administrative regulation.

Section 296 of title 2 of the Canal Zone Code would be amended by providing that actions on vessel accident claims against the Commission would be brought in the United States District Court for the Eastern District of Louisiana rather than the court in the Canal Zone, since on the Treaty effective date the local court would lose jurisdiction over new civil cases.

Section 297 of title 2 of the Canal Zone Code requires that, prior to the departure of a vessel involved in an accident or injury giving rise to claim, an investigation by the competent authorities has been completed and the basis for the claim has been laid before the Panama Canal Company. This section would be amended to state expressly that lack of knowledge that an accident giving rise to a claim has occurred does not excuse noncompliance with the requirements.

A new section 298 would be added to title 2 of the Canal Zone Code establishing a statute of limitations, patterned after that contained in the Federal Tort Claims Act, for vessel accident suits against the Panama Canal Commission. A claim would be required to be presented in writing within two years and action brought within one year after notice of final decision on the claim by the Commission. This new provision would probably reduce the number of actions that have to be filed on claims under negotiation, and should be beneficial in terms of time and expense both to the Commission and to claimants in view of the distance between the Canal and the court in Louisiana.

A new section 299 would be added to title 2 of the Canal Zone Code establishing a board of local inspectors, comprised of officials of the Panama Canal Commission, which would conduct the investigation of vessel accidents. At the present time the board is part of the Canal Zone Government, which would be discontinued on the effective date of the Treaty.

CHAPTER 4—SEA-LEVEL CANAL STUDY

Section 270. United States-Panama Joint Committee; Study.

Subsection (a) provides that the President shall appoint the United States representative to any joint committee subsequently designated to study the possibility of a sea-level canal in Panama.

With respect to such a sea-level canal study, subsection (b) requires that the study be transmitted to the Congress, and subsection (c) precludes construction of a sea-level canal by the United States in Panama unless expressly authorized by Congress after submission of such a study.

TITLE III—EMPLOYEES AND POSTAL MATTERS

CHAPTER 1—EMPLOYMENT SYSTEM

This chapter would redesignate the present Canal Zone Merit System as the Panama Canal Employment System and provide for a number of changes consistent with the requirements and purposes of the Panama Canal Treaty of 1977. Many existing provisions would be continued through the definitional changes in sections 2 and 302 of the bill.

Section 301. Repealers and Changes in Canal Zone Code.

This section would repeal sections 101, 102, 122, 123, 147 and 154 of title 2 of the Canal Zone Code, and redesignate section 103 as section 122. Section 101 concerns appointment and compensation of employees of the Canal Zone Government, which is being discontinued pursuant to the Treaty. Section 102 provides an exemption from certain laws relating to dual compensation for "teachers in the public schools of the Canal Zone" who are also employed in night schools or vocational schools or programs. The provisions are not considered applicable to the circumstances that would obtain under the new Treaty. Section 103, concerning deduction from compensation of amounts due from employees for supplies or services, would be redesignated as section 122. Section 123, concerning hours of work for telegraph operators and train dispatchers, is inconsistent with other law and in any event would no longer be needed because under the new Treaty Panama would undertake operation of the railroad. Section 14 authorizes designation of positions which for security reasons must be occupied by a citizen of the United States. Under the new Treaty arrangements this provision would no longer be appropriate. Section 154, requiring training programs to be applied uniformly to employees regardless of citizenship, would be inconsistent with the provisions of the Treaty concerning increased employment and training of Panamanians.

Section 302. Definitions.

Section 141 of title 2 of the Canal Zone Code defines terms for the purpose of the wage and employment practices provisions of the Code. The definitions of "department" and "position" are revised to delete references to the Canal Zone. The term "department" is also redefined to mean (1) the Panama Canal Commission and (2) an executive agency which makes an election under the revised section 142(b) (see analysis to section 303). The term "executive agency" has the same meaning as in 5 U.S.C. § 105.

Section 303. Panama Canal Employment System.

Section 142(a) of title 2 of the Canal Zone Code prescribes the general standards governing the system of wage and employment practices of the Panama Canal Company, the Canal Zone Government and all other United States agencies in the present Canal Zone. In place of this general Canal Zone system, section 142(a) would be revised and divided into three parts. Subsection (a) would require the Panama Canal Commission to conduct its wage and employment practices in accordance with the Panama Canal Employment System. The latter system, like the present Canal Zone Merit System, would be established in accordance with applicable Treaty requirements, provisions of law, including in particular section 149 of title 2 of the Canal Zone Code (see analysis to section 307), and regulations promulgated by or under the authority of the President. The views and recommendations of the Panama Canal Commission with respect to any proposed regulation would have to be sought and taken into account. This would give the Commission a voice in the formulation of applicable employment standards, particularly those affected by the Panama Canal Treaty of 1977.

Subsection (b) would give other executive agencies (as defined in 5 U.S.C. § 105) in Panama, which have their present employment practices governed by the Canal Zone Merit System, the option of electing either to continue in whole or in part under the Panama Canal Employment System, or to adopt their own employment system, e.g., the system otherwise applicable to the agency's employees worldwide.

Subsection (c) would exempt the Panama Canal Commission and its United States citizen employees from Title VII of the Civil Service Reform Act of 1978. In its place, the President would be required to establish a system of collective bargaining, applicable to the Commission's employees, into which is incorporated the substance of certain sections of the statutory scheme and the same collective-bargaining rights as are exercised generally by employees in the Federal service in the United States.

Section 304. Continuation of Canal Zone Merit System.

This section would continue the Canal Zone Merit System beyond the Treaty effective date if necessary and until such time as the Panama Canal Employment System is established under section 303 of this bill. This will permit both continuity and an orderly transition in employment practices.

Section 305. Overseas Recruitment and Retention.

Section 144 of title 2 of the Canal Zone Code, concerning compensation, is amended by deletion of subsection (d) which establishes a ceiling of 25 percent on the additional compensation authorized by section 146. Section 146 is then revised to conform to the new Treaty provisions concerning additional remuneration that may be paid as overseas recruitment and retention differentials (a) to persons employed prior to the Treaty effective date and (b) to persons thereafter recruited outside of Panama for a position in Panama. Section 146 is also revised to provide for the possibility of granting additional remuneration in the form of an overseas recruitment and retention differential to medical doctors employed by the Department of Defense and Panama Canal Commission. The present section authorizes a tax allowance intended to equalize the take-home basic compensation of United States citizens and non-United States citizens and an overseas "tropical" differential, with an overall ceiling of 25 percent. The proposed revision would allow payment in such amounts (not to exceed 25% of the prevailing United States wage rate) as the head of the agency concerned determines should be paid as overseas recruitment and retention differentials. Without this authority to pay incentive differentials, the Panama Canal Commission, as well as other United States Government agencies in the Republic of Panama, might have difficulty in recruiting and retaining both United States and non-United States citizens, particularly in certain critical skills, which are necessary for the continued effective operation of the Canal and essential support activities.

Section 306. Transfer of Federal Employees to Commission.

Subsection (a) of this section would authorize heads of federal agencies to enter into agreements to transfer or detail their employees to the Panama Canal Commission. Affected employees would be entitled to reemployment with their original agencies without loss of those pay, seniority or rights or benefits to which they would have been entitled had they remained with such agencies. This provision would help implement paragraph 5 of Article X of the Treaty, which requires the United States to rotate, with certain exceptions, at a maximum of five-year periods, United States citizens and other non-Panamanians hired after the Treaty effective date.

Subsection (b) of this section would update several citations contained in section 148 of title 2 of the Canal Zone Code, and would revise the language of that section to reflect changes made to section 146 by section 305 of the bill.

Section 307. Merit and Other Employment Requirements.

This would amend section 149 of title 2 of the Canal Zone Code, relating to the merit standard and other employment system requirements. Subsection (a) would authorize the President by regulation to amend or modify the Panama Canal Employment System consistent with section 142(a) as amended by section 303 of this bill. As in the latter section, the views and recommendations of the Panama Canal Commission would have to be sought and taken into account.

Subsection (b) combines the subsections (b) and (c) of the present section 149, and makes revisions required by the Treaty. In particular, the merit standard for personnel decisions would be limited by the requirements in Article X of the Treaty establishing certain preferences for Panamanians. Apart from such limitations, however, the merit standard would continue to apply. As with the present Canal Zone Merit System, the Panama Canal Employment System would be required to conform generally to policies, principles and standards established under the Civil Service Act, and could provide for interchange of United States citizen employees between this employment system and the competitive civil service.

Section 308. Regulations; Examining Office.

This section would amend section 155 of title 2 of the Canal Zone Code, which now authorizes the President to coordinate and promulgate regulations concerning the employment practices of departments and agencies in the Canal Zone. As amended, the section would require interagency coordination only in the event that an executive agency other than the Panama Canal Commission elected to participate in the Panama Canal Employment System under section 142(b) as revised by section 303 of this bill.

Subsection (b) as amended would authorize the President to establish, in conjunction with the Panama Canal Employment System, a central examining office like the one presently in the Canal Zone. However, such an office would be required to be a part of the Panama Canal Commission and to perform functions relating to recruitment, examination and determination of qualification standards in accordance with the Panama Canal Treaty and related agreements, particularly Article X of the Treaty.

Section 309. Compensation of Military, Naval or Public Health Service Personnel Serving Commission.

Section 201 of title 2 of the Canal Zone Code concerns the compensation of persons in the military, naval or public health services who serve with the Canal Zone Government or Panama Canal Company. The proposed amendment would delete references to the Governor of the Canal Zone and President of the Panama Canal Company and to the Lieutenant Governor of the Canal Zone and Vice President of the Panama Canal Company and substitute therefor references to the Administrator and Deputy Administrator of the Panama Canal Commission.

Section 310. Applicability to Smithsonian Institution.

This section applies the provisions of title III, chapter 1, to federal employees of the Smithsonian Institution.

CHAPTER 2—CONDITIONS OF EMPLOYMENT, PLACEMENT, AND RETIREMENT

This chapter prescribes special provisions relating to present employees of the Panama Canal Company, Canal Zone Government and other agencies in the Canal Zone, and relating to employees who, under the Treaty and related agreements, are to receive rights or benefits under the Social Security System of the Republic of Panama.

Section 321. Transferred Employees.

This section would add a new section 202 to title 2 of the Canal Zone Code, requiring that, pursuant to paragraph 2(b) of Article X of the Treaty, specified terms and conditions of employment applicable to employees of the Canal Zone Government and the Panama Canal Company who are transferred to employment with the Panama Canal Commission be generally no less favorable than those applied to them prior to the Treaty. This protection would also be extended to employees transferred to other United States agencies in Panama. This section would take effect on the date of enactment of this legislation.

Section 322. Placement.

This section would add a new section 203 to title 2 of the Canal Zone Code, according appropriate placement assistance to vacancies with the United States Government in the United States, for United States citizen employees of the Canal Zone Government and Panama Canal Company who separate or are scheduled to separate from employment for any reason other than misconduct or delinquency, and who are not placed in other appropriate positions with the United States Government in Panama. Subsection (b) extends the placement assistance contained in subsection (a) to employees of other United States agencies in Panama whose positions are eliminated as a result of implementation of the Treaty. Subsection (c) directs the Office of Personnel Management to develop and administer a placement program for all eligible employees who request assistance. This section would take effect on the date of enactment of this legislation.

Section 323. Educational Travel Benefits.

This section would add a new section 204 to title 2 of the Canal Zone Code, which would entitle dependents of United States citizen employees of the Panama Canal Com-

mission, who are eligible for educational travel benefits, to one round trip each year for undergraduate studies in the United States until they reach their 23rd birthday. This benefit to employees is fair and is important to Canal management because it provides incentives for employees to stay in their jobs under the new Treaty arrangements.

Section 324. Adjustment of Compensation for Loss of Benefits.

The privileges granted by the Treaty to United States citizen employees of the Panama Canal Commission to use the military postal services, sales stores, and exchanges will terminate in five years. Because the loss of these privileges is expected to result in an increased cost of living for the employees, this section would provide that they shall be paid offsetting additional compensation when that occurs.

Sections 325 and 326. Early Retirement Eligibility; Computation.

Employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission and any Executive agency in the Canal Zone, who are involuntarily separated or scheduled to be separated as a result of implementation of the Treaty will be eligible to retire if they have 20 years of Federal service or if they have 18 years service and are 48 years old. Persons employed by the Panama Canal Company or the Canal Zone Government prior to the effective date of exchange of instruments of ratification of the Treaty or prior to its effective date, including such employees who are transferred to the Panama Canal Commission or an Executive agency in the Republic of Panama, and who have at least 18 years of service and are 48 years old or who have 23 years of service at any age may elect to retire voluntarily if they do not wish to continue Federal employment in the Republic of Panama. There will be no reduction in the computation of the annuity because of the age at which an employee retires.

Employees of the Panama Canal Company or Canal Zone Government who continue employment with the new Panama Canal Commission or other Executive agency in the Republic of Panama will have their annuity computed at 2½ percent for each full year they continue in such employment after the effective date of the Treaty up to a maximum of 20 years.

Law enforcement officers and firefighters with at least 18 years of service as law enforcement officers or firefighters and who are at least 48 years of age when separated will have their annuities computed at 2½ percent for each year of such service (up to 20 years). Employees who separate prior to completing 18 years of law enforcement or fire service and reaching 48 years of age will have their annuities increased by $12 for each month of law enforcement or fire service (not to exceed 20 years) prior to the effective date of the Treaty. Law enforcement officers and firefighters will receive an additional annuity of $6 for each month of such service after the entry into force of the Treaty until they have served a total of 20 years as law enforcement officers or firefighters.

These sections would take effect on the date of enactment of this legislation.

Section 327. Employees of Related Organizations.

This section is necessary to extend to employees mentioned in this section the same benefits that the preceding sections would provide for Panama Canal Commission employees. These employees have always been so treated in matters such as these, and the policy should continue.

Section 328. Applicability of Benefits to Non-United States Citizens.

This section would effect technical amendments to conform certain provisions of personnel law to the new Treaty provisions concerning non-United States citizen employees of the Panama Canal Commission hired after the Treaty effective date who would be covered by the Social Security System of the Republic of Panama (see Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977). The amendments would make inapplicable to such persons the provisions of title 5 of the United States Code dealing with compensation for work injuries, retirement, life insurance, and health insurance. Covering under such provisions would continue for non-United States citizen federal employees who had such coverage immediately prior to Treaty effective date.

Section 329. Non-United States Citizen Retirement.

Subsections (a) and (b) relate to persons separated from employment with the present Canal agencies or the Panama Canal Commission, as a result of the implementation of the new Treaty and related agreements, who become employed under the Social Security System of the Republic of Panama through the transfer of a function or activity or through a job placement assistance program. These provisions would implement paragraph 3 of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty and would apply regardless of the employee's nationality. In the cases specified in this section, the United States would pay matching funds to the Social Security System of Panama to aid in the purchase of a retirement equity in that System. The matching funds would come from the United States Civil Service Retirement Fund.

Subsection (c) would implement the requirements of paragraph 2 to Annex C of the Agreement in Implementation of Article IV of the Panama Canal Treaty. That provision requires that non-United States citizen employees, not covered by the Civil Service Retirement System, and employees paid by nonappropriated fund instrumentalities, be covered by the Panamanian Social Security System with contributions from United States employer agencies. It also requires the United States to request legislation to pay each such employee a retirement similar to that of the Panamanian Social Security System. Subsection (c) implements these requirements by authorizing the purchase or supplementation of a nontransferable deferred annuity for such employees. The provision will serve to provide retirements to nonappropriated fund employees (e.g., cafeteria and exchange workers), working at Department of Defense installations pursuant to the Treaty. As understood during the Treaty negotiations, the provisions would apply retroactively to cover service prior to the Treaty effective date.

Section 330. Technical Amendments.

This section would make technical amendments necessary to substitute the Administrator of the Panama Canal Commission for the Governor of the Canal Zone in the applicable statute establishing level of compensation, and to continue the present applicability of provisions concerning leave for jury service, severence pay, relocation expenses and injury compensation for federal employees, and to continue the inapplicability of the general law pertaining to overseas differentials and allowances and compensation.

CHAPTER 3—POSTAL MATTERS

Section 341. Postal Service.

This section would provide for the discontinuance of the Canal Zone postal service, as required by the Treaty, but would authorize the Panama Canal Commission to pay outstanding postal savings and money orders and otherwise to handle the liquidation of the service. Since it can be anticipated that mail from the United States and elsewhere will continue to be addressed to the Canal Zone for an indefinite period until the military postal services and the Panama postal service become fully used by senders of mail, the section would provide a procedure intended to assist, to the extent practicable, in the proper routing and distribution of such mail through the military post offices. Subsection (e) contains technical amendments necessary to reflect the discontinuance of the Canal Zone postal service.

TITLE IV—COURTS AND RELATED FUNCTIONS

Section 401. Continuation of Code and Other Laws.

This general provision would expressly continue existing law, including large portions of the Canal Zone Code, for the purpose of preserving the authority that is to be retained by the United States during the 30-month transition period provided for in Article XI of the Treaty. However, this continuation of laws could not be construed as regulating, or providing authority to regulate, matters as to which the United States may not exercise jurisdiction under the Treaty.

Laws presently applicable in the Canal Zone by virtue of the territorial jurisdiction of the United States over the Zone would be inapplicable inasmuch as the "Canal Zone" would no longer be territory under the jurisdiction of the United States. In such cases, references to the Canal Zone would not be construed as references to areas and installations in Panama made available to the United States pursuant to the Treaty, contrary to the general rule established by section 2(d) of the bill. Therefore, provisions such as the minimum wage and maximum hours requirements of the Fair Labor Standards Act would be inapplicable to any employee working in the Republic of Panama after the effective date of the Treaty, including employees of a United States Government agency. As a result of Treaty and other guarantees, the wages of United States Government employees already employed prior to the effective date of the Treaty would not be reduced.

Section 402. Jurisdiction during Transition Period.

This section, after stating a finding that the Treaty prescribes special provisions governing the jurisdiction of the United States during a 30-month transition period, would limit the jurisdiction of the United States courts in Panama as provided by Article XI of the Treaty. Subsection (c) incorporates Treaty definitions of certain terms used in Article XI relating to the jurisdiction of the United States during the transition period.

Section 403. Division and Terms of District Court.

This section would recognize changed circumstances under the Treaty by repealing provisions establishing geographical subdivisions of the district court within which the court must hold terms. The court would be authorized to designate its places and times for holding terms.

Section 404. Term of Certain Offices.

This section would reduce the term of office of the district judge (eight years), United States Attorney (eight years), United States Marshal (eight years), and magistrate (four years), to the period ending thirty-six months after the effective date of exchange of instruments of ratification, in the case of any appointment made after enactment of this bill. The courts and court personnel would no longer function after the 30-month transition period. This section would take effect on the date of enactment of this legislation.

Section 405. Residence Requirements.

This section would repeal present requirements that a district judge, clerk of the court, United States Attorney, Assistant United States Attorney, United States Marshal, magistrate and constable reside in the Canal Zone.

Section 406. Special District Judge.

This section would authorize the chief judge of the appropriate judicial circuit to designate and assign a special district judge to act during the absence, disability or disqualification of the district judge, or when the office of district judge is vacant. At present the President is authorized to appoint a special district judge under similar circumstances, but not in the case where there is merely a vacancy. Experience has shown the need for provision for designation of a special judge whenever the position is vacant, and vesting this authority in the chief judge of the judicial circut would conform to present practice both in the Canal Zone and in the United States.

Section 407. Magistrate's Courts.

At the present time there are two magistrates' courts and a district court in the Canal Zone. Under the new Treaty, the courts will continue for only a 30-month transition period, and their jurisdiction will be greatly limited by Article XI of the Treaty. All civil jurisdiction would be gone except for cases pending on the Treaty effective date. Criminal jurisdiction would be reduced to pending cases and to certain offenses committed by United States citizen personnel. Because it may develop that the workload may be reduced to such a point that it would be feasible to discontinue one or both magistrates' courts, this section would authorize the President or his designee to do so, leaving the district court to exercise all jurisdiction if both magistrates' courts were abolished.

Section 408. Oath.

This section would supersede a provision of the Canal Zone Code prescribing the text of the oath to be taken by an applicant to the bar of the district court. The prescribed text would no longer be appropriate in some respects, and the revised section would authorize the district judge to prescribe an appropriate oath.

Section 409. Transition Authority.

For the purpose of exercising the authority of the United States under Article XI of the Panama Canal Treaty of 1977 during the transition period, this section provides that such authority, except as provided in this bill, other laws, the Treaty or by executive order, shall be vested in the Panama Canal Commission.

Section 410. Special Immigrants.

This section would permit the immigration into the United States of certain non-United States citizen employees of the United States Government in the Canal Zone and their spouses and children. Section 410 would extend special immigrant status to Panama Canal Company and Canal Zone Government employees residing in the Canal Zone on the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 who have performed faithful service for one year or more, and to Panamanian employees of the United States Government in the Canal Zone who have 15 years or more of faithful service and are honorably retired prior to the date of entry into force of the Treaty, or who have been faithful employees for 15 years or more on that date and who subsequently retire honorably. Subsection (b) would exempt special immigrants admitted under this section from certain requirements of present law relating to physical health and proof that the immigrant would not become a public charge.

This proposal arises from a desire to provide retired employees and employees presently living under United States jurisdiction in the Canal Zone with an opportunity to immigrate to the United States if they so choose. Many of these persons have been historically affiliated with the United States presence and have not become fully assimilated into Panamanian society. The bulk of those eligible for immigration will be persons retired from their employment with the United States Government.

This section would take effect on the date of enactment of this legislation.

Section 411. Prisons; Parole; Pardon.

The general purpose of this section is to transfer the present responsibility of the Canal Zone Government over the custody of persons convicted of felonies by the District Court for the District of the Canal Zone to the Department of Justice, Bureau of Prisons.

Subsection (a) provides that, upon the date of enactment of this legislation, the Governor of the Canal Zone is required to contract for the transfer to the Attorney General of prisoners in his custody. Such contracts are permitted, but not required, under the present section 6503 (c) of the Canal Zone Code with regard to citizens of the United States.

Subsection (b)(1) provides that, upon entry into force of the Panama Canal Treaty, the cost of maintaining those prisoners transferred pursuant to contracts entered into under section 6503 of the Panama Canal Code would be borne by the United States. These costs are presently borne by the Canal Zone Government.

Subsections (b) (2), (3), and (4) grant to the Panama Canal Commission authority to operate jails for the confinement of persons sentenced during the transition period to terms of one year or less. It would be impracticable to confine these persons in the United States under the custody of the Attorney General. Subsection (b)(5) would terminate the existing pardon authority of the Governor of the Canal Zone upon the entry into force of the Panama Canal Treaty.

Subsection (c) provides that, after entry into force of the Panama Canal Treaty, prisoners convicted by the District Court in the former Canal Zone and sentenced to terms of more than one year will be committed directly to the custody of the Attorney General.

It is expected that, prior to the date of enactment of this legislation, the United States will have entered into a treaty with Panama providing for the transfer of prisoners as contemplated by paragraph 11 of Article IX of the Panama Canal Treaty. This treaty will afford Panamanian nationals convicted by United States courts an opportunity to serve their sentences in Panama. No Panamanian national will be moved from the former Canal Zone to the United States until he has an opportunity to exercise rights he may have under this treaty.

TITLE V—MISCELLANEOUS PROVISIONS

Section 501. Health Director; Hospitals.

This section would make technical amendments to various provisions of the Canal Zone Code which now make references to the hospitals, health bureau, and health director of the Canal Zone Government. Since the Canal Zone Government would be discontinued and the health care facilities would be operated by an agency other than the Panama Canal Commission, the references are clarified to fit the new situation. The various provisions concern hospitalization of the mentally ill, autopsies, disposition of bodies, and litigation involving pre-marital examinations. There would probably be little application of these provisions after the Treaty effective date, but there is a potential application in connection with pending cases during the transition period.

Section 502. Disinterment, Transportation, and Reinterment of Remains.

The purpose of this section is to implement Reservation (3) to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal which authorizes the expenditure of funds for the removal, transportation, and reinterment of the remains of United States citizens.

This section would authorize to be appropriated to designated United States Government agencies such sums as are necessary to fund the costs incurred for the disinterment from Corozal Cemetery and transportation to the United States for reinterment there of the remains of United States citizens and of members of their immediate family buried with them.

It is anticipated that, prior to entry into force of the Neutrality Treaty, the remains of most of the United States citizens and of members of their immediate family buried with them will be disinterred from Mount Hope cemetery and reinterred in Corozal Cemetery.

This section would take effect on the date of enactment of this legislation.

Section 503. Effective Date.

Section 231 concerning the advance establishment of new rates of tolls; sections 321, 322, 325 and 326 concerning rights to benefits, priority placement and retirement annuities of present employees of the Panama Canal Company and Canal Zone Government; section 404 concerning the terms of offices of certain court personnel appointed after the date of enactment of this bill; section 410 concerning special immigrants; section 411 concerning prisons, parole, and pardon; and section 502 concerning the disinterment, transportation, and reinterment of the remains of United States citizens become effective on the date of enactment of the bill.

All other provisions of the bill take effect on the date the Panama Canal Treaty of 1977 enters into force.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BOB WILSON, for 60 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. FINDLEY, for 5 minutes, today.
Mr. BROYHILL, for 5 minutes, today.
Mr. GREEN, for 5 minutes, today.
Mr. STAGGERS, for 10 minutes, today.

(The following Members (at the request of Ms. FERRARO) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. HEFTEL, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, today.
Ms. HOLTZMAN, for 60 minutes, today.
Mr. ALEXANDER, for 15 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. EVANS of Indiana, for 5 minutes, today.
Mr. BOLLING, for 60 minutes, on February 1.
Mr. ANNUNZIO, for 60 minutes, on February 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MURPHY of New York, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $5,211.

Mr. CONYERS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $4,632.

(The following Members (at the request of Mr. BERRUTER), and to include extraneous matter:)

Mr. MARTIN in two instances.
Mr. DANNEMEYER in three instances.
Mr. COURTER.
Mr. RINALDO.
Mr. MCCLORY in two instances.
Mr. SENSENBRENNER.
Mr. CONABLE.
Mr. ROTH in two instances.
Mr. WYDLER.
Mr. MICHEL in two instances.
Mr. RUDD.
Mr. HAMMERSCHMIDT.
Mr. SYMMS in three instances.
Mr. WHITEHURST.
Mr. CARTER in three instances.
Mr. SAWYER in two instances.
Mr. DERWINSKI in two instances.
Mr. LAGOMARSINO in five instances.
Mr. GILMAN in two instances.
Mr. QUAYLE.
Mr. BEARD of Tennessee.
Mr. LOTT.
Mr. PHILIP M. CRANE.

(The following Members (at the request of Ms. FERRARO) and to include extraneous matter:)

Mr. MCDONALD in four instances.
Mr. HOWARD.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. HAMILTON in two instances.
Mr. MOAKLEY.
Mr. LAFALCE.
Mr. BONKER.
Mr. DRINAN.
Mr. CHARLES H. WILSON of California.
Mr. MAVROULES.
Mr. IRELAND.
Mr. YATRON.
Mr. GEPHARDT.
Mr. MINETA.
Mr. BLANCHARD.
Mr. GINN.
Mr. OBEY in six instances.
Mr. VENTO.
Mr. ALEXANDER in three instances.
Mr. JOHN L. BURTON.
Mr. MILLER of California in three instances.
Mr. STAGGERS in two instances.
Mr. PREYER.
Mr. EVANS of Indiana in two instances.
Mr. DANIELSON.
Mr. BIAGGI.
Mr. PANETTA.
Ms. HOLTZMAN in two instances.
Mr. STARK.
Mr. ZABLOCKI in two instances.
Mr. EARLY.
Mr. ROBERTS.
Mr. FOUNTAIN.

ADJOURNMENT

Mr. PATTERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 33 minutes p.m.), the House adjourned until Thursday, February 1, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

500. A letter from the Secretary of Agriculture, transmitting a report covering fiscal year 1978 on the location of new Federal offices and other facilities in rural areas, pursuant to section 901(b) of the Agricultural Act of 1970, as amended; to the Committee on Agriculture.

501. A letter from the Secretary of Defense, transmitting the annual report of the Department of Defense for fiscal year 1980; to the Committee on Armed Services.

502. A letter from the Secretary of Defense, transmitting the fifth annual report on rationalization/standardization within NATO, pursuant to section 302(c) of Public Law 93-365, as amended, and section 814(b) of Public Law 94-106, as amended; to the Committee on Armed Services.

503. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the omission of clauses authorizing the examination of records by the Comptroller General in two contracts with Marine Cement Limited, Zurich, Switzerland, and the United Kingdom Government, pursuant to 10 USC 2313(c); to the Committee on Armed Services.

504. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the omission of a clause authorizing the examination of records by the Comptroller General in a contract with the European Space Agency, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

505. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1978, pursuant to section 6(f) of Public Law 89-690; to the Committee on Armed Services.

506. A letter from the Director, Congressional Budget Office, transmitting the annual report of the Office, pursuant to section 202(f) of Public Law 93-344; to the Committee on the Budget.

507. A letter from the senior vice president, Finance, Potomac Electric Power Co., transmitting a balance sheet of the company as of December 31, 1978, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

508. A letter from the Assistant Secretary of Health, Education, and Welfare for Education, transmitting a report prepared by the National Center for Education Statistics on teacher and school administrator supply and demand, pursuant to section 406(d)(1)(D) of the General Education Provisions Act, as amended (90 Stat. 2226); to the Committee on Education and Labor.

509. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

510. A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act; to the Committee on Interior and Insular Affairs.

511. A letter from the Assistant Secretary of the Interior, transmitting an announcement of water resources research and development areas of interest for fiscal year 1979, pursuant to section 411 of Public Law 95-467; to the Committee on Interior and Insular Affairs.

512. A communication from the President of the United States, transmitting a report on progress toward conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(c) of the Foreign Assistance Act of 1961, as amended (92 Stat. 739) (H. Doc. No. 96-47); to the Committee on International Relations and ordered to be printed.

513. A letter from the Secretary of State, transmitting a report on efforts undertaken to comply with the provisions of law regarding the use of herbicides in the Mexican marihuana eradication program, pursuant to section 481(d)(3) of the Foreign Assistance Act of 1961, as amended (92 Stat. 730); to the Committee on International Relations.

514. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the review of arms sales controls on non-lethal items, pursuant to section 25 of Public Law 95-384; to the Committee on International Relations.

515. A letter from the Administrator, Agency for International Development, Department of State, transmitting the fiscal year 1978 report of the Agency's Auditor General, pursuant to section 624 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

516. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on contracts awarded in excess of $100,000 without competitive selection procedures during the period April 1 to September 30, 1978, pursuant to section 601(e)(2)(A) of the Foreign Assistance Act of 1961, as amended (92 Stat. 956); to the Committee on International Relations.

517. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to the Netherlands (transmittal No. 79-6), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

518. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting a report on arms control education and academic study centers, pursuant to section 2 of Public Law 95-338; to the Committee on International Relations.

519. A letter from the Chairman, Board for International Broadcasting, transmitting the fifth annual report of the Board and its review and evaluation of the operation and mission of Radio Free Europe/Radio Liberty, covering fiscal year 1978, pursuant to section 4(a)(8) of Public Law 93-129, as amended; to the Committee on International Relations.

520. A letter from the Secretary of Transportation, transmitting his final recommendations for a restructured intercity rail passenger system to be operated by the National Railroad Passenger Corporation, pursuant to section 4(e)(1) of Public Law 95-421; to the Committee on Interstate and Foreign Commerce.

521. A letter from the Secretary of Energy, transmitting DOE Energy Action No. 3, to exempt aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Allocation Regulations, and DOE Energy Action No. 4, to exempt aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Price Regulations, pursuant to section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (H. Doc. No. 96-48); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

522. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision within the statutory 7-month period in docket No. 36966, Perishable Protective Tariffs, NPPC, TCFB, and CRB, and docket No. 37023, Train Schedules for Handling Perishables, Official Territory, pursuant to 49 USC 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

523. A letter from the president, U.S. Railway Association, transmitting a draft of proposed legislation to amend section 214(c) of the Regional Rail Reorganization Act of 1973 to authorize appropriations for fiscal year 1980; to the Committee on Interstate and Foreign Commerce.

524. A letter from the president, U.S. Railway Association, transmitting a report on the methodology for monitoring the Consolidated Rail Corporation, pursuant to section 307(c)(2) of Public Law 93-236, as amended (92 Stat. 2400); to the Committee on Interstate and Foreign Commerce.

525. A letter from the Deputy Comptroller General of the United States, transmitting a report covering calendar year 1978 on positions in the General Accounting Office in grades GS-16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

526. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting the annual report of the Postmaster General for fiscal year 1980, pursuant to 39 U.S.C. 2402; to the Committee on Post Office and Civil Service.

527. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on North Beach, town of Hampton and Foss Beach, and town of Rye, N.H., in response to resolutions of the Senate and House Committees on Public Works adopted December 8, 1969, and December 2, 1970, respectively; to the Committee on Public Works and Transportation.

528. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

529. A letter from the Comptroller General of the United States, transmitting a report on the AV-8B Advanced Harrier aircraft program (PSAD-79-22, January 30, 1978); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 1639. A bill to amend the Tennessee Valley Authority Act; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of Illinois:

H.R. 1640. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. ANDREWS of North Dakota:

H.R. 1641. A bill to authorize the Secretary of the Interior to defer payment of municipal and industrial water supply costs of the Dickinson unit; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Tennessee:

H.R. 1642. A bill to amend title 5, United States Code, to provide that legal public holidays established in the future occur on a Saturday or Sunday; to the Committee on Post Office and Civil Service.

By Mr. BEDELL:

H.R. 1643. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, to adjust the rates of such taxes for old-age and survivors insurance and hospital insurance purposes, to provide for reductions in the amount of such disability benefits to take account of the recipient's need as determined on the basis of his family income, to improve disability determination procedures, and for other purposes; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. RANGEL, Mr. JONES of Oklahoma, Mr. MIKVA, Mr. FORD of Tennessee, Mr. BRODHEAD, Mr. DOWNEY, Mr. BAFALIS, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BEDELL, Mr. BEVILL, Mr. BINGHAM, Mr. BURLISON, Mr. BONIOR of Michigan, Mr. CARR, Mr. CLEVELAND, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CORCORAN, Mr. D'AMOURS, Mr. DANIELSON, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DIXON, Mr. DRINAN, Mr. EVANS of Indiana, Mr. FASCELL, Mr. FLORIO, Mr. FORSYTHE, Mr. GUDGER, Mr. GUYER, Mr. HAMILTON, Mr. HUBBARD, Mr. HUGHES, Mr. JOHNSON of California, Mr. KILDEE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEE, Mr. LONG of Louisiana, Mr. MCHUGH, Mr. MARLENEE, Mr. MATHIS, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. NOLAN, Mr. OTTINGER, Mr. PATTEN, Mr. PATTERSON, Mr. PEPPER, Mr. PRITCHARD, Mr. RAHALL, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. STANGELAND, Mr. VAN DEERLIN, Mr. VENTO, Mr. VOLKMER, Mr. WEISS, Mr. CHARLES WILSON of Texas, Mr. YOUNG of Missouri, and Mr. ZEFERETTI):

H.R. 1644. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

Mr. BIAGGI:

H.R. 1645. A bill to authorize the Secretary of the department in which the Coast Guard is operating to prescribe manning requirements for certain small vessels carrying freight or passengers for hire, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BINGHAM:

H.R. 1646. A bill to amend parts B and E of title IV of the Higher Education Act of 1965 to provide for deferral of repayment on insured and direct student loans during temporary total disability of a borrower or spouse; to the Committee on Education and Labor.

By Mr. BRINKLEY (for himself, Mr. NICHOLS, and Mr. GINGRICH):

H.R. 1647. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 1648. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local government property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

By Mr. PHILLIP BURTON:

H.R. 1649. A bill to amend the Immigration and Nationality Act to permit more persons to immigrate from colonies of foreign states; to the Committee on the Judiciary.

By Mr. CARTER:

H.R. 1650. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

H.R. 1651. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 1652. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. BAFALIS, and Mr. MOORE):

H.R. 1653. A bill to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 1654. A bill to amend title 13, United States Code, to require that the Secretary of Commerce treat the Commonwealth of Puerto Rico as a State for the purpose of making surveys to furnish interim current data on subjects covered by censuses; to the Committee on Post Office and Civil Service.

H.R. 1655. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide social security coverage for work performed in prison industries and other services performed for remuneration by inmates of penal institutions; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 1656. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. DICKINSON:

H.R. 1657. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1658. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 1659. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 1660. A bill to continue until the close of June 30, 1981, the existing suspension of duties on certain forms of zinc; to the Committee on Ways and Means.

By Mr. EVANS of Delaware:

H.R. 1661. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

H.R. 1662. A bill to amend section 144 of title 23 of the United States Code, relating to the special bridge replacement program, in order to make highway bridge projects costing more than $1 million in those States receiving minimum apportionments of Federal funds under such program eligible for Federal aid under the discretionary part of the

program; to the Committee on Public Works and Transportation.

By Mr. FLOOD:

H.R. 1663. A bill for the relief of the Shippensburg Public Library, the Osterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library; to the Committee on the Judiciary.

By Mr. FOUNTAIN (for himself, Mr. JONES of North Carolina, Mr. WHITLEY, and Mr. HEFNER):

H.R. 1664. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislature of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. GILMAN (for himself, Mr. ADDABBO, Mr. ANDERSON of Illinois, Mr. BEDELL, Mr. BUCHANAN, Mr. BURGENER, Mr. CLEVELAND, Mr. CONTE, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. GEPHARDT, Mr. GIBBONS, Mr. GRISHAM, Mr. GUYER, Mr. HOLLENBECK, Mr. HUGHES, Mr. ICHORD, Mr. LAGOMARSINO, Mr. LONG of Maryland, Mr. LOTT, Mr. MILLER of Ohio, Mr. NOLAN, Mr. PRITCHARD, Mr. SCHEUER, Mrs. SPELLMAN, Mr. WALKER, Mr. WHITEHURST, and Mr. YATRON):

H.R. 1665. A bill to amend the Legislative Reorganization Act of 1946 to improve the oversight capabilities of the standing committees of the House of Representatives and of the Senate; to the Committee on Rules.

By Mr. GREEN:

H.R. 1666. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling under the social services program, and to provide for the reallocation of unused funds from a State's allotment to other States which need additional funds; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 1667. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture.

H.R. 1668. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

H.R. 1669. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust law; to the Committee on the Judiciary.

H.R. 1670. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 1671. A bill to amend title XII of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1672. A bill to restore citizenship to persons who renounced or otherwise lost American nationality because of opposition to American military action in Indochina, and for other purposes; to the Committee on the Judiciary.

H.R. 1673. A bill to establish an additional procedure for the reacquisition of U.S. citizenship by former U.S. citizens; to the Committee on the Judiciary.

By Mr. KINDNESS:

H.R. 1674. A bill to amend the Small Business Act to establish a regulatory clearinghouse in the branch and regional offices of the Small Business Administration in order to provide information and technical assistance with respect to Federal regulations having a significant impact on small business; to the Committee on Small Business.

By Mr. LAFALCE:

H.R. 1675. A bill to establish Federal product liability tort law standards; to the Committee on Interstate and Foreign Commerce.

H.R. 1676. A bill to provide uniform standards for state product liability tort laws; to the Committee on Interstate and Foreign Commerce.

H.R. 1677. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, that a deduction shall be allowed for contributions to such trusts, and for other purposes; to the Committee on Ways and Means.

H.R. 1678. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes; to the Committee on Ways and Means.

H.R. 1679. A bill to amend the Right to Financial Privacy Act of 1978; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LAGOMARSINO:

H.R. 1680. A bill to provide survivors' annuities under chapter 83 of title 5, United States Code, to certain widows and widowers; to the Committee on Post Office and Civil Service.

By Mr. LEHMAN:

H.R. 1681. A bill to provide energy conservation by alleviating current and continuing fuel waste, to reduce empty vehicle movements, and to increase efficiency in transporting goods by motor carriers which will ultimately benefit consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1682. A bill to amend title 18 of the United States Code to provide penalties for obtaining or attempting to obtain controlled substances from pharmacies by force or by breaking and entering, and for other purposes; to the Committee on the Judiciary.

H.R. 1683. A bill to prohibit the pretrial release of any person charged with an act of aggravated terrorism; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 1684. A bill to amend the Internal Revenue Code of 1954 to provide for the payment of interest at a rate of 5 percent on excess amounts withheld from individuals' wages; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 1685. A bill to amend title 10, United States Code, to raise the mandatory retirement age for members of the Army, Navy, Air Force, and Marine Corps to age 65; to the Committee on Armed Services.

H.R. 1686. A bill to amend title 10, United States Code, to eliminate mandatory retirement for age for members of the Army, Navy, Air Force, and Marine Corps; to the Committee on Armed Services.

H.R. 1687. A bill to authorize the President of the United States to present, on behalf of the Congress, a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1688. A bill to authorize the Secretary of the Interior to construct hydroelectric powerplants and various existing water projects, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1689. A bill to increase the amount of privately owned land eligible to receive irrigation water under the Federal reclamation laws, and remove Federal subsidies from water delivered to excess lands, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1690. A bill to amend the Railroad Retirement Act of 1974 with respect to benefits payable to certain individuals who on December 31, 1974, had at least 10 years of railroad service and also were fully insured under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

H.R. 1691. A bill for the relief of the Vermejo Conservancy District; to the Committee on the Judiciary.

H.R. 1692. A bill to incorporate the American Ex-Prisoners of War, Inc.; to the Committee on the Judiciary.

H.R. 1693. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 1694. A bill to amend title 5 of the United States Code to extend to 60 days the number of days of annual leave which may be accumulated by employees who have completed 25 years or more of service; to the Committee on Post Office and Civil Service.

H.R. 1695. A bill to provide that members of all commissions, councils, and similar bodies in the executive branch of the Government appointed from private life shall serve without any remuneration for their services other than travel, subsistence, and other necessary expenses; to the Committee on Post Office and Civil Service.

H.R. 1696. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

H.R. 1697. A bill to reduce unemployment by providing that unemployment insurance funds may be used pursuant to State laws establishing programs for payments to employers who hire the unemployed; to the Committee on Ways and Means.

H.R. 1698. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 1699. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain social security taxes; to the Committee on Ways and Means.

By Mr. BLANCHARD (for himself, Mr. MINETA, Mr. GEPHARDT, and Mr. GRADISON):

H.R. 1700. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. LUJAN:

H.R. 1701. A bill to amend the Internal Revenue Code of 1954 to allow individuals certain credits against income tax for certain expenses for education and a deduction from gross income for certain contributions to qualified higher education funds, and for other purposes; to the Committee on Ways and Means.

H.R. 1702. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1703. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 1704. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

H.R. 1705. A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

H.R. 1706. A bill to amend the act of October 31, 1949 (63 Stat. 1049), to change the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

H.R. 1707. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 1708. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities authorized under such part; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LUJAN (for himself and Mr. RUNNELS):

H.R. 1709. A bill to prohibit the excessing of cabin sites and removal of cabins located at Conchas Lake, N. Mex., prior to 1996 without State approval; to the Committee on Public Works and Transportation.

By Mr. MARTIN:

H.R. 1710. A bill to amend the Internal Revenue Code of 1954 relative to educational activities and advertising income of nonprofit organizations; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Ms. MIKULSKI, Mrs. BOGGS, Mr. LEHMAN, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. HOWARD, Mr. SOLARZ, Mr. VENTO, and Mr. STUDDS):

H.R. 1711. A bill to amend title XX of the Social Security Act to authorize payments thereunder for the cost of emergency shelter or services furnished to individuals (whether adults or children) because of the danger of abuse or injury; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 1712. A bill to amend the Department of Defense Appropriation Act, 1979, to allow up to 10 percent of the funds appropriated in that act for payments under contracts to be used for payments under contracts made for the purpose of relieving economic dislocations; to the Committee on Appropriations.

H.R. 1713. A bill to provide for the recycling of used oil, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. MOTTL:

H.R. 1714. A bill to amend the Public Utility Regulatory Policies Act of 1978 to prohibit the use of fuel adjustment clauses by retail gas and electric utilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 1715. A bill to amend the Shipping Act to vest jurisdiction in the Federal Maritime Commission over complaints against shippers, consignors, and consignees, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. ZABLOCKI, Mr. RODINO, and Mr. PRICE) (by request):

H.R. 1716. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; divided and referred for a period ending not later than April 10, 1979 as follows: Sections 101 through 105 and section 107 to the Committee on International Relations; title II and section 106 to the Committee on Merchant Marine and Fisheries; title III to the Committee on Post Office and Civil Service; title IV to the Committee on the Judiciary; and title V and section 2 concurrently to the Committees on International Relations, the Judiciary, Merchant Marine and Fisheries, and Post Office and Civil Service.

By Mr. NICHOLS (for himself and Mr. MITCHELL of New York):

H.R. 1717. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PERKINS:

H.R. 1718. A bill to amend the Railroad Retirement Act of 1974 to provide that certain additional military service shall be deemed part of the years of service of an individual for the computation of certain annuities; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 1719. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. RICHMOND:

H.R. 1720. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 1721. A bill to amend the Internal Revenue Code of 1954 to allow elderly individuals a deduction for one-half of the amounts paid or incurred by them for electricity used in their residences; to the Committee on Ways and Means.

H.R. 1722. A bill to amend title IV of the Social Security Act to stabilize State welfare costs by providing full Federal reimbursement for any increases in a State's aid to families with dependent children payments which reflect rises in the cost of living since 1973 or are due to increased caseload, if the State agrees to make provision for cost-of-living adjustments in such payments, to implement a program of aid to dependent children of unemployed fathers, and not to impose any new restrictive requirements under its approved State plan; to the Committee on Ways and Means.

H.R. 1723. A bill to amend the Internal Revenue Code of 1954 to deny the foreign tax credit for any tax paid or accrued to the Republic of South Africa; to the Committee on Ways and Means.

H.R. 1724. A bill to amend the Internal Revenue Code of 1954 to reduce the foreign tax credit for taxpayers found to be in violation of certain principles of fair employment in the Republic of South Africa, and for other purposes; to the Committee on Ways and Means.

H.R. 1725. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance under the veterans' pension and compensation programs or any other Federal or federally assisted program) will not have the amount of such aid or assistance reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 1726. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received as prizes in connection with the New York State Olympic lottery; to the Committee on Ways and Means.

H.R. 1727. A bill to amend title XVI of the Social Security Act to provide that support and maintenance furnished in kind shall not be counted as income in determining the eligibility of any individual for supplementary security income benefits or the amount of such benefits, whether such individual is living in another person's household or otherwise; to the Committee on Ways and Means.

H.R. 1728. A bill to amend the Internal Revenue Code of 1954 to permit the full deduction of medical expenses incurred for the care of individuals of 65 years of age and over, without regard to the 3-percent and 1-percent floors; to the Committee on Ways and Means.

H.R. 1729. A bill to allow a credit against Federal income taxes or payments from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65 to the Committee on Ways and Means.

H.R. 1730. A bill to amend title II of the Social Security Act to provide that the marriage or remarriage of a beneficiary shall not terminate his or her entitlement to benefits or reduce the amount thereof; to the Committee on Ways and Means.

H.R. 1731. A bill to amend title XVI of the Social Security Act to authorize the prompt issuance of duplicate supplemental security income benefit checks to individuals whose original benefit checks are lost or delayed and who are faced with financial hardship as a result; to the Committee on Ways and Means.

H.R. 1732. A bill to establish the Food Research Corporation to support efforts to eliminate malnutrition and starvation throughout the world, and to amend the Internal Revenue Code of 1945 to allow the designation of certain Federal income tax liability for use by such Corporation; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. ST GERMAIN:

H.R. 1733. A bill to amend the Home Owners' Loan Act of 1933 to authorize Federal Savings and Loan Associations to offer certain alternative mortgage instruments and to require certain consumer protections for such mortgage instruments; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1734. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

H.R. 1735. A bill to provide for loans for the establishment and/or instruction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1736. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have

discriminatory policies; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 1737. A bill to amend title 39 of the United States Code to reduce postal rates for small magazines, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1738. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred for certain State and local individual income taxes and to repeal the deduction for such taxes, State and local general sales taxes, and State and local taxes on gasoline and other motor fuels; to the Committee on Ways and Means.

By Mr. STENHOLM:

H.R. 1739. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. STUDDS:

H.R. 1740. A bill to authorize payment of costs incurred in the alteration or replacement of certain municipal waste incinerators for the purpose of controlling air pollution; to the Committee on Interstate and Foreign Commerce.

H.R. 1741. A bill to amend the Tank Vessel Act in order to establish certain minimum construction safety standards for tank barges; to the Committee on Merchant Marine and Fisheries.

By Mr. TAUKE:

H.R. 1742. A bill to amend the Small Business Act to reduce the rate of interest on certain disaster loans under such act; to the Committee on Small Business.

H.R. 1743. A bill to provide mandatory social security coverage for Members of Congress and the Vice President; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 1744. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 for the purpose of authorizing the Secretary of Transportation, under certain circumstances, to require manufacturers of tires to provide public notice of tire defects; to the Committee on Interstate and Foreign Commerce.

By Mr. IRELAND (for himself, Mr. AKAKA, Mr. ERTEL, Mr. GUYER, Mrs. HECKLER, Mr. DICKS, Mr. EDGAR, Mr. DUNCAN of Tennessee, Mr. FOUNTAIN, Mr. RAHALL, Mr. NATCHER, Mrs. BOUQUARD, Mr. ADDABBO, Mr. D'AMOURS, Mr. DORNAN, Mr. WHITEHURST, Mrs. SPELLMAN, Mr. LEE, Mr. SOLARZ, Mr. MCKAY, Mr. TRAXLER, Mr. WEAVER, Mr. BIAGGI, Mr. PICKLE, Mr. PRENDEL, Mr. WYATT, Mr. MATHIS, Mr. JOHNSON of California, Mr. WINN, Mr. MINETA, Mr. NEAL, Mr. HOLLAND, Mr. SKELTON, Mr. CHARLES WILSON of Texas, Mr. FORSYTHE, Mr. DOUGHERTY, Mr. HEFTEL, Mr. JEFFORDS, Mr. GINN, Mr. PANETTA, Mr. HANLEY, Mr. BADHAM, Mr. PEASE, Mr. CAVANAUGH, Mr. YATRON, Mr. CONTE, Mr. STUMP, Mr. NOLAN, Mr. MURPHY of Pennsylvania, Mr. LOTT, Mr. FLIPPO, Mr. RINALDO, Mr. VOLKMER, Mr. BEVILL, Mr. EVANS of Georgia, Mr. LAGOMARSINO, Mr. LUKEN, Mr. MARRIOTT, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr. ANDREWS of North Dakota, Mr. LAFALCE, Mr. HUGHES, Mr. MURPHY of Illinois, Mr. GEPHARDT, Mr. HUTTO, Mr. WHITTAKER, Mr. ROBINSON, Mr. ERDAHL, Mr. MCHUGH, Mr. HOLLENBECK, Mr. GRISHAM, Mr. HAGEDORN, Mr. BAFALIS, Mr. HARSHA, Mr. ABDNOR, Mr. CHAPPELL, Mr. CLINGER, Mr. GLICKMAN, Mr. MAVROULES, Mr. PRICE, Mr. DAN DANIEL, Mr. MADIGAN, Mr. FORD of Michigan, and Mr. WOLFF):

H.R. 1745. A bill to amend the Small Business Act to provide regulatory flexibility for small business in certain instances so that the effect of regulation matches the size of business regulated; to the Committee on Small Business.

By Mr. DICKINSON:

H.J. Res. 171. Joint resolution proposing an amendment to the Constitution requiring that Federal judges be reconfirmed by the Senate every 6 years; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.J. Res. 172. Joint resolution to amend the Constitution of the United States to provide for balanced budgets; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.J. Res. 173. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

H.J. Res. 174. Joint resolution designating July 15, 1979, as "National Child's Day"; to the Committee on Post Office and Civil Service.

By Mr. KRAMER (for himself, Mr. ANDERSON of California, Mr. BUCHANAN, Mr. DANNEMEYER, Mr. DORNAN, and Mr. KINDNESS):

H.J. Res. 175. Joint resolution proposing an amendment to the Constitution of the United States which requires (subject to suspension during a time of war or national emergency) that the annual deficit of United States be gradually reduced over a 3-year period and thereafter be eliminated; to the Committee on the Judiciary.

By Mr. LUJAN:

H.J. Res. 176. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. QUAYLE:

H.J. Res. 177. Joint resolution proposing an amendment to the Constitution of the United States which establishes an index to measure increases in consumer prices and which requires (subject to suspension during a time of war or national emergency) that the annual deficit of the United States during any fiscal year not exceed 80 percent of any increase in that index; to the Committee on the Judiciary.

By Mr. ROSE:

H.J. Res. 178. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. SHUMWAY (for himself and Mr. BURGENER):

H.J. Res. 179. Joint resolution proposing an amendment to the Constitution of the United States providing for staggered 4-year terms for Representatives, for a limitation on the number of terms a person may serve in the House of Representatives or the Senate, and for other purposes; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H. Con. Res. 40. Concurrent resolution relating to withdrawing the new guidelines proposed by the Secretary of Labor with respect to the health and safety training of miners; to the Committee on Education and Labor.

By Mr. BEARD of Tennessee (for himself, Mr. BADHAM, Mr. BAFALIS, Mrs. BOUQUARD, Mr. BURGENER, Mr. COLLINS of Texas, Mr. COUGHLIN, Mr. PHILIP M. CRANE, Mr. DERWINSKI, Mr. GUDGER, Mr. HAGEDORN, Mr. ICHORD, Mr. KELLY, Mr. LAGOMARSINO, Mr. LIVINGSTON, Mr. LLOYD, Mr. LOTT, Mr. MCDONALD, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MONTGOMERY, Mr. SEBELIUS, Mr. SKELTON, Mr. SOLOMON, Mr. STANGELAND, Mr. WHITE, Mr. WHITEHURST, Mr. BOB WILSON, Mr. WINN, Mr. HYDE, and Mr. GOODLING):

H. Res. 81. Resolution requesting that the Secretary of Defense should rescind that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges; to the Committee on Armed Services.

By Mr. BEARD of Tennessee (for himself and Mr. GINGRICH):

H. Res. 82. Resolution pertaining to the retention of Jay Solomon as the Administrator of General Services; to the Committee on Government Operations.

By Mrs. COLLINS of Illinois:

H. Res. 83. Resolution to express the intent of Congress to restore funds for certain youth programs and countercyclical public service employment programs under the Comprehensive Employment and Training Act which would be cut by the President's budget; to the Committee on Education and Labor.

By Mr. MILLER of California (for himself, Mr. WEISS, Mr. CORRADA, Mr. PEPPER, and Mr. OTTINGER):

H. Res. 84. Resolution amending rule XXXII of the Rules of the House; to the Committee on Rules.

By Mr. REUSS:

H. Res. 85. Resolution to provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs; to the Committee on House Administration.

By Mr. RODINO:

H. Res. 86. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary; to the Committee on House Administration.

By Mr. THOMPSON:

H. Res. 87. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration; to the Committee on House Administration.

By Mr. ULLMAN (for himself and Mr. CONABLE):

H. Res. 88. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means; to the Committee on Ways and Means.

By Mr. ZABLOCKI (for himself, Mr. FOUNTAIN, Mr. FASCELL, Mr. DIGGS, Mr. ROSENTHAL, Mr. WOLFF, Mr. BINGHAM, Mr. YATRON, Mr. SOLARZ, Mr. BONKER, Mr. IRELAND, Mr. MICA, Mr. BARNES, Mr. GRAY, Mr. HALL of Ohio, Mr. WOLPE, Mr. BOWEN, Mr. PITHIAN, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. FINDLEY, Mr. BUCHANAN, Mr. WINN, Mr. GILMAN, Mr. GUYER, Mr. LAGOMARSINO, Mr. GOODLING, Mr. PRITCHARD, Mrs. FENWICK, and Mr. QUAYLE):

H. Res. 89. Resolution to amend the Rules of the House of Representatives to change the name of the Committee on International Relations to the Committee on Foreign Affairs; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

21. By the SPEAKER: Memorial of the Legislature of the State of Washington, relative to price supports for the sugar beet industry; to the Committee on Agriculture.

22. Also, memorial of the Legislature of the Territory of Guam, relative to the funding of programs for the education of the handicapped; to the Committee on Education and Labor.

23. Also, memorial of the Legislature of the Territory of Guam, relative to exempting Guam from the provisions of the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 1746. A bill for the relief of Mr. and Mrs. Joseph S. Pok; to the Committee on the Judiciary.

By Mr. BONKER:

H.R. 1747. A bill for the relief of Chitra Schlotterbeck; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 1748. A bill for the relief of Vera Lucia Carvalho and Marcos Vinecius Carvalho; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 1749. A bill for the relief of Dr. Mario Y. Dimacali; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 1750. A bill for the relief of John A. Peterson Charitable Trust; to the Committee on the Judiciary.

By Mr. DODD:

H.R. 1751. A bill for the relief of Daniel Tang; to the Committee on the Judiciary.

By Mr. DONNELLY:

H.R. 1752. A bill for the relief of Pius Joseph Lund; to the Committee on the Judiciary.

By Mr. ERLENBORN:

H.R. 1753. A bill for the relief of Sergio and Javier Arredondo; to the Committee on the Judiciary.

By Mr. GINN:

H.R. 1754. A bill for the relief of Julious Killingsworth; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 1755. A bill for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivquich Arriaza; to the Committee on the Judiciary.

By Mrs. HECKLER:

H.R. 1756. A bill for the relief of Melba Robateau; to the Committee on the Judiciary.

By Mr. HEFTEL:

H.R. 1757. A bill for the relief of Judge Louis Le Baron; to the Committee on the Judiciary.

H.R. 1758. A bill for the relief of George K. Oga; to the Committee on the Judiciary.

By Mr. LEVITAS:

H.R. 1759. A bill for the relief of Carlo Avino; to the Committee on the Judiciary.

H.R. 1760. A bill for the relief of Maj. Ralph Edwards, U.S. Air Forces, retired; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 1761. A bill for the relief of Dr. John C. Hume; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 1762. A bill to convey all interests of the United States in certain real property in Sandoval County, N. Mex., to Walter Hernandez; to the Committee on Interior and Insular Affairs.

H.R. 1763. A bill for the relief of Los Alamos Developers, Inc.; to the Committee on the Judiciary.

H.R. 1764. A bill for the relief of the heirs of Demetrio Madrid; to the Committee on the Judiciary.

H.R. 1765. A bill for the relief of Sammy H. Marr; to the Committee on the Judiciary.

By Mr. MIKVA:

H.R. 1766. A bill for the relief of Soon Hee Han; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 1767. A bill for the relief of Seoung Ja Kim and Lada Kim; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 1768. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.R. 1769. A bill for the relief of Virgilio C. Carandang, M.D. and Cecilia Tanedo Carandang; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. ANTHONY, Mr. BONER of Tennessee, Mr. CAVANAUGH, Mr. COELHO, Mr. CORCORAN, Mr. DAN DANIEL, Mr. DONNELLY, Mr. DOUGHERTY, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of Alabama, Mr. FAZIO, Mr. GIBBONS, Mr. GINN, Mr. GUARINI, Mr. HAGEDORN, Mr. HALL of Ohio, Mr. JONES of Oklahoma, Mr. KASTENMEIER, Mr. KINDNESS, Mr. LEACH of Iowa, Mr. LEDERER, Mr. LEE, Mr. LEHMAN, Mr. MARLENEE, Mr. MAVROULES, Mr. MICA, Ms. MIKULSKI, Mr. MIKVA, Mr. MILLER of Ohio, Mr. MOLLOHAN, Mr. NELSON, Mr. PATTEN, Mr. QUILLEN, Mr. RICHMOND, Mr. SEIBERLING, Mr. SHARP, Mrs. SPELLMAN, Mr. STANGELAND, Mr. SWIFT, Mr. SYNAR, Mr. WALGREN, Mr. CHARLES WILSON of Texas, Mr. WOLPE, Mr. WYATT, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri.

H.R. 15: Mr. WEISS, Mr. EVANS of Georgia, Mrs. FENWICK, Mr. GRAMM, Mr. STRATTON, Ms. HOLTZMAN, Mr. BIAGGI, Mr. WAXMAN, Mr. VENTO, Mr. LONG of Louisiana, Mr. KOSTMAYER, Mr. CAVANAUGH, Mr. DOWNEY, Mr. FROST, Mr. MIKVA, Mr. SHARP, Mr. MARKS, Mr. NOWAK, Mr. RAHALL, Mr. YATES, Mr. PREYER, Mr. LUNDINE, Mr. ASHLEY, Mr. BONIOR of Michigan, Mr. ROSE, Mr. HUGHES, Mr. SCHEUER, Mr. PATTERSON, and Mr. CORRADA.

H.R. 21: Mr. FORD of Michigan, Mr. MURPHY of New York, Mr. ROE, Mr. ST GERMAIN, Mr. SOLARZ, and Mr. VENTO.

H.R. 29: Mr. BONIOR of Michigan, Mr. DICKS, Mr. DRINAN, Mr. PEPPER, Mr. BOLAND, Mr. EMERY, Mr. LUKEN, Mr. BINGHAM, Mr. EDWARDS of California, Mr. MOAKLEY, Mr. MITCHELL of Maryland, Mr. RODINO, Mr. LEHMAN, Ms. HOLTZMAN, Mr. WEISS, Mr. WEAVER, Mr. SOLARZ, Mr. LONG of Maryland, Mr. YOUNG of Missouri, Mr. MCHUGH, Mr. KILDEE, Mr. OTTINGER, Ms. SPELLMAN, Mr. STOKES, Mr. EDGAR, Mr. WOLPE, Mr. DOWNEY, Mr. BEDELL, Mr. ST GERMAIN, Mr. DODD, Mr. CARR, and Mr. JENRETTE.

H.R. 39: Mr. WYLIE, Mr. ANDERSON of Illinois, Mr. FLOOD, Mr. GIBBONS, Mr. MAVROULES, Mr. LEACH of Iowa, Mr. EVANS of Delaware, Mr. DODD, and Mr. NEAL.

H.R. 65: Mr. ADDABBO, Mr. ANTHONY, Mr. BEDELL, Mr. BENJAMIN, Mrs. BOUQUARD, Mr. CAMPBELL, Mr. COLEMAN, Mr. CORCORAN, Mr. DORNAN, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. ERDAHL, Mr. FOUNTAIN, Mr. GAYDOS, Mr. GLICKMAN, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. LAFALCE, Mr. LEHMAN, Mr. LOTT, Mr. LUNDINE, Mr. MCEWEN, Mr. MIKVA, Mr. MOFFETT, Mr. PANETTA, Mr. PREYER, Mr. PRICE, Mr. RAHALL, Mr. ROBINSON, Mr. RUNNELS, Mr. SCHEUER, Mr. SIMON, Mrs. SPELLMAN, Mr. STANGELAND, Mr. WIRTH, Mr. WYATT, Mr. YATRON, and Mr. YOUNG of Missouri.

H.R. 80: Mr. ZABLOCKI.

H.R. 118: Mr. PEASE, Mr. KINDNESS, Mr. MADIGAN, Mr. STEED, Mr. MYERS of Indiana, Mr. PICKLE, Mr. NEAL, Mr. KASTENMEIER, Mr. ENGLISH, Mr. DASCHLE, Mr. ANDREWS of North Dakota, Mr. HAGEDORN, Mr. STANGELAND, Mr. EVANS of Georgia, Mr. ICHORD, Mr. LEACH of Iowa, Mr. VENTO, and Mr. SKELTON.

H.R. 120: Mr. MATHIS, Mr. HARKIN, Mr. KASTENMEIER, Mr. ENGLISH, Mr. ANDREWS of North Dakota, and Mr. DASCHLE.

H.R. 365: Mr. DEVINE, Mr. COLEMAN, Mr. WINN, Mr. PASHAYAN, Mr. ROUSSELOT, Mr. WILLIAMS of Ohio, Mr. JONES of North Carolina, Mr. COELHO, Mr. LOEFFLER, Mr. PRITCHARD, Mr. HINSON, Mr. ARCHER, Mr. BAFALIS, and Mr. EDGAR.

H.R. 366: Mr. STANGELAND, Mr. LEACH of Iowa, and Mr. PASHAYAN.

H.R. 628: Mr. THOMAS, Mr. MARLENEE, Mr. LUKEN, Mr. VAN DEERLIN, Mr. MAGUIRE, Mr. BLANCHARD, and Mr. MCDADE.

H.R. 769: Mr. HARRIS, Mr. DRINAN, Mr. PEPPER, Mr. CONYERS, Mr. MOAKLEY, Mr. VENTO, Mr. SEIBERLING, Mr. ADDABBO, Mr. DELLUMS, Ms. HOLTZMAN, Mr. WEISS, Mrs. COLLINS of Illinois, Mr. SOLARZ, Mr. HUGHES, Mr. STOKES, Mr. LEDERER, Mr. EDGAR, Mr. DOWNEY, Mr. SABO, and Mr. MAGUIRE.

H.R. 1149: Mr. CORCORAN, Mr. EDGAR, Mr. HYDE, Mr. CLINGER, Mr. ROBINSON, Mr. ROTH, Mr. SOLOMON, and Mrs. SPELLMAN.

H.R. 1320: Mr. TAUKE, Mr. HYDE, Mr. ROSTENKOWSKI, Mr. DERWINSKI, Mr. MURPHY of Illinois, Mr. MOAKLEY, Mr. NATCHER, Mr. MURPHY of Pennsylvania, Mr. BEARD of Rhode Island, Mr. HALL of Texas, Mr. RAHALL, Mr. KINDNESS, Mr. FORSYTHE, Mr. SOLARZ, Mr. HAMILTON, Mr. CORRADA, Mr. LEACH of Iowa, Mr. BEVILL, Mr. AKAKA, Mr. MAVROULES, Mr. ERTEL, Mr. STANGELAND, Mr. MARLENEE, Mr. VENTO, Mr. YOUNG of Missouri, and Mr. DELLUMS.

H.R. 1603: Mr. GUDGER, Mr. ERTEL, Mr. ERDAHL, Mr. ASHBROOK, Mr. SYMMS, Mr. DAN DANIEL, and Mr. LEWIS.

H.J. Res. 2: Mr. BURGENER, Mr. DUNCAN of Tennessee, Mr. SIMON, Mr. ROTH, Mr. NICHOLS, Mr. EMERY, Mr. JEFFRIES, Mr. LONG of Maryland, Mr. EVANS of Georgia, Mr. GINGRICH, Mr. LEWIS, and Mr. SYMMS.

H.J. Res. 73: Mr. HYDE, Mr. BUTLER, Mr. BROWN of Ohio, Mr. ROBINSON, Mrs. HOLT, Mr. KINDNESS, Mr. BADHAM, Mr. DORNAN, Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. SNYDER, Mr. ROUSSELOT, Mr. BAFALIS, Mr. SYMMS, Mr. RUDD, Mr. GINGRICH, Mr. LEE, and Mr. BUCHANAN.

H. Con. Res. 5: Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. BEILENSON, Mr. DOWNEY, Mr. HARKIN, Mr. DODD, Mr. MOFFETT, Mr. VENTO, Mr. EDGAR, and Mr. BONKER.

H. Res. 54: Mr. EDWARDS of Alabama.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

49. By the SPEAKER: Petition of the city council, New York, N.Y., relative to services to older Americans under the Older Americans Act; to the Committee on Appropriations.

50. Also, petition of the board of commissioners, Escambia County, Fla., relative to a resource conservation and development program; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

PUBLISH OR PERISH

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MARTIN. Mr. Speaker, I am today introducing legislation to cure a problem which has arisen, because of overly zealous action by the Internal Revenue Service against the learned societies of this country. Far back into the mists of antiquity, learned societies have published bulletins and magazines, charging lower prices to the membership than to nonmembers and supporting part of the cost of publication through advertising revenues. The IRS is threatening to revoke the tax-exempt status of these groups.

We have all heard the refrain from academe: "Publish or perish." The journals in question, for our colleagues unfamiliar with the matter, are those in which the academic must publish, lest he perish. These journals are far more than vehicles for academic and professional advancement. They are the essential medium for the dissemination of scientific and technical knowledge. As a former professor and as an organic chemist in real life, I can personally attest to the national importance of these journals. As you represent Harvard and MIT, Mr. Speaker, you and your constituents know their value and, in many cases, their tenuous financial situations.

It borders on silly that legislation is actually needed. The IRS should back off. But, at this stage, legislation actually is needed. I will press in committee for prompt action.

Mr. Speaker, for our colleagues' reference. I am submitting herewith two editorials on the subject, the first from the Washington Post and the second from the New York Times, as reprinted in the San Francisco Chronicle:

A THREAT TO SCIENTIFIC COMMUNICATION

Before the Internal Revenue Service induces any more unest in the professional societies that publish many of this nation's, and the world's, foremost scientific journals, it might be desirable for the revenuers to grasp a few obscure, though simple, realities of scientific publishing. By doing so, we hope, the IRS might be led to reconsider a reportedly impending ruling that would bring little gain to the Treasury and much harm to scientific communication.

Reflecting the specialization of contemporary research, most scientific journals have relatively small circulations—often just a few thousand. Small, however, does not mean unimportant; on the contrary, the flow of information that is essential to the conduct of science is routinely channeled through many of these small-circulation journals.

The limited circulations do, however, create a revenue problem, especially since many of these journals are expensive to produce. Some of them run to hundreds of pages and are crammed with detailed charts, tables and footnotes that absorb a great deal of editorial labor.

To meet these costs, many of the societies that publish the journals employ a two-tier price system—a low price for members, usually included with their dues, and a higher price for non-members who, for whatever reasons, want the journal. In one such typical arrangement, the Journal of Bacteriology, published by the American Society for Microbiology, is available to ASM members for $22 per year for personal subscriptions; libraries and other institutions pay $115 per year. And, since some 40 percent of the journal's circulation of approximately 10,000 goes to the higher-paying non-members, the ASM is able to get along with the relatively low price for individual scientists who need the journal.

IRS has indicated, however, that it considers that the two-price system amounts to a subsidy for the members and is incompatible with the preferential tax status that non-profit professional societies enjoy. While a formal ruling is yet to be issued, at least one major scientific society has been notified that it is on the way.

It is clear, however, that no good purpose will be achieved by following an ambiguous tax-collecting principle out the window. The professional scientific press, which is indispensible to the conduct and progress of research, does indeed have very peculiar economics. But that's the way it is. And good sense calls for preserving the conditions in which these organizations can continue to publish—rather than have them slowly perish.

NO REASON GIVEN—IRS RULES THREATEN SCIENTIFIC JOURNALS

NEW YORK.—Some scientific and medical journals may be forced to stop publishing due to Internal Revenue Service rulings and other federal actions, according to an editorial published today in the Journal of the American Medical Association.

If the journals are forced out of business, "effective communication between scientists will be jeopardized, and scientific development will suffer," said Dr. William R. Barclay, the AMA journal editor. "Discovery benefits no one unless it is communicated."

The federal actions, for which no reason has been given, jeopardizes publications in medicine, biology, chemistry, physics and other fields. Robert A. Day of the Council of Biology Editors in Washington, who has characterized the scientific journal as "an endangered species," said recently that such "journals could well move from the 'endangered' list to the 'extinct' list; and Uncle Sam, as well as scientists everywhere, will be left emoty-handed."

The AMA editorial said. "The Internal Revenue Service has told the publishers of 90 percent of the chemistry and physics journals in the United States that it plans to revoke their tax-exempt status and has notified the American Chemical Society and the American Institute of Physics that they are no longer to be treated as tax exempt organizations."

Others in the scientific community have said the IRS was taking similar action against other scientific and engineering societies. Loss of tax-exempt status means higher postal rates, as well as taxing of advertising revenues and other income of the journals and societies.

The IRS has already taxed the advertising revenues of the AMA journal. The association has paid $9 million in back taxes on advertising revenues from the ten journals it publishes and expects to pay the IRS about $1.5 million each year for the next several years, Barclay said in an interview.

The journals are considered indispensable to science because they are the scientists' traditional means of communication. Scientists publish the results of their experiments and theories as open communication for the benefit of society. The aim is to allow their colleagues to try to duplicate the results, criticize the findings and make further scientific advances without duplication of efforts. Some scientists pay fees to journals with small circulations to publish the results of their experiments.

The AMA editorial said that in addition to the rising costs of printing, paper and other standard expenses, "the Postal Service is proposing a new rate structure that will be prohibitively expensive for many scientific societies and may result in sharp curtailment of their publications."

Barclay said the medical association is "walking a tightrope" in its publications budget. He said he has "contingency plans" that call for the AMA to stop publishing some journals if costs rise further because of federal action and other factors.●

RENAMING PARKS

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. QUAYLE. Mr. Speaker, the citizens of Indiana are proud of the Indiana Dunes National Lakeshore, and many of them worked hard in behalf of the project. Congress seems to have a tendency to want to put its own stamp on such projects by naming them for Senators and Congressmen. For example, legislation has again been introduced to rename the Indiana Dunes in memory of the late Senator Paul Douglas of Illinois.

The Fort Wayne News-Sentinel recently commented on this matter of renaming parks, and the Indiana Dunes National Lakeshore, in particular. I bring this editorial to the attention of our friends from Illinois and place them on notice that those of us from the Hoosier State are on guard against such intrusion.

The editorial follows:

[Fort Wayne (Ind.) News-Sentinel, Jan. 24, 1979]

RENAMING PARKS

Sidney Yates, a Democratic congressman from Illinois, has a great admiration for a one-time Senator from Illinois whose name was Paul Douglas. And since Yates has an admiration for the late and not especially well remembered Douglas, he is apparently dedicating his life to naming parks in Indiana after his hero.

For the third time in recent years Yates has introduced a bill in Congress to rename the Indiana Dunes National Lakeshore. He wants it called the Paul Douglas National Lakeshore. Twice before the move has been defeated in Congress, most recently earlier this year.

There is something spiritually consistent about this inclination of Yates. Paul Douglas was a great spender of other people's money. That was one of the reasons the voters in Illinois replaced him by electing Charles Percy to the Senate. Yates believes he can revive the Douglas name by renaming other people's parks after him.

That Congress should be wasting time and money dealing with these oft-repeated, ill-fated and unwanted wishes to rename a park in Indiana becomes annoying. Before the latest bill goes any further, perhaps somebody in Indiana could introduce bills to change the names of parks in Illinois. One possibility would be the renaming of the Great Lakes Naval Base as Harold Handley Station. Harold Handley was a governor of Indiana along about the time Douglas was an Illinois senator. We don't know if Handley had much of a hand in the Great Lakes Base affairs, but he might have visited the place. Likely, he paid taxes of which a small portion went to its support. He also had a few things in common with Douglas. They called him Hightax Harold.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

LEGISLATION RESTORING CITIZENSHIP TO PERSONS WHO RENOUNCED NATIONALITY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Ms. HOLTZMAN. Mr. Speaker, today I have reintroduced a bill which I first submitted during the 95th Congress, to permit Americans who renounced their citizenship because of their opposition to the Vietnam war to regain their citizenship.

President Carter, soon after taking office, pardoned certain Vietnam-era draft resisters. Nearly 5,000 Americans who fled during the period of Vietnam, however, will not be able to come home despite that pardon program. These are people who gave up their citizenship after leaving the United States.

Under current law, none of these persons may return to this country; none can regain American citizenship; and the President's pardon program will not remedy their plight.

Most Americans now recognize that our involvement in Vietnam was a tragic and costly mistake. This country should not compound and perpetuate this mistake by continuing to penalize those Americans who, in a painful act of conscience, left the United States and renounced their citizenship because of American involvement in the Vietnam war.

The text of my bill follows:

H.R. —

A bill to restore citizenship to persons who renounced or otherwise lost American nationality because of opposition to American military action in Indochina, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any person formerly a citizen of the United States who lost his nationality through any action taken by such person solely or partially because of disapproval of or opposition to the involvement of the United States in military action in Indochina shall, upon petition, to any district court of the United States by such person or a legal representative, in accordance with subsection (b), be fully and unconditionally restored to United States citizenship.

(b) Any petition submitted pursuant to subsection (a) shall include a statement sworn to or affirmed by the petitioner stating that the loss of nationality of such petitioner resulted from action taken by such petitioner solely or partially because of disapproval of or opposition to the involvement of the United States in military action in Indochina. Such oath or affirmation shall be conclusive evidence of such fact in case of any person who—

(1) is male and reached the age of eighteen years during the period beginning May 13, 1961, and ending April 29, 1975, or

(2) took such action during such period.

SEC. 2. The Commissioner of Immigration and Naturalization shall, upon the receipt of a sworn written statement from any former citizen of the United States stating that such person lost his nationality through action taken solely or partially because of disapproval of or opposition to the involvement of the United States in military action in Indochina, exempt such person from the provisions of section 212(a)(22), of the Immigration and Nationality Act.●

A BUSINESS FIGHTS BACK

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MICHEL. Mr. Speaker, Sears, Roebuck & Co. has filed suit against the Federal Government. This action was necessary, Sears executives believe, because the quota-affirmative action goals-and-timetables programs of the Government are contradictory, arbitrary, mixed up, often incomprehensible, and unjust.

I want to praise the executives in Sears who had the intestinal fortitude to do what should have been done a long time ago. Bullied by bureaucrats, afraid of its own shadow, eager to please every political demagog who raises his voice, cowering beneath the lash of regulations, playing scapegoat for the sins of society, American business has been the whipping boy of the quota bureaucracy. Now, at last, a business has turned on its tormentors and is willing to fight.

Sears may be right or it may be wrong on the merits of the specific case they have brought against the Government. I cannot judge. But I do know I admire anyone who turns and confronts the quota bureaucracy in the Federal Government which has the soul of a schoolyard bully and, considering the fact that even Government affirmative action programs are not perfect, employs the hypocritical rhetoric of Uriah Heep.

At this point I wish to insert in the RECORD "Sears Strikes Back" from the Wall Street Journal, January 26, 1979, and "Sears Goes to Court," January 26, 1979.

[From the Wall Street Journal, Jan. 26, 1979]

SEARS STRIKES BACK

For more than a few years now, businessmen have complained of the rising burdens of government, aggravated by bureaucrats who treat business with maddening contempt and regulations that are sometimes unintelligible.

But corporations, particularly the largest ones, have tended to go along, churning out the required paperwork and passing costs to their customers. This week, we are happy to see, one of the largest, Sears, Roebuck & Co., has rebelled. It has filed suit against just about the whole U.S. government for the mess that goes by the name of affirmative action hiring. The noted civil liberties lawyer Charles Morgan Jr. has prepared Sears' complaint.

Sears has a deserved reputation for progressive and generous employment practices and, as its complaint notes, also has tried to cooperate with government goals and standards. It followed the lead of Washington in giving hiring preference to veterans after World War II, just as it answered a more recent congressional call to hire Vietnam veterans. It has tried to follow the federal policy of encouraging part-time work and flexible work schedules. It has responded to the government's call to hire the handicapped, and answered national laws and concerns about discrimination against the elderly by removing mandatory retirement rules. The company also has pursued affirmative action for women and minorities.

Sears says that all these decades of cheerful compliance with shifting goals have on balance cut into the number of women and minorities who might otherwise be in the company. But the current affirmative action establishment in Washington has looked at the numbers and, not caring how they came about, moved to make Sears adopt yet another set of hiring policies. These new standards directly conflict with the older goals to which we are presumably still committed as a nation, and they are filled with internal and interagency contradictions. The upshot is that it is literally impossible for Sears to comply with all the rules.

Apart from this charge of willful and childlike absurdity, Sears says the government has prevented it from fulfilling its affirmative action obligations in other ways. The government's failure in fields such as integrated housing and education have hindered the development of a qualified work force; the inadequacies of federal statistics have prevented an accurate reading of how far Sears' affirmative action attempts have succeeded and how much further the company may reasonably be expected to go; the government's lack of coordination has made compliance an administrative nightmare. All in all, the federal efforts have added up to a rather massive denial to Sears of due process of law.

It's a breath of fresh air to see the Sears suit—in the same way that it was nice to see not long ago that when the National Highway Traffic Safety Administration came up with yet another regulatory horror, the idea of setting different fuel economy standards for different auto manufacturers. Ford Motor Co. responded with an unapologetic attack on NHTSA's policy and the whole view of American society that it revealed. The Department of Transportation has now backed down on the differential standards. Perhaps Sears will get similiar satisfaction from the courts. In any event, it's good to see the battle joined; certainly such efforts can't make things much worse than they are.

[From the Washington Star, Jan. 26, 1979]

SEARS GOES TO COURT

The Sears suit against ten federal agencies and officials, ranging from the attorney general to the Census Bureau, is another dramatic commentary on government overregulation. "Let's reduce government interference and give (the economic system) a chance to work," said President Carter the other evening. Well, here's a chance.

The main problem is that Sears needs to know how to comply with federal equal em-

ployment standards—without needless delay, legal liability and expense. But that isn't easy to find out. Sears, we are told, has spent well over $100 million in the past 13 years seeking to comply with U.S. anti-discrimination laws—especially those pertaining to equal employment opportunity, which are of obvious importance for a company employing some 417,000 Americans nationwide. Sears, mind you, hasn't exactly dragged its feet on affirmative action. Black employment by Sears, at 13.5 per cent, exceeds the 1970 census figure for blacks. Sears is also the nation's largest employer of women. Yet the company continues to be the target of Equal Employment Opportunity Commission (EEOC) harassment.

The Sears suit is immensely complex, as one might imagine, since the vexations faced by Sears are not limited to EEOC requirements. They stem from every quarter of the bureaucratic compass. Yet the problem may be broadly summarized.

For many years, Sears contends, and especially since World War II, all sorts of preferences were extended to war veterans, overwhelmingly white and male. Unsurprisingly, they are now the bulk of the premium national work force. Until the 1950s as a matter of law, and the 1960s as a matter of practice, federal policy in effect helped stack the employment deck against women and minorities. Then the signals suddenly changed. It became federal policy—a policy with which, incidentally, Sears has no quarrel—to enlarge employment opportunities for minorities and women. The EEOC, created by Title VII of the 1964 civil rights act, began applying statistical tests of compliance in minority and female hiring. Yet, since past policies had lodged a white male bias into the workforce, not even diligent and aggressive "affirmative action" efforts fully satisfy the new standards—if you can discover what they are.

For further complication, Congress last year raised the legal mandatory retirement age to 70; and since an unanticipated 60 to 70 per cent of Sears employees wished to work beyond the company's past retirement ages, there is now far less flexibility in promotion opportunities for minority and women employees and fewer new jobs for the same applicants.

It's one of Sears' major contentions, amply documented, that the government has placed it and similar companies in a double bind. It may be reasonable that employees be allowed to work to age 70. It may be equally reasonable for EEOC to insist that a work force achieve statistical parities with the available minority labor pool (if reliable statistics are available, which is another problem). But jointly pursued, the two policies clash. To put the matter in a nutshell, it isn't good law to penalize or harass business for conditions for which the government itself is partially responsible.

Sears contends, and the company's affirmative action efforts bear this out, that it is in no sense attacking the equal opportunity principle, coherently enforced. The problem is policies that are arbitrary, capricious, expensive, dilatory and above all contradictory.

The federal regulatory apparatus has recoiled in indignation at this court challenge by the nation's largest retailer. But the private sector, we suspect, will applaud—and it should. It is too complacently accepted, nowadays, that when the intent is benevolent, government requirements (not only in business but in education and other vital sectors) should be suffered to be clumsy, confusing, contradictory, and costly. But the public's patience with this assumption is wearing thin.

We do not expect a single law suit—even of this scale—to restore co-ordination to the confusing morass of "affirmative action" rules to which business is exposed. Only a determined Congress, led by an administration cognizant of the problem and ready to knock heads together, can ultimately make sense of the regulatory snakepit. But a Sears victory, which we would enthusiastically welcome, would add judicial pressure for a regulatory cleanup now long overdue.●

THE THREAT TO TAIWAN IS MOSTLY ECONOMIC

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following by Nick Thimmesch summarizes what I believe to be the most significant implication of President Carter's decision to recognize the People's Republic of China. As Thimmesch concisely states, the greatest impact of normalization will be upon the economic vitality of Taiwan's prosperous business community. It is unfortunate, but increasingly apparent, that the United States ignores those countries who have been long-term friends, while courting those nations whose policies are contrary to U.S. interests.

The article follows:

THE THREAT TO TAIWAN IS MOSTLY ECONOMIC

(By Nick Thimmesch)

Eventually, that vast cloud of dust born of President Carter's detonating announcement on Communist China will settle. Realizing this, those genuinely concerned about Taiwan must know that the danger is not an invasion, but threats to Taiwan's economic future.

The Peking regime would be mad to invade Taiwan. Superpowers don't fight wars these days; they aren't supposed to act in such unseemly fashion. And Communist China rates as a superpower, not because of its economic or military strength, but for its sheer size, population and nuclear weaponry. The nasty fights today are between smaller nations—the Vietnamese and Cambodians, Rhodesia and guerrilla forces, Israel and the neighboring Arab states. Besides, a China-Taiwan war would be long, bloody and a disgrace to the Communists.

In the real world, the big powers are in economic, not military, combat. In Peking, Teng Hsiao-ping is trying to push Communist China into this fierce, but bloodless, fray.

Indeed, Communist China has missed the great economic boom in Asia because of its ideological parochialism. Because Vietnam turned our heads away from Asia, we Americans are only aware of the Japanese part of this boom.

The reality is that two billion people live east of Iran, that Asia contains 60 percent of the world's teen-agers and children and thus, in the years immediately ahead, will have a work force capable of making that region economically powerful and a huge consumer market as well.

Even while absorbed in ideological disputations, Peking samoled and enjoyed Western prosperity by raking off some $2 billion a year from its sales of goods, food, water and banking services to Hong Kong.

Those Peking puritans run 40 department stores in the British Crown Colony (which they could conquer in 30 minutes), use ad agencies and radio commercials to peddle their wares, and indulge in capitalistic relations with evil Western banks.

Given the U.S. pledge to continue selling weapons to Taiwan after "normalization" with Peking, the Carter administration could still make Taiwan vulnerable to economic harm if it allows Peking to take advantage of the new ball game. That's why Sen. Richard Stone (D. Fla.) and other friends of Taiwan are insisting there be stronger guarantees from the United States to Taiwan.

In 1978, there has been $7 billion in trade between the two nations, with Taiwan enjoying a $2 billion surplus. There is also $4.5 billion in U.S. investment and loans in Taiwan, and hundreds of excellent relationships between Taiwanese and American private firms.

Anyone who has visited Taiwan comes away praising the hard work, enterprise and dedication of the Taiwanese people in building a nation on a mountainous island nearly devoid of resources. Morever, Taiwan is a world leader in spreading the wealth among its people.

For the United States to allow Peking to demand that U.S. firms route all Taiwanese trade through Communist China would be a betrayal of moral principle—if we, indeed, have any left. The worst scenario would be a communist blockade of Taiwan, with the United States helpless to act because that would amount to interfering—by Peking's logic—with the internal affairs of China.

Taiwan, like Japan, needs access to Persian Gulf oil, European and American credit and markets, and to the raw materials of the world. Teng Hsiao-ping recently remarked that Communist China would permit Taiwan to keep its economic independence. But while Teng is a liberalizing influence, he is an old man. Younger Chinese officials coming up are more purist and less likely to go for Western "contamination."

For the moment, however, Communist China—a nation poorer than India—seems to be rushing into a market-oriented, rather than a centrally planned, economy. In the past year, Peking signed over $60 billion in contracts to import, contrasted with its $9 billion annual export total. Sooner or later, the Chinese communists will have to export $60 billion in goods or services to make this up.

Peking is pressed to quickly improve its economy. If it plans to exploit Taiwan to help reach this goal, then President Carter has blundered. If he made a deal with Peking allowing Taiwan to keep its economic independence, then the passage of time might smooth what now seems a jagged situation indeed.

By the way, wasn't it candidate Carter who railed against secrecy in diplomacy and a president's making momentous foreign-policy decisions without adequately consulting Congress? Oh well.●

THE CARNEGIE HERO FUND COMMISSION AWARDS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MAVROULES. Mr. Speaker, the Carnegie Hero Fund Commission has posthumously awarded the bronze medal for heroism to five men who drowned off the coast of Gloucester, Mass., last winter.

I, too, would like to take this opportunity to commend these brave men and to offer my sincere condolences to their widows, their parents and their families.

On February 6, 1978, during the great blizzard, a foreign oil tanker, the *Global Hope*, found itself in distress in the waters off Gloucester, Mass. Frank E. Quirk, Jr., of Peabody, Mass., set out in

his 45-foot craft, the *Can Do*, to assist the crew of the disabled tanker. Quirk was accompanied by four men—Donald R. Wilkinson and P. Kenneth Fuller, Jr. both of Rockport, Mass., and Charles F. Bucko of New London, Conn., and N. David Curley of Norfolk, Mass.

While attempting to reach the *Global Hope*, Quirk and his crew confronted 80-mile-per-hour winds and swells in excess of 30 feet.

All five men were drowned.

In memory of their courage, their valor and their self-sacrificing determination to assist others in need, I hereby commemorate the actions of these great men.●

WILDERNESS AREAS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SYMMS. Mr. Speaker, one of the serious controversies in this country regards our wilderness areas and multiuse propositions for these areas. The ultra-environmentalists would attempt to lock up this land and thereby deny the people of this Nation the invaluable timber and mineral deposits located therein. With the current discussion of RARE-II and the extreme provisions for wilderness contained therein it is refreshing to discover a voice of reason.

Mr. Douglas Murray Murphy of Ririe, Idaho, is such a voice and a recent letter to the editor that he wrote for the Post-Register succinctly contains such a viewpoint. I ask permission to insert this retired mining engineer's letter in the CONGRESSIONAL RECORD that my fellow members may be enlightened by such wisdom for so young a thinker.

LACK OF RESOURCE USES LAMENTED

To leave to posterity an America developed for any emergency becomes essentially impossible, with wilderness cultists Andrus, Carter, Church and our land management agencies actively discouraging advance development.

Our lands, resources, rivers, our best geothermal resources in Yellowstone Park become environmentalist-trampled, defiled by the tinsel trapping of aesthetics, recreation and wilderness. The utter, deliberate wilderness waste of America's resources and initiative equates with destruction by armies of free-roaming saboteurs, steadily adding to trade deficits, national debt, inflation, unemployment, loss of tax base and a dangerous dependence upon fragile foreign supplies. Meanwhile America becomes discouraged, poorer and lazier. Our money, such as it is, becomes inordinately concentrated in foreign hands—enabling them to buy up much of our best lands, businesses and resources, the equivalent of sabotage and collapse from within?

Each of the preservationists' protected predators and raptors can be more destructive of beneficial bird and animal life than the guns of a thousand poachers. For 10 years, $38,400,000 might be the "aesthetics" cost of each major predator, with its protected, pyramiding increase and consonant, pyramiding decimation of gentler animals and their never-to-be-born offspring (Harvey Shelley). Similarly, all present and future costs of wilderness wastes might truly approach infinity.

Hydropower and geothermal power wasting in wilderness and Yellowstone Park are replaced (in Idaho) by inflationary, polluting, imported power costing double or more! Logical travel routes are blocked by wilderness areas. On public lands, minerals and fuels development is as actively blocked as by an army of saboteurs.

A measure of the typical wilderness-cult mentality is their often proffered theory of keeping our minerals and fuels in their wilderness "banks," with their proprietary offer to "let us have" our resources if emergency need arises . . . too late by some 5–15 years of required development time!

The best we can do for America is to reestablish the values of work and preparedness over play and aesthetics. Our fathers' and grandfathers' foresight, initiative and work left to us a powerful nation with onstream mines, mills, fuels, power, transportation and backup resources developed in advance, for any emergency. Regardless of whose aesthetics, anti-development programs or wilderness cults are trampled, we owe no less to coming generations.●

LATIN AMERICA ARMS SALES POLICY SHOULD BE CHANGED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DERWINSKI. Mr. Speaker, I rise in support of the views of my distinguished colleague from Pennsylvania, the Honorable GUS YATRON, who recently questioned the validity of U.S. policy in restricting our arms sales to Latin America. I agree with Mr. YATRON that our policy is simply not working.

In mid-1978 the Honorable Joseph E. Karth, president and general manager of the American League for International Security Assistance, a labor-management organization, testified before Mr. YATRON's subcommittee. Many of you will remember Joe Karth as a former Democratic colleague who served in this House for more than 18 years. Mr. Karth spoke of the "loss of jobs," "loss of prestige" and "loss of influence" of the United States in Latin America as a result of our foreign military policy in that region in the last 10 to 15 years.

Among the many points Mr. Karth made was the following: In the last decade, the United States supplied less than 30 percent of Latin America's defense imports. According to a Department of Defense witness, he pointed out, that figure is now less than 20 percent. The value of lost sales was more than $2.4 billion in that period. With the cooperation of European nations, Argentina and Brazil have developed their own arms industries. According to one Brazilian official, by 1980 Brazil will be exporting a billion dollars worth of arms a year.

Customers tend to make other major purchases from countries that supply them arms. As a consequence we have also lost nonmilitary sales following on our rejection of military sales.

The countries of this hemisphere have bought the arms they wanted elsewhere, in many cases getting more costly weapons from their new suppliers than we ourselves would have sold them.

Basically, as a nonsupplier, we lose a certain amount of diplomatic and political leverage. We have not ended the arms race in Latin America, we have actually escalated it. In the process, we have permitted the Soviets to dabble in the market and permitted other strains to develop in regards to Latin American security.

Lost sales mean lost profits, an adverse effect on our balance of payments, and a loss of American jobs.

The President should be reacquainted with American history. A legitimate reaffirmation of the Monroe Doctrine would logically call for practical U.S. cooperation with most of the countries of Latin America in meeting their legitimate defense needs. Keeping Western and especially Eastern European armaments from gaining ascendancy in Latin America is a logical goal.

In sum, this policy of ours in restraining our arms sales to Latin America has affected hemispheric security, our balance of payments and the American job market—all adversely. It should be changed.●

DR. FRANKENSTEIN, CALL YOUR OFFICE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MICHEL. Mr. Speaker, when we were children and a course known as "civics" was still taught in the schools we learned that there are three branches of Government: Executive, legislative, and judicial. We were taught about the fourth and perhaps most powerful branch: The bureaucracy.

The Washington Post recently spoke of the power of the bureaucracy in an editorial. I want to insert that editorial in the RECORD, but before I do, I want to first point out that it is not the specific subject matter of the editorial that is important—it is its general theme. The Congress has created a kind of Frankenstein's monster in the executive branch, accountable not to the President, but to itself. As I recall the old movie, Dr. Frankenstein paid dearly for dabbling with things he did not understand. Let the Congress profit from his example.

At this point I wish to insert into the RECORD, "Who Runs the Government" from the Washington Post, January 22, 1979:

WHO RUNS THE GOVERNMENT?

Since the Interior Department is in charge of writing the new strip-mining rules and the president is in charge of the Interior Department, it would seem to follow that the president could have a role, if he wanted it, in what those rules say when they are issued. But life is not that simple anymore, and the White House has gotten itself into a lawsuit by trying to influence the formulation of those rules. This is the first public round in what is likely to be a major quarrel among the White House, Congress and

the bureaucracy over who gets to run the government.

The immediate issue in the strip-mining controversy—whether the rules should be modified or delayed because they are inflationary—is far less important than the principle involved. At least 50 agencies inside the executive branch have been given authority by Congress in recent years to issue regulations on particular subjects, such as strip mines, air and water pollution and industrial safety. The question is whether they are free to use that authority on their own or whether they are subject to presidential influence and guidance.

One school of thought contends that these agencies—and the individuals specifically authorized to issue the rules, who are often Cabinet officers—are required to do their jobs without accepting presidential direction. They can receive whatever information the White House wants to offer during public hearings, the argument goes, but in deciding what rules to write they are independent, like the regulatory commissions. That's what Congress is said to have intended when it passed legislation outlining broad principles and delegating the power to fill in the details to specific executive-branch agencies, ranging from OSHA to EPA to HEW.

That argument is being pushed by some members of Congress and many special-interest groups—in particular environmental groups—that lobbied hard to get legislation of this kind passed. They fear they may lose inside the executive branch some of the battles they thought they had won on Capitol Hill—unless the agencies write the rules without reference to anything but the authorizing law. That's because larger concerns, such as the battle against inflation, could persuade a rule-maker who is subject to presidential direction not to go as fast as he otherwise might in requiring new and costly equipment to limit, say, air pollution.

The other school holds that the Constitution makes the president the government's chief executive officer and that Congress cannot diminish his power by giving part of it to his subordinates. It is fundamentally wrong, this argument goes, to cast the White House as an adversary or an outsider in rule-making proceedings that occur inside the administration over which it presides. Congress, it is said, never intended to do that or, if it did, it violated the Constitution as well as good management principles through its own thoughtlessness.

This position seems to us to be the far stronger in practical and, probably, constitutional terms. The last thing the government needs is an expansion of the bureaucracy that makes rules and policy without being politically responsible for its actions. The president is held accountable for what his subordinates do, and he should not be in the position of having no control over their actions. Regardless of what the courts do with the case challenging the president's right to intervene in these rule-making proceedings, Congress should act to end the controversy and make it clear that the president does in fact, run the executive branch.●

A PRICE FOR TAIWAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to present for the consideration of my colleagues the following George Will column, which concerns "normalization" of relations with the People's Republic of China. The article underscores the problems created by President Carter's action relative to the credibility of American commitments throughout the world.

The article follows:

A PRICE FOR TAIWAN

(By George F. Will)

At issue in the dispute about President Carter's China transaction is not whether the United States should have a wide range of relations with China. It should, and does. Indeed, relations have been expanding so fast that defenders of the transaction are hard put to explain why it was necessary. Neither is the issue whether full diplomatic relations are desirable. They are.

Rather, the issue is the price Carter paid. The price makes the transaction seem dictated more by the administration's political needs, and the ideology of the State Department's seventh floor, than by any larger imperatives.

Administration foreign policy is long on TV, weak on strategy. The OPEC decision on oil prices underscores the crumbling of the U.S. position in the Middle East. The subversion of Iran eclipses the Camp David achievement (whatever it turns out to have been). Understandably, the administration, having dined out on Camp David excessively, wanted a transaction it could call a triumph.

The China transaction played to the news industry's bias, which is theatrical, not political: Journalists enjoy big, splashy political strokes, and joy colors the reporting of them. But now that such fun has been had, there is this question: What did Carter get that Richard Nixon and Gerald Ford could not have got on essentially the same terms?

If today's leaders of China (no one knows who tomorrow's leaders will be) are indeed pragmatic, the administration paid too high a price. Pragmatic leaders would not allow the Taiwan question to impede cooperation important to China's development and defense. If China's leaders are not pragmatic, then it is to dangerous men that the United States has consigned Taiwan.

But if you liked the China transaction, you will love the SALT agreement. Both are cut from the same cloth of concessions.

Carter acceded to three demands: severance of diplomatic relations with Taiwan, unilateral termination of the defense treaty and removal of U.S. forces. In return, the United States is allowed: to delay for one year termination of the treaty; to say that it wants the Taiwan question resolved peacefully; and to sell arms to Taiwan. The first "right" is trivial, the second vacuous, the third nugatory.

The "Taiwan question" is like the *Judenfrage* (Jewish question) in the 1930s. It is one of those antiseptic abstractions by which politicians disguise (sometimes from themselves) the nature of what they are doing. The "Taiwan question," like the *Judenfrage*, is only a "question" for one side. Just as European Jews had no "question" (they only wanted to be left alone), the "Taiwan question" is not Taiwan's. Plainly put, the "question" is: How shall Taiwan's liberty be extinguished.

On "Meet the Press," Cyrus Vance, the secretary of state, said that China had not "contradicted" the United States when the United States expressed its "expectations" that the question would be answered peacefully. Asked if the United States had even asked for a Chinese commitment, he said: "The Chinese have made it very clear all along that they will not state that the resolution of this problem is a problem for anybody else to determine, other than them." In other words: No. As in SALT, the adversary's intransigence determined the scope and thus shaped the result of negotiations.

Regarding arms sales to Taiwan, the administration's eagerness to comply with Peking's wishes means that there probably will not be sales that might offend Peking.

In an unintended way, Carter's China transaction was timely. The administration has become Egypt's partner in pressuring Israel to rest its security on a treaty that is increasingly honeycombed with problems. But Taiwan's fate reminds Israel that parchment is a thin shield for a small nation. Furthermore, as often occurs when Israel's security anxieties become inconvenient for an American administration, there is talk of assuaging those anxieties with a U.S.-Israel defense treaty. Surely this administration will not have the impendence to suggest such a thing.

In his broadcast announcement on China, Carter did not see fit to mention to Americans that what he was doing involved disavowing a treaty obligation. He left that troubling detail to television commentators. Why? Having recently made a speech reminding Americans that, at last, they have a president virtuous enough to care about human rights, perhaps he did not want to dwell on the fact that he was doing more to jeopardize the rights of the Taiwanese than he has done to enhance the rights of any other people.●

FEAR OF FACING THE TRUTH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SYMMS. Mr. Speaker, I recommend that my colleagues read this well-thought analysis written by George Will on the failure of the United States to deal with the Soviet Union in a realistic manner. This article appeared in Newsweek on January 22, 1979.

The Congress comes now to considering one of the most important treaties that has ever been presented to it. I refer to the SALT treaty, an agreement which will lock this country's defense policy into a reliance on minimum deterrence and a naive faith in the Soviet Union to comply with the terms of the treaty.

Mr. Will makes the point that the American political class is afraid of facing reality and dealing honestly with Soviet actions and intents.

His article reads as follows:

[From Newsweek, Jan. 22, 1979]

FEAR OF FACING THE TRUTH

(By George F. Will)

When, as lately, America's decline accelerates, it is useful to look back along the downward, crumbling path. Eugene Rostow has done so in The Washington Quarterly, recalling the 1968 Soviet invasion of Czechoslovakia. He was Under Secretary of State and was struck, then as now, by the attitude prevalent within government that "Soviet action must always be given the benefit of the doubt." That summer, officials resisted the idea that Soviet military maneuvers presaged an invasion. When senior Soviet officials interrupted their August vacations to convene in Moscow, President Johnson assumed they were preparing not an invasion but an invitation (for him to visit Moscow to begin strategic arms limitation talks). Significantly, they were preparing both. They wrongly assumed what they reasonably assume today, that the U.S. Administration would mute its reaction to Soviet conduct, however aggressive, rather than jeopardize SALT negotiations. (Johnson immediately canceled the trip.)

With today's satellites, U.S. officials would have seen unusual markings on tanks and other vehicles in the Soviet maneuvers. Evidence that these were about to go into action against identical tanks and vehicles—those of the Soviet-supplied Czech Army. But many officials would have resisted any upsetting evidence about the Soviets. Rostow recalls this from the preceding summer:

". . . The first time 'Egyptian' MiG fighters appeared over our Sixth Fleet shortly after the 1967 Six Day War, our monitoring sources reported that the pilots of these 'Egyptian' planes were talking Russian . . . Well, for two weeks our Soviet experts were explaining this away . . . [They said] that these were training flights, that the pilots were Egyptians who had been instructed in Russian by Russian personnel . . . and so on. Of course it soon transpired that the pilots were Russian and those arguments collapsed. But for two weeks they were stubbornly held . . ."

STABILITY IN IRAN

Today, the pattern of strikes and unrest in Iran strongly suggests Soviet fingerprints, but while the Soviets broadcast instructions for manufacturing grenades and bombs, U.S. "experts" suggest that the Soviets are primarily interested in "stability" in Iran. How does Rostow explain such willful imperviousness?

"The answer is: fear. The American political class is afraid of living with the evidence of reality, because if you accept that the Russians are embarked on an imperialist course for the indefinite future, if you accept that their military, economic, educational and cultural policies are all geared to the reduction . . . of the ability of the United States and its allies to resist, then you have to do something about it."

What the United States has done since the mid-1960s is invest its hopes in arms control. It has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint. So U.S. arms-limitation efforts have limited . . . U.S. arms. Now The Economist of London warns that the SALT II treaty, designed to run through 1985, "could be the beginning of seven singularly dangerous years."

A HALF-HOUR CATACLYSM

The cosmetic equality in permitted totals of launchers conceals, The Economist says, "a large imbalance in Russia's favor." Given existing U.S. arsenals and procurement plans, "by 1985 the United States will be behind Russia both in the over-all total and in some of the most important sub-categories," including "modern large" missiles: the Soviets will be permitted 308 (a force that can carry 3,000 warheads), the U.S. will be permitted none. And SALT II "may leave the United States itself vulnerable to a surprise Russian attack.

"By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow . . . [A] counterattack against the Soviet missile system would have to depend mainly on the aircraft-carried Cruise missiles permitted under SALT II, which would take ten hours to trundle toward their targets—and even then would destroy not much more than half of the Soviet launching silos."

To say that the Russians would probably not push the button "misses the point of nuclear mathematics:

"The point is that the Russians would not have to. If they know that [an] exchange of Soviet first strike and American counterstrike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American President would know it too; and that he would be paralyzed by his knowledge . . . This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left."

On the crucial question of how the United States sank to this danger. The Economist is too charitable: "Americans were so mesmerized by Vietnam and Watergate that they failed to spot the danger." Not true. The political class had sufficient evidence all along. It also had a desire to disbelieve, and with a few exceptions (such as Sen. Henry Jackson) has shrunk from leadership.

Fred Ikle, former director of the Arms Control and Disarmament Agency, writes that we are in a third postwar phase. From 1945 through 1950, the period of "nuclear monopoly," the U.S. actually had few ready nuclear weapons and was substantially weaker than the Soviet Union in terms of ready land-based power. After North Korea attacked, the U.S. immediately tripled its defense budget, building up air and naval capabilities. After the Cuban missile crisis, the Soviets began a sustained buildup, while Vietnam sapped America's material and moral resources.

IGNORANCE AS A STRATEGY

The Soviet Union has doubled its military budget, in real terms, in the last fifteen years. The U.S. budget in constant dollars is less than it was in 1961. And as Ikle says, this "third-phase shift in the Soviet Union's favor is still under way." In 1965, Defense Secretary McNamara said that "the Soviets have decided that they have lost the quantitative race . . . there is no indication the Soviets are seeking to develop a strategic nuclear force as large as ours." Ikle blames a huge "intelligence failure" in the 1960s for such thinking and for "our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint. For eleven years in a row, the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy."

But Ikle, like The Economist, is too charitable. When people are so wrong for so long on the same subject, in the same direction, the failure is not of intelligence but of will. For such people, ignorance is a strategy. Their problem is not in finding the truth, but in facing it.●

HENRY C. CLAUSEN HONORED BY LINCOLN MEMORIAL UNIVERSITY

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CARTER. Mr. Speaker, I wish to share with my colleagues the following article from the Masonic Home Journal and extend my congratulations to Henry C. Clausen, the sovereign grand commander of the southern jurisdiction of the Scottish Rite, who was awarded an honorary doctorate of laws by Lincoln Memorial University recently. I was similarly honored by that fine university in 1973.

Since its founding in 1898, Lincoln Memorial University has been an outstanding educational institution, and its Lincoln Museum has one of the country's finest collections of Lincoln memorabilia.

The article follows:

SOVEREIGN GRAND COMMANDER, HENRY C. CLAUSEN HONORED BY LINCOLN MEMORIAL UNIVERSITY

On Sunday afternoon, October 1st, one of Masonry's most outstanding figures, the Sovereign Grand Commander of the Southern Jurisdiction of the Scottish Rite, Judge Henry C. Clausen, 33°, was honored by Lincoln Memorial University with an Honorary Doctorate of Laws. Conferred on him in appreciation of his exemplary humanitarianism and his leadership in the support of our free public schools, Judge Clausen delivered a ringing address on our country's patriots and educational challenges. A large audience of Virginia, Tennessee and Kentucky Masons and their wives came together at the Harrogate, Tennessee Campus, to honor the Sovereign Grand Commander. Flanked by Grand Masters Tom Roberts, K.C.C.H. of Kentucky, G. Edwards Rothrock, 33°, of Tennessee and Charles E. Webber, 33°, S.G.I.G. of Virginia representing its Grand Master, Judge Clausen was invested with the Doctoral hood and the silver medallion of the University. Also in attendance were George R. Effinger, 33°, S.G.I.G. of Kentucky, Andrew Benedict, 33°, S.G.I.G. of Tennessee and Grand Secretary General C. Fred Kleinknecht of Washington, D.C. President Frank W. Welch, President of the University presided.

Grand Treasurer of the Grand Lodge of Kentucky, also National Commanding General of the Honorable Order of Kentucky Colonels, Joe L. Hamilton, read a message from Governor Julian M. Carroll commissioning Judge Clausen a Colonel on his staff. The Honorable Chester Wolfe of Middlesboro hosted the Grand Commander at a dinner in his honor.

Immediately following the ceremony, a reception in honor of the Grand Commander was held in the Abraham Lincoln Museum, presided over by Colonel Harland Sanders, 33°, and Mrs. Sanders, prime benefactors of the Museum. A grand tour of the Museum for Judge Clausen was led by Frank G. Rankin, 33°, Chairman of the Board and Colonel Sanders. The Museum collection represents one of the three largest collections of Lincolniana in the world.

Lincoln Memorial University was founded as a request by President Abraham Lincoln in 1863 to General Oliver Howard, that when the War was over to go down and do something for those good people of Appalachia. Founded in 1898, dedicated to the educational needs of Appalachia it numbers over 1,000 students, drawn mostly from Kentucky, Tennessee and Virginia. No qualified student is ever turned away because of financial lack. It is rated as one of the most outstanding of the small Southeastern Universities. The educational philosophy of the University stresses the work ethic.●

CONGRESSIONAL OVERSIGHT IMPROVEMENT ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. GILMAN. Mr. Speaker, today I am reintroducing the Congressional Oversight Improvement Act, a measure I initially introduced for study purposes during the closing days of the 95th Congress. This legislation is designed to enable Congress to more effectively fulfill its "total" legislative responsibility: Not only making our Nation's laws, but assuring also that the implementation of these laws is undertaken in accordance

with the congressional intent in authorizing such laws.

The urgent need for an overhaul of our congressional oversight machinery is obvious. With Congress experiencing a serious problem in monitoring the administration of programs it has authorized, there is an increasing number of programs not fulfilling their objectives, with the concomitants of people going unserved and taxpayers' dollars being wasted. Coupled with an alarmingly precarious economy, these factors indicate how imperative it is that we have cost-effective programs to deal with the critical problems now facing our Nation.

Indeed, last month, our distinguished Speaker, distinguished majority and minority leaders of the House, and other congressional leaders, outlined, before a congressional research service workshop on oversight, the explicit need to place increased emphasis on strengthening congressional oversight capabilities.

The legislation I am reintroducing today would significantly enhance congressional oversight capabilities by providing for a more formalized and effective utilization by congressional committees of the substantial resources of the congressional research support groups—the General Accounting Office, the Congressional Research Service, the Congressional Budget Office, and the Office of Technology Assessment.

More specifically, this legislation calls for the following:

I

A congressional oversight statement—contained in the report accompanying legislation approved by a committee, and prepared by the committee with the assistance of the above support groups—outlining criteria, reporting requirements, and agencies involved in providing information for oversight of those programs mandated by the legislation involved.

Mr. Speaker, a February 1977 report of the Senate Committee on Government Operation concluded:

> Congressional committees should take increased advantage of GAO's expertise by . . . requesting GAO's assistance in drafting a statement of goals and objectives in new legislation, so that evaluation of agency activity might be easier.

As Congress most valuable oversight support agency, charged with analyzing and auditing the programs, activities, and financial operations of Federal departments and agencies, GAO is in an especially key position to define ways to measure to what degree programs are achieving their goals and objectives. However, the Senate report points out: "To date, committees have not been clamoring for that type of GAO help."

The report also charged that GAO's current efforts are often out of touch with those areas of specific and topical interest to congressional committees, and that GAO reports often suffer from an inordinate production time. Indeed, as an Assistant GAO Director recently stated, vital to GAO's ability to increase the effectiveness of its oversight services to Congress, is the agency's need "to discern congressional needs and priorities early and quickly."

However, as a House Select Committee on Congressional Operations report of June 22, 1978, observed:

> Although GAO officials are encouraged to consult congressional sources in planning the agency's self-initiated work, no systematic or formal procedure has been developed to solicit the views of committees, Members, or staffs for this purpose, a situation which tends to limit GAO's responsiveness to congressional needs and may reduce the ultimate usefulness of some of its self-initiated studies.

I am confident that my proposal requiring committees to enlist the assistance of congressional support agencies, such as GAO, in preparing an oversight statement identifying particular aspects of an authorized program which the committee should evaluate, will produce a systematic, formal procedure whereby energies of congressional support agencies can be better attuned to the oversight responsibilities of the congressional committee.

II

Regulation impact report in which executive departments apprise the committee from which legislation originated, of regulations necessary to implement the legislation and the impact of such regulations, and how such regulations fulfill the law's objectives (a recent edition of Time magazine editorialized that Federal regulations cost approximately $4.8 billion to administer in fiscal year 1978, with compliance costs in 1976, for example, estimated at $63 billion).

Federal regulations written in incomprehensible jargon, affecting those to whom they apply in ways never envisioned by Congress, pose a serious threat to the integrity of congressional legislative power. By requiring Executive departments and agencies to report back to the committee from which the legislation originated, what the impact of these regulations is and how it squares with the law's objectives, we will allow Congress to regain legislative authority now lost to Executive departments and agencies.

III

Authority for establishing GAO strike forces to investigate incidents of agency noncompliance with the above reporting requirements of this bill.

Mr. Speaker, passage of this measure will put Congress squarely on record as recognizing that congressional oversight capabilities must be substantially strengthened. This legislation provides us the means to assure that those programs Congress authorizes are administered in a cost-effective manner which most efficiently utilizes our hard-earned tax dollars.

Accordingly, I urge my colleagues to support this timely legislation, and I request that the full text of this bill be inserted at this point in the RECORD:

H.R. —

A bill to amend the Legislative Reorganization Act of 1946 to improve the oversight capabilities of the standing committees of the House of Representatives and of the Senate

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Oversight Improvement Act".

SEC. 2. The Congress finds that—

(1) it is the responsibility of the Congress to evaluate the implementation of those programs which have been legislatively authorized and those programs which have been developed as a result of legislative authorization;

(2) it is imperative that the Congress be able to effectively evaluate the implementation of the programs if they are to fulfill the intent of the legislation by which they were established or from which they originated; and

(3) the ability of the Congress to expeditiously and prudently fulfill its responsibility to evaluate the implementation of the programs will be improved by requiring that Federal agencies and certain of the Congressional support offices provide greater assistance to the standing committees as they perform their oversight functions.

SEC. 3. Section 136 of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the folowing new subsection:

"(b)(1)(A) Except as provided in subparagraph (B), each report accompanying any measure reported by a standing committee or any amendment agreed to by a committee of conference with respect to such a measure shall include a statement entitled 'Congressional Oversight Statement', which shall contain the items described in subparagraph (B). Such statement shall be prepared after consultation with the Comptroller General, the Director of the Congressional Budget Office, the Director of the Congressional Research Service, and the Director of the Office of Technology Assessment. Nothing in this subparagraph shall be construed to alter the responsibility of any standing committee to include in each report accompanying any measure reported by the standing committee any oversight findings and recommendations required to be included under the Rules of the Senate or of the House of Representatives.

"(B) The items referred to in subparagraph (A) are—

"(i) a list of the names of each Government agency which shall administer each law affected by the measure or amendment which the report accompanies,

"(ii) in the case of a report by a standing committee, a list of the ways in which that Government agency can assist the standing committee to fulfill its oversight responsibilities under this section with respect to that law, and

"(iii) in the case of a report by a committee of conference, a list of the ways in which that Government agency can assist each standing committee which will have oversight responsibilities under this section with respect to that law to fulfill those responsibilities.

"(C) The requirements of subparagraph (A) shall not apply to any report by a standing committee or committee of conference if the standing committee or committee of conference (whichever is appropriate) determines under criteria established under subparagraph (D) that compliance with those requirements is impracticable with respect to that report and includes in that report a statement of why compliance with respect to that report is impracticable.

"(D) The Committee on Rules and Administration of the Senate shall establish the criteria which each standing committee of the Senate shall use to determine whether compliance with the requirements of subparagraph (A) is impracticable. The Committee on Rules of the House of Representatives shall establish the criteria which each standing committee of the House shall use to determine whether compliance with those requirements is impracticable. The Committees shall jointly establish the criteria to be used by each committee of conference to determine whether compliance with those requirements is impracticable. .

"(2)(A) Whenever it is requested to do so by a standing committee, any Government agency responsible for administering a law the subject matter of which is within the jurisdiction of the standing committee shall prepare for and send to the standing committee a report setting forth—

"(i) a list of citations to all adopted and proposed rules issued by the Government agency in administering that law, together with a summary of those rules,

"(ii) an assessment of the impact of those rules, and

"(iii) recommendations, if any, for modifying that law to more effectively carry out the underlying legislative intent.

"(B) Each assessment of the impact of adopted and proposed rules which is set forth in a report pursuant to subparagraph (A)(ii) shall include an estimate of the number of persons (classified according to occupation, income, or other relevant criteria) who are (or in the case of proposed rules, who will be) regulated or otherwise affected by those rules and an estimate of their economic impact on those persons, including an estimate of any additional cost of compliance with each recordkeeping requirement provided in those rules.

"(C) A copy of each report prepared and sent under subparagraph (A) shall be sent at the same time to the Comptroller General, the Director of the Congressional Budget Office, the Director of the Congressional Research Service, and the Director of the Office of Technology Assessment. The Comptroller General and each Director shall prepare an evaluation of the law to which that report relates, based on that report, and shall furnish the evaluation to the standing committee. The evaluation may be prepared separately by each Officer or in combination with any one or more of such Officers. After reviewing the evaluation, the standing committee shall determine what modifications of that law, if any, would be appropriate to more effectively carry out the underlying legislative intent.

"(D) Whenever any standing committee determines that any Government agency has failed to submit a report to the standing committee in accordance with the requirements of subparagraph (A), the chairman of the standing committee shall notify the President of the Senate (if the standing committee is a committee of the Senate) or the Speaker of the House of Representatives (if the standing committee is a committee of the House of Representatives). On receiving notification under this subparagraph of that failure, the President of the Senate or the Speaker of the House of Representatives (whichever is appropriate) shall direct the Comptroller General to investigate that failure. The Comptroller General shall establish a strike force, composed of employees of the General Accounting Office, to carry out any such investigation. On the conclusion of any such investigation, the Comptroller General shall report the results of the investigation to the President of the Senate or to the Speaker of the House of Representatives (whichever is appropriate) who shall report those results to the chairman of the standing committee.

"(3) Whenever any Government agency has reason to believe that a law as administered or as proposed to be administered by such Government agency may be inconsistent with the legislative intent underlying such law, the Government agency shall request each standing committee of the Senate and of the House of Representatives having jurisdiction over that law to review with the Government agency each reason for that belief.

"(4) For purposes of this subsection—

"(A) the term "standing committee" means a standing committee of the Senate or of the House of Representatives,

"(B) the term "committee of conference" means a committee of conference between the Senate and the House of Representatives,

"(C) the term 'Government agency' means an Executive department, a Government corporation, and an independent establishment, and

"(D) the term 'rule' has the meaning given that term in section 551(4) of title 5, United States Code.".

SEC. 4. (a) Paragraphs (1) (A), (B), and (C) of section 136(b) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d), as added by section 3 of this Act, shall take effect 180 days after the date of the enactment of this Act.

(b) Paragraph (1)(D) of such section 136 (b) shall take effect 90 days after the date of the enactment of this Act.

(c) Paragraphs (2), (3), and (4) of such section 136(b) shall take effect on the date of the enactment of this Act.●

THE "COMMON DEFENSE" COMES FIRST

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. GINN. Mr. Speaker, I would like to commend to the immediate attention of the Congress a very important analysis of our national defense priorities which has been prepared by the distinguished Representative of the Fourth Congressional District of Georgia, the Honorable ELLIOTT H. LEVITAS.

Mr. LEVITAS recently attended a meeting of the North Atlantic Assembly, and he has had an opportunity to review our defense posture in general and the status of our standing against the Warsaw Pact nations in particular.

As we all know, a strong national defense is the foundation of our democracy and the pillar that supports the freedom of our people and of people throughout the world. The Congress is now beginning the review of the defense budget, and so it is vitally important that we do so with the greatest of care.

Mr. LEVITAS shares the view that an efficient and cost-effective defense system is absolutely essential, and a summary of some of his observations recently appeared as a column in the Atlanta Constitution on January 25, 1979. I insert this outstanding article at this point in the RECORD:

THE "COMMON DEFENSE" COMES FIRST

(By Elliott Levitas)

I recently attended a meeting in Lisbon of the North Atlantic Assembly, the parliamentary arm of NATO (North American Treaty Alliance). While there, I served with Sen. Henry "Scoop" Jackson and others on the military committee. This was one of the most important meetings I have ever attended because it focused on the direction in which the United States and our Western European allies must begin to move—and that is in bolstering our credibility and our defenses in Western Europe.

Much of the discussion centered on the agreement among NATO countries, including the U.S., to increase defense spending during the next several years by 3 percent in terms of real dollars. This is a mutual promise previously made by President Carter and our Western allies, and one that I feel is vital, both to our defense capability and, more importantly, to our national credibility, our ability to be relied upon to do what we commit ourselves to do.

Over the past several years, the Warsaw Pact nations have built a strong military threat, capable of launching an offensive attack on Western Europe. Even the doves in military discussions have recognized that the trend in force levels between the East and the West in Europe have not been in NATO's favor. If we do not continue to support a strong and credible defense posture in Western Europe, which can deter any aggressive moves on the part of the Soviet Union and Warsaw Pact nations, then we are soon going to be faced with an adverse imbalance that could bring about substantial political changes in the face of a Soviet military threat which cannot be convincingly resisted.

Let me give some examples: the Soviet Union has us outgunned in terms of artillery almost 10 to one. They have us outnumbered in tanks by between seven or eight to one. We have approximately 790,000 soldiers spread all over the world; the Soviets have about 2½ million men under arms . . . only about a quarter of whom face China.

Once we had unchallenged supremacy of the seas, particularly the Mediterrean and the North Atlantic. Today we are being challenged there by the Soviet Union, as well as in the Persian Gulf, the coasts of Africa, and in the Indian Ocean. . . .

During the meeting the North Atlantic Assembly, I had the opportunity to speak with officials from the various NATO countries. I came away with the knowledge that they are looking to the U.S. for leadership and that they are prepared to follow our leadership when we exercise it. I think that President Carter's commitment to increase the defense budget and to make a major commitment to NATO did a great deal to strengthen their belief—and that of the Warsaw Pact countries—in our determination to defend Western Europe.

With regard to the increase in spending for defense, I must at the same time point out that there is a serious problem of waste within the defense budget which must be eliminated. The proposed military budget of $122.7 billion is a lot of money. Too much of the tax dollars has been unwisely spent or wasted. Those of us who advocate a strong defense need to recognize this and not merely assume that defense dollars are always well spent any more so than in other areas of government. . . .

One question arises during any discussion of raising the defense budget, and that is whether we can afford the increase given our domestic needs. I should like to point out that in the 1979 budget, 24 cents of each "budget dollar" went for national defense, while 37 cents of each of those dollars went for direct payments to individuals through various social service programs. We are currently spending more for social programs than we are for defense and have been for several years, at a time when the Soviets' expenditures for defense have been increasing year by year. . . .

The first obligation of a government is "to provide for the common defense," to protect its citizens from foreign attack. If we cannot preserve our own freedom, our own independence as a sovereign state, then the questions of our beneficent domestic priorities do not even arise. We have the ability and productivity to establish our priorities; to meet our essential human needs and to preserve our freedom. It is not an "either/

or" choice. But defense of nation must not be considered the secondary option.

We can't talk about maintaining the freedom of others unless we're willing to defend defense. But, if we are not willing to pay the price of defense for peace, we will surely pay the cost of war.●

H.R. 39 AND THE LEGISLATIVE PROCESS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. VENTO. Mr. Speaker, during the initial days of this session, much of the discussion on H.R. 39, the Alaska National Interest Lands Conservation Act of 1979, has centered on an alleged "compromise" reached during the final hours of the 95th Congress. This "compromise," supposedly the result of negotiations between representatives of the House, Senate, and administration, has been trumpeted by some as the logical starting point of any future considerations of the Alaska lands issue.

As a member of the Interior Subcommittee on General Oversight and Alaska Lands, these comments greatly disturb me. While I am aware of the unique factors that precipitated last session's negotiations, I strongly believe that any "compromise" that resulted from these informal meetings should not be accepted as a starting point for this Congress nor even as a desirable final solution. Neither the House nor the Senate had an opportunity to act on this "compromise" and to assume that the "compromise" would have been meekly accepted ignores the national significance of this issue and the sentiment of the Members of Congress. The House's approval of H.R. 39 last session demonstrated that Congress overwhelmingly supported a much stronger and more balanced bill than this "compromise."

The version of H.R. 39 accepted by the full House last session was a sound bill which balanced the need to protect the Alaskan wilderness with the future economic development of that State. The vote for final House passage (277 to 31) confirmed the overwhelming support for the balanced approach of H.R. 39.

The current version of H.R. 39 is an excellent legislative vehicle to resolve the Alaska lands issue. It incorporates the best features of last session's House-passed bill—features which were the result of a lengthy and comprehensive legislative process—with some needed improvements. The use of the so-called "compromise" bill as the legislative vehicle would be a disservice to the legislative process and would not result in a satisfactory solution to this most important national issue.

In an effort to clarify the status of the Alaska lands issue and to end any misunderstandings regarding the actions of last year, I wrote to two of our colleagues who participated in the last minute negotiations, Interior Committee Chairman UDALL and the chairman of the then Interior Subcommittee on General Oversight and Alaska Lands, Congressman SEIBERLING. Their responses clearly dispell any notion of a compromise agreement and the use of any such "compromise" as the legislative vehicle for this session. At this time I would like to share with my colleagues the relevant correspondence:

WASHINGTON, D.C.,
January 22, 1979.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Based on my initial review of H.R. 39, I am glad to see that you have incorporated many of the concepts that were in last year's House-passed version. I want to thank and commend you and your staff for the excellent work that you have done in the preparation of this bill and for your continuing dedication to this most important issue.

As a member of the Interior Subcommittee on General Oversight and Alaska Lands, I am well aware of the countless hours spent in the development of the bill that passed the House in the 95th Congress and feel that in most aspects, we had produced a balanced solution to the question of the use of Alaskan lands. It was a bill that did allow for the economic development of Alaska, while protecting much of the state's unique and irreplaceable wilderness. Indeed, one of the few major criticisms of the bill was that it did not provide adequate protection for some of the most spectacular regions of Alaska, e.g., Misty Fjords. I am pleased to see that the current H.R. 39 rectifies many of these unfortunate oversights.

During the last days of the 95th Congress, you, along with representatives from the Senate and Administration, conducted discussions in an effort to reach some agreement on this issue. Recent comments on these discussions and the "compromise" that they spawned greatly concern me. This so-called "compromise" is now being portrayed by some as the logical starting point of any considerations by the 95th Congress. It is claimed that the passage of this "compromise" failed only because of a threatened filibuster by one Senator. Such claims completely disregard the reality of the situation. Neither the House nor the Senate had an opportunity to consider this agreeemnt at any level. Indeed, the full Senate was not given an opportunity to consider any Alaska lands legislation. Thus, the many supporters in that body for stronger legislation never had a chance to voice their support. To assume that both bodies would routinely accept this proposal ignores the national significance of the Alaska lands issue and is a disservice to our legislative process. While I recognize the unique situation of those last days and commend you for your sincere effort to resolve this issue, I question the prospects of acceptance of this "compromise." I, for one, would have been hard put to support the "compromise." The lack of adequate time to review the proposal and the apparent insufficient protection for Alaskan wilderness made final passage a tenuous prospect at best.

I strongly urge you to put to rest publicly this notion of a "spirit of compromise which prevailed last October." The bill that the House passed last Session by a vote of 277 to 31 was a sincere effort to achieve a compromise—an attempt that was summarily rebuffed by the opponents of the bill. The continued discussion of some October "compromise" can only create confusion on this issue and will serve to frustrate our efforts to achieve sound legislation. For this reason, every effort must be made to refute the claim that the House accepted this "compromise."

It is also my hope that you will reject most forcefully the exhortations of some to resume considerations of the Alaska lands issue with the "compromise" as the starting point. We are operating in a new Congress with a much different time factor. To rush headlong into accepting this questionable "compromise" would needlessly weaken our position, particularly facing the prospects of further attempts to weaken the proposal via amendments or Conference Committee.

Mr. Chairman, Alaska still remains a national issue of the utmost importance. I look forward to working with you closely again on this issue. The impacts of the decisions that we will be making will affect present and future generations of Americans. The vehicle for our decisions, H.R. 39, is a sound proposal based on the solid foundations of the hearings, data and considerations of the 95th Congress. We must move forward and build upon this foundation. To resume consideration from the "compromise" would circumvent all our efforts during the last Congress and would offer inadequate protection for the Alaskan wilderness.

I am most anxious to hear your views on this matter.

Warm regards,
Sincerely,

BRUCE F. VENTO,
Member of Congress.

WASHINGTON, D.C.,
January 25, 1979.

HON. BRUCE F. VENTO,
U.S. House of Representatives,
Washington, D.C.

DEAR BRUCE: Thank you for your thoughtful and well-reasoned letter of January 22, concerning H.R. 39, the Alaska National Interest Lands Conservation Act, and the events of the final days of the last Session, when Senate action on the House-passed bill was finally blocked by the delaying tactics that opponents of the bill had been employing throughout the 95th Congress.

The failure of the Senate to act on this matter was undeniably one of the greatest disappointments of the last Congress, and that failure was clearly the direct result of obstructions calculated to force proponents of sound legislation to accept changes that would skew the bill away from adequate protection of many of the irreplaceable wilderness values of the public lands in Alaska.

Faced with these obstructions, and with time running out, Chairman Jackson did initiate meetings among a number of Senators, Members of the House, and Administration officials, as your letter correctly notes. The discussion was wide-ranging, but inconclusive: when it ended abruptly on October 14, a number of items (such as the Senate Committee's recommendations for amendments to the Alaska Native Claims Settlement Act or for specific land-exchanges among a variety of Alaskan entities) had never been dealt with—and even on some aspects of the legislative proposals which had been discussed, no agreements had been reached.

Thus, there never was a comprehensive "compromise bill." (In this regard, it should be noted that the material which Senator Stevens and others have published is nothing more than an incomplete work product of House and Senate staff, who had been attempting to put into legislative language the matters on which some preliminary agreements had been reached, so far as staff could determine the nature of those agreements. This never received any final review and certainly did not constitute a bill which could be presented to either the House or Senate.) One compromise of a sort was brought forward—an extension of interim protection which would have maintained the status quo on the relevant public lands pending action of the 96th Congress. As you know, this deadline-extension bill was passed by the House but was blocked in the Senate by the filibuster threat of one Senator.

Those of us who met with the Senators to negotiate a possible last minute agreement on Alaska did so in the belief that it was in the interests of all concerned to settle this matter before the December 16, 1978 expiration of the withdrawals of Alaska lands that were made under Section 17(d)(2) of the Alaska Native Claims Settlement Act. These efforts were made under extreme pressures of time as well as threats of filibuster and can hardly be viewed as having produced a satisfactory legislative proposal for consideration under normal conditions instead of conditions of duress. Moreover, the frustration of such efforts by the obstructionist tactics of one Senator rendered moot all proposals tentatively offered in those negotiations.

Now, after the vigorous, determined, and historic actions of President Carter and Secretaries Andrus and Bergland, the overall situation regarding the public lands in Alaska has been considerably altered, and a new foundation has been laid upon which Congress (acting, as your letter notes, under different time factors) can erect a balanced structure of decisions regarding these lands which are the property of all the American people. I believe that the revised bill (again numbered H.R. 39) which so many of us have joined in sponsoring is the proper starting point for such Congressional action, and indeed is a bill which merits support of our Committee and the House of Representatives.

I also look forward to working with you, with our other colleagues who devoted so much time, effort, and care to this matter in the last Congress, and with all Members of our Committee when we again take up this most important conservation proposal.

With best personal regards,
Sincerely,

JOHN F. SEIBERLING,
Chairman, Subcommittee on General Oversight and Alaska Lands.

WASHINGTON, D.C.,
January 29, 1979.

Hon. BRUCE VENTO
Washington, D.C.

DEAR BRUCE: Thank you for your letter concerning the Alaska Lands bill.

I do not intend to confuse anybody about my intentions with the Alaska Lands bill this Congress. I introduced this year's version of H.R. 39, which incorporates much of the Committee's bill of last Congress, with you and 130 of our House colleagues so that this bill will be the vehicle for Committee and full House consideration. My intentions are to hold a limited set of hearings before the full Committee to ascertain the views of appropriate officials of the Administration, the state of Alaska, and other interested parties on this year's legislation. Since so much work has been done on this issue in the last Congress, I am hopeful that the testimony at this year's hearings will be geared towards updating our extensive data base. After the hearings have been completed, I intend to press for full Committee mark-up as soon as possible. The Committee has a deadline, imposed by the House Parliamentarian, to report the bill from Committee no later than March 19, 1979.

I intend to do everything in my power to meet that deadline. I also hope to bring H.R. 39 to the full House for consideration as soon as practicable after our reporting deadline. After the House has considered and acted on H.R. 39, I intend to wait until the Senate has completed its consideration of an Alaska Lands bill and promptly request a conference with the Senate on this issue. If Members of the other body wish to attempt to delay the Senate's consideration of this matter, that's their privilege and right. I, however, will not consent to any informal, ad hoc negotiations between the two Houses. The rightful arena to iron out differences between the House-passed version and a Senate-passed version is a Committee of Conference, open to the public, with full participation by both Senate and House conferees. This is the normal procedure; a procedure that has served this nation well for nearly 200 years, and one that I will strictly adhere to.

Bruce, I value the leadership role you have taken on this, and other important national issues before our Committee. I pledge to continue to work in close consultation with you and other members of the Committee to further our effectiveness in meeting our responsibilities as elected representatives of the people.

Sincerely,

MORRIS K. UDALL,
Chairman.●

WASHINGTON STATE CONTROLS HOSPITAL COSTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BONKER. Mr. Speaker, in light of growing concern over escalating hospital costs and the President's commitment to hospital cost containment, a refreshing example of achieving the goal without Government action can be found in Washington State where the hospital commission has succeeded in keeping the increase rate down to 9 percent. These adjustments are below both the recently stated target of 9.7 percent set by HEW Secretary Califano and the voluntary effort program of the American Hospital Association, American Medical Association, and Federation of American Hospitals.

The Washington State Hospital Commission based its report on the approved budgets of 52 percent (60) hospitals in the State. In total, the commission approved average increases of 6.4 percent in total costs per patient per day; for the 60 hospitals approved rates will average $260.03 per patient day, up $15.74 from the 1978 average of $244.29. With an average hospital stay of 5.4 days, total costs per stay will average $1,404, an increase of $85 over the 1978 average of $1,319 per hospital stay.

Residents in Washington State in 1978 paid about $99 less than the national average for the average stay in a hospital and in 1979, they will pay $170 less than the national average. This effort is a tribute to the effectiveness of a voluntary, State-regulated system of controls and certainly to the individual hospitals across the State. While Washington State has displayed leadership and restraint in controlling rapidly rising hospital costs, most other States are still struggling in this area. They would do well to heed the example of the Washington State Hospital Commission and the Washington State Hospital Association, thus precluding the necessity for Federal intervention in this area. I salute their major efforts and success in controlling hospital costs.●

REACQUISITION OF CITIZENSHIP

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Ms. HOLTZMAN. Mr. Speaker, today I am reintroducing a bill introduced during the 95th Congress to simplify the procedure by which U.S. citizens who lose their U.S. citizenship may regain it.

At present, there is no special procedure for such persons. Instead, former U.S. citizens must go through the same immigration and naturalization process as all other aliens. They first have to secure an immigrant visa and then wait 5 years before citizenship is restored.

Approximately 15,000 persons lost their citizenship between 1966 and 1977; about one-third of these did so in connection with the Vietnam war. Since most Americans now recognize that the nature of our involvement in Indochina was a mistake, we should no longer penalize those who renounced their citizenship in a painful act of conscience because of their opposition to the war.

Other former citizens who often wish to return to the United States are those who gave up their citizenship to marry a native of another country, and later find their circumstances changed because of divorce or death of their spouse.

Many other countries place former citizens in a different category from those who are seeking citizenship for the first time. Several countries, including Ireland, require only an application to the appropriate ministry for full reinstatement of citizenship. Scandinavia and several Latin American nations require an application and 2 years' residence.

The benefits of this bill and this procedure would not, however, be available to persons who lost their citizenship through denaturalization.

The text of the bill follows:

H.R. —

A bill to establish an additional procedure for the reacquisition of United States citizenship by former United States citizens

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 324 of the Immigration and Nationality Act (8 U.S.C. 1435) is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of law, any individual who is not less than 18 years of age, who is certified by the Secretary of State as a former citizen of the United States, and who renounced or otherwise lost his or her United States citizenship (other than pursuant to any proceeding under section 340 of this Act) may reacquire such citizenship—

"(A) by submitting an application to reacquire such citizenship—

"(i) if such individual is abroad, to a diplomatic or consular officer of the United States, or

"(ii) if such individual is in the United States, to a judge or clerk of a naturalization court;

"(B) by submitting with such application an affidavit declaring allegiance to the United States and, if such individual is abroad, the intent to begin residency in the United States within 6 months after such citizenship is reacquired; and

"(C) by paying a reasonable fee to cover the administrative expenses of carrying out this subsection with respect to such individual.

The Secretary of State shall, within the 6-month period beginning on the date such application is submitted under subparagraph (A), certify whether such individual was at any time a citizen of the United States.

"(2) Beginning on the date an individual reacquires United States citizenship under this subsection, such individual shall have the status of a native-born or naturalized citizen of the United States, whichever status such individual had before renouncing or otherwise losing such citizenship. Such status shall not apply retroactively to any period during which such individual was not a citizen of the United States." ●

CHINA TIES: WHAT ABOUT HUMAN RIGHTS?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by John Lofton, Jr., which concerns President Carter's decision to recognize the People's Republic of China. I share Mr. Lofton's conclusion that the recognition of China is another in a series of actions which undermines the President's oft-repeated goal to forge a foreign policy around a "human rights" doctrine. The recognition of a regime which has, as Mr. Lofton reports, killed between 34 to 64 million of its own citizens has serious implications for the credibility of this country's efforts to encourage respect for human rights around the world.

The article follows:

CHINA TIES: WHAT ABOUT HUMAN RIGHTS?

(By John Lofton, Jr.)

A week before he "normalized" relations with Communist China, President Carter told a group of religious and civil rights leaders that "human rights is the soul of our foreign policy." Speaking at the White House in a ceremony marking the 30th anniversary of the passage of the U.N. Declaration of Human Rights, Carter vowed:

"Our human rights policy is not a decoration. It is not something we have adopted to polish up our image abroad, or to put a fresh coat or moral paint on the discredited policies of the past. Toward regimes which persist in the wholesale violations of human rights, we will not hesitate to convey our outrage—nor will we pretend that our relations are unaffected."

Now, if ever there was a nation where it could fairly be said that human rights have been violated on a wholesale basis, it is Communist China.

According to Richard L. Walker, professor of international relations at the University of South Carolina, the government of Communist China has killed anywhere from 34 million to 64 million human beings. This total is arrived at by adding together the number of individuals who died during China's first civil war (1927–36); the Sino-Japanese War (1937–45); the second civil war (1945–49); land reform prior to "liberation"; various political liquidation campaigns (1949–53); the Korean War; the "Great Leap Forward" and the Communes; struggles with minority nationalities, including Tibet; the "Great Proletarian Cultural Revolution" and its aftermath; and in forced labor camps and frontier development.

In a 1971 study for the Senate subcommittee on internal security, Walker wrote:

"The Communist movement in China, despite its proclaimed high ideals, must be judged on performance, and, as regards the human equation, there is little to commend it. Those who wish to rationalize public assassinations, purges of classes and groups or slave labor as a necessary expedient for China's progress are resorting to the same logic which justified a Hitler and his methods for dealing with economic depression in the Third Reich. . . .

"It is my considered judgment, after following Communist China closely for more than two decades, that the cost of progress achieved under Communist rule is too high for the conscience of the world to absolve its perpetrators. In terms of human life and human suffering and in terms of destruction of moral and cultural values, this cost cannot be condoned by any rationalization. The high Chinese Communist Party leaders who sit down at convivial banquets with visiting Americans may be guilty of as great crimes against humanity and their own people as were Hitler and Stalin and their followers."

Just last month, Amnesty International issued a 176-page report that documents Communist China's constitutional, legal and penal systems under which suspected political dissenters are detained, interrogated, tried and punished without access to fair trials and without safeguards against maltreatment during detention.

The report criticized the Chinese legal system, under which certain categories of people, defined as "class enemies," can be deprived of political and civil rights solely on the basis of "class origin" or political background. AI notes:

"The continuous 'mass mobilization campaigns' since the early 1950s have been used to identify people dissenting from official policy. These campaigns have broadened the range of political offenses to the extent that each of them has defined new types of offenders according to the politics of the period."

AI also voices concern that under Chinese Communist law pretrial detention is unlimited and a trial does not normally begin until the accused has "confessed" in writing. The accused is usually tried in secret or by "mass public trials" where no defense is possible, AI says, with the trial being "a mere formality; rather than 'trials,' they are, in fact, meetings to announce the sentence." Punishment ranges from imprisonment to execution.

So, with that clear record, the question naturally arises: Was human rights one of the things upon which President Carter made his "normalization" of relations with Communist China contingent? The answer is no. In fact, during these particular negotiations, the Carter administration did not mention human rights at all. In an interview, Jack Gordon, public affairs director of the State Department's Bureau of East Asian and Pacific Affairs, told me:

"No, human rights was not a focus of these particular negotiations. Human rights was not a cornerstone of these negotiations." When I asked, Was it any of the stones at all? Gordon replied: "No, no, no," observing: "We're hopeful however that they will cut down on human rights abuses in their country. Human rights is a deep and fundamental aspect of our foreign policy."

AFL–CIO President George Meany has sharply criticized the way in which Jimmy Carter has chosen to recognize Red China, noting: "What we cannot understand is how this president, who made human rights a world issue, could so suddenly and callously reject the human rights concerns of both those enslaved in mainland China and those on Taiwan who fear such enslavement."

A good question.●

NURSE TRAINING AMENDMENTS OF 1979

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CARTER. Mr. Speaker, today I am introducing legislation to extend Federal support for nurse training programs for 2 fiscal years. In addition, this bill would require a study of our Nation's nursing needs, authorize funds for the training of nurse anesthetists, and make minor amendments to health manpower legislation. Except for the slightly reduced authorization levels in this bill, its provisions are essentially the same as those in the Nurse Training Amendments of 1978. As you know, that measure was passed overwhelmingly by the House and Senate last year, and was later pocket-vetoed by the President on November 10, 1978. As a result, nurse training programs are now being funded through fiscal year 1979 under a continuing resolution adopted at the end of the 95th Congress.

Mr. Speaker, as ranking minority member of the Health and Environment Subcommittee which wrote the original Nurse Training Act and recently reviewed its authorities, I believe that continued Federal support for nursing education programs is necessary. Any substantial reduction in Federal funding would have a severe, adverse effect on the quality and availability of nurse training programs. Moreover, without adequate student financial assistance through nursing scholarships, traineeships, and loans, many students—particularly those from disadvantaged backgrounds—would find it very difficult to enter nurse training programs.

Recently, there has been a great deal of debate regarding the Nation's supply of nurses both now and in the future. Personally, I have never found there to be a surplus of nurses, especially not in rural areas such as the district I represent in Kentucky. Yet, even in certain large urban areas demand for nurses frequently exceeds supply, as in the Chicago area where 2,000 unfilled nursing positions were reported last year, according to testimony before our subcommittee. Moreover, according to a May 1978 Congressional Budget Office report "[t]he geographic distribution of nurses remains uneven." In addition to the geographic maldistribution of nurses, other surveys report a lack of nurses with advanced training to fill administrative, clinical, and faculty positions. Nevertheless, a clear consensus about our Nation's nursing needs has not emerged.

I believe the study required by this legislation will provide a definitive assessment of the need for continued Federal financial support for nursing education, and will be of great value to the Congress in making decisions about the future role of Federal support in this area.

Mr. Speaker, in drawing up this legislation, I have kept in mind the budgetary concerns of the administration and the Congress; and after consultation with nursing representatives, I have reduced the authorizations as far as practicable. The total authorization for 2 fiscal years in this new proposal is $364 million in contrast to $417 million in last year's nurse training legislation which was overwhelmingly approved by the Congress. A breakdown of the specific authorizations in my bill appears below. If, after reviewing the legislation, my colleagues would like to join in cosponsoring this proposal, I would welcome their support. I look forward to working closely with Chairman WAXMAN and the other members of our panel to report nurse training legislation as soon as possible.

Nurse training amendments of 1979

[In millions]

	1980	1981
Capitation	$45	$45
Advanced nurse training	21	21
Nurse practitioner training	20	20
Special projects	20	20
Financial distress	0	0
Construction	20	20
Interest subsidies	1	1
Loans	30	30
Loan repayment [1]		
Scholarships [1]		
Traineeships	23	23
Nurse anesthetists traineeships	2	2
Total	182	182

[1] No line item.

Total 2-year authorization: $364,000,000.

Vetoed 1978 Nurse Training Amendments: $417,000,000.

Continuing resolution for fiscal year 1979: $119,500,000.

Fiscal year 1980 budget: $14,700,000.●

OUTSTANDING YOUNG PEOPLE

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize several outstanding young people from the Fifth Congressional District of Mississippi, Rebecca Bea Dana and Robert Lamarr Mangum of Biloxi, Cheshire E. I'Anson and William S. Wedgeworth of Long Beach, Candance Ivy McCoy and Kim Marie Frierson of Vancleave, and Thomas Weaver Griffin of Hattiesburg, who are here in Washington this week to participate in the 1979 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.●

DAVID AND JOYCE SOUTH: LAWNDALE MAN AND WOMAN OF THE YEAR

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, Anthony and Cleopatra, Bogart and Bacall, Eleanor and Franklin—each of these three couples had one thing in common—they were all—for various reasons—famous husband and wife teams.

I would like to take just a few minutes to bring to my colleagues' attention, another husband and wife team who although, not as famous, certainly typify all that is best about community life in the United States.

David and Joyce South have been selected as the Man and Woman of the Year for the city of Lawndale, Calif., which I represent. For the past 6 or 7 years, Lawndale has chosen two people who have devoted a great deal of their personal time and effort to various community projects. It may come as a surprise to the more cynical in our society—but the city of Lawndale is fortunate since they have quite a few people who are willing to volunteer. So, the competition for this award is stiff and being selected as a recipient is definitely an honor.

When I received the list of accomplishments for David and Joyce South from the Lawndale Awards Committee, I was frankly surprised to read the lists were only highlights of some of the things they have done for the community. The list is very extensive and it is amazing that two people could find so much time.

Mrs. South has been very involved in community drives including the American Cancer Society, March of Dimes, and Muscular Dystrophy. Mr. South has served as vice-chairman for the Lawndale cleanup week, and as a member of the South Bay react radio emergency team.

Both have been extremely active in programs for young people. Each have been active on the special Youth Day Parade Committee with Joyce serving as both a cochairman and chairman.

David and Joyce have both been members of the local PTA's since 1963; board members and presidents of the Lawndale Little League; and scout leaders. And, if present organizations were not enough, Joyce South organized the Lawndale Athletic Association in 1969, an organization that both she and her husband served as president. In addition, she organized the Lawndale All City Band and the Stan Nichol Golf Tournament.

Even though David and Joyce have three children of their own, they also hosted a Japanese exchange student during the 1975 school year, and for 2 years, David South had a group of underprivileged children in his home for the Christmas season.

One program that would not be the same without them is the Santa's Sleigh sponsored each year by the Lawndale Chamber of Commerce and the South Bay 25 Club. Without even stopping to eat their own dinner, both go straight from work to make sure that children in Lawndale and in two areas of Los Angeles get to meet Santa Claus. The scope of the project is even greater when you realize that approximately 7,000 suckers get distributed. I would suggest that if anyone does not know the true meaning of Christmas, they should contact David and Joyce.

Any child who has come in contact with the two of them could certainly attest to what outstanding community servants they are and how much they have helped so many lives. Working with youth is an investment in the future and I am sure that the investment from David and Joyce South has been more than worthwhile.

It is always a privilege for me to recognize the recipients of the Lawndale Man and Woman of the Year Awards and bring some of their accomplishments to the attention of the Congress. The contributions made by Mr. and Mrs. South deserve more than just recognition, however; they deserve a heartfelt thanks. The city of Lawndale is a better place to live because people like David and Joyce live there and work hard to make it that way.

As the U.S. Representative for the city of Lawndale, I would like to add my own congratulations to this fine couple and wish them continued success and good fortune in the future.●

LIAISON OFFICE FOR THE REPUBLIC OF CHINA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DERWINSKI. Mr. Speaker, I wish to insert a letter that all Members of the House and Senate have received. The purpose of placing it into the RECORD is to emphasize my support for the establishment of a U.S. Government liaison office for the Republic of China, and so that readers of the RECORD across the country will become aware of the view expressed by missionaries working on the island of Taiwan. The letter follows:

MARYKNOLL FATHERS,
Taichung, Taiwan, January 22, 1979.

DEAR SIR: I am writing on behalf of the Maryknoll, Taiwan Region (Catholic Foreign Mission Society of America) that consists of 45 Priests and Brothers living in Taiwan.

We are writing to urge your support in Congress for establishing an official government agency as the vehicle for future relations between America and Taiwan, and to urge that you oppose the creation of a nongovernmental institution for this purpose. In particular, we urge your strong support for an official U.S. government liaison in Taiwan, similar to the one which existed in Peking prior to January 1, 1979. The fact that such government-to-government contact existed with Peking while America had full diplomatic relations with Taiwan is ample precedent for establishing such an office in Taiwan, now that we have full diplomatic relations with Peking.

Since America has no reason for not having a liaison office in Taiwan except that the Peking Government would "prefer" something of less stature, it becomes a matter of honor and international prestige for America to have one. The level of America's credibility in many parts of the world will be affected by her final decision on this matter.

Only a government liaison office can give credibility to the administration's claims that America intends to continue, as before, all relationships with the 17 million people of Taiwan, except that of full diplomatic recognition.

We urge during these coming weeks, that you strongly support such a liaison office and that you adamantly oppose the administration's proposal of a private institution becoming the symbol of America's interest in, and relationship with, the 17 million people of Taiwan.

We extend our sincere personal regards and our prayers and wishes for your important work in Congress.

Sincerely yours,

JOHN F. KENNEDY, M.M.,
Regional Superior.●

PERSPECTIVES ON AMERICAN-CHINESE RELATIONS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LaFALCE. Mr. Speaker, as the Congress begins the difficult tasks of assessing the impact of normalization of relations with the People's Republic of China and charting a path that will provide increased trade and friendship between our Nation and China, we would be wise to reflect on the history of this major diplomatic measure.

Certain basic principles must guide the ship of state as it travels the uncertain waters of international relations. Chief among those principles are the concerns for improved security and more prosperous trade.

The People's Republic of China is the world's most populous country. Its armies and armaments are massive, yet it is a nation that now seeks much outside assistance in major modernization efforts. As we welcome Vice Premier Teng to our country and begin to fully understand the meaning of normalization, it is not too much to ask that we remember the basic principles of diplomacy and how they apply to our relations with the People's Republic of China.

A recent editorial in the Brockport, N.Y. Post succinctly outlined those principles and their application to this complex and most important situation. I offer it to my colleagues in response to their growing interest in American-Chinese relations:

TAIWAN

How to gauge the "rightness" or "wrongness" of President Carter's decision to grant diplomatic recognition to the People's Republic of China and to drop official ties with Taiwan?

The articles by Charles L. Rumrill which will run on this page for the next few weeks will give the insights of a perceptive local observer who has spent considerable time in Taiwan.

As he says, the situation is more complicated than it might seem to a casual observer.

No one can pretend to any great insights (least of all a small town editor), yet it should be obvious that Taiwan itself, possibly unfortunately, can be only a small factor in American foreign policy.

Let's go back a little.

What should be the goals of American foreign policy and what should motivate it?

Stating the obvious—

1. America's security should be protected, and Americans should have reasonable right to travel, study, do business or whatever in most of the world without undue hindrance—so long as they do not injure host countries.

2. The United States should try to insure that major power blocs are not created in the Western Hemisphere which could injure our nation.

3. To the extent possible and recognizing our limitations, we would like to help insure decent, democratic governments and adequate economies throughout the world. There is perhaps a measure of self-protection and self-interest in this.

4. Special links of our peoples to other nations and regions (Europe, Israel, and latterly parts of Africa) are recognized, and draw our sympathies and aid.

Not much mention of ideology in such a listing.

To go on.

For much of this century, the United States felt that goals such as the above could be attained through Western democratic alliances.

This policy was most visible in World War 1, World War 2, and in the effort to contain the expansive Russian Communists after World War 2.

All this came to disaster in Vietnam. An isolated America, more or less deserted by its Western democratic allies, found itself trying to contain what many viewed as additional Communist expansionism.

And as the "containment" policy was proving militarily unworkable, it became apparent to many policy planners that Western democratic alliances were of limited value.

All this coincided with the rise of the Chinese republic.

Both Russia and China, actually or potentially, had the masses and ability to control the Eurasian land mass—the world's principal island.

Americans, through the oil crisis and many other factors, were coming to realize that they could not fiatly dominate world policy. They also live on a much smaller "island."

The proper route, many now began to think, was to develop a balance of power role, playing Russians against Chinese.

Richard Nixon saw this, and used it to end the Vietnam fiasco.

To make the policy fully operative, however, the United States had to develop closer relations with China. This meant diplomatic recognition, and that, in turn, meant lessening the tiesto Taiwan.

Not a very palatable decision to many, but who has a better world strategy for our country?●

THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ST GERMAIN. Mr. Speaker, since 1973 when the Navy left Newport, the economy of Rhode Island has been struggling. The bill which I am introducing today would assist States and communities in a similar situation to avoid the economic turmoil which Rhode Island has experienced.

When the Federal Government closes facilities upon which the economy of an area is dependent, it has an obligation to do whatever possible to assure that the area finds some other economic base. One way in which this can be achieved is to make surplus Federal property available to the State or some agent of the State at less than fair market value, in order that this property can be used for economic development purposes.

It is crucial that such a transfer take place as expeditiously as possible, in order to minimize the deleterious effects of the removal of Federal facilities. The bill I am introducing requires that the prospective purchaser submit an economic development plan subject to the approval of the Secretary of Commerce and provides that if, over a period of at least 20 years, the property is not used for the purposes it was conveyed, the property will revert to the United States.

This legislation addresses an urgent need for many parts of the country which have already been harmed by a pullout of Federal facilities and will provide a cushion for other areas which may experience a similar event in the future.●

SOME REFLECTIONS ON AMERICAN POLITICS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for January 31, 1979, into the CONGRESSIONAL RECORD:

SOME REFLECTIONS ON AMERICAN POLITICS

The period from the inauguration of President Kennedy to the present has been a turbulent one in American politics. It has seen one President assassinated, another driven from office, riots in the cities, unrest on the campuses, the Vietnam War, the Great Society, the ups and downs of the economy, the civil rights, women's, and environmental movements, and a host of foreign policy problems from the Cuban missile crisis to the recognition of China. These events and others have had a profound impact on the American political system. After such momentous years it might be helpful to identify the circumstances which are shaping American politics today. Among these circumstances I would emphasize several.

First, the authority of the Presidency has eroded. Most of us today look upon the Presidency with more doubt than trust. We once believed that if a President wanted something, he ought to have it. He was, after all, the President. Nowadays our attitude seems to be that if a President wants something, we had better examine it very closely. The result of this erosion of authority is that any President is handicapped, if not incapacitated, in his efforts to fulfill the expectations of the American people. I myself think that we have carried our skepticism of the

Presidency too far, and that we must reestablish a strong Presidency as the best means of pulling together the diverse strands of our national life.

Second, the Congress has reasserted its constitutional prerogatives and has become more independent of the Presidency. The Congress is now a force to be reckoned with (especially when it is intent on frustrating a President's legislative program), but it is still not the dominant branch of government. There is no "imperial Congress" to replace the "imperial Presidency" of the past decade. The reason is that members of Congress are individualistic in outlook and responsive to their own constituencies. Recent congressional reforms have disbursed legislative power widely among members. The diversity and independence of matters and the fragmentation of power make party leaders strain to form even the most uneasy consensus. The Congress is, in short, a remarkably representative and democratic institution.

Third, the influence of political parties has declined, especially in connection with the nomination and election of Presidents. The parties have not disappeared altogether, but despite major reforms they command less loyalty from the voters. There is much less voting of straight party tickets. Although the parties may still give guidance to a large number of voters, the average voter is only loosely affiliated with a party when he identifies himself with one.

Fourth, the private special interest group, long a feature on the American scene, has gained a new voice in politics. There are currently 1,100 such groups registered with the Congress. In addition, many highly knowledgeable people in the federal bureaucracy, on congressional staffs, and under contract to the government are in a position to make their mark on policy. The problem with special interest groups and government experts is their frequent reluctance to compromise on their issue even when the common good would be served by compromise.

Fifth, several views prevalent among Americans today are changing the course of politics. One is the view that the level of taxation is high enough, perhaps too high, and that additional taxation is simply unacceptable. Another view is that the government does not have solutions to all the problems on the national agenda, that there are limits to what the government can do, and that more government is not necessarily better. Yet another view is that the government does not work well, and that there is too much bureaucracy, too much regulation, too much paperwork, and too few incentives for good performance.

One final circumstance is having a far-reaching effect on American politics today: inflation. Inflation has been assigned the highest priority among problems on the national agenda, and the people have made their feelings about it very clear. They know that inflation must be controlled before other worthy goals can be reached.

These are the central realities of American politics, at least as I see them. They will put their stamp on our political system and its products for years to come. They show us that it is time for the government to pause and set aside its old habit of throwing money at problems. They show us that it is time for consolidation and restraint, not innovation and experiment.

(This newsletter was prompted by a book entitled *The New American Political System*, published by the American Enterprise Institute, and a recent speech by Mr. Stuart Eisenstat, the Assistant to the President for Domestic Affairs and Policy.)●

NATIONAL DIGESTIVE DISEASES PREVENTION, CURE, AND CONTROL ACT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CARTER. Mr. Speaker, today the National Commission on Digestive Diseases presented Congress with a long-range plan to organize and strengthen our national resources to improve the diagnosis, treatment, and prevention of disorders of the digestive tract. These diseases, known collectively as digestive diseases affect 20 million Americans and represent the third largest component of the total economic burden of illness in the United States. As for incidence, more Americans are hospitalized because of diseases of the stomach, intestines, liver, pancreas, and other parts of the gastrointestinal tract than because of any other group of disorders, Moreover, it is estimated that 190,000 Americans die each year from digestive diseases ranging from gallstones to cirrhosis of the liver.

Today I am introducing legislation to carry out three key recommendations of the National Commission on Digestive Diseases which was created by Congress in 1976 under Public Law 94-562. The other major recommendations can be implemented through appropriation and executive actions. More specifically, my bill would:

First. Establish a National Digestive Diseases Education and Information Clearinghouse to serve as an information resource for the public as well as health professionals with respect to these diseases;

Second. Establish a National Digestive Diseases Advisory Board to oversee implementation of the Commission's long-range plan; and

Third. Authorize a grant program through the National Institute for Arthritis, Metabolism, and Digestive Diseases to strengthen medical education in digestive diseases.

Total 3-year authorization: $5.665 million.

Mr. Speaker, enactment of this new legislation would fulfill the national commitment Congress made to combat these diseases when it enacted Public Law 94-562 in 1976. I hope that the 96th Congress will support this bill with the funding necessary to carry out that commitment. To do so would improve the health of millions of Americans, help moderate our rising health-care costs, and most important, lead to significant advances in preventing these afflictions.

I am enclosing the text of the legislation for consideration by my distinguished colleagues:

H.R. —

A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Digestive Diseases Prevention, Cure and Control Act".

SEC. 2. The Congress finds and declares that:

(1) digestive diseases (A) are an extremely serious and important category of illness in the United States, (B) are the major reason for and the leading cause of major surgery in the United States, (C) are the cause of chronic illness in 20 million Americans, 14 million of whom have episodes of acute illness annually, (D) are the cause of almost 20,000 deaths each year in the United States, and (E) are the second most common reason for disability in American workers;

(2) digestive diseases are the cause of one-tenth of the total economic burden of illness in our country;

(3) inadequate levels of public awareness of the importance of digestive diseases to our society are coupled with inadequate efforts and expenditures on public information and a low level of support for research in digestive diseases; and

(4) a major improvement in the health of persons with digestive diseases, and important advances in the prevention of such diseases, could occur through intensified and improved efforts in the education of the public and professionals about digestive diseases, through better use of current resources and procedures involved in the diagnosis of those illnesses, through translating existing medical information into more effective treatment, through greater support of ongoing clinical programs in federally-supported hospitals, through the augmentation of current research efforts including both basic and applied clinical investigations, and through expanded research, education, and more intense study of currently neglected areas such as epidemiology and the exploration of the environmental, emotional, and nutritional causes of digestive diseases.

SEC. 3. Part D of title IV of the Public Health Service Act is amended by adding at the end the following new sections:

"NATIONAL DIGESTIVE DISEASES EDUCATION AND INFORMATION CLEARINGHOUSE

"SEC. 440B. The Secretary shall establish a National Digestive Diseases Education and Information Clearinghouse to identify, collect, analyse, and disseminate information respecting digestive diseases and to serve as a national educational resource for patients with digestive diseases and their families, physicians, and allied health professionals. For the establishment and operation of the Clearinghouse there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1979, $1,150,000 for the fiscal year ending September 30, 1980, and $1,250,000 for the fiscal year ending September 30, 1981.

"EDUCATION AND TRAINING PROGRAMS IN DIGESTIVE DISEASES

"SEC. 440C. The Secretary, acting through the Institute and after consultation with the National Arthritis, Metabolism, and Digestive Diseases Advisory Council, shall make grants to schools of medicine to strengthen their education and training programs in the diagnosis, prevention, and treatment of digestive diseases. For grants under this section there are authorized to be appropriated $360,000 for the fiscal year ending September 30, 1979, $450,000 for the fiscal year ending September 30, 1980, and $555,000 for the fiscal year ending September 30, 1981."

SEC. 4. Part D of title IV of the Public Health Service Act is amended by adding after the section added by section 3 of this Act the following new section:

"NATIONAL DIGESTIVE DISEASES ADVISORY BOARD

"SEC. 440D. (a) The Secretary shall establish a National Digestive Diseases Advisory Board (hereinafter referred to as the 'Board') to be composed of 24 members as follows:

"(1) Eight members shall be appointed by the Secretary from individuals who are scientists, physicians, and other health professionals, who are not employed by the Federal Government, and who represent the specialties and disciplines relevant to digestive diseases.

"(2) Two members shall be appointed by the Secretary from individuals with an interest in digestive diseases and who, as a group, have knowledge and experience in the fields of medical education, health education, and public information and who are not employed by the Federal Government.

"(3) One member shall be appointed by the Secretary from individuals who are members of the National Arthritis, Metabolism, and Digestive Diseases Advisory Council and who are experts in the field of digestive diseases.

"(4) Five members shall be appointed by the Secretary from the general public. At least three of such members shall be persons who have experienced significant personal or family involvement with digestive diseases.

"(5) The following shall be ex officio members: The Assistant Secretary for Health or his designee, the Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the Division of Digestive Diseases of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the National Cancer Institute or his designee, the Director of the National Institute of Allergy and Infectious Diseases or his designee, the Director of the National Institute on Alcohol Abuse and Alcoholism or his designee, and the Chief Medical Director of the Veterans' Administration or his designee.

"(b) The members of the Board shall select a chairperson from among the appointed members.

"(c) The Secretary shall, after consultation with and consideration of the recommendations of the Board, provide the Board with (1) an Executive Secretary and two clerical staff members and (2) such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Board to carry out its functions.

"(d) Members of the Board who are not employees of the Federal Government shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day including traveltime they are engaged in the performance of their duties as members of the Board. While away from their homes or regular places of business in the performance of services for the Board, members shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

"(e) The appointed members of the Board shall be appointed to serve until the expiration of the Board (as provided in subsection (h)).

"(f) The Board shall:

"(1) review, evaluate, and advise on the coordination of Federal agencies' efforts in digestive diseases in the implementation of the long-range plan of the National Commission on Digestive Diseases under section 301(g)(2) of the Arthritis, Diabetes, and Digestive Disease Amendments of 1976 (42 U.S.C. 289a note);

"(2) maintain liaison with other advisory bodies related to Federal agencies, involved in the implementation of such long-range plan, the Coordinating Committee for Digestive Diseases, and with key non-Federal bodies involved in activities affecting the control of digestive diseases;

"(3) develop recommendations for the implementation of such long-range plan;

"(4) hold regular quarterly meetings and provide an annual report to the Secretary and to the Congress dealing with the progress of such long-range plan, including a summary and analysis of expenditures and implementation by the Federal Government of such plan.

In carrying out its duties the Board may appoint subcommittees, appoint consultants, convene workshops and conferences, and collect data.

"(g) There are authorized to be appropriated to carry out the purposes of this section $300,000 for the fiscal year ending September 30, 1979, $300,000 for the fiscal year ending September 30, 1980, and $300,000 for the fiscal year ending September 30, 1981.

"(h) The Board shall expire on September 30, 1982." ●

ERNEST C. WULLBRANDT NAMED "1978 CARPINTERIAN OF THE YEAR"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, it is with great pleasure that I submit to you the name of Ernest C. Wullbrandt who was recently selected "1978 Carpinterian of the Year" by the Carpinteria Valley Chamber of Commerce.

Ernie Wullbrandt has earned this honored title by serving his community over a span of many years. His is an impressive record of public service, from the local community as mayor, to the national community as a member of the U.S. Navy. A city councilman since the formation of the city, he has twice been chosen as mayor, the office he currently holds. A volunteer fireman, bovs club director, Explorer Scout leader, VFW and GI forum, and special deputy sheriff are other community offices held by Ernie.

He further served the County of Santa Barbara on the local agency formation commission, the area planning council, the Carpinteria-Summerland General Plan Advisory Committee, the SCOTS Advisory Committee, and the air quality advisory board. On the tri-county level Ernie served as a member of the regional coastal commission, having served as chairman. Further, he has presided over the California League of Cities as president of the organization.

Ernie recognizes the special needs of senior citizens and has worked toward the betterment of their welfare. He can always be seen on official holidays putting out the American flag on the city streets. Ernie is a regular contributor to the blood bank. He gives of his time and support to the Carpinteria High School football team by filming the games at his own expense.

Ernie Wullbrandt's total commitment to his country by personal dedication to his own community is worthy of the special recognition bestowed upon him by the city of Carpinteria.●

NATIONAL ZOOLOGICAL FOUNDATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. WHITEHURST. Mr. Speaker, on January 15, 1979, I introduced H.R. 806, to establish a National Zoological Foundation. This is the same bill which I introduced on March 3, 1978, as H.R. 11295. The National Zoological Foundation would be empowered, among other things, to: Award scholarships and fellowships for the training of professional and paraprofessional staff for zoos and aquariums; initiate and support programs to promote the developments of methods to improve the welfare of animals at zoos and aquariums; establish recommended standards of accreditation; make grants for pilot projects to serve as models for zoos or aquariums; make grants for the purpose of establishing survival centers for the captive breeding and preservation of endangered species; and support new programs to enhance the educational and scientific value of zoos and aquariums.

There is a precedent for providing such funds for zoos and aquariums, since the recently established Institute of Museum Services, operating within the Department of Health, Education, and Welfare, has a limited amount of money for this purpose. However, the maximum grant available from the Institute would be $25,000, and it would be for operating expenses only; this is completely inadequate for the kinds of programs that zoos and aquariums need to develop. It seems to me that zoos and aquariums should be funded under a separate program entirely, and this is one of the reasons for my introducing H.R. 806.

In the 91st Congress, we passed the Animal Welfare Act of 1970, which gives the Department of Agriculture the responsibility for insuring that at least minimum standards of housing, feeding, and care are met by zoos. This is fine as far as it goes. However, zoos and aquariums are, or should be, far more than simply places where animals are housed and fed.

As our society becomes ever more urbanized and crowded, zoos and aquariums will provide the only available exposure to the world of nature for increasing numbers of children and their parents. The hundreds of thousands of citizens who visit these facilities every day across the country make it clear that people enjoy being able to see a wide range af animals. However, while one function of zoos and aquariums is of course to provide visitors with a means of enjoyment and recreation, their major purpose is conservation and education. Thus zoos should be much more than prisons of concrete and steel that most have been in the past and some still are; they must attempt to provide facilities that are appropriately similar to the natural habitats of the animals. The sad thing is that while many other cultural, scientific, and educational facilities are able to obtain considerable Federal assistance in recognition of their value to the people, zoos and aquariums must in large measure continue to struggle to meet their conservation and education responsibilities entirely on their own. This is an uphill battle indeed.

There are many people who feel that zoos should be phased out, that television can somehow replace them, and that all the animals should be set free. I would like to call the attention of my colleagues to a number of articles on this subject that have appeared over the years. Space does not permit them to be reprinted here, copies can be obtained from the Library of Congress for anyone who wishes to read them. One, entitled "Why Zoos?" was written by Emily Hahn and appeared in the February 25, 1975, issue of the New York Times magazine. Another appeared in the April 17, 1975, edition of the Washington Post. Entitled "National Zoo Has a Farm Club," it was written by Robert Barkdoll; it was reprinted in the RECORD on page E1634 in the April 18, 1975, issue. Many of the animals now found in zoos either no longer exist at all in the wild or will be gone within the next generation, and thus the zoos are their last, and indeed only, refuge. On page 17096 of the May 30, 1974, RECORD, I included a fine article from the Christian Science Monitor by Frederic Hunter which further reinforces my contention that zoos and aquariums must be upgraded. Another of my RECORD statements, on page E1848 of the April 12, 1978, issue, provides additional information in this regard.

One of the finest books on the subject of zoos in recent years is "Lifeboats to Ararat," by Sheldon Campbell. It was published by Times Books in 1978, and I commend it enthusiastically to the attention of my colleagues. Sometimes deeply serious, sometimes hilariously funny, it is a book that I hope will receive a wide reading. Permit me to insert Mr. Campbell's preface at this point:

Zoos are among mankind's oldest institutions, dating back at least 4,500 years, and probably more. Across the world they have brought together and displayed live wild animals for people to look at and over the years hundreds of millions have. Any institution with so long a history and so universally attended must reach something in people deeper than idle curiosity. Since it is fashionable to speak of roots today, it might be suggested that zoos allow us to stay in touch with our most primitive roots in a primeval world where human survival depended on knowing the shapes and habits of wild animals. So important were wild creatures to our distant ancestors that they were the most frequent subjects of paintings on cave walls, formed the basis for virtually all early religions, and were in numerous instances worshiped as gods.

Now our survival is threatened more by what we ourselves have wrought, and by the stresses of living among these creations, than it is by wild animals to whom we relegate less and less living space with each passing year. In this world the need for good zoological gardens is urgent. The exponential growth of human population and the ever-increasing sprawl of cities does more than rob land from wildlife: it pushes the animals farther away from city dwellers. People live in brick, concrete, and glass environments where they lose all touch with wilderness; children grow up who have never tried to catch a frog, never seen a hawk soar or a deer step daintily into a forest clearing—let alone watched a herd of elephants amble across the savannah or a pride of lions stalk prey.

People who have the time and money can take an occasional trip to the remaining wilderness and find, in places where wild animals still live, the renewal of spirit that comes from prolonged visits to wild country. For millions of others who are unable to leave the cities or can't afford to, good zoos laid out among plants and trees can bring what conservationist Ian Player calls "a taste of wilderness." Perhaps more important in the long run, zoos can help give deprived people an awareness that we share the world with many other animals and should have a decent regard for their worth and right to live. If zoos did no more than accomplish these two ends, they would serve a noble purpose.

As it happens, however, today's zoos can do far more. They can become breeding centers for those wild species whose continued existence has become precarious. The term "captive breeding" has been used to describe this new role of zoos, and this book describes the effort—the most important task that zoos have yet undertaken.

Behind the stories of zoos and captive breeding lies the assumption that we who are lords of the earth and challenge the heavens must do all in our power to keep our fellow creatures alive on this planet—for it may be our last chance. Arguments for saving wild animals from extinction can be set forth at great length. In short, they go something like this: First, whenever we humans cause a sharp decline in any wild animal population, we may be doing something to the environment that also threatens us. Second, life on a barren planet largely denuded of wildlife would be worse than dreadful; it would very likely cause irreparable damage to the human psyche. Third, our willful destruction of animal species is immoral—unless we accept the Hobbesian notion that the true state of nature is one of general war in which the possession of power, and that alone, determines what is right or wrong. Finally, though, the arguments vanish and we are left with intuition. In the words of Henry David Thoreau, "Every creature is better alive than dead, men and moose and pine trees, and he who understands it aright will rather preserve its life than destroy it."

All this may sound quite stuffy and serious, or even worse, philosophical. Fortunately, much of what goes on in zoos is funny, at least in retrospect, and for those who feel as I do that the world has enough sadness, any vein of humor is worth mining. I have, I hope, mined a rich lode here.

One should always write about what one knows best; so much of the material in this book is drawn from my forty-three years of intimate experience with the San Diego Zoo and later, the San Diego Wild Animal Park. Because these two institutions get frequent mention I should differentiate them. Both are managed by the nonprofit Zoological Society of San Diego (of which I am one of twelve trustees). The zoo, set on nearly 100 wooded acres of Balboa Park in the heart of San Diego, was founded in 1916. The Wild Animal Park, opened in 1972, is a breeding reserve open to the public that is situated on 1,800 acres of foothills along the San Pasqual Valley some thirty miles north of San Diego. The zoo's exhibits are built on traditional lines, with extensive use of open moated enclosures. The Park on the other hand emphasizes open space, with enclosures that average 80 acres each where animals live in mixed groups as they would in the wild (except for their natural predators). Visitors walk or ride buses around the zoo, but see the Park from a ground monorail that travels for five miles among the exhibits.

There are many fine zoos in the world, and a few other wild animal parks. Each has as much to offer in the way of anecdotes and stories as the ones I know best. Some (and I could wish more) that appear in this book I gathered in trips to many of the world's zoos, quite a few of which are moving seriously into the exciting realm of captive breeding.

Let no one think this book is an apology for zoos. For every good zoo in the world there are bad ones that no defense can justify, and they get none here. With proper care and good environments wild animals thrive in captivity. Improperly kept under poor conditions they languish in misery and boredom. This situation should never be, and any zoo or parts of zoos where animals are impoverished should be changed or abolished. The zoo of the future, to borrow a phrase from Dr. Heinrich Dathe, director of the Tierpark in Berlin, should be a paradise for animals.

SHELDON CAMPBELL.

SAN DIEGO, CALIF., *March 20, 1978.*

Mr. Campbell's book goes into particular detail on the subject of captive breeding, a project which deserves to be better known and understood, and he underscores the need for the kind of provision which I have included in H.R. 806, although his book does not deal with my legislation in any way.

As what we like to call civilization continues to encroach upon the natural habitats of many animals, more and more will be driven over the brink to extinction. It seems to me that since zoos and aquariums are in effect today's Arks, it is incumbent upon us to make them the best possible refuges for the few members of these endangered species that are left, so that future generations may have at least a small sample of the magnificent creatures that we have been able to take for granted. Making this a reality with the best possible facilities and care is the purpose of H.R. 806.●

OUR DEAL WITH PEKING: ALL COST, NO BENEFIT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the President's recent decision to recognize the People's Republic of China and abandon Taiwan diplomatically and politically has, quite correctly, raised a number of questions about the credibility of American commitments around the world. The following article by George Bush investigates the possible repercussions of the decision to abrogate the 1954 defense treaty with Taiwan.

OUR DEAL WITH PEKING: ALL COST, NO BENEFIT

(By George Bush)

The airwaves are filled now with glad tidings from the White House, proclaiming that President Carter's China initiative has brought us much closer to peace on earth, good will to man.

How joyous it would be if that were true, but, unfortunately, nearly every Christmas story has its grinch—and this one is no exception.

The tragic fact is that the price our government has paid in recognizing the People's Republic of China has not only diminished American credibility in the world but has also darkened the prospects for peace. And I would venture that in the privacy of the Great Hall, the Chinese are acutely aware of that.

Let me explain by first introducing a bit of history. When I arrived in Peking in 1974 as the U.S. representative there, the Nixon and Kissinger trips and the Shanghai Communique were already on record. The United States was committed to eventual recognition of the People's Republic.

Moreover, ordinary Chinese citizens were intensely emotional in their desire for reunification with Taiwan. I remember in the early days how Chinese workmen refused to hang a map of Asia on my office wall because it showed Taiwan in a different color from the mainland. Not long thereafter, at sporting games that drew provincial teams from all over the mainland, the stands exploded with cheers when the announcer identified one squad as "our brothers from Taiwan." Government propaganda reflected much the same sentiment.

Yet, in private conversations the rulers of the People's Republic took a very different view. They were committed, of course, to the "liberation" of Taiwan, but that was always a distinctly secondary issue. "You have time; there is no hurry," they said over and over again.

When President Ford, Secretary Kissinger and I met with chairman Mao Tse-tung in October 1975, he repeated that settlement of the Taiwan question might take the United States and China "one year, ten years, or even a hundred years" to achieve. He clearly expected to die before it happened, and he was equally clear that if the United States wanted more time to modify opinion at home, that was readily acceptable.

What concerned Mao far more than the Taiwan question—and has since preoccupied his successors—was the gathering strength of the Soviet Union. The leaders in Peking are terrified that one day they may be encircled by a Soviet empire, eager to gobble them up. Forty-five Russian divisions are already poised on their northern border, and in recent months their security has deteriorated along their southern rim as well.

To the Chinese, the key to peace is for the United States and its western allies to act as a firm, reliable counterweight to Soviet pressures. Only if the United States remains a credible world power—one that honors its commitments and lives up to its responsibilities—are they themselves secure.

BREAKING A TREATY WITHOUT CAUSE

Here, then, is the situation that Jimmy Carter found when he entered the Oval Office:

On one hand, Peking was transfixed with the idea that the Soviet Union sought "hegemony" in many parts of the globe and was already convinced that the West was growing "soft."

On the other hand, while continuing to pay lip service to "normalization" of relations with the United States, the Chinese quietly accepted the fact that the two sides were deadlocked on that issue. For several years, Peking had insisted on three preconditions before there could be "normalization": The United States had to abrogate its mutual defense treaty with Taiwan, had to withdraw troops there, and had to withdraw recognition from Taiwan, acknowledging Peking as the sole, legitimate government of China. The United States had consistently balked at those terms, insisting that it would not formally recognize Peking until there was a firm, explicit commitment to settle the Taiwanese issue peacefully. And there the negotiations were stuck.

Because of the importance of the Russian threat, however, the questions of full "normalization" and of Taiwan were never a major barrier to progress on commercial and strategic issues. China and the United States had entered a de facto political relationship that had two great virtues: It permitted both sides to begin working harmoniously together, and it also allowed the United States to maintain the integrity of its commitment to Taiwan. In an imperfect world, that was a major accomplishment.

It was in this context that President Carter's Dec. 15 announcement was such a bombshell.

The immediate question was not whether we should recognize Peking. Many Americans now agree that a close, working relationship between Washington and Peking should advance the cause of peace and world trade. Personally, I have long felt that in spite of the totalitarian nature of the Chinese government, it was in our own national interest to improve relations with Peking.

But the critical question was the terms on which the recognition was negotiated. Incredibly, it turns out that the United States has now accepted all three of Peking's original demands—and has capitulated on its own demand for a guarantee on Taiwan, abandoning a faithful friend in the process. For the first time in our history, a peacetime American government has renounced a treaty with an ally without cause or benefit.

A FIGLEAF FOR RETREAT

By the administration's own admission, it never received—or even asked for—specific assurances from Peking about a peaceful solution to the Taiwanese question. In Peking's eyes, the Taiwanese matter continues to be strictly an internal issue, and in its constitution the "liberation" of Taiwan remains an unchallenged goal.

In response, the administration argues that the mainland will wink at future U.S. arms sales to the Taiwanese. But in the same breath, administration officials say *sotto voce* that those sales will be "restrained."

The administration also argues that Peking has neither the capability nor the incentive to conquer Taiwan. But any student of Chinese history—remembering that during the Cultural Revolution, only 10 years ago, some of today's Chinese leaders were driven down Peking streets with sticks—can properly ask: Who knows with certainty what lies ahead? It is true that armed conquest by the mainland does not seem imminent, but because of unilateral action by the United States, the 17 million people on Taiwan are now hostage to the changing whims of the Peking leadership.

The terms that the Carter administration has accepted, and even trumpeted, are the same terms that have been available for the past seven years. But they were always refused before because we knew—just as the Chinese knew—that in the absence of sufficient guarantees, they were but a figleaf for an abject American retreat.

The terrible truth is that the United States now stands exposed to the world as a nation willing to betray a friend—even when there is no apparent gain.

There is, of course, room for reasonable men to disagree about the benefits that might now accrue to China and the United States in trade and investment. Contrary to administration claims, however, I believe the gains that are likely to occur undoubtedly would have occurred anyway under our existing relationship.

Over the past year and a half, before these negotiations had even begun, the Chinese were ardently seeking western technology and our sales to China were rising dramatically. Over the past four months the commercial pace has accelerated, and many American companies have begun making serious plans for trading with the mainland and investing there. But it has always been apparent in the commercial field that China needs us more than we need them. Indeed, it was precisely China's growing eagerness for trade that gave the United States greater leverage in our diplomatic bargaining than we had ever had before—leverage that we carelessly tossed aside.

MORALITY AND STRATEGY

At its heart, however, the China question is not one of trade and technology but of fundamental morality and international strategy.

As sociologist Peter Berger wrote earlier this year, "If there is one universal, indeed primeval principle of morality, it is that one must not deliver one's friends to their enemies." Berger was writing of refugees fleeing from Vietnam in their small, makeshift dinghies. "These boats," he said, "bear a message. It is a simple and ugly message. *Here is what happens to those who put their trust in the United States of America.*"

For President Carter, who professes a strong belief in Christian ethics, it should be a tormenting thought that by his hand, the United States has put an entire people adrift in a cruel, hostile sea—and for scarcely any purpose.

The moral question is closely linked to the strategic issue that is causing perhaps even greater consternation in many chanceries of the world.

Throughout the postwar period, America's credibility—joined with America's military might—has been the glue that has held together the non-communist world. Justifiably, both friend and foe alike are now asking, however, whether the United States can still be counted on to keep its word. Increasingly in recent years the United States has staked out a clear, unequivocal position, has invited others to join us, and then, as counterpressures have built up, has suddenly, inexplicably buckled.

In Africa, we committed ourselves to support the forces of moderation. But when black moderates in Rhodesia arranged with Prime Minister Ian Smith for the transfer of power and free elections, we threw in our lot with Marxist radicals.

In recent negotiations in the Middle East, the Israelis announced that they were prepared to accept a final plan drafted with American help. But when Egypt raised the ante, we modified our position to accept the new Egyptian proposals, and when the Israelis refused to go along, we publicly kicked them in the shins.

In Europe, President Carter convinced our German and French allies that we would build a neutron bomb, and Helmut Schmidt courageously supported him. But then, in the face of a Soviet propaganda campaign, the administration knuckled under and shelved the project. Even now, as contradictory signals emanate from Washington, our NATO allies wonder whether the United States will honor its pledge to raise defense expenditures by about 3 percent a year.

In Iran, the Carter administration placed considerable pressure on the shah to accelerate his liberalization program—sometimes, according to reports, against his better judgment. But when trouble broke out, our government disappeared over the hill. The world recognizes, even if we do not, that the United States could have been demonstrative in its support for the shah, issuing firmer statements, engaging in naval deployments, and responding with something more than timidity when the Russians warned us to stay out of it.

To friends of the United States, who have been chilled by these recent events and by our posture on SALT, the mindless abandonment of Taiwan thus comes at a particularly inopportune time. Why now? And why would the president act so unilaterally, without consulting with the Congress, especially after the Senate had insisted by a unanimous 94-to-0 vote upon such consultations? Unfortunately, there are no easy answers.

Understandably, Peking has been prominent among those worried about America's deteriorating position in the world. It has been particularly dismayed about Cuban intervention in Ethiopia, the major Soviet role in Afghanistan (a neighbor to both China and Iran), the pro-Soviet coup in South Yemen, as well as the hesitant U.S. response to Soviet claims with regard to a role in Iran. Indeed, this area of the world—including Southern Asia, the Persian Gulf and the Indian Ocean—is just as important strategically to the Chinese as to the United States.

The ultimate irony, then, of this "normalization" is that China, whose primary interest lies in a strong, steadfast American presence in the world, has now seen just how easily we can be pushed around. The Chinese realize that we have given all and gained nothing, and while they engage in self-congratulations, they know in their hearts that by our actions, we have also made the world a more dangerous place than it was only a few weeks ago.●

SMALL BUSINESS REGULATORY RELIEF ACT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. IRELAND. Mr. Speaker, today, along with 76 cosponsors, I am introducing legislation entitled the Small Business Regulatory Relief Act. This bill provides regulatory flexibility for small business in certain instances so that the effects of the regulation match the size of the business regulated.

Small businesses, by their very nature, are less capable than larger firms of discovering, understanding and complying with what Government regulators expect. When regulations are the same for large and small business, the effect may be disproportionate and unfair.

My bill would make Government agencies analyze the impact of any proposed rule or regulation on small firms. If the agencies find that their action would be harmful to small businesses, they would be required to find some way to ease this impact either by exempting small businesses completely or by setting different, less burdensome standards for them.

I introduced this bill last year, with over 84 cosponsors, and the Subcommittee on Special Small Business Problems, of which I am a member, held a number of hearings and heard from dozens of witnesses. Additional hearings are scheduled for early this session, and I am confident that we will have positive action in the full committee shortly thereafter.

A similar measure was adopted by the Senate last session, and Senator NELSON, chairman of the Senate Small Business Committee, is optimistic about passage again this session.

I plan to reintroduce the Small Business Regulatory Relief Act with additional cosponsors in the next few weeks, and would be pleased to have many more of our colleagues join with me at that time.

A copy of the bill, and testimony I gave last year explaining the legislation are included here for your information.

Thank you Mr. Speaker.

The material follows:

H.R. 10632

A bill to amend the Small Business Act to provide regulatory flexibility for small business in certain instances so that the effect of regulation matches the size of business regulated

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Regulatory Relief Act."

FINDINGS AND PURPOSES

SEC. 2. Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end thereof the following:

"(e) Further, it is the declared policy of the Congress that the scope and volume of Federal regulations causes disproportionate and often unnecessary impact on small businesses and the Government should make a concerted effort to reduce such impact.".

DUTIES OF THE OFFICE OF ADVOCACY

SEC. 3. Section 634c of title 15, United States Code, is amended by adding the following new subsection and renumbering accordingly:

"(4) consult with the agencies of the Federal Government prior to issuance of proposed regulations that substantially impact small business, for the purpose of minimizing such impact.".

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 4. Section 634e of title 15, United States Code, is amended by adding the following new section and renumbering accordingly:

"SEC. 206. Prior to the issuance of a rule by any department, agency, or instrumentality of the Federal Government, such department, agency, or instrumentality of the Federal Government shall incorporate, as a part of the general statement of the basis and purpose of the rule required to be published in the Federal Register, a written analysis of whether it is lawful, feasible, and desirable for the agency to exempt small businesses or small organizations, or a class of small businesses or small organizations from the effect of the rule or whether the agency may and should promulgate a rule which sets lesser standards for compliance by small businesses.

"(a) The analysis required by this section shall include the following factors:

"(1) the nature of any reports and the estimated cost of their preparation by small businesses or small organizations which would be required to comply with the new rule:

"(2) the nature and estimated costs of other measures or investments that would be required by small businesses or small organizations in complying with this rule;

"(3) the nature and estimated cost of any legal, consulting and accounting services which small businesses or small organizations would incur in complying with the rule;

"(4) the ability of small businesses or small organizations to absorb the costs estimated under (1), (2), and (3) without suffering economic harm and without adversely affecting competition in the marketplace;

"(5) the additional cost, if any, to the agency of administering or enforcing a rule which exempts or sets lesser standards for compliance by small businesses or small organizations; and

"(6) the impact on the public interest of exempting or setting lesser standards of compliance for small businesses or small organizations.

"(b) The agency prescribing such rule shall—

"(1) transmit such rule to and obtain the comments, if any, of the Office of Advocacy of the Small Business Administration with respect to the impact on small businesses or small organizations resulting from implementation of such rule;

"(2) include such comments of the Office of Advocacy in the record made in connection with consideration of such rule;

"(3) make such comments of the Office of Advocacy available to each officer or employee of the United States who, after such date, reviews such rule; and

"(4) incorporate a summary of such comments of the Office of Advocacy with the general statement of the basis and purpose of the rule.

"(c) Subsections (a) and (b) of this section shall not apply to any rule if such agency, after consultation with the Office of Advocacy of the Small Business Administration, determines that such rule will not, if implemented, have a substantial effect on any significant number of small businesses or small organizations. Notice of such determination shall be incorporated in the general statement of the basis and purpose of the rule.

"(d) Whenever the results of such analysis by an agency indicate that it is lawful, desirable, and feasible to exempt small businesses or small organizations, or to set lesser standards of compliance by small businesses or small organizations, the agency shall issue a rule containing an appropriate exemption for such small businesses or small organizations, or setting lesser standards for compliance by small businesses or small organizations.

"(e) Whenever an agency establishes by regulation the meaning of small business or small organizations, such regulation may apply to either a single rule or regulation, a set of rules and regulations, or every rule and regulation issued by the agency: *Provided.* That the regulation establishing the meaning of small business or small organization shall have been transmitted to the Office of Advocacy of the Small Business Administration in accordance with subsection (b) of this section: *And provided further,* That the size, industrial classification, or performance standard established by such regulation shall consist of objective measurement and to the extent consistent with the purposes of this Act, uniform with standards previously established by regulation.

"(f) In any action to review the compliance of an agency with subsections (a) through (e), no order shall be entered by a court to enjoin enforcement of such rule with respect to anyone or any concern that is not a small business or small organization. No one other than a small business or small organization shall have standing to review the compliance of an agency with subsections (a) through (e).

"(g) Each agency shall, during the five-year period beginning with the date of enactment of this subsection, review agency rules which were published for comment, issued, or in effect prior to such date and make the determinations referred to in subsections (a) through (e) with respect to each rule.

"(h) The Program Analysis Division of the General Accounting Office is authorized to furnish, upon request, advice and assistance to agencies making determinations under this section.

"(i) Except as otherwise provided by statute, no agency may issue a rule or regulation, however denominated or described, which does not comply with the provisions of this section.

"(j) For the purposes of this section, the term 'small business' includes those businesses as defined under the provisions of section 632 of title 15, United States Code, and the term 'small organization' includes unincorporated businesses, sheltered workshops, not-for-profit enterprises which are not dominant in their fields, and such other groups and enterprises as the agency shall establish by regulation."

REMARKS OF THE HONORABLE ANDY IRELAND

Mr. Chairman, it is a pleasure to be here today to have the opportunity to discuss the impact of federal regulations on the small business community with you and my colleagues on the subcommittee.

Small businesses have several unique characteristics which make them especially important to our economy and our nation. For one thing, small businesses tend to react to changes in the market place more rapidly than larger businesses, and are thus in a better position to develop and exploit new ideas. Secondly, they are "labor intensive," that is to say, more of their dollars tend to go to hire people rather than to purchase machinery. Thirdly, they are often the initial point of entry for people who are entering the job market for the first time. Finally, as small businesses succeed and expand, they broaden the tax base and benefit society by carrying a larger share of the tax burden. So, in a very real sense, small business is the ideal "threshold" for people building a better life and a more productive society.

In addition, small business constitutes a much larger role proportionally in our economy than most Americans realize. For example, according to the most recent statistics, small businesses constitute 48 percent of the nation's G.N.P., employ 58 percent of the private, nonagricultural work force, generate 73 percent of the total dollar volume in retailing, and comprise 97 percent of the country's business community.

Quite clearly then, any action by the federal government which impacts substantially on small business will likely have enormous ramifications for all segments of our economy. And from the testimony that this committee and others have heard, it seems clear that very few things have had or are likely to have as big an impact upon small business as government regulation and overregulation.

Since the early 1970's, the federal government has created seven new regulatory agencies, including the Environmental Protection Agency, O.S.H.A. and the Consumer Product Safety Commission. Between 1970 and 1976, the number of pages in the Federal Register has tripled, from 20,000 per year in 1970 to 60,000 per year in 1976, reflecting the enormous increase in rulemaking and regulation by the federal government. The best available figures indicate that there are more than 65,000 federal employees involved in regulatory activities, at a total cost of about $130 billion annually.

As severe as the impact of government regulation is, it affects small business much more adversely than larger concerns.

Small business, by its very nature, is less capable than larger firms of discovering which government regulations affect its operation, and less able to respond to these rulings. In most cases, small businesses are simply not equipped, either in terms of personnel or expertise, to keep up with the proliferation of federal regulation.

One particularly painful illustration of this fact is the plight of a small retailer who learned in September of 1977 that the F.C.C. had issued a ruling months earlier which prohibited the sale of twenty-three channel C-B radios after December 31, 1977. Unfortunately, this individual had many thousands of dollars worth of twenty-three channel radios which he could not possibly sell by the deadline. When his case was brou~ht to the attention of the F.C.C. by the National Federation of Independent Business, the F.C.C. held that the retailer had no recourse since the rule was promulgated and printed in the Federal Register well in advance of the deadline.

Obviously, the F.C.C. assumed that the retailer read the Federal Register regularly, and that if he did, he was able to interpret the rules and assess its impact on his operation. Unhappily, however, experience has shown us that in the case of many small businesses, neither assumption is warranted.

Regulatory difficulties of this nature do not necessarily mean that all government regulation is unnecessary or counterproductive, or that small business should be exempted from regulation simply because they *are* small. There is a fundamental assumption peculiar to a democratic society that all groups in society ought to be treated equally by their government, and that no single group ought to be granted special preferences without first establishing the existence of extenuating circumstances.

However, as Senator Culver noted during hearings on this question last year, "Uniform treatment under regulation does not always result in . . . equal treatment."

For example, if a regulation imposes the same cost of compliance across the board, the larger firms, with their greater operating budgets and specialized personnel are often able to absorb these costs, while most small firms cannot. Thus, while the intent of the regulation is uniform, the effect is quite disproportionate, resulting in a reduction of the ability of the smaller firm to compete effectively in the market place.

It is my firm belief that regulations can and should be tailored to the size and the resources of those being regulated. That is why I introduced H.R. 10632, and that is why I am here today. My legislation would require government agencies to analyze the impact of any proposed rule or regulation on small firms likely to be affected by that regulation.

If the agencies find that their action would be harmful to small businesses, they would be required to find some way to ease this impact, either by exempting small businesses completely or by setting different, less burdensome standards for them.

The concept of flexible or "tiered" regulations is not new—Congress has long exempted certain small firms from minimum wage and some of the paperwork required by other laws. Even O.S.H.A. treats large and small firms differently. The purpose of my bill is to require all federal agencies to exercise this type of flexibility.

Mr. Chairman, that concludes my prepared statement.

Thank you.●

NURSE TRAINING AMENDMENTS OF 1979

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. STAGGERS. Mr. Speaker, on Thursday, January 18, 1979, I introduced H.R. 1143, the Nurse Training Amendments of 1979. This legislation is virtually identical to the conference report (H. Rept. 95-1785) to accompany S. 2416, the Nurse Training Amendments of 1978, which passed the House in the closing hours of the 95th Congress but was pocket-vetoed by the President after the Congress had adjourned.

The Nurse Training Amendments of 1979 represent a simple extension of existing authorities supporting schools and students of nursing through fiscal year 1980 at the fiscal year 1978 authorization level of $206 million. It woud require the Secretary of HEW to arrange for a study of the need to continue a specific program of Federal financial support of nursing education so that the Congress will be better able to determine the appropriate Federal response to the training of professional nurses. It includes one new authority which would authorize $5 million over the next 2 fiscal years to assist in the training of nurse anesthetists. Finally, it contains minor, yet important, amendments to existing health manpower authorities respecting area health education centers.

Mr. Speaker, I am well aware of the President's commitment to fight inflation, and I share that commitment. I have introduced this legislation as a simple extension of existing law, not in an attempt to initiate confrontation but to initiate what I am sure will be an effort to effect a compromise between the Congress and the administration. I assure my colleagues that the Committee on Interstate and Foreign Commerce will carefully consider every aspect of this legislation in a manner which will lead to an appropriate response to the concerns of the administration, the Congress, and the needs of the American people.

Many of my colleagues have already expressed interest in cosponsoring this legislative proposal. In view of the caveats outlined above, other Members who may wish to cosponsor this legislation should notify Mrs. Jordan in the committee's professional staff office at extension 53147.●

CLASSIFIED HEROES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. STARK. Mr. Speaker, in the grand old secretive tradition of the Central Intelligence Agency, one Leslie C. Dirks, rumored to be the CIA's deputy director for Science and Technology, was recently awarded a National Security Medal by President Carter for an undisclosed reason.

This has led me to speculate as to the cause for this mysterious action. Did Leslie Dirks, if that be his (or her) real name, draft the recently passed CIA appropriations bill which contain a classified dollar amount? Or Leslie Dirks actually an alias for John Paisley, the CIA agent who supposedly died while on his boat in the Chesapeake and whose death is surrounded by intrigue? If so, where has he been for the last couple of months and why has he now surfaced? If, for instance, he has arranged for the Skylab to fall on the Kremlin, Congress has the right to know. (This latter explanation would account for the awards ceremony being kept off-limits to reporters and photographers. While the White House did release a photograph of a person supposed to be Mr. Dirks, it has been noted by several persons that the White House has previously distributed that photograph with other names.)

The truth about this event must be made known. For, in this period of open Government and sunshine, it seems curious that we would now begin classifying heroes.●

NATIONAL COMMISSION ON DIGESTIVE DISEASES

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PREYER. Mr. Speaker, the National Commission on Digestive Diseases has just made its report to the Congress, which was mandated by legislation passed in 1976. I want to commend those men and women who served for nearly 2 years. They held hearings in many parts of the Nation to determine how to develop a plan for the prevention, control, and cure of digestive diseases. These diseases afflict 20 million of our citizens.

Today, the Commissioners reported to us on their findings and recommendations. In order that my colleagues may have the opportunity to study them, I include their executive findings and recommendations below. I also include a summary list of the recommendations with the Commission's estimates of the required appropriations to carry them out.

Today I cosponsored, with my colleague Dr. TIM LEE CARTER, a bill which would make law the three recommendations which need authorizing legislation. It is my understanding that the other recommendations can be effected by administrative action, by appropriations alone, or by other legislation more properly tied to a national health insurance program.

I hope that the Subcommittee on Health and the Environment will consider this bill, so that funds can be appropriated as soon as possible to carry out those recommendations.

The material follows:

SUMMARY REPORT TO THE CONGRESS OF THE UNITED STATES OF THE NATIONAL COMMISSION ON DIGESTIVE DISEASES

The National Commission on Digestive Diseases was established by Congress in 1976, by P.L. 94-562, to accomplish three major tasks:

Study the medical, social, and economic problems attributable to digestive diseases.

Evaluate the present use of resources to control the problems identified.

Develop a long-range national plan for the organization and effective use of national resources to deal with digestive diseases.

In the course of its work, the Commission found that digestive diseases account for a major—and largely unrecognized—cost to the nation's health and economy. Moreover, the Commission's findings show that the impact of these diseases, both in terms of health and economics, on individuals and on the nation as a whole, can be reduced in the foreseeable future.

The long-range national plan to combat digestive diseases must include the immediate expansion of the basic and applied research programs directed at the underlying causes of digestive diseases and the development of new and effective measures for prevention and treatment. The Commission recommends a concurrent program of education and translational research which offers realistic promise of an early and substantial improvement in the control of digestive diseases.

FINDINGS OF THE COMMISSION

While digestive diseases vary in severity from brief, self-limited illnesses to chronic, disabling, and some universally fatal conditions, their total social and economic impact is enormous. Measured in terms of morbidity, mortality, and cost, they constitute *the third largest component of the total economic burden of illness in the United States*, being outranked only by circulatory diseases and by the combined category of accidents, poisonings, and violence.

Digestive diseases collectively represent:

10 percent of the total economic burden of illness in the United States, as defined by the National Center for Health Statistics.

The primary reason for major surgery.

The leading cause of hospitalization.

15 percent of all hospital utilization (43.4 million hospital days each year)

The second most prevalent cause of disability among the employed.

20 million chronically ill individuals.

14 million persons who suffer acute episodes of illness each year.

190,000 deaths each year (counting only those for which digestive diseases are identified as the *immediate* cause of death).

$17 billion in direct health care costs.

$35 billion in total annual economic loss, or approximately 1.5 percent of the gross national product (1978 projection).

Digestive diseases are highly detrimental to Americans in their peak years of productivity and responsibility. Seventeen of every 100 individuals between the ages of 45 and 64, most of whom sustain family income in whole or in part, have some form of diagnosed digestive disease. At the same time, the absolute importance of digestive diseases as causes of serious illness, hospitalization, and death is highest among the aged.

Digestive diseases abound in all strata of our society and in all parts of the United States. Their diagnosis and treatment often depend upon the ready availability of sophisticated instruments and highly trained personnel. Thus, the burden of digestive diseases can be expected to fall more heavily on our rural population, where the low population density cannot support expensive equipment and specialists, and where physical distances between physician and patients are often great.

The figures cited above, however, fail to convey the social and financial devastation experienced by people afflicted with the most severe and chronic forms of digestive diseases. For these people, frequent consequences may be prolonged debility, malnutrition, unemployment, denial of insurance protection, and lifetime medical expenses as high as $500,000 for an individual patient.

In contrast to the magnitude of these problems, *efforts to control digestive diseases have been tragically inadequate* and needlessly fragmented. This is due in part to public attitudes and to minimum public awareness of preventive measures and the consequences of neglect. The digestive tract and its functions are viewed through veils of ignorance, embarrassment, taboo, and inappropriate humor.

Efforts of concerned voluntary organizations which have worked hard and long to increase patient and public understanding of digestive diseases are noteworthy. They have demonstrated over the years that changes in public attitudes through education are both possible and vitally necessary.

As a subject of academic concern, digestive diseases are underrepresented on the faculties of medical and other professional schools, and the number of active researchers in the field is not only relatively small, but is also declining. The decline is related to current limitations on the level and the stability of support for digestive disease research, which has discouraged talented young physicians and scientists from pursuing research careers in this field. Meanwhile, established investigators have left research in the digestive diseases and are not being replaced.

Despite the relatively low level of research support, significant advancements have been made in the state of knowledge about a number of common digestive diseases, their treatment, and their prevention. Major benefits have been achieved for patients with hepatitis, peptic ulcers, gallstones, infectious diarrhea, diseases of absorption, reflux esophagitis, gastrointestinal bleeding, aspirin-induced stomach injury, and colonic polyps, as well as for patients requiring parenteral nutrition and major surgical intervention. Much work remains to be done, however, in terms of both prevention and treatment of these discrders, and there are still many diseases for which effective modes of diagnosis and treatment are entirely lacking.

THE NATIONAL PLAN

The National Commission on Digestive Diseases strongly believes it is time for the nation to mount a vigorous and well-coordinated attack on digestive diseases. The national plan presented in Volume I of the report of the National Commission on Digestive Diseases includes a series of interrelated goals and strategies. They incorporate the most promising leads in research and needed new directions in health care delivery and education. All components of the plan can and should be implemented without delay, with the expectation that benefits to the public will be evident and measurable in varying stages in one to 10 or more years.

Since so much remains unknown about the causes, mechanisms, and factors influencing digestive diseases, the essential foundation of the long-range plan is a well-coordinated, expanded research endeavor. Research offers the surest and most cost-effective means of substantially reducing the suffering and the economic burdens resulting from digestive diseases. In the meantime, as research progresses, the immediate needs of patients with digestive diseases must not be overlooked; these needs are addressed directly in the long-range plan.

The Commission has developed the long-range plan to achieve two major goals:

Reduce the suffering of all Americans afflicted with digestive diseases.

Reduce the costs associated with digestive diseases.

In an era of escalating health care needs and limited resources, only a well-organized, detailed, cost-effective program directed at a clearly identified social goal an justify sustained public support. The long-range plan developed by the Commission, we believe, is such a program. Minimum budget increments to implement these programs are proposed.

The recommendations listed below have been carefully considered for their feasibility, cost, and expected benefits. They represent, in essence, the Commission's conclusions in terms of: (1) immediate action that promises early and lasting benefits, (2) programs that are imperative for the public good in the long-range effort to combat digestive diseases, (3) proposals that are aimed solely at problems related to digestive diseases but are inclusive of other major national health needs, and (4) steps essential to the coordination and organization of the long-range plan.

THE SCOPE OF DIGESTIVE DISEASES

The digestive tract, which includes the esophagus, stomach, intestines, gallbladder, liver, and pancreas, is affected by a wide range of acute and chronic diseases, including infections, cancers, intoxications, and diseases of unknown origin. Digestive diseases are disorders of any of these organs. Some of them are commonly known, such as ulcers, hepatitis, and gastro-intestinal can-

cers; others, such as biliary atresia, cystic fibrosis, inflammatory bowel diseases, and pancreatitis, occur less frequently but with devastating long-term effects.

RECOMMENDATIONS OF THE COMMISSION

The National Commission on Digestive Diseases recommends that Congress and concerned agencies, public and private, take the following actions immediately to provide early and continued benefits in the national effort to combat digestive diseases.

Measures to improve the provision of information and training to patients, health care personnel, and the public:

1. Establish and fund a National Digestive Diseases Education and Information Clearinghouse to improve wide distribution of available knowledge in prevention and control of digestive diseases.

2. Promote the establishment of standards for the education and training of specialists in digestive diseases.

3. Strengthen and, where necessary for this purpose, fund educational programs in digestive diseases in American medical schools.

Measures to improve medical care of patients with digestive diseases:

4. Standardize the nomenclature, diagnostic criteria and methodology, and guidelines for measuring disability caused by digestive diseases.

5. Develop guidelines for the sequence of performing diagnostic tests in the digestive diseases.

6. Increase funding for the study of risk-benefits and cost-benefits related to health care services for patients with digestive diseases, and for translational research—the translation of known medical knowledge into effective treatment.

7. Expand programs in digestive diseases in the Department of Defense.

8. Expand clinical research in the digestive diseases and programs for the treatment of these diseases in the Veterans Administration.

Measures to promote research in needed and promising areas:

9. Enlarge and strengthen Federal training programs in research on digestive diseases to increase the number of teacher-researchers and to encourage the interest of larger numbers of young scientists in this vital area of research.

10. Increase funding for applied (clinical) research on such topics as adverse drug reactions, alcoholic liver disease, cirrhosis, colonic disorders, functional gastrointestinal diseases, gallstones, gastrointestinal bleeding and vascular disorders, gastrointestinal surgery, hepatitis, infectious diarrheas, inflammatory bowel diseases, maldigestion and malabsorption, malignancies (cancer) of the digestive organs, pancreatitis, pediatric digestive diseases, peptic ulcer, reflux esophagitis and esophageal motility disorders.

The Commission recommends that simultaneously with the actions in Recommendations 1 through 10, Congress and the respective concerned agencies take the following specific actions to ease the national burden caused by digestive diseases in the foreseeable future and to establish a long-range, national program of continuing and coordinated research in digestive diseases:

11. Increase funding for basic research in digestive diseases to lay firmer foundations for their prevention, diagnosis, and treatment.

12. Fund cooperative research in digestive diseases when scientifically necessary and cost-effective.

13. Expand the intramural digestive disease research programs at the National Institutes of Health.

14. Determine epidemiological patterns of digestive diseases to formulate a comprehensive understanding of their impact on the population's physical, emotional, and financial well-being.

15. Study the effects of environmental and industrial pollutants on organs of the digestive system.

16. Fund research on the critical role of diet as a cause of digestive diseases.

The Commission recommends that the Congress or appropriate agencies undertake the following steps with regard to diseases in general, but with specific emphasis on digestive diseases:

17. Survey manpower requirements for the prevention and treatment of digestive and related diseases and study the cost-effectiveness of various forms of professional training.

18. Assure that the cost of educating patients about their digestive diseases is a direct reimbursable expense by Federal and private insurance programs.

19. Enact legislation to provide catastrophic health insurance coverage for all citizens.

20. Exempt from the Office of Management and Budget clearance procedures those medical and behavioral research projects which are conducted in accordance with specified protocols which are approved under DHEW regulations for the protection of human subjects, and which call only for voluntary participation; and exempt the digestive diseases workshops recommended in this report from the DHEW policy which reduces the number of conferences.

The Commission recommends that the Congress and/or appropriate Federal agencies, in order to organize and coordinate the long-range plan outlined in this report, take the following actions:

21. Establish a National Digestive Diseases Advisory Board responsible to the Congress and the Secretary of Health, Education, and Welfare.

22. Appoint knowledgeable representatives concerned about the problems associated with digestive diseases and the implementation of solutions to those problems to the Advisory Councils of the National Cancer Institute, the National Institute of Allergy and Infectious Diseases, and the National Institute of Alcohol Abuse and Alcoholism.

23. Enhance the status of digestive diseases within the National Institutes of Health by forming a Division of Digestive Diseases within the National Institute of Arthritis, Metabolism, and Digestive Diseases.

For further information, write to: NIAMDD Information Office, Building 31, Room 9A04, National Institutes of Health, Bethesda, Md. 20014.●

ENERGY AND INFLATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MOAKLEY. Mr. Speaker, inflation has become the major enemy of the American public. President Carter clearly stated that inflation must be brought under control. Yet, as long as our National Energy Policy allows OPEC to influence domestic crude oil prices, no war against inflation will be won.

Current inflationary pressures combined with OPEC's 14.5 percent price increase and Iran's internal strife continue to force oil prices up. This year, in New England alone, price increases will amount to at least $350 million, bringing New England's oil bill to over $8 billion. This increase is small when compared to the catastrophic increases in oil prices that will occur if domestic crude oil price controls are allowed to expire on May 31, 1979. Domestic oil prices now set at an average of $9.12 a barrel will rise to approximately $16 a barrel, if deregulated, equaling the price of OPEC oil. Present attempts at controlling inflation will be rendered useless if deregulation takes place.

For these reasons, I have joined my colleagues Mr. HARRIS and Mr. MAGUIRE in writing the President, urging him to hold the line on domestic crude oil.

In addition, I have joined Mr. STUDDS in cosponsoring legislation which will continue domestic crude oil price controls for 24 months beyond their May 1979 expiration date. The price controls remain flexible enough to encourage new domestic oil exploration. They are not aimed at penalizing the oil industry but instead, as a way of protecting consumers from the ravages of inflation.

This legislative body must work closely with the President to bring inflation under control. A sound national energy policy fair to all sectors of the economy must be a part of the plan. Continued domestic crude oil price controls will provide additional time needed to meet our pressing energy problems without fueling inflation.●

TEN WAYS TO BREAK OPEC

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DRINAN. Mr. Speaker, since the oil embargo of 1973, our Nation's reliance on energy from the Organization of Petroleum Exporting Countries (OPEC) has steadily increased, now constituting almost 50 percent of U.S. crude oil requirements. Clearly, the United States has demonstrated no sense of national resolve on the energy issue, and is more vulnerable to the whims of foreign governments than at any other point in recent history.

If anything, the United States has aided and abetted the economic interests of OPEC over the last 5 years. We have legitimized the artificially high world price of oil through domestic energy price decontrol; we have rejected policies which would require our Government to bargain down OPEC prices as the sole importer of petroleum to the United States; and we have moved only glacially in completing a Strategic Petroleum Reserve—containing both crude and residual oil—which is the Nation's primary insurance against a repeat of the 1973 embargo.

In this regard, I highly commend the following article by Craig S. Karpel, executive director of the Council on Energy Policy, which appears in the January issue of Harpers:

TEN WAYS TO BREAK OPEC

One evening last spring I dined with an assistant to the President of the United States, who, like so many of my fellow victims of the foreign oil cartel, did not know that OPEC can be broken. Toward the end

of the meal I explained to him that over the past two years, unremarked by the press and ignored by the Administration, the country's most eminent petroleum experts had testified before Sen. Edward Kennedy's Subcommittee on Energy to the effect that the Organization of Petroleum Exporting Countries is exceedingly fragile, that it could not exist without the aid and comfort of a complex of American financial and export interests, and that there are any number of ways that the U.S. government could act to dismantle its monopoly. I noted that according to a study published by the M.I.T. Energy Laboratory, the cartel's price per barrel has been fixed at $7 to $10 more than the price that would prevail in a competitive market. The foreign oil cartel, I observed, sells for $13 a barrel oil that costs less than 25 cents a barrel to produce. I suggested that at a time when the dollar would appear to be going the way of the Hungarian pengo, it is arguably improvident to remit a subvention to the Saudi royal family amounting to $6,000 per annum for each of its subjects.

I had taken my dinner companion by surprise. Between courses he had felt called upon to defend his employer, but now, over coffee, he could not bring himself to defend the indefensible. With evident dismay, he agreed that the cartel's leeching on the American economy constitutes the most critical problem confronting the country, and that it compromises the nation's capacity to make good its commitments in the world. "Why," he said, palpably anguished by the inaction of the Administration of which he is a part, but sufficiently in command of himself to return the ball to my court, "hasn't a constituency assembled to insist that we do something about OPEC?"

The answer to his question is that the unassembled constituency slumbers at the center of a thorn forest of myths about energy that has been raised up around us by the wizardry of those who profit from OPEC's make-believe omnipotence. It cost this writer the better part of two years of his life to get out of the woods. By night, I puzzled over abstruse monographs and $650-a-year newsletters. By day I corresponded with distant institutes and ministries of foreign powers. I shuttled to and from Cambridge, New York, and Washington. I journeyed to London, to Rotterdam, to Tel Aviv. I sat across the desk from a distinguished professor of the economics of petroleum who, with avuncular patience, explained to me the innermost meaning of the phrase, "nominations in excess of prorated equity share." In the dining room of a great Wall Street bank, I digested hearts-of-palm vinaigrette and charts showing that over the next five years new non-OPEC oil production will increase by 8.5 million barrels a day, while global consumption will rise by only 5.5. Sunk into the burnished-leather sofa of a senior Senator, I learned how American corporations that benefit from high oil prices overseas pressure their suppliers to join them in lobbying against policies that would break OPEC. I brunched at a mountain resort with an authority on the oil-bearing formations of the Yucatan. I revolved atop a Hyatt House with a value-free-resource econometrician. I lunched at the Harvard Club with a wildcatter from Namibia. Ever so gradually the darkness lifted, the mists parted, and Mobil Corporation's op-ed barrage thawed, melted, and resolved itself into a dew.

While the less well-informed among our nation's bartenders, and the Secretary of Energy, may continue to tell us that a physical shortage of oil impends, no reputable petroleum economist does so. Though latter-day votaries of T. E. Lawrence, campaigning for Arab consultancies upon their departure from the State Department, may wish us to believe that the Persian Gulf is the only major repository of oil, I found no independent petroleum geologist who agrees. If Sheikh Yamani would have us imagine that the lines at gas stations in the winter of 1973–74 were the result of an effective and reproducible oil embargo against the U.S., all those who have studied the matter conclude that the queuing was caused by a combination of federal bungling and media-induced consumer panic.

The notion that there is an energy shortage that requires us to salaam before OPEC, I discovered, is a canard promulgated by the cartel, its domestic claque, and a credulous press. Bernardo F. Grossling, a geophysicist with the U.S. Geological Survey, has performed a study for the World Bank that estimates total global petroleum reserves as high as 6,000 billion barrels—ten times the figure for proven reserves lugubriously cited by James R. Schlesinger and his retinue. This is 281.6 years' supply at the current rate of consumption, and does not include the prospect of enhanced recovery from conventional fields, heavy crudes such as those from Venezuela's huge Orinoco Belt, and oil from Antarctica, the continental slopes and rises, and the ocean floor, the latter three exceptions comprising 74.7 percent of the earth's surface. "It also appears likely," Grossling has said, "that the real costs of the new oil to be found will be significantly smaller than the price set by OPEC or the marginal cost in the U.S."

OPEC is not, then, the only prospective source of foreign oil. Huge untapped structures exist in such areas as La Brea-Pariñas, Peru; northwestern Argentina; the Paleozoic play of northwestern Brazil; the Chad Basin; the Congo Basin; the Etosha Basin in Namibia; the Paris Basin; northern Italy; the Thrace Basin; the Baluchistan folds of Pakistan; Bangladesh; Burma; South Australia; Bonaparte Gulf, Australia; the Arctic Islands; the Mackenzie Delta in Canada; the Yukon subsalt play, and so forth and so on. OPEC has been able to force a suspension of the law of nations, but not of the law of supply and demand. Quadrupled oil prices have stimulated exploration and resulted in startling discoveries. When OPEC seized power in 1973, Mexico's proven oil reserves were considered to amount to no more than 2.8 billion barrels. In September, 1978, Petroleos Mexicanos announced proven reserves of 20 billion barrels. Industry sources say this figure is "very conservative" and tally proven reserves at 30 to 50 billion barrels. Dr. Sevinc Carlson, of Georgetown's Center for Strategic and International Studies, now indicates that "Mexico's reserves might be second only to those of Saudi Arabia," which now stand at 151.4 billion proven barrels. Grossling places total Mexican reserves at 160 billion barrels or more. Other estimates run twice that high. The Abu Dhabi daily *Al-Ittihad* describes Mexican oil as "a real threat and a dangerous competitor."

OPEC knows that we quake in unreasoning terror at the merest threat of a second oil embargo. Lately the cartel has begun intimating that it will cut us off if we do not eliminate quotas and tariffs on imports of petroleum products, impediments that discourage OPEC from moving downstream into the refining, marketing, and manufacture of petrochemicals. "It may not be long," Ali Khalifa al-Sabah, oil minister of Kuwait and chairman of OPEC, said in October, 1978, "before the removal of such practices becomes a condition of supply of crude oil." This is an implicit demand that we shut down an appreciable portion of two American industries. Were we to accede to such bluster, one wonders how long it would be before OPEC was requiring that it be allowed to manufacture penicillin for the U.S. as a precondition for supplying us with gasoline.

For there to be a second embargo, however, there would have to have been a first. What we experienced in the winter of 1973–74 was a pseudo-embargo. The flow of non-Arab OPEC oil to Western countries continued as usual. The flow of Arab OPEC oil did not continue as usual: it increased. According to *British Petroleum Statistical Review of the World Oil Industry 1975* and the International Monetary Fund's *International Financial Statistics*, November, 1975 Arab oil exports in 1973 increased by 12.6 percent—twice the growth rate in each of the previous two years. Saudi production rose by 26 percent in 1973. During the last quarter of 1973 Saudi petroleum exports were 3 percent higher than during the same trimester of the previous year, while during the first three months of 1974 they were 9 percent higher. According to Prof. Robert S. Pindyck of M.I.T., "an oil embargo cannot really be directed against the U.S. or any single country. Oil-producing countries can dictate the quantity of oil to be produced, but they cannot dictate where that oil will ultimately be shipped. For this reason, the announced Arab oil embargo against the U.S. and the Netherlands in the fall of 1973 had little impact upon those countries' imports. Gasoline lines in the U.S. were really caused by price controls and the misallocation of regional supplies by the FEA [Federal Energy Administration]." During a Saudi trade mission to the U.S. in 1975, Farouk Akhdar, director of the technical affairs office of the kingdom's central planning agency, told a Los Angeles audience that the announced embargo was "psychological" and "a paper tiger."

An embargo is even less likely today. It is often noted that Saudi Arabia, without whose participation even another pseudo-embargo would be impossible, could afford a substantial cutback in its annual oil sales of $37.8 billion because it has $55 billion in cash reserves. But the Saudi regime has yet to receive the bills for most of the $142-billion Second Five Year Plan for national development that ends in 1980, after which it has bought its subjects' tenuous loyalty and with the promise of an even more costly program. The Saudis can no more withstand a drastic reduction in income than could an executive with $55,000 in the bank who makes $37,800 a year, is building a $142,000 house that must be paid for in cash by 1980, and has promised a wife with whom he is on precarious terms then to begin building an even more expensive vacation home. The oil-sharing plan of the industrial countries administered by the International Energy Agency, and OPEC's fear that the monetary reserves its members have deposited in New York and Euromarket banks since 1974 would be frozen if an embargo were declared, combine further to dampen the power of the oil weapon.

Perhaps the most paralyzing myth is that, aside from attempting to conserve energy and switch to alternatives, the U.S. is helpless before OPEC's shakedown of the industrial economies. Quite to the contrary, so many techniques are available to diminish OPEC's monopoly control that the cartel's elite must consider us to be a nation of fools and weaklings for not having implemented them.

1. ADOPT A STRATEGY OF OIL PROLIFERATION

The approach that enjoys the most enthusiastic following on Capitol Hill among those who appreciate the need for—and relative technical ease of—disengaging from our waltz with OPEC is what William C. Lane, Jr., formerly on the staff of Sen. Frank Church's Subcommittee on Foreign Economic Policy, has called "a strategy of oil prolif-

eration." Lane points out in a privately circulated paper that there are twice as many oil wells in Kansas as in all of South America, three times as many in Arkansas as in all of Africa. He urges more exploration and development of oil and gas outside of OPEC.

The world "overhang" of oil—the difference between what can be produced and what actually is produced—is currently 20 percent of world production, or about 11 million barrels a day. According to S. Fred Singer, professor of environmental sciences at the University of Virginia, "an increase of overhang of only 4–5 million barrels a day may be enough to influence the cartel price. (Once certain cartel members find that they must cut back on their production [to maintain OPEC's posted price], they may be anxious to sell under the table at a reduced price.) The overhang can be raised by increased oil production anywhere in the world, and by greater conservation measures including also switching to other energy sources."

Several encouraging initiatives are already being pursued in the area of oil proliferation. Last year the World Bank, which previously had a policy against lending to less-developed countries [LDCs] for oil drilling, made a modest loan to India to finance wells in the Bombay High field. The World Bank is also now considering the possibility of encouraging legislation within LDCs that would be favorable to oil exploration; financing the assembly of additional information on potential oil resources in such countries; funding geological studies for foreign national oil companies to determine whether formations merit exploration; and financing additional study of untapped discoveries.

Sen. Daniel P. Moynihan intends to press for legislation that would direct the government to use all available tools, including the creation of special foreign-aid programs and the use of its dominant influence in the World Bank and regional banks, to expand world oil production. The bill would require the U.S. to diversify its sources of foreign oil by limiting the percentage of imports that could come from any one country.

There are many additional measures the U.S. could take to promote the proliferation of non-OPEC oil supplies, including:

Revoking all IRS rulings allowing foreign tax credits for OPEC oil. The U.S. Treasury continues to wink at what oil insiders call "the golden gimmick," a system of creative accounting under which OPEC governments dub the bulk of the price they charge for oil "income taxes." American oil companies are thus permitted not merely to deduct their payments for OPEC oil purchases from the total income on which U.S. taxes are levied, but to credit such payments dollar-for-dollar against their U.S. tax liability. These rulings were originally granted in the 1950s at the behest of the State Department as a means of channeling funds to bolster the Iranian and Saudi regimes without the need for Congressionally appropriated foreign aid. They force taxpayers to subsidize OPEC to the tune of $1 billion a year. Rep. Benjamin S. Rosenthal, Democrat of New York, has fought successfully for revocation of the tax credits for oil purchases from Saudi Arabia and Libya, only to find that the Treasury intends to allow the companies to apply enormous past credits against future purchases from those countries. Petroleum economist Paul Davidson, of Rutgers University, would go beyond rescinding the tax creditability of OPEC oil. He proposes that oil companies not even be allowed to deduct from their taxabe income "any payments to any members of a cartel who are deliberately using economic power and threats of embargo to extort income or wealth" from the U.S. He points out that to deny either tax credit or deduction treatment for bogus income tax payments to OPEC would induce the companies either to bargain for better terms from OPEC, or to reduce their purchases from cartel members and increase production elsewhere.

Expanding U.S. Export-Import Bank financing for exploration in non-OPEC countries. The bank now guarantees loans for the purchases of drilling equipment and pipe, but not for the payment of labor at the drilling site or other expenses.

Augmenting the U.S. Overseas Private Investment Corporation's program of insuring American oil exploration and development investments in non-OPEC countries against expropriation, now at a token level, while pressing non-OPEC governments to honor contracts with U.S. oil companies on which the security of their investments depends.

Reversing the U.S. Agency for International Development's policy against loans or grants for wildcat oil exploration.

Creating a special U.S. fund to finance non-OPEC oil exploration and development where economic and political risks are too high for private capital to assume.

Supporting the creation of a new international agency to provide technical and financial assistance to non-OPEC countries in developing their oil and gas resources, as has been advocated by Prof. Peter R. Odell of Erasmus University, the Netherlands.

Purchasing oil for U.S. military and other governmental needs through long-term contracts with non-OPEC suppliers, to encourage development efforts in those countries by guaranteeing a market for their oil.

Filling our anti-embargo Strategic Petroleum Reserve exclusively from non-OPEC sources submitting sealed bids. A spokesman for the Department of Energy told me that that agency has "no policy as to the countries from which the oil for the reserve is to be acquired." So far, under this policy of having no policy, much of the stockpile has come from such OPEC members as Venezuela, Saudi Arabia, and Iran.

Imposing a quota on oil imports, but exempting Mexico and Canada by creating a "North American free-trade zone" for hydrocarbons, as has been proposed by Dr. Arnold E. Safer, vice president for economic research and planning of New York's Irving Trust Company and one of the world's leading petroleum authorities.

2. SUPPORT A FUTURES MARKET IN PETROLEUM PRODUCTS

Trading in futures contracts for heating and fuel oil has been initiated by the New York Mercantile Exchange. If contracts for future delivery of oil products come to be traded actively, prices of gasoline and fuel oil will fall in a slack market. As the major oil companies saw the prices of their refining divisions' products declining, they would have no choice but to press OPEC to cut crude oil prices. There has been some question in the trade as to whether existing storage facilities are ample enough to meet the futures market's needs. The federal government could remove this reservation by building storage facilities for the exchange as part of the Strategic Petroleum Reserve, which traders would fill with oil products at no cost to the taxpayer. To prime the exchange's pump, all government procurement of oil products could be channeled through the market.

3. IMPLEMENT AN OIL IMPORT QUOTA AUCTION SYSTEM

M.I.T.'s M. A. Adelman, generally considered the foremost petroleum economist, regards breaking OPEC as both necessary and possible. He has proposed that the federal government estimate the number of barrels of imported oil needed each month, and print that number of import authorization tickets. "No barrel could be imported without a ticket," Professor Adelman explained to me. "The tickets would be sold at monthly auctions by sealed bids. If our import needs for the current month were under- or overestimated, the next month's printing of tickets could be adjusted accordingly.

"The tickets would have no scarcity value—only a small convenience value, since importers and exporters would need them to bring oil into the U.S.

"Secrecy would be achieved by letting anybody bid for the tickets, with no requirement except a certified check for the deposit. A lawyer or broker deposits a check for several dozen million dollars, without revealing whom he's acting for. There would be a second barrier to knowing who the real bidders are because there would be a resale market for the tickets. A given shipload of oil arriving here could be covered by tickets issued to various people at various times.

"Once even one government began paying more than a few cents for tickets bought covertly, every other OPEC member would be under the gun: either buy tickets or lose your whole market in the U.S. For instance, Libya, Indonesia, Venezuela, Algeria, and Nigeria sell us, respectively, 31, 36, 45, 72, and 49 percent of their production. They'd have to bid for tickets or face drastic sudden losses in income. If they tried to sell their oil elsewhere in the midst of the current world glut, the OPEC price would crumble.

"Also, cheating on price to get a bigger slice of the U.S. market would be very tempting to any OPEC country wanting extra revenue. To do this, they'd need to buy more tickets, and the competition among the OPEC cheaters and the OPEC countries struggling to maintain their U.S. market share would drive the price of tickets higher and higher.

"The revenues from the auctions would amount to rebates to the U.S. Treasury by OPEC countries for the privilege of access to the American market. The official price of OPEC oil might remain the same, but the real price paid by the U.S. economy would be reduced by the proceeds of ticket sales. These revenues could be refunded to all consumers, or used to subsidize low-income consumers, public transportation, or energy research and development."

4. ANNOUNCE A CONTINGENCY PLAN FOR SUPPLY DISRUPTION

As proposed by Arthur W. Wright, of the University of Massachusetts, this could include a commitment to allow oil prices to rise temporarily if necessary to clear the market, and a standby excess-profits levy, refundable to consumers, to tax away from oil companies any windfall profit received from a sudden temporary price rise. Announcement of such a plan, by making it known to OPEC that there will be no repeat of the 1973–74 consumer panic, would deter another pseudo-embargo.

5. INCREASE THE SIZE OF THE U.S. STOCKPILE

Prof. Robert S. Pindyck has pointed out that the planned one-billion-barrel Strategic Petroleum Reserve will hold only three months' supply of imported oil. A year's supply would be the best deterrent. The stockpile goal should be expanded to at least four billion barrels.

6. ACCELERATE THE CREATION OF THE STOCKPILE

The one-billion-barrel level is not scheduled to be reached until 1983. "They should fill that stockpile as fast as physically possible," Professor Adelman says, "and hang the expense."

LICENSE EXPORTS TO OPEC COUNTRIES

The federal government has statutory authority to license exports of U.S. goods when necessary for the national security. One way of strengthening our bargaining position with OPEC—as well as reducing the vested interest of exporters of heavy machinery, transport equipment, and construction services and high oil prices overseas—would be to require licenses for exports to oil-producing countries, as was recommended by the General Accounting Office in January, 1978. Fees for such licenses could vary from nominal to prohibitive according to the responsiveness of each country to U.S. energy needs.

The issue of *Business Week* dated August 28, 1978, featured a colloquy with Arthur Burns that has added to speculation as to the reason for his departure from the Federal Reserve chairmanship. "You would favor an effort to try to break the OPEC price?" he was asked. "Why, of course I would," Burns replied. "I was in favor of that in November, 1973, and urged that on Mr. Kissinger and later on Mr. Ford. I got a little group started working, but in the end nothing came of the effort, I'm sorry to say. . . . You can exert economic pressure by restricting certain exports that are essential to the economies of those countries. I felt that by holding up certain exports of machinery, planes, and military equipment something significant could be achieved."

8. DENY ARMS TO COUNTRIES THAT RAISE PRICES OR CUT PRODUCTION

John C. West, the U.S. Ambassador to Arabia, said that as a result of supplying the Saudis with our most sophisticated war planes "two things will follow automatically. We will keep an oil-price freeze through 1978, and Saudi Arabia will [remain] on the dollar basis indefinitely." It is astounding that all we could wring from the Saudis in exchange for supplying them with warplanes in the 1980s was a promise to hold the line on price for seven-and-a-half months in 1978. U.S. weapons are the most advanced in the world and OPEC countries covet them, blather about their taking their custom elsewhere notwithstanding. Arms sales to oil-producing countries should be contingent on their long-term performance in meeting U.S. energy needs.

9. LIMIT THE PRICE OF FOREIGN CRUDE OIL IN THE UNITED STATES

Under an ingenious plan proposed by Dr. Arnold E. Safer, the price at which oil could be imported into the U.S. would be set at an amount somewhat lower than the world price—say, $10. An "import price differential payment" representing the approximate difference between the set figure and the OPEC price of about $13 would be negotiated directly between the U.S. government and the individual oil-producing governments. The oil companies are now incapable of bargaining OPEC down because they compete with one another in appeasing its members in the hope of maintaining "preferred access" to each country's oil. If this plan were adopted, the companies would be removed from negotiations with producing countries over prices and be replaced by the U.S. government, which would be susceptible to voter pressure to keep the differentials the Treasury would pay as low as possibe. Such payments could be used further to dilute the cartel's cohesiveness by making them higher for those countries that agree to increase their oil production and lower for those that restrict it in an attempt to maintain OPEC's artificially high price.

10. RECTIFY DOMESTIC POLICIES

The mismatched mélange of domestic energy policies now in place amounts to a sort of Project Dependence, including a moronic "entitlements" program that pays refiners an incentive to import OPEC oil. An official from the Department of Energy, devoted more to the well-being of the country than to that of his agency, suggested to me, not altogether facetiously, that the most effective way of breaking OPEC would be to eliminate the Department of Energy. "Aside from OPEC there's no real energy problem," he said. "If OPEC were out of the picture there'd be no need for an energy department. We manage to get along without a steel department, after all. The existence of the DOE means that 17,000 hungry, cunning people in this town depend directly on OPEC for their livelihood."

This survey by no means exhausts the possible components of an international energy policy designed to diminish OPEC's power. The current Administration, however, consciously rejects any such strategies. In a recent article in *Bankers Monthly*, George W. McKinney, Jr., senior vice-president of Irving Trust Company, accuses the Carter Administration of "continued support of OPEC obligopoly pricing capabilities." Carter's transition economic task force specifically recommended the Adelman plan, noting that "a trial period is practically costless, and anything that would contribute to the permanent lowering of oil prices is to be welcomed." The plan was conspicuously absent from Carter's energy program.

The dramatic upward revision of estimates of Mexican reserves in 1978 would lead one to hope that the Administration would respond by using every economic and diplomatic lever at hand to encourage Mexico to become a major hydrocarbon supplier to its most natural customer. Instead, the Administration has refused to pay $2.60 per thousand-cubic-feet for Mexican natural gas, while agreeing to purchase liquefied natural gas from Algeria at $4.50. An article in the *Wall Street Journal* of July 5, 1978, by Lawrence Goldmuntz, president of Economics and Science Planning, Inc., formerly assistant director of civil technology in the Executive Office of the President, and an authority on Mexican oil, created widespread interest in Mexico's energy potential. The following month an Administration source was cited in another article in that newspaper as comparing Mexico's "breakneck expansion of oil sales to a derelict selling his blood in the morning to buy an afternoon bottle of wine," no doubt an example of the delicacy with which the Administration intends to cater to Mexico's sense of national pride in future energy negotiations. For the tone of Administration policy, hear Harry E. Bergold, Jr., Assistant Secretary of Energy for international affairs: "To the extent that the things we did in 1973 or 1974 aimed at attacking or breaking up the cartel, we have changed our policy. We're trying to let the key producers know we're prepared to work with them."

The Administration has been influenced to stay away from Mexico, Adelman, et al., by the State Department, whose old Arab hands fret that were we to put OPEC out of business, the result could be "destabilization" in the Persian Gulf—revolutionary takeover or invasion by neighbors. The countervailing view, that in the first place OPEC is destabilizing *our* societies (e.g., Italy), and in the second, escalating revenues are turning narrowly based oil-producing regimes into ever greater prizes for overthrow from within and incursion from without, is rejected out of hand, as is the fact that such ultraradical regimes as Libya and Iraq remain exceedingly anxious to sell their oil to us. Great weight is accorded the notion that Saudi Arabia, whose most recent change of government was effected by the assassination of the head of state while sitting on his throne and which feels compelled to maintain two separate armies—the mission of one of which is to guard the regime against the other—is a paragon of stability. The Arabists have the last word at State, and State has the last word on U.S. international energy policy.

The political support for the State Department's position comes from a coalition within the U.S. that benefits from high oil prices overseas: manufacturers of heavy machinery and transport equipment, who last year exported nearly $13 billion worth of goods to OPEC countries, five times as much as before the price rise in 1973 but less than half what we pay out for OPEC oil; international construction companies engaged by OPEC governments, which are undertaking projects like the petrochemical complex at Jubail, Saudi Arabia, the most expensive single building project in the history of civilization; banks that serve as depositories for more than $50 billion in OPEC surpluses and that have loaned OPEC governments more than $12 billion that can be repaid only if oil revenues remain high; oil companies, which see each OPEC price escalation as increasing the eventual value of their domestic reserves; weapons manufacturers that are selling to OPEC amounts of military matériel unprecedented in the annals of the arms trade; and a caravan of lawyers (e.g., Clark Clifford, J. William Fulbright) and publicists hired by OPEC governments to look after their interests at the petrodollar wellhead.

Outside of this coterie of direct beneficiaries of OPEC, there is no one among us whose life is not diminished by the economic, political, social, and moral dislocations caused by the foreign oil monopoly. That our institutions have failed to come to grips with this epochal issue is a challenge to those who recall that the founding of this nation was instigated by an unconscionable tax on a commodity not nearly so basic as petroleum is today. The time for rallying the constituency whose quiescence up till now so perplexed and disturbed my White House friend is ripe. There are men and women among our nation's energy policy makers who perceive that OPEC's monopoly exaction is a global tea tax, eroding the economic underpinnings of liberty worldwide. They can only move if the most farseeing of their countrymen make it known that they are with them. To dump a shipload of Libyan oil in Boston Harbor would make the point nicely but the environmental impact would be lamentable. More circumspect avenues of expression must be pursued if the industrial and developing worlds are not to languish, needlessly, in subjection to petrocratic tyranny.●

SOME IMPRESSIONS OF THE 95TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from November 1, 1978, into the CONGRESSIONAL RECORD:

SOME IMPRESSIONS OF THE 95TH CONGRESS

The 95th Congress has come to an end, but several impressions of it will remain strong in my mind.

The strongest impression (which I may have because I write these lines after 31 hours of continuous floor action) is that the 95th Congress worked at a frantic pace, particularly in the last few months of the session. As the moment of adjournment approached, weary Congressmen voted on scores of major bills within a few hours. The House finished up with a record of 534 roll call votes, more than in any previous session. Some turmoil at the end of the session is unavoidable, but it is not good legislative practice to schedule a "log jam" of bills just before Congress goes out. It is apparent to me that the volume of business in Congress

has simply become too great. There are too many agencies to oversee, too many programs to reauthorize, too many projects to study, and too many proposals to consider. In the years ahead Congress is going to have to learn the lesson of restraint when it debates proposed legislation.

My second impression is that the President finished the session with a much better record of congressional support than I had thought possible just a few months ago. The President had his notable failures, but his overall score card was good. One thing of interest to me was the support the President received from the Republican minority in Congress. On several occasions the Republicans conspicuously stepped forward to help him, especially when it came to foreign policy. During the year the President and his aides learned a great deal about Congress and the methods to be used to win over skeptical legislators.

The President took firm stands in foreign affairs and defense policy and pushed his views very hard on Capitol Hill. The Senate ratified the Panama Canal treaties and the Congress approved the proposed sale of airplanes to Egypt, Israel, and Saudi Arabia. In other developments, the arms embargo against Turkey was lifted and the veto of the nuclear-powered aircraft carrier was upheld. The President suffered scarcely a single major setback in these important legislative areas.

On the domestic side, the President's record was mixed. He secured passage of civil service reform, airline deregulation, and much of his economic program. He won approval for social security reform, a college student aid package, and a wide-ranging farm bill. Virtually all of his executive reorganization plans were accepted and his veto of inflationary water projects was sustained. With respect to the two most critical bills of the session—energy and taxes—the final products were adequate for him even though they differed substantially from his initial recommendations. His taxes on crude oil and on business use of natural gas and oil were dropped from the energy bill, but the other parts of the proposal survived. His tax reform measures and his attempt to maintain the capital gains tax rate were voted down, but the size of the final tax cut ($20 billion) was satisfactory to him. However, the President failed to convince Congress to follow his lead on hospital cost control, welfare reform, a new Department of Education, a new agency for consumer protection, and various election reforms.

The 95th Congress has already been dubbed the "middle-class Congress" by the press. This, too, was my impression. The problems of the middle class clearly overshadowed the social issues that have dominated the congressional agenda for so many years. For example, the tax bill departed from recent tradition by giving most of the benefits to middle and upper income taxpayers. Congress also reined in government spending, slashed the federal deficit, and supported large outlays for defense. A conscientious attempt to respond to the tax revolt, rising inflation, and the new wave of fiscal restraint lay behind much of the activity of the 95th Congress.

In the constant give-and-take between labor and business, labor came in second. Labor lost not only on its top priority—the labor law reform bill—but also on a common situs picketing bill, a cargo preference bill to help the maritime unions, and a bill to permit government workers to participate in partisan politics. Labor did get a minimum wage increase, but the increase was not as large as labor wanted. Business, on the other hand, succeeded more often. It won new tax incentives to encourage investment, postponed stricter automobile emission standards, slowed the onslaught of government regulations, and helped bring about a reduction in the number of public service jobs.

Environmentalists were generally pleased with the work of the 95th Congress. They favored the strip mining law, the expansion of national parks, and the elimination of unnecessary water projects. However, they were deeply disappointed in the failure of Congress to set aside 100 million acres of parkland in Alaska.●

INTELLIGENCE FAILURE—S. 2525

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. McCLORY. Mr. Speaker, in the proposed legislation to establish charters for the various intelligence agencies of our Nation, and particularly in the measure titled "The Intelligence Reorganization and Reform Act" (S. 2525) the potential for further damage to our intelligence capabilities should not be minimized.

A recent editorial in the Wall Street Journal issue of January 18, 1979, criticized the performance of the so-called Pike and Church committees of the last Congress. As the ranking minority member of the Pike committee, I agree that this criticism is fully justified. However, the time for inflicting damage on our intelligence agencies by legislation or hearings must come to a halt as we work to rebuild confidence in the support for these vital agencies of our Nation which are so essential to our national security.

Mr. Speaker, I am attaching hereto the Wall Street Journal editorial for the further enlightenment of my colleagues.

INTELLIGENCE FAILURE S. 2525

It sometimes happens that events bypass proposed legislation before it can be enacted into law. Something like this seems to have happened to S. 2525, the Intelligence Reorganization and Reform Act reported out of the Senate Select Committee on Intelligence, a new committee created in 1977. This bill, designed to protect our civil liberties against the "invisible empire" of an omniscient CIA, is the committee's response to public fears and images of wrong-doing created back in 1976 by the accusatory hearings of the Church committee, the Select Committee's predecessor.

The committee has been busy these years fine-tuning the bill in search of an appropriate mix between civil liberties and the Attorney General's prerogatives on "intelligence intrusion." And now Vice President Mondale and the American Civil Liberties Union are completing their negotiations over which circumstances permit what information to be collected in which way on which individuals, thus permitting the committee to mark up the bill for presentation to the Senate.

In the meanwhile the public has been learning of a long string of intelligence failures, of which the unanticipated collapse of the shah's position in Iran is the latest, and is wondering why the CIA's intelligence is so far off the mark. The public's concern has shifted from fear that the agency's activities will pre-empt civil liberties to fear that the agency lacks competence.

The time spent fine-tuning the bill has served a purpose. It has permitted more important facts about the nation's intelligence capabilities, or lack thereof, to come out before Congress could pass a bill and claim to have disposed of the intelligence problem.

That an analysis of Soviet open-source material by a single outside researcher could force the CIA to double its estimate of Soviet military spending; that the CIA could grossly underestimate the size, scope and purpose of the Soviet strategic buildup; that the CIA could not perceive the brewing instability in Iran—these enormous intelligence failures are what concern the American public today. The Intelligence Committee's bill does not address this concern. Indeed, to this day the committee has never held hearings on the fundamental issues of what intelligence does the U.S. need and how is the U.S. to acquire it.

The hearings sponsored by the Pike and Church committees were themselves intelligence failures. These circus-like performances bequeathed a one-sided concern to their successor committees, a concern that has prohibited them from dealing with the real intelligence problem.

Today the credibility of the U.S. is strained, both with its allies and its enemies. We cannot afford any more extravagant misperceptions. There will always be intelligence failures, but the goal should be to minimize them. Before the Senate passes a bill reflecting outmoded concerns, it ought to investigate the requirements of an effective intelligence service. Perhaps some hearings in this direction would be an appropriate new venture for the Select Committee on Intelligence.●

TOP NAVY RECRUITERS HOSTED ON CAPITOL HILL

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PRICE. Mr. Speaker, it was indeed a pleasure for me to co-host with the Non Commissioned Officers Association of the USA (NCOA) a tour of the Capitol and a reception and luncheon on January 24, for the Navy's top recruiters of 1978.

The reception and luncheon were held in the Rayburn House Office Building with 59 guests present. Attending were Senators STROM THURMOND and JOHN WARNER, and Congressman BILL FRENZEL.

Sending representatives were Senators ROBERT MORGAN and HARRISON WILLIAMS, and Congressmen WILLIAM CHAPPELL, MENDEL DAVIS, DAVID E. SATTERFIELD, and BOB WILSON.

Other guests were: Rear Adm. Thomas Kilcline, the Navy's Chief of Legislative Affairs, representing the Chief of Naval Operations; Rear Adm. E. S. Briggs, Commander, Navy Recruiting Command; Master Chief Petty Officer of the Navy Robert Walker; Master Chief Petty Officer of the Navy Recruiting Command Charles Jackson; Fred Schwengel, former Member of Congress from Iowa and now president, U.S. Capitol Historical Society; Mr. Robert W. Nolan, Executive Secretary, Fleet Reserve Association; and representatives of the Navy League of U.S., Naval Reserve Association, Navy Office of Legislative Affairs, and Navy Recruiting Command.

NCOA's executive vice president Normand M. Gonsauls presented specially prepared certificates of achievement to the recruiters honored. He thanked each for their contribution to the Navy's effort in attracting qualified men and women to the U.S. Navy. Assisting Mr. Gonsauls were Admiral Briggs and Master Chief Jackson.

Receiving certificates were: SMC Paul P. Covington, top enlisted recruiter from the Newark, N.J. recruiting district who was meritoriously promoted on Monday, January 22, to his present grade; BM1 Rufus L. Gibbs from Columbia, S.C. district; AG1 Michael J. Nelson, Minneapolis, Minn., district; TM1 Walter D. Trahan, Houston, Tex. district, NC1 James M. Eller, II, Pittsburgh, Pa. district, and RM1 Darrell R. Lanterman, Los Angeles, Calif. district.

Top recruiting officers, also receiving NCOA certificates, were: Lt. Cmdr. William H. Starnes, Raleigh, N.C. district, holding first place title in the officer category; Lt. Cmdr. Matthew D. Larson, Minneapolis, Minn. district; Lt. Charles J. Benway, New York, N.Y.; Lt. Thomas D. Snyder, Richmond, Va.; Lt. John E. Chalker, San Diego, Calif.; and Lt. John Robert Purket, New Orleans, La.

Honorary Navy Recruiter certificates were presented by Admiral Briggs to Messrs. Schwengel and Gonsauls. Gonsauls in turn gave "top recruiter" certificates to Briggs and Master Chief Jackson.

Also recognized were the wives of the top recruiters and the attending officers and enlisted men of the first place and runner-up recruiting districts for 1978. The Washington, D.C., area won first honors with San Diego and Jacksonville, Fla., as first and second runners-up respectively.

Earlier in the day, recruiters and their wives were treated to a tour of the U.S. Capitol. Acting as guide was our former colleague, Fred Schwengel, probably the most knowledgeable person today familiar with the building's history.

Acting as special hosts for the reception and luncheon were: "Mack" McKinney, master of ceremonies; R. W. (Dick) Johnson, Jr.; and John R. Butz; of the National Capitol Office; and Lt. Cmdr. Cecilia Brown USN and Lt. Andrea Nelson USN of the Navy's Congressional Liaison and Recruiting Command respectively.●

THE PHIL PORTNOY ASSOCIATION

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. RINALDO. Mr. Speaker, I wish to bring to the attention of the Members of this House the important public services performed by the private sector. The citizens of the United States are the backbone of our communities and of the many nonprofit, voluntary organizations that provide needed assistance in many different ways.

In my hometown of Union, N.J., the Phil Portnoy Association annually recognizes an outstanding member of the community for the public services he or she has performed. The association's humanitarian award and dinner this year also will assist a hospitalized veteran, Mr. Bob Baxter, a much admired and highly respected member of the community. For many years, until a tragic accident, Mr. Baxter was a photographer for the Union Leader, the community newspaper.

The Phil Portnoy Association's award this year will honor Mrs. Genevieve Pascale DiVenuto of Union, whose personal contributions to the community have been carried out over a period of 37 years, beginning with her volunteer service to the Nation in the World War II bond drive. The war bond sales played a significant role in helping the United States sustain our troops in Europe and the Pacific.

During that same wartime period, Mrs. DiVenuto joined many other young women as a staff worker for the USO, where she helped to rehabilitate our servicemen injured in combat.

In the postwar years, she became active in a day nursery program and in serving as the Union County, N.J., chairman of the March of Dimes. She also found time to serve as chairwoman of the Union Community Bloodmobile for the American Red Cross, and has been a leader in the Red Cross for many years.

Those of us who recall the scourge of polio during those years recognize that the work of volunteers like Mrs. DiVenuto helped to raise the funds to conquer polio.

Even after the breakthrough in the Salk vaccine had been achieved, Mrs. DiVenuto continued to direct the March of Dimes drive in Union County to help the victims of polio and to sustain the research into other childhood diseases that the March of Dimes took an interest in.

During the period of the sixties, Mrs. DiVenuto also became involved in promoting the cultural and historic aspects of community life through the Union Township Historical Society and the Union Township Symphony Concert Association.

These efforts also led Mrs. DiVenuto into new challenges in the business world. She was the charter president of the Women's Division of the Chamber of Commerce of Eastern Union County. The Union Township Chamber of Commerce selected her as Citizen of the Year in 1970, and she was the first woman to become the chairman of the Eastern Union County Chapter of the American Red Cross.

In the next few years, her many endeavors were further recognized by the Union Chapter of UNICO, which selected her as "Citizen of the Year."

Mrs. DiVenuto's compassion and sensitivity to the needs of the poor brought about her appointment to the Local Assistance Board of Union Township, and in 1978 she was appointed charter member of the Board of Directors of the Alcohol Intervention of Union County.

Mr. Speaker, this is an individual who has given her all to help the victims of accidents, injury, and other medical necessities.

She is truly a remarkable and outstanding woman whose service to the community and to our Nation is being recognized by the Phil Portnoy Association. I join the members of the association and the citizens of Union County, N.J., in paying tribute to this outstanding American woman.●

WILLIAM YANDELL ELLIOTT

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ZABLOCKI. Mr. Speaker, a distinguished former member of the Committee on Foreign Affairs, Ambassador John Davis Lodge, has written me about the recent death of Prof. William Yandell Elliott of Harvard. Aside from his academic attainments, Professor Elliott also served as Chief of Staff of the Foreign Affairs Committee in 1947–48.

While I did not know Mr. Elliott well, I am aware of his reputation as a scholar, a teacher, and an outstanding public servant. On behalf of all of the members of the Committee on International Relations, I wish to take this opportunity to extend my deepest sympathy to members of Mr. Elliott's family.

Mr. Speaker, I include in the RECORD at this point a eulogy about the life and career of William Yandell Elliott, which was composed by his close friend and admirer, Ambassador Lodge. The statement follows:

WILLIAM YANDELL ELLIOTT

The departure from our earthly scene of William Yandell Elliott removes a brilliant, constructive patriotic American at a time when his remarkable intellect, his alert understanding of the world scene and his irrepressible courage are sorely needed.

I knew him well, for he directed the staff of the Foreign Affairs Committee of the House of Representatives when I was a member. We had an excellent staff, small and of top calibre. It was a luxury to have as the chief of staff a professor of such recognized distinction as Bill Elliott. His credentials were such that he was able year after year to ride out the criticism for his vigorously anti-communist stance which he received at Harvard.

His assistance and wise counsel were greatly appreciated by the members of the Foreign Affairs Committee and in particular by me, for we had a stimulating meeting of minds which is rare in this turbulent world of dissension and strife.

He influenced many students, some of whom afterwards reached high positions. He prodded and provoked even those who disagreed with him to greater effort and superior accomplishment. He did not, as some do, confuse breadth of mind with a failure to hold convictions. He thought of the University not so much as an opportunity for the faculty to search for the truth, but rather as an institution for the development of the minds and the formation of the characters of the students.

He held to his beliefs, not out of a stubborn inability to face the facts, but rather because having faced the facts, he fell inexorably upon the truth.

He will be missed. Today, in 1979, with the cold war an almost nostalgic memory, as the world is put to the fire and the sword, it is sad that Bill Elliott is not here to help us. He knew the enemy, his methods and his goals. He understood in all its terrible significance the dreadful challenge of our time.●

DECLINE IN FOREIGN LANGUAGE STUDY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PANETTA. Mr. Speaker, I call to the serious attention of my colleagues the following editorial which appeared in the Los Angeles Times on January 18, 1979. The editorial addresses a very significant issue in American education: The continuing decline of foreign language study at all levels in our school system.

As a member of the President's Commission on Foreign Language and International Studies, I have become increasingly concerned about the trend away from foreign language study in the United States. And because the study of a foreign language should properly be viewed as a tool toward better understanding of other cultures, the concern I have goes well beyond foreign language study itself. The main issue is not really whether Americans have the technical ability to communicate effectively in another language (right now, of course, far too many do not); the main issue in my mind concerns a more fundamental question: To what extent are Americans today able to understand the world in which we live?

Recent events in Iran, to take an obvious example, suggest to me a number of propositions: First, that events in far away countries have a profound effect on our own society; second, that Americans, both within and outside the Government, were totally unprepared to appreciate the compelling attraction which tradition and religion can have in societies which move too rapidly toward modernization; third, that we are far too often culture-bound in our assessment of world events; fourth, that this ignorance (almost a blindness, really) points up dramatically and frighteningly our present shortcomings in dealing effectively with a changing world.

America today faces difficult decisions in a world environment which essentially invalidates the crusty and simplistic assumptions which were so popular only a few short years ago. America today must learn to meet the challenge of a world in which there are few, if any, verities remaining, a world facing a population crunch, an energy shortfall, a food crisis, and a major military and political competition between two rival social orders. In this context, it is absolutely inexcusable for America to fail to educate its population, especially its youth, about the complexities of this world environment. Our survival demands a concerted effort on the part of every American to learn about the world, and Government has the responsibility to give every American an incentive to do so.

Before reading the editorial, let me leave you with the following thought: Given the inadequacy of present programs in foreign language and international studies, will it be possible for our Nation to discover and follow a path which best meets the needs of our Nation in a world which will be dominated by the debate between the North and the South over a world economic order which is not working well for either party. Because policy decisions in democratic society are inextricably linked to domestic political considerations, is not it then in the national interest to insure that our population, the electorate and the future leaders of our society, are sensitized to the problems of the world? Absent this sensitivity, finding the proper course for our Nation will become a very difficult matter indeed.

The editorial from the Los Angeles Times follows:

ETUDIEZ, S'IL VOUS PLAIT

Next to Mandarin, English is the single most widely spoken language in the world. It is the primary tongue of more than 370 million people, the second language of millions more. English has long since supplanted French as the international language of travel, commerce and diplomacy. That's an honor of sorts, we suppose, but it is one not without cost.

Our guess is that the fairly large numbers of English speakers in the world, combined with the immense international importance of our own country, is one reason for the sad state of foreign-langauge studies in the schools. A sort of unconscious linguistic imperialism seems to be at work. Why bother learning foreign languages when so many foreigners already speak ours? And, if they don't speak ours, then they damn well better learn to do so, or we'll take our tourism and our business elsewhere.

The larger and more demonstrable reasons for the decline in foreign-language studies are also the more obvious ones: the lack of student interest in them; the all-too-eager willingness of school boards to reduce or drop language requirements as an economy measure; the general softening of college admission and graduation standards so that a certain number of years of language study no longer are demanded.

Today, only 15 percent of all high-school students study a modern language. Fewer than 2 percent of that minority ever carry their studies to the third year. Only 1 percent of high-school students make any effort to learn Latin, a useful if not essential aid in learning modern languages. By contrast about 36 percent of secondary-school students were enrolled in foreign-language study programs in 1940.

Learning a language—any language—is hard. The limited proficiency with which so many "educated" Americans speak and write their own language helps illustrate the point. Yet we know of no credible evidence suggesting that Americans are inherently any more stupid than anyone else, at least when it comes to learning languages. People who have to learn a new language—in the military or government or private business—often are remarkably successful at doing so. One big reason, of course, is motivation. A second reason is that, under the spur of necessity, virtually full time can be devoted to foreign-language study. Such immersion is not practical in the normal schooling process.

Yet, if motivation cannot be assured among students, or lengthy time spared from other educational needs in the schools, at least some degree of exposure to foreign-language study can be required, and the earlier the age for beginning that the better.

A decade or so ago, the impression gained ground that foreign-language study isn't "relevant," which among other things meant that it isn't easy. True. But easy or not, it is rewarding, useful and, increasingly in a shrinking world, necessary, and the nation's schools and colleges would be better serving their educational purposes if they once again began insisting that students spend some time studying the languages that most of the rest of the world gets by in.●

THE CIVIL DEFENSE SHELL GAME

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. McDONALD. Mr. Speaker, up until very recently civil defense was not considered to be important in the scheme of things. Over the years, the U.S.S.R., increment by increment, has built up its civil defense system, until it is a huge effort. Arguments rage about its effectiveness, but its effectiveness will only be known after a war starts. What is important is how the Soviet rulers perceive the effectiveness of their system in the overall strategic equation. If the Soviet rulers feel that their present system will enable the Soviet Union to absorb a nuclear exchange with the United States and be able to go on fighting, then, obviously, strategic planning in the U.S.S.R. will take this factor into account. The Soviet system is designed to have people and factories survive. American planning is simply based upon the thought that "nuclear war is unthinkable" and if it occurs no one can win it. However, if our planners are wrong, there will be no loving cup for second place.

Leon Goure, a long-time authority on Soviet civil defense efforts, wrote an editorial that appeared in Strategic Review for Winter 1979 entitled: "The Civil Defense Shell Game," which I think addresses the problem we face in a succinct manner. I commend it to the attention of my colleagues:

THE CIVIL DEFENSE SHELL GAME

On November 13, White House Press Secretary Jody Powell announced that the President had decided to strengthen the U.S. civil defense program by developing plans over the next five years for the "relocation of population during time of crisis." This decision was said to be the result of a year-long interagency study, directed by the National Security Council, of U.S. civil defense policies and programs. The study also took into account the "civil defense efforts of the Soviet Union, among other factors."

On the basis of the recommendations of this study, Powell said, the President had decided upon a civil defense program "which basically states that civil defense is an element of the strategic balance in conjunction with our offensive and defensive forces and can serve to enhance deterrence and stability." On the surface, this decision appears to reverse earlier reported views of Secretary of Defense Harold Brown and the then Director of the Arms Control and Disarmament Agency (ACDA), Paul Warnke, who had argued that the Soviet civil defense capabilities—and consequently also U.S. civil defense—did not affect the U.S.-Soviet strategic balance and the effectiveness and credibility of the U.S. deterrence posture.

Indeed, the Presidential decision, as reflected by Powell, seemsd to hark back to the warnings that former Secretary of Defense Donald Rumsfeld sounded in the *Defense Department Annual Report*, published on January 17, 1977. In it Rumsfeld took note

of the "magnitude of Soviet civil defense efforts" and warned that this capability, when "coupled with high accuracy and more reliable missiles, could adversely affect our ability to implement the U.S. deterrence strategy." Rumsfeld foresaw the possibility that a Soviet first strike "could conceivably eliminate most of the fixed U.S. ICBM forces, all the non-alert bombers (and perhaps even some on the alert), and all of the SLBMs in port" so that the "U.S. second-strike retaliatory forces would have a much lower damage expectancy," while "Soviet damage expectancy against the U.S., by contrast, would remain almost constant."

An implication of such an asymmetry was cited in a letter, also in January 1977, from the Chairman of the Joint Chiefs of Staff, General George S. Brown, to Senator William Proxmire, in which he noted that in a "worst case scenario a fatality ratio of 10 to 1 [U.S. as against Soviet fatalities] might occur." At the present time, it is estimated that a massive Soviet first strike could inflict on the unprotected American populace something on the order of 140 million fatalities. With the continuing build-up of Soviet strategic capabilities, this number may climb to 160 million by 1985. Meanwhile, Secretary Brown has acknowledged the existence of a growing threat to the survival of U.S. ICBMs.

The timing of the Administration's announcement of an enhanced civil defense program, which Powell described as providing for "an increase in the number of surviving members of the population and for greater continuity of government, should deterrence fail," inevitably led to speculation that it is primarily intended to influence Congressional attitudes toward the ratification of a soon-to-be-concluded SALT II Agreement. The Administration has denied these allegations. Yet, if the Administration is as serious about launching a new long-term civil defense program as it claims to be, it has been remarkably inept in making a case for the plan.

First of all, the Administration had weakened its arguments in favor of the program by publishing in July a CIA report on Soviet civil defense, which purported to represent the findings and conclusions of a crash effort by the intelligence community to assess the scope and implications of the Soviet civil defense program. Actually the study was based on a small sample of Soviet cities. Moreover, because of bureaucratic in-fighting, the intelligence analysts were forced to make use of a mere portion of the available evidence and to agree to a report which was intended to preclude "alarmist" findings. As a result, the report makes sweeping but unsubstantiated conclusions which were favored by the ACDA and State Department representatives on the Drafting Committee.

As published, the report not only seriously underestimates Soviet civil defense capabilities, but is rife with obvious contradictions and inconsistencies. Thus, the report found that "the Soviets almost certainly believe their present civil defense would improve their ability to conduct military operations and would enhance the U.S.S.R.'s chances for survival following a nuclear exchange," as well as "speed recovery from the effects of a nuclear war," and that given time to implement its civil defense measures in a crisis, the Soviet Union "could reduce casualties to the low tens of millions, about half of which would be fatalities." At the same time, however, the report concludes that the Soviet leadership "cannot have confidence" in the degree of protection provided by civil defense and therefore would not be emboldened by it "deliberately" to risk a nuclear war. Various critics of a stronger U.S. defense posture have been quick to cite these conclusions in support of their arguments that the United States does not need to improve its civil defense capability.

The way in which the Administration's announcement was presented also fueled skepticism—as well as suspicions that the proposed program may represent more a palliative intended to dispose of the civil defense issue than a real effort to develop a meaningful capability. While announcing that the program would emphasize crisis relocation of the urban population, the Administration appeared unprepared to describe the elements and basic requirements to be included in the program and the levels of expenditures that were being contemplated. In the absence of such information, the proposed program lacks credibility and, as could be expected, led many commentators to express doubts about the feasibility of implementing the plan in a crisis. For example, Mr. Warnke immediately added expertise in traffic control to his law and arms control credentials by claiming that the proposed plan would merely result in an insoluble traffic jam.

In fact, the Administration, having embraced crisis relocation as a civil defense program, has a choice between a mere planning exercise, which at best might reduce U.S. fatalities by some 40 per cent in the event of a war, and a more comprehensive program that would include preparations for fallout protection for the evacuated population and other important survival measures to hold out a reasonable hope for the survival of 80 per cent or more of the American people in the event of a nuclear attack. The crisis relocation program which had been prepared for consideration by the Secretary of Defense envisaged such measures at an approximate total expenditure over five years of a little under $2 billion in current dollars, or at an average annual cost of some $1.70 per capita.

In his November 30 press conference, however, President Carter said that "press reports about a $2 billion civil defense program have been completely erroneous," and asserted that "no proposal has ever been made to me for a civil defense program of that magnitude." One may wonder what sort of program had been proposed to the President that would meet the strategic objectives cited by Powell. Apparently, having announced the new civil defense program, the Administration has yet to decide what sort of program it is willing to buy. According to Powell, the Administration is thinking about a "moderate increase" in the civil defense budget, which in the past year amounted to some $92 million, of which 70 per cent went for salaries. "We are talking about a plan here" said Powell on November 13 and "final decisions will have to be made in the budget-making process each year." Such an approach does not augur well for a sustained five-year effort, during which the Office of Management and Budget will decide in large measure how much to spend on war survival insurance for the American people.

Given the President's reaction to press reports of a $2 billion five-year program (the CIA report estimated that it would cost the United States $2 billion *per year* to duplicate the annual Soviet level of effort in civil defense), one is led to suspect that the Administration has in mind a "paper" program for crisis relocation rather than the development of a real capability to ensure the survival of the largest possible number of American citizens. Should this be the case, the proposed program will not make an effective contribution to the maintenance of the strategic balance, nor will it "enhance deterrence and stability." Rather, it will merely perpetuate the existing and still growing asymmetry between the United States and the Soviet Union in war survival capabilities.—Leon Gouré.●

MOST VIETNAM VETERANS HAVE MADE SUCCESSFUL TRANSITION TO CIVILIAN LIFE

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ROBERTS. Mr. Speaker, a veteran of the Vietnam era is entitled to the same veteran's rights and benefits as veterans of all wars. Many have complained that Vietnam-era veterans are not receiving adequate educational benefits and assistance as compared to veterans of previous wars. This statement does not stand up under close scrutiny. To the contrary, it is generally agreed that veterans of the Vietnam-era conflict are receiving comparable assistance under the present GI bill as was provided veterans of previous wars.

It is pleasing to note that there are more and more news stories appearing in the press which recognize that the majority of Vietnam-era veterans have taken advantage of the benefits Congress has made available for them and have made a successful transition from military to civil life. In this regard, I call to your attention an article entitled "Vietnam Veterans," dated January 10, 1979, which appeared in the Brainerd Daily Dispatch, Brainerd, Minn.

VIETNAM VETS

Vietnam era veterans, who participated in an unpopular war, may feel betrayed, but they don't fit the negative perception many people have of them. The average Vietnam veteran has taken advantage of federal education, is married and has a better income than many in his age group.

Many Americans who have wanted to forget Vietnam and the veterans of that period are still inclined to lump them as drug-crazed killers, dopers or prison inmates. William Kroger, writing in the December Nation's Business, however, gives a different picture entirely. Most Vietnam veterans have made a successful transition to civilian life.

There are 8,734,000 living veterans from the Vietnam era and 2.6 million actually served in Vietnam. About 80 percent of them had completed high school, making them the best educated veterans in history. And 64 percent of them have used the GI Bill for further education since they left the service.

The Veterans Administration reports the median income for a Vietnam veteran and his family in 1976 was $15,790 compared to $14,620 for comparable nonveterans. Loans for the purchase of homes have been made to 1.8 million veterans. Other statistics show they are productive and involved in society.

The Vietnam era also was a time of the civil rights movement, hippies, increasing unemployment and slow economic growth. The war divided families and inspired all kinds of demonstrations, particularly on college campuses.

Television and movies helped depict the Vietnam veteran as addicted to drugs and with deep psychological problems. Studies show that dependence on narcotics among men who served in Southeast Asia from 1970 to 1972 was no greater than for nonveterans in the same age group. A White House study estimates 20 percent of the Vietnam veterans still face readjustment problems. Alcohol abuse is a greater problem than drug abuse.

Society as a whole is to blame for how it

has treated the Vietnam veteran, says Dr. Peter E. M. Beach, director of veterans affairs for the Department of Health, Education and Welfare. "Society wants to sweep that whole era under the rug. It cannot look objectively at Vietnam and it will be many more years before it can."●

H.R. 80—FAIR TREATMENT FOR DAIRY FARMERS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. OBEY. Mr. Speaker, the first bill I have introduced in the 96th Congress is H.R. 80, a bill to extend the 80 percent minimum price support level for milk for 2 more years and continue the semiannual adjustments for inflation through September 30, 1981.

Under current law, the minimum support price for milk is scheduled to drop from 80 percent of parity to 75 percent on October 1, 1979. The milk price support level is set annually by the Secretary of Agriculture to assure an adequate supply of milk for consumers and an income level for dairy farmers that will allow them to continue to produce sufficient quantities of milk to meet anticipated demand. Although there is no indication at this time what Secretary Bergland will decide to do this year, it is clear that unless Congress acts to extend the existing provision for 80 percent of parity as the lowest support level the Secretary may set, there will be pressure on him to drop the support price to 75 percent. And that would be not only unfair to dairy farmers, but also potentially disastrous for the Nation's dairy industry.

The most practical policy goal for the dairy industry at this time should be to prevent a return of the "boom-bust" cycle that could wipe out recent modest gains dairy farmers have made and cripple efforts to stabilize the farm economy in States like Wisconsin as well as other rural areas throughout the country. For the past 2 years, the dairy price support program has been working to improve the income level for dairy farmers at the same time it has provided an adequate supply of milk at reasonable prices for consumers. The most encouraging aspect of this situation has been that the fears of those who were opposed to a higher support price for milk have not been realized. Dairy farmers did not glut the market with huge increases in milk production. The Federal Government did not have to continue to buy up and store enormous amounts of surplus dairy products at a heavy cost to taxpayers.

In fact, milk production has actually declined slightly as a result of the improved price support program and other factors. In fact, Government purchases of butter and cheese actually ceased last summer and small amounts were sold back to the industry in the fall at a price 10 percent above the original cost to the Federal Treasury. During the milk marketing year ending September 30, 1978, dairy surplus purchases were 54 percent less than the amounts brought up the previous year.

In fact, since last summer, favorable market conditions have boosted milk prices to about 5 percent above the support price, making it unnecessary for the Government to purchase manufactured dairy products in order to maintain an adequate market for milk.

But forecasters predict at least a seasonal decline in milk prices in early 1979, and of course, inflation may continue to erode whatever small gains dairy farmers have made recently.

The legislation I have introduced will have no appreciable effect on the price consumers now pay for their dairy products, since milk prices are above the support level. But it will serve as a badly needed insurance policy for dairy farmers so they can plan to meet future needs without worrying that they will have the rug pulled out from under them just because they are a political minority in this country.

The milk price support program does not guarantee a dairy farmer any more profit for his efforts. But it can work to insure that a farmer will not lose everything if the market drops sharply.

Mr. Speaker, I am very pleased that Congressmen AL BALDUS, ROBERT KASTENMEIER, LES ASPIN, CLEM ZABLOCKI, and JIM JEFFORDS joined me in cosponsoring H.R. 80. We want to continue to hold the bottom line on milk price supports at a decent level and urge other Members of the House to join us in this effort.●

QUIET EVOLUTION OF SRI LANKA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. YATRON. Mr. Speaker, in a day when we are constantly bombarded with news of international rivalries, tensions and violence, economic hardships and social conflict, peace, relative prosperity and harmony easily can escape our notice. Disorder seems to be the order of the day in many countries around the world and commands public attention.

One exception which I would like to bring to the attention of our colleagues today is the country of Sri Lanka. The fact that many people still know Sri Lanka as Ceylon is convincing testimony to that nation's quiet evolution as the gemstone of the Indian Ocean.

On February 4, Sri Lanka will mark the 31st anniversary of its independence from Great Britain. That same day will conclude the first year in office of His Excellency J. R. Jayewardene, the country's first Executive President.

The people of Sri Lanka will have good reason to celebrate. Their country is a stable, functioning democracy, a rarity in today's world in which we can all take heart. Because of that stability and dedication to representative government, the Sri Lankan experience has received little attention in the American national media.

Their economy continues to gain strength and the government is taking steps to further liberalize the economic system.

Respect for human freedom is a fundamental and practical commitment in Sri Lanka.

In the international system, Sri Lanka has provided positive leadership as a member of the movement of nonalined nations. The country often has been the voice of moderation, seeking compromise rather than confrontation in promoting nonalined interests.

Mr. Speaker, I am pleased to commend to the attention of our colleagues the example of Sri Lanka, whose people will celebrate their independence on February 4. They deserve the recognition, not only of this great body, but of the entire international community as well.●

CIVIL LIBERTIES IN LITHUANIA

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DONNELLY. Mr. Speaker, 6 months have passed since the trial, conviction, and sentencing the Lithuanian dissident Viktoras Petkus, and nearly a year has gone by since fellow Lithuanian, Balas Gajauskas' arrest and sentencing.

Under the illusion of an open trial these brave men were sentenced to terms of 15 and 10 years, respectively. Mr. Petkus was called to task for his involvement with the Lithuanian group to monitor the Helsinki accords. Mr. Gajauskas' sentence centered on the charge that he had managed funds for Alexandr Solzhenitsyn for the support of Soviet dissident activities. Such flagrant exhibitions of callous disregard for both the judicial process and human rights have even incurred the condemnation of the Communist Parties of Italy and France.

Soviet repression extends not only to the individual right to dissent but also to the squelching of all religious influence in a state which professes unfettered freedom of religion. The vast majority of the Lithuanian people have fiercely clung to their Catholic faith and traditions for nearly a millenium. Even though subjected to a course of continual harassment, the Catholic Church survives and is said to even flourish in Soviet Lithuania, particularly among the youth.

Pope John Paul II, in his recent discussions with Soviet Foreign Minister Gromyko is said to have broached the subject of relaxing restrictions against Catholics' profession of faith as well as the Church establishment. The Pope, a strong supporter of renewed human rights issues, is seeking to restore the five ancient Lithuanian dioceses with bishops and increased numbers of clergy to administer the faithful. We can only hope that his good offices and his familiarity with Communist suppression of religion help alleviate the tremendous burden carried by these proud people.

The sorry state of civil liberties in Lithuania serves as a living reminder to the Western World of the great open society we enjoy; one in which our freedom to worship or express our dissent with official policy remains unabridged. I ask my colleagues to join with me in expressing their support for the heroic struggle of the Lithuanian people.●

ELI ISENBERG—COMMUNITY LEADER

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DANIELSON. Mr. Speaker, I call to the attention of my colleagues a man who has been, throughout his remarkable career as a newspaper reporter, editor, and publisher, an exemplary citizen of the community of Monetery Park and the congressional district which I represent. Eli Isenberg's life typifies the great American success story, marked by numerous achievements throughout his climb from small town newspaper reporter in Lynn, Mass., to editor and publisher of a chain of newspapers in southern California, and president of the parent company of the newspapers, San Gabriel Valley Publications.

In 1947, the year following Eli and Josephine Isenberg's arrival in Monterey Park, Calif., Eli acquired the Monterey Park Progress, serving as its editor and publisher until October 1978. As president of San Gabriel Valley Publications, Mr. Isenberg was also responsible for the publication of the South San Gabriel-Rosemead Progress and the East Los Angeles-Montebello Progress.

During the years when Eli was publisher of the Progress, the newspaper received numerous awards for editorial excellence, including awards from the California Newspaper Publishers Association for best special issue (weeklies) in 1974 and best editorial page (weeklies) in 1957, several awards from the Pacific Coast Press Club and awards from the national Suburban Press Foundation and California Press Women. Mr. Isenberg was honored personnally by the Pacific Coast Press Club for meritorious service with the Arnold J. McCourtney Memorial Award.

Not content to rest on the acclaim which had been showered upon him by other members of his profession, Eli Isenberg continued to strive for excellence and greater achievement in his field. Thus, in 1975, San Gabriel Publications acquired title to the Alhambra Post-Advocate, and succeeded in turning a failing publication, strapped by financial problems, into a thriving, highly respected newspaper.

As evidence of Eli Isenberg's ability to develop a newspaper business which meets the industry's highest standards, the San Gabriel Valley Publications company was recently purchased by Scripps-Howard Newspapers, one of the largest and most widely acclaimed newspaper empires in the country.

Remarkable and commendable as Eli Isenberg's newspaper career has been, it is his contributions to the community for which we are thankful and for which he will be best remembered. Throughout his 32 years of residence in the area, all during Mr. Isenberg's successful climb to the top of his profession, Eli never lost sight of the needs of his fellow citizens and neighbors in Monterey Park, and has contributed greatly to improving the quality of life in his community.

Despite the many obligations involved in running a newspaper business, which demanded most of his attention, Eli Isenberg always found time to help the community in every way possible. Because of his dedication to helping those around him, Eli Isenberg was honored in 1961 as the man of the year by the Alhambra area B'nai B'rith lodge, and in 1967 as Monterey Park's most valuable citizen by the Monterey Park American Legion Post. In addition, Mr. Isenberg has been awarded a Paul Harris fellowship by the Monterey Park Rotary Club. He is currently the senior member of the Presidential Advisory Board of California State University, Los Angeles, and has served on the Monterey Park Chamber of Commerce Board of Directors. Mr. Isenberg served as president of the chamber in 1956. Eli Isenberg is a founding member of City Beautiful in Monterey Park, and has contributed greatly to the community in this capacity. In all of these activities he has had the priceless support and help of his wife, Jo.

On February 9, 1979, the citizens of Monterey Park will once again pay tribute to Eli Isenberg, at a testimonial dinner given by his many friends. While the newspapers formerly owned by San Gabriel Valley Publications will miss Eli Isenberg as head of the company, they will continue to benefit from his talents in the field, as Scripps-Howard has appointed him to serve as general manager of the papers. In this capacity, Eli will remain in the Monterey Park area, and will continue to serve the entire community. I share the pleasure of the citizens of Monterey Park in knowing that Eli and Jo Isenberg will remain with us, and am pleased to have this opportunity to salute Eli's many contributions to the community.●

TRIBUTE TO CARL A. JOHNSON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MOAKLEY. Mr. Speaker, this past November, one of the finest civic leaders in the Town of Norwood, Mass., passed away. Carl A. Johnson was a self-made man who built his automobile showroom to be one of the best in the State. At 82 it was not uncommon for Mr. Johnson to work 10- and 12-hour days at his business.

Although he worked very hard on his own business, he took the time to get involved in civic activities. Among his numerous town and State activities, he helped establish Norwood Airport as a community run venture instead of a business venture. Mr. Johnson also served as a vice president of the Boston Metropolitan Airport Corporation.

As a veteran of World War I, Mr. Johnson was very involved with the American Legion. He also helped establish the Norwood Rotary Club. As a member of the business community, he belonged to the 100 Club of Boston, the Automobile Organization Team and the Swedish Square and Compass Club of Boston.

The passing away of Mr. Johnson will be felt by both the town and his friends. In his honor, an annual scholarship has been set up at Norwood High School to begin with the graduating class of 1979.●

SMALL VESSEL MANNING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to provide the Coast Guard increased flexibility in prescribing manning requirements for small vessels.

During the 95th Congress, the Subcommittee on Coast Guard and Navigation held extensive oversight hearings on the Coast Guard's marine safety program. This comprehensive review, which evaluated the implementation and effectiveness of the navigation and vessel safety laws, highlighted some problem areas that require legislative remedies. One of these is the need to revise the antiquated and unclear manning requirements for small vessels carrying freight and passengers for hire, which have been codified at sections 224, 390, and 404 of title 46, United States Code.

The specific problem that the bill I am introducing today addresses involves the application of section 404. This section provides that no vessel of above 15 gross tons and in excess of 65 feet in length carrying passengers for hire may be navigated without a licensed engineer and a licensed pilot. The Coast Guard has, however, for some time allowed those vessels in this category that are not above 100 gross tons to navigate without a licensed engineer and a licensed pilot, regardless of their length.

They have done this on the authority of section 222 of title 46, which is a general statute authorizing the Coast Guard to prescribe such manning requirements as the Coast Guard finds necessary for safe navigation of the particular vessel.

Instead of a licensed engineer and a licensed pilot, the Coast Guard allows these vessels to operate as if they were subject to the so-called "Small Passenger-Carrying Vessel Act" in section 390 of title 46. In effect, that act—which applies to vessels that are over 15 and

under 100 gross tons and not over 65 feet in length—is being applied to vessels of under 100 gross tons that are over 65 feet in length.

I believe that this interpretation and application of the law is erroneous, and a recent court decision—*M.E.B.A.* v. *Brock Adams*, Civil No. C-77-370 (D.C.N.D. Oh. 1977)—supports my belief. In that case, the court agreed that the Coast Guard was not enforcing the so-called 8-hour or 3-watch system law, and enjoined administration officials to perform their statutory duty and enforce congressional mandates.

The court held that the specific requirement of a 3-watch system in section 673 of title 46 limited the application of section 222. I believe that the specific requirement of section 404 likewise limits the Coast Guard's use of section 222 in waiving licensed pilot and licensed engineer requirements on passenger vessels over 65 feet in length and between 15 and 100 gross tons.

While the Coast Guard's actions with regard to these small vessels may be appropriate and practical from the standpoint of safety and imposing minimum necessary manning requirements, they are not consistent with my view of the law. Neither the Coast Guard nor the Department of Transportation can ignore the law. The administration has recognized the confusion inherent in these antiquated laws, but it has not initiated legislation to clarify them. I am, therefore, introducing this amendatory legislation to accomplish that purpose.

The proposed bill will simplify existing law and give the Coast Guard more flexible authority to prescribe manning requirements for passenger-carrying vessels. It does this by removing passenger vessels of 15 to 100 gross tons and over 65 feet from section 404 and subjecting them to section 390 instead. It also deletes the specific requirement for licensed engineers and pilots in section 404 and, in lieu thereof, provides the Coast Guard with authority to prescribe by regulation for the manning of small vessels and for the duties and qualifications of their personnel. Other proposed changes are consistent with these.

It is my hope that enactment of this bill will be another step on the path of clarifying and updating our maritime safety laws.●

LEGISLATION FOR FUTURE LEGAL HOLIDAYS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, I am introducing legislation today to require that all future legal public holidays fall on either Saturday or Sunday. This proposal will not affect the celebrations of existing national holidays.

According to the Office of Personnel Management, the personnel cost of a holiday to the Federal Government alone is estimated to be $194,500,000. While the Federal Government has no jurisdiction to propose national holidays for other than the District of Columbia and Federal employees, individual States usually follow its lead. The added personnel costs of such action, could result in 10 or 20 times the $195 million estimate for the Federal Government. The cost is staggering.

In the 95th Congress, many bills were introduced to commemorate a famous person's birthday or eventful day as a legal public holiday. These included the birthdays of Susan B. Anthony, Franklin Delano Roosevelt, and Martin Luther King, Jr.; other proposed legal holidays were Flag Day, American Business Day, Election Day, and Inauguration Day.

I think we all will agree every one of these proposals deserves full and serious consideration by the Congress. My bill does not detract in any way from the merits of any of these proposed national holidays. It merely requires that they be celebrated on a Saturday or Sunday to avoid the terrific costs to our Nation.

Mr. Speaker, at a time in our history when we are facing grim projections on the economic health of our country, and a large Federal deficit, it would be unwise for us to exacerbate this problem.

A great Nation respects its institutions and honors its leaders in special and appropriate ways. One of these forms of recognition is legal public holidays. This time honored practice should be continued. My bill does not alter this process.

[1] COST OF LEGAL PUBLIC HOLIDAYS

Cost of 1 work day (2.4 million employees)	$173,000,000
Premium holiday pay	21,500,000
Identified personnel costs	194,500,000

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SENIOR CITIZENS HEALTH INSURANCE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MOAKLEY. Mr. Speaker, today I rise in support of Mr. Brodhead's legislation concerning senior citizen health insurance. As we all know the cost of medical care is very expensive. The people that are hardest hit in this country are our senior citizens.

With inflation on the rise and senior citizens on a fixed income, protection should be provided for our elderly in the area of insurance abuses. Medicare, today, pays only a small part of senior citizens health care cost. This forces many of our elderly to buy supplementary insurance policies.

When presented with the problems of buying supplementary insurance policies, the senior citizen must be allowed every chance to buy a policy at the least cost. The Senior Citizens Health Insurance Standards Act of 1979 provides this opportunity. It would prohibit insurance companies from selling overlapping and confusing language. It also prohibits an insurance agent from using harsh tactics with our elderly.

I speak for the senior citizens of the Ninth Congressional District of Massachusetts, and for those of the Nation, when I say that it is high time that we stop these abuses. I want to urge all my colleagues to press forward on this most urgent issue:

JANUARY 17, 1979.

SENIOR CITIZEN'S HEALTH INSURANCE STANDARDS ACT OF 1979

DEAR COLLEAGUE: I invite you to cosponsor The Senior Health Insurance Standards Act of 1979, a bill to outlaw gross abuses in the marketing of so-called "medi-gap" insurance to senior citizens. Medi-gap is a term applied to private insurance which provides more than the minimal coverage provided to senior citizens under Medicare.

Recent hearings before the House Select Committee on Aging, chaired by Representative Claude Pepper, and hearings before the Senate Special Committee on Aging, chaired by Senator Lawton Chiles, have documented gross abuses in the marketing of supplemental health insurance to the elderly. Among them were the selling of duplicative and over-lapping policies, the sale of policies with misleading conditions and language (for example, policies which claim to cover nursing home expenses but neglect to inform purchasers that the type of care offered by three-quarters of the nation's nursing homes was exempt), sale of policies with clauses disqualifying beneficiaries who have a disease or condition within a specified period ("pre-existing conditions"), the use of scare tactics by agents to sell policies, and failure to disclose in clear understandable language the contents of policies sold.

The House Committee has estimated that senior citizens are being bilked to the tune of $1 billion every year by unscrupulous companies and their agents. I believe this is a national disgrace and the federal government which helped create the problem through the gaps and limitations in Medicare has a clear responsibility to act. Some 15 million Americans over 65 purchase supplementary health insurance. Medicare covers only about 38 percent of the health care costs of senior citizens. It does not pay the difference between what Medicare calls "reasonable and necessary" costs and what the physician actually charges.

One of the best indications of whether an insurance company is taking unfair advantage of its clients is the company's loss ratio, i.e., the percentage of health insurance premium dollars a company pays out in claims. Blue Cross-Blue Shield and the best private companies return about 90 percent of premiums to the insured in claims. However, companies which have a clear track record of abusing the elderly have shockingly low loss ratios . . . some as low as 20 to 40 percent.

The bill which I have introduced today mandates federal minimum standards which companies selling medi-gap insurance to the elderly must meet. It also directs the Secretary of Health, Education and Welfare to make a comprehensive study of methods to assure that good quality health insurance is available to the elderly at a reasonable price.

Each state must submit a minimum standards plan to the HEW Secretary which will accomplish the following objectives:

1. insurance companies must return at least 75 percent of premiums in the form of benefits.

2. prohibition of the sale of insurance which duplicates Medicare coverage.

3. drastic limitation on pre-existing conditions.

4. requirement of full disclosure of all policy provisions to purchaser.

5. requirement that policies be written in plain and simple language.

The bill utilizes the existing state regulatory mechanisms by requiring each state to change its law and/or regulations to meet at least the minimum standards set up by the bill. If the states do not elect to regulate the insurance companies themselves, then the Secretary of H.E.W. shall enforce the minimum standards in that state. Except for some minimal administrative expenses, these vital reforms could be accomplished at no additional cost to the taxpayer.

Despite the widespread evidence of abuse, it would be erroneous to conclude that all insurance companies are guilty of these abuses. In fact, most of the nation's insurance companies are reputable and market fair health policies.

I wish to extend my highest praise to Representative Claude Pepper (D-Fla.), Chairman of the House Select Committee on Aging, and Senator Lawton Chiles (D-Fla.), who conducted the Senate hearings, for the excellent work they did in uncovering these abuses.

If you have any questions or would like to cosponsor, please call Jim Boxall at x54961.

Sincerely,

WILLIAM M. BRODHEAD,
Representative in Congress.●

[1] Figure obtained from the Office of Personnel Management.

U.S. RELATIONSHIP WITH TAIWAN

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ROTH. Mr. Speaker, many excellent editorials have been written regarding the pros and cons of U.S. recognition of the People's Republic of China and the visit of Vice Premier Teng Hsiao-ping.

All of us have read a great deal about this major shift in U.S. foreign policy. I want to share with you and my colleagues, as well as the nation, an outstanding editorial from the Marinette Eagle-Star.

It strikes me that this commentary is fair to all viewpoints; it is a balanced analysis of an issue that requires thoughtful consideration.

I am pleased to submit it to my colleagues and opinion leaders across America for their consideration:

WHITE HOUSE DEFENDS TAIWAN DECISION

The challenge in the courts and opposition in Congress to the new U.S. policy toward the People's Republic of China and Taiwan appear to have been compounded by the administration failure to consult with congressional leadership or the foreign relations committees about the negotiations that led to the momentous diplomatic change. Establishment of full diplomatic relations with China and announced coming termination of Mutual Defense Treaty with Taiwan was legal in the view of the president. Whether or not the Carter view prevails in court, reaction by members of the newly convened 96th Congress suggests that the decision to exclude it from the diplomatic process may have been unwise.

The termination of official relations with Taiwan has become a particular target. The court action filed by Sen. Barry Goldwater and others challenges the president's authority to terminate a treaty without the prior advice and consent of the Senate. The fact that China gained diplomatic recognition at the expense of an old ally has become a primary issue among opponents in the Congress.

President Carter made his momentous announcement of the new China policy on Dec. 15. That the administration would be forced to defend that decision became apparent immediately. No doubt in response to the court challenge and in anticipation of mounting animosity in Congress, early in January the White House circulated to the nation's press a background report entitled "China" and a fact sheet which it labeled "Taiwan—The Mutual Defense Treaty."

The latter document deals not with the terms of the treaty nor the consequences of its termination. It is devoted instead to a response to the court challenge of the administration's action without prior advice and consent of the Senate or other congressional action. It begins with a quotation by the president from a Dec. 19 interview in which he declared: "My constitutional authority in establishing relationships with foreign countries is clear and cannot be successfully challenged in court."

To support that firm opinion, the White House quotes from Article 10 of the Taiwan treaty which provides that: "Either party may terminate it one year after notice has been given to the other party." The president's announcement on Dec. 15 constituted that notice, the administration says, adding that the treaty makes no reference to the Senate or Congress or the need for approval of the Legislative branch in order for notice to be given of termination of the treaty. The administration adds its belief that the power of the Senate to advise and consent to a treaty is fulfilled when the treaty is made. It sees nothing in the treaty to indicate that the Senate anticipated prior consultation or approval before the termination clause could be exercised by the president.

The White House document cites a number of scholars and legal authorities to support its position. It also notes that while Article 2, Section 2, of the Constitution provides that the president "shall have the power, by and with the advice and consent of the senate, to make treaties, provided two thirds of the senators present concur" . . . it does not specifically address the question of treaty termination. If the pending challenge in the courts is carried to a conclusion, whatever decision is reached will be the first concerning the issue.

The White House background report on the recognition of China tends to lean on previous actions by others as justification for the president's decision to grant full diplomatic recognition to China. "The president's announcement was not an overnight development" it declares, but the result of a process of normalization of relations that has occurred over a period of years. It describes the Carter decision as the achievement of "a goal which had been sought with increasing intensity since President Nixon visited that nation in February 1972," and an effort continued by the Ford Administration.

The China policy is not the first touchy diplomatic issue faced by President Carter because it became his lot to terminate initiatives undertaken by his predecessors. The first was the controversial Panama Canal treaties which triggered bitter debate before ratification was achieved. That situation differed from the present, of course, in that there was no question that the advice and consent of the Senate was required.

There is little likelihood that the president will not have his way in implementation of diplomatic recognition of China, although confirmation of Leonard Woodcock as ambassador probably will be delayed. Opponents of the policy are expected to utilize the confirmation hearings as an opportunity for public discussion of the administration decision. Given the manner in which they were ignored in the negotiating phase, it would not be surprising if members of Congress distrust White House assurances that it intends to establish a corporate organization in Taiwan to maintain full commercial, cultural, trade and other relations with that country. One would expect to see legislation to specify what the future U.S.-Taiwan relationship should be.●

SALT VERIFICATION ISSUES CONNECTED WITH MAP AND MOBILE ICBM SYSTEMS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, in an excellent and concisely written paper Mr. Roland F. Herbst discusses the strategic and SALT implications of the U.S. deployment of a so-called multiple aim point (MAP) ICBM system. The MAP system, more recently designated the multiple protective system (MPS), would consist of a proliferation of shelters within which our ICBM's and their launchers would be accommodated. The ICBM's and their launchers would be randomly moved between the different shelters. For the Soviets to successfully attack an MPS system they would have to expend many more weapons than they would destroy—thus diminishing any incentive to initiate any attack in the first place. By contrast, if we fail to proceed with the full-scale development of a different basing system for our ICBM's the Soviets by the early 1980's would have to expend less than a third of their ICBM's to destroy our entire ICBM force, and they could also destroy many of our bombers and submarines in the process. The emergence of such a predicament is contrary to the very essence of our deterrence and defense policy. For this reason finding a solution to the vulnerability of our ICBM force is considered the most important strategic modernization objective facing our Nation today by our defense community.

The proposed MPS basing system is the technically preferred solution to our ICBM vulnerability problem, and it is the most cost-effective. Critics, however, claim it poses SALT verification problems and the possibility of a breakout threat, were the Soviets to deploy a similar system.

Mr. Roland Herbst, an eminent and distinguished scientist in the U.S. defense community, in a logical and coherent manner, puts this issue in perspective.

The paper follows:

SAL VERIFICATION ISSUES CONNECTED WITH MAP AND MOBILE ICBM SYSTEMS

(By R. F. Herbst)

How serious is the effect of a MAP system upon the issues of SAL verification? From the very nature of a multiple aimpoint system, it is obvious that there is a problem with respect to counting ICBM launchers. However, is this a serious problem relative to national security? The answer to this

question depends upon the nature of the overall SAL agreement.

In view of the agreements presently being considered, agreements in which ICBM launchers are limited but stored ICBMs are not limited, the effect upon U.S. national security may not be very significant. Considering the possibility that the Soviets may wish to increase the total numbers of ICBMs available to attack the United States, it would appear that they would have at least two choices: the first, to illegally hide a number of ICBMs upon launchers, either in a MAP system or otherwise; or second, to legally store ICBMs, delaying the final preparations for launching until a time of crisis. This process is obviously feasible. ICBMs designed for silos are often tested from "pads"; modern technology makes the launch equipment relatively small and simple to operate and encapsulated missiles seem to make the process simpler.

If the Soviets were to store missiles in a number of warehouses at or near potential launch pads, some care with the transportation of the missiles can probably assure that the United States would not locate most of these sites. These missiles could be used in a first strike or for a reserve force. They could also be used for coercion if a few were "tested" from several areas not known to have ICBM launchers.

The Soviets can then probably by "legal" means achieve essentially the same advantages that they could by "illegal" deployment in a MAP system. Since in almost all circumstances one would expect national leadership to prefer legal routes to given ends, verification problems of MAP systems do not seem to have large implications to national security—given no limit on stored ICBMs.

One then might consider three levels of constraints upon missile storage and "balanced" constraints upon MAP systems.

(1) Unlimited legal storage—no constraints (or only cosmetic constraints) upon MAP.

(2) Limitation on the number of stored ICBMs with "collateral," nonintrusive constraints on that storage—modest limitations upon MAP (and other mobile) systems, the limitations with the purpose of roughly balancing the MAP risk with the overall risk.

(3) Intrusive limitations upon ICBM production and storage—similarly severe constraints upon MAP.

The second possibility appears to be more desirable than the first and more likely of accomplishment than the third. It will be emphasized below.

Without on-site inspection of production facilities, it would be difficult to have high confidence in the verification of a production or storage limitation; however, it might be possible to define storage procedures which would increase the chance of catching a violation.

A possible procedure would be to limit ICBM storage to say 15 percent or 20 percent of the number allowed on launchers. The fraction would be chosen by a trade-off between the strategic desirability of keeping the number low and the managerial and production inconvenience of keeping few spares. The agreement might further ask that the stored missiles be kept at a few small declared storage sites with only direct transportation links used between production, storage deployment and test areas. These limitations will not give high confidence in verification, but they are likely to increase the U.S. ability to recognize a violation if there is some HUMINT or COMINT data indicating stored missiles in violation of the agreement. While this situation is not a happy one, it appears better than a situation in which the Soviets can freely store as many missiles as they can afford.

Since such an agreement offers some deterrent to violation of the limitations, a MAP system may offer some advantages to a cheater for hidden "storage." Hence, some similar constraints relative to the MAP system seem reasonable. These constraints might involve some mode of inspection of aimpoints, some limitation of the process of insertion of the missiles (and decoys) into the deception process, or some monitoring of the missile production process or combinations of these.

Should the limitation on MAP be designed to be the same for the U.S. and the U.S.S.R.? While it is obvious that the U.S. should be prepared to consider as acceptable a Soviet mirror image of any U.S. proposal for control of a U.S. system, it is not at all clear that the most appropriate constraints for a U.S. system are the most appropriate for a Soviet system. The nature of likely Soviet systems, Soviet societal constraints and Soviet geography are quite different from those of the United States.

For this reason it would appear most reasonable for a U.S. MAP system to define procedures which are convenient for us and which would both be fair to the Soviet Union and appear fair to the public rather than attempt to find a symmetrical situation. The constraints upon a Soviet system can only be determined after understanding the Soviet system and after a negotiation which determines what is acceptable to both the U.S. and the U.S.S.R. If then we are going to consider special constraints on new basing modes, each system is likely to be negotiated separately; the U.S. MAP system should be negotiated before a treaty is completed.

With this point of view it would appear reasonable to use on-site inspection with Soviet inspectors of a U.S. system, even if on-site inspection of a Soviet system with U.S. inspectors cannot be expected. For this reason this paper will suggest on-site inspection of U.S. systems when that procedure seems more convenient than dependence upon "overhead" means.

U.S. DECOYED VERTICAL SILO SYSTEM

The first system we will examine for reasonable SAL constraints is the M-X system with vertical silos and decoy canisters.

Aimpoint inspection

One might wish to verify the deployment level in a MAP system by inspection of the contents of the aimpoints; the inspection being performed by "overhead national means" or by on-site inspections. The silos (and decoys) would be opened by the operators of the system for inspection by personnel or sensors of the other side.

Because of the large number of aimpoints needed in this system and the low ratio of missiles to silos (several percent), random sampling gives useful results only after a large number of inspections. Various special inspection procedures have been designed which are intended to mitigate the problem, and a discussion of the statistical issues is given in the appendix to this paper. Here two conclusions should be stated. First, over time many fewer inspections are required if one is only attempting to deter a slow build-up of illegal missiles than if the purpose is to deter a surge build-up. In a circumstance in which storage is illegal, a slow build-up in the MAP field may be desirable. It would avoid a large illegal external storage. This circumstance appears to be the one to design for—consistent with our "balanced approach." If the cheater was willing to store a large number of illegal missiles, then he could find a way to launch them independent of MAP.

The second conclusion is that problems will arise if an inspection is not completed during a continuous viewing by the inspectors. Since low-altitude observation satellites only have a short viewing time, on-site inspections are more easily performed than overhead observations. If one were to require that silos and decoy canisters are opened promptly and reliable shortly after they are chosen for inspection, then significant costs are likely to be added to the system.

Insertion controls

Rather than attempt to examine aimpoints, one might attempt to control the insertion process, the process by which a missile is delivered to the field and "lost" in the multiple aimpoint array. The aim of this control would be to attempt to assure that extra missiles are not deployed in the field. The start of the process, and delivery of the missile and its preparation for deployment should be made very deliberate so that any deviation would be noticed by a large fraction of the personnel, thus introducing the possibility of defector information. The decoy canisters should be stored open so that they obviously do not contain a missile. When the "mixing" process is started, only one missile should be present, and when it is moved into the closed "mixing" facilities the decoy canisters should enter that facility open. It would be preferred that full-time observers from the other side be on-site to observe the process. However one could design the scheduling of this process and the canister storage so that they would be visible to overhead systems.

These measures probably limit straightforward entry into the system sufficiently that entry by the "back door" is more probable. Limitation upon the movement of large vehicles which could carry missiles is desirable. If some of the fields can be isolated from highways, border barriers such as ditches and plowed breaks could be useful. If, however, public highways run through a field, checkpoints for observers from the other side may be desirable.

These measures seem to yield a significant deterrent to introducing illegal missiles into a MAP field, although it probably could be done. However, it is difficult to believe that the control is poorer than that suggested for the stored missiles.

Combinations

Combinations of both deployment controls and aimpoint inspections give an opportunity for further reducing the risk.

Production controls

Rather than attempt to determine the number of missiles which are in a MAP system or the number brought into the system, one might attempt to monitor the production process. Full-time observers at missile production facilities should be able to keep good controls upon the number produced and if spot checks are made at the storage area of all missiles which could be useful in the MAP system, very good verification of the agreement should be possible. This proposal is only likely to apply to U.S. systems, but if it were used for the U.S. it might establish a good precedent for future agreements.

POSSIBLE SOVIET SYSTEMS

Mobile systems not normally deployed in the field

The Soviets have deployed some mobile missile systems which are normally kept at support facilities, only going to the field for practice exercises. If they should deploy ICBM's with this characteristic, then if the support facilities are either open or openable to overhead observations and if the times and areas of practice operations are limited to preannounced times and small areas, the problems for verification should be no greater than those connected with the basic storage problem.

Deployed, unsheltered mobile systems

For survivability, soft mobile systems must be deployed over large areas and must use local cover to hide. Any such system is bound to be difficult to count accurately.

Support area sizing can give some idea of the number of operational missiles; optical and radar satellites can locate an object in the field; and restrictions on covered storage and "out of area" operations can be of help. But in any case, the noise level is likely to be high.

The most helpful restriction on such a system would probably be to limit the total allowed payload to a modest amount and the size of the missiles to that of a small payload. For a system using missiles with Minuteman III payloads, it would take more than 3,000 missiles to double the Soviet ICBM payload.

Soviet MAP system

It seems unlikely that the Soviets would believe that they would require decoys in any MAP system. Under this circumstance, verification might be obtained by overhead observations of shelters which could be opened upon demand.

GENERAL COMMENTS

To the degree that verification of the level of deployment in a mobile ICBM system is of concern from a military point of view, a limitation of the amount of payload to be deployed in the system could probably help solve the problem. The ratio of the cheating level to the allowed level is likely to be one measure of the risks of cheating. Since most plans for the U.S. M-X system indicate deployments of less than or about one-fifth of the apparently intended Soviet ICBM payload, it would seem in the U.S. interest to limit Soviet mobile deployments to similar or at least not much greater amounts.

APPENDIX—AIMPOINT INSPECTION STATISTICS

In this appendix examples will be illustrated for a MAP system with 200 missiles and 10,000 aimpoints. The most straightforward sampling technique is random sampling of the field: for a case in which 400 samples were taken, the expected number of missiles to be found is 8. For a case with *no cheating* the probability of finding 12 or more is about 6 percent. A 6 percent false alarm probability does not seem unreasonable; and hence, for 400 samples, an apparent cheating fraction of 50 percent may be a reasonable threshold. With this threshold, there is about a 50–50 chance of recognizing a 50 percent cheating factor and a 90 percent probability of recognizing a 100 percent factor.

H. Cooper has suggested a two-step procedure which can give a more positive indication of cheating than the above and which gives higher probability of catching cheating. This scheme would have the authorities of the nation whose system was to be inspected give to the inspecting side groups of aimpoints (200 groups of 50 aimpoints each for our example). It would be stipulated that each group contained only one real missile and 49 decoy aimpoints. The inspecting side would be allowed to select one aimpoint per group for all of the groups or for some fraction of the groups. If a missile were found in any group, all the aimpoints of that group would be opened and if a second missile were found there would be a definite proof of a false stipulation on the part of the owing side.

In the case in which all groups had an inspection in the first move, 200 silos would have been opened. The expected number of missiles found should be four; hence the total number of inspected aimpoints would be 396—about the same as above. However in the case of cheating, this scheme has a 90 percent probability of catching cheating if the cheating were at the 50 percent level and a 90 percent probability at the 100 percent level.

There appear to be disadvantages to the MAP system connected with these two inspection methods. Both involved showing the other side the location of real missiles. If the other side had some covert method of breaking the deception scheme, this procedure would allow him to check the validity of that procedure.

The two-step scheme has a second disadvantage; it identifies a missile with a set of decoys. This is an advantage to a potential attacker if he has some way to identify some of the aimpoints as containing real missiles. To give an example, if an attacker knew where 50 percent of the missiles were and that their decoy silos did not contain other missiles, then he could ignore all of those decoys, attacking only decoys connected with undiscovered missiles but if decoys were not connected with missiles they would all have to be taken into account.*

Both of these disadvantages only seem important at the margin; they both assume the deception process is failing but only partially. On the other hand, deception is the key to a MAP system—it should be given all possible advantages and one should be reluctant to give away any advantages in this matter.

An example of an inspection scheme follows which degrades the inspection but seems to eliminate one of these problems and reduces the second. The MAP system would be divided into four parts. The observing side would be allowed to pick one of these four parts for inspection during one period of time comparable to the rotation time of the missiles, possibly six months. He would be given the missile-decoy grouping for only that group, thereby only gaining the grouping advantage for one-fourth of the system, not all of it. He then can choose a number of groups to inspect, but all aimpoints would be inspected in these groups. The inspection will be done by removing all the decoys and missiles from their shelters and by showing the inspectors that only a legal number of missiles are present, but the canisters will be mixed up before opening so that there is no connection between missiles and aimpoints.

This system is very inefficient. If 10 groups were chosen from the 50 groups in one of the four fields for our example system, there would be 50 aimpoints opened up. The probability of catching a 100 percent cheating case would only be about 15 percent, and it would take two years (4 inspection periods) to raise that probability to near 50 percent.

This process might still be useful if used in connection with "insertion" process controls.●

*Similar problems arise in a "slow war"; if many of the missiles of the MAP system are fired early but a number are held in reserve, the survivability of the reserve missiles may be jeopardised by the grouping process.

HOPE HOUSE

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. COURTER. Mr. Speaker, I would like to take this opportunity to recognize the invaluable work done by Hope House located in the 13th Congressional District of New Jersey. Hope House is a professional treatment center offering marriage and family counseling, alcohol and drug therapy, group therapy, and psychological testing. It also provides special services to senior citizens and the Hispanic community.

Too often the people most in need of professional help are those who can least afford it. Hope House works to solve this unfortunate circumstance.

The unique aspect of Hope House is its family orientation. Under the direction of Father John O'Brien, Hope House helps to restore harmony in the family by recognizing that the extreme distress of one member of the family puts heavy stress on all family members.

In this time when so much is being written and discussed about the fragmentation of the American family structure, it is truly heartwarming to know that a center like Hope House is working to resolve common but serious problems of the individual with the help of the individual's family. I applaud the good work done by Hope House.●

TOMORROW'S LEADERS SERVICE ACADEMY NOMINEES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PATTERSON. Mr. Speaker, one of the most rewarding annual events which I enjoy is nominating students from my congressional district to our Nation's armed service academies.

I make it a practice not to nominate en masse, but rather to make the selection process as deserving as possible for the nominee. The criterion set down by my reviewing committee is rigid and demanding. This insures that the best and brightest will represent my district and its schools and communities at the service academies.

This year I have nominated 19 outstanding young men and women from my district for appointments to the service academies. I am sure that my constituents join their families and me in wishing them well. Whether they attend a service academy or not, these young people are a credit to their community and their country.

My nominees to the Military Academy at West Point are: Jacki L. Wray, Valley Christian High School; and Robert L. Richardson, Santa Ana High School.

My nominees to the Naval Academy at Annapolis are: Craig B. Malloy, Santa Ana High School: Thomas K. Brown, Sunny Hills High School: Steven J. Robinson, Bolsa Grande High School: Craig N. Connors, Garden Grove High School; Edward J. Lauth, Servite High School; Zoe Ann Kearney, Santa Ana Valley High School; Paul E. Johndrow, Jr., Westminster High School; and Richard G. Whitehurst, III, Western High School.

My nominees to the Air Force Academy at Colorado Springs are: Suzy R. Hithe, Westminster High School: Christopher T. Gate, Buena Park High School; Jonalyn M. White, La Quinta High School; Christine L. Blalock, Kennedy High School; David A. Hykes, Cypress

High School; Joseph V. Jendrasiak, Magnolia High School; Kim M. Dee, Kennedy High School; Michael A. Perez, Los Amigos High School; and Paul D. Carrubba, Santa Ana College.●

RECOGNIZING REALITIES: THE 17 MILLION PEOPLE OF THE REPUBLIC OF CHINA

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DANNEMEYER. Mr. Speaker, how would you like it if you lived on a 100' x 100' lot next door to a neighbor who owned an estate of 10 square miles with whom you had been feuding for years and suddenly the local police department came around and said, "Folks, you've done nothing wrong but we are no longer going to patrol this area and incidentally the fence around your property must come down." You are further told that the owner of the 10-mile estate hopefully is dropping his desire to take over your property. If you get a little nervous, you are no different than the 17 million people of Taiwan who comprise the Republic of China.

In 1949, under the leadership of Patrick Hurley and George Marshall, American aid for the support of Chiang Kai-shek and the Republic of China was phased out. Our leadership at the time failed to understand the nature of communism and that in fact Mao tse Tung was a Communist who was determined to rule China. He and his ruthless revolutionaries, thought at the time to be agrarian reformers, soon thereafter succeeded in defeating the Nationalist Chinese and took over all of mainland China. Chiang Kai-shek removed to Taiwan, an island 100 miles off the Chinese coast. Since then the Republic of China on Taiwan has dreamed of returning to the mainland and resuming political control of the country.

In 1954, the United States adopted a mutual defense treaty with the Republic of China. It was ratified by the U.S. Senate. It pledged each nation to preserve the island of Taiwan as the home of the Republic of China.

On December 15, 1978, President Carter, acting with no prior consultation with Congress, unilaterally gave notice that the mutual defense treaty would come to an end on December 31, 1979. He did so at the insistence of Red China that such was a condition of the United States establishing diplomatic relations with Red China. Great uncertainty has developed since this precipitous action by President Carter.

When the Chinese nationalists came to Taiwan in 1949, the per capita income of the Chinese people was about $150, but today for the people of the Republic of China on Taiwan it has risen to about $1,300. There is no mystery as to why this happened. Communism as an economic system does very little for the common man in the sense of raising his standard of living. Accordingly on the mainland, economic stagnation is the result. Taiwan has followed the free market system, and has prospered bountifully. The U.S. has invested $5–6 billion on Taiwan. Fifty to sixty U.S. banks do business there, having extended loans of $2½ billion. The United States has sold two nuclear plants to Taiwan, with four more on order. The United States has contractual commitments to supply the fuel for these plants.

In 1978, Taiwan and the United States engaged in mutual trade of $7.3 billion. In fact, the U.S. trade with Taiwan was greater than our trade with all the other Communist nations of the world combined. (We recognized the Soviet Union in 1933 and in 1978 our trade with Russian was around $2.5 billion.) Since 1973 and before December of 1978, the United States had a liaison office in Peking—that is government to government relations while we were maintaining diplomatic relations with the Republic of China. Now Red China is telling the United States, and President Carter has agreed, that since we now have diplomatic relations with Red China, the United States can no longer have government to government relations with Taiwan.

What happens to the U.S. investment in Taiwan? What happens to our mutual trade with Taiwan?

The Taiwanese are very uneasy about these questions and American businessmen are likewise deeply concerned. President Carter has proposed that the United States establish a private nonprofit corporation to represent U.S. interests in Taiwan so that we would not offend the Red Chinese. The Taiwanese reject this as unworkable because they feel as the years go on that eventually Red China will establish conditions of trade and investment, and also tax it, which will slowly strangle the economy of the Republic of China and force Taiwan to come under the political domination of Red China.

Taiwan has an army of about 500,000. Red China has about 4 million in its regular army. The Air Force of Taiwan and Red China is similarly out of balance, heavily favoring Red China. Taiwan wants to buy at market value the F16 fighter to increase its ability to defend itself. So far President Carter has refused to sell them these aircraft.

The Republic of China has been a staunch ally of the United States in Asia. The frontier of the battle between the free world and the Communist world is the 100 mile strait separating the island of Taiwan from the mainland. Freedom of religion, a free economy, property rights, cultural diversity, exist in Taiwan. The economy is booming. There is no unemployment. All that the Taiwanese ask for is to be able to defend themselves for the sake of preserving their freedom.

In my judgment, President Carter committed a very serious error in judgment in December 1978, when he in effect told Taiwan that even though you are a freedom loving nation and have a good record of basic human rights for your citizens, we are breaking diplomatic relations with you in order to establish diplomatic relations with a ruthless communist regime that denies all basic human rights to its citizens. It is another tragic example of failing to recognize what the true interests of the United States are.

Fortunately for all of us we do not have a dictatorship in this country. The President conducts foreign policy but Congress must pass legislation to implement our foreign policy. The wise course for our country at this point is for Congress to:

(1) Assure a continued government to government relationship between the United States and Taiwan in order to protect American investment and trade relations with Taiwan. Congress can achieve this result by appropriate amendments to legislation requested by President Carter.

(2) Sell to the Republic of China such military equipment as will give them a reasonable assurance of being able to defend themselves from attack.

Only in so doing will we give assurance to the uncommitted people of the world that the United States believes and practices a policy of helping to secure the blessings of liberty to any people who strive to achieve it. If we abandon a friend in the name of trying to reduce tension with an enemy, we run the severe risk of doing neither. In my judgment if the Congress does not achieve the foregoing this year, the attainment of these conditions will and should become a major issue in the Presidential election of 1980.●

UKRAINE'S INDEPENDENCE ANNIVERSARY CAUSES US TO STOP AND REFLECT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. DONNELLY. Mr. Speaker, once again the commemoration of the anniversary of the Ukraine's independence causes us to stop and reflect upon the sad state of human freedoms inside the Soviet Union and throughout Eastern Europe. Sixty-one years ago an independent Ukraine briefly existed as a sovereign state before it was crushed by the Red army.

Unfortunately, only the memory of that independence rests in the hearts and minds of some 50 million Ukrainians. I rise now if only to remind them that we have not forgotten.

The President has found a salient issue with a worldwide audience in his human rights campaign. Even in Soviet-dominated Europe many ardent believers such as Mykola Rudenko, Oleksei Tykhy, Myroslav Mirynovych, and Mykola Matusevvch in Kiev have organized ad hoc review groups to monitor violations of the Helsinki accords in Moscow, Leningrad, Vilnius, and other major Soviet cities.

Constant intimidation and a policy of public harassment have not deterred these Ukrainian dissidents from insisting on greater human rights in connection with Basket Three of the Helsinki Final Act. The recent show trials of these courageous men and women only reinforce, in the eyes of the world, the stark image of a totalitarian state. I wish now to publicly register my own support for the vigorous efforts of these people.●

RECOGNIZING GSA'S JAY SOLOMON

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, there are few jobs in town as tough as being head of the General Services Administration. The Administrator is landlord, builder, purchasing agent, transportation agent, deliverer of utility and communications services, information processor, property custodian and disposer, records manager, and archivist. All are major functions. None is a sideline task—not that the Administrator doesn't have some of those, too.

But the Administrator doesn't just furnish services. He must also guide and regulate. On top of all that, he has to administer and control the entire GSA complex, which has over 37,000 employees within its Central office and 10 regions.

The GSA has a select and demanding clientele: They are, for the most part, the departments and agencies of the Federal Government. Keeping them properly serviced is not easy. Keeping them happy or at least satisfied is even harder.

To take over this task, President Carter put a businessman and civic leader from Chattanooga, Tenn., in command back in April 1977. That man, Jay Solomon, started looking over his ship. He found it was basically a serviceable vessel as Congress had designed it.

But he also found it needed cleaning, overhauling, and modernizing. At the same time, he had to keep the ship operating on course and schedule.

He began to act with courage, conscience, and high purpose. He has taken firm charge. He has asked questions, ordered reviews, intensified inspections, and changed people and procedures. He has done everything he can to expose wrongdoing and waste, to correct these things, and to prevent their recurrence.

The Administrator is one who will question old bureaucratic ways and forms, and break with them if necessary. He does not hesitate to challenge doctrinaire or timid thinking. He doesn't suppress outrage at dishonesty and waste in GSA, and he has pointed the finger for past deficiencies where it belongs: At the top.

The Administrator has been open and above-board about his actions. For him, public business is the public's business. His cooperation with me as chairman of the Government Activities and Transportation Subcommittee of the Committee on Government Operations has been as full as it has been excellent.

The President has given the present Administrator personal assurances of support for cleaning out dishonesty and waste. I understand that recruiting of additional audit and investigation forces is beginning and that funds for 100 more positions for the Office of Inspector General are being sought in the pending supplemental appropriation legislation for fiscal year 1979. I hope that whatever positions are needed can soon be filled.

Jay Solomon is a good thing for GSA. New vigor, responsibility, and effectiveness are coming into that agency.

Last October 15, the Administrator talked to a TV audience about the relatively short incumbent life of Administrators of General Services. According to a story told at GSA, he said, the life of an Administrator there is 2¼ years. Then he remarked, and I quote:

> I'll be here two years in April 1979, so I'm almost coming to my normal life there. Maybe it will be my life. Maybe it will take someone else to come in behind me to put in all the systems and things that need to be done. But we're going to try.

That is just what the Administrator is doing.

Now, it seems that the White House is looking for a replacement for Jay Solomon. By specific provision of law, the Administrator functions subject to the direction and control of the President. And the President, by another provision of law, may prescribe overall policies and directives governing the Administrator. We must look to the President to carry out his own responsibilities here in a strong, affirmative, effective way.

Whatever change might be coming in GSA, I hope it would be at a time and in a mannner that won't weaken or deflect Jay Solomon's present program of investigations, audits, and reform.

What he has started is already showing good results. When, on June 30, 1979, the General Services Administration celebrates its 30th birthday as an agency, I am sure we will all see it as a proud and taut ship, doing a more efficient and economical job than ever before to deliver its heavy general cargo of Government and public services. We—the Congress and the public—will owe Jay Solomon a special "Thank you" on that day.●

DOMESTIC VIOLENCE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MILLER of California. Mr. Speaker, I am introducing today legislation which would amend title XX of the Social Security Act in order to permit the expenditure of Federal funds for emergency shelters for adults, including victims of domestic violence.

Last year, I chaired very informative hearings on the problem of domestic violence. We heard the testimony of experts who reported that domestic violence, and especially wife beating, is one of the most overlooked crimes in our Nation. A recent study by the Washington Star indicated that one-half of the country's married women are, at some point in their marriages, subjected to physical abuse by their husbands, and that at least 10 percent receive severe injuries as a result.

Domestic abuse does not refer to simply slapping or other minor forms of assault. In California, it has been shown, almost one-third of all victims were murdered by their husbands. Nationally, one-fifth of all police killed on duty in 1974 were intervening in domestic disputes at the time of their deaths.

In preparation for the hearings by the Subcommittee on Select Education, I spent several evenings visiting homes for battered women, discussing the programs and the problems with shelter organizers and with victims, too. I also spent an evening riding in a police car with officers experienced in intervening in domestic violence situations. As a result of these experiences, I have learned the value police themselves place in having a shelter available in their communities. Police are generally grateful to have such a facility, because it provides them with a valuable resource to which they can direct victims. Victims of domestic violence have confided in me that, in many cases, they endured years of abuse, because they had no alternative living option to turn to on an emergency basis.

Within the last several years, a nationwide network of shelters has appeared, offering havens to thousands of previously victimized women. Often with no resources except those of volunteers and donations from the community, these shelters have been established and maintained for the victims of abuse. No one who has discussed the benefits of these shelters with the women who have come to them, as I have done, could doubt the great benefits they provide and the need for more such facilities.

It seems to me that, when we consider the role of the Federal Government in dealing with the subject of domestic violence, we must be extremely careful not to encumber existing community-based programs with bureaucratic red-tape and regulations which will do far more harm than good. We in Government did not discover the problem of domestic violence, and we will not invent the solutions. Our role should be one of aiding the community people who have exposed the epidemic, and who have developed their own shelters in response. One of the ways to do this is by eliminating those barriers which exist in Federal programs to the funding and support of shelters and related service programs for the victims of domestic violence. Witnesses at our hearings last year testified, for example, that facilities providing emergency shelter for adult victims of

domestic violence may not receive title XX funds under the Social Security Act.

The legislation I am introducing today would remove that unreasonable restriction, permitting these shelters to receive such funds. Payments to any one shelter would be limited to $25,000 in any one year. At last year's hearings, we heard that women who flee battering husbands frequently arrive at shelters entirely without resources, even though they technically may come from affluent homes. The family's finances frequently are controlled by the very spouse from whom the shelter resident is seeking refuge. Therefore, it seems reasonable to me to impose no income eligibility test on victims utilizing title XX funded shelters.

I am hopeful that this legislation will be considered quickly, as similar language passed both Houses of Congress last year as part of the tax bill, but was dropped out of the final bill together with most other amendments to the title XX program. I invite my colleagues to join me in sponsoring this bill which will make substantial funds available to community people who have taken it upon themselves to meet a serious problem which exists throughout our country in very alarming numbers.●

LEGISLATION TO PERMIT ALL TAXPAYERS TO TAKE A DEDUCTION FOR CHARITABLE CONTRIBUTIONS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CONABLE. Mr. Speaker, I am joining with my colleague, JOSEPH L. FISHER, today in introducing the bill we introduced in the 95th Congress to permit all taxpayers to deduct gifts to charity on their individual income tax returns. In my opinion, this is an area which continues to require our attention.

In the interest of tax simplification and reform, we have unwittingly been reducing the tax incentives to charitable giving over the years until we have reached the point where soon only the very wealthy will receive any tax benefit from charitable giving. It is an easy step from that condition to the assumption that deductions for charitable contributions are only loopholes and that we would be better off letting the Government do the work of charities so that everyone can participate again in the good work of the world through his involuntarily donated tax payment. However, I for one do not want the Government running the Boy Scouts, or the churches, or all the universities, any more than I want only wealthy people to support them. As we see at every turn, Government control accompanies Government financing.

Let us look at some of the pertinent facts: In 1970, approximately 50 percent of all American taxpayers used the standard deduction, and in 1977, approximately 75 percent of all American taxpayers used the standard deduction. Charitable organizations estimate that during that 7-year period they received about $5 billion less as a result of the increased use of the standard deduction. In 1977 alone, the loss to the charitable organizations was approximately $1.4 billion—$615 million of that amount is attributable to the standard deduction changes enacted by the Tax Reduction and Simplification Act of 1977 (Public Law 95–30).

The pluralism which the private charities provide is a great strength in our society, and we should all be concerned about protecting and enhancing that diversity and strength. Certainly the major share of charitable giving is done for altruistic purposes, but the additional tax incentives are extremely helpful and appropriate, as well.

The expanded use of the standard deduction could be devastating to the voluntary sector. Contributions to public charities are certain to decrease, making it more difficult to meet the increasing demand for social services. The time has come to make a change that will offset the depressing impact of our recent tax decisions on the charities. Public policy should encourage and support the work of charitable organizations, not diminish it.

In my opinion, the only way to reverse this recent trend is to amend the Internal Revenue Code to permit all taxpayers to take a deduction for their charitable gifts, whether they itemize their deductions or not. For each dollar lost to the Treasury as a result of this deduction, estimates are that charitable organizations would receive between $1.15 and $1.30.

Furthermore, these increased gifts to charities would have a multiplier effect—they would bring an additional amount in volunteer efforts. Recent studies indicate a strong correlation between giving and active participation in charitable endeavors. For each dollar donated to public charities, there is an equivalent dollar's worth of volunteer effort. Conversely, if charitable giving continues to decline, there will not only be a loss in the financial base of the voluntary organizations, but there will also be a significant loss in volunteer effort.

I do not believe that the enactment of this legislation would be a step backward in our efforts toward tax simplification. It would require only a simple computation on the front of the tax form, much like the personal exemption. There is ample precedent for this treatment. Child care expenses, political expenses, and alimony now receive above the line treatment without protest from taxpayers utilizing those provisions.

I am hopeful that my colleagues in Congress will recognize the uniqueness of the charitable contribution deduction and support this legislation to make it available to all American taxpayers.●

TAIWAN: CARTER'S TREATMENT OF AN ALLY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, the Carter decision to derecognize Taipei in favor of Peking fails every test of an effective and positive foreign policy. It alienates our friends. It violates the administration's own principles and the Constitution of the United States. And, most importantly, it is harmful to the best interests of the United States.

The President's hasty and unilateral action has further weakened what little semblance of a foreign policy he has. All nations of the world appraise Mr. Carter's derecognition of the Republic of China on Taiwan in terms of an indicator of U.S. resolve. That the administration has treated a country with unquestioned allegiance to the very principles we champion in such a cavalier manner calls into question our dependability with the rest of our allies.

Friendly nations, especially those in Asia, are shaken by Mr. Carter's actions and are reevaluating their policy options with the concern that American support in time of need may not be available.

Any nation either with treaties in force with the United States or contemplating them, looks at this administration's foreign policy record and views future relations with trepidation. If you betray your friends, you earn the contempt of friend and foe alike.

President Nixon's policy with regard to Taiwan was decidely more cautious and careful. He sought a more plausible substitute for the Mutual Defense Treaty and preserving Taiwan's security. He planned to issue a joint Presidential/congressional statement after normalization with the People's Republic of China (PRC) was achieved to the effect that use of force by anyone in the Taiwan Straits would cause the United States to consider whatever military actions necessary to preserve peace. Further, the United States would continue to insure freedom of navigation in the straits, and that we would continue to sell defensive military equipment to Taiwan.

It seems clear to me that it is the government of the People's Republic of China which needs the formalized relations with America more than we with them. But the current People's Republic leadership is shrewd. They noted the Carter administration's foreign policy and international negotiating record. They perceived a weakness and increased the ante over the three original conditions (end diplomatic recognition of the Republic of China (ROC), terminate United States-Republic of China Mutual Defense Treaty, withdraw the remaining U.S. troops on Taiwan). They added two more. The People's Republic of China would not accept a unilateral U.S. declaration concerning Taiwan's security, and that continued arms sales to Taiwan after normalization would not be allowed.

The administration, preoccupied with the vision of the media catching the colorful broadstroke of its foreign policy pronouncement to counter recent criticisms, forgot that the circumstances surrounding the United States-People's Republic of China discussions would allow them to improve relations with the People's Republic of China and obtain the kind of agreement necessary to preserve Taiwan's security. Mr. Carter could have obtained the terms which the overwhelming majority of Americans want, namely recognition of both Peking and Taipei as sovereign governments in their own territories (which they both obviously are) and guarantee that Peking will not use force against Taiwan (as manifested in a Louis Harris-ABC News survey of 1,500 adults nationwide, and American Conservative Union polls of the U.S. Senate and House of Representatives, which is reflective of the country).

Instead, the President announced that the People's Republic of China had made a great concession, forgetting, again, that Peking had added obstacles to protect the three original demands. Despite the fact that the United States enjoys more leverage over the Hua Ku-feng/Teng Hsaio-ping government in 1978 than President Nixon commanded in 1972, still President Carter was unable to obtain concessions reflective of long-term U.S. foreign policy goals. To say that the People's Republic of China is allowing America to terminate the United States-Taiwan Mutual Defense Treaty with a years notice was a concession on the part of the Chinese Communists is pure folly. The terms of that treaty provided for termination by either party with 1 year's notice. To have acted otherwise would have violated both the spirit and the letter of the treaty and made our other allies even more cautious about our reliability.

That the administration would construe events in that light is indicative of their concern for Taiwan as an entity. By their own admission, specific assurances from Peking that the security of Taiwan would be preserved were never even requested by the Administration. They readily accepted the Peking argument that the Taiwanese matter was an internal issue—period. Can the resolution of the two Koreans and two Germanys situation be considered strictly an internal issue? I fear that the international community must believe that America is willing to betray a friend, and do so cheaply, for negligible cosmetic gain.

The decision also violates the administration's claim of conducting an open foreign policy. Throughout his campaign and his tenure in the White House, Mr. Carter has reassured the American people that foreign policy decisions would be arrived at openly and in consultation with the American people and Congress. Yet his total consultation with the Congress was to advise a few Members after the decision was reached and without their advice being sought.

This clearly violates the law. The Stone-Dole amendment to the International Security Assistance Act of 1978 (Section 26(A)(4)) instructs the President to consult with Congress before taking action to terminate the treaty. That amendment passed the Senate by a 94-to-0 rollcall vote, was subsequently passed by the House of Representatives, and was agreed to by Joint Senate-House Conference Committee. Senator RICHARD STONE, a Democratic Member of the Foreign Relations Committee and the coauthor of this amendment, has stated that he was not consulted but only advised after the decision was made.

Thus the open foreign policy we expected was not present in one of the most important policy decisions of this generation.

Mr. Carter has oft stated the value of human rights as a key element in formulating his foreign policy. Shortly before his announcement concerning the two Chinas, he again reiterated that the principle of human rights was the cornerstone of his foreign policy. Yet he extended recognition, without preconditions, to a government that is universally recognized as disregarding human rights for its citizens. This is one more example that his policy is selective and capricious policy. The policy seems to apply only in those circumstances where the nation and government in question are completely dominated by the United States and are unable to bring effective counterpressure to bear. Once again, the credibility of American foreign policy is harmed by a hasty decision without the benefit of insight as to possible debilitating results.

In foreign affairs no activity takes place in a vacuum. We can only speculate on the effect the President's decision will have on the Soviet leadership. The possible strategic implications are staggering. It is easy to say that this action is not directed against anyone. But how it will be perceived in other capitals like Moscow, and how their leaders will react, is an additional uncertainty which we do not need. The decision does not seem to have been made with those thoughts in mind. It was neither cautious nor careful.

If the People's Republic of China is a military power capable of acerbating existing Soviet paranoia to station on the Soviet-People's Republic of China border approximately 45 divisions and support units (roughly 1 million troops) heavily equipped with armor, tactical air support, nuclear and offensive chemical weapons, how will the U.S. actions affect the situation? Further, how will our action influence Soviet-American arms control discussions?

Since the conclusion of the Second World War the United States has been the force which rallied and held together the noncommunist world. But the manner and tone of recent American foreign policy acts has led much of the free world to question the value of our word. When a nation says one thing, then suddenly and inexplicably buckles under to counterpressure, the reaction is predictable. In recent years this course of action has been the hallmark of our foreign policies. In Europe it was the enhanced-radiation warhead or neutron weapon. In the Middle East it was the delicate Egyptian-Israeli negotiations and now the Iranian situation. In Southern Africa it was the issue of political principle. Now we have repudiated the defense of an ally.

In summation, the President's hasty and poorly prepared decision will be harmful to both the interests of the United States and the interests of our allies, and to stability in Asia and the world as a whole.

Rather this action signals yet another facet of the gimmicky foreign policy which has become the hallmark of the Carter administration and which has been implemented at the expense of the long-term relationship with our loyal allies. By taking this step, the Administration has laid all our cards on the table and sacrificed our last bargaining chip; it has consciously chosen to undermine one of the last bastions of anticommunism in Asia.

The U.S. Government has shown itself incapable of obtaining fair and equitable guarantees for a loyal ally (namely recognition as a sovereign state and protection against invasion). This is the guarantee which Congress and the American people have repeatedly insisted upon. The President by his unilateral action has ignored the long-held and often expressed views the great majority of Americans hold.●

OPPOSES TENG VISIT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SYMMS. Mr. Speaker, I made remarks on January 29, 1979, to openly oppose the state visit of Teng Hsiao-ping to these United States. At that time, I pointed out that Mr. Teng had been a part and parcel of the Communist regime responsible for at least 45 million Chinese persons. I do not wish to modify that opinion, but rather to point out a few of the interesting comments that the Communist Chinese Vice-Premier noted in an interview in the current issue of Time magazine.

While the Carter administration is cuddling up to the Chinese Communists it is also attempting to keep the Russian Communists from misrepresenting the White House foreign policy role. The Carter administration is continuing on its misguided hope for a SALT–II agreement and for a continuation of the catastrophic policy of détente. Teng has long been a fellow Communist with the Russian leaders and is not fooled by their apparent friendship. He knows that the Soviet Union stands as the major obstacle to world peace. He also knows

that détente is merely a Communist method of lulling the West into security while the Russian Communists arm for full scale war.

Teng correctly stated in the Time interview that—

We (the Chinese Communists) consider that the true hotbed of war is the Soviet Union.

He went on to relate—

At present the U.S. has no reason and no need to want to launch a war.

Such clear and precise logic is interesting considering the source. I wonder why some of our elected representatives have yet to recognize the truth of the Soviet menace.

The role of U.S. foreign policy should be to be on guard against foreign aggression from whatever source. At present, the Soviet Union stands as the greatest threat to peace and the Chinese Communists while attempting to catch up with the Soviets have yet to master the technology. In regard to capturing the needed technology for war, Teng stated in his Time interview that—

I have said this to a number of foreign friends: the nuclear arsenal of the Soviet Union and the constant development of their strategic weapons means that we can say that the Soviet Union is already on a par with the U.S. The Soviet military budget takes up around 20% of the gross national budget.

As Alexandr Solzhenitsyn has recalled in his "Warning to the West" Lenin once told the Communists in Moscow:

Comrades, don't panic, when things get very tough for us, we will give the bourgeoisie a rope, and the bourgeoisie will hang itself.

Then Karl Radek, who was a very resourceful wit, said:

Vladimir Ilyich (Lenin), but where are we going to get enough rope to hang the whole bourgeoisie?

Lenin effortlessly replied—

They will sell it to us themselves.

Mr. Chairman, the decision of the Carter administration to sell out the free Chinese on Taiwan will stand as a monument to short-run diplomacy and the visit of Mr. Teng raises questions of competence at the White House. Still, one Communist is often able to capture the essence of the politics of another and I believe that Teng is obviously correct in his assessment of the Soviets.●

AMBASSADOR GARDNER EXPLAINS U.S. POLICY TOWARD ITALY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ZABLOCKI. Mr. Speaker, the U.S. Ambassador to Italy, the Honorable Richard Gardner, recently was interviewed by Famiglia Cristiana, Italy's largest circulation magazine and made a clear, and I think, persuasive exposition of U.S. policy toward that country.

At a time when much press attention is focused on other areas of the world, the complexities of Italian politics are not always easily understood on this side of the Atlantic. There has also been some confusion over specific U.S. positions on a number of issues affecting our relationship with this important NATO ally.

Ambassador Gardner's comments, I believe, go a long way toward dispelling such misunderstandings and in articulating what the U.S. role vis-a-vis Italy actually is and what U.S. policy is designed to accomplish.

For this reason, I am including in the RECORD at this time the full text of the Famiglia Cristiana interview which I commend to the attention of my colleagues. I believe that the substantive portion of the article is a significant policy document. The interview follows:

WHY I ADMIRE THE ITALIANS

(By Franca Zambonini)

"I have come to know you and to appreciate your knowing how to live amid the terrible things that are going on."

The problem of the Communists:

"We grant entry visas to everybody, because we are sure of the quality of our system."

Carter's fight for human rights, in Communist countries and in other countries.

Two years ago three friends met to have dinner together and wait for the returns of the Presidential election. They were Professor Richard Gardner, Professor Zbigniew Brzezinski and lawyer Cyrus Vance. All three of them were members of the Trilateral Commission and of the Task Force which supported Jimmy Carter's candidacy.

For that special dinner, Danielle Gardner had prepared ordinary dishes but had made them sound important by giving them auspicious names: "Tagliatelle Trilateral," "Cutlets Secretary of State," "Diplomat au Chocolat". When, at three o'clock in the morning, television announced Carter's victory, the menu proved to be prophetic: today Vance is Secretary of State, Brzezinski National Security Adviser and Gardner Ambassador to Rome.

With the arrival of Gardner, the style at Villa Taverna, the official residence, has changed. "I wanted it to be less pompous," Gardner says, amiably polemical with the eight ambassadors who preceded him as tenants of the villa. Danielle Luzzatto, the Ambassador's wife of Venetian origin, has eliminated official luncheons and dinners with eight courses, replacing them with quick buffet luncheons and dinners. Their children (who are now studying in America: Nina, 18, is a first year student at Harvard University and Tony, 15, is in high school) give parties with dancing for their friends. And parties are given not only for politicians but also for celebrities passing through Rome, like actor Kirk Douglas, jazz player Gerry Mulligan or the Harlem Globe Trotters.

The Renaissance furnishings of the villa are supplemented by the presence of contemporary American art. There is a portrait of President Carter signed by Andy Warhol, an American flag painted by Jasper Johns; these two artists are known for being disrespectful: Carter's portrait is just a photo with contours roughly touched up and the flag is definitely a "non-regulation" one, it has fourteen stripes and one hundred stars.

Lying about are ceramic ashtrays painted in blue, with a funny inscription that has a story. When he first met the Italian press Gardner avoided a tricky question by quoting a Venetian adage: "Prima de parlar, tasi" (before you talk, be quiet). His Venetian relatives had this adage painted on ashtrays and sent him a dozen. One of them is on the table in front of us. For those who are always looking, as we do, for auspicious signs, this is certainly not encouraging . . .

Q. Mr. Gardner, silence is the rule in your job?

A. No. "Prima de parlar, tasi" only means that, before you talk, you should pause and think. This is an old and wise Venetian saying that I learned from my wife. In my job I only speak in accordance with official policy. I don't make policy by myself.

Q. What instructions have you received recently?

A. There is nothing new. The policy of the Carter Administration remains today what it has been from the beginning: to do everything within our power to help Italy deal with its problems such as inflation and unemployment—which are problems we also have—and to work with our Italian friends and express solidarity with them.

FEW NATIONS ARE TRULY FREE

Q. Has Carter changed his mind with regard to the participation of the Communists in the Italian government?

A. Our policy is the same as it always was, as the President expressed it on May 2, 1977 during an interview granted to four European television journalists. I quote the text: "In the first place, it is not up to us to tell other nations how to vote or how to choose their leaders or who these leaders should be. In the second place, we favor the election of leaders who are committed to freedom and democracy and who are free from communist philosophy, which has quite often been dominated from the Soviet Union or other nations." These are two fundamental points, non-interference and preference, but at the beginning the press focused on the first one only. It is not for me to say why it did this. In any event, the position of my Government was enunciated by the Department of State on January 12, 1978; there has been no change in the policy described in that statement.

Q. On December 10 the 30th anniversary of the Universal Declaration of Human Rights passed by the United Nations will be celebrated. In your opinion, in which countries are human rights not yet respected?

A. I used to be a member of the board of directors of Freedom House, the most important private group in America concerned with human rights. Freedom House has issued a world survey of freedom. It shows that out of 150 countries, only 40 are free and democratic. 50 are totalitarian dictatorships and 60 have some democratic aspects and some totalitarian aspects. We obviously can't impose our commitment to human rights on other countries by military force and we can't cut off relations with them. That would not serve any purpose. What we can do, and what we are doing, is to use our political, economic and moral influence to encourage improvements in the lot of the average man.

Q. Who gives America the right to impose its morality?

A. The desire for freedom is not an American invention. It is something men fundamentally need, it is the only great revolutionary cause. We can use our economic influence to protect human rights: in fact, the Carter Administration has decided not to grant economic aid to certain countries where there are severe violations of human rights.

Q. Between an out-and-out commitment to human rights and a breakdown in the process of detente, what would you choose?

A. President Carter has always insisted that raising the question of human rights is not inconsistent with detente. We are working with the Soviet Union on the SALT negotiations and I hope we shall reach agreement. The same goes for the ban on nuclear testing and I think we shall succeed. We are cooperating with the Soviet Union in solving some of the world's problems. We continue to sell wheat to Russia and to export technology . . . But there is another point: human rights and detente are mutually reinforcing, one helps the other. As we pursue detente, we create a climate of relaxation in which it is easier for the Soviet Union to grant rights to its citizens. If we were in a state of tension, in a cold war climate, it would give the Soviet Union a good excuse to oppress the population. Moreover, ignorance, fear, ideological ghettos are things that work against detente. No one expressed this better than Pope John Paul II when he said: "Open the frontiers, don't be afraid . . ."

Q. Ambassador Gardner, what was your relationship with President Moro? In the so-called Moro Memorial, he talks about you at length.

A. The section of the Moro Memorial that refers to me is authentic. There are details that concern me that only he could have known: for example, the fact that, while talking with him, I took out of my pocket a paper on which I had noted down some important points, since I didn't trust my Italian sufficiently. I was moved by the fact that, despite the terrible pressures that were operating on Moro during his confinement, he was sufficiently serene to provide an exact evaluation of our personal relationship. We had common interests: for example, combating inflation and unemployment and other areas in which Italy and the United States can cooperate. He wanted to encourage, as I do, the flow of students, of young leaders between Italy and the United States, to help us to know each other better. These are not the things that make headlines, but I can assure you that they will give a new meaning to the relationship between Italy and the U.S. a generation from now. Moro understood this very well.

Q. The number of communist leaders who visit the United States has also increased. What do you think of this? Do they go there to explain Eurocommunism to the Americans or to win their favor?

A. President Carter has been the one who removed the ideological bloc on the granting of visas. It doesn't mean that he has changed his views about Communism, but it means that today we are so secure about the superiority of our free system that we invite everyone to come and look. Our basic idea is that those who come will perhaps change their views once they are exposed to our system.

Q. As far as you know, are there communist leaders who changed their mind after having visited America?

A. You should ask them, not me. But we know, for example, that Khrushchev came to the United States with many misconceptions and that when he left, he didn't have them anymore. I go so far as to say that if Mussolini or Hitler had come to the U.S., history would have been different. Obviously, I can't prove that, because history does not disclose its alternatives. But, in order to better answer your question, there is no doubt that the PCI is anxious to make these visits and this is perfectly all right with us, though we would like to balance the presence of leaders of the PCI by visits of leaders belonging to other parties.

Q. When Berlinguer will apply for a visa, you will immediately say yes?

A. I would prefer not to answer about a particular case. It might seem that I am inviting Berlinguer to visit the United States, which is certainly not my intention. I will answer in a general way, saying once again that we grant visas to everybody, without any political discrimination.

Q. Talking about changing one's mind: about what things have you changed your mind since you arrived in Italy?

A. I have never felt a stranger here because, ever since Danielle and I were married in 1956, we have been coming here every summer. But then we stayed mainly in the large cities. Now I travel a lot, I think I am the most traveling Ambassador that has ever been in Italy. And I have discovered an Italy that is not known by the world's press and by the diplomats: an Italy of the common people, with their traditional Italian virtues, their good sense, their commitment to religious values, their love of family and work. I discovered another thing I didn't know: the Italians really know how to take life in the right way. The basic strength of Italy is its capability to survive in spite of the terrible things that are going on.

Q. Did you tell President Carter about these things so as to convince him to visit Italy?

A. Of course. And President Carter wants to come soon.

Q. What does soon mean? For Christmas? In spring?

A. It means soon. I cannot tell you exactly when, but he wants to come to Italy soon.

Q. There is another anniversary in addition to the one of the declaration of human rights: thirty years ago NATO was founded. How is NATO affected by domestic developments in member countries?

A. One always talks of what would happen to NATO should the communists come into the government in Italy. For once, let's see things from the American side. Imagine that someone were running for President in the 1980 elections with the following program: withdraw all our troops from Europe, stop all imports from Europe, cut our share of international military expense, eliminate foreign aid . . . Obviously that will not happen, but if it did I believe such a man would be seen as prejudicial to the interests of NATO members and the European Community, and you would consider his candidacy a reasonable subject of discussion.

Q. Is NATO different today from what it used to be thirty years ago?

A. Undoubtedly. The Soviet Union is much stronger. Thirty years ago, the USSR didn't have any missiles, and now it has them in abundance and many of them are targeted on Europe. It has built up its conventional arms far beyond its defensive needs: for example, it has 16,000 tanks facing 7,000 tanks of NATO in Central Europe. So there is need to strengthen NATO, which has been a major priority of Carter's foreign policy; we have reached agreements on this at the last two NATO summits.

Q. Mr. Gardner, we have talked a lot about human rights. How can the support given by Carter to the Shah, pretending not to see the Teheran massacres, be in keeping with the defense of human rights?

A. As I said earlier, we have to deal with a variety of countries and use our influence to encourage improvement in respect for human rights. Now the Shah is trying to bring his country from the feudal era into the modern era; normally, it takes many generations to achieve this goal. He is trying to do it in one generation. When he imposed martial law, he promised to hold free elections as soon as possible. We must encourage governments to move in the right direction and this is what we are doing with Iran.

Q. Would this encouragement be the same if the Shah didn't have his throne established on oil wells?

A. The only honest answer I can give you is that one has to be an idealist and a realist at the same time. Iran is a country of enormous strategic importance because of its geographic position and of enormous economic importance because it is a major supplier of oil to us and to Europe and Japan, which depend more heavily on Iranian oil than we Americans. It would not serve the interests of freedom in the world to have the oil of Iran fall under the control of the Soviet Union.

THE TRUTH ON THE N-BOMB

Q. One has the impression that President Carter works with one hand for peace (his mediation for peace in the Middle East) and with the other hand for war (the recent decision to build the main components for the neutron bomb). Is this so?

A. No. The so-called N-bomb is not a new weapon, it is an improvement of existing tactical nuclear weapons. There are thousands of them in Europe, on both sides, the Warsaw Pact side and the NATO side, ready for use in case of war in Central Europe. The so-called N-bomb differs from the existing weapons in Europe because it is more precise, it can destroy an invading army without destroying the civilian population around it. In short, it is a more rational weapon.

Q. Ambassador, do you really believe that there are "rational" weapons and "irrational" weapons?

A. I believe in complete disarmament, I worked for this as far back as the Kennedy Administration, participating in negotiations with the Soviet Union on the banning of nuclear weapons. I think war is obscene, that all weapons are obscene. But let's be logical: the Russians have the SS 16, SS 18 and SS 20 missiles (the latter is now being built) that are twenty thousand times more destructive than the N-bomb. Why are those who complain about the N-bomb totally silent about Soviet missiles which are twenty thousand times as destructive? Isn't this silence strange?

Q. You mentioned the Kennedy Administration. President Kennedy died fifteen years ago, his brother Bob ten years ago. What did we miss in connection with them?

A. The great hope that everything is possible, typical of the Kennedy years. I was thirty-three years old when I was invited to join the Kennedy Administration as Deputy Assistant Secretary of State for United Nations. We all had the sense that one could re-make the world for peace and justice. Today we don't have that sense any more. Today I am older and perhaps wiser, but I miss that unique spirit.

Q. How do you define your political position?

A. One day the Italian press says that I'm too much to the left and the next they say that I'm too much to the right. I am a moderate progressive. We of the Carter Administration are part of a great tradition that extends from Franklin Roosevelt through Harry Truman and John Kennedy to Jimmy Carter. We are reformers. We believe in the renovation of society through non-violence, through law and through the democratic process. In my contacts with Italian politicians I prefer those who share these ideas. Of course, I also see members of the Communist Party. But since President Carter has clearly indicated what our preference is, I don't invite them to official functions at the Embassy. I see them outside, at dinner parties organized by others which I attend.

Q. One more question, Mr. Ambassador: Being used to making political analyses in a simple country like America, how do you deal with Italy's complexity?

A. It is not true that America is simple

and Italy complicated. They are both complicated countries. To understand America requires an effort which sometimes you Europeans are not prepared to make. The same thing happens to us with regard to Italy. We must practice a little reciprocal humility. I am trying to approach Italy with humility. I have never said, and I will never say, that I am an expert on Italian affairs.●

INDEED, WHAT KIND OF PEOPLE ARE WE?

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. FOUNTAIN. Mr. Speaker, in the February 5 issue of U.S. News & World Report, editor Marvin Stone has written an excellent commentary on the present and future course of our Nation, salted with a few lessons from history. While we may not agree with every facet of Stone's analysis, I found the editorial to be extremely thought provoking, and I commend it to the attention of my colleagues.

The article follows:

WHAT KIND OF PEOPLE ARE WE?

(By Marvin Stone)

What has happened to the America we knew?

That plaintive cry is sounded time and again in letters from our readers, by people we meet on our trips, by those close to home.

What kind of people have we become?

One description was offered in the recent farewell issue of *New Times* magazine:

"Come July it will be 10 years since Neil Armstrong stepped on the moon—and 10 years since Teddy Kennedy and Mary Jo Kopechne rode off Dike Bridge. Of the two events, Cheppaquiddick far better presaged the decade ahead. It was so callous, so sloppy.

"We shrug off almost everything now, moving on—with a lot of help from the omnivorous media—to the next fleeting titillation. Fur ads in *Vogue* feature women being attacked by Dobermans. Shrug. Bianca Jagger, Billy Carter, Gary Gilmore—all hype, show, diversion. There's a new rock group called the Dead Kennedys. Shrug.

"It's as if we're beyond making distinctions, beyond caring. . . . Third graders are selling dope. White House aides are buying it. Our appetite for violence is insatiable. Sid Vicious is just a mixed-up kid.

"Exhausted from our exertions of the '60s, all we ask for now is relief. Six hours of TV helps to get us through the day—life once removed is close enough, thanks. The impetus to rethink-reform-transform has long since slid into the ennui.

"After two centuries, we have reached a consensus of indifference."

So we ask: If we have really come to that, is there any turning back?

The answer has to come from intangibles not readily calibrated. But the answer is crucial, because our future will surely be endangered if we continue aimlessly to drift.

Americans have not, indeed, put on an impressive show of unity in recent years. We can't even get together on saving gasoline and oil in the face of costly imports that are damaging the economy, or on controlling the inflation that threatens disaster.

What's wrong? There are clues.

The ennui of affluence can overwhelm a nation. In this condition, nothing seems to call for striving, or to demand common effort.

Lacking is the challenge that can be the basis of a strong civilization. Those Americans who do not have much are looking around them at the almost universal abundance and expecting to receive—or wangle—their share. The ripoff society.

A retreat from dominance, a softening of the martial spirit have also affected a mature and bountiful society. Along with the urge to relax and enjoy has come the false conviction that protecting national interests, a principal means by which big powers survive, is not worth personal sacrifice.

In the midst of plenty, the small symptoms of economic disorder depress and alienate the individual. The cartwheel dollar is only a collector's item, and quarters don't ring. A cup of coffee at 50 cents and up is a knife to the wallet. When Europeans turn up their noses at the dollar, when a drink costs $8 in a Swiss bar, you don't feel welcome any more. And so Americanism, too, is devalued.

A person deals today with huge companies, not with people. It is hard to make friends with a computer or to cooperate beyond obeying its commands. Big government, faceless and remote, reaches out with incomprehensible forms and rules. How can one feel part of anything? Thieves and embezzlers can operate without the embarrassing thought that they are cheating someone they know, or will be arrested by a policeman who lives down the street.

Respect for government is further diminished by endless exposures of misfeasance. Until reforms are confirmed and confidence is restored, the weak-minded may conclude, "We might as well get ours too," and the honest may turn their backs in disgust.

This and the awful complexity of issues and political campaigning today have generated in people a feeling that they cannot better their condition by going to the polls. A television personality explains why he has no faith in politics:

"It's pretty much the same man, asking the same questions, and we're still stuck." Only about a third of eligible voters cast their ballots. People just don't care.

During a period of recent years, history and writing skills were neglected in school curricula. So we have a generation cut adrift without a compass or the means of communication. Respect for education sank to an all-time low. Teachers were attacked. Buildings paid for with people's tax money were vandalized. Other institutions regarded as foundations of society went down in the avalanche of change. The family suffered. The churches, long a rallying point for humane action, lost influence.

Meanwhile, huge new groups of immigrants arrived, different from former waves of newcomers: In many cases, they wished to maintain their transplanted culture and did not yearn to be "Americanized." Millions of illegal aliens, unable to acknowledge their existence, live outside the system.

Foreign-oriented lobbies have grown up to badger Congress on behalf of Greece, Israel, black Africa, Korea or what have you. These, alongside the domestic lobbies already operating for business, unions, lawyers, doctors, oilmen, dairymen and a host of others, serve to split the country into factions and hamper legislators trying to work for the national good.

Those are a few of the forces working against cohesion and concerted effort. It would be fatuous to suggest that anyone has a remedy. There is no single medicine.

Some of the trends may be irreversible. Some others, happily, are showing signs of improvement. Organizations have grown up to defend the family. Trashing of schools and attacks against teachers are abating in some places. Colleges are restoring requirements for the study of history, government and language. Outwardly, at least, the dissidence of young people has calmed.

Yet Felix Rohatyn, the financier who helped to win time for New York City in its struggle for solvency, issues a warning: "Can a Western democracy only find leadership, nobility of purpose and sacrifice in a time of crisis, at the brink of disaster? . . . [If not] it could be the end of a form of government which, since the days of the French Revolution, has done more for more people than any other system ever invented."

Are we doomed, then? Surely we have endured social revolution before. The nation was born in it, and lived its first 50 years in so unruly a fashion that the strongest memory for Frances Trollope, the English visitor, was of men "incessantly" spitting in living rooms, dining rooms, theaters, the halls of Congress.

After the smashed china of Andrew Jackson's regime, we restored some decorum to the White House, and we eventually restrained his spoils system, at least for a while.

A hard lesson was learned from the bloody stupidity of the Civil War, but we were able, in its uneasy aftermath, to become a nation able to function together as never before.

As World War I drew near its close, suffragettes marched on the White House. During the Roaring Twenties, gin mills sprang up in massive, illegal protests, college students carried hip flasks, and flappers in knee-length skirts rode to perdition in rumble seats. Some thought society had collapsed. But prohibition was repealed, women got the vote, and young people went to work. Out of the travail we became more mature.

The Great Depression of the '30s shook every American. No sooner had the specter of starvation been exorcised than we began to worry about the way Franklin Roosevelt did it. Some groaned, "Socialism!" Others, "Communist!" What really happened was that we found ways to save ourselves from an upheaval like the French and Russian revolutions.

Troubles, then, do not necessarily destroy a nation. Arnold Toynbee, if we read him right, thought of troubles as the challenge necessary to maintain the vitality of a society.

Certainly we have the intelligence to understand that we are going through one more social revolution in this country, and the challenge is to preserve the best of the past and embrace the good in the new. But it will take leadership to define and inspire a common purpose, and desire by the rest of us to pursue it.●

ASBESTOS SCHOOL HAZARD DETECTION AND CONTROL ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MILLER of California. Mr. Speaker, on Thursday I introduced H.R. 1524, the Asbestos School Hazard Detection and Control Act of 1979, a bill which deserves the immediate attention of the Congress. Over the past several months, I have held several days of hearings, in two subcommittees of the Committee on Education and Labor, on the broad subject of health hazards associated with exposure to asbestos. Expert testimony at these hearings established the fact that asbestos exposure greatly increases the likelihood of contracting lung cancer, mesothelioma and asbestosis, all fatal diseases. In conjunction with smoking, the chances of contracting lung cancer tremendously increases.

One of the most serious problems which was brought to the attention of the subcommittee earlier this month was that asbestosis materials were widely used in the construction of schools during the period 1946–72. One recent survey found asbestos materials in one-sixth of all schools surveyed. In some, the asbestos level in the air was 100 times the normal ambient level. Asbestos was used for fireproofing, insulation, and soundproofing, and was mixed in cement and tiles, used as pipe insulation, and sprayed on walls and ceilings.

Over time, some of this asbestos material has deteriorated and found its way into the air, where it can be inhaled by students and school employees. Especially when the asbestos materials have become friable, or are within easy reach of students, the likelihood of the release of asbestos fibers is very great. Additional problems are caused by broken insulation around pipes and water and air damage.

The problem in our schools is particularly severe because children, according to leading medical experts, may be especially susceptible to environmentally caused cancers. Asbestos related cancers also take as long as 30 years or more to develop. If a young child is exposed, therefore, his or her likelihood of surviving well into the post-latency period, when the cancer becomes manifest, is far greater than in the case of an older worker.

There are very inadequate controls governing asbestos in the school environment. There is currently no safety standard applicable to schools. Although the use of sprayed asbestos was banned by the Environmental Protection Agency in 1973, there is no program to survey schools and remove hazardous asbestos, except on a voluntary basis. Local school boards do not have the technical expertise to test their schools, nor the financial resources to pay for the containment or removal of hazardous substances. Although administrative relief is being sought under the Toxic Substances Control Act, resolution of the current petition may require years, and we cannot afford to wait. Doctors told our committee that there is no safe level of exposure to asbestos; cancers have appeared in people who were exposed for only a few weeks several decades in the past. I believe that my bill is a reasonable, fair, and effective way to responsibly provide Federal leadership in the resolution of a very grave danger.

The Asbestos School Hazard Detection and Control Act builds on the voluntary efforts begun by the National Cancer Institute, HEW, the Department of Labor and several States to reduce the asbestos hazard to millions of schoolchildren. This bill would create an interagency Task Force to conduct information, education, and technical assistance programs for States and local units of government, including school boards, concerning the hazards of asbestos exposure, the means of detection and containment or removal. The bill also requires States to file a plan which details the means which they will use to conduct a thorough survey of all schools for the purpose of detecting the presence of hazardous asbestos substances.

If a hazardous situation is found, the local board could apply to HEW for a 50-percent reimbursement of the approved costs of a survey, detection, and testing of suspected materials. The reimbursement would be paid from a fund composed of contributions from those companies which manufactured asbestos during the years the substance was being installed in schools. Throughout all of the testimony at various hearings, I think a very strong case has been made to the effect that asbestos manufacturers did not exercise prudence or caution for many years regarding their product. Letters which were made available to the Subcommittee on Compensation, Health and Safety indicate that these companies were aware of the severe health hazards associated with asbestos exposure as early as 1933 or 1934. There was an enormous literature developed on the subject during the 1930's, 1940's, 1950's, and 1960's. At hearings 2 weeks ago, the attorney for Johns-Mansville told the subcommittee members that his company knew "decades ago" that exposure to asbestos in the workplace caused severe illness. Yet what did the company do? We also heard from a man who lost a lung, and now has other severe asbestos-related illnesses, who had worked in a plant in the late 1960's, and was never warned that his health was at risk.

Despite company protestations, there is very little evidence that asbestos manufacturers exercised diligence with regard to their workers' health. Nor did they adequately investigate the possible effects of exposure in nonindustrial settings. Knowing as much as they did 40 years ago, one would have hoped to see far more in the way of corporate responsibility than they have yet revealed.

Detecting and cleaning up asbestos hazards is not going to be cheap. I, for one, do not believe that the Federal Government ought to pick up the tab alone. This is a problem for which responsibility must be shared, and I firmly believe that the people who manufactured and promoted the use of asbestos for decades, and who made very profitable businesses out of that activity, should also contribute to the solution of a very serious problem.

The issues raised in the asbestos problem, and in the legislative response, are very far reaching. I believe that corporate responsibility simply cannot end with the sale of a product into the marketplace. I think there is a choice to be made. Perhaps we will have massive Federal regulation in the future to prevent forever the introduction of any potentially hazardous substance, because if a danger does become known, the responsibility for picking up the bill for the corrective action always seems to be sent to the Government. Or, perhaps corporations will choose to exercise diligence and assume the responsibility for their products, even if hazards become known years after their introduction.

But that is not the kind of responsibility we have seen in the case of Tris, or Firestone tires, of Pintos, or now asbestos. Business wants no regulations, they oppose Toxic Substances Acts and other laws, and then they run to the Congress to pick up the multimillion dollar bills due to their errors and negligence. Well, I favor cutting back on wasteful Government spending, too, and I think a very good place to start is by ending the periodic bailing out of corporations which find that their products have not only produced profits, but also life threatening hazards for millions of Americans.

If hazardous situations are found, they should be mitigated, either by containment or removal. My bill would provide school districts with long term, no interest loans, but only for the mitigation of situations which pose an imminent danger to the health of students and school employees. I do not believe that we should hyperbolize this issue; we should not create the impression that every school in America is filled with asbestos. We should not create a loan program which will be used to refurbish every school building in the country. That is why loans, under this bill, will be for the mitigation of serious problems where the asbestos is friable, damaged, or within easy reach of students or employees.

There are several other provisions in this bill which are very important. All parties would reserve the right to take legal or administrative actions to recover losses. Employees would be protected from disciplinary action because of their activities regarding asbestos safety. All testing and mitigation efforts would have to be conducted in strict accordance with worker safety rules.

Mr. Speaker, I am hopeful that this legislation receives swift consideration by the Congress. The asbestos problem in our schools affects every State in our Nation, and probably every congressional district. This legislation establishes a reasonable, cautious and fair approach to ridding our schools of a potentially severe health hazard.●

REPRESENTATIVE MINETA ON SUNSET

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BLANCHARD. Mr. Speaker, during last week's Democratic Caucus, Mr. GEPHARDT, Mr. MINETA, and I offered a

resolution urging the Rules Committee and the Ways and Means Committee to give full and serious consideration to sunset legislation. Our resolution was adopted, and I want to thank Congressman MINETA for his tireless efforts on sunset.

Time did not permit Mr. MINETA to offer his prepared remarks, so I would like to take this opportunity to bring them to my colleagues' attention. Mr. MINETA's statement shows very clearly the long legislative record and extent of the effort that has gone into the preparation of this important piece of legislation over the past 4 years.

The statement follows:

MINETA STATEMENT ON SUNSET RESOLUTION

This Resolution deserves the strong support of all the Members of this body. It is directed towards achieving a goal we can all agree on—improving the effectiveness of Federal spending. Passing this Resolution will not force anyone to do anything they do not want to do. It merely urges the Rules Committee to consider legislation to require review and reauthorization of spending programs on a systematic basis. Further, it asks the Ways and Means Committee to do the same thing with tax expenditures.

I want to point out to my colleagues that the sunset plan we are proposing is not a mere political gimmick cooked up to convince voters that we "got the message of Prop. 13." The five elements we have listed in our resolution which should make up the basis of a comprehensive review system are the result of four years of legislative study and refinement. A brief chronology of the legislative history of this idea will indicate that it is, indeed, a serious idea.

The bill embodying the sunset principle was originally introduced in July, 1975 by Jim Blanchard and myself. Subsequently, various similar bills were introduced in the House and Senate during the 94th and 95th Congresses. During that time the bill was the subject of numerous hearings in both the House and Senate:

In March and April, 1976, 7 days of hearings were held by the Senate Intergovernmental Relations Subcommittee.

In June, 1976, hearings were held by the House Rules Committee.

In June and July, 1976, hearings were held by the Budget Process Task Force of the House Budget Committee.

In September 1977, Senate Rules Committee held hearings.

In March, 1977, 7 days of hearings were held by the Senate Intergovernmental Relations Subcommittee.

September, 1977, hearings were held by the Senate Rules Committee.

October, 1977, hearings were held by the House Government Operations Committee Subcommittee on Legislation and National Security.

In the course of the last four years, that's a total of 24 days of hearings held by five committees.

By the end of the 95th Congress, various sunset bills which Mr. Blanchard and I introduced had over 150 co-sponsors in the House. Last October, the Senate passed their companion measure, 87–1.

Thus, the bill we are talking about is already in a refined form. It is possible to achieve a firm, yet flexible schedule with the approach we are suggesting. It is our hope that passing this resolution will convince the Rules Committee to put together a workable bill along the lines in this resolution. With the able leadership and extensive expertise of the Rules Committee, a truly landmark piece of legislation will be possible.

I urge you all to support this resolution.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ROTH. Mr. Speaker, we live in an era of unprecedented inflation. Rapidly rising prices affect our senior citizens even more than other Americans.

Because our older citizens generally live on fixed incomes, it is very important that they take advantage of every allowable tax deduction, exemption and credit available.

Today I am submitting a revised Checklist of itemized Deductions for use in preparing 1978 Federal income tax returns. The checklist, prepared by the Senate Special Committee on Aging, is designed to cover many typical situations. It is not intended to be comprehensive for every conceivable tax situation.

Several new tax relief measures became law in 1978. Persons 55 years of age or older may now exclude up to $100,000 from capital gains tax when they sell their home.

In addition, there is a new 15 percent tax credit of up to $2,000 for energy conserving devices.

The checklist will be helpful in determining whether to itemize deductible expenses or claim the standard deduction. It can provide guidance in planning personal and tax affairs. The checklist may even be helpful for taxpayers who have already filed a tax return but overlooked allowable deductions, such as sales tax on an automobile or transportation for medical expenses exceeding three percent of adjusted gross income. These persons may still claim these items by completing an amended return, Form 1040X.

I hope our senior citizens will find this information interesting and useful:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7c per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, truck, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per miles plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable orgainizations (excess of amounts paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Point—deductible as interest by buyer where financing agreements provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the President Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Beside the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rates schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written

statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

PUGNACIOUS "TWIG" NOW A TOP LAWYER

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ALEXANDER. Mr. Speaker, one of Arkansas' top lawyers, Oscar Fendler, of Blytheville, Ark., in my district, was paid tribute in the Arkansas Gazette last December. An article written by Doug Smith traced Oscar's colorful legal career. As the pugnacious "Twig" is well known in American Bar Association circles for his contribution to the legal profession, I wanted to share with my colleagues this article:

PUGNACIOUS "TWIG" NOW A TOP LAWYER

(By Doug Smith)

BLYTHEVILLE.—In his youth, Oscar Fendler was pugnacious, partly because of temperament, partly because of maternal pressure.

"I used to have a vicious temper," Fendler said. "It got me in a lot of fights—and I didn't win many of them. But I kept on fighting. If I told my mother I'd gotten whipped, she'd make me go back and fight him again. She was a fighter."

As the twig is bent, they say. Fendler grew into a pugnacious man, although his adult fighting has been of the legal sort, rather than hand to hand. Such as, the time he went into action against the Mississippi County Penal Farm, a frightening institution where—Fendler said—misdemeanants were routinely brutalized. Before the County officials finally gave up and closed the Penal Farm, Fendler had reversed the normal pattern of activities at the Farm. According to County officials, at least, who contended that Fendler had the deputies carrying wood and building fires for the inmates.

A Little Rock reporter remembers seeing Fendler do battle with Arkansas Louisiana Gas Company, and Ark La's crew of high-priced lawyers, in a rate hearing before the state Public Service Commission. At one point, Fendler demanded that Ark La produce every record, every scrap of paper, it had kept for the last 10 years. At another point, he asked the PSC to take judicial notice of the fact that one of Ark La's expensive expert witnesses was a fool. He also made some implications about Ark La's legal counsel that weren't taken kindly. Before the hearing was over, the Ark La people were almost as concerned about protecting themselves from Oscar Fendler as they were about the rate increase.

Fendler, 69, of Blytheville is one of the state's foremost lawyers, and one of the most colorful—the kind that other lawyers tell stories about. (Like the one about the Blytheville barber who made a practice of quizzing his lawyer-customers about his legal problems. When that happened to Fendler one day, he went back to his office, drew up a bill for 30 minutes of legal consultation, and mailed it to the barber.) He also is one of the most honored within the profession, which is a little unusual. Generally, the lawyers who gain the highest offices within the bar are conservative, board-room types. Fendler, despite his flamboyance, is a former president of the Arkansas Bar Association, and he is, or has been, a fellow in the American College of Probate Counsel; a fellow of the American Bar Foundation; chairman of the General Practice Section of the American Bar Association; a member of the House of Delegates of the American Bar Association, the ABA's governing body, and a member of the American Judicature Society, among other honors.

This is not to say that Fendler is universally loved within the profession. He is respected, but not loved. It is said that he doesn't always observe legal etiquette. A lawyer who has practiced in Northeast Arkansas described the pretrial conferences that are held between the judge and all the lawyers who have cases scheduled for trial. "Everybody else shows up on time and waits his turn, like you're supposed to. Fendler's always late. He comes in with half the cases, calls the judge by his first name, spreads out his stuff on the table and starts talking. Everybody else has to wait until he's through."

But all the lawyers admit that Fendler is a formidable adversary. They don't enjoy trying cases against him. "He's very aggressive," a lawyer said. "He'll plead you to death. He makes you want to settle just to get him off your back."

Fendler was born at Blytheville and reared at nearby Manila. His parents were Polish immigrants—from Cracow, the hometown of Pope John Paul II. They were dirt-poor at first, but his father opened a tailor's shop at Manila and eventually prospered and expanded, going into the grocery business and then the dry-goods business. The elder Fendler sent Oscar and his two brothers to college (one of the brothers became a lawyer and the other a doctor), but not their sister. He saw no point in sending a girl to college, Fendler said.

Cracow belonged to Austria at the time Fendler's parents had lived there. At Manila, the family spoke a combination of German and Yiddish at home. The elder Fendler considered himself a German and was proud of it—his nickname was "Germany"—and he passed that on to his family. When the kids at Manila played soldiers, Fendler always took the German side. "I thought the Germans could beat anybody," he said. "Deutschland Uber Alles." When America entered World War I, pro-German sentiment became decidedly unfashionable, and that led to a frightening episode in Fendler's life.

"One night in 1918, some drunks wanted to lynch us," Fendler said. "Some good friends hid us that night. It's a hell of a feeling, I can tell you. I've had a terrible hatred of mobs ever since. I'm sure that's one thing that prompted me to be a lawyer."

Fendler remembers another time when a mob walked the streets of Manila. That was in 1933, during the Depression, when people were hungry, and angry. "Every merchant in town [including Fendler's father] had to close his store that day," Fendler said. The 1933 group had more justification for their actions than the one in 1918. "Their families were starving," Fendler said. "It was hard to blame them."

Being Jewish, Fendler also had difficulties—though not as serious—with members of the Ku Klux Klan. "I used to catch flak from the KKK," he said. "I went around telling them what a bunch of low-life * * * they were."

After graduating from Blytheville High School, Fendler went to the University of Arkansas. For two years, he was the chief editorial writer for the *Arkansas Traveler*, the student newspaper. He spent most of that time trying to get Fred Thomsen, the U of A football coach, fired. "I didn't care for him," Fendler said. He also found time to win a letter in tennis.

Then it was off to Harvard Law, where one of his professors was Felix Frankfurter and where Fendler distinguished himself, he said, as "the best home-brew maker that was ever up there." There were several Arkansans among his fellow law students—E. J. Butler of Forrest City, Richard L. Arnold of Texarkana, Albert Graves of Hope, Cooper Jacoway and E. L. (Buddy) McHaney of Little Rock. In fact, Fendler said, the member of his class who achieved the greatest fame in later life was an Arkansan—Wilbur D. Mills of Kenett.

Fendler maintained his interest in journalism, and put it to use during the summer of 1932, when he and some of his Harvard friends went to Los Angeles for the Olympic Games. Fendler paid for the trip by working as a free-lance reporter, selling articles to the Hearst papers and the St. Louis *Post-Dispatch*, among others. One of the athletes he wrote about was Bill Carr of Pine Bluff, who won the gold medal in the 400 meters.

While he was at Harvard, Fendler made speeches in New England for Al Smith, who had been the Democratic presidential nominee in 1928 and sought the nomination again in 1932. Fendler said that United States Senator Joe T. Robinson of Arkansas, who had been the Democratic vice presidential candidate in 1928, convinced Fendler and some of his classmates that Smith was to be preferred over Franklin D. Roosevelt. (Neither the Democratic Party nor the people shared that opinion.)

After graduating from Law School, Fendler returned to Blytheville to practice law in 1933. He has been here ever since, except for service with the Navy in World War II.

As with other small-town lawyers, Fendler's is a very general practice—probate, criminal, whatever is needed. And, another characteristic of small towns, he keeps crossing paths with the same people. As a young man, Fendler led a Boy Scout troop, once taking it on a trip to Hardy. Later, the man who drove the bus on that trip got in serious trouble with the law and Fendler defended him. Still later, he defended one of his former Scouts.

Fendler has filed a number of civil rights lawsuits; some are pending now. "It's just been sort of my hobby to help the guy who can't help himself," he said. That tendency led him, in 1971, to file a federal lawsuit to close the Mississippi County Penal Farm, after a teen-aged black prisoner drowned on a work detail. The Mississippi County suit was part of a broader effort against all the county prison farm in the state. Several lawyers were associated with Fendler in the effort. One of them was Richard S. Arnold of Texarkana, the son of Richard L. Arnold, whom Fendler had known in Law School. Richard S. Arnold recently was appointed a federal judge.

(Fendler first heard of Richard S. Arnold when Arnold took the Arkansas bar examination. Fendler was a member of the Bar Examiners Board that year. The examinations were identified only by number, so that the examiners wouldn't know whose paper they were grading. Fendler said that there was one paper that was brilliant. "He answered questions that I hadn't even known were in there—and I wrote the questions. I gave him 117 out of a possible 100." Later, he learned the paper was Arnold's.)

The Mississippi County Penal Farm was closed, after federal Judge G. Thomas Eisele imposed requirements that the Farm couldn't meet. The closing worked out well for everyone, Fendler said. He said Mississippi County now made money by leasing the farmland. The buildings are used for a work-release program in co-operation with the state Correction Department.

When Fendler first filed the suit, some Mississippi County residents were angry with him, especially some of the elected County officials, Fendler said. But much of that sentiment changed after Fendler discussed the Penal Farm with Mississippi County leaders, including the biggest landowners and taxpayers in the County. "They generally agreed that the County couldn't tolerate something as vicious as that," he said.

In connection with the Mississippi County lawsuit, Fendler had a hand in getting the West Memphis Jail "pretty well straightened up" and the Phillips County Penal Farm closed, he said.

Fendler and Richard S. Arnold worked together also as the attorneys for a group of taxpayers who alleged that Sheriff Marlin Hawkins of Conway County had converted County funds to his own use. Hawkins, a devoted Democrat, charged that the suit was simply Republican harassment. Both Fendler and Arnold are Democrats; Fendler has been a member of the Mississippi County Democratic Committee since 1948. Fendler said it was true that Governor Winthrop Rockefeller, who was the leading Arkansas Republican, financed the suit. But Fendler said he and Arnold were nonpartisan in the matter.

They took the case, he said, "because Rockefeller paid us money. We're lawyers." (The suit alleged that Hawkins had misappropriated more than $200,000 in county money. The trial judge ordered Hawkins to pay $10,082 to the county treasury, but the judge said he believed there had been no willful wrong doing by Hawkins. Friends of Hawkins raised the money.)

Despite his Party affiliation, Fendler has refused to support Democratic nominees on a couple of occasions. In 1966, he was chairman of the Mississippi County Democratic Committee. He sent a telegram to the Democratic State Committee that year saying that he couldn't vote for the Party's gubernatorial nominee, Jim Johnson, because Johnson campaigned "on a platform of hate and bigotry." The Party took no disciplinary action against him, Fendler said. "They didn't like it, but what could they do about it? They'd have to kick thousands of people out of the Party."

FENDLER MOTIVE

That was the year that Rockefeller was elected to his first term as governor, but Fendler said his motive at the time was anti-Johnson, not pro-Rockefeller. Later, he became an admirer of Rockefeller. "Rockfeller was one of the nicest guys I think I've ever known," Fendler said. "The state of Arkansas pulled a boner when they didn't take more advantage of what he wanted to do."

Rockefeller appointed Fendler to the state Pardons and Paroles Board. Predictably, the two men then found cause to disagree. Fendler thought the whole parole system stank, and said so in his forthright manner. The Board granted and refused paroles without sufficient information to make intelligent decisions, he said. Rockefeller thought his appointee should have been more circumspect in his criticism. Fendler, no longer a member of the Parole Board, says that the parole system still needs reform. A committee appointed by Governor Pryor did a good job of recommending changes, he said, but "I think he (Mr. Pryor) filed the report where Pryor files all his reports—File X. Nothing's been done."

The present chairman of the Parole Board is James M. Gardner, another Blytheville lawyer. Fendler said that Gardner disagreed with him about the parole system. Fendler is accustomed to disagreement.

Fendler deserted a Democratic nominee again in 1972, when Senator George McGovern of South Dakota was the Party's presidential candidate. Fendler isn't the doctrinaire liberal that some think. Even when he denounced Johnson in 1966, he proclaimed himself a segregationist. (He's beyond that now, he says. He said he was a segregationist in those days for the same reason that most people were segregationists—because it was the custom.) "I don't go along with ideological trends," he said. He said he served gladly on the American Bar Association's Committee for Education Against Communism, and "that's about as reactionary a bunch of * * * as you can find."

Fendler said that he'd tried a couple of times to be appointed to the federal bench. Once, he worked through the late United States Senator John L. McClellan, a political friend, but the appointment went to someone else. The other vacancy occurred during the Republican administration of President Richard M. Nixon. Fendler was interviewed at the Justice Department, but he said he was told that as a Democrat who hadn't supported Nixon, his chance of appointment was slim. The appointment went to Eisele.

All for the best, Fendler said. "It would have been a bad thing for me to be a federal judge," he said. "I'm not temperamentally suited for it. I don't think I would have been happy."

Furthermore, Judge Eisele has been a good judge, Fendler said. Now that Judge Eisele has been joined on the federal bench by Arnold and by Judge Elsijane Trimble Roy, the federal bar at Little Rock is exceptional, Fendler said. He said that if Little Rock

lawyer William R. Overton was appointed—as Overton is expected to be—"that'll really be a strong group."

AS JUSTICE

Fendler has served as a special justice of the Arkansas Supreme Court on occasion, by appointment when one of the justices disqualified himself. Usually, serving as a special justice is a fairly routine chore. Not for Fendler. The case he drew was one of the most sensational murder cases of recent Central Arkansas history—the conviction of James Dean Walker for the shooting of a North Little Rock policeman. "I didn't know anything about the case until I got down there [to Little Rock]," Fendler said. "Lightning always finds me."

Of course, when Fendler read the transcript of the trial, he was outraged. "What a lynch trial," he said. He wrote an opinion that blasted the trial judge so strongly the justices wouldn't let him publish it. However, they agreed with his conclusion that the conviction had to be reversed.

Walker was retried and convicted again. The Supreme Court upheld the second conviction. Fendler wasn't on the Court then, but he was on the Pardons and Paroles Board while Walker was an inmate seeking clemency. Fendler thought he should have it, but the other Board members didn't; there was strong opposition from law enforcement officers. Walker finally took matters into his own hands, by escaping. He is still at large.

Fendler is married to the former Patricia Shane of Blytheville. He has a stepson, Tilden P. Wright III of Fayetteville, also a lawyer, and a daughter, Frances Fendler of Little Rock.

"I don't think I'd change anything in my life," Fendler said. "Not even feeling fear from a mob. I think it served a good purpose." ●

AN UNREPAYABLE DEBT

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SAWYER. Mr. Speaker, I would like to give recognition to three individuals who gave unselfish and courageous service in risking their own lives to help save another person from being burned alive in a vehicle accident.

Jean Powell, Jessie Quintanilla, and Greg Longcore were not afraid to get involved and each stopped at the scene of the accident to rescue a truck driver who was trapped unconscious in his burning vehicle.

Oftentimes today we say people do not care anymore. But that is not always true, and the Grand Rapids Press of October 12, 1978, reports on the three unselfish rescuers. I include the article in the RECORD at this point:

RESCUERS IGNORED FLAMES TO DRAG DRIVER FROM BURNING TRUCK

(By Steve Grincsel)

Lawrence Hoover was alive Thursday thanks to three persons who dragged him from his truck, burning as the result of a head-on collision that cost the other driver his life.

Hoover, 32, of 525 Shirley St. NE, was listed in satisfactory condition Thursday at St. Mary's Hospital with multiple injuries, including a fractured pelvis.

Funeral services for the other driver, Arley M. Silsby, 22, of Sparta, will be at 2 p.m. Saturday at the Hessel-Cheslek Funeral Home. Burial will be in Blythefield Memory Gardens.

Hoover, driving a Frost-Pack Distributing Co. truck, was northbound on M37 to deliver food items to the Fremont and Newaygo areas. Silsby, who worked for Engineered Protection Systems as a guard at Steelcase, Inc., 1120 36th St. SW, was southbound on M37.

For some reason still unknown to Kent County Sheriff's Deputy Jim Duvall, Silsby's car drifted across the centerline and hit the truck head-on about 6:30 a.m. Wednesday.

The truck spun into a ditch, toppled on its side and, with the dazed Hoover trapped in the cab, the engine caught on fire.

But fortunately for Hoover along came Jean Powell, 33, from the Casnovia area, Jessie Quintanilla of Grant and Greg Longcore, 23, of Kent City.

Powell was on her way to work at the Sparta Foundry Co. when she saw the fire.

"I was the first one there," said Powell. "I stopped the car, saw fire and looked around, but it was so dark. I knew there had to be someone inside.

"The front end was on fire and the guy started to move around," said Powell, a press operator for nine years. "I hollered to two other guys who stopped and hollered that we've got to get a man out of the truck."

Powell, Quintanilla and Longcore pulled Hoover through the shattered windshield and dragged him across the street.

"Just then, the truck exploded," said Powell. "The whole front end was on fire. He was hurt too bad to get out himself."

Powell said she made it to work late, but her boss understood. "It went easy," she said. "But my nerves were kind of shot."

Powell said she really didn't think about her own safety when she was helping pull Hoover from the truck, but after the explosion, "I got scared."

Quintanilla, 23, a grinder at Sparta Foundry Co., said he left for work 25 minutes early for a change. Taking the headstart put him in the position of risking his own life for another man.

"I'm just glad it didn't blow up where we were getting him out," said Quintanilla. "I stopped and thought about it and said 'well, it's either take him out or see him burn.'

"I couldn't live with that," he said.

Longcore was on his way to work at Oliver Machinery Co., 1025 Clancy St. NE.

"I was scared," he said. "The truck was burning and after we got him across the street there was a big bang. Then the fire picked up faster."

Longcore said the truck exploded about a minute after they pulled Hoover from the wreckage.

"I'm glad I did it," said Longcore. "I'd want help if I needed it." ●

RAVENDEN SPRINGS: 187 STRONG

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ALEXANDER. Mr. Speaker, this Member of Congress has always believed that it is the small town that is the bedrock of our democracy. One such small town in my congressional district, Ravenden Springs, has a colorful past. In the January edition of Rural Arkansas, an article citing some of the particulars of Ravenden Springs' past gives some insight as to how the 187 strong who live here view their hometown. I would like to share this article with my colleagues:

RAVENDEN SPRINGS

Edgar Allen Poe (1809–1849), an American short story writer, poet and journalist, wrote "The Raven." Many of you may remember this poem from early English Literature classes and probably remember the quote "Nevermore, Nevermore—" even better than his other writing efforts.

You may think Mr. Poe's writing had something to do with the name of the little village of Ravenden Springs. It didn't, but the ravens and some unusual springs did play a part in the name.

John Janes, originally from Virginia, settled in the western part of what is now Randolph County in 1809 near a small creek that still bears his name. "Janes' Store" became the center of the community of newly-arriving settlers and with two other small settlements—Kingsville and Walnut Hill—merged into the present location of Ravenden Springs in an unusual manner.

Hall's Creek winds in a serpentine fashion through a bluff-lined canyon with springs flowing from the rock walls in numerous places into the creek.

At a location northwest of the present town, a large opening in the bluff may be seen about 75 ft. above the creek bed. Ravens used this den as a nesting area from 1820 until 1861, when they left and never returned.

Shortly afterward, Rev. William W. Bailey, a Methodist minister, had a dream. He had suffered from dyspepsia, a stomach ailment, for years. In his dream he went down in the canyon of Hall's Creek, drank from a spring several times, and was cured.

The next day, he went to the location and drank the spring water. After a few days of drinking the water, he had complete relief of his stomach problem. His account of the "miracle" traveled like wildfire.

Millard Bailey, former principal of the Ravenden Springs High School and a descendant of Rev. Bailey, said, "In hearing this story, one must realize that in those days, they just didn't have the 'drop-drop-fizz-fizz' we hear so much about now for upset stomach.

"I checked the analysis of the water of the spring and found the alkaline content to be such that it could be a factor in giving relief. One must also remember that the Indians all over America had discovered that certain springs gave relief for many problems. Even the animals know which springs contained salt.

"People in those days went to the springs in increasing numbers, hoping to find a cure by either drinking the water or bathing in it. Eureka Springs and Hot Springs are good examples, and that is what happened here."

Rev. Bailey obtained his miracle spring and land around it in 1879 from the government. The land and spring are now within city limits.

In 1880, Capt. R. D. Walsh, a conductor on the Iron Mountain Railroad, obtained the land and spring from Rev. Bailey and laid out the plan for the present town of Ravenden Springs. It had already become well known, had a stage line, mail route, and the Kansas City, Ft. Scott and Memphis (now the Frisco). Ravenden Junction was only six miles away. He named it for the raven's den and the springs, because two more springs had been discovered that were said to be helpful for other maladies.

The town had now grown to about 1,500 citizens and a stock company was formed to finance a 40-room hotel called "The Southern." It was dismantled in 1942 and never rebuilt.

The first high school was built in 1906 and the Lone Rock Bank, named for a large rock formation in the Hall Creek Canyon, was established in 1907. The bank became a victim of the 1930 depression. Another hotel, the Davis, was built in 1910. It also failed to survive the depression.

The little village continued to hang on, however, and the first bonded road improvement in Randolph County financed a graded and gravel road over the six miles to Ravenden Junction. It was taken over by thte state highway department in 1940 and became designated Highway 90, which runs from U.S. 63 at Ravenden to Pocahontas.

According to Millard Bailey, three schools have been built on the site where the old abandoned high school now stands. Students from near Dalton areas now attend a new school near Dalton on the Nubbin Ridge Road. Mr. Bailey also said the town has hopes of placing some sort of industry in the old school building since it is still in fine shape, is large and has adjacent storage facilities.

Although there are only 187 residents now living in Ravenden Springs, and employment necessitates driving to Pocahontas or Walnut Ridge, a modern water system has been installed: and according to Mayor George Stephens, "everything is definitely looking up."

A Baptist encampment is located near the largest spring and is used extensively during the summer. Many new residents have moved into the area recently and the raising of cattle and hogs has increased.

Many towns and small villages throughout Arkansas have colorful and unusual names and the background of those names usually has some interesting facts.

So the ravens left for no apparent reason, but Ravenden Springs proudly carries on. Perhaps when the town is bustling with people and business again—the ravens may return. Who knows? ●

SOME OF US MAY NEVER DIE

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, under the able direction of Congressman BIAGGI and my former House colleague, Congressman Sarasin, the Select Committee on Aging's Subcommittee on Human Services has been exploring the future needs of our increasing elderly population. One facet of the subcommittee's look at the future of aging is the new frontier of life extension. The first edition of Omni magazine (October 1978) contains an article entitled "Some of Us May Never Die," which is timely to the subcommittee's exploration and introduces to many of us some concepts and theories which may stretch our minds. I commend this excellent article to the attention of my colleagues.

SOME OF US MAY NEVER DIE

In October, 1976, Luna, the 16-year-old daughter of science writer Robert Anton Wilson, was brutally beaten and killed in a grocery store robbery. Helpless in the face of death, Wilson took the only action he could. He had the child's brain set immediately in cryonic suspension, frozen in liquid nitrogen at 320 degrees below zero (Fahrenheit). From this brain a part of Luna's identity may someday be reconstructed, or, from one of her stem cells, a new body cloned. Here was the first brain to be frozen in this manner. Now, however, a special cryonic cylinder for the brain has been made available for the purpose of future cloning or identity reconstruction of some other kind.

Cryonic preservation is undertaken on the premise that the infinitely more advanced medical scientists of the future might be able to revive the dead and repair whatever killed them. It's a long shot, to say the least, but the odds are still better with freezing than they are with cremation or burial. Some cryobiologists estimate that certain bodies could be preserved for several hundred thousand years without any deterioration.

However desperate, bizarre, or macabre an effort it may seem, cryobiological interest is growing and profit-making organizations such as Trans Time in Berkeley, Bay Area Cryonics, and the Cryonics Society of Michigan are forming around the country. Adherents of the practice include people such as Woody Allen and Columbia University physicist Gerald Feinberg, who conceived the hypothetical faster-than-light particle, the tachyon. It is rumored, although without confirmation, that Walt Disney is among those whose animation is cooling off until a better day.

Unlike Luna Wilson's body, most of the souls resting in cryonic suspension are intact. Immediately after death each body is packed in dry ice, drained of blood and filled with glycerol and DMSO (dimethyl-sulfoxide) an antifreezing agent, to prevent ice crystals from forming in the living tissue. The frozen body is then wrapped in aluminum foil and stored in a thermos-like insulated double-walled polished steel "cryonic storage capsule" until the millenium. The body is "buried" in a cryonic cemetery which uses auxiliary power sources to keep it frozen even in the event of a power shortage.

To keep the immortal fire burning, however, is no minor financial undertaking. For most people, the initial cost of interment amounts to about $15,000 with a maintenance charge of $1800 a year. At Bay Area Cryonics a $50,000 insurance policy is said to cover the whole thing. And you have to plan ahead!

DEATH VS. THE PEOPLE

The obvious drawback to cryonic suspension is that you have to die in order to enjoy an extended life. But movements such as cryobiology point to the growing rebellion against aging and death. People simply want to live longer, better, and are less and less willing to "go gentle into that good night." And the cryonic refrigeration revolution with its "freeze . . . wait . . . reanimate" is not the only front on which death and aging are being attacked.

In Robert Anton Wilson's *Cosmic Trigger*, Paul Segall, Ph. D., a researcher in the department of physiology at the University of California, Berkeley, offers several approaches to longevity, which include:

Transplantation, which might allow us to continue replacing organs "until the point where 'we' are still there, but our entire bodies are new."

Prosthetics and *cyborgs*, machine-human combinations of which the Bionic Woman is a none-too-fanciful projection.

Identity reconstruction through cloning.

Regeneration, a process by which repressed genes are switched back on to renew cell tissue.

And at the heart of the matter is *gerontology*. This science investigates not only the chemical and biological processes of aging, but also the possibilities for extended healthy life. If gerontology research proves as promising as it looks, drastic measures such as freezing, cloning, and mechanizing humans in order to preserve your vital personality may not be necessary. Most efforts in the gerontological field are concerned with postponing senescence.

As early as 1962, Dr. Bernard Strehler, professor of biology at the University of Southern California, and one of the indefatigable warriors of the seige on death, announced that before long science will have understood aging's sources and that "toothless, wrinkled, mindless incontinent wrecks with Dorian Gray-like [sic] bodies—they will not exist!" In the absence of aging, Strehler said, the longevity of a healthy 21 year old could exceed 2000 years.

Following the startling hypothesis that aging could be curable, gerontologists have been piecing the puzzle together, moving closer to pinpointing the causes of aging, the sources of longevity.

Right now it seems quite possible that the underlying cause of aging may not be impossibly complex, but singular, primary. It may be that senescence is not a natural phenomenon, but a byproduct of social conditions. There may be, in fact, no biological limit to a healthy vigorous lifespan. To extend the accepted lifespan potential from 70–100 years to 120, 200, 400, 1000 and on up, may be part of *Homo sapiens* on-going evolutionary destiny.

With the tremendous explosion of knowledge of basic molecular biology and genetics, we are learning the secrets of life and in doing so, we're learning how to control aging, to extend life.

Data now are beginning to indicate that life-extension is inevitable. We may have some way of lengthening our lives before the year 2000. Some of us may never die.

An array of potentially useful drugs are in various stages of testing, drugs which may not extend the lifespan significantly, but which will stave off bodily wear and tear, perhaps rejuvenate the body and preserve energy and youthfulness past middle age. These drugs might contribute to a "synergistic effect" whereby one advance buys a person enough time to live well until the subsequent discovery prolongs his health even more.

Anti-aging therapies are being tested that combat free radicals, for example, those fragments of molecules which break off, careen about the body tissue wreaking havoc and contributing to the build-up of cellular garbage such as lipofuscins. Dr. Denham Harman, an internist-chemist at the University of Nebraska school of medicine is working on a series of antioxidants, which react with free radicals and minimize their effects.

Dr. Harman developed a number of compounds that increase life expectancy as much as 50 percent in mice. These include: Vitamin E; 2-MEA (mercaptoethylemine), a compound first used for radiation detection; BHT and Santoquin, commonly used as food preservatives; as well as sodium hypophosphite, an old drug used for the treatment of tuberculosis around 1900. These drugs all have extended life expectancy in mice, and Harmon hopes this testing will now extend to larger mammals.

Another compound, DMAE (dimethylaminoethanol), is showing promising results, reports Albert Rosenfield in his important book, *Pro-Longevity*. DMAE is a lysosome membrane stabilizer, and as such it strengthens cells against damage caused by lipofuscin accumulations. When lysosome membranes are damaged, harmful substances leak out and may be responsible for aging symptoms.

Dr. Richard Hochschild of the Microwave Instrument Company of Del Mar, California, found that by adding DMAE to the water of mice he increased their lifespans significantly. Other investigators have successfuly employed centrophenoxine, a synthetic compound derived in part from DMAE, to delay lipofuscion build-up in the brain of guinea pigs. Centrolphenoxine, which has almost no

toxic side effects, is already used experimentally with apparent success in France to improve the mental abilities of senile patients.

The first drug likely to pass through the FDA's interminable bureaucratic maze, however, is the well-publized Gerovital, developed in 1945 by Dr. Ana Aslan of the Bucharest Geriatric Institute. In Romania it is possible to get "youth shots" of Gerovital's 2 percent procaine hydrochloride and hematoporphyrin solution from government doctors.

Over the last 25 years, Dr. Aslan has claimed to have cured people of everything from heart disease and arthritis to impotence and gray hair. But few scientists are prepared to sing the drug's praises. Says Dr. Ruth Weg, of Andrus Gerontology Center of the University of Southern California: "We just don't know."

The list of potentially effective drugs, then, is growing geometrically, and the catalogue of agents that offer some chance of alleviating or postponing some debilitating symptoms are imminently testable. In the future, moreover, enzyme cocktails and genetic manipulation in pill form might be as commonplace as valium and birth control pills.

EAT LESS, LIVE LONGER

Since the 1930s, classic laboratory studies show that restricting an animal's diet in the first half of its life can double its lifespan—to the point where a 1000-day-old rat can be compared to a 90-year-old human with the body of John Travolta. These experiments have been conducted on everything from one-celled *Tokophrya*, to rotifers, worms, insects, mice, hamsters, and rats with similar results. This is a key concept in the theory of life-expansion. Restricting diet delays maturity and increases longevity.

Dr. Roy Walford, a pathologist at the UCLA school of medicine, a man with a reputation among his colleagues for meticulous research, recently has extended his nutritional study to include the testing of mental function. He will find out whether dietary restriction produces long-lived idiots or long-lived supermice. "It may well be the supermice," he says.

In a new development, Walford and his associate Dr. Richard Weindruck have discovered that when dietary restriction is begun in mid-life mice, the animals' immune systems seem to be rejuvenated. A chief researcher in immunological systems, and the author of the *The Immunologic Theory of Aging*, Walford has found that in aging not only do the immune cells lose their ability to fight off the body's enemies, but they actually go berserk and turn against the very tissue they are supposed to protect. There is increasing evidence that this autoimmune response is a fundamental symptom of aging, which involves certain self-destructive acts: "like an art performance," Walford laughs.

Two years ago, Walford traveled extensively throughout India to measure body temperature regulation among the yogis. He found that through their yogic practices some could lower their body temperature one-half to one-degree Centigrade.

Why lower body temperature? Walford and others have found that reducing body temperature of humans a few degrees could greatly extend lifespan. "A very minor reduction, about three degrees Fahrenheit," says Bernard Strehler, "could well add as much as 30 years to human life."

Neither Walford nor anyone else, however, has succeeded in lowering temperature in "warm-blooded (homeothermic) animals, although Walford has experimented with diverse substances, including marijuana, to determine to what extent they could do the job. Marijuana is the best substance for lowering body temperature," he says. Yet his mice developed a tolerance to the drug, and, after a few weeks of injections it had no effect on their temperatures. "There might be an analogue or chemically similar substitute that could do it," he speculates.

Richard Cutler of the National Institute of Aging's Gerontology Research Center offers the bizarre, but workable, scheme of actually inserting a tiny ceramic device into the blood vessel preceding the hypothalamus (where temperature is controlled). A microwave unit also might be placed in the bedroom. At night during sleep, when the body's metabolic rate is slower, the microwave unit would beam on and the embedded device would, in turn, trick the hypothalamus into thinking the body was in a fever of one or two degrees. The hypothalamus consequently would lower the temperature a degree or so. In the early morning, before awakening, the microwave unit would switch off and the body temperature would be restored to 98.6° F. The user would not be bothered, but might live twice as long.

DEATH CLOCK?

As more is known about the genetic structure of life, biologists are coming to the conclusion that aging is not the result of slow "trashing" of all parts, but may be the result of a genetic program, coded along with the other instructions for the functioning of the cells in its DNA. The big question remains: Are we programmed to die? Is there a "death clock" that turns off the genes one by one? Or is nature simply indifferent to our fate we've played our part in perpetuating the species? Or does the program for growth and sexual maturity contain within it what Dr. Richard Cutler of the National Institute on Aging calls "pleiotropic processes"—necessary functions which have by-products which in the long run are harmful to your health?

Many investigators on the case are now "pro-clock." Opinions vary drastically and vehemently, however, as to where the timepiece is located. One group theorizes that the aging mechanism occurs at the cellular level. Molecular biologist Dr. Leonard Hayflick discovered evidence that there are only so many times (±50) a cell can divide in vitro before its descendants are and die. Thus, Hayflick concluded, the cell has a built-in genetic limit. And ever since the revolutionary "Hayflick Limit" was announced, it has been the target of continuous speculation. Critics scour the territory for evidence to refute it.

Dr. V. J. Cristofalo of Philadelphia's Wistar Institute for instance has prolonged cellular life by adding the hormones cortisone and hydrocortisone to culture solutions, thus suggesting that it is hormonal balance that signals the termination of cell division, not tiny clocks.

Dr. David Harrison of Jackson Laboratory, Bar Harbor, Maine, believes certain cells may indeed be immortal (as they were thought to be prior to Hayflick's results). When he transplanted stem cells, which have a large prolificacy capacity, from old animals into young, the old cells functioned as well as the young cells did when both were transplanted into young recipients.

Walford's rejuvenation of middle-aged mice's immunological response, as well as work he has done with congenic mice strains, leads him to believe that control of the entire immune system is located within a small region of genetic material—corresponding to the sixth chromosome in humans. He suspects that this control center is fundamentally involved in the aging process as a whole—that it may be "the man pulling the strings behind the scenes." These strings may involve only a few genes.

THE BRAIN, HORMONES & DECO

Many other scientists now think the program for aging is encoded in the hypothalamus-pituitary system. The hypothalamus, that tiny pea-sized node at the base of the brain, is the master regulator of hormone distribution, and, along with the pituitary and endocrine system, it comprises the regulation network affecting virtually all homeostatic systems as well as growth and sexual development.

The body flashes an uninterrupted series of response and feedback signals between the individual glands and the brain. Aging may disrupt the hypothalamus's ability to run the show. Years of evidence more than suggests that the hypothalamic control of hormonal release goes haywire with aging.

By stimulating the hypothalamus of aged female rats with electric impulses, Dr. Joseph Meites of Michigan State, has successfully reactivated their estrus cycles—put them back in heat. He also has reactivated the ovarian cycles of the old females by feeding them L-Dopa (a dopamine stimulator also used in the treatment of Parkinson's disease), and hormones such as progesterone, epinephrine, and ipronlazid.

The exciting thing about this evidence is that the old ovaries still work and can be started up again when the "clock" in the hypothalamus is turned back. The implications for women past the menopause are astounding.

Dr. W. Donner Denckla, Associate Professor of Medicine at Harvard's Thorndike Laboratories, thinks he's close enough to hear the death clock ticking. An intense youngish man with collegiate horn rims and a wry sense of humor, Denckla explained recently to the large audience at a life-extension conference in St. Paul sponsored by the University of Minnesota, that he has "one very strong candidate for the demise of mammals."

Denckla's rather spectacular theory is based on the idea that humans have a built-in mechanism, not for aging, but for death itself. He believes the process of dying is built into our childhood; it starts around age ten.

Denckla proposes that at puberty the pituitary starts releasing an exceedingly powerful hormone, which he calls by the artful acronym DECO (for decreasing O_2 consumption). "This lovely little molecule," he says, "wanders out and progressively throws a block between the body's cells and its circulating thyroxin," the thyroid hormone vital to normal metabolism. Death comes as it does to the Pacific Salmon—by flooding the body with the "death hormone"—only more slowly; so insidiously as to seem not the cause.

In his super-realistic laboratories, Denckla removes the pituitaries (from whence, presumably, issues the DECO) of older rats. And, after adding hormone supplements to their diets, in a matter of months the old animals regain much of their pubescent glory.

One big hitch in the Denckla plan is that, although the pituitary-less rats are rejuvenated to adolescent physiological status, their lifespan does not seem to be prolonged. They die on schedule. It is possible, then, that DECO may serve an important life function.

THE LONGEVITY CLOCK

Richard Cutler is a man with a big plan, which, if it does not embrace all of the manifold theories of aging, is at least compatible with most of them. Cutler is looking, not so much for the causes of aging, as for reasons for the evolution of longevity.

There is no genetic program for death, he thinks, but an open-ended potential for unlimited lifespan.

In charge of the Program on Comparative Biochemistry of Mammalian Aging, Cutler constructs his architectonic ideas from sources as eclectic as his background. Cutler personally evolved from a Colorado farmboy into a helicopter designer to a copter company owner at age 18. He discovered college a few years later and proceeded to get degrees in aeronautical and electrical engineering, in physics, and biophysics.

According to Cutler, the rate of aging might very well be regulated by relatively few genes, which we can discover and eventually control. He has reached this conclusion after carefully studying the evolution of long lifespan in humans. It seems that our lifespan increased so rapidly compared to our apelike ancestors that no more than a few genes could have changed during such a brief evolutionary period. Hence, Cutler concludes that only a few genes may control the rate of aging.

Slowing down the aging process doesn't have to be a formidable task. We already know much about what genetic controls are involved. The deceleration is likely to be achieved first by biochemical manipulation of the neuroendocrine system via the hypothalamus-pituitary controls and, later, when more is known, by genetic engineering. "The 'scenario', as they say," remarked Cutler, "is that you'd take a child when he's young, administer hormones to slow down his development and give him an analogue in his food to stimulate anti-aging processes." A person might become sexually mature by 28, full grown at 45, and middle aged by 120.

"I think within ten years, depending on how much we concentrate on learning to manipulate the controls of development, the slowdown might be accomplished," he predicts.

A trickier problem than slowing growth is maintaining the body's level of intrinsic wear and tear fighters, what Cutler calls "continuously acting antibiosenescent processes." These include free-radical scavengers, antioxidants, DNA repair and so forth. Genetic engineering of the regulatory genes is too complex at the present time, so Cutler found a short cut: trick the cells with something like an anti-aging vaccine. One could inject a bit of "fake aging" and the body would alter its level of protective enzymes to combat this fake aging antibody. It works on a similar principle as the smallpox vaccine.

One could pop a pill that would diffuse into the cells and fool them into thinking "Hey, we've got a lot of DNA damage." The cells, consequently, might raise the level of DNA repair enzyme to match the needs of a longer-lived organism. "We might be able to stimulate a whole battery of repair processes," Cutler speculates, "by inserting a highly damaged piece of DNA, with everything imaginable wrong with it. And all the repair mechanisms would be stimulated by the artifact. You don't even have to know how it works to use it."

LOOK OF THE FUTURE

Cutler, unlike many gerontologists, has been willing to speculate a bit on the nature of *Homo longevus*. He says: "My guess is that it would be best, not only to double man's maximum lifespan potential, but also to double his brain size. Although doubling size is not likely to improve the quality of the brain, it might provide a greater redundant capacity for neurons and their supporting cells, thereby, perhaps, delaying the onset of senility even further."

By reducing a person's growth rate by one-half and doubling the time for the brain's development and maturation (it's growth rate would remain the same as now, and only one extra division of cells is needed to double its size), one might grow up to be an adult who looked much like a 12-year-old of today in terms of body and brain-size proportion.

When will it happen? Science writer and author of the soon to be published *Life-Extension Handbook*, Saul Kent, believes predictions are irrelevant. "It's inevitable, but the timing depends completely on the effort. I could give you a sliding scale in years before the breakthrough, depending on the effort put into it."

"If life-extension becomes a national priority like the space program," says Paul Segall, "if the Americans, the Russians, and the Japanese join hands, if there were a $200 billion assault on aging and death, this could produce dramatic results in five years. Just $200 billion, involving tens of hundreds of scientists, hundreds of thousands of technicians—in five years we'd have a program that would put such a dent in death we might wipe it off the face of the Earth. And a program such as this would cost no more than these countries are now spending on the maintenance of old age homes."

At present, however, there is no clear cut directive for life-extension research. The House Select Committee on Aging is holding hearings on the advisability of funding life-extension research. But as one committee member admitted privately, "we really don't know what we're doing. We don't know who to listen to."

Although NIA Director, Dr. Robert Butler, has officially stated that life-extension research is a "priority of the NIA," this priority is not reflected in the Gerontology Research Center's $7-million share of the total 1978 NIA budget of $37.3 million. And the entire NIA budget, moreover, pales beside the National Institute on Cancer's $872 million for 1978. The irony is profound, especially as evidence mounts that cancer is predominantly an age-related disease. There may be no way to cure cancer without curing aging.

"A lot of resistance to life-extension comes in the form of questions about overcrowding the planet, population explosions, social security, jobs, etc.," explains F. M. Esfandiary, a normative philosopher who teaches courses at New York's New School for Social Research. "At its base the question is pathological. After eons of programming to accept death, we suddenly find we can conquer death. As we're getting closer to vanquishing it, people are getting up-tight—Elisabeth Kübler-Ross is a case in point. They are afraid to face the idea they can beat death. They are afraid to be disappointed. We still don't have the infrastructure for life, but in the demise of religion, guilt-orientation, and orthodoxy, we're moving toward a life-orientation."

So prolonged lifespan is inevitable. But is it advisable? "It is impossible to foresee what it will do to society," says Roy Walford. "I think it will be highly destabilizing, and I'm in favor of that."

Lots of senile tricentenarians? Not so, says Rolf Martin, biochemist from the City University of New York. Martin designed a "survival curve" projecting that the proportion of nonproductive oldsters actually will be reduced by two-thirds if lifespan is doubled. People would die of other things before they got senile.

The biggest argument for life-extension, in some minds, is that the actual "advancement of civilization"—that sacred cow of the Western world—is imperiled by the exponential rise in knowledge.

The solution so far has been specialization. But as we become more and more specialized, our ability to communicate to people outside our field diminishes. Our awareness narrows. Fewer people are gifted with the ability to put it all together. We may simply require more time to learn.

"We need to investigate why man's lifespan evolved in the first place," Cutler says. "Because that is what made man what he is today. A longer lifespan allowed man to make use of a larger brain, become more self-conscious, see the world and learn. It is difficult for me to see why a continuation along the same lines wouldn't result in more of the benefits that accrued in the first place.

"In reality, the slowing down and cessation of the evolution of a longer lifespan might have been an artifact, a negative by-product of increasing civilization, and was, in a sense, *abnormal*. Continued self-evolution of extended lifespan and intelligence is getting back to the biological norm—getting back on the road again."

Says Cutler: "If you ask me about the ethics of extending our lifespan along evolutionary lines, I must say that, if we do not evolve a longer lifespan—that is unethical."●

JUVENILE CRIME FLOURISHES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BIAGGI. Mr. Speaker, last week I introduced two bills, which represent a much needed and new Federal approach for dealing with juvenile felony offenders. The first bill would lower to 15 the age under which juveniles can be prosecuted as adults for felony offenses. The second measure would provide for the fingerprinting of juveniles convicted of felony offenses and would prohibit the withholding of previous juvenile records to courts. These bills are identical to legislation I introduced during the 95th Congress, H.R. 1461 and H.R. 1462, which failed to receive full House consideration.

Evidence clearly indicates a substantial increase in juvenile crime. The arrests of persons under 18 years of age for the seven index crimes, including homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft, and motor vehicle theft, soared from 6,333 in 1957 to 62,427 in 1975. Homicides increased from 57 to 589 during this same period, and rapes went from 331 to 1,635. In 1977, when considering these same index crimes, 16 percent of all persons arrested in the Nation were under the age of 15, and 41 percent were under 18 years of age. Further, in 1977, the 13 to 18 age group comprised 27 percent of our Nation's total arrests, while this same age group made up only 12 percent of our Nation's population.

Much of the blame for this alarming rate of juvenile crime must be placed on our lenient criminal justice system. In 1975, only 2 percent of the 11,000 persons under 16 arrested for felony type crimes were placed in State institutions. These figures indicate the crucial need to strengthen our juvenile justice system, and I believe that my bills would effectively help to achieve this goal. Since many of those arrested were multiple offenders, it appears obvious that young criminals in this Nation have no real fear of punishment, no matter how serious their offense or the number of times they commit them.

As a member of the House Select Committee on Aging, I am especially concerned about the increase in juvenile crime against the elderly. In New York City alone, there were 64,728 reported crimes against persons over 65 years of age in 1977. Of these, 9,970 were robberies. The average victim was female and over 70, and shockingly, the average attacker was male and 16 years old. While these numbers are very alarming,

the major problem confronting the elderly today is the fear of being victimized by crime. In a 1974 Louis Harris survey, the elderly ranked fear of crime as a greater social problem than health, money, and loneliness. As a result of this fear, an estimated 100,000 elderly citizens have become prisoners in their own homes. Prompt action must be taken to improve this situation, and I support the passage of my legislation as an effective measure in this regard.

By placing cases of juvenile criminals aged 15 and older within the criminal court system and by fingerprinting those convicted of serious crimes, we would make juveniles more accountable for the crimes they commit, as well as cut down on juvenile recidivism. In order to protect the reformed juvenile criminal, my legislation does provide that fingerprint records may be expunged after a 2-year period following release from confinement, if there is no further criminal activity.

Mr. Speaker, our Nation must begin to effectively deal with the increasing juvenile crime problem. As a 23-year veteran of the New York City Police Department, I maintain that coddling criminals—young or old—is not right. A weak criminal justice system has allowed juvenile criminals to act with increasing impunity. In the past 15 years, juvenile crime has increased 10 times faster than the corresponding growth in population. If left unattended, this crime problem will flourish to the point where it will become uncontrollable. The time to act is now, and in this regard, I urge that my legislation be given prompt and favorable consideration.●

RECOMBINANT DNA RESEARCH

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. STAGGERS. Mr. Speaker, Members of the 96th Congress have already begun to review many of those important issues with which we must deal in the weeks and months ahead. In addition, to whatever agenda each Member may now have, I trust that all of my colleagues will also want to consider the critical importance of the studies and advances in the area of recombinant DNA research which are being made by American scientists.

The last several years have seen a dramatic explosion in fundamental knowledge gained through recombinant DNA research. This research holds our best hope for understanding those principles regulating genetic expression in man and in understanding abnormal growth such as cancer. Longstanding hopes for producing important biologically active materials such as hormones and insulin are now being realized. Less publicly recognized has been the application of recombinant DNA research to new diagnostic procedures. For example, it is now possible to diagnose certain hemoglobin deficiencies at an early stage of life and from that knowledge to devise appropriate treatment measures. As the technique is refined and developed, and, as our knowledge of the fundamental mechanisms of gene expression increases, further important discoveries and applications may be confidently expected in the immediate future.

The technique of combining in the laboratory genetic elements from different species was first developed in the United States, and, of course, because of its vast potential, was soon extensively practiced worldwide. The principal American scientists who developed these new recombinant DNA methods, however, called for caution in plunging into an area of research which might pose hazards to mankind and the environment before these potential risks were adequately assessed. This initial questioning of the safety of using recombinant DNA techniques led to the development of safety guidelines by the National Institutes of Health (NIH) which were imposed on all federally supported research in July 1976.

Some scientists, however, felt that the NIH guidelines were too restrictive, or too inflexible to permit the use of innovative systems without long administrative delays. Thus, many went abroad to conduct their research in countries, such as Switzerland, where the rules were less restrictive. Other scientists contended that the guidelines were so restrictive as to demoralize young investigators and discourage them from pursuing careers in science. Similarly, uncertainties over the protection of confidentiality in legislative proposals to extend the scope of the NIH guidelines to private industry, or fears that the Federal Government would prohibit any large-scale recombinant DNA activities in the United States, led several companies to pursue their industrial applications in their subsidiaries in Europe and Japan, to the disadvantage of the American economy.

It is time to reverse this unfortunate situation so that such extreme measures are no longer necessary. The potential good to come from recombinant DNA research in such diverse areas as diabetes and cancer control cannot be overstated. These advances can and should be made by the American scientific community. Should we fail to develop a climate in which these vitally important research procedures can be conducted, we will find the research void we create rapidly filled by the scientists of Russia, Germany, Japan, and other world nations.

Since the first set of guidelines were issued, much information has been accumulated concerning the potential hazards of several aspects of recombinant DNA research, which, in the judgment and collective experience of scientists in fields such as epidemiology and infectious diseases, allow the original safety standards to be relaxed in many areas, and other recombinant DNA systems to be exempted from the guidelines altogether. This view has been subjected to intense and repeated scrutiny on the part of scientists, Government officials and the general public during the development of the revised recombinant DNA research guidelines, signed last December by the Secretary of the Department of Health, Education, and Welfare, and put into effect on January 2, 1979.

These new guidelines impose reasonable safety standards on research and require effective oversight of such research by representatives of local lay and scientific communities. They also have removed or greatly reduced the impediments, administrative delays and lack of flexibility which, in the old guidelines, frustrated so many scientists. I hope that those individuals who felt that they had to leave the country to conduct their research properly will now be eager to return home.

In other action, DHEW has proposed that regulations be written by the Food and Drug Administration and the Environmental Protection Agency to bring private industry under the new guidelines. If successful, this action will make specific recombinant DNA legislation unnecessary.

The Committee on Interstate and Foreign Commerce will continue to monitor the implementation of those guidelines with care. The committee must be assured that the implementation of these new guidelines does indeed protect the public's health and safety. In addition, the committee will be particularly alert to the establishment of any unnecessarily restrictive State or local requirements that could result in costly and pointless movement of research efforts away from the United States.

Finally, the committee will be watching anxiously for clear indications that under these revised guidelines American science will continue its original scientific preeminence, both in basic research and in the application of that research to human needs.●

U.S. AMBASSADOR WILLIAM V. SHANNON'S SPEECH AT THE ROBERT EMMET MONUMENT DEDICATION CEREMONY IN DUBLIN, IRELAND

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. EARLY. Mr. Speaker, last December 29, 1978, the Lord Mayor of Dublin and our own distinguished Ambassador to Ireland, William V. Shannon, joined together in dedicating a monument to the great Irish hero, Robert Emmet, who gave up his life in the effort to achieve Ireland's independence and to propel her to her rightful place among the free nations of the world.

As most Members are aware, Ambassador William V. Shannon is an internationally known author, a former New York Times editorial writer and one-time Washington journalist. I am sure that Ambassador Shannon's speech on this eventful occasion will be of particular interest to a great many Americans and I am pleased to include it in the RECORD.

The speech follows:

DEDICATION OF A MONUMENT TO ROBERT EMMET AT ST. CATHERINE'S CHURCH, DUBLIN

It is one hundred seventy-five years since Robert Emmet, a youth of 25, led an unsuccessful rebellion to achieve Irish independence and paid for his failure with his life. He was hanged and his body beheaded on a makeshift gallows erected on the street in front of this church on September 20, 1803. His statement in the courtroom the preceding day was an appeal not to the judges but to history. His words have become part of the glory of the English language and are known wherever liberty is cherished.

"The grave opens to receive me, and I sink into its bosom. I have but one request to make at my departure from this world, it is—the charity of its silence. Let no man write my epitaph; for as no man, who knows my motives, dare now vindicate them, let not prejudice or ignorance asperse them. Let them rest in obscurity and peace! Let my memory be left in oblivion, and my tomb remain uninscribed, until other times and other men can do justice to my character. When my country takes her place among the nations of the earth, then, and not till then, let my epitaph be written."

In 1803, Emmet's cause seemed doomed. But, it has been well said, "his cause, Ireland's cause, was never doomed. Darkness obscured it, doubt assailed it, traitors took a price for it; but it moved on inevitably, sacrificially, towards its own goal."

Emmet died young, but his memory lived on. He was celebrated in song, "BRAVE ROBERT EMMET." The poet Thomas Moore immortalized his love for Sarah Curran: "She is far from the land where her young hero sleeps."

His legend crossed the sea to America. His brother, Thomas Addis Emmet, one of the leaders of the rebellion of 1798, emigrated to the United States and had a distinguished career as a lawyer in New York. Irish emigrants named streets and towns for Robert Emmet from one end of America to the other. Thus, there is an Emmet, Idaho, an Emmet, Arizona, an Emmet, Nebraska, and an Emmet, North Dakota. When 200 Dubliners visited the state of Iowa last year as part of the Friendship Force exchange of visits, they nowhere received a warmer welcome than in Emmetsburg, Iowa.

On behalf of President Jimmy Carter and the American people, therefore, I am happy and honored to take part in this ceremony in honor of Robert Emmet. I bring special greetings from Mr. A. W. B. Vincent, president of the American Irish Foundation, and my other colleagues in the Foundation whose financial contribution, together with that of the Dublin Corporation, has made possible the erection of this monument. The "other times" that Emmet foresaw have arrived and those of us gathered here today are a few of the "other men" he dreamed of who can do justice to his character and attest that he was noble, fearless and far-seeing.

With young men both Protestant and Catholic being killed every week in Northern Ireland, Emmet's life still speaks to us today. He was a Protestant as were so many of Ireland's past heroes and spokesmen—Jonathan Swift, Henry Grattan, John Philpot Curran, Richard Brinsley Sheridan, Wolfe Tone, Lord Edward Fitzgerald, Charles Stewart Parnell, Erskine Childers, and Douglas Hyde. It is in the reconciliation of Catholic and Protestant and in the coming together of Ireland's many creeds and ethnic traditions that the fulfillment of Ireland's true destiny must lie in our own time as in that of Emmet.

Moreover, the dream for which Emmet sacrificed himself has been achieved. Ireland has now taken her place among the nations of the earth. Ireland has problems as do all nations, but the resolution of those problems does not require the further shedding of blood. Ireland can speak for her interests at the negotiating table and in the European Court. She does not need the whine of bullets and the roar of bombs to make her voice heard. Emmet if he had lived would have become one of the great orators and statesmen of the nineteenth century. The young men and women of Ireland today should look for their inspiration not to the example of his death—brave and moving though it was—but to the promise of his talents, brilliant and unfulfilled as they were. Too many men have already died over the centuries for Ireland. Too many young lives have been blighted by the shadows of prison. What is needed are young men prepared to live for Ireland and to work patiently and peacefully for their ideals. There could be no better way to honor Robert Emmet.●

OFFICE OF MANAGEMENT AND BUDGET CUTS IN FOREST SERVICE BUDGET

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. AuCOIN. Mr. Speaker, the Office of Management and Budget presented a budget a week ago that is austere, and on the whole, fiscally sound. It is a conservative spending program that is badly needed in our war on inflation. Now that the initial cries of anguish about certain program cuts have begun to subside, it is time to reflect calmly on the handiwork of OMB in designing our inflation fighting strategy for the next fiscal year.

On the whole, the budget clearly meets some important tests for today's fight: Austere, lean, conservative yet sensitive to social needs. But what of tomorrow? Will this budget stand the test of our future needs? In one very important area, the answer is, unfortunately, no.

In proposing to cut the expenditures for the U.S. Forest Service by 15 percent, OMB has adopted a shortsighted and irresponsible strategy. In its rush to marshal our weapons against inflation, it in effect has said:

We'll use any weapon, even though it will cause us problems tomorrow.

The proposed cut in the Forest Service budget means reductions in its programs for reforestation and timber stand improvement, reductions that in practice will amount to between a quarter and a third over last year alone. This is a sizable and indefensible cut.

In its haste to slash the budget, OMB has forgotten a simple truth: Trees take time to grow.

From planting to harvest, the average Douglas fir takes from 30 to 40 years to grow to maturity before it can be cut. Science has done much to reduce the growth time and product an exceptional quality of timber. Despite our best efforts, trees simply do not grow overnight.

The Resources Planning Act of 1974 recognizes this simple truth. A plan to fully use our national forest lands and provide a plentiful supply of timber for the forest products and homebuilding industries, the Resources Planning Act sets forth certain spending targets needed to meet this goal. The amount in the proposed budget for reforestation is fully 59 percent below the amount called for in the act.

This is money for planting trees, for research and fire suppression, for preparation of timber sales. This is not money spent with no eye to the future; it is an investment to guarantee a plentiful supply of timber in years to come.

In Oregon, there is currently a backlog of 177,119 acres of national forest land in need of replanting. The $21.7 million cut in reforestation funds will mean reducing by half the number of acres that could be planted next year and adding another 25,000 to the existing backlog.

Two years ago, I led a delegation to OMB consisting of representatives from the forest products industry and organized labor to plead the cause that planting trees was not an expenditure, but a good investment. Evidently, we have got to make the same case again. We have got to make the point that reforestation is an investment that pays dividends to taxpayers, stimulates productivity, and holds down inflation.

The proposed cuts in reforestation and timber stand improvement will, I predict, ripple through the forest products industry and in the long run help to push home prices higher than they are today.

For the last year, I chaired an 11-member task force investigating the home price problem. We learned that one cause of higher home prices is poor management of our timber base. The recommended cuts do not give us much cause for optimism that our economic strategists have recognized this problem.

I remind my colleagues again of the simple truth: Trees take time to grow. We cannot, 5 or 10 years down the road, present a full budget to the Forest Service, expect it to replant cutover acreage and have the trees ready for harvest on schedule. It simply cannot be done. Every year lost in reforestation is a year's delay, and a shorter supply, in harvestable timber 30 years hence.

Timber from each acre of national forest land can build two average size houses. With a national backlog of more than 1 million acres in need of replanting, we are jeopardizing the building of more than 2 million homes down the road.

I commend the President and the OMB for holding down the deficit to no more than $29 billion, but it must be done with an eye toward winning the war against inflation, not just one battle.

The cuts in the Forest Service budget are a short-term strategy to win a battle; but they sow the seeds for long term problems and will contribute to our eventual defeat in this fight.●

COUPLE LEARNS ITALIAN CATTLE DO NOT GRAZE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ALEXANDER. Mr. Speaker, last summer J. W. "Soapy" and Jean Thompson from Rector, Ark., in my congressional district, toured five European countries with People-to-People International, a nonprofit, private organization funded in 1956 by President Eisenhower to promote world peace.

While abroad they visited typical agricultural operations in Switzerland, Italy, the Soviet Union, Finland, and France to compare methods with those in the United States. In October the Paragould (Ark.) Daily Press carried an article sharing the Thompsons' experiences.

I would like to share this article with my colleagues as I think they will find it of great interest:

CATTLE DO NOT GRAZE

J. W. (Soapy) Thompson and his wife Jean learned a lot about agriculture around the world this summer.

For example, they found out that farming is a whopping investment in Switzerland. The average cow there is worth about $6,000, and the acre of ground it stands on costs $20,000. The country also cannot afford to lose a single farmer.

In Italy, cattle do not graze; rather, most farmers cut grass and take it to the animals to save their energy. Producers think it is a better way to utilize the grass, too, as the animals do not tramp it down.

The Thompsons, who raise cotton, soybeans and wheat and operate the Mounds-Neighbors Corner Gin, were part of a 26-member delegation of southern agriculture leaders who made a three-week goodwill tour in five European countries in August. The annual mission is sponsored by People-to-People International, a non-profit, private organization founded in 1956 by President Dwight D. Eisenhower to promote world peace through international understanding.

The purpose was to give the delegation an opportunity to visit typical agricultural operations in Switzerland, Italy, the Soviet Union, Finland and France and to compare methods and procedures with those in the U.S. This group also met various local agricultural representatives.

This was not the Thompsons' first agricultural-related trip to Europe. They visited Germany, Czechoslovakia and Austria two years ago as part of a cotton ginners group.

During this trip, the couple noted that Switzerland and Finland are most similar to the U.S. in agricultural production freedoms.

They saw a dairy farm in Switzerland, a progressive rice farm in Italy, an apple orchard and cotton farm in Russia, a small grains and livestock farm, cheese factory and trout farm in Finland and a grain farm in France. All five countries raised small grains, but none raise soybeans, a major source of protein, Mrs. Thompson said.

Switzerland, the first stop in the visit, is unique in several ways, she pointed out. One is that all meat eaten there comes from dairy herds. Male dairy offspring are slaughtered for consumption and females are saved for milk production. Wheat for feed costs about $12 a bushel.

The government supports the farmer financially in order to keep him on the farm, Mrs. Thompson observed. Agriculture is the country's main source of income and it cannot afford to lose any farmers. Switzerland wants to stay independent and its people want to support themselves, without the threat of takeover by another country, she said. The average size of farms is 22 acres.

Farm living is unique, too, she continued. On one farm they found that a barn containing livestock was attached to the home. The smell was atrocious, but they assumed the house's occupants were accustomed to it, she said.

Switzerland is also undergoing experiments with rockets used to disperse hail, a weather phenomenon which causes about $40 million in crop damage each year, Thompson noted. Russian-built rockets are set up at different locations throughout the country, which is about the size of Arkansas. The rockets are monitored during the summer hail season when corn, wheat, small grains, hay and vegetables are growing.

Observing rice production in the Poe River Valley near Milan, Italy, was the group's next venture. They toured a 300-acre corporation farm owned by 12 people, reportedly the most progressive rice farm in the area.

Irrigation practices, using the Poe River as a source, were similar to those in the U.S., Thompson said. They grew a variety which is sticky to eat.

The farm had a "mixed" look. There were German-, Russian- and American-made tractors on the farm, and some buildings were new while others were old and in need of repair, Mrs. Thompson recalled, leafing through her travel diary.

Russia was an experience all its own—a disappointing one, the couple agreed. A detailed itinerary listing stops at cotton gins, a mill and experiment stations was changed when the group arrived. "It seemed as though when they found out you knew about a certain agricultural operation, they put the clamp on information about it," Mrs. Thompson remarked.

But they got to see a few things. In Odessa, a resort city on the Black Sea, the group toured farm-related museums, viewing photographs and displays of Russian farm operations. They were shown an apple orchard on an experiment station, but were not allowed to see small grains and other horticulture crops grown on the station.

They also visited Moscow. Corn is grown near the city, but due to cold weather, it will not mature. Therefore, it is used for fodder—dried stalks which cattle eat during the winter.

Farm land reaches to the edges of Moscow, unlike in the U.S. where cities are the core in a hub of suburban homes which are then surrounded by farms.

Russian farms are either collective or state operated. Both are owned by the government, but collective farms are operated by a board of governors and state farms, solely by the government.

After Moscow, the group flew to Tashkent, the major cotton-producing area and the most interesting part of the trip to the Thompsons.

Cotton is irrigated with water from snow and rain which runs from nearby hills and is ditched to the desert-like growing area.

Both spindle and stripper cotton was grown on one 7,500-acre farm, along with long- and short-staple varieties.

Over 1,300 people were employed on that particular farm, the couple recalled. Each family works for the state but is also allowed a plot of land to grow whatever they wish to sell at a local market.

Gins in Russia run eight months out of the year, the Thompsons were told, while in the U.S. they only run about 10 weeks. Russian gins are not started until all the cotton is picked, and during harvest, cotton is piled on the ground.

Several sights were cancelled. "We were scheduled to see a cotton gin and textile mill but we were told when we got there that foreigners couldn't see the gins. We didn't even see one (gin), not in the distance, and we were flat looking," Mrs. Thompson said, smiling.

Agriculture in the Soviet Union is unusual in other ways, she pointed out, because farmers buy from the state and sell to the state. Therefore, they have no idea how much cotton costs on the world market or how much a cotton picker is worth.

Finland and France were more lenient in showing the group farming operations.

Mrs. Thompson said she was overwhelmed at how "sparkling clean" Finland was. Tour members visited Finland's largest small grains and livestock farm which covered 10,000 acres. An experiment station was located on the farm.

Finnish farmers belong to government-supported cooperatives similar to U.S. cooperatives. Trout fish farms are scattered throughout the country's hilly terrain.

A tour through the Emmental cheese dairy was a highlight of the trip. This type of cheese is similar to Swiss cheese but is light yellow and not as sharp, she said.

By the time the participants got to France they were "really tired," Mrs. Thompson asserted. Farms there were privately run and "looked productive," she said.

The Thompsons learned about the trip through Dr. George Burzer, dean of Arkansas State University's College of Agriculture. People from Alabama, Tennessee, Illinois, Missouri, Kentucky and Arkansas traveled with them.●

THE FOSTER CARE AND ADOPTION REFORM ACT OF 1979

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MILLER of California. Mr. Speaker, last week I introduced H.R. 1523 the Foster Care and Adoption Reform Act of 1979. The enactment of this comprehensive piece of legislation at the earliest possible date will have the effect of drastically reducing both the number of children in foster care, and the growing costs of this largely uncontrolled system. Two years ago I introduced another form of this bill, and this body reported it in very diligent fashion. In particular, I want to commend Chairman JIM CORMAN of the Subcommittee on Public Assistance and Unemployment Compensation, and the members of the subcommittee, who committed themselves to this program early in the 95th Congress, and became some of its strongest and most effective advocates.

Unfortunately, the bill was not enacted in the 95th Congress, despite its quick passage by the House. For months it languished in the Senate Finance Committee and then awaited action on the Senate floor. It finally did pass the Senate in a different form than the House version, but it was too late in the session to resolve the differences. Hopefully, all of the work of the 95th Congress, both in the House and in the Senate, was not in vain. I believe that we served to educate Members of the Congress, as well as State and local officials, national foster parent organizations and other advocacy groups, and the Carter

administration about the severe continuing crisis in our foster care system.

When I originally introduced this bill in 1977, I pointed out that it was the product of countless hours of discussion, debate, and negotiation with dozens of expert and concerned people from throughout the United States. Its contents are based upon the conclusive findings of respected studies of many States, by the Congress, the General Accounting Office, the Department of HEW, the Congressional Research Service, the New York City Comptroller, private research organizations and others. All of these studies concluded that as many as two-thirds of the children in foster care were placed inappropriately, mostly in overly restrictive settings. The costs of this inappropriate placement in New York City alone were estimated to be in excess of a quarter of a billion dollars. But there is nothing unique about the New York example. In each State studied, the same problems have been found over and over again.

We found that large numbers of children enter foster care before any types of preventive services have been offered to them and to their parents. In fact, in 90 percent of placements the problem is not with the child but with the parents. Yet the penalty for the breakdown of the family is paid by the child, who often enters indeterminate foster care. Studies have shown that once in care for 18 months, a child has better than an 80-percent chance of remaining in care until he or she reaches the age of 18.

Federal funding practices actually encourage this breakup of the American family by providing unlimited funds for maintenance payments, but strictly limiting the amount available for preventive and reunification services or for adoption subsidy payments. Yet each of these alternatives has been shown to be workable and highly cost effective. In Nashville, Portland, New York, and elsewhere, preventive programs have cut the rate of placement by as much as half, reduced recidivism by as much as 80 percent, and virtually eliminated costly institutionalization. Similarly, adoption subsidies have been shown to cost far less than maintaining a child in foster care, even if the payment is equivalent to a maintenance payment, because you almost entirely eliminate administrative costs. Such financial considerations make the reforms in my bill attractive enough; in addition, we must consider the very great emotional and developmental benefits to the child which come with living in a stable and permanent family setting as opposed to the continuing trauma of placement and removal in the foster care system.

This legislation has three major features, and they are all tied firmly together. We would provide greater funds for cost-effective preventive service programs; we would mandate that States institute accountability and due process procedures, which have been shown, by the National Council on Juvenile Court Judges, to substantially reduce the number and duration of placements, at tremendous cost savings; and we would authorize the payment of adoption subsidies to adoptive parents of eligible children, subsidies which would include both maintenance and medical components.

Since this legislation was proposed 2 years ago, there has been a great deal of acceptance of the basic provisions of this bill. Several States have begun to amend their laws to stress preventive and reunification services and periodic reviews. The Children's Bureau at HEW similarly has promulgated draft regulations concerning title IV–B (Child Welfare Service) which go part of the way toward implementing the provisions of this bill. Many States have enacted adoption subsidy laws, but few children have been adopted under these laws because of the very limited funds. Most recently, President Carter has included in the 1980 budget a substantial increase in funds for title IV–B.

All of these efforts prove that the fundamental thrust of the reforms contained in this legislation were sound when I introduced H.R. 5893, 2 years ago, and were sound when the House passed those provisions as H.R. 7200 a little over 2 years ago. The only real difference is that, by failing to enact the law expeditiously, thousands of children have been forced into, or remained in a foster care system who should not be there. Because of our failure to enact this law 2 years ago, thousands of children will spend years in costly, inappropriate foster placements. We cannot again allow so vital a piece of legislation, affecting hundreds of thousands of children across our country, to languish or to be purposefully delayed for political reasons. This legislation transcends party and ideological boundaries. H.R. 7200 enjoyed the strong political support of both liberals and conservatives who recognized that its enactment would lead to a more cost-effective and more humane foster care system.

Over the past 3 years, I have placed articles and reports in the RECORD documenting the continuing crisis in foster care and the proven effectiveness of the approach contained in the bill I am reintroducing today. It is my hope that the House will again act swiftly to pass this bill and move it to the Senate so that we will not have to face again months of waiting for the enactment of a largely noncontroversial and thoroughly reasonable reform program.●

BILL TO AMEND THE SHIPPING ACT, 1916

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am introducing today a bill to amend the Shipping Act, 1916, to vest jurisdiction in the Federal Maritime Commission over complaints against shippers, consignors, and cosignees and for other purposes.

The Shipping Act, 1916, as amended, was enacted to insure that American foreign commerce would proceed in an orderly and nondiscriminatory manner without undue advantage to carriers, shippers, cosignors or consignees. It is this element of fair business practices that has long distinguished the competitive nature of our ocean shipping industry.

During the 95th Congress, I introduced H.R. 9518, a bill which was designed to strengthen the provisions of the Shipping Act, 1916, in combating and inhibiting use of illegal kickbacks or rebates by ocean steamship carriers. Although this bill was enacted by the Congress, it was pocket vetoed by the President.

The bill I am introducing today attempts for the first time to put the shippers of goods as well as the ocean carriers on the same footing, as far as responsibilities and obligations of the Shipping Act, 1916, are concerned. Fundamental notions of fairness would certainly require parity of treatment for these two vital parties in our ocean commerce.

Under existing law, the Federal Maritime Commission (FMC) has no jurisdiction over complaints filed by carriers or other persons against shippers for alleged violations of the Shipping Act of 1916, even though the FMC does have jurisdiction in the reverse situation where complaints are filed by shippers against carriers. (See 46 U.S.C. 821.) Thus, if a shipper, by misdeclaration of the weight or density of the commodity shipped or of the commodity itself, should pay less than the applicable charges contained in a carrier's tariff, the carrier must file a complaint against the shipper, not before the FMC, but before whatever local, State or Federal court which may possess personal jurisdiction over the shipper.

The requirement that these complaints against shippers which frequently involve complex issues of maritime policy, be litigated in forums all over the country, rather than before the expert agency entrusted with enforcement of the act, clearly prevents a coordinated formulation of such policy and needlessly ignores the accumulated expertise of the FMC. In addition, such requirement has imposed undue hardships on carriers and their neutral enforcement bodies, including: First, inability to secure local counsel to prosecute the complaint; second, inordinate delays in securing the filing of claims and decisions from the courts, and third, the raising of technical and frivolous defenses which solely impede the progress of the litigation.

It is therefore proposed to amend section 22 of the act to confer primary jurisdiction in the FMC to hear complaints against shippers. The procedure for judicial enforcement of an FMC order entered pursuant to the amended section 22 would be the same as that now contained in existing law. In addition, since it is important to the administration of the shipping laws that carriers' tariffs be strictly enforced according to their terms, irrespective of whether any

deviations therefrom are knowing or willful, it is also proposed that section 18(b) of the act be amended, by addition of a new paragraph (4), to make it unlawful for a shipper, consignor, or consignee to receive transportation at less than the applicable rates therefor, whether or not such receipt is knowing or willful.

This bill simply requires that shippers as well as carriers must abide by, and be responsible for, similar obligations and duties under the Shipping Act, 1916. The result of an ocean transportation system where both shippers and carriers must deal in a fair and competitive manner will be that American consumers will benefit from lower ocean freight rates and a more stable and strengthened American Merchant Marine.●

AMERICA'S HERITAGE AND FREEDOM AWARD

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. FORD of Tennessee. Mr. Speaker, it is my pleasure to announce the February 4 presentation of the 36th annual America's Heritage and Freedom Award, to 15 outstanding black women in the Nation. This award is sponsored in conjunction with Black History Month 1979, by the Elmer L. Fowler's Historic Gallery of Chicago, Ill., the first picture gallery of honored black Americans in the country. It has resulted in the State of Illinois' declaration of February 4 as Black Women's Day in America, a novel and important concept.

Among the outstanding American women chosen to receive this award is my friend and colleague Congresswoman CARDISS COLLINS of Illinois, the newly elected chairwoman of the Congressional Black Caucus. Cardiss, beyond a doubt, deserves this meritorious award for her performance as an excellent politician, a fine mother, and a great humanitarian.

The 14 other distinguished women chosen to receive the award are:

Dr. Geraldine P. Woods, chairman of the board, Howard University.

Attorney Margaret Bush Wilson, chairman of the board of the National NAACP.

Dr. Dorothy I. Height, president of the National Council of Women.

Dr. Dorothy L. Brown, the first black woman surgeon in the South.

Mrs. Coretta Scott King, wife of the late Dr. Martin Luther King, Jr., and president of the Martin Luther King, Jr., Center for Social Change.

Mrs. C. Delores Tucker, former secretary of the State of Commonwealth of Pennsylvania.

Mrs. Vivian Carter Mason, outstanding human rights activist and club woman, Norfolk, Va.

Mrs. Alberta King, late mother of the late Dr. Martin Luther King, Jr. (awarded posthumously).

Attorney Frances Hooks, wife of Ben Hooks, executive director of NAACP.

Attorney Jewel LaFontant, Chicago, Ill.

Mrs. CARDIS COLLINS, Illinois, Member of Congress.

Ms. Lu Willard, the only Black woman diamond cutter and jeweler of New York City.

Mrs. Rosa Parks, precipitor of the Montgomery, Ala., bus protest.

Mrs. Clarice Collins Harvey, social, educational, and civil rights worker.

Dr. Ruth Love, superintendent of public schools, Oakland, Calif., and Assistant Director to Mrs. Carter on National Mental Health.

Throughout the history of the United States of America, black women have led the country in stamina, strength, and dedication. This country can never forget the Harriet Tubmans, the Sojournes Truths, the Barbara Jordans; the contributions of black women, in general, who have formed a strong coalition to push black Americans to excellence.

Mr. Speaker, I know that each Member of the U.S. House of Representatives will join me today in acknowledging this timely tribute to outstanding black women of America.●

MOSCOW'S HAND IN THE IRANIAN CIVIL STRIFE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. McDONALD. Mr. Speaker, there is a move on by some of the administration's "new foreign policy" advocates to pressure the troubled government of Iranian Prime Minister Shahpour Bakhtiar toward concessions that are in fact a capitulation to the extremist and Marxist revolutionary forces that have coalesced around Ruhollah Khomeini, the 78-year-old Shiite Moslem leader who has been trying to organize the overthrow of the Iranian Government for the past 16 years. The mere fact that at the moment Khomeini, obviously believing that he will soon return to Iran in triumph to set up a revolutionary council to rule Iran, has remained intransigently and uncompromisingly hostile toward Bakhtiar does not mean that the "new foreign policy" activists in the administration, on Capitol Hill and outside Government will not intensify their efforts to sell Iran down the river.

Those who are arguing that the Iranian civil turmoil is merely "nationalist" or "religious" in character are deliberately ignoring the available public information about the role of the Soviet Union and its battery of agents and propagandists in these events. The prime apologists for Khomeini who have been coordinating support efforts both in Western Europe and in this country are the Institute for Policy Studies (IPS) and its Transnational Institute (TNI). IPS and its TNI project have compiled extensive records of activity on behalf of Soviet and Cuban supported terrorist groups and of ties to the Cuban and Soviet intelligence agencies. The staff of IPS/TNI has included leading members of the Weather Underground Organization. the Algerian FLN, the Trotskyite Terrorist Fourth International, and the so-called "Patriotic Front" of Rhodesia for which the Cubans and Soviets are training an invasion army in southern Angola.

As I pointed out to my colleagues 2 years ago, IPS is a consortium of Marxists organizing for a "new economic and political world order" and an America neutralized as a world power through a variety of tactics. Among those tactics have been an organized attempt to dismantle and cripple the U.S. foreign and domestic intelligence capability; organizing violent street demonstrations such as the 1971 May-day riots in Washington, D.C., that were supposed to "shut down the Government" in support of the Vietnamese Communists; organizing an "alternative public policies" program for State and local public officials which places them in contact with their counterparts in foreign Communist governments and parties; and a sort of subversion from the top in which IPS attempts to gain influence in Congress and the administration through "seminars" for staff members and middle level bureaucrats and cultivating direct contacts with officials and lawmakers.

Over the past year, IPS/TNI has coordinated meetings of activists, members of Western European Communist parties and assorted Marxist activists to set up a unified campaign to deny military equipment to the Iranian army and to coordinate publicity campaigns attacking the Iranian Government. In the United States, IPS has played a leading role in the U.S. People's Committee on Iran which I will discuss in more detail later in this report.

Iran is of vital strategic importance to the free world both for its geographical position on the southern border of the Soviet Union, as the eastern gateway to the Middle East, and as the major source for the oil imported by Western Europe, Japan, Israel, and South Africa, and as a significant source for U.S. oil imports.

During the past year, virtually all the natural gas produced in Iran has been sold to the U.S.S.R. The Soviets use the Iranian natural gas in their central Asian and Caucusus regions so that the natural gas supplies from those areas can be used elsewhere to power the U.S.S.R.'s heavy industrial and military production centers. Those who suggest that Iran's status as a trading partner with the U.S.S.R. somehow makes it "immune" from Soviet intervention and subversion are ignoring the Soviet Union's consistent pattern. More particularly, they are refusing to consider the successful Soviet-backed coups in the People's Democratic Republic of Yemen (Aden), in Afghanistan, the attempted coup in Iraq and other recent Soviet moves in the Middle East.

Iran occupies a strategic location, controlling with Oman, the entrance to the Persian Gulf through which passes 70 percent of the oil that powers the economies of Western Europe (and thus NATO), 90 percent of Japan's oil imports, and increasingly significant amounts of U.S. oil imports.

A destablished Iran also poses a direct threat to Oman which borders on the Soviet Union's new Red Sea satellite, the People's Democratic Republic of Yemen (PDRY). Since the pro-Soviet coup headed by Abdul Fatal Ismail took over Aden last June, approximately 7,000 Cuban troops have been transferred there from Ethiophia. The Cubans have joined 2,000 East Germans in the PDRY and have a divided responsibility. The East Germans train and command the local secret police, intelligence, and police forces while the Cubans drill, train, and control the "people's militia." The PDRY has made the island of Socotra available as a ballistic missile base to the Soviets who have used the island to install missiles removed from Somalia.

The PDRY provides terrorist training bases for the Palestine Liberation Organization (PLO) Rejectionist Front faction headed by George Habash's Popular Front for the Liberation of Palestine (PFLP), and for related terrorist organizations such as the "Carlos group." Members of the two chief Iranian revolutionary terrorist organizations, the Organization of Iranian People's Fedayee Guerrillas (OIPFG) and the Organization of Mujahedin of the People of Iran (OMPI), have received training in these and other PLO terrorist centers in Iraq, Lebanon, and Libya, as well as Cuba.

The PDRY also provides a land base and haven for the Marxist terrorist Popular Front for the Liberation of Oman (PFLO) which originally called itself the Popular Front for the Liberation of Oman and the Arab Gulf (PFLOAG). The name change was made because the United Arab Emirates, which provides generous funding for the PLO, raised strong objections to their being included as an open target of the PFLOAG revolutionaries. The PLO prevailed upon the PDRY to alter the group's name. This in no way has curtailed the PFLO's strategy to seize control of Oman and the UAE and set up a Marxist regime. Iranian Student Association (ISA) marches in this country have frequently contained small groups of Omani militants carrying PFLO placards. These student militants and PFLO literature and position papers candidly admitted that before the PFLO could claim victory, the destabilization and overthrow of the Shah's government and removal of Iranian counter-insurgency troops would be necessary.

Clearly, with either a Quaddafi-style Islamic fundamentalist or an openly pro-Soviet Government in Iran, the lightly armed, feudal governments on the Persian Gulf are up for grabs, and the stability of Saudi Arabia threatened.

Over the past year, factions of the Iranian Students Association (ISA) and several of their U.S. support groups, have been using the slogan, "Don't let Iran become another Vietnam," by which they mean the United States should not send military assistance to the Iranian Government. It is scarcely a coincidence that this was the theme of a November 19, 1978, interview in Pravda given by Leonid Brezhnev when he said that any foreign involvement in any country on the U.S.S.R.'s southern border—obviously Iran—would be considered as a "security matter." This veiled threat followed a long series of stories in Tass and other Communist bloc media that the United States was planning to "interfere militarily in the internal affairs of Iran."

The administration has demonstrated a chaotic lack of a coherent policy toward Iran to such an extent that even the U.S. carrier task force initially ordered to sail for the Persian Gulf, where among other things, it could have been useful in evacuating U.S. dependents and civilians caught by the closing of the Iranian airports, was ordered almost immediately to remain in the South China Sea, a week's sail from the place where it would demonstrate legitimate U.S. concern with the events in Iran.

Whether or not the carrier task force was ordered back because of Soviet pressure on the Carter administration or because of chaotic, indecisive administration policies toward Iran, the effect was to demonstrate American weakness in the face of Soviet supported aggression.

In a recent study by Robert Moss, "The Campaign to Destabilize Iran," published by the prestigious Institute for the Study of Conflict in London, Soviet efforts to destabilize Iran and undermine its military were detailed. Two particularly notorious cases were revealed a year ago that involved an Iranian general whose responsibilities included supervising all of the Iranian army's planning and logistical services, and a top level civil servant. The general and the civil servant had sophisticated espionage devices including a false pocket calculator that received transmissions in code from a Soviet satellite and a "burst" transmitter that broadcast a half-hour recorded message in thirty seconds to a receiver in a Soviet Embassy vehicle cruising in the neighborhood. The technological sophistication and effort put into that operation by the U.S.S.R. indicates the importance of Iran as a Soviet target.

As this study indicates, the KGB and GRU not only use as spies Soviet citizens who use as their "cover," positions in the Embassy, in the consulates in Isfahan, Tabriz, and Mashad, the Soviet trade mission or their positions as technicians and engineers at such installations as the Aryamehr steel mill; but also infiltrate as deep cover "illegals" Parsi-speaking Soviets from Azerbaijan who are indistinguishable from northern Iranians, and Afghans.

The KGB has taken over the Afghanistan secret intelligence service, and has set up training camps for Iranian revolutionaries in that country. Furthermore, Iranian Foreign Minister addressed Iranians who were receiving training in terrorism in Cuba during his recent visit.

The Soviet KGB also makes use of a number of other agencies as cover for its spies and recruiters including the Soviet press agency Novosti, a Soviet-owned transport company, the Soviet hospital in Teheran and the Irano-Soviet Cultural Society. In the long established tradition of Lenin's stricture to reject no tactic, no matter how "immoral" or degrading, the KGB has blackmailed Iranians who have relatives living in the U.S.S.R. into acting as their agents.

It should not be forgotten that a Soviet army occupied northern Iran during the Second World War and that that army was withdrawn only after considerable British and U.S. pressure on Stalin. A Communist-run regime that was set up in Iranian Azerbaijan was deposed only with difficulty and the 1946 Iranian Government had three Communist ministers.

During 1978, the official Soviet Media (rather than clandestine radio stations) generally repeated attacks on the Shah and his government and calls for its overthrow made by leaders of the Tudeh ("masses") party, as the Moscow-line Communist party in Iran is called, only after they had first been published in the Western Communist press. In June 1978, for example, a pamphlet published by Navid, the organ of the Tudeh Party, entitled "The Tudeh Party and the Muslim Movement," was distributed in Teheran which repeated the Tudeh Party call for formation of an "antidictatorial broad front" with the Islamic mullahs playing a "vanguard role" in the struggle to overthrow the Shah's government. Navid, which is believed to be produced on a printing press inside the Soviet Embassy in Teheran, said that the Tudeh party was prepared to put at the disposal of "our friends from other political groups," all of its propaganda, political and technical resources in the campaign to overthrow the Iranian Government. This call from a "broad front" became the theme for repeated Moscow broadcasts.

The Soviet-line Tudeh Communists have been trying to form a coalition of Muslim, Communist, and liberal forces in opposition to the Iranian Government at least since 1973. The combination of Marxism with Islam is also the goal of the OMPI terrorists who are known to have ties with Moscow, Libya, and the PRDY. As far as can be determined, it was the OMPI terrorists who number an estimated 4,000 in Iran, who first began calling themselves "Islamic Marxists," a phrase often dismissed by media commentators in this country as an invention of the Shah. The Marxists have developed a "liberation theology" for Christians that has involved priests and nuns joining terrorist revolutionary groups, particularly in Latin America. Why should anyone be surprised that a "liberation theology" should not also be developed for Moslems?

The Tudeh party leaders spelled out their support for the Ayatollah Ruhollah Khomeini in an article that appeared in December 1978. The article, signed by Tudeh head Iraj Eskandari and published in World Marxist Review, also known as Problems of Peace and Socialism, the "theoretical journal of Communist and Workers' Parties" published in Prague, claimed that Tudeh "has always respected the religious beliefs that are solidly rooted in the vast majority of the Persian population." The article spelled out support for Khomeini in these terms:

When Moslem leaders like Ayatollah Khomeini oppose imperialism, declare that the

Shah's regime is anti-popular and anti-Islamic, and say that it must be overthrown, then we consider this a positive occurrence.

In other words, as long as it weakens the West, the Communists will support it, try to direct it, and eventually try to take it over.

As for Ruhollah Khomeini, he has expressed his anti-Western, pro-Communist sentiments on a number of occasions. As long ago as December 1968, in the magazine, The Middle East, Khomeini affirmed that the purpose of an "Islamic republic" of the sort he envisages for Iran, would be to completely eliminate Western influence. During the past year he has repeatedly said that in his "Islamic republic," the Communists will be considered as a legitimate Iranian political force so long as they do not represent "foreign interests." But since the interests of the U.S.S.R. and the goals of Khomeini in abolishing all Western influence and interests in Iran coincide, one may expect that the Tudeh Communists and the Soviet Union's covert agents in Iran would take pains not to alienate the Khomeini group until they had consolidated their power.

On January 21, the Communist Party of the Soviet Union newspaper, Pravda, directly endorsed Khomeini and his Islamic revolutionaries because they have "a long established reputation as opponents of tyranny" and because they appeared to be riding "on the crest of the wave of events."

Pravda coupled its favorable comments on the Islamic revolutionaries in Iran with a report of an interview Khomeini gave to the Beirut newspaper As-Safir, that was broadcast from Moscow on January 20. In part, Khomeini said:

The present struggle in Iran against the Shah's regime is being conducted in the interests of broad sections of the Iranian people," Khomeini went on. "And though it is headed by religious leaders, they do not seek to form of them political cadres for governing the country. But this does not mean, however, that we shall leave room for pro-American leaders."

* * * * *

"Iran will not play the role of a policeman in the region," the opposition's leader said. "The forces that plundered our oil wealth, that made us buy armaments from them, and that set up their military bases in our lands turned Iran into the gendarme of the region in their own self-seeking interests. We hold that 'security' American-style was ensured by the Shah to the detriment of the interests of the Iranian people. We are able to protect ourselves. We believe that the questions of security of the Persian Gulf must be decided by the peoples of the region." * * *

Khomeini said that Iran will not participate in any military blocs since they contradict the interests of peoples. "We shall be conducting the policy of non-alignment and friendship with other peoples, of non-interference in their internal affairs. * * * We shall not side with one power against another."

Touching upon the relations with Israel, he said, "Israel is our enemy not only for the reason that it seized Palestinian lands and tramples underfoot the rights of our Arab friends, but also for the reason that it committed a number of grave crimes against the Iranian people. The torture that was practiced by the secret political police SAVAK was made with the use of Israeli torture implements. Israeli 'experts' and 'instructors' trained the Shah's supporters in methods of the struggle against Iranian patriots, participated directly in violence and brutalities. * * * Therefore, it is our sacred duty to conduct the struggle against [Egyptian President] Sadat and his flunkeys and against Israel."

The official Soviet news agency Tass carried also on January 20 an account of a New York City demonstration by the Iranian Students Association who were supported by members of a variety of U.S. Marxist-Leninist sects, parties, and support groups for a range of terrorist groups including the Palestine Liberation Organization. As Tass reported, chanting "Victory to the Iranian People," and "U.S. Out of Iran," the demonstrators protested "U.S. interference in Iran's home affairs."

In the United States, both the Moscow-line Communist Party, U.S.A. (CPUSA) and the U.S. section of the Trotskyite Fourth International have endorsed Khomeini's revolutionary effort in Iran, as have a number of activist groups whose leaders were previously known for their efforts in organizing support for the Communist aggression in Southeast Asia. Chief among these is the U.S. People's Committee on Iran (USPCI), headquartered at P.O. Box 7782, Philadelphia, Pa. 19101, but in which associates of the Institute for Policy Studies and its Transnational Institute play leading roles.

The USPCI was formed on November 14, 1977, at the commencement of Iranian Student Association riots in Washington, D.C., at the start of an official visit by the Shah of Iran. The USPCI was an outgrowth of the ad hoc support committee to send a team of legal-medical international observers to Iran, organized earlier in 1977.

The chairman of the USPCI is Richard Falk, who teaches international law at Princeton. Falk will be remembered as having been a member of the national council of the (National) Emergency Civil Liberties Committee, a well-known Communist Party front, and for playing a leading role with his long-time collaborator, Richard Barnet, cofounder and director of IPS, in the Lawyers Committee on American Policy Toward Vietnam set up by some of the "Old Left" lawyers in the NECLC which aided in the kangaroo-court "Commission of Enquiry" on alleged U.S. war crimes in Vietnam that was run by the North Vietnamese and two international Soviet fronts, the World Peace Council (WPC) and the International Association of Democratic Lawyers (IADL). Following his 1968 and 1971 trips to Hanoi and Paris to meet with North Vietnamese and Vietcong officials, Falk returned to publicize the "need" for concessions to North Vietnam. In 1969 Falk was among the U.S. delegates to the World Peace Council's Stockholm Conference on Vietnam, and became an endorser of the so-called "people's peace treaty" with the Vietcong.

With this public record for support for the Vietnamese Communists it was not surprising, though morally shocking, that Falk, Barnet and Don Luce of Clergy and Laity Concerned were among the handful of signers of an advertisement in the New York Times on January 30, 1977, that congratulated the Vietnamese Communist conquerors of South Vietnam for holding 40,000 political prisoners—incidentally a far smaller figure than the estimated 300,000 political prisoners in forced labor camps in the "new economic areas" as well as in jails. According to Falk, Barnet, Luce, and company "such a number is surprisingly small considering the several million Vietnamese involved in Saigon's war effort." In other words, every Vietnamese who opposed Communist aggression, who worked in the South Vietnamese civil service or served in the ARVN could justifiably be imprisoned as, in their words, "Saigon collaborationists."

The members of the USPCI policy and advisory committees include two leading members of the IADL's U.S. affiliate, the National Lawyers Guild, Jack Levine of Philadelphia and John Thorn of San Jose; Linus Pauling and Noam Chomsky whose activities in sponsoring Communist causes are too numerous to detail here; Dr. Pierre Noyes of the Stanford Linear Accelerator Center; J. Pirnazer of the University of California at Berkeley; Margaret McQuade, a registered nurse; and Michael Klare, a fellow of the IPS Transnational Institute.

Michael Klare is the head of the of IPS and of the Disarmament and Arms Sales task force of the Mobilization for Project on Militarism and Disarmament Survival (MFS), a coalition collaborating with the World Peace Council in promoting Western disarmament and nonintervention against Communist aggression. Klare was a founding member of the North American Congress on Latin America (NACLA), set up following the tricontinental conference in Havana as the "intelligence-gathering arm" of the U.S. revolutionary left. Havana apparently thinks so highly of Mike Klare that the Tricontinental magazine published by OSPAAL has published his material and he regularly travels to Havana to lecture on U.S. arms sales policies.

The USPCI's goals include to "support Iranian resistance to repression;" "to bring international public pressure to bear on Iran;" and "to oppose American military aid and intervention in Iran."

How the USPCI puts those goals into practice is indicated in their newsletter. The premier edition for the spring of 1978 featured emotional tributes to members of the OIPFG terrorists and to the small, virtually extinct Maoist Communist terrorist organization, the revolutionary organization of Tudeh (ROT) which split away from the Soviet-line Tudeh in the late 1960's. The OIPFG, as I have documented in previous reports (See CONGRESSIONAL RECORD, November 18, 1977, pp. 37800 ff; and September 23, 1978, pp. 31179 ff), is a Marxist-Leninist group whose principal tactic is terrorist "armed struggle." OMPI, which is the outgrowth of the armed gangs organized by the Iranian National Front party during the 1963–64 civil turmoil, has also announced that it has "joined the Marxist-Leninist struggle."

Tudeh Party militants have been working in both terrorist groups, but have

been concentrating on the OMPI because it is the larger armed group and because of Tudeh's efforts to cement another alliance with the National Front forces. Tudeh collaborated closely with the anti-Western, pro-Soviet government headed by Prime Minister Muhammad Mossadeq who was deposed by the Shah, with U.S. support, in 1953. Before it was outlawed in 1953, Tudeh and its controlled labor fronts had an estimated 400,000 members. Thus the 1973 State Department estimate of 500 Tudeh members and current U.S. press reports citing "intelligence source" estimates of 1,000 Tudeh members are clearly unrealistic. Intelligence analysts knowledgeable on Iran now believe that many Tudeh members "went underground" and that despite the problems of age, with their younger associates are returning to active roles in the Iranian revolutionary disorders on behalf of the Soviet Union.

USPCI leader Richard Falk; Don Luce, director of the "anti-imperialist" Clergy and Laity Concerned (CALC); and former U.S. Attorney General Ramsey Clark held a press conference in New York on January 23d at which they discussed their 8-day tour of Iran and their meeting with Khomeini near Paris, France. Clark asserted that "99 percent" of Iranians opposed the Bakhtiar government—but gave no indication of how he took his "poll"—and expressed hope that the United States would take no action regarding Iran so that Iran could "determine its own fate."

It is remarkable that Mr. Clark, the USPCI, the various U.S. Communist groups, the Tudeh party and the Communist Party of the Soviet Union are all very much concerned that the United States might "interstate" or "intervene" in the Iranian turmoil, but that they are uniformly unconcerned about the Soviet Union and its agents interfering in that nation.

Let us consider one of the examples of such interference: The terrorist arson at the Abadan movie theater in which several hundred men were killed.

ABADAN THEATER TERROR ATTACK

Following the burning of the Abadan theater, the Tudeh publication Navid immediately appeared with the charge that the men had been murdered by agents provocateur from the Iranian intelligence service, SAVAK. Within days, the Iranian Students Association (ISA) in this country was on the streets with violent demonstrations to publicize the allegation. The speed of transmission of the charge to the ISA groups here is not surprising considering the fact that several colleges have been expelling ISA members for running up hundreds of dollars in telephone calls to Iran and Western Europe charged on college telephones.

Suspects in the arson fled to Iraq where they were apprehended by Iraqi authorities. Since the Soviet-supported attempted coup by Iraqi Communists a year ago and the expulsion of Soviet diplomats, Iraq has been less hostile toward its traditional rival, Iran. As a result, a 19-year-old construction worker named Hashem Menyshedpur was returned to Iran on August 31, 1978. Menyshedpur confessed that he had been a member of a sabotage team led by Abrahim Nazarian Lodricheh who worked for the Abadan mosquito eradication department. Prior to his job as an exterminator of mosquitos, he had been a guard at the Aryamehr steel mill in Isfahan where 1,000 Soviet technical experts and engineers, including a number of identified KGB and GRU agents, work.

Using the alias "Jamshid," Lodricheh assembled a sabotage group whose members received cash bonuses averaging about $750 per person. Just who gave "Jamshid" this money has not been positively determined, but the Soviet secret agents at Aryamehr steel mill are strong suspects. Incidentally, this single small sabotage group carried out arson and fire bombings of small shops, gas stations, banks, and other targets.

One might hope that Ramsey Clark might have some concern for the human rights forever denied the charred corpses at Abadan, men who were burned alive to serve the purposes of the Soviet Union and its KGB.

With sensible support from this country and the Western powers, Iran can still find an equilibrium and encourage formation of a coalition of Iranian moderates from the small farmer and middle classes who will take from the West what their country needs, without undermining their social and religious traditions of society. It is up to us as Americans not to abandon the Iranian people; for whose distress we bear at least moral responsibility. Without question the Soviet Union will continue its efforts to destabilize Iran and other Free World nations, and therefore a firm U.S. policy must form the basis for the resistance to Soviet aggression.●

ELDERLY CRIME VICTIMS MAY FACE IMPRISONMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BIAGGI. Mr. Speaker, I would like to bring to the attention of my colleagues the first in a three-part series of articles written by Michael Daly of the New York Daily News, documenting one of the most serious problems currently facing our Nation—the severe psychological hardships experienced by elderly crime victims.

While the numbers are shocking enough—in New York City alone, there were 64,728 reported crimes against persons over 65 in 1977—the major problem confronting the elderly today is the fear of being victimized by crime. As a result of this fear, an estimated 100,000 elderly citizens have placed themselves under a self-imposed house arrest.

As a member of the House Select Committee on Aging, I have conducted several hearings in New York City on this issue, and have helped to prepare a comprehensive report on this issue, entitled "In Search of Security: A National Perspective on Elderly Crime Victimization." My extensive investigation into this matter makes me realize, all too clearly, that the life of Jennie Kelly, as described in Mr. Daly's article, is lived by a very substantial portion of our Nation's elderly population.

Perhaps the best evidence of this tragic situation is revealed in a 1974 Louis Harris survey. When asked for their perception of various social problems, the elderly ranked fear of crime as the most serious problem they experience; more serious even than health, money, and loneliness.

In an attempt to help correct this problem, I have reintroduced two bills to provide a much needed and new Federal approach for dealing with juvenile criminals, who are responsible for a large percentage of all crimes against the elderly. The first bill would lower to 15 the age under which juveniles can be prosecuted as adults for felony offenses. The second measure would provide for the fingerprinting of juveniles convicted of felony offenses and would prohibit the withholding of previous juvenile records to courts.

I have also reintroduced H.R. 957, legislation to provide Federal assistance to States for compensating victims of crime. My bill gives special consideration to the needs of elderly crime victims, who are very vulnerable to serious financial injury. I welcome your cosponsorship of these measures.

I believe that my colleagues and other readers of the RECORD will be able to more fully appreciate the severity of this problem and the need for prompt corrective measures after reading Mr. Daly's article:

JENNIE HIDES BEHIND HER DOORS

(By Michael Daly)

"More than 18% of the people living in this city are over 65. In 1977, there were 64,728 reported crimes against these 1.5 million older citizens. Of these, 9,970 were robberies. The average victim was female and over 70. The average attacker was male and 16.

"Although police say that they have cut the number of attacks on the elderly by almost 25% since 1976, the fear of being robbed, raped or murdered keeps an estimated 100,000 older persons virtual prisoners in their homes.

"Newsman Michael Daly spent three days recently with one of those prisoners in her Coney Island apartment. The last name has been changed, but the events and emotions recorded in her diary of fear are painfully real."

Her flannel robe drawn tight at the waist Jennie Kelly pads into the kitchen and takes down the 24 Budweiser cans stacked in front of the window.

"They're my burglar alarm," the 83-year-old widow tells you as she parts the blue cotton curtains, letting the early morning light creep into the room. Three inches of snow have fallen during the night, and a white shroud covers the vacant lot that sprawls below Jennie's window.

"Children," Jennie says, her breath clouding the glass. Two children, a girl in a blue parka and a boy wearing red rubber boots, dash into the lot. The boy scoops up two handfuls of snow as the girl ducks behind a pile of rubble and timber.

"Look out," Jennie says, laughing. For 20 minutes, she stands motionless by the window. This 2-by-3-foot sheet of glass is the closest Jennie Kelly gets to the world outside

her apartment. It is 7:20 a.m., Saturday, Jan. 6, and Jennie Kelly is beginning the 119th day of her incarceration in a third-floor cell comprised of two rooms, each measuring 18 feet by 20 feet.

Unlike Rikers Island, there are no cellmates or exercise periods in Jennie's $98-a-month prison. There is only a radio, a window, and a nephew who visits once a week for 10 minutes, leaving five tins of condensed milk, a box of tea, four cans of tuna, six carrots, five pounds of potatoes, two loaves of bread, a quart of tomato juice, and a jar of raspberry jelly.

There are no bars on the window of the rooms in which Jennie serves a life sentence. The three locks on the door open from the inside. The walls that hold Jennie Kelly captive are made of fear—terror as real as brick and mortar.

"Hey, lady," a young voice shouted. As Jennie turned, a fist caught her in the stomach.

"I'M GOING TO DIE"

"I'm going to die," Jennie remembers thinking as she pitched forward onto the sidewalk. A boy who looked no more than 13 snatched her purse. Grabbing $11 from the change pocket, the boy tossed the pocketbook into the air. Gasping for breath, Jennie crawled across the wet concrete, feeling in the darkness for her personal papers, her makeup, and a roll of stamps. Jennie Kelly no longer went out after sundown.

Then, two months later, another boy, this one about 17, knocked her to the sidewalk on Surf Ave. After taking her money, the boy squeezed both of Jennie's breasts, hard, his lips rolling back from his gritted teeth. Jennie Kelly was now cut off from her morning walk on the boardwalk.

Last September, the terror struck in Jennie's building. She heard the footsteps behind her just as she turned the key in the lock. A hand snaked around her neck and clamped over her mouth, the thumb digging into her right eye. A second hand pushed open the door. Slipping his left leg in front of her, the attacker hit her once, square in the back.

"The money," the attacker said. "Where is it?" Her cheek pressed against the floor, Jennie Kelly stared at the pair of blue sneakers. The right shoe went back, and Jennie closed her eyes, waiting for the blow she knew would crush her face. Instead, the toe dug in between the carpet and her nose, lifting her face.

"The money," the attacker said again.

"In the napkins," Jennie said, her hand raising from the floor and pointing toward the kitchen counter.

Folding her arms over her head, Jennie listened to the attacker tear through the apartment. Coat hangers scraped in the closet. Drawers tumbled to the floor. Clothing tore. A bottle of tranquilizers rattled in the bathroom. Finally, the door slammed, and Jennie Kelly heard feet pounding down the stairs.

"I had wet myself," Jennie now tells you as she stands by the kitchen window looking out at the snow. "I sat there wet and looked at the door and know I would never go outside again. I knew I would not be brave enough to ever stand in that hallway alone again."

"Did you call the police?" you ask Jennie.

"No," Jennie says, "I was afraid. I have to live here after the police are gone."

"Why don't you move?" you ask her. Jennie walks to the bathroom door and points to the deep cast iron tub.

"After working, my husband soaked and smoked cigars and we talked." Jennie says, her fingers rubbing the edge of the tub. "That table you're sitting at is where we ate. I laugh sometimes when my nephew tells me I should move to a home, like this isn't my home. He means an old folks home. What does your real home die before you do?" The home he wants me to go to. I would wake up in the morning and know that after 84 years on this earth, all I had was what was hanging in the closet. That would kill me."

"What do you do for money?" Jennie is asked.

"I don't like to talk about my money," Jennie says. "It's private. I get my Social Security and the pension from my husband mailed right to the bank. My nephew uses it to pay rent and utilities. He doesn't charge me for the magazines he brings sometimes. It doesn't cost much to keep an old lady alive, and my husband when he died had worked all his life as a plumber and it worked out."

Walking into the kitchen, Jennie strikes a safety match and lights a stove burner. The spigot coughs and sputters as she fills the aluminum kettle.

"IT SOUNDS LIKE ME"

"It sounds like me on a bad morning," Jennie says.

Like a priest preparing for Mass, carefully Jennie lines up a cup, a box of black tea, and a tin of Carnation milk. When the kettle whistles, she washes out the pot with the boiling water and measures out three even tablespoons of tea.

Dripping the milk slowly into the cup, Jennie watches the swirls of white mix with the tea. She brushes her hair back and holds her head an inch over the cup so the steam can roll up her cheeks.

"I do this sometimes and dream," Jennie says.

"What do you dream of?" Jennie is asked.

"People I knew, things I've done," Jennie says. "More memories I guess than dreams. Dreams are when you're young. Who dreams past 60? At 60, you have memories, at 60 you're old. And I've been old since 1955." Tipping the cup, Jennie let a puddle of tea dribble into the saucer. Holding the cup in one hand, she blows on the saucer to cool the tea and lifts the plate to her lips.

"Delicious," she says. "I make delicious tea." Reaching across the white enameled table, Jennie flicks on the radio. A maintenance man, the newscaster said, had been stabbed to death in front of St. John's University in Queens. The Vietnamese were pressing on to Phom Penh. Mayor Koch defended a $12 million raise for managerial staff.

"Things go on," Jennie says. Pouring a second cup of tea, Jennie recalls a hot afternoon on the beach at Coney Island in August 1951. Struck by a stomach cramp, a boy in the water called for help. Half the men on the beach dived into the surf. A man in blue and white trunks dragged the boy onto the sand and pumped his chest.

"Sometimes I feel like I'm drowning," Jennie says, moving to the window.

"What do you think would happen if you leaned out the window and shouted help? she is asked.

"Nothing," Jennie says. There was nothing done, Jennie tells you, when landlords started packing year-round welfare families into the summer bungalows. There was nothing done when the fire started. There was nothing done when neighbors fled one after the other. There was nothing done when all but three of the 31 buildings on her block stood empty. For 33 of her 48 years in this apartment, Kelly tells you, Coney Island was "a working man's paradise." In the past 15 years, she says, parts of Coney Island has become a poor man's hell, where children prey on elderly women.

"Everybody knows about ladies like me," Jennie says. "Everybody knows and they just accept it. It is a jungle down here and I'm the weakest animal in the jungle. What can I do but hide?"●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 1, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 2

10:00 a.m.

Armed Services

To hold closed hearings on proposed military procurement authorizations for fiscal year 1980 for the Department of Defense, with testimony on funds for Air Force programs.

212 Russell Building

Banking, Housing, and Urban Affairs

To hold hearings on S. 108, to simplify the truth-in-lending laws, and on S. 37, proposing repeal of the section relative to financial privacy of P.L. 95-630, to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 233, to extend programs administered by the U.S. Travel Service through fiscal year 1980.

235 Russell Building

Joint Economic

To receive testimony on the employment-unemployment situation for January.

1202 Dirksen Building

FEBRUARY 5

9:30 a.m.

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on U.S. export policies.

5302 Dirksen Building

Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings on the plans of the Department of Energy for emergency energy conservation and gas regulation.

3110 Dirksen Building

Finance

Taxation and Debt Management Subcommittee

To hold hearings on the status of foreign debts owned to the United States.

2221 Dirksen Building

Foreign Relations

To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To hold hearings to examine the effect of pension fund investment policies on individual contributors.

2228 Dirksen Building

Joint Economic

To receive testimony from Director of the Office of Management and Budget McIntyre on the state of the U.S. economy.

1202 Dirksen Building

Select Small Business

To resume hearings on the issues of the safety, effects, and medical use of Darvon.

5110 Dirksen Building

FEBRUARY 6

9:00 a.m.

*Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 4, proposed Child Care Act.

6226 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environment, Soil Conservation, and Forestry Subcommittee

To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.

322 Russell Building

Finance

Taxation and Debt Management Subcommittee

To hold hearings on extending and possibly increasing the temporary limit on the public debt.

2221 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue oversight hearings on U.S. export policies.

5302 Dirksen Building

Budget

To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

*Government Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings on GSA's methods of procuring contracts.

1114 Dirksen Building

Joint Economic

To continue hearings to examine the President's economic report.

357 Russell Building

10:30 a.m.

Human Resources

To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

FEBRUARY 7

9:30 a.m.

Budget

To resume consideration of committee rules and budget requests.

6202 Dirksen Building

*Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Refrom Act (P.L. 94-210).

235 Russell Building

Energy and Natural Resources

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

3110 Dirksen Building

Human Resources

To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the budget Committee.

4200 Dirksen Building

Veterans' Affairs

To resume hearings on S. 7. proposed Veterans' Health Care Amendments.

412 Russel Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To mark up proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

Joint Economic

To continue hearings to examine the President's economic report.

6226 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.

5302 Dirksen Building

FEBRUARY 8

9:00 a.m.

*Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 239 proposed authorizations for FY 1979 for ACTION.

6226 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environmental Soil Conservation, and Forestry Subcommittee

To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.

322 Russell Building

Energy and Natural Resources

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior.

3110 Dirksen Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

Human Resources

To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation to extend for two years through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.

4221 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation

To hold hearings to examine safety problems in the transportation and storage of liquified energy gases.

235 Russell Building

FEBRUARY 9

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

FEBRUARY 19

9:30 a.m.

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

FEBRUARY 20

9:30 a.m.

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on present U.S. monetary policies.

5302 Dirksen Building

11:00 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.

318 Russell Building

FEBRUARY 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed fiscal year 1980 authorization for NASA.

5110 Dirksen Building

•Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980. budget.
6202 Dirksen Building

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

9:30 a.m.
Veterans' Affairs
To hold hearings on proposed legislation to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.
318 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

FEBRUARY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

FEBRUARY 26

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on proposed authorizations for FY 1979 for ACTION.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

FEBRUARY 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 5

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 6

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
2355 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

MARCH 12

10:00 a.m.
Commerce, Science and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, February 1, 1979*

The House met at 11 a.m.

Chaplain James David Ford, B.D., offered the following prayer:

O God, give us always the spirit of humility, both in our prayers, and in our lives.

Grant that no one be captured by his sense of position or place, but that each person be aware of dependence upon Your power and providence and upon the need for forgiveness.

Give us renewed understanding that through service to others will come true fulfillment in life. Grant us respect for all people, whatever station or position, that we may truly serve You each day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on January 22, 1979, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 1. Joint resolution to extend the time for filing the Economic Report.

MODIFICATION OF EXECUTIVE AND CONGRESSIONAL TERMS OF OFFICE

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today introducing a very important piece of legislation which would amend the Constitution of the United States. Passage of this resolution would result in five significant changes. These changes would: First, limit the number of consecutive terms Representatives may serve; second, provide for 3-year terms for Representatives to the Congress; third, limit to three 6-year terms for Members of the Senate; fourth, establish a single 6-year term for the Presidency; and fifth, provide an age limit for elected officials.

While the Constitution as it was originally written did not specify a maximum length of service for Members of Congress or the President, there is a definite need to insure that all Americans are represented equally and fairly in our Republic.

Many Pennsylvanians have expressed to me the feeling that those elected to participate in the Federal Government have lost touch with their constituencies. They believe Members of this institution no longer view themselves as citizens temporarily on leave to the Government but as permanent legislators living in the city of Washington.

I must say, however, that I do not take lightly any attempt to amend our Constitution. I do feel, however, that we must establish constitutional limits on both number of terms and the age of our elected officials.

My resolution amends the Constitution to provide that no elected official can serve indefinitely and that within a specified time frame every elected person will again become a private citizen regardless of his or her political skills. This would continue the process initiated with the 22d amendment to the Constitution which limited the President's tenure in office. This amendment was widely received and was based on the premise that a term limitation would allow a President to concentrate less on the politics of being reelected and more on important questions of national policy.

I urge my colleagues to support this legislation and to initiate some meaningful public debate on the role of elected officials and their relationship to the American people.

Thank you, Mr. Speaker.

□ 1105

U.S. CREDIBILITY RESTS ON ACTION TO HONOR DEFENSE COMMITMENTS TO THE REPUBLIC OF CHINA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, I have just returned from a 5-day visit to the Republic of China, where I participated with elected representatives from many other nations in commemorating the 25th anniversary of "World Freedom Day."

While the administration is this week celebrating the new relationship with Communist China, I must report to my colleagues that I encountered unanimous strong resentment—and even hostility toward the United States—from our elected counterparts throughout the free world.

The President's egregiously wrong precipitous unilateral abrogation of our treaty with the Republic of China has destroyed our credibility with every nation.

It has made the United States a tool of Chinese and international communism's intended march to enslaving the nations of the world.

If Taiwan falls, you will once again see the slaughter of every responsible free Chinese citizen.

Is this the human rights doctrine the President projects?

World Freedom Day was a solemn but joyous anniversary—a time for remembering that 25 years ago this month more than 14,000 Communist Chinese soldiers fighting with the North Korean armies, who had been taken prisoner of war in South Korea, chose freedom on Taiwan and refused to return to the Communist slave camp of mainland China.

During my visit, I was able to meet and talk with many Republic of China officials, including Premier Sun Yun-suan, Minister of Foreign Affairs Tsiang Yen-si, Vice Minister of Foreign Affairs Frederick F. Chien, Vice Minister of Defense Gen. Cheng Wei-yuan, Marine Corps Deputy Commandant Lt. Gen. Tu, and others.

I also met and talked with a number of prominent elected representatives from national assemblies and Parliaments of Australia, Japan, New Zealand, France, Canada, the Netherlands, India, Brazil, Portugal, the Philippines, South

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

• This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Korea, African nations of Upper Volta and Lesotho, the Republic of China, and other free world countries.

While the administration is this week celebrating the new relationship with Communist China, I must report to my colleagues that I encountered unanimous strong resentment—and even hostility toward the United States—from these, our elected counterparts throughout the free world.

They told me that the President's precipitous abandonment of our diplomatic and defense commitments to the Republic of China, our longtime valued friend and ally, has seriously lessened our credibility among people of every nation—possibly permanently undermining trust in the United States among friendly as well as hostile governments and world leaders.

After personally receiving this view from respected foreign elected representatives, it is clear that the decision to unilaterally abrogate the mutual defense treaty between the United States and the Government of Taiwan—as a quid pro quo for diplomatic recognition of Communist Mainland China—was a tragic error in judgment.

This decision by our President has understandably shocked world leaders, as it has shocked and grieved millions of Americans. In the frontier West of my youth, we placed great confidence and great reliance on a handshake agreement. We viewed written contracts as somewhat unnecessary between men and women of honor. That honor has been brought into question by the President's action, and must now be restored.

I am proud to have joined with Senator BARRY GOLDWATER in a lawsuit to challenge the President's authority to unilaterally abrogate our defense treaty with the people of Taiwan. I hope this action will prevail. I hope the American courts will recognize the sanctity of promises made.

Whatever the courts decide, let the world take notice there is a higher authority. Let the voice of all free humanity declare this hasty action, even if it has been determined to be legally right, to be morally wrong.

CONGRESS MUST ACT

Mr. Speaker, we should be acutely aware of the disquieting effect of the President's action on a host of other small, freedom-loving nations that have relied on the promises of the United States.

The President's action has created dangerous indecision among our valued allies, thus opening the way for totalitarian Communist nations to widen their military adventurism and control throughout the world.

The reason for this situation is apparent. The mutual defense treaty signed by the United States and the Republic of China in 1954 is the same basic treaty signed by the United States with the Philippines, Australia, New Zealand, and other countries. If our President would take such action to repudiate Taiwan, in order to meet the demands of the Communist mainland regime, they fear that similar repudiation of our agreements and promises to other nations dependent upon our support will be forthcoming in future negotiations involving the Soviet Union, Communist China, and other totalitarian governments.

In light of this situation, Congress has a major historic responsibility, this year, to help restore our Nation's honor and credibility, as well as to reassure our valued friends and allies throughout the world.

Confidence in the United States and its commitment to world freedom will be restored only if Congress takes sure legislative action to continue needed U.S. military and economic support for the Republic of China.

This must be done in our own strategic interests, as well as to keep faith with valued allies to protect Taiwan's continued freedom, security, and independence.

THE STRATEGIC IMPORTANCE OF TAIWAN

Taiwan is a vital link in the strategic island chain—including Japan, Ryukyu, and the Philippines—that hems in the Asiatic rimlands.

It is essential to the entire free world that Taiwan continue to be denied to any enemy or potential enemy, particularly any Communist regime. For Taiwan, under the domination of Communist China or any other hostile power, would mean a break in the island chain that would threaten the Ryukyus to the north and the Philippines to the south.

Taiwan's loss would have a profound political influence over the rest of Asia far more damaging to free world interests than any possible gains in our relations with Communist mainland China. Compared with the nebulous gains of better relations with Peking, the strategic, moral, economic, and political costs of losing Taiwan to totalitarian communism would be disastrous.

The respected Pulitzer prize-winning former military editor of the New York Times, Hanson W. Baldwin, has clearly stated this strategic importance of Taiwan—

> . . . Taiwan represents an important flanking threat to the Communist Chinese mainland positions. Taiwan and the Nationalist-held offshore islands of Quemoy and Matsu dominate the Chinese coast from Swatow through Amoy to Foochow and control the hundred-mile, wind-swept Taiwan Strait, which links the East China and South China seas. Because of its geographic position, the Nationalists' wishful but avowed intent to "return to the mainland" and the considerable strength of the Nationalist forces, Peking's military freedom of action has been considerably limited, even during the Korean and Vietnam wars. A very sizable part of the Chinese Communist Army—totaling probably 600,000 to 800,000 men out of a total ground strength of more than [3,600,000]—has been constantly deployed opposite Taiwan. Recently, when the Sino-Soviet split led to shooting affrays with the Russians on the Manchurian and Sinkiang frontiers, it was the Chinese concentrations near North Vietnam that were thinned out and shifted northward, not those opposite Taiwan. To Peking, Taiwan represents, strategically, a deadly potential peril—a small but definite psychological and political peril to the facade of monolithic communism on the mainland, but a major military threat.

THE COMMUNIST CHINA THREAT IS REAL

Mr. Speaker, Communist China poses a real and continuing threat to the freedom and independence of the Republic of China.

Since the first days of Mao Tse-tung's Communist tyranny on the mainland, it has been Peking's stated objective to impose communism on the people of Taiwan, through force if necessary, in order to create "one Communist China."

This objective of the Peking regime is written into its Constitution, and was reaffirmed here only yesterday by visiting Communist Chinese Vice Premier Teng Hsiao-ping, who told members of the Senate Foreign Relations Committee:

> We say that so long as Taiwan is returned to the motherland, and there is only one China, we will fully respect the realities on Taiwan.

At no time has the President ever elicited from the Communist Chinese a solemn promise that they will not achieve this "return to the motherland" of Taiwan through force.

It would have to be through force or subversion and Communist takeover of the Taiwan Government, since the people of Taiwan will fight to the death to avoid the imposition of a Communist regime. They know that their political, business, and public opinion leaders will be slaughtered by the Communists if they are ever "returned to the motherland" under Communist rule.

The circumstances on Taiwan and on mainland China depict perhaps the best picture of the irreconcilable differences between freedom and slavery.

Nowhere in all of history can I find a more dramatic, persuasive example of the productivity of the talents of men who are blessed with freedom, than I witnessed this month in Taiwan.

The island of Taiwan occupies only 13,500 square miles, while the mainland now known as the People's Republic of China covers an area almost 3.7 million square miles. Taiwan's population is only about 17 million, while that of the mainland numbers perhaps 900 million. No one really knows, because there are no adequate census figures of the mainland's huge population.

Despite the disproportionate differences in land area and population, in favor of the mainland Communists, Taiwan's per capita income is several times the per capita income on the mainland. The workers of Taiwan outproduce their cousins on the mainland on a ratio of 5 to 1. With 270 times the land area and 53 times the population, the gross national product of the mainland is only 10 times the GNP of Taiwan.

How can this be? The people on Taiwan are not physically stronger than their cousins on the mainland. This island does not have more abundant natural resources, superior to those found on the mainland. Taiwan is no closer to its trading partners than is the mainland. The difference—the remarkable difference between the two Chinas the world sees today is to be found in the fact that the people of Taiwan are free, while the people of the mainland are enslaved.

The economic comparison, the material abundance of Taiwan versus the poverty and comparative lack of productivity or ingenuity on the mainland, is only an illustration of the remarkable differences between the People's Republic of China and the free Government of Taiwan. The true difference is spirit—the human condition, the absence of compulsion and regimentation, the presence of individual opportunity in Taiwan that is totally lacking on the mainland.

On Taiwan, sovereignty has been exercised by the Republic of China for 30 years. In that 30-year period, freedom has been extended. The population has been a welcome participant in every political decision. This cannot be said about the population of Communist mainland China.

Is there any wonder why the people of Taiwan will fight and to the death to retain their freedom, and to stop a Communist takeover?

With the existence of Taiwan next door as a glistening showcase of the happiness, plenty, and individual incentive and opportunity that only human freedom can provide, is there any wonder why the iron forces of totalitarian communism on the mainland feel compelled to stamp out that shining light in order to maintain domination over their own people?

This is why Congress must act to guarantee continued U.S. military support and economic and cultural relations with the Republic of China on Taiwan. We must reaffirm for the world community that the United States will not, on the excuse of expediency, betray free people of any nation and discard honor for what appeared to be a momentary advantage.

TAIWAN MUST HAVE CONTINUED U.S. SUPPORT

The Republic of China must have continued U.S. military support. The armed forces of Taiwan are almost 100 percent equipped with U.S. weaponry, which has been purchased by the Republic of China under the military sales program ever since U.S. grant aid came to an end in fiscal year 1974.

U.S. foreign military sales credit to Taiwan from fiscal year 1966 to fiscal year 1978 totaled $547 million. The Republic of China has never defaulted on repayment with interest. Yet, the President has announced plans for an immediate end to all military support for Taiwan, upon the insistence of the Communist Chinese regime.

In light of Communist China's growing strategic threat to Taiwan, and the obsolescence of much of Taiwan's military equipment along with their need for replacements parts, it is imperative that the United States continue to provide the Republic of China with adequate arms and equipment with which to defend itself.

The Chinese Communist regime has nuclear missiles. It has about 70 World War II Soviet submarines, at least 1 nuclear submarine, and numerous major combat ships and gunboats in its navy. Peking is acquiring advanced fighter aircraft from Great Britain and France.

The Communist Chinese already have about 5,700 combat aircraft, including 4,500 MIG–17's and MIG–19's, about 500 MIG–15's and F–9's, 80 MIG–21's, and others with missile and torpedo-carrying capability.

By comparison, the Republic of China's inventory is very small and obsolete, including only 2 Guppy–II ex-U.S. submarines, 33 ex-U.S. World War II-vintage destroyers and frigates, and only 316 combat aircraft, most of which are old F–100's, F–104's, and F–5's.

With the President's recent actions to recognize Communist China, and repudiate our defense commitments to Taiwan, there is no guarantee now that an active attack against Taiwan by the Communist Chinese—including even a nuclear attack—would instantly invoke even the threat of U.S. retaliation in behalf of the Republic of China.

Taiwan has been guaranteed through the years of such U.S. support and protection, which is a major reason why its armed forces are so meagerly equipped with virtually obsolescent U.S. military equipment.

Actions by our Government demand that we now furnish Taiwan with at least 200 to 300 F–16 or F–18 advanced fighter aircraft, which the Republic of China must have and I was told by its officials is willing to purchase under a continued military sales program cash arrangement.

In addition, Congress should authorize the sale of a sufficient number of other modern weapons and replacement parts to put them on an equal or superior footing to the Communist Chinese, in order to deter aggression.

The United States has a moral obligation to continue supplying the Republic of China with military arms and equipment, and to help its Government to implement a reasoned program of arms modernization in order to continue the political stability and economic prosperity that the people of Taiwan have enjoyed.

Only a clear manifestation by Congress this year of support for Taiwan will provide the psychological, military, and political requirements to prevent the loss of another key position in this vital Asiatic island chain.

I will be introducing and supporting the necessary legislation to accomplish this objective.

Mr. Speaker, I would like to include in the RECORD at this point a partial listing of Republic of China officials and business leaders with whom I visited in Taiwan this month, as well as a partial list of free world elected representatives who attended the "World Freedom Day" anniversary celebrations in Taipei.

I would also like to include a fact sheet concerning U.S. arms sales to the Republic of China:

FOLLOWING IS A PARTIAL LISTING OF REPUBLIC OF CHINA GOVERNMENT, CIVIC, AND BUSINESS LEADERS WITH WHOM CONGRESSMAN ELDON RUDD MET DURING HIS VISIT

Sun Yun Suan, Premier, Republic of China.

Tsiang Yen-si, Minister, Foreign Affairs, Republic of China.

Fredrick F. Chien, Vice Minister, Foreign Affairs, Republic of China.

Gen. Cheng Wei-yuan, Vice Minister, Defense, Republic of China.

Wanlian Tsai, Department of North American Affairs, Ministry of Foreign Affairs, Republic of China.

Lin Ki-tseng, Deputy Director, Central and South American Affairs, Ministry of Foreign Affairs, Republic of China.

Tsai Hung-wen, Speaker, Taiwan Provincial Assembly.

Lo Weng-tang, Member, National Assembly, Republic of China.

Lo Tien-fu, Member, National Assembly, Republic of China.

Wang Tao, Member, National Assembly, Republic of China.

T. S. Lin, Speaker, Taipei City Council.

Chen Ching-yuh, Vice Speaker, Kaohsiung City Council.

Jeffrey L. S. Koo, President, China Investment and Trust Company.

Chen Tien-mao, Managing Director, First Commercial Bank.

Hsu Fu-teh, Secretary-General, Sino-Australian-New Zealand Cultural and Economic Association.

Tsai Ven-chin, Senior Vice President, International Commercial Bank of China.

T. Y. Chao, Chairman, Vocational Assistance Commission for Retired Servicemen.

Deng Chang-kuo, Vice President, China Television Company.

Joseph Wu, Former Ambassador to Edcuador, Editorial Writer, China Post, Editor-in-Chief, Asian Outlook Magazine.

Tan Ying, Secretary General, World Anti-Communist League.

Tao Yung, President, China-India-Burma-Sri Lanka Cultural and Economic Association.

PARTIAL LISTING OF ELECTED REPRESENTATIVES WITH WHOM CONGRESSMAN RUDD MET

Muzuki Kato, Japan House of Representatives.

Georges Mesmin, French National Assembly.

Mohammed Omar Tawfig, Saudi Arabia.

Daso Do Oliveira Coinbra, Brazil National Assembly.

Frederic Gurima, Upper Volta.

Robert Brisco, Canadian Parliament.

Peter Rae, Australian Senate.

J. T. Kolane, Speaker, Lesotho National Assembly.

A. Ploeg, Netherlands.

Kevin Cairns, Australian Parliament.

Myong Whai Kim, National Assembly, Republic of Korea.

H. Darussamin, Indonesia Parliament.

Marcial Pimentel, National Assembly, Republic of the Philippines.

FACT SHEET CONCERNING U.S. ARMS SALES TO THE REPUBLIC OF CHINA

BACKGROUND

The United States began to provide grant military aid to the Chinese Armed Forces with the activation of the Military Assistance Advisory Group (MAAG) in 1951.

This group had 360 military personnel in 1951, reached its strength of 2,347 in 1956 and was reduced to 6 officers and men in 1978.

U.S. grants aid to the Republic of China was gradually decreased in the 1960's and officially came to an end in FY 1974. From FY 1966–FY 1971 direct foreign Military Credit totalling $168 million was provided. From FY 1972–FY 1974 a combination of direct and commercial credits totalled $148 million. From FY 1975–FY 1978, Foreign Military Sales credit arranged by the Federal Financing Bank totalled $231 million. Foreign Military Sales credit from FY 1966 to FY 1978 totalled $547 million. The Republic of China has never defaulted on the repayment with interest.

Foreign Military Sales credit in FY 1976 was $93 million, FY 1977 $35 million, FY 1978 $23.5 million. The planning figure for FY 1979 is $10 million or even less. The trend is such that Foreign Military Sales credit for

the Republic of China will soon come to an end. In fact, the Republic of China has, in recent years, funded more and more of its military procurement from its own resources.

FACTUAL SITUATION

The Republic of China Armed Forces is almost 100 percent equipped with U.S. weaponry. It must therefore be supplied with adequate spare parts and follow-on support.

The strategic significance of Taiwan must be taken into consideration when military operations in that part of the world are undertaken.

In light of the intended termination of the Mutual Defense Treaty on December 31, 1979, it is highly significant that the Republic of China be provided with adequate military equipment to defend itself. High on the requirement list are such items as high-performance F-16 or F-18L aircraft, Harpoon Missiles, ship-to-ship missiles.

The one-year "Moratorium" on new arms sales to the Republic of China will have an adverse effect on the combat effectiveness of the Republic of China armed forces, since it will mean an additional year of delay on the equipment urgently needed by the Republic of China.

The Chinese Communist Regime has about 70 WWII Soviet Submarines and at least one nuclear submarine and numerous gun boats in its navy. It is acquiring advanced military aircraft from Britain and France.

INTRODUCING RESOLUTION TO AMEND CONSTITUTION TO PROVIDE FOR ABOLISHMENT OF ELECTORAL COLLEGE

(Mr. ERDAHL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERDAHL. Mr. Speaker, the time seems long overdue that we allow the people of this country to directly elect our President and Vice President. For that reason, today I am introducing a resolution to amend the Constitution to provide for the abolishment of the electoral college, the creation of a National Canvassing Board and the opportunity for the people of this Nation to elect our President by a direct popular vote.

It is hard to defend the present winner-take-all concept in the electoral college where in effect the votes of millions of Americans do not count at all in a Presidential election. Also, the frightening possibility exists where a person could be elected President of the United States—the most powerful political office in the world—and still have less votes from the people than his opponent.

In the early days of our Republic the electoral college provided safeguards and perhaps served us well. Now with instant electronic communication the proper opportunity is here for the vote of each citizen to be counted and to have the same weight.

Under my proposal each State canvassing board would submit the results of their State to the National Canvassing Board, which would then certify the winner as the candidate receiving the most popular votes. No runoff election would be necessary.

The time to submit this resolution to the several States is now. It would be unwise to wait until a President with less votes than his opponent is selected by the 538 Presidential electors—who are not even bound to vote for the winner in their State.

The present electoral college system allows for a disproportionate share of electoral strength. We need a system where people, not States, elect our President. The citizens of this country do not need middlemen to cast their votes for them.

BIASED TV AND A DOCILE CONGRESS MAKE ONE WONDER AFTER TENG VISIT

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I want to make one thing very clear for the record. I was not here on Tuesday afternoon and Wednesday when many in the 96th Congress fell all over themselves fawning over the networks' new Communist hero. I have developed a rather strong stomach for what I might euphemistically call political realities—the public might call it something different, associated with the oldest profession in the world—but the craven and supine groveling before Red China's most current despot was the most sickening experience in my 18 years in this House. The laughter at Blair House on Monday and Tuesday nights must have been earth shaking.

I did not expect much. Most of the legislators like hands across the caviar with our enemies anyway. But I did not think it would be quite so bad and I want to totally disassociate myself with this venerable institution on those 2 days. Do not blame me—I was hardly the type of Congressman who would be invited anyway.

In all of my days of TV viewing, I have never seen any presentation as biased and propaganda oriented as John Chancellor's NBC wrap-up, documentary, or whatever you want to call it which was presented following the NBC evening news on Tuesday night. It was not even faintly objective and in no way presented the Red Chinese in honest fashion. Chancellor's piece passed itself off as a documentary quickie with past clips of Korea, "Vinegar Joe" Stilwell, Joe McCarthy, and President Chiang.

It came to the conclusion that Chiang was corrupt, we had erred in not listening to pro-Red China advice in the fifties, and that everything is rosy. Not one honest, critical word was spoken about Mao or his henchmen who have systematically oppressed the Chinese people, conducted the greatest mass executions in history, and in no way have recanted.

Not one ill word of the Communists. The poorest traditions of news reporting were shown. No effort to be objective or balance the record. Chancellor must rate a goose egg for his efforts to be fair, hopefully that bad in the minds of Americans who viewed his propaganda piece. It could have been produced in Peking.

I also watched a CBS roundup with Walter Cronkite. While not overly fair, at least it did not pass itself off as a semidocumentary. No old clips, or quote—quickie—unquote course on 1949–78 history. At least Cronkite does not make your blood boil and you do not get the impression he is biased or afraid to ask difficult questions. The NBC presentation was, to repeat, the most biased, propagandistic, pro-Communist piece of reporting I have ever seen on the networks and I thought I had seen some bad ones over the years.

The people back home are not fooled if my experience in talking to Americans on Tuesday and Wednesday is any example. They think that the networks and the Congress are drunk on Chinese Communist champagne. Comes the hangover, comrades.

ADJOURNMENT TO MONDAY, FEBRUARY 5, 1979, AT 12 O'CLOCK NOON, AND ADJOURNMENT FROM MONDAY, FEBRUARY 5, 1979, TO THURSDAY, FEBRUARY 8, 1979, AT 11 A.M.

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday, February 5, 1979, and that when the House adjourns on Monday, it adjourn to meet at 11 a.m. on Thursday, February 8, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 9355 (a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members of the House: Mr. BURLISON, of Missouri; Mr. WIRTH, of Colorado; Mr. ROBINSON, of Virginia; and Mr. KRAMER, of Colorado.

APPOINTMENT AS MEMBERS OF JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 94–118, the Chair appoints as members of the Japan-United States Friendship Commission the following Members on the part of the House: Mr. ZABLOCKI, of Wisconsin, and Mr. ANDERSON, of Illinois.

□ 1110

APPOINTMENT AS MEMBERS OF JAMES MADISON MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–417, the Chair appoints as members of the James Madison Memorial Commission the following members on the part of the House: Mr. SLACK, of West Virginia; Mr. YATRON, of Pennsylvania; Mr. WAMPLER, of Virginia; and Mr. ROBERT W. DANIEL, of Virginia.

DISTRICT OF COLUMBIA BUDGET FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–49)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting for your consideration the budget of the District of Columbia for fiscal year 1980.

JIMMY CARTER.

THE WHITE HOUSE, *February 1, 1979.*

APPOINTMENT AS MEMBERS OF COMMITTEE TO ATTEND THE MEMORIAL SERVICE OF THE LATE HONORABLE NELSON A. ROCKEFELLER

The SPEAKER. Pursuant to House Resolution 74, the Chair appoints as members of a committee to attend the memorial service of the late Honorable Nelson A. Rockefeller the following Members on the part of the House:

Mr. RHODES of Arizona;
Mr. BRADEMAS of Indiana;
Mr. STRATTON of New York;
Mr. ADDABBO of New York;
Mr. ROSENTHAL of New York;
Mr. HORTON of New York;
Mr. MURPHY of New York;
Mr. WYDLER of New York;
Mr. BINGHAM of New York;
Mr. CONABLE of New York;
Mr. HANLEY of New York;
Mr. MCEWEN of New York;
Mr. WOLFF of New York;
Mr. BIAGGI of New York;
Mrs. CHISHOLM of New York;
Mr. FISH of New York;
Mr. KEMP of New York;
Mr. LENT of New York;
Mr. RANGEL of New York;
Mr. GILMAN of New York;
Ms. HOLTZMAN of New York;
Mr. MITCHELL of New York;
Mr. SCHEUER of New York;
Mr. OTTINGER of New York;
Mr. AMBRO of New York;
Mr. DOWNEY of New York;
Mr. LAFALCE of New York;
Mr. MCHUGH of New York;
Mr. NOWAK of New York;
Mr. RICHMOND of New York;
Mr. SOLARZ of New York;
Mr. ZEFERETTI of New York;
Mr. LUNDINE of New York;
Mr. WEISS of New York;
Mr. GARCIA of New York;
Mr. GREEN of New York;
Mr. PEYSER of New York;
Mr. CARNEY of New York;
Ms. FERRARO of New York;
Mr. LEE of New York;
Mr. SOLOMON of New York;
Mr. JOHNSON of California;
Mr. ANDERSON of Illinois;
Mr. MCCLORY of Illinois;
Mr. VANDER JAGT of Michigan;
Mr. DAN DANIEL of Virginia;
Mr. FORSYTHE of New Jersey;
Mr. LOTT of Mississippi; and
Mr. SHUSTER of Pennsylvania.

BILL TO AMEND SOCIAL SECURITY ACT INTRODUCED

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, the bill that I am introducing today would amend the Social Security Act to extend to 1982 the waiver of the 24-hour nursing service requirement permitted for certain rural hospitals. The necessity for this extension arises because of a severe shortage of registered nurses in rural communities. Some of the small hospitals in my district say that there simply are no registered nurses available in the community and there is simply no way that they can meet the requirements to have a registered nurse on duty at all times. This problem was addressed by Congress before, and my bill would simply extend this waiver until 1982. By that time I would hope that our schools of nursing would have been able to supply us with the necessary nurses so that these hospitals can be fully staffed.

THE LATE HONORABLE NELSON A. ROCKEFELLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 60 minutes.

Mr. PEYSER. Mr. Speaker, as has been previously announced, the purpose of this special order is for Members of Congress to pay tribute to our late Vice President, Nelson Rockefeller.

□ 1115

Mr. Speaker, before I make my own comments concerning the Vice President, I would like to make reference to and then have inserted in the RECORD the full statement I have received today from our former colleague in the House and the former President of the United States, Gerald R. Ford, a communique concerning this tribute and the words that President Ford had to say concerning Nelson Rockefeller.

The statement of former President Gerald R. Ford is as follows:

Nelson Rockefeller's death has saddened and shocked his countless friends who knew him as one of this era's most unselfish and finest public servants. His dimension of influence in the last forty years was undoubtedly broader and deeper than any person in that time span. During World War II he was an advisor to President Roosevelt. He had an abiding interest and concern with our relations in Latin America and United States foreign policy worldwide. President Eisenhower used and respected his talents. The voters in his home state of New York elected him four times as Governor and he served them with distinction. In my Presidency I selected him as Vice President because he was the most qualified person to serve in that office and more importantly had every capability to be an outstanding President if that duty fell on his shoulders. I can say with emphasis that Vice President Rockefeller handled every assignment with skill, wisdom, and total integrity. Our nation was fortunate to have a person available with his talent, experience, and dedication at a crucial point in our nation's history. Typically, after leaving government Nelson devoted his tremendous abilities to his long-held interest in the world of art.

As one views the breadth of his career, it is clear Nelson Rockefeller has written an indelible page of history of magnificent achievements. With his untimely passing the Nation has lost a remarkable statesman who still had much to give to his country and its people.

Nelson Rockefeller was loved by his friends especially by those who worked intimately with him. He always gave more of himself than he asked of others. A man of loyalty, integrity, and dedication to the highest principles. He stood tall and strong in the face of challenge and adversity. His associates and adversaries respected him for his wide-ranging abilities, firmness, and unquestioned honesty.

My life has been better because I knew and worked with Nelson Rockefeller. I truly loved him and will miss him as a friend in the finest sense.

Another communique that I have received, Mr. Speaker, is from Henry Kissinger, the former Secretary of State. In his brief statement he says:

FEBRUARY 1, 1979.

Nelson Rockefeller was the greatest American I have ever known. The public admired him for his courage and his vision. His friends will miss him for his sensibility, insight and loyalty. His family will mourn his infinite capacity for love. The world will be without his faith and compassion. He lived for service to his country and mankind. He died with confidence in freedom and the human spirit. We shall miss him greatly.

HENRY A. KISSINGER.

Also, Mr. Speaker, our former colleague in the House and now Governor of the State of New York, Governor Carey has sent a message as follows:

Nelson A. Rockefeller was a singular man, unique in his ability to provoke critical statements about him, yet four times was elected to the governorship of the greatest state in the nation and sought as a Vice President in one of the nation's times of greatest need.

For those who did not know him, he must have represented one of the greatest paradoxes of this century.

But I knew the former Vice President and Governor from my earliest days in Congress, when he and I together fought and won the battles to bring federal aid to New York State.

His was a boundless energy and contagious enthusiasm.

He had a combative spirit, a steeled determination, a futuristic vision, and a "Rocky" courage.

He dedicated his adult life to public service, placing the public good he hoped to achieve ahead of private pursuits, a path he followed until called to a new service beyond that of this world.

Somehow he imparted this image to the people he met, to the New Yorkers he loved, so that his enormous achievements became their own.

He led a life to emulate, a life that is perhaps best expressed in words he used, a life that "expresses our faith in ourselves and our belief in the future."

It is that kind of thinking that is needed today, and if it were adopted, it would be one of his greatest legacies.

For Nelson A. Rockefeller was born to wealth and power, and he aspired to the Presidency. He often said that with his birthright, to what other goal could he aspire?

But others have had similar birthrights.

How many of them gave to their country what Nelson Rockefeller was willing to give?

As an inspiration to his fellow men, Nelson Rockefeller reached a goal higher even than the office to which he aspired.

That he was not President was not his loss alone, but the nation's as well.

One other communique I have also, Mr. Speaker, from our former colleague and now the mayor of New York City, Ed Koch. He has written to me today and he says:

On behalf of all New Yorkers, for whom Nelson Rockefeller was a symbol of the energy and style that is uniquely associated with people who accomplish great things in our great City, I would like to pay this tribute.

As a Congressman, I was pleased to vote for Nelson Rockefeller's confirmation as Vice President of the United States. This was a vote I cast untroubled by indecision, a vote I cast as an act of faith in, and support for, a fellow New Yorker I knew to be of great talent and ability.

He served us well.

We New Yorkers live amid some timeless monuments which were built by the Rockefellers: Rockefeller Center—a stunning and ever-fresh landmark in urban design—and the Riverside Church, to name just two. There are the contributions to our City's skyline which were made during his years as New York's Governor: the twin towers of the World Trade Center, Harlem's State Office Building. There are other monuments, less visible but perhaps even more enduring. He enhanced the systems and facilities of the State University of New York. His philanthropies were innumerable. The meaning and the results of his largesse, and that of his family, in support of civic, cultural and humanitarian causes may not be tabulated and evaluated for generations to come.

But the epitaph which I feel to be most fitting, as a former colleague and an admirer of many of his qualities, is this:

Nelson Rockefeller spent his time and his talents generously and unstintingly. He gave of himself lavishly and openly. These inner qualities were, in the final analysis, what made him truly "as rich as Rockefeller."

All New Yorkers were—and are—the beneficiaries of his legacy, and for this we are grateful.

Those are the statements from some of the former Members and colleagues, Mr. Speaker.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am pleased to yield to the Speaker.

Mr. O'NEILL. Mr. Speaker, I am highly honored to join my distinguished colleague, the gentleman from New York (Mr. PEYSER) in paying tribute to one of the most outstanding public servants of my lifetime, the Honorable Nelson Rockefeller.

Four terms as Governor of New York, the 41st Vice President of the United States and three times a Presidential candidate, Nelson Rockefeller's career as a distinguished public servant has had an indelible mark on the political, economic, and social life of this Nation for the past three decades.

No one else in public life has brought more enthusiasm and energy to his duties than Nelson Rockefeller. Nelson was one who truly loved politics. It was in his blood. He could never retire from being an active participant in helping to shape and to fashion the economic goals of our Nation.

□ 1120

I had the good fortune to become well acquainted with Nelson Rockefeller during our leadership meetings at the White House when he was Vice President.

Nelson Rockefeller was one of the most outgoing and personable politicians I have ever known. His public personality demonstrated a genuine enjoyment of people and his career was a total commitment to public service.

Nelson Rockefeller was a politician and a statesman of the highest caliber, and a real progressive within the traditions of the Republican party.

During my lifetime in politics I have had the opportunity of knowing the great of this Nation. By "the great" I mean those in the field of public life. And, truly, I have only met three people who had a flair, who had charisma, who had an attractiveness that was exceptionally outstanding, so that people, wherever they went, would throng about them and literally blossom, and I would have to say that those three people were President Franklin D. Roosevelt, President John F. Kennedy, and Nelson Rockefeller.

I can recall the first time I ever met Nelson Rockefeller. It was when I was flying to Boston and he was in the same plane sitting next to me. This was about 1953. He was on his way to his summer home in northeast Maine. I was reading the CONGRESSIONAL RECORD. He noticed that I was reading the CONGRESSIONAL RECORD and asked me if I were a Congressman. We had a long discussion.

It was during the Truman administration, and Nelson Rockefeller had just came from a meeting with President Truman about conditions in Argentina.

Also, Senator Saltonstall walked up, and I introduced him to Nelson Rockefeller—and, incidentally, that was the first time that he had ever met Senator Leverett Saltonstall—and the three of us chatted for a while in the plane. I think it was 6 or 8 years later before I met Rocky again, and he picked out that incident when we had met on the plane and remembered in detail the conversation we had had.

Nelson Rockefeller truly loved this Nation and lived serving its people. Perhaps his credo can be exemplified by the statement he made when he was sworn in as Vice President in 1974:

> I feel a great sense of gratitude for the privilege of serving the country I love.

Millie joins me in expressing our sympathies and condolences to Happy Rockefeller and the Rockefeller family.

America truly misses this great public figure.

Mr. PEYSER. Mr. Speaker, I thank our distinguished Speaker, the gentleman from Massachusetts (Mr. O'NEILL) for the remarks he has made.

I would also ask permission at this time to submit a number of statements that I have received from Members and also from those Members that are here, as well, so that they may be submitted in their entirety.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

It is for me a sad moment as I join in today's special order memorializing one of our Nation's leading statesmen, Nelson A. Rockefeller.

His death is not only a loss for our State and Nation, but for the entire world. While Nelson Rockefeller came into the world blessed with material wealth, he left us blessed with a wealth of accomplishments for humanity.

During my earlier work in the New York State Legislature and more recently in Congress, I had many occasions to call upon Nelson Rockefeller for guidance and assistance and always found him ready and willing to help resolve problems confronting our people and our Government.

James Reston, in writing of Nelson's inner strength, said our former Vice President was "a rich man with a sense of pity for the poor—always worrying about his 'image' as a fabulously wealthy 'outsider.' He had an almost childlike faith in democracy and a yearning to prove that, despite his wealth, he was 'one of the boys.'"

As Governor of New York, as our Nation's Vice President, and as a world statesman, philanthropist and humanitarian, Nelson Rockefeller stood tall for good government, for better education, for fostering civil rights, for fighting crime, for expanding health care, and for a responsible American role in the community of nations.

The Washington Post, in commenting on Nelson Rockefeller's demise, said:

> Whether it was a passionate concern with American foreign and defense affairs or with the economic health of New York State, or with the lifting of the heavily repressive laws and customs that had permanently punished the racial minorities in America—Nelson Rockefeller always had a personal impulse for involvement and engagement and for making things better than he had found them. . . .

Nelson Rockefeller was not just "a big man"—he was a giant in our times and in our Nation's record of accomplishments for mankind.

I join with my colleagues and my constituents in the 26th Congressional District in New York, in offering condolences to his wife, Happy, to their children, and to the entire family of Nelson Rockefeller. We will sorely miss him.

□ 1125

Mr. PEYSER. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for his comments.

GENERAL LEAVE

Mr. PEYSER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Nelson A. Rockefeller.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, before the gentleman from New York (Mr. PEYSER) concludes his special order, I would like to commend him for taking this special order so that we can all join in paying tribute to the former Governor of our State and to the distinguished former Vice President of the United States.

I made some comments the other day when the resolution was adopted expressing the condolences of the House over the passing of Nelson Rockefeller. I just want to add now one additional comment, because in the last couple of years, the New York State congressional delegation has made a number of efforts, and we are still making those efforts, to consolidate our position in the House, to try to work together in the interests of our State, and to try to use the numbers which we have, although we are only the second in the Nation now rather than the first, to get legislation which is beneficial to our State.

I think that this recent effort, however, should not prevent an appreciation of the fact that the one person who probably did more to try to get the New York congressional delegation to move together as a unit in behalf of New York State was Governor Rockefeller from the time he first became Governor. At that time Manny Celler, the distinguished long-time dean of the House, was the chairman of our delegation; and Governor Rockefeller, although of the other party, just having been elected Governor, went out of his way to cultivate Manny Celler. He invited the Members of our New York delegation to dinner a couple of times in Washington, I remember, and also back in New York City in an effort to try to make sure that the actions of the New York congressional delegation and of the Governor were coordinated in behalf of the interests of our State. He did it, I judge, probably very largely, as he did with respect to so many other things, out of his own pocket.

In any event, the Governor did achieve a great deal in terms of cooperation as a result of these efforts. That aspect of his leadership, I think, has perhaps not been adequately recognized here in the House during these tributes, and I wanted to comment on it.

Nelson Rockefeller's charisma and his enthusiasm are something which we all recognized, and certainly we are going to miss him as a great public figure.

Mr. Speaker, my wife Joan and I join in extending our deepest sympathy to Mrs. Rockefeller and the whole family.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from New York (Mr. STRATTON) for his thoughtful comments.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I, too, want to commend the gentleman in the well for taking this special order so that we may pay tribute to this great American, Nelson Rockefeller.

Mr. Speaker, Nelson Rockefeller was one of my favorite people. Oh, we did not always see eye to eye on our political views, but I nonetheless regard Nelson Rockefeller as a great man with many accomplishments in the public weal as Vice President of the United States and as the four-times elected Governor of the State of New York.

Nelson Rockefeller was a very interesting person because he did not fit the norm in the sense that he was a most superior person who sought both to be and to lead the common man. I admired him greatly for his ability. I admired him because he was not willing to sit on the sidelines, which he could easily have done with his great wealth. He could have withdrawn from politics and the many disappointments and insults he had to endure.

To me, he was a man of great principle. Probably, he would have had a far better chance of receiving the nomination of the Republican Party for the Presidency if he had been willing to relax those principles. But, I admire him for sticking to his principles.

He gave unselfishly of his many talents and time in the Nation's cause and in the vineyards of the Republican Party. Nelson Rockefeller died as he had lived—at work. He had undertaken a new project to make available to the public reproductions of his remarkable collection of works of art which he had assembled over his lifetime.

I remember him best as a person who was always nice to me on the few occasions I had to go to his office when he presided over the Senate. He was never too busy to pause and make me feel welcome.

He has left an indelible mark on our Nation, and he will be missed.

Marjorie and I wish to express our deepest sympathy to his wife, Happy, and his family.

□ 1130

Mr. PEYSER. Mr. Speaker, I thank the gentleman from Ohio.

Mr. Speaker, I would like to take this opportunity to make one or two personal comments concerning Nelson Rockefeller as I knew him. I had the privilege of representing him nearly 7 years in this Congress as one of my constituents. More important to me in many ways was my relationship with him over the years and during his early life in 1964 and 1968 when he was interested in achieving the presidency of the United States. I regret more than ever as time has gone by that I and other people who were working with Nelson at that time were not successful in helping him achieve that goal, because there is no question in my mind but that he would have been one of the outstanding presidents of our country.

However, Nelson also had a quality about him that we have heard referred to by several Members today that was a very human personal quality—the ability to talk with anyone. I think that anyone who has followed New York politics remembers the scenes of Nelson Rockefeller on the beach at Coney Island eating hot dogs and knishes and being with the people, and making the people feel, as he felt, that he really was enjoying being with them and taking part in their activities.

It was just a very few years ago on one of those trips when he was running for office and he was out on Coney Island on a very hot August day with millions of people, and he had been handshaking and working his way through, that he suddenly decided it was so hot he was going in for a swim, whereupon he promptly took off his clothes except for his shorts and went in the water for a dip and then came out. Of course, the crowd loved it, and Nelson loved it also.

He was also this kind of a person. I recall a meeting we had in his home here in Washington just a couple of years ago where we were sitting around in the dining room, and he picked up a pot of coffee to pour it, and he found out there was no coffee in it, so even though there were all sorts of servants around, Nelson got up and took the coffee pot, went out in the kitchen, got the coffee and came back. It was just a touch of the kind of thing that he did.

He was also—and I would lay emphasis to this because I know he would—a very strong man physically. He was a very physical person, and his background and activity and his strength in his campaigning really came from this strength that he had. I recall back in 1974 he and I were attending a labor convention together in upstate New York, and when we arrived, his wife, Happy, was with him, and we were walking toward the hotel. There were a couple of thousand members of the labor union outside to greet him, and in their enthusiasm they sort of closed in on us and were, frankly, crushing us. Nelson turned to me and said, "Peter, you hold onto Happy and just follow me." He put his shoulder down, and he plowed a line right through that group like a blocking back going through, and we got safely into the hotel. But I just mention this for an insight into a figure that to some may be remote as one of the richest men in America, and a Vice President and a Governor, but who in reality was a wonderful person, a tremendously decent person, and one who always would give everyone a chance to do his thing, if you will. Whether he agreed or disagreed with them, he was willing to fight for their right of expressing their own points of view.

I think finally, Mr. Speaker, the tribute—and it is not a tribute that I can make, but it is a tribute—that his son Nelson, Junior, who is 15 years old, stated just a few days ago at the family funeral, the private funeral, in the words that were said, I think expresses a side of Nelson Rockefeller that many have not seen, and gives an insight into this man. I am quoting from what his son Nelson said. He said:

> Dad, we know how much you love us, and we want you to know how much we love you and how much we are going to miss you. Your spirit will live with us forever.

There is little else that, frankly, a man can ask for in his lifetime than to know that his children have that kind of a feeling and that deep a concern and love as his own family has had for him.

● Mr. PRICE. Mr. Speaker, I want to join my colleagues today in paying trib-

ute to a great public servant, Nelson Rockefeller.

With all the wealth to which he was born, Nelson Rockefeller could have led a carefree life of leisure. Instead, he chose to serve his State and his country. He unselfishly dedicated himself to public service and for that we all owe him a great deal.

When Nelson Rockefeller became Vice President of the United States, he did so at great personal sacrifice. But he knew that the country needed a leader with his integrity. He came to Washington and helped guide his country through a difficult period and it was his honesty and his candor that characterized him then and throughout his years in public life.

His oft-imitated voice and his boundless energies on behalf of the public good will be missed by us all.●

● Mr. YATRON. Mr. Speaker, last week this country lost a great man, a contemporary man—so much a part of our times—so sensitive to the challenges facing our great Nation—so much a participant in the monumental decisions and events of our day, that he exemplified the very essence of the vitality and exhuberance that is America.

The Honorable Nelson A. Rockefeller was a man who saw through the confusion of the moment to the heart of the moral issue involved; he was a man who steadfastly adhered to a firm sense of justice; he was, indeed, a great American.

Nelson Rockefeller's absence from our lives will be greatly felt, but the legacy of outstanding public service he has left behind will inspire generations to come.●

● Mr. McHUGH. Mr. Speaker, I am privileged to join with my colleagues in honoring the memory of Nelson Aldrich Rockefeller.

He was a man who throughout his life served his State, his country, and the whole human family with rare dedication and with great love.

Most people knew him as a rich man. He used his wealth, however, not so much to make life easier as to make it better. And he did so not only for himself but for others, and for generations to come. He enriched us all.

He valued things of the spirit, and made it possible for other to share his love of great artistic symbols of human achievement. He enhanced our lives, by expanding our understanding of our world and its lasting legacies.

He loved the human family and especially his own country. A man of global vision, he helped us to see how patriotic love for ones own country could serve the world, how the public interest of one nation is best served by the common welfare of all nations. He enobled our vision not only of national but of global politics.

His greatest joys came from service to others. His career as a public servant spanned many years of our Nation's history, and it was characterized by his courage, his honor, his compassion, his persuasiveness, his energy, and his dignity. A newspaper which serves my congressional district, the Middletown Times-Herald Record, admirably summarized his illustrious career in an editorial comment:

This one-of-a-kind man served every president from Franklin Delano Roosevelt on. Not only conversant with but an expert on Latin American affairs, he also had wide knowledge of global matters as well. He had the knack of gathering around him the most accomplished and experienced persons. A thirst for quality was his hallmark.

When we contemplate such a rich and full life, Mr. Speaker, and rejoice at the many ways in which Nelson Rockefeller blessed our lives, it is ironic that many will remember him as a man who sought but did not attain the American Presidency. For my own part, I prefer in thinking of his greatness to remember the kind of judgment suggested in the words of Horace Mann:

Be ashamed to die until you have won some victory for humanity.

In that sense, Mr. Speaker, I have no doubt what the judgment of history will be: Nelson Rockefeller was a winner.●

● Mr. WILLIAMS of Ohio. Mr. Speaker, on the night of January 26, 1979, the United States and the world was shocked by the death of Vice President Rockefeller.

Nelson Rockefeller was an extremely wealthy man who could afford to do anything he wanted—and he chose a life of public service and politics.

He had served seven Presidents in his lifetime in various positions involving both foreign and domestic policy.

While he was denied the position to which he aspired the most—the Presidency—he was a man who left his mark in both his State and Nation.

His death leaves us a little bit poorer. We will miss him.●

● Mr. AMBRO. Mr. Speaker, I had the opportunity of serving as first an appointed official and then as the elected supervisor, or chief administrative officer, of the town of Huntington on Long Island during our late Vice President Nelson Rockefeller's 14 of his 16 years as Governor of New York State. In that capacity, I had the good fortune to watch and to work closely with one of the finest public servants the Empire State, and the Nation, ever produced.

Nelson Rockefeller was throughout his long and fruitful life a "public man" in every sense of that word. Born to affluence and power that most of us in this Chamber have difficulty ever comprehending, the source of Nelson Rockefeller's appeal first as Governor and later as Vice President of this great Republic was his understanding of, and his feel for, the problems and the needs of the common man, for the poor, and for the destitute. That he was in a very real sense, able to see beyond the blinding wealth that surrounded him and bring into focus the faces and the very emotions of those who looked to him for compassion and understanding and who came to love him deeply is testimony to his vision and his wisdom.

For more than half a century, this great American gave new meaning to the old concept of noblesse oblige. He gave not merely of his great personal fortune and his financial resources, but of his spirit, his intellect, and all of his strength.

He was taken from us while he still had a great deal more to give and in that we all lament. But lest we dwell too long on what we have lost, let us reflect instead on how very much he gave and how much all America gained from his giving. I was honored to have served with Nelson Rockefeller both in New York State and later in the Nation's Capital, and honored to have known this great, dedicated human being.●

● Mr. BOLAND. Mr. Speaker, I join with my colleagues in mourning the death of Nelson Rockefeller.

In over 30 years of public service, both at the Federal and the State level, Nelson Rockefeller compiled a distinguished record of achievement. He loved the challenge of the problems with which a public official is faced. He brought to these problems a spirit of exuberance and confidence thereby infecting those around him with enthusiasm for the task at hand. He sought to stimulate an exchange of ideas about the problems of the future while working to implement solutions to the problems of the present.

The programs Nelson Rockefeller advocated during his 15 years as Governor markedly influenced the lives of the people of the State of New York. Through his leadership, substantial advances in education, health care, and housing were achieved. His reputation as a bold, imaginative executive was well deserved.

That Nelson Rockefeller aspired to the Presidency is well known. That he never achieved that goal is of little consequence. The disappointments which he experienced did not dim his enthusiasm for public service. When asked by President Ford to serve as Vice President, an office he had never sought, he willingly agreed. In accepting that appointment, he said:

> I feel a great sense of gratitude for the privilege of serving the country I love.

That is the spirit in which he lived and that is how he should be remembered.●

● Mr. MAZZOLI. Mr. Speaker, with the death of former Vice President Nelson A. Rockefeller, the Nation has lost a truly great leader and statesman.

It is a rare individual who combines a commitment to public service with the personal appeal and sensitivity to the problems of the needy in the way Nelson Rockefeller did. His dedication to improving the quality of life, first as Governor of New York and then as Vice President, was steadfast and exemplary.

The Nation will miss Nelson Rockefeller's presence on the American political scene.●

● Ms. FERRARO. Mr. Speaker, today I join my colleagues in paying tribute to Nelson Aldrich Rockefeller. The loss this man, who devoted 30 years of his life to public service, will be deeply felt by all Americans who cherish that which is good about this country.

Born to privilege, Nelson Rockefeller felt compassion for the underprivileged. A powerful man, he turned his attention to the powerless. Under his stewardship, New York State's educational, cultural, and economic development was unparalleled. His energy, enthusiasm, and compassion compelled him to develop forward-thinking programs which have

served as models for other States, and the Federal Government as well. His efforts resulted in this Nation's most outstanding State university system. He presided over the construction of 100 new hospitals and nursing homes, and made New York's mental health facilities more progressive. In a period of social unrest, he responded by improving public housing programs and encouraging urban redevelopment. His personal dedication to the arts contributed to New York's stature as the cultural center of the Nation.

As Vice President, Nelson Rockefeller restored his people's faith in the integrity of this Government. His National Commission on Critical Choices broke new ground in the effort to improve decisionmakers' ability to look ahead into our Nation's future.

It is fitting that this man, who throughout his life gave of himself for others, died while at work late one evening. All civil servants can take a lesson from the determination Nelson Rockefeller brought to his work right to the end.

Mr. Speaker, the accomplishments of Nelson Rockefeller cannot be summed up by me or the rest of my colleagues in 1 short day. However, we can all join in the joy of his accomplishments and in the heartfelt sympathy which all Americans extend to his family.●

● Mrs. CHISHOLM. Mr. Speaker, it is a great honor to be able to join in this tribute to my dear friend, Nelson A. Rockefeller. I believe that Nelson will be remembered for the political leadership which he gave to the State of New York and the Nation, as well as his compassion for the cause of the underprivileged, and his down to Earth nature.

For nearly a generation, Nelson Rockefeller held the reins of power within the State of New York, and under his direction we saw a dramatic expansion of our State university system, the construction of over 30,000 units of new housing through the Urban Development Corporation, and the expansion of our municipal hospital system. Without question, Nelson's achievements are unrivaled in the history of the State of New York.

I will always remember the warmth and friendship which Nelson extended to me when I arrived in Albany to serve in the State legislature in 1965. I was always able to count upon his support for programs to expand educational opportunities to minority youth and other issues not readily supported at that time.

In a career in the political spectrum, it is expected that one must accept the bitter with the sweet. Although he enjoyed an extremely successful career, we all know that Nelson often had to accept defeat in his quest for national political office. I believe that it is a tribute to his character that defeat never signaled a retreat from public service, and that he continued to "fight the good fight" till his untimely death.

It was my privilege to testify before the Senate's confirmation hearings on his appointment to the Vice Presidency, and he was honored to be able to serve our country in the second highest office. It is unfortunate that the nature of this office prevented him from giving this country the type of imaginative leadership which he was so capable of offering.

Of all of the individuals that I have worked with in public life, I will always hold Nelson Rockefeller in the highest regard. History will measure the fantastic contributions which he has made to our society, and his accomplishments will be remembered by us all.●

● Mr. WILLIAMS of Montana. Mr. Speaker, I met Nelson Rockefeller once, over a decade ago. He was in Montana to speak at a Governor's prayer breakfast.

At the time, I was on Hubert Humphrey's Presidential campaign staff. Despite the fact that Mr. Rockefeller was also a candidate, and from the other party, I was drawn to the breakfast, because Mr. Rockefeller was a strong voice for America. He represented his party well. He understood that to be respected abroad we must build a society which is respected here at home; a society in which every citizen, every small businessman, every farmer, and every laborer has the opportunity to develop, to earn, and to serve.

I had then, and have today, high regard for Nelson Rockefeller. He met the political challenges from our party and from his own with grace, charm, and good humor.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to join my colleagues in commemorating the life of Nelson Rockefeller. His death Friday night was a shock to all and a loss to the Nation.

It is hard to believe that the energy, vigor, and unbridled enthusiasm of this man has been quieted. He was a man whose verve for living was only matched by his determination for doing. For some 35 years he was in the forefront of American politics. One could list the many offices he held—Governor, Vice President, Assistant Secretary of State, et cetera—but whether a public official or a private citizen, he worked continuously to further what he believed to be the best interest of America.

Nelson Rockefeller gave of himself totally and without reserve. He has added a still further dimension to the name of "Rockefeller," already so much a part of American history.

We can all learn from his example of service and energy. The Nation and the world will miss this strong, youthful, 70-year-old man.●

● Mr. HORTON. Mr. Speaker, the United States has lost one of its most outstanding leaders. Nelson A. Rockefeller, four-term Governor of the State of New York, 41st Vice President, and a man of unparalleled energy and activism, contributed immensely to the political, cultural, and economic life of this Nation. His many gifts to America in the 1940's, 1950's, 1960's, and 1970's cannot adequately be judged. It is fair to say, however, that few Americans will endow so many as Nelson Rockefeller did.

Rockefeller began his Government service in 1940 when he became coordinator of inter-American affairs under Franklin Roosevelt. Following the war, he went on to serve under President Truman where he was instrumental in formulating the Point Four program of foreign aid to underdeveloped countries. Under the Eisenhower administration, Rockefeller was an Undersecretary in the then newly created Department of Health, Education, and Welfare. And in 1958, Nelson Rockefeller left the Federal Government to run for Governor in New York State. He was reelected to three succeeding terms.

During the 16 years that he was Governor, between 1958 and 1974, I had the honor of working with Nelson on a number of issues. During the long, and often difficult struggle to gain congressional approval of general revenue sharing, Nelson's advocacy proved of immeasurable assistance. Nelson and I also campaigned together extensively throughout the State. The last time, while he was Governor, was in 1972. Nelson was also on hand, at my request, for the dedication of a new building at Highland Hospital, in Rochester, while he was Vice President. These are just a few of the issues on which we worked together.

Although he was never successful, in his quest for the Presidency, Nelson Rockefeller used his considerable private advantage to help solve many of the problems of the Nation. One of his notable projects was the creation of the Commission on Critical Choices, which brought together experts and scholars from a variety of fields to examine long-range problem areas such as energy, food, world population, and quality of life.

In the final analysis, Nelson Rockefeller will be regarded by his fellow Americans as a man of extraordinary courage, determination, and an abiding concern about the future. America was richer for Nelson Rockefeller's service to his country. His death is, therefore, not only a personal loss, but a national one as well.●

● Mr. RAHALL. Mr. Speaker, in the week since his untimely death, Nelson A. Rockefeller has been called, philosophical, an activist, fascinating, charming, complex, and sometimes confounding.

As a politician, Nelson Rockefeller served his Nation and State as a Governor and Vice President.

I personally believe, Mr. Speaker, that the highest compliment that can be paid Nelson A. Rockefeller, is the fact that he was a true human being.

Politicians come and politicans go. Some are special and some less so. As a man, Nelson Rockefeller will be remembered.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Nelson A. Rockefeller, the late Vice President and former Governor of the State of New York. The death of Vice President Rockefeller has left a void in the public life and leadership of our Nation. He was a remarkable man, a man both very brave in public life and very strong in the causes for which he fought, and he served the American people with devotion and dedication.

Nelson Rockefeller began his career of leadership in 1940, when he joined the State Department as Coordinator for Inter-American Affairs, and assisted in the creation of President Roosevelt's "Good Neighbor" policy toward Latin America. In 1944–45, he was Assistant

Secretary of State for the American Republics. During the late 1940's he became active in the founding of the American International Association for Economic and Social Development, a private, nonprofit group working with Latin American governments on agriculture, development, and nutritional research, and also assisted in the organization of the International Basic Economy Corporation, designed to encourage investments in Latin America.

President Truman appointed Mr. Rockefeller to the chairmanship of the International Development Advisory Board in 1950, where he worked for a year on the Point Four technical aid program. Under President Eisenhower, he served as Undersecretary of Health, Education, and Welfare from 1953–55, and then was made a special assistant to the President for foreign affairs. Elected to New York State's most important political office in 1958, Governor Rockefeller served the people of New York beginning January 1, 1959, and remained in office until 1973. His distinguished and creative record won the hearts of New Yorkers, and he will always be remembered by his fellow citizens of that State with affection and gratitude.

In 1973, Governor Rockefeller resigned and the next year President Ford appointed him Vice President, where he served with integrity and wisdom. Nelson A. Rockefeller was a man of deep conviction, independent in thought and action, and was willing to challenge any person or institution in the pursuit of his high ideals. His character and career alike were a vindication of democracy in a era marked by new forms of tyranny, political disillusion, and small-minded partisanship. America has lost a great man.

Mr. Speaker, I extend on behalf of Mrs. Annunzio and myself our deepest sympathy to his devoted wife and members of their family.●

● Mr. WRIGHT. Mr. Speaker, the passing of Nelson Rockefeller is indeed a loss to the Nation. He was one of the vibrant forces in national affairs. He always had ideas to contribute and energy to give toward making this a better country and better world.

It was only a few short years ago that he was nominated for the office of Vice President. I was one of those who supported his confirmation under that new procedure established by the 25th amendment to the Constitution. At the time the only grounds anyone could conceive upon which to oppose his confirmation were that he was too wealthy or that he had contributed too much money to various public causes. Well, of course, wealth or the lack of it should not be a disqualifying factor, any more than it was in the case of John F. Kennedy, and one's philanthropies have never been regarded as either sinister or unworthy.

Hearing the news of his death last weekend brought back the personal recollections I have of my various associations with him.

For approximately 10 years, in the consideration of legislation involving such matters as water pollution abatement, economic development, highway and port improvements, I heard testimony from Gov. Nelson Rockefeller as he appeared before the House Committee on Public Works, on which I served.

At these hearings, typically, a Governor will have a prepared statement and will be accompanied by staff personnel to assist in the factual answering of specific questions posed by members of the committee.

In the case of Governor Rockefeller this cautious procedure was abandoned, and he testified openly and candidly. In all of his appearances before that committee, I was deeply impressed by his unique skills, broad knowledge, and total dedication to the solution of his State's and the Nation's problems.

Consistently Nelson Rockefeller displayed a profound depth of knowledge and a truly surprising capacity for detailed information. While accompanied by a battery of experts, he hardly ever had to call upon them for a complete and factual answer to specific and sometimes difficult questions posed by committee members. In almost every instance he had the information we desired at his very fingertips and replied lucidly, responsibly, and informatively to an almost infinite variety of questions.

More than once he volunteered suggestions which were innovative and creative.

Subsequently I had the privilege of serving with him as a member of the National Commission on Water Quality, of which he was chairman. Here his decisive leadership and great executive ability became known to me. He had the ability to assimilate enormous volumes of information, to sift through the outer froth and burn quickly to the center core of each issue. His ability to organize professional staff and consultants was unrivaled in my experience.

All of this I recall with some sadness now, knowing he no longer will be a part of our national life. But his contributions, in many forms, will live on.

Nelson Rockefeller was a great American, and he will be missed.●

● Mr. RUSSO. Mr. Speaker, I consider it a high privilege to join my colleagues in this bipartisan tribute to one of our Nation's most respected statesmen.

I was impressed by Nelson Rockefeller's warmth and cordiality when I first met him at a White House function in 1975. He had that unique capacity when speaking directly to a person, of conveying a feeling that you were already friends and that he was truly interested in what you were saying. Nothing could have impressed a brandnew freshman Congressman more than the attitude of acceptance which Mr. Rockefeller displayed toward us younger Members of Congress.

In spite of, or some might say because of, his background and the fact that he was a member of one of the most outstanding financial families in these United States, Nelson Rockefeller was a regular guy. I mean nothing belittling or derogatory by that term. In my book, a regular guy is someone who as a friend can be depended upon, who is courteous and respective to others and yet is not beyond showing a little emotion when riled.

Mr. Speaker, Nelson Rocekfeller's attitude toward others and the recognition of his role as an elected official was shared by his wife, Happy, and I would like to take the liberty of sharing a small anecdote which exemplifies this.

During the summer of 1975, the sister and brother-in-law of one of my staff members was visiting from California. A tour of Mount Vernon was on the itinerary and while down at the Mount Vernon boat dock, the staff member noticed an inboard motor boat moored to the dock. Commenting to her relatives that the boat must belong to someone important, because of the obvious Secret Service men on board, they decided to wait around and see who it was.

It was not long before a small group of people came down the path with Happy Rockefeller in the lead. To make a long story short, Mrs. Rockefeller was most gracious to everyone on the dock, putting her arm around the youngsters for a picture taking session and shaking hands with the nervous, but obviously delighted adults. A small event, to be sure, but one that is always recalled with warmth and affection.

Mr. Speaker, I can speak only for myself, but it is for approachability like this that the Rockfellers deserve a place in our memory and I, for one, will long remember Nelson A. Rockefeller with sincere reverance, deep regard, and great respect.●

● Mr. SENSENBRENNER. Mr. Speaker, today we honor the memory of one of the most talented and dedicated public servants this country has ever known—Nelson A. Rockefeller.

He certainly did not have to serve us in the many capacities that he did. His family and personal wealth could have easily enabled him to sit back and do nothing, comfortably. But he took a rarer, more admirable view that his wealth could be used as a tool to accomplish great good for his fellow man, by freeing him to channel his dynamic energy into public service.

Rockefeller's public service was a record few, if any could match—U.S. Coordinator of Inter-American Relations, Assistant Secretary of State, four terms as Governor of New York, and finally as Vice President of the United States. He never refused an opportunity to serve the country he loved so well.

But unfortunately he never achieved his life's ambition—to be President of the United States. Despite his years of public service, his influence in world affairs, the prestige and power of his family, and his unparalleled determination, the Republican Party he was so loyal to always turned aside his bids for its Presidential nomination.

One could speculate that Nelson Rockefeller might have achieved his lifelong goal if he had done things differently. But that course would not have been Nelson Rockefeller's way of doing things. Instead of compromising himself on what he believed in, he fearlessly took sometimes unpopular stands and forged ahead to seek solutions to problems most politicians would have sidestepped. Perhaps because of that quality he is better

remembered as being a statesman rather than a politician.

The United States and the Republican Party owe Nelson Rockefeller a great debt, for he contributed a vitality to our Government and politics too rarely seen. He was a genuine leader who, by the force of his personality and ideas left our country a better place.●

● Mr. CORMAN. Mr. Speaker, shock and a deep sense of sorrow followed the news of former Vice President Nelson Rockefeller's death. He is eulogized as a man of wealth and dedication whose greatest ambition was to be President of the United States—a dream he never realized.

For four decades Nelson Rockefeller committed himself to public service—a 20-year veteran as an appointee of three Presidents, a four-term Governor of the State of New York, and the 41st Vice President of the United States. This Nation has lost a rare man whose qualities as a statesman and party leader will be hard to equal. He was truly a dedicated public servant.

Nelson Rockefeller shouldered his greatest burden as Vice President. He was only the second man to reach that office without the vote of the American people. He took on the onerous task of restoring public trust and confidence in the highest elective offices of this Nation. His success reestablished faith in our system of Government and helped heal divisions within the country.

Nelson Rockefeller knew defeat and disappointment well, whether at the hand of fate or destiny. He fought hard for his convictions and ambitions to be President. He sparked lively debate and provocative discussions. When he won he won with dignity and robust enthusiasm. Yet, when defeated, he accepted it without bitterness and lost with grace.

In 1977, Nelson Rockefeller bowed out of the political arena, and turned to his greatest avocation—his art collection. Rockefeller said that art was a major factor in his life, his joy, his distraction, and his balance under the pressures of politics. At the time of his death, Nelson Rockefeller was working to make his collection more accessible to the public. He left us not only with a legacy of a lengthy and productive political career, but with a renewed interest in making art and the humanities a greater part of life. In his last actions, he shared not only his exquisite collection of modern art, but also some of his own personal reflections on the subject.

Nelson Rockefeller will be missed by all whom he served in public life and all who followed nearly four decades of political history in the making.

My wife, Nancy, joins me in extending our deepest sympathy to the Rockefeller family in this tragic hour of grief and sorrow.●

● Mr. ROSENTHAL. Mr. Speaker, the loss of a man like Nelson Rockefeller is felt by all Americans.

Nelson Rockefeller was a friend to all people. Instead of leading a life of leisure, which he could easily have done, he dedicated his life to serve the betterment of this Nation.

He entered politics with mind and body, but more importantly, with his heart. He did this gladly and unselfishly, giving all he could possibly give. He understood and cared for the working people and their problems. His efforts and enthusiasm were contagious to all who worked for him, with him, and even to those who elected him. He was able to reach out and touch all Americans with his love and wisdom.

Mr. Rockefeller was devoted to New York State. He implemented his policies with courage and determination. There may have been disagreement over policy or procedure, but there was no question of his sincerity or integrity. As Governor he stood by his convictions and all New Yorkers knew they had a friend and ally in Mr. Rockefeller. He will truly be missed.

During his political life, he encountered both victory and defeat. He faced these with his head high and his eyes ahead with grace and dignity. These qualities cannot be found in many, but they were always evident in him.

There is a saying that with every goodby you learn. So as we say farewell to Nelson Rockefeller, we can learn from him by remembering the qualities and virtues he possessed. For he was a man with true strength, courage, and dignity. His love and dedication to America should serve as an example to all.●

● Mr. MONTGOMERY. Mr. Speaker, we and our fellow Americans lost a true leader with the passing of former Governor and former Vice President Nelson A. Rockefeller. It is reported that he had told his sons he would live to be 100 in keeping with the long lives of his father and grandfather. I cannot help but realize that our Nation would have been greatly blessed had Nelson Rockefeller been able to live for another 30 years and we had had the benefit of his knowledge and experience.

Through the years he used his God-given talents, and used them well, on behalf of the people of his home State of New York and his fellow Americans. He never attempted to evade his responsibilities or to run from a job that had to be done. I believe that history will record that the tough decisions he was forced to make during his public service career were the correct decisions based on the facts he had available to him at the time.

Although we were of different political parties, I shall always have a great deal of respect for Nelson Rockefeller and his honesty and sincerity. He was always a man of his word and a man who would stick by his friends through thick and thin and at the same time respect the right of others to hold differing opinions.

It is true that he was a man of wealth, but he used that wealth for philanthropic causes to enrich the lives of his fellow Americans. And it was true he was a "street-wise politician," but more importantly he was a statesman. We are a better nation, because Nelson Rockefeller chose to serve his fellow man.●

● Mr. COUGHLIN. Mr. Speaker, it has been widely reported that Nelson Rockefeller fully intended to live to at least 100. It was a promise made to his family—a promise to which his country would gladly have held him. It is, then, in every sense of the word, tragic that this should be a promise he was unable to keep.

No one can say that Nelson Rockefeller was an average man. His talents, his great wealth, and his tireless enthusiasm deny that title. Yet, despite his enormous wealth and unique talents—or perhaps because of them—he was just as comfortable meeting with union officials in a labor hall as entertaining the art world in Manhattan.

His career in public life, as Governor of New York, as Presidential candidate, and as Vice President of the United States, has been well documented. His contributions will be long remembered. But it is Nelson Rockefeller, the man, who most will be missed.

He provided his political colleagues with sound career advice and close personal friendship. He provided his party direction and its members an appreciation of our duties as public servants. His contagious enthusiasm, unflagging patriotism and intense joy in service were a model to many of us. Even his political adversaries came to respect his abilities—to respect this man of foresight and courage.

His sense of duty and responsibility to his country and to his people was unwavering. He was truly the personification of noblesse oblige. He accomplished more in 70 years than most of us could hope for in 100. It is no less unfortunate for that fact, no less a great loss, that he could not have lived those promised 100 years.●

● Mrs. SPELLMAN. Mr. Speaker, in the last few days, hundreds of thousands of words have been written and spoken about former Vice President Nelson A. Rockefeller, who died last weekend in New York City. Writers and commentators have chronicled how he "rose above" his wealthy position to devote much of his life to public service. They have detailed how he strove mightily for the White House, ultimately never achieving that lifelong goal. They have described how, in the end, in the aftermath of Watergate, Nelson Rockefeller dutifully accepted a position he never really wanted—the Vice Presidency—because he thought it best for the country that he accept it.

Mr. Speaker, I can sum up my deep, personal feeling for this most remarkable man with considerably less verbiage—18 words to be exact. Simply put, Mr. Speaker, it is hard for me to imagine the American system of government and politics without Nelson A. Rockefeller's being part of it.

Nelson Rockefeller cast such an imposing shadow across the American political landscape for so long a period that he forever changed its horizon. His passing last Friday night leaves the national skyline somehow incomplete, like our own Capitol building minus its dome or one of its other key elements. And since he was my friend, his death created a void for me, personally.

Mr. Speaker, I first came to know Nelson Rockefeller in 1967, when then President Lyndon Johnson appointed me to the Advisory Commission on Intergovernmental Relations. Governor

Rockefeller, of course, had already been a national figure for several decades, having served in key appointive posts under three Presidents and having been elected Governor of one of the Nation's largest States, not once but several times.

In the years we served together on the Intergovernmental Relations Commission, we became fast friends. Although of different political parties, we found we had much in common and I often sought his wise counsel.

Together with other Commission members, Nelson Rockefeller and I helped design the revenue sharing program and we stood together in Philadelphia the day former President Nixon signed the first revenue sharing bill.

In the years after we both left the Intergovernmental Relations Commission, I am honored to say I continued to benefit from Nelson Rockefeller's friendship and I would like to think he benefited from mine. My service in this Chamber began while Nelson was Vice President and our friendship continued until his last days. If there is one thing I will always cherish, it is a handwritten note I received from him just a little more than a month ago, updating me on his activities and inquiring as to mine.

Perhaps, Mr. Speaker, that note typifies Nelson Rockefeller and explains why he dominated our political skyline the way he did. No matter what heights he reached—be it wealth, influence or public office—Nelson Rockefeller always had time to remember a friend, to hug an old acquaintance, to stop to plant a kiss on my cheek, and to sit down with me to discuss how he had overcome the handicap of dyslexia and to give me advice on how to assist my grandson in coping with it.

I am reminded, Mr. Speaker, of a statement made by one of the Chief Executives Nelson Rockefeller served so well, the late President Harry S Truman. "Do your duty," President Truman advised, "and history will do you justice."

Nelson Rockefeller did his duty in service to the American people for more decades than some of us standing here today can recall. In return, history by and large has already done well by him.

And while historians have been known to change their opinions of this President or that great American, I have no such worries for Nelson Rockefeller. I am confident his honored place in the history books is secured forever. The shadow he cast and the mark he made are too well established to be reversed or altered now. I am sure my colleagues will agree that, as long as there is a United States, the works and achievements of Nelson A. Rockefeller will forever be remembered and revered by the American people.●

● Mr. ADDABBO. Mr. Speaker, the Nation has lost one of the most dedicated of public servants with the death of former Vice President Nelson Rockefeller who died last weekend at the age of 70.

To those of us from New York, Mr. Rockefeller served with distinction for 16 years as Governor of our State. It is a measure of the esteem felt for him that to those of us who served with him—and to the man on the street—he was simply known as "Rocky."

Born to enormous wealth, fascinated by art and cultural activities, Rocky nevertheless felt right at home on the streets of Brooklyn and Queens, shaking hands, eating blintzes, making famous his usual greeting, "Hi ya, fella," and demonstrating that basic involvement with his fellow citizens that carried him so overwhelmingly to four gubernatorial successes.

The Governor was no mild-mannered fellow; he stated his likes and dislikes plainly and simply. And often. And he had fun doing his job as well as campaigning for reelection. And let me add that he did his job as well or better than most of the Governors who have served our State.

The part of Nelson Rockefeller that most of America knows and remembers, however, is the series of unsuccessful attempts to gain the Republican Presidential nomination. Nevertheless, despite those frustrations, when called upon by President Ford to serve as Vice President during a bleak period in this Nation, he did so with honor and distinction. The New York Times noted this morning that his last recorded statement on politics was—as usual for Rocky—full of optimism on what a Vice President can do for an administration if he is willing to subdue his own ambitions for the benefit of the Nation.

That one observation probably sums up Rocky as well as anything else that could be said about him. He was devoted to this Nation and to its people, and having been given almost everything possible to possess at birth, spent his adult life devoting his time and his talent to improving life for everyone else.

He was a good friend of mine, and I will miss him, as will the people of America.●

● Mr. ANDERSON of California. Mr. Speaker, how does one adequately pay tribute to the passing of a man who was almost a national institution? How are we to reconcile the absence of a figure whose name is a household word?

Such a man was Nelson Rockefeller. To those acquainted with Mr. Rockefeller, it is not at all surprising that he was stricken while doing exactly what he had been doing for the vast majority of his life: working. Despite great family wealth, which would have enabled him to lead a far more indolent lifestyle, he chose to work, thus fulfilling the ethic which has so strongly influenced American society since its inception.

As is the case with all great leaders, Mr. Rockefeller was a very controversial man. There can be no denying that at various periods in his life, his decisions were strongly opposed by numerous groups and individuals. Yet despite vociferous opposition he was able—and unafraid—to make difficult decisions in times of crisis and to stand firmly by those decisions. Truly this is the vital essence of leadership.

There were many disappointments for Nelson Rockefeller, but he did not succumb to any sort of defeatist outlook. Instead, he overcame nearly every obstacle, devoting his life to active, concerned public service. In this respect he is an excellent example for all of us to follow.

My wife, Lee, and I extend our deepest sympathies to his wife, Happy and their children. All of us mourn the passing of this great American; but I hope that at the same time we will rejoice in the tremendous dynamism of his life.●

● Mr. UDALL. Mr. Speaker, Nelson Rockefeller cut a giant swath through the political life of his country through three turbulent decades. His legacy is a good one. Independence, optimism, integrity—these were his outstanding traits.

This was a man born to privilege, yet he knew disappointment and adversity. A measure of the man was how he met both with dignity and grace.

He was a man who never became President, but he may have had as much impact on his times as the men who did sit in the White House.

I was glad to be among his friends.●

● Mr. LEE. Mr. Speaker, I join today with my colleagues in this House who serve the State of New York in expressing our shock and sorrow at the passing of former Governor and Vice President Nelson A. Rockefeller. The weekend's news of his death saddened all of us who knew him, who admired him, and who respected him as a truly great American.

I campaigned for Nelson Rockefeller in 1966 and 1970, and I developed a great respect for him as a person, as well as a leader. As Governor and Vice President, he served the people of New York and the United States with grace, with honor, and with distinction. Throughout a career spanning many varied moods of America and during which many of the most difficult questions of public service were challenged, Nelson Rockefeller's prestige never dimmed.

Mr. Rockefeller was a beacon for progress in America. He will be missed by each of us in memories unique to each of us, but as a community of Americans there is unanimous agreement that we have lost a valued son.●

● Mr. ZEFERETTI. Mr. Speaker, I join my colleagues in eulogizing the loss of our former Vice President and fellow New Yorker, Nelson A. Rockefeller.

The people of America have lost a dedicated public servant who willingly undertook the many tasks asked of him with boundless energy and enthusiasm. As a four-time Governor of our great State of New York, his administration set a standard of achievement for others to follow. As a public official in a number of Government posts, he brought a "common sense" approach to attacking the problems facing the Nation. And as Vice President, Rocky's back-slapping, hand-grabbing style helped restore confidence in our Government at a time when our citizens viewed public officials with a sense of apathy and distrust.

Although born into wealth, "the Governor" did not permit his finances to blind him to the wants and needs of less fortunate Americans, and he maintained this special concern for the needy throughout his career. He was a man of compassion for all citizens, rich or poor, with an understanding of the problems of the common working man.

The work of Nelson Rockefeller, statesman, humanitarian, man of the arts, will be as sorely missed as his personal friendship. His long and constructive leadership—particularly in the State of New York—will long remain etched in our memories.●

● Mr. WHITTEN. Mr. Speaker, it was my privilege to have a long and friendly association with the late Nelson Rockefeller. On many occasions, Mr. Rockefeller appeared before the Appropriations Committee on which I have long served. Each time, he made a fine impression as a man with an understanding of practical affairs, with more than his share of patience. He was always ready and willing to share his fine personality with everyone.

Nelson Rockefeller was a good public servant, as his longtime service as Governor of the State of New York and more recently, as Vice President of the United States so well indicate. While our personal views differed on some issues, his integrity was unquestioned and his devotion to the preservation of the American way of life was always present.

I know that Americans everywhere share my personal grief at the sudden passing of this distinguished citizen. Nelson Rockefeller will be sorely missed. I extend my sincerest sympathy to Mrs. Rockefeller, the immediate family and the American community in this great loss.●

● Mr. BRINKLEY. Mr. Speaker, a giant among men, Nelson Rockefeller was born to wealth and could easily have chosen a life of secluded luxury. Instead, he rolled up his sleeves, and with his shoulder to the grindstone of public service, became a driving force for good. His limitless energy was legendary, and the variety of his pursuits—from throwing his hat into the political ring to insuring preservation of some of the world's greatest art treasures—demonstrates his unrelenting commitment to a life of action and accomplishment.

Nelson Rockefeller's vitality, unquenchable enthusiasm, and boundless curiosity evoke comparison with another great American statesman, Theodore Roosevelt. Rockefeller lived life with verve and refused to let even major political defeats crush his spirit. His life calls to mind these words of Theodore Roosevelt:

> Far better it is to dare mighty things, to win glorious triumphs—even though checkered by defeat—than to take rank with those poor individuals who neither enjoy much nor suffer much, for they live in a gray twilight that knows neither victory nor defeat.

The country is poorer for his death, but richer for the lasting contributions he made to our Nation and to all nations as Governor of New York, Vice President of the United States, and humanitarian to the world.

Nelson Rockefeller is gone, and we shall miss him. But his zest for life and devoted service to his country remain as examples for us all.●

● Mr. VAN DEERLIN. Mr. Speaker, I join millions throughout the world in mourning the passing of Nelson Rockefeller, one of the giants of our time.

Mr. Rockefeller and another great American with whom he had much in common, the late Senator Hubert Humphrey, may have been the members of their generation best qualified for the Presidency who failed to attain that office. But the achievements of each man were awesome nevertheless.

Born to great wealth and bearing one of our Nation's most illustrious names, Mr. Rockefeller and his brothers might well have frittered away their good fortune in meaningless pursuits.

The opposite was true, of course, as each brother went on to a life of solid accomplishment. It was Nelson Rockefeller's ambition to pursue a life of public service. With his wealth, optimism, self-confidence and boundless energy, he succeeded in contributing greatly to the country and the world.

Politically, he was a smash; only the top prize eluded him. We in California must marvel at a Governor who can win election four times in a State as populated and variegated as New York—it's never happened in our State.

Nelson Rockefeller also held a series of high appointive posts, dating from 1940, when he helped President Franklin Delano Roosevelt establish the good neighbor policy, and culminating in the 1970's in his service as Vice President under Gerald Ford.

He was the product of a family background that combined great wealth with a strong sense of social responsibility. He approached all tasks with a spirit of cheerful exuberance. With all his assets and attributes, he seemed larger than life; we are all diminished by his death.●

● Mr. PATTEN. Mr. Speaker, the recent passing of Nelson A. Rockefeller has left all of us stunned and saddened. Few men have devoted themselves to public service in the manner in which he did.

I long ago felt that he had that special ability to move the people he came in contact with. His list of accomplishments as Governor of New York is a long one, and the work he did as Governor has benefited millions of people. His expansion of the New York education system increased, many times over, the opportunities for people seeking an education.

As Vice President, he worked closely with the Congress on many important issues, including the efforts to pass the Water Quality Act.

He was a credit to all of us in public life, and I think that he was one of the greatest living Americans of my time.●

● Mr. CLINGER. Mr. Speaker, I would like to take this opportunity to commemorate a distinguished statesman, an exemplary Governor and Vice President, and a great American, the late Nelson Aldrich Rockefeller.

For over four decades, Nelson Rockefeller served this Nation with courage and distinction. In World War II, at a time when Latin America seemed ripe for Nazi exploitation and expansion, he magnanimously agreed to serve as America's special liaison to that part of the world. As long time Governor of the State of New York he was a capable and compassionate administrator. Mr. Rockefeller capped off his public career by assuming the Vice Presidency at a time when this country was wracked with ill-will and dissention. Vice President Rockefeller did an extraordinary job of helping America heal its wounds after the divisive Watergate scandals.

I had the honor of meeting Mr. Rockefeller on several occasions. In 1968 I served as the northwest Pennsylvania coordinator of the Rockefeller for President Committee. Mr. Rockefeller's statewide Pennsylvania chairman in that Presidential campaign was Richard Thornburgh, now Governor of the Commonwealth of Pennsylvania. The force of Mr. Rockefeller's personality and his unswerving commitment to public service made a profound impression on Dick Thornburgh and me.

I shall always cherish the memory of Nelson A. Rockefeller.●

● Mr. HANLEY. Mr. Speaker, we pay tribute today to a man of great vision, of great accomplishment, of great enthusiasm, of great integrity, of great generosity. Nelson Rockefeller was heir to one of America's great fortunes, and yet, was one of the great street campaigners of American politics.

Nelson Rockefeller was born to privilege, and he accepted that privilege as an obligation to serve his State and his Nation. His indomitable spirit, great sense of humor, deep concern for his fellow man and refreshing candor made him a giant in the history of New York State and, indeed, of this country.

His personal warmth and friendship to me transcended any political differences we might have had, and although we sometimes differed philosophically, there never was any question in my mind that Nelson Rockefeller's number one priority was a better quality of life for all New Yorkers and for all Americans.

When we remember Nelson Rockefeller, we will remember his boundless energy and determination. I think all of us will recall the scene at the 1964 Republican National Convention, when on national television, Rocky faced the shouting and booing delegates, and told them that however long it took and however much they hated his guts for saying it, he was going to speak for the civil rights plank that represented to him and his family the heart of their personal and political commitment.

Although he never realized his ultimate goal of the Presidency, Nelson Rockefeller never stopped devoting himself to the task of solving our social and economic problems. After 15 years as Governor of New York and 2 years as Vice President, he focused his attention on another great love, the world of art. It was his stated goal to bring great art within reach of all the people, not just the rich. That typified his attitude throughout his life of public service.

Nelson Rockefeller was a truly great American. We will miss him.●

● Mr. RODINO. Mr. Speaker, to those whose lives he touched, Nelson Rockefeller was a very special man.

His death last week represents to the Nation and to the world a tremendous loss of energy, of ability and of almost unlimited vitality. His contributions to government, to New York and to the American spirit will remain as lasting reminders of a good life and a good man.

Mr. Speaker, Nelson Rockefeller was

three times denied the one political office he sought the most fervently—the American Presidency. But through 40 years of service—in government at local, State, Federal and indeed at international levels; in business and in finance; in cultural activities and in philanthropy—he left a record equal to or greater than that of many Presidents.

For 15 years he had the privilege of serving 18 million people as Governor of New York. He served with distinction in the administrations of five Presidents—one as Assistant Secretary of State, another as Under Secretary of HEW, still another as Vice President.

And more important, he had not only a spoken commitment to human rights, he had a long record of demonstrated caring for people.

In 1974, I had the privilege of chairing the committee that was called upon to consider President Ford's nomination of Governor Rockefeller to be Vice President. Only once before had such a nomination been sent to the Congress under the 25th amendment. And never before had such a nomination been made by a President himself appointed rather than elected.

So the circumstances under which Nelson Rockefeller presented himself for confirmation to the Congress were singularly difficult and extraordinary. And his nomination came at a time barely less than 1 month after the Nation had endured as severe a constitutional trauma as any that has confronted it. But the Governor conducted himself with grace and forthrightness. In the face of valid, critical, probing inquiries regarding the consequences of joining an enormous private fortune to immense political power in a free society Nelson Rockfeller was honest, direct, sincere and never wavering in his cooperation with the committee or in his devotion to the country. It was an experience I shall never forget.

Mr. Speaker, to the Governor's fine family and to his gallant and beloved wife Happy I know go the best wishes of this House and of the Nation. But on a personal level, I hope the Governor's family can know that from me personally, and from my wife and family to whom the Rockefellers showed so many kindnesses, go our sincerest feelings of sympathy and loss.●

● Mr. BROOKS. Mr. Speaker, it was with great sadness that I learned of the death of our former Vice President, Nelson A. Rockefeller.

Vice President Rockefeller, born of considerable wealth and with the opportunity to choose whatever career he desired, elected to give most of his life to service to the people of our Nation. In the Roosevelt administration he served as coordinator of inter-American affairs. He then held positions in the Truman and Eisenhower administrations and eventually was elected to four terms as Governor of New York. In 1976, he completed his public service as Vice President of the United States in the Ford administration.

Nelson Rockefeller was my friend, an association I was fortunate to enjoy for many years. He left behind a legacy to which we may all aspire and I truly believe that America is a better Nation because of his dedication and hard work.

My wife Charlotte and I extend our sincerest condolences to his wife, Happy, and his children and I know they can take comfort in knowing that he lived a full, active, and rewarding life.●

● Mr. CORRADA. Mr. Speaker, I want to join my colleagues in expressing my deepest sympathy and heartfelt condolences to Mrs. Rockefeller and the family on the death of former Vice President and long-time former Governor of New York, Nelson A. Rockefeller. His death deprived the Nation and the world of a great statesman.

As he often stated, his greatest interest was the power of ideas; the realization that through discourse and debate, humankind would be able to determine the best ways through which we can address the different and conflicting problems which plague our Nation and the world.

The Nation owes a great debt of gratitude to Vice President Rockefeller's parents which instilled in young Nelson and other members of the family, a profound sense of obligation and duty to the country which had given them so much. Born to wealth and privilege, Vice President Rockefeller dedicated his life to our Nation's public service. As Governor of New York, he represented thousands of my fellow Puerto Ricans living there and, as such, was sensitive to the problems faced by minorities living in big cities.

As a frequent visitor to his estate in Puerto Rico, Vice President Rockefeller came to know the Puerto Rican people and he was a supporter of the island's pro-statehood movement.

His zest for life and tireless energy sometimes gave the impression of a restless man; but he was also able to appreciate the tranquil beauty of art. His knowledge and collection of modern paintings and sculptures serve as testimony to this love of the arts. In an interview with Walter Cronkite, Vice President Rockefeller once explained his preference for modern art by saying that its beauty rests in the viewer's ability to see the same work innumerable times and yet continue to discover new facets of it. The eye serves as a prism through which the viewer projects his mood and receives a new impression of a familiar sight.

In many ways, Vice President Rockefeller also captured many of the best qualities of our people and reflected them in his work; dedication, energy, pride, and the courage of his beliefs. For all this, and for his unquestioned "joie de Vivre," Nelson Rockefeller will be sorely missed by the entire Nation.●

● Mr. EVANS of Indiana. Mr. Speaker, I wish to join my colleagues in expressing our deep sense of loss at the death of Nelson Rockefeller. Few Americans have contributed so much to the public good as this great man.

Born into a life that offered comfort and security, he chose to direct his life both in private and public pursuits to making our lives fuller and richer. We are indeed fortunate to have had the benefit of his mind, his heart, his spirit, and the selflessness of his commitment. I think it is especially poignant that his life ended while working on a book about his art collection. This is reflective of his devotion in his private life to enriching our lives with beauty and knowledge.

His long career of public service to our Nation in some of the most demanding roles in American politics was indeed illustrious. But his contribution went far beyond serving in these great public posts. His career was marked by a remarkable sense of vision, compassion, objectivity, and total dedication to America that we have seldom seen before and may scarcely see again. I am hopeful that as we focus on his contributions we can renew our commitment to the ideals of America that were reflected in his exemplary life.●

● Mr. NATCHER. Mr. Speaker, I join with the many friends of Nelson A. Rockefeller in expressing my sorrow at his untimely passing.

With the highest level of ability and integrity, our former Vice President Nelson A. Rockefeller zealously defended the ideas and principles he believed in and upon which this Nation was built. He gave of himself fully and unselfishly. No one could question his loyal and dedicated service to the people of the State of New York and to the people of the United States.

The loss of our former Vice President will be felt down through the years and will be mourned by all of those who had the honor to have worked with him in seeking to build a better country.

He was a long-time public servant, having served with every President since Franklin Delano Roosevelt in various appointive posts. He was one of five sons of John D. Rockefeller, Jr. and the grandson of John D. Rockefeller, Sr. He and Gerald Ford became the first two men to be installed under the Constitution's 25th amendment ratified in 1967. This amendment provides for filling Vice Presidential vacancies with nomination by the President and confirmation by the Congress.

Mr. Speaker, it was a distinct privilege and an honor for me to preside over the House of Representatives when the nomination of Nelson A. Rockefeller was confirmed by the House.

Nelson A. Rockefeller believed in a strong national defense and because of his name, this made him a historic figure in the pageant of American democracy.

Mr. Speaker, I would like to extend my deepest sympathies to Mrs. Rockefeller and to the family of our former Vice President Nelson A. Rockefeller.●

● Mr. BINGHAM. Mr. Speaker, I welcome the opportunity to join in paying tribute to the late Nelson A. Rockefeller, former Vice President of the United States and for many years Governor of the State of New York.

A measure of Governor Rockefeller's stature was suggested by the extraordinary outpouring of tributes from all over the country—and indeed from all over the world—when news of his sudden death was received.

One of the extraordinary qualities of this extraordinary man was the wide

range of his interests. One such interest, which was not especially apparent in recent years, was international technical cooperation to aid in the progress of developing countries. Even before President Truman announced his famous "bold new program" for sharing American technology and expertise with the less developed world, Nelson Rockefeller was engaged in just such work through the Institute for Inter-American Affairs. Later, he became chairman of the Board for International Development which produced one of the pioneer books in the field: "Partners in Progress." I first had the privilege of working with this enthusiastic and energetic man when he occupied that position, and I had just been appointed Deputy Administrator of the Technical Cooperation Administration.

A few years later, I had the opportunity of again working with Mr. Rockefeller when he was appointed chairman of the 1956 Constitutional Commission in the State of New York, an appointment which had been made by Governor Harriman and the then legislative leaders in the New York State Legislature.

Still, later, after Mr. Rockefeller had been elected Governor, I had the privilege of many contacts with him. I was always impressed by his friendliness and his cheerful and up-beat approach to whatever task or responsibility confronted him.

As a Democrat, it is not for me to comment on the history of Nelson Rockefeller's efforts to obtain the support of his party for national office. But it does seem appropriate to say that President Ford made a splendid choice when he appointed this most distinguished leader to the office of Vice President of the United States.

My wife and I join in extending our deep sympathy to his family.●

□ 1135

Mr. PEYSER. Mr. Speaker, that on my part of it concludes the special order for Nelson Rockefeller.

I would like to mention that my colleague and friend, the gentleman from New York (Mr. WYDLER) has also requested time on February 6 for any other Members that would like to comment on Nelson and that he will have a special order at that time.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Andy Biemiller, a former Member of the House, on his retirement as legislative director of the AFL–CIO Union.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HON. ANDREW J. BIEMILLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. BOLLING) is recognized for 60 minutes.

Mr. BOLLING. Mr. Speaker, I rise to draw attention to the retirement of Andrew J. Biemiller, a distinguished former member of this body and, since 1956, the legislative director of the AFL–CIO and, therefore, the chief lobbyist of America's organized workers.

As one who had the honor to serve with Andy Biemiller in the 81st Congress, I can bear personal witness to the energy and wisdom with which he represented the citizens of Wisconsin and to the respect in which he was held by his colleagues on both sides of the aisle.

Those of us who shared his views looked up to him as the author of the minority civil rights report on which our dear friend. Hubert H. Humphrey spoke so eloquently at the 1948 convention of the Democratic party. Because of their foresight my party became and has remained committed to the struggle for civil rights, voting rights, equal education and equal opportunity which culminated in the landmark legislation of the 1960's and to the struggle for human rights, at home and abroad.

Few Members of this 96th Congress were present to see Congressman Biemiller in action on this floor. But I doubt that there has been any Member of the last 15 Congresses who has not been very much aware of Lobbyist Biemiller as a central figure in countless legislative battles of the last 30 years.

The word "lobbyist" means many things. To readers of a certain type of fiction, the word may conjure up an image of a shadowy figure dispensing favors and applying pressure to hapless legislators on behalf of questionable goals.

To those thousands of elected Senators and Representatives who have benefited from Andy Biemiller's deep knowledge of history, his wise and constructive counsel and his accurate, informative, expert testimony on matters of deep concern to his constituents and all the American people, the word "lobbyist" means something much better, something truly indispensable to the shaping of responsible legislation.

In success and failure, through all his years as labor's ambassador to Capitol Hill, Andy Biemiller never lost his deep respect for the American legislative system and his confidence that justice can be achieved through that system for all Americans.

On my own behalf, and on behalf of all those who value his contribution to our deliberations and who will sorely miss him, I want to extend to Andy Biemiller our best wishes for good health, good luck, and a long and happy retirement.

□ 1140

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I want to join with the gentleman from Missouri (Mr. BOLLING) in paying tribute to Andy Biemiller for his long service as a very outstanding, effective and certainly constructive lobbyist, as the gentleman has indicated, for the AFL–CIO. He was most effective in a quiet way, and he did his job by explaining the intricacies of legislation rather than by using any of the pressure methods to which the gentleman from Missouri has referred, and which occur more often in fictional writings than in actual fact.

I also would like to underscore something that the gentleman from Missouri (Mr. BOLLING) mentioned a moment ago, and that is that not many people realize that although Hubert Humphrey has been frequently honored as the man who put a strong civil rights plank in the Democratic platform at the Democratic Convention in 1948 in Philadelphia, it was actually Andy Biemiller, a Congressman from Wisconsin at the time, who drafted that plank originally and who shared the podium with then Mayor Humphrey, defending the point of view that Andy Biemiller and Hubert Humphrey together were involved in promoting. Certainly Andy deserves every bit as much credit for those dramatic results.

I say this with assurance because I was sitting in the gallery at Philadelphia at that convention and watched not only as the ringing voice of Hubert Humphrey called the attention of the convention to our higher responsibilities, but also as the Georgia delegation, I believe it was, walked out of that convention. But Hubert Humphrey and Andy Biemiller eventually won that tremendous fight, and Andy Biemiller will always be remembered for his part in that historic effort.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from New York (Mr. STRATTON) for his contribution.

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Speaker, Andy Biemiller is to be commended on his long years of dedicated service to the American worker and the American people.

As a Member of Congress and as the legislative director of the AFL–CIO, Andy Biemiller represented the great American tradition of industrial democracy. He served notice that the working man and woman deserve a fair shake.

On this occasion of his retirement, I commend Andy Biemiller for his past work and I hope he enjoys the years ahead.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I congratulate the gentleman from Missouri (Mr. BOLLING) for calling this event, the retirement of Andy Biemiller, to the attention of the House.

I have served in this body now for nearly 18 years, and I guess, with the turnover we have had, I have perhaps served with a thousand different Members of the House of Representatives. I would say, without derogation to any of them, that Andy Biemiller, who was only a Member here for a short time, probably had more impact on the direction this

country took and on the flow of successful legislation than most of the Members with whom I have served. Although he was not a Member of the House or the Senate over this entire period of time we are talking about, he was one of the most influential people in the legislative process during that period.

The trade union movement has always been an honorable part of the American political scene. From the first its primary and rightful goal was improving the wages and working conditions and general welfare of its members. But the trade union movement envisioned by Andy Biemiller and people of his stature went beyond that. Because it was the AFL–CIO, with Andy Biemiller in charge of its legislative office, that was involved in the betterment of life for all Americans. I think of the great struggle for civil rights. And as has been mentioned, it was trade union people like Andy Biemiller who cared about the environment and public education and who were concerned about the health of all the American people. So we owe a great debt to Andy Biemiller in these broader respects as well.

Andy was a shrewd student of the Congress. I doubt if there are many people alive today who, with the exception perhaps of the gentleman in the well, the gentleman from Missouri (Mr. BOLLING), know more about how this institution functions, what makes it tick, and how results can be achieved.

Andy Biemiller did not operate, as the gentleman from Missouri (Mr. BOLLING) said, on the basis of threats and promises. He operated on the basis of trust and friendship and by furnishing factual information to the Members of Congress. He was not one who would come to your office and demand something; he would tell you his position and give you his arguments, and then leave it to the Member to make the final decision. So Andy Biemiller, in retiring from this vitally important position, leaves a legacy of honor and a legacy of effectiveness.

Mr. Speaker, I join with the gentleman from Missouri (Mr. BOLLING) and Andy Biemiller's many friends here in wishing him well, and I hope he has many years of happy retirement. I thank the gentleman for yielding.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Arizona (Mr. UDALL).

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding.

I, too, want to congratulate the gentleman from Missouri (Mr. BOLLING) for arranging this special order. I have not known Andy Biemiller as long as has the gentleman from Missouri, of course, but I have known him for 25 years. I do not know of anybody I ever met who had a greater capacity, with the possible exception of the gentleman from Missouri (Mr. BOLLING), for knowing the status of every bill that is before the House at any given time and knowing all the details of the legislation.

When I have talked to Andy Biemiller, it was evident to me that no one ever catches him short. He can anticipate when a problem is about to occur and prepare to meet it.

So, Mr. Speaker, I also join with the gentleman from Arizona (Mr. UDALL) in saying that Andy Biemiller has had a great deal of impact and a great deal of influence, all for the good of the people he represented in the labor movement, and I think that it will be very hard for them to replace him. I thank the gentleman for yielding.

□ 1145

Mr. BOLLING. I thank the gentleman from Iowa for his contribution.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Speaker, let me say that I appreciate the opportunity to participate in this special order for Andy Biemiller for two reasons: First, because I have such a great deal of personal affection for him; and, second, because he is an example of the finest that Wisconsin can produce.

Andy Biemiller is really part and parcel of the progressive tradition in the State of Wisconsin, even though he was not born there. He spent a great deal of time working in thee old Socialist movement in Wisconsin and other places. I do not know if many people realize that Milwaukee is probably the last major city in the United States to have a socialist mayor. His term extended into the 1950's. That party and the old Progressive Party brought the tradition of clean government to Wisconsin. Andy Biemiller helped to keep it that way. He was a key Progressive Party leader in the Wisconsin Legislature between the years 1937 and 1942. As has already been indicated, he served twice in this House and I daresay that in that time he picked up enough knowledge not only of the rules but of the precedents of the House, that today I do not know of three people who know more about either the rules or the precedents of the House than does Andy Biemiller.

Also, as has been indicated, while Hubert Humphrey has always gotten the lion's share of the attention of that civil rights plank of the 1948 convention, Andy Biemiller was right there with him as the author of that proposal and was one of the driving forces behind it. I might also add—I think my understanding is correct—that, along with the gentleman in the well, he was one of the original authors of national health insurance in this House 30 years ago.

I think Andy Biemiller also understood that organized labor had an obligation to be involved in the broader questions facing our society and our economy. Labor is a special interest, and Andy Biemiller represented a special interest; but Andy Biemiller's special interest was working people, his special interest was old people, his special interest was sick people, his special interest was people who belonged to racial minorities who, for no other reason than color of their skin, were being discriminated against economically, socially, and culturally in this country. He did as much as any inan I know to help change for the better the facts of life as they related to those kinds of people in this country. He has been a civilizing influence in this country for which all of us owe him a special debt.

Mr. BOLLING. I thank the gentleman for his remarks.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding and also for having this tribute to Andy Biemiller.

I think the only thing I can add, perhaps, to the comments that have been made by my colleagues, which I heartily endorse and agree with, is the fact that, not having known Andy for the length of years that some of my colleagues have, I did serve in three terms of the Congress as a Republican. I mention this because Andy was not Republican or Democrat in his working at all. He was involved in the issues having nothing to do with the parties. He certainly contributed a substantial amount of knowledge to me and worked very closely with me and with his colleagues on the Hill in understanding this Congress and also in learning more about the issues.

Mr. Speaker, I have spoken on many occasions in front of corporate groups and banking groups about the capability of Andy Biemiller and the men and women he worked with and how they worked to inform the Members with factual information and also with the concerns expressed that were other than labor concerns.

□ 1150

They were concerns dealing with educations, and as the Members heard, with health and other issues. He was just as knowledgeable on those subjects, and fought just as hard for those issues, whether it was senior citizens or the very young, as he was on the issues that immediately affected labor, whether it was minimum wage or labor-management or whatever the issue may be. So, I think that he is very much entitled to tribute and deserves this tribute. I appreciate the gentleman from Missouri taking this time and yielding to me. I thank the gentleman.

Mr. BOLLING. I thank the gentleman from New York for his contribution.

Mr. Speaker, I yield to the gentleman from Washington (Mr. SWIFT).

Mr. SWIFT. Mr. Speaker, for me perhaps the most impressive aspect of the work that Andy Biemiller did with the AFL–CIO in his many years as legislative director was in the field of civil rights.

I recall when I first came to this city as administrative assistant with a freshman congressman, that my first contact with a labor lobbiest had nothing to do with hardcore labor legislation at all, but with civil rights legislation, particularly voting rights, which is the cornerstone of civil rights in any democratic society.

Too frequently lobbying organizations are narrow in their focus and concerned only with the specific issues that bear directly on the positions of their special interest and its constituencies. Under the leadership of Andy Biemiller, the AFL–CIO legislative effort has had a broad scope and concern for all of the people of this Nation.

Because of that leadership, the Congress would find Andy testifying and working on behalf of so-called minor bills such as the Library Services and Construction Act, which comes to mind; a wide variety of education legislation, health legislation, measures that dealt with the problems of the poor and questions of fundamental rights for all of our citizens.

This aspect of Andy's work is not well known outside of this capital city. The public image of the labor movement has suffered, along with other major institutions in this society, in recent years. If we could spread the word of Mr. Biemiller's dedication and the dedication of the organization whose legislative program he directed for 23 years, I am sure that public image would improve.

All of labor should take great credit for what it accomplished in the civil rights movement, and take great pride in being able to contribute the talent and wisdom and ability of a man like Andy Biemiller to that cause.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Washington for his contribution.

Mr. Speaker, I now yield to the distinguished Speaker, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am delighted to join my colleague, DICK BOLLING of Missouri, in taking this opportunity to say a few words about an old colleague and a personal friend, the Honorable Andrew Biemiller, whom I met for the first time the day I arrived in Washington in 1952.

Andy hails from a distinguished progressive tradition of Wisconsin politics. I believe Andy told me, in my many discussions with him, he started off as a Socialist in his early career, moved quickly into the progressive movement and was then elected as a member of the Wisconsin Legislature. He then came to the House and served in 1945 and 1946, and again in 1949 and 1950. The first great civil rights movement of this country in 1948 has been mentioned, and we have always looked at Hubert Humphrey as its father. But, the real voice behind Hubert, the one who inspired him along the line, the true father, as history says, was Andy Biemiller.

Andy has been the voice of labor in the Congress and has spoken personally to every Member of the House.

When Andy spoke, we listened, and when Andy gave his word, we could rely on it. He was loved by those who knew him. He truly believed in the adage of the Golden Rule, "I am my brother's keeper."

Andy has worked his whole life for social and economic benefits for the working men and women of America and has bitterly opposed social, racial and economic injustices. In many of these efforts, he has been successful; others will come to fruition as the years pass. Throughout his public life Andy Biemiller has been far ahead of the thinking of his day.

He is an honorable, independent, tough, knowledgeable, and loveable individual. I hate to see him leave his position in the AFL–CIO, but he feels the time has come for him to move on. Andy may move on, but his mind and his thoughts and his ideas will always be for the betterment of the downtrodden and less fortunate of America.

I am sure I will be getting calls from him from time to time to give me his sage advice, and once in a while to give me a little roughing up because he probably will not agree with the manner in which I acted. We have always parted as friends whenever he left my office, and I want Andy to know that in the future, my door is always open to him.

Andy Biemiller is just a beautiful human being, and America is a real democracy in deed as well as in word because of Andy Biemiller.

I thank the gentleman for yielding.

Mr. BOLLING. I thank the Speaker for his particularly beautiful tribute.

● Mr. PRICE. Mr. Speaker, it is a privilege for me to join my colleagues today in honoring an old friend of mine, Andy Biemiller.

Andy and I came to the Congress together in 1945. He was leaving the War Production Board at that time, and I was just getting out of the Army. I ended up staying in the Congress, and he went on to become the legislative director of the AFL–CIO and one of the best-known lobbyists around.

Through the years, Andy and I were on the same side of almost every issue, and I am proud to be able to say that because I think that on nearly every issue, Andy was truly on the side of the workingman.

Andy is a fixture in his city and around the House. We are going to miss him and the job he always did for the working man for the last 25 years.●

● Mr. GOODLING. Mr. Speaker, the 96th Congress will begin without one of the most influential lobbyists in Washington, D.C. I am referring to the retirement of Andrew J. Biemiller who represented the AFL–CIO as the director of the legislative department since 1956.

I am a relative newcomer to the Federal legislative policymaking arena, but as a member of the House Committee on Education and Labor I have observed Mr. Biemiller's skill as a labor lobbyist and believe he reserves praise for his outstanding ability.

He is of the old school of lobbying which included loyalties between the lawmakers and the lobbyist, face-to-face meetings, as well as telephone techniques. Even though we were many times on opposite sides of issues, I always admired Mr. Biemiller for his knowledge and expertise on labor issues.

I wish him a happy retirement although I am sure someone as disiciplined in the work ethic as Andy Biemiller will have a hard time truly being retired.●

● Ms. MIKULSKI. Mr. Speaker, I am pleased to take this opportunity to pay tribute to Andy Biemiller.

I came to Congress to represent the working class men and women of my district. I always found Andy to be a valuable ally and experienced guide.

His retirement is preceded by 25 years of dedication and service to the workers of America. Through his influence, a vast array of social legislation has been considered over the past four decades.

He was a principle force in the AFL–CIO's support of civil rights legislation, fair employment practices, and national health insurance proposals.

Even after his retirement, the goals which Andy Biemiller sought to attain will serve as an inspiration in the years to come.

I am pleased to have had a brief opportunity to work with him in the 96th Congress.●

● Mr. BOLAND. Mr. Speaker, I join with my colleagues under this special order to honor Andrew Biemiller. With his retirement as the legislative director for the AFL–CIO, labor is losing a valuable spokesman.

Andy Biemiller has been labor's advocate here on Capitol Hill for nearly all of my years in Congress. His presentation of labor's arguments for and against various measures over the years has been consistently excellent. It has been easy to feel the personal commitment of Andy Biemiller in all of his work. He has never lost sight of the working people who most need progressive legislation. His two terms in the House gave him a keen sense of congressional procedure. Andy has always been in the right place at the right time with his labor support.

Perhaps above all of his many accomplishments, Andy Biemiller should be honored for his key role in civil rights legislation. As author of the civil rights plank in the 1948 Democratic Party platform, Andy Biemiller can proudly take his place among the leaders of the fight for equality. He was recently awarded the Hubert H. Humphrey Civil Rights Award for his efforts over the years on behalf of minorities. Andy Biemiller considers his civil rights work to be the highlight of his career. Minority workers everywhere can be thankful for his dedication to this cause.

Mr. Speaker, the AFL–CIO is losing one of its finest laborers and we here in Congress are losing a friend. I congratulate Andy Biemiller on his distinguished career and wish him the best of luck in all future endeavors.●

● Mr. CLAY. Mr. Speaker, it has been a distinct honor and a pleasure to have known and worked with the distinguished Andy Biemiller, legislative director of the AFL–CIO.

In the years that Andy served in the U.S. Congress he earned the trust and highest respect of his colleagues in Congress and later, as legislative director of the AFL–CIO, a similar honor was earned.

I have known Andy Biemiller as a fighter and a man of principle. His devotion to his people and his country are a matter of record. I only hope that when he leaves his present position he will turn his great talents, in the years that

follow, to some endeavor which benefits our Nation as much as his service in the U.S. Congress and the AFL–CIO.●

● Mr. REUSS. Mr. Speaker, it is a special privilege and honor for me to have this occasion to pay tribute to Andy Biemiller.

When I was first elected to this body, 4 years after Andy Biemiller left it, and to the seat which Andy held, his record had set a high standard for representation of the people of Milwaukee.

I have been fortunate to have had Andy Biemiller's example before me since then. I have been even more fortunate to have had Andy himself on call as counselor and conscience.

In a time when it is fashionable to decry the influence of interest groups, Andy Biemiller and the AFL–CIO are persuasive evidence that that influence can be exercised responsibly and to the benefit of those with few other effective champions.

Members of this country's black, brown, yellow, and red minorities who owe the passage of civil rights laws to labor's long and often lonely fight, owe much to Andy Biemiller.

The millions of Americans who look to medicare and medicaid to pay for health care owe much to Andy Biemiller for his leadership of the two-decade fight for that legislation.

In fact there is scarcely a brick in the edifice of our country's structure of social legislation which does not bear the imprint of the labor movement and its tribune Andy Biemiller.

Early in this, our first session in many years without Andy Biemiller, it is evident that his spirit lives on. When some would abrogate a compact with our Nation's disadvantaged which was established under the New Deal, Labor's voice is still raised on behalf of its commitment to the less fortunate.

The voice is no longer Andy's, but there is no mistaking the commitment. It bears the unmistakable signature of Andy Biemiller.●

● Mr. RODINO. Mr. Speaker. I am very pleased to have this opportunity to recognize an old friend and former colleague, Andy Biemiller. Not only have I had the honor of serving in this House with such a fine public servant as Andy, but I have also been fortunate to receive his advice and assistance for the past 23 years during which he has been legislative director of the AFL–CIO.

Andy's role in national affairs has gone far beyond what most people call labor issues. I have known Andy to be an important leader for progressive causes for three decades. In the issues of voting rights, equal employment, education, health care, all areas of civil rights and many other matters of social justice, Andy Biemiller has shown his overwhelming concern for the poor, the disadvantaged and the working people of America. Millions of Americans have benefited from his efforts.

Mr. Speaker, to hundreds of Congressmen and Senators over the years, Andy has been a trusted ally and most respected professional. He and I have fought many battles together and have won quite a few because of Andy's skill and determination.

As he leaves office, he should be very proud of his accomplishments, just as his friends are very proud of him.●

● Mrs. SPELLMAN. Mr. Speaker, the working men and women of America have lost a very good friend. Andrew J. Biemiller has retired. For 25 years, Andy supported, upheld, encouraged, and guided a movement to improve the quality of life for our working citizens. He believed that the core of our country's strength is a productive, healthy and cohesive working force, and that unemployment is a nation's shame.

Andy, a bond salesman's son from Sandusky, Ohio, graduated from Cornell University, later became a history professor, specialized in newspaper work and labor education, and was a member of the executive board of the Milwaukee Federated Trades Council.

In 1945 and again in 1949, Andy was a Member of this House of Representatives. As a Congressman representing his Wisconsin constituency so well, he was an early advocate of social reform.

The American Federation of Labor tapped Andy in 1953 to become a member of the national legislative committee. He became the director of the Department of Legislation of the merged AFL–CIO labor federation in 1956.

His tireless efforts both as a legislator and later as a lobbyist were instrumental in promoting, successfully, many civil rights measures. His commitment to achieving a healthy America through a national health insurance policy continued for over four decades, and although there were many advances in health benefits, his biggest goal—national health insurance—eluded him.

Mr. Speaker, Andy Biemiller has been called the lobbyist's lobbyist, and in the very best sense of that word, it is so. As chief lobbyist for AFL–CIO, he is a superb educator, an advocate of equality, a champion of the working men and women of this country. He is a friend of all of us who believe in improving the fabric of our American standard of life for all of our citizens.

Mr. Speaker, upon the occasion of Andrew Biemiller's decision to spend his hours in more relaxed ways, I know my colleagues will join me in wishing him well and suggesting that this earnest, dedicated man will soon find other causes to shoulder; other problems to solve; other lives to enrich.●

● Mr. ADDABBO. Mr. Speaker, I do not know of many people who have graced the Halls of Congress and its office buildings longer than Andy Biemiller. A two-term Congressman himself, Andy has been best known as the AFL–CIO's legislative director since 1956.

A man who firmly believes in the importance of making contacts and keeping them, of the traditional give and take of politics, there is not a piece of labor or social legislation that Andy has not been involved with since the end of World War II. That is quite a history for one man.

Aside from the many great strides he made for the workingman, this man's vision included a national health insurance way back in 1937 before most of us had ever even heard of the concept. Following this strong interest, in the 1960's Andy was vital to the success of the medicare campaign.

But as I look back, the contribution I most admire Biemiller for is his strengthening of the alliance between labor and civil rights forces. He played a key role in placing an equal employment provision in the Civil Rights Act of 1964, following the strong stand he took as the prime architect of the landmark 1948 civil rights plank that was introduced by the late Hubert Humphrey at the Democratic National Convention that same year.

Andy did not win every fight he joined, but he never gave up on a good battle. Congress has changed many times over since Andy's first days in the Capitol. Faces, lobbying techniques, and so forth, all come and go, but Biemiller's commitment never wavered. Now this long familiar and welcome fixture is retiring. The absence of his clipped moustache and lapel rose will likely signal the end of yet another era in Washington politics.

I know that all my colleagues will join me in wishing Andy the very best in the days ahead, even though we all really know that it just won't be the same without him.●

● Mr. WILLIAMS of Montana. Mr. Speaker, we Montanans like Andy Biemiller and we want the kind of America for which he has worked and fought.

Andy Biemiller has always understood the drive and optimism which has characterized this Nation since its birth. And he has understood that as long as we are dreamers, striving to change our dreams to reality, America will prosper. He never let the doubters get him down, and he stayed in the saddle when the going got roughest. We Montanans like that, and we like Andy Biemiller.●

● Mr. DRINAN. Mr. Speaker, the recent retirement of Andy Biemiller, following two decades of distinguished service as legislative director of the AFL–CIO, calls to mind Mr. Biemiller's central role in some of the crucial legislative battles of the past 22 years.

It is especially useful now, at a time when the labor movement is under severe and unfair attack from many quarters, to reflect upon Andy Biemiller's unusual achievements on behalf of American working men and women.

Nor can we forget Andy Biemiller's dedication to the cause of civil rights, his commitment to a civil rights plank in the 1948 Democratic Party platform, his long and successful work for the landmark 1964 Civil Rights Act.

We can also be grateful for the pivotal role Andy Biemiller played in defeating the Supreme Court nominations of G. Harrold Carswell and Clement F. Haynsworth.

And we can hope that in the years ahead Congress will move forward on a critical issue where the voice of Andy Biemiller has been heard for 40 years—national health insurance.

History professor, labor organizer, State legislator, Congressman, Andy Biemiller has exerted a profound impact upon American life. An unparalleled fighter for social and economic justice, he will be sorely missed on Capitol Hill.●

● Mr. DERWINSKI. Mr. Speaker, it is a pleasure for me to join in honoring one

of our former colleagues, but best known to all of us as the legislative director of the AFL–CIO.

In his capacity as legislative director, Andy has served with great dedication, ability, and inspiring diligence. His efforts have proved instrumental in many legislative proposals which are of interest to the labor organization.

Andy complied an outstanding record over the past 22 years, always actively and conscientiously representing the principles and interests of the labor force. Although we did not always agree, I found Andy to be a most effective spokesman and a man of unwavering dedication.

Andy always displayed an earnest concern to provide information to all the Members. The success of much of the legislation dealing with the labor interests can be traced to the efforts of Andy Biemiller.

I wish Andy the very best in the years ahead. I suspect that his experiences and expertise will continue to be called upon as a valuable source of counsel.●

● Mr. HORTON. Mr. Speaker, for more than 20 years, my good friend Andy Biemiller served as Director of the Department of Legislation at the AFL–CIO office in Washington. Before that, he served in the 79th and 81st Congresses, from Wisconsin.

Although I did not have the privilege of serving with him in either of those Congresses, he and I did work together during the 1960's and 1970's. His 22 years as head of the legislative department brought him to the Hill as an advocate of labor legislation important not only to the labor movement in this country, but to all Americans. His advocacy, however, was almost always objective and reasonable and gave his colleagues on the Hill a perspective on legislation often not available elsewhere.

I wish Andy the very best as he begins his retirement. While I think Andy deserves this retirement, I hope he will stay in touch with his friends and former colleagues on the Hill.●

● Mr. MIKVA. Mr. Speaker, I am most pleased to participate today in honoring a good friend and one who has helped to shape some of the some most progressive legislation for the last three decades, Andy Biemiller.

I suspect that I knew of Andy Biemiller before most of Washington did. I grew up in Milwaukee, and Andy was my first Congressman. It is quite an advantage to have in one's formative years a role model like Andy Biemiller. Sometimes I think that all of the really useful things I learned about Congress and the legislative process I learned by listening and watching Andy Biemiller in those Milwaukee and Wisconsin days.

Many of us who were products of the old progressive tradition of Wisconsin politics retain a special pride in having been part of that experience. The values of public service and work on behalf of the general welfare, and a faith in the wisdom of the democratic process were more than slogans or cliches. They were practiced and believed. That is what made political life in my early days in Wisconsin so special—and that is why I think Andy Biemiller is so special, too. He genuinely believes in the notion of a community of interests and in promoting the general welfare—and that is what he has practiced with extraordinary skill for more than 30 years.

The post-war years in this country were filled with landmark legislation—in health care, in education, in civil rights. These were all measures to help all of our citizens realize their full human potential. And these were all measures which reflected both the humanism and the political and legislative skills of Andy Biemiller.

At a time when it is fashionable to criticize the failings of Government, it is suitable to remember that this is a better and stronger country because of those programs. Americans are living longer, better, and more together than in the past, because of those measures which so changed the social fabric of America. Andy can be proud of all those Government successes.

For more than 20 years, Andy has been the legislative director of the AFL–CIO. He has served the labor movement with great distinction. But he has also served the whole country with equal distinction. He has shown that often against stiff odds the legislative process can be made to respond in the public interest if one devotes the necessary energy and makes the effort to learn how the process works.

Mr. Speaker, it is a privilege for me to be part of this tribute, and it has been a privilege to have known Andy Biemiller from those early days in Milwaukee all those years ago.●

● Mr. ROYBAL. Mr. Speaker, it is a distinct pleasure to add my words of tribute for Andy Biemiller, a former Member of this House.

While I did not have the privilege to serve with Andy during his tenure as a Member of the House of Representatives, I enjoyed the opportunity to know and work with him in his capacity as the legislative director of the AFL–CIO. Having served in this capacity for over 20 years, Andy has become a dynamic force within the labor movement.

His retirement now should come with a sense of pride and accomplishment, knowing that he has contributed greatly to the all-important effort to improve the quality of life for the working American.

My best wishes are now extended to Andy Biemiller as he prepares to reap the fruits of his labor in a well-deserved retirement. I would like to congratulate Andy on his distinguished career and wish him a long and enjoyable retirement—filled with good health and happiness.●

● Mr. HEFTEL. Mr. Speaker, the imprint left by Andy Biemiller after devoting over 25 years on Capitol Hill advancing the cause of labor is not likely to be washed away.

For over 40 years, Andy has been totally dedicated to the evolution of civil rights and has unflaggingly advocated social legislation. In victory and in defeat, Andy has always responded to the challenge of fighting for legislation that would benefit millions of people. He has been regarded, and not unjustly, as the single most effective legislative advocate in Washington.

We will miss Andy and his almost lost art of traditional lobbying, but the even greater loss will be to the AFL–CIO. We owe a unique debt of gratitude to this energetic man and hope that he enjoys his well-earned retirement.●

● Mr. DERRICK. Mr. Speaker, it is my pleasure to participate in this special order for the Honorable Andrew J. Biemiller, a distinguished former Member of this body, on the occasion of his retirement as legislative director of the AFL–CIO.

I know I need not tell those of my colleagues who were privileged to serve with Andy Biemiller of his outstanding abilities or the scope of his accomplishments. I am equally sure that it is not necessary to relate his achievements to the people of the Sixth District of Wisconsin, whom he so ably served. I know that they all join me in wishing Andy Biemiller a well deserved and rewarding retirement.●

● Mr. SEIBERLING. Mr. Speaker, I am happy to join in paying tribute to a man who has been one of the most effective advocates for the American worker that the past two decades have seen—Andrew Biemiller. On January 5, Andy retired after 22 years as the legislative director of the AFL–CIO, and I am just one of very many who would like to let him know that he will be remembered and appreciated for a very long time to come.

Perhaps to many of the Nation's rank-and-file workers, whose interests Andy worked so hard for, the significance of his role was unheralded. But to those of us here in Congress, Andy Biemiller was a persuasive force whose hard work and contributions to the labor movement never went unnoticed. And I have a feeling that his retirement is not going to keep him away from Capitol Hill for good. I hope we can continue to draw on his wisdom and insights.

Although employed by the AFL–CIO, Andy ably served the entire labor community. He devoted all of his talent, energy and resourcefulness to every issue he ever worked on. He was indefatigable. Even when the labor movement met with a setback in Congress, Andy just became all the more determined to fight for the principles to which he had devoted his life, and in the end he and those principles have usually prevailed.

I am glad I have come to know Andy Biemiller over these past few years. I have a tremendous amount of respect and admiration for him and I wish him success in all his future endeavors.●

● Mr. LONG of Louisiana. Mr. Speaker, it is hard to imagine a session of Congress without seeing Andy Biemiller in committee rooms and Members' offices.

A man of endless political courage and stamina, Andy Biemiller has been inextricably involved in almost every significant political issue in this half of the 20th century, from the passage of medicare and equal employment to the fight for health care for all Americans. While a Congressman from Wisconsin, Andy Biemiller was amongst the earliest proponents of civil rights legislation.

I met Andy Biemiller when I first came

to Congress in 1963. I quickly developed a great respect for his political savvy, parliamentary skills and ability to see through to the essential issues at hand. Few individuals have been a more persuasive voice or better ally. Andy seems to thrive on political challenges, and his many legislative victories attest to his effectiveness. I'm not saying he always won, but he never accepted or admitted defeat.

Andy Biemiller once said of Harry Truman, "He had more guts and was more down to earth than any guy I knew." The same could be said of Andy. It is with the greatest pleasure that I join with my colleagues in congratulating Andy on his outstanding career with the AFL-CIO. We will all miss him.●

● Mr. GIAIMO. Mr. Speaker, almost everyone who has been in and around the Congress for a year or more knows things simply are not the same today as they used to be. Sometimes that is good; sometimes not. But, in any event, they are vastly different.

Now, one more fixture is gone. And I, for one, do not like it one bit. I am going to miss Andy Biemiller. Even when I do not agree with him, I like to know what Andy Biemiller has to say about a subject because he is so dedicated and so knowledgeable.

Andy has been a part of the Washington scene for a third of a century, having served two terms as a Member of this body as Representative of the Fifth District of Wisconsin and a labor lobbyist for the rest of those years. Since 1956, he has been director of the legislation department of the AFL-CIO, a role in which most of us have known him.

He is more than a labor lobbyist and former Congressman, however. He has been a college professor, newspaperman, State legislator, and Presidential appointee.

As a member of the Wisconsin Legislature, Andy was fighting for better health care for everyone in the country in the middle 1930's. As a Congressman, he allied himself with the late Hubert Humphrey to press for a civil rights plank in the Democratic platform of 1948. As a lobbyist, he insisted on a fair employment practices section in the Civil Rights Act of 1964.

Thus, he was on the cutting edge of ideas to make the American dream come true for all Americans. He fought for things when they were unpopular.

It may be beyond the comprehension of some of us today that there ever should have been a question about a civil rights plank.

We all can understand the philosophy that Andy passed on in a recent interview. He said it comes from his friend and boss, George Meany, and he supports it fully and has lived by it:

"Don't beg, don't threaten, and don't assume that you're always 100 percent right."

One thing is 100 percent. That is, we all miss Andy Biemiller around here.●

● Mr. JOHNSON of California. Mr. Speaker, it is with great pleasure that I join with my colleagues in honoring a great man, a former colleague, and a personal friend, Andrew Biemiller. It is most fitting that we take time from our busy schedules to take note of the many accomplishments and achievements of this great American.

Although Andy is most widely known for his outstanding efforts as legislative director of the American Federation of Labor-Congress of Industrial Organizations, he had a very diversified career before taking over this important post. One of his first careers was in education. As a professor of history, Andy learned important skills which were to serve him well in the future. Little did he know at that time that he would help to write many pages of modern history in the years to come.

His political experience came first as a State assemblyman in Wisconsin and subsequently as a Representative from Wisconsin to the House of Representatives in Washington, D.C. Andy serve admirably as a Member of the 79th and 81st Congresses. He has been a long and loyal member and supporter of the Democratic Party and we trust that he will continue this association.

In addition to elective office, Andy also served in the executive branch first as the Vice Chairman to labor production under the War Production Board and later as a special assistant to the Secretary of the Interior.

This wealth of experience in addition to his natural intellect and and warm personality made him a most appropriate choice as the new legislative director of the AFL-CIO in 1956. Andy in partnership with George Meany and Lane Kirkland has molded that organization into a very effective and important influence on this Nation. The legislative accomplishments of the American Labor Movement are very much a product of the hard work and determination of one man—Andy Biemiller.

We here in the Congress who have worked with Andy over the years are sincerely going to miss him. We take this opportunity to honor him and pay tribute to all that he has done in behalf of the working man and woman. I want to wish him the very best for the future as he takes a very well deserved rest. I hope that he will continue to share his wisdom with those of us in the Congress as he undertakes new activities and responsibilities.●

● Mr. CORMAN. Mr. Speaker, Andy Biemiller has passed the torch and closed the door on a quarter of a century's public service to the labor force. His retirement brings to an end a distinguished career as labor's closest ally in Washington and most dynamic and effective representative of labor's commitment to a broad array of social legislation.

Andy's career covers a wide range of interests. He started as a university history professor who moved to Wisconsin and became a labor organizer. He later served in the Wisconsin State Assembly rising to a leadership position, and finally came to Washington first as an assistant to the vice chairman for labor production of the War Production Board and then as a Member of the 79th and 81st Congresses. In 1956, Andy assumed the responsibility of the chief labor representative for the AFL-CIO. By that time, he had made a firm commitment to the city of Washington, and I am pleased to know he plans to remain here and enjoy his retirement.

While Andy can be remembered for many major legislative triumphs during his service to labor, I will best recall his total dedication to the civil rights movement. Before I had the pleasure to know Andy, he was already a true friend of the civil rights cause. He was the principal architect, along with the late Senator Hubert Humphrey, in pushing through the civil rights plank at the 1948 Democratic Convention. He took a stand at a time when it was considered a liability to be counted on the side of civil rights leaders.

In 1964, I had the privilege to watch and work with Andy as he fought to have a fair employment provision written into the 1964 Civil Rights Act. His unrelenting determination paid off and his efforts rewarded with a law requiring fair employment for men and women of all races. There is no question that Andy was a prime force in labor's involvement in civil rights issues.

His presence will be missed by all who had the honor and personal privilege to work with him over the years. It is my hope that he will enjoy good health, happiness, and contentment in the years ahead.●

● Mr. PERKINS. Mr. Speaker, the AFL-CIO has announced the retirement of its vice president and legislative director, Andrew J. Biemiller.

Obviously the announcement was premature, for Andy Biemiller is very much alive—and he is the kind of fellow who does not retire.

As long as Andy has a conscious moment, I know he is going to be thinking about what can be done to improve the lot of America's working men and women.

He is going to be fuming about the high cost of health care for the ordinary people of the country. He is going to be looking at 6-percent unemployment and reminding anybody who will listen that the figure is too high.

He is going to keep telling us that we are not doing enough to stimulate the creation of new jobs, or to spur economic growth.

He is going to be telling us that programs for the poor and the elderly and the disadvantaged do not measure up to the standards of decency and compassion he believes reside in the hearts of the American people.

In this, I think we and the country are very fortunate. For we need a voice of his authority, and a man of his stature and credentials to remind us of who we are and of what this country is.

I consider myself privileged to have known Andy Biemiller and to have worked with him for 30 years.

Back in 1950, I thought it was something of a calamity when he was defeated for reelection to the House. But in hindsight, I wonder if it was not an opportunity for him to broaden his sights and his scope of influence.

In the years that followed, he served a constituency that was much larger than his Wisconsin district. He was no longer

hemmed in by district lines and State boundaries, but was free to fight for the things he believed in on a national and international scale.

As chief legislative spokesman for one of the great labor organizations of the world, he was able to bring the influence of the AFL-CIO to bear in any number of areas in which the needs of people could be met.

He has the wisdom to see that "labor" is not a water-tight compartment, isolated from all others in American society. "Labor" is people—people who need fair wages, decent working conditions, good medical care, good educational opportunitie, the safeguarding of their basic human rights. And at the same time, he recognized that "labor" is people who pay the taxes and pick up much of the tab.

So, in a real sense, Andy Biemiller has not been so much a "labor" man as a "peoples" man.

We can measure his effectiveness these last three decades by cataloging all the major pieces of legislation that have sought to bring some measure of financial security and economic opportunity to a great majority of our citizens.

Andy Biemiller is an intellectual who has not disdained the rough and tumble of the political process as a means of advancing social progress.

He is shrewd, he is persuasive, and he is tough. At the same time, he is decent, he is fair, and he is ever the gentleman.

Over the years, I have valued his wise counsel on many matters, including those beyond the strict "labor" field. Never once did he ever suggest any course that was anything but the most honorable, and never once did he ever press for any action that would not in some way promote the general welfare and the common good.

If now, at the age of threescore and twelve, he has decided to step aside and be a little less visible, I know that Andy has not abandoned one iota of interest in what happens to the working people of America, or in the poor or the elderly or the jobless, or the children. It is good that we will still have his counsel to call upon.

Mr. Speaker, years ago Thomas Riley Marshall delivered a line that went, "What this country needs is a good 5-cent cigar." Today, I want to update that and say, "What this country needs is a permanent Andy Biemiller."●

● Mr. DICKS. Mr. Speaker, I want to take this opportunity to add my deep appreciation for the long and dedicated career in public service which Andy Biemiller has given to this Nation and its workers.

First, as a member of this body, and for 23 years as the legislative director of the AFL-CIO, Andy Biemiller has worked for improvement in the conditions faced by the working person. Over the last quarter of a century we have seen great strides in the treatment of our most essential resource, the labor of our people.

The Congress has enacted legislation improving the safety of working conditions which have resulted in thousands of lives saved and disabilities avoided. We have continued to provide a minimum wage that helps insure that those on the lowest end of the income scale will have a better chance to meet life's necessities through productive labor instead of through welfare dependence.

All of our efforts have not been successful. Some have run into the harsh realities of limited resources. But while there have been many able champions of the interests of the average American worker in the Congress, there has been no more effective advocate than Andy Biemiller. While I only served in the Congress during the last 2 years of his tenure as legislative director, the legacy he has built will make his influence felt far beyond the time that I will leave this body.

I know Andy will continue in retirement to fight for the rights of the American worker. I wish him Godspeed.●

● Mr. DANIELSON. Mr. Speaker, I rise to express my admiration and best wishes to Andy Biemiller on this occasion of his retirement after more than 20 years as legislative director for the AFL-CIO.

Andy, of course, had a distinguished career for many years before going to work for the AFL-CIO—as a teacher, a union organizer, State legislator, Member of Congress, Federal official, and public relations counselor.

From my own vantage point, I know that Andy Biemiller will be sorely missed as a friend, and as an effective and valuable advocate of labor's point of view. He has always been extremely helpful and well informed when issues of importance both to labor unions and to his fellow man are before the Congress.

Andy Biemiller is a compassionate, understanding, and purposeful champion of those who need help the most. I wish him long health and happiness in whatever endeavors he chooses to undertake in the future.●

● Mr. RANGEL. Mr. Speaker, with the coming of the new Congress, labor has lost its most effective voice to Congress, and Congress has lost a valuable source of information and support. Andy Biemiller has been a help to us all. Always a champion of the poor and the minorities, Andy combined his experience as a legislator, his knowledge of his area, and his special capacity to work with people to make himself one of the most respected and most effective lobbyists on Capitol Hill.

Andy has been fighting for the wage earners in the country for as long as anyone can remember. In the 1930's he was fighting in the South to organize labor. In 1948 he was fighting alongside the late Hubert Humphrey to include a landmark civil rights plank in the Democratic platform. Since then, he has fought countless other battles for the working poor. Those battles will not be forgotten.

The legislative process will be that much harder for the want of Andy's experience and expertise. I join my colleagues in wishing him the best in his retirement, and success in whatever endeavors he chooses to apply himself.●

● Mr. MAZZOLI. Mr. Speaker, with the retirement of Andrew J. Biemiller, America's working men and women have lost a strong advocate and a dedicated spokesman. And, Capitol Hill has lost one of its most tireless and energetic lobbyists.

Andy Biemiller's service spans some 34 years. He first came to the Hill as an elected Member from Wisconsin in 1944. After some ups and downs at the ballot box, Andy left electoral politics but stayed in Washington and became legislative director for the AFL-CIO in 1956.

Not only has he worked hard to protect the rights of America's working men and women, but he has fought long and hard for the rights of all Americans.

His leadership and knowledge of the issues will be missed.

Best wishes to you, Andy, for a healthy, happy, and prosperous retirement.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Andrew J. Biemiller, former Member of Congress from the State of Wisconsin, who has retired as the legislative director of the AFL-CIO. I am proud to call him my friend. His respect for and understanding of the needs of working Americans and those disadvantaged by fate are reflected by his splendid record of accomplishment during his long and distinguished career.

Andy Biemiller began his life of exemplary leadership as a delegate to the Philadelphia Central Labor Union in 1929, and beginning in 1932, as a labor-relations counselor, organizer, and executive board member of the Milwaukee Federation of Trade Councils and the Wisconsin State Federal of Labor. He was a member of the Wisconsin State Assembly from 1937 to 1942, and was a floor leader from 1939–1941.

In 1941, Andy was appointed special assistant to the vice-chairman for labor production of the War Production Board, where he remained until 1944. He was then elected to a seat in the House of Representatives, and served in both the 79th and 81st Congresses. From 1951 to 1952, he was a special assistant to the Secretary of the Interior, and then went on to serve as a member of the legislative committee of the American Federation of Labor. It was in 1956 that he was elected the Director of the AFL-CIO legislative department.

Andy has also served as a member of the Citizens Advisory Committee of the Outdoor Recreation Resources Review Committee, a member of the National Petroleum Council, a Labor Adviser to the U.S. delegation to the General Agreements on Tariffs and Trade Conference, and a member of the Labor-Management Advisory Committee for the Atomic Energy Commission.

Andrew J. Biemiller has dedicated his life to the betterment of his fellow citizens and compiled an outstanding record on civil rights and health care legislation for all Americans during his distinguished career. His diligent efforts have been both fruitful and beneficial to the citizens of this Nation, and indeed, these successful efforts have made America a more prosperous and productive country.

I extend to Andy my warmest best wishes for a long, healthy and well-deserved retirement.●

● Mr. BROOKS. Mr. Speaker, our former colleague Andy Biemiller retired from the Congress in 1951. Although he

moved onto other duties, he never really left the Congress.

In the intervening years he has been virtually a fixture in the Capitol, the buildings and the individual offices of the Congress as he put his formidable knowledge and ability to work for the Workers of America.

Andy's advocacy for the interests of the working men and women of this country and of the unions in the AFL-CIO is exemplary. Even as a strong advocate for a special interest group, Andy Biemiller never forgot the realities that we work with here in Congress. He was able to blend those realities with the goals of his organization to achieve workable solutions and programs. He also has never forgotten the needs we have as Members of Congress for accurate and reliable information. In my many dealings with him he has always been candid and forthcoming.

If an individual were to come to me who has just become a lobbyist and ask me how he can best perform that function I would recommend he emulate Andy Biemiller. If he did he would know that honesty and integrity are equally as important as the merits of the programs or legislation being promoted. He also would learn that to be a successful lobbyist, or advocate, one must know the limitations imposed on an individual legislator by his district and his constituency.

Andrew Biemiller has always been a realist. He has managed to keep an awareness of the intricacies of the Congress and the problems its members face. He also has been blessed with the enviable situation that he represents a constituency he understands, respects and loves—the working people of our Nation.

I wish him well as he embarks on a new career, for I am sure he is not going to just sit back and enjoy the leisure he has so justly earned. Whatever he does we can be sure that all Americans will benefit from those efforts.●

● Mr. LELAND. Mr. Speaker, I am pleased to join in this special order honoring such a fine distinguished gentleman as Andy Biemiller.

Mr. Biemiller has achieved a record of high esteem both as a legislator and a legislative adviser. His persuasive abilities are respected by all Members of the Congress.

He has been actively involved in the enactment of civil rights legislation through the AFL-CIO and in the entire area of Socio-economic reform. Biemiller also fought for the national health insurance plan as early as 1937 and is still actively involved in that struggle.

Mr. Biemiller will be missed on the Hill as one with a reputation for not accepting "No" as an answer. Andy is a great inspiration to me and I am sure the AFL-CIO will suffer a great loss by not having his day-to-day advice.●

● Mr. ZABLOCKI. Mr. Speaker, my friend and our former colleague from Milwaukee, Mr. Andy Biemiller, recently announced his retirement as legislative director of the AFL-CIO.

I had the privilege of serving with Andy Biemiller in the 81st Congress when he represented the Fifth Congressional District of Wisconsin, which is adjacent to my own Fourth District of Wisconsin. At that time we were the only Democrats in this House from the State of Wisconsin. I remember an interest of Andy's which later paid off in his work in the Congress as well as in future accomplishments with the Democratic conventions and with the AFL-CIO. Andy was an ardent student of parliamentary procedure, and he used his expertise in this field to steer his programs to adoption.

Andy was and still is well informed not only with respect to his own position, but with respect to his opponents. He is persuasive and demanding and rarely gives up. As a matter of fact, I have heard Andy assert, rather proudly, that because of his "tutelage" I have the best labor voting record in the Midwest! I won't quarrel with Andy in this assertion, but I will point out that we have had no major differences on primary legislative issues over the years.

Mr. Speaker, I recently had the privilege of attending a dinner organized by the Leadership Conference on Civil Rights in which the organization's Hubert H. Humphrey Civil Rights Award was bestowed upon Andy Biemiller. Andy fought long and hard for liberty and justice for all. He also dedicated his life toward the betterment of the working man, and few would agrue that he is to be commended for a job well done.

I might add that Andy and I long ago discovered that we have a common hobby—gardening. However, Andy's speciality is roses and mine is vegetables. When he would proudly display his roses I would remind him that he had more time to tend to his roses. And naturally I have found occasion to advise him that he cannot eat his roses but I can eat my lettuce!

On a more serious note, I can attest that Andy Biemiller will be missed in the Halls of Congress, and by the millions of members of the AFL-CIO. I extend my personal and sincere best wishes to Andy and his lovely wife Hannah. May they have a happy retirement and enjoy many years with their children and grandchildren.●

FEDERAL REIMBURSEMENT TO CITIES FOR FOREIGN MISSION PROTECTION EXPENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing a bill to direct the Secretary of the Treasury to reimburse State and local governments for providing police protection with respect to foreign diplomatic missions and certain foreign officials. This bill is similar to H.R. 14261, which I introduced in the 95th Congress.

In December 1975, Congress enacted the Foreign Missions Protection Act, Public Law 94-196. Public Law 94-196 amended section 202 of title 3 of the United States Code to add foreign diplomatic missions outside of the District of Columbia to the protective responsibilities of the Executive Protective Service, which now is called the U.S. Secret Service Uniformed Division.

In the report to accompany S. 2796, which became Public Law 94-196, the Senate Committee on Public Works made the following observation:

> A strong national interest exists in assurthe safety of foreign officials visiting the United States, whether those visits are to Washington, D.C., or other areas of the United States. Developments since the passage of P.L. 91-217 demonstrate the need for protective services wherever a substantial number of foreign missions exist. As this need has increased—and it could increase still further—local communities should no longer be forced to bear the full cost of what is essentially a national obligation.

To help local communities with the expenses of this "national obligation," Public Law 94-196 included a provision for Federal reimbursement of State and local services, personnel, equipment, and facilities for "extraordinary" protective functions.

The key to the 1975 law is the word "extraordinary." The law does not reimburse State and local law enforcement agencies for routine protection of diplomatic missions. Reimbursement under Public Law 94-196 is subject to three criteria: First, there is an extraordinary protective need; second, the affected metropolitan area requests reimbursement; and third, the extraordinary protective need arises in association with a visit to or occurs at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such organization.

The Foreign Missions Protection Act of 1975 also established an authorization limit for reimbursement of $3.5 million for any fiscal year. In addition, only cities with 20 or more foreign missions are eligible. Cities meeting this requirement include: Chicago, Houston, Los Angeles, Miami, New Orleans, New York, and San Francisco.

In an effort to learn how Public Law 94-196 has been implemented, I wrote the following letter in June 1978 to Richard J. Davis, the Assistant Secretary for Enforcement and Operations of the Department of the Treasury:

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., June 12, 1978.*
>
> Hon. RICHARD J. DAVIS,
> *Assistant Secretary, Enforcement and Operations, Department of the Treasury, Washington, D.C.*
>
> DEAR MR. DAVIS: I am the Representative for the 18th Congressional District in New York. This district in New York City includes the United Nations and a number of foreign diplomatic missions.
>
> In February, 1978, you testified before the House Appropriations Subcommittee on the Treasury, Postal Service, and General Government Appropriations. At page 298 of the Subcommittee's hearings on the FY 1979 budget request for the Department of the Treasury, Chairman Steed asked about the extent of payments to local governments for their help in guarding foreign nationals. He was referring to implementation of Public Law 94-196.
>
> Mr. H. Stuart Knight, Director of the Secret Service, responded that one request under P.L. 94-196 had been received from New York City and that it had been reviewed and favorably recommended. You then added to his comments: "That has been received by my office, and I think we are just checking a couple of points. It should be processed within the next several days."
>
> This testimony gives rise to three questions I would like to have answered: (1) What were the facts surrounding the request from New York City referenced in the hearing, and what is the present status of that request? (2) Since the enactment of P.L. 94-196, how many requests have been made by New York City, and what has been their disposition? (3) Since the enactment of P.L. 94-196, what States and local governments have made requests, and what has been their disposition?
>
> Thank you for your considerate attention.
>
> Sincerely,
>
> S. WILLIAM GREEN,
> *Member of Congress.*

Assistant Secretary Davis responded with the following information:

> DEPARTMENT OF THE TREASURY,
> *Washington, D.C., July 12, 1978.*
>
> Hon. WILLIAM GREEN,
> *U.S. House of Representatives, Washington, D.C.*
>
> DEAR MR. GREEN: This responds to your letter of June 12, seeking information concerning the implementation of Public Law 94-196 which provides for the reimbursement to State and local governments of certain expenditures in cases of extraordinary protective need involving foreign diplomatic missions. You posed two questions concernthe implementation of P.L. 94-196 with regard to New York City and one question concerning requests from other State and local governments.
>
> The Treasury Department has received two submissions under P.L. 94-196 requesting reimbursement for protective assistance rendered by the City of New York. The disposition of these requests is discussed below.
>
> The initial submission of New York City was made on September 29, 1976, for extraordinary protective needs existing from July, 1974, to September, 1976. The total amount requested for reimbursement was $1,289,921. On January 10, 1977, a revised request for reimbursement was submitted. The total amount of this first request was raised to $2,451,358.78, which included the cost of protection at locations other than foreign missions or temporary domiciles and the cost of protection during travel between locations.
>
> On January 24, 1977, Mayor Beame was informed that both of the requests from the City of New York had been received, but further detail was needed before a determination regarding reimbursement could be made. It was also explained that reimbursement could only be made if the extraordinary protective need arose in association with a visit to or occurred at a permanent mission to an international organization of which the United States is a member, an observer mission invited to participate in the work of such an international organization, or a place of temporary domicile in connection with such a visit. Therefore, the cost of protection at any other locations or during travel between locations was not reimbursable.
>
> On April 6, 1977, New York City submitted a further updated and revised request for reimbursement. As a result of eliminating the cost of protection at locations not covered by the provisions of the law and the cost of protection during travel between locations, the amount of this request for reimbursement was reduced to $1,220,302.71. In addition, it was determined that $1,536.55 for escort services had also been included. Since escort services are not covered by the provisions of the law, that amount could not be reimbursed. The adjusted total reimbursed was $1,218,789.16.
>
> The greater part of the submission from New York City, which was pending at the time of our appropriations hearing, was approved on March 15; and we advised Congressman Steed, Chairman of our Appropriations Subcommittee, of that action. New York City had made the request, its second since enactment of the law, on December 29, 1977, seeking reimbursement for the cost of extraordinary protective needs incurred during the visits of three different foreign Heads of State to the United Nations during the period April through July, 1977. The request was for $80,569.62, and we authorized reimbursement of $65,366.31.
>
> Most of the reduction, $13,694.12, was caused by New York's combining of possible reimbursable costs with others which are not reimbursable, thus, making it impossible for us to distinguish between the two and authorize a larger payment. I advised Mayor Koch that further reimbursement may be made if New York City makes the appropriate distinctions between the cost of protective assistance for the United Nations complex (not reimbursable) and that for United Nations missions or temporary domiciles. We have not yet received any additional, distinguishing information.
>
> Other reductions, involving several mathematical errors in the computation schedules, necessitated a reduction of $699.17 from the total.
>
> As in the first request in 1976, another problem arose from the eligibility provisions of Public Law 94-196, requiring that the extraordinary protective need arises in association with a visit to or occurs at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such an international organization. This would not include reimbursement for protection rendered at the international organization itself, i.e., the United Nations. Therefore, $810.02 for assistance provided at the United Nations was deducted from the total submitted.
>
> You should also note that an additional amount, $36,813.49, was claimed separately for escort services provided by the N.Y.P.D.; but it was found not to be payable under Public Law 94-196.
>
> We have not yet received any additional requests for reimbursement from New York City, but we anticipate receiving one shortly. Furthermore, I have recently discussed the matter of reimbursements with Commissioner McGuire of the New York Police Department; and Treasury is carefully reviewing the statute and the implementing regulations to ensure that New York City is receiving fair and equitable treatment within the requirements of the statute.
>
> The City of New York has been the only jurisdiction to request assistance under Public Law 94-196. Other metropolitan areas have requested information concerning the reimbursement provisions, but no submissions have ever been received. The Secret Service has also received requests from State and local governments for reimbursement for assistance rendered under circumstances other than those covered under P.L. 94-196. However, no such reimbursements have been made since there is no authority to do so.
>
> I hope this information is of assistance to you. If you have any further questions, please contact me.
>
> Sincerely,
>
> RICHARD J. DAVIS,
> *Assistant Secretary, (Enforcement and Operations).*

This response from Assistant Secretary Davis underscores the Treasury Department's narrow interpretation of Public Law 94-196. Indeed, Mayor Koch's office points out that the Secretary of the Treasury disallowed $1.3 million in claims submitted by New York City last year for police protection related to the visit of a foreign dignitary. Further, the mayor's office anticipates that an additional $1 million will be disallowed.

The Treasury Department's reluctance to approve claims filed under the "extraordinary" protection provisions of Public Law 94-196 is at odds with the broader view of implementation of this legislation enunciated in the Senate Public Works Committee's report on the original measure (S. Rept. 94-573):

> Whenever possible the Executive Protective Service should utilize local police agencies in fulfilling the duties outlined in this bill. Local police are more knowledgeable about local conditions than officers sent from Washington. And the cost savings from the use of local officers could prove substantial. The cost in salary, transportation, and benefits of sending one Executive Protective Service officer to New York City for one week is estimated by the Treasury Department at $700, or an annual rate of about $36,000. That is approximately twice the cost, in salary and benefits, of using one New York City policeman. The cost savings would be proportionally greater at locations more distant from Washington.

As I noted earlier, that same committee report emphasized that "local communities should no longer be forced to bear the full cost of what is essentially a national obligation." New York and the other six cities that provide police protection to 20 or more foreign missions are performing a national service that otherwise would be the responsibility of the Federal Government. In effect, local law enforcement personnel are "filling in" for Federal authorities.

Each year, New York City spends approximately $7.9 million providing normal daily police protection to foreign missions, consulates, residences, and private properties, as well as intracity travel coverage for visiting foreign dignitaries. I believe that New York City and the other cities providing such protection should be reimbursed by the Federal Government for the expenses they incur in furnishing regular police coverage. The bill I am introducing would authorize Federal reimbursement to States and local governments for this daily police protection. However, reimbursement would not be available for services provided with respect to a foreign diplomatic mission if the local government routinely provides the same or similar services with respect to other buildings or facilities which are located in the area near the foreign mission. Thus, if a local law enforcement official stands guard in front of a foreign mission, the local government could be reimbursed for this service. In contrast, if the local law enforcement official patrols a neighborhood routinely where there happens to be a foreign mission, the local government could not be reimbursed for this activity.

My bill would remove what I consider a Federal financial responsibility from the budgets of seven major cities. This would free funds to be used for other necessary local law enforcement expenses or other budgetary priorities.

For the benefit of my colleagues, the text of the bill follows:

H.R. 1789

A bill to direct the Secretary of the Treasury to reimburse State and local governments for providing certain protection with respect to certain foreign diplomatic missions located in the United States and with respect to certain foreign officials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the Secretary of the Treasury shall reimburse State and local governments—

(1) for providing protection on a regular basis with respect to foreign diplomatic missions located in metropolitan areas (other than the District of Columbia) in the United States where there are located twenty or more such missions headed by full-time officers; and

(2) for providing protection with respect to any foreign official during any period—

(A) when such an official is conducting business or other activities associated with a foreign diplomatic mission referred to in paragraph (1) in a metropolitan area referred to in such paragraph; or

(B) when such an official is conducting business or other activities at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such organization and which is located in a metropolitan area referred to in paragraph (1).

(b) No reimbursement shall be made under subsection (a)(1) for services provided by a State or local government with respect to a foreign diplomatic mission if such government routinely provides the same or similar services with respect to other buildings or facilities which are located in the area near such mission and which are not used as foreign diplomatic missions.

(c) The amount of reimbursement to be made to any State or local government during any fiscal year under subsection (a) shall equal the aggregate of all costs incurred by such government during such fiscal year in providing protection referred to in subsection (a).

SEC. 2. The Secretary of the Treasury may issue such regulations as he deems appropriate to carry out the purposes of this Act.

SEC. 3. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act for the fiscal year ending on September 30, 1979, and for each succeeding fiscal year.●

GOLDA MEIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 10 minutes.

● Mr. HARRIS. Mr. Speaker, Golda Meir died shortly after Congress adjourned, but I wanted to speak briefly to my colleagues about this rare national leader who concerned herself with the fate of all Jews the world over.

Although Zionism was her core thought, her hopes reached far beyond. She left America to help create a homeland for all Jewish people. She thrust herself into the work of the kibbutz, showing no fear of getting her hands dirty.

This extraordinary woman, throughout her life of leadership, sought mutually beneficial Middle East relationships. As peace hovers on the horizon today, we can gain satisfaction in knowing that Golda Meir will be listed in history as its primary architect.●

JOINT RESOLUTION ON TAIWAN DEFENSE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. WOLFF) is recognized for 30 minutes.

GENERAL LEAVE

Mr. WOLFF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Recently, Mr. Speaker, I introduced legislation in the House regarding the joint resolution on Taiwan. This is similar to the resolution that was introduced by both Senator KENNEDY and Senator CRANSTON in the other body. Today we have more than 80 Members of this House who have joined in this resolution.

The language of the joint resolution clearly expresses what I feel is the concern of the great majority of the American people over the administration of this Congress, namely that the future peace and prosperity of Taiwan is and will remain a legitimate concern of the United States.

The importance of the joint resolution thus is correspondingly clear: It gives the force of law to our concerns for Taiwan and is an important step in reassuring the people on Taiwan of our serious intentions in their regard. The fact that we are moving to meet realities in Asia does not mean that we are moving away from the people of Taiwan but, rather, the opposite—that in moving to meet the realities in the region we are also moving to safeguard the continued peace and prosperity of the people of Taiwan. Without formal recognition of the People's Republic of China, achievement of this goal had to remain in doubt. Now, with a new realism in both Washington and Peking, the interests of the entire region cannot but be better addressed.

On missions to Asia in the past 2 years, in my capacity as chairman of the Subcommittee on Asian and Pacific Affairs, the leaders of nations counted on as our friends, allies and trading partners have repeatedly stressed that they too look to a peaceful solution to the future of Taiwan. This is an important point and one which I feel the leaders in Peking clearly recognize and have responded to.

On our mission to Peking last July we met for nearly 2 hours with Senior Vice Premier Teng Hsiao-ping, who is in the United States this week. In our conversations with the Vice Premier in Peking and subsequently in the United States, the interests of the United States regarding the future peace and prosperity of Taiwan and the need for continued stability in the region were fully discussed.

Our delegation was encouraged by the Premier's words at that time and the words subsequently which he has repeated, and which I have been told by Secretary of State Vance and Assistant Secretary Holbrooke aided greatly in moving forward the important and historical process of the normalization announced September 15 by President Carter. Speaking to our delegation last July, the Vice Premier repeatedly said that in seeking a peaceful solution to the future of Taiwan, Peking would recognize what he termed the "realities" of U.S. interests on Taiwan. He specifically endorsed continued U.S. trade and social relations with the people of Taiwan along the lines which had been pursued since 1972 by Japan, a major trade partner of Taiwan. Since then, the Vice Premier has stated that the people of Taiwan should continue their own self government, maintain their own self defense, and continue their own economic system.

Thus I think it is clear that the leadership of the People's Republic of China is well aware of the united interest of their Asian neighbors, and of Taiwan's western trading partners, in a peaceful settlement to Taiwan's future.

□ 1200

It is true that while Chinese leaders have steadfastly refused to rule out the use of force on Taiwan, they have always accompanied such statements with expressions of a desire to create peaceful conditions. Indeed, it was within the context of peaceful conditions that the Vice Premier commented on the intention of the United States to continue to sell defense equipment to Taiwan once the Mutual Defense Treaty has expired. This is a legitimate concern and one which the President has addressed in his decision to continue to supply Taiwan with defensive weapons, and his equally evenhanded determination not to sell offensive weapons to the People's Republic of China.

Mr. Speaker, at this point, I should like to include in the RECORD the contents of the joint resolution.

H.J. RES. —

Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes

Whereas the governments of the United States and the People's Republic of China on January 1, 1979, recognized each other and establish diplomatic relations;

Whereas the President on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

SECTION 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

Mr. Speaker, actually what I would like to do is to reiterate the determination of the United States to find a peaceful solution to this vexing problem.

Recently, Mr. Speaker, one of the Members of this body sent a letter around to the Members of the House stating opposition to the resolution, and that was the gentleman from Illinois (Mr. FINDLEY).

One objection the gentleman from Illinois (Mr. FINDLEY) apparently has raised with the so-called Kennedy-Wolff resolution on Taiwan is that the resolution contains "no effective congressional safeguards." Although he allows as how Kennedy-Wolff requires that action must be "in accordance with constitutional processes and procedures established by law," he points out that this resolution "will not require the President to come to Congress before sending U.S. forces to Taiwan."

What, exactly, are these "procedures established by law"? And, if that is true, as the gentleman from Illinois (Mr. FINDLEY) says, that Kennedy-Wolff "will not require the President to come to Congress before sending U.S. forces to Taiwan," why is this?

Mr. Speaker, in 1973 the Congress passed House Joint Resolution 542, the so-called war powers resolution. I am proud to say that I supported the war powers resolution at that time. It is also interesting to note that one of the principal cosponsors of this resolution was the gentleman from Illinois (Mr. FINDLEY). And, not only was he a cosponsor, but he argued eloquently and effectively for its passage on the floor of the House; and when it became time to resolve the differences between the House version and the version passed by the other body, the gentleman from Illinois (Mr. FINDLEY) was, indeed, a conferee. The passage of this important resolution was due in large part to the efforts of my distinguished colleague, the gentleman from Illinois (Mr. FINDLEY).

So he was an architect of the war powers resolution. Yet, today, he would have us believe that House Joint Resolution 542 is somehow inadequate. He would have us believe that this "procedure established by law" which he said would serve this Nation so well in time of national emergency, is, somehow, inapplicable to the Kennedy-Wolff resolution on Taiwan.

It is true that Kennedy-Wolff does not require the President to come before this Congress before committing troops to the defense of our interests on Taiwan. But why is this? It is so because the provisions of the war powers resolution, cosponsored by the gentleman from Illinois (Mr. FINDLEY) do not require that the President do this. But if this is a reason for opposing Kennedy-Wolff, then it is a reason for also repealing the war powers resolution. Yet I do not think that this Congress, nor indeed the gentleman from Illinois (Mr. FINDLEY) would advocate this.

But is it correct to state that the gentleman from Illinois (Mr. FINDLEY) has now switched his allegiance from war powers? I think not, if we review just briefly what he himself has said about this monumental legislation.

During general debate on the passage of the war powers resolution, the gentleman from Illinois (Mr. FINDLEY) stated:

I think this bill approaches the problem in a very rational manner, recognizing that there will be certain circumstances in which future Presidents will act without getting advance authority from the Congress in committing forces beyond our borders, but it provides a couple of, I think, very reasonable and very rational safeguards.

That is from the CONGRESSIONAL RECORD of June 25, 1973, at page 21218.

He goes on to state, on that same page:

The war powers resolution of 1973 contains the machinery to assure more effective participation by Congress in future national decisions involving war and peace. [P. 21218]

□ 1205

Furthermore, the gentleman from Illinois (Mr. FINDLEY) argued for the passage of the war powers resolution because, and again I quote the gentleman from Illinois (Mr. FINDLEY):

You can establish rules which will enhance the likelihood that in . . . future circumstances . . . before fighting breaks out—Congress will receive promptly a formal written report from the President . . .

Mr. Speaker, I interject by stating that is exactly what this resolution proposes to do, and we will require a formal report from the President.

I continue to quote the gentleman from Illinois (Mr. FINDLEY). He went on to say the following:

. . . detailing and justifying the steps he has ordered. Upon such a report hearings could be expected. Congress, if it deemed such advisable, could pass judgment on the wisdom, propriety, constitutionality, and necessity of the action reported.

That is from page 21219 of the CONGRESSIONAL RECORD.

Mr. Speaker, I submit that nothing in the Kennedy-Wolff resolution contravenes any of this, the assertions which the gentleman from Illinois now makes to the contrary notwithstanding.

Perhaps the gentleman from Illinois (Mr. FINDLEY) has changed his mind in the 6 years since the passage of the bill for which he labored so diligently. But how do we account for this passage after debate? The gentleman from Illinois was quoted at that time as saying the following:

. . . the war powers resolution provides a means of preserving congressional authority and augmenting congressional control in an area that presently is not subject to effective control through Congress' traditional oversight powers. It strengthens the checks and balances which the Founding Fathers put at the base of our political system.

That is from page 21221 of the CONGRESSIONAL RECORD.

Mr. Speaker, the gentleman from Illinois (Mr. FINDLEY) supported this resolution at the time of its passage; and I submit that circumstances have not changed in the intervening years.

Far from legislating a vague U.S. defense obligation into the indefinite future, as the gentleman from Illinois would have us believe from his communication, Kennedy-Wolff is consistent with war powers, is consistent with our national interest, is consistent with constitutional doctrine, and is a reasoned, well-balanced approach which safeguards the interests, concerns, and expectations of the United States.

Mr. Speaker, the gentleman from Illinois (Mr. FINDLEY) is implying that he does not like the discretionary authority given to the President under war powers. His argument is not with Kennedy-Wolff, for under war powers, the President could act first and then consult Congress, whereas under Kennedy-Wolff he is required to inform the Congress of dangers to Taiwan.

Mr. Speaker, I suggest that the gentleman from Illinois reread sections 1 and 2 of Kennedy-Wolff if he still has a problem. If he now has abandoned the bill which he worked so hard to pass, then he should move to amend the war powers resolution.

In sum, then, it is clear that the long-range interests of all nations is in a peaceful settlement of Taiwan's future. From our mission to Peking in July, and from our recent mission to Taipei, from which I just returned, following the President's normalization announcement, I feel that leaders on both sides of the Taiwan Straits want and desire a peaceful future for their people, a future which will safeguard economic and social development, and will also safeguard the interests of the United States which are prime in this concern.

Mr. Speaker, it is within this context that I have offered this joint resolution to the House today, so that the continued determination of the people of the United States is clearly stated, not to be misunderstood by any of the parties concerned, and that any atmosphere of uncertainty regarding U.S. intentions can be alleviated insofar as possible, and appropriate, by the Congress.

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to share my views with my fellow colleagues on the subject of Taiwan.

As you all know, the United States has undertaken a major revision in policy toward the Republic of China, as a result of the resumption of diplomatic relations with the People's Republic of China by

President Carter. In light of our historic as well as current relationship with Taiwan, I urge that the Congress join with me in supporting the joint resolution sponsored by Congressman WOLFF in the House, and Senators CRANSTON and KENNEDY in the Senate, expressing the sense of the Congress that it is within the interest of the United States to remain pledged to safeguard the interests, concerns and welfare of Taiwan and to work to maintain peace and security in all of Southeast Asia.

It is to our benefit that the United States not forsake Taiwan, its ally of 30 years duration. Strategically, continued participation in Taiwan's security maintains and demonstrates American interests in the area. In addition, Taiwan represents one of the most advanced economies in Asia with a real growth rate of more than 5 percent. In fact, Taiwan is our eight largest trading partner. Furthermore, Taiwan has also made some positive response to the Indochina refugee problem, and has ordered all its naval and merchant ships to pick up Indochinese "boat people" in distress on the high seas, and bring them back to Taiwan. Hopefully Taiwan will eventually provide even more humanitarian assistance to this beleaguered group, many of whom are ethnic Chinese.

Politically, it is in the continued interest of the United States to demonstrate, to our allies and associates, that the U.S. Congress, as a coequal branch in the formulation of American foreign policy, does not lightly view the long tradition of trust and friendship that has existed between the peoples of Taiwan and the United States. In the months ahead, the Congress will be carefully examining the proposed changes in our relationship with Taiwan and the People's Republic of China and just what changes it views as being within our best mutual interests. Therefore, I once again urge that you join with us in supporting this resolution pledging continued support for Taiwan.●

Mr. WOLFF. Mr. Speaker, I yield back the balance of my time.

EXTEND TO INDIVIDUALS CERTAIN PROTECTION AGAINST THE UNWARRANTED INVASION OF THEIR PRIVACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, one of the final actions of the 95th Congress was to extend to individuals certain protection against the unwarranted invasion of their privacy by the Federal Government when the Government wishes to obtain their financial records from a bank. Section 1104(d) of the Right to Financial Privacy Act requires that "financial institutions shall promptly notify all of their customers of their rights under the act." In the same subsection the Federal Reserve Board is instructed to develop a statement of an individual's rights and any bank using that statement to notify its customers will be in compliance. Some have construed the language to mean that a financial institution is required to notify all of its customers, past and present, of their rights in order to comply with the requirements of section 1104(d). In January the chairman of the House Banking, Finance and Urban Affairs Committee, HENRY REUSS, and the chairman of that committee's Subcommittee on Financial Institutions, the Honorable FERNAND ST GERMAIN, and I sent a letter to G. William Miller, Chairman of the Federal Reserve Board, clarifying "that the intent of the Congress in including section 1104(d) was to insure that only current customers of any institution receive notification of their rights under the act." A copy of that letter follows.

In responding to our letter, the Chairman of the Federal Reserve Board on January 17 informed us that requiring notification of current customers of financial institutions is "a sensible approach to informing individuals of their privacy rights, and would eliminate unnecessary costs and burden to financial institutions." His letter goes on to suggest that financial institutions should notify customers of their rights at the time that Government requests access, but notice is already provided for in other sections of the act and requires that the Government not the financial institution be responsible for notifying a customer of his rights at the time of access. The approach of the Board's Consumer Advisory Council would merely duplicate this requirement and place an added, unnecessary burden on the financial institution. A copy of Mr. Miller's January 17 letter also follows.

In order to remedy the situation, I am, along with cosponsors, today introducing legislation which will clarify that section 1104(d) of Public Law 95-630, was intended to achieve notification of an institution's active customers only. By using the term "active" we wish to minimize the paperwork burden on financial institutions, and the cost, while at the same time fulfilling the purposes of the act. We do not intend to require that any financial institutions make any special mailing to comply with this notice requirement. Instead, an institution that chooses to notify via mail may notify its customers when it has a routine contact with them. For example, institutions that mail their customers' monthly, quarterly or yearly statements could include the notice in their statement and be in compliance. Institutions which do not have regular mailings to each of their customers, such as credit card issuers that bill only when a customer incurs charges, could select a month in which to mail notices to those customers that receive a bill in that month. This would be sufficient. Institutions, such as consumer finance companies, which do not have contact with some of their customers by mail could comply by providing the notice when a customer next visits the company's office. Credit unions operating at a plant location might choose to hand out a flier or post a notice on the bulletin board. Institutions with regular, in person, contact with customers might put a placard in the office and make notices available at their offices.

This list is not meant to be exhaustive; it is designed to illustrate ways institutions may comply with the notice provisions by making good faith efforts to notify their active customers. Of course, new customers should be provided with the notice when their account is opened.

After extensive consultation with industry representatives during the development of the Right to Financial Privacy Act, language was developed that allowed maximum flexibility to financial institutions in devising methods of notifying their customers of the existence of new privacy rights. We hope that such a notification will go forward to the institution's active customers.

The referenced letters and a copy of the bill follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 11, 1979.

Hon. G. WILLIAM MILLER,
Chairman, Federal Reserve Board,
Washington, D.C.

DEAR MR. CHAIRMAN: Sec. 1104(d) of Public Law 95-630 requires that all "financial institutions," as defined in Sec. 1101(1), promptly notify all of their customers of their rights under Title XI, Right to Financial Privacy. While necessary to insure the effectiveness and implementation of all other sections of Title XI, the definitions of "customer" in Sec. 1101(5) when applied to Sec. 1104(d) seems to expand the notification of customer requirement beyond the intention of the Congress. Should a strict constructionist view of the law prevail, the cost, paperwork and time necessary for compliance would be unjustified.

During hearings conducted by the Subcommittee on Financial Institutions, Supervision and Regulations on September 22, 1977, Congressman Cavanaugh made clear by inference that the intent of the Congress in including Sec. 1104(d) was to insure that only *current customers* of any institution receive notification of their rights under the Act. Clearly the Congress had no desire to place excessive requirements on the financial institutions and no such burden should now be imposed upon them.

It is our hope that you will consider the intention of the Congress regarding notification in developing your response and responding to industry questions on how they should proceed.

Sincerely,

HENRY S. REUSS.
FERNAND ST GERMAIN.
JOHN CAVANAUGH.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., January 17, 1979.

Hon. JOHN J. CAVANAUGH,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CAVANAUGH: Thank you for your letter of January 11 with respect to the notice required under Section 1104(d) of the Right to Financial Privacy Act. I appreciate having your views that Congress intended that the notice should go only to current customers of financial institutions. Certainly this is a sensible approach to informing individuals of their privacy rights, and would eliminate unnecessary costs and burden to financial institutions. In considering this matter, the Board's Consumer Advisory Council recommended that the notice be required only when a Federal agency is seeking access to a customer's record. This has the advantage of notifying the customer at the very time when his rights are relevant, while reducing the notification burden even further.

In calling attention to this issue, you have expressed the hope that the Board will consider the intention of Congress regarding notification in responding to industry questions on how to proceed in this matter. Of course, financial institutions will continue to be uncertain about the legal requirement since the Board does not have any rulemaking or interpretive authority under the Act.

Under the circumstances, it would seem appropriate for Congress to clarify Section 1104(d) through an amendment. It might best serve the purpose of Congress to have such an amendment require the notice at the time that access to records is being sought by the Federal government.

The Board of Governors is most appreciative of your initiative to clarify this matter.

Sincerely,

BILL.

H.R. 1777

A bill to provide that financial institutions shall be required to notify only their active customers regarding the rights of such customers under the Right to Financial Privacy Act of 1978.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1104(d) of the Right to Financial Privacy Act of 1978 is amended—

(1) in the first sentence, by inserting "active" after "notify all of their"; and

(2) in the third sentence, by inserting "active" after "provides its".●

ARCHEOLOGICAL RESOURCES PROTECTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, today I am introducing the Archeological Resources Protection Act of 1979. Mr. RHODES and Mr. RUDD, of my home State of Arizona, and Mr. LUJAN, Mr. RUNNELS, Mr. MARRIOTT, Mr. SEIBERLING, and a number of other Members are cosponsoring this bill in the House. I am pleased to note two other fellow Arizonans, Mr. GOLDWATER and Mr. DECONCINI, are cosponsoring a companion measure in the Senate to be introduced by Mr. DOMENICI of New Mexico.

Mr. Speaker, the purpose of this bill is to put a stop to what has become a tragic crime—the theft of irreplaceable Indian relics and artifacts from the public lands, particularly those in the Southwest.

This bill provides improved protection for important archeological resources and sites on federally owned public lands. The reasons why new legislation is needed are twofold: First, recent court rulings in the Ninth Circuit Court of Appeals (covering Arizona, California, Idaho, Montana, Nevada, Oregon, Washington, Alaska, Hawaii, and Guam) have held that the existing law protecting archeological artifacts is unconstitutionally vague. Second, even if the existing act were to be eventually upheld in the courts, the outdated penalties of a $500 fine and/or 90 days in jail are no deterrents to unscrupulous looters removing literally thousands of dollars worth of artifacts from public lands. In effect, this means that we have no way to prosecute and punish artifact thieves even if they are caught. Such a case happened in Phoenix a year ago, and caused some understandable outrage in the local press in that city.

The bill simply provides that no archeological resources may be disturbed or removed from public lands without first receiving a permit from the Secretary of the agency whose lands are involved. In order to receive a permit from the affected Secretary, an individual or organization must be deemed qualified to carry out the activity, and all archeological resources removed must be preserved for a satisfactory period of time in a suitable location, such as a museum or university.

The legislation also imposes stiff, but fair, penalties for all those convicted hereafter of removing or damaging archeological resources on public lands without a permit. Trafficking in illegally obtained artifacts is prohibited also. Civil penalties are provided for occasional violators; (that is, an unwary tourist) and criminal penalties are provided for more serious violations, with maximum penalties set at $100,000 and/or 5 years in prison. Individuals providing information leading to conviction of violators may receive rewards up to $2,500. These rewards should act as incentives to ranchers and other citizens assisting in the enforcement of the act. This reward system is needed because of the remoteness of many of the archeological sites and the lack of adequate Federal enforcement personnel to police them.

This legislation is not intended to interfere in any way with legitimate "rockhounding" or mining activities, and no permit is required under this act for those activities.

We are after those people who literally are stealing our national heritage, in pieces. Unless we act now, a large part of these priceless relics will be gone forever, not to wind up in museums for the education and enjoyment of all, but on the private mantels of the wealthy, many of them in other countries.

These thieves are now operating with impunity throughout the Southwest. They are brazen enough to use bulldozers and backhoes to destroy huge prehistoric sites for quick profit.

Yet this need not be the case. If we move now, we can pass this tough, new law and save this important part of our past. To do otherwise would amount to surrender to a pack of vandals of history—and we shall all be the losers.●

□ 1210

DESIGNATION OF MEMBERS OF COMMITTEE ON WAYS AND MEANS AS MEMBERS OF JOINT COMMITTEE ON TAXATION

The SPEAKER pro tempore laid before the House the following communication from the Chairman of the Committee on Ways and Means:

COMMITTEE ON WAYS AND MEANS,
Washington, D.C., January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: Pursuant to section 8002 of the Internal Revenue Code of 1954, the following Members of the Committee on Ways and Means have been designated as Members of the Joint Committee on Taxation:

The Honorable Al Ullman.
The Honorable Dan Rostenkowski.
The Honorable Charles A. Vanik.
The Honorable Barber B. Conable, Jr.
The Honorable John J. Duncan.

Sincerely,

AL ULLMAN, *Chairman.*

THE HONORABLE JAMES A. BURKE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, when I first came to Congress 6 years ago, I quickly came to rely on my friend and colleague Jim Burke who retired after 20 years of distinguished service at the end of the last session.

Jim Burke was one of the finest men I have ever known, or ever hope to know, and I will always treasure our friendship. Recently, Jim Burke's hometown paper, the Patriot-Ledger ran an outstanding feature on his service and it is a distinct honor for me to insert this article in the RECORD:

JIMMY BURKE—BITTEN BY POLITICS BUG EARLY, HE NEVER LOST IT

(By Jack Keough)

"Politics," says James Aloysius Burke as he sits back in his chair and chomps on his ever-present cigar, "is like having a continual virus. Once it's in your system, it stays."

For most of Burke's 68 feisty years that virus has infected him—the last 20 while serving as congressman from Massachusetts' 11th District.

The virus has been thwarted now and it is time for Burke to call it quits from the profession he so dearly loves.

James Burke was born in South Boston in 1910—"once you're from South Boston, you're always from there"—the youngest in a family of 10.

"They were always picking on me because I was the youngest," he says with a laugh. "As a matter of fact, they still do."

In 1917, the Burke family moved to Mattapan and Burke graduated from Boston English High School. A year later he became involved in the rough and tumble world of Boston politics at the ward level.

Several years later he was elected to the state legislature as a representative and soon afterwards became one of the few Boston representatives supporting Maurice Tobin for mayor of Boston.

Tobin won, and Burke later became registrar of the Bureau of Vital Statistics for the city.

In 1940, at the age of 30, Burke resigned his position and challenged John McCormack for a congressional seat.

Burke lost—badly.

"John McCormack ran a decent campaign. The people made the right decision in voting him into office. He was the man for the job."

An ironic turn of events 20 years later would show House Speaker McCormack using his influence in getting Burke, only in his second term in Congress, named to the prestigious and powerful Ways and Means Committee.

Only three others have been elected to Ways and Means that early in his career. Burke would serve on that committee for the next 18 years, rising to become its ranking member.

During World War II, Rep. Burke was a special agent with Military Intelligence and was attached to the 77th Infantry Division in the South Pacific, serving a total of 45 months. He also won four battle stars and several other decorations.

He says that military intelligence helped in the 11th District.

"I guess you could say I had my own intelligence network," he says, "I think I knew enough people so that I was aware of everything happening in the district."

Burke served 10 years in the Massachusetts legislature, four as assistant majority leader.

He says the legislature is a great training ground for any congressman.

"You can't buy the experience you get," he says. "I really enjoyed the legislative work." He adds that a man who is elected to Congress and has not served in state, county or local government would be "lost in Washington."

Former House Speaker McCormack served many years in the state legislature with Burke. "He is one of the finest and most dedicated legislators I have ever served with."

Burke was also involved in the real estate business. He was a success, colleagues note, and had at one time 30 employees.

In 1954, Burke barely lost the Democratic nomination for lieutenant governor to Sumner Whittier. "It was a fortuitous defeat," friends recall, and set the stage for Burke's run for Congress four years later.

In 1958, Burke remembers he was completing a real estate transaction in his Mattapan office when he received a telephone call from a reporter saying that veteran Rep. Richard Wigglesworth was retiring and was Burke going to be a candidate.

"I just said sure. Why not? I really hadn't even thought a great deal about it."

It was a multi-candidate race and Burke says he won by 11,000 votes. Some say Burke is getting old, but he can remember how many votes he won by in almost all his elections. In four of those 10 elections he received the highest vote in any congressional race in the country.

He quickly developed a reputation for rarely missing roll calls, often achieving a 100 percent attendance call record. He was said to be a good legislator, although some critics said his focus was limited to his district.

Burke denies those charges.

"I always felt that the nation came first, the district second and covering my political hide came third."

Some also mention his strong belief in the seniority system which is imposed in Burke's own office staff.

"Yes, I've always been a firm believer in the seniority system," he says. "Of course, that's once I had the seniority."

He also recalls the tumultuous times in Washington during the Vietnam War. "No one ever knew the magnitude of the war once we were first involved. Many members of Congress accepted the word of the defense department and the administration. Very clearly it was a different situation."

Some Burke critics mention Burke's early support of the Vietnam War under President Johnson and only switching over during the tenure of President Nixon.

Burke recalls in 1967 speaking to a group at Faneuil Hall saying that Vietnam was a "bottomless pit, and we had to get out."

Burke also took flak for voting present on a House resolution to reprimand Rep. Robert L. Sikes, D-Fla., on two counts of financial misconduct. He was one of five congressman to take that approach.

"I don't believe Congress is the arena for bringing in questions of that type. I believe if a man has broken the law his place is in the court. A legislative body is not a place for enforcing the law. There are three branches of government—executive, legislative and judicial. Some of these things belong in the judicial."

He also says that a lengthy report concerning Sikes was given to him only minutes before the vote. "How can anyone digest that information in that amount of time. It would take weeks to look over that report."

Burke acquired the recognition of aiding the "little man" while he served in Congress. He had an efficient staff that followed up problems sent in by constituents and had a genuine concern for those persons needing federal help.

"I think a congressman's staff has to be interested in people. You have to really care about them. A woman who's awaiting a Social Security check or a man waiting for his veteran's pension. These are real everyday problems that a congressman has to work to solve."

He mentions how his office sometimes received a 1,000 letters a day. "We followed up on all the letters, but we took a special interest in those that were handwritten. These are the people who took so much time—they always seemed to have a genuine problem. We helped the best we could."

Burke was known for the "bread and butter theme" he espoused for so many years. His campaigns were always based on "jobs, jobs and more jobs."

He was applauded by local officials for his early fighting for restrictions on imported shoes and assisting the General Dynamics shipyard in obtaining contracts for LNG tankers.

Burke always said that General Dynamics was a barometer of the economy of the South Shore. He took a special interest in the yard and won the respect of both management and union officials.

He was praised for putting language in a bill which will enable a new Fore River Bridge to be built so that General Dynamics will be able to compete with other shipyards in making larger vessels.

The action can mean thousands of more jobs for South Shore residents.

Last week Sen. Allen D. McKinnon filed legislation for the proposed new bridge to be named the James Burke Bridge—an action already advocated by Congressman-elect Brian J. Donnelly of Dorchester, Burke's successor.

"If it should be named after anybody it should be named after Jim Burke," Donnelly said, adding that Burke's greatest trademark was his constituency-oriented administration.

"He fought like hell for us," one union official said. "We're going to miss him."

It wasn't surprising for a reporter covering the General Dynamics strike in 1977 to receive a phone call from Burke asking the status of mediation efforts.

What was surprising was Burke making the call from his hospital bed where he was being fitted for an artificial foot, his leg having been removed due to diabetes.

Despite that, his spirits were still high and he told the reporter he was feeling well, but "wouldn't be kicking field goals for the Patriots."

He fought the Postal Service which wants to put an incoming mail distribution center in the Five Corners section of Braintree. The action would mean the closing of some local post offices.

"I can tell you this," Burke promises. "They're sure not going to put that center in while I'm in office."

He won the praise of postal unions for his work. "Jim Burke's always been our friend," a union postal official said.

Burke was widely known for his work in attempting to change the Social Security system.

Burke advocated one-third of Social Security be paid by the general revenue, one-third by the worker and one-third by the employer.

His efforts failed.

"I can't understand why they (Congress) opposed this. It would have helped the average worker a great deal."

He served as chairman of the House Ways and Means Subcommittee on Social Security and filed legislation which would have increased the amount an individual could earn while still receiving Social Security.

He also filed a package of proposed amendments to the Social Security Act aimed at averting the fiscal crisis facing the disability insurance program.

Burke is also the ranking member of the unemployment compensation subcommittee and sits on the Joint Committee on Internal Revenue.

Those who work with Burke have nothing but respect for the veteran congressman.

"He's thorough, very thorough," one aide says, mentioning that Burke rarely had to be brought up to date on committee matters because he is seldom absent from meetings.

Burke's only notable absences came in his last term in office because of his illness. But that still didn't stop him from getting around in his motorized wheelchair, attending meetings and at one point berating his colleagues on the Social Security vote.

He and his wife, Aileen, live a relatively simplistic life in their apartment in the Cathedral Heights section of the nation's capital.

He says he was never one for attending large parties or functions, preferring instead to go out to the theater with his wife.

He is an avid reader—especially of history. He was a heavy smoker at one time cut back and tried a pipe—"I hated it"—and instead likes to chomp on his cigar.

"I used to think you needed at least one vice before you left this world," he says.

He jokes about politics never having made him a rich man and notes the mortgage still exists on his Milton home.

Burke says that he never had a great deal of formal education, but tried to use common sense looking for loopholes or improper language in bills.

A number of changes have occurred in Washington during his 20-year tenure. He has served under six presidents, and four speakers of the House and many of his colleagues have come and gone.

"The burden on a congressman just keeps increasing the longer you're here."

For the most part, he respects those fellow congressmen.

"The great majority of them work hard—very hard. You know it's not an easy thing to go to Congress in that you often lose contact with your family. You're tied to your job."

He says that in his long political career he has made mistakes.

"You always regret some things that you've done. But I'm human. And humans make mistakes. I've just tried to do the best job that I could and vote the way I believed in."

He quickly ticks off the towns and cities he has represented in those 20 years. In addition to his present district at one time or another he has represented Dedham, Canton, Norwood, Westwood, Needham and Sharon.

There is little sadness as Burke says his plans now call for him just being active working for the elderly diabetic groups and doing volunteer work.

He wants to have some repair work done at his Brush Hill Road home in Milton—"We just haven't spent enough time there," he says.

He also wants to work in his garden—"there's 18 inches of rich, dark soil there"—and hopefully to get the type of beautiful garden his brother has in Boston.

Burke has always had a close affinity for the soil.

A few years ago, he filed a bill to distribute seeds and plants to the American public and he once described himself as the founder of a new "return to the soil movement."

He said the public was tired of being "gouged in the marketplace. The world food shortages and spiraling food prices necessitate action by Congress to encourage private production of food."

He is 68 now and 42 years of public service are behind him. The loss of his foot forces him to get around in a walker and he is said to be blind in one eye.

It was not another candidate who forced Jim Burke to leave office but the worst opponent of all—illness.

When he announced he would not seek re-election—despite a poll showing an easy victory—Burke noted that "with the exception of periods of hospitalization or deaths in my family I have not absented myself from committee or House floor. I believe this is the caliber of service my constituency is entitled to. Of recent date, some problems have arisen. They place doubt in my mind that I can render this type of service. Therefore I announce I will not seek re-election."

When Jim Burke talks politics, the twinkle returns to his eyes and the vibrancy which colleagues on the House floor have seen so often returns.

"I have no real regrets," he says. "I enjoyed all of it. I always said I wanted to leave while the music's playing and I can still smell the roses. That's what I'm doing.

"And I'll tell you something," he said, as he leans forward as though confiding a secret. "I'd darn well do it all again."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BETHUNE) to revise and extend their remarks and include extraneous matter:)

Mr. GREEN, for 10 minutes, today.
Mr. ASHBROOK, for 15 minutes, today.

(The following Members (at the request of Mr. PEYSER) to revise and extend their remarks and include extraneous matter:)

Mr. HARRIS, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WOLFF, for 30 minutes, today.
Mr. DRINAN, for 5 minutes, today.

(The following Members (at the request of Mr. BOLLING) to revise and extend their remarks and include extraneous material:)

Mr. CAVANAUGH, for 5 minutes, today.
Mr. DUNCAN of Oregon, for 5 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mrs. CHISHOLM, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BETHUNE) and to include extraneous matter:)

Mr. CLINGER.
Mr. MOORHEAD of California.
Mr. MICHEL in two instances.
Mr. GINGRICH.
Mr. ASHBROOK in four instances.
Mr. LAGOMARSINO in two instances.
Mr. KINDNESS.
Mr. GILMAN in two instances.
Mr. WYDLER.

(The following Members (at the request of Mr. PEYSER) and to include extraneous matter:)

Mr. ROBERTS.
Mr. FOUNTAIN.
Mr. RANGEL.
Mr. FISHER in 10 instances.
Mr. REUSS.
Mr. RICHMOND in two instances.
Mr. BIAGGI in 10 instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MURPHY of New York.
Ms. BYRON in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. MCDONALD in 10 instances.
Mr. VAN DEERLIN.
Mr. MINISH.
Mr. LUKEN.
Mr. DELLUMS in two instances.

(The following Members (at the request of Mr. BOLLING) and to include extraneous matter:)

Mr. ZEFERETTI.
Mr. JOHNSON of California.
Mr. HARRIS.
Mr. UDALL.
Mr. NATCHER.
Mr. LAFALCE.
Mr. MATHIS.
Mr. LEVITAS.
Mr. SMITH of Iowa.
Mr. CONYERS.
Mr. BOLAND in two instances.

ADJOURNMENT

Mr. BOLLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until Monday, February 5, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

530. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the first annual report on applications for conditional registrations under sections 3(c)(7)(B) and (C) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, pursuant to section 29 of the act (92 Stat. 838); to the Committee on Agriculture.

531. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during December 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

532. A letter from the Acting Assistant Secretary of the Interior for Land and Water Resources, transmitting notice of a deferral of payment of construction charges for the Webster Irrigation District No. 4, Pick-Sloan Missouri Basin program, Kansas, pursuant to section 17(b) of the Reclamation Project Act of 1939, as amended; to the Committee on Interior and Insular Affairs.

533. A letter from the Acting Assistant Secretary of the Interior for Land and Water Resources, transmitting a draft of proposed legislation to increase the appropriations ceiling for title I of the Colorado River Basin Salinity Control Act (the Act of June 24, 1974; 88 Stat. 266) and for other purposes; to the Committee on Interior and Insular Affairs.

534. A letter from the Secretary of State, transmitting a report on discriminatory trade practices affecting U.S. foreign relations, pursuant to section 606(b) of Public Law 95-426; to the Committee on International Relations.

535. A letter from the Assistant Secretary of State for Congressional Relations, transmitting 115 country reports on human rights practices for 1978, pursuant to sections 116 (d)(1) and 502B(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

536. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting a special report on the committee's review of the implementation of the Coastal Zone Management Act, pursuant to section 4(a) of Public Law 95-63; to the Committee on Merchant Marine and Fisheries.

537. A letter from the Assistant Attorney General for Administration, transmitting a report on positions in the Justice Department, the Law Enforcement Assistance Administration, the Immigration and Naturalization Service, and the Bureau of Prisons during calendar year 1978 in grades GS-16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARR:

H.R. 1770. A bill to increase deposit insurance from $40,000 to $100,000 for accounts which qualify as individual retirement accounts and accounts established under qualified (Keogh) plans for the self-employed; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1771. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide incentives for the funding of education by means other than property taxes; to the Committee on Government Operations.

H.R. 1772. A bill to require Federal agencies to report to Congress certain expenditures made for or on behalf of Members of Congress or employees of Congress and to provide for the reimbursement of such expenditures; to the Committee on House Administration.

H.R. 1773. A bill to amend the Federal Aviation Act of 1958 to provide for criteria for the provision of air navigation and traffic control facilities and services, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 1774. A bill to provide for payment of National Service Life Insurance benefits with respect to members of the Armed Force who were killed in action during 1942 without having life insurance in effect and after the expiration of the period provided for gratuitous life insurance benefits for members of the Armed Forces; to the Committee on Veterans' Affairs.

H.R. 1775. A bill to amend titles II and XVI of the Social Security Act to provide that an individual receiving child's insurance benefits on the basis of blindness or other disability shall not lose his or her entitlement to such benefits by reason of marriage, if such marriage is to a recipient or supplemental security income benefits; to the Committee on Ways and Means.

Mr. LEVITAS (for himself, Mr. PEPPER, Mrs. COLLINS of Illinois, Mr. HAMILTON, Mr. BROYHILL, Mr. MAZZOLI, Mr. DERWINSKI, Mr. BLANCHARD, Mr

MINETA, Mr. PRICE, Mr. ALEXANDER, Mr. ZEFERETTI, Mr. CARR, Mr. AUCOIN, Mr. HUGHES, Mr. RATCHFORD, Mr. BENJAMIN, Mr. GEPHARDT, Mr. PANETTA, Mr. KEMP, Mr. DASCHLE, Mr. JACOBS, Mr. GINN, Mr. MATHIS, Mr. BRINKLEY, Mr. FOWLER, Mr. GINGRICH, Mr. MCDONALD, Mr. EVANS of Georgia, Mr. JENKINS, Mr. BARNARD, Mr. CHARLES WILSON of Texas, Mr. LONG of Maryland, Mr. MOORE, Mr. ANDREWS of North Dakota, Mr. DUNCAN of Tennessee, Mr. GRADISON, Mr. GUDGER, Mr. WHITLEY, Mr. FOUNTAIN, Mr. HOLLAND, Mr. LOTT, Mr. ANDERSON of California, Mr. MADIGAN, Mr. D'AMOURS, Mr. KINDNESS, Mr. MCKAY, Mr. SENSENBRENNER, Mr. PRITCHARD, Mr. HUBBARD, Mr. SPENCE, Mr. BEVILL, Mr. BUTLER, Mr. HUCKABY, Mr. VOLKMER, Mr. NEAL, Mr. STOCKMAN, Mr. CORCORAN, Mr. YATRON, Mr. LLOYD, Mr. KILDEE, Mr. WINN, Mr. CHAPPELL, Mr. BAFALIS, Mr. KRAMER, Mr. GUYER, Mr. NOWAK, Mr. LAGOMARSINO, Mr. SANTINI, Mr. CLEVELAND, Mr. LENT, Mr. WHITEHURST, Mrs. HOLT, Mr. MONTGOMERY, Mr. SNYDER, Mr. BROWN of Ohio, Mr. COELHO, Mr. RUNNELS, Mrs. BOUQUARD, Mr. ENGLISH, Mr. DORNAN, Mr. BURGENER, Mr. MYERS of Indiana, Mr. EDWARDS of Oklahoma, Mr. ROBERT W. DANIEL, JR., Mr. BUCHANAN, Mr. HINSON, Mr. LEE, Mrs. SNOWE, Mr. DOUGHERTY, Mr. ICHORD, Mr. COUGHLIN, Mr. DUNCAN of Oregon, Mr. MARTIN, Mr. BADHAM, Mr. YOUNG of Missouri, Mr. DAVIS of South Carolina, Mr. GAYDOS, Mrs. SPELLMAN, Mr. ROTH, Mr. WYATT, Mr. HOLLENBECK, Mr. CAMPBELL, Mr. LEACH of Iowa, Mr. HAGEDORN, Mr. GRAMM, Mr. DONNELLY, Mr. MAVROULES, Mr. LUKEN, Mr. ASHBROOK, Mr. HEFNER, Mr. NICHOLS, Mr. PASHAYAN, Mr. ROBERTS, Mr. COLEMAN, Mr. FORSYTHE, Mr. BONER, Mr. HYDE, and Mr. ROE):

H.R. 1776. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. CAVANAUGH (for himself, Mr. GOLDWATER, Ms. OAKAR, and Mr. MITCHELL of Maryland):

H.R. 1777. A bill to provide that financial institutions shall be required to notify only their active customers regarding the rights of such customers under the Right to Financial Privacy Act of 1978; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COLEMAN:

H.R. 1778. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. DANIEL B. CRANE:

H.R. 1779. A bill to provide for a 5-percent salary reduction for Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. PHILIP M. CRANE:

H.R. 1780. A bill to provide for the recovery by a prevailing defendant in Federal criminal cases of a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 1781. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DICKS:

H.R. 1782. A bill to amend the Internal Revenue Code of 1954 with respect to the period for including in gross income certain advance payments accrued by life care communities; to the Committee on Ways and Means.

By Mr. ERDAHL:

H.R. 1783. A bill to amend section 304 of the Federal Election Campaign Act of 1971 with respect to waiver of certain quarterly reports filed with the Federal Election Commission; to the Committee on House Administration.

By Mr. CONYERS:

H.R. 1784. A bill to revise the overtime compensation requirements of the Fair Labor Standards Act of 1938 to provide that effective January 1, 1983, employees who work more than 35 hours in any workweek shall receive overtime compensation for such work at twice their regular rate of pay, and for other purposes; to the Committee on Education and Labor.

By Mr. FISHER (for himself, Mr. CONABLE, and Mr. GRADISON):

H.R. 1785. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. FUQUA (by request):

H.R. 1786. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

H.R. 1787. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development; to the Committee on Science and Technology.

By Mr. GIBBONS:

H.R. 1788. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone, for 2 years, the date on which the Pension Benefit Guaranty Corporation is required to pay benefits under terminated multiemployer plans; to the Committee on Education and Labor.

By Mr. GREEN:

H.R. 1789. A bill to direct the Secretary of the Treasury to reimburse State and local governments for providing certain protection with respect to certain foreign diplomatic missions located in the United States and with respect to certain foreign officials; to the Committee on International Relations.

By Mr. HANLEY:

H.R. 1790. A bill to amend title 39, United States Code, to provide that certain property held by the U.S. Postal Service shall be subject to certain provisions of the Federal Property and Administrative Services Act of 1949 relating to surplus and excess property; to the Committee on Post Office and Civil Service.

H.R. 1791. A bill to amend section 107 of the Energy Reorganization Act of 1974 (42 U.S.C. 5817) to provide that any site within a State selected by the Department of Energy for radioactive waste storage shall be subject to review and disapproval by the legislature of such State; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. HARRIS (for himself, Mr. DIGGS, Mr. FAUNTROY, Mr. FISHER, Mrs. SPELLMAN, and Mr. BARNES):

H.R. 1792. A bill to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital Region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, and to provide an authorization for an annual Federal payment to such Authority to provide assistance in meeting expenses of operation and maintenance of such system to reflect the special Federal relationship to such system; to the Committee on the District of Columbia.

By Ms. HOLTZMAN:

H.R. 1793. A bill to amend the McCarran-Ferguson Act to provide for a civil remedy in the U.S. district courts for sex discrimination in insurance policies; to the Committee on Interstate and Foreign Commerce.

H.R. 1794. A bill to provide a civil remedy in the U.S. district courts for sex discrimination in insurance policies; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

H.R. 1795. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 1796. A bill to amend the Internal Revenue Code of 1954 to provide reductions in individual tax rates which are conditioned on reductions in the levels of Federal expenditures; to the Committee on Ways and Means.

By Mr. MATTOX (for himself, Mr. ALBOSTA, Mr. BUCHANAN, Mr. CARR, Mr. CORRADA, Mr. D'AMOURS, Mr. HUGHES, Mr. LAFALCE, Mr. MURPHY of Pennsylvania, and Mr. PANETTA):

H.R. 1797. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide (in two steps) for the financing of the hospital insurance program from general revenues rather than through the imposition of medicare taxes as at present, and to eliminate the special statutory increases in the earnings base which are presently scheduled for 1980 and 1981; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. FORSYTHE, Mr. STUDDS, Mr. BOWEN, Mr. YOUNG of Alaska, Mr. BONKER, Mr. D'AMOURS, Mr. LENT, Ms. MIKULSKI, Mr. AKAKA, Mr. EMERY, and Mr. TRIBLE):

H.R. 1798. A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982; to the Committee on Merchant Marine and Fisheries.

By Mr. PICKLE:

H.R. 1799. A bill to amend the Internal Revenue Code of 1954 to provide that the adjusted gross income limitation will apply to all taxpayers eligible for the credit for the elderly and increase the amount of such limitation; to the Committee on Ways and Means.

H.R. 1800. A bill to amend section 1861(e)(5) of the Social Security Act to extend to 1982 the waiver of the 24-hour nursing service requirement permitted for certain rural hospitals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROBERTS:

H.R. 1801. A bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignments in public schools; to the Committee on the Judiciary.

H.R. 1802. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1803. A bill to create a public works program for the purpose of reducing unemployment; to the Committee on Public Works and Transportation.

H.R. 1804. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and by making comprehensive health care insurance (including coverage for medical catastrophes) available to all Americans, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROBERTS (by request):

H.R. 1805. A bill to amend title 38, United States Code, to prescribe certain definitions to be used by the Secretary of Labor for purposes of the program established by chapter 41 of such title with respect to job counseling, training, and placement services for veterans; to the Committee on Veterans' Affairs.

H.R. 1806. A bill to amend title 38, United States Code, to allow the 10-year period during which the spouse of a veteran with a permanent and total service-connected disability may receive educational assistance from the Veterans' Administration to be computed from the date of marriage of such spouse and veteran; to the Committee on Veterans' Affairs.

H.R. 1807. A bill to amend title 38, United States Code, to provide educational benefits, on a prorated basis, to children and spouses of veterans having permanent service-connected disabilities rated at not less than 80 percent, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1808. A bill to amend title 38, United States Code, to provide certain National Service Life Insurance policyholders an opportunity to double their National Life Insurance coverage; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT) (by request):

H.R. 1809. A bill to amend title 38, United States Code, to provide that when referring individuals for employment with Federal contractors and subcontractors local employment service officers of the Department of Labor shall refer disabled veterans and veterans of the Vietnam era before referring any individual who is not such a veteran; to the Committee on Veterans' Affairs.

H.R. 1810. A bill to amend title 38, United States Code, to decrease from 250,000 to 150,000 the number of veterans and other eligible persons in a State for which the Secretary of Labor assigns an assistant veterans' employment representative too such State; to the Committee on Veterans' Affairs.

H.R. 1811. A bill to amend title 38, United States Code, to increase the specially adapted housing assistance grant for certain disabled veterans from $30,000 to $35,000; to the Committee on Veterans' Affairs.

H.R. 1812. A bill to amend title 38, United States Code, to liberalize the provisions for special emphasis in employment of disabled veterans; to the Committee on Veterans' Affairs.

H.R. 1813. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 1814. A bill to amend title 38, United States Code, to transfer the functions of the Secretary of Labor under chapters 41, 42, and 43 (relating to job counseling, training, placement, and reemployment of veterans) to the Administrator of Veterans' Affairs, to create the office of Associate Deputy Administrator for Veterans' Employment, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1815. A bill to amend title 38, United States Code, to provide special housing assistance to certain veterans with permanent and total service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 1816. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr DUNCAN of Oregon, Mr. GRAY, Mr. LEDERER, Mr. MITCHELL of New York, Mr. MURPHY of New York, and Mr. OBERSTAR):

H.R. 1817. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Government Operations.

By Mr. SATTERFIELD:

H.R. 1818. A bill to delay any action which may be taken by the Secretary of Agriculture respecting nitrites used as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have; to the Committee on Agriculture.

H.R. 1819. A bill to amend the Federal Food, Drug, and Cosmetic Act to broaden the discretion of the Secretary of Health, Education, and Welfare respecting certain food additives found to induce cancer in animals; to the Committee on Interstate and Foreign Commerce.

H.R. 1820. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

H.R. 1821. A bill to amend title XVIII of the Social Security Act with respect to reimbursement of physicians' services in teaching hospitals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SLACK:

H.R. 1822. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the date required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1823. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. TRIBLE:

H.R. 1824. A bill to amend title 5 of the United States Code to correct inequities in the determination of rates of basic pay in conversions to the General Schedule of employees and positions subject to prevailing rate pay schedules; to the Committee on Post Office and Civil Service.

By Mr. UDALL (for himself, Mr. RHODES, Mr. SEIBERLING, Mr. CLAUSEN, Mr. LUJAN, Mr. RUNNELS, Mr. RUDD, and Mr. MARRIOTT):

H.R. 1825. A bill to protect archaeological resources owned by the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ZEFERETTI:

H.R. 1826. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.J. Res. 180. Joint resolution designating the week of October 7, 1979, through October 13, 1979, as "National Respect Life Week"; to the Committee on Post Office and Civil Service.

By Mr. ERDAHL:

H.J. Res. 181. Joint resolution proposing an amendment to the Constitution to alter the manner in which candidates are elected President and Vice President of the United States and creating a National Canvassing Board; to the Committee on the Judiciary.

H.J. Res. 182. Joint resolution proposing an amendment to the Constitution changing the term of office of President and Vice President and Members of the U.S. House of Representatives, and amending the length of time a person may serve as President, Vice President, U.S. Senator, or U.S. Representative; to the Committee on the Judiciary.

By Mr. NOLAN (for himself, Mr. WOLFF, Mr. TRAXLER, Mr. BURLISON, Mr. HANCE, Mr. WILLIAMS of Montana, Mr. HIGHTOWER, and Mr. STANGELAND):

H.J. Res. 183. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. NOWAK:

H.J. Res. 184. Joint resolution designating the first Sunday of October in every year as "National Choir Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. ROBERTS:

H.J. Res. 185. Joint resolution proposing an amendment to the Constitution of the United States which, except in times of war or national emergency, prohibits the Congress from making appropriations for a fiscal year in excess of the amount of estimated revenue during that year, and requires that the amount of the debt of the United States not exceed the amount of that debt on the date of the adoption of the amendment; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.J. Res. 186. Joint resolution proposing an amendment to the Constitution of the United States to provide for a 6-year term for the President and Vice President, to limit the number of terms the President and the Vice President may serve, to provide for 3-year terms for Representatives, to limit the number of consecutive terms Senators and Representatives may serve, and to provide a maximum age for persons serving as President, Vice President, Senator, or Representative; to the Committee on the Judiciary.

By Mr. MATTOX (for himself, Mr. FROST, Mr. GRAMM, Mr. LEATH of Texas, Mr. HUBBARD, Mr. WALKER, Mr. ROBERT W. DANIEL, JR., Mr. MCDONALD, Mr. GOLDWATER, Mr. LAGOMARSINO, Mr. YOUNG of Alaska, Mr. LOTT, Mr. KRAMER, Mr. KINDNESS, Mr. LELAND, and Mr. NICHOLS):

H. Con. Res. 41. Concurrent resolution expressing the sense of the Congress that the United States should recognize the Republic of China as the sovereign Government of Taiwan and the other areas under its control and should establish full diplomatic relations with the Republic of China; to the Committee on International Relations.

By Mr. COTTER:

H. Res. 90. Resolution requesting the President not to propose to the Congress the exemption of motor gasoline from petroleum price control regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself and Mr. HARSHA):

H. Res. 91. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transporation; to the Committee on House Administration.

By Mr. PERKINS (for himself and Mr. ASHBROOK):

H. Res. 92. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor; to the Committee on House Administration.

By Mr. RAHALL:

H. Res. 93. Resolution disapproving the final recommendations for the basic route system of Amtrak submitted by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. SATTERFIELD:

H. Res. 94. Resolution requesting that the Secretary of Defense should rescind

that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges; to the Committee on Armed Services.

By Mrs. SPELLMAN:

H. Res. 95. Resolution establishing an ad hoc Committee on Federal Retirement Systems; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUGHES:

H.R. 1827. A bill for the relief of Emiko Okuma Colona; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 1828. A bill for the relief of Margaret Dolinger Baloun; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 1829. A bill for the relief of Loraine Smart and Robert Clarke; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H.R. 1830. A bill for the relief of Lucia Jurkauskas; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 1831. A bill for the relief of James D. Belknap; to the Committee on the Judiciary.

H.R. 1832. A bill for the relief of Mrs. Adeline O. Smith; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 1833. A bill for the relief of Henry J. Lopez-Roman, M.D.; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. SYMMS, Mr. DORNAN, Mr. COLLINS of Texas, and Mr. GOODLING.

H.R. 90: Mr. ABDNOR, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON of Illinois, Mr. ANDREWS of North Dakota, Mr. BAFALIS, Mr. BEVILL, Mr. BOLAND, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. BURGENER, Mr. CAVANAUGH, Mr. CLAUSEN, Mr. CORMAN, Mr. DE LA GARZA, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FINDLEY, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GINN, Mr. GONZALEZ, Mr. GOODLING, Mr. GRISHAM, Mr. HAGEDORN, Mr. HALL of Texas, Mr. HOLLENBECK, Mr. HUGHES, Mr. ICHORD, Mr. JOHNSON of California, Mr. JONES of Oklahoma, Mr. KINDNESS, Mr. LAFALCE, Mr. LEACH of Louisiana, Mr. LEDERER, Mr. LEE, Mr. LONG of Maryland, Mr. LOTT, Mr. LUKEN, Mr. MCEWEN, Mr. MCKAY, Mr. MARKEY, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. MURPHY of Illinois, Mr. NATCHER, Mr. NICHOLS, Mr. OTTINGER, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. PRITCHARD, Mr. RAHALL, Mr. REUSS, Mr. ROBERTS, Mr. RUSSO, Mr. ST GERMAIN, Mr. SEBELIUS, Mr. SENSENBRENNER, Mr. SIMON, Mr. SLACK, Mr. STAGGERS, Mr. STANGELAND, Mr. STEED, Mr. THOMAS, Mr. WHITEHURST, Mr. WILLIAMS of Montana, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. WON PAT, Mr. YOUNG of Missouri, Mr. ZEFERETTI, Mr. FORD of Tennessee, Mr. RICHMOND, Mr. NOLAN, Mr. HANLEY, Mr. YATRON, Mr. BALDUS, and Mr. MITCHELL of New York.

H.R. 596: Mr. ABDNOR, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BUCHANAN, Mr. CHENEY, Mr. DE LA GARZA, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Delaware, Mr. FLIPPO, Mr. FOWLER, Mr. FUQUA, Mr. GEPHARDT, Mr. GLICKMAN, Mr. GOODLING, Mr. HARKIN, Mr. JENRETTE, Mr. JONES of North Carolina, Mr. KRAMER, Mr. MCEWEN, Mr. MAVROULES, Mr. MURPHY of Pennsylvania, Mr. SEBELIUS, Mr. SHUSTER, Mr. SYMMS, Mr. VOLKMER, Mr. YOUNG of Missouri, Mr. MITCHELL of Maryland, and Mr. MURPHY of Illinois.

H.R. 1071: Mr. ROSENTHAL, Mr. MITCHELL of Maryland, Mr. MARLENEE, Mr. DASCHLE, Mr. WEISS, Mr. HUGHES, Mr. WOLPE, Mr. HUCKABY, Mr. RUNNELS, Ms. MIKULSKI, Mr. BONKER, Mr. ALBOSTA, Mr. MARRIOTT, Mr. HINSON, Mr. WILLIAMS of Montana, Mr. VAN DEERLIN, and Mr. GOODLING.

H.R. 1141: Mr. MURPHY of Pennsylvania, Mr. BENJAMIN, Mr. LEDERER, Mr. NEAL, Mr. DERWINSKI, Mr. HUGHES, Mr. EVANS of Georgia, Mr. KINDNESS, Mr. BAFALIS, Mr. LEE, Mr. LOTT, Mr. DUNCAN of Tennessee, Mr. LUKEN, Mr. ERTEL, Mr. CONTE, Mr. EDGAR, Mr. CLINGER, Mr. SYMMS, Mr. WALKER, and Mr. GOODLING.

H.R. 1439: Mr. WINN, Mr. WHITEHURST, Mr. MURPHY of Pennsylvania, Mr. AKAKA, Mr. LUKEN, Mr. YOUNG of Missouri, Mr. FLOOD, and Mr. STUDDS.

H.R. 1481: Mr. VENTO, Mr. CONTE, Mr. BONIOR of Michigan, and Mr. DRINAN.

H.R. 1500: Mr. YOUNG of Florida, Mr. GEPHARDT, and Mr. GRADISON.

H.R. 1605: Mr. DORNAN, Mr. MURPHY of Pennsylvania, Mr. CORRADA, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. BEVILL, Mr. BEDELL, Mr. STANGELAND, and Mr. MITCHELL of Maryland.

H.R. 1643: Mr. GOLDWATER, Mr. PANETTA, Mr. YOUNG of Alaska, Mr. GEPHARDT, Mr. EVANS of Georgia, Mr. COELHO, Mr. LAFALCE, Mr. DORNAN, and Mr. BONKER.

SENATE—*Thursday, February 1, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL E. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father, God, Thou art our refuge and our strength. Our deepest needs and our hidden longings drive us to the altar of prayer. Mid the busy pace of hurried and harried lives we pause in this hushed moment to declare that we lean on Thee, trust Thee, and hope in Thee.

Lift our view to distant horizons that we may be given a glimpse of the better world that is yet to come. Raise our sight above all that is base or ugly that there may come to us vistas of splendor and windows of insight that the inner eyes of the soul may see what must be done. May we be reborn in spirit, mind, and heart "to serve the present age, our calling to fulfill". Breathe through the things that are seen, the peace of the unseen, and eternal.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 1, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 3 minutes.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF THE STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I am hopeful that the Senate can enter into a time agreement on the proposed rules changes.

I have been discussing the substance of rules changes with the distinguished acting Republican leader, Mr. STEVENS, who chairs the ad hoc committee that was appointed on the other side of the aisle for that purpose. I think that progress has been made, discussions have been going on and sincere and dedicated efforts have been put forth on both sides of the aisle to be able to present some recommendations to the Senate as a working piece.

I talked with the distinguished minority leader on yesterday, Mr. BAKER, with respect to a possible time agreement during which the Senate could debate the matter and reach a conclusion. I discussed this possibility just briefly now with the distinguished acting Republican leader. I am hopeful that before the day is over a time agreement can be worked out.

For the moment, I simply ask unanimous consent that, barring that kind of unanimous-consent request, no other unanimous-consent request or motion or action relating to, affecting, or being prejudicial to Senate Resolution 9 or the pending motion of mine thereto be in order during the remainder of this day.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, do I have time remaining in my 3 minutes?

The ACTING PRESIDENT pro tempore. Yes.

AMBASSADOR MIKE MANSFIELD

Mr. ROBERT C. BYRD. Mr. President, our former colleague and my predecessor as majority leader of the Senate, Mike Mansfield, is currently serving as U.S. Ambassador to Japan.

This is one of the most significant positions in our diplomatic service. U.S. relations with Japan are a matter of prime importance, particularly in the area of trade and economic affairs.

Not surprisingly, Mike Mansfield is receiving very high marks for his work in this key post. A recent Associated Press article by John Roderick noted that many Japanese describe him as the best—the best—U.S. Ambassador ever sent to Japan.

That is not unexpected among his colleagues, but I am glad that he is receiving that kind of recognition.

Also, Mr. President, many knowledgeable Americans speak very highly of Ambassador Mansfield's efforts.

Mr. President, I ask unanimous consent to have the article entitled "Mansfield a Big Hit in Japan," which appeared in the Sunday, January 28, 1979, edition of the Austin American-Statesman, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

MANSFIELD A BIG HIT IN JAPAN

(By John Roderick)

TOKYO.—Mike Mansfield is as plain and American as apple pie, a man with no pretensions. Many Japanese describe him as the best U.S. ambassador ever sent to Japan.

When he meets you in his embassy office he brews you a cup of coffee. After you are gone he washes the cups and saucers himself.

Copies of a Montana weekly, The Hungry Horse News, are on the coffee table. Statues and paintings of the wild West give the room a distinctly western American touch.

Eighteen months after taking over America's biggest embassy—it has 800 staffers—the former Senate majority leader, now 76, is enjoying himself hugely and has no thought of stepping down until President Jimmy Carter asks him to.

He has brought an almost undiplomatic style of candor to his assignment. Unlike previous ambassadors, he speaks only for the record. And he says frankly what he thinks, even if it doesn't always coincide with the truth disclosed from Washington.

"I figure Jimmy Carter didn't send me out here to be a yes man," Mansfield says laconically.

What the Japanese like about him is his "elder statesman" age, his openness, his long-time political stature and his direct links to President Carter.

"My relations with Carter couldn't be better," Mansfield says. "He has been most receptive to my suggestions and proposals."

Almost as important as being liked by the Japanese is to have the affection and confidence of the Americans, many of them career officers, of his staff.

One of them said: "I don't know of anyone in the embassy who doesn't like him. There's not an ounce of pretension in that man."

"I think he is the most effective ambassador we have had in Japan," said another. "He is not by nature a warm, friendly person. He is withdrawn, shy and sees himself as doing his duty. He is humble."

Mansfield's petite, white-haired wife Maureen is a major asset.

"Everybody likes her," an embassy staffer says. "She is much more realistic than he is. Don't forget, she ran most of his campaigns for the Senate."

Used to the excitement of Washington, Mrs. Mansfield found retirement something of a bore, he said. Mansfield accepted the ambassadorship partly because of her.

He confessed he hasn't found much time to pick up Japanese but "I've dug up a few words like o-hio, arigato and sayonara"—good morning, thanks and good-bye.

Asked to identify the three major problems between the United States and Japan, he replied: "Trade, trade, trade."

U.S.-Japanese trade is at once the cement and the sand in the relationship. Topping $31 billion both ways, it is a historic phenomenon. But, after decades of being on the short end of the stick, the Japanese have in recent years come out billions of dollars ahead. That disgruntles American government and business.

Thanks to pressure all around, much of it from the embassy, Japan has tried to at least even the scales, but a sagging dollar has meant that though the volume of Japanese exports has dropped, the value has increased.

His embassy's accomplishments, he says, include:

Drastically reduced exports of Japanese color TV sets;

Fewer complaints of Japanese steel flooding the U.S. market;

What could have been the most serious issue: U.S. objections to the Tokai Mura nuclear reprocessing plant, capable of producing nuclear weapons material. The issue was defused through negotiations which will permit peaceful uses of nuclear energy.

ORDER OF BUSINESS

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from California is recognized for not to exceed 15 minutes.

Mr. CRANSTON. Mr. President, I am glad to yield to my good friend from Alaska.

Mr. STEVENS. That is all right. I will make the statement later. I thought we had time under the agreement. I am sorry.

I thank the Senator very much.

Mr. ROBERT C. BYRD and Mr. CRANSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have a 15-minute order later for myself. If the distinguished Senator from California will allow me, I ask unanimous consent that I may yield to the distinguished Republican whip such time as he may desire from my 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I thank the distinguished majority leader, and I apologize to my good friend. I did not mean to cause a problem.

Mr. CRANSTON. That is quite all right.

ENERGY

Mr. STEVENS. Mr. President, I am astounded at statements which have appeared in the news recently relating to America's energy supply system. With the loss of oil and gas shipments from Iran to the United States and the rest of the Western World, we are now being told by representatives of the administration that it is not in our national interest to obtain information about potential reserves on Federal lands.

Just yesterday, Secretary of Interior Cecil Andrus testified before the House Interior Committee that a program to gather information on the National Strategic Petroleum Reserve should be terminated. To quote the Secretary he stated:

> My personal recommendation is that we put it (the information gathering program) on the shelf and wait to see if it is needed.

I am forced to ask how can he possibly be talking about the situation in the United States? We have just lost, possibly forever, the second largest supplier of oil to the Western World. Secretary of Energy Schlesinger has stated that we will have to stop selling gasoline on Sundays in the United States because we do not have enough future supplies to continue selling gasoline on weekends, yet the Secretary of the Interior states that there is no need for information at this time concerning the Nation's petroleum reserves.

It appears that the Secretary of the Interior either does not understand the situation or that the only person downtown in the administration who understands at all what is going on is the Secretary of Energy.

We have also been told in a recent report that Alaska gas, which represents 10 percent of the known supply of natural gas in the United States, is now considered not worth producing. We are told we should instead substitute gas brought to our shores from a foreign source. No matter how reliable that source may be, it must be remembered that depending upon foreign sources for energy is a grave mistake. Nothing brings this fact home more than the situation with which we are faced today.

A year ago at this time, nobody worried about Iran's stability as a supplier of energy to the West. I feel that in light of these developments, that it is imperative that we do all we can to insure that our Nation's energy sources are located, thoroughly evaluated and to the maximum extent possible in keeping with sound environmental policies, developed.

It is impossible for me to understand how the Nation can sacrifice the reserves that exist in my State of Alaska. We are only talking about evaluating possible oil and gas reserves in the National Petroleum Reserve and possible oil and gas re-

serves that we believe exist beneath the Arctic wildlife range.

What we are dealing with is a country which is now forced to depend heavily upon foreign imports for energy.

The Northeastern States, for instance, must import well over 50 percent of their oil and gas from places such as Venezuela, Algeria, and Canada. The country as a whole imported on the order of 3 billion barrels of oil last year at a cost of more than $42 billion, and I think it is high time we ask the administation why they feel they can afford—how the Nation can afford—to put off exploration for energy supplies on the Federal lands in our Nation. Over half of those lands are in Alaska. It is estimated that more than 50 million acres of that land currently withdrawn by the administration contains geology favorable to oil exploration. I tell the Senators that, in my opinion, we cannot afford to so casually ignore the wealth of energy resources in Alaska.

Mr. President, I ask unanimous consent that the articles concerning Secretary Schlesinger's statement and Secretary Andrus' statement be placed in the RECORD.

I thank the majority leader.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post]

SCHLESINGER SAYS IRAN CUTOFF COULD FORCE FUEL CURBS

(By J. P. Smith)

Energy Secretary James R. Schlesinger said yesterday the Carter administration may ban Sunday gasoline sales and force other mandatory conservation measures if Iran does not begin exporting oil by April 1.

While comparing the Iranian oil shutdown with the 1973 Arab oil embargo, Schlesinger cautioned that mandatory cutbacks in oil supplies would not be necessary if the public responds to conservation appeals.

So far, Schlesinger told reporters yesterday, "The position of the U.S. has not been dramatically affected" by Iran's virtual cutoff of oil exports.

Schlesinger said the drop in Iranian oil sales "is just beginning to bind now," and that some domestic refiners will begin to face shortages of crude oil. The administration will determine by April 1 whether to impose mandatory conservation measures.

Energy Department planners are weighing various conservation measures that could be submitted to Congress for approval, including: banning Sunday gasoline sales, which might save 150,000 to 300,000 barrels of oil a day; imposing restrictions on commuter parking which could save 100,000 to 175,000 barrels of oil a day, and imposing emergency heating and cooling restrictions on temperatures, which could save 200,000 to 350,000 barrels of oil a day. These actions, department officials stress, are still in the planning stage, with the estimated oil savings representing "an illustrative range."

Together, they would save less than 10 percent of total U.S. daily oil imports.

Schlesinger described rationing as much more of "an ideological issue" and said it probably would not be needed to manage an oil shortage.

Much of the oil production from Iran, once the world's second leading oil exporter, has been made up by other oil producers, most notably Saudi Arabia. Iran was producing up to 6.5 million barrels a day before the political upheaval that forced the shah from power. Schlesinger has continued to say that as a result, world supplies are short about 2 million barrels a day.

The United States is less dependent on Iranian oil than most other industrial countries, such as Japan.

Schlesinger and State Department officials said yesterday that members of the 19-nation International Energy Agency, based in Paris, have yet to call for triggering of a plan to force the United States to share its oil supplies with the other industrial countries.

Under an IEA agreement negotiated after the Arab oil embargo, member countries can trigger the sharing agreement when their supplies are 7 percent less than normal consumption.

Under the 1975 Sinai accords, the United States guaranteed Israel's oil supply in the event of an emergency. Until the cutback, Iran provided Israel with 70 percent of its oil.

Schlesinger said that there have been discussions with senior Israeli officials in recent weeks over how the United States would fulfill that agreement. Israel has not asked for U.S. supplies, but Schlesinger said the Israelis should expect 60 to 90 days' lead time. "One of the best systems would be to allow exports from the North Slope" of Alaska, the secretary said. This would require congressional approval.

Middle East Economic Survey, an authoritative trade journal, reported this week that Saudi Arabia would limit its production during the first quarter of this year to 9.5 million barrels a day—down from nearly 10.5 million barrels now.

This report, which has been confirmed by informed sources, originated at a Jan. 15 meeting that Saudi Oil Minister Zaki Yamani had with the members of the Arabian American Oil Co.—Texaco, Exxon, Mobil and Standard Oil of California. The same information, sources say, has been transmitted from the U.S. embassy in Jiddah to Washington.

Asked about whether the critical Saudi production level had been unequivocally limited to 9.5 million barrels a day for the first quarter, Schlesinger said yesterday, "I think not. There is some question whether that will be the case."

The Aramco companies have all declined to comment publicly.

In some industry circles there has been speculation that the Saudis' announcement could be tied to dissatisfaction over U.S. handling of the Middle East peace talks, as well as an effort to respond to conservation pressures within the kingdom. This is denied by administration officials.

"It is a most delicate issue," said one senior administration official, corroborating Schlesinger's comments, and at the same time confirming that the U.S. embassy had reported the 9.5-million-barrel ceiling to the State Department.

The official said that the United States is awaiting further confirmation from the Saudis, adding that it is still possible they would go above 9.5 million barrels of oil during the first quarter.

Administration officials privately express concern over the impact a cut in Saudi production could have on exchange rates and oil prices, and say they expect the Saudis to clarify their position soon.

On other questions, Schlesinger said:

DOE is prepared to allocate oil supplies, and is circulating regulations to allow oil industry companies to update their positions under DOE regulations to reflect changes in the market since 1973.

Gasoline prices are likely to go up 12.2 cents in the next two years.

The Central Intelligence Agency knew Mexico had 140 billion barrels of estimated recoverable oil before the Carter administration unveiled its energy plan in 1977, but he thought that Mexico would probably adopt a moderate oil development plan.

There is uncertainty about the size of China's oil reserves, but it is likely they could have 50 billion barrels onshore and 50 billion barrels offshore.

ANDRUS REQUESTS RESERVES SHELVED

(By Betty Mills)

WASHINGTON.—Interior Secretary Cecil D. Andrus told the House Interior Committee today he strongly favors the termination of drilling in the 23-million acre National Petroleum Reserve Alaska.

"My personal recommendation is that we put it on the shelf and wait to see if it is needed," Andrus said in his first Capitol Hill appearance of the new Congress.

The department has proposed a termination of the drilling program in the reserve, known as Pet 4, in fiscal 1980, slashing funding by more than $200 million.

"If in 1979 we find an incentive to continue, we will come back and ask for more money," Andrus said. "Those wells are expensive, take two years to complete, and we have a transportation problem up there."

Andrus did not rule out the possibility of private exploration in the huge North Slope reserve once the government drilling is completed.

Andrus presented the committee with a broad outline of his department's goals in the new Congress and endured three hours of questioning by members.

He referred to enactment of an Alaska D2 land bill as the department's first priority. Andrus will return to the Interior Committee Thursday as the panel kicks off its hearings on the D2 issue.

The decision to conclude the government's exploratory drilling in Pet 4 was criticized by Rep. Don Young, R-Alaska, and Rep. Steve Symms, R-Idaho.

Young appealed to Andrus to release the data compiled by Husky Oil Co., the private contractor that has conducted the drilling.

"This committee has the decision to make about whether to go forward in Pet 4. I want to see recommendations from the geologists," Young said.

Young, who will serve as the ranking member, on the mines and mining subcommittee, said he intends to hire a geologist to advise him on the Pet 4 issue.

Andrus said complete reports on the Pet 4 drilling program will be submitted to Congress later this year.

Symms said, "This points out the weakness of a government exploration program. It concerns me to say we don't need it when we really don't know what's there."

On other topics, Andrus said the federal government has issued all the necessary permits for the construction of the Sohio pipeline to bring excess Alaska oil from Long Beach, Calif., to Midland, Texas.

"That project is being held up by actions of the state of California. All the federal permits have been issued," Andrus said.

He said the department will issue an environmental impact statement in May on the proposal for a Northern Tier pipeline to transport Alaska oil to the Midwest.

Andrus said proposals to export Alaska oil are being considered by the administration, but he said he is not involved in that issue.

"That is the responsibility of the Department of Energy. I cannot say whether there is a high probability or a low probability (that oil will be exported)," he said.

Andrus was questioned closely about the planned reorganization of the Interior Department, which is being considered by the White House.

Andrus said he supports the proposal to consolidate the U.S. Forest Service with the Interior Department into a new Department of Natural Resources. The proposal has been strongly criticized by the chairman of the House and Senate agriculture committees. The Forest Service now is under the Agriculture Department.

"I think this would be an improvement, bringing all the people who manage federal lands into one agency," Andrus said.

He said a decision is due from the White House on the reorganization plan next month.

"I don't think anyone is picking on the Forest Service. This is intended to end the duplication of efforts. The Forest Service is professionally run, but in my personal opinion, perhaps the Forest Service could be more productive in the management of federal lands," he added.

ORDER TRANSFERRING ALLOTTED TIME

Mr. ROBERT C. BYRD. Mr. President, I was not aware that I had been allotted time. I ask unanimous consent that the orders allotted to Mr. BENTSEN and Mr. CHILES be transferred to me today.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to yield to the distinguished majority whip such time out of the 30 minutes that I now have as he may need.

Mr. CRANSTON. I thank the Senator very much.

(The remarks of Mr. CRANSTON and other Senators who participated in the colloquy in connection with the introduction of a joint resolution are printed under statements on introduced bills and joint resolutions.)

RULES OF THE COMMITTEE ON THE JUDICIARY

Mr. KENNEDY. Mr. President, the Committee on the Judiciary, at a meeting held on January 30, 1979, adopted the procedural rules for the committee. In accordance with the requirement to publish the rules of each Senate committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I ask unanimous consent that the rules be printed in the RECORD.

There being no objection, the committee rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON THE JUDICIARY

I. Meetings of the Committee:

1. Meetings may be called by the Chairman as he may deem necessary on three days notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of Sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Each witness who is to appear before the Committee or any subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. Quorums:

1. Nine members shall constitute a quorum of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. Proxies:

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. Bringing a Matter to a Vote:

The Chairman shall entertain a nondebatable motion to bring a matter before the Committee to a vote. If there is objection to bringing the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with ten votes in the affirmative, one of which must be cast by the Minority.

V. Subcommittees:

1. Any member of the Committee may sit with any subcommittee during its hearings or any other meeting, but shall not have the authority to vote on any matter before the subcommittee unless he is a member of such subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the subcommittee chairmanship, and seniority on the particular subcommittee shall not necessarily apply.

3. Except for matters retained at the full Committee, matters shall be referred to the appropriate subcommittee or subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.

ORDER OF PROCEDURE

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed without consideration against those whose time precedes mine. I have discussed this with the majority leader, and he suggested that I do this, so that if other Senators are not now on the floor and want to take their time, they can take it.

The ACTING PESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

STATISTICAL GAMES WITH THE DEFENSE BUDGET

Mr. PROXMIRE. Mr. President, the administration has played statistical games with the defense budget to understate its real growth and misrepresent its contribution to NATO.

The most obvious manipulation has been the attempt to understate the percentage of real growth in this year's budget. The budget documents indicate that overall the defense budget will go up by 3 percent in real terms in outlays and 1.7 percent in budget authority.

That figure is phony. The 3-percent figure was reached by comparing the fiscal year 1980 budget with the fiscal year 1979 budget after adding in a $4.4 billion supplement appropriations bill. The supplement bill was sent to the Congress along with the fiscal year 1980 request. It has not passed.

Furthermore it is not likely to pass in its entirety. The Congress has expected and counted on $1.8 billion for pay increases. Much of the remaining $2.2 billion was rejected last year during the aircraft carrier veto debate. If passed, the $2.2 billion would break the fiscal year 1979 congressional budget outlay ceiling of $112.4 billion.

So that is another reason why it is unlikely to pass. No. 1, it is rejected, and No. 2, it would break the ceiling and, therefore, we would not do so. But that has given the Department of Defense and the administration a higher base than they should have, so that the 3-percent growth figure compares an unrealistically high fiscal year 1979 budget with the current year. If the fiscal year 1979 budget is considered to include the $1.8 billion pay increase (rather than the entire $4.4 billion supplemental), then the real growth in this budget is 4.4 percent not 3 percent.

Even if the 3-percent figure were fixed and real, it would not mean that our NATO contribution would be increased by 3 percent. To the contrary, since the 3 percent applies to the entire defense budget, many non-NATO related items are included.

Consider that retired military pay outlays increase $1.1 billion. Thus the 3-percent growth goal includes a retired pay increase component totally unrelated to any real military capability in NATO or otherwise. Similarly the increase in military pay, figured as part of the 3-percent contribution, has no specific application to NATO defenses except in the most ephemeral sense.

If the Defense Department were serious about increasing our NATO force structure and preparedness, it would have targeted any real increases to specific NATO related expenditures. Counting retired military pay as NATO contribution really makes no sense.

Targeting the 3-percent increase just to the broad categories of research and development, procurement and military construction (leaving aside manpower, retired pay, and operation and maintenance) would permit a $2.2 billion savings in the fiscal year 1980 budget without in anyway diminishing our NATO 3-percent pledge.

I will press for this reduction and more in the fiscal year 1980 budget.

HEARINGS ON EXPORT CONTROL POLICY

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on U.S. export control policy and proposals to extend and revise the Export Administration Act Monday, March 5, and Tuesday, March 6, for the purpose of receiving testimony from Government witnesses. The Subcommittee on International Finance, chaired by the able junior Senator from Illinois, Senator STEVENSON, will hold hearings on the same subjects on Monday, March 12, and Tuesday, March 13, to receive testimony from private witnesses.

The Export Administration Act, which is our Nation's basic export control statute, will expire on September 30 unless renewed. Authorization of the Commerce Department's expenses for administering the act in fiscal year 1980 is also required; thus, the Budget Act requires the Banking Committee to make every effort to report this essential legislation prior to May 15.

Among the issues to be addressed in the hearings on March 5, 6, 12, and 13 are the following:

What controls should be applied to the transfer of U.S. technology abroad? Should technology transfer be limited when it appears likely to increase imports to the United States or enhance the competitive position of foreign producers relative to American producers in world markets? Should controls on technology transfer for strategic purposes be confined to militarily "critical technologies," as suggested by the Department of Defense? Did the Dresser case involve the export of goods or technology which would make a significant contribution to the military potential of the Soviet Union?

What controls should be applied to the sale to foreign countries of equipment and technology for use in energy exploration and production? In particular, why are controls currently applied to such sales to the U.S.S.R., but not to the People's Republic of China and other countries?

How are export controls being used to "further significantly the foreign policy of the United States and to fulfill its international responsibilities"? In particular, what role should export controls play in promoting observance of human rights in foreign countries? Should trade be banned with countries with records of gross violations of human rights? Should exports be permitted to the People's Republic of China which are denied to the U.S.S.R.?

Should exports of commercial goods and technology which can readily be converted to military use be controlled in the same manner and degree as weapons?

What contribution have exports of U.S. goods and technology made to Soviet military capability and to that of other Communist states during the past 30 years?

What controls exist on the export of banned or hazardous materials, goods, and substances?

What effect have the antiboycott provisions of the Export Administration Act and the Tax Reform Act of 1976 had on boycott practices and on U.S. trade and foreign relations? What antiboycott policies are being followed by other countries?

How do the export control policies and practices of our COCOM allies differ from our own? How can greater uniformity be achieved? Should the "short supply" provisions of the act be changed?

Should controls on the export of Alaskan oil be lifted?

What steps have been taken to implement President Carter's directive of September 26, 1978, to "take export consequences fully into account when considering the use of export controls for foreign policy purposes"? How is "foreign availability" of comparable goods and technology assessed? Who makes such assessments? What weight is given to foreign availability in export licensing decisions?

How can the processing of export license applications be expedited? What agencies should be involved in reviewing export licenses, with what responsibilities? Should interagency review be limited by time deadlines which force decisions on applications or review at higher levels? What changes in export control policy or the administration of export controls have been made pursuant to Presidential Review Memorandum 31?

Witnesses scheduled to appear at the hearings on March 5 and 6 include Secretary of Commerce Juanita M. Kreps, Secretary of State Cyrus R. Vance, Under Secretary of Defense William Perry, Comptroller General Elmer B. Staats, and representatives from the Departments of Energy and Treasury. Hearings will be held at 10 a.m. and 3 p.m. on Monday, March 5, and 10 a.m. and 2 p.m. on Tuesday, March 6. All hearings will be held in room 5302 of the Dirksen Senate Office Building.

Persons interested in submitting testimony at the hearings on March 12 or 13 or desiring additional information may contact Robert W. Russell, counsel to the Subcommittee on International Finance, at (202) 224-0819.

JANUARY GOLDEN FLEECE RUNNERUP AWARD GOES TO NATIONAL ENDOWMENT FOR THE ARTS

Mr. PROXMIRE. Mr. President, the "runnerup" January Golden Fleece of the Month Award went to the National Endowment for the Arts for supporting a "Hanauma Bay (Hawaii)-Colored Headcovers Happening," which involved 400 people being filmed from a rented helicopter as they walked along an Oahu beach wearing shiny paper party hats color coded to the wearer's sex and race. Because of the relatively small amount of Federal funds involved, this project lost out in the competition for the January Fleece of the Month, which went to a $140,000 Department of Labor grant to Orange County, Calif., to pay for a yet uncompleted census of the Samoan population living there.

The Hawaiian State Foundation on Culture and the Arts, as part of a $20 million NEA Federal-State matching funds program, spent $1,000 on this work of "contemporary environmental conceptual art." The happening was dreamed up by a group of art students and professors at the University of Hawaii. One professor explained the project:

> Contemporary art, and this is contemporary art, is conceptual. Meanings are layered, referring to things and ideas that are not there.

HANAUMA BAY-COLORED HEADCOVERS HAPPENING

The "Hanauma Bay-Colored Headcovers Happening" happened last December. While the artists sent out more than 2,000 invitations and hoped to hat attire at least 1,500 beachcombers, only 400 people turned out to wear the shiny paper party hats. Those who did found themselves holding hands and strolling along the beach and in the surf as their ambulatory art experiment was being preserved for posterity from a helicopter hovering overhead.

The distribution of hats was supposed to be based strictly on the sex and race of the wearer. For example, blue hats were handed out to Caucasian males while Caucasian females got green ones. Oriental males were assigned purple hats, and the distaff members of the oriental race were given red ones. According to the grant application, the reason for this ethnic and sexual designation was to allow for "post project analysis of racial integration." Unfortunately, the sociological aspect of this contemporary environmental conceptual art happening was confounded by the voluntary exchange of hats among the sexes and races.

In addition, one of the artists has already envisioned a followup project with—

> Five thousand people in orange day-glo shirts simulating an eruption in Diamond Head. See we'll start with everybody inside the crater, then we'll have some people from hiking clubs climbing up the inside and spilling down the outside like hot lava.

When asked about the colorful but dubious happening, a National Endowment for the Arts spokesman pointed out that this type of minigrant does not legally require prior approval by Washington. As the National Endowment for the Arts conveniently interprets its legislation, only the individual State art councils can determine how the 20 percent of the endowment funds which go directly to the State shall be spent.

SUPPORT FREE EXPRESSION

While I strongly support free expression by creative artists and believe that the Hanauma Happening artists sincerely believe in the importance of their work, I see no reason why the Federal Government should spend hard-pressed taxpayers' money to support such activities. If the artists want to do it, let them pay for it themselves or with private contributions.

While the amount of money involved in this project is relatively small and, therefore, worthy of only a runnerup Fleece Award, a significant portion of Federal funds is spent without any Federal oversight. This mindless method of spending is exactly why there is so much waste and so little accountability in Government spending.

THE GENOCIDE CONVENTION: AN INEXPENSIVE BOOST TO OUR MORALE

Mr. PROXMIRE. Mr. President, now that President Carter has submitted his budget to Congress we see that billions of dollars will be spent in 1979 in maintaining the strongest military force in the world, that of the United States.

But the question is, "What can we do to strengthen our position in the world, that does not require spending billions of dollars?" I believe that a strong military is essential to a strong nation, but I also believe that a nation should be morally strong.

There is one step that we can take right now.

I am referring specifically to ratification of the Genocide Convention.

For 30 years, Mr. President, the U.S. Senate has not been able to ratify this essential human rights treaty. Consider that for a moment. A treaty—that was designed to protect the right to live—has been ignored for 30 years.

Now, why?

Is that not what we are spending billions of dollars a year to insure—the right to live?

How can we justify on the one hand spending billions of dollars each year on military protection, and on the other, ignore a treaty that would provide one small step toward improving the basic protections for existence?

The lack of consistency is appalling. But the situation has persisted for the last 30 years. It is time to become consistent. We cannot endorse military security and refute national morality.

ORDER TO VITIATE REMAINING SPECIAL ORDERS FOR TODAY

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, what other special orders are pending?

The ACTING PRESIDENT pro tempore. The special orders for the Senator from New Jersey, the Senator from Texas, the Senator from Tennessee, and the Senator from California.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all of the remaining special orders be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for not to exceed 15 minutes therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business last until not later than 5 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THOMAS J. McINTYRE

Mr. ROBERT C. BYRD. Mr. President, Thomas J. McIntyre was elected to the Senate in 1963—the first New Hampshire Democrat in 30 years to attain a Senate seat. During his 16 years of service, Senator McIntyre accomplished much that will benefit New Hampshire and the Nation for years to come. His presence in this Chamber is sorely missed and will continue to be sorely missed, but he will be remembered in many ways: for his personal integrity, his sense of fair play and justice, and his ability to work effectively with Senators from both sides of the aisle.

As a member of the Senate Armed Services Committee, Senator McIntyre stood out as a skillful legislator in the area of national defense. His reputation as a knowledgeable spokesman on the subject of military research and development is widely known and respected. He spent many, many hours reviewing thousands of research and development programs in his careful and thorough fashion, working closely with the committee chairman, Senator STENNIS, and other members of the committee to reach agreement on the issues. On numerous occasions, it was his recommendation which provided the common denominator for reaching an agreement. And on the Senate floor, Mr. McIntyre was often relied upon by Democrats and Republicans to clarify an issue or to help achieve a consensus among his colleagues.

Senator McIntyre's Senate career is filled with accomplishments that speak for the consumer—in New Hampshire and the Nation. As a member of the Small Business Committee, he was instrumental in the creation of the Commission on Federal Paperwork. As the Commission's cochairman, he worked toward reducing the time-consuming and often frustrating burden on the private sector of Government redtape and excessive paperwork.

He also spent considerable effort reforming the banking system—again, for the benefit of consumers. As a member of the Banking Committee, one of his most notable achievements was the NOW account—a new checking/savings innovation for banking customers.

In other areas as well, he was an accomplished legislator. Senator McIntyre is widely recognized for his knowledge of and interest in alternative energy sources. He has long been a leading advocate for the development of solar and other forms of alternative energy sources. He was the chief Senate sponsor of the Small Business Energy Loan Act, which will provide loans or loan guarantees to small businesses to assist them in developing renewable energy products and services, such as solar energy equipment.

In the area of health, Mr. McIntyre proposed his own program for national health insurance. His efforts in this field clearly demonstrate his commitment to the concept of providing basic health care to all Americans at reasonable cost. Some of his initiatives for improving health care services and upgrading the health care industry were adopted.

Trade issues also received close scrutiny by Senator McIntyre. He was concerned with the threat of import competition to American jobs and argued that due consideration be given American workers in the discussion of trade agreements with other countries. This was of particular importance to his constituents in New Hampshire, where textile and footwear industries are located. His sound judgment and balanced opinions will, I am sure, be remembered by his former colleagues as we continue our review of numerous trade issues this year and next.

Mr. President, I think what we remember best about Thomas J. McIntyre is his remarkable forthrightness and courage. His commitment to represent the best interests of his constituents and his country was unequivocal, even if it risked drawing fatal fire from his political adversaries. This is best exemplified by his support for ratification of the Panama Canal treaties. One of the most memorable events for me, not only during the debates but also during my years in the Senate, was the moving address he made in support of ratification.

After considerable review and evaluation of the pros and cons of ratification, Senator McIntyre came out in favor of the treaties. His decision was made difficult by public opinion in his State against the treaties. But this distinguished Senator from New Hampshire, Mr. McIntyre, did not waver. He stood firm in the knowledge that his decision was based upon many weeks of careful study of the treaties themselves, and in the final analysis, he was willing to put aside self-interests and take a stand for what he believed was the right thing and the best thing for our country. As he said during the debate, "I will go home to Laconia content in my heart that I voted

in what I truly believed were the best interests of my country."

The principles Tom McIntyre demonstrated, Mr. President—intellectual integrity and intellectual independence—are qualities which, in my judgment, make this Congress work not only in the interest of each Member's constituency but also in the interest of the Nation.

I compliment him and commend him. I know his absence will be felt by most of us.

Erma and I join in wishing to Tom and Myrtle every good thing and our prayers for their future happiness and good health.

THE SEATTLE-DENVER EXPERIMENT

Mr. MOYNIHAN. Mr. President, last November, the Subcommittee on Public Assistance held hearings on the findings of research efforts in the area of poverty, dependency, and welfare. Of particular interest were results of the major income maintenance experiments that the Federal Government has conducted in the past decade. The largest of these, the Seattle-Denver experiment, was conducted by SRI International for the Department of HEW.

Some of the principal findings of this experiment were presented by Dr. Robert G. Spiegelman, director of SRI's center for the study of welfare policy. Among the questions that arose during our discussion was the very important one of the ethics of conducting social experiments of this sort. I recalled a paragraph I had written in Maximum Feasible Misunderstanding in 1968:

(T)here is an issue beyond objectivity. The 'movement of the social system into self-consciousness' has been accompanied by increasingly sophisticated efforts to shape and direct that system. . . . There arises then a range of questions of ethical behavior that correspond to the canons of professional practice with respect to individual clients. Social workers have developed, and some cases borrowed from other professions, a quite extensive set of rules governing and protecting professional conduct. They can, for example, purchase insurance for suits against malpractice. But what is malpractice with respect to a community? At what points are risks taken that are not justified?

I asked Dr. Spiegelman to reflect on these issues in relation to large-scale experiments such as the one he so ably directed, and to share his reflections with me. He has now done so, and his thoughtful, careful and sensitive observations deserve a wider audience. I therefore ask unanimous consent that his letter to me of January 12, 1979, be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 12, 1979.

Senator DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR MOYNIHAN: In my testimony on November 15, 1978, you requested that I prepare a statement as to my views of the ethics of conducting a social experiment under conditions in which some persons in the experiment can suffer harm. Specifically, you were concerned with the ethics of conducting the income maintenance experiments, which appear to increase the rate of marital separation and thus cause some children to live in single-parent homes who otherwise would have lived in two-parent homes.

In discussing the ethics of conducting social experiments, there would seem to be three considerations: (1) Are the participants at risk of suffering harm? (2) Is there informed consent by the participants? and (3) Does society and/or the participants stand to gain from the results of the experiment? I will not attempt to deal generally with the ethics of social experiments, but rather to confine my observations to the specific concerns regarding the NIT experiments. Defining "harm" is not simple in a social experiment. In a medical experiment all may agree that an illness induced by the experimental treatment is harmful. Since the treatment in the NIT is essentially the provision of additional income, the treatment itself cannot be judged to be harmful. Rather, it is the participant's response to the treatment that may cause harm. But harm in whose terms? If the individual knowingly chooses a response, then presumably he is better off making that response. For example, a response to the NIT treatment can be to reduce hours of work or to get a divorce. Since these responses are voluntary, harm is only a relevant consideration if the responses are not based on reasonable information provided the participants, and that participation in the experiment is not voluntary. In other words, is there "informed consent?"

In the NIT experiments, consent is obtained by requiring an enrollment agreement to be signed by the agents of the experiment and the family. This agreement explains the rights and obligations of the family members. The family may accept or reject membership. Furthermore, each family member has the ability to wtihdraw from the experiment at any time without penalty. Those families who were previously on welfare (AFDC), were guaranteed the ability to return to that program.

With regard to consent being informed, it is necessary that the individual has an ability to decide what is in his own best interest. As pointed out by Peter Brown, the two issues of information and risk of harm are highly related.[1] The higher the risks involved in the experiment, the greater the need that information about the experiment be imparted. Thus, in experiments in which the individual or family could suffer harm, the risks should be spelled out clearly and completely. This does not mean that it is necessary to inform the family of the overall purposes of the experiments. Thus, the fact that the income maintenance experiments are interested in measuring the effects on work effort does not have to be conveyed to the recipients. Conveying such information could change family behavior and nullify the experiments. What is necessary is that the family know how it will be directly affected by the experiment. The family should know what it is giving up in order to take part in the experiment (i.e., other welfare benefits) and how its behavior will determine the payments to the family. This creates no difficulty because complete information about how family behavior affects payments is essential not only for the ethical concerns but also for the success of the experiment. Furthermore, the income maintenance experiments have no "hidden" treatment as may exist, for example, in a birth control experiment in which some people are given placebos when they think they have been given birth control pills. This would be a violation of the informed consent provisions, and no such violation occurs in the income maintenance experiments.

The issue is complicated by the fact that the decision to participate in the experiment is that of the adult parent and not that of the child and it is potential harm to the child that is of concern here. This concern, however, is more a reflection on the parent-child relationship than on the relationship of the experiment to the child. It is well recognized that parents have a wide latitude within both the law and social custom regarding decisions that affect the child. A parent is not supposed to make decisions that are directly adverse to the child's well-being. As stated by Paul Ramsey, "The parent has a sacred obligation to protect the child's interest."[2] However, society does not require that a parent obtain the consent of the child to make decisions that affect the child's well-being. We cannot impose upon the participants in an experiment a set of consensual standards that differ from those imposed by society apart from the experiment. To do so would be an unnecessary infringement upon the rights of the participants. It would also compromise the experiment by introducing an artificial difference between the experimental situation and the real world. Parental decisions to divorce, remarry, quit work, or move to another town affect children both within and outside the experiment. The experiment does not (and should not) alter this parent-child relationship.

The last issue is benefits. These are twofold. There is potential benefit to both the individual and society as a whole from the conduct of the experiment. The main justification for conducting a social experiment is to gain information to improve the efficiency and effectiveness of social policy. There may be unanticipated side effects, however. If indeed as a result of the experiment harm is caused to participants, for example, an increase in the marital dissolution rate (if it is regarded as a harmful outcome), then it follows that the information in this case may be the most valuable of all. These unintended harms befell a very small number of individuals, whereas if the program had been harmed without the experiment, the number harmed may be far greater. Thus, societal benefits from a social experiment are particularly high if that experiment uncovers a harmful effect of a policy that has a high probability of being implemented.

There should also be benefits to the individuals taking part in these experiments. One form of benefit may be the satisfaction gained from accepting risk of harm by an altruistic individual who wishes to aid society. In the case of income maintenance, however, no such altruism was required as the individual families could be expected to participate only if they received direct and immediate benefits. These benefits came in the form of increased cash incomes. One may argue that individuals could only perceive correctly their short-run benefits and may badly misjudge their long-term benefits which might not have been as positive. This is true, but irrelevant. Individuals make decisions for both short- and long-term gains. Long-term effects are always seen with much less certainty that short-term effects. If the individual was fully informed with regard to issues that influence longer term effects, such as the date the experiment would terminate, and the conditions that would be provided to him at the point of termination there is no special problem. Whether an individual sees the long-term effects of divorce or quitting a job is really not relevant to the informed consent doctrine for an experiment. This is part of a normal behavior process and the individual must evaluate the pros and cons of taking those actions as well as he can. Similarly, he must make such an evaluation when he decides to join the experiment.

We hold that the income maintenance experiments are on firm ethical grounds in that the members of the experiment are well-informed as to the benefits and costs of participation, that their voluntary consent is obtained and can be rescinded at any time, and that essentially participation is only made on the basis of an individual's benefit/cost calculation.

Sincerely,

ROBERT G. SPIEGELMAN,
Director, Center for the Study of Welfare Policy.

[1] See P. Brown, "Informed Consent in Social Experimentation: Some Cautionary Notes," In Rivlin, A.M. and P.M. Timpane, eds., *Ethical and Legal Issues of Social Experiments*, Brookings Institution, 1975.

[2] See Rivlin and Timpane, p. 42.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour.

The motion was agreed to and at 12:41 p.m., the Senate recessed for 1 hour; whereupon, at 1:41 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I withdraw my motion on Senate Resolution 9 and I ask for a ruling.

The PRESIDING OFFICER. The motion is withdrawn.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a final vote on Senate Resolution 9, as amended, if amended, no later than 3 o'clock p.m. on Tuesday, March 6, 1979, with the understanding that the details as to time on amendments, the time allotted for debate and the control thereof, the time on motions, points of order, at cetera, may be placed later. At this time, we will only agree to a final vote to occur not later than the aforementioned date.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, Mr. President, the Senator from North Carolina asked to be present for this agreement. He is on his way to the Chamber now.

I would like to make sure we understand what the procedure will be. The majority leader has withdrawn his motion and Senate Resolution 9 is still pending, however.

Mr. ROBERT C. BYRD. I have just offered it.

Mr. STEVENS. The Senator has offered it?

Mr. ROBERT C. BYRD. I have offered it. So there is no motion pending.

Mr. STEVENS. There is no motion pending before the Senate at this time.

Mr. STENNIS. Mr. President, may we have conditions where we can hear? This is an important matter.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STEVENS. I am grateful to my good friend.

Mr. President, it is our intention to proceed, as I understand it, following the agreement, assuming we enter into it, into a period whereby the majority leader would adjourn the Senate and we would then enter the second legislative day.

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. The effect of that, as I understand it, would be that having entered the second legislative day, if the distinguished majority leader renews his motion, then the Senate having proceeded through one legislative day, under the existing rules would then require a two-thirds vote of the Senators voting to change the Senate rules.

Mr. ROBERT C. BYRD. No, it only requires a majority at any time under the present rules. But if we get an agreement as to a final vote, then there would be no need for a motion to invoke cloture on a filibuster because we would have already agreed to vote no later than a certain date on the measure itself. But by going into the second day, I could not then renew the motion which I had withdrawn.

Mr. STEVENS. Is it the distinguished majority leader's intention that it would be possible to proceed with his motion on the basis of a majority vote?

Mr. ROBERT C. BYRD. No, not the motion that I had entered and have withdrawn. I have withdrawn that. If we now agree that we will have a vote up or down on the resolution, as amended, if amended, no later than March 6, there would be no reason to renew that motion because I would have obtained consent on the resolution as to the final vote.

Mr. STEVENS. May I inquire, what is the majority leader's understanding of the number of Senators who would be required to carry the Senator's motion as it is presented the second time? Would that be two-thirds?

Mr. ROBERT C. BYRD. I will not present the motion the second time. If we get the agreement that we may proceed to debate this resolution and amend it, if need be, with a final vote to occur no later than March 6, this would simply be a unanimous-consent agreement.

Mr. STEVENS. How many Senators would be required to adopt the Senator's resolution amending the rules?

Mr. ROBERT C. BYRD. That would be a majority, but that is true any time during the year. A majority of the Senators may amend the rules at any time during the year. The two-thirds comes in by virtue of the requirement of two-thirds to invoke cloture on a filibuster in a change in the rules. But the change itself never requires more than a majority vote under any circumstance, under the present rules.

Mr. STEVENS. I might say to my good friend I think I am going to have to confer with the Members on my side on this matter. It was our understanding, and my instructions were, that we were at liberty to enter into a time agreement on the basis that it would require a two-thirds vote to amend the rules.

Mr. ROBERT C. BYRD. That would be an entirely new rule in the Senate. The Senate has never operated under that rule. The two-thirds question always comes in with respect to invoking cloture on a change in the rules. It has never required more than a majority vote to change the rules. I would be very happy to have the Chair state whether or not I am correct.

The PRESIDING OFFICER. The Chair agrees with the majority leader. A majority vote is required to change a rule or to amend a rule.

Mr. HARRY F. BYRD, JR. I came in late and I may not fully understand the proposal. As I understand it, if the proposal, the unanimous-consent request, is agreed to, the Senate then would be giving up the right to a cloture vote, which would take two-thirds to cut off cloture—is that right?

Mr. ROBERT C. BYRD. As in any unanimous-consent agreement, that is correct.

Mr. HARRY F. BYRD, JR. What the Senate would be giving up is the opportunity to require a two-thirds vote before cloture could be invoked——

Mr. ROBERT C. BYRD. To invoke cloture, yes.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. ROBERT C. BYRD. The Senate would not be giving up that right. If there were a unanimous-consent agreement, there would be no cloture involved.

Mr. HARRY F. BYRD, JR. But the unanimous-consent request, if agreed to, would make it impossible, then, for the Senate to continue to debate unless two-thirds of the Senators present and voting voted for cloture.

Mr. ROBERT C. BYRD. It would preclude a filibuster on the rules change.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. I inquire of the ma-

jority leader as to the impact of his withdrawing Senate Resolution 9 prior to entering into a unanimous-consent agreement. What is the relationship of that particular——

Mr. ROBERT C. BYRD. I did not withdraw Senate Resolution 9. I merely withdrew the motion that I had offered to proceed immediately, without debate, to consideration.

Mr. HATFIELD. What is the purpose of withdrawing that motion?

Mr. ROBERT C. BYRD. The purpose of withdrawing that motion is that the motion does not exist at the moment. In essence, I have just offered the resolution and I have asked unanimous consent that the Senate proceed to consideration thereof and vote no later than March 6 on the adoption of the resolution as amended. So there is no such motion at the moment pending. If we get the agreement, that relieves all this business about the possibility of forcing the Senate to a vote by a majority at the beginning of a new Congress to change the rules. That eliminates that, because we will simply enter into an agreement that on March 6, no later than that date, we will vote on this resolution.

Mr. HATFIELD. The majority leader, I am sure, will be interested in knowing that—if I could have the majority leader's attention.

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. The instructions that were given by the ad hoc committee functioning on the majority side to our party whip (Mr. STEVENS) was that we would agree to a time certain for the vote on whatever package we had put together in the meantime; but that was coupled, that was contingent upon an agreement's being reached that the two-thirds majority issue not be raised or not be a part of that agreement.

In other words, we wanted to make certain that we preserve for our side, at least, the constitutional issue of the two-thirds vote to make actual amendments or changes in the rules at the beginning of the session.

Mr. ROBERT C. BYRD. Even at the beginning of a new session, or midway in a session or at the end of a session, or at the beginning of the second session of Congress or midway in the second session of Congress, the Senate may change its rules by majority vote. The question about the two-thirds only arises if there is a filibuster on the change of the rules. It takes two-thirds to shut off a filibuster. For me to agree that it would take two-thirds to adopt my resolution on March 6 would be for me to enter into a new rule that simply has never existed, and does not exist today; to wit, that it requires two-thirds of the Senate to change the rules. That is not the case.

Mr. HATFIELD. I do not think the Senator—we did not apply, with respect to the majority leader, to change the rules on the basis of some kind of unanimous-consent agreement. By the same token, we want to preserve our right to at least lay down a cloture, if necessary, in order to preserve the two-thirds roll vote there in reference to amendments or changes in the rules at the beginning of the session.

Mr. ROBERT C. BYRD. Well, I have withdrawn my motion. If we enter into the unanimous-consent agreement, it seems to me that that leaves that entirely aside; we would not be put to that test at all. We would simply have entered into a unanimous-consent agreement, as the Senate often does, to debate a given measure. We would flesh in the details as to debate on amendments, motions, appeals or points of order later and the Senate would vote up or down on the measure at a given date.

Mr. HATFIELD. May I ask one more question?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. I would like to ask the majority leader why we have been proceeding since the 18th of January under the procedure that we have been.

Mr. ROBERT C. BYRD. Simply because I was giving the Senate time, hoping that the two ad hoc committees could work out an approach which would obviate the possibility of my pressing my motion. We are still in the first legislative day of the new Congress. I had a motion to proceed without debate to take up the resolution. I have not wanted to press that and, therefore, trigger the previous rulings by vice presidents of both parties. I had wanted to avoid that, hoping we could work out a time agreement on the resolution which would permit us to take it up in an orderly fashion, debate it and amend it and vote on it at a certain date. That puts aside all of these other questions that we have been fearful of. That is what I thought we were about to achieve.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield for the purpose only of his asking a question.

Mr. McCLURE. I thank the distinguished majority leader. It seems to me that the situation is this: That the rulings have been as the majority leader states, that the Senate can, at the beginning of a session, adopt rules by majority vote. On the question of whether or not there can be extended debate upon those rules, there is precedent on both sides, the most recent of which is that the matter can be submitted to the Senate without debate. That question has not been fully settled in the minds of some Members of the Senate and there are some who wish to consider that at some length. I think the effort has been made to avoid the debate upon that issue and to focus our consideration upon the rules rather than that issue. Committees have been meeting on both sides of the aisle, trying to come to an accommodation and an agreement with respect to what ought to be in proposed rules changes to deal with the question of the postcloture filibuster as it has evolved in recent years. I think substantial progress is being made in those negotiations and I think it may be that we are very close to coming to some agreement.

It has been stated that to ask that the rule change be by a two-thirds majority would be to adopt a new rule. I think, in effect, it would be, and the majority leader has indicated that that is asking him to concede too much. The other side of that is the question, if resolved by the Senate, that indeed debate cannot be cut off by a simple majority, even at the beginning. That is a debate we have all wanted to avoid if we could. Yet if we agreed to a simple majority vote at a time certain, those who wish to debate that issue will have conceded everything. It seems to me that is asking those of us on our side to concede too much.

Mr. ROBERT C. BYRD. Well, Mr. President, it is not conceding anything, because I would immediately adjourn and put us into a second day. So this argument about the first day of a new Congress would have evaporated, because we would then be in the second day.

Mr. McCLURE. Will the Senator yield further?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. But in effect, those who are concerned about what might be in the rules change would have given up any opportunity to raise any question as to whether or not it required more than a majority vote to either cut off debate or adopt rules.

Mr. ROBERT C. BYRD. Why have we not taken these days? We have been meeting now for 2 weeks and I have offered Senators plenty of time to debate. We have had morning business and they could have gotten up and debated that question. Now, after 2 weeks, when we had hoped to reach an agreement—the ad hoc committees have been meeting, trying to work out some proposed changes in Senate Resolution 9, and I think there have been some good suggestions and some progress made—I thought it was about time that we tried to reach an agreement on debate and the final vote on that resolution.

Now, I do not want to debate the 51 question. I do not want to debate the matter of the rulings that have been made previously by various Vice Presidents in both parties. That would become a moot question if the Senate would agree to vote on this resolution up or down.

(Mr. EXON assumed the chair.)

Mr. McCLURE. Will the Senator yield.

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. The situation, as I see it, though, is that the question of whether or not it requires 51, to terminate the debate, is interrelated with the question of whether or not those who are opposed to the rule change might wish to influence the direction of the rules change, are limited and ruled by a vote of a majority of a quorum being present. To agree to a time certain and at the same time agree to a simple majority of a quorum present, those who may wish

to debate the rules change from the standpoint of resisting changes they think go too far will have conceded whatever opportunity they may have to raise the other question.

Mr. ROBERT C. BYRD. I do not agree with that at all. I do not agree with that at all.

Mr. McCLURE. The point I was trying to make with the distinguished majority leader is that it seems to me that the people who have been negotiating in good faith and were very much concerned about the direction of the rules change——

Mr. ROBERT C. BYRD. And I am included in that.

Mr. McCLURE. Yes, I understand that. I do not exclude the Senator from that.

They will have given up any attempt or any opportunity to prolong the discussion beyond a fixed date.

It seems to me if all Members are willing to do that in terms of a unanimous-consent agreement to come to a vote, that they ought not to be also asked to give up the opportunity to raise the question of whether or not that can be limited by a simple majority vote. I think the two-thirds request for adoption of the rules might be tempered by a consent agreement, or unanimous agreement, on all sides, that it takes the same majority to adopt the proposed rules change under the unanimous-consent agreement that it would for the cloture, if, as a matter of fact, cloture were required to be invoked to cut off debate.

Mr. ROBERT C. BYRD. Mr. President, if I may say so, most respectfully, that is one of the most specious arguments I have ever heard made in this Chamber.

Here we are asked to enter into a time agreement on a rules change and to include in that time agreement the understanding that any changes in the rules that would be voted would have to be voted by two-thirds.

Now, that is entirely unheard of. Where this idea ever germinated that it takes two-thirds of the Senate to change the rules, I have been unable to research and find. It is not anywhere in the rules.

It only takes a majority of the Senate, a majority of those present and voting, at any time, to change the rules of the Senate, whether it is January, February, March, April, May, June, July, August or December, whether it is the first session or the second session. It only requires a majority of those present and voting to change the rules.

Now, I am being asked to agree, to enter into an agreement that we will vote finally on March 6, no later than then but that it will take two-thirds of the Senate to change the rules.

Now, Mr. President, I am not about to enter into that kind of an agreement. I think I am being imposed upon, even to suggest that I enter into that kind of agreement.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield to the Senator.

Mr. STEVENS. I hope my good friend will not indicate I have imposed on him.

Mr. ROBERT C. BYRD. No.

Mr. STEVENS. We were trying to find a way around the problem of whether or not, at the beginning of the session——

Mr. ROBERT C. BYRD. Let me change that.

I am not being imposed upon, it is the Senate that is being imposed upon, to be asked to change its rules by a two-thirds vote, and I am not saying that anybody, the Senator from Alaska or the Senator from Idaho, means to do that.

But I am simply saying that has never been heard of, and, as majority leader, I will not stultify the rules of the Senate by agreeing to enter into any agreement that it will take two-thirds of the Senate to change the Senate rules.

That is not in the rules now and I am not going to make it a precedent.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. It was not a desire to change the rules as much as it was the desire to avoid the question of whether the rules pertaining to a two-thirds vote, or really 60 Senators, could terminate debate, rather than 51, on the initiation of the proceedings of the Senate in a new session. We have suggested that as a compromise, instead of the 60 of the Members duly chosen and sworn that in this instance two-thirds of the Members of those present and voting, be required to approve Senate Resolution 9, so we could move beyond the question of whether there is a cloture process that applies to changing the rules during the initiation of a new session. We sought to avoid the question of whether 51 could do it without regard to rule XXII. We sought to establish a procedure for this instance only. I say to my good friend, if we can do that then I can assure him he will have the support of the Members. As he knows, we are so close now in terms of the rules change, I expect to get 100 Senators to vote for it.

We were trying to assure that the record shows we did not yield on the principle that it would require 60 Senators to terminate the debate at the initiation of a new session of the Congress.

So I have to apologize to the distinguished Senator if I did not convey the instructions I received correctly. But it was my intention that we would have in the agreement a provision that in this instance, in order to avoid that knotty issue of whether the dictum of the late Vice President Rockefeller was correct or not, that we would have this unique agreement which does not change the rules, but for the purpose of this resolution would mean it would require two-thirds of those present and voting to pass that change of the rules.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. STEVENS. I am advised by my good friends in the parliamentary business around here that by unanimous consent that could be done, although it is not changing the rules by unanimous consent.

Mr. ROBERT C. BYRD. By unanimous consent we could require three-fifths, or we could require four-fifths. We could require 99 out of 100, or require all 100 Senators elected and sworn be required to adopt the resolution.

Under the rules and the precedents by which we have been guided for decades, it only requires a majority of Senators to change the rules.

It only requires a majority vote to change the rules. The question of two-thirds comes in on invoking cloture on the rules, but three-fifths are required on other matters.

But I want to say to my good friend that I have eliminated that question, the question he and his colleagues are concerned about. I will have eliminated that question by having withdrawn the motion.

If we can get a unanimous-consent request, that puts that matter entirely aside. We would simply agree to debate that resolution on the rules change, flesh in the details as to time on amendments, motions, points of order, and so on, and no later than March 6 we will vote on that resolution up or down.

The Senate may want to vote it down. The Senate may want to change it in innumerable ways. But it would simply be a time agreement which will preclude and set aside the question which the Senator and his colleagues were so concerned about, to wit, whether or not the Senate may at the beginning of a new Congress change its rules and invoke cloture—invoke cloture; strike change of the rules; we can do that at any time—but invoke cloture by majority vote.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BAKER. Mr. President, I am sorry I was not on the floor at the time the unanimous-consent request was propounded. I was not in a position to hear the exchange and I was in another part of the building.

Mr. President, I think we have gone a long way from the first calendar day. I think the distinguished Senator from Alaska has rendered yeoman service in trying to bring us a package that will be acceptable not only to the majority leader but to two-thirds, and, I hope, to the entire Senate.

It has been a long, laborious task, as he has headed up the ad hoc committee on our side to consider this matter. The distinguished majority leader, I am sure, would underscore that the ad hoc committee on his side has worked as well.

I thought for a moment today that we had an agreement, and it is clear to me now that we do not. I do not think that is anybody's fault. I think it is purely a misunderstanding and one of those things that can occur in a fever-filled subject and a complex issue such as this.

I hope we will persevere in our efforts to find a solution. My own view is that if we set a time certain, that would be greatly facilitated, or the likelihood of obtaining unanimous consent would be greatly enhanced, if we had a general understanding of what it was we were going to deal with—that is, if we could go a little further with our two ad hoc committees yet today, to outline the gen-

eral subject matter with which we would deal. I think there is some chance that we could arrive at a time certain.

I would like the record to show that I am sure my colleagues on this side of the aisle know that I think we should try to get this issue resolved and get on with the business of the Senate. But it requires careful, cautious consideration; and I hope the majority leader might permit us a little more time to see if we could reconstitute some sort of agreement that would be suitable.

Mr. ROBERT C. BYRD. I would be glad to do that.

I share what the distinguished minority leader has said with respect to the efforts of our distinguished Republican whip. Mr. STEVENS and his ad hoc committee have worked laboriously. They have been very dedicated and very resourceful in their approach. I have worked with them to some extent and with our own ad hoc committee to some extent. I think a good approach has been reached, so far as I can see, at this point.

I would not say that it should not be changed in some slight details. Perhaps the Senate should take a look at it and make some changes as from time to time appear to be advisable. But it is a good working piece. It would be in lieu of two of the sections of my resolution, and it would give the Senate something to work on.

However, I think we need a time agreement so that we can put at rest the idea that I might press the approach which I see as a constitutional one at the beginning of a new Congress. I want to avoid that, and many Senators on my side want to avoid that, as do many Senators on the Senator's side. If we could get a time agreement on my resolution, that would be put aside; we would forget about that.

Mr. STEVENS. Would the Senator wish to renew his motion and allow the distinguished Senator from Mississippi to continue now, to make a statement? I have to have time to work out the agreement. I thought we had an understanding of shifting the concept in terms of just this one vote to an increased requirement for the adoption of these rules changes, and there is a misunderstanding.

Mr. ROBERT C. BYRD. There is a misunderstanding. If I have contributed to it, I apologize. I hope we can reach a time agreement.

Therefore, Mr. President, I renew my motion at this time.

The PRESIDING OFFICER. Does the Senator withdraw his unanimous-consent request?

Mr. ROBERT C. BYRD. I withdraw the unanimous-consent request for the time being.

I now renew my motion; and I ask the Chair to protect the motion and the resolution in accordance with the orders entered into earlier today, which meant that only a unanimous-consent request in relation to a time agreement would be offered today, and I would reserve my normal rights of being able to withdraw the motion or to modify it, in any case.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President as I understood, consent was given that I be recognized, and I yielded to the Senator from West Virginia on that important matter.

Mr. President, I shall not detain the Senate very long, but I do have some thoughts that I believe are worthwhile and should be expressed now.

FEDERAL REGULATION: A LEADING GROWTH INDUSTRY

Mr. STENNIS. Mr. President, the court action known as a class action which Sears, Roebuck & Co. has filed against 10 Federal agencies is additional evidence, if any be needed, of the confused, contradictory and conflicting state of Federal regulations and the entire regulatory process. In this suit, which involves equal opportunity policies and affirmative action programs, Sears alleges that it has spent $100 million trying to comply with Federal antidiscrimination laws but has been unable to do so because the rules and regulations issued by the several agencies are conflicting and contradictory. My remarks, of course, go to the whole process of excessive rules and regulations, whatever the subject matter may be.

I know nothing of the merits of this suit, of course, and express no position concerning it. I mention it because it confirms the fact that, among the public in general and business and industry in particular, concern, confusion, and alarm over the cost and burden of Federal regulations and paperwork is at an all-time high. Worse than this, it is still growing. The reason is clear. Federal regulatory activity is one of our leading "growth industries" and the regulations which result are among our foremost "growth products." This is particularly true in such fields as job safety and health, energy, environment, equal opportunity programs, and consumer safety and health.

American business and industry, Mr. President, are literally staggering under the ever-increasing burden of Federal regulations. I have some figures of the costs of regulatory compliance that establish this as a fact. There seems to be a general perception that those who exercise the regulatory functions in the executive department are almost literally running out of control. This perception has a solid base and foundation. I am persuaded that this Nation's industry and business are becoming increasingly entangled and ensnarled in such a web of regulation and bureaucratic requirements that they are no longer able to function at maximum efficiency. This comes at a time when we are suffering from a lack of growth in productivity.

The extent of this burden is illustrated by the fact that there are 44 major departments and agencies at the Federal level with regulatory powers, and over 1,200 other boards, commissions, and agencies with the power to issue rules and regulations. The Federal organizations employ over 80,000 individuals in permanent, full-time regulatory functions. The direct cost to the taxpayer to finance these regulatory activities has risen from about $2.3 billion in fiscal year 1974 to an estimated $4.8 billion in fiscal year 1979.

The impact of this rapid expansion of Federal involvement in and interference with the affairs of the industries and businesses of the United States is hard to overestimate. Although Congress is not entirely without fault in this field, this greater involvement and interference has been expressed primarily through the regulatory process.

Let us take a quick look at how regulatory activities have grown and expanded. According to a study, which is believed to be reliable, made by the Center for the Study of American Business, a private organization in St. Louis, Mo., overall Federal regulatory expenditures are currently about 6 times the level of 1970. Over the same period, expenditures for regulatory activities have increased by a factor of 5.8 in the field of consumer health and safety, by a factor of 10 in job safety and working conditions, and by a factor of 11.8 in the field of environment and energy. Current staffing levels in the regulatory agencies are about 3 times the 1970 level. There can be small wonder that the cost and difficulties of complying with Federal regulatory and paperwork requirements have literally skyrocketed.

Mr. President, I am not concerned about this merely because of some statistics I read or because of a complaint by some large, influential business organization or industry. I am concerned primarily because of those with whom I have had contact—the small business people, the small industries, the small enterprises—who want their enterprises to earn a living for themselves and their families. There is hardly enough profit for them under the best of circumstances, and the situation is worsened because of the excessive and overextensive paperwork required of them, plus the time required to be interviewed by dozens and dozens of inspectors, investigators and followup people, and the time and cost of getting out the required reports.

I mentioned paperwork and this is an item which should not be overlooked. One of the primary reasons why Federal regulations increase the overhead cost of producing goods and services is that they impose a rising burden of paperwork. As of November 30, 1976, there were 4,418 different types of approved Federal forms, excluding tax and banking forms.

Individuals and business firms spent over 143 million man-hours a year in filling them out, according to the Office of Manpower and Budget. Remember that this was back in 1976. Certainly the paperwork burden has increased substantially since then.

There is some difficulty in arriving at precise figures of the cost of complying with Federal regulation. However, estimates have been made which certainly give at least "ball park" figures, some of which I will mention later. It is generally agreed that, whatever the precise figure, the cost of regulatory compliance is immense. This staggering cost falls first upon the affected industry or business and its direct customers and then later the impact is felt by the public at large in the form of general price increases, slower economic growth and fewer jobs. There is a real and present danger, as regulatory agencies and functions grow, that regulations will continue to feed upon regulations and will become not so much a means to an end as an end itself.

As I have said, no one can be certain just how much compliance with Federal regulation costs American business and industry. I have already mentioned that, in taxes alone, Americans are paying about $4.8 billion in fiscal year 1979 to support all the Federal regulatory agencies and activities. One estimate of the annual compliance cost for American businesses and industry is $120 billion, or $2,000 for every American family.

The economists at Chase Manhattan Bank, in New York, came up with an analysis that, in 1977 alone, Government regulation cost us more than $100 billion. This equals $470 for each person living in the United States. It also equals 5 percent of the gross national product and 25 percent of the entire Federal budget in 1977.

Mr. Williard C. Butcher, president of Chase Manhattan, in discussing this analysis in an article in Business Week, stated:

> All this boils down to a tremendous and tragic loss of jobs for our citizens. Opportunity costs alone in 1977 represented a potential loss of 200,000 American jobs. Indeed, if we took half the $100 billion regulation bill and invested it in productive projects, we could have created just about 1 million new jobs.

To repeat, there is no method for a precise and accurate calculation of the cost of Federal regulation. However, the figures which I have given are not out of line with other estimates.

Mr. President, I have other figures here that tend to prove this case.

In 1974, the Office of Management and Budget estimated that the cost was $130 billion. In April, 1978, Warren Buhler, former Director of the Commission on Federal Paperwork, estimated that private and public expenditures for Federal regulation for fiscal year 1979 would be in the neighborhood of $200 billion. Murray L. Weidenbaum and his associates at the Center for the Study of American Business projected that 1979 costs of regulation would be $103 billion.

Finally, the July 8, 1978, issue of the magazine Purchasing Agent estimates the cost of Government regulation of business to be $121.5 billion in fiscal year 1978 and $134.8 billion in fiscal year 1979.

Government regulation imposes a disproportionate burden on small business. Unfortunately, the regulations typically do not distinguish between companies of different sizes. In actual practice, however, forcing a small firm to fill out the same specialized form as the giants of industry, which have staffs of lawyers and highly trained technical people at their command, places a much greater burden on the smaller enterprises. The Commission on Federal Paperwork estimates that 5 million small businesses annually spend from $15 to $20 billion, or an average of over $3,000 each, on Federal regulatory compliance and paperwork.

I have quoted a lot of figures because they come from so many different sources, both public and private, but there is no great variation for a given period of 12 months between the figures from these official sources and the private sources.

Regulatory requirements also have a significant impact on inflation. Federal regulation and Federal paperwork result in higher overhead costs which result in higher prices for the end product or service involved.

Those costs land just like other costs on the doorstep of the consumer. The public certainly does not escape paying these costs in the form of higher prices. These higher prices represent the "hidden tax" of regulation, and this is a tax which the consumer ultimately bears.

At times, however, the impact of regulation on the prices consumers pay is direct and visible. The Federal Government has required automobile producers to incorporate a wide array of specified safety and environmental features. The Bureau of Labor Statistics has estimated that, through 1976, the cumulative cost increase per vehicle of these mandated features comes to $557, or $3.7 billion for all vehicles. This cost has certainly increased significantly since that time. Let me make it clear that I am talking only about the added cost without being critical of all safety and environmental requirements. Some are certainly necessary and desirable.

But certainly the people are entitled to the benefits that come from reasonable regulations, avoiding the repetition from agency to agency, and enjoy the benefits of these regulations that are necessary and not have to pay this stupendous cost, money cost, time cost, and otherwise.

All signs suggest that the business community and public in general are becoming increasingly aware of the cost, burden and danger of Federal regulation. Perhaps what is needed is a regulation revolt similar to the proposition 13 tax revolt. I am certainly not suggesting that anyone violate the law. I have reference to a revolt that takes the form of effective legal expressions and actions that will get results. The key to any such revolution will be the reaction of the business community and the public at large.

I know how it is. We come in here and we vote for or against certain bills on the merits as we see them. We do not notice closely enough or are not close enough to the vast regulatory authorities that issue the regulations in fine print. We do not have time here, with all of our duties and the multitude of matters that we attend to, to try to undertake to write those regulations or to consider and pass on them after they have been written. We certainly do not have the capability with our investigative arm to follow them up and ascertain how they impact on and burden business, industry, and private enterprise or private family business, and just what mischief and problems result.

There are some hopeful signs, however, that the tide may be turning. The President is clearly concerned about the cost and burdens of governmental redtape. He has established a Regulatory Council composed of representatives of executive branch regulatory agencies and departments. This Council has the power to review proposed regulations and identify and attempt to eliminate areas of duplication, overlap, or inconsistency. The President has also suggested other reforms, not only in cutting regulatory redtape, but in changing the basic way rules may be applied.

I am gratified that in the Congress there is an increasing recognition and awareness of the existence and extent of the basic problem. A number of bills have been introduced seeking to ease the regulatory burden upon business and industry. These proposals range from requiring economic impact statements to the tailoring of regulations to the size and resources of the business, requiring that there be a periodic review of existing regulations, and establishing new proceedings to govern the imposition of recordkeeping and reporting requirements on the public.

Last year there was a strong movement to require that certain Federal regulations upon initial promulgation should be submitted to the Congress and its committees before going into effect. I cannot and do not support such a proposal. If we start requiring that regulations be submitted to us it will not be long before we will drown in a sea of rules and regulations and will be unable to perform our constitutional duty of legislating.

We have about reached the saturation point now. I believe I am competent to pass on that and to make that statement. There is literally not time enough in the day if we worked 16 hours a day, every single Member of this Senate, to cover and consider fully and properly the great multitude of issues that are presented in these vast numbers of complex and lengthy bills that are intro-

duced, and go on to the committees for hearing and earnest consideration, and then are reported to the floor.

This body is being substantially affected by the tremendous volume of legitimate and necessary matters that come before the Senate in the form of proposed legislation. Let us not delude ourselves into thinking that regulatory supervision by the Congress, unless it is greatly limited in extent, is the solution to the regulatory problem. We are going to solve it if we can do so in the manner the President has proposed, through a commission.

The President does not have the power to legislate. We are the ones who have the power to initiate legislation in this field, and we must face up to it.

It was never intended that the Congress should become intimately and directly involved in the detailed, every day approval of rules and regulations being formulated by Federal agencies and I hope we will resist the temptation to do so.

I know how easy it is sometimes after you have exhausted 5 days and most of the nights trying to get some agreement in a conference committee, perhaps, to seize upon the idea that things have got to be submitted back to the Congress before they can become effective, whether they are regulations or other kinds of actions by the executive.

I do not think we have any constitutional power to invest committees with the power to negate laws we passed ourselves and actions under those laws that have been taken by the other agencies of the Government.

We act largely through legislation. The legislative power is not vested in committees, it is not vested in the House of Representatives, it is not vested in the U.S. Senate; it is vested in the Congress of the United States and the exercise of that power requires action by both the Senate and the House. I think we have to stand up for that principle more and more as time goes by.

However, I do welcome the very real interest in and concern over the working of the regulatory process which has been evinced and the willingness and desire of both the executive and the legislative branches to consider new approaches and search for answers to the very real problem. We can and must work together to find a sensible and reasonable solution. While this will not be easy, I am gratified that a start has been made, and I want to pledge and repledge my efforts to work in support of those movements.

We hear a lot of talk about the public complaining about taxes, and complaining about other fiscal matters. I believe the public really is more concerned about the waste they see and know about and can feel, and the cost of compliance than any other item in the regulatory field. The way they see it, and they see it this way because it is the truth, is that the excessive demand made on them for reports and reports, with 16 or more copies in some of them, and then come back and report and rereport, all takes up their time, costs them their money, and requires the hiring of extra help. Those are the things they know that are waste because it wastes their time and wastes their money. It is something they know about from firsthand and unhappy experience.

This is a major matter, a major subject, of the gravest concern. It is helping to create inflation, helping to run up taxes, helping to keep the budget unbalanced, and we have a special duty to do something about it.

I found out to what extent this matter has really traveled and been going, and I am very much interested, and I know many others are, in seeking an effective remedy. I will do my part.

(Later the following occurred:)

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, before I make the statement I was planning to make, I would like to make a comment on the remarks of the Senator from Mississippi (Mr. STENNIS).

Those of us in the Senate bring to our service here a background of many diverse experiences, but I think a common experience we all share is experience with regulatory agencies, and I think there is almost universally a feeling of disgust with the excesses, the cost, and the usurpations of the regulatory agencies in this country. I told Senator STENNIS that, and thought I might add that remark to the tenor of his remarks relative to the regulatory process.

I have been honored to be appointed the chairman of a new subcommittee of the Governmental Affairs Committee, an oversight subcommittee dealing with this subject, and we appreciate the Senator's remarks.

Mr. STENNIS. Mr. President, if the Senator will yield. I thank him for what he has said, and express my pleasure to him. He is already in a position to try to do something about it. He has gathered his information from the people, and that is where the sting is. I want to help him in every way I can.

Mr. LEVIN. I thank the Senator.

Mr. STENNIS. Mr. President, I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

PATHETIC REORGANIZATION PROPOSALS

Mr. ZORINSKY. Mr. President, in addition to the transfer of the Economic Development Administration, there are proposals to destroy the Farmers Home Administration; eliminate the Soil Conservation Service; and transfer the Forest Service to the Interior Department.

These are foolish and destructive proposals which I believe the Congress will reject. The Committee on Agriculture, Nutrition, and Forestry has repeatedly and unanimously voiced its objection to any dismantling of the Department of Agriculture.

The President's reorganization project has cost this Government over $6.5 million and more than 1,000 man-years of work. It is a sad commentary that the proposals which they have adopted are the same proposals which the Nixon administration sent us in 1971—proposals which we rejected.

THE U.S. DEPARTMENT OF AGRICULTURE

The USDA was founded by Abraham Lincoln as "the peoples' Department." Since its inception, USDA has become the representative of about 30 percent of the people, rural Americans, including farmers, the rural poor, small businesses, and all of the other diverse elements of the countryside.

However, USDA is more than a rural department. It is more than an agency to protect and enhance America's vital agriculture. Through its wide array of programs it—

Protects consumers through its food safety and quality educational programs and many other devices;

Provides nutritionally sound meals to school children; to the infants and children of the inner-city; and insures that no American need go hungry;

Working with America's 2.7 million farmers and their families, it protects America's food supply, insuring abundant food at the lowest prices in the world. This is done, not only through commodity programs, but in conjunction with a sophisticated research and extension program that quickly transfers technology developed through research to the dinner tables of the people;

Promotes the sale of U.S. agricultural products overseas. The sale of food produced by American farmers is the largest single factor in improving the Nation's balance of trade;

Protects the economic viability of rural America by providing housing to poor- and moderate-income families; and by providing community facilities and alternative economic development so that our small towns may have balanced economic growth. It also provides at reasonable cost, telephone and electric service to rural residents who might not be served otherwise;

Through its programs on both public and private lands, the Department, by itself, and with cooperators of all kinds protects and enhances the resource base that makes possible the abundance of food and fiber that the Nation is able to produce;

These conservation programs also protect wildlife habitat; protect water supplies; provide dispersed recreation to millions of people; provide hundreds of thousands of acres of rangeland; and provide hundred of thousands of jobs for the unemployed through young people's conservation job programs.

As the number of farmers declined through the past several decades, there have been many attempts to break up the

Department of Agriculture, but all of them have failed. The reason they have failed is because of the diverse nature of the Department. USDA is a vital Department for farmers, but it also provides economic, social, and environmental functions in rural America, while enhancing the nutrition and providing consumer protection to all Americans. The U.S. Department of Agriculture remains the people's department.

THE FARMERS HOME ADMINISTRATION'S ROLE IN COMMUNITY AND ECONOMIC DEVELOPMENT

Section 603 of the Rural Development Act of 1972 gives the U.S. Department of Agriculture the leadership and coordination responsibilities for rural development. USDA through the Farmers Home Administration, currently administers the most comprehensive array of rural economic and community development resources available at the Federal level. For over 40 years, Farmers Home Administration has been working with rural people and communities to assist them in meeting their financial and development needs. Of all the Federal agencies, USDA has been most sensitive to rural problems and has directed its resources to rural areas. As a consequence, Farmers Home Administration has given increasing responsibilities over the years to meet rural development needs, while other agencies have exhibited an antirural basis.

Farmers Home Administration has an extensive and effective field delivery network that reaches over 2,000 rural counties. Farmers Home Administration has a strong client, and site-specific, orientation that allows for greater flexibility and responsiveness to local needs. The agency has focused its resources on needy communities and people.

In addition to delivering programs, its field personnel provide invaluable technical and professional resources that provide a wide range of advice and assistance to rural people. The Farmers Home Administration brings Government directly to the people. This day-to-day contact has been a contributing factor to the high integrity of the agency.

Farmers Home Administration has taken a number of steps to expand the scope and level of its services to meet the growing development needs of rural America. Field operations have been restructured to improve the delivery of programs; to achieve greater efficiencies in personnel use; and to establish closer working relationships with State, substate, and local governments. Through these efforts, Farmers Home is being looked to by rural people and communities as the advocate and spokesman for their interests at the Federal level.

Community and economic development as practiced by Farmers Home Administration keeps rural development policy and program administration closely alined and coordinated with food and fiber policies and programs. Agricultural production is the single most important industry in rural America, and it would be a mistake to isolate these two interdependent initiatives.

The establishment of a Department of Development Assistance or a Department of Community and Economic Development will not result in a structure able to meet the unique development needs of rural America. But under either option Farmers Home loses.

Experience gained from Federal development assistance efforts over the past 42 years clearly established the close ties between economic and community development. This is particularly true in rural areas. In rural America economic and community development problems, issues, and strategies are so interdependent that they are indistinguishable. The reorganization options fail to recognize this basic development principle and would make closer coordination between economic and community development programs impossible to achieve.

Since the mid-1960's, Congress has become increasingly aware of the importance of linking economic and community development. This enabling legislation for the Economic Development Administration (1965), the Rural Development Act of 1972, and the Housing and Community Development Act of 1974 and 1977 have clearly emphasized this point.

A significant weakness of the Department of Commerce and Economic Development's option, as well as the Department of Development Assistance's option promoted by the administration, is that it ignores the importance of delivery systems. This is particularly critical in rural areas where more direct and decentralized delivery systems are necessary. Most rural communities do not have full time and highly professiosal staffs to secure and manage complex development assistance programs. Farmers Home Administration has developed a very extensive and effective rural delivery system. This personal and direct assistance has been a hallmark of the Agency and has contributed to the overall success that the Farmers Home Administration has enjoyed. As a result of its excellent experience, Farmers Home's mandate and responsibilities have been significantly expanded in recent years.

The dismemberment of Farmers Home Administration would seriously weaken the Government's capability to provide comprehensive development assistance to distressed rural areas. Greater administrative efficiencies would not be achieved under the reorganization proposals, and it is quite likely that overall program performance will suffer. In short, Farmers Home has worked well. Rural communities have benefited. Why change it?

THE U.S. DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

When land and related water resource management is viewed as the shared responsibility of Government and private owner-managers, the Department of Agriculture is centrally involved far beyond the functions of the Forest Service and Soil Conservation Service. Department of Agriculture programs and policies affect the conservation and use of farmland, rangeland, woodland, and forests comprising about 90 percent of the land area of the United States.

Major functions of the Department of Agriculture which affect soil and water resource management on private lands include:

Technical assistance for soil and water conservation.

Federal cost-sharing and credit assistance to agricultural producers for soil and water conservation.

Research and extension programs to develop and encourage use by private landowners of new technologies for production of food and fiber consistent with soil and water conservation.

Research activities in natural resources economics.

Federal-State-private cooperative programs in the conservation and use of forestry resources.

Surveys and classifications of land for agricultural uses, and for the preservation of prime agricultural lands.

Assistance to landowners for control of nonpoint sources of pollution.

Policies to divert land temporarily from intensive agricultural use which is particularly susceptible to soil erosion.

These functions cut across the Department of Agriculture and involve the areas of jurisdiction of three Assistant Secretaries and the Director of Economics, Policy Analysis, and Budget. They are also linked with the basic economic stabilization policies for the agricultural sector which are administered by the Agricultural Stabilization and Conservation Service, and with the natural risk protection programs of the Department of Agriculture.

FORESTRY

Forest Service cooperative forestry programs are aimed at the upgrading of protection and management of private forest lands so that they can make their vital contribution to a national forestry effort. These programs are blended with the forestry assistance provided by the other USDA agencies, which, in turn, make 40 percent of the total departmental expenditures for private forestry. The cooperative forestry job of the Forest Service also ties closely with Forest Service and USDA research programs which are developing new approaches to capture the forestry potential on private holdings.

Thus with forestry, as with other agricultural programs, private owners will make the basic decisions affecting the Nation's natural resources situation. The historic success, know how, and leadership in encouraging wise private land use decisions, are in agriculture.

In relation to the possible retirement of croplands, forestry offers one of the biggest potentials and should continue to be a function of USDA.

The thrust and responsibility of USDA in the field of rural development requires full attention to the one-third of America that is forested. Forested areas and economically distressed rural areas tend to coincide. In some areas the national forests are the prime sources of economic strength. The decentralized widespread Forest Service organization, including close ties to State and local

organizations is a necessary part of USDA efforts in rural development—including land management planning coordination with units of State and local government.

Healthy competition among agencies and departments has proven to be effective in advancing forestry and related programs. Coordinating mechanisms are as effective as placing agencies "under one roof" in terms of promoting cooperation.

Management by separate functions; that is, timber, recreation, livestock, grazing, watershed, wildlife, and so forth, instead of by areas or units of land results in chaos and conflict on the ground where resource management actions must be integrated to be effective. One of the strengths of the Forest Service/USDA approach is interdisciplinary, teamwork, and multipurpose management.

The combination of research, public land forest management, and cooperative State and private forestry has proven to be remarkably successful. The quality of national forestry planning is high, because these elements are interwoven and coordinated within a single agency. It also provides a solid platform to meet the emerging issues of the next decade.

Chairman TALMADGE and Congressman TOM FOLEY, the chairman of the House Agriculture Committee, have written to the President three times requesting that the administration not create a Department of Natural Resources. These letters have been ignored.

I ask unanimous consent to have printed in the RECORD communications to the President from the present chairmen of the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry, from six former Secretaries of Agriculture representing both political parties, and from Representative BILL ALEXANDER in behalf of the Congressional Rural Caucus.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
December 28, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to you once again to discuss our views on Federal reorganization as it might affect the U.S. Department of Agriculture.

As we understand from various sources, you will shortly be considering three or four reorganization proposals prepared by the staff of the President's Reorganization Project. This letter concerns itself with two of those proposals—natural resources and economic development.

As we indicated previously, we oppose the transfer of the U.S. Forest Service to a Department of Resources and Conservation. We also oppose the transfer of elements of the Soil Conservation Service to this Department. Further, we believe that the transfer of major elements of the Farmers Home Administration to a re-named Department of Housing and Urban Development would be detrimental to the cause of rural development.

In terms of natural resources, the President's Reorganization Project staff has centered its concern on management of public lands and, in particular, with the role of the Forest Service in the Department of Agriculture and the Bureau of Land Management in the Department of the Interior.

The Department of Agriculture has managed and protected the National Forests in the national interest and, with the direction provided by the Forest and Rangeland Renewable Resources Planning Act and National Forest Management Act, it has shown a willingness and ability to meet resource management and environmental protection challenges of the future. It has provided a proper means for encouraging and facilitating the interaction of various segments of the affected public at local and national levels, and facilitated equitable distribution of costs and benefits among constituents and geographic areas. It has an ongoing program for forestry research in cooperation with universities throughout the country. As the costs for fossil fuels increase, renewable resources will rise in importance, along with the complexities of securing their benefits in an energy dependent society. We believe that the Department of Agriculture is best able to meet this challenge.

Further, the reorganization of Federal efforts in renewable resource management must be based on the need to manage our vast complex of crop, forest, and grass lands to produce the food and fiber that the nation will increasingly need. With two-thirds of our Nation's land in private ownership, a strengthened Department of Agriculture is a necessity.

On January 6 of this year, the world renowned oceanographer, Jacques-Yves Cousteau, wrote the following to the President's Reorganization Project in response to options offered in the area of natural resources:

"We do not believe that the best solution is necessarily to concentrate the responsibility of solving problems with far-reaching consequences for the daily life of our citizens under the umbrella of one single organization. . . . It is often constructive for one such organization to present policies which are substantially different from those of the others. Healthy conflicts can be fruitful. In other words, over-centralization presents the danger that a proposed policy which might appear logical from the point of view of one agency might be harmful because the decision lacks input from another."

The Forest Service and the Park Service play different roles because of the nature of their missions. It has been valuable that these two agencies have had two different Cabinet officers to represent them.

Mr. Cousteau's point of view represented the comments of more than 80 percent of those who responded to the natural resources option paper. Most of the replies indicated no need for reorganization of the natural resource functions of the government.

While there will be strong opposition to the transfer of the Soil Conservation Service and the Forest Service from Agriculture to Interior, we cannot locate strong support for the transfer. In meetings that Secretary Andrus has had recently with timber industry and environmental organizations, he has not come away with significant pledges of support for what the reorganization staff has proposed. On the contrary, the timber industry, much of the environmental movement, and virtually every agricultural organization will oppose the transfer.

Carl Reidel, the president of the American Forestry Association, has said:

"If reorganization is needed at all, it is needed within existing agencies, within existing programs. If the Administration must reorganize, USDA ought to be the core of any new natural resources department. Nor can forestry programs be pursued in isolation. They must be integrated into overall rural land policies."

We must agree with Mr. Reidel. The Department of Agriculture oversees the protection of virtually all the public and private resource base necessary for the production of food and fiber. It provides needed assistance of many kinds to those who live in rural America.

Insofar as the Farmers Home Administration is concerned, the reorganization staff disregarded the outstanding performance of this agency, and current attempts by its administrator, Mr. Cavanaugh, to reorganize internally to better serve the people of rural America. The Associated Press reported the other day that one proposal being considered is to close the 1,800 county offices of Farmers Home Administration. Such a move would be fiscally disastrous. The Farmers Home Administration's office structure now protects and serves $30 billion in outstanding debt to farmers and other rural residents. These are relatively high risk loans, since Farmers Home is a lender of last resort. To place the responsibility for collecting this debt in state offices of a new agency could invite massive defaults.

But whether or not these offices are closed, the Farmers Home Administration has been given its $12 billion farm, housing, and rural development mission because of the urban bias of other Federal agencies charged with carrying out these duties. In an evolutionary way, Congress has been transferring housing, community facility, and economic development programs for rural areas into the Department of Agriculture because the Department of Housing and Urban Development and other agencies have not been responsive to the needs of rural America. We would strongly urge that if a transfer of these rural programs to a re-named HUD is under consideration, that it be rejected.

For over a year, the reorganization staff has been telling our staffs that the purpose of reorganization is not to move organizational boxes around, but to make the government better. As we indicated previously, we wish to cooperate with you in every way to make government better, but those reorganization plans which we have discussed in this letter, only accomplish a moving of organizational boxes. They will not save money. They will not improve service. They will not be acceptable to rural America. We respectfully urge, in the strongest terms, that you decide to reject these proposals.

With every good wish, we are,

Sincerely,

HERMAN E. TALMADGE,
Chairman, Senate Committee on Agriculture, Nutrition, and Forestry.

THOMAS S. FOLEY,
Chairman, House Committee on Agriculture.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is our understanding that you will be making a decision in the next few days on a proposal to reorganize the natural resource functions of the federal government. We strongly support your objective of improving the effectiveness and efficiency of federal programs. We represent 30 years of experience as Secretary of Agriculture responsible for both the protection and production of natural resources in this nation. And we maintain a vital interest in the future success and improvement of those programs which touch the lives of every citizen of this nation, and indeed, every nation of the world. We wish to offer our views for your consideration as you make a most difficult decision.

This nation is increasingly dependent on its natural resources. Wise management of those resources depends on a sound scientific base. USDA has the dominant role in the federal system for the conduct of research in renewable resources through in-house research by its agencies or through cooperative efforts with the land grant institutions. The management of renewable natural resources, whether of agricultural crops, or production from forests and grasslands, or enhancement of wildlife habitat, is dependent on close association with the body of scientific investigation and accumulated experience found in USDA.

The Secretary of Agriculture has responsibility for the programs affecting the economic and social well-being of rural America. Those complex objectives are dependent in good measure on the coordination of programs applicable to both public and private lands, and to both agricultural and nonagricultural lands. To organize departments or programs on the basis of federal ownership of land instead of the programs and services affecting all lands would be, in our view, most unwise and ineffective.

The delivery system of agencies must be designed so that decisions can be made quickly and soundly at the ground level where the people and the resources are located. USDA has, since its creation by President Lincoln in 1862, been a people's department. It has operated in a decentralized manner, and we believe in a very effective manner. We urge that nothing be done to shift toward centralization or greater control of programs at the national level or to segregate programs on the basis of land ownership.

We are proud of the fact that a Secretary of Agriculture initiated the wilderness system in 1924, 40 years before the National Wilderness Preservation Act was passed. The USDA has established an enviable record of attention to, and improvement in, environmental protection of both agricultural and wild lands and has long demonstrated a balanced approach to protection and production.

Mr. President, we are deeply concerned with the recommendation of the natural resource reorganization study team. We have consistently opposed during our tenure efforts to remove the Forest Service and portions of the Soil Conservation Service from USDA. This kind of proposal has been rejected time and again for very sound reasons. We believe it would again encounter intense opposition and probable defeat. We also understand that there are other proposals under consideration to reassign various functions of USDA to other departments which would weaken the Department of Agriculture. USDA's strength has evolved over the decades as a result of the diversity of its programs and the broad base of public support that such diversity engenders. We encourage you to consider using USDA as the nucleus around which all natural resource programs are clustered. To this end we offer our support.

Sincerely yours,

CHARLES BRANNON,
EZRA TAFT BENSON,
EARL L. BUTZ,
ORVILLE L. FREEMAN,
CLIFFORD HARDIN,
JOHN A. KNEBEL.

JANUARY 18, 1979.

Hon. JIMMY CARTER,
President of the United States of America,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is our understanding that you are on the brink of making a decision on proposals for reorganizing the federal economic development programs. This letter is intended to address this issue and to express our position on this matter.

As we understand it, the Presidential Review Memorandum, which has been presented to you for consideration, takes the position that economic development, community service and housing programs are interdependent and therefore should be administered by a single department. We do not agree with that position.

Success in achieving economic development goals of saving or stimulating the creation of private sector jobs is increasingly closely tied to broad economic issues. These include the productivity of commerce and industry and the Nation's position in foreign trade. Committed and intense involvement of the private sector is necessary. We would point out that both the Department of Commerce, where the Economic Development Administration is located and the Department of Agriculture, where the Farmers Home Administration is located, have direct ties in both the foreign trade and national productivity areas. The Department of Housing and Urban Development does not have these broad ties. Neither would the Department of Development Assistance nor the Department of Community and Economic Development Assistance as we understand them to be proposed.

It has been argued that the Department of Housing and Urban Development spends more on economic development than either the Farmers Home Administration or the Economic Development Administration; primarily as a result of the creation, less than two years ago, of the Urban Development Action Grant Program. This is unfortunate, as many of us stated at the time the UDAG program was being created. Both FmHA and EDA are far better equipped by experience and expertise to deliver these programs.

Few of us concerned with the present and future prospects of potential of places with populations of less than 50,000 have forgotten that it was only after a determined fight that any of the HUD community development block grants and the UDAG funding was assured of going to these less densely-populated areas, even though 66 percent of the Nation's population make their homes in such areas.

Further, few of us have forgotten that HUD's proposals for the modification of the CDBG program and the creation of the UDAG program in 1977 were deliberately designed to favor some regions of the Nation over others.

At the same time, we are well aware of the fact that EDA has been, since its inception, both by law and by practice, an agency dedicated to balanced national growth and service to development needs of distressed areas wherever they may be located. The same is true in the case of FmHA with regard to the areas its rural and community development program operations are concerned.

We would like to bring to your attention that since the 1972 passage of the Rural Development Act, the United States Department of Agriculture has been charged by law specifically with responsibility for rural development matters.

We strongly favor improved linkages between the existing federal activities directed at economic development and at community development. We are of the opinion that these linkages can more effectively be created through modifications of existing law and through a thorough revision of program practices to improve and mandate coordination and cooperation, as well as to eliminate conflicts, over-laps and response gaps in program operations. It is our belief that reorganization as it has been proposed to you in an unnecessarily drastic action that will traumatize program operations, build in delays and inevitably reduce service to the people of the Nation at a time when both the employment and economic situation demands no lessening in the level of service now available.

In addition, it is reasonable to expect that the reorganization proposal now before you would exacerbate the destructive regional tension already troubling the Nation.

We believe that the reorganization options that you have been presented with have not thoroughly considered the need to generate a critical mass of resources that will advocate for rural priorities and rural equity within a new federal department. The options of strengthening Farmers Home Administration and creating a separate department for rural development have not been thoroughly studied. Communities between 10,000 and 50,000 population could very easily make their own selection between rural development and urban development programs with minor modifications of existing law. We believe your effort would be well served by a thorough debate in Congress and by direct consultation between you as President and concerned Members of Congress before a formal reorganization proposal is presented.

For these reasons, we must strongly and urgently oppose shifting the EDA and FmHA programs to a new department or to HUD at this time. We as strongly and urgently propose that you direct your staff to move promptly to bring about the creation of linkage mechanisms that will improve program operations without the disruptive effects of reorganization.

With kindest regards, we are,

Sincerely,

BILL ALEXANDER,
Executive Committee, Congressional Rural Caucus, Deputy Majority Whip, Member, Subcommittee on HUD and Independent Agencies, Subcommittee on State, Justice.

THE GENOCIDE CONVENTION

Mr. LEVIN. Mr. President, over a 5-year period the United Nations Subcommission on the Prevention of Discrimination and Protection of Minorities, with the United States abstaining, has continually voted to eliminate from its report on genocide any reference to what was the first genocide of the 20th century—the massacre of approximately 1,500,000 Armenians between 1915 and 1918.

There was no reason, Mr. President, for the United States to sanction the obliteration of these deaths from a historical record. Acts of destruction can only be redeemed if they are recognized; they can only be memorialized if they are mentioned; they can only be prevented in the future if they are remembered.

If our Nation is to be true to its heritage and to its concern for human rights, we need to take an active role in making sure that history is not rewritten to whitewash genocides. For that reason I urge that when the report on genocide comes before the United Nations' Human Rights Commission we support the reinsertion of the deleted reference to the Armenian genocide so that it can be recognized for what it was—a historical reality which can never, and should

never, be blotted from the conscience of mankind.

And our concern needs to transcend this specific tragedy. We must take steps now to make sure that the entire record of genocide is made clear to all peoples—because only by being fully informed about the past can we promote a saner and safer future.

We have taken some steps in this regard. On November 1, 1978, President Carter created, through an Executive order, a Presidential Commission on the Holocaust and charged them with the responsibility of recommending ways for the Nation to commemorate April 28 and 29, 1979 as "Days of Remembrance of Victims of the Holocaust." I do not think there is any better way to commemorate that tragedy than by doing what we can to reduce the likelihood of more like it in the future. I suggest that one way in which the Senate can participate in that remembrance is to schedule a vote on the ratification of the International Genocide Convention on one of those days.

The United States should join with the other 82 nations which have already ratified the convention. The Congress should heed the advice given to us by Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter and ratify the convention.

Our leading role in the world as a people which holds dear human rights has been tarnished by our failure in this regard. We should join the family of nations and boost the hopes of humankind by ratification of the Genocide Convention this April.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. LEVIN. Yes. I am done, anyway.

Mr. MOYNIHAN. I would like to congratulate our new colleague from Michigan for his comments about the failure of the Human Rights Commission.

As he would be the first to agree, it is all too characteristic of the Human Rights Commission to whitewash the condition of human rights in so much of the world.

We agreed, not long ago, to the bizarre condition that Uganda be Chairman of the Human Rights Commission. We have been more forceful in recent years in our presentations to that body. But at no time has it lived up to its purpose, and at no time has it served the need, as I think, for a United Nations Commission on Human Rights. At no time has it reflected, in the majority of its membership, nations where anything roughly approximating the commitment to human rights written into the United Nations Charter is observed. When a majority of the members of the Human Rights Commission are dictatorships, we can expect very little to follow. But we should expect those democracies which are represented to speak to that fundamental flaw in the composition of the Commission itself.

I thank the Senator for his observations.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

MINORITY OPPORTUNITIES IN BUSINESS

Mr. HAYAKAWA. Mr. President, ever since this Senator has been a Member of this body, he has been very much concerned by the fact that people who call themselves liberals and concern themselves with the misfortunes and the condition of minorities have done their best to pass legislation that cuts off opportunity and cuts back business chances for people in the minorities, especially blacks. I called attention very early in my tenure of office here to the damage done to black youth, for example, by the fact that the minimum wage continues to go up and up, and more and more black young people lose their jobs or are never able to get any at all.

I am glad to be able to point out that at this time a number of black economists and other leaders who have been contemplating this problem for a long time have broken ranks with the liberals and have come out very strongly for the economic progress of blacks. I refer specifically to Thomas Sowell of the University of California at Los Angeles, Walter Williams at Temple University, the NAACP president, Benjamin Hooks, and people like Bayard Rustin of the civil rights movement.

Their views, which have been known for some time, have finally come to the surface as related in a recent editorial in Time magazine entitled "New Bridges Between Blacks and Business," written by Marshall Loeb and published in the January 22, 1979, issue of Time. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

NEW BRIDGES BETWEEN BLACKS AND BUSINESS

America's business people have a unique opportunity to form new alliances with a large, yearning and vocal group of Americans who were long thought to be hostile, or at best neutral, to business: the nation's 26 million blacks. They are not, of course, about to split on all issues from their traditional allies among liberals and labor. But Benjamin Hooks, chief of the National Association for the Advancement of Colored People, likes to quote the remark of Ossie Davis, actor and activist: "We have no permanent friends, we have no permanent enemies, we have only permanent interests."

More and more black leaders say that their interests coincide with those of business on energy legislation, Government regulation, environmental controls and numerous other issues. The nation should not necessarily alter its policies just because members of these two groups call for change, but the jointly held views of blacks and businessmen make sense on many matters.

No white businessmen are more forceful foes of the minimum wage than such black economists as U.C.L.A.'s Thomas Sowell and Temple University's Walter E. Williams. Sowell has concluded that the rise and spread of minimum-wage coverage is a catastrophe for young and unskilled blacks. According to his studies, it is by far the major reason that the unemployment rate for 16- and 17-year-old black males is five times higher today than in 1952, when it actually was lower (8%) than comparable white teen-age unemployment. He finds it distressing that "people who are perfectly capable of doing a job have been made unemployable because they have been priced out of the market."

Sowell also believes that the rise of poor blacks has been blocked by environmental rules and other Government regulations, a view held by other black intellectuals. His argument: "Regulatory rules have impeded people who are climbing rather than people who are already at the top. There is a fundamental conflict between the affluent people, who can afford to engage in environmental struggles, and the poor people, who need space and access to recreation. If you're talking about keeping the coastline pure enough for the standards of the Sierra Club, you're talking about keeping the people living in Watts down in Watts. You don't see many black faces in the Sierra Club."

The same idea is echoed forcefully by Bayard Rustin, the civil rights veteran, who condemns the "self-righteous, elitist neo-Malthusians who call for slow growth or no growth. The policies of these elitists would condemn the black underclass, the slum proletariat and rural blacks, to permanent poverty." Rustin contends that the curtailment of construction projects, factory expansions and farm ventures for environmental reasons already has cost many potential jobs for blacks. The only way that unemployed blacks can join the work force in a significant way, he argues, is for the economy to grow vigorously.

The N.A.A.C.P.'s Ben Hooks also speaks out against "the more radical fringes" of the environmental and regulatory lobbies. "We are not antienvironmental," he stresses, "but we are saying that there ought to be social-economic impact statements for environmental regulations." Hooks condemns many niggling health, safety and zoning regulations that he says are "really killing our neighborhoods." The costly rules can prevent modestly financed blacks from starting Mom and Pop businesses or from buying ghetto enterprises from previous owners who were protected by grandfather clauses and did not have to meet the costly new regulations.

Hooks once bought a doughnut shop in Memphis from a man who had owned it for 25 years. "In those 25 years, they had passed all kinds of laws," he recalls. "You had to have separate rest rooms for men and women, you had to ratproof walls and everything on God's earth. We were hit with all those regulations, and they cost us $30,000. We had to close the shop."

"It's obvious now," Hooks goes on, "that nobody, but nobody, is buying into a decaying black ghetto except blacks themselves. So the effect of some regulations is almost 100% to exclude blacks. This causes a lot of resentment." If a black veteran invests his nest egg in a doughnut shop and then is forced to close it, warns Hooks, he is absolutely convinced that "they"—the white-controlled Government—do not want him to succeed.

Hooks and a rising chorus of blacks argue that poor and unemployed minorities can succeed in the long run only if more private—not Government—jobs are opened in a free, growing economy. To that end, says Hooks, "at the national level, and in every local Chamber of Commerce and Better Business Bureau, black leaders and business leaders should be sitting down to deal on the points on which we agree."

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

PROPOSED REORGANIZATION PLAN AFFECTING ECONOMIC DEVELOPMENT PROGRAMS

Mr. MOYNIHAN. Mr. President, I am one of the Senators who will engage in a colloquy today with regard to the proposal of the President, as we understand it, to merge the Economic Development Administration with a number of other agencies under a reorganization plan, and in particular to remove it from the Department of Commerce, where it is now located.

Mr. President, I speak at the very courteous suggestion of the distinguished chairman of the Subcommittee on Regional and Community Development of the Committee on Environment and Public Works, our incomparable, indefatigable chairman, the Senator from North Dakota, whose particular responsibility in this field it is—and whose specific responsibility it will be this year—to guide the renewal of basic legislation establishing the EDA through the Congress.

Mr. President, this is a matter which engages more than simply the jurisdictional interest of members of our committee. It engages us at levels of commitment and concern which I do not think are characteristic of every Government agency.

I know that my distinguished senior colleague and the chairman, the Senator from North Dakota, came to the Senate in 1960, the year John F. Kennedy was elected to the Presidency. I came to Washington as a young assistant in the Department of Labor with President Kennedy.

The chairman will recall, as I do, that one of the unanticipated events, if you will, of that 1960 campaign was the candidacy in the Democratic primary of President Kennedy, along with Senator Humphrey—both were Senators then—in West Virginia. During the course of the campaign a degree of rural and industrial poverty was suddenly revealed to the candidates and to the Nation following their progress which, in an odd way, the Nation had seemingly forgotten about. Many of us remembered, if only in general terms, the conditions of the 1930's. With the 1940's and the 1950's, and the coming of the age of affluence, as it was called, little by little that memory receded.

President Kennedy never forgot the scenes he saw in West Virginia, and he came to office committed to some national response to the situation at the time. The area was providing us with the cheapest coal in the world, but we had devastated the whole industrial work force and impoverished a beautiful and rich part of our Nation, leaving it with some of our poorest and most desperate people.

Virtually the first thing proposed by President Kennedy was the Area Redevelopment Administration, which was established in the Department of Commerce, working very closely with the Labor Department across 12th Street. The departments were in very close collaboration in this enterprise.

I recall that one of the first matters in which I became involved was the prospective closing of the whole network of hospitals which the United Mine Workers had established in West Virginia, Kentucky, Pennsylvania, and Virginia—some 20 hospitals in the Appalachian region—which were very simply no longer viable due to the falling off of revenues and the decline of the work force in the coal mines. They were the only accessible hospitals in these parts of the country, in the particular communities where they were located. It was a very highly developed and well-conceived chain of hospitals, one supporting the other.

They were about to close, and the people in these regions were about to be forgotten.

It seemed an impossible situation when the Presbyterian Church mounted a very ambitious effort and said, "We will step in and do something; we have to have help."

Where was the help found? In the Area Redevelopment Administration. Did it come forward? It most certainly did.

It did what could not otherwise be done, something the American Government had never previously been prepared for or able to do.

If you would now ask the people of Logan, of Elkins, of Mann, of Beckley, of Bluefield, of Preston County, and of Hygeia in West Virginia what the EDA has meant to them, they will talk to you in terms of their lives, of their conditions, of their hopes. To those Americans who observed those communities as they saw the few symbols of progress and action in the modern world about to disappear, and then observed how the Federal Government, in a sensible and competent way, went about preserving them, there was a valuable lesson learned.

And this lesson remains with us, Mr. President. The EDA is an institution that has now been functioning for almost two decades. Its name was changed in 1965 to describe a more general-purpose activity. I can speak from the experience of my State: We know this agency, we respect it. It is something that works. One always respects the President's concern with reorganizing this Government, yet there is something quite disconcerting about uprooting a working and effective arrangement for the purpose of certain kinds of semantic logic—to put all the activities that appear to involve certain kinds of economic development into one box. Again, one can speak to that kind of logic, but there is also the undeniable, and ultimately more powerful logic of an agency that functions, that has a constituency of a legitimate kind, and that has a record of a proven sort.

(Mr. LEAHY assumed the chair.)

Mr. MOYNIHAN. The President has, of course, the right to do this, and we respect every bit his intention. But we rise today to urge him to reconsider, because in doing so he will be tampering with one of the most creative and productive innovations of the post-New Deal era in America social policy. I do not wish to go further than to state what my other colleagues have stated, that we care about this agency and we will defend it on the floor of this Senate if this eventuality comes about.

Mr. President, unfortunately Senator RANDOLPH, chairman of the Environment and Public Works Committee cannot be here this afternoon because of the passing of a dear friend in West Virginia. Therefore, I ask unanimous consent that a statement by Senator RANDOLPH and two letters that he has written to the President on this subject be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR RANDOLPH

I associate myself with the timely and excellent remarks of the Senator from New York (Mr. Moynihan). The administration proposal to create a new Department of Developmental Assistance is not in the best interest of our economic development programs as formulated by the Congress over the last 15 years.

The Economic Development Administration in the Department of Commerce has proved to be an effective agency in providing developmental assistance to the areas and localities of this country which have substantial unemployment and/or depressed economies. I am afraid that the good administration of this program will be lost if it is combined in a new agency with the programs of the Department of Housing and Urban Development.

Mr. President, if the administration sends this proposed reorganization forward to the Congress, I must oppose it and hope that my colleagues in the Senate will carefully consider my reasons for objection to the plan. I have written to the President twice in the last 2 months on this subject and ask that my letters be printed in the RECORD following these remarks.

The letters ordered to be printed in the RECORD are as follows:

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., December 8, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The review and reauthorization of economic development programs will be one of the highest priority items before the Committee on Environment and Public Works during the first session of the 96th Congress.

Since their establishment in 1965, the programs of the Economic Development Administration in the Department of Commerce have been extremely valuable in both creating and maintaining employment opportunities. While these activities originally were designed to alleviate conditions of high or persistent unemployment, it has become apparent that a permanent economic development program applicable to all parts of the country is needed. Such a program would be valuable in softening the boom and bust cycles which so often afflict our national economy.

The Committee also assigns a high priority to legislation extending the Appalachian Regional Commission and the regional commissions established under Title V of the Public Works and Economic Development Act. Since their creation these commissions have provided us with important experience in intergovernmental cooperation and regional approaches to common problems.

I am concerned, however, by newspaper articles indicating that the administration is considering a major reorganization that have the result of transferring various economic development units such as EDA from the Department of Commerce to a new department created around the present Department of Housing and Urban Development. Such a reorganization, if carried out, would have a negative impact on the Committee's ability to meet its legislative responsibilities during the next year. I also feel it would have a debilitating effect on the progress of local economic development in this country.

As Chairman of the Senate committee with jurisdiction over economic development programs I have worked against allowing an

urban/rural or inter-regional debate to develop. Such discussions are almost always unproductive, inflammatory, and miss the point that prosperity for one area at the expense of others must be avoided. It was, in fact, to diffuse the growing trend toward economic competition that in 1976 I proposed a White House Conference on Balanced Growth and Economic Development. I am concerned that a reorganization plan which shifts EDA into even a modified Department of Housing and Urban Development would significantly exacerbate urban/rural tensions and would rekindle the Sunbelt/Frostbelt controversy.

Since it was established 13 years ago, EDA has demonstrated an ability to cut red tape, avoid bureaucratic entanglements, and provide needed aid rapidly. Merging it with other programs that have historically experienced problems in providing such responses to problems might hamper rather than improve the delivery of Federal economic development assistance.

I am concerned that a reorganization plan such as the one currently reported could delay progress in local economic development efforts for at least a year. Clearly a proposal of this importance would require extensive consideration by the respective congressional bodies. Additional time would be required to implement the reorganization if it were approved. During this time the affected Federal agencies may not be able to properly carry out their missions. The result for communities eager to work with the Federal government to accomplish economic development gains would be delay and discouragement.

There are opportunities for strengthening economic development programs other than those included in the proposed reorganization plan. I do not necessarily believe that the status quo is appropriate for the future. It would be highly appropriate to consider alternatives which would retain EDA within the structure of the Department of Commerce where its programs could be carried out in coordination with other departmental activities such as foreign trade and industrial productivity. Programs of other agencies dealing with community or economic development could be shifted to the Department of Commerce to complement its authority in this area. Throughout the entire reorganization procedure we must be aware of those activities of the Federal Government which are directed broadly at economic or community development as opposed to those which deal with special issues such as housing, transportation, or water and sewer service. The two are not necessarily the same and therefore do not necessarily need to be within the same organizational structure.

Because of the importance of these programs to the economy of the nation and their potential for helping to achieve your overall economic goals, I hope that you will give very careful consideration to all aspects of any reorganization proposals that may come before you.

Truly,

JENNINGS RANDOLPH,
Chairman.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., January 30, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As expressed in my letter of December 8, 1978, I am deeply concerned about the proposed reorganization of the Economic Development Administration from the Commerce Department to a new Department of Developmental Assistance. I have discussed this matter with many people who are involved in the area of economic development. Based upon those conversations I am again led to the conclusion that this reorganization will not prove useful and will be disruptive of programs administered by the Economic Development Administration which have been of great value in meeting the developmental needs of this nation.

As Chairman of the Senate committee with jurisdiction over public works and economic development, I am concerned that this reorganization will work toward allowing a urban/rural or inter-regional debate to begin. Issues of this type do not lead to a productive debate but fuel fires of competition which limit positive development and growth. I cannot believe that this administration wishes to foster or rekindle the Sunbelt/Frostbelt issue.

The Economic Development Administration over the last 14 years has proved to be valuable as it administers programs and devotes its energies to meeting the developmental goals of our underdeveloped communities and areas. It has been able to provide assistance rapidly by minimizing red tape and providing simplified regulations which do not frustrate the goals established for economic development by the Congress. A proposed merger with programs administered by the Department of Housing and Urban Development and other agencies would not continue this good work which can be accomplished if EDA remains in Commerce. Such a move might well frustrate rather than improve our federal economic development assistance.

Mr. President, I am deeply concerned about the future of our economic development program as it relates to our smaller communities and rural areas. I do not believe that the reorganization as proposed by your staff will be as efficient and effective in meeting needs as is the current situation.

I urge that you carefully consider this proposal and that you consult with Members of Congress carefully and fully before submitting this proposed reorganization. I know that you will give careful consideration to the issues which I have raised before you make your final decision.

Truly,

JENNINGS RANDOLPH,
Chairman.

Mr. MOYNIHAN. Mr. President, I ask that my own prepared statement in this colloquy be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DANIEL PATRICK MOYNIHAN

Mr. President: There have been reports, and a mention in the President's State of the Union message, of reorganization of federal economic development programs. We have yet to receive the President's recommendations, but the promise is there to expect them soon. I applaud the President's purpose to make government work better, and I assume certain changes will have to be made to accomplish this purpose.

Without the specifics, it is certainly impossible to make an informed judgment on one or another of the ideas which have been written about. What is possible, at this time, is a word or two of caution.

Reorganization—especially, as one proposal would have it, the creation of a new department—is a large undertaking, whose probable effects should be carefully studied before implementation. It is an act at least as difficult to undo as it is to get done. In this case, it is an act which would necessarily benefit from the examination by the appropriate Congressional committees.

The Reorganization Act of 1977 gives the Congress 60 days to disapprove an Executive branch recommendation, a procedure which in some instances is useful and appropriate, but which does not benefit from the usual process of sober investigation. A major reorganization proposal would surely be more successful if it had behind it a firm record of congressional inquiry and support.

My next concern is more specific. It is brought about by my membership on the Regional and Community Development Subcommittee of the Committee of Environment and Public Works. This committee has jurisdiction over the Economic Development Administration which is now housed in the Department of Commerce and, I believe it should stay there.

A word of caution is needed here also. The impulse to rationalize government, to give a neat, hard edge to the organization chart, should not be seen as an end in itself. Such a process may create the very opposite effect from what is intended. We may end up with a government agency of less effectiveness than the one we now have.

Let me now restate what is, I believe, well known. The Economic Development Administration is very highly regarded. It does its job well. And, its administrator, Mr. Robert T. Hall, Assistant Secretary of Commerce for Economic Development is one of the most able public servants I have come across in my many years in Washington. These very facts are enough to convince me that EDA should stay where it is, do what it is now doing, and receive more support from the Congress. The result of EDA's success should be not dismemberment or merger, but perhaps enlargement and encouragement. As the saying goes, "if it ain't broke, don's fix it." EDA needs no fixing.

One final thought. As Assistant Secretary of Labor in President Kennedy's Administration, I had frequent occasion to work on projects with the Area Redevelopment Administration, which was EDAs predecessor agency, located—as is EDA—in the Department of Commerce. In particular I helped secure a loan, with the help of ARA, to save the Mineworkers hospitals from closing in the Appalachian Region. This was the first time a problem of this nature was brought to us and the ARA worked quickly, effectively and creatively to solve it.

EDA's great strength is its work with the private sector; its capacity to aid economically distressed areas is immeasurably strengthened by the full resources of the Commerce Department, with its strong relationship without nation's businesses and its resources in the areas of export promotion, technology development, industrial productivity, and the gathering and analysis of economic data. Our central economic development agency has always been in the Department of Commerce. It is there now and there it should remain.

Mr. MOYNIHAN. Mr. President, I see that the chairman of our subcommittee is on his feet. I wish to yield to him but not before imposing upon him a moment of tribute for the work he has done and to take the opportunity to say what an honor it has been to serve with him. I wish also to note that yesterday, as we set about organizing the committee, there was one subcommittee of the Committee on Environment and Public Works to which it seemed that everyobdy wished to belong—not simply because of the substance of the matters at hand, but because of the leadership of the committee itself. That is precisely the Subcommittee on Regional and Community Development, of which Senator BURDICK is the chairman.

I thank the Chair for his courtesy, and I look forward to listening to my chairman's remarks.

Mr. BURDICK. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. BURDICK. Mr. President, first, I should like to thank the able Senator

from New York for those kind words, and I should like to be associated with his remarks.

Mr. President, I do not look with disfavor on periodic reorganization of Federal agencies and programs. If we can improve the responsiveness of the Federal Government to our citizens at less cost through reorganization proposals, I favor that as an operating principle.

But, as I examine more closely the proposals being discussed, I have grave doubts that they are timely or will accomplish more good than harm. At a minimum they will cause extensive delays in the delivery of existing programs.

I am chairman of the Environment and Public Works Subcommittee on Regional and Community Development. This subcommittee has responsibility for the economic development programs of the Economic Development Administration and the title V regional commissions These activities are authorized by the Public Works and Economic Development Act (PWEDA). That act expires this year. In the process of reauthorizing these agencies and their programs, we had hoped to substantially revise the act. Over the years since 1965, a variety of new programs and functions have been added to it to keep pace with the changes in our economic and demographic life.

Mr. President, I am concerned that a reorganization proposal that would place these programs in a new department built essentially upon the Department of Housing and Urban Development would not be approved by the Congress. At the same time, its consideration by Congress will virtually co-opt the time available to thoroughly consider legislation to reauthorize EDA.

In my judgment, the most important need is to clarify and revise the economic development functions in the Department of Commerce. I believe that EDA can best carry out its mission in that Department. Economic considerations are the principal business of the Commerce Department, and economic development is most effective when linked to such considerations. Commerce is the only Department where economic development is buttressed with economic-related functions such as export promotion, technological development, industrial productivity, and economic statistics and analysis. Furthermore, the prime constituency of the Commerce Department is the private sector of the economy. The most important constituency for Federal economic development efforts is the private sector, where jobs are provided in productive enterprise and where they are permanent.

I agree with Chairman RANDOLPH, who has written the President that he fears the proposed new department would result in an increase in rural-urban tensions and rivalries among the Nation's regions. The chairman of the House and Senate Agriculture Committees have written the President indicating their firm opposition to proposals for a new Department of Natural Resources and a new department bringing together economic and community development functions.

In one passage of their letter, they quote the famous oceanographer Cousteau, who apparently was asked to comment on the new Department of Natural Resources as it affected the oceans. He said:

> We do not believe that the best solution is necessarily to concentrate the responsibility of solving problems with far-reaching consequences for the daily life of our citizens under the umbrella of one single organization. . . . It is often constructive for one such organization to present policies which are substantially different from those of others. Healthy conflicts can be fruitful. In other words, over-centralization presents the danger that a proposed policy which might appear logical from the point of view of one agency might be harmful because the decision lacks input from another.

Mr. President, those sentiments express my feelings exactly. Reorganizations do not insure efficiency and better management. I am struck by the coincidence of GSA's problems today and arguments for the consolidation of programs into superagencies. We all remember that GSA was to consolidate into one place the various housekeeping functions of the Federal Government. They would buy all the pencils and all the desks, et cetera. The question in my mind is how much more this approach has cost the taxpayer over the years than if every agency and department had been buying their own pencils and desks.

In closing, I believe the President is making a mistake in sending these proposals to the Congress for approval. If each fails, and I believe they will, much valuable time will be wasted—time that this new Congress needs to get on with the important legislative agenda we have this session. And if these proposals fail, I believe we may not see new reorganization initiatives from the White House for some time—and that would be unfortunate.

Mr. MOYNIHAN. Will the Senator yield?

Mr. BURDICK. I yield.

Mr. MOYNIHAN. I congratulate him on his statement and call attention to a particular point he made about urban-rural tensions and the efforts that are sometimes made seemingly to divide us along this spectrum. The Senator will not fail to acknowledge that North Dakota is very much a rural part of our Nation. New York is an urban one in many respects. West Virginia, the State from which our distinguished majority leader and our beloved chairman come, is a State in between—a State that has its rural areas, but most of its work force is industrial, and moving up into the Pittsburgh region. We like the EDA where it is. On our committee, we can talk about these regional legislative interests and resolve them.

We are in different parts of the Senate's jurisdiction and we have worked together well. It is a rare day we do not have unanimous agreement on our subcommittee. That is not just due to the work of the distinguished chairman, it is due to the fact that there is among us a way of harmonizing interests that conflict.

I want to concur in what the able Senator said—that New York and North Dakota get along very well. I do think they get along very well with the present setup in the EDA.

I cannot imagine anyone who would not get along well with the chairman from North Dakota.

I see our majority leader on the floor. I remind him of something said earlier, because this matter may come to us, though I hope it will not, Mr. Leader. The EDA, which we are talking about, derives from the Area Redevelopment Administration, which President Kennedy committed himself to in 1960 when he went to West Virginia in that great primary. It is one of the great achievements of social policy in the post-New Deal era.

I remember, I was a young Assistant Secretary of Labor when a group of Presbyterian clergymen came to me in 1962 and said that great chain of hospitals which the United Mine Workers built in the 1950's, of which there were nine, I believe, in West Virginia itself, was about to close down because the work force of the mines had dropped off so much that contributions to the hospital fund could not sustain the system.

It was going to be a tragedy. It was going to close medical facilities available to one of the largest and most poverty-stricken regions in our country. It was to be as if having finally achieved something, it would be taken away from them, and where would they turn? How could we keep those hospitals, we asked.

We went to the Area Redevelopment Administration. They had not just the authority, but the creativity and the energy to do it. Those hospitals are there today, strengthened not 1 year ago by a new grant from the Economic Development Administration.

If I may paraphrase a man who was briefly in this town and left one memorable phrase behind him, "If it ain't broke, don't fix it."

I thank my distinguished chairman.

Mr. HOLLINGS. Mr. President, although I support Government reorganization in principle, I do not believe the proposed reorganization option to remove the Economic Development Administration from the Department of Commerce would improve Federal economic development efforts. Since the Carter administration team took over, I have worked closely with Secretary Kreps as well as with Assistant Secretary Bob Hall, who accompanied me to Charleston last year to review economic development activities there. As a result, I feel particularly knowledgeable about EDA, its activities, and its relation to the rest of the Commerce Department.

It is my opinion that generating private sector jobs—not make-work publicly supported activities—is the key role of an economic development agency. I also believe that the success of local efforts to generate such jobs are closely tied to broad economic issues. Our competitive trade position, for example, has a tremendous influence on the ability of domestic firms to stay in business or expand and contribute to an area's economic development.

The Commerce Department is the Federal Department with responsibility for working with the private sector. It also

has major responsibility for export promotion, technology development, and industrial productivity. Each of these areas relates directly to the success of EDA's efforts to generate jobs in depressed areas. To me, it is obvious that EDA is where it belongs. It is in a Department oriented toward the private sector and with other economic responsibilities. Moving it to a department with socially oriented housing and community development programs would hinder, not improve, Federal economic development efforts.

As the chairman of the subcommittee overseeing the Commerce Department's appropriations, I personally am pleased with the work of EDA under the current administration. The Agency has moved forward on a number of key fronts, including increasing its programs to focus on urban needs in addition to its traditional and continuing work with rural areas. EDA has demonstrated an ability to respond rapidly and effectively to local needs. It has also made substantial progress in coordinating its efforts with those of other Federal programs.

My question is why tamper with success? We should build on EDA within the Commerce Department, where economic development programs can be linked to the private sector and other activities related to economic and not social issues.

LIMITATION ON FEDERAL SPENDING

Mr. HEINZ. Mr. President, I rise this afternoon to discuss with my colleagues a matter that I think confronts our Congress and our country with increasing importance. The fundamental issue is no less than the role of Government in our society and what we seek for our country, and for our posterity.

I think we all followed with great interest the debate regarding the fiscal 1980 budget that has developed over the last several months, a debate which, notwithstanding some of the dramatics on the part of a few of the actors, is a debate that has now seemingly shrunk away into a modest discussion. Liberals are whispering in the anteroom that the President's budget is not as harsh as it could have been, while conservatives are saying, "Well, at least it is a step in the right direction."

What was unveiled in January was a budget with a deficit of $29 billion, an increase in spending of more than $38 billion, a 7.7 percent increase over the last year. Yet, this is claimed to be an austerity budget.

I find it ironic that the President himself asked for voluntary price restraints in the neighborhood of 5½ percent on all the rest of the country. Then he comes to us with what he calls an austerity budget that increases spending not 5½ percent, but nearly half again as much—7.7 percent.

But worse, I suppose, I fear that the people of our country may falsely assume that what has been discussed has been debated, that what has been read has been thought about, and that what we will be acting upon in the Congress will have a longlasting influence, and a beneficial one, on our country and our people.

I wish that were the case, Mr. President. But, in all candor, the fact is that a Federal Government, a bureaucracy, and a budget that have grown fourfold or fivefold over the last 15 or 16 years, are not going to be restrained noticeably over the course of a decade or a generation by continued $29 billion budget deficits and a 7.7-percent increase in Government spending.

What will happen next January? What kind of a budget will we have then? What kind of a role will we have for the Federal Government? Will it be an ever-increasing proportion of our gross national product? Will the Federal Government become larger and larger in each of our daily lives, is that what the people want?

In Wisconsin this year they elected a Governor who ran on the platform that he believed the role for the Federal Government was to defend the shores, deliver the mail, and stay the hell out of our lives. Wisconsin is, traditionally, one of the more liberal, populist States in the Union. If that is what Wisconsin wants, what does the rest of the Nation want?

Mr. President, I think what the Nation wants is not just a little political rhetoric in a preelection year from the President and the Congress. I think what the Nation wants is a commitment that can be measured each and every year by our deeds, not just by our promises and words.

I have served in the Congress some 7 years, 5 years in the House, now beginning my third year here in the Senate. I have great love and great respect for the Congress and my colleagues in both parties. I have more hopes for them as well as for the country. But I am deeply concerned that those hopes may never be realized as long as we proceed on the course we have chosen, and that course is one that still invites—indeed, promotes—too much, too expensive, too heavy-handed a Government at the Federal level.

That is why I rise today, Mr. President, because I want to take this opportunity to inform my colleagues of my intention to introduce a constitutional amendment to restrict the growth of Federal spending to the gains in the gross national product. The amendment I plan to introduce will not limit growth or even the growth of the Federal Government.

I am a realist. I know that ours is a dynamic and increasingly complex society; and I do not expect—indeed, I would not want to see—a Government constrained so that it could not meet the legitimate needs and aspirations of our people.

We need a national debate, not a mild discussion or whispers in the cloakroom. That is why, in order to elevate the national debate to our highest possible level in the most important legislative body on earth, I will be introducing the constitutional amendment I have just described. I think this gives the Nation an opportunity not just to debate, but also to act in a responsive and responsible manner.

Mr. President, the amendment to which I refer is one that has been developed by a number of academicians and prominent practitioners who have devoted their efforts toward a more thoughtful and comprehensive response. The fruits of this effort were reported recently in the New York Times, and I ask unanimous consent to have that article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TAX GROUP URGES AMENDMENT LINKING SPENDING TO G.N.P. GAIN

(By Warren Weaver, Jr.)

WASHINGTON, January 30.—A new proposal to combat inflation, a constitutional amendment that would tie increases in Government spending to the nation's economic growth, was unveiled today by a committee of relatively conservative businessmen and economists as an alternative to requiring a balanced Federal budget.

The plan by the National Tax Limitation Committee is considerably more sophisticated than the budget-balancing amendment that has received preliminary approval from 24 state legislatures, which have voted to hold a constitutional convention to approve it.

Basically, the new amendment would bar Congress from increasing overall spending by a rate any larger than the most recent rate of increase in the gross national product. It would apply even tighter restrictions whenever the rate of inflation exceeded 3 percent, a low figure by current standards.

It would also require Congress to apply any Federal surplus to reducing the national debt, authorize emergency spending increases in case of war or a comparable crisis and permit an increase in the general spending limits, but only after a two-thirds vote of both houses of Congress and approval by 26 state legislatures.

CALLED EASIER TO IMPLEMENT

Its sponsors said at a news conference that such an amendment would be much more effective in holding down Government growth and spending without tying the hands of Congress and that it would be much easier to carry out than a constitutional edict that spending cannot exceed revenue.

Dr. Milton Friedman, the Nobel Prize economist who was one of the authors of the amendment, said it was "enormously likely" that Congress would take action in the area of broad controls on inflation this year because "they're under the gun, they're aware of the vast public sentiment for something like this."

Congress, however, will probably be reluctant to approve a new fiscal system that circumscribes its present control of the appropriation process, and the White House, although it has no direct role in amending the Constitution, may prove sympathetic to such resistance.

Officials of the tax limitation committee said they would prefer to see their project approved by Congress and then ratified by the necessary three-fourths, or 38, of the state legislatures. All amendments to the Constitution have been ratified by this process since the first 10 were ratified in 1791.

CONSTITUTIONAL CONVENTION

The alternative procedure for changing the Constitution, upon which backers of the balanced budget amendment are relying, requires two-thirds, or 34 states to approve resolutions calling for a constitutional convention. One or more amendments produced by that convention would also require ratification by three-quarters of the states to become effective.

There are no provisions in the Constitution or Federal law as to how delegates to such a convention would be apportioned or chosen, how its agenda would be determined and what rules of procedure would govern its deliberations.

Pressure is mounting on Congress to lay out all these ground rules in new legislation, on the widely held assumption that 10 more states may approve the budget-balancing resolution this year, forcing the calling of such a convention.

At the same time, even more pressure exists to avoid the necessity of holding such an unprecedented session at all through swift Congressional approval of an alternative amendment covering the same general ground, perhaps the spending limit announced today.

SPONSORS ARE EXPECTED

Backers of the new amendment said they had not yet obtained sponsors to introduce it in Congress but did not expect any problem. They maintained they would not participate in any political competition with sponsors of the budget-balancing amendment but only wanted to broaden public debate on the issue.

Under the present system, Dr. Friedman said, special interest groups compete for the favor of Congress and total spending inevitably goes up. Under the proposed amendment, the same competition would occur but for shares of a constitutionally limited amount of money.

Specifically, the amendment would limit the percentage increase in Federal spending to the percentage increase in the previous year's gross national product, the measure of all the nation's goods and services. If the inflation rate exceeded 3 percent, the allowable spending increase would be reduced by one-quarter of the number of percentage points by which the inflation rate exceeded 3 percent.

"RATCHETING DOWN" ECONOMY

For example, an inflation rate of 7 percent would exceed the constitutional limit of 3 percent by 4 percentage points, so the next Congress could not increase spending by the full percentage growth in the gross national product, but by percentage point less, "ratcheting down" the economy, as Dr. Friedman expressed it.

The National Tax Limitation Committee, based in California, has been working for a half-dozen years on this kind of spending limit mechanism and five states have written various forms of it into their constitutions.

Among those helping draft the new amendment, in addition to Dr. Friedman, were Robert Bork, former Solicitor General; James B. Edwards, former Republican Governor of South Carolina; James T. Lynn, former director of the Office of Management and Budget; Paul W. McCracken, former chairman of the Council of Economic Advisers, and Charls E. Walker, former Deputy Secretary of the Treasury. All the Federal officials served under two Republican Presidents, Richard M. Nixon and Gerald R. Ford.

Mr. HEINZ. Mr. President, the efforts go back over a 6-year period and have been headed most recently by a Nobel Prize-winning economist, none other than Dr. Milton Friedman, of the University of Chicago.

The amendment I propose will allow Government to grow in real terms, but it will not allow Government to grow as a real proportion of our gross national product, of our resources, of our wealth, or of its involvement, therefore, in our lives.

The approach of introducing a constitutional amendment may not be the best approach we can devise. I would much rather that Congress, itself, had the discipline to control spending. But here we are, 4 years after the Budget Act created our Budget Committees; and in spite of valiant efforts to the contrary, the fact is that our Government has grown in those 4 years, is bigger, more omnipotent, and less sensitive than ever before. So I believe the time has come for action.

It is true that a number of other measures either have been contemplated or introduced in Congress to attempt to control spending or to control deficits. The distinguished junior Senator from Indiana (Mr. LUGAR) has an amendment that, as I understand it, would eliminate any budget deficit, and that is a praiseworthy goal. However, I note that even an approach that eliminates the Federal deficit does not necessarily carry with it the important tool of being able to guarantee a limitation—indeed, a reduction—in the growth of Government. It is possible to tax more and to spend more to balance the budget: in taxing more, to eliminate the deficit; in spending more, to increase the role of Government in our lives. This is why I have opted for an approach that limits spending and, therefore, the size and power of Government.

I also believe that the group headed by Dr. Friedman has used the highest levels of technical expertise and effort, the greatest amount of sophistication, to respond truly to this enormous problem. This is why, as part of this constitutional amendment which limits any increase in Government spending to the Nation's economic growth, this amendment includes a prohibition on Congress from increasing the overall spending by a rate any larger than the most recent increase in the gross national product; and when the inflation rate exceeds 3 percent, even tighter limits are applied.

Second, the amendment requires Congress to apply any Federal surplus to reducing our staggering national debt, currently at $800 billion, the debt service on which is one of the largest items in the President's so-called lean, mean budget.

The amendment also authorizes emergency spending increases in times of war or similar crises; and because we know the future to be uncertain, it also allows an increase in general spending limits after approval by two-thirds of both Houses of Congress and a majority of the State legislatures.

Mr. President, the Committeee on National Tax Limitation that has been at work and is polishing the final language of this constitutional amendment deserves to be highly commended, as does the leadership of Dr. Friedman. They have been working to respond to the message sent by the overwhelming majority of the people of this country, which is this: control government, control its power, control its interference, and control it by controlling its purse strings.

There has been difficulty, notwithstanding the efforts of the Budget Committee and others, in finding a method of controlling spending which would simultaneously help reduce inflation and allow the private sector to grow and expand. We need real jobs, not just makework jobs in our economy, and we need to allow for emergency spending increases in times of war and other crisis situations.

The work of the National Tax Limitation Committee is most commendable in developing these concepts, and I look forward to working with them in completing the drafting and introduction of this amendment, which, as I said a moment ago, I do intend to offer.

Mr. President, I ask unanimous consent that the proposed text of the constitutional amendment be printed in the RECORD.

There being no objection, the proposed text was ordered to be printed in the RECORD, as follows:

PROPOSED TEXT

Section 1. To protect the people against excessive governmental burdens and unsound fiscal and monetary policies, total outlays of the Government of the United States shall be limited. Total outlays in any fiscal year shall increase by a percentage no greater than the percentage increase in nominal gross national product in the last calendar year ending prior to the beginning of said fiscal year. If inflation for that calendar year is more than three percent, the permissible percentage increase in total outlays shall be reduced by one-fourth of the excess of inflation over three percent. Inflation shall be measured by the difference between the percentage increase in nominal gross national product and the percentage increase in real gross national product. Total outlays shall include budget and off-budget outlays, and exclude redemptions of the public debt and emergency outlays.

Section 2. When, for any fiscal year, total revenues receive by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt be eliminated.

Section 3. Following declaration of an emergency by the President, Congress may authorize by a two-thirds vote of both Houses of Congress, a specified amount of emergency outlays in excess of the limit for the current fiscal year.

Section 4. The limit on total outlays may be changed by a specified amount by a three-fourths vote of both Houses of Congress when approved by the legislatures of a majority of the several states. The change shall become effective for the fiscal year following approval.

Secton 5. For each of the first six fiscal years after ratification of this article, total grants to states and local governments shall not be a smaller fraction of total outlays than in the three fiscal years prior to the ratification of this article. Thereafter, if grants are less than that fraction of total outlays, the limit on total outlays shall be decreased by an equivalent amount.

Section 6. The Government of the United States shall not require, directly or indirectly, that states or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs—implications re any new law and regulations.

Section 7. This article may be enforced by one or more members of the Congress in an action brought in the United States District Court for the District of Columbia, and by no other persons. The action shall name as defendant the Treasurer of the United States, who shall have authority over outlays by any unit or agency of the Government of the United States when required by a court order enforcing the provisions of this article. The order of the court shall not specify the particular outlays to be made or reduced. Changes in outlays necessary to comply with the order of the court shall be made no later than the end of the third fiscal year following the court order.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS TO COMMITTEE TO ATTEND MEMORIAL SERVICE FOR FORMER VICE PRESIDENT ROCKEFELLER

The PRESIDING OFFICER. The Chair, pursuant to the provisions of Senate Resolution 28, appoints the following Members of the Senate as the committee to attend the memorial service for former Vice President Nelson A. Rockefeller: Senators ROBERT C. BYRD, BAKER, JAVITS, MOYNIHAN, BUMPERS, CHAFEE, DANFORTH, DOLE, GOLDWATER, HEINZ, LUGAR, MATHIAS, MCGOVERN, MUSKIE, PELL, PERCY, PRESSLER, RANDOLPH, SCHMITT, and WILLIAMS.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 81-754, as amended by Public Law 93-536, appoints the Senator from Rhode Island (Mr. PELL) to the National Historical Publications and Records Commission.

The Chair, on behalf of the Vice President, appoints the Senator from Illinois (Mr. STEVENSON) to attend the Third Preparatory Committee Meeting, United Nations Conference on Science and Technology for Development, to be held in New York City, January 22–February 2, 1979.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I note the presence of the distinguished Senator from Utah (Mr. HATCH) on the floor. I would like to ask how much time he feels he would use in speaking?

Mr. HATCH. I would need only a few minutes, only 5 minutes, just to put some things in the RECORD.

ORDER FOR RECESS FOR 1½ HOURS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senator from Utah completes his remarks the Senate stand in recess for 1½ hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME FOR A CHANGE IN TAX POLICY

Mr. HATCH. Mr. President, the Labor Department reported a few days ago that consumer prices rose last year at a rate of 9 percent, making 1978 the second worst year for inflation since the postwar period. Today's dollar buys less than one-half the goods and services that could be purchased for the same amount in 1967. And most economists agree that future inflation will not improve dramatically in the months, and possibly years, ahead.

Where have we gone wrong? We are told that the only alternative to inflation is recession and unemployment, and "stagflation" has become a common term in the American vocabulary.

Mr. President, I believe that the Government is largely responsible for our economic plight. We have based too much of our economic policy on false assumptions and indefinite promises. We have tried to find answers by applying old formulas that have never really proven worth while. The intentions of our leaders have been honorable but their success has been lacking.

The time is past due for our country to seek better answers, to seek a new direction in economic policy. We can no longer accept past policies without question. We can no longer pretend that Government can produce prosperity by manipulating economic levers.

Our Nation's tax policy has become a major vehicle for controlling much of our economic destiny. It has also been a cause of much of our economic trouble. The tax structure has increasingly become a disincentive to produce, leading our economy deeper and deeper into the mire of stagflation. In a column in a recent issue of the Wall Street Journal, Dr. Paul Craig Roberts outlines some of the effects created by our outmoded approach toward tax law. Dr. Roberts warns policymakers about the pitfalls of following a tax policy that will merely buy us another ticket on the "roller coaster" of inflation and recession.

Mr. President, I ask unanimous consent that the article entitled "The Tax Brake" from the January 11, 1979, issue of the Wall Street Journal be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TAX BRAKE

(By Paul Craig Roberts)

Keynesian economics began its career full of confidence that if only politicians would accept deficits and the use of the government's budget to manage demand, economic stability would be assured. It was all to be so easy. Whenever demand wasn't sufficient to maintain full employment, government budget deficits would pump up spending and take up the slack in the economy. Whenever spending was so high as to threaten inflation, government budget surpluses would restrain demand.

Today Keynesian economics, the basis for economic policy for the past two decades, is mired in stagflation. The hopes are gone, and the confidence shattered. Unappealing "Phillips' curve" trade-offs between inflation and unemployment march back and forth over the shredded banner of economic stability. Today pumping up demand pumps up the price level, and restraining spending pumps up unemployment. Faced with defeat on one front or the other, the policymakers offer the people austerity. Selfishness, Keynesians say, is the cause of it all. Labor and business take advantage of demand stimulus to raise wages and prices. Inflation is worsening because people are becoming more selfish.

The exhaustion of Keynesian thought has led to controls, touted as the answer to selfishness. But the real problem is that the Keynesian doctors have been treating only half of the economy. Demand has been managed, but the factors governing the responsiveness of supply to demand have been ignored. Fine-tuning large macro-aggregates took Keynesians away from the foundation of economic science—the effects of prices on behavior. The study of how prices affect behavior was relegated to microeconomics, a smaller concern. In the Keynesian view, production responds to prices in individual markets, but, over all, demand is king.

It was in this way that Keynesians came to ignore the two most important prices governing production. One is the price of leisure in terms of forgone current income, and the other is the price of current consumption in terms of forgone future income. The lower these prices are, the lower production will be.

Both prices are affected by the tax rates on additional earnings. The higher the marginal tax rates, the lower the after-tax rates of return to additional work effort and investment, and the cheaper leisure and current consumption are in terms of foregone income.

In short, high tax rates encourage leisure and consumption and discourage work and saving. This means that, as tax rates rise, supply responds less to an increase in demand. A decline over time in the responsiveness of supply to opportunities to sell is consistent with the rising rate of inflation that has accompanied expansionary monetary and fiscal policies.

For a decade the tax brake has been increasingly applied to production while demand has been stimulated. U.S. Department of Commerce statistics show that the effective tax rate on corporate income has risen significantly over the last decade. And IRS statistics show that the growth of income has moved more and more people into higher brackets. Demand has spurted while supply has lagged.

In an economy with a progressive income tax, the higher the price level, the greater the tax bite on additional earnings. The more rapid the increase in the price level, the quicker the tax bite grows. Corporate income does not escape this effect. Inflation causes the firms' books to understate the cost of inventory, plant and equipment used up in production, thus reporting costs as taxable income. Since tax rates rise with inflation, inflation automatically applies the tax brake to production.

The tax brake is different from the Keynesian idea of "fiscal drag." Fiscal drag results from rising tax rates cutting into disposable income or effective demand, thus hindering spending. The tax brake, however, results from rising disincentives to produce additional income. It applies to production on the supply side of the economy and not to spending on the demand side of the economy.

The tax brake requires that we refine some influential concepts. Whether there is excess capacity or excess demand depends on the rate at which additional income is taxed. If these rates are high, there can be excess demand even though there is excess capacity in the physical sense, as productive factors remain idle for lack of incentive. With income support programs, high marginal rates of taxation on income, and low after-tax returns to saving and investment, it is not surprising that efforts to spend away unemployment only drive up the price level. Stagflation is simply a result of people's responses to the incentives established by government policies.

Studies by Martin Andersen at Stanford and Martin Feldstein at Harvard show that in the U.S. the highest tax rates are borne by people who attempt to get off welfare (as a result of loss of benefits) and by owners of capital (as a result of taxation of nominal gains), while in Sweden high tax rates have driven people so deep into leisure that policymakers are discussing ways of taxing it. Such are the consequences of ignoring the prices that govern production. Before U.S. policymakers propose to fight leisure by taxing it, we should release the tax brake and establish an incentive structure for economic growth.

SALT II

Mr. HATCH. Mr. President, as we begin this 1st session of the 96th Congress, many issues are facing the Members of this august body. To the majority of us it will be a renewal of the battles fought in the 95th Congress. To our freshman class it will be an opportunity to inject their viewpoints on the issues they feel strongly about. To all of us here today one thing is certain no matter how controversial the issues, and that is, that we meet to resolve these issues and attempt to bring about a more economically and efficiently run Government of these United States.

One of the issues that will most likely face this Congress will be the ratification of a new strategic arms agreement. SALT II is now in the final stages of negotiation between the United States and the Soviet Union. This agreement may well determine the future course of world history. SALT II could be the pivoting factor in the thrust for continued freedom by the Western World.

The SALT negotiations have caused me a great deal of concern over the negotiation posture of the United States vis-a-vis the Soviet Union. It is my opinion that we are coming out on the short end of the deal with the treaty as now proposed. There are four areas that we need to discuss and make certain that we remain firm on in order to maintain at the very least equality with the Soviet Union. They are:

First. The posture and survivability of our land-based ICBM force.

Second. The continued improvement and modernization of both our SLBM and bomber force.

Third. The guarantee that we have the ability to deter a nuclear war; but if such an event should occur, have the ability to survive such a conflict.

Fourth. Prevent the growing asymmetry between the United States and the Soviet forces from expanding.

No single leg of the strategic triad has come under more fire in the last 2 years than the land-based ICBM leg. The Minuteman III is the backbone of this force. At the present time there are 550 Minuteman III's, 450 Minuteman II's and 54 Titan missiles. This total of 1,054 constitutes the entire land-based ICBM force of the United States. Their survivability in the future is essential to the United States' ability to deter a nuclear war. Yet it is their survivability that has caused the debate over this leg of the triad.

Land-base ICBM's are generally acknowledged as the most potent of a nation's strategic forces. These are the weapons with the greatest accuracy and largest throw-weight. In simple terms, it is this leg of the triad that can knock out another nation's land-based force. They have what is known as silo-busting power, even against hardened sites. It, therefore, becomes prudent to examine what the other side has with respect to what it would take to render our forces vulnerable.

I ask unanimous consent to have printed in the RECORD a table showing land based multiple independently targeted reentry vehicles of the United States and the Soviet Union, designated "Table I".

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—MULTIPLE, INDEPENDENTLY TARGETED REENTRY VEHICLES (MIRV'S)

[Land-based missiles—SALT ceiling 820]

United States:		
Minuteman III[1]	3 MIRV's×550	1,650
Total U.S. MIRV's		1,650
Minuteman II	450 single REV's	450
Titan II	54	54
Total U.S. re-entry vehicles		2,154
U.S.S.R.:		
SS-18[2]	10 MIRV's×309	3,090
SS-19	6 MIRV's×400	2,400
SS-17	4 MIRV's×111	444
Total U.S.S.R. MIRV's		[4] 5,934
Single REV's:[3] SS-11/SS-13	1 MT	589
Total REV's		6,523

[1] Because of the Minuteman III production is essentially closed, the United States will be limited to effectively 550 MIRV's on land-based ICBM's regardless of ceiling.

[2] Under the terms of the proposed agreement the United States is precluded from having any new heavy ICBM's equivalent to the SS-9/SS-18's.

[3] According to some reports the treaty will stipulate that any booster of a type which has been tested with MIRV will thereafter always be considered a MIRVed missile booster. If this report is correct, the Soviets will be required to use the older SS-11/SS-13 to make up the difference between 820 and 1,809 or develop an entirely new ICBM.

[4] Because of their large throw-weight capability, all Soviet MIRV's have a much larger yield than the Minuteman III's (Minuteman III has 170 kt compared to 1+Mt for most Soviet systems).

Mr. HATCH. As can be readily seen in table I, the Soviets have a 3-to-1 advantage in RV's launched from ICBM's. This would permit them to expend approximately 4,300 RV's in a first strike against the U.S. land-based ICBM force, holding another 2,200 RV's in reserve. Assuming a 90-percent hard-kill capability with four RV's per target, the U.S. force would be virtually destroyed.

The United States has on the drawing board a new ICBM known as the MX. If this missile is to be used as a follow-on to the Minuteman, a new basing mode will have to be utilized to insure its survivability. I say this because the stated policy of the United States is to maintain strategic forces which are "essentially equivalent" to those of the Soviet Union in order to maintain a stable strategic balance and deter war. It is also U.S. policy that the United States should possess sufficient strategic forces of various types to insure the capability to deliver a retaliatory blow which would result in unacceptable damage to an enemy's military and economic recovery assets after absorbing a first strike. The force needed to inflict that level of damage comes from land-based ICBM forces. In testimony before the House Armed Services Committee, Secretary of Defense Harold Brown stated:

> Only the land-based ICBM today is suitable for attacking time-urgent hard targets. These missiles are also provided with a sophisticated and survivable command-control system which allows rapid retargeting and reporting of missile status up to command level for added flexibility and efficient war.

The basing mode that is most commonly discussed as the alternative most feasible is the Multiple Aim Points System (MAPS) or sometimes referred to as the Multiple Protective Structure (MPS). Under this system, the United States would construct as many as 20 silos or protective structures per ICBM. This would make it almost impossible for the Soviets to target all points with any assurance of a high kill rate. In his testimony Secretary Brown further stated:

> We believe that strategic forces should be highly survivable to insure stability and that ICBM's may need a multiple aim point deployment to achieve this in this way, the resource exchange ratio may be made very disadvantageous for the attacker.
>
> The key to retaining the appearance of retaliatory posture only is a system survivability. With a highly survivable system, we can insure having enough missiles remaining after attack without building what would appear to be a threatening first-strike capability.

Mr. President, what is so alarming about this whole situation is the apparent belief, and I might add intention, of the administration that the United States should abandon the land-based ICBM leg of the strategic Triad. In a column appearing in the Washington Post on January 12, 1979, "Unheeded Warnings About the ICBM's," it was pointed out that Secretary Brown is also alarmed at this belief by the President. The column quoted a December 1, 1978, memo from Brown to President Carter:

> The effect of the United States giving up, under successful Soviet pressure, a military capability of considerable value which the Soviet Union retains would, in my view, have disastrous consequences both internationally and domestically.

I call this column to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNHEEDED WARNINGS ABOUT THE ICBMs

Without apparent success so far, Secretary of Defense Harold Brown has privately warned President Carter of "disastrous consequences" if he pursues his present course of abandoning the nation's land-based intercontinental ballistic missile (ICBM) capability.

Brown's warning echoes the position for which Carter's defense critics have been derided: If the Soviets "are structuring" their forces to fight an extended nuclear war and know that the United States is not, there is deep trouble ahead.

The blunt warning, so out of character for the low-keyed Brown as to be passionate, was provoked by Jimmy Carter himself. Meet-

ing with senior officials on the defense budget last Sept. 29, the president asked: "Why do we need the Triad?" In other words, why can't the United States dispense with land-based ICBMs, and rely on the other two legs of the Triad—manned bombers and missile-firing submarines?

Over a month elapsed before Brown completed an answer for the president's eyes. Brown's "top secret" memorandum of Dec. 1 contained this chilling message:

"The effect of the United States giving up, under successful Soviet pressure, a military capability of considerable value which the Soviet Union retains would, in my view, have disastrous consequences both internationally and domestically."

State Department policy-makers flatly disagree, and even Brown himself does not talk that way in public. Nuclear physicist Brown is a private man, a cool scientist who avoids cold-war rhetoric. Unlike predecessors Melvin Laird and James Schlesinger, Brown has shunned the Cassandra role of pointing to the Soviet menace. He has, in the process, become one of Carter's favorite cabinet members.

Yet, there is no sign of presidential response to Brown's warning. Nothing in writing from Carter has been received at the Pentagon. The gloomy consensus there is that he is determined, for the sake of arms control, to reject the Defense Department's proposals to preserve the land-based ICBM and the Triad.

Specifically at issue is whether the president will approve a mobile-basing system on land for the new MX missle to replace the fixed-base Minuteman, which is becoming vulnerable to Soviet attack. But mobile basing is viewed by arms controllers as destabilizing because it would force Moscow to respond (while also violating the new SALT II arms-control treaty). Consequently, presidential science adviser Frank Press and other White House aides want to base the MX aboard aircraft.

Carter leans that way, an inclination signaled by him while still president-elect on Jan. 12, 1977, when he suggested reducing the U.S. arsenal to 200–250 ICBM's. Nearly two years in office did not change his mind. That was shown at the Sept. 29 meeting, when Carter again questioned the need for the ICBM.

The Dec. 1 response, personally written by Brown, discussed, after its warning of "disaster," why a land-based missile is needed. Brown insisted on retaliatory capability "come what may, in the face of new and unexpected Soviet developments." He further stressed the need "to maintain some capability after an initial [nuclear] exchange—perhaps for days, or weeks, or even a few months."

This notion of a nuclear war that would not be completed in one apocalyptic spasm has been rejected by arms-control advocates rampant in the administration. It also has been publicly rejected by Harold Brown, who returned to this position in the Dec. 1 memo: "I should note that I doubt that a strategic war of this kind is at all likely, or that it could be fought without rapid escalation to an unlimited spasm." Then, however, Brown tells his president what arms controllers will not admit: "But there are many indications that the Soviets are structuring the forces to fight such a war. Their plans and exercises point the same way. If they think they have such a capability, and we both know that the United States does not, adverse military consequences are possible, and adverse political consequences very likely."

While Brown's memo has been safeguarded as though it were a secret weapon, there is no mystery about the Air Force's position. Its chief of staff, Gen. Lew Allen, championed a mobile land-basing system in a Dec. 29 letter to the House Armed Services Committee, which was cleared by Brown without a word changed.

This is a weapons decision where the president cannot claim support from the military or where his apologists cannot plead lack of outside advice. In this case, Carter needs no warnings about unilateral concessions under Soviet pressure from Scoop Jackson, Paul Nitze or Mel Laird. What they would say is duplicated by his trusted secretary of defense, who seems to be going unheeded.

Mr. HATCH. In summation of point 1, the land-based ICBM force of the Triad is now vulnerable. The SALT II agreement being negotiated may well prohibit a follow-on missile based in a mode that will insure its survivability. The Congress must demand that such a system be constructed to assure the American people that we will remain free from Soviet extortion.

The second point concerns the modernization of our SLBM and bomber forces. The United States has unilaterally canceled the B–1 bomber without even asking for a quid-pro-quo from the Soviet Union. There is no sense in beating a dead horse. Everyone knows the B-1 was the most advanced bomber in the history of aviation. The United States must now continue to rely upon the ancient B–52 to deliver the cruise missiles we are currently developing. However, we must place a date on the use of the B–52. At some point we must realize that a new manned bomber will be needed to maintain this, the most flexible leg of the strategic Triad. The Soviets have realized this and developed the Backfire bomber. The Tupolev–26 V/G, the formal name of the Backfire, is a variable geometry (swing-wing) multipurpose aircraft capable of performing nuclear strike, conventional attack, antiship reconnaissance and electronic warfare missions. The B (production) model of the plane is about 2½ times as large as the American FB–111 and carries a payload similar to the Soviet Mya–4 Bison—a bomber of recognized strategic dimensions. In many respects, the Backfire resembles the canceled American B–1, though only two-thirds its size and possessing roughly one fourth of its payload capacity.

I ask unanimous consent to have printed in the RECORD a table which is useful as a reference in analyzing the Backfire's presumed strategic capabilities on a comparative basis, designated as table II.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—COMPARISON OF BACKFIRE WITH OTHER CONTEMPORARY AMERICAN AND SOVIET AIRCRAFT

Nation and aircraft	Range (statute miles)	Payload (pounds)	Weight (pounds)
U.S.S.R.:			
Backfire	7,140	20,000	272,000
Tu-95	7,800	40,000	340,000
Mya-4	6,050	20,000	352,750
Tu-16 [1]	4,000	20,000	175,000
United States:			
B-1	6,100	115,000	389,800
B-52 G/H	12,500	75,000	488,000
FB-111A [1]	3,800	37,500	91,500

[1] For several reasons, some disagreement persists over the classification of these aircraft as heavy bombers negotiable in SALT.

Source: Appeared in Gerard K. Burke, "Backfire: Strategic Implications," Military Review, September 1976, Current News Sept. 29, 1976, p. 5-F.

Mr. HATCH. The Backfire will not be included in a SALT II agreement due to Soviet insistance that it is not strategic. Yet, according to former Secretary of Defense, Donald Rumsfield:

Even wtihout aerial refueling or staging from bases in the Arctic, Backfire bombers could cover virtually all of the United States on one-way missions, with recovery in third countries. Using Arctic staging and refueling, they could achieve a similar target coverage, and still return to their staging bases in the Soviet Union.

What the Soviets have suggested is a letter promising not to deploy the Backfire in a strategic manner. A promise that would hold little weight in a time of crisis. This is a question that must be resolved before the Senate could ratify a SALT II agreement.

In 1972, when the SALT interim agreement was ratified, there were many Senators who expressed serious concern about the Soviet's willingness to abide by the letter as well as the spirit of the agreement. Concern was also expressed at the number of advantages granted the Soviets, inter alia, SLBM's—Soviets, 62, U.S. 41; ICBM's—U.S.S.R. 1408, U.S. 1054. Time has since proven that these concerns were well founded. During the past several years, the Soviets have repeatedly violated both the letter and the spirit of the 1972 agreement. More recently, former Secretary of Defense Melvin Laird pointed out some of the Soviet's more blatant violations in an article in the December 1977 Readers Digest.

Our magnaminity in conceding to Soviets in SALT I has now come home to roost with us in the form of admissions by this administration that they can not do anything about the vulnerability of our ICBM's; that we must concede to the Soviets or else we will not be able to get a new agreement. And now comes another example of their contempt for agreements they have signed.

Under the terms and conditions of the SALT I agreement, the Soviets were allowed 950 ballistic missiles on no more than 62 modern ballistic submarines, provided that they dismantled their 209 older SS–7 and SS–8 ICBM's and thereafter replaced on a one-to-one basis older SLBM's for new ones. Otherwise, they would be limited to 44 submarines and 740 missiles. According to Defense Space Business Daily, the Soviets presently have operational at least 64 submarines, 2 over the SALT I ceiling. This, however, assumes they have dismantled all their SS–7/SS–8, an act which allows them to achieve that level. There is doubt, however, that they have done so.

However, despite the 64 submarines operational, they have at least 10 to 20 additional submarines in production. When these are complete, the Soviets will—under SALT obligations—have had to dismantle in the meantime all their "H" class (8), as well as up to 12 *Yankee* class submarines.

Couple with that some 1,409 ICBM's (all of them less than 10 years of age) and 140 bombers (excluding more than 100 Backfire bombers) and you come up with a total of 2,499 strategic systems. The latest SALT proposal would supposedly reduce that number to 2,250

which would mean a Soviet reduction of some 240 strategic systems. Understandably, the first system that would probably be dismantled would be the 140 older bombers (Bears/Bisons). Under the proposed SALT II agreement, they really do not need them, since they can continue to build Backfire bombers with strategic capability that can easily fill the void but not be included in the count.

Based on past Soviet performance, it seems unlikely they would consider dismantling modern weapon systems like the Yankees or modern ICBM's. Their oldest Yankee class submarine is just 10 years old; on the other hand, our oldest Polaris boat is nearly 18 years old. The Soviets presently have in operation other submarines, cruisers, fighters, bombers, tanks, and other systems that are over 25 years old. Their propensity for saving everything is without peer—in fact, the Soviets maintain in storage stocks of obsolete armored vehicles, some of which go back to World War II.

What could possibly be their rationale for continuing to produce missile submarines at this pace? These boats exceed by far the limits granted them in SALT I, and would, when added to their ICBM deployment and production rate, exceed the new proposed SALT ceiling or would force the dismantling of relatively new systems.

Their present inventory of SLBM's is as shown in table III, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III

	Boats	Missiles
Modern nuclear submarines:		
Yankee class (16 missiles per boat)	34	544
Delta I's (12 missiles per boat)	18	216
Delta II's, III's (16 missiles per boat)	10	160
Total	62	910
Older Nuclear: Hotel class [1] (3 missiles per boat) (total)	8	24
Older diesel electric (not included in SALT): Golf class [1] (3 missiles per boat)	22	66
Grand total	92	1,000
Submarine in production, necessary to meet deployment schedule of 8 yr, Deltas/Typhoons	20	400
Potential total (1981)	112	1,400

[1] For over a decade these submarines were considered strategic; and therefore, it seems reasonable to conclude in the event of war they would be used; unless they had been scrapped.

Mr. HATCH. Today, barely 6½ years after SALT I ratification, we are confronted with the situation that Senator JACKSON anticipated on August 11, 1972:

First under the terms of the agreement, Soviets permitted to have operational, by July 1, 1977, 62 Polaris-type Y-class submarines. The agreement is very explicit on this. Owing to a provision that could have constituted a serious loophole, the issue arose as to whether the Soviets might have additional such submarines under construction, but not yet operational, on July 1, 1977. Some witnesses, including Ambassador Smith and Chief of Naval Operations, Admiral Zumwalt, indicated that, technically, this was permissable. Were that the case, the Soviets could continue to turn out Y-class submarines like sausages, eight per year, with absolutely no perturbation of their deployment momentum.

Therefore, on July 24, I raised this problem with Secretary Laird in order to get the administration position as understood at the highest levels. Secretary Laird said:

"The protocol to the interim agreement specifies that the Soviet Union may have 950 SLBM launchers and not more than 62 modern ballistic missile submarines."

The Secretary Laird, speaking for the administration, said:

"In the event that during the period of the interim agreement they were to initiate construction of additional modern ballistic missile submarines beyond the number necessary to reach the total of 62, this could be done only as replacements (for older Y-class submarines) and this would be under the procedures as specified under article 3 of the interim agreement. We would consider any new construction starts which were merely for the purpose of maintaining the momentum of the Soviet Union construction program to be contrary to the intent of the agreement."

This point is made equally clear in a colloquy between the Secretary and me. In order to understand the administration view, I asked:

"I take it that it is your judgment and the view of the President and the Administration that any attempt to use this ambiguity to build up—especially toward the end of this 5-year period—a pipeline of advanced Y-class boats under construction—as a technical means of getting around the limit of 62 operational submarines, would be in clear violation of what we understood to be the agreement."

Secretary Laird answered:

"I would, and that would also apply to the United States."

The Soviets are, in fact, turning out Delta-class submarines like sausages. In fact, the only thing that has changed since 1972 are the new versions; they are larger and more lethal. The potential threat of using this horrendous submarine production capacity to get their way at SALT could, in the long run, jeopardize the likelihood of getting an equitable SALT II/III agreement.

The question should be asked why the Soviets would establish a production line for a 24-tube Typhoon missile submarine at precisely the time they would bump up against the upper limits defined for such asytems in SALT I. Obviously, the Soviets know what they are doing: A nation simply does not invest billions of rubles in the most advanced building machinery, the long-lead-time submarine components such as nuclear reactors and propulsion systems, the giant launching and construction factilities which these boats require merely to replace submarines that are only 10 years old or younger This would be entirely out of character for the Soviets. If we draw an analogy to the equivalent Trident submarine program in this country, the Soviets must have been designing the Typhoon and its very long-range SS–N–18 missiles since the early 1970's—about the time we agreed to allow them 18 more SLBM's than the United States. The reason for this was ". . . the argument the Russians already had the facilities and that if we did not reach an agreement in 5 years, they would go on to 99 or 100." (CONGRESSIONAL RECORD. 9–14–72, page 2).

Counting the older "G" class submarines the Soviets are now approaching the ceiling SALT I was supposed to prevent from happening. It is hard to believe they could have produced more submarines (25) or more different classes (4) than they have in the past 5 years.

In short, the Typhoon production line is the starkest evidence available to date that the Soviets have had, and continue to have, no interest whatsoever in observing the SALT limits. A nation does not, in the normal course of international behavior, design a mammoth production line and sink billions of rubles into highly advanced technology just to build one or two submarines. The Typhoon may now be in series production; there will be more of such submarines, and it is a very safe bet that the Soviets will not scrap or deactivate Yankee submarines less than 10 years old in order to fit the Typhoons under the SALT limits.

What will happen—and this is my prediction—is that administration officials will devise intricate rationales for letting the Soviets get away with whatever they want to on the SLBM issue. We will, in my opinion, see a wondrous repeat of the Backfire fiasco: In all likelihood, the administration will let the Soviets simply tie up operational submarines in port and announce that they are no longer operational. Or, we will see U.S. officials frantically explaining to a skeptical Congress that the Soviets are entitled to the world's first "strategic reserve missile-submarine fleet"—one whose units would not be counted under SALT I or SALT II.

It is time the Soviets are forced to answer some tough questions before we agree to sign any more agreements. For over a decade, they have refused to reveal the numbers and mix of their strategic forces—it is time they demonstrated their goodwill by giving us those number as well as their intentions relative to the SLBM fleet.

Before the Senate is asked to ratify any new SALT agreement, we must have answers to the questions this new disclosure has generated. Namely; First, what are the Soviet's intentions relative to SLBM production? Second, what are they going to do with the SLBM's in existence that exceed SALT I limitations? Third, how do they intend to reach the proposed SALT II ceiling of 2250 (1,409 ICBM's + 950 SLBM's + 140 bombers = 2,499)? Fourth, are we prepared to allow them to convert their Yankee class SLBM's to a nonstrategic class, possibly modified to carry SSN 12/13's? If the latter case, how do we verify conversion? (The same question is applicable to the H class). Will they be allowed to transfer these older H and V class submarines to client states (East German, etc.) and have them excluded from SALT?

The third point I mentioned, guaranteeing our ability to deter nuclear war and in the event it occurs, surviving, is a point that encompasses many of the arguments made in points one and two. We must strengthen all three legs of our triad if we are to deter nuclear war; but the question of surviving is an issue that has aroused much debate in the past 6 months.

Civil defense is what we are basically discussing when we speak of survivability. The administration was directed by the Congress last year to formulate a sound civil defense program. The fiscal year 1979 budget was to provide funding to improve our civil defense efforts. Knowledge of this brought great outcries from the arms control community. Increased spending for civil defense would mean the United States had abandoned the mutual assured destruction (MAD) doctrine. Under this concept, the civilian population of both the United States and the Soviet Union would be defenseless, held hostage if you will, against the other side's nuclear forces. It should be noted that the Soviet Union has never accepted this doctrine. What the Soviets have done is institute a massive civil defense effort.

During the 1950's, the Soviets realized that measures had to be taken to insure the safety of their population and industrial base in the event of war. In 1961, the task of organizing such an effort was entrusted with the Soviet Ministry of Defense. In 1972, Colonel-General Altunin was assigned to head the civil defense effort, assuming the position of Deputy U.S.S.R. Minister of Defense. It was at that time the Soviet civil defense effort began to accelerate to its present position.

Soviet civil defense has moved to this prominence because Soviet ideology and philosophy toward nuclear war remains consistent with those principles laid down by Lenin. Soviet leaders assert that nuclear war, like all wars, is a continuation of a country's policy and is waged in accordance with that country's political aims. As to the no win argument, the Soviets do not share the apocalyptic view of nuclear wars so widespread in the West. They contend that capitalists attempt to use this view to paralyze revolutionary processes and to prevent progressive change in the non-Communist world. "We are not pacifists," Brezhnev warned in January of 1979 in Havana. "We do not want peace at any price." And, Moscow asserts, the U.S.S.R. will not only not be deterred by the specter of nuclear war but, if one actually comes, will survive, while its enemies will be destroyed. Indeed, Soviet leaders are the only ones who publicly assert that a nuclear war can be won, and that, if such a war were to occur, the U.S.S.R. will emerge as a viable state and system, and with the necessary power to impose its will on its opponents.

To maintain this strong adherence to a "war-winning" philosophy the Soviets have developed a civil defense program that is now felt to include as many as 30 million civilians in addition to the large military manpower commitment to civil defense. This program averages approximately $1 billion per year and appears to be rising. This cost includes a large shelter construction program as well as continued emphasis on training to the Soviet population.

Since the mid-1950's, seven compulsory civil defense courses have been given to the people of the U.S.S.R., totalling 124 hours of training time. This training is for men from 16 to 60 years of age and for women from 16 to 55 years of age. Recent courses have required demonstrations of practical skill. Members of civil defense formations, the cadre of the civil defense force, receive additional training. The current 20-hour basic course instituted in 1973 for the entire population also provides for 70 to 90 hours of training for command-staff personnel, 36 to 44 hours for civil defense unit leaders, and 28 to 30 hours for members of civil defense formations. In addition, all participate in various exercises. Schoolchildren receive formal civil defense instruction in the second, fifth, and ninth grades of 10-year secondary schools.

This massive training of the population in civil defense is compulsory, and is designed to teach the people how to act and carry out orders, to practice selfhelp, to assist poststrike operations, and to develop appropriate moral, psychological, and political attitudes. The optimum goal of this training is to instill in the population a deep faith in the effectiveness of civil defense measures and the possibility of surviving nuclear strikes.

The effort being made to insure industrial survivability equals or exceeds the one aimed at the population. Particular attention has been paid to the location of new industries near newly developed sources of energy and raw materials in Siberia, which the Soviet Government seeks to develop with the aid of Western, and especially, U.S. technology and credits. According to U.S.S.R. Minister of Defense Gretchko:

> The shift of production forces to the east, bringing them closer to sources of raw materials and fuel, their dispersed location by economic regions, significantly increases the defense capability of the Soviet homeland, and makes our industry less vulnerable in the event of a missile nuclear war . . .

Similarly, Colonel-General Altunin has characterized the industrial dispersal program as a decisive measure for insuring the viability of the economy in wartime.

The question that must be asked now is: "What is the United States doing?" Precious little is the answer. Because we have accepted the MAD doctrine, the disarmament community of this Nation has blocked civil defense efforts on the grounds they will destabilize the strategic balance. When President Carter proposed to increase civil defense spending, at the request of Congress, the public debate grew so heated the administration appears to have backed down. Yet I ask you, as rational men and women, how can a program be considered an asset to Soviet strategic strength and a debit to U.S. strength? If you doubt these assertions of U.S. civil defense, I challenge you to go to your home States and look for a civil defense sign. When you see one, investigate what supplies are present and what organizational structures exist. Then make your decision on U.S. civil defense.

In analyzing the two programs of the U.S.S.R. and the United States, four inescapable conclusions stand out:

First. Civil defense and other war-survival measures have a central place in Moscow's strategic thinking and constitute a major element in its military preparedness.

Second. The Soviet Union has stepped up in a very substantial way its war-survival program since the advent of the détente relationship with the United States in 1972. It is today steadily increasing its attention and resource allocations to the program.

Third. The Soviet leadership recognizes and evidently attaches great importance to the U.S.S.R.'s superior position as against the United States in war-survival capabilities from the standpoint of both scope and effectiveness of civil defense and related programs and of degree of concentration of population centers and vital economic resources and activities.

Fourth. The Soviet leadership believes that these asymmetries between Soviet and United States capabilities can so degrade the United States threat of "assured destruction" as to give the U.S.S.R. a district advantage with respect to risk-taking in the nuclear age and improve its chances of not only surviving but winning a nuclear war should it come.

The fifth and final point that must be considered when evaluating a SALT agreement concerns the growing asymmetry between U.S. and Soviet forces. At the time negotiations began in 1968 toward a SALT I agreement, it was generally acknowledged that the United States held the superior position. From that point on, the United States has witnessed a slow deterioration of that lead.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing a summary of strategic nuclear delivery vehicles, designated table IV.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STRATEGIC NUCLEAR DELIVERY VEHICLES: [1] SUMMARY

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
ICBM's:													
United States [2]	1,054	1 054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054
U.S.S.R.	570	858	1,028	1,299	1,513	1,527	1,527	1,575	1,618	1,527	1,477	1,409	1,409
SLBM's:													
United States	656	656	656	656	656	656	656	656	656	656	656	656	656
U.S.S.R.	107	121	196	304	448	500	628	720	784	845	909	950	950

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Bombers:													
United States [3]	600	545	560	550	505	455	442	437	432	387	373	344	255
U.S.S.R. [4]	160	155	145	145	145	140	140	140	135	135	135	135	135
Totals													
United States	2,310	2,255	2,270	2,260	2,215	2,165	2,152	2,147	2,142	2,097	2,083	2,054	1,965
U.S.S.R.	837	1,134	1,369	1,748	2,106	2,167	2,295	2,435	2,537	2,507	2,521	2,494	2,494
Balance United States/U.S.S.R.	1,473	1,121	901	512	109	−2	−143	−288	−395	−410	−438	−440	−440

[1] At present the Soviets have 2,521 SNDV compared to United State's 2,054. Although Soviets will be forced to reduce their SNDV's by 250 to reach the ceiling the United Stated will fall short of reaching the ceiling by 200 with no immediate prospects of reaching 2,250. In order to reach the 2 250 ceiling the Soviets will be forced to scrap relatively new system (Yankee class submarines or newer ICBM's).

[2] These numbers do not include ICBM reloads. Various estimates give the U.S.S.R. between 1,000 and 2,000 reloads. Both of the new SS-17 and SS-18 are cold launched, thus providing refire capability.

[3] Includes 75 B-52 used solely for training. Excludes 68 FB-111A, which could with refueling reach U.S.S.R.

[4] These numbers exclude some 400 Badger bombers and over 100 Backfire bombers, all of which can be refueled, giving them capability to strike the United States and return to U.S.S.R. or land in Cuba.

Mr. HATCH. In order to redress this growing imbalance, the United States must make a firm commitment to improve its defense capability. I am pleased to see the President include $670 million for continued research on the MX. At the same time, I am concerned that we may well permit ourselves to be deluded by political rhetoric. The administration has yet to decide on a basing mode. Without such a decision we will continue to fail to address the real problem, survivability of U.S. forces.

I think that all will agree that something must be done. An examination of the proposed SALT II agreement shows a weakness that the Soviets may well be able to exploit during the life of the treaty. Under the treaty, limited modifications to existing ICBM's will be permitted. However, any test of an ICBM with more RV's than has previously been tested on that particular ICBM will cause it to be classified as a new type ICBM. With this in mind it should be noted that the U.S. Minuteman III has only three RV's. The Soviet SS-17 has 4 RV's, the SS-19 has 6 RV's, and the SS-18 has up to 10 RV's. This will effectively eliminate any improvements with respect to increased MIRVing by the United States. The treaty does provide that each side shall be able to test one "new type" ICBM. However, the Soviets have added a further restriction. They insist that no new ICBM be in what is considered the "heavy" class, therefore, should not have a payload exceeding that of the Soviet SS-19. This would then limit the number of RV's to a "new type" ICBM to six. Since the Soviets already have 10 on the SS-18, they want to prevent the United States from reaching that number through deployment of the MX. Once again we see evidence of a strong Soviet negotiating posture, a posture that limits U.S. programs while reaffirming Soviet strengths.

What the United States must do is immediately push ahead with full development and deployment of the MX. The basing mode that has generated the most support is the multiple aim points (MAP) system. The Air Force has supported a version of this system known as multiple protective shelter (MPS), which is basically the same thing. In a letter to Congressman MELVIN PRICE, chairman of the House Armed Services Committee, Gen. Lew Allen, Chief of Staff of the Air Force, points out the advantages of such a system. When asked what characteristics or advantages do ICBM's bring to the Triad, General Allen responded:

> Different pre-attack survival mode than aircraft or SLBMs and a different penetration to target mode than aircraft.
>
> Independence from strategic or tactical warning for pre-launch survival.
>
> Exceptionally reliable command, control, communications for positive control.
>
> Unique military capability as embodied in the ICBMs rapid response capability, prompt retargeting ability, short flight time to target, hard target capability, high alert rate and range.
>
> Enduring survivability in an extended nuclear conflict.
>
> Low domestic profile, but large international perception.
>
> High confidence in nuclear weapon safety and security.
>
> Relatively low operating cost and personnel requirements.
>
> Independence from concealment for survival.
>
> Straightforward SALT verification concept.

All of these reasons underscore the importance in moving forward with the MX in an MPS basing mode. When asked which mode was preferred by the Air Force, General Allen responded:

> The vertical shelter MPS is preferred by the Air Force.

The next question, and one that is often raised by MX and MPS critics, concerns vertification. To this General Allen responded:

> Yes, there are concepts for making an MPS system verifiable in ways which have precedence in SALT agreements. The verification concept we currently favor would depend on assembly of missiles in their launch canisters in a highly visible, time consuming process (somewhat analogous to the SLBM verification approach). This process could be readily monitored by projected Soviet national technical means.
>
> In our concept, we have inextricably tied three separate events together to form a choke point, i.e., missile assembly canister-launcher assembly, and launcher/miscile transit to the deployment area. No buildings within the deployment area would support assembly of the missile or launcher.
>
> This verification concept has the potential to decouple concealment—which occurs within the deployment area—from verification—which occurs outside the deployment area. If mass simulators are employed as a protective countermeasure, they would be constructed so that they are visibly different from the missiles in their launch cannisters.
>
> Finally, while it might be desirable to negotiate verification enhancement designs and procedures with the Soviets, this is not necessary. We are planning initially on developing a system which will allow us to assert unilaterally that verification by NTM is reasonable. This is essentially what the Soviets did in regard to their IIIX launch control silos. In addition, we plan to refine and demonstrate our MPS operational practices in the engineering test bed facility which will be constructed in FY 79 in a manner which can be readily monitored by the Soviets.

When this question is answered the next one in sequential order is always concerning fears that the Soviets would also move to such a system. To this, General Allen responds:

> The U.S. intelligence community must continuously monitor and assess Soviet strategic capabilities to provide the bases for U.S. defense planning. This essential activity is required independent of the SALT process. With regard to any SALT limitations, our ability to monitor and verify Soviet compliance with specific constraints obviously depends upon the design of the particular system. Our deployment of a multiple protective structure system should provide a precedent on "how to do it right" in terms of the specific operational practices designed to enhance monitoring by national technical means. Should the Soviets decide to deploy a mobile ICBM we should not assume that they would follow our design and procedures precisely. However, they would be obligated to follow them in principle, i.e., they would be required to provide us with a means to make a count of deployed launchers/missiles. In addition, the substantial Soviet interest and experience with road mobile strategic missiles systems, like the SS-20, suggests that should they choose to deploy a mobile ICBM, they would be likely to go in that direction. Even in this eventuality, general principles regarding the need to operate the system to provide the adversary with an opportunity to assess confidently missile launcher inventory via NTM would be a valuable precedent.
>
> Missile breakout refers to the possibility that one side could clandestinely produce and store a substantial number of strategic missiles which could be suddenly revealed to produce a dramatic shift in the strategic balance. This worrisome possibility has confronted us for many years and will continue to exist until we succeed in establishing verifiable limits on strategic missile production, inventory, and ultimate disposition, perhaps within SALT III. There is no justification for linking the problems of Soviet breakout solely to an MPS system. While the multiple protective structures might offer a convenient deployment site, the Soviets would almost certainly be better able to pull off such a potentially sensitive deception operation by deploying their extra ICBMs in remote areas which would be under less careful and continuous scrutiny than an MPS deployment area. Moreover, the greatest challenge we are likely to face in seeking to maintain strategic parity with

the Soviets over the next several years is keeping pace with their substantial improvements of strategic systems deployed in conventional basing modes within the prospective limits of SALT II.

I would add to this a simple logical step. If the Soviets are willing to place limits on the number of RV's on ICBM's, they are in fact limiting the number of silos they can target. Assuming U.S. policy is still one of deterrence and not first strike, it would not matter if the Soviets went to an MAPS deployment. As long as the U.S. Air Force remains in a survivable basing mode, the deterrence is intact.

Mr. President, this subject is one that has immense importance to the Nation and all the Western World. It appears the administration, in their desire to sell this agrement to the public, has glossed over many of the facts. They have accused the opponents of the agreement of being reactionary and appealing to emotionalism. I find the very opposite to be true. It is the supporters of SALT II that use phrases such as "fueling the arms race," "spiraling defense costs," and "nuclear holocaust" to instill a fear in people if the agreement is not signed and ratified. It is up to this body, the U.S. Senate, to debate the treaty on its merits. Let the facts stand for themselves. I would suggest to my colleagues that they treat this agreement as a comparative case study, using the year 1968 as a base and comparing our strategic strength, as outlined in SALT II, to that year. What a difference 10 years has made.

DEATH FOR SALE

Mr. HATCH. Mr. President, in 1973, the Supreme Court of the United States legalized abortion on demand. Those who defended the Court's decision have based much of their case on the desirability of making abortion safe, so that pregnant women would not resort to so-called back-alley practitioners. But recent events in Chicago have demonstrated that the reality of legalized abortion is no less deadly than its illegal counterpart.

An underground investigation headed by staffers of the Chicago Sun Times, in collaboration with the Better Government Association, has revealed within the legal abortion clinics of Chicago an abhorrent array of sordid activities. The atrocities abounding therein astounded the investigators, who discovered that the abortionists have as little regard for the women who come to them as they have for their unborn children. One abortionist boasted of being able to perform two abortions at the same time. In the rush, anaethesia is sometimes neglected, just as it always is neglected for the unborn child about to die.

At least 12 women have died in Chicago, because of the abortions they received, quite legally, in the clinics. Countless others have suffered devastating consequences.

Obviously, the Chicago clinics are lucrative. The total medicaid payment to one abortionist in 1974 was the highest for any physician in the country: A total of $792,266. Another abortionist received $217,500 for his services in 1 year; and 6 months later, he billed the taxpayers for $200,000 more.

The Chicago clinics are only the tip of a ghastly iceberg. It would be naive to suppose that their counterparts elsewhere are not every bit as bad. The abortion racket—death for sale—cannot be anything else.

A MAN FOR ALL SEASONS

Mr. HATCH. Mr. President, the Washington Post of last Friday, January 26, reported a tragic occurrence of the previous day. Dr. James E. Dornan, Jr., chairman of the Politics Department at Catholic University here in Washington, was victim to a fatal automobile accident. Those who knew him and the very many who heard of or were affected by the good works of this very great American are understandably grief stricken. Principal among these are his mother Florence; his wife, Diane; and his six children.

I am sorry to say that I knew Dr. Dornan less well than did several members of my staff, one of whom had the privilege of studying under him. Like them, however, I recognized the very essential fact about Jim Dornan. I recognized that he embodies the very best which is within us; that he is the kind of man American universities should produce, and as in this instance, occasionally do.

Born in Brooklyn, N.Y., he graduated with honors from LeMoyne College in Syracuse, N.Y., going on to earn his doctorate in political science from Johns Hopkins University. He taught at several colleges, but is probably best remembered for his academic work here in the Nation's Capital, at Catholic University. He has been on the faculty there since 1967, and as chairman of the political science department, reorganized it in order to place greater emphasis on classical learning—the very fundamentals of what we know, and how we are to know it.

He was author or editor of a range of books on foreign policy, the titles of which are too voluminous to mention here. Let it be said, however, that in these works, as in his lecturing, debating, and his political science work with SRI International (a California-based research organization), he made an indelible mark as one of our country's authorities on U.S. foreign relations, military strategy, and Asian affairs. It would be fair to say that Dr. Dornan was, during the late sixties and early seventies, the principal critic of the Kissinger foreign policy from what is understood to be a conservative direction. He was articulate and uncompromising in the views he so strongly held: and while there are those who shared differences over Dr Dornan's analysis, there are none who failed to recognize the scholarship, erudition, and statesmanship in everything he wrote or said.

His works are, of course, very many, but not as many as the impressions he permanently set on his students and all those who benefited by his association. He was as much a scholar as he was a patriot, and both this academic quality and force of character set in motion a school of thought and analysis which will certainly remain part of his living legacy. To try to communicate the depth of influence Dr. Jim Dornan had on his university and his students forces me to borrow a phrase from the philosopher, Whitehead, and to say that the works and people and events which all contributed to the development of sound scholarship at Catholic University are all footnotes to Dornan.

I was proud to have had some association with him, and I share the sense of loss felt by so many on my staff, and of the far larger number of men and women whose quality of life and thought is so far advanced, because Jim Dornan once lived. He is truly a man for all seasons.

RECESS

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will stand in recess for 1 hour and 30 minutes.

Thereupon, at 3:52 p.m., the Senate took a recess for 1 hour and 30 minutes.

The Senate reassembled at 5:22 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for 1 minute only for the purpose of proceeding to the immediate consideration of a nomination which has been reported by the Committee on Foreign Relations today. This matter has been cleared with the minority.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 5:23 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 5:48 p.m. when called to order by the Presiding Officer (Mr. PRYOR).

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for no longer than 3 minutes to the consideration of calendar Nos. 2 through 8 on the General Orders Calendar.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I rise only to advise the majority leader that the items he identifies are cleared on our calendar, and we join in his request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING THE REPRINTING OF "WASHINGTON'S FAREWELL ADDRESS"

The resolution (S. Res. 35) authorizing the reprinting of House Document Numbered 504, 89th Congress, second session, entitled "Washington's Farewell Address," as a Senate document, was agreed to as follows:

Resolved, That House Document Numbered 504, Eighty-ninth Congress, second session, entitled "Washington's Farewell Address to the People of the United States," be reprinted as a Senate document; and that there be printed five thousand five hundred additional copies of such document for the use of the Joint Committee on Printing.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 36) authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigations, was agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $695,000, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SIBYL M. BROWN

The resolution (S. Res. 37) to pay a gratuity to Sibyl M. Brown, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Sibyl M. Brown, mother of James R. Brown, an employee of the Senate at the time of his death, a sum equal to three months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHARLES F. CLARK, SR.

The resolution (S. Res. 38) to pay a gratuity to Charles F. Clark, Sr., was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Charles F. Clark, Sr., widower of Lucille B. Clark, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GUY D. HUNTER AND BONNIE G. HUNTER

The resolution (S. Res. 39) to pay a gratuity to Guy D. Hunter and Bonnie G. Hunter, was agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay, from the contingent fund of the Senate to Guy D. Hunter, father of Gary D. Hunter, and Bonnie G. Hunter, mother of Gary D. Hunter, an employee of the Senate at the time of his death, a sum to each equal to one month's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ALLIE M. McADAMS

The resolution (S. Res. 40) to pay a gratuity to Allie M. McAdams, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Allie M. McAdams, sister of Jesse James, an employee of the Senate Restaurant at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CARL W. SOURS

The resolution (S. Res. 41) to pay a gratuity to Carl W. Sours, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Carl W. Sours, father of Ray W. Sours an employee of the Architect of the Capitol assigned to duty on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPECIAL ORDERS FOR MONDAY, FEBRUARY 5, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PROXMIRE be recognized for not to exceed 15 minutes on Monday, after I have been recognized for not to exceed 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HUDDLESTON be recognized on Monday for not to exceed 15 minutes after Mr. PROXMIRE's order has been completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR WITHDRAWAL AND RELEASE OF CERTAIN MATERIALS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. NUNN, I send a resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 56) to authorize the withdrawal and release to the Controller of the State of California of certain documents, papers and other materials in the possession of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution for not to exceed 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. NUNN in explanation of the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR NUNN

I offer today a resolution to authorize the release of certain documents in the possession of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

By letter of December 12, 1978, the Controller of the State of California requested that the Subcommittee supply copies of documents obtained by the Subcommitte during an authorized inquiry into the California Relative Value Studies and their relationship to the level of health service expenses paid under federally-funded health care plans. The Controller has requested these materials for use in connection with an official State audit of the California Medicaid program.

Pursuant to Rule XXX of the Standing Rules of the Senate and the privileges of the Senate, such documents may not be released without a Resolution of the Senate.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 56

Whereas, the Controller of the State of California has, by letter dated December 12, 1978, formally requested certain documents, records and materials in the possession of the Subcommittee; and

Whereas, the documents, records and materials were obtained by the Subcommittee in the course of an authorized study of the California Relative Value Studies and their relationship to health care costs charged under federally-funded and other health programs; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, such documents, papers and other materials so secured by the Subcommittee may not be withdrawn without the consent of the Senate: Therefore, be it

Resolved, That the Permanent Subcommittee on Investigations is authorized, at the discretion and direction of its Chairman, to provide the Controller of the State of California documents, papers and other materials obtained in the aforesaid investigation by the Subcommittee.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to The Honorable Kenneth Cory, Controller, State of California, Sacramento, California 95805.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

BUDGET OF THE DISTRICT OF COLUMBIA, 1980—MESSAGE FROM THE PRESIDENT—PM 23

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying document, which was referred to the Committee on Appropriations.

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting for your consideration the budget of the District of Columbia for fiscal year 1980.

JIMMY CARTER.

THE WHITE HOUSE, *February 1, 1979.*

MESSAGES FROM THE HOUSE

At 12:20 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of 10 United States Code 4355(a), the Speaker has appointed Mr. MURPHY of New York, Mr. LONG of Maryland, Mr. CONTE, and Mr. GILMAN as members of the Board of Visitors to the U.S. Military Academy, on the part of the House.

The message also announced that, pursuant to the provisions of 10 United States Code 6968(a), the Speaker has appointed Mr. MCKAY, MRS. SPELLMAN, Mr. KEMP, and MRS. HOLT as members of the Board of Visitors to the U.S. Naval Academy, on the part of the House.

The message further announced that, pursuant to the provisions of section 194(a), title 14 of the United States Code, the Speaker has appointed Mr. DODD and Mr. MCKINNEY as members of the Board of Visitors to the U.S. Coast Guard Academy, on the part of the House.

The message also announced that, pursuant to the provisions of 46 United States Code 1126c, the Speaker has appointed Mr. WOLFF and Mr. WYDLER as members of the Board of Visitors to the U.S. Merchant Marine Academy, on the part of the House.

The message further announced that, pursuant to the provisions of 10 United States Code 9355(a), the Speaker has appointed Mr. BURLISON, Mr. WIRTH, Mr. ROBINSON, and Mr. KRAMER as members of the Board of Visitors to the U.S. Air Force Academy on the part of the House.

The message also announced that, pursuant to the provisions of section 1, Public Law 86-417, the Speaker has appointed Mr. SLACK, Mr. YATRON, Mr. WAMPLER, and Mr. ROBERT W. DANIEL, JR., as members of the James Madison Memorial Commission, on the part of the House.

The message further announced that, pursuant to the provisions of section 4 (a), Public Law 94-118, the Speaker has appointed Mr. ZABLOCKI and Mr. ANDERSON of Illinois as members of the Japan-United States Friendship Commission, on the part of the House.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-30. A petition from the Council of the City of Los Angeles, requesting Congress to amend the Clean Air Act to delay the attainment of the NO_x standards to 1987, or to amend the Clean Air Act to suspend for 2 years the implementation of sanctions for local jurisdictions whose plans fail to attain the 1982 standard for oxides of nitrogen (NO_x) in order to allow for the completion of the National Academy of Science study of NO_x; to the Committee on Environment and Public Works.

POM-31. A joint memorial adopted by the Legislature of the State of Washington; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE JOINT MEMORIAL NO. 3

"Whereas, Sugar beets are the ninth largest crop in the state of Washington and were worth forty million dollars in 1978;

"Whereas, the sugar beet industry is a ninety million dollar industry in the state of Washington;

"Whereas, Sugar beets and sugar beet processing provide employment for three thousand five hundred people in the state of Washington;

"Whereas, The sugar beet industry in the state of Washington pays over five million dollars in state and local taxes;

"Whereas, The situation of the sugar beet industry is critical since the "Utah and Idaho Inc." sugar beet processing plant in the state of Washington, which is the largest sugar beet processing plant in the United States, has announced that there will be no processing operations for the 1979 crop year unless some price relief is obtained;

"Whereas, support of domestic sugar production is crucial since foreign sugar production threatens to dominate the United States market;

"Whereas, history has taught that dependence on foreign production will increase imports adding to the balance of payment problems;

"Whereas, if the domestic sugar beet industry fails, the people of our nation would not only lose jobs, but would be forced to pay prices controlled by freign producers;

"Whereas, the sugar beet industry, in order to survive, requires a federal government price support of no less than seventeen cents per pound which would barely cover the costs of production;

"Whereas, The sugar beet planting season begins soon and the growers need to decide immediately whether they will be able to afford to grow sugar beets;

"Now, therefore, Your Memorialists respectfully pray that Congress immediately enact price support legislation for the sugar beet industry that will allow the sugar beet industry to continue to operate this year.

"Be it resolved, That copies of this Memorial be immediately transmitted to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, to the Secretary of Agriculture, and each member of Congress from the State of Washington.

"Be it further resolved, That copies of this memorial be transmitted to the Honorable Dixy Lee Ray, Governor of the State of Washington and that the Honorable Dixy Lee Ray is respectfully requested to contact the governors of the other major sugar beet producing states: California, Colorado, Idaho, Michigan, Minnesota, Nebraska, and North Dakota to urge the governors of these states to actively seek the passage of federal sugar beet price support legislation."

POM-32. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Environment and Public Works:

"RESOLUTION NO. 2

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the Guam Power Authority is required to comply with the provisions of the Clean Air Act, pursuant to the District Court of Guam's Amended Interim Consent Order of August 23, 1976, which in part provides that the District Court of Guam shall retain jurisdiction over this matter until such time as the Guam Power Authority shall have complied with the applicable Standards of Performance for New Stationary Sources (low sulphur oil); and

"Whereas, Guam Power Authority must advertise for bids on low sulphur oil every six months and make reports to the District Court and Guam Environmental Protection Agency as to the results of such bids; and

"Whereas, Guam Power Authority has received only one bid from the Guam Oil and Refinery Company at nearly $18.00 per barrel, an increase of more than sixty percent (60%) over the present cost for high sulphur oil; and

"Whereas, the Guam Power Authority will be compelled to either start burning low sulphur oil or install an expensive fuel gas desulfurization system (scrubbers) in the Cabras Power Plant by 1980; and

"Whereas, such requirements would have a devastating economic impact on the territory by increasing individual electric power bills by nearly thirty-five percent (35%) in a community where consumers are already paying higher power bills than any other American community; and

"Whereas, such an increase would also seriously affect the Department of Defense because of increased costs in the production of electricity; and

"Whereas, Guam's unique geographical location and climate of trade winds makes pollution of the smog type an improbability; and

"Whereas, Guam Power Authority has low sulphur oil in storage tanks to use if and when the trade winds reverse to blow over the populated areas of the island (inversion); and

"Whereas, the Guam Power Authority is in the process of installing monitors to test for sulphur dioxide in the air in conjunction with the Guam Environmental Protection Agency; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests Congressman Antonio B. Won Pat to introduce legislation calling for Guam to be exempted from the provisions of the Clean Air Act; and be it further

"Resolved, that the Fifteenth Guam Legislature respectfully requests the Congress of the United States to favorably and expediently consider legislation to exempt Guam from the provisions of the Clean Air Act; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Congressman Antonio B. Won Pat; to the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; to the Chairman, Committee on Territorial and Insular Affairs; to the Secretary, Department of Interior; to the Chairman, Guam Power Authority Board of Directors; to the Chairman, Guam Environmental Protection Agency Board of Directors; and to the Governor of Guam."

POM—33. A resolution adopted by the American Legion, relating to continuing support of the Federal Bureau of Investigation; to the Committee on the Judiciary.

POM-34. A petition from a citizen, relating to Taiwan; to the Committee on Foreign Relations.

POM-35. A resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"HOUSE RESOLUTION NO. 9

"Whereas, In this 20th Century, there took place the most horrendous mass slaughter in the history of civilization, wherein approximately 18 million human beings were systematically murdered on the basis of their political, racial or religious backgrounds; and

"Whereas, The methods employed in exterminating these millions of men, women, and children were of the most cruel and tortuous kind; and

"Whereas, The nations of the world, horrified at these atrocities, convened a War Crimes Court at Nuremberg, in the Federal Republic of Germany, to try, convict, and sentence the locatable and guilty perpetrators of these heinous crimes against civilization; and

"Whereas, The Federal Republic of Germany's Statue of Limitations on War Crimes will expire on December 31, 1979, after which there legally can be no further search for, investigation or prosecution of, the remaining war criminals; and

"Whereas, There has occurred a noticeable increase of Nazi activity throughout the world, possibly in preparation for the day when these war criminals will again seek the use of public platforms to espouse hatred and racism and to agitate, organize or otherwise recreate the environment which led to the holocaust; and

"Whereas, People throughout the world must take every possible precaution against the repetition of such barbaric acts of inhumanity; now, therefore, be it

"Resolved by the Assembly of the State of California, That the Members respectfully memorialize the President and Congress of the United State to join with other humane governments of the world in urging the Federal Republic of Germany to repeal its Statute of Limitations on War Crimes, and declare such statute of limitations a violation of international law and of the principles of human morality, so that all potential war criminals shall fully understand that there will be no escaping punishment for the commission of such cruel, inhumane atrocities; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-439. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report of the location of new Federal offices and other facilities for fiscal year 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-440. A communication from the Clerk, U.S. Court of Claims, transmitting, pursuant to law, the court's judgment order of January 19, 1979, entering judgments for the plaintiffs in *James Strong, et al and Related Cases v. The United States*, Nos. 13-F, 15-I, 29-G, 133-C, 141 and 308, in various amounts; to the Committee on Appropriations.

EC-441. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriations to the Veterans' Administration for "Compensation and Pensions" and "General Operating Expenses" for the fiscal year 1979 have been reapportioned on a basis which indicates the necessity for supplemental estimates of appropriations; to the Committee on Appropriations.

EC-442. A communication from the Secretary of Labor, reporting, pursuant to law, on the exemplary rehabilitation certificates for calendar year 1978; to the Committee on Armed Services.

EC-443. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

EC-444. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Department of Defense for fiscal year 1980; to the Committee on Armed Services.

EC-445. A secret communication from the Secretary of Defense, transmitting, pursuant to law, the fifth annual report on "Rationalization/Standardization Within NATO"; to the Committee on Armed Services.

EC-446. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Is the AV-8B Advanced Harrier Aircraft Ready for Full-Scale Development?" January 30, 1979; to the Committee on Armed Services.

EC-447. A communication from the Deputy Assistant Secretary of Defense, reporting, pursuant to law, that the Department of the Navy intends to exercise the provision for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-448. A communication from the Attorney General, transmitting, pursuant to law, a report on the activities of the Department of Justice in the enforcement of title II of the Consumer Credit Protection Act for fiscal year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-449. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission for the period July 1, 1976, to September 30, 1977; to the Committee on Banking, Housing, and Urban Affairs.

EC-450. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report entitled "Home Mortgage Disclosure: Usefulness and Feasibility of Nonmetropolitan Disclosure"; to the Committee on Banking, Housing, and Urban Affairs.

EC-451. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during December 1978 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-452. A communication from the President, U.S. Railway Association, transmitting a draft of proposed legislation that section 214(c) of the Regional Rail Reorganization Act of 1973, as amended, be further amended to reflect an authorization request for fiscal year 1980 of $30 million; to the Committee on Commerce, Science, and Transportation.

EC-453. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on ocean dumping research, January through December 1977; to the Committee on Commerce, Science, and Transportation.

EC-454. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report containing final recommendations for a restructured intercity rail passenger system to be operated by the National Railroad Passenger Corporation; to the Committee on Commerce, Science, and Transportation.

EC-455. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36966, Perishable Protective Tariffs, NPFC, TCFB, and CRB, and Docket No. 37023, Train Schedules for Handling Perishables, Official Territory, within the initially specified 7-month period, to the Committee on Commerce, Science, and Transportation.

EC-456. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Developing A Domestic Common Carrier Telecommunications Policy: What Are The Issues?" January 24, 1979; to the Committee on Commerce, Science, and Transportation.

EC-457. A communication from the President, U.S. Railway Association, transmitting, pursuant to law, certain methodological and other information; to the Committee on Commerce, Science, and Transportation.

EC-458. A communication from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-459. A communication from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to increase the appropriation ceiling for title I of the Colorado River Basin Salinity Control Act (88 Stat. 266), and for other purposes; to the Committee on Energy and Natural Resources.

EC-460. A communication from the Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 49, mid-Atlantic, scheduled to be held on February 28, 1979; to the Committee on Energy and Natural Resources.

EC-461. A communication from the Secretary of Energy, transmitting, pursuant to law, DOE Energy Action No. 3, an amendment exempting aviation gasoline and kerosene-base jet fuel from the mandatory petroleum allocation regulations, and Senate DOE Energy Action No. 4, an amendment exempting aviation gasoline and kerosene-base jet fuel from the mandatory petroleum price regulations; to the Committee on Energy and Natural Resources.

EC-462. A communication from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act of 1965 (Public Law 89-80), as amended, to provide authorization of appropriations necessary to continue the Water Resources Council (WRC) through fiscal year 1981; to the Committee on Environment and Public Works.

EC-463. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, an announcement of water resources research and development areas of interest for fiscal year 1979 funding consideration; to the Committee on Environment and Public Works.

EC-464. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ended September 30, 1978"; to the Committee on Finance.

EC-465. A communication from the Director, U.S. Arms Control and Disarmament Agency, transmitting, pursuant to law, a report on Arms Control Education and Academic Study Centers; to the Committee on Foreign Relations.

EC-466. A communication from the Administrator, Agency for International Development, Department of State, transmitting, pursuant to law, the fiscal year 1978 report of the Agency's Auditor General; to the Committee on Foreign Relations.

EC-467. A communication from the Chairman, Board for International Broadcasting, transmitting, pursuant to law, its fifth annual report on its activities as well as its review and evaluation of the operation and mission of Radio Free Europe/Radio Liberty for the period from October 1, 1977 through September 30, 1978; to the Committee on Foreign Relations.

EC-468. A communication from the Assistant Administrator, Office of Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, a report on all contract actions in excess of $100,000 which were entered into without competitive selection procedures during the period April 1, 1978, to September 30, 1978; to the Committee on Foreign Relations.

EC-469. A communication from the Secretary of State, reporting, pursuant to law, on efforts undertaken to comply with provisions regarding the use of herbicides in the Mexican marihuana eradication program; to the Committee on Foreign Relations.

EC-470. A communication from the senior vice president for finance, Potomac Electric Power Co., transmitting, pursuant to law, a financial statement as of December 31, 1978; to the Committee on Governmental Affairs.

EC-471. A communication from the Deputy Comptroller General of the United States, transmitting, pursuant to law, a report for calendar year 1978 concerning positions in GAO in grades GS-16, 17, and 18 and their incumbents; to the Committee on Governmental Affairs.

EC-472. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed new system of records for the Department of the Army; to the Committee on Governmental Affairs.

EC-473. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of December 1978; to the Committee on Governmental Affairs.

EC-474. A communication from the General Counsel, Securities and Exchange Commission, transmitting, pursuant to law, a report of change to a system of records; to the Committee on Governmental Affairs.

EC-475. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report discussing the key questions that should be answered as part of the Navy's requirements determination for shore-based ship maintenance support in the western Pacific and Indian Oceans; to the Committee on Governmental Affairs.

EC-476. A communication from the Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Teacher and School Administrator Supply and Demand," prepared by the National Center for Education Statistics; to the Committee on Human Resources.

EC-477. A communication from the Secretary, American Battle Monuments Commission, reporting, pursuant to law, on its administration of the Freedom of Information Act during calendar year 1978; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. Res. 48. An original resolution authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 30. A resolution to amend rule XXV of the Standing Rules of the Senate to change the name of the Committee on Human Resources to the Committee on Labor and Human Resources (Rept. No. 96-4).

By Mr. LONG, from the Committee on Finance, without amendment:

S. Res. 51. An original resolution authorizing additional expenditures by the Committee on Finance for routine purposes. Referred to the Committee on Rules and Administration.

S. Res. 52. An original resolution authorizing additional expenditures by the Committee on Finance for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment:

S. Res. 53. An original resolution authorizing additional expenditures by the Committee on Appropriations for routine purposes. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON:

S. 309. A bill for the relief of Antonio Zamora-Mendoza, his wife, Josefina Padilla Zamora, and their sons, Alberto Antonio Zamora-Padilla, Victor Zamora, Leopoldo Zamora, Jaime Zamora, and Jose Zamora; to the Committee on the Judiciary.

By Mr. STEWART:

S. 310. A bill for the relief of Borislav Subotic; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 311. A bill for the relief of Visitacion C. Ramirez, M.D.; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 312. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt stated prison farms from paying of marketing quota penalties; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ZORINSKY:

S. 313. A bill for the relief of Francisco D. Dozon, M.D.; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 314. A bill to establish fees for services performed by the United States marshals; to the Committee on the Judiciary.

By Mr. HART:

S. 315. A bill to amend the Internal Revenue Code of 1954 to reduce for a 5-year period the taxes on transportation of persons and property by air; to the Committee on Finance.

By Mr. BENTSEN:

S. 316. A bill to provide price incentives for production of crude oil from deep stripper wells; to the Committee on Energy and Natural Resources.

By Mr. DECONCINI:

S. 317. A bill to limit the standing of a foreign sovereign to sue under the antitrust laws of the United States; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 318. A bill for the relief of Demetrios Karanikolas; to the Committee on the Judiciary.

S. 319. A bill for the relief of Chan Siu Ha, also known as Linda Chan; to the Committee on the Judiciary.

S. 320. A bill for the relief of Neam Vone Sae-Kuan, also known as Paul Kuan; to the Committee on the Judiciary.

S. 321. A bill for the relief of Anacleto Aboyabor Dotollo and Turtosa Acompanado Dotollo; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 322. A bill for the relief of A.Z.M. Rabiul Hasan; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 323. A bill to repeal the provisions of title 23 of the United States Code requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

By Mr. BELLMON:

S. 324. A bill to change the name of Clayton Lake in the State of Oklahoma to Sardis Lake; to the Committee on Environment and Public Works.

By Mr. STONE (for himself, Mr. CHILES, and Mr. WEICKER):

S. 325. A bill to establish a program to develop marine artificial reefs in waters of United States jurisdiction; to the Committee on Commerce, Science, and Transportation.

By Mr. BUMPERS:

S. 326. A bill entitled the "Taxpayers' Bill of Rights Act"; to the Committee on Finance.

By Mr. HATCH:

S. 327. A bill for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara; to the Committee on the Judiciary.

S. 328. A bill for the relief of Mr. Oliver O. Ratajczek and his wife, Christine Diane Ratajczek; to the Committee on the Judiciary.

By Mr. HELMS:

S. 329. A bill to amend the supplemental security income program established by title XVI of the Social Security Act to exclude a family cemetery or bureal plot owned by an individual or married couple in determining such individual's of couple's resources; to the Committee on Finance.

By Mr. HART (for himself and Mr. CRANSTON):

S. 330. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes; to the Committee on the Judiciary and the Committee on Veterans' Affairs, jointly, by unanimous consent, and if and when ordered reported by one committee, the other committee then has 30 days in which to act or be discharged therefrom.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. BAUCUS, Mr. BAYH, Mr. BENTSEN, Mr. BIDEN, Mr. BUMPERS, Mr. DURKIN, Mr. EAGLETON, Mr. GRAVEL, Mr. HAYAKAWA, Mr. INOUYE, Mr. JOHNSTON, Mr. LEVIN, Mr. MCGOVERN, Mr. METZENBAUM, Mr. NELSON, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SASSER, Mr. STAFFORD, Mr. STENNIS, Mr. STEVENSON, and Mr. TSONGAS):

S.J. Res. 31. A joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan and the Pescadores, and for other purposes; to the Committee on Foreign Relations.

By Mr. BELLMON (for himself and Mr. BOREN):

S.J. Res. 32. A joint resolution to designate November 4, 1979, as "Will Rogers Day"; to the Committee on the Judiciary.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Robert H. Pelletreau, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States to the State of Bahrain.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Robert H. Pelletreau, Jr.
Post, Chief of Mission, Bahrain.
Contributions, amount, date, and donee:
1. Self, $50, 1976, Eddie Meyer.
2. Spouse, None.
3. Children and Spouses, Names, None.
4. Parents, Names (see attached sheet).
5. Grandparents Names, None.
6. Brothers and Spouses Names, None.
7. Sisters and Spouses Names, None.
Political Contributions by Robert H. Pelletreau, Sr.
None made by Mary P. Pelletreau.
January 23, 1974. Republican National Committee, $25.
June 14, 1974. Suffolk County Republican Club, $10.
February 15, 1975. Republican National Committee, $25.
March 7, 1976. Republican National Committee, $25.
June 1, 1976. Suffolk County Republican Club, $10.
June 21, 1976. Brookhaven Town Republican Committee, $10.
January 31, 1977. Republican National Committee, $25.
June 28, 1977. Suffolk County Republican Club, $10.
December 5, 1977. Republican National Committee, $25.
January, 1978. Republican National Committee, $10.
January, 1978. Duryea for Governor Committee, $25.
January, 1978. Suffolk County Republican Club, $10.
August 21, 1978. Duryea for Governor Committee, $100.

By Mr. CHURCH, from the Committee on Foreign Relations:

Stephen Warren Bosworth, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Tunisia.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Stephen W. Bosworth.
Contributions, amount, date, donee.
(If none, write none)
1. Self, none.
2. Spouse, none.
3. Children and Spouses Names, Andrew, Allison, none.
4. Parents Names, Warren and Mina Bosworth, none.
5. Grandparents Names, none.
6. Brothers and Spouses Names, Brian and Nancy Bosworth, Barry and Sally Bosworth. none.
7. Sisters and Spouses Names, none.

By Mr. CHURCH, from the Committee on Foreign Relations:

Jonathan Dean, of New York, with the rank of Ambassador during the tenure of his service as Representative of the United States for Mutual and Balanced Force Reductions Negotiations.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Jonathan Dean.
Post, U.S. Representative; MBFR Negotiations.
Contributions, amount, date, donee.
1. Self, None.
2. Spouse, None.
3. Children and Spouses Names, None.
4. Parents Names, Deceased.
5. Grandparents Names, Deceased.
6. Brothers and Spouses Names, David Dean and wife, Anthony Dean, Mary, None.
7. Sisters and Spouses Names, N/A.

By Mr. CHURCH, from the Committee on Foreign Relations:

W. Beverly Carter, Jr., of Pennsylvania, to be Ambassador at Large.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, W. Beverly Carter, Jr.
Post, Ambassador-at-Large.
Contributions, amount, date, donee.
1. Self, $25, 6/13/1978, Congressman Diggs' legal defense committee.

2. Spouse, None.
3. Children and Spouses Names, None.
4. Parents Name, None.
5. Grandparents Names, None.
6. Brothers and Spouses Names, None.
7. Sisters and Spouses Names, None.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 312. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt stated prison farms from paying of marketing quota penalties; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. BENTSEN. Mr. President, this bill will make a small but very vital adjustment in the Food and Agriculture Act of 1977. This adjustment is necessary to prevent our State prison systems from being barred from raising crops for their own use. State prison systems have in the past been customarily exempted from restrictions on production strictly for their own consumption, but this exemption was included in the 1977 farm bill only for Federal prisons.

Lack of this exemption was a shock when Department of Corrections officials in my home State of Texas were informed of it by the U.S. Department of Agriculture last year. They planted 351.8 acres of peanuts last year, and then they were informed that their quota was only 42.2 acres and that they were no longer exempted from this restriction.

The ability of State prison systems to grow their own food saves our taxpayers millions of dollars annually. In Texas for instance, our Department of Corrections is almost completely self-sufficient. They grow their own cattle, slaughter them in their own packing plant, and use everything even to the point of making shoes and saddles out of the leather. They produce all their own beef, pork, poultry, milk, and vegetables. They make 60,000 gallons of sirup a year from their own cane. They grow, harvest, gin, and mill their own cotton into cloth in their own plants, and then they make their own clothes and bedding. They grow their own rice, corn, soybeans, and grain sorghum. They make their own bricks and furniture, and they grow broom corn to make the brooms to clean the buildings that that brick and furniture go into. They even grow their own peanuts, and it takes a lot of peanut butter for 24,500 inmates.

The Texas prison system is about 65 to 70 percent self-sufficient. They buy only a few items such as salt, pepper, and coffee beans. This means that outside food costs only 31 cents per person per day, and this saves the taxpayer over $26 million per year.

Mr. President, many State prison systems produce at least part of their own food, and I am sure that no Senator wishes to add this extra burden onto the taxpayers of this country merely because of an oversight in the drafting of a bill. I, therefore, urge quick removal of this bill so that this spring's planting can be done with only the weather to worry about.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 372(d) of the Agricultural Adjustment Act of 1938, as amended, is further amended to add a new sentence as follows:

"Effective with the 1978 crops, no penalty shall be collected under this Act with respect to the marketing of any agricultural commodity grown on State prison farms for consumption within such State prison system." ●

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 314. A bill to establish fees for services performed by the U.S. marshals; to the Committee on the Judiciary.

FEES OF U.S. MARSHALS

● Mr. DECONCINI. Mr. President, I am introducing today, together with the distinguished ranking minority member of the Committee on the Judiciary, Senator STROM THURMOND, a bill which would allow the Attorney General to modify fees now set by law for the service of process by the U.S. Marshal Service (USMS). The fees to be set by the Attorney General would permit recovery of the actual costs of providing such services to private litigants who currently receive this unique benefit when a party to civil litigation.

The cost to the American taxpayer due to the loss of Federal revenues for service of civil process has accelerated for the past 10 years. The costs of these services are not recovered through fees imposed by USMS but are paid from general Federal revenues. In fiscal year 1975, GAO estimated that costs for private civil process exceeded revenues by more than $3,800,000.

Establishment of fees based on annual USMS computations is the most effective method for meeting these continually rising expenses and is consistent with the principle that Government programs having particular benefits for identifiable recipients should be self-sustaining to the extent practical. Service of process by the USMS is not mandatory for litigants and it would be possible to use commercial firms for this purpose; however, the fees of the Federal Government will still by comparison be very low.

Mr. President, a similar bill which was the result of efforts by the Attorney General was passed by the Senate in 95th Congress on April 27, 1978.●

By Mr. HART:

S. 315. A bill to amend the Internal Revenue Code of 1954 to reduce for a 5-year period the taxes on transportation of persons and property by air; to the Committee on Finance.

● Mr. HART. Mr. President, last year the House of Representatives and the Senate Commerce Committee approved legislation to give domestic and some foreign airlines an estimated $4 billion over the next 5 years to help pay for quieter airplanes in order to comply with Federal antinoise regulations. In brief, provisions of the Aircraft and Airport Noise Reduction Act reduced by 2 percent the airline passenger ticket tax presently in effect to raise revenue for the Airport and Airway Trust Fund, and then imposed a 2-percent noise abatement charge on the sale of each ticket.

I and a number of my colleagues were troubled by the establishment of such a funding mechanism. Aside from the dangerous precedent it would set by providing funds through a tax or surcharge to help private industry meet Federal environmental standards, it was a step in the direction of increasing Government interference in the marketplace.

On September 22, 1978, I introduced an amendment to eliminate the noise abatement charge and simply reduce the ticket tax by 2 percent, which would allow the consumer to pocket the saving. This would leave the airlines to take care of their noise problems in the most competitive manner. More importantly, this course would be the most consistent with our urgent national need to combat inflation. Although the legislation finally approved by the Senate on the last day of the 95th Congress followed this approach, the House conferees failed to adopt the bill and thus it was never enacted into law.

Mr. President, today I am introducing legislation to reduce the airline ticket tax from 8 percent to 6 percent, a reduction which both the House and Senate found to be clearly warranted last year. Under current law, revenue from the 8-percent domestic ticket tax now paid by airline passengers goes into the Airport and Airway Trust Fund which supports airport safety, maintenance, and construction. It is generally conceded, and testimony before the appropriate congressional committees has confirmed, this trust fund enjoys a growing surplus. Since its inception in fiscal year 1971 until the present, operation of the trust fund has brought about substantial imbalances in income and appropriations, with a resulting surplus at the end of fiscal year 1978 of nearly $2 billion. If the present program and user taxes remain unchanged, the excess is expected to be $7.4 billion at the end of fiscal year 1985. The legislation I am introducing would reduce the ticket tax for 1 year, so Congress would have an opportunity to assess the effect of this reduction on the trust fund.

Congress acted wisely last year by refusing to divert 2 percent of the ticket tax to subsidize the noise abatement efforts of the airline industry. Now, however, Congress has a duty to take the logical next step and reduce the unnecessary 8-percent tax to 6 percent so that airline passengers will no longer be burdened by a tax that is 25 percent higher than needed to fulfill its purpose.

Mr. President, if airlines presently earning record profits are going to claim hundreds of million of American tax dollars as their own, then I am willing to make the same claim on behalf of the American consumer. It was the American consumer who lost when Congress failed to enact the ticket tax reduction last year, the same American consumer who

has been the victim of high inflation and unnecessary taxation in recent years.

Reducing the ticket tax may help the airlines as well as consumers. If sales go up 2 percent because the price has gone down 2 percent, which is not unrealistic, then the elimination of the tax and the resulting reduction in the price to the public will mean no decline in the total revenue that the carriers realize. The total amount paid by the customers will be the same as before, and since the Government is no longer taking its 2 percent, the carriers will get every single dollar of the 2 percent. Only if demand were to be totally unresponsive, as the price does go down 2 percent, will the carriers earn no additional dollars. They would not be worse off, but consumers would just retain the 2 percent saving. If demand responds at all, however, the carriers will enjoy an increased cash flow. Former chairman of the Civil Aeronautics Board Alfred Kahn testified in this regard during hearings before the Senate Commerce Subcommittee on Aviation last year.

Mr. President, I commend the Senate Aviation Subcommittee for the legislation it developed in the last Congress in response to the problem of excessive noise levels around airports. This is a serious issue deserving the continued consideration of this body. The legislation I am offering today will in no way interfere with future legislative efforts to develop programs for airport and aircraft noise reduction. Rather, my bill merely corrects the inequity developed by excessive taxing of airline passengers to support a trust fund in substantial surplus.

When the purpose of a tax has been fulfilled, Congress has a duty to eliminate or appropriately reduce that tax. This is a fundamental responsibility of any legislative body. The American people expect their Representatives here in Washington to accept that responsibility and act accordingly. I hope the Senate will move expeditiously on this matter.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a) and (b) of section 4261 of the Internal Revenue Code of 1954 (relating to transportation of persons by air) is amended by striking out "8 percent" and inserting in lieu thereof "6 percent".

(b) The amendments made by subsection (a) shall apply with respect to transportation beginning during the period beginning on July 1, 1980, and ending on June 30, 1981.

SEC. 2. (a) Subsection (a) of section 4271 of the Internal Revenue Code of 1954 (relating to the transportation of property by air) is amended by striking out "5 percent" and inserting in lieu thereof "3 percent".

(b) The amendment made by subsection (a) shall apply with respect to transportation beginning during the period beginning on July 1, 1980, and ending on June 30, 1981.●

By Mr. BENTSEN:

S. 316. A bill to provide price incentives for production of crude oil from deep stripper wells; to the Committee on Energy and Natural Resources.

DEEP STRIPPER WELL INCENTIVES ACT OF 1979

● Mr. BENTSEN. Mr. President, the business of exploring and drilling for oil is a different game today than it was 40 and 50 years ago. In those days, not much was known about Earth sciences or the geology of oil-bearing structures. When Pop Joiner sunk his first well into the east Texas oilfield, he did not have today's sophisticated geophysical equipment to help him find the reservoir. Fortunately for him, he did not need it. The east Texas field was hard to miss—it covered 203 square miles and contained an estimated 5.6 billion barrels of oil.

There are still plenty of individuals like Pop Joiner around today, striking out on their own in search of oil and gas. In fact, independent producers presently drill nearly 90 percent of the Nation's exploratory wells. But they no longer look for gigantic pools of oil like the famous Yates, Wasson, Slaughter, Hawkins, and Seminole fields of Texas. They realize that the days of the easy find have long since passed. Although other major discoveries may await us in the Outer Continental Shelf or the frozen expanses of Alaska, they will require greater ingenuity and expense to locate and produce.

To be sure, there are still vast amounts of oil to be found and produced in the United States and its coastal waters. But the bulk of our domestic production will no longer come from a handful of gigantic fields, but rather will come from thousands of small and deep pockets of oil. Our energy future is strongly tied to our success in developing these hard-to-find and expensive-to-produce reserves, and to our ability to squeeze from them every last drop of recoverable oil.

With this in mind, it is disturbing to know that many of our Federal energy policies have the effect of reducing the amount of recoverable oil in domestic reservoirs—particularly in those reservoirs with low rates of production. Today the average daily production for the 500,000 wells in the United States has dropped to 16 barrels of crude, compared to 5,500 barrels per day for the average well in the Middle East. As production rates decline, well owners frequently find that operating and maintenance costs actually exceed their production income under governmentally controlled prices. When this happens, the owners are forced to plug their wells and abandon the remaining oil, even though the property may still have several more years of steady, low level production.

Congress has already recognized that we cannot afford to loose the contribution of marginally economic wells to the total domestic energy supply. In an amendment to the Energy Production and Conservation Act of 1976, we established a permanent category of "stripper wells" which produce less than 10 barrels of oil per day. To help prolong the life of these wells, their crude oil production was exempted from Federal price controls. By providing world market prices for stripper oil, the rate of well abandonment has been significantly reduced. In 1976, the last year for which data is available, well abandonments were cut by 42 percent over the average for the previous 5 years.

Today stripper wells yield about one million barrels of crude per day, or 14 percent of our total domestic production. Much of this oil would otherwise have been lost to abandonment had not price incentives been provided for these marginally economic properties.

However, despite the success of the stripper well provision, many marginal properties are still being shut in because the current stripper definition fails to take differing production conditions into account in determining eligibility for price incentives. It should be obvious that a 6,000-foot well producing 11 barrels a day is more expensive to operate than a 1,500-foot well producing less than 10 barrels. The costs of pumping, maintaining and reworking wells are all directly related to well depth.

In November, the Department of Energy published for comment four alternative proposals for providing price relief for marginal properties. I have reviewed each of the DOE proposals and find them generally insufficient given the size of the problem. Furthermore, by the time DOE actually gets around to implementing a program of price incentives for marginal properties, many additional producing wells will have been abandoned.

For this reason, today I am introducing legislation to immediately address this problem by establishing a new category of "deep stripper" properties which, like the present class of stripper properties, will be exempt from Federal price controls. To account for differences in operating conditions, the average production ceilings for eligibility under this category will vary according to the depth of the well. My bill defines a deep stripper well as one that produces less than 20 barrels per day from a depth of 2,000 to 4,000 feet, or less than 25 barrels per day from a depth of 4,000 to 6,000 feet, or less than 30 barrels per day from a depth of 6,000 to 8,000 feet, or less than 35 barrels per day from a depth greater than 8,000 feet.

The effect of this bill will be to significantly prolong the life of thousands of deep wells which would otherwise be the victims of rising production costs. Approximately 14 percent of our current domestic production will qualify for price incentives under this definition of deep stripper oil. If this legislation is enacted, this percentage will gradually increase as more and more deep stripper wells are saved from abandonment. Over the next 8 years, this legislation would lead to the production of an additional 1.5 billion barrels of oil equivalent of crude and natural gas, and by the end of the eighth year would increase domestic crude production by 700,000 barrels per day and natural gas by 800 billion cubic feet per day.

This legislation also clarifies the status of injection wells in determining a property's eligibility for stripper or deep stripper price incentives. Because injection wells—like producing wells—are expensive to drill, operate, and maintain, my bill makes it clear that injection wells should be counted in comput-

ing a property's average annual production per well.

I believe this practice is consistent with congressional intent in the Energy Production and Conservation Act and with other established Federal policies. For more than 40 years, the Secretary of the Interior has consistently included injection wells in the well count for the purpose of calculating royalty payments to the Government for production on Federal lands. It is a practice also followed by State regulatory agencies, such as the Texas Railroad Commission, for calculating maximum production quotas. Although the inclusion of injection wells will not significantly increase the amount of production under the stripper and deep stripper categories (5 percent of U.S. total), it will add an element of consistency and fairness to the determination of stripper eligibility.

Mr. President, the legislation which I am introducing today will prolong the producing lives of 95,000 wells, yet will cost the consumer no more than seven-tenths of a cent per gallon of gasoline. Our Nation can no longer afford an energy policy that forces producers to shut in wells that collectively still contain billions of barrels of recoverable oil. I urge my colleagues to join me in supporting this legislation to provide needed price relief for deep stripper properties.●

By Mr. DECONCINI:

S. 317. A bill to limit the standing of a foreign sovereign to sue under the antitrust laws of the United States; to the Committee on the Judiciary.

ANTITRUST RECIPROCITY ACT

● Mr. DECONCINI. Mr. President, I introduce today a bill which is intended to limit the effect of *Pfizer, Inc.* v. *Government of India*, 98 S. Ct. 584 (1978) in which the Supreme Court ruled that a foreign nation is entitled to sue for treble damages for alleged violations of our antitrust laws. The Court arrived at this conclusion by reading the word "person" in section 4 of the Clayton Act to include foreign nations, despite the fact that in an earlier case it had found that the U.S. Government was not a "person" within that same section. In so doing, I believe the Court entered the legislative arena and exercised an essentially legislative judgment. And it did so, even though there was no legislative history to justify such an expansive reading. In fact, the Court expressly acknowledged that the question of the right of a foreign government to sue was apparently never considered at the time the Sherman and Clayton Acts were enacted.

The time has come for Congress to make its intent clear. The bill I introduce today is based on a bill which I introduced last year which was favorably reported by the Judiciary Committee as an amendment to the Illinois Brick legislation. Initially, it would afford a foreign nation the same status as the United States under our antitrust laws, allowing it to recover actual damages, but not punitive treble damages. The right to sue, however, is not absolute. Under this proposal, a foreign sovereign must meet two criteria in order to bring a suit for actual damages.

First, the bill requires that the foreign sovereign recognize a general right of the United States to sue on a civil claim in the courts of that foreign country, just as we recognize the right of foreign sovereigns to prosecute civil claims in our courts. The bill also requires that the foreign sovereign have laws prohibiting restrictive trade practices which are in fact enforced against persons doing business in the country. By requiring actual enforcement, the bill addresses situations like that in Japan where antitrust laws exist but are virtually ignored.

In developing this legislation we considered making the right to sue strictly reciprocal—that is, contingent on the right of the United States to sue in the courts of the foreign sovereign for the same relief under their antitrust laws. This approach was rejected as too restrictive. Many nations which have antitrust laws simply do not have a provision for a private right of action comparable to section 4 of the Clayton Act. Furthermore, I think it unnecessary and ill-advised to make the right to sue dependent on the existence of foreign laws formulated precisely like our own.

I believe that equity is served if the right of a foreign sovereign to sue is triggered by a demonstrated commitment to the concepts embodied by our own antitrust laws. As Chief Justice Burger stated in his Pfizer dissent, foreign sovereigns are free to enact and enforce comprehensive antitrust laws. Many nations have in fact done so. In 1958, for example, the European Economic Community by the Treaty of Rome agreed to prohibit practices which would result in the elimination or restriction of competition within the Common Market countries. And in fact, India and the Philippines who were respondents in the Pfizer case, as well as West Germany, who appeared as amicus curiae, have enacted antitrust laws of some kind. However, many nations still have no laws comparable to our antitrust legislation. I see no reason to allow a foreign nation the right to sue an American company for practices which it does not attempt to condemn under its own laws.

Let me emphasize, however, that the purpose of this bill is not to penalize any nation. Each country remains free to accept or reject anticompetitive trade practices. But the United States ought to utilize its own courts to promote healthy competition and not to reward nations which, on the one hand, allow and sometimes encourage monopoly and price-fixing but, on the other, demand to sue when they are the victims of such practices. Justice requires that those nations who do make an honest effort should be afforded the same consideration under the same circumstances as the United States. Those which do not, however, should not be allowed to sue under section 4 of the Clayton Act.

Mr. President, let me also emphasize that this legislation in no way undermines the basic objectives of our antitrust laws—the compensation of victims of anticompetitive practices and the deterrence of illegal conduct. The bill does not eliminate suits by foreign governments. It allows those countries who have demonstrated a commitment to the policies underlying our antitrust laws to be compensated for their actual damages. And I see no reason to think that the elimination of suits by foreign countries who do not meet these standards will have an appreciable impact on the deterrent effect of section 4. I have seen no evidence that foreign countries have played an important role in detecting violations.

On the contrary, it seems more probable that a foreign country will simply bring suit following other civil or criminal proceedings arising out of transactions in the domestic market. Such was certainly the case in Pfizer, where the suit by India and the other countries was one in a long line of other suits by American consumers and businesses.

In basing my bill on a concept of general reciprocity, I have attempted to achieve a rational balance between competing interests while preserving the basic policies of our antitrust laws. The thrust of the bill is positive. By its enactment, we would demonstrate our intent to encourage other nations to recognize the right of the United States to sue in foreign courts, thus providing an opportunity for the United States to vindicate any claims it might have under foreign laws in the courts of that country. By its enactment, we would also signal our commitment to encourage other nations to adopt standards of fairness in the marketplace which are consistent with those reflected in our antitrust laws.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Reciprocity Act."

SEC. 2. Section 4 of the Clayton Act is amended by adding at the end of that section the following new language:

"*Provided, however,* that suits under this section brought by foreign sovereign governments, departments or agencies thereof, shall be limited to actual damages; and, provided further, that no foreign sovereign may maintain an action in any court of the United States under the authority of this section unless the Attorney General of the United States, within 120 days after the commencement of the action, has certified to the relevant court or a relevant court otherwise finds—

(1) the United States is entitled to sue in its own name and on its own behalf on a civil claim in the courts of such foreign sovereign; and

(2) such foreign sovereign has laws prohibiting restrictive trade practices which are enforced against persons doing business within its territory.".

By Mr. HAYAKAWA:

S. 323. A bill to repeal the provisions of title 23 of the United States Code requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

Mr. HAYAKAWA. Mr. President, I introduce for appropriate reference a bill to repeal the provisions of title 23 of the United States Code requiring a national speed limit of 55 miles per hour. My bill

will return the authority and the responsibility to the State to determine what speed limit is required to meet the safety, fuel, and economic needs that exist within that State.

The national 55 mph speed limit law was enacted as a temporary conservation measure after the 1973 Arab oil embargo, but later became a permanent law. The intent of this action was to conserve on the precious oil that had become such a vital part of lives in the United States. When first enacted, an attitude of national emergency prevailed and there was support and general compliance with the law. However, as the "crisis" appeared to lessen, people gradually assumed their old driving habits. Enforcement has become less strict in some States and much more difficult to enforce in other States because the people have begun to voice their displeasure with the restricted mobility.

The Department of Transportation has recently admitted that only an estimated half of the driving population now observes the 55 mph speed limit. They also concede that the fuel saving from the 55 mph speed limit is considerably less than they had hoped for. You should note that I am not advocating a particular speed limit; that question must be determined by each State. In fact, it is quite possible 55 mph is a reasonable speed limit for the roads and traffic conditions in some States, it is also quite possible that some States might decide that 65 or 70 mph would be a more reasonable speed for their highways. I would certainly hope that much thought, study, and consideration would go into that determination.

One other fact is the widespread use of the CB radio. This has enabled drivers of trucks as well as drivers of passenger cars to evade the speed limits completely by warning each other of the presence of traffic officers as they continue speeding.

The decrease in highway deaths, which has been directly attributed to the 55-miles-per-hour speed limit by the Department of Transportation, is not a matter to be overlooked. I should remind you, however, that the Department does not tell us what percent of that saving was because of the increased use of seat belts, or from safety features on the newer cars, or even as a result of State safety inspections. As I have indicated before, since coming to Washington I have learned that numbers are not always what they appear to be. The Department of Transportation has acknowledged that their statistic for highway deaths includes pedestrians, automobiles, truck-involved accidents, and motorcycles. Although I am not advocating a return to mandated helmet laws, motorcycle deaths have increased at an astounding rate over the past 2 years.

Enforcement of the 55-miles-per-hour speed limit has been a problem since its enactment. From 1974 through 1977 nine States increased penalties for violation; seven States decreased penalties. More recently, though, 11 States have, or will soon consider, legislation to either raise the legal speed limit or abandon efforts for enforcement. Not only do the States not receive additional funds to assist with enforcement, the Secretary of Transportation is required to withhold Federal-aid highway projects in any State which fails to certify annually it has and is enforcing the 55-miles-per-hour speed limit.

This matter of financial penalty in this outdated Federal law is an absurd and unnecessary control by the Federal Government concerning the jurisdiction of the States. Should the Federal Government really be deciding priorities and assessing penalties to the States? I think not.

I hope that my colleagues will give serious thought to my bill and join me in returning this responsibility to the States.

Mr. President, I ask unanimous consent that a recent news release be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPEED

(By Conrad Yunker)

Several western states, where a motorist can drive miles and miles without seeing a town let alone reaching a destination, are renewing a 5-year war with the federal government over the 55 mph speed limit—and the Department of Transportation may be fueling that rebellion.

Led by Wyoming, 11 states have or soon will have bills in the hopper to either boost the legal speed to 65 or severely hamstring efforts to enforce the 55 mph limit.

One bill already has passed the Wyoming Senate and awaits action by the House. In that state, Gov. Ed Herschler had refused to take a position on the issue—but then received a threatening telegram Saturday from DOT Secretary Brock Adams.

"Secretary Adams sent, in no uncertain terms, a cutoff of highway funds if the 65 mph limit is passed," Herschler said. "We have been threatened that if we don't take steps to correct this, we'll be relieved by 5 percent of our highway funds in 1980, and by 10 percent in 1981.

"I think they're using a heavy hand. I don't like it. Does the federal government own the highways? If so, we'll ask them to come out and maintain them and enforce the laws, with federal marshals if necessary."

Other western states watched as Wyoming argued the issue, but now have joined in.

"If five or six states have guts enough to tell the federal government to go fly a kite, I don't expect them to take away their highway funds," said Al Henry, the Chairman of the Washington State Senate Transportation Committee, in introducing a similar proposal.

"Everybody's tired of driving 55 mph. It's tying up the state patrol and it's unpopular."

In Colorado, freshman Rep. Bob Stephenson introduced a bill to reset the speed limit at 65, saying he was "tired of being blackmailed by the federal government with our own money.

"First, we pay federal tax on the gasoline, then they give it back to us in the form of highway aid, but only if we agree to go by their speed limit," he said. "People are driving 65 mph, so we might as well make it legal."

Under current statutes in Oklahoma, where about $80 million in federal funds is at stake, the speed limit goes up if 29 other states increase theirs. But state Rep. Jim Townsend said he was preparing an amendment to that law to remove all references to the 29 other states, thus automatically moving up the limit.

"I support Wyoming in their courageous move to come to grips with federal blackmail," Townsend said. He said the federal government "cannot buy power through appropriations. The people of these United States are not driving at 55 mph. If you think they are, you drive at 55 and create a bottleneck and a traffic jam."

Elsewhere, a Texas lawmaker said if his colleagues would vote the way they drive his bill upping the limit to 70 would pass and an Oregon State Senator said he would introduce a bill removing the 55 MPH limit because it results in an uneconomic use of freeways designed for higher speeds.

A Montana Senate Committee has been asked to consider a bill raising the limit to 65 mph, although the sponsor fears the loss of federal funds.

In Missouri, the 55 mph limit is only temporary and requires re-enactment every two years. State officials figure failing to comply with the national mandate will mean a loss of about the same amount of money it costs to enforce the law. That may mean the Missouri legislature will be less reluctant this year to prevent the maximum highway speed from automatically reverting to 70 mph next January.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the article by James Robins, which appeared in the October 20, 1978, Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGHWAY MASSACRE: NOWADAYS, CARNAGE ISN'T ALL ACCIDENTAL

(By James Robins)

Two high-performance Pontiac Firebirds drive parallel on a suburban Dallas freeway, the occupants loudly cursing their opposite numbers. A pop bottle is hurled. Both drivers pull off the highway, and in the fight that follows James Roach Jr., an 18-year-old college freshman, is fatally stabbed through the heart.

On a Houston boulevard, a man named Leo Beckwith, aged 25, swerves his automobile so it can't be passed by an auto closing from the rear. At the next traffic light, one of the two men in the other car shoots Mr. Beckwith in the head, leaving him critically injured.

The Santa Ana Freeway near Los Angeles: Howard Swearengin, 35, allegedly forces a nearby station wagon into the highway's median divider, then throws the other driver from his vehicle onto the asphalt and commandeers the station wagon, wildly ramming 39 other vehicles before coming to a halt against the rear end of a utility truck.

WILD WEST REVIVAL

These episodes are part of what police call a growing blood-and-guts sideshow amid the congestion on highways in Texas and California, with frustrated drivers exhibiting near-pathological violence and often using 3,000-pound automobiles as weapons.

"We call them 'car wars,'" says Lt. Steve Ellis, an administrative assistant with the California Highway Patrol. "Most often it's a guy flagrantly violating the 55-mile-per-hour speed limit and another guy who won't pull over for him."

"It's outrageous, but it's happening," says Col. Wilson E. Speir, chief of the Texas Department of Public Safety. "We've talked to our men and emphasized that they need to be increasingly alert." Most Texas state troopers now make a point of wearing their new bullet-proof vests when they are on patrol.

Police Capt. Joe Lowe, who is investigating the Roach stabbing in Irving, Texas, estimates that highway violence of this type has increased by about 25% in the past five years in his area. But the trend is difficult to document, since there is no legal formulation

for such incidents as "rammed over lane change" or "bashed from behind by driver wishing to pass."

"If they don't duke it out or shoot it out, it doesn't show up in the statistics," says California's Lt. Ellis.

THE URGE TO KILL

But there is evidence that driver frustration can reach homicidal proportions. In a University of Utah study of Salt Lake City motorists, 12% of the men and 18% of the women in the study group said that at times they "could gladly kill another driver."

It appears that the areas most prone to this motorway mania are those that have experienced a sharp increase in highway congestion over a short period of time, so that drivers haven't had the generations of conditioning like those, for instance, who inch daily along the Long Island Expressway and the other highways around New York City.

"People are accustomed to it here; they expect to creep along," says Deputy Inspector Theodore Sockton of the New York City Police Department's traffic division.

Even in California, birthplace of the freeway, motorists have had some years to adjust themselves to the frustrations of traffic congestion. Lt. Ellis says the increase in highway violence there is about equal to the 4% or 5% yearly increase in freeway traffic.

The real bloodletting seems to be taking place in Texas, where traffic volume has skyrocketed in the last five years. Houston's perpetually jammed Southwest Freeway, designed to handle about 150,000 cars a day, was up to 160,000 a day by July 1973, and by this summer the volume had soared to 230,000 vehicles a day, with more than 400 additional autos being registered in the city daily.

Capt. John LeVrier, head of the Houston Police Department's accident division, says hit-and-run statistics reflect rising highway violence. The city tallied 7,926 such incidents in 1975; the total vaulted to 11,009 in 1977.

"We've just got more people and more vehicles trying to occupy the same space at the same time," says Capt. LeVrier. As for highway violence in general, he says, "The problem has steadily grown, and I think it will grow steadily worse."

The hit-and-run statistics for Dallas don't show that kind of increase, but there is plenty of violence nonetheless, as on the North Central Expressway, considered by many the worst freeway in the state. It has a design capacity of about 60,000 autos a day, but average daily traffic this summer was 111,000 vehicles.

Police have reported angry motorists in fist fights along the expressway's service roads. Morning radio reports almost always mention several rush-hour wrecks along the highway, many proving to have elements of highway violence. Drivers often will accelerate to prevent an auto on an entrance ramp from entering the traffic flow.

A young doctor recalls having his auto chased along the highway by another motorist. The doctor's wife, a nurse, says carnage from the incidents on this thoroughfare can be seen daily in the hospital where she works.

The social scientists are beginning to look into this unusual motorway behavior. Richard Evans, a social psychologist at the University of Houston, thinks the violent driver most often is a person who is extremely competitive, impatient and preoccupied with work.

He likens the behavior of violent drivers to animals that find their mobility restricted. "Some of these people can manage the stress through experience," Mr. Evans says, "but othes who have a deep enough impatience can't handle this kind of pressure."

Dr. Morris Chafetz, a Washington, D.C., psychiatrist, describes the violent driver as one whose personality is so strongly interwoven with his vehicle that it becomes a personal assault when another driver cuts in front of him or passes him. When such persons strike back violently, says Dr. Chafetz, it is tantamount to "infantile retaliation." As the congestion and the frustration increase, he says, "Shaking their fists is no longer enough."

Bill Jacques, an officer with the California Highway Patrol's central Los Angeles division, cautions that the violent driver may be a "meek little office worker . . . the guy who lives next door to you, until somebody cuts him off, and then this mild-mannered man turns into a revenge-seeking fool."

By Mr. BELLMON:

S. 324. A bill to change the name of Clayton Lake in the State of Oklahoma to Sardis Lake; to the Committee on Environment and Public Works.

● Mr. BELLMON. Mr. President, I am introducing a bill today to correct a situation that occurred inadvertently due to the Flood Control Act of 1962. This act provided for a new reservoir to be constructed in Pushmataha County, Okla.

This reservoir, presently under construction, was named Clayton Lake in the legislation. Less than 10 miles from the site of the new lake is an existing Clayton Lake. Many Oklahomans have contacted my office pointing out the confusion that would result from two lakes of the same name in the same county.

The bill, which I am introducing today, will rename the lake, Sardis Lake, after the town of Sardis which will be partially inundated by the new reservoir. The name Sardis was chosen by the residents of Pushmataha County during a public meeting.●

By Mr. STONE (for himself, Mr. CHILES, and Mr. WEICKER):

S. 325. A bill to establish a program to develop marine artificial reefs in waters of U.S. jurisdiction; to the Committee on Commerce, Science, and Transportation.

MARINE ARTIFICIAL REEF DEVELOPMENT ACT OF 1979

● Mr. STONE. Mr. President, today I am reintroducing legislation that would establish a program to improve fishing in U.S. waters. I am very pleased that Senators CHILES and WEICKER have joined with me in cosponsoring this legislation.

Recreational fishing is one of Florida's major industries and is important to the economy of every coastal State. Recreational fishing is not only a popular sport but also a significant food source. The National Marine Fisheries Service estimated that in 1970 about 1.6 billion pounds of edible fish were caught by recreational fishermen, over 30 percent of all the edible fish caught that year.

Artificial reefs serve as breeding grounds for small fish, that in turn attract larger fish. These reefs can be built from a variety of materials, such as old automobile tires. Therefore, the construction of these reefs would not only attract fish but in many cases put waste materials to a good use.

A good example of a fishery that would benefit from additional rough bottom habitat is the snapper/grouper fishery in the Gulf of Mexico. There is limited rough bottom habitat available, snapper/grouper stocks are being fished at or near maximum sustainable yield and the capacity of the U.S. recreational and commercial fishermen to take these species is increasing. Artificial reefs can provide the needed additional habitat and, if managed properly, help to maintain stocks of fishes at levels that will provide acceptable catches to anglers while insuring continuance of the snapper/grouper resources.

Many of the artificial reefs that have been constructed over the last 40 years have been initiated by local groups without State or Federal assistance. Some of these are successful, however, many more are not completed because these groups are not prepared for the expense and time required to build a reef properly. Federal funding and State supervision of artificial reef construction would assure proper construction and realization of the maximum management potentials from these reefs.

The Atlantic and gulf regions of our country are particularly concerned with the development of marine artificial reefs. On September 13, 14, and 15 of this year, there will be a major conference on artificial reefs held in Daytona Beach, Fla. This conference will be sponsored by Florida Sea Grant College and will bring together representatives from many of our coastal States and Federal and State government.

Under this legislation, the Secretary of Commerce, acting through the National Marine Fisheries Service, would be authorized to make grants to the States to cover 75 percent of the cost of developing artificial reefs in the State waters. The sites of these reefs would be determined after consultations between the Secretary and the individual fishery management councils that were established by the Fishery Conservation and Management Act of 1976. The reefs would be located in nonproductive waters and would have to comply with all applicable Federal and State laws and regulations. This bill would authorize $2.5 million annually for the next 5 years to build these reefs and administer the program.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Marine Artificial Reef Development Act of 1979".

CONGRESSIONAL FINDINGS AND PURPOSES

SEC. 2. (a) FINDINGS.—The Congress finds and declares the following:

(1) Fishing in U.S. waters is important to harvesting of protein for human consumption, to the economies of shore communities and to the well-being of millions of fishermen.

(2) There is an existing need for properly constructed artificial reefs in many of the marine areas under U.S. jurisdiction to increase the numbers and availability of fish, particularly for the recreational fishing industry.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act—

(1) to establish a mechanism that will enable States to develop artificial reefs in waters under U.S. jurisdiction;

(2) to enhance fishing by developing accessible quality fishing grounds and further avoid conflicts between commercial and recreational user groups;

(3) to provide for financial assistance to qualifying States for the implementation of this program;

(4) to encourage the use of appropriate Federal surplus properties as artificial reef materials; and

(5) to promote cooperative agreements between salvage companies and the Federal Government to provide transportation of vessels or material to the site of approved reefs.

PROGRAM

SEC. 3. (a) AUTHORIZATION.—The Secretary of Commerce, acting through the National Marine Fisheries Service, is authorized (1) to make grants to the States listed in paragraphs (1), (2), (3), and (5) of section 302 (a) of the Fishery Conservation and Management Act of 1976 to cover 75 per centum of the cost of developing marine artificial reefs in the territorial waters of such States for the purposes of this Act; and (2) to develop such habitats in the fishery conservation zone off the coasts of such States for such purposes.

(b) REQUIREMENTS.—Such habitats shall—

(1) be located on appropriate areas of bottom as determined by the Secretary after consultation with the appropriate States, the Coast Guard and regional fishery management councils established pursuant to such section 302(a);

(2) comply with all applicable Federal and State laws and regulations; and

(3) comply with regulations established by the Secretary of Commerce in order to best carry out the purposes of this Act after consultation with such regional councils.

FISHERY MANAGEMENT COUNCILS ADVISORY AUTHORITY

SEC. 4. Each fishery management council established pursuant to paragraphs (1), (2), (3), and (5) of section 302(a) of the Fishery Conservation and Management Act of 1976 shall recommend to the Secretary or the appropriate State a fishery management plan for each habitat established pursuant to this Act in the region of such council.

DEFINITIONS

SEC. 5. For purposes of this Act—

(1) the term "fish" means any species of living aquatic resource, native or introduced, of finfish, mollusk or crustacean or other aquatic invertebrate, amphibian, reptile or mammal; and

(2) the term "artificial reef" means any material which when intentionally placed in appropriate aquatic areas, provides or improves conditions to promote the survival and abundance of fish.

AUTHORIZATIONS

SEC. 6. There is authorized to be appropriated not to exceed $2,500,000 for the fiscal year ending September 30, 1980, and for each of the four succeeding fiscal years, for the purpose of carrying out the provisions of this Act. Amounts so appropriated shall remain available until expended. Five per centum of the amount so appropriated for each fiscal year shall be available to the Secretary for administering the provisions of this Act.

● Mr. WEICKER. Mr. President, I am very pleased to support the Marine Artificial Reef Development Act of 1979. This act would establish a program to develop artificial marine reefs for the waters of the United States.

Vast stretches of our Nation's coastline are expanses of underwater deserts, particularly along the Atlantic and Gulf of Mexico. These areas are not suitable for many species of marine life particularly those that require rocky habitats. Such species as grouper, snapper, tautog, and sea bass require solid substrate and protective cover which are essential to the survival of these and many other marine organisms.

Fishing is important to the economies of all coastal States. In recent years however, increased fishing pressure has often exceeded the maximum sustainable yield. Fishing pressure by the recreational and commercial industries is increasing and further threatens many stocks of fish.

Artificial reefs can enhance fish populations by providing places for some species to breed and as nursery grounds. In addition artificial reefs provide areas for food organisms to gather and cover to protect fish from predators. Large fish which are attracted to the reefs by smaller fish can provide a resource to the sport fishing industry which, by the way, is a $2 billion business in this country. Other fish that use the reefs as breeding or nursery grounds may migrate offshore and support commercial fishing.

Artificial reefs can be built with a variety of materials; from old ships to automobile tires and rock rubble. They therefore, would not only enhance fish populations but would put waste materials to good use.●

By Mr. BUMPERS:

S. 326. A bill entitled the "Taxpayers' Bill of Rights Act;" to the Committee on Finance.

● Mr. BUMPERS. Mr. President, I am introducing a bill to put taxpayers on a more equal footing with the Internal Revenue Service and, in so doing, restore confidence in the equity of the Federal tax laws. The bill will ensure that taxpayers are informed of the procedural options available to them in resolving disputes with the Internal Revenue Service, which is too often misperceived as a tyrannical adversary; it will aid them in traversing those oft-confusing avenues; it will guarantee that investigations and recordkeeping will be confined to legitimate revenue-collecting purposes; and it will institute a survey and audit of the administration of the tax laws.

Presently the Internal Revenue Code contains procedural devices which, for the most part, afford informed taxpayers ample opportunity for contesting or agreeably settling their tax liability. However, taxpayers must be better informed, at the outset, of the remedies available to them. Currently, the IRS informs taxpayers of these remedies in a piecemeal fashion at best. Consequently, taxpayers hesitate to avail themselves of the remedies, fearing what missteps and pitfalls may await them. The bill at the outset helps overcome that hesitancy by requiring the IRS to provide taxpayers with suggestions, which will also outline the IRS's options, such as seizure and sale, which this bill leaves largely undisturbed.

The bill also creates an Assistant Commissioner of Internal Revenue for Taxpayer Services, just as there already is an Assistant Commissioner for Employee Plans and Exempt Organizations. The new Assistant Commissioner will provide services largely provided now by the Commissioner of the Internal Revenue through the IRS. For example, this Assistant Commissioner will provide assistance in preparing returns. Also, the Assistant Commissioner will perform functions which the IRS is not currently performing adequately, such as receiving and acting upon complaints, and soliciting taxpayers' evaluations of the administration of the tax laws. In addition, the Assistant Commissioner will be empowered to intercede in support of taxpayers confronted with an overly harsh application of the Tax Code's enforcement procedures.

Splitting off the present functions from the Commissioner and adding further functions will encourage the civil servants specifically charged with performing those functions to do so fully. Under the present law, a civil servant can be too often required to act simultaneously as tax collector and taxpayer helper, with emphasis on the former. The inevitable conflict is resolved in favor of the former to the detriment of the latter. The bill will oblige some IRS employees to act solely for the taxpayer's benefit, which should benefit us all.

Furthermore, the Assistant Commissioner for Taxpayer Services will also be armed with the authority to issue orders on behalf of taxpayers who are faced with an unusual, unnecessary and irreparable loss resulting from the administration of the tax laws. These orders will be in the nature of a stay, allowing a more equitable solution to be worked out. The authority is necessary because the tax laws can sometimes have an unanticipated and devastating impact upon some taxpayers. Moreover, it better assures the taxpayer of fair treatment at all times, because it allows the Assistant Commissioner to undo the ill effects of any unfair treatment accorded a taxpayer. In short, it adds an element of equity which is otherwise lacking in tax collection procedures, much as the equity power of the English chancery was added to the late common law to modify the latter's rigidity.

In addition, the bill will allow the taxpayer to be interviewed at his residence or place of business, which is less intimidating. Also, taxpayers thus can bring the IRS agent to their books, rather than possibly suffer the inconvenience of bringing their books to the agent. These provisions are consistent with the requirement that the IRS provide a summary of rights and obligations, providing further assurance that they will be knowingly exercised.

Finally, the bill contains enforcement provisions which guarantee the preservation of those rights. Most importantly, the taxpayer is allowed to recover damages from those who infringed those rights or any other rights. In addition, the bill prohibits investigations and record-keeping by revenue agents which go beyond the bounds necessary for enforcing the revenue laws. This prohibition is enforceable both by fines and by civil suits seeking damages or injunctive relief or both. As a related provision, the bill authorizes the tax court to award costs, including reasonable attorney's fees. Currently, citizens litigating against the Government can be awarded attorney's fees in tax cases only if the

Government is found to have proceeded in bad faith.

Thus, taxpayers too often refrain from bringing cases to the tax court because attorney's fees will negate a favorable result, especially if a relatively small amount is involved. It should be noted that, in accordance with the Internal Revenue Code, the tax court rules provide for a simplified procedure for "small" tax cases, but there is no guarantee that a small case will be simple enough for a taxpayer to proceed without legal counsel. Therefore, it is imperative to allow taxpayers to recover reasonable attorney's fees in order to encourage them to bring their meritorious suits.

This bill will restore taxpayer's confidence in the equitable administration of the tax laws by ensuring that taxpayers and the Internal Revenue Service are equally aware of their respective obligations and of all the procedural options available. Consequently, the issues will be better presented, and the substantive law will be clarified. The end result should be a reduction of disputes and the more efficient administration of the tax laws.

Mr. President, I ask unanimous consent that the bill, the Taxpayers' Bill of Rights Act, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "Taxpayers' Bill of Rights Act".

"SEC. 2. AMENDMENT OF 1954 CODE; MEANING OF TERMS.

(a) 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) MEANING OF TERMS.—For purposes of this Act, terms used in this Act which are also used in such Code shall have the same meaning as when so used.

SEC. 3. DISCLOSURE OF RIGHTS AND OBLIGATIONS OF TAXPAYERS.

(a) IN GENERAL.—The Secretary of the Treasury shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, prepare brief but comprehensive pamphlets which set forth in simple and nontechnical terms—

(1) the rights and obligations of a taxpayer and the Internal Revenue Service (hereinafter in this section referred to as the "Service") during an audit;

(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

(b) TRANSMISSION TO COMMITTEES OF CONGRESS.—The Secretary of the Treasury shall transmit drafts of the pamphlets required under subsection (a) (or proposed revisions of any such pamphlet) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day. Any draft (or any revision of a draft) of a pamphlet may not be distributed under subsection (c) until 90 days have elapsed from the date it was transmitted to such committees.

(c) DISTRIBUTION.—The pamphlets prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury to any taxpayer upon request, and notice of the availability of such pamphlets shall be displayed prominently in all public offices of the Service. Copies of appropriate pamphlets shall be provided to any taxpayer with the first communication from the Service to the taxpayer regarding the taxpayer's liability for tax for a taxable year, if such communication from the Service to the taxpayer regarding the taxpayer's liability for tax for a taxable year, if such communication occurs during a meeting or is in writing. If such a communication is by telephone, copies of the appropriate pamphlets shall be mailed to the last known address of such taxpayer within 24 hours after such a communication.

SEC. 4. ASSISTANT COMMISSIONER FOR TAXPAYER SERVICES; TAXPAYER ASSISTANCE ORDERS.

(a) ASSISTANT COMMISSIONER FOR TAXPAYER SERVICES.—Section 7802 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new subsection:

"(c) ASSISTANT COMMISSIONER FOR TAXPAYER SERVICES.—There is established within the Internal Revenue Service an office to be known as the Office of Taxpayer Services to be under the supervision and direction of an Assistant Commissioner of Internal Revenue. The Assistant Commissioner shall be appointed by the President, by and with the advice and consent of the Senate and shall be responsible for—

"(1) providing to taxpayers—

"(A) assistance in obtaining easily understandable tax information and information on audits, corrections, and appeals procedures (including pamphlets prepared under section 3 of the Federal Taxpayers' Rights Act of 1978);

"(B) assistance in answering questions on tax liability and preparing and filing returns; and

"(C) assistance in locating documents or payments filed with or submitted to the Internal Revenue Service by taxpayers;

"(2) providing personnel in local offices of the Internal Revenue Service to receive and evaluate complaints of improper, abusive, or inefficient service by Internal Revenue Service personnel and, with due regard to the rights of both taxpayer and the Internal Revenue Service personnel and under regulations prescribed by the Secretary, to take action to correct such service;

"(3) surveying taxpayers to obtain their evaluation of the quality of the service provided by the Internal Revenue Service;

"(4) compiling data on the number and type of taxpayer complaints in each internal revenue district and evaluating the actions taken to resolve such complaints;

"(5) issuing Taxpayer Assistance Orders under section 6306; and

"(6) carrying out such other functions which relate to assisting taxpayers as the Secretary may prescribe.

"The Assistant Commissioner shall submit an annual report including any recommended legislation to the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate, and the Joint Committee on Taxation on the activities of the Office of Taxpayer Services.".

(b) TAXPAYER ASSISTANCE ORDERS.—Subchapter A of chapter 64 (relating to collections) is amended by adding at the end thereof the following new section:

"SEC. 6306. TAXPAYER ASSISTANCE ORDERS.

"(a) AUTHORITY TO ISSUE.—Upon application filed by a taxpayer with the Office of Taxpayer Services, in such form, manner, and at such time as the Secretary shall by regulations prescribe, the Assistant Commissioner for Taxpayer Services may issue a Taxpayer Assistance Order if, in the determination of the Assistant Commissioner, the taxpayer is suffering from an unusual, unnecessary, and irreparable loss as a result of the manner in which the internal revenue laws are being administered by the Secretary.

"(b) EFFECT OF ORDER.—The Secretary may not take any action adverse to such taxpayer under—

"(1) chapter 64 (relating to collection),

"(2) chapter 70 (relating to jeopardy, bankruptcy, and receiverships),

"(3) chapter 78 (relating to discovery of liability and enforcement of title), or

"(4) any other provision of law, which is specifically described by the Assistant Commissioner in such order during such period (not to exceed 60 days) of time as may be so specified in such order.".

(c) CONFORMING AMENDMENTS.—

(1) The section heading for section 7802 is amended to read as follows:

"SEC. 7802. COMMISSIONER OF INTERNAL REVENUE; ASSISTANT COMMISSIONER."

(2) The table of sections for subchapter A of chapter 80 is amended by striking out the item relating to section 7802 and inserting in lieu thereof the following:

"SEC. 7802. Commissioner of Internal Revenue; Assistant Commissioner.

(3) The table of sections for subchapter A of chapter 64 is amended by adding at the end thereof the following new item:

"SEC. 6306. Taxpayer Assistance Orders.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

SEC. 5. AUTHORIZING, REQUIRING, OR CONDUCTING CERTAIN INVESTIGATIONS, ETC.—

(a) PROHIBITION, ETC.—Section 7214 (relating to offenses by officers and employees of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) AUTHORIZING, REQUIRING, OR CONDUCTING CERTAIN INVESTIGATIONS, ETC.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an officer or employee of the United States acting in connection with any revenue law of the United States shall not knowingly authorize, require, or conduct—

"(A) any investigation into, or surveillance over, any person or records regarding the beliefs, associations, or activities of any individual or organization which are not directly related to such revenue laws, or

"(B) the maintenance of any records containing information derived from such an investigation or surveillance.

"Any person violating the preceding sentence shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.

"(2) EXCEPTION.—The provisions of paragraph (1) shall not apply with respect to any otherwise lawful investigation, including investigations concerning organized crime activities of any individual who is an applicant for, or who holds, any position in the Internal Revenue Service or any position in the Government the duties of which relate to the administration or enforcement of internal revenue laws of the United States, or who is a contractor, or prospective contractor, with the Internal Revenue Service.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) INVESTIGATIONS.—The term 'investigations' means any oral or written inquiry

directed to any person, organization, or governmental agency.

"(B) SURVEILLANCE.—The term 'surveillance' means—

"(i) the monitoring of persons, places, or events by means of electronic interception, overt or covert infiltration, overt or covert observation, or photography, and

"(ii) the use of informants."

(b) CIVIL REMEDIES.—

(1) IN GENERAL.—Subchapter B of chapter 76 (relating to judicial proceedings) is amended by redesignating section 7430 as section 7431 and by inserting immediately after section 7429 the following new section:

"SEC. 7430. CIVIL CAUSE OF ACTION FOR VIOLATION OF SECTION 7214(c).

"(a) REMEDIES.—

"(1) DAMAGES.—Whoever violates any provision of section 7214(c) (relating to certain offenses by officers and employees of the United States) shall be liable for damages to any individual or organization which, as a result of such violation, has been the subject of a prohibited investigation, surveillance, or recordkeeping, in an amount equal to the sum of —

"(A) any actual damages suffered by plaintiff of $100 per day for each day the prohibited activity was conducted, whichever is greater;

"(B) such punitive damages (not in excess of $1,000) as the court may allow; and

"(C) the costs of any successful action, including reasonable attorney fees.

"(2) EQUITABLE RELIEF.—Any individual, or organization which has been the subject of any investigation, surveillance, or recordkeeping in violation of section 7214(c), may bring a civil action against the United States for such equitable relief as the court determines appropriate to enjoin and redress such violation.

"(b) VENUE.—An individual or organization may bring a civil action under this chapter in any United States district court for the district in which the violation occurs, or in the United States district court for the district in which such person resides or conducts business, or has his principal place of business, or in the United States District Court for the District of Columbia.

"(c) JURISDICTIONAL AMOUNT.—Any Federal court in which a civil action under this section is brought pursuant to subsection (b) shall have jurisdiction over such action regardless of the pecuniary amount in controversy.".

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by striking out the item relating to section 7430 and inserting in lieu thereof the following new items:

"Sec. 7430. Civil cause of action for violation of section 7214(c).

"Sec. 7431. Cross references..

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to the maintenance of records during the 90-day period beginning on such date of enactment if such records were in existence on such date.

SEC. 6. AWARD OF COSTS TO PREVAILING TAXPAYER.

(a) RECOVERY OF COSTS.—Part II of subchapter C of chapter 76 (relating to Tax Court procedure) is amended by adding at the end thereof the following new section:

"SEC. 7465. RECOVERY OF COSTS.

"(a) IN GENERAL.—In any proceeding before the Tax Court for the redetermination of a deficiency, the prevailing party, unless the prevailing party is the United States, may be awarded a judgment of costs in connection with such proceeding and any administrative proceeding relating to such deficiency to the same extent as is provided in section 2412 of title 28, United States Code, for civil actions brought against the United States.

"(b) JUDGMENT.—A judgment of costs entered by the Tax Court under subsection (a) in favor of the prevailing party shall be treated, for purposes of this subtitle, in the same manner as an overpayment of tax. No interest or penalty shall be allowed or assessed with respect to any judgment of costs."

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7465. Recovery of costs."

(2) Section 2412 of title 28, United States Code, is amended—

(A) by inserting "(a)" before "Except", and

(B) by adding at the end thereof the following new subsection:

"(b) In any civil action which is brought by or against the United States for the collection or recovery of any internal revenue tax, or of any penalty or other sum under the internal revenue laws, and in which the United States is not the prevailing party, a judgment for costs may include reasonable attorney's fees.".

(c) EFFECTIVE DATE.—The amendments made by this section shall only apply with respect to civil actions and proceedings for the redetermination of deficiencies commenced after the date of the enactment of this Act.

SEC. 7. CIVIL ACTION FOR DEPRIVATION OF RIGHTS BY INTERNAL REVENUE SERVICE EMPLOYEES.

(a) IN GENERAL.—Any officer or employee of the Internal Revenue Service who, under color of any Federal law, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

(b) CONFORMING AMENDMENT.—Section 1343 of title 28, United States Code, is amended—

(1) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following new paragraph:

"(5) to recover damages or to secure equitable or other relief under section 7 of the Federal Taxpayers' Rights Act of 1979."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions arising on or after the date of the enactment of this Act.

SEC. 8. PROCEDURES INVOLVING TAXPAYER INTERVIEWS.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7518. PROCEDURES INVOLVING TAXPAYER INTERVIEWS.

Upon request of any taxpayer, any officer or employee of the Internal Revenue Service in connection with any interview with such taxpayer in connection with the assessment of a deficiency shall—

"(a) conduct such interview in the principal residence or place of business of the taxpayer, and at a reasonable time convenient to the taxpayer, and

"(b) allow the taxpayer to make a recording of such interview.

"An officer or employee of the Internal Revenue Service may record any such interview if he informs the taxpayer of such recording prior to the interview and provides the taxpayer with a transcript of such recording upon the request of the taxpayer and reimbursement for the cost of reproduction of such transcript."

(b) CONFORMING AMENDMENT.—The table of sections for such chapter is amended by adding at the end thereof the following new item:

"Sec. 7518. Procedures involving taxpayer interviews.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interviews conducted on or after the date of the enactment of this Act.

By Mr. HATCH:

S. 327. A bill for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara; to the Committee on the Judiciary.

S. 328 A bill for the relief of Mr. Oliver O. Ratajczek and his wife, Christine Diane Ratajczek; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I introduce two relief bills which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding paragraph (14) of section 212 (a) of the Immigration and Nationality Act, for the purposes of such Act, Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act upon payment of the required visa fees. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by three numbers during the current fiscal year on the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act.

S. 328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding paragraph (14) of section 212 (a) of the Immigration and Nationality Act, for the purposes of such Act, Mr. Oliver O. Ratajczek and his wife, Christine Diane Ratajczek, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act upon payment of the required visa fees. Upon granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by two numbers during the current fiscal year on the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act.

By Mr. HELMS:

S. 329. A bill to amend the supplemental security income program established by title XVI of the Social Security Act to exclude a family cemetery or burial plot owned by an individual or married couple in determining such individual's or couple's resources; to the Committee on Finance.

● Mr. HELMS. Mr. President, the legis-

lation that I am introducing today would simply provide an additional resource exclusion in determining eligibility under the supplemental security income program. My amendment to title XVI of the Social Security Act excludes a family cemetery or burial plot owned by an individual or married couple in determining such individual's or couple's resources.

It recently came to my attention that otherwise qualified persons in North Carolina were suddenly being declared ineligible for medicaid either because they owned a burial plot or, in some instances, were unable to verify the value of the plot. State officials have advised me that they have been compelled to verify and include the value of burial plots for determining an individual's assets in order to comply with Federal SSI regulations and guidelines.

In North Carolina, individuals cannot qualify for medicaid benefits if their assets, including real property, total more than $1,000. Previously, a burial plot was not considered to be real estate; now, under the new guidelines, it is.

This has imposed a real hardship on many people who require the benefits available under the medicaid program. I have even heard of situations where people have had to sell their cemetery plots and use up the money received before they could qualify for medicaid. Others have been unable to place a value on their plots and therefore have been declared ineligible under the Federal guidelines.

I feel reasonably sure that Congress never intended to deprive medicaid recipients of their chosen final resting place. Yet, this has been the result in some cases. The law already excludes from resource consideration a recipient's home, household goods, personal effects, and automobile. Clearly, it is reasonable to exclude a cemetery plot and thus spare the truly needy of this additional harsh treatment and worry.●

By Mr. HART (for himself and Mr. CRANSTON):

S. 330. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes; to the Committee on the Judiciary and the Committee on Veterans' Affairs, jointly, by unanimous consent, and if and when ordered reported by one committee, the other committee then has 30 days in which to act or be discharged therefrom.

VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE JUDICIAL REVIEW ACT

● Mr. HART. Mr. President, the Veterans Administration (VA) — the second largest client agency in the Federal Government—is the only agency whose benefit decisions are not subject to the scrutiny of the Federal courts. Too often in the past, this exclusion, together with an outdated $10 limitation that a veteran may pay an attorney to assist him in preparing and presenting a claim, has resulted in abridgement of the basic fundamental constitutional rights of the veteran in hearings before the VA.

Today, Senator CRANSTON and I are introducing legislation to provide for limited judicial review of the administrative actions of the VA and to provide for the payment of reasonable attorneys' fees for veterans who wish to be represented by counsel in hearings before the VA or the courts. Additionally, this measure will require the VA to comply with the rulemaking provisions of the Administrative Procedures Act (APA) and to take other actions to safeguard the procedural due process rights of the veteran.

Mr. President, I would like to commend the distinguished chairman of the Senate Veterans Affairs Committee (Senator CRANSTON) for the excellent work he and other members of the Senate Veterans' Affairs have done in refining this legislation. During the 95th Congress, the committee explored in detail during five hearings the legal, procedural and other issues surrounding modification of the VA's adjudication procedures and making the agency subject to judicial review. My staff has worked closely with the staff of the Senate Veterans' Affairs Committee, with the technical assistance of the VA and other agencies, to develop a bill which I believe satisfies most of the substantive concerns raised during those hearings.

At present, 1 of 58 local VA rating boards first reviews a veteran's case to determine if he or she is eligible for disability, pension or other benefits. If the local board renders an unfavorable decision, the veteran can appeal to the Board of Veterans' Appeals (BVA) in Washington, D.C., which is also a part of the VA. Under existing law, the decision of the BVA on, "any question of law or fact under any law administered by the Veterans Administration providing benefits for veterans and their dependents or survivors, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision * * *" (title 38, U.S.C., Sec. 201(a)). Unlike claimants before other Federal agencies, a veteran who feels that the BVA has misinterpreted the law or decided a case without taking all relevant facts into account has no recourse outside the Veterans' Administration.

For more than two decades, the Social Security Administration (which also adjudicates disability claims) has been subject to judicial review of its final benefit decisions. (Title 42, P.S.C., sec. 405(g).)

Mr. President, to insulate any agency from the scrutiny of the courts runs counter to some of our most cherished constitutional principles. In human terms, this denial of the due process rights of veterans has too often resulted in hardship and disillusionment for those who have defended our country and are most deserving of the fruits of our constitutional form of Government.

Although veterans may be represented by counsel in proceedings before the VA, the amount a claimant may pay an attorney is limited to $10 (title 38, U.S.C., sec. 3404(c)). This fee limitation, which was instituted more than a century ago, severely limits the ability of a veteran to exercise freedom of choice in obtaining effective legal counsel.

Less than 2 percent of veterans who appeal their claims to the Board of Veterans Appeals are represented by legal counsel. Currently, veterans can obtain assistance without charge in preparing and presenting claims before the Veterans' Administration from the various national veterans service organizations and VA benefit counselors. In most cases, the assistance given by these representatives is of excellent quality, providing the VA Rating Board with sufficient evidence to render a fair and equitable decision on the veteran's claim. Many cases, however, involve complex legal and technical issues. If a veteran desires the representation of an attorney in these proceedings, the $10 fee restriction severely limits his right to counsel because almost no attorney is available at this unrealistic rate.

Veterans who desire outside legal representation in VA proceedings should be able to exercise that right. This legislation establishes a schedule for the payment of attorneys which insures that the veteran will be able to secure competent counsel without fear that an inordinate portion of any payment he may receive as the result of a successful appeal will be devoted to legal expenses. Therefore, the $10 limitation for payment of attorneys who represent veterans in making original claims before local VA rating boards is retained. Most original claims are relatively simple to prepare and, of course, the veteran may seek the competent help of a veteran service organization officer or a VA counselor in presenting his claim.

If the veterans' claim is rejected, he may want to secure the services of an attorney to develop evidence and make legal arguments for a review of his case by the Board of Veterans Appeals. Given the informality of the VA's adjudication process, a formula permitting a veteran and his attorney to agree on a fee—not to exceed $500—is equitable. As an additional protection, all fee payments would be subject to the approval of the VA Administrator who could also approve a higher fee in extraordinary cases requiring unusual preparation or specialized skills.

Attorneys who represent veterans in proceedings before the courts would be paid on a contingency fee basis, not to exceed 25 percent of any award made to the veteran. In general, preparing and arguing a veteran's case before the Federal courts will require a greater time commitment on the part of the veteran's attorney, justifying a larger potential fee

award because a fee would be paid only if the veteran's appeal is favorably considered; however, attorneys will help serve a screening function to insure that only meritorious claims are brought before the courts.

In the course of hearings on judicial review during the 95th Congress, the Department of Justice prepared a "Court Systems Impact Statement" which estimated the increased workload the Federal courts would have to absorb if VA cases were subject to judicial review. According to the report, of the 22,900 claims denied in fiscal year 1977 by the Board of Veterans Appeals, only 4,600 of these claims would be appealed to Federal district courts. This would amount to an increase of 3.4 percent in civil filings to the district courts. This small increase would be mitigated by the addition of 152 Federal district judges as a result of enactment last year of the Omnibus Judgeship Act (Public Law 95-486).

Recently, the Federal courts have greatly expanded their jurisdiction over VA actions which were formerly precluded from judicial review. For example, in Johnson against Robison, the Supreme Court held that section 211(a) (precluding judicial review) cannot be construed to deny jurisdiction to those who challenge the consitutionality of statutes providing veterans benefits (415 U.S. 361; 1974).

In the case of Plato against Roudebush, the court determined that section 211(a) does not preclude judicial review of VA procedures in instances where VA pensions were terminated by the agency without a pretermination hearing (397 F. Supp. 1295; D. Md., 1975). The Department of Justice did not appeal this decision by the Federal District Court for the District of Maryland.

More recently, in the case of Wayne State University against Max Cleland, et al., the Sixth Circuit Court of Appeals held that section 211(a) is not a bar to judicial review of the constitutionality of rules and regulations promulgated by the Administration of Veterans' Affairs or his authority to promulgate regulations (Nos. 78-1141, 78-1142; D. Mich., 1978).

Mr. President, this measure provides the Administrator discretionary authority to allow for a pilot program of intermediate appellate review at the regional level. This provision (section 107), which was added at the suggestion of the committee staff, encourages the VA to try new ways to solve the problem of excessive delays in BVA decisionmaking.

During the upcoming hearing process on this measure, I intend to pay particular attention to the comments of the VA and the veterans groups to determine if this measure will enhance the review process without requiring excess personnel or costs. I look forward to a full discussion of this provision.

Mr. President, the fundamental issue addressed in the bill we are introducing today is simple justice for the American veteran. To deny a citizen access to an attorney, isolate an agency from the scrutiny of the courts and to fail to allow citizens affected by the actions of an agency to participate in the development of the rules and regulations which govern that agency runs counter to some of the most basic precepts of our constitutional form of government.

The bill I am introducing today will expand on the recent Federal court decisions to insure the veterans of this Nation are granted the full measure of their constitutional rights.●

● Mr. CRANSTON. Mr. President, I today joined as a cosponsor with the Senator from Colorado (Mr. HART) in the introduction of S. 330, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act," a bill to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply certain provisions of the Administrative Procedure Act to the rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

BACKGROUND

Mr. President, in the last Congress, the Senator from Colorado introduced a measure, S. 364, providing for judicial review of final Veterans' Administration decisions and for other changes relating to VA procedures. As I stated on July 19 of last year, in remarks appearing at pages 21673 through 21674 of the RECORD for that date, the Committee on Veterans' Affairs held 5 days of hearings on that legislation. From the testimony received at those hearings, it became apparent that, although S. 364 had served very well to focus needed attention on the complex issues of judicial review, administrative procedure, and attorneys' fees, the need existed for a substitute measure more specifically tailored to VA claims, adjudication, and rulemaking processes and to the circumstances of veterans and survivors with claims before the VA.

By July of last year, it became clear that, in light of the time required to complete the drafting of a new measure, the need for further hearings on it prior to committee action, and the very crowded state of the Senate's legislative calendar, there was insufficient time remaining to address this matter effectively during the 95th Congress. Therefore, with the concurrence of my friend from Colorado (Mr. HART), I proposed that committee staff continue its work on the substitute measure and circulate the draft to all interested parties for their comments and criticisms during the fall of 1978 so that early in this Congress, Senator HART and I would be able to introduce a new measure. Also, I agreed to schedule hearings on it and bring it to the committee by May 1, 1979, for disposition.

Mr. President, consistent with these plans, committee staff completed a draft of a substitute measure on December 8, 1978, and circulated it for comments. In a cover letter transmitting the draft legislation, I indicated that the new bill would be introduced early this year. Comments on the draft measure were very extensive and quite helpful and led to substantial revisions.

HEARINGS SCHEDULED

Mr. President, as I noted on January 15 of this year in remarks appearing at page 332 of the RECORD for that date, I originally scheduled hearings on this measure before the Committee on Veterans' Affairs for January 30, based on the assumption that the bill would be introduced on the first day of this Congress. Because introduction was delayed until today in order to complete revisions of the bill based on the extensive comments received on the draft measure, hearings have been rescheduled for February 22, at 9:00 a.m., in room 318 of the Russell Senate Office Building. After the committee has had the opportunity to hear from the administration, veterans' organizations, and other individuals and groups wishing to comment on this legislation, committee action will be scheduled on it before May 1, 1979.

This legislation has gone through an extended developmental process. Thus, the measure being introduced today reflects careful consideration of the views of many individuals and organizations. Nevertheless, I recognize that there are differing viewpoints on certain aspects of this bill; and I want to stress that the developmental process will be an ongoing one. I remain openminded about the final form of the various key provisions, and I look forward to receiving further comments on the legislation as the committee considers the measure.

Mr. President, I would like to take this opportunity to again express my appreciation to the Senator from Colorado (Mr. HART) for his strong leadership on this issue and his continued commitment to congressional consideration of it.

Mr. President, in order that all Senators and the public may have a more complete understanding of the various provisions of this measure, I ask unanimous consent that there be printed in the RECORD at this point an explanatory memorandum on the provisions of the bill.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

EXPLANATORY MEMORANDUM ON S. 330, THE PROPOSED "VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE AND JUDICIAL REVIEW ACT"

This bill has four major purposes: to provide certain codified procedures (derived from those in the Administrative Procedure Act (APA) and Social Security Act (SSA)) for adjudicatory proceedings before the Veterans' Administration, to bring the VA's rule-making activity under the Administrative Procedure Act, to provide for judicial review of certain VA decisions, and to provide for reasonable attorneys' fees for those who represent claimants before the VA and the courts.

TITLE I—ADJUDICATION PROCEDURES

This title contains provisions that would govern procedures for hearings before the Veterans' Administration.

Sec. 101—Amends chapter 51 of title 38, United States Code, to add a new section 3009 codifying, for VA adjudication purposes, the burden of proof and reasonable

doubt standard currently provided for by VA regulation (38 C.F.R. § 3.102).

New section 3009, entitled "Burden of proof; reasonable doubt", consists of subsections (a) and (b), as follows:

Subsection (a) provides that, except where otherwise provided by the Administrator in accordance with provisions of title 38, a claimant has the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that a claim is well grounded. Thus, as presently provided for in VA regulations (38 C.F.R. § 3.102), the initial burden of going forward with evidence to establish all elements of a claim is on the claimant. This subsection will not affect existing statutory or regulatory provisions that specify a different procedure relating to burden of proof (e.g., the statutory presumptions relating to certain diseases in 38 U.S.C. § 312 pursuant to which certain specified diseases shall be considered service-connected without a showing that the particular disease existed during the period of service). In addition, this subsection is not intended to affect the obligation of the VA (pursuant to 38 C.F.R. § 3.103) to provide complete assistance to the veteran in the development of the claim.

Subsection (b) provides, without shifting the burden specified in subsection (a) of this section, that, if, after reviewing all of the evidence in a case, a reasonable doubt remains regarding the merits of a particular claim, the VA is to resolve such doubt in favor of the claimant. This provision is derived from existing VA regulations establishing such a reasonable doubt standard (38 C.F.R. § 3.102) and it is expected that the current definition in that section will continue to be applied.

Sec. 102—Amends section 3311 of title 38, relating to the issuance of subpenas by the Administrator of Veterans' Affairs to specify that subpenas authorized under that section may be served either by personal delivery to the person named or by registered or certified mail. This provision is derived from (and intended to have the same substantive effect as) 42 U.S.C. § 405(d) in the SSA.

Sec. 103—Amends section 4001 of title 38, relating to the Board of Veterans Appeals (BVA), to increase, from 50 members to 65 members, the statutory limitation on the size of the BVA in order to enable it to handle the increased workload that judicial review of VA decisions (as provided for in the new chapter 72 added by section 302 "members" and "associate members" on the BVA; so the term "associate" is dropped as unnecessary. This section also amends section 4001 to add a requirement that the Board dispose of appeals before it in a timely manner and, further, to add a requirement for an annual report from the Chairman to the Congress on the Board's activity for the prior fiscal year, including a report on the average length of time cases were before the Board, together with a projection of the Board's activity for the next fiscal year and an evaluation of the Board's ability to dispose of the cases before it in the current and subsequent fiscal year in a timely fashion.

Sec. 104—Strikes the word "associate" in the description of the members of the BVA in section 4002 for the reason set forth under the explanation of section 103, above.

Sec. 105—Amends subsections (a) and (b) of section 4003 of title 38, relating to BVA decisions, to require the BVA to provide notice to the claimant and an opportunity for a hearing before a decision may be based on "additional official information" received after a BVA decision has previously been made.

Sec. 106—Amends section 4004 of title 38, relating to BVA jurisdiction, to add a clause to subsection (a) so as to require the BVA to provide the claimant with an opportunity for a hearing before the BVA and to require that the BVA decision be based on "evidence and material of record" in order to assure that the claimant is apprised of all material on which a decision is based. This section also amends subsection (b) to remove the requirement that the "new and material evidence" sufficient to allow the Board to reopen a previously disallowed claim be "in the form of official reports from the proper service department". This change reflects the present practice of the Board of reviewing "new and material evidence" on a claim from any source. This section makes a further amendment to subsection (b) to add a sentence which provides that the Board's discretionary authority to reopen a claim will not be diminished by a judicial decision following an appeal under new chapter 72 (as added by section 302 of the bill). The section also amends subsection (d) to require the BVA to mail notice of the decision to the claimant and to specify the reasons for its decision. This latter provision codifies procedures already being followed by the BVA in order to provide a statutory description of specified steps that will precede court review of a matter on appeal (as provided for in the new chapter 72 added by section 302 of the bill).

Sec. 107—Amends subsection (d) of section 4005 of title 38, relating to the administrative procedures to be followed when the claimant disagrees with the initial determination, to add a new paragraph (6) providing for the Administrator to establish as a matter of discretion, pursuant to regulation, a new level of administrative review of a claim for benefits. Such a pre-BVA review level would consist of a hearing, before three VA adjudication employees who had not previously considered the claim, such hearing to take place at the VA field office where the claim was originally brought or, if there are not sufficient personnel to constitute such a panel at that office, at the nearest VA office with enough personnel reasonably available for that purpose. This new authority is designed to give the Administrator the option of offering the opportunity for an expeditious *de novo* hearing before an impartial decisionmaking tribunal, rather than requiring the claimant who wishes such a hearing (in a location other than Washington, D.C.) to wait as much as a year (or longer in some places) for a traveling section of the BVA to reach the field office in question. If such a hearing were provided, it would be in addition to any reconsideration activity by the agency of original jurisdiction that rendered the first decision (as provided for by present section 4005(d)(1)), but such a hearing would satisfy the requirement in section 4004(a) (as amended by section 106 of the bill) of providing the claimant with an opportunity for a hearing on appeal. Subsequent hearing opportunities would still be available, as provided for in present section 4004(b), upon the submission of "new and material" evidence or for any other reason as determined by the BVA. The Administrator is authorized to apply the hearing procedure authorized under this section on a pilot basis for a limited period of time in geographically limited areas in order for the Administrator to test it and make an evaluation of the desirability and feasibility of applying it nationwide.

Sec. 108—Amends section 4009 of title 38, relating to independent medical opinions, to add a new subsection (c) to provide a mechanism whereby a claimant, once there is in evidence before the Board a substantial disagreement between the opinions of two physicians with respect to an issue material to the outcome of the case, would be entitled to have the BVA, after taking other appropriate steps to resolve such disagreement (for example, by obtaining answers to interrogatories that might demonstrate that the purported difference of opinion is actually the result of mistaken assumptions of fact or incomplete availability of relevant data), secure a VA-provided independent medical advisory opinion (an opinion by one or more medical experts, not employees of the VA, after a review of the medical records) as a means of helping to resolve such a difference. The question of whether a "substantial difference" exists on an "issue material" to the outcome of the case would be for determination by the Administrator subject to judicial review under new chapter 72 added by section 302 of the bill. Currently, there are no statutory limits on the VA's discretion as to when to obtain such an opinion.

Sec. 109—Amends chapter 71 of title 38 relating to the Board of Veterans' Appeals, by adding two new sections, one establishing certain procedures to be followed in adjudicatory proceedings (largely derived from sections of the Administrative Procedure Act—5 U.S.C. §§ 554, 555, and 556) and the other setting forth requirements for the Administrator to follow to notify claimants of their procedural rights before the VA.

New section 4010, entitled "Adjudication Procedures", prescribes certain procedural rules for proceedings before the BVA or any intermediate hearing board established under new subsection (d) of section 4005, as added by section 106 of the bill. The new section consists of subsections (a) through (f), as follows:

Subsection (a) sets out the general power of the Administrator to administer oaths, examine witnesses, and take evidence. Similar authority is set out in the Administrative Procedure Act (APA) (5 U.S.C. § 556(c)) and the Social Security Act (SSA) (42 U.S.C. § 405(b)).

Subsection (b) authorizes the admission of any evidence in BVA proceedings, even if such evidence were inadmissable under the rules of evidence, but authorizes the Administrator to prescribe regulations allowing exclusion of irrelevant, immaterial, or unduly repetitious evidence. Similar language is in both the APA (5 U.S.C. § 556(d)) and the SSA (42 U.S.C. § 405(b)).

Subsection (c) specifies certain procedural rights of claimants in BVA proceedings. The first four such rights, the right to review the record, to present witnesses, to make arguments, and to submit rebuttal evidence, are derived from the APA (5 U.S.C. § 556(d)). In addition, the claimant would have the rights to present medical opinions and, pursuant to new subsection (c) of section 4009, as added by section 108 of the bill, have the VA obtain an advisory medical opinion; and to serve written interrogatories which may, in the event a witness fails to answer them, be enforced by means of a subpena to attend a deposition at which the witness would be asked the unanswered interrogatories. Under the prescribed procedure, the witness would have the opportunity to object to the interrogatories before a subpena is issued; and the Administrator would be empowered to modify the interrogatories appropriately. The exercises of discretion by the Administrator with respect to the enforcement and modification of such subpena would be subject to judicial review under new chapter 72 added by section 302 of the bill.

Subsection (d) provides authority for a hearing officer to disqualify himself/herself on grounds of personal bias or other cause and also provides a basis for a party to challenge a member of a panel on such basis. This provision is derived from the APA (5 U.S.C. § 556(d)).

Subsection (e) specifies that the transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding and the decision of the BVA, shall constitute the record of a proceeding and allows a claimant to obtain a copy of the contents of the record. This provision is derived from the APA (5 U.S.C. § 556(e)).

Subsection (f) specifies that, notwithstanding any other provision of law, the adjudication procedures and rights contained in title 38 and prescribed by the Administrator are exclusive. This provision is designed to preclude judicial incorporation of other procedures from the APA or elsewhere. For example, the APA "trigger" provision in 5 U.S.C. § 554(a) provides that the requirements of that "section appl[y] . . . in every case of adjudication required by statute to be determined on the record after opportunity for any agency hearing"; amendments to present section 4004(a), in section 106 of the bill, could be construed, without this preclusion clause, as placing VA adjudication procedures under APA adjudication rules, a result that is not intended.

New section 4011, entitled "Notice of Procedural Rights," requires the Administrator to provide, at each stage of the proceedings before the VA, notice to a claimant of procedural rights and the procedures available to obtain various opportunities for review. This provision is designed to assure that at each critical juncture in the adjudication/appeals process the claimant is then specifically notified of his or her rights regarding the remaining available options.

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

This title brings the VA's rulemaking procedures under the relevant APA provisions. At the hearings before the Senate Committee on Veterans' Affairs on S. 364 in the 95th Congress, the VA indicated that it was already in voluntary compliance with the relevant APA rulemaking provisions as to notice and an opportunity for comment and voiced no objection to having such compliance mandated.

Sec. 201—This section adds to chapter 3 of title 38 a new section 221 to bring the VA within the relevant APA rulemaking provision, 5 U.S.C. § 553.

New section 221, entitled "Rule making", specifically provides for the nonapplicability of the section 553(a)(2) preclusion of the application of the APA to cases involving, among other things, "loans, grants, benefits, or contracts." The practical import of the new section is to codify the notice and publication requirements that the VA is already following in the issuance of rules and regulations.

TITLE III—JUDICIAL REVIEW

This title contains provisions allowing access to the federal court system for review of VA decisions.

Sec. 301—Adds reference to the new judicial review chapter (Chapter 72) to the exceptions from the general preclusion of judicial review of VA decisions in present section 211(a) of title 38.

Sec. 302—Sets out a new judicial-review chapter, chapter 72, entitled "Judicial Review," in title 38, as follows:

New section 4025, entitled "Jurisdiction," describes basic jurisdictional requirements; it consists of subsections (a) through (g), as follows:

Subsection (a) provides for judicial review of a "final decision" in a matter dealing with a "claim for benefits." Judicial review may be obtained in a civil action brought within 120 days of the mailing of notice of the decision by the BVA. The action is to be brought in a Federal district court, either in the home district of the claimant or in the district court for the District of Columbia.

Subsection (b) provides that, in cases "not directly involving a claim for benefits," the title 38 provision that precludes judicial review (section 211(a) shall not bar a civil action otherwise authorized by law. This provision is intended to assure that nothing in section 211(a) precluding judicial review of VA decisions operates to bar challenges to VA regulations, practices, or procedures that would be open to judicial challenge if carried out by any other federal agency, and that VA determinations of fact and law in such matters as a school's claim for a fee under section 1784 are also subject to judicial review.

Subsection (c) defines "final decision" as used in subsection (a) of this new jurisdictional section. The term is defined to include not only a decision on the merits but also a refusal to reopen a claim and a refusal, on the basis of nonconformity with the BVA chapter provisions or lack of timeliness, to consider a claim.

Subsection (d) specifies that the new chapter does not change the present rules governing appealability of matters under chapter 19 (insurance) and chapter 37 (home loans) because there are established procedures in both chapters and no need to change them has been shown.

Subsection (e) directs that a complaint seeking appeal of a decision relating to a claim for benefits include sufficient information to assist the VA in properly identifying the file in question.

Subsection (f), derived from the SSA (42 U.S.C. § 405(g), requires the VA to file the various materials that constitute the record in the case together with its answer to the complaint. This provision should enable a reviewing court to render a decision on the pleadings, thereby generally obviating the need for any hearing.

Subsection (f), derived from the SSA (42 U.S.C. § 405(g)), empowers the court to render a decision on the pleadings; it is anticipated that, as occurs in SSA cases, this will be the normal practice.

New section 4026, entitled "Scope of Review", defines the reviewing court's role in considering appeals brought under the new chapter. This new section consists of subsections (a) through (c) as follows:

Subsection (a) uses APA language (5 U.S.C. § 706) to define the scope of judicial review. The import of this provision is to give a reviewing court the responsibility to decide questions of law while deferring to the Administrator on questions of facts as long as such findings are supported by substantial evidence. The result is the usual balance for judicial review of administrative decisions—the agency will prevail on questions of fact (unless unsupported) and the court determines, de novo, question of law.

Subsection (b) delimits the role of the reviewing court, consistent with new subsection (a), above, by specifying that findings of fact will not be subject to a trial de novo.

Subsection (c) provides that in a matter resolved by the VA solely on the basis of a failure to conform to VA procedures, the reviewing court may consider only issues raised as to the validity of and conformity with the regulation or procedure. The effect of this provision is as follows: if the court upholds the procedure and its application to the facts, there would be no need for any further review of the claim for the benefits; if, on the other hand, the court rules that the procedure is unlawful, the underlying claim for benefits would be returned to the VA for consideration.

New section 4027, entitled "Remands", provides for three different forms of remands. Under the first, the Administrator is given the option to recall a case (after it is appealed) for a single reconsideration. This provision, modeled on one in the SSA (42 U.S.C. § 405(g)), is designed to save the time and expense associated with an appeal when it is clear the court will find for the claimant. There has been some criticism of this provision in the SSA scheme; and it is included in this draft in a modified form that allows only the single callback and that requires the VA to act promptly (within 90 days) or have the matter returned to the court. The second remand provision allows the court, in its discretion, to remand a case once the Administrator files an answer. The final remand provision allows either side to request a remand—to adduce further evidence—after the VA has filed its answer. Once the party requesting the remand has shown that additional material evidence would be introduced and that there were reasonable grounds for the failure to submit it before the matter reached the court, the court must remand the case to the Administrator to take the additional evidence.

New section 4028, entitled "Survival of Action", provides that actions brought under new section 4025, above, as added by this section of the bill, survive the tenure of any individual as Administrator.

New section 4029, entitled "Appellate Review", provides that decisions of district courts pursuant to this new chapter of title 38 shall be subject to review in other federal courts in the same manner as judgments in other civil actions.

Sec. 303—Amends section 1346 of title 28 of the United States Code, limiting the jurisdiction of Federal district courts in matters involving pensions, by specifying that the exclusion shall not apply to VA pension matters.

TITLE IV—ATTORNEYS' FEES

This title revises the present title 38 limitation of $10 for claimants' attorneys' fees by providing for the approval by the Administrator of attorneys' fees, within certain limits, for representation of individuals before the Veterans' Administration and for court approval of a reasonable attorney's fees in cases appealed to court under the new chapter 72 in which the claimant prevails. The title also contains provisions allowing a court to award a reasonable attorneys' fee to a prevailing party other than the Administrator and for judicial review of a fee determination and approval.

Sec. 401—Amends existing section 3404 of title 38, relating to recognition of agents and attorneys and to attorneys' fees.

Clause (1) amends subsection (c) of section 3404 to provide for the approval by the Administrator of an attorneys' fees above the present $10 maximum if the claim is allowed following the claimant's receipt of a statement of the case pursuant to present section 4005(d) (the first procedural step following the claimant's notice to the VA that he or she disagrees with an initial denial of the claim) and to retain the present $10 limitation for cases resolved upon the initial proceeding at the regional level (that is, prior to the receipt of the statement of the case). With respect to claims resolved within the VA but following the receipt of the statement of the case, the approval of a fee is limited to the lesser of—

(A) the fee agreed upon by the claimant and attorney, or

(B)(i) $500 (or a greater amount specified in regulations based on changed national economic conditions subsequent to the date of enactment of the revised subsection) except that a greater amount may be approved by the Administrator in an individual case involving extraordinary circumstances, or

(ii) if the claimant and attorney have entered into a contingent-fee agreement, an amount not in excess of 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim. The percentage figure for contingent-fee cases is borrowed from the SSA (42 U.S.C. § 406(a)), but the specific dollar upper limit on the fee was added because, unlike many Social Security cases, there may be a significant number of claims before the VA which

would benefit a claimant substantially and yet would result in little or no award of past-due benefits, thereby rendering a contingency arrangement impractical.

Clause (2) further amends section 3404 by adding six new subsections, (d) through (i), as follows:

New subsection (d) deals with the approval of attorneys' fees in cases appealed to the court. Before any fee may be approved, there is the requirement that the matter be resolved in a manner favorable to the claimant. The SSA (42 U.S.C. § 406(b)(1)) has a similar provision requiring, as a precondition for any attorneys' fees, successful representation for court appeals; this requirement is intended to protect claimants by involving the legal community in screening the valid from the invalid complaints and should, therefore, work to reduce the volume of litigation of VA-related claims. The actual approval scheme places the authority in the court to approve "a reasonable fee" in successful cases, and the only specific limitation is in cases where the claimant and attorney have entered into a contingent-fee agreement. As with cases resolved before the Veterans' Administration, the fee in such cases is limited to an amount not in excess of 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim.

New subsection (e) provides authority for the Administrator to authorize payment to the attorney from any past-due benefits that are awarded but precludes the VA from making payments if there are no past-due benefits—thus leaving the lawyer and the client to make their own arrangements for payment in that event.

New subsection (f) provides a method for review of either the Administrator's or a court's approval of attorneys' fees. Where the claim for benefits is resolved within the VA, either the claimant or the attorney would be permitted to bring an action challenging the amount approved in a Federal district court (in the claimant's home district) within thirty days after the date of notice of the approval of the attorneys' fee. Where the court approves a fee, either the claimant or attorney would be permitted to make a motion to modify the fee in the United States district court where the appeal to court was considered. All parties to the matter are to be given notice of an action or motion for review of the fee determination.

New subsection (g) limits the applicability of this section to cases involving claims for benefits. Thus, in all other types of cases (constitutional challenges to regulations, Freedom of Information Act cases, and other non-claim cases)—where no claim for benefits is involved—the individual and the attorney would be able to agree to any fee arrangement free of the $10 limit and other limits in this section.

New subsection (h) provides that, for the purpose of the attorneys' fees provisions, a claim is to be considered as having been resolved favorably to a claimant when any or all of the relief sought is granted.

New subsection (i) provides that a court may, in its discretion, allow a prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs awarded following its decision. This provision is designed to permit a court to evaluate all of the circumstances of a particular claim and, in particular, the VA's basis for denying the relief requested when the matter was before the agency. The court's evaluation of the VA's position should be similar to that undertaken by the courts in Freedom of Information Act cases when the issue to be resolved is whether the governmental agency involved had a reasonable or colorable basis in law for its action. Accordingly, there should seldom be an award of attorneys' fees under this provision; an award would be appropriate only upon a finding by the court that the VA had been "recalcitrant" in its denial of a valid claim or had otherwise "engaged in obdurate behavior" in the adjudication of the claim.

Sec. 402—Makes a gender correction and strengthens the title 38 provision relating to attorney impropriety. The language used in the draft is patterned on a provision in the SSA (42 U.S.C. § 406(b)(2)), and the thrust of the provision is to authorize a court to punish an attorney or other person for willful and intentional defrauding of a claimant.

TITLE V—EFFECTIVE DATES

This title has two sections, one for the effective date of the Act and the other to allow for some review of BVA decisions rendered before the bill is enacted.

Sec. 501—Makes the Act effective six months after the date of enactment.

Sec. 502—Allows for review of BVA decisions rendered on or after January 1, 1977, and prior to the effective date of the Act. The provision also specifies that any appeals of these decisions rendered prior to the effective date of the Act must be brought within 120 days after the effective date of the Act or after mailing of notice by the Administrator to the claimant of the right to such an appeal, whichever is later.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Mr. HART, for himself and Mr. CRANSTON, dealing with rulemaking procedures of the VA and judicial review thereof be jointly referred to the Committees on the Judiciary and Veterans' Affairs and when and if it is ordered reported by one committee the other committee then have 30 days to act on it or be discharged.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. BAUCUS, Mr. BAYH, Mr. BENTSEN, Mr. BIDEN, Mr. BUMPERS, Mr. DURKIN, Mr. EAGLETON, Mr. GRAVEL, Mr. HAYAKAWA, Mr. INOUYE, Mr. JOHNSTON, Mr. LEVIN, Mr. MCGOVERN, Mr. METZENBAUM, Mr. NELSON, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SASSER, Mr. STAFFORD, Mr. STENNIS, Mr. STEVENSON, and Mr. TSONGAS):

S.J. Res. 31. A joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan and the Pescadores, and for other purposes; to the Committee on Foreign Relations.

PEACE, PROSPERITY, AND WELFARE ON TAIWAN

Mr. CRANSTON. Mr. President, Senator KENNEDY and I, along with 25 other Senators, are introducing a joint resolution that will reaffirm the concern of the United States in the peace, prosperity, and welfare of Taiwan and will establish clearly the respective responsibilities of the President and Congress for that peace, prosperity, and welfare. The cosponsoring Senators are: BAUCUS, BAYH, BENTSEN, BIDEN, BUMPERS, DURKIN, EAGLETON, GRAVEL, HAYAKAWA, INOUYE, JOHNSTON, LEVIN, MCGOVERN, METZENBAUM, NELSON, PELL, PRESSLER, PROXMIRE, RANDOLPH, RIBICOFF, SASSER, STAFFORD, STENNIS, STEVENSON, and TSONGAS.

The President's decision to establish full diplomatic relations with the People's Republic of China was a necessary decision, a decision which recognized the reality of Peking as the actual government of 900 million Chinese. It was the proper function of the President to make the decision whether to establish diplomatic relations with the People's Republic of China. At the same time, America's interest in the overall security of Taiwan and the Pescadores is a responsibility of both the President and Congress. The role of Congress must not be left to unilateral whim or mandate of any President.

The resolution requires action by the President with full congressional participation and concurrence and gives assurance that whatever action is taken by the United States to maintain the peace, prosperity, and welfare of the people on Taiwan and the Pescadores will be in accordance with constitutional processes and procedures by the President and Congress.

It is important, now, at the outset of a new relationship with the People's Republic of China, that this concern and responsibility of Congress and the role of the President be made clear so that the peace, prosperity, and welfare of Taiwan will, in fact, be assured.

There appears to be some small difference of opinion on this resolution between the White House and the Congress.

The White House has its view, we have ours.

The White House believes the resolution is unnecessary—presumably because it believes the agreement President Carter has reached with the Chinese Government adequately assures the security of Taiwan.

I, for one, have no quarrel with that assumption about Taiwan's security. I support the United States-China agreement and I agree that it is adequate for the security of Taiwan.

But it is not so perceived by some Members of Congress—as evidenced by the number of other Taiwan resolutions that have been introduced. And it is not so perceived by much of the public—as evidenced by the polls.

It is largely to correct this misperception, to make clear that U.S. recognition of the Peking government in no way means that the United States intends to abandon Taiwan, that we have introduced this resolution.

Our resolution simply spells out in more detail what the United States-China agreement implies, but leaves unsaid.

We believe our resolution reinforces the United States-China agreement. The White House, as of this moment, does not think the agreement needs reinforcing.

We think it does.

Another question has come up about this resolution:

Whether the resolution represents only one segment of philosophy in the Senate or a broad spectrum representing the majority of the Senate. The fact that Senator KENNEDY and I have been joined by 25 Senators, and that among them are Senators STENNIS, JOHNSTON, BENTSEN, HAYAKAWA, indicates the broad base of

support for the substance of this resolution.

I am sure that it is a fact that a strong majority of the Senate wishes to express its concern about the security of Taiwan—without doing so in a way that destroys our new relationship with the People's Republic of China.

This resolution represents an effort to do exactly that.

Mr. President, at this time Senator KENNEDY and I submit a resolution in which we are joined by 25 other Senators. I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the governments of the United States and the People's Republic of China, on January 1, 1979, recognized each other and established diplomatic relations;

Whereas the President, on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a correspondingly deep concern for the peace, prosperity and welfare of the people on Taiwan;

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

SEC. 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. CRANSTON. I am, of course, delighted to yield to my good friend and colleague from New York.

Mr. JAVITS. Mr. President, as the Senator knows, I am a member of the Committee on Foreign Relations, and recently have been honored to be its ranking member.

First, I would like to agree with him that the majority of the Senate feels there must be provisions respecting Taiwan which are binding in law as well as in policy. Whether or not those provisions should be contained in a resolution separate from the enabling legislation which, for the information of the Senator—and perhaps he knows it already—has actually been sent to us by the administration——

Mr. CRANSTON. Yes, I am aware of that.

Mr. JAVITS (continuing). Or whether it shall be cranked into that particular legislation is something which naturally our committee will decide.

I welcome the introduction of this resolution. I think the Senator would have many more sponsors were it not for the fact that we on the committee, although he does have one or more members of the committee, and many other Senators want to wait to see just how the procedure lays out and what the hearings show.

Of the substantive question, in my opinion, and there is no question about it, I deeply believe that the problem that is going to be presented to us is a problem of technique which is resolvable.

The administration has an idea for setting up an autonomous corporation here; presumably an autonomous corporation will be set up there, and these all raise important legal questions, all capable of solutions.

It is a unique situation, a matter of first impression, but I am confident that we can deal with it effectively.

The point that I wish to make, and the reason why I took the liberty of asking the Senator to yield, is that I wish to express myself as sharing fully in the sense of responsibility which dictated to such leading advocates as Senator KENNEDY and yourself for this new policy of normalization with the People's Republic, the element of which is so difficult, was that cutting off recognition of and diplomatic relations with Taiwan does not change the substantive sense of responsibility and the substantive policy of the United States that the security, integrity, and the self-determination right of the people of Taiwan is a matter essential to the national interest of the United States.

I wish to assure both my friends and colleagues who are sponsoring this resolution, and the other Senators who have joined with them, that if I can humanly help them, and I think I can, it will be an absolutely sacred trust in the Committee on Foreign Relations to see that the purpose which my colleagues have in mind is effectively carried out.

Mr. CRANSTON. I welcome the comments of the distinguished Senator from New York, whose role is so important in foreign affairs always, and who has new strength now that he is the ranking minority member of the Committee on Foreign Relations, and I have full faith that the committee will proceed in the wisest way in dealing with this issue, and if it chooses to incorporate this general concept in the enabling legislation that it will be working on, that is perfectly fine from my point of view.

I know that we share a common interest, and I appreciate very much the participation in the discussion of the wise Senator from New York.

Mr. JAVITS. Thank you very much.

Mr. CRANSTON. I am now delighted to hear our distinguished colleague from Massachusetts. He and I join together in the effort to do what this resolution seeks to accomplish.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am pleased to join with the senior Senator from California (Mr. CRANSTON) and 25 other Senators in introducing this joint resolution which confirms the continuing U.S. interest in the peace, prosperity, and welfare of Taiwan.

Representative LESTER WOLFF, chairman of the House International Relations Subcommittee on Asian and Pacific Affairs, is introducing this joint resolution along with 88 cosponsors to date in the House of Representatives.

I welcome the broad base of support, ranging across the political spectrum, which is reflected in the cosponsorship of our resolution. We know and welcome the fact that many other Members of Congress intend to cosponsor and otherwise support this resolution in the days ahead.

We have consulted with the chairman of the Foreign Relations Committee and with his colleagues, and we look forward to early consideration and action by both the Senate committee and the House International Relations Committee, and then by both Houses of Congress and the President. This will permit the Congress to make provision for the peaceful resolution of the Taiwan issue by the Chinese on both sides of the Taiwan Strait, as part of the legislation designed to implement the decision to normalize relations between China and the United States.

The objective of U.S. policy should be to maintain the continuity of our relations with Taiwan on an unofficial basis. Together with the omnibus legislation which the President has submitted to the Congress, this resolution will confirm that the United States can normalize relations with China at the same time that we act with responsibility on Taiwan.

The resolution confirms our continuing interest in the peaceful resolution of the Taiwan issue. It provides for continuing defensive arms sales to Taiwan. It directs the President to inform the Congress promptly of any danger to the peace, prosperity, and welfare of Taiwan, and it declares that it is United States policy to meet any such danger in accordance with our constitutional processes—just as we have been committed to do under the mutual defense treaty which will terminate on December 31.

I strongly agree with President Carter's statesmanlike decision to normalize relations with China. I will actively support both the confirmation of Ambassador Woodcock and the legislation needed to shift our relations with Taiwan from a governmental to a nongovernmental basis—recognizing that both Taipei and Peking insist that there is only one legal Government of China.

The President's decision was right in its recognition of the reality of China.

It was responsible in its provision for the continuing well-being of the people on Taiwan, and it was well-timed to maximize the opportunities of the United States in our triangular relationship with China and the Soviet Union; to consolidate the unprecedented process of accommodation among China, Japan, and the United States; and to usher in a new era of cooperation and understanding between the world's most powerful and the world's most populous nations.

This resolution will confirm that we can be realistic in our relations with China and responsible in our relations with Taiwan. While the form of our relations with both sides must change, the substance can and should remain unaltered.

In this connection, I welcome the recent Chinese statements confirming both their patience and their strong preference for a peaceful solution of the Taiwan issue. These reinforce my view that China will not attack Taiwan, not least, because it has neither the interest nor the capability to do so successfully.

By normalizing relations with China, I believe that we have made an indispensable contribution to the future peace and stability of the area, and to the future well-being of Taiwan with which our resolution is concerned.

By Mr. BELLMON (for himself and Mr. BOREN):

S.J. Res. 32. A joint resolution to designate November 4, 1979, as "Will Rogers Day"; to the Committee on the Judiciary.

WILL ROGERS DAY

● Mr. BELLMON. Mr. President, on behalf of my colleague, Senator BOREN, and myself, I introduce a joint resolution requesting the President to designate November 4, 1979 as "Will Rogers Day" in commemoration of the 100th anniversary of the birth of Will Rogers, the noted American humorist and philosopher.

Will Rogers looked at the world and translated complicated events in a way that could be understood by all. He loved life in America and portrayed our politics, educational system, and our economic system with clarity and wry humor.

Mr. President, Will Rogers was well known on Capitol Hill and had many cleverly expressed opinions about Government and politics. He was well aware of the pressures of elective office and commented:

I joke about 'em (Congressmen) but at heart I really like the rascals. They are all right.

The words of this man are as alive today as the day they were penned. As we look forward to yet another struggle over the Federal deficit we can remember what Will Rogers said about appropriations:

We will never get anywhere with our finances till we pass a law saying that everytime we appropriate something, we got to pass another bill along with it stating where the money will come from.

Mr. President, Will Rogers is Oklahoma's best known native son. In addition, he was an ambassador of good will to foreign countries for all of America. It is only fitting and proper that we honor his memory with the designation of November 4, 1979 as "Will Rogers Day."●

ADDITIONAL SPONSORS

S. 1

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 1, the Food and Agriculture Act of 1979.

S. 14

At the request of Mr. CHURCH, the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD), the Senator from Texas (Mr. BENTSEN), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 14, to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws.

S. 15

At the request of Mr. LEVIN, the Senator from Massachusetts (Mr. TSONGAS), the Senator from Indiana (Mr. BAYH), the Senator from Ohio (Mr. METZENBAUM), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from Wisconsin (Mr. NELSON), the Senator from Vermont (Mr. LEAHY), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 15, to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards.

S. 55

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 75

At the request of Mr. DOLE, the Senator from Mississippi (Mr. COCHRAN) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 75, to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 114

At the request of Mr. DECONCINI, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 114, to impose rational criteria for the imposition of capital punishment.

S. 129

At the request of Mr. CHURCH, the Senator from Oregon (Mr. HATFIELD) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 129, to designate September 17, 1987, as a public holiday.

S. 208

At the request of Mr. WALLOP, the Senator from Wyoming (Mr. SIMPSON) and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 208, to amend the Internal Revenue Code of 1954 to subject foreign investors to capital gains tax from the sale or exchange of real property situated in the United States.

S. 222

At the request of Mr. DURKIN, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 222, the Alaska National Interest Lands Conservation Act of 1979.

SENATE JOINT RESOLUTION 2

At the request of Mr. DECONCINI, the Senator from Florida (Mr. STONE) was added as a cosponsor of Senate Joint Resolution 2, to require the Federal Government to end deficit financing.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from Texas (Mr. BENTSEN) and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of Senate Joint Resolution 20, to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of the respective parity prices, and for other purposes.

SENATE RESOLUTION 11

At the request of Mr. DECONCINI, the Senator from South Dakota (Mr. PRESSLER) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of Senate Resolution 11, asserting the commitment of the American people to the continued independence of the people of Taiwan.

SENATE RESOLUTION 48—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. KENNEDY, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 48

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1979, through February 28, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,835,900, of which amount not to exceed $230,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 49—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF AMTRAK ROUTE TERMINATIONS

Mr. SCHMITT (for himself, Mr. RANDOLPH, and Mr. BAUCUS) submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 49

Resolved, That the Senate disapproves of the final recommendations designating the basic route system for the National Railroad Passenger Corporation, submitted to the Congress by the Secretary of Transportation on January 31, 1979, pursuant to section 4(e) of the Amtrak Improvement Act of 1978.

Mr. SCHMITT. Mr. President, yesterday the administration announced its proposal to cut back Amtrak services around the Nation, eliminating 16 intercity passenger trains and abandoning about 12,000 miles of the 27,000 miles of passenger track. This drastic move would leave many cities completely without train service, including Dallas, Tex.; Atlanta, Ga.; Little Rock, Ark.; Nashville, Tenn.; Omaha, Nebr.; Charleston, W. Va.; and Albuquerque, N. Mex.

The necessity of reorganizing the Amtrak route structure is not a matter of dispute. In the process of reorganizing, however, it is essential that we not lose sight of the reason for having Amtrak: To provide fast and dependable train service for Americans. I fail to see how Amtrak can do this by eliminating service altogether for towns and cities all across America.

Fortunately, the Congress can send the proposed route changes back to the Department of Transportation for reconsideration simply by passing a resolution of disapproval, provided for in the Amtrak Improvement Act of 1978.

I am submitting such a resolution today, and I call upon my colleagues who are concerned with maintaining a true national rail capability in our country to join in supporting its passage. If future generations of Americans in dozens of towns and cities all across America are to have access to passenger train service in the years ahead, we must return the proposed Amtrak cutbacks to the Department of Transportation for reconsideration.

SENATE RESOLUTION 50—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF THE PROPOSED BUDGET DEFERRAL AUTHORITY TO PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH

Mr. KENNEDY (for himself, Mr. GRAVEL, Mr. MAGNUSON, Mr. HOLLINGS, Mr. STEVENS, Mr. MUSKIE, Mr. JACKSON, Mr. CRANSTON, Mr. TSONGAS, Mr. WEICKER, Mr. HATFIELD, Mr. INOUYE, Mr. PELL, Mr. CHAFEE, Mr. MATSUNAGA, Mr. PACKWOOD, Mr. HAYAKAWA, and Mr. COHEN) submitted the following resolution, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Commerce, Science, and Transportation, jointly, pursuant to order of January 30, 1975:

S. RES. 50

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral D79-6) to promote and develop fishery products and research pertaining to American fisheries set forth in the special message transmitted by the President to the Congress on October 2, 1978, under section 1013 of the Impoundment Control Act of 1974.

● Mr. KENNEDY. Mr. President, I am submitting today, along with a number of my colleagues from coastal States, a resolution disapproving the proposed deferral of budget authority to promote the development of a strong domestic fishery industry. This action was necessitated by a request from the Office of Management and Budget for deferral of $12,060,000 from the Saltonstall-Kennedy (S-K) reserve fund for fiscal year 1979. The resolution has the strong support of the entire U.S. fishing industry, from New England to Alaska, from the Gulf States to the Pacific. I want to particularly applaud the efforts of Senator GRAVEL in support of the S-K fund. His advocacy on this issue has been invaluable, and the Alaskan fishing industry is fortunate to have both he and Senator STEVENS protecting their interests in the U.S. Senate.

The Saltonstall-Kennedy fund was established in 1954 for the purpose of "promoting the free flow of domestically produced fishery products," and is maintained through the transfer of 30 percent of the duties collected on imported fish products. Congress intended that these funds be used for a variety of development activities, including research, education, and market development.

In recent years, much of the S-K revenue has been used to support fisheries development activities of the National Marine Fisheries Service (NMFS), and, in effect, has become part of the base budget of NMFS. In 1976, the fund was substantially increased—due in part to higher prices on imported fish products—and NMFS began to solicit project proposals in order to make use of these reserve funds in a manner consistent with the provisions of the Saltonstall-Kennedy Act. After over a year of extensive planning and consultation with the domestic industry, NMFS has prepared a comprehensive nation-wide plan which would require at least $5 million in S-K funds.

We simply cannot afford to delay the implementation of this plan. And nowhere is that more clear than in New England

After a decade and a half of watching foreign fleets decimate one of the world's richest fishing grounds, Congress finally enacted the Fishery Conservation and Management Act in April of 1976. For all those years, the United States imported vast amounts of fish while our own fishing grounds attracted nearly 1,000 foreign ships each month. The New England fishing industry limped along—undersized and underfinanced—as fish imports from foreign countries grew year after year. The 200-mile zone was supposed to end this tragic story. The truth is that it has not. A look at our balance of trade reveals that our deficit in fish products has dramatically increased since passage of the 200-mile zone. In 1975, prior to passage of the act, that deficit was $1.3 billion. Today, it stands at over $2 billion. And, unless we both promote exports and gain a greater share of our own market, this deficit will continue to grow year after year.

Our New England fishermen, faced with strict quotas on groundfish and the administration's refusal to impose countervailing duties on imported fish, have become increasingly frustrated by the lack of support they receive from their own Government. Just last month, the fishermen of Portland blockaded their own harbor in protest of subsidized Canadian fish which is being dumped on docks from Maine to Massachusetts.

The New England S-K proposals will begin to address this problem. They seek to expand both foreign and domestic markets for American fishermen, and they hope to promote markets for the so-called underutilized species in order to relieve some of the pressure on traditional groundfish stocks such as cod, haddock and yellowtail flounder.

If we are to capitalize on the opportunities available as a result of the 200-mile zone, then this program deserves our immediate attention. If we are to reduce our trade deficit and control inflation, then we should support early funding of these projects.

The pending request for deferral would effectively close out the possibility of funding these projects in this fiscal year. I understand that the Office of Management and Budget has apportioned the funds remaining after the deferral for NMFS base operations, a tuna development project and one-time carryover items. No funds, however, would be available for the projects approved by NMFS totalling some $5 million.

Unfortunately, the administration has also announced its intent to propose legislation which would abolish the S-K fund in fiscal year 1980. Just as we are beginning to make progress on devising a sound strategy for the development of our domestic fishing industry, we cannot afford to eliminate a major source of Federal support. I am hopeful that the strong support for this resolution in the Senate will encourage the administration to reconsider this proposed legislation.

Mr. President, this resolution will provide the funds necessary to move forward toward the development of a viable domestic fishing industry. I urge its adoption.●

● Mr. GRAVEL. Mr. President, I am pleased to submit along with Senator KENNEDY a resolution designed to make funds available for the development of the U.S. fishing industry. This resolution is intended to direct the Office of Management and Budget to release several million dollars to various fishery development projects affecting all coastal States, especially my State of Alaska. The reso-

lution has wide bipartisan support and I am pleased to join Senator KENNEDY today in its introduction.

The purpose of this disapproval resolution is to require OMB to release money which has already been collected and deposited in the Saltonstall/Kennedy fisheries development account. The money has been there awaiting disbursement since early 1978, but due to numerous delays and setbacks it has not yet been released. Passage of this resolution will compel that long overdue release.

The development of the fishing potential off our American coasts is an endeavor which has been neglected far too long. While the U.S. fishing industry remains in many ways in a state of infancy, other fishing nations are decades ahead of us in fisheries capturing, processing, and marketing capabilities. These foreign nations have been so successful in their development efforts that they not only have moved toward full utilization of their own 200-mile fishing zones but can be found in force off our American coasts as well. I believe that the hour is now upon us when the United States should direct serious attention to the treasure trove of fishery resources off our shores.

The Saltonstall/Kennedy Fisheries Development Fund was created in 1954 for the express purpose of fostering this much-needed oceanic development. Twenty-one projects have currently been chosen for funding, each of which is designed to encourage the full and more efficient utilization of the American fishery resource. Of the approximately $6 million available for these 21 projects, the Alaskan project was allotted $1.45 million for a pilot project designed to provide basic fisheries catching, processing and marketing information regarding bottom fishing. Collection and distribution of this information is considered an essential prerequisite to the encouragement of wide participation in the fishing of underutilized species.

The benefits of such an expanded ocean fishery would be manyfold. Probably the most significant would be the sizable contribution such a new fishery would provide toward helping to correct the large deficit in the Federal budget. At present there exists an annual $2.1 billion trade deficit attributable to fisheries imports alone. The development of the U.S. fisheries potential just off the coast of Alaska could not only eliminate this deficit situation but might actually create a favorable export surplus in fisheries products. Additional obvious benefits would be the creation of jobs, the development of a major new source of protein and a general stimulation of the economy.

These numerous benefits, however, will only be realized when a number of existing unknowns in these new fishing activities can be eliminated. Since a substantial portion of the potentially exploitable fishery in the U.S. 200-mile zone involves species which Americans have heretofore largely ignored, a major impediment to fisheries development in the United States is the lack of basic knowledge and technical know-how on the part of fish harvesters and fish processors with these underutilized species.

Unlike large multinational corporate entities with annual allotments for continuing research and development, the U.S. fishing industry is a highly fragmented and loosely organized collection of mostly small companies. They lack sufficient financial reserves and centralization to undertake major development projects on a comprehensive scale. Assistance from programs like the Saltonstall/Kennedy Development Fund is absolutely essential to their continued expansion and development. Pilot projects such as these provide the vital economic information which lending institutions require to extend investment capital and which fish processing companies and fishermen must have to make planning decisions.

For Americans—investors, processors and fishermen alike—to take advantage of these new fisheries opportunities, much basic information is still required. The projects contemplated for funding by the Saltonstall/Kennedy Fisheries Development Fund are designed to provide some of the answers to these fundamental questions.

Therefore, Mr. President, I believe a significant first step in promoting the development of the U.S. fishing industry can be the passage of this disapproval resolution. The passage of the 200-Mile Fishing Act in 1976 set the stage for America's entry into the fishing industry on a large and competitive scale. Passage of fisheries development measures such as this resolution of disapproval will insure that the momentum begun by the Fishery Conservation and Management Act will be sustained and that the United States will realize the great potential which full utilization of the resources of our coastal fishing zone can provide.

Mr. President, as a final note, I would like to draw your attention to an article entitled, "U.S. Fishermen Gear Up For a Haul Off Alaska" which appeared in the January 29, 1979 issue of Fortune magazine and I would ask unanimous consent that the text of the article appear at this point in the RECORD. Thank you, Mr. President.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. FISHERMEN GEAR UP FOR A HAUL OFF ALASKA

(By Grant F. Winthrop)

Heeding the exhortation of Alaska's state motto, "North to the Future," many Americans have ventured there to claim a share of its gold, oil, and other natural riches. Now a new boom may be in the making. This time the lure is fish, billions of pounds of them that swim far off Alaska's coastline. They became part of Alaska's natural-resource wealth in 1977, when the U.S. expanded its twelve-mile fishing zone to 200 miles. The worldwide demand for fish as a source of food is great and growing. When the fishing industry in the Pacific Northwest starts catching and processing the bounty in the eastern Bering Sea and Gulf of Alaska, as it is preparing to do, the U.S. deficit in seafood trade—$2.1 billion in 1977, 8 percent of our total trade deficit—could be greatly diminished or even wiped out.

The prospects have brightened not only for U.S. fishing but for U.S. fish processing—thanks to protectionist legislation passed by Congress last August. The man who instigated much of that lobbying effort—C. Reid Rogers, chairman of Seattle's New England Fish Co.—is bursting with enthusiasm over what the new legislation, coupled with the 200-mile limit, could mean to his industry. Says Rogers: "We have before us the opportunity to develop a major new U.S. food resource."

That resource is bottom fish, a broad category that includes such fish as perch, cod, and pollack. Rogers' company and other U.S. seafood companies that do business in Alaska are building bigger, better boats, expanding processing plants, and exploring new markets—in order to catch, freeze, and sell those bottom fish.

U.S. bottom fishing in the northern Pacific area has up to now been a small-scale business. American fishermen in those waters have concentrated on species such as salmon and crab, which are caught in relatively low volume but fetch much higher prices than bottom fish. It is not unusual for the captain of an Alaska crab vessel to make over $150,000, and his crew over $60,000 apiece, for a season's work. But the growing number of crab fishermen putting to sea has led to a contraction of the season in order to conserve stocks, and many crab fishermen are turning these days to bottom fishing.

ALLOCATING THE LEFTOVERS

Saturation of the crab fishery is only one factor in the emerging interest in bottom fishing. More important, American fishermen, who have traditionally left the northern Pacific bottom fishery to foreigners—especially to Russians, Japanese, and Koreans, with their huge, sophisticated factory fleets—now have preference over these fleets within 200 miles of the U.S. coast. Within that wide offshore band, subject to conservation limits imposed by the Commerce Department's National Marine Fisheries Service (NMFS), U.S. fishermen may catch as much as they want before foreigners are allowed to fish there at all. The new law, which became effective in March of 1977, put under U.S. jurisdiction an area three times larger than the Louisiana Purchase, containing an estimated 20 percent of the world's seafood resources.

The law was designed in part to protect these vast resources, some of which were being depleted by intensive foreign fishing off our shores. It provided for regional fisheries councils, whose job is to determine how much of each species can be caught in the various fishing regions without endangering stocks. American fishermen are allowed to catch any amount of fish within those quotas. Anything left over can then be allocated by the State Department to foreign fleets. The allocations, as it turns out, may have given the U.S. government some new leverage when it comes to negotiating tariff restrictions on seafood in other countries.

The U.S. industry has a way to go before it can catch up with advanced fishing nations like Japan and West Germany, but the 200-mile law has been a compelling investment incentive in New England, where the effects of foreign competition were particularly onerous, waning coastal cities like Gloucester and New Bedford have been considerably rejuvenated. Fishermen are more prosperous, and the pace of shipbuilding has quickened.

But East Coast fishermen are now running up against the conservation provisions in the law. "When the 200-mile limit came in, everybody said, 'Oh boy, the lid's off,'" says Henry Lyman, a member and former chairman of the New England Regional Fishery Management Council. "What they forgot was that the stocks were already far down from overfishing." The New England council has imposed strict catch quotas and is considering limiting the number of new fishing boats in that area. As a consequence, the revival of the East Coast fishing industry seems limited.

But the opportunities in the northern Pacific region appear almost boundless. Most species of fish in that area are still plentiful. In 1977, Americans caught only 300,000 metric tons of fish and crab off Alaska, about 20 percent of what foreigners netted, so the potential for growth is vast.

Of all the species of fish in the northern Pacific waters, the most abundant by far is Alaska pollack, a high-quality whitefish that is adaptable to many uses. Pollack is not the sort of fish that can be found in the local fishmarket's freezer, but it is widely consumed in the U.S. in fish sticks and other frozen items. It is heavily fished by foreign fleets, especially Japan's, and some American fishermen are gearing up to catch it and supply it to world markets. "The pollack resource in Alaska is enormous," says Terry Leitzell, head of the NMFS. Well over a million metric tons a year are being harvested, mostly by foreigners. To put that in perspective, only 45,000 metric tons of cod and haddock are harvested annually in New England.

Japan, the world's leading fishing nation, is also the major pollack-catching and consuming nation. Most of the pollack consumed there is made into *surimi*, a sort of paste made from ground-up flesh of whitefish. *Surimi* is then made into a variety of different foods that are the equivalent of meat products like bologna, sausage, and salami in this country. *Surimi* and its derivatives are a staple of the Japanese diet.

With the proliferation of 200-mile zones around the world, Japan, like other nations with distant-water fleets, has been put on allocation in many fishing areas. It is increasingly dependent on imports of seafood from other nations, including the United States, which became a net exporter of fish and fish products to Japan in 1977, with $215 million worth of seafood exports, mostly salmon and crab. That number would be multiplied several times if the United States were catching and selling to Japan all the pollack Japan now harvests in U.S. waters. (Last year, the State Department's pollack allocation to Japanese fishermen in the north Pacific was 800,000 metric tons.)

LOSING THE "AURA OF PENANCE"

Seafood consumption in the U.S. is small in comparison with Japan's: Americans eat only thirteen pounds a year per capita vs. fifty-six pounds for the average Japanese. But the domestic market is growing. According to the National Fisheries Institute, per capita consumption of fresh and frozen fish in the U.S. has increased 34 percent in the past ten years. "There has been a change in national attitudes toward fish," says Thomas A. Fulham of Fulham and Maloney Co., Inc., a Boston fish company. Fulham believes that "the turning point came when the Catholic Church changed the dietary laws about eating fish on Fridays." After that, he says, fish lost its "aura of penance." Concern about nutrition and calories has also converted lots of red-meat lovers in the U.S. to seafood.

One of the fastest-growing segments of the U.S. market is whitefish—e.g., pollack and cod—most of which is imported and accounts for a sizable portion of that $2.1-billion seafood balance-of-trade deficit. Whitefish fillets are becoming increasingly popular as a fast-food item: McDonald's "Filet-O-Fish," for example, is a brisk seller. The restaurants, fast-food chains, and institutions that serve whitefish have generally used cod, but today they are increasingly using pollack. Many of the fish sticks and other frozen-fish portions sold in supermarkets consist of pollack. One of the largest purveyors of such items is Mrs. Paul's Kitchens in Philadelphia, which buys some 50 million pounds of frozen pollack a year, most of it from Korea, which in turn gets much of its pollack from within the U.S. northern Pacific fishing zone. It is the prospect of keeping more of this business for the U.S. industry that has fishermen and processors in the northern Pacific so excited.

CHANGE FOR A SALMON CANNER

The company that has been at the forefront of efforts to capture the growing bottom-fish market is New England Fish Co. (Nefco), one of the largest independent fish companies in the United States. Nefco sells fresh and frozen fish, canned and processed seafood, and seafood products—$122 million worth in its fiscal year that ended last March. The business was founded over a century ago in Gloucester (which explains its name), but moved its headquarters to Seattle in 1931. There its main activity until recently has been canning salmon, a business that took a tailspin in 1974 and almost brought about the company's demise. Chairman C. Reid Rogers is still picking up the pieces, but he believes that bottom fishing will be his company's salvation.

Though Nefco has not prospered under Rogers's stewardship, he has been praised for having seen the vast potential in bottom fishing. As Rogers explains it, "I decided it was the best way to get this company on a stable basis, away from seasonal products and into products with a 365-days-a-year supply.

But the 200-mile-limit legislation by no means assured U.S. processors an adequate supply. In fact, at about the time the law was passed, word got around that some Korean fish buyers were up in Kodiak lining up Americans to fish for them. The Koreans were looking to set up joint ventures in which American fishermen would sell their catch on the high seas to Korean factory-processing ships. The Koreans, as well as the Russians, submitted applications for such joint ventures to the Commerce Department.

Naturally, that was unwelcome news for Nefco, which was itself hoping to process the bottom fish. To head off the foreign encroachment, Rogers enlisted the help of Edward W. Furia, thirty-seven, whom he had hired in late 1976 as a consultant for Nefco. Furia is a lawyer, a former Environmental Protection Agency official, and a lobbyist with considerable persuasive powers. As he viewed the situation, the problem was that "foreign factory ships, with no minimum wage and no OSHA and EPA regulations to comply with, could have outbid American processors."

The linchpin of Furia's campaign was an alliance he forged between two traditionally antagonistic groups—fishermen and processors. Furia went to Kodiak and, after a seven-hour meeting on the docks, persuaded the United Fishermen's Marketing Association lend its support to the effort. Though the fishermen might have gotten higher prices for their catch from foreigners, they were concerned about relying too heavily on the floating foreign factories that could, after all, sail away at any time.

BOON FOR COASTAL TOWNS

After several months of public hearings, the Commerce Department announced a policy of giving U.S. processors a right of first refusal for the catch of U.S. fishermen. Foreigners could buy fish caught by Americans only if U.S. processors didn't want them or lacked the capacity to process them—regardless of whether the foreign buyers were willing to outbid domestic processors. The victory was short-lived, however, because the Commerce Department eventually concluded that it lacked the legal authority to issue such regulations. Furia and other industry spokesmen then took their fight to Congress, with a flurry of arguments showing that processor-preference legislation would be salubrious for U.S. coastal towns and for the U.S. trade deficit. They succeeded in mobilizing powerful support, and last August, President Carter signed legislation giving U.S. processors the kind of preference they wanted.

Now that they have first crack at all the fish caught by Americans, the processors are seeking to enlarge their markets. To that end, the federal government is pressing countries like Japan to lower tariffs and other barriers to U.S. seafood exports. The Japanese do not import any pollack caught by Americans, and they have high tariffs on such things as crab, pollack roe, herring roe, and canned shrimp.

A PUSH FROM THE STATE DEPARTMENT

The effort to reduce trade barriers appears to be paying off. Last month, after lengthy negotiations, Japan agreed to consider slashing duties on more than ten seafood products by 40 percent or more. Now the State Department is pressing Japan to open its door to pollack sales. "We are proceeding slowly to determine if we can use our power to allocate fish to some economic advantage to the United States," says John D. Negroponte, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs—the man in charge of fish allocations to foreign countries. "In the case of pollack, the Japanese have the import restrictions and they get a large quota from our zone. We're pressing them hard on this, telling them they are jeopardizing the good will of the United States on fisheries concessions."

Even before the processor-preference act was signed, Nefco had begun to cash in on the 200-mile-limit legislation. Last June, the company closed a $100-million deal to sell processed seafood to Japan's Mitsubishi International over the next three years, and it is working on other deals with the Japanese.

But Nefco will have to put its financial house in order before it can invest all Rogers would like to in bottom fishing. An earlier ill-conceived expansion and diversification program coincided with the salmon debacle, leaving the company's capital structure top-heavy with debt. Reid Rogers has recently installed a new president, Peter N. Rogers (no relation), who was brought in last September from Standard Brands, where he was head of the consumer-products division. The new Rogers has to pare the debt down to manageable levels before he can begin raising the $40 to $50 million Nefco estimates it needs for new ships, plants, and equipment.

Meanwhile, the company is wading into bottom fishing. Later this winter, it will be sending to Alaska a 110-foot trawler fitted out for year-round high-seas bottom fishing. The trawler will bring in pollack, among others species, to Nefco's Gibson Cove plant on Kodiak Island, where German-made bottom-fish filleting machinery has recently been installed. Nefco's development officer, John B. Harris, has assisted NMFS in fashioning a frankfurter that contains about 30 percent pollack and is higher in protein than the standard all-beef variety. The hot dog will be served in school lunch programs in Seattle next year. Harris adds, with a nod toward the Japanese market, "We know exactly how to make *surimi*."

A SKEPTIC AT MRS. PAUL'S

To be sure, there are still obstacles in the way of full development of the U.S. bottom fishery in the northern Pacific. Nefco estimates that the industry will ultimately need $1 billion in capital for vessels and another billion for new plants. Whether that investment will be made depends on whether the U.S. fishing industry is truly competitive with foreign suppliers. Nothing in the new law compels independent processors or U.S. consumers to "buy American." None other than Edward Piszek Sr. president of Mrs. Paul's, is avowed, skeptical that the U.S. industry can supply, at competitive prices, the kind of frozen fish blocks his company buys. "We'd be happy to buy from Americans if they were competitive," says Piszek. "But with the cost of labor in Alaska so high, I don't think they can do it." Finally, some people wonder if American fishermen will

be sufficiently motivated by the relatively low value of pollack to want to fish for it.

Nonetheless, U.S. bankers are anxious to share in the bounty created by the 200-mile limit, and are interested in supplying capital for expansion. Somewhat ironically, moreover, Japanese trading companies are providing assistance for expansion of U.S. plants in return for a guaranteed supply of processed seafood.

Fish processors like Nefco admit that it will take time before they can offer the blocks of frozen fish Mrs. Paul's buys, at a price competitive with the Koreans. That particular business is highly labor-intensive. For starters, Nefco will concentrate on developing markets for individually frozen fillets, which are produced with a lower labor component. But over the long run, the processors point out, the cost of labor in Asia should rise relative to U.S. costs, and the new American processing plants going up will be highly automated. As for the incentive for fishermen to enter the bottom fishery, Nefco's Harris reports that the company is being approached by an increasing number of fisherman volunteering to bottom fish. Owners of crab vessels have an estimated $100 million on hand for new vessel construction. With the crab fishery nearing saturation, that money is already going into new boats that have the capability to catch crab but are also outfitted for bottom-fish trawling.

The U.S. bottom-fishing industry won't catch up with its foreign competition overnight, since it is very late in crossing the starting line. Industry and government prognosticators believe it will take two decades for Americans to develop the markets, the fleets, and the processing capacity to keep all those pollack off Alaska for themselves. But if U.S. industry can meet the challenge, northern Pacific ports like Sitka, Ketchikan, Kodiak, and Cordova will become as prominent as Gloucester and New Bedford were at the turn of this century, when the East Coast fishing industry was in its heyday.●

● Mr. MAGNUSON. Mr. President, I join today with a bipartisan group of colleagues to submit a resolution disapproving the deferral of funds collected under the Saltonstall-Kennedy Act. This deferral hinders the efforts of the American fishing industry to begin harvesting and marketing the extensive fishery resources within the 200-mile fishery conservation zone established by the Fishery Conservation and Management Act of 1976. The deferral brings to a halt agency-approved projects designed to assist American fishermen in developing the capacity to fully exploit these fisheries.

The potential value to the American economy of fisheries resources with the 200-mile zone is immense. A recent study commissioned by the Department of Commerce concludes that American fishermen have access to about 3 million metric tons more fish than they currently harvest. Presently most of this fish is caught by foreign fleets and sold back to the United States as imported products. Imported products account for over 75 percent of the U.S. white-fleshed fish product market and contribute to the annual $2-billion negative balance to payments for fish products. Consequently, support for the American fishing industry's attempts to recapture available resources and markets is consistent with efforts to reduce the U.S. trade deficit and to control inflation. I believe we must encourage the American fishing industry's revitalization and growth.

The Saltonstall-Kennedy fund was established in 1954 to promote the free flow of domestically produced fishery products. The National Marine Fisheries Service (NMFS), the administrator of the fund, recently prepared a nationwide list of projects which would assist the fishing industry in developing presently underutilized species and in entering foreign markets. These projects, including the activities of development groups seeking to exploit underutilized species in Puget Sound and Alaska, have been delayed by the deferral of Saltonstall-Kennedy revenues. Early funding of the projects is necessary if U.S. fishermen are to compete successfully with foreign fishermen within our 200-mile zone. I urge the Congress to act favorably upon this resolution.●

● Mr. MUSKIE. Mr. President, I am pleased to join with my colleagues Senators KENNEDY, MAGNUSON, HOLLINGS, GRAVEL, STEVENS, CRANSTON, JACKSON, TSONGAS, WEICKER, HATFIELD, INOUYE, PELL, CHAFEE, MATSUNAGA, PACKWOOD, HAYAKAWA, and COHEN in introducing a resolution to disapprove the deferral of funds under the Saltonstall-Kennedy fisheries development program.

The development activities financed under the program are of tremendous value to our fishermen, particularly at this time when our industry is moving toward the utilization of new resources available under the 200-mile fishing limit.

In Maine and throughout New England, these funds are directed particularly toward underutilized or nontraditional species such as squid, mackerel, and whiting. Major foreign markets exist for many species not traditionally harvested by our domestic fleets. Fisheries development programs hold the promise of reducing the pressure on heavily exploited traditional species such as cod and haddock, revitalizing our fishing industry—from harvesting to processing and marketing—and improving our overall foreign trade balance by creating a new export market.

I urge my colleagues to join in supporting this resolution.●

SENATE RESOLUTION 51—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. LONG, from the Committee on Finance, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 51

Resolved, That the Committee on Finance is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $30,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 52—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. LONG, from the Committee on Finance, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 52

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,300,000, of which amount not to exceed $200,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 53—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

Mr. MAGNUSON, from the Committee on Appropriations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 53

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $400,000 in addition to the amount and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 54 AND SENATE RESOLUTION 55—SUBMISSION OF RESOLUTIONS OF DISAPPROVAL WITH RESPECT TO ENERGY ACTIONS 3 AND 4

Mr. JACKSON submitted the following resolutions, which were referred to the Committee on Energy and Natural Resources:

S. RES. 54

Resolved, That the Senate does not favor the energy action numbered 3 transmitted to Congress on January 31, 1979.

S. RES. 55

Resolved, That the Senate does not favor the energy action numbered 4 transmitted to Congress on January 31, 1979.

● Mr. JACKSON. Mr. President, yesterday the President's proposals to exempt aviation gasoline and kerosene-base jet fuel from mandatory price and allocation regulations were transmitted to the Congress. These proposals are submitted

under authority granted to the President by section 12 of the Emergency Petroleum Allocation Act of 1973 and pursuant to procedures for congressional review specified in section 551 of the Energy Policy and Conservation Act. Section 551 provides that an "energy action"—for example, any rule exempting a particular oil or refined petroleum product from price or allocation regulations—becomes effective at the end of a 15-day period beginning the day after transmittal to Congress unless either House passes a resolution of disapproval with respect to such action. Today is the first day of the 15-day period. Excluded from computation of this period are those days during which the Senate or the House is in recess for longer than 3 calendar days. Therefore, assuming that both the House and Senate are in session on Friday, February 9, and return from the February recess on Monday, February 19, the period of congressional review for energy actions 3 and 4 will expire on midnight, February 24.

These energy actions propose the exemption from price and allocation controls of aviation gasoline and kerosene-base jet fuel. Aviation gasoline is a petroleum fuel for piston-engined aircraft used primarily by general aviation—business, corporate, and personal travel, sport flying and air taxi, rental and commuter airline consumption. Refiner sales of aviation gasoline for the first half of 1978 amounted to 262 million gallons (or about 34,000 barrels per day). Additional information concerning the market for aviation gasoline is contained in the "Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations" published by the Department of Energy (DOE/ER-0024).

Kerosene-base jet fuel is the fuel employed by the tiomestic and international airlines. Energy actions 3 and 4 relate primarily to civilian use of jet fuel. Military jet fuels were exempted from mandatory controls in 1976 by the energy action mechanism. Kerosene-based jet fuel demand was 838,000 barrels per day for the first half of 1978—just over 4 percent of U.S. petroleum consumption. "Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations" (DOE/ER-0023) presents the Department's detailed analysis of the case for decontrol of kerojet fuel.

Today I am submitting resolutions of disapproval with respect to energy actions 3 and 4. I believe that the justification for decontrol deserves careful study. In the event that any Member of the Senate decides that disapproval of these proposals is warranted, these resolutions can serve as the legislative vehicles for congressional review as contemplated in the Energy Policy and Conservation Act.

Mr. President, I ask unanimous consent that the texts of the DOE letter of transmittal and the proposals submitted with respect to energy actions 3 and 4 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C.

HON. WALTER F. MONDALE,
President of the Senate

DEAR MR. PRESIDENT: Under the authority which the President delegated to me in Executive Order No. 12038 (43 FR 4957, February 7, 1978) I am hereby submitting to the Senate, as DOE Energy Action No. 3, an amendment exempting aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Allocation Regulations. I am also hereby submitting to the Senate DOE Energy Action No. 4, an amendment exempting aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Price Regulations. These actions are taken pursuant to and in accordance with the procedures of section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (EPAA, Public Law 93-159), section 551 of the Energy Policy and Conservation Act (EPCA, Public Law 94-163), and section 102 of the Energy Conservation and Production Act (Public Law 94-385). In accordance with those statutes, I am concurrently submitting these energy actions to the House of Representatives.

The findings and views to support these amendments, which section 12 of the EPAA requires, are set forth in the enclosed documents, the Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations and the Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations.

In view of the period of Congressional review provided for by section 12 of the EPAA and section 551 of the EPCA, the enclosed amendments will not become effective until the first day following the expiration of the fifteen-day Congressional review period. Recently the Department of Energy adopted Standby Product Price and Allocation Regulations (44 F.R. 3928, January 18, 1979) that provide for the reimposition by the Department of controls on refined petroleum products in the event of a fuel emergency. In case of such an emergency, controls on aviation gasoline and kerosene-based jet fuel could be reimposed through the procedures and in the form set forth in the new standby regulations.

Sincerely,

JAMES R. SCHLESINGER
Secretary.

[Docket No. ERA-R-78-5]

[Docket No. ERA-R-78-6]

TITLE 10—ENERGY

CHAPTER II—DEPARTMENT OF ENERGY

Part 210—General allocation and price rules
Part 211—Mandatory petroleum allocation regulations

(Exemption of Kerosene-Base Jet Fuel and Aviation Gasoline from the Mandatory Petroleum Allocation Regulations)

Agency: Economic Regulatory Administration, Department of Energy.

Action: Final Rule.

Summary: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending 10 CFR Parts 210 and 211 to exempt kerosene-base jet ("kerojet") fuel and aviation gasoline from its Mandatory Petroleum Allocation Regulations. This exemption amendment has been transmitted to the Congress as DOE Energy Action No. 3 under the procedures set forth in the Energy Policy and Conservation Act which provide for a fifteen-day review period. In connection with its exemption of kerojet fuel and aviation gasoline from the allocation regulations, the ERA is issuing concurrently with this rule a separate amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations. Both exemptions will become effective on the first day following the expiration of the fifteen-day Congressional review period. We are also issuing two documents entitled Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and the Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Findings"). The Secretary of Energy (the "Secretary") is submitting both amendments and the Findings to the Congress for review.

Effective date: The first day following the expiration of the fifteen-day Congressional review period.

For further information contact:

Bill Webb (Office of Public Information) 2000 M Street, N.W., Room B110, Washington, D.C. 20461, (202) 634-2170.

Gerald P. Emmer or William E. Caldwell, (Economic Regulatory Administration), 2000 M Street, N.W., Room 2304, Washington, D.C. 20461, (202) 254-8034.

Joel M. Yudson or Jack O. Kendall, (Office of General Counsel), 1200 Pennsylvania Avenue, N.W., Room 5134, Washington, D.C. 20461, (202) 633-8622.

Supplementary Information: I. Background, II. Comments Received, III. Findings and Views, IV. Standby Authority.

I. BACKGROUND

On February 12, 1978, the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) issued advance notices of proposed rulemaking and public hearing on kerojet fuel deregulation (43 FR 6959, February 17, 1978) and aviation gasoline deregulation (43 FR 6962, February 17, 1978). We concurrently issued two documents entitled Preliminary Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and Preliminary Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Preliminary Findings"). The advance notices were issued to obtain public comment on the Preliminary Findings for the purpose of whether the ERA should initiate rulemaking proceedings proposing the exemption of kerojet fuel and aviation gasoline from the price and allocation regulations.

The comments submitted in response to the advance notices generally supported our Preliminary Findings. Therefore, on June 22, 1978 we concurrently issued notices of proposed rulemaking on kerojet fuel deregulation (43 FR 27974, June 27, 1978) and aviation gasoline deregulation (43 FR 27976, June 27, 1978).

The comments and statements in response to the advance notices enabled us to prepare the Findings in support of exempting kerojet fuel and aviation gasoline.

Section 402(c)(1) of the Department of Energy Organization Act (DOE Act, Public Law 95-91) requires the FERC to consider any proposal by the Secretary to amend any regulation under section 4(a) of the Emergency Petroleum Allocation Act, as amended (EPAA, Public Law 93-159), when either section 8 or section 12 of the EPAA requires the President to transmit the proposal to each House of Congress for its review under section 551 of the Energy Policy and Conservation Act, as amended (EPCA, Public Law 94-163).

Under this statutory provision, the Secretary forwarded to the FERC by letter dated June 22, 1978, the proposed amendments to exempt kerojet fuel and aviation gasoline from both the Mandatory Petroleum Allocation Regulations and the Mandatory Petroleum Price Regulations.

The FERC published a notice of public hearing (43 FR 29298, July 7, 1978) and conducted its hearings concerning the proposed exemptions of aviation gasoline and kerojet fuel on August 1 and 3, 1978, respectively. In

addition, the FERC accepted written comments through August 11, 1978. The FERC's hearings transcripts, the written comments, the transcripts of the ERA hearings of March 22, 1978 and March 23, 1978, the ERA's findings, and the earlier comments submitted to the ERA were the basis of the FERC's subsequent deliberations on kerojet fuel and aviation gasoline deregulation.

By letter of September 6, 1978, the FERC responded to the Secretary, advising him of its preliminary conclusions and that unless by noon, September 8, 1978 the Secretary were to inform the FERC that he wished to consult on any matter addressed in the letter, the FERC would forward to the Secretary a further letter stating its concurrence in the proposals without formal recommendations. The Deputy Secretary responded on September 11, 1978, stating that in light of the fact that the FERC's concurrence in the amendments proposed by the Secretary would not be subject to any binding recommendations within the meaning of section 404(b) of the DOE Act, no further consultation beyond the exchange of letters would be necessary. The FERC, on September 12, 1978, concurred without recommendations in the Secretary's kerojet fuel and aviation gasoline deregulation proposals and on that date issued its Analysis and Recommendations in these matters.

Section 404(c) of the DOE Act provides that the Secretary, following the publication of FERC's recommendations, (1) may issue a final rule in the form initially proposed if the FERC has concurred, (2) may issue a final rule in amended form so that the rule conforms in all respects wth the FERC's recommended changes, or (3) may issue no rule. Inasmuch as the FERC concurred without recommendations, we are issuing the kerojet fuel and aviation gasoline deregulation amendments under section 404(c)(1) of the DOE Act.

Concurrently with the issuance of this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations, we are issuing a separate amendment to exempt kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations. The Secretary is concurrently submitting both amendments for Congressional review, as DOE Energy Actions Nos. 3 and 4, respectively, pursuant to section 551 of the EPCA, and in accordance with section 102 of the Energy Conservation and Production Act, as amended (ECPA, Public Law 94–385), which requires that the DOE submit separate energy actions to the Congress when proposing the exemption of any oil, refined petroluem product, or refined product category from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions. We are combining kerojet fuel and aviation gasoline into one refined product category, as permitted under the definition of that term in section 12(c)(3) of the EPAA. Thus, we are submitting for Congressional review a single energy action for the removal of allocation controls from both kerojet fuel and aviation gasoline and another energy action for the removal of price controls from both products.

II. COMMENTS RECEIVED

A. Advance Notice on Kerojet Fuel Deregulation. The ERA invited written comments on the advance notice concerning kerojet fuel deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Over sixty parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, consumer groups and governmental representatives.

All of those commenting in response to the advance notice on kerojet fuel recommended that the ERA propose the exemption of kerojet fuel from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition and market forces are adequate to protect consumers following the exemption of kerojet fuel from regulation. Many commenters expressed the opinion that deregulation would enhance competition in all sectors of the kerojet fuel market.

Retailers indicated that there may be kerojet fuel price increases in certain regions by fixed base operators to reflect increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

The airline industry and, in particular, the Air Transport Association, generally recommended the establishment of a mechanism, similar to the proposed Special Rule No. 4 for motor gasoline (See 42 FR 40915, August 12, 1977), to assure airlines a source of kerojet fuel supply during the transition period following deregulation. The airline industry also favored the establishment of a price monitoring system, without a pre-set index or "trigger," coupled with a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Other commenters were nearly unanimously opposed to both recommendations.

B. Advance Notice on Aviation Gasoline Deregulation. The ERA invited written comments on the advance notice concerning aviation gasoline deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Forty-six parties submitted oral and written comments in response to the February 17 advance major integrated refining companies, large and small independent refining companies, retailers, trade associations representing consumers, and governmental representatives.

All of those commenting in response to the advance notice on aviation gasoline recommended that the ERA propose the exemption of aviation gasoline from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. As in the hearing on kerojet fuel, there was agreement that competition and market forces are adequate to protect consumers following the exemption of aviation gasoline from regulation. Many commenters expressed the opinion that deregulation would enhance competition in the aviation gasoline market.

In general, retailers concurred with the Preliminary Findings that there will be only minor pressure to increase prices of aviation gasoline as a result of deregulation. Retailers indicated, however, that fixed base operators in certain regions may increase prices to reflect localized increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that, while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

C. FERC Comments Received on Kerojet Fuel and Aviation Gasoline Deregulation. The FERC invited written comments on the ERA's proposals to exempt kerojet fuel and aviation gasoline through August 11, 1978 and held a public hearing on aviation gasoline on August 1, 1978 and a public hearing on kerojet fuel on August 3, 1978. Four parties commented orally on the aviation gasoline proposal and seven parties so commented on the kerojet fuel proposal. The FERC also received fifty-one written comments. Those offering comments on the deregulation proposals included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, and governmental representatives.

None of the oral or written comments to the FERC expressed opposition to the deregulation of either aviation gasoline or kerojet fuel. There were, however, some suggestions for modifications. A large majority of the written comments expressed support for the proposal without further elaboration. A few commenters provided additional factual material or added analysis to supplement the ERA's Findings.

In its September 6 letter to the Secretary the FERC indicated that, after reviewing the comments, it found two areas of particular concern. The first related to the possibility that spot shortages of the aviation fuels may occur. This concern apparently stemmed from the July 26, 1978 letter from the Energy Planning Division of the Montana Department of Natural Resources and Conservation to the FERC which indicated that, although the supply of aviation products had appeared sufficient in the spring of 1978, new fixed base operators and small, established fixed base operators were currently experiencing difficulty in obtaining supplies. Adequacy of supplies for forest fire fighting and other emergency situations was expressed as being of immediate concern. Comments from the organizations representing fixed base operators and other marketers did not express such concern over supply availability. The FERC requested the Secretary to consider the possibility of a transitional supply protection program, more limited in scope than proposed Special Rule No. 4 for motor gasoline, applicable to only certain regions of the country. In this connection, the comments submitted to the FERC by the commercial airlines repeated the recommendation made to the ERA that a mechanism be established to provide airlines adequate sources of supply of kerojet fuel during the transition period following deregulation. The airlines, despite their desire for a transitional supply protection program, supported the exemptions in any event.

The FERC's second concern related to price monitoring. The substance of the FERC's suggestion in this regard—that we set forth the means by which we intend to monitor aviation fuel prices after deregulation—is dealt with in the preamble to the amendment exempting kerojet fuel and aviation gasoline from the price regulations.

After carefully considering all the comments, we have concluded that the initial view that kerojet fuel and aviation gasoline should be exempted from regulations is correct. No information or data were presented which meaningfully alter the ERA's conclusions in its Findings.

Our analysis indicates that when free market forces emerge following kerojet fuel and aviation gasoline deregulation, supply problems will be minimized. We project adequate supplies of kerojet fuel and aviation gasoline at least through 1980. As we have done with respect to products previously deregulated, we will continue to collect supply data pursuant to our general statutory authority to receive such information. The supply data collected by the Energy Information Administration will enable us to detect any significant supply problems which may develop following deregulation.

Based on our projections concerning supplies of kerojet fuel and aviation gasoline and the demonstrated ability of airlines to cope with supply problems, we conclude that it is not necessary to establish a mechanism to assure airlines a source of kerojet fuel supply during the transition period following the effective date of the exemptions or to establish a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment. To the degree that possible local shortages of aviation gasoline or kerojet fuel might occur following deregulation, we could reimpose controls to the limited extent necessary to meet an emergency and redirect product or take other action as the situation would require. In addition, in some instances, problems may be resolved without resort to formal action, as ERA could suggest voluntary measures to relieve individual problems.

III. FINDINGS AND VIEWS

In addition to this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations and the concurrent amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations, we are issuing the Findings supporting these amendments, as required by section 12 of the EPAA. They are based upon our consideration of the comments of those persons who participated in the rulemaking proceedings and other available information.

Our general conclusions set forth in the Findings may be summarized, in part, as follows:

1. Kerojet fuel and aviation gasoline are not in short supply.

2. Exemption of kerojet fuel and aviation gasoline from the allocation and price regulations will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the EPAA.

3. Following exemption of kerojet fuel and aviation gasoline from regulations, competition and market forces should be adequate to protect consumers.

4. Exemption of kerojet fuel and aviation gasoline from regulation will not result in inequitable prices for any class of user of kerojet fuel, aviation gasoline, or other products.

5. The exemption of kerojet fuel and aviation gasoline will not have adverse impacts on any governmental unit, state or region.

6. As long as supplies remain adequate, exemption of kerojet fuel and aviation gasoline will not have an adverse effect on the availability of consumer goods and services; the Gross National Product (GNP); competition small business; supply and availability of energy resources as fuel or feedstock for industry; consumer prices; the Consumer Price Index, or the implicit price deflator for the GNP; or the rate of unemployment.

We also believe that as long as supplies continue to be adequate, the continuation of allocation and price controls on kerojet fuel and aviation gasoline is unnecessary to protect the public health, safety and welfare, and the national defense (section 4(b)(1)(A)); the maintenance of all public services (section 4(b)(1)(B)); the maintenance of agricultural operations (section 4(b)(1)(C)); or the maintenance of exploration for and production or extraction of fuels and minerals (section (4)(b)(1)(G)). Adequate supply and the positive effects of increased competition should also ensure that exemption of kerojet fuel and aviation gasoline would be consistent with the preservation of an economically sound and competitive petroleum industry (section 4(b)(1)(D)); the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b)(1)(F)); economic efficiency (section 4(b)(1)(H)); and minimization of economic distortion, inflexibility, and interference with market mechanisms (section 4(b)(1)(I)). The exemption of kerojet fuel and aviation gasoline should have no adverse effect on the allocation of suitable crude oil to domestic refineries (section 4(b)(1)(E)).

IV. STANDBY AUTHORITY

Section 12(f) of the EPAA provides that following the exemption of any refined product category from regulation, the DOE shall have the authority at any time to reimpose allocation regulations if necessary to attain the objectives of the EPAA. For this reason, we are adopting amendments which exempt kerojet fuel and aviation gasoline from the general allocation regulations but which do not delete those regulations from the Code of Federal Regulations. We have, in effect, converted them to standby status, so that, in the event of shortages or other occurrences which might require reimposition of controls, we may, with appropriate modifications, quickly put them back into effect. In this connection, we have recently adopted additional standby product allocation and price regulations (44 FR 3928, January 18, 1979) that may be ordered into effect as to kerojet fuel and aviation gasoline.

(Emergency Petroleum Allocation Act of 1973, Public Law 93–159, as amended, Public Law 93–511, Public Law 94–99, Public Law 94–133, Public Law 94–163, and Public Law 94–385; Federal Energy Administration Act of 1974, Public Law 93–275, as amended, Public Law 94–332, Public Law 94–385, Public Law 95–70, and Public Law 95–91; Energy Policy and Conservation Act, Public Law 94–163, as amended, Public Law 94–385, and Public Law 95–70; Energy Conservation and Production Act, Public Law 94–385, as amended, Public Law 95–70, Public Law 95–91; Department of Energy Organization Act, Public Law 95–91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267.)

In consideration of the foregoing, Parts 210 and 211 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective on the first day following the expiration of the fifteen-day Congressional review period provided for by section 551 of the Energy Policy and Conservation Act.

Issued in Washington, D.C., January 31, 1979.

DAVID J. BARDIN,
Administrator,
Economic Regulatory Administration.

1. Section 210.35 is amended by revising subparagraph (g)(1) and by adding subparagraph (h)(1) to read as follows:

§ 210.35 Exempted products.

* * * * *

(g)(1) Aviation turbine fuel (naphtha-base and kerosene-base) as defined in § 211.142 of this chapter is exempt from the provisions of Part 211 of this chapter.

* * * * *

(h)(1) Aviation gasoline as defined in § 211.142 of this chapter is exempt from the provisions of Part 211 of this chapter.

* * * * *

2. Section 211.1 is amended in paragraph (b) by revising subparagraph (9) and adding new subparagraph (10) to read as follows:

§ 211.1 Scope.

* * * * *

(b) Exclusions.

(9) Notwithstanding the other provisions of this part, including Subpart H of this part, aviation turbine fuel (naphtha-base and kerosene-base) is excluded from this part.

(10) Notwithstanding the other provisions of this part, including Subpart H of this part, aviation gasoline is excluded from this part.

[Docket No. ERA–R–78–5]

[Docket No. ERA–R–78–6]

TITLE 10—ENERGY

CHAPTER II—DEPARTMENT OF ENERGY

Part 210—General allocation and price rules

Part 212—Mandatory petroleum price regulations

(Exemption of Kerosene-Base Jet Fuel and Aviation Gasoline from the Mandatory Petroleum Price Regulations).

Agency: Economic Regulatory Administration, Department of Energy.

Action: Final Rule.

Summary: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending 10 CFR Parts 210 and 212 to exempt kerosene-base jet ("kerojet") fuel and aviation gasoline from its Mandatory Petroleum Price Regulations. The exemption has been transmitted to the Congress as DOE Energy Action No. 4 under the procedures set forth in the Energy Policy and Conservation Act which provide for a fifteen-day review period. In connection with its exemption of kerojet fuel and aviation gasoline from the price regulations, the ERA is issuing concurrently with this rule a separate amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations. Both exemptions will become effective on the first day following the expiration of the fifteen-day Congressional review period. We are also issuing two documents entitled Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and the Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Findings"). The Secretary of Energy (the "Secretary") is submitting both amendments and the Findings to the Congress for review.

Effective date: The first day following the expiration of the fifteen-day Congressional review period.

For further information contact:

Bill Webb (Office of Public Information), 2000 M Street, N.W., Room B110, Washington, D.C. 20461 (202) 634–2170. Gerald P. Emmer or William E. Caldwell (Economic Regulatory Administration), 2000 M Street, N.W., Room 2304, Washington, D.C. 20461, (202) 254–8034. Joel M. Yudson or Jack O. Kendall (Office of General Counsel), 1200 Pennsylvania Avenue, N.W., Room 5134, Washington, D.C. 20461, (202) 633–8622.

Supplementary information: I. Background, II. Comments Received, III. Findings and Views, IV. Standby Authority.

I. BACKGROUND

On February 12, 1978, the Economic Regulatory Administration of the Department of Energy issued advance notices of proposed rulemaking and public hearing on kerojet fuel deregulation (43 FR 6959, February 17, 1978) and aviation gasoline deregulation (43 FR 6962, February 17, 1978). We concurrently issued two documents entitled Preliminary Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and Preliminary Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Preliminary Findings"). The advance notices were issued to obtain public comment on the Preliminary Findings for the purpose of determining whether the ERA should initiate rulemaking proceedings proposing the exemption of kerojet fuel and aviation gasoline from the price and allocation regulations.

The comments submitted in response to the advance notices generally supported our

Preliminary Findings. Therefore, on June 22, 1978 we concurrently issued notices of proposed rulemaking on kerojet fuel deregulation (43 FR 27974, June 27, 1978) and aviation gasoline deregulation (43 FR 27976, June 27, 1978).

The comments and statements in response to the advance notices enabled us to prepare the Findings in support of exempting kerojet fuel and aviation gasoline.

Section 402(c)(1) of the Department of Energy Organization Act (DOE Act, Public Law 95-91) requires the FERC to consider any proposal by the Secretary to amend any regulation under section 4(a) of the Emergency Petroleum Allocation Act, as amended (EPAA, Public Law 93-159), when either section 8 or section 12 of the EPAA requires the President to transmit the proposal to each House of Congress for its review under section 551 of the Energy Policy and Conservation Act, as amended (EPCA, Public Law 94-163).

Under this statutory provision, the Secretary forwarded to the FERC by letter dated June 22, 1978, the proposed amendments to exempt kerojet fuel and aviation gasoline from both the Mandatory Petroleum Allocation Regulations and the Mandatory Petroleum Price Regulations.

The FERC published a notice of public hearing (43 FR 29298, July 7, 1978) and conducted its hearings concerning the proposed exemptions of aviation gasoline and kerojet fuel on August 1 and 3, 1978, respectively. In addition, the FERC accepted written comments through August 11, 1978.

The FERC's hearing transcript, the written comments, the transcripts of the ERA hearings of March 22, 1978 and March 23, 1978, the ERA's Findings, and the earlier comments submitted to the ERA were the basis of the FERC's subsequent deliberations on kerojet fuel and aviation gasoline deregulation.

By letter of September 6, 1978, the FERC responded to the Secretary, advising him of its preliminary conclusions and that unless by noon, September 8, 1978 the Secretary were to inform the FERC that he wished to consult on any matter addressed in the letter, the FERC would forward to the Secretary a further letter stating its concurrence in the proposals without formal recommendations. The Deputy Secretary responded on September 11, 1978, stating that in light of the fact that the FERC's concurrence in the amendments proposed by the Secretary would not be subject to any binding recommendations within the meaning of 404(b) of the DOE Act, no further consultation beyond the exchange of letters would be necessary. The FERC, on September 12, 1978, concurred without recommendations in the Secretary's kerojet fuel and aviation gasoline deregulation proposals and on that date issued its Analysis and Recommendations in these matters.

Section 404(c) of the DOE Act provides that the Secretary, following the publication of the FERC's recommendations, (1) may issue a final rule in the form initially proposed if the FERC has concurred, (2) may issue a final rule in amended form so that the rule conforms in all respects with the FERC's recommended changes, or (3) may issue no rule. Inasmuch as the FERC concurred without recommendations, we are issuing the kerojet fuel and aviation gasoline deregulation amendments under section 404 (c)(1) of the DOE Act.

Concurrently with the issuance of this amendment exemping kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations, we are issuing a separate amendment to exempt kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations. The Secretary is concurrently submitting both amendments for Congressional review, as DOE Energy Actions Nos. 4 and 3, respectively, pursuant to section 551 of the EPCA, and in accordance with section 102 of the Energy Conservation and Production Act, as amended (ECPA, Pub. L. 94-385), which requires that the DOE submit separate energy actions to the Congress when proposing the exemption of any oil, refined petroleum product, or refined product category from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions. We are combining kerojet fuel and aviation gasoline into one refined product category, as permitted under the definition of that term in section 12(c)(3) of the EPAA. Thus, we are submitting for Congressional review a single energy action for the removal of allocation controls from both kerojet fuel and aviation gasoline and another energy action for the removal of price controls from both products.

II. COMMENTS RECEIVED

A. *Advance Notice on Kerojet Fuel Deregulation.* The ERA invited written comments on the advance notice concerning kerojet fuel deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 23, 1978. Over sixty parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, consumer groups and governmental representatives.

All of those commenting in response to the advance notice on kerojet fuel recommended that the ERA propose the exemption of kerojet fuel from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand completion, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition and market forces are adequate to protect consumers following the exemption of kerojet fuel from regulation. Many commenters expressed the opinion that deregulation would enhance competition in all sectors of the kerojet fuel market.

Retailers indicated that there may be kerojet fuel price increases in certain regions by fixed base operators to reflect increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

The airline industry and, in particular, the Air Transport Association, generally recommended the establishment of a mechanism, similar to the proposed Special Rule No. 4 for motor gasoline (See 42 FR 40915, August 12, 1977), to assure airlines a source of kerojet fuel supply during the transition period following deregulation. The airline industry also favored the establishment of a price monitoring system, without a pre-set index or "trigger," coupled with a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Other commenters were nearly unanimously opposed to both recommendations.

B. Advance Notice on Aviation Gasoline Deregulation. The ERA invited written comments on the advance notice concerning aviation gasoline deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Forty-six parties submitted oral and written comments in response to the February 17 advance notice. These offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations representing consumers, and governmental representatives.

All of those commenting in response to the advance notice on aviation gasoline recommend that the ERA propose the exemption of aviation gasoline from the allocation and price regulations without an accompanying price monitoring or supply protection program. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. As was the case with regard to kerojet fuels, there was agreement that competition and market forces are adequate to protect consumers following the exemption of aviation gasoline from regulation. Many commenters expressed the opinion that deregulation would enhance competition in the aviation gasoline market.

In general, retailers concurred with the Preliminary Findings that there will be only minor pressure to increase prices of aviation gasoline as a result of deregulation. Retailers indicated, however, that fixed base operators in certain regions may increase prices to reflect localized increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that, while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

C. FERC Comments Received on Kerojet Fuel and Aviation Gasoline Deregulation. The FERC invited written comments on the ERA's proposals to exempt kerojet fuel and aviation gasoline through August 11, 1978 and held a public hearing on aviation gasoline on August 1, 1978 and a public hearing on kerojet fuel on August 3, 1978. Four parties commented orally on the aviation gasoline proposal and seven parties so commented on the kerojet fuel proposal. The FERC also received fifty-one written comments. Those offering comments on the deregulation proposals included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, and governmental representatives.

None of the oral or written comments to the FERC expressed opposition to the deregulation of either aviation gasoline or kerojet fuel. There were, however, some suggestions for modifications. A large majority of the written comments expressed support for the proposal without further elaboration. A few comments provided additional factual material or added analysis to supplement the ERA's Findings.

In its September 6 letter to the Secretary the FERC indicated that, after reviewing the comments, it found two areas of particular concern. The first reflected its apprehension over the possibility of spot shortages. This concern arose partially in response to the July 26, 1978 letter from the Energy Planning Division of the Montana Department of Natural Resources and Conservation to the FERC indicating potential difficulties new fixed base operators and small, established fixed base operators could have in providing supplies of aviation products for forest fire fighting and other emergency situations. The FERC's concern also related to the commercial airlines' recommendation that a mechanism be established to provide airlines adequate sources of supply of kerojet fuel during the transition period following deregulation. This concern is addressed more fully in the preamble to the aviation gasoline and kerojet fuel allocation exemption.

FERC's other concern related to the price monitoring program recommended by the airlines. In its September 6 letter the FERC concluded that in view of our announced intent generally to monitor aviation fuel prices, a binding recommendation in this

regard under Section 404 of the DOE Act was not necessary. The FERC did suggest, however, that the manner in which we intend to monitor prices be described at the time we announce the exemption and that such a program should not contain a "trigger."

After carefully considering all the comments, we have concluded that the initial view that kerojet fuel and aviation gasoline should be exempted from regulations is correct. No information or data were presented which meaningfully alter the ERA's conclusions in its Findings.

In response to the FERC's suggestion regarding the price monitoring system, we reemphasize that we intend to analyze kerojet fuel and aviation gasoline prices after deregulation. As we have done with respect to previously deregulated products, we will continue to collect supply and price data pursuant to our general statutory authority to receive such information so as to enable us to detect any significant changes in market conditions which may develop following deregulation of kerojet fuel and aviation gasoline.

As part of its role in monitoring market price trends, the Energy Information Administration (EIA) of the DOE collects pricing data on kerojet fuel and aviation gasoline from refiners, large reseller, retailers, and gas plant operators. The EIA uses the data reported on FEA Form P302-M-1 calculate national weighted average wholesale and retail prices of kerojet fuel and aviation gasoline on a monthly basis. This information is made available to the public in two monthly publications prepared by the EIA, the "Monthly Energy Review" and the "Monthly Petroleum Product Price Report."

We also anticipate continued reliance in our monitoring activities on the Civil Aeronautics Board's monthly report "Fuel Cost and Consumption." This publication provides average prices per gallon for aviation fuels on a monthly basis. It also indicates the percentage price increase per gallon over the average price per gallon in the preceding month, the same month in the preceding year, and in July 1973. This data is provided separately for individual domestic and international trunk, local service, cargo, and supplemental carriers.

In view of the relatively small universe of suppliers and purchasers of kerojet fuel, we do not believe a price monitoring or survey system more detailed than that presently existing is necessary to detect significant changes in market conditions.

We have decided not to establish a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Our analysis indicates that when free market forces emerge following kerojet fuel and aviation gasoline deregulation, such problems will be minimized. We believe therefore that a formal complaint procedure is unnecessary, inasmuch as most airlines are capable of bringing to our attention instances of discriminatory treatment with respect to the pricing or supply of kerojet fuel. We encourage communication from any party which may experience difficulty in securing adequate supplies of either kerojet fuel or aviation gasoline following deregulation, inasmuch as such information will facilitate our analysis of the effects of deregulation on price trends and supply distribution.

While fixed base operators may increase prices for kerojet fuel and aviation gasoline in certain regions after deregulation to reflect increased non-product costs, these regional increases should be offset in part by reductions in other regions. We have concluded that during a period of adequate supplies which is expected at least through 1980, average prices for kerojet fuel and aviation gasoline will not rise to levels significantly higher than if regulations were continued.

III. FINDINGS AND VIEWS

In addition to this amendment exempting kerojet fuel and aviation gasoline from the Mandatoy Petroleum Price Regulations and the concurrent amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations, we are issuing the Findings supporting these amendments, as required by section 12 of the EPAA. They are based upon our consideration of the comments of those persons who participated in the rulemaking proceedings and other available information.

Our general conclusions set forth in the Findings may be summarized, in part, as follows:

1. Kerojet fuel and aviation gasoline are not in short supply.

2. Exemption of kerojet fuel and aviation gasoline from the allocation and price regulations will not have adverse impact on the supply of any other oil or refined petroleum product to the EPAA.

3. Following exemption of kerojet fuel and aviation gasoline from regulations, competition and market forces should be adequate to protect consumers.

4. Exemption of kerojet fuel and aviation gasoline from regulation will not result in inequitable prices for any class of user of kerojet fuel, aviation gasoline, or other products.

5. The exemption of kerojet fuel and aviation gasoline will not have adverse impacts on any governmental unit, state or region.

6. As long as supplies remain adequate, exemption of kerojet fuel and aviation gasoline will not have an adverse effect on the availability of consumer goods and services; the Gross National Product (GNP); competition; small business; supply and availability of energy resources as fuel or feedstock for industry; consumer prices; the Consumer Price Index, or the implicit price deflator for the GNP; or the rate of unemployment.

We also believe that as long as supplies continue to be adequate, the continuation of allocation and price regulations on kerojet fuel and aviation gasoline is unnecessary to protect the public health, safety and welfare, and the national defense (section 4(b)(1)(A)); the maintenance of all public services (section 4(b)(1)(B)); the maintenance of agricultural operations (section 4(b)(1)(C)); or the maintenance of exploration for and production or extraction of fuels and minerals (section (4)(b)(1)(G)). Adequate supply and the positive effects of increased competition should also ensure that the exemption of kerojet fuel and aviation gasoline would be consistent with the preservation of an economically sound and competitive petroleum industry (section 4(b)(1)(D)); the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b)(1)(F)); economic efficiency (section 4(b)(1)(H)); and minimization of economic distortion, inflexibility, and interference with market mechanisms (section 4(b)(1)(I)). The exemption should have no adverse effect on the allocation of suitable crude oil to domestic refineries (section 4(b)(1)(E)).

IV. STANDBY AUTHORITY

Section 12(f) of the EPAA provides that following the exemption of any refined product category from regulation, the DOE shall have the authority at any time to reimpose price regulations if necessary to attain the objectives of the EPAA. For this reason, we are adopting amendments which exempt kerojet fuel and aviation gasoline from the general price regulations but which do not delete those regulations from the Code of Federal Regulations. We have, in effect, converted them to standby status, so that, in the event of shortages or other occurrences which might require reimposition of regulations, we may, with appropriate modifications, quickly put them back into effect. In this connection, we have recently adopted additional standby production allocation and price regulations (44 FR 3928, January 18, 1979) that may be ordered into effect with respect to kerojet fuel and aviation gasoline.

(Emergency Petroleum Allocation Act of 1973, Public Law 93-159, as amended, Public Law 93-511, Public Law 94-99, Public Law 94-133, Public Law 94-163, and Public Law 94-385; Federal Energy Administration Act of 1974, Public Law 93-275, as amended, Public Law 94-332, Public Law 94-385, Public Law 95-70, and Public Law 95-91; Energy Policy and Conservation Act, Public Law 94-163, as amended, Public Law 94-385, and Public Law 95-70; Energy Conservation and Production Act, Public Law 94-385, as amended, Public Law 95-70, Public Law 95-91; Department of Energy Organization Act, Public Law 95-91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267.)

In consideration of the foregoing, Parts 210 and 212 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective on the first day following the expiration of the fifteen-day Congressional review period provided for by section 551 of the Energy Policy and Conservation Act.

Issued in Washington, D.C., January 31, 1979.

1. Section 210.35 is amended by revising subparagraph (g)(2) and by adding subparagraph (h)(2) to read as follows:

§ 210.35 Exempted products.

* * * * * * *

(g) * * *

(2) Aviation jet fuel as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

(h) * * *

(2) Aviation gasoline as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

2. Section 212.31 is amended in the definition of "covered products" to read as follows:

§ 212.31 Definitions.

* * * * * * *

"Covered products" means butane, crude oil, gasoline, natural gas liquids, natural gasoline, and propane. A blend of two or more particular covered products is considered to be that particular covered product constituting the major proportion of the blend. A blend of one or more covered products with one or more non-petroleum-based products is a covered product if the covered product or products constitutes more than 50 percent by volume of the blend, and is that covered product which is the most predominant by volume in the blend.

* * * * * * *

3. Section 212.56 is amended to read as follows:

§ 212.56 General refinery products.

(a) The following general refinery products are exempt from the provisions of this part: aviation gasoline, benzene, gas oil, greases, hexane, kerosene, lubricant base oil stocks, lubricants, naphthas, No. 1 heating oil, No. 1-D diesel fuel, residual fuel oil, special naphthas (solvents), toluene, unfinished oils, xylene, and other finished products.

(b) The following general refinery products are not exempt from the provisions of this part: butane, natural gas liquids, natural gasoline, and propane.

4. Part 212 is amended by adding a new § 212.58 as follows:

§ 212.58 Aviation jet fuel.

The sales of aviation jet fuel are exempt from the provisions of this part.●

ADDITIONAL STATEMENTS

FINANCE COMMITTEE RULES

● Mr. LONG. Mr. President, the Legislative Reorganization Act requires each standing committee of the Senate to publish its rules in the CONGRESSIONAL RECORD at the beginning of each session of Congress. I submit for the RECORD the rules of the Committee on Finance.

COMMITTEE ON FINANCE

RULES OF PROCEDURE

(Adopted January 30, 1979)

Rule 1. *Regular Meeting Days.*—The regular meeting days of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—(a) Except as provided by section 133(a) of the Legislative Reorganization Act of 1946 as amended by section 102(a) of the Legislative Reorganization Act of 1970 (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) six members, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by section 133(d) of the Legislative Reorganization Act of 1946 as amended by section 106(a) of the Legislative Reorganization Act of 1970 (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to section 133(b) of the Legislative Reorganization Act of 1946 as amended by section 104(a) of the Legislative Reorganization Act of 1970 (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by section 133A of the Legislative Reorganization Act of 1946 as amended by section 112(a) of the Legislative Reorganization Act of 1970 (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946 as added by section 111(a) of the Legislative Reorganization Act of 1970 (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearings.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for that witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobstrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Subcommittee.*—(a) The chairman, subject to the approval of the committee, shall appoint legislative subcommittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee calendar. The period referred to in the preceding sentences should be 6 weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16 (a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to nonrevenue legislation originating in the Senate.

(f) The chairman and ranking minority member shall serve as nonvoting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 17. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time.●

TAX INDEXING

● Mr. LUGAR. Mr. President, the prime beneficiary of inflation is the Federal Government. Inflation causes wages to increase without a corresponding increase in real income. This situation results in American workers being pushed into higher tax brackets. The Government receives a windfall profit in new tax revenues because the taxpayer is paying a larger tax bill. The effect of tax inflation is to reduce the real standard of living for the taxpayer even though he earns more income.

The answer to these unlegislated tax increases is for Congress to adopt a plan of tax indexing. As a cosponsor of S. 12, the Tax Equalization Act, I believe that tax indexing is an idea whose time has come.

A recent article in the Christian Science Monitor, authored by the senior Senator from Kansas (Mr. DOLE), explains the need for tax indexing.

I ask that the article be printed in the RECORD.

The article follows:

HOW TO RELIEVE THE AMERICAN TAXPAYER

(By Bob Dole)

More than 80 percent of America's taxpayers can expect a tax increase next year. The increase, which amounts to nearly $9 billion, comes on the heels of a congressional effort to decrease taxes. Although Congress in October passed a major tax reduction bill in hopes that it would pacify taxpayers crying out for lower taxes, the fact is that the Revenue Act of 1978 is nothing more than the repeal of the automatic tax increases caused by inflation. Inflation and the increased taxes that it generates will lead to a decline in the standard of living for most families this year.

There is considerable interest and momentum in Congress for tax indexing as a way to stem these rising taxes. Under our progressive tax system, a person who receives an increase in income to compensate for inflation may suffer a decline in his real standard of living because a greater percentage of his income is paid in taxes. This is because as income rises, a person is pushed into a higher and higher tax bracket.

For example, a typical family of four earning $15,000 paid $1,385 in income taxes in 1977, or 9.2 percent of their income. Assuming a modest 7 percent inflation rate in 1978 and wage increases to keep up with inflation, the family would earn $16,050 in 1978. But the family now pays $1,513 in taxes in 1978, or an effective rate of 10 percent.

The way to stop these unlegislated increases is by indexing the tax system. Indexing is a simple concept. As inflation increases, the tax system is adjusted to prevent individuals from being pushed into higher brackets. For example, under an indexed system, if the inflation rate for 1979 were 7 percent, the personal exemption would increase from $1,000 to $1,070.

By automatically adjusting the personal income tax rates, the personal exemption and the zero bracket amount (formerly the standard deduction) upward in proportion to increases in the cost of living, we can effectively eliminate tax increases caused by inflation. Indexing is designed to keep the taxpayer at the rate originally legislated. Thus, in our example, the family will have nearly $200 under indexing.

The government has a vested interest in inflation. For each percentage increase in the inflation rate, the federal government can expect an additional $1.5 billion in new tax revenues. This yearly windfall bonus allows Congress to continually expand the role of government without having explicitly to increase taxes to finance the programs it generates. Tax indexing, by depriving Congress of inflation-induced revenues, will encourage fiscal restraint and decrease the size of government.

Opponents of tax indexing state that such adjustments would be conceding defeat in our battle against inflation. This is nonsense. Indexing, by itself, will neither cause nor cure inflation. In fact, it may help to reduce the major impediment to our ability to control inflation—excessive federal spending.

It is true that Congress from time to time reduces taxes to compensate for inflation. However, these are often no more than a redistribution of the tax burden. The American people seem to agree that indexing is a better way to reduce taxes. A recent Roper poll released to the Senate Finance Committee showed that by a fairly wide margin—57 percent to 32 percent—the public prefers indexing to the periodic tax cuts the government enacts. Several states, including California and Colorado, have already initiated indexing in their state tax systems.

Recent efforts in Congress indicate that before long indexing will become a reality. Last session, the House of Representatives passed a bill to prevent the federal government from taxing inflation on capital gains. Although this bill was not enacted into law, it was a significant step for indexing and an indication of things to come. Also last session, I introduced a bill to index personal tax rates which received bipartisan support. My proposal did not pass the Senate, but it did garner more votes than the widely publicized 23 percent across-the-board tax cut.

The administration and congressional free-spenders cannot ignore the compelling arguments for indexing much longer. The American taxpayer is beginning to understand that inflation is the reason his taxes are increasing and that the federal government is the prime beneficiary. The congressional ritual of cutting taxes in election years is nothing more than a cruel charade.

Indexing is a logical and responsible way to end the automatic and unsigned tax increases caused by inflation. Look for tax indexing to be the focal point of discussion as Congress again tackles the elusive issue of tax relief for the American people.●

OILSPILL LIABILITY FUND

● Mr. MUSKIE. Mr. President, last year, both the House and Senate passed legislation which would establish a comprehensive oil pollution liability and compensation fund. However, it was not possible to reach agreement on the two very different pieces of legislation before the Congress adjourned last October. One should not make the mistake of assuming that additional time was all that was necessary to reach agreement. There were many significant policy questions at stake in those negotiations which represented differences of opinion on the very basic nature of such a proposed scheme. Those differences have not changed.

Several bills have been introduced again this year. In order to provide some perspective on my feelings on any comprehensive oil pollution liability and compensation proposal. I would like to have my remarks reprinted from last October when negotiations on this same matter failed. There may have been many who had no opportunity to review that statement because of the rush of activity in the last days of the session.

The remarks follow:

HOUSE REJECTS SENATE OFFER ON OIL SPILL LIABILITY FUND

Mr. MUSKIE. Mr. President, the Senate has made significant efforts this year to enact an oil spill liability bill which would create a fund to pay cleanup and damage claims for the spill of oil and hazardous substances into the navigable waters of the United States. On Thursday, October 5, the Senate passed H.R. 6803. We then immediately made our staff available to begin work with the House staff to draft compromise amendments which would be added to this legislation and sent back to the Senate. With so many conferences and so much floor activity, this seemed the most sensible approach.

The Senate staff was available to begin meeting early Friday morning, but the House staff was not available until late Monday afternoon. That delay has made it difficult to negotiate an agreeable compromise, but nevertheless, the Senate has made a strong effort to provide significant concessions on the key issues that separate the House and Senate.

The staff was instructed to try all reasonable avenues to reach a compromise. If those suggestions were acceptable to the House staff, then they were to bring the proposals back to the Senate Members to see if they were acceptable.

What are the three major issues that separate the House and Senate bills? The House has indicated they are hazardous substances, preemption of State laws, and liability coverage for inland oil barges. There are dozens of other differences, but these have been identified as key issues.

In order to accommodate the House position, the Senate staff suggested major concessions to the House:

First. Hazardous substances. The Senate staff has suggested dropping completely the hazardous substances provision. This is a tremendous concession on the part of the Senate. The House staff on numerous occasions urged elimination of this provision. In a sense this is the heart of the Senate bill. The staff offered to attempt to convince the Senate Members that such a compromise was necessary.

Second. Preemption of State laws. The Senate-passed bill has absolutely no pre-

emption of State laws, whatsoever. States are allowed to maintain their own cleanup funds and to charge a fee on oil and/or hazardous substances to establish such funds. States are allowed to create funds to compensate economic damages and natural resource damages. States are allowed to establish liability schemes and other requirements as they see fit.

The Senate staff has suggested going halfway on this key issue and has proposed preempting State funds to compensate economic and third party damages. This would allow States to maintain their own fund to pay cleanup costs of spills and to establish their own liability schemes. I want to emphasize that existing law contains no restraint on the authority of States. What has been suggested by the Senate staff as a compromise is an erosion of existing State authority. This is a questionable compromise in my view, but one proposed by the staff in an attempt to accommodate the demands of the House. Apparently it is not enough.

Third. Inland oil barges. The Senate staff has suggested a compromise that splits the difference between the House and the Senate bills. The Senate bill establishes liability on inland oil barges at $300 per gross ton or $500,000 per vessel, whichever is greater. The House bill is $150 per gross ton and $150,000 minimum. The Senate staff has suggested as a compromise $225 per gross ton and $325,000 maximum. That is an absolute 50–50 compromise.

Yet the response from the House staff has been that this provision is so important to them that the Senate must take the House provision completely. The Senate staff accompanied its suggestion with a willingness to discuss other levels as well, but the answer was that only one offer is acceptable, and that is the House bill.

So where do we stand on these three key provisions? On two provisions the Senate staff has suggested a compromise that goes at least halfway to the House position. On the third item, hazardous substances, the Senate staff has suggested going all the way to the House position. So the House would come out well ahead on the key items on what were identified by the House staff as the key obstacles to getting a bill.

The Senate staff made these suggestions Wednesday afternoon, and agreed to consider additional changes in the Senate bill if the House felt that was necessary. Instead, the proposal was rejected. In essence the House has said this:

You must drop hazardous substances even though they threaten the public and the environment;

You must be willing to take away the existing power of States to establish their own liability laws, cleanup funds, and third-party damage compensation funds; and

You must be willing to give the inland oil barge industry exactly what they have demanded.

The Senate staff suggestions may have gone further in compromising than the Senate Members would be willing to accept. But that proposition was not even tested, because the proposal was not viewed by the House staff as going far enough.

Let me match the suggestions of the Senate staff against the suggestions of the House staff. What has the House offered in these discussions?

From the very beginning, there was no doubt about the fact that the House staff would insist on the format of their bill—a text reviewed by the Senate committee and reflected in favor of a bill building upon the Clean Water Act which currently deals with spills of oil and hazardous substances. The Senate Environment and Public Works Committee felt that any effort to create a new legislative authority to deal with the additional problems associated with spills of oil and hazardous substances; namely, economic damages, should be part of the existing law which has been in place for years. Yet the House staff refused to consider the merits of using the Senate format and insisted on using their arrangement which creates an entirely new legal regime outside the statute which already governs many aspects of this issue.

The Senate staff met with intransigence on another issue of significant importance to the Senate—the question of coverage of hazardous substances. The suggestions from the House staff was agreement to conduct a study of the issue.

As I noted, an area of great significance to the Senate is the issue of preemption of State liability statutes. The House staff refused to negotiate with any particularity on this matter. They only agreed to talk about preemption after every other decision was made. When pressed, they admitted to be willing to accept very little in the preemption field.

Let me give you an example of what the House position on preemption means. The State of Washington had a law on the books which imposes strict liability upon a spiller of oil to pay for all cleanup expenses and damages resulting from that spill. The defenses to that liability are act of war or sabotage or negligence on the part of the United States or State of Washington. There are no other defenses to liability.

If the House preemption provision were to prevail, then the Washington law would be effectively repealed. The provisions of the House liability scheme, which include limits of liability for the spiller and greater opportunity for defenses to liability would supersede the policy that State has already fashioned for itself.

Obviously, the State of Washington in its wisdom has determined that strict and unlimited liability is a necessary protection from the dangers of oil spills. There are two factors at work in such a policy—the guarantee of total compensation to all damaged parties and the incentive created by such a policy on the carrier of the oil to safer handling.

It was this latter purpose which the Senate especially wished to preserve.

In many other areas of importance to the Senate—damage assessment, defenses to liability, uses of the fund, levels of liability, financial responsibility, and definition of operative terms, the House staff suggestions offered little or no movement.

Mr. President, what has been suggested by the staff was only lipservice to the Senate concerns:

No effort was made to accommodate the Senate concern over the issue of hazardous substances.

No effort was made to accommodate the Senate concern over the preservation of State's rights.

No effort was made to accommodate the Senate concern over the use of a legal framework which has been in place for years.

And these are only the major issues. And the Senate saw nothing from the House staff on the many lesser issues important to a final bill.

The House insisted on their bill, start to finish, take it or leave it.

The House has sent a bill back to the Senate. It is unacceptable for many reasons. I have already outlined the major reasons for our rejection of this bill; I would like now to discuss some of the less obvious but equally important problems with the House passed bill.

First, the structure of the House bill is designed so as to repeal section 311 of the Clean Water Act as it relates to spills of oil. And it replaces that program, which has been in effect for almost 9 years, with a completely new framework which in many respects is far less protective than what current law provides.

I would like to print at this point in the RECORD an analysis made at my request by EPA of the impact of the House-passed bill on the current section 311 program.

The analysis follows:

WASHINGTON, D.C.,
October 13, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is the technical review you requested on the impact of the House-passed Superfund bill, H.R. 6803, on the provisions of existing law, specifically the Clean Water Act.

This effort was necessarily hurried but it represents our best judgment on these complicated issues.

Sincerely yours,

THOMAS C. JORLING,
Assistant Administrator.

ANALYSIS

Factual review of the implications of the House-passed Superfund Bill on existing law, Clean Water Act, section 311, as it relates to the discharge of oil and hazardous substances.

(1) The Clean Water Act [Section 502(7)] defines navigable waters to be "waters of the United States, including the territorial seas." This is an all inclusive term and is the broadest reach of jurisdiction possible. The House-passed Superfund bill defines the waters narrowly—in the words of its report "Intentionally more restrictive than the meaning ascribed to navigable waters in some other Acts." If the House-passed Superfund bill became law, the result of these two different definitions would be twofold:

(A) overlapping jurisdiction in some waters between 311 and Superfund; and (B) exclusive 311 jurisdiction in other waters. This division and overlap would serve no public policy objective and would cause considerable confusion to onscene coordinators, discharges, and to the public. It would result in considerable litigation and inefficiency.

(2) The House-passed Superfund bill amends section 311 to exclude "petroleum oil". Thus, in those portions of the waters of the United States which are not covered by the restricted definition of navigable waters under the House-passed Superfund bill, there would be no oil response and liability program under existing law. In effect, it would constitute a repeal of section 311 with respect to those waters.

(3) Both the Clean Water Act and the Superfund bill create duties and liabilities regarding the discharge of oil into waters of the territorial sea, the Contiguous Zone and the High Seas. With respect to discharges into the territorial sea and the Contiguous Zone, the provisions are the same, however, with respect to discharges of waters beyond the Contiguous Zone, the existing law, Section 311(b)(3), provides for the threshold (i.e., the discharge which requires notice and establishes the potential for liability) to be those discharges "which may affect natural resources belonging to or pertaining to . . .", whereas the House passed bill would amend that provision and uses the words "causing injury to or loss of natural resources belonging to or pertaining to . . .". The effect of this change would seriously weaken the environmental protection objectives as it would require a determination to be made, generally by the discharger, of actual injury or loss as opposed to potential injury or loss. The effect of this would be (1) to increase litigation, and (2) to create an incentive on the part of the discharging source not to notify and trigger the sequence of liability because, it is always possible to allege no actual injury or loss to natural resources occurred, and shift the burden to the government and to the environment. It could negate the environmental objectives of the statute. This is especially acute in the deep ocean waters where the ability to prove immediate actual harm is always difficult, if not impossible.

(4) The House-passed bill changes the definition of oil from that which appears in the Clean Water Act. The change in this definition of oil would create tremendous uncertainty and confusion with respect to those portions of waters where both the existing Clean Water Act and Superfund Law would apply. There seems to be no public policy served by that difference.

(5) The House-passed bill includes removal costs under section 311 as eligible costs under the Superfund for subsections (c), (d), and (1) of section 311. It omits subsection (f)(4) of section 311 which was added in the 1977 amendments to allow costs to restore and replace natural resources damaged as a result of a spill.

(6) The House-passed bill changes the section 311 defenses to liability available to discharging sources. Section 311 provides that the defenses are available where the spill was "solely" caused by an act of God, act of war, or act of a third party. The House-passed bill uses the word "primarily", thus introducing the concept of contributory and comparative negligence which could have the effect of increasing markedly the amount of litigation. It will certainly reduce the amount of recovery by the government as the clarity of "solely" is negated.

(7) The House-passed bill repeals subsection (p) of section 311 which requires financial responsibility. This provision in existing law applies to all forms of oil (beyond those of the House-passed Superfund) and to hazardous pollutants. The effect of this repeal is to eliminate from existing law financial responsibility requirements for those pollutants.

(8) The Clean Water Act does not preempt State liability laws for oil or hazardous substances. There are many States with such laws, for instance, Washington, California, Texas, Georgia, and Maine. Many make no distinction between oil and hazardous pollutants. The House bill preempts at least some elements of those laws. Under the House bill there will be uncertainty with respect to the preemption of oil and not hazardous pollutants, especially within States that have coverage over both oil and hazardous pollutants in the same law, such as Florida and Texas.

(9) The Administration has strongly supported including a limitation on all penalty provisions applicable outside U.S. waters to protect foreign vessels and thereby achieve consistency with International Law and U.S. Foreign Policy. The House Bill does not include those provisions.

Mr. MUSKIE. Mr. President, these are significant issues on which the Senate Environment and Public Works Committee was not willing to recede.

Further, the House bill does not include any substantive provision on damage assessment. This provision is an essential ingredient to a workable liability and compensation program.

The House bill regards the fund as an insurance policy for the spiller. The fund can deny liability for any claim, thereby throwing the whole issue into adjudication. The Senate bill, on the other hand, makes the fund available immediately for compensation purposes and allows it to recover through subrogation. The emphasis in the House bill is on protection of the spiller; the Senate bill is designed instead to protect the damaged party.

As can be seen from this bill, the House has insisted totally on their format; their staff have made no effort to reach a compromise on the major issues of importance to the Senate. They have offered studies for substance—technical changes in exchange for good public policy.

Mr. President, I can hardly call this an exercise in compromise. After reviewing the suggested concessions on the part of the Senate staff and the intransigence on the part of the House staff, I can only assume that the House is simply not interested in pursuing a legislative solution to this problem this year. And may I add that it was at the urging of the chairman of the House Merchant Marine Committee, the chairman of the Coast Guard Subcommittee, and their ranking minority members (Mr. MURPHY, Mr. BIAGGI, Mr. RUPPE, and Mr. TREEN) that caused this bill to move out of the Environment and Public Works Committee. Their letter indicated a willingness to discuss the issues we have outlined. It was in anticipation of such good faith negotiations that the Senate proceeded with its bill. I would like to share with you the contents of that letter, and I ask that it be inserted at this point in the RECORD.

The letter follows:

WASHINGTON, D.C.,
August 2, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution, Committee on Environment and Public Works, Dirksen New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN. We would like to take this opportunity to call your attention to a matter which, in our opinion, is one of extreme importance, the issue of oil pollution liability and compensation legislation.

As you are aware, the Committee on Merchant Marine and Fisheries, in the First Session of the present Congress, completed action on, and reported, H.R. 6803. That bill, which provided for a comprehensive system of oil pollution liability and compensation, was passed by the House on September 12, 1977, by a vote of 332 to 59 and was subsequently referred to the Senate. It is, of course, now pending before your Subcommittee.

Since the referral of H.R. 6803, your Subcommitte has been considering S. 2900, a bill introduced by you on the same general subject. The primary difference, as we understand it, between the two bills, is the fact that your proposal includes provisions relating to hazardous substances, as well as to oil. What prompts our present concern are recent reports that the difficulty in addressing the problem of hazardous substances has led to the possibility that action on the legislation may be postponed until the next Congress.

We sincerely hope that the reports are not correct. We recognize the problems inherent in melding hazardous substance legislation with that involving oil alone, and it was because of those difficulties that our Committee decided last year that it would be much easier to treat the two subjects separately. It may well be that there is some reasonable method by which they can be joined together, but, in any case, we strongly urge you to see that the oil pollution legislation moves forward, whether with or without comparable provisions for hazardous substances.

You will recall that after the several pollution casualties in the Winter of 1976–77 many Members of both Houses, as well as the general public, urged prompt action for legislation to resolve the several issues involved including liability and compensation for damages. We do not believe that the public will understand further delay, particularly should the U.S. be unfortunate enough to suffer another Argo Merchant disaster or one similar to the casualty involving the Amoco Cadis. A recent similar, though small, reminder occurred only this week, with the grounding of the dredge barge Pennsylvania in Rockaway Inlet, New York, with a resulting spill of diesel and fuel oil.

We have been and continue to be of the opinion that H.R. 6803, in some acceptable form, should be enacted during the present Congress. The bill is a culmination of extensive work begun in earlier Congresses, and, in its final version, it has received widespread support from a broad range of interested individuals and groups, including the Administration, maritime management and labor, oil interests, environmental groups, state governments, and the general public.

Certainly, we can assure you that we have no desire to attempt in any way to intervene in your Subcommittee deliberations. However, we urge you to see that some legislation is moved forward. Should you decide that hazardous substances should be a part of that legislation, we stand ready to consider that inclusion in a forthcoming conference. If, on the other hand, the present difficulties surrounding hazardous substance regulations and their proper handling should make present legislation on the subject impossible, we urge you then to move the oil pollution bill forward so that that important subject may be resolved prior to the end of the present Congress. In that case, we can promise you our wholehearted cooperation in addressing hazardous substance legislation at the earliest possible opportunity during the course of the next Congress.

With highest personal regards, we are.

Sincerely,

JOHN M. MURPHY,
Chairman, Merchant Marine and Fisheries Committee.

MARIO BIAGGI,
Chairman, Subcommittee on Coast Guard and Navigation.

PHILIP E. RUPPE,
Ranking Minority Member, Merchant Marine and Fisheries Committee.

DAVID C. TREEN,
Ranking Minority Member, Subcommittee on Coast Guard and Navigation.

Mr. MUSKIE. Mr. President, some have argued that superfund legislation must be enacted in this Congress no matter how poorly drafted or ill-conceived that legislation may be. I reject that argument. It is not as if our shores will be awash with oil with no authority to act against a major spill.

Existing law is adequate to provide protection against all but the most catastrophic of spills. And existing law creates fewer litigable issues than would be created by the House-passed bill.

I ask to print in the RECORD at this point a memorandum summarizing the Federal statutes which are currently extant covering liability for both cleanup and damages resulting from spills of oil.

The memorandum follows:

MEMORANDUM

WASHINGTON, D.C.,
October 12, 1978.

To Senator Edmund S. Muskie.
From Sally Walker and Karl Braithwaite.
Subject: Update of July 17 Memo on Discussion of the Need for S. 2900.

There are several questions which should be raised about proceeding with further action on Superfund.

1. Is the coverage provided in the Superfund really necessary?

There are currently in existence several statutes covering liability for both clean-up and damages resulting from spills of oil. They are:

The Clean Water Act. This law establishes liability out to 200 miles for clean-up of spills of oil and hazardous substances and also establishes liability for damages to natural resources caused by spills of oil and hazardous substances out to 200 miles. A $35 million appropriated fund covers claims be-

yond the limits of liability. Vessels are liable up to $150 per gross ton with a minimum of $250,000; inland oil barges are liable up to $125 per gross ton with a minimum of $125,000; facilities are liable up to a $50 million (may be lowered by President to maximum of $8 million).

The Trans-Alaska Pipeline Act. This law establishes liability for clean-up and damages resulting from spills of Alaskan oil. A $100 million fund covers claims beyond the limits of liability. Vessels are liable up to $14 million for proven claims.

The Deepwater Ports Act. This law establishes liability for clean-up and damages from spills of oil around deepwater ports. A $100 million fund covers claims beyond the limits of liability. Vessels are liable up to $150 per gross ton with a ceiling of $20 million; facilities are liable up to $50 million.

The Outer Continental Shelf Lands Act. This law establishes liability for clean-up and damages for spills of oil from OCS rigs and vessels carrying OCS oil. Vessels are liable up to $300 per gross ton with a minimum of $250,000; facilities have unlimited liability for clean-up and are liable up to $35 million for damages.

Mr. MUSKIE. Mr. President, I have expressed many times my feelings that a superfund bill is appropriate only under certain conditions. Without these conditions, which were clearly and simply expressed to the House, my support for a superfund bill ceases to exist. Without such protections, I feel confident that existing Federal and State law is adequate, albeit inconsistent in spots, to address the current situation. I expressed my reservations with this legislation in a letter to former Massachusetts Gov. Frank Sargent and ask that the extent of that letter be printed in the RECORD at this point.

The letter follows:

WASHINGTON, D.C.,
August 17, 1979.

Mr. FRANCIS SARGENT,
Boston, Mass.

DEAR FRANK: In your recent "open letter" to me, you asked me to say "It isn't so," that it is not me blocking passage of an oil spill liability bill which you treat as if it were being carried from the mountain by Moses. Parts of the oil pollution liability bill passed by the House came from the pits, not the heights. Before you cast me as the snarling villain who stabbed the bill in the back, please consider the following points:

(1) The oil pollution liability legislation is not dead. My Subcommittee on Environmental Pollution acted a month ago to approve an alternative to the House-passed version which struck you as so valuable. I think my approach is a good one. My opinion of the House version will become clear later on.

The key purpose of the legislation is to set up a revolving fund called the "superfund." I think it is called superfund because it represents a "super" deal for the oil companies. It is a government-sponsored and government-administered insurance policy for the major oil companies. It has a laudable purpose—one I fully support. That is to protect the average fisherman, motel owner or coastal businessman from financial disaster in the event of a catastrophic oil spill along the American coast. Not a word in the legislation is designed to stop the spill. But if one happened, the superfund would help ease the pain by making cash available.

The lack of a superfund has had an interesting side effect. The oil companies and their allies are afraid of bringing supertankers to the American coast without this sort of insurance policy. So the insurance policy will be an incentive to increase the size of tankers off our shores and in our ports.

(2) There are some fine state laws governing oil production liability in state coastal waters. Do we really want to tell Maine, Massachusetts and the other coastal states that they can no longer make their own decisions on how best to protect their coastal resource, especially if the threat to their shores increases with the use of supertankers? I think not. In the first place, I am suspicious of any call for state preemption, because if past history is any guide, it is the polluters who have the most to gain.

It works this way: a polluter will fight tooth and nail against federal legislation, preferring to fight environmental legislation in the state legislatures. But if enough states adopt environmental legislation on their own, the polluter comes to Congress eager to enact a "comprehensive" federal approach. The aim is to dilute the federal legislation and wipe out the state laws all at once. Coastal states are in a minority in the Senate, which improve the chances that federal legislation would be more lenient than state law. I do not buy that approach.

Maine is second to none in the value we place on our coastal resources. You can judge for yourself how Massachusetts feels about its coast. I will not be a party to telling those states and others that protecting their coastline is not only none of their business, but they are forbidden to act on their own.

Massachusetts has liability laws tougher than those under consideration in the Congress. And state officials testified this summer that the state wants to keep its right to act

(3) Just about the only people interested in the super fund bill are the members of the House who worked on it, and the oil companies and their maritime allies. That would make me suspicious all by itself. But looking at the House-passed bill, I find some reasons why the oil companies want it so badly:

It would encourage the use of super tankers off American coasts.

It would actually provide less comprehensive liability for oil spills than we now have under current law.

It would also increase the number of arguments an oil carrier could use to escape liability in a court of law.

It would allow the dollar amount of liability for some facilities to be lowered administratively.

The House bill ignores the question of other hazardous materials transported on the oceans, even though the potential for environmental damage is infinitely greater from these poisons.

In a lot of ways, we are better protected under current law than we would be under this new "comprehensive" approach.

The more closely I examined the House-passed bill, the more clearly I understood why the real pressure for passage has come from the oil companies and their allies.

(4) I can also understand why the oil companies have promised to kill the oil pollution liability bill which my Subcommittee passed a month ago. The oil company lobbyists were not even polite about it. They were not threatening. They were promising to kill my legislation if it allowed states to keep their own guard up against an oil catastrophe. I hope they are not so powerful as to deliver on that promise.

For my part, I hope we can get the kind of support behind my bill that the oil companies have generated for their version. I doubt it. But we have passed sound environmental legislation in the face of powerful opposition before. If I have to stand alone, I will. But I hope you will help me by pushing for S. 2000.

And if you are looking for a villain, don't look at me, Frank. It isn't so.

Sincerely,

EDMUND S. MUSKIE.●

A TRIBUTE TO MRS. WILLIAM SAMUEL WRIGHT

● Mr. STEWART. Mr. President, on December 11, 1978, in the Town of Wedowee, Randolph County, Ala., near the foothills of the great American Appalachian Mountains, a lady admired by generations passed away. The loss of Mrs. William Samuel Wright, a member of Wedowee's prominent founding families, will be the entire Nation's.

Born November 13, 1887, of an illustrious Alabama family with rich heritage, Mrs. Wright's ancestors served admirably with Gen. George Washington in the winter snows of Valley Forge, Pa., and hardest battles of the American Revolution. Her earlier ancestors fought and forged a new nation from a wilderness at Jamestown, Va. Her late ancestors fought gallantly with the army of northern Virginia under Gen. Stonewall Jackson and Gen. Robert E. Lee during the American Civil War.

Perhaps Mr. President, the greatest battles of life are not fought before the fire of cannon and muskets but in the hearts of mothers of men and women. If so, Mrs. Wright was a great and triumphant warrior.

During her remarkable lifetime she laid many cornerstones which will always endure.

The first cornerstone and great love of Mrs. Wright was her family. To her family and place were always linked together. Family, Wedowee, and home were the same. She lived nearly all her days in the Wright homeplace built by her husband nearly a century ago. A mother of 5 children, grandmother of 10, and great grandmother of 7, she was devoted to her family. Her spirit continues to burn brightly in the Wright homeplace and indelibly etched a shrine our Nation can take pride in. For without the maintenance of the family America's future is in severe jeopardy.

Another cornerstone she laid was her devotion to church. An active lifelong member of the Wedowee Baptist Church, her family helped build the First Baptist Church in Wedowee. She conducted many of its services, taught Sunday school classes, sang in the choir and was one of its most revered members. In her high honor, the church recently named a class for her. As the Psalmist said her life was like a mighty tree planted by the river of water, that bringeth forth her fruit in season; her leaf shall never wither and whatsoever she doeth shall prosper. All that knew Mrs. Wright knew what a mighty tree she was covering so many with her great love and devotion. As she grew in years, unlike so many, God gave her renewed strength and she applied it generously for others.

But her devotion was not confined to her family or church, for she was loved by the entire Wedowee community and her warm kindness touched so many. Still another cornerstone was citizenship. Mother of five children who served their State and Nation with distinction as admired schoolteachers and leaders—all followed her rich example of service to community and Nation. One of her daughters, Mrs. Velma Wright Irons established the firt class for visually handicapped children in the public schools of Alabama and received Freedom Foundation's highest award for a classroom teacher at Valley Forge, Pa. Each of her children have served their respective communities with untiring devotion and multiplied her influence on the lives of others.

A proud and devoted mother, grandmother, and great grandmother whose children became prominent physicians, dentists, lawyers, and leaders in their communities, a church founder and builder of a community and region—her loss cannot be absorbed by our State or Nation. Perhaps the greatest loss is for those countless persons of all ages who have lost their cherished friend and companion.

By Mrs. Wright's rich life we are able to celebrate the principles upon which America was founded. Surely, as we face that uncertain future as a nation, it is good for us to look at her life—to climb to this high place where shines so clear a light of conscience and of duty, where breathes so gracious a spirit of family and of marriage, where still resound the voices of wise counsel and of bold decision, where the memory of courage and of service can never die.

We can make no better offerings of thanksgiving for her inspiration than to rededicate ourselves and our children and our children's children to the Nation's old ideals embodied in the cornerstones laid throughout Mrs. Wright's life.●

THEODORE CUMMINGS, A GREAT CALIFORNIAN

● Mr. CRANSTON. Mr. President, it is my great pleasure to join California's foremost civic and business leaders in paying tribute to a man we all know, love, and admire: Theodore E. Cummings, who celebrates this year his silver jubilee of community service.

On February 4, 1974, Theodore Cummings' friends and colleagues will fill the International Ballroom of the Beverly Hills Hotel to honor this prime benefactor of the Cedars-Sinai Medical Center and to express their wholehearted appreciation for his hard work and noteworthy accomplishments not only in the field of health, but in education and the arts.

Theodore Cummings led in the creation and expansion of the Cedars-Sinai Medical Center, where he now serves as chairman of the board of directors for the committee on resources and development, and as general campaign chairman. This achievement alone would warrant our respect and gratitude. In addition, however, Ted Cummings has distinguished himself with seemingly endless cultural and philanthropic endeavors.

He has contributed generously to benefits on behalf of the State of Israel, of which he is a staunch supporter. In 1975, he served as chairman of the regional leadership conference of Israel bonds. He has also been a special gifts chairman for the United Jewish Welfare Fund and is a trustee of the community relations committee of the Jewish Federation Council.

Among Mr. Cummings' major civic involvements rank his participation as a founder of the Los Angeles County Museum of Art and the Los Angeles Music Center, his guidance on the board of overseers of the Henry E. Huntington Library and Art Gallery, and his appointment to the board of trustees of the Joseph H. Hirshhorn Museum and Sculpture Garden here in Washington. He also founded the Theodore E. Cummings Collection of Hebraica and Judaica at UCLA—an amazing collection including more than 32,500 rare books and manuscripts.

In addition to these considerable achievements, Ted Cummings cofounded the Jules Stein Eye Institute at UCLA, was a charter founder of the Eleanor Roosevelt Cancer Center and established the Theodore E. Cummings Humanitarian Award, which is presented annually to outstanding members by the American College of Cardiology for teaching overseas.

Ted Cummings is a man who has done far more than his share to improve the lives—and the quality of life—not only for Californians but for the people of our nation and, indeed, our world. I am honored to be among those wishing Ted happy anniversary and a heartfelt thank you for all you have done.●

S. 268—SOFT DRINK BOTTLERS' PROTECTION ACT OF 1979

● Mr. McCLURE. Mr. President, I am pleased to join in reintroducing legislation to prevent the Federal Trade Commission from closing down locally owned and operated soft-drink franchises. Local ownership has existed without Government interference since the turn of the century. It has fostered a healthy and productive partnership between local manufacturers and the parent company.

Without going into a lengthy legal explanation, I would like to give a very brief summary of what the FTC has done. The FTC in 1971 stated that seven soft-drink trademark licensors were guilty of antitrust violations. The licensors were accused of not engaging in intrabrand competition with their manufacturer licensees. These allegations simply are not true.

Competition among bottlers is fierce. They compete with one another, with regional brands and with in-house brands for the wholesale trade—each trying to become the major supplier. Intrabrand competition at the retail level is equal to that found in the selling and promotion of any other consumer product.

It is ironic that under the guise of antitrust enforcement, the FTC is threatening to take action which will result less competition and greater concentration of economic power. The soft-drink industry is unique in that national products are manufactured locally by independent businessmen.

Allowing the FTC to close down the small, independent bottlers will result in the loss of jobs by workers in scores of communities in this country with no demonstrable benefit to the consumer. We should see that they are allowed to continue to operate to the great benefit of their customers, their employees, and their communities.●

THE FUTURE OF UNITED STATES-REPUBLIC OF CHINA RELATIONS

● Mr. STONE. Mr. President, since the December announcement regarding normalization of relations with the People's Republic of China, there has been much debate over the future of United States/Republic of China relations. I would like to insert two editorials which eloquently express the feelings of a great many Americans as the Congress and the President attempt to determine the future course of United States/Republic of China relations.

One of the editorials appeared in one of the finest papers in my State, the Miami Herald, and the other editorial was a television editorial on one of our popular Tampa Bay area stations, WTVT.

Mr. President, I ask that both of these editorials be printed in full in the RECORD.

The material follows:

KEEP AN INDEPENDENT TAIWAN

We can't understand why recognition of the Communists as the official government of mainland China had to include the virtual abandonment of an independent Taiwan. Of course, both the Nationalists and the Communists always have maintained the fiction that the island is just another province of China. But it has a different history, culture and economic system. Leaving it to the tender mercies of the Red Chinese undermines our international credibility.

We don't understand why we could not have traded recognition of the Communist government on the mainland for a commitment to leave Taiwan alone. At the same time, we could have told the Nationalists on Taiwan to give up the charade of being the real government for all of China. Florida has more than an academic interest in all this, since it is in the midst of trade talks with Taiwan, a potential market for oranges and tobacco.

Leaving Taiwan adrift in the China Sea could tempt Russia to move in, which might be welcomed by the Nationalists as less objectionable than being gobbled up by its giant neighbor across the Formosa Strait. Taiwan has great military value in the western Pacific, and we'd feel a lot better if any bases there were American. Recognizing the Red Chinese government was simply recognizing reality. But we should be just as realistic about Taiwan. We hope it's not too late.

CHINA'S DIPLOMATIC CONQUEST MAY RETURN TO HAUNT CARTER

There is a Chinese proverb that says, "The greater conqueror is he who overcomes the enemy without a blow." If that be so, the reopening of diplomatic relations with the United States represents a double conquest for the Peking government. It has, with one dramatic gesture, "conquered" both Taiwan and mainland China's isolation.

The imminent *rapprochement* with Peking—diplomatic recognition in January, an exchange of ambassadors in March—is also a conquest for President Carter. But it carries a price that may, in time, prove regrettably dear.

In recognizing Peking as the government of all China, the United States perforce had to break its word with the Nationalist Chinese on Taiwan. They can count on continued U.S. observance of all of the two nations' 60-odd accords except the two they treasure: diplomatic recognition and the American pledge to repel any invasion of

Taiwan and its offshore islands, Quemoy and Matsu.

It hardly ameliorates matters to recognize that the United States could not have withdrawn diplomatic recognition of Taiwan without unilaterally abrogating their defense treaty as well. What value, now, will other U.S. allies place on the American signatures affixed to treaties with them? What faith, now, will they have that agreements reached when it was expedient for the United States to reach them will not be abrogated when Washington sees abrogation as in its own best interests?

These reservations taint the considerable advantage that the United States will gain, diplomatically and perhaps economically, by its pending recognition of Peking.

The diplomatic advantage is twofold. First, Richard Nixon undertook his historic 1972 trip to Peking in part because the United States felt that a restive China would be easier to deal with within the community of nations than outside it. Other nations felt so too, and in time the United Nations ousted Taiwan and seated Peking.

The second advantage for Washington, fully as important as the first, is the effect its recognition of Peking will have on the Soviets. One paragraph of last Friday's U.S.-Chinese joint communique clearly was addressed to Moscow. "Neither (the United States nor China) should seek hegemony in the Asia-Pacific or in any other region of the world," it said, "and each is opposed to efforts by any other country or group of countries to establish such hegemony."

Most of the Soviet Union lies in Asia, and the Kremlin considers its hegemony—dominance—in Asia to be a geopolitical imperative. Centuries of enmity, deepened by periodic flare-ups along their long and lonely border, have bred into both the Chinese and the Soviets a near-genetic loathing for one another.

The Soviets shrieked when China signed a peace treaty with Japan earlier this year, but they took no provocative action. They are deeply disturbed by the U.S.-Chinese rapprochement, and one question now is, How and where will they retaliate? Africa? Iran? Afghanistan, Cuba, even?

It remains to be seen whether the U.S.-Chinese diplomatic recognition will be the boon for U.S. exporters that some observers immediately foresaw. It can be argued that an emergent China, like any buyer, would have turned anyway to the best-equipped warehouse—the United States—for the foodstuffs, industrial equipment, and technology it needs to lift its economy out of feudalism.

In sum, all that can be said with certainly of the U.S.-Chinese rapprochement is that it came with unexpected swiftness, its arrival hailed by the klaxons that always signal high drama.

But the Americans and the Chinese are only at center stage, not alone. In the wings other players await: the Nationalist Chinese, the Soviets and their minions. They may determine whether the high drama is over, or just beginning.●

STUDENT ESSAYS ON THE FREE ENTERPRISE SYSTEM

● Mr. THURMOND. Mr. President, last November during Free Enterprise Week in Oconee County, S.C., many young people entered an essay/poster contest sponsored by the distributive education club of Oconee County. Out of all the fine essays and posters submitted, two essays were judged to be best and one poster won against all others.

I commend the three winners, Marcia Miles, Patricia Watson, and Mary Nan Ellenburg on their hard work and outstanding achievement. Not only have they demonstrated an understanding of the American economic system, but, through their efforts, have helped others gain knowledge of our free enterprise system.

Mr. President, in order that I may share the two outstanding essays with my colleagues, I ask that they be printed in the RECORD at the conclusion of my remarks.

The essays follow:

WHAT THE FREE ENTERPRISE SYSTEM MEANS TO MY FUTURE

(By Mary Nan Ellenberg)

The free enterpise system is based on the knowledge that each individual shall decide what is best for himself. No one man can make decisions for the entire nation, country, state, or group. For free enterprise to exist, there must not be a central economic plan. Thus one person or group cannot decide how much a certain manufactured product will cost, or what quantity will be produced. Men must make their own decisions and then face the consequences that come with it, whether profitable or nonprofitable. This system is, at the present time, in use in the United States, Canada, and a few other countries.

The free enterprise system means a great deal to my future. It will play an important part in my life when I enter the labor force. If I were to work in or run a small business, it would assure me that no larger business could build a monopoly, thereby putting smaller companies out of business. It assures me that one company cannot rule over all other businesses in a dictative manner.

The free enterprise system would not allow one person or company to set the pace on how much of one certain product is produced. The same thing works with prices of products. If this were allowed I would have little or no future in the small business line of work.

If there were no free enterprise system, I would not be able to make my own economic decisions. I would have to go by other businesses' decisions. I would not have the opportunity to try to make a business of my own. I would not have the right to use my money to start a business, whether it were wise or not.

The free enterprise system may also determine the cost of living for me in the future. If one group or person were able to control prices the cost of living would soar. This would put pressure on me to provide the needed assets for myself and my family. Such a situation would also have major effects on my style of living. It would limit what I could buy. The free enterprise system would also influence the job wages I would receive.

The free enterprise system in the United States is very important to me. It represents a way of life for myself and the people around me. It will give me the opportunity to make a living, the American way.

WHAT THE FREE ENTERPRISE SYSTEM MEANS TO MY FUTURE

(By Patricia Watson)

My future is actually based on the Free Enterprise System. When I graduate from high school, the system will engulf me into its overpowering ebb and flow. I will have the freedom to choose the job for which I qualify, the goods that I might purchase, and the services which are available.

The Free Enterprise System is based on individual initiative. Striving to further my education in order to become a better educated and well-rounded American plays an important role in my life.

Limited energy supplies may effect the economy in the future. Large industries, supplying jobs for thousands of people, may have to cut down on energy costs to meet a minimum use, due to the shortages of coal or oil. This, obviously, would mean that hundreds of people would be without jobs. To be realistic, I have to see myself as one of the jobless if I worked for that industry. But in our Free Enterprise System I may pursue another profession.

There is always a demand for many products. Especially if the population increases, there will be a great demand for the goods and services that are produced in the United States. Therefore, with my own individual initiative, I will have the freedom to buy the property and organize the resources, materials, and labor to supply the growing population with goods and services. I may choose to work in a factory owned by someone else. This, also, is my decision—the government does not make this decision for me.

As I have stated, I have the right to work where I want to, but I also have the right to live where I wish and to change my environment at any time.

In some countries, such as Russia, the people do not have these privileges. The Russian people have no options or choices as to what occupations they might choose. Without any opposition, most of them will live out their lives in the same environment.

I feel that as Americans, we could never adopt to some of those limitations. We are spoiled by our freedoms. The American people have known a life of freedom of speech and actions, with few restrictions.

Lincoln summarized what our forefathers based our freedoms on when he stated that we have a ". . . government of the people, by the people, for the people." So when we speak of what the Free Enterprise System means to our future, we may remember that the government was developed with the nation as a whole in mind. Our freedoms and rights were not made for any particular group of people. They were made for everyone in the United States.

As an American—in Salem, South Carolina—I will use the Free Enterprise System in my best interests. With this system I will be free to make my own economic decisions. I believe this is essentially the basis of our economic survival.●

INTERVIEW WITH MR. RICHARD N. GARDNER, AMBASSADOR TO ITALY

● Mr. MUSKIE. Mr. President, I send to the desk and recommend for my colleagues' attention the text of an interview of the U.S. Ambassador to Italy, Mr. Richard N. Gardner. The interview was conducted by Mr. Alberto Ronchey for Italian television. I recommend it because it offers, in my opinion, a valuable insight to perceptions of the United States from abroad. Ambassador Gardner offers concise, but thorough responses to questions of interest to the Italian people. A studied awareness of the concerns of a highly regarded ally, such as Italy, is invaluable in the formulation of responsible foreign policy.

I ask that the text of the interview be printed in the RECORD.

The interview follows:

INTERVIEW OF AMBASSADOR RICHARD N. GARDNER

(By Alberto Ronchey)

Q. Ambassador Gardner, the Carter Administration is now two years old. I would like to ask you which events have characterized this period of American policy.

A. I think the record of the Carter Administration in these first two years is one of solid accomplishment, both in domestic and foreign policy. At home, the most important thing is that President Carter, after our difficult period of Watergate and Vietnam, has restored the confidence of the American people in the integrity, morality, openness and responsiveness of our government. I think we have also made important progress in reducing unemployment and increasing our rate of economic growth. In all honesty, we have not done such a good job in controlling inflation. But overall, the record economically is a good one.

In foreign policy, I think we can say objectively that we have taken major initiatives for peace, for disarmament, for human rights and specifically to strengthen our relations with our close friends and allies in Europe and Japan. I need only mention the extraordinary initiative the President took in bringing about the Camp David agreement which, I believe, despite all difficulties, will lead to peace between Israel and Egypt in the Middle East. And I think as far as our allies are concerned, President Carter has demonstrated in his leadership in the economic summits and the NATO summits that we intend to work more closely than ever with you in Europe to assure Europe's defense and to assure a stronger international economic system. These seem to me to be the most important elements in the first two years of President Carter.

Q. You have just mentioned the problem of inflation. The Italian edition of your book "Politica economica ed ordine internazionale," with Guido Carli's preface, has been published recently. I remember that you have great experience in this field, and I would like to ask you if you think that a lasting stability of the dollar is possible despite the dangerous wandering masses of Eurodollars and petrodollars.

A. I think stability of the dollar is possible. Indeed it's essential, because the dollar, as you know very well, is not only an American currency, it's a world currency, it's the currency which is used for world trade, it's the currency used by most countries for the holding of reserves. Therefore, a strong dollar is in everyone's interest. And to this end, President Carter is totally committed, and we are going to have a strong dollar. The President, first of all, has committed himself in the November 1st announcement to intervene massively to prevent speculation against the dollar in the foreign exchange markets, and you've seen how this has succeeded in restoring confidence in the dollar; the dollar has recovered much of the value that it lost in previous months. In addition, to have a strong dollar, we must reduce our balance of payments deficit, and all the forecasts by objective sources, such as the International Monetary Fund and OECD, indicate that our deficit will be greatly reduced next year, mainly because our rate of growth relative to that in Europe and Japan will go down, so we'll be importing less and exporting more. And finally, we have made a very serious commitment to control our domestic inflation. We recognize that unless we control our inflation we can't have a strong dollar. To this end, the President has increased the discount rate and committed himself to reduce our budget deficit. These were not easy decisions for him to take; in some respects, they are politically unpopular. But they represent our recognition of our responsibilities, not only to our own people, but to the rest of the world.

Q. Personally, do you believe it possible to stabilize the dollar avoiding a recession in the States?

A. I do believe it's possible. The forecast for our economy in 1979 is for a rate of growth of between 2 and 3 percent. That's not a recession, It's a reduced rate of growth compared to the growth of 4 to 5 percent we've had this year and the year before. But we just have to have somewhat reduced growth in order to control inflation.

Q. How can the birth of the SME and the ECU, the new European shield, contribute to international monetary stability?

A. I think it will make a major contribution. Let me emphasize that we believe that a strong and united Europe is a good thing, not only for Europe but for the U.S. and the entire world. We favor the economic integration of Europe and we believe that the SME, the EMS as we call it, can be a very important step toward those objectives. We don't see it as antagonistic to the dollar. Indeed we see it as part of a process of international collaboration to achieve greater stability in international payments. A zone of monetary stability in Europe will mean less international currency speculation against individual European currencies and against the dollar. Having said this, I want to emphasize that we are not taking any position as to whether any particular European country should join or not. That is a matter for every country to decide in the light of its own appreciation of its national interest. All we are saying is that we favor the process of European integration and believe the SME is a constructive step in that direction.

Q. Ambassador Gardner, another subject. Thirty years have passed since the Declaration of Human Rights. During the past two years, right when the phenomenon of Soviet dissension was breaking out, President Carter has been pressing for the respect of human rights, especially in the USSR. But how can the Carter doctrine be compatible with Washington's policy towards other nations, such as Iran and Nicaragua, where these rights are violated? And this is not all. The more or less despotic governments of the world are about one hundred; do you think that the United States would maintain their influence on a world scale if they made their foreign policy conditional on each of those governments' respect for human rights?

A. This important question of human rights has interested me for many years. In fact I worked on that subject of human rights when I served in the Kennedy Administration. And more recently as a private citizen I was a member of the Board of Freedom House, which is perhaps the leading private organization in the United States concerned with human rights. That organization publishes every year a map of freedom in the world, and this year the map shows that in the world there are about forty countries that are truly free, about 60 countries that unfortunately are not free, and about 50 countries that are partly free and partly not free. Now it's obvious that the United States cannot impose freedom by military force on the countries that are not true democracies. And there would be no point in our cutting off diplomatic relations with the countries that are not free, because that would serve no purpose, we would then have no influence over them. So what this administration is doing, is to try to use its influence, political, economic, and moral, to persuade countries to grant more human rights to their citizens. We do this everywhere, not just with respect to the Soviet Union, but we do it in Latin America, we do it in Africa, we do it in Asia. We do it with Nicaragua and Iran, where we have consistently urged the leaders of those countries to grant more rights to their citizens and to move toward free elections. Our interest is global: not only does it apply everywhere in the world but it applies to economic rights as well as to political rights. We care deeply about such things as the right to form a free trade union, the right to strike, the right to choose one's job freely, the right to have decent working conditions, the right to move around one's country. All of these rights of course do not exist in the Soviet Union and in Communist countries. So we have a major interest in human rights in the world and every country now knows that how it treats its own citizens will be a major element in its relations with the United States. And that is our policy on human rights, it's neither more nor less than that.

Q. I see that the estimates of this map of freedom are more or less like mine, since 60 countries which are not free and 50 countries which are partly not free correspond, as I said before, to approximately 100 despotic governments in the world. I would like to ask you how you consider, today, the phenomenon called "Eurocommunism" with respect to its French, Spanish and Italian variations.

A. This is such an important question that you are asking, that I want to be sure that I give a precise answer and of course in a matter like this an ambassador doesn't make policy, he reflects the policy of his country.

So the first thing I want to say is that the Carter Administration has expressed its view many times, and that view has always been the same. We have said, first of all, that it is up to our friends and allies to decide how they want to be governed. They are sovereign countries, we will not interfere in their internal politics. We have said, secondly, that we are also a sovereign country and we have a right to express a preference as to what kind of friends and allies we wish to have, and we have said consistently that we do not favor the participation of Communist parties in West European governments and that we would like to see the influence of Communist parties reduced. This is not a new policy, it has been the policy of the United States from the time of Truman, Eisenhower, John Kennedy, Nixon, Ford and Carter.

If you ask the reasons for this position I think I can do no better than to quote what President Carter himself said shortly after he was inaugurated on May 2, 1977, in an interview with some European television journalists. He said and I quote: "We strongly favor the election of leaders who are committed to freedom and democracy and who are free from Communist philosophy, which quite often has been dominated from the Soviet Union or other nations." And my former Columbia colleague Dr. Brzezinski, now the National Security Adviser of President Carter, has more recently, in the fall of 1977, expressed very precisely our view of Eurocommunism, and permit me to quote this because it's a very important statement. He said, in an interview on October 9, 1977, in the Washington Post: "Eurocommunism is a highly differentiated phenomenon. All it is really is a catchword for West European Communist parties. Some of these parties are still highly Stalinist, such as the Portuguese. Some of them have begun de-Stalinization, but they've only begun it, like the French. Some of them are relatively de-Stalinized, but are still highly Leninist, like the Italian. Some are de-Stalinized and probably are de-Leninized, such as perhaps the Spanish. It's useful to bear these distinctions in mind because I think they enable us to make more discriminating judgments in regard to specific West European Communist parties, instead of lumping them under one label which really ignores quite important differences." I can do no more than to quote that which represents the continuing view of our Administration.

Q. One of the most impressive new facts in recent times has been the pragmatic turn of Teng Hsiao-Ping's China, which, I would say, can open new prospects in the political scene. Actually, let us say, contradiction, antagonism, between the Chinese and the Soviets is not new since it dates back to the end of the 50's. But if it is possible for closer relations to exist between the

United States and China, then a problem arises often underscored by the Soviets. What would happen (there was a recent interview of Arbatov by "The Observer") if Washington decided to play the Chinese card, I mean from the strategic point of view, among other things, against Soviet interferences in Africa and around the oil route; what risks would this choice involve?

A. Well, it's not a matter of playing the Chinese card. The fact is that the U.S. wants to have better relations with both the Soviet Union and China and we are not going to let either one of them dictate conditions to us that we must not have relations with the other. We're just not going to permit that, we want to have relations with both, and I think I can say as of this time that our relations with both countries are improving. I think we're very close to signing a SALT agreement, and other accords with the Soviet Union, which will put our relations on a more stable basis. As you know, we have announced the establishment of full diplomatic relations with China. We're naturally very pleased at the developments that have taken place in China. You spoke of the pragmatism of this regime, this is in the great tradition of Chinese pragmatism. That China is moving back into a constructive relationship with the world is a positive thing for everybody—for Europe no less than the U.S., and to the extent that trade develops between European countries and China, the U.S. and China, this is all to the good. As to the question of military sales, our position is very clear, it's the same position that other members of NATO have taken, it's for each NATO country to decide whether to sell weapons to China. As for ourselves, we don't sell weapons either to China or the Soviet Union, but we are not asking our NATO allies to put an embargo on sales to China, that is for each country to decide. But we want good relations with both of these countries, it's in the American interest, and frankly it's in the world interest to have these relations.

Q. Ambassador Gardner, a historical tradition of the relations between Soviets and Americans exists in accordance with which, when mutual suspicions and controversies reach the crucial point, a summit meeting is called. Thus one remembers Camp David between Eisenhower and Khrushchev, Vienna between Kennedy and Khrushchev, Glassboro between Johnson and Kosygin, Moscow between Nixon and Breshnev. Is it now possible to ratify in the near future the SALT II agreement still without a Soviet-American clarification of some problems of intent possibly through a Carter-Breshnev summit meeting?

A. President Carter has indicated that when the SALT agreement is ready for signature, he would like to meet with Chairman Breshnev in the U.S. and I think the President has also indicated that he would like to use this meeting not just to sign SALT, but to review the totality of our relations with the Soviet Union. You remember during the Presidential campaign—when I had the privilege of being the co-chairman of President Carter's Foreign Policy Task Force, along with Doctor Brzezinski—during that campaign President Carter said it was his objective to make detente with the Soviet Union both more reciprocal, more of a two-way street, and more comprehensive, namely that detente should cover not just relations between our two countries, but the way our two countries act with respect to the rest of the world. It's obvious that we can't have a lasting detente if the Soviet Union considers itself free to send client states' military forces, Cuban forces, into Africa or other places to impose their particular kind of social system, that is not a détente, so detente must become more comprehensive and these issues will have to be discussed, frankly, at any future summit meeting.

Q. Many say that the new N-bomb is the capitalist bomb because it would destroy man, saving things. How do you reply to this polemic?

A. This is the usual Soviet propaganda. I don't think serious people pay much attention to it, the facts are very simple. The so-called "Neutron-bomb" isn't a new weapon at all, it's simply an improved version of existing tactical nuclear weapons which both NATO and the Warsaw Pact have already installed in Europe, in large numbers. The difference between this improved version, the so-called Neutron-bomb, and existing weapons is simply this—that whereas the existing weapons make it possible to destroy an invading Soviet tank column within a diameter of one kilometer, while causing damage out to four kilometers in the surrounding countryside, the improved version makes it possible to destroy that same Soviet tank column within a radius of one kilometer, while limiting surrounding damage to two kilometers. So that far from being a weapon, as the Soviet propagandists say, that kills people and spares things, this is a weapon that kills less people and kills the right people, the aggressors, and spares the defending armies and the civilian populations, that's what it does, and that's why the Soviet Union is so anxious to prevent it from being deployed. And I find it strange, since you bring up the subject, that some people in Western Europe conduct this hysterical campaign against the neutron-bomb as an immoral weapon, and never say a word about the Soviet SS 16/18/20 weapons, which have twenty thousand times the destructive power of the so-called neutron-bomb. Why are they silent about this? Doesn't that tell us something about their good faith? Now I want to emphasize, I've always been a man of peace, I've spent my whole professional life working for disarmament, for the elimination of war, for the peaceful settlement of disputes, so I don't like any weapons, and frankly I would prefer to see the so-called neutron weapon not deployed, but as President Carter said, whether we will deploy it or not, will be determined by whether the Soviet Union is prepared to take minimum steps toward reducing their enormous buildup of conventional and strategic forces. They have sixteen thousand tanks, facing seven thousand tanks on the NATO side. If they're prepared to do something about this imbalance in conventional forces, it may be possible for us not to deploy this improved tactical nuclear weapon.

Q. Now, in connection with these remarks made by President Carter, on which conditions, exactly, could Washington give up the construction of the N-bomb? Do these conditions regard the MBFR negotiations, for the reduction . . . ?

A. Well, it's not for me to set precise conditions, our policy is simply this: we haven't decided on whether to deploy the so-called neutron bomb, we would prefer not to deploy it, our decision will be based on whether the Soviet Union shows restraint in its build-up, both of its conventional forces, such as the tanks, in which as I mentioned they have this big superiority, and in the build-up of its nuclear forces, including those nuclear weapons which are targeted on Western Europe. The Soviet build-up, on any objective standard, goes far beyond the Soviet Union's needs for defense and it is in Europe's interests and our interest to see some reduction in that military build-up. If that takes place, we will respond.

Q. Mr. Ambassador, to sum up, what are the problems which most engage you personally in your capacity as American Ambassador in Rome today?

A. Ninety percent of my time is spent on what I like to call "the strategy of cooperation," that is to say on about 10 very specific programs of cooperation and mutual benefit, between Italy and the United States, which we have initiated, in the Carter Administration. For example: we have a major program of cooperation in the energy field. We announced, in the first meeting between President Andreotti and President Carter, that we're prepared through the Export-Import Bank to finance a major part of the cost of Italy's eight 1,000-megawatt nuclear reactor program. We're also working with the Italian Government to assure the safety and environmental security of those reactors.

Q. Mr. Ambassador, there are also programs for the utilization of solar energy . . .

A. Exactly, and because the Italian Government, just as the American Government, wants a balanced energy program, which uses not just nuclear energy, but as much as possible renewable energy sources, our two governments are working together on research and development of solar energy, wind energy, the conversion of waste material into energy (so-called bio-mass energy). This will also help the South of Italy, because the solar energy, and the wind energy, are projects for Sicily and Sardinia. We are also exploring the use of coal of Sardinia, how to use it notwithstanding its high sulfur content in coal gasification projects. So we have a major program in energy of mutual interest to both sides. Also geothermal energy, in which Italy is the world leader, and we get benefits from cooperating with you.

Then, in the field of unemployment, we are sharing information on how to deal with unemployment problems, particularly youth unemployment. How to provide incentives to private industry to create more jobs, how to provide jobs through the public sector, we have major cooperation here.

In the field of health and environmental protection we have a major cooperative program with respect to dangerous chemicals and how they should be controlled, drug addiction, cancer and heart disease.

In the field of economics, we are doing everything we can to facilitate American investment in Italy, and we've had some successes. Recently there was this big agreement between Boeing and Aeritalia providing for Italian participation in the production of the Boeing 757 and 767, which will be the principal passenger aircraft that Boeing will produce in the rest of the century. And this will bring thousands of jobs and billions of dollars of new income to the Mezzogiorno of Italy. We are working together to create more export opportunities for Italy, through keeping tariffs and trade barriers low. We rejected the proposal to put increased restrictions on Italian shoe exports, that was a major decision of President Carter to help Italy.

In the field of education and culture, we have started a truly exciting program by which the United States will help Italy improve English language instruction in Italian schools and universities, and your government is helping us improve the teaching of Italian in our schools and universities. You know, Italian is the fastest-growing language in America today, because so many Americans of Italian descent are rediscovering their roots, and many other Americans, not of Italian descent, want to learn Italian. I am a good example of that because I am not an Italian-American. I married a girl from Venice, and I think I am living proof that you don't have to be an Italian-American to want to learn Italian. So we have a big growth in interest in the Italian language in the United States and we need your help in training teachers.

And then we are increasing in a major way our exchange of persons. We have increased by 60 percent our funds for the bringing of young Italian leaders to the United States, political leaders, journalists, trade unionists and scholars. Together our two governments are encouraging the development of a student loan fund, in which the private sector of our two countries, banks and business firms, both Italian and American, will create student loans to bring up to 200 young Italians from poor families to do post-graduate work in the United States on subjects of importance to Italy's future. So in all these ways we are trying to find practical ways to help strengthen democracy and economic welfare in Italy as well as in the United States.

Q. You have mentioned possible investments. Well, on which conditions, in your opinion, would it be easier to obtain investment from the United States, particularly for Southern Italy?

A. Well, as you know very well, American private investors, like all private investors, are not charitable institutions. They invest where they see a chance to make a profit and investment security. And so we must study together how to create these conditions. American investors, like all investors, look at the cost of labor in Italy relative to the cost of labor elsewhere and they look at the issue of labor mobility. If they can be assured on those matters, and if they can be assured that national and local government authorities will take a favorable view, an encouraging view, I think they'll come to Italy. There's already three billion dollars of American investment in Italy. I'd like to see that grow. But that's something on which our two governments must work together. I'm doing everything I can when I return on visits to the United States to encourage American business to think of Italy as a place to invest, particularly in the South. And there are great opportunities, tourism is one area, agriculture, as well as industrial projects, in which our two governments can encourage investment.

Q. Therefore, you say that in the industrial sector competitive cost of labor and labor mobility are the two major conditions necessary to obtain foreign investment in general, and therefore also American investment.

A. And that's also true for Italian investment. There will be American investment in the Italian South when there is Italian investment in the Italian South. I'd like to see joint ventures between Italian and American investors. But my point is that most of my time as Ambassador is spent on this strategy of cooperation. Indeed, it's a measure of the interdependence of our two countries that we are working not only between foreign offices on diplomatic problems; we are working between labor ministries, education ministries, health ministries, and so on, on common problems that face all industrialized democracies. And this testifies to the very special, close, warm and friendly character of the relationships between Italy and the United States today.●

PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT FEDERAL SPENDING

● Mr. STONE. Mr. President, as a member of the Congressional Advisory Committee of the National Tax Limitation Committee, I want to share with the Senate the results of many months of careful work by the drafting committee of this organization. This group has announced its proposal for a constitutional amendment to limit Federal Government spending.

I commend and endorse the basic approach of this proposal—to limit Federal outlays as a function of the gross national product. It is a real and effective way to limit the spending of the Federal Government. Over the long run, it would insure that the fruits of American labor and investment are not unreasonably taxed for Government use but rather remain in the hands of the Nation's citizens who can use that money to improve their own lives.

Inasmuch as the national tax limitation drafting committee has only recently made its work public, I have not had the opportunity to review it in every detail. Although constitutional amendment approach to limiting Federal spending is strong medicine, and should be taken with care, I have no doubt this Congress must make clear to the public it will draw the line on an ever-increasing Federal outlays of cash. Because I am a member of the National Tax Limitation Committee's Congressional Advisory Committee, I am familiar with the overall approach the group has taken to limiting the Federal budget's growth. I think there is much in this proposal which can be the foundation for a limit on Federal Government spending. I intend to draw on this package for my own proposal later in this session of Congress.

Given the level of budget deficits in the past 10 years and the apparent inability of Congress and the President to bring Federal spending under control, I believe the time has come to take effective steps to insure there is control in the future. Some Members of the Senate have already introduced such proposals of their own, and 24 States have adopted resolutions calling for a constitutional convention to adopt a constitutional limit on the Federal budget deficit.

President Carter's 1980 budget, which many of us are now studying closely, is a step in the right direction. I am confident the 96th Congress will not only support the President but will press even further in this direction.

But more needs to be done. The proposal of the National Tax Limitation Committee is clearly an appropriate approach. It is based on sound economic principles and deserves the consideration of each Member of Congress. I encourage my colleagues to examine it closely, and I ask them to comment on its content, both on the specific idea of tying spending to the gross national product and on the general idea of limiting spending through an amendment to the U.S. Constitution. To that end, Mr. President, I ask that the text of this proposal and the supplementary material attached be printed in full in the RECORD immediately following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 30, 1979.

In July 1978, The National Tax Limitation Committee asked several distinguished Americans to join together in an effort to prepare an Amendment to the Constitution of the United States that would limit spending by the Government of the United States and get at the root cause of inflation.

The Committee has prepared and now offers this Constitutional Spending Limit Amendment to interested Members of Congress and other citizens. We believe that this Amendment design offers a responsible method for dealing with our fiscal and monetary problems.

WILLIAM F. RICKENBACKER,
Chairman.

LEWIS K. UHLER,
President.

A PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT FEDERAL SPENDING

Section 1. To protect the people against excessive governmental burdens and to promote sound fiscal and monetary policies, total outlays of the Government of the United States shall be limited.

(a) Total outlays in any fiscal year shall not increase by a percentage greater than the percentage increase in nominal gross national product in the last calendar year ending prior to the beginning of said fiscal year. Total outlays shall include budget and off-budget outlays, and exclude redemptions of the public debt and emergency outlays.

(b) If inflation for the last calendar year ending prior to the beginning of any fiscal year is more than three per cent, the permissible percentage increase in total outlays for that fiscal year shall be reduced by one-fourth of the excess of inflation over three per cent. Inflation shall be measured by the difference between the percentage increase in nominal gross national product and the percentage increase in real gross national product.

Section 2. When, for any fiscal year, total revenues received by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt is eliminated.

Section 3. Following a declaration of an emergency by the President, Congress may authorize, by a two-thirds vote of both Houses, a specified amount of emergency outlays in excess of the limit for the current fiscal year.

Section 4. The limit on total outlays may be changed by a specified amount by a three-fourths vote of both Houses of Congress when approved by the Legislatures of a majority of the several States. The change shall become effective for the fiscal year following approval.

Section 5. For each of the first six fiscal years after ratification of this article, total grants to States and local governments shall not be a smaller fraction of total outlays than in the three fiscal years prior to the ratification of this article. Thereafter, if grants are less than that fraction of total outlays, the limit on total outlays shall be decreased by an equivalent amount.

Section 6. The Government of the United States shall not require, directly or indirectly, that States or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs.

Section 7. This article may be enforced by one or more members of the Congress in an action brought in the United States District Court for the District of Columbia, and by no other persons. The action shall name as defendant the Treasurer of the United States, who shall have authority over outlays by any unit or agency of the Government of the United States when required by a court order enforcing the provisions of this article. The order of the court shall not

specify the particular outlays to be made or reduced. Changes in outlays necessary to comply with the order of the court shall be made no later than the end of the third full fiscal year following the court order.

DISCUSSION

Section 1. The basic limit:

The basic limit on federal outlays has two parts. One part applies whenever inflation is three per cent or less, the other part whenever inflation is more than three per cent.

Inflation Three Per Cent or Less. If inflation is three per cent or less, the Federal Government cannot increase its share of gross national product. If, for example, gross national product increases by five per cent from one year to the next, then government spending cannot increase by more than five per cent. Even if government spending increases by the maximum allowed—in this case five per cent—its product merely remains constant.

An important feature of the limit is that it is a linked limit in which each year's limit depends on actual spending of the preceding year. This is the mechanism that permits the Congress gradually to reduce the government's share of the gross national product.

If, in any year, the Congress spends at a slower rate than the limit allows, that sets a new and lower base for future years.

Another important feature is the time difference between the fiscal year and the calendar year. Gross national product for any year is not available until some months after the end of the year. The difference in timing makes it possible to calculate the limit in ample time for the necessary budget process. For example, fiscal year 1980 starts in October 1979. The spending limit for that fiscal year would be based on the rate of economic growth during 1978. These data become available early in 1979, just at the moment the federal budgeting process for fiscal year 1980 is getting under way.

The time difference also has a countercyclical advantage. Gross national product increases most rapidly during a boom. This amendment permits the most rapid increase in government spending when the economy is generally over the boom and in a recession—i.e., 21 months beyond the boom peak (21 months is the interval between the start of a calendar year and the start of the succeeding fiscal year). And gross national product increases most slowly during a recession. That brings about a slower increase in government spending 21 months later, when the economy is likely to be past the recession and entering the most rapid phase of the ensuing recovery.

Government spending is defined in this amendment as "total outlays" in order to cover as fully as possible all spending by the government other than debt redemption. Because emergency outlays are excluded, the emergency provision in Section 3 cannot be used to raise the limit for years following the emergency period.

Inflation More Than Three Per Cent. If inflation is more than three per cent, spending still may rise, but the rate of growth will not be quite so fast as the rate of growth in nominal gross national product. Congress, therefore, will have a strong incentive to reduce inflation, to hold down spending, and to cut any deficit. The three per cent cushion provides ample room for unavoidable zigzags in inflation from year to year, and for errors in statistical measurement. At the same time, the inflation penalty in this section establishes a strong pressure for responsible management of the federal budget while not depriving Congress of the necessary flexibility in adjusting to changing conditions. A reduction in the government's share of gross national product should be achieved gradually, to permit an orderly adjustment by employees, employers, consumers, and investors. This is why the spending limit is reduced gently—but steadily. Also: the higher the inflation rate, the greater the incentive for Congress to reduce inflation.

For example, if real gross national product goes up by four per cent per year and the nominal gross national product goes up by 11 per cent, inflation is seven per cent. The permitted maximum increase in government spending would be ten per cent instead of 11 per cent—a reduction of one-tenth. If nominal gross national product goes up by 15 per cent, inflation is 11 per cent. The permitted maximum increase in government spending would be 13 per cent, instead of 15 per cent, a reduction of slightly more than one-tenth.

For simplicity, inflation is defined as the difference between the percentage increase in the current dollar value of the gross national product and the percentage increase in the real gross national product. This is arithmetically slightly different from the usual definition of inflation as the rate of change of the implicit price index. (See "Appendix A".)

Section 2. Handling of surplus:

This section simply makes explicit that any surplus must be used to reduce the debt of the United States. The section is fully consistent with current practices regarding management of the public debt. Once the debt is eliminated, this would permit further reductions in taxes.

Section 3. Emergency provision:

Any workable limitation on spending must provide for emergency situations, of which the obvious and the most extreme would be the outbreak of a major war. This amendment provides for such situations by building on present practice, under which the President declares an emergency and the Congress may then authorize expenditures in excess of the limit to meet the emergency. In order to deter the use of this provision to thwart the intent of the amendment, the amount of emergency outlays must be specified, the authority must expire at the end of each fiscal year and must be renewed if the need for emergency funds continues, and the emergency outlays may not be included in the base for calculating the spending limit for future years.

Section 4. Permanent change:

Because of the year-to-year "linkage" in the limit mechanism, a change in the limit for any single year will affect subsequent years. Such a change should be made only when it has widespread public support. This section, therefore, requires a three-fourths vote of both Houses of Congress plus approval by the Legislatures of a majority of the States.

Though a "change" may, of course, be either an increase or a decrease, this section has to do primarily with increases. The reason is that a decrease for any current fiscal year can be achieved by a simple majority of both Houses of Congress voting total outlays below the permissible limit. However, this section makes it possible for a Congress to ask the States to approve decreases that will apply to one or more future years.

Section 5. Protection of grants to States and local governments:

This section guarantees State and local governments their current share of federal spending for six years. Thereafter, it permits reductions in their share to take place but only if that reduces total federal spending dollar for dollar. It thus avoids any incentive for further concentration of spending in Washington at the expense of the States and local units of government.

Section 6. Protection of States and local governments against imposed costs:

This section prevents the Federal Government from imposing costs on State and local governments without compensating them. This closes a loophole by which the limit on federal spending might be circumvented.

Section 7. Method of enforcement:

The public needs assurance that the spending limit will be enforced. The Judiciary is the established agency of the Government for enforcing the Constitution. At the same time, it is desirable not to abuse the courts with a multitude of nuisance suits. This section allows only Members of Congress to have standing to sue and concentrates these suits in the District of Columbia. Though citizens cannot sue individually, as would be desirable in principle, any of their representatives has standing to do so.

The Treasurer of the United States already is entrusted with the legal responsibility for disbursing federal monies. The Treasurer is now personally responsible for debts exceeding the debt limit. Hence, the Treasurer clearly seems to be the appropriate officer to be named as a defendant and to be charged with the responsibility of carrying out any resulting court order.

This section prohibits the court from specifying the particular outlays to be made or reduced. Such fiscal management is and should continue to be a legislative and executive responsibility. Congress may legislate which outlays the Treasurer shall reduce and by how much. Permitting any correction to be made over a three-year period provides more than enough flexibility.

APPENDIX A

For example, if the dollar value of gross national product goes up by 11 per cent and real gross national product goes up by four per cent, the rate of change of the implicit price index would be calculated by dividing 1.11 by 1.04, giving an inflation rate of 6.73 per cent, rather than subtracting 1.04 from 1.11, giving an inflation rate of seven per cent. As this example indicates, the two measures of inflation differ by a percentage equal to the rate of real growth. For four per cent real growth, the inflation rate of three per cent used in the amendment amounts to a rate of change of the implicit price index of 2.88 per cent.

Simulation of operation of limit over 10-year period with stable inflation of 8 percent

Assumptions: Growth in real gross national product 3.0 percent. Growth in nominal gross national product 11 percent. Spending assumed always equal to outlay limit.

Year	Percentage increase		Spending of GNP as percent
	Nominal GNP	Spending limit	
1	11.0	9.75	21.3
2	11.0	9.75	21.1
3	11.0	9.75	20.9
4	11.0	9.75	20.6
5	11.0	9.75	20.4
6	11.0	9.75	20.2
7	11.0	9.75	19.9
8	11.0	9.75	19.7
9	11.0	9.75	19.5
10	11.0	9.75	19.3

SIMULATION OF OPERATION OF PROPOSED LIMITATION FOR 1969 TO 1978

[Simulation for limit assumes total outlays equal to actual outlays or maximum allowed under limit, whichever is lower; assumes receipts equal to actual receipts; assumes gross national product equal to actual gross national product.]

	Total outlays						Deficit (billions)	
	Billions		Percentage increase		Percent of GNP			
	Actual	Limit	Actual	Limit	Actual	Limit	Actual	Limit
1969	$184.5	$184.5	3.2	3.2	20.4	20.4	[1] −$3.3	[1] −$3.3
1970	196.6	196.6	6.6	6.6	20.5	20.5	2.9	2.9
1971	211.4	210.8	7.5	7.2	20.7	20.7	23.0	22.4
1972	232.0	220.1	9.7	4.4	20.9	19.8	23.4	11.5
1973	247.1	237.0	6.5	7.7	20.0	19.2	14.9	4.8
1974	271.1	260.2	9.7	9.8	19.9	19.1	4.7	[1] −4.7
1975	334.2	288.4	23.3	10.8	22.9	19.8	45.2	7.4
1976	373.7	307.1	11.8	6.5	23.1	18.9	66.4	7.1
1977	411.4	327.4	10.1	6.6	22.5	17.9	45.0	[1] −30.4
1978	461.2	362.1	12.1	10.6	22.6	17.7	48.8	[1] −39.9
Cumulative deficit 1969–78							271.0	−22.2

[1] Surplus.

MEMBERS, FEDERAL AMENDMENT DRAFTING COMMITTEE

(Partial list; alphabetical)

* C. Austin Barker—Vice President/Consulting Economist, Loeb Rhoades, Hornblower & Co., New York.

Robert Bork—Professor of Law, Yale University; former Solicitor General of the U.S.

James Buchanan—Professor of Economics; Director, Center for the Study of Public Choice, VPI.

* Robert B. Carleson—President, Robert B. Carleson & Associates, Washington, D.C., and Sacramento, Calif.; former U.S. Commissioner of Welfare.

* David Y. Copeland—Tennessee State Representative; Vice President of NTLC.

James B. Edwards—Governor of South Carolina.

Daniel Elazar—Senior Fellow, Center for Study of Federalism, Temple Univ., Philadelphia.

* Milton Friedman—Senior Research Fellow, Hoover Institution, Stanford, Calif.; Nobel Laureate, Economics.

Rose Friedman—Economist.

Robert J. Gordon—Professor of Economics, Northwestern University, Chicago.

* Allan Grant—President, American Farm Bureau Federation, Park Ridge, Ill.

James M. Hall—Attorney, Los Angeles; former Secretary, Calif. Human Relations Agency.

* C. Lowell Harriss—Professor of Economics, Columbia University, New York; Consultant, The Tax Foundation, Inc., New York and Washington, D.C.

Robert B. Hawkins, Jr.—President, Sequoia Institute (public policy research); formerly Woodrow Wilson Fellow, Smithsonian Institution, Washington, D.C.

* Richard Headlee—Chairman, Taxpayers United for Tax Limitation, Michigan; President, Alexander Hamilton Life Insurance Co., Farmington Hills, Michigan.

J. Clayburn LaForce—Dean, Graduate School of Management, Univ. of Calif. at Los Angeles.

James T. Lynn—Partner, Jones, Day, Reavis & Pogue, Cleveland and Washington, D.C.; former Director of Office of Management and Budget.

Paul W. McCracken—Edmund Ezra Day University Professor of Business Administration, University of Michigan, Ann Arbor; Past Chairman, President's Council of Economic Advisors.

Robert A. Nisbet—Resident Scholar, American Enterprise Institute, Washington, D.C.; Albert Schweitzer Professor of Economics, Columbia University, New York.

*William A. Niskanen—Chief Economist, Ford Motor Co., Dearborn Michigan; former Professor, Graduate School of Public Policy, Univ. of Calif. at Berkeley.

*Glenn Pascall—Executive Vice President, Washington State Research Council, Olympia; Chairman, National Taxpayers Conference Committee on Tax/Spending Limitations.

*William F. Rickenbacker—Chairman, National Tax Limitation Committee.

William Riker—Chairman, Political Science Dept., Univ. of Rochester, New York.

*William H. Shaker—Founder, Taxpayers United of Michigan, Midland.

Frank Shakespeare—President, RKO General, New York; former Director, U.S. Information Agency.

*W. Craig Stubblebine—Professor of Economics, Claremont Men's College and Claremont Graduate School, Claremont Calif.

*C. T. Thatcher—Director, State and Local Governmnet Operations, National Federation of Independent Business, San Mateo, Calif.

*Donald L. Totten—Illinois State Representative, Schaumburg; Vice President of NTLC.

*Lewis K. Uhler—President, National Tax Limitation Committee.

Charls E. Walker—President, Charls E. Walker Associates, Inc., Washington, D.C.; former Deputy Secretary of Treasury.

*Aaron Wildavsky—Professor, Univ. of Calif. at Berkeley (on leave); former President of Russell Sage Foundation, New York; former Dean, Graduate School of Public Policy, UCB.

*Walter E. Williams—Professor of Economics, Temple University Philadelphia; former National Fellow, Hoover Institution, Stanford, Calif.

*John A. Rapanos—Businessman, Rapanos Enterprises, Michigan.

*Present at the final drafting session.

ORDER FOR RECESS UNTIL MONDAY, FEBRUARY 5, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 5:59:09 p.m., took a recess, subject to the call of the Chair.

The Senate reassembled at 5:59:51 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

ORDER CHANGING DATE IN SENATE CONCURRENT RESOLUTION 3

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the April 1 date which was included in the order entered on yesterday with respect to the concurrent resolution offered by Mr. HART, Senate Concurrent Resolution 3, be changed to the date of March 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending motion before the Senate at this time is the motion to proceed to the consideration of Senate Resolution 9.

Mr. ROBERT C. BYRD. Without delay.

The PRESIDING OFFICER. Without delay.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL MONDAY, FEBRUARY 5, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday.

The motion was agreed to; and at 6 p.m., the Senate recessed until Monday, February 5, 1979, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate February 1, 1979:

DEPARTMENT OF STATE

K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

REPRESENTATIVE BLANCHARD ON SUNSET

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. GEPHARDT. Mr. Speaker, last week the Democratic Caucus took a significant step toward meaningful congressional program review when it approved the policy resolution on sunset which Mr. BLANCHARD, Mr. MINETA, and I offered.

This Caucus resolution calls on the House Rules Committee and the Ways and Means Committee to give sunset legislation deliberate and timely consideration in this Congress. In his speech during discussion of the resolution, Mr. BLANCHARD outlined the clear need for genuine congressional budget review and how sunset responds to that need. I would like to bring his remarks and the text of the resolution to the attention of my colleagues:

SUNSET SPEECH GIVEN TO THE DEMOCRATIC CAUCUS

Mr. Chairman and my colleagues. This resolution, the Sunset Resolution, will make our caucus relevant to several important issues of our time—issues which all of us must grapple with in the months ahead. I speak of: (1) budget prioritizing (2) government spending (3) inflation (4) runaway bureaucracy and (5) tax reform and tax fairness.

Our resolution will put the Caucus on record toward finding a solution to approaching these problems.

What is the reality here? The reality is:

800 of 1200 federal spending programs are permanent and never get reconsidered or reviewed by themselves or in relation to each other. The programs have bound the Congress for generations unless we act.

78 percent of the federal budget is uncontrollable—a significant part of that is due to permanent programs unless we act.

A healthy chunk of tax expenditures, tax expenditures which by the way add up to at least $125 billion a year, are permanent tax expenditures, and are never reconsidered or reviewed unless we as a Congress act.

Our sunset resolution urges the House Rules Committee to take this subject up and to try to report meaningful legislation which will require a workable and orderly review of federal spending programs and tax expenditures.

The idea of such an orderly review of Federal spending programs has been embodied in several bills, at least one of which we cosponsored contained 180 cosponsors in the last Congress. Our bill, along with the Senate companion sponsored by Senator Muskie, has received hearings before 4 different House panels over the last two Congresses. In the late moments of the last session the U.S. Senate passed the bill by a vote of 87–1. Presently the major sunset bill, the Sunset Act of 1979, is H.R. 2 and S. 2.

One of the major problems in dealing with serious program review legislation is that sunset usually is taken up by the Congress so late in the session that it makes it difficult, if not impossible, for legislative action. The time to move is now.

I think almost everyone agrees that we need to get a grasp on the Federal budget and begin to shape tomorrow's budget priorities. For those who would like to see spending curtailed, how are we going to get a handle on the overall spending level of our Federal budget without looking at the parts of the budget? For those who would like to see new initiatives, how are we going to make room for new initiatives without raising taxes if we do not begin to review what's already in place in the Federal budget?

The frustrations relating to those questions and the issues of government spending, inflation and bureaucracy have led to a number of haphazard responses by the Congress and by the political community as a whole:

We are all familiar with the appropriations bills rider technique that we continually hassle over every June.

Then, of course, there are the meat-ax cuts of appropriation bills offered at the last minute and which are usually not carefully considered.

In addition we are familiar with various referendum proposals which seek with one fell swoop of the pen to rectify years of problems relating to the size and cost of government.

One reason these measures are considered, and even sometimes adopted, is that there is no process to deal with a goodly part of the federal budget and, yet, no one honestly wants to say that the Congress is too busy to look at the programs under our jurisdiction.

The question ultimately is—whether we are going to approach this subject in a rational, orderly way and honestly try to set up a process in this Congress to do something about it, or whether we let all sorts of public movents and pressures stampede us into haphazard, ill-considered action.

The question really is whether we as the majority party are going to govern or grovel.

I believe our Sunset Resolution is a step toward responsible government and I respectfully urge its adoption.

DEMOCRATIC CAUCUS RESOLUTION ON SUNSET

Offered by Mr. Blanchard, Mr. Mineta, Mr. Gephardt, Mr. Wirth, Mr. Howard, Mr. Wolff, Mr. Steed, Mr. Udall, Mr. Reuss, Mr. Murphy of Pennsylvania, Mr. Bedell, Mr. Applegate, Mr. Gore, Mr. Maxwell, Mrs. Spellman, Mr. Kildee, Mr. Carr, Mr. Oberstar, Mr. Pithian, Mr. Vento, Mr. English, Mr. Santini, Mr. Glickman, Mr. Dicks, Mr. Heftel, Mr. Pease, Mr. Lehman, Mr. Markey, Mr. Montgomery, Mr. Seiberling, Mr. Ambro, Mr. Anderson, Mr. AuCoin, Mr. Pepper, Mr. Downey, Mr. Russo, Mr. Sharp, Mr. Traxler, Mr. Patterson, Mr. Edgar, Mr. Hubbard, Mr. Daniel, Mr. Ertel, Mr. Nowak, Mr. Daschle, Mr. Mottl, Mr. Albosta, Mr. Bennett, Mr. Kostmayer, Mr. D'Amours, Mr. Benjamin, Mr. Hughes, Mr. Brodhead, Mr. Beard, Mr. Edwards, Mr. Fisher, Mr. Fuqua.

Be it Resolved that the Democratic Caucus strongly urges the House Committee on Rules to consider and report to the full House of Representatives before the end of the first session of the 96th Congress, legislation to require the review and reauthorization of all federal spending programs.

The legislation should:

1. Establish a review and reauthorization schedule—cycle for all federal programs and limit authorization of programs for no longer than that cycle.

2. Terminate funding for any program which Congress does not reauthorize.

3. Require review and reauthorization of similar programs at the same time and in relation to each other.

4. Establish an explicit, but flexible, review procedure for committees to follow in determining the appropriate funding level for programs they authorize.

5. Exempt from the reauthorization requirements certain federal retirement programs to which individuals have contributed in anticipation of later return.

Furthermore, *be it resolved* that the Democratic Caucus urges the House Ways and Means Committee to consider similar legislation which would apply to tax expenditures.

Adopted 1–24–79.●

TRIBUTE TO PETER CHAHALES

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Ms. FERRARO. Mr. Speaker, I would like to take this opportunity to honor an outstanding citizen of New York's 9th Congressional District. Peter Chahales is a man whose accomplishments and service deeds are extended and varied. Through his long and distinguished years of service to his community and city, Peter Chahales has earned the respect and esteem of the many people who have been touched by this man's generous spirit.

Peter Chahales stands as a towering figure in his community of Maspeth, N.Y. Known as the mayor of Maspeth, Mr. Chahales is a member of the International Locality Mayors Association. For 10 years he served as the chairman of the Maspeth Planning Commission. Additionally, he was a former president of the Maspeth Chamber of Commerce.

Peter Chahales' service extends well beyond the sphere of his home community in Maspeth to encompass his larger community of New York City. He is a man who has responded to the many needs of my city. Mr. Chahales was the originator of the New York City fund for widows of fireman killed in the line of duty. For 10 years Peter Chahales has taken a keen interest in the welfare of the children of New York as vice chairman of the New York City Police Athletic League. The Lighthouse for the Blind and the Cancer Society have been major beneficiaries of his time, energies, and considerable fundraising talents.

Mr. Chahales is a man who is proud to keep his Greek-American ethnic heritage alive and prospering. He is currently serving as the president of the Karabatois chapter of AHEPA in Queens County. Recently he went as a delegate to the national convention of AHEPA in Athens. He is also a founder of the Saint Paul's Society in the New York City Police Department.

There is much more, but with people like Peter Chahales there usually is. He is a dedicated family man who will be celebrating his 33d wedding anniversary with his lovely wife Ethel this week. Men such as Peter Chahales are all too rare, it is through their service to us all that our lives are made a bit more complete.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

TRIBUTE TO DR. THOMAS O. HILLIARD

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DELLUMS. Mr. Speaker, Dr. Thomas O. Hilliard, a licensed clinical psychologist, has had a distinguished career in public service, private practice, community service, service to professional associations, and as a leader in all of these areas. Dr. Hilliard's unique service record has enabled him to have a major positive influence in all of these areas of service. He is an outstanding teacher, a consultant who is in great demand, an activist in the development of public policy in the human services area, and a role model for many who aspire to be of service to their fellows. Dr. Hilliard has been courageous and selfless in responding to numerous calls to serve in difficult and delicate problem areas. Functioning as he does in areas which do not receive widespread publicity, many of his most significant contributions to the advancement of his field, his people, and the general cause of human rights and justice have not been widely recognized. So many people who know of Dr. Hilliard are aware only of his excellence in the area in which they have interacted with him. Very few have a comprehensive sense of the quality, depth, and breadth of his contributions. It is for this reason that a special effort to recognize and the express appreciation for Dr. Hilliard's work is long overdue.

At this point I include the following resolution:

Whereas Dr. Thomas O. Hilliard is a nationally recognized psychologist, Vice President of the Urban Institute for Human Services, Inc., and community servant, and

Whereas he has distinguished himself in the San Francisco Bay Area, the State of California, and indeed in the Nation as a leader in the development of public policy, and

Whereas he has made significant contributions to the development of forensic psychology through his participation in the first use of psychologists as consultants in the Jury Selection process in the Angela Davis trial, through his expert testimony in the case of the San Quentin Six on psychological damage because of solitary confinement as cruel and unusual punishment, through his expert testimony on diminished capacity in the Klu Klux Klan trial at Camp Pendleton, through his development of creative conceptions in psychology and the law in his highly regarded course in psychology and the law at ———, through his substantial contributions to psychology and the law in the professional literature, and

Whereas, he has made further contributions to the development and application of the field of psychology through his role as a founder of the National Association of Black Psychologists as his Chairmanship of that association, through his service on the national policy board of the Association for the Advancement of Psychology, the political arm of professional psychology, through his role in such conferences as the American Psychological Association's Vail Conference to define approaches to the training of minority psychologists, through his efforts to establish advisory linkages between the Association of Black Psychologists and the National Black Congressional Caucus, through his work as a senior researcher in the field of psychology including his current direction of a national evaluation project for the Association for Children, Youth and Families, and

Whereas, he has distinguished himself as a practitioner in community mental health through his service as a Director of consultation and education in San Francisco, and as Director of a Berkeley Head Start Evaluation project, and

Whereas, he has been in demand as a consultant, a major speaker, a presentor at many conferences, and

Whereas, he has a clear record of support for humane causes and a selfless devotion to the cause of human freedom and dignity,

Be it therefore resolved that Thomas O. Hilliard be duly recognized for the contributions he has made.●

RECTIFYING ARTIST'S ESTATE TAXES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. RICHMOND. Mr. Speaker, yesterday I introduced a bill which would save the heirs of artist's estates from deprivation, shame and possible bankruptcy.

Under the present law if you inherit 1,000 pieces of art work valued at $1,000 each you will also inherit an estate tax between $118,000 and $308,000. Should you decide to sell some of the art work to pay this tax, you will pay no income tax if you sell the work for $11,000 a piece or less. If you sell one of the pieces for $1,000 you will only pay income tax on the $100 profit.

In 1980 the tax law is scheduled to change and that change, entitled "The Carryover Basis Rule" will have drastic implications on the heirs of artist's estates. Under the carryover basis rule, even though you inherit 1,000 art works valued at $1,000 each and still inherit the same basic estate tax between $118,000 and $308,000 as before, you will also have to pay income tax on everything over the cost of materials in the work. Hence, if you sell one of the paintings for $1,000 (which you were taxed on originally) you will pay ordinary income tax on everything but the cost of the paint, canvas, frame, and so forth—possibly $20. (Now you will also pay tax on the "income" of $980). My good friend and counsel, William H. Behrenfeld, an attorney in New York, has prepared a chart, which follows my statement, which explains these tax consequences in detail.

Realizing the tax consequences to their heirs, many artists are destroying their work before they die. Since I originally introduced a similar bill to this one in the 95th Congress I have received hundreds of letters from artists throughout the country informing me that they have already destroyed their work or plan to do so in the near future.

Arizona artist Ted De Grazia recently burned $1.5 million worth of his paintings, because his wife could not afford to inherit them.

Artist/cartoonist Charles Saxon has a provision in his will that requests his wife to destroy his unsold artwork so she will not be driven into bankruptcy at the time of his death.

What a terrible loss to all citizens, the families of artists who would like to keep the artwork in the family, and especially to the artist who has struggled to develop his creative talents only to be forced to destroy his own work to avoid placing his family in serious financial jeopardy following his death.

Ironically, when an artist is alive and wishes to contribute his art work to a museum, library, hospital or any other nonprofit, tax exempt organization he can only take the cost of materials in the work as a tax deduction. Yet when he dies the very work which he could not previously give away is taxed at its full fair market value.

Because artists are no longer donating their work to museums and libraries and because the work that does remain is sometimes being destroyed, America is losing an entire segment of contemporary art work. This is a national disgrace and tragedy and we must find a way to stop it immediately.

The bill I introduced, to rectify artist's estate taxes, H.R. 1720 allows that the executor (heir) of an artist's estate have the option of whether or not to accept the work at its fair market value or to accept it (for estate tax purposes only) at the cost of materials in the work itself.

In deciding which method to use, the executor would compare the cost in estate taxes and income taxes. Consideration then could be given to the financial ability and cash availability of the estate and the heirs. The known wishes of the artist and the desires of the heirs to retain the inheritance or sell it would be ascertained. The tax and/or financial benefits of selling immediately or in the future could be determined.

The marital status of the artist might be a deciding factor. Under present law, an estate of approximately $400,000, with at least $250,000 left to surviving spouse, would incur no federal estate tax. Would it not be wiser then, to value at the market for estate tax purposes? Therefore, when items are sold, any income tax due would be based on the difference between such value (or some stepped up value on decedent's cost when carryover basis becomes law in 1980) and the selling price, a much smaller amount than if the value at death had been the cost of materials.

If in a large estate (over $425,000) or if the deceased artist was not married at the time of his or her demise and had an estate over $175,000 the executor would probably elect to include the paintings at cost, and thus eliminate a distress sale of the paintings to raise the cash for estate taxes. Even though it may cost more in income taxes when the paintings are eventually sold under normal circumstances the heirs will probably be

able to sell the paintings at a higher price.

There are many more tax implications that would have to be considered by the executor in order to determine the most advantageous course to follow. Having gathered all the necessary particulars, a knowledgeable election would then be made by the executor for the best advantage in each individual case.

It is clear from the legislative history of both the 1950 enactment of the Internal Revenue Code and the 1959 amendments, that it was never legislative intent to penalize the estates and heirs of qualified creative artists.

Naturally under the proposed revision, if the heirs sell the art work they will still pay an ordinary income tax on the total sales price over the basis they chose at the time of the inheritance.

Basically, the bill stops artists from being forced to destroy their work and stops the artist's heirs from being forced to sell the art work to pay the taxes.

Several artists, arts organizations and concerned citizens have written me in support of this legislation. Since these individuals more than adequately describe the benefits of this legislation, and the financial burdens under the current estate tax laws, I would like to insert their comments into the RECORD:

COMMENTS BY ARTISTS AND CULTURAL REPRESENTATIVES ON THE BILL TO RECTIFY ARTIST'S ESTATE TAXES

This bill is essential to family security and piece of mind of every creative artist in the country. Evaluating artists' work at cost solves the agonizing problem of heirs having to quickly sell the art to pay the estate tax.

RUBIN GORESWITZ,
President, Artists' Rights Today.

The irony of an artist not to be able to afford being alive or dead can be creatively altered by the passing of your bill. Everyone survives in this change in the law, even the deceased is comforted Thank you.

ROBERT RAUSCHENBERG,
Prominent American Artist.

The present estate tax situation is a glaring inequity. It seems to me an appalling contradiction that an artist giving a gift of his or her own work to a public institution may deduct only the cost of producing that work. (Usually about $75.) At the artist's death that same work is then assessed at fair market value and this figure often reaches into the hundreds of thousands of dollars. The real losers in this situation are our public institutions, libraries, and museums and thus the American people. If we are to believe that the arts are a national resource, let us encourage them with this measure.

JAMIE WYETH,
Prominent American Artist.

Artists' Equity Association, the national organization for professionals in the visual arts, endorses H.R. 7896 so that created art work may be valued for estate tax purposes at the costs of artists' materials. In addition to relieving the punitive burden on artists' heirs, the legislation would, if enacted, bring the code into line with those portions that pertain to deductions for casualty losses and charitable donations.

GILDA ELLIS,
President, Artists' Equity Association.

I want to thank you for writing this bill to enable the artist at his death to leave his work evaluated at cost to his heirs. This would help stop the confusion between esthetic value and money, so that after death each painting could achieve its own value and be taxed as it is sold. Thomas Hart Benton whose murals adorned the Truman Library burned many of his works so his family wouldn't inherit an immediate, unusual tax burden. The passing of this bill will help normalize a stricken cultural situation.

JAMES ROSENQUIST,
Prominent American Artist.

An unfair contradiction exists in present tax law. In an artist's estate, his work is taxed at full value, but should he donate his works to an institution during his life-time, the works are valued essentially at zero. One end or the other of this contradiction should be changed. I am very much in favor of H.R. 7896.

ROY LICHTENSTEIN,
Prominent American Artist.

As an artist deeply concerned about the welfare of my family, I heartily endorse this bill. Being an artist is a risky and uncertain occupation. I am disturbed that I can contribute to a museum and only deduct cost of materials. If I give the work as a gift, I must pay a gift tax. I cheerfully pay all my taxes when I sell my work. When I die, my heirs under present law would be forced to pay large taxes on unsold works. Your bill redresses an unfair situation and I wish you great success in your endeavors.

GEORGE SEGAL,
Prominent American Artist.

These four bills will rectify current tax structures which discriminate against artists and will provide some relief to the pressing financial burdens facing individuals and cultural institutions. I hope that my colleagues in Congress will act swiftly to pass these bills putting to an end glaring errors in the current tax laws unfairly penalizing artists and art institutions and insuring that the American people will have the opportunity to enjoy the creative efforts of contemporary artists.

I urge my colleagues to join with me in insuring that the tax inequities I propose to eliminate are ended in the very near future.

	Artist dies in 1979		Artist dies in 1980 (1)	
	Single	Married	Single	Married
Gross estate after deduction of:				
Administration expenses	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Marital deduction		500,000		500,000
Adjusted gross estate	1,000,000	500,000	1,000,000	500,000
Total Federal and State estate taxes	308,000	118,000	303,000	113,000
Total Federal and State income taxes on sale of assets to raise funds to pay estate taxes	*0	*0	†212,000	†79,000
Total taxes 1st yr	308,000	118,000	515,000	192,000
Income taxes 2d yr			148,000	55,000
Subtotal			663,000	247,000
Income taxes 3d yr			104,000	39,000
Subtotal			767,000	286,000
Income taxes 4th yr			73,000	27,000
Subtotal			840,000	313,000
Income taxes 5th yr			51,000	19,000
Subtotal			891,000	332,000
Income taxes 6th yr			36,000	13,000
Total taxes	308,000	118,000	927,000	345,000

* No income tax because of step up in basis of art work to estate value.
† Income tax at ordinary rates—used a flat 70 percent of prior years tax.
Assumptions: (1) The carryover basis is reinstated in 1980. (2) All art work produced after 1976. No consideration for other income earned by estate or heirs. (4) No consideration for estate tax added to basis. (5) Art work did not increase in value after death. (6) State estate tax equals credit for State tax on Federal estate tax return. ●

CONGRESSMAN DERWINSKI "TOLD US SO" ON GENERAL MIHAILOVICH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. ASHBROOK. Mr. Speaker, I wish to call the attention of the Members to a book review by Willard Edwards, which appeared in the January 27 edition of Human events, a Washington-based publication. Mr. Edwards was a Washington bureau correspondent for the Chicago Tribune from 1953 to 1973. In reviewing the book, "Patriot or Traitor, the Case of General Mihailovich," he comments on the controversial decisions made during World War II. Mr. Edwards' experiences in covering the Washington scene during that time, certainly equips him to effectively review this book.

Our colleague, ED DERWINSKI has introduced H.R. 262, which would authorize the construction of a monument in honor of Gen. Draze Mihailovich. This monument would be erected by the the American airmen rescued by General Mihailovich as an expression of gratitude to the man who saved their lives during World War II.

Therefore, keeping in mind that many of the international problems that face us today can be traced from the judgments and decisions made during World War II, I believe that this book review is most timely and would be of interest to the Members. Therefore, I wish to insert it at this point:

AN IN-DEPTH INVESTIGATION INTO "THE CASE OF GENERAL MIHAILOVICH"

(By Willard Edwards)

In concluding his perceptive 70,000-word analysis of a perplexing World War II tragedy, David Martin says there are still many

mysteries to the story of Draja Mihailovich and more research needed before the tale can be told in its full amplitude and all its complexity.

Martin is too modest. By pulling together this heavily documented volume of evidence threatened with oblivion—testimony by American officers, hitherto hidden records of the British Foreign Office—he has removed most of the mystery. His research is so impressive that it challenges the bias which has tinged many previous accounts of this dramatic chapter in the history of wartime Yugoslavia.

Martin, a Capitol Hill expert on subjects related to national and public security, was in on the story from the first. He served in 1946 as executive secretary of the New York-based Committee for a Fair Trial for Mihailovich, headed by leading American citizens spanning the political spectrum, which held its own inquiry into the case. Two-thirds of the book contain the transcript of this investigation.

The result is a shocking narrative, invaluable to historians, of abandonment by the British and American governments of the commander of field forces of a government recognized as an ally by both nations.

Soon after the invasion, occupation and partition of Yugoslavia by the Axis armies in April 1941, the world became conscious of the name of Mihailovich as the first great resistance leader of occupied Europe in World War II. Then an obscure colonel in the Yugoslav army, he fled to the mountains and began organizing a guerrilla force which eventually reached a strength of 150,000.

Mihailovich and his Chetniks were alone as a foe to the Germans until Hitler attacked Russia on June 22, 1941. The Soviet Union issued a summons to Josip Broz, secretary general of the Yugoslav Communist party, who took the *nom de guerre* of Tito, and organized an army of Partisans. For a brief period, Chetniks and Partisans were united against the Germans, but the aims of Tito and Mihailovich were totally contradictory. Tito wanted communism for his country (his own brand, it later developed), while Mihailovich hated communism as much as he hated Fascism. From 1941 to 1944, the two rivals engaged in civil war.

The Western Allies initially supported Mihailovich and sent liaison officers to his headquarters. He responded by saving the lives of more than 500 American airmen and a large number of other Allied personnel, rescuing them from capture by German patrols. He continued to strike damaging blows at the Germans even after, but for reasons then cloaked in mystery, Great Britain and the United States abandoned him in favor of support to Tito, beginning late in 1943.

Mihailovich was captured in March 1946 by the Tito government, and it was announced that he would be brought to trial on charges of treason, collaboration with the enemy and other war crimes. None questioned that such a trial would result in a guilty verdict and the death penalty.

A torrent of protest, led by the Committee for a Fair Trial, swept the United States. The State Department was prodded into proposing to the Yugoslav government that it permit the testimony of American officers who had served with Mihailovich and many of the hundreds of airmen who had been saved by him. They wanted to swear that they had seen him in action, knew him as a patriot, not a traitor, one who had fought the Germans, not collaborated with them.

This request was coldly rejected by Tito. Mihailovich was put through a mockery of a trial, found guilty and executed by a firing squad July 17, 1946, amid a chorus of disapproval from the civilized world.

The United States, two years later, in a curiously furtive manner, expressed its official opinion of this political murder. President Truman posthumously awarded Mihailovich the Legion of Merit in the degree of Chief Commander, citing him for materially contributing to the Allied cause and as an instrument in the final Allied victory.

But this tribute, amazingly, was stamped "secret" and remained so for almost 20 years until it was brought to light by Rep. Edward Derwinski (R.-Ill.). He forced the State Department to declassify the award and citation.

Publication of this citation in 1948 would, of course, have been highly offensive to Tito. The American government was now lauding his victim as a brave and faithful ally. The State Department, always alarmed lest Communist feelings be injured, successfully suppressed the Truman citation until 1967.

Why was Mihailovich betrayed? This question is meticulously examined by Martin who found British archival documents which shed new light on the abandonment. He discovered evidence pointing to a deliberate slanting of British intelligence, designed to picture Mihailovich as a collaborator. The British Broadcasting Co. cooperated by broadcasting "monumental inaccuracies," even giving credit to the Partisans for damaging Chetnik strikes against the Germans. MI6, the British secret intelligence service, later to be revealed as a target of Soviet agents, suppressed field reports favoring Mihailovich and substituted pro-Tito dispatches.

Churchill was persuaded that Mihailovich should be abandoned and Roosevelt, somewhat reluctantly, agreed. Early in 1944, Mihailovich found himself deserted by his former allies. Tito was thenceforth the recipient of massive military aid.

Only the Germans were never fooled about the menace of Mihailovich as a deadly foe. They were still offering in mid-1944 a reward of 100,000 Reichsmarks in gold for his capture, dead or alive. ●

NO ROOM IN THE LIFEBOATS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. CONYERS. Mr. Speaker, there is a growing awareness in America today that we are living in the midst of fundamental, far-reaching changes in the nature of our economy, in our relations with other nations and, indeed, in our value system itself. In less than a generation we have moved from an age of apparent abundance to an age of seeming scarcity, from predominance in the world to a position of uncertainty and drift.

I wish to bring to the attention of my colleagues an article on the meaning of these changes, their implications for our lives, and on intelligent proposals in dealing with them. The following article. "No Room in the Lifeboats" is authored by Richard J. Barnet, whose books and articles (Global Reach, Roots of War, The Giants: Russia and the United States), have already become classics for understanding contemporary affairs. Mr. Barnet's analysis of the intimate connection between national security and economic well-being warrants close reading by us all.

The article follows:

NO ROOM IN THE LIFEBOATS

(Richard J. Barnet)

The most striking aspect of Jimmy Carter's 1979 budget is its similarity to the budgets of Richard Nixon and Gerald Ford. All three are premised on a new brand of economic "realism" that is imposing severe political strains on the country and is challenging some of our fundamental ideals. Austerity, lowered expectations and limits to what government can do have been the ascendant political slogans of the 1970's. Sluggish growth, inflation and high unemployment are no longer regarded as periodic problems to be remedied by swift government action but are now accepted by both parties as chronic conditions of our economic life.

In a little over 10 years the myth of abundance has been replaced by the myth of scarcity. The world is running out of oil; experts disagree only as to how fast. The United States' dependence on critical minerals is increasing dramatically, and so are prices. Crippling shortages of oil, natural gas, food and water, even breathable air, are now a familiar part of the worldwide political landscape. (In many poor countries there is even a grave shortage of firewood, their principal energy source.) Some scarce items seem almost inexhaustible but politics and economics conspire to keep them out of reach—at the right place, at the right time, at the right price. Each shortage tends to aggravate others. For example, the more dependent we are on foreign oil, the more food we must export and the higher the price of groceries in the supermarket. Because of drastically higher costs of producing and distributing critical resources, and of managing their ecological side effects, corporations are finding it ever harder to develop profitable investments. Thus the worldwide "capital shortage."

The fear that we have come to the end of the ever-expanding frontier of economic growth challenges one of our most cherished political beliefs. The era that began in the New Deal was rooted in the Keynesian notion that unrestricted growth is the foundation for a democratic political system and a more or less egalitarian distribution of our national treasure. The bigger the pie, the bigger the crumbs for those who did not work but did get to the unemployment office. But the growing awareness of the physical and economic limits to growth has undermined the very basis of Keynesian liberalism and is calling into question the basic promises of the American system.

TOWARD A LIFEBOAT ETHIC

There has always been tension between America's economic and political systems. The promise of politics is one man, one vote—the chance for every voting American to participate in the basic decisions that affect his life. At the heart of the economic system, however, is the theory that inequality is a spur to progress. To stimulate economic growth, society should reward those who produce, and if nonproducers vote themselves food, housing or services that they have not "earned," sooner or later the economy will collapse from inflation.

The Age of Scarcity, it seems, is heightening the tension. In a survey of attitudes of United States corporate leaders, economist Leonard Silk and political scientist David Vogel find strong expressions of doubt about whether the United States can any longer afford a one-man, one-vote system. Samuel Huntington, a principal adviser to the National Security Council, warns against the "excesses" of democracy—the problems of

government are too complex to accommodate the conflicts inherent in democratic rule. Elsewhere in the world, the collapse of democratic experiments and the rise of authoritarian regimes lend support to the increasingly fashionable view that strong rule, not democracy, is the wave of the future.

In an age of slow growth, the cost of natural resources is going up and the value placed on human life is going down. This, indeed, is the heart of the global human-rights problem. The expendability of human life and the waste of human potential are direct consequences of the sort of economic development being pursued in most parts of the world. An increasing proportion of the world's population is becoming irrevelant to the productive process. Automation has dramatically reduced the number of hands needed to make what the world wants, and because of the new mobility of the post-World War II multinational corporation, many of the jobs that remain are concentrated in low-wage enclaves in a few poor countries. The concentration and mechanization are drawing millions of people from subsistence farming into the international money economy in which they will have no role—either as producer or consumer—for without jobs they do not have the money to buy the food they once raised themselves.

Though it's fine to say that resources should go to those who produce, fewer and fewer have the chance to be regarded as productive. In large part because of resource scarcity and the population explosion, the reserve army of the unemployable is becoming so vast—perhaps as many as a billion—that it not only keeps wages depressed but also begins to create social instability. What to do about the surplus population, to use a phrase from Dicken's time, is the No. 1 problem for political leaders around the world, and in a condition of scarcity, managing societies made up of millions of people without jobs, money or hope invites Draconian economics and brutal politics.

So it is not hard to understand why a new antidemocratic, antihuman ideology is emerging under the banner of fiscal soundness. Intellectual careers are launched with metaphors that evoke the new realism, such as "triage," a strategy for spending limited resources on those who can be more productive and for consigning those who can't to various forms of "benign neglect," which for hundreds of millions means starvation. Others preach the "lifeboat ethic," a modest proposal in which only the poorest billion are pushed out of "spaceship earth" to make room for the rest. Only a generation ago Americans were appalled by the genocidal mind-set behind Hitler's project for ridding the globe of inferior races. Now it is becoming almost fashionable here to suggest that too many people are getting in the way of society.

In the United States, the consequences of the "lifeboat ethic" are already visible: the vast wasteland of decay in every major city in which the poor are concentrated; the depressed rural areas no longer needed to produce the nation's food; the seven million Americans who cannot find work.

We are reaching the point where some of our most basic beliefs about human life will have to be tested. We will be forced either to bring our economic institutions into line with the fundamental humanist and democratic values we profess to or openly reject them in favor of the lifeboat ethic.

THE LIFEBOAT SCENARIO

The lifeboat scenario is not hard to imagine. In the opening moments, "Looking out for No. 1" replaces "E Pluribus Unum" on our coins. The State Department once again reminds the world of what Lyle P. Scherts of the Department of Agriculture calls "the brutal facts of the world food market"—that the United States controls most of the spare grain that could be used to feed the hungry and that the United States aggressively uses its food, in the words of former Secretary of Agriculture Earl Butz, as "a tool in the kit of American diplomacy." American diplomats repoliah those vague speeches about economic justice, while they continue to oppose any significant changes in the global distribution of wealth and power. The huge debt owed by third-world countries to international lending agencies and to private banks is used as leverage to control their internal development and keep them from becoming international troublemakers. The International Monetary Fund steps up what Arthur Burns called a "new assertiveness in monitoring the economic policies of its members" and offers its "certificate of good standing" only if the debtor countries practice the "responsible" economic policies that keep the poor hungry—by freezing wages, cutting imports and private consumption and eliminating social services and subsidies.

These policies can be practiced successfully only in an atmosphere of mounting repression, because there will be more than half a billion persons in the world actually starving or at the edge of starvation, and not all of them can be relied upon to die cheerfully. "Death squads, mass-production torture chambers and military rule become indispensable aids to orderly government.

This scenario is in reality a continuing war of rich against poor. Sometimes it takes the form of conflict between the United States and the government of a third-world country. Sometimes it takes the form of a collaboration between the governments to prevent a poor majority from gaining access to resources or political power. In the future, it will take the form of hotter and hotter competition among the industrialized countries themselves, as they become more and more dependent upon the third world for raw materials. The turmoil offers, among other things, the chance to the Soviet Union to play a dangerous geopolitical game.

The strategy will of course require ever higher military budgets, for which we will continue to justify the starving of our cities, the lack of investment in basic human needs and the abandonment of the "unemployable"—the elderly, the young, the poor, the disadvantaged minorities and other nonproducers in the name of "national security."

The lifeboat ethic is by definition the abandonment of the goal of community, which Webster's New International Dictionary calls a body of people with common organization and common interests. The politics of community is based on the idea that everyone is a member to whom responsibilities are owed; the politics of austerity is a process for deciding who shall live. In a place like Chile and in many other countries in which national economic policy determines who shall eat, this is literally true. In advanced countries, including the United States, the politics of austerity determines at the very least who among us shall be sentenced to years without work or hope.

WILL THE LIFEBOAT WORK?

Will the strategy work? Can affluent and middle-class Americans survive in a world in which hundreds of millions of men, women and children starve to death each year, tens of thousands more are slaughtered in the interests of social peace, and tens of millions of Americans live in poverty? Military defense of a sort is possible. The world's poor who "want what we have," as Lyndon Johnson once put it, are unlikely to take over our skyscrapers, factories and suburbs. The fortresses can stand a long time.

But life will not be pleasant. We are already in the age of "monkey-wrench politics" in which a few terrorists can transform comfortable ways of life in the most advanced industrial societies—especially the most advanced. There is a greater degree of international anarchy now than at any time since World War II. Thirty-five nations have nuclear weapons or are in a positon to acquire them rapidly. A new international economic order is coming into being to accommodate the new oil dynasties of the Middle East, but it is not the order the poor countries want. And the process by which the dead structure of colonialism is being replaced is already a form of warfare—struggles for power in the new states carved out of the old empires.

As tension and desperation mount abroad, the political struggles will be played out in the United States, whether it is by Cuban exiles, Iranians, Palestinians, Chileans, Ghanaians, South Moluccans or any one of a thousand armed groups contending for power somewhere in the world. Bombings, elaborate security precautions against bombings, kidnappings and sabotage of the extraordinarily vulnerable systems that keep our complex civilization going have in the last 10 years taken away some of the pleasure of living in the rich countries. The anger and fear that random violence elicits produce inevitable demands for less democracy and for more executions, as we have recently seen in West Germany and in New York City election rhetoric.

The recent export of cholera to developed countries in Europe is a taste of what we can expect here if famine and disease continue to overtake the people in vast areas of Africa, Asia and Latin America. The ilegal immigration of millions of workers from Latin America and the Caribbean, which is already causing serious problems in parts of the United States, will increase as long as these poor countries are unable to feed and to employ their people. We do not have the technology to immunize the United States from the effects of world catastrophe—debt default, economic collapse, disease, refugees, terrorism. There is, it would seem, no way of inviting a billion or more people around the world out of the lifeboat without running great risks that they will rock it and sink the rest of us.

To try to keep the United States secure in such a world will lead to a loss of democracy. When an economic system cannot meet the goals of a democratic political system by supplying the needs of the majority, then either the one system or the other must change. In the 20th century, fascism in various guises—usually, in the West, taking the form of a marriage between Big Government and Big Business to promote the interests of a shrinking minority—has, indeed, been a conventional therapy for sick economies.

THE AMERICAN ALTERNATIVE

Instead of submitting to the seductive lifeboat ethic, we could instead affirm the basic beliefs on which the society was founded—respect for human life, respect for human dignity, democracy and justice—and resuming the building of an American community which cannot be built except in the context of a world community. The idea of world community is meaningless unless it starts from the premise that every man, woman and child on earth is a member. This strategy would set forth a practical definition of the right to life and a commitment to support the political and economic institutions that would make that right real.

At the very least a worldwide definition of

basic needs would include following: (1) Right to minimum calories to maintain health—about 1,900 a day, 2,300 for an adult working male (by these criteria about half the world's population is seriously malnourished). (2) Right to clean drinking water (about 1.2 billion persons do not have access to sanitary water). (3) Basic health services, maternal and child care, instructions in elementary sanitation and nutrition (about 800 million have no access to such essential services). (4) Shelter, a decent minimum environment in which to live free of disease, vermin and exposure (about 800 million are without adequate shelter). (5) Basic education, a chance to learn enough to realize one's potential and to play a useful role in society (about 1.1 billion school-age children and adults in the world are illiterate). In 1944, Franklin Roosevelt proclaimed such basic economic rights as fundamental to American democracy, but the goal was abandoned a long time ago.

A strategy for economic justice in a time of scarcity cannot be a giant welfare program, because there is not enough money in the world to meet basic human needs unless human energies are mobilized in new ways. If the ethic of a modern zoo replaced the lifeboat ethic, more physical requirements would be met but not political and spiritual needs—especially the need for personal dignity and meaning to one's life and the chance for political participation in building society.

Thus, it is essential that the strategy must also offer a new vision of how political institutions can be created or regenerated to excite imagination, mobilize energies and encourage the contribution of free individuals to the common good. Fortunately, such ideas *are* percolating among a new generation of scholars and activists in the United States. The work of the Federal Budget Study of the Institute for Policy Studies, the Democratic Socialist Organizing Committee, the New Democratic Coalition, the Conference on Alternative State and Local Public Policies, the Exploratory Project on Economic Alternatives and other groups experimenting with new organizational forms and technologies makes it possible to avoid the trap of the lifeboat ethic and to establish a new set of priorities and programs for recreating an American community within a just order.

In the United States, we could start by redefining "national security" to make the security of local communities a prime national goal. Individuals derive their sense of personal security in large measure from the security that their city or town can provide. National security has little meaning if the local economy cannot provide jobs; if food, shelter, energy, health care and transportation are not available at prices people can afford; and if people are afraid to walk the streets. Youngstown, Ohio, was crippled last year when the board of directors of a distant corporation with no stake in the community suddenly decided to cease its steel operations there—a clear example of the lifeboat ethic. When businesses move on, the community is left to fend for itself. Legislation of the sort that exists in some European capitalist countries is essential to avoid this hardship on both the workers themselves and on the community taxpayers. Companies must be required to give notice, to negotiate the terms under which they leave, to bear a fair part of the cost of the dislocation they have caused. When a Youngstown disaster strikes, the city ought to be eligible for Federal funds with which to buy the facility and to convert it into an enterprise that can employ its citizens and finance essential public services.

Massive investment must be directed to underdeveloped areas of the United States. Not only vast rural areas, but also the burned-out and decayed centers of our major cities. Federal subsidies and tax policies now favor uneven development. Many communities—New York, for instance—pay more to the Federal Government than they receive. Luxury goods and nonessential military products are subsidized—the famous Lockheed bail-out is just one example—but the Government does little to create a market for essentials—low-cost housing, community health care, food, energy and affordable transportation. An investment program to "balance" the American economy, as the economists Barry Bluestone and Bennett Harrison put it, is essential. This might be accomplished, in part, by developing land banks, as has been done in Western Europe, to assist communities in assembling land for low- and moderate-income people; and by a mortgage bank funded by tax dollars to make it possible to buy and to rehabilitate urban homes. There is no way to integrate wasted areas and wasted people into an American community without specifically directing capital to that end in such a way as to make it possible for people to become productive.

Providing useful work for every American should be the primary purpose of the economy. There are enormous national needs that require major investment and millions of jobs—rebuilding the railroads, developing urban mass transport, cleaning up the rivers, developing new energy sources and technologies. For many such needs a private market does not exist; but we must find the means of allocating private capital to them. The market could be created, as the weapons market is created, by Government policy—in this case, through a national development bank that, unlike the one recently proposed by President Carter, would have substantial funds and would promote community self-reliance and the development of alternative approaches to meet basic needs. However, as important as it is for job creation to allocate more credit to public needs, worldwide unemployment is so serious that it cannot be solved without a new concept of work itself. For one thing, the workweek must be shortened. And we must begin to regard essential services that keep the society together, such as housework, raising children and caring for the elderly, as deserving of decent pay.

Inflation in basic necessities must be stopped. One way to keep energy prices down would be to increase competition in the highly concentrated energy industry through the establishment of Federal "yardstick" corporations that could develop and market publicly owned oil, coal and shale reserves. Another way could be to make funds available to local communities to develop municipally owned solar-energy systems. A third would be to use Federal funds directly to develop new energy sources and supplies, instead of using the funds as subsidies to private firms in the *hope* that they will do so. Past history suggests that tax incentives do not induce corporations to meet national needs because the financial interests of global companies and the national interest in energy development do not necessarily coincide. The development of more not-for-profit public utilities owned by municipalities would also keep prices down. (Municipally owned electric companies now deliver electricity at rates that are an average of 25 percent less than those of private companies.) There are similar ideas, as the economist Gar Alperovitz has demonstrated, for controlling inflation in the other basic necessities—food, transportation and housing—that take about 70 percent of the paycheck of most Americans.

There are other ways to finance or encourage appropriate economic development without spurring inflation. More long-term government bonds should be floated for public projects, increasing competition with private money-lending institutions; tax loopholes must be closed, creating needed Government revenue; wasteful Government programs should be cut, including many billions for weapons procurement and the maintenance of military facilities that add nothing to national security.

The United States should reverse policies that help to keep poor countries poor. Between 1950 and 1962 export prices of commodities, the mainstay of most third-world economies, declined 7 percent while the export prices of manufactured goods increased 27 percent. This process neatly guarantees that the poor continue to get poorer; to reverse it, the developed nations must lower the barriers they have erected around third-world trade; they must reduce the debt burden, as Sweden and Canada have done, support certain commodity prices, encourage self-sufficient agriculture—instead of subsidizing multinational corporations to use the land in poor countries for luxury-crop exports while people go hungry because they cannot afford imported food.

The enlightened self-interest of the American people dictates that they help integrate third-world countries into a new international economic order in which they are given a better chance to fulfill their own basic needs. Such an undertaking would, in turn, increase markets and jobs for Americans and would promote the global order necessary for American prosperity.

THE SURVIVABILITY OF DEMOCRACY

It would be naive to minimize the difficulty of reaching these goals. But it would be more naive to pretend that the United States can survive as a democracy without a massive effort to protect and stabilize its own cities and rural communities, without a serious commitment to redirecting the global economy toward full employment and without a new relationship with the world's desperately poor majority.

The next 25 years will not be like the last 25. In a time of scarcity, we can expect slower growth and declining productivity. The ideas of the last 25 years—more welfare, more debt, more subsidies to business to stimulate growth—will not do. They will not, they cannot, advance us toward either a vital American community or world community. The issue is not free market versus big government. The government is already deeply involved in our economy and will inevitably become more so. The issue is what kind of government—unwieldy, bureaucratic or responsive—and what kind of involvement—for whom, on whose behalf. Ways can be found to include citizens in making the crucial decisions about what we produce, what we consume, how we distribute the benefits and how we will relate to the rest of the world. But without a vision of what democracy in the last quarter of the 20th century requires and without the political will to make that vision real, we risk once again losing the last best hope of earth.●

THE PROGRESSIVE ALLIANCE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DELLUMS. Mr. Speaker, at the outset of this new session of Congress, I feel it is important for all of the Members to take the time to reflect on what it is we are here to accomplish.

If in fact we are here to accurately represent the citizens of our congressional districts, and the larger national constituency as a whole, we must assume the responsibility of also acting as the vehicle

toward genuine democratic participation and genuinely effective Government.

I feel that this end is not served by a morbid ideology of pessimism and reaction which is programed by the pseudo new conservativism.

Instead, I believe that the political philosophies which our Government was founded on are the principles which will effect our place as a Nation striving for humanitarianism and hope, and not the morally corrupt politics of regressive and repressive selfishness.

The recently established Progressive Alliance is a coalition of the leaders of more than 60 liberal organizations. I am hoping that my colleagues will reflect carefully on the document released by the Progressive Alliance. It sets forth the goals and ideals which we would do well to adopt as our guide for action in forming the legislation of the 96th Congress.

The statement follows:

TOWARD A PROGRESSIVE ALLIANCE

Statement adopted by representatives to second meeting of the Progressive Alliance, chaired by Douglas Fraser, January 15, 1979, Washington, D.C.

We have joined together to form a progressive alliance that seeks to develop and implement new programs for achieving social, political and economic justice in America.

Citizens must have a real voice in determining their common destiny. They want and require rights and power in their neighborhoods, communities and nation.

As America approaches the decade of the 1980's, there is a growing danger that its potential will be swept aside by its problems. We, representatives of over 100 national organizations, trade unions and citizen groups encompassing more than 20 million Americans and their families, seek to create an alternative to the direction in which our country appears headed.

We live in a new era. Problems seem intractable; solutions remain elusive; and there is little consensus for bold action.

Rapidly changing technology, an unprecedented demand on energy sources, and worldwide economic pressure are creating a new set of challenges.

Like the period between the outbreak of the Depression and the coming of the New Deal, our problems are painfully obvious, while the answers to them are not. Yet too many of our country's leaders are trying to meet these challenges of the present by running away or relying on yesterday's answers. As a result, widespread disillusionment has spread across much of our country, with fewer than half the voting population even bothering to participate in the electoral process. This disillusionment clouds our vision of democracy, with its essential of citizen participation.

The time has come for progressives to define new agendas—for ourselves, our federal, state, and local governments, and our communities. We must develop programs as farsighted for the 1980's as the New Deal was to become in the 1930's. Progressives provided the creative underpinnings of virtually every significant program enacted in America in this century. Building on past strengths, we seek to create a post-New Deal, post-New Frontier, post-Great Society, post-Vietnam and post-Watergate program.

We gather in this alliance neither to celebrate nor lament the past, but to develop a fighting program for the future—one that recognizes new realities and seeks new solutions.

While we bring our own separate concerns to this alliance, we share a common belief that our individual problems can be solved only through collective action aimed at creating a society committed to humane, progressive policies. It is our intention to build an alliance of working people, minorities, women, the middle class, family farmers, environmentalists, senior citizens, the poor, the handicapped, educators, students, clergy and lay activists, consumers, and all those committed to human dignity, economic justice, and peace.

The complexity of this task and the very diversity that gives us strength may prevent unanimous agreement on every aspect of a new progressive agenda—yet we share not only a core of belief in common, but also a strong commitment to prevent the forces of reaction from becoming the dominant spirit in American life.

Irresponsive corporations and their new right allies have used their money power effectively to insist that the new realities demand sacrifice. When scrutinized, they argue in fact for sacrifice by the many to benefit the few.

The people are victimized not only by the so-called new right and the corporate elite; they suffer also at the hands of insensitive government answering to conservative special interests.

It is the middle-class Americans—our working families—who are told to tighten their belts. It is the poor who are told to survive on even less; the senior citizens who must make do; the minorities who have to wait. Americans must live with the pollution of their environment, the corporate extremists argue. We can't afford to minimize exposure to unhealthy workplaces now, they say. Energy costs must skyrocket; taxes must plummet.

Like aging generals, the right-corporate alliance scours enlistees to be sent into the battles against America's problems. For this war, they choose not the strong, but the weak. Those forced to sacrifice almost always are citizens least able to.

Blacks, Hispanics, Asians, native Americans, and women—those presently at the bottom of the economic ladder—are called upon for disproportionate sacrifice. They are the tragic victims of policies of recession, scarcity and fiscal hate. They must be protected and their concerns met.

The few in our nation who possess power and wealth have dominated their public debate as America tries to grapple with its problems. Corporations and their political allies have, in fact, insulated themselves from sacrifices at the very time they demand it of others.

We ask ourselves what sacrifices General Motors Corporation has made in the new era of austerity? We ask ourselves where the spirit of the new realism is for Exxon? What belt-tightening has occurred among members of the American Medical Association?

If one listens to country club rhetoric, the impression that booms through is that America's problems would evaporate if only we could abolish government regulation. Likewise, cloakroom wisdom and media punditry offer up as America's last, best hope for controlling inflation the gutting of social programs.

These tired, discredited ideas are presented to a citizenry rightfully wary of the future under the banner of the new realism, when they are—in fact—the old selfishness.

We in this progressive alliance have great confidence we can succeed in replacing the politics of meanness dominant today with a politics of hope. Our optimism wells from the fact that we are the majority. The key to opening the door to a just society is our strength in people.

There are more of us than there are of them. More workers. More women. More minorities. More young and old. More working farmers. More middle income people who are tired of being told by the corporate elite that less really is more.

There have been times when America's political parties have served as organizations through which this majority's aspirations for a better life could be successfully pursued. Today, sadly, both major political parties have ceased to be effective vehicles through which the struggle to create a fair and decent society is being waged. The political parties have become rife with contradictions, representing every position from the extreme right to the progressive left.

Parties possessed moral purpose at various points in our history because they stood behind clear principles. The Democratic Party, for example, served the nation well during the time its progressive adherents successfully pursued the program that made it the majority party for most of 40 years. That included the progressive taxation, popular participation in elections, regulation of monopolies, creation of social security and public assistance, dedication to halt poverty and the belief in education as the right of all people and a necessity for democracy.

Above all, that party then, rather than now, was clearly identified with the continuing struggle to prevent the concentration of economic control in a few institutions and families.

Today, both the Democratic Party and the Republican Party stand unwilling to serve as vehicles for achieving economic and social justice.

As progressives, we commit ourselves to the fight to revitalizing the parties and ultimately to building new political institutions, if necessary, that do provide the basis for a fair and just society. We need political parties that are accountable, issue-oriented and disciplined to abide by their platform commitments. We need also to encourage alternatives such as neighborhood and community groups working together for the common good.

Individual interest groups and causes have evolved in unprecedented numbers, because they lacked these broader organizational instruments to express their will and, at times, needed protection from abuses of power. Many of us have been activists in such single-issue struggles of necessity, yet we join together recognizing the compelling need for a common program and the political vehicles to achieve it.

Rather than championing the cause of any individual candidate, our goal is to build a politics based on principle and accountability. This must be a grassroots movement active not just in Washington, D.C. alone, but in our states, cities and rural areas. It is there our real strength lies.

The task of revitalizing America's political institutions must be a means, rather than an end. Revitalized parties and issue-backed politics will be tools through which the struggle of the 1980's can be waged. And while that struggle will occur in a different political and economic environment, its nature remains constant.

Too few people and institutions control too much wealth and power in America. No matter how many times AT&T tells us that the system is the solution, nor how often Detroit Edison claims the power is in our hands, we continue to know corporations control too much and the people too little.

The program we seek to evolve will aim to spell out both visionary ideas to remedy that basic inequity and practical steps to insure development of a political environment in which those ideas can become public policy. The specific components behind which we shall align will be developed in the period ahead based upon the best political and strategic thinking we can develop.

Our overall hope is to advance the progressive traditions of our country.

We will mobilize and fight for economic programs that provide full employment and stabilize prices, particularly in the cost of the basic necessities of life. We will struggle to achieve equal rights, full civil rights, and civil liberties for everyone.

We seek to protect the right of working people to organize and struggle as unionists to win security, dignity and their fair share of the wealth their labor creates. We demand the right of the poor, the unemployed, and others discriminated against in society to win that same security, dignity and personal well being. We advocate an end to the corporate domination that has created the massive inequities in distribution of income and wealth.

We hope for policies that promote world peace and support a rational defense policy and the absence of excessive military spending. We urge an energy policy that will break the stranglehold energy conglomerates and cartels have on every citizen. We demand a healthy environment. We seek ways of delivering health care to all as a basic right.

We advocate the rebuilding of our cities and the revitalization of the family farm. We seek urban and rural housing at affordable costs and more effective transportation networks. We hope for opportunities for spiritual, artistic and creative development now denied to many in America.

We seek to remedy the massive inequities in our system of taxation that places the burden on the middle class and working poor rather than the wealthy. We believe in the importance of government as the vehicle through which the collective will of the people can be channeled to do what each of us as individuals cannot. We understand that many human needs can be met only by public and social services and we want a politics that responds to those human needs, even when society suffers from less rapid growth and economic setbacks.

Our progressive alliance shall pursue these and similar goals through a variety of mechanisms. We will organize inside and outside the political parties, hold citizen hearings, sponsor demonstrations, underwrite independent research and publications, communicate through the media and work with all who seek to apply democratic principles of participation to our economic and political life.

These are times of crisis—and times of opportunity. We have joined together in alliance, because now is not a time to mourn, but a time to organize. Out of our efforts may not come a world as we would like it, but still it will be a far better world than if we do nothing.●

CHAMPION MUSTANGS

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. AMBRO. Mr. Speaker, it is with a deep sense of personal pride that I bring to the attention of my colleagues the outstanding athletic achievement of some of my younger constituents.

On Long Island we have one of the best developed and most competitive sports programs in the Nation. From grade school through high school, our young men and women compete in virtually as many sports as any Member of this Chamber can name. Throughout the year, they vie in baseball, basketball, football, soccer, swimming, lacrosse, tennis, golf, wrestling, track and field, and a variety of other sports.

That level of competition points up the truly significant accomplishment of the junior varsity team of the Massapequa Mustangs in winning the Long Island Midget Football League championship. In their championship quest, these 11-year-olds from my Third Congressional District, and their four outstanding coaches, exhibited all that is good and wholesome in athletic competition. Always dedicated, hardworking, and enthusiastic, these young people competed fiercely, but always in the spirit of fair play and good sportsmanship. They beat the very best in their class to be what we all seek to become in every field of endeavor—the best.

Their success is a tribute not only to their own abilities and dedication, and that of their coaches, but also to their parents and indeed all parents on Long Island who have personally sacrificed so that their children could enjoy this type of sports program.

Mr. Speaker, I ask all of my colleagues to join me in saluting their league, their coaches, their parents, but most importantly, the players of the J.V. team of the Massapequa Mustangs.●

CARE AND TREATMENT OF THE ELDERLY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MINISH. Mr. Speaker, one of the most serious problems facing American society today is the care and treatment of the elderly. I know that all our colleagues share in my concern for the thousands of older Americans who reside in nursing homes and similar facilities.

Many of the more than 1 million older Americans who now live in nursing homes do not require the intensive and expensive care provided by those facilities. I am convinced that a great number of them would make other arrangements if money and suitable alternative accommodations were suitable.

For these reasons I have reintroduced legislation to provide senior citizens with alternatives to nursing home institutionalization. My bill, H.R. 1424, would provide cash payments to elderly persons eligible for medicare and medicaid who do not require around-the-clock nursing supervision. The payments would amount to one-half the average cost of an area's nursing home care and would be tax free.

Not only would this legislation allow the elderly to increase their health-care options, but also it has the potential to result in a savings of tax dollars. Medicare and medicaid now pay 100 percent of the nursing home costs of many of those who would be eligible under the provisions of my proposal. Should the bill be enacted, the Federal Government would make payments equaling half the average nursing home costs, or, one-half of the amount that already is being borne by medicare and medicaid.

Equally as important, this measure would provide many senior citizens with the wherewithal to retain their independence, or, if they choose, to stay with their families without creating a tremendous financial burden. With a tax-free stipend each month, many seniors would be able to live with their loved ones and contribute to the household income. I am sure that we can all agree that such a presence in the home serves as an important influence for the better on the American family.

Mr. Speaker, the current system of treatment almost forces institutionalization upon senior citizens. Medicare and medicaid provide funds to those in nursing homes, but not to those who otherwise might be able to remain at home. This is not the proper direction toward which our care for the elderly should aim.

My legislation would allow many thousands of older Americans to avoid being sent to nursing homes and would allow many others already in facilities to return to their own homes or those of relatives. I urge my colleagues to consider supporting this bill.●

IOSEF BEGUN—SOVIET PRISONER OF CONSCIENCE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DOWNEY. Mr. Speaker, last week I wrote a letter of congratulations to a young boy living in Moscow. The boy's name is Boris Begun and he is celebrating his Bar Mitzvah today. Like any Jewish father, Boris' father is proud of him on this day when he has completed a long period of study and preparation for taking his place as a man among his congregation. However, Boris' father, Iosef Begun, can not be with him or even see him on this very important day. He is in a prison camp in Siberia.

Iosef Begun is an engineer and a teacher of Hebrew, a doctor of science. His crime is that he was living in Moscow, with his wife Alla and his son Boris, without a permit. For wanting to be with his family he is now suffering 3 years of internal exile. Internal exile, as it is delicately phrased by Soviet courts, means living in a labor camp far away from family and friends for years at a time. Previous to this, Iosef Begun had been found guilty, in June 1977, of another typically Soviet crime—leading a parasitic way of life. This ambiguous phrase, which would make the worst of the sophists sit up and take notice, means that Dr. Begun was unemployed. Why he was unemployed, because he had had the nerve to file a visa application, is another matter, but simply for being unemployed he was sentenced to 2 years of internal exile. After serving a year of that sentence, he has now been slapped with another 3 years for coming back to Moscow to be with his family without a permit. This one case, among hundreds of similar cases, should give the Congress some idea of what life in the Soviet Union is really like for a man of conscience, a religious, family man who has had the courage to stand up and say that he would like to emigrate.

I believe it is important that this Congress be reminded of the sufferings of men like Iosef Begun, and the denials of the most basic human rights he and many others have endured in the Soviet Union. It is my hope that continued pressure upon Soviet authorities, which can be exerted through letters and statements of protest from American citizens and Members of Congress, will result in a redress of injustice and a better, more hopeful future for Iosef Begun and his family and thousands of others like them in the Soviet Union today.●

TAX TIPS FOR OLDER AMERICANS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HUGHES. Mr. Speaker, each year the Senate Special Committee on Aging publishes a checklist for older Americans to help them in preparing their income tax returns.

With the passage of the Revenue Act of 1978, it is especially important that older people be apprised of the various changes in the law such as the one-time exclusion from capital gains on the sale of a principal residence, so that they may take advantage of the revisions in the tax code.

I would like to congratulate the Senate Aging Committee for its foresight in preparing this valuable checklist. The text of the publication, "Protecting Older Americans Against Overpayment of Income Taxes" follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7c per mile plus parking and tolls or actual fares for taxi, buses, etc.)
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month.)

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the seprately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration—may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up of $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cool-

ing, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

THE 1978 GENERAL ELECTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from November 22, 1978 into the CONGRESSIONAL RECORD:

THE 1978 GENERAL ELECTION

Virtually all the results of the 1978 general election are in. Politicians, pollsters, and the public at large will be discussing the meaning of the results for some time to come.

Perhaps the most disturbing aspect of the recent election was the low voter turnout. On Election Day approximately 35% of eligible voters cast their ballots. Despite election reforms—a lower voting age, easier registration, and the repeal of poll taxes—the number of nonvoters continues to rise faster than the number of people who vote, a trend begun almost two decades ago. In the 1962 off year election 45% of eligible voters turned out. Many factors have caused the decline in voting: a feeling that there is no difference between candidates or parties, a sense of frustration and powerlessness in the electorate, and a belief that one vote really does not matter are just a few. In turn, the decline in voting has only made things worse: as fewer people express their opinions at the polls, special interest groups become more powerful.

Another disturbing aspect of the recent election was the huge amount of money poured into congressional campaigns, some of which were probably the most expensive in history. A North Carolina Senator spent $6.7 million to be re-elected, and an Indiana congressional candidate paid out more than $390,000 in a losing effort. The basic problem with big money is that candidates become hostages of the individuals and groups that provide it. Office seekers who rely heavily on a few influential contributors tend to be less independent and less able to pursue the national interest and the common good. I am not sure just what reforms are necessary to improve campaign financing, but I am interested in exploring a variety of proposals. Some that come to mind are the public financing of congressional campaigns and the lowering of campaign costs through, among other things, reduced rates for political mailings. Another kind of proposal involves the careful deregulation of the electoral process. Such reforms would make politicians more responsive and elections more competitive.

The 1978 election rekindled my concern that politics is becoming increasingly devoid of content. Elections have advanced technologically, with modern campaign techniques such as television commercials, telephone banks, and computerized mailing, but they have not advanced in substance. The concentration on style, image, and campaign conduct really does not get voters interested in the issues of the day. Negative campaigning against an opponent's record or personal shortcomings—rather than a constructive emphasis on one's own program—has become a very common tactic.

Political observers are uncertain about a national mandate in the 1978 congressional races. It seems to me that the quality of individual candidates and particular political circumstances in each area had more to do with the results than did any overwhelming trend. A study published just before the 1970 election stated that congressional contests are usually local affairs, reflecting voters' attention to local matters more than to nationwide moods. My own impression is that Congressmen today are indeed elected more as non-partisan, nonideological providers of service. It is certainly on their records of service that most incumbents now choose to run for re-election.

Nevertheless, there was a dominant tone to the recent election. Voters are clearly upset about inflation, taxes, government spending, bureaucracy, and regulation. At the same time, however, I found that they are skeptical toward candidates who claim to have easy cures, especially for a problem like inflation. People seem to realize that no one can honestly offer them a quick remedy for inflation. It is just too complicated an issue.

The recent election resulted in a shift to the right on the political spectrum, suggesting that the Nation will continue to move toward more conservative government. Important congressional liberals were defeated, and in most instances Americans voted for lower taxes where they had an opportunity to do so. The national partisan lineup for 1979 is as follows: in the Senate, 59 Democrats and 41 Republicans (a net gain of three for the minority party, with one recount possible); in the House, 276 Democrats and 159 Republicans (a net gain of 12 for the minority party, with three recounts necessary); among the governors, 32 Democrats and 18 Republicans (a net gain of six for the minority party). The increase in GOP strength is modest for a minority party in an off year election.

Overall, I see the 1978 election as an indication that the American people are uncomfortable, but not frightened, about the condition of the economy, and that they are not ready to trust government to those who propose drastic remedies. On the other hand, the people do want something to be done to make government and the economy work better. They are asking government to deliver a quality product at a reasonable price. They seek stable prices and wages in a strengthened economy. While Americans prefer to leave power in the hands of the Democrats, they want the Republicans standing by as a potential alternative.●

RETIREMENT OF LLOYD ARTHUR RIVARD

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. JOHNSON of California. Mr. Speaker, it is with profound regret that I report to the House that Lloyd Arthur Rivard, chief engineer of the Committee on Public Works and Transportation, retired December 31, 1978, after more than 30 years of outstanding public service. He leaves behind countless friends and a record of accomplishment that truly merits the gratitude of the Congress and the Nation he has served so well.

Lloyd Rivard had already made his mark as an authority in the field of highway safety and highway engineering when he came to the Committee on Public Works and Transportation almost 10 years ago. In the intervening years he had added enormously to that reputation.

A native of Rhode Island and an engineering graduate of Brown University, Lloyd began his career in 1949 with the Bureau of Public Roads, the forerunner of today's Federal Highway Administration. In 1954 he joined the District of Columbia Highway Department to assume responsibility for planning and establishing the District links to the then-embryonic Interstate Highway System, a task he carried out with a distinction that attracted the attention and admiration of highway authorities throughout the Nation.

He interrupted his District service in 1962 to spend the next 5 years with the Automotive Safety Foundation—known today as a major element of the Highway Users Federation—where he won further national repute in the fields of highway safety design and construction. There followed another 3 years of service with the District of Columbia Highway Department, until he came to Capitol Hill as chief engineer for the Committee on Public Works and Transportation.

Mr. Rivard's entire career was closely identified with the development of the Interstate Highway System and the related Federal-aid highway network which today links the cities, towns, and rural areas of the continental United States and stands as one of the most ambitious and successful public works projects in recorded history.

His contributions to Federal transportation law and Federal transportation programs during his years with the Public Works and Transportation Committee have helped immeasurably in making America's highways safer and better for the millions who ride them daily.

In recent years, as the committee's jurisdiction expanded to include other facets of surface transportation, including mass transportation, Lloyd's expertise grew with the additional responsibilities. He became a recognized expert on public transportation and a strong supporter of a balanced transportation system.

Mr. Speaker, I voice the feelings of all the members of the Committee on Public Works and Transportation who have been privileged to work closely with Lloyd Rivard over these past 10 years—and especially in the 3 final years of exhaustive and exhausting effort that went into creation of the landmark Surface Transportation Assistance Act of 1978—when I say that he will be sorely missed.

Ours is a mobile society. Many words

have been spoken in this Chamber about the problems this mobility creates for our citizens and, as a result, for our transportation systems. Few have contributed more than Lloyd Rivard to easing the transportation problems of our citizens as they travel each day on our highways and public transportation to work, to school, to church, and to places where they can spend their increasing leisure time.

In the years ahead, Lloyd Rivard undoubtedly will continue to contribute, as a private citizen, the same wise counsel and advice to the cause of better transportation that he gave us with such distinction throughout his career of public service.

We wish all the best to Lloyd and his gracious wife, Beverly; his daughters, Dorraine and Patricia; and his son, Rick.●

SWAPPING GOODS FOR MEXICO'S OIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues the following article by Ronald E. Muller and Everett M. Ehrlich regarding possible trade agreements with Mexico. The article appeared in the Washington Post, Sunday, January 7.

The article follows:

SWAPPING GOODS FOR MEXICO'S OIL

The United States is considerably behind its allies seizing opportunities for reciprocal economic agreements with developing nations.

The European Economic Community's Lome Convention, for example, has forged new aid-and-trade ties with 54 Third World countries. In the "new China" market, the United States' one mining deal pales besides the headstarts of Germany and Japan in building everything from coal mines to steel mills.

But the U.S. lag is most striking when compared with other industrial nations' bilateral swaps of exports for oil and gas.

Japan is building Iraq's natural and liquefied gas industries in exchange for oil, while Peru is already paying for its Japanese-built pipelines at a price of 250 million barrels of oil. France has announced a policy of tying its oil purchases to exports of French products, and Germany and Japan are negotiating long-term deals to export technological assistance and capital goods for oil.

For the United States, Mexico should be an obvious choice for such agreements, but we recently rejected Mexico's bid to sell us natural gas at a lower price than we pay for Algerian and Indonesian gas. Massachusetts Sen. Edward M. Kennedy echoed the dismay of others in Congress when he noted how "President Lopez Portillo turned instead to Japan for technology, financing and oil sales."

Our refusal prompted Mexico to convert the gas to domestic uses, thereby freeing oil for export to Japan. The Japanese loaned Mexico $1 billion to build pipelines and port facilities so that Mexico can ship the oil to Japan in repayment of the loan.

Similarly, France and Mexico have signed a deal providing France with 100,000 barrels of Mexican oil a day, paid for by French exports.

The advantages of the United States arranging a similar deal with Mexico are obvious. It would give us an additional, stable supply of oil without worsening our already deep trade deficit, stimulate our economy, create jobs and reduce unemployment and related government payments.

The United States, for example, could offer to buy a scheduled amount of Mexican oil leading up to 2 million barrels a day by 1985. Mexico in return would receive a line of credit with which to shop in this country for the best buys on capital goods and technology. Indeed, Mexico and the United States are geographically so close that lower transportation costs—compared with shipments bound for Europe or Japan—would mean that the Mexicans in effect could gain up to an extra $1 profit for each barrel they send us.

We could sweeten this package with special financing arrangements, possibly including an adjustment in Mexico's debt repayment schedule. Even more important would be a move toward serious negotiations to resolve such difficult question as immigration policy and water rights to the Colorado River, the key issues in U.S.-Mexican relations.

If such a swap deal could be negotiated, it would mean new U.S. exports to Mexico of almost $11 billion a year, creating an estimated 400,000 jobs in this country. Since every jobless worker costs the federal government about $5,000 in unemployment compensation and other payments, taxpayers could conceivably save more than $2 billion in such aid. That would translate into a $2.74, or 20 percent, premium on each barrel of Mexican oil.●

TAX REDUCTION ACT OF 1979

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LUKEN. Mr. Speaker, I am introducing a bill, the Tax Reduction Act of 1979, that will reduce taxes for individuals (by $142 billion) and force Congress to cut spending and move toward a balanced budget by linking tax cuts with reductions in Federal spending. This bill is the Nunn amendment to the Revenue Act of 1978. This amendment was approved by the House but lost in conference.

A Congressman today can vote for tax reductions and at the same time vote to spend money that the Government does not have. My bill will force Congress to reduce spending because under my bill, any Congressman who votes for increased spending votes against a tax cut.

My bill contains the following reductions for individuals' tax rates; $8 billion in fiscal year 1980, $25 billion in fiscal year 1981, $43 billion in fiscal year 1982, and $66 billion in fiscal year 1983. The total tax reductions that would take place are $142 billion—money saved from every American's paycheck.

For these tax cuts to become effective, Federal spending cannot exceed the following percentages of the projected gross national product: 21.0 percent in fiscal year 1980, 20.5 percent in fiscal year 1981, 20.0 percent in fiscal year 1982, and 19.5 percent in fiscal year 1983 and thereafter. Additionally, Federal spending cannot exceed the rate of inflation plus 1 percent, and the Federal budget for 1982 must be balanced.

Mr. Speaker, the people of this country know that one of the single greatest causes of inflation is massive Government overspending. This proposed tax structure insures that the budget will be as balanced as possible as the tax reductions go into effect. It also provides a way to face our changing national economic conditions and still reduce taxes while upholding the principle of moving toward a balanced budget.●

DISTINGUISHED CALIFORNIA BUSINESSMAN, CIVIC LEADER AND NEWSPAPER OWNER RETIRES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DANNEMEYER. Mr. Speaker, recently Edgar F. Elfstrom, a well-known and distinguished California businessman, civic leader and newspaper owner, retired. Ed's retirement brought to a conclusion a newspaper career which began in 1922 when, at the age of 21, he became personal secretary to E. W. Scripps, a giant in the world of journalism who started the first newspaper chain and founded what was to become United Press International.

In 1924, Ed took his first newspaper job with the Youngstown, Ohio, Telegram, working in the advertising department. In 1926, he was in California where he invested in the Florence Messenger, which he sold 18 months later and joined the Santa Ana Times as advertising manager. This was followed by service with the Copley-owned Hollywood News and, later by his becoming publisher of the Alhambra Post-Advocate. Somewhat later, he joined in a tripartnership with John Scripps and Roy Pinkerton to acquire and develop newspapers throughout the State of California.

In 1939, he purchased the Daily News Tribune in Fullerton which then had a circulation of 2,000. During his tenure as publisher and editor the circulation increased more than 10 times.

During Ed's tenure as owner of the paper, a new, modern facility was built and occupied in 1964 and the paper converted its production system from a hot-lead type of operation to a photo composition system. Ed sold the Daily News Tribune in 1973 to Scripps-Howard Newspapers, but continued to serve in an advisory capacity until his retirement on December 31, 1978, concluding a 56-year newspaper association and 52-year record of journalistic endeavors in the State of California.

That Ed is held in the highest esteem by his fellow Californians is without question. A few of the tributes to this outstanding gentleman follow:

SENATE RULES COMMITTEE RESOLUTION BY SENATOR JOHN V. BRIGGS

Whereas, Edgar F. Elfstrom is deserving of special recognition and commendations upon the occasion of his retirement, after

a career that spans 56 years in the newspaper business, and including 52 of those years in the State of California; and

Whereas, Mr. Elfstrom began his newspaper career at the age of 21, when he became personal secretary to E. W. Scripps, a giant in the world of journalism who started the first newspaper chain and founded what was to become United Press International; and

Whereas, Edgar traveled around the world with E. W. Scripps, meeting with foreign dignitaries, as well as assisting in the Scripps operations of the latter's various newspaper holdings; and

Whereas, in 1924, he took his first newspaper job with the Youngstown, Ohio, Telegram, working in the advertising department, and two years later, he came to California to invest in the Florence Messenger and later served as Advertising Manager for the Santa Ana Times and as National Advertising Manager of the Copley-owned Hollywood News; and

Whereas, in 1930, at the age of 28, he became publisher of the Alhambra Post-Advocate, and then joined in a tripartnership with John Scripps and Roy Pinkerton to acquire and develop newspapers throughout the State of California; and

Whereas, in 1939, he purchased the Daily News Tribune, in Fullerton, when it had a circulation of 2,000, and during his tenure as publisher and editor, the circulation increased more than tenfold; and

Whereas, highlights of his Daily News Tribune ownership include the building of a new, modern facility which the newspaper occupied in 1964, and the conversion of the newspaper production system from a hot-lead type of operation to a photocomposition system.

Whereas, he sold the Daily News Tribune to Scripps-Howard Newspapers in 1973, and he continued to serve in an advisory capacity until his retirement on December 31, 1978; now, therefore, be it

Resolved by the Senate Rules Committee. That Edgar F. Elfstrom be commended for his many contributions to news journalism in the State of California, and extended congratulations and warmest wishes upon the occasion of his well-deserved retirement; and be it further

Resolved, That a suitably prepared copy of this resolution be transmitted to Edgar F. Elfstrom.

MEMBER'S RESOLUTION BY THE HONORABLE ROSS JOHNSON

Whereas, Edgar F. Elfstrom, a distinguished California businessman and civic leader, has recently retired, thereby concluding a 56-year newspaper association and 52-year record of journalistic endeavors in this state, and it is appropriate upon this occasion that he receive the special honor and commendations of his fellow citizens; and

Whereas, beginning his career at age 21 as personal secretary to E. W. Scripps, a giant in the world of journalism, Mr. Elfstrom traveled worldwide conferring with various newspaper holdings of the Scripps operations; and

Whereas, in 1924, he took his first newspaper job in the advertising department of the Youngstown (Ohio) Telegram, two years later came to California where he invested in the Florence Messenger, and 18 months later joined the staff of the Santa Ana Times as Advertising Manager; and

Whereas, at age 28, he became the Publisher of the Alhambra Post-Advocate, later joined in a tripartnership to acquire and develop newspapers throughout the State of California, and in 1939 purchased the Daily News Tribune in Fullerton; and

Whereas, the highlights of his Daily News Tribune ownership included the building of a new, modern facility which the newspaper occupied in 19 4, and the conversion of the newspaper production system from a hot-lead type of operation to a photocomposition system; and

Whereas, Edgar Elfstrom operated the Daily News Tribune until 1973, at which time he sold the company, while continuing to serve in an advisory capacity, and on December 31, 1978, formally ended his newspaper association with his final retirement; and

Whereas, the services which he has provided to his readers during his illustrious career are indeed far-reaching, as the responsibilities of a newspaper publication in informing the public of factual data and truths are extensive; now, therefore, be it

Resolved by Assemblyman Ross Johnson, That he takes pride in honoring and commending Edgar F. Elfstrom upon the occasion of his retirement from his 56-year newspaper association and 52-year record of journalistic endeavors in the State of California, expresses his sincere appreciation for the invaluable services which he has provided to the people of this state, and extends best wishes for every success in his future endeavors; and be it further

Resolved, That a suitably prepared copy of this resolution be transmitted to Edgar F. Elfstrom.

RESOLUTION OF THE ORANGE COUNTY BOARD OF SUPERVISORS

On motion of Supervisor Diedrich, duly seconded and unanimously carried, the following Resolution was adopted:

Whereas, Edgar F. Elfstrom is retiring from journalism after more than 55 years of operating independent newspapers, as well as entire chains; and

Whereas, he began his career as personal secretary to newspaper giant, E. W. Scripps, touring the world and helping to create what was to become United Press International. He purchased his first California newspaper in 1926, The Florence Messenger and, when he was only 28 years old, purchased The Alhambra Post Advocate, and later formed a partnership, developing newspapers throughout California; and

Whereas, in 1939, he purchased The Fullerton Daily News Tribune which he operated for many years as the only independent daily newspaper in Orange County, increasing circulation 10-fold. Mr. Elfstrom built a complete new plant before selling the newspaper to Scripps-Howard Newspapers. He is known nationwide for his lifetime of dedication to journalism, and particularly for his battle against drug abuse.

Now, therefore, be it *resolved* that the Orange County Board of Supervisors commends Edgar F. Elfstrom for his long years of dedication to journalism and to his fellow man, and wishes him well in his retirement.●

HOSPITAL PRAISED FOR COST CUTTING

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. GINGRICH. Mr. Speaker, we have heard a lot recently about rising health care costs and about skyrocketing hospital bills. In his state of the Union address the President repeated his proposal for a ceiling on hospital rate increases. There will be many other legislative proposals entered into the House this session.

There is no doubt that hospital costs are rising rapidly. But some hospitals are fighting to hold the line on spending and pass these savings on to their patients. They are working hard to reduce costs without reducing services.

I would like to call the House's attention to Douglas General Hospital, in Douglas County, Ga. They have instituted a unique cost reduction program that should be emulated wherever possible in the rest of the country.

I think that the work done at Douglas General Hospital shows that voluntary cost-containment can work. With Government help, rather than Government hindrance, our hospitals can slow the rapid rise of health care costs.

Mr. Wagner, hospital administrator, and the staff at Douglas General Hospital have done a fine job and deserve our gratitude and support.

I am inserting in the RECORD an article that appeared in the December 20, Atlanta Journal and the Villa Rican that describe the Douglas County Hospital program:

[From the Atlanta (Ga.) Journal, Dec. 20, 1978]

HOSPITAL EARNS 1ST PLACE AWARD

Douglas General Hospital has earned a first place award for its continuing cost containment and cost reduction efforts.

Hospital Administrator James A. Wagner Jr. has been advised by representatives of the Georgia Hospital Association (GHA) that Douglas General has been judged as the first place winner in the GHA's 1978 PACER Contest.

The plaque will be presented at the annual convention Awards and Recognition luncheon Dec. 8 at the DeSoto Hilton Hotel in Savannah.

The PACER award is given to the Georgia hospital or health facility which is judged as presenting the best program aimed at reducing and/or containing the rise in health care costs for both patients and the institution itself.

The Douglas General entry in the contest was chosen for first place honors from among entries submitted by a majority of the hospitals in the state, regardless of bed size.

Besides the first place plaque, the hospital will also receive a cash award of $2,500.

Commenting on the award, Administrator Wagner said "credit for our having received such an award goes to H. Lee Roper, assistant administrator and manager of the Continuous Team Cost Reduction Program and to those employees who participated as members of the hospital's cost reduction teams as well as to Schuyler Clark, the management consultant who has been working closely with our program."

Wagner will accept the plaque and cash award at the GMA convention Dec. 8.

[From the Villa (Ga.) Rican, Dec. 20, 1978]

DGH WINS FIRST PLACE IN COST CONTAINMENT

Douglas General Hospital has earned a highly-coveted first place award for its continuing cost containment, cost reduction efforts.

Hospital Administrator James A. Wagner, Jr., has been advised by representatives of the Georgia Hospital Association (GHA) that Douglas General has been judged as the first place winner in the GHA's 1978 PACER Contest.

According to word from John Marston, GHA executive director, a GHA First Place Award plaque is being prepared for presentation at the GHA annual convention Awards and Recognition Luncheon on Friday, December 8, at the DeSoto Hilton Hotel in Savannah.

The coveted PACER award is given to the Georgia hospital or health facility which is judged as presenting the best program aimed at reducing and/or containing the rise in health care costs for both patients and the institution itself. The Douglas General entry in the contest was chosen for first place honors from among entries submitted by a majority of the hospitals in the state of Georgia, regardless of bed size.

Besides the first place plaque, the hospital will also receive a cash award of $2,500.

Commenting on the award, Administrator Wagner noted that "credit for our having received such an award goes to H. Lee Roper, Assistant Administrator and manager of the Continuous Team Cost Reduction Program, and to those employees who participated as members of the hospital's cost reduction teams as well as to Mr. Schuyler Clark, the management consultant who has been working closely with our program."

Wagner, Roper and Clark explained the hospital's cost containment/cost reduction program by remarking that through use of a multiple team cost containment program featuring team competition, DGH has saved $169,910 during the first six months of the current fiscal year which began April 1. That figure represents 6.3 percent of the total operating expense budget for the same six months, and 283 percent of the total hospital savings goal for the fiscal year.

The three men noted that the continuous team cost reduction program is a "productive game" in which 49 department heads, supervisors and technical staff, including nurses, work together to find and implement ways to save money and improve service.

Thirty-four projects had been completed through September with another 120 cost-cutting projects listed with the office of Project Manager Roper.

In addition to the savings to the hospital itself, there have been two projects which included a total of $16,200 per year in direct savings to the patients.

Wagner pointed out that "the concept employed is unique with Douglas General Hospital and, to our knowledge, is not currently being used in any other health care facility in the state. Cost savings are achieved in our program by the American free enterprise ideal of competition.

"The program is composed of four teams (The Conservatives, The Beacons, The Scalpels, The Cost Culture) each of which is made up of employees from a variety of departments."

Wagner mentioned that each of the four teams is led by a highly-qualified employee with Miss Nawassa Staples team leader of the Conservatives, Mrs. Susan Spurlock leading the Beacons, Terry Welham leader of the Scalpels and Mrs. Laura Frank leading the Cost Culture team. Team standings for the first six months saw the Conservatives with seven completed projects and a savings achievement of $114,651 or a fantastic 764 percent of that team's 1978–79 goal. The other teams comparable figures were: Beacons, six projects, $19,901 saved, 133 percent of the year's goal; Scalpels, 11 projects, $18,746 saved, 125 percent of the team's goal; Cost Culture, 12 projects, $16,612 saved, 111 percent of the team's yearly goal.

Administrator Wagner will accept the plaque and cash award on behalf of Douglas General Hospital at the December 8 luncheon. He will be representing Douglas General during the GHA annual convention set for December 7–9 in the Chatham County city.

DOUGLAS GENERAL HOSPITAL

Typical of the cost-saving projects suggested and followed through by hospital personnel are:

Name of Project:	Savings
Taping shift reports (nursing)	$17,066
Repair respiratory therapy equipment in-house	1,716
Separate flow rate revenue (x-ray)	5,603
Six-day coverage in physical therapy	10,472
Change employee insurance companies	65,940
Post job openings in-house	1,800
Use shared service linen service	12,000
Separate portable x-ray charges	3,332
Renegotiate procurements (lab)	2,336
Reduce order frequency (sterile water)	2,000
Upgrade maintenance position	2,070

●

NEW ETHICS LAW MAY FORCE OFFICIALS TO QUIT

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MOORHEAD of California. Mr. Speaker, last year when the House of Representatives considered the Ethics in Government Act, I strongly opposed the so-called revolving door provisions. The existing conflict of interest law in title 18 seemed to be perfectly adequate to deal with the problem. To me, it made no sense to superimpose a 1-year no contact ban on former Government officials with respect to contacts with their former agencies or departments. Clearly, such an arbitrary, silly addition to the law could only have a detrimental effect on the morale of present governmental officials, while, at the same time, serving to seriously hamper governmental recruitment efforts.

An article appearing in the Washington Post on Wednesday, January 31, seems to indicate that my reservations were well-founded. I commend this article to my colleagues' attention:

STIFFENED FEDERAL ETHICS LAW MAY MAKE OFFICIALS QUIT

(By Joanne Omang)

Hundreds of government officials—scientists, educators and researchers—may resign this spring to avoid coming under a stringent new code of ethics aimed at curbing conflicts of interest.

The 1978 Ethics in Government Act requires detailed financial disclosure statements and puts stiff limits on what high-ranking officials may do in the private sector after they leave government.

Several affected officials say the limits in the law may leave them virtually unemployable outside the government after the act takes effect on July 1.

"Under this law, I couldn't go back and do most of the things I have spent a good part of my life doing," said Hale Champion, undersecretary of health, education and welfare. "I have to consider resigning if the implications are as grave as they look."

Others who said they could be similarly affected include Richard Atkinson, director of the National Science Foundation; William J. Perry, director of research and engineering in the Department of Defense, and Donald S. Fredrickson, director of the National Institutes of Health.

They are typical of hundreds of executives, professors, scientists and others who join government for a few years, intending to return eventually to their old jobs or to others like them. Often these jobs are at nonprofit or academic institutions having extensive government research grants; others are at private companies with large federal contracts.

"The higher up in the decision-making you are, the more difficult it becomes," said Champion, who was formerly vice president for finance at Harvard University. "You then have official responsibility for lots of things you don't deal with personally . . . it could come down to manning you can't participate in the governance of any institution that has anything to do with the government."

The new law covers all federal employes at grade GS16 or above or earning more than $42,500, which includes nearly everyone in a policy-making position. It also covers judges, members of Congress and senior congressional staff members, as well as political appointees: in all, about 15,000 persons.

Passed in the wake of the Korean influence-buying scandal, the measure requires listing outside income, gifts, debts, property transfers, spouse's income and holdings and other financial matters beginning May 15.

It also tightens existing lifetime bans on representing outsiders before the government on issues in which the official had "personal and substantial" dealings while in government. And it extends from one year to two the ban on acting for a private party in issues that were under the policymaker's "official responsibility" in the year before leaving public office.

These provisions, effective July 1, are not considered particularly troublesome to scientists and academics, although Atkinson criticized the requirement that even those who serve on advisory boards for as little as 20 days annually must file disclosure statements.

Far more troubling, according to those concerned, is the provision that says a former government official shall not "aid, assist, counsel, advise or assist in representing" before the government a private organization on any matter under the official's former jurisdiction. "He can't talk about anything he knows anything about," summed up an HEW official.

This could mean, said Fredrickson of NIH, "that quite possibly I would be barred from my old job" as president of the National Academy of Sciences Institute of Medicine. It involved handling government contracts and studies which concerned NIH, he said.

Another 50 persons now at NIH—"the people who run the institute, the key administrators"—would be affected, he said. "The law might mean that our usual movement from medical schools and the academic world and back would be severely impaired."

Perry of the Defense Department was formerly president of an electronics firm in Sunnyvale, Calif. "I don't believe I could return to that job under this as I read it," he said, "and I would certainly like to have that option."

Perry added that many DOD engineers who oversee research and acquisition programs have told him they are considering resigning before July 1. "We may so completely limit the ability of a technical manager to return to industry that we may not be able to hire them away from industry in the future," he said.

At the National Science Foundation Atkinson said that under the provisions of the law as outlined by a reporter, "I would probably never have come here in the first place" since he would probably be unable to return to Stanford University, where he is on a leave of absence. "If that is the case, I would think twice about whether I'd have to resign" from NSF, he said.

HEW Secretary Joseph A. Califano Jr. said that he and Defense Secretary Harold Brown had "expressed serious concern" about the matter to President Carter. "We suggested that the thing to do is to postpone the effective date of the law and have some hearings on it," Califano said. "We would hope the law could be amended."

Carter, he said, had asked aide Jack Watson to look into the matter.

Jim Graham, staff counsel to the Senate Governmental Affairs Committee that drafted the new law, said there is "a severe lack of information" among those affected. "We do think the bill is reasonable. One of the ways scientists make a living is through consulting and there is at least the same potential for abuse as there is with lawyers," he said.

He and others suggested that an exception in the law permitting "scientific and technical communications" with the government might be adapted in forthcoming regulations to solve some of the problem, although new legislation might also be necessary.

At the moment, all eyes are on Bernard Wruble, 36, who is drafting those regulations in his first week on the job at the brand new Office of Government Ethics. The post was established by the act within the Office of Personnal Management (the old Civil Service Commission) to come up with rules on application and enforcement of Ethics in Government.

"We are aware of the scientists problem," he said. "We feel we have an obligation to settle the problem well in advance of the time when people will have to act on it. ●

INTRODUCTION OF A BILL TO REAUTHORIZE THE FUNDING FOR THE 200-MILE FISHERY ZONE ACT

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MURPHY of New York. Mr. Speaker, the legislation I introduced today with other members of the Merchant Marine and Fisheries Committee, would authorize appropriations for the next 3 fiscal years to implement the Fishery Conservation and Management Act of 1976—FCMA—commonly known as the 200-Mile Fishery Zone Act. This legislation would insure that funding will continue to be available to the Secretary of Commerce and the Regional Fishery Management Councils for carrying out their responsibilities under this act.

The 200-Mile Fishery Zone Act became Public Law 94-265 on April 13, 1976. The act made it unlawful for the first time, beginning on March 1, 1977, for foreign fishing vessels to fish within 200 miles of our shores without a permit. Already, that landmark piece of legislation has become instrumental both at protecting and conserving the fisheries resources off our coastal shores and at promoting the development of the U.S. fishing industry.

Thus, in 1977, the most recent year for which statistics are available, the total foreign and domestic commercial catch off U.S. shores was 3.8 million metric tons, a decrease of 14 percent from 1976. However, the U.S. fishing industry's share of the catch rose to 56 percent, an 8-percent increase from 1976, and U.S. exports for 1977 were a record $520.5 million, up 35 percent from 1976.

The number of foreign fishing vessels operating off our shores, on the other hand, has declined along with the foreign catch. Figures released by the National Marine Fisheries Service indicate that approximately 780 foreign fishing vessels operated within the zone during 1977, about 35 percent less than the approximately 1,200 vessels that operated within the zone during 1976. At the same time, the foreign catch decreased to 1.7 million metric tons, 27 percent from the 2.3 million metric tons taken in 1976.

Early signs indicate that there is a new vigor in the U.S. fishing industry. Orders for new fishing vessels have increased dramatically, with 1,753 constructed in 1977 alone, and there is a growing interest both in replacing and modernizing the fishing gear and in building new processing plants. In Alaska alone, there were 43 plants built in 1978.

Mr. Speaker, the act is beginning to work, but much more remains to be done.

The act also established eight Regional Fishery Management Councils which were assigned the task of developing fishery management plans for fisheries in their respective regions. Thus far, only three fishery management plans have been prepared and approved by the Secretary. Two of these involve fish off the Atlantic coast—groundfish (cod, haddock and yellowtail flounder) and surf clams and ocean quahogs—and the third involves salmon off the Pacific coast. More than 65 other plans identified by the Councils still need to be developed. The success of the efforts of the Councils depends on the passage of this legislation, because the preparation of these needed plans cannot proceed without funding.

The legislation would extend the funding authorization at its present level of $30 million for each of fiscal years 1980, 1981, and 1982.

All concerned persons agree that the FCMA is the most comprehensive piece of fisheries legislation ever enacted. As the aforementioned statistics indicate, the FCMA has already had a substantial impact on both the U.S. fishing industry and on foreign fishing activities. As the U.S. fishing industry develops, the FCMA can be expected to promote to an even greater extent the protection and conservation of the fisheries resources of the United States. ●

REGULATORY CLEARINGHOUSE FOR SMALL BUSINESS

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. KINDNESS. Mr. Speaker, yesterday I introduced legislation to provide information and technical assistance to small businessmen with regard to Federal regulations. Specifically, my bill would establish a regulatory information clearinghouse in 10 regional offices and 83 field offices of the Small Business Administration. A professional staff person would be designated in each such office as a contact point and source of information regarding Federal regulations having a significant impact on small business.

Today, we hear considerable discussion about the need for "regulatory reform" and the threat of "overregulation." These concerns, in my view, are quite valid. But such discussions, all too often, conjure up the image of a confrontation between big government and big business. But this clearly is not always the case. Like many of my colleagues, I am concerned about the special problems that ever-increasing and complex Federal regulations impose on small business concerns throughout the United States.

Almost as much as large corporations, small businesses must contend on a day-to-day basis with extensive governmental regulation. A small businessman cannot avoid making decisions that may fall within the scope of such agencies as OSHA, EEOC, EPA, NLRB, or CPSC. While I am not proposing across-the-board exemptions for small business from governmental scrutiny, I strongly believe that some special consideration must be given to the unique regulatory problems faced by small business. A small businessman does not have the time, the staff, the overall resources, nor the inclination to adequately monitor how proposed rules and final regulations could affect his livelihood. While trade association membership can partially offset this informational gap, such services very often are not detailed or specialized enough to completely fill this void.

What small business needs then, is a readily available, continuing information source about proposed, and existing, Federal agency regulations. It seems to me that the Small Business Administration, through its 93 offices, is uniquely qualified to play this "regulatory clearinghouse" role. In fact, the statutory duties imposed on the recently established Office of Advocacy within the Small Business Administration would appear broad enough to encompass a function just such as this. 15 U.S.C. 634c. But whether the Administrator chooses to utilize the Office of Advocacy in this effort or other SBA personnel, this service should be provided.

The measure I introduce today is an amendment to section 5 of the Small Business Act. Under its terms, the Administrator is directed to conduct a continuing review and analysis of both existing and proposed Federal regulations, "which have or could have a significant impact on small business concerns." Further, the Administrator is directed to establish and maintain a regulatory clearinghouse in each branch and regional office of the Small Business Administration. These new contact points would disseminate information to small businessmen on Federal regulatory activity, as well as provide technical assistance to individual small businessmen with regard to regulatory compliance. At least one professional staff person is required to be designated in each of the 93 Small Business Administration offices throughout the country.

The new 96th Congress will be the forum for an analysis of a number of major regulatory issues. These include: Sunset legislation, proposals for deregulating the trucking industry and the railroads, public participation, and the legislative veto. All of these items and more, deserve full debate. Hopefully, the small business regulatory clearinghouse will also find its way on to the congressional agenda.●

RUSSIA'S GLOBAL GOALS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by William Randolph Hearst, Jr., concerning the Soviet strategy toward strategic territory around the globe. Mr. Hearst lists several nations—Cuba, Chile, Ethiopia, Somalia, Vietnam, and now Cambodia—who have become pawns of the Kremlin to expand Soviet influence. It is my hope that the administration and Members of Congress are cognizant of the importance of these territorial acquisitions by the Soviets or their emissaries:

RUSSIA'S GLOBAL GOALS

(By William Randolph Hearst, Jr.)

NEW YORK.—Detente is an illusion that seems to comfort President Carter and the State Department. It means nothing to the Russians, as the Vietnam invasion and takeover of Cambodia clearly shows.

President Carter, whose ineptitude in foreign affairs flourishes, must let the Soviets know that most U.S. citizens are getting impatient with their incessant conquest of countries by instigating either civil war or territorial war, to be followed by Russian imperialistic communization.

It is now a sorry record—Cuba, Chile, Ethiopia, Somalia, Rhodesia's guerrillas, Iran, Vietnam, and now Cambodia. The Russians have inspired or hired others to do the fighting, but when it is all over, the country is usually a communist nation which takes its orders from the Kremlin.

It seems incredible that this administration appears grateful to get the short end of the stick in the SALT talks, yet that is exactly the case. Ours is not a hick country. It was, until recently, the most powerful nation on Earth. But our leaders decided it was better to be like Avis, in second place, because building B-1 bombers and cruise missiles and neutron field weapons doesn't win votes.

You've got to give the Russians credit. Never before in history has any nation been so successfully involved in worldwide aggression all the while using other people's troops and not losing any of its own manpower. Russians think big. And act big. That is how they achieve conquest without war, or more accurately, without having to participate in a war.

No tears will be shed for the defeat of the despicable communist bunch in the Khmer Rouge in Cambodia. They have tyrannized that little nation and have been responsible for more mass murders, per capita, than any other government in history.

But this is a proxy fight. China has sponsored the Khmer Rouge while Moscow has sponsored the Vietnamese. The clever lads in the Kremlin merely played upon the ancient hatreds between the Vietnamese and Cambodians and again said, "Let's you and him fight."

Supplied with Soviet weaponry, the Vietnamese, having defeated both the French and the Americans, simply crossed the border and took Phnom Penh. The governments and the people of Phnom Penh are now accustomed to being captured, so it didn't take long.

No doubt this had been on the planning boards for some time, but the Kremlin apparently prodded Hanoi into taking this step of invading Cambodia to demonstrate to both China and the United States the fragile value of their new-found friendship in the face of a crisis.

It was the Soviet's quick response to the American overtures to the Chinese.

It was a cynical demonstration of just how one-sided detente with Russia can be. While the U.S. is sitting on its hands and talking about human rights in Chile, Rhodesia and Iran, Russia is gobbling up the globe.

This, to the Kremlin, is the meaning of detente.

Beyond any doubt, Russia is engaged in a deliberate act of encirclement, starting in Indochina and ending at the Persian Gulf. If Iran goes communist, too, the Reds will have access to all of our oil tanker routes.

There was a day when the United States would have retaliated in kind. We helped create the Shah's monarchy in Iran. We helped to depose Allende in Chile.

But now such activities are described as "dirty tricks" and are forbidden in America. The CIA has been so discredited that it is virtually ineffective. People are afraid to cooperate with our chief intelligence agency because so many of our politicians delight in exposing its undercover activities.

Obviously we Americans are slow learners when it comes to international geopolitics and foreign diplomacy. If we continue to sit in the back of the classroom meditating about human rights alone, we may soon find that the rest of the class has moved on and left us behind.

With the Vietnamese invasion of Cambodia, China is face-to-face with Russia in the south as well as in the north and there is danger that the confrontation can become explosive.

Meanwhile, Prince Norodom Sihanouk, Cambodia's former king, leading playboy and one-time administrative leader, is in New York calling for help from the United States and the United Nations against Vietnam's invasion of his nation.

What the UN does about it is its own affair. As for the U.S., we must demur. We have had more adventures in Indochina than we can stand.

As hated as the Pol Pot regime was, as heartless as it was, the world must deplore the methods by which Cambodia has been destroyed. When established national boundaries are violated, the entire world must take umbrage.

One thing that we must do is to let Vietnam know that its appeals for economic and political relations with the United States are now being shelved. We cannot consider any relationship of any kind with that aggressor.

And then we must review and strengthen our ties with Japan, Australia and the Philippines. A stronger American presence there might deter Hanoi in its expansionist programs.

And while we are building our renewed friendship with the People's Republic of China we must try hard to mend our fences with Taiwan.

Then, if Hanoi's real leaders in Moscow entertain ideas of conquest in the Pacific area, they will have to think twice about it.

Hopefully both Cambodia and Iran will serve to awaken us to the fact that the Big Russian Bear doesn't hibernate.●

A THOUGHTFUL ANALYSIS OF EVENTS IN CHINA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LAFALCE. Mr. Speaker, the current visit of Vice Premier Teng Hsiao-ping has understandably created a rather electric atmosphere in this country regarding United States-Chinese relations. That impact has been compounded by the forceful and winning personality of the Vice Premier.

Despite the natural excitement, we need to place this visit and the normalization of relations with the People's Republic into the proper perspective. The Vice Premier has only recently returned, and for the second time, from political oblivion, and his hold on power is not as secure as that of the late Chairman Mao. Recent Chinese history has seen violent and radical shifts in its course, the latest of which was the dramatic change from the Cultural Revolution to the Four Modernizations. While the Gang of Four is not likely to return to power in the near future, neither is the Vice Premier, who is 74, likely to remain in power indefinitely.

Amidst all of these dramatic events, a calm and long-range view is needed; and an excellent article in the January 21, 1979, edition of the Rochester Democrat and Chronicle by Prof. John W. Killigrew of SUNY, Brockport, provides the necessary perspective. Entitled "Teng Hsiao-ping and China's Dilemma," the article analyzes the present situation in terms of China's past relationship with the West and sheds a great deal of light on possible future developments in the world's most populous country.

The article follows:

TENG HSIAO-PING AND CHINA'S DILEMMA

(By John W. Killigrew)

Once again China holds center stage with the "normalization" of relations between the United States and the People's Republic and the trip next week of Vice Premier Teng Hsiao-ping to Washington.

Furthermore, recent developments within China, such as the rise to dominance of Teng and the thrust of his policy to create an industrialized China by the end of the century, are issues of interest and concern on the international scene. After his political demise during the cultural revolution, Teng has spectacularly re-emerged as the most powerful leader in China today, and if he is able to retain his political power and is successful in his efforts to build China into an economic giant, his position in Chinese history should rank with the late Mao Tse-tung.

But the critical issue is retention of political power, and the ebb and flow of political tension within the Chinese Communist Party should cause one to be less than sanguine

when analyzing Teng's staying power and the future political stance of China.

Political struggles in China have been more than a contest for power. At the root of the succession to Mao Tse-tung and the political instability among elements of the party, army, cultural revolutionaries, and the "gang of four" supporters are deep issues that are enmeshed in the drama of Chinese history since the 1840s. Contemporary diplomatic, economic, political and military questions are not momentary or purely recent in having an impact on China, and the leaders of present-day China are not unique in seeking the proper response to problems that have been at the core of Chinese history for over a century.

It has been noted by scholars that the basic issue in Chinese history for the past century has been the search for a proper response to the impact of the West.

This dilemma is defined as the t'i-yung syndrome: the adoption of foreign technology and science is yung, whereas the maintenance of a Chinese core is t'i.

Basically, the question that has been a constant element in Chinese history has been how much foreign yung in the form of technology, science, weapons, factories, arsenals, and railroads are to be absorbed while still maintaining a Chinese essence or t'i.

Using this as an analytical framework, Michael Oksenberg, on the staff of Zbigniew Brzezinski, President Carter's national security adviser, has posited the compelling thesis that the t'i-yung dilemma is relevant for assessing and analyzing Chinese politics today, and that there are identifiable groups or factions who respond to the Western impact in different ways and with different mental assumptions.

The first group, called the "ching-i" faction in the 19th century, consisted of conservative confucianists who saw the answer for China in a purified, revitalized confucian China Contemptuous of Western technology and enraged over Western missionaries, they believed that only an aroused and politically and ideologically motivated China, seeking a perfect confucian moral order, was a viable option.

Today their ideological successors demand a socialist moral order as the proper Chinese response to American imperialism and Soviet revisionism. The content, of course, is different but ideology remains the key: stress a self-reliant, self-sufficient, frugal, egalitarian, socialist, and politically pure Maoist moral order. This group is labelled the "militant fundamentalists."

Adjacent to them on the Chinese political spectrum would stand the "radical conservatives," who seek selective borrowing of technology and weaponry, but stress China's initiative, choice, and independence. The key for this group is not isolation but interdependence with foreigners on China's terms and with politics and ideology still dominating technology.

Moving on through this theoretical spectrum, again with historical roots and precedents in the 19th century, are the "eclectic modernisers." Still holding to a Chinese essence or core, which today is seen as in industrialized and socialist China, they perceive the need of permanent relations with foreign countries at a cost of some Chinese independence, and they are prepared to accept the influx of Western science, technology, capitalist investment, and the resultant social modernization and elitism that is generated by foreign trade and industrial investments from abroad.

This group is epitomized by Teng Hsiao-ping, who is famed for his historical one-liner: "I don't care what color the cat is as long as it catches mice."

The policy of this group is also reflected in realistic articles written by a journalist from the Chinese press agency after visiting the United States. He found America a land of automated subways, well-regulated museums, excellent park systems as well as drugs, urban decay, and freak religions. He recommended China "study their science but reject their philosophy."

At the present time Teng's political base is a coalition among those advocating some degree of industrialization and economic, political, and military ties with the foreigners. This coalition's center of gravity lies between the "eclectic modernisers" and the "radical conservatives" and is vividly symbolized in the present power sharing between Teng Hsiao-ping and Hua Kuo-feng.

Teng's visit to Washington is not only a spectacular climax to his personal career, but also a symbolic and dramatic gesture aimed at consolidating and strengthening the coalition he has created.

Although anti-Sovietism and the effort to psychologically weaken the Taiwan government are involved to a certain extent in both the coalition and the trip, the basic element remains the effort to forge a proper response for China to the thrust of the modern world and China's global interdependence. The question, as it was during the 19th century, remains: what is China's proper response to the modern world?

For Teng Hsiao-ping and his coalition, the question is can China retain a socialist, egalitarian, Maoist essence, or t'i, while pursuing and adopting with vigor and enthusiasm western *yung*, or technology and science? ●

LEGISLATION THAT DRIVES UP UTILITY BILLS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MICHEL. Mr. Speaker, we are in a period in our Nation's history when, at long last, everyone is concerned with the problems of inflation. I am glad to see this, as I know you are.

But inflation is not the only cause of high bills for the average family. As Richard Elkin, president, National Association of Regulatory Commissioners, pointed out in a recent speech:

The biggest reason for (utility) rate increases today is legislation.

Mr. Elkin states that—

About 30% of (your) electric bill was caused by legislation.

What kind of legislation is Mr. Elkin referring to? Primarily environmental and other forms of regulatory legislation, created by Congress or the State legislatures, implemented by rule-happy bureaucrats and always costly to the consumer.

Mr. Elkin correctly points out that what we need is some kind of balance between the need for environmental safeguards and consumers needs. I agree and at this point I wish to insert in the RECORD "The Public Must Know," a speech by Richard Elkin, president, National Association of Regulatory Commissioners, at the region VII meeting of the National Rural Electric Cooperative Association as printed in the January 1979 issue of the magazine Rural Electrification:

THE PUBLIC MUST KNOW—LEGISLATION IS THE BIGGEST REASON FOR RATE INCREASES AND THE COOPERATIVES HAVE AN OBLIGATION TO SO INFORM CONSUMERS

(By Richard Elkin)

(NOTE.—Following is an address made to the Region VII meeting of NRECA, Denver, Oct. 19. Elkin's basic message has the strong endorsement of NRECA Executive Vice President Robert D. Partridge, who has directed his staff to develop a plan for a coordinated, comprehensive information program to acquaint consumers with the near catastrophic costs they are asked to bear as a result of some bureaucratic and court interpretations of environmental legislation.)

To begin with I would like to point out that I have a selfish interest in all of this. First of all, I am a farmer and a consumer. Secondly, I am a member of the state commission in North Dakota that sets electric rates for the investor-owned utilities. The rural electrics are exempt from rate authority although we do site their power plants. Our agency sites the power plants and routes the transmission lines.

Secondly, we also have within our Public Service Commission in North Dakota a division called the Coal Mine Reclamation Division, which grants the permits for mining, sets up the reclamation plans and sees that the companies carry them out. On the one hand, we are the agency that sets prices and, on the other hand, we are the environmental agency that imposes certain standards.

Our job as commissioners can best be described as being the agency within each state that has the responsibility for seeing to it that the consumers get the best service at the lowest possible cost. This task is complicated to say the least. But it seems to be more difficult each year because of rising costs and the resulting increases in rates. And it is the rising cost aspect of it that today's consumer really doesn't understand. I would just like to talk about that area.

There are really only two reasons for increased costs. One of them everyone understands—inflation. I could spend an awful lot of time talking about the evils of inflation, but you are more familiar with them than I am. Just bear this in mind. If inflation runs along at the rate of about 10% a year, costs and rates will double every seven years with a compounding effect—that is without any other added costs. Inflation itself will double the cost or double the rate every seven years if you have 10% inflation. If you have 7% inflation, which is about what we have had, rates will double within ten years—just because of inflation.

Now, there was a time when the only reason costs went up was inflation. Back in the golden years of regulation, the 1950s and early 1960s, we did have inflation. But we also had something else. We had an improvement in technology which meant that each power plant that went on line was slightly more efficient than the ones that already were on line, and the per kilowatt costs went down faster than inflation. Thus we had a reduction in rates—rates were being reduced constantly for a period of years.

But all of a sudden something happened; the Congress of the United States began passing laws and now the biggest reason for rate increases today is legislation. Legislation passed by the Congress or the state legislature puts additional requirements on companies. To meet these additional requirements, the companies must make new capital investments. Also, they have increased expenses—all of this paid for by the consumers.

One example, and perhaps the biggest example in the United States, of this type of legislation is the Clean Air Act which first passed the Congress of the United States in 1967 and was amended every two years. The Clean Air Act, as it passed, set some new requirements for stack emissions and power

plants. Initially what that did was force all the companies to go back to their old existing power plants and make additional investments on those plants. In our state, a power company has a right to earn a fair and reasonable rate of return on the original cost of the power plant depreciated. Because all of the power plants around the U.S. have been used, they have all depreciated. Initially that Clean Air Act had the effect of requiring the companies to go back and increase their capital investment on each plant on the average by 45%. Initially that act increased the price of operating those power plants by 100%.

Now on new plants the situation is a little bit different and it doesn't sound quite as bad. But about 25% of the dollars that are put into a coal-fired plant today are dollars that are spent on environmental equipment. Now, I am not advocating that we repeal all of those laws. Some of those laws were needed. A question that I would like you to think about though is, where are we going from here?

How many of you are aware of the fact that last month when you paid your electric bill, about 30% of that electric bill was caused by legislation? The Clean Air Act and the Clean Water Act and, in some states a severance tax on coal, are the primary laws that caused it. But as company costs have risen because of inflation and as the effect of legislation worked its way to the rate base, up went the rates.

With each rate increase for the last several years, there has been a public outcry: letters to the politicians, especially the congressmen. They were the ones who passed the legislation in the first place which caused the rates to rise, but the outcry caused the Congress then to compose and pass more legislation.

Legislation placed more and more jurisdiction in the hands of the federal agencies. Power is constantly being taken away from state and local governments and given to new federal agencies that prescribe more and more rules costing companies more and more money and causing even louder protests about rising rates. That again creates the cycle once more that causes the politicians in Congress to propose more legislation and so on and etc.

Initially I intended to discuss Basin Electric's Laramie River Project, because Basin Electric is the supplier to 22 rural electric cooperatives in the state of North Dakota. The rural area of North Dakota does get some hydroelectric power from the Bureau of Reclamation, but primarily Basin handles all the growth because there is not going to be any more hydroelectric power unless something happens.

We have three generation and transmission cooperatives in North Dakota: United Power Association, Minnkota and Basin. Most of their power is coming from power plants that are fired by coal. The Surface Mining Act of the federal government is going to have an effect on the rates for the kilowatts coming out of those plants. The Surface Mining Act is one that many people backed. I happen to be one who was against it from the start. In North Dakota, we passed our first Coal Mining Reclamation Act back in 1969 and amended it every two years to the point that we had a real good law. The North Dakota reclamation law was the first law in the United States that the federal government's Office of Surface Mining recognized as being adequate during the interim period.

What has happened since the passage of that Surface Mining Act is interesting. The bureaucrats have set about writing rules. After all, it seems like each law that Congress passes is simple and easy to understand and the intent is very clear and no one can argue with it. But the bureaucrats begin writing laws and as of today they have over five hundred pages of rules that apply to that act. If they continue doing this, as it appears they are going to do, they will make it impossible to mine western coal.

What has evolved in the United States today on the federal and state level is a situation where every obstructionist in this country can stop progress. These groups can go together, put their case together, go in to a judge and get an injunction to stop a project, to stop progress. But what's missing is a process by which people who feel differently can also go to court and get an injunction to start progress—that's what is missing.

And I think that one should consider a couple of things. Let's first of all ask ourselves: How much, how many dollars has this snail darter mentality cost the American taxpayer? I think it is time we think about that. The taxpayers and the consumers are paying those bills. I don't know about you; I'm just a country boy from western North Dakota. But I would like to think that the snail darter will somehow find a way to get his girlfriend pregnant—dam or no dam.

I think, though, that we should put the possible loss of the snail darter in perspective and ask ourselves this question: How much has the American public missed the dinosaur? You know a point to consider is this. I am convinced that if the private sector had stolen as much time and money from the public as the public sector has, in regard to the snail darter, we'd have an awful lot of people behind bars. What annoys me even worse is that, as a farmer, I don't know how any farmer can support any of those political groups—the 'no-growth' advocates. Because we've got to remember, as farmers, that these are the same groups that stopped the Laramie River Project, the same groups who opposed chemical spraying for grasshoppers. They are the ones who oppose using pesticides. They are the ones that say we should go back—that our farming patterns and practices should be the same as they were back in 1900. The fact is, if we farmed today the way we did in 1900, there would be food shortages. Bread would be $5 a loaf. There would be starvation worldwide.

I think that one of the things that you and I, as rural people in this country, can pride ourselves on is that through all the inflation and all the government laws and so on, we as farmers are the only area in which efficiency has not only kept pace, but has also out-stripped the inflation that has been running. If we produced food only for the citizens of the United States, we could retire two acres out of every three. I don't know how many people realize that. It takes about one acre out of every three to produce the food and fibre that this nation needs. The production from two acres is sold to other countries around the world and if we weren't selling those two acres, our dollar would shrink even faster.

Enough about the problem. The solution has to be found—from people. The solution is people. Although we get annoyed with these groups, all of us should remember that most people are reasonable when given the facts; most people will make reasonable decisions. The bottom line is that the public must be given the facts and we must remember that the solution isn't necessarily in the political arena. These obstructionists—the "No-growthers"—are really a small minority. But they are loud and vocal. They go to their congressman. They go to their candidates running during political campaigns, put them on the spot and ask, "If you are elected, will you pass laws that protect the environment?" etc. I think it is time that rural electrics and rural people start to check out the people who are running for office and ask them whether they are willing to stand up to this little, vocal minority that wants to legislate change in everybody's lifestyle.

I can't for the life of me understand how the Governor of the State of Nebraska could take the position he did on the Laramie River Project. I think it is time all of us recognize that whether or not you are a Democrat or a Republican, it really doesn't make any difference. It seems to me that people involved in rural electrics have to be rural electric *first* and be a Democrat or a Republican *second*. We have to let our feelings be known and we have to be willing to support those candidates who are going to do the job that we need done.

I would like to give several examples that I think spell out pretty well just what is happening in the United States. It seems to me that there is something terribly wrong in America when you stop to realize that from the time the idea was first put forth, it took only five years to put a man on the moon and bring him back. Compared to that five years, it takes an average of about ten years to build a power plant. Power plants that have been built, even when the technology has been around for many years, today take ten years to build from the time the company is first aware that it needs a power plant. It actually takes closer to fourteen for a nuclear plant, if you can build them at all anymore.

Of the ten years needed to build a power plant, approximately three years are used in the actual physical construction and seven years are used on paper work obtaining permits necessary to build that plant. We have in our own backyard an excellent example of the problem: South Dakota's 440-megawatt Big Stone facility, on which construction began in 1972, cost $180-million and required 14 government permits before it was completed in 1975. An identical replica of that plant, North Dakota's 440-megawatt Coyote facility, on which construction began in 1977, has required 65 government permits. Its estimated cost is $390-million, more than double the cost for its twin in South Dakota. All this, in only five years time.

Basin Electric has a construction project in the same area called the Antelope Valley Power Plant. They began construction early this year, even though they obtained their permit in the fall of 1977. After we issued the permit, Basin got hung up because of a situation not quite as serious as the one at Laramie River. Some environmental groups alleged that our commission had overlooked the fact that there are some prime soils on the site on which they were going to build that plant and it got our Governor a little excited and the Commissioner of Agriculture got excited. They made some public statements that caused REA to pull out and take another look at it. There was a slight delay but construction is well underway on that project fortunately. But Basin Electric had to get 69 permits and the numbers of permits is still growing.

I think it is time we ask ourselves: Who benefits from all of this delay? It sure isn't the consumer. The answer comes up clear that the only beneficiaries who benefit from these delays are the people who have jobs working in the governmental agencies that bring about the delays in the construction of the power plants. I can't help but conclude that the biggest rip off to the consumer today is by the "no-growth" obstructionists who have been successful in delaying the construction of facilities that are needed to supply energy—that the consumer needs, at prices he can afford. . . .

If there is going to be a solution to this idiocy it has got to be found in the political arena. It is going to have to be found by both the Democrats and Republicans alike. I am of the opinion that the rural electrics are going to have to take the lead in presenting the facts to the public. Unfortunately, the rural electrics have a job to do within their own organizations because not every local rural electric board member understands fully the seriousness of the situation. That's going to

be easy enough to correct. We have all but forgotten in America today that rural electrics are and were the first consumer organizations. They were organizations of consumers who got together and said, "We don't want to pay those high prices. We want the job done right. We want power but we want it at the prices that are the lowest possible. So we are going to build our own power plants."

We have forgotten that the rural electric movement was, is and should be a consumer movement. The credibility of the rural electrics is high in all of the states. It is high on a national level because our primary interest is not windfall profits. Our primary interest is providing service to consumers at prices they can afford. And the rural electric people do have the leadership. I hope that you will take the time to understand that you're going to have to fill the void.

I think you will be surprised at how many people will be happy if you face the challenge and help bring America to its senses once more.●

THE 1979 OMNIBUS SMALL BUSINESS BILL

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. SMITH of Iowa. Mr. Speaker, after we adjourned last fall, the President pocket-vetoed H.R. 11445, the omnibus small business bill of 1978.

On January 15, I reintroduced, with Representative SILVIO CONTE and Representative JOE MCDADE (ranking minority members on the committee) as cosponsors, a new omnibus small business bill including most of the provisions which were included in H.R. 11445. Last year the House passed this 1978 omnibus small business bill by a vote of 310 to 72 and the conference report 396 to 10.

The 1979 version of this bill, H.R. 90, contains those provisions of the bill which originally passed the House which were also retained in the conference report, except that it reflects the changes in those topics which were agreed to by the conferees. H.R. 90 does not contain the new provisions which were added by the Senate, several of which were found objectionable by the White House.

Title I of H.R. 90 sets program levels and authorizations for fiscal years 1980–82; makes miscellaneous and technical amendments to the Small Business Act and the Small Business Investment Act of 1958; and continues Federal loan assistance to disaster victims at low interest rates.

Title II provides guidelines for awarding contracts under SBA's small business development center program. This program provides short courses and other help so very small businesses can handle the bookkeeping and paperwork required and better cope with new Government-imposed rules and regulations.

Title III sets the framework for a White House Conference on Small Business in 1980, to be preceded by State and regional conferences.

The SBA Federal disaster assistance loan program expired last October 1. The bill provides that for disasters occurring between October 1, 1978, and October 1, 1982:

Homeowners would pay 3 percent interest on loans up to $55,000 and the average cost of money to the Federal Government (currently 7⅜ percent) on loans above that amount; and

All others would pay 5 percent on loans up to $250,000 and cost of money to the Federal Government on loans above that amount.

Victims of disasters occurring since last October 1 have been forced to pay a higher interest rate on SBA loans, because the law providing reduced interest rates expired. Reinstatement of the lower interest rate SBA loans to disaster victims is essential not only to provide assistance to disaster victims, but also to help the affected communities recover. This can be done at a net cost of less than $1 per year per person in the United States and there is no way this protection has ever been provided so cheaply under any other Government or private program. This program does not contain any "forgiveness of indebtedness" which was provided in some earlier years and which resulted in fraud and abuse; and losses have been even less than they are on regular loans (4 percent).

I believe that this new bill (H.R. 90) corrects most of the administration's objections which have merit, objections which were primarily to Senate amendments to the 1978 bill. I think the President should have signed last year's bill, but I cannot conceive that the President would veto this bill. It is the highest priority small business bill and should be passed as soon as possible.

Today I have submitted a list of those Members who are cosponsors of this major small business bill. As of today there are 86 as is shown on the attached list.

I urge my colleagues who have not done so, to cosponsor this bill and show their support for this bipartisan measure.

The list follows:

COSPONSORS ON H.R. 90—1979 OMNIBUS SMALL BUSINESS BILL

Mr. Abdnor, Mr. Addabbo, Mr. Akaka, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Bafalis, Mr. Baldus, Mr. Bevill, Mr. Boland, Mrs. Bouquard, Mr. Brodhead, Mr. Burgener, Mr. Cavanaugh, Mr. Clausen, Mr. Conte, Mr. Corman, Mr. de la Garza, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Ertel, and Mr. Evans of Georgia.

Mr. Findley, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Ginn, Mr. Gonzalez, Mr. Goodling, Mr. Grisham, Mr. Hanley, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hollenbeck, Mr. Hughes, Mr. Ichord, Mr. Johnson of California, Mr. Jones of Oklahoma, Mr. Kindness, Mr. LaFalce, Mr. Leach of Louisiana, and Mr. Lederer.

Mr. Lee, Mr. Long of Maryland, Mr. Lott, Mr. Luken, Mr. McDade, Mr. McEwen, Mr. McKay, Mr. Markey, Mr. Mitchell of Maryland, Mr. Mitchell of New York, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Natcher, Mr. Nichols, Mr. Nolan, Mr. Ottinger, Mr. Pepper, Mr. Perkins, Mr. Price, Mr. Pritchard, and Mr. Rahall.

Mr. Reuss, Mr. Richmond, Mr. Roberts, Mr. Russo, Mr. St Germain, Mr. Sebelius, Mr. Sensenbrenner, Mr. Simon, Mr. Slack, Mr. Staggers, Mr. Stangeland, Mr. Steed, Mr. Thomas, Mr. Whitehurst, Mr. Williams of Montana, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Won Pat, Mr. Yatron, Mr. Young of Missouri, and Mr. Zeferetti.●

A SEPARATE TAX DEDUCTION FOR GIFTS TO PUBLIC CHARITY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. FISHER. Mr. Speaker, philanthropy, the private giving of time, money, and labor has been a key element in American society from the beginning of our Nation. Americans have freely given their talents, dollars, and dedication to people in every community in this country and to people in every nation around the world.

Every town, county seat, and urban center shows the results. The schools and universities are evidence of our deep commitment to the education of our children. The day care centers and mental health facilities, the outreach programs and legal aid clinics express the determination of our citizens to assure access to human services for everyone, irrespective of their station in life. Our churches, maintained by voluntary giving, reflect the spiritual heritage and diversity of our country. The parks, wildlife preserves, nature conservatories, historic sites, and museums, acquired and maintained by the contributions of numerous citizens are monuments to our reverence for the past and our desire to preserve it for our children.

We must never forfeit the voluntary sector and its enormous ability to Government agencies and bureaucrats. There is a role for government, but there is a more vital role for the American people through their full participation in the voluntary sector.

Last year I introduced, along with my colleague BARBER B. CONABLE, and numerous cosponsors, H.R. 11183, to encourage and stimulate the charitable sector of our economy. The bill was designed to permit taxpayers who elect the standard deduction also to deduct contributions to charitable organizations.

The proposal received enthusiastic support from many members of the Ways and Means Committee. A similar bill was introduced by Senators MOYNIHAN and PACKWOOD and referred to the Senate Finance Committee.

I believe this legislation is crucial to the future of philanthropic organizations. I am pleased to reintroduce the bill with Mr. CONABLE and Mr. GRADISON. I believe it is imperative that the Congress encourage and support the voluntary sector of the American society by passing this bill.

This proposal was a primary recommendation of the Commission on Private Philanthropy and the Public Needs. The Commission, established in November 1973, and headed by John H. Filer, chairman of Aetna Life & Casualty, undertook an exhaustive study of the role of private philanthropy in our society. It generated several volumes of scholarly studies summarized in a report issued in 1975. That report recommended that the charitable deduction be allowed whether or not a person elects to itemize his or her other deductions.

There are several reasons for supporting this change—philosophical and practical. The basic one is the continuing belief that the money a person gives away simply should not be considered as income for purposes of determining the tax due. On a more practical level, the tax deduction for charitable gifts is now a familiar, proven mechanism for channeling money to socially desirable purposes. It is relatively simple to administer and not subject to political or bureaucratic manipulation.

A central question is whether the charitable deduction is an efficient inducement to giving. To what extent does the Government encourage contributions by foregoing the revenue it would otherwise collect if the money given away were taxed as income?

A series of studies by Prof. Martin S. Feldstein and others have concluded that there is a significant relationship between giving and the tax treatment of those gifts, and that tax incentives to encourage giving by low- and middle-income households would induce a substantial increase in the flow of funds to charitable organizations. In preparing his studies, Professor Feldstein relied on data compiled in a national survey by the Michigan Survey Research Center in 1973 and on material from the special Treasury tax files for 1962 and 1970.

The Survey Research Center data showing average giving by income groups for those who itemized and those who took the standard deduction make the point dramatically:

Average giving by income of itemizers and nonitemizers—1973

Adjusted gross income	Itemized	Did not itemize
Less than $4,000	[1] $119	$69
$4,000–$7,999	215	89
$8,000–$9,999	314	117
$10,000–$14,999	407	201
$15,000–$19,999	600	329
$20,000–$29,999	800	354
$30,000–$49,999	1,564	[1] 171
$50,000–$99,999	5,679	[1] 3,190
$100,000–$199,999	17,106	[1] 816
$200,000–$499,999	39,763	[1] 8,892
$500,000 or more	71,316	[1] 5,000

[1] Based on fewer than 25 observations.

Source: Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

My proposal will target tax relief on those taxpayers who have elected the standard deduction in prior years, who have consistently contributed to charities of their choice, and who have so often been left out when tax benefits have been made available. Most of them have incomes of less than $30,000 per year.

Enactment of a proposal such as the one Congressmen CONABLE, GRADISON, and I are again offering is necessary in my view to reverse the flow of funds away from voluntary nonprofit organizations and to insure that community activities retain the broad support of persons in all income categories.●

OIL/GAS AGREEMENT WITH MEXICO NEEDED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. ANDERSON of California. Mr. Speaker, with the recent cutoff of oil from Iran, the United States must find alternative sources of this resource so vital to the U.S. economy. One source with large potential is our good neighbor to the south, Mexico.

It has been estimated that only Saudi Arabia has more oil than Mexico. Yet the United States has not entered into an agreement for importation of this supply. As I understand the situation, it is due to the cheaper natural gas from Canada which the administration prefers to import. And, the Mexican Government will not export any oil to the United States without a natural gas agreement.

Yesterday Secretary of Energy Schlesinger said the administration may ban the sale of gasoline on Sunday if our oil supply from Iran does not resume by the first of April. That gives us 2 short months to find alternative supplies.

It also seems that by helping Mexico develop its oil and natural gas reserves we can cure part of our own illegal alien problem. The increased revenues from these exports will help Mexico develop more labor intensive industries for their work force. Increased prosperity in Mexico will take away some of the incentive to come to the United States seeking the good life.

Mr. Speaker, I will include for the RECORD a column from the January 30 Washington Post by Jack Anderson. While I cannot vouch for all the facts, it does put forth a sound argument for entering into an oil/natural gas agreement with Mexico. An agreement such as this would help cushion the United States from cutoffs of its oil supplies, not only in Iran, but from any other volatile country in the Middle East or elsewhere overseas. We should rely on our immediate neighbors to the maximum extent practicable.

The article follows:

U.S. MAY MISS OUT ON MEXICAN OIL

(By Jack Anderson)

President Carter may have blown an opportunity to tap Mexico's fabulous new oil fields for the petroleum that the United States will need in the 1980s. This would reduce U.S. dependence on the vulnerable, faraway oil wells of the Middle East.

The Mexicans were willing to boost their oil exports to the United States up to 4 million barrels a day by 1985. But they also need a market for the natural gas that will be unleashed with the oil. The wells in southeast Mexico, for example, are 36 percent natural gas, 64 percent oil.

Mexican officials reached an agreement with a U.S. consortium to pipe 2 billion cubic feet of surplus Mexican gas across the border daily in the near future. Otherwise, most of the gas will have to be burned off.

But Energy Secretary James Schlesinger squelched the deal because the Mexican gas is more expensive than Canadian natural gas. The difference would be a small price to pay, however, to assure the United States a secure future source of oil.

The deal would also improve living standards in Mexico, where 50 percent of the working people are either unemployed or underemployed. This has sent them surging across the U.S. border by the millions. It might be cheaper for the United States in the long run to help them find a better life in their own country.

President Carter appears to be oblivious to the affront he has caused by rejecting the natural gas deal. He will fly to Mexico on Feb. 14 for a state visit with President Jose Lopez Portillo. From all available signs, Carter expects to turn on his famous smile and charm an agreement out of the Mexican leader for future oil.

But Carter may have to offer something more substantial than southern molasses. Lopez Portillo recently confided to friends how he intends to handle Carter.

The Mexican president recalled the story of Jose the house painter. Jose stood on a ladder painting the ceiling when a friend called to him. "Hang on to your paint brush, Jose," admonished the friend. Jose asked why. "Because," said the friend, "I am going to take away the ladder."

Lopez Portillo promised quietly that he intends to pull Carter's ladder out from under him. The Mexican leader said he had already made a secret deal with the Soviets to ship $1 billion worth of oil to Cuba over the years. This will save the Soviets the cost of transporting it all the way from Russia.

Lopez Portillo complained that Carter had given Mexico a low priority until the new oil find. "I know the CIA man Carter has in my office," boasted Lopez Portillo, smiling. "The reason I don't shoot him is that he is useful." ●

TAX CREDIT FOR THE ELDERLY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. PICKLE. Mr. Speaker, inflation hurts all of us, but probably no group suffers more from inflation than the elderly. I am introducing a bill that would increase the adjusted gross income limitation on the tax credit for the elderly as follows:

Taxpayer status	Present law	Pickle bill
Single individual	$7,500	$15,000
Joint return	10,000	15,000
Married filing separate return	5,000	7,500

My bill would also apply the same phase out of adjusted gross income to all individuals who are entitled to a credit for the elderly. The present law strangely provides no adjusted gross income limitation for public retirement system employees under age 65 while requiring it for those over 65. The elderly tax credit forms are printed back-to-back, form R for those over 65, and form RP for retired persons under age 65. A person over age 65 will frequently compute his credit under both forms and discover, to his great dismay, that he would be substantially better off if he were under 65. My bill would correct this and while it would raise the amount of the gross income limitation, apply the same rule to those under 65 that apply to those over 65.●

LEGISLATION TO REDUCE SOCIAL SECURITY TAXES

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MATTOX. Mr. Speaker, today I am introducing legislation to reduce social security taxes.

This is not a quick-fix, stopgap remedy designed only for popular appeal. It is a moderate, reasonable plan to lower taxes as well as reform the social security system.

The Mattox plan will remove the hospital insurance (medicare) program from the social security system, and finance it from general revenues. It will be accomplished in a two-step process, with half removed in 1980, and the remainder transferred in 1981. This tiered approach is designed to minimize economic dislocation, and allow more time for the stimulative effects of the legislation to accrue.

Medicare was never designed to be financed by the more regressive payroll tax. Its benefits are not wage-related, and so it is illogical to fund the system out of wages and earnings. Moreover, putting funding medicare financing totally from general revenues allows for annual authorization and appropriation by Congress, which subjects it to greater scrutiny and paves the way for eliminating fraud and abuse of the system. With so much of the Federal budget classified as "uncontrolled" we need to do all we can to responsibly return more budget dollars into the controllable column.

In addition, the cost of medicare is directly related to health costs in general. If these continue to rise, the Social Security Administration has estimated that, by 1995, about one-third of social security expenditures would be for medicare. Social security is meant to be a wage-related retirement system, and programs such as medicare are more practically funded out of general revenues.

Besides this reform of the system, my plan allows for significant tax reduction. With medicare no longer funded through the regressive payroll tax, and with a revised wage base formula, we can reduce taxes by over $11 billion in 1980. The $15,000 wage earner stands to save $80 in 1980, and almost $200 in 1981. A small businessman with five employees averaging $10,000 each will save $650 in 1981.

There is no magic to this proposal. We are not getting something for nothing. Obviously, the Treasury will no longer be getting the money it gets now from that portion of the social security tax assigned for medicare. But it is not accurate to picture this as a raid on the Treasury. You cannot simply take the gross receipts figure and lump it on the deficit, for this ignores the stimulative effect of a tax cut. Employers will have more money, with which they can either expand their business, or hire more employees. The self-employed will retain more of their income, and wage earners will take home more pay. Whatever these persons decide to do with the extra money, there is no question that there will result a boost to the economy. Unemployment will be reduced. Economic slowdown will be counteracted. And money will find its way back to the Treasury through increased income and sales tax receipts.

The concept of general revenue financing for medicare has been endorsed by the Christian Science Monitor, the Boston Globe, the National Federation of Independent Business, and others. A major poll of small business owners nationwide revealed that 89 percent favored funding of medicare through general revenues.

I urge my colleagues to cosponsor this bill with me. It is a reasonable approach—not a drastic one. And it in no way reduces benefits currently scheduled for social security recipients. The American taxpayers want relief, and the social security system needs to be streamlined. The Mattox plan is a way to do both.●

THE BOAT PEOPLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. RANGEL. Mr. Speaker, the Jewish Community Relations Council of New York recently passed a resolution urging the United States to offer a haven to the thousands of Southeast Asian refugees, especially those known as the boat people

Once again, the poorest are suffering most during wartime, while the wealthy who began the war, and who will profit by it, rest in comfort at home. Made homeless by the Vietnam war and the other struggles for power in Cambodia, Laos, and Thailand, these poor refugees have wandered all over Southeast Asia unsuccessfully searching for a place to settle.

I urge the United States to take the action recommended by the council and to house these homeless wanderers.

The text of the council's resolution follows:

RESOLUTION ON VIETNAMESE BOAT PEOPLE

The Jewish Community Relations Council of New York is deeply concerned with the plight of thousands of Southeast Asian refugees who have been forced to flee their homelands. We note with particular dismay the group of more than 2500 people plying the Pacific Ocean in search of a safe haven. Reports of their tragic situation and the refusals of so many countries to allow them refuge recalls the desperate voyage in 1939 of the "St. Louis". With over 900 Jewish refugees on board, the boat was denied entry to many countries, including the United States. The soul-searing memory of hundreds of thousands of our brethren who could have been saved prior to World War II and the many boats of Jewish survivors who were turned away from Palestine after the war, compels us to speak out strongly at this time.

We appreciate the efforts of our government in the past and are mindful of the hardships that accompany an influx of refugees. However, we feel that special efforts must be undertaken immediately under the leadership of the United States to ensure that history does not repeat itself.

We applaud the government of Israel for their efforts in granting asylum to a group of "boat people" plucked from Asian waters by an Israeli freighter last year and their recent decision to grant asylum to more refugees. We hope that other countries will emulate this example.

This country has a deep-rooted tradition of support for victims of political oppression and has, in recent years, resettled large numbers of Hungarians, Cubans and Vietnamese.

We believe it is now time to mobilize all available resources, public and private, for a comprehensive international humanitarian rescue program.●

CURTAIL IMPORTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. ZEFERETTI. Mr. Speaker, I am deeply concerned over the rise of imports in many lines of manufacture, particularly in the textile industry. In the 10 years between 1966 and 1976, the number of employees in the textile and apparel industries (the Nation's largest factory employer) shrunk by more than 144,000 while imports in the last year alone rose more than 34 percent. The overall U.S. textile trade deficit in all fibers was a whopping $3 billion in 1976 alone. I feel it is blatantly unfair to allow the lion's share of American market growth to benefit foreign industries at the expense of our own.

This situation has been aggravated by two tariff loopholes that reward the export of U.S. jobs and the exploitation of foreign labor. Technically known as items 806.30 and 807.00 of the Tariff Schedules of the United States, these provisions offer extra tax incentives for U.S. companies to expand production abroad, for sweatshop jobbers to contract out work to the cheapest labor in the world, and extra preferences for foreign imports into impacted U.S. markets.

These loopholes have cost at least 500,000 U.S. jobs directly. Indirectly, these loopholes have been a forerunner for the transfer of production abroad, at an additional loss of hundreds of thousands of jobs yearly.

The immediate repeal of these items of our Tariff Schedules is in the best interests of both the worker whose job is in jeopardy and the consumer who pays exorbitant markups on foreign-made products. I believe Congress must step into the picture in order to correct the imbalance that has developed over the years and to save our already deteriorating textile industries.

Therefore, I am introducing legislation to repeal items 806.30 and 807.00 and urge the appropriate committees to take prompt action leading to the repeal of these items. The result will mean more jobs for American workers, more production for American industry and more strength for the American economy.●

LEGISLATION TO CONTINUE AND REAFFIRM THE FEDERAL COMMITMENT TO A NATIONAL CAPITAL TRANSPORTATION SYSTEM

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HARRIS. Mr. Speaker, today I am introducing legislation entitled "the National Capital Transportation Amendments of 1979." My colleagues Mr. FISHER, Mr. FAUNTROY, Mr. BARNES, Ms. SPELLMAN, and Mr. DIGGS join me in cosponsorship.

Although this legislation is written specifically to amend the National Capital Transportation Act of 1969, it is in fact a continuation and reaffirmation of a Federal commitment that officially began nearly 20 years ago. The title to the National Capital Transportation Act of 1960 reads in part as follows:

The Congress finds that an improved transportation system for the National Capital region is essential for the continued and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital. . . . The Congress therefore declares that it is the continuing policy and responsibility of the federal government, in cooperation with state and local governments of the National Capital region, to encourage and aid in the planning and development of a unified and coordinated transportation system for the National Capital region.

In keeping with that commitment, this legislation addresses the three major challenges faced today by the Washington Metropolitan Area Transit Authority:

First. Reaffirmation of the longstanding Federal Government financial commitment to complete a total Metro transit system in the Nation's Capital;

Second. Establishment of a method for the orderly retirement of bonds issued by the Washington Metropolitan Area Transit Authority; and

Third. Creation of an ongoing Federal participation in operating costs to reflect the special Federal benefits accruing from the Metro system.

The Washington Metropolitan Area Transit Authority (WMATA) recently released a proposed financial plan for completion and operation of the public transportation system for the National Capital area. This plan, which was developed at the request of the Urban Mass Transportation Administration (UMTA) and the Department of Transportation, presents two alternative methods to reach the stated objective. This legislation is designed to implement the alternative plan endorsed by the WMATA board. It calls for a continuation of the special Federal relationship that created Metro in the beginning. It calls upon the Federal Government to meet the obligations of a partnership entered into over 20 years ago with the local governments of the Washington metropolitan area.

It calls for a 101-mile Metro system to be completed and fully operational by 1985 at a savings of $200 million over the other financial approach proposed.

A 101-mile Metro system has been supported by an alternatives analysis recently conducted by one of this Nation's leading consulting firms. That 18-month analysis concluded that a 101-mile system was not just the best thing for regional transportation goals, but was the best thing for the total development of the Washington metropolitan region.

A 101-mile Metro system has also recently won the support of the Department of Transportation and the Urban Mass Transportation Administration.

The 101-mile Metro system will be completed in the shortest possible time at the greatest possible savings to local and national taxpayers through enactment of this bill.

Under this bill, up to $1.7 billion in Federal funds would be authorized beginning in 1980 for capital construction purposes. This amount added to already identified highway transfer funds would serve to complete the remaining 40 miles of Metro on an 80-percent Federal/20-percent State and local basis. This approach, which is consistent with Congress' philosophy of providing "advance authorization," would enable Metro to be fully operational 2 years sooner than would be otherwise possible and at a savings of over $200 million.

The second major element of this legislation relates to payment of the interest and principal on the approximately $1 billion in construction bonds due to expire in 2010. It is unfair and unrealistic to expect the farebox or the local taxpayer to cover this expense alone. The approach set down in this legislation is financially sound and consistent with federal assistance currently provided to all U.S. cities now constructing mass transit systems.

The bill calls for Federal participation in a sinking fund that would pay off the bonds as they mature and in the interest payments now borne strictly by the local taxpayers. The ratio for participation in both cases would be on an 66⅔ percent Federal 33⅓ percent local basis.

The third area addressed by this bill is a direct Federal operating subsidy to reflect the benefit and convenience of Metro to the Federal Government. In fiscal year 1980 the subsidy is $20 million and increases at a rate of 6 percent a year to $30 million in 1987.

The benefits of Metro to the day-to-day operation of the Government are immense. This Federal participation at less than 10 percent of current Metro-operating costs, is small compensation for the convenience and savings from the stations dedicated to Government facilities such as the Pentagon, NIH, and Arlington Cemetery. Time and dollars saved by employees using Metro instead of taxies on official Government business and greatly decreased lost time due to inclement weather are just two other advantages of Metro to the Federal Government.

This legislation emphasizes the special obligations the Federal Government has to the citizens of northern Virginia, the District of Columbia, and suburban Maryland when it sets special requirements that go beyond those set for similar projects in other parts of the country.

The Washington Metro system is a transit system befitting a Nation's Capital. President Johnson specified that this be so. Metro has the mark of the National Capital Planning Commission. Station and car designs were reviewed by the Fine Arts Commission. Such costly requirements do not exist for the taxpayers of Atlanta, Chicago, or Philadelphia or any other U.S. city as they design and build their mass transit systems.

Neither does any other system maintain stations built strictly at Federal Government requests as Metro does.

Neither does any other system have mass transit stations located in buildings dedicated to Federal Government use.

Metro is not just another mass transit system.

Metro is the mass transit system of the Capital of the United States.

Metro does not serve just one city or State. Metro serves three States, Virginia, Maryland, and the District of Columbia.

This legislation continues and reaffirms the special nature of Metro and the special commitment the Federal Government has to it.●

DIVIDING UP THE FEDERAL PIE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. UDALL. Mr. Speaker, inflation is one of the most serious problems facing our Nation today. People everywhere are concerned and I do not blame them, for inflation eats into paychecks and makes it almost impossible for people on fixed incomes to get by.

Although it is by no means the only cause of inflation, excess Government spending is one of the major contributors to the problem. A preliminary tally of a recent constituent questionnaire shows that the people in my district want Congress to cut waste and unnecessary expenditures from the budget. The question is where to do the cutting.

One-sixth of the Federal budget goes to pay for grants to State and local governments, many of which have experienced budget surpluses for the last few years. These grants amount to almost $90 billion. A recent commentary by Peter Milius in the Washington Post discusses some interesting, but little known facts, about how the Federal pie is cut. I urge my colleagues to read this article and to keep these facts in mind as we examine the fiscal year 1980 budget.

The material follows:

PROMISES, PROMISES OF BALANCED BUDGETS: IF YOU WANT TO DO IT, YOU CAN CUT GRANTS TO STATES

(By Peter Milius)

It may be a law of nature: Whenever a governor or former governor without a federal voting record runs for president, he can

be expected to grandstand against the federal budget.

This year it has been California Gov. Edmund G. (Jerry) Brown Jr., who made national waves in his second inaugural address earlier this month by endorsing a constitutional amendment to require a balanced federal budget.

Three years ago it was two other gubernatorial types. One was Brown's predecessor in California, the actor Ronald Reagan. The other was the farmer from Georgia, Jimmy Carter.

Reagan in the winter of 1975–76 threatened to steal the show by calling for a $90 billion federal spending cut. But he carefully exempted defense, Social Security and Medicare, and it turned out that cutting $90 billion from the rest of the budget meant cutting the rest of the government completely in half. Reagan moved on to other, more palatable proposals.

Carter, for his part, said that he would increase federal spending in various ways (for welfare "reform" and national health insurance, to cite the two most important examples), but still balance the budget by 1980 without raising taxes. He would be able to do these seemingly contradictory things, he told nonbelievers, because the increased spending would lead to greater economic growth, which in turn would yield enough in increased tax receipts to cover the extra costs.

Carter, for good measure, also said that he would cut the defense budget. The budget that he sent Congress last week does none of these things; he is still promising.

THE STATE CONTRADICTION

That is one irony. But there is extra irony when governors denounce the federal budget—because they live off it.

One-sixth of the federal budget now consists of grants to state and local governments—and that sum makes up fully one-fourth of all the money that states and local governments have to spend.

The largest of these grants are to help the poor—through Medicaid, welfare, compensatory education and public sector jobs. Others go for bricks and mortar—sewers, highways, mass transportation systems. The school lunch program falls in the general grants category, and so does general revenue sharing, the $7 billion a year that the federal government now gives to states and local governments to spend about as they please.

In fiscal 1977, the last year for which official figures are available, Jerry Brown's own California received almost $10 billion in federal grants—one-ninth of the national total. Brown's state has an office here in the national capital, one purpose of which is to steer even more grants to California.

Some critics have been so unkind as to suggest that Brown could almost balance the federal budget by himself—from Sacramento. Next year's projected deficit, after all, is only $29 billion. If California would just renounce its grants and the share of defense contracts that go to its large aerospace industry . . .

GRANTS GO FIRST

Governors ought to remember, too, that grants to state and local governments are perhaps the easiest part of the budget to cut. If one were serious about reducing spending to balance the federal budget, they would probably be the first items to go.

This year's Carter budget is a case in point.

After allowing for inflation, Carter recommended that Congress increase defense spending somewhat and hold non-defense spending at this year's level. But some non-defense spending has to go up—the benefits the government pays out through Social Security and other such entitlement programs to individuals. By law these benefits, which make up more than 40 per cent of the budget, go up each year not only with inflation, but with population.

So where could Carter cut to combat inflation, which is the theme of his budget? The answer is in grants. Grants went down in real terms, and if Congress makes no change in Carter's budget, next fiscal year the federal government will be the source of 23.6 per cent of state and local spending instead of 25.4 per cent.

That is why the National Governors' Association was among the groups that squealed when the budget came out last Monday. The Carter budget would force states and cities across the country to "rewrite and rebalance their budgets," warned Kentucky Gov. Julian Carroll, chairman of the governor's group.

One presumes that Carroll speaks in this for all 50 governors—including those of the 22 states whose legislatures have adopted resolutions calling for a constitutional convention or amendment to balance the federal budget.

SHIFTING AGE MIX

Last week's budget documents made one other fundamental point worth remembering. They noted that, in relative terms, the shifting age mix of the population is likely to lighten state and local budget burdens in the years ahead while adding to the federal load.

Schools are what have added most to state and local costs in the years since World War II, but now the population is aging, and the care of the elderly is mainly a federal responsibility. Fully one-fourth of the federal budget is aid to the elderly now.

Brown acknowledged in his inaugural address that states bear some responsibility for the size of the federal budget. States "compete with each other to extract more and more federal grants that are financed out of the deficits and not the productivity of the nation," he said.

"It is therefore right," his particular brand of logic then led him to say, "that these same states join together to demand a constitutional amendment that will serve as the occasion for finally restraining the inflationary spending of the federal government."

Brown earlier in his speech bemoaned the loss of public faith in public institutions, an "anti-government mood" which he blamed in large part on inflation and unnamed "false prophets" who "have risen to advocate more and more government spending" to combat social problems..

He is right, of course. False prophets on questions of public spending have indeed disillusioned us all.

A DIFFERENT BUDGET BREAKDOWN

(By Peter Milius)

In addition to all the other economic roles it plays, the federal government is the nation's largest employer, consumer and investor. The Office of Management and Budget each year puts out a little publication that describes the government in these terms. It is an analysis of federal obligations by "object class."

You can learn from this that the government probably will have a printing bill this fiscal year of $1.2 billion. Congress will account for a third of this.

The cost of "travel and transportation, persons," will be $3 billion. This category runs the gamut from airplane tickets to the more than 300 million gallons of gasoline that the government will buy.

For "transportation of things," as opposed to persons, the government will spend about $4.8 billion. Its telephone and utility bill, together with all rent it pays to commercial landlords, will come to about $6.8 billion. Labor costs—wages plus fringe benefits—will total an estimated $89.5 billion.

For "acquisition of capital assets," expenditures will be $73.6 billion. These assets are divided in the analysis into equipment (for which outlays will be $34.3 billion), land and structures ($9.1 billion), and investments and loans ($30.2 billion).

Most of what the government spends, however, it does not spend on itself. In another special budget analysis, OMB estimated last week that about 42 percent of federal outlays now are "transfer payments"—checks sent directly to individuals. An additional 15 percent goes out as grants to state and local governments, while 8 percent is interest.

Only a third of the budget is for direct purchases of goods and services. Two-thirds of this—21 percent of the budget—is for defense purchases.

The remainder—about 12 percent of the budget—is for non-defense purchases. This is the amount—a little over $60 billion—that it costs to run the multitude of civilian agencies that most people perceive as the federal government. In this sense, that government is not as large as its budget makes it seem.●

REVEREND MULLINS: SINGER, PREACHER, AND ACTIVIST

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MATHIS. Mr. Speaker, even though we have laws to the contrary, racial equality is not necessarily a reality throughout our great Nation. Certain individuals have devoted their lives to furthering the cause of racial equality and I believe that a recent article from the Thomasville (Ga.) Times-Enterprise concerning a man who has been in the forefront of the civil rights movement, Rev. I. L. Mullins, will give us all some insight into the type of individual who has made racial equality his goal. I insert that article at this time:

REVEREND MULLIS: SINGER, PREACHER, AND ACTIVIST

(By Darby Tench)

For more than 30 years, the booming voice of the Rev. I. L. Mullins has been a powerful instrument of the gospel, sacred and secular music, and social reform.

Mullins, who pastors at First Missionary Baptist Church, is known throughout the Thomasville community for his rich baritone.

Mullins uses his musical gift not only in his church, but in community events such as the recent United Way Talent Show.

"I can remember singing when I was three years old, standing on a chair," Mullins said. "My training in voice started at the family piano."

With formal training, Mullins' voice developed to the extent that his teachers encourage him to attend Julliard School of Music in New York City. Julliard is one of the most respected conservatories in the country.

"I could not desert my calling," Mullins recalled. "I felt if I could sing and preach at the same time, I could fulfill my inner desire."

Mullins' speaking voice is almost as well-developed as his singing voice.

In speaking with Mullins, one gets the feeling the American theatre lost a great actor when this man joined the ministry. Mullins devotes as much attention to what he says as to what he sings.

And Mullins has plenty to say.

An accomplished speaker and preacher, he studied at American Baptist Theological Seminary in Nashville, Tenn., and the Billy Graham School of Evangelism in New York City.

He holds a bachelor's degree in sociology from Morehouse College in Atlanta and a bachelor of divinity degree from Gammon Seminary of the Interdenominational Theological Center, also in Atlanta.

While at Morehouse, Mullins' path crossed those of the makers of history, and his belief in spiritual and social brotherhood was solidified.

"I met 'Daddy' King, as we called him—the Rev. Martin Luther King Sr.—while I was in Atlanta," Mullins said.

Mullins was also a friend to Dr. Martin Luther King, Jr., leader of and martyr to the civil rights movement.

In 1963 his friendship with King and belief in his cause led Mullins to join 250,000 other civil-rights activists in the Freedom March to Washington, D.C.

"It was a mass of humanity," Mullins said. "We joined arms and marched up to the Lincoln Memorial." It was from that site that Dr. King delivered his famous "I have a dream" speech, Mullins added.

Mullins fought to realize Dr. King's dream of brotherhood long before racial equality became a cause celebre of students and liberals in the turbulent '60s.

"I went to Montgomery, Ala., in 1955," Mullins said. "That was the time of the bus boycotts—the civil rights movement started there."

Mullins was referring to the time when blacks and their supporters refused to ride Montgomery's segregated buses until, Mullins reported, "we broke the backs of the bus systems," and blacks no longer had to take a literal back seat to whites.

Mullins believes Dr. King would be "disappointed" in the degree to which blacks have advanced toward the dream of brotherhood.

"I feel he would be disappointed in the slowness with which this business of brotherhood has moved," Mullins said. He pointed out that "segregated pockets" still exist in government, in schools, and in churches.

Mullins furthermore believes many people would rather wait for another Dr. Martin Luther King than lead the movement themselves.

"There is a stalemate, a complacency in the minds and hearts of people in America to the civil rights movement," said Mullins. "Those who could be 'movers' have adopted a wait-and-see attitude."

Mullins' attitude is anything but wait and see.

He is a plaintiff in a suit brought by the Thomasville chapter of the National Association for the Advancement of Colored People (NAACP) against Thomas County.

The suit charges that Thomas County's present system of electing county officials discriminates against area blacks.

Under the present system, voters across the entire county elect officials on a one man, one vote basis.

The NAACP suit calls for ward voting, whereby voters from different districts or wards in the county would elect a representative for their district only.

Mullins believes ward voting would be a more equitable system because there are fewer blacks than whites in the county. He cited the fact that there is only one black elected official in the county in his argument for revision of the voting system.

Mullins also addressed himself to the problem of segregation in schools. The increase in the number of private schools has hampered Dr. King's dream for people to "work together, study together, and live together harmoniously," he said.

In Thomasville, Mullins sought to persuade officials at the YMCA to incorporate the two YMCA buildings, one on Clay Street, the other on Dawson Street, into a single unit.

"I fought this thing back in the late '60s," he said. He charged the two branches are segregated, not by law, but by tradition and practice.

Mullins, who was recently elected to a third term as president of the Ministerial Alliance in Thomasville, said segregated churches result from a tradition that cannot be surmounted by law.

"I don't know any church that would turn a man aside," Mullins said. "But because of tradition, we go to separate churches. It's a business of being comfortable."

Nevertheless, Mullins added, "the most segregated hour is 11 a.m. in church."

Mullins stressed that whites often come to First Missionary Baptist services. He cited two other integrated churches in the Thomasville area.

"Perhaps we're moving in that direction," he said. "I think integrated worshipping is a long way off—I sure do."

In the meantime, Mullins continues to speak the gospel in stentorian tones. He belongs to that class of clergymen who involve themselves in social issues out of a belief in the contemporary relevance of the Bible.

And when that voice thunders over the pews, across the chairs in a concert hall, or throughout an entire community, one can bet that a lot of people will be listening.●

CUT OUT THAT UGLY FAT IN THE BUDGET

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MICHEL. Mr. Speaker, Marvin Stone, editor of U.S. News & World Report, has examined President Carter's allegedly lean and austere budget and finds it to be suffering from ugly fat. He points out that "programs that sometimes started out to help the poor are providing subsidies for people who are rather well-off."

I believe history will show that the past 40 years have seen the rise of what amounts to programmatic immortality in our Nation. Government programs are born, grow, mature, age, but never seem to die. Like human beings, these programs put on weight as they get older and what was once really lean and austere is now bloated and elaborate. Eventually some of these programs expand so much that they reach groups and individuals originally not considered by Congress as beneficiaries.

I insert in the RECORD at this time, "Billions for the Not So Poor," by Marvin Stone, U.S. News & World Report, January 29, 1979:

BILLIONS FOR THE NOT-SO-POOR

(By Marvin Stone)

The impression is widespread that holding down the federal budget necessarily means being cruel to poor people.

It is an argument that free-spending liberals are using to try to embarrass those who support President Carter's efforts to hold the federal deficit to 29 billion dollars next year.

We're told that Carter is "putting economics ahead of people," that roughly 190 billion dollars in federal "transfer payments" cannot be restrained—let alone reduced—without penalizing the needy.

The fact is that, even aside from monumental cheating and waste, programs that sometimes started out to help the poor are providing subsidies for people who are rather well off. That's one reason the budget is out of control.

The government last year spent about 2.6 billion dollars on child nutrition—money given to states to help pay for school lunches and the like. Children in families with incomes of nearly $14,000 a year—about twice the "poverty level" for a family of four by official definition—got about 700 million dollars' worth of these subsidies. That money is spent, not in order to help the poor, but largely because the farm bloc thinks that it increases demand for farm products.

During the 12 months that ended last September 30, more than 11 billion dollars went for unemployment benefits. Nearly 2 billion of that was received by families with incomes above $20,000 a year.

Welfare and medical benfits cost 75 billion last year. More than 7 billion went to families with incomes of about $14,000 and up.

Most people think of Social Security as a system that pays pensions to the retired and supports dependents if the family breadwinner dies. Among the benefits, however, are payments to about 1 million students aged 18 through 21, eligible as survivors or dependants of covered workers who have retired, died or become disabled. The Social Security Administration estimated a few years ago a third of this money—that would be about 600 million dollars a year now—goes to youths whose families are in the upper 50 percent of the nation in terms of income.

It's fine that the government is helping educate these youngsters. But note: There is another program that offers subsidized loans to all college students regardless of the size of the family's income.

A similar pattern runs through many housing programs. Apartments are being subsidized for people with incomes up to 80 percent of the median in any locality. In a high-income suburb of Washington, D.C., developers are pushing a project that would include families making about $18,000 a year.

Many cities are using federal funds to help rehabilitate run-down neighborhoods. In the process, professional people with high incomes are getting low-interest federal loans to refurbish dilapidated houses, with every prospect of reaping large capital gains in a few years' time.

That's good for the cities. It makes work for the contractors and building trades. But help for the needy? Hardly.

Community development takes nearly 4 billion dollars a year. Federal rules—and they are not strictly enforced—require only three fourths to be targeted on projects to help people with low-to-moderate incomes. What are moderate incomes? They can be way above the poverty level. And how about the other 25 percent, nearly a billion dollars a year?

Then there's the public-service-job program—more than 10 billion dollars last year to help pay the wages of people who were placed on local public payrolls to help reduce unemployment. Some of these jobs pay more than $13,000 a year.

These examples—and there are many more—are enough to show that the budget can be reduced without penalizing the poor.●

THE POLICY OF ACQUIESCENCE

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MATTOX. Mr. Speaker, I am one of those believing that in our rush to "normalize" relationships with mainland China, we have treated Taiwan to a good dose of American expediency.

Granted, we need to recognize the realities of Asia today. We need to acknowledge the existence of a nation so large as to make three of us, the People's Republic of China. And we need to acknowledge the political realities of the balance of power in our world in order to better deal with the exigencies in a more respected way.

But what of the Republic of China, long an ally, trading partner and friend? I question the necessity of what appears to be our new "policy of acquiescence" to all of the Communist's demands that we cut all official ties with Taiwan.

I am one who feels that the bargain should have been driven a little farther—that perhaps we should not have "acknowledged" the mainland's claim of sovereignty over the island of Taiwan and all territories under its jurisdiction when we agreed to establish diplomatic relations with People's Republic of China. It is not within the Congress jurisdiction to reverse our last communique, but it is within our purview to help set our policy from now on with regard to Taiwan.

The Republic of China on Taiwan went in one morning from a distinguished friend to a nonentity. At the moment of normalization, diplomatic relations were broken off, all American military personnel in Taiwan were put on notice that they would be withdrawn within 3 months, and the longstanding Mutual Defense Treaty was abrogated all, I understand, with but a few hours notice. It is my belief that all of this was handled at best indelicately, and at worst insultingly, to the ROC.

Now, I seek to affirm our commitments to assist in the defense of Taiwan should the island be attacked. I want our Government to have the appropriate authority to supply weapons necessary to meet the defense needs of the Taiwan people, and I want business, cultural and educational interests between the people of Taiwan and the United States to remain constant. These 17 million people, who have fought so hard in concert with us for 30 years for their success, deserve nothing less. It should not be forgotten what a highly developed and self-sufficient society the Republic of China has grown to be in only a short time. Indeed, this small country is the first graduate for our "foreign aid" school. During the Eisenhower years, the United States poured money into Taiwan, trying to help. Now, this nation continues to come to the United States for both security assistance and goods, but it pays for everything, allowing us to make a profit. Further, the Republic of China on Taiwan is our eighth largest trading partner and many U.S. jobs depend on this fact. And finally there are the more than 4.5 billion U.S. dollars invested in Taiwan.

Are we to forego such a productive situation merely because the mainland Chinese ask us to? It is not our duty to settle the dispute between these two countries by allowing ourselves to be used by one source to pressure the other.

In my opinion, a two-China policy is possible without the mainland Chinese reneging on our new-found relationship with them. The 900 million people of the mainland are woefully behind in technological development. Vice Premier Deng is committed to a modernized China and now for the first time in many years, his people are beginning to taste the pleasures of Western culture again. In short, Vice Premier Deng needs the United States as much as our growing trade deficit and desire for a strong Peking-Washington-Tokyo link, needs normalization. It is time we made a decision founded on reality.

There are two Chinas. We need both official and legal ties with Taiwan to protect our interest there and therefore I am asking through this resolution that Congress express its sense that the Republic of China is the sovereign government of Taiwan and other areas under its control and that the United States should establish full diplomatic relations with that government. And, that during any period prior to formal recognition, it is imperative that the United States maintain an official liaison office on Taiwan so that U.S. relations with and policies toward, the Republic of China, continue to closely approximate those existing prior to January 1, 1979.

Introducing this resolution is a move I feel I have to make. I know it expresses the views of my constituents who want most of all to protect our honor and credibility abroad. The United States has historically been a peacemaker between nations, sometimes bringing peoples together who have been at odds for hundreds of years. It is incredible to me that now we appear to be so haphazard in our own negotiating. The People's Republic of China should not be dictating to us with whom we can have official ties. And as long as the Taiwanese Government upholds its part of all of our mutual agreements as meticulously as it has for the past 30 years, we should have legal, governmental relations. The alternative is to allow other nations to witness the deception and expediency of our casting a friend adrift.

Mr. Speaker, I am introducing this resolution with my colleagues inviting the suggestions, discussion, and support of the other Members of the House.●

IMPROVING TUNAFISHING TECHNIQUES: GOOD NEWS FOR PORPOISES

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. VAN DEERLIN. Mr. Speaker, the widespread concern over the accidental killing of porpoises during tunafishing operations in recent years has led to a cooperative research project in San Diego, home of the largest tuna fleet in the United States. Industry, Government, and academia have come together to make the dedicated research vessel program work.

Under Dr. William E. Evans of Hubbs-Sea World Research Institute and in cooperation with the National Marine Fisheries Service, the Marine Mammal Commission and the U.S. Tuna Foundation, the seiner *M/V Queen Mary* stopped fishing for 12 months and served as a research platform.

During six cruises and a total of 250 days at sea the *Queen Mary* collected data and experimented with alternative methods of tunafishing less dangerous to the dolphins. We can expect this research to be quickly evaluated and passed on to the fleet, leading to further decreases in the porpoise mortality rate.

I would like to applaud Capt. Ralph Silva and the crew for their dedication and commitment to this important and humane research. I am told Captain Silva even swam beneath the researchers' nets to guard against sharks while the experiments proceeded. That is dedication.●

IRANIANS, MAOISTS, AND SELECTIVE LAW ENFORCEMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. McDONALD. Mr. Speaker, the high bail set for 69 members of the Revolutionary Communist Party who were arrested in an attack on the U.S. Park Police on Monday, January 29, while certainly appropriate is a far cry from the kid glove treatment accorded the Iranian Students Association when its militants attacked the Park Police in a virtually identical manner in November 1977.

The Iranian Students Association had by then a 10-year record for staging violent demonstrations and assaulting police. For 3 years I had been placing public documentation into the CONGRESSIONAL RECORD that detailed the ISA's violent record, its revolutionary ideology, and its connections with terrorist groups in Iran that had killed Americans. There is no question that law enforcement authorities were adequately informed about the ISA's violent proclivities, about its preparations for a violent demonstration in Washington, and about probable tactics. There is also little doubt that the Park Police and Metropolitan Police of the District of Columbia had every intention of carrying out their duty to protect the public order.

However, the occasion of the ISA demonstrations was a visit by the Shah of Iran, a friend of the free world who was unpopular with the Carter administration for allegedly restricting the civil rights of terrorists and revolutionaries. The police were told by the White House to "keep a low profile" at the ISA demonstration because the White House was concerned about its "human rights image." As a result of that interference, Park Police officers and groups of people peacefully assembled to welcome the Shah were beaten by ISA members armed with wooden clubs. Only a handful were arrested and these were released on low bail.

This time, the demonstration was on the occasion of the visit of the Red Chinese Vice Premier, a leader of a Communist party that is responsible for the deaths of 60 million Chinese from murder, malnutrition and overwork caused by the Chinese Communists' policies. And the demonstration was by another group of Communists who support a faction of the Chinese Communist Party thrown out of power by Vice Premier Teng.

This serves to underscore the very special treatment that has been accorded to the Iranian Students Association cadres by the Department of Justice.

Recently there have been press reports that President Carter watched the film footage of the vicious ISA attack on the California home of the Shah's invalid 92-year old mother, that he personally became very angry, and that he has ordered Attorney General Griffin Bell to take deportation procedures against Iranian militants convicted of violent crimes.

Mr. Speaker, I would like to point out that this country does not need a President whose policies are based on an emotional reaction to the CBS Evening News. Had the President merely insured that his administration enforced the U.S. Code's Civil Rights Act provision on masked demonstrators and the immigration laws the ISA would have had great difficulty organizing the 1977 Washington riot or the ensuing riots in Chicago, Los Angeles, and Beverly Hills.

Perhaps the firm treatment accorded the Revolutionary Communist Party on Monday coupled with the reports of long overdue Justice Department action regarding Iranian student law-breakers indicate that the administration is at last showing concern for the rule of law in America. If this is so, we certainly support it, but ask why it took so long.

The record of this House will show that on four occasions I have alerted the Justice Department to the violent criminal activities of Iranian student militants, and now we have some belated action. That is fine, Jimmy, Griffin, William, and Leonel, but why did it take you so long? ●

DR. STEPHEN SPURR: FORESTRY PRODUCTION CAN BE DOUBLED

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. PICKLE. Mr. Speaker, I am pleased to call your attention to an article in the February issue of Scientific American written by a forestry expert at the University of Texas at Austin.

In his article, Dr. Stephen H. Spurr says the productivity of American forests can be doubled or even tripled in the next 50 years, through proper forestry management techniques. These management techniques are known in the trade as silviculture.

Dr. Spurr is a professor at the Lyndon B. Johnson School of Public Affairs at the University of Texas. He is also president-elect of the Society of American Foresters.

Dr. Spurr has some worthy ideas and I commend his article to my colleagues:

SILVICULTURE

(By Stephen H. Spurr)

Just as agriculture is the cultivation of fields, so silviculture (from the Latin *silva* or *sylva*, meaning forest) is the cultivation of forests. The former is far more widely practiced than the latter. If the forests of the world are to be counted among the world's renewable resources, however, silviculture will have to be much more widely and intensively practiced than it is now. The rewards could be substantial. Allowing for the realities of ecology, economics and politics, one can still calculate that the application of demonstrated silvicultural principles could double and possibly triple the productivity of the commercial forests in the U.S. within 50 years.

The land area of the world amounts to some 13.3 billion hectares, or 32.8 billion acres. (A hectare is 2.47 acres.) About a third of the area, or 4.1 billion hectares, is classified by the Food and Agriculture Organization of the United Nations as being forestland. Most of the major regions, except for Asia and the Pacific, have at least a fourth of their land under forest; in North America, South America and the U.S.S.R. the total is more than a third. In the U.S. 305 million hectares (a third of the land area) is classified as forestland. Some 202 million of those hectares can be characterized as commercial timberland under the definition established by the U.S. Forest Service: land capable of growing at least 1.4 cubic meters of timber per hectare per year (20 cubic feet per acre) and not legally withdrawn from timber harvesting, as the wilderness areas designated by Congress are. The fact that a given area is classified as commercial timberland does not necessarily mean that timber is harvested on it or even that it has a stock of trees, only that it is capable of producing wood at the defined rate.

Another standards employed by the Forest Service defines wood as the merchantable boles, or trunks, of forest trees that are at least five inches (12.7 centimeters) in diameter at a height of 4.5 feet (1.37 meters) above the ground; the definition includes all wood above a one-foot stump and extending upward to the point where the trunk becomes less than four inches in diameter. By this difinition about half of the total biomass produced by a forest is usable wood. One should bear in mind that the forest has many other values, most of which cannot be priced. The respiratory processes of forest trees, taken together, play a major role in removing carbon dioxide from the atmosphere and discharging oxygen into it. Forests are the principal source of fresh water, since they occupy most of the land area of the world that is not frozen and where precipitation exceeds evaporation. Forests everywhere are an important source of browse for both livestock and wildlife. They also provide much space and opportunity for human recreational activity.

TYPES OF FOREST

One tends to think of a forest as consisting of a variety of trees that have established themselves through the more or less random effects of natural forces. Actually a forest is more likely to consist of a fairly limited variety of trees, mainly because the conditions of temperature, rainfall and sunlight are favorable for certain species and unfavorable for others. Where human managers have taken a strong hand, a forest may consist of a single species of tree.

Because of environmental effects it is possible to classify the major forest types of the world into a fairly small number of groups. The forests of the high-latitude regions of the Northern Hemisphere known as boreal forest are dominated by stands of such conifers (needle-leaved trees, or softwoods) as spruce, fir and larch. In the middle latitudes of the Northern Hemisphere the forests tend to consist both of conifers such as pine and Douglas fir and of broad-leaved deciduous trees (hardwoods), notably oak, beech and maple. Close to the Equator one finds the tropical rain forests, dominated by broad-leaved evergreen trees (a wide variety of species) that are adapted to hot and humid conditions.

In the U.S. the Great Plains divide the predominantly coniferous forests of the West from the mixed coniferous and broad-leaved forests of the East. Along the Pacific Coast, Sitka spruce, western hemlock, Douglas fir and, in northern California, redwood are the principal tree species. Inland to the crest of the Cascades and the Sierra Nevada, Douglas fir is the most abundant, with cedar, true fir, hemlock and other conifers growing in various mixtures depending on soil, elevation and precipitation.

From the east-facing slopes of these mountains eastward at higher elevations in the Rocky Mountains ponderosa pine occupies the lower and drier slopes, with lodgepole pine growing on cooler and wetter heights and Douglas fir, Englemann spruce and true fir forming the highest continuous forest. In the northern Rocky Mountains near the Canadian border western white pine and western larch are locally important. In the Southwest piñon and juniper constitute widespread low-elevation scrub woodland between the ponderosa-pine region and the desert.

In the East a mixed hardwood forest is found everywhere (characterized by oak and hickory mixed with other broad-leaved trees) except in the northern tier of states, where maple, beech and birch constitute the Northern hardwood forest. In the drier sandy and rocky areas, however, pines grow well, particularly in the broad belt of the coastal plain and the Piedmont region extending from Virginia to Texas, where pines (loblolly, shortleaf, slash and longleaf) make up the Southern pine forest, the most economically important forest in the East. In the Northern states other pines (white, red and jack) are locally important. The same is true in the lake states and northern New England of species that extend out from the Canadian boreal forest: spruce, fir, aspen and birch. In the Southeast bottomland forests of gum, bald cypress and oak are characteristic.

The experience of people living in industrialized countries does not suggest that nearly half of the wood felled in the world is consumed as fuel, but that is the case. Of the total wood harvest of slightly more than two billion cubic meters per year, 990 million goes for fuel; the rest is put to use in industry. At present wood serves as fuel mainly in the less industrialized countries, where it is burned directly. It is quite possible that the industrialized countries will turn increasingly to wood as fuel, not so much by burning it directly as by making more use of bark and industrial by-products and by converting wood or wood residues into methanol, gas and charcoal.

In industry wood serves not only as a source of structural products (lumber, plywood, particleboard, flakeboard, fiberboard, insulating board) and fiber (the basis of paper, cardboard and many other pulp products) but also as a source of extractive materials (oils, tannin, naval stores, drugs) and chemicals (sugars, alcohols, phenols). In the U.S. about 63 percent of the 250 million tons (226 million metric tons) of raw wood processed annually by the forest-products industries goes into primary structural materials and 35 percent into fiber-

based products. The Forest Service has predicted that demand in the year 2000 will be double what it was in 1970, with about half of it going into structural products and 46 percent into fiber-based products.

FOREST MANAGEMENT

All forests are affected to some degree by human actions. In the broadest sense all such effects could be termed forest management. Even in the national wilderness areas of the U.S., where cutting, road construction and the use of motorized vehicles are prohibited by law, human activity touches the forest in many ways. The global burning of fossil fuels increases the amount of carbon dioxide in the air. People introduce exotic plants and animals to the region and change the balance of wildlife by killing predators. Even inactivity can influence the forest, as when a decision is made not to fight a particular forest fire or not to deal with a particular epidemic caused by insects or disease.

Until about 1950 the history of the American forest had been largely one of exploitation, that is, the forest had been treated as a nonrenewable resource. The American Indian used fire to drive game into the range of his bow and arrow. The European colonist depended on the forest for fuel and lumber but at the same time cleared much of the eastern U.S. for farmland. The land that was too infertile or too steep and rocky for farming was logged repeatedly for lumber and for fuel to heat homes, smelt iron and run locomotives. Only with the opening of the coal deposits in the Appalachians did coal supplant wood as the basic source of energy. By then, however, little of the precolonial forest remained in the East. Today it has virtually disappeared except for remnants that are protected in state parks and other reserves. About 15 million acres (5 percent) of the 359 million classified as commercial forestland in the East (east of the Great Plains) do not have enough trees to be regarded as forest.

As the West was opened early in the 19th century many Eastern farms were abandoned. The unused fields and pastures seeded into pines and other pioneer tree species, giving rise to a second forest that reached commercial size early in this century. Hardwoods that had seeded in under the conifers took over when the conifers were harvested. As time passed shade-tolerant hardwoods gradually crowded out the less tolerant species, thereby continuously changing the composition of the forest. Many variations of this old-field succession have resulted from infinite combinations of climate, site and the forest's history of fire, wind, logging and seed years (the intermittent times, usually about every third, fourth, or fifth year, when this or that resident species of tree puts out a large number of seeds). As a result of these ecological forces, including human activity and inactivity, the present Eastern forest is quite different from the precolonial one. For the same reasons it will be quite different again several decades from now.

In the West the harvest of the old-growth, precolonial forests has proceeded apace. Extensive logging began on private lands—usually the lower, flatter and most productive ones—in about 1900 and in the national forests, which cover most of the mountains, after World War II. Today little of the old-growth forest remains on private land. Much of the second-growth forest on land owned by timber and paper companies has been put under management.

In the Western national forests, which constitute 55 percent of the commercial forestland west of the Great Plains and 50 percent of the nation's entire supply of standing sawtimber, the remaining old-growth stands are interspersed among other areas that have been burned or clear-cut and reforested. Middle-aged stands are less plentiful, since little logging was done before World War II; they owe their existance mainly to fires that occurred early in the century. In the ponderosa-pine national forests of the interior the tendency is to harvest trees quite selectively, since the species grows on relatively dry land that is likely to support only grass or sagebrush if the forest is clear-cut. In the fast-growing national forests of Douglas fir and associated species west of the Cascade-Sierra summits the practice is basically to clear-cut 40 acres or more in a patch. Some six million acres (5 percent) of the 129 million in the West that is classified as commercial forestland have no significant stock of trees.

STRATEGIES OF SILVICULTURE

Until the 18th century silviculture was rudimentary and rarely practiced. The foresters of western Europe during the Middle Ages were mainly game wardens who patrolled hunting reserves for feudal landlords. Trees were treated as a readily available natural resource to be exploited without much regard for their replacement. Exploitation is still the rule in much of the world, particularly in the Tropics and in the boreal forests.

By the 18th century the need for fuel wood and lumber in western Europe gave rise to silvicultural practices aimed at the reforstation of cutover areas and the management of forests for the sustained production of wood and other values. This approach, still widely followed today, is termed conventional extensive silviculture. It emphasizes systems of harvesting mature forests so as to encourage natural regeneration. The technique also includes the thinning of growing stands to increase the growth in diameter of trees that will eventually be harvested.

During the same period many of the hardwood forests in western Europe were converted into stands of softwood by the clear-cutting of the existing woodland and the planting of pure stands of Scotch pine and Norway spruce. Most such conversions succeeded, and so the growing of valuable commercial tree species in more or less pure stands became commonplace throughout much of the developed world. This technique, which can be called conventional intensive silviculture, is highly developed in the Douglas-fir forests of the Pacific Northwest, in the southern-pine region of the U.S. and in pine plantations of western Europe, South Africa, New Zealand, Australia and Chile. It is, in effect, tree farming.

By the middle of the 19th century the second and third crops of conifers were being grown on plantations in Germany, Switzerland and France. Professional foresters (by then the product of forestry training in universities) began to notice that yields were often lower than they had been for the first crop, particularly for spruce grown outside its normal habitat. The foresters attributed this decline to the formation of acid soil under forests consisting of only spruce or pine. (The needles of such trees have a low nutrient content and on falling to the ground form a raw humus that is quite acidic.) Among these foresters another concept of silviculture developed. It can be termed the naturalistic approach, in which attention is paid to the matching of trees to the ecology of the site. The concept also calls for the maintenance of a mixture of trees, including hardwoods because the leaves that fall from them will attract soil-building organisms and so help to maintain the fertility of the soil.

Finally, within the past decade the rising interest in the use of plant materials as a source of energy and of chemical feedstocks has led to much discussion of and some experimentation with the idea of short-rotation silviculture. In this concept trees that grow quickly are harvested as often as every two years.

The reader who has been counting my enumeration of silvicultural strategies will be aware that I have named five: exploitive, conventional extension, conventional intensive, naturalistic and short-rotation. A number of intermediate approaches also exist. In each of the five basic strategies many fundamental questions remain unanswered.

For example, it can be argued that the exploitive approach is not really silviculture, since it involves only the cutting of trees without regard to the regeneration of the forest. Still, it is a form of forest management. From the standpoint of maximizing the economic return to the owner from the trees, such a harvest may well be justified on the grounds that the cost of reestablishing the forest may exceed the expected return from the new stand of trees. (The U.S. national forests are operated under a Congressional mandate that they must be managed for a sustained yield; in them the exploitive approach is therefore illegal regardless of its economic merits.)

Under a policy of exploitation the harvest of trees is termed a commercial clear-cut if most of a stand is removed and a selective cut or a high-grading cut if only the most valuable trees are cut and a substantial number of less valuable ones are left. That number will depend on the age and structure of the forest as well as on economic considerations. Many of the trees that are left will fall because of wind or the weight of ice and snow once they have been deprived of support from the harvested trees and exposed to the elements.

The disadvantages of the exploitive approach are well known and frequently stated. First, a large commercial clear-cut is an ugly wound in the landscape and will remain that way for at least several years. Second, the careless cutting of roads through the area and the indiscriminate use of heavy logging equipment may result in severe erosion. Third, much wood may be wasted through the destruction of trees that have grown for years but have not attained marketable size. Fourth, the impact on wildlife, water supply, recreation and other values is often severe. Finally, the regeneration of the forest is left to chance and may or may not occur.

An exploited forest can be left as it is in the hope that the surviving trees will be supplemented by natural regeneration, so that a more or less fully stocked second-growth stand eventually develops. More often than not, however, the best course will be to bulldoze the pitiful remains or spray them with herbicide, burn the site to reduce the organic remains to wood ash and replant with conifer seedlings big and hardy enough to form a new stand.

CONVENTIONAL SILVICULTURE

Two main practices have come to exemplify conventional extensive silviculture as it has evolved over the past two centuries from its beginnings in western Europe. One is the harvest of mature trees through silvicultural systems, which are cutting patterns designed to ensure the regeneration of trees in the cutover areas. The other is the technique of thinning and making other cuttings in order to free the potential crop trees from undesirable competition.

The emphasis in conventional extensive silviculture is on maintaining a sustained yield of wood. Under this strategy trees are grown until their boles are large enough to be sawed into lumber. In the national forests of the U.S., under policies adopted by Congress, the rotation age is set at the culmination of mean annual increment, that is, the age at which the trees of the forest are producing their largest average cumulative growth. In practice this policy means that trees are grown larger on public lands than on private ones, where economic pressures usually favor earlier harvesting. The rotation age for most commercial tree species

in the U.S. tends to fall between 40 years (pulpwood harvested on private land) and 100 years (timber cut for lumber in national forests).

The silvicultural systems employed for harvesting mature trees can be grouped in four categories. One is the selection system, which consists of light partial cuts repeated every few years to create a forest of uneven age. The technique is suitable only for the relatively few commercial tree species that can thrive for most of their life in shade.

Most commercial tree species do best under full sunlight and must be grown in stands of even age. The other three silvicultural systems are designed to create such stands. One is clear-cutting, with or without subsequent planting or seeding but at least with thought given to natural regeneration and with care taken to minimize the damaging effects of the harvest. A second technique is to leave seed trees standing; it is not much employed because the trees left are likely to be brought down by wind or ice, they may not produce enough seeds to restock the forest and they may be so few in number that it is not worthwhile to return later and harvest them. The final system is called shelterwood cutting, because the mature stand is removed in two or more partial cuts so that the new stand can become established under the shelter of a partial canopy of remaining trees.

As for thinning, it is usually done in pole-size stands. From 25 to 40 percent of the stand may be cut, partly to harvest early the trees that appear likely to die and partly to increase the ultimate diameter of the remaining trees. Except for a few species that tend to stagnate under crowded conditions, thinning will not normally produce higher yields per unit of area but will improve the growth of the bigger and more valuable trees. A commercial thinning is economic when the trees that are removed can be sold for pulp, fuel or other purposes for which wood of small dimensions is appropriate.

Conventional extensive silviculture is widely practiced in western Europe, the U.S. and many other temperate regions. Since most of the silvicultural operations carried out under this heading pay for themselves in terms of wood products extracted, no substantial capital investment is required. The main cost is in foregone profits.

On the other hand, such operations may be insufficient to maintain a continuous yield. Natural regeneration may fail, so that the site has to be planted or seeded. Young trees of desired species may have to be freed from competition with unwanted species. Other investments may be needed to achieve a fully stocked forest and maximum growth. In this way silviculture becomes more intensive.

The growth and yield of trees can be substantially increased by the application of intensive silvicultural techniques. Even so, since it takes decades to grow a crop of trees, the economic incentives for applying the techniques may be less than enticing. Indeed, the investment made to establish a stand or to increase its growth may exceed the anticipated increase in the value of the final crop. Nevertheless, intensive silviculture, involving the investment of considerable amounts of capital in the forest, is becoming increasingly feasible and is being more widely practiced, particularly by industrial landowners seeking a continuous supply of wood for their lumber, pulp and veneer mills.

In intensive silviculture the landowner employs at least one and probably more of the following techniques: (1) Work is done on a cutover site to prepare the land for planting or to create surface conditions favorable to the natural regeneration of the stand. (2) Forests consisting of species that grow slowly or are of less value than another species that could grow on the site are removed by clear-cutting, and trees of the more desirable or faster-growing species are planted. (3) Stock that has demonstrated improved genetic characteristics is planted. (4) Herbicides are employed to reduce unwanted competition, mainly from hardwoods of limited commercial value. (5) The stand is thinned before maturity to counter stagnation and to stimulate the growth of potential crop trees. (6) Fertilizer is applied to the stand to compensate for deficiencies of nitrogen and phosphorus. (7) Pesticides are applied on prescription to reduce serious threats from insects and fungi.

Consider the potential of just one of these treatments. The Forest Service estimates that gains in yield of from 8 to 15 percent in one generation could be achieved through the genetic selection of Douglas fir in western Oregon and Washington. On the better sites the yield could be doubled by the third generation. Already gains of from 10 to 20 percent in volume and in quality are being realized in the first generation from the genetic improvement of Southern pines.

OTHER TECHNIQUES

The naturalistic approach to silviculture is typified by practices in Switzerland. Moving away from the concept of pure stands of even age and from strong-arm methods of cultivation, the Swiss have come increasingly to rely on natural tree types and natural successional trends as a basis for their silviculture. The mixed stand of uneven age has become the ideal.

The main arguments for this technique are that it requires little capital and entails few risks. Once a forest is established along naturalistic lines it is maintained by periodic light partial cuts designed to produce the highest economic return consistent with the maintenance of a mixed, continuous forest of uneven age. The site does not deteriorate, and the generally quick establishment of acceptable species reduces silvicultural investments to a minimum. A naturalistic forest is less likely than a pure stand to be susceptible to attack by disease and insects.

Certainly such a forest can be productive and profitable for some species of tree on some sites. It is equally certain that an even-age forest of the same species can be grown and that it will often produce more biomass and higher economic returns than the naturalistically managed forest. One simply cannot generalize. Both naturalistic silviculture and conventional silviculture have a place in forest management. What to grow and how to grow it are decisions that must be made for a particular site according to the conditions of climate and soil that exist there.

The short-rotation approach to silviculture consists in producing large quantities of tree material by selecting highly efficient photosynthesizers and growing them under intensive cultivation with frequent harvesting. The proposal to develop "biomass plantations" is essentially a return to a form of the coppice system that was employed extensively in Europe and the eastern U.S. during the 19th century to produce fuel from stands of hardwood that were harvested on short rotation and regenerated by sprouting from stems. In the current manifestation the strategy is to rely on such fast-growing species as cottonwood, sycamore, red alder and aspen, to harvest the stands mechanically on rotations of from two to four years (when the trees are from 10 to 20 feet high and from one to two inches in diameter and can be converted into chips for fuel or chemical feedstock), to rely on sprouts from the remaining stems for reproduction (or on root suckers with aspen) and to cultivate and fertilize the sprouts intensively. Yields of several tens of tons of oven-dry plant material per hectare per year are predicted on the basis of the physiological potential of the trees and of studies made on small plots.

If such yields could actually be attained over broad areas without heavy investments of energy in fertilization, irrigation, cultivation and harvesting, short-rotation silviculture would indeed have considerable promise. Unfortunately it has not yet been possible to grow hardwoods in plantations with any great success, let alone to grow them at the rates achieved in trials of genetically superior stock under intensive care in the nursery or some other carefully monitored condition. This is not to say that the experimental work has been unsound but rather that it has not been possible to transfer the results to operations of commercial size.

THE SILVICULTURAL OUTLOOK

Forests have a considerable potential for producing energy and chemical feedstocks. For example, if the energy value of wood is taken to be 7,500 British thermal units per pound, the annual net primary production of the world's forests is roughly 1,200 quads (a quad is one quadrillion B.t.u.) or five times the world's use of 230 quads of energy in 1975. Robert L. Burgess of the Oak Ridge National Laboratory has estimated (on the assumption that the annual aboveground growth of the world's forests is 13 billion metric tons, of which half is economically accessible) that one million megawatts of electricity could be produced from wood on a sustained-yield basis—about twice the present generating capacity in the U.S.

In 1970, the annual growth rate of the commercial forests in the U.S. was estimated at 2.7 cubic meters per hectare (38 cubic feet per acre). If all the commercial forest areas were fully stocked with trees and balanced in age classes, the potential growth would have been 5.2 cubic meters per hectare per year. The biological productivity of the commercial forestlands of the U.S. is such that the net realizable growth of the forests could be doubled within half a century by the widespread application of proved silvicultural practices. With a widespread application of intensive silviculture, including the complete use of hardwoods and the utilization of the entire tree of every harvested species, the potential productivity of the forests in the U.S. would be closer to three times the present level.

What are the possibilities of improving on demonstrated silvicultural practices through research? In the U.S. research on silviculture and on related aspects of forestry has largely paralleled work in agriculture. It is carried out by the Forest Service at 82 laboratories, by workers at some 60 universities (mostly with Federal funding) and by a limited number of wood-using industries. The present level of activity is about 400 scientist-years devoted annually to research relating to the biology, cultivation and management of forests, to the genetics and breeding of forest trees and to the economics of timber production. For more than 50 years extensive studies in the laboratory and in the field have dtalt with the ecological and physiological requirements of the principal tree species. The point has been reached where silviculturists understand the interaction of these trees with their environment, including the major insects and disease that form part of the forest ecosystem.

Several accomplishments can be cited. Two of them have been described here: the genetic improvement of the Southern pines and the flow of nutrients, water and other components of a forest ecosystem in monitored forested or clear-cut watersheds. Useful work has also been done on the atmospheric physics of weather as it affects the behavior of forest fires and as it relates to the modification of weather and the control of lightning; on the analysis of aerial photographs and other forms of remote sensing as a means of obtaining inventories of large forest areas (including the forest resources

of the nation as a whole), and on the use of linear-programming models to determine and schedule tree harvesting and other forest-management operations.

On the other hand, not enough work has been done on a number of problems that have become major issues in the encounters between environmentalists and forest managers. How do forests of even age and uneven age (forests composed of different tree species and growing on different sites) compare in productivity and loss of nutrients? How do pure and mixed stands compare on these matters and on relative vulnerability to insects, diseases and other hazards? The U.S. is sadly lacking in definitive research studies that could have a broad application in the shaping of national policies on forests.●

AMBASSADOR GARDNER DISCUSSES "TOWARD INTERNATIONAL ECONOMIC ORDER OR DISORDER"

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. REUSS. Mr. Speaker, I wish to share with my colleagues some reflections by our Ambassador to Italy, Dr. Richard N. Gardner, on the third of a century since Bretton Woods. Ambassador Gardner's observations, entitled "Toward International Economic Order or Disorder?" follows:

TOWARD INTERNATIONAL ECONOMIC ORDER OR DISORDER?

(In Washington Lord Halifax once whispered to Lord Keynes: "It's true they have the money bags but we have all the brains.")

This mischievous little verse, found on a yellowing piece of paper salvaged from the first Anglo-American discussions during the Second World War about postwar economic arrangements, stirs memories of a great adventure in economic diplomacy. It recalls the extraordinary effort of a small group of men to create a new international economic order—an economic order designed to provide the foundations for world prosperity and world peace.

Today the "moneybags," the "brains," and the political influence are all better distributed than they were a third of a century ago. Yet all the old subjects are still with us—the role of the dollar, of sterling and of gold, the management of international liquidity, fixed versus flexible exchange rates, protectionism versus free trade, universalism versus regionalism, nondiscrimination versus preferential arrangements. And behind these old subjects lie the same fundamental issues—how to reconcile liberal international trade policies with high levels of domestic employment and growth, and how to devise international arrangements benefitting not just the world community as a whole but each of its parts.

It is said that those who refuse to learn from history are condemned to repeat it. I do not pretend to be wise enough to draw from the history I have tried to recount in this book "lessons" that can resolve our current problems. However, I should like to offer some reflections that perhaps can shed a little light on our current agenda of international economic cooperation.

Let us begin with a look at the credit side of the ledger. For the world economy as a whole, the third of a century since Bretton Woods has been a period of unprecedented prosperity and growth. In very round figures, world production has soared from $300 billion a year to nearly $10,000 billion a year and world trade from $30 billion a year to more than $1,000 billion a year. Even allowing for inflation, these figures represent an enormous increase in real terms. It is an impressive record, though one must make obvious qualifications, notably the failure of the less developed countries to share proportionately in this fantastic overall growth.

While it would be an oversimplification to give all the credit for the excellent performance to the international economic institutions established during and after World War II, it is clear that the postwar planners must have done something right. The institutions they created—the International Monetary Fund, the International Bank, the General Agreement on Tariffs and Trade—have demonstrated a extraordinary ability to adapt themselves to the changing needs of the world economy.

To an important degree the Fund has become an international arbiter of those sound domestic policies that qualify a country for external aid. Its "Good Housekeeping Seal of Approval" has often been decisive in mobilizing financial support to help both developed and developing countries overcome their economic difficulties. The Fund's ability to mobilize liquidity has been an element in the progress toward the currency convertibility and the freedom from exchange controls chartered as an objective at Bretton Woods.

The Bank's ability to mobilize increasing amounts of capital, together with its prestige and experience, has given it a growing influence on the aid policies of the rich and the development policies of the poor. Its presidency is becoming one of the world's most influential platforms for improving the aid efforts of the developed countries. Its role in training, advice, and technical assistance enables it to shape profoundly the development effort of the poor countries.

The GATT has developed authority in a four-fold role—as a forum for trade negotiations, as a body of principles governing trade policy, as a center for the settlement of trade disputes, and as a vehicle for the development of trade policy.

The Fund, the Bank, and the GATT have articulated the common interest of nations and conciliated their adversary interests. They have encouraged governments to take a more international approach and have strengthened the hands of outward-looking leaders in dealing with domestic political opposition. They have taken responsibility for compromises in situations where national leaders could not have taken responsibility alone. Thanks to them, nations have followed better economic policies than they otherwise might have done. In short, these institutions, if not the agencies of world government, have certainly been instruments of a better world economic order.

In recent years, the innovation of annual economic summits between the major economic powers of Europe, North America and Japan has helped to provide overall political direction to the technical cooperation underway through the Bretton Woods institutions and GATT.

It is clear from this review that the balance sheet of postwar economic diplomacy contains impressive credits. But to have a balanced perspective we must also note the entries on the debit side of the ledger. With the help of hindsight we can see that mistakes were made—occasionally in the original institutional design, more frequently in the way the institutions were used (or not used) in practice. Partly because of these mistakes, partly for other reasons, the international economic system founded at Bretton Woods is now in difficulty; the gains of more than three decades in trade and welfare are gravely threatened; and today's architects of international economic order confront challenges even more formidable than those that faced their predecessors a third of a century ago.

The most consequential list of debits must be recorded in the field of monetary cooperation. We are still struggling with the two long-term problems that faced the negotiators at Bretton Woods—the liquidity issue and the adjustment issue. Despite all the progress of a third of a century, the international monetary system is in difficulty. The original Bretton Woods solutions to the liquidity and adjustment problems have been largely superseded, but there is no adequate consensus yet on what should take their place. The world now finds itself, without anyone having planned it that way, living with a dollar standard and floating exchange rates, which is hardly what the postwar planners intended. The big question is whether the present monetary system can be made workable with rather modest adjustments or whether fundamental structural changes are needed.

Can the world live indefinitely with a dollar standard? Would it be better off with several reserve currencies? Should it return to the original Bretton Woods idea that the International Monetary Fund should be the principal source of new liquidity? As these lines are written, there is new movement toward European monetary cooperation, which may result not only in greater exchange rate stability and the pooling of reserves by European countries but also the development of a European reserve currency supplementing the dollar. There is still some interest, too, in moving in the direction suggested by the IMF's Committee of 20 in the early 1970s—putting national holdings of dollars, sterling and gold into the IMF in return for SDRs, and creating new liquidity mainly through internationally-agreed SDR allocations rather than through U.S. payments deficits.

The Bretton Woods system of fixed parities clearly could not survive in a world with widely divergent rates of growth and inflation and with a highly developed international capital market. But a minimum degree of international accord on exchange rate movements is needed to avoid unfair trade advantages and an unfair sharing of the adjustment burden.

The European Monetary System now in the process of creation could make an important contribution to the solution of the international adjustment problem. By creating a zone of exchange rate stability in Europe, as part of a larger European effort of reciprocal economic assistance and harmonization, the EMS could generate a climate of confidence leading to increased investment, higher levels of trade, and better economic growth rates. This would benefit not only the participants in the EMS but also the entire world economy.

It is my personal belief, which is also the official view of the Carter Administration, that a strong and united Europe is a good thing for the United States and for the entire world. It is also my belief, and the official view of the Carter Administration, that the EMS can make a positive contribution to that objective. In saying this, of course, I do not wish to be understood as taking a position on whether or not any particular country should join the EMS. It is obviously for each country to decide whether the specific arrangements for the EMS take adequate account of its national interest, and the United States has no intention of involving itself in such decisions in any way.

But a sound international monetary order will also require an agreed system of adjustment between the members of the EMS and the rest of the world economy. To this end we must find practical ways to strengthen the central role of the IMF in the international monetary system—in particular, to help the Fund exercise its new powers of "strict surveillance" over the exchange rate policies of its members and even over those other national policies that have an impact on international financial stability.

In the field of international trade policy, the failure in most urgent need of correction is the lack of adequate rules to govern non-tariff barriers (NTBs). The industrial tariffs of Europe, North America and Japan, now down to an average of 8 or 9 percent, are likely to be further reduced to an average of 5 or 6 percent as the result of the Tokyo Round. Thus the main obstacles to free trade are no longer tariffs, but NTBs.

By their nature, they are more difficult to negotiate on a reciprocal basis than tariffs. Accordingly, efforts are now focused on the negotiation of new codes or agreements which would regulate certain major categories of these non-tariff measures—trade-distorting subsidies and countervailing duties; government procurement practices that favor domestic production; product standards that serve protectionist ends; and import licensing procedures.

Subsidies are particularly important because they raise very serious issues of trade policy. United States law requires the application of countervailing duties to offset government subsidies on goods exported to the United States. The use of subsidies is a widespread, and often justifiable, measure. It is crucial, therefore, that there be a mutually agreed-upon set of rules governing this practice so as to minimize the resulting disruption of world trade and friction in international relations.

We noted earlier the unprecedented measures that have been undertaken to assist the less developed countries. Nevertheless, despite all the progress of the past third of a century, living standards in the poor countries of the world are rising by an average of little more than 1 percent a year. The income per capita of the average citizen of Western Europe, Japan and the United States is now $4,000 - 8,000 a year; at present rates of growth, income per capita in many of the non-oil producing countries of Asia, Africa, and Latin America will hardly reach $200 a year in this century. The first two United Nations Development Decades were widely described as "Decades of Frustration." If successive development decades are to avoid the same fate, the world will have to find ways to get more resources from the rich, better development policies from the poor, and better forms of multilateral cooperation.

In my opinion, we need to view the diverse elements of the North-South negotiations, not just as a set of technical economic issues, but as elements of a larger political bargain—a mutual survival pact between developed and developing countries in which mutually-agreed limitations on the sovereignty of each one undertaken to protect the sovereignty of all. In such a survival pact, access on reasonable terms to energy and other raw materials, which the industrialized countries need, can be seen as the counterpart of other kinds of access that the developing countries need—access to markets at stable and remunerative prices, access to technology, management skills and investment capital, and access to a fairer share of decisionmaking in international institutions. In this context, concessions to developing countries can be regarded not as "foreign aid" or charity but as an exercise in enlightened self-interest—an investment in human civilization.

International efforts need to be focused not only on a new international economic order but on a new internal economic order in both developed and developing countries. In the developed world, this means measures to curb excessive or wasteful consumption that threatens world economic stability and the health of the world environment, as well as internal adjustments to absorb low-cost manufactures from developing nations on a basis of comparative efficiencies of production. In the developing world, it means measures to help the poor become more productive and to satisfy minimum human requirements for food and nutrition, health care (including family planning services), education and skills, and productive jobs. We should be clear that our objective is not the transfer of wealth from developed to developing countries, but the internalizing of the wealth-creating process in the developing countries, the achievement of greater equality of opportunity in all countries, the elimination of poverty everywhere.

I said at the outset that I was hesitant to draw "lessons" from the history I have recounted in this book. But there are three conclusions that strike me as inescapable:

No nation, no matter how large or how powerful, can now avoid the necessity to pay due regard to the interests of others if it wishes to remain part of a functioning international economic system. In recent months even the United States has been obliged to alter its energy, monetary and fiscal policies to accommodate to the realities of economic interdependence. For there is no way for any nation to enjoy the benefits of that interdependence unless it also accepts the accompanying responsibilities.

Second, international arrangements for exchange rate stability cannot yield satisfactory results in the long run unless they are accompanied by other measures—measures to provide financial support for currencies under pressure, measures to harmonize domestic economic policies in a way that fairly divides the adjustment burden between surplus and deficit countries, measures to transfer resources from stronger to weaker economies, and measures to reduce restrictions on international trade and payments. This comprehensive conception of international economic cooperation, which formed part of "the philosophy of Bretton Woods," remains true today for the EMS as it does for the world economy as a whole.

Third, regional economic systems can make a positive contribution to international economic order only if they are adequately related to broader arrangements designed to assure cooperation on a global basis. In the next year, the preoccupation with the EMS should be accompanied by an equal preoccupation with improvement of the entire system of international trade and payments. In specific terms, this means reinforcing the role of the International Monetary Fund as an instrument for balance of payments adjustment, bringing the Tokyo Round to a successful conclusion, and undertaking new measures to help the developing countries.

This brings us to the fundamental issue which the principal economic powers will have to confront during the difficult financial and trade negotiations that lie ahead. Either the world will continue to move forward toward the objectives charted in the economic diplomacy of a third of a century ago, or it will move backward toward the destructive economic policies which this diplomacy sought to avoid. The big question is whether the historian who looks at this history in the year 2000 will see the years since Bretton Woods as part of a historic march toward free trade and economic integration, or as but a brief interlude between eras of trade restriction and economic nationalism.

Let us therefore adopt the means necessary to achieve our proclaimed objectives, or let us at least have the honesty to acknowledge that we are obliged by timidity and national egotism to abandon the goal of an open world economy which we have proclaimed since the end of the Second World War. The time has come to choose.●

AGAINST THE GRAIN

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. WYDLER. Mr. Speaker, I would like to direct my colleagues' attention to an article which appeared on Sunday in the Outlook editorial section of the Washington Post. The article "Against the Grain" by William Greider, raises the question of the various degrees of risk which our society is willing to accept for energy production. Mr. Greider cites a recent fascinating study, "Risk of Energy Production," by Dr. Herbert Inhaber, a Canadian scientist.

I summarized the conclusion of the Inhaber study in my submittal to the domestic policy review which the administration conducted on solar programs last year. I recommend it strongly to all Members of the House. It reaches the provocative conclusion that various soft technologies, including most solar approaches for generating electricity, are more risky overall than nuclear power.

I do not believe this study is the last word on this most important question, but it is most important for us to deal with the issue of precisely what type and degree of risk our society is willing to accept. We have heard far too many emotional discussions which brandish the potential staggering loss of life claimed from a nuclear accident which has not yet occurred but yet ignore the deaths which occur every day from coal and oil and ultimately the power requirements for many solar technology systems.

I heartily recommend both the Greider article and Dr. Inhaber's study to all my colleagues who want a realistic perspective so to arrive at responsible solutions to our energy supply problem.

AGAINST THE GRAIN—THE THREAT OF THE KILLER WINDMILLS

(By William Greider)

In the atomic age of rock 'n roll affluence, one of the continuing burdens of citizenship is keeping up with the latest public threats to life and limb. Here is another to add to your list: killer windmills.

I have in my possession an official government study which sounds the alarm. When windmills are spread across America generating electricity, thousands of people will be maimed and killed as a result.

Solar power will be nearly as dangerous as windmills, the report warns. Why haven't we been told this before?

Good grief. The cold statistics have an even scarier message for us. Solar power and windmills, according to this government report, will be more dangerous than nuclear power plants. This is chilling news, if you thought the world was headed toward a soft energy future of wind and sun, where nobody gets hurt.

I am being playful about killer windmills and the death-dealing side effects of solar power because I assume, no matter what dreadful statistics I offer, most people of ordinary common sense will refuse to be scared. If I add the small fact that this particular study—"Risk of Energy Production" by Herbert Inhaber—was done for the Atomic Energy Control Board of Canada, that would irrevocably tarnish its conclusions for most skeptics.

Nevertheless, the Inhaber report is an elegant body count, provocative because it perversely turns the tables on the "soft technology" futurists. With prosaic charts and tables, Inhaber insists that all of the casualties be counted, not merely the imagined masses who perish in our collective fright vision of nuclear calamity, but the real ones who die everyday, in the here and now.

Implicitly, Inhaber attacks the religious assumptions which surround this question of risk and fear. If windmills are not safe, from whence will come our salvation?

Everyone is free to choose his own fears. If the fourth freedom is freedom from fear, the fifth is freedom to fear, picking and choosing from the parade of potential catastrophies. If the breakfast bacon does not poison us, perhaps the hamburger at lunch will. If fire does not fall from the sky someday, then maybe a silent, odorless, irradiated wind will come around the corner and blow death up our noses.

As our attention scurries from one grave risk to another, as experts offer new entries on the list, our pursuit of fear coalesces, strangely enough, with our pursuit of entertainment. Great fires, plane crashes, nuclear holocaust, dread diseases revived from the Middle Ages—these are staple themes on TV. These disaster dramas all teach the same lesson: The stresses and strains of mass death bring out the best in people. Or reveal serious character flaws in the arrogant: The fat man dies well, but the blustery cowboy turns to jelly.

This is not very entertaining, really. It is more like sick laughter in a greasy burlesque hall. The lesson on "character" makes us feel righteous, while actually we are laughing at both the fat man and the blustery cowboy. Because they are dying and we aren't.

Ultimately, this proliferation of entertaining fears becomes a crippling condition, a confusion that deepens the modern sense of impotence. The supposed dangers of modern life—an unseen wind, a menacing cloud, a stain in the hamburger—are not only beyond our personal control, but even beyond the grasp of our ordinary common sense. Few of us can pick or choose reliably among the best things to worry about, even killer windmills, because we don't understand statistical probability or even low-grade chemistry. All fears may be regarded as equally frightening in the land of the free, home of the brave, if you are inclined toward worry.

Some citizens, confronted with this confusion of potential killers, choose to relax and enjoy our hamburgers. This attitude is usually denounced as dumbheaded and hedonistic. Certainly, it's hedonistic but I'm not so sure it's that dumb.

On the whole, we prefer the long, pleasurable life of modern comforts to the shorter, sometimes dreadful lifespans which preceded industrial society. Having examined the available evidence, we conclude that something or other will kill us all, someday, despite fears, despite eternal vigilance. We accept a heretical notion: Dying can't be all that bad, if everybody does it.

Other citizens, who are more conscientious, demand government action. If you wish to understand the federal government in all of its eccentricities, think of a gigantic and diverse organization dedicated to defending us against death. Study the budget—from the Pentagon to the anti-cancer research, from the Federal Trade Commission to the campaign for safe cars—and you will see many worthy and many ridiculous goals. Huge heaps of money are stocked against rather modest dangers, almost the way primitive peoples placed sheep and goats on the altars of vengeful gods.

This religious quality of modern spending—deliverance in the here-and-now, not the hereafter—explains why people feel especially bitter if the government betrays them and does something to kill people, instead of saving them. This deliverance is noble work but bound to fail, ultimately, for reasons which, alas, lie beyond Congress or the president.

In the modern realm of public fears, real risks in the here-and-now somehow sound less frightening than the limitless possibilities of future calamity. Thus, 150 or so miners will be killed every year in coal-mine accidents; another 14,000 or more will suffer disabling injuries. This is happening every year, with extraordinary regularity, despite the federal safety laws, but nobody is marching to close down the coal mines. For that matter, nobody is turning off their lights to save a coal miner.

Coal kills ordinary citizens every year, too, through pollution of the air. So does oil. This is happening right now, in our own time, but it does not seem to scare people half as much as the possibility that someday, somewhere, if something goes wrong, a nuclear power plant might melt down and spew forth radiation and kill, rather quickly, 10,000 or, who knows 100,000 people.

So far, this calamity has not happened in nearly 25 years of operating commercial nuclear plants. Indeed, according to the U.S. Nuclear Regulatory Commission, not a single American worker has died in a commercial nuclear plant because of radiation accidents, a claim which is not vigorously disputed by the anti-nuke critics. That is a marvelous industrial-safety record compared with competing fuels, especially coal, yet it doesn't really settle any of the fears. The basic fear casts forward into future generations and defines probability curves which translate into nightmares.

For many, this is more compelling than the known record. The Inhaber report can state with absolute reliability that some people, perhaps many people, will be killed by windmills and solar power. There is no mystery about it. Both of these "soft" energy systems, regardless of their other virtues, require heavy manufacturing of hardware, much more than a nuclear power plant when compared on the basis of how much electricity each produces. That means additional industrial deaths and injuries in the steel and glass factories (and in coal mines), plus more public hazard from industrial pollution.

For example, Inhaber estimates that a solar thermal plant (or plants) requires 20 times more steel, 13 times more concrete, twice as much construction labor as a nuclear plant producing the same amount of electricity. In proportion, he adds up the known frequency of industrial deaths and accidents from steel making, from coal mined to make steel, from glass and aluminum, from construction. Then he adds the known pollution effects of producing those materials. (Solar advocates, incidentally, consider this a virtue because the heavy hardware means more industrial jobs.)

Inhaber adds another risk to the "soft" energy sources—the work-related accidents of a coal-fired back-up plant. Neither windmills nor solar plants are constantly reliable, but most of us still want electricity on windless, cloudy days, so presumably we will insist upon a back-up system which can be easily turned on or shut down, depending on the weather. That means a coal-burning auxiliary generator.

Inhaber does similar calculations for oil and coal which demonstrate, rather dramatically, how dangerous those energy sources are to human life, compared to all others. The safest source, by his calculations, is natural gas—followed closely by nuclear power.

That claim, of course, is where the arguments start. Inhaber's statistics already have been attacked for grossly overestimating the material requirements and, thus, the human risk of windmills. Anti-nuke experts in Canada and elsewhere have savaged Inhaber's claims. The National Research Council of Canada attacked both his methodology and his research as unreal. He underestimates the probabilities of death from a nuclear meltdown and low-level radiation emissions, while he grossly exaggerates the necessary industrial hazards of manufacturing the "soft" alternatives, the critics charge. Some of their complaints sound, strangely enough, like the complaints which the nuclear industry makes when its critics draw scary pictures of a nuclear holocaust in our future.

What are the probabilities of accidental disaster? The question stretches over an infinity of future generations, so that only experts can pretend to know. Inhaber points out that the western industrial nations have now had 2,000 reactor years of operating experience without a meltdown. That doesn't prove a meltdown will never happen. It does imply that the odds are at least more remote than 1 in 2,000.

The anti-nuclear argument responds: That's swell, but suppose the odds are 1-in-5,000 or 1-in-10,000? The more nuclear plants we build, the sooner we will get to the catastrophe. It is an article of faith among nuclear opponents that one catastrophe, anywhere, would close down the whole business. Frightened citizens would march on their neighborhood nuke and insist that it be turned off.

Maybe. It depends. It depends on who gets killed and how many get killed. The nation did not close down coal mines when hundreds of miners died or stop flying on airplanes when the big jets started crashing. The level of risk might simply be absorbed by most folks, as another of life's uncertain elements. Nobody wants to die, but we also don't want to be without electric lights.

So which risk shall we fear the most? The actual ongoing deaths caused by coal and oil? The nearly certain deaths, smaller in number, which will be caused by manufacturing solar and wind power hardware? Or the possibility of truly staggering calamity from a nuclear accident which has never happened, but someday might?

A reasonable person does not wish to choose among these fears, but there's the catch of our modern condition. You must choose. Somebody is going to get killed in order to bring you electricity. The choice involves more than entertaining fears, yet the choice requires calculations which most of us are not equipped to make.

The anti-nuke experts have a wonderful phrase for this predicament. It's a mathematical expression: "the zero-infinity dilemma." The Union of Concerned Scientists explains the "zero-infinity dilemma" for us:

"Zero times infinity is indeterminate. This dilemma prevents the public from being able to reasonably assess the risk: Is the risk negligible because the event may never happen or large because the consequences are so great?"

I think the "zero-infinity dilemma" aptly describes the political confusion of the modern citizen with his infinity of fears and his longing for zero risk. It is a civilizing departure for human society to look far forward into the future and worry about what this scary new technology will do to the grandchildren or the grandchildren's grandchildren. But it is also cheap entertainment—an easy fear with zero risk in the here-and-now for those of us who are not coal miners.●

IRAN'S TURMOIL MISUNDERSTOOD

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HOWARD. Mr. Speaker, today Iran's Ayatollah Ruhollah Khomeini returned after 14 years in exile to a country torn by civil strife and facing economic collapse. In view of the U.S. stake in that country and in hopes of shedding some light on the situation there, I would like to submit for the RECORD a column which appeared recently in the Newark, N.J., Star Ledger.

The author, Dr. Faramarz Fatemi, is professor of political science and Middle Eastern studies at Fairleigh Dickinson University. His book, "The U.S.S.R. in Iran," will be published later this year.

The article follows:

U.S. IGNORED INEVITABILITY OF THE SHAH'S OVERTHROW

(By Faramarz Fatemi)

In off the record conversation, Administration officials expressed the fear that if the Shah of Iran were to abdicate or was ousted, the ensuing struggle between rival generals and military cliques would lead to further chaos, civil war and the disintegration of the Iranian nation. For this and other reasons, the Carter Administration continued to favor a "political solution" which would keep the Shah on the throne, but would bring at least some of the opposition elements into a government pledged to guarantee democratization of the country.

But the reality of Iran today is such that contrary to the actions of President Carter there can be no stabilization of the country, no political order and economic restoration so long as the Shah tries to remain at the helm of the state. It is evident that despite the enormous quantity of money and sophisticated weapons lavished upon the Shah's army, it has shown itself totally unable to restore tranquility, even by repeatedly shooting and killing unarmed demonstrators. Consequently, it has turned into a bandit army marauding, pillaging and destroying innocent lives and property. The toll of the dead over the past year of demonstrations, rioting and repeated clashes with the police and army is conservatively estimated at several thousand. And yet, despite the terrible casualties, the demonstrations, strikes and protests continue and indeed have intensified.

In the United States the Iranian developments are presented mostly in a shallow distorted and erroneous manner. The long struggle and suffering of the Iranian people have been reduced by the press to simplistic conclusions, such as, "the alternative to the Shah is communism," or the opposition is led by "reactionary Islamic clergy, who oppose the Shah's modernization programs."

But the fact is that for some 40 years there have been strong indigenous forces that have sought democratic government and opposed all foreign domination.

These forces were led in 1940s and 1950s by Dr. Mohammed Mussadeq. In 1944, as leader of Iran's parliament, he fought to keep the Soviets from gaining control over Northern Iran. In 1951, Mussadeq played a leading role in the nationalization of British oil interests. Dr. Mussadeq's popularly supported government was overthrown two years later in a CIA-sponsored coup d'etat. Democratic rule was thus terminated and the Shah's illegitimate dictatorship was inaugurated with the blessing and support of the United States.

Many Westerners erroneously assume that because Iran was ruled during most of its 2,500 years of history by monarchs that the Iranian people are deeply attached to the institution of monarchy—and specifically the Pahlevi dynasty. Nothing is further from the truth. Since 1896 out of six Shahs, one was assassinated, one was forced in 1906 to surrender his power and accept constitutional government; three, including the father of the present Shah were deposed.

Much of the current ferment against the monarchy is political and economic. But partly it is also religious and ethical. The people view the Shah as a tyrannical and unjust ruler, who has violated the moral and religious precepts of the country. The Shah has tried to impose his will from the top without either the participation or consent of the people. He has never differentiated between dissent and disloyalty. Thousands of people have been jailed for criticizing corruption, inefficiency, press and speech censorship and police repression.

The Shah has sought to destroy all opposition by establishing SAVAK (secret police), 200,000 strong. It has been organized, trained and armed with the most sophisticated weapons to murder, rob, torture and destroy many individuals and families.

Much of the protest is also the result of economic blunder, inefficiency and fraud. The Shah himself, his relatives and entourage have been for years the center of national corruption. There is no significant development project initiated without either the Shah or a family member involved. Princess Ashraf, the Shah's twin sister, is the worst representative. The people have scornfully dubbed her "the heroin queen," because of her long years of association with the drug traffic.

In a speech given last month, the Shah apologized to the Iranian people for "past mistakes, illegalities, cruelty and corruption." He also announced that there is to be an inquiry into the royal family's sources of wealth and property. Most Iranians remain skeptical. They ask how could mistakes of such magnitude be admitted and the Shah left out of the inquiry? Shouldn't the first indictment be against the Shah?

The result of the last 15 years of mismanagement is that the Iranian economy, industry and agriculture have been destroyed. Inflation is unbearable. Cities have become polluted, overcrowded, clogged with cars and intolerable traffic jams. There is a chronic shortage of housing. The people must pay high prices for such essentials as food, clothing, and rent.

Over the past 25 years of the Shahs' dictatorship a political vacuum has been created by the destruction of all structured political opposition. For this reason the Islamic clergy has assumed the leadership of the broad popular upheaval. It is absurd to call the clergy, "reactionary religious fanatics." The Mullahs (clergy) have been a progressive force in exposing the Shah's autocratic rule and the extent of corruption and moral decay of the regime. They have united every strata of society. Landless peasants, industrial workers, merchants of the bazaars, students and intellectuals have answered the call of the Islamic leadership for revolutionary actions. Ayatullah Ruhollah Khamaini has become the symbol of the revolution.

To meet the legitimate claims of the Iranian people and establish the procedures for a peaceful settlement of the crisis, the following steps must be implemented.

1. The Shah must abdicate.

2. A regency council and a civilian coalition government has been formed. Their first priority should be to prepare the nation for a referendum followed by an election.

3. The referendum should decide the fate of the monarchy.

4. The people should then elect a constituent assembly, which would draw up a new constitution as a framework for democratic rule.

The United States has a high stake in a prompt and peaceful solution of the protracted Iranian crisis. The longer the chaos continues, the more Western economic interest will be threatened and the continuous flow of Iranian oil curtailed.

By taking the side of the Shah, against the Iranian people, the United States is heavily mortgaging future relations and economic ties with the new Iranian government which will inevitably be brought to power by the tide of popular revolution.●

ADMINISTRATIVE RULEMAKING REFORM BILL

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LEVITAS. Mr. Speaker, since the opening of the 96th Congress just 2 weeks ago, nearly 120 Members have already joined me in sponsoring a bill to help the American people regain control of our Government.

My Administrative Rulemaking Reform bill, H.R. 1776, will give Congress the right to review, and, if necessary, veto, in advance, any rule or regulation issued by unelected bureaucrats.

Laws should be made by persons elected by and accountable to the citizens of this country. It is, therefore, most appropriate that the number of this bill, H.R. 1776, is a reminder of the year of American independence and liberty.

This bill is not partisan; it is neither conservative nor liberal and its sponsors come from all across America and all across the political spectrum. It simply means that the duly elected representatives of the people will have the chance to consider rules and regulations before they go into effect, and the chance to stop them from going into effect if they are outside the intent of the law, overly burdensome, arbitrary or just plain stupid.

The following is a list of those Members who have already joined the H.R. 1776 "Honor Roll" for congressional control of and accountability for the laws. I welcome our other colleagues to join us and add their names to the H.R. 1776 Honor Roll.

LIST OF COSPONSORS OF H.R. 1776

Mr. Abdnor, Mr. Alexander, Mr. Anderson of California, Mr. Andrews of North Dakota, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Barnard, Mr. Benjamin, Mr. Bevill.

Mr. Blanchard, Mr. Boner of Tennessee, Mrs. Bouquard, Mr. Brinkley, Mr. Brown of Ohio, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mr. Butler, Mr. Campbell, Mr. Carr.

Mr. Chappell, Mr. Cleveland, Mr. Coelho, Mr. Coleman, Mrs. Collins of Illinois, Mr. Corcoran, Mr. Coughlin, Mr. D'Amours, Mr.

Daniel, Robert W., Jr., Mr. Daschle, Mr. Davis of South Carolina.

Mr. Derwinski, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of Oklahoma, Mr. English, Mr. Evans of Georgia, Mr. Forsythe, Mr. Fountain.

Mr. Fowler, Mr. Gaydos, Mr. Gephardt, Mr. Gingrich, Mr. Ginn, Mr. Gradison, Mr. Gramm, Mr. Gudger, Mr. Guyer, Mr. Hagedorn, Mr. Hamilton, Mr. Hefner, Mr. Hinson, Mr. Holland.

Mr. Hollenbeck, Mrs. Holt, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Hyde, Mr. Ichord, Mr. Jacobs, Mr. Jenkins, Mr. Kemp, Mr. Kildee.

Mr. Kindness, Mr. Kramer, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lee, Mr. Lent, Mr. Lloyd of California, Mr. Long of Maryland, Mr. Lott, Mr. Luken.

Mr. Madigan, Mr. Martin, Mr. Mathis, Mr. Massoli, Mr. Mavroules, Mr. McDonald, Mr. McKay, Mr. Mineta, Mr. Montgomery, Mr. Moore, Mr. Myers of Indiana.

Mr. Neal, Mr. Nichols, Mr. Nowak, Mr. Panetta, Mr. Pashayan, Mr. Pepper, Mr. Price, Mr. Pritchard, Mr. Ratchford, Mr. Roberts, Mr. Roe, Mr. Roth.

Mr. Runnels, Mr. Santini, Mr. Sensenbrenner, Mrs. Snowe, Mr. Snyder, Mrs. Spellman, Mr. Spence, Mr. Stockman, Mr. Volkmer, Mr. Whitehurst.

Mr. Whitley, Mr. Wilson of Texas, Mr. Winn, Mr. Wyatt, Mr. Yatron, Mr. Young of Missouri, Mr. Zeferetti.●

NATIONAL BOY SCOUT WEEK

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. NATCHER. Mr. Speaker, it is a privilege for me to call attention to the week of February 7 through 14 as National Boy Scout Week. The Boy Scout organization has received national acclaim through the years and most deservedly so. The number of Scouts who have gone on to become our country's leaders, encompassing all walks of life, is well documented. Theirs is an outstanding and enviable record.

Nothing that is worthwhile in life is achieved without hard work and dedication of purpose. It takes firm and able leadership to instill the code of honor, respect for authority and good citizenship into a young mind that is willing to absorb and grow; grow with his friends in character, health and mental alertness and to develop self-reliance and the desire and ability to help others.

The strength of our country lies in the character of its people, and the Boy Scouts help to mold, and then nurture, the essential qualities that form the basis of a sound and productive person in our society. In this way the Scout matures into an asset to his community and, in turn, to his country.

We need the Boy Scouts of America, and I would like to take this opportunity to congratulate them on a job exceptionally well done.●

SENATE—*Monday, February 5, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, Father of all mankind, from whom cometh all authority to rule among the people, make us mindful of Thy favor in giving us this good land for our heritage. Bind together as "one nation under God" the multitudes of many kindreds and tongues who people the sovereign States comprising our Federal Union. Give Thy higher wisdom to those who make the laws, to those who execute the laws, and to those who protect us from destructive powers within and without.

Infinitely wise and gracious God, keep the people of this Nation under the shelter of Thy grace. Be Thou a shield to the young and a staff to the aged. Succor those who are in want, in sickness, or in sorrow. Enlighten those who are in darkness, sustain the weak, guide the erring, and lead Thy people in the way of life everlasting.

Through Him who is the way, the truth, and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 5, 1979.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. NUNN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two orders for recognition of Senators today, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 15 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no order, motion, unanimous-consent agreement, or action that would relate to, impact on, or prejudice my resolution and/or pending motion be in order during the period for the transaction of routine morning business, prior thereto, or following thereon today.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

S. 331—A BILL TO REQUIRE A BALANCED BUDGET WHEN THE ECONOMY GROWS AT A REAL RATE OF 3 PERCENT OR MORE

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from Delaware (Mr. ROTH), the Senator from Wisconsin (Mr. NELSON), the Senator from South Dakota (Mr. PRESSLER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Georgia (Mr. NUNN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Missouri (Mr. DANFORTH), the Senator from Arizona (Mr. DECONCINI), and the Senator from Nebraska (Mr. EXON), I send a bill to the desk and ask for its appropriate referral.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

Mr. PROXMIRE. This bill would mandate a balanced budget whenever the real economic growth in the country equals or exceeds 3 percent. The bill would permit the Congress to set aside the requirement by a two-thirds vote in the event of a national emergency.

If this bill had been the law of the land, we could have had a balanced budget and at least a modest surplus in 12 out of the last 17 years and a deficit in 5 years. Instead, we had a balanced budget in only 1 of the last 17 years, deficits in 16 years with large deficits in many of them.

Enactment of this bill into law will go a long way toward reducing inflationary pressures now and in the future. More important will be a clear signal to American business and labor that the Government truly means business about holding down spending and eliminating inflationary deficits.

AVOIDS RIGIDITY

At the same time, the bill has the virtue of avoiding the rigidity of a mandatory constitutional amendment requiring a balanced budget in all economic circumstances including Presidential election years—unless the Congress by a two-thirds vote determines the Nation is in an emergency.

It would add a vital countercyclical tool to our efforts to achieve economic stability. In the event of a recession, a deficit stimulating the economy would be automatic. In the event of a vigorous inflationary expansion, an automatic surplus would be assured, restraining inflation.

Proposals to mandate a balanced budget regardless of economic developments would be counterproductive if the economy suffered a deep recession or depression. This bill would provide a balanced budget and a surplus whenever economic conditions warranted such a policy and a deficit whenever economic conditions required stimulation.

A major virtue of the bill is that it would adjust to forecasting error. If administration economists expected a slowdown in growth and the economy instead grew more rapidly, the Proxmire bill would adjust to that by automatically pulling the budget closer to balance and a surplus.

For example, if the bill were currently law, the administration's forecast of 2.2-percent real growth in 1980 would, if it turned out to be accurate, permit a modest deficit. But if real growth turned out to be 40 percent, the increased revenues and decreased expenditures flowing from the higher rate of growth would produce a surplus.

WHY 3 PERCENT?

The 3-percent real growth figure is selected as the level at which a balanced budget would be required for several reasons:

First. It would require a balanced budget in most years and under normal economic circumstances;

Second. It is close to the long term level of real economic growth in this country throughout most of our history;

Third. It would require a rigorous discipline that would over time eliminate the inflationary effect of Federal deficit spending and require the President and the Congress to make more painful but responsible decisions on holding down spending and providing adequate revenues to prevent the Government from becoming an engine of inflation;

Fourth. It would provide a margin for economic stimulus, not only in periods of outright recession but in periods of slow growth when manpower and plant facilities were underused.

While I propose the 3-percent real growth rate as the level at which the law should require a balanced budget, there is no magic in the number. Hearings on the bill might develop a stronger case for a somewhat lower or higher figure as the proper cutoff level.

It is vital, however, that Congress pass this bill or something close to it. No responsible person can deny that the Federal Government's record of continuous large deficits in years of prosperity and expansion is inflationary. Year after year Presidents and congressional leaders pledge that budget balance is just around the corner, and year after year the massive deficits go on.

The national movement for a rigidly balanced budget riveted into the Constitution has caught fire in the State legislatures. It is likely that this year the 34 States necessary to mandate a constitutional convention will have acted. Their call for Federal fiscal responsibility deserves a congressional response; in fact, it demands a response. Without action of the kind this bill provides, the Nation may be pushed down a dangerous road of a wholesale, unrestrained constitutional amendment and locked into a rigid budgetary straitjacket that could plague our Nation with years of deepening recession.

On last Wednesday, in appearing before the Joint Economic Committee, Treasury Secretary Blumenthal rightly said inflation will not be stopped in a year or two; it will take a long-term commitment to hold down Federal deficit spending and to show we mean it. The Secretary was dead right.

But without this bill or something like it, there is nothing committing this Nation to a restrained fiscal policy, nothing but the same empty rhetoric of promises that evaporate in the heat of spending pressure. This bill will show that this country does mean business—genuine, long-term business with a commitment to a balanced budget under all reasonable circumstances.

The bill puts the precise responsibility on the President that he can and should bear. The President cannot be held fully responsible and the Congress cannot be held fully responsible for a recession or depression that could be caused by far-reaching economic development ranging from consumer decisions on spending; or business decision on investment and inventories; or foreign countries decisions on increasing or decreasing their U.S. purchases or the availability or unavailability of reasonably priced supplies of energy, or the huge variety of wage settlements in this immense, complex economy. No one with the most rudimentary understanding of economics would blame Herbert Hoover for the depression or credit President Carter with the 4 million additional jobs that Americans found in this country in the past year.

What is the President and what is the Congress responsible for? We are certainly responsible for the level of expenditures and the level of taxes that make up the Federal budget. It is completely within the control of the President and the Congress to provide for a level of spending and taxing that will result in a balanced budget whenever the real growth rate of the economy is at a 3-percent level. That does not mean the President or the Congress can in fact be sure to balance the budget under all circumstances. We cannot. That depends on whether the economy grows or declines. The President does not control that.

But this bill would tell the President that if he proposes additional spending he must go through the discipline of recommending additional revenues. It would tell him that if he proposes to cut taxes he must provide for a balancing reduction in the rate of expenditures.

It does not mandate a balanced budget if the economy stagnates or declines because such a mandate would demand an impossible performance on the part of the President, and if he tried his best to comply he could in the event of a recession drive the country into an ever more serious economic slump.

But it tells the President that if this country performs economically as it has on the average during the past 200 years, that it is growing in real terms at a 3-percent annual rate the President must balance the budget in every year that takes place.

This bill will stop the Government's performance as an engine inflation because it will prevent the Government from running inflationary deficits in periods of raipd growth. In the likely event the country continues to grow at its historic rate, the national debt with its heavy burden on the taxpayer of rising service charges would stop growing. The economy would be restrained in periods of rapid growth by a surplus. The more rapid the economy's growth, the bigger the surplus. For instance, if the economy grew at a 4-percent rate under present circumstances the surplus would be about $14 billion. At a 5-percent rate the surplus would be about $28 billion. On the other hand if the economy grew at a 2-percent rate the deficit would be $14 billion, and if there were a recession with the economy declining the deficit would be even more substantial. But that deficit would serve the very useful purpose of stimulating the economy when the economy needed it and restraining the economy when that medicine was appropriate.

Mr. President, obviously I am very enthusiastic about this bill. I think it will do more to stabilize our economy than any action the Congress has taken in a long time. And it would be the first action taken by the Congress that would deliberately stabilize the economy not only on the downside—that is when recession threatens—but on the upside when rapid expansion threatens inflation.

At the same time, Mr. President, let me hasten to add this amendment does not do everything. It does not mandate a limit on spending. It will tend to discourage spending. It will provide a discipline that will make spending more accountable, because a President or Congress that favored big new spending programs would have to find the revenue to balance that increased spending in order

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to maintain budget balance at 3-percent growth. And the discipline of imposing new taxes or foregoing tax reduction would serve as a restraining influence on spending. This is a discipline that has been sorely lacking in the past, particularly in the past 17 years when we have a fivefold explosion of Federal spending, with deficits in 16 out of the past 17 years and growth above the historic 3-percent growth level in 12 of the past 17 years.

Yes, the bill will tend to inhibit spending. It will make it more responsible.

For many—including this Senator—that is not enough. So I would welcome the proposal by a number of prestigious economists including such luminaries as Friedman, McCracken, Stein, and others who favor legislation that would require a reduction of Federal spending over the next several years as a percentage of the gross national product.

In fact, I think that the present Presiding Officer, Senator NUNN, of Georgia, proposed exactly that last year and it passed the Senate. I was delighted to support that. It was a thoughtful proposal, and I hope the Senator from Georgia will push that kind of proposal this year. It makes sense.

That proposal is right and appropriate but it would not be an essential part of my bill.

What this bill does is to provide that if we do more—that is spend more—we must go through the discipline however painful that may be of paying for it. This is the price we must pay to stop Government spending as an engine of inflation.

One of the most persistent questions asked about this bill is this: Would not this restrain the Government from vigorously stimulating the economy when it is just emerging from a recession and would not that kind of vigorous stimulation be an appropriate way to reduce high levels of unemployment and move a stagnant economy?

The answer is that this is precisely what has been wrong with the policies we have followed in the past.

We came out of the 1974–75 recession with a roaring gangbuster approach that has given us successive deficits of $45 billion in 1975, $66 billion in 1976, $45 billion in 1977 and $48 billion in 1978, and has also given us 9-percent inflation in 1978 with the prospect of punishingly high inflation for years to come.

If the performance of Federal spending has taught us anything in the past few years, it has taught us that Presidential rhetoric and congressional promises to do better next time will not give us balanced budgets even when the economy is racing ahead with vigorous growth and when inflation is the biggest economic issue facing our country.

One eminent economist suggested to me on Saturday that this resembles what the old Committee on Economic Development had suggested—that is, a full employment balanced budget. There is something to that but the difference is very significant. The full-employment balance was based on a budget that would be in balance only when unemployment was at 3 or 4 percent level. That rate of unemployment is just plain out of sight over the next several years.

To follow the full employment concept would consign us to budget deficits for years to come. In fact, if that concept has been in place we would have had deficits even bigger than the ones we suffered in every year since 1970. In the past 20 years the budget would have been in balance only during the peak of the Vietnam war.

But the requirement to balance the budget whenever the economy is growing at a 3-percent real rate or better would assure that at long last we would in fact have a budget balanced over the business cycle.

For years economists have talked of balancing the budget over the cycle. I am sure that most of would want to do that. But we have not come close. Why? The answer is simple. Because we have not required it by law. This bill would achieve that balance over the cycle, provided the economy performs as it did on the average during the past 200 years.

THE WORLDWIDE REVOLT AGAINST BIG GOVERNMENT SPENDING

Mr. PROXMIRE. Mr. President, any notion that the taxpayer's revolt is just another far-out California phenomena, or even an American aberration, is challenged by an article that appeared in yesterday's New York Times. It seems that even in Europe a continent where countries have been out-in-front of this country in the explosion of government spending, there may be the beginning of a turn-around.

Here are some of the developments:

First. In The Netherlands the Government plans to cut spending by $3 billion during the next 3 years and to limit borrowing to 4½ percent of the national income.

Second. In France there has been fierce resistance to attempts to raise local taxes.

Third. Sweden, Austria, Norway, and Finland had substantially lower Government consumption outlays in 1977 and 1978.

Fourth. Two Oxford University economists examined the effects of public spending on industrial structures and decided it tends to cripple growth rates of Western economists by checking the private sector's investment and its ability to create jobs.

Fifth. The Hudson Institute of Europe came to a similar conclusion.

Sixth. David Smith, of Britain's National Westminster Bank, estimates that each five-point increase in the disposable incomes taken by Government consumption lowers national growth by one point. Reason: Governments tend to waste resources because their outlays are not subject to the signals and disciplines of the marketplace.

Seventh. The most prestigious international economic organization of the world's industrial countries—the Organization for Economic Cooperation and Development—has declared in a recent study that the risk of misallocation rises when expenditure is rapidly increased because this typically implies large shifts in the pattern of expenditure and thus increases the strain placed on the normal review and control mechanisms.

However, the withering away of the State is a long, long way away. In fact although the OECD does set a rapidly slackening rise in public spending, it sees no chance of declines. The OECD concludes that absolute cuts would occur only if economies slumped in an unprecedented way. There are simply too many vested interests.

In 1975 only Japan and Australia of the major developed countries of the world enjoyed a lower level of government spending as a percentage of the gross national product than the United States.

The slowdown in growth is of very recent origin. Between 1962 and 1975 every major country without exception suffered an increase in government spending as a percent of the gross national product and only Japan had a smaller percentage increase than did the United States.

Mr. President, I ask unanimous consent that the article by Robert D. Hershey, entitled "Europeans Losing Faith in Public Spending," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EUROPEANS LOSING FAITH IN PUBLIC SPENDING

(By Robert D. Hershey, Jr.)

In the Netherlands people are talking about Bestek 81, the Government's plan to cut spending by $5 billion during the next three years and to limit borrowings to 4½ percent of the national income. In Denmark, the antitax Progress Party has grown so that it is now the second biggest in Parliament.

In France, taxpayers have resisted fiercely attempts to raise local taxes, and last summer West Germany sent a television crew to Japan for two weeks to record a visit by Howard Jarvis, the father of the tax revolt spreading across the United States.

Throughout Europe there are mounting signs that after a quarter century or more of rapid increases, public spending is approaching its economic and political limits.

You have a mixed pattern, but it all points in the same direction as Proposition 13, said Jean-Pierre Poullier, a specialist at the Organization of Economic Cooperation and Development in Paris. "Governments are recognizing they can't have economic recovery without incentives to investment, and one of the best ways to do this is shift away from the government sector."

The most recent figures published by the O.E.C.D., whose members are the main industrialized countries, show that public spending spurted from 28 percent of national output in 1955–57 to 34 percent 12 years later and to 41 percent by the mid-1970's.

This represents an advance in spending for such things as health, education, defense, social security, transport, housing and agriculture of two-thirds of a percentage point every year.

But there is now reliable evidence that this rapid rise is tapering off. Sweden, Austria, Norway and Finland, for example, had substantially lower government consumption outlays in 1977 and 1978, and analysts think that by next year there will be a broad and obvious impact.

Unlike the United States's experience, where the drive to curb public spending began at the grass roots, in Europe the governments have taken the lead themselves. Popular resistance, such as it is, remains disorganized, and partly because of constitutional problems, virtually no antispending measures have reached the ballot.

In the last few years, a time marked by recession and high inflation in most countries, much research has been done on the effects of public spending. Two Oxford University economists, Walter Eltis and Robert Bacon, examined its effects on industrial structures and decided it tends to cripple growth rates of Western economies by checking the private sector's investment and its ability to create jobs.

The Hudson Institute Europe came to a similar conclusion, as has David Smith of Britain's National Westminster Bank. Mr. Smith estimates that each five-point increase in disposable income taken by government consumption lowers national growth by one point. One reason is that governments tend to waste resources because their outlays are not subject to the "signals" and disciplines of the market.

"The risk of misallocation rises when expenditure is rapidly increased," the O.E.C.D. declared in a study, "because this typically implies large shifts in the pattern of expenditure and thus increases the strain placed on the normal review and control mechanisms."

Some also argue that government benefits often seem to reduce incentives to work, although others dispute the point. According to John Kay, research director of the Institute for Fiscal Studies here, there is much talk about loss of incentive—particularly in Britain where the personal income-tax rate hits 83 percent at the $42,000 level, "but the amount of hard evidence for it is hard to come by," he noted.

Almost all O.E.C.D. countries have raised their public spending faster than their total output. This so-called elasticity ranged in the 1972 to 1976 period from 1.05 for Greece to 2.08 for Switzerland. The United States, at 1.25, was slightly below average.

To some extent, the sharp increases in share of national production spent by governments, either in consumption or in transferring wealth from one group to another, can be accounted for by recession after the quadrupling of oil prices five years ago.

But governments do not respond to abstract statistical warnings. The resistance to further big gains, which Mr. Poullier of the O.E.C.D. says "is strengthening a whole lot, in all kinds of areas," has many sources besides recognition of waste.

One factor is that the need for social insurance against illness or unemployment has been largely met in many countries, and in some cases additional spending, such as for advanced education for young people who can't then find satisfying jobs, can even be socially counterproductive.

Another brake is that taxable capacity seems to be reaching its limits. For one thing, countries trying to stimulate private investment are reluctant to raise corporate levies. For another, workers are growing much more aware of how inflation pushes them into higher tax brackets and are bargaining accordingly.

Not all countries, of course, have so far been receptive to the idea of slower spending growth. Europeans still tend to look first to the government to solve almost any problem.

In Britain, where there is an election this year, few people seem to think the Conservative Opposition will make much headway if it tries a major assault on public spending. Mr. Kay of the Institute for Fiscal Studies said he saw no economic or political obstacles to raising the levels again.

Overall, in the view of the O.E.C.D. and others, there is likely to be a further, but rapidly slackening, rise in public spending and no chances of declines. Absolute cuts would occur only if economies slumped in an "unprecedented" way, said Mr. Poullier. "There are simply too many vested interests."

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a bill introduced earlier by the Senator from Wisconsin (Mr. PROXMIRE), dealing with the President's budget, to which he has just alluded, be referred jointly to the Committee on Appropriations and the Committee on the Budget.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kentucky (Mr. HUDDLESTON) is recognized for not to exceed 15 minutes.

Mr. HATFIELD. Will the Senator yield for a moment?

Mr. HUDDLESTON. I yield to the Senator from Oregon without losing my right to the floor.

Mr. HATFIELD. I thank the Senator from Kentucky

WHERE I STAND ON NATIONAL DEFENSE

Mr. HATFIELD. Mr. President, today I am introducing into the RECORD the text of a guest editorial which appeared in the Oregon Statesman-Journal earlier this month.

During my years in the Senate, there has been, from time to time, both curiosity and criticism directed toward my position on national defense. I believe it is important, as this Congress considers the SALT II agreement, that my colleagues and constituents know not only where I stand on national defense, but why and how I arrived at my conclusions.

The text of my guest editorial follows:

EDITORIAL

From time to time, I have been labeled one of the "doves" in the Senate who has been "consistently" opposed to national defense. This accusation stems from my regular "nay" vote on the Defense Department Appropriations bill and appropriations for the military applications section of the Energy Department Appropriations bill. Upon closer inspection of my record, however, it becomes clear that I am not against national defense. The military has a legitimate role in the protection of our society, but I also believe that strong social, economic, and political structures contribute equally to national security and are essential to the strength and welfare of our country.

While each and every defense-related issue must be judged on its own merits, I thought it might be helpful if I constructed a framework from which I make my decisions on any given military matter. Such a review of the premises of my position on defense issues will put my past record in proper perspective. It will also serve as a future guide to understanding the various positions I am called upon to take as the United States Senate considers the direction of U.S. military policy in the 1980's and beyond.

First, it is important to realize that much of my philosophy on defense issues originated from my experience in the United States Navy during the Second World War. As the commander of a landing craft at Iwo Jima and Okinawa, and one of the first Americans to witness the destruction of human life and property as a result of the first use of atomic weaponry in Hiroshima, I have seen war and experienced its ugly devastation. I was struck by the futility of war, and particularly distressed over man's apparent incapacity to learn from lessons of the past and his inability or unwillingness to adjust to changing circumstances in the world. Not long after the end of World War II we found ourselves involved in a new war—the Cold War—but despite the new reality of nuclear weapons, we have allowed ourselves to fall into the trap of thinking that we can guarantee military superiority in the nuclear age. We have expended considerable efforts attempting to maintain our No. 1 position militarily, as though it had some sacred value or actual military significance.

I do not deny that legitimate defense will be necessary as long as we live in a hostile world. But, all too often, our military planning has been based on excesses beyond defense requirements in a nuclear age. Such planning has had the direct effect of wasting precious resources, both human and natural, and the indirect effect of actually causing us more insecurity than security. We expect the world to trust our stated desire for peace, not realizing that perhaps our military might may cause our adversaries to question our motivations and likewise prepare for the war that no one wants. This is the fallacy of the "peace through strength" philosophy. We cannot carry the "big stick" because we cannot use it. Strength as it has been traditionally defined is no longer appropriate. In fact, we have seen on several occasions that relatively minor powers have been able to use the "nuclear stalemate" to expose our very real weaknesses. Certainly, the massive economic power which the various oil exporting nations have acquired gives us a vivid example of the changing dynamics of the international system. Unfortunately, our nation has taken for granted its economic power, and in recent years, we have witnessed a decline due in large part to our propensity for approving unparalleled levels of defense spending in the name of promoting national security. This leads me to my second point.

I reject the argument that military spending is, in and of itself, a valid indicator of our nation's defense posture. More spending cannot necessarily be equated with more security. As I have already shown, we are as a nation in the position of being so powerful militarily that we are actually more insecure (in a military sense) than we have ever been. Comparisons of Soviet-U.S. military spending are made regularly in an effort to "prove" our growing military weakness. Consider the following statement made by then-Secretary of Defense James Schlesinger in 1975: "If one strips away pensions and other such considerations, the Soviets may at this point, in terms of American dollars, be outspending us by 50 percent. They are outspending us, even including pensions, by approximately 30 percent."

First, since the Soviets do not spend dollars on defense, it is misleading and inaccurate to compare dollar levels of U.S.-Soviet military expenditures. Intelligence estimates of Soviet expenditures are based on a calculation of what it would cost to build the Soviet arsenal in this country, and pay its troops the equivalent of U.S. military wages. However, Soviet manpower costs are much lower than ours, and their centrally-planned economy allows them to artificially suppress the cost of material. It is no wonder that, given these facts, our present method of calculation inflates Soviet spending levels. Not surprisingly, if we were to compare our two defense budgets on the basis of rubles instead of dollars, (i.e. figuring U.S. military expenditures on the basis of what it would cost to maintain our present level of weapon sophistication and manpower benefits and wages in the Soviet Union) we would outspending the Soviets by a considerable margin.

Second, while more spending may indicate the purchase of additional military hardware, it may also (and perhaps, more probably, if our experience is any indication) mean that because of inefficiencies, the So-

viets are in fact having to pay more for what they previously could have purchased for less. As I have already alluded, cost overruns, waste, and general inefficiencies drive up the cost of most of our major weapons systems. However, just because we are spending more does not mean that we are buying any more security. As a case in point, during the last session of the 95th Congress, a measure was approved to pay two private construction firms over one-half of a billion dollars just to get them to continue construction on ships which were determined crucial to our national defense. We did not purchase any more ships, however, the unexpected expense was reflected in additional "defense" spending. Would anyone really contend that under these circumstances a larger budget meant additional national defense?

Of course, there are other aspects of the defense spending controversy which hit even closer to home. I am persuaded that our defense budget is the single greatest cause of inflation in this country. We listen carefully to the President speak to the very serious problem of inflation and outline a plan of action to deal with it. Yet, there was no mention of the defense budget's effect on inflation. Talk of cutting the federal deficit is popular nowadays, but one wonders how effective such a program can be when the President has tentatively decided to exclude the largest single budget function, the defense budget, from any cuts. In fact, early reports suggest that the defense budget will be increased by 3 percent.

We must realize that military spending is almost pure inflation. Dollars spent in this part of the economy generate demand through the salaries of military personnel and defense workers and the profits of arms suppliers. But they contribute no offsetting supply of goods and services that can be bought and sold on the market. Hence, there is an inevitable upward pressure on prices. It is interesting to note further that much of the inflation we are experiencing began with the Vietnam War. Prior to the Kennedy-Johnson years, the range of inflation was 1 to 3%. The consequences of our deficit spending policies to finance the approximately $150 billion war effort continue to be felt by Americans today.

As a final point to the question of military spending, it seems to me that as trustees of the tax dollars of the American people, we Congressmen and women have the responsibility to respond to the following question: what level of defense spending will ensure our country's survival? The fact is, after attempting to give a satisfactory answer to this question, we will undoubtedly come to the conclusion that there is no dollar figure which could guarantee our security. Even if we were to spend $200 or $300 billion per year on defense, we could not ensure that the Soviets would forgo any contemplated attack upon this country. The sad fact is that in the nuclear age, we cannot "buy" security no matter how hard we try. This brings me to my third major point, that of military sufficiency.

The American taxpayer should not be asked to pay for, nor does our national security require, a military machine that is qualitatively and quantitatively superior to that of our adversaries in all respects. It is only necessary that we have strength sufficient to perform the mission. In this regard, there is always the danger of making numerical comparisons of forces. In a strict numerical sense, one could easily show that the Soviets lead the United States in many categories, and of course, the temptation is to attempt to use such numerical comparisons to justify more defense spending, regardless of the proportional military value of one increment more of a given piece of military hardware. Mr. John Collins, a Library of Congress researcher and former Army Colonel who is, himself, a strong advocate of the need to strengthen our defense establishment, has concluded in his recommendations that "step one in the process of obtaining a better balance between American and Soviet military strength is to ascertain our true requirements, based on imperative U.S. interests, objectives, and commitments." He continued: "More money may be essential, but bolstering budgets would produce few benefits unless U.S. leaders stand back, survey the strategic forest instead of the tactical trees, challenge assumptions, subordinate special interests, stress proven principles, and press for practical change."

The suggestion is that perhaps the military establishment has not been able to provide the security the American people thought they were buying with their FY 1979, $117.5 billion budget; that perhaps certain service-connected desires have been given higher priority than a coordinated, efficient defense program. This is not to place all of the blame on the military. There are many examples of what has been called the work of the "Congressional-Industrial Complex." Take the following example of Congressional extravagance: this year the Pentagon did not want to buy more A7 attack planes, an aircraft President Carter says is obsolete. But the Navy is buying 12 of them anyway because Congress said it will have them. This meant a $110.4 million addition to the FY 1979 defense budget. More security? Many other examples abound, but the point is that just because we are making billions of dollars worth of purchases, this is no indication that we are necessarily getting "good defense."

Another problem in the numerical approach to defense planning is that often times very basic qualitative facts about our adversary's military arsenal are overlooked. Note the following comparison of the qualitative aspects of our two defense forces: 1) while U.S. missiles maintain a 100 percent readiness rate, Soviet ICBM's are kept at a low rate of preparedness; 2) although the Soviets have more fighter aircraft in Europe, the United States has new fighters such as the F-15 and F-16, planes with a definite qualitative advantage; 3) while the Soviets have been rapidly building their naval forces, only one out of every six Soviet ships is kept in readiness at sea, compared to one in three for the United States; 4) although the United States keeps half of its strategic submarines on patrol, the Soviets have only 11 percent of their 83 missile subs (many of them old-fashioned and noisy) on station at any one time; 5) etc.

Two other very important aspects of the military balance between the United States and the Soviet Union also deserve our attention. First, while the United States is surrounded by two oceans and friendly neighbors, the Soviets are surrounded by oceans which make winter navigation extremely difficult, if not impossible, the Peoples Republic of China and a formidable NATO military force in Western Europe. Such is the seriousness with which the Soviets view the Chinese "threat", that they have been forced to tie down roughly a fourth of their land power, and nearly a fourth of their air power on the border. Preparing defense plans for such a geographic situation would most certainly include the maintenance of a considerable military force. The United States does not have this problem.

Second, in regard to the manpower aspect of the military postures of our two nations, it would appear on the basis of crude figures that the Soviets have a wide lead over the United States—4.8 million for the Soviet Union, 2.1 million for the U.S. However, what is not revealed in these figures is that this disparity in manpower levels existed for more than 20 years excepting the time of our Vietnam build-up. Furthermore, it should be pointed out that, whereas the United States delineates civilians from its active forces in calculating numbers of Defense Department personnel, the Soviets make no such distinction. They use military personnel to perform functions civilians do in this country. Also, it is interesting to note that the Soviets have approximately 35,000 personnel in strategic offensive forces to run roughly the same number of ICBM's, bombers, and submarines as the United States operates with only 75,000 people.

Of course, many more "facts and figures" could be produced, none of them totally able to prove our nation's military invincibility, but at least they paint a picture much less dim than we often hear in the media. Why, I have been asked, do the American people not get this side of the story? The answer to that question was recently given by the Deputy Secretary of Defense (No. 2 man in the Pentagon), Mr. Charles Duncan, in a very candid speech to a Connecticut Council of Navy League luncheon. After enumerating the many qualifications of Soviet military strength he said: "If all this is true, why—you may ask—do some have the view that the Soviet Union has become the world's number one military power? The answer is that, to a large extent, we have created that image ourselves. In the understandable desire to reverse the anti-defense mood and the propensity for reduced defense budgets of the early 1970's, U.S. officials tended to present trends in Soviet military budgets and capabilities independent of the many qualifications (of Soviet power)." This is the position I have taken all along.

I have supported legitimate defense measures in the past such as: Modernization of our strategic B-52 bomber force, funding for the less-expensive but fully capable F-18 fighter aircraft, modernization of our Polaris and Poseidon submarine fleet, and construction of the Trident submarine. Furthermore, I have supported the construction of facilities for U.S. military personnel at home and abroad, and the maintenance of various benefits for military service rendered by our servicemen and women. I have also been a strong supporter of the Coast Guard, and our military reserve components. However, I must continue to reject the Pentagon's affinity for inflating the Soviet threat in an effort to scare the American public into believing that it must continue to sacrifice more and more precious tax dollars to the defense establishment. Apparently the "bomber gap" of the 1950's and the "missile gap" of the 1960's has taught us little about the nature of the military establishment and the extent of Soviet military capabilities.

As a final point under the general subject of military sufficiency, I think it is important to point out that not only does our overall military capability suffer because of our desire to be #1 in all aspects of defense, but our servicemen and women throughout the world also suffer. Much has been said and written about the difficulties of these men and women who are serving their country, yet the only answer we in the Congress get from the Pentagon is "give us more money." Parents and soldiers alike write to me and ask me what I propose to do to maintain this or that benefit, or how would I like to live under the conditions that they have to. The problem is not that there is not enough money; the problem is that the Pentagon wants "more" standing forces than are necessary or than can be properly cared for and trained. Such is among the most unfortunate results of the "build-up-the-Soviet-threat" policy that Mr. Duncan acknowledges takes place.

In conclusion, although I have devoted most of my comments to the arms race between the United States and the Soviet Union, it is a grim reality that last year the *global* arms race consumed approximately $400 billion. This "call to arms" has been taking place despite the fact that much

of the world's violence and instability stems from unmet human needs. We can see today in Iran a vivid example of this proposition, and history is filled with many more. I am totally convinced that a truly stable world order requires meeting the needs of people, rather than merely enhancing the destructive capabilities of governments. Unfortunately, in too many circumstances such neglect of human needs has put us in the position of having to constantly fight the symptoms of a disease we could have cured. A member of the House Armed Services Committee recently stated: "Every single American knows what our problems are. They know there is misery in this country. Rather than assuming the responsibility with courage and conviction, we then talk about the military threat to our country and say, 'We are becoming a second-rate power.' The reality is this: We are a third-rate power right now in terms of our ability to sustain life. We are a third-rate power in our ability to deal with human conditions in this country. We are a third-rate power in many areas that speak to the human misery of people. . . . We are not going to be attacked from outside. We are being destroyed from within."

President Eisenhower put it in slightly different, though profoundly prophetic, terms: "There is no way in which a country can satisfy the craving for absolute security, but it can easily bankrupt itself, morally and economically, in attempting to reach that illusory goal through arms alone. The Military Establishment, not productive of itself, necessarily must feed on the energy, productivity, and brainpower of the country, and if it takes too much, our total strength declines."

Soon the Senate will be considering a SALT II treaty negotiated between the United States and the Soviet Union, ostensibly for the purpose of limiting strategic armaments. However, over the past few days and weeks, I have grown increasingly concerned that efforts to ratify the SALT agreement are, in fact, serving to intensify the arms race rather than control it. As the negotiations draw closer to a conclusion, the Carter Administration has continued to reveal new initiatives in strategic arms development. Presumably, this is an attempt to woo support of SALT II by demonstrating that it will not really affect our intention to develop and deploy new and more dangerous weapons.

We have heard of plans for a new civil defense program costing between one and two billion dollars. Development of the MX and Trident II missiles is being pushed, each costing several billions of dollars. The cruise missile, once a "bargaining chip" in the SALT negotiations, is viewed as a wonder weapon despite the problems it causes for verifiable arms control. Furthermore, there are rumblings in the field of space war technology and particle beam weapons. And, most disturbing and destabilizing of all, plans for a highly accurate, terminal guidance warhead are proceeding.

If this is what it takes to secure ratification of a SALT II agreement, I do not believe it is worth the price. Pretending to control arms while promising more of them is the height of cynicism.

The goal is disarmament, not arms sophistication. An arms agreement ratified on promises of new weapons lends support to the mentality that our security can only be obtained by reliance on the terror of nuclear destruction.

A COMMITMENT TO COAL

Mr. HUDDLESTON. Mr. President, it has been over 5 years since this country went through a 5-month crisis potentially as serious as any we have experienced in our lifetimes. For 5 months, while the Arab oil-producing countries limited production and quadrupled oil prices, thousands of Americans were thrown out of work: Thousands more feared that their jobs would be the next to go; unmeasurable economic disruptions and losses occurred; and all of us spent hours in gasoline station lines. Our very way of life was threatened. We were all, in a sense, Arab hostages.

When it was over, we vowed "never again." We had learned the hard way that we could not afford to rely on anyone but ourselves for something as vital to us as energy. We saw the folly of depending on oil and gas for almost 75 percent of our energy when these fuels constitute only about one-half of 1 percent of our domestic resources. At long last, we began to return to coal to give us a desirable degree of energy self-sufficiency. Three Presidents—Presidents Nixon, Ford, and Carter—strongly committed us to a substantially greater reliance on coal, and to overcoming any obstacles to the utilization of that coal.

We cannot let that commitment waiver. We have made progress toward greater coal production and utilization, to be sure. But, we need only look at the oil import picture to know that we have a long way to go. According to a recent report by the Energy Committee, since the 1973–74 crisis, U.S. imports of crude oil and products have increased sharply from 6.2 million barrels a day in 1973—36 percent of total U.S. oil consumption—to 8.6 million barrels a day in 1977—47 percent of total U.S. oil consumption. Even more alarming, our dependence on the countries that embargoed us has increased from 8 to 21 percent of total domestic oil consumption between 1973 and 1977. And, we posted a record $28.5 billion foreign trade deficit in 1978—a sharp blow to an already faltering economy.

In spite of all this, I fear that with the passage of time, the daily reports of the "gas glut," and the prospect of Mexican oil and gas, our memories of 5 years ago are fading and our commitment to coal is diminishing. Already we have excess coal production capability. Coal is stockpiled throughout the coalfields, many mines are in short workweeks, and layoffs are prevalent.

Nothing could be more shortsighted than letting our commitment to coal falter. The excess of gas is temporary, and the situation in Iran should remind us of the fragile nature of dependence on foreign sources.

We need to continue a vigorous research and development program in coal. Instead, the proposed fiscal year 1980 budget reflects an overall 3-percent reduction in funding for coal research and development. In real terms, this represents a much more serious setback.

We need a strong program of coal conversion research, so that coal can be converted to gases and liquids and substituted directly for many uses of oil and gas. Instead, the proposed budget reflects a drastic step backward. The administration seems on the verge of dropping several promising projects, selecting out some prematurely, and delaying completion of others.

We need strong incentives for the commercialization of these synthetic fuel technologies.

We need a strong transportation network of highways and railroads to move coal from mine to market. Numerous times in the past, we have received commitments from the Department of Transportation that action would be started to solve the problems associated with coal transportation. But, in every instance any initiative has been either squelched by the Office of Management and Budget, delayed by DOT, or opposed by both agencies.

We need a strong program of assistance to State and local governments to help them deal with the impacts of energy-related growth. Additional legislation is needed, but even the limited impact aid authority already on the books is not funded in the proposed budget.

We need to free the coal industry from any duplicative or unnecessary Government regulations. A recent study on the coal industry by the Library of Congress stated that—

> The regulatory processes themselves, often imperfectly implemented within agencies and poorly coordinated between agencies, have added and continue to add additional costs, have created extensive delays, and have introduced great uncertainty as to what will be required and when approvals will be given.

An example that comes quickly to mind is a problem we are now having with the Environmental Protection Agency. They are considering an action which would seriously disrupt coal production in several Appalachian States by requiring Ohio utilities to use only coal produced in that State, an action which is totally contrary to the intent of the legislation under which EPA is acting.

Most of all, we need to create an atmosphere of certainty—certainty that the commitment to coal is genuine and longstanding; and, certainty that as the industry gears up to meet the directive of three Presidents to double coal production by 1985, they will not run into obstacles unmet by inaction or markets dried up by ambiguity.

The current uncertain atmosphere surrounding coal adversely affects every facet of coal production and utilization. It makes almost impossible the kind of long-term planning we need within the coal industry if coal is to reassume a role in our energy mix. It discourages investment and expansion among coal mine operators and among the utilities and industries which burn the coal. And, it discourages the kind of commitments we will need from private industry to build expensive conversion facilities to gasify and liquefy coal.

Uncertainty is a major contributor to the low quality of life in coal areas. Is the worker in the coal industry so difficult to understand when the boom or bust nature of coal helps deny workers long-term mortgages on their homes at reasonable interest rates; helps rob them of the financing necessary to develop their communities; and helps keep them

in a constant state of anxiety over how longer their jobs will last?

At a recent Coal Commission hearing in Pikeville, Ky., we heard time and time again that only consistent, long-term Government policy can help bring certainty.

If we do not come forward with a firm and unquestionable commitment to coal, we will continue to suffer the economic consequences of energy dependence. We will continue to live with the constant threat of supply disruptions if the interests of energy producing nations do not coincide with our own. We will merely postpone the inevitable.

I will continue to work here in the Senate toward the goal of greater coal use, and I have written to the President to urge that he reaffirm that the commitment to coal is still a top priority of his administration. I ask unanimous consent that a copy of my letter to the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., January 29, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I want to express my very grave concern about recent actions of the administration with regard to coal.

In this connection, I totally share the sentiments expressed by our majority leader, Senator Byrd, at his Saturday press conference. There definitely appears to be a decline in interest and commitment by the government as far as coal is concerned. In particular:

The budget reflects a drastic step backward on coal conversion research. The administration seems on the verge of dropping several promising projects, "selecting out" some prematurely, and delaying completion of others.

The proposed F.Y. 1980 budget reflects an overall three percent reduction in funding for coal research and development. In real terms, this represents a much more serious cutback.

Administration spokesmen have made some confusing and troubling statements in recent weeks relating to the utilization of coal. Whereas coal was to be the centerpiece of our new energy policy, industry is now being told to use more gas, and emphasis on coal was sadly lacking in the State of the Union message.

On numerous occasions we have received commitments from the Department of Transportation that some effort would be started on problems associated with coal transportation. However, in every instance any initiative has been either squelched by the Office of Management and Budget delayed by D.O.T., or opposed by both agencies.

The Environmental Protection Agency is considering an action which would seriously disrupt coal production in several Appalachian states by requiring Ohio utilities to use only coal produced in that state. This, incidentally, is totally contrary to the intent of the legislation under which E.P.A. is acting.

My fear is that with the so-called gas "glut," the prospect of Mexican oil and gas, and the advent of Alaskan oil and gas, there may be a tendency to once again turn away from coal and diminish the commitment which seemed so strong just a few months ago.

Such an action, of course, would be extremely short-sighted. The excess gas will not last that long, and the situation in Iran once again demonstrates the fragile nature of dependence on foreign sources.

If we do not carry forward with the administration's stated commitment to greater coal utilization, we will merely postpone the inevitable. In that event, we will pay a heavy price in inflated costs and possibly shortages resulting from inaction.

I strongly urge you to issue a clear statement of administration policy with regard to coal utilization and conversion technology, and that you will make plain to all concerned that the commitment to coal is still a top priority of your administration.

Sincerely,

WALTER D. HUDDLESTON.

Mr. HUDDLESTON. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The pending question is on the motion by the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I believe there is an order in for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Is there morning business?

Mr. BENTSEN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

TERMINATION OF STATE GOVERNMENT SHARE OF GENERAL REVENUE SHARING FUNDS

Mr. BENTSEN. Mr. President, on Wednesday, I introduced a bill to terminate the State government share of general revenue sharing funds. The criticism of this proposal by the National Governors Association's Washington lobbyist was as predictable as it is erroneous.

I have, over the years, come to expect loud and vociferous protests from groups whose funds are proposed to be cut. Largely because the Congress has generally responded affirmatively to such pressures, we are in our current predicament—ever-expanding Federal expenditures and deficits.

The cuts that I am proposing would not affect the Federal payments to local governments which, in my opinion, have real needs. Eliminating the States would, however, reduce the Federal budget by $2.28 billion.

Using the National Governors Association's own figures, the State governments had a surplus of $4.9 billion in fiscal year 1977, $8.9 billion in fiscal year 1978, and are expected to have a surplus of $4.3 billion in fiscal year 1979. I am amazed that the Governors Association would criticize the use of these—their very own figures—on the grounds that their own figures exclude important aspects of the financial condition of State governments such as capital expenditure budgets The NGA compiled these figures as an alternative to the national income account (NIA) data which includes a broader range of factors which bear on the fiscal condition of State governments including capital expenditures. The NIA data, however, predicts State and local governments will have a fiscal year 1978 surplus of about $26 billion. And the National Governors Association (NGA) urged Charles Schultze, in a letter dated February 16, 1978, to utilize their figures rather than the NIA estimates in assessing State government resources. In light of all of this, it is incredible that the NGA would criticize my use of their figures which obviously represent a very conservative estimate of the size of State government budgetary surpluses.

Moreover, in fiscal year 1977 the NGA predicted the fiscal year 1978 State operating surplus would be $4.1 billion. It actually wound up at $8.9 billion. It would not be unreasonable to assume, therefore, that their fiscal year 1979 estimates of $4.3 billion is grossly understated.

In any event, Mr. President, there is not one single State for which a deficit is predicted in fiscal year 1979. The Federal Government, on the other hand, expects a fiscal year 1979 deficit of $37.4 billion. The following table illustrates the relative fiscal position of aggregate State governments and the Federal Government:

(Surplus in billions)	
States:	
Fiscal year 1977	4.9
Fiscal year 1978	8.9
Fiscal year 1979 (estimate)	4.3
(Deficit in billions)	
Federal Government:	
Fiscal year 1977	−45
Fiscal year 1978	−48
Fiscal year 1979 (estimate)	−37.4

Mr. President, once again I would like to remind my colleagues that State and local expenditures represent the largest growth sector of the Federal budget. In 1960, Federal intergovernmental grants totaled $7 billion. The President's fiscal represents an elevenfold increase in aid to State and local governments. That represents an elevenfold increase in only 20 years.

In their haste to criticize my proposal, the NGA erroneously claimed that a recent JEC study concluded that local governments are better off than State governments. I wish to correct this impression and call the study, conducted by Dr. Edward Gramlich, of the University of Michigan, to the attention of my colleagues. The study, entitled "State and local budget surpluses and the effect of Federal macroeconomic policies," indicates only that relative to the 1960's, local governments' fiscal condition has improved more than that of State governments. The study documents, however, that "In almost every dimension one can think of, local governments are much more vulnerable fiscally to forces beyond their control than are States."

The report continued that "Localities are more likely to be threatened by deficits than are States and that localities will have less than they do to eliminate deficits in the short run."

Mr. President, it is never easy to eliminate existing programs. But we must all do our fair share to curtail the Federal deficit and to fight inflation. The State government share of general revenue sharing is no longer essential. Therefore, I urge my colleagues to support my proposal to exclude State governments from the revenue sharing program.

Mr. President, I note the Governor of Vermont said that we ought to be looking at categorical grants. He is right, we ought to be looking at categorical

grants. But, in addition to that, we can make a very clean and incisive cut here, and those of us who are looking for a way to cut back on the deficit in the budget can do so by saving $2¼ billion in aid being extended to the States with a surplus.

I thank the Chair.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

BALANCED BUDGETS AND THE NATIONAL INTEREST

Mr. ROBERT C. BYRD. Mr. President, I support the goal of a balanced budget and will work toward its achievement in the 96th Congress. I believe, however, that a constitutional amendment requiring a balanced budget would not be in the Nation's best interest. Such an amendment could represent a major step backward. Indeed, under some conditions, it could perpetuate imbalance.

In part, our understanding of the economic lessons of the past is at issue here. Early or classical economists believed that the economic system was self-correcting by nature. When distortions in the economy occurred, such as periods of high unemployment, they believed that automatic adjustments in the price and wage systems would restore the economy to full employment. As long as this belief was held, Government budgets were not used purposefully to help work out economic distortions. Accordingly, the annually balanced budget was an unquestioned goal of public finance. As stated by Adam Smith in 1776, "The only good budget is a balanced budget."

As we now know, the belief in "automaticity" did not square with economic reality. The Great Depression provided proof that "automatic" wage and price adjustments would not insure the health of the economic system—that is, full employment at low levels of inflation.

Today it is recognized that there is a need for discretionary fiscal policy. Levels of Government spending and tax revenues are deliberately set by Congress as policy tools. Under this philosophy, the Government's budget has a "countercyclical" function. To offset an economic slowdown, recession, or depression, the Government must consider reducing taxes and raising expenditures. By incurring a deficit, the Government stimulates the economy.

If we were to go forward with a constitutional requirement for an annually balanced Federal budget, we would prevent Government fiscal policy from serving as a countercyclical tool. In some instances, such a requirement could intensify the harmful effects of the business cycle. For example: during a recessionary period, tax receipts can be expected to decline. In order to achieve a "balanced budget," the Government must either raise taxes or reduce expenditures, or both. The effect of such action would further dampen the economy and add to unemployment.

Thus it is now recognized that the "balanced budget" is not "neutral." It would have different effects at different stages of the business cycle. It could tip the economy from an economic slowdown into a more serious recession.

It should come as no surprise that during the most recent years of recession, economists advised conservative and liberal politicians alike against attempts to wipe out the deficit by raising taxes:

Mr. President, some are now attempting to make the case for a Federal constitutional amendment on the grounds that the States of the Union are insisting on budget balance. Currently, some 26 States have a constitutional provision requiring a balanced budget. Another 22 States have statutory requirements, while only 2 States have neither constitutional nor statutory language on balancing the budget.

Those who make the case for a Federal constitutional amendment cite these facts, arguing by analogy that a balanced budget requirement is appropriate economic policy for the Federal Government.

The analogy is not useful. The Federal Government faces responsibilities which are different in kind and magnitude from those of the States. Foremost is the constitutional responsibility to provide for the common defense. It has been suggested that a constitutional amendment could contain language to permit an unbalanced budget when a "supermajority" of Congress declares a national emergency. Such a proviso would inhibit the flexibility needed to set economic policy and respond to national emergencies.

The requirement—whether constitutional or statutory—that States maintain budgetary balance normally includes operating budgets, but not capital expenditures.

Were the United States to follow such accounting practices, separating its capital budget and operating budgets, we would find that the deficit would be wiped out. Indeed, there would be a surplus in the budget proposed by the President for fiscal year 1980.

One must take into account the fact that Federal aid to States (excluding loans and tax expenditures) has steadily risen, significantly contributing to the ability of States to balance their budgets while making it harder for the Federal Government to do so. Between fiscal year 1970 and fiscal year 1978, Federal aid to State and local governments rose from $24.2 billion to a record $77.9 billion—more than a twofold increase. In 1979, Federal aid to State and local governments is estimated at $88.1 billion. As a percentage of total State and local expenditures, Federal aid to State and local governments has nearly doubled over the past 13 years, from 15 percent in fiscal year 1965 to 27 percent in fiscal year 1978.

Much of this aid goes for programs which the States would be loathe to see reduced. In fiscal year 1978, for example, Federal aid to States included $3.0 billion for local public works programs, $6.8 billion for general revenue sharing, $5.7 billion for the Highway Trust Fund, and $2.0 billion for urban mass transit.

In States which have requested a constitutional convention to consider a balanced budget amendment, Federal aid in fiscal year 1978 amounted to some $31 billion—about three-fifths of the Federal deficit in that year.

Mr. President, I recognize that controversy now surrounds a countercyclical budget policy because the economy is simultaneously experiencing slow growth and high inflation. In light of these dual problems, there are some who are ready to amend the Constitution to return to the classical balanced budget philosophy.

This would be precipitous. At the very time when flexibility is needed to deal with serious economic fluctuations, an absolute requirement to balance the budget would tie the hands of Congress.

It is important to keep the balanced budget concept in perspective. It is not a cure-all or panacea for inflation. It will not insure progress against inflation. It will not increase national productivity, for example. However, it would set an example for the private sector, and thereby should encourage the cooperation needed to moderate wage and price increases—major factors in the current inflation.

In stressing the need for budgetary balance, it is often forgotten that there are many causes of inflation unrelated to the size of the deficit. The Council of Economic Advisors maintains that "the major inflationary pressures in 1973 and 1974 were not caused by domestic monetary and fiscal policy." Much inflationary pressure originates outside the U.S. economy. For example, the quadrupling of the world price of oil was the single most important cause of the 12.2-percent rise in consumer prices which occurred in the United States in 1974.

Mr. President, we must recognize that the path leading to a balanced budget is paved by thousands of difficult and painful decisions. I see no substitute for hard and deliberative work by the Congress. I do not believe that the public fully understands that the deficit figure contained in Congress' second concurrent budget resolution for fiscal year 1979 was approximately $21 billion below the deficit in the President's proposed budget, submitted in January of last year.

Mr. President, the constitutional requirement of a balanced budget is not in our national interest. It is a dangerous shortcut on the path to a balanced budget which may prove counterproductive.

Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "States Which Are Requesting a Constitutional Convention for an Amendment Related to Deficit Spending."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

States which are requesting a constitutional convention for an amendment related to deficit spending

States:	*Federal aid received FY 78 (Preliminary figures)*
Alabama	$1,240,569
Arizona	763,318
Arkansas	779,074
Colorado	825,855
Delaware	225,033
Florida	2,364,186
Georgia	2,036,993
Indiana	1,259,679
Kansas	615,820
Louisiana	1,358,360
Maryland	1,318,423
Mississippi	915,855
Nebraska	458,783
New Mexico	608,411
North Carolina	1,655,955
North Dakota	259,138
Oklahoma	937,180
Oregon	1,075,400
Pennsylvania	3,912,086
South Carolina	903,414
South Dakota	288,446
Tennessee	1,330,860
Texas	3,295,287
Virginia	1,468,126
Utah	434,261
Wyoming	235,707

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I commend the majority leader on the speech he has just delivered.

I point out that the distinguished Senator has just indicated, as I recall, that he feels that a constitutional amendment mandating a balanced budget could be a mistake because of the rigidity it would impose on the economy and because it could be counterproductive in recession periods and possibly drive us into a depression.

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. I agree wholeheartedly with that. I think it is a very responsible and helpful position.

Incidentally, the majority leader takes the same position as the Chairman of the Federal Reserve Board, who appeared before our committee, the Secretary of the Treasury, and other distinguished leading economists who have argued against it.

On the other hand, would the Senator agree that the sentiment to try to persuade Congress to follow a more prudent fiscal policy in the future, in order to avoid the colossal deficits we have had year after year, is sensible and understandable; that we should do our best to accommodate that?

Mr. ROBERT C. BYRD. Yes. We should continue to work toward a balanced budget. I think the concept itself is good.

It is only that I would very much be opposed to a constitutional amendment mandating Congress to enact a balanced budget, because it would straitjacket Congress and leave it inflexible to deal with economic crises. I believe it could certainly impact on our national defense, because much of our national defense funds are in the pipeline, have to be in the pipeline for a number of years, before the final harvesting of the weapons systems for which those funds are provided.

Mr. PROXMIRE. I hope the distinguished majority leader will take a good, hard look at the bill which has just been introduced by a number of us, including the Senator from Rhode Island, the Senator from Georgia, and others, which would provide that the President should submit a budget that would be in balance in the event the real growth of the country is 3 percent or better.

If we do that, it means that in periods of vigorous expansion, we will have a balanced budget and a surplus, and in periods of recession or slow growth we will have a deficit that will stimulate the economy.

I think it is the kind of long-term commitment, written into law, that could assure the people that we mean business about fighting the Federal Government as an engine of inflation.

It is something the majority leader might be interested in looking at, and we would be honored to have him as a cosponsor.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. I shall take a very careful look at the proposal.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, are we in the morning hour?

The ACTING PRESIDENT pro tempore. The Senator is correct.

THE GENOCIDE CONVENTION: ADDING A MORAL DIMENSION TO OUR FOREIGN POLICY

Mr. PROXMIRE. Mr. President, the moral dimension of this administration's foreign policy has been stated over and over by President Carter and other leaders of our country. Unfortunately, these high ideals—these noble works—have been undercut by the inaction of this body on the major human rights treaties pending before us.

Those nations and groups of people that look to the United States for leadership and guidance by both example and expressed intent, are caught short and have been left waiting.

Mr. President, those countries, both allies and neutrals, have watched this great country of ours take the leadership role in many areas of domestic and foreign policy since the tragic holocaust of World War II; space exploration, the peaceful uses of nuclear technology, freedom of emigration.

The examples are endless. But where have we been in the vital area of protecting human life? Where have we been when it has come to learning the vital lessons of the tragedy of the holocaust?

Mr. President, today we have an opportunity to assert the leadership that has been lacking. We have the opportunity to join 83 others nations in ratifying the Genocide Convention and catch up and provide leadership—admittedly belated—in this important area of human rights.

I am reminded of the late Chief Justice Earl Warren's words regarding the treaty. He stated that "we as a nation should have been the first to ratify the Genocide Convention."

It remains my hope that we will not be the last.

DELAY IN FILLING VACANCIES

Mr. PROXMIRE. Mr. President, the Banking Committee has been waiting several months for nominations by the White House for 20 vacancies that require Senate confirmation. They include one seat each on the Federal Home Loan Bank Board and the Securities and Exchange Commission, two seats on the Federal Reserve Board, three seats on the new National Credit Union Administration Board, and the 13 members of the Board of Directors of the National Consumer Cooperative Bank.

The White House has been long aware of most of those vacanies yet nothing has been done to fill them. I find this very hard to understand. I just cannot fathom why it ends up taking months for this administration to settle on nominees and then send the Senate their names.

The SEC vacancy is a glaring example of White House delays. I wrote the President on February 5, 1978, urging him to reappoint Commissioner John R. Evans when his term expired in June. June 8, the expiration date of Mr. Evans' term, came and went with no action by the White House. I wrote the President about the Evans seat last September, and Senator GARN and I wrote the White House again on January 30 of this year about that vacancy. Throughout this period, Mr. Evans has graciously remained as a member of the Commission on an interim basis.

The long delay in filling his seat has created great uncertainty at the SEC which has several crucial issues awaiting action. It also is personally unfair to Mr. Evans who needs to be able to make plans for his future.

Also, Mr. President, the seven-member Federal Reserve Board has been down to five members and without a vice chairman since mid-November. We were caught suddenly by the untimely death of Vice Chairman Stephen Gardner last November. But it was known last October that another Board member, Governor Jackson, was planning to leave in November. The committee has received no indication when it might expect to receive nominations for these posts.

I am also concerned about the long delay in filling the vacant third seat on the Federal Home Loan Bank Board, the agency that overseas the savings and loan industry and has an important bearing on the housing industry. Even though the Board by statute has three members, it has had its full complement for only 5½ months out of the past 3½ years. It took the Carter administration almost a year and a half to bring the Board up to full strength. That occurred last April when Anita Miller was confirmed as a member. But last October, Garth Marston resigned from the Board, leaving the Board once again with only two members. Mr. Marston's resignation was long expected but we have been waiting since then for the White House to select a replacement.

The National Credit Union Administration is another example of delay. Congress passed legislation in early November replacing the single administrator of the NCUA with a three member Board. We have yet to receive from the White House the names of the nominees for the Board seats.

I realize it takes time to find capable nominees for these important positions and to undertake the necessary background checks. Nonetheless, I believe many of these positions have been vacant for too long a period of time. I would hope that the administration will be sending us some names in the near future.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 94-280, appoints the Senator from South Dakota (Mr. PRESSLER), from the Commerce Committee, to fill the vacancy on the National Transportation Policy Study Commission, in lieu of the Senator from Kansas, Mr. Pearson, retired.

DEATH OF NELSON A. ROCKEFELLER

Mr. JAVITS. Mr. President, I would like to call attention to the magnificence of the service for memorializing the passing of former Vice President Nelson Rockefeller, the former Governor of the State of New York. It was one of the most momentous and magnificent occasions I have ever seen in all of my life in New York, and I have lived there all my life. The eulogies of the two children, Ann Roberts and Rodman, the eulogy to his brother by David Rockefeller, and the magnificence of the tribute paid to the deceased in all our names by Dr. Henry A. Kissinger were something that our country can be extremely proud of, that we can produce such dignity and such feelings of sentiment and solid remembrance of a man who was of such great size and who gave so much to our country.

And the prayer of the Reverend Martin Luther King, Sr., Mr. President, was magnificent. I shall be including that in the RECORD.

The Riverside Church, which was founded and built with Rockefeller's support, which is very sentimental to me because my own children went to nursery school there when I represented the district in which it is located back in the 1940's, was presided over by the Reverend William Sloane Coffin, Jr., one of our leading churchmen.

Altogether, the taste and the quality was unbelievable.

The musical part of the program was most unusual, with beautiful choir singing by the Riverside Church choir, the solo of beauty by Roberta Peters of the Metropolitan Opera, and a typical Rockefeller touch, Lionel Hampton conducting what we could call a jazz orchestra. He always campaigned with Nelson Rockefeller. I have been on a hundred sound trucks with both of them.

He played a musical tribute to Nelson Rockefeller and the recessional—so my colleagues can appreciate the service—was the Battle Hymn of the Republic and Nelson Rockefeller's personal favorite song of a kind which Lionel had played for him for years, and which he loved, "Sweet Georgia Brown." The solemnity of the moment was enhanced by this rather direct way of expressing the American view.

So, Mr. President, I ask unanimous consent that comments from the eulogies of the memorial for Nelson A. Rockefeller, together with the news report of the service and the special story "Memorial Expresses Rockefeller Spirit," may all be printed in the RECORD.

There being no objection the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM EULOGIES AT MEMORIAL FOR ROCKEFELLER

(By Ann Rockefeller Roberts)

He was what he was—exuberant, energetic, extravagant. He was all these things and more without hesitation, without regret, with conviction at home as well as in the public eye.

To be his children was not always easy. But he filled our lives with excitement, and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art with us by spending hours together hanging pictures, and his wanting us to help build a chicken coup or garden wall so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To father, life was meant to be lived. As we leave this church today he would want us to get on with it, to go forward, to take our lives in our hands fully and joyfully as he did.

(By Rodman C. Rockefeller)

My brother, Nelson Jr., told us in his moving talk at the graveside that the spirit of our father, Nelson, will be with us always.

For 70 years his family, his country and the world lived with, enjoyed, and were benefitted with that spirit.

He was born into a period of revolutionary change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teen-aged years, and he graduated into adulthood with the Depression.

Into that world, came Nelson Rockefeller, a man of power, of wealth, and equipped with the confidence born of that power and wealth. He loved people and the hurly-burly of the political campaign.

We share the image of his first statewide campaign, from Nathan's on Coney Island to Niagara Falls, as he charged into cheering crowds with "Hiya, fella" for everyone he could reach.

AN ETERNAL OPTIMIST

To understand the warmth and the depth of my father's spirit, one must turn to the role that appreciation and collecting of art played in his life. As he said at the opening of the Family of Man Exhibition: "I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way, for the artist sees with an eye that the vision of ordinary perception cannot see."

The life of a whole man has unfolded before us, strong, even arrogant, impatient, yet wise and foreseeing, integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government, he saw the fruition of his drives and ambitions in the solving of problems.

(By David Rockefeller)

I speak to you this morning as Nelson's youngest brother and as a member of a large family, which he loved and from which he drew strength: a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system and in the responsibility of each citizen to revere God and to help his fellow man.

He loved beauty and nature and the arts. He loved the companionship of people. He loved life.

In the family, this is a day of mourning—but it's also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave to every area that he touched.

His departure leaves a gap that will never be filled. But his spirit, his patriotism, his determination and his optimism will remain a vibrant force in our lives.

(By Henry A. Kissinger)

That Nelson Rockefeller is dead is both shattering and nearly inconceivable. One thought him indestructible, so overpowering was his energy and his deep faith in man's inherent goodness.

For 25 years, he had been my friend, my older brother, my inspiration and my teacher.

I first met Nelson Rockefeller when, as an assistant to the President, he called me, a graduate student, to join one of the panels of experts he was forever setting up to ponder the nation's future.

He entered the room, slapping backs, calling each of us by the best approximation to our first name that he could remember, at once outgoing and remote.

Intoxicated by the proximity of power, all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished, the smile left his face and his eyes assumed the hooded look which showed that we were now turning to things that mattered.

"What I want you to tell me," he said, "is not how to maneouver. I want you to tell me what is right." And what is right for Nelson Rockefeller, this was the quintessential question, both naive and profound, at once shaming and uplifting. It was a definition of his integrity.

QUINTESSENTIALLY AMERICAN

Nelson Rockefeller was a man of contrasting qualities, ebullient and yet withdrawn, gregarious and lonely, joyful and driven, full of the moment, yet somehow marked by eternity. He could be pugnacious in asserting his beliefs, but he respected those who differed with him. He could be hard but never petty, single-minded but never malicious. His enemies were the slipshod and the second-rate. Nelson always had a marvelous time. Nothing was too trivial for his attention.

He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and he loved hot dogs. He loved parties, and travel and meeting people.

Nelson was truly his brother's keeper. Nelson could not express in flip words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated the meanings of the nudges, the winks and mumbles by which he conveyed his infinite caring.

He was an artist with sudden, unexpected flashes of insight that startled and sometimes astounded one.

Nelson Rockefeller was quintessentially American. To other nations, Utopia is a blessed past never to be recovered. For Americans, it is just beyond the horizon. One has to work with Americans, not listen to them, to experience their faith.

AN AMBITION TO SERVE

Skeptics might scoff at his belief in America's moral mission, but then cynics do not build cathedrals.

He revered his Presidents, whether or not he agreed with them. As a patriot, he sought to ease their burden. He winced when associates made unworthy comments about those who, in his view, had been entrusted with our future and, therefore, the hopes of mankind.

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter, who found time amidst the care of his duties for several gestures to ease the family's bereavement and then to extend the one solace that would have stirred Nelson the most—that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved and whom he served with unselfish dedication as Vice President. He refuted the cynics who expected him to chafe at the limitations of the office, then stepped aside in midterm without slackening in his devotion to his responsibility. Nelson's ambition was to serve, not to be.

A TRAGEDY FOR THE COUNTRY

Much has been said or written about the frustration Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was, in my view, a tragedy for the country. What a great President he would have been! How he would have ennobled it! What an extraordinary combination of strength and humanity, decisiveness and vision!

Yet, I never heard him express even one word of disappointment. As with everything, he sought the office with zest. But, when it eluded him, he went on to new challenges, undaunted, resilient, inexhaustible. In a sense, there was something inevitable and even noble in his gallant failure to win the nation's highest office. And, here again, the myths are wrong.

He never succeeded, not despite the fact that he was a Rockefeller, but because of it. His entire upbringing made him recoil before appearing to the people he wanted to serve as if he were pursuing a personal goal. Having been already so privileged, he felt that he had no right to ask anything for himself as an individual. And so this superb campaigner, who genuinely loved people, eschewed the personal pursuit of delegates.

He sought the office by trying to present to the nation the most sweeping vision of its future and the best blueprints to attain it. He had a touching faith in the power of ideas. It is not quite the way our boisterous political process works, more geared, as it is, to personalties than to programs.

In recent years, he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more, but he understood better. And, as the statues on the lawn glowed in the dimming light, Nelson Rockefeller would occasionally get that squint in his eyes, which betokened a far horizon, and he would say, because I needed it, but, above all, because he deeply felt it, "Never forget that the most profound force in the world is love."

(By Martin Luther King, Sr.)

So God, our Father, we lift up our hearts and souls to Thee in prayer. Grant, oh God, that we shall now come to see that our friend has fallen on a sleep; it isn't a dream, it's real. Grant that the family and all of us will come to grips with this and face it.

We thank Thee that we're not home yet. We tarry for a while here, but one day we shall all get home. Thou has given us a beautiful world. It may well be that we have not been good attendants as we might have been, but we thank Thee for the beauty of this world. We thank Thee for the life that was so beautifully lived among us, as has been said by each speaker.

Now God, now God, we will wait, we will wait. We will keep faith. We will keep on looking up despite what we meet. Sometimes, we feel our portion is more than it ought to be, but Thou does know what is best for all of us.

DIGNITARIES AND FRIENDS HONOR ROCKEFELLER

(By Peter Kihss)

The famous, the powerful and people who were just friends, 2,200 of them, honored Nelson A. Rockefeller yesterday at a memorial service that lauded his faith and his efforts for the nation—and ended with an upbeat jazz recessional celebrating his buoyancy and optimism.

President Carter, Vice President Mondale and Chief Justice Warren E. Burger flew in from Washington. Former President Gerald R. Ford and Secretary General Kurt Waldheim of the United Nations led national and international dignitaries in Riverside Church, an edifice built largely through the philanthropy of Mr. Rockefeller's father.

Four times elected Governor of New York and for two years the nation's Vice President, a man who inherited millions and viewed public service as a responsibility, Mr. Rockefeller died suddenly of a heart attack at the age of 70 on Jan. 26.

Former Secretary of State Henry A. Kissinger, solemn and slow-spoken, apparently trying to control his emotions, recalled the first admonition he got from Mr. Rockefeller as a recruited expert a quarter of a century ago: "Tell me what is right."

He also related a remonstrance. When he told President John F. Kennedy what was wrong with a particular policy, Mr. Rockefeller chided: "Your duty is to offer solutions."

It was a family occasion as well, in which Mr. Rockefeller's daughter, Ann Roberts, remembered that he had filled his children's lives with excitement and "challenged us to reach beyond our grasp."

"As we leave this church today," Mrs. Roberts said, "he would want us to get on with it, to go forward, to take our lives in our hands fully and joyfully as he did."

His oldest son, Rodman, also speaking from the pulpit, said, "I thank God that the world is a better place because Nelson Rockefeller passed by."

Mr. Rockefeller's brother, David, chairman of the Chase Manhattan Bank, said "this is a day of mourning, but also a day of thanks" for leadership and achievements and for "his ability to deal gracefully with disappointment as well as success."

The 75-minute tribute ended with Lionel Hampton at his vibraphone, accompanied by his jazz group, sending the congregants away with what was often the finale of Nelson Rockefeller campaign meetings, the zesty melody of "Sweet Georgia Brown."

Among those present were 80 members of the Rockefeller clan. His wife Margaretta, known as Happy, at times looked desolate, eyes downcast, and President Carter, next to her, whispered support. But she was strong again during a later reception for 250 people, embracing many of them and saying, "Thank you very much for your friendship."

Mr. Rockefeller's first wife, the former Mary Todhunter Clark, entered a second-row pew with her son, Steven, an associate professor of religion at Middlebury College, in Vermont. She seemed to fight back a tear when Mrs. Roberts spoke of the early days.

In the first row were Lady Bird Johnson, wife of the late President, and Secretary of State Cyrus R. Vance. Behind them were Governor Carey, Mayor Koch and New York's Senators, Jacob K. Javits and Daniel Patrick Moynihan.

There were more than 100 members of the Senate and House, including Senator Barry Goldwater, who won the Republican Presidential nomination over Mr. Rockefeller in 1964. And there were diplomats and other representatives from more than 70 countries, including Britain's Foreign Secretary, David Owen.

But there were also those without national renown. Agnes Roosa grew up in Pocantico Hills, where her late husband was a building painter for 50 years. She remembered playing baseball with the boy Nelson there long ago.

Clarence Roberts was Pocantico houseman for more than 20 years. Now retired, he came down from the Berkshires.

Robert Petfield was a tree surgeon for nearly 40 years, and Raymond Wylock was superintendent of maintenance. Both are now retired.

There were 27 designated ushers, a virtual inner circle for Mr. Rockefeller beyond his family—Joseph Canzeri, political advance man and in effect Pocantico's manager; J. Richardson Dilworth, the family's senior financial advisor; Wallace K. Harrison, the architect; Alton G. Marshall, president of Rockefeller Center; Donal C. O'Brien Jr., the family's chief counsel; Richard D. Parsons, Mr. Rockefeller's personal counsel; William J. Ronan, once secretary to the Governor, and Ann C. Whitman, Mr. Rockefeller's personal secretary as Governor and Vice President.

"Much has been said or written about the frustration that Nelson experienced because he never achieved the Presidency," Mr. Kissinger told those present. "This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have been. How he would have ennobled us. What an extraordinary combination of strength and humanity, decisiveness and vision."

"Yet I never heard him express even one word of disappointment," Mr. Kissinger continued. "As with everything, he sought the office with zest. But when it eluded him, he went on to new challenges, undaunted, resilient, inexhaustible."

Mr. Kissinger contended that "the myths are wrong," and he argued that Mr. Rockefeller had failed to win the Presidency primarily because he was a Rockefeller.

MEMORIAL EXPRESSES ROCKEFELLER SPIRIT

(By Joseph P. Fried)

"The overriding concern was to create a service that would express something of father's spirit and give those who loved him the opportunity to express that spirit."

With those words Steven C. Rockefeller, the 42-year-old son of Nelson A. Rockefeller, explained the program of tributes, hymns, prayers and jazz music that formed yesterday's hour-and-a-quarter memorial to the late Vice President and four-time Governor of New York.

The service, at the Riverside Church in Manhattan, included a prelude by the American Brass Quintet because "I saw Nelson Rockefeller as a trumpet," said his nephew, David Rockefeller, Jr., a professional singer who was one of the family members involved in choosing the music.

The jazz selections played by Lionel Hampton's five-member group at the end included "Sweet Georgia Brown," which also had a special meaning for the family.

"Sweet Georgia Brown" is a song that "father always wanted to have played when he left a meeting," Steven Rockefeller recalled.

As the 2,200 people who had attended the service were streaming out of the church into the frigid winds blowing in from the Hudson River, the planning for the memorial program was described by Stephen Rockefeller, his wife, Dori, and David Rockefeller, Jr.

KISSINGER AT FAMILY MEETING

The "general outline" of the service evolved on Monday at a meeting that followed the burial of Mr. Rockefeller's ashes at the family's Pocantico Hills estate in Westchester. Among those attending the after-lunch meeting, in addition to family members, were former Secretary of State Henry A. Kissinger, for many years a close friend of Nelson Rockefeller, and Dr. William Sloane Coffin Jr., minister of Riverside Church.

Mr. Rockefeller's father, John D. Rockefeller Jr., financed most of the cost of building the Gothic-style, interdenominational Protestant church at Riverside Drive and 122d Street, and he also provided an endowment for maintaining it. The "long history of the family's association with this church" and the fact that it could accommodate the kind of gathering envisioned for the Rockefeller service determined that it would be the site, Steven Rockefeller said.

Choosing who would attend the service was a "long, elaborate process in which many people participated," said Mr. Rockefeller, who is an associate professor of religion at Middlebury College in Vermont.

THE BOND WITH KISSINGER

During that Monday meeting, the speakers for the service were also agreed on.

The family was represented by Nelson Rockefeller's two oldest children, Rodman and Ann Rockefeller Roberts, and by one of his brothers, David. Another brother, Laurance, would have found the occasion "difficult" for making a public statement, Steven Rockfeller said. Instead, a tribute that Laurance paid to his brother on the latter's 70th birthday last summer was printed on the program for yesterday's service.

Mr. Kissinger was chosen as one of the eulogists because "everybody realized his feeling for dad and their close bond," Steven Rockefeller said.

Dr. Martin Luther King Sr., father of the assassinated civil-rights leader, recited a prayer at the service after having called Happy Rockefeller, the former Vice President's widow, and offering to participate. According to Steven Rockefeller, Dr. King told Mrs. Rockefeller that he had once been told by her husband that "when his turn came, he wanted Daddy King."

FAMILY-TRADITION MUSIC

David Rockefeller Jr., who works in publishing and arts education as well as singing professionally, was joined by a niece of Nelson Rockefeller, Laura Chasin, in planning the musical part of the service. "A Mighty Fortress Is Our God" was selected because it had long been a Rockefeller family tradition to sing it. A similar reason was given for the inclusion of "Dear Lord and Father of Mankind," sung by Roberta Peters of the Metropolitan Opera.

But it was the group led by Lionel Hampton—"an old friend of father's," said Steven Rockefeller—that assured that the service would end on the kind of upbeat note that many at yesterday's service said reflected the exuberance characteristic of Nelson Rockefeller.

As the Hampton group played its version of "The Battle Hyman of the Republic," President Carter, sitting next to Happy Rockefeller in a front pew, patted her hand. Mayor Koch, sitting in a second-row pew on the other side that also held Governor Carey and Senators Daniel Patrick Moynihan and Jacob K. Javits, could be seen nodding his head with the rhythm of the music.

Steven Rockefeller said it was "the kind of service that would have deeply satisfied" his father. Around him the dignitaries and the friends, associates and employees of Nelson Rockefeller bundled up against the cold and left the church.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for the transaction of routine morning business is now closed.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:22 p.m., recessed for 30 minutes; whereupon, at 1:52 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. HEFLIN).

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I understand that the nomination reported today by the Committee on Banking, Housing, and Urban Affairs of Irvine Henry Sprague, of California, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years, has no objection from the other side.

I, therefore, ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to proceed immediately with consideration of this nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nomination.

FEDERAL DEPOSIT INSURANCE CORPORATION

The assistant legislative clerk read the nomination of Irvine Henry Sprague, of California, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I believe the Senate is to go back to legislative session.

The PRESIDING OFFICER. Under the previous order, Senate will return to legislative session.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

S. Res. 57. An original resolution authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE from the Committee on Banking, Housing, and Urban Affairs:

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

William Brownlee Welsh, of Virginia, to

be an Assistant Secretary of Housing and Urban Development.

Irvine Henry Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation.

(The above nominations from the Committee on Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second tme by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself, Mr. ROTH, Mr. NELSON, Mr. PRESSLER, Mr. MATSUNAGA, Mr. CHAFFEE, Mr. NUNN, Mr. DOMENICI, Mr. MCGOVERN, Mr. DANFORTH, Mr. DECONCINI, Mr. HELMS, Mr. EXON, and Mr. PELL):

S. 331. A bill to amend the Employment Act of 1946 to require the submission of a balanced budget, and for other purposes; to the Committee on Appropriations and the Committee on Budget, jointly, by unanimous consent.

By Mr. PROXMIRE (for himself, Mr. RIBICOFF, and Mr. JAVITS):

S. 332. A bill to reorganize and consolidate certain functions of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve System into a Federal Bank Commission to administer all Federal laws relating to the examination, supervision and regulation of the banking business both foreign and domestic; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Governmental Affairs, jointly, and that if either committee reports, the other committee has 30 days within which to report, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. JAVITS, Mr. BAKER, Mr. BENTSEN, Mr. DOLE, Mr. HEINZ, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. MOYNIHAN, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. SARBANES, Mr. STAFFORD, Mr. TSONGAS, and Mr. YOUNG):

S. 333. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the committee on Governmental Affairs, and if and when reported, referred jointly to Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Select Committee on Intelligence, and the Committee on the Judiciary, for not to exceed 30 days, by unanimous consent.

By Mr. BAYH (for himself, Mr. CANNON, Mr. LEVIN, Mr. PRESSLER, and Mr. EXON):

S. 334. A bill to amend the Clayton Act to provide additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 335. A bill to establish an Urban Service Corps; to the Committee on Human Resources.

By Mr. MATHIAS (for himself, Mr. BAKER, Mr. JAVITS, and Mr. STEVENS):

S. 336. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. MATHIAS:

S. 337. A bill to provide that legislation appropriating funds for payment of pay to Federal employees shall be enacted separately from other legislation; to the Committee on Rules and Administration.

By Mr. JOHNSTON (for himself, Mr. JACKSON, and Mr. MCCLURE):

S. 338. A bill to authorize the enlistment of citizens of the Northern Mariana Islands in the Armed Forces of the United States of America; to the Committee on Armed Services.

By Mr. STEVENSON:

S. 339. A bill to amend the Export-Import Bank Act of 1954 with respect to credit to communist countries, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEAHY:

S. 340. A bill entitled the "Rural Health Needs Planning Act of 1979"; to the Committee on Human Resources.

By Mr. BURDICK (for himself and Mr. YOUNG):

S. 341. A bill to authorize the Three Affiliated Tribes of the Fort Berthold Reservation to file in the Court of Claims any Claims against the United States for damages for delay in payment for lands claimed to be taken in violation of the United States Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSTON (by request):

S. 342. A bill to credit certain service performed by National Guard technicians prior to January 1, 1969, as Federal employment for the purpose of civil service retirement benefits; to the Committee on Governmental Affairs.

By Mr. FORD:

S. 343. A bill for the relief of Dineshchandra G. Desai; to the Committee on the Judiciary.

By Mr. HATFIELD (for himself, Mr. DECONCINI, Mr. SIMPSON, Mr. GRAVEL, and Mr. PRESSLER):

S.J. Res. 33. A joint resolution proposing and amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself, Mr. ROTH, Mr. NELSON, Mr. PRESSLER, Mr. MATSUNAGA, Mr. CHAFEE, Mr. NUNN, Mr. DOMENICI, Mr. MCGOVERN, Mr. DANFORTH, Mr. DECONCINI, Mr. HELMS, Mr. EXON, and Mr. PELL):

S. 331. A bill to amend the Employment Act of 1946 to require the submission of a balanced budget, and for other purposes; to the Committee on Appropriations and the Committee on the Budget, jointly, by unanimous consent.

(The remarks of Mr. PROXMIRE when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. PROXMIRE (for himself, Mr. RIBICOFF, and Mr. JAVITS):

S. 332. A bill to reorganize and consolidate certain functions of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Systems into a Federal Bank Commission to administer all Federal laws relating to the examination, supervision, and regulation of the banking business both foreign and domestic; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, and that if either committee reports, the other committee has 30 days within which to report, by unanimous consent.

CONSOLIDATED BANKING REGULATION ACT OF 1979

Mr. PROXMIRE. Mr. President, today Senators RIBICOFF, JAVITS, and I are jointly introducing legislation to streamline and make more efficient the Federal regulation of banks in the United States by consolidating into a single bank regulatory agency, the functions of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the bank regulatory responsibilities of the Federal Reserve. This single agency would be known as the Federal Bank Commission.

Federal regulation of commercial banks at the present time is a jurisdictional tangle that boggles the mind. We now have three separate Federal agencies regulating commercial banks. The Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. National banks are chartered by the Comptroller, but they are required to be members of the Federal Reserve and to be insured by the FDIC. State-chartered member banks of the Federal Reserve are required to be insured by the FDIC. The Federal Reserve regulates all bank holding companies regardless of whether their subsidiary banks are regulated by the Federal Reserve, the Comptroller, or the FDIC. The FDIC is the insurer of bank deposits including those held by member banks of the Federal Reserve, but the FDIC regulates only those banks which are not members.

The bank regulatory structure I have described is duplicative. overlapping and wasteful of public resources. Banks operating within this maze have a privilege no other regulated industry enjoys. That is that banks can freely pick and choose which of the three agencies shall regulate them according to their own view of which regulator best suits their needs. In the process, the public interest which presumably should be paramount is made to stand on its head so that the special interests can prevail.

If a bank feels that one regulator is too tough on capital requirements, it can opt out of that agency's jurisdiction and into the hands of a regulator which will allow the bank to operate with a lower capital ratio. If a bank is under the jurisdiction of one agency which strictly enforces the antitrust laws against mergers, it can have an anticompetitive merger approved by changing regulators. If one agency determines that a bank holding company may not expand into a particular nonbank activity, another agency may permit a subsidiary bank of the bank holding company to engage in that very activity.

Arthur Burns, the former Chairman of the Board of Governors of the Federal Reserve System, perhaps captured the flavor of the current regulatory system best in a speech to the American Bankers Association when he outlined the defects in the regulatory structure, stating:

> The present regulatory system fosters what has sometimes been called "competition-in-laxity." Even viewed in the most favorable light, the present system is conducive to subtle competition among regulatory authorities, sometimes to relax constraints, sometimes to delay corrective measures. I need not explain to bankers the well-understood fact that regulatory agencies are sometimes played off against one another.

The competition-in-laxity among the three bank regulatory agencies of which Dr. Burns spoke has led to regulation among the regulators at the lowest common denominator level. One consequence has been that the capital structure of the banking system has declined precipitously in the last 30 years. The banking system emerged from World War II in a liquid and adequately capitalized position. Since then unsafe and unsound banking practices have proliferated in the banking system and the regulators have stood silent, reluctant to use the powers they had to stop unsafe or unsound practices.

This unfortunate situation has given rise to the largest bank failures in the history of the Nation in recent years—U.S. National, Franklin National, Security National and Hamilton National—failures which sent confidence tremors throughout our financial system and the world's financial system.

In the last Congress, pursuant to a resolution of the Senate (S. Res. 71), the Governmental Affairs Committee published its "Study on Bank Regulation." The conclusions of that study put their finger right into the crux of the problems inherent in the three-fold division of authority which exists in bank regulation in stating that:

> This ability to select a Federal regulatory agency has resulted in forum shopping—choosing a regulatory agency that best suits a bank's needs. In turn, forum-shopping has encouraged the banking agencies to compete among themselves for membership, a situation that has been termed competition in laxity.
>
> Competition among the regulatory agencies has resulted in inconsistent regulation, which manifests itself most clearly in bank examination standards, bank merger policy and bank holding company regulation.
>
> If, as we believe, the two fundamental purposes of bank regulation are to protect the Nation's deposits and to foster competition among the banks, inconsistent regulation can have very serious consequences, including, but not limited to, bank failures. Inconsistent regulation is inevitable given the present tripartite federal system.
>
> Therefore, we recommend consolidation of the 3 bank regulatory agencies.

Mr. President, the Governmental Affairs Committee's study is a landmark in its analysis of the deficiencies of the existing bank regulatory structure and I commend its contents to every Member of the Senate.

The proposal which Senators RIBICOFF, JAVITS, and I introduce today will cure the defects in the current bank regulatory system. This legislation will establish a Federal Bank Commission which will have jurisdiction over the supervision and regulation of all insured banks. The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation are absorbed into the Federal Bank Commission. The Federal Reserve Board's bank and bank holding company supervisory and regulatory responsibilities will be transferred to the Commission. The Federal Reserve will then be able to spend full time concentrating on its primary mission of conducting the monetary policy of the Nation.

The conduct of monetary policy is a full time job for any Government agency. So is bank regulation. This legislation will give us agencies of the Federal Government with the capacity to give us the best of each.

By establishing a single Federal Bank Commission to supervise and regulate banks at the Federal level, competition in laxity will be eliminated once and for all.

Mr. President, one of the prime benefits of this legislation is that it significantly strengthens the dual banking system. The legislation requires the Federal Bank Commission to grant Federal deposit insurance to State-chartered banks based solely upon the grant of a charter by a State if the State is one which has been determined to assure the safety and soundness of banks within its jurisdiction and whose standards for the granting of charters requires the States to consider the factors enumerated under Federal law applicable to the grant of insurance. The legislation further requires the Federal Bank Commission to delegate its examination responsibilities to State banking departments that have been determined to adequately assess the condition of banks within their jurisdictions, upon application to the Commission, and to accept such State examination reports in lieu of its own examination. Of course, the Commission would retain the residual right to examine any insured bank at any time. The Commission is required to reimburse the States for the costs of examinations of banks in States receiving approval after application to the Commission.

Taken together these provisions should result in a significant shift of the day-to-day regulation of State chartered banks from the Federal Government to the States. Further, the reimbursement provisions of the legislation presents an important potential to the States for upgrading their bank supervisory capability while at the same time eliminating the burdensome duplication of Federal-State examinations of State chartered banks.

These provisions, designed to strengthen the dual banking system, will be implemented by regulation. Under the legislation, the States have a substantial input into the regulations. The Commission is mandated to establish an Advisory Committee consisting of nine State bank supervisors—chosen on the basis of criteria designed to insure the broadest scope of State participation—with whom it shall cooperate, consult, and give due weight to expressed views in adopting the implementing regulations.

Mr. President, this legislation will streamline and simplify the cumbersome Federal structure governing bank regulation, eliminate duplicative regulation, and significantly strengthen the dual banking system.

Mr. President, this bill was considered at some length last year in the Banking Committee, and I am very hopeful that the Banking Committee and the Government Operations Committee will give the bill careful consideration this year.

I commend this legislation to my colleagues. I also ask unanimous consent that two statements I have previously made on this floor on the need for consolidation be printed in the RECORD following my remarks. These statements are as fully applicable today as when I made them.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

FEDERAL BANK COMMISSION ACT OF 1977

Mr. PROXMIRE. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs, a bill to establish a Federal Bank Commission. This bill is substantially identical to S. 2298 which I introduced in the 94th Congress but to which I have added significant new provisions designed to strengthen the role of the States in bank regulation and thereby the dual banking system; and to strengthen the role of the Federal Reserve in obtaining bank supervisory information which it may need to conduct the monetary policy of the Nation. The statements I made on the floor of the Senate in introducing that bill on September 5, 1975, are fully applicable to this legislation. Under the bill, the Federal Bank Commission would administer all Federal laws relating to the conduct of the banking business both foreign and domestic, including such laws relating to the chartering of banking institutions and their branching activities, bank holding companies and their activities, Edge Act corporations and their activities, and the examination, supervision, and regulation of banking institutions under Federal law.

The Office of the Comptroller of the Currency would be abolished and all of its functions and personnel transferred to the Federal Bank Commission. Similarly, all of the functions and personnel of the Federal Deposit Insurance Corporation would be transferred to the Commission and its Board of Directors abolished. However, the FDIC would be retained as a corporate entity within the Commission and under the sole control of the Commission for the accounting purpose of holding the insurance fund established to protect commercial bank depositors and which now total in excess of $6 billion. In this regard the relationship between the Commission and the FDIC would be similar to the relationship between the Federal Home Loan Bank Board which supervises and regulates federally insured savings and loan associations and the Federal Savings and Loan Insurance Corporation which insures the deposits in such institutions. Finally, all of the supervisory and regulatory authority of the Federal Reserve Board would be transferred to the Commission. The Federal Reserve would retain supervisory and regulatory authority over interest rate ceilings, and margin requirements and retain the authority to make loans to banks through the "discount window." Relieving the Federal Reserve Board of bank and bank holding company supervisory responsibility will enhance its ability to concentrate on conducting the monetary policy of the Nation which is its primary responsibility.

Unsafe or unsound conditions in our banking system have proliferated in the past 15 years as banks have changed their orientation toward go-go banking, a high profile syndrome and high profits. In the process the capitalization of our Nation's banks has declined precipitously since 1960, particularly among the largest banks. The numbers of problem banks—banks which are categorized by regulatory authorities as possibly requiring aid from their shareholders because of their condition or banks which are in danger of failing—have increased in size and in numbers. Massive credits are extended by banking institutions to persons having insider relationships with banks: officers, di-

rectors, or stockholders and the companies they control.

Last year, after public disclosure that there existed large numbers of problem banks in the banking system, the Congress requested the General Accounting Office to audit the three bank regulatory agencies to find out how well they were exercising their bank supervisory and regulatory responsibilities. GAO filed its report with the Senate Banking Committee on January 31, 1977. In my view, the GAO report reveals that regulatory permissiveness, fostered by the split in Federal bank regulatory authority, has been the principal reason why a substantial number of the Nation's banks in the banking system have deteriorated.

In its report, the GAO found that during the period 1971–75, the number of problem banks increased from at least 352 to 637 with the number of problem banks whose deposits exceeded $100 million increasing from 13 to 83. GAO data shows that the numbers and size of bank failures have also increased recently. For example, during the past 4 years bank failures have averaged $937 million in deposits each year, an increase of 21 times over the average $45 million in deposits at failed banks during the previous 13 years. Moreover, the recent failures were the largest in the history of the Nation. I refer, of course, to the failures of the Franklin National Bank, the U.S. National Bank, the Security National Bank and Hamilton Bankshares, Inc. The assets of each one of these banking organizations exceeded a billion dollars.

Why, Mr. President, are the numbers of problem banks and bank failures increasing? The answer I believe is poor Government regulation. GAO found that bank examiners in most cases identify bank problems 2 years before banks fail; and the primary cause of the bank failures were bad management practices—not economic conditions. But the bank regulatory agencies, GAO found, delayed requiring banks to correct their problems until it was too late, even though problem banks exhibit many of the types of problems which can be cured by tough enforcement action. But the banking agencies failed even to communicate clearly to bank managements the needed corrective measures.

Mr. President, the principal problem with bank regulation is the hydra-headed bank regulatory structure at the Federal level which moves in three separate directions GAO hit home when it said in its report that no mechanism exists to insure that the agencies act in concert to operate effectively and efficiently. For example the GAO notes that:

First. The three agencies do not have common criteria for determining which banks should be treated as problem banks or for taking enforcement action against problems which are discovered by examiners.

Second. Each of the agencies is developing its own separate monitoring and early warning system to improve bank examinations.

Third. Loans to corporations in which banks regulated by each of the three agencies participate are reviewed and treated differently by each of the three agencies even though essentially only one extension of credit is involved.

Fourth. The agencies operate separate and to a large extent duplicate computer systems.

Fifth. There is no procedure for coordinated examinations of holding companies and their subsidiary banks regulated by three different agencies.

Sixth. Separate systems for enforcing the consumer protection laws are in effect at the agencies.

Seventh. Loans to the same foreign borrowers are treated differently by the agencies. Time and money are wasted by the agencies in separate examinations of foreign branches and subsidiaries.

Eighth. The agencies maintain three separate examiner training centers. As a result three separate government disciplines are brought to bear on common bank problems.

The Comptroller charters and supervises national banks. But deposits in those banks are insured by the FDIC and all national banks are required to be members of the Federal Reserve. The Federal Reserve regulates State-chartered banks which choose to become members of the Federal Reserve. But deposits in such banks are insured by the FDIC. The FDIC insures all federally insured banks but supervises only those State-chartered banks which are not members of the Fderal Reserve. The Federal Reserve regulates all bank holding companies regardless of which of the three agencies regulates the principal banking subsidiaries of the bank holding company. None of these agencies will invade the bureaucratic turf of the other agencies even though the consequences of poor regulation by one agency will be felt by the other agency. For example, the Federal Reserve has loaned billions of dollars to national banks in distress which are supervised by the Comptroller. This has complicated monetary policy and misallocated bank reserves to speculative uses. The FDIC has had to underwrite the losses of banks which are regulated by the other agencies in the amount of hundreds of millions. The FDIC and the Comptroller have had banks which they supervise deteriorate to the point of distress because of poor regulation of their holding companies by the Federal Reserve.

Former Vice-Chairman of the Federal Reserve, J. L. Robertson testified before the Senate Banking Committee that there is an "institutional reluctance among the regulators to pull the rug out from under their own banks." This institutional reluctance arises in part from the ability of banks to switch regulators. It also arises from the fact that the greater the number of banks regulated the greater the justification for a bigger bureaucracy. When this is combined with the fact that the Federal banking agencies derive their funds not from Government appropriations but from private assessments on the banks they regulate with no congressional oversight the results are pernicious. Even without actual charter switching former Governor Bucher testified that the subtleties of divided authority are always with the agencies whenever they made a decision. Thus, in my view, instead of tough regulation we get Government bureaucrats living high off the hog in plush offices and traveling first-class with their wives around the country to attend bankers association meetings. Only by eliminating this institutional reluctance to take action will we ever have any hope of bringing decent government to the banking field.

In a speech to the American Bankers Association, the distinguished Chairman of the Federal Reserve Board stated with respect to the structure of bank regulation at the Federal level that:

I am inclined to think that the most serious obstacle to improving the regulation and supervision of banking is the structure of the regulatory apparatus. That structure is exceedingly complex. * * * At this Federal level, every bank whose deposits are insured is subject to supervision and regulation, but authority is fragmented. The Comptroller of the Currency charters and supervises national banks. The Federal Reserve System supervises State chartered member banks, regulates activities of Edge Act corporations, regulates all bank holding companies, and controls the reserves and other operating features of all member banks. The Federal Deposit Insurance Corporation insures nearly all banks, but supervises only State-chartered banks that are non-members of the Federal Reserve. The FDIC also has certain regulatory powers that apply to insured non-member banks.

Those of you who have been intimately concerned with regulatory matters will realize that I have oversimplified, that our system of parallel and sometimes overlapping regulatory powers is indeed a jurisdictional tangle that boggles the mind.

There is, however, a still more serious problem. The present regulatory system fosters what has sometimes been called "competition in laxity." Even viewed in the most favorable light, the present system is conducive to subtle competition among regulatory authorities, sometimes to relax constraints, sometimes to delay corrective measures. I need not explain to bankers the well-understood fact that regulatory agencies are sometimes played off against one another. Practically speaking, this sort of competition may have served a useful purpose for a time in loosening overly cautious banking restrictions imposed in the wake of the Great Depression. But at this point, the danger of continuing as we have in the past should be apparent to all objective observers.

I recognize that there is apprehension among bankers and students of regulation concerning over-centralized authority. Providing for some system of checks and balances is the traditional way of guarding against arbitrary or capricious exercise of authority. But this principle need not mean that banks should continue to be free to choose their regulators. And it certainly does not mean that we should fail to face up to the difficulties created by the diffusion of authority and accountability that characterizes the present regulatory system. * * * Some will doubtless conclude that the proper approach lies in improved coordination among the multiple bank regulatory agencies, together with harmonization of divergent banking laws. My own present thinking, however, is that building upon the existing machinery may not be sufficient, and that substantial reorganization will be required to overcome the problems inherent in the existing structural arrangement.

I am in agreement with this statement of Chairman Burns. The ability of banks to pick and choose their regulators as Chairman Burns says means that they have the ability to play off one Federal agency against the other. This results in poor and ineffective regulation and an inability of the Federal Government to deal with the tough issues because the bank agencies compete with one another to see which can regulate the least. Such competition in laxity has resulted in low public confidence in the bank regulatory agencies. The public is no longer willing to continue to be served by regulation at the lowest common denominator level among Federal agencies. Competition in laxity can only be eliminated by eliminating its base of operations: The threefold fragmented division of regulatory authority, into a single agency.

The benefits of a single bank regulatory agency, such as the Federal Bank Commission, which eliminates the competition in laxity among the three bank regulatory agencies would be enormous. Former Governor Holland of the Federal Reserve listed four such benefits as follows:

(a) Such an agency would bring about uniformity in Federal regulation, supervision and examination of banks. In addition it would result in uniformity on decisions concerning merger and branching applications.

(b) * * * such a consolidation would eliminate some duplication of efforts and lead to a more efficient use of supervisory and examination personnel. It would also remove any problems arising out of consultations between the agencies and resulting delays in decision-making.

(c) We also believe there could be advantages from the development of consistent data which would permit fuller analysis of the banking industry as a whole and permit more prompt identification of developments

which might affect the stability of the banking system.

(d) Finally, the consolidation of three Federal agencies into one would preclude the possibility of banks changing their organizational status in order to obtain more favorable treatment from a different Federal supervisor.

Former Chairman Wille of the Federal Deposit Insurance Corporation listed eight as follows:

First. Simplification of administration; improved internal and external communication.

Second. Elimination of conflicting goals.

Third. Economy and efficiency of operation.

Fourth. Elimination of actual or potential policy conflicts.

Fifth. Facilitating the handling of failing banks.

Sixth. Improved regulation of bank holding companies, their affiliates, and certain other bank relationships.

Seventh. Gains to banks and bank customers from a single Federal agency.

Eighth. Adjusting to a rapidly changing environment.

This bill will also strengthen the hand of the Federal Reserve in conducting monetary policy. The Federal Reserve Board's testimony before the Senate Banking Committee was that the Board needs the bank supervisory responsibility discipline in order to be able to conduct monetary policy. Serious disagreement with this view was taken before the committee by former Vice Chairman of the Federal Reserve Robertson who served at the Board for 20 years and by former Governor Bucher.

This legislation places a member of the Federal Reserve directly on the five-man Federal Bank Commission. Thus under this bill the Federal Reserve will have more direct input into bank supervision and regulation than it now has; and, under the bill, the Board will have more direct and immediate access to such information than it now has. Thus, under the theory of the Federal Reserve, this bill should enhance the Board's ability to conduct monetary policy.

One of the most important features of this bill are the provisions designed to strengthen the dual banking system of the Nation under which we have federally chartered and regulated banks which compete side by side with State chartered and regulated banks. Two essential features of this system must be strengthened if we are to retain a viable dual banking system. First, Federal insurance should not be used as a veto to the chartering of State banks. Second, State supervisory functions should not be co-opted by the Federal Government either by design or by default as it is in too many cases.

Section 312(d)(2) requires the Federal Bank Commission to grant insurance to institutions chartered by a State whose operations are adequate to assure a safe and sound banking system. This provisions is designed to eliminate the veto power now now enjoyed by the FDIC over State chartered banks and to assure that the Federal Bank Commission which will also charter national banks will not favor the chartering of national banks in any State over the State banking system. Under the current fragmented regulatory authority there is no doubt that the Comptroller of the Currency has historically sought to induce State chartered banks to switch to national charters, particularly among the larger banks. This bill will put an end to this practice.

Section 312(d)(2) also provides that where State examiners make adequate examinations of State chartered banks the Federal Bank Commission may suspend Federal examinations and reimburse the State supervisory authority for the cost of examination. This provision will give the State's supervisory authorties the economic means to upgrade their supervisory positions.

Finally, section 4(a) of the bill provides that at all times, one member of the Federal Bank Commission shall be an individual who has had direct State bank regulatory experience. There is no counterpart to this provision in the present law and as a practical matter direct State supervisory experience is not a quality which is sought by the bank regulating agencies. This provision will insure that State experience will have a direct representation in all bank supervision in the Nation thereby strengthening the dual bank system.

This bill will also subject the Federal Bank Commission to periodic performance audits by the General Accounting Office and require the Commission's yearly expenditures to be with the limitations set by an appropriations act of the Congress.

CONSOLIDATION OF BANK REGULATORY AGENCIES

Mr. PROXMIRE. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs a bill to establish a Federal Bank Commission to administer all Federal laws relating to the conduct of banking business, both foreign and domestic, including all such laws relating to the chartering and insuring and merging of banks, their branching activities, bank holding companies and their activities, Edge Act corporations and their activities, and the examination, supervision, and regulation of all banking institutions under Federal law.

It has become necessary to restructure the Federal bank regulatory apparatus because the existing structure consisting of the Federal Reserve System having jurisdiction primarily over State banks which are members of the Federal Reserve System, the Comptroller of the Currency having jurisdiction over all national banks, and the Federal Deposit Insurance Corporation having primary jurisdiction over nonmember State insured banks has proven incapable of dealing with banking practices which have arisen in the past 30 years in a manner which will insure a safe and sound banking system.

A safe and soundly maintained and operated banking system is basic to the economic well being of the Nation. Banking institutions occupy a unique and vital place in the economy. They are the principal suppliers and allocators of credit to the various sectors of commerce and industry. They are the principal institutions in our society by which decisions at the governmental level to increase or decrease the money supply are effectuated and translated into reality in the marketplace. They are the principal institutions in which the deposits and savings of individuals, partnerships, and corporations are held. They are, therefore, institutions which are imbued with an exceptionally high degree of public interest and must be subject to a high degree of effective public scrutiny.

Every banking institution must so conduct its affairs that it retains the ability to function without special Government subsidy in times of monetary restraint as well as in times of monetary growth. The structure of bank supervision should be such that banks are given no encouragement to conduct their affairs in a speculative manner in times of economic growth. Governor Robertson, the former distinguished Vice Chairman of the Federal Reserve Board has stated:

"There should never be a possibility of utilizing the supervisory function to enforce a given monetary policy today and an opposite one tomorrow, to look at bank loan portfolios through rose-colored glasses today and black ones tomorrow."

It is undeniable that particular banking institutions have engaged in speculative finance in many areas of the economy. These speculations have served to misallocate credit resources to earn high rates of return. The existing structure of bank regulation consisting of three Federal regulators, often at odds with one another over whether particular banking practices should be permitted has prevented them from requiring the cessation of unsafe or unsound banking practices which would have prevented the speculations from taking place. Institutions which are engaged in speculative finance often suffer dire consequences themselves and have been responsible for a loss of confidence in the banking system itself. The Government regulators have lacked the will to utilize their supervisory authority to abate these practices and to keep banks operating in a safe and sound manner requiring them to fulfill their public purposes.

The structure of supervision and regulation at the Federal level has been the major reason why unsafe or unsound conditions in our banking system have been allowed to proliferate. To some extent, of course, each of the three Federal bank regulatory agencies bear individual responsibility for the state of affairs.

In the wake of the largest bank failures in this Nation's history last October Chairman Burns of the Federal Reserve said to the American Bankers Association:

"I must say to you, however, that I am inclined to think that the most serious obstacle to improving the regulation and supervision of banking is the structure of the regulatory apparatus. That structure is exceedingly complex. * * * At the Federal level, every bank whose deposits are insured is subject to supervision and regulation, but authority is fragmented. The Comptroller of the Currency charters member banks, regulates activities of Edge Act corporations, regulates all bank holding companies, and controls the reserves and other operating features of all member banks. The Federal Deposit Insurance Corporation insures nearly all banks, but supervises only State-chartered banks that are non-members of the Federal Reserve. The FDIC also has certain regulatory powers that apply to insured non-member banks.

"Those of you who have been intimately concerned with regulatory matters will realize that I have oversimplified, that our system of parallel and sometimes overlapping regulatory powers is indeed a jurisdictional tangle that boggles the mind.

"There is, however, a still more serious problem. The present regulatory system fosters what has sometimes been called 'competition in laxity.' Even viewed in the most favorable light, the present system is conducive to subtle competition among regulatory authorities, sometimes to relax constraints, sometimes to delay corrective measures. I need not explain to bankers the well-understood fact that regulatory agencies are sometimes played off against one another. Practically speaking, this sort of competition may have served a useful purpose for a time in loosening overly cautious banking restrictions imposed in the wake of the Great Depression. But at this point, the danger of continuing as we have in the past should be apparent to all objective observers.

"I recognize that there is apprehension among bankers and students of regulation concerning over-centralized authority. Providing for some system of checks and balances is the traditional way of guarding against arbitrary or capricious exercise of authority. But this principle need not mean that banks should continue to be free to choose their regulators. And it certainly does not mean that we should fail to face up to the difficulties created by the diffusion of authority and accountability that characterizes the present regulatory system. * * * Some will doubtless conclude that the proper approach lies in improved coordination among the multiple bank regulatory agencies, together with harmonization of divergent banking laws. My own present thinking, however, is that building upon the existing machinery may not be sufficient, and that

substantial reorganization will be required to overcome the problems inherent in the existing structural arrangement."

I am in agreement with these statements of Chairman Burns. My own study of this problem has led me to conclude that the best restructuring at this time would be the unification of the three existing bank regulatory agencies into a single agency without a substantial change in the Federal law governing the business of banking. Before adopting more stringent regulatory laws to cure unsound practices which have arisen in banking in recent years, I believe we should give effective regulation under existing law the opportunity to work. With the removal of incentives to regulate all institutions at the lowest common denominator level, the Federal Bank Commission will be in a position to abate unsafe or unsound practices at particular institutions while maintaining a posture of encouragement of innovation in the public interest at other institutions possessing requisite management and operational capability. The existing structure does not allow for this degree of sophistication over the supervision and regulation of the business of banking.

There has been an expansion in the size of banks and bank holding companies in recent years that has outpaced the capability of supervisory authorities. Governor Robertson has stated that:

Banks have grown so large that it is no longer feasible for examiners to analyze adequately bank management, assets and liabilities, and their trust and foreign exchange activities within the limitations of eligible man hours. It would not be feasible if the supervisory forces were quadrupled.

A portion of this expansion has been based upon management focus on profits which have encouraged speculations, and to which the regulatory authorities have aided by their "competition in laxity." Numerous examples are available of this unhealthy competition between regulators. I need cite only one example.

For years the regulatory authorities deemed the acquisition of excess reserves by banks from other institutions borrowings which were subjected to limitations under Federal law as to amount. In the mid-1960's one bank regulatory agency ruled that such transactions were purchases and sales and not borrowings and therefore not subject to the statutory limitation as to amount. This gave the banks that regulator supervised a sizable competitive advantage over other banks by broadening their ability to expand their loan portfolio.

To eliminate this competitive advantage, another regulatory agency, which had objected to the change in ruling, felt itself obliged to adopt the same position for the banks it supervises. The result has been a tremendous increase in Federal funds transactions. Institutions have relied on these overnight borrowings to an inordinate and in particular instances to an unsafe degree in funding forward loan commitments and to expand long-term loans on this basis of short-term borrowings. Liability management has added a new dimension of risk to the banking system.

The past several years have seen the largest bank failures in this history of our Nation. Liability management practiced by the use of volatile sources of funds to support illiquid and high-risk asset portfolios as I have described have been a major causative factor. In addition, insider self-dealing loan to bank directors and bank management have been significant causative factors in other situations.

Still other disturbing trends in banking institutions have been the use of brokered deposits, the increased use of banks of loan commitments, bullet loans, and standby letters of credit as a source of earnings for banking institutions. The latter forms of banking, together with the practice of liability management serve to exacerbate severly the tendency of banking institutions to increase the size of their asset portfolios at the expense of any significant regard for the stability of the sources of funds upon which these loans must be based. Supervision of these activities by bank regulators has been inadequate.

One of the reforms in bank supervision urgently needed is a drastic change in bank examinations procedures in order that the regulatory authorities may comprehend and respond to the material changes which are occurring with rapidity in banking institutions. The time frame within which bank supervisors have to require corrections of practices which have a potential to develop into unsafe or unsound conditions and crisis situations has been greatly shortened by the pace of change in the banking system. Only a restructuring of the bank supervisory agencies into a single bank regulatory agency gives any hope of being able to cope with the problem.

There must be established an ongoing supervisory computerized network capable of obtaining information on the composition of bank assets and liabilities on a frequent basis. Such a system would enable a supervisor to determine at a glance the status of a bank—its capital, liquidity, asset, and liability position—and compare that present status with the standards of the regulatory agency. If a bank fails to meet those standards, examiners can be dispatched immediately to ascertain the causes and institute necessary changes long before a crisis occurs. Wherever potential unsafe or unsound conditions surface prompt and effective injunctive action by the supervisory authority must be undertaken under the Financial Institutions Supervisory Act of 1966.

Expert opinion shows that this kind of updated supervision cannot be achieved as soon as required—if it ever can be achieved in present circumstances—so long as Federal bank supervision remains fragmented among several agencies, each jealous of its prerogatives, each determined to maintain its own carefully constructed empire. Expert opinion reveals that it would take years—literally years—of negotiation before an agreement could be reached within the existing regulatory framework concerning the kind of information needed to provide an accurate picture of each bank, let alone devise appropriate standards by which banks should be judged, and without which it would be impossible to achieve anything like conformity of supervision and competitive equality.

This kind of an examination and supervisory capability, possible only within a single regulatory agency, will insure the swift abatement of unsound practices while allowing maximum flexibility to managements in the operation of their institutions. Bank examinations under the single regulatory agency concept can provide banking institutions with a significant management tool in the form of a sophisticated outside overview of their operations—particularly respecting unsafe practices or unsoundness in operation.

Unsafe and unsound conditions have proliferated in our banking system because bankers have been able to play the fragmented structure, shifting back and forth among supervisory authorities whom they have though would best accommodate their views. We have the example of one banking institution in a State switching to the jurisdiction of a particular supervisory for the purpose of having a particular merger transaction approved. After the merger was approved and consummated, the banking institution switched back again to its original supervisor where it believed the merged operation could be conducted on a more economical basis for the bank.

In another instance a bank holding company was denied permission by one regulatory agency to acquire a particular bank on competitive grounds. Another regulatory agency shortly thereafter approved the acquisition of the bank by the holding company by allowing the merger of that bank into another banking subsidiary of the holding company. We have still another instance of a bank holding company being denied to engage in a certain activity by one agency and a different regulatory agency allowing a banking subsidiary of the holding company to undertake the same activity. These lax regulatory practices have led to a number of banking institutions leaving the regulatory jurisdiction of one agency and switching to the jurisdiction of another agency. This has been responsible for regulation at the level of the lowest common denominator.

The fragmented process is exemplified by cases such as those I have recited and by the differing standards applied by the banking regulatory agencies respecting merger applications filed under the Bank Merger Act. One regulatory agency has been more permissive in approving applications for mergers of banks than have the other regulatory agencies. The provisions in the Bank Merger Act for the filing of competitive factors reports by the bank regulatory agencies not having approval authority over a particular merger with the jurisdictional bank regulatory agency were designed to assure uniformity of treatment among the banking agencies respecting bank merger matters. These provisions of law have not achieved their intended purpose. Differing standards have been applied by the regulatory agencies while at the same time a large amount of time has been dissipated by the regulatory agencies in compiling competitive factors reports which have been largely ignored as evidenced by the continued application of differing standards by the regulatory agencies. There is, in short, no coherent policy at the Federal level among the bank regulatory agencies to control the concentration of banking resources in the Nation.

In May of this year the Committee on Banking, Housing and Urban Affairs published a committee print titled "Compendium of Major Issues in Bank Regulation." At that time I stated my intention to introduce legislation unifying the bank regulatory agencies. Since that time there has been considerable testimony relating to a single regulatory agency and the advantages and disadvantages of establishing a single agency. In my view the concrete advantages are overwhelming and compelling. The most perceptive fear is that a single agency would be all-powerful. But it is this very consolidation of authority which is necessary to cure the ills to which I have referred and which necessitates a single bank regulatory agency.

Furthermore, the single agency would not have the incentive to relax its rules so that its power base could be expanded by banking institutions switching their regulatory jurisdictions. The incentives, if any, would rather be on the side of looking to State regulatory authorities to accept increasing responsibility to insure the safe and sound operation of State institutions and to thereby strengthen this Nation's dual banking system.

The benefits of a single regulatory agency are enormous. Chairman Willie of the Federal Deposit Insurance Corporation recently listed eight as follows:

"1. *Simplification of Administration; Improved Internal and External Communication.*—A single agency would provide a single focal point for Congressional and Administration contact on matters of bank regulation and supervision. Additionally, all public inquiries on matters of banking and bank regulation could be addressed to the single agency. All agency actions and decisions would originate • • • from a • • • single • • • (Commission). Instead of 14 FDIC regions, 14 National bank regions and 12 Federal Reserve Districts (few of which are today identical) a much simpler regional setup could be achieved.

"2. *Elimination of Conflicting Goals.*—The fact that the scope of responsibilities differs among the three Federal banking agencies results in a number of internal conflicts with respect to the handling of supervisory problems. This is thought by many to be a particular problem for the Federal Reserve System whose principal function is the formulation and implementation of monetary policy. These observers believe that where the implementation of monetary policy goals is combined with regular bank examination and supervision, the former will always be viewed as more important than the latter and will prevent a consistent, even-handed approach to matters of bank supervision. This potential problem would be reduced by setting up a single bank regulatory agency divorced from monetary policy responsibilities.

"3. *Economy and Efficiency of Operation.* Considerable economy could be achieved by combining the legal, research, training and other Washington Office functions of the three existing bank regulatory agencies. There would be a reduction in senior agency staff time spent communicating with and keeping current with the activities of other agencies.

"More efficient use could be made of examiner time, training and specialized capabilities. A single agency would eliminate differences in the form and substance of reports of examination and would be able to issue uniform instructions to all examiners. Travel time of examiners could be reduced, and in many instances where it has not heretofore been feasible, all banks within a particular community could be examined simultaneously. A single agency could make more efficient use of specialized expertise to handle complicated credits and to concentrate on such areas as trust activities, international departments and foreign offices of insured banks, certain data processing and other areas of automated activity, and compliance with Federal and State statutes in the consumer protection area. Economy could be achieved through a single training program which would not only reduce existing duplication, but facilitite the development of more advanced and specialized training.

"A single agency would eliminate differences in reports filed by insured banks, thereby eliminating some duplication or redundant effort, in administering and processing such reports, in computer costs and in publication costs.

"4. *Elimination of Actual or Potential Policy Conflicts.* A single agency would bring uniform treatment to all insured banks in such matters as rules, regulations, standards and procedures. For example, a single, rather than three separate guidelines on a subject such as insider transactions, could be effected. Also, uniform application of statutory powers, such as cease and desist powers, would result. Banks would also be subject to greater uniformity with respect to loan classifications, policies on capital adequacy and other areas related to bank examinations.

"Consolidation would result in a single policy on chartering, branching and mergers.

"5. *Facilitating the Handling of Failing Banks.* • • • The involvement of three Federal banking agencies in the handling of failing banks prolongs and overly complicates an appropriate resolution of the problem. A single agency probably could reduce the time involved. Under present arrangements, it is difficult to consider all alternatives more or less simultaneously, because the three agencies have somewhat different powers related to solving these problems (e.g., the Comptroller has somewhat more flexibility in arranging a National bank merger which does not require special Government financial assistance or guaranties, while the Federal Reserve can provide liquidity assistance and the FDIC can provide other types of financial assistance to insured banks regardless of charter).

"6. *Improved Regulation of Bank Holding Companies, Their Affiliates, and Certain Other Bank Relationships.* A single Federal bank agency could have responsibility for examining banks and their holding company affiliates, thereby facilitating a more complete picture of the entire operation and the assessment of the overall risk exposure of the bank(s) and the holding company. Under present arrangements the Federal Reserve has certain regulatory authority over the activities of holding companies whose principal assets may be banks subject to the regulation of the other two Federal banking agencies.

"When Congress addressed the bank holding company issue in 1970 and concentrated regulatory authority within the Federal Reserve, Congress was primarily concerned with the range of permissible nonbank but bank-related activities to be made available to such holding companies. In more recent years issues related to financial arrangements of holding companies and their impact on bank risk have become more important than permissible activities, and the present regulatory arrangement does not seem to be well suited to deal with these issues. Even apart from the holding company framework, there exists in today's banking system many complicated financial arrangements associated with joint ventures and shared credits where the present Federal regulatory structures makes it difficult to get a complete picture of a bank's risk exposure in a particular transaction. A single agency could ameliorate this situation.

"7. *Gains to Banks and Bank Customers from a Single Federal Agency.* Differences in regulations, in examination standards and reporting requirements among the Federal banking agencies may result in different treatment of similar situations and, as a result, in some inequities. In addition, there are costs imposed on the banks and the public in having to work with and understand these differences.

"8 *Adjusting to a Rapidly Changing Environment.* Rapid changes have been occurring in banking in recent years—for example, in such developments as the growth of bank-related activities across State lines through holding companies, innovations in the payment system and the growing importance of international operations in the activities of large banks—and there is no reason to assume that this process will decelerate. A single Federal banking agency may be in better position to command the technical and specialized resources and to exercise the administrative flexibility necessary to cope with this changing environment."

Governor Holland of the Federal Reserve Board similarly listed four as follows:

"(a) Such an agency would bring about uniformity in Federal regulation, supervision and examination of banks. In addition it would result in uniformity on decisions concerning merger and branching applications.

"(b) • • • such a consolidation would eliminate some duplication of efforts and lead to a more efficient use of supervisory and examination personnel. It would also remove any problems arising out of consultations between the agencies and resulting delays in decision-making.

"(c) We also believe there could be advantages from the development of consistent data which would permit fuller analysis of the banking industry as a whole and permit more prompt identification of developments which might affect the stability of the banking system.

"(d) Finally, the consolidation of three Federal agencies into one would preclude the possibility of banks changing their organizational status in order to obtain more favorable treatment from a different Federal supervisor."

This bill will serve to bring bank supervision and regulation into the last quarter of the 20th century and prepare us for tomorrow by recasting a Federal structure which has grown up in helter-skelter fashion over the last 100 years and whose operation has often visited upon the public unfortunate effects.

The bill would transfer all of the supervisory and regulatory powers of the Federal Reserve System to the Federal Bank Commission, enabling the Federal Reserve to concentrate its efforts upon the conduct of the monetary policy of the Nation. The conduct of monetary policy is an extremely important task because of its effect upon the life of our economy. The complexity is of the magnitude that the agency having that responsibility should not at the same time be burdened with the task of bank supervisory and regulatory functions.

Yet, bank supervision and regulation which should be so conducted as to insure a safe and soundly operated banking system is in many respects a task of equal importance to the conduct of monetary policy. The functions of monetary policy and effective supervision and regulation cannot be performed by one agency without seriously compromising the effectiveness of each function.

Governor Robertson stated in December 23, 1974, in recommending the unification of the three bank regulatory agencies into a single agency that:

"Finally, and in light of recent suggestions by others, I should make clear that in my opinion, based on forty years experience in the field of federal bank supervision, including twenty-one years as a Governor and seven years as Vice Chairman of the Federal Reserve Board, the merged supervisory function should not be vested in the Federal Reserve System. The function of formulating and implementing monetary policy and the equally important and coordinate function of supervising banks and bank holding companies cannot be performed by one agency without seriously compromising the effectiveness of each function."

Governor Bucher of the Federal Reserve said on March 11, 1975:

"Developing and implementing appropriate monetary policy at a given time require considerations and evaluation of the significance of an enormous volume of available data and their inter-relationships. The responsibilities are of such magnitude that the Board should not also be burdened with the performance of bank supervisory functions. Supervision is too important a function in itself to be the Federal Reserve's part time job."

The bill would abolish the Office of the Comptroller of the Currency and transfer all of its functions to the Commission. The Federal Deposit Insurance Corporation would continue as an insurance and financial entity under the control of the Commission and its functions would be transferred to the Commission.

Thus, the primary thrust of this legislation is to recast the Federal regulatory structure over bank supervision and is not intended to change the substantive laws governing bank regulation at the Federal level. There are three exceptions to the primary thrust of the bill. The three exceptions are as follows:

First. Federal Reserve System advances to distress banks to ameliorate unsafe or unsound conditions could not be made un-

der the provisions of this bill unless the Commission first certifies that such advance is in the public interest. In any case where such a certification is made the Federal Reserve is further required to find affirmatively that the advance may alleviate a significantly adverse effect upon the economy of the Nation or any section of the country.

The provision is necessary if we are to bring a minimal amount of accountability to the Federal Reserve System in making advances to banks in distress. Federal Reserve advances in the recent past in the case of the Franklin National Bank amounted to more than $1½ billion and tens of millions of dollars in other distress situations. The record of recent bank failures and near failures reveal that the Federal Reserve System acting in the capacity of a lender of last resort is often put under great pressure to rescue a bank from the consequences of its own mismanagement. The public interest is not served by a continuation of the practice of the Federal Reserve to underwrite the liquidity and solvency of banks in the circumstances characterized by recent large bank failures.

This provision will serve to insure that the Commission will use its authority to effectively regulate and to abate potential or actual unsafe or unsound practices before these attain crisis proportions. This provision will serve to alleviate the present situation where the Federal Reserve has made bail-out type loans to insolvent banks, complicating monetary policy, misallocating the distribution of bank reserves, and jeopardizing taxpayers' funds.

Second. The Commission will be required to make expenditures for office space, employees' salaries and expenses, and travel and other administrative expenses within yearly appropriations ceilings set by Congress. This provision of the bill is intended to bring the Commission within the Congressional appropriations review process. The Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation are now exempt from the congressional review process over expenditures for their purposes. The exemption is retained, however, for payments and expenditures made by the Commission to insured depositors of banks which have failed and expenditures made in connection with the liquidation of banks.

Third. This bill makes it clear that all of the Commission's activities are subject to full auditing by the Government Accounting Office. The GAO is required by these provisions to submit an audit of the Commission's activities each year to the Congress. Full GAO audit will serve to facilitate congressional oversight over the exercise of the Commission's functions in the public interest both in respect to its expenditures but also respecting the efficiency of the exercise of its management of supervisory and regulatory functions under Federal law to insure a safe and sound banking system.

Mr. RIBICOFF. Mr. President, I am indeed gratified to join with Senators PROXMIRE and JAVITS in introducing the Consolidated Banking Regulation Act of 1979.

Slightly more than a year ago, the Government Affairs Committee published volume V of its wide-ranging Study on Federal Regulation. In this volume, we took a clear, hard look at the structure and state of banking regulation and concluded that a major reorganization was needed. The bill being introduced today reflects both the committee's recommendations and those of several State banking commissioners who very graciously extended their time and expertise to the committee in its work.

The Consolidated Banking Regulation Act of 1979 has two fundamental goals—first, to make Federal regulation of banking more consistent, effective and efficient, and second, to revitalize the dual banking system.

In order to achieve the first goal, the bill calls for the consolidation of the three Federal banking agencies—the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the regulatory functions of the Federal Reserve System—into an independent regulatory agency to be called the Federal Bank Commission. A five-member, bipartisan agency, the Federal Bank Commission would be charged with enforcing Federal banking statutes whose administration is now divided among the three Federal banking agencies.

Responsibility for bank merger policy, bank holding company policy, and examination standards would, for the first time since the creation of the Federal Reserve System in 1913, be housed in one Federal agency. Banks would no longer be able to choose their Federal regulator, as they can now, by switching charters, joining or withdrawing from Federal Reserve membership or relinquishing Federal deposit insurance. Such uniform, impartial, and consistent regulation will more readily insure safe and sound banking practices.

In addition to assuring safety and soundness through consistent and efficient regulation, the Commission would work toward more effective regulation by encouraging competition among the Nation's financial institutions. Such a considered approach to competition would replace the present situation where the competition often takes place among the agencies rather than among the banks.

Furthermore, by unburdening the Federal Reserve System of its existing regulatory responsibilities, the Fed would be better able to fulfill its primary responsibility of conducting the Nation's monetary policy. Under the bill, the chairman of the Federal Reserve Board would be granted authority to participate in those commission activities he believes will have an impact on monetary policy.

In order to fulfill the second goal of revitalizing the dual banking system, the bill statutorily acknowledges the vital role that must be played by the 50 State banking agencies in supervising State-chartered banks. This statutory acknowledgement is initially contained in a provision that mandates the creation of two major divisions within the Federal Bank Commission: A Division of State Bank Regulation and a Division of National Bank Regulation. By creating a Division of State Bank Regulation, the bill recognizes the fact that State banks and national banks may often have special features, attributes and problems that require suitable supervision.

In order to further insure that the Division of State Bank Regulation is attuned to the particular features of the State banks over which it has regulatory responsibility, the bill provides that the Director of the Division, as well as one member of the full Commission, have prior State bank regulatory experience. Although it is often not wise to reserve seats on independent regulatory commissions for particular interests, we believe that because of the importance of revitalizing the dual banking system, the decision to reserve a seat was justified.

To further achieve the second fundamental goal of revitalizing the dual banking system, the bill adopts a policy enabling State banking agencies to assume full supervisory authority over banks in their jurisdictions. It uses the new Division of State Bank Regulation as the means to implement this new policy. Specifically, a State banking agency, upon application to the Commission and after review by the Director of the Division of State Bank Regulation, may be given authority to grant Federal deposit insurance along with the grant of a State charter. A State banking agency may also apply for full examining authority of banks under its jurisdiction. Provisions also exist for Federal funds to assist States assuming or desirous of assuming this full examination responsibility.

Last week, in his state of the Union address, the President placed great emphasis on reorganizing the Federal bureaucracy to eliminate inconsistent, inefficient, and ineffective regulation. Consolidation of the three Federal banking agencies will go far toward eliminating the present inconsistencies in banking regulation—inconsistencies, I might add, which are inevitable when three separate agencies are charged with enforcing the same laws. Revitalization of the dual banking system through a more vigorous role for State agencies will go far toward eliminating inefficiency and ineffectiveness, for one thorough bank examination by one competent regulatory agency is clearly more efficient and more effective than two agencies going into the same bank and making two separate examination reports. The Consolidated Banking Regulation Act of 1979 is a fine expression of the very significant goal expressed by the President and I urge the 96th Congress to give it prompt and careful consideration.

CONSOLIDATED BANKING REGULATION ACT OF 1979

Mr. JAVITS. Mr. President, I am pleased to support Senators RIBICOFF and PROXMIRE in cosponsoring the Consolidated Banking Regulation Act of 1979.

This bill is similar to S. 2750, which was introduced last year. Last summer, the Committees on Governmental Affairs and Banking, Housing, and Urban Affairs held 2 days of joint hearings on that bill. At those hearings, testimony was received from bankers, regulatory officials, and others who are well versed in the problems affecting both State-chartered and national banks. As a result of those hearings, several changes have been made to the Consolidated Banking Regulation Act to help achieve its objectives of eliminating duplicative

Federal regulation through consolidation and reorganization, and bolstering the dual State-Federal banking system.

The need for reform of our system of banking regulation is well recognized and was addressed in detail in chapter 6 of volume 5 of the Governmental Affairs Committee's study on Federal regulation. Since 1939, when the present Federal system of banking regulation was established, it has become increasingly apparent that the tripartite system of Federal banking regulation, with regulatory authority divided between the Federal Reserve, the FDIC, and the Comptroller of the Currency, has led to duplication, waste and even confusion. This situation also has led to inconsistencies in Federal policies—especially for bank mergers and with respect to bank holding companies—that undermine the ability of banks to engage in competition within a secure banking atmosphere. Under this legislation, I believe Federal banking regulatory activity will provide for a banking system within which competition can flourish.

In an effort to consolidate bank regulatory policies, the act combines in one new agency, the Federal Banking Commission, the responsibilities now divided among the three bank regulatory agencies. In the past, each of these agencies has had primary regulatory responsibility for certain State-chartered or national banks, but the other two agencies have also made decisions which have affected the operation of those banks. This overlap of authority is not only wasteful, but often burdensome.

Additionally, because the Fed, the FDIC, and the Comptroller of the Currency may have differing policies, banks performing exactly the same functions are subject to different standards depending upon the agency which is their primary regulator. And, because one agency might have more preferable policies at a particular time, banks have undertaken charter revision so they could subject themselves to the regulatory policies of the preferred agency. Thus, at the Federal level, the lack of uniformity in policy and regulation has contributed to the process of "forum shopping" where banks become members of, or are insured by, or chartered by, the Federal agency which best addresses the individual bank's needs at the time. There is no question that consolidation of regulatory functions is a sensible and long overdue idea that will eliminate such abuses.

The second objective of this legislation is to preserve the special dual nature of our Nation's banking system. Due to the lack of coordination of Federal decision-making authority, the State banking authorities have often not been adequately considered or consulted with respect to the activities of State-chartered banks. The establishment of the Federal Banking Commission will help correct that situation.

The five-member Commission will contain two major divisions—a Division of State Bank Regulation, and a Division of National Bank Regulation. The Directors of the two Divisions must be appointed with the approval of the full Commission. The bill further requires that the Director of the State Bank Regulation Division, in addition to one other member of the Board, have prior experience in State banking regulation. This requirement should insure that the views of the State banking authorities will be considered fully by the Federal Banking Commission.

Indeed the bill recognizes that, where States have sound bank regulatory policies, they should assume the primary responsibility for auditing and supervising State banks within their jurisdiction. Thus, the bill provides that the State authorities may request such power, and unless they are turned down by the Commission within 60 days, may exercise it. Further, where a State would like to exercise primary responsibility for regulatory State banks within its borders, but does not yet have the capability of conducting adequate supervision, it may request Federal funds to help it develop that capability. Thus the bill not only contributes to the reduction of inconsistencies and overlaps in Federal regulatory policy, but reduces Federal-State overlay in banking regulation as well.

Forty years have passed since the current segmented Federal banking system was established. In that time, the regulatory policies of the Federal Reserve Board, the FDIC and the Comptroller of the Currency have often taken different paths. Through consolidation, a unified approach to banking activities will emerge that will stress the special role of State banking agencies in bank supervision, and will encourage competition in the banking industry. The end result will be a sound and strong policy of regulation of our Nation's banks.

Mr. PROXMIRE. Mr. President, I ask that the bill be received, and I shall wait on the floor until clearance is available, so that I can obtain appropriate reference.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes, I am happy to yield.

Mr. WALLOP. They are still trying to arrange for consent to jointly refer that bill, but I just checked, and it has not yet been done.

Mr. PROXMIRE. Then, Mr. President, may I do this: I ask unanimous consent that in the event the minority assents to joint referral, the bill be referred to the Committee on Banking, Housing, and Urban Affairs and the Governmental Affairs Committee, and that, in the meanwhile, it be held at the desk and not referred until that assent is given. Otherwise I will have to remain on the floor, perhaps for 3 or 4 hours.

The PRESIDING OFFICER (Mr. HEFLIN). Is there objection to the request of the Senator from Wisconsin?

Mr. WALLOP. We have no objection.

Mr. President, similar legislation to consolidate the bank regulatory agencies in a single Federal Bank Commission was introduced in the last Congress and referred jointly to the Committee on Banking, Housing, and Urban Affairs and to the Committee on Governmental Affairs.

Both sides of the aisle cleared this legislation and both jointly refer it in this Congress.

Accordingly, I ask unanimous consent that this legislation be referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Governmental Affairs jointly with the proviso that either committee has 30 days within which to report the bill.

Mr. CHAFEE. I object to that, Mr. President.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. PROXMIRE. I appreciate that.

I might tell my good friend from Rhode Island that the bill has been cleared with the minority as well as the majority, but I am happy to hold that up until the Senator from Rhode Island can have that confirmed.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent on behalf of Mr. PROXMIRE that the legislation introduced earlier by him be referred to the Committees on Banking, Housing, and Urban Affairs, and Governmental Affairs, jointly, with the proviso that if either committee orders the bill reported the other committee has 30 days within which to report the bill.

I understand this request has now been cleared on the minority side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

By Mr. RIBICOFF (for himself, Mr. JAVITS, Mr. BAKER, Mr. BENTSEN, Mr. DOLE, Mr. HEINZ, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. MOYNIHAN, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. SARBANES, Mr. STAFFORD, Mr. TSONGAS, and Mr. YOUNG):

S. 333. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Governmental Affairs, and if and when reported, referred jointly to Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Select Committee on Intelligence, and the Committee on the Judiciary, for not to exceed 30 days, by unanimous consent.

OMNIBUS ANTITERRORISM ACT OF 1979

Mr. RIBICOFF. Mr. President, it is with a sense of urgency and deep concern that I am introducing, with Senator JAVITS, the Omnibus Antiterrorism Act of 1979.

No nation has escaped the scars of devastation left by terrorists, and the high incidence of terrorist acts around the world continues to escalate. Hardly a day passes that we are not informed of still another tragic senseless, destructive terrorist incident—often ending in death for innocent bystanders.

And, although the vast majority of terrorist acts seems to happen in faraway, removed lands, American citizens, businesses, and Government facilities are regular targets. In the last 10 years, there have been nearly 1,500 terrorist in-

cidents directly affecting U.S. citizens and interests.

In 1978 alone, many acts of terrorism occurred within the United States. For example, in May the Puerto Rican terrorist group FALN set off bombs at the Kennedy, LaGuardia, and Newark Airports and outside the Justice Department in Washington. In August, Croation terrorists planted bombs in New York City and held West German diplomats hostage in Chicago.

Just last weekend, a 747 jumbo jet on a transcontinental flight to New York was hijacked, with the threat of a bomb on board. Thankfully, there was no destruction, no loss of life, and no bomb. But imagine the terrorist potential for destruction with the lives of the passengers and crew of a 747 jet filled to capacity at his disposal.

We will never be able to put a price on the destruction of American property—or on the loss of American lives—due thus far to terrorism, either here or abroad.

Combating terrorism must be a concern and a priority of every American because each of us is a potential victim.

Terrorists, sometimes shamelessly supported by a few irresponsible nations, are engaged in allout war with whomever they come into contact. Their job is an easy one. They are guaranteed major publicity for their "work." Nine times out of 10 their destructive missions succeed as planned. And perhaps most frustrating, there is a 79-percent chance, according to the CIA, that the terrorist and his cohorts will escape punishment and death.

It is time to stem this tide and fight back. Terrorism is a real threat to our security, and to that of the entire world.

American citizens, businesses, and Government facilities continue to be the focus of many terrorist acts. So, our Federal Government must be organized, equipped, and prepared to deal effectively and quickly with future incidents.

Millions of American people travel overseas annually. So, we must insure their trip is a safe one and that security at foreign airports is acceptable and adequate.

Terrorism strains normal relationships between nations, and severely disrupts world security and peace. So, we must take the lead in working with the international community to combat terrorism through cooperative and mutual agreements. We must penalize those nations which support, aid, or finance terrorists' activities.

The American people expect their Government to do everything in its power to combat terrorism. Some gains have been made.

The President established last year the interagency Working Group on Terrorism as part of the Special Coordinating Committee of the National Security Council. However, we must make certain that in a terrorist incident crossing the jurisdiction of several Federal agencies, coordination not chaos will reign.

American diplomats have worked with other countries to hammer out international agreements for stricter penalties for terrorists and hijackers. Yet, there is a need for Congress to give stronger direction and to set clearer priorities for the negotiation of future agreements.

Last year, after nearly 10 days of hearings and a year-long investigation, we found there is much more the U.S. Government can do to combat terrorism.

The Omnibus Antiterrorism Act of 1979, which I am introducing today, will greatly increase our antiterrorism capability and response.

The bill's reorganization provisions will induce a thorough reexamination and discussion of the Federal structure for combating terrorism. How successful has the new Working Group on Terrorism been in coordinating the response of several agencies to terrorist acts involving U.S. citizens or interests? The Governmental Affairs Committee will take another look.

The President would be required, by law, to maintain an annual list of those countries which are found to aid or abet terrorism. We simply cannot tolerate foreign governments aiding international outlaws. If a nation supports terrorists, the U.S. Government should publicize it and take steps to halt any American economic aid, military sales, trade and tourist travel to that country. Simply giving a nation "outlaw" status on a public list will be an effective sanction in itself against aiding terrorists in the future. I suspect few American tourists or corporations would feel comfortable doing business in that nation.

The U.S. Government has several tools available to it to pressure foreign countries against aiding terrorists. Under the legislation, the President could deny foreign assistance aid, sales of defense materials, export licenses for commodities of potential military application, and duty-free treatment under the Trade Act of 1974.

The legislation will require the Secretary of Transportation to periodically inspect foreign airports for the adequacy of their security. Any foreign airport which fails to correct a serious deficiency would be placed on a list and the American traveling public would be so notified. Far too often, the airline industry has become an easy target for terrorists. Millions of American people travel each year to foreign countries. They expect security standards abroad to equal or surpass those found here in the United States. The U.S. Government has a legitimate interest in safeguarding their security. If the American people knew a certain foreign airport had less than adequate security, travel to that country would inevitably drop off, and so would valuable tourist revenues. That would be a good method of instigating improvements in security at that airport.

One destructive device that has become synonymous with the modern terrorist is the bomb. The international law enforcement community has been frustrated in its attempts to investigate terrorist bombings and trace them back to the persons responsible. In the last decade, research has intensified in the field of explosive taggants. Scientists are very close to perfecting workable and effective substances (taggants) which, when added to explosive material, enable law enforcement personnel to either detect a bomb before detonation, or to trace it to the purchaser through a code on fragments retrieved after an explosion. The bill I am introducing today would require the use of these valuable substances in explosives. If we are going to stop terrorist bombings, we will need good investigative tools. For the first time in history, taggants will present the key to finding out just who is responsible for the reckless and deadly terrorist bombings we have all come to fear.

The bill will also require the President to report to Congress on terrorist acts which affect American lives or property. Congress will need this valuable information if it is to deal knowledgeably with the difficult aspects of terrorism.

The bill will also give strong direction to the executive branch to seek cooperation in the international arena in combating terrorism. Specifically, the legislation urges the President to negotiate with other nations for the creation of a permanent international working group on terrorism, and to seek international adherence to the Hague, Montreal, and other conventions so that hijackers and terrorists will be severely penalized around the world.

Finally, the bill takes the giant and very important step of completing U.S. adherence to the Montreal Convention by including in the United States Code strict penalties for terrorist acts on or near aircraft. These penalties, already adopted by most other nations participating in the convention, cover aircraft sabotage and piracy, and conveying false information and threats. Including this language in the United States Code will go far toward signaling other countries we are determined to deal with terrorists in the United States in the strongest, most forceful way possible.

Mr. President, the Omnibus Antiterrorism Act has wide support and should be enacted into law promptly. Having cleared four Senate committees and several House committees last year, the bill died simply because of a lack of time.

But when it comes to terrorism, we do not have time to spare. It troubles me deeply to think that this bill would become law only in response to a future tragic disaster caused by terrorists. I cannot think of a better way to express our "get tough" attitude toward terrorism than to enact this bill into law.

We must act, before we have to react.

Mr. President, I ask unanimous consent that the section-by-section analysis of the Omnibus Antiterrorism Act and the text of the bill itself be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. This Act may be cited as the "Omnibus Antiterrorism Act of 1979".

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Sec. 403. Priorities for negotiation of international agreements

DECLARATION OF FINDINGS

SEC. 3.(a) The Congress hereby finds that

(1) innocent persons have been killed, injured, and victimized, human rights violated, property destroyed and damaged, and international commerce obstructed as a result of terrorist acts;

(2) such acts represent an intolerable attack against the fundamental right to life and security of all peoples of the world;

(3) such acts constitute a threat to the orderly and civilized functions of the international community;

(4) certain nations exhibit a pattern of support for international terrorist acts; and

(5) certain international airports fail to maintain consistently effective security measures.

(b) Further, the Congress finds that a Council for Combating Terrorism (hereinafter referred to as "Council") must be established in the Executive Office of the President to assure consistency in the management of such policy, to assure an efficient response to emergency and crisis situations, and to press for international sanctions against convicted terrorists.

(c) Further, the Congress finds and declares it necessary to provide for an Assistant Secretary of State, an Assistant Attorney General, and an Assistant Secretary of Transportation to assure high-level attention to activities to combat terrorism in the United States Department of State, United States Department of Transportation, and United States Department of Justice.

(d) Further, the Congress finds and declares that economic sanctions should be directed at countries which harbor, aid, abet, or assist terrorists.

DECLARATION OF PURPOSES

SEC. 4. The Congress therefore declares that the establishment of a Council for Combating Terrorism and the assignment of a high priority to antiterrorist policy is in the public interest to promote the welfare of American citizens by assuring coordinated and effective administration of Federal programs and policies for combating terrorism. It is the purpose of this Act—

(a) to establish in the Executive Office of the President a permanent Council for Combating Terrorism;

(b) to establish in the Department of State an Office, headed by an Assistant Secretary, to coordinate the responsibilities of that Department for combating international terrorism;

(c) to establish in the Department of Justice an Office, headed by an Assistant Attorney General, to coordinate the responsibilities of that Department for combating terrorism;

(d) to establish in the Department of Transportation an Office, headed by an Assistant Secretary, to coordinate the responsibilities of that Department for combating terrorism;

(e) to bring together in the new offices the responsibility for coordinated management of all of the antitrust policies and programs;

(f) to provide an appropriate organizational framework for the implementation of such programs;

(g) to provide for effective permanent mechanisms for development and implementation of a comprehensive national antiterrorist policy;

(h) to assure coordinated and effective research in antiterrorist measures;

(i) to improve the effectiveness of the information-gathering system regarding terrorist acts and results;

(j) to establish effective sanctions against those countries which harbor, aid, or abet international terrorists;

(k) to coordinate and supervise the implementation of United States policy with respect to international acts of terrorism;

(l) to oversee and administer the provisions of this Act;

(m) to develop new initiatives which the United States can implement unilaterally or with other nations to control international acts of terrorism;

(n) to participate in international conferences and negotiations on the control of international acts of terrorism;

(o) to devise procedures for reacting swiftly and effectively to acts of terrorism that occur;

(p) to strengthen Federal capabilities in policy and planning, coordination, intelligence, and response capability and to enlist the cooperation of all other nations and national and international organizations in initiatives to counter terrorist acts more effectively throughout the world, which safeguarding democratic values;

(q) to promote appropriate action by the United States and other governments in order to combat international terrorism; and

(r) to provide public notice to persons traveling in international air commerce of deficient security programs and facilities at certain foreign airports.

DEFINITIONS

SEC. 5. For the purposes of this Act, the following definitions are established:

(a) "Internal terrorism" includes any act designated as an offense or crime under—

(1) the Convention for the Suppression of Unlawful Seizure of Aircraft (done at The Hague, December 16, 1970);

(2) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (done at Montreal, September 23, 1971); and

(3) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including Diplomatic Agents (adopted by the General Assembly of the United Nations at New York, December 14, 1973); or

(4) any other unlawful act which results in the death, bodily harm, or forcible deprivation of liberty to any person, or in the violent destruction of property, or in interference with facilities and installations vital to public health, safety, welfare and commerce, or an attempt or credible threat to commit any such act, if the act, threat, or attempt is committed or takes effect—

(A) outside the territory of a state of which the alleged offender is a national; or

(B) outside the territory of the state against which the act is directed; or

(C) within the territory of the state against which the act is directed and the alleged offender knows or has reason to know that a person against whom the act is directed is not a national of that state; or

(D) within the territory of any state when found to have been supported by a foreign state as defined in section 5(b), irrespective of the nationality of the alleged offender: *Provided*, That the act of international terrorism is—

(i) intended to damage or threaten the interests of or obtain concessions from a state or an international organization; and

(ii) not committed in the course of military or paramilitary operations directed essentially against military forces or military targets of a state or an organized armed group.

(b) "State support of international terrorism" shall consist of any of the following acts when committed deliberately by a state:

(1) furnishing arms, explosives, or lethal substances to individuals, groups, or organizations with the likelihood that they will be used in the commission of any act of international terrorism;

(2) planning, directing, providing training for, or assisting in the execution of any act of international terrorism;

(3) providing direct financial support for the commission of any act of international terrorism;

(4) providing diplomatic facilities intended to aid or abet the commission of any act of international terrorism; or

(5) allowing the use of its territory as a sanctuary from extradition or prosecution for any act of international terrorism.

TITLE I—REORGANIZATION OF EXECUTIVE OFFICE OF THE PRESIDENT

ESTABLISHMENT OF COUNCIL TO COMBAT TERRORISM

SEC. 101. There is hereby established in the Executive Office of the President an entity to be known as the Council to Combat Terrorism (hereinafter referred to as the "Council"). The Council shall be headed by, and its activities shall be administered under the supervision and direction of, the Assistant to the President for National Security Affairs.

COUNCIL FUNCTIONS

SEC. 102. The Council shall—

(a) assist the President in the implementation of this Act and shall provide staff support and assistance in the preparation of the Lists of States Supporting International Terrorism;

(b) consider the most effective means by which to combat terrorism in the United States and abroad;

(c) serve as the lead group in establishing procedures to insure that the United States Government can take appropriate action in response to acts of terrorism which directly or indirectly affect United States citizens;

(d) coordinate, among the Government agencies, ongoing activities for the preven-

tion of terrorism, including the collection of worldwide intelligence, the physical protection of United States personnel and installations abroad, and foreign diplomats and diplomatic installations in the United States;

(e) evaluate all such programs and activities and, where necessary, recommend methods for increasing the effectiveness of their implementation; and

(f) make recommendations to the Director of the Office of Management and Budget concerning proposed funding of such programs.

COUNCIL MEMBERSHIP

SEC. 103. The Council shall consist of the following individuals:

(1) the Assistant to the President for National Security Affairs;

(2) the Secretary of State;

(3) the Secretary of the Treasury;

(4) the Secretary of Defense;

(5) the Attorney General;

(6) the Secretary of Transportation;

(7) the United States Ambassador to the United Nations;

(8) the Director of Central Intelligence;

(9) the Assistant to the President for Domestic Affairs;

(10) the Director of the Federal Bureau of Investigation;

or their delegates, and any additional members which the Assistant to the President for National Security Affairs may determine are necessary.

REPORT ON ACTS OF INTERNATIONAL TERRORISM

SEC. 104. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on those incidents he determines to be acts of international terrorism pursuant to section 5 of this Act: *Provided, however*, That any such incident which affects or involves citizens or significant interests or property of the United States shall be reported to Congress not later than sixty days after the occurrence of such an incident.

(b) With respect to any such incident which affects or involves citizens or significant interests or property of the United States, and with respect to any major act of international terrorism, such reports shall include, but not be limited to, the following information:

(1) a description of the incident and of the involvement and identity of each individual, entity, group, or organization involved in such incident;

(2) the identity of any government providing state support for such acts of international terrorism, and a statement setting forth the exact nature and extent of such government's involvement;

(3) a description of the actions of any government which assisted in bringing about a positive termination of the incident;

(4) a description of the response of the United States Government to such incident.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

LIST OF STATES SUPPORTING INTERNATIONAL TERRORISM

SEC. 105. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall consider which, if any, states have demonstrated a pattern of support for acts of international terrorism. If the President determines that any states have so acted, he shall submit a list of states supporting international terrorism to the President pro tempore of the Senate and the Speaker of the House of Representatives, and set forth his reasons for listing any such states. The President may at any time add to any such list the name of any state supporting international terrorism by transmitting the name of such state to the President pro tempore of the Senate and the Speaker of the House of Representatives together with his reasons for adding the name of such state to the list. If the President determines that no states have undertaken such acts, he shall report the same with a detailed explanation.

(b) Such list shall also identify any states against which sanctions have been applied pursuant to section 106 of this Act, and any other initiatives of the United States with respect to such states.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

(e)(1) The list shall be reviewed periodically by the President. The President may propose to Congress a request for removal of any state from the list. Such request shall be accompanied by the reasons therefor.

(2) A state requested by the President to be deleted from the list shall be removed from the list thirty days after the submission of that request to the Congress unless Congress by concurrent resolution disapproves that request.

SANCTIONS AGAINST STATES SUPPORTING INTERNATIONAL TERRORISM

SEC. 106. (a) When a foreign government is listed pursuant to section 105 of this Act, the President shall—

(1) provide no assistance under the Foreign Assistance Act of 1961, or

(2) not authorize any sale, or extend any credit or guaranty, with respect to any defense article or service as defined by section 47 of the Arms Export Control Act, or

(3) approve no export license for the export of commodities or technical data which would enhance the military potential of the foreign government or which would otherwise enhance its ability to support acts of international terrorism, or

(4) extend no duty-free treatment under title V of the Trade Act of 1974, or

(5) permit no entry to the United States by nationals of such country, or foreign nationals sponsored by such country, for the purpose of acquiring training or education in nuclear sciences or subject having military applicability.

(b)(1) If the President finds that the interests of national security so require, he may suspend the applicability of all or any part of the prohibitions listed in subsection (a) of this section in such case: *Provided*, That the President consults with the appropriate committees of Congress prior to the suspension of such prohibitions. He shall report has reasons therefore in writing in detail to the President pro tempore of the Senate, and the Speaker of the House of Representatives and those prohibitions shall not apply.

(2) In determining which of the prohibitions in subsection (a) of this section should be taken, the President, in consultation with Congress, shall consider:

(A) the effectiveness of suspending any prohibition in inducing change in a country's policy or practice of supporting acts of international terrorism;

(B) the effect of such suspension on United States relations with other governments; and

(C) the effects of such suspension on other national interests of the United States.

(c) In devising initiatives to combat international terrorist actions and to reduce state support for such actions, the President shall take such other measures available to him as he deems appropriate; he shall take into account the effectiveness of specific sanctions in inducing change in a country's policy or practice of supporting acts of international terrorism; the likely effect of sanctions on overall United States relations with such country or with other countries; and the effect such sanctions would have on other United States national interests.

(d) The President shall take all appropriate diplomatic measures consistent with international obligations to support the effectiveness of actions taken pursuant to this authority in the accomplishment of the purposes of this Act.

(e) The President shall promptly and fully inform the President pro tempore of the Senate and the Speaker of the House of Representatives of each exercise of authority granted under the Act.

(f) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

REPORT ON FEDERAL AND INTERNATIONAL CAPABILITIES TO COMBAT TERRORISM

SEC. 107. (a) Not later than six months after the date of enactment of this Act, and at intervals of two years thereafter, the President shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a Report on Federal and International Capabilities To Combat Terrorism. Such report shall include a comprehensive and specific review of Federal antiterrorism organization, policies, and activities. It shall include a description and evaluation of the effectiveness of relevant Federal organizational structures, planning, coordination, including with State and local authorities, response capability, intelligence gathering and analysis, assistance to and cooperation with United States business representatives abroad, and security preparedness and security adequacy of United States diplomatic and military installations. Such report shall further include a statement and evaluation of all relevant Federal policies, including those with respect to responding to threats, and the management of a terrorist incident. The report shall contain an assessment of the capability and effective-

ness of the International Civil Aviation Organization and other international programs and organizations to establish appropriate airport security standards and combat terrorist activities.

(b) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

TRANSFER OF EXISTING FUNCTIONS AND PROPERTY

SEC. 108. There are hereby transferred to and vested in the Council all functions and authorities, personnel, property, and records vested in the National Security Council/Special Coordination Committee, Working Group on Terrorism.

TITLE II—REORGANIZATION OF THE DEPARTMENT OF TRANSPORTATION

ESTABLISHMENT OF OFFICE FOR COMBATING TERRORISM

SEC. 201. (a) There is hereby established in the Department of Transportation an Office for Combating Terrorism, which shall be headed by an Assistant Secretary, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315 (81) of title 5, United States Code, is amended by striking out "(4)" and by inserting in lieu thereof "(5)".

OFFICE FUNCTIONS

SEC. 202. The Office shall—

(a) coordinate, supervise, and insure the efficient management, implementation, and development of all antiterrorist policies, programs, and activities of the Department of Transportation; and

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions.

INFORMATION ON AIRPORT SECURITY

SEC. 203. Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. 1515) relating to security standards in foreign air transportation is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"SEC. 1115. (a) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports serving United States carriers, those foreign airports from which foreign air carriers serve the United States, and at such other foreign airports as the Secretary may deem appropriate. Such assessments shall be made by the Secretary in consultation with the appropriate aeronautic authorities of the concerned foreign government. The assessment shall determine the extent to which an airport effectively maintains and administers security measures. The criteria utilized by the Secretary in assessing the effectiveness of security at United States airports shall be considered in making such assessments and shall be equal to or above the standards established pursuant to the Convention on International Civil Aviation. The assessment shall include consideration of specific security programs and techniques, including but not limited to, physical and personnel security programs and procedures, passenger security and baggage examination, the use of electronic, mechanical or other detection devices, airport police and security forces, and control of unauthorized access to the airport aircraft, airport perimeter, passenger boarding, and cargo, storage, and handling areas.

"(b) The report to the Congress required by section 315 of this Act shall contain:

"(1) A summary of those assessments conducted pursuant to subsection (a) of this section. The summary shall identify the airports assessed and describe any significant deficiences and actions taken or recommended.

"(2) A description of the extent, if any, to which specific deficiencies previously identified, if any, have been eliminated.

"(c) When the Secretary finds that an airport does not maintain and administer effective security measures at the level of effectiveness specified in subsection (a) of this section, the Secretary shall notify the appropriate authorities of such foreign government of this finding, and recommend the steps necessary to bring the security measures in use at that airport to the acceptable level of effectiveness.

"(d)(1) Not later than sixty days after the notification required in subsection (c) of this section and upon a determination by the Secretary that the foreign government has failed to bring the security measures at the identified airport to the level of effectiveness specified in subsection (a) of this section, the Secretary—

"(A) shall publish in the Federal Register and cause to be posted and prominently displayed at all United States airports regularly serving scheduled air carrier operations the identification of such airport; and

"(B) after consultation with the appropriate aeronautical authorities of such government and, notwithstanding section 1102 of this Act, may, with the approval of the Secretary of State, withhold revoke, or impose conditions on the operating authority of any carrier or foreign air carrier to engage in foreign air transportation utilizing that airport.

"(2) The Secretary shall promptly report to the Congress any action taken under this subsection setting forth information concerning the attempts the Secretary has made to secure the cooperation of the nation in attaining the acceptable level of effectiveness.

"(e) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Sepaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.".

AVIATION SECURITY ASSISTANCE TO FOREIGN GOVERNMENTS

SEC. 204. (a)(1) The Secretary of Transportation is authorized to promote the achievement of international aviation security by providing technical assistance concerning aviation security to foreign governments. Such technical assistance may include the conduct of surveys to analyze the level of aviation security in airports and the provision of training in aviation security to foreign nationals. Such training in aviation security may be conducted either in the United States or in foreign nations. The Secretary may provide for the payment of subsistence and expenses for travel within the United States for foreign nationals receiving such aviation security training in the United States.

(2) The Secretary may require a foreign go ernment to reimburse the United States for all, part, or none of the cost of providing the technical assistance authorized under paragraph (1).

(b) There is authorized to be appropriated to carry out the provisions of this subsection an amount not to exceed $100,000 for each of the fiscal years 1980, 1981, and 1982.

TITLE III—REORGANIZATION OF THE DEPARTMENT OF JUSTICE

SEC. 301. (a) There is hereby established in the Department of Justice an Office for Combating Terrorism, which shall be headed by an Assistant Attorney General, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(19) of title 5, United States Code, is amended by striking out "(9)" and by inserting in lieu thereof "(10)".

OFFICE FUNCTIONS

SEC. 302. The Office shall—

(a) coordinate, supervise, and insure the efficient management, implementation, and development of all antiterrorist policies, programs, and activities of the Department of Justice; and

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions.

EXPLOSIVE TAGGANTS

SEC. 303. (a) Section 841 of title 18, United States Code, is amended by adding at the end thereof the following:

"(o) 'Identification taggant' means any substance which (1) is added to an explosive material during the manufacture of such material and (2) is retrievable after detonation and permits the identification of the manufacturer, the date of manufacture of such material, and provides such other information as determined by the Secretary of the Treasury.

"(p) 'Detective taggant' means any substance which (1) is added to an explosive material during the manufacture of such material, and (2) permits detection of such material prior to its detonation.".

(b) Section 842 of title 18, United States Code, is amended by adding at the end thereof the following:

"(l) One year after the date of the enactment of this Act, it shall be unlawful for any person or persons to manufacture any explosive material which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(m) Two years after the date of the enactment of this Act, it shall be unlawful for any person or persons to manufacture any explosive material which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(n) Two years after the date of the enactment of this Act, it shall be unlawful for any person or persons to transport, ship, distribute, or receive, or cause to be transported, shipped, distributed, or received, in interstate or foreign commerce any explosive material which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(o) Three years after the date of the enactment of this Act, it shall be unlawful for any person or persons to transport, ship, distribute, or receive, or cause to be transported, shipped, distributed, or received, in interstate or foreign commerce any explosive material which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(p) One year after the date of the enactment of this Act, it shall be unlawful for any person or persons to import any explosive material which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(q) Two years after the date of the enactment of this Act, it shall be unlawful for any person or persons to import any explosive material which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(r) Two years after the date of the enact-

ment of this Act, it shall be unlawful for any person to resell or otherwise dispose of any explosive material sold as surplus by a military or naval service or other agency of the United States which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847. The shipment of surplus explosive materials from the military establishment where sold to the purchaser's place of business shall be in accordance with regulations promulgated by the Secretary.

"(s) Three years after the date of the enactment of this Act, it shall be unlawful for any person to resell or otherwise dispose of any explosive material sold as surplus by a military or naval service or other agency of the United States which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847. The shipment of surplus explosive materials from the military establishment where sold to the purchaser's place of business shall be in accordance with regulations promulgated by the Secretary.

"(t) The Secretary shall by regulation defer one or more of the time periods specified in paragraphs (1) through (s) by extensions of not more than one year at a time until the Secretary is satisfied that taggants: are available in sufficient quantity for commercial purposes; will not impair the quality of the explosive materials for their intended use; are not unsafe; or will not adversely affect the environment. The Secretary shall inform the Congress sixty days prior to each extension, specifying the reasons for such extension, and estimating the time the Secretary expects the provisions of this section will become effective.

"(u) The requirements of paragraphs (1) through (q) of this subsection shall not apply to any explosive material designated by the President or his designee as an explosive material to be used by the Department of Defense or another agency of Government for national defense or international security purposes. Any explosive material so designated shall be reported promptly to the Secretary of the Treasury.".

(c) Section 844(a) of title 18, United States Code, is amended (1) by striking out "(a) Any" and inserting in lieu thereof "(a)(1) Any", and (2) by adding at the end thereof the following new subsection:

"(2) Any person who violates subsection (1) of section 842 of this chapter shall be fined not more than $10,000 or imprisoned not more than ten years, or both.".

(d) Section 845(a) of title 18, United States Code, is amended

(1) by striking "and" at the end of paragraph (5) thereof;

(2) by striking the period at the end of paragraph (6); and by inserting in lieu thereof the following: "; and"; and

(3) by adding at the end thereof the following:

"(7) the provisions of subsection (1) of section 842 of this title shall apply to paragraphs (4) and (5) of this subsection.".

IMPLEMENTATION OF MONTREAL CONVENTION

SEC. 304. The President shall develop standards and programs to insure the full implementation of the provisions of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971).

AIRCRAFT SABOTAGE

SEC. 305. (a) Section 31 of title 18, United States Code, is amended—

(1) by striking out the words "Civil Aeronautics Act of 1938" and inserting in lieu thereof the words "Federal Aviation Act of 1958";

(2) by striking "and" at the end of the third undesignated paragraph thereof;

(3) by striking the period at the end thereof and inserting in lieu thereof ";"; and

(4) by adding at the end thereof the following:

"'In flight' means any time from the moment all the external doors of an aircraft are closed following embarkation until the moment when any such door is opened for disembarkation. In the case of a forced landing the flight shall be deemed to continue until competent authorities take over the responsibility for the aircraft and the persons and property abroad.

"'In service' means any time from the beginning of preflight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing; the period of service shall, in any event, extend for the entire period during which the aircraft is in flight.".

(b) Section 32, title 18, United States Code is amended to read as follows:

"Whoever willfully sets fire to, damages, destroys, disables, or interferes with the operation of, or makes unsuitable for use any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce; or willfully places a destructive substance in, upon, or in proximity to any such aircraft which is likely to damage, destroy, or disable any such aircraft, or any part or other material used, or intended to be used, in connection with the operation of such aircraft; or willfully sets fire to, damages, destroys, or disables any air navigation facility or interferes with the operation of such air navigation facility, if any such act is likely to endanger the safety of such aircraft in flight; or

"Whoever, with intent to damage, destroy, or disable any such aircraft, willfully sets fire to, damages, destroys, or disables or places a destructive substance in, upon, or in the proximity of any appliance or structure, ramp, landing area, property, machine, or apparatus, or any facility, or other material used, or intended to be used, in connection with the operation, maintenance, or loading or unloading or storage of any such aircraft or any cargo carried or intended to be carried on any such aircraft; or

"Whoever willfully performs an act of violence against or incapacitates any passenger or member of the crew of any such aircraft if such act of violence or incapacitation is likely to endanger the safety of such aircraft in service; or

"Whoever willfully communicates information, which he knows to be false, thereby endangering the safety of any such aircraft while in flight; or

"Whoever willfully attempts to do any of the aforesaid acts—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.".

(c)(1) Chapter 2, title 18, United States Code, is amended by adding a new section after section 32 to read as follows:

"§ 32A. Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation

"(a) Whoever commits an offense as defined in subsection (b) against or on board an aircraft registered in a state other than the United States and is afterward found in this country—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"(b) For purposes of this section a person commits an 'offense' when he willfully—

"(1) performs an act of violence against a person on board an aircraft in flight if that act is likely to endanger the safety of that aircraft; or

"(2) destroys an aircraft in service or causes damage to such an aircraft which renders it incapable of flight or which is likely to endanger its safety in flight; or

"(3) places or causes to be placed on an aircraft in service, by any means whatsoever, a device or substance which is likely to destroy that aircraft, or to cause damage to it which renders it incapable of flight, or to cause damage to it which is likely to endanger its safety in flight; or

"(4) attempts to commit, or is an accomplice of a person who commits or attempts to commit, an offense enumerated in this subsection.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding after item

"32. Destruction of aircraft or aircraft facilities."

the following new item:

"32A. Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.".

(d) Section 101(34) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 (34)), relating to the definition of the term "special aircraft jurisdiction of the United States," is amended as follows:

(1) by deleting the word "or" at the end of subsection (d)(i);

(2) by deleting the word "and" at the end of subsection (d)(ii) and inserting in lieu thereof the word "or"; and

(3) by adding a new subsection (d)(iii) as follows:

"(iii) regarding which an offense as defined in subsection (d) or (e) of article I, section I of the (Montreal) Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation is committed, provided the aircraft lands in the United States with an alleged offender still on board; and".

(e) Section 902(k) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(k)), is amended by adding subsection (3) to the end thereof, to read as follows:

"(3) Whoever while aboard an aircraft in the special aircraft jurisdiction of the United States commits an act which would be an offense under section 32 of title 18, United States Code, shall be punished as provided therein.".

(f)(1) Chapter 2 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 36. Imparting or conveying threats

"(a) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by section 32 or 33 of this chapter or section 1992 of chapter 97 or section 2275 of chapter 111 of this title with an apparent determination and will to carry the threat into execution shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"36. Imparting or conveying threats.".

AIRCRAFT PIRACY

SEC. 306. (a) Section 901 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1471), is amended by adding at the end thereof the following new subsections:

"(c) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of section 902 of this Act, shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.

"(d) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required within their official capacities to carry arms, or other persons who may be so authorized under regulations issued by the Administrator, whoever, while aboard, or while attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, which is, or would be, accessible to such person in flight shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.".

(b) Subsection (a) of section 1395 of title 28, United States Code, is amended by striking the period at the end of such subsection and adding the following: ", and in any proceeding to recover a civil penalty under section 35(a) of title 18 of the United States Code or section 901(c) or 901(d) of the Federal Aviation Act of 1958, all process against any defendant or witness, otherwise not authorized under the Federal Rules of Civil Procedure, may be served in any judicial district of the United States upon an ex parte order for good cause shown.".

(c)(1) Section 902(m) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(m)) is amended to read as follows:

FALSE INFORMATION AND THREATS

"(m)(1) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a felony prohibited by subsection (i) (j), or (l)(2) of this section, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

(2) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by subsection (i), (j), or (l)(2) of this section, with an apparent determination and will to carry the threat into execution, shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The table of contents of the Federal Aviation Act of 1958, in the matter of title II (subchapter IX, chapter 20 of title 49, United States Code, section 1472(m)), is amended by redesignating

"(m) False information."

to read

"(m) False information and threats.".

(d) Section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473) is amended by striking "Such" at the beginning of the second sentence of subsection (b)(1) of that section, and substituting therefor "Except with respect to civil penalties under section 901(c) and (d) of this Act, such".

TITLE IV—REORGANIZATION OF THE DEPARTMENT OF STATE

ESTABLISHMENT OF OFFICE FOR COMBATING INTERNATIONAL TERRORISM

SEC. 401. (a) There is hereby established in the Department of State an Office for Combating International Terrorism (hereinafter referred to as the "Office"), which shall be headed by an Assistant Secretary of State, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(22) of title 5, United States Code, is amended by striking out "(11)" and inserting in lieu thereof "(12)".

OFFICE FUNCTIONS

SEC. 402. The Office shall—

(a) coordinate, supervise, and insure the efficient management, implementation, and development of all antiterrorist policies, programs and activities of the Department of State;

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions; and

(c) assist the President in the implementation of section 105 and the other provisions of this Act.

PRIORITIES FOR NEGOTIATION OF INTERNATIONAL AGREEMENTS

SEC. 403. (a) The President is hereby urged to seek international agreements to assure more effective international cooperation in combating terrorism.

(b) High priority in the negotiation of such agreements should be given to agreements which include, but which need not be limited to the following:

(1) establishment of a permanent international working group, including subgroups on topics as may be appropriate, including but not limited to, law enforcement and crisis management, which would combat international terrorism by—

(A) promoting international cooperation among countries; and

(B) developing new methods, procedures, and standards to combat international terrorism;

(2) establishment of means to effect observance of—

(A) the Convention for the Suppression of Unlawful Seizure of Aircraft (The Hague, December 16, 1970);

(B) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971); and

(C) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents (New York, December 14, 1973);

(3) establishment of international legal requirements to prohibit and punish the act of taking hostages.

SECTION-BY-SECTION ANALYSIS OF THE OMNIBUS ANTITERRORISM ACT OF 1979

Sec. 1. This section provides that this act shall be named the "Omnibus Antiterrorism Act of 1979."

Sec. 2. Table of Contents.

Sec. 3. Declaration of Findings.

This section lists the findings of Congress. The findings include: that terroriam has caused and resulted in violations of human rights, the killing of innocent people, and threats presented to an orderly, civilized world. Also found is the need for top-level, federal coordination of policy planning and implementation of combat terrorism, and therefore the need for the creation of the Council for Combating Terroriam and the creation of the positions of Assistant Secretary of State, Assistant Secretary of Transportation, and Assistant Attorney General. Further findings include: certain nations have shown support for terroristic acts; some nations have not implemented effective security measures in their international airports; and economic sanctions should be established against countries which aid, abet or harbor terrorists.

Sec. 4. Declaration of Purposes.

The Act will strengthen U.S. federal capacies in policy and planning, coordination, intelligence gathering, and response by creating a permanent Council for Combating Terrorism under the Executive Office of the President, and by establishing offices in the Departments of State, Transportation, and Justice, each to be headed by an Assistant Secretary and, in the case of the Department of Justice, by an Assistant Attorney General.

Further, the purpose of this act is to link the U.S. policies and objectives concerning terrorism with those of the world community, to provide for strong U.S. unilateral steps to be taken against states which support terrorist activities, and to take a lead in the international community to demonstrate that the U.S. is committed to solving the problems of terrorism.

Sec. 5. Definitions.

In this section, the definition of "international terrorism" is comprised of five component parts. First, the definition includes those of three international conventions: The Hague Convention, 1970, The Montreal Convention, 1971, and the Convention of the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, 1973.

Second, the definition includes descriptions of other unlawful actions including all possible forms of terrorism, such as bombing, kidnapping, or obstruction of commerce.

Third, the definition concerns itself with the international context in which the act must take place.

Fourth, the definition explains that the act performed, in order to be considered an act of international terrorism, must threaten the interests of a state or an international organization.

Fifth, the definition sets out that essentially military operations are not to be considered acts of international terrorism.

The definition of "state support of international terrorism" means that any state shall be considered supportive of terrorism if the state deliberately furnishes arms, explosives, training, or lethal substances, planning, directing, providing assistance, or use of diplomatic facilities, financial support or sanctuary from extradition to persons who will very likely commit acts of terrorism.

TITLE I—REORGANIZATION OF EXECUTIVE OFFICE OF THE PRESIDENT

Sec. 101. Establishment of Council to Combat Terrorism.

This section establishes, in the Executive Office of the President, the Council to Combat Terrorism, placing it under the supervision and direction of the Assistant to the President for National Security Affairs.

Sec. 102. Council Functions.

Listed in this section are the six functions of the proposed Council. They include: assisting the President in implementing this Act; assisting in the preparation of the Lists of States Supporting International Terrorism; coordinating and evaluating ongoing activities and programs pertaining to terrorism; insuring that the U.S. government can react appropriately to terrorist acts affecting U.S. citizens or property; and making recommendations to the Director of the Office of Management and Budget concerning the funding of any antiterrorist programs.

Sec. 103. Council Membership.

Listed in this section are the members of the proposed Council. They are:

(1) the Assistant to the President for National Security Affairs;

(2) the Secretary of State;

(3) the Secretary of the Treasury;

(4) the Secretary of Defense;

(5) the Attorney General;

(6) the Secretary of Transportation;

(7) the United States Ambassador to the United Nations;

(8) the Director of Central Intelligence;

(9) the Assistant to the President for Domestic Affairs;

(10) the Director of the Federal Bureau of Investigation.

Sec. 104. Report on Acts of International Terrorism.

This section describes the annual report to be prepared by the President for submission to Congress. The report shall describe in detail any acts of international terrorism involving U.S. citizens or interests, the countries involved, their roles, and the response of the U.S.

Sec. 105. List of States Supporting International Terrorism.

This section describes the annual list of states supporting international terrorism to be prepared by the President for the Congress. The report will list any states found to be supportive of terrorism and describe any sanctions placed upon those states. The

President may at any time add a country to the list provided that the addition and an explanation are reported to the Congress. The President may remove a country from the list, provided Congress does not disapprove of the removal by concurrent resolution.

Sec. 106. Sanctions Against States Supporting International Terrorism.

Sanctions to be placed upon states supporting international terrorism and listed according to Sec. 105, are automatic. The sanctions include: providing no assistance under the Foreign Assistance Act of 1961, denying military sales and training as provided for in the Arms Export Control Act, extending no duty free treatment as provided for in the Trade Act of 1974, approval of no export licenses for the export of commodities or technical data which would enhance the military potential of the foreign government, and permitting no entry to the United States of any nationals of such country for the purpose of acquiring training in the nuclear sciences or subjects of military applicability.

If the President finds that national security dictates, the waiver of sanctions may be so done providing the President consults the Congress beforehand.

The President is charged with the duty of combating international terrorism and reducing the number of states supportive of international terrorism. He would be required to seek appropriate diplomatic actions and other measures to achieve this goal, taking into account the U.S. relations with the nations involved while pursuing his goals.

Sec. 107. Report on Federal and International Capabilities to Combat Terrorism.

This section requires a report on Federal and International Capabilities to Combat Terrorism, to be submitted biannually to Congress by the President. The report shall review and evaluate federal policies, programs, organizational structures, and response capabilities. Also, the report shall assess the effectiveness and capabilities of the International Civil Aviation Organization and other international programs aimed at establishing proper airport security standards to combat terrorist activities.

Sec. 108. Transfer of Existing Functions and Property.

Under this section, the functions, authorities, records, personnel, and property of the Cabinet Committee to Combat Terrorism are transferred to and vested in the Council to Combat Terrorism.

TITLE II—REORGANIZATION OF THE DEPARTMENT OF TRANSPORTATION

Sec. 201. Establishment of Office for Combating Terrorism.

An Office for Combating Terrorism is established in the Department of Transportation. The office is to be headed by an assistant Secretary.

Sec. 202. Office Functions.

The office shall work with and assist the Council to Combat Terrorism by coordinating, developing, and implementing all antiterrorist policies of the Department of Transportation.

Sec. 203. Information on Airpor Security.

This section amends Sec. 1115 of the Federal Aviation Act of 1958 by requiring the Secretary of Transportation to study and assess the effectiveness and maintenance of security measures used in foreign airports serving U.S. planes or serving any foreign aircraft flying into the United States. In making these assessments, he is required to consider the effectiveness of security at United States airports and shall consider other specific criteria, including those standards agreed upon at the Convention of International Civil Aviation. If deficiences are noted, the Secretary shall recommend to the foreign authorities measures to upgrade their security system. Should the foreign officials not act upon the recommendations of the Secretary, the Secretary shall make public the deficiencies of the airport, and with the approval of the Secretary of State, may hold, revoke or impose operating conditions on the authority of any carrier or foreign air carrier to engage in transportation at that airport.

The Secretary's report to Congress shall identify all airports assessed, their deficiencies, and any actions taken or recommended. All actions taken by the Secretary shall be promptly reported to the Congress.

Sec. 204. Aviation Security Assistance to Foreign Governments.

The Secretary of Transportation is authorized to provide technical aviation security assistance to foreign countries. The assistance may consist of conducting surveys to measure the quality of security or training foreign nationals in the field of aviation security. Should the training be held in the U.S., travel and subsistence expenses may be provided for by the Secretary, who may or may not request reimbursement from the foreign country.

TITLE III—REORGANIZATION OF THE DEPARTMENT OF JUSTICE

Sec. 301. Establishment of Office of Combating Terrorism.

This section establishes, in the Department of Justice, an Office for Combating Terrorism, to be headed by an Assistant Attorney General.

Sec. 302. Office Functions.

The office shall work with and assist the Council to Combat Terrorism by coordinating, developing and implementing anti-terrorist policies of the Department of Justice.

Sec. 303. Explosive Taggants.

This section amends section 841 of title 18, United States Code, by defining and requiring the use of identification and detection taggants in explosives. A detection taggant is defined as a substance added to explosive material permiting detection of the explosive material prior to its detonation. An identification taggant is defined as a substance added to an explosive material which can be retrieved after detonation, decoded and traced back to the manufacturer.

The following are descriptions of subsections amending section 842 of title 18, United States Code:

(l) This section declares that one year after the enactment of this Act it shall be unlawful to manufacture explosive material that does not contain an identificaion taggant.

(m) This section declares that two years after the enactment of this Act it shall be unlawful to manufacture explosive material that does not contain a detection taggant.

(n) This section declares that two years after the enactment of this Act it shall be unlawful to transport or to receive any explosive material not containing an identification taggant.

(o) This section declares that three years after the enactment of this Act it shall be unlawful to transport or to receive any explosive material not containing a detection taggant.

(p) This section declares that one year after the enactment of this Act it shall be unlawful to import any explosive material not containing an identification taggant.

(q) This section declares that two years after the enactment of this Act it shall be unlawful to import any explosive material not containing a detection taggant.

(r) This section declares that two years after the enactment of this Act it shall be unlawful to resell or dispose of explosive material sold as surplus by a military service not containing an identification taggant.

(s) This section declares that three years after the enactment of this Act it shall be unlawful to resell or dispose of explosive material sold as surplus by a military service not containing a detection taggant.

(t) This section declares that the time periods for paragraphs (1) through (s) may be extended by the Secretary until the taggants meet his specifications of quality, quantity, and safety.

(u) This section declares that paragraphs (l) through (q) shall not apply to military explosives used by the Department of Defense.

Sec. 304. Implementation of Montreal Convention.

This section provides that the President shall create programs and policies in order to insure the full implementation of the provisions accepted in the Montreal Convention, 1971.

Sec. 305. Aircraft Sabotage.

This section proposes amendments to existing law, title 18, United States Code, to implement the provisions adopted at the Montreal Convention.

Subsection (a) adds the definitions of "in flight" and "in service" as an amendment to title 18, United States Code, making it more clear and precise. The amended section lists specific acts of air terrorism (such as bombing, damaging civil aircraft or endangering the lives of passengers or crew members), and declares that an offender shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

Subsection (c)(1) amends chapter 2, title 18, United States Code, by adding a new section 32A. Jurisdiction is established over anyone committing any offense described in 32A(b), provided the offender is on board a foreign registered aircraft that is found afterward in this country. Offenses described in 32A(b) include: willfully endangering or attempting to endanger the safety of an aircraft in flight by performing an act of violence against a person on board an aircraft; by destroying or damaging an aircraft; or by placing any device on an aircraft in service that is likely to destroy that aircraft. An offender shall not be fined more than $10,000 or imprisoned not more than 20 years, or both.

Subsections (d) and (e) further implement proposals set forth in the Montreal Convention by amending the Federal Aviation Act of 1958.

Subsection (f) amends chapter 2, title 18, of the United States Code by declaring it a felony to convey threats of destruction or disablement of aircraft or related facilities.

Sec. 306. Aircraft Piracy.

This section amends section 901 of the Federal Aviation Act of 1958 by adding new subsections declaring it illegal to impart or convey false information, knowing that information to be false and also declaring it illegal for an unauthorized person to board an aircraft, with a concealed, dangerous weapon.

Also amended is title 28, United States Code, section 1395(a) by providing that all process against any defendant or witness could be served, not only at the place of residence of the defendant but also in the district where the violation occurred.

Sec. 902(m) of the Federal Aviation Act is also updated to agree with proposed laws in this section.

TITLE IV—REORGANIZATION OF THE DEPARTMENT OF STATE

Sec. 401. Establishment of Office for Combating International Terrorism.

This section establishes an Office for Combating International Terrorism in the Department of State, to be headed by an Assistant Secretary of State.

Sec. 402. Office Functions.

The office shall work with and assist the Council to Combat Terrorism by coordinating, developing and implementing antiterrorist policies of the Department of State.

Sec. 403. Priorities for Negotiation of International Agreements.

This section sets some Presidential priorities to be considered in negotiating international agreements, including: the establishment of a permanent international working group to promote cooperation among countries and to develop new response methods to combat international terrorism; the observance of the Hague Convention, 1970, the Montreal Convention, 1971, and the Convention of the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, 1973; and the establishment of international laws prohibiting the taking of hostages.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Omnibus Antiterrorism Act of 1979 be referred to the Committee on Governmental Affairs and if and when reported to be referred by unanimous consent jointly to the Committees on Commerce, Science, and Transportation, Foreign Relations, the Select Committee on Intelligence, and Judiciary for a period of not to exceed 30 days.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, today I am joining with Senator RIBICOFF as a coauthor and cosponsor in the reintroduction of the Omnibus Antiterrorism Act of 1979. This legislation was originally introduced by Senator RIBICOFF and myself and others on October 25, 1977. At that time, the West German Government had just rescued 86 hostages from a hijacked Lufthansa airliner in Mogadishu, Somalia. This rescue was a most dramatic response to an act of terrorism, and strongly emphasized to the world the need for and effectiveness of determined action against terrorists. The programs and policies contemplated in this legislation may not be as dramatic as the capability demonstrated by West German forces in Mogadishu, but they are an essential component of an effective and meaningful antiterrorist strategy, and they will significantly enhance the U.S. Government's capability and the effectiveness of it against terrorism.

To date, the Carter administration has taken some international action. I am encouraged by its follow up on the initiative of the seven participants to the Economic Summit in Bonn on July 16 and 17. This antihijacking initiative requires an airservice boycott by the participants against any nation that does not prosecute or extradite hijackers wherever they land and against any county that does not release a hijacked aircraft, crew and passengers. It is precisely this kind of multilateral initiative that holds the most promise for depriving terrorists of the sanctuary and of the willing and unwilling cooperation of governments, that terrorists must have to thrive. The initiative is a dramatic demonstration that the leading nations of the West will not put economic considerations ahead of the effort to eradicate terrorism and that in the West terrorists have encountered a united front. I am most pleased that the Carter administration has proven most aggressive in bringing the Bonn Declaration into effect and in attempting to enlist additional participants to the declaration and to the three international antihijacking conventions. The Hague, Tokyo, and Montreal Conventions which are yet to be signed by almost half of the members of the United Nations.

The five sanctions—no assistance under the Foreign Assistance Act of 1961, no sales of arms or defense services, no export of commodities with a military or terrorist potential, no duty-free tariff treatment, and no education or training in nuclear or military sciences—are minimal. Many other severe actions could be added to a list of sanctions.

In the 95th Congress, four Senate committees reported favorably the measure requiring the automatic application of sanctions against governments found to support international terrorism, unless the President determined that the exercise of one or more of the sanctions would be contrary to the national interest. Instead it is my understanding that the administration wants to remove this deterrent and to make the application of the sanctions entirely discretionary with the President thereby weakening materially this deterrent. The automatic application of sanctions is the central element in this legislation. If not included it is much more unlikely that governments aiding terrorists would be brought to account. If the Presidential waiver must be specific and he fears the responsibility for such governments avoiding condemnation, they are much less likely to escape the consequences of their barbaric acts.

Section 106 requires the President to invoke five sanctions against countries he had determined to support international terrorism pursuant to the definition of such support in section 5(b). Considerable flexibility is allowed the President in section 106 by permitting him to waive one or more of these sanctions should "the interests of national security so require," provided he so reports to Congress.

We have a need for decisive U.S. action because the statistics show that terrorism is on the rise. The nature of terrorist attacks increasingly threatens the orderly functioning of international commercial and government operations. The acts impact on public perceptions of the security of the person and of the ability of governments to protect citizens, and government itself, from terrorist depradations.

Between January 1, 1970, and November 1, 1977, 7 years when the latest figures are available—there were 257 incidents of international terrorists assassinations resulting in the murder of 390 victims. Almost 80 percent of all terrorist assassination attempts resulted in the death of the intended victims. The trend in this category is on the drastic increase: 69 percent of the victims were killed between January 1, 1975, and November 1, 1977, only 2 years.

With regard to international terrorists kidnapings, there have been 232 kidnaping incidents and 363 victims in the same time frame; 43 percent of the victims were U.S. businessmen; 80 percent of all attempts are successful. Again the trend in this category is up: 77.6 percent of all kidnapings has occurred in the past 3 years.

The most frequent type of terrorist attack is bombing. There have been 924 significant international terrorist bombings resulting in 212 deaths in the last 7 years. Data on roughly half of these bombings show a total cost of $92.5 million. Half of the 924 attacks were against corporate targets; half of those targets were U.S. corporations: and almost two out of every three corporations operating outside of their territory of origin have been victimized. The trend in this category has been down since 1974. However little comfort can be taken from this fact because terrorist bombings are frequently conducted by relatively inexperienced terrorist groups which move to different types of activity as they become more sophisticated.

There have been 290 incidents of attacks on and seizures of facilities between 1970 and November 1977 resulting in 358 killed, 332 wounded, and 664 hostages. Material damage amounted to $31,300,000. The trend has been somewhat constant over the years with 40 to 60 incidents per year.

One of the most dramatic types of terrorism is aircraft hijacking. Between January 1970 and November 1977 there have been 72 such incidents resulting in 36 hostage deaths, and 15 hostage woundings, with 1,707 hostages eventually being released, 361 being rescued, and 18 escaped. In 75 percent of the incidents, $13,580,000 was paid to meet the terrorists' demands. The trend over the years is down; only 24 percent of all hijackings have occurred in the last 3 years. However, there has been a recent upsurge in the months subsequent to the collection of this data. In 1977 we witnessed an increase in hijackings in the United States to 5 incidents from 2 in 1976 and in foreign hijackings to 25 incidents in 1977 from 13 in 1976. Already in the last 2 months, there have been two attempted hijackings in the United States.

If there were universal international agreement that all forms of terrorism must be eradicated, terrorists would be hard pressed, indeed, to survive. Unfortunately, as is constantly witnessed in the United Nations, some states seek to justify terrorism by calling it "freedom fighting." While the facade of these supporters and perpetrators is patently transparent, they have effectively prevented the international community from taking decisive, effective action. Accordingly, it is incumbent upon those governments in the lead in the fighting against terrorism: First, to set an example for others to follow by seeking greater multilateral international cooperation; and second, by taking any possible effective unilateral action. This is why it is imperative to enact this bill as soon as possible for it accomplishes both of these objectives.

The Omnibus Antiterrorism Act establishes two important principles to counter terrorism: First, the Executive and Congress will share closely informa-

tion respecting terrorism to insure a response that is coordinated, adequate, and appropriate; and second, the U.S. Federal Government will adopt on its own certain policies designed to deter and punish terrorists and those foreign governments that support them.

The various sections containing reporting requirements—sections 104, 105, 106, 107, and 204—make a wide variety of information available to Congress and the public. Sections 104 through 107 require the Executive to inform Congress periodically of all major acts of international terrorism, the actions taken against other governments by the U.S. Government and finally the Federal and international organizations, programs, and capabilities to deal with terrorism. Whatever sensitive information that is required to be reported to Congress by these sections would be protected by appropriate classification and access procedures.

Section 204 would make available to the general public a listing of all foreign international airports determined by the Secretary of Transportation to have inadequate security standards against terrorists and which have failed to upgrade them sufficiently after notification by the Secretary of Transportation.

The most significant policy adopted in the legislation is that of automatically applying certain sanctions against foreign governments determined by the President to support acts of international terrorism in section 106 and which I have already discussed.

One of the most important aspects in any comprehensive program to deal with terrorism must include an effective way to deal with the increasingly serious problem of bombings and must reduce terrorist and criminal misuse of explosives. Section 303 would authorize the Secretary of the Treasury to require each manufacturer of explosive materials—including black and smokeless powder—to utilize a trace element in the product which can be used to identify explosives after detonation—identification taggant. It also would require the insertion of taggants which would allow the presence of explosives to be detected prior to detonation—detection tagging.

Some Senators will oppose this provision, but if taggants are to aid in combating bombing crimes, it is necessary that the taggant requirements be applied to all commercial explosive materials where technology will permit, especially those which are commonly used in bombings, including black and smokeless powders. Black and smokeless powders were used in 279 explosive incidents in 1976, and 335 in 1977. This is respectively 17 and 19.8 percent of the totals for those 2 years.

If black and smokeless powders are not included within the taggant program, the explosive materials used in a major proportion of current bombings may not only escape these safeguards, but the criminal-terrorist may be provided with an obvious alternative to those explosives which can be traced or detected through taggants. This would be tragic and obviously is of great concern, particularly in detection.

Currently, licensed manufacturers and dealers are required to keep records for 2 years on all ammunition, including smokeless powders, they receive for sale or distribution. Only minor modifications to existing records would be required to accomplish the objectives of the taggant program.

Enactment of this provision is most desirable if we are to strengthen U.S. leadership in the world community in fighting international terrorism. The terrorist misuse of explosives is a serious and growing problem which increasingly threatens the property and lives of U.S. citizens in this country and abroad. I hope that the Senate will agree.

Mr. President, international terrorism has become a major threat to international commerce, transportation, and cooperative international relations. It poses a significant threat to human life and to the well-being and peace of mind of people everywhere. Our Government has a moral and political obligation to provide leadership in controlling the incidence of terrorism. A sound beginning has been made, particularly in the Bonn Summit Declaration of 1978. Enactment of this legislation is absolutely essential to bring about the progress on this issue which is long overdue; we must exercise our national will in law to eradicate terrorism.

Mr. President, I wish to express my deep gratitude to Senator RIBICOFF for joining with me in this matter which was fashioned in the Foreign Relations Committee and which is now incorporated in the bill which we introduce.

By Mr. BAYH (for himself, Mr. CANNON, Mr. LEVIN, Mr. PRESSLER, and Mr. EXON):

S. 334. A bill to amend the Clayton Act to provide additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

FAMILY FARM ANTITRUST ACT OF 1979

Mr. BAYH. Mr. President, the American farm community faces problems unique in the history of agriculture. Under assault from agribusiness corporations and foreign investors, today's farmers face skyrocketing land prices and property taxes. To reduce the extraordinary pressure on our small farmers and help preserve the world's most efficient agricultural system, I am introducing the Family Farm Antitrust Act of 1979. This bill would:

Prohibit the purchase of farmland or control of farming operations by any investors, corporate or individual, with over $15 million in nonfarm business assets;

Ban the acquisition of U.S. farmland by foreign corporations, foreign governments, and nonresident aliens; and

Establish a national reporting system for all owners of farmland with over $15 million in nonfarm assets. Coupled with the Agricultural Foreign Investment Disclosure Act passed in the last Congress, this last provision will enable us to discern the extent of the problem and decide whether even stricter legislation is needed.

Farmland is slipping away from the small farmers who for decades have made American agriculture the envy of the world. Approximately 30 million acres of farmland change hands in this country each year; over one-third of this total is sold to nonfarmers. Figures released by the Brussels-based European Investment Research Center show that foreign interest expended $800 million on American farmland last year, a staggering 30 percent of all foreign investment in the United States during that time. In an era of declining value of the dollar and political instability abroad, American farmland remains an attractive investment and tax shelter for wealthy foreign investors.

No less a threat is posed by investment schemes of large U.S. banks, corporations, and pension funds. Plans in recent years by large city banks and brokerage houses to buy up huge tracts of U.S. farmland were averted at the last minute when an incensed public cried out in protest. Next time such a plan might not be prevented absent effective national legislation.

The agribusiness corporations, driven by the motive of gaining total control over the production and marketing of their products, are even more voracious. The American Agricultural Marketing Association has estimated that by 1985 nearly 75 percent of all U.S. food production will be controlled by the integrators.

This drive towards concentration bodes ill for the American consumer. The economic power and diversity of the integrators and conglomerates enable them to take temporary losses in order to drive the family farm (shown by several studies to be the most efficient agricultural unit) out of business. In this time of rapidly escalating food prices, farmers are actually receiving a lower percentage of the consumer dollar; corporate weapons of packaging and advertising expenditures are the villains in this double-digit food inflation.

Prices in concentrated industries behave quite differently from those in diversified industries. Concentration causes prices to be sticky on the downside, but quick to rise during periods of inflation. So the consumer continues to pay ever higher prices.

In short, private investors, both foreign and domestic, huge agribusiness firms, and other corporate conglomerates now scramble over each other to buy up our most precious natural resource. This insatiable demand has been responsible, in part, for raising the price of farmland dramatically. Since 1972, the price of farmland in the Corn Belt (including my home State of Indiana) has increased 180 percent; in Iowa the average price has increased threefold in the same period. The small farmer now operates at a competitive disadvantage. United States Department of Agriculture figures show that tax advantages enjoyed by foreigners allow them to pay 12 to 15 percent more than Americans for land and still reap the same return. Large corporations enjoy tax advantages and economic power far beyond those of the small farmer.

The effects on the small farmer have been devastating. Faced by escalating property taxes and unable to expand his

holdings profitably due to the high price of farmland, the small American farmer is being forced off his land. The agribusiness giants, rather than patronizing local dealers, are importing fertilizers, heavy machinery, and other agricultural inputs from outside of the community. The result has been a decline in the vitality of American farm communities.

Under these conditions it is extremely difficult for a young farm family to get a start, let alone stay in the business. According to the USDA, it took $1,000 to begin farming in 1940; today it costs about a quarter million dollars to start a modest commercial farm.

Mr. President, we must act to preserve our Nation's most productive and efficient industries. Free enterprise in agriculture is in serious jeopardy when the Government must subsidize young farmers to buy farmland at $3,000 an acre, and when large corporations in agricultural centers control as much as 60 percent of our crop production. The national trend is obvious and disturbing. As one who grew up on and still owns a family farm, I am particularly concerned about this threat to our farming system. I believe this bill to be an appropriate response.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Antitrust Act of 1979".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) in order to nurture the private enterprise system in the United States, it is necessary not only to protect consumers and small businesses, but also to protect the family farm against take-over by large scale investors.

(2) vertical integration of the agricultural industry by persons engaged in the processing, distributing, and retailing industries, and by conglomerate corporations engaged in such activities, tends to create monopolies in the agricultural industry, to foster anticompetitive trade practices in that industry, and to result in unfair competition for the family farm;

(3) the dominance of large or integrated firms within the agricultural industry will lead to the demise of rural communities if small farmowners and farmworkers are forced off the land and agricultural inputs for local agricultural production are imported from outside the community;

(4) the potential for foreign investment in productive agricultural land remains an imminent threat to the family farm because wealthy foreign investors, primarily interested in investment security as a result of the declining value of the dollar and international political conditions, have the means of driving the price of agricultural land in the United States to unacceptably high levels; and

(5) there is a serious lack of information available on corporate investments in farmland, and, therefore, it is desirable that large non-family corporate farms be required to report to the Secretary of Commerce on their agricultural land holdings.

AMENDMENTS TO THE CLAYTON ACT

SEC. 3. (a) The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27), is amended by inserting after section 8 a new section as follows:

"(SEC. 8A. (a) Except as provided in subsection (b), no person engaged in commerce (or affecting commerce) in a business other than farming, whose nonfarming business assets exceed $15,000,000, shall control, or attempt to control, directly or indirectly, the production of raw farm products through ownership or long-term leasing of agricultural land.

"(b) The provisions of subsection (a) shall not apply to—

"(1) any family farm;

"(2) any farmer owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (42 Stat. 388; 7 U.S.C. 291–292 (the Capper-Volstead Act)), or which is a 'cooperative association' as defined in section 15(a) of the Agricultural Marketing Act (46 Stat. 18; 12 U.S.C. 1141j(a));

"(3) any person who (A) acquires agricultural land for research or experimental purposes, if the commercial sales from such land are incidental to the research or experimental objectives of the person, or (B) acquires agricultural land for the purpose of testing, developing, or producing seeds, animals, or plants for sale to farmers or for any related purpose;

"(4) any person who acquires agricultural land for development of surface or subsurface non-agricultural resources, except that such land may not be used for farming unless it is leased to a family farm;

"(5) any person described in subsection (a) who, on the day before the date of enactment of the Family Farm Antitrust Act of 1979, was engaged in activities which on such date would (but for the provisions of this subsection) be in violation of subsection (a) so long as such person does not increase or expand such activities after such date; or

"(6) any creditor, beneficiary, or intestate successor who acquires, pursuant to forfeiture, devise, or the laws of intestate succession, any agricultural land or interest in such land so long as such creditor, beneficiary, or intestate successor does not hold such land or interest for more than five years.

"(c)(1) Notwithstanding any other provision of law, no foreign person may acquire, after the date of enactment of this section, any agricultural land unless such land (A) is acquired by such person for an immediate or future nonfarming use, (B) is used for such nonfarming use within five years after the date of the acquisition of such land by such foreign person, and (C) is leased, within one year after acquisition by such foreign person, to a family farm for use by such family farm until such land is no longer used for farming purposes.

"(2) As used in paragraph (1), the term 'foreign person' shall have the same meaning as prescribed for such term in section (9)(3) of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3501 note).

"(d) In order to facilitate the enforcement of this section, every person whose nonfarming business assets exceed $15,000,000 and who holds any equity interest in agricultural land shall file each year with the Secretary of Commerce a report containing the following information:

"(1) A statement describing the type of agricultural activities in which such person is engaged.

"(2) The total number of acres of land used in connection with the agricultural activities engaged in by such person and the location, by county and township (if any), of all land owned or leased by such person and used in connection with the agricultural activities engaged in by such person during the preceding year.

"(3) The name and address of such person or, in the case of a corporation or other entity in which stock is issued, the names and addresses of, and the number and class of shares of stock held by, all shareholders who own or control ten percent or more of any class of shares of stock in such corporation or other entity.

The information required to be filed under this subsection shall be furnished at such time, in such manner, and in such forms as the Secretary of Commerce shall prescribe by regulation. The Secretary of Commerce shall annually compile and publish such information.

"(e) Whoever knowingly violates subsection (a) of this section shall be subject to a civil penalty not exceeding $2,000 per acre per year of agricultural land acquired or controlled in violation of this section.

"(f) As used in this section—

"(1) The term 'farming' means the use of land in any State for the production of any raw farm product.

"(2) The term 'agricultural land' means any land in any State suitable for use in farming (as determined by the Attorney General of the United States after consultation with the Secretary of Agriculture).

"(3) The term 'family farm' means a corporation, proprietorship, partnership, trust, or other legal entity which owns or controls one or more units of agricultural land and—

"(A) is engaged in farming;

"(B) produced 60 percent or more of its gross income from farming in each of the three preceeding years;

"(C) has at least one equity owner actively engaged in farming on the unit or units of agricultural land; and

"(D) has a majority of its equity owned by individuals who are (i) related to each other within the third degree of consanguinity, or (ii) persons acting in a fiduciary capacity for one or more individuals so related, or (iii) actively engaged in farming on the unit or units of land.

"(4) The term 'long term leasing' means any lease having a term exceeding five years.

"(5) The term 'raw farm product' means any unprocessed grain, fruit, vegetable, milk, poultry, eggs, cotton, tobacco, rice, tree nuts, hay or other forage, potatoes, or peanuts. Such term does not include timber or forest products.

"(6) The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.".

(b) The first paragraph of the first section of such Act is amended by inserting immediately before "and also this Act" the following "and the Family Farm Antitrust Act of 1979".

(c) Subsection (a)(1) of section 4C of such Act (15 U.S.C. 15c) is amended by inserting "or section 8A of this Act" immediately after "the Sherman Act".

(d) Section 11 of such Act (15 U.S.C. 21) is amended by—

(1) striking out "sections 2, 3, 7, and 8" in the first sentence of subsection (a) and in the first sentence of subsection (b) and inserting in lieu thereof "sections 2, 3, 7, 8, and 8A"; and

(2) striking "section 7 and 8" in the fifth sentence of subsection (b) and inserting in lieu thereof "sections 7, 8, and 8A".

Mr. BAYH. Mr. President, there has been a great deal of publicity and not some insignificant inconvenience that has received a great deal of discussion in and around the National Capitol today, because hundreds and thousands of our constituents who happen to earn their living through agriculture have come to the National Capitol seeking relief for critical economic problems that confront them.

Frankly, those who live in rural America and work on the farm and produce the food and fiber in an unparalleled manner for America are entitled to a fair and just return on the investment of their money and the investment of their labors.

There are a number of conditions which exist in the country which exacerbate the problem which is concerning our farmers today; namely, that the cost of what they buy has been going up at a much more rapid rate than the sales value of the products that they sell, and they just cannot stay in business very long if that continues to happen.

In fact, many of our younger farmers particularly are only able to exist because of the inflated value of land which continues to go up which permits them to borrow more money from the bank so that they are going deeper in debt in order to stay in business. They soon run out of that opportunity, and that time has come.

One of the factors confronting rural America today is the alarming increase in the cost of land; that is, the property, the workshop, if you please, the place of business, of the farmer.

And we have had dramatic increases since 1972. Out in the Midwestern Corn Belt where I happen to live, the increase has been even greater than nationally. The latest survey I saw showed that in that general area since 1972 there has been a 180-percent increase, which does not really show the fact that in the prime farm areas, the prime grain areas of Iowa, some places in Indiana and Illinois, the increase has been 300 percent.

Mr. CHAFEE. Mr. President, will the Senator yield for a question on that?

Mr. BAYH. I yield.

Mr. CHAFEE. The problem I have in understanding this is the paradox that the land increases in value yet the possible return on farming that land decreases and it not only decreases in constant dollars it decreases sometimes in actual dollars. So where is the thrust coming to increase the value of the land? Who is prepared to pay so much for land that will yield so little? It obviously cannot all be residential or factory or shopping centers. I am curious as to just how this develops, because I believe completely in what the Senator from Indiana is saying. I have seen those statistics. I just have trouble understanding what is taking place.

Mr. BAYH. I appreciate the question of my distinguished friend from Rhode Island. The question presupposes the reason for the introduction of the legislation which is designed to prohibit or at least limit the place from which the competition is coming. Basically the competition is coming from foreign investors which last year spent $800 million to buy farmland that was about one-third. Just a little less than a third of all the total of foreign investment in the United States was directed at farmland. This is complicated further, to show Senators the real inequity: foreign investors who come in and buy American farmland and trade in American farmland do not have to pay capital gains tax so they have a special loophole that is applicable to foreigners.

Also, a significant amount of the purchases are from agribusiness firms and from firms which prior to this time have been strictly city oriented that are now going out and buying out farmland and broadening their business portfolio. In some instances we have large banks that are buying up large tracts of real estate and then renting it out. We have the sharecropper syndrome again. We had some large insurance funds that are going out and buying up large amounts of land.

What concerns me, I say to my distinguished friend from Rhode Island, having been a product of the family farm America, is in reading the reports—I do not care whether it is Purdue or Stanford or Cornell or whatever it might be—every report I have seen emphasizes the fact that the real value of American agriculture is the efficacy of the family-sized unit where you do not work 8 hours a day and then it is time and a half, and you go home. You work until the job is done, and that is not true with corporate agriculture.

Yet unless we do something to resist this trend of integration where you have agribusiness taking over and driving the family farm off the real estate, it is estimated that by 1985, and that is not very far, three-fourths of all American agriculture will be in the hands of large major corporations, and when that happens the consumers are going to be in a very disadvantageous position compared to where they are right now and if the family farmer will no longer be in existence.

Mr. CHAFEE. Mr. President, will the Senator yield 1 more minute?

Mr. BAYH. Yes.

Mr. CHAFEE. Although we have few of those large farms or significant size family farms in my State, I share the concern of the Senator from Indiana. I think all Americans do. The future of the American breadbasket, our ability to feed not only ourselves but the remainder of the world, is dependent upon the family farm surviving, and I share the Senator's concerns as he has articulated them.

Mr. BAYH. I appreciate the thoughts of my friend from Rhode Island. He is a Senator who looks beyond the impact a given problem may have on his particular constituency.

If he has a minute maybe he could have a staff person look at the thrust of this bill, which is not going to solve the whole problem. We do not have any magic wands around. It is going to take away, I think, one element of inflationary pressures as far as our farmers are concerned.

Mr. PROXMIRE. Mr. President, I commend the Senator from Indiana on what he has just been talking about. Too few people realize what has happened to the farmer in this country. He is still the No. 1 victim of economic injustice.

Look, for example, at the parity figures now. The farmer works longer hours than virtually anyone else in our society. He has a larger investment than the overwhelming majority of Americans. He performs with the greatest efficiency: 3 percent of the people of this country produce the food and fiber for our whole society.

There is no question but that he has been hit hard. He has to take a greater risk than most Americans, and as I say he has worked with the greatest efficiency for the longest hours, and has not received the reward he should be entitled to.

I am delighted that the Senator from Indiana, who is himself the product of a family farm and has worked so hard to help the family farmer, has spoken as he has here this morning.

Mr. BAYH. Mr. President, I thank the Senator for his thoughtful personal remarks as well as for emphasizing the economic plight of the farmer. I have seen the Senator's work in the Appropriations Committee in representing the farmers of Wisconsin as well as other places, and it is admirable.

I think it is wise, inasmuch as someone might read this RECORD, to point out that while we are all concerned about inflation, the consumer should look at the relatively small percentage of the market basket price that goes to the farmer. Of the cost of a box of Wheaties, for example, the farmer receives approximately 4 cents. Seventeen cents goes to advertising. The same is true of a loaf of bread; the cost of the wheat in a loaf of bread is approximately 2 cents.

I would like us not to get involved in a situation of "us versus them"; but I would like the farmer to receive a fair return on his investment, which can be done without increasing the inflation we are experiencing right now.

[Applause from the galleries.]

By Mr. JAVITS:

S. 335. A bill to establish an Urban Service Corps; to the Committee on Human Resources.

URBAN SERVICE CORPS ACT

Mr. JAVITS. Mr. President, today I am reintroducing a bill to establish in the ACTION Agency an Urban Service Corps. The bill I introduced today is nearly identical to the one I introduced on March 14, 1978, the main elements of which were embodied in part D—urban neighborhood volunteer programs—of the Domestic Volunteer Service Act Amendments of 1978, the ACTION Agency reauthorization measure, which passed the Senate on July 21, 1978.

That bill did not succeed in the House of Representatives last year, so it is necessary that its various elements be reintroduced. While I understand the Senator from California (Mr. CRANSTON) is introducing the entire Senate passed bill, I feel it important that my own bill, which was the genesis specifically of the part D programs, be put before the Senate in the 96th Congress, so I introduce it today.

For the benefit of my colleagues I would like briefly to explain the objective of the Urban Service Corps bill. This legislation would establish programs in which residents of urban areas are encouraged to volunteer their services on a full- or part-time basis to help relieve the serious crisis of declining social and personal services in our central cities and other urban areas. The essence of my proposal is to tap the potential volunteer spirit that I believe is latent in the people of our cities.

The purpose of the Urban Service Corps is to mobilize the people of distressed cities and other urban areas by enlisting voluntary associations, businesses, labor organizations, and trade associations and similar agencies and individuals in volunteer activities—particularly deinstitutionalization activities—designed to reverse the decline of personal and social services and the deterioration of our urban neighborhoods.

The Gallup poll of March 1978 confirms my belief that citizens are ready to come forward and help in solving the problems of their cities. They need only the opportunity to become involved in meaningful service projects that can make use of their energies and dedication.

Mr. President, I ask unanimous consent that a press release of the Gallup poll on this subject, dated March 5, 1978, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STRONG NEIGHBORHOODS OFFER HOPE FOR NATION'S CITIES

(By George Gallup)

PRINCETON, N.J.—Many observers of the urban scene maintain that the survival of America's cities depends to a major extent on the rejuvenation of the neighborhoods. If the decline of the neighborhoods can be arrested, or if neighborhood quality can be improved, the cities will inevitably benefit.

Findings from a just-released Gallup survey—sponsored by the Charles F. Kettering and Charles Stewart Mott Foundations—indicate that although the picture is mixed, on balance, the prospects for improving the quality of the neighborhoods, and therefore the cities, appear promising.

On the debit side, the neighborhoods appear as possibly more vulnerable than the cities. Although as many as a third of the nation's urban residents say they would like to move away from the cities, an even larger proportion would like to move out of their neighborhoods.

While urban residents rate their neighborhoods better than the city as a whole, they are more pessimistic about the future of their neighborhood than they are about the prospects for their city.

This somewhat gloomy evidence is more than offset by other survey findings: fully three quarters of those residents who express a desire to move but of their neighborhoods say that they would be willing to remain if changes or improvements were carried out.

Furthermore, the vast majority of urban residents—including a majority of those wanting to leave their neighborhood—say they would be willing to volunteer their time and efforts to help solve urban problems at the neighborhood level.

DESIRE TO LEAVE

The percentage of residents who would like to move out of their neighborhoods is as high in the smaller and medium-sized cities as it is in the nation's largest cities. And, in the large and medium-sized cities, it is as high in the suburbs as in the central city areas.

The following table illustrates these findings:

Percent who would like to move

	Central city	Suburbs
Large cities: 1 million and over	38	36
Medium-size cities: 250,000 to 999,999	39	36
Small cities: 50,000 to 249,999	38	28

NEIGHBORHOODS PESSIMISTIC

While urban residents rate their neighborhoods better than the city as a whole, they are more pessimistic about the future of their neighborhood than they are about the prospects for their city.

For example, when the nation's urban population is asked to rate their city today, five years ago, and five years hence, on a scale from 0 to 10, with zero representing the "worst possible city" and 10 the "ideal city," the differences between the perceived standing of the city at the three points in time is marginal—6.4, 6.3, 6.1.

In contrast, the neighborhood is felt to have declined markedly since five years ago, with the average ratings decreasing from 7.2 to 6.9. Moreover, anticipations are that it will deteriorate even more in the next five years, as seen in the further drop in the ratings from 6.9 to 6.4.

Mean ratings

	City	Neighborhood
5 years ago	6.4	7.2
Today	6.3	6.9
Net change: (5 years ago to today)	−0.1	−0.3
5 years from now	6.1	6.4
Net change: (Today to 5 years from now)	−0.2	−0.5

Offsetting this negative evidence are the following findings:

1. Only a third of those residents expressing the desire to move out of their neighborhoods say that "nothing" could be done to change or improve their neighborhoods to induce them to remain. Six in 10 cite areas in which improvements could be made, such as upgrading housing quality, appearances and maintenance (19 percent); lowering crime (10 percent); improving the traffic situation (9 percent); cleaning up the neighborhood (7 percent).

2. The vast majority of city-dwellers (89 per cent) say they would be willing to volunteer their time and efforts to help in solving their cities' problems at the grass-roots level—i.e., in their own neighborhoods—by participating in such activities as signing petitions, attending meetings, writing letters, picketing and making financial contributions.

The table below indicates the percentage of the nation's urban residents who state they would be willing to volunteer their time in various activities and the percentage who have already done so within the last five years.

	Would be willing to	Have done so within 5 years
Sign petition	63	36
Attend meetings concerning the threat	53	21
Participate in face-to-face discussions with public officials	43	9
Write letters to public officials	42	12
Volunteer time to or serve on neighborhood committee	36	9
Testify at public hearing	33	4
Make small financial donation	29	15
Picket city office or public officials' offices	11	2
Picket in the neighborhood	10	1
Any of these activities	89	52
None of these activities	11	4

Further evidence of this desire to improve or strengthen the neighborhoods is seen in the finding that although only one urban resident in eight (12 per cent) belongs to a neighborhood organization, another 29 per cent state they would like to belong to one if such were available. An additional 17 per cent say they might, depending on the circumstances.

The reservoir of talent available to the neighborhoods is representative of virtually the entire urban population, including the young and the lower socio-economic groups, as well as the better educated and more affluent citizens.

Even those who are most pessimistic about the future of the neighborhood—and those who would move out given the opportunity—are as willing to become involved as those who are most optimistic about its future.

Finally, since these human energies could be tapped without a significant outlay of public money, they would represent a primary resource for strengthening America's neighborhoods—and ultimately the nation's cities.

The findings reported today are based on personal interviews conducted during the last three months of 1977 with 3,242 residents of cities with a population of over 50,000.

Mr. JAVITS. Mr. President, in my own city of New York, we have many indefatigable and public spirited citizens. They do not wish to stand by while their city slips materially. They are ready, willing, and able to enlist in neighborhood volunteer programs and contribute their time and talents to the amelioration of our economic and social ills.

To help deal with such problems in New York City beginning in 1975, and in cooperation with the mayor and Governor of New York, my then Senate colleague Jim Buckley, and the ranking Members of the New York congressional delegation, Representatives Delaney and WYDLER, I caused to be established the Citizens Committee for New York City which, under the leadership of Oz Elliot—former deputy mayor of New York City and former editor of Newsweek magazine—and Dennis Allee—his deputy and formerly my New York City executive assistant, and now Sandra Silverman as executive director, has inspired thousands of New Yorkers to volunteer their

time and effort to help maintain these desperately needed services.

Mr. President, it is my belief that our experience can be a model of what can be achieved throughout our country and this is why I put forward this idea to establish an urban neighborhood volunteer program in the ACTION Agency.

President Carter, in his urban policy program of last year proposed an urban volunteer program which, like my own proposal for the Urban Service Corps, sought to promote voluntarism by increasing the effectiveness of voluntary activities at the local level.

In the ACTION Agency reauthorization bill which was reported by our Human Resources Committee, elements of the President's own initiative and those of my own proposal were integrated into a consolidated package. Therefore, the urban neighborhood volunteer program of part D of the Senate-passed bill contained provisions from both initiatives.

Mr. President, the Urban Service Corps will provide an opportunity for our Nation's youth and others to take part in a positive work-service experience. With proper safeguards to protect existing employees, volunteers can work in their own urban neighborhoods, and can be utilized for such social and personal services as block security, child care, park beautification, and home improvement projects.

In addition emphasis will be placed on deinstitutionalization activities, in which volunteers would assist in helping institutionalized persons make the transition. Older and younger individuals working side by side would volunteer their time and energies in hospitals, mental institutions, nursing homes and other extended care settings and facilities and could be a source of encouragement, support and help to these unfortunates. Volunteers could do such things as taking residents of senior citizens centers on shopping excursions or assisting handicapped people to go to and from work.

Mr. President, all of us in this body can understand from our own experiences that what the volunteers do will not be nearly as important as their presence. Such qualitative and 1-on-1 services in the cities have been materially diminished recently and the reason for this is to be found in the lack of adequate funds. Personal and esthetic and social services are always the first to go in these times of severe emergency. The establishment of an Urban Service Corps of volunteers in the ACTION Agency can help greatly to improve and maintain these important services and help restore the morale of our urban citizens.

With the help of the distinguished chairman of the Human Resources Committee's Subcommittee on Child and Human Development, Senator CRANSTON, the Urban Service Corps initiative was guided through the subcommittee and integrated with his own ideas and the proposal of the President. The result was a mutually agreed upon package—part D—which had the unanimous approval of our full Committee and passed the Senate on July 21. I hope that the 96th Congress will repeat that action of the Senate and once again approve the Domestic Volunteer Service Act Amendments and the urban neighborhood volunteer programs of part D. I shall do all I can to persuade my colleagues of the wisdom of these proposals and trust they will agree to approve this bill. I hope we will have once again the support and guidance of the chairman of the Subcommittee on Employment, Poverty and Migratory Labor, Senator NELSON, who also did much to advance this bill through the committee last year.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Service Corps Act".

SEC. 2. The Domestic Volunteer Service Act of 1973 (hereinafter referred to as the "Act") is amended by adding, at the end of title I thereof, the following new part:

"PART D—URBAN SERVICE CORPS

"STATEMENT OF PURPOSE

"SEC. 131. This part provides for programs in which residents of urban areas are encouraged to volunteer their services on a full- or part-time basis to help relieve the serious crisis in our cities and urban areas caused by financial distress, inflation and regional economic difficulties. Its purpose is to mobilize the existing human resources of such cities and areas and to involve voluntary associations, business, labor organizations, public agencies, and individuals in volunteer activities designed to halt and reverse the decline of municipal services and the deterioration of neighborhoods. A further purpose of this part is to provide meaningful service opportunities to unemployed young people, aged eighteen to twenty-four, who are residents of the most deprived sectors of cities and urban areas.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"SEC. 132. (a) The Director is authorized to develop and conduct, and to make grants and contracts to public agencies and private nonprofit organizations for the development and conduct of a broad range of full- and part-time volunteer programs in ubran areas to assist in the solution of problems afflicting such urban areas, particularly problems related to poverty and unemployment in the most seriously deteriorated parts of our urban areas. Such programs may include, but are not limited to—

"(1) programs of full- or part-time volunteer service for unemployed youth, aged eighteen through twenty-four which provide meaningful opportunities for service to their communities, which may include, as part of such service, such training or educational components as the Director deems appropriate;

"(2) programs of full- or part-time volunteer service which provide, or supplement, needed community services such as block security, housing renovation, park beautification, and sanitation;

"(3) programs of full- or part-time volunteer service which provide or augment needed social and person-to-person services, particularly services that assist in the deinstitutionalization of persons from residential care facilities; child care services; and services for the elderly, disabled and infirm;

"(4) programs of full- or part-time volunteer service in which persons with business or professional experience provide technical assistance to individuals and organizations seeking to establish or continue businesses in deteriorating urban neighborhoods.

"(b) For the purposes of this part, 'urban area' means a unit of general local government which has a population of one hundred thousand or more persons.

"(c) Assistance under this part shall be limited to urban areas which are afflicted by substantial unemployment and financial distress. The Director shall establish, by regulation, criteria for determining eligibility for assistance.

"VOLUNTEER SUPPORT

"SEC. 133. (a) Assignment of volunteers under this part shall be on such terms and conditions as the Director shall determine.

"(b) The Director may provide to persons serving as volunteers in programs under this part such allowances, stipends, and other support, in amounts not in excess of those authorized to be provided to volunteers under part A of this title, as he determines are necessary to permit them to carry out the purposes of this part.

"TECHNICAL AND FINANCIAL ASSISTANCE TO VOLUNTEER PROGRAMS

"SEC. 134. The Director may provide such technical and financial assistance to public agencies and private nonprofit organizations which utilize or desire to utilize volunteers for purposes designed to carry out the purposes of this part as he deems necessary.

"COORDINATION OF PROGRAMS

"SEC. 135. The Director shall insure that Urban Service Corps programs are coordinated with other Federal, State, and local government programs, with private nonprofit organizations which utilize volunteers for purposes similar to the purposes of this part, and with businesses and labor organizations to provide the maximum possible recruitment and utilization of volunteers within areas served by the Urban Service Corps.

"LIMITATION ON ASSISTANCE

"SEC. 136. Financial assistance extended to an organization or agency pursuant to this part shall not exceed 90 per centum of the approved cost of the assisted project or activity. The Director may, however, approve assistance in excess of 90 per centum if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this part.".

By Mr. MATHIAS (for himself, Mr. BAKER, Mr. JAVITS, and Mr. STEVENS):

S. 336. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

THE WAGES OF SIN GO FURTHER

Mr. MATHIAS. Mr. President, while network television and influential journals turn the full glare of public attention on proposition 13 and proposed constitutional conventions on budget balancing, a lot of brown-bagging taxpayers are being ground down by discriminatory income tax policies "unwept, unhonored, and unsung."

I speak of what, in quintessential tax lingo, is termed the "two-earner couple." Under our present income tax laws, when both husband and wife work, they usually pay higher taxes than either

single persons or married couples in which only the wife or husband works. While people on every side blame society's ills on the breakup of the family, this anomaly in the tax code actually encourages "two-earner couples" to save money by divorcing and simply living together. At the rate we are taxing such couples, we may develop a whole new class of people living in sin "for the sake of the children." Tax consultants these days are even advising "two-earner couples" that they would be better off financially to divorce.

To correct this flagrant injustice in our tax laws—and incidentally to nip an incipient scandal in the bud—I am introducing a bill that would allow married people to file separate returns and compute their tax at the same rate as single people. I introduced the same bill last year, and Senators BAKER, JAVITS, and STEVENS joined me as cosponsors. Representative MILLICENT FENWICK introduced a similar bill in the House last year and has done so again this year. If enacted, these bills will remove a disincentive to women working and will promote the social objective of shoring up the American family.

The Internal Revenue Service has estimated that more than one-half of all taxpayers are married, and at least one-half of all married couples are two-earner couples. That means that as many as one-quarter of the taxpayers in the United States might be victims of the tax on marriage. This amounts to 38 million people—38 million taxpayers who are being discriminated against and who want and deserve an end to this inequity.

It is a great shock for these 38 million people to discover that Congress has imposed a tax penalty on them based solely on matrimony. Two-income married couples often find they must pay sharply higher Federal income taxes than they would if they were single and earning the same incomes. Single workers are shocked to learn that, if they were to get married, their tax liability would increase under existing law, even if their incomes and expenses remained the same. Such a result—which some call a "sin subsidy"—is so irrational that many people find it hard to believe that it exists. But it does exist, and I think it is time for Congress to rescind this impediment to marriage.

The marriage tax adversely affects people at all income levels. Two married workers, for example, employed at about the minimum wage—$4,200 per annum each—must pay a marriage tax penalty of $191, or 62 percent more than they would pay if they were not married. If both spouses earn $30,000 a year, they must pay $3,764 more than they would if they were single. Mr. President, those are healthy chunks of money at either level, but the lower income couples are the more severely penalized. They bear the brunt of the penalty, since at that income level every dollar counts.

We should keep in mind that married persons are, generally speaking, the people who have undertaken the care and raising of our children. Clearly, they should not be punished by our tax system for having undertaken that responsibility. The marriage tax, by its very nature, strikes at the deepest traditions of our society.

We must rectify this injustice in a simple, straightforward manner. The bill I introduce today would permit a married person to file his or her tax return individually, and thereby calculate the tax owed on the tax tables applicable to single individuals. Those married persons who prefer to file jointly would not be affected by the new provision, and single taxpayers would not incur any greater tax liability. My bill will not provide a lower rate for married people; it will only allow married people to use the single persons' tax rates. As a result, working men and women, who happen to be married, will not have to pay more than their fair share. In addition, my bill would permit married persons, who file separately under the new provisions, to take advantage of the credit for employment-related expenses, such as the child care credit, in the same way as single taxpayers.

In the recent case of Mapes against United States, the Supreme Court of the United States refused to hear an appeal from the U.S. Court of Claims in a case brought by a Falls Church, Va., couple against inequities between taxes for married couples and single individuals. Judge Nichols, in his opinion for the court of claims—after quoting Gilbert and Sullivan on the selflessness of true love—observed:

> Formerly society frowned upon cohabitation without marriage, assessing various punitive sanctions by law and custom against the partners themselves, and their innocent offspring. Most of these have now been eliminated in our more "enlightened" society. Cohabitation without marriage, and illegitimacy, or whatever it is now called are said to be rapidly increasing. Certainly the tax-minded young man and woman, whose relative incomes place them in the disfavored group, will seriously consider cohabitation without marriage. Thereby they can enjoy the blessings of love while minimizing their forced contribution to the federal fisc. They can synthesize the forces of love and selfishness.

My bill stands as an effective, simple and equitable solution to the problem posed by the court of claims.

As the public becomes more aware of this injustice, the demand for its abolition will grow. We must act to do away with this unwise and socially undesirable marriage tax in time to provide relief on 1979 income. I am pleased to announce that Senator BYRD, the chairman of the Finance Committee's Subcommittee on Taxation and Debt Management, has agreed to hold hearings on my bill early in the first session of the 96th Congress.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of subsection (c) of section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) as preceeds the table is amended to read as follows:

"(c) INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS) AND CERTAIN MARRIED INDIVIDUALS.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)),

"(2) every married individual (as defined in section 143) who—

"(A) does not make a single return jointly with his spouse under section 6013,

"(B) who elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply, and

"(C) whose spouse elects, at such time and in such manner the Secretary prescribes, to have the provisions of this subsection apply, a tax determined in accordance with the following table:".

(b) Section 1 of such Code is amended by adding at the end thereof the following new subsection:

"(f) COMMUNITY PROPERTY LAWS.—In the case of a married individual (as defined in section 143) who elects to have the provisions of subsection (c) apply with respect to his taxable income for any taxable year, the computation of such taxable income shall be made without regard to any community property laws.".

(c) Subsection (d) of section 1 of such Code is amended—

(1) by inserting "CERTAIN" before "MARRIED" in the heading thereof, and

(2) by inserting ", or who elects to have the provisions of subsection (c) apply," after "section 6013".

(d) Subsection (d) of section 63 of such Code (relating to the definition of taxable income) is amended—

(1) by inserting ", or who is married and makes an election under section 1(c)" before the comma at the end of paragraph (2), and

(2) by inserting "under section 1(d)" after "return" in paragraph (3).

(e) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended—

(1) by striking out ", is not" and inserting in lieu thereof "and is not", and

(2) by inserting "or who is married (as so determined) and makes an election under section 1(c)," before "and for the taxable year".

SEC. 2. Subsection (c) of section 42 of the Internal Revenue Code of 1954 (relating to general tax credit) is amended by inserting "under subsection (d) of section 1" after "return".

SEC. 3. (a) Section 44A of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by inserting ", or a married individual who makes an election under section 1(c) for such year" after "year" the first place it appears in subsection (e)(1)(A),

(2) by inserting "and who has not so elected" after "year" the first place it appears in subsection (e)(1)(B),

(3) by inserting "CERTAIN" before "MARRIED" in the heading of subsection (f)(2), and

(4) by inserting "or make the election provided under section 1(c) for such year" before the period at the end of subsection (f)(2).

(b) Section 152 of such Code (relating to definition of dependent) is amended—

(1) by striking out "or (e)" in subsection (a) and inserting in lieu thereof ", (e), or (f)", and

(2) by adding at the end thereof the following new subsection:

"(f) SUPPORT TEST IN CASE OF CREDIT FOR EMPLOYMENT-RELATED EXPENSES.—In the case of a married individual who makes an election under section 1(c) for the taxable year

and who is entitled to claim the credit under section 44A with respect to any person but for the fact that he did not contribute over half of the support of such person, such person shall be treated for purposes of subsection (a) as having received over half of such support from such individual if—

"(1) over half of such support was received from such individual and his spouse;

"(2) the individual contributed over 10 percent of such support; and

"(3) the individual's spouse does not claim such person as a dependent in any taxable year beginning in such calendar year.".

SEC. 4. Section 1348 of the Internal Revenue Code of 1954 (relating to 50 percent maximum rate on personal service income) is amended by inserting "or make the election provided in section 1(c) for such year" before the period at the end of subsection (c).

SEC. 5. The amendments made by this Act apply to taxable years ending after the date of enactment of this Act.

By Mr. MATHIAS:

S. 337. A bill to provide that legislation appropriating funds for payment of pay to Federal employees shall be enacted separately from other legislataion; to the Committee on Rules and Administration.

Mr. MATHIAS. Mr. President, in 1977, thousands of workers in the Departments of Labor and HEW got partial paychecks for one week's work because the House and Senate were unable to agree on budgets or to resolve controversial amendments.

Last year, over 145,000 HEW staffers received "short pay" for the first time in the history of the Department of Health, Education and Welfare. Congressional failure to approve a budget for fiscal year 1979 affected the paychecks of Federal employees by forcing the department to pay only 50 percent on the dollar instead of full pay. This eventually resulted in a two-check payroll run that cost taxpayers an extra $70,000 last year. In addition, getting half pay, especially for people on a 2-week pay cycle, causes severe hardships to middle- and low-income wage earners. Landlords must be paid on time, grocery bills mount up and money for kids' lunches becomes scarce.

I introduce this bill with the hope and intent that such financial problems and unnecessary grief can be averted in 1979, when Congress begins deliberations on the departmental budgets for the coming fiscal year.

After close examination, the Congressional Research Service has determined that the inflationary impact of such a bill would be negligible.

My distinguished colleague, the Honorable GLADYS NOON SPELLMAN, will be sponsoring a companion bill in the House.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no bill or joint resolution carrying an appropriation for any agency for payment by such agency of any pay to employees of such agency shall be in order in either the House of Representatives or the Senate unless such bill or joint resolution, or each section of such bill or joint resolution, reads after the enacting or resolving clause only as follows: "There is appropriated for out of any money in the Treasury not otherwise appropriated, for payment of pay to employees thereof, for the period , $."; the first blank being filled only with the name of the agency for which a sum is appropriated, the second blank being filled only with the period of time for which the sum is appropriated, and the third blank being filled only with the monetary amount of the sum appropriated.

(b) An amendment to any bill or joint resolution described in subsection (a) shall not be in order in either the House of Representatives or the Senate unless such amendment only strikes out the monetary amount of any sum to be appropriated by such bill or joint resolution and inserts in lieu thereof another monetary amount.

Sec. 2. The provisions of the first section of this Act are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

Sec. 3. The provisions of the first section of this Act shall apply only with respect to bills or joint resolutions appropriating funds for periods beginning on or after October 1, 1979.

By Mr. JOHNSTON (for himself, Mr. JACKSON, and Mr. MCCLURE):

S. 338. A bill to authorize the enlistment of citizens of the Northern Mariana Islands in the Armed Forces of the United States of America; to the Committee on Armed Services.

● Mr. JOHNSTON. Mr. President, I send to the desk for appropriate legislative referral a bill to enable citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States.

I introduced an identical bill last October at the request of Governor Camacho, but it impossible to take any action on it due to the crush of legislation in the last few weeks of the 95th Congress. During 1978, Governor Camacho had written to me requesting my assistance in determining why citizens of the Northern Marianas could not enlist in the Armed Forces of the United State. In response to that request, the chairman of the Energy and Natural Resources Committee, Senator JACKSON, and I wrote to the Department of Defense. The Department's response indicated that the difficulty could be resolved with respect to the Navy and the Marine Corps with an appropriate modification to current regulations, but that it would be necessary for an amendment to existing statutes to cover the U.S. Army and Air Force. This bill will make the needed statutory changes and I am confident that the Department will adjust the regulations for the Navy and Marine Corps after congressional intent has been expressed with regard to the Army and the Air Force.

Mr. President, during the 94th Congress the covenant to establish the Commonwealth of the Northern Mariana Islands was enacted. That historic moment brought to fruition the hopes and desires of a people long separated from their relatives in Guam. Their desire to join the United States and to assume burdens and responsibilities attendant to citizenship is nowhere better exemplified than in the request from Governor Camacho that the citizens be permitted to enlist and serve in the Armed Forces of the country they have joined.

Mr. President, I am fully in support of this legislation and I ask unanimous consent that the response of the Department of Defense to the committee's inquiry be printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE,
Washington, D.C., September 7, 1978.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: I have been asked to reply to your letter dated August 10, 1978 concerning the enlistment of citizens of the Commonwealth of the Northern Mariana Islands in the armed services of the United States. As you can see by the attached letter from Representative Edward DLG. Pangelinan, we have given this matter very careful attention.

We have concluded that there should be no legal obstacle to enlistment by citizens of the Commonwealth in the Navy and the Marine Corps. However, existing statutes must be amended to permit such enlistments in the Army and the Air Force.

The United States Army and United States Air Force are precluded by statute from accepting enlistments except from citizens of the United States or persons "lawfully admitted for permanent residence." 10 U.S.C. Sections 505, 3253, 8253 (1970). The United States Marine Corps and the United States Navy require only changes in their regulations because they are not subject to statutes. United States Marine Corps Miliary Personnel Procurement Manual, Volume IV, MCO P 1100.74, Sec. 2006, January 3, 1977; Navy Recruiting Manual: COMNAVCRUT COM Instruction 1130.8A 2-I-15 (2-I-18, CH-16, August 4, 1977). We have recommended that the Navy and the Marine Corps take the necessary actions to amend their regulations to permit enlistment of qualified persons from the Northern Marianas. We also have advised counsel for the Commonwealth that we would have no objection should they decide to seek amendments to the statutes governing enlistment in the Army and the Air Force.

Sincerely,

BRENT N. BUSHFORTH,
Assisant General Counsel for International Intelligence, and Investigative Programs.●

By Mr. STEVENSON:

S. 339. A bill to amend the Export-Import Bank Act of 1954 with respect to credit to communist countries, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. STEVENSON. Mr. President, the normalization of relations with the People's Republic of China offers new economic opportunity for the United States. But we are late. Other nations, notably Japan, are developing trading relationships with China at our expense. This competition will continue on an unequal footing until the United States develops a strong export policy and grants most favored nation status and eligibility for

Eximbank credits to the P.R.C. Eligibility for Commodity Corporation Credits has already been granted.

The U.S. market opportunities in China are often exaggerated, but, over time, political factors permitting, the opportunity to sell agricultural commodties, manufactured goods, technology and services in that country are large. The extent of those opportunities will depend on maintaining a mutually acceptable political relationship and opening our markets to the Chinese so they can earn hard currencies. But even with MFN, it will be a long time before the P.R.C. can finance the external costs of its development with its own exports. Apparently ideology has given way to that practical necessity, and the P.R.C. is now interested in Eximbank as well as commercial credits. The availability of commercial credits will often depend on the availability of Exim credits, since they are frequently combined to provide the necessary short and long-term credit for the financing of large transactions. While the dimensions of this potentially valuable economic relationship will depend heavily on political factors, the reverse is also true: A mutually beneficial commercial relationship will facilitate the accommodation of outstanding political differences.

It would be a serious mistake for the United States to think that it could profit from an exacerbation of the tension which exists between the PRC and the U.S.S.R. To grant credits for the one and not the other would give credibility to the suspicion that the United States is playing a China card and with some risk of heightening anxieties of the Russians which are already bringing pressures on their allies and causing a buildup of forces in both the Russian East and West. We would more wisely put such fears to rest as best we can and seek to compose our differences with both these powers. The world will be better served by whatever relaxation of tension and cooperation can be achieved between all three powers.

Having said that, I hasten to add that the United States should proceed cautiously. The prospect of 1 billion armed, resourceful, and disciplined Chinese is for me no greater cause of sanguinity than a nuclear and territorially ambitious Russia. This legislation does not grant MFN and credits without qualification or condition. It replaces an explicit linkage to emigration policy with a procedural formulation which implies that the continued availability of credits and MFN will be subject to periodic review and an evaluation of Chinese and Russian conduct across the entire range of U.S. intereats, including emigration policies. It treats all nonmarket countries alike and cannot, therefore, be said to single out any for special or discriminatory treatment.

The United States ran a trade deficit of almost $30 billion last year. The dollar declined, causing a crisis in the international monetary system and inflation at home. This measure is by no means a purely political proposal. It is one of many measures I will be proposing to improve the economic position of the United States in a highly competitive global marketplace.

This legislation amends the Export-Import Bank Act of 1945 and the Trade Act of 1974 to provide identical requirements for determining the eligibility of any Communist state for MFN and Eximbank credit, and for reviewing and limiting such credits. Provisions in both acts which single out the U.S.S.R. for special treatment would be repealed.

Before any Communist country not already eligible for MFN and Exim credit can become eligible, the President would have to determine that the country's emigration practices will lead substantially to achievement of the free emigration objectives of the Trade Act, and that Eximbank credit for export to such country would be in the national interest taking all the appropriate political and economic factors into account.

Two changes would be made in the emigration clauses of the Trade Act: The President, when initiating a waiver under the Trade Act, would make a determination regarding the emigration practices of Communist countries rather than relying upon "assurances" from such countries, and the waiver period would be fixed at 5 years instead of 1 year. Thus, Communist countries would be encouraged to liberalize emigration practices, and the frequency and formality with which such countries are now expected to proclaim liberalization of emigration practices would be reduced. Countries may do quietly that which they are reluctant to announce formally in response to threats or demands. And trade could proceed satisfactorily, as it cannot on a spasmodic, interruptible basis.

Provisions in the Export-Import Bank Act and Trade Act which would restrict Eximbank credits to the U.S.S.R. once eligibility is established would also be changed to place all Communist countries on the same footing. Both acts limit new credit to the U.S.S.R (but not to other Communist countries) to $300 million unless Congress approves a higher level. Instead of an open-ended authorization, as for other countries, I propose a limit of $2 billion on outstanding Eximbank credits—old as well as new credits—for exports to any Communist state. The limitation could be increased or decreased by Congress at any time, of course, if developments warrant.

This bill would also remove restrictions in the Export-Import Bank Act on financing of exports to the U.S.S.R. for the purpose of developing fossil fuel energy resources. The restrictions were imposed at a time when there was concern in this country over possible shortages of energy equipment. It was also assumed that all large energy-related exports to the U.S.S.R. would need Eximbank financing. Those assumptions have proved wrong, and energy equipment and technology exports to the U.S.S.R. are now controlled under the Export Administration Act. I will propose legislation separately to amend that act, which expires this year. To the extent controls on energy equipment and technology exports to Communist countries are desirable, the Export Administration Act is an appropriate and effective vehicle for such control.

The legislation I propose today can facilitate U.S. exports and improve relations with both the P.R.C. and U.S.S.R. The President will be able to place expanded trade on the agenda of subjects to be discussed with both countries. Congress will retain authority to periodically review both MFN status and Eximbank credits to Communist countries each time a waiver provided under the Trade Act is to be extended, and each time the Export-Import Bank Act is renewed, or whenever a credit over $100 million is proposed. All such credits must be sent to Congress 25 days prior to final approval by the Bank, and in the case of credits for exports to Communist countries, must be accompanied by a specific Presidential determination that such credit is in the national interest. These provisions assure a continuing congressional review of trade relations with all Communist countries, but without putting a straitjacket on the conduct of U.S. commercial and foreign policy objectives.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE STEVENSON AMENDMENTS TO THE EXPORT-IMPORT ACT AND THE TRADE ACT

The amendments would (1) delete provisions in the Export-Import Bank Act and the Trade Act which single out the U.S.S.R. for discriminatory treatment with respect to credits, (2) establish a new limitation on Bank support for U.S. exports to any single Communist country, and (3) revise the "waiver" provisions concerning emigration practices and eligibility for MFN treatment and Eximbank credits.

Under the Export-Import Bank Act the President of the United States must determine that it is in the national interest for the Bank to support U.S. exports to each Communist country before the Bank may support such exports. The President must make a separate national interest determination with respect to each Bank credit of $50 million or more for exports to a Communist country.

Other present provisions restrict Bank loans or financial guarantees to the U.S.S.R. made after January 4, 1975: (1) such support may not exceed $300 million in addition to outstanding credits or $40 million for exports related to fossil fuel energy research or exploration; (2) such support is prohibited for U.S. exports which could assist fuel energy production (including processing and distribution); and (3) each loan or financial guarantee of $25 million or more for exports involving research, exploration or production of fossil fuel energy resources must lay before Congress for 25 days of continuous session before receiving final Bank approval.

The amendments would delete provisions placing limitations on Bank support for exports to the U.S.S.R. and susbtitute a limitation of $2 billion on the aggregate amount of loans and financial guarantees the Bank may have outstanding at one time to each Communist country. The level for transactions with a Communist country, which must be accompanied by a separate determination by the President of the United States that such transaction is in the national interest, would be raised from $50 million to $200 million, the same transaction level which is already

required to be submitted to the Congress for a 25-day review period.

The amendments to the Trade Act would require the President to determine that the emigration practices of any non-market economy (Communist) country will henceforth lead substantially to the achievement of the free emigration objectives of section 402 of the Act, before such country shall be made eligible for nondiscriminatory tariff treatment and U.S. Government credits. The Act presently requires the President to report that he has "received assurances" regarding such practices. The amendments further provide that waivers under the Trade Act shall be for five-years rather than one year and delete a provision restricting U.S. Government support for exports to the U.S.S.R., other than by the Commodity Credit Corporation, to $300 million.●

By Mr. LEAHY:

S. 340. A bill entitled the "Rural Health Needs Planning Act of 1979;" to the Committee on Human Resources.

RURAL HEALTH NEEDS PLANNING ACT OF 1979

● Mr. LEAHY. Mr. President, I rise today to introduce legislation which will bring adequate health care planning to rural America. The provision of health care is a right that is now denied to major sectors of our population. It is a right that is virtually reserved only to those people in this Nation living in or nearby our major cities. It is a right that is needed by all but is presently unavailable to Americans who have chosen to live in small town and rural America.

Mr. President, coming from Vermont, the most rural State in the Nation, and as chairman of the Senate Rural Development Subcommittee, I have an acute interest in seeing the health of our nonmetropolitan areas improved.

Our rural areas simply do not have adequate health care. This inadequacy causes needless misery from disease, an ashamedly high rate of material deaths, and prolonged torment and suffering.

Consider the following statistics: 56 percent of the medically underserved areas in this country are rural. Rural America holds 27 percent of our national population, yet is served by only 12 percent of the Nation's physicians and 18 percent of our nurses.

Mr. President, there are many avenues which Congress can pursue to improve the health of rural America. And, for as long as I am in the Senate I will seek to implement as many as can be done including the use of home health care, certification of nurse practitioners, and hospice programs. However, the legislation I introduce today is at a much more basic level. The bill I present seeks to improve rural health care in the first instance through adequate health planning.

Equal access to health care is the first priority of the Health Planning Act. It is essential, then, that we structure the planning process to accomplish that goal—especially as it relates to the unique needs of rural people. As now written, the Health Planning Act does not recognize those unique ends. This legislation provides the structure by which the health profile of rural America can be taken into full account early in the planning process. A profile which recognizes that:

Almost half of the Nation's poor people are in rural areas;

Four out of every ten older Americans live in the nonmetropolitan sector; and

Eighty-four percent of counties having critical health manpower shortages are rural.

Nearly 30 million people live in rural medically underserved areas. We must make sure that the health planning process no longer ignores their needs.

The package of amendments which I introduce focus upon national health planning guidelines, adequate representation of rural interests, and financial support for health planning in medically underserved areas.

Mr. President, the Rural Needs Health Planning Act of 1979 will do the following:

First, national health planning guidelines must deal with unique rural issues. This bill mandates special attention within the overall guidelines to the needs and concerns of rural people.

Second, rural consumers of health care should be assured of representation on the National Council on Health Planning and Development—the body that advises and consults with the Secretary of HEW. This legislation requires broader representation of population groups, including residents of nonmetropolitan areas, on the National Council, much as is required of HSA's.

Since the Department of Agriculture has major responsibility for rural development, this amendment also adds the Department's Assistant Secretary for Rural Development as an ex officio member of the National Council.

Third, the amendment would assure adequate representation of the same groups on statewide health coordinating councils—which advise State health planning agencies.

Fourth, the amendment encourages the development of subarea councils—which are smaller divisions of HSA's. The Secretary of HEW would be authorized to make grants to HSA's for the development and operation of subarea councils. The amount of the grant would be related to both the size and geographic barriers within a particular health services area.

This amendment also requires HSA's to consider subarea views in the planning process. It insures that interests at the local level will not be lost.

Fifth, the funding mechanism for HSA grants should include extra assistance for those areas with medically underserved populations. Another increase is needed to accommodate the special planning requirements of medically underserved populations. Specifically, the amount of any grant should be increased by 10 cents per medically underserved person in the health service area.

Finally, my legislation would require centers for health planning to develop consumer education packages. Under this amendment, these centers, which provide technical assistance to HSA boards and their staffs, would emphasize the needs of the medically underserved.

Mr. President, I am confident that with these additions to the Health Planning Act, the pitiful health statistics of rural America will begin to improve.●

By Mr. HATFIELD (for himself, Mr. DECONCINI, Mr. SIMPSON, Mr. GRAVEL, and Mr. PRESSLER):

S.J. Res. 33. A joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

VOTER INITIATIVE AMENDMENT

Mr. HATFIELD. Mr. President, today I am pleased to be joining with my colleagues, the Senators from Arizona (Mr. DECONCINI); Wyoming (Mr. SIMPSON); Alaska (Mr. GRAVEL); and South Dakota (Mr. PRESSLER) to introduce the voter initiative amendment, which, when adopted, will allow the use of the initiative process at the national level. The initiative process allows citizens to place a proposed law on the ballot, by gathering signatures of a required number of registered voters. Once a proposed law has been placed on the ballot, the voters will have the opportunity to adopt or reject it.

Since I first introduced the voter initiative amendment in July 1977, there have been many exciting developments which make this proposal even more sensible, and closer to a reality:

First. George Gallup released a nationwide poll in May 1978, which demonstrated overwhelming support for the voter initiative amendment by all Americans. Dr. Gallup also included my amendment in what he feels are "Six Political Reforms Americans Want Most."

Second. Including myself, a total of 5 Senators and 27 Representatives cosponsored versions of the voter initiative amendment last year. Initiative America, the citizen's group advocating this bill, received endorsements from 24 additional Congressmen and Senators in the course of last fall's campaigns. I therefore expect congressional support for this amendment to grow at an increasing rate.

Third. The Senate Judiciary Subcommittee on the Constitution, chaired by my colleague, the Senator from Indiana (Mr. BAYH), conducted 2 days of hearings on the bill in December of 1977. At those hearings, the subcommittee heard testimony from constitutional scholars, State election administrators, citizens organizations, professors of political science, and other opinion leaders. These witnesses testified to the need for the voter initiative amendment, and to the practical and constitutional soundness of the concept.

Fourth. Los Angeles County voters were presented with an advisory question on their June 1978 ballot, to enable them to be heard on the subject of a national voter initiative. By a 2 to 1 margin, voters approved of the concept. Over a million votes were cast in favor of the proposal.

Fifth. In November 1978, 40 State-level initiatives were voted on, making 1978 the biggest off-Presidential election

year for initiative-lawmaking in over 30 years; 20 of the 40 initiatives were passed by voters.

Sixth. Voter turnout appears to be significantly increased by the appearance of initiatives on the ballot. My home State of Oregon had the most initiatives on the ballot (seven) of any State. Our turnout of eligible voters was one of the highest in the country. In fact, according to research by initiative America, the 16 States with initiatives on the ballot enjoyed turnouts one-fifth higher than the 27 States not allowing the initiative process. A national voter initiative process is likely to bring people to the polls, too.

The initiative process, unique among our democratic rights, is founded on the belief that the citizens of this country are indeed as competent to enact legislation as we are to elect public officials to represent us. In addition to the recent developments I mentioned above, there are eight fundamental reasons that, to my mind, not only justify, but mandate the adoption of the right of initiative into our Federal system.

First. The use of the initiative would be an exercise of the sovereign power of the American people to govern themselves;

Second. The initiative is an actualization of the citizens' first amendment right "to petition the Government for redress of grievances;"

Third. The initiative provides a concrete means for citizens participation in the policymaking function of our Government;

Fourth. The use of the initiative could lessen the sense of alienation from their Government felt by millions of Americans;

Fifth. The initiative is a natural complement to our system of checks and balances,

Sixth. The initiative would enhance the accountability of Government;

Seventh. The use of the initiative would produce an open, educational debate on issues which otherwise might have been inadequately addressed; and

Eighth. The history of the initiative has shown it to be a very sound, workable, and democratic process.

Mr. President, the people of 23 States and the District of Columbia have already granted themselves the right of initiative. As an integral part of their State governments, its workability as a democratic tool has been clearly and repeatedly proven. I believe its extension to the Federal level is justified and long overdue.

PHILOSOPHY

As a tool to extend the scope of the citizen's right to vote, this direct democracy amendment has many companion provisions in our present Constitution. Six of the last 10 constitutional amendments have in some way extended voting rights—the 15th, to members of all races and particularly to former slaves; the 17th, to provide for the direct election of Senators; the 19th, to women; the 23rd, to the residents of the District of Columbia; the 24th, to prohibit the use of the poll tax; and the 26th, to those 18 years or older. This proposed amendment would extend to the people the right to propose and vote on laws of national importance. The initiative is a further step in this evolutionary process toward a greater and more meaningful citizen participation in the affairs of our Government.

My proposal comes at a time when our Nation should utilize every available method to involve its citizens in the functioning of our Government. The last few years have seen a growing dissatisfaction, and in many cases a serious distrust, of Government by the very people who are its source of power and who elect its leaders. People stay home on election day not because they are lazy or do not care but because they have decided that meaningful communication with their leaders is no longer possible or effective. They know of no other way to register their lack of confidence but to withdraw from the system.

I empathize with the feelings of these millions of Americans. They feel unable to make known their thoughts, their concerns, and their opinions on how this great country of ours should be run. However, much of the alienation and helplessness that citizens experience can be mitigated if avenues for constructive participation exist. The initiative procedure is one means to provide direct citizen access to our governmental decisionmaking process through a legal and democratic method.

Some may see this amendment as a strictly "antigovernment" proposal. However, I look upon the initiative procedure as a "pro-people" proposal and a natural complement to our system of representative government. By enabling the people to more effectively and directly communicate with their Government, the initiative enhances the accountability and openness of our representative process. As a "safety valve" for public concerns, the initiative can help avert the alienation of the people.

However, the initiative is not a panacea and I do not wish to give you the impression that it is. The process does have its limitations, but the history of its use has shown it to be a workable, democratic process.

BRIEF HISTORY

Mr. President, while becoming a part of American politics at the turn of the century, the initiative has its remote origins in the "plebiscitums" of the ancient Roman Republic. There, the question of repealing or enacting laws over the opposition of the Senate could be put to a vote of the "plebs"—the enfranchised commoners. Similar plebicites were practiced in a few medieval towns of Europe, although confined in both instances to a small, elite electorate.

However, the initiative was really pioneered in Switzerland. In the years 1831–91, various forms of the initiative were used. The procedure is continued today in the present Swiss Constitution. In the 1890's, the Swiss system came to the attention of reform groups in the United States. The first organized effort to establish the initiative occurred in Omaha in 1892 at the national convention of the Peoples' Party. On June 6, 1904, citizens in my home State of Oregon became the first in the Nation to place initiated proposals on the ballot, passing a landmark direct primary nominating convention law as well as a local option liquor law. Today, the people in 23 States and the District of Columbia have the power to enact laws by the initiative process. These States, and their year of adoption are listed as follows:

Adoption of intiative provisions

	Year
South Dakota	1898
Utah	1900
Oregon	1902
Montana	1906
Oklahoma	1907
Maine, Missouri	1908
Arkansas, Colorado	1910
Arizona, California, Idaho	1911
Nebraska, Nevada, Ohio, Washington	1912
Michigan	1913
North Dakota	1914
Massachusetts	1918
Alaska	1959
Wyoming	1967
Florida	1968
Illinois	1970
District of Columbia	1977

In the first 12 years after South Dakota became the first State in the Union to adopt the initiative process, eight other States joined in adopting State constitutional amendments authorizing its use. California, which may have brought the most attention to the use of the initiative, adopted the process in 1911 after electing Hiram Johnson as Governor. Johnson ran on a platform which included the initiative and during his inaugural address, he placed the full forces of his administration behind its adoption. He said:

> Those of us who espouse these measures [the Initiative] do so because of our deep-rooted belief in popular government, and not only in the right of the people to govern, but in their ability to govern. . . .

THE DEBATE ABOUT THE INITIATIVE PROCESS

Although it is now an accepted, integral component of many State constitutions, the right of initiative was not established without serious debate concerning its merits. In the early 1900's and to this day, opponents of the initiative everywhere it has been debated have warned of catastrophe. I expect many of these same arguments will be used against the proposal I am advancing today.

The arguments that have been used against the initiative since the early 1900's include:

First. The initiative undermines our representative form of government;

Second. It complicates the ballot and could lead to frivolous or unsound laws;

Third. It is only suitable for use on the local level;

Fourth. It will be dominated by special interests of the right or the left; and

Fifth. The people cannot be trusted or they will not be able to understand complicated legislative proposals.

While the arguments used in opposition to the initiative certainly deserve careful analysis and consideration, I believe that a thorough study of the public record in the 23 States which do allow the initiative will indicate that it has

operated effectively and has served to enhance our democratic form of government.

First, the initiative improves our representative form of government by providing another democratic means with which citizens can express themselves. Initiative campaigns provide direct feedback to elected officials about the people's feeling on different issues and generally produces a more responsive body of elected officials. It brings more citizens into the mainstream of public affairs and is a significant educational device which cannot be minimized. The use of the initiative provides a prompt public discussion of important issues which may otherwise go unaddressed. In essence, the initiative is a logical component of our system of checks and balances. I would argue strongly that any tool which increases the opportunities for better communication between government and the people is a too' which improves the effectiveness and openness of our democracy.

Second, the initiative has not seemed to complicate the ballot nor has it been a vehicle for the reckless passage of frivolous or unsound laws. In California numerous ballot issues appear at election time. Usually, the vast majority of these issues are placed on the ballot by the legislature as required by law, and not via the initiative process. In addition, the signature requirements are strict enough to discourage frivolous efforts. The number of initiated measures appearing on State ballots is still but a tiny fraction of the number of issues considered annually by State legislatures.

Even when issues do reach the ballot by initiative, voters traditionally act with restraint. Measures which are very controversial or are unreasonably drafted tend to fail at the polls. Citizens are not likely to qualify a proposal for the ballot, or to subsequently pass such a proposal unless it has widespread support. The process has not been subjected to repeated abuse, but rather, has addressed legitimate issues of public policy. Laws passed by initiative are subject to judicial review and can be changed by legislative action if there is an overwhelming need to do so.

Third, the initiative has been proven effective in both small and large jurisdictions. The initiative has been used extensively in California, a State which has 10 percent of the total population of our country and has a history of coping with complicated social questions. There is no reason to believe that the initiative cannot perform just as well at a national level.

Fourth, the history of the use of the initiative in the States has indicated that while special interests have played a role in initiative politics, they certainly have not dominated the process. At the State level, special interests groups have not succeeded at the polls without the strong, active support of community and political leaders. Instead of being a tool of the special interest groups, the initiative process is a device used by the people for those times when special interests seem to be dominating the deliberations of the legislative body.

The initiative process has several unique features which make it a useful citizen's tool, enabling the people to be heard even when normal legislative channels fail. Initiative gives people the power to get a fair hearing about an issue which concerns them. If there are enough citizens willing to sign petitions, to put a question to a public vote, then that issue, at the very least, will be fully debated and addressed in a public forum. Even if the issue loses at the polls, the increased public awareness and education may go a long way toward resolving a question left unaddressed by the legislature.

The intiative is also a very open process which invites scrutiny by the public, the media, and by community leaders. Should special interests attempt to unduly influence the initiative process, the community will most likely be aware of it. Of course, appropriate disclosure and other campaign finance requirements are useful complements to the initiative process.

Fifth, the argument that the people cannot be trusted or will not be able to understand complicated legislative proposals is a frequent argument, although usually couched in nicer words. I believe that true democracy must rest on the fundamental belief that the people are sufficiently intelligent, sufficiently discerning, and sufficiently capable to govern themselves. In the representative form of Government we have today, we trust the judgment of the people to elect our leaders. Throughout our history this Nation has been well served by the judgment of the people. If we accept the premise that the people can choose between good and bad leaders, I think we must accept the notion that the people can choose between good and bad laws. Mr. President, I think it is important to reaffirm our trust in the basic goodness of our people.

Decades of use have proven the soundness of the initiative process. It has performed well when applied to a great diversity of issues and geographic areas. Some examples of recent use of the initiative include political reform, coastline development, property tax limitations, returnable bottles, death penalty, fluoridation, energy conservation, pornographic literature, and sales tax on food and drugs.

Initiative has an impressive track record in the 23 States now authorizing its use. According to research done by the Library of Congress, in the 80 years of initiative use, some 1,200 issues have been voted on. Many landmark reforms were pioneered by initiative. Direct election of Senators, abolishment of poll taxes, women's suffrage, workmen's compensation, and nonpartisan appointment of judges are just a few of the issues first raised by initiative.

It is remarkable that our present method of selecting Presidential candidates was first adopted by initiative in my home State of Oregon. Voters in other States followed Oregon's lead and used initiative to establish our modern Presidential preference primary system.

Liberals and conservatives alike have used the process to raise significant issues although it is neither a liberal nor conservative tool—it is a democratic process.

Even when initiatives have failed at the polls, they have served a much broader public purpose—that of educating the people and their leaders. I think the country has benefited from the tremendous debates which are the result of initiative campaigns.

SECTION-BY-SECTION ANALYSIS OF THIS AMENDMENT

Mr. President I would like to take just a few minutes to briefly outline the major provisions of this proposal.

Section 1. The people shall have the power to enact laws with the exception of the power to declare war and the power to call forth the militia. This article does not give the people the power to amend the Constitution.

Section 2. In order to qualify a proposed law for the ballot, signatures must be gathered on a national level equal in number to 3 percent of the ballots cast in the last Presidential election including signatures from 10 States equal in number to 3 percent of the ballots cast in the last Presidential election in each of the 10 States.

The signatures must be gathered in an 18-month time period.

The chief law enforcement officer of the United States must certify the validity of the signatures.

If sufficient signatures have been obtained the proposed law will be placed on the ballot at the next general election occurring at least 120 days after the signatures have been certified.

Section 3. If a majority of people casting votes on the ballot question approve, the proposed law is enacted and will take effect 30 days after the election or as mandated in the law itself.

Any law enacted by the people will be considered the same as any other law passed by Congress and signed by the President.

No such law may be repealed or amended by the Congress during the 2 years immediately following enactment except by a two-thirds vote of Members of both Houses duly elected and sworn. The President may sign or veto a law as to repeal an initiative passed law as he does with any other law passed by Congress.

No law which is forbidden by the Constitution may be enacted by the people.

Section 4. The Congress and the people shall have the power to enforce this article with appropriate legislation.

While I think these procedures are fairly straightforward, many of my colleagues from States that do not have the right of the initiative may be unfamiliar with its use on a practical basis.

This proposal would allow petition sponsors a maximum of 18 months to collect the signatures of at least 3 percent of those votes cast for President at the last election, with a minimum distribution of 3 percent of registered voters in each of 10 States. Though it may be possible to collect signatures exclusively in 10 States, the practical needs of a national campaign probably require signature gathering efforts in a majority of the States.

The collection of large numbers of signatures on an initiated proposal requires the support and involvement of many Americans over an extended period of time. Because of the nature of the initiative, the vast majority of proposals never qualify for the ballot—lacking both the needed public support and commitment. The signature requirement must be set high enough to insure that the issue indeed warrants the consideration of the voting public, but low enough to insure that the process is workable and available to the people.

The signature requirements provided by this amendment—3 percent of those who voted for President in the last election with a minimum distribution of 3 percent in each of 10 States meets this test. In 1976, a total of 81.5 million Americans cast ballots for the Office of President of the United States. Based on that election, the 3 percent national requirement equals 2.45 million legitimate signatures of registered voters. This 3 percent requirement is a stiff requirement which calls for a massive nationwide campaign.

It is also important to note that any signature gathering campaign must take into consideration an invalidation rate for nonlegal signatures of anywhere from 33 to 50 percent. The practical goal for any national initiative campaign would likely be between 4 and 5 million signatures to insure that a sufficient number of legal signatures are obtained. Anyone who has gathered legal signatures such as nominating petitions for Members of Congress, surely recognizes the magnitude of such an effort.

The distribution requirement of 10 States insures that only issues of recognized national importance are advanced by the use of the initiative. Even by meeting the 3-percent requirement in the 12 largest States, approximately 1 million additional signatures would be required to satisfy the 3-percent nationwide requirement. This proposal requires a distribution and focus beyond just the largest States or a particular region of the country.

A further consideration in choosing these signature gathering requirements is that the procedure should not be so strict as to effectively prohibit volunteer, grass roots efforts from successfully organizing to use the process. A higher signature requirement would block access to the process by ordinary citizens and enable only well-financed or already formally organized interest groups to use the initiative process.

SUMMARY

This proposal for a constitutional amendment to grant the right of the initiative to the people of the United States comes at a time when citizens appear very favorable to a change of this kind.

In the 23 States and the District of Columbia which now authorize the initiative process, citizen use of the procedure has increased significantly in the last several years. In many States, where the right of initiative has not been used frequently, a great deal of new activity has been generated. Many different liberal and conservative issues are being addressed by the initiative. Even those that fail at the polls are having a significant impact through education and debate.

In addition, efforts to establish the initiative power in the 27 States which do not already provide for them are intensifying. Twenty States have initiative bills pending; and in at least a dozen the hearing process is going forward to consider adoption of State initiative authority.

On May 17, 1977, the City Council of the District of Columbia unanimously passed the Initiative, Referendum, and Recall Charter Amendment Act of 1977. Later adopted by the voters in November and subsequently approved by Congress, this is the first amendment to the Home Rule Charter. The Washington Post editorialized that:

> This is an important bill that District voters exercise more responsibility in governing their own community.

In addition to these citizen efforts, a national organization, Initiative America, has been operating here in Washington for 2 years. Initiative America seeks to promote the initiative concept not only at the Federal level but also at the State and local level.

Mr. President, I invite my colleagues to join with me in this exciting effort. At a time when we are striving to build citizen confidence and involvement in our Nation's Government, this constitutional amendment makes good sense.

I ask unanimous consent that the text of the proposed constitutional amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 33

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. The people of the United States shall have the power to propose and enact laws in accordance with this article, except with respect to carrying out the powers granted to Congress in clauses 11 and 15 of article I, section 8, of this Constitution. This article does not grant the people of the United States the power to propose amendments to this Constitution.

"SEC. 2. A law is proposed by presenting to the chief law enforcement officer of the United States a petition that sets forth the text of the proposed law and contains signatures, collected within the eighteen months prior to such presentation, or registered voters equal in number to three per centum of the ballots cast in the last general election for President and which includes the signatures of registered voters in each of ten States equal in number to three per centum of the ballots cast in the last general election for President in each of the ten States. Within ninety days after such presentation, the chief law enforcement officer of the United States shall determine the validity of the signatures contained in such petition through consultation with the appropriate States. Upon a determination that such petition contains the required number of valid signatures, he shall certify such petition. He shall then direct that the proposed law be placed on the ballot at the next general election held for choosing Members of the House of Representatives occurring at least one hundred and twenty days after such certification. The Congress shall provide by law reasonable procedures for the preparation and transmittal of such petitions, and for the certification of signatures on such petitions. For the purposes of this section, the term 'state' shall include the District of Columbia.

"SEC. 3. A proposed law shall be enacted upon approval by a majority of the people casting votes with respect to such proposed law and shall take effect thirty days after such approval except as otherwise provided in the proposed law. Any law enacted pursuant to this article shall be a law the same as any other law of the United States, except that any law to repeal or amend a law enacted pursuant to this article during the two years immediately following its effective date must receive an affirmative roll-call vote of two-thirds of the Members of each House duly elected and sworn. No law, the enactment of which is forbidden the Congress by this Constitution or any amendment thereof, may be enacted by the people under this article.

"SEC. 4. The Congress and the people shall have the power to enforce this article by appropriate legislation.".

Mr. HATFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD the following documents:

"Questions and Answers About National Voter Initiative," prepared as a public service by Initiative America, 606 Third Street NW., Washington, D.C., and a Gallup poll of May 15, 1978.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

HOW WILL THE VOTER INITIATIVE AMENDMENT WORK?

To place an issue on the national ballot, citizens would have to collect signatures of registered voters equal to 3% of the last vote for President, approximately 2½ million signatures, on a petition. If they completed this petition drive within 18 months, their issue would be placed on the next national election ballot, at the same time members of Congress are elected. A majority "yes" vote in the election would make the measure law.

ARE THE REQUIREMENTS REASONABLE?

Yes. They are in accordance with initiative procedures at the state level which have worked smoothly. California, the most populous state, requires 300,000 signatures for an initiative, and that state averages about two citizen-initiatives per election. The 2½ million signature requirement nationaly would be a difficult but attainable test for important national issues.

ARE THERE ANY LIMITATIONS ON INITIATIVE USE?

Yes, a few. Constitutional amendments, calling up the militia, and declarations of war could not be addressed by initiative. Any laws passed by public vote would still be subject to review by the court system. And Congress could amend initiative laws only by a ⅔ Roll Call vote the first two years after passage, and by a majority vote thereafter. The initiative has therefore been designed to fit within our system of checks and balances.

CAN THE PROCESS BE ADMINISTERED NATIONALLY? AT A FAIR COST?

A recent study by the Congressional Budget Office reported that it would cost between 1 to 2 million dollars annually to administer the Voter Initiative Amendment. That works out to about a penny per American per year, certainly a fair administrative cost.

State elections officials testified before a Senate subcommittee to indicate that the same administrative procedures used for state initiatives could be used for federal initiatives, and that the process could be managed smoothly.

WHERE IS VOTER INITIATIVE NOW USED?

The Constitution of 23 states and the District of Columbia presently authorize an initiative process. Since South Dakota became the first state to adopt initiative in 1898, some 1200 issues over 80 years have been voted on in state initiatives.

WHAT ISSUES MIGHT APPEAR ON A NATIONAL BALLOT?

Whatever issues seem important to the public. At the state level, common issues have included political, tax, or social reforms, or other issues which the political establishment of the time failed to address.

National issues will probably be those which have been stalled in Congress for some time—those which, though a majority of voters favor, have been ignored or sidestepped.

WILL VOTER INITIATIVE INCREASE VOTER PARTICIPATION?

Yes. State initiatives bring people out to vote who are interested in issues. In fact, over 700,000 more Californians voted on Proposition 13 than voted for all candidates for Governor.

A poll by Cambridge Survey Research Corporation showed 74% of respondents indicating that they'd be more likely to go to vote if there were issues as well as candidates on the national election ballot.

WHO SUPPORTS THE VOTER INITIATIVE AMENDMENT?

A recent Gallup Poll showed Americans 57% to 21% in favor—well over 2 to 1. Every political preference and geographic area showed overwhelming support for the Amendment. An advisory referendum held in Los Angeles in June, 1978 showed that County strongly in favor of the concept with over a million voters endorsing it.

Over thirty members of Congress—both Democratic and Republican—have cosponsored bills to create a national Voter Initiative. A former Chairman of the Democratic National Committee supports the concept, as does the present Chairman of the National Republican Congressional Campaign Committee. Numerous political scientists, Constitutional experts, and other political leaders have endorsed the Voter Initiative Amendment.

WHAT ARE ITS CHANCES OF PASSAGE?

Excellent. It becomes closer to reality every day. The Voter Initiative Amendment is a voting right in keeping with six of the ten last Constitutional Amendments. In fact, the amendment is but a logical extension of our First Amendment right "to petition the government for redress of grievances."

All indications are that the amendment will become one of the most popular amendments yet proposed to the Constitution because of its unique bi-partisan political and public support.

HOW CAN I SUPPORT THE VOTER INITIATIVE MOVEMENT?

Show your support by writing, calling, or visiting your Congressman and Senators. Contribute to Initiative America, which is speaking for this issue on a daily basis in the nation's Capitol.

WHAT IS INITIATIVE AMERICA?

A national organization established solely to advocate the right of a national Voter Initiative process. Headquartered in Washington, D.C., at 606 Third St. N.W., 20001, Initiative America carries the message from thousands of Americans that they want to vote on national issues. Through small contributions from concerned Americans, its staff does the necessary research, publication, and publicity to gain passage of the Voter Initiative Amendment through Congress.

[From the San Francisco Chronicle, May 15, 1978]

NATIONAL INITIATIVE FAVORED

(By George Gallup)

Voters of the nation like the idea of being able to pass judgment on proposed national legislation.

A constitutional amendment, described by its sponsors as the Voter Initiative Amendment, would require a national vote on any issue if three percent of all voters in the previous presidential election sign petitions asking for such a vote.

This percentage, applied to the last presidential election, would mean that a national vote could be held on any issue when approximately 2.5 million people signed petitions.

By a 57-to-21 percent majority, the public in a nationwide Gallup Poll survey expressed approval of this plan, with 22 percent undecided. Voters who have attended college approve of the initiative amendment by a vote of 59 percent to 30 percent with 11 percent undecided.

The initiative, a time-honored device for direct citizen participation in the legislative process, is currently authorized in 23 states. And, according to the Library of Congress, in the past 80 years approximately 1200 issues have been decided in this manner.

The constitutional amendment that would make the initiative federal policy is sponsored in the Senate by James Abourezk of South Dakota and Mark Hatfield of Oregon and in the House of Representatives by James Jones of Oklahoma and Harold Sawyer of Michigan.

This was the question asked:

"The U.S. Senate will consider a proposal that would require a national vote—that is, a referendum—on any issue when three percent of all voters who voted in the most recent presidential election sign petitions asking for such a nationwide vote. Do you favor or oppose such a plan?"

Here are the results:

[In percent]

	Favor	Oppose	No opinion
Nationwide	57	21	22
College	58	30	11
High school	59	19	22
Grade school	46	11	43
East	55	19	26
Midwest	56	23	21
South	59	19	22
West	57	23	20
Under 30 years	59	19	22
30 to 49 years old	59	22	19
50 years and older	52	22	26
Republicans	56	25	19
Democrats	59	20	21
Independents	56	22	22

Undoubtedly an important reason for the broad support which this amendment receives at this time is the disillusionment experienced by the voters of the nation in the post-Watergate era—disillusionment both with the legislative and executive branches of government.

Those who disapprove of such an amendment generally base their opinion on the fact that the public is not well enough informed on many complex issues to arrive at a sound opinion. Moreover, they point out that the Founding Fathers, in writing the Constitution, intended the nation to be a representative form of democracy and not a pure or direct democracy.

The results reported today are based on personal interviews with 1536 adults, 18 and older, interviewed in more than 300 scientifically selected localities during the period January 6-9.

● Mr. DECONCINI. Mr. President, I am proud to join with my colleague in the Senate, Senator HATFIELD, and with my colleagues in the House, Congressmen JONES, KEMP, and SAWYER in introducing a resolution to establish the initiative process at the national level. This constitutional amendment will, if enacted, be a major evolution in our democratic form of government. It will provide a greater balance between representative and pure democracy. Yet, it contains the necessary checks and balances found in the relationships between the three branches of Government to prevent ill-considered legislation from being enacted.

Coming from a State where the initiative and referendum are a part of the governmental process, I am well acquainted with the workability of these methods of legislating. With the checks and balances provided in this resolution—congressional veto, signature requirements, and restrictions on the type of legislation that can be enacted—I believe it cannot be said that national initiative is a dangerous proposition. Our national experience on the State level has demonstrated that poorly considered or radical propositions do not succeed at the voting booth. Should such legislation be enacted by ballot, congressional veto by two-thirds majority is provided.

As a member of the Senate Judiciary Committee and Constitution Subcommittee, I will request that Senator BAYH, chairman of the subcommittee, hold hearings on the resolution. I believe such an examination will show that initiative and referendum will be as valuable to national Government as it has become to State government.●

Mr. PRESSLER. Mr. President, it is a real privilege to join today with the Senator from Oregon (Mr. HATFIELD) and the Senator from Arizona (Mr. DECONCINI), in cosponsoring a constitutional amendment to provide that the people of the United States—like my fellow citizens in South Dakota—will have the right to propose and enact laws by the use of direct initiative.

Initiation of laws by the voters provides part of the important and vital ingredients too long missing from the Federal legislative scene: That of expression, communication, and direct citizen participation in the legislative process. What it means is a reaffirmation of our country's deeply held and firm faith in democracy. I am happy to be a part of the beginning of this process and hope it will be successfully completed in the not too distant future.

South Dakota was the first State in the United States to provide for the establishment of the initiative as a means of allowing a specified number of voters to invoke a popular vote on a proposed law. Adoption of an initiative proposal came in South Dakota in 1898 and Utah and Oregon followed South Dakota's lead and adopted initiative proposals in 1900 and 1902.

The measure we are introducing today, Mr. President, provides the people of the United States with the power to enact laws, with the exception of the power to declare war and power to call forth our Armed Forces. It does not provide for direct amendment of the Constitution.

But, Mr. President, it does reaffirm and reinvest in the hands of the people—if they care to make use of it—the basic power to legislate in all other varied and vital areas of concern.

This proposed constitutional amendment, to my mind, is carefully drawn so as to provide for serious issues to be put before all of the voters of the United States, but it will prevent—at the same time—frivolous usage of the mechanism because of the number of signatures required in order for a question to be placed on the ballot for the final decision of the voters to accept or reject.

In order to qualify a proposed law for the ballot, some 2.5 to 3 million signatures (based on the formula of 3 percent of those who cast votes for President in the last election) would be required from throughout the country and within an 18-month period of time.

If sufficient signatures are obtained and certified as to validity by the chief law enforcement officer of the United States, the proposed law would be placed on the ballot for approval or disapproval at the next general election, if it occurred at least 120 days after the certification of the required signatures.

A majority of the States would be involved in the signature drive in that our proposal requires a minimum distribution of 3 percent of registered voters in each of 10 states. That means a national campaign would be required, with its attendant publicity and debate, both pro and con.

And that, Mr. President, is what this proposal is all about: the wishes of the electorate can be expressed and a decision can be reached in the highest and best of democratic traditions instead of politics as usual.

Direct access to the legislative process in a workable, yet controlled, manner is achieved by this proposal and I commend it to the attention of my Senate colleagues.

It provides that the ability to propose and enact laws rests with the people as well as with the legislators they elect. This opportunity for direct legislation—by the people—is a sound one and will serve to complement, not replace, actions of the Congress.

I urge its careful consideration.

Mr. President, it is my sincere hope that the Senate Judiciary Committee, to which this proposed constitutional amendment is to be referred, will take the necessary steps to schedule hearings and move forward on this proposal.

By doing so, we can serve the best interests of all the people.

ADDITIONAL COSPONSORS

S. 10

At the request of Mr. BAYH, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 10, to protect the rights of the institutionalized.

S. 25

At the request of Mr. BAYH, the Senator from Colorado (Mr. HART) and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 25, to designate the birthday of Martin Luther King, Jr. as a national holiday.

S. 37

At the request of Mr. PROXMIRE, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 37, a bill to amend the Right to Financial Privacy Act of 1974.

S. 46

At the request of Mr. STONE, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

S. 104

At the request of Mr. SCHMITT, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 240

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 240, the Federal Computer Systems Protection Act of 1979.

S. 268

At the request of Mr. DURKIN, the Senator from Washington (Mr. JACKSON) and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 268, the Soft Drink Bottlers' Protection Act of 1979.

SENATE RESOLUTION 49

At the request of Mr. SCHMITT, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Resolution 49, a resolution of disapproval of Amtrak route termination.

SENATE RESOLUTION 57—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 57

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing and Urban Affairs is authorized from March 1, 1979 through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,190,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 58—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF PROPOSED TERMINATION OF AMTRAK SERVICE ON THE "MONTREALER" ROUTE

Mr. DURKIN submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 58

Whereas, the Department of Transportation has recently recommended the elimination of all service by the National Railroad Passenger Corporation on the "Montrealer" route between New York City and Montreal, Canada;

Whereas, many citizens of the New England area depend on such service and have no alternative means of travel;

Whereas, such service provides the only intercity passenger train now operating in northern New England;

Whereas, this recommendation has, in addition, been made without any attempt to investigate the feasibility of cost savings or other measures to improve the profitability of this route;

Whereas, this recommendation has been made without any public hearing on the effects of such elimination;

Whereas, there is no adequate transportation alternative in the immediate area aside from the private automobile;

Whereas, the immediate effect of this decision would be to expand automobile traffic, with a consequent increase in pollution and energy demands; and

Whereas, the "Montrealer" is an important contributor to international goodwill, amity, and commerce between the United States of America and Canada,

Now, therefore, be it resolved that the Senate of the United States does hereby:

Request that the Secretary of Transportation forthwith withdraw his ill-considered proposal for the termination of railroad service on the "Montrealer;"

Express its disapproval of such proposed termination, and

Require the Secretary to report to the Senate on ways to make the "Montrealer" more efficient and effective.

Mr. DURKIN. Mr. President, sometimes I get the feeling that this administration believes New England does not exist. That feeling was renewed when Secretary of Transportation Brock Adams recommended that the Montrealer, a vital rail passenger link through New England, be abolished.

The Montrealer runs from Washington through New York and then up the Connecticut River Valley to Montreal. Despite the fact that this train's schedule is inconvenient, it is very popular. Anyone seeing the number of passengers who turn out at White River Junction, Vt., at midnight to take the train to New York, or get off the northbound train at the same place at 5 in the morning, would have far more confidence in the future of train travel than DOT does.

This train is the only intercity service in northern New England. It is essential for a large number of people in the area. Although it does not directly pass through New Hampshire, many citizens of New Hampshire rely on it.

Now, without any notice, without any hearing, without any warning, we find that DOT has determined to kill this train. In May 1978, when DOT published its route recommendations, it called for continuing this route. It has not given a sign that there was a problem. Now, though, we find that the route is doomed, if DOT has its way.

Mr. President, this type of thinking defies explanation. DOT participated enthusiastically in hearings all over the country on Amtrak service. It has agreed that public hearings and comment are an important and in fact essential element in route decisions. Except, it seems, in New England.

Further reading of the DOT's recommendations reveals even more inconsistencies. For instance, DOT acknowledges that losses on the train were in good part due to unusually high charges in Canada. Yet, Department spokesmen have admitted that the Department has done absolutely nothing to negotiate changes in these agreements. Nor have they tried to find out if more attractive schedules could boost revenues.

These recommendations should be examined very closely by the Congress, which has the final statutory responsibility in this area. I am sure they will be. Perhaps some of these cutbacks will turn out to make sense.

But Mr. President, nobody who looks at the scorecard today can start the game with a great deal of confidence in the manager. Some of the recommendations seem to be baffling, if not perverse.

Therefore, I send to the desk a resolution requesting that the Secretary of Transportation withdraw the recommendation for eliminating the Montrealer and directing DOT to report to Congress on ways to improve the efficiency and effectiveness of that train.

NOTICE OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to notify the Senate that the Subcommittee on Federal Spending Practices and Open Government will conduct hearings on the General Services Administration's use of multiple award schedules on February 6, 1979, in room 1114 of the Dirksen Senate Office Building at 10 a.m.

Over the past months, the subcommittee's investigations and hearings have helped to shed some light on what went wrong, and why it went wrong.

We have enjoyed very close cooperation with senior GSA officials, who are actively attempting to fix the programs and procedures which are largely responsible for the current scandals.

Additionally, we are conducting a comprehensive investigation of a major Government supplier to determine, if possible, whether GSA officials testified accurately at subcommittee hearings last September.

Meanwhile, the GSA strike force within the Department of Justice, which was formed at my request, is working in conjunction with U.S. attorneys' offices around the country. I hope we can see some major progress in the months to come.

The February hearings will involve a familiar pattern: A suppressed audit report, and, as usual, the ritual punishment of those who exposed the problem in the first place.

I hope we will also hear testimony which will show how some simple multiple award reforms can save untold millions in the future, even if we cannot recover what we have lost in the past, and how we can keep critical reports from suddenly disappearing from the face of the Earth.●

● Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition of the Senate Committee on Agriculture, Nutrition and Forestry will resume its oversight activities on nutrition labeling and information in a series of hearings to be held in February.

The subcommittee will meet Friday, February 9, to hear from invited representatives of the fast food industry on nutrition information. On Tuesday, February 20, representatives of commodity groups and food trade associations will testify, and this particular series of hearings will conclude on Friday, February 23, when Assistant Secretary of Agriculture Carol Foreman and FDA Commissioner Donald Kennedy present the administration's position on nutrition labeling.

All three hearings will begin at 9 a.m. and will be held in room 324.

Anyone wishing further information should contact the committee staff at 224-2035.●

SUBCOMMITTEE OF INTERIOR APPROPRIATIONS

● Mr. ROBERT C. BYRD. Mr. President, as chairman of the Appropriations Subcommittee on the Department of the Interior and related agencies, I would like to bring the subcommittee hearing schedule to the Senate's attention. Agency budget hearings for the 1980 fiscal year will start on February 6 and are scheduled to conclude on May 10. Agencies under the subcommittee's jurisdiction, in adition to most of the Interior Department, include the fossil fuels and conservation programs of the Department of Energy, the Forest Service, the National Foundation on the Arts and Humanities, the Smithsonian Institution, and the Indian Health Service among others.

This year we have scheduled hearings for nongovernmental witnesses—members of the public who wish to testify on appropriations matters—for the week beginning Monday March 5. Any persons wishing to testify at these outside witness hearings should contact the subcommittee by March 1 to request an appearance.

Mr. President, I ask unanimous consent that the Interior subcommittee's hearings schedule be printed in the RECORD.

There being no objection, the hearings schedule was ordered to be printed in the RECORD, as follows:

THE 1979 HEARING SCHEDULE, SENATE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS, 10 A.M. (UNLESS OTHERWISE NOTIFIED)

FEBRUARY

Tuesday 6, Fine Arts Comm.; National Gallery of Arts: Adv. Council on Historic Preservation. Wednesday 7, Woodrow Wilson Center; National Capital Planning Commission; Pennsylvania Avenue Development Corporation.

Tuesday 20, Secretary of Energy; Wednesday 21, Navajo-Hopi Relocation Commission; Institute of Museum Services; Thursday 22, Indian Education.

Tuesday 27, Secretary of the Interior.

MARCH

Thursday 1, Office of Water Research and Technology.

Monday 5, Outside Witnesses (non-Indian); Tuesday 6, Outside Witnesses (non-Indian); Wednesday 7, Outside Witnesses; Thursday 8, Outside Witnesses.

Tuesday 13, National Endowment for the Arts; Wednesday 14, Forest Service; Thursday 15, Indian Health Service.

Tuesday 20, Territories; Wednesday 21, Territories; Thursday 22, U.S. Geological Survey.

Tuesday 27, Bureau of Indian Affairs; Thursday 29, National Endowment for the Humanities.

APRIL

Tuesday 3, Office of the Secretary; Office of the Solicitor; Wednesday 4, Heritage Conservation and Recreation Service; Thursday 5, Heritage Conservation and Recreation Service.

Tuesday 10, Fish and Wildlife Service; Thursday 12, Bureau of Mines.

Tuesday 24, Bureau of Land Management; Wednesday 25, Congressional Witnesses; Thursday 26, Office of Surface Mining Reclamation and Enforcement.

MAY

Tuesday 1, National Park Service; Wednesday 2, Smithsonian Institution; Thursday 3, Department of Energy.

Tuesday 8, Department of Energy; Wednesday 9, Department of Energy; Thursday 10, Department of Energy.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business will hold its organizational meeting of the committee members on Thursday, February 8, 1979 at 3:30 p.m. in room 424 of the Russell Senate Office Building.●

SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, on February 8, 1979 at 9 a.m. in 1318 Dirksen Office Building, the Select Committee on Ethics will hear motions related to the investigation of HERMAN E. TALMADGE, U.S. Senator.●

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. McGOVERN. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will meet Wednesday, February 7 at 9 a.m. to organize for the 96th Congress. Subcommittee assignments will be made, and the committee rules will be determined. In addition, the committee will consider S. 292, which reduces the 1980 authorization for appropriations for the supplemental food program. Anyone wishing further information should contact the committee staff at 224-2035.●

AUTHORIZATION FOR COMMITTEE TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today, tomorrow, and Wednesday, to hold hearings and mark up S. 245, the Taiwan legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SALT II: NO SALE

● Mr. GARN. Mr. President, no more important or contentious issue is likely to come before the Senate during this congressional session than the Strategic Arms Limitation Treaty (SALT II) now nearing completion. The Carter administration has already embarked on a nationwide campaign to sell SALT to the American people. It is time that the utter bankruptcy of this administration's position on SALT be made clear. An article, "The Case Against SALT II," published in Commentary magazine by Mr. Eugene V. Rostow details the serious deficiencies of SALT II and the grave international consequences of ratifying a treaty which insures Soviet strategic superiority in the decade ahead.

There is a great deal of scare talk by the Soviet leaders and proponents of SALT that the defeat of SALT II will doom détente and bring on a return to cold war tension between ourselves and the Soviet Union. However, Soviet actions have made a mockery of the notion that strategic arms control agreements will enhance international stability.

Soviet ambitions seem to have in no way been curbed by the signing of SALT I in 1972. Rather, Moscow proceeded to back the invasion of South Vietnam by North Vietnam despite the 1973 Indochina peace agreements, and encouraged Arab aggression against Israel in October 1973. Today, we see the Soviet Union and its proxy troops of Cubans and East Germans running roughshod over the continent of Africa. From southern Africa, to Yemen, to Iran, to Afghanistan, the Soviet leaders, great devotees of international peace and harmony that they are, seek to incite armed turmoil and civil strife.

There can be no semblance of international stability unless the United States is determined to maintain the balance of power between ourselves and the Soviets. That balance must be viewed in dynamic, not static terms. The trends, as they now exist, give cause for much concern. Despite popular belief, SALT I did not slow the momentum of Soviet strategic weapon development. In fact, Soviet spending on strategic weapon systems has actually increased since the signing of SALT I in 1972. The quantitative and qualitative advances made by the Soviet Union since SALT I are alarming. The record is all too clear: The Soviet Union rejects the doctrine of mutual assured destruction, and is doing everything in its power to achieve nuclear superiority over the United States and a nuclear war winning capability.

There is a near total consensus among defense authorities that the United States' land-based ICBM's will be vulnerable to a devastating Soviet first strike by the early- to mid-1980's. Furthermore, the credibility of the United States' retaliatory second strike capability will be subject to question. Faced with this prospect of strategic inferiority and diplomatic blackmail, the Carter administration has seen fit in the past to delay the decision on proceeding with full-scale development of the MX together with a survivable basing mode, to cancel the B-1 bomber, and to delay the Trident submarine. At a time when the Soviet Union pushes ahead unrestrained to develop its military potential, the United States has allowed itself, in Mr. Rostow's words, "to fall behind in most relevant categories of military power: behind in production; behind in research and development; and behind in programing."

It is against this disquieting picture that the Carter administration looks to secure the Senate's approval for a dangerously flawed SALT II agreement. Mr. Rostow's critique of an article by Mr. Jan M. Lodal in Foreign Affairs, "SALT II and American Security," highlights the weaknesses of the SALT II accord as it now stands. Mr. Rostow ably demonstrates that the SALT II agreement that is now nearly completed fails in three very critical areas: First, it does not contribute to the stability of the strategic balance; second, it is not verifiable by national means; and third, it adversely affects the security of our allies. Above all, Mr. Rostow establishes that "defeatism" is not a commendable policy, that the American people need to be told the truth no matter how unpalatable, and once this is done they will refuse to accept the SALT II accord that this administration is so ardently attempting to sell.

Mr. President, Mr. Rostow's analysis is a valuable contribution to the SALT debate, and I ask unanimous consent that it be inserted in the RECORD.

The article follows:

THE CASE AGAINST SALT II

(By Eugene V. Rostow)

In human disputation justice is only agreed on when the necessity is equal; whereas they that have the odds of power exact as much as they can, and the weak yield to such conditions as they can get. THUCYDIDES, *History of the Peloponnesian War.*

Over the last century, the yearning for peace has given rise—especially in Great Britain, the United States, Scandinavia, the Netherlands, and Canada—to the belief that disarmament agreements, or agreements for arms limitation, are an important means for securing peace. It would be more accurate to say that settled expectations of peace between nations result in disarmament. When neighbors share the same goals, agreements on arms limitation or disarmament can be of marginal utility. For example, the celebrated agreement between Great Britain and the United States providing that no warships be stationed in the Great Lakes has become the symbol for the general policy of Canada and the United States with respect to their common border. And many countries have had unarmed borders for years without benefit of a formal treaty. But the enthusiastic advocates of arms-limitation treaties tend to forget that such agreements cannot achieve their goals when some of the parties pursue quite different policies.

The arguments made for SALT II today are the same as those put forward on behalf of the Washington Naval Treaty of 1922 and the other arms-limitation and arms-reduction arrangements on which the Western governments lavished so much time, attention, and hope during the 20's and 30's.

The Washington Naval Treaty and its progeny did not prevent Pearl Harbor. We, the British, and the French, lulled by the treaty, and hard-pressed in any event to find money for naval-building programs, let our navies slide. We did not build our full quotas or modernize our ships. The Japanese and later the Germans, on the other hand, took full advantage of their quotas. We should recall what the phrase "pocket battleship" meant. The pocket battleship, which the Japanese and the Germans used with such great effect in World War II, was a cruiser with the striking power of a battleship—a powerful modern man-of-war built within the tonnage limits of the treaty.

The post-World War I arms-limitation agreements—demilitarization of the Rhineland as well as the various naval agreements—failed to prevent World War II. Indeed, those agreements helped to bring on World War II, by reinforcing the blind and willful optimism of the West, thus inhibiting the possibility of military preparedness and diplomatic actions through which Britain and France could easily have deterred the war. Churchill never tired of pointing out that World War II should be called the "Unnecessary War," a war which Anglo-French diplomacy could have prevented.

Despite this melancholy history, we are told everywhere that the SALT II agreement now in the final stages of negotiation will be "politically stabilizing"; and that the breakdown of the SALT negotiations, or the rejection of the prospective treaty by the Senate, would "end detente," "bring back the cold war," increase the risk of nuclear and of conventional war, and revive "the arms race," which would cost us another $20, $70, or $100 billion.

Emotionally and politically, this is the strongest argument for ratification: that even a bad agreement with the Soviet Union is better than no agreement at all. The issue presented by SALT, Senator George McGovern has said, is that "the alternative to arms control and detente is the bankruptcy and death of civilization." And in a speech in London on December 9, Secretary of State Vance said that "without an agreement, our technological and economic strength would enable us to match any strategic buildup, but a good good agreement can provide more security with lower risk and cost. And we recognize that without SALT, the strategic competition could infect the whole East-West political relationship, damaging the effort to create a less dangerous world which is at the heart of Western foreign policies." Since, however, we were infinitely more secure without an arms-limitation agreement during the period 1945-72 than we have been since, the logic of this argument is not immediately apparent.

The claim that a SALT II agreement would be politically stabilizing, and would foster Soviet-American cooperation in other areas, is just as empty. We have had the Interim Strategic Arms Limitation Agreement with the Soviet Union—SALT I—since 1972. Far from stabilizing world politics, the Interim Agreement has been an important structural feature of the most turbulent and dangerous period of the cold war (the period ironically known as "détente").

Thus, during the six-and-a-half years following President Nixon's trip to Moscow in 1972, we have endured a series of major Soviet offensives. First, the Soviet Union defaulted on its obligations as a guarantor of the peace agreements of 1973 in Indochina. These agreements, for which Mr. Kissinger received a Nobel Prize, were treated by the Soviet Union as scraps of paper. The final North Vietnamese invasions of South Vietnam in 1974 could never have taken place without Soviet equipment and other help. Then the Soviet Union, which had promised President Nixon to cooperate with him in seeking peace in the Middle East, violated those promises by supplying, planning, encouraging, and even participating in the Arab aggression against Israel of October 1973.

So far as the 1972 Interim Agreement itself is concerned, Secretary of State Rogers testified to the Senate that we had made a number of unilateral interpretations of the agreement and that we should regard any breach of these policies by the Soviet Union as a violation of the "spirit" of the treaty. All these unilateral interpretations of the agreement were violated by the Soviet Union. We did nothing about them.

But the ultimate absurdity is the claim that SALT II would limit or reduce either arms or arms expenditures. The one thing the 1972 Interim Agreement on Offensive Strategic Arms did not do was to limit Soviet arms development or expenditure, or the growth of the Soviet nuclear arsenal.

The SALT I Interim Agreement was presented to Congress and the country with fanfares from President Nixon, Secretary of Defense Laird, and Mr. Kissinger, as he then was. We were assured that the agreement would slow down the Soviet buildup of strategic offensive weapons; discourage the Soviets from adopting counterforce strategies; and enhance peace and our security in other unspecified ways. But the principal claim made for the agreement was that it would apply "brakes to the momentum of Soviet strategic missile deployments," in Secretary Laird's words.

Yet instead of stabilizing or reducing its strategic offensive strength during the period of the Interim Agreement, the Soviet Union has moved ahead rapidly: far more rapidly, in fact, than had been predicted as possible by American intelligence. It has successfully MIRVed (that is, placed several warheads on a single missile) its ICBM (intercontinental ballistic missile) forces, taking advantage of their greater delivery capacity (throw-weight) to develop missiles with as many as 10 warheads per missile, as compared with 3 on our Minuteman III missile.

It has improved the accuracy of its missiles and developed new and improved missiles to replace older ones within its forces. One of the most significant of these developments is the Soviet production of mobile ICBM's. President Carter has said that the Soviet Union has actually deployed mobile ICBM's. Whether or not this has happened to a significant extent, the experts agree that the Soviet Union could do so quickly and on a large scale. Mobile ICBM's would completely alter the nuclear equation, making ICBM's almost as elusive as submarines, and making it impossible, or much more difficult, to target a nuclear strike against them. The Soviet Union has also adopted "cold-launch" methods which permit a greater throw-weight with a given missile, and the more rapid reloading of the launcher after use.

As a result of these changes the Soviet strategic nuclear force has been radically enlarged since 1972 in all categories and, according to present estimates, will be far stronger by the early 1980's. At the time of the Interim Agreement, the aggregate throw-weight of the Soviet ICBM's was twice that of the American force. In the early 1980's, it will be about four times as large. The throw-weight of our own ICBM's is unchanged, and is not expected to change during the treaty period.

The Soviet Union is believed to have had 1,600 warheads available to its ICBM force in 1972, compared to our 2,154. In the early 1980's, we shall have the same number, 2,154, but the Soviet figure will rise to between 6,4500 and 9,200, even under the limitations expected in a SALT II treaty. The Soviet Union is producing between 150 and 200 ICBM's a year. We make none. The area-destructive power of Soviet warheads will increase by a half; ours by an eighth. The capability of Soviet weapons to knock out hardened (defended) targets, such as missile silos, will have increased tenfold. If our cruise missiles, now under development, fulfill present expectations ours will have increased fourfold.

In the category of submarines, the Soviets are believed to have had 845 SLBM's (submarine-launched ballistic missiles) at the time of the 1972 agreement, and presently are near the ceiling of 950. Some Soviet SLBM's are as large or larger than our Trident I, which we have not yet introduced. Our figure will not change. In warheads we are believed still to have a substantial lead. In 1972 we had about 3,000 SLBM warheads; our present figure of 5,400 is not expected to change during the next few years—while it is anticipated that the Soviet figure of 845 will increase some fivefold as they MIRV their SLBM's.

The comparison of bomber forces is more difficult, depending on whether so-called medium bombers are included. Our heavy bomber force, still based on the out-of-date B–52, is declining, and President Carter has canceled its replacement, the B–1. We had 450 heavy bombers in 1972 to 140 for the Soviet Union, which also had 1,100 "medium" bombers assigned to missions in Europe or Japan, but available for attacks against the United States as well.

In addition, the Soviet Union has and is manufacturing a new bomber, the Backfire, two-thirds the size of the B-1. It is not to be counted under the limits established by SALT II, although the State Department concedes that it can be used for intercontinental missions. By 1985, the Soviet Union will have 300 to 400 Backfire bombers. We will have no comparable planes by 1985 beyond our less proficient and much less numerous FB-111's.

While it is difficult to compare the bomber strength of the two nations in the field of intercontinental strategic nuclear weapons, there can be no question about the steady decline of our bomber superiority, which was one of the key premises of the 1972 agreement. That decline is measured not only in the comparison of the planes themselves, but in the development of Soviet air defenses, which we have decided to ignore altogether. The Soviet Union has a large and widespread network of fighter planes deployed for air defense, thousands of SAM's and other anti-aircraft weapons, and at least one anti-ballistic-missile (ABM) system in operation. The Soviets have actively continued ABM research and development since 1972, and presumably would be able to deploy more units on short notice. These defensive measures would exact a heavy toll in the course of any attack, and therefore create doubt about the perceived deterrent effect of our bomber and missile forces.[1]

In short, instead of applying "brakes to the momentum of Soviet strategic missile deployments," SALT I served to increase that momentum. On the United States, SALT I had the opposite effect. Lulled by the treaty—as well as by illusions about "overkill," and by the high hopes we had invested in détente—into thinking that the "arms race" was being brought under control, we allowed ourselves to fall behind in most relevant categories of military power: behind in production; behind in research and development; and behind in programming.

As for the claim that a SALT II treaty will reduce the cost of our own defense programs, General George M. Seignious II, the new director of the Arms Control and Disarmament Agency, said on December 13 that the SALT II agreement, as it seemed likely to emerge, coupled with the further development of the Soviet nuclear arsenal made possible by the agreement, "is going to require additional money to modernize the strategic systems we have." In his final press conference on October 30, 1978, Paul Warnke, the outgoing director of the Arms Control and Disarmament Agency, said that while he believed SALT II would save us money, by restraining certain forms of Soviet expansion we should otherwise have to match, it was not possible to "point to some form of saving" that the treaty would accomplish.

For by establishing certain quantitative limits, the treaty would shift Soviet efforts to the quest for qualitive superiority. The effort to match qualitative improvements, based on active research and the development of new technologies, is hardly more economical than the repetitive manufacture of old-model weapons.

Yet the proponents of SALT II claim that the failure to achieve or ratify the treaty would add as much as $100 billion to our defense budget over a five-year period. Those figures of extra costs if the SALT negotiation fails, or if the Senate refuses to consent to the treaty, are just as fanciful as President Nixon's claims that he had ended the cold war and achieved "détente."

There is no case, then, for SALT II as a step toward peace. The record is clear that the first SALT agreement on the limitation of offensive strategic weapons contributed to an intensification, not a lessening, of tensions between the United States and the Soviet Union throughout the world. The rapid Soviet buildup of new and advanced strategic weapons under the agreement gave rise to charges of "deception," "breach of faith," and indeed of breach of the agreement. And the 1972 Interim Agreement gave the Soviet Union certain great and tangible advantages. For example, we halted the development of our ABM systems, in which we had a technological lead. They, as already noted, have continued their research and development in that important field. There is no reason to believe that the process of continued negotiation with the Soviet Union would change this pattern.

II

According to information now generally available, the SALT II agreement will consist of a Treaty, a Protocol, and a Statement of Principles. The Treaty would expire on December 31, 1985, the Protocol on a date not yet agreed in 1981, either June 30 or December 31. The Statement of Principles concerns the agenda for the negotiations of SALT III and has no terminal date.

[1] For a fuller discussion of the American-Soviet military balance, see Edward N. Luttwak's article, "Defense Reconsidered," in the March 1977 Commentary.

The key provision of the SALT II treaty is that each side would be permitted to have the same number of strategic nuclear launch vehicles—2,400 until a date in 1982, and then 2,250. Within this limit, there is a sublimit of 1,320 on the number of launchers carrying multiple independently-targeted reentry vehicles (MIRV's)—ICBM's, SLBM's, and aircraft equipped to carry air-launched cruise missiles (ALCM's) with a range greater than 600 kilometers. At this writing, there is still reported to be a dispute between the American and Soviet negotiators as to whether all armed cruise missiles should be covered, or only cruise missiles armed with nuclear weapons.

There are two further sublimits within the category of 1,320 MIRVed launchers: (1) a limit of 1,200 on the number of MIRVed ICBM launchers plus MIRVed SLBM launchers; and (2) a sublimit of 820 on the number of MIRVed ICBM launchers. Within that limit of 820, the Soviet Union would be allowed to have a number of fixed modern large ballistic-missile launchers (MLBM) equal to their present force in this category, either 308 or 326. This force includes the formidable Soviet SS–18's, which we believe now carry up to 10 separate megaton-range warheads. The SS–18 and SS–19 are capable of destroying protected missile housings and command centers. The Soviet SS–18 force by itself could destroy more than 90 per cent of our land-based missile force, which consists of 54 Titans, 450 Minuteman II's, and 550 Minuteman III's, at one blow. The United States now has no such weapons, and the treaty would deny the United States the right to build any during the treaty period.

The treaty contains a number of limits on the modification of existing ICBM's, primarily the rule that any test of an ICBM with more reentry vehicles (RV's) than had previously been tested will cause it to be classified as a "new type"; each side is limited to testing one "new-type" ICBM during the treaty period. The United States has tested 3 RV's on Minuteman III and the Soviet Union has tested 4 RV's on the SS–17, 6 RV's on the SS–19, and 10 RV's on the SS–18. There may also be agreement that no "new-type" ICBM can have more RV's than the maximum already tested for existing ICBM's—10 per missile for the Soviet Union, 3 for the United States. A late rumor suggests that both sides may have the limit of 10. Because of the delays in our MX program, however, there is no possibility that the United States can deploy a "new-type" ICBM prior to the expiration of the treaty.

The Soviet Union has made great progress in fractionizing its missiles, including those targeted against Europe which do not come under the treaty. There is agreement that the treaty should establish a limit of 14 RV's per missile for submarine-launched missiles, and of 20 or 35 (not yet agreed) for the number of cruise missiles on a single aircraft.

United States B–52's and our 4 B–1 test aircraft, and Soviet Bisons and Bears are to be counted as heavy bombers for purposes of the treaty. The Soviet Backfire bomber, much discussed in the negotiations, will not be counted, although it is capable of reaching targets throughout the United States, and is being produced steadily.

The treaty does not attempt to limit the number of missiles or warheads which may be produced and stored. Any "reductions" in the Soviet-deployed nuclear force required by the treaty need not result in the destruction of the weapons, but only their transference to a warehouse.

Both sides have agreed that neither side will take any action which would circumvent the purposes of the agreement. This provision raises serious problems with regard to the possible transfer of cruise missiles or cruise-missile technology to our allies. Whether this question has been satisfactorily resolved in the negotiations is not now clear. Similarly, there is agreement that each side would refrain from interfering with the other side's national means of verification. Here, too, damaging controversies have already developed, particularly with regard to Soviet encoding of "telemetery," which would enable them to circumvent our monitoring devices.

The protocol would ban the flight testing or deployment of mobile ICBM's and air-to-ground missiles and the deployment of ground- and sea-launched cruise missiles with a greater range than 600 kilometers during a three-year period. At this time, the provisions with respect to ground- and sea-launched cruise missiles, of special concern to our NATO allies, are reported to be still in negotiation.

III

The provisions of the prospective SALT II treaty are highly technical and are difficult for the layman to judge. But the treaty as a whole can be measured by the layman against our goal in the continuing process of negotiating agreements with the Soviet Union on nuclear arms. That goal is to guarantee a nuclear stalemate—that is, to keep nuclear weapons from being used or brandished in world politics. It is an altogether sound goal, which has been the lodestar of American policy since we proposed the Baruch Plan in the late 40's. The operative principle of both the SALT I Interim Agreement and SALT II, in the American view, is to prevent the development of a situation in which either side might be in a position to gain a great advantage by a first strike—an advantage so dazzling that political leaders might be tempted to seize it.

What, then, do the data suggest by way of an answer to the basic question of how the prospective SALT agreement would affect the adequacy of our second-strike capability?

In attempting to answer this question, we must first realize that the deck now consists almost entirely of Jokers. Nonetheless, the attempt must be made. In formulating an answer, we must consider the number and vulnerability of missiles and warheads, their accuracy, their ability to reach key targets, and the effects of active and passive defense programs on the vulnerability of Soviet targets of all kinds.

As mentioned previously, the Soviet Union is continuing to build and modernize its strategic nuclear missile force at an alarming rate—150 to 200 ICBM's a year, compared to a rate of zero for the United States; 6 ballistic-missile submarines a year, as compared to zero for the United States (1½ a year in the 1980's); and 30 to 50 intermediate- to long-range bombers a year, as compared to zero for the United States. The Soviet Union builds missiles of a far greater throw-weight than ours, and can therefore put more or larger MIRVed warheads on each missile than we can, so that even under the proposals we made in March 1977, it could have twice as many ICBM warheads of five times the individual yield of ours.

The figures reported in current drafts of the treaty would be even less favorable. And to make matters worse, the Soviets have made rapid advances in catching up on our previous technological advantages in MIRVing, accuracy, and smaller RV's.

With these trends in mind, former Deputy Secretary of Defense, Paul Nitze, who helped negotiate SALT I, concludes that SALT II in its present form will leave the United States without a credibly adequate second-strike capability. In a speech on December 5, he said: "Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBM's by the attacking side than it could have destroyed. *By the early 1989's*, that situation will have changed. By that time, *the Soviet Union may be in a position to destroy 90 per cent of our ICBM's with an expenditure of only a third of its MIRVed ICBM's.* Even if one assumes the survival of most of our bombers on alert and our submarines at sea, the residue at our command would be strategically outmatched by the Soviet Union's retained warmaking capability."

In its study, *Is America Becoming Number 2?: Current Trends in the U.S.-Soviet Military Balance*, released on October 5, 1978, the Committee on the Present Danger adds:

We do not have to assume that the Soviet Union will actually attack U.S. strategic forces. The point is that they will have the capacity to *increase their advantage* with a counterforce first strike. After such a first strike, the United States would still have a capability for a second-strike retaliation against Soviet economic and political targets—in plain words, against their "hostage" cities and industrial centers. If Soviet civil defense failed, we could do "unacceptable damage" to them, but their forces held in reserve would still be greater than ours, and we have no effective civil (or air) defense. Their third-strike potential would make our second-strike less credible. It would leave the U.S. with a dangerously inadequate deterrent.

In preventing SALT II, the administration dismisses such concerns. Spokesmen for the administration concede that Soviet progress in strategic arms and particularly in ICBM's makes our own ICBM force vulnerable, and that our old bombers would have a hard time penetrating Soviet anti-aircraft defenses either to launch cruise missiles or to drop bombs. But, they say, we still have a great many MIRVed submarine-launched missiles, and therefore, perhaps, still an edge in the total number of warheads.

Yet our present substantial advantage in warheads is a transient one. The inherent flexibility afforded by large throw-weight Soviet ICBM's and the momentum of the Soviet MIRV program can soon erase the United States advantage in numbers of warheads (unless, that is, we shift gears promptly and on an adequate scale).

Secondly, our increasing reliance on submarine-launched missiles presents problems of its own. Such missiles are still notably less accurate than ICBM's, and therefore less capable of striking at the Soviet missile sites and other military targets than at hitting cities.

In August 1978, the U.S. Arms Control and Disarmament Agency attempted to dispel these doubts in a "dynamic" study of U.S. and Soviet strategic capability through the mid-1980's, and to escape from the logic of what it called "static" measures of the two strategic forces. The study does not measure the capacity of each side to destroy the other, but purports to calculate the capacity of Soviet and American strategic forces to destroy a hypothetical set of 1,500 "hard" (or defended) and 5,000 "soft" (i.e., undefended) targets. It thus assumes away the important disparities between the number and hardness of the targets in each country. The Soviet Union now has more hard targets than the United States, and is rapidly hardening soft targets, while we are standing still, even with regard to command-and-control centers. By the mid-1980's, the Soviet Union will have twice as many hard targets as the United States.

The ACDA study also makes unrealistic assumptions about the destructibility of soft targets as the result of the explosion of a single weapon, whatever its size and yield. It makes inadequate allowance for anti-aircraft and anti-missile defenses and the effect of Soviet civil-defense measures.

But there is a deeper problem with the ACDA analysis, which runs through the whole of the administration's case for SALT II. Our leaders tell us that the Soviet rulers

will be restrained by their knowledge of our capability to inflict unacceptable damage on their people and their society if they push us too far.

However plausible this argument may have been up to the time of the Cuban missile crisis, when we still enjoyed overwhelming nuclear superiority, it has long since lost even the appearance of conviction. But Secretary of Defense Brown, Ambassador Paul Warnke, and other official spokesmen for the administration continue to repeat it as gospel. It remains the heart of their argument for SALT II. Indeed, for all practical purposes it is the whole of it.

I have always had the greatest difficulty in accepting this theory—Robert McNamara's theory of mutual assured destruction (MAD)—according to which we and the Soviets would hold each other's cities and people hostage, thus preventing any first strike, and neutralizing nuclear weapons. I find it hard to imagine that the President of the United States would actually order the destruction of Moscow or Leningrad, save under circumstances of the most extreme provocation, such as the actual prior destruction of major American cities. I find such a step nearly inconceivable if our major cities had not been destroyed, and the exchange would result in the immediate destruction of New York and Washington, even if our ICBM's had been destroyed. Secretary Brown's threat to blow up Soviet cities in retaliation for a Soviet first strike against our satellites or our ICBM's would be less than credible if the Soviets had enough weapons left in reserve to blow up our cities and possessed substantial enough reserves to dominate the postwar world. A Soviet arsenal of that size could neutralize our nuclear forces and emasculate our second-strike capability. It would thereby make us vulnerable to Soviet political coercion.

It is this analysis of the diminishing credibility of our threat to blow up the Soviet population which puts the argument of "overkill" into perspective. The possibility of using our submarine forces in an immediate strike against Soviet cities, always dubious, is now close to the margin of futility. The same cannot be said for the growing Soviet capacity to attack our ICBM's and other military targets. If we allow Soviet superiority to reach a certain level, the Soviets will have checkmated our threat to attack their soft targets.

In addition to its reliance on an increasingly dubious second-strike capability against cities and people, SALT II would inhibit us from reestablishing our second-strike capability against hardened military targets—in the current state of the nuclear balance, the retaliatory possibility which has the most credibility as a deterrent, and as an option for action if deterrence fails.

To deal with the threat of a Soviet first-strike capacity, and to restore the strategic balance generally by the early 1980's, will not be easy. The President's decision to cancel or delay the B-1 bomber, the MX missile, and the Trident submarine make it nearly impossible for those weapons to be available before the late 1980's, even assuming that the decisions against them are reversed. It probably would take nearly as long, and cost nearly as much, to deal with the problem in the short run by reviving the production of Minuteman III's (or B-52's). The Minuteman III production line has been closed recently. And a crash program along these lines, or its equivalent, would be prevented by the numerical ceilings established in SALT II.

At this time, it seems probable that the treaty would also prevent the United States from adopting the only feasible "quick fix" for dealing with the problem, the promising plan for deploying missiles using a multiple aim-point system (MAPS), the so-called "shell game." Under this proposal, the United States would construct a large number of vertical protective shelters or silos, each capable of holding an ICBM and its launcher. Some would be empty. The missiles would be moved periodically, to make a first-strike against them highly problematical. According to reports, the Soviet Union has rejected an American inquiry about the compatibility of this idea with the treaty.

These are the basic reasons why critics have said that SALT II would freeze us in a position of inferiority, and deny us an opportunity to redress the balance before the critical period of the early 1980's, when all the indices would have turned against us.

As to the problem of verifiability, several thoughtful students of the subject have expressed the view that technological developments have by now made it altogether impossible to regulate nuclear arms by verifiable arms-control treaties. There is certainly merit in their contention. For example, what are politely called "national means of verification"—satellite photography and electronic surveillance, largely—cannot answer many of the questions posed by the newer technologies. And satellites themselves have become vulnerable, a development Paul Warnke has called "alarming." No camera can tell how many separate warheads are carried by a single missile, or measure its thrust, its accuracy, or the explosive power of the weapons it carries. Nor can it see or otherwise identify the missiles kept in warehouses or factories, although missiles can be fired from such locations as well as from launchers, and can be deployed quickly in crisis situations to change the equations of deterrence.

IV

The administration was campaigning hard to sell the SALT treaty even before it was negotiated. That campaign has given rise to a large number of speeches, memoranda, and articles pleading the case for SALT II. Among them, Jan M. Lodal's recent piece [2] is typical in outlook and more detailed than most in analysis. It invokes three of the same criteria for judgment used here: (1) that the treaty contribute to the stability of the strategic balance; (2) that it be verifiable by national means; and (3) that it not adversely affect the security of our allies. But Mr. Lodal seems to reach a different conclusion. I say "seems to reach" because his treatment of each issue supports a negative judgment on the treaty; nonetheless, at the end Mr. Lodal says that SALT I" cannot "be opposed on its technical merits."

1. In contending that SALT II would contribute to strategic stability, Mr. Lodal points to the fact that the treaty specifies an equal number of launchers for both sides. He does not consider the problem posed by the agreement not to include the Soviet Backfire bomber—which, as already mentioned, can be targeted against the entire United States—in the number of bombers permitted under the treaty. But more important, he ignores the fact that the treaty does not cover the manufacture and storage of missiles. As Paul Nitze has commented, "The basic currency of the negotiations . . . became limits on the number of launchers, not limits on missiles and their characteristics." This, adds Nitze, "has proven to be the wrong currency." Obviously, no situation can be considered stable if it can be changed in hours by the movement of missiles from warehouses to launchers, some of which are already mobile, as Mr. Lodal himself notes.

Mr. Lodal concedes that by the early 1980's the Soviet Union will lead the United States by most measures of nuclear power. We will be ahead only in the relative number of warheads deployed—and that lead will be diminishing rapidly. And Mr. Lodal also admits the main point—that the Soviet Union will soon have the capacity to destroy our ICBM sites, airfields, and other military targets with a fraction of their ICBM force. He argues, however, that by the mid-1980's our airborne cruise missiles, if they are developed successfully, would significantly offset Soviet superiority in ICBM's and thus maintain stability. He does not consider the vulnerability of our bomber-cruise-missile system (based on the aging B-52) to various kinds of attack. In fact, he does not mention Soviet active defenses at all, nor does he consider their grave implications for stability.

Mr. Lodal's position would be that such vulnerabilities are not significant. His ultimate contention is that the possibility of retaliation against Soviet cities and other soft targets, using our submarine-launched missiles, assures strategic stability even in the face of the growth of the MIRVed Soviet ICBM force. He does not mention the disquieting reports, which have now become public, of Soviet gains in anti-submarine warfare.

He does, however, grant that the assumptions of the McNamara doctrine are now subject to "serious argument" and that no President would want to face a crisis with only the options of doing nothing or launching an all-out attack on Soviet cities. Nevertheless, that is exactly the position he accepts. He dismisses the bearing of Soviet civil-defense programs on strategic stability in a footnote, suggesting that we could substantially offset the Soviet advantages derived from their programs of civil defense by using a small number of heavier bombs with high radioactive fallout—a most unattractive possibility, and totally inadequate to boot. And he even contends that after we have deployed cruise missiles and MX—it is hoped by the late 1980's—we could counter a Soviet threat by launching a counterforce first strike of our own. This is the course we refused to consider during the period of our nuclear monopoly. To suggest it now is the counsel of desperation.

Mr. Lodal concludes that unless the Soviet Union agrees early in the SALT III negotiations to significant reductions in land-based ICBM's, "the strategic balance in the mid-1980's is likely to be determined to a much greater extent by the force-deployment programs of the two sides than it is by the provisions of arms-control agreements." Since he also observes that the Soviet Union cannot be expected to make unilateral concessions simply because we have chosen to forgo certain programs of our own, it is difficult to see how Mr. Lodal's argument supports his conclusion that SALT II would contribute to strategic stability.

2. With regard to verification, Mr. Lodal's case is equally mystifying. He does not mention Secretary Brown's public warnings about the Soviet capacity to destroy our satellites. Nor does he mention missiles kept in reserve, which are not covered by the agreement and cannot be verified by national means.

Mr. Lodal takes at face value the provisions in the treaty purporting to limit the number of warheads on missiles and their throw-weights. But he admits that we could not verify compliance with such limits, unless the Soviets should agree to cooperative procedures for verification. As of this writing, they have not done so. Yet Mr. Lodal has confidence in the possibility of Soviet cooperation in verification. He bases this confidence on two instances of Soviet "cooperation"—their agreement to rules through which we might distinguish heavy bombers carrying weapons from those used as tankers; and the Soviet promise not to deploy intercontinental SS-16 ICBM's. The SS-16's are indistinguishable from SS-20's, the mobile, MIRVed, intermediate-range missiles now causing so much alarm in Europe. The SS-20's can easily be converted into SS-16's by adding another stage. This gives the Soviet Union the capacity to break out of the limits of the treaty rapidly. It is hard therefore to understand Mr. Lodal's satisfaction in the Soviet

[2] "SALT II and American Security," *Foreign Affairs*, Winter 1978-79, pp. 245-68.

"concession." It hardly makes the counting process verifiable by national means.

3. Mr. Lodal admits that European concern with the implications of SALT II for the defense of Europe is justified in view of the massive Soviet deployment of conventional and theater-nuclear arms (including chemical-warfare equipment) facing Europe. The answer, he says lamely, is that Europe must accept "the proposition that the 'nuclear umbrella' can go only so far in providing security for Europe," and that Europe must improve its conventional forces. And he hopes that the SALT III negotiations will correct the present NATO imbalance, assure European security, and prevent the decoupling of the alliance.

Given the nature of Soviet negotiating habits, it is hard to detect any basis for such hopes. If we could not prevent a weakening of our nuclear relation with Europe during the SALT II negotiations, how could we expect to do so during the SALT III negotiations, when our military position, and therefore our bargaining position, are expected to be weaker?

V

The security implications of nuclear weapons, however, go far beyond the question of intercontinental nuclear exchanges between the United States and the Soviet Union, the subject to which SALT II is confined. The United States nuclear arsenal is the fulcrum on which the possibility of deterrence at every level depends. To change the metaphor, it is the center of a web of relationships which define the political as well as the military power of the United States. The SALT II treaty cannot be judged in isolation, because the universe of nuclear weapons is not a self-contained and disagreeable subject, isolated from the daily business of government. SALT II poses the ultimate question of national security, the connection between military power and political influence.

To repeat it once again, the goal of our nuclear weapons is to deter the use of, or the credible threat to use, nuclear arms in world politics. But the mission of our nuclear forces goes beyond making it too expensive for the Soviet Union to consider launching a nuclear attack against the United States. They must also provide a nuclear guarantee for our interests in many parts of the world, and make it possible for us to defend those interests by diplomacy or by the use of theater military forces whenever such action becomes necessary. The preceding sentence deserves underlining, for most people do not yet realize the many connections between the strategic balance, on the one hand, and ordinary diplomacy and the use of conventional and other theater forces in aid of diplomacy, on the other. Behind the shield of our second-strike capability, we carry on the foreign policy of a nation with global interests, and defend them if necessary by conventional means or theater forces.

Secretary of State Dulles tried to change this policy by announcing the doctrine of "massive retaliation." We should not fight protracted land wars, he said, in places chosen by the Soviet Union for confrontation, but use our nuclear power instead to strike at the Soviet Union, the source of the danger. It was an empty threat. In fighting border wars, where absolutely vital American interests were not at issue, we were unwilling to consider using nuclear weapons against the Soviet Union, even during the period of our nuclear superiority. This policy is rooted in our national character and the nature of our civilization. It will not change. Even where the defense of Europe is concerned, our reflex response to the change in the nuclear balance is to enlarge NATO conventional forces, to reduce the risk that nuclear weapons would have to be used in the event of a Soviet attack.

The Soviet doctrine with regard to the utility of nuclear weapons is quite different. As we are finally beginning to realize, the Soviets are not interested in mutual deterrence and nuclear stalemate. To the Soviets, clear nuclear superiority is the ultimate weapon of coercive diplomacy—the Queen of their chess set, through which they think they could achieve checkmate without having to fight either a nuclear or a conventional war.[3]

Effective American nuclear deterrence alone cannot keep the Soviet Union from using conventional forces, at least against targets they think we regard as secondary, like Korea, Vietnam or Ethiopia. In most such situations, except for massive attacks on our most vital interests, like Western Europe or Japan, defense has to be provided by conventional forces in the first instance. But the absence of effective American nuclear deterrence—that is, the erosion or neutralization of our second-strike capability—would deny all credibility to our *conventional*-force deterrent. No one would believe that we would send in the Marines if they could be counterattacked by locally superior Soviet or satellite troops and our second-strike capability was in doubt.

The point is brought out by a quick review of our experience with the problem since 1945.

In the early postwar years, we had a monopoly of nuclear weapons. And for a decade or so after that—until the middle or late 60's—we had overwhelming nuclear superiority. Nonetheless, in that period we had to deal with a long series of Soviet-managed attacks on our interests, from the early threats to Iran, Greece, and Turkey to the Berlin airlift, the war in Korea, the Cuban missile crisis, the war in Indochina, and the recurrent crises in the Middle East and Africa.

We dealt with those threats by diplomacy or, when diplomacy failed, by the use of, or the credible threat to use, conventional forces. But the nuclear weapon was always the decisive factor in the background. During the Berlin airlift, the shadow of our nuclear monopoly kept the Soviets from firing on the allied planes, and then persuaded the Soviet Union to end the blockade. The exercise had too many uncertainties and had become too risky so the Soviet Union gave it up.

The essence of the problem is illustrated by the Cuban missile crisis of 1962. There, the Soviet Union secretly undertook to introduce land-based nuclear missiles into Cuba, in violation of their assurances to us, and in the face or private and public warnings from the President of the United States. Such action would have altered the basic equation of nuclear deterrence, and gravely affected the credibility and effectiveness of American diplomatic warnings to the Soviet Union. At that time, we had unchallengeable nuclear superiority. If there had been a nuclear exchange, the Soviet Union would have suffered about 100 million casualties and the United States 10 million. We had equally obvious conventional-force superiority in the area. If we had invaded Cuba, the Soviet Union could not have opposed the invasion effectively with either conventional or nuclear forces. By mobilizing an invasion force in Florida and instituting a limited naval blockade of Cuba, we demonstrated our will to insist on the evacuation of the Soviet missiles from Cuba, at a minimum. Confronted by these realities, the Soviet Union backed down.

Since the late 50's the Soviet Union has been engaged in a massive military buildup, both in nuclear and conventional forces, designed to reverse the relationships which determined the outcome of the Berlin airlift, the Korean war, and the Cuban missile crisis. It is a buildup without parallel in modern history. Over the last sixteen years it has been proceeding steadily at a rate of at least 4 per cent to 5 per cent a year in real terms. In strategic weapons, the rate of increase has been at least 8 per cent a year. Increases compounded at the rate of 5 per cent or 8 per cent a year over so long a period make the Soviet military establishment formidable and sinister.

The first result of this Soviet buildup was evident in Vietnam. In the late 60's and early 70's, our nuclear superiority was no longer so evident as it had been at the time of the Cuban missile crisis; indeed, superiority had given way to stalemate. The deterioration of our nuclear advantage led to the erosion of our position and profoundly affected the final stages of the conflict.

There can be no question that since Vietnam our nuclear position has slipped from stalemate to the borders of inferiority. While the experts argue about whether we are already inferior to the Soviet Union in overall nuclear power, they are agreed that if present trends continue we shall be significantly inferior—and soon.

Some careful studies contend that the strategic force relationships which dominated the Cuban missile crisis will soon be reversed, unless we undertake a crash program immediately—that in the event of a nuclear exchange we should risk 100 million casualties and the Soviet Union 10 million. Even if the figure were 100 to 20 or 30, it is not difficult to anticipate what would happen if we were to allow such a situation to develop. A perceptive student of the problem has remarked that, confronting such a scenario, even General Curtis LeMay would advise "accommodation." Our foreign policy and our conventional forces would be impotent, and we would acquiesce.

It is the first objective of Soviet policy to achieve such a situation. This—not nuclear war itself—is what our nuclear-weapons program and the SALT negotiations are all about. The Soviets have prolonged the negotiations over SALT II as long as possible—just as Hitler prolonged arms-control negotiations in the 30's—since we continue to mark time in our own military and political programs during SALT negotiations, and obligingly make decisions, like the cancellation of B-1, the postponement of MX and Trident, and the deferring of the enhanced-radiation warhead (the so-called neutron bomb), in the vain hope of inducing similar restraint on the Soviet side. The Soviets view SALT II as a major instrument for lulling American anxieties until it is too late to do anything to reduce them. Meanwhile, they move rapidly and effectively to seize control of the entire Persian Gulf area in the belief that such a position would permit them to bring Europe, Japan, and the Arab world to their knees because the United States would not have the usable military power to oppose it.

Many tend to dismiss the vision of nuclear war as unthinkable. But the vision of Soviet political coercion, backed by overwhelming nuclear and conventional forces, is so far from unthinkable as to have become a likely possibility, thanks to the drift of American foreign and defense policy in the post-Vietnam period.

VI

The debate over ratification of the SALT II treaty requires Congress and the American people to pass judgment on that policy as a whole. It is the only context in which the problem of nuclear arms becomes intelligible.

At the present time our foreign and defense policy is rich in contradictions. On the one hand, the President says that all our security

[3] See "Why the Soviet Union Thinks It Could Fight and Win a Nuclear War" by Richard Pipes, COMMENTARY, July 1977.

treaties will be honored as in our national interest. On the other hand, he refuses to ask for the naval forces which would be necessary to fulfill those treaties, in view of the size of the Soviet navy and other military forces, and the nature of the Soviet Union's policy of indefinite expansion into the military vacuums of world politics. There are many other such paradoxes—the withdrawal of our ground forces from Korea, for example. Does that step mean that the President is prepared to use nuclear weapons if necessary to stop an attack on an area vital to the security of Japan? The list could be extended indefinitely, from our refusal to cooperate in the restoration of a stable monetary system to the passivity of our response to Soviet actions in Africa and the Persian Gulf area.

The actions and vocabulary of the Carter administration in the field of foreign and defense policy derive from two entirely different conceptions of the national interest. On the one hand, many cling to the 19th-century isolationist view, given new life (and a new rhetoric) by the Vietnam catastrophe, that the United States can be safe, perhaps with our Western European friends, as a small, rich, industrialized enclave in a world dominated by hostile forces. The major premise of the alternative theory, which has dominated our foreign policy from Truman's day, is that the United States can continue to develop as a free and open society only in a stable world order, a world of wide horizons, in which aggression is prevented, or defeated when it occurs, by collective security and other arrangements of collective defense; a world in which political, social, and economic progress is sought by international cooperation; and one in which the United States necessarily plays a full and responsible part.

These two conceptions of American foreign policy cannot be reconciled or compromised.

Thus far, however, President Carter has refused to choose between them. In recent months, his words have sounded more Trumanesque, but his actions have remained McGovernite. Many believe that a clear choice would revive the divisions in the nation, particularly in the Democratic party, which exploded with such force during the final stages of the Vietnam war. The President has preferred to let sleeping dogs lie.

That comfortable posture has become impossible. The pressures of Soviet policy at a dozen points around the world, most particularly the bold Soviet thrust in the Persian Gulf region, would make it suicidal to continue on such a course. Yet the SALT II agreement, coupled with our continued retreats and withdrawals, and the inadequacy of our military programs, would also make it nearly impossible for us to restore and stabilize the world balance of power on which our safety as a nation depends.

Some experts in the field assume that we must accept SALT II despite its potential for condemning us to strategic inferiority, because the American people are unwilling to take "the giant strides forward" which would be required to assure nuclear parity and to maintain a credible and usable second-strike capacity. This defeatism is altogether unwarranted. The American people will spend and do whatever is required to assure the safety of the nation, if their leaders tell them the truth, as President Truman did, and explain the central importance of nuclear weapons to our security and to the foreign policies we employ to protect it.

Because the debate over SALT II presents a unique opportunity for telling this truth, it may well become a major turning-point for the future. If, mesmerized by old illusions about disarmament and new ones about détente, we accept the treaty, we will be taking not a step toward peace but a leap toward the day when a President of the United States will have to choose between the surrender of vital national interests and nuclear holocaust. No President should ever be put into such a corner. But if, overcoming these illusions, we permit ourselves to see the SALT II treaty for what it truly is—an expression of American acquiescence in the Soviet drive for overwhelming military superiority—we will give ourselves a last chance to restore the strategic balance that is the only guarantee of peace in the nuclear age and the only context in which the survival of our civilization and its values can be safely assured.●

IN SUPPORT OF KENNEDY-CRANSTON RESOLUTION ON TAIWAN—SENATE JOINT RESOLUTION 31

● Mr. PELL. Mr. President, I am very pleased to be a cosponsor of the resolution introduced by the senior Senators from Massachusetts and California.

I am a supporter of the President's decision to recognize the People's Republic of China and to establish full diplomatic relations with that country. I have always considered it to be important to recognize potential adversaries and that it is foolish for the United States to refuse to recognize a government because we disapprove of it or things it has done. So, I believe the President made the right decision, although I also believe that it would have been better if he had delayed the announcement until after the SALT negotiations with the Soviet Union had been concluded.

Having said all this, I feel strongly that the United States must not forsake Taiwan or do anything that would tend to encourage the mainland Chinese to take over Taiwan by force. Moreover, I believe that the United States should continue to provide Taiwan with the military equipment it needs to defend itself. America's commitment to human rights would be hollow indeed if we, by action or inaction, became a party to a Communist suppression of Taiwan.

President Carter, I understand, does not believe that the Kennedy-Cranston resolution is necessary. It may be that the assurances contained in the resolution are redundant, but I believe that it would be helpful and important for both the Congress and the administration to join forces in a common declaration relating to the future security of Taiwan. If the administration were to oppose the Kennedy-Cranston resolution, it would to my mind, call into question its professed concern for the security of Taiwan.

The resolution does not commit the United States to take any specific action to safeguard "the interests, concerns and expectations of the United States in the peace, prosperity, and welfare of Taiwan"; but by making it clear that both the Congress and the President have a shared view that U.S. "interests, concerns, and expectations" exist regarding Taiwan, a useful message will be sent to both Peking and Taipei.

I urge, therefore, that my Senate colleagues join me and the other sponsors in supporting this resolution.●

SISTER KATHLEEN FEELEY: OUTSTANDING CITIZEN OF BALTIMORE

● Mr. MATHIAS. Mr. President, the city of Baltimore is distinguished for a number of reasons but few add more to its luster than being the home of the first Catholic women's college in the United States to grant a baccalaureate degree. That venerable institution—founded 106 years ago—is the College of Notre Dame of Maryland.

Since its founding, the College of Notre Dame has been in the forefront of women's education and has produced many distinguished graduates. Last Friday one of the most distinguished of them all received the Greater Baltimore Committee's 1979 J. Jefferson Miller Outstanding Citizen Award. The woman so honored was Sister Kathleen Feeley, who is not only a graduate of Notre Dame but who has been its president since 1971.

Sister Kathleen richly deserves the recognition she has received. She is an exceptional human being with a breadth of interest, talent, and energy that has allowed her to play a creative role in many educational, literary, civic, and intellectual arenas outside of her own academic community.

Sister Kathleen has published a number of literary works and is a well-known authority on the writing of Flannery O'Connor. She also has been active in the Baltimore business community as a member of the board of the Better Business Bureau and as a director of Baltimore Gas and Electric Co., and Union Trust Bancorp.

Born and educated in Baltimore, Sister Kathleen received her masters degree from Villanova University and her doctorate from Rutgers University. She has been associated with the study of change in the 4-year college at Claremont University Center and interned with the American Council on Education.

The Greater Baltimore Committee award was only the most recent in a series of honors for Sister Kathleen. Previously, she has been named "Woman of the Year" by both the Jewish National Fund Women's Auxiliary and the Maryland Colonial Society. And she has been a goodwill ambassador to Israel in behalf of the American-Israel Society.

I had the great privilege of being present at the annual meeting of the Greater Baltimore Committee on February 1 when Sister Kathleen received this reward from Robert Hecht for making Baltimore greater through her personal example and leadership in education. I can therefore, personally attest that her tremendous accomplishments are embellished by lively wit and great personal charm which makes them the more compelling.

The Greater Baltimore Committee, which itself has done so much to revitalize the inner city and make Baltimore greater, has bestowed its great honor wisely and well.●

EXIMBANK NOT COMPETITIVE IN EXPORT FINANCING

● Mr. STEVENSON. Mr. President, last year the Congress passed legislation extending the authority of the Export-Import Bank for 5 years and increasing the ceiling on Bank commitments. In the same legislation the President was directed to renew international negotiations to limit Government-supported export credits.

Negotiations were undertaken pursuant to the statutory mandate, but they have ended in complete failure. Foreign governments are not ready to subject their export credits to serious restraints. The President will soon send a report to Congress outlining the reasons for the unsuccessful negotiations, but already it is clear that the next move is up to Congress.

The Eximbank cannot meet the growing demand for export credit, nor match foreign competition within its existing statutory authority. U.S. exporters are at a competitive disadvantage in financing large capital exports, a disadvantage which will grow unless Congress acts to reduce it.

Mr. President, I ask unanimous consent that an article by David Cheney entitled "U.S. Lagging in Export Finance" which appeared in a recent issue of International Finance be printed in the RECORD.

The article follows:

U.S. LAGGING IN EXPORT FINANCE

(By David Cheney)

The persistent U.S. trade deficit has made the competitiveness of U.S. export the focus of considerable attention. And much of the discussion has centered on the U.S. lag in export financing compared with its principal competitors. It is true that many other factors affect the overall competitiveness of U.S. exports, including price and underlying exchange rates, quality and technological superiority, marketing, servicing, and tax and legal considerations. The financing factor, however, has assumed great importance, perhaps more than it deserves. This is partly because financing costs are highly visible and because many developing-country purchasers of the products of the major industrial exporters are seeking to check the growth of their already high levels of external debt.

U.S. exporters have complained that their government provides inadequate support for export financing. They argue that financing is a key element in winning export sales, and that the Export-Import Bank (Eximbank)—the U.S export credit agency that supported $11 billion in exports in fiscal 1978—lags far behind foreign agencies, in the financing support it offers.

THE NATURE OF EXPORT FINANCING

Medium- and long-term export financing in the major industrial exporting countries is usually undertaken either wholly or in part by official export credit agencies. They either insure supplier credits or directly finance the foreign buyers. Short-term financing is usually handled privately, with government support limited to insurance. This discussion focuses on long-term (over five-year) financing of "big-ticket" manufactured items such as capital equipment and industrial plants. These are the high-impact exports that may involve several suppliers and that usually require direct government financing support.

The basic elements of officially-supported export financing are (1) the financing mechanism, and (2) the credit variables; cash-payment requirement, interest rate and fees, repayment term, insurance cover and premium, in addition to such auxiliary forms of credit support as inflation insurance. Despite the potential for numerous combinations of these elements, credit terms are rather similar among the various export credit agencies. This partly reflects the universality of credit standards, but it is also the result of a network of international agreements—achieved primarily through the Organization of Economic Cooperation and Development (OECD)—that establish minimum standards and maximum credit terms.

Long-term export financing mechanisms used by the industrial countries vary. They include direct loans by credit agencies to foreign buyers, official refinancing of export credits extended privately, or interest rate subsidies paid to commercial banks that extend below-market-rate credits. The United States and Japan utilize the direct loan mechanism, combining government and commercial credits to yield the total financing. The Italians provide interest rate subsidies to commercial banks that extend low-cost credits. The British, French, and German systems are hybrids, in that they blend the various mechanisms.

The financing mechanism utilized reflects the financial resources that the exporting countries choose, or have available, to allocate to export promotion; it does not necessarily affect the interest rate. In several European countries—Switzerland and, increasing, Germany—government involvement is limited to insurance of commercial credits since private funds are available at low rates of interest.

The various export credit agencies try to maximize the competitiveness—or subsidy element—of each variable within the limits prescribed by prudent risk analysis and by several international accords.

The cashpayment required on long-term, officially-supported export credits extended by the major industrial nations is essentially the same. A minimum 15% cashpayment is specified in the international "Arrangement on Guidelines for Officially-Supported Export Credits," which took effect on April 1, 1978. (See the June 20, 1978 issue of *International Finance*.)

The U.S. approach to setting repayment terms differs from its competitors. While Eximbank bases maturities on each product or project's estimated cash flow so that the credit is self-liquidating, normal practice abroad is to base maturities on the wealth of the borrower's country. Nevertheless, repayment terms extended by the various industrial nations are similar. This results in part from a generalized reluctance to assume the high risk associated with longer maturities. It also stems from the repayment term limits established by the Arrangement and various other OECD agreements, which set maturity standards for many product categories. Maturities are generally limited to 10 years, with most credits for capital goods and plants ranging between 8–10 years.

The main attribute of an export credit is the interest rate, plus any fees charged. This is where terms offered by the competing credit agencies tend to diverge, with U.S. financing packages losing ground, despite the Arrangement's attempt to narrow the gap. The Arrangement sets minimum interest rates that vary according to the maturity and the wealth of the borrower's country. Minimum permissible rates range from 7.25% for five-year credits to other-than-industrialized countries to 8% for credits over five years to industrial countries.

Export finance interest rates are generally lower in Japan and much of Europe. Credit agencies in these countries are often heavily subsidized and are able to finance the entire credit while charging the minimum rates permissible. Eximbank is essentially self-supporting, and its higher interest rate schedule, although attractive by current U.S. market standards, does not normally provide the same flexibility to stay close to the minimum rates. Eximbank's current interest rates range from 7.75%–8.75%, depending on maturity. Furthermore, U.S. commercial bank financing is usually combined with Eximbank funds. The private funds are extended at significantly higher market rates—generally 1%–1½% above the prevailing prime depending on the credit risk—and thus the "blended" cost of an Eximbank-supported credit may significantly exceed the floor rates specified in the Arrangement.

Estimates of the representative cost of officially-supported, long-term export credits for good risks are:

[Percent per annum]

	Interest rate	Plus fees and premiums [1]
France	7.5	8.2
Germany	7.4	[2] 8.2
Italy	9.4	9.9
Japan	7.5	8.0
United Kingdom	[3] 8.3	9.0
United States	9.2	9.4

[1] Official insurance of export credits is required in all the above countries except the U.S.

[2] Private, long-term finance, which is increasing in frequency, is priced as low as 6.25%, fixed, exclusive of fees and premiums.

[3] Sterling rate; the U.K. encourages foreign currency financing—primarily dollar credits—at slightly lower rates.

While the above rates illustrate the typically high cost of U.S. export finance—largely attributable to the hike in private interest rates—Eximbank has sought to reduce the total cost of credits it assists in special cases. It has increased its share of the financing substantially and shaved its schedule rates, making the blended cost significantly lower in an effort to win particularly important export sales. Nevertheless, Eximbank's higher cost of funds and its lending limits do not permit the agency to provide such support generally, or indefinitely.

It must be remembered that the interest rate does not take into account certain elements that also significantly influence the export credit's actual cost-competitiveness. These include the nature of the interest rate (fixed or floating), insurance premiums and fees, and exchange rate movements. Fixed interest rates are a strong competitive inducement, and potential buyers value them for budget planning purposes. Eximbank-supported credits are not entirely fixed-rate—the commercial portion is floating-rate—but nearly all its competitors offer all fixed-rate funds. And although Eximbank-backed credits carry comparatively low fees and no insurance premium, exporters abroad have been known to absorb many of these add-ons entirely, keeping the total credit cost down. On the other hand, U.S. exporters have benefited from recent exchange rate shifts, which have provided substantial cost advantages, especially over Germany and Japan.

There is, however, uncertainty about the sensitivity of foreign demand to the substantial price changes that have resulted from the dollar's depreciation. This makes it hard to predict the extent to which U.S. exports are buoyed by the dollar's weakness.

It is in the area of auxiliary forms of support that the United States falls far behind in the competitiveness race. Not surprisingly, these special support forms fall outside the limits set by the various international agreements, despite U.S. efforts to include them. Some of the special programs provided by European and Japanese export credit agencies—notably mixed credits and inflation insurance—are strong competitive tools. The mixed credit mechanism, used mostly by the

French, consists of mixing official export finance with aid funds, increasing substantially the concessional element of the total credit. Inflation insurance, provided by several European export credit agencies, indemnifies exporters for inflationary production cost increases above a minimum level. European exporters are thus able to offer fixed-rate, or limited-escalation contracts, despite their countries high inflation rates.

Other examples of special support available from U.S. competitors include performance bond guarantees, routinely sought by Middle Eastern buyers, and local cost financing, of great importance to buyers in developing countries. The U.S. Government does not normally provide any of these supports, although Eximbank has recently modified its practices to enhance its competitiveness in individual cases. It has extended local cost financing and is now attempting to match, selectively, mixed credit competition; in fact, the agency recently approved a 6% loan to match a French mixed credit. Nevertheless, Eximbank, in a July 1978 report to Congress, conceded that its direct loan program was not fully comparable with similar programs abroad; specifically Eximbank rated French, German, and Japanese financing support more favorable. The agency did, however, rate its short- and medium-term insurance and guarantee programs competitive.

Thus, despite efforts to establish uniform credit standards, and despite Eximbank's recent attempts to maximize its support, differences persist in the scope and concessionality of export finance. These are difficult to measure, but they indicate that U.S. exporters of big-ticket items are at a competitive disadvantage in the financing area. And they are likely to remain behind unless other factors—particularly exchange rate differentials—assume greater importance in offsetting the uncompetitive terms of U.S. export financing.●

DR. JAMES E. DORNAN

● Mr. LUGAR. Mr. President, on Thursday, January 25, a tragic accident took the life of a young man who had played an important role in the educational and political life of Indiana. He achieved a well-deserved prominence as a Washington educator and was a source of wise counsel to persons engaged in public affairs. I am referring to Dr. James E. Dornan, who served as chairman of the Department of Politics of Catholic University and as a senior political scientist with S. R. International Co.

Dr. Dornan taught at Purdue University between 1963 and 1967, where he gained universal respect as a learned teacher and was selected best professor on the Purdue campus in 1964. The following year he was drawn into Indiana politics, where he remained extremely active on both a local and national level. James Dornan's scholarly pursuits and public endeavors were inspired by a comprehensive knowledge and deep admiration for the original policies of the Founding Fathers. As an academic, Dr. Dornan was an awesome young man who published two books and some four dozen major articles, which are valuable and original contributions to our understanding of foreign policy. His public endeavors led him to travel throughout the world, most frequently to Europe and Japan. He was a trusted counselor and draftsman for several key legislators here and at SRI International where he headed a research effort which involved scholars from the United States, the Pacific rimlands, and several Members of this body.

But the true measure of Dr. Dornan's abilities is best demonstrated by the number of students whom he inspired and brought into the field of foreign policy, while at Purdue and later at Catholic University.

As this Nation, and particularly this body, focuses on international decisions of unusual importance, it will miss his steady and enlightening counsel.●

INDEPENDENCE AND NATIONAL DAY OF SRI LANKA

● Mr. STONE. Mr. President, as chairman of the Near Eastern and South Asian Affairs Subcommittee of the Senate Foreign Relations Committee, it is my pleasure to make some remarks commemorating the 31st anniversary of the Independence and National Day of Sri Lanka, which was celebrated this year on February 4.

It also marks the first year in office of the country's first Executive President, J. R. Jayewardene. During 1978, the government, under the leadership of President Jayewardene, implemented the internal political reforms which his party, the United National Party, has promised to the people of Sri Lanka.

On September 7, 1978, Sri Lanka inaugurated its new Constitution which embodies the best features of the Constitutions of the United States, Great Britain, and France. The principle of separation of powers is now one of the cornerstones of the Sri Lanka democracy. The new Constitution also embodies all 30 clauses contained in the U.N. Universal Declaration of Human Rights.

Sri Lanka also serves as the chairman of the nonalined movement and has been actively contributing toward peace and stability in the world. One example of this is Sri Lanka's leadership in the movement to make the Indian Ocean a zone of peace.

Sri Lanka is progressing toward a free and just economy. She is also making gains in raising the standard of living of her people. These achievements are reflected in the Overseas Development Council's physical quality of life index (PQL) which shows that Sri Lanka has upped its PQL rating to 82 out of a possible 100.

Mr. President, I commend and congratulate the people of Sri Lanka for the progress they have made over the past year, and I wish them the best in the year to come.●

TAIWAN: A ROSE BY ANY OTHER NAME

● Mr. GARN. Mr. President, the President's proposed legislation regarding U.S. relations with Taiwan is an insult to the intelligence of the Congress. The President's decision to abrogate unilaterally a mutual defense treaty with a loyal ally, an act unprecedented in our history, was a grevious error which he now seems intent to compound by meaningless legal doubletalk and obfuscation. The whole matter would be comical if it were not so tragic—seeing how it directly affects the security and well-being of the 17 million people of Taiwan.

Again and again one reads in the proposed legislation of "the people of Taiwan." I cannot state with greater emphasis or conviction that such a designation mocks reality—they are no more the people on Taiwan than we are the people on the United States. They are quite simply the people of Taiwan, citizens of the Republic of China.

The authors of this piece of legislation attempt every diversion ever devised to obscure the fact that Taiwan is a nation-state with a legitimately elected government. However, when one looks hard enough and pierces the veil of legal trickery, the entity referred to as "the people on Taiwan" ends up looking like a state, sounding like a state, and acting like a state. One does not have to search for long to discover why this is so—Taiwan is a country, a nation-state just as France and Japan and Mexico are nation-states. No amount of verbal gymnastics by this administration can alter this reality. To place Taiwan under some obtuse category as, and I quote, a "similar entity" is a perversion of the language of nations and diplomacy.

This administration has seen fit to treat a faithful ally in a shabby manner. It has discredited the word of our country before both our allies and our adversaries. I do not intend to allow this travesty to continue unopposed, and I know I have the support of many of my colleagues in the Senate and the House, as well as that of the American public, when I state my determination to take those steps necessary to insure the security of the Republic of China and the continued close ties between our two nations.●

THE FIVE BEST-MANAGED COMPANIES

● Mr. STEVENSON. Mr. President, Dun's Review recently selected the five best-managed companies in the Nation. It should come as no surprise that two of the five are Illinois companies: Caterpillar Tractor Co. and Continental Illinois National Bank & Trust Co.

I know all Illinoisans join me in congratulating the employees of Caterpillar and Continental, and thanking Dun's Review for recognizing what we have known all along: Illinois is the best State in the Nation in which to do business.

I request that the article from Dun's Review of December 1978 be printed in the RECORD.

The article follows:

THE FIVE BEST-MANAGED COMPANIES

For U.S. business, 1978 was a riddle wrapped in a mystery inside an enigma. At home, with factories working away at a healthy 85% of capacity, industrial production climbed smartly, unemployment dropped and corporate profits hit high levels. Yet without a war, an oil embargo or any other cataclysmic happening, inflation soared to double-digit levels and interest rates rose

sharply. Abroad, the once dominant dollar plunged so low that a West German magazine depicted George Washington seated in a wheelchair. Meanwhile, on jittery Wall Street, traders took one look a Jimmy Carter's latest formula for fighting inflation and promptly handed the stock market an historic drubbing, chopping 104 points off the Dow Jones industrial average in a fortnight of feverish selling. Then, when Carter announced sweeping moves to bolster the dollar, Wall Street reacted in a way that was somehow typical of this strange year by racking up the biggest one-day gain ever—35 points—in the Dow.

It was hardly a year to inspire business confidence, capital spending or long-range corporate planning. Nevertheless, scores of companies in disparate industries successfully navigated their way through the churning seas of uncertainty. Five of them—Boeing Co., Caterpillar Tractor Co., Continental Illinois National Bank & Trust Co., General Electric Co. and Schlumberger Ltd.—were picked by DUN'S REVIEW as the five companies that did the best job of all.

All five produced record sales and earnings in 1978, and all are leaders in their respective industries. More than that, they all displayed distinguished qualities of corporate excellence that make top-notch companies stand out from the crowd. Piling strength on strength in the commercial aircraft industry, Boeing cashed in on an unbeatable combination of technological know-how and marketing acumen. Boldly committing itself to the heftiest capital investment program in its history, Caterpillar reaped the rewards of painstaking planning. Continental Illinois demonstrated that aggressiveness and innovation can pay off big in the conservative banking industry. GE proved that a sprawling giant can undergo massive restructuring and emerge stronger than ever. And in the tough business of oil exploration, Schlumberger reaped the rewards of unsurpassed technology and a unique management style.

How the five best did it is told on the following pages.

MASTERING DIVERSITY AT GE

As it moves vigorously through this centennial year into its second century of operation, General Electric Co. is performing at least four difficult management tasks at once, and doing each of them exceedingly well. Under the leadership of 61-year-old Chairman Reginald H. Jones, chief executive since 1972, the sprawling giant is managing diversity, managing growth, managing change and managing people.

This year, as well, GE began to reap the first fruits of a major organizational restructuring completed at the end of 1977. To better control its vast operations, the company has set up a new management and strategic planning system that Jones confidently expects to make the company more effective in the future. As he puts it: "We think the basic management structure is now in place for the 1980s."

GE's ability to perform this complex juggling act is a singular achievement for so huge a company, and one that is now paying off on the bottom line. In 1978, the company will achieve record results for the third consecutive year, with sales expected to wind up close to the $20 billion mark, and earnings, according to Jones, moving up from the $4.79 a share of 1977 to $5.25-to-$5.35.

COSTLY ERRORS

The need for creating a new organizational system became obvious in the late 1960s. GE had grown into the most diversified company in the world, producing everything from aircraft engines, microwave ovens and refrigerators to locomotives, power systems and heat pumps. And with its continuing heavy emphasis on R&D—on which it spent $463 million last year, an eye-popping 42.5% of net earnings—the company continually spawned new ventures.

Yet this burgeoning growth had to be monitored and controlled, or it could become a monster. And in the 1960s, there were signs that the company's growth was getting out of control. Under Fred J. Borch, Jones' predecessor, GE ventured into some businesses that at the time seemed highly promising but soon proved far more costly than anyone had anticipated. The company's plunge into computer manufacturing caused such a drain on profits that it eventually was forced to take a big write-off and get out of the business. Its moves into nuclear-plant construction and the manufacture of commercial jet engines also contributed to several years of flat earnings between 1965 and 1970, while profit margins and return on investment dipped.

Even more disturbing to top management than those specific setbacks was what underlay them. It became clear that Borch and his lieutenants—inluding Jones, then finanial vice president—just could not keep up with what was going on in all the company's operating units. As a result, they were losing perspective when it came to allocating funds. "You must have strong central planning and financial controls," Jones says. "Otherwise, you can't stay within your budget and make optimum use of your resources."

The restructuring process began in 1970. First of all, the number of company operating units was trimmed from around 200 to 43, each of which became a so-called strategic business unit. One unit might consist of a single department or several; the essential thing was that the components of each faced common market challenges, which lent themselves to common planning strategies.

Still, Jones says, the work load at the top was overwhelming. So to free top management from having to grapple with the mountains of detail pouring in from operating units around the world, the company set up a new layer of management just below the top. It divided its business into six sectors—consumer products and services, industrial products and components, power systems, technical systems and materials, international and the recently acquired mining company Utah International, Inc.—and appointed an executive to head each sector, except Utah, which continues under its former president.

The sector executives have taken over much of the decision-making responsibility from Jones and his ten-man corporate policy board and also help to coordinate strategic planning. According to Jones: "In the year the sector executives have been in place, the load at the top has been reduced. And all sorts of new synergies in operations have been achieved—in advertising, in marketing and in the form of joint ventures between mining and manufacturing units."

The system

Under the new system, planning for the following year starts in January, when the SBUs begin drawing up their plans, taking into account all the economic and social factors that may affect their markets. Each plan goes to the sector executive to whom the unit reports. The sector executive spends long hours going over the proposals of his SBUs in detail, meshing and coordinating them. Then on the basis of his own broader view of corporate operations, he draws up his own master plan for the coming year, balancing the needs of one unit against another.

What eventually comes up to Jones and his policy board for review and final decision are the six sector plans, plus summaries of the unit plans on which they are based. It is November or December before the policy board makes its final allocations of funds to each SBU for the coming year, based on its potential contribution to the company's overall sales and profits.

To measure potential, management has classified the SBUs into three categories: growth, stability or no-growth. Its purpose is to give the most attention and money to those operations with the highest growth potential, to maintain adequately those that provide steady if not spectacular year-to-year gains, and to look critically at those businesses that may have matured and be ripe for disposal. "Only under such a system of tight central control," Jones argues, "can GE afford the luxury of its vast diversification and decentralization."

That diversification, it should be noted, has come almost entirely by growth from within. The one exception was the acquisition in December 1976 of the $2-billion-sales Utah International, a major coal producer, in the biggest merger in U.S. history. GE wanted Utah not only for growth but to bolster its international business (about 80% of Utah's sales are made abroad) and to hedge against inflation (Utah's assets in the ground are as inflation-proof as anything can be).

In both respects, the merger has paid off. Furthermore, Jones, notes, Utah contributed consistently to GE's earnings ($196 million, or 18% of the total, in 1977) until the third quarter of this year, when a long strike and the weakening of its market for coking coal bit sharply into Utah's profits. For all of 1978, Jones admits, Utah may be a minor drag on earnings. But over the long haul, he is convinced, it will be one of the major successes of GE's long-range planning.

Most Wall Streeters agree. Says Irving Silverberg, security analyst with Oppenheimer & Co.: "Over the years, Utah will be a plus. It is a basic business with few perils, and don't forget that Utah is the world's lowest-cost producer of coking coal, with extensive reserves of high quality."

The only part of GE's business that is currently losing money is its sales of nuclear equipment. In recent years, of course, nuclear construction costs have shot up and regulatory delays and environmental opposition have held up many projects. As plant construction has slowed sharply under these pressures, so has GE's volume of orders. Consequently, Jones expects the nuclear business to lose money for a few more years.

But he points out that the red ink involved—a few million dollars a year is negligible for a company that annually nets over $1 billion. And in time, Jones believes, Washington will return to its earlier view that the U.S. must exercise its nuclear option and that nuclear-plant construction will become a money-earner for GE.

Growth opportunities

Elsewhere in the huge company, business is thriving across the board. Top management is especially enthusiastic about the outlook for high performance plastics and other man-made materials, a relatively new business for GE. The company also sees impressive growth opportunities in its recent ventures into new health-care equipment and advanced types of communications equipment; and it is optimistic about continued gains in its international markets, several of which are now growing faster than the U.S. market.

But can any company of GE's size and diversity consistently outpace the economy in which it plays so large a part? Some analysts, while expressing the highest regard for GE's management, harbor a few doubts. So broad is GE's product mix, they argue, that the company's financial performance must go up and down about in line with the economy. Specifically, they say, if 1979 brings a recession, GE's earnings will necessarily reflect it.

GE executives refuse to buy that argu-

ment. Jones himself has repeatedly noted that the whole thrust of GE's policy of allocating the most money to its businesses with the greatest growth potential is to enable the company to outgrow the economy, year after year. As he says: "The profound refocusing of General Electric's interests and resources in the past few years has been precisely to avoid that limitation."

Most Wall Streeters, in fact, feel that, barring a very severe recession, GE's results next year will continue to outpace the GNP—or any other broad measure of the economy's ups and downs. Early estimates on 1979 earnings are around $5.75 a share.

With all its changes, one thing that has been the perennial hallmark of GE is its outstanding management of people. Its management training is rated among the very best in industry, and GE has long prided itself on the quality and depth of its middle-management ranks. The company, of course, has long been a favorite target of executive recruiters, but, in a big change from the past, these days most GE middle managers choose to stay with the company.

That fact is in no small measure due to the leadership of Jones and the outstanding job he has done in not only overcoming serious problems but turning one of the worlds' biggest corporate giants into a growth company with its eye firmly on the future. "I talk to various people at GE and get unsolicited comments about how great he is," says Robert McCoy, security analyst at Kidder Peabody & Co. "He has to be one of the best CEOs in the country."

CAT: THE WONDER WORKHORSE

Ripping, gouging, grading, hauling, lifting, scraping—nobody does it better than Peoria, Illinois' Caterpillar Tractor Co., the world's largest manufacturer of earthmoving machinery and equipment. When a heavy construction job is underway virtually anywhere in the world—an iron mine in Liberia, a sewage project in Pennsylvania, an oil field in Saudi Arabia, a highway in Alabama, a pipeline in Canada—a big yellow Cat is sure to be hard at work. And with its 27 plants around the world hard put to keep up with demand, 1978 shaped up as the biggest year ever for Caterpillar.

Despite a $2.4 billion expansion program that has increased its manufacturing capability by more than one-third in the past five years, business has been so strong that Caterpillar recently added some 1,000 employees to its work force of 85,000 and had to place about 50% of its products on allocation to dealers. Bulldozing its way toward record results, the company was expected to increase 1978 sales more than 20% to $7 billion and score a 25%-plus gain in net to $556 million, or $6.50 a share—a remarkable performance for so big a company. Equally remarkable was its 23% return on stockholders' equity. Allows Chairman Lee L. Morgan, a pensive, professorial executive not given to hyperbole: "Business has been good."

Caterpillar has maintained its long-time leadership in earthmoving machinery by not only staying on top of technology but paying constant attention to market development and changing conditions. Most important, it has carefully positioned itself to benefit from the so-called multiplier effect of the business, in which one major construction project inevitably begets another. Before a new coal mine can produce ore, for instance, terrain must be cleared, accessroads built and facilities put up for workers, all of which call for earthmoving machinery.

Building up its capability to satisfy virtually every need for its equipment, Cat has garnered 40 percent of the worldwide market and, with around 50 percent of its sales from abroad, has maintained a four-to-one lead over its nearest international rival, Japan's Komatsu. In recent years, Cat has also become a major producer of diesel-engines and forklift trucks. "I can't think of much business opportunity that we have lost," Morgan says.

By so assiduously cultivating its markets, Cat has been able to diversify and grow with just two basic product lines—machines and engines. Unlike competitors Clark Equipment and Massey-Ferguson, which have bought growth with several acquisitions in recent years, Cat's sole shopping expedition was in 1965, when it reached out for Towmotor and a foothold in the burgeoning lift-truck business. Its diesel-engine business grew out of its own needs. As Morgan puts it: "Most companies look at diversification as a proliferation of products in many different lines, but that misses the point. A tractor doesn't really care where it works, in agriculture, oil exploration or road building, and that's the essence of diversification—being involved in many sectors of the economy. When we're spending $500 million a year on capital expenditures and $200 million on R&D, it is an indication of the opportunities we see in the businesses we are already in."

This year, Cat invested $550 million to expand production of diesel engines, large track-type vehicles, wheel loaders and hydraulic excavators. It also began delivery of new, bigger-capacity wheel loaders, log loaders and pipelayers, as well as its new D10 tractor, an enormous bulldozing pushme-pullyou that the company calls the largest and most productive track-type tractor in the world.

The quality principle

Earthmoving and materials handling machinery and equipment accounts for about 85 percent of Cat's sales and 95 percent of earnings. Behind that high level of profitability are not only the benefits of large-unit volume but an ingrained company principle of maintaining quality standards. Cat uses highly computerized manufacturing techniques in every plant to make sure that equipment produced in Aurora, Illinois, say, is the exact counterpart of that turned out in Glasgow or Sao Paulo, and every part is interchangeable throughout the world.

Product quality is something that Cat people hold as close as a catechism. A broken wheel loader, after all, can idle a fleet of trucks, halt a construction project and even shut down an industrial plant. Cat machines, which cost anywhere from $30,190 for a D3 tractor to $450,000 for the monstrous D10, are premium-priced; but a Cat emblem on the cab means that minimum time will be lost on the job because of breakdowns, and few customers balk at the high tickets. "Caterpillar responded to the critical downtime phenomenon earlier than its competitors," notes analyst Terry Nagelvoort of Goldman, Sachs & Co., "and provides a superior service capability that other manufacturers are struggling to achieve."

The growth record

	Revenues			Earnings per share				
	1978 est. (billions)	One-year increase (percent)	5-year annual growth rate (percent)	1978 est.	One-year increase (percent)	5-year annual growth rate (percent)	Latest 12-month dividend	Current yield (percent)
Boeing	$5.5	34.1	11.1	$7.00	65.1	42.8	$1.10	1.8
Caterpillar	7.0	20.7	16.4	6.50	26.0	15.7	1.88	3.3
Continental Illinois	[1] 0.6	15.0	15.1	4.50	11.1	13.8	1.38	5.2
General Electric	19.7	12.6	10.8	5.35	11.7	13.3	2.40	5.0
Schlumberger	2.6	18.2	21.0	5.80	23.9	40.0	1.18	1.4

[1] Net interest income.
December 1978.

To keep the Cats crawling, they are distributed through a worldwide organization of 268 dealers in over 150 countries. Stocking a parts inventory of some 25,000 items, Cat dealers claim to get a needed item to a machine anywhere in the world within 24 hours. With a combined net worth of over $2 billion, almost equal to that of Caterpillar itself, Cat dealerships are probably the most prized franchises this side of Cadillac. Assuming one were available—and they are in high demand—the company estimates that it would require an average investment of about $10 million for a U.S. dealer to go into business.

For Cat managers, the essential ingredient in the company's growth is well-defined corporate direction. Although Morgan, who took over the job a year ago, is Caterpillar's fourth chairman in the last eight years, Cat's growth plan has not deviated one iota in that time. "We operate on a pretty steady compass," he says. "We feel a strong obligation to perpetuate the concept of Caterpillar as a continuum with no great zigging or zagging in our policies."

Morgan has spent 32 years, or all his working life, at Caterpillar, and this is typical of Cat managers. "Most of us come here from college not knowing much else, and find a home," he says. Cat depends on its management development program to expose executive talent in every area of operations. President Robert E. Gilmore, for one, is a forty-year company man who came up from machine apprentice, while Morgan's route to the top was through sales.

No stars

While many large companies give lip service to the team concept, Caterpillar lives it under a policy that makes not one person but all staff and operating people responsible for obtaining results in each department. At Caterpillar, it is called being "severally responsible." More than that, the cult of the personality is unknown in Cat's executive suite. Pointedly, the public relations department puts out no personal profile of Morgan or any other top manager, and the company assumes a very low profile with the press. "This is no place for individual star performers," Morgan asserts. "We encourage an uncommon amount of subordination of personal wishes to the good of the company."

Strongly influenced by its roots in Peoria's Middle American farm country, big Caterpillar also tries to preserve a small-company atmosphere. "We realize that bureaucracy is inherent in any large organization," Morgan says, "but we try to see to it that the rate of bureaucracy does not get out of hand here." The six top officers who comprise Cat's Executive Office work within 100 feet of each other, and visits among them are frequent. According to Morgan, who is known as Lee to practically all Cat personnel, "The root of our organizational process is the ability of anyone to walk into my office."

Indeed, while the style may be informal, there is no question but that Peoria dominates the entire company throughout the world. In addition to strong centralized financial and production controls, the Executive Office keeps constant tab on every company operation and problem. For that matter, no management promotion, from department head up to vice president, is approved without Morgan's personal okay.

BOEING—BOEING CONQUERS THE SKIES

Looking ahead, analysts suggest that Cat may approach $8 billion in sales and earn perhaps $7 a share next year, a slowdown in growth attributed to problems in the huge overseas market. The tumbling U.S. dollar abroad has increased Cat's operating costs this year and cut into profit margins—although the effects this year were somewhat offset by the large amount of foreign sales (two-thirds) the company gets from machinery and equipment made in U.S. plants and sold for dollars overseas.

Further down the road, however, Cat watchers on Wall Street expect the foreign market to perk up as economies improve and bolster Cat's annual earnings growth to around 14% by 1980. The company never comments on such speculation. But with demand for Cat machines expected to continue strong and no letup in the company's search for new sales opportunities, Morgan is obviously not worried. Nor is he complacent. As he puts it: "Growth makes you work like hell." Just like a Caterpillar tractor.

In the twenty years since Boeing Co. introduced the 707, the Seattle planemaker has virtually flooded the skies, selling more planes (3,600 plus) to more airlines (from Air Algerie to Air Zaire) than any other company in the world. Today, with its command of over 50% of the global commercial aircraft market, Boeing's domination of its industry is awesome even in an age of corporate giants.

In looking at the Boeing record, though, what is most remarkable is the masterful way in which it is now being managed. Almost done in by poor planning and inefficiency in the early 1970s, it has been transformed into one of the most streamlined and best-run companies in industry under the leadership of T. (for Thornton) Wilson, the 33-year company man who became chairman and chief executive six years ago. Analysts who follow Boeing not only give Wilson high marks for planning and cost control but are impressed by the strength of his top-management team, particularly President Malcolm T. Stamper, who is chief operating officer, and E. H. ("Tex") Bouillion, head of the commercial aircraft operation. "They're an outstanding team and seem to work extremely well together," says Barry Gordon, vice president of investment firm National Aviation and Technical Corp.

Boeing's ability to pile strength on strength is now paying off in a big way. Last year profits skyrocketed 75% to $180.3 million, or $4.24 a share, on revenues of $4.1 billion, and they are expected to jump almost as much again this year to $7 a share, on $5.5 billion in revenues. At this point, Boeing is operating at literally 100% of capacity; and with its order backlog up to a record of $7.9 billion at latest count and new orders rolling in, it is planning to increase production by 47% (from nineteen to 28 planes a month) by the end of 1979. Besides that, it has already received substantial orders from the new generation of jets that will start coming off the production line in 1982.

Far outstripping rivals McDonnell Douglas and Lockheed, Boeing now accounts for close to 70% of American commercial jet sales, and analysts expect that percentage to increase with the next generation. It is clear that Boeing will be the only American company producing the new planes (McDonnell Douglas has almost officially withdrawn from the race, and Lockheed simply does not have the financial resources), and it will compete with probably just one company, the French-English Airbus Industrie, for a market that Wilson estimates will total more than $40 billion through 1987.

Product diversity

Boeing's ability to reach this dominant position in commercial aircraft stems largely from its policy of developing whole families of planes to meet the total needs of the commercial market. In the past two decades, it has put a new aircraft model or derivative in production on the average of one every ten months, for a total of 27 different versions of its 707, 727, 737, and 747 jets. It has been a costly gamble, but one that has paid off big in the past five years as the airlines' demand for planes of diverse size, range, and configuration has mushroomed. The biggest success by far has been the medium-range, 180-passanger 727. While Boeing originally figured on selling no fore than 290 of the planes, 727 sales have just passed the 1,600 mark and are still going strong. "It has just eaten up the competition," say Tex Bouillion.

As a matter of fact, the 727 helped save Boeing from the biggest mistake in its history—and near collapse. That was the company's well-known misguided entry into the jumbo jet market, when, expecting demand to be huge, it committed hundreds of millions of dollars to getting its new 747 into widespread production in the late 1960s, only to have the domestic market dry up almost overnight. Production waste and inefficiency got out of control, earnings plummeted and the company was hard put to meet its committments on skyrocketing debt.

To get Boeing out of the quagmire, Wilson, then president, was named to succeed William Allen as chief executive in 1972. "It was clear that stern measures had to be taken if the company was to avoid catastrophe," he recalls. Wilson slashed Boeing's swollen work force from 100,000 to 37,000, laid off one-third of its vice presidents and sharply cut the salaries of everyone from chairman on down. He then set about decentralizing the corporation and installing planning and cost-control systems. These measures, along with the growing success of the 727, turned the company around.

Under the new structure, Boeing's various businesses—commercial aircraft, military and space aircraft, missiles, computer services, engineering and construction and hydrofoil ships—are divided into seven operating units, or companies. Each company has almost complete production and marketing authority but is closely monitored and controlled by headquarters on financial, labor and inventory management.

All unit managers have an annual operating plan to follow, and control is maintained primarily through a formal computerized system requiring them to send to headquarters detailed quarterly reports on how well they are meeting their targets—including their progress in production and research and development and their use of such resources as working capital, labor and materials. In addition, each manager meets several times a month with Stamper to discuss new developments or to iron out any deviations from the operating plan. A computer program also has been set up to control the daily flow of aircraft parts.

Efficiency and creativity

To Wilson, a cost-conscious aeronautical engineer by training, such controls are essential to Boeing's ongoing profit performance. He notes that the company is now producing its 747s with one-fourth the labor it required five years ago and that inventory control of parts, which is vital to timely and efficient production, has reached what the company considers the optimum level.

At the same time, Wilson dislikes the rigidity of the typical giant corporation and tries to promote a feeling of creativity among his managers. By stressing innovation and encouraging managers to bend the rules when necessary, he believes, Boeing benefits from a management flexibility more common to small companies. "In a big bureaucratic organization like this," he says, "it's tough to get things changed unless you feel free to adapt them as needed."

To analysts who follow the company, that freedom has been a distinguishing trait of the Boeing management style over the past five years. 'Top management has gone through a baptism of fire," says John MacKenzie, research vice president of Seattle brokerage firm Foster & Marshall Inc., "which has made them mature leaders but without costing them their entrepreneurial spirit."

Commercial aircraft now account for around 75% of Boeing's operating earnings, up from 60% five years ago. While the 727 has produced the bulk of aircraft profits for the past three years, the company has also begun to get higher-than-expected returns from the 130-passenger 737, its smallest plane, which is becoming increasingly popular for flights between small cities in the U.S. and abroad. Wilson figures the 737 and 727 will continue selling well into the early 1980s.

On top of that, the 747 has finally become the big seller the company always thought it would be. With sales of the jumbo over the 400 mark and more than seventy ordered this year alone, it has become what analysts call a "cash cow." The 747 figures to be the only plane of its kind far into the future, and Wilson expects it to become Boeing's biggest earnings producer, as well as the major source of internal funds for the development of its new generation of aircraft.

One reason for Boeing's strength has been its ability to build up strong customer loyalty over the years—a phenomenon largely credited to its sales and service organization, which many observers consider its greatest hidden strength. Each of Boeing's 450 sales and 1,600 service people around the world is expected to maintain close, continuous contact with customers and to keep track of traffic patterns, airline requirements and what the competition is up to.

The salesmen, mostly engineers, are given a great deal of freedom. For one thing, they routinely confer with company design engineers on aircraft modifications to meet the special needs of a particular airline; and the most popular version of Boeing's 747, the so-called Omni combined passenger and cargo carrier, was developed for Sabena Airlines on recommendation of a salesman. To back up the salesmen, Wilson, Stamper and Bouillion often meet personally with airline chief executives, an accessibility that has further helped build up customer loyalty.

The next generation

Boeing's major challenge, of course, is its new family of economy jets now under development: the 757, a twin-engine, 1,600-

mile-range plane designed to carry 175 passengers; the twin-engine, 2,300-mile 767 for 200 passengers; and the still larger (as yet unspecified) 777. The three planes are expected to deliver operating cost savings of as much as 35 percent, primarily on fuel, over current models. Boeing still doesn't talk much about the technological advances of the planes, but it is known to be using a radical new wing that sharply increases fuel efficiency by reducing air resistance.

Boeing got a good head start on orders for the new jets this year. United Airlines ordered thirty 767s for $1.3 billion; Eastern Airlines and British Airways added $1.3 billion for forty 757s; and last month American Airlines ordered thirty 767s, and Delta twenty, for a total of $1.9 billion.

The new planes are expected to cost Boeing an eye-opening $1.5 billion-to-$2 billion to develop. Wilson admits the company went through a period of soul-searching over such a large financial commitment. While everybody knew that the market for aircraft would be huge in the 1980s, the problem was figuring out how big and exactly what kind of planes the airlines would need.

Realizing after the 747 fiasco that the largely intuitive approach of the past was not good enough, the company set up a computerized long-range forecasting system—including highly detailed data continually gathered from more than seventy airlines around the world plus its own economic assumptions—which it believes has allowed it to analyze the future needs of the airlines quite precisely. And even if the market does not develop exactly as the company has forecast, which Wilson admits is possible, it still expects to get at least half the market and profit handsomely.

Boeing has projected the total world market for new aircraft (both current and new generation) over the next decade at $82 billion. It figures that around $32 billion of that will be for replacement aircraft, largely to meet the new U.S. anti-noise and anti-pollution standards beginning in 1982. On top of that, the airlines have bought so few planes during the past eight years that few have large enough fleets to accommodate the expected growth in passenger traffic, which is estimated at a 6% annual rate for the next ten years. Boeing expects this expansion to create sales of $50 billion.

The 757 and 767 are planned to serve short- and medium-range routes, which are rapidly becoming the biggest and fastest growing segment of the market. The 777 is expected to catch the market for transcontinental grow as airline fares come down within reach flights, which Boeing thinks will continue to grow as airline fares come down within reach of almost everyone's pocketbook.

No strain

Wilson, is confident that Boeing can finance the development and tooling costs on the new planes over the next four years without undue strain on financial resources. With the $1.2 billion in cash now on hand, the annual cash flows anticipated from its monumental backlog and the income from early orders on the new planes, he says, the company will not have to raise capital for at least some time to come.

As for the impact of these costs on profits, which Boeing declines to discuss, analysts believe that 1979 will be another big year, with earnings at $8.75-to-$9 a share, followed by some falloff in the current profit growth in 1980 and 1981. But because Boeing traditionally charges off all development costs against earnings as they are incurred its earnings tend to soar when plane sales increase sharply (such as right now), and analysts figure such an upsurge is likely to begin again around 1982.

Moreover, while commercial aircraft may be providing all the excitement at Boeing these days, Wilson is also looking for strong growth in the company's military and space business, computer services and hydrofoil boats. Altogether, he says, they should bring in sales of $7 billion-to-$9 billion over the next ten years, a nice backup by any measure to the Boeing aircraft juggernaut.

THE GUSHER AT SCHLUMBERGER

Schlumberger Ltd, fits perfectly the textbook profile of a classic growth company. It is a leader in a rapidly growing market—the oil exploration business—for which it provides a highly technical and essential service called wireline, or oil-well logging. It enjoys gargantuan profit margins of roughly 49% on this part of its business. Even though its technology is not proprietary in the sense of being protected by patents, its unsurpassed reputation for quality makes it seem that way, and it has consistently reinvested its profits in perfecting and improving its tools and equipment. By thus making entry into its field fobiddingly expensive, Schlumberger has kept the competition at bay and maintained a stranglehold on 72% of the wireline services market.

Of course, Schlumberger had a headstart. Founded fifty years ago by French brothers Conrad and Marcel Schlumberger (*Schlum-bur-jay*), who invented the oil-logging business, the company built up its leadership position and technological expertise and maintained them even through the bad years of Depression and sagging oil exploration. Thus it was perfectly positioned in 1974 to capitalize on the exploration boom touched off by the oil embargo, and has since reaped the benefits of its single-mindedness.

From 1972, Schlumberger's earnings grew at a compounded annual rate of 40%, to reach $401.5 million, or $4.68 a share, on sales of $2.1 billion last year. And with almost no long-term debt, its return on stockholders' equity was over 33%—a spectacular achievement for a multibillion-dollar company. This year, analysts estimate another 24% increase in earnings to $5.80 a share. And early estimates for 1979 are $7-to-$7.40.

Schlumberger has managed this explosive growth with incredible smoothness, meeting the skyrocketing demand for its services without faltering in product quality or management control. Beyond that, it has launched major breakthroughs in technology. It is currently in the process of converting all its field equipment to a new computerized system; it is introducing a whole new generation of wireline tools; and it is leading the race to perfect another set of tools for a brand-new oil-drilling service.

A valuable tool

Wireline logging is an important information service for companies looking for oil and gas. An electronic sensor attached to a wireline, or cable, is dropped down the well being drilled, and the signals sent back from the end of the wireline are printed as squiggly lines on a film. By reading the graph, an engineer can tell in precise detail how much oil or gas is presented and how easy or tough it will be to get out. Since the Schlumberger brothers invented the first electric pulse-reading tools, new exotic devices have been developed that use sonar probes, gamma-ray scattering and neutron bombardment.

Schlumberger has concentrated its wireline business on the toughest, most lucrative kinds of jobs—that is, wildcatting and offshore exploration—and analysts estimate that it gets 90%-to-100% of that market. Competitors Halliburton and Dresser Industries also have enjoyed solid gains from wireline services during the past five years, but these have come from the growth of the market, not by taking customers away from Schlumberger.

Wireline services accounted for 30% of Schlumberger's sales and 66% of earnings in 1977. Other oil-field services, particularly its Forex-Neptune drilling contractor arm, added another 19% of income. In recent years the company has also diversified into electronics (Heath and EMR Telemetry) and the manufacture of meters (Compagnie des Compteurs and Sangamo Weston). Analysts once criticized these investments as diluting Schlumberger's high rate of return, but now they admit that under the company's strong management, they have improved in earning power and hold promise of a respectable return on investment.

Jean Riboud, the 59-year-old Frenchman who has been chief executive of Schlumberger since 1965, credits Schlumberger's success to the "independent thinking" of the company's founders and subsequent managers. Certainly the company is unique in its management style and organization. Incorporated as a public company in the Netherlands Antilles in 1965, it reflects both its French heritage and official status as an American company. Schlumberger is headquartered in New York and English is the official language, but the chief executive has always been French and manufacturing operations are located in both France and the U.S.

Headquarters, just two floors of a Park Avenue office tower, seems designed mostly to accommodate lawyers and accountants. The management team consists of a handful of group vice presidents, who report to another Frenchman, Executive Vice President Roland Genin, and they may get together to confer on business in New York, Paris or Houston. Riboud himself spends six months in New York and six months in Paris. "Our goal," he says, "is to mix the best of the human resources of Europe with the service attitude and management ability of Americans."

Getting the best

"Our constant preoccupation is the superiority of our technical effort," states Riboud, who assiduously cultivates Schlumberger's reputation for spending money to get the best. And he can afford to. Wireline is amazingly lucrative because it is a performance-sensitive rather than price-sensitive business. Since logging costs are only a minute fraction of total drilling costs, an oil driller is move concerned about the accuracy and speed of the operation than what it costs. So the company can manufacture its equipment with an absolute concern for reliability, taking as many years as necessary to perfect a tool. "While sometimes a competitor will be first with a given item," says analyst Peter Vig of Montgomery Securities, "when Schlumberger introduces the product it will be more complete and of better quality."

To get these results, Schumberger subjects new products to elaborate tests, rating each tool in terms of down time—that is, the amount of time it must be in the shop for repair—and systematically sending back failure reports to the design group until it meets standards. The major oil companies know the attention that Schumberger pays to produce quality because much of its field testing is done in their wells.

The same care is lavished on Schlumberger's field crews, which are as essential to its operations as its tools. The company glorifies the field engineers who run the crews as an elite, crack corps of super-performers. Numbering fewer than 2,000 out of a total work force of 48,400, their recruiting, training and compensation are a major management obsession.

Indeed, the experience of being a field engineer is the common crucible that forms Schlumberger's management ranks (Riboud, a financial man, is an exception), and top executives reminisce about remembered hardships in the field as if today's challenges where only a pale reflection of those exciting times. Schlumberger is naturally highly decentralized, since it must follow the drill bit all over the world. Nevertheless, notes analyst

James Horan of Bache Halsey Stuart Shields, "The managers all came out of the same mold, and the instant communication of buddies who fought in the war together adds to management efficiency."

Far from civilization, be it in Recife, Brazil, Sumatra, Nigeria or Alaska, the Schlumberger field engineer in charge of an oil-well project is armed with a truck—or skid—carrying sensitive, sophisticated electronic gear worth up to $500,000. He is responsible for running the logging tests, repairing equipment, writing reports and billing customers. To finish a job, he may work 48 hours at a stretch. Besides his salary, he receives an incentive bonus that brings the average field engineer income to $30,000 with some earning as much as $50,000 a year, a tempting sum for a man under thirty.

This year, as always, Schlumberger will scour engineering schools around the world looking for graduates to train as field engineers—and will probably hire 800. More than 25% of the trainees will drop out before the first year of schooling and field training is over. Trainees run an obstacle course of exams and must pass a qualifying test to become field engineers after six years. In the interim, they move often and far, working on oil wells all over the world. "It's a tough job in a tough environment," Riboud says. "So it's quite normal that there should be turnover."

Plenty of cash

Schlumberger spends more money on wireline research and development ($38 million in 1977) and new plant and equipment (it spent $212 million in 1977 and reportedly planned to up this 50% this year) than all its competitors. Development of its new generation of computerized service units, for example, is expected to require at least $500 million in capital outlays, according to analysts. By the end of last year, Schlumberger had sixty such units in the field, 150 more were added this year, and by 1982 the company expects its entire fleet of more than 1,200 trucks to be converted. Schlumberger can handle even this tidy sum readily. It had more than $650 million in cash and equivalents on its 1977 balance sheet, current assets are more than twice current debt, long-term debt is a paltry $56 million—in other words, an impeccable balance sheet.

On top of all its ongoing projects, Schlumberger is enmeshed in one of the most important engineering projects in its history: the development of a new oil service technology called measurement while drilling (MWD). Aimed at raising productivity, MWD gives oil drillers vital information never before available about the drilling process. While drilling is in progress, it sends back data about the direction the drill bit is taking, the amount of time the equipment is working at peak efficiency and the presence of unsafe conditions that could cause blowouts. Says Bernard Alpaerts, a Schlumberger group vice president: "It can mean faster, safer drilling. On an offshore drilling operation that can cost, say, $50,000 a day, the service could save 10%-to-20% in time."

Dozens of companies, including Motorola, Westingthouse and Raytheon, are racing to develop and bring out equipment for the MWD market, which could reach $500 million-to-$1 billion in size by 1985, according to oil service analyst John B. Walker of Paine Webber Mitchell Hutchins. Walker predicts that Schlumberger will get 50% or more of the business for MWD services because of the superiority of its equipment.

How much will this mean to the company? Alpaerts will only say: "It may not be the right arm of Schlumberger, but it may be the left arm."

HERE COMES CONTINENTAL ILLINOIS

A decade ago, Continental Illinois National Bank & Trust Co. was known as a conservative but expanding Midwest bank with a handful of foreign branches scattered about the globe. At the time, its greatest distinction was that its chairman, David M. Kennedy, was tapped to be the first of the Nixon Administration's many Treasury Secretaries.

What a difference ten years can make. Today, as the seventh-largest bank in the nation and the biggest between the two coasts, Continental Illinois is an international money-center bank offering services across the entire banking spectrum. More important, it is rated by security analysts and the banking industry as one of the top five banks in the nation serving the corporate community. Under the dynamic leadership of Chairman Roger E. Anderson, Continental Illinois has garnered a reputation for quality service, innovation and a pragmatic, rather than conservative, approach to banking.

Anderson, who went to work for Continental in 1946, spent most of his tenure in international operations. Since taking over the CEO reins in 1973, he has aggressively competed with the major New York banks for customers both here and abroad, while instituting strict operating and financial controls and planning goals within the bank. He has also stressed management training and development, producing a depth and breadth of executive talent rivaled by few in the industry. "Continental has superior management at the top, and its management is very deep," says an analyst at First Boston Corp. "It has excellent people all through the bank."

The results of Anderson's leadership are evident. Continental Illinois has achieved one of the best and most consistent performance records in the industry over the past five years. Its 14.9% return on equity in 1977 was surpassed only by BankAmerica Corp., at 15.8%, among the ten top banks in the nation, while it inched out Citicorp. (14.7%), Manufacturers Hanover (14.3%) and J.P. Morgan (14.2%) and far surpassed Chase Manhattan (7.5%). For the first half of 1978, Continental's return on equity climbed further to 15.4%.

The company's profits grew at a 13.8% compounded annual rate in the five years to 1977, and they are expected to hit another record of about $168 million, or $4.50 a share, this year on gross revenues (net interest income) of around $600 million. And in 1979 it should earn at least $5 a share.

Soaring loan business

Most important to Continental has been the growing impact of its loan business, which soared from $2.6 billion in 1973 to $4.9 billion at the end of 1977. And its domestic loan business was up 19% over a year earlier at the end of 1978's third quarter. According to Continental's own figures, its share of the commercial and industrial loan market rose from 3.91% at the end of 1974 to 4.79% in the first quarter of 1978—for the only substantial gain among the major banks. In the same period, Bank America's share stayed relatively flat, while such banks as Morgan Guaranty, Manufacturers Hanover and Citibank experienced declines.

Analysts rank Continental's loan portfolio on a par with J.P. Morgan's, which is considered by many to be the premier corporate bank in the country. With one of the lowest percentages of nonperforming loans and loan charge-offs in the industry, Continental has maintained the industry's highest reserve for loan losses as a percentage of total loans, giving it an ample cushion for any future losses. It also boasts the highest loan recovery rate.

That performance is remarkable considering the stormy atmosphere in which banks have operated during the 1970s. Wildly gyrating interest rates, the misfortunes of the dollar and the collapse of the real-estate market during the recession have all played havoc with a number of New York banks. In fact, Continental was one of the very few top banks to score impressive earnings gain in dismal 1976.

When Anderson became CEO, he realized that effective controls were needed if Continental was to successfully compete in markets dominated by the better-known New York banks. He set up a system requiring the heads of the bank's 26 departments to report to top management both quarterly and annually on a variety of targets. These included such short-range goals as return on equity, expenses and profits; strategic goals like expanding market share, new services and long-range expense control; and personal goals, such as hiring and promoting more women and minorities and using staff more effectively.

Such controls were particularly important to oversee the bank's mushrooming foreign operations. Because Illinois state law forbids branch banking, Continental had little experience in opening offices. Thus when it began it rapid overseas expansion in the late 1960s and early 1970s, it had to spend much of its time learning the mechanics of setting up branches, a lesson that the other banks had learned years before. Under Anderson, foreign operations have become much more efficient, and Continental's 77 facilities in 38 foreign countries currently bring in 39 percent of revenues and 17 percent of operating earnings.

Efficiency at the top

At Anderson's urging, in 1976 Continental's board of directors also set up a three-man Executive Office to oversee the bank's increasingly complex activities more effectively. Anderson handles internal controls and potential new ventures and serves as Continental's ambassador abroad. Vice Chairman Donald C. Miller watches the money-market and macroeconomic picture. President John H. Perkins is in charge of government relations and municipal financing.

To make banking easier for corporate clients and assure quality service. Anderson also undertook a massive reorganization of Continental's commercial banking department in 1976 and 1977. The department was divided into three service areas: one for American corporate customers, the second for foreign customers and the third for multinational corporations.

According to Anderson, the results of the reorganization have been felt more quickly than anticipated. Continental has not only seen substantial growth in the volume of loans to overseas subsidiaries of American companies, but has increased lending to foreign multinations to finance their U.S. operations. "The latter has been particularly important in light of the recent expansions and increase in acquisitions by overseas companies in the U.S.," he says. Anderson believes the reorganization will also help Continental meet increased competition for loans over the next five years, particularly from foreign banks, the commercial paper market and insurance companies.

Anderson's aim is to make Continental one of the three top U.S. banks serving industry. He won't say what banks he expects to overtake, but insists: "We expect to reach that goal in the next few years."

To boost profit margins in its overseas operations, Anderson explains, Continental will be opening fewer new facilities and concentrating on getting more business through the existing offices. "It would be unrealistic to expect overseas profit margins to equal those in the U.S.," he says. "But we have already substantially increased our multinational business abroad and that will continue. We are also concentrating on getting more business from national companies overseas. And while foreign corporate business is the most difficult market for an American bank to penetrate, we think we'll be looking better in the future."

Banking innovator

In addition to improving its services, Continental has also demonstrated its ability to come up with innovative ideas. It was the first bank, for instance, to set up a formalized money-market center for customers, providing a variety of services such as foreign-exchange execution and management and short-term money-market management, as well as the traditional areas of estate planning and trusts.

And in an effort to attract medium-term borrowing and compete against other funding sources open to corporations, in the early 1970s Continental startled the industry with the then radical idea called the "cap" loan—whereby a corporation can borrow money at interest rates within a set range that are maintained for the life of the loan no matter how high the prime rate goes. Thus, unlike traditional loans tied to the floating prime, the "cap" loan allows the corporate customer to determine the cost of the loan over its lifetime and budget accordingly. Several other major banks have followed in Continental's footsteps and offer "cap" loans.

In the future, Anderson says, Continental will strengthen the marketing and promoting of its noncredit services, such as export financing, cash management and letters of credit. But it will continue to give most of its attention to the bread-and-butter business of commercial lending. "It will be more of the same," he notes. "At Continental, we put the emphasis on the bottom line."●

THE U.N. TODAY

● Mr. PERCY. Mr. President, Senator ABRAHAM RIBICOFF delivered an outstanding statement in the U.N. Second Committee on October 20, 1978. It is a practical statement and takes a pragmatic view of the many problems facing U.N. members today. Its substance ranges from a philosophic overview of the role of the U.N. today to some of the practical realities of the North/South dialog. Senator RIBICOFF's service at the U.N. as a representative of the United States was, I am sure, invaluable both professionally and personally.

Mr. President, I request that the statement be printed in the RECORD.

The statement follows:

STATEMENT BY SENATOR ABRAHAM RIBICOFF

Mr. Chairman and Fellow Colleagues: I am a legislator, not a diplomat. In many years of government I have found that the best way to be understood is to be frank and direct. I admire diplomats. They can weave a nuance into a treaty and make a political disaster sound like a slight disagreement. If I am more frank than diplomatic today, please attribute that to my desire to share my thoughts with you—and to be understood.

I come to the United Nations with a degree of skepticism. The basic premise of the United Nations is an inspiration to me. It must be to anyone who remembers why the United Nations was created and how the world looked in the early 1940's. I believe in the principles of the United Nations Charter. I am skeptical today because member nations have too often been cynical in their use of the United Nations system.

I have listened to and read many of the speeches before the General Assembly. There is no richer collection of the dangers and challenges and hopes facing mankind than those presented to the General Assembly. That's where they belong.

I have been encouraged by the work of the Security Council. Its deliberations are serious, its status is respected, and its peacekeeping operations are effective. It deserves the support of member nations.

Here in the Second Committee we are concerned with international economic problems and especially with development and structural change. Secretary of State Vance underscored American commitment to progress in this vein in his address of September 29 to the plenary. I will expand upon the directions he set. Next to war and peace the future of all relations with the developing nations may well be the most crucial long-term challenge facing the world.

It is in this area that I sense in the American people a blend of skepticism and hope toward the United Nations. As chairman of the Senate Governmental Affairs Committee I have examined United States participation in international organizations. Frankly, there are problems. There is duplication of work and a proliferation of international agencies. As specialized agencies have become more and more oriented toward development and technical assistance their performance has become more uneven. We need to cut out overlapping programs. We need more thorough coordination within a tighter United Nations management system. And we need especially more disciplined management of resources.

In specialized agencies, issues which should properly be dealt with in the General Assembly or Security Council have turned the possibility of economic and technical cooperation into political debates. This situation risks making the specialized agencies ineffective. If we can't meet to set radio frequencies or improve agriculture or upgrade primary education without finding an "imperialist" or "communist" or "capitalist" or whatever to castigate, then we are not being serious about the work at hand. Similarly, if greater efforts are made to publicize differences than areas of common interest, public support for the United Nations will be weakened.

My own view is that the United States should work enthusiastically with other member nations in the functional agencies. Where productive efforts are possible they should be reinforced. But where such work is impeded by rhetoric, and where we encounter only abuse, we should cut our efforts accordingly.

Over the years in Geneva, New York, Paris, and other cities where the United Nations is at work I have talked with knowledgeable men and women such as you. I find that both the problems of international organizations and the difficulties of development are understood. It's remarkable how much consensus exists in private—or even outside these doors in the Delegates' Lounge. One to one we communicate; we understand each other's problems. Yet in large forums discussions are altogether different.

The developing nations don't want to cut themselves off out of spite. Nor will the developed countries deliberately destroy themselves and the mutual benefits of interdependence. Both of these statements are constantly reaffirmed. I was a member of the United States delegation to the CIEC in Paris and was personally disappointed when those delegates—who readily admitted that small, direct talks held the greatest promise—decided to abandon that forum. I fully understand the need for universal access. But in large caucuses we must make sure that nations do not try to outdo each other in rhetoric if not in reality.

Unless we talk frankly and honestly together we will not be able to join forces to attack hunger and poverty. There is every reason to fight these blights on humanity as tenaciously as man fights for his freedom. There is every reason to promote development in the context of a new and more equitable international economic order. But, unless we listen to each other and stop repeating rhetoric and slogans the hope of common purpose in North/South relations may fall by the wayside. We can either work together on practical solutions or we can continue from UNCTAD 8 and 6 and 7 to UNCTAD 10 and 20 talking past each other.

Let's reason together. Our goal must not be to prove our stridency to the delegates beside us, but rather to find workable results in partnership with each other.

Mr. Chairman, United States policy toward the United Nations development system continues to include the following essential elements:

First, we are prepared to join in greater cooperative efforts to meet the needs of the world's poor majority.

Second, we seek improved performance and efficiency in United Nations development efforts.

Substantial progress in achieving these objectives will make it possible for the United States to continue increasing its support for such programs.

As regards immediate prospects, my government expects very shortly to be able to pledge a firm contribution to the UNDP for 1979 at a level higher than that for 1978, to help it continue to play its central role in technical cooperation. We also plan to provide continuing financial support to the United Nations Capital Development Fund. We remain impressed by the solid performance of United Nations Fund for Population Activities and will make an appropriate contribution to that program for its 1979 activities.

The issue of technical assistance to developing nations funded through the regular budgets of the United Nations and the specialized agencies is controversial in the United States. In the closing days of this past session, the United States Congress acted to cut $27 million in technical assistance funds from the United States contribution to the budgets of the United Nations and 12 specialized agencies, an amount which represents the assessed United States share of the cost of technical assistance activities of these organizations next year. The Congress also required that assurances be provided that none of the remainder of the United States contribution be used to fund technical assistance. President Carter has urged that the funds be restored and this requirement be dropped by the next session of Congress.

In a spirit of frankness and openness, let me share with you my Government's perspective and that of many of my colleagues in Congress.

This and previous administrations in Washington have generally recognized that a portion of what is loosely termed "technical assistance" deserves financing through the regular budgets of the United Nations and its specialized agencies, provided clear criteria are met. Thus, the burden of paying for programs of benefit to all—such as control of contageous disease or gathering data for long-range weather forecasting—should be shared by all. And there are occasions when emergencies—such as a sudden outbreak of livestock or plant disease—can only be met through regular budget funding. But these should be exceptions to a general rule of funding development—related assistance through voluntary programs. As concerns the technical cooperation programs of the United Nations system, UNDP should be the recipient of contributions and the principal coordinator of such programs.

Many in the United States Congress support this policy. They see efforts to expand technical assistance financed through regular budgets a potential challenge to the fundamental consensus reached as regards the role of the UNDP.

I am confident that the Congress will reconsider the technical assistance issue early next year and heed President Carter's call to reverse the restrictions on United States contributions to the United Nations and its agencies. The American people will support sound bilateral and multilateral development programs because they result in mutual benefits. But we must all approach the sensitive issue of assessed funding for development purposes with the realization that progress can only be made on the basis of a consensus between donors and recipients that their mutual ends are served.

Through my own personal involvement in CIEC, UNCTAD IV, and the OECD I have participated in efforts to agree on important structural changes in the international economic system. Among recent advances, there has been progress on the integrated program for commodities and a significant liberalization of the IMF compensatory financing facility. There have been increases in the capital of multilateral development institutions. Agreement has been reached on aspects of the problems of debt, including retroactive terms adjustment. We have begun work on an industrial technological information bank and a network for the exchange of technological information. We have established the international fund for agricultural development. We have held important world conferences on water, desertification, and technical cooperation among developing countries. We are in the midst of preparations for UNCTAD V, the world conference on agrarian reform and rural development, and the United Nations conference on science and technology for development is less than a year away. The quality and quantity of official development assistance has improved.

As this Assembly meets, the multilateral trade negotiations in Geneva are reaching their conclusion, and negotiations on a Common Fund will resume. In the framework of UNCTAD, an effort will be made to bridge the substantial differences remaining on a Code of Conduct for the Transfer of Technology. Success will depend on the willingness of all to make hard decisions and to compromise.

My delegation believes that this general debate should cover the major portion of the agenda items to be discussed in this committee. My remarks will, unfortunately, be less than complete because my delegation, like other, has not been able to examine a substantial part of the documentation on which our work will be based. The operational procedures of this Committee cannot be improved until this serious documentation problem is resolved.

Important responsibilities have been passed to us by the Economic and Social Council.

One of these concerns energy. I strongly believe, Mr. Chairman, that we must act now to develop new energy sources if we are to make the transition from an oil-based world economy to one which relies necessarily on new and renewable sources of energy. We believe that the United Nations has a role to play in achieving this goal, as part of a coordinated effort. The Economic and Social Council has passed to us the recommendation that the General Assembly give favorble consideration to convening a conference on new and renewable sources of energy at the earliest possible date. We support this resolution and hope that the conference can be held in 1981. Furthermore, as Secretary Vance remarked in his statement to the plenary, we also believe that the UNDP could become more involved in facilitating the development of energy sources.

The Council has also recommended to the Assembly the passage of the resolution on the African Decade for Transport and Communications. My delegation fully supports passage of this resolution. The logic for our support for the decade should be clear. The United States supports this initiative because we believe that modern transport and communications system are basic to rural development.

We will continue to work with the Economic Commission for Africa and other multilateral institutions to promote the development of African economies and their integration.

Other subjects for the consideration of this Committee derive from resolutions passed at previous meetings of the General Assembly.

My delegation is awaiting the report of the Secretary General on the effective mobilization of women in development, as called for two years ago. The United States Government supports programs, projects and activities which will help to integrate women as equal partners in the national economies and societies of developing countries. This commitment finds strength and direction in the worldwide effort which is growing out of International Women's Year and the United Nations Decade for Women. With the United Nations World Plan of Action as a guide, we are developing our economic assistance projects to insure that women's needs along with men's are properly addressed and that women are included not simply as beneficiaries but as active participants in the development process. Specifically, this dynamic process is focused on three themes which especially affect poor rural women: education and training, participation and organization, employment and production.

As we prepare to draft a new international development strategy, the comments from many delegations at the summer meeting of the Economic and Social Council will have to be borne in mind. I would recall in particular the relevant portion of Ambassador Young's speech in the General Debate. More recently, we have gained new insights beginning with the very significant observations made by Director General Dadzie in the statement which opened this general debate.

Secretary Vance noted that resource transfers to developing countries should not be considered a sacrifice for donors or a benefit for recipients only. They are a contribution to enhance the prosperity of all of us. Therefore, to assure global prosperity, we must design a new International Development Strategy which will stimulate increased investment and rapid growth in LDC's. We would like to see a long-range strategy, covering two decades.

The strategy should be evolutionary and dynamic, so that it can be adapted from time to time to new economic realities. It must also be realistic—outlining the responsibilities of all nations if we wish to succeed in reducing the gaps between rich and poor, among and within nations.

The United States is ready to do its part. In Section 102(c) of the recently-passed Foreign Assistance Act, the Congress called for a worldwide cooperative effort to overcome the worst aspects of absolute poverty by the year 2,000 and to assure self-reliant growth in developing countries. The Congress proposed, among other measures: "substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy and employment." We urge all nations to join in developing a strategy which will include these objectives.

In 1978 the development advisory committed members of the OECD provided $13.7 billion in official development assistance which is .33 percent of those nations' gross national product. OPEC nations provided $5.2 billion in aid, which is 2.1 percent of GNP. The Soviet Union and eastern Europe provided $395 million, which is .03 percent of GNP.

We are glad to note that the developing countries are increasingly aware of this discrepancy as indicated by the October communique of the non-aligned ministers and recent statements of the non-aligned leaders.

The United States joins with the North and with the South in these efforts to help create a better world for all of us. We do not do it out of guilt. Colonial remorse is not the motivation for assistance, the OPEC countries, for example, are making a substantial contribution. We reject the concept that the West alone should bear the burden of meeting the needs of the South.

Americans are impatient with the gap between our effort and that of the Eastern centrally planned economies. We cannot accept the criticism directed at the west while the east is spared the same standard.

But unless excuses are recognized as just that, the criticism directed at the United States will be difficult to tolerate. To ignore this point will be to weaken the legitimacy of the North/South Dialogue among the people of the West.

Another of the important resolutions passed in this committee last year was the restructuring of the economic and social sectors of the United Nations system.

At the Economic and Social Council this summer, we received first reports of the implementation of the restructuring recommendations within the Secretariat. The United States gave its initial comments, which I shall not repeat here except to say that my delegation attaches great importance to the role of Director General Kenneth Dadzie in the restructuring process. We look to Mr. Dadzie to provide the necessary leadership, orientation and coordination within the United Nations system in the fields of development and international economic cooperation. We are pleased at the progress made in implementing the restructuring recommendations pertaining to the Secretariat and to certain other sectors.

We are disappointed, however, at the inability of the Economic and Social Council to reach agreement on the restructuring of its own work on the basis of resolution 32/197. We continue to stand ready to work closely with other delegations to reach a comprehensive and mutually accepted set of measures to strengthen the Council's capabilities and make it the primary United Nations focal point for economic and social issues in years to come.

If the full and balanced set of measures contained in the various informal papers submitted this year cannot now be obtained, my delegation is also willing to explore means whereby the formula of subject-oriented sessions might be tried on a limited and experimental basis, so as to allay existing doubts and permit agreement on a more comprehensive package early in the 1980's.

During this session, the committee will also be invited to consider the follow-up to a number of United Nations Conferences, the preparations for another, as well as an important commemorative year which does not involve a conference. Rather than consider these separately as we are accustomed to doing, I believe much could be gained by taking our overall view of progress associated with all of these events.

The more deeply we analyze the responsibilities and progress of a particular agency or program, the more evident it becomes that there is greater need for an integrated approach to the resolution of the problems these conferences were designed to face. It is understandable then that United Nations resolutions, particularly those borne out of world conferences such as those regarding environment, water, desertification, food, transportation, population, and habitat, all request that each United Nations body and each country take into consideration the impact of its programs on all of the other facets of concern.

The United States is currently studying another critical issue, tropical deforestation. The major conclusion and recommendations which emerged from a recent conference held in the United States on this subject

was that the community of nations should launch an accelerated and coordinated attack on the problems if these greatly undervalued and probably irreplaceable resources are to be protected from virtual destruction by the early part of the next century.

We urge the United Nations to assign to the United Nations environment program the task of how best to address this problem.

We look forward to the report of the Secretary General on the followup of the Water Conference and Desertification Conference.

It will be almost a year since Resolution 32/162 created the United Nations Center for Human Settlements together with its governing body, the Commission on Human Settlements. We believe in the concept of this change, for it recognizes the need for an integrated and coordinated approach to a decent living environment. At the same time we, along with other countries, are disappointed at the slow pace with which this welcome change is being effected. We urge the Executive Director of the Centre to complete the administrative preparatory chores as soon as possible so that the Centre can get on with its work.

My government was pleased to work for and join in the consensus reached last month on the establishment of the "Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation Among Developing Countries." We will continue to do our part in forwarding the goals of "TCDS."

An important conference to cap many previous conferences is the United Nations Conference on Science and Technology for Development to be held next August in Vienna. The United States hopes to make a direct contribution in this area through President Carter's initiative to set up a Foundation for International Technological Cooperation. The President plans to request Congressional support for the Foundation in his budget presentation for fiscal year 1980. As now envisaged, the aims of the Foundation will be to:

Assist developing countries in strengthening their indigenous scientific and technological capabilities;

Develop scientific and technological education and manpower training programs;

Encourage both public and private institutions engaged in scientific and technological efforts relevant to development; and

Support collaborative research and development between the United States and developing country institutions.

The *International Year of the Child* will be celebrated during 1979. We hope that, as each nation addresses its particular set of problems, it will also share its findings with other countries, for there is no nation which is not experiencing problems which affect children, be they physical, psychological, or intellectual.

Concern about food and world hunger is particularly strong in the United States. Even in this period when Americans feel the pinch of taxes and the squeeze of inflation, most agree that increasing food supplies for the poorest people and the poorest countries is an obligation. Secretary Vance, in his speech to the General Assembly, listed United States policy and programs for improving world food supplies. These are:

Creation of a grain reserve in the United States;

Support for establishing an international wheat agreement, which will achieve a greater degree of world food security;

Maintenance of our food aid levels in keeping with the target set at the World Food Conference;

Support of the International Fund for Agricultural Development, and other efforts to promote food production in developing countries.

We are giving increased attention to the capacity for self-reliance and production of small farmers. Yet we know that increased food production for the rural and the landless poor depends on the villagers and small farmers; the poor are not able to buy imported grain. Ambassador Young, speaking in November 1977 to the FAO Conference in Rome, called for more attention to the creation of volunteer corps for village agriculture, or Food Corps. A number of countries are actively working to create such volunteer corps.

My government was gratified to hear of the decision by the eight ministers of agriculture of the Sahel states to create a subregional corps of volunteers for village agriculture, in the CILSS, The International Committee to Fight the Drought of the Sahel.

There are already a number of models of successful voluntary mobilization in villages—in countries such as Mexico and Sri Lanka. If we move in this direction small farmers can begin to plan their own project, providing themselves with seed and fertilizer, storage and water supply. They often know better what is good for them, what will increase their production.

Mr. Chairman, I am pleased to recall that the United States representatives in Mexico joined with the ministers and officials of other nations in accepting the Mexico Declaration of the World Food Council by consensus. I am personally pleased to welcome the appointment of Mr. Maurice Williams as Executive Director of the Council. I am confident he will provide effective leadership to the Secretariat in meeting its important new responsibilities by helping countries develop comprehensive strategies and by encouraging multilateral assistance to support them

Mr. Chairman, as every year, a major item on the agenda of this Committee is the work of UNCTAD. And, as every year, discussion here is not simply on the work of an organization, but on progress in a great many areas in which we are working for change in international economic relationships.

While much of the work we began at UNCTAD IV in Nairobi on problems of commodity trade, debts of the least developed, transfer of technology, and help for the poorer nations yet remains to be completed, substantial progress most certainly has been made. We are entering the last stages of negotiation on many of the issues. Secretary Vance commented on many of these, including progress on the integrated program and in the establishment of a common fund. The Secretary noted that legislative action on the retroactive adjustment of the official debts of the least developed countries was expected shortly. I am pleased to be able to inform this committee that the necessary action has now been completed.

He noted that we believe that a properly constructed common fund could prove useful to help solve problems of commodity price stability. A well-structured fund cannot be based solely on political imperatives, but must be so constructed as to offer practical assistance in meeting concrete problems. This process of construction is not a problem of "political will," for that already exists, but rather one of solving the technical and practical issues before us. As the secretary noted, we believe that recent consultations have identified a convergence of views. We all agree that such a fund could play a useful role in reducing cost and facilitating the financing of stabilization buffer stocks, and we have agreed that the proposal for a "second window" should be carefully examined in the forthcoming negotiations. We have indicated that we will approach these negotiations in a flexible manner and hope others will approach the problem in a similar fashion.

If one were to criticize the negotiators who met at UNCTAD IV in Nairobi, the most valid criticism is that they were overly optimistic at the pace at which the complex problems could be solved. Many of the issues have not been solved within the time allotted, not because of procrastination by one party or even one group of countries, but because all participants have found the issues more complex than anticipated. In individual commodity negotiations, for example, producers as well as consumers comprising both developed and developing countries have had to evaluate very carefully their own interests.

One of the promising areas of action within the UN framework is that of economic cooperation among developing countries—an area which we believe provides for expanding the economic capabilities of the developing countries and their self-reliance. UNCTAD has begun studies and background preparations in this area as agreed to by its members. In my delegation's view all members of the organization must be in a position to participate and contribute their ideas and express their concerns. Decisions reached by a universal organization such as UNCTAD must reflect the views of all its participants.

This coming spring UNCTAD will hold another general conference in Manila. As we move toward this conference we must be sure that the conference will be presented with problems and issues which each member state has had time to consider. We look forward to continuing consultation here and in Geneva as preparations for UNCTAD move forward.

Regarding the United Nations Industrial Development Organization, the United States is prepared for discussions leading to a new constitution which would permit UNIDO to become a United States specialized agency. We will be open to the views of others as to how this can best be accomplished. We have also begun to prepare for the third general conference of UNIDO, for which the government of India has generously offered to serve as hosts in New Delhi. My delegation hopes that it will be possible to reach full agreement on the agenda for that meeting.

Mr. Chairman, I would not like to leave the subject of industrial development without pointing to two key passages in Secretary Vance's address. The first of these signalled that we consider industrial development, with the employment opportunities it creates, as an important means of meeting basic human needs. The second recalled the decision of the Bonn Summit to encourage positive adjustment policies that would facilitate, rather than hinder, the process of structural change which is underway in the world's industrial economy.

I would like to thank the distinguished Executive Director of UNITAR, Dr. Davidson Nicol, for the report he gave earlier in our debate. Dr. Davidson Nicol has provided welcome leadership at UNITAR, particularly applicable to the needs of developing countries. We will have further comments on UNITAR and its operational activities later in this session.

My delegation will also reserve the right to comment as necessary on a number of reports requested by last year's General Assembly, which are for the most part not available. These include reports on inflation, investment insurance and reinsurance, natural resources development and the brain drain.

The agenda for the work of the Second Committee is full. The United States Congress and the Executive Branch share a serious interest in international cooperation and development. As trade surplus nations such as Japan and Germany, and major oil exporting nations such as Saudi Arabia and others assume larger responsibilities, we welcome their larger roles. We must all adjust to structural changes in the world economy.

Let me assure you that the American people take seriously the promise of the United Nations. The United Nations will be what the Member Nations make it. We hope there will be less politics for home consumption and more pulling together in cooperation. We welcome help from anyone to bring economic policies into a working framework for mankind.

The vision of the United Nations remains part of the American dream. It has been an honor for me to share these thoughts with you today.●

THE FAIR TRADE ACT OF 1979

● Mr. BAYH. Mr. President, last week I joined in sponsorship of the Fair Trade Act of 1979. This legislation represents the continuing and determined efforts of the Senate Steel Caucus to make necessary procedural reforms and improvements in the administration of our antidumping statutes designed to enhance the ability of our Government to stem the tide of unfairly traded goods at predatory prices.

While this bill can be considered a product of the Senate Steel Caucus, the reforms it proposes are sweeping and in the interest of industries in addition to steel which have fallen prey to unfair foreign competition. That competition has taken advantage of the most open of all world markets—the United States. Whether we are discussing color television sets, industrial fasteners, basic or specialty steel, the pattern has been the same. Our trading partners have systematically assaulted the domestic industry in each case. The results have been worker layoffs in this country; plant shutdowns in this country; declining profits for businessmen who are not afraid of fair competition in this country; and the most massive balance-of-trade deficit in history for this country.

While I support the concept of free and fair trade and am prepared to recognize competitive advantages other nations may have over our own, I am sick and tired of witnessing the alarming lack of reciprocity by other governments in allowing our workers and businessmen to compete in those markets. It is not that the particular problems which this legislation addresses today are not well-known or that they have not been discussed at the highest international levels. Indeed, one of the goals of the multilateral trade agreement which the President has indicated his intention to submit is to establish a better international enforcement mechanism to control unfair trade practices through an international subsidies code which parties to the General Agreement on Trade and Tariffs (GATT) approve. Therefore, it is important that the legislation we are introducing today does not conflict with certain international rules of the trading game.

It is also important that we do not repeat the disastrous, short-sighted and tragic experience associated with the Great Depression by erecting tariff walls which provoke retaliation and succeed only in closing off markets to our farmers and those businesses and workers engaged in manufacture for export. It is essential that we avoid the "Smoot-Hawley" syndrome and with it economic catastrophe for the developed world.

I make these points to indicate an appreciation of the pitfalls of a "rabid" protectionism which, in the end, rebounds to the detriment of those who practice it most vigorously. However, there is another extremist view of what foreign trade policy should be that only fuels the flames of resentment by workers whose jobs are lost because the Government is either unable or unwilling to stand behind them and their firms when confronted with competition from foreign imports at a predatory price.

This is the position of "free trade at any price." It rests on the assumption that theoretical economic interests will serve as a sufficient source of self-enforcement through an appreciation of "self-interest rightly understood" in the application of practical trade agreements. This assumption has proven to be wrong time and again. Perhaps one reason is the mistaken belief that the markets of other nations are as open to our businessmen as our market is to "Japan, Inc." or "France, Inc." This is simply not the case. As a Senator who has spent a great deal of time and effort proposing improvements in the Buy American Act, and monitoring U.S. efforts to bring back a good international government procurement code as part of the MTN, I assess the current terrain of international trade as filled with land mines for the American exporter seeking access to foreign markets. It is equally apparent that the realm of government procurement is not unrelated to the improvements sought by the legislation we are introducing today and it is my intention to elaborate more fully on the relationship between government procurement and fair trade practices in another statement.

What the Fair Trade Act of 1979 does is to essentially streamline the processes by which certain trade complaints instituted by domestic industries and firms are considered and to amend the Antidumping Act of 1921 in a fashion which will improve the timetables for both investigations and imposition of duties. Such changes promise to make that act a more effective treatment against predatory pricing practices.

In addition, the bill will amend the Trade Act of 1974 and the Tariff Act of 1930 in ways I believe will provide a more effective remedy to present unfair trade practices by foreign competitors. These improvements will encourage greater utilization by domestic firms of these remedies and enhance protection against illegal and unfair pricing policies by foreign competitors in a consistent and timely fashion.

Mr. President, there is really no one who could tell us exactly what portion of the record foreign trade deficit reported for 1978 was the result of goods sold in this country at less than fair market value, below the cost of production or illegally subsidized by foreign governments. Nor do we really know with precision at this point what impact the reforms we wrote into the Trade Act of 1974 have had on pricing policies of foreign competitors who may be guilty of "dumping."

However, in response to a series of questions asked of the General Accounting Office when my colleagues and I introduced similar legislation it is clear that simply beginning the process of a dumping investigation can have an important impact. A letter of April 14 1978, to me from the GAO General Government Division confirmed this with important qualifications:

> The initiation of a dumping investigation by Treasury creates enough uncertainty in the market place to prompt adjustments either in the price of imports or the quantity imported. While dumping duty assessments have rarely been timely the potential liability of such duties is well-known at the time of the Treasury's tentative determination of sales at less than fair value. This potential liability should cause some adjustments in the import prices.

However, the analysis went on to emphasize a very important and crucial feature of the trade procedures as they now stand by stating that "Under the best of circumstances the process leading to assessment of dumping duties takes a long time." I would quickly point out that within the 13 months during which time the Treasury Department and U.S. International Trade Commission work to find a suitable recommendation and remedy, plant gates can be closed and workers cut from employment rolls. Even more appalling is the demonstrated fact that the actual assessment of dumping duties is seldom done in a timely manner and the U.S. Customs Service has estimated the average delay to be from 3 to 3½ years.

While I will be submitting a brief summary of what the Fair Trade Act of 1979 does at the end of my statement I want to point out at this time that this legislation does specifically target these two shortcomings in the present statute by: First, shortening the period for investigation by instituting investigative currency for the USITC and the Treasury Department which could cut as much as 5 months from the present process, thus making relief for U.S. firms and workers more timely in a real way, and second, requiring full payment of estimated deposit of dumping duties upon tentative determination, in 7 months rather than after 3 or 3½ years.

Finally, I would emphasize that much thought and work has gone into this legislation and my gratitude is extended to my colleagues of the Senate Steel Caucus Working Group—Senator RANDOLPH, our chairman, and Senators HEINZ and GLENN, for their efforts. This is a good bill. It is carefully crafted to keep us in conformity with certain international concerns but, I believe, toughens our fair trade laws. I look forward to its consideration and approval by the Senate and would anticipate that the implementing legislation submitted with the multilateral trade agreement will be able to incorporate the provisions of the bill we are proposing. I am also gratified to see that this most complex subject has also attracted the efforts of other of our colleagues here in the Senate. The next several months will

provide us with an opportunity to work together and arrive at sound legislative solutions to these most vexing problems. Such a result will contribute inestimably to the economic well-being of the American people.

I now ask that a brief section summary of the Fair Trade Act of 1979 be printed in the RECORD.

The summary follows:

FAIR TRADE ACT OF 1979

AMENDMENTS TO THE ANTIDUMPING ACT OF 1921

Sec. 2 (a, b) Payment of duties. Requires full payment of estimated dumping duties from the time of tentative determination (end of 7th month). Ultimate liquidation of entries after the final finding would require a refund of any excess paid or a further payment on any balance due.

Sec. 2 (a) Time periods for investigation. Under present law a normal investigation runs 13 months: 1 month to accept the petition, a 6 month investigation culminating in tentative determination, 3 additional months for final determination, followed by 3 months at the ITC for an injury finding. This section would shorten this normal period to 8 months: 2 months for Treasury and ITC to examine petition and tentatively decide that injury has occurred, 5 months for investigation culminating in tentative finding of dumping and finding of injury by ITC, followed by 1 month period for final finding. Language permitting Treasury an additional three months for particularly complicated investigations is retained.

Sec. 2(d) Report. Requires annual Treasury report of its action to enforce the Act.

AMENDMENTS TO OTHER TRADE STATUTES

Sec. 3, 4. Although section 201 of the Trade Act of 1974 (escape clause section) provides for a two-House Congressional override of a Presidential decision, section 203, which permits the President to revise or revoke his earlier decision, has no override provision. This section creates such a procedure similar to that in section 201 of existing law, and in addition, a) permits the President to make such a redetermination only once every 12 months, and b) provides that the Presidential determination must be made within 30 days of receiving the required advice from the International Trade Commission (ITC) and Departments of Labor and Commerce. This section grew out of the Administration's handling of the specialty steel case in 1977.

Sec. 5. Section 301 of the Trade Act of 1974 relating to trade discrimination and unfair trade practices by foreign nations is amended by 1) requiring the Special Trade Representative (STR) to either undertake an investigation within 30 days of receiving a complaint or state publicly the reasons for his refusal to do so; 2) shortening the period of such an investigation to 5 months; 3) including public hearings as part of an investigation; 4) requiring the publication of the STR recommendation (or the reasons for the lack of one) pursuant to the investigation.

Sec. 6. Section 303 of the Tariff Act of 1930, relating to countervailing duties, is amended by requiring that a Treasury investigation must begin within 30 days of receipt of a complaint or petition.

Sec. 7. Section 337 of the Tariff Act of 1930, relating to unfair methods of competition, is amended by requiring that any investigation begin within 30 days of receipt of a complaint.●

GOVERNMENT ECONOMIC CONTROLS: THE HAUNTING OF CONGRESSIONAL PRECEDENT

● Mr. GARN. Mr. President, there has been a great deal of talk, since the announcement of President Carter's inflation program, of opposition to mandatory wage-price controls. Many of my colleagues have declared themselves to be firmly part of this opposition. I, too, reject such control over our economy. I am not, however, a born again opponent of wage-price controls. I have long and firmly rejected the concept and continue to do so. I am gratified that the mood in the Senate seems to be one of opposition to wage-price controls, or even to the granting of standby authority. I welcome the newcomers to this point of view. May your stay be long.

Mr. President, I share the concern of many of my colleagues that parts of President Carter's inflation proposals attempt to skirt congressional authority, by using various administrative instruments to enforce what are purportedly voluntary guidelines. I am opposed to governmental control of the economy, whether by the Congress or by the Executive.

It is no secret, Mr. President, that I opposed the Humphrey-Hawkins bill, which was passed in the closing hours of the last Congress, because of the foundation that it set for Government interference in the economy.

I have noted great doubt around the country about the effectiveness of current proposals for dealing with the problems of the economy, problems that are largely the result of Government. There is significant suspicion that they will fail.

When the administration's policies fail, and inflation continues, and the inflation causes unemployment, I am concerned that there is going to be a scramble to call on such precedents as Humphrey-Hawkins to increase governmental control of the economy.

Mr. President, the size of the budget deficit for this fiscal year and for the proposed fiscal 1980 budget are not encouraging, but I hope that we will be successful in controlling inflation. The solution lies with the Government. I will exert my effort, as I feel obligated to do, to decrease the cost and weight of the Government upon our economy.

Roy Ash, former Budget Director, recently gave an address that excellently describes the potential for governmental mischief, against which we should guard and be forewarned. I commend his remarks to my colleagues and ask that they be printed in the RECORD.

The summary follows:

MEETING TODAY'S PLANNING CHALLENGES

One of the last frantic acts of the 95th Congress was to rush through the Humphrey-Hawkins Bill—a bill that had been before the Congress, and going nowhere, for some time. And, as we know, the President, with a sensitive ear to the political ground, signed it into law just a month ago.

Some would say that the new law is either so innocuous, or else so contradictory, that we can forget it. Nothing of substance can come from it, they would say. It was only a sentimental memorial to the late Senator.

But if that was all the bill was meant to be, why was there such tremendous pressure for its passage? Especially for a bill that seemed to be such a marked fallback from earlier versions? Even in its watered down version it must have meant something to somebody. It did. And it still does.

The Humphrey-Hawkins Bill, with its nonsensical internal contradictions, nevertheless manages to lay the foundation for a major change of the role of government in our society. As a Business Week editorial recently observed, "By adopting Humphrey-Hawkins, Congress has set up the framework for future programs that could convert the market oriented U.S. economy to a government-planned system." For the legislation that is now the law of the land firmly established that it is the government's business, hereafter, to set national economic goals.

You may say "that still sounds innocuous, even virtuous. What's the matter with setting goals? That seems like a good function for government; it already is heavily involved in all kinds of economic forecasting."

Well, that's just the issue. There's quite a difference between making forecasts and setting goals. As the dictionary says, a forecast is a "prophecy, estimate or prediction of a future event or condition." A goal is "a condition to be brought about through a course of action." These are distinctions with great differences, and the language of the Humphrey-Hawkins Bill makes the most of those differences. That bill requires that the President annually establish a comprehensive set of national economic goals and then incorporate in each year's budget the programs and policies necessary to achieve those goals.

So, while forecasting is an intellectual process that goes on independent of the subject matter being forecast, goal setting is a process that is itself interactive with its subject matter. Forecasts allow those who heed them to make their own judgments as to the probable validity of those forecasts, then to set their own goals, and to take their own actions. On the other hand, goal setting is the beginning of a tightly linked chain that proceeds—as a matter of requirement—from goal setting, through planning (the ways to achieve these goals), through the operation of control systems (so as to cause events to conform to plan), and then closes on itself with the final link of results (one predefined by the set goals). To set goals not so linked within this action chain is merely to wish. The drafters of the legislation weren't just wishing. They were taking the first steps toward forging a four link chain, goals—plans—controls—results, that if carried to a reasoned end would substantially alter the role of government in our economy.

To fully appreciate the import of the Humphrey-Hawkins Bill one must step back not only to its "legislative history", as they say in Washington, but to its political, social, and intellectual history. While the language of the bill, as finally passed, emphasizes the word "goals", its legislative and prelegislative history is clearly one more properly labeled national economic planning. Furthermore, because of their inseparable linkage, goals and planning are so intertwined that it doesn't make much difference as to which handle we use to pick up and analyze the subject.

National economic planning has been a recurring political theme throughout the history of this country. Two hundred years ago central economic planning was considered a reactionary idea, a return to the undesirable involvement of government which our forefathers had fought to escape. Yet, Alexander Hamilton and Henry Clay argued for it. Daniel Webster and John Calhoun, the liberals of the time who strongly favored individual freedom, were opposed to central planning. Their convictions prevailed. But the subject has arisen recurringly since those earlier days, even as recently as immediately following World War II. The main change in more recent debate on the subject is that the liberal and conservative positions have been reversed. Our language sometimes has a way of deluding us.

Presently, advocates of national economic planning—for which Humphrey-Hawkins now sets the stage—would say that many of our current economic difficulties could have been avoided if we had used more foresight, "scientific" analysis, and deliberate anticipatory action. Their view is based on the premise that the world runs with some degree of order and reason, and if only we could discern and model all the necessary factors ahead of time, we could control events toward more satisfactory outcomes. They view the marketplace as inadequate because it engages in unthinking decision making while "everybody knows" we're capable of more intelligence than that. Such advocates conclude that economic planning performed by experts sitting at the very top of the system, and using new techniques of rational planning, can help to avoid and overcome the kinds of surprises, disappointments, and frustrations we have been experiencing. Furthermore, sitting at the very top of the system, those who plan also can command the authority essential to bring about conforming results. Or why else plan?

A similar noble view of government planning was expressed 75 years ago by British author G. K. Chesterton when he said "It is when men begin to grow desperate in their love for the people, when they are overwhelmed with the difficulties and blunders of humanity, that they fall back upon a wild desire to manage everything themselves."

"This belief that all would go right if we could only get the strings into our own hands is a fallacy almost without exception, but nobody can justly say that it is not public-spirited. The sin and sorrow of despotism is not that it does not love men, but that it loves them too much and trusts them too little. Therefore from age to age in history arise these great despotic dreamers, whether they be Royalists, Imperialists, or even Socialists, who have at root this idea, that the world would enter into rest if it went their way and forswore altogether the right of going its own way." In two paragraphs Chesterton has revealed a profound and timeless dilemma in the relationship of a people to their government.

In a sense, then, one can advance quite noble reasons for trying to improve the lot of a people by taking greater control into the hands of government. But, for some, there is also a less noble reason for moving toward national economic planning. In politics, when a tide is running, there are always those who like to ride into greater personal or group power on that tide. And because of our frustrations with the economy, the tide is running now. Political opportunists both inside and outside of government see greater power for themselves if they ride into authority astride the new government functions and activities a central planning and controlling responsibility would bring. For some politicians, and for some who attempt to influence politicians, the attractiveness of creating and then taking control of new power levers of government directly correlates with their inability to prevail in existing processes of political and economic decision making. If you can't "win" at the game as it is being played, change the game. And then there are those who almost pathologically insist on establishing additional levers with which to exercise power over the private sector—over industry specifically. They are rankled by industry's seeming independence from the control of those who know best—themselves.

So, even though Humphrey-Hawkins stopped short of formally establishing a government planning mechanism, it did lay the groundwork for one as soon as the political ratchet wheel can be turned up again. Thus, it is essential that we examine the underlying issues that would be involved if government economic planning were to come about.

I suppose we can start by observing that our government is already engaged in economic planning—at least within one definition of the term. It makes and carries out fiscal policy and monetary policy, does energy planning—and considerable energy management—environmental planning and control, and engages in a myriad of other activities that could be considered elements of national economic planning. So why not go further and do the job right? Why not establish a complete and comprehensive plan for the whole of the American economy?

Proponents of the new and broader version of central government planning point out at length that business organizations plan in an overall sense. Business considers planning one of its most important functions. So government should become business like and modern too. We in business, most of all, should encourage it to do so, they say.

Not discussed by proponents of government economic planning is the fact that planning, as done by business, is an integral part of its management process. Business is managed—from the top down. It better well be. Business is not a social, democratic institution. In a well run business organization, as we all know, planning is tightly linked to goal setting and especially to the control systems that attempt to direct the whole business toward the set goals. And those control systems "bite"—that's the whole purpose of the exercise.

Washington discussions of planning carefully skirt clear of this linkage. Planning, left disconnected, is a very comfortable political idea. Left disconnected, it carries no connotation of threat to those inside or outside of government. Instead, it reeks with high mindedness, rationality, objectivity, impartiality and expertness. It is tidy, with an appealing and lofty detachment from the scrubby reality of things. Planning is portrayed as an orderly process, compared to the "anarchistic" happenings of a free market, and everybody knows order is good. But let's see how national economic planning would really link goal setting and controls if it were to be undertaken by government.

Goal setting for an individual, or for a family, a business, or a nation is a value laden process. All the experts, all the data, and all the computers in the world "scientifically" processing those data, cannot make my personal value judgments better than I can. On the national level can the experts, data and computers do better? For, the values and trade offs dealt with in national goal setting are more a matter of political and social philosophy than of economic science. Specifically, national economic planning, as it has been discussed in Washington, would require consideration in setting national goals of, "full employment, price stability, balanced economic growth, an equitable distribution of income, the efficient utilization of both private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in transportation, energy, agriculture, raw materials, housing, education, public services, and research and development."

This is the language of the Humphrey-Javits Bill of the previous Congress that laid the foundation for the now enacted legislation. And that language, although not precisely in the current law, has not been forgotten. Let's go back to the value implying words, "full", "stability", "balanced", "equitable", "efficient", "stable", and "needs". Would you like to quantify any of those so as to program a computer? Or all of them together, as the overall plan is supposed to do?

Of course, our elected officials consider these subjective, or philosophical, values every day and do arrive at specific decisions, but not by a process of planning. Even though the process they employ seems gastly at times, we probably come closer to achieving an integrated set of national goals by the continual political interaction of the narrow interests of 535 Senators and Congressmen, and they with the executive and judicial branches, then we could with an elite group of experts figuring it all out for us.

And what the 535 politicians don't do to arrive at national value judgments, over 200 million people do in the marketplace. Furthermore, when it comes to the American economy, the workings of the marketplace generate the most rational, integrated, economic plan of all, and keep it up to date and responsive to the national will daily.

Goal setting, especially for a nation, deals with highly ephemeral and politically charged value decisions, not merely quantitative economic ones, but ones central to our whole social structure. Reconsider only three of these subgoals I mentioned, "an equitable distribution of income", "efficient utilization of private resources", and "needs (for) public services". Whoever controls goals in these areas has his hand on a very powerful lever—one dealing with freedom itself. That's why I prefer the earlier use of the word "liberal" meaning freedom speaking, as the label for those who resisted undue government involvement in the private affairs of its citizens. And that's why we should be watchful and wary when the politicians go to work carrying out Humphrey-Hawkins.

Let's now go from the link at the front end of planning, goal setting, to that at the business end of planning, action and controls.

It's true that some important actions any national economic plan would call for are those quite appropriate for government to take. Certainly, monetary and fiscal actions are among them. But to be able to truly carry out any national economic plan would require more than that.

The Initiative Committee for National Economic Planning, a private group that did the original work leading to Humphrey-Hawkins, states quote "the heart of planning is to go from information to action, and most of the action in the U.S. economy takes place in the private sector." It further states, "Democratic planning is not a substitute for the decentralized economy, nor does it replace the millions of private decisions that are made in the market every day." So far, so good. It then says, ". . . to reach democratically chosen objectives, it influences those private decisions with a consistent set of economic techniques." Now we're getting the clue as to which shell the pea is under. But what are those techniques—the sanctions and inducements—that influence private decisions to achieve democratically chosen objectives? I'll quote further: "Tax incentives and disincentives, selective credit controls, guidance (a government euphemism) of basic capital flows, and mandatory resources allocation." "The Planning Office", the Initiative Committee has said, "would indicate the number of cars, the number of generators and the quantity of frozen foods we are likely to require in, say, five years, and it would try to induce the relevant industries to act accordingly." I needn't say more.

Fortunately, all this has not become the language of the present law. But it is the thinking of those who are now waiting for the political opportunity to build further upon the present Humphrey-Hawkins base. And it is this prospect, I'm sure, that *Business Week* had in mind in its editorial which closed with the observation "The potential for mischief is no less because the backers did not realize what they were voting into law."

In conclusion, then, let me leave you with a few summary observations of my own.

National economic goal setting, which is now law, may seem innocuous; national economic planning may sound benign. Yet neither have reason for being without the next link in the chain—national economic controls—inducements and sanctions to bring about stated results. Together, as we in business know, that adds up to manage-

ment. National economic planning is national economic management. All of those reasons for which planning is essential to business management are the same reasons planning is anathema to a free society.

And carried to the lengths some would have it, government planning and management of the economy would cut a wide swath, from an "efficient utilization of private resources" to the "quantity of frozen food" that would be produced.

Even if national economic planning stopped short of this scenario, if carried to any degree at all, it would create a new political elite having power and status the marketplace confers on no one. The market system will be on the way out.

I'm not forecasting all this will happen even though others may set it as their goal, and I'm not suggesting any action you should take—now. But I am suggesting we not ignore, or forget, the month old legislation. Keep your eyes and ears open for further developments. The Humphrey-Hawkins Bill was not merely a memorial. It means a lot—to some. From the foothold established by the new law, we can expect the resolute proponents of national economic planning to redouble their own efforts toward their goal.

Prepare your own thinking, and for your own participation in the public debate yet ahead. A good way to prepare, and to debate, is with questions. Let me suggest some.

Ask of those who would propose to move forward from the Humphrey-Hawkins base, what process do you propose for setting national economic goals that rises above politics?

Why are those goals better, or more valid, than ones set by our present representative government?

Can representative government set comprehensive economic goals?

If such goals are set, how is it proposed they be reached?

To reach them, exactly what actions will government be expected to take beyond monetary and fiscal ones?

To what extent will those actions substitute for the market rather than augment it?

When proponents of national economic planning say that "guidance" will be provided the private sector so that it may perform its part in achieving national goals, ask the specific form that guidance will take.

If they speak of "inducements", ask for a little more spelling out. Who will be the inducer, who will be the inducee?

When they say it is a "fact" that our resources today are not allocated to meet our most urgent national needs, ask them which national needs have they in mind for more resources and which should receive an equally lesser amount.

Ask how planning, had it existed earlier, would have dealt with the oil embargo; and how it would have planned automobile production, or steel imports, year by year, over the last five years.

When they say our space program proved the efficacy of planning at the highest level, ask the degree of management control over the program it entailed.

And then, finally, when proponents of national economic planning say, as they have, "it is impossible to achieve our economic objectives by accident" ask if the workings of the marketplace are the accidents they have in mind.●

VETERANS UNEMPLOYMENT

● Mr. PERCY. Mr. President, the problem of veterans' unemployment, and particularly unemployment among Vietnam-era veterans, continues to be a serious one. The White House reported last October that although there had been improvement in the employment picture for some Vietnam veterans, those from minority groups, those that are disabled, and those that are otherwise disadvantaged did not enjoy any real relief.

For this reason, Senator THURMOND and I are sponsoring a bill to upgrade the post of Deputy Assistant Secretary of Labor for Veterans Employment to the level of Assistant Secretary. It will not require the creation of any new bureaucracy or any big increase in funding. More money and more bureaucrats are not needed because that was not the problem to begin with. We believe the problem is a lack of commitment, and we hope that by elevating the status of the Department of Labor official in charge of veterans' employment, we will clearly demonstrate the depth of congressional interest and concern.

In 1976 Congress created the Office of Deputy Assistant Secretary of Labor for Veterans' Employment. If the office were functioning properly and had begun to make some real gains for unemployed veterans, this bill would not be necessary. Senator THURMOND and I and the other concerned Senators who have joined us as cosponsors are making the point that we are disturbed about the little progress we have seen. We want the Labor Department to do a better job for unemployed veterans.

On December 29, 1978, the GAO issued a report on Government employment services for veterans; its title—"Much More Could Be Done for Veterans in Employment and Training Programs." The GAO had this to say about the Veterans Employment Service of the Labor Department:

> The many problems discussed in this report indicate that substantial improvements are needed in virtually all key areas of veterans' employment programs. To effectively improve employment services for veterans will take a dedicated commitment from the Secretary of Labor down through and including program operators.

It is this commitment which we hope to encourage by upgrading the status of the veterans' advocate in the Labor Department. We hope our effort will be strongly supported by the Senate.●

NATIONAL DAY OF SRI LANKA

● Mr. HATFIELD. Mr. President, February 4 was the National Day of Sri Lanka and marks the 31st year of that nations' independence from the British Crown. This also marks the completion of 1 year in office by Mr. J. R. Jayewardene as the first Executive President of Sri Lanka.

The past year has witnessed a great transformation in the internal political process of Sri Lanka under the leadership of President Jayewardene. The new Sri Lanka Constitution was inaugurated on September 7, 1978, and it embodies a compendium of constitutional practices of Great Britain, the United States, and France. Under the Constitution, the executive power of the people is now vested in the President, who is directly elected to office by the people for a fixed term of 6 years. Sri Lanka has also established a parliament which is considered supreme under the new constitutional form of government. The judicial power of the people is exercised by Parliament through courts and tribunals as established by law. In addition, the Constitution of Sri Lanka is very specific in its separation of these three sources of political and governmental power. This separation of power, which is directly derived from the U.S. constitutional concept, has become central to this new democracy.

Internally the population of Sri Lanka provides a rich and mixed variety of ethnic backgrounds and religious beliefs. Because of significant minority groups in the country, and the constant need for differences of opinion to be worked out peacefully through the democratic process, Sri Lanka stands as a successful tribute to new democratic efforts in the developing world.

Internationally, Sri Lanka is the chairman of the Non-Aligned Movement, which is actively contributing toward the peace and stability of the world now coming to grips with the North-South dialog and questions of human rights, international trade, and cooperation in world resources. Because of Sri Lanka's complete nonalinement, officials in their government have contributed substantially to the success of the recent Foreign Ministers' Conference in Belgrade. Sri Lanka is presently playing a significant and major role in international affairs in representing the nonalined countries and I can only encourage it to expand its influences and efforts toward establishing important dialog between the developing and developed worlds.

Mr. President, the nation of Sri Lanka has embarked on a process of democratization for which they should be applauded by nations of the world who respect individual rights and human values. So I would like to extend my best wishes to the nation and people of Sri Lanka on the 31st year of their independence and wish them continued success in their efforts to involve themselves as true partners in the exercise of freedom.●

EL PADRE DE LAS AMERICAS

● Mr. MATHIAS. Mr. President, for many years it was a tradition in the House of Representatives that the Reverend Joseph E. Thorning offer the opening prayer on Pan American Day, April 11. It was an appropriate tradition because, had it not been for the tireless work of Father Thorning, there might never have been a day designated as Pan American Day in the U.S. Capitol.

But in 1944 Father Thorning succeeded in having April 11 designated as Pan American Day and from then on for the next 30 years he gave the opening prayer in the House of Representatives on April 11. Father Thorning offered his final Pan American Day prayer in the House 5 years ago and that day the CONGRESSIONAL RECORD swelled with testimonials to this remarkable priest, known throughout the Western Hemisphere for his unceasing efforts to foster warmer inter-American relations.

Happily, for Marylanders, this remarkable scholar, educator, author, and priest has chosen to live among us. In fact, he has chosen to live in my hometown, Frederick, which adds a rich dimension to the lives of all its citizens. Recently, Tom Mills, the distinguished editor of the Frederick News did a fascinating profile of the Padre de las Americas which especially highlighted Father Thorning's well-known biography of Francisco de Miranda, Miranda: World Citizen.

I ask that this article entitled El Padre Thorning be printed in the RECORD so that my colleagues who served with me in the House of Representatives may be brought up-to-date on Father Thorning's activities and so that those who were not privileged to know him there will be inspired by his life story.

The article follows:

EL PADRE THORNING

The still vigorous and active octogenarian, the Rev. Dr. Joseph F. Thorning, is elated this week with the announcement by the University of Florida Press at Gainsville that his outstanding book, *Miranda: World Citizen*, has been reprinted and is again available.

His biography of Francisco de Miranda, the Precurser of Latin American freedom, was acclaimed by the *New York Times* at first printing as one of the "outstanding books of the year."

His work is considered "the text" on Miranda, and has drawn considerable critical praise. Dr. German Arciniegas, writing in the *Times* said: "Father Joseph F. Thorning has told this fascinating story of one of the first 'citizens of the world' in a compact and scholarly book." *Commonweal* said: "It is rare to find a biography in which scholarly research and dramatic presentation are so happily combined."

(Born in Venezuela, Miranda traveled to Russia, France, England and North America, although he ultimately returned to South America. Everywhere he went his curiosity and intelligence brought him into contact with the political and intellectual leaders of the late 18th and early 19th centuries. In Russia he was a favorite of Catherine; in France he was a general in the Revolutionary Army; in England he was a confidant of Pitt; in the United States he was a friend of Washington and Adams; and in South America he was the tutor of Simón Bolivar and general of the revolutionary forces which made Venezuela the first South American republic).

"Miranda: World Citizen" is introduced by Galo Plaza, former president of Ecuador and present Secretary-General of the Organization of American States. Former Secretary of State Sumner Wells penned the foreword.

Father Thorning—El Padre de las Américas—is pastor-emeritus of the historic St. Joseph's-on-Carrollton Manor at Buckeystown. He is still tall and straight, a brisk walker and energetic talker, and as brilliant of mind today as he was in 1931 when he authored a landmark work on toleration—*Religious Liberty in Transition*—a volume still well used by students of ecumenism and religious toleration.

Wearing a black beret (which he admits is to protect his pate from the elements—the sun outside and air-conditioning inside), Fr. Thorning says he loves the Frederick area where he has been "adopted" by his very dear friends, Dr. Henry Eigelsbach and Mrs. Betty Eigelsbach and their family.

Among the Jesuit scholar's many honors is one that spans more than 30 years of appearances before the House of Representatives on Pan American Day to deliver the opening prayer on that occasion. It was in 1974 that he was given the highest tribute of the House on the anniversary of the 30th year of Pan American Day.

A string of Congressmen took the floor to praise the work of this one man for, what Rep. Daniel Flood cited as his "achievements as an author, university professor and dean and as a pioneer in the cause on interracial justice and on behalf of the ecumenical movement."

Rep. Goodloe E. Byron (D–6th) of Dr. Thorning's own district called "the Padre of the Americas one of America's eminent scholars in Latin American affairs . . . known throughout the hemisphere and in Europe for his efforts on behalf of brotherhood and international understanding in the Americas. I commend his efforts as an example that others should try to emulate."

Former Congressman Lawrence Hogan (R-Md.) in 1974 praised the work Father Thorning accomplished for Georgetown University in cooperation with such leading Washington embassies as Argentina and Mexico. All the programs were in Spanish and Dr. Thorning served as coordinator, organizer and master of ceremonies in GU's Gaston Hall.

Rep. Henry S. Reuss of Fr. Thorning's native Wisconsin pointed out that it was then Senate Majority Leader Mike Mansfield who dubbed him with the title, "Padre of the Americas" for his pastoral and scholarly work throughout the Americas.

Like the man he helped immortalize in his biography, *Miranda*, so too is the Rev. Dr. Joseph Thorning a true "citizen of the world," a man many nations are proud to have known, a man Maryland is proud to call a citizen, and a man we're glad still calls Frederick his home.●

CHINA FEVER

● Mr. GOLDWATER. Mr. President, in recent weeks, we have heard and read a great many optimistic statements about what the opening of Red China will mean to the U.S. business interests. During this time, some voices have been raised, cautioning Americans that a grave question exists over how China intends to pay for massive rebuilding programs they keep talking about. Some Chinese officials claim it will require tens of billions of dollars and it is quite obvious they are looking to the United States to underwrite a huge part of this through long-term credits or loans from international money organizations which we support.

Recently, the Memphis Press-Scimitar published an editorial entitled "China Fever" in which it raised a number of questions along these lines. I request that this article be printed in the RECORD.

The article follows:

CHINA FEVER

We are as excited as anyone at the speed with which China seems to be rushing to embrace the capitalist world.

One day we read that U.S. Steel is going to build a gigantic $1 billion plant in China. The next, that the Chinese have approached major American banks to finance a towering 50-story international trade center in the heart of Peking.

Most recently, Sen. John Glenn, member of a visiting delegation of Senators in Peking, reported that the Bank of China is eager to open a branch in the United States and is urging its government to join the International Monetary Fund. Membership in the IMF could open up large lines of credit to China.

Glenn himself is eager to talk to Ohio businessmen about his state's getting a piece of the action with 900 million Chinese consumers.

As we said, it's all very exciting. Not wishing to throw cold water on anybody's hopes, though, we would suggest that a little prudence and caution is in order.

For one thing, it will be a long time before the ordinary Chinese can afford to buy widgets from Ohio, or anywhere else. And before that, they could well flood world markets with their own widgets.

Of more immediate concern, however, is the question of where China is going to get the wherewithal to pay for everything it suddenly wants, including $70 billion to $85 billion worth of capital equipment and technology it plans to import by 1985.

At its present stage of development, that wherewithal consists mainly of an unknown amount of untapped mineral resources and an abundance of cheap labor.

(The Chinese will pay for the U.S. Steel plant by bartering iron and other ores, and we understand one Western entrepreneur plans to employ low-paid Chinese workers to make pajamas, which he will sell for a profit outside China.)

There are risks involved in China's abrupt plunge from pay-as-you-go self-reliance into massive foreign indebtedness and the mortgaging of its resources. Not the least of these is the possibility that a change of leaders in Peking could just as abruptly bring a return of Maoism and leave the international financial community holding some very expensive paper.

We trust that won't happen. Nevertheless, we will feel much more confident about China when we see the successors of the amazing Teng Hsiaoping, who is 74, continuing the modernization drive he has launched.●

NELSON ALDRICH ROCKEFELLER

Mr. COHEN. Mr. President, last week the United States lost one of its great political figures.

Nelson Rockefeller was unique. A wealthy man from an aristocratic family, he chose to become a spokesman for social progress and the rights of the disadvantaged. He was an active and passionate member of the Republican Party, who fought for his beliefs even when they were unpopular with his fellow party men.

His greatest amibition was also his greatest frustration. Three times he sought the Presidency, and three times he was denied. But he refused to let defeat make him sullen. He agreed to serve the country as Vice President during a difficult period. When he finally left public life, he devoted all his energies to his second great love, art, and remained vital and active till the end.

We in Maine, Nelson Rockefeller's native State, feel a special sense of loss at his passing. We take consolation, however, in the knowledge that his unique enthusiasm for life and his strong sense of fairness and responsibility insure that Nelson Rockefeller will long be remembered by supporter and opponent alike.

Mr. President, I ask that an editorial from the Bangor Daily News of February 2 be printed in the RECORD.

The editorial follows:

ROCKEFELLER

For nearly a week, the tributes have been paid to Nelson Rockefeller, a man of tremendouse energy and a politician of remarkable resilience.

His public career spanned three decades, and today the national and international

communities will pay their official respects to him—a memorial service is scheduled for later this morning at the Riverside Church in Manhattan.

Nelson Rockefeller was held in special regard by the people of the Seal Harbor area, where his summer home was located, and he will be remembered as one of the brighter seasonal luminaries who added his touch of glamor and class that is the hallmark of the coastal resorts.

He gave Maine one of its rare moments in the international limelight when Gerald Ford selected him to serve as vice president and the focus of events swiftly shifted to the Rockefeller estate at Seal Harbor.

Overall, however, he was a politician who never found his niche—more Democrat than Republican perhaps, he was never completely accepted by his adopted party.

Although elected governor of New York four times, his party rejected him three times in his overtures to carry its standards in the presidential elections.

The possessor of incredible wealth and vitality, political savvy and charm, the big prize permanently eluded him.

With all that he had going for him, he was never able to find out how popular he really was.

NEW HOME DEFECTS: REGULATOR SEEKS NONREGULATORY SOLUTION

● Mr. PERCY. Mr. President, the problem of new home defects is becoming serious in the State of Illinois. In an extensive review, the Peoria Journal-Star gives examples of families who scrape together their hard-earned money to buy expensive new homes, only to find plumbing incorrectly installed, or the basement leaking even on sunny days, or even that the home failed to pass city inspection and the builder did not let the new owners know. The Journal-Star urges that consumers take a number of steps toward self-protection, including checking out the builder's reputation before buying, and looking for the builder who offers a 10-year warranty such as HOW—the National Association of Homebuilders' Homeowner Warranty program. I recommend the Journal-Star series to my colleagues as an outstanding example of journalism focusing on real people problems.

I also recommend to my colleagues a far-reaching policy statement by Commissioner Elizabeth Hanford Dole of the Federal Trade Commission entitled "Homebuyer Warranties." Commissioner Dole provides an example of the ideal regulator: who first gives industry a chance to put its own house in order and does not blindly plunge into the kind of all-encompassing regulation all of us have come to decry. I applaud Commissioner Dole for her insights and am pleased to share her remarks with my colleagues. I request that the Peoria Journal-Star series of December 18, 19, 20, 1978, and the speech by Commissioner Dole of January 21, 1979, be inprinted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEW HOMES—ARE SOME BUILT BY FRANK LLOYD WRONG?

(By Barb Mantz)

Judy and Tom Wilsons' $100,000 home was to be ready last December. In May, having lived for a time with Judy's parents, paid to store their furniture, and hired movers twice, they finally moved in.

During the intervening five months, says Judy, the contractor ordered windows that didn't fit the openings and plumbing fixtures that didn't fit the pipes, dug up the footings because he'd forgotten to plan for a sump pump or water line, and finished the house with ranch-style woodwork when they'd picked out colonial.

"Once I got so mad, I told the contractor that if he were my doctor, I'd have been buried three months ago," says Judy.

Wilson is not their real name, but the Wilsons are very real Peoria people. Like many new home owners, they're willing to discuss the homes they had built, but, fearful of recrimination from the contractor or resale difficulties later, they don't want their names to be used.

The Browns, who live in the same subdivision and paid over $100,000 for their new home, have other complaints.

They say doors don't fit, cabinets have gouges in the wood, a cathedral ceiling leaked all winter, and staining was so sloppy that they ended up redoing all of the woodwork.

"The workmanship is just terrible," says Mrs. Brown. "It's like a $20,000 house."

Just a couple months ago, the Browns learned that their new home had failed city inspection—the contractor had neglected to mention it—and that they'd been living there 10 months without the required occupancy permit.

Not far away, in a subdivision where most new homes generally sold for under $40,000, there are other complaints.

Michael and Debbie Harris are replacing the kitchen carpeting in their year-old home because it has buckled and pulled loose from the floor. Room-by-room, they're also renailing the sheet rock to the walls and countersinking the nails to stop them from popping out.

Mrs. Harris points to baseboard heaters that are falling off the walls and windows she can't clean because the screens "bend in the middle when you take them out."

In the same area, a woman complains that the affordable, expandable Cape Cod they bought two years ago isn't as expandable as the builder indicated.

The garage they'd planned to build won't fit on the lot, and the furnace isn't large enough to heat the bedrooms they want to put upstairs.

In other areas, owners of new homes say they've been frustrated by the lack of consumer protection and effective redress for complaints:

Roger Dornaus has already had to repair a leaky shower twice in his two-year-old home. When he was working in the basement, a pipe fell out of the wall into his hand. An expensive marble sink is cracked. The leaky shower and a bathtub leak repaired by the plumbing contractor soaked his stove and the inside of his cupboards and left the kitchen ceiling waterstained.

Because none of the problems, with the exception of the tub, appeared until shortly after the year's warranty had expired, Dornaus has had to tackle the jobs himself.

The owners of a new $44,000 home have hired an attorney to help untangle their problems which, for a time, included a basement that leaked even when it didn't rain. They allege that kitchen cabinets were mislocated, leaving no room for their dishwasher, duct work is pulling apart from the ceiling, and there are times "when you can see daylight between the roof and walls" in the garage.

In another $100,000 house surrounded by woodland, the owners recall the fear and panic that set in this spring when a concrete block wall fell into the basement a week after they'd moved into the home.

The contractor repaired the wall immediately, but they had to pick up part of the tab. They filed a claim with their insurance company, but the company ruled that their policy didn't cover the collapse of the wall.

It is probably fair to say that problems like these are the exception, rather than the rule. For most people, a new home comes closer to a dream fulfilled than a nightmare.

But when problems do occur, their effects can be devastating. You might be able to write off to experience a new dress that shrinks at first washing or a coffee pot that never quite works right, but you can't very well do that with a new home.

Moreover, problems that do occur often come when they're least needed. Already strapped by the purchase, most home buyers find it difficult to come up with the money to correct the defects or even to hire an attorney to enforce a warranty.

Concern for the home construction industry, in terms of quality and consumer protection, is mounting. Several agencies report that complaints about home contractors are increasing.

At the National Council of Better Business Bureaus, for example, gripes about new home construction rank as the 20th most frequent complaint this year. Last year, those complaints ranked 28th.

Even though fewer homes were built this year than last, 20 percent more complaints were registered against home builders during the first three quarters of 1978 than during the same period in 1977, says the BBB.

That trend is not reflected in statistics kept by the Peoria BBB. The local agency reports 14 complaints against new home contractors had been filed by mid-November, one more than in all of 1977. In 1976, there were 16 complaints.

Stan Hatch, executive director, says that product quality, unfinished work and unsatisfactory service or repair during the warranty period are the most common complaints.

At the Attorney General's Consumer Fraud office here, complaints about new home construction are up about 10 percent this year, estimates Richard Doi, investigator. Doi says home construction and repair and real estate transactions make up about 25 percent of the case load.

With new homes, wet basements are the number one problem, followed by cracked concrete works, says Doi. Typically, the complaintant seeks help when he's nearing the of the one-year warranty period and the contractor isn't responding.

Neither the BBB nor the Consumer Fraud office can force a contractor to act on a complaint. These agencies can offer a communications channel—very often the contractor and buyer have quit speaking—and persuasive tactics.

In terms of real protection, home builders themselves, interestingly, have taken probably the most significant step. In 1974, the National Association of Home Builders formed Home Owners Warranty Corp. (HOW), through which participating contractors offer an insured, 10-year limited home warranty program.

The action was taken partly because of real concerns for complaints voiced by new home buyers and partly to stave off possible state or federal regulation.

Minnesota and New Jersey have passed laws requiring warranties on all new homes, and Ralph Nader's consumer organization has urged Congress to require all builders to offer warranties.

At the federal level, the Federal Trade Commission appears about to embark on a full-scale investigation of new home construction. The FTC has already authorized a survey which would attempt to determine the incidence of defects in new homes.

"We know it is a serious problem for the individual consumer who has laid out a lot of cash, and all of a sudden there's a defect

that the builder can't or won't fix, and the buyer doesn't have any cash left to do anything about it," says Thomas Stanton, deputy director of the FTC's Office of Policy Planning.

"But in spite of the complaints, no one has ever taken a survey to determine to what extent statistically this is a serious problem."

The survey will ask a statistical sampling of new home buyers what defects they've encountered and whether they had trouble getting them fixed. It will probably be aimed at homes one and two years old.

Stanton describes the FTC's investigation into the housing industry as being in "a very preliminary stage," occasioned by a general increase in complaints and by the Kaufman & Broad case in particular.

In July, Kaufman & Broad, one of the country's largest homebuilders, signed an agreement with the FTC promising to pay for construction defects in as many as 20,000 homes. The agreement followed a six-year investigation by the FTC's Chicago regional office.

Commissioners, according to Stanton, "were somewhat upset by the allegations of serious defects in these homes, and they're asking themselves the question: should they be looking at home building in general?"

A possible outcome of such an investigation could be trade regulations which would attempt to protect new home buyers. These could include such requirements as the implementation of better sales and disclosure practices, mandatory labeling of homes with data ranging from availability of schools to anticipated energy costs to construction specifics, or the establishment by contractors of a pool of cash for new home repairs.

Blanche Stein, the FTC attorney who led the Kaufman & Broad investigation, says she is aware of complaints about other builders. But she says she can discuss neither the nature or quantity of these complaints nor the status of the FTC's investigation into them. Nor could she say whether the agency had received any complaints from this area.

Stanton encourages new home buyers to tell their problems to the FTC.

"It would be great if people would let us know about their problems," he says. "We can't guarantee to solve them, but it would help us in knowing the kinds of problems people have."

When a complaint pattern is detected against a particular industry or company, the FTC frequently conducts investigations which lead to restitution, such as the Kaufman & Broad case. Individual complaints, however, are generally not investigated.

Address correspondence to the Director, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

When it comes to houses most everyone agrees that they don't build them like they used to.

But whether today's typical new home is built better or worse than homes constructed a generation ago is a question on which you'll find little agreement.

"The material today is not as good. The workmanship is not as good," says veteran city building inspector Lawrence DeHart. He says he finds defects—violations of city building codes—in just about every new home he inspects.

David Close, chief building inspector for Peoria, confirms that inspectors, such as Hart, "are complaining a bit. The workmanship is not quite as good."

And if that's discouraging, Richard Doi, investigator for the Local Consumer Fraud Office, says disproportionately more complaints come from rural areas or smaller towns, which lack or don't enforce building codes, than from Peoria.

Where building inspection is lax, he says, complaints are likely to involve more serious defects, and the chance of satisfactory resolution diminishes.

By contract, Walter Rosenthal, construction supervisor for First Federal Savings & Loan Assn., says he finds no more defects in new homes he inspects today than he did 15 or 20 years ago.

Labor-saving, pre-fabricated techniques have produced homes that "are just as well built as any other house," he says.

Builders themselves appear to be in no more agreement about the status of home building today.

Problems may exist in other parts of the country, says Howard Herman, president of the Home Builders Association of Greater Peoria. But in Peoria, "the quality of workmanship is above reproach.

"I've traveled all over the world, and I can come back to Peoria, and the housing feels good. It looks good."

But Wesley Wenger, HBA president two years ago, says workmanship is one of his major concerns. It is, he says, "way low. I don't mean to tell you there's no good craftsmen, but on the whole . . . there's a lot of mediocre help."

Not long ago, says Wenger, his foreman asked if a new carpenter could lay out floor joists in a particular manner. The answer was no. The foreman then asked if he could lay out rafters. The carpenter couldn't.

At that point, the foreman asked the carpenter what he could do, relates Wenger. The response was, "You put down the marks, and I'll nail 'em in."

Workmanship. Materials. Quality. Dollars. Big issues in the home building industry, but not new issues. Some builders say it harks back 25 or 30 years, when critics alleged that the Best pre-fabs being put up in Vet's Row near Chillicothe, in North Pekin and in the oldest parts of Rolling Acres would become instant slums.

In those years, recalls Ray Becker, president of Becker Bros. Inc., roof trusses "were a bad word." He says he built about 300 houses with trusses and as many without, and "the ones I built with trusses have lasted just as long."

If there's any change in the mix, it's the entrance of consumerism as a force in the industry. Today's home buyers apparently are more likely to squawk than their parents.

"I do notice that the customer is more aware and more consumer-oriented in that they want more for their dollars," says Rosenthal. "I have a few more calls from customers (regarding home-building problems) than I used to."

Wenger thinks inflation at least partly explains why he gets more complaints today than in the past.

"Consider that a house today costing $60,000 would have been built three or four years ago for $40,000. That guy's paying a lot more money—of course, he's making more, too—but he's more concerned about what he's paying, so we get a few more complaints."

Bill Whitehurst, manager of P&W Builders, has an even simpler explanation. Today's homes are bigger and contain more features and accessories.

"When you put more into a home, more can go wrong," he says.

Inflation has an impact on construction practices as well, builders acknowledge. It prompts the use of cheaper materials to help keep home prices manageable. It tends to discourage craftsmanship, with the emphasis on production often outstripping the emphasis on excellence.

"At $150 a day, how many guys do you want working on your house?" asks Wenger.

DeHart contends that the production push affects the quality of the home that's built and increases the likelihood of problems.

"If you take your time and do the job right, you cut a piece of wood to try to make it fit right. Today you don't. You just try to get the job done," he says.

At the same time, DeHart says sometimes contractors and tradesmen are unfairly blamed for problems that result from the quality of materials available for building.

Floor joists that used to be 2 x 8 inches are now 1⅞ by 7¼. The result may be a floor that tends to sag or appear a little uneven, he says.

Or a contractor buying two of 2 x 14 inch boards may get one which is just over 13 inches long and the other close to 14 inches. Using uneven lumber, he says, can result in squeaky floors, dips in walls, and windows and doors that don't quite fit.

"You have this beautiful home, and a week later the studs are warping; the floor joists are warping. If the contractor doesn't catch it, after a while you've got a bow in a wall," he says. "You get a flakeboard door that's more accessible to warping. You can look into houses today and find out where the plywood's delaminating."

Price is apparently no assurance that problems of this nature won't occur, says DeHart. "It's all the same. They're getting the same lumber in $100,000 and $200,000 houses as well."

Even Herman, who is otherwise lavish in his praise of local home building, acknowledges that the quality of materials isn't what it used to be. Of wood going into new homes, the second generation president of Noah Herman Sons Inc. says "I don't know if my dad would have used it for kindling."

But Herman says modern technology has more than compensated for lower-grade materials, and contends there is no sacrifice of overall home quality.

The use of stress analysis machinery and stress-grading of materials, for example, allows builders to know "where we can use what."

He even goes so far to insist that home buyers can be thankful that they don't build them like they used to.

"Builders are alert. They're reading manuals. They're learning technology. Before, we built houses by the seat of our pants. We figured if we used an 8-inch I-beam on the last house we built and it didn't fall in, then we'd use an 8-inch I-beam on the next one," he says.

Becker says that, prior to World War II, "houses were so overbuilt. We didn't have the technology to know what it took."

It's possible to use better materials in today's homes, but most buyers could not afford them, says Rosenthal.

He says it's important to remember not only the role of inflation, but the role of changing tastes in the home market.

Air conditioning, fireplaces, carpeting throughout, a double garage, a dishwasher and disposal, a family room and a deck are common today, but would have been considered luxuries a generation ago. Cheaper materials are to some extent a trade-off for more amenities.

Dollar-for-dollar, contends Becker, today's consumer gets more for his home money than he did 25 years ago.

New home quality tends to become more of a problem during a construction boom, such as that of the last two years, than a bust, says the FTC's Stanton.

When the money supply dries up, the builder is forced to lay off workers, hanging on only to his best. When the money market is good, he has to hire new people and train them quickly, says Stanton. "When they're just learning to do the job right, he has to lay them off again."

It is this cyclical nature of the business that leads to many problems and creates an unevenness of quality, says Stanton. He characterizes home-building as "an industry that is desperately in need of quality control."

If inexperienced workmen proliferate during a construction boom, so do inexperienced contractors, say both Becker and Herman.

"Too many guys with a pick-up truck and wheelbarrow call themselves a contractor," says Becker. He predicts that the current home-building slow-down will shortly "eliminate the boys from the men."

The more established contractors will remain in business, Becker says, and they'll be more willing to negotiate prices as well as more eager to please. All of which means that the consumer may benefit if he builds a home when money is tight and business is bad.

HOW OFFERS PROTECTION FOR NEW HOME OWNER

(By Barb Mantz)

Suppose your builder goes broke before he finishes your house. Or retires to Florida after it's completed, leaving no one to service the warranty.

What if he says he's too busy to repair the leaky roof in your 11-month-old home, and you suspect he's waiting for the year's warranty to expire?

Can you get your builder to accept any responsibility when your four-year-old home's foundation starts to shift and crumble, requiring thousands of dollars worth of repairs?

Chances are, you'd either swallow heavily and take the loss or go to court—in which case, you'd probably end up taking a loss anyway.

If you think that Americans spending an average of $65,000 for a new home deserve better protection, you've got plenty of company—and not just in government or consumerist circles.

Since 1974 the National Association of Home Builders has been offering a national new home warranty program, called Home Owners Warranty (HOW). The NAHB started the program, partly out of concern for home buyers' interests and partly out of apprehension that if they didn't do something, government would.

The HOW program attempts to protect home buyers from contractors who go broke or won't service their own guarantees as well as to protect against serious defects that don't appear soon after a home is built. The warranties cover all defects in materials or workmanship for one year; plumbing, heating, electrical and cooling systems for two years; and major structural defects for 10 years.

Since the program was first offered here in 1976, 503 new homes, condominiums and owner-occupied duplexes in Peoria and Tazewell counties have been placed under HOW warranty. That represents an estimated 10 percent of single family residences built in the two counties in the last three years.

A HOW warranty is a matter of choice only to the extent that a new home buyer chooses a builder who offers one. In the Peoria area, seven builders and developers offer the program. The cost—about $2 per $1,000, or $130 on a $65,000 home—is paid by the builder.

Noah Herman Sons Inc. is the largest area builder offering HOW warranties. Its president, Howard Herman, was among five builders in the state who put seed money into the program to get it underway in downstate Illinois.

Today, Herman represents the Peoria district on the HOW board and remains a staunch supporter of the concept

"We had to do something because there were all kinds of consumer problems with the housing warranties," said Herman. "We figured this was the only way to stave off any kind of legislation . . . We figured we could handle it a lot better than the bureaucrats."

Herman says the program provides the best possible kind of protection for a consumer who otherwise "is definitely a pawn in the hands of a builder. If you don't have something like this warranty in your hands, what do you have?"

Not only are consumers protected in terms of the finished product, but they're protected even before they begin to build by virtue of the screening of builders who want to join HOW, says Herman. Applicants must demonstrate their technical ability, prove that they are financially sound and continue to file annual financial reports, and demonstrate fair dealings with consumers by supplying the names of 10 satisfied customers.

(One local applicant was rejected because he couldn't come up with 10 happy customers.)

The warranty program works this way:

During the first year after a home is built, the builder promises to repair defects caused by faulty workmanship or materials. The promise holds true during the second year for defects in the electrical, plumbing, heating and cooling systems and for major structural defects.

If a major structural defect shows up in years three through 10, a claim is filed with the cooperating insurance company. Major structural defects could include failure of beams, joists or load-bearing walls, weakening of the foundation, or major structural roof problems. They don't occur often, but when they do, repairs are costly.

The insurance also will pay to complete or repair a new home during the first two years if the builder goes out of business, drops out of HOW or refuses to service the warranty.

Insurance paid to complete and repair three or four Peoria area homes when Booth Construction Co., a HOW member, went broke last year, according to Herman.

More recently, HOW stepped in to finish a dozen homes in the Chicago area whose unlucky owners had lost their builder to bankruptcy.

Disputes over whether problems are covered under the warranty are resolved first through conciliation and secondly through a more formal arbitration procedure. There were 28 conciliations in 1977 and 1978 in downstate Illinois. Two arbitrations are about to begin. None of the cases involved local builders.

As of Oct. 1, 3,865 new homes in downstate Illinois had been warrantied by HOW and 137 builders offered the program. Nationally, the Home Owners Warranty Corp. figures that 11 percent of homes built since 1974 have HOW warranties.

Herman wishes the percentage was higher. The only local builders, besides him, who offer HOW warranties are Gay & Huff, Yorkshire Builders (Yorkshire Village and Morningside condominiums), HarVeMer Builders of Edwards, Charter Oak Developers, Professional Realty Services (Willow Lake Village) and Ron Doss Construction of Morton.

Conspicuously absent are such major builders as P&W, Becker Brothers and Custom Builders.

Herman says some of the builders object to the paperwork occasioned by HOW membership and some to the cost. But he figures the biggest obstacle, particularly among established builders, is the feeling "that they don't need the program. They don't believe it has any advantage to them."

That belief is echoed by G. Raymond Becker, president of Becker Brothers Inc., who says he sees no need to join HOW.

"I've been here for 30 years. I'll be here another 30 years. Why should I insure my homes?" he asks.

Herman thinks that builders who fail to perceive the value of HOW as a sales tool are misreading the home buyer's state of mind.

"To me, it's a tremendous sales tool," he says. "It shows that I have confidence in my own product. It's a tremendous sales tool for the home buyer three years down the road when he decides to sell."

Besides the limited participation, the local HOW program has been plagued by other problems, the most serious of which was Booth's collapse. Steve Booth, who owned the construction company, had been a leading HOW booster and was a director of the statewide organization.

Herman says he doesn't know why the financial reports filed by Booth with HOW eight months before he filed for bankruptcy didn't bring to light his money problems. While HOW stepped in to pay for completion and repairs on Booth homes, the program was unable to help owners who found that mechanic's liens had been placed against their homes by subcontractors whom Booth had not paid.

Booth isn't the only member lost by HOW. Established Washington builder Wesley Wenger, one of the initial HOW members and a past Home Builders Association president, quit. He says he found it too difficult to get HOW inspectors to examine his homes in a reasonable time period.

(In Peoria, city inspection is sufficient for HOW to okay a home, but in rural areas, the corporation's home offices in Springfield schedule the inspections. Much of Wenger's building is done in rural areas.)

"I had about 10 houses in a row that didn't get inspected, and they (HOW) didn't accept them," says Wenger. He says he understands the inspections problem has since been corrected and he hopes to rejoin the program in the spring.

"I'm a booster of it," he says.

Two other HOW members have gone out of business: Associate Partnership whose owner died, and PAC Clubs, which was bought out by Professional Realty Services. Professional Realty has taken over PAC's obligations under HOW, according to Herman.

At least one major local builder refuses to join HOW because he says it doesn't give the buyer enough protection.

"I pushed for a HOW program here when it was first introduced," says Bill Whitehurst, manager of P&W Builders. "But I thought it was a much more protective system to the buyer."

Whitehurst alleges that "what might be considered a defect by a quality builder is not considered a defect in their (HOW's) plan." He says a contractor would be under no obligation to fix problems of a cosmetic, rather than a structural nature, and regulations spelling out a contractor's obligations "should be tighter."

Moreover, Whitehurst charges that offering such a warranty "gives a false sense of security to the buyer," who may be disappointed later.

In spite of the problems, Herman remains optimistic about the future of the program. He points to the fact that every year, more and more Peoria and Tazewell county homes are being given HOW protection: 105 in 1976, 114 in 1977, and 284 during the first 11 months of 1978.

"Consumers have to have some kind of warranty system other than somebody's word," he says. Herman also expects pressure from government and lending institutions to encourage more builders to subscribe to the program

"We have not said we're not going to make loans to contractors who don't offer the HOW program," says Walter Rosenthal, construction superviser at First Federal Savings and Loan Assn. "But I can see some year down the way that we probably will."

While not endorsing the HOW warranty specifically, Thomas Stanton, deputy director of the Office of Policy Planning at the Federal Trade Commission, says an effective warranty is the single most important means of consumer protection he's aware of.

It's better than litigation, which may cost "as much as what's at stake" and doesn't solve the problem of transience in the industry.

"As builders go in and out of business, very often no one is around to sue," he complains. Stanton says a good warranty program offers a dispute settlement mechanism, such as conciliation, that doesn't require going to court,

is backed up by insurance, and has fair standards.

Moreover, says Stanton, the fact that a builder does not offer a warranty may indicate that his work is not as good as that of a builder in the program.

"You need a builder who's willing to offer a warranty," says Stanton. We're concerned about negative selection—that's a valid question."

OTHER WAYS OF PROTECTING THAT NEW HOME INVESTMENT

(By Barb Mantz)

Whether you do or don't get a Home Owners Warranty (HOW) on your new home, you'll want to take steps to protect the biggest investment you may ever make.

Here are some agencies and individuals who are usually involved when a new home is built and the protection you might expect them to give you.

The builder: Home builders themselves rate careful builder selection as the most significant protective measure open to purchasers.

The builders interviewed—all of whom had at least 25 years experience in the industry—recommended selecting an established builder, who's been in business long enough to establish reasonable financial stability and a performance record.

Howard Herman, president of Noah Herman Sons, says he is "always amazed when somebody building a $100,000 house chooses someone that started in the business six months ago as a carpenter."

Herman suggests that you check the financial soundness of a prospective builder personally or ask your banker to do so. He recommends asking the builder for the name of his own banker and the names of two or three lending institutions that have financed homes he's built.

The Home Builders Association of Greater Peoria will indicate whether a builder is a member of that group. The Better Business Bureau will report how long a company has been in business, how many complaints have been filed against it and whether the company has responded to the complaints.

It is likely that none of these agencies will tell a prospective buyer to stay away from any individual builder. The warning may be more subtle. If none of these agencies are able to report that the builder has a good track record or is solidly established in the community, the wise buyer will be extremely cautious.

Herman also suggests obtaining from the builder the names of several previous customers, including some whose homes were built two or three years ago as well as newer purchasers. Those whose homes are a little older will have had more time to run across defects and will be freer to talk because they're no longer dependent on the builder for warranty service.

Frederick A. Johnson, an experienced real estate attorney with Swain, Johnson & Gard, says it's important to monitor the performance of the builder. Buyers should visit the construction site and make sure that 2 x 4s are being used when called for or that studs are indeed 16 inches apart.

It's easier for a builder to repair an error discovered by a buyer in early stages than later, when more work might have to be torn out.

The problem is that most buyers lack the technical knowledge to do a good job of monitoring the builder. Johnson suggests hiring an architect or engineer to examine the specifications and make sure, for example, that beams are large enough and that the furnace will provide enough heat.

Change orders—a more expensive light fixture or bathroom sink, for example, than called for in the plans—are a frequent source of friction between builders and buyers. It's a good idea to confirm in writing what any change from the original plan will cost.

Richard Doi, investigator with the local Consumer Fraud office, proposes that purchasers hold back $5,000 or so for release when all work is satisfactorily completed. Often, lenders release funds and owners move in when work remains to be done.

Doi says an escrow account would give purchasers the option of saying, "I'm not happy. I'm not going to release the money until you finish, and if you don't do the work, I'll hire someone else to do it."

The lender: The institution that holds the mortgage on your home has an interest in seeing that the house is worth its investment. To protect their interest, lenders usually:

Check out builders' reputations and financial stability. "We have turned down applications not because of the customer but because we can't deal with the contractor," said Walter Rosenthal, construction supervisor at First Federal Savings & Loan Assn. "It just happened the other day."

Review plans and specifications and make inspections during construction.

Control payments to the contractor or subcontractors. Some members make payouts, preceded by inspections, at specific stages of construction: when footings are poured, when framing is done, when systems are enclosed and when the home is completed, for example.

Others make continual payments as each job is completed: roofing, wiring, drywall, etc. The latter procedure has the advantage of requiring more frequent and specific inspections.

Some lenders pay the contractor, who then pays his subcontractors. Others make payments directly to subcontractors. The advantage of the latter system is that it assures that subcontractors will be paid. In this area, such has not always been the case. And when a subcontractor goes unpaid, he's likely not to be happy about servicing.

Once payout is completed a lender has no legal responsibility or control over the builder, even if defects turn up. Sometimes, however, the lender will attempt to jawbone a problem.

"Normally if it's a contractor we hope to be doing business with in the future, he'll go out and see that the job is done right," says Rosenthal.

Attorney: An attorney's primary protective role in a real estate transaction is to make sure the contract "is a good one," says Johnson. He says a good contract should include a penalty clause for late completion, a no-lien clause, a one-year warranty and plans and specifications.

None of these, he points out, addresses the problem of workmanship. Very serious defects may be addressed through the warranty of inhabitability which the Illinois Supreme Court has ruled applies to all new homes.

"The contractor warrants that you can live in the property," explains Johnson. "I sued a builder once who had built a split level with some bedrooms downstairs, and the basement was flooding. You really couldn't live in it."

Suing to force a contractor to live up to terms of any warranty is expensive, making the decision to take a contractor to court "really an economic question, more than anything else," says Johnson. If repairs will be expensive, a lawsuit might be considered: for $200 or $300 legal costs would probably exceed recovery.

City or County Inspection: Building inspectors examine homes under construction to make sure that materials and techniques comply with the building code they're enforcing. Do the bedroom windows open far enough to allow egress? Are there smoke detectors if required? Are the handrails the proper size? Are the studs 16 inches apart, and not 18 or 20? Is the water heater far enough away from the furnace?

Again, workmanship is of little concern. Inspectors, however, have at times been called upon to examine homes and give expert testimony in lawsuits against contractors.

Consumer Protection Agencies: The Better Business Bureau will forward your complaint to a contractor, but it has no enforcement powers. The Consumer Fraud office generally looks into complaints, but because fraud is rarely involved, it has little authority to act.

The Federal Trade Commission doesn't act on individual complaints, but may step in when violations of trade laws have been major and repeated. It was on that basis that the agency went after Kaufman & Broad.

HOMEBUYER WARRANTIES: CONSTRUCTING A GOOD FOUNDATION FOR BUILDER/CONSUMER RELATIONS

It is a real pleasure to be with you today at this Annual Convention, for I welcome the chance to congratulate you on the significant effort this industry is making to resolve some very important consumer problems. At a time when the American consuming public is heaping an avalanche of criticism on the business community, it is gratifying to hear that the housing industry has taken more than self-serving steps toward making industry self-regulation serve the consumer's interest. It is encouraging that your industry is attempting to beat government to the punch by recognizing the problems, anticipating the concerns of the new home buyer, and beginning to take effective steps to cure them. Only in this way can you change the consumer's perception of your industry.

Research in the early 1960's confirmed what most of you have known all along—the purchase of a home is one of the most difficult, emotionally-charged decisions the average family makes in a lifetime. The purchase of an automobile carries far less emotional impact than the buying of a home. Everything about the transaction is magnified. A home is the largest purchase the consumer will ever make. The mortgage contract will create the heaviest, longest-term debt the consumer will ever assume. In fact by today's social standards, the mortgage may be viewed as more binding than a marriage contract—harder to get into and harder to get out of.

Viewed from the consumer's standpoint, the purchase of a home has always been a difficult decision, but today it is even tougher due to inflation-ridden pricing. In this emotionally-charged context, when something goes wrong, the consumer's anxiety and disappointment are intensified, perhaps more so than with any other product. Indeed, the things that can go wrong can be serious, and in view of the prevalence of the complaints, they cannot be dismissed. Let's look, for a moment, at some recent press accounts.

September 28, 1978, the *Wall Street Journal* reports that a Carrolton, Texas, homebuyer spent $1,800 to prop up a settling foundation that had sent cracks up the corners of the house and had pulled the brick chimney loose. 120 homeowners in Northbrook, Illinois had to go to their village board to force a builder to fix defects—inadequate insulation, backed up toilets, and exposed wiring in electrical control boxes.

October 9, 1978, The *Washington Post* reports that a large builder was cited for over 2,500 building code violations in Bowie, Maryland.

December 11, 1978. *U.S. News & World Report*, tells of a Los Angeles woman who is suing the builder of her $55,000 home for defects allegedly including water pouring down the walls and through electrical outlets and cracking and buckling walls.

In the Kaufman & Broad investigation, FTC staff have themselves alleged, on the basis of professional inspections, a gamut of poor construction practices:

"In some houses, fire walls were improperly anchored, foundation walls were not covered with membrane waterproofing to prevent water seepage into habitable space . . . siding was not properly anchored, roof sheeting did not meet with edges, . . . piping and bathroom fixtures were not properly installed . . . walls were not properly supported by foundations, floor girders were not properly supported to prevent sagging floors, or foundations contained cracks due to structural failures. . . ."

To settle these allegations, Kaufman & Broad has offered the FTC a consent order which would, among other provisions, require it to provide a warranty with each new home it sells in the future, and repair major construction defects in homes purchased from it dating back to 1972. In addition, the order would prohibit Kaufman & Broad from selling or delivering housing that is not built in accordance with adequate standards of workmanship. In the near future, the Commission will be considering the public comments on the adequacy of this offer.

I recognize, as do you, that most of the homes built in this country are of sound, lasting quality. Yet, for too many Americans, the dream home has turned into a nightmare. You know as well as I do that as families move into their own little Garden of Eden, more and more are finding the apple full of worms. In fact, new home defects now rank among the top consumer problems in this country. The Council of Better Business Bureaus reported almost 5,000 complaints about new home defects in 1977 alone, up 40% from the year before. A frustrated attorney in the Massachusetts Attorney General's Office stated recently, only partly in exaggeration, "you get more protection buying a toaster than in buying a home!" As a result, some homebuyers believe they are being bilked for thousands of dollars, and they are expressing not only anguish but outrage.

In other words, a consumer revolt is brewing and unless all builders zero in on the problems and pull out all the stops to cure them, consumers are going to rise up in wrath and deliver a mighty blow to your industry.

In my judgment, there are three possible ways to tackle the problem.

One alternative is for the states to step in more effectively as watchdogs over the homebuilding industry. Several states, recognizing that home purchasers often do not discover defects until they actually live in their homes, have recently amended the common law to impose a warranty of habitability upon sellers of new homes. But in truth, this implied warranty is not enough. It merely confers upon the homebuyer the right to file a law suit.

For the purchaser who is already hard pressed to meet his mortgage payments, the right to engage in long, costly litigation is hardly very appealing. For the purchaser facing an insolvent builder, the right to sue is totally useless. And the insolvency of builders may be more common than most of us imagine: in 1974 alone, according to Dun & Bradstreet, 1,840 construction firms went bankrupt with liabilities totaling $526.6 million. That was a recession year, of course, and all of these firms may not have been homebuilders, but still, it is clear that the homebuyer should not be left totally vulnerable to the ups and downs of the business cycle. What the homebuyer needs is a quick, straightforward remedy: a fair means of resolving disputes, preferably without going to court, and some form of insurance, escrow account, or performance bond to assure the availability of money to pay just claims.

Some states are now showing a good deal of interest in finding better solutions than the implied warranty. Last year, for example, New Jersey passed a "New Home Warranty and Builders Registration Act." The law is administered by the New Jersey Department of Community Affairs, which, among other things, will set construction standards and standards for dispute resolution procedures. Builders who offer a warranty conforming to prescribed standards will be exempt from the operation of the state-run warranty system, including the requirements to deposit funds with the state as security against homeowners' claims. So far, the new law has been applauded by consumers and local builders alike. As one who agrees with Justice Brandeis that states should be the experimental laboratories of our federal system, I along with others will be watching the New Jersey experience with keen interest in the months ahead.

There is, of course, a second alternative to the problem and that is for the Federal government to step forcefully into the picture, bringing with it all of the regulatory and enforcement powers entrusted to it by law. Protecting homebuyers against unfair trade practices in new home construction is already a responsibility that falls upon many shoulders in Washington. One of them is the Federal Trade Commission, on which I serve. As many of you know, the FTC has for many years addressed the vulnerability of consumers to marketplace abuses involving many sophisticated goods and services, ranging from insurance policies and vocational school contracts to products such as automobiles.

There is little the FTC can do about spiraling costs of housing, since that is left to the Department of Housing and Urban Development and such agencies as the Federal Reserve Board as well as state and local governments, but we can do something about the excessive costs borne by many purchasers of defective homes. With this objective in mind, the Commission has authorized its staff to investigate the incidence and severity of defects in new homes and the response of homebuilders to these problems, and to propose options to us in the near future. We may decide to bring increasing resources to bear against individuals and companies engaging in especially disreputable homebuilding practices, or these options may include increased support of state attorneys general in prosecuting violators under the state "little FTC Acts."

Although that investigation is still underway, I would like to give you a brief profile of the issue as we see it at this stage. As you know, about a million and a half households purchased newly constructed single-family homes last year. New homes are expensive, of course, now ranging over $60,000 for a median priced house and lot. This is a market, then, in which there are literally tens of billions of consumer dollars involved, not counting mortgage interest payments which are increasingly steep. Moreover, many of the families now buying homes appear to be accepting unusually large debt burdens in order to obtain their homes; understandably, they are looking for a hedge against inflation, but the net result is that we're creating a large group of people in this country who are "house poor." With some families having scraped together every penny and having shouldered an enormous load of debt, who can blame them for their outrage when they see their new dream house begin to crumble before their eyes?

It is clear, therefore, that in the absence of better alternatives, the Federal government is certain to become more and more heavily involved in a resolving these disputes and assuring the consumer a square deal in the marketplace.

Of course, a third alternative is for the homebuilding industry to regulate itself. The conscientious builder recognizes that a few extra dollars in construction can mean considerable savings later on. In the event that defects do appear, that same conscientious builder also takes it upon himself to make necessary repairs without first turning the customer into a frustrated adversary.

But you know, and I know, that individual self-regulation by a few members of an industry is not sufficient standing alone. There must be industry-wide self-regulation. That is why I come before you today to urge you to continue your efforts to establish a nationwide Home Owners Warranty program, offering consumers inexpensive warranty coverage.

Many builders—some ten thousand in all—have joined the HOW program of the NAHB, and in the year ending June 30, 1978, HOW covered one hundred sixty-five thousand, or about 11%, of the single family homes built in that period. Under the HOW program, the builder agrees to cover faulty workmanship and defective materials due to noncompliance wth HOW's approved standards during the first year. In addition, in the first two years major construction defects and plumbing, heating, electrical, and cooling systems are covered. And in the third through tenth years, the home is protected against major construction defects.

Your job at NAHB has not been easy. HOW representatives have made a determined effort to qualify under government requirements, ranging from those of the state insurance commissioners to our own Magnuson-Moss Warranty Act. And I assure you that your efforts have not gone unnoticed in Washington.

Not long ago, FTC staff met with leaders of NAHB and HOW. Your message to us was clear: the NAHB does not approve of shoddy construction practices. On the other hand, the NAHB opposes FTC regulation of the entire home-building industry—something that, in your view, would burden the conscientious builder with unnecessary requirements. We are sensitive to your concerns. The building industry is unusually beset with government regulation, especially in the form of local restrictions and fees. We are also sensitive to the fact that much of the problem is not of your making: fluctuations in the credit cycle mean that builders must let workers go in times of tight money, then rush to rehire and retrain when mortgage funds are available—only to lay off again when the money market dries up. This stop-and-start way of life virtually guarantees that you cannot keep a group of trained employees on hand. Moreover, many of you face problems because of the negligence of subcontractors. But the fact remains that many builders cope with this adverse environment, providing quality homes and turning a good profit.

Our economists tell us that effective private warranty programs can be an efficient way to reduce housing costs. They start with the proposition that the consumer pays for everything eventually, including both upfront costs as well as operating expenses. The question is how to lower the total, overall costs charged to consumers.

Given the cycles of boom-and-bust in the mortgage market, builders have an incentive to build quickly, possibly to the detriment of housing quality. Shoddy building practices can be concealed from many purchasers who cannot be expected to have the technical expertise to evaluate the structural soundness of a home or the quality of electrical, plumbing, or air conditioning systems. This means that poor construction harms the good builder as well as the consumer, because the lower quality construction can initially be sold for lower prices. The purchaser will only find out about the true cost of the home when it is too late, after moving in, when the defects begin to appear.

With a private warranty program, however, the market may be able to correct itself. When builders qualify for a program such as HOW, the insurance company and the builder have an incentive to keep costs down by requiring that construction meet minimum standards of quality.

Ideally, we will one day see competition introduced in the home warranty business with warranty premiums varying according to the quality track record of the individual builder, thereby giving consumers a chance to shop for the builder with lower warranty premiums and the higher quality work that comes with them. Builders with poor construction track records will cost the insurance company more than it's worth to keep them in the program. The consumer and the quality builder would both be better off in such a competitive environment. And, I might add, there is some evidence that consumers would be willing to pay for private warranties and other means of reducing their long-term costs. Professional Builder Magazine, in its December 1978 survey, found that nearly 70 percent of consumers would be willing to spend an additional $1,000 at construction time to cut down on future maintenance costs, with some willing to pay even more.

The HOW program, then, has the potential to provide a lasting model of business/consumer relations for American industry. The FTC staff and HOW together are presently examining the dispute resolution mechanism to see how well it works in practice. There are some questions concerning whether the standards for HOW claims adequately serve the homebuyer. For example, do the HOW approved standards for the first year provide sufficient consumer protection? Should the two year coverage of heating, plumbing, and electrical systems be limited to ductwork, pipes, and wiring or the ten year coverage of major construction defects be limited solely to loadbearing portions of the home? I am also concerned that the HOW program—voluntary as it is—has not attracted greater participation by builders; this means that large numbers of consumers may not currently be receiving adequate protection. Couldn't HOW be more aggressively marketed? What about a concentrated national media campaign now that the program at least touches so many market areas? Shouldn't non-NAHB members be permitted to join HOW without paying much steeper fees than NAHB members? And adding consumer representatives and other interested parties to the HOW Board of Directors and the local HOW councils would certainly help to assure that the program responsively serves as broad a market as possible and responds to a concern that a cross section of interested parties is not involved in the policymaking process.

Many of the questions about standards and dispute resolution procedures promise to resolve themselves once the program establishes a longer actuarial track record so the proper tradeoff can be made between warranty performance standards and the level of premium charged the homebuyer. We are committed to improving the effectiveness of the procedures used, just as you are, and we shall continue to encourage you to offer the consumer an effective, efficient method for the resolution of his problems.

I would be less than candid with you if I did not leave this message: the patience of the American consumer is rapidly running out. You may think, as I do, that Americans are fed up with Big Government and want it to keep its cotton-pickin' hands out of private enterprise. That is true generally, but it is not true in every instance. There are many cases—and homebuilding is certainly one of them—where consumers are demanding more protection from the government, not less. The consumer movement is no longer made up of small bands of activists with no troops standing behind them; the consumer movement is now part of our culture—it embraces every one of us. And it will not be denied over an issue so fundamental as decent housing.

So I say to you today that as homebuilders, you have a choice: either you can each independently decide to make self-regulation work or you can brace yourselves for full-scale, hard hitting regulation from the government. It's that simple.

As homebuilders, you already have in your hands the instrument that you need. The HOW program, while imperfect, offers an excellent opportunity for homebuilders to be responsive to consumer concerns—and ultimately to bring great benefit to builders themselves. A year ago, a survey conducted by *Professional Builder Magazine* indicated that 79% of purchasers considered a new home warranty "very important" in their decision to buy a new home. By contrast, only 22% of the builders recognized that warranties are important to their customers, perhaps explaining, in part, why HOW has fallen beneath its original membership goals. As the magazine commented, most builders "may be missing a sales bet."

I strongly urge you to carry this program across the land, to strive to improve it where needed, to make universal your own dedication to quality building. Only then will you truly fulfill your unique opportunity to lead the way for other industries less responsive and less responsible to the consumer; only then will you truly capitalize on your unique chance to help alleviate the rigid confrontation climate between government and industry, the tension between consumer groups and business; only then will you truly utilize the powerful vehicle you have in your hands to eliminate the need for government regulation; only then will you truly exploit that "sales bet" and fully profit in the process.

Years from now, we are all going to look back on our lives and careers and ask, "What did we do that was important, what did we do that counted, that made a difference?" I'd like it said that at a time when consumer sensitivity and skepticism about American business and industry were at a high point, the housing industry led the way in restoring the consumer's faith in the American free enterprise system, that the march toward that goal—toward a greater industry commitment to the public, began right here in Las Vegas at this convention.

Thank you.●

S. 330—VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE JUDICIAL REVIEW ACT

● Mr. HART. Mr. President, on Thursday, February 1, 1979, I introduced S. 330, the Veterans' Administration Adjudication Procedure Judicial Review Act.

I request that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Administration Adjudication Procedure and Judicial Review Act".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ADJUDICATION PROCEDURES

SEC. 101. (a) Chapter 51 is amended by adding at the end of subchapter I thereof the following new section:

"§ 3007. Burden of proof; reasonable doubt

"(a) Except when otherwise provided by the Administrator in accordance with the provisions of this title, a claimant for benefits under laws administered by the Veterans' Administration shall have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that the claim is well grounded.

"(b) When, after consideration of all evidence and material of record in any proceeding before the Veterans' Administration, a reasonable doubt exists regarding the merits of a claim for any benefit under laws administered by the Veterans' Administration, such doubt shall, pursuant to regulations which the Administrator shall prescribe, be resolved in favor of the claimant, but nothing in this section shall be construed as shifting from a claimant to the Administrator the burden described in subsection (a) of this section.".

(b) (1) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part IV of such title are each amended by striking out in the item relating to chapter 51 "Applications" and inserting in lieu thereof "Claims,".

(2) The heading of such chapter is amended to read as follows:

"Chapter 51—CLAIMS, EFFECTIVE DATES, AND PAYMENTS".

(c) (1) The table of sections at the beginning of such chapter is amended by striking out in the item relating to subchapter I "Applications" and inserting in lieu thereof "CLAIMS".

(2) The heading of subchapter I of such chapter is amended to read as follows:

"Subchapter I—Claims".

(d) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 3006 a new item as follows:

"3007. Burden of proof; reasonable doubt.".

SEC. 102. Section 3311 is amended by adding at the end thereof the following new sentence: "Subpenas authorized under this section shall be served by any individual authorized by the Administrator (1) by delivering a copy thereof to the individual named therein, or (2) by mailing by registered or certified mail addressed to such individual at such individual's last dwelling place or principal place of business. A verified return by the individual so serving the subpena setting forth the manner of service, or, in the case of service by registered or certified mail, the return post office receipt therefor signed by the individual so served shall be proof of service.".

SEC. 103. Section 4001 is amended by—

(1) amending subsection (a) by striking out "(not more than fifty)" and inserting in lieu thereof "(not more than sixty-five)", striking out "associate", and inserting before the period at the end of the second sentence "in a timely manner"; and

(2) adding at the end thereof the following new subsection:

"(c) The Chairman shall submit a report to the appropriate committees of the Congress, not later than February 1, 1980, and annually thereafter, on the experience of the Board during the prior fiscal year together with projections for the fiscal year in which

the report is submitted and the subsequent fiscal year. Such report shall contain, as a minimum, the number of cases appealed to the Board during the prior fiscal year, the numbers of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the twenty-four months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of filing of an appeal and the disposition during the prior fiscal year, and the number of members and other professional, administrative, clerical, stenographic, and other personnel employed by the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of cases to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels, to ensure timely disposition of such appeals as required by subsection (a) of this section.".

SEC. 104. Section 4002 is amended by striking out "associate" wherever it appears.

SEC. 105. Subsections (a) and (b) of section 4003 are amended by inserting a comma and "after notice to the claimant of such additional information together with an opportunity to be heard in connection with such information," after "concerned".

SEC. 106. Section 4004 is amended by—

(1) inserting before the period at the end of the second sentence in subsection (a) "after affording the claimant an opportunity for a hearing and shall be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law";

(2) amending subsection (b) by striking out "in the form of official reports from the proper service department" and adding at the end thereof, the following new sentence: "A judicial decision upholding, in whole or in part, the disallowance of a claim under chapter 72 of this title shall not diminish the Board's discretionary authority under this subsection to reopen the claim and review the Board's former decision."; and

(3) amending subsection (d) to read as follows:

"(d) After reaching a decision in each case, the Board shall promptly mail notice of its decision to the claimant and the claimant's authorized representative, if any, at the last known address of the claimant and at the last known address of the claimant's authorized representative, if any. Each decision of the Board shall include—

"(1) a written statement of the Board's findings and conclusions, and reasons or bases therefor, on all material issues of fact, law, and matters of discretion presented on the record; and

"(2) an order granting appropriate relief or denying relief.".

SEC. 107. Subsection (d) of section 4005 is amended by—

(1) amending paragraph (5) by striking out "will base its decision on the entire record and"; and

(2) adding at the end thereof the following new paragraph:

"(6) In order to assure the resolution of claims as promptly as feasible and to afford claimants the opportunity for an appellate hearing before a disinterested authority at a location as convenient as possible for each claimant, the Administrator may provide a procedure, pursuant to regulations which the Administrator may prescribe after notice and public hearing, whereby a claimant may, within the time afforded the claimant under paragraph (3) of this subsection to file an appeal, request a *de novo* hearing before a panel of three Veterans' Administration employees, each of whose primary responsibilities include adjudicative functions but none of whom shall have previously considered the merits of the claim at issue. Such hearing shall be conducted at the agency of original jurisdiction unless there are not reasonably available at such agency a sufficient number of such employees to constitute such a panel, in which case such hearing shall be conducted at the nearest Veterans' Administration office at which there is a sufficient number of such employees reasonably available to constitute such a panel. Following such hearing, such panel shall be responsible for rendering a decision and preparing a new statement of the case in accordance with the requirements of paragraphs (1) and (2) of this subsection. Such new statement of the case shall, for all purposes relating to appeals under this chapter, be considered to be a statement of the case as required by such paragraph (1). Review of the decision of such panel by the Board pursuant to section 4004 (a) of this title shall be available, but the hearing before such panel shall satisfy the requirement in section 4004(a) of this title that the appellant be afforded the right to a hearing before the Board. Any hearing provided under a procedure established by the Administrator under this paragraph shall be in addition to any development and review action carried out pursuant to paragraph (1) of this subsection. The hearing procedure authorized under the provisions of this paragraph may be applied in one or more geographically limited areas on a pilot basis for a limited period of time in order for the Administrator to evaluate the desirability and feasibility of general application of such procedure.".

SEC. 108. Section 4009 is amended by adding after subsection (b) the following new subsection:

"(c) Whenever there exists in the evidence of record in an appeal case a substantial disagreement between the findings or opinions of two physicians with respect to an issue material to the outcome of the case, the Board (or, in the case of a hearing pursuant to section 4005(d)(6) of this title, the panel conducting such hearing) shall, upon the request of the claimant and after taking appropriate action to attempt to resolve the disagreement, arrange for an advisory medical opinion in accordance with the procedure prescribed in subsection (b) of this section.".

SEC. 109. (a) Chapter 71 is further amended by adding at the end thereof the following new sections:

"§ 4010. Adjudication procedures

"(a) For purposes of conducting any hearing, investigation, or other proceeding under this chapter, the Administrator may administer oaths and affirmations, examine witnesses and receive evidence.

"(b) Any oral, documentary, or other evidence may be admitted in a hearing, investigation, or other proceeding under this chapter, even though inadmissible under the rules of evidence applicable to judicial proceedings, but the Administrator, under regulations which the Administrator shall prescribe, shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

"(c) In the course of any hearing under this chapter, any party to such proceeding or such party's authorized representative shall be afforded opportunity—

"(1) at a reasonable time prior thereto as well as during such proceeding, to examine and, on payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), obtain copies of the contents of the case files and all documents and records to be used by the Veterans' Administration at such proceeding;

"(2) to present witnesses and evidence, subject only to such restrictions as may be set forth in regulations which the Administrator shall prescribe, pursuant to subsection (b) of this section, as to materiality, relevance, and undue repetition;

"(3) to make oral argument and submit written contentions, in the form of a brief or similar document, on substantive and procedural issues;

"(4) to submit rebuttal evidence;

"(5) to present medical opinions and request an independent advisory medical opinion pursuant to subsection (c) of section 4009 of this title; and

"(6) to serve written interrogatories on any person, including employees of the Veterans' Administration, which interrogatories shall be answered separately and fully in writing and under oath unless written objection thereto, in whole or in part, is filed with the Administrator by the person to whom the interrogatories are directed or such person's representative.

The fee provided for in clause (1) of this subsection may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown. In the event of any objection, filed under clause (6) of this subsection, the Administrator shall, pursuant to regulations which the Administrator shall prescribe establishing standards consistent with standards for protective orders under rule 26(c) of the Rules of Civil Procedure for the United States District Courts, evaluate such objection and issue an order (A) directing that, within such period as the Administrator shall specify, the interrogatory or interrogatories objected to be answered as served or answered after modification, or (B) indicating that the interrogatory or interrogatories are no longer required to be answered. If any person upon whom interrogatories are served under this section fails to answer or fails to provide responsive answers to any such interrogatories within thirty days after service or such additional time as the Administrator may allow, the Administrator shall, upon a statement or showing by the party who served such interrogatories of general relevance and reasonable scope of the evidence sought, issue a subpena pursuant to section 3311 of this title (with enforcement of such subpena to be available pursuant to section 3313 of this title) for such person's appearance and testimony on such interrogatories at a deposition on written questions, at a location within one hundred miles of where such person resides, is employed, or transacts business.

"(d) In the course of any hearing, investigation, or other proceeding under this chapter, an employee of the Veterans' Administration may at any time disqualify himself or herself on the basis of personal bias or other cause. On the filing by a party in good faith of a timely and sufficient affidavit averring personal bias or other cause for disqualification on the part of such an employee, the Administrator shall determine the matter as a part of the record and decision in the case.

"(e) The transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding, and the decision of the Board shall constitute the exclusive record and shall be available for inspection at reasonable times and places and, on the payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), shall be copied for the claimant or such claimant's authorized representative within a reasonable time. Such fee may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown.

"(f) Notwithstanding section 4004(a) of this title, section 554(a) of title 5, or any other provision of law, adjudication and hearing procedures prescribed in this title and in regulations prescribed by the Administrator under this title for the purpose of administering veterans' benefits shall be exclusive with respect to hearings, investigations, and other proceedings under this chapter.

"§ 4011. Notice of procedural rights

"In the case of any denial, in whole or in part, of a claim for benefits under laws administered by the Veterans' Administration, the Administrator shall, at each procedural stage relating to the disposition of such a claim, beginning with denial after an initial review or determination and including the furnishing of a statement of the case and the making of a final determination by the Board, provide to the claimant and such claimant's authorized representative, if any, written notice of the procedural rights of the claimant. Such notices shall be on such forms as the Administrator shall prescribe by regulation and shall include, with respect to proceedings before the Veterans' Administration, (1) descriptions of all subsequent procedural stages provided for by statute, regulation, or Veterans' Administration policy, (2) descriptions of all rights of the claimant expressly provided for in or pursuant to this chapter, of the claimant's rights to a hearing, to reconsideration, to appeal, and to representation, and of any specific procedures necessary to obtain the various forms of review available for consideration of the claim, and (3) such other information as the Administrator, as a matter of discretion, determines would be useful and practical to assist the claimant in obtaining full consideration of the claim.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"4010. Adjudication procedures.

"4011. Notice of procedural rights.".

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

SEC. 201. (a) Subchapter II of chapter 3 is amended by adding at the end thereof the following new section:

"§ 221. Rule making

"Notwithstanding the provisions of subsection (a)(2) of section 553 of title 5, the promulgation of rules and regulations by the Administrator shall be subject to the requirements of section 553 of title 5.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"221. Rule making.".

TITLE III—JUDICIAL REVIEW

SEC. 301. Subsection (a) of section 211 is amended by striking out "sections 775, 784" and inserting in lieu thereof "sections 775 and 784 and chapter 72".

SEC. 302. (a) Part V is amended by adding after chapter 71 the following new chapter:

"CHAPTER 72—JUDICIAL REVIEW

"Sec.
"4025. Jurisdiction.
"4026. Scope of review.
"4027. Remands.
"4028. Survival of actions.
"4029. Appellate review.

"§ 4025. Jurisdiction

"(a) After any final decision of the Administrator (as defined in subsection (c) of this section) adverse to a claimant in a matter involving a claim for benefits under any law administered by the Veterans' Administration, such claimant may obtain a review of such decision in a civil action commenced within one hundred and twenty days after the mailing to the claimant of notice of such decision pursuant to section 4003 of this title. Such action shall be brought against the Administrator in the district court of the United States for the judicial district in which the plaintiff resides or the plaintiff's principal place of business is located, or in the United States District Court for the District of Columbia.

"(b) In any matter not directly involving a claim for benefits under any law administered by the Veterans' Administration, section 211(a) of this title shall not operate as a bar to a civil action otherwise authorized by law.

"(c) For the purposes of this chapter, 'final decision of the Administrator' means—

"(1) a final determination of the Board of Veterans' Appeals pursuant to section 4004 (a) or (b) of this title; or

"(2) a dismissal of an appeal by the Board of Veterans' Appeals pursuant to section 4005 or 4008 of this title.

"(d) The provisions of this chapter shall not apply to matters arising under chapters 19 and 37 of this title.

"(e) The complaint initiating an action under subsection (a) of this section shall contain sufficient information permit the Administrator to identify and locate the plaintiff's Veterans' Administration records.

"(f) The Administrator shall file, together with the answer to a complaint filed pursuant to subsection (a) of this section, a certified copy of the records upon which the findings of fact and decision complained of are based.

"(g) In an action brought pursuant to subsection (a) of this section, the court shall have power to enter, upon the pleadings and the records specified in subsection (f) of this section, a judgment affirming, modifying, or reversing the decision of the Administrator, with or without remanding the cause for additional proceedings by the Administrator.

"§ 4026. Scope of review

"(a) In any action brought under section 4025 of this title, the reviewing court to the extent necessary to its decision and when presented, shall—

"(1) decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions;

"(2) compel action of the Administrator unlawfully withheld; and

"(3) hold unlawful and set aside decisions, findings, and conclusions of the Administrator found to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege, or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right;

"(D) without observance of procedure required by law; or

"(E) unsupported by substantial evidence.

"(b) In no event shall findings of fact made by the Administrator be subject to trial *de novo* by the reviewing court.

"(c) When a final decision of the Administrator (as defined in section 4025(c) of this title) is rendered in any case and such decision is adverse to a party solely because of the failure of such party to comply with any applicable regulation of the Veterans' Administration, the court shall review only questions raised as to compliance with and the validity of the regulation.

"§ 4027. Remands

"In any action brought under section 4025 of this title, the reviewing court shall, on motion of the Administrator made before the expiration of the time specified for the filing of an answer to a complaint filed pursuant to subsection (a) of such section, allow a single remand of a case to the Administrator for further review by the Administrator. If such review is not completed within ninety days after the date of such remand, the matter shall be returned to the court for its action. At any time after the Administrator files an answer, the court may, in the exercise of its discretion, remand the case to the Administrator for further action by the Administrator and, if either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such additional evidence in the proceedings before the Administrator, the court shall remand the case to the Administrator and order such additional evidence to be taken by the Administrator. After a case is remanded to the Administrator, and after further action by the Administrator, including consideration of any additional evidence, the Administrator shall modify, supplement, or affirm the findings of fact or decision, or both, and shall file with the court any such modification, supplementation, or affirmation of findings of fact or decision or both, as the case may be, and certified copies of any additional records and evidence upon which such modification, supplementation, or affirmation was based. Any such modification, supplementation, or affirmation of the findings of fact or decision shall be reviewable by the court only to the extent provided with respect to the review of the original findings of fact and decision in section 4026 of this title.

"§ 4028. Survival of actions

"Any action brought under section 4025 of this title shall survive, notwithstanding any change in the person occupying the Office of the Administrator or any vacancy in such office.

"§ 4029. Appellate review

"The decisions of a district court pursuant to this chapter shall be subject to appellate review by the courts of appeals and the Supreme Court of the United States in the same manner as judgments in other civil actions.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part V are each amended by adding below the item relating to chapter 71 a new item as follows:

"72. Judicial Review ..... 4025".

SEC. 303. Subsection (d) of section 1346 of title 28, United States Code, is amended by inserting "except as provided for in chapter 72 of title 38" after "pension".

TITLE IV—ATTORNEYS' FEES

SEC. 401. Section 3404 is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Administrator, pursuant to regulations which the Administrator shall prescribe, may determine and approve payment of reasonable attorneys' fees to be paid by the claimant, to attorneys recognized under this section, for services rendered in representing an individual before the Veterans' Administration in connection with claims for benefits under laws administered by the Veterans' Administration. In no event shall such attorneys' fee, determined and approved by the Administrator, exceed—

"(1) for any claim resolved prior to the claimant's receipt of a statement of the case pursuant to section 4005(d) of this title, $10; or

"(2) for any claim resolved following the claimant's receipt of such statement of the case, an amount not in excess of the lesser of—

"(A) the fee agreed upon by the claimant and the attorney; or

"(B)(i) $500, or a greater amount specified in regulations prescribed by the Administrator based on changed national economic conditions subsequent to the date of enactment of this subsection, except that the Administrator may, in the Administrator's discretion, determine and approve a fee in excess of $500, or such greater amount if so specified, in an individual case involving extraordinary circumstances warranting a higher fee; or

"(ii) if the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the

claim is resolved in a manner favorable to the claimant, 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim."; and

(2) adding at the end of such section the following new subsections:

"(d) If, in an action brought under section 4025 of this title, the matter is resolved in a manner favorable to a claimant who was represented by an attorney, the court may determine and approve as part of its judgment a reasonable fee for the representation of such claimant in such action. When the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the matter is resolved in a manner favorable to the claimant, the fee so determined and approved shall not exceed 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim.

"(e) To the extent that past-due benefits are awarded in proceedings before the Administrator or by a court, the Administrator shall direct payment of any attorney's fee that has been determined and approved under this section out of such past-due benefits, but in no event shall the Administrator withhold any portion of benefits payable for a period subsequent to the date of the decision of the Administrator or court making such award.

"(f) The determination and approval by the Administrator regarding attorneys' fees pursuant to subsection (c) of this section may be reviewed by a court only to determine whether the Administrator's action constituted an abuse of discretion. Review of the determination and approval by either the Administrator or the court regarding an attorneys' fee shall be obtained as follows:

"(1) For an award in conjunction with a claim before the Administrator pursuant to subsection (c) of this section, by an action brought within thirty days after the date of notice of such award by either the claimant or the attorney in the district court of the United States in the judicial district in which the claimant resides or the claimant's principal place of business is located.

"(2) For an award in conjunction with a claim approved by a United States court pursuant to subsection (d) of this section, on a motion made within thirty days after the date of such award by either the claimant or the attorney in the district court of the United States where the appeal was considered.

For actions brought under clause (1) of this subsection, the Administrator shall be named as the defendant, but notice of any such action shall also be given to all parties in interest and all such parties shall be heard by the court reviewing the award.

"(g) The provisions of this section shall apply only to cases involving claims for benefits under the laws administered by the Veterans' Administration, and such provisions shall not apply in cases in which the Veterans' Administration is the plaintiff or in which other attorneys' fee statutes are otherwise controlling.

"(h) For the purposes of subsections (c) and (d) of this section, claims shall be considered as resolved in a manner favorable to the claimant when all or any part of the relief sought is granted.

"(i) In an action brought under section 4025 of this title, the court, in its discretion, may allow the prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs.".

SEC. 402. Section 3405 is amended by striking out "or" after "title," and striking out "him" and inserting in lieu thereof "such claimant or beneficiary, or (3) with intent to defraud, in any manner willfully and knowingly deceives, misleads or threatens a claimant or beneficiary or prospective claimant or beneficiary under this title with reference to any matter covered by this title, by word, circular, letter, or advertisement".

TITLE V—EFFECTIVE DATES

SEC. 501. The provisions of this Act shall become effective on the first day of the first month beginning one hundred and eighty days after the date of enactment of this Act.

SEC. 502. A civil action authorized in chapter 72 of title 38, United States Code, as added by section 302 of this Act, may be instituted to review decisions of the Board of Veterans' Appeals rendered on or after January 1, 1977, and prior to the effective date of this Act: *Provided*, That such actions are instituted not later than one hundred and twenty days after the effective date of this Act or after the mailing of notice by the Administrator to the last known address of a claimant of the right to bring such a civil action, whichever occurs later.

A BILL TO AMEND THE INTERNATIONAL TRAVEL ACT OF 1961

Mr. JAVITS. Mr. President, I am joining Senators CANNON and INOUYE in sponsoring S. 233, a bill to amend the International Travel Act of 1961 to authorize appropriations for the U.S. Travel Service. The administration has proposed to discontinue the U.S. Travel Service by failing to request funds to administer the Service in this year's budget.

I have been a supporter of the U.S. Travel Service for many years. In 1953. I introduced a bill in the House of Representatives that put forward the concept of a U.S. Travel Service. Eight years later Senator MAGNUSON and I sponsored the International Travel Act of 1961. which established the U.S. Travel Service to develop, plan, and carry out a comprehensive program to stimulate and encourage travel to the United States by residents of foreign countries. The Service serves as a means of promoting friendly understanding and goodwill among citizens of foreign countries and of the United States.

It is as important today as it was in 1953 to recognize the importance of the travel industry and to assist in its development. Increased foreign tourism in the United States has made a significant contribution to rectifying our serious balance-of-payments deficit and will continue to do so as more and more foreign residents discover the national and historic sites found in all 50 States.

In this regard, New York has benefited historically from a heavy inflow of foreign visitors. However, I would like to point out to my colleagues that the U.S. Travel Service has focused on increasing tourism in parts of the United States that have not traditionally had tourist-related industries. In fact, the activities of the Service probably benefit other less traveled States to a greater degree than they do well traveled areas like New York.

The U.S. Travel Service, through its offices overseas and its extensive dealing with tourist-related industries—hotels, restaurants, and so forth—in the United States has sought to assist foreign visitors to overcome major inconveniences. For example, the U.S. Travel Service has sought to insure that hotels and restaurants in all parts of the United States have staff that speak foreign languages and that foreign exchange facilities are available.

I would also like to point out that, in an effort to reduce administrative expenses, S. 233 has cut back the U.S. Travel Service Washington staff by 60 percent. The bill authorizes $8 million for the fiscal year ending September 30, 1980. In light of the important national service the U.S. Travel Service performs and the magnitude of the contribution of the U.S. tourist industries to the economy—$8.6 billion in 1978—I urge support for S. 233 to preserve the U.S. Travel Service.

RECESS UNTIL 2:12 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a recess for not to exceed 15 minutes.

There being no objection, the Senate, at 1:57 p.m., recessed until 2:12 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 12 noon tomorrow.

The motion was agreed to; and at 2:13 p.m. the Senate recessed until tomorrow, Tuesday, February 6, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 5, 1979:

DEPARTMENT OF STATE

Joan Margaret Clark, of New York, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Loren E. Lawrence, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

U.S. POSTAL SERVICE

George Watson Camp, of Georgia, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1985, vice William A. Irvine, term expired.

Richard R. Allen, of North Carolina, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1986, vice Crocker Nevin, term expired.

CONFIRMATION

Executive nomination confirmed by the Senate February 5, 1979:

FEDERAL DEPOSIT INSURANCE CORPORATION

Irvine Henry Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of six years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, February 5, 1979*

The House met at 12 o'clock noon.

Chaplain James David Ford, B.D., offered the following prayer:

Here the words from Psalm 100:

Make a joyful noise unto the Lord, all ye lands, serve the Lord with gladness; come before His presence with singing.

O God, giver of hope and song, we give You praise that no matter what our situation in life we can be sustained by Your promise of a new and brighter day. Give us enthusiasm and power in all our tasks, and remind us that Your spirit can lift us from looking only to our interests, to service to others—the needy, the distressed, those with little hope, the lonely. Above all give us a spirit of confidence and joy, knowing that Your presence is ever with us even to life eternal. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

UNFINISHED BUSINESS—POWER TO DEAL WITH INTERNATIONAL ACTS OF AIR PIRACY AND TERRORISM

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, along with my colleague, Chairman JOHNSON of the Public Works and Transportation Committee, I am today introducing a bill to provide more effective methods of dealing with the grave problem of international terrorism.

This is a bill which the Public Works and Transportation Committee passed out of committee last year. There was insufficient time for other committees to consider it fully in the 95th Congress, and since it represents urgent business for which the 96th Congress must take full responsibility, it is our intent to hold early hearings.

I am advised that on the Senate side Senator RIBICOFF also is reintroducing today his very similar bill.

This bill is designed to deal with the threat terrorism poses to Americans both at home and abroad. It will aid law enforcement officials in preventing terrorist acts and bringing to justice the perpetrators of such acts. It will give the President the tools necessary to deal with threats and acts of terrorism and to work toward closer international cooperation.

In the 95th Congress there were numerous sponsors of similar bills. We welcome such support and urge that Members call the Aviation Subcommittee or the Public Works Committee offices, telephone 225-4472, to register such support.

□ 1205

GALLUP POLL SHOWS 52 PERCENT WANT MORE CIVIL DEFENSE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKELTON. Mr. Speaker, while many of us and the public in general discuss the pros and cons of the SALT talks, the strengthening of our NATO forces, and the development of the cruise missile and the MX, ICBM missile systems, little attention is paid to a most important topic, namely, American civil defense preparedness. Unfortunately, there is low public awareness of this most crucial topic. However, when we speak of providing for the common defense of our country, a truly key issue is whether we are adequately preparing ourselves in the field of civil defense. I think it is important that we realize that though public awareness is still relatively low, a majority of the American people would support increased efforts to protect our population in the event of a nuclear attack. In the recent Sunday Washington Post, a report by George Gallup indicates that 52 percent of the persons interviewed on his nationwide poll say that we should do more than we are doing in the field of civil defense. I strongly suggest that each of us read the results of this survey on this key issue that will be facing us in the days ahead. It is set out herein:

FIFTY TWO PERCENT WANT MORE CIVIL DEFENSE

(By George Gallup)

PRINCETON, N.J.—While public awareness of the civil defense system remains low, Americans today favor increased efforts to protect the populace in the event of a nuclear attack.

When reminded or informed that the Soviet Union is spending several times as much as the United States to protect its people from nuclear attack, 52 percent of persons interviewed say we should do more than we are doing. In late 1976, the comparable figure was 44 percent. Only 7 percent in the current survey say we should do less than at present, while 30 percent say we are doing "about the right amount."

The Gallup Poll recently repeated a nationwide survey, first conducted in 1976, to learn what Americans know about the present civil defense program in the United States.

The findings show:

Nearly half (46 percent) said they did not know whether or not a civil defense organization exists in their communities.

Only 24 percent say they know where the nearest public shelter, if any, is located.

Although Americans reveal a lack of awareness regarding civil defense, considerable support is found for greater protection of the populace. About half the public (52 percent) think the United States should do more in this respect than we are now doing. Among the "aware groups" support for greater protection is slightly higher.

TRUTH IN DEFENSE PART VI: PAUL NITZE'S RESPONSE

(Mr. CARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. CARR. Mr. Speaker, on October 5, 1978, Mr. Paul Nitze of the "Committee on the Present Danger" appeared on the "Today Show." In response of that appearance, I issued a "Truth in Defense" bulletin to all Members of Congress, and inserted it in the CONGRESSIONAL RECORD on October 6.

To summarize my points very briefly:

I accused Mr. Nitze of comparing the forces of the two sides in terms of megatons, even though megatons are a poor measure of strategic nuclear capability.

I accused him of selecting the smallest-megaton U.S. missile and comparing it with the largest-megaton Soviet missile, implying that the ratio thus derived was representative of the total forces of the two sides.

I pointed out that strategic U.S. forces are as a whole technically superior to those of the Soviets and that, more importantly, the damage inflictable by both sides is so great that there is no foundation for a claim that our deterrent is or will be invalidated.

As is the custom in this series, I sent a copy of my remarks to Mr. Nitze, together with an offer to insert his response, in full and without comment, into the CONGRESSIONAL RECORD. Unfortunately, his response arrived while Congress was in adjournment. I am, therefore, inserting it in the RECORD at this time. I also point out that Mr. Nitze will be testifying before the House Armed Services Committee tomorrow, Tuesday, February 6, and I encourage all interested persons to attend.

The response follows:

DEAR CONGRESSMAN CARR: I now have your letter of October 14th enclosing your statement of October 5th purporting to comment on a report by the Committee on the Present Danger, which was released on that date but which you say you had not read when you issued your denunciatory statement about it and me.

Your statement obviously has nothing to do with the Committee on the Present Danger's report, "Is America Becoming Number 2? Current trends in the U.S.-Soviet Military Balance." That report deals with the entire military balance, not just with the strategic nuclear balance. Its discussion of the strategic nuclear balance makes little reference to megatonnage. Figures 1, 2, 3, and 4 of that report deal with ICBM throw-weight, the number of ICBM warheads, the number of SLBMs, and the number of SLBM warheads; Figures 5 and 7 deal with megatonnage as one of four criteria.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Your statement must address quite a different subject; that is, my answer on NBC's "Today" show of October 5th to a question by Mr. Dancy concerning a section of an article by Philip Morrison and Paul Walker, published in the October 1978 issue of Scientific American. That section reads as follows: "From the earliest days of the ICBMs, it has been recognized that a couple of hundred *missiles* would suffice for a second strike deterrent to be launched if an adversary should strike first without warning. That number can be found today in the latest reports of the Department of Defense. The U.S., however, maintains at least 9,000—45 times 200—strategic missile *warheads* and its leaders are reluctant to reduce that number." (Italics added.) You will note the confusing transition from *missiles* to *warheads*. In any case, my answer was meant to deal precisely with the oversimplification contained in the reference. It was intended to bring out the error of using only one criterion—the number of warheads—by showing the quite different results of using a different, and at least equally pertinent, criterion, that of megatonnage.

By simple arithmetic, 200 of our Poseidon 40 kiloton warheads have an aggregate yield of eight megatons. This is less than a third of the 25 megaton yield of a single one of the largest Soviet warheads. Ten of these large Soviet warheads have as much yield as all the reliable at-sea submarine-launched ballistic warheads we now have or expect normally to have at-sea prior to 1985. It is also true that our SLBMs are our most survivable deterrent system; in fact, the only system we can expect any appreciable portion of which to endure—if not earlier used—for more than a few hours in a nuclear war. It is also true that fallout is proportional to megatonnage, assuming the weapons are burst at roughly the same altitude and obtain roughly the same proportion of their yield from fusion rather than fission. It is also true that 197 of the 200 largest Soviet cities can be evacuated in a matter of hours, and their population thus largely protected against blast and fire. The evacuation of Kiev might take a day, Leningrad three days, and Moscow perhaps four days. Fallout from a megaton of ground burst fission yield covers an area of several thousand square miles; blast much less than a tenth as much.

Other aspects of nuclear weapons than either numbers of weapons or megatonnage have more bearing on counter-military as opposed to counter-civilian uses. It is for that reason that it is important to consider all the pertinent criteria in analyzing these matters.

The section of the Morrison/Walker article on which I was asked to comment is as pure a statement of the minimum, minimum deterrent position as I have recently seen in print. It implies that one partially loaded Poseidon submarine at-sea and one in port, each with 100 RVs, would constitute an adequate deterrent. Did you really mean to associate yourself with that position? What would you propose the United States should do if we found one day that the submarine at-sea had been sunk by a conventionally armed weapon?

Sincerely yours,

PAUL H. NITZE.

P.S.—I enclose a copy of the letter I am sending to other members of the Congress.

DEAR MR. CONGRESSMAN: What prompts me to write you is a statement—with the ironical title of "Truth in Defense"—published over the names of Representatives Bob Carr and Tom Downey in the Congressional Record for October 6, 1978. The statement refers to a paper on the U.S.-Soviet strategic balance issued by the Committee on the Present Danger, makes a number of incorrect allegations about its contents (admittedly unread by the two gentlemen), and then adduces an array of bizarre conclusions about national security.

According to a letter to me from Mr. Carr, the two signers have sent the statement to every Member of the House of Representatives. Probably no appreciable harm will result, but I cannot dismiss the possibility that some unwary Member might take their assertions seriously and draw unwarranted conclusions. I think it appropriate therefore to send the CPD paper to each Member of Congress. A copy for you is enclosed.

Sincerely,

PAUL H. NITZE.

PROTESTING THE FARMERS' PROTEST

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, today I speak out in protest to a protest that is taking place in Washington; namely, that of the farmers' march.

I certainly support the right of any group to demonstrate and to express their point of view in Washington, but this particular protest is taking place when just 2 weeks ago President Carter said that farm incomes had risen nearly 30 percent in 1978. Farmers are here with 1,800 tractors blocking and locking up the Capitol and I think basically the whole program that they are suggesting of increasing parity levels and increasing target pricing at a time when our country is facing the problem of critical inflation is really outrageous.

I mention the 1,800 tractors. It is assumed that in spite of the energy crisis facing this country and the problems we are having in that respect, over 600,000 gallons of fuel are being used in this protest alone, to say nothing of the millions of dollars that are being spent in Washington by this group.

I am just here to say, Mr. Speaker, that I do not think the American people should pay this bill through higher farm subsidies and higher parities in any way, and I hope that my colleagues in the Congress agree with my opinion.

URBAN DEVELOPMENT ACTION GRANT PROGRAM

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter).

Mr. BONER of Tennessee. Mr. Speaker, I rise today to offer an amendment to title I of the Housing and Community Development Act of 1974 for the purpose of utilizing the urban development action grant program to assist certain urban counties in which there are areas with special needs relating to physical and economic deterioration. My amendment is designed to correct an injustice perpetrated on the over half a million residents of the city of Nashville, Tenn., of which I am proud to represent. The U.S. Department of Housing and Urban Development's urban action grant program (UDAG) is designed to provide Federal grants to elevate severe economic and physical distress in our Nation's urban counties and cities.

However, there are many urban counties throughout the Nation that cannot participate in this program as a result of the Department of Housing and Urban Development's use or overall statistical information for an entire city or urban county in order to determine eligibility. A city or urban county that does not meet certain criteria on the basis of these overall statistical measures cannot participate in the program even though it may contain an area that is severely distressed, both economically and physically. The amendment I am offering today would allow an urban county, such as Nashville, Tenn., to be eligible for funding under UDAG program, providing that the area meet certain criteria set by HUD.

Mr. Speaker, this is not a regional problem nor one located specifically in the State of Tennessee. Cities that have combined urban counties or metro governments exist in the North, the South, the East, and the West, and include such large areas as Lexington, Fayette County in Kentucky; Marion County, Indianapolis, Ind.; East Baton Rouge, Parish-Baton Rouge; the counties of New York City; the county-city of Philadelphia; the metro governments of Denver, San Francisco, Jacksonville, San Jose, and Little Rock, to name a few. This failure on the part of our Federal Government to recognize the specific problems of these metro areas is one of the major flaws in the UDAG program.

This amendment I am offering today deals only with the problem of excluding from the UDAG program urban counties that contain areas of severe economic and physical distress. Many of these excluded cities and urban counties are some of the fastest growing in the Nation, and opponents of this amendment would argue that these cities should be able to solve their own problems. I submit, however, Mr. Speaker, that growth has its problems also and that these cities, including Nashville, Tenn., face the problem of coping with growth and intercity decay while meeting expanding demands from municipal services and the needs of our intercity.

The intent of my amendment is not to dilute or expand the program to give Federal dollars to healthy cities or counties. Its purpose is to make sure that all distressed areas on an equal basis can participate in a program specifically created to help such distressed areas and are not discriminated against by virtue of their boundaries, prior to incorporation as either a metro area or an urban county. It is important to remember that UDAG is a competitive program, not an entitlement, and selection is based on need and distress of the community.

The grants are designed to make new partnership between Government and the private sector and seek to utilize Federal funds stimulating new and increased private investment in commercial, residential, or industrial projects. Action grants in this area have been authorized for 3 years with $400 million available in the fiscal years 1978, 1979, and 1980. I understand that President Carter and the Secretary of HUD are seeking an additional $275 million a year for the program.

It was interesting to note, Mr. Speaker, that the U.S. Department of Housing and Urban Development announced on January 4, 1979 that over $89.7 million in the first action grant awards for 1979 include over a half billion dollars in private financial commitments and that over 14,422 new private sector jobs will be created and an additional 6,268 jobs will be saved as a result of these specific grant programs. Action grants may be used for a wide range of development activity, such as clearing land, improving sites and rehabilitating and constructing public commercial, industrial, and residential buildings. Communities may use the grants for equity funding, loans, loan guarantees, or other financial arrangements to fund joint public-private developments.

I wish to recognize, Mr. Speaker, that in the 95th Congress, second session, various amendments were proposed to the Housing and Community Development Act of 1974. One amendment which stands out was that of the Senator from Texas, Mr. TOWER. On July 20, 1978, the Senate considered his amendment which would have permitted city or urban counties which were severely depressed to be eligible for assistance under the UDAG program if they contained one or more areas which had levels of physical and economic distress set forth in the minimum standards referred to in the law. The debate on the Senate floor seemed to center around regional considerations—North against South, Southwest against Southeast; however, the amendment did pass the Senate by a vote of 47 to 38 on July 20, 1978.

This amendment was not considered on the House side, Mr. Speaker, and during the conference report on S. 3084, resulting in Public Law 95-557, the conferees did not retain the Senate-passed provision. They did say, however, that "they were aware that many cities and urban counties are not presently eligible to participate in the UDAG program. . . . The conferee therefore believed that Secretary of HUD should study these issues and report to the authorizing committees of the conference no later than March 31, 1979, and that the study shall include, but not be limited to, the determination of the problems which presently ineligible cities have in meeting the needs of distressed areas and," the need for establishing "special criteria which can be used to measure the levels of economic and physical distress substantially compared to those otherwise applicable for eligible cities and areas of urban counties which are presently ineligible to participate in the UDAG program." Mr. Speaker, the conferees recognized a critical problem but the Congress must act today, both on the House and Senate side, to correct this obvious imbalance in Federal, State, and local cooperation.

Nashville-Davidson County, Tenn., one of the cities in Tennessee I am proud to represent, has had a metropolitan progressive form of government since April 1, 1963, thus incorporating the city and the county into one form of government. This incorporation helped to raise the statistical data necessary to meet the criteria to be eligible for UDAG funding per capita income; population lag; unemployment; job lag; and poverty. Attached please find a listing and summary of some of these criteria. Incorporation in Nashville dictated that the old city of Nashville, the most economically distressed area, would be incriminated in its competition for Federal grants. As an example, Mr. Speaker, the percentage of houses built before 1940 under the UDAG standard must be 43.15 percent or higher. Old Nashville includes 40 percent and the Metro Post, 1963 Nashville has 24.8 percent making it ineligible to be considered under that specific criteria. Most of the criteria contains similar statistics.

My amendment would permit the city of Nashville, under its old boundaries, to compete for UDAG matching funds on a competitive basis with other cities. I recognize that many of the opponents of such a position would argue that the city of Nashville receives community development block grant funding and should not receive any additional action grant program money. It is true for the year that begins March 1, 1978, Nashville was allocated $8,439,000 and that in the previous year it received $10,799,000 on community development block grant program.

However, the community development block grant program is the major funding resource for town, cities, and urban counties in population over 50,000 and it is not discretionary insofar as the Secretary of HUD deciding which cities or urban counties can compete for funds. The action grant program on the other hand, not only is discretionary on the part of the Department, but before it can receive money it must have a private commitment of funds to benefit both the private and public interest.

Mr. Speaker, I have taken the opportunity to correspond with both the House and Senate Banking and Housing Committees in an effort to alert the membership of these committees to the discrepancies that exist in this law. I urge the Congress and the American people to consider the provisions of this amendment and I shall be addressing this problem during the congressional legislative process. A copy of my amendment is attached below:

H.R. 1839

A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of utilizing the use of the urban development action grants program to assist certain urban counties in which there are areas with special needs relating to physical and economic deterioration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119(b) of the Housing and Community Development Act of 1974 is amended by adding the following new sentence at the end thereof: "For the purpose of the preceding sentence, an urban county shall be considered as severely distressed and eligible for assistance under this section if it contains at least one area which—

"(1) has the levels of physical and economic distress set forth in the minimum standards referred to in the preceding sentence; and

"(2) was, before 1960, a city with a population of at least 50,000 persons."

BRIEFING SUMMARY ON AMENDMENT TO HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Problem: To assist the City of Nashville, through Congressional Legislation, to compete for over $400 million in HUD Urban Development Assistance Grants (UDAG) to rehabilitate and revitalize downtown Nashville.

Solution: To amend the Housing and Community Development Act of 1974, Title 1 for the purpose of permitting Nashville (and other similarly situated metro areas) to utilize its pre-1963 Old city boundaries for purposes of meeting the UDAG criteria for eligibility to receive Federal funds.

NASHVILLE'S COMMUNITY DEVELOPMENT BLOCK GRANTS

1. No discretion by Secretary of HUD.
2. Automatically allocated to cities.
3. Only to housing rehabilitation that effect low and moderate income families: $8,439,000 for 5/1/78-79; $10,799,000 for 5/1/77-78; $9,609,000 for 5/1/76-77.

UDAG'S

1. Secretary has discretion on distribution of funds-competitive.
2. Matching monies with private sector.
3. Can use for commercial, industrial, and residential structures no UDAG funds.

CRITERIA COMPARISONS

1. Percent of housing constructed before 1940: UDAG standard 34.15%+; Old Nash 35.40%; New Nash 24.80%.
2. Per Capita Income: UDAG standard $1424—; Old Nash $1438; New Nash $2136.
3. Percent Change in Population: UDAG Standard 15.52%+; Old Nash —16.30%; New Nash 15.10%.
4. Unemployment—1977: UDAG Standard 6.9%; Old Nash 7.9%; New Nash 6.9%.
5. Percent of growth in retail & Manuf. employ.: UDAG Standard 7.08%; Old Nash 7.00%; New Nash 9.70%.
6. Poverty—Percent of people below '70: UDAG Standard 11.24%+; Old Nash 19.70%; New Nash 13.70%.

TENG OUTFOXED CARTER

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, it is clear that Vice Premier Teng Hsiao-ping succeeded in making President Carter a tool of Chinese Communist imperialism during his tour across the United States.

Teng's widely publicized propaganda blits against the Soviet drive for Communist world domination was obviously designed to encourage the United States to provide Peking with the products, technology, and arms in order to eventually accomplish that object of world hegemony themselves.

The United States should repudiate aid and comfort to both Moscow and Peking.

Alliances with these Communist su-

perpowers can only serve their own purposes, not our own.

The United States should instead pledge continued support and defense protection to free and proven friendly nations.

The following editorial from the Arizona Republic last Saturday points out that Vice Premier Teng clearly outfoxed President Carter in this balance-of-power strategy of wits:

[From the Arizona Republic, Feb. 3, 1979]

TENG OUTFOXES CARTER

National Security adviser Zbigniew Brzezinski pressed President Carter to recognize Communist China because, he argued, it would give the president the opportunity to play "the China card" against Soviet Russia.

It's now clear that Chinese Vice Premier Teng Hsiao-ping was anxious for recognition because he wanted to play "the American card" against the Soviets.

It's equally clear that Teng is a good deal better at this game than Carter. Time after time, during his visit, he's been trumping Carter's ace.

The president is desperately eager for a Salt II agreement with Moscow. He made no secret of this in his State of the Union address.

He knows that whatever agreement finally reaches the Senate will face close scrutiny and possible rejection as a result of the growing distrust of Moscow in the United States, which, in words reminiscent of Spiro Agnew, he ascribes to "an elite."

Once the euphoria that has enveloped the White House since Teng arrived in Washington begins to evaporate, Carter may realize what has become obvious—that one reason, a major reason, for the deputy premier's visit was to derail Salt II.

And that he may very well have succeeded in doing so.

Even before he left Peking, Teng gave an interview to Time magazine, calling on the United States to help China chain "the polar bear." In subsequent talks with newsmen, the deputy premier has been even more explicit. He has warned the United States against making any arms agreement with the Soviets, saying the men in the Kremlin cannot be trusted.

He has called for tacit, though not a written, military agreement between China and the United States against Soviet Russia.

Teng has been missing no opportunity to feed the growing distrust of Moscow. And his words will soon return to haunt the White House.

When Salt II comes before the Senate, those who oppose it will be certain to quote Teng's words about Soviet duplicity, and about Moscow's drive to establish hegemony over the entire world.

Many of those who will hurl Teng's words in Carter's face are conservatives, who have no more use for Chinese communism than the Russian communism. That will not make the president's task of answering them any easier, Teng came at his invitation. He toasted Teng in California champagne, and spoke glowing of him.

Will he now repudiate and denounce Teng?

By recognizing Peking, Carter hoped to play off China against Soviet Russia. What he actually did was give Teng a golden opportunity to play off the United States against Soviet Russia.

Teng has seized it, and the result may not only be the rejection of Salt II, but the destruction of the president's attempt to make detente a reality, instead of merely a word, as well.

□ 1210

ALASKAN "NATIONAL INTEREST LANDS"—SOME SIMPLE FACTS

(Mr. SEIBERLING asked and was given permission to adress the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, as the House and two of its committees consider the Alaska Federal lands protection bill, I want to highlight a few basic facts that I hope our colleagues will bear in mind as they encounter the efforts opponents will make to weaken the compromise bill, H.R. 39.

H.R. 39 AND "STATES' RIGHTS"

H.R. 39 is not an effort to lock-up Alaska or to deny the State and its people resources needed for their economic development.

Alaska is a huge subcontinent, 375 million acres big. Just two decades ago, virtually all of it belonged to all the American people. In the 1959 Statehood Act, the American people gave the State and people of Alaska 104 million of these acres, which the State may select from any Federal lands which are vacant and unappropriated at the time of selection. In 1971, the Congress granted another 44 million acres of Federal lands to the Native peoples of Alaska, in a just settlement of their aboriginal land claims. In both cases, the citizens of Alaska have had a wide opportunity to make selections of lands highly valuable to them.

For example, the State selected Prudhoe Bay, and thus its treasury and not the Treasury of the Federal Government, receives those rich oil revenues.

In general, the State and its people have obtained or will be free to obtain most of the easily developable, resource-rich lands.

Now we seek to protect the interests of another sometimes forgotten group—the American people as a whole, who have already been so very generous with the interests of the people of Alaska and Alaska developers.

Clearly, it is in the Nation's interest to have a healthy, prosperous State of Alaska and a balanced development of its economic resources. The generous grants of 148 million acres of land to the State and its citizens will certainly contribute to that.

Now, on other lands still in Federal ownership, we seek to protect another national interest by establishing national parks, national wildlife refuges, wild and scenic rivers, and wilderness areas for the benefit and enjoyment of all the people in our generation and future generations.

NO WEAKENING AMENDMENTS

H.R. 39 reflects the many concessions to the State of Alaska and to industrial interests that we worked out in the two years this bill has been under consideration in Congress. Yet, having compromised so much, we hear only redoubled pleas for yet more concessions.

I believe we have gone far enough. This is a balanced bill. Last year, when it was proposed to allow the State to select 5 million acres of Federal lands within proposed parks and refuges, we defeated that "Young amendment" on the House floor by a 251–141 vote. When it was proposed to cut the acreage of protected wilderness within parks and refuges in half, in the "Meeds amendment," the House rejected that, too, by 240 to 119.

There is every indication that the American people, by an overwhelming majority, want a strong Alaska bill. When the Members of Congress hear from the people back home in their own districts, I think most of them are going to hear the message loud and clear: Do not weaken H.R. 39 by further amendments.

THE BIG LIE OF "RESOURCE LOCK-UP"

Is this bill a "lock-up"? Is this bill unfair to Alaska or to some industry? The answer is a resounding "No." Here are the facts, as our distinguished colleague, Representative MORRIS K. UDALL, the chief author of H.R. 39, has recited them:

Approximately 65 percent of the land with metallic mineral potential in Alaska will be outside any of the lands included in H.R. 39;

Eighty-seven percent of all the land in Alaska can be opened to sport-hunting and to trapping;

Ninety percent of all the favorable and high potential oil and gas lands onshore in Alaska are totally outside the conservation areas in this legislation; and

One hundred percent of all federal land in Alaska will be available for scientific mineral assessment by our expert Government agencies . . . and such assessment is specifically provided for in H.R. 39.

So much for the "big lie" about economic strangulation and resource "lock-up" in Alaska.

FULL WILDERNESS PROTECTION

Mr. Speaker, in H.R. 39 we uphold and confirm the historic proclamations President Jimmy Carter made in December to establish National Monuments on part of these national interest lands. In doing so, he acted in a great tradition going as far back as President Teddy Roosevelt. Both the Congress, whose freedom of action he protected, and the American people, whose heritage he has acted to preserve, can be grateful to President Carter, for what will undoubtedly be called the greatest conservation action in our history. Now it is for the Congress, which began the process and provided the President's authority, to follow through by extending and completing this monumental achievement.

Especially needed is statutory protection for critical wilderness lands within these monuments and the other new parks and refuges in Alaska—and in the existing national forests which have been so extensively clear-cut. The importance of Alaskan wilderness was aptly summed up last year by former New York Senator James Buckley, a great Republican conservationist.

Yes, wilderness areas. Too many would accept the myth of wilderness for an "elite" or of wilderness as some kind of "lock-up" of desirable development sites. Nothing could be further from the truth.

Wilderness is for the land and for the people. We will all be impoverished if we let our most magnificent Alaskan wilderness be whittled away. Yes, the areas to be set aside are large, but the scale of Alaska is vast, and its fauna require many times the undisturbed area that is required by more southerly species.

The 85-million acres we propose as wilderness within the parks and refuges is really the bottom line for habitat and land protection. It should not be cut.

OIL AND CARIBOU

One of the key areas which requires full wilderness protection is the Arctic coastal plain within the existing Arctic National Wildlife Refuge. In a letter last week, the mayor and city council members of the Native Village of Kaktovik, which lies within this area, urged us to fully protect this wilderness and its vital calving grounds for the Porcupine caribou herd. They wrote:

We felt fortunate when H.R. 39 passed the House of Representatives with strong protection of the Arctic National Wildlife Range, but were unhappy with the Senate Energy Committee recommendations to proceed with oil and gas seismic exploration. Again we ask: why the exploration? Previously, Governor Hammond and Secretary Andrus have stated that this is a critical habitat and should be the *last* place in Alaska to be explored. If oil were found, there would be strong pressures for development and this would be incompatible with the continuing existence of the Porcupine caribou herd . . .

H.R. 39 gives this full wilderness protection to this area, with no oil and gas exploration or development program. I fully expect we will see efforts to weaken that, if not in the House then in the Senate. It is essential that our committees and the full House resist such weakening amendments. We must flatly insist that our protection of the Porcupine caribou and their calving grounds prevail over the oil industry exploration plans.

PLENTY OF ROOM FOR HUNTING

One final point. In an effort to whip up opposition to this well-balanced compromise bill, some opponents are trying to convince Americans that sport hunting will be prohibited across a huge swath of Alaska. That is another "big lie". Of all the land in Alaska, fully 87 percent will be unaffected by H.R. 39 as regards hunting. Wherever the wildlife population of these lands is sufficient to support sport hunting, the private owners, the State of Alaska or the Federal agency having jurisdiction over these lands will be free to open them to sport hunting. On the remaining fraction of Federal land, some areas—those in the national parks—will be closed to sport hunting. But these are areas where beleaguered wildlife populations (caribou, grizzly bears, and many others) require such "sanctuaries". Here again, I think the American people will say we have struck a fair balance.

NO MORE ALASKAS

Mr. Speaker, our colleague Mo UDALL made an eloquent speech on January 15, when he was joined by scores of the Members of this House in sponsoring H.R. 39. In his closing words, he summed up the case for H.R. 39, and against any weakening amendments. He said:

. . . there are some who will remain vehemently opposed to this legislation—in any form. Regardless of the concessions that have been made, they will alway try to "up the ante" by demanding even more concessions.

Perhaps the rest of us would not be so concerned about our land in Alaska if it were a different time and a different place—if we still had other Alaskas to develop and to exploit. But there are no more Alaskas.

The tide of modern technological development is about to sweep over Alaska. Not in our generation nor ever again, will we have a land and wildlife conservation opportunity approaching the scope and importance of this one.

This time, given one great last chance, let us strive to do it right.●

OCCUPATIONAL ALCOHOLISM PREVENTION AND TREATMENT ACT

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today, I am reintroducing the Occupational Alcoholism Prevention and Treatment Act. This legislation is designed to facilitate the operation of occupational alcoholism programs through Federal assistance to employers, labor organizations and other groups.

This disease, alcoholism, exacts a tragic toll from America each year in human and fiscal resources. The American business community shows an estimated loss of between $15 and $20 billion in absenteeism, accidents, reduced productivity, faulty decisions, and personnel turnovers. Our own House has been deprived of the services and talents of good men because of alcoholism.

There are programs, fine ones, to help the alcoholic, but only after the disease has become so acute that it can no longer be ignored. These acute cases amount to only 3 to 5 percent of active alcoholics. Ninety percent of all alcoholics are estimated to be working. These are the people we must reach—before their families are devastated and careers are ruined.

My bill will authorize the Secretary of Health, Education, and Welfare—through the National Institute on Alcohol Abuse and Alcoholism—to make available grants for up to one-half of the costs of occupational alcoholism programs. Applicants for those grants may be employers or unions or consortiums of employers or of unions. The money will be apportioned so that each State will have set aside for applications from it, sums equal to the relative labor force population of that State. The bill authorizes an annual appropriation equal to 2.5 percent of the total Federal alcohol taxes collected on beer, wine, and liquor for the fiscal years 1980 through 1983.

The Federal Government's tax revenues are augmented by the alcoholic and the general increased consumption of alcohol. It seems only just that a portion of these revenues be used in the energetic support of programs to assist the alcoholic whose consumption has increased these revenues.

AMERICAN AGRICULTURE MOVEMENT

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, I had proposed to discuss today and make a few comments on the current activities of the American Agricultural Movement. And I digress for a moment to respond to the gentleman from New York (Mr. PEYSER) who just spoke on the subject.

The gentleman is an "eminent authority" on farm economics. All of us who were here about 5 years ago remember the debate regarding the termination of the Sugar Act, and we know what he did to kill the Sugar Act. It has been chaos for consumers and sugar producers ever since.

I ask my colleagues not to follow the advice of the gentleman from New York. I ask my colleagues not to pick on the American farmer. The issue is not so much farmers and tractors as it is the economic conditions which brought these folks to Washington in the first place.

In his state of the Union address, President Carter said:

Farm exports are setting all-time records, and farm income last year was up more than 25 percent.

That is all the President said with regard to our farm economy. Quite naturally, in view of this statement and a great deal of comment from the Department of Agriculture recently about record farm income, exports and assets, many are asking why farmers are in Washington. Here is what the President did not say:

Realized net income per farm in 1977 was the lowest since 1972. If you use 1967 as a base year with an index of 100, the index of prices received by farmers in 1973 was 179. Since 1974, this index of prices received increased from 192 to 217 in October of 1978. At the same time, the index of prices farmers paid increased from 164 in 1974 to 224 in October of 1978.

To be sure, farm income has increased. There have been gains. But, compared to what? If you look at the figures more closely, you see that the index of prices received by farmers in 1975, 1976 and 1977 was below the 1974 level. Mr. Speaker, no other segment of our economy has experienced this kind of decline. The index of prices paid increases consistently.

Net farm income may total $28 billion for 1978. But if you express that income in 1974 dollars, you will need a 1978 net farm income of about $32 billion just to break even.

Let us talk about farm assets. U.S. farm assets totaled $708.3 billion on January 1. That is up 8.2 percent from a year ago, but it is the smallest dollar and percentage increase since 1974. Farm debt, at $118.8 billion was up 15.7 percent from a year earlier, the largest annual increase on records going back to 1940.

The point that the President ignored

was that farm debt is increasing twice as fast as farm assets. The farm policy question that must be answered is how long this situation can continue before we lose a generation of farmers? Where is the next generation of farmers going to come from?

Let me also point out, Mr. Speaker, that quoting national statistical averages can also be very misleading. From the start, our price, cash flow, and credit problems have been most severe in High Plains wheat producing country. Not all farmers produce the same products. Prices for some products are higher. Some farmers have been able to recoup. However, the index of prices farmers received for food grains, such as wheat, fell from 300 in 1974 to 195 this past October.

Mr. Speaker, in this day and age of rampant inflation and soaring production costs, the farmer has not been able to keep pace. Those who have survived to date have done so by simply going farther into debt. For them, the state of the economy is anything but sound and that is why they are in Washington.

ADJOURNMENT OF HOUSE FROM THURSDAY, FEBRUARY 8, 1979, TO TUESDAY, FEBRUARY 13, 1979, AND RECESS OF SENATE FROM FRIDAY, FEBRUARY 9, 1979, TO MONDAY, FEBRUARY 19, 1979

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 42) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 42

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, February 8, 1979, it stand adjourned until 12 o'clock meridian on Tuesday, February 13, 1979, and that when the Senate recesses on Friday, February 9, 1979, it stand in recess until 12 o'clock meridian on Monday, February 19, 1979.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING RULES OF HOUSE OF REPRESENTATIVES TO CHANGE THE NAME OF COMMITTEE ON INTERNATIONAL RELATIONS TO COMMITTEE ON FOREIGN AFFAIRS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Rules be discharged from further consideration of the resolution (H. Res. 89) to amend the Rules of the House of Representatives to change the name of the Committee on International Relations to the Committee on Foreign Affairs, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 89

Resolved, That (a) clause 1(k) of rule X of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(b) Clause 1 of rule X of the Rules of the House of Representatives is amended—

(1) by redesignating paragraph (k) as paragraph (h);

(2) by inserting such redesignated paragraph immediately after paragraph (g); and

(3) by redesignating existing paragraphs (h) through (j) as paragraphs (i) through (k), respectively.

(c) Clause 3(d) of rule X of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(d) Clause 4 of rule XXI of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(e) Paragraph (3) of clause 1(a) of rule XLVIII of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(f) Any reference in any provision of law or any resolution of the House of Representatives to the Committee on International Relations shall be deemed to be a reference to the Committee on Foreign Affairs.

□ 1215

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the eminent gentleman from Wisconsin (Mr. ZABLOCKI) was good enough to mention to me last week his intention of asking for consideration of this resolution. I took the trouble of researching the history of the present request and the change it will affect. On March 19, 1975, reflecting the desire of the overwhelming majority of the then Committee on Foreign Affairs, the House approved a resolution changing the name to the Committee on International Relations. That was almost 4 years ago and, of course, in the interim period, we have had trouble in the Middle East and we are about to lose Iran, Africa is a shambles, we have abandoned Taiwan, embraced Red China and our foreign policy is in general disarray. Perhaps a change is necessary.

What prompted my reservation of objection today was to inquire what is precisely behind this request? And I refer the gentleman from Wisconsin (Mr. ZABLOCKI) to my remarks as a background to my question. I took the trouble to research the meaning of these two phrases, and would point out to the gentleman from Wisconsin (Mr. ZABLOCKI) who is the distinguished chairman of the present Committee on International Relations, that as defined by the dictionary "international" means "existing between and among nations" or "the intercourse of nations." As to "relations," it is "an aspect or quality that can be predicated only on two or more things taken together." That is plain enough. But the phrase "foreign affairs" has a far broader meaning. "Foreign," of course, means "situated outside a place or country," but "affairs" I find can be described either as "commercial, professional, or public business or matters of concern," or, if spelled with an "e", it means a romantic or passionate attachment, particularly of limited duration or an illicit relationship.

So not only, therefore, would I ask the gentleman to justify his request, but I ask him how the word "affair" in the proposed new name is to be spelled

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Of course I yield to the distinguished gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding. I wish to compliment him in view of the fact that he, again, has demonstrated that he is a student of history as well as of the English language. He has presented the definitions of the two titles very well.

If the gentleman will yield still further, I would like to advise him that the title of "Foreign Affairs" is historic. It is the oldest standing committee of the House, dealing with foreign affairs.

As a matter of fact, the committee traces its origins to November 29, 1775 when it was created "for the sole purposes of corresponding with our friends in Great Britain, Ireland, and other parts of the world."

The members chosen for this committee were Benjamin Franklin who served as chairman and the guiding spirit, Benjamin Harrison, Thomas Johnson, Jr., John Dickinson, and John Jay.

Mr. BAUMAN. Obviously the distinguished gentleman from Wisconsin (Mr. ZABLOCKI) is a worthy successor, I would say, to Benjamin Franklin.

Mr. ZABLOCKI. I thank the gentleman.

If I may continue, at first the committee was called the "Committee of Correspondence." This soon became the "Committee of Secret Correspondence." Then in 1777 the committee became the "Committee for Foreign Affairs."

Therefore, as the gentleman has pointed out, the title really is more meaningful if it is "Foreign Affairs." Officially, the committee became the Committee on Foreign Affairs and remained that until 1975.

In 1975, as the gentleman pointed out, there were 10 subcommittees, 7 of which had in their title the word "International," Mr. Speaker.

□ 1220

Therefore, at the time that some thought the name of the full committee should be changed to "Committee on International Relations."

Two years ago, the committeee was reorganizied into four geographic or regional and five functional subcommittees. Thus the rationale for calling the committee "International Relations" no longer existed.

Furthermore, the switch from "Foreign Affairs" to "International Relations" has proved a source of confusion, both on and off the Hill, for the past 4 years. The committee itself never really felt comfortable with its new name, and the title "International Relations" never gained full acceptability. For all of these reasons: it is most appropriate, in my opinion, Mr. Speaker, that the oldest of the standing committees in the House, which was named the "Committee on Foreign Affairs" until 1975, when it was named the "Committee on International Relations," should again have its name changed back to "Committee on Foreign Affairs."

I know the gentleman from Maryland is always concerned about the cost. I might advise the gentleman from Maryland that the cost of the name change is negligible if effected now before the committee's stationery is printed. We have to obtain new stationery because of the addition of new members to the committee anyhow, so I would respectfully urge that the gentleman not object.

Mr. Speaker, if the gentleman will yield further, I might advise him that I have discussed the resolution, House Resolution 89, with the gentleman from Missouri (Mr. BOLLING), the chairman of the Committee on Rules, to whose committee this resolution was referred. He supports the resolution and agrees to this procedure for its consideration.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I appreciate the gentleman's explanation, especially about the cost. I hope the House will indulge us this brief discussion since we have had little else to do in the 6 weeks we have been in session. However, the gentleman has not answered one of my central concerns.

When this matter was last discussed by the House, I made the following statement:

> Of course, I have no objection if it makes the members of the committee happier to have "relations" rather than "affairs," but what is the reason for the change?

The question I asked was about the spelling. The word "affairs" is going to appear without an "e," as I understand it. Does the gentleman so assure me?

Mr. ZABLOCKI. That is correct.

Mr. BAUMAN. That gives me some comfort because the last time we discussed this matter, a gentleman from Ohio who is no longer with us raised a question as to the competency of the gentleman from Maryland to judge matters of foreign affairs. Of course, since that time, the gentleman from Ohio has left us, having had a problem with affairs himself. I am pleased to have the assurances of the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Ohio. who is not the same gentleman to whom I just referred, by any means.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman from Maryland very much.

The distinguished gentleman has given us a very interesting dissertation on the multiple meanings and nuances of the word "affairs." I wonder whether he could give us a similar dissertation on the meanings and nuances of the word "relations."

Mr. BAUMAN. Mr. Speaker, if the gentleman from Ohio had been listening closely to the gentleman from Maryland, and as the record will reflect, I explored the meaning of the word "relations" fully earlier in this momentous debate. Perhaps the gentleman was off the floor, but I would be glad to discuss personal relations or other relations with the gentleman at some other time.

Mr. SEIBERLING. I would not think of getting into anyone's personal relations. However, the two words in question have multiple meanings, as the gentleman knows.

It seems to me that if the committee wants the word "affairs," that is quite adequate and has a similar meaning to that of the word "relations."

Mr. BAUMAN. It has the added attraction of being traditional, Mr. Speaker, and I reverentially withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

● Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Resolution 89, which changes back the name of the Committee on International Relations to the Committee on Foreign Affairs.

There are many reasons which warrant the name change, among them being that many members on the committee have desired this designation. In particular, one of our former colleagues, the Honorable Leo J. Ryan, offered a motion in the 95th Congress to change the name back to the Committee on Foreign Affairs.

Also, for the past 4 years, the title "International Relations" has resulted in some confusion among various Government agencies as well as the American public.

Mr. Speaker, I believe that the name change would be an appropriate one, given the tradition, the prestige, and the honor which we all enjoyed when we were designated the House Committee on Foreign Affairs.●

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, because of the very interesting exchange which has taken place on this resolution, I am sure other Members may want to add their views.

Therefore, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 89, just agreed to.

The SPEAKER pro tempore (Mr. ANNUNZIO). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 1225

APPOINTMENT OF MEMBERS TO THE TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore (Mr. ANNUNZIO). Without objection and pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Chair announces that the Speaker appoints the following Members on the part of the House to the Temporary Commission on Financial Oversight of the District of Columbia: The gentleman from California, Mr. DELLUMS; the gentleman from Texas, Mr. CHARLES WILSON; and the gentleman from Connecticut, Mr. MCKINNEY.

There was no objection.

APPOINTMENT AS MEMBER OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore. Without objection, pursuant to clause 6(e), rule X, and clause 1(a), rule XLVIII, the Chair announces that the Speaker appoints as a member of the Permanent Select Committee on Intelligence the gentleman from Florida (Mr. YOUNG).

There was no objection.

THE NUCLEAR WASTE MANAGEMENT RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

● Mr. GOLDWATER. Mr. Speaker, today I am introducing legislation to help our Nation deal with the growing problem of nuclear wastes. During the 95th Congress, I introduced similar legislation in an attempt to solve this problem. Subsequently, the Interagency Review Group on Nuclear Waste Management released its draft report to the President for public review and comment. This draft report included several findings and recommendations for proceeding with the Federal nuclear waste management program, some of which had already been included in my legislation. Although I agreed with many of the other findings made in the draft report, I am still afraid that the problems associated with the disposal of nuclear wastes need further attention. For this reason, I am taking this initiative today.

The issue of nuclear wastes is of considerable importance to the Nation, and is a problem which has already been neglected for too long a period of time. Our Nation must face this problem now or we may have to face the prospect of closing our nuclear plants in the near future. We have already been forced to limit construction of new nuclear plants in some areas of the country due to the public's perception of the nuclear waste

problem, and we must act now to assure that this situation gets better, not worse.

My legislation, the Nuclear Waste Management Research, Development, and Demonstration Act of 1979, will help us avoid the frightening prospect of an energy shortage, which a nuclear slowdown would surely entail, by providing the timely establishment of needed facilities to store nuclear wastes. While the problems surrounding the construction and operation of nuclear waste facilities are substantial, recent evidence leads me to conclude that the technology has reached the stage where we should proceed with a demonstration facility. This bill directs the Secretary of Energy to construct and operate a permanent Federal research, development, and demonstration repository for the disposal of nuclear wastes and the storage of spent fuel assemblies. The key element of this bill is that it sets a strict timetable for the completion of this job, recognizing the urgency of the problem. Site selection is to be based on the many studies conducted to date on nuclear waste disposal, as well as on specific site evaluations yet to be completed. The demonstration facility must become operational by September 30, 1988.

Under this bill, the many industrial, scientific, and environmental organizations interested in this project, and the public at large, will be able to provide their views for consideration in the siting, design, and construction of the waste repository. The bill recognizes that the States and other parties must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the States, and gives them a meaningful opportunity to comment on and influence any actions taken by the Secretary under this bill. It specifically provides for State input at early stages of the design-making process for the facility. Thus, under this legislation, we protect the rights of the States involved in providing for the construction and operation of a permanent Federal repository, while at the same time acting in our Nation's best interests.

In order to receive the most effective input from other interested parties such as industrial organizations, professional societies, and environmental groups, this legislation establishes a Nuclear Waste Management Advisory Committee, which shall advise the Secretary of Energy on all facets of nuclear waste management programs and technologies. Consistent with the recommendations of the Interagency Review Group, the Secretary of Energy still retains primary responsibility under this legislation for developing the overall planning for the construction of the facility.

I believe that it is in the best interests of our Nation to insure that a permanent repository is constructed now and that it is in operation within the time frame established in this bill. We need action rather than studies. As I have stated in a letter to the Secretary of Energy on this matter last year, I cannot help but note that we have seen a seemingly unending series of studies, reviews, and evaluation of this subject within the last several years, each ending with several laudable recommendations or goals that somehow get sidetracked before they are achieved. Endless paper studies do not seem to me to be the solution to the nuclear waste disposal problem. What we need instead is to establish a research, development, and demonstration program that will get this job done, and to my mind that includes construction and operation of a repository in a timely manner. The bill does exactly that, and for this reason, it is imperative that we act on this legislation during this session of Congress.

I find it ironic that despite its rhetoric on this subject, the administration has within the past year let the deadline for the construction of a permanent repository slip a total of 3 years, to 1988. In fact, if we were to follow the recommendations of the Interagency Review Group, we might wind up with a first repository as late as 1992. We cannot afford this kind of approach.

During the 95th Congress, several of my colleagues in both Houses of Congress introduced a number of bills intended to remedy various aspects of the nuclear waste problem. These bills included proposals such as expanding the licensing authority of the Nuclear Regulatory Commission to include waste management facilities, and establishing a new governmental entity to operate our nuclear waste program. However, no legislation was ever introduced or acted upon in the House during the 95th Congress that would have done what I believe is still necessary, and is becoming an issue of far greater public concern—to require the Secretary of Energy, by a specific date, to build a facility for permanent disposal of our nuclear wastes.

Strong congressional action must be taken in the 96th Congress to focus on the need for a permanent, operational nuclear waste facility. We in the Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern. For this reason, I urge that my colleagues support the bill and that it receive prompt consideration.

A section-by-section summary of the bill follows:

SECTION-BY-SECTION SUMMARY

Sec. 1. Title.

Sec. 2. Findings and Purpose.

Sec. 3. Definitions.

Sec. 4. Preliminary Determination. Requires the Secretary of Energy, as soon as practicable, but not later than six months after the date of enactment of this Act, to make a preliminary determination on (1) on location of one or more sites suitable to serve as a Federal demonstration repository, (2) suitable techniques for the design, construction and operation of such a repository, (3) the procedures for transporting nuclear wastes and spent nuclear fuel assemblies to any such site, and (4) appropriate actions necessary to assure protection of the public health and safety and of the environment.

Sec. 5. Federal Demonstration Repository. Requires the Secretary of Energy, after consultation with the Secretaries of Transportation and Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Nuclear Regulatory Commission, the heads of other appropriate Federal agencies, and the Governors of appropriate States, to (1) make a final selection, within 6 months after the preliminary determination required under section 4, of a specific site and a suitable technique and method for the design, construction and operation of a Federal demonstration repository; (2) construct and operate, consistent with applicable environmental requirements, a Federal demonstration repository on the site selected under this section, to be in operation by September 30, 1988; (3) submit to both Houses of Congress a report by no later than September 30, 1980 specifying the construction schedule for such a repository; (4) file with the Nuclear Regulatory Commission, within 3 months after the date of the selection of such site, a license application for such repository, which shall be disposed of by the Commission (by appropriate action) within two years of such date; (5) file with the Nuclear Regulatory Commission, as soon as possible, but not later than 3 months after the completion of the construction of the repository, a license application for the receipt, storage and disposal of spent nuclear fuel assemblies and nuclear wastes in such repository; and (6) submit to Congress a report on the status of such repository after the end of each fiscal year. Authorizes the Secretary to employ persons who are not citizens of the United States in order to attain the objectives of this Act. Authorizes the Secretary, as soon as he deems necessary, to acquire, construct, and maintain such facilities, major items of equipment, and real property as is necessary to attain the objectives of this Act. Allows the Secretary, at any time after January 1, 1983, to make a determination that there are circumstances that may impede the construction and operation of a Federal demonstration repository according to the schedule provided under this section, and to revise such schedule under certain conditions. Directs the Secretaries of Energy and Transportation, the Chairman of the Nuclear Regulatory Commission, and the heads of other appropriate Federal agencies to take all steps necessary to attain the objectives of this Act.

Sec. 6. Contracts. Directs the Secretary to provide funds to enter into contracts to carry out his duties under the Act.

Sec. 7. Transfer of Nuclear Wastes or Spent Nuclear Fuel Assemblies. Allows the Secretary of Energy to enter into agreements for the transfer to the Federal demonstration repository of nuclear wastes or spent nuclear fuel assemblies that have been removed from civilian or foreign commercial nuclear powerplants, on the condition that (1) the Government of the United States shall take title to and exclusive custody of these materials upon their delivery to the repository and upon payment by the Secretary of a fee to any person transferring spent nuclear fuel assemblies, which reflects the monetary value of the energy content contained within these assemblies, (2) nuclear wastes or spent fuel assemblies are delivered to such repository in a suitable form for disposal or storage, and (3) an appropriate one-time fee or charge is paid to the Secretary by any person transferring nuclear wastes or spent nuclear fuel assemblies to such repository reflecting the reasonably estimated costs to the Government for the construction and operation of such repository. Directs the Secretary of Energy to submit to both Houses of Congress, within 30 days after the end of each fiscal year after the date of enactment of this Act, a report on all agreements entered into under this section

during such fiscal year. Provides, That all records, reports and information submitted under this section shall be made available to the public; except that if any person makes a showing satisfactory to the Secretary that any record, report, or information (or a particular part thereof) to which the Secretary has access under this section would if made public, divulge information entitled to protection as trade secrets of such person, or if the Secretary determines that it is in the best interests of national security, the Secretary shall consider such record, report, or information or particular portion thereof confidential in accordance with the purposes of section 1905 of title 18 of the United States Code, except that such record, report, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control from duly authorized committees of the Congress.

Sec. 8. Transportation. Requires the Secretary of Transportation to study and report to Congress on (1) the effects of Federal routing requirements for barge, rail, and highway shipment of nuclear wastes and spent nuclear fuel assemblies; (2) methods to insure State participation in the transportation planning process for the Federal demonstration repository; and (3) the extent to which Federal financial assistance in the development of the capability for handling transportation emergencies is appropriate.

Sec. 9. Environmental Protection Agency. Requires the Administrator, as soon as possible, but no later than six months after the date of enactment of this Act, to determine and promulgate environmental protection standards and criteria for exposure to radiation from nuclear waste facilities. Requires the Administrator, within three months after the submittal of the report by the Secretary pursuant to subsection 5(a), to submit to the Commission an assessment of the public health and safety aspects of the Federal demonstration repository. Authorizes the Administrator to undertake or contract to undertake the research necessary in carrying out his duties under this Act.

Sec. 10. Nuclear Waste Management Advisory Committee. Establishes a Nuclear Waste Management Advisory Committee, which will study and advise the Secretary of Energy on, among other things, Federal Government programs and policies relating to nuclear waste disposal, and actions taken by the Secretary under this Act.

Sec. 11. State Role. Requires the Secretary, prior to making a preliminary determination pursuant to section 4, to seek information from, and participation by, the Governors of appropriate States with respect to such determination, and to advise the Governor of any State in which a proposed Federal demonstration repository might be constructed in accordance with such preliminary determination. Requires the Secretary to review and consider any information, recommendations or findings submitted by the Governors of such States in making his determination under section 5, and to notify the Governor of the State and the Chief Executive of the municipality in which the designated site lies. Provides an opportunity for States to participate in any proceedings by the Nuclear Regulatory Commission on an application for a license to construct and operate a Federal demonstration repository, and to submit advice, recommendations, or findings on any environmental impact statement prepared by the Department of Energy and the Commission pursuant to the National Environmental Policy Act of 1969. Authorizes the Secretary to reimburse any State or local government as he deems appropriate for participation expenses.

Sec. 12. Public Participation. Directs the Secretary, the Administrator, and the Chairman of the Commission to encourage public participation with respect to any action taken under this Act.

Sec. 13. Regulations. Directs the Secretary and the heads of other appropriate Federal agencies to prescribe regulations that are necessary or appropriate to carry out their particular duties under this Act.

Sec. 14. Other Legal Authority. Reaffirms the powers, functions and duties of the Nuclear Regulatory Commission, as in effect on the date of enactment of this Act. Extends the licensing authority of the Commission over Department of Energy facilities to cover facilities used primarily for the receipt and storage of either high-level radioactive wastes, transuranic wastes, or spent nuclear fuel assemblies resulting from activities licensed under the Atomic Energy Act. Directs Federal agencies to satisfy the requirements of the National Environmental Policy Act of 1969 only in accordance with the provisions of this Act. Designates the Department of Energy and the Commission as joint lead agencies for preparing a final environmental impact statement, to be completed by no later than December 31, 1981, for the construction and operation of a Federal demonstration repository.

Sec. 15. Authorization of Appropriations. Authorizes such sums as are necessary to carry out the purposes of this Act.●

CONSTITUTIONAL AMENDMENT FOR DIRECT ELECTION OF PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

● Mr. EDWARDS of Alabama. Mr. Speaker, I am introducing legislation today to replace our archaic electoral college system with a direct popular vote for the election of the President.

We have been talking about this kind of election reform for years, and in the last Congress, the Senate Judiciary Committee held 18 days of hearings on the subject and reported Senate Joint Resolution 1 to provide for the direct Presidential election. That bill died in the last Congress, but I feel strongly that Presidential electoral reform should be among the first orders of business in the 96th Congress.

The electoral college was established in a time when it was impossible for the voters to know their candidates and elect their leaders directly. Today, with the sophistication of our media and the focus on radio and television in our compaigns, this is no longer true. In the early days of our country, the people of each State elected people in whom they had great confidence to go to the State capitols and decide for them on the choice of a Presidential candidate. Since these electors were not legally bound to vote for the nominees of their political parties, the system gradually eroded, and more and more frequently the electors failed to keep the trust of the voters they represented.

Today, the Presidential candidate receiving the most votes in a State is entitled to all of that State's electoral votes. The practical effect of this "winner-take-all" rule is that a candidate who gets only 51 percent of the people's vote in a State gets all their electoral vote, actually disenfranchising the other 49 percent of the voting public. This is clearly an injustice, and it is unhealthy in that it discourages the minority party in traditionally one-party States.

Simply put, the electoral college is an anachronism, and it should be abolished. My resolution would amend the Constitution to provide for a direct popular vote. If no candidate won 40 percent of the vote, there would be a runoff between the top two competitors.

As we have debated the proposal for direct popular election of the President over the years, the arguments against it have been carefully weighed. In my view, they are not convincing. Justice and the changing times demand that we reform the system, and I am hopeful you will work with me on this much-needed legislation in the 96th Congress.●

MANDATORY PENALTIES FOR CRIMES COMMITTED WITH DEADLY WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on January 15, 1979, I introduced legislation that would amend the penalty provisions of the Gun Control Act of 1968, H.R. 102.

As the law stands today, anyone who uses or carries a firearm during the commission of a felony as defined by Federal law has to be sentenced to not less than 1 year and not more than 10 years in addition to the sentence imposed for the underlying felony itself. Sentencing under this provision leaves open the possibility of a suspended sentence, a probationary sentence, and parole. A second or subsequent conviction requires a 2- to 25-year additional sentence, and the court does not have the discretion to suspend it or impose a probationary sentence. This, however, leaves open the possibility of parole once the felon has started serving time.

The primary purpose of my bill is to remove the possibility that a convicted felon who uses or carries a dangerous weapon during the commission of a felony will avoid imprisonment. As is apparent, the judge has wide discretion in determining what sentence to impose on the criminal, and parole boards also have wide latitude in deciding the length of the time to be served.

Traditionally, our sentencing policy has been to allow wide discretion on the grounds that sentences should be prescribed for each individual since there are particular circumstances arising from each case and each person has different corrective needs. However, as we have discovered through experience, this

wide discretion often allows offenders to return to society not as productive members but as criminals. Because of the uncertainty of imprisonment, the offender knows the chances are great that even if convicted he will spend little time in prison, and once again he will be out on the streets victimizing innocent, hard-working, productive members of society. It is this injustice that I propose to help remedy with my bill.

In order to carry out this objective, my bill changes the current law in the following ways. The most important provision imposes a mandatory minimum sentence on anyone convicted, and it removes the possibility of parole. Specifically, a person convicted for the first time of committing a felony with the use of a dangerous weapon would receive not less than a 1-year prison sentence which he would serve in its entirety, in addition to any other sentence. A felon who is convicted for a second time under this subsection would receive a minimum 5-year prison term, subject to the same condition.

While these provisions remove any discretion by the judge in sentencing below the minimum or granting a suspended or probationary sentence, the court does retain discretion as to the length of the sentence so long as it remains within the minimum and maximum set by law. However, and I wish to stress this point, no matter what length the sentence, it must be served in its entirety in prison. Once the sentence has been imposed, the judge may not suspend it or any part of it; nor may he grant a probationary sentence for any part of it; nor may the felon be paroled. The number of years the judge declares as sentence in court will be the number of years served by the felon in prison.

The bill also broadens the category of proscribed weapons to include "destructive devices, or any other dangerous or deadly weapons," and it increases the minimum sentence for a second or subsequent offense from 2 to 5 years.

I offer my bill not as the solution to our society's problems with crime. I do believe, however, that my proposal will be more effective in putting those who are a danger to our society in prison than our present system. Under my proposal the risk of imprisonment is increased by the certainty of punishment, whereas, under the present law the chance exists that a person convicted of a crime will not have to serve any time at all. There is no certainty of punishment and, therefore, very little risk which might serve to deter unlawful behavior. Also, if penalizing the use or carrying of dangerous weapons during the commission of a felony has any deterrent effect at all, it could well have a larger effect on deterring crime in general. By deterring the use of weapons, the law is punishing the criminal's means of coercion. If he is deterred at all, he will be less likely to commit crimes of coercion since he will be less likely to carry a weapon.

A number of studies exist showing the inequities in sentencing—some are imprisoned and others are not for essentially the same crime. My proposal will make all persons acting unlawfully equal under the law by imposing a prison sentence on all. This, too, is beneficial to society in that it will reinforce the notion that nobody is above the law. I urge the support of my colleagues for H.R. 102.●

THE STRANGE STORY OF SANTE BARIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

(Mr. GONZALEZ asked and was given permission to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, week before last I spoke on what I call King Crime. I wish to continue on this subject matter and on this occasion emphasize the fact that, happily enough, my efforts to reach the highest level, that is the Presidency, has been accomplished. Coming from that level a sense of urgency and priority can be given in controlling the dangerous extent that organized crime has reached to the point of attempting to assassinate Federal prosecutors in my area. This latest development is one of the most mysterious and one which should be most disturbing to every American. To that end I am happy to report that I had a very favorable meeting last week with the chief of domestic policy for the President, Stewart Eizenstat, who reported to me on the request I had made last autumn.

In other words, it looks that we will have on the highest level a sense of urgency and priority communicated to the national law enforcement agencies, first of all to coordinate, which we have not been; second, to concentrate on the specific case of District Attorney Kerr of the San Antonio western judicial district.

I would like to bring the case of Sante Bario to the attention of my colleagues.

Mr. Speaker, I include at this point part 1 of an article by Saul Friedman which appeared in the San Antonio Light on Sunday, January 14 past.

The newspaper article follows:

STRANGE STORY OF SANTE BARIO

(By Saul Friedman)

(A Drug Enforcement Administration agent, accused of accepting a bribe and jailed, now lies in a coma in a San Antonio hospital. He had a clean record until an informant named Claude pointed a finger at him. This article, the first of three by Knight News Service reported Saul Friedman, looks into the mysterious case of Sante Bario.)

He lies there in limbo, not yet dead but no longer alive. The brain wave on the graph is flat, but his silent body twitches against the tubes that sustain what life remains. It is as if the mysteries with Sante Alessandro Bario struggle to get out.

Bario, 42, a crack federal undercover agent who operated for nearly 14 years in the dim world of drug rings and organized crime, is deep in a coma in Santa Rosa Medical Center here and is not expected to survive.

A six-footer with curly black hair and rugged good looks, Bario was often described by associates as a cross between James Bond and Frank Serpico, the independent uncompromising New York cop who waged war on narcotics and corruption.

Until last fall he had been a ranking officer in Mexico City for the U.S. Drug Enforcement Administration (DEA) working to uncover an international cocaine smuggling ring that reached into three continents.

In the early hours of Oct. 7, Bario was arrested at the Hilton Palacio del Rio Hotel by DEA agents who charged he had accepted $9,000 in bribes for ignoring an illegal shipment of cocaine. He had been fingered by his own informant, a chunky, baldish, middle-aged Frenchman called "Claude," who has a stiff right leg from an old gunshot wound.

On the night of Dec. 16, just after taking a bite of a peanut butter sandwich and throwing the rest of it away, Bario was found unconscious and in convulsions on the floor of his Bexar County jail cell.

These events have raised some perplexing questions:

Was Sante Bario, whose adventures are the stuff of fiction, no more than a cop gone wrong? Or was he the victim of a frame-up and an attempted murder?

Dr. Ronald Peres, the attending physician, recalled that "the jailers thought he had been poisoned and the pathologist said he found a trace of strychnine in the blood samples. But there have been new tests and we just don't know. He might have choked on the sandwich, but I don't think so."

Although no trace of poison was found in the uneaten portion of the peanut butter sandwich, or in Bario's stomach, Dr. Nancy Fishback, a critical care pulmonary specialist, said angrily: "A grown man is not likely to choke on a piece of soft peanut butter and bread. I'd say he was poisoned."

A colleague, Dr. Rafeal Parra, added: "I'm sure of it. There's no other explanation for those convulsions." Drs. Peres, Fisback and Parra are all members of a team that has been treating Bario.

In Washington, Richard Ben-Veniste, an old friend of Bario and a former Watergate prosecutor, said: "During Watergate I came to believe anything. But what they say happened to Sante Bario strains even my belief."

Who would have poisoned Bario, and for what motive, remains a mystery. But a remark to columnist Jimmy Breslin, from a source within organized crime, heightened speculation about criminal involvement.

"The No. 1 person in crime in America," Breslin wrote in a column (which appeared in The Light) in late October, has been boasting to his brethren that he had removed Sante Bario as a thorn in the side of the mob by maneuvering him into accepting a bribe, then tipping off the DEA.

Breslin wrote that "Claude", the mysterious DEA informant who helped make the case against Bario, was also an employee of the mob.

"Sometimes you sit down to think and you find you don't have to kill anyone right away," Breslin quoted his syndicate source as saying. In an earlier column in 1976, Breslin reported that this mobster's favorite weapon against his enemies was poison.

Such reports had Bario's family, friends and even some federal officials scratching their heads.

Was the mobster merely taking credit for something the DEA had done in order to make himself look good in the eyes of his followers? Or are there grounds for the suspicions that Bario may have been set up and poisoned?

As a result of such questions it has been learned, the Justice Department is investigating the arrest and the possible poisoning of Bario.

A department spokesman said, however, that "we are carrying on only a limited inquiry and no decision has been made on whether there will be a full investigation."

Joseph Krueger, chief inspector for the Internal Security Division of DEA, insisted that the case against Bario is a straightforward example of an agent gone bad.

"There is no evidence to substantiate the possibility that DEA was unwittingly used to frame Bario," Krueger said.

And Peter Bensinger, head of DEA, said he had "confidence in the office of Internal Security, and I believe they made a case against Bario and in no way jeopardized him physically."

But interviews with Bario's family, attorneys familiar with the case, other DEA officials, law enforcement officers and others who worked with Bario suggest the case may not be so simple.

Ben-Veniste, a former U.S. attorney for whom Bario was a star witness in a famous New York case, has been pushing for a thorough federal investigation. He suggested that the Justice Department "not take this case lightly."

Bario's former wife, Pat Bario, an associate White House press secretary, has asked friends to look into the case, although she emphasizes she is doing so personally and not with official White House backing.

"I was married to the man for 14 years, when he had every opportunity to sell out during some dangerous work undercover," she said. "It does not stand to reason that Sandro, at this stage in his career, would do what they say he did. If anything, Sandro was too committed to his work."

Washington attorney Howard O'Leary, a former federal prosecutor in Detroit said he had checked on Bario's background after his arrest. He said he found "unanimous feeling among those who had worked with him that he was clean and that something was wrong with this case."

Similarly, Bario's second wife, Joanne, who was close to her husband, kept up with his work and knew the informant, "Claude," raised a number of questions about what happened to Sante Bario.

Much of what Joanne Bario said is a three-hour interview was confirmed by DEA officials. For example, they acknowledged her assertion that although Bario had an unblemished record, DEA made the case against him almost solely on the evidence supplied by the long-time, paid informant who had trafficked in narcotics and had been part of the underworld.

Joanne Bario recalled angrily that she did not learn until the afternoon of Dec. 18—and only accidentally—that her husband had been found in a coma two days earlier. She said when she first saw him in his hospital bed, he was in leg irons, and, belatedly, had been placed under guard. She said the shackles were removed after she cried in protest.

"Something was very wrong," she said. "In view of Sandy's record, DEA has acted in a way that is beyond understanding."

O'Leary said he alerted federal authorities that "You have a very special guy in your custody and it's possible that someone will try to kill him in jail."

In jail, from Oct. 7 through Dec. 16, Bario insisted on his innocence but acknowledged he had made a "bad misjudgment." He charged that he had been "set up" by "Claude."

Bario had gone to Mexico City in September, 1975, for one of his few government assignments "out of the cold." He had been named DEA's group supervisor for enforcement, an administrative job.

It was something Sante Bario was not used to, for most of his life as an agent had been spent undercover.

Bario was an Italian carabiniere, or federal policeman, assigned to Rome's Via Veneto, when he met his first wife, Pat, in 1961.

His father was the police chief in Vieste, on the Adriatic. And a brother was also in the carabinieri. But Bario moved to America with his new wife.

She was from Detroit and he had difficulty getting settled there, moving restlessly from one restaurant job to another, until Pat came to Washington to work for the late Sen. Philip Hart.

With her help, Bario found a low-level job at the Internal Revenue Service. But within two weeks, his background as a police officer, his knowledge of Italian and French and his knack for winning the confidence of men and the hearts of women gave him his first undercover assignment for the IRS.

From July, 1964, through November, 1965, Bario moved within the Boston underworld. He was so successful that the mobsters set him up in his own business, a grocery store named "Sandro's," which became a numbers drop. Bario dropped from sight when the indictments he helped produce began coming.

Bario's specialty, according to his superiors, was "deep, long-range penetration" of the high levels of organized crime. During the 1960s for the IRS, and later, for the DEA, he journeyed for months at a time into the criminal syndicates of New Orleans, Detroit and New York.

In New Orleans, he became head waiter at one of the mob's headquarters restaurants. In Detroit, where he feared he would be recognized, he brazenly persuaded mobsters that he looked just like a fellow named Bario who once lived in the city.

Bario's long absences from home, the danger he carried with him for his family—he had two sons, Franco 17, and Marco 9,—was hurting his marriage. In an effort to save it, he agreed to quit the IRS and he went to work on Capitol Hill as an investigator.

But he needed excitement. And although both he and Pat Bario knew it would mean the end of their marriage, he returned to undercover work, this time for the Bureau of Narcotics and Dangerous Drugs, forerunner of DEA.

In 1972, he persuaded the New York hoodlum grapevine that he was a hit man from Las Vegas. In reality, he was working indirectly for the Knapp Commission, which was searching for official corruption. Bario was assigned to pose as a hood and get himself arrested to see if it was true a mobster could get a case dismissed for a price.

The tactic worked. Bario, who had been arrested for carrying two guns, bought his freedom with $15,000. Some of the money was found in the possession of an assistant district attorney in Queens, Norman Archer, who eventually was convicted. The prosecutor was Richard Ben-Veniste.

During the same year, 1972, Bario wormed his way into a heroin-smuggling ring based in Paris and Marseilles, moving so close to the top that he won the love of his boss' mistress, a lady named Carmen. When the boss fell ill with cancer, Carmen chose Bario to help run things.

According to his attorneys, Bario helped identify the key figures in the movement of heroin between France and the United States. Once he followed a shipment to Canada and helped in the seizure of 20 pounds of heroin.

During 1973 and 1974, Bario, working out of New York, helped to lead drug investigations, and worked with the Royal Canadian Mounted Police to crack a counterfeiting ring.

But the facets of Bario's personality that made him a good undercover agent—nerve, independence and flamboyance—were also his weaknesses. According to friends, Bario cut the corners of government regulations, spending money too freely, failing to keep records and file reports and dealing too loosely with informants and characters on the edge of the underworld. In keeping with his undercover role, Bario enjoyed fine wines, tailored clothes and attractive women, which occasionally put him in debt.

The only blemish on his record, however, was a "minor" administrative action against him for failing to account fully for government funds used in the Archer case, DEA officials said. They added, however, that Bario was difficult to work with.

Mr. GONZALEZ. Mr. Speaker, the title of his story is "Strange Story of Sante Bario. Was He Framed? Was He Poisoned?"

Sante Bario, who has as interesting a history as any character in any novel of James Bond or similar characters in that type of fiction, was arrested in San Antonio while serving as the chief of the DEA, the Drug Enforcement Agency of Mexico City. He was arrested on the charge of having been bribed; the bribe charge coming from an informer of long standing in France for the DEA and on his uncorroborated testimony, which is possible since 1970 because of the so-called Organized Crime Act, which incidentally I voted against, only 29 of us did, for the very reason of the treatment of the Sante Bario case. He was placed in the Bexar County jail and less than 72 hours later he was found unconscious. It is still not determined to this day where he is vegetating. He is in a coma and has been for weeks. They do not know if he was poisoned or what; but apparently something happened to him immediately after he ate some peanut butter and jelly sandwiches that were given to him in the jail.

I wish to say at this point that the occurrences with this mysterious individual and the DEA are not unconnected with what is happening in the case of the attempted assassination of District Attorney Kerr.

Mr. Speaker, I intend to continue this discussion at the first available opportunity.

Mr. Speaker, I yield back the balance of my time.

THE INSURANCE INDUSTRY SHOULD BE BROUGHT UNDER FEDERAL SCRUTINY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, as you know, the business of insurance is presently regulated exclusively by the individual States, with virtually no Federal involvement. This exemption from Federal regulation is set forth in the McCarran-Ferguson Act, passed by Con-

gress in 1945 in response to the Supreme Court's decision the preceding year in United States against South-Eastern Underwriters' Association. That case held for the first time that insurance was "commerce" and hence subject to Federal regulation—specifically in that case, regulation under the Federal antitrust laws.

The McCarran-Ferguson Act was hastily conceived and was enacted with scant legislative history. In recent years it has been the source of increasing litigation, and the subject of much criticism.

I have introduced today for consideration by the 96th Congress six bills amending and/or repealing the McCarran-Ferguson Act in addition to a proposal providing for the creation of a Federal Insurance Commission. At this time, I am not entirely sure what role the Federal Government should play in regulating the insurance industry. I am, however, firmly convinced that the present system of exclusive State regulation of insurance is ineffective.

These six proposals, the first four of which were introduced late last year, vary across a broad spectrum. They include: First, outright repeal of the McCarran-Ferguson Act; second, amending McCarran-Ferguson to require effective State regulation to obtain the exemption from Federal regulation; third, amending McCarran-Ferguson to clarify that the "business of insurance" includes only true insurance matters—and does not include extraneous activities such as advertising; fourth, deleting from the McCarran-Ferguson Act only that portion of it exempting the business of insurance from Federal regulation; fifth, clarifying that the Clayton Act and the Federal Trade Commission Act apply to agreements to, or acts of, boycott, coercion, or intimidation committed by persons within the business of insurance; and sixth, the repeal of the broad McCarran-Ferguson exemption, substituting in its stead a narrow exemption, to be determined by the FTC, solely for essential collective activities undertaken by or behalf of persons within the insurance industry. This last proposal implements a recent recommendation made by the National Commission for the Review of Antitrust Laws.

The Federal Insurance Commission Act creates an independent agency to regulate the insurance industry only in those instances where State regulation is deficient.

As aforesaid, these bills represent alternative approaches to a Federal role in the regulation of insurance. I sincerely hope that they will focus attention on these problems, and that committee hearings can begin on these measures as expeditiously as possible.

We are all aware of the problems back home regarding virtually all types of insurance, including automobile liability insurance, product liability insurance and homeowner's insurance to name a few. Congress must begin focusing its attention on these difficulties, not in an ad hoc manner as it has done in the past, but with a view toward the total regulatory environment—so that future insurance crises may be avoided before they occur.●

U.S. CANAL ZONE: DELEGATE IN THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr Speaker, as a Member of Congress with extensive experience in dealing with the problems of the Panama Canal, I long ago recognized that the major interests of the United States in the Canal Zone and the well being of our citizens employed in it have not been safeguarded as well as they should have been. One reason for these failures is that there was no permanent voice in the Congress to present the facts involved in a vigorous manner.

In contrast, other U.S. territorial possessions of the United States do have spokesmen in the Congress as follows:

	Population	Area (sq. mi.)
Resident Commissioner (4 years):		
Puerto Rico	2,712,033	3,421
Delegates at large (2 years):		
Washington, D.C.	756,510	61
Guam	84,996	209
Virgin Islands	62,468	132

The Canal Zone is an "unincorporated territory" of the United States with a land area of 362 square miles and a population of 44,198 of whom 39,200 are U.S. citizens and subject to Federal taxation.

As is well known, since the opening of the Panama Canal, the Congress has served as the legislature of the Canal Zone. It established a government of the territory, including a U.S. district court, and has enacted an extensive three volume Canal Zone Code. Moreover, the territory has a far greater strategic significance than either Alaska or the Hawaiian Islands, which for many years had delegates in the Congress.

Under existing laws, the Canal Zone Government performs many functions of State, city, and county governments. Its executive branch is headed by a Presidentially appointed Governor of the Canal Zone, its judicial branch by a U.S. district judge, but its legislative branch has no permanent representative in the Congress. Thus many problems requiring legislative action or supervision find the Congress without a continuously available delegate to assist in arriving at wisely reasoned decisions.

To remedy the situation thus presented, I have introduced the following bill to authorize the election of a nonvoting Delegate at large from the Canal Zone:

H.R. 1014

A bill to provide that the United States Canal Zone shall be represented by a Delegate to the House of Representatives

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DELEGATE FROM THE CANAL ZONE

SECTION 1. The first section of the Act entitled "An Act to provide that the unincorporated territories of Guam and the Virgin Islands shall each be represented in Congress by a Delegate to the House of Representatives", approved April 10, 1972 (48 U.S.C. 1711), hereinafter in this Act referred to as the "Act", is amended by striking out "and the territory of the Virgin Islands" and inserting in lieu thereof the following: ", the territory of the Virgin Islands, and the Canal Zone".

ELECTION

SEC. 2. Section 2(a) of the Act (48 U.S.C. 1712(a)) is amended—

(1) in the first sentence thereof, by inserting "from Guam and the Delegate from the Virgin Islands" immediately after "The Delegate";

(2) by inserting immediately after the first sentence thereof the following new sentence: "The Delegate from the Canal Zone shall be elected by the citizens of the United States residing in the Canal Zone at a general election held in November 1980, pursuant to regulations established under section 4(b), and at a general election every second year thereafter.": and

(3) in the second sentence thereof, by striking out "The Delegate" and inserting in lieu thereof "Each Delegate".

ELIGIBILITY

SEC. 3. Section 3(c) of the Act (48 U.S.C. 1713(c)) is amended by inserting "or possession" immediately after "territory".

ELECTION PROCEDURE

SEC. 4. Section 4 of the Act (48 U.S.C. 1714) is amended—

(1) by inserting "(a)" immediately after "SEC. 4.";

(2) by striking out "The legislature of each territory" and inserting in lieu thereof the following: "The Legislature of Guam and the Legislature of the Virgin Islands"; and

(3) by adding at the end thereof the following new subsection:

"(b) The Governor of the Canal Zone shall prescribe regulations for conducting general elections for the office of Delegate from the Canal Zone, and shall submit a copy of such regulations to each House of the Congress not later than January 1, 1980. Such regulations shall take effect on March 1, 1980, unless either House of the Congress passes a resolution before such date which specifically disapproves of all or part of such regulations.".

PRIVILEGES OF DELEGATE

SEC. 5. Section 5 of the Act (48 U.S.C. 1715) is amended—

(1) by striking out "and the Delegate from the Virgin Islands" and inserting in lieu thereof the following: ", the Delegate from the Virgin Islands, and the Delegate from the Canal Zone"; and

(2) by striking out "the Delegate from each territory" and inserting in lieu thereof the following: "each Delegate".

SPECIAL ELECTION

SEC. 6. The Governor of the Canal Zone shall conduct a special election for the office of Delegate from the Canal Zone not later than thirty days after the date of the enactment of this Act. Such Delegate shall be elected by the citizens of the United States residing in the Canal Zone on the date of such special election. The term of such delegate shall commence not later than ten days after the date of such special election and shall end upon the commencement of the term of the person elected Delegate in the general election in 1980.●

ZERO-BASE PAPERWORK ACT OF 1979 AND THE PAPERWORK REDUCTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, during the first week of the 96th Congress I introduced two legislative measures which I believe will make a significant contribution toward reducing and rationalizing Federal paperwork. Today I am reintroducing this legislation with the support of over forty of my colleagues. The first of these bills, entitled the Zero-Base Paperwork Act of 1979, would require a biennial justification for the continued use by the Federal Government of any form for soliciting information from individuals, private industry, and State and local government agencies. The Paperwork Reduction Act of 1979, the second of these efforts, would address the paperwork problem at its source by requiring that House committee reports on proposed legislation contain statements of the reporting requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of the proposed legislation.

We are all aware of the growing grassroots dissatisfaction throughout the country with the responsiveness of the Federal Government to local problems and realities. This sentiment is evident in a great many aspects of American life, but perhaps nowhere is it more apparent than in the area of Federal reporting. The Federal Government generates a staggering amount of paperwork—more than 2 billion pieces of paper annually—with no coherent or effective review and control process.

The impact of this paperwork burden is far reaching and substantial. Individuals and businesses are spending more than $100 billion a year just to fill out and comply with Federal forms. According to Federal agency estimates, businesses alone take about 69 million hours annually to respond to the more than 2,100 U.S. reporting requirements. As stated in a recent GAO report, IRS estimates that its reporting and recordkeeping requirements result in about 613 million hours of burden annually on business and individuals. And, over $40 billion of our gross national product is devoted to the production, distribution, processing, and storage of paperwork and information.

As a lifelong small businessman, I have firsthand knowledge of the tremendous burden which existing Federal reporting requirements place on American small business. The extent of the problem should not be minimized. It is a burden which has become one of the most significant factors affecting the competitive viability of small firms.

As a Member of Congress, I have become well acquainted with the corresponding burden imposed on State and local governments and various civic organizations which seek to participate in Federal programs. In far too many cases, reporting requirements inhibit realization of the maximum potential of these programs.

The current Federal reporting system is analogous to the proverbial wild bull in the china shop, and it needs to be brought under control.

Mr. Speaker, it does not make sense to continue to pile unnecessary reporting requirements on individuals, small business, and local public agencies. The American people are being drowned in a sea of paperwork and redtape. The actual cost of money, time, and lost productivity is substantial, not to mention the psychological cost in lost initiative and stifled creativity.

Consider the following facts:

That the State of Wyoming turned down several ecology grants because State officials estimated that it would have cost more to comply with Federal reporting requirements than the $108,000 the State would have received in grants.

That one drug company, in attempting to market a drug for the treatment of arthritis, had to collect and file 120,009 pages of information with the Food and Drug Administration—in triplicate.

Or that for the average small business, the paperwork costs involved in setting up an employee pension program run about $700 per employeee before any contribution is made to the pension plan.

I am not suggesting that all Federal reporting is unnecessary or wasteful. Indeed, the Government has a right to know certain essential information. However, there is clearly a pressing need to restore a degree of commonsense to our Federal reporting system.

What can be done about the mounting paperwork burden?

Recognizing the magnitude of the problem is a start, but alone it is not enough. It is time to move beyond the discussion and hand-wringing stage and to implement substantive procedures to deal with the paperwork problem.

The effort to reduce the Federal paperwork burden should be directed at two distinct vantage points—at the source and at the final product. Congress must acknowledge its role in the upward spiral of proliferating paperwork, and take concrete steps to remedy it. To that end, the Paperwork Reduction Act would require that all congressional committees include in their legislative reports on a specific bill a statement which estimates the extent and cost of Federal paperwork which would be generated by enactment of such a bill. It would also estimate the complexity of the forms which would be necessary for compliance and the potential cost in time and money which would result from bookkeeping under the new statute. These changes would force the Congress to consider the potential paperwork impact of proposed legislation on the public at the time it is debating the merits of such a bill. And, in turn, it would hopefully serve to prevent the proliferation of unnecessary redtape by creating a greater awareness within the Congress of the paperwork problem.

In addition to controlling the flow of new paperwork at its source, steps should also be taken to control and reduce existing paper work on an ongoing basis. The Congress should intensify its efforts to secure consolidation and elimination of many of the Federal forms already in effect. I think that the Zero-Base Paperwork Act would make a significant contribution toward that end.

Zero-base paperwork is a very straightforward concept. It simply requires each Federal agency to review and justify all of its public forms on a biennial basis. Instead of periodically devising new forms to service existing programs, Federal officials would have to start from scratch each year and review their agency's reporting requirements with an eye toward eliminating or consolidating unnecessary forms. All forms which are not deemed necessary to the proper performance of the functions of the agency and which cannot be justified in terms of the benefits gained and the costs imposed would be abolished.

The Zero-Base Paperwork Act would insure that Federal officials make a case for each of their agency's forms periodically. The result would, in my view, be more simplified and rational Federal reporting system.

I believe that the implementation of zero-base paperwork procedures would provide a viable mechanism for insuring regular assessment of Federal forms. Coupled with a concerted effort to control paperwork at its source—during the legislative process—this innovation would do much to reduce the mounting paperwork burden about which we are all concerned.

THOMAS A. MURPHY, GENERAL MOTORS BOARD CHAIRMAN, ADDRESSES DEKALB COUNTY, GA., CHAMBER OF COMMERCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, on January 31, Thomas A. Murphy, chairman of the board of General Motors Corp., addressed the annual dinner of the DeKalb County, Ga., Chamber of Commerce. His remarks were perceptive and challenging. Mr. Murphy, one of the most knowledgeable business leaders in America, discussed the state of the American economy and its outlook for the future. Because of his stature and insight, I believe it is especially important for us to hear his optimistic assessment of where we are and where we are headed and the confidence which he, as the leader of one of the world's major corporations, has in the American economy.

In addition, Mr. Murphy's sensitivity to the problem of the proliferation of special interest and single-issue politics is an important analysis that more Americans should become aware of and alerted to the dangers it may hold for America.

For these reasons, I would like to share Mr. Murphy's remarks with my colleagues and insert them at this point in the Record:

This is really a great pleasure for me. Besides enjoying the warm Southern hospitality

tonight, I've had a delightful day getting reacquainted with Atlanta. Atlanta is very crucial to General Motors—as is the whole state of Georgia. Accordingly, we built some of our earliest—and some of our latest—plants in this State. Our GMAD-Lakewood facility, for instance, began operating over 50 years ago. We've been here in DeKalb County at our GMAD-Doraville plant for 32 years—I believe the "32" on your sign is probably intended to indicate that. We also have one of our largest Parts Distribution Centers in Doraville. Downstate a bit, there's a relatively new Delco-Remy battery plant operating in Fitzgerald. Just about six years ago, a fellow by the name of Jimmy Carter—then your governor—helped us break ground for that plant.

And we now have a brand new Delco-Remy facility in Albany. It started turning out alternators for our new front-wheel-drive compact cars just this month.

So General Motors has been in Georgia a long time, and we're continuing our very substantial investment here today—as we should. Georgia has always been a major cross-roads of the country, and Atlanta has been called the capital of the South. Atlanta's leadership, its importance in history is evident to even the most casual visitor. You can see it by walking around your dynamic downtown area—or by tuning in "Gone with the Wind" next month on TV—or by watching the news tomorrow night after Chinese Vice Premier Teng Hsiao-ping's visit.

Atlanta today is an international crossroads. It's also one of the country's biggest financial centers. So perhaps it would be in order tonight to offer some thoughts on our national economy and our efforts to combat inflation.

We're already a month into the new year, and since this is a business audience, I assume most of you are familiar with the very wide variety of projections that have been made about the probable course of our economy during 1979. The consensus seems to be decidedly pessimistic. In fact, it is extremely difficult to find an economist anywhere who will permit himself to be quoted about the future of our economy with anything but gloom. Just the other day, for example, the Associated Press quoted a very positive statement by a financial analyst—but, significantly that analyst asked not to be identified.

Economists seem to be indulging in a deadly kind of competition, trying to outdo one another in predicting when the bottom will finally fall out and our country plunge back into another economic recession. It's been that the economists have predicted twelve of the last five recessions accurately. Some are even predicting the end of the world, and I find that puzzling: why predict something when there will be no one around to tell 'I told you so' if you are right?

As I say, it is a deadly game. For example, those economists who had predicted a recession in 1978 have hardly broken stride. They were proven wrong; 1978 was an excellent year for our country. But they apparently feel no reason to apologize for the negative, and depressing, and possibly self-fulfilling effect their unfounded and erroneous predictions of gloom could have had on the decisions made by American business leaders, on those in government who are responsible for setting our fiscal and monetary policies, and on the psychology of the American consumer. These determined doomsayers simply move the date of their imagined recession forward a few quarters and attempt to save face by predicting that the recession—when it comes—will be all the worse for the delay. As a result, even the most favorable economic news is interpreted to be *unfavorable*. A prime example is the classic headline from a recent edition of the Detroit News, "Economy's rise triggers alarm."

Well, we at General Motors read the same economic reports, charts, and graphs these doomsayers do, and we find no such forbidding prospects. On the contrary, we find strong favorable signs.

More people are employed in our country today than ever before—the total is approaching 96 million, an increase of more than 7 million workers in just the last two years. Furthermore, there is a rising level of disposable income in their hands. Industrial production is up and so are housing starts. Retail sales for 1978 were up 11 percent, and during the last quarter, the real gross national product rose by a robust 6.1 percent on a seasonally adjusted basis. We don't think that rate of increase will be sustained throughout the new year, of course. There will be a slowing down. But far from falling into a recession, the nation's rate of economic growth should be very close to its long-term average—somewhere in the neighborhood of 3 percent.

The continued upward pace of retail sales and of the index of leading business indicators—just to cite two examples—seems to fly in the face of those who have been telling us that the consumer-led recovery is running out of steam and that we are heading for a recession in 1979. Fortunately for the rest of the nation—the business community seems to be paying more attention to what is actually happening in the marketplace than to the theories of professional economists or to what the media is emphasizing. Good news rarely gets much public attention, but once in a while a positive story does appear. According to Business Week, for example, new orders for industrial supplies and equipment have gone through the roof in recent months, running some 22 percent ahead of the same period last year. The magazine ran down a long list of accelerating business activity, from capital spending and machine tool orders to carefully controlled inventory levels. And it concluded that, "If executives were as worried about the future as the surveys seem to say, they would be cutting back new bookings and advance planning, not accelerating them. But businessmen are placing the orders for new equipment because they can see the sales volume to keep that equipment busy."

And that conclusion, ladies and gentlemen, closely approximates our own at General Motors. It is on this positive basis—what we consider the hard evidence of the marketplace and actual economic performance—that we have predicted another record sales year for the automobile industry.

As most of you know by now I'm sure, our industry is just coming off a really banner year—the best calendar year for U.S. sales in our history. A record of approximately 15.4 million cars and trucks were sold—about 4 percent more than the previous record of 1977. And we're very proud to report that over 7 million of those sales were made by our General Motors dealers. It was the first time GM sales in the U.S. have ever surpassed the seven-million mark in a single year.

Now, General Motors is forecasting still another excellent calendar year in 1979. We expect industry sales in this country to increase again and reach about 15.5 million units in 1979. This should include sales of about 11.5 million passenger cars and more than 4 million trucks. What's more, we expect domestic automakers to continue to improve their sales relative to foreign manufacturers, just as they did in 1978.

At General Motors, much of the credit for this success in competition belongs to the successive waves of new, more fuel-efficient GM products we've been introducing in recent years. And we expect a lot more excitement when our all-new front-wheel-drive compacts debut on April 19. But the mid-size Malibus, Monte Carlos, and Cutlasses we make at Doraville have also been a big part of the success story. So have the Grand Prix formerly made at Lakewood.

Lakewood, of course, is now being converted to assemble the Chevrolet Chevette—one of our best-selling cars. Chevette sales were up almost 26% last year over 1977. There was some natural leveling out of this excellent sales performance last fall, but the latest reports show Chevette sales on the upswing again. In the first two 10-day periods in January, they were up 28% over the same period last year.

So we're putting a very popular, a very hot product in at Lakewood. And we're making a considerable investment to do it. We're spending millions of dollars to change over the plant—to remodel its rust-proofing and paint facilities, to revamp its conveyor systems and welding processes, to rearrange its chassis department to handle Chevette's unibody construction. With all the improvements, Lakewood will compare favorably with any other facility of a similar type we've got—including our fine Doraville plant right here in DeKalb County.

Multi-million-dollar investments like we're making at Lakewood reflect our faith in Atlanta and in Georgia. And they reflect our faith in the future—the future of our industry, the future of this country. We're very bullish on the future of General Motors. And behind the bullishness is the unshakeable belief that our automobile industry in this country is still a growing one.

Acting on that belief, we made capital expenditures of more than $4.5 billion in 1978—by far the heaviest investment we've ever made in a single year. And we're projecting even heavier spending in 1979 and beyond—more than $5 billion annually.

But, as we enter this new year, we're not ignoring the uncertainties our economy faces. Some of them are enormous—the cost and availability of energy, for example; our deficits in overseas payments and trade; and, overshadowing all other problems, inflation.

When we predict another year of continued, although moderate, economic growth for the United States, we do so in the belief that we will witness a new spirit of cooperation in this country. We believe that the President's anti-inflation program will win the support that is absolutely essential to its success. We believe that the leadership in his own Administrartion will *cooperate* in setting monetary, fiscal and legislative policies that will reduce spending and our Federal deficit. We believe that the government's independent agencies will *cooperate* by reducing the inflationary impact of unnecessary regulation. We believe that Congress will *cooperate* in budgetary affairs. We believe that organized labor will *cooperate* when negotiating new contracts. And we believe business will *cooperate* by controlling costs, increasing efficiencies, and by keeping price increases within the established guidelines.

However, we must admit that there are already signs that some—in government agencies and others in organized labor—do not seem to have the same concern about inflation that most of us do. They place their own interests and the special interests of their various constituencies above the national interest by ignoring opportunities to contribute to the struggle. But if we are to be successful in our fight on inflation, we must not allow our common resolve to be dissipated into the splintered causes of special interests.

There is a great profusion of special interest groups today—each pleading its own cause and each apparently hopelessly divided from the rest. There are, of course, labor and business organizations. And beyond those broad groupings, there's the whole category of minorities, now further divided into the Blacks, the Hispanics, and the native Americans. There are women, welfare mothers, and senior citizens—the handicapped, the gay

liberationists, students, and children—even the champions of the unborn and those who demand their right to die in a dignified manner. The number of these groups is so great and at times their voices are so shrill that it seems our society is tearing itself apart. On the surface, at least, we appear incapable of uniting against a common foe such as inflation.

Indeed, the adversary relationship between groups has become something of a sacred cow—more sacred than the national interest. Even to question this reincarnated doctrine of separatism is thought to defile democracy. Out of some twisted sense of politics, the contention of one faction with another is looked upon as democracy in its highest and purest form. In contrast, unity and cooperation between people are denigrated as cop-outs, cowardly compromises, and capitulations to the status quo.

Now this is clearly wrong. This adversary climate of "me against them" and "us against the world" is clearly destructive of those bonds of mutual trust that have traditionally bound our pluralistic society together. The magnificent political system which we have carefully developed and improved upon has proved itself time and time again in our history. It has shown itself to be elastic enough to accommodate all legitimate demands and to assure the rights and privileges of every citizen. And it will continue to do so today—in this fight against inflation—if we let it, and if we work for it.

I, personally, feel very strongly that the broad majority of our people remain united in their basic beliefs. Behind the special interest, beneath the muscle groups, lies a strong connective tissue drawing us all together in the common body of our country. We must do all we can to nurture this unity. And we must curb the restrictive practices of special interests which would prevent us from making the most of our economic resources. Now is the time to reaffirm our common ties, reemphasize our shared beliefs, retrace our common roots.

The President expressed something of the same idea in his State-of-the-Union message last week. He said it well, I thought, and I'd like to quote from his remarks. This is what the President said:

". . . two centuries ago a bold generation of Americans risked their property, position, and life itself.

"We are their heirs. And they are sending us a message across the centuries. The words they made so vivid are now growing faintly indistinct, because they are not heard often enough. They are words like justice, equality, unity, sacrifice, liberty, faith, and love.

"These words remind us that the duty of our generation of Americans is to renew our nation's faith—not focused just against foreign threats, but against selfishness, cynicism, and apathy."

That was how the President put it. And now in this fight against inflation, it's time to act on those words. The majority of Americans, and especially those in positions of the greatest public responsibility and influence, must counter the influence of the dissidents and give the President's anti-inflation program their full and enlightened support.

It should be clear by now to every American that inflation is his or her greatest enemy today. A reversal in the rising cost of living will benefit everyone in American society—old and young alike, the welfare recipient as well as the job-holder, the retiree as well as the employee, the investor as well as the worker. There is no more important objective in our country today. Indeed the attainment of all other objectives will depend upon the attainment of this one.

We think the President has displayed great political courage in addressing this problem—especially in the reduced-deficit budget he has submitted to Congress. There is also the legislation he has vetoed—legislation supported by the leadership of his own party. He vetoed it because he felt it would be inflationary.

He has made a good start, but it is only a start. The demands on the President's courage and on his leadership abilities will increase tremendously over the coming weeks and months—and even years, since inflation cannot be reversed overnight. Regardless of our own political persuasions, we all owe the President our strongest support in his anti-inflation efforts—for only in their continued and consistent application can the program succeed.

The President is already being accused of breaking campaign promises, of being insensitive to environmental and social problems, of betraying the liberal traditions of his Democratic Party and of organized labor. More criticism like this is sure to come before the Presidential election in 1980. But Mr. Carter has pledged to make the hard choices, to stick with his battle against inflation even if it costs him the Presidency.

We have great confidence in the ability of this great nation to respond to the challenge of the battle against inflation. This is a *war* we are engaged in, and if we are going to win it, we will have to subordinate all other objectives to the single, overriding objective of victory. What is needed now is the kind of inspired leadership in both public and private life that will recognize inflation for the scourge that it is, that will never lose sight of the absolute necessity of defeating it, and that will resist all efforts to place other interests over the national interest. Unless America is blessed with strong and courageous leadership of this magnitude, we will never prevail over inflation. We will continue to be victims insead of victors.

But we are confident that we have such leadership—in many parts of government, in many parts of organized labor, in many parts of the business community. The majority of the American people must now encourage this leadership, get behind it and support it, and demonstrate that we are willing to accept the degree of sacrifice asked of each of one of us.

As I say, this is war. Nothing less than a single-minded, total commitment will assure victory. So, let labor and management put their narrow suspicions aside. Let our special interest groups recognize that their primary interest is the national interest. Let us all unite as we have in the past, whenever our nation has been challenged as seriously as it is being challenged right now.

If we do this, then inflation will be curbed without recession and without widespread unemployment for the first time in our history. Victory will be shared by all Americans, and it will be among the sweetest and most rewarding victories we have ever known.●

LEGISLATION TO STRENGTHEN U.S. TRADE POLICY WHILE ACHIEVING CONSTRUCTIVE EMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, I am introducing today legislation that will strengthen U.S. trade policy and how it constructively impacts emigration polices of our trading partners throughout the world.

This legislation is timely in that it will enable America to pursue normalized commercial relations with the People's Republic of China quickly on the heels of diplomatic normalization—and without eroding our fundamental human rights principles.

My legislation, which is similar to a bill being introduced today in the other body by Senator STEVENSON, amends the waiver clause in section 402 of the 1974 Trade Act that restricts certain trade benefits to nonmarket countries, including China, unless those countries exhibit satisfactory emigration policies. The waiver clause is now constructed negatively. My legislation would make it positive.

Instead of demanding physical assurances from a country that it will abide by our emigration standards, my legislation would empower the President to make a determination that the actual granting of a waiver to this section and opening up restricted trade benefits would "lead substantially to the achievement of the free emigration objectives" this section seeks. It thus makes use of trade benefits as a tool to achieve emigration.

The bill I am introducing today would add greater flexibility to this section by extending the duration of a Presidential waiver from 12 months to 5 years. Later this week, I intend to reintroduce my legislation with a perfecting change that would add even more flexibility. That change will limit first-time waivers to nonmarket nations to 12 months, to insure timely congressional review. Subsequent waivers to those nations could be for up to 5 years. This change will give maximum flexibility, yet assure adequate congressional oversight and consultation.

My legislation complies with President Carter's stated objective to deal even-handedly with both the Chinese and Soviets with respect to trade matters. It would, therefore, remove the existing $300 million limit imposed on credits the U.S. Export-Import Bank could extend to the Soviet Union, replacing it with a ceiling of $2 billion on credits to all nonmarket nations. It also would raise from $50 million to $100 million the amount of an Eximbank loan or guarantee to a nonmarket country that requires a separate Presidential determination that such a transaction is in the national interest.

My interest in this legislation grows out of an active role in the House Subcommittee on International Trade where in the last session of Congress I authored an amendment that would have exempted the People's Republic of China from section 402 of the Trade Act, opening up credits from the Eximbank for sales to China. My purpose in introducing that amendment was to combat the paralysis that had set in since the 1972 Shanghai communique in our relations with China. I reasoned that movement on the trade front would signal the Chinese we were still interested in normalizing relations, while at the same time enabling U.S. businessmen to enter more forcefully blossoming Chinese markets.

Now that normalization with China is a reality, our attention should be directed toward bringing to full bloom our relations with China. The time has never been riper to do so.

Chinese Vice Premier Teng Hsiao-ping's just completed trip to the United

States underlines the importance the Chinese hold for improved Sinto-United States relations. Vice Premier Teng could not have made it clearer that China intends to purchase U.S. goods and technology, if we are competitive.

Frankly, though, we are not competitive. We are not competitive because of restrictions we have placed on ourselves. They are restrictions that were aimed elsewhere and that now are hopelessly out of date. They are restrictions that block the use of Eximbank credits to assist in financing large sales to China and granting of most-favored-nation status that will open a wider range of consumer choices in our own markets. China trade, while not an overnight bonanza, holds the promise of sure growth and can be a tremendous opportunity to spur U.S. exports and cut away at our debilitating, chronic trade imbalance that saps the U.S. dollar and induces inflation. Most important, U.S. export growth will stimulate new advances in productivity and create more and better-paying jobs.

The situation is filled with more than a little irony. There is growing evidence that despite U.S. firms landing large contracts with the Chinese, they are unable to secure domestic financing and are being told to look abroad. The result will be that many of the jobs will follow the financing, and opportunities for American workers will be lost. This situation is not going to be reversed to any appreciable degree until the Eximbank is allowed to spearhead the extension of credit for sales to the PRC.

My own region of the country stands to benefit handsomely from increased trade with China, through such commodities as wheat, forage grass seeds, breeding stock, seafood, wood products, electronics equipment, sawmill machinery, heavy and light machinery, consulting and engineering services, aircraft, and aquaculture technology.

While pursuing normalized relations with China, we must remain mindful of how our actions translate in the world. President Carter has charted a course of evenhanded treatment of the major powers of Russia and China. Therefore, we cannot be in the position of favoring one and penalizing the other. Rather, we should use the leverage of our new initiative to improve our relations with both.

In addition to being evenhanded, my legislation is faithful to the intent of the Jackson-Vanik amendment. Indeed, I believe it strengthens its practical effect. It extends a carrot, not a stick.

Maintaining a consistent, yet achievable, policy on human rights is essential to our current foreign policy. I support that foreign policy. We can and should exert pressure to insure free emigration policies. But we also should exercise caution that we not overplay our hand or apply pressure that will have little effect. In short, we must bear in mind the distinction between foreign policy and trade policy. Trading with a nation, and granting that country most favored nation status, does not mean we approve of that nation's policies, whether emigration or economic. It simply means we have opportunities to exchange goods on an equal basis for the mutual benefit of both parties.

I believe the positive thrust of my legislation will strengthen our trade policy, and may very well lead to stronger commercial ties with both China and the Soviet Union, with no diminution in our efforts to promote liberal emigration.

This is truly a situation where we have everything to gain and nothing to lose by taking this action. Frankly, the euphoria of our new relationship with China will transform into an empty dream unless we move with purpose to place American commercial interests on equal footing with the rest of the world in competing for a flourishing market. We also have an opportunity to reward improved behavior by the Soviet Union and thereby ease tensions. Most important of all, this is a chance to demonstrate that our trade policy is mature and robust, and is riveted on the future, not the past.

A section-by-section analysis of my bill follows:

SECTION-BY-SECTION ANALYSIS

Section 1(1) would amend section 2(b)(B) of the Export-Import Bank Act to increase from fifty to one-hundred million dollars the amount of each Bank loan or financial guarantee for U.S. exports to a Communist country requiring a separate Presidential determination that such transaction is in the national interest.

Section 1(2) would add a new provision to the Export-Import Bank Act limiting the aggregate amount of loans and financial guarantees which the Bank could have outstanding at any one time in support of U.S. exports to any Communist country to two billion dollars.

Section 1(3) would delete from the Export-Import Bank Act the provision requiring Bank loans or financial guarantees of twenty-five million dollars or more for the export of goods and services involving research, exploration, or production of fossil fuel energy resources in the U.S.S.R. to be transmitted to the Congress twenty-five days of continuous session prior to final approval by the Bank, and the provision limiting Bank loans and financial guarantees for exports to the U.S.S.R. to not more than three hundred million dollars, including not more than forty million dollars for the support of research or exploration for fossil fuel energy resources, and prohibiting support for production (including processing and distribution) of such resources.

Section 2(1) would amend the Trade Act to require the President to determine that the emigration practices of any non-market economy country will henceforth lead substantially to the achievement of the free emigration objectives of section 402 of the Act, before such country shall be made eligible for nondiscriminatory tariff treatment and U.S. Government credits. The amendment would replace an existing requirement that the President have "received assurances" regarding such practices.

Section 2(2) would amend the Trade Act to authorize the President to waive the application of subsections (a) and (b) of Section 402 of the Act for five years. (The perfecting change to be introduced later this week would replace "five years" with "12-month periods for first-time waivers and up to 5-year periods for subsequent waivers.")

Section 2(3) would delete from the Trade Act a provision limiting U.S. Government credits to support exports to the U.S.S.R., except Commodity Credit Corporation credits, to not more than three hundred million dollars.

H.R. 1635

A bill to amend the Export-Import Bank Act of 1945 with respect to credit to communist countries, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export-Import Bank Act of 1945 is amended—

(1) in section 2(b)(2), by striking out "$50,000,000" and inserting in lieu thereof "$100,000,000";

(2) by adding at the end of section 2(b)(2) the following new sentence: "The Bank shall not have outstanding at any one time loans or financial guarantees, or any combination of such loans or guarantees, in connection with exports to any communist country in an aggregate amount in excess of $2,000,000,000.";

(3) in section 2(b)(3), by striking out clause (ii) and by redesignating clause (iii) as clause (ii); and

(4) by striking out section 7(b).

SEC. 2. The Trade Act of 1974 is amended—

(1) in section 402(c)(1)(B) and section 402(c)(2)(B), by striking out "received assurances" and inserting in lieu thereof "determined";

(2) in section 402, by striking out "12 months" and "12-month" each place they appear therein and inserting in lieu thereof "five years" and "five-year", respectively; and

(3) by striking out section 613.

LEGISLATION TO INCREASE THE CIGARETTE EXCISE TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, cigarette smoking is the Nation's largest single preventable cause of death, yet for over 8 years—at a time when this House passed landmark legislation to insure the purity of the Nation's air and water and the safety of consumer products—Congress has refused to even consider legislation that would further reduce the health hazards of cigarette smoking.

We must not delay any longer—during the last 8 years well over 2½ million Americans have died of smoking related illness. It is well past time that we stood up to the tobacco lobby and declared that we shall be silent witnesses to this "slow suicide" no longer.

Last week I announced the reintroduction of legislation that would reduce the danger of cigarette smoking by strengthening the cigarette warning label; by protecting the rights of nonsmokers in Federal facilities; and by extending the authority of the Food and Drug Administration to allow it to regulate tobacco products. Today, I am introducing a bill to raise the cigarette excise tax from $0.08 to $0.16 per package. Such an increase, which is long overdue, would serve to discourage smoking while insuring that those who do smoke will bear a greater proportion of the economic burden that smoking places on our Nation.

The current cigarette excise tax, which is $4 per thousand cigarettes (or $0.08 per package) has not been raised since 1951. If we were to adjust the tax for inflation over that period, we would

have to raise the tax to $0.21. Clearly then, my bill, which would merely double this tax, would not even adjust the tax for the inflation that has occurred in the 28 years since it was established at this level. However, there are much more important reasons for enacting this bill.

Increasing the price of this deadly addiction would encourage smokers to "kick the habit." It would also discourage nonsmokers, particularly the young, from taking up smoking in the first place. According to the Surgeon's General's most recent report on smoking and health, survey research indicates that for every 1-percent increase in the price of cigarettes, the number of smokers will decline by 0.6 percent. While this conclusion is based on a study of British adult males, there is no reason to believe that the results would be markedly different in the United States. Given this estimate cited by the Surgeon General, it is not unrealistic to expect that enactment of this bill would cause 3 to 4 million smokers to quit smoking.

More importantly, as Surgeon General Richmond points out in the preface of his report on smoking, "the demand for cigarettes among teenagers may be more price sensitive" than the demand for cigarettes among adults. If this is indeed the case, the legislation I have introduced could be a very important means of reducing cigarette smoking among the young. This is a particularly critical population both because the number of teenage smokers continues to increase, and because most smokers begin smoking when they are young.

Over the last decade the percentage of girls aged 12 to 14 who smoke has increased eightfold, and currently there are 6 million smokers between the ages of 13 and 19. These are alarming statistics in and of themselves, but when we consider that 41 million of America's 54 million smokers started when they were under age 21, it becomes clear that if the Nation is ever to reduce the number of its smokers, it must first reduce smoking among teenagers. I believe that increasing the cigarette excise tax is one important way the 96th Congress can begin to attack this problem.

In addition to discouraging the purchase of cigarettes, this bill would generate additional revenue from smokers to partially offset the tremendous budgetary and economic losses caused by cigarette smoking. This year, smoking related illness will cost the Government $5 to $8 billion in health care expenses, and cause a loss of an additional $12 to $18 billion due to lost wages, productivity, and absenteeism. Currently, smokers only bear a small fraction of this burden.

The Federal cigarette excise tax currently yields $2.4 billion in annual revenues. If the excise tax were doubled and cigarette sales remained constant—a liberal assumption—the $4.8 billion in annual revenue would still be insufficient to cover the direct cost to the Government of cigarette smoking. It is altogether fitting and proper that smokers should be forced to bear the burden that their habit costs the public at large, and enactment of this bill would begin to address this imbalance.

Mr. Speaker, this legislation is a moderate attempt to deal with the problem of cigarette smoking in America. By slightly increasing the cost of cigarettes, Congress can discourage millions of people from smoking—particularly the young, who are especially prone to this deadly habit. In so doing, it can also begin to place the multi-billion-dollar public health cost of cigarette smoking on the 33 percent of the people who choose to smoke.

A text of my cigarette excise tax bill follows:

H.R. 1843

To amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 5701(b) of the Internal Revenue Code of 1954 (relating to rate of tax on small cigarettes) is amended by striking out "$4 per thousand" and inserting in lieu thereof "$8 per thousand".

(b) Paragraph (2) of section 5701(b) of such Code (relating to rate of tax on large cigarettes) is amended by striking out "$8.40 per thousand" and inserting in lieu thereof "$16.80 per thousand".

SEC. 2. The amendments made by the first section of this Act shall apply on and after the date which is 90 days after the date of the enactment of this Act.●

WOMEN AND PENSIONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I am introducing two bills today to address serious inequities in Federal law regarding the pension rights of women. One bill would undo the damage to divorced and separated women caused by the Supreme Court's recent decision in the case of Hisquierdo against Hisquierdo, where the Court ruled that a divorced wife has no right to a portion of her former husband's pension under the Railroad Retirement Act of 1974. The second bill provides that pension plans governed by the Employee Retirement Income Security Act of 1974 must obey court orders dividing the pension benefits in a community property settlement, or attaching the pension for alimony or child support.

My interest in this area of law was sparked by a letter I received last year from a constituent, whose husband left her and their two children and took early retirement from his job. Because ERISA section 206(d)(1) (26 U.S.C. 401(a)(13) and 29 U.S.C. 1056(d)(1)) provides that "benefits provided under the plan may not be assigned or alienated," and because ERISA preempts State law, the husband's pension plan has ignored a State court order attaching his pension for the support of his homemaker spouse and their two children. My constituent has had to turn to welfare for subsistance. In the Supreme Court case, Jess Hisquierdo sued his wife Angela for divorce in 1975, after 14 years of marriage during which she was a homemaker and he a worker for the Atchison, Topeka & Santa Fe Railway. The California Supreme Court, reversing a lower court, ruled unanimously in 1977 that Mrs. Hisquierdo was entitled as a matter of ownership under California's community property laws to half the pension benefits attributable to his labor during their marriage. On January 22, in a 7–2 decision, the U.S. Supreme Court reversed the California Supreme Court holding that section 14 of the Railroad Retirement Act of 1974 preempts California's community property laws. Section 14 (45 U.S.C. 231m) protects railroad retirement benefits from legal process "[n]otwithstanding any other law . . . of any State."

My research into this question has convinced me that Congress did not intend this result from ERISA, the Railroad Retirement Act, or from any other Federal law, and I think we have a responsibility to speak unequivocally on this point. The Hisquierdo ruling is one of a series of recent court decisions testing the right of States to allocate pension benefits equitably between a worker and his divorced or separated spouse. Frankly, a strong case can be made that Congress should recognize that marriage is an economic partnership by establishing joint worker-spouse ownership of Federal pensions, but, at the very least, we should not frustrate the laws of those eight States which have established such a community property interest.

Mr. Speaker, I presented testimony last August during Senate hearings on S. 3017, legislation introduced by Senators WILLIAMS and JAVITS to amend ERISA "for the purpose of simplifying, clarifying, and improving Federal law relating to the regulation of employee benefit plans." In my remarks, I urged that the bill be amended to clarify whether ERISA preempts State domestic relations laws, and I am very pleased to note that section 128 of the new ERISA Improvements Act, S. 209, does contain such language. This relatively minor clarification will mean the difference between poverty and a modicum of income security to a significant number of older divorced women, and I am hopeful that Congress will enact such a provision this year.

I would like to note the close relationship between these proposed amendments and legislation Congress has passed in recent years. In 1974, Congress launched a broad attack on the problem of runaway fathers, who were forcing the State and Federal Governments to support their families through the aid to families with dependent children program. As part of that attack, Congress waived the Federal Government's sovereign immunity so that the pay and benefits of present and retired Federal workers and the benefits of various Federal welfare and social security programs could be attached for payment of child support and alimony (42 U.S.C. 659). By waiving sovereign immunity, Congress made parents or spouses with Federal salaries, pensions, or benefits susceptible to court orders for child sup-

port or alimony. The child support enforcement program has been so successful that last summer HEW formed project responsibility, a departmental initiative to more than double the $423 million in child support collected from absent parents in 1977. Congress should do its part in this effort by removing the antiassignment provision from ERISA to allow private pensions to be attached for child support or alimony.

Finally, last year Congress passed Public Law 95-366, which amended the civil service pension law to permit the Civil Service Commission to pay a portion of retirement benefits to a person other than the annuitant under "the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation." The bills I am introducing today simply extend that treatment of civil service pensions to private pensions covered by ERISA and railroad retirement pension. The texts of the bills follow:

H.R. 1882

A bill to amend the Railroad Retirement Act of 1974 to provide that State domestic relations or community property laws are are not preempted by the Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 14 of the Railroad Retirement Act of 1974 (relating to exemption from legal process) is amended—

(1) by striking out "Sec. 14. Notwithstanding" and inserting in lieu thereof "Sec. 14 (a). Notwithstanding";

(2) by adding at the end thereof the following new subsection:

"Sec. 14 (b) Nothing in this Act is intended to prohibit the characterization or treatment under State law of the annuity or supplemental annuity provided by this Act as community property for all purposes, or as property subject to equitable distribution for the purpose of divorce, dissolution of marriage, annulment, or legal separation."

H.R. 1884

A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans pursuant to court orders for alimony or child support, and to permit the division of pension benefits under State community property law or common law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (13) of section 401(a) of the Internal Revenue Code of 1954 (relating to requirements for qualification of pension plans, etc.) is amended—

(1) by striking out "(13) A trust" and inserting in lieu thereof :"(13)(A) A trust";

(2) by striking out "This paragraph" in the last sentence and inserting in lieu thereof "This subparagraph"; and

(3) by adding at the end thereof the following new subparagraph:

"(B) Subparagraph (A) shall not apply to any assignment or alienation of benefits payable to any participant or beneficiary who is receiving benefits under the plan if—

"(i) such assignment or alienation is pursuant to either a decree of divorce or separate maintenance, or an order of a court which requires an individual to contribute to the support of his children, or both; and

"(ii) such decree or order does not affect the date, timing, form, duration or amount of any benefit payments under the plan."

(b) Subsection (d) of section 206 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(3) Paragraph (1) shall not apply to any assignment or alienation of benefits payable to any participant or beneficiary who is receiving benefits under the plan if—

"(A) such assignment or alienation is pursuant to either a decree of divorce or separate maintenance, or an order of a court which requires an individual to contribute to the support of his children, or both; and

"(B) such decree or order does not affect the date, timing, form, duration or amount of any benefit payments under the plan. "(4) Nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair or supersede the operation of any State law governing the acquisition, division, or distribution of property defined by State laws as community property or as property belonging to a marriage."

(c) The amendments made by this section shall take effect on the date of enactment of this Act.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CAMPBELL), to revise and extend their remarks, and to include extraneous matter:)

Mr. RAILSBACK, today, for 5 minutes.

Mr. RAILSBACK, on February 8, for 5 minutes.

Mr. GOLDWATER, today, for 10 minutes.

Mr. EDWARDS of Alabama, today, for 5 minutes.

(The following Members (at the request of Mr. SABO), to revise and extend their remarks, and to include extraneous matter:)

Mr. KASTENMEIER, for 15 minutes, today.

Mr. BONER, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CAMPBELL) and to include extraneous matter:)

Mr. FINDLEY.

Mr. LOTT.

Mr. RINALDO.

Mr. SCHULZE.

Mr. BEREUTER.

Mr. DORNAN.

Mr. CARTER.

Mr. MCCLOSKEY.

(The following Members (at the request of Mr. SABO), and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. MCDONALD in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. HOLLAND in five instances.

Mr. MAVROULES.

Mr. DRINAN in 10 instances.

Mr. MAZZOLI.

Mr. MONTGOMERY in two instances.

Mr. YOUNG of Missouri.

Mr. WAXMAN in two instances.

Mr. ROBERTS.

Mr. BOLAND.

Mr. FLOOD.

Mr. HAMILTON.

Mr. BARNES.

Mr. STARK in two instances.

Mr. AUCOIN.

Mr. SOLARZ.

Mr. BENNETT.

Mr. SIMON in two instances.

ADJOURNMENT

Mr. SABO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until Thursday, February 8, 1979, at 11 o'clock, a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1978 in connection with foreign travel are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 26, AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Frenzel	11/11	11/13	Taiwan	5,392.50	$150.00		(3)				$150.00
	11/13	11/18	Japan	126,870	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000	150.00						150.00

Footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Transportation by Department of Defense.							$5,716.24				$5,716.24
Hon. Sam M. Gibbons	11/11	11/13	Taiwan	5,392.50	$150.00		(3)				150.00
	11/13	11/18	Japan	126,870	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000	150.00						150.00
Transportation by Department of Defense.							6,518.60				6,518.60
Hon. Willis D. Gradison	11/27	11/29	Switzerland	563.10	327.00		17.73				344.73
Hon. James R. Jones	11/11	11/13	Taiwan	5,392.50	150.00		(3)				150.00
	11/13	11/18	Japan	126,870	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000	150.00						150.00
Transportation by Department of Defense.							4,243.98				4,243.98
Hon. Charles B. Rangel	11/25	12/1	Sudan	257.480	516.00						516.00
	12/1	12/2	Spain	5,355	75.00						75.00
Transportation by Department of Defense.							991.16				991.16
Hon. Al Ullman	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/38	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/30	Belgium	6,712.00	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		$1.88		336.81
Thelma J. Askey	11/14	11/18	Switzerland	705.90	436.00		8.18		17.65		461.83
Jim Beall	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/28	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/20	Belgium	6,712.00	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		1.88		336.81
Michael J. Calhoun	11/14	11/17	Switzerland	529.40	327.00		16.35		10.00		353.35
	12/11	12/15	Switzerland	808.95	475.00		748.00		15.50		1,238.50
Bruce F. Davie	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/28	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/30	Belgium	6,712	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		1.88		336.81
Harold T. Lamar	11/21	11/26	Belgium	16,888.75	555.00		134.28				689.28
	11/26	11/28	Switzerland	378.25	218.00						218.00
	11/28	12/1	Belgium	10,133.25	333.00						333.00
David B. Rohr	10/22	10/30	Switzerland	1,331.55	872.00						872.00
	10/30	10/31	Belgium	5,595	202.00						202.00
	11/12	11/20	Switzerland	1,411.75	872.00						872.00
	11/20	11/22	Belgium	9,998	333.00						333.00
Arthur Stein, III	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/28	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/30	Belgium	6,712	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		1.88		336.81
William K. Vaughan, Jr.	11/11	11/13	Taiwan	5,392.50	150.00		(3)				150.00
	11/13	11/19	Japan	105,640	560.00						560.00
	11/19	11/22	Korea	108,000	225.00						225.00
Transportation by Department of Defense.							4,817.04				4,817.04
Mary Jane Wignot	9/30	10/8	Switzerland	562.50	375.00		843.00				1,218.00
	12/5	12/19	Switzerland	1,987.25	1,140.00		751.00				1,891.00
Committee total					14,413.00		32,268.52		178.01		46,859.53

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Local transportation expenses for entire group in Taiwan—$560.86.

Note: The above report is based on available information.

AL ULLMAN,
Chairman, Committee on Ways and Means.

Jan. 30, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27, AND SEPT. 30, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Mr. R. Spencer Oliver	9/27	9/28	Spain (pesetas)	5,460	$75.00					5,460	$75.00
			To U.S.A.				$355.00				355.00
Committee totals					75.00		355.00				430.00

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used enter amount expended.

DANTE B. FASCELL,
Chairman, Commission of Security and Cooperation in Europe.

Jan. 15, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Guy E. Coriden	10/8	10/10	France	969.75	$225.00		$352.00				$603.22
						113	26.22				
	10/10	10/12	Belgium	5,689	190.00		22.00				212.00
			To U.S.A.				464.00				464.00
Catherine Cosman	11/11	11/13	Austria	2,246.14	171.20						171.20
	11/13	11/16	Germany	3,369.21	256.80						256.80
	11/16	11/18	Finland	626.79	158.00						158.00

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[2]
Total airfare							824.00				824.00
Ester Kurz	11/14	11/26	France	4,495.50	1,057.76		295.00				1,352.76
	11/26	12/3	Switzerland	1,253.90	728.16	212	50.00				778.16
	12/3		To U.S.A.				321.00				321.00
R. Spencer Oliver	10/30	11/13	Switzerland	2,298	1,526.00		374.00				1,900.00
	11/13	11/14	England	45.16	903.03						93.03
			To U.S.A.				374.00				374.00
	11/25	11/10	Switzerland	2,650	1,526.00		374.00				1,900.00
			To U.S.A.				756.00				756.00
Martin C. Sletzinger	10/30	11/21	Switzerland	3,708.92	2,398.00		374.00				2,772.00
			To U.S.A.				350.00				350.00
William Whitman	11/11	11/13	Austria	2,246.14	171.20						171.20
	11/13	11/16	Germany	3,369.21	256.70						256.80
	11/16	11/18	Finland	626.79	158.00						158.00
Total airfare							837.00				837.00
Samuel G. Wise	11/17	12/10	Switzerland	3,723.80	2,272.00		303.00				2,575.00
	12/10	12/12	Malta	54.15	150.00		185.00				335.00
			To U.S.A.				346.00				346.00
Committee totals					11,337.95		6,627.22				17,965.17

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 15, 1979

Signed: DANTE B. FASCELL,
Chairman, Commission on Security and Cooperation in Europe.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[2]
Duane Andrews, staff			Europe		$963.00						
Michael J. O'Neil, staff			Europe/Asia		2,245.00		$271.57				
James O. Bush, staff			Europe/Asia		1,998.00		271.57				
Hon. John Ashbrook			Europe		842.00						
Herbert Romerstein, staff			Europe		796.00						
Hon. Les Aspin			North America		300.00						
Hon. Bill D. Burlison			North and South America		385.00						
Patrick G. Long, staff			Asia		750.00						
Richard H. Giza			Asia		750.00						
					9,029.00		543.14				

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount extended.

Jan. 26, 1979.

EDWARD P. BOLAND,
Chairman, Committee on Intelligence.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 26, AND SEPT. 30, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[2]
William G. Lawrence	9/25/78	9/29/78	Germany	731.25	$375.00					731.25 DM	375.00
Committee total					375.00						375.00

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 15, 1979.

LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POPULATION (SELECT), U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[2]
Michael Teitelbaum (staff).[3]											

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Dr. Teitelbaum's expenditures are currently still being processed by the State Department. Upon completion, his expenditures will be reported on this form at the end of the next quarter.

Jan. 15, 1979.

JAMES H. SCHEUER,
Chairman, Select Committee on Population.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

538. A letter from the General Counsel of Department of Defense, transmitting a draft of proposed legislation to authorize construction at military installations and for other purposes; to the Committee on Armed Services.

539. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

540. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to Greece (transmittal No. 79–4), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

541. A letter from the Director, Council on Wage and Price Stability, Executive Office of the President, transmitting a draft of proposed legislation to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council; to the Committee on Banking, Finance and Urban Affairs.

542. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's third annual report on the Equal Credit Opportunity Act, pursuant to section 707 of the act; to the Committee on Banking, Finance and Urban Affairs.

543. A letter from the Comptroller, Washington Gas Light Co., transmitting the balance sheet of the company as of December 31, 1978, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

544. A letter from the Administrator, Agency for Internationl Development, Department of State, transmitting a report on steps taken to review proposals for an African Development Foundation, pursuant to section 122 of Public Law 95–424; to the Committee on Foreign Affairs.

545. A letter from the Chairman, Development Coordination Committee, transmitting the committee's annual report on foreign assistance, pursuant to section 634(a) of the Foreign Assistance Act of 1961, as amended (92 Stat. 957); to the Committee on Foreign Affairs.

546. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Greece (transmittal No. 79–4), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

547. A letter from the Acting Assistant Secretary of the Treasury for Administration, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o) to the Committee on Government Operations.

548. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

549. A letter from the Governor of the Canal Zone and President, Panama Canal Company, transmitting a report on the disposal of foreign excess property during fiscal year 1978 by the Canal Zone Government and the Panama Canal Company, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

550. A letter from the Executive Director, Advisory Commission on Intergovernmental Relations, transmitting the 20th annual report of the Commission, pursuant to section 5(3) of Public Law 86–380; to the Committee on Government Operations.

551. A letter from the Assistant Secretary of the Interior, transmitting the annual report listing (1) areas of national significance with potential for inclusion in the National Park System, and (2) areas included on the Registry of Natural Landmarks and areas of national significance included on the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources, pursuant to section 8 of Public Law 91–383, as amended (90 Stat. 1940); to the Committee on Interior and Insular Affairs.

552. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a draft of proposed legislation to discontinue the requirement for an annual report from the Secretary of Commerce on investigations and studies conducted under the Flammable Fabrics Act; to the Committee on Interstate and Foreign Commerce.

553. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in docket No. 36970, *Annual Volume Rates on Coal—Wyoming to Flint Creek Ark.*, within the initially-specified 7-month period, and seeking an extension until May 1, 1979, pursuant to 49 U.S.C. 10707 (b)(1); to the Committee on Interstate and Foreign Commerce.

554. A letter from the Director, Office of Rail Public Counsel, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Interstate and Foreign Commerce.

555. A letter from the Chairman, Securities and Exchange Commission, transmitting the Commission's final report on transactions in the securities of New York City; to the Committee on Interstate and Foreign Commerce.

556. A letter from the Federal Cochairman, New England Regional Commission, transmitting two resolutions of the Commission concerning crude oil pricing and home heating oil pricing; to the Committee on Interstate and Foreign Commerce.

557. A letter from the Commissioner, Immigration and Naturalization service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

558. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on scientific and professional positions established in the agency during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

559. A letter from the Director, Federal Bureau of Investigation, Department of Justice, transmitting a report covering calendar year 1978 on positions in the FBI in grades GS–16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

560. A letter from the Comptroller General of the United States, transmitting a report on congressional control over appropriations to the Corps of Engineers (FGMSD–79–12, January 31, 1979); jointly, to the Committees on Government Operations, Appropriations, and Public Works and Transportation.

561. A letter from the Comptroller General of the United States, transmitting a report on the comparative growth in compensation for postal and other Federal employees since 1970 (FPCD–78–43, February 1, 1979); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

562. A letter from the Secretary of Commerce, transmitting the annual report for calendar year 1977 on ocean dumping research, pursuant to section 201 of the Marine Protection, Research, and Sanctuaries Act of 1972; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, and Mr. CLAUSEN):

H.R. 1834. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly, to the Committees on Foreign Affairs, the Judiciary, and Public Works and Transportation.

By Mr. AUCOIN:

H.R. 1835. A bill to amend the Export-Import Bank Act of 1945 with respect to credit to Communist countries, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEDELL (for himself, Mr. AKAKA, Mr. BADHAM, Mr. BEVILL, Mrs. BOUQUARD, Mr. BUCHANAN, Mr. CONTE, Mr. D'AMOURS, Mr. DASCHLE, Mr. DODD, Mr. DOWNEY, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. GLICKMAN, Mr. GORE, Mr. HEFNER, Mr. HOLLENBECK, Mr. HUGHES, Mr. ICHORD, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEE, Mr. LLOYD, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. MAVROULES, Mr. MAZZOLI, Mr. MINETA, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PEASE, Mr. PICKLE, Mr. WALKER, Mr. WHITEHURST, Mr. WOLPE, Mr. YATRON, and Mr. YOUNG of Alaska):

H.R. 1836. A bill to amend chapter 35 of title 44, United States Code, to require a biennial justification for the continued use of any form used to solicit information from individuals, private industry, and State and local government agencies; to the Committee on Government Operations.

By Mr. BENNETT:

H.R. 1837. A bill to amend the National Security Act of 1947 to establish by law procedures for the classification and protection of sensitive information relating to the national security, to provide criminal penalties for unauthorized disclosure of such information, to limit matters that may be classified and impose penalties for unauthorized classification, to provide for declassification, and for other purposes; jointly, to the Committees on Armed Services, and Permanent Select Committee on Intelligence.

By Mr. BINGHAM:

H.R. 1838. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

By Mr. BONER of Tennessee:

H.R. 1839. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of utilizing the use of the urban development action grants program to assist certain urban counties in which there are areas with special needs relating to physical and economic deterioration; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DORNAN:

H.R. 1840. A bill to curb inflation by providing for the reduction of the annual rates of pay for Members of Congress and for certain appointed Federal officials, and for other

purposes; to the Committee on Post Office and Civil Service.

H.R. 1841. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for certain amounts of the rent they pay on their principal residences which is attributable to real property taxes; to the Committee on Ways and Means.

H.R. 1842. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home, and for other purposes; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 1843. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1844. A bill to amend the Railroad Retirement Act of 1974 to provide spouses' and widows' benefits for certain divorced persons; to the Committee on Interstate and Foreign Commerce.

H.R. 1845. A bill to amend section 311(b)(6) of the Federal Water Pollution Control Act relating to civil penalties; to the Committee on Public Works and Transportation.

H.R. 1846. A bill to authorize the Secretary of the Army to make studies of means of preventing streambank erosions at historic Blakeley, Ala., to the Committee on Public Works and Transportation.

H.R. 1847. A bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property; to the Committee on Ways and Means.

H.R. 1848. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

H.R. 1849. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and other locations; jointly, to the Committees on Government Operations, and House Administration.

By Mr. FINDLEY:

H.R. 1850. A bill to require the Federal Communications Commission to insure that each community in the United States, regardless of size, is provided with the maximum local fulltime radio broadcasting service; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 1851. A bill to amend the Social Security Act and the Internal Revenue Code of 1954, to strengthen the financing of the social security system, to provide for a gradual increase in retirement age, to improve the treatment of women through the establishment of a working spouse's benefits and to eliminate gender-based discrimination, to provide coverage under the system for Federal employees, to increase and ultimately repeal the earnings limitation, and for other purposes; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 1852. A bill to provide for the research, development, and demonstration of a permanent Federal repository capable of receiving nuclear wastes and spent nuclear fuel assemblies generated from the operation of civilian nuclear powerplants, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce, and Science and Technology.

By Mr. HANSEN:

H.R. 1853. A bill to repeal the authority of the Secretary of the Treasury to seize privately owned gold; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1854. A bill to amend the Federal Reserve Act to allow appointment of the Board of Governors without regard to Federal Reserve districts; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1855. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Secretary of Labor may conduct inspections at the workplace of an employer only after the issuance of a search warrant; to the Committee on Education and Labor.

H.R. 1856. A bill amending the Foreign Trade Act of 1974; jointly, to the Committees on Foreign Affairs, and Ways and Means.

By Mr. KASTENMEIER:

H.R. 1857. A bill to provide price support for milk for the period beginning on April 1, 1979, and ending on September 30, 1981, at not less than 90 percent of parity, and to extend through September 30, 1981, the authority of the Secretary of Agriculture to provide for quarterly adjustments in the support price for milk; to the Committee on Agriculture.

By Mr. KELLY:

H.R. 1858. A bill to amend the Export-Import Bank Act of 1945 to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Banking, Finance and Urban Affairs.

H.R. 1859. A bill to amend the Trade Act to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 1860. A bill to repeal the McCarran-Ferguson Act; to the Committee on the Judiciary.

H.R. 1861. A bill to amend the McCarran-Ferguson Act to require effective State regulation of business of insurance to obtain exemption from certain Federal laws; to the Committee on the Judiciary.

H.R. 1862. A bill to amend the McCarran-Ferguson Act to define the business of insurance; to the Committee on the Judiciary.

H.R. 1863. A bill to amend the McCarran-Ferguson Act to remove the present exemption from certain Federal laws which would otherwise relate to regulating the business of insurance; to the Committee on the Judiciary.

H.R. 1864. A bill to amend the McCarran-Ferguson Act to clarify the applicability of the Clayton Act and the Federal Trade Commission Act to agreements to, or acts of boycott, coercion, or intimidation; to the Committee on the Judiciary.

H.R. 1865. A bill to repeal the current broad antitrust immunity granted by the McCarran-Ferguson Act, and substitute in lieu thereof a grant of rulemaking authority to the Federal Trade Commission to affirm the legality under the antitrust laws of certain essential collective activities by the insurance industry; to the Committee on the Judiciary.

H.R. 1866. A bill to establish a Federal Insurance Commission to regulate the insurance industry; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. LEACH of Iowa (for himself and Mrs. SCHROEDER):

H.R. 1867. A bill to provide that a former spouse of a Federal employee who is married to such employee for 5 years or more shall be entitled to a portion of such employee's annuity, and to a portion of the annuity of any surviving spouse of such employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCLOSKEY:

H.R. 1868. A bill relating to soft drink competition; to the Committee on the Judiciary.

By Mr. MICA (for himself and Mr. BAFALIS):

H.R. 1869. A bill to provide for the transfer of the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY:

H.R. 1870. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who had at least 10 years of service, and had attained the age of 65 as of the effective date of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON:

H.R. 1871. A bill to amend title III of the Public Health Service Act to provide financial assistance to States for their meeting the costs of certain medical care and services provided to undocumented resident aliens; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 1872. A bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans and for other purposes; to the Committee on Armed Services.

H.R. 1873. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. ROBERTS (by request):

H.R. 1874. A bill to amend chapter 23, United States Code, so as to provide that where death occurs in a State Home, the Administrator shall pay the actual cost (not to exceed $300) of the burial and funeral, and transport the body to the place of burial in the same or any other State; to the Committee on Veterans' Affairs.

H.R. 1875. A bill to amend title 38, United States Code, to provide that any person who marries a veteran who has a permanent and total service-connected disability, and who has not been married previously, after such disability is determined to exist shall be afforded educational assistance comparable to that which would have been afforded had the marriage preceded the determination of such disability; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H.R. 1876. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive the so-called 50 percent employment requirement with respect to the approval of certain occupational training courses for educational assistance under the GI bill; to the Committee on Veterans' Affairs.

H.R. 1877. A bill to amend title 38, United States Code, to exclude students receiving educational assistance from grants from Federal agencies other than the Veterans' Administration in computing the so-called 85-15 rule for purposes of the approval of courses for payment of educational assistance under the GI bill; to the Committee on Veterans' Affairs.

By Mr. SCHULZE:

H.R. 1878. A bill to provide Federal financial assistance to employers, labor organizations, or consortiums thereof, or other groups or individuals, to establish and operate occupational alcoholism programs for the diagnosis and treatment of alcohol abuse and alcoholism in employed persons, including managerial personnel, and their dependents, and for other purposes; to the Committee on Education and Labor.

By Mrs. SMITH of Nebraska:

H.R. 1879. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

H.R. 1880. A bill to authorize the establishment of the Trails West National Historical Park in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MICHEL:

H.R. 1881. A bill to amend the Social Security Act with respect to aliens receiving public assistance; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 1882. A bill to amend the Railroad Retirement Act of 1974 to provide that State domestic relations or community property laws are not pre-empted by the act; to the Committee on Interstate and Foreign Commerce.

H.R. 1883. A bill to amend title 28 of the United States Code to make certain changes in the divisions within the Northern District of Ohio; to the Committee on the Judiciary.

H.R. 1884. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans pursuant to court orders for alimony or child support, and to permit the division of pension benefits under State community property law or common law; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. UDALL (for himself, Mr. ANDREWS of North Dakota, Mr. LUJAN, Mr. RUNNELS, Mrs. SPELLMAN, Mr. STEED, and Mr. YOUNG of Alaska):

H.R. 1885. A bill to amend civil service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies; jointly, to the Committees on Post Office and Civil Service, and Interior and Insular Affairs.

By Mr. BLANCHARD (for himself and Mr. NEDZI):

H.J. Res. 187. Joint resolution proposing an amendment to the Constitution of the United States relative to the maintenance of neighborhood public schools; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.J. Res. 188. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 189. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. HANSEN:

H.J. Res. 190. Joint resolution proposing an amendment to the Constitution of the United States allowing the District of Columbia and the territories and possessions of the United States to have Representatives in the House of Representatives; to the Committee on the Judiciary.

By Mr. BOLAND:

H. Res. 96. Resolution to provide for the expenses of investigations, and studies to be conducted by the House Permanent Select Committee on Intelligence; to the Committee on House Administration.

By Mr. GLICKMAN (for himself, Mr. WINN, Mr. WHITTAKER, Mr. SMITH of Iowa, and Mr. LEACH of Iowa):

H. Res. 97. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H. Res. 98. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Foreign Affairs; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

24. By the SPEAKER: Memorial of the Legislature of the State of California, relative to pollution of the New River, Mexico and California; to the Committee on Foreign Affairs.

25. Also, memorial of the Legislature of the State of California, relative to Nazi war criminals; to the Committee on Foreign Affairs.

26. Also, memorial of the House of Representatives of the Commonwealth of Kentucky, relative to the tax home and legislative business per diem deductions applicable to State legislators; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEILENSON:

H.R. 1886. A bill for the relief of George P. Roth; to the Committee on the Judiciary.

H.R. 1887. A bill for the relief of Solomon Mani; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 1888. A bill for the relief of Kenneth and Jacqueline Traylar; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 1889. A bill for the relief of Naomi Chen; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 1890. A bill for the relief of Kashmira Irani; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 1891. A bill for the relief of Phim Phan Yougbanthom; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 1892. A bill for the relief of Teodoro A. Ando; to the Committee on the Judiciary.

H.R. 1893. A bill for the relief of Sterling G. Caulkins (technical sergeant, U.S. Air Force, retired); to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 42: Mr. BARNES, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CORMAN, Mr. CORRADA, Mr. COTTER, Mr. DIGGS, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FORD of Tennessee, Mr. GORE, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. LELAND, Mr. LONG of Maryland, Mr. LOWRY, Mr. MAGUIRE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NEAL, Mr. OTTINGER, Mr. PEPPER, Mr. PRICE, Mr. RANGEL, Mr. RODINO, Mr. STARK, Mr. ST GERMAIN, Mr. STUDDS, Mr. WALGREN, Mr. WAXMAN, Mr. WEISS, and Mr. VENTO.

H.R. 214: Mr. YOUNG of Alaska, Mr. LUNGREN, Mr. BUCHANAN, Mr. NICHOLS, Mr. FORSYTHE, Mr. KINDNESS, Mr. SENSENBRENNER, Mr. SYMMS, Mr. WALKER, Mr. LIVINGSTON, Mr. DANNEMEYER, Mr. ROBERT W. DANIEL, JR., Mr. BADHAM, Mr. HUGHES, Mr. CORCORAN, Mr. YOUNG of Missouri, Mr. ROBINSON, Mr. MONTGOMERY, Mr. MITCHELL of New York, Mr. REGULA, Mr. BUTLER, Mr. MILLER of Ohio, Mrs. HOLT, Mr. WHITE, Mr. EDWARDS of Alabama, Mr. HOPKINS, Mr. ARDNOR, Mr. CARNEY, Mr. LUKEN, Mr. MADIGAN, Mr. GOODLING, Mr. BARNARD, Mr. HYDE, Mr. BAUMAN, Mr. MOTTL, Mr. DEVINE, Mr. NEDZI, Mr. FRENZEL, Mr. RUNNELS, Mr. LAGOMARSINO, Mr. GOLDWATER, Mr. DORNAN, Mr. WHITEHURST, Mr. DANIEL B. CRANE, Mr. WINN, Mr. ICHORD, Mr. DERWINSKI, Mr. GRISHAM, Mr. CAMPBELL, Mr. HAGEDORN, Mr. LUJAN, Mr. LOTT, Mr. LEWIS, Mr. FOUNTAIN, Mr. BURGENER, Mr. DOUGHERTY, Mr. MARTIN, Mr. SNYDER, Mr. COLLINS of Texas, Mr. SOLOMON, Mr. NEAL, Mr. SCHULZE, and Mr. GUYER.

H.R. 367: Mr. RAILSBACK, and Mr. TAUKE.

H.R. 653: Mr. HANCE.

H.R. 654: Mr. RAHALL.

H.R. 953: Mr. ADDABBO, Mr. BOLAND, Mr. GEPHARDT, Mr. HANLEY, Mr. HORTON, Mr. LLOYD, Mr. MCCLOSKEY, Ms. MIKULSKI, Mr. PEPPER, Mr. SCHEUER, Mr. SOLARZ, Mr. WHITEHURST, Mr. WIRTH, Mr. WOLFF, and Mr. MINETA.

H.R. 956: Mr. AKAKA, Mr. BADHAM, Mr. BEVILL, Mrs. BOUQUARD, Mr. BUCHANAN, Mr. CARR, Mr. CONTE, Mr. D'AMOURS, Mr. DASCHLE, Mr. DODD, Mr. DOWNEY, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. GEPHARDT, Mr. GLICKMAN, Mr. GORE, Mr. HEFNER, Mr. HOLLENBECK, Mr. HUGHES, Mr. ICHORD, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEE, Mr. LLOYD, Mr. LUNGREN, Mr. MAVROULES, Mr. MAZZOLI, Mr. MINETA, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PEASE, Mr. PICKLE, Mr. WALKER, Mr. WHITEHURST, Mr. WOLPE, Mr. YATRON, and Mr. YOUNG of Alaska.

H.R. 1050: Mr. STOCKMAN, Mr. NEAL, Mr. EVANS of Georgia, Mr. SIMON, Mr. AUCOIN, Mr. RICHMOND, Mr. WILLIAMS of Montana, Mr. HIGHTOWER, Mr. DAN DANIEL, Mr. FOWLER, and Mr. SEBELIUS.

H.R. 1076: Mr. GLICKMAN.

H.R. 1147: Mr. GRADISON.

H.R. 1306: Mr. LEE, Mr. MURPHY of Pennsylvania, Mr. MAVROULES, Mr. WINN, Mr. NICHOLS, Mr. DAN DANIEL, Mr. ERTEL, Mr. BURGENER, Mr. LAGOMARSINO, Mr. CORRADA, Mr. KRAMER, Mr. DEVINE, Mr. LOTT, Mr. MAZZOLI, Mr. GOODLING, Mr. GUYER, Mr. HAGEDORN, Mr. WALKER, Mrs. BOUQUARD, Mr. CHAPPELL, and Mr. BUCHANAN.

H.R. 1509: Mr. MATHIS, Mr. GOLDWATER, Mr. MCDONALD, Mr. BUCHANAN, Mr. CHARLES WILSON of Texas, Mr. PICKLE, Mr. WHITEHURST, Mr. MINETA, Mr. FRENZEL, Mr. HILLIS, Mr. WHITTAKER, Mr. ZEFERETTI, Mr. HEFTEL, Mr. GRASSLEY, Mr. WHITLEY, Mrs. BOUQUARD, Mr. GEPHARDT, Mr. LUNDINE, and Mr. BROYHILL.

H.J. Res. 39: Mr. WYATT, Mr. COLLINS of Texas, Mr. HANCE, Mr. FROST, Mr. BUCHANAN, Mr. DORNAN, Mr. SYMMS, Mr. LEACH of Louisiana, Mr. SHELBY, Mr. LEATH of Texas, Mr. JEFFRIES, and Mr. CHARLES WILSON of Texas.

PETITIONS, ETC.

Under clause 1 of rule XXII,

51. Mr. YOUNG of Alaska presented a petition of Sarah A. Lester, Betty L. Lester, and Del Ackels, Fairbanks, Alaska, relative to redress of grievances; which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

INTRODUCTION OF LEGISLATION TO IMPROVE CONGRESSIONAL OVERSIGHT OF ARMS SALES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, on January 15 I introduced legislation to amend the Arms Export Control Act to extend the time period for congressional review of major weapons sales proposals from 30 calendar days to 45 days in which Congress is in continuous session.

As originally adopted in 1975, the landmark Arms Export Act provided Congress with 20 calendar days in which to disapprove major arms sales by adoption of joint resolutions of disapproval by the House and Senate. This time period proved inadequate, and in 1976 Congress increased the time period from 20 to 30 calendar days. Recent experience, however, indicates clearly that this marginal increase is also insufficient to afford Congress the time necessary for careful consideration of weapons transfers which have major foreign policy implications. Moreover, the time period remained one of calendar rather than legislative days, thereby making no distinction between legislative sessions and recesses.

Events in the closing days of the 94th Congress demonstrated the shortcomings of the 30-calendar day period. On September 1, 1976, just prior to the Labor Day recess, the President submitted to the Congress, pursuant to the terms of the Arms Export Control Act, proposals to sell arms to 11 separate nations at a total cost of over $6 billion contained in 37 separate transactions. Starting from the moment Congress received the Executive announcement, the clock began ticking toward the 30-day deadline. Failure to act positively would mean that the sale would go forward exactly as proposed by the President. When Congress returned from the Labor Day recess, during the extremely busy closing days of the legislative session, the House and Senate had but 24 days within which to consider these 37 major arms sales.

The proposal to sell AWACS to Iran is another example of the need for an extension of the congressional review period. The debate in Congress on the sale of seven E-3A airborne warning and control system (AWACS) to Iran for $1.2 billion raised a number of very serious questions. Not the least of them was the ability of the Congress to be certain that it had enough time to debate fully and analyze thoroughly all major arms sales. In light of current unrest in that country, further consideration was clearly called for.

At present, there is nothing in the Arms Export Control Act which would prevent any administration from submitting a sale when Congress is not in session, thereby precluding the possibility of any congressional oversight or action. Only an unwritten, unspoken assumption that such action would violate the spirit of the act prevents such a decision by the executive to escape congressional oversight. It is time to write this assumption into law so that we do not confront the ever-present possibility that at some time in the future an administration will be able to complete a major weapons sale which is opposed by the majority of the Congress and the American people by the simple expedient of proposing it during a congressional recess.

The bill simply amends section 36(b) of the Arms Export Control Act to give the Congress 45 days during which it is in continuous session, rather than the present 30 calendar days, within which to consider and, if warranted, take action to disapprove by joint resolution all weapons sales in excess of $25 million. The only change is in the time period. Forty-five days of continuous session simply means that no days during a recess of either House of Congress of more than 3 days could count against the overall review period, in effect extending it for a corresponding amount of time. The legislative precedent for the continuous session formula is found in section 601 of the Arms Export Control Act of 1976. This proposed change in the language of the law would prevent a situation in which an administration could report one or several proposed weapons sales during the August recess, for example, and thus effectively prevent congressional review and a possible veto.

Increasingly, some of our Nation's most important foreign policy decisions take the form of arms transfers. We have witnessed an alarming increase in the volume of foreign military sales and a disturbing growth of sales to developing nations and those in very volatile parts of the world. In addition, the weapons which we sell are more sophisticated and destructive than ever before. In contrast to the days when we sold surplus stocks almost exclusively and confined these sales largely to traditional allies, today we sell our most advanced and deadly military weapons systems to nations throughout the world, many of which have traditionally been hostile to the policies and interests of the United States. If Congress is to exercise responsibly its oversight of American foreign policy, it must be able to analyze carefully and, if necessary, disapprove foreign military sales. This is difficult if not impossible under the existing 30-calendar-day review period.

It is essential to note that major weapons sales are not the subject of spur of the moment decisions; they are discussed, planned and negotiated months or years in advance of the actual commencement of the transfer. Moreover, arms sales contracts can extend over several years. There is, therefore, no reason to believe that a slightly extended period of time for congressional review would be onerous burden for the prospective arms buyer or for the Departments of State or Defense. Clearly, the addition of a few days or weeks to the process of foreign military sales will not have any deleterious effect.

Nor does anyone need to fear that the additional review period might prevent the United States from providing military supplies to an ally during an emergency. The most recent example of such a situation was the Middle East war of 1973. At that time, Israel, under attack on two fronts by enemies who were being supplied with massive quantities of arms by the Soviet Union, needed replacement equipment. This was provided in the form of grants, not sales. Thus, any repetition of the emergency which occurred in the Middle East would result in U.S. arms transfers totally outside the scope of the Arms Export Control Act and the oversight mechanisms contained therein.

Mr. Speaker, there is simply no reason for us to delay in taking the necessary action to improve congressional oversight of major arms sales. At present, that oversight responsibility is seriously compromised by a time period which is too brief and method of computing that time period which is subject to abuse by the Executive. In order to permit Congress to review major arms sales effectively, we must amend the Arms Export Control Act so as to extend and revise the period of time within which Congress can act. It is my hope that the House will act promptly on this measure, so that Congress can assume its proper role in the oversight of all future arms sales.

The text of the legislation follows:

H.R. —

A bill to amend the Arms Export Control Act to change the method of determining the period of time for adopting a concurrent resolution of Congress objecting to a proposed sale under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 36(b)(1) of the Arms Export Control Act is amended by striking out "thirty calendar days after receiving such certification" and inserting in lieu thereof "the first period of forty-five days of continuous session of Congress after the date on which Congress receives such certification."●

TRIBUTE TO ANDY BIEMILLER

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. THOMPSON. Mr. Speaker, I speak today to honor a man who has been contributing to the legislative process for as long as any current Member of Congress. For 50 years Andy Biemiller has served this country in a variety of public roles including teacher, journalist, State and Federal law writer and lawmaker. For the longest, most recent period of time Andy has been the chief advocate and lobbyist for the AFL-CIO and the entire labor movement.

I am not eloquent enough to express sufficiently the great esteem and high regard I, as well as the other Members of this body, hold for Andy Biemiller. A list of his achievements would keep us here the entire day. It would bore Andy, who, I suspect is already itching to attack a new project or launch another assault for the adoption of health or other social welfare legislation. So I will only highlight to this body those qualities and accomplishments of Andy's which have most impressed me or which I know are particularly important to him.

When I speak of Andy as a public educator, I refer not only to his position as history teacher at the University of Pennsylvania and Syracuse, but to his efforts to educate the entire country to the need for social reform. Andy was the author of the first civil rights plan at the 1948 Democratic Convention and since then he has untiringly worked on issues of civil rights. As a Member of the House from 1945–46 and 1949–50 he made civil rights legislation his specialty. In 1956 Andy became chief of the AFL-CIO legislative department. Lobbyists, lately, have been receiving bad press and those who change their jobs and then their opinions as quickly as their clothes, deserve it. Andy however has remained committed to basic and fundamental principles and has always remained a teacher. Once convinced of the merits of an issue, he has skillfully and unceasingly pushed for its acceptance. There are those, including Andy and myself who might call this bullheadedness. But we undoubtedly have his tenacity to thank for the passage of much important social legislation, including one of his proudest efforts, the Civil Rights Act of 1964.

Andy's stubbornness over the years has not only been directed at his friends and allies but conservative business persons as well. He was a leading public educator and force behind the defeat of the Carswell and Haynesworth Supreme Court nominations. He yelled loudly enough about their records that Wall Street lawyers heard and joined in.

Andy has been in the struggle for national health insurance since 1937; he was still door-rapping for it during the last session of Congress and I hope his retirement includes plans to continue knocking on doors until we pass a national comprehensive health plan. In the 1940's and 1950's the AMA did its best to get rid of Andy as a Congressman. But he remained in the public arena even after election defeats to fight for strong medicare legislation in the 1960's, converting some of the most intransigent opponents to support its passage. Having helped win passage of medicare he successfully promoted public hearings on national health insurance thus placing the broader issue of national health care on this country's agenda. I often wondered how he seemed at times able to accomplish the impossible.

What speaks most highly of Andy Biemiller is that he was welcome all over the Hill in offices of Congresspersons of every political persuasion. He managed to become almost an institution. Whenever an important social issue causes a need for good solid analysis, understanding, and advocacy, his absence will be felt. However it is virtually impossible to believe that Andy will be able to stay away altogether. His spirit and enthusiasm persists as strongly as ever. I fully expect to see him in my office when the action heats up. No invitation is necessary.●

THE BUDGET BATTLE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 13, 1978, into the CONGRESSIONAL RECORD:

THE BUDGET BATTLE

The annual battle of the budget is getting underway again in Washington. By all indications, it promises to be a lively skirmish. At stake are federal spending and revenue levels for fiscal year 1980, which begins October 1, 1979 and ends September 30, 1980.

The opening volley was President Carter's pledge to reduce the 1980 budget deficit by 23%, from $39 billion to $30 billion. That may seem like a modest cut (especially after Congress slashed the 1979 deficit by 36% this past September), but the initial appearance can be deceptive. Cutting the budget is not an easy thing to do even when most people see big deficits as a leading cause of inflation. Increased spending is built into the budget in many ways, and intense pressure for spending erupts whenever a particular program is singled out for trimming. Budget projections put federal revenues at about $500 billion in 1980. If the projections are correct, spending in 1980 will have to be held to about $530 billion in order to hit the President's target. That is a total increase of 7.8% in spending, barely enough to keep even with inflation.

Of all the obstacles in the path of the budget cutter, there is one that is hardest to overcome. Part of the budget is uncontrollable in the sense that payments must be made to eligible persons and programs unless Congress changes the law. In the long term, of course, all expenditures can be controlled, but in the short term not so many can. The principal problem here is that the really big numbers in the budget represent expenditures that are relatively uncontrollable.

The budget of the Department of Health, Education, and Welfare, for example, is the largest among all federal departments. However, about 90% of it goes into entitlement programs (social security, medicare, medicaid, etc.) whose costs cannot be held down without reducing benefits or limiting the number of beneficiaries. The budget cutter has only these two avenues open to him, both of which are highly controversial. Next in line is the Department of Defense, which takes another huge share of the budget. Military outlays are regarded as somewhat controllable, but since most of the spending is for manpower, ships, aircraft, weapons, and defense construction the cuts are not easily made. Many people believe that substantial increases in military outlays are needed for national security, and in response to these people the President has announced to the NATO allies that America's real defense spending will rise by 3% in 1980 provided only that inflation is held in check. The budget cutter thus finds that this avenue to a smaller deficit is controversial as well.

Other large budget categories, such as interest on the national debt and obligations to make mortgage payments on federally sponsored housing, are beyond change. Likewise, outlays for such things as veterans, military, and civil service pensions (which are tied to the consumer price index) and the food stamp program (which grows bigger with increases in the cost of food) are mostly uncontrollable. Programs that make funds available to state and local governments, such as revenue sharing and initiatives for highways and sewers, are now integral parts of local budgets in many cases. Local officials will fight hard to avoid any cuts that might further squeeze their communities.

Some items, however, are controllable. One of them is the public service employment program. It it were cut by 100,000 jobs over $1 billion could be saved. Also controllable are the major public construction projects, though the lead time in those projects is such that no quick savings can be achieved. Aid to cities, too, can probably be reduced. Foreign aid is everyone's favorite candidate for reduction, but it is hard to argue for cuts in aid to the Middle East (the region where most of the money now goes) when the peace process there is so far advanced. In labor-intensive agencies such as the Internal Revenue Service, the Postal Service, and the Customs Service there would appear to be opportunities for trimming, but caution would have to be exercised. A cut in the number of customs agents, for example, might end up costing more in uncollected revenue than would be saved in salaries.

The inevitable conclusion is that budget cuts will be difficult, but not impossible, to make. Congress, in cooperation with the President, will have to pick out programs that are working or can work, fund them at reasonable levels, and set aside those programs that do not work and cannot be improved. Obviously, domestic programs will bear nearly the full force of the cuts. Proposals to restrict eligibility for established programs, such as social security and medicare, will have to be seriously considered. No existing program, no matter how popular, should be exempt from review. New incentives, of course, will have to be judged with care, and most if not all of them will have to be shelved. Casualties will almost certainly be national health insurance and comprehensive welfare reform. Congress will have to become sensitive to the principal that it is much easier not to start a program than it is to stop a program already in operation.●

ANDREW BIEMILLER

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. BARNES. Mr. Speaker, it is a great privilege to pay tribute to the distinguished career of Andrew J. Biemiller, who recently retired as legislative director of the AFL-CIO. Andy's influence in Washington is legendary. He created one of the most effective lobbying organizations ever seen on Capitol Hill. As a

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Member of the House of Representatives from 1945 to 1947, and again from 1949 to 1951, Andy had an opportunity for personal participation in the legislative process which gave him an unequalled knowledge of the inner workings of Congress.

But Andy Biemiller is far more than just a lobbyist. He works out of a sense of deep personal commitment to those in our society who needed protection from discrimination and help to overcome the handicaps of poverty, disease and lack of opportunity. Along with the late Hubert Humphrey, he co-authored the civil rights plank at the 1948 Democratic National Convention. He has been a powerful voice for human rights in our party for over 30 years.

It was during my service as executive director of the Democratic Platform Committee in 1976 that I first had the privilege of working closely with Andy Biemiller. Even though Andy has retired, I hope that the Democratic Party will not lose sight of the goals of full employment and national health insurance that he spoke for so vigorously. As a new Member of the 96th Congress, one of my few regrets in these opening days of the session is that I will not have the opportunity to see Andy at work here, when we need him more than ever.●

BANKER OFFERS THOUGHTS TO COMBAT INFLATION

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MONTGOMERY. Mr. Speaker, one of Mississippi's leading bankers and civil leaders recently spoke out on the serious problem of inflation we have in America. Because of his experience and knowledge of monetary policy, I would like to share his comments with my colleagues and urge them to pay careful attention to his suggested remedies:

INFLATION—PUBLIC ENEMY NO. 1

Was the title of Paul McMullan's address to the Newton Rotary Club today. Mr. McMullan is Chairman of the Board of the First National Bank of Hattiesburg, and was introduced to the Rotary Club, of which he was a member years ago, by Dale Weaver, program chairman.

Mr. McMullan's message on inflation was so timely and so profound that we felt compelled to share it with our readers. Here is his address in its entirety:

"Economists still haggle over a proper definition of inflation but most Americans know inflation's impact: rising prices. From Kennedy to Nixon to Carter, Washington's stop-and-go anti-inflation strategies have proved inadequate. Inflation is not new to our world . . . History tells us inflation has been with us for centuries.

According to Plutarch, Athens, under Solon (Fl. 600 B.C.) wrestled with severe inflation after depreciation of the mina (their currency). Even before Plutarch, Draco had established a worthless coin to replace gold, that within itself created "hyperinflation."

In France during the late 1700's, Andrew Dickson White tells us, in his book "Fiat Money Inflation In France", that inflation had ravaged the franc to a point where merchants were trading it at a discounted value. This problem became so severe that those convicted of buying and selling paper francs at less than nominal value were sent to the guillotines.

Records in France tell us that in about 1788-89, the country found itself in deep debt with no way to pay. Industry had slowed and there was no growth in the country.

Men who we now call liberals, convinced those of the assembly that issuing money would solve their problem. Men of wisdom and historians advised against such a move . . . telling of the horrors of inflation of the past. Their pleas were of no avail.

The first issue of their Fiat Money paid off their country's debts and gave impetus to industry. There was such a success that they were convinced they had found the answer . . . so they issued additional worthless currency.

Just like an alcoholic taking one drink . . . he thinks one more will be that much better and sooner or later, it's disaster. And so it was in France in the 1790's.

To give you some examples of how severe inflation was in France, here are some extracts from a table published in 1795, reduced to American coinage: a bushel of flour cost 40 cents in 1790 and in 1795, $45; a bushel of oats, 18 cents in 1790 and $10 in 1795; a cartload of wood, $4 in 1790 and $500 in 1795; a pound of sugar, 18 cents in 1790 and $12.50 in 1795; a pound of soap, 18 cents in 1790 and $8 in 1795; one cabbage, 8 cents in 1790 and $5.50 in 1795; a pair of shoes, $1 in 1790 and $40 in 1795; 25 eggs, 24 cents in 1790 and $5 in 1795.

In our own times, unprecedent inflation scourged Germany and Central Europe after both World Wars. Prices increased a trillion-fold in Weimar, Germany between 1920 and 1923, doubling between meals in the last weeks of "hyperinflation." Inflation in the United States has historically been a shadow cast by war.

During the revolution, the Continental Congress printed reams of paper money: prices shot up 13,500 percent between 1775 and 1780. Congress had no choice: It lacked the power to tax. But even later, governments were reluctant to levy enough taxes to cover the full cost of wars. The result: soaring prices during or after the Civil War, World Wars I and II, Korea, and Vietnam.

The current inflation is largely a legacy of the late 1960's . . . The Vietnam War ($135 billion) and the great society programs, whose costs were financed not by increased tax revenues or sale of government bonds, but a deficit spending and monetary expansion.

Similar to the chart reflecting the inflation rate in the late 1700's in France, I extracted this price comparison from the December 27, 1978, Jackson Daily News: Bacon cost $.49 a pound in 1968 and in 1978, $1.29 a pound or a 163 percentage increase; bread, $.20 a pound and in 1978, $.36 a pound or a 80 percentage increase; cheese, $.55 a pound in 1968 and in 1978, $1.41 a pound or a 156 percentage increase; chuck roast, $.45 a pound in 1968 and in 1978, $1.35 a pound or 225 percentage increase; coffee, $.69 a pound in 1968 and in 1978, $2.49 a pound or a 260 percentage increase; lettuce, $.19 a pound in 1968 and in 1978, $.62 a pound or a 226 percentage increase; pork chops, $.69 a pound in 1968 and in 1978, $2.34 a pound or a 239 percentage increase.

Today's inflation is part of an uninterrupted Post-World War II price rise. Classic "Demand-Pull" inflation generally begins, according to the famous formulation with too much money chasing too few goods: As demand rises, prices are bid up. This can result from a major tax cut. It can also happen when a government prints money to pay its bills, or when it steps into the market as a major buyer of goods and services, bidding prices up to secure what it needs, when leaving everyone else to bid up prices even further as they fight for what remains.

"Demand-Pull" inflation can quickly turn into "Cost-Push" inflation. That is, after the initial spurt of inflation sends wages and costs higher, the wages and costs themselves will begin to send inflation higher.

If inflation begins with monetary expansion, monetary contraction can stop it in its tracks.

There is no technical problem about how to end inflation, Nobel Prize winner economist Milton Friedman has pointed out, "The real obstacles are political."

Cutting back the money supply is ruthlessly effective: the Confederacy's rampant inflation came to an abrupt halt when Union troops burned the South's Treasury Note Bureau in South Carolina in early 1865, no more paper notes could be circulated.

Moreover, since 1973, the United States has been infected with "Stagflation", a rogue strain of inflation characterized by High Inflation and High Unemployment at the same time.

In the past, an inverse relationship was thought to exist between the two: high unemployment would dampen inflation, while high inflation would curb unemployment.

Today, the rules seem to be flexible only in an upward direction: lower unemployment, for example, still seems to increase inflation, but higher unemployment exerts little downward pressure on price.

What can be done?

1. Restrictive monetary-control on the money supply through Federal Reserve open market operations—tight money.

2. Fiscal policy.

A. Restraint in government spending. The inflation rate in West Germany was 2.3 percent in 1978, the lowest in nine years, compared to the United States inflation rate of near 10 percent. Germany has prudently restrained government spending.

B. This fiscal restraint must be shown at all levels of government. All public programs, regardless of their magnitude, must be scrutinized with an impartial eye.

3. Your role in bringing inflation under control is an important one. It is your views made known to your senators, congressmen, mayors, boards of aldermen and other elected officials that will determine this nation's destiny.

4. My opinion is that we need a recession two or three quarters where we have a negative growth in the economy . . . unemployment 8–9 percent. Many jobs go wanting in the United States.

5. To support the president. The hard line approach he is now taking is new to the Democratic party and I just hope he has got the guts to stick to it. In the beginning, I gave his chances of being successful with his programs only about 20 percent. Now, I rate him with a 50 percent chance of sticking to his goals.

In closing, I'm going to share with you an editorial comment from the Charlotte Observer concerning our President and in his support in his fight against inflation.

President Carter's determination that government programs must yield to the fight against inflation is not an abandonment of the vision of America he spoke of while campaigning for the presidency. It is rather, an acknowledgement that only a country that is economically sound has even a prayer of realizing that vision.●

NELSON A. ROCKEFELLER

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MIKVA. Mr. Speaker, the death of Vice President Nelson Rockefeller has

left a void on the national scene that will not be filled.

The energy and dedication that Vice President Rockefeller devoted to public service are legendary, and his death is particularly untimely now, when so many Americans question the effectiveness of the democratic process and its institutions.

We are going through a period in our history during which the value of public service is viewed as on the decline. The decline is demonstrated both by low voter turnouts and fewer people seeking to serve. Nelson Rockefeller, of course, was born with privileges that few people in the world can hope to possess, but he was not content to go through life enjoying privileges. The fact that he chose a life of public service among virtually limitless opportunities was proof of the depth of his commitment. And, I think his dedication to and enjoyment of public service was a major factor in his success. People throughout the country responded to his vitality and compassion. There are too few individuals left on the national scene who inspire the kind of response the Vice President could generate.

Nelson Rockefeller also will be sorely missed because he achieved the most important success available to any public servant in a democracy. Nelson Rockefeller aroused strong passions and interests. He was a catalyst who made people think about the direction of their own lives and the direction of their country. So long as people ask themselves questions and participate in the process, democracy will flourish and grow stronger. Nelson Rockefeller inspired that degree of participation.●

STATE OF SOVIET JEWRY DEMANDS CONTINUED EFFORTS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, as we consider our legislative priorities for the 96th Congress, it becomes immediately apparent that United States-Soviet relations will be placed high on the list for thorough review. Our changing relationship with China and Iran, the changing Soviet posture in the Third World, and the upcoming debate on the SALT II agreements will, no doubt, demand considerable congressional concern.

During all such deliberations, it is important that we do not forget the plight of Soviet Jewry, who are continually denied their right to emigrate to a country of their choosing.

The Union of Councils for Soviet Jewry and the Student Struggle for Soviet Jewry have joined efforts to distribute "message from Moscow III," a summary report on the state of Soviet Jewry in 1978. The partial summary which follows is an excellent abstract, outlining the continuing hardships placed on those individuals who have applied for exit visas. Of particular note in the report is the conclusion that direct contact and continued pressure from concerned groups and individuals abroad is of great importance for the protection of Jews wishing to emigrate, and for the eventual success in the granting of exit visas. It is my hope that this body will continue to place a high priority on the condition of Soviet Jewry, and all human rights issues during its deliberations on the Soviet Union. The report follows:

GENERAL CHARACTERISTICS OF THE SITUATION

During 1978 the Jewish Emigration movement assumed large proportions as the number of persons asking for invitations from Israel during the first half of the year reached one hundred thousand. In their attempts to slow down the flood of emigrants, the government, in its emigration policy, is permitting violation and abuse of authority—persons applying to emigrate are being persecuted, activists of the emigration movement are being sentenced to long years of imprisonment or exile, many applicants are arbitrarily refused permission to leave for many years, and a whole series of families of "refuseniks" is being kept back in the USSR.

In spite of the internationally recognized right of repatriation, the government will not permit this without an invitation (vyzov) from relatives (in Israel—Translator) while the majority of such invitations simply "get lost" in the post. People who are allegedly in "possession of secret information" are refused permission and included in this group are significant numbers of Soviet scientific and technical professional intelligentsia. Many such refuseniks are compelled to stay in the Soviet Union for 7–10 years or even more with indefinite prospects, inasmuch as the authorities refuse to indicate any period of time that such persons may be held back, and their situation is very unenviable. To prevent young people from emigrating, the Soviet authorities are widely exploiting the weapon of military conscription (draft) and are forcibly subjecting conscripts to "secrecy" so that they can then deny emigration to them, after they have completed their military service, for many years. An effective means of attacking the emigration movement has been the institution by the authorities of an artificial parental "serfdom" by insisting on an illegal demand that the would-be emigrant should produce a statement from his parents who are remaining to the effect that they have no financial claims against him. Such a statement can be, and usually is considered by officials to be an agreement to the emigration of the children on the part of the parents, and therefore, it is frequently not given because the parents fear the danger of reprisals against themselves.

In the USSR there does not exist any defence of the right to emigrate. Complaints are referred back to the very same administrative offices which are guilty of the abuse of authority. There is no legal defence at all of the right to emigrate. This situation gives rise to a large number of personal tragedies and permits the authorities to ignore the fate of individuals and to deal with cases according to the official's personal whim. Thus during the years 1974–77, during the period of friction with the USA, the Soviet authorities considerably strengthened administrative barriers and decreased repatriation by 2–3 times what it had been.

As before, the ordeals of repatriation start well before the submission of an application to OVIR. In order to be given a blank application form, one has first to present the invitation (vyzov) from relatives living in Israel. There are no international regulations or agreements which indicate the necessity for such an invitation from the country to which an applicant desires to emigrate (especially when that country is Israel, where the right of immigration of Jewish repatriates is enshrined in its constitution and where there is no necessity for this to be confirmed). In any case the demanding of such an invitation is absurd as the invitation itself remains in OVIR and is not handed back to the person leaving the USSR.

Requests for invitations to be sent are made by post, by telephone, via tourists or via emigrants. The person for whom the vyzov is intended only knows that it has been sent when it is actually in his possession. If a vyzov does not arrive for some considerable time, it is requested over and over again. This can go on for a year or two (the average time of waiting for a vyzov is 3–4 months). Long delays may occur as a result of: either the request does not get to Israel; or the vyzov is not sent from Israel; or once the vyzov has been sent it is held back by the Soviet authorities. The assembling of the rest of the documents demanded by OVIR is also encompassed with many difficulties. Many enterprises will not give the certificate from the applicant's place of employment, insisting instead on a "voluntary" resignation. Vladimir Shvarts of Odessa has been unable to get his documents accepted for the last 5 years because his wife's parents do not give their permission.

The form of application itself is indicative of the official attitude towards emigration. Until 1976 it was necessary to state the places where one had worked during the previous 5 years. In 1976 they began to insist on details of the whole of one's working life and at present employment details for the previous 15 years (this is probably directly associated with terms of refusal on grounds of "secrecy").

THE PRISONERS OF CONSCIENCE (ASSIREI SION)

1978 has been an almost record year for the number of trials (seven in all) against Jews wishing to emigrate to Israel. A greater number of Jews were sentenced only in 1970–71 when a whole series of trials (the Leningrad Trials—Translator's note) took place.

In March 1978 Grigory Goldstein was sentenced for "parasitism" to a year in a Labor Camp (the maximum under that article of the Criminal Code). In direct violation of the Corrective Labor Code, Goldstein was sent to serve his sentence from Georgia (in the South) to the Arkhangelsk area in the Far North of the RSFSR (a different Republic—Translator's Note).

In July, in Zaporozhe a sentence of 2½ years in Labor Camps was imposed on Simon Shneerman for refusal to serve in the army. The Shneerman family first applied to emigrate to Israel in 1959 in Kerch (on the Black Sea—Translator's Note); they were refused—no reason was given for the refusal. Subsequently the whole family applied and was refused a number of times. In 1976 Simon's father applied alone, got permission and left. Simon himself applied to join his father in Israel when he had graduated from the Technical College, but was refused on the grounds that he had not worked a period of 2 years as a young specialist after graduating. He then worked this period of 2 years and on completion of it he was immediately called to the army. His refusal to serve was quickly followed by arrest, trial and sentence. His sister left but his mother stayed to wait for Simon.

At the end of June, trials were conducted against Ida Nudel and Vladimir Slepak. The Soviet authorities had long been threatening these activists of the Jewish emigration movement. The details of these trials have been given sufficient publicity elsewhere. We will only remark that the accused refused to hire advocates or to use the services of officially appointed defense counsel as they did

not wish to take part in the proceedings of a "framed" show trial. There soon followed the trial of Yosef Begun. The absurdity of the accusation brought against him was obvious to all. The conditions under which this trial proceeded were exceptionally cruel, even by Soviet standards. Weakened after a long hunger strike in protest at his arrest, Begun was unable to either sit or stand on his own and from time to time he lost consciousness but in spite of the protests of his wife (Alla Drugova) supported by those of the state appointed lawyer, the court refused to postpone the sitting.

In each of these three trials the accused was sentenced to exile in Siberia (V. Slepak—3 years, I. Nudel—4 years, Y. Begun—3 years), but this should not allow anyone to think that by this the Soviet authorities were being humane. We must remember that they had sentenced innocent people. One must also not be deluded by the thought that living conditions in exile are similar to those of a normal life but in distant regions. It must be remembered that people exiled to Siberia are sent to places with the most dreadful climatic and poor economic conditions. The places allotted for living accommodation are hardly suitable even in a moderate climate (cold houses with no heating, etc.). Reasonable food can be obtained only with the help of parcels sent from Moscow. Add to this the heavy physical work not related in any way to one's profession or speciality, or education, or state of health. And all this in an atmosphere of isolation and hostility surrounding them as a result of the rumors deliberately spread that they are—"dangerous enemies of the state".

Further there was the trial of Maria Slepak—who also categorically refused to participate in this frame-up of a trial. Sentence—3 years suspended.

In this way the authorities were building up the atmosphere towards the most important trial of the year, and perhaps the most important trial of all the years of Aliya from the USSR—the case of Anatoly Scharansky. The case of Scharansky is widely known in all its details. We will only remark here that this trial was originally planned as a grandiose group anti-jewish process, but owing to the influence of protests throughout the world and mainly thanks to the heroic conduct of Anatoly Scharansky himself, the authorities were compelled to present it as a case of espionage and dissidence. It was not mere coincidence that caused the trial to take place at the same time as those of the dissidents Ginsburg (in Kaluga) and Pickus (in Vilnius), Scharansky's sentence of 3 years in prison and 10 years in Slave Labor Camp is staggering in its cruelty. But his persecution continues even after the trial for it has become known that he is not being allowed to have letters from his family and friends. He has received only a small proportion of the letters written by his mother and only one from his wife (she has sent him 53—Translator).

So towards the close of 1978 the following are in Soviet prisons and labor camps:

Mark Dymshits due to be released in 1985.
Edward Kuznetsov due to be released in 1985.
Wulf Zalmanson due to be released in 1980.
Anatoly Altman due to be released in 1980.
Leib Khanokh due to be released in 1980.
Hillel Butman due to be released in 1980.
Isaak Skolnik due to be released in 1979.
Semyon Glusman due to be released 1982.
Followed by five years exile in Siberia:
Grigory Goldstein due to be released in 1979.
Amner Zavurov due to be released in 1980.
Anatoly Scharansky due to be released in 1991.
Simon Shneerman due to be released in 1980.
Yosef Mendelevich due to be released in 1982.
Yuri Fedorov due to be released in 1985.
Alexei Murzhenko due to be released in 1984.
Following in exile:
Mark Nashpits due to be released in 1980.
Boris Tsitlonok due to be released in 1980.
Vladimir Slepak due to be released in 1983.
Ida Nudel due to be released in 1982.
Yosef Begun due to be released in 1981.

THE REFUSENIKS

The Soviet authorities are using more and more frequently the excuse of "considerations of state" (i.e. "secrecy") in their politics of refusal. Any healthy male aged 18 or more in the Soviet Union can be refused permission to emigrate on the grounds of "considerations of state". In the USSR all males are liable for military service after which they can be refused for 10 years or more, no matter in what branch or unit of the army they may have served. Only those studying in institutes of higher education are exempted from such service and they undergo a short military training.

Moreover, former serving soldiers are liable to be recalled from time to time for training in the reserves for a period of from one to thirteen weeks. Refusal to serve in the army or to undergo this further training is punishable by imprisonment from 6 months to 3 years and does not release one from a possible draft later. Moreover in the USSR a very large number of industrial enterprises and scientific institutions are considered to be "secret" and anyone who works there is considered to come under the category of "considerations of state". If in the applicant's family there are no males and there is no one who has worked in these enterprises, OVIR still can refuse on the grounds of these "considerations", finding some near or distant relative who does come into this category.

For example Yelena Chernobilskaya and her children were refused because of the "secrecy" of her father (who was not applying to leave). Vladimir Lerner has been refused for 7 years because of the "state considerations" applying to his father. These "considerations" are limitless and OVIR can refuse a family without indicating any reason or term of refusal. The term of "considerations of state" has grown to 10–15 years. Evidently this has happened not because the "secrets" in the USSR in 1978 are any more "secret" than they were before, e.g. in 1970, but because the KGB is now "cultivating" refuseniks with frightful terms. The prospect of being in refusal is intimidating many Jews who would otherwise apply to emigrate.

Refuseniks are not able to work in their professions and as a result find themselves in difficult financial straits. Protests against such illegal refusals to permit one to emigrate is followed by harassment, open persecution, house arrests, show trials, imprisonment and exile. The refuseniks, and especially their children feel anti-semitism much more sharply than other Soviet Jews, because the refuseniks affirm their Jewishness and try to uphold their national Jewish dignity. Today the ordinary Soviet "man-in-the-street" knows that he can with impunity insult and humiliate Jews for their desire to emigrate to Israel.

COMMUNICATION

Postal and telephonic communication between you and us is unsatisfactory and unreliable. Letters, parcels, telegrams and advices of incoming telephone calls—all disappear. With the exception of a few more-well-known Jewish activists, the Jews in the USSR know of your activity only from what they hear on "The Voice of America", the B.B.C. "Radio Liberty—Free Europe" and what little they can receive from the jammed broadcasts of Kol Israel. Moreover you are far from knowing all that happens with us and as a result the struggle for freedom of emigration is carried on, on both sides of the Iron Curtain as if it were on two different planets. Shamelessly violating international agreements on postal, telephonic and telegraphic communication, the Soviet authorities intercept your and our letters, parcels, telegrams and advices of incoming telephone calls. Incidentally many years of experience of this activity, (which is contrary to accepted legality) on the part of the Soviet authorities has convinced them that they can do it with impunity. They calmly confiscate your letters which bear the naive stick-on label "nondelivery of this letter will be considered as a violation of the Helsinki Agreement." They confiscate the contents of parcels ("Confiscated in accordance with International Conventions . . .") they block telephone conversations ("The person called did not arrive"—"A fault on the line" etc.) and in the Customs they succeed in putting such fear into the hearts of tourists that the latter come to our apartments in a state of semi-stupor.

It is a deplorable fact that the campaign against the cutting of the telephones of the Jewish activists in the USSR has not been receiving official support and is not being kept alive. To improve communication and information flow, it is necessary to push a campaign at governmental level against the deliberate misconstruction by the Soviet authorities of international agreements in the field of postal and telephonic-telegraphic communications, and in the field of customs regulations. In order to get such a campaign under way, it is vital to bring in lawyers from Western countries and from Israel and to have available irrefutable evidence of the flouting of agreements. This latter can be achieved by the creation in Israel, in the West and in the USSR, "Postal Groups", via whom all who wish to participate in a given country or in a given major town, could pass their international correspondence. These "Postal Groups", following up the delivery or non-delivery of correspondence in both directions, would be able to gather a large body of evidence of arbitrary confiscation of letters, parcels and printed matter.

MEETINGS WITH STATESMEN

Direct contacts with statesmen of western countries are of great importance for the Jewish emigration movement and for its support in the west. These meetings allow us better to understand how people in the West view our situation, which questions of our movement have particular effect on world public opinion, what possibilities exist for strengthening and broadening support of the emigration movement amongst Jews and non-Jews in the West.

At the same time, these meetings are important for our quests as it enables them to gain at first hand the information which interests them about the situation of emigration, the difficulties, and the desired methods of overcoming these difficulties. In recent months members of the parliaments of Sweden, Belgium and USA were in Moscow and visited several activists. These visits bore an unofficial character, and took place in family circumstances and left us with an impression of deep interest on the part of western statesmen in removing barriers from the path of those who wish to leave the USSR.

There is some basis to assume that our guests also were not disappointed with these meetings and were confirmed in their desire to support the Jewish emigration movement in the USSR and better understood how to offer such support. In these meetings with statesmen, pride of place goes to the more important ones of which

there were four recently: with Senator Kennedy; with Eugene Gold; with a group of US Senators; and with Members of the Knesset. The meeting with Senator Kennedy went, we think, normally. He met a number of Jewish activists as well as Academician Sakharov and Elena Bonner. The meeting lasted three hours and we discussed means of gaining support from the US Congress for the emigration and human rights movements in the USSR. Unfortunately information about the possibility of holding such a meeting came to light only on the very evening of the meeting, so that it prevented a number of useful participants from being invited.

With regard to the meeting with Eugene Gold and his colleagues, leading attorneys from the USA—we must remark upon the unsatisfactory nature of its organisation. There was no previous preparation for it, the make-up of its participants bore clear signs of it being of a purely casual or chance character, and the introductory speeches about the situation and perspectives of the Jewish emigration movement were impromptu. But the worst feature of the meeting was the complete impossibility of discussing in any factual way urgent and topical problems.

We were advised about the forthcoming meeting with the US Senators well in time, and were able to organize preparations for it, as well as the participation of a representative group of activists. The meeting was conducted in an organized manner, and enabled the presentation of the opinions of activists on a series of questions of interest to the Senators.

With regard to the meeting with the delegates from the Knesset, we were informed well in advance of their arrival in Moscow, and on the appointed day and at the appointed time a large number of us gathered to meet them, amongst us practically all the leading Aliyah activists. Unfortunately, however, this meeting failed to take place as the delegates of the Knesset were not able to get away from a frivolous programmed visit which had been arranged for them (it is understood that they went to the Circus instead—Translators' Note). As a result of this only a few participants of our large and representative gathering managed to meet with the members of the Knesset at night.

With respect, yours sincerely,

Isai Goldstein (Tbilisi), Victor Yelistratov (Moscow), Alexander Lerner (Moscow), Mark Novikov (Moscow), Lev Ovsishoher (Minsk), Alexander Paritsky (Kharkov), Yakov Rakhelenko (Moscow) Lev Roitburd (Odessa), Eitan Finkelstein (Vilnius), Natasha Khasina (Moscow), Yevgeniy Tzirlin (Moscow), Boris Chernobilsky (Moscow).

December 3rd, 1978, Moscow.

Obtained from Moscow by Michael Sherbourne. Translated into English by Michael Sherbourne. (Kibbutz Neve Eitan, Israel, Dec. 78).●

THE SMOKING REPORT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, although cigarette smoking remains the largest preventable cause of death in the United States, Congress has taken no action in over 8 years to further reduce this deadly plague.

Last week I announced the reintroduction of legislation which would strengthen the cigarette warning label; protect the rights of nonsmokers; and allow the Food and Drug Administration to regulate tobacco products. Today, I introduced a new bill, which is described in a special order elsewhere in this edition of the CONGRESSIONAL RECORD, to increase the cigarette excise tax. I hope that my colleagues will review the following editorial from the January 19, 1979, issue of the Gardner (Mass.) News, which clearly states the case for further congressional action to discourage smoking, and join me in sponsoring these life-saving bills.

The article follows:

THE SMOKING REPORT

Health, Education and Welfare Secretary Joseph A. Califano Jr. has been taking a lot of heat from the tobacco industry for presuming to mount a strong government drive to curb smoking. He can expect to take much more heat—has already, in fact—for saying of the new surgeon general's report:

"This document reveals, with dramatic clarity, that smoking is even more dangerous—indeed, far more dangerous—than was supposed in 1964."

That was the year when the first surgeon general's report on this subject warned of the hazards of smoking cigarettes. During the 15-year interim there has been much additional research and the message is overwhelmingly the same only more so: those who smoke cigarettes greatly increase their risk of getting lung cancer, emphysema, heart trouble, bronchitis and other diseases.

The 1979 surgeon general's report summarizes research findings to this effect leaving little room for doubt in spite of industry protestations that absolute proof is lacking. This report not only justifies the government's anti-smoking campaign, but argues for intensifying it.●

THE RETIREMENT OF ANDREW BIEMILLER, DIRECTOR OF THE LEGISLATIVE DEPARTMENT OF THE AFL–CIO

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, the name Andrew Biemiller brings to mind a number of principles for which this man stood. It is noted that his outstanding activities as a Congressman during the 1940's and his subsequent battles as chief lobbyist for the AFL–CIO are illustrative of his constant initiatives in the areas of civil rights and health care issues.

As a Congressman, Mr. Biemiller had a chance to reflect on and participate in the enactment of laws for the broad constituency which consists of the U.S. citizenry. In later years, as the Director of the Legislative Department of the AFL–CIO, it may be mistakenly assumed that Mr. Biemiller lost interest in the general welfare of the U.S. populace, and concentrated his efforts in the area of organized labor. This is far from the truth. While constantly referred to as perhaps the single most influential lobbyist in Washington, Mr. Biemiller never failed to interject his interests in such matters as health care, while simultaneously addressing other critical areas such as the labor law reform bill.

To say that Andy Biemiller will be missed among the recently convened 96th Congress and subsequent Congresses is an understatement. In his capacity as chief lobbyist for the AFL–CIO, Mr. Biemiller served well. Still further, as a familiar sight at congressional hearings and a dependable source of information to Members of both Houses, Mr. Biemiller facilitated the smooth, ongoing type of relationship which is important among Congressional Members and national organizations.

Upon his retirement as legislative director of the AFL–CIO, I would just like to say to Mr. Biemiller, I salute you for a job well done and certainly wish you the best.●

COMMUNITY DEVELOPMENT: LOOKING ABROAD FOR INSPIRATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BROWN of California. Mr. Speaker, this year more than ever we are faced with the difficult task of balancing quality of life against a decreasing quantity of money in the Federal budget. Traditional approaches to problem solving are increasingly criticized and legislators and administrators must seek new ways to solve resistant social problems. Community development and improvement programs represent one area that has frustrated planners and produced little so far.

It is time for us to seek innovative approaches to our problems and to share our problems with those who are dealing with similar problems elsewhere. We need to begin a technology transfer into this country from overseas where many good community development programs are underway. I have been reviewing a publication, Urban Innovation Abroad, that provides an excellent overview of developments in other countries. From regional planning in the Ruhr Valley, to portable parks, to gardening plots for the handicapped, there are a number of innovative approaches underway in other countries that we would do well to try in the United States.

West Germany has been running such an innovative urban improvement program in its Federal Garden Show. While this effort may not find a home in the bricks and mortar school of community development, it can produce a much more durable community bond. Tourist dollars are generated and a permanent improvement is left behind in the host city. We would do well to look at this approach for our cities.

I urge my colleagues to read this article and consider the need for a new thrust in our community development programs:

URBAN INNOVATION ABROAD—GERMANY'S FEDERAL GARDEN SHOW: A MODEL FOR IMPROVING THE URBAN ENVIRONMENT

(There were posters all over West Germany last year inviting visitors to the Stuttgart Federal Garden Show. The railways offered discounts and excursion tickets, German and foreign tourists arrived by the hundreds of

thousands, locals by the millions. The moveable feast for the eye is moving to Bonn, the federal capital, in 1979 where preparations have been underway for several years and again millions of visitors will be registered, and even more importantly, a legacy will be left behind as it has been in every participating city to permanently improve the urban climate and environment. We can learn from the West German national commitment to a decent urban quality of life represented by the institution of the garden show paid for by federal, state and local funds in cooperation with private industry and the visitors who purchase tickets. The renewed attention which will be paid in this country to green space when Congress appropriates funds for the Urban Park and Recreation Recovery Program signed into law by the President recently hopefully will provide opportunities for intergovernmental initiatives on the German model.—ggw)

Improvement of the urban climate—literally and figuratively—is the result of a unique West German institution that leaves each participating city looking and smelling better every two years. The Federal Garden Show joins the resources of federal, state and local government with the garden, nursery and greenhouse trade to mount an April through October biennial festival in rotation among the nation's major cities. Millions of local citizens, German, and foreign tourists enjoy the varied displays events and recreational facilities that characterize each of the shows that have been staged in postwar Germany since 1951 when 1.6 million people were drawn to the garden grounds at Hanover. Last year, over 7 million visited the Stuttgart show and in the quarter century between these dates the moveable feast has played half year stands in Hamburg, Kassel, Cologne, Dortmund, Essen, Karlsruhe and Mannheim. It has been in Hamburg three times and twice in Cologne and Stuttgart. Next April 27th the biggest garden show to date will get underway on both sides of the Rhine at Bonn, the capital of the Federal Republic.

There are single admissions, monthly passes and season tickets for the whole family to encourage frequent visits. Because the displays and attractions keep changing, people return again and again and over half the cost of the show is recovered through the sale of tickets which range from about $2 for a single student admission to over $50 for a family pass good for an unlimited number of visits. Last year's show in Stuttgart clocked seven million visitors and average attendance exceeded six million in each participating city over the past decade. Government subsidies shared on a negotiated formula by the federal, state and local level cover the deficit.

While it goes on, each of the shows provides enjoyment for the whole family—superb flower arrangements, entertainment, boat and miniature train rides, nature playgrounds, concerts, restaurants and picnic facilities. But the most remarkable features of the Federal Garden Shows are their legacies. Like a World's Fair, each of them leaves behind permanent improvements, be they parks, greenbelts, exhibit buildings or facilities that raise the quality of life in their respective cities. Preparations take years and the shows are used as the instruments of long range city planning to increase the level of urban amenities, better the microclimate by massive plantings of trees and shrubbery and lower air and noise pollution.

In Stuttgart last year the garden show regenerated a kilometer-long inner city greenbelt the "lower palace garden," with new plantings, ponds and fountains. The 150 year old plane trees were carefully preserved. An innovative noise barrier consisting of semicircular concrete shells snakes its way along the edge of the greenery isolating it from the traffic noise of the adjoining inner city and reducing the decibel level by half. Each element of the sound barrier is about five feet high and some 20 feet in diameter. The landscaping and noise reduction of the lower castle garden has created a downtown oasis, after the precious Stuttgart show in 1961 revived the neglected war-damaged upper and middle palace garden. The 1961 event also gave birth to the "lawned parking lots" that ever since have helped the city breathe (UIA: 8:78).

Largest to date, the Bonn show next year will cover 100 ha (approx. 250 acres) and leave behind a permanent rose garden along both river banks with over a hundred thousand plants of different varieties. Three nations—Japan, the Netherlands and Switzerland—have also presented gardens typical of their countries, which will be maintained for citizens and visitors to Bonn after the show ends next October. The Japanese garden, covering an area of 2000 m², has been laid out by Akira Sato, Japan's leading landscape architect and features an artificial lake fed by a waterfall and stocked with goldfish. About 450 tons of Japanese pebbles and stone lanterns are en route to Germany for the installation. The Dutch garden will feature a dense arrangement of tulips, iris and hyacinths surrounding stone sculptures of Dutch artists, while the centerpiece of the Swiss garden is slated to be a hundred year old Basel fountain with the mythical "Basilisk," a small version of a dragon holding the escutcheon of the Swiss city.

Some 6,500 trees have been planted and over two million cubic meters of earth have been moved, much of it ending up in a sixty foot artificial hill that will overlook the lake-studded garden grounds. The city of Bonn has been working on the preparations for the past three years and a public corporation has been formed to administer the federal and state subsidies and to supervise the work. Germany's main garden trade association is represented on the Board together with the city and Land (state) of North Rhine Westphalia and the Bonn Savings Bank which has purchased a portion of the corporate shares. The only permanent building that will be left behind by the Garden Show is a million dollar Cafe-Restaurant with a scenic view now under construction atop the artificial hill in the center of the display grounds. Nursery, garden supply and building firms throughout the region are cooperating in the enterprise and will operate displays and information booths.

Intergovernmental and private industry cooperation that characterizes the Federal Garden Show has resulted in much-improved green space, parks and urban amenities for ten of the nation's largest cities since 1951. Plans are already underway for the Kassel show in 1981 and for Munich in 1983.●

ELIZABETH MIRIAM TUREEN BERGER

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, I would like to take a moment to pay tribute to one of the most remarkable women in St. Louis County, Elizabeth Miriam Tureen Berger.

Mrs. Berger, who will celebrate her 65th birthday on February 17, has overcome an attack of polio and spinal injuries to lead a life of dedication to her family and her community.

Mrs. Berger has participated in many civic activities, and has spent thousands of hours helping the handicapped. She taught remedial reading as a volunteer in the public school system, and has spent months dictating tapes for the blind. She is a former president of the United Hebrew Temple of St. Louis. She also served on the National Board of the Temple Sisterhoods.

During her many years of community service, Mrs. Berger has remained devoted to her husband, Dr. Edward J. Berger, and her three children: Michael, Frederick Allen, and Nancy Jane.

The family and friends of Mrs. Berger will soon be honoring her in a "This Is Your Life" program in recognition of her dedicated life in the service of her community, her family, and the handicapped. I am sure that my colleagues in Congress will join me in wishing Mrs. Berger a delightful 65th birthday.●

VETERAN SAYS THANK YOU FOR GI BILL

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. ROBERTS. Mr. Speaker, approximately 60 percent of Vietnam-era veterans have used their GI bill benefits as compared to about 50 percent of World War II veterans and 43 percent of Korean veterans. The record is well documented with regard to the success of World War II and Korean veterans who have greatly improved themselves by using the GI bill to become physicians, lawyers, engineers, technicians, teachers, and a large number of other professions and occupations which have all helped to build a better and stronger America.

I was pleased, therefore, to have brought to my attention a letter from a Vietnam-era veteran to the President, dated January 8, 1979, in which the veteran, Mr. George G. Slater, of Noblesville, Ind., stated that he just wanted to say thank you to someone for the more than $17,000 he has received under the GI bill, which has helped him become a CPA and earn a law degree. I believe that Mr. Slater represents millions of Vietnam era veterans who, as a result of the Vietnam-era GI bill, will be leaders of tomorrow and like their predecessors of World War II and Korea, are helping to build a better America, and with increased earnings, will pay back in the form of personal income taxes, many times over the cost of their training under the GI bill.

I would like to share this letter with the Members of the House.

GEORGE G. SLATER,
Noblesville, Ind., January 8, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The enclosed adding machine tape represents the payments the Veterans Administration has made to me over the last seven and one half years under the GI Bill.

I have used this money which totals over $17,000 to earn a Masters in Business Administration, a Certified Public Accountant certificate and a Law degree. This money has given me the opportunity to study finance, accounting, economics, statistics, law and many other courses.

Tomorrow I start teaching Business Law and Accounting at Indiana University.

I just wanted to say THANK YOU to someone. I hope your office will forward this letter to a person who is behind the GI Bill program.

The GI Bill has given me a world of opportunity. I only hope I can make the most of it.

Sincerely,

GEORGE G. SLATER.●

PLEA FOR MODERATION ON GOVERNMENT REGULATION

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MONTGOMERY. Mr. Speaker, the issue of Government regulations—too much or too little—is a matter of concern to all Americans today and is a matter which must be addressed by the 96th Congress. One of the more thought provoking speeches on the subject was given last year by Commissioner Barbara Hackman Franklin of the Consumer Product Safety Commission. Because of her long experience in the field of Federal regulation I feel her remarks are quite timely and deserving of the close attention of my colleagues:

REMARKS OF HON. BARBARA HACKMAN FRANKLIN

As a Federal regulator, I accept speaking engagements these days with more and more trepidation. The trepidation turns to outright fear as the day of the speech arrives and the experience of Winston Churchill comes to mind.

On one of his trans-Atlantic tours, a student asked, "Mr. Churchill, doesn't it thrill you to know that every time you make a speech the hall is packed to overflowing?"

Churchill pondered the question for a moment. Then he replied, "Of course, it is flattering. But always remember that if I were being hanged, the crowd would be twice as big."

Churchill's point is not lost today. In view of predictions that government regulation is an idea whose time is passing, the prospect of a public lynching is very intimidating—especially to a potential "lynchee."

I'll take my chances this evening. In fact I welcome this opportunity to discuss the issue of regulation with those of you who ultimately will decide where it goes—consumers, the business community and government officials.

Across the country and across the political spectrum, the American people are saying they want less—but better—government.

The rallying cry is this: Government has gone overboard; overhaul the machinery, and stop the wasteful spending. The specifics are more complex; a government which fosters competition and social goals at a reasonable cost; a government which is accessible and responsive, but less intrusive and sluggish; a government more accountable to the people, yet freer from the pressures of narrow special interests.

It is a tall order.

It is sending seismic waves through the White House, the Congress and the agencies.

And it is a bread and butter issue for every American.

The burden of regulation, once only a burning issue in business forums, today is on the tip of everyone's tongue. The message is being repeated in ways that graphically underscore the impact of regulation upon our basic economic health and social well-being:

The direct costs to business, consumers and the Government.

The indirect costs of business investments not made, plants not opened, job opportunities lost, reduced productivity and new technologies dampened.

The international costs, typified by the devalued dollar.

The psychological costs of weakened leadership and the loss of consumer and taxpayer confidence.

In short, government is a dominant force in our lives. It is said to be the nation's biggest employer, its biggest consumer and its biggest borrower. Government today exercises direct regulation over much of everything bought and sold in the U.S. and indirect regulation over almost every other sector of the private economy. The now-defunct Commission on Federal Paperwork estimates the total cost of Federal paperwork is $100 billion a year—or about $500 per person. Already, *Newsweek* suggests that each year's harvest of administrative regulations is so large that it defies quantification.

Do we have a regulatory monster?

More and more people believe that we do and that it is long overdue for a leashing. The concern is fueled by the toll inflation is taking and an awakening of the press and the general public to what some businesspeople have been saying all along: that regulation, however intended to protect consumers and competitors from the marketplace abuses of a few, doesn't always work that way.

The critical issue is where we go from here and how.

Frankly, I am encouraged with the public demand for a better, more affordable government. It is too early to pinpoint precisely when results will emerge—but soon enough to predict that they will and that the impact had better be more substantive than symbolic.

For those of us in this room who have long been tilting at certain regulatory windmills, it is already heartening to feel the fresh winds of change.

I would be deluding you, however, if I did not admit to some concern, especially in the area of health and safety regulation.

I am a proponent of reform in this area, too—in order to better protect the public in a way business can live with, government can live with and most of all, that the American people can live with. But in the current rush to give all government a bad rap, the great temptation is to forget why many important public health and safety programs exist.

The Consumer Product Safety Commission is a classic example.

One businessman put it this way: "Let's face it. CPSC is another Federal agency that probably wouldn't be in existence if those of us in business had been doing our jobs properly."

He has a point.

The creation of the Commission was not an accident. It was born during the rising tide of consumerism, the first wave of product liability suits and legitimate concern about the safety of products consumers buy and use. It was said 20 million consumers were being injured each year—many needlessly, at an annual cost to the national economy of some $5.5 billion.

So Congress created the agency in 1973, giving us jurisdiction over the safety of some 10,000 consumer products.

Today, the familiar Washington formula—find a problem, pass a law and set up a new agency—seems to be running out of steam. But make no mistake: public demand for a better quality of life has not.

A Harris public opinion poll this summer underscores the point.

Controlling crime, according to the survey, is seen as very important in improving the quality of life. So is better education, conserving energy and curbing air and water pollution. More and more people emphasize safety in the workplace, and 74 percent place a high priority on making products and services safer, up almost 10 percent over the last two years.

To me, the message of 1978 is this: CPSC, like other agencies whose job involves the public health and safety, has a responsibility to see that it happens—at a price that is reasonable.

In this spirit, I am recommending the Commission take four steps.

First, we must take a closer look at precisely when safety regulation makes sense, under what circumstances and to what extent.

In other words, we need to rethink safety regulation—to make it better, to make it work and to make it stick—in those cases where it is necessary.

In those instances where government intervention isn't needed, we should stay out. And in the vast majority of cases which fall somewhere between the two extremes, we must not hesitate to explore promising alternatives to regulation.

Personally, I'd like to see the Commission sign more agreements along the lines of the one we have with the Chain Saw Manufacturers Association. If a timely, effective standard addressing the safety of chain saws is written in the private sector, then everybody stands to benefit—the Commission, industry and consumers.

Consumer education and information is another tool which too often is underestimated. The plain truth of the matter is that many, many accidents can be prevented only with changes in human behavior.

Second, the Commission should review its overall strategy to achieve greater consumer safety.

It may be that a vigorous campaign directed at top corporate managers is a wise expenditure of everybody's time and money. When the person at the top is tuned in to product safety, so is everyone else in the organization.

The Commission also should convene regional conferences so that companies can learn, firsthand, what others are doing to make and sell safer products, the organizational mechanisms they've put in place and the procedures they follow to get defective products off the production line, off retail shelves and out of consumers' hands.

Then, too, the Commission must find, in the very near future, special ways to work with small businesses—those companies who lack the time and resources to deal with every finite detail of regulation. A major first step would be to assure that the concerns of small companies are reflected in our regulatory decisionmaking early in the process.

Third, we must reduce unnecessary delay.

Frankly, as many representatives of companies as consumer groups complain whenever our work becomes unduly protracted. Predictability in public policy is thwarted. The ability for businesspeople to plan ahead is stymied. Protection for consumers can be denied. Scarce resources, public and private, are squandered.

An issue coming before the Commission next month is a vivid case in point.

The Commission now is in its fifth year of developing a mandatory safety standard for power mowers—five years in which consumers have received no uniform protection from some hazards which the agency, a major trade association and a national consumer group agree exist.

The fault, in my judgment, rests heavily on the Commission's shoulders. Only this summer did we decide to stagger consideration of the complex problems—in order to reduce the burden on industry and to try to hasten the day when consumers could receive some protection.

Other factors, however, also contributed to the delay, not the least of which is an expensive publicity campaign waged by the industry to discredit the proposal almost from the moment it was drafted.

All in all, the years invested in the project have taken quite a toll, literally and figuratively. Surely it was in everybody's best interests to find a better way to protect consumers.

Fourth, cost/benefit analysis.

Let's say it right up front: Product safety costs, and somebody's got to pay.

That "somebody" is called the consumer or the taxpayer—depending who passes along the costs, business or government. Then, too, if an accident occurs, the consumer and his or her family get it in the pocketbook in another way. There are staggering medical and hospital bills, lost income, higher insurance rates—to say nothing of the extensive pain, suffering and possible loss of life.

In my judgment, the Commission needs to get a better handle on issues like these.

Already, by law, we are required to establish the need for and general impact of our regulations. But more is needed. Indeed, the courts seem to agree—if we expect our proposals to withstand judicial scrutiny. So does President Carter. He is urging a hard look at the goals, benefits and costs of all regulatory proposals, adding that he wants the "consumer protected . . . with the least adverse inflationary effect."

Addressing safety issues in the cost/benefit context is not a panacea. Precise determination of the benefits and burdens is difficult, especially in the area of health and safety regulation. Our present ability to consider the full range of costs is elementary. On the benefit side of the equation, it is downright primitive.

But even with what we know now the cost/benefit way of thinking is useful. It sets up a real-life framework for regulators to ask the hard questions, make the tradeoffs and set priorities.

I believe this is what the American people expect from their government. Indeed, the majority of Americans, according to a new study by Cambridge Reports, Inc., want the benefits and burdens considered and the tough tradeoffs made.

All of us share the same goals—economic well-being and a healthy, safer environment in which to live. But to reach these goals, we must use our resources well, trying to obtain the most benefit and leverage for every dollar—public and private—we spend.

When it comes to consumer safety and health, my own feeling is that in certain circumstances, Government does need to step in. On the other hand, optimal protection of the public requires vigorous attention to safety factors long before products reach the store shelves or the hands of consumers.

Thus, the onus really is on business. Putting it another way, the point is this: It's wiser and cheaper to design and sell safer products or to locate and correct defects early on than to be the defendant in product liability suits, mount expensive recall campaigns and endure the sales-wrecking publicity and weakening of consumer confidence.

The challenge to all of us—and I believe, the opportunity—is to make America work better again.

When I say "better" I do not mean a bigger government which crowds out the private sector or the individual.

I do not mean a more meddlesome government, burrowing deeper into the affairs of business "to fix things that ain't broke."

But I also do not believe that we can turn back the clock, championing only those solutions which fit other times in our national life 50, 30 or even 20 years ago.

We must learn from our mistakes of the past—so that we can do better in the future. Our country was not built by complacency or excessive caution, but by boldness, innovation, and competition.

Now it is up to us to carry on in the same spirit. Where we go from here really is up to us.●

WILL AMERICANS SOON BE WEARING ONLY IMPORTED SHOES?

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MAVROULES. Mr. Speaker, I rise to voice my concern over an international situation affecting an American industry and bearing directly upon my district in Massachusetts.

I am referring to the shoe industry's struggle with foreign competitors, a struggle it is engaged in, with one hand tied behind its back and, it seems, without a friend in the world.

This should not be the case. Just in the recent past, the President's Special Trade Representative, Robert S. Strauss, negotiated and implemented the Orderly Marketing Agreements, the purpose of which was to protect American footwear industries from excessive nonrubber imports. But the administration of these agreements has been virtually nonexistent and, as a consequence, has taken its toll on the domestic footwear industry in terms of jobs and rapidly decreasing production.

In light of this situation, I would like to share with my colleagues the following letter to Ambassador Strauss, in which I ask for nothing more than his recognition of the OMA's and the plight of American industries thrown into foreign competition that they are ill-prepared for:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 1, 1979.

Hon. ROBERT S. STRAUSS,
Special Trade Representative, Office of the Special Representative for Trade Negotiations, Executive Office of the President, Washington, D.C.

DEAR MR. AMBASSADOR: I am writing in reference to the unfavorable foreign trade impact on one of my district's largest industries, the shoe industry.

It is a verifiable fact that domestic footwear manufacturers continue to suffer from excessive foreign imports, particularly those coming from Taiwan and Korea. Considering that these two nations are part of the Orderly Marketing Agreements, this is a situation that should not have developed; it points, as well, to the unsatisfactory conclusion that the administration of the OMA's has been lax. And, as far as non-rubber footwear is concerned, I find myself in agreement with President F. A. Meister of the American Footwear Industries Association that the import relief program may end up a complete failure.

Ten years ago, the Commonwealth of Massachusetts produced over 85 million pairs of non-rubber footwear, amounting to about 13% of the national total and a healthy portion of that coming from my district. At that time, over 30,000 Massachusetts citizens were employed at this task. Today, ten years later, a drastic change for the worse has occurred. Production is down about 34 million pairs, and employment has slipped by more than one-half.

A more significant figure has been the rapid rise of non-rubber footwear imports since 1968. Then, 175 million pairs of imports represented 21.5% of the entire United States footwear market. Now, imports garner about 48% of our market with 368 million pairs of footwear.

These figures have a human impact, needless to say. They are not merely abstractions. At stake are jobs, economic growth and vitality, and an improved standard of living. We Americans tend to think that these are our rights, the possession of which leads to a comfortable, secure lifestyle. But, in the shoe industry at least, the attainment of this goal has been jeopardized. At fault has been the weak administration of the OMA's, placing American industries at an unfair disadvantage in relation to their foreign competitors.

The first step towards a remedy is obvious, and it is why I now write you. I am appealing to you to make the OMA's more meaningful by improving their administration. In effect, I am asking you only to recognize an agreement that you worked so hard to implement.

Although I would also like to engage you on other matters relating to foreign trade, such as the proposed extension of the waiver on countervailing duties, I shall wait for another opportunity. Now, I would like to focus solely upon the OMA's as they bear upon a chief industry in my district.

I thank you in advance for your consideration.

With best regards,

Sincerely,

NICHOLAS MAVROULES,
Member of Congress.●

PANAMA CANAL: CONTROL OF AQUATIC VEGETATION

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. FLOOD. Mr. Speaker, one of the most persistent problems in the maintenance and operation of the Panama Canal has been the control of water hyacinths and other types of aquatic vegetation.

The latest news about this matter is that thousands of Chinese grass carp, which weigh 50 to 60 pounds at maturity and eat their weight of marine vegetation daily, have been released in the canal.

A recent news story follows:

PANAMA CANAL IMPORTS HUNGRY WEED-EATERS

(By Tom Fenton)

GAMBOA, CANAL ZONE.—Thousands of Chinese grass carp have been dumped in the Panama Canal in the hope that they will eat up weeds that foul ship propellers, plug water intakes and clog the gates of the canal locks.

"We've controlled the weeds so far by dumping copper sulphate and herbicide on them," said fisheries biologist Rene Sanchez, "but we'd like to get away from using chemicals and believe the fish may eventually save money."

Sanchez said in the 1978 fiscal year the Panama Canal Company dumped 625,000 pounds of toxic copper sulfate on thousands of acres of hydrilla, a plant whose tendrils may extend 40 feet. Four other kinds of aquatic weeds also can cause trouble in the waterway.

The biologist said the carp, also known as the White Amur because it is native to the Amur River on the Chinese-Soviet border, weighs 50 to 60 pounds at maturity and eats well over its body weight in weeds each day.

The fish has teeth in its throat and eats the weeds by sucking them into its mouth.

It is not expected to spawn in the canal waters, which will enable biologists to control the population.

"To spawn the fish eggs must float down a one-mile-an-hour current of siltless water for about 50 hours," Sanchez said. "We don't have conditions like that here."●

A WORD PORTRAIT OF THE FRATERNAL ORDER OF EAGLES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I would hope that my colleagues in the House would join me in saluting the Fraternal Order of Eagles on its 81st birthday, celebrated on Tuesday, February 6, 1979.

In over eight decades of fellowship and community service the Eagles have been guided by their credo: "To make human life more desirable by lessening its ills and promoting peace, prosperity, gladness and hope". They are noted for their effective national campaigns on behalf of social programs for the aged, the working man, and youth. In addition, the contributions of the more than 3,200 local aeries and their auxiliaries have ranged from blood banks to teenage centers and city playgrounds and have included the fullest measure of fraternal services and help to members and their families in time of need.

Among the more prominent brothers are President Jimmy Carter and Vice President Walter Mondale. Five other U.S. presidents and numerous other prominent public figures have been members, including my beloved friend and mentor, former mayor of Pittsburgh and Governor of Pennsylvania, David L. Lawrence. Yet the 850,000 Eagles justly pride themselves on being the "Fraternity of the Common Man," drawing their strength from a cross section of America's melting pot.

One of the hardest working Eagles is my close friend, Maurice Splain, Jr. of Pittsburgh, Eagle membership director.

In commemoration of the Eagle's 81st anniversary, I would like to include in the RECORD at this time a word portrait of the Eagles, prepared by Maury's son, Dan Splain.

In doing so, let me reiterate my best wishes to all Eagles and affirm my continued support for their good works.

A WORD PORTRAIT OF THE FRATERNAL ORDER OF EAGLES

(By Dan Splain)

Nine days before the explosion of the battleship Maine in Havana Harbor touched off the Spanish-American War, six lonely vaudeville troupers strolled to Moran's Shipyard on the tideflats of Seattle to form the Order of Good Things on February 6, 1898. The purpose of the organization, as its first President, John Cort later related was "to make human life more desirable by lessening its ills and promote peace, prosperity, gladness, and hope.'

In February, 1979, in a new wonder age of atoms, missiles and moon walks, the fraflung Organization that sprouted from the Seattle seedling-the Fraternal Order of Eagles-celebrates today the 81st anniversary of its founding, changelessly devoted to the same ideals proclaimed by its founders. Today, the Order embraces over 1700 Aeries in the Continental United States, Alaska, Hawaii, the Philippines, the Dominion of Canada, the Republic of Mexico, and England.

Possibly not in their fondest predictions did the pioneers of the Fraternity envision such tremendous growth. But the universal hunger for friendship and brotherhood struck a responsive chord as the theatrical men played in other cities throughout the nation. New Aeries were formed rapidly in the Pacific Northwest. Cort was elected the first Grand Worthy President of the Order.

The Order was, and remains to this day, the Fraternity of the Common Man From mill, mine, and factory mainly, from the professions, and from public life, from America's melting pot, the Eagles derived their strength, a typical cross-section of the Nation. Several years ago, Collier's Magazine, in preparing an article about the Eagles sent their writer to the local Aerie in Cedar Rapids, Iowa. He asked a spokesman to define the Eagles. He struck this response: "You want to know who the Eagles are—I'll tell you. We're the crowd everybody gets lost in."

However, not all Eagles are "lost in the crowd." Six Presidents of the United States have been Eagles: Theodore Roosevelt, Warren G. Harding, Franklin Delano Roosevelt, Harry Truman, John F. Kennedy, and the incumbent President Jimmy Carter and Vice President Walter Mondale. Former Chief Justice of the Supreme Court, Earl Warren is a brother Eagle. Monsignor Flanagan of Boys Town was a Past President of the Omaha Aerie of the Eagles. So was Father Elwood Cassedy, founder of Home on the Range for Boys; as his successor, Father William Fahnlander. Former Governor Lawrence of Pennsylvania helped found the Pennsylvania State Aerie in 1912, along with Congressman John Morin, who himself served the Order as Grand Worthy President. World War II and Korean air ace, Francis Gabreski (Col. Ret. USAF) is a life member of Oil City Aerie No. 283. J. Edgar Hoover, the late FBI Chief, was a brother, too. The list is infinite. Eagles are people, famous and obscure, mighty and humble, great and small.

Among those who have stood out from the crowd are the career Eagles themselves. There was Con Mann, the hearty Dutchman from Milwaukee, who piloted the Fraternity to a position of national prominence in the early part of this century. Then there was Frank Hering, silver haired orator from Notre Dame Universitly, who made the first known plea for the observance of Mother's Day, and later served the Eagle Magazine as its editor for many years. Among contemporary leaders are Wisconsin Supreme Court Justice Robert W. Hansen, who served the Order twice as its International President; Anthony Angelo, present International President, who travels the crossroads of the Nation garnering support for Eagle Programs, and Maurice Splain, Jr., Grand Aerie Membership Department leader who cares for the membership growth of the Fighting Fraternity.

In the three decades from 1910 to 1940, the burgeoning Order acquired a new title, "the Fighting Fraternity." In those years, the Eagles were in the vanguard of social legislative progress, moving courageously, fighting for changes to insure a more secure life for the people of America. In 1911, in Missouri, led by an Eagle Jurist, Edward Everett Porterfield, the Order sponsored the first Mothers' Pension Act. A year later, in Wisconsin, Eagles rallied 'round a young Eagle and labor lawyer, Daniel Webster Hoan, later Mayor of Milwaukee, to enact the first Women's Compensation Act. A few years later, the Eagles began to demand elimination of a national scourge—the poorhouse. The Rubicon was crossed in 1923, when the Montana legislature passed the first Old Age Pension Law of the nation, sponsored by prominent Eagle legislator, Lester Loble, who later became the Order's Grand Worthy President.

The Order successfully campaigned for similar laws in the majority of the states. On the national front, the Eagles launched a historic campaign for a national Social Security Act, and spent more than a million dollars for printed materials to publicize and popularize the measure. In signing the Act, President Roosevelt invited an Eagle delegation to the White House and presented them with one of three pens used to sign the Act into law. In so doing, Roosevelt stated, "The pen I am presenting to the Order, one used to sign the Social Security Act, is a symbol of my approval of the Fraternity's vision and courage."

High in the achievements of the Order is the national Mother's Day observance. Back in 1904, in February, Frank Hering, a Notre Dame professor and football coach, gave the first public plea for a Mother's Day observance at an Indianapolis Aerie meeting. Inspired by Hering's address, Eagle Aeries began sponsoring Mother's Day programs annually long before Congress set aside the second Sunday in May as a day reserved for the yearly tribute.

The Eagle story reserves a prominent chapter for the youth of America. With youth programs, junior sports, teen-age dances, youth centers sponsored by hundreds of Aeries, the building of the citizens of tomorrow is an ever paramount project of the Order. The crowning effort in this field came in April, 1941, when the Fraternity dedicated the Eagle Dormitory at Father Flanagan's Boys Town in Nebraska.

Then World War II arrived, the Eagles conceived their famed Memorial Foundation, a trust fund created by donations of Aeries and their Auxiliaries, to provide physical welfare services and college education for the children of the Eagle war dead. This foundation was later expanded to include survivors of Korean and Vietnam War dead, and Eagle police and firemen killed in the line of duty.

While significant national campaigns have always characterized Eagle activity, the "grass roots" strength lies in the local Aeries and Auxiliaries. Their civil and benevolent contributions have been generous and frequent. Blood banks to save lives, an iron lung purchased for a young polio victim, Aerie quarters provide for a teen-age center, a Christmas Party for the under-privileged kids in the community, funds for a city youth playground, donations to the Red Cross, the Community Chest, and other community services and programs is but a part of the magnificent benevolence of the Fraternal Order of Eagles. No accurate accounting of the total spent by local Aeries and Auxiliaries for charitable purposes has ever been kept, but no doubt, over the years, it would run into staggering millions, and in terms of human happiness and betterment, the amount is above the monetary realm and measured only in terms of the human heart.

In the 1950's, the Eagles set their sights on new goals to "make human life more desirable." During that decade, the Eagles raised over one million dollars for the Damon Runyon Cancer Fund, prompting the fund's founder, Walter Winchell, to write in his nationally syndicated column that the Eagles are "the Santa Claus of the Damon Runyon Cancer Fund." The Eagles donation of $25,000 for the entrance to the Chapel of the Four Chaplains at Philadelphia, memorializing the four chaplains of three faiths who gave their lives in World War II aboard the

U.S.S. *Dorchester*, bespeaks the Order's zeal for brotherhood and inter-faith unity. Distribution of thousands of scrolls of Ten Commandments to schools and courts, and presentation of the Ten Commandment granite monoliths to many American cities, stresses the Eagles' concern for moral and spiritual values.

Late in 1959, the Organization began construction of a retirement home for senior citizens who are Eagle members. The home, in Bradenton, Florida, today boasts 75 units, a library, a lake well stocked for fishing and a large recreational hall. The Eagle Village, as the retirement facility is called, is self-governed by a Mayor and Council elected by the residents.

In cooperation with CARE, the international relief organization, the Eagles have constructed over 30 Eagles-Care Houses throughout the world.

In the decade just past, the Eagles founded the Max Baer Heart Fund, named after the late Eagle Heavyweight Champ, which has donated over $4,000,000 for heart research in the ten years of its existence. The Eagles have now founded the Eagles Cancer Fund which has raised over $4,000,000 supplementing the amount contributed to the Damon Runyon Cancer Fund. Just ten years ago, the Eagles founded the Jimmy Durante Children's Fund to contribute funds for research into the catastrophic diseases of childhood. Durante, for whom the fund is named, has long been an active supporter of Eagle programs.

Six years ago, the Organization initiated the "Golden Eagle Program", a three pronged attack on the problems of our aging citizens. The goal of the program is to add years to life and life to the years of the world's senior citizens in three ways: 1) by sponsoring and supporting legislation that will permit our aged to live in dignity and self-respect; 2) by establishing within 3200 local Eagle units, Retired Eagles Activities clubs (REAC) to permit older Eagles and their families to participate in programs of their choosing and to offer their aid and counsel to younger Eagle leaders in the management of their club facilities; and 3) the establishment of the Golden Eagle Fund, to raise and distribute funds for gerontological research.

The Eagles are also responsible for legislation protecting the over 40 worker from job discrimination because of his age.

The latest Eagle programs are "Hometown, U.S.A."—a campaign to make our hometowns of America just a little better for you and me, and the "Home and Family Program" designed to strengthen the home and family as the basic unit in our society.

The Fraternal Order of Eagles, with virility and vision, is just beginning to flex its muscles with over 3200 Aeries and Auxiliaries continuing the work started by six men on a Seattle waterfront 81 years ago.●

LEGISLATION TO RETURN THE MAR-A-LAGO ESTATE TO THE MARJORIE MERRIWEATHER POST FOUNDATION

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MICA. Mr. Speaker, I am introducing a bill today to provide for the transfer of the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia.

Mar-A-Lago was originally willed by Mrs. Post to the U.S. Government to be used as a retreat for foreign dignitaries and heads of state. However, upkeep has proven so costly that Federal funds for maintenance of the estate were terminated in 1977.

Since the conditions for the acceptance of the estate are no longer met, I am taking this action in accordance with the wishes of the representatives of the people of Palm Beach and what I understand to be Mrs. Post's wish to return the estate back to the foundation if it was not used by the Federal Government.

I am hopeful that action will be taken on this legislation at the earliest possible time.●

WE NEED THE HUMPHREY PERSPECTIVE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SIMON. Mr. Speaker, the Miami Herald recently published an article by someone many of us respect about someone many of us knew and loved.

It is a tribute to Hubert Humphrey by Victor Kamber, one of the AFL–CIO's legislative representatives on the Hill and a person respected by all who have the privilege to know him.

I insert it in the RECORD because this Nation has neither a shortage of resources, nor a shortage of problems, but rather a shortage of inspiration—and a gentle reminder about Hubert Humphrey and what he stood for and where he hoped this Nation would go is good medicine for all of us.

The article follows:

HUBERT HORATIO HUMPHREY

(By Victor Kamber)

Ah, but a man's reach should exceed his grasp,
Or what's a heaven for?

Robert Browning

Senator Hubert Humphrey's reach to serve and to love touched so many lives in so many ways that when we came to say good-bye we measured his life by that love more than by his legacy to history; his good heart was his gift to our spirit.

America has had other politicians whose reach fell short of the presidency, and most outlived their usefulness or lost their ability to inspire, but not Hubert Humphrey. He gave us more in losing than others have in winning. In a time when polls and cameras govern the choices of many politicians, Humphreys's actions sprang from deep within his own heart and mind, and we came to understand the value of his honest faith and warm feelings about our country.

We have made a national creed of winning, and yet, in the final years of his life, we respected Humphrey's ability to accept and move beyond defeat. If he had not been a champion of civil rights, a fighter for economic justice and an innovative legislator, he would not have received so much admiration, but his ability to be his own man, to bear his wounds without rancor and to lose and get up fighting—his personal courage and warmth—are what endeared him to us.

I knew him as hundreds, as thousands, knew him as a politician working to improve our society. As a labor professional, I was impressed by his commitment to the causes of social justice and economic equality and by his steadfastness of that commitment. To see him walk into a room and reach out to people was to understand his genuine interest in others, and to see him work tirelessly for legislation to improve lives was to know how dedicated he was to his own rhetoric and feelings.

Humphrey's important work flowed from his capacity to care, and the bond between his emotions and his actions was deep and true. He was that rare individual who could share his emotions without fear, and that very vulnerability was not always a political asset. It is difficult to imagine any other politician who could have walked so gracefully through his own valley of the shadow of death and who could hear his life praised with as much joy and inner peace.

The appreciation that came too late to send him to the White House had an apologetic note to it, and in remembering Humphrey, we should also recall the circumstances of his 1968 defeat. In some ways, he was the victim of his own success in providing leadership on civil rights and other social issues and the product of his generation's view of international politics. The short memory of some of his liberal allies and the impulse of the American electorate for a different face in troubling times combined to hand him a narrow loss. If Humphrey, the rebel of the 40's, was too establishment for the 60's, he became in the 70's a refreshing reminder that some principles are never outdated. There are many lessons for America in Humphreys political odyssey, and to let his courage in dying overshadow these political realities would be a mistake.

The long road between the divided Democratic convention in 1948 and the "We shall Overcome" mood of the 1976 was a series of hard fought battles. As joyful and charming a man as he was, Humphrey also was a fighter and a politician, and to achieve the goals he helped articulate, these battles must continue. The leaders, shaped as Humphrey was by the shadow of the Depression, are dying, but the problems of the unemployed, the poor, the minorities and the elderly are not. In asking that our farewells to him look to the future, Humphrey knew how much remains to be done.

Hubert Horatio Humphrey left a nation better in tangible programs and laws for his having lived. He left a poignant reminder of that dream of being president and what it can mean in an individual life. He felt with an ache, which he would sometimes express, the Browning distinction between reach and rasp. If his reach did not include the presidency, it encompassed a role equally grand: the nation's conscience. To see Richard Nixon at Humphrey's funeral and to remember the events of the last ten years was an eloquent lesson on life and politics.

In saying good-bye to Humphrey and his 30 years of public service, the word love was often on our lips, but to honor his memory, the word freedom must be in our hearts. His life and death said much about what it means to be a human being; his political career said much about what it means to be an American. Out of his love and compassion, Hubert Humphrey of Minnesota helped expand the boundaries of freedom, and that work must go on. His gift is that he taught us there is joy and honor in that work.●

SRI LANKA

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. FOLEY. Mr. Speaker, today I have the pleasure of bringing to your attention the 31st anniversary of the independence of Sri Lanka and the remarkable achievements of this island Nation.

I have had the privilege of visiting Sri Lanka and was greatly impressed both by the singular beauty of the island and by the success of its people as they build and improve a society that is committed to advancing the quality of life.

The commitment of the people and Government of Sri Lanka in building a growing economy while maintaining democratic liberties and providing a wide distribution of government services has been recognized and praised by many international organizations.

I take this opportunity to commend the people and the Government of Sri Lanka for their dedication and I am sure that I speak for many Americans when I extend my congratulations on this important occasion, and my best wishes for future success.●

INDIAN PROBLEMS DESERVE SPECIAL ATTENTION BY CONGRESS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BEREUTER. Mr. Speaker, it is with some reluctance that I address the House of Representatives today. While it may be unusual for a freshman Member to speak so frankly so soon in a Congress, recent actions by the House Interior Committee compel me to address my colleagues.

Like most freshmen, I came to Washington anxious to learn, eager to participate fully in the legislative process, and curious to know what my committee assignments would be. Needless to say, I was very pleased when I learned that I would be appointed to the House Committee on Interior and Insular Affairs. The issues and proposals that fall within the jurisdiction of this committee will affect my district and State in a very direct way. I look forward to the opportunity of serving on this committee in the company of some of the House's most distinguished Members.

I cannot help but be disappointed, however, in one of the first decisions made by the majority on our committee—that being, to transfer jurisdiction for Indian matters from the Subcommittee on Indian Affairs and Public Lands to the full Interior Committee. I view the results of this action as leading to a gross injustice to the Nation's Indian population. Such a decision is indicative of a disturbing trend—one that shows a steady decline in the status of Indian matters before the Congress.

From the very beginning of our country, we have recognized the special position and unique problems facing the Indian people and their culture. Congressional authority over Indian Affairs is derived directly from the Constitution which assigns Congress the power "to regulate commerce with foreign nations, and among the several States, and with Indian tribes."

During early Congresses, Indian matters were considered of such import as to be considered by the whole House or Senate. In 1820, the Senate established a Standing Committee on Indian Affairs to deal with Indian matters. This was followed in 1821 by creation of a similar committee in the House of Representatives.

The House Standing Committee on Indian Affairs lasted until 1947 when a committee reorganization occurred placing jurisdiction over Indian Affairs to a subcommittee status of a ewly created Public Lands Committee which in 1951 became the Committee on Interior and Insular Affairs. During the last Congress the status of Indian Affairs was further reduced when it was merged into the Subcommittee on Indian Affairs and Public Lands. This week's vote of 187 to 17 to not create the Subcommittee on Indian Affairs marks the first time in our history that Indian Affairs will not receive a separate forum before the House of Representatives.

The closeness of the vote to retain Indian Affairs as, at least, an identifiable element as a subcommittee indicates how strongly many of us feel about the importance of such matters. Over a million Indians now reside in the United States. The First Congressional District of Nebraska, which I represent, alone contains three reservations: The Santee, Winnebago, and Omaha.

The Bureau of Indian Affairs and the Indian Health Service provide services and assistance to approximately 760,000 Indians living on or near 267 reservations in 24 States and in 200 villages in Alaska. In addition, the IHS provides limited assistance to some 360,000 of 507,000 Indians living in urban areas. The United States has a formal legal relationship with 481 recognized tribal entities, and acts as trustee for approximately 56 million acres of Indian lands, exclusive of 44 million acres which Alaskan Natives are entitled to receive under the Alaska Native Claims Settlement Act.

There can be no denying that as a Nation and as the representatives of the people, we have an obligation to protect the interests of the American Indian and to insure that their legislative concerns are never obscured because of competing demands. There are many Indian issues that should be addressed by the 96th Congress, including such difficult matters as tribal-State compacts, water rights legislation, land settlement bills, and consideration of a comprehensive economic development package.

Certainly, oversight of the activities of the Bureau of Indian Affairs must occupy an important role for Congress. Having served in the Nebraska State Legislature, I know the extent to which the Indian and, indeed, non-Indian residents of my district are concerned about the activities of BIA. Aggressive congressional oversight of this agency is absolutely essential.

Each of these activities is too important to be relegated to a secondary status. They require too much attention to be added to the already heavy responsibilities of the full committee. While the chairman has assured us of his intention to address these issues at the full committee level or to assign them to various subcommittees or task forces, I feel this can lead only to a further fragmentation of policy on Indian matters. That result, coupled with the real danger that Indian issues will become lost in the mase of other legislation we will be addressing before the committee during the 96th Congress, makes the majority's decision even more tragic.

In the absence of a subcommittee identifiably responsible for Indian matters I would, therefore, hope that it would be possible to create a special or select group within the committee in which Indian matters could receive special attention. The Native American population, and the American people generally, deserve no less.●

THE SMALL BUSINESS IMPACT STATEMENT ACT OF 1979

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SCHULZE. Mr. Speaker, the overregulation of the small business community is a matter of grave concern for all Americans.

America's 13 billion small businesses comprise more than 95 percent of all our private enterprise; they employ over 40 million Americans; and they produce 43 percent of our gross national product. Small businesses, however, are experiencing an inordinate amount of financial and managerial problems in their attempts to comply with the proliferation of regulations generated by Federal agencies.

Indeed, the time and energy spent on Federal paperwork, and the large capital expenditures required to meet environmental or job safety standards can be a matter of life or death for a small business. The lesser ability of the small business to finance the cost of proposed regulations is reflected in the higher direct costs a small business incurs.

Capital costs of equipment are twice as expensive for a small business, because smaller plants have fewer tons of production against which to allocate their costs of complying with Federal regulations.

Management cost per unit of production is higher for a small business which must hire consultants to deal with Federal regulations, which a larger firm can provide "in-house".

At a higher cost per unit, it is more difficult for a small business to recover the costs incurred by regulation by adding to the price of the unit, than it is for a large firm with a low cost per unit.

Perhaps the most visible effect of Government regulation is the amount of paperwork that is generated by the regulatory process. Federal paperwork cost the American taxpayers an estimated $100 billion a year. In addition, small businessmen spend between $15 to $20 billion a year and expend 130.5 million man-hours to fill out 10 billion sheets of paper per year. These Government in-

duced expenditures rarely result in an increase in productivity, but instead cause a decline in the productivity base.

It is evident that the regulatory process, which was intended to do good, is having an adverse impact on our economic system. Twenty-one of my colleagues have joined me in sponsoring H.R. 1306, the Small Business Impact Statement Act of 1979, in the last 2 weeks. Similar legislation was considered by the Subcommittee on Small Business Problems last year. It is my hope that in the 96th Congress we will pass the necessary legislation to relieve the small business community of its regulatory burden.●

AMERICAN WOMEN

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. RINALDO. Mr. Speaker, one of the foundations of our free society and the American family lies in the many diverse voluntary contributions of American women. They have long distinguished themselves in civic endeavors, church activities, women's clubs, and professional and business life.

Recently, I had the honor of attending the annual awards dinner of the Union Chapter of UNICO International, which honored Mrs. Josephine Dukes for her many contributions to the public good. They are indeed formidable for any individual, but especially for a woman who bears the responsibility of raising a family at the same time.

Over the last several years, Mrs. Josephine Dukes has been a leader in the Township of Union, N.J., in behalf of mental health, one of the main programs that UNICO sponsors nationally. Mrs. Dukes' promotion of community awareness of mental health and her support of fund-raising drives to assist the victims of mental illness have been especially important to the community.

This truly outstanding citizen has made every day of her life count in raising a fine family, being a wonderful wife, and in doing so much for others. I wish you could read her biography. It is nothing short of amazing.

She has become one of the leading women in New Jersey through her work as an officer of the Junior Women's Club, the Women's Club of Connecticut Farms, the Union Mental Health Association, the American Field Service Organization, the Girl Scouts, Boy Scouts, the Bicentennial Committee, the Girl's Club of Union, the Parent Teacher Association, and St. Michael's Church.

In addition, she helped to organize the very successful cultural event of the year in Union Township, the Festival on the Green. This energetic and remarkable woman typifies the many hardworking, industrious, and dedicated women in America who have extended their talents beyond their homes and into the community at-large. Her efforts and achievements are one of the reasons why Union Township, N.J., was selected an All-America City in 1978. She symbolizes the American spirit of generosity, hard work, and individual enterprise that benefit the common good.●

AMERICAN INTERNATIONAL COLLEGE HOSTS 39TH MODEL CONGRESS: REPRESENTATIVE SILVIO CONTE HONORED

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BOLAND. Mr. Speaker, one of the valuable educational events of the year in New England is the model congress held at American International College (A.I.C.) in Springfield, Mass.

The value of a model congress cannot be underestimated. It provides students with a working understanding of the legislative process. This year's 39th A.I.C. model congress provided more than 250 students from 36 New England high schools with 2 days of meetings, seminars, and sessions of a full-scale congress. Major issues were covered by bills introduced by each high school.

The success of the model congress depends on the work of the student organizers. This year executive staff did an outstanding job of covering the many details of arranging the A.I.C. congress. The members of the executive staff for 1979 were: Barbara Potvin, William Dowding, Robert Haven, Lori Mullin, Patrick O'Shea, Etel Paksi, Gary Boisseau, Meg Clancy, Kim Izzarelli.

American International College not only lends its facilities for the model congress, but also key members of its faculty. College President Harry J. Courniotes can be justifiably proud of his school's sponsorship of the model congress. Faculty Advisor Robert Markel, Master of Ceremonies Gerald Root, and Head Judge Thomas O'Neil are also to be commended for their involvement in the model congress.

For nearly a hundred years, American International College has provided a diverse educational program for thousands of students. With more than a dozen major colleges, Western Massachusetts is a major center of higher education. American International College plays the key role of a mid-size urban school for both distant students and commuters. A wide-range of scholarship and financial aid programs helps attract students from all economic groups. I salute A.I.C. on their many fine graduates and its positive role in the Springfield community.

Mr. Speaker, one of the highlights of this year's A.I.C. model congress was the awarding of an honorary degree in public administration to our colleague, the Honorable SILVIO O. CONTE, U.S. Representative from the First District of Massachusetts. This degree is the eighth honorary degree Mr. CONTE has received during his public service career.

The citation conferring the degree aptly describes the fine public service Congressman CONTE has given to the United States, to Massachusetts and to his congressional district over a period of 25 years. He richly deserves this laurel. As one who has similarly been honored by American International College, I share his pride and appreciation for the great honor that the degree confers upon him. I congratulate my friend and fellow legislator, the Honorable SILVIO O. CONTE, for the type of public service that commands this testimonial. I applaud American International College for recognizing that service.

Mr. Speaker, I include with my remarks, the citation conferring the honorary degree.

SILVIO O. CONTE

Silvio O. Conte, native son of this Commonwealth and distinguished Congressman, you are one of the most enduring members of a profession in which endurance is an absolute prerequisite of distinction. Long years ago, it appears, you discovered in the hearts and minds of the people of Northwestern Massachusetts the touchstone of love, support and trust; and you have built upon that discovery a career of remarkable success in the Congress of the United States.

You have served, with impactful influence, on the important Congressional subcommittees for Transportation, Foreign Operations, and Labor-Health, Education and Welfare; and you have attained impressive leadership positions in the committees on Small Business and Appropriations.

Your beneficial service to the people has long since transcended the boundaries of Massachusetts, as demonstrated in your leadership of the New England Congressional Caucus and the Northeast-Midwest Economic Advancement Coalition. You have exerted a consistently constructive influence in the areas of environmental protection, small business, and education; and your good work has touched the lives of all Americans. Your career of public service might well serve as a model for emulation by these politically sensitive young Americans who await your message today.

The pleasure we experience in conferring honor upon you is only enhanced by the knowledge that a number of our prestigious sister institutions have anticipated us. You have been a good friend to this college for many years, with your several appearances here, not the least notable of which was your banquet address to the Thirty-third Model Congress in 1973. We take delight, therefore, in welcoming you to the illustrious company of our honorary alumni.

And now, by virtue of the authority vested in me by the Board of Trustees of American International College, I hereby confer upon you the degree of Doctor of Public Administration, *honoris causa*, with all of the rights, privileges, and immunities pertaining thereunto.

HARRY J. COURNIOTES,
President.●

NIGHTTIME RADIO SERVICE FOR ALL AMERICANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. FINDLEY. Mr. Speaker, today I am introducing legislation to require the Federal Communications Commission to insure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service.

This legislation is vitally important to the tens of millions of Americans who today have no local nighttime radio service. Incredible as it may seem to those of you from large cities, 46 million Americans living in small towns and rural areas across the Nation lose their local radio station each evening because of antiquated FCC rules which require their station to leave the air at sundown. These regulations, which were written decades ago when radio was still in the crystal set era, no longer serve the public interest. They must be changed, and this legislation is designed to do just that.

One reason this is so important is that without local radio service, these Americans are deprived of important local news, weather reports, and entertainment—the service which most of us take for granted. If during the evening local weather conditions make roads impassable, if there is danger from flooding or a tonado, if schools are closed or community activities canceled or rescheduled, almost 50 million Americans have no way to find out about it until the Sun comes up the next morning and their local radio station is permitted by the FCC to resume broadcasting.

There is no logical justification for the Commission's clear channel policy which protects the assignment of only one or two stations on selected channels across the country. The Nation's airwaves belong to all Americans, but a significant minority are not permitted fair use of them. Instead, for millions of Americans local airwaves lie silent each night, unused by anyone.

Fortunately, important forces within Government and the broadcasting industry are realizing how wasteful our present allocations policy is and are trying to do something about it. For example, the Department of Commerce's National Telecommunications and Information Administration has in the past few days filed a petition with the Federal Communications Commission urging that 14 new broadcasting channels be created in the existing broadcast band. These new channels would be adequate to provide full-time service to all Americans currently deprived of it each evening. They would be enough to allow every radio station currently restricted to daytime operation to broadcast full-time.

The National Association of Broadcasters, the industry leader, has also recently changed its position to one of favoring "the conversion of existing daytime AM stations into unlimited time facilities." At the annual NAB board meeting in Hawaii, these industry spokesmen adopted a resolution stating that "as a matter of national radio allocations policy, all broadcast stations (present and future) be authorized to provide full-time service." The NAB urged that this goal be achieved "at the earliest possible time," and to that end instructed its staff "to immediately petition the FCC to appoint a joint Government/industry advisory committee to prepare in-depth studies of the advantages and disadvantages of various methods to accomplish this national allocations goal, looking forward to a broad-ranging rulemaking proceeding with the objective of accomplishing this allocations policy."

It is vitally important that this process get underway immediately, and to that end I recently met with NAB President Vincent Wasilewski. I told him of my concern that such a broad-ranging rulemaking proceeding could, if allowed, go on virtually forever. In fact, the Commission has been working for two decades on a similar proceeding without resolving the problem or even making appreciable progress. Instead, the FCC's latest proposal is to create only an additional 125 new stations, a wholly unacceptable "sop" being thrown to those of us in Congress who are concerned about this problem. It is time for the Commission to move forthrightly to provide local nighttime radio service to all of the tens of millions of Americans who are without it. If the FCC fails to act, I have no doubt that Congress will.

Text of bill follows:

A bill to require the Federal Communications Commission to ensure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, In order to ensure the most efficient and diverse use of the electromagnetic frequency spectrum, the Federal Communications Commission shall examine the use of the AM radio broadcasting band and shall assign such spectrum and distribute licenses so as to ensure that each community in the United States, regardless of size, is provided with the maximum local fulltime radio broadcasting service. In this reassignment process the Commission shall take due account of (1) the AM channel spacing systems in effect in other countries to ensure that the United States' system is compatible with systems in general use throughout the world; (2) the desirability of utilizing all allocated spectrum efficiently and fully in all parts of the United States; (3) the changes in technology that make more efficient use of the spectrum possible; (4) the need of existing limited-time stations to provide their audiences with fulltime radio service; and (5) the need for additional minority-owned full-time radio stations.●

HELP NEEDED FOR NON-INDIAN EMPLOYEES

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. UDALL. Mr. Speaker, today I am introducing a bill which will help to correct an inequitable situation for many non-Indian employees of the Bureau of Indian Affairs whose careers have been adversely affected by Indian preference laws.

Indian preference in Federal "Indian Service" is based primarily on section 12 of the Indian Reorganization Act of 1934. Prior to 1972, the application of preference applied solely to initial appointments. In 1972, the BIA policy was changed to extend the preference to promotions, transfers from outside the BIA, and reassignments within the BIA which improved promotional prospects.

Although the implementation of this policy was in total accord with the congressional philosophy of Indian self-determination, it has had an extremely detrimental effect on non-Indian employees of the Bureau of Indian Affairs and the Indian Health Service. In practice, it has dead-ended the careers of many experienced and dedicated non-Indian BIA-IHS employees.

This bill will help to correct this intolerable situation by providing a liberal annuity computation for non-Indian employees who retire early, and thus free more job slots for qualified Indian applicants. A similar bill failed to pass the House under suspension of the rules in the 95th Congress. The limited floor debate which occurred on this bill indicated that there were serious misconceptions about the goals of this legislation.

The bill which I am introducing today has the endorsement of the administration. The bill restricts the increased retirement formula of 2½ percent to service after December 21, 1972, the date of the Freeman Court case which upheld Indian-preference laws and the date which the Bureau admitted in its testimony that it started enforcing those laws. An employee, in order to receive these benefits, will have to retire within 1 year after he meets the age and service requirements. The bill is to be prospective only. A copy of the bill follows.

I urge my colleagues to support this bill.

Cosponsors: Mr. ANDREWS of North Dakota, Mr. LUJAN, Mr. RUNNELS, Mrs. SPELLMAN, Mr. STEED, and Mr. YOUNG of Alaska.

H.R. —

A bill to amend Civil Service provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8336 of title 5, United States Code, is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) the following new subsection:

"(i)(1) Except as provided in paragraph (3), an employee is entitled to an annuity if he—

"(A)(i) is separated from the service after completing 25 years of service or after becoming 50 years of age and completing 20 years of service, or

"(ii) is involuntarily separated, except by removal for cause on charges of misconduct or delinquency, during the 2-year period before the date on which he would meet the years of service and age requirements under clause (i),

"(B) was employed in the Bureau of Indian Affairs, the Indian Health Service, a tribal organization (to the extent provided in paragraph (2)), or any combination thereof, continuously from December 21, 1972, to the date of his separation, and

"(C) is not entitled to preference under the Indian preference laws.

"(2) Employment in a tribal organization may be considered for purposes of paragraph (1)(B) of this subsection only if—

"(A) the employee was employed by the tribal organization after January 4, 1975, and immediately before such employment he was an employee of the Bureau of Indian Affairs or the Indian Health Service, and

"(B) at the time of such employment such

employee and the tribal organization were eligible to elect, and elected, to have the employee retain the coverage, rights, and benefits of this chapter under section 105 (e)(2) of the Indian Self-Determination Act (25 U.S.C. 450i(a)(2); 88 Stat. 2209).

"(3)(A) The provisions of paragraph (1) of this subsection shall not apply with respect to any separation of any employee which occurs after the date 5 years after—

"(i) the date the employee first meets the years of service and age requirements of paragraph (1)(A)(i), or

"(ii) the date of the enactment of this paragraph, if the employee met those requirements before that date.

"(B) For purposes of applying this paragraph with respect to any employee of the Bureau of Indian Affairs in the Department of the Interior or of the Indian Health Service in the Department of Health, Education, and Welfare, the Secretary of the department involved may postpone the date otherwise applicable under subparagraph (A) if—

"(i) such employee consents to such postponement, and

"(ii) the Secretary finds that such postponement is necessary for the continued effective operation of the agency.

The period of any postponement under this subparagraph shall not exceed 12 months and the total period of all postponements with respect to any employee shall not exceed 5 years.

"(4) For the purpose of this subsection—

"(A) 'Bureau of Indian Affairs' means (i) the Bureau of Indian Affairs and (ii) all other organizational units in the Department of the Interior directly and primarily related to providing services to Indians and in which positions are filled in accordance with the Indian preference laws.

"(B) 'Indian preference laws' means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986), or any other provision of law granting a preference to Indians in promotions or other Federal personnel actions.".

(b) Section 8339(d) of title 5, United States Code, is amended—

(A) by inserting "(1)" before "The"; and

(B) by adding at the end thereof the following new paragraph:

"(2) The annuity of an employee retiring under section 8336(i) of this title is computed under subsection (a) of this section, except that with respect to service on or after December 21, 1972, the employee's annuity is—

"(A) 2½ percent of the employee's average pay multiplied by so much of the employee's service on or after that date as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of the employee's service on or after that date as exceeds 20 years.".

(c)(1) The amendments made by this section shall take effect October 1, 1979.

(2) In the case of an employee who separated from service on or after the date of the enactment of this Act and before October 1, 1979, the amendments made by this section shall apply with respect to such separation to the same extent and in the same manner as if such amendments had been in effect at the time of such separation, but only if application therefor is made to the office of Personnel Management within 1 year after the effective date of such amendments.

(3) No amount of annuity accruing by reason of such amendments shall be payable for any period before October 1, 1979.

SEC. 2. (a) For purposes of applying reduction-in-force procedures under subsection (a) of section 3502 of title 5, United States Code, with respect to positions within the Bureau of Indian Affairs and the Indian Health Service, the competitive and excepted service retention registers shall be combined, and any employee entitled to Indian preference who is within a retention category established under regulations prescribed under such subsection to provide due effect to military preference shall be entitled to be retained in preference to other employees not entitled to Indian preference who are within such retention category.

(b)(1) The Indian preference laws shall not apply in the case of any reassignment within the Bureau of Indian Affairs or within the Indian Health Service (other than to a position in a higher grade) of an employee not entitled to Indian preference if it is determined that under the circumstances such reassignment is necessary—

(A) to assure the health or safety of the employee or of any member of the employee's household;

(B) to avoid the displacement of an Indian by such employee during a reduction in force, but only if, immediately before such reassignment, the grade of such Indian's position is not lower than 2 grades below the grade of such employee's position; or

(C) because the employee's working relationship with a tribe has so deteriorated that the employee cannot provide effective service for such tribe or the Federal Government.

(2) The authority to make any determination under subparagraph (A), (B), or (C) of paragraph (1) is vested in the Secretary of the Interior with respect to the Bureau of Indian Affairs and the Secretary of Health, Education, and Welfare with respect to the Indian Health Service, and, notwithstanding any other provision of law, the Secretary involved may not delegate such authority to any individual other than an Under Secretary or Assistant Secretary of the respective department.

(c)(1) Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action respecting an employee not entitled to Indian preference if each tribal organization concerned grants, in writing, a waiver of the application of such laws with respect to such personnel action.

(2) The provisions of section 8336(i) of title 5, United States Code (as added by the preceding section of this Act) shall not apply to any individual who has accepted a waiver with respect to a personnel action pursuant to paragraph (1) of this subsection.

(d) The Secretaries of Interior and Health, Education, and Welfare shall each submit to the Congress a report following the close of each fiscal year with respect to the actions which they took in such fiscal year to recruit and train Indians to qualify such Indians for positions which are subject to preference under the Indian preference laws. Such report shall also include information as to the grade levels and occupational classifications of Indian and non-Indian employees in the Bureau of Indian Affairs and the Indian Health Service.

(e)(1) The Office of Personnel Management shall provide all appropriate assistance to the Bureau of Indian Affairs and the Indian Health Service in placing non-Indian employees of such agencies in other Federal positions. All other Federal agencies shall cooperate to the fullest extent possible in such placement efforts.

(2) The Secretaries of Interior and Health, Education, and Welfare, and the Director of the Office of Personnel Management shall each submit a report to Congress following the close of each fiscal year with respect to the actions which they took in such fiscal year to place non-Indian employees of the Brueau of Indian Affairs and the Indian Health Service in other Federal positions.

(f) For purposes of this section—

(1) The term "tribal organization" means—

(A) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c); 85 Stat. 688)); or

(B) in connection with any personnel action referred to in subsection (c)(1) of this section, any legally established organization of Indians which is controlled, sanctioned, or chartered by a governing body referred to in subparagraph (A) of this paragraph and which has been delegated by such governing body the authority to grant a waiver under such subsection with respect to such personnel action.

(2) The term "Indian preference laws" means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions.

(3) The term "Bureau of Indian Affairs" means (A) the Bureau of Indian Affairs and (B) all other organizational units in the Department of the Interior directly and primarily related to providing services to Indians and in which positions are filled in accordance with the Indian preference laws.●

ANTITERRORISM AND ANTIAIR PIRACY BILL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. ANDERSON of California. Mr. Speaker, along with my colleague, Chairman BIZZ JOHNSON and Congressman DON CLAUSEN of the Public Works and Transportation Committee, I am today introducing a bill to provide more effective methods of dealing with the grave problem of international terrorism.

This is a bill which the Public Works and Transportation Committee passed out of committee last year. There was insufficient time for other committees to consider it fully in the 95th Congress, and since it represents urgent business for which the 96th Congress must take full responsibility, it is our intent to hold early hearings.

I am advised that on the Senate side Senator RIBICOFF also is reintroducing today his very similar bill.

This bill is designed to deal with the threat terrorism poses to Americans both at home and abroad. It will aid law enforcement officials in preventing terrorist acts and bringing to justice the perpetrators of such acts. It will give the President the tools necessary to deal with threats and acts of terrorism and to work toward closer international cooperation.

In the 95th Congress there were numerous sponsors of similar bills. We welcome such support and urge that Members call the Aviation Subcommittee or the Public Works Committee offices, telephone 225-4472, to register such support.●

SRI LANKA ON ITS NATIONAL DAY

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. McCLOSKEY. Mr. Speaker, on February 4, Sri Lanka (formerly Ceylon), marks the 31st year of that country's independence from the British Crown. It also marks the first year in office of His Excellency J. R. Jayewardene, first executive president of Sri Lanka, elected directly by the people for a fixed term of 6 years.

Both as a nation and internationally, Sri Lanka has distinguished itself by promoting world peace, upholding human rights, and by striving to create and implement consistent and effective internal policies for the people of Sri Lanka.

As the respected chair of the Non-Aligned Movement where it has served as a consistent voice for moderation. Sri Lanka has strictly followed the principles established at the Asian–African Conference in Bandung in 1955, particularly that of "respect for fundamental human rights and for the purposes and principles of the charter of the U.N."

Paralleling this commitment to the world community, the Constitution of Sri Lanka contains all 30 clauses of the U.N.'s Universal Declaration of Human Rights.

Along with the principles of freedom Sri Lanka embraces, the government of President Jayewardene strives for the physical and material well-being of its people. In working to correct serious economic imbalances that existed in Sri Lanka before the President took office, programs have been initiated to bring about an increasing self-sufficiency in rice production. In earlier years, half the export earnings of the country were spent on food; in the past year, Sri Lanka produced enough to export food (to Indonesia) for the first time in many centuries. In view of the fact that cost of petroleum-based fertilizer products has greatly increased, this must be considered an enormous achievement. Sri Lanka has suffered from a serious shortage of milling and storage facilities, and it should be noted that the United States has extended soft term loans to Sri Lanka to assist development of such facilities.

Other areas of economic and social development include the free trade zone project launched last March, involving foreign capital, including that of the United States, amounting to some $106 million, and creating approximately 26,000 jobs in the fields of industrial chemicals, building materials, fishing gear, and others. These industries should generate some $70 million per annum.

One of Sri Lanka's more ambitious efforts has been the Mahaweli development project, a long term project for the irrigation existing dry land and the opening of new lands, as well as the generation of considerable amounts of hydro power. This project affects employment positively and decreases dependence on imports for agriculture commodities.

While recognizing the need for foreign assistance, Sri Lanka has amply shown its commitment to achieving self-sufficiency where possible, and decreasing its dependence on foreign aid.

Of particular interest at the present time in history, Sri Lanka has successfully upgraded the status of women, the quality and extent of family health and planning services, and the quality of education. Women have gradually come to enjoy equal educational and employment opportunities, as well as the right to share equally in unrestricted rights to full social, economic and political freedom.

Sri Lanka has made admirable progress in regulating its population growth, currently at a 1.7 percent growth rate, one of the lowest in the developing world. This compares with Africa's average rate of 2.7 percent, a doubling of the population every 26 years, and to Asia's average of 1.9 percent. The use of trained health auxiliaries in family health services, and the availability of contraceptives to all women has played a major part in this success. Sri Lanka, having demonstrated leadership in understanding the corelation between socioeconomic well-being and population growth, has been selected as the host country for next August's Conference on Population of the International Group of Parliamentarians Concerned with Population.

Mr. Speaker, from a long personal friendship with the various Sri Lanka diplomats who have held leadership roles here and at the United Nations, it is a personal privilege to pay our respect and honor to the Sovereign State of Sri Lanka, His Excellency J. R. Jayewardene, the Parliament, members of the government here and in Sri Lanka, and the people of Sri Lanka, for the dedication they have exhibited in the effort to better the quality of life for all people, and for the flourishing democracy they have nurtured for the past 31 years.●

THE BUREAUCRACY—ADVERSARY OR SERVANT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. STARK. Mr. Speaker, it has become increasingly fashionable to view the bureaucracy as little more than a necessary evil, to be approached as an adversary rather than a servant. There are exceptions, however, and in my own State we have an agency that has worked for the people in an efficient and constructive manner.

The California Public Utilities Commission has an impact on the daily lives of everyone in California. It controls everything from air fares to energy rates. In recent years, it has been under the direction of Robert Batinovich, and he has truly changed the entire complexion of that agency. He has been a consistent force for innovation in utility rate structures, reducing regulatory delays and equity for producer and consumer alike.

Mr. Batinovich recently retired as president of the Public Utilities Commission, and this is a genuine loss to the people of the State. The Los Angeles Herald Examiner, not noted for its support of the bureaucracy, published an enlightenend editorial upon Mr. Batinovich's departure. I would like to add my voice in praising the exceptional work of this dedicated man, and in hoping that his creative genius and boundless energies have left a permanent mark on the operations of this important agency. The editorial follows, and I would add one footnote; the wish for success in whatever venture he pursues:

A BUREAUCRAT WHO WORKED

It's not often we use this space to heap praise on a bureaucrat. Especially a bureaucrat involved in stage managing the mess we call the "energy crisis." But there are, particularly in California, exceptions to every rule. And the state's Public Utilities Commission—only recently a monument to the kind of unresponsive regulation we abhor—has, over the last few years, become such an exception.

That transition is largely due to the efforts of Robert Batinovich, who today steps down as chairman of the commission. Under his leadership the PUC initiated the kind of exciting and innovative change we always hope for—but rarely get—from regulatory agencies.

When Batinovich took over the PUC in 1975, things were a mess. The utilities were in sad financial shape because the PUC took two and a half years to turn out rate decisions which needed to be decided in a year in order to be relevant. And its decisions often were so shoddy they begged to be challenged in court. And many of them were, at which point the legal process took up where the PUC left off. The added delays denied both consumer and utilities the benefit of timely rate decisions.

As a result, much of the business community was reluctant to invest in California. After all, dire predictions of imminent energy shortages were then circulating. And in spite of these predictions, utilities continued to offer "declining block" rates to large industrial and commercial energy users.

The declining block rate structure gave energy buyers a price discount on volume consumption. The more energy used, in other words, the cheaper the unit price. As such, it was a disincentive to conservation, and an incentive to production capacity expansion. These were incentives which made no sense in 1975, an era of wildly fluctuating and ever-increasing energy prices. But the alternative was to tackle the rate structure system, a labyrinth regulators had always been reluctant to enter.

Batinovich and the PUC changed all that. They redesigned the rate structure, introducing industry to flat, or "inverted", rates. The new rates ended volume discounts, thereby discouraging wasteful consumption. Large users were not penalized for needing energy to do business, but, by the same token, the rate structure no longer smokescreened the true cost efficiency of incremental consumption.

Concurrently, the PUC rationalized residential rates by instituting the "lifeline" program. Lifeline rates are not a welfare measure, as some have charged. They are a conservation incentive, designed to allow everyone to meet basic energy needs at the lowest possible cost. Once consumption rises above necessary levels, however, rates rise sharply.

The point is, the consumer gets to make his own decision. And it is the same decision we all make when we decide whether to buy a car which gets 10, or 25, miles per gallon of gas.

This sort of approach is resource allocation at its best—and it is working. In the three years since rates were redesigned, California's economy has boomed. Simultaneously, the electricity growth rate has been cut to a third of what it was prior to 1975; and, gas consumption has seen a 10 percent growth saving.

In the meantime, the PUC has trimmed its

case-decision timetable to a year. The result is healthier utilities, low energy rates. The regulatory process has been simplified, and California is experiencing a net conservation of energy—a change in the growth pattern for which the utilities are not being penalized

And the utilities, so long a matter of concern to investors, are emerging from the transition with flying colors. In the words of Vernon Sturgeon, a Reagan appointee who recently retired from the PUC after 10 years of service, California's utilities "are now in better shape than they've ever been since I've been around"

In short, the PUC under Robert Batinovich has done a nearly impossible job unexpectedly well. This is a remarkable and significant achievement. The best we can hope for is that Governor Brown's PUC chairman is able to meet the high standards set by the retiring commissioner.●

THE CHINA CARD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. McDONALD. Mr. Speaker, in less than 2 months, we have seen a dramatic reversal of U.S. policy on China. After secret diplomacy of the sort the President promised not to conduct, the President announced the normalization of U.S. relations with Communist China on the same terms demanded by the Peking regime 5 years ago when the Republican administration first made an "opening" to Peking. Apparently the present architects of U.S. foreign policy do not understand the difference between "negotiation" in which two parties make concessions, and "capitulation," in which only one party makes concessions.

The result has been to sell out this country's most loyal and consistent ally in Asia, the Republic of China on Taiwan. The most significant pressure for this radical change in U.S. China policy has come not from the Peking-line Maoist Communist Parties and their "friendship" lobby, but from a shortsighted group of bankers in the United States, Western Europe, and Japan, many of them associated with David Rockefeller's Trilateral Commission, who view the industrial and military development of Communist China, subsidized and guaranteed by the U.S. taxpayer, as the opportunity to make a fabulous fortune.

The sordid details of the Peking credit rush that lies behind the rapproachment with the Chinese Communists has been set out in detail in an article by investigative journalist, John Rees, Washington Bureau chief of the Review of the News, in the January 31, 1979, edition of that magazine. I strongly recommend this article to those of my colleagues concerned, as I am, over this issue:

THE CHINA CARD

Senator Barry Goldwater called the announcement by President Jimmy Carter that the United States had decided to give full diplomatic recognition to Red China "one of the most cowardly acts ever performed by a President of the United States." And Arizona's senior Senator described the Carter Administration's decision to abandon the Republic of China on Taiwan as "a stab in the back to one of the most faithful, trustworthy, and valuable friends our country has ever had."

Goldwater concisely expressed the outrage of millions of Americans upon learning of the clandestine discussions with Peiping that led to the surprise announcement of a *fait accompli*. But there was little or no surprise at the fact that Jimmy Carter was once again attempting to flim-flam America with a foreign policy "spectacular" based upon fraud and deception. As his second year in office drew to a close, President Carter and his advisors found that their foreign policy was in a state of chaos and their domestic programs in disarray. Far more serious was the fact that Carter's burst of popularity after the Camp David summit on the Middle East had evaporated in disillusionment. It was time for another major diversion.

At home there was increasing inflation, unemployment, mounting evidence of extensive corruption that reached into the Oval Office itself, and a growing challenge from Conservatives. The President's vaunted "reform" of the social-welfare bureaucracies had gone nowhere and his legislative programs were bogged down in an alienated Congress. In the area of foreign policy, not only had the Camp David euphoria faded but the Shah of Iran, a staunch ally of the Free World, was being driven from power by a totalitarian religious fanatic supported by the Communists. In Africa the Soviet Union, using Cuban surrogates supported by thousands of "technicians" and military advisors from the Warsaw Pact countries, was approaching strategic domination in many areas. And in Latin America the President's duplicitous human-rights policies had succeeded in confusing and alienating many of America's friends while causing jubilation among her foes.

Looking to divert attention from these disasters, President Carter decided to play the long-prepared China Card—to abandon our longtime ally, the Republic of China on Taiwan, and to extend full diplomatic recognition to the bloody-handed gang of Communists whose regime is known as the People's Republic of China (P.R.C.).

The American people were informed of this new Carter diversion in a ten-minute television address by a dryly impassive President. Then, with the presentation concluded but unaware that a radio tape was still playing, Jimmy Carter arrogantly declared the response he expected. He announced into the still-open microphone that he would now wait for "massive applause throughout the nation!"

Preparations for the recognition of the Chinese Communists commenced more than 30 years ago in the work of the Rockefeller-supported Institute of Pacific Relations (I.P.R.), but it was not until Richard Nixon and the ubiquitous Henry Kissinger moved into the White House that a *de facto* pro-Peiping foreign policy became the order of the day in Washington. Advice was proffered, and accepted, by admirers of the Chinese Communists of an earlier generation; and the John Services and John K. Fairbanks were joined as "advisors" to Dr. Kissinger by other radicals. Among these was Robert Williams, an assistant professor of political science at the University of Michigan, who had escaped to Peiping after being charged with kidnaping during a racial disturbance in North Carolina. During his stay in Red China, Williams produced a stream of revolutionary invective and incitement to arson, sabotage, and rebellion in a publication called the *Crusader* that was smuggled into the United States.

It was to be expected with such consultants that President Nixon and his Secretary of State would visit the Red Chinese capital, meet with Mao Tse-tung and Chou En-lai, and sign the 1972 Shanghai Communiqué. After the disgrace and resignation of President Nixon, Kissinger remained in place as President Ford's Secretary of State and continued with preparations to play the China Card. It was Jimmy Carter who, anxious to please David Rockefeller and his other Trilateral mentors, decided to accelerate the betrayal of the Republic of China.

The Rockefellers and their financial empire played an important role in Carter's decision, just as they had in the preparation of that move over the previous three decades. According to a speech he made to executives at the Chase World Information Corporation last October, David Rockefeller had been personally carrying messages from the Peiping leaders to the Carter Administration for two years. They were messages with a single theme—that there are big profits to be made in dealing with Communist China. As Rockefeller put it: "Clearly, economic development has achieved a new priority in [*Red*] China, and ideological constraints on trade have largely fallen away. . . . [*Red China's leaders*] recognize that the P.R.C. cannot achieve its goal rapidly without many forms of foreign participation . . . . the subject of foreign investment has begun to creep up in the Chinese press. One recent article quoted approvingly from an essay by Lenin endorsing foreign investment in the Soviet Union . . . . I believe co-production arrangements may be feasible."

With all the talk of immense profits to be made in Communist China, it is important to look at some facts. During the proceedings of the P.R.C.'s Fifth National People's Congress* in 1978, the Chinese rulers set forth in detail what must be accomplished in order to achieve their goal of making Red China the world's third economic and military superpower by the year 2000. As summarized in a report prepared within the Rockefeller financial empire, these essential steps include:

Completing 120 major industrial and related projects that include development of ten major oil and natural gas fields with refineries; building ten iron and steel complexes, nine non-ferrous metal complexes (aluminum, copper, nickel), eight major coal mining projects, thirty new electrical power stations, six new trunk railway lines, and five major harbor and port improvements.

Nearly doubling of P.R.C. steel production capacity to 60 million metric tons.

Achieving at least 85% mechanization of all forms of agricultural work which will free manpower for both the industrial labor force and for the military.

Increasing grain production to 400 million tons a year.

Doubling coal production to one billion tons a year.

Vastly increasing the military budget which is presently estimated at $28 billion, which is roughly 9% of the P.R.C.'s gross national product of $325 billion (compared to an estimated 3% of the GNP for the military by the United States and 6% by the Soviet Union).

The military priorities of the Red Chinese rulers is evident from current estimates that the strength of its Armed Forces includes 4 million in the regular Army, 7 million in the paramilitary forces, and a basic militia of between 75 and 100 million. It should be noted that the P.R.C. has a long-term mu-

*According to the National Basic Intelligence Factbook, a public, non-classified gazeteer produced semi-annually by the C.I.A, the P.R.C. is a "Communist state; real authority lies with Communist Party's political bureau; the National People's Congress, in theory the highest organ of government, in reality merely rubber stamps the party's program; the State Council is the actual governing organism." But what the People's Congress rubber-stamps is official policy.

tual aid treaty with North Korea that continues to have ominous implications for our ally South Korea.

While it does not take a David Rockefeller or a meeting of the Trilateral Commission to add up the cost of Red China's grandiose plans, it is useful to learn what Rockefeller's own views are. According to him:

"They [the P.R.C. rulers] have committed themselves to a very rapid achievement of far-reaching economic goals. Their program, which calls for rapid modernization of agriculture, industry, defense and science and technology, constitutes an extraordinary agenda for any nation. . . . Chinese leaders have said that by the end of 1985, they will invest some $600 billion—a sum greater than the total investment made in the 28 years since the revolution . . . . a significant portion of the $600 billion to be invested will come from imported capital."

And there is little doubt that the Rockefeller financiers expect that much of that imported capital will come from loans made by the banks they control—all safely guaranteed by the American taxpayers, for when the P.R.C. defaults, through the U.S. Export-Import Bank. The bankers think they cannot lose. They stand to make enormous amounts of interest on loans to the P.R.C.* and, in case of default, the huge loans would be paid back with tax money taken from Americans. Incredibly, they dare to call that Free Enterprise. Furthermore, companies wishing to do business with Red China will likely need loans to set up facilities in the P.R.C. or otherwise expand their operations. Again the international bankers stand to gain.

Little wonder that David Rockefeller declares the Red Chinese are a good credit risk, stating boldly, "The Chinese have tremendous control over their domestic economy. Thus, if the trade balance seems to be getting out of hand, they can cut imports." In plain English, a Communist economic system, being systematically totalitarian, does not have to worry about consumer demands for imported goods; its economy is whatever the Political Bureau of the Central Committee of the Chinese Communist Party decrees it to be. And so, in the view of David Rockefeller, this total control makes the Chinese Communists a good risk for credit guaranteed by the American taxpayers. This ignores the fact that this same Central Committee can get what it wants, build a modern nuclear military force, and default at whim.

Worse, there is little doubt that the Rockefeller interests view Red China as a huge pool of cheap, docile, and rigidly disciplined labor which can be exploited for huge profits. And there can be little doubt that those who put profit before patriotism when it comes to building up a deadly enemy of every freedom found in this country will be seeking ways of taking jobs away from Americans by establishing plants in Red China where they can employ slave labor.

Already two American clothing companies, Boston's Prestige Sportswear and New York's Oxford Industries, have demonstrated what David Rockefeller means by "co-production arrangements." The two companies made an arrangement with the P.R.C. last fall to build and equip plants in two cities; but, because Red China does not have sufficient hard currency with which to pay, a barter system was established in which the Red Chinese will "pay" for the American equipment with finished products—corduroy suits and sports clothes. These will in turn be sold in American stores with a fat profit to the companies. American clothing manufacturers will be unable to cut their costs down to compete with Red Chinese labor, which costs a mere one-fifth of that in even Hong Kong. They will lost their market, close their businesses, or move their operations to Red China. And there will be a lot of American clothing workers without jobs.

*Say Red China got an ultra-low-interest rate of 6.5 percent on a $150 million loan, the interest would be close to $10 million per year.

Development of operations in the P.R.C. will damage the U.S. economy in a number of ways. The more capital that is invested in Red China (or elsewhere overseas) by U.S. companies and banks, the less there is available for the development or expansion of new business enterprises here. The victim is American labor, and the result is more and more American unemployment and less and less prosperity as our technology and producers' goods are sent abroad on *credit* or as a trade-off for slave labor.

Many of the larger U.S. corporations have already become involved. Inter-Continental plans to build within three years a chain of 1,000-room hotels to handle visiting foreign businessmen, technicians, and "tourists" in Peiping, Canton, Shanghai, and other major cities. Pan American and several other airlines have entered bidding for landing rights in Red China. Last week the Atlanta-based Coca-Cola corporation began sending bottled soft-drinks and will commence a bottling operation in Shanghai by the end of 1979. Boeing Aircraft is sending Red China three 747-SP jumbo-jets, and the Dallas-based LTV Corporation has sold the P.R.C. some $40 million worth of oil-well drilling equipment which is to be delivered in 1980.

The Peiping Credit Rush is on, and *The Review Of The News* has compiled a list of about 100 or our largest, multinational corporations that are now dealing with Communist China or are being actively courted by the P.R.C.'s trade ministers. They include Allis Chalmers, Bethlehem Steel, Caterpillar Tractor, Control Data Corporation, the Fluor Corporation, General Motors, J. C. Penny, Pfizer International, and U.S. Steel. But in the forefront of the Red China traders is the flagship group of Rockefeller interests led by the Chase Manhattan Bank.

As if acting with foreknowledge of the Carter Administration's plans, a Chase Manhattan delegation arrived in Peiping five days before President Carter made his "normalization" announcement. The Chase group included its president, Willard C. Butcher; Francis X. Stankard, an executive vice president; Richard J. Higgerson, a senior vice president whose responsibilities include coordinating Chase activities in Asia; Richard A. Fenn, a China-relations specialist; Kenneth P. Morse, director of Asia Advisory Services; and, Virginia Slansky who acted as translator.

Vice Prime Minister Li Hsien-nien told the bankers that Red China "can cooperate with the United States in many fields on the condition that our independence and sovereignty are not jeopardized." The official party and government New China News Agency (N.C.N.A.) reported that Mr. Butcher "expressed the willingness to strengthen cooperation with the Bank of China and to make useful contributions to China's four modernizations: of agriculture, industry, national defense, and science and technology, before the end of this century." He said that he "raised a number of concrete proposals to this end," but did not elaborate.

Protective aides to Mr. Butcher at Chase declined to give us the promised opportunity to question their president and refused to provide any details of his "concrete proposals." However, our news team attended a January 3rd reception at the P.R.C. Mission to the United Nations whose purpose, said N.C.N.A., was "to celebrate the normalization of diplomatic relations between PRC and the U.S." * During intervals of what the New China News Agency described as "clinking of glasses and peals of laughter filling the brightly lit hall as the hosts and guests repeatedly proposed toasts to the friendship tween the two countries," your correspondent was able briefly to exchange words with David Rockefeller, the center of attention for the 30 minutes he remained at the reception. As a result we obtained a copy of his speech quoted earlier in this article.

This magazine was also able to learn from the many U.S. bank executives present at the Red China reception that a campaign to obtain congressional approval of "Most Favored Nation" trading status for Peiping is "in the works"; that probleme relating to the "export of technology" are expected; and, that the chief "bugaboo" worrying Red China's business friends is that a "premature" claim for some of the more than $168 million in American assets frozen by the Chinese Communists might disrupt the present harmony. Said one banker, "Whatever would happen if a [*Red*] Chinese aircraft landing in the United States were to be seized to satisfy an American claim to blocked assets?"

Among the "American friends" present were Arthur O. Sulzberger, publisher of the *New York Times*; Roderick Beaton president of United Press International (U.P.I.); Keith Fuller, president and general manager of the Associated Press (A.P.); Arthur Rosen, president of the Rockefeller sponsored National Committee on U.S.-China Relations; former Secretary of State William Rogers; Warren Phillips, president of Dow Jones and Company; writer Harrison Salisbury; New York deputy mayor and former Congressman Herman Badillo; Andrew Young, U.S. Ambassador to the United Nations and his three deputy representatives, James F. Leonard, Donald McHenry, and Richard W. Petree; and, Lt. General H. M. Fish and Vice Admiral W. J. Crowe, members of the United States delegation to the Military Staff Committee of the U.N.†

All were excited about the then forthcoming visit to the United States of Red China's vice premier. The bankers apparently believe that where David Rockefeller, chairman of the board of Chase Manhattan Bank and of the Council on Foreign Relations, is the leader of the American business and financial forces preparing the China Card for Jimmy Carter to play, his Red Chinese counterpart is Vice Premier Teng Hsiao-p'ing (pronounced Dung sheow ping).

Teng, who also holds the posts of vice chairman of the Communist Party of China and Army chief of staff, was born in 1904 in the northern Chinese province of Szechuan. He is being presented to the

* With the odd exception of New China News Agency, *Human Events*, and *The Review Of The News*, apparently no other members of the "working press' were present. The reporters from *The Review Of The News* and *Human Events* had insisted to Yu Min-sheng, N.C.N.A.s chief correspondent at the United Nations, that they were not "friends of the P.R.C., as all guests were termed, but "observers.

† Other "friends present included Mark Sheldon, Esther Gollobin, and Samuel Rosen of the U.S.-China Peoples Friendship Committee, which has been given the monopoly for "friendship tours by the P.R.C.; Chinese-American scholars James T. C. Liu, Li Cheng-shiung, Yuan Chia-liu, Hao Wang, Pingking Tien, and Chang Min-chueh; along with "representatives of Overseas Chinese in the United States Miao Yun-tai and Kenneth Mei. A so-called "Taiwanese compatriot, Huang Yuyan, was given special attention.

American people by our "Liberal" mass media as a genial, 74-year-old elder statesman, an admirer of the West whose desire is to modernize China, "democratize" the Chinese system, help the West resist Soviet expansion and aggression, and bring efficiency to China and profits and prosperity to America.

In reality, Teng Hsiao-p'ing is a hardcore Marxist-Leninist trained at the Sun Yat-sen University in Moscow. For more than 40 years he has been a powerful and sometimes dominant figure among the Chinese Communist elite who have murdered at least 60 million of their own people in order to maintain power, and who continue to maintain slave-labor camps to shore up their faltering economy. One of Teng's favorite sayings concisely summarizes his willingness to us any means necessary to attain and retain power. It is this: "White cat, black cat—as long as it catches mice, it's a good cat." His mentor, V.I. Lenin, was also fond of such homilies.

In 1920, Teng left China as group leader of 92 students from Szechuan province who were to study in Europe. Ostensibly going to France for academic instruction, Teng quickly began fulltime work in a Lyons rubber-shoe factory, and joined the subversive organization of Chinese revolutionaries that in 1921 became the Chinese Youth Communist League. Their leader in Europe, and Teng's branch chairman, was Chou En-lai. When Chou left for China, Teng became leader.

After six years, Teng returned to China by way of the Sun Yat-sen University in Moscow, the counterpart of the Lenin School in which European and American Communists received training in revolution. Comrade Teng's first assignment was "to infiltrate and seize leadership of the Seventh Army." Unsuccessful in his bid to seize military leadership, Teng was transferred to the headquarters of the Chinese Communist Party in Hangkow, becoming editor of the Red Army newspaper, *Red Star*, and a political commissar.

Teng's biography at this point becomes vague, but seeks to give the impression that he was an associate of Mao Te-tung and took part in the "long march." During the years from 1934 to 1940, he advanced himself in the good graces of Mao, and by 1941 had become Commissar of the 129th Army Division, from which he reportedly organized guerrilla groups. During the period 1945 to 1949, Teng held various key assignments in the People's Liberation Army and took part in the Communist offensive against Chiang Kai-shek. It was an offensive greatly facilitated by the Soviets, who turned over to Mao all of the equipment and weapons surrendered to them by the vast Japanese military force in Manchuria.

In 1949, with the defeat of the Nationalists and establishment of the P.R.C. regime, Teng was made vice chairman of the Southwest Military Region as well as head of the Southwest Fiscal Committee. His biography notes blandly: "As the key military and government figure in the South West, Teng directed land reform and the suppression of counter-revolutionary activities."

This apparently innocent sentence encompasses a period during which millions of Chinese were driven from their homes and farms to be put to death by starvation, overwork, exposure, and disease; when millions were butchered for "crimes against the people" such as owning so much as an eighth of an acre of farm land or being a "reactionary bourgeois element" such as a shopkeeper; and, when millions more were sent to slave labor and "re-education" camps from which they never returned. That Teng now boasts with impunity of having been the "key military and government figure" in Southwest China during this terrible time suggests that the American press is willing simply to *overlook* the fact that he was personally responsible for putting millions of his countrymen to death.

By 1956, Teng had so impressed his superiors in the Chinese Communist Party that he was promoted to the positions of member of the Central Committee, Politburo, and Standing Committee of the Politburo; and, secretary-general of the Central Committee of the Communist Party of China. Using the power and prestige given him by Mao, this butcher moved even higher in the regime, serving as a vice premier and representing the P.R.C. leadership on a number of foreign missions.

In 1966, then at what seemed the zenith of his power, Teng was attacked by a powerful rival faction in the Chinese Communist Party led by Mao's wife, the infamous Chiang Ching. He was branded as a "renegade, special agent and counter-revolutionary revisionist." All of which apparently meant that Teng Tsiao-p'ing had been trying to play Red China's American Card too early.

Dragged from his office, publicly crowned with a dunce cap, his arms tied behind his back like a criminal on the execution ground, Teng was humiliated by howling Red Guards provoked by Chiang Ching's faction in the "Cultural Revolution." Obviously Teng retained powerful friends, particularly Chou En-lai, for he was not expelled from the Communist Party but allowed to "retire" to a position as head of a party cadre school in Hopeh. Five years later, Comrade Teng was again on the upward path to power, and by 1973 was reinstated as a vice premier of the State Council by his old friend Chou. In August he was returned to the Central Committee, and by December had precipitated a major shakeup of the Red Army after warning Mao of "local power buildups" and the danger of "warlordism."

During 1974 and 1975, as Chou's cancer weakened him, Teng became acting premier, and vice chairman of the Central Committee of Military Affairs. Then, after delivering the memorial speech at Chou's funeral in January 1976, he made no further public appearance for the rest of the year. In April, wreaths in memory of Chou were removed from Peiping square, provoking public disturbances by supporters of Chou and Teng. Chiang Ching's Gang of Four faction forced the purging of Teng from his positions and moved to consolidate their own power as Mao's health deteriorated. Following the death of Mao on September 9th, the Gang of Four planned a *coup d'etat* but were arrested on October 6th, reportedly the day before they were to spring their coup. Teng promptly wrote a letter to the Party Central Committee expressing his delight over the arrest of his enemies, and by the spring of 1977 the Politburo had decided to reinstate him to all his previous posts. He now formed an alliance with Hua Kuo-feng who, with Teng's support, was by the margin of a single vote selected as Mao's successor to be chairman of the Communist Party.

Veteran China-watchers now believe that control of the P.R.C. is balanced between Hua Kuo-feng and Teng Hsiao-p'ing, with each needing the other to control factions in the Central Committee and Politburo. Teng's advantage in this power play is that he holds the American Card of economic and military modernization; and is, with the help of James Earl Carter and David Rockefeller, able to present himself to his Comrades as the person who can best exploit the technological resources of the Western World to make Red China the third member of the exclusive Superpower Club—a nation that will be able militarily to contend with the Russians, or the Americans, depending on the future priorities of the Peiping regime.

The Chinese Communist Party of which Teng is a leader is a Marxist-Leninist organization that backs the enemies of the Free World on every continent. It supports its own networks of revolutionaries and terrorists throughout the world, from the Americas to Africa and back to Asia. Teng's record is one of craft and guile, mass murder, and the enslavement of millions, and exhibits patient vengeance as the most important trait of his character. Whenever it was prudent to do so, Teng Hsiao-p'ing supported the Soviet Union. And, time and time again, he has found the support in China or abroad to claw his way to power, stopping only briefly to settle old scores with his enemies.

At this point, America's China Card and Teng's American Card are allegedly being played to finesse the Soviets; but America should consider what may happen in the future if Teng, or his successor, should decide to play their as yet undisclosed Soviet Card. As President Carter said, it will produce "massive applause throughout the nation." But which nation, and for whom? ●

STATUTE OF LIMITATIONS ON NAZI WAR CRIMINALS DUE TO EXPIRE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, the West German statute of limitations for crimes committed by the Nazi regime is scheduled to expire on December 31, 1979. Unless the Federal Republic of Germany takes action soon to extend the deadline, an underterminated number of unprosecuted propagators of the most brutal, systematic killings imaginable will go free, with no legal recourse for their detention. Congresspersons HOLTZMAN and FISH have asked for cosponsors to a resolution that would express the sense of Congress that:

The government of the Federal Republic of Germany . . . abolish the statute of limitations governing the prosecution of war crimes, or . . . amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the Holocaust.

I support this necessary resolution, and urge my colleagues to join in this initiative.

The Harvard Jewish Law Students Association has prepared an excellent legal memorandum on this subject, which gives a thorough background into the issue. The report follows:

THE IMMINENT EXPIRATION OF WEST GERMANY'S STATUTE OF LIMITATIONS APPLICABLE TO NAZI WAR CRIMES

(By Eli Rosenbaum)

On December 31, 1979, the Federal Republic of Germany's statute of limitations applicable to the most serious of the crimes perpetrated in the name of the Nazi regime will expire. Unless the Bonn parliament acts, as it did in 1965 and 1969, to extend the statutory period of prescription, many of those who participated in the unspeakable crimes against humanity committed by the Third Reich will be irrevocably beyond the reach of the law. No longer will they need to be concerned with the threat of prosecution—or with the witnesses who somehow survived their ghastly plans.

Footnotes at end of article.

I. THE LAW

Under the terms of the German Penal Code of 1871,[1] Nazi war crimes and crimes against humanity are punishable only under the ordinary provisions relating to such offenses as murder, manslaughter, bodily injury, unlawful deprivation of liberty and duress.[2] West German courts have "consistently held that the planners, leaders, and commenders of the 'final solution' were guilty of murder under the 'base motive' proviso of [Penal Code Article 211].[3] [2] Murder, in turn, is an offense which is punishable by life imprisonment,[4] the maximum criminal penalty under West German law.

Penal Code Article 78, Paragraph 3, Part 1 provides that the statutory period of limitation for prosecution (*Verfolgungsverjährung*) of a crime which is punishable by life imprisonment is thirty years. The original statute of limitations for such crimes under Paragraph 211 at the time of the commission of the Nazis' genocidal murders was twenty years. "For obvious reasons, the statute was tolled until the collapse of the regime . . .,"[5] i.e., until the signing of the unconditional surrender to the Allies on May 8, 1945. Pursuant to legislation[6] adopted on April 13, 1965, the period from May 8, 1945 to December 31, 1949 is not to be taken into consideration when calculating periods of limitation for crimes punishable by imprisonment for life. In 1969, legislation[7] was adopted which enlarged the statute from twenty to thirty years. Thus, the present expiration date is December 31, 1979.

Under the terms of Article 78(c) of the Penal Code, the taking of certain actions by West German officials operates as an "interruption" (*Unterbrechung*) in the running of the period of limitation. Among the actions which will interrupt the running of the statute are the obtaining of an arrest warrant[8] and the issuance of a public indictment.[9] "The key to the sufficiency of the tolling action is its degree of specificity[10] with respect to the identity of the accused, the place and date and other details of the crime, etc. Subsequent to an interruption, a new statutory period commences.[11] Hence, a failure on the part of the West German Government to extend the statute past December 31st of this year would not enable all Nazi criminals to claim the rights of law-abiding German citizens. It would, however, mean that *some* such persons (principally, those whose names are not yet known[12]) would be free in Germany even to boast of their deeds, entirely without fear of ever being brought to justice. Thousands of Nazi war criminals remain free, many of them living quite comfortably. Indeed, the expiration of the German statute will have a significant impact upon the prosecution of Nazi war criminals living outside of West Germany as well. Thus, even though the United States currently has under investigation more than two hundred cases of alleged Nazi war criminals living within our borders, American law enforcement officials fear that expiration of the statute may render the deportation of such persons to Germany pointless.[13]

II. ADVOCATES OF EXTENSION OR REPEAL OF THE STATUTE OF LIMITATIONS

Among those who have, in recent years, endorsed the general principle that statutory limitations should not be applied to war crimes and crimes against humanity are: The International Conference of Jurists,[14] the United Nations,[15] the Consultative Assembly of the Council of Europe,[16] and the United Nations Commission on Human Rights.[17] With respect to West Germany's prosecution of Nazi war criminals, extension or repeal of the relevant statute of limitations has had such advocates as: the Evangelical Church of West Germany,[18] Ernst Benda (now Chief Justice of the West German Supreme Court)[19] Hans-Jochen Vogel (West German Minister),[20] the *New York Times*,[21] Stefan Cardinal Wyszynsky (Roman Catholic Primate of Poland),[22] Congresswoman Elizabeth Holtzman,[23] and Congressman Robert Drinan.[24] It was largely as a result of appeals made by prominent and highly respected oragnizations and individuals worldwide that the West German Government was induced into extending the statute in 1965 and 1969. In 1969, an extension was obtained despite a highly publicized terror campaign in which an international neo-Nazi group threatened to assassinate members of the Bundestag and Bundesrat voting in favor of extension.[25]

III. THE CURRENT POLITICAL CLIMATE IN W. GERMANY

There is presently underway an international effort to convince the West Germans to recognize and accept their moral obligation to continue to search for and to prosecute Nazi torturers and murderers. There are, however, substantial indications that the Bonn parliament will, when it meets this year to decide the issue, defeat a proposal to extend the statute. Many German politicians fear the domestic political implications of failing to yield to popular sentiment against extension of the statute. Important German politicians, such as Bavarian Christian Democrat leader Franz-Josef Strauss, have denounced the notion of any further extensions. The German people clearly have tired of the national embarrassment caused by their country's Nazi past. As early as 1964, three out of four letters received at the Bundestag were in favor of allowing the statute to expire.[26] Only the pressure of responsible world opinion moved the Germans to extend the statute then.

IV. THE ARGUMENTS FOR EXTENSION/REPEAL

The most frequent cited rationale for statutes of limitation is that, with the passage of time, discovery of the truth becomes increasingly difficult; hence, the possibility of conducting a fair trial diminishes. However, as the Secretary-General of the United Nations noted in 1966, "[I]nternational crimes . . . have the peculiarity of being collective crimes.

The proofs of guilt seem not to disappear so rapidly."[27] a report prepared for the Consultative Assembly of the Council of Europe points out that, with respect to crimes against humanity, the theory of the disappearance of evidence is unconvincing, because "it is only now that some crimes committed more than twenty years ago are being brought to light and still others may be discovered in the years to come. . . ."[28] Indeed, it has been asserted that the "passage of time has not caused evidence to disappear, but has facilitated it through the accumulation of archives, documents and testimony, and through many publications."[29] A principal characteristic of the crimes was the presence of numerous witnesses, many of whom, despite the Nazis' determined efforts, still survive. Moreover, important documents and testimony exist in archives which fell into the hands of the Allies and remain to this day unpublicized and unutilized. Valuable information is also being intentionally withheld, particularly by the Communist countries, for political reasons. It is only recently that concerned persons have begun an effort to tap these vast resources. It would be an insufferably bitter irony if those war criminals flushed out by access to hitherto underutilized data could take refuge behind a lapsed statute of limitations.

The other argument most commonly advanced in favor of statutory limitation is that the constant threat of apprehension is "equivalent" to punishment, because the offender has been sufficiently punished by the fear and uncertainty which have "tormented his life for many long years." This "punishment through fear" theory, however, cannot seriously be applied to criminal acts of such savagery and magnitude as those committed by the Nazis. As the International Military Tribunal at Nuremburg stated in its verdict, "The truth remains that war crimes were committed on a vast scale, never before seen in the history of war. They were . . . attended by every conceivable circumstance of cruelty and horror."[30] Crimes against humanity, such as those of the Third Reich, offend the conscience and endanger the very existence of the whole of mankind; it is preposterous to contemplate the punishment of those responsible merely with fear or insomnia.

It is not only justice which requires that Nazi war criminals remain subject to prosecution. During the Moscow Conference of October 1943, the Allies forcefully expressed their determination to punish war criminals: "[M]ost assuredly [we] will pursue them to the uttermost ends of the earth and will deliver them to their accusers. . . ."[31] This obligation was inherited by the Federal Republic of Germany; it is a moral duty which should not be limited by the mere passage of time. Continued prosecution can keep the terrible deeds of the Nazis in the public memory. Remembering, in turn, is perhaps the best way to reduce the likelihood of a repetition of this sordid episode in human history. Moreover, the spectacle of Nazi war criminals emerging publicly, after successfully hiding from the law for thirty-five years, is a prospect which is repugnant to civilized sensibilities. Freedom for the perpetrators of genocide would constitute a barbaric insult to the millions of victims of the Nazi horror.

V. THE PRESENT WORLDWIDE CAMPAIGN

In an attempt to forestall the expiration of the statute of limitations, demonstrations have recently been held in New York, in Boston and elsewhere. The primary focus of the campaign, however, is upon the writing of letters to leading newspapers and to West German Chancellor Helmut Schmidt. Mr. Schmidt has been most conspicuous in his refusal to publicly support an extension. He has, however, declared that, "We politicians and lawmakers will listen to what our Jewish citizens, our friends in Israel and what our neighbors in Europe will say."[32] Statements such as this one lend a measure of encouragement to those who have demanded, in the name not of vengeance, but of justice and humanity, that the Federal Republic of Germany not permit itself to become a haven for the depraved perpetrators of mass murder.

FOOTNOTES

[1] As amended on August 25, 1953.

[2] Penal Code Article 220(a) is a special provision against genocide (*Völkermord*). By statute (Penal Code Article 78, paragraph 2), genocide is expressly removed from the ambit of any statutory period of prescription. However, as Article 220(a) was not inserted into the Penal Code until 1954, the Constitutional prohibition against *ex post facto* penal laws (Article 103, Paragraph 2, of the Fundamental Law) renders it inapplicable to crimes of the Nazi period.

[3] *New York Law Journal*, November 14, 1978, p. 1. Article 211 defines murder as: "the killing of a human being out of lust, avarice, or . . . other base motives, by stealth, trick or commonly dangerous means. . . ." Schenfelder, "Deutsche Gesetze," (1976), section 85, par 211.

[4] Penal Code Article 211, Paragraph 1. *See In re the Extradition of Ryan*, 360 F. Supp. 270, 272 (E.D.N.Y. 1973).

[5] *N.Y. Law Journal*, November 14, 1978, p. 32.

[6] The Law Concerning the Calculation of Periods for Criminal Prosecution (*Bundesgesetzblatt* [Federal Law Gazette], Part I, p. 315).

[7] *Bundesgesetzblatt*, Part I., p. 1065, adopted on August 8, 1969.

[8] Penal Code Article 78(c), Paragraph 1, part 5.

[9] Penal Code Article 78(c), Paragraph 1, part 6.

[10] *N.Y. Law Journal*, November 14, 1978, p. 32.

[11] This is subject to the restriction that prosecution is barred upon the elapsing of an amount of time equal to twice the statutory period. Penal Code Article 78(c)(3).

[12] The volume of war records and the magnitude of the Nazi horror are such that, even today, names of suspected war criminals are being discovered. A principal difficulty in this respect is that many of the survivors who might be capable of recognizing their former tormenters did not, for obvious reasons, know their oppressors' names.

[13] *New York Times*, November 11, 1978, p. 3 (statement by Martin Mendelsohn, U.S. Department of Justice).

[14] U.N. Document E/CN.4/906, p. 106.

[15] Resolution 2391 (November 26, 1968).

[16] Recommendation 416 (January 26, 1965).

[17] U.N. Document E/CN.4/906, p. 2.

[18] *The Jewish Week—American Examiner*, November 5, 1978.

[19] *New York Times*, March 11, 1965, p. 9.

[20] *New York Times*, November 11, 1978, p. 3.

[21] *New York Times*, April 26, 1969, p. 36; January 26, 1965, p. 26; February 24, 1965, p. 40.

[22] *New York Times*, January 27, 1965, p. 8.

[23] *E.g., New York Times*, November 11, 1978, p. 3.

[24] *Boston Globe*, November 10, 1978, p. 26.

[25] *New York Times*, May 26, 1968, p. 2.

[26] Simon Wiesenthal, *The Murderers Among Us* (1967), p. 345.

[27] U.N. Doc. E/CN.4/906, p. 86.

[28] Consultative Assembly of the Council of Europe, *Report on Statutory Limitation as Applicable to Crimes Against Humanity*, Doc. 1868, p. 12 (January 27, 1965).

[29] U.N. Doc. E/CN.4/906, p. 92.

[30] R. Miller, The Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes against Humanity, 65 Am. J. of Int'l Law 485 (1971) (emphasis added).

[31] U.N. Doc. E/CN.4/906, p. 9.

[32] *New York Times*, November 11, 1978, p. 3.●

MOSCOW'S INTERVENTION IN IRAN—II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. McDONALD. Mr. Speaker, on the eve of the return of the Khomeini entourage of extremists and professional revolutionaries to Tehran last Thursday, we reviewed for the record some of the available public evidence showing the broad range of Soviet involvement in the civil disorders and turmoil in Iran. That Soviet involvement ranged from the subversion and recruitment of spies and political agents from the higher ranks of the Iranian civil service and military and the use of Soviet consulates, news agencies, trade, technical and health groups as "legal covers" for the KGB and GRU; through the use of a Soviet Embassy press for production of Communist literature distributed almost daily in Teheran; to the alliance of the Moscow-line Communist Party in Iran, the Tudeh Party, with the Khomeini forces.

Further evidence of Soviet involvement in the Iranian violence included the use of the new Soviet satellite, Afghanistan, to provide training facilities for Iranian revolutionaries; use of the Afghan secret service to infiltrate "illegal" agents and to promote participation of Afghans living in Iran in the revolutionary violence; and indications that KGB recruited agents have organized and financed sabotage and terror groups, one of which was responsible for the burning of the Abadan movie theater lasts summer in which hundreds of men were killed.

Recently, the Soviet Union has resumed operation of two clandestine Persian language radio stations. In 1977, apparently as part of the agreement between the Iranian Government and the U.S.S.R. to sell the Soviets Iranian natural gas, the Soviet Union shut down its radio stations near Baku and in Bulgaria, thus ending Radio Iran Courier's long career of slander, propaganda and disinformation. Now those subversive broadcasts have been revived, with the so-called "National Voice of Iran" broadcasting from the Baku area and the so-called "Radio of the Patriots," apparently broadcasting from Bulgaria, but with a post office box in Sweden for its listeners among the Iranian militants living in Western Europe.

The opportunistic political "necessity" for the Tudeh Communists to ride to power on the Khomeini extremist bandwagon has caused a major shake-up in the Tudeh Party leadership. The longtime Tudeh head, Iraj Eskandari, for many years a resident of East Berlin, was reluctant to join with such a "reactionary" anachronism as the Ayatollah Ruhollah Khomeini and issued a call for civil war and revolution—a confrontation with the Iranian army—rather than for Khomeini's revolutionary council" and an "Islamic revolutionary republic." The result was, as reported in an article by correspondent Thierry Desjardins in the Paris newspaper, Le Figaro, on January 26, that Eskandari was summarily sacked as head of Tudeh on the 4th of January, and was replaced by the hitherto unknown Nureddin Kianuri, whose first act was to issue a Tudeh statement in full support of the Khomeini program.

This article also points out that old-time Tudeh Communists in Teheran have formed a "front" party, the Iranian People's Democratic Movement, which leftist activists in the United States have been promoting as an indigenous "liberal" force when the real parallel should be with the Communist-controlled Progressive Party active 30 years ago in this country.

Finally Desjardins accurately summarizes the long history of Communist subversion in Iran dating back to the formation of the Iranian Communist Party in 1921 and notes that the name change to "Tudeh" was for purposes of political expediency after World War II. The article is one of the best summaries of the role of the Communists among the Ahvaz oilfields and at the Abadan refinery complex, as well as in the mass marches and demonstrations. I commend it highly to those of my colleagues who are deeply concerned over the events in Iran.

The article follows:

TUDEH PARTY SUPPORTS KHOMEINI

(By Thierry Desjardins)

TEHRAN.—The communists are of course among those already preparing the post-Khomeini period. Communism in Iran has always been a very special phenomenon.

On the one hand, Persia has an old communal heritage whose origin is lost in the mists of time and which seems to go back to Zoroaster's message 28 centuries ago and was rediscovered with, for example the famous Mazdak movement (Sixth Century) which made goods and women common property, or the Khorsad revolution (Eighth Century) which distributed the herds and women of the rich among the poor. Those historical events are certainly more present in Iranians' memories than the Commune is in French memories, however strange that might seem.

Furthermore, according to the experts there are at the same time two fundamental obstacles preventing Marxism from penetrating Iran: Shi'ism and, more especially perhaps, the 2,500-km border with the USSR. However, people may have been mistaken in regarding Islam and the USSR's proximity as insurmountable handicaps for Marxism even though events have always confirmed that view so far.

Islam certainly rejects all forms of atheism but it also prepares the masses for fanaticism, the adoration of sacred texts, personality cults and believing the miracles which people might promise them. Nevertheless, the important point is not to find out why the masses are prepared to die but to know that they are—a reason can always be found later.

The USSR has, of course, always been the enemy country. It was the tsars who stole Georgia from Persia in the 19th Century. It was Stalin, the Georgian, who tried to steal Azarbaijan and Kordestan from Iran after the last war. However, the USSR is frighteningly present and "should the worst happen" there is no doubt that that proximity could be very useful to those upholding Marxist ideology in the battle.

A MEMBERSHIP WHICH IS DIFFICULT TO EVALUATE

Having said that, the Communist Party of Iran was formed in 1921 by Soltan Zade, its first secretary general, from intellectuals returning from the West and proletarians who had worked for a time in the USSR. Between 1921 and the forties the Communist Party's activities were mainly limited to the regions close to the USSR, namely Azarbaijan, Kordestan and the Caspian coast. When Stalin occupied the entire north of the country the title communist party became much too dangerous and the Communist Party of Iran changed its name to Hezbe Tudeh (the Masses' Party) which is now called the Tudeh Party.

Nevertheless, the Tudeh Party played directly into the occupier's hands, facilitating the creation of a people's republic in Azerbaijan and in Korddestan, while implanting itself much more firmly in the country, particularly in Tehran itself. In 1944 the Tudeh Party had eight deputies. In 1947 it had three ministers, for a short period it is true. In 1949 it had so much support from the working class that it appeared in the cities, thought it could do anything, and attempted to have the Shah assassinated. The sovereign miraculously came out of it safe and sound; the Tudeh Party was banned and the imperial police began to hunt down all communist militants. The party was never legalized again even though, at the time of the Mossadeq affair the prime minister, who had been abandoned by the religious leaders and a section of the army faithful to the shah, brought his Marxists back out of the shadows for a few days.

Some 3 years ago the shah stated that there were only 3,000 communists in Iran and

explained that they were all or practically all in prison.

Indeed, two questions now need to be answered: How many communists are there in the country and what tactics is the communist party using? It is extremely difficult to estimate the party's membership. It is known that among the 30,000 oil workers in Ahvaz (oilfields) and Abadan (refinery) there are many communists. That was obvious when Khomeini himself asked those workers to resume work to meet the country's internal consumption and they refused. What is also certain is that in the traditionally proMarxist (if not pro-Soviet) regions in the north, people have gone back to their old love. Do not the demonstrations taking place there prove it? Moreover the same is true of the whole eastern region of the country where agitators from Afghanistan have done a good job.

EVOLUTION OF SLOGANS

In Tehran itself certain communist intellectuals have gotten together to form a new party, which deceives no one—the Iranian People's Democratic Movement, all of whose leaders are former (?) Tudeh Party members, beginning with the chairman, writer Behazin. And all over the south of the capital, in other words, in the very poor quarters, there are now "district cells" which attend to daily life (food distribution, traffic control and so forth) and which also deceive no one.

Moreover, it is interesting to observe the innumerable street demonstrations which have taken place over the past 3 months. It is noticeable that every day the slogans evolve. There has been a shift from the conventional "Death to the Shah" to "Long live the Islamic Democratic Republic," then "Long live the Islamic People's Republic," then "Power to the people" and finally "Long live the revolution!" In a procession of one-million demonstrators shouting "Long live Khomeini" one can see with the naked eye that there are at least 200,000 who now add "Long live the revolution" without thinking at all "Long live the Islamic revolution." The Communist Party is making a fine job at the moment of infiltrating and recruiting a people's movement.

It is here that those who claim that Islam and communism cannot reach an understanding even long enough to start a revolution are making a big mistake. It is no coincidence that when the Tudeh Party wanted the shah assassinated in 1949 it armed a religious fanatic. And in all the riots, all the attempted outrages and all the assassinations of the past 30 years, it is very rare not to find an alliance as objective as it is unnatural between the religious leaders and the Marxists. The communists have always known that their only chance here was to get on the ayatollah's bandwagon.

DISGUISED AS MULLAHS

And what has happened over the past few weeks has clearly demonstrated this once again: For years the Tudeh Party had been run from East Berlin by a certain Iraj Eskandari. This Eskandari had no doubt lost contact somewhat with the realities of the Iranian situation since, when the revolt broke out, he tried to remain very logical with himself and did not aline with Khomeini.

Quite the contrary in fact, since in December he launched an appeal for civil war to embarrass Khomeini by trying to provoke a confrontation between religious leaders and the army. That is the reaction of a good Western Marxist. But the Iranian communists reacted immediately: it was ridiculous. They had to continue to disguise themselves as mullahs. On 4 January Eskandari was purely and simply dismissed and replaced as first secretary by a certain Nureddin Kianuri, who immediately issued a bold communique in which he stated in particular: "The Tudeh Party approves Ayatollah Khomeini's initiative in creating the Islamic revolutionary council. The ayatollah's program coincides with that of the Tudeh Party. . . . Any government which follows the line set out by the ayatollah will have the Tudeh Party's support."

The Tudeh Party was once again in favor; it bowed respectfully before his holiness the imam even if the latter stated: "Freedom of opinion will only be limited if it proves harmful to the nation," which is exactly what the shah said when he banned the Tudeh Party. . . . Each one now needs the other.●

COMMUNICATIONS POLICY: OPPORTUNITY FOR A MATURE FOREIGN POLICY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BROWN of California. Mr. Speaker, during our recent recess I had a chance to catch up on long overdue reading, amongst which was an article from the International Communications Agency publication, ICA World. Although this article was written in advance of the recent UNESCO General Conference in Nairobi, its message is still an urgent one, perhaps more urgent now given the lack of accomplishment at the Nairobi meeting.

Yes, we managed to avoid a major confrontation with those advocating a "new world information order" and we avoided Soviet inspired embarassment such as we encountered in Nairobi in 1976. But what did we gain? What relationships have we solidified by our defensive posture? There is a U.N. Conference on Science and Technology for Development (UNCSTD) coming up soon and I fear another defensive posture.

As I have stated many times in the past, it is time for this country to deal with the developing world in a positive manner. Our past myopia in economic relationships exhibits itself daily in a "new world economic order." We need to begin a sharing of our technologies that the developing countries seek, such as communications and information technologies. We should be the source of innovation in international meetings rather than being the immovable force. I urge my colleagues to think about these issues as we begin the 96th Congress.

The article follows:

GULLIVER AND THE LILLIPUTIANS

(By Wilbur T. Blume)

One of the global issues that is emerging as a very fundamental one in this age of global communication is the debate that has surrounded the demand of the developing nations for a "New World Information Order." Some of the rhetoric coming from new nations has been extremely alarming to the champions of the free flow of information. The rancor reached its peak shortly before the last UNESCO General Conference in Nairobi in 1976. There, a Soviet-inspired draft declaration, which attempted to spell out the responsibilities of governments for the conduct of media under their jurisdiction, was debated and drew support from the frustrations of the Third World.

An impasse was averted when the U.S. delegation pledged U.S. assistance, in unspecified terms, to work toward a redress of the imbalance in communication. This has since become known as the "Nairobi Commitment." The Third World nations in turn endorsed a resolution deferring consideration of the controversial draft declaration until the October 1978 General Conference in Paris. Meanwhile a new draft resolution has been prepared which is less objectionable to most of the developed world, but which may still be impossible for the United States to accept in light of our first amendment.

A NEAR MONOPOLY ON GLOBAL COMMUNICATIONS

There is some of the drama of "Gulliver's Travels" unfolding in the sense that the United States and other developed nations have enjoyed a near monopoly on global communication and information resources and, as the giant, now stand in jeopardy of being tied down by the citizens of Lilliput. Whether the outcome at Paris and perhaps even more importantly a year later at the World Administrative Radio Conference, WARC 79, where the spectrum will be redivided for the rest of the century, depends not so much on our traditional kinds of diplomatic and military strength as it does on the way in which the problems of the Third World are understood by the giants and how our intentions are perceived by the Lilliputians.

International communicators, as we now are calling ourselves, should better understand the dynamics of the situation than most other observers. We are, after all, used to viewing ideas in a multi-cultural context and recognize that there is seldom a black and white dichotomy, but more often an infinite number of shades of gray.

Within the Third World there is a wide variety of views on communication. There is, however, a common core to most of the experience which is rooted in colonialism. In a prior world order, in which powerful nations exercised absolute dominance over the less powerful, materials and wealth flowed inward, and information as control, flowed outward. In a post colonial world, the patterns of information flow have not been measurably changed. The patterns of the flow of wealth have also been scarcely altered.

INFORMATION BECOMES A BASIC RESOURCE

The "techronic age" into which we are now entering has been identified as one in which information becomes a *basic* resource, along with energy and material resources. The United States is now classed as an "information society," meaning that over half of our gross national product has to do with information exchange and processing. Japanese scholars have recently shown a coincident parallel relationship between the growth of Japanese information capacity and their gross national product. The lesson is becoming increasingly clear to the less developed nations that access to information, and a better share in the flow of international information, is a precondition for economic development.

In addressing this problem, there has been a consistent gap in perception between the First and Third Worlds. The developed countries generally have thought of information and communication in terms of news and journalism. The Third World countries with different agendas and priorities have thought more in terms of development, and access to useful and relevant information. Some also think of the media as instruments of revolutionary social and political change. Traditional societies also often have feared the destabilizing effects of communication. Traditional libertarians of the developed world have regarded communication in their own experience as a bulwark of freedom and a protection against the excesses of power. This varying perception of the issues has tended to create a false conflict and escalate it into a confrontation. The pause in the debate, arranged at Nairobi, has helped to put perspective on the problems and there is now

greater interest on both sides in cooperation rather than confrontation.

CULTURAL INDEPENDENCE MOST CHERISHED GOAL

Political independence was the first goal of previously colonial possessions. The second goal has generally been that of internal development, a goal to which the United States has given generous support. A recent article in *Foreign Affairs* describes a Third World viewpoint as regarding cultural independence, the end of Western tutelage which was seen as coming in the 1980's, as the most cherished goal of all. The political, economic and cultural independence of formerly colonial peoples is a difficult set of priorities for most Americans to identify with. Our own revolution was a political and economic one, but we retained our cultural links with the motherland and over the years they have probably become stronger, not weaker. Our political and economic ties to her also have grown stronger.

Interdependence is the other key to the unfolding drama between the rich giants and poor Lilliputians. In 1950, the United States was virtually self-sufficient in terms of the natural resources needed for industrial production. By the year 2000, it is estimated that the United States will depend upon imports for 80 percent of these materials. In the span of the memory of most of our nation's adults we have taken giant steps from independency toward interdependency. This is a difficult adjustment for our collective psyche, made all the more painful by our recent experiences with the oil embargo.

On the issue of the New World Information Order, the initial instinct toward confrontation on both sides has been moderated by exposure to the ideas of the other. Interestingly, the Soviets are beginning to be understood as a part of the problem too, since they, along with the other great powers, are a part of the monopoly on news and information flow. The Soviets are also beginning to show less enthusiasm for a "New World Information Order."

THE "WISE MEN'S GROUP"

More recently, the effort has been to study the problems cooperatively. To that end, UNESCO has appointed a Commission on Communication composed of 16 international figures, which is sometimes referred to as the "wise men's group." They have embarked on a two-year study of the "totality of human communication." Another cooperative effort has been initiated by the Edward R. Murrow Center of the Fletcher School of Public Diplomacy at Tufts University. They assembled a first meeting of Third World and Western news practitioners, scholars and government officials in New York in the Spring of 1977 and recently held a follow-up meeting in cooperation with Cairo University and the Middle East News Agency in Cairo in April of 1978. For it, a series of research studies was commissioned to analyze the distribution and selection of news in various media in the Third World. This conference was called *The International News Media and Developing World: Prospects for Cooperation*. Representatives of 26 nations and several international organizations and news services attended. The meeting was remarkable for the lack of inflammatory rhetoric, and the atmosphere of collegiality and cooperation prevailed.

Despite these cordialities, however, the real problems remain. One of the moments of truth will come at the UNESCO General Conference in October, when the United States will have to show its hand. There is some anticipation that the U.S. commitment at Nairobi was an empty gesture. Suffice to say, it is being taken seriously and a number of people are hard at work trying to devise an appropriate U.S. response.

As in the Gulliver story, the end of the tale could be a happier one than the initial predicament would indicate. If both the giants and the Lilliputians can recognize their mutual interdependency in the area of communication as well as in many others, there could be a harmonious blending of interests. This does not imply capitulation of any party to the values and ideologies of the others, but rather that an open communication environment eventually serves the best interests of all. There is even the dawning recognition that closed communication erodes the very ability of governments to govern. Beyond this practical aspect there is also a growing consensus about the "Right to Communicate" being a basic human right. Another UNESCO group of experts has been exploring this idea with little fanfare and considerable consensus.

NEED FOR A MORE HUMANISTIC POLICY

Traditionally, national communication policies have been expressed in terms of arenas of power, with stakes of both an economic and political nature—a kind of who gets what from who, when and how. These strategic, political, economic, legalistic, and technical definitions are an incomplete response to the needs of the new age upon which we are entering. We need a more humanistic policy, based upon the long-range historical traditions of this country with its central concern for people.

The United States has a unique opportunity in this open moment of history. We enjoy an undisputed pre-emminence in both the technology of communication and information exchange systems and in the accumulation of useful information itself. By choosing to share these resources with the rest of the world we could not only forcefully demonstrate our dedication to the principle of the free flow of information, but we could also make a significant contribution to the human development of the global majority. Our democratic instincts confirm that what is good for the least among us is also good for the whole.

THE SHARING PRINCIPLE IN COMMUNICATION

The sharing principle in communication as a replacement for the ballistic principle is then the primary contribution which only the United States can make to redressing the imbalance in global communication. No other nation has the resources or the historic traditions which make such a contribution possible. In this opportunity there is a valid role for both our private and public sectors. A truly global attack on communication deficiencies is an opportunity for both business stimulation and social good. William G. Harley, a veteran broadcaster and American representative in international fora has summed it up best for me:

"Ours is the first generation which has seriously considered the possibility of making universal education available to everybody on earth . . . Like other fruits of the tree of knowledge, the concept of universal education bears the seeds of dissension along with those of enlightenment and liberation . . . the right of access to knowledge and concommitant responsibility of governments to provide it to their peoples is unchallenged, even in countries where the only democratic element of educational programs is lip service."

It is in this spirit of the accepted universal good that I feel we should approach the New World Information Order as an opportunity rather than a problem. It is a challenge unique to our time and place in history. Perhaps we should recast it as the *New World Communication Order* and concentrate on the opportunities of communication in human development and in its context as a basic human right.

Another quotation that is meaningful to me in this context is:

"The world will little note nor long remember those myopic individuals who fail to recognize the challenge that is theirs."

It is my hope that we recognize and live up to the challenge that is ours in the Global Communication Age.●

INDOCHINESE REFUGEES WAITING FOR MORE GENEROUS INTERNATIONAL RESPONSE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SOLARZ. Mr. Speaker, on the occasion of the visit of Kriangsak Chamanan, the Prime Minister of Thailand, to the United States. I thought it would be most timely to call to the attention of my colleagues an editorial which appeared in the Asian edition of the Wall Street Journal.

As we begin the first session of the 96th Congress, one of our priorities undoubtedly will be the adoption of new, long-range refugee legislation that will spell out more clearly the response of our country to the pressing humanitarian problems of refugees fleeing from the terrors of war and persecution and natural disasters. But while we must take our time and carefully evaluate new policies and legislative approaches, 190,000 Indochinese refugees are crammed into temporary quarters all across Southeast Asia. Thailand alone has over 100,000 refugees, and has humanely borne this burden for over 3 years.

We hope that through the efforts of the administration and the U.N. High Commission on Refugees that additional sources of resettlement and financial assistance will be found for these refugees so that the countries which have borne the heaviest burdens in serving as a place of first asylum for these people will continue to keep their borders open or allow ships in danger of sinking to land on their shores.

The editorial follows:

A SHARED SHAME: TURNING AWAY THE BOAT PEOPLE

The year 1978 saw its share of triumphs and tragedies—from the Camp David summit to the mass suicide at Guyana—but its most shameful episode, in our opinion, was the awesome refugee drama unfolding in Asia. It is a drama that brings shame on the Communist regimes of Vietnam, Cambodia and Laos, who preach liberation but practice enslavement. It is a shame on the rich nations, who preach freedom but carp about the problems of making a home for freedom's most ardent seekers. And it's a shame on Asian nations themselves, who turn away their neighbors to beg for mercy elsewhere or to die in the cruel seas.

For the plight of the hundreds of thousands of refugees from Indochina—and the doubtless millions of Vietnamese, Chinese, Laos, Meos and Cambodians who would be refugees—is a human problem that ought to weigh heavily on the consciences of all decent people in every free society. In the past months the world has watched the spectacle of its governments throwing statistics at each other in an effort to narrow their hospitality. Yet the burden being carried from Indochina by the refugees is one that all free nations ought to share. And it is a crisis that seems certain to become more acute in the coming year as it has grown steadily since the Communist conquest of Indochina was completed in 1975.

To be sure, a few countries have made some serious efforts to aid the refugees. Australia, Canada, France and the U.S. have made homes for significant numbers. In Asia, Malaysia, however reluctantly, has offered a temporary refuge to tens of thousands of refugees, though it has turned away thousands more. Thailand more than any country, has borne a disproportionate share of the refugee burden, particularly of those fleeing overland from Laos and Cambodia. Some other Asian nations, like some European ones, have accepted small numbers of refugees. And yet, with the singular exception of Thailand, we don't think any nation in Asia or elsewhere fairly can claim to have done enough.

From a narrow perspective, nearly every nation can find a justification for turning away refugees or accepting fewer than it could accept. Americans argue they have done more than any nation for the refugees. Yet America—as many rightly point out—has a unique responsibility toward the refugees from Indochina. This is true only in part because of America's dominant role in the Vietnam war. It is also true because America is the nation that can afford the most in material help, has traditionally opened its doors the widest to refugees and has stood most steadfastly for freedom in the world. We would like to see America do more, and then more again, for refugees now flooding out by land and sea.

But we don't think the responsibility ends there. We are offended by the buckpassing so rampant on the refugee question in Asia today. We don't feel that any nation professing faith in liberty can turn its back on the refugees from Indochina. And in the case of Indochina's Asian neighbors, there are some special ironies. South Korea, the Philippines, Australia and Thailand were engaged in the Vietnam war themselves, much as they might like to forget it and even though they got out early and with their reputations more or less intact.

Japan, the wealthiest and biggest of these nations, is willing suddenly to spend a few million more dollars in cash contributions to the UN High Commissioner for Refugees. But so far this seems more an effort to purchase immunity from a major international problem. We don't see why it should be significantly harder for Japan to take in a few tens of thousands of refugees than for Canada or France. At the other end of Asia is Australia, an underpopulated nation bigger than the continental United States that ought to be able to dramatically increase its hospitality to refugees. And we find it deplorable to see Hong Kong and Singapore, relatively wealthy Asian centers, turning away refugee ships from their very ports that once welcomed free-spending GIs and vessels plying the trade of war.

All kinds of excuses are being offered. Some nations are claiming they're too poor to help. Some are insisting they're already too crowded. Some are worried about being infected with a Communist virus in the form of secret agents. Others are worried about hosting large communities of people of a different race, ethnic origin or religion than their own. Some are claiming to be scandalized that refugees are actually paying to get out of Vietnam.

But we don't think any nation is more desperate than the refugees daily clinging to life aboard battered vessels on the high seas. We don't think any nation anywhere has a more acute "population problem" than the Hai Hongs, Southern Crosses, Huey Fongs or other refugee ships. We don't think any Free World nation is so fragile that it can't risk a few Communist agents among the many genuine freedom seekers. Nor do we believe Asia's nations are so weak they can't make room for communities of different races, nationalities or religions. We don't think it matters a whit whether refugees fled heroically, bought their way out or—yes—even whether they were allowed legally to emigrate. That so many refugees have been left to the clutches of apparent profiteers is a shame mainly on those who are doing nothing.

None of this is to cast the blame on Asian nations. It's too bad for Asia that Indochina happens to be in the middle of it. But that is the hard fact. The point is that the plight of the refugees from Indochinese communism is a problem that belongs to the whole Free World, rich and poor, east and west. The Free World doesn't deserve the blame for the problem. That belongs to the Communist regimes of Hanoi, Phnom Penh and Vientiane, and to their backers in Peking and Moscow. But even in casting the blame, the Free World—most acutely in Asia—seems too timorous. And that's a shame too, for it's the one point on which all the buck-passers ought to be able to agree.●

OMB PLANS WOULD WEAKEN USDA

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. JONES of Tennessee. Mr. Speaker, this week as the Washington, D.C., community is trying to be a gracious host to thousands of farmers who are here lobbying on their own behalf, the Office of Management and Budget is recommending to the President that he take a double-barrel shot at the Department of Agriculture.

Put bluntly, I want to recommend to the President in the strongest of terms that he reject any reorganization proposals which weaken the constituency base of the U.S. Department of Agriculture.

In this age of growing public cynicism regarding the Federal Government, it is easy to understand how the Government planners at the Office of Management and Budget could conclude to dismantle the Agriculture Department and divide its delivery systems among new bureaucracies. I am not positioning myself as an apologist for the inefficiencies that exist within the Department of Agriculture; but the delivery systems we have developed in agriculture through the Agricultural Stabilization and Conservation Service, the Farmers Home Administration, the Soil Conservation Service, the Forest Service, the Extension Service and others are unparalleled in providing responsible, effective and flexible programs to the people of rural America. To the uninitiated, it may appear that each of these agencies carry out the same function and purpose. This is certainly not the case. There is overlap and there is inefficiency and these problems should be dealt with through strong leadership and administration by Secretary Bob Bergland.

But in reviewing the options which have been presented to the President on forming a new Department of Natural Resources and a new Department of Developmental Assistance, which are the preferences of the OMB staff, and in reviewing the less grandoise alternatives which will also be presented to the President without a strong recommendation by the staff, I find that the President really does not have alternative routes. All the recommended options provide for a weakening of the Department of Agriculture. There is little indication that the Presidential reorganization group gave serious consideration to alternatives which would strengthen the Department of Agriculture. As Senator ZORINSKY pointed out on the floor of the Senate on February 1, this group spent over $6.5 million and 1,000 man-years to come up with proposals which bear striking similarities to those proposed by the Nixon administration and which were roundly rejected by the Congress.

Many Members of the House and Senate have expressed to the President their strong feelings that the Department of Agriculture should not be considered a shopping ground for other agencies and departments trying to enhance their role.

I would like to ask the President and the Office of Management and Budget if it is the administration's position that the Soil Conservation Service should be dismantled and abolished. While I really do not think this represents a fair portrayal of their position, if one combines the impact of the reorganization plan which would take some of the SCS programs with the impact of the fiscal year 1980 budget which would completely eliminate or transfer other programs, the Soil Conservation Service would be largely gutted. I believe this illustrates that the reorganization task force did not develop its proposals with the full knowledge of the function of some of the programs and with the full knowledge of where the administration was headed with other initiatives.

For instance, in the proposal for creation of a new Department of Developmental Assistance, some of the Farmers Home Administration programs would be transferred and its delivery system would be fragmented. This disregards the fine job that the Department of Agriculture and the Farmers Home Administration have done in the last 2 years to reorganize FmHA into a more effective and efficient operation. Some of us fear that perhaps the strong efforts of Administrator Gordon Cavanaugh may, in the end, play into the hands of the OMB reorganizers because the more effective an agency becomes, the more attractive it becomes for transfer to another department.

I understand that the President may be sending his message to Congress on at least some of these reorganization plans in the next few days. I ask that he seriously consider the advice of Senators ZORINSKY and TALMADGE and Congressman FOLEY, chairman of the House Agriculture Committee, that the Department of Agriculture not be weakened.

I would also like to place in the RECORD for your information, a joint statement on USDA reorganization which was adopted last year and which was supported by over 30 institutions and associations which have rural constituencies. It is a very diverse group which have interests varying from traditional agriculture to nutrition, housing, rural development, and consumerism. I understand that this statement has again been

endorsed by an even larger group this year. I insert the statement in the RECORD at this point:

JOINT STATEMENT ON USDA REORGANIZATION

We are opposed to any action on the part of the Administration that would weaken the Department of Agriculture as the primary deliverer of services to rural America.

While we agree with the Administration that there should be increased efficiency in government, we do not believe that the reorganization plans relating to the U.S. Department of Agriculture that have been proposed, would achieve this objective.

On the contrary, it is our opinion that if these proposals were implemented they would have the opposite effect, and, as a result, seriously impair the Federal government's capability to serve the interests of rural America, both farm and non-farm.

Therefore, we oppose transferring major functions of the USDA to other departments and agencies whose orientation and sympathies make them much less qualified than the Department of Agriculture to implement these programs in rural areas.

If the renewable natural resources, conservation, food and rural development components of USDA were removed, we believe the Department would lose its cabinet-level status, which, in turn, would be a major setback not only for rural poeple, but for the nation as a whole.

Recent history demonstrates that while agriculture is still the mainstay of the rural economy, it no longer provides sufficient employment opportunities required to stabilize the populations of rural communities. Thus, we have seen the migration of millions of displaced farmers and rural residents to urban centers contributing to the problems of the cities and severely weakening the viability of smaller communities.

In 1972, the Congress added the mission for rural development to the USDA's responsibilities which we believe was a logical complement to its agricultural mission in view of the need to strengthen all segments of rural America.

Doubtlessly, USDA could and should improve its efficiency and effectiveness in discharging its program responsibilities. This can be accomplished without dismembering the department. And, we believe, that it is a much sounder course of action for the Administration to undertake than reassigning these programs to other departments, which experience has shown have never been able to serve the needs of rural areas as effectively as has USDA.

We therefore urge the Administration and the Congress to keep intact and strengthen the Department of Agriculture as an alternative to reorganization proposals that would destroy it.

Mr. Speaker, let me point out that this statement has been endorsed by the executive committee of the Congressional Rural Caucus which plans to play a leading role in strengthening, not weakening the only Federal department which understands rural people and how to serve them.

To close let me say that if the thousands of members of the American agriculture movement want to make a positive and practical contribution to their own welfare they will let their voices be heard in support of the Department of Agriculture.●

ALCOHOLIC BEVERAGE ADVERTISING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BROWN of California. Mr. Speaker, I would like to call to the attention of my colleagues the words of former Congressman Wilbur Mills:

I had a concept of an alcoholic—a drunk I call him. I never used the term alcoholic. I knew what a drunk was. I could go down on 9th Street here in Washington. I could see them.

You couldn't get around them without smelling them. They hadn't had baths in months. They hadn't had shaves in months. They didn't look like I looked. They didn't have a job, they didn't have a position in life or anything of that sort. This was my concept of an alcoholic.

The former chairman of the House Ways and Means Committee left Congress as an alcoholic. He has since recognized that alcoholism is a disease which is not reserved for the men on 9th Street, but strikes at every level of society.

On January 15, 1979, I reintroduced H.R. 167 which will disallow alcoholic beverage advertising as a business tax deduction. I feel that advertisements for liquor are a factor in rising rates of alcoholism. While this bill would not restrict the right of the industry to advertise its products, it would relieve the Federal Government from the responsibility of subsidizing efforts to increase alcohol consumption and then having to pay the costs that alcohol abuse brings.

The liquor industry spends about $310 million on advertising, much of which is returned to the industry in the form of advertising tax deductions. By comparison, in 1976, the Federal Government spent $313 million to combat alcoholism through research, training, and community programs. Alcoholism cost the United States about $44 billion annually in terms of job time lost, decreased productivity and health costs.

Studies show the rising alcoholism rate is due largely to the use of alcohol by people who have traditionally been from moderate- to low-income brackets. Women make up the bulk of this group. In the past 20 years the percentage of women who drink has skyrocketed from 55 percent to 71 percent.

A medical foundation study found that drinking patterns are usually established early—in high school and college. They also found a strong correlation between heavy drinkers and heavy smokers. More women now smoke than men, 33 percent against 23 percent.

Blacks, Hispanics, and native Americans have also experienced rising alcoholism rates. Blacks spend 25 percent more of their income on alcohol than whites. Their overall rate of cirrhosis (a disease often caused by alcohol), is 44 percent higher than that of whites. The rate for native Americans is twice the national average. One-third of the hospital cases treated by the Alburquerque Indian Health Service last year were alcohol related. These groups are among those hardest hit by the economic crisis. Researchers believe that they use large amounts of alcohol to escape the misery of poverty.

What role does media advertising play in all of this? The media itself, particularly television, has a substantial impact on our lives. Studies and experiments with the effect of TV violence have uncovered some frightening evidence of television's impact on juvenile thinking. An article in Human Behavior magazine said:

Evidence accumulated from many sources indicates that television programming can have a powerful influence on viewers' behavior simply by providing models with whom the audience identifies.

The alcohol industry has effectively used the media to promote what they call product recognition among consumers. However, the effects in many cases have been unexpected, and very often negative.

The extent to which advertising directly affects rates of alcoholism is still open to speculation. But there is a strong suspicion that consumers infer from liquor advertisements promises that the product cannot deliver. The question of ethics is one which will have to be addressed by the liquor industry to a greater degree than it has in the past.

A significant step has been taken by the wine industry. It has established a code of advertising standards which encourage the proper use of wine, and reflect the industry's sense of social responsibility. I encourage others of the alcohol industry to do likewise.

Some of the code's guidelines are:

That a scene in an advertisement which depicts a setting where wine will be served must include food (to encourage its use with meals only);

Advertisements must not imply that the use of wine will contribute to the user's success in life; and

Models in advertisements must not appear to be under 25 years of age, and they must not be traditional heroes of the young (athletes, rock stars, cowboys, and so forth).

The problem of alcohol abuse is one to which we all must dedicate more attention. As rates of alcoholism increase, so also do the chances that our own lives will in some way be affected by it. It is my hope that the Congress will give its support to my efforts to mitigate the effect alcoholism has on all Americans.●

PRESIDENTIAL CLASSROOM STUDENTS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize several outstanding young people from the Fifth Congressional District of Mississippi: Larry Calvin Parent and Harry Alvin Parent of Biloxi, Mary Lynn Sandoz and David Charles Lion of Long Beach, and Jason Wayne Thornton and Kenneth Coleman Cowart of Vancleave, who are here in Washington this week to participate in the 1979 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.●

NO STATUTE OF LIMITATIONS FOR NAZI WAR CRIMES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. WAXMAN. Mr. Speaker, on December 31, 1979, the statute of limitations in the Federal Republic of Germany governing the prosecution of Nazi war crimes will expire. This cannot and must not be allowed to happen.

The systematic slaughter of 18 million people in the Holocaust was one of the most monstrous crimes in recorded human history. At Nuremburg, at the conclusion of the Second World War, the allied powers determined that none who had participated in Nazi genocide should escape prosecution. The judgment at Nuremberg was not only a mandate to the Government of Germany, but placed all Nazi war criminals who had not been apprehended on notice that they would never be permitted to escape responsibility for their acts. Acting under this authority, the German Government has brought hundreds of war criminals to justice.

The existence of an arbitrary legal deadline to resolve the prosecution of these crimes is wholly incompatible with the principles of justice written into international law at the end of the war. Indeed, twice before, in 1965 and 1969, the Federal Republic of Germany extended the statute of limitations for Nazi war crimes. There is no reason whatsoever why an additional extension, if not outright abolition, of this deadline should not be approved once again.

The United States is redoubling its efforts to investigate alleged Nazi war criminals living in our country. In Germany, the broadcast of the television program Holocaust has not only caused renewed interest and soul-searching over this darkest of periods in that nation's history, but has led to thousands of telephone calls about the existence of suspected Nazi war criminals.

On January 30, in cities throughout the United States, petitions and resolutions urging an extension of the statute of limitations were presented to consular officials of the German Government. In California, the State assembly overwhelmingly adopted a resolution to this effect.

Representatives HOLTZMAN and FISH, with several cosponsors, have introduced a sense of the House resolution urging an extension of the statute of limitations. I am honored to join this effort, and will work to secure House passage in the near future.

If the statute of limitations lapses, there can be no further search, investigation, or prosecution of the remaining war criminals. Those who committed these crimes against humanity should never be permitted to enjoy the day which places them beyond the reach of the law. The German Government must be urged to postpone that day forever.

For the benefit of my colleagues, I am pleased to insert in the RECORD, House Resolution 9 of the California State Assembly:

HOUSE RESOLUTION No. 9: RELATIVE TO THE FEDERAL REPUBLIC OF GERMANY'S STATUTE OF LIMITATIONS ON WAR CRIMES

Whereas, In this 20th Century, there took place the most horrendous mass slaughter in the history of civilization, wherein approximately 18 million human beings were systematically murdered on the basis of their political, racial or religious backgrounds; and

Whereas, The methods employed in exterminating these millions of men, women, and children were of the most cruel and torturous kind; and

Whereas, The nations of the world, horrified at these atrocities, convened a War Crimes Court at Nuremberg, in the Federal Republic of Germany, to try, convict, and sentence the locatable and guilty perpetrators of these heinous crimes against civilization; and

Whereas, The Federal Republic of Germany's Statute of Limitations on War Crimes will expire on December 31, 1979, after which there legally can be no further search for, investigation or prosecution of, the remaining war criminals; and

Whereas, There has occurred a noticeable increase of Nazi activity throughout the world, possibly in preparation for the day when these war criminals will again seek the use of public platforms to espouse hatred and racism and to agitate, organize or otherwise recreate the environment which led to the holocaust; and

Whereas, People throughout the world must take every possible precaution against the repetition of such barbaric acts of inhumanity; now, therefore, be it

Resolved by the Assembly of the State of California, That the Members respectfully memorialize the President and Congress of the United States to join with other humane governments of the world in urging the Federal Republic of Germany to repeal its Statute of Limitations on War Crimes, and declare such statute of limitations a violation of international law and of the principles of human morality, so that all potential war criminals shall fully understand that there will be no escaping punishment for the commission of such cruel, inhumane atrocities; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

(Adopted January 18, 1979. Assembly Journal pages 295–296.)●

U.S. DEFENSES BETTER THAN REPORTED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SIMON. Mr. Speaker, the Washington Post had an article by Walter Pincus, as knowledgeable a reporter on the defense situation as this Nation has, which puts to rest some of the distortions which seem to abound in this field. I urge my colleagues to read it.

Where there are weaknesses in our defense approach, we should be told. But the avalanche of distortions, which pours forth from those who have an interest in sizable expenditure increases in defense, results in reputable and trusted journalists—like those Pincus cites—passing along information that is misleading.

I hope my colleagues will read the Walter Pincus article.

THE SOVIET STRATEGIC "ADVANTAGE"

(By Walter Pincus)

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen good examples of this in two recent critical analyses of the should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warhead SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expect that SS18s may eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8–10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S advanced technology permitted small, more accurate warheads to be built.

As US missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—

diminishes to almost zero A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States, deriving from it advantages such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 200 of which are always on 15-minute alert at the end of runways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation, The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1,000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using the Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60s, announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Soviet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missile, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keeps us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry; he and The Economist are playing the same game, but with the formidable U.S. force.●

ARE ETHICS ON THE WAY BACK?

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BENNETT. Mr. Speaker, I call attention to an excellent editorial in the January 22 edition of U.S. News & World Report which I will include in my remarks. The editorial is a well-deserved tribute to Ivan Hill, editor of the American Viewpoint, and to his campaign to bring a higher ethical content into all phases of American life. One way in which this could be assisted would be by courses in public schools (and other schools) designed to advance mankind in the field of ethical standards. Economic and other benefits to the country would be very great, indeed, if such an effort were carried out. I also want to include with my remarks a bill which I introduced in the last session of Congress and have reintroduced in this Congress. This might be a thrust in the right direction. At least I think so.

The editorial and bill are as follows:

ARE ETHICS ON THE WAY BACK?

(By Marvin Stone)

It has become permissible to speak, write and think about "ethics." That represents a healthy advance over very recent times when anybody who talked in such terms was regarded as naive. Now all that remains is to get bureaucrats, union leaders, big business, members of Congress and just plain people to act ethically—which we take to mean with honesty and responsibility toward fellow human beings. The record has not been too good.

Why do we need ethics? Ivan Hill, who became president of American Viewpoint in 1973, has labored ever since to get across one point that should be obvious: Ethics, translated into mutual trust, form the basis of any free society. Nobody can dare loan money, start a business, buy goods, elect a government, board a plane or walk the streets in the absence of faith in persons or institutions concerned.

When Hill undertook his crusade five years ago, the first thing he did was to publish a full-page advertisement in the Wall Street Journal inviting the cooperation of businessmen and others in shoring up the country's ethical underpinnings. Among the millions of Journal readers, not one college official or major corporation executive replied.

A similar page that was placed recently in large newspapers inspired scores of inquiries from leaders of business and industry, as well as hundreds of letters from college heads anxious to learn ways of instilling ethical values. Viewpoint's directorate now includes a number of national figures, from William Simon to Clare Boothe Luce.

Thus, "it is now academically fashionable to think of teaching ethics," says Hill. But one trouble is a lack of teaching materials. Viewpoint has provided some of these and wants to provide more.

At least one other organization is working to promote the teaching of values in schools. Frank Goble, president of the Thomas Jefferson Research Center in California, quotes George C. S. Benson, founding president of Claremont Men's College, from the book "Amoral America:"

"[America's] astounding crime rate is largely due to lack of ethics, which, in turn, is due to lack of ethical instruction in schools and other opinion-forming institutions."

To fill the need, the Jefferson Center recommends a widely proven program called the Character Education Curriculum. Teachers are asked to use the materials just 15 to 20 minutes a day, three to five times a week. Reported results have been astounding.

A school in Indianapolis had suffered deep disciplinary problems and looked like "a school in a riot area." Windows had been boarded up because $3,500 worth of glass broken in eight months could not be replaced. In five months of using Character Education materials, intentional damage was reduced to zero. And six years later, student-teacher-community relations were found friendly and cooperative, with the whole atmosphere changed.

A Chula Vista, Calif., school cut vandalism by more than 80 percent, and others claimed similar successes. Hopes for future benefits in the lives of these students seem reasonable.

So ethics may be the "in" subject. If further proof were needed, it might come from the experience of Viewpoint's Ethics Resource Center, recently established in Washington with what is believed to be the world's largest library specializing in codes of ethics. The center has just completed a seminar for trade associations. Together with Viewpoint, it has answered calls from professional organizations, government employes, big corporations, banks, religious groups, municipal officials and others thinking of setting up codes.

These are evidences of interest. We hope that follow-through will bring widespread adoption and observance of ethics codes, as well as heightened conscience for individuals—because we agree with Ivan Hill that this is vital to the country in a practical and hardhearted way.

H.R. 123

A bill to provide Federal grants to assist elementary and secondary schools to carry on programs to teach the principles of citizenship and ethics

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"GRANTS FOR TEACHING THE PRINCIPLES OF CITIZENSHIP AND ETHICS

"SEC. 813. (a) The Commissioner shall make grants to State educational agencies to assist them in establishing and carrying out programs under which students attending public elementary and secondary schools will be provided instruction in the principles of citizenship and ethics. The content and nature of such instruction shall conform to general standards prescribed by such State agencies.

"(b) For the purpose of carrying out this section, there is authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1979, and each of the two succeeding fiscal years.".

"SEC. 2. Section 422 of the General Education Provisions Act is amended by inserting after "the Elementary and Secondary Education Act of 1965" the following: "(other than section 813)".●

HANDGUN VIOLENCE CLAIMS 465 LIVES IN DECEMBER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, the misuse of firearms in this country continues to be a problem of major proportions, threatening the lives of innocent citizens every day. The parameters of the problem are so great that it demands the prompt attention of the Congress, to prevent the violent killings that are taking place every day. In a recent bulletin published by Handgun Control, Inc., it has been revealed that 465 media-reported deaths occurred in the month of December—as a result of handgun violence. In the days and weeks ahead, I will suggest specific programs to confront this serious issue. I hope that my colleagues will join with me in working for significant legislative progress to stop the misuse of guns. The report of Handgun Control, Inc. follows:

REPORT

Handgun violence in the United States claimed the lives of at least 465 Americans during the month of December, 1978, according to Handgun Control, Inc. The body count includes the deaths of 11 children under the age of 12.

Handgun Control, a citizens lobby led by victims of handgun violence, is working for the passage of intelligent, national handgun control law. This handgun body count, published monthly, is based on a compilation of all news reports of handgun violence appearing in the nation's daily and weekly newspapers during that month. The figures include murders, suicides and accidents by handguns.

Some of the incidents reported include:

Fort Worth, Texas, Dr. Jerome Harris, 81, was shot and killed during a robbery attempt at his dental office.

Baltimore, Maryland, Bryant Wayne Russell, 18, was shot and killed by an angry motorist after a minor traffic accident.

Jackson, Missouri, Carson Smith, 63, and Greg Moore, 21, owners of adjoining farms, shot and killed one another over a boundary line dispute.

Vacaville, California, Wendy Day, 8, was accidentally shot and killed by her grandmother who attempted to intervene during a domestic dispute between the child's parents.

Shreveport, Louisiana, Albert R. Wilson, 12, was shot and killed by another youth following an argument over a $3.50 debt the victim owed.

The "Roll of Handgun Dead" for December, 1978, includes:

ALABAMA

Oscar Carden, Birmingham; Brent Gant, Scottsboro; Bobby Graben, Birmingham; Lee Grimmett, Auburn; Melvin Hunter, Birmingham; Michael Laney, Alexander City; Bernard Mayhand, Birmingham; Vicki Mitchell, Birmingham; Gordon Swearingen, Montgomery; Ernest Swoope, Birmingham; Howard Tuner, Dothan; Robert Veler, Mobile; William Walker, Mobile.

ARIZONA

Joseph Ballesteros, Bisbee; William Brown, Phoenix; Dennis Eversole, Phoenix; Ward Hankins, Phoenix.

ARKANSAS

Eugene Battles, Little Rock; William Bishop, Little Rock; Frank Blair, Little Rock; Joe Dotson, Little Rock; Patricia Holland, Little Rock; Dora Jackson, Little Rock; Morris Lillard, Batesville; Jean Reed, Little Rock; Mary Shawver, Forrest City; Franklin Smith, Little Rock; Fred Taylor, Rogers; Homer Williams, Little Rock; Linda Williams, Little Rock.

CALIFORNIA

Harvey Angell, Berkeley; Rene Archambault, Van Nuys; Albert Ash, Costa Mesa; Angie Ash, Fullerton; Freddie Augustus, San Gabriel; Glenn Barber, Marysville; Dal Beal, Stockton; Curtis Beem, Pomona; Billie Bicknell, Sacramento; Roy Blecher, Broderick; Clyde Carlisle, Porterville; Marvin Cates, Shingletown.

Rogelio Chavez, Watsonville; Stephen Crosby, Fremont; Arthur Cuen, Los Angeles; Wendy Day, Vallejo; Clement Denenhousen, Calistoga; Charles Dowell, Los Angeles; Cesar Duron, Stockton; John Ellis, Salinas; Anthony Fader, Turlock; Robert Ferris, Oakland; Leslie Francois, Stockton; William Freeman, Broderick.

Wiley Hall, San Bernardino; Leslie Hodges, Turlock; Jeffrey Honodel, Manteca; John Hutchinson, San Francisco; David Jingu, Los Angeles; Kimberly Keichline, Los Angeles; Harry Lane, Los Angeles; Michael Latero, Pasadena; George Leech, Stockton; Linda Light, San Gabriel; Leslie Long, Los Angeles; John Luna, Tulare.

Donald Lusk, Fresno; Joseph Marquez, Montebello; Mack Martin, Berkeley; Robin McCarthy, Fremont; Kathy McCartney, Corona; Robert McGuire, South Lake Tahoe; Judith Meadows, Bakersfield, Lloyd Meyer, Stockton; Charles Muller II, Woodland; Rene Mussa, Oxnard; Bobby Neal, Pasadena; Sammy Newmen, Downey; Mary Norton, San Diego.

Terry Pahl, San Diego; Emily Pelton, Montebello; Robert Pelton, Montebello; Diogenes Perez, Los Angeles; Mike Pina, San Bernardino; Michael Preston, Los Angeles; Robert Ratcliffe, San Gabriel; Douglas Rehberg, Manuel Rosales, Los Angeles; Patrick Rubald, Thousand Oaks.

James Rucker, Redwood City; James Schulte, El Centro; Daniel Smith, Modesto; Daniel Stewart, Bakersfield; Joseph Tromley, Torrance; Betay Villa, Pomona; Eugene Villa, Pomona; Donald Wall, San Bernardino; Halley Watson, San Diego; James Windley, Los Angeles; Helen Wright, Los Angeles.

COLORADO

Jack Bement, Denver; Lucille Bement, Denver; Peter Frose, Denver; Randy Hoth, Craig; Riley Knight, Denver; Esther Marcy, Colorado Springs; Helen Morgan, Colorado Springs; Mary Murphy, Denver; Larry Nance, Denver; Michael Peck, Aspen; David Spangler, Denver; Nancy Spangler, Denver; Susan Spangler, Denver.

CONNECTICUT

Anthony Annunziata, Norwalk.

DISTRICT OF COLUMBIA

Harry Proctor.

FLORIDA

Herbert Barrick, Fort Myers; Anne Besner, West Palm Beach; Clyde Carter, Jacksonville; Fred Claybaugh, St. Petersburg; Vickie Claybaugh, St. Petersburg; Michael Cromer, Miami; Willie Davenport, Lakeland; Anna Mae Donaldson, St. Petersburg; Donald Gordon, Miami; Charles Holland, St. Petersburg; Bertha Lowe, Tampa; Elbert Ivery, Tampa; Daniel Miles, Jacksonville; Robert Millstein, West Palm Beach; Bobby Monk, West Palm Beach; Roy Pate, Lakeland; George Rowe, St. Augustine; Joe Union, Fort Walton Beach.

GEORGIA

James Brown, Savannah; James Hurd, Albany; Charles Jackson, Savannah; Leo Johnson, Covington; Patrick Landrum, Roswell; Johnny Lemans, Atlanta; Sam McGowan, Cartersville; Gary Potts, Dalton; Irby Stewary, Atlanta; Ernest Youngblood, Hinesville.

IDAHO

Armundo Aragon, Twin Falls; Bobby Johnson, Nampa; Harriet Thorpe, Lewiston.

ILLINOIS

William Abernathy, Chicago; Robert Alcedo, Chicago; John Anderson, Chicago; Francisco Argueta, Chicago; David Arnold, East St. Louis; Reginald Arrington, Chicago; Mae Barber, Chicago; Don Bivens, Danville; Paula Blount, Chicago; Douglas Bogus, Chicago; Edward Campbell, Fairmont City; Benigno Castellanoe, Aurora, Victor Edwards, Chicago.

Randy Foote, Pekin; Katherine Harbold, Chicago; Rickey Haynes, Chicago; William Jackson, Bloomington; Bernard Lerner, Chicago; George Pereida, Chicago; Mary Prestito, Fairmont City; Michale Price, Chicago; Sophie Schwarz, Chicago; Judy Townsend, Charleston; Elbert Tucker, Chicago; Lee Vaccari, Chicago; William Wright, Chicago.

INDIANA

George Franklin, Evansville; Janet Jemiolo, Michigan City; Timothy Keane, Fort Wayne; Dimitri Krstanoski, Hammond; Charles Perkins, Indianapolis, Charles Price, Fort Wayne; Truly Vaughn, Hammond; Donald Waldon, Bedford.

IOWA

Gulam Bijani, Des Moines, and Sabra Bijani, Des Moines.

KANSAS

James Lee Burgess, Topeka; Kenneth Long, Manhattan; Lynette Noland, Topeka; Robert Noland, Topeka; James Swift, Kansas City.

KENTUCKY

Robert Basso, Hazard; James Crowe, Ashland; John Hall, Harlan; Reginia King, Sturgis; Connie Lefevers, Middlesboro; James May, Lexington; Roy McFerson, Danville; Milford Sharp, Danville; Richard Sherrill, Hopkinsville; Mitchell Spicer, Jackson; Sylvester Stevens, Lexington; Connie Whitfield, Evansville; Leonard Wilson, Lexington.

LOUISIANA

William Clark, New Orleans; Russell Corbello, Jennings; Harold Dawson, New Orleans; Frederick Dickerson, New Orleans; Donald Harper, New Orleans; Anthony Hollins, New Orleans; Debra Johnson, Shreveport; Melvin Joseph, Shreveport; Donna Sparkman, New Orleans; Walton Stuckey Sr., Covington; John Tennyson, New Orleans; Sonja Thornton, Bogalusa; Leslie Ware, New Orleans; Michael Whittington, Baton Rouge; Albert Wilson, Shreveport.

MARYLAND

Stuart Biggs, Baltimore; Emmanuel Dahl, Baltimore; Howard Evans, Baltimore; Samuel Hewitt, Baltimore; Mary Lee, Olney; David Moore, Baltimore; Bryant Russell, Balti-

more; William Shaffer, Baltimore; Eldie Smith, Baltimore; Edward Stermer, Baltimore; William Zimmerman, Baltimore.

MASSACHUSETTS

Anibal Alamo, Waltham, and Anthony Grosse, New Bedford.

MICHIGAN

Frank Cage, Natches.

MISSISSIPPI

Leonard Conerly, Columbia; Billy Dear, Brandon; Elbert Easlic, Gulfport; Lou Easlic, Gulfport; Ronald Hazel, Memphis.

MISSOURI

Jack Bishop, Joplin; David Edwards, Kansas City; Larry Fritz, Kansas City; Donald Hubbard, Poplar Bluff; Timothy Lee, Kansas City; Kenneth Long, Kansas City; Nina McKee, Webb City; Greg Moore, Jackson; Terry Schroder, Moberly; Carson Smith, Jackson; James Swift, Kansas City; William Thomasson, Kansas City; Caroly Wood, Kansas City; Richard Zoulek, Kansas City.

MONTANA

Ted Kesler, Columbus; Laura Murrillo, Helena; Ray Murrillo, Helena; Leslie Reynolds, Helena.

NEVADA

Leone Grayson, Las Vegas; Irene Hemry, Reno; William Hemry, Reno; Laura Pang, Reno.

NEW JERSEY

Joseph Fields, Trenton, and Dean Lerch, New Brunswick.

NEW MEXICO

Richard Blaylock, Belen; Elizabeth Inman, Clovis; Gilbert Romero, Albuquerque; Alfonso Sepulveda, Silver City.

NEW YORK

Blanch Ambrose, NYC; Darian Billups, NYC; Giovanni De Constanza, NYC; Durwood Doane, Mamaroneck; Sanford Koerner, Jr., Nyack; Lawrence Lever, NYC; Stewart Majester, NYC; Stephanie Maxwell, Syracuse; Leroy Smith, NYC; William Terrell, Yonkers.

NORTH CAROLINA

Quincyan Massingill, New Bern, and Donald Watkins, Walnut Grove.

NORTH DAKOTA

Bruce Butler, Minot.

OHIO

Alfred Cramer, Lima; Sherrie Hiatt, Wauseon; Raymond Williams, Middletown.

OKLAHOMA

Evelyn Anderson, Oklahoma City; Beatrice Ains, Okemah; Forest Anderson, Oklahoma City; D. H. Black, Oklahoma City; Patricia Gann, Tulsa; Thomas Gann, Tulsa; Thomas Gorden, Anadarko; June Henneessee, Oklahoma City; Rose Hill, Oklahoma City; Tom Hill, Oklahoma City; Nina McKee, Oklahoma City; Robert Martin, Oklahoma City; Charles Rashaw, Oklahoma City; Gary Sexton, Shawnee.

OREGON

Gregory Larson, Springfield; Norma Oliver, Salem; Neal Sherwood, Grants Pass; Harold Stutes, Salem.

PENNSYLVANIA

Diller Arney, Philadelphia; Shirley Arney, Philadelphia; Wendell Bassett, Philadelphia; Hazel Blandford, Philadelphia; Charles Bronner, Philadelphia; James Cofer, Philadelphia; Martin Curtis, Philadelphia; Joseph Fields, Philadelphia; Lawrence Froedhlich, Jr., Philadelphia; Reuben Green, York; Wesley Griffiths, Sunbury; Kevin Herter, Philadelphia; Harry Hess, Danville; Henry Johnson, Philadelphia; Renee Johnson, Johnstown.

David Leace, Philadelphia; Morris Benito, Germantown; John Peratree, Philadelphia; Frances Robertson, Harrisburg; Evelyn Robinson, Philadelphia; Wheeler Robinson, Philadelphia; Lillian Schackleford, Philadelphia; Oliver Scott, Brownsville; Edward Smith, Philadelphia; Roosevelt Smith, Philadelphia; Charles Stanchick, Philadelphia; Terry Statts, Danville; William Thompson, Philadelphia; Joseph White, Philadelphia; Lamont Witherspoone, Philadelphia.

TENNESSEE

John Adaline, Knoxville; Bruce Bailey, Nashville; Charles Banks, Memphis; Lee Bellamy, Nashville; Wilma Cunningham, Nashville; Leonard Depew, Knoxville; Frances Dill, Maryville; Floyd Dodson, Jr., Nashville; Lee Emery, Nashville; Kitcherl Fleming, Jr., Memphis; James Griffin, Nashville; Leslie Haisch, Memphis.

Nelson Harness, Knoxville; Sandra Harris, Chattanooga; Rickey Harrison, Knoxville; Mary Hicks, Memphis; Joe Jones, Memphis; Lee King, Selmer; Hubert Loveday, Morristown; Freddie McCarroll, Memphis; Berry Mitchell, Knoxville; Clarence Pritchard, Memphis; Cleveland Read, Memphis; Bryant Russell, Memphis.

Leon Shields, Memphis; William Stamps, Nashville; Julian Stevens, Memphis; Iley Summers, Memphis; Ed Tarkington, Nashville; Glenn Taylor, Lebanon; Kenneth Taylor, Sevierville; Ralph Thompson, Nashville; Johnny Trent, Morristown; Bonel Wheeler, Memphis; Ernie Writesman, Memphis; aMrvin Young, Memphis.

TEXAS

Bruce Acklin, Fort Worth; Christy Acevedo, El Paso; Melvin Adams, Dallas; Pauline Bailey, Forth Worth; Henry Batie, Breckenridge; Jeanette Barton, Fort Worth; Dan Battistoni, Texas City; Lee Berts, Houston; Eugene Boyd, San Antonio; James Brown III, Houston; Chere Buffington, San Antonio; Brian Burris, Houston.

Jim Chadwell, Fort Worth; Lee Chagra, El Paso; Belinda Clark, Taylor; David Cross, El Paso; Maurice Dyber, Euless; Juan Esperticueta, Houston; Dennis Eversole, El Paso; Michael France, San Antonio; Reynaldo Fuentes, San Angelo; Jerry Gardner, Dallas; Jack Griffs, Bryan; Carroll Hambley, Houston.

Jerome Harris, Fort Worth; Joe Hernandez, San Antonio; Maximo Hernandez, San Antonio; Irene Jackson, San Angelo; Jimmy Johnson, Houston; James Johnson, Houston; Luther Johnson, Lufkin; Anne Jones, Houston; Robert Lane, Fort Worth; Ronnie Malloch, Dallas; Stephen McClain, Dallas; Samuel McDade, Houston.

Edward McDonald, Jr., Houston; John Miller, Fort Worth; Mary Miller, Fort Worth; Jess Morrison, Knoxville; Fay Nicholson, Corsicana; Clyde Norstrom, Fort Worth; Frank Owens, Denison; Sherry Pack, Azle; Frank Pavlis, San Antonio; B. Phillips, Dallas; Kelly Ragsdale, Whitesboro.

Frank Randall, Houston; Georgia Ruiz, Plainview; Enrique Santa Ana, El Paso; David Satterwhite, Houston; Ben Smith, Jr., Fort Worth; David Stagner, San Antonio; Alton Sutton, Houston; Armando Tarin, El Paso; Leticia Vasquez, Houston; Rufus Vickers, Beaumont; Newton Vollers, Brownsville.

UTAH

Patrick McLaughlin, Salt Lake City.

VERMONT

Bessie Dunham, Rutland, and Walter Wood, Rutland.

VIRGINIA

Oscar Carden, Richmond; Charles Casteel, Bristol; Joyce Crocker, Norfolk; Gerald Edmondson, South Boston; Rita Glover, Norfolk; Selda Lewis, Norfolk; Roy Milliner, Norfolk; William Ware, III, Lynchburg; Alvin White, Norfolk.

WASHINGTON

Virgil Arbogast, Spokane; Timothy Baird, Pasco; Victor Faasuamalie, Seattle; Michael Taylor, Tacoma; Glenn Willford, Seattle.

WEST VIRGINIA

Kimberly Paulsen, Logan.

WISCONSIN

David Fritsch, Burlington; Richard Harris, Rhinelander; Michael Trapp, Milwaukee.

WYOMING

Kenneth Akes, Cheyenne; J. W. Corbett, Casper; Edward Gingrich, Cheyenne; Phillip Harston, Greybull; Randy Hoth, Wheatland; Keith Skiles, Thermopolis.

BODYCOUNT—TALLY BY STATE

Alabama—13.
Arizona—4.
Arkansas—13.
California—70.
Colorado—13.
Connecticut—1.
District of Columbia—1.
Florida—18.
Georgia—10.
Idaho—3.
Illinois—26.
Indiana—8.
Iowa—2.
Kansas—5.
Kentucky—13.
Louisiana—15.
Maryland—11.
Massachusetts—2.
Michigan—1.
Mississippi—5.
Missouri—14.
Montana—4.
Nevada—4.
New Jersey—2.
New Mexico—4.
New York—10.
North Carolina—2.
North Dakota—1.
Ohio—3.
Oklahoma—14.
Oregon—4.
Pennsylvania—30.
Tennessee—36.
Texas—58.
Utah—1.
Vermont—2.
Virginia—9.
Washington—5.
West Virginia—1.
Wisconsin—3.
Wyoming—6.

LAST MINUTE ADDITIONS TO THE ROLL OF HANDGUN DEAD

Ceser Arceneaux, Pensacola, FL.
Rufus Bishop, Osceola, ARK.
Gilbert Butts, Sturgis, KY.
Lemon Campbell, Jersey City, N.J.
Laney Johnson, Longview, TX.
Alfred Kirchner, Denham Springs, LA.
Henry Leal, Sr., Union City, CA.
Carl Murphy, Longview, TX.
Robert Noble, Houston, TX.
Robert O'Reilly, Palmdale, CA.
Bobby Owens, Jr., Bristol, VA.
William Schuster, Trenton, N.J.
Walter Sparks, Uniontown, PA.
Ceasar Steen, Jr., Gilroy, CA.
Nettie Tolson, Jenkintown, PA.
Donnie Walker, Windthorst, TX.
Charles Whitley, Odessa, TX.
James Witt, Sealy, TX.●

COMMENDATIONS: NEW WING FOR THE LITTLE COMPANY OF MARY HOSPITAL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DORNAN. Mr. Speaker, it is with respect and admiration that I announce the expansion of the Little Company of

Mary Hospital of Torrance, Calif. The new 95,000 square feet of the hospital represents a significant expansion of existing buildings and will help further the improved medical care of the growing South Bay community. It will provide much needed space for modern diagnostic and therapeutic services including radiology, laboratory, surgery, labor, and delivery.

The 27th District has had a long and distinguished tradition of fine hospital care for the community. The construction of this building will add to this tradition.

I am proud of the reliable, efficient, and excellent service this hospital has given its patients over the past 28 years and I congratulate them on the completion of this fine new facility. I am sure it can only further the exclusive and special care each individual patient will receive, as well as benefit the community as a whole, since proper and modern health care is so vital to all.●

SENATE COMMITTEE MEETINGS

Title IV of Senate resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, placed, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 6, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 7

9:30 a.m.

Budget

To resume consideration of committee rules and budget requests.
6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94–210).
235 Russell Building

Energy and Natural Resources

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
3110 Dirksen Building

Human Resources

To continue hearings on S. 209, to amend the Employee Retirement Income Security Act (ERISA), P.L. 93–406.
4232 Dirksen Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Veterans' Affairs

To resume hearings on S. 7, proposed Veterans' Health Care Amendments.
412 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold an organizational meeting to discuss subcommittee assignments and committee rules.
322 Russell Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior and related agencies.
1224 Dirksen Building

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.
S–128, Capitol

Banking, Housing, and Urban Affairs

To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations

To mark up S. 245 to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To receive testimony from Mrs. Rosalynn Carter on a reappraisal of mental health policies.
2228 Dirksen Building

Joint Economic

To continue hearings to examine the President's economic report.
6226 Dirksen Building

10:30 A.M.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the defense establishment.
1223 Dirksen Building

2:00 p.m.

Appropriations

Public Works Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for public works projects.
S–126, Capitol

Armed Services

To hold closed hearings on fiscal year 1979 supplemental military procurement authorization requests for the Department of Defense.
212 Russell Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

FEBRUARY 8

9:00 a.m.

Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 239, proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

Select on Ethics

To meet in closed session to hear motions concerning evidence related to the investigation of Senator Talmadge.
1318 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environmental Soil Conservation, and Forestry Subcommittee

To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
1224 Dirksen Building

Energy and Natural Resources

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, and Department of Agriculture.
3110 Dirksen Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Human Resources

To hold hearings on S. 209, to amend the Employee Retirement Income Security Act (ERISHA), P.L. 93–406.
4232 Dirksen Building

10:00 a.m.

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.
S–128, Capitol

Armed Services

To hold closed hearings on proposed fiscal year 1980 authorization requests for military procurement for the Department of Defense, and on proposed fiscal year 1980–85 authorizations for the Department of the Army.
212 Russell Building

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation to extend for two years through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations

To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation

To hold hearings to examine safety problems in the transportation and storage of liquified energy gases.
235 Russell Building

1:00 p.m.

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.
S–128, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects.
S-126, Capitol

3:30 p.m.
Select Small Business
To hold an organizational meeting on committee budget and other administrative matters.
424 Russell Building

FEBRUARY 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on the nutritional information contained on food labelings.
322 Russell Building

9:15 a.m.
Judiciary
To hold hearings on S. 241, proposed Justice System Improvement Act.
2228 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
6226 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.
S-128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Joint Economic
To hold hearings to explore the problems of unemployment and training programs among blacks, Mexican-Americans, and other groups.
318 Russell Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 13

9:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To hold hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

FEBRUARY 14

9:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To continue hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

FEBRUARY 19

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Office of Special Representative for Trade Negotiations, Foreign Claims Settlement Commission, and the International Trade Commission.
S-146, Capitol

FEBRUARY 20

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on a proposed joint government/industry program of advanced automotive technology development.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy to hear its Secretary.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Arms Control and Disarmament Agency, Presidential Commission on World Hunger, Securities and Exchange Commission, and on supplemental appropriations for FY 79 for ACDA.
S-146, Capitol

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Navajo-Hopi Relocation Commission and the Institute of Museum Services.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Thomas P. Salmon, of Vermont, to be a Member of the Board of Directors of the U.S. Railway Association, and S. Lee Kling, of Missouri, to be a Member of the Board of Directors of the National Railroad Passenger Corporation.
235 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

Veterans' Affairs
To hold hearings on proposed legislation to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.
318 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Indian Education.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for ficsal year 1980 for the Department of Labor.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

FEBRUARY 23

9:00 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Jesse Hill, Jr., of Georgia, and Joan Fleischmann Tobin, of the District of Columbia, each to be a Member of the Board of Directors of the Communications Satellite Corporation, and Anne P. Jones, of Massachusetts, to be a Member of the Federal Election Commission.
235 Russell Building

Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hear Secretary Marshall on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

FEBRUARY 26

9:00 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To continue hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monteary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Japan-U.S. Friendship Commission, and on supplemental appropriations for FY 79 for the International Communications Agency and Renegotiation Board.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To hear Secretary Califano on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on proposed authorizations for FY 1979 for ACTION.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear its Secretary.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Services Administration, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Center for Disease Control, Department of HEW.
S-128, Capitol

FEBRUARY 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Nationl Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.
S-146, Capitol

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Water Research and Technology
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for fiscal year 1979 both for the Department of State.
S-146, Capitol

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1318 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Judiciary.
S-146, Capitol

MARCH 6

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative

recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S-146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
2355 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
234 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 13

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Indian Health Service.
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.
S-146, Capitol

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

MARCH 22

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Geological Survey.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

MARCH 27

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for fiscal year 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 5

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

SENATE—*Tuesday, February 6, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. DAVID PRYOR, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The Lord is my light and my salvation; whom shall I fear? The Lord is the strength of my life; of whom shall I be afraid?—Psalms 27: 1.

Almighty God, from age to age the same, we know not what the future holds but we know who holds the future. Help us to trust Thee for wisdom as did our fathers, to lean on Thee for strength as did our forebears. In everything that matters give us grace to accent the positive and not the negative, to emphasize hope and not despair, to herald victory and not defeat. However great the burdens or difficult the problems we cast all care on Thee who carest for us. Lead us in the ways of truth and righteousness for Thy name's sake. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 6, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders have been completed which have

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

been previously entered into there be a period for the transaction of routine morning business not to exceed 1 hour with statements limited therein to 15 minutes each and that no motions or unanimous-consent requests or action be taken that would relate to or prejudice my resolution, Senate Resolution 9, or the motion now pending.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, appoints the Senator from Maine (Mr. COHEN) to the Select Committee on Indian Affairs, in lieu of the Senator from Colorado (Mr. ARMSTRONG), resigned.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from the State of New York (Mr. JAVITS) is to be recognized at this time.

Mr. STEVENS. Mr. President, the Senator from New York is on his way, I am informed.

I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that suggestion?

Mr. STEVENS. I withhold that.

Mr. ROBERT C. BYRD. Out of whose time would that come?

Mr. STEVENS. Does the minority leader have any time?

Mr. ROBERT C. BYRD. Is there another order for recognition?

The ACTING PRESIDENT pro tempore. There is no other special order, but only morning business.

Mr. ROBERT C. BYRD. If the Senator will withhold the request, let me make a request.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business, for which I had gotten an order entered, begin at this time without prejudice to Mr. JAVITS so that the cloakroom might be able to get in touch with him.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

Mr. STEVENS. Mr. President, on my time I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

THE NEED FOR A NATIONAL PRODUCTIVITY IMPROVEMENT POLICY

Mr. JAVITS. Mr. President, it is my intention to speak today at the beginning of the session about the matter which is the bottom line for all of the economic problems that are worrying us and, of course, what is deeply aggravating the American people is the problem of inflation.

Mr. President, the problem of inflation is not going to be solved by tricks with money or by what there is in M-1 or M-2 as the Federal Reserve Board puts it out. Nor is it going to be solved by solemn declarations of how we are going to economize.

The problem of inflation, Mr. President, is only going to be solved by one thing: What we produce and what it costs to produce it.

And this brings us to the real bottom line—which is the productivity of our Nation, which has declined catastrophically and which will not be restored unless we act in an affirmative way by specific measures to restore it. And that is the only thing that beats inflation: What you produce and what it costs to produce it.

Right now the United States is living too high on the hog. That is its problem. It is living on a standard which it is not producing to afford and until it produces that quantity and quality of goods and services which it can afford to sustain its standard of living you are going to have worse inflation than you have now. That is why since 1976 I have suggested to my colleagues that coming up the pike is a very serious economic crunch. It may be somewhat deferred by all the money tricks in which we engage, but it cannot be ended or avoided unless we act to materially increase our productivity.

I have no illusions, Mr. President, as to the amount of publicity which this speech, which I am making today, will get. One look at the press galleries will immediately inform the Chair and the people of the country as to how much real interest there is as yet in this, the most critical of all questions.

But, Mr. President, I was not sent here by the people of New York to just perform for the television cameras. I was sent here by the people of New York to tell my people and the people of the country the truth about what is the situation, and tell it "like it is," as is the curbstone expression, and that is why I make this speech.

It is a cumulative question, and there is a question also of working with our colleagues so that they, too, become impressed with what is the deep fault which exists in our country, and the deep fault, of course, is that we are not keeping our eye on the ball which is in play. We are inventing a lot of balls and illusions but not watching the ball that is in play.

Mr. President, I regret to state that while I thoroughly believe that we should keep the budget deficit down to $30 billion or below—I thoroughly agree with that—the fact is that even if we do, it is not going to have a decisive effect on inflation. The reason is we have a $2 trillion economy and, therefore, Government's power to affect that economy, great as it is, is not as deep and as pervasive as the situation requires.

So, Mr. President, as we begin this last year of the 20th century's eighth decade—a decade that has seen a good deal of turbulence and crisis, in our Nation and in the world—an ominous feeling of unease pervades our country.

While the United States is at peace militarily—and we thank God for that and pray it will endure—our economy remains in the grip of severe uncertainty. Recent events and more endemic long-term trends are like dark clouds on the economic horizon, foreshadowing storms that may come in the decade soon to begin. And while Government officials and economists continue to speak optimistically about the health of the U.S. economy and the prospects for the 1980's, they are unable to dispel the feelings of many Americans that the developments of the 1970's are prelude to what is about to come in the next decade.

In 1979 our Nation must navigate through very narrow and treacherous straits, with the twin perils of runaway inflation and disastrous depression on either side. The United States is, in the eyes of our people, in an economic crisis of major proportions, Mr. President, but many of our leaders refuse to see it for what it is.

Of course, we have made some progress in easing the burden of unemployment—though we realize that our cities and minorities, particularly youth—have not shared equally in that progress. But inflation is always the "wolf at the door"; and the recent resurgence of inflation new to the 10-percent growth range suggests that prices have gained a new momentum and that a new wage and price spiral may be upon us. The persistence of inflation is so eroding to the process by which employment is given that inevitably high unemployment will come right back again if inflation is not controlled.

Meanwhile, interest rates push upward to recordbreaking levels and there are few signs of any moderation. Uncertainty abounds; and many suspect that we are standing at the threshold of a new epoch that will have grave consequences for our way of life.

Is it any wonder, then, that there has occurred a loss of confidence in our national leaders? Should we be surprised when the American people express doubt about whether their leaders fully comprehend and are prepared to meet the challenges that are to come? "Proposition 13 fever" and the "balanced budget amendment," which my own party debated so ardently the other day at Easton, Md., I suspect, reflect less of an anti-Government attitude than a skepticism about what Government is able or willing to do. Americans faced with this choice would rather be left to their own devices, instead of relying upon Government to deal effectively with our country's difficulties. Urban and minority joblessness persist unabated; inflation seems almost out of control; and interest rates soar. Many wonder if anything can be done to avert the major cataclysm to which we appear to be hurtling in the decade which begins only next year.

It is my firm conviction that we can avoid these various perils; that we can bring inflation under control, reduce unemployment and get interest rates down. And I believe we can restore stability in our economy and confidence in our leaders. But we must act and soon, to prepare and launch a new economic policy for the decade ahead; one which is based upon an "economic compact" between business and labor to improve U.S. productivity and job security.

I come from working people, I know what it means to either lose your job or to be laid off or to look across at the next fellow and realize that he has been laid off, and so can I be tomorrow.

So the lesson that our leaders of business have to learn or be taught by Government is that this is a twin responsibility, a responsibility to raise U.S. productivity and, at the same time, to assure job security.

THE KEY ROLE OF PRODUCTIVITY

Productivity is the Achilles Heel of our current national economic crisis. U.S. productivity—the measure of the efficiency or vitality of our economy—has become stagnant in recent years, and this has precipitated and will maintain the new inflationary spiral that threatens to be so destructive of our economy in the next decade.

Let there be no misunderstanding about one thing: Double digit inflation can be destructive of our economy and tear apart the social fabric which holds together our national institutions. But the threat of double digit inflation will persist so long as we treat only the symptoms—with wage and price guidelines, standards, or controls. The underlying cause of inflation needs to be focused upon and dealt with—and that is stagnant U.S. productivity. This is the bottom line: Government cannot really deal with an inflation based on diminishing productivity, for private enterprise is the entity which makes (goods and services) while Government only takes (taxes). To materially reduce standards of living as compelled by low productivity is unthinkable for a democratic Government in peacetime.

The place in which to deal with productivity is the private enterprise system because that still employs 90 percent of our people, and there is one adage which we politicians had better learn, that is the proposition that Government only takes, it is only business that makes. We may do a few little things here and there in Government, but essentially it is the business system which makes the goods and services from which government derives its power and its taxes.

Since increased productivity is the only way—and I emphasize the word "only"—higher wage and other costs can be absorbed without forcing up prices, the reacceleration of inflation can be lessened only by significant productivity improvement. The alternative to productivity growth is much worsening inflation, leading ineluctably to depression and a long-term erosion in our standard of living. In the 1970's we are witnessing the beginning of this insidious process: And it is clear that the decade will end with our being in much worse shape than we were when it began.

U.S. PRODUCTIVITY PERFORMANCE

In the decades 1947 to 1957 and 1957 to 1967, productivity in the private business sector of our economy rose at average annual rates of 3.3 percent; and those periods will be recalled as ones of relative price stability and improved living standards. In the decade 1967 to 1977, however, the rate of productivity growth was only 1.8 percent per year, and the U.S. economy rode the roller coaster of alternating inflation and recession. By 1977, productivity was up only 6½ percent from the 1972 level—an average annual gain of 1.3 percent. And in 1978, according to the President's Council of Economic Advisers, productivity in the private business sector of the economy rose by only four-tenths of 1 percent.

It is critical to note, Mr. President, that there has been a significant disparity in the productivity performance of the manufacturing and nonmanufacturing sectors of our economy. The data show that productivity is the nonmanufacturing sector—mining, construction, transportation, communication, utilities, wholesale and retail trade, finance, and computer and data processing, and other services—actually fell in 1978 by 0.3 perecnt, while productivity in the manufacturing sector rose by 2.5 percent. While it is true that the disparity between these two sectors of our economy goes back to the 1940's it has widened considerably in recent years. As I will explain more fully in a moment, the growth in the ratio of the capital stock to labor-hours worked has slowed considerably in recent years, and more so in the nonmanufacturing sector, thereby precipitating a significant lag in productivity in it. This is a critically important distinction because it deals with the remedies that we must apply.

It is the disparity between these two sectors which is the cancer in the American economic structure.

INTERNATIONAL IMPLICATIONS

The international implications of this decline can be briefly sketched. The fact is that while we have slipped in productivity quite aside from the tab we are paying to the OPEC countries, we have been bested in the export of manufactured goods. The facts show that we have an imbalance in our international trade in manufactured goods where we are supposed to be the strongest, and in the export of goods and services, and all of this heavily contributed to by the non-manufacturing sector in which, by the way, more and more of our people now—about three-to-one—are engaged, and, therefore, which represents the future of the jobs of the American economic society.

In the period from 1960 to 1966 the United States ranked among the world's leaders in manufacturing productivity growth, averaging 4 percent per year. In the 1966–76 era however, the United States fell into the cellar, dropping to a mere 2.2 percent growth rate per year, to last place among the 11 major industrialized nations. During that period, U.S. productivity dropped 45 percent compared to the 1960–66 period, the steepest decline among any of our major trading partners. In fact, the 45 percent U.S. decline was half again as bad as the performance of the second biggest decline, Italy whose productivity dropped 21 percent.

The Council of Economic Advisers concludes that:

This latest deterioration in productivity indicates that the slowdown in 1973–74 was not just a temporary aberration and adds to the accumulating evidence that the secular trend in productivity growth may be considerably less than 2 percent per year.

In short, Mr. President, in this decade the United States has slipped materially; in the eyes of the world, we have lost some of our economic vigor and the dynamism that once lit up the economic sky has begun to flicker. And, unless the trends of the 1970's begin to be reversed now, we could end up before the year 2000 a second rate industrial power and the primacy of the United States in the world could be lost.

What has caused our productivity performance to slip so badly and what can be done?

The inadequacy of capital investment is chiefly responsible, in my judgment, for the dismal productivity performance of the United States in the decade of the 1970's. Perhaps the crowding of relatively inexperienced young and women workers into nonmanufacturing industries has exacerbated somewhat the productivity trends in the particular sector, but it is the lack of capital formation that has been the principle cause of our problem in the nonmanufacturing sector of the U.S. economy—and our policies should be focused on that fact.

Most importantly, relative to earlier decades the United States has had a very low level of capital investment during the seventies. As a result, there has occurred a marked slowdown in the growth of the U.S. capital stock. The U.S capital stock rose by only about 2.8 percent per year over the past 5 years, half the rate of the preceding decade It is estimated that in the nonmanufacturing, nonfarm, sector the capital stock grew at an average annual rate of 4.8 percent from 1948 to 1973, but by only 2.2 percent per year since 1973. In manufacturing the post-1973 growth rate (2.2 percent was only slightly lower than the pre-1973 rate—2.8 percent.

As a result, growth in the ratio of capital to labor declined from 3.1 percent per year in the period 1948 to 1969 to less than 2 percent since 1972. It is very significant that while the capital/labor ratio in manufacturing grew more rapidly in the period since 1973 (+2.8 percent per year) than in the period before 1973 (+1.7 percent per year) in the nonmanufacturing sector growth of this important ratio declined from 3.3 percent per year prior to 1973 to 0.96 percent per year since 1973. Since workers have had relatively less productive tools and equipment with which to work, their productivity has lessened.

Many factors have accounted for the relative decline in U.S. capital investment: Inflation, for one, has reduced real profitability, thereby eroding the where-

withal to invest in new facilities and equipment and modernization. The problem is that we are deficient—and this will or should amaze many people who just read and run—in after-tax profits in this country. Real after-tax profits have grown very slowly over the past decade—thus limiting internal cash flow available for capital spending. Furthermore, permissible depreciation write-offs have been limited to historical replacement costs, which means that true replacement costs which are much higher are a claim on current profits.

This explains why the stagnation of productivity is such a "vicious cycle"—inflation lowers real profits, which leads to reduced investment, which, in turn, is responsible for stagnant productivity, which further worsens inflation.

In addition, some Government regulations have diverted capital appropriations from goods and productivity increasing investments to federally mandated outlays for environmental and similar purposes.

Part of the lag in U.S. productivity growth can be explained also by a persistent decline in U.S. research and development. Since the middle of the 1960's, spending on R. & D. has declined as a percentage of U.S. gross national product. Consequently, U.S. technological innovation, a prime mover of productivity, has not been up to par. There is little doubt that we have lost our role as the world's leader in R. & D.

The very grave danger in our country is that our whole industrial and nonmanufacturing plant is getting completely obsolete, and that explains a good deal of the lag in U.S. productivity growth. Observer after observer points out that in Japan, or even in depressed Britain or depressed Italy, production facilities are much more modern than the production facilities in the United States. We have had a very grave lag in what used to be our strong point; to wit, research and development. We were the great innovators, the great technological progress people of all time. That, too, has contributed materially to productivity stagnation.

Finally, there is the problem of worker morale and the attitudes of workers. We are still, Mr. President, working under the Taylor system, which was the original system developed in order to produce the model-T Ford, way back early in this century. That is still the dominant technique of American industry. No wonder, Mr. President, that many people in the world think the people of the United States, the most powerful people who have ever lived on this Earth, have begun to slip behind.

In recent years the morale of U.S. workers has suffered. Many economists, sociologists, and industrial psychologists suggest that worker dissatisfaction and discontent are a widespread phenomenon at workplaces in U.S. plants and office buildings. The assembly line method of production and the tedium associated with office and clerical work, together with significant increases in educational attainment, technological development, and worker expectations, may be responsible for the occurrence of a remarkable, but as yet unquantified, attitudinal change among American workers.

While it is not possible to quantify this phenomenon as between the sectors of our economy, I suspect that the problem in the nonmanufacturing sector is more severe than is generally believed.

WHAT WE MUST DO

There are, of course, some things that Government can do and has done recently to encourage improved U.S. productivity. Our Nation's tax laws, for example, should be amended to provide greater financial incentives to business for increased investments in productivity boosting technology.

Last year, I joined with Senator DANFORTH of Missouri in an effort to reduce the corporate income tax from 48 to 42 percent over 5 years; to provide more liberal investment tax credits; and to accelerate permissible depreciation allowances; all aimed at encouraging greater capital investment. The capital gains tax cut of last year will help some in this regard, as will the finally agreed upon corporate tax cut to 46 percent.

But I believe we must help to restore through the tax system the necessary incentive and the certainty that is required for greater capital investment—and I shall continue to work toward this goal in the 96th Congress. We have to recognize that a reduction in the corporate income tax from 48 to 42 percent is essential.

Second, we have to provide a much more liberal investment tax credit where it is for machinery to increase America's productive capacity—not the building of new resorts and gambling parlors, but for those things that make America productive. We have to increase our depreciation allowances; we are absolutely archaic in comparison to other industrial countries of the world in terms of depreciation allowances.

We have to encourage the stimulation of capital investment by other measures, including a further cut in the capital gains tax where it is for productivity building purposes. And, contrary to the popular impression of these things, rather than increase the allowable tax exemption for the individual from $750 to $1,000, which represents a small benefit in terms of the money involved, but is an amendment we are urged to adopt because we think it will be popular with the people—though when they go to the grocery store they find they have less buying power than they had before, even though we have passed what we think is a highly popular amendment reducing their taxes—we must restore, in the tax system, a hard system in terms of what it takes to maintain the industrial society.

We need also to maintain the degree of expenditure for research and development. Government can encourage greater R. & D. expenditures by rewarding risk-taking in productive enterprise conducive to the national interest as in new energy sources. The sophisticated technological advances produced by R. & D. investment in the United States constitute the foundation of U.S. industrial competitiveness. The recent relative declines in R. & D. jeopardize this one area where our country historically has maintained a comparative advantage. I would hope we can get R. & D. back up from 2.2 percent at present to 3 percent of GNP, the rate prevailing in 1966, and I shall make this a personal goal for the 96th Congress.

Prof. John Kendrick has recommended in a recent report done by the New York Stock Exchange that the investment tax credit be extended to cover industrial R. & D. and that, if possible, a complete writeoff be permitted in the year R. & D. plant and equipment costs are incurred.

I think these are all very good suggestions and I intend to do all I can to get them given careful consideration in the Congress.

But, a most important way we can stimulate greater capital investment is to bring inflation under control. In my judgment, if we fail to get inflation back down to the 4- to 5-percent range, capital investment in long-term projects will simply evaporate. We must break the vicious cycle by which inflation feeds perniciously upon itself and ultimately makes long-term capital investment impossible.

AN ECONOMIC COMPACT: THE MISSING LINK

But there is a missing link in all this which has failed to get proper recognition. This is the justifiable concern of U.S. workers that productivity improvements will mean lost jobs. Their logic is simple and direct: If a given work force produces 10 percent more, 10 percent fewer workers are needed to produce the same amount that was produced before. Workers need to be convinced that productivity improvements are in their best interests too—not that everyone else will gain while they lose.

This is why I am today calling upon U.S. business and labor to covenant with each other—to join in an historic "New Economic Compact" to work jointly to improve productivity and job security.

I believe we will not get greatly improved productivity and price stability unless U.S. workers are assured that their jobs will not be sacrificed on the altar of productivity improvement.

This means that business must share the gains of productivity improvements equitably with workers; that plant productivity improvement programs be inaugurated jointly by business and labor; and that they be coupled wtih provisions to assure job security for workers involved.

In this connection, the Federal Government can do much to be the catalyst that marshals business and labor support and participation. We need to have a national commitment to productivity improvement; the Federal Government should inaugurate—and soon—a "National Productivity Improvement Policy."

Government could sponsor the establishment of regional productivity councils—to study regional productivity problems and recommend necessary improvements. Such councils could be resource centers available to local businesses to help in dealing with unique regional productivity problems.

In addition, plant, industry and area labor-management committees, of the kind I succeeded in having authorized in the recently enacted CETA law, could begin to place various productivity-improving ideas on their agendas and consider these in conjunction with job security and gain-sharing ideas.

What we need, therefore, is a partnership—between business, labor, and Government—to sponsor and undertake a national and regional program of productivity improvement.

Absent this, Mr. President, we are failing to join with the American worker in what is a mutual responsibility, that responsibility being that while we improve and increase American productivity, what I call the bottom line, we also give him the security of his job.

This is well within the compass of American business: By a historic new economic compact, to assure the worker that improved productivity will insure him of job security, and give him the financial guarantees which are inherent in that understanding.

Mr. President, this is where the American business community ought to dig in its heels. This is where, if we have strikes, we have to take them, in order to resolve this question of whether this country is going to be growing or whether it will stagnate and deteriorate into a second-rate power, as it undoubtedly will, Mr. President, if we do not do the things I have just described and deal with this deep cancer in the American body politic; to wit, the stagnation of the productivity of this country.

If we act soon to make this covenant to promote U.S. productivity, I am convinced the 1980's will be a time of strong economic growth, price stability and full employment—and all can share in the benefits of that abundance.

If we continue as we have been, with business pitted against labor in fighting for larger relative shares in a slower growing economy—and each often lined up against a government that treats the symptoms of inflation instead of its causes—I believe the current wage-price spiral will intensify and sometime soon—by early in the next decade a major economic reverse could ensue.

Our Nation has faced crises before and has always emerged from them undaunted. The impending internal economic crisis could be different; and it will test our ability and our determination, as well as our commitment to freedom. I pray we will have the wisdom, the leadership, and the will to meet that test.

Mr. President, I ask unanimous consent to have printed in the RECORD some relevant pages from the economic report of the President; a copy of the recent New York Stock Exchange report on productivity; some relevant newspaper accounts of the productivity problem; and excerpts from a recent paper on the problem of productivity by Professor Kamrany of USC and Dr. Chereb, who were kind enough to send the paper to me.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 27, 1979]

A SOMBER FORECAST

Once again the emphasis is on inflation. "The corrosive effects of inflation eat away at the ties that bind us together as a people," said President Carter Thursday in the third of the messages—the budget, the State of the Union, and the Economic Report—that make up the traditional January triad. Consumer prices last year rose 9 percent. That was a severe and dismaying increase over the previous year's 6.8 percent, which in turn was an increase over the 4.8 percent rise in the year before that. Where's it coming from?

The conventional explanations begin with the laments about the cold weather last winter and the decline of the dollar. But this country has been through a lot of cold weather without the inflation rates shooting upward, and the dollar began to fall precipitately only in the autumn. There's more to it. The most perplexing, and the most important, part of the explanation appears to be the long, slow drop in American productivity.

Productivity is the average output for every hour of labor, and it's been declining steadily for the past 15 years or so. Last year's performance was particularly poor, running about one-eighth the rate of gain that was normal in the early 1960s. The reasons are not wholly clear. There is an unusually high proportion of young and inexperienced workers in the labor force. Environmental regulations are diverting a lot of investment into benefits like clean air and water that are not counted in the economic statistics. Technological research and development spending is down. Americans save less of their money than they used to, and nonresidential investment—the investment in future productivity—is a smaller share of wealth in the United States than in any other major industrial country.

Everybody can agree that people, in general, ought to show more restraint, spend a little less and help get the inflation rate down. Everybody applauds the president as long as he sticks to theory. It's when the country tries to decide exactly who is to share that burden of restraint, and how it's to be distributed, that the applause dies and people edge toward the exits.

The president's Council of Economic Advisers offers the somber forecast that, over the next five years, American productivity will remain low. The national economy as a whole will grow, they think, no faster in the next five years than it did in the past five. It works out to an annual increase in national output of barely 1 percent for each person employed. It's not an absolute drop in the standard of living. But neither is it the accustomed rise.

That, in turn, makes every kind of political issue more difficult. For the past generation, Americans have had the good luck of being able to settle their disputes in the pleasant atmosphere of an expanding economy. It's always easier to divide the pies when the pies keep getting larger. More people can be cut in, without requiring anyone actually to cut down. New benefits can be added for some people, without taking anything away from the others. But with very slow and uncertain growth, the tensions and frictions get more serious. If the forecast is correct, it warns not only of economic stringency ahead, but a change in the American political atmosphere as well.

[From the Washington Post, Jan. 27, 1979]

UNITED STATES PRODUCTIVITY RISES MODERATELY IN LAST QUARTER

(By Art Pine)

The productivity of American workers rose moderately last quarter, the Labor Department reported yesterday, but the overall gain for the year still amounted only to 0.4 percent—heightening inflation pressures and stunting growth.

The poor showing for 1978 marked the worst performance since the start of the 1974–75 recession, when productivity declined 3 percent. An annual rise in productivity of 3.2 percent a year was considered the norm in the 1960s.

Separately, the department reported first-year wage increases in collective bargaining settlements averaged 7.7 percent in 1978, about the same as in the previous year—a moderate performance considering the inflation rate.

Moreover, pay-and-fringe benefit packages won by larger labor unions slowed to an average 8.4 percent for the first 12 months of the contract, down from 9.6 percent in 1977. Consumer prices last year rose 9 percent.

The combination of statistics bolstered warnings by the Carter administration on Thursday that, largely because of the sharp falloff in productivity, the nation's standard of living is likely to improve only slowly for years to come.

When productivity gains were large, employers could step up production without adding more workers. But when the gains fall short, as they did in 1978, hiring rates accelerate—exacerbating wage increases in the process.

Yesterday's figures showed the fall-off in productivity during 1978 pushed unit labor costs of business up a steep 8.9 percent—also the sharpest increase since 1974—a factor that almost certainly will be passed on in higher prices.

The low productivity performance for the year came despite a moderately strong increase in the final three months of 1978, when productivity rose at a 2.1 percent annual rate, following a 3.5 percent pace the previous quarter.

Productivity refers to the average volume of goods and services the American economy produces for each hour of work performed. In essence, it is a measure of the efficiency of the American economy.

In comparison to last year's 0.4 percent rise, overall productivity climbed 1.6 percent in 1977, 3.5 percent in 1976 and 2.1 percent in 1975.

The 2.1 percent fourth-quarter annual rate and the 0.4 percent rise for 1978 as a whole both were for productivity in the entire private business sector, including agriculture, which sometimes is unstable.

[From the Wall Street Journal, Jan. 29, 1979]

PRODUCTIVITY RISE IN 1978 WAS 0.4 PERCENT, LEAST SINCE 1974

WASHINGTON.—The latest figures on worker productivity fueled the Carter administration's concerns that gains in the standard of living will slow markedly in coming years.

Productivity, or output per hour of work, grew 0.4 percent in 1978, the smallest rise since the recession year of 1974, the Labor Department said. The increase in the nonfarm business sector was 0.6 percent.

President Carter, in his economic report to Congress last week, said the slowdown in the productivity growth rate has "reached serious proportions." He added: "If we ignore the realities of slower productivity growth—if governments continue to press forward with unabated claims on resources, and private citizens continue to demand large gains in money incomes—our inflationary problem will worsen."

Despite this concern about productivity, however, Mr. Carter said in a televised news conference on Friday that he is confident that the economy's performance in the year ahead will match the administration's fore-

cast of gently slowing growth without a recession. "I think that we will reach the goals I described" in the President's budget and economic report to Congress, he said.

Preliminary Labor Department figures on the fourth quarter also showed a marked decline in manufacturing productivity, which in recent quarters had outstripped overall gains in the nonfarm business sector. In the manufacturing sector, output per hour worked rose at seasonally adjusted annual rate of 0.8 percent in the quarter, the department said. The third quarter gain in that sector was 10.8 percent.

The fourth quarter productivity gains in manufacturing were based on a 7.4 percent gain in output and a 6.5 percent rise in the number of hours worked.

The fourth quarter productivity rise in the nonfarm business sector amounted to 2.3 percent, matching the third quarter increase. That gain reflected a 7.1 percent rise in output and a 4.7 percent increase in hours worked.

The slowing of productivity growth in manufacturing is puzzling to government officials because that sector has been largely fueling productivity gains in recent quarters. "Is this a correction of an earlier anomaly" in which manufacturing productivity far outstripped other industries, "or is this quarter just a blip?" asked one official. "We don't know."

He added, however, that although manufacturing growth in the fourth quarter was "disappointing, we have to realize that over the longer term the disappointment hasn't been in the manufacturing sector."

Slowing or declining productivity is worrisome because when gains in output per hour worked fail to keep pace with wage increases, labor costs go up, and those higher costs tend to bring higher product prices.

The Labor Department figures were published the day after the President's Council of Economic Advisers, in its annual report, concluded that productivity in the private nonfarm sector is likely to grow only about 1.5% annually in coming years, rather than the 2% expected previously.

Recent "deterioration in productivity," the council said, "indicates that the slowdown in 1973–74 wasn't just a temporary aberration and adds to the accumulating evidence" that the long-term trend in productivity growth "may be considerably less than 2% per year."

Although it warned that forecasting productivity growth is "extremely hazardous," the council cited a number of reasons for the declining gains. Low rates of business fixed investment have reduced the ratio of capital to labor in the U.S. and may have knocked half a percentage point off the annual productivity growth rate, the council said.

It also suggested that the growing number of young workers and women in the labor force has reduced the experience level and slowed productivity 0.3 percentage point to 0.4 point a year. Finally, it said, "increased economic and social regulation has aggravate the productivity slowdown in a number of ways." For instance, the council said, new regulatory laws often are associated with "considerable litigation and uncertainty which tends to reduce innovation and investment."

The Labor Department said productivity in the private nonfarm sector grew at an average annual rate of 2.7% from 1948 to 1955, 2.6% from 1955 to 1965, 2% from 1965 to 1973 and 0.9% from 1973 to 1977. For the entire private business economy, the average productivity growth was 3.4% from 1948 to 1955, 3.1% from 1955 to 1965, 2.3% from 1965 to 1973 and 1% from 1973 to 1977.

The department also reported that major collective-bargaining agreements in 1978 gave workers an average 6.5% wage increase over the life of their contracts. That compares with an average 5.8% over the life of contracts signed during 1977. The average wage gain for the first year of the contract was 7.7%, down from 7.8% in 1977.

The statistics don't include gains under cost-of-living escalator clauses.

At the news conference, held at the end of a week in which he had unveiled his budget, presented his economic report and delivered his State of the Union address, Mr. Carter was asked to justify the administration's forecast of continued economic growth, a narrowing federal deficit and slowing inflation.

"I think our economic projections are accurate," Mr. Carter said, observing that there are a number of factors that cause the administration analysis to be more optimistic than other forecasters.

First, he said, "we took into account" the economy's strong growth in 1978's fourth quarter. Secondly, "we anticipated good results from our anti-inflation effort and this is mirrored in the projections for this year." The administration, he added, also sees "a good prospect for retaining a stable dollar" in the year ahead, a substantial reduction in the trade deficit and greater convergence in the economic performance of the U.S. and its major trading partners.

Once again, Mr. Carter defended his budget for the fiscal year beginning next Oct. 1 as "balanced" and responsive to the needs of the poor. "I haven't robbed the poor" to provide for the increases in defense spending, Mr. Carter maintained. In fiscal 1980, defense spending is projected to climb 3% after adjustment for inflation.

The new budget, which calls for spending of $532 billion and a deficit of $29 billion, will "stand the test of the most intense scrutiny" by Congress, he said.

THE ECONOMIC REPORT OF THE PRESIDENT, JANUARY, 1979

THE PRODUCTIVITY SLOWDOWN

Productivity growth in 1978 showed a very marked slowdown from accustomed rates, adding substantially to inflationary pressures and raising fundamental concerns about underlying trends. With real GNP growth of about 4 percent over the year, exceeding the normal trend rate of growth, most observers expected that productivity in the private nonfarm sector would grow at least 2 percent. Instead, as seen in Table 15, productivity showed essentially no improvement, increasing only 0.6 percent in the course of the year. The slowdown was concentrated in the nonfarm, nonmanufacturing sector, where productivity actually declined 0.3 percent during 1978. Productivity growth in manufacturing, on the other hand, was strong.

The slow productivity growth over the past 2 years adds to the accumulating evidence that the underlying trend in productivity growth since 1973 has been substantially lower than in earlier periods. Between 1948 and 1965, productivity growth in the private nonfarm sector averaged 2.6 percent per year. In 1965–73 this rate declined to 2.0 percent. Since 1973, private nonfarm productivity growth has averaged less than 1 percent per year. In the following examination of recent evidence on productivity growth and the discussion of its implications for the growth of potential output, the key questions raised by recent experience are these: Was the recent poor performance of a nonrecurrent extraordinary event, from which we will soon bounce back? Or does the recent lag in productivity indicate that the U.S. economy has entered a period of very slow productivity growth?

Productivity determinants

During most of the postwar period the economy produced productivity gains exceeding 3 percent annually, as shown in Table 15. However, a number of the factors generating the strong productivity growth between World War II and the mid-1960s have since been reversed.

TABLE 15.—LABOR PRODUCTIVITY GROWTH, 1948–78

[Percent change per year]

Sector	1948–55	1955–65	1965–73	1973–77	1977–78 [1]
Private business economy	3.4	3.1	2.3	1.0	0.4
Nonfarm	2.7	2.6	2.0	.9	.6
Manufacturing	3.3	2.9	2.4	1.5	2.5
Nonmanufacturing	2.4	2.4	1.7	.6	−.3

[1] Preliminary.

Note: Data relate to output per hour paid for, for all persons.

Source: Department of Labor, Bureau of Labor Statistics.

For example, between 1948 and 1973 high rates of private investment led to a growth in the capital-labor ratio (measured by the ratio of the net nonresidential capital stock to aggregate hours worked in the private nonfarm sector) amounting to almost 3 percent per year. Since 1973, as a result of low rates of investment, that growth rate has dropped to 1¾ percent per year. Although the precise effect of slower growth in the capital stock is hard to measure empirically, analytical studies estimate that it could well have reduced productivity growth by up to one-half of a percentage point per year from earlier trends.

Productivity growth has also been reduced by a dramatic shift in the age-sex composition of employment. Starting about 1965, the children of the postwar baby boom attained working age, adding many young and inexperienced workers to the labor force. Rapid increases in the labor force participation of women also added to the supply of less experienced workers. If average earnings of each sex-group are used as a rough approximation of the relative productivity of its members, losses in productivity growth due to increase in the proportion of young and inexperienced workers in the labor force may be calculated. Such demographic shifts in employment can explain a reduction of 0.4 percentage point in the annual growth rate of productivity between 1965 and 1973. Since 1973 this trend has slowed as the new workers that entered the labor force between 1965 and 1973 have become older; and, for the more recent period, the reduction has been closer to one-third of a percentage point.

Increased economic and social regulation has aggravated the productivity slowdown in a number of ways. Productivity is a measure of output produced per unit of resources used in production. Economic regulation, as in transportation, precludes labor and capital from flowing to those uses that have a relatively high value. The effects of social regulation are more complicated. The gains from social regulation—in such forms as reduced pollution and greater safety—are generally not included in measured output. When an increasing fraction of society's labor and capital resources is diverted to producing these gains, measured productivity growth is reduced.

In addition, important indirect costs are generated by social regulation. The implementation of new regulatory statutes is often associated with considerable litigation and uncertainty which tends to reduce innovation and investment. Moreover, some regulations specify or suggest the technology to be used to meet new standards, rather than prescribing a level of performance to be attained. As a consequence, innovations that could meet the standards at lower cost are not encouraged.

On an aggregate basis one private study estimates that for 1968–73 the direct costs

of compliance with environmental, health, and safety regulations may have reduced the annual growth of output relative to total inputs in the private nonfarm sector by 0.1 percentage point. Similar estimates for 1973–78 are incomplete, because of lags in the compilation of data, but according to preliminary estimates these restrictions may have subtracted an additional 0.3 percentage point from annual growth of output relative to inputs since 1973.

Productivity growth has fallen significantly in many industries over the past several decades. (See Table 16.) The costs of regulations have increased substantially in some of these industries but not in others. For example, from 1950 to 1965 labor productivity in mining grew 4.3 percent per year, but since 1973 it has declined at an annual rate of 6.1 percent. In the late 1960s and early 1970s stringent mine safety laws began to take effect. Some part of the productivity decline in mining can be attributed to other factors, and there have been such measurable benefits as lower accident rates, but regulation has undoubtedly been very costly in terms of real output per hour worked. In the utilities sector, growth in output per hour worked fell successively from 6.1 to 3.5 to 0.2 percent per year in 1950–65, 1965–73, and 1973–77. While a number of influences have been at work to reduce productivity growth in this industry, the increase in environmental regulation had an important bearing.

The loss of productivity growth as a consequence of increasing social regulation does not itself imply that the costs of regulation exceed its benefits. It has already been noted that the output measures generally used to calculate productivity do not include environmental improvements and other benefits of regulation. Nevertheless, the magnitude of the productivity effects does highlight two facts: regulation is very costly; and benefits should be closely compared with costs in the design of regulatory legislation and specific regulations.

Some have suggested that a decline in the intensity of research and development in the United States may be a significant cause of the productivity slowdown. The evidence for such a view lies in the falling ratio of research and development expenditures to total output; this ratio reached a peak of 3.0 percent in 1964, but has since dropped to an estimated 2.2 percent in 1978. Most of the reduction can be attributed to a substantial cutback in military and space-related research—research that may have a somewhat less direct effect in increasing aggregate output per hour worked in the private sector than basic research or private research and development. Private industry has consistently provided about 1 percent of GNP for research and development since the mid-1960s. In the course of time, however, the direction of industry's research and development activity may have shifted away from basic research and new product development in response to such influences as the changed regulatory environment.

Little of the 1965–73 decline in private nonfarm labor productivity or the further reduction in 1973–78 seems to stem from shifts in the industrial composition of employment. Although movement out of the farm sector added a sizable productivity bonus in the early postwar years, this process had ended by the mid-1960s. Further, even though the proportion of the work force engaged in manufacturing has grown smaller since 1965, the level of manufacturing productivity has been about the same as that of the private nonfarm sector as a whole; the sectors of the economy employing larger proportions of the work force include some with higher and some with lower levels of productivity, and hence the shift has left aggregate productivity more or less unchanged.

Productivity growth since 1973

Productivity growth in the nonfarm business sector since 1973 has been unusually erratic. Although growth during 1976 was in line with the 1965–73 trend, there were abnormally low growth and even declines in 1973–74 and 1977–78. The productivity decline in 1973–74 was particularly striking. Labor productivity in the nonfarm business sector fell in every quarter from the second quarter of 1973 to the fourth quarter of 1974, dropping a total of 4.2 percent in a 7-quarter period. On the basis of the usual relationship between fluctuations in productivity and fluctuations in output, no more than 1 percentage point of that decline could be attributed to the sharp recession during the period. The additional drop of 3.2 percentage points accounts for much of the difference between the expected 2 percent annual growth rate between 1973 and 1977 and the 0.9 percent rate that actually occurred.

In both 1977 and 1978, productivity growth was again disappointing. Although private nonfarm productivity was expected to increase at least 2 percent per year, it grew instead at only 1.3 percent in 1977 and 0.8 percent in 1978. This latest deterioration in productivity indicates that the slowdown in 1973–74 was not just a temporary aberration and adds to the accumulating evidence that the secular trend in productivity growth may be considerably less than 2 percent per year.

Recent deviations of productivity from its postwar trend have been so pronounced that one is tempted to search for the influence of special factors. Some suggest that the oil embargo of 1973–74 and the subsequent quadrupling of oil prices had an adverse impact on productivity growth. However, it is difficult to find a mechanism by which an oil crisis could have such an immediate and severe effect on the economy. Widespread declines in productivity growth rates would only occur as adjustments of production methods to economize on energy took place. Actually, adjustment to the new oil prices has been extremely slow. Moreover, other countries in which energy prices rose more than in the United States did not show such large productivity declines. In general, possible productivity-reducing effects occur as firms substitute labor or cheaper fuels for oil, or as energy-inefficient plant and equipment are replaced, but these effects will be spread very gradually over a long period.

There is no obvious set of special factors that could explain the poor productivity record of 1978. Year-to-year variations, however, have always been substantial, and deviations from trend of as much as 1 percentage point are not unusual. If the long-term growth rate of productivity has fallen well below earlier rates, as now seems likely, a year with a very small increase in production should occasion little surprise.

Part of the decline in the growth of private nonfarm productivity between 1965 and 1973 was attributable to reduced productivity gains in the construction and financial sectors. Statistics on productivity in these sectors (and those in the government sector) are notoriously bad, and so it could be argued that the apparent reduction in productivity growth during this period was a statistical artifact. However, the further widespread decline since 1973 lends no support to that interpretation.

Table 16 shows the pattern of labor productivity growth (gross product originating per hour worked) for 13 major industries. In almost every sector of the economy the growth of productivity has slowed appreciably. Data for 1978 are not yet available; but, given the aggregate productivity performance last year, sectoral averages for 1973–78 will be even lower than for 1973–77, except perhaps in manufacturing.

POTENTIAL GNP

Behavior since 1973

The erratic productivity performance of the last 5 years raises serious questions about earlier estimates of the economy's productive potential. Potential GNP is defined as the level of real output that the economy could produce at high rates of resource utilization. The *level* of potential output is less meaningful that its *rate of growth*. The latter gives the best estimate of how much the economy can actually grow over the next few years without putting additional pressure on labor or product markets. Before making a judgment of the future trend for potential output, it is useful to review the growth of potential over the last 5 years and to examine recent behavior of the unemployment rate.

TABLE 16.—PRODUCTIVITY GROWTH BY INDUSTRY, 1950–77

[Percent change per year]

Industry	1977 output share (percent) [1]	1950–65	1965–73	1973–77
Agriculture	2.9	4.9	3.6	3.0
Mining	1.5	4.3	1.9	−6.1
Construction	4.3	3.4	−2.1	.3
Manufacturing:				
Nondurable	9.9	3.2	3.3	2.2
Durable	14.4	2.5	2.2	1.2
Transportation	3.9	3.0	2.9	1.0
Communication	3.2	5.3	4.6	6.7
Utilities	2.3	6.1	3.5	.2
Trade:				
Wholesale	7.3	2.6	3.4	−.8
Retail	10.0	2.3	2.1	.8
Finance, insurance, and real estate	15.4	1.6	.2	2.3
Services	12.0	1.2	1.7	−.3
Government	12.5	.4	.5	.1
All industries:				
Current weights	100.0	2.7	2.0	1.1
Fixed weight (1977 output weights)		2.6	1.9	1.1

[1] Detail may not add to 100 percent because of rounding.

Note.—Growth data relate to output per hour worked for all persons.

Source: Department of Commerce (Bureau of Economic Analysis) and Council of Economic Advisers.

The Council of Economic Advisers has undertaken several reexaminations of the conceptual as well as the empirical basis of potential output over the last 3 years. These studies led to a significant reduction in 1977 in the estimate of the growth of potential, lowering the estimate to 3½ percent annually for the period from the fourth quarter of 1968 onward. Previously, the growth rate of potential had been estimated to be 4 percent for the period from the fourth quarter of 1968 to the fourth quarter of 1975 and 3¾ percent thereafter. The 1977 revision, discussed in the 1977 and 1978 *Economic Reports*, puts the potential GNP in 1978 at $1,462 billion (1972 prices), about 5.6 percent higher than actual GNP.

The 1977 and 1978 estimates were based on a higher benchmark unemployment rate and on the optimistic assumption that the productivity decline in 1973–74 was an aberration that would be subsequently corrected. The underlying productivity trend was therefore assumed to be equal to that observed between 1965 and 1973. For that assumption to prove correct, strong increases in productivity would have had to occur since 1974. Productivity growth in 1975 and 1976 did show substantial improvement, keeping open the possibility that productivity would return to the level indicated by the 1965–73 trend; and early in 1978 initial productivity statistics suggested a sizable 3 percent gain for 1977. However, the subsequent downward revision of the productivity statistics for 1977 and the very poor productivity per-

formance of 1978 make the earlier view untenable. It no longer seems reasonable to assume that the exceedingly poor productivity growth in 1973–74 and 1977–78 represented statistical aberrations or one-time events, implying no reduction in the long-term trend. Downward revisions of our estimate of long-term productivity growth and of potential GNP are clearly necessary.

The uncertainty about the growth of potential output over the 1973–78 period requires one to distinguish three factors affecting productivity: its long-term trend, its cyclical movements, and the erratic declines from trend that occurred in 1973–74 and to a lesser extent in 1977–78.

It is possible to place rough bounds on the range in which the 1973–78 trend of productivity growth must lie by examining two separate views. The optimistic view holds that 1973–74 was a period in which productivity and potential output dropped as a result of nonrecurring factors affecting the level of productivity, after which the long-term trend of productivity growth resumed its earlier pace. On this basis we calculate the long-term trend rate of growth in productivity from 1973 to 1978 to be about 2 percent per year and the growth of potential GNP over this period to be 3.5 percent per year. Such a view of productivity behavior interprets the 1977–78 performance as another marked aberration, which has temporarily reduced productivity well below its long-term trend.

The pessimistic view holds that the 1973–74 period was not extraordinary. According to this view long-term productivity growth began to slow substantially after the mid-1960s, although unexpectedly favorable developments in late 1972 and in early 1973 disguised the fact. The poor average performance of productivity since early 1973 reflects that slowdown, and the particularly disappointing episodes in 1973–74 and 1977–78 are fluctuations around a greatly reduced long-term trend. According to this interpretation the estimate of potential should be based on a long-term growth of productivity which follows a much slower pace after 1973. This pessimistic version produces an estimated long-term trend rate of productivity growth during the past 5 years of around 1 percent a year, and a growth of potential GNP of only 2.5 percent annually over the 1973–78 period.

Placing an exact number on recent potential growth is extremely difficult. The growth of potential from 1973 to 1978 probably falls between the two extremes. The 1973–74 productivity shock was to some extent nonrecurrent. But the deceleration in productivity in recent years is too striking to ignore in estimating the long-term trend.

Unemployment forecasts

Another way of analyzing the growth of potential output over the 1973–78 period is to examine the actual behavior of real GNP and unemployment in this same period. Particularly since mid-1977, the behavior of the unemployment rate has been a puzzle. In the economic forecasts underlying the 1979 budget, for example, real GNP was forecast to rise 4.7 percent over the 4 quarters of 1978 and an additional 4.7 percent in 1979. On the basis of estimates that assumed a potential growth of 3.5 percent per year, the unemployment rate was forecast to reach 5.8 percent in the fourth quarter of 1979. In fact, it reached that level a year earlier, even though real GNP growth in 1978 was less than expected.

The most common method of forecasting the unemployment rate relates that rate to the gap between actual and potential GNP—the relationship known as Okun's law. Over the postwar period a cyclical coefficient of 2½ has been observed; that is, a reduction of 2½ percentage points in the gap between potential and actual GNP could be expected to lower the unemployment rate by about 1 percentage point. Although aggregate data may be unreliable, there is some suggestion that the cyclical coefficient was closer to 3 in early years and may have declined to near 2 in the 1970s.

The use of this relationship and previous estimates of potential GNP produced substantial overestimates of the unemployment rate in 1977 and 1978. For example, from the fourth quarter of 1976 to the fourth quarter of 1977, real GNP grew 5.5 percent, reducing the estimated GNP gap by 2 percentage points under the old definition of potential. The expected reduction in the unemployment rate was 0.8 percentage point; the unemployment rate actually fell by 1.2 percentage points.

Last year produced a similar surprise: a 4.3 percent increase in real GNP with a 3.5 percent growth of potential output should have lowered the unemployment rate from 6.6 to 6.3 percent from the fourth quarter of 1977 to the fourth quarter of 1978. Instead, the unemployment rate was reduced to 5.8 percent, 0.5 percentage point more than expected. Given the unemployment rate at the end of 1976 and the actual path of output since then, unemployment by the end of 1978 was 0.9 percentage point lower than was expected, if it is assumed that potential GNP grew at 3.5 percent per year. By revising downward our estimate of the growth of potential GNP from 3.5 to 3.0 percent per year, about half the unanticipated drop in the unemployment rate can be explained. The remainder is within historical error margins for the output-unemployment relationship.

Revised estimates

Weighing recent trends in productivity and labor force growth, as well as the unemployment-output relation, one can form a rough judgment about the trend in potential output over the 1973–78 period. Clearly, placing an exact number on potential growth is very difficult. On balance the Council's view is that potential output has grown at an average rate of 3 percent during the last 5 years.

The 3 percent overall growth rate of potential between 1973 and 1978 can be broken down into the following components: a 2.5 percent annual growth in potential employment, a 0.5 percent per year decline in annual hours per employee, and a 1 percent per year growth in productivity. Reflecting the large decline in 1973–74, the 1 percent productivity growth during the past 5 years was about one-half of 1 percentage point below our estimate of the long-term trend (discussed below). But its effect in depressing potential GNP was offset by an annual growth in the labor force about one-half of 1 percent above its long-term trend.

The latest estimate puts potential GNP at $1,423 billion in 1978. Chart 7 shows the latest revision of potential output (labeled 1979 potential) along with the two earlier versions. The revised data are in Table 17. Actual GNP in 1978 was only about 2¾ percent below its potential level.

TABLE 17.—POTENTIAL GROSS NATIONAL PRODUCT AND BENCHMARK UNEMPLOYMENT RATE, 1973–78

[Billions of 1972 dollars, except as noted]

Year	Potential GNP	Actual GNP	GNP gap (potential less actual)	Benchmark unemployment rate (percent)
1973	1,227.0	1,235.0	—8.0	4.9
1974	1,264.2	1,217.8	46.4	5.1
1975	1,302.1	1,202.3	99.8	5.0
1976	1,341.1	1,271.0	70.1	5.1
1977	1,381.4	1,332.7	48.7	5.1
1978	1,422.9	[1] 1,385.1	[1] 37.8	5.1

[1] Preliminary.

Sources: Department of Commerce (Bureau of Economic Analysis) and Council of Economic Advisers.

Future trends

Projecting potential GNP growth into the future is subject to large errors. Growth of the labor force in recent years has varied substantially. In the past 5 years, the surprisingly low productivity growth has been offset, as noted above, by higher than expected increases in the labor force, producing more growth in potential output than would have seemed likely from the low productivity statistics alone.

The wide variation in productivity growth rates since 1973—and our inability to determine precisely the underlying trend of such growth during these years—make predicting future rises in private nonfarm productivity unusually hazardous. Improved growth in investment during the past 2 years should help to improve productivity growth over the next 5 years. At the same time, labor force growth should decline when the young people born in the baby boom have entered the labor force. This demographic reversal should also add to productivity growth, as the drop in the average age and experience of the labor force tapers off. These positive developments, however, may well be offset to some extent by increased regulatory burdens.

Studies by the Council of Economic Advisers indicate that the range of estimates of productivity growth per hour lies between 1¼ and 2¼ percent annually over the next 5 years. These estimates are based on the alternative hypotheses about the 1973–74 period discussed earlier. Taking account of recent disappointing productivity developments, our forecast is for a productivity growth of 1½ percent annually over the next 5 years. This projection is based on the view that some part—less than half—of the 1973–74 drop in productivity represents nonrecurrent events; in addition, it does not assume any rebound of productivity growth from recent trends back toward those experienced in the 1950s or 1960s.

Other components of anticipated potential growth over the next 5 years are these: an expected fall in hours per employee of one-half of 1 percent annually; an average rise in the labor force participation rate of three-fourths of 1 percent annually; and a rise in the relevant population averaging 1¼ percent annually.

Taken together these components imply a growth in potential output over the 1978–83 period of 3 percent annually, the same as the revised estimate for 1973–78. It is recognized that we are in a period of adjustment to new trends in energy, regulation, and international competition, that an attempt to estimate the underlining trend is therefore extremely hazardous, and that estimates of productivity growth are particularly subject to large margins of error.

THE UNIVERSITY OF SOUTHERN CALIFORNIA, OFFICE OF INTERDISCIPLINARY PROGRAMS,
July 24, 1978.

Hon. JACOB JAVITS,
U.S. Senate,
Washington, D.C.

DEAR MR. JAVITS: I am attaching herewith a copy of a paper on the United States productivity trends which Dr. David Chereb and I completed.

This paper examines empirically the reasons for the decline in U.S. productivity and I hope you will find it of interest.

Sincerely yours,

NAKE M. KAMRANY,
Professor, Economics Director, Program on Productivity and Technology.

RECENT PRODUCTIVITY PERFORMANCE OF THE UNITED STATES: AN EMPIRICAL ANALYSIS

(By Nake M. Kamrany and David M. Chereb)

I. INTRODUCTION AND SUMMARY

The emergence of stagflation (the simultaneous occurrence of inflation and unemployment), the unfavorable balance of merchandise trade, and the poor performance of the economy, once again, have drawn the attention of the policy makers to the issue of the United States *productivity performance*. In the discussion that follows, we have empirically analyzed the relevant data (time series and cross section comparison) concerning the United States productivity. We believe that the implications of the data are convincing in that (a) productivity in the United States appears to have been declining since at least the mid-sixties, (b) the declining trend of productivity growth is not to be discounted as seasonal or cyclical. The analysis points to a long-term decline.

This long-term down trend was pointed out by Professor William D. Nordhaus of Yale University (now a member of the Council of Economic Advisors), as shown below:*

Periods:	*Percent annual growth per man-hours*
1948–1955	3.11
1956–1965	2.51
1965–1971	1.88

The data that we have examined below examines the various dimensions of the productivity performance of the United States up to 1977.

An important policy implication of these trends calls for a serious consideration of the development, formulation, and implementation of technology policy tools to supplement the existing macroeconomic fiscal and monetary policy tools. It is our contention that while fiscal and monetary tools are rather effective to cope with short-term cyclical problems, these tools need to be supplemented with technology policy tools which would also cope with long-term trend and structural changes.

Over the last decade (1967–77) the average productivity growth was 1.8%, almost half of the rate during the 1959–67 period (3.4%). The non-cyclical reasons for the decline in the rate of productivity growth are rooted in a decrease in the rate of investment in (1) education, (2) capital stock, (3) research and development technology, and others which include the quality of the labor force, structural changes, resource allocations, economics of scale and labor force life-sex composition. In contrast to the United States, the rate of investment in the above variables have increased among the United States competitors such as Japan, the U.S.S.R., and Western Europe. The results are obvious. Japan's rate of productivity has been three times higher than that of the United States. The effects of lower productivity rates are evident upon inflation (price index). The 1974 double digit inflation of 11% corresponded to a 2.9% productivity change, both unprecedented since the post World War II period. Likewise, the data in the succeeding sections demonstrate that industries with high rates of productivity (high technology industries) have experienced major increases in employment in manufacturing. The empirical analysis includes case studies of steel (an ailing industry in the United States) and aerospace (an industry of major significance to the Southern California economy).

Productivity performance refers to the ratio of output to input. The historical prosperity of the United States at home and the country's prestige and influence abroad is rooted in its productivity. The United States economy's ability to produce "bundles" of goods and services of better quality at lower prices has been made possible by its technological capabilities. According to our leading economists' estimates, the share of technology inputs in the U.S. economic growth per capita amount to almost 40 percent, i.e., technology is responsible for 40 percent of the growth rate of output per person in the U.S. economy. It follows, then, that productivity is a function of the rate of technology enhancement. Historically, the U.S. economy's best growth periods, in terms of *GNP* and *employment*, have been the periods of rapid technological innovation.

An examination of the post-war record shows a slowdown in the productivity growth rate—especially since 1965—over and above that which can be explained by cyclical fluctuations. Moreover, in terms of the U.S. performance with other industrial nations, it is noted that the U.S. average rate of growth in GNP per employed civilian is less than half that of Western Europe, U.S.S.R., and Japan (see Table 1).

One of the major underlying reasons for the decline is attributed to a decline in R & D effort for economic development, as shown in both time-series and cross-comparison data in Table 2, on page 9. Thus, the recent slowdown in the rate of productivity cannot be discounted as cyclical and, if left alone, the gap between our technological potential and actual output is likely to continue through 1990. A number of recent standard economic forecasts of the GNP for the next 15 years show some deceleration as compared to the last 15 years:

Periods:	*Percent average annual growth rate in real terms*
1960–1975	4.0
1976–1990	3.3

TABLE 1.—AVERAGE RATE OF GROWTH IN GNP PER EMPLOYED CIVILIAN

[Percent per year]

Country	1870–1950	1950–65	1965–71
United States	2.4	2.5	1.3
France	1.7	4.6	4.9
West Germany	1.6	4.8	4.3
Belgium	1.6	3.0	3.7
Netherlands	1.1	3.7	4.7
Italy	1.5	5.5	5.7
United Kingdom	1.6	2.2	2.5
Unweighted average for 6 European countries	1.5	4.0	4.3
U.S.S.R.	[1] 1.7	4.2	4.3
Japan	[1] 1.4	6.8	9.6

[1] Growth in per capita GNP.

Source: Michael Boretsky, "Trends in U.S. Technology: A Political Economist's View," American Scientist, January–February, 1975, table 2.

There are a number of reasons for the projected decline in the rate of productivity and in the GNP including:

Slower growth of the labor force;

A shift in the demographic composition of the labor force;

A shift in the ratio of nonproductive to productive population;

A slowdown in the rate of increase in the stock of plant and equipment due to the 1974–75 recession (this underinvestment in plant and equipment is likely to continue for another three to four years due to a slow recovery rate);

Expenditures required for pollution and environmental conditions;

Higher costs of energy and raw materials;

A shift toward industries with low productivity levels; and

A decline in the rate of technological enhancement as measured in R & D expenditures for economic growth.

Even in the short run, over the next two years (1978–80), if we wish to reduce the unemployment rate by approximately two percentage points (from 6+ percent to 4+ percent), it will take a growth rate in output of from 11 to 12 percent (5–6 percent in real growth and 5–6 percent in price rise) to bring down the unemployment rate. (The assumption here is that the output gap is nearly three times the employment gap.) In order to reach this objective, it may be necessary to increase the money supply at a 6–7 percent rate (in real terms) per year plus fiscal policies—especially to include a reduction in corporate tax via investment incentive write offs, reduction in income taxes, a temporary reduction in excise taxes—and an appropriate technology policy for a major "technological push" especially in process innovation.

New technology originates in both the private and public sectors and is a function of R & D expenditures. Public sector expenditures have been primarily in large systems directly related to NASA and the national security. With a number of exceptions, their spillover into the civilian economy has not proved to be significant. Nevertheless, as shown below, R & D expenditures have gone down in both the public and private sectors since 1963, although the rate of decline was more pronounced in the public sector. It should be noted that two-thirds of private sector investment in technological innovation is directed at product innovation rather than process innovation although the synergistic impact of process innovation precipitates much greater growth in output, employment, exports, and social rate of return than product innovation. The above observation leads us to the following observation:

There appears to be an imbalance between the actual and desired rate of increase in process technology enhancement to meet national requirements and to satisfy the economy's productivity, employment, and growth needs.

Moreover, it is worth noting that since 1950 the rate of growth of GNP per civilian employed in the U.S. has shifted from a favorable position vis-a-vis other industrial nations to an unfavorable position (see Table 2).

One of the major underlying reasons for the U.S. decline is attributed to a decline in R & D effort for economic development, as shown in both the time-series and cross-comparison data found in Table 3.

SUMMARY

1. U.S. prosperity at home and influence abroad is rooted in the national productivity rate.

2. Productivity is a function of the rate of technological advance.

3. Since 1965, the rate of U.S. productivity has experienced a slowdown.

4. A major underlying reason for the slowdown in U.S. productivity is the decline of public and private investment in technology as measured by R & D expenditures.

5. The 1974–75 recession has provided additional causes for the lower rate of growth in GNP for the next decade and a half than was experienced in the preceding period.

6. If left alone, all of the above conditions point to an unfavorable U.S. position as compared to the past or its potential performance or as compared to other industrialized nations.

7. Moreover, the need to appreciably increase productivity is indicated by the following developments:

The significant increase in transfer payments which places an extra burden on the production sector;

The production sector itself, which is a key element in U.S. international competitiveness, and the recent agreement on floating exchange rates (Jamaica Accord of January, 1976) which calls for a cost reduction through technological push;

Highly fragmented industries that cannot individually afford R & D in technology;

Private savings, now lower in the United States than in the major competitor nations;

Higher energy costs that must be offset by cost reductions elsewhere in the production process;

OSHA, the environmental movement, and other social goals containing costs that must be offset through cost reduction elsewhere;

*Nordhaus, W. D., "The Recent Productivity Slowdown," *Brookings Papers on Economic Activity*, No. 3, 1970.

The rising expectations of the population that can be inflationary unless wage increases are matched by productivity increases;

Lagging capital formation in the United States; and

The fact that two-thirds of total private investment in R & D is in product innovation and product differentiation in the consumer goods sector which will raise national productivity less than the same amount invested in process R & D in the same sectors.

To sum up, there is a broad recognition within both the public and private sectors, at the government, industry, and university levels, that productivity and the rate of change in productivity affects all facets of the economy.

TABLE 2.—R. & D. EXPENDITURES AND EMPLOYMENT OF PROFESSIONAL MANPOWER (1967)

[Ratio to United States per dollar worth of GNP]

Country	R. & D. expenditures (average 1963–67)	Employment of professional manpower (1967)
United States	1.00	1.00
France	1.35	1.37
West Germany	1.44	1.61
Belgium	.69	1.00
Netherlands	1.82	2.42
Italy	.50	.79
Common Market	1.22	1.38
United Kingdom	1.69	2.17
Western Europe, total	1.14	1.34
Canada	.64	.88
Japan	1.21	2.86
Western Europe, Canada, and Japan, total	1.12	1.56

Source: Boretsky, op. cit., Table 1.

TABLE 3.—AVERAGE ANNUAL GROWTH RATES IN U.S. R. & D. EFFORT (1953–71)

[In percent]

Years	R. & D. Effort					
	Total industrial		Federal Government [1]		Private sector	
	Expenditures	Employment	Expenditures	Employment	Expenditures	Employment
1953–57	21.0	15.7	32.5	25.5	11.5	9.4
1957–63	8.6	5.9	9.2	6.3	7.7	5.6
1953–63	13.3	9.7	18.0	13.7	9.2	7.0
1963–68	6.4	2.4	2.6	—.8	9.3	9.1
1968–71	0	—3.0	—5.5	—10.1	3.0	1.4

[1] Largely DOD and NASA.

Those nations which have had rapid productivity growth have increased their output more rapidly, have suffered less inflationary problems and have increased the real incomes of people more rapidly than their low productivity counterparts.* The United States has long been the leader in the level of productivity. Until recently the progress of the United States was unmatched in the world (productivity growth was about 3 percent per year). Since World War II, however, the United States has been losing its competitive edge. For the most part this occurred because the United States slowed down and because the other nations have improved at such rapid rates.

More recently the United States trend rate of growth in productivity has slowed down from approximately 3.0 percent to 2.0 percent. This has further exacerbated our domestic and international trade situation. Domestically the lower productivity growth rate has meant that unit labor costs now increase more rapidly for a given wage increase. It also means that real incomes will grow more slowly and our potential rate of output growth for Gross National Product (GNP) will be lower.

*See Appendix for data.

Because of the slowdown we can expect increased international competition, a worsening balance of trade and a dollar that loses value in comparison to nations with rapid productivity growth.

A closer look at productivity growth shows that the high technology industries have had strong productivity growth and a very favorable balance of trade. One of the high technology industries, the aerospace industry, has had above average productivity growth and has a very large export-import balance. In particular for the 1959–1976 period the aircraft industry rate of productivity growth has been 5.8 percent per year. This is about twice as high as the United States average.

THE NEW YORK STOCK EXCHANGE,
January 11, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.:

DEAR SENATOR JAVITS: Enclosed for your information is a copy of a study on productivity entitled, "Reaching a Higher Standard of Living," which the Exchange is releasing to the press today.

Our basic conclusion is that we must reinforce necessary monetary and fiscal policies with a major national commitment to improve productivity, and this report reviews a number of policy initiatives that might be implemented.

We believe this study can contribute constructively to the continuing national economic policy dialogue—and I will personally welcome your own ideas and comments.

Kind regards,

WILLIAM M. BATTEN.

REACHING A HIGHER STANDARD OF LIVING

[Figures mentioned in text not printed in RECORD]

PREFACE

Why has the New York Stock Exchange undertaken a study of the economic forces that have powered America's standard of living? It is because we share in the national concern over the lackluster performance of our economy. Closer to home, both equity investments and the securities industry do best when real economic growth is strong and inflation is under control.

We hope that our analysis contributes to a better understanding of the reasons for inflation and below-trend economic growth during the seventies, and that our suggestions prove useful in the formulation of policies to get our economy onto a low-inflation, higher-growth track.

For a decade, the real buying power of wages has remained virtually flat—apart from cyclical ups and down—despite large increases in money wages. Higher wages have simply been gobbled up by higher prices. According to the U.S. Bureau of Labor Statistics, private nonagricultural workers' pre-tax earnings averaged $190 per week in 1977, compared with just over $100 in 1967. But real earnings, after adjusting for inflation, were only $2.50 per week higher than in 1967—an insignificant one-quarter of 1% average annual gain in buying power over the decade.

Even in periods of recession there has been little relief from severe price inflation. It used to be assumed that inflation and recession were mutually exclusive but, in recent years, that has changed. We have seen in 1969–1970 and 1974–1975, for example, how inflation can persist when unemployment is rising and the economy stalls.

A decade of inflation has undermined most Americans' traditional confidence in the basic strength of our economy. Available explanations do not satisfactorily describe the causes of the acceleration of inflation in the face of decelerating real growth—or why living standards have not improved in recent years.

Substantial improvement in real wages and the living standards they support is impossible without substantial gains in productivity. The formula is simple. Wage increases not supported by productivity gains are translated into higher prices which leave the wage earner back where he started. Thus, a study of the basic economic forces that raise living standards is necessarily a study of productivity. If we fail to improve productivity, our economy may be further bedevilled by inflation, sluggish or nonexistent real growth, and a loss of competitiveness in international markets.

Unfortunately, the long-entrenched Keynesian economics has left productivity out of economic analysis for several generations. Keynes was concerned with creating jobs. In the midst of the Great Depression, nonproductive make-work jobs, even digging holes and filling them up again, could be justified as better than none. Today, however, the challenge is to find ways to place job seekers in jobs which provide an adequate supply of goods and services, produced as efficiently as possible. Productivity has come of age.

To enlist the broad cooperation required to lift productivity growth, it is necessary to dispel the widely held notion that equates productivity with faster assembly lines and greater human exertion. One need not look too far back in economic history to appreciate the fact that productivity gains have come about largely from more modern plant and equipment, more efficient production processes, and better management. The historic increases in both leisure time and purchasing power of workers are testaments to the benefits of productivity.

We believe that our study can contribute toward a solution to the riddle of persistent inflation. We have developed a theory of how declining productivity gains can send inflation spiraling upward despite slow economic growth and how accelerating productivity gains can help unwind inflation. Naturally, this is not meant to imply that productivity gains alone can eliminate inflation. Indeed, only if monetary and fiscal policies are effective can productivity help in conquering inflation.

Since productivity improvements depend heavily on utilizing more modern plant and equipment and incorporating new technology into new productive facilities, a major remedy for sluggish productivity gains should be obvious: an upsurge in capital formation to finance new plant and equipment and technological improvements. Suggestions for stimulating capital formation and other ways of improving productivity are discussed in the closing chapter of this study.

The study was completed under the supervision of Dr. William C. Freund, Senior Vice President and Chief Economist of the Exchange. New estimates by Professor John W. Kendrick of George Washington University of the factors underlying the productivity slowdown in recent years appear for the first time in this study. We deeply appreciate his contribution. We also gratefully acknowledge the important contributions of Ira Gelb and Mel Colchamiro, NYSE staff economists; the helpful overall suggestions of Dr. Edward F. Denison of the Brookings Institution; of Dr. Lawrence R. Klein of the University of Pennsylvania; and the guidance on selected parts by Dr. Albert Rees of the National Bureau of Economic Research and Professor Richard E. Quandt of Princeton University. We also acknowledge the considerable assistance of a number of prominent business economists. Of course, the Exchange assumes full responsibility for any errors or omissions.

SUMMARY AND CONCLUSIONS

"When I use a word it means just what I choose it to mean—neither more nor less" (Humpty-Dumpty to Alice "Through the Looking Glass").

Unfortunately, the true meaning of productivity and productivity advances is sometimes misunderstood. Too often those terms conjure up images of sweatshops and speeded-up assembly lines. The truth of the matter is that greater physical effort is but a tiny part of what makes productivity increase. Productivity increases when:

People are better trained, educated and motivated;

People have better working environments;

People are in better health;

People have more efficient machinery and equipment to work with;

People develop new products and technology;

People shift from working in less efficient industries to working in more efficient industries;

People manage more effectively.

In short, productivity increases primarily when people work smarter and more efficiently.

Productivity growth is important to all Americans because it is a key factor in determining improvements in living standards. It fuels economic expansion, provides for vigorous long-run growth in jobs, and, in a way little understood, restrains inflation.

Productivity gains have dropped nearly in half during the past decade, contributing both to an escalation of inflation and a slower rate of economic growth.

The decline in productivity is a long-run problem which cannot be overcome by short-run solutions. Current inflation took time to wind up and it will take time to decelerate. Productivity can play a key role in that process, as this study shows.

Productivity and economic growth

There are but two sources of long-run real economic growth, labor input and productivity:

Labor input (man-hours) + Productivity = Real Economic Growth.

A realistic goal for the decade of the 1980s is a real economic growth rate of 4% per year; any higher rate would fuel inflation. But a 4% growth rate can be achieved only if productivity grows 3% per year, since man-hours will increase no more than 1% per year:

	Percent
If man-hours grow	1
Productivity must grow	3
To achieve desired growth of	4

If the 4% annual growth rate is achieved by the end of the 1980s: 16 million additional jobs can be created.

Real per capita income will grow by 48% and reach $10,500 (1977 dollars).

Average family income will rise by 32% and reach $27,000 (1977 dollars).

In short, a 4% real growth rate in the 1980s will raise America's living standards substantially.

Unfortunately, productivity growth has declined to only 1.8% per year in the last decade, or about half of what it was in the two decades earlier.

Moreover, as this New York Stock Exchange study shows, productivity gains often have unrecognized "multiplier" effects on inflation and, as a result, are a more potent weapon against inflation than is generally assumed:

Declining productivity growth can accelerate inflation over time.

Rising productivity growth can help unwind inflation over time.

For example, a 1% increase in productivity growth can produce a decrease of several percentage points in the rate of inflation over time.

Sources of the productivity slowdown

New data prepared by Professor John W. Kendrick indicating the sources of the recent slowdown in productivity gains appear for the first time in this study. The primary factors are:

A slowdown in capital spending for research and development programs.

New plant and equipment.

Increased negative impact of government regulation.

Increased impediments to capital and labor mobility.

Slower output growth.

Policies to promote a higher standard of living

It is essential to reverse this slowdown if we are to come close to achieving the key national objectives of:

Promoting a higher standard of living.

Creating a sufficient number of jobs.

Restraining price inflation.

The following set of economic goals would help achieve these objectives:

Increase annual real growth in GNP to 4%. To achieve this will require

Raising annual productivity growth to 3%. This, in turn, depends primarily on

Increasing the GNP share of business investment by at least 2 percentage points—from 10% to 12%.

These goals can be achieved if labor, management and government all give urgent priority to increasing productivity growth. To this end, the following policies should be considered:

Develop a national commitment to productivity improvement.

Adopt measures to encourage saving and risk-taking.

Implement programs to increase business capital spending.

Create incentives to spur research and development.

Relax unnecessary government regulation and other restrictive practices which add to business costs and inflation.

Improve education and training; put greater emphasis on on-the-job-training.

Establish policies to better match job vacancies and job seekers.

Promote economic stability.

A coordinated national effort to boost productivity growth to at least 3% per annum would go a long way toward unwinding inflation, raising living standards, and creating jobs. It would also make American goods more competitive internationally and help strengthen the dollar.

Introduction

"I believe in materialism. I believe in all the proceeds of a healthy materialism—good cooking, dry houses, dry feet, sewers, drain pipes, hot water, baths, electric lights, automobiles, good roads, bright streets, long vacations, new ideas, fast horses; swift conversation, theatres, operas, orchestras, bands—I believe in them all for everybody. The man who dies without knowing these things may be as exquisite as a saint, and as rich as a poet; but it is in spite of, not because of, his deprivation." [1]

Francis Hackett wrote these words in the beginning of this century. At the time, the United States was already embarked on the greatest advance in material well-being that the world had ever seen. Advances since World War II have been particularly dramatic. For example:

Real per capita income almost doubled between 1947 and 1977.[2]

The number of U.S. job holders increased by 59% between 1947 and 1977, to a total of over 90 million.

The average American's life expectancy has increased by five years since 1950.

The percentage of U.S. families with incomes below the poverty level was almost halved between 1959 and 1976, declining from 18% to under 10%.

Footnotes at end of article.

The percentage of U.S. households with at least one room air conditioner more than tripled, from 17% in 1960 to 58% in 1977.

98% of U.S. households have television sets today, compared with only 9% in 1950; 79% have color T.V., compared with 4% a decade ago.

If the U.S. is to continue to benefit from the proceeds of materialism, then our economy must grow. We do not mean to imply that economic growth has no undesirable side effects. One has been a decline in the quality of the environment. The Environmental Quality Index—developed by the National Wildlife Federation—indicates that the overall quality of the environment worsened by some 10% between 1969 and 1977. Yet, paradoxically, future economic growth is necessary if we are to have sufficient economic resources to eliminate the effects of past pollution while maintaining our high living standard.

The meaning of productivity

Productivity has been the overwhelming force behind advances in our material well-being. Essentially, productivity measures how much is produced, on average, per hour worked; it relates the amount of output—in terms of goods and services—to the number of hours of labor input. But speeding up the assembly-line is not the only way to promote productivity in fact, if people become bored, or tired, or dissatisfied with working conditions, a faster assembly-line may promote inefficiency and reduce, rather than increase, their output. Many other factors are involved. Productivity increases when:

People are better trained, educated and motivated;

People have better working environments;

People are in better health;

People have more efficient machinery and equipment to work with;

People develop new products and technology;

People shift from working in less efficient industries to working in more efficient industries;

People manage more effectively.

In short, productivity increases not only when people work harder—but when they work smarter and more efficiently. People produce more when they have better tools, better production techniques and are better-organized and managed.

Sources of output

Simply put, man-hours worked, and the degree of efficiency with which they are combined with other productive factors, determine the volume of output. Many factors affect the number of man-hours including, for example, population size and characteristics, labor force participation rates, labor-leisure preferences, and a host of social factors. Technology, education levels, labor market efficiencies and the quantity and quality of production facilities all help determine productivity levels and growth.

The schematic diagram below, prepared by the Federal Reserve Bank of St. Louis, depicts the key factors determining labor input (man-hours) and productivity. As the diagram shows, the interaction of labor input and productivity of that labor are the ultimate sources of growth.

The following simple equation summarizes the factors that determine the total output of the economy and provides a framework for estimating the relative importance of the two basic components of growth—man-hours and productivity:

Total Output equals Man-hours times Average output Per Man-hour (Productivity).

Man-hours are determined by the level of employment, the length of the average workweek and the average number of weeks worked each year.

The crucial role that productivity has

played in the growth of our economy since the end of World War II can be seen by comparing the trends in the Labor Department indexes of real output, hours worked and productivity. Between 1947 and 1977, real output increased at an average annual rate of 3.5 percent. Over the same period productivity grew 2.8 percent per year,[3] while man-hours advanced by only 0.7 percent per year.

Wide disparities in rates of productivity growth exist among industries. While an industry-by-industry analysis of productivity is beyond the scope of the present study, the chart presented in Appendix I illustrates some significant differences.

Recent trends in productivity and output

Through the late 1960's, productivity in the United States accounted for almost 8/10 of each percentage point of output growth[4] while man-hours accounted for but 2/10. More recently, however, the proportions of output growth attributable to productivity have declined substantially (see Appendix II).

This shift has occurred because productivity gains have slowed while gains in man-hours have accelerated. The following table shows how the output slowdown during 1967–1977 is directly related to the drop in productivity gains; the increase in man-hours merely prevented a more precipitous decline in output.

TABLE 1.—MAN-HOURS, PRODUCTIVITY AND OUTPUT (PRIVATE BUSINESS SECTOR)

[Average annual percent increases]

	Man-hours	Productivity	Output
1947–67	0.4	3.3	3.7
1947–57	.2	3.3	3.5
1957–67	.6	3.3	3.9
1967–77	1.2	1.8	3.0

Source: Bureau of Labor Statistics.

U.S. productivity growth has lagged behind that of other industrialized countries. The next table shows that output per man-hour in manufacturing increased more slowly in the United States than in any of the 11 other major industrialized nations during 1960–1976. In part, this reflects the fact that other countries' productivity *levels* remain well below U.S. levels, so there is greater room for improvement. Nevertheless, the fact remains that U.S. productivity gains have fallen sharply since the 1960s.[5] Productivity growth in six countries accelerated after 1966, while the 45% decline in the U.S. was far greater than in any of the other countries. It would be one thing if the poor U.S. track record were just part of a worldwide slowdown. It is quite another when we lag seriously behind the rest of the world.

TABLE 2.—PRODUCTIVITY IN MANUFACTURING, 1960–76

[Average annual percent change]

Country	1960–76	1960–66	1966–76	Percent change 1966–76 versus 1960–66
United States	2.9	4.0	2.2	−45
United Kingdom	3.3	3.7	3.1	−16
Canada	3.8	4.3	3.5	−19
Switzerland	4.3	2.9	5.1	+76
France	5.7	5.5	5.8	+5
Sweden	5.7	6.5	5.2	−20
Italy	5.8	6.7	5.3	−21
Germany	5.9	6.0	5.8	−3
Netherlands [1]	6.7	5.6	7.4	+32
Belgium [1]	6.8	5.0	8.1	+62
Denmark	7.0	5.4	8.0	+48
Japan	8.9	8.8	8.9	+1

[1] 1960–75.

Note: Data for 1976 are preliminary estimates.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Footnotes at end of article.

Economic growth, productivity, and jobs in the 1980's

The prospect for continuing sluggish productivity gains does not augur well for U.S. economic growth in the 1980's.

Output grew rapidly during 1967–1977 only because man-hours increased at an extraordinary pace. After increasing 0.4 percent per year during 1947–1967, man-hour increases accelerated to 1.2 percent per year during 1967–1977. If man-hours had grown only as fast as in the 1947–1967 period, output would have been 6 percent lower than it actually was. Between 1980 and 1990, growth in total man-hours is unlikely to exceed 1 percent per year for two reasons. First, the number of new entrants into the labor force is expected to decrease; second, the slow long-run downward trend in the length of the average workweek is likely to continue.[7] Given the impending slowdown in addition to man-hours, productivity gains will have to exceed those of the past 10 years *merely to equal the sluggish output growth of the past decade*. If output is to regain the 4-percent annual 1957–1967 rate of increase, then productivity must increase much more quickly.[8] The arithmetic is as follows:

[In percent]

If man-hours are expected to increase by—	Then productivity will have to increase by—	For output to increase by—
1	2	3
1	3	4

A 1% annual change in output may not seem like very much; but, over a period of years, it means a significant difference in living standards. Had real GNP growth continued at 4% per year during 1968–1977, for example, real GNP would have risen to $2,120 million (in 1977 dollars)—12 percent and $233 billion higher than the actual 1977 level. Per capita income would have been almost $9,800 (in 1977 dollars) in 1977, or roughly $1,100 more for every man, woman and child in America.

A 4% real growth rate in the future would also mean substantial increases in *real* per capita and household incomes. Real per capita income (in 1977 dollars) would rise from $7,050 in 1977 to $10,460 by 1990, a jump of 48%. Real household income (in 1977 dollars) would rise from $20,470 in 1977 to $27,000 in 1990, a gain of 32 percent.

These numbers tell us how Americans can benefit from additions to the output of goods and services—both in terms of job opportunities and Francis Hackett's "healthy materialism"—if productivity improves and real growth in the 1980s is strong. But if productivity growth continues to lag, what will be the impact on the quality of life in America?

Long-run additions to the output of goods and services will remain sluggish.

Inflation will be fueled.

Job creation will slow, making it more difficult for those who have traditionally been hard hit by economic recessions and slowdowns—teenagers, women, minorities—to participate successfully in the work force. It is an unfortunate fact of economic life that these workers are the first to be fired and the last to be rehired.

Fewer new job opportunities and a low growth rate would make alleviation of social problems more difficult. With less new output to be distributed, each economic group would have to strive harder to better its position. Tensions between competing economic groups would be aggravated as each group's expectations could be realized only at the expense of other groups.

By inflating costs, sluggish productivity will make U.S. goods less competitive in world markets, adversely affecting the nation's trade balance and the international value of the dollar. Foreign travel and foreign goods will be much more expensive, further cranking the upward spiral of domestic inflation.

In short, when gains in productivity and output growth decline—or worse, disappear—the quality of American life suffers. The impact ranges from individual economic hardship to heightened social tensions. As each group fights to maintain its piece of the economic pie, the latent tensions in society surface. Thus, a slow or no-growth economy tends to foster a more divisive and contentious society.

If we are to improve, rather than diminish, the over-all quality of life in America, the nation must pledge its collective will to the goal of balanced, non-inflationary economic growth.

SOURCES OF THE PRODUCTIVITY SLOWDOWN

(The material in this section draws from a detailed paper specially prepared for this study by Professor John W. Kendrick, of George Washington University, which is available on request.[9])

The rate of productivity growth has slowed perceptibly over the past decade, especially in the last five years. Professor John W. Kendrick has developed data tracing the sources of this slowdown.[10] These data cover three periods: 1948–1966, 1966–1973, and 1973–1977. The data for 1973–1977 appear for the first time in this study.

Professor Kendrick's data indicate that over-all productivity growth slowed from an average annual rate of 2.7 percent during 1948–1966 to 1.6 percent during 1966–1973 and to 0.7 percent during 1973–1977. This decline—from 2.7 percent to 0.7 percent—was caused primarily by slowdowns in the rate of technological progress, reduced capital and labor mobility, and by declines in economic growth associated with the 1974–1975 recession. These and other factors are summarized in the chart on page 15 and the table on page 19 [9].

It should be noted that the data analyzed by Professor Kendrick represent total factor productivity; that is, the efficiency of labor and capital inputs. The way these inputs are combined provides the link between factor productivity and the more-familiar labor productivity concept. This appears at the end of this section.

Sources of the productivity slowdown

Technological progress—The most important source of productivity growth is the application of new technology to the production of goods and services. More than half of the net productivity growth during 1948–1977 is attributable to technological advances.

Technological progress historically has been fueled by capital outlays for formal research and development (R&D) programs. These expenditures had steadily increased to 3.0 percent of GNP by the mid-1960s, but subsequently declined, to 2.2 percent of GNP, by 1977.[11] As a result, the growth of the real stock of technological knowledge has decelerated in the past decade.

The purchase of new capital equipment also significantly affects technological progress. Since capital goods produced each year embody the latest technological advances, capital spending tends to spread cost-reducing technology throughout the economy, reflected in a lowering of the average age of capital goods employed in the U.S. economy. Between 1948 and 1966, the average age of the capital stock decreased by about three years. However, during 1966–1973, the decline slowed to one year and between 1973 and 1977 there was virtually no change.

Informal inventive and innovative activity, including a myriad of small technological

improvements devised by plant managers and workers, also help improve total technological knowledge. Professor Kendrick's data indicate no significant falloff in this area.

The cumulative changes in the various forms of technical progress—highlighted by the slowdown in R&D spending and capital formation—resulted in a very significant 0.5 percentage point decline in the average annual rate of productivity growth during 1973–1977, relative to 1948–1966. In other words, slower technological progress accounted for approximately 25 percent of the slowdown in productivity growth.

TABLE 3.—SOURCES OF PRODUCTIVITY GROWTH, 1948–77 (U.S. DOMESTIC BUSINESS ECONOMY)

	Percentage point contribution to growth rate			Change between periods (percentage point contribution to change in growth rate)	
	1948–66	1966–73	1973–77 [1]	1966–73 versus 1948–66	1973–77 versus 1948–66
	(a)	(b)	(c)	(a)—(b)	(a)—(c)
Technological progress	1.4	1.1	0.8	−0.3	−0.5
Plus changes in labor quality	.6	.4	.7	−.2	+.1
Plus changes in quality of land	0	−.1	−.2	−.1	−.2
Plus capital and labor mobility	.8	.7	.3	−.1	−.5
Plus changes in output growth	.4	.2	−.3	−.2	−.7
Plus net Government impact	0	−.1	−.3	−.1	−.3
Plus other n.e.c.[2]	−.4	−.6	−.4	−.1	+.1
	Average annual rate of growth			Change in average annual rate of gorwth	
Equals total factor productivity	2.7	1.6	0.7	−1.1	−2.0

[1] Preliminary.
[2] Not elsewhere classified.

Source: Prof. John W. Kendrick, George Washington University.

Changes in labor quality—This major category was the only one to increase its contribution to productivity growth in 1973–1977 (0.7 percentage points per year) versus 1948–1966 (0.6 points per year), as can be seen in table 3 on page 16. Three factors—education and training; health and safety; and the age-sex composition of the labor force—determine such changes in labor force quality.

Education and training is by far the most important determinant of labor force quality. In fact, Professor Kendrick's data indicate that education and training accounted for all of the upgrading of labor quality during both 1948–1966 and 1973–1977.

The average health and safety of workers has continued to improve slightly, resulting in reductions in time lost due to illness and accident, and increases in potential working life. These improvements have annually contributed a constant 0.1 percentage point to productivity growth over the full 1948–1977 period.

Changes in the age-sex composition of the labor force became a significant negative factor by the mid-1960s, when the proportion of youth in the labor force increased (reflecting the baby boom after World War II), and accelerating numbers of women began entering the labor force. Since these groups have traditionally been less experienced and less well trained, their increased representation in the labor force temporarily reduced the over-all efficiency of labor, offsetting increased productivity in other areas. Thus, changes in the age-sex composition of the labor force are estimated to have reduced productivity by 0.4 percentage points during 1966–1973, compared with only 0.1 percentage point during 1948–1966. By 1973–1977, the earlier entrants to the labor force had gained experience and training on the job while the influx of additional teenagers slowed. Thus, the age-sex composition in the latter period is virtually neutral with respect to productivity and is no longer a significant factor explaining its decline.

Labor and capital mobility—Productivity is affected by how quickly and efficiently labor and capital are reallocated among industries and geographic areas in response to continually changing supply and demand conditions. Inefficient allocations usually result from restrictive practices of firms and unions, government regulations, lack of knowledge of where opportunities may exist, and the sheer costs of movement.

Productivity improved significantly during 1948–1966, when less productive farm labor shifted to more productive non-farm jobs. However, farm-to-urban labor shifts have become a less significant source of productivity gains as the over-all proportion of farm labor in the economy has declined. With only 5% of the work force remaining in agriculture, productivity gains from a further shift are virtually exhausted.

There have also been relative shifts of capital (including land) from uses with below-average rates of return to more productive uses. A recent study, using real capital estimates for over 50 industry groups, found that relative shifts added 0.4 percentage points to growth during 1948–1966, and somewhat more after 1966.[12] However, Professor Kendrick estimates that this source actually had a negative impact on productivity after 1973. In total, capital and labor mobility account for 25 percent of the over-all decline in productivity gains between the 1948–1966 and 1973–1977 periods.

Slowed output growth—The recession of 1974–1975 sharply depressed output, significantly contributing to the decline of productivity gains. Productivity growth also declined because of the loss of economies of scale as capacity utilization rates dropped. On an annual average basis, these factors slowed productivity by 0.6 percentage points during 1973–1977, compared with a gain of 0.4 percentage points during 1948–1966. Over-all, output-related factors accounted for more than one-third of the decline in productivity gains during 1973–1977.

Changes in land quality—Since the mid-1960s, productivity growth has decelerated in agriculture, while productivity actually declined in mining. The decline was due in part to capital expenditures for safety and other regulations. It also reflected some decline in the average quality of natural resources. These factors led to an average annual 0.2 percentage point reduction in productivity during 1973–1977 relative to 1948–1966.

Net Government impact—The proliferation of government rules and regulations has increased business costs and more than offset the positive contribution to productivity from such government infrastructure expenditures as roads. Incrementally, capital expenditures for compliance with environmental and occupational safety and health regulations reduced productivity growth by 0.3 percentage points during 1973–1977. Because any improvements in the natural and working environments associated with this spending cannot be measured, these expenditures necessarily lower measured productivity.

The role of capital in labor productivity

As noted earlier, Professor Kendrick's data explained the sources of total factor productivity, that is, the efficiency of both capital and labor inputs. This measure of productivity can be related to the more customary measurement—output per man-hour—by examining the role capital plays in raising the productivity of labor inputs.

The usual measure of productivity—output per man-hour—measures more than the actual performance of workers. It also reflects changes in all the various factors which help make labor more productive. Although capital works side-by-side with labor to raise output per man-hour, the role of capital is not identified in the customary Bureau of Labor Statistics productivity data.

In general, the more capital associated with each man-hour of labor input (the so-called capital/labor ratio), the greater output will be. A man using a steam shovel can dig and displace more dirt per hour than if he used an ordinary garden spade and still more than if he used only his hands.

Thus, to assess adequately the role of capital in raising output per man-hour we must have some notion of the degree to which capital and labor are combined in the productive processes. Professor Kendrick calls changes in this combination "capital/labor substitution" or the "rate of substitution of capital for labor." A higher rate means more capital associated with each hour of labor input and vice-versa. Professor Kendrick has estimated that capital substitution improved labor productivity by 0.8 percentage points during 1948–1966. During 1966–1973, however, growth of the capital/labor ratio declined as the result of the bulge in only 0.5 percentage points. As the increase

in man-hours subsided, capital substitution increased labor productivity by 0.7 percentage points during 1973–1977.[14]

The two basic factors which contribute to labor productivity—the efficiency of labor and capital and the mix of labor and capital inputs—are summarized below.

TABLE 4

	Average annual percent change		
	1948–66	1966–73	1973–77
Factor productivity (efficiency of labor and capital)	2.7	1.6	0.7
Capital/labor substitution (mix of capital to labor inputs)	.8	.5	.7
Output per man-hour (labor productivity)	3.5	2.1	1.4

Clearly, capital plays a crucial role in raising labor productivity. Through R&D spending it provides the wellspring for technological progress; capital spending for new plant and equipment spreads cost-reducing technology throughout the economy and in combination with labor inputs, makes labor more productive.

The data also show that many of the factors which fueled productivity growth in the past—the shift of less productive farm labor to more productive non-farm jobs, the high degree of capital and labor mobility, the higher quality of land and the less unfavorable net impact of government regulation on business—cannot be expected to provide the push for higher rates of productivity growth in the coming decade.

Future gains in productivity will have to come from continued improvement in the age-sex composition of the labor force, in the quality of labor and, above all, from capital spending for research and development programs and for new plant and equipment. Naturally not much can be done to influence the age-sex composition of the labor force. But in areas of labor quality and, especially, capital spending among others, policymakers can indeed have a powerful constructive impact on productivity and American living standards.

EFFECTS OF PRODUCTIVITY ON THE INFLATION PROCESS

Some fundamentals of inflation

America's continuing problem with inflation reflects a disparity between ambitious social goals and relatively limited economic resources. We have sought to achieve many desirable objectives, including high levels of employment, a high degree of family security, an abundance of social services, and real economic growth. But even a country as richly endowed as the United States cannot stretch its economic resources to meet all desirable goals. Ultimately, inflationary pressures develop, and real benefits begin to evaporate.

Choices must be made and priorities set. The achievement of larger social purposes requires higher tax revenues in one form or another. Either society decides to tax itself or the hidden tax of inflation serves to limit competing claims. Once inflation gets started, it feeds on itself, and the upward spiral is difficult to stop.

Economics texts generally distinguish between "demand-pull" and "cost-push" inflation. Demand-pull refers to price rises resulting from demands which strain available supplies, while cost-push inflation results from rigidities in the markets for both labor and products which allow wages and prices to be pushed up even in an economy operating below full employment. However, categorizing the causes of inflation is in many ways artificial, since demand-pull and cost-push often interact and reinforce each other.[15]

Footnotes at end of article.

Although it is impossible to define a single cause of, or a single remedy for, inflation, productivity gains can be a powerful tool in reducing inflation, no matter what its cause. However, productivity growth cannot supplant responsible monetary and fiscal policies. Prudent government spending and taxing policies contribute importantly to price stabilization. Judicious monetary policies can hold down cost-push inflation by avoiding the excessive increases in the money supply required to finance the push in wages and prices. In other words, cost-push inflation can proceed only so long as expansion of the money supply permits it. Often, however, monetary authorities fear that a tighter money policy would jeopardize the short-term maintenance of high employment. The problem here is that monetary policy that validates the cost-push process can set the stage for longer-run economic instability and inflation.

The presence of cost-push factors sometimes leads to calls for wage and price controls. To the extent that inflation results from claims on resources that are not adequately dealt with by monetary and fiscal policies, controls treat symptoms rather than causes. To the extent that a productivity slowdown fuels inflation, controls again do not come to grips with causes. A program of wage and price restraint will have a chance for success only if accompanied by prudent fiscal and monetary policies and by vigorous efforts to increase productivity growth.

Unfortunately, productivity has been largely neglected as a vehicle for reducing inflation. Productivity is an important element in the cost-push equation since it serves as a direct offset against wage-induced price rises. Two major reasons seem to be responsible for the neglect of productivity.

The conventional analysis of productivity's role in holding down unit labor costs seems, at first blush, to offer little promise of significantly reducing inflation. If, for example, productivity were to rise by one percentage point, the initial impact on unit labor costs would be a decrease of only one percentage point, hardly an exciting prospect.

Gains in productivity come relatively slowly and over a period of time. They provide no quick fix for controlling inflation.

How productivity fights inflation

In the arsenal of weapons against inflation, gains in productivity are more potent than is generally assumed. The primary role that gains in productivity play is well understood: An increase in productivity brings an increase in aggregate supply, which holds down unit labor costs. This, in turn, brings downward pressure on the average price of goods. But to a degree not widely recognized, increases in productivity can have "multiplier" effects on moderating inflation. A one-unit increase in the longer-run growth of productivity can produce a more-than-one-unit decrease in the rate of inflation over a period of time.

This magnified effect of productivity gains is due to the workings of the so-called "wage-price spiral." An increase in wage-rates can push up prices; and the increase in prices can, in turn, operate to push up costs and, as a result, prices. The increase in prices once again operates to push up wage-rates which act to push up prices again—and so the spiral continue. But whenever an increase in productivity growth occurs, it will act as a more-than-one-time brake on the spiral.

Let us assume that the increase in productivity growth occurs at a point where wages are acting to push up prices. On the first round, the increase in productivity growth will moderate the wage-induced rise in prices. On the second round, by holding down the initial price-increase, the earlier productivity gain can moderate subsequent wage increases; likewise, the resulting price increase would be more moderate—and so on through each round of the spiral.

To understand more fully the role of productivity in the inflation process, one must first look at a few details of wage negotiations.[16]

The wage bargain

It is widely acknowledged that wage increases are generally composed of two main parts:

An increase to compensate labor for past inflation. Indeed, with some two-thirds of negotiated wage contracts that cover 1,000 or more workers tied to cost-of-living clauses, the adjustment to past inflation tends to be built in. Moreover, contracts frequently also reflect anticipated inflation over the contract life.

An adjustment for labor's entitlement to perceived past productivity gains. Workers expect their real incomes to rise and their real purchasing power to improve. Since long-run improvements in real wage rates can only come from rising productivity, this element of the wage contract generally reflects labor's and management's perceptions about average long-run productivity gains.

One observer of the economic scene recently commented on these two components of current wage settlements: ". . . strong unions habitually settle for nothing less than 3 percent (productivity offset) plus the rate of inflation . . ."[17] Another observer:

"These [large] unions all have contracts similar to the one pioneered by the auto workers in 1970—3 percent annual wage increase plus essentially full adjustment for increases in the cost of living. When increases in the cost of fringe benefits are included, these contracts produce compensation cost increases in real terms of 3 percent or slightly more per year. When these contracts were first negotiated, it was believed that real wage increases of about 3 percent were in line with the economy's ability to provide higher real wages through productivity growth. In fact, however, the 3 percent figure was overly optimistic . . . since 1970 productivity has been only 1.4 percent per year."[18]

The institutionalization of the long-outdated 3% productivity standard was recently remarked upon by Barry Bosworth, Director of the U.S. Council on Wage and Price Stability. He noted that:

". . . many labor contracts currently call for cost of living plus a productivity improvement. The only trouble is that this formula dates from the world of the 1950s and 1960s, when we had 3 percent annual productivity increases. This economy hasn't had a 3 percent annual productivity growth in a decade."[19]

Wage increases and productivity

Productivity gains are a direct offset to wage increases. If we assume in one case no productivity gain and in the second a 3 percent productivity increase, the difference in unit labor costs is 3 percent.

[*Percent*]

	Case 1	Case 2
Wages rise	8	8
Productivity increases	0	3
Unit labor costs will rise	8	5

Since labor costs are a dominant component of total business costs, it follows that in Case 1, inflation will be roughly 8%, and in Case 2 about 5%.[20]

The following table shows that the relevant statistics bear out these illustrations and that:

As discussed earlier, productivity improvements played a vital role in containing unit labor costs between 1955 and 1967. Thereafter, as productivity gains slackened, unit labor costs began spiraling upward.

The rise in labor costs has gone hand-in-hand with inflation. While inflation has not always coincided exactly with rising unit labor costs, the two statistics have tracked each other quite closely.

TABLE 5.—CHANGES IN WAGES, PRODUCTIVITY, AND UNIT LABOR COSTS IN NONFARM BUSINESS AND CONSUMER PRICES, 1955–77

[Annual percent changes]

	Compensation per hour worked	Output per hour worked (productivity)	Unit labor costs	Consumer Price Index (inflation)
1955	3.7	4.1	—0.4	—0.4
1957	5.9	2.2	3.7	3.6
1959	4.4	3.7	.7	.8
1961	3.5	2.8	.7	1.0
1963	3.7	3.5	.2	1.2
1965	3.4	3.3	.2	1.7
1967	5.8	1.9	3.9	2.9
1969	6.5	.2	6.7	5.4
1971	6.6	2.9	3.5	4.3
1973	7.5	1.5	6.0	6.2
1975	9.9	1.9	7.9	9.1
1977	8.3	1.9	6.7	6.5

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Accelerating inflation

A slowdown in the productivity growth rate during one period will ignite an inflation speedup not only in that period but in succeeding periods—even after the decline in productivity growth is halted! This relationship can best be illustrated by means of an example.

Assume that in Period 1 workers anticipate no inflation because there was no inflation in the preceding year.[21] Labor seeks a wage increase of 3%, solely to match the perceived long-run average increase in productivity. In other words, workers expect their real incomes to rise and their purchasing power and standard of living to improve. If productivity actually rises by 3% in Period 1, the year will be inflation free.

Period 1:	*Percent*
Assumed inflation	0
Expected growth in real income	3
Wage increase	3
Productivity gain	3
Actual inflation (unit labor costs)	0

Next, assume that productivity gains slacken in Period 2, from 3% per annum to 1½%—an assumption which conforms to the reality of recent years. The wage-price spiral is quickly activated:

Period 2:	*Percent*
Assumed inflation	0
Expected growth in real income	3
Wage increase	3
Productivity gain	1½
Actual inflation (unit labor costs)	1½

Workers anticipated that purchasing power would grow at the same 3% rate as in Period 1. But because productivity dropped off, unit labor costs went up and so did prices. Hence, inflation enters the picture at a rate of 1½%. In effect, wages increase by 3%, half of which is consumed by inflation, leaving only a 1½% increase in real income. Labor is disappointed and readies new wage demands aimed at overcoming the real-income deficit.

Predictably, in Period 3, wage demands go up to 4½%. (The assumption is reinforced by the large number of labor contracts which have cost-of-living escalators built-in.)

Footnotes at end of article.

Period 3:	*Percent*
Assumed inflation	1½
Expected growth in real income	3
Wage increase	4½
Productivity gain	1½
Actual inflation (unit labor costs)	3

Obviously, the windup of inflation is under way and will continue, as shown below, until something occurs to lower labor's wage demands or to raise productivity.

[In percent]

	Period			
	4	5	6	7
Assumed inflation	3	4½	6	7½
Expected growth in real income	3	3	3	3
Wage increase	6	7½	9	10½
Productivity gain	1½	1½	1½	1½
Actual inflation (unit labor costs)	4½	6	7½	9

In fact, inflation would probably spiral upward more rapidly than these calculations suggest, since labor almost certainly would begin to anticipate future inflation and try to build it into wage settlements, thereby further fueling the inflation momentum.

WINDING DOWN INFLATION

Naturally, at some point labor will have to pare down its wage demands, say to 1½%, in response to the lower rate of productivity gains. Then, the rate of price increase will *level off* and the upward spiral of price rises will be broken. If that occurs in Period 8, the arithmetic would be as follows:

Period 8:	*Percent*
Assumed inflation	9
Expected growth in real estate	1½
Wage demand	10½
Productivity gain	1½
Actual inflation (unit labor costs)	9

Inflation will decline below 9 percent only if productivity gains accelerate, say, back up to 3%.[22] Assume this happens and that, at least for a time, labor demands only a 1½% gain in real wages (to match the previous plateau in productivity gains). The result is that inflation begins to unwind.

	Period		
	9	10	11
Assumed inflation	9	7½	6
Expected growth in real income	1½	1½	1½
Wage increase	10½	9	7½
Productivity gain	3	3	3
Actual inflation (unit labor costs)	7½	6	4½

Now the process has been reversed, with the rise in productivity causing inflation to decelerate from 7½ percent to 6 percent to 4½ percent. Inflation will continue to wind down so long as the rate of productivity gain continues to exceed labor's expected growth in real income. When those two factors come into balance—say, 3 percent productivity growth and 3 percent expected growth in real income, inflation will stabilize at a constant rate until one of the key variables changes again.

A key question is the length of the adjustment periods; that is, how long does it take labor to adjust its wage demands to changes in productivity? Is labor able to argue for wage increases based on historic productivity changes or will labor base its real wage demands on relatively recent productivity performance? Whatever the answer, whatever the length of the adjustment period, productivity plays a key role in this entire process.

At this point in time, increased productivity can serve to help unwind a decade-long process of inflation. Whatever the specific causes—fiscal and monetary mismanagement, soaring commodity prices, the quadrupling of oil prices, dollar devaluations, excess demands, rising unit labor costs—the fact of the matter is that we are in a stage of the inflation process where both costs and wages are leaping upward. Increased productivity in these circumstances is essential to cool inflation while maintaining the nation's commitment to high levels of employment.

POLICIES TO PROMOTE A HIGHER STANDARD OF LIVING

Accelerated productivity growth is essential if we are to come closer to achieving three of our nation's most urgent economic objectives:

To promote real economic growth and, thereby, a higher national standard of living.

To create a sufficient number of jobs for all those able and willing to work.

To restrain price inflation.

Unfortunately, there is no quick way to achieve all three goals simultaneously. In the short-run, rapid growth and full employment may generate inflation—and controlling inflation may limit job creation and growth. In the longer-run, all three objectives can be reconciled through high productivity gains. Thus, a major national commitment to spur productivity would seem to be very much in order.

A set of economic goals

To establish appropriate priorities for the 1980's it would be desirable to identify a series of consistent national economic goals aimed at speeding growth and job creation while restraining inflation:

Increase real annual growth in GNP to 4 percent. To achieve this will require

Raising annual productivity growth to 3 percent. This, in turn, depends primarily on

Increasing the GNP share of business investment by at least 2 percentage points over the 10 percent longer-term trend.

The goals suggested are consistent and realistic. They can be achieved through the promotion of private incentives and the loosening of competitive forces.

A 4 percent real annual rate of growth is the highest attainable without adding to inflation. But a 4 percent rate can be achieved only if we manage to raise productivity by 3 percent annually—double the recent anemic 1½ percent rate. The arithmetic is straightforward. Man-hours worked are expected to increase 1 percent per year at most. For GNP to grow by 4 percent, therefore, an annual 3 percent productivity gain is required. If these goals are met by 1990, average family income will rise 32 percent, to $27,000 (1977 dollars); real per capita income will increase 46 percent, to $10,000 (1977 dollars); and 18 million new jobs will be created.

The task of doubling the recent trend rate of productivity gain is not an easy one—but neither is it impossible. However, it would require critical contributions in the areas of business capital investment; research and development; education and training; and easing restrictive regulations and practices.

Increases in productivity growth rates cannot be achieved overnight. Considerable time necessarily elapses between the implementation of economic policies—management decisions to step up capital investments and facilities planning—and the completion of expansion and modernization projects.

The importance of lifting the GNP share of business investment at least 2 percentage points is underscored by the Department of Commerce's findings. In a 1975 study com-

missioned by the President's Council of Economic Advisors, the Department concluded that business capital investment would have to rise from the 10 percent level of GNP maintained during the preceding 15 years to 12 percent, if capital requirements are to be met.[23] This substantial 2 percentage point gain will be needed merely to increase capital per worker at the same rate as in the previous decade, in the face of the anticipated costs of energy, environmental and safety programs. Increasing capital per worker at a faster rate than in the previous decade would require a still greater increase in the proportion of business capital investments to GNP.

As Federal Reserve System Chairman G. William Miller remarked:

"The Japanese economy spends over 20 percent of GNP on capital investment; West Germany 15 percent. It certainly would be appropriate for us to seek a 12 percent level." [24]

A 2 percentage point shift in output away from consumption expenditures to investment outlays will require a fully coordinated public and private program to redirect priorities toward greater capital formation. Above all, this would require a tax climate that encourages research and development, innovation and risk investment.

POLICY OPTIONS

As our study demonstrates, many factors contribute to productivity. Thus, there are no set formulas for achieving improvements. Some suggestions for policies which might be considered for inclusion in a productivity program are offered below. They are intended to provide a basis for discussion and analysis in formulating a coordinated program to spur productivity growth.

Some suggestions are as follows:

Implement policies to increase business capital spending.

Adopt measures to encourage savings and risk taking.

Create incentives to spur research and development.

Develop a national commitment to productivity improvement.

Relax unnecessary government regulation and other restrictive practices which add to business costs and inflation.

Improve education and training.

Establish policies to better match job vacancies and job seekers.

Promote economic stability.

Each of these policy options is discussed below:

Increase business capital spending

Capital investment is the chief conduit for technological progress. Capital must be invested in new plant and equipment if output is to increase. Capital must be invested to move new ideas from the drawing board to the production line, and to make more efficient processes marketable.

A high degree of uncertainty about future returns on investment has reinforced business caution about committing funds for the future. This reluctance to invest has raised the minimum or "hurdle" rate of return required of new investment projects.

Many specific factors can be cited for the persistent lag in capital investment.

Chief among these is the uncertainty created by inflation, which all too often sends costs spiraling upward faster than prices, thereby lowering profit margins. This conclusion is confirmed in a number of recent studies of rates of return after adjustment for inflation. The pernicious effects of inflation are compounded by the fact that as capital expenditures stagnate and productivity slows, further cost pressures arise which erode profits and, in turn, discourage investment and give another turn to the inflation cycle.

Footnotes at end of article.

Inflation also discourages capital investment by creating illusory profits in the form of phantom inventory gains and inadequate depreciation charges based on original rather than replacement costs. But when seemingly satisfactory profits are adjusted for inflation, they shrink in size. To compound the problem, corporations are taxed on book profits rather than on real profits after adjusting for price inflation. Depressed "real profits" discourage capital spending.

The uncertain energy outlook has discouraged new investments. Higher energy costs have raised investment requirements to finance more energy efficient facilities and equipment.

Proliferating governmental restrictions, regulations and reporting requirements have added to both costs and uncertainties.

Over-all, supplies of new equity capital have been inadequate to support the financing requirements of needed modernization and expansion programs.

National policies to encourage business capital spending would seem to be an essential component of any responsible effort to spur productivity growth. Of extreme importance are measures to eliminate taxes on the illusory profits created by inflation. Toward that end, consideration should be given to basing depreciation allowances on replacement rather than original costs. Other policies which would encourage business capital investment include further liberalization of corporate income tax rates and the investment tax credit, and easing regulatory policies which depress corporate profits and retained earnings.

Encourage saving and risk taking

Ultimately, capital investment is limited by the amount of saving that the economy generates. It is not likely that the economy can achieve a sustained 4% real growth rate if steps are not taken to raise the rate of saving. And sufficient additional savings to meet the investment needs of a high-growth economy cannot be generated without greater encouragement to personal saving, which has accounted for some two-thirds of net private savings over the postwar period.

However, a larger pool of personal savings is not by itself a sufficient condition to stimulate the business investment required to achieve high productivity and economic growth rates. The extreme difficulty of raising equity capital has serious implications for increasing productivity gains in the future. Without an adequate equity base corporations will be hard-pressed to raise the long-term funds required to translate expansion and modernization plans into operating facilities.

To provide the equity base necessary to support a high level of business capital spending, policies to stimulate saving must be fashioned in a manner which would encourage risk taking. It will be necessary, for example, to modify or eliminate tax laws which unduly discourage investment in equities. Among the prime candidates are discriminatory double-taxation of corporate income distributed as dividends (vis-a-vis single taxation of bond interest) and taxation of phantom capital gains resulting solely from general price inflation.

Capital gains taxes have particularly discouraged risk-taking. Although the recent rate changes are a step in the right direction, long-term gains are still taxed without regard to whether they are real or simply due to inflation.

The treatment of losses should be more realistic. Even now, net losses deductible against ordinary income are limited to $3,000 a year; and only one-half of net long term losses are deductible. Policy makers should not be perplexed if investors continue to seek refuge in such tax havens as tax-exempt bonds.

Elimination of the double-taxation of corporate income (first under the corporate income tax and, second, when it is paid out as dividends) deserves careful consideration. The specifics of these and other components of a capital formation package can be debated; but the over-all need of investment tax modifications is clear.[25]

Inadequate capital formation and the misallocation of capital resources are among the principal contributing factors slowing productivity growth and inhibiting living standard improvements. Determination of the best mix of tax policies to achieve growth objectives would benefit from a major study of the interrelationships among capital flows, tax policies, risk-investment, and productivity.

Spur research and development

Greater availability of funds for business capital investment would also spur spending for research and development, the fountainhead of technological progress. Advances in knowledge gained through R&D are an integral part of the entire modernization/innovation process. New technology stimulates new plant and equipment investment programs.

As President Carter has noted, "Emphasis on longer-term research that could lead to new products and processes has decreased." This has led to fears that U.S. industry is losing it creative edge.

Professor Kendrick recently recommended that R&D be spurred in the following ways:

Extend the investment tax credit on equipment to cover industrial R&D, as defined by the Financial Accounting Standards Board or some other body. Better yet, allow a 50% tax credit on *increases* in R&D.

Allow accelerated depreciation or, possibly, a complete write-off in the year that R&D plant and equipment costs are incurred.

Provide government grants on a matching basis for industry-wide R&D expenditures.

Renew Federal support for state technical service centers and, possibly, provide loan guarantees to "lone-wolf" investors.

Encourage the Federal Government to pursue a reasonably steady and predictable policy with respect to investment of public funds in support of R&D. A sharp cutback in Federal fundings was a major reason for the substantial drop in the ratio of R&D expenditures to GNP—from 3% in the mid-sixties to 2.2% in 1977. Had the higher percentage been maintained in 1977, an additional $15 billion would have been spent on R&D.

In addition, a major study of the impact of Federal regulations on the initiation of new research projects and on R&D spending generally, could provide useful guidelines for overhauling Federal policies to spur innovation.

Develop a national commitment to productivity improvement

The President's newly created National Productivity Council, is designed primarily to improve the productivity of Federal Government agencies. Although it represents a good beginning, its limited focus permits it to address only a small part of the productivity problem.

Determined efforts at the national, regional and local levels are needed to develop and implement programs to encourage greater productivity. One possibility for enlisting active grassroots participation might be to establish productivity councils throughout the country to assist individual business organizations in setting up their own internal productivity councils.[26]

The government's contribtion to the national effort to raise productivity might include:

Appointment of a high-level spokesman on economic policies affecting productivity.

Review of existing and proposed legislation, rules, regulations, and practices at all levels of government for their impact on productivity.

Conducting productivity impact studies of proposed Federal actions.

Conducting research studies on means of promoting productivity; and examining on a continuing basis, the sources of productivity growth and factors responsible for increasing or slowing productivity, both at macro and micro-economic levels.

Provision of a corps of experts to consult, on request, on specific productivity problems.

Promoting the organization of joint labor-management productivity committees to focus on the particular productivity problems of individual business and directly involve those closest to the problems.

There is one "best" way to develop a national commitment to raise productivity growth. Whatever specific policies may be implemented should be pursued within the framework of a well-coordinated private and government cooperative effort to integrate broad programs at the national level with more closely focused regional and community programs. Success will come only if the program touches individual firms, and plants and work units within plants.

Governmental and other restrictions

Environmental and related governmental controls have been important factors in reducing measured productivity growth.[27] That conclusion does not imply that such controls are undesirable. But costs and benefits must be realistically assessed on a case-by-case basis. The benefits are better air, cleaner water, fewer accidents. The costs are more inflation, fewer new jobs, less long-term economic growth. It is estimated that some 10% of all capital investment today is spent on environmental improvements, diverting substantial funds away from productivity-improving investments.

Unrealistic government policies, however well-intended, can stifle innovation, investment, and risk-taking.

In his recent anti-inflation message, the President gave particular attention to the impact of Federal agency regulations on costs. We commend such a review. Along these lines, we suggest that each new Federal rule or regulation be subjected to a separate analysis of its productivity impact.

All programs need to be evaluated at the margin. Will the benefits of new Federal restrictions and regulations more than offset the added costs of higher inflation and slower growth? Clearly formulated productivity impact studies before new rules and regulations are adopted could provide the answers.

The blame for restrictive practices which stifle innovation and create inefficiencies must be shared by all sectors of our economy—management and labor as well as government. Some examples:

Franchise agreements in the trucking industry still prevent the transportation of goods by the shortest route. Competition in trucking remains severely limited by ICC regulations, despite recent easing of some restrictions.

Full crew laws on railroads, setting of bogus type by printers, and other work-related limitations reduce efficiency and increase costs.

Local building codes often hamper the introduction of innovative and cost-reducing material. Unrealistically low ceilings are set for work performance.

Tariffs, quotas and other controls on imports of commodities of all types increase costs to consumers.

Many other examples can be cited. The objective should be to allow competitive forces to operate; to encourage the mobility of resources; to avoid restrictions on the productive use of land, labor and capital; and to minimize political impediments to productivity—whether from government, business or labor.

Footnotes at end of article.

Business has not been above restrictive practices which deprive consumers of the benefits of greater competition. Too often competition is favored only in the abstract or for some other industry. Business sometimes lobbies for protection from competitive imports, rather than striving to compete more effectively. Practices which restrict output, pricing, innovation and investment should be curbed regardless of who is responsible for them.

Improve education and training and match jobs and people

Human capital.—The education, skills, and training possessed by people is our most important national resource. The existing work force must have adequate opportunities for upgrading skills and, consistent with other social goals, potential new entrants should be encouraged and assisted to acquire marketable skills and training. Of course, schools can teach useful and productive skills only if they have access to the most modern techniques and practices. More attention should be paid to on-the-job training at the workplace as a means of honing skills.

Opportunities abound for modifying work rules and for redesigning jobs so as to enhance the quality of working life and to stimulate productivity. A high degree of cooperation between management and labor will be needed to achieve these goals.

Matching job vacanies and people.—Economic growth and productivity as well as individual well-being would benefit from efforts to more closely match the skills of people in the job market and the requirements for filling vacant jobs. Schools should be more cognizant of the future needs of the job market, and they must keep abreast of, and train students in, the latest technology. Toward that end, links between the school and the workplace could be strengthened. Cooperative work/school programs and formal apprenticeship programs could be expanded so that young workers would be better prepared to meet job requirements.

Programs might be developed to apprise workers in declining industries of new opportunities elsewhere. Retraining should be encouraged and new methods to aid in retraining older workers should be explored.

It is not uncommon to find workers with specific skills in surplus in one geographic area while those skills are in short supply elsewhere. Removing both real and psychological obstacles to the movement of people to jobs and jobs to people, would be an important spur to productivity. Professor Kendrick determined that decreased labor mobility was one of the key contributors to the slowdown in productivity growth.

Federal, State, and local government

Perhaps even more than their business counterparts, government agencies have an obligation to measure and improve their productivity. With the public sector accounting for more than 30 percent of GNP, there is plenty of scope for raising national productivity levels by improving the efficiency of government operations.

In addition to direct programs for increasing individual output, government can do much to enhance productivity in the private sector by reducing paper work, simplifying regulations, and applying "strict cost-benefit principles in revising old standards and promulgating new ones as necessary . . ." [28]

Stable economic growth

Though broader monetary and fiscal policies are beyond the purview of this study, it is important to recognize that, for maximum effectiveness, specific policies to promote productivity require an environment of relatively steady economic growth.

Recessions typically make sharp inroads into productivity by idling resources and creating inefficiencies in the use of plant and equipment. Moreover, the uncertainties created by the business cycle hamper capital investment planning and create insecurity as to the future. To the extent that economic growth can be steadied and inflation restrained, the environment for investment and productivity growth will improve.

Our main objective in this study has been to highlight the central role productivity plays in fueling economic growth and in restraining inflation. Appropriate public and private policies can be developed to spur productivity—and this should be a high-priority national economic goal. However, a successful national productivity growth policy will also require a high degree of cooperation among government, management and labor. The effort to maximize productivity requires a major management commitment to capital investment as well as a commitment at the individual workplace and throughout the ranks of every business organization.

Only through long-run increases in productivity growth can our economy generate more jobs, less inflation, and a higher living standard for all Americans. There is no easy path. America needs a national focus which will properly place accelerated productivity growth high on our list of national priorities.

APPENDIX II

SHARES OF OUTPUT GROWTH (PRIVATE NONFARM ECONOMY)

[In percent]

	Productivity	Man-hours
1947–67	79	21
1948–68	78	22
1949–69	73	27
Average	77	23
1967–77	55	45
1968–77	52	48
1969–77	59	41
Average	55	45

Sources: Bureau of Labor Statistics; New York Stock Exchange.

Note: See p. 9.

ESTIMATES OF POTENTIAL EMPLOYMENT AND UNEMPLOYMENT, 1978–90

	Millions			
	Civilian labor force [1]	Civilian employment [2]	Unemployment	Unemployment rate (percent)
June 1978 (actual)	100.6	94.8	5.8	5.8
1979	101.9	96.1	5.8	5.7
1980	103.2	97.3	5.9	5.7
1981	104.5	98.6	5.9	5.6
1982	105.9	99.8	6.1	5.8
1983	107.3	101.1	6.2	5.8
1984	108.7	102.5	6.2	5.7
1985	109.7	103.8	5.9	5.4
1986	110.6	105.1	5.5	5.0
1987	111.6	106.5	5.1	4.6
1988	112.6	107.9	4.7	4.2
1989	113.7	109.3	4.4	3.9
1990	114.7	110.7	4.0	3.5
Average 1978–90	108.1	102.6	5.5	5.1
Average 1980–90	109.3	103.9	5.4	5.0

[1] Assumption: Civilian labor force growth: 1978–84 equals 1.3 percent per year; 1985–90 equals 0.9 percent per year (see p. 13).

[2] Assumption: Civilian employment growth: 1978–90 equals 1.3 percent per year (see p. 13).

Source: Bureau of Labor Statistics, NYSE.

APPENDIX III

SOURCES OF GROWTH IN REAL GROSS PRODUCT, U.S. DOMESTIC BUSINESS ECONOMY (SELECTED SUBPERIODS 1948-77)

[In percent]

	1948-66	1966-73	[1] 1973-77
Average annual rates of change:			
Real gross product	3.9	3.5	2.0
Factor input—Total	1.2	1.9	1.3
Labor	.4	1.4	.6
Capital	2.7	2.9	2.6
Real product per unit of labor	3.5	2.1	1.4
Capital/labor substitution	.8	.5	.7
Total factor productivity	2.7	1.6	.7
Percentage point contribution:			
Sources of total factor productivity growth:			
Advances in knowledge	1.4	1.1	.9
R & D stock	.85	.75	.7
Informal	.3	.25	.2
Rate of diffusion	.25	.1	
Changes in labor quality	.6	.4	.7
Education and training	.6	.7	.7
Health	.1	.1	.1
Age/sex composition	−.1	−.4	−.1
Changes in quality of land		−.1	−.2
Resource reallocations	.8	.7	.3
Labor	.4	.2	.1
Capital	.4	.5	.2
Volume changes	.4	.2	−.3
Economies of scale	.4	.3	.2
Intensity of demand		−.1	−.5
Net Government impact		−.1	−.3
Services to business	.1	.1	.1
Regulations	−.1	−.2	−.4
Actual/potential efficiency, and n.e.c.[2]	−.5	−.6	−.4

[1] Preliminary.
[2] Not elsewhere classified.

Source: John W. Kendrick, George Washington University, based in part on estimates by Edward F. Denison "Accounting for United States Economic Growth, 1948-69" (Brookings, 1974) and an article in the January 1978 "Survey of Current Business."

APPENDIX IV: THE INTERACTION OF DEMAND-PULL AND COST-PUSH INFLATION IN RECENT YEARS

Recent economic history demonstrates the intricate interrelation between demand-pull and cost-push inflation.

The current "inflation era" was given major initial impetus by the surge in government spending associated with the build-up of the Vietnam War and the Great Society programs of the 1960s. This spending buildup occurred at a time when the economy was already operating at close to full employment. The results were large Federal deficits and a classic case of demand-pull inflation.

But as government expenditures escalated and demand pressures grew, price increases began to accelerate—from 2% in 1965, to 3% in 1966 and 1967, and to 4½% in 1968. By 1969, wage demands reflected these price rises, as well as the customary demands for additional wage increases to improve living standards. Cost-push inflation was underway.

The 1969-1970 recession coupled a decline in the level of output with continued price escalation as labor sought wage increases to keep up with and even get ahead of mounting inflation. In August 1971, the President instituted Phase I of wage and price controls.[20]

1973 was a watershed year in the history of inflation in the U.S. Commodity and food prices soared, interest rates went through the roof, and the oil embargo began. Together with the effects of two separate dollar devaluations and declining U.S. productivity, 1973 saw prices jump by 8%. With so many shocks to the system, inflationary expectations intensified. The term "double-digit inflation" entered the lexicon.

Despite the worst recession since World War II, prices rose by 12% in 1974 and by another 10% in 1975. These continuing price rises were fueled primarily by the combination of actual declines in the level of productivity for six consecutive quarters and persistently high increases in compensation per man-hour which exceeded 9% in 1974 and reached nearly 10% in 1975.

Rebounding productivity gains offset some of the rise in unit labor costs in 1976, but 1977 productivity slowdowns sparked further sharp rises in unit labor costs and prices. As this was happening, the unemployment rate began to fall toward a level which many economists would consider close to full employment. Thus, demand-pull factors strengthened and reinforced the inputs of cost-push inflation.

The push-pull of inflation has continued into 1978. Near double-digit compensation increases, coupled with declining productivity gains, have pushed prices up at still faster rates, with little relief in sight. At the same time, some tightness has developed in the skilled and experienced labor force and production bottlenecks have begun to appear.

This history illustrates the interaction between demand-pull and cost-push forces. Prices have risen at times in response to peak demands. In turn, wages have increased as labor has sought not only to maintain, but to increase, purchasing power. Over-all, unit labor costs and prices have spiraled upward without full-employment output.

Demand-pull and cost-push inflation, therefore, cannot be separated into two neat boxes. Because they constantly interact with and fuel each other, an array of economic policies is essential to control them.

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FOOTNOTES

[1] Francis Hackett, *Ireland*, cited by Paul A. Samuelson, *Economics*, tenth edition, 1976, page 759.

[2] Real per capita income (personal income in 1977 dollars, divided by population) rose from $3,740 in 1947 to $7,053 in 1977.

[3] It should be noted that the Labor Department output per man-hour measure used here measures the contribution of *all* factors of production (including labor, capital and natural resources) in raising output per-hour worked.

[4] These estimates are very close to those of Dr. Edward Denison. His study of the sources of growth in the U.S. economy indicates that total factor productivity as used here has accounted for approximately ¾ of the growth in national income between the years 1929-1969.

See Edward F. Denison, *Accounting for United States Economic Growth 1929-1969*, The Brookings Institution, 1974, pages 124-149 especially Table 9-5 on page 128. Data in Table 9-5, if regrouped to approximate the overall productivity measure used here, confirms the Exchange's findings.

[5] Changes in man-hours plus changes in productivity equal changes in output.

More precisely, man-hours *multiplied by* productivity equals output. Little accuracy is sacrificed by adding rates of change here, because of the small magnitude of the percent changes.

[6] A full discussion of the sources of this decline begins on page 14.

[7] Average workweek, total private nonagricultural sector: 1947 = 40.3 hours; 1957 = 38.8 hours; 1967 = 38.0 hours; 1977 = 36.1 hours.

[8] A 4% growth rate fueled by a 3% rise in productivity and a 1% rise in man-hours can produce a substantial increase in jobs in the coming decade if aggregate demand is strong enough to accommodate them. Man-hours

and productivity gains are, after all, supply variables and define what may be, not will be, attained. The extent of the increase is demonstrated by the following relationship:

% Change in Employment = % Change in Man-hours − % Change in Workweek

Assuming a 0.3% annual decline in the length of the average workweek, in line with the 1947-1977 experience in the private nonagricultural sector, the change in employment can be estimated as follows:

% Change Empl. = % Change man-hours − % Change workweek

% Change Empl. = 1% − (−0.3%)

% Change Empl. = 1.3%

Thus, employment can increase by 1.3% per year on average and could mean 16 million additional jobs by 1990—or an average unemployment rate of 5.0% over the decade of the 1980s. (Year-by-year changes are shown in Appendix II.) This assumes the BLS projected increases in the labor force (1.3% per year 1978-1984 and 0.9% per year 1985-1990).

[9] Address requests to: Dr. William C. Freund, Office of Economic Research, New York Stock Exchange, Inc.; 11 Wall Street, New York, New York 10005.

[10] The estimates are confined to the U.S. domestic business economy, which accounts for about 85% of GNP, since output and productivity measures are not available for the public and household sectors. Professor Kendrick's more detailed table appears in Appendix III.

[11] Nonetheless, real R&D expenditures (1972 dollars) have risen from $20 billion in 1960 to $26 billion in 1970 and to $29 billion in 1977.

[12] Deleted.

[13] See Frank Gollop and Dale W. Jorgenson, "U.S. Productivity Growth by Industry, 1947-1973," in *New Directions in Productivity Measurement*, (University of Chicago Press for the National Bureau of Economic Research, in press).

[14] The improvement in the capital/labor substitution ratio in 1973-1977 reflects greater efficiency per unit of capital. In absolute terms, the amount of capital per person in the labor force declined between 1974-75 and 1977.

[15] For a discussion of the interaction of these two sources of inflation over the past decade, see Appendix IV.

[16] Naturally, not all wage increases are set through formal collective bargaining. Nonetheless, agreements reached in union negotiations tend to have powerful spillover effects and set patterns for the entire labor market.

[17] Sam Nakagama, "Economic Perspectives," Kidder, Peabody & Co., July 28, 1978.

[18] Morgan Guaranty Survey, October 1978, pages 5-6.

[19] *A Conversation with the Honorable Barry Bosworth*, American Enterprise Institute for Public Policy Research, 1978, page 29.

[20] For illustrative purposes, throughout this section we have equated increases in unit labor costs with inflation, fully recognizing that (1) if non-labor costs rise faster than labor costs, price rises will be greater than indicated, and vice-versa; and, (2) in some cases, only part of the increase in unit labor costs may be passed on to customers.

[21] Actually, the process could start from any base level of inflation.

[22] Inflation would also decline if labor agrees to accept something less than assumed inflation plus a realistic allowance for productivity growth.

[23] Nonresidential fixed investment averaged 9.6% of GNP in 1975-78, and 9.8% of GNP in 1960-75.

[24] Speech before the American Productivity Center's Productivity Conference, October 3, 1978, page 8.

[25] Proposals to ease tax burdens on saving and investment are often rejected because of presumed negative effects on Treasury revenues. However, a recent study by Professor Martin Feldstein and Joel Slemrod (*The Lock-in Effect of the Capital Gains Tax: Some Time-Series Evidence*, National Bureau of Economic Research, Working Paper No. 257, 1978) concludes that Treasury revenues would expand, rather than contract, in response to a lower capital gains tax rate. A lower rate would induce a great increase in the sales of capital assets, and shift capital to those enterprises which are most efficient and profitable—a net plus for productivity growth.

[26] "The individual producing organization is where the action is with regard to improving operating efficiency under given technologies and making the cost-reducing innovations required for continuing productivity advances." Kendrick, *Understanding Productivity*, Johns Hopkins University Press, 1977, page 121.

Some companies have begun to look more closely at the nature of productivity at the plant level, thanks to the efforts of the Houston-based American Productivity Center and similar organizations which have sprung up over the last few years.

[27] Edward F. Denison, *Effects of Selected Changes in the Institutional and Human Environment Upon Output Per Unit of Input*, The Brookings Institution, 1978.

[28] Kendrick, Testimony before Joint Economic Committee, June 3, 1978.

[29] By 1971, unit cost pressures had actually begun to ease (as it turned out, temporarily) as robust productivity gains offset persistent wage demands. Price rises dipped below 3% per annum in the third quarter of 1971. Thus, as Phase I of wage-price controls was instituted, increases in productivity had already begun to slow the upward spiral of prices. In 1972, inflation ran at only a bit over 3%, due more to continued strong productivity gains than to Phase II of the control program. The 1971-1972 experience strongly suggests the potential of productivity gains as a policy instrument for curbing inflation.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I seek recognition for 15 minutes in the morning hour. Is there a standing order for 15 minutes?

The ACTING PRESIDENT pro tempore. Yes, there is. The Senator is recognized for not to exceed 15 minutes.

Mr. STAFFORD. Mr. President, will the Senator yield to me for a couple of minutes to initiate a speech, with the understanding that he not lose the floor in doing so?

Mr. JOHNSTON. Yes. I will not talk too long, but I certainly yield to the distinguished Senator from Vermont.

Mr. STAFFORD. I appreciate the Senator's yielding.

THANKS TO THE WELL-WISHERS

Mr. STAFFORD. Mr. President, I wish to thank the Members of the Senate who either sent me cards or called me while I was recently recovering from an operation.

I yield the floor.

(The remarks of Mr. JOHNSTON in connection with the introduction of legislation are printed under statements on introduced bills and joint resolutions.)

A CONSTITUTIONAL CONVENTION

Mr. CULVER. Mr. President, we are now engaged in a great national debate on the subject of a call of the States for a constitutional convention to consider an amendment requiring a balanced Federal budget. Utah last week became the 25th State to petition for a convention. A total of 34 State applications are needed to trigger an article V convention call.

The goal of restraining Government spending to the greatest extent feasible as a measure to control inflation and high taxation is one that is shared by the majority of thoughtful Americans. But a constitutional amendment to enforce a balanced budget each year, whatever the conditions in the country may be, is another question. Balancing Government budgets in a responsible way is a valid objective to almost anyone's mind. Imposing a constitutional straitjacket to achieve that objective raises more questions than it answers.

The issue cuts across party lines. The Democratic Governor of California is a leading advocate. While many Republicans support the concept, we note that a majority of that party's leaders at the recent Tidewater Conference in Maryland rejected as "gimmickry" the call for the constitutional amendment to mandate a balanced Federal budget. Instead, it was reported, they said that they would campaign in 1980 for lower taxes and tougher spending limits.

The preservation of the integrity of our Constitution is a major concern to people of all parties. Our Constitution, as many eminent jurists throughout our history have pointed out, has endured so well because it embodies fundamental law and has not been made the instrument of specific social or economic policies. It has been our tradition that policies that can be handled effectively through congressional or executive action within the constitutional framework should not be cemented into the Constitution.

One should note, in this regard, that only twice in almost two centuries have we used the Constitution as a vehicle for social or economic experiments. The first instance was the recognition of slavery. The second was prohibition. As we know, both were later repealed. The absence of such features is precisely what is unique about the American Constitution.

As President Lyndon Johnson put it:

> Our basic law . . . is distinctive among the basic law of all nations . . . in that it prescribes no national dogma: economic, social, or religious.

This remarkable quality may have been what prompted the English statesman, Gladstone, to say, more than a century ago:

> The American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man.

Budget balancing can be written into law without major surgery on the Constitution. It should be noted that one of the basic goals of the Carter administration is to balance the Federal budget at the earliest feasible time. Or, if it should prove to be the will of a majority of Americans, an amendment can be pro-

posed in a more orderly and less dangerous fashion by congressional initiative.

Whether or not one agrees that writing specific economic policy into the Constitution would devalue this great charter of our democratic system, the unknown course of an article V Constitutional Convention raises warning signals of many kinds. The convention route to amend the Constitution has never before been used—and for good reason. The article itself is extremely vague, consisting of only a few lines. Nor is there any statute spelling out guidelines on how such a convention would be implemented.

It has been said by some who fear a constitutional convention that it would be a loose cannon, that it could not be confined to the single issue of budget balancing or any other amendment. Constitutional authorities disagree on this point, and I shall not argue it.

I do not so much fear that such a convention would be a carte blanche for the people to alter their constitution, but rather that it would be a reckless excursion into procedural chaos. It would almost inevitably usher in a period of major confrontations between the branches of our Federal Government and the States. In short, it would split the Nation with divisive controversy at a time when unity and self-confidence are our paramount needs.

Hundreds of State applications have been made to Congress since 1789. Doubtless many of those were made not to force the convening of a constitutional convention, but, rather, to apply pressure on Congress to adopt a similar proposal via the congressional initiative route and to submit it to the States for ratification.

Some exponents of the present convention drive are contending that this will be the probable and desired outcome of their effort. But there is no compelling reason to believe that convention advocates nationwide would be content to pass the initiative to Congress and give up the convention idea. Twenty-five States have already applied to Congress for a convention, and at least nine more are expected to have applied by late spring this year—which would trigger a call by Congress for an article V convention.

There should be no reasonable doubt that it is legally mandatory for Congress to call such a convention after two-thirds of the State legislatures have duly petitioned Congress to do so. Article V states:

> The Congress . . . on the application of the legislatures of the several states, *shall* call a convention for proposing amendments.

"Shall" clearly means "must" in this context. It is equally clear that amendments proposed by any such convention are to become part of the Constitution "when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as one or the other mode of ratification may be proposed by the Congress. * * *" There could be no action by the Chief Executive in this procedure since, under article V, the President is given no role to play in the amendment process.

Mr. President, the procedure for amending the Constitution by a two-thirds vote of both Houses of Congress is familiar ground so far as procedures are concerned. The article V Convention route, on the other hand, is an uncharted wilderness. One brief paragraph is the extent of what is known; the rest is unknown. It should not be assumed that the multitude of unanswered procedural questions that arise can be routinely settled by Congress or the courts. The uncertainties are of a kind that do not readily lend themselves to traditional mechanisms for solution.

In such a vacuum, controversy is bound to flourish. One of the Nation's leading authorities on constitutional law is Prof. Laurence Tribe of Harvard Law School. He sees, in a convention, the danger of touching off massive confrontations—between Congress and the convention, between Congress and the Supreme Court, and between the Supreme Court and the several States.

For example, Congress has the prescribed duty to call the convention and to transmit any amendments approved to the States for ratification. But how far do its powers go in discharging this duty? Suppose Congress, in good faith, invalidated certain applications or insisted on certain convention reforms before appropriating funds, or ruled some act of the convention as being outside its jurisdiction. What we might well have is a pitched battle over legitimacy. The struggle over constitutional power, set off perhaps by some single procedural point, could result in a bitter stalemate that the country can ill afford. At this point, enter the Supreme Court.

In the event of a stand-off between the Convention and the Congress, an action by the Supreme Court, whether it chose to rule or to abstain, would, in point of fact, come down to the advantage of one side or the other. Here we have the potential of aroused enmity either between the Court and the States or the Court and the Congress.

It is not difficult to visualize that the Court could become involved with Congress over the limits of congressional power under article V. Take the mode of delegate selection, for example. Is the one-person, one-vote rule applicable to a National Constitutional Convention?

Under the time-tested procedure for amending the Constitution by congressional initiative, the possibility of the Supreme Court getting at odds with the States is minimized. It has been maintained over a long period that Congress has the authority over such questions as attempted rescission and the timeliness of ratification. But under the article V method, there are no such guidelines available to us.

It is likely, if not inevitable, that on certain points, the Constitutional Convention, flexing its muscle as a constitutional authority independent of the Congress, would dispute certain assertions of congressional jurisdiction over the convention. If the Supreme Court upheld the Congress, a bitter division between the Court and the States would be likely to result.

When you get to the mechanics of the convention itself, you are met with another horde of basic, unanswered questions.

Does Congress have the power to make rules for the convention or to limit its amending power? If not, how is the agenda to be kept in reasonable bounds? How is the convention to be funded? Does Congress have the power of the purse over the convention? Who sets the duration of the session? Can it be reconvened? At whose call?

There are still basic, unanswered questions when you get to the ratification process. Under its article V authority and implied powers therefrom, can Congress refuse to submit a proposed amendment for ratification or impose a crippling time limit? Can Congress allow or prohibit rescission of a State's ratification vote? What if Congress and the convention deadlock on these matters?

Mr. President, these are only a few of the multitude of questions that would confront us with regard to an unprecedented article V Constitutional Convention. And if we were to proceed on this unnecessary route, who would provide the answers without risking severe dislocation in our constitutional system? The Congress? The courts? The States? I submit, Mr. President, nobody knows.

Mr. President, in the past 10 years, our Nation has gone through some trying experiences—the trauma of Vietnam, a succession of political assassinations, a constitutional crisis in the Presidency and severe economic problems, to name the best known. Now we are in the process of strengthening our national morale and regaining our spiritual unity as a people.

This is no time to risk the divisive disruption of the first Constitutional Convention since 1787.

Moreover, considering how well our constitutional system has held up through the trials of this past decade, it is not time to devalue our Constitution with an inappropriate amendment that goes against the collective wisdom of our history.

Judge Oliver Wendell Holmes said:

> Constitutions are intended to preserve practical and substantial rights, not to maintain theories.

I thank the Chair and I yield back my time.

Mr. STEVENS. Mr. President, I congratulate the Senator from Iowa for making those remarks. It is a most perplexing subject that we may have to face here soon.

I am not certain that too many people have thought of those complexities. The Senate would do well to take heed of my good friend's remarks and think twice about the situation.

I am not sure that my good friend would agree, but I, for one, believe one of the reasons we are having so much interest in this country in the Constitutional Convention is that we have not responded fully as a Congress to the demands of the American public for a reduction in the tax level that is imposed by the Federal Government on our people.

But, in any event, whatever the reason, I do think the Senator has done us all a

service by outlining the points he has presented to us today.

Mr. CULVER. I thank the Senator from Alaska very much.

Mr. PROXMIRE. Mr. President, unfortunately, I did not hear the Senator from Iowa in his speech. If he spoke, as I presume he did, on the constitutional amendment to require a balanced budget, I want to ask him, if he will do so, to take a look at a bill I introduced yesterday—he was out of town, as I understand it—that would meet this objective, but it would do so in a flexible and economically realistic way, and a responsible way.

I am very hopeful my good friend from Iowa will look it over and consider supporting it.

PRESIDENT'S ANTI-INFLATION INCOMES POLICY SHOWS ENCOURAGING SIGNS OF WORKING

Mr. PROXMIRE. Mr. President, the Wall Street Journal reports today some encouraging anti-inflation news—that is, that smaller pay hikes may be the case at some firms as the guidelines begin to bite.

Gibson & Co., a Princeton, N.J., consulting outfit specializing in employee compensation, after surveying 634 big companies, found that 73 percent of the companies had cut their budgets for 1979 salary increases as the result of President Carter's voluntary pay guidelines.

That is the first broad news I have seen that the incomes policy of the President in fighting inflation is beginning to have some effect; 634 companies plan to give an average 7.1 percent salary increase, rather than the average 8.5 percent raise they originally planned to give.

That is a very substantial moderation in pay. It would translate into a reduction in the inflation rate, because by far the most important element in inflation is the rate of pay. Seventy percent of the cost of operating businesses in this country is personnel cost; and, obviously, if you have a pay increase and you have very little productivity increase, that pay increase is translated almost entirely into a price increase. So this is great news.

Asked about the effect of the guidelines on their compensation planning generally, 23 percent of the companies said they would have to make "substantial" changes in their plans to comply, while 50 percent said only "minor modifications" would be needed. Another 27 percent said what they had originally budgeted was already within the 7 percent pay-and-benefit standard, so no changes were necessary.

"Management" employees will be "most affected" by the guidelines. Only 26 percent said "nonmanagement" employees would be hardest hit.

GENOCIDE CONVENTION: RATIFICATION LONG OVERDUE

Mr. PROXMIRE. Mr. President, for many years now I have spoken daily on the floor of the Senate in favor of ratification of the Genocide Convention; quite frankly, more times than I care to remember. But I do it—and I will continue to do it—because I believe so very strongly in the noble purpose which this treaty embodies.

Over the years, the legitimate questions first raised regarding this Convention have been carefully reviewed and conclusively refuted.

Every line, every phrase, every syllable has been scrutinized time and again. I doubt that any human rights treaty has ever been subject to such intensive examination.

Our own Foreign Relations Committee has held hearings four times on this treaty. Four times, Mr. President. And each and every time they have recommended ratification by the Senate.

But the Senate has yet to act.

And why?

Does the treaty endanger our security or threaten the balance of power?

No. Here is a treaty that has had the complete support of a long line of Presidents and has the endorsement of every branch of our Armed Forces.

Is it because this treaty will drain our Treasury?

No. This treaty will not cost the taxpayers a dime.

Why then? What does this treaty do that four sets of hearings and 30 years of Senate consideration are required?

Mr. President, this treaty simply attempts to establish a basic, fundamental principle in international law: that the planned, premeditated extermination of a national, ethnic, racial, or religious group is morally wrong and must be outlawed and punished.

It is that simple.

It is that important.

THE GENOCIDE CONVENTION ENJOYS BROAD SUPPORT

Mr. President, the lack of Senate action is baffling, particularly in light of the broad support this major human rights treaty enjoys.

As I mentioned before, President after President since the time of Truman has endorsed ratification.

Successive Attorneys General, Secretaries of State and our Defense Department support Senate action.

Even the prestigious American Bar Association, which initially had misgivings about the treaty, has now overwhelmingly endorsed the treaty, concluding that their reservations had not withstood the test of time.

The American Civil Liberties Union has found no threat to our freedoms in this convention.

And there is even an Ad Hoc Committee of 52 labor, civic, religious and national groups dedicated to its ratification.

Every religious organization supports this treaty; yet, we fail to act.

And the list goes on and on.

IS THE GENOCIDE CONVENTION TOO WEAK?

But the question remains.

Why, in light of this treaty's noble purpose—why, in light of its impressive support, does the Senate fail to act?

In recent weeks I have discussed this question with a number of my colleagues and would like to address a concern that has been expressed by several Senators.

The argument follows the theme that the Genocide Convention is too weak. It is argued that there are a broad array of human rights violations that are simply not covered by this treaty. What about cultural genocide, for example? In the final analysis, will not other nations violate this Convention if it is in their interests to do so?

I am disturbed by the pervasiveness of this theme—or its variations—and it deserves a complete response.

First, the Genocide Convention was never meant to be a panacea for human rights violations. It is a narrowly targeted document, focusing on one of the most egregious crimes known to man. It was never meant to be construed as a catch-all document for each and every human rights violation.

Second, the concept of cultural genocide was specifically eliminated from this Convention for that very reason. This does not make issues such as religious intolerance and discrimination unimportant. The U.N. Human Rights Commission has been struggling for a number of years now with a draft treaty to deal with just that type of issue. And our delegation to the 35th meeting of the Human Rights Commission opening in Geneva next week will push for action on a treaty on religious intolerance—a concept the United States has long supported. But that is not part of the Genocide Convention.

Third, the argument that nations determined to violate this treaty cannot be stopped is self-defeating. Following this line of argument, no treaty would ever be adopted since some nation, someday, may violate it. This hesitancy is misplaced with this treaty when our own Defense Department assures us that it poses no threat to our security.

Also, we have specific experience with treaties that have no real enforcement mechanism—such as the Geneva Conventions for the Treatment of Prisoners of War—that have made great strides in protecting basic health and welfare of prisoners. And their only enforcement mechanism is the moral force of world opinion.

Finally, any treaty, just as any bill, is the result of careful negotiation and compromise. This treaty does not cover every conceivable group. Few pieces of legislation the Senate passes could meet such a test. But it does make a start—an important start—at protecting the most fundamental right: the right to live.

THE TIME TO ACT IS NOW

Mr. President, it is time to take that step.

Not because of the long list of supporters.

Not because we have refuted every objection.

But because it is right. And we have a moral obligation to not procrastinate any longer.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. LONG in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

(During Mr. LONG's remarks, the following occurred:)

The PRESIDING OFFICER (Mr. LEVIN). If I may interrupt the Senator for just one moment, all time for morning business has expired at this point.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business be extended for an additional 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield to the Senator such time as he may need.

Mr. LONG. I thank the majority leader.

(At the conclusion of Mr. LONG's remarks the following occurred:)

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:24 p.m., recessed until 1:54 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. DURKIN. Will the Senator withhold that for a moment?

Mr. ROBERT C. BYRD. I withhold that.

Mr. DURKIN. I thank the Senator.

Mr. President, I ask unanimous consent that I may proceed as if we were in morning business.

The PRESIDING OFFICER. The Senate is in morning business.

Mr. DURKIN. I thank the Chair.

THE MIDDLE EAST SITUATION

Mr. DURKIN. Mr. President, peace in the Middle East, especially a peace treaty between Israel and Egypt, has always been desirable, but now it is absolutely essential to the economic, political, and military security of the United States and all the free world. That is why I have viewed with concern the movement of the Carter administration away from its praiseworthy role as an even-handed mediator in the ongoing negotiations that have followed the Camp David summit to the unhelpful role of attempting to resolve the impasse by supporting one side against the other. For that movement, rather than encouraging peace, has only served to make a difficult situation even more difficult, thereby postponing a true and lasting peace.

Just as importantly and unfortunately, that movement has led to fixing blame on Israel—the only true democracy in the Middle East, and a real friend of the United States—rather than to mediating the few remaining issues between Israel and Egypt. The Carter administration, by direct quote and innuendo, has encouraged and even participated in blaming Israel for the present stalemate in the talks. In doing so, the administration has fostered the incorrect belief around the world and even in parts of this country that Israel, and Israel alone, stands in the way of peace. This is unfounded and unwarranted, and postpones real peace.

For example, on November 21, 1978, well within the 3-month deadline for peace agreed to at the Camp David summit, Israel announced its readiness to accept the draft treaty which had been arduously negotiated in Washington.

This acceptance came despite the fact it required Israel to make major concessions, concessions which were agreed to only after the most strenuous political debate within Israel. For instance, the Israelis agreed to relinquish to Egypt the entire Sinai peninsula, including three important strategic airfields, a naval base, and Israeli villages that had served as a security buffer. Israel made these concessions although the Sinai peninsula has been the base for past Egyptian attacks on Israel.

Egypt, of course, has also contributed to the peace effort, especially through President Anwar Sadat's historic mission to Jerusalem in November 1977. But though Egyptians have made concessions during the post-Camp David negotiations in Washington and in the Middle East, they have been unwilling to accept the draft treaty. Instead, they have raised new demands on the Israelis, with the apparent encouragement of the Carter administration, demands which go beyond the Camp David accords.

The Egyptians are now demanding, for example, that the exchange of Ambassadors between Israel and Egypt be conditional upon the establishment of autonomous administration in the West Bank and Gaza District. While the Israelis intend to bring autonomy to those areas—in fact, it was originally an Israeli proposal—they balk at making the exchange of Ambassadors conditional upon the cooperation of groups outside the control of either Israel or Egypt. They rightly argue that there can be no true peace without concurrent and concomitant exchange of Ambassadors, and that making peace conditional on events in the West Bank and Gaza would encourage continual disruptive actions by the Soviet Union, and by the Palestine Liberation Organization.

The administration's recent policy of trying to make Israel a scapegoat must stop, especially in these delicate negotiations in which the stakes are so high. Peace between Israel and Egypt creates the possibility that these two countries, both friends of the United States and opponents of the Soviet Union, can work together to create a bulwark against Soviet expansionist tendencies in the Middle East. At a time of turmoil in Iran, unrest in much of Turkey, alliance between Afghanistan and the Soviet Union, pressure on Pakistan, and concern in Saudi Arabia and other Persian Gulf states about the intentions of the Soviets and their allies, the last thing an American administration should do is undermine the prospects or postpone for even 1 day the peace between Israel and Egypt by finger pointing.

Additionally, many of the administration's clumsy moves in recent months have created rifts between Israel and our country which benefit no one. As over 170 retired high-ranking military officers pointed out in a recent letter to President Carter, Israel is a source for peace in the Middle East. Israel remains at the heart of our opposition to the spread of Soviet influence which now threatens the Persian Gulf, the Horn of Africa, and other areas vital to the free world.

Anthing less than total American commitment to Israel and to the cause of peace in the Middle East poses a severe threat to our vital national interests.

I am hopeful the administration will return to its position of active arbiter, and refrain from fixing blame. We have come too far in solving this formerly insoluble problem to have such action damage a sincere and honestly negotiated peace. We must forget that it is the Israeli people and the Egyptian people who have to make the final decisions about peace. We hope and pray they will. But we must also not forget that Israel needs our support, that we need Israel, and that we need peace and stability in the Middle East now more than ever.

I thank the Chair and I thank the majority leader.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

(Disturbance in the Visitors' Galleries.)

Mr. ROBERT C. BYRD. Mr. President, may we have order in the gallery.

The PRESIDING OFFICER. There will be order in the gallery.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Sergeant at Arms take steps to restore order in the gallery.

The PRESIDING OFFICER. The clerk will proceed with the call of the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEAR OF FACING THE TRUTH

Mr. STEVENS. Mr. President, as we prepare to discuss the administration's major foreign policy objective, approval of a SALT II treaty, I submit for my colleagues' review an article entitled "Fear of Facing the Truth" by George F. Will which appeared in the January 22 issue of Newsweek. The theme of Mr. Will's story parallels the resolution adopted by the Tidewater II Conference of Republican Party last weekend in Easton, Md.

In part, our resolution states that—

The administration has been consistently insensitive to the aggressiveness of the Soviet Union and its clients, and inaccurate in forecasting Soviet behavior.

Additionally, we agreed that in considering the proposed treaty the complete military and foreign picture of the United States and the Soviet Union should be considered. I ask unanimous consent that Mr. Will's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEAR OF FACING THE TRUTH

(By George F. Will)

When, as lately, America's decline accelerates, it is useful to look back along the downward, crumbling path. Eugene Rostow has done so in The Washington Quarterly, recalling the 1968 Soviet invasion of Czechoslovakia. He was Under Secretary of State, and was struck, then as now, by the attitude prevalent within government that "Soviet action must always be given the benefit of the doubt." That summer, officials resisted the idea that Soviet military maneuvers presaged an invasion. When senior Soviet officials interrupted their August vacations to convene in Moscow, President Johnson assumed they were preparing not an invasion but an invitation (for him to visit Moscow to begin strategic arms limitation talks). Significantly, they were preparing both. They wrongly assumed what they reasonably assume today, that the U.S. Administration would mute its reaction to Soviet conduct, however aggressive, rather than jeopardize SALT negotiations. (Johnson immediately canceled the trip.)

With today's satellites, U.S. officials would have seen unusual markings on tanks and other vehicles in the Soviet maneuvers. Evidence that these were about to go into action against identical tanks and vehicles—those of the Soviet-supplied Czech Army. But many officials would have resisted any upsetting evidence about the Soviets. Rostow recalls this from the preceding summer:

". . . The first time 'Egyptian' MiG fighters appeared over our Sixth Fleet shortly after the 1967 Six Day War, our monitoring sources reported that the pilots of these 'Egyptian' planes were talking Russian . . . Well, for two weeks our Soviet experts were explaining this away . . . [They said] that these were training flights, that the pilots were Egyptians who had been instructed in Russian by Russian personnel . . . and so on. Of course it soon transpired that the pilots were Russian and those arguments collapsed. But for two weeks they were stubbornly held . . ."

"STABILITY" IN IRAN

Today, the pattern of strikes and unrest in Iran strongly suggests Soviet fingerprints, but while the Soviets broadcast instructions for manufacturing grenades and bombs, U.S. "experts" suggest that the Soviets are primarily interested in "stability" in Iran. How does Rostow explain such willful imperviousness?

"The answer is: fear. The American political class is afraid of living with the evidence of reality, because if you accept that the Russians are embarked on an imperialist course for the indefinite future, if you accept that their military, economic, educational and cultural policies are all geared to the reduction . . . of the ability of the United States and its allies to resist, then you have to do something about it."

What the United States has done since the mid-1960s is invest its hopes in arms control. It has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint. So U.S. arms-limitation efforts have limited . . . U.S. arms. Now the Economist of London warns that the SALT II treaty, designed to run through 1985, "could be the beginning of seven singularly dangerous years."

"A HALF-HOUR CATACLYSM"

The cosmetic equality in permitted totals of launchers conceals, The Economist says, "a large imbalance in Russia's favor." Given existing U.S. arsenals and procurement plans, "by 1985 the United States will be behind Russia both in the over-all total and in some of the most important sub-categories," including "modern large" missiles: the Soviets will be permitted 308 (a force that can carry 3,000 warheads), the U.S. will be permitted none. And SALT II "may leave the United States itself vulnerable to a surprise Russian attack.

"By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow . . . [A] counterattack against the Soviet missile system would have to depend mainly on the aircraft-carried Cruise missiles permitted under SALT II, which would take ten hours to trundle toward their targets—and even then would destroy not much more than half of the Soviet launching silos."

To say that the Russians would probably not push the button "misses the point of nuclear mathematics:

"The point is that the Russians would not have to. If they know that [an] exchange of Soviet first strike and American counterstrike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American President would know it too; and that he would be paralyzed by his knowledge . . . This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left."

On the crucial question of how the United States sank to this danger, The Economist is too charitable: "Americans were so mesmerized by Vietnam and Watergate that they failed to spot the danger." Not true. The political class had sufficient evidence all along. It also had a desire to disbelieve, and with a few exceptions (such as Sen. Henry Jackson) has shrunk from leadership.

Fred Ikle, former director of the Arms Control and Disarmament Agency, writes that we are in a third postwar phase. From 1945 through 1950, the period of "nuclear monopoly," the U.S. actually had few ready nuclear weapons and was substantially weaker than the Soviet Union in terms of ready land-based power. After North Korea attacked, the U.S. immediately tripled its defense budget, building up air and naval capabilities. After the Cuban missile crisis, the Soviets began a sustained buildup, while Vietnam sapped America's material and moral resources.

IGNORANCE AS A STRATEGY

The Soviet Union has doubled its military budget, in real terms, in the last fifteen years. The U.S. budget in constant dollars is less than it was in 1961. And as Ikle says, this "third-phase shift in the Soviet Union's favor is still under way." In 1965, Defense Secretary McNamara said that "the Soviets have decided that they have lost the quantitative race . . . there is no indication the Soviets are seeking to develop a strategic nuclear force as large as ours." Ikle blames a huge "intelligence failure" in the 1960s for such thinking and for "our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint. For eleven years in a row, the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy."

But Ikle, like The Economist, is too charitable. When people are so wrong for so long on the same subject, in the same direction, the failure is not of intelligence but of will. For such people, ignorance is a strategy. Their problem is not in finding the truth, but in facing it.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 2:06 p.m., recessed until 2:36 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

FURTHER EXTENSION OF THE PERIOD FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that there be a 5-minute extension for routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. STONE at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

RECESS FOR 45 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 45 minutes.

There being no objection, the Senate, at 2:37 p.m., recessed until 3:22 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT—PM 24

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, with an accompanying report, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am transmitting herewith the Fourteenth Annual Report on the Status of the National Wilderness Preservation System. This information has been compiled by the Secretaries of Agriculture and the Interior for lands under their respective jurisdiction and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *February 6, 1979.*

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to section 8002 of the Internal Revenue Code of 1954, the chairman of the Committee on Ways and Means has designated Mr. ULLMAN, Mr. ROSTENKOWSKI, Mr. VANIK, Mr. CONABLE, and Mr. DUNCAN of Tennessee as members of the Joint Committee on Taxation.

The message also announced that, pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Speaker has appointed Mr. DELLUMS, Mr. CHARLES WILSON of Texas, and Mr. MCKINNEY as members to the Temporary Commission on Financial Oversight of the District of Columbia, on the part of the House.

The message further announced that the House has agreed to House Concurrent Resolution 42, providing for an adjournment of the House from February 8 to February 13, 1979, and a recess of the Senate from February 9 to February 19, 1979, in which it requests the concurrence of the Senate.

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-478. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Congressional Control Over Appropriations to the Corps of Engineers Can Be Strengthened," January 31, 1979; to the Committee on Appropriations.

EC-479. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize additional military construction and supplemental appropriations therefor for fiscal year 1979; to the Committee on Armed Services.

EC-480. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

EC-481. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Greece for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-482. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, its third annual report on the Equal Credit Opportunity Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-483. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, its final report in the matter of transactions in the securities of the City of New York; to the Committee on Banking, Housing, and Urban Affairs.

EC-484. A communication from the Director, Council on Wage and Price Stability, Executive Office of the President, transmitting a draft of proposed legislation to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such council; to the Committee on Banking, Housing, and Urban Affairs.

EC-485. A communication from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting, pursuant to law, a special report on Coastal Zone Management; to the Committee on Commerce, Science, and Transportation.

EC-486. A communication from the Secretary, Interstate Commerce Commission, reporting pursuant to law, that it is unable to render a final decision in Docket No. 36746 (Sub-No. 68), Methanol Alcohol, Pace, Fla., to Chattanooga, Tenn., within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-487. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in Docket No. 36970, Annual Volume Rates on Coal—Wyoming to Flint Creek, Ark., within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-488. A communication from the Director, Office of Rail Public Counsel, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Commerce, Science, and Transportation.

EC-489. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report encompassing the National Park Service new area studies, and the list of those areas included in the Registry of Natural Landmarks and areas of national significance included in the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources; to the Committee on Energy and Natural Resources.

EC-490. A communication from the Secretary of Energy, reporting, pursuant to law, that a photovoltaic systems evaluation and purchase program has been established in the Department of Energy (DOE) as required by Section 567(a) of the Federal Photovoltaic Utilization Act, which was enacted as Part 4 of Title V of the National Energy Conservation Policy Act (Public Law 95-619); to the Committee on Energy and Natural Resources.

EC-491. A communication from the Acting Assistant Secretary, Land and Water Resources, Department of the Interior, reporting, pursuant to law, approval, of a 1-year deferment of the construction repayment installments due the United States by reason of construction of irrigation facilities serving lands in the Webster Irrigation District No. 4, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-492. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the Commission's domestic safeguards program; to the Committee on Environment and Public Works.

EC-493. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Comparative Growth in Compensation for Postal and Other Federal Employees Since 1970," February 1, 1979; to the Committee on Governmental Affairs.

EC-494. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to certain civilian positions established pursuant to Section 3104(a)(8), United States Code, during calendar year 1978; to the Committee on Governmental Affairs.

EC-495. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-496. A communication from the Director, Office of Personnel Management, reporting, pursuant to law, with respect to positions in grades GS-16, GS-17, and GS-18 during calendar year 1978; to the Committee on Governmental Affairs.

EC-497. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report with respect to positions in grades GS-16, GS-17, and GS-18; to the Committee on Governmental Affairs.

EC-498. A communication from the Director, Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, a report with respect to positions in grades GS-16, GS-17, and GS-18; to the Committee on Governmental Affairs.

EC-499. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of January 16 through January 31, 1979, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-36. A resolution adopted by the Legislature of the State of Kentucky; to the Committee on Finance:

"RESOLUTION

"Whereas, the Congress of the United States has not permanently resolved the issues of the tax home and methods of determining income tax deductions for legislative business expenses as they relate to members of the state legislatures; and

"Whereas, while the Congress is to be commended for the substance of its temporary resolution of these issues in the 1976 Tax Reform Act and 1977 Tax Reduction and Simplification Act, a permanent solution is needed so that state legislators may anticipate their tax liabilities and file their federal income tax returns in a timely manner; and

"Whereas, the Kentucky Constitution and statutes, like those of many other states, embody the concept of a part-time, citizen legislator who resides and conducts his private business among his constituents and who is periodically called upon to conduct the public's business in legislative sessions and committee meetings in the state capital; and

"Whereas, the aforementioned temporary provisions of federal law have permitted a state legislator to elect to treat his business as a state legislator in a manner compatible with this state constitutional and statutory concept of his role;

"Now therefore,

"Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"Section 1. That the United States Congress and, in particular, the members of the Kentucky Congressional delegation are respectfully requested to lend their support to the enactment of a permanent resolution of the tax home and per diem income tax deduction issues, as they relate to state legislators, in a manner similar to that temporarily provided by Section 604 of the Tax Reform Act of 1976, as extended by Section 307 of the Tax Reduction and Simplification Act of 1977, and to that supported by the National Conference of State Legislatures.

"Section 2. That the Legislative Research Commission is requested to monitor the progress of such legislation through cooperation with Kentucky's Congressional delegation and the National Conference of State Legislatures.

"Section 3. That the Clerk of the House of Representatives shall transmit a copy of this Resolution to each member of the Kentucky Congressional delegation, the Speaker of the House of Representatives and President of the Senate of the United States, and to the chairmen of the United States House Committee on Ways and Means and Senate Finance Committee."

POM-37. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTIONS

"Whereas, believing that inflation is the most serious problem facing the people of the United States, and the primary cause of inflation is unchecked federal spending; and

"Whereas, the State of North Carolina is required by its Constitution to have a balanced budget, and has long operated on a sound fiscal basis which the federal government would be well-served to emulate; and

"Whereas, under Article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a Constitutional Convention for the purpose of proposing amendments which shall be valid when ratified by the legislatures of three-fourths of the several states or by conventions in three-fourths thereof;

"Whereas, by Resolution 97 of the General Assembly, ratified July 1, 1977, the Congress was requested to submit an amendment to the states to require a balanced federal budget but the Congress has failed to act; Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

"Section 1. That the Congress of the United States is requested to propose and submit to the states an amendment to the Constitution of the United States which would require that, in the absence of a national emergency, the federal budget be balanced each fiscal year within four years after the amendment is ratified by the various states.

"Sec. 2. That, alternatively, this body respectfully petitions the Congress of the United States to call a convention for the exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget in the absence of a national emergency.

"Sec. 3. That this application constitutes a continuing application in accordance with Article V, of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, or until this application is rescinded by the General Assembly of North Carolina; but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this joint resolution before January 1, 1980, this petition for a Constitutional Convention shall no longer be of any effect.

"Sec. 4. That this application and request be deemed rescinded in the event that the convention is not limited to the subject matter of this application.

"Sec. 5. That since this application under Article V of the Constitution of the United States, is the exercise of a fundamental power of the sovereign states under the Constitution of the United States, it is requested that receipt of this application by the Senate and the House of Representatives of the United States Congress be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and the House of Representatives of the Congress.

"Sec. 6. That copies of this resolution be sent to the Secretaries of State, presiding officers of all state legislatures in the Union, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and each member of the North Carolina Congressional delegation.

"Sec. 7. This resolution is effective upon ratification."

POM-38. A resolution adopted by the Board of Directors, Wisconsin Association of Life Underwriters, Madison, Wis. memorializing the U.S. Congress that amendments to the McCarran-Ferguson Act be rejected; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. STAFFORD:

S. 344. A bill to amend section 131, title 23, United States Code; to the Committee on Environment and Public Works.

By Mr. RIBICOFF (for himself, Mr. JAVITS, Mr. MOYNIHAN, Mr. MATHIAS, Mr. MELCHER, Mr. NELSON, and Mr. TSONGAS):

S. 345. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Energy and Natural Resources.

By Mr. WEICKER:

S. 346. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of that handicap; to the Committee on Human Resources.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 347. A bill to prohibit the excessing of cabin sites and removal of cabins located at Conchas Lake, New Mexico, prior to 1996 without State approval; to the Committee on Environment and Public Works.

S. 348. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PROXMIRE (by request):

S. 349. A bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LONG (for himself, Mr. RIBICOFF, Mr. TALMADGE, Mr. YOUNG, Mr. MELCHER, Mr. CANNON, Mr. INOUYE, Mr. STAFFORD, and Mr. HATFIELD):

S. 350. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

By Mr. LONG (for himself, Mr. TALMADGE, Mr. YOUNG, Mr. MELCHER, Mr. CANNON, Mr. INOUYE, Mr. STAFFORD, Mr. PERCY, Mr. STONE, Mr. HATFIELD, and Mr. MATHIAS):

S. 351. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

By Mr. STONE:

S. 352. A bill to extend coverage, under the insurance system established by title II of the Social Security Act, to service performed by an individual as a Member of Congress; to the Committee on Finance.

By Mr. TOWER:

S. 353. A bill to facilitate the development and implementation of monetary policy, to reduce and restructure reserve requirements, and to provide for the maintenance of reserves by member banks and other depository institutions in earnings participation accounts at the Federal Reserve Banks; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CANNON (for himself, Mr. STEVENSON, and Mr. SCHMITT) (by request):

S. 354. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN:

S. 355. A bill to amend title 18, United States Code, relating to criminal offenses committed by terrorists; to the Committee on the Judiciary.

By Mr. BELLMON:

S. 356. A bill to encourage the establishment of an International Grain Exporting Stabilization Commission; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CANNON (for himself, Mr. STEVENSON, and Mr. SCHMITT) (by request):

S. 357. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL:

S. 358. A bill to remove certain inequities in the Secret Service retirement system; to the Committee on Governmental Affairs.

By Mr. STEVENSON:

S. 359. A bill to amend the Council on Wage and Price Stability Act to strengthen the independence, authority, and resources of the Council by establishing it as an independent Inflation Review Board, by authorizing the Board to require prenotification of and to delay temporarily wage and price increases which could have serious inflationary effects on the economy, by authorizing the Board to recommend to the President appropriate governmental actions to counter

inflation, including voluntary wage and price guidelines and accompanying measures to encourage adherence to such guidelines, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILLIAMS (for himself, Mr. FORD, Mr. RANDOLPH, and Mr. RIEGLE):

S. 360. A bill to provide grants to schools of education, and for other purposes; to the Committee on Human Resources.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 361. A bill to change the name of the Indiana Dunes National Lakeshore to the Paul H. Douglas Indiana Dunes National Lakeshore; to the Committee on Energy and Natural Resources.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 362. A bill to increase authorization for Alaska Highway reconstruction; to the Committee on Environment and Public Works.

By Mr. TOWER:

S. 363. A bill for the relief of James Antin Chua Tuan, M.D.; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 364. A bill for the relief of Tomiko Fukuda Eure; to the Committee on the Judiciary.

By Mr. PELL:

S. 365. A bill for the relief of Betty Pi-Ling Chen and her daughter Alecia Juei-Hsia Chen; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary

By Mr. STONE:

S.J. Res. 35. Joint resolution to continue programs, transactions, and activities with respect to the Republic of China to the same extent and in the same manner as provided in the memorandum of the President, dated December 31, 1978, pending further legislation, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STAFFORD:

S. 344. A bill to amend section 131, title 23, United States Code; to the Committee on Environment and Public Works.

FEDERAL HIGHWAY BEAUTIFICATION ASSISTANCE ACT OF 1979

Mr. STAFFORD. Mr. President, I am introducing today the Federal Highway Beautification Assistance Act of 1979. This bill would return to the States responsibility for highway beautification. Where a State chooses to pay for billboards removed from interstate or primary roads, Federal assistance would be available.

There are many reasons for dismantling the Highway Beautification Act of 1965. The purposes this act was intended to achieve have been to a large degree perverted. The act has become more a protection for billboards than the cause for their removal.

I would like to explain why the existing beautification program is not achieving its original goals.

By and large, travelers do not see many results after 13 years of the program's existence. While 91,000 nonconforming signs had been removed through last March, 214,779—or more than two-thirds— remained standing.

Even were the program to be fully implemented, results would be hard to see. Under the law, existing signs may remain and new signs may be erected in any so-called commercial or industrial area. The number and size of these commercial or industrial zones can be great depending upon a State's zoning laws and practices. In fact, signs exist in many areas which are zoned commercial or industrial but which are rural in character.

Existing law provides that States have full authority to zone areas for commercial or industrial use. Interpreted literally, this means a State could zone all land along interstate routes as commercial or industrial. In such a State, there would be no sign removal program.

This, in fact, was tried in one State with similar actions in two others. The Federal Highway Administration has refused to recognize such obvious attempts to circumvent the intent of the act. But in the face of substantial public pressure from Members of Congress, it may be difficult for the agency to continue this policy.

If States, at the behest of sign owners, may pick and choose exactly where signs are to be permitted, I fear Federal money will pay for billboards the true worth of which is nearly zero. Meanwhile, our roadsides will show very little visual improvement.

A report from the General Accounting Office estimates that at the completion of its program, the State of Oregon will still have 40 percent of its off-premise signs standing. I might note that Oregon is one of the more aggressive billboard control States.

Another example of the proliferation of signs permitted under current law is a 23-mile stretch of interstate highway in Georgia. There are currently 300 signs visible along this route. After all nonconforming signs are removed, 189 will remain.

Now I would like to review the cost of this program. Before the 1978 amendments which added greatly to overall cost, GAO estimated that State and Federal governments would have to spend $500 million to remove remaining signs. Even then that was a very conservative estimate. Thus, if the program were completed, it could cost at least twice that amount, or roughly $1 billion.

The President's budget for 1980 contains no funding for the highway beautification program. In recent years, Congress has also stinted its funding. As funding for the program decreases, sign removal is slowed or stopped. Until Federal funds are available, no signs come down. And at current funding levels at least 100 years will be required to remove nonconforming signs.

There are advantages to turning the program back to the States. A State which fears injury to its tourist industry from sign removal would be able to determine which signs should remain standing. Under the existing system, needs to alleviate hardship cases have to be dealt with through administratively complex Federal regulations.

Turning the program back to the States will permit more experimentation with alternative information systems. The Federal law currently hampers such innovation, as has been the case in my State of Vermont.

Changing the mandatory nature of the Federal law will remove Federal interference with State and local governments' authority to control advertising under their police powers. In some States this will mean faster billboard removal.

Finally, the change I am proposing will eliminate the need for Congress to spend undue amounts of time amending a program which, as it is constituted, has little if any popular support from environmentalists, businesses, or the States.

There will be those who ask why we do not strengthen the Federal program. My personal preference would be just that: to eliminate the myriad loopholes in the law. But public sentiment for more beautiful roads on the national level seems too weak to stand up against a strong, organized industry lobby.

I believe that more productive anti-billboard battles can and will take place at State and local levels, once Federal obstacles are removed. Where there is strong sentiment to preserve a State's natural beauty, strong measures will be taken. Where no such sentiment exists, roadsides will, as at present, remain ugly. But we will not be spending taxpayers' money to keep them that way.

In summary, then, the legislation I introduce today is designed to save Federal funds and to end needless and counterproductive Federal regulation, as well as to get the Federal Government out of the hair of State and local governments.

Clearly, the time has come to end the mandatory features of the Highway Beautification Act of 1965. The Congress and the Nation have tried to make the law work as it was intended to—but it has not turned out that way. It is time to concede that the mood of the Congress and of the Nation have changed. And, also to concede that the law has changed—and not for the better.

It is my hope and expectation that environmental organizations will agree with my view that the existing law no longer promotes the cause of highway beautification; indeed, that the law may be an enemy of that cause under certain circumstances.

I anticipate that State and local officials who have had to deal with the changes and complexities of the present law may agree the time for change has come.

And, of course, surely we can expect that the outdoor advertising industry will welcome the opportunity to free itself of Federal regulation under a law it has opposed for so long.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with a section-by-section analysis, and a brief statement on the effect of the most recent amendment of 1978 to the Highway Beautification Act.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Federal Highway Beautification Assistance Act of 1979."

SEC. 2. Section 131 of title 23, United States Code, is amended to read as follows:

"§ 131. Control of Outdoor Advertising.

(a) The Congress hereby finds and declares that it is in the public interest for the Federal government to assist the States in controlling the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System and the primary system in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve natural beauty.

(b) A State may establish a statewide system to control the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to the Interstate and primary systems. Whenever a State which has established an effective statewide system of control, as defined in subsection (c) and determined by the Secretary, shall acquire by purchase or condemnation signs, displays, or devices lawfully erected and maintained adjacent to the Interstate or primary system, the Federal share of such acquisition shall be 80 per centum. Any State electing to provide such compensation shall provide: (1) compensation for the taking from the owner of such sign, display, or device; and (2) compensation for the taking from the owner of real property on which the sign, display, or device is located, of the right to erect and maintain such sign, display or device thereon.

(c) An effective statewide system of control is one which provides that signs, displays, or devices, if located within six hundred and sixty feet of the right-of-way within urban areas or if located outside urban areas and visible from the main traveled way of the system, shall be limited to (1) directional and official signs and notices, which signs and notices shall be limited to official signs and notices, public utility signs, service club and religious notices, public service signs and directional signs consistent with the national standards as in effect on the date of enactment of this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, (3) signs, displays, and devices advertising activities conducted on the premises on which they are located, (4) signs lawfully in existence on October 22, 1965, determined by the State, subject to the approval of the Secretary, to be landmark signs, including signs on farm structures or natural surfaces, of historic or artistic significance the preservation of which would be consistent with the purposes of this section, and (5) signs, displays and devices in areas zoned industrial or commercial under authority of State law and actually developed for such use or in unzoned commercial or industrial areas.

(d) The Secretary shall, in consultation with the States, provide within the rights-of-way for areas at appropriate distances from interchanges on the Interstate System on which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. Such signs shall conform to national standards to be promulgated by the Secretary.

(e) In order to provide information in the specific interest of the traveling public, the State highway departments are authorized to maintain maps and to permit information directories and advertising pamphlets to be made available at safety rest areas. Subject to the approval of the Secretary, a State may also establish information centers at safety rest areas and other travel information systems within the rights-of-way for the purposes of informing the public of places of interest within the State and providing such other information as a State may consider desirable. The Federal share of the cost of establishing such an information center or travel information system shall be that which is provided in section 120 for a highway project on the Federal-aid system to be served by such center or system.

(f) Any State highway department which has, under this section as in effect on June 30, 1965, entered into an agreement with the Secretary to control the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System shall be entitled to receive the bonus payments as set forth in the agreement, but no such State highway department shall be entitled to such payments unless the State maintains the control required under such agreement.

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL HIGHWAY BEAUTIFICATION ASSISTANCE ACT OF 1979

Sec.1. Title of the Act.

Sec. 2. Creates a new section 131 of title 23, United States Code, as follows:

Sec. 131. (a) Declares it a national policy for the Federal government to assist the States in controlling outdoor advertising.

(b) Permits States to establish a statewide program of billboard control and provides that where the State program meets the requirements of subsection (c), Federal funds will make up 80 per cent of the cost of the State's purchase of signs along the Interstate or primary systems. A State is not required to pay compensation but where it elects to do so, Federal funds will be made available.

(c) To be eligible for Federal assistance, a State must limit signs within 660 feet of the road in urban areas or visible from the road outside urban areas, to (1) specified directional and official signs and notices, (2) signs for the sale or lease of property on which the signs are located, (3) on-premise signs, (4) landmark signs, and (5) signs in commercial and industrial areas.

(d) Requires the Secretary to provide within the Interstate right-of-way for signs giving information of use to travelers and permits the Secretary to provide for such signs along the primary system.

(e) Permits States to provide travelers' information and advertising at safety rest areas and provides for Federal assistance in establishing information centers or systems.

(f) Retains payments to States which entered into agreements with the Secretary to control signs along the Interstate System under the Bonus Act.

BACKGROUND

The Highway Beautification Act, enacted in 1965, requires the states to pass laws prohibiting billboards along Interstate and primary highways, except that signs can be permitted in commercial and industrial zones. The Act further requires compensation for signs removed, on a 75-25 federal-state matching basis. A state that fails to pay for signs removed faces the loss of 10 per cent of its Federal highway funds.

Several state courts have ruled that signs removed pursuant to local ordinances stricter than, and not related to, the Federal Highway Beautification Act, are not entitled to compensation, whether or not the signs are adjacent to Interstate or primary highways.

EFFECT OF 1978 AMENDMENTS

The amendment in the 1978 Surface Transportation Act requires payment of compensation for removal of any off-premise sign adjacent to an Interstate or primary route. This would severely restrict zoning practices in urban areas where billboards, along with other types of nonconforming land uses, have traditionally been removed under the police powers of the jurisdiction, without compensation, but with provision for amortization.

One example of the effect of the change can be seen by looking at a recent decision by Maryland's Court of Appeals. An urban renewal ordinance in Baltimore's oldtown area required removal of all off-premise signs in the area after a five-year amortisation period. Sign owners challenged the ordinance, claiming that two signs adjacent to a Federal-aid primary street had to be compensated under the Highway Beautification Act. Both signs were in commercial or industrial zones and thus were permissible under the Act. The Court decided that the control exercised by the city, which was stricter than required by the Act, was not subject to the Act's compensation requirements. Had the 1978 amendment been in effect, the sign owners would have had to receive compensation or Maryland would have lost 10 per cent of its Federal-aid highway funds. Similar situations exist in many States.

One point to be noted in connection with the amendment is that it will substantially increase the costs of the Highway Beautification Act without promoting highway beautification. Signs which previously were removed for local purposes without compensation may have to be paid for out of very limited Highway Beautification funds. The change greatly increases the number of signs covered by the compensation requirement, thus slowing down sign removal along rural portions of the Interstate where the Federal program was intended to have its greatest effect.

By Mr. RIBICOFF (for himself, Mr. JAVITS, Mr. MOYNIHAN, Mr. MATHIAS, Mr. MELCHER, Mr. NELSON, and Mr. TSONGAS):

S. 345. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Energy and Natural Resources.

LONG ISLAND SOUND HERITAGE

● Mr. RIBICOFF. Mr. President, Long Island Sound is the Nation's largest protected area of salt water. Its 1,300 square miles represent a unique study in contrasts and contradictions. The sound's location is the source of both its value and its vulnerability. It is a treasure to be carefully guarded in the heart of the urban, industrialized Northeast.

The sound is rich in the history of the Western World and of America. European contact with the sound probably began in 1524 when Giovanni Verrazano explored New York Harbor and is believed to have entered the western region of the sound. In 1614 the Dutch explorer, Capt. Adrian Block, sailed throughout the sound and the Connecticut River; he was the first European to build a ship—the *Onrust*—in the region. Five years after Block, Capt. Thomas Dermer, an Englishman, entered Long Island Sound from the east.

The Dutch subsequently settled various sites on the sound, as far east as the Connecticut River. The English, however, were the predominant settlers in

the area, establishing New Haven in 1638 and New London in 1643.

Fishing fleets and whalers sailed from various ports along the sound in later years, including historic locations such as Mystic and New London. The sound was a major international trade route for over a century.

This unparalleled body of water is Connecticut's front porch. It is a special place where 13 million people near its shores can relax, refresh, and recharge themselves and find solace from the daily pressures of modern living. The sound is an urban sea which, with proper planning, can be nurtured and protected from unnecessary and harmful intrusions. The sound's full potential can be realized and enjoyed through judicious use of this matchless resource.

Long Island Sound is an important recreational area. Natural beaches exist along almost 262 miles of the sound's 600-mile coastline. As one of the finest and most protected bodies of water in the United States for boating, there are thousands of recreational craft of all sizes and types. Numerous gamefish—such as striped bass, bluefish, Atlantic mackerel, weakfish, and shad—are common to the sound's waters. The area is the nesting region for numerous species of birds—the least, common and roseate terns, the glossy ibis, the great egret, and the herring and great black-billed gulls.

Following a 4-year study the New England River Basins Commission estimated that an additional 20 miles of beach will be required in less than 15 years to accommodate the projected number of bathers, while an additional 800 acres of picnic grounds will be necessary in the same period. As the population along the sound increases, there will be a proportional rise in the recreational demands.

Unfortunately, many areas of the sound have been misused, and it is in grave jeopardy. The sound displays the way in which Americans use and enjoy but also misuse and destroy many invaluable natural resources. While there are many bright, clean beaches and scenic locations of great beauty, there are other places which are marred by decaying waterfronts. Water pollution, shoreline erosion, the destruction of rich marshlands, unplanned development, and the loss of open spaces all diminish this important national asset. The sound and its shoreline are gradually being engulfed by uncaring urban sprawl.

Mr. President, there is a limit on how much of an assault the environment can sustain. In and along the sound this assault has been constant—it has gone on for years and it has taken a serious toll. Too much oil has been spilled, too much development has occurred, too much sewage has been dumped. I fear some areas of the sound may never be saved.

In her book "The Thin Edge," Anne Simon very appropriately observed that—

> Survival on land and in the sea depends on a functioning coast.

The coast nurtures fish, birds, and plant life. Unless interfered with, the coast will defend and renew itself. The sound's coast is just such an area and it is endangered. The quality of life along the shores of southern Connecticut and Long Island's north shore is menaced. The remaining marshlands, the ecologically fragile wetlands and various rare species of waterfowl are in even greater danger. Prompt and affirmative steps must be taken to reverse the trend of recent years. We must protect this rich and vital natural resource.

I am today introducing legislation authorizing the creation of the Long Island Sound heritage. This measure is an outgrowth of the New England River Basins Commission's comprehensive Long Island Sound study.

The heritage is an expanded system of parks, beaches, and wildlife areas in Connecticut and New York designed to enhance enjoyment of the sound—whether it is nature conservation and environmental education, swimming, recreational boating, bird-watching, camping, or simply watching a sunrise over an unlittered beach. Fourteen sites—nine in Connecticut and five in New York—are proposed for initial inclusion in the heritage. This measure recognizes that portions of the sound reflect the region's special natural and cultural heritage.

The Long Island Sound Heritage will initiate a close working relationship among the Federal Government, the States of Connecticut and New York, and the appropriate local communities in acting together to preserve and protect these areas. Surely the recreational and conservation potential will be enhanced through the programs developed under my heritage proposal.

The Long Island Sound Heritage—endorsed in the 95th Congress by the Sierra Club, the National Audubon Society and Friends of the Earth—will help deal with the need for additional recreation areas and the preservation and protection of endangered areas. My proposal focuses on the fact that the region's scenic, recreational, natural, and cultural resources are threatened by growth and development pressures. The heritage legislation addresses the serious shortage of public conservation, recreation, and open lands along the sound's shores.

The heritage bill directs the Secretary of the Interior to develop specific plans, following onsite public hearings, for the acquisition, development, protection, maintenance, and administration of the 14 sites. These plans are to be available within a year of the bill's enactment. The plans are to include the specific description of the various heritage sites, their proposed uses, provisions for public access and mass transportation as well as minimizing the impact on local public facilities. Recommendations on the best methods to acquire, develop, and maintain the properties will also be covered. Once plans have been prepared, the Interior Secretary can acquire the sites, either through donation or purchase. The Interior Department will then enter into agreements with local and State officials on the administration and maintenance of the areas as components of the heritage. Financial and other aid will be furnished to the States and local communities by the Federal Government to assist them in administering the sites.

Mr. President, I was gratified by the enthusiastic support my proposal received throughout Connecticut and in many areas adjacent to Long Island Sound in New York when I first offered this measure in August 1977. Efforts to revitalize and preserve Long Island Sound are long overdue. I am hopeful that prompt and affirmative action will be taken on the heritage legislation and that we will see its enactment in the 96th Congress.

I ask unanimous consent that the text of this bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND STATEMENTS OF POLICY

SECTION 1. The Congress finds and declares that—

(1) there are portions of Long Island Sound, such as its waters, islands therein and lands adjacent thereto, which reflect the special natural and cultural heritage of the region;

(2) there are resources of extraordinary scenic, scientific, recreational, natural, historic, and cultural value which are being irretrievably damaged and lost through growth and development pressures, and that such development threatens heretofore successful State and local government and private voluntary preservation, conservation, and planning efforts;

(3) there exists a serious shortage of public conservation, recreation and open lands along the shores of Long Island Sound, and that this shortage of public land has limited the recreation opportunities to the twelve million people living and working in the Long Island Sound region, as well as the Nation;

(4) State and local government efforts to provide conservation and recreation opportunities and to protect unique areas have been hampered by severely limited financial resources;

(5) there is a national interest in preserving and conserving these resources and values for the present and future well-being of the Nation, and the massive Federal expenditures committed to the restoration of the Long Island Sound are evidence of the national interest in the health and use of the sound;

(6) critical to more effective conservation of the unique values and wise use of Long Island Sound and its environs is a program of coordinated action by Federal, State and local governments to protect areas for natural, scenic, ecological, scientific, cultural, historic, conservation and recreation opportunities; and

(7) the developing of the Long Island Sound Heritage should be carried out in a controlled manner to preserve and protect natural ecosystems.

DEFINITIONS

SEC. 2. For the purposes of this Act, the term "Long Island Sound Heritage" or "Heritage" shall mean those parcels of water-related land areas which, because of their unique scenic, historic, architectural, cultural, conservation, ecological, scientific and natural values, possess characteristics worthy of the Long Island Sound region.

LONG ISLAND SOUND HERITAGE

SEC. 3. (a) In order to restore, preserve and protect areas which reflect or could reflect the unique natural and cultural heritage of Long Island Sound, Congress hereby authorizes the establishment of the Long Island

Sound Heritage in accordance with the provisions of this Act.

(b) The following areas shall be considered for initial inclusion in the Heritage:

(1) Bluff Point State Park, Groton;
(2) Ram, Dodges, and Andres Islands in the Mystic Island group in the eastern sound;
(3) Rocky Neck State Park in East Lyme, including Niantic State Farm for Women;
(4) Stony Creek Quarry and Faulkner's Island;
(5) Lighthouse Point Park, New Haven;
(6) Silver Sands State Park;
(7) Pleasure Beach in Bridgeport; Long Beach in Stratford; and the Great Meadow wetland complex;
(8) Sheffield Island and Chimon Island in Norwalk;
(9) Sherwood Island State Park;
(10) Fort Totten in Queens;
(11) Port Washington Sand Pits.
(12) Hen Island in Rye;
(13) Caumsett State Park; and
(14) Roanoke Point in Suffolk.

(c) The Long Island Sound Heritage shall include land, waters, islands, interests or partial interests therein, as may be identified as having special recreational, ecological, conservation, scenic, historic, or cultural potential by the Secretary of the Interior (hereinafter referred to as "Secretary"), by other Federal agencies, or by the State of Connecticut or New York, or political subdivisions thereof.

(d) At such time as the Secretary, in cooperation with the States of Connecticut and New York, and affected political subdivisions thereof, determines that lands, and waters and interests therein, have been sufficiently identified, designated or acquired to provide an efficiently administrable unit to establish the Long Island Sound Heritage, the Secretary is authorized and directed to establish the Long Island Sound Heritage by publishing notice to that effect in the Federal Register, together with a detailed description and map setting forth the parcels of land included therein, and to make such notice and maps otherwise available to the public.

IMPLEMENTATION OF THE LONG ISLAND SOUND HERITAGE

SEC. 4. (a) To implement the purposes of this Act, the Secretary, in cooperation with the States of Connecticut and New York, and affected political subdivisions thereof, the United States Army Corps of Engineers, the New England River Basins Commission, other interested Federal departments and agencies, and appropriate natural scientists, conservation, environmental, and recreation groups, and concerned citizens shall formulate, within one year following the date of enactment of this Act, detailed, site-specific plans for the acquisition, development, protection, maintenance, and administration of those areas, parcels of land, or structures thereon, which comprise the Long Island Sound Heritage.

(b) In formulating such plans, the Secretary shall conduct public hearings at or near sites selected for inclusion in the Heritage, and shall receive and consider the comments and recommendations of public interest groups, appropriate natural scientists, conservation, environmental, and recreation groups and other interested individuals, and, if necessary, shall modify such plans accordingly.

PLANS

SEC. 5. The plans formulated under section 4 shall contain but not be limited to the following elements:

(1) precise delineations of the areas to be included in the Heritage;

(2) proposed uses, including conservation, nature trails, recreation, historic and cultural preservation, wetlands, and scientific purposes;

(3) provisions for public access and mass transportation to such areas, where appropriate;

(4) provisions to minimize the impact, such as traffic, and demand for services, on local public facilities;

(5) recommended methods to best assure that such land and water areas, including beaches, will be available to the public, consistent with recreation and conservation purposes of the Heritage;

(6) recommendations as to the least costly and most expedient methods of acquisition, development, and maintenance of such properties;

(7) recommendations to the appropriate agencies and levels of government as to carrying out the plans and proposals contained therein.

LAND ACQUISITIONS

SEC. 6. The Secretary is authorized to acquire by donation, or by purchase with donated or appropriated funds, all lands, waters, and interests or partial interests in the which may be identified in the future.

COOPERATIVE AGREEMENTS

SEC. 7. (a) In furtherance of the purposes of this Act, the Secretary is authorized to enter into cooperative agreements with each of the States of Connecticut and New York, and political subdivisions thereof, pursuant to which such States or subdivisions shall be authorized to administer, operate, and maintain areas within such States or subdivisions which are components of the Long Island Sound Heritage.

(b) The Secretary is authorized to provide, by grant or otherwise, financial and other assistance to each of the States of Connecticut and New York or political subdivisions thereof to assist those States or political subdivisions in carrying out its responsibilities under any such agreement. Such grants shall be payable at such time and in such manner and in such amounts and subject to such conditions as the Secretary shall prescribe by regulation, but in no case shall exceed 75 per centum of the cost of administering, operating, or maintaining eligible areas which comprise the Long Island Sound Heritage.

(c) Any such cooperative agreement shall require that such lands, waters, interests or partial interests therein, be administered, operated, and maintained in accordance with the plans formulated pursuant to section 5 of this Act, the provisions of this Act, and consistent with the standards promulgated pursuant to the Act of August 25, 1916 (39 Stat. 335; 16 U.S.C.A. 1, 204), as amended and supplemented.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. For the fiscal year beginning October 1, 1979, there is authorized to be appropriated the sum of $50,000,000, and for each fiscal year thereafter, such sum as may be necessary to carry out the provisions of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1. Findings and Statements of Policy.

The Congress finds that portions of Long Island Sound reflect the region's special natural and cultural heritage; that invaluable resources are threatened by growth and development; that there is a serious shortage of public conservation and open lands along the Sound; that State and local government conservation efforts are hampered by a lack of funds; that there is a national interest in preserving and conserving the Sound's resources; and, that the Long Island Sound Heritage's development should be carried out in a controlled manner.

Section 2. Definitions.

The Long Island Sound Heritage means those parcels of water-related land areas which, because of unique values, have characteristics worthy of the region.

Section 3. Long Island Sound Heritage.

Congress authorizes the establishment of the Long Island Sound Heritage to restore, preserve, and protect areas reflecting the unique natural and cultural heritage of the region. Fourteen locations are to be considered for initial inclusion in the Heritage. The Secretary of the Interior, other Federal agencies, the States of Connecticut and New York or local governments can identify areas having the necessary potential for inclusion in the Heritage.

Section 4. Implementation.

Within one year following the bill's enactment the Interior Secretary—with the cooperation of Connecticut, New York, affected local governments, other Federal and regional agencies, conservation and environmental groups and concerned citizens—is to formulate detailed plans for the Heritage. On-site hearings are to be conducted and the comments and recommendations of all interested groups and persons are to be received.

Section 5. Plans.

Plans shall contain precise delineations of the areas; proposed uses; provisions for public access and mass transportation where appropriate; provisions to minimize the impact on local public facilities; public availability; acquisition, development and maintenance methods; and recommendations for carrying out plans.

Section 6. Land Acquisitions.

The Interior Secretary can acquire land through donation or purchase.

Section 7. Cooperative Agreements.

The Interior Secretary can enter into cooperative agreements with Connecticut, New York and local governments for them to administer, operate and maintain areas within the Heritage. Financial assistance, including grants up to 75 percent of the cost of administering the areas, will be available from the Federal Government under conditions prescribed by the Interior Department.

Section 8. Authorization.

$50 million, the figure recommended in the NERBC Long Island Sound Study, is authorized for Fiscal Year 1980 and open-ended authorizations for subsequent fiscal years.●

By Mr. WEICKER:

S. 346. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of that handicap; to the Committee on Human Resources.

PHYSICAL HANDICAP ANTIDISCRIMINATION IN EMPLOYMENT ACT OF 1979

● Mr. WEICKER. Mr. President, I am today reintroducing the Physical Handicap Antidiscrimination in Employment Act, legislation which would make it an unlawful employment practice to discriminate against any individual who is physically handicapped. Specifically, this bill would amend title VII of the Civil Rights Act of 1964 to protect the physically handicapped from job discrimination in both the public and private sector employment.

By passing the Civil Rights Act of 1964, the Congress put itself and the Nation on notice that discrimination based on race, color, sex, religion, or national origin would not be tolerated. This action brought our laws into line with our beliefs. And yet, for all the minority groups covered by that landmark legislation, there was one unfortunate omission, the physically handicapped. Many minority groups have made significant progress in achieving equal opportunity in housing, employment, and education;

however, America's physically handicapped have continued to be victims of discrimination, particularly in seeking employment.

Mr. President, it has been almost 4 years since I first presented this proposal to the Senate. I felt then, and I still feel that the physically handicapped have been and are discriminated against and are, therefore, in need of protection under the law. Adding the physically handicapped to those groups already protected from employment discrimination by title VII of the Civil Rights Act would guarantee the same protection afforded to other minority groups.

Like all Americans, the physically handicapped want to play an integral role in our society. To a large extent, this means having the opportunity to engage in meaningful employment. Through such employment, they derive a sense of self-worth and dignity. Yet, time and time again, they are denied the opportunity to make their contribution to society due to the insensitivity and prejudicial attitudes of many persons who have the responsibility for employment decisions. The skills and talents of physically handicapped persons are a national asset which cannot and should not be wasted. Furthermore, we are all well aware of the large amount of public resources dedicated to the education and training of persons with physical handicaps. Employing these persons is essential to make physically handicapped persons economically independent.

Mr. President, I would like to note the fact that 21 States, including my own State of Connecticut, have statutes prohibiting employment discrimination against the handicapped. By adopting this legislation, the Federal Government would show its support for a uniform national policy by including physically handicap with the protection offered by title VII of the Civil Rights Act.

America abounds with living proof that those who suffer physical handicaps are not life's doomed. They are people equipped to make enormous contributions to themselves, their communities, and their Nation. What this bill seeks to insure is that their path to contribution is not blocked, that they, like other minorities, have as their partisan the law on this Nation.

Mr. President, in order to more fully exolain the specific contents of my bill, I ask unanimous consent that a section-by-section analysis, together with the text of the bill, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Physical Handicap Antidiscrimination in Employment Act of 1979".

SEC. 2. (a)(1) Section 703(a)(1) of the Civil Rights Act of 1964 (hereinafter referred to as the "Act") is amended by inserting after "sex" a comma and the following: "physical handicap".

(2) Section 703(a)(2) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(b) Section 703(b) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(c)(1) Section 703(c)(1) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(2) Section 703(c)(2) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(d) Section 703(d) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(e) Section 703(e)(1) of the Act is amended by inserting after "national origin" the first time it appears a comma and the following: "or because of the presence of a physical handicap," and by inserting after "national origin" the second time it appears a comma and the following: "or the absence of a physical handicap,".

(f) Section 703(h) of the Act is amended by inserting after "national origin" the first time it appears a comma and the following: "or because of the presence of a physical handicap".

(g) Section 703(j) of the Act is amended by inserting after "or group" the following: ", or because such individual or the members of the group are physically handicapped,", and by inserting after "national origin" the second and third times it appears the following: ", or having a physical handicap,".

(h) The center heading of section 703 of the Act is amended by inserting after "SEX," the following: "PHYSICAL HANDICAP,".

SEC. 3. Section 704(b) of the Act is amended by inserting after "national origin" a comma and the following: "or absence of a physical handicap", by inserting after "national origin" the second time it appears a comma and the following: "or presence of a physical handicap,", and by inserting after "national origin" the third time it appears a comma and the following: "or absence of a physical handicap,".

SEC. 4. Section 706(g) of the Act is amended by inserting after the word "sex" a comma and the following: "physical handicap".

SEC. 5. (a) Section 717(a) of the Act is amended by inserting after the word "sex" a comma and the following: "physical handicap".

(b) Section 717(c) of the Act is amended by inserting after the word "sex" a comma and the following: "physical handicap".

SEC. 6. The amendments made by this Act shall take effect six months after the date of its enactment.

SECTION-BY-SECTION ANALYSIS

This draft bill would amend title VII of the Civil Rights Act of 1964 by making it unlawful to discriminate against physically handicapped persons in employment practices. Title VII (Equal Employment Opportunity) currently prohibits employment discrimination on the basis of an individual's race, color, religion, sex, or national origin. The effect of these amendments would be to extend to the physically handicapped all those equal employment opportunity provisions currently available on the basis of an individual's race, color, religion, sex, or national origin.

Section 2(a)(1) of the bill would amend section 703(a)(1) of the Act * by making it unlawful for an employer to fail or refuse to hire or to discharge an individual or to otherwise discriminate against an individual with respect to his compensation, terms, conditions, or privileges of employment because of such individual's physical handicap.

Section 2(a)(2) of the bill would amend section 703(a)(2) of the Act by making it unlawful for an employer to limit, segregate, or classify his employees or applicants for employment in any way which would deprive an individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's physical handicap.

Section 2(b) of the bill would amend section 703(b) of the Act by making it unlawful for an employment agency to fail or refuse to refer for employment any individual because of his physical handicap.

Section 2(c)(1) of the bill would amend section 702(c)(1) of the Act by making it unlawful for a labor organization to exclude or expel from its membership or applicants for membership, or otherwise discriminate against, any individual because of his physical handicap.

Section 2(c)(2) of the bill would amend section 703(c)(2) of the Act by making it unlawful for a labor organization to limit, segregate, or classify its membership, or to fail to classify or fail to refer for employment any individual because of such individual's physical handicap. Labor organizations would be prohibited from depriving, limiting or in any way adversely affecting the employment opportunities of persons because of an individual's physical handicap.

Section 2(d) of the bill would amend section 703(d) of the Act by making it unlawful for an employer, labor organization or joint labor-management committee controlling apprenticeship or other training or retraining to discriminate against any individual on the basis of his physical handicap.

Section 2(e) of the bill would amend section 703(e)(1) of the Act to specify that the foregoing protections extended to persons with physical handicaps would not apply in those certain instances where the absence of a physical handicap is a bona fide occupational qualification reasonably necessary to the normal operation of a particular business or enterprise.

Section 2(f) of the bill would amend section 703(h) of the Act by providing that it is not unlawful for an employer to apply different standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system, or a system which measures earnings by quantity or quality of production, or to employees who work in a different location, provided that such differences are not the result of an intention to discriminate because of the presence of a physical handicap.

Section 2(g) of the bill would amend section 703(j) of the Act to provide that nothing contained in title VII of the Civil Rights Act is to be interpreted to require preferential treatment to any individual or group because such individual or members of the group are physically handicapped. This provision states that preferential treatment is not required to correct imbalance which may exist between the percentage of physically handicapped persons employed by an employer and the percentage of physically handicapped persons which may exist in the community or State or in the available work force.

Section 3 of the bill would amend section 704(b) of the Act to make it unlawful for any notice or advertisement relating to employment to indicate any preference, limitation, specification, or discrimination based on absence of a physical handicap, except that a notice or advertisement may indicate a preference where absence of a physical handicap is a bona fide occupational qualification for employment.

Section 4 of the bill would amend section 706(g) of the Act to provide that if a court finds that an intentional unlawful employment practice has occurred which involved discrimination against a person with a physical handicap, that finding will require such affirmative action as may be appropriate including reinstatement or hiring with or without back pay, or any other equitable relief the court deems appropriate.

Section 5(a) of the bill would amend section 717(a) of the Act to provide that all personnel actions affecting employees or applicants for employment are to be free from discrimination on the basis of physical handicap in military departments, executive agencies, in the United States Postal Service and the Postal Rate Commission, in those units of the Government of the District of Columbia having positions in the competitive service, in those units of the legislative and judicial branches of the Federal Government having positions in the competitive services, and in the Library of Congress.

Section 5(b) of the bill would amend section 717(c) of the Act to provide that an aggrieved physically handicapped employee or applicant for employment may file a civil action within 30 days of receipt of notice of final action of the charged agency or after 180 days from the filing of an initial charge of discrimination.

Section 6 of the bill would provide that these amendments would take effect six months after the date of enactment.●

* All references are to the Civil Rights Act of 1964, P.L. 92-261.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 347. A bill to prohibit the excessing of cabin sites and removal of cabins located at Conchas Lake, N. Mex., prior to 1996 without State approval; to the Committee on Environment and Public Works.

CONCHAS LAKE, N. MEX.

● Mr. DOMENICI. Mr. President, today I am reintroducing my bill of the 95th Congress which prohibits the excessing of cabin sites and removal of cabins located at Conchas Lake, N. Mex., prior to 1966 without State approval. In the last Congress, this bill was accepted as an amendment to the omnibus water resources projects bill, a bill which did not make it out of conference before the end of the session.

I am introducing this bill to prevent an injustice. In 1946 the Corps of Engineers agreed that private individuals could construct recreational cabins around Conchas Lake in eastern New Mexico. Approximately 70 cottages were built in the area, and in fact, 13 of the cabin owners permanently reside on the site. In addition, the State derives income from the cottages that goes to repaying revenue bonds.

Unfortunately, the corps has decided not to renew the leases on which the cabins stand, and the cabins must be phased out by 1982. My bill corrects this hardhearted approach adopted by the corps by extending the leases through 1996. The importance of this date is that it allows for a subsequent review of the leases and the need for parkland in the area.

In the last Congress this bill was accepted with no opposition. I would hope that it will receive the same favorable treatment in this Congress and will swiftly be enacted into law.

I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is prohibited from determining the forty-five-acre cabin site in the south recreation area at Conchas Lake, New Mexico, to be excess of project needs prior to 1996, unless such a determination is agreed to by the Governor of the State of New Mexico or his designee.

SEC. 2. The Secretary of the Army shall not require the removal or sale and purchase of existing cabins, cottages, or other privately owned improvements located on the site referred to in section (1) of this Act prior to 1996, unless agreed to by the Governor of the State of New Mexico or his designee. Existing and prospective lease arrangements shall reflect the requirements of this section.●

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 348. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. DOMENICI. Mr. President, in August of last year three New Mexicans made aviation history by transcending the Atlantic Ocean in a helium balloon.

Ben Abruzzo, Maxie Anderson, and Larry Newman will rightfully take their places in history alongside such American aviation pioneers as Charles Lindbergh, Neil Armstrong, and Buzz Aldrin.

The world has applauded these men and their magnificent achievement. A proud United States of America can express its pride by authorizing a gold medal be struck and transmitted to these transatlantic pioneers.

In an age when America's prestige is faltering throughout the world, when problems beset us from every corner of the globe, these three Americans have given our pride a tremendous boost.

Once again we can boast that Americans can do something better and quicker and with more initiative than any other peoples. Our spirit of adventure and quest for challenges—both of which forged a great nation out of a wilderness—are embodied once again in the persons of Abruzzo, Anderson, and Newman.

This gold medal will symbolize much more than just the feat of three adventurers. It will say to free people everywhere that America and Americans still "can do." ●

By Mr. PROXMIRE (by request):

S. 349. A bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council; to the Committee on Banking, Housing, and Urban Affairs.

COUNCIL ON WAGE AND PRICE STABILITY ACT AMENDMENTS OF 1979

Mr. PROXMIRE. Mr. President, I send to the desk, for appropriate reference, by request of the administration, a bill to extend the duration of the Council on Wage and Price Stability and to increase and extend the appropriation authorization for the Council.

The Council on Wage and Price Stability plays an important role in President Carter's anti-inflation program. The increase in authorization that will be asked for by the administration will provide for an increase in the Council's staff to 233 positions; this is 90 positions greater than is shown in the 1980 budget request, and 194 greater than the Council had in 1978.

It is a very large increase percentagewise, but it is a tiny number of people when you consider the tremendous responsibility they have for our entire economy—not only for every industry in our country, but also for the public sector. About half the people now work only on the Federal sector, in trying to prevent regulations and other activities of the Federal Government from being too inflationary.

So this modest increase, very small in cost—almost insignificant—can play a big role in holding down the cost of inflation.

As I indicated in my first observation this morning, the Wall Street Journal reports that compensation is being held to a far lesser level than it would have been without the guidelines in effect.

The final authorization requests have not been cleared through OMB and the President as yet. Therefore, this legislation would authorize "such sums as may be necessary." It is my understanding that, as soon as possible, specific authorization requests will be made. The bill has been given to the Congress for consideration of the current form in order to expedite hearings and consideration of the extension of COWPS. The Banking Committee has already scheduled hearings on extending COWPS for February 8 and 9, 1979.

Mr. President, I ask unanimous consent that the proposed legislation and a section-by-section analysis thereof be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Council on Wage and Price Stability Act is amended by striking out "and not to exceed $2,210,000 for the fiscal year ending September 30, 1979," and by inserting "such sums as may be necessary for the fiscal year ending September 30, 1979, to remain available until expended, and such sums as may be necessary for the fiscal year ending September 30, 1980, and for the fiscal year ending September 30, 1981,".

SEC. 2. Section 7 of such Act is amended by striking out "1979" and inserting in lieu thereof "1981."

SECTIONAL ANALYSIS OF A BILL

Section 1. Section 1 would authorize such sums as may be necessary to be appropriated to the Council on Wage and Price Stability for fiscal year 1979 to remain available until expended, and such sums as may be necessary for fiscal years 1980 and 1981.

Section 2. Section 2 would extend the authority of the Council on Wage and Price Stability through fiscal year 1981.

By Mr. LONG (for himself, Mr. RIBICOFF, Mr. TALMADGE, Mr. YOUNG, Mr. MELCHER, Mr. CANNON, Mr. INOUYE, Mr. STAFFORD, and Mr. HATFIELD):

S. 350. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a

Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

By Mr. LONG (for himself, Mr. TALMADGE, Mr. YOUNG, Mr. MELCHER, Mr. CANNON, Mr. INOUYE, Mr. STAFFORD, Mr. PERCY, Mr. STONE, Mr. HATFIELD, and Mr. MATHIAS):

S. 351. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM LEGISLATION OF 1979

Mr. LONG. Mr. President, on behalf of myself, Senator RIBICOFF and Senator TALMADGE, as well as Senators YOUNG, MELCHER, CANNON, INOUYE, STAFFORD, and HATFIELD, I am reintroducing today proposed legislation which, when enacted, would represent a major step forward toward the provision of adequate protection against the high costs of health care.

Time after time we hear of the ruinous costs of prolonged illness. Again and again we hear how serious injuries have all but wiped out lifetime savings and property. We believe that it is time to stop talking about these problems and start doing something about them. And we intend to start today by reintroducing our proposed catastrophic health insurance and medical assistance reform legislation.

This bill is the same one which several of us cosponsored last year as S. 3105 of the 95th Congress. It consists of the following proposals:

First. Title I, a catastrophic health insurance plan, at an estimated annual cost of $5 to $7 billion;

Second. Title II, a plan to standardize and federalize medicaid health benefits for the poor, at an estimated annual cost of $12 to $14 billion; and

Third. Title III, a plan to encourage standardization of private health insurance plans at negligible administrative costs.

I want to make it clear that these cost-estimates are only rough cost projections, based on somewhat out-dated data. HEW has been developing up-to-date data for the past several months, but the Department is not yet prepared to make an official estimate.

Second, Mr. President, a number of us are introducing as a separate bill, titles I and III of last year's proposal. On this proposal, I am joined by Senators TALMADGE, YOUNG, MELCHER, CANNON, INOUYE, STAFFORD, PERCY, STONE, HATFIELD, and MATHIAS.

I introduce this bill in recognition that its provisions may be about as much as we can afford to enact in this Congress, perhaps as much as can be afforded for the next several years.

I introduce this separate bill also as a means of allowing cosponsorship by various Senators who enthusiastically favor the catastrophic health insurance plan, but who either do not favor or are still uncertain about the proposal to standardize and federalize medicaid.

I am particularly pleased at the strong bipartisan flavor of this bill's cosponsorship. I trust that as more Senators of each party study the bill, they will join us as sponsors in a spirit of bipartisanship.

As I have indicated, the catastrophic health insurance aspect of this bill is estimated to cost $5 to $7 billion annually, while the plan to encourage standardization of private health insurance plans will involve only minor administrative costs.

It is revealing to note, Mr. President, that in almost every attempt to justify their much broader legislative approach, proponents of "cradle-to-grave" coverage continue to cite those heartrending cases we have all heard about. These are cases in which long-term medical expenses completely ruin the patient's finances, even those of his or her entire family. The fact is, Mr. President, that virtually every one of those cases would be taken care of by our far less costly proposal.

Mr. President, the catastrophic health insurance plan which is common to both of these bills is a commonsense, a bipartisan proposal developed by the Congress. It is not the administration's proposal nor that of any special interest group.

Since 1973, when Senator RIBICOFF and I introduced this concept, we honestly—and somewhat naively—thought that in a very short time the administration and Congress would rally to our commonsense approach. Was this not a good and necessary first step? Could we not decide later whether or not other steps were needed? Was this not all the Nation could afford at the moment?

So, without pushing or forcing the issue, we waited around for Senators and the public to rally to our cause. However, experience has now taught me that waiting patiently is not going to get the job done. Already we have waited 6 years too long in getting this law on the books. So now we have decided to push and to agitate a bit.

I realize that budget and inflation will be major concerns during the 96th Congress. For that reason we are not talking about something that will go into effect immediately. But the needs are real and it is going to take months and months to ready ourselves for implementation, as well as assure that proper administrative and reimbursement controls are in place in our existing health care financing programs—controls which should produce savings to offset a good part of the cost of our proposal.

So, placing first things first, we plan to hold hearings on proposals to moderate costs, including the Talmadge-Dole Administrative and Reimbursement Reform bill, during the week of March 12, followed by committee mark-up the following week. Then it is my intention to hold hearings the last week of March on both the catastrophic health insurance bill and on the broader bill which includes standardization and federalization of medicaid, followed by committee mark-up before the April recess.

Mr. President, the catastrophic health insurance and medical assistance reform proposal, the broader of these two bills, is designed to accomplish three objectives. First, to develop a means of assuring all Americans that they will not be bankrupted by the devastating effects of serious illness or injury. Second, to eliminate the widespread inequities of the medicaid program by replacing it with a program providing equal benefits to all Americans at the lower end of the income scale. Third, to assure the actual availability of adequate basic private health insurance to many millions of hard-working, middle-income Americans as a floor of protection about which they would be covered by catastrophic health insurance.

The thrust of the catastrophic health insurance proposal in each of the two bills is to assign a large area of responsibility to the private health insurance industry of this country, establishing benchmarks against which the success of their efforts will be measured. Obviously, to the extent private health insurance effectively meets the basic needs of a large segment of our population, further expansion of bureaucratic governmental programs would not be necessary.

To those of us who have worked with medicare, medicaid, and other Federal health care financing programs, it has become quite clear that there are limits to the Government's administrative capacity. It seemed to us rather foolhardy to pile upon that limited capacity further responsibility which could not be met effectively. Therefore, we have consciously chosen an approach which, in the areas of catastrophic health insurance and basic private health insurance, builds upon the strengths of the private sector while correcting weaknesses.

The catastrophic health insurance program would, effective January 1, 1981, cover all Americans after they had incurred medical expenses of $2,000 or been hospitalized for 60 days. To cut program costs, it is possible that the threshold for coverage should be increased to $3,000, or even more but that sort of question will be determined from information developed in our hearings next month. The benefits covered under the program would be the same as those covered under the medicare program without any upper limits on hospital days.

For example: A married couple and their child were hurt on January 1 in an auto accident and all three were taken to the hospital. The mother and child were treated and released. Their medical expenses were $200. The father was hospitalized for 80 days and his expenses (exclusive of the hospital bill) totaled

$3,000. The total medical expenses for the family were $3,200.

The catastrophic health insurance plan would cover: First, the $1,200 of the family's medical expenses which exceeded $2,000 for the year; and second, the 20 days of hospital care that exceeded the 60-day hospital deductible. Though not a factor in determining what the catastrophic health insurance program would cover, it should be noted that in most cases the family would have private health insurance covering most of the initial $2,000 in medical expenses, and the hospital bills for the first 60 days of the father's hospital care.

The bill provides a most important option: An employer can either choose to cover his employees for catastrophic costs through private health insurance or, alternatively, he can choose to obtain such coverage through the Federal program. Our expectation is that the vast majority of employers would choose to obtain such coverage through private health insurers. The Federal program would serve primarily to insure those who are not in a permanent employment situation. Under the bill, the private catastrophic program would have to be fully as comprehensive as the public plan.

The public catastrophic health insurance program would be administered by the Health Care Financing Administration using carriers and intermediaries as in the present medicare program. Private catastrophic programs would, of course, be administered by the private insurance companies.

The catastrophic health insurance program would be financed through a 1-percent payroll tax on employers. There would be no tax on employees. Employers who choose the private insurance option would subtract from their 1-percent payroll tax liability approved premiums paid for private catastrophic insurance policies. In addition, all employers would receive a 50-percent tax credit (or rebate) against their overall 1-percent payroll tax liability. This would be in lieu of a deduction for catastrophic health insurance premiums as a business expense and would tend to equalize treatment between small employers and large employers.

Example: Employer with $1 million taxable pay—

Liability: 1% x $1 million	$10,000
Payment:	
Private insurance premium	8,000
Payment to trust fund	2,000
Total	10,000
Tax Credit: 50% of total payment	5,000

Mr. President, now that I have given a brief description of how the catastrophic health insurance plan common of both bills would work, let me describe the second part of the broader of these two bills. It consists of an entirely new basic health benefits program for low-income families and individuals.

While most middle-income families can afford and can obtain reasonable adequate private health insurance coverage toward the costs of their first 60 days of hospitalization and first $2,000 of medical expenses, many millions of low-income individuals and families cannot afford or do not have such basic private health insurance protection available to them.

The present Federal-State program providing health benefits to the poor—medicaid—does not generally cover low-income workers who are not on welfare. It is basically provided only to welfare families and, even then, benefit and eligibility levels vary substantially and significantly from State to State. In most States medicaid is limited to poor, aged, blind, and disabled persons or fatherless families.

Because of economic difficulties, some States have, and others are considering, cutbacks in already inadequate medicaid programs.

Today, for example, in one State a disabled person with $1,800 annual income might not be eligible for medicaid whereas, in another State, he would be. Further, that same disabled person might be covered for only 15 days of hospitalization under medicaid in one State while, in another, he would be eligible for unlimited hospitalization.

Aside from those obvious inequities in treatment of the poor, there is another inequity developing with implementation of the supplemental security income plan for aged, blind and disabled persons, where thousands of people in a State would be eligible for medicaid and other thousands in the same State, with the same income, would not. And in no State is medicaid coverage available to a hard-working couple or small intact family with low income.

The new program which we propose would provide, effective October 1, 1981, basic health benefits coverage with uniform national eligibility standards for all low-income individuals and families, whether they are on welfare or working. It would thereby eliminate the major inequities in the current medicaid program.

Coverage under the new program would be available to all individuals and families with annual incomes at or below the following levels: First, an individual with income at or under $3,000; second, a two-person family with income at or under $4,200; and third, a family of four with an income at or under $5,400. For each family member above the first four, the eligibility limit is increased by $400. In addition, families with incomes slightly above the eligibility levels would be eligible for benefits if their medical expenses reduced their income to these levels. For example, a family of four with an income of $6,000 would become eligible after they had expended $600 for medical expenses, including any health insurance premiums.

We expect to review this dollar-for-dollar "spend down" to make sure that it does not create a "notch" problem and, thus, a disincentive to employment. If that were the effect, we would anticipate modifying the "spend down" accordingly.

No person presently eligible for medicaid would lose entitlement to benefits because of the new program.

The basic benefits provided under the low-income plan are designed to mesh with the deductibles under the catastrophic program.

The benefits covered by the plan would include 60 days of hospital care and all medically necessary physicians' services, laboratory and X-ray services, home health services and care in skilled nursing homes and intermediate care facilities. A copayment of $3 would be required on patient-initiated services, such as visits to a doctor's office, but copayment could not exceed $30 per individual or family during a year. These copayments would not apply to well-baby care or with respect to family planning services.

The plan would also afford catastrophic insurance coverage to those low-income families who are not covered under the catastrophic plan.

States would be free to provide additional benefits—such as drugs and dental services—with the Federal Government assuming one-half of the costs.

For millions of older Americans with low incomes, the bill would pick up their part B medicare premiums—currently $8.20 per month—as well as paying their medicare deductibles and coinsurance amounts. In addition, it would provide them with all medically necessary hospital, skilled nursing facility and intermediate care facility services. Home health care would also be available without limitation.

Mr. President, the low-income plan would not only help the poor, it would aid hospitals, physicians, and State governments. With respect to hospitals, the program would call for reimbursement at medicare levels—rather than at the often substandard medicaid rates. With respect to State governments, the plan would afford very substantial fiscal relief. States would make a fixed contribution toward the cost of the low-income plan based upon each State's annual level of spending for medicaid and general assistance health care prior to the effective date of the plan. For example, if a State spent $100 million of its own funds under medicaid for the types of care covered under the new low-income plan, it would contribute that $100 million to the low-income fund during the first and in each succeeding year. Additionally, the State would contribute 50 percent of the estimated amount of State and local expenditures in the year before the low-income plan effective date for health care services to people ineligible for medicaid, but who would be eligible for those types of services under the new low-income plan.

Mr. President, the additional part of each of these bills establishes a new and voluntary certification program for private basic health insurance policies. With this new program, private insurers could, of their own volition, submit any or all of their basic health insurance policies to the Secretary for certification. This certification would be based upon certain minimum criteria specified in the bill relating to adequacy of coverage, ratio of benefits paid to premium income and conditions of eligibility.

Insurers could advertise the certifica-

tion in promoting their policies. Three years after enactment of this bill, carriers and intermediaries under the medicare program would be expected to offer one or more certified policies to the general public in areas where they sold policies.

In addition, the bill contains provisions designed to facilitate arrangements whereby basic health insurance policies meeting minimum standards could be offered through private insurance "pools" established by groups of private insurers.

The bill also directs the Secretary of Health, Education, and Welfare to report to Congress after 3 years as to the extent to which private health insurance meeting the criteria is actually and generally available in each State.

In any area of the country where certified basic health insurance was not generally and actually available to the entire population, the Secretary is also authorized to make such coverage available at cost through social security.

Mr. President, neither of these proposals constitute a "be all—end all" approach, but each does provide an opportunity to provide significant assistance to many millions by closing major gaps in the financing of necessary health care.

We believe that careful building and improving upon the present system through this major initiative is the only feasible alternative to the potentially disruptive and bankrupting effects involved in proposals which would radically alter and almost scrap existing structures and mechanisms. The variables are too uncontrollable and the chances of error too great for us to risk the magnitude of any mistakes in the total takeover approach. What we propose to do is what we know needs to be done and can be done.

We firmly believe that the thrust of the catastrophic health insurance bill, at the minimum, is the direction in which we should proceed. We expect that our proposal will certainly benefit from additional constructive efforts during the course of legislative consideration.

Current cost estimates of the different parts of this package are as I have stated them. The Department of Health, Education, and Welfare is working on more precise figures, and we expect to have estimates shortly. There is no point, however, in playing a "numbers" game. The American people and the Congress are entitled to as accurate an estimate as is possible of the catastrophic insurance and federalized medicaid parts of our proposal. Both will involve billions of dollars in additional Federal funds. Make no mistake. None of the national health insurance proposals come cheap. There is no free lunch. Our proposal does, however, meet real needs and is capable of being implemented in whole, or part, as necessary funding becomes available.

Mr. President, now that I have explained in behalf of the cosponsors the technical description of these two bills, let me talk a bit in my own right about the general political and legislative atmosphere in which the catastrophic health insurance bill, will be debated in the weeks to come.

We all remember, Mr. President, that in mid-1978 a major controversy erupted on the subject of national health insurance. It set into motion the political dynamics which will finally force Senators and Congressmen to take sides on a highly important subject which has for too long remained in the backroom bargaining state.

On one side of the squabble was the Carter administration, which announced it would approach the issue incrementally. Its plan was to seek coverage for catastrophic cases, to achieve more adequate and standardized coverage for the poor, and to establish goals in such other areas as cost containment, health delivery systems, and health manpower.

Then, at a later date, the administration would determine if and to what extent further steps toward a "comprehensive" program might be justified and economically feasible.

On the other side of the controversy, there were those who favored the comprehensive, cradle-to-grave approach to national health care. These forces insisted then, and still do, that the incremental approach is unacceptable. It would almost seem that for the present they would rather have no catastrophic coverage at all than to permit enactment of legislation which does not at the same time guarantee further elements of coverage in years to come.

They fear that once enacted these highly important, but less than "comprehensive" programs will solve so much of the real problem as to eliminate the appeal for their kind of very expensive and oppressively bureaucratic health care programs.

Mr. President, as they themselves have been quite frank and willing to admit, they want enactment of a "package" deal now which will automatically expand health care bureaucracy and expenditures in years to come, whether or not the intervening experience indicates this to be necessary, desirable or affordable.

In this Senator's opinion, the Carter administration was extremely wise to resist pressures that it adopt the package plan for a comprehensive national health system. I am proud of the President for having rejected the all-or-nothing approach whose inglorious result was expressed as follows in an interview last year by HEW Secretary Joseph Califano:

> For 30 years, the Democratic Party at the national level has tried to pass a national health insurance program, and has not succeeded. . . . We intend to introduce a piece of legislation that will have the opportunity of passing.

Because the President did refuse, and still refuses, to go along with the "package" approach, the fundamental controversy is now out in the open. Finally, opposing sides and contending philosophies can line up and count noses. Then, by enacting legislation at the earliest possible date, we can finally tell the people what kind of expanded health insurance coverage to expect.

As a result of the schism which was received so much comment in the press over the past 6 months, each side is drafting and will submit to Congress its own bill. The presumption is that these two proposals will then meet head-on during this Congress, with either the Carter administration bill or the "cradle-to-grave" package of bills emerging victorious.

But, Mr. President, with the introduction of the two bills I have just described, I suggest that this will most certainly not be the scenario by which the issue is settled. Instead, the Congress will enact something very close to one of these modest, workable, affordable measures—probably the narrower of the two, or maybe something between the two. But certainly it will be no more ambitious than the broader of these two bills.

One of the elements which will underpin its appeal to many congressmen and Senators, as well as to the public in general, is the fact that these bills—particularly the more modest one—will be the only major health insurance proposals which attract broad bipartisan support. Legislation in an area so sensitive as the people's health should not be enacted in the context of one Party shoving the program, like bitter medicine, down the throat of the other.

Once enacted, this health legislation should not be interpreted as a "Democratic Party" program or a "liberal" or "conservative" one. It should not be approved or disapproved because it does or does not have the active support of the American Medical Association or the AFL–CIO or the enthusiastic blessing of this or that group.

With this bipartisan goal in mind, our growing list of sponsors from both sides of the aisle ask all Senators to take a close and careful look at our proposals. As you do, we feel that many more of you will join us, not only as cosponsors for the record, but as active and determined proponents of these modest, workable proposals.

Once you are familiar with them, we feel that you will agree that our bills:

First, will respond at an early date to a great number of our people's most pressing health care needs.

Second. Will do so at a minimum cost to the Federal budget.

Third. Will reply to the greatest degree on the private sector, both as the source of the insurance itself and in terms of the means by which most people finance their coverage.

Fourth. Will give people the maximum flexibility and freedom of choice in selecting the particular doctors, hospitals, and health delivery systems they desire.

Fifth. Will create the minimum amount of stultifying Federal bureaucracy, which Americans are coming so universally to detest.

Sixth. Will preserve in the Congress and in future Administrations the greatest degree of flexibility as to what new programs, if any, will be needed to supplement those which we now enact, and

Seventh. Will result in a program which will not be either Party's partisan political football to kick around in years to come.

Mr. President, I ask unanimous consent that the bills and summary materials be printed in the RECORD.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

S. 350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Catastrophic Health Insurance and Medical Assistance Reform Act".

TITLE I—CATASTROPHIC ILLNESS INSURANCE

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 101. (a) The Social Security Act is amended by adding after title XX the following new title:

"TITLE XXI—CATASTROPHIC HEALTH INSURANCE PROGRAM

"PURPOSE OF TITLE

"SEC. 2101. The insurance program established by this title is designed to provide protection to all individuals who are citizens or permanent residents of the United States against the costs of high-cost catastrophic illness. Each such individual will be provided such protection either under the Federal plan established by part A of this title, or under an employer plan or a self-employed plan approved under part B of this title.

"PART A—FEDERAL PLAN

"ELIGIBLE INDIVIDUALS

"SEC. 2102. (a) Every individual who—

"(1) is a resident of the United States, and

"(2) is a citizen of, or an alien lawfully admitted for permanent residence in, the United States, or an alien otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall (subject to section 2107) be entitled to catastrophic health insurance benefits provided by this part for any period which commences on or after January 1, 1981, and with respect to which he is not covered by an employer plan or a self-employed plan approved under part B.

"(b) For purposes of subsection (a), entitlement of an individual to catastrophic health insurance benefits under this part shall consist of entitlement to have payment made, under and subject to the limitations in this title, to him or on his behalf for the services described in section 2103(a) which are furnished to him in the United States (or outside the United States in the case of services specified in section 1814(f)).

"SCOPE OF BENEFITS

"SEC. 2103. (a) The benefits provided to an individual by the insurance program established by this part shall consist of entitlement to have payment made (subject to the provisions of this part) on his behalf or to him for—

"(1) hospital and related services (as defined in subsection (c)(1)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by section 2104(b), and

"(2) medical and other health services (as defined in subsection (c)(2)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by section 2104(c).

"(b) Payment authorized under this part for any service covered hereunder shall be made to the person to whom payment for such service would be made under title XVIII, if such service were furnished to an individual who was covered therefor under title XVIII.

"(c)(1) The term 'hospital and related services' means—

"(A) inpatient hospital services (as defined in section 1861(b)),

"(B) post-hospital extended care services (as defined in section 1861(i)), and

"(C) home health services (as defined in section 1861(m)).

"(2) The term 'medical and other health services' means—

"(A) medical and other health services (as defined in section 1861(s)),

"(B) home health services (as defined in section 1861(m)),

"(C) outpatient physical therapy services (as defined in section 1861(p)), and

"(D) rural health clinic services (as defined in section 1861(aa)).

"(d) Notwithstanding the preceding provisions of this section, no payment may be made and no deductible shall be incurred with respect to—

"(1) expenses incurred for items or services, if pursuant to section 1862 (a), (b), or (d) payment may not be made with respect to such items or services under title XVIII, or

"(2) expenses incurred for post-hospital extended care services furnished to an individual on any day during any calendar year, if, prior to such day, there have been furnished to such individual for 100 days during such year such services with respect to which benefits under this part are payable.

"PAYMENT AND DEDUCTIBLE

"SEC. 2104. (a)(1) Payment of benefits under this part with respect to expenses incurred by an insured individual shall be made from the Federal Catastrophic Health Insurance Trust Fund.

"(2) For purposes of payment of benefits under this part with respect to expenses incurred for health services furnished to any insured individual, there shall be taken into account—

"(A) in case of expenses incurred for hospital and related services (as defined in section 2103(c)(1)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (b) is met, and

"(B) in case of expenses incurred for medical and other health services (as defined in section 2103(c)(2)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (c) is met;

and, with respect to the services to which the expenses so taken into account are attributable, there shall be paid (except where inconsistent with the provisions or purposes of this part) an amount which shall be equal to (and determined in the same manner as) the amount which would have been payable for such service under title XVIII in the case of an individual entitled to have payment made with respect thereto under such title (as determined without regard to any provision of such title relating to deductibles or copayments).

"(b) The deductible imposed by this subsection with respect to expenses incurred for hospital and related services (as defined in section 2103(c)(1)) shall be met by an insured individual—

"(1) for the period, in the calendar year, which commences on the day following the 60th day, during the calendar year and the last 3 months of the preceding calendar year, in which such individual received inpatient hospital services; and

"(2) for the period, in the calendar year, which is prior to the first consecutive 90-day period therein in which such individual is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility, but only if the first day for which such services in the calendar year occurs not later than 90 days after the last day with respect to which benefits were payable under this part on account of inpatient hospital services furnished to him in the preceding calendar year.

"(c)(1) The deductible imposed by this subsection with respect to expenses incurred for medical and other health services (as defined in section 2103(c)(2)) shall be met by an insured individual—

"(A) for the period, in the calendar year, which occurs after such individual has incurred, during such year and the last 3 months of the preceding calendar year, expenses (including expenses deemed under paragraph (2) to be incurred by him, but excluding amounts required to be excluded under paragraph (3)) for such services of $2,000 (or, if higher, the amount determined under paragraph (4)); and

"(B) for the period, in the calendar year, which occurs prior to the first 90-day period therein during which such individual incurs for such services expenses (including expenses deemed under paragraph (2) to be incurred by him) the aggregate of which is less than $500 (or, if greater, the amount determined under paragraph (5)), but only if (i) during the last 3 months of the preceding calendar year, such individual incurred for such services expenses (including expenses deemed under paragraph (2) to be incurred by the individual) of at least $500 (or, if greater, the amount determined under paragraph (5)), and (ii) such individual had met (by reason of the application of clause (A)) for a period in the preceding calendar year the deductible imposed by this paragraph.

"(2)(A) In determining, for purposes of clauses (A) and (B) of paragraph (1), the amount of expenses incurred by an individual for medical and other health services furnished during any period, there shall be deemed to have been incurred by such individual any expenses incurred for such services furnished during such period to each other member of such individual's family, but only if such other member is (i) the spouse of the individual, (ii) a dependent of such individual, (iii) the person (or the spouse of the person) of whom such individual is a dependent, or (iv) a person who is a dependent of the same person of whom such individual is a dependent.

"(B) For purposes of subparagraph (A)—

"(i) the term 'dependent' shall have the meaning assigned to it by regulations of the Secretary;

"(ii) the term 'family' means two or more individuals who are (I) related by blood marriage or adoption, and (II) living in a place of residence maintained by one or more of them as his or their own home (and for purposes of this clause, a child under age 22 who is absent from home for the purpose of attending an educational institution as a full-time student shall be deemed while so absent to be living in such place of residence); and

"(iii) the term 'member', when used in reference to a family means an individual described in clause (ii).

"(3) In determining, for purposes of paragraph (1)(A), the amount of expenses incurred (or deemed to be incurred) by an individual for medical and other health services in any calendar year, there shall be disregarded all amounts in excess of $500 incurred in connection with the treatment of mental, psychoneurotic, or personality disorders of such individual.

"(4) The Secretary shall, between July 1 and October 1 of 1981 and of each year thereafter, determine and promulgate the deductible which shall be applicable for purposes of paragraph (1)(A) in the succeeding calendar year. Such deductible shall be

equal to whichever of the following is the higher:

"(A) $2,000, or

"(B) $2,000 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $100, being rounded to the nearest multiple of $100.

"(5) The Secretary shall between July 1 and October of 1981 and of each year thereafter, determine and promulgate the amount which shall be applicable for purposes of paragraph (1)(B) in the succeeding calendar year. Such amount shall be equal to whichever of the following is the higher:

"(A) $500, or

"(B) $500 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $50, being rounded to the nearest multiple of $50.

"(e)(1) Payment for services under this title shall also be subject to the limitations described in section 1812(e) and 1833(e).

"(2) Payment under this part with respect to expenses incurred in connection with the treatment of mental psychoneurotic, and personality disorders shall not be made unless such treatment consists of 'mental health care services' (as defined in paragraph (3)).

"(3) As used in paragraph (2) the term 'mental health care services' includes only care and services for mental conditions—

"(A) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(B) which, if provided on a partial hospitalization basis, are provided (i) in and by an accredited medical institution (as determined by the Secretary), or (ii) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary),

"(C) which, if provided on an outpatient basis, are—

"(i) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(ii) provided by a psychiatrist;

except that such term does not include any outpatient services provided by a psychiatrist, during a 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (I) five visits, plus (II) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(f)(1) Payment under this part with respect to expenses incurred for blood, blood products, and procedures and courses of treatment which are unusually extensive or complex shall be subject to standards and criteria imposed by the Secretary pursuant to paragraph (2).

"(2) The Secretary shall by regulations prescribe standards and criteria designed to assure that services consisting of the furnishing of blood or blood products or the application of procedures or courses of treatment, referred to in paragraph (1), for which payment may be made under this part will be provided only when, and to the extent that, such services are appropriate to the health care needs of the patient.

"(g) Payment under this part may not be made for extended care services furnished to an individual during any period for which such individual is entitled to hospital insurance benefits under part A of title XVIII.

"CONDITIONS OF AND LIMITATIONS ON PAYMENT FOR SERVICES

"SEC. 2105. (a) To the extent that payment may be made for services described in section 2103(a)(1), the provisions of sections 1814, 1815, 1816, 1833(f), and 1835 shall apply.

"(b) To the extent that payment may be made for services described in section 2103 (a)(2), the provisions of section 1842 shall apply.

"APPLICABILITY OF CERTAIN PROVISIONS OF, OR RELATING TO, TITLE XVIII

"SEC. 2106. (a) The provisions of section 1861 (except subsections (a) and (y)), 1866, 1867, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878 and 1879 shall apply with respect to this part to the same extent as they are applicable with respect to title XVIII.

"(b) The provisions of section 402(a) of the Social Security Amendments of 1967 and the provisions of section 222(a) of the Social Security Amendments of 1972 shall be applicable to this part to the same extent as they are applicable to title XVIII.

"TREATMENT OF BENEFITS UNDER OTHER PROGRAMS

"SEC. 2107. Any amount otherwise payable under this part with respect to any item or service furnished to an individual shall not be denied or reduced because of a benefit with respect to such item or service has been paid or is payable under any other public or private insurance or health benefits plan. Notwithstanding any other provision of law (other than section 2104 (g), payment with respect to any item or service furnished to any individual shall not be made under the Medical Assistance Plan for Low Income People established by title XIX or the insurance program established by part A or B of title XVIII, if such individual is (or, upon filing a proper claim, would be) entitled to have payment made under this part with respect to such item or service.

"CONTRIBUTIONS WITH RESPECT TO STATE AND LOCAL EMPLOYEES; APPROVED STATE LAWS

"SEC. 2108. (a) Contribtuions for the financial support of the catastrophic health insurance program established by this part shall be made by employers which are States (or political subdivisions thereof) in the manner prescribed under a State law approved by the Secretary of the Treasury under subsection (b).

"(b)(1) The Secretary of the Treasury shall approve a State law for purposes of this section only if such law—

"(A) provides that the State will pay into the Treasury, with respect to wages paid to employees of the State and employees of all political subdivisions of the State, amounts equal to the amounts which such State would be liable to pay with respect to the wages of such employees under the catastrophic health insurance protection tax imposed by section 3111(c) of the Internal Revenue Code of 1954 if such State were a private employer and all such employees were employed by it,

"(B) provides that any amounts so payable shall be paid at the same time and subject to the same conditions as taxes imposed by such section 3111(c) in the case of a private employer,

"(C) is in such form and contains such other provisions as the Secretary of the Treasury shall by regulations provide, and

"(D) becomes effective on January 1, 1981.

"(2) At the earliest practicable date after the State law of any State has been approved by the Secretary of the Treasury, he shall certify to the Secretary of Health, Education, and Welfare that such State law has been approved.

"(3) If the Secretary of the Treasury finds, after reasonable notice and opportunity for hearing to a State, that—

"(A) the State law of such State, theretofore approved by him, has been repealed, or amended so that it no longer meets the requirements imposed by paragraph (1), or

"(B) the State has not substantially complied with its obligations to make contributions into the Treasury in accordance with the requirements imposed under paragraph (1),

he shall withdraw the certification of such State law theretofore approved by him and shall so notify the Secretary of Health, Education, and Welfare.

"(C) If, for any period of time after December 31, 1981, a State does not pay in full to the Treasury the amounts specified in subsection (b)(1)(A), the Secretary of Health, Education, and Welfare shall reduce payments otherwise payable to such State under any other provisions of this Act by the amount of such underpayment (including interest thereon equal to the average of the rates of interest, from the date due until paid, on obligations issued for purchase by the Federal Catastrophic Health Insurance Trust Fund).

"FEDERAL CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 2109. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Catastrophic Health Insurance Trust Fund (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending September 30, 1981, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes imposed by section 3111(c) of the Internal Revenue Code of 1954 with respect to wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code after December 31, 1976, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such sections to such wages, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with such reports;

"(2) the taxes imposed by section 1401 (c) of the Internal Revenue Code of 1954 with respect to self-employment income reported to the Secretary of the Treasury or his delegates on tax-returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of self-employment established and maintained by the Secretary of Health, Education, and Welfare in accordance with such return; and

"(3) the contributions made by States pursuant to State laws approved under section 2108.

The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior

estimates were in excess of or were less than taxes specified in such sentence.

"(b) With respect to the trust fund, there is hereby created a body to be known as the 'board of trustees of the trust fund' (hereinafter in this section referred to as the 'board of trustees'), composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Administrator of the Health Care Financing Administration shall serve as the secretary of the board of trustees. The board of trustees shall meet not less frequently than once each calendar year. It shall be the duty of the board of trustees to—

"(1) hold the trust fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the board is of the opinion that the amount of the trust fund is unduly small; and

"(4) review the general policies followed in managing the trust fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the trust fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the trust fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the trust fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"(f) There are authorized to be appropriated to the trust fund from time to time such sums as the Secretary of Health, Education, and Welfare deems necessary for any fiscal year, on account of—

"(1) payment made or to be made during such fiscal year from the trust fund with respect to individuals who are entitled to benefits under part A of title XVIII, or are eligible for health benefits provided under title XIX,

"(2) the administrative expenses attributable to providing benefits under this part to individuals referred to in paragraph (1), and

"(3) any loss in interest to the trust fund resulting from the payment of such amounts, in order to place the trust fund in the same position at the end of such fiscal year in which it would have been if the individuals referred to in paragraph (1) were not entitled to the benefits provided under this part.

"(g) There shall be transferred periodically (but not less often than once each fiscal year) to the trust fund from the Federal Old-Age and Survivors Insurance Trust Fund and from the Federal Disability Insurance Trust Fund amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments pursuant to section 1870(b) of this Act as made applicable to this title by section 2106.

"(h) The Managing Trustee shall also pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"(i) There is authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such repayable advances (without interest) as may be required to assure prompt payment of benefits and administrative expenses under this title and to provide a contingency reserve. Such advances to the extent necessary shall be made available through calendar year 1983.

"MEANING OF 'STATE', 'UNITED STATES'

"SEC. 2110. As used in this part—

"(a) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(b) the term 'United States', when used in a geographical sense, means the States, the District of Columbia, the Commonwealth of Peurto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"PART B—EMPLOYER PLANS, AND SELF-EMPLOYED PLANS

"EFFECT OF COVERAGE

"SEC. 2120. Any individual who would otherwise be eligible for benefits under part A of this title shall not be eligible for such benefits during any period for which he is covered under an employer plan or a self-employed plan approved by the Secretary under this part, but shall instead be entitled to the benefits provided under such approved plan.

"DEFINITIONS

"SEC. 2121. For purposes of this part—

"(a) The term 'employer plan' means—

"(1) an insurance policy, contract, or other arrangement entered into between an employer and a carrier under which the carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan, or

"(2) a plan under which the employer, as a self-insured employer (as defined in subsection (d)), undertakes to provide, pay for, or reimburse the costs of, health care services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan.

"(b) The term 'self-employed plan' means an insurance policy, contract, or other arrangement entered into between a self-employed individual and a carrier under which such carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by such individual (and those of the family members of such individual who are covered by the plan).

"(c) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the costs of, health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges payable to the carrier.

"(d) The term 'self-insured employer' means an employer who (either through outside administrators, including carriers, or otherwise) engages, without insurance arrangements with a carrier, to provide, pay for, or reimburse the costs of, health services for some or all of his employees.

"(e) The term 'employer' includes a State (or political subdivision thereof) and the Federal Government.

"APPROVAL OF PLANS

"SEC. 2122. (a)(1) In order for an employer plan or a self-employed plan to be approved by the Secretary under this part—

"(A) such plan, in the case of any plan other than an employer plan of a self-insured employer, must be a plan offered by a carrier which is approved by the Secretary pursuant to subsection (c);

"(B) the coverage provided under such plan must include, but shall not be limited to, a package of benefits, which (in terms of scope of benefits and the conditions of payment thereof) is the same as that provided by the Federal catastrophic health insurance benefits plan established by part A; except that the requirement imposed by this clause shall not be construed to (i) make applicable to the plan (or its administration) the provisions of sections 1862 (b) or (d), 1815, 1816, 1842, 1866, 1869, 1870, 1972, or 2104 (a)(1), and the carrier offering such plan may utilize, in the administration of the plan, payment and provider arrangements of the kind which are employed by it in connection wtih the administration of health insurance policies or plans which are not approved under this part, (ii) require that such plan provide coverage for any occupational injury or disease or for any item or service for which any benefit is payable under a workmen's compensation law of the United States or a State, and (iii) preclude the plan from making the benefits offered thereunder subject to provision for coordination of benefits provided under other plans (including the Federal plan established under part A), if such provision for coordination of benefits is approved by the Secretary as being consistent with prevailing practice within the health insurance industry for the coordination of benefits;

"(C) such plan (in the case of an employer plan) (i) must cover all of the employees of such employer (other than employees who perform service for less than 25 hours per week, temporary employees, or employees who are entitled, under section 226, to hospital insurance benefits under part A of title XVIII), and (ii) may, at the option of the employer, cover all of the employees of the employer;

"(D) such plan must cover the spouse and dependent family members of any employee (in the case of an employer plan) or self-employed individual (in the case of a self-employed plan) covered by the plan;

"(E) such plan (in the case of an employer plan) must not require or permit any financial participation in the cost of the plan by any individual covered thereunder;

"(F) such plan (in the case of an employer plan) must provide that coverage (in the case of a new employee, his spouse, and dependent family members) will begin not later than the first day of the first calendar month which commences more than 30 days after the date the employee's employment commences, and that coverage of an employee (and of members of his family who are covered by the plan) will not be terminated by reason of the separation of the employee from his employment by such employer prior to 90 days after the date of such separation, or (if earlier) the first day after the date on which such employee first obtains coverage under another employer plan approved under this part;

"(G) such plan, in the case of any employer plan (other than an employer plan of a self-insured employer) must be a plan under which there are available to the employer arrangements for the pooling of risks under the plan by which his employees are covered and under the plans by which employees of other employers are covered so that the premium or other periodic charge payable therefor to the carrier are determined on a class basis either (i) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) covered by the plan, or (ii) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) in excess of a specified amount agreed to between the employer and the carrier of payments or reimbursements as to any one individual or family and under which the premium or other periodic charge made under such arrangement is specifically identified to the purchaser;

"(H) the premium or other periodic charge imposed for the pooling arrangements described in clause (G) shall (in case of any plan other than employer plan of a self-insured employer) be stated, to the employer or self-employed individual subscribing to the plan, in annual (or more frequent) billings or renewal notices which shall be expressed in such a manner as to facilitate a comparison of such premium or charge with the amount allowable on account of such plan as a tax credit under section 1403 or section 3114, as the case may be, of the Internal Revenue Code of 1954.

"(2) In any case where, pursuant to one or more collective bargaining agreements, health insurance responsibilities for one or more groups (but not all) of the employees of an employer have been placed with a labor organization, the Secretary may waive the requirement imposed by paragraph (1)(C)(i) with respect to such group or groups of the employer's employees for such period as may be necessary to enable the employer and the labor organizations with which he has collective bargaining agreements a reasonable opportunity so to arrange health insurance coverage of the employees of the employer as to meet the requirement imposed by paragraph (1)(C)(i). The Secretary shall provide technical assistance to, and recommend procedures to be employed by such employer and such organizations in meeting such requirement.

"(3) Approval of the Secretary of any plan (other than an employer plan of a self-insured employer) shall not be denied because such plan is provided under arrangements with carriers involving the plans of two or more employers in the same industry or under a trust or trade association arrangement.

"(b)(1) No employer plan or self-employed plan shall be approved by the Secretary except on the basis of an application for approval submitted by the employer or self-employed individual (or by a carrier on such person's behalf) to the Secretary, which application shall be in such form and contain such information and assurances as the Secretary shall by regulations require.

"(2) Applications for approval may contain provision for recommendations of approval, by the insurance department or similar agency of the State involved; and the Secretary may employ any such recommendations as a basis for expediting approval of the application with respect to which such recommendations are made.

"(3)(A) The Secretary shall not approve any application of an employer plan by a self-insured employer unless such application contains or is supported by proof and assurances satisfactory to the Secretary that the employer has the financial ability to discharge his obligations under the plan and has the administrative ability effectively to discharge such obligations.

"(B) The Secretary may, as a condition of approval of an employer plan by a self-insured employer, require the employer to deposit in a depository designated by the Secretary either an indemnity bond or securities (at the option of the employer) of a kind and in an amount determined by the Secretary, and subject to such conditions as the Secretary may prescribe (which shall include authorization to the Secretary in case of default of the employer's obligations to provide benefits under the plan to sell any of such securities sufficient to discharge such obligations or to bring suit upon such bonds to procure the prompt discharge of such obligations).

"(c)(1) As used in this section—

"(A) the term 'catastrophic health insurance' means a health insurance policy or plan which provides the coverage which is required pursuant to subsection (a)(1)(B); and

"(B) the term 'carrier' includes any nonprofit hospital or medical service corporation.

"(2)(A) In order for a carrier to be approved by the Secretary under this subsection, the carrier must—

"(i) offer, in each State in which such carrier does health insurance business, catastrophic health insurance to all individuals and groups on an annual or shorter contract basis, with the option of the policyholder to renew at the expiration of the term of the policy, and with provision that the coverage so offered will not be discontinued or denied in the case of any individual or group except for failure to make timely payment of premium therefor;

"(ii) provide claims determination procedures with respect to catastrophic health insurance benefits which (I) comply with the requirements imposed by section 503 of the Employee Retirement Income Security Act of 1974 and the regulations issued thereunder by the Secretary of Labor and (II) are consistent with those employed by the carrier in its noncatastrophic health insurance business and which in general are at least as favorable to claimants as those employed under the Federal plan established by part A, and

"(iii) operate in accordance with procedures satisfactory to the Secretary for meeting its obligations with respect to policies of catastrophic health insurance and for disposition of unearned premiums on such policies in the event of the discontinuance of such policies or the withdrawal of its status as an approved carrier by the Secretary.

"(B) In order to better enable carriers to meet the requirements imposed by subparagraph (A)(ii), the Secretary shall provide to carriers, offering approved plans under this part, reasonable access to claim data developed under the Federal plan established by part A.

"(d) Approval of a plan by the Secretary under this section shall not have the effect of causing such plan to be a 'governmental plan', as that term is employed in and for purposes of title I of the Employee Retirement Income Security Act of 1974, if such plan would, in the absence of such approval, not be a 'governmental plan', as that term is so employed.

"(e)(1) It shall not be unlawful, under any antitrust law, for any carrier or group of carriers to enter into or participate in any pool, reinsurance, or other residual market arrangement, or for any carrier to carry on any activity which is necessary or appropriate to discharge its functions under any such arrangement, if and to the extent that, such arrangement and the activities taken pursuant thereto are confined to the offering and administration of plans approved by the Secretary under this section.

"(2) As used in paragraph (1), the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibits or restrains contracts, combinations, or other arrangements in restraint of trade.

"CERTIFICATIONS TO THE SECRETARY OF THE TREASURY

"SEC. 2123. (a) Whenever the Secretary approves, or withdraws approval of, any employer plan or self-employed plan under this part, he shall submit a certification of his action to the Secretary of the Treasury.

"(b)(1) The Secretary shall, prior to January 1, of each calendar year, certify to the Secretary of the Treasury the Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for such calendar year, together with such additional data as may be needed by the Secretary of the Treasury in connection with the administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The table of values referred to in paragraph (1) shall be developed, for each calendar year, by the Secretary and shall, except for such adjustments as the Secretary shall deem to be necessary, be the same as the Table of Values of Catastrophic Health Insurance Coverage which is prepared and recommended to the Secretary for such year by the Actuarial Committee established pursuant to section 2124.

"(3) Such table of values developed by the Secretary shall be made available to all carriers who offer catastrophic health insurance plans approved under section 2122 and to all other interested persons.

"ACTUARIAL COMMITTEE

"SEC. 2124. (a)(1) There is hereby established an Actuarial Committee which shall consist of five individuals, who are not otherwise in the employ of the United States, appointed by the Secretary.

"(2)(A) Members of the Committee shall be persons who are qualified to perform the functions and duties of the Committee. No individual shall be a member of the Committee unless he (i) is enrolled, or meets the conditions for enrollment (other than those relating to pension experience), as an actuary in the Joint Board for the Enrollment of Actuaries established by section 3041 of the Employee Retirement Income Security Act of 1974, and (ii) has significant actuarial experience in the field of health insurance.

"(B) At no time shall more than two members of the Committee be in the employ of a carrier (as defined in section 2122(c)(1)(B)) which does health insurance business.

"(3) Members of the Committee shall serve for terms of 4 years, except that of those first appointed, one shall be appointed for a term of 1 year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, and two shall be appointed for terms of 4 years. A member may be reappointed, but no member may serve for more than 2 successive terms. A member appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. A majority of the members of the Committee shall constitute a quorum thereof and action taken by the Committee shall be by majority vote of those present and voting. The Secretary shall, from time to time, designate a member of the Committee to serve as Chairman thereof.

"(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as may be required to enable the Committee to carry out its duties and functions.

"(b)(1) Members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Committee.

"(2) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(c) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Actuarial Committee established pursuant to this section.

"(d)(1) It shall be the duty and function of the Committee to prepare and recommend to the Secretary, not later than October 1 of each year, a Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for the calendar year commencing on the following January 1.

"(2) Such table of values shall establish, for each State, the actuarial value of one year's catastrophic health insurance coverage for one individual, as estimated for the calendar year for which such table of values is to be in effect, and shall be designed (with the use of a table of adjustment factors) to enable employers, carriers, and others involved with plans approved under section 2122 to determine the actuarial value of the catastrophic health insurance coverage provided under any such plan.

"(3) The value of catastrophic health insurance coverage shall be established by the Committee according to the best data and information available to it on the basis of the expected costs or charges for health care services, the expected utilization of health care services by all persons having such coverage, the expected administration and claim payment expenses (including an allowance for risk) applicable to plans providing such coverage, and such other information as the Committee determines to be relevant. In establishing such value of coverage in any State, the Committee shall employ appropriate adjustment factors, which shall be applied uniformly within the State, to reflect significant cost differences related to geographic variations and the age and dependency characteristics of individuals covered under plans providing such coverage.

"(4) The term 'catastrophic health insurance', as used in this section, means health insurance provided under plans approved under section 2122 which provides that minimum coverage necessary to meet the requirement imposed in section 2122 (a)(1)(B).

"(e)(1) The Committee shall have the further duty (A) of reviewing (by random claim or data sample or otherwise) the marketing and rating practices of plans approved under section 2122 with a view to determining whether such practices unduly or inappropriately restrict, for particular groups, the availability of coverage under plans approved under such section, and (B) upon request of the Secretary of the Treasury, to assist him in establishing procedures designed to assure the proper administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The Committee shall report to the Secretary its findings resulting from its review functions, together with such recommendations as it may have based on such findings.

(b) Section 201(g) of the Social Security Act is amended by—

(1) inserting after "title XVIII" the first time it appears the following: "and the Federal Catastrophic Health Insurance Trust Fund established by title XXI"; and

(2) inserting after "title XVIII" each time it appears therein after the first time the following: "and title XXI".

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 102. (a)(1) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of social security tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year which begins after December 31, 1980, on the self-employment income of every individual a tax which is equal to 1 percent of the amount of the self-employment income of such individual for such taxable year."

(2) Such Code is further amended by (A) redesignating section 1403 thereof (relating to miscellaneous provisions) as section 1040, and (B) by adding after section 1402 thereof the following new section:

"SEC. 1403. Credit against catastrophic health insurance tax.

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE UNDER APPROVED PLANS FOR THE SELF-EMPLOYED.—If, during any part of the taxable year the taxpayer has secured for himself (or for himself and members of his family) catastrophic health insurance coverage under a plan which is approved by the Secretary of Health, Education, and Welfare under section 2122 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 1401(c) for such taxable year an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.".

(3) The table of sections for chapter 2 of subtitle A of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 1403. Credit against catastrophic health insurance tax.

"Sec. 1404. Miscellaneous provisions.".

(b)(1) Section 3111 of such Code (relating to rate of social security tax on employers) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—

"(1) In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 1 percent of the wages (as defined in section 3121(a)) paid after December 31, 1980, by him with respect to employment (as defined in paragraph (2)).

"(2) The term 'employment', as used in paragraph (1), shall have the same meaning as when that term is used for purposes of subsections (a) and (b), except that the provisions of section 3121(b) shall be applied without regard to the exclusions specified in paragraphs (5), (6), (8), and (9) thereof.".

(2) Such Code is further amended by adding after section 3113 thereof the following new section:

"Sec. 3114. Credit against catastrophic health insurance tax.

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE FOR EMPLOYEES UNDER APPROVED EMPLOYER PLANS.—If, during any period the taxpayer has secured for any or all of his employees (and for family members of such employees) catastrophic health insurance coverage under an employer plan approved by the Secretary of Health, Education, and Welfare under section 2123 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 3111(c) for such period an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed to a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.

"(c) PAYMENTS BY STATES.—For purposes of this section, any State which has a State law approved by the Secretary of the Treasury under section 2108 of the Social Security Act shall be deemed to be a taxpayer to which the tax imposed by section 3111(c) applies, and any payments which such State is obligated to make to the Treasury pursuant to such State law shall be deemed to be an obligation to pay such tax.".

(3) The table of sections for subchapter B of chapter 21 of subtitle C of such Code is amended by adding immediately after the last item the following:

"Sec. 3114. Credit against catastrophic health insurance tax.".

(c)(1)(A) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Catastrophic health insurance tax

"There shall be allowed to the taxpayer, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 50 percent of the aggregate of the amounts of the tax, imposed by sections 1401(c) and 3111(c), paid by the taxpayer during the taxable year. For purposes of this section, any credit allowed the taxpayer for the taxable year under section 1403 shall be regarded as an amount of the tax, imposed by section 1401(c), paid by the taxpayer for the taxable year; and any credit allowed the taxpayer for the taxable year under section 3114 shall be regarded as an amount of the tax, imposed by section 3111(c), paid by the taxpayer for the taxable year. Any amounts allowed as a credit under this section shall not be allowed

as a deduction under section 164. A State which, for the taxable year, has made contributions pursuant to a State law approved under section 2108 of the Social Security Act shall be regarded as a taxpayer for purposes of this section.".

(B) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Catastrophic health insurance tax.
"Sec. 43. Overpayment of tax.".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such sections; and

(B) striking out "oil," and inserting in lieu thereof "oil) or section 42 (relating to catastrophic health insurance tax),".

(3) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", and 42 (relating to catastrophic health insurance tax),"; and

(B) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

TITLE II—MEDICAL ASSISTANCE PLAN FOR LOW-INCOME PEOPLE

SEC. 201. (a) Effective October 1, 1980, title XIX of the Social Security Act is amended to read as follows:

"TITLE XIX—MEDICAL ASSISTANCE PLAN FOR LOW-INCOME PEOPLE

"PART A—GENERAL PROVISIONS

"PURPOSE

"SEC. 1901. It is the purpose of this title to provide, for low-income individuals and members of low-income families, assistance toward the costs of necessary hospital, skilled nursing facility, medical, and other health care services.

"FREE CHOICE BY PATIENT GUARANTEED

"SEC. 1902. Any individual entitled to benefits under this title may obtain health services provided hereunder from any institution, agency, or person qualified to participate under this title in accordance with reimbursement and service requirements if such institution, agency, or person undertakes to provide him such services. The provisions of the preceding sentence shall not be applicable in the jurisdiction of Puerto Rico, the Virgin Islands, or Guam for any period with respect to which there is in effect an election (submitted to the Secretary in such form and manner as he shall by regulations prescribe) by the Governor of such jurisdiction that such provisions not be applicable to such jurisdiction.

"OPTION OF INDIVIDUALS TO OBTAIN OTHER HEALTH INSURANCE PROTECTION

"SEC. 1903. Nothing contained in this title shall be construed to preclude any State from providing, or any individual from purchasing or securing (through collective bargaining or otherwise), protection against the cost of any health services.

"PART B—DESCRIPTION OF MEDICAL ASSISTANCE PLAN

"ELIGIBLE INDIVIDUALS

"SEC. 1910. (a) Every 'medicaid eligible' (as defined in section 1916(a)) shall be eligible for the health benefits provided under this title in the manner prescribed by section 1916. Every individual who—

"(1) is (A) a low-income individual, or (B) a member of a low-income family,

"(2) is a resident of the United States, and is either (A) a citizen or (B) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act), and

"(3) has filed (in the case of a low-income individual), or has had filed in his behalf by an appropriate person an application under this title (filed in such form and manner and containing such information as the Secretary shall by regulations prescribe),

shall be eligible for the health benefits provided under this title for the benefit period (as determined under subsection (d)(2)) to which such application is applicable; except that no such individual shall be entitled to such benefits on account of services received by him during any period with respect to which he does not meet the condition imposed by paragraph (2) of this subsection.

"(b) Whenever the Secretary approves any application (referred to in subsection (a)(3)), he shall issue a health benefit card to each individual who, by reason of such application, is eligible for a benefit period to the health benefits provided by this title. Such health benefits card which shall be used to assist in identifying an eligible individual, shall identify the individual or family member to whom it is issued (by name, sex, age, and social security account number and such other criteria as the Secretary shall by regulations prescribe) as being eligible for such benefits for such period.

"(c) An application (referred to in subsection (a)(3)) on behalf of the members of a low-income family shall be filed by the head of such family or by such other appropriate person as the Secretary shall by regulations specify.

"(d)(1)(A) Any application (referred to in subsection (a)(3)) shall be filed with respect to—

"(i) the coverage year in which the application is filed, or

"(ii) the coverage year immediately following the coverage year in which the application is filed and which begins not later than 60 days after the date on which such application is filed.

"(B) As used in this subsection and section 1911, the term 'coverage year' means the 12-month period beginning April 1 of any year.

"(2) The benefit period of any individual resulting from the filing of an application (referred to in subsection (a)(3)), shall commence—

"(A) on the first day of the first month in which the application is filed, or

"(B) if earlier, the first day of the third month prior to the month in which the application is filed and in which such individual or the family of which he is a member first met the conditions imposed by section 1910(a)(1) and (2),

and shall end on whichever of the following is earlier—

"(C) the close of the coverage year with respect to which such application is filed, or

"(D) such date as may be specified in regulations of the Secretary (promulgated in accordance with the provisions of section 1911(d)), if such individual, prior to the date referred to in clause (C), ceases to meet the applicable condition imposed by subsection (a)(1), or fails to submit reports which the Secretary deems to be necessary or useful to enable him to determine whether such individual continues to meet the conditions imposed by subsection (a)(1) and (2);

except that, if on the date that any individual's benefit period would (as determined under the preceding provisions of this paragraph) end, such individual is an inpatient in a health care institution (which is a hospital, skilled nursing facility, or intermediate care facility) participating under title XVIII or this title, such individual's benefit period shall not end until the day following the first day, after such date, that such individual either is no longer an inpatient in or no longer requires care in such an institution.

"DETERMINATIONS OF ELIGIBILITY

"SEC. 1911. (a) Whenever an application (referred to in section 1910(a)(3)) has been filed by or on behalf of an individual or on behalf of the members of a family, the determination of whether such individual or such family meets the applicable condition imposed by section 1910(a)(1)(A) or (B) shall be based on the actual income of the individual or family for the 2-month period immediately preceding the date of filing of the application and the prospective income of the individual or family for the 2-month period immediately following such date.

"(b) An individual shall be deemed, for purposes of subsection (a), to have no income for the 2-month period immediately preceding the date of the filing of an application (referred to in section 1910(a)(3)) if—

"(1) at the time such application is filed by such individual, he is not a member of a family, and

"(2) during all of such 2-month period (A) such individual was a member of a family, (B) was not regularly employed, and (C) was not the head of such family.

"(c) The Secretary, in determining (for purposes of subsection (a)) the prospective income of any individual or family, may take into account current income (if any) and other relevant factors (including, in appropriate cases, actual income for preceding periods).

"(d) An individual (referred to in section 1910(d)(2)(D)) shall be deemed not to have ceased to meet the applicable condition imposed by section 1910(a)(1) in a current coverage year because the income of such individual or of the family of which he is a member, as the case may be, has increased, if such income, as so increased, does not exceed 120 per centum of the maximum amount of income which such individual (or such family) can receive while still being a 'low-income' individual or family (as the cost may be). The preceding sentence shall apply also to decreases in family income maximums brought about by a diminution in the number of members thereof, except that a diminution in the number of members of a family of not more than one such member during a benefit period shall not affect the eligibility of the remaining members of such family during the remainder of such benefit period.

"SCOPE OF BENEFITS

"SEC. 1912. The benefits provided to an individual eligible in any benefit period under this title shall consist of eligibility to have payment made (subject to the provisions of this title) on his behalf for—

"(a) necessary inpatient hospital services for not more than 60 days during a benefit period;

"(b) medical and other health services;

"(c) skilled nursing facility services;

"(d) home health services;

"(e) intermediate care services;

"(f) mental health care services;

"(g) pre-natal and well-baby care;

"(h) family planning counseling, services, and supplies;

"(i) in the case of eligible children under age 18, early and periodic screening, diagnosis, and treatment; and

"(j) payment of any premium imposed under part B of title XVIII for coverage under the insurance program established by such part;

and to have reimbursement made to him in an amount equal to one-half of the amount (i) of the actuarial value, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified

by the Secretary pursuant to section 2133 (b), of catastrophic health insurance coverage for any period for such individual (or such individual and family members) under a self-employed plan approved by the Secretary under section 2122, and (ii) paid by such individual (and by family members) as taxes imposed on his or their self-employment income by section 1401(c) of the Internal Revenue Code of 1954.

"COPAYMENT REQUIREMENTS

"SEC. 1913. (a)(1) Any individual or family who, for any coverage year, is eligible for the health benefits provided by this title shall be responsible for the first $3 of the cost incurred for a visit for physicians' services (other than as an inpatient) if such visit is not for the purpose of securing appropriate well-baby care, family planning services, or services described in section 1912(i). Such $3 copayment shall be applicable only to each of the first ten visits of any individual or family for physicians' services. In the case of an individual covered under title XVIII, the copayment or deductible requirements of this section shall apply to the extent they are less than the copayment required under title XVIII.

"(2) In the case of any individual who—

"(A) is, for any benefit period, entitled to the health benefits provided under this title,

"(B) is not a member of a family or is a member of a family all of whose members meet the requirements of subparagraph (C),

"(C) for a continuous period in excess of 60 days (whether or not in the same benefit period), is an inpatient in an institution which is a hospital, skilled nursing facility, or intermediate care facility,

there shall be imposed in each month (which begins after such period) in which he is an inpatient in such an institution a special copayment, with respect to health care services in such institution to which he is entitled under this title during each month, equal to the amount by which his cash income for such month exceeds $50.

"(b) The amount payable under this title with respect to physicians' services where a copayment is required by subsection (a)(1) or (a)(2) shall be reduced by an amount (if any) equal to the copayment imposed.

"RESIDUAL NATURE OF BENEFITS

"SEC. 1914. Amounts otherwise payable under this title with respect to any item or service specified in clauses (a) through (i) of section 1912 provided to an individual during any benefit period shall be reduced by the amount which is paid (or upon claim by the individual, or a person claiming on his behalf, would be payable) under any other public or private insurance or health care benefits plan by which such individual is covered (including the insurance program established by title XVIII, the program established by part A of title XXI, and any workmen's compensation law), except that payments under this title shall be primary in the case of a State program designed to supplement (through higher income tests) the eligibility of this program.

"SPECIAL PROVISIONS RELATING TO MEDICAID ELIGIBLES

"SEC. 1915. (a) For purposes of this section and the first sentence of section 1910 (a), the term 'medicaid eligible' means an individual (whether as a member of a family or otherwise) who, for any month after December 1980 and prior to October 1981, was determined to be eligible for assistance under a State plan approved under title XIX (as in effect prior to October 1, 1981).

"(b) Notwithstanding any other provision of this title, any individual who is a medicaid eligible shall (subject to subsection (c)) be eligible for the health insurance provided by this title for any period after September 1981 if, for such period, such individual—

"(1) meets the requirements imposed (or deemed by Federal law to be imposed) as a condition of eligibility for assistance under the State plan under which his status as a medicaid eligible is established, as such plan was in effect for September 1981,

"(2) does not meet such requirements but would meet such requirements except for the amount of his income (or the income of the family of which he is a member), if his income (or the income of the family of which he is a member) does not exceed 105 per centum of the maximum applicable income standard imposed as a condition of eligibility under such requirements as in effect for September 1980, or (if greater) for September 1981,

except that no individual shall, by reason of the provisions of this subsection, be deemed to be eligible for health benefits under this title unless such individual meets the requirements of section 1910(a)(2) and there has been filed (in the manner provided by section 1910(a)(3)) by or on behalf of such individual an application for benefits under this title with respect to such period.

"PART C—CONDITIONS AND LIMITATIONS ON PAYMENT, AND ADMINISTRATION

"BASIS FOR PAYMENT FOR HEALTH SERVICES

"SEC. 1920. (a) Except as is otherwise provided in subsection (d), covered health care services provided to individuals insured under this title shall, in the case such services are provided by a provider of service (as defined in section 1861(u)) or an intermediate care facility, be paid for on the basis of the reasonable cost subject to the limitations otherwise provided under title XVIII for such services and, in the case such services are provided by a person (other than a provider of service or an intermediate care facility), be paid on the basis of the reasonable charge (subject to the limitations with respect thereto imposed under title XVIII).

"(b) In the event that such amounts are not payable due to the failure of the individual or family to enroll in a health insurance plan for which he or such family was otherwise eligible, and to the extent such coverage would have been in effect during the benefits period, and in which his or such family's premium or rate liability was 25 per centum or less (or failure to enroll in part B of title XVIII) amounts otherwise payable under this title shall be reduced by not more than $250 in a benefit period.

"(c) As used in subsection (a), the term 'reasonable cost' shall have the same meaning as when such term is employed in title XVIII.

"(d)(1) To the extent that the regulations of the Secretary promulgated pursuant to paragraph (2) are applicable to a skilled nursing facility or an intermediate care facility, covered services furnished by such facility shall be paid on the cost-related basis established under such regulations rather than on the basis of reasonable cost.

"(2) In the interest of the efficient and economical administration of this title, the Secretary shall promulgate regulations under which covered services furnished by all or one or more types or classes of skilled nursing facilities or intermediate care facilities in any area (consisting of one or more States) will be paid for on a reasonable cost-related basis, as determined in accordance with methods and standards prescribed in such regulations.

"CONDITIONS OF AND LIMITATION ON PAYMENT FOR SERVICES

"SEC. 1921. (a) Services and the payment therefor under this title are subject to the same conditions and limitations as those imposed by sections 1814, 1834, and 1835 with respect to services, and the payment therefor, provided under title XVIII.

"(b) No payment shall be made under this title to any person on account of any health care service furnished by such person to an individual who is covered under this title for such service unless such person accepts the amount of such payment, together with any copayment required under section 1913 with respect to such service, as payment in full for such service. Whenever payment under this title is made in supplementation of a payment made under any insurance program (whether public or private) for a service, the amount of the payment under this title shall not be in excess of the amount which would be paid had such service been provided under this title, and no person accepting such payment as payment for such service shall charge any amount in excess of the amount so paid to the individual receiving such service.

"(c) If any eligible individual (as determined under section 1910) who is a low-income individual or a member of a low-income family (as determined without regard to section 1932) is enrolled in—

"(1) a health maintenance organization which meets the applicable requirements of section 1876, or

"(2) an organization which (A) provides medical and other health services (or arranges for their availability) on a prepayment basis, and (B) receives and prior to September 1, 1973, received, payments under part B of title XVIII under the authority contained in section 1833(a)(1)(A),

the Secretary may, in lieu of making payments for health benefits on behalf of such individual as provided in other provisions of this title, make payment therefor in the manner authorized by section 1876 for any period, during which he is so enrolled, and for which he is such an eligible individual.

"(c) Payments under this title may not be made for services provided by any group practice unit unless such unit meets the applicable requirements of section 1876.

"ADMINISTRATION AND QUALITY CONTROL

"SEC. 1922. (a) The provisions of this title shall (subject to the provisions of section 702(b)) be administered by the Secretary.

"(b) The provisions of title XVIII (and other provisions of law applicable to the health insurance programs established by such title, including part B of title XI) relating to utilization and professional review and conditions of participation required with respect to persons or providers of health services under title XVIII, shall be applicable to all health services provided under this title.

"(c) To the maximum extent practicable, the Secretary, in the administration of this title, shall utilize and otherwise coordinate with the procedures employed in the administration of the health insurance programs established by title XVIII (including the procedures for certification of providers of service), and shall have the same authority (except as otherwise specifically provided) as that conferred upon him with respect to the administration of the insurance programs established by title XVIII.

"REQUIREMENTS FOR CARRIERS AND INTERMEDIARIES

"SEC. 1923. (a) The Secretary, in the administration of this title, shall, whenever he determines that the interests of quality of service to eligible individuals or program economy, or efficiency of administration would be furthered, require consolidation of activities on the part of carriers (utilized pursuant to authority contained in section 1842) and agencies or organizations (utilized pursuant to authority contained in section 1816) in geographic regions with minimum size populations of individuals covered under this title and under the insurance programs established by title XVIII.

"(b) No private carrier or other organization shall after the 3-year period which com-

mences on the date of enactment of this section, be utilized in the administration of this title or title XVIII unless such carrier or other organization is an 'approved carrier' under section 1505.

"MEDICAL COVERAGE TRUST FUND

"SEC. 1924. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Medical Coverage Trust Fund (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in sections 1925 and 1926.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officia. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the "Managing Trustee"). The Commissioner of Social Security shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of July of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of disbursements to be made from the Trust Fund during the current coverage year and each of the next 2 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments of benefits provided for in this title, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"STATE CONTRIBUTIONS TO MEDICAL COVERAGE TRUST FUND, AND TO CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 1925. (a) In order for individuals residing in any State to recieve for any period the benefits provided by this title, there must be in effect for such period an agreement between such State and the Secretary entered into under this section.

"(b) Any agreement between the Secretary and a State under this section shall provide that the State will (subject to subsection (c)) pay, with respect to each fiscal year for which such agreement is in effect, to the Secretary of the Treasury at such time or times as may be specified in the agreement, an amount equal to—

"(1) in case such State is a State which (for the fiscal year ending September 30, 1980, or September 30, 1981, had in effect a State plan approved under title XIX, as in effect prior to the effective date of the program established by this title) the sum of the following:

"(A) an amount equal to (i) the total amount expended from non-Federal funds for the purpose of providing (under such State plan to persons eligible under such plan) services of the types for which coverage is provided by this title, for the four-quarter period ending September 30, 1980, or (ii) if greater, the total amount expended from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981, plus

"(B) an amount equal to one-half of (i) the total amount expended (as determined by the Secretary) from non-Federal public funds for the purpose of providing, for individuals not covered under such plan but who are eligible under this title, services of the types for which coverage is provided by this title, for the four-quarter period ending September 30, 1980, or (ii) if greater, the total amount expended (as determined by the Secretary) from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981; and

"(2) in case such State did not, for the fiscal year ending September 30, 1980, or September 30, 1981, have in effect a State plan referred to in paragraph (1), (A) the total amount expended (as determined by the Secretary) from non-Federal funds for the purpose of providing services of the types for which coverage is provided by this title for persons eligible under this title, for the four-quarter period ending September 30, 1980, or (B) if greater, the total amount expended (as determined by the Secretary) from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981.

"(c) The amount payable by any State under subsection (b) with respect to a coverage year shall be reduced by an amount equal to one-half of the amount expended by such State during such coverage year from non-Federal funds in providing to individuals in such State services of a type—

"(1) which is not covered under this title, but

"(2) with respect to the cost of which there could have been Federal financial participation under title XIX (as in effect prior to the effective date of the program established by this title) if such type of service had been included in a State's plan approved under such title XIX.

"(d) Amounts paid to the Secretary of the Treasury under this section shall be deposited by him in the Medical Coverage Trust Fund.

"APPROPRIATIONS TO MEDICAL COVERAGE TRUST FUND

"SEC. 1926. There are authorized to be appropriated for each fiscal year to the Medical Coverage Trust Fund such sums as may be necessary to carry out the program established by this title.

"MINIMUM PAYMENTS

"SEC. 1927. If the amount payable to an insured individual at any particular time as benefits under this title is less than $5, no payment shall be made to him until such time as the payment to which he is entitled as such benefits is $5 or more.

"OPTOMETRISTS' SERVICES PROVIDED IN CERTAIN STATES

"SEC. 1928. In the case of any State which—

"(1) does not provide for the payment of optometrists' services furnished to individuals who are eligible for benefits under the medical assistance plan for low-income people established by this title,

"(2) during all or some part of the 2-year period ending on the effective date of such medical assistance plan, did provide, under its State plan approved under title XIX (as in effect prior to such effective date), payment of optometrists' services,

the term 'physicians' services', as employed in such medical assistance plan established by this title, shall, with respect to individuals residing in such State, be deemed to include any service which is furnished by an optometrist, if—

"(3) such service is one which an optometrist is legally authorized to perform,

"(4) such service would constitute 'physicians' services', as that term is employed in such medical assistance plan established by this title, if it had been performed by a physician.

"PART D—DEFINITIONS AND MISCELLANEOUS PROVISIONS

"MEANING OF 'LOW-INCOME INDIVIDUAL' AND 'MEMBER OF A LOW-INCOME FAMILY'

"SEC. 1930. (a) For purposes of section 1910(a)(1)(A), the term 'low-income individual' means an individual—

"(1) who is not a member of a family (as determined under subsection (b)(1)), and

"(2) whose income is at a rate of not more than $3,000 for the calendar year 1981 or any calendar year thereafter.

"(b) For purposes of section 1910(a)(1)(B)—

"(1) the term 'family' means two or more individuals who are—

"(A) related by blood, marriage, or adoption, and

"(B) living in a place of residence maintained by one or more of them as his or their own home;

"(2) the term 'member', when used in reference to a family, means an individual described in paragraph (1), and

"(3) the term 'low-income', when used in reference to a family, means a family, the aggregate income of all the members of which is at a rate of not more than—

"(A) in case there are only two members of such family, $4,200, or

"(B) in case there are only three members of such family, $4,800, or

"(C) in case there are only four members of such family, $5,400, or

"(D) in case there are more than four members of such family, an amount equal to $5,400 plus $400 for each member of such family in excess of four.

"(c) The Secretary may prescribe the circumstances under which, consistent with the purposes of this title and in the same manner as authorized in section 1611(d), the gross income of an individual or family from a trade or business (including farming) will be considered sufficiently large to cause such individual or family not to be regarded as a 'low-income individual', or a 'low-income family', even though such individual's or family's income does not exceed the applicable dollar amount prescribed in subsection (a)(2) or (b)(3).

"(d) In the case of jurisdictions of the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, the amounts set forth in subsection (b)(3)(A), (B), (C), and (D) shall each be deemed to be reduced to such amount as the Secretary determines to be appropriate to assure that the ratio of individuals and families in any such jurisdiction who meet the criteria for low income (for purposes of this title) to the total population of such jurisdiction is not greater than the ratio of individuals in that State of the United States which has the highest such ratio of individuals who meet such criteria to the total population of such State.

"MEANING OF 'INCOME'

"SEC. 1931. (a) For purposes of this title 'income' means (subject to subsection (b)) both earned income and unearned income; and—

"(1) 'earned income' means only—

"(A) wages as determined under section 203(f)(5)(C); and

"(B) 'net earnings from self-employment', as defined in section 211 (without application of the second and third sentences following subsection (a)(10), and the last paragraph of subsection (a)), including earnings for services described in paragraphs (4), (5), and (6) of subsection (c); and

"(2) 'unearned income' means all other income, including—

"(A) support and maintenance furnished in cash,

"(B) any payments received as an annuity, pension, retirement, or disability benefit; including veterans' compensation and pensions; workmen's compensation payments; old-age, survivors, and disability insurance benefits; railroad retirement annuities and pensions; and unemployment insurance benefits,

"(C) cash gifts, support and alimony payments, and inheritances, and

"(D) rents, dividends, interest, and royalties.

"(D)(1) In determining, for purposes of this section, the income of any individual or family, for any period of time, there shall be excluded—

"(A) the aggregate value of any cash gifts which do not exceed $240, if such period of time is equal to 12 months, or, if such period of time is less than 12 months, then an amount which bears the same ratio to $240 as such period bears to 12 months, and

"(B) any scholarship, grant, fellowship, or loan received for use in paying for tuition, books, and related fees at any educational (including technical or vocational education) institution.

"(2) For purposes of paragraph (1) and subsection (a)—

"(A) a loan of $240 or more (or aggregate thereof) shall be regarded as a gift if such loan—

"(i) is unsecured (or is without adequate security), or

"(ii) has no maturity date; and

"(B) in the case of a loan which—

"(i) bears no interest, or

"(ii) bears interest at a rate which is not more than one-half of the prevailing rate of interest imposed with respect to similar loans,

the recipient of such loan shall be regarded as having received, as a gift, an amount, with respect to any period of time, equal to the excess of—

"(iii) the amount of interest which would have been payable by him, with respect to such period, on such loan if such loan bore a rate of interest equal to the prevailing rate of interest imposed (as of the time such loan was made) with respect to similar loans, over

"(iv) the amount of interest (if any) payable by him, with respect to such period, on such loan.

"SPEND-DOWN REQUIREMENT

"SEC. 1932. (a) For purposes of determining eligibility, the amount of the income of any individual or family (as determined under section 1931) shall be reduced by an amount equal to such individual's or family's incurred health care expenses to the extent such expenses constitute a legal obligation and are not payable by any other third party payor (whether public or private) (as determined under subsection (b)) for the benefit period with respect to which such individual's or family's income is determined.

"(b)(1) The term 'health care expenses', when applied to any individual or family, means (subject to paragraphs (2) and (3) reasonable expenditures by or on behalf of such individual or the members of such family (as the case may be) for any of the following:

"(A) inpatient hospital services (including services in an institution for tuberculosis or mental diseases),

"(B) outpatient hospital services,

"(C) other laboratory and X-ray services,

"(D) skilled nursing facility services,

"(E) physicians' services furnished by a physician (as defined in section 1861(r)(1)), whether furnished in the office, the patient's home, a hospital, or a skilled nursing facility, or elsewhere.

"(F) optometrists' and podiatrists' services,

"(G) home health services,

"(H) private duty nursing services,

"(I) clinic services,

"(J) dental services,

"(K) physical therapy, speech, pathology, and audiology services,

"(L) prescribed drugs, dentures, durable medical equipment and related supplies, and prosthetic devices, and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist,

"(M) other rehabilitation services,

"(N) intermediate care facility services,

"(O) inpatient psychiatric hospital services,

"(P) health insurance premiums, or

"(Q) ambulance service.

"(2) For purposes of paragraph (1), the expenditure for any item or service specified therein means—

"(A) in case payment for such item or service has been made prior to the time the determination of health care expenses (which includes such item or service) is made, the amount actually paid for such item or service,

"(B) in case payment for such item or service has not been made at such time and such item or service is of a type which is covered under the health coverage plan established by this title, whichever of the following is the lesser:

"(i) the actual charge for such item or service, or

"(ii) the reasonable charge or reasonable cost (as the case may be) for such item or service as determined under this title when such item or service is provided as an item or service covered under such health plan.

"(3) The term 'health care expenses' also includes an amount equal to one-half of the amount (A) of insurance premiums paid by or on behalf of an individual for catastrophic health insurance coverage for such individual (or for such individual and family members) under a self-employed plan approved by the Secretary under section 2122, and (B) paid by an individual as taxes imposed on his self-employment income by section 1401(c) of the Internal Revenue Code of 1954.

"(c) The health care expenses (as determined under the preceding provisions of this section) may, in the case of any individual, be determined on a prospective basis for any future period for which such individual's income (or the income of the family of which an individual is a member) is determined, but only if such individual is determined (in accordance with regulations of the Secretary) to be an individual who, on the basis of his recent past medical history, can be expected, for such future period to require inpatient institutional care for all or a substantial part of such future period.

"INPATIENT HOSPITAL SERVICES

"SEC. 1933. For purposes of this title, the term 'inpatient hospital services' shall have the meaning assigned to such term by section 1861(b).

"HOSPITAL

"SEC. 1934. For purposes of this title, the term 'hospital' means an institution which meets the requirements set forth in clauses (1) through (9) of section 1861(c).

"MEDICAL AND OTHER HEALTH SERVICES

"SEC. 1935. For purposes of this title, the term 'medical and other health services' shall have the meaning assigned to such term in so much of section 1861(s) as precedes the last sentence thereof; except that such term shall include (1) such physician's and other services, diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests as are involved in providing appropriate well-baby care (as determined in accordance with regulations of the Secretary) and (2) outpatient rehabilitation services.

"SKILLED NURSING FACILITY SERVICES

"SEC. 1936 For purposes of this title, the term 'skilled nursing facility services' means the items and services which (1) are described in clauses (1) through (7) of section 1861(h), and (2) are furnished by a skilled nursing facility; excluding, however, any item of service if it would not be included under section 1861(b), if furnished to an inpatient of a hospital.

"SKILLED NURSING FACILITY

"SEC. 1937. For purposes of this title, the term 'skilled nursing facility' means an institution (or a distinct part of an institution) which meets the criteria set forth in section 1861(j).

"HOME HEALTH SERVICES

"SEC. 1938. For purposes of this title, the term 'home health services' shall have the meaning assigned to such term in section 1861(m); except that the term 'skilled nursing facility', as used in clause (7) of such section, shall be deemed to include a skilled nursing facility (as defined in section 1937); except that such term shall not include any term or service if it would not be included under section 1932 if furnished to an inpatient of a hospital.

"HOME HEALTH AGENCY

"SEC. 1939. For purposes of this title, the term 'home health agency' shall have the meaning assigned to such term in section 1861(o).

"PHYSICIANS' SERVICES

"SEC. 1940. For purposes of this title, the term 'physicians' services' means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls (but not including services which are included within the definition of inpatient hospital services).

"PHYSICIAN

"SEC. 1941. For purposes of this title, the term 'physician' shall have the meaning assigned to such term in section 1861(r)(1).

"MEANING OF CERTAIN OTHER TERMS

"SEC. 1942. For purposes of this title, any term which—

"(1) is defined in section 1861;

"(2) is employed in provisions which, by reference, are used in defining any of the terms defined in sections 1932 through 1940; and

"(3) is not otherwise defined in this section;

shall, insofar as such term is applicable to the provisions of this title and except as the Secretary (in order to carry out the purposes of this title) shall otherwise by regulations provide, have the meaning assigned to it in section 1861.

"INTERMEDIATE CARE FACILITY

"SEC. 1943. (a) For purposes of this title, the term 'intermediate care facility' means an institution which (1) is licensed under State law to provide, on a regular basis, health-related care and services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board) which can be made available to them only through institutional facilities, (2) meets such standards prescribed by the Secretary as he finds appropriate for the proper provision of such care, and (3) meets such such standards of safety and sanitation as are established under regulations of the Secretary in addition to those

applicable to nursing facilities under State law.

"(b) The term 'intermediate care facility' also includes—

"(1) any skilled nursing facility or hospital which meets the requirements of subsection (a);

"(2) a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services deemed appropriate by the Secretary;

"(3) any institution which is located on an Indian reservation, if such institution is certified by the Secretary as meeting the requirements of clauses (2) and (3) of subsection (a) and providing the care and services required under clause (1) of such subsection; and

"(4) with respect to intermediate care services described in section 1944(b), the public institution (or distinct part thereof) providing such services.

"INTERMEDIATE CARE SERVICES

"SEC. 1944. (a) For purposes of this title, the term 'intermediate care services' means services provided by an intermediate care facility to an inpatient thereof, but only if (1) such individual meets the conditions referred to in section 1943(a), and (2) such services are required to meet the needs of such individual because of such condition.

"(b) The term 'intermediate care services' also includes services in a public institution (or distinct part thereof) for the mentally retarded or persons with related conditions, but only if—

"(1) the primary purpose of such institution (or distinct part thereof) is to provide health or rehabilitative services for mentally retarded individuals and which meet such standards as may be prescribed by the Secretary; and

"(2) the mentally retarded individual with respect to whom a request for payment under this title is made is receiving active treatment under a program of active treatment designed to meet the needs of such individual.

"MENTAL HEALTH CARE SERVICES

"SEC. 1945. (a) The term 'mental health services' includes only care and services for mental conditions—

"(1) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(2) which, if provided on a partial hospitalization basis, are provided (A) in and by an accredited medical institution (as determined by the Secretary), or (B) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(3) which, if provided on an outpatient basis, are

"(A) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(B) provided by a psychiatrist;

except that such term shall not include any outpatient services provided by a psychiatrist, during any 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (i) five visits, plus (ii) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(b)(1) The term 'mental health services', in the case of services provided on an outpatient basis by a qualified mental health center (as determined in accordance with regulations of the Secretary) or by a psychiatrist, includes any drug which is prescribed for a patient by the physician under whose direction such patient is receiving such services, but only if—

"(A) such drug is included on the list (referred to in paragraph (2)) and is prescribed in accordance with the criteria indicated in such list, and

"(B) such physician determines that unless such patient receives such drug, such patient can reasonably be expected to require institutional care.

"(2) The Secretary is authorized (after consultation with appropriate professional individuals and organizations) to compile and publish (and from time to time revise) a list of drugs which he has determined to be effective in the treatment of various mental conditions. Such list shall indicate, with respect to each drug included therein, the particular mental conditions with respect to which such drug is effective, and the appropriate dosage (in terms of quantity and intervals at which such drug shall be administered) of such drug.

"OUTPATIENT REHABILITATION SERVICES

"SEC. 1946. (a) For purposes of this title, the term 'outpatient rehabilitation services' means physical therapy, speech pathology, occupational therapy, and medical-social services furnished by a provider of services, a clinic, rehabilitation agency (including a single service rehabilitation agency), or a public health agency, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency, to an individual as an outpatient—

"(1) who is under the care of a physician, and

"(2) with respect to whom a plan prescribing the type, amount, and duration of such services that are to be furnished to such individual has been established, and is periodically reviewed by a physician;

excluding, however—

"(3) any item of service if it would not be included under 'inpatient hospital services' if furnished to an inpatient in a hospital; and

"(4) any such service—

"(A) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

"(i) provides an adequate program of such services for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Secretary may specify,

"(ii) has policies, established by a group of professional personnel, including one or more physicians (associated with the clinic or rehabilitation agency) and one or more qualified physical therapists or speech pathologists (as may be appropriate) to govern the services (referred to in clause (i)) it provides,

"(iii) maintains clinical records on all patients,

"(iv) if such clinic or agency is situated in a State in which State or applicable local law provides for the licensing of institutions of this nature, (I) is licensed pursuant to such law, or (II) is approved by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and

"(v) meets such other conditions relating to the health and safety of individuals who are furnished services by such clinic or agency on an outpatient basis, as the Secretary may find necessary, or

"(B) if furnished by a public health agency, unless such agency meets such other conditions relating to health and safety of individuals who are furnished services by such agency on an outpatient basis, as the Secretary may find necessary. The term 'outpatient rehabilitation services' also includes rehabilitation services furnished an individual by a physical therapist or speech pathologist (in his office or in such individual's home) who meets licensing and other standards prescribed by the Secretary in regulations, otherwise than under an arrangement with and under the supervision of a provider of services, clinic, rehabilitation agency, or public health agency, if the furnishing of such services meets such conditions relating to health and safety as the Secretary may find necessary.

"PROHIBITION AGAINST EXCLUSION BY EMPLOYERS OF CERTAIN EMPLOYEES FROM COVERAGE UNDER GROUP HEALTH INSURANCE PLANS

"SEC. 1947. (a) If any employer provided for some or all of his employees coverage under a group health insurance plan, it shall be unlawful for such employer to exclude from coverage under such plan any employee of such employer if—

"(1) such employee belongs to a category of employees who would ordinarily be eligible for coverage under such plan, and

"(2) such employee is excluded from coverage under such plan because of the coverage provided under this title.

"(b) Any person violating the provisions of subsection (a) shall be fined not more than $10,000 and imprisoned for not more than one year.".

(b)(1) Section 201(i)(1) of the Social Security Act is amended by striking out "and the Federal Supplementary Medical Insurance Trust Fund" and inserting in lieu thereof "the Federal Supplementary Medical Insurance Trust Fund, and the Medical Coverage Trust Fund".

(2) Section 201(g)(1)(A) of such Act is amended—

(A) by inserting "the Medical Coverage Trust Fund, and" immediately after "shall include also", and

(B) by inserting "title XIX," immediately after "title XVI," wherever it appears therein.

TITLE III—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION PROGRAM

SEC. 301. The Social Security Act is amended by adding after title XIV thereof the following new title:

"TITLE XV—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION

"PURPOSE

"SEC. 1501. It is the purpose of this title to encourage and facilitate the availability to the public of private basic health insurance coverage at a reasonable premium charge by—

"(a) establishing a procedure whereby health insurance policies offered by private insurers may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, conditions of payment, opportunity for enrollment, and reasonableness of premium charges,

"(b) facilitating arrangements whereby basic health insurance policies meeting such standards can be offered through pools of private insurers, and

"(c) encouraging States, through their laws and regulations pertaining to the health insurance industry, to facilitate the offering, within the State, of such basic health insurance coverage by carriers doing health insurance business within the State.

"CERTIFICATION OF BASIC PRIVATE HEALTH INSURANCE POLICIES

"SEC. 1502. (a) Any insurer which desires to have a health insurance policy certified for use in one or more States specified by the insurer may (in accordance with regulations of the Secretary) provide to the Secretary, for his examination and certification, any health insurance policy.

"(b)(1) If the Secretary, after examining any such policy and evaluating any data

submitted in connection with such policy, determines that such policy meets the standards prescribed in section 1504, he shall certify such policy for use in each State which has in effect a basic health insurance facilitation program (as defined in section 1510).

"(2)(A) The certification by the Secretary of any such policy shall be conditioned upon such policy's continuing to meet the standards prescribed in section 1504; and no policy shall be deemed to have been certified by the Secretary under this title for any period for which it fails to meet such standards.

"(B) The Secretary shall establish procedures whereby any insurer having secured the Secretary's certification of any policy offered by such insurer shall from time to time provide to the Secretary (i) relevant data with respect to such policy in order for the Secretary to determine whether such policy continues to meet the standards prescribed in section 1504, and (ii) such data and information as the Secretary may require in order to assure proper coordination of the administration of titles XIX and XXI.

"(c) Notwithstanding the preceding provisions of this section, the Secretary shall not certify any health insurance policy of any insurer for use in any State unless such insurer furnishes assurances satisfactory to the Secretary that such insurer (whether as a member of a health reinsurance or other residual market arrangement or otherwise) will make generally available, in each geographic area of the State in which the insurer does health insurance business, to all individuals and family members the following two health insurance policies: (i) a policy which meets the standards of section 1504, and (ii) a policy which, if it were issued in combination with a plan meeting the minimum coverage necessary to meet the requirement imposed by section 2122(a)(1)(B), would, in the aggregate, meet the standards of section 1504.

"UTILIZATION OF STATE AGENCIES FOR CERTIFICATION OF POLICIES

"SEC. 1503. If any State has in effect a basic health insurance facilitation program (as defined in section 1510), the Secretary shall, if such State is willing to do so, enter into an agreement with such State whereby the agency responsible for the regulation of the health insurance industry within such State will, on behalf of the Secretary, make such determinations regarding whether basic health insurance policies meet the requirements for certification under this title, as may be specified by the Secretary. Such agreement shall provide that the agency will be reimbursed for its reasonable expenses incurred in carrying out activities specified in the agreement.

"STANDARDS WITH RESPECT TO BASIC HEALTH INSURANCE POLICIES

"SEC. 1504. (a) The Secretary shall not certify under this title any insurance policy offered (or to be offered) by an insurer unless he finds that—

"(1) such policy provides—

"(A) inpatient hospital coverage (without any deductible in excess of $100 or copayment by the insured person) for at least 60 days during any policy year,

"(B) medical coverage which shall include home, office, hospital, and other institutional care provided by physicians,

"(C) with respect to medical coverage, that—

"(i) subject to clauses (ii) and (iii), payment in full shall be made with respect to not less than the first $2,000 of reasonable expenses incurred by any insured person for any policy year for services with respect to which coverage applies,

"(ii) the copayment required of any insured person with respect to such reasonable expenses shall not exceed 20 per centum thereof, and

"(iii) in the case of any deductible applicable to the payment of such reasonable expenses for any benefit year or benefit period of not less than 12 months duration, such deductible shall not exceed $50 for any insured person, and that, for purposes of computing such deductible for any calendar, policy, or other fixed benefit year or period, the insured person shall be given credit for any deductible applied toward such expenses for the last 3 months of the preceding policy year,

"(D) in case such policy is a group policy, there will be no exclusion from coverage or limitation on payment on account of any medical condition (including any preexisting condition) or any waiting period prior to the beginning of coverage with respect to any such condition,

"(E) in case such policy is an individual policy (including a policy for an individual and members of his family), there will be no exclusion from coverage on account of any medical condition (including any preexisting condition) other than pregnancy, and there will be no waiting period prior to the beginning of coverage with respect to any preexisting condition which is greater than 90 days after the date the policy is issued,

"(F) in case such policy covers an individual and members of his family, coverage will be provided for all dependent unmarried children in the family under age 22, and coverage will be automatically extended, at birth to any newborn and upon adoption to any newly adopted, child of such individual or his spouse.

"(G) in case such policy is a group policy which covers all or a certain category of employees of any employer, that—

"(i) coverage will not be terminated with respect to any employee (and members of such employee's family, if such policy covers such members) because of the termination of such employee's employment prior to the expiration of 31 days after the date of such termination,

"(ii) the insurer offering such policy will afford to any employee covered by such policy whose employment has been terminated a reasonable opportunity to secure, from such insurer a basic private health insurance policy which has been approved under this title,

"(iii) there will be a periodic open enrollment period of at least 31 days (which shall occur not less often than once during each policy year) in which all eligible employees, who are not covered by such policy because of failure to elect coverage at the time of initial employment or during previous open enrollment periods, can secure coverage thereunder,

"(2) the premium charge for such policy is such that there is not an unreasonable ratio of expenses to premiums (as determined under subsection (d)); and

"(3) there is established an appropriate (but different) premium rate for such policy when it is offered to cover (A) a single individual, (B) a married couple, or (C) a family.

"(b) The Secretary, in determining whether any comprehensive prepaid group practice plan is eligible for certification under this section, shall, in lieu of the standards imposed by subsection (a), develop and apply criteria which assure that such plan meets requirements which are, on an actuarial and benefit basis, at least equivalent to such standards.

"(c) Notwithstanding the provisions of subsections (a) and (b), the Secretary shall not withhold approval under this title of any health insurance policy solely because such policy excludes—

"(1) charges for services or supplies in connection with an occupational disease or injury,

"(2) items or services for which the insured individual furnished such items or services has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for,

"(3) any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to such item or service, under a workmen's compensation law or plan of the United States or a State,

"(4) charges for services or supplies with respect to which benefits are provided under title XVIII or title XXI,

"(5) items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury, pregnancy, or to improve the functioning of a malformed body member,

"(6) charges for care, treatment, services, or supplies, provided to any individual, to the extent that the payment of benefits with respect thereto is prohibited by any applicable law of the jurisdiction in which such individual is residing at the time he receives such care, treatment, services, or supplies,

"(7) charges for care, treatment, or supplies provided to any individual, to the extent that they are not reasonably priced (except that, for purposes of this paragraph, the charge for any item or service shall be deemed to be reasonable, if such charge is not in excess of the allowable charge therefor under title XVIII or XXI),

"(8) charges in connection with routine physical checkups,

"(9) expenses incurred for items or services, where such expenses are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member,

"(10) charges made by a hospital for the professional services of any resident physician or intern to the extent that such charges are in excess of the actual cost incurred by the hospital in providing such services,

"(11) charges for the professional services of a psychiatrist to the extent that such charges exceed $400 in a policy year, or

"(12) amounts which represent deductible and coinsurance provisions and which generally result in aggregate benefit coverage which is at least equal to the actuarial equivalent of the benefit coverage resulting from the application of the deductible and coinsurance provisions in section 1504(a)(1).

"(d)(1) With respect to policies submitted to the Secretary for his certification under this title, the Secretary shall establish (after considering the size of the groups to be covered by any such policy and by the nature of the insurer) appropriate reasonable ratios of expenses to premiums imposed for coverage thereunder. In the case of individual policies such ratios shall be the same as those established by the Secretary for group policies covering the smallest groups. After making an initial determination with respect to any such policy, the Secretary shall periodically thereafter review and make a redetermination of such ratios based on actual expenses thereunder and the actual premium charges made for the period with respect to which the review is made, in order to determine whether such policy continues to meet the requirements for certification.

"(2) In determining the appropriate reasonable ratio of expenses to premiums imposed with respect to any particular health insurance policy offered by an insurer, the Secretary shall, in his determinations of such

ratio, give consideration to the average ratio, with respect to group policies generally underwritten by insurers (classified on the basis of nonprofit or profitmaking) with respect to policies excluding those which are not certified under this title.

"APPROVED CARRIER

"SEC. 1505. For purposes of sections 1923 (b), 1816, and 1842, an 'approved carrier' is an insurer which the Secretary has found (1) to offer one or more health insurance policies approved under section 1502 to the general public in each geographic or normal service area in which such insurer offers health insurance policies (including any which are not approved under this title) and (2) to employ effective procedures and practices designed to assure, through means consistent with efficient practices within the insurance industry, appropriate controls of utilization and health care services and the costs and charges imposed therefor with respect to which it will financially participate.

"ANTITRUST EXEMPTION

"SEC. 1506. (a) It shall not be unlawful under any antitrust law for any insurer to enter into any contract, combination, or other arrangement with any other insurer or group of insurers for the sole purpose of establishing or participating in an insurance pool, reinsurance, or other residual market, arrangement whereby there will be offered to the public health insurance policies approved under section 1502, if such contract, combination, or other arrangement is approved by the Secretary, as being consistent with the purposes of this title, before any party to the contract, combination, or other arrangement has carried out any activity, or refrained from carrying out any activity, under its terms (other than such activity as may be necessary to negotiate the contract, combination, or other arrangement and to apply for approval of the same under this section). The Secretary shall not approve any contract, combination, or other arrangement under which the parties thereto agree to act in a manner which constitutes a violation of any such law for which no exemption is provided under the preceding sentence or for purposes other than the purposes for which the exemption contained in the preceding sentence is established. Nothing contained in this subsection shall exempt from any antitrust law any predatory pricing or practice, or any other conduct in the otherwise exempt activities of two or more such insurers under a contract, combination, or other arrangement approved under this section which would be unlawful under any such law if engaged in by only one such insurer.

"(b) For purposes of this section, the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibit or restrains contracts, combinations, or other arrangements in restraint of trade.

"ESTABLISHED OF EMBLEM TO INDICATE CERTIFICATION

"SEC. 1507. (a) The Secretary shall cause to be designed an appropriate emblem which may be used as an indication that certification of an insurance policy under this title has been made by the Secretary; and any insurer which has secured certification of an insurance policy by the Secretary under this title may have printed thereon such emblem, and may, in advertising such policy to potential subscribers, state that such policy has received such a certification.

"REPORT TO CONGRESS

"SEC. 1508. The Secretary shall, at the earliest practicable date (but not later than 60 days) after the expiration of the three-year period which commences on the date of enactment of this section, submit to the Congress a report indicating (1) the extent to which basic private health insurance policies certified by the Secretary under this title are actually and generally available to the residents of each State, and (2) the extent to which residents in each State are covered by such policies.

"DUTY OF SECRETARY TO MAKE AVAILABLE INDIVIDUAL AND FAMILY HEALTH INSURANCE POLICIES ON A COST BASIS

"SEC. 1509 (a) The Secretary shall offer a standard health insurance policy, which meets the applicable criteria prescribed under this title with respect to approved basic health insurance policies, to individuals, married couples, and families living in any State (1) which does not have in effect a basic health insurance facilitation program (as found by the Secretary under section 1510, and (2) in which there is not actually and generally available one or more approved basic health insurance policies approved under this title.

"(b) The premiums imposed under any such policy shall be in an amount designed to cover the costs (inclusive of administrative costs and appropriate reserves which will be incurred in furnishing the benefits provided in the policy.

"(c) No such policy shall be offered in any area prior to the expiration of the 3-year period which commences on the date of enactment of this title.

"(d) Premiums collected by the Secretary for insurance policies offered by him under this section shall be deposited in an Insurance Revolving Fund, and moneys in such fund shall be available, without fiscal year limitation, for the payment of claims under such policies.

"(e) For the purpose of providing a contingency reserve for the insurance program established by this section, there is authorized to be appropriated such sums as may be necessary; and any sums appropriate for such purpose shall remain available for the purpose of making repayable advances (without interest) to the Insurance Revolving Fund authorized to be established under subsection (d).

"(f) The Secretary, in making payment for services covered under any insurance policy issued pursuant to this section, shall utilize the payments methodology and administrative mechanism employed by him for making payment for services covered under the insurance programs established by title XVIII.

"BASIC HEALTH INSURANCE FACILITATION PROGRAM

"SEC. 1510. (a) For purposes of this title, a State shall be regarded as having in effect a basic health insurance facilitation program only if the Secretary, after examining the pertinent laws and regulations of such State governing the doing of health insurance business within the State by carriers, determines that such laws and regulations—

"(1) require the establishment of one or more health reinsurance or other residual market arrangement to be utilized by such carriers in connection with the offering within the State of basic health insurance policies which meet the standards for certification by the Secretary established by this title.

"(2) require all such carriers to be members of a health reinsurance or other residual market arrangement and provide that losses, under any such arrangement, will be shared by all members thereof on a pro rata basis in proportion to their respective shares of the total health insurance premium earned in the State during the calendar year,

"(3) provide that premiums charged for policies issued to individuals or family members under any such health reinsurance or other residual market arrangement shall not be less than 125 per centum nor more than 150 per centum of the average group rate for the same coverage under a group policy covering ten lives, and

"(4) otherwise encourage and facilitate the offering of such policies within the State by all carriers doing health insurance business therein on a basis which is fair and equitable to each such carrier.

"(b) The Secretary is authorized, upon the request of any State, to provide appropriate technical assistance to aid the State in developing a program which meets the conditions prescribed in subsection (a).".

TITLE IV—OTHER AMENDMENTS PROGRAM IMMUNIZATIONS

SEC. 401. (a) Section 1861 (s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) such immunizations as the Secretary determines are appropriate, but only if provided on a scheduled allowance basis (as determined under regulations of the Secretary).", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a) (7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(s)(10),".

(d) The amendments made by this section shall apply only with respect to services furnished on or after the first day of the month following the month in which this section is enacted.

MENTAL HEALTH SERVICES

SEC. 402. (a) Section 1833(c) of the Social Security Act is amended—

(1) by striking out "$312.50" and inserting in lieu thereof "$500", and

(2) by striking out "62½ per centum" and inserting in lieu thereof "80 per centum".

(b) Section 1812 of such Act is amended—

(1) by striking out subsection (c) thereof,

(2) in subsection (b) thereof, by striking out "(subject to subsection (c))", and

(3) in subsection (e) thereof, by striking out "subsections (b), (c), and (d)" and inserting in lieu thereof "subsections (b) and (d)".

(c) The amendments made by subsection (a) shall be effective only with respect to services furnished after December 31, 1980. The amendments made by subsection (b) shall be effective only with respect to services furnished after December 31, 1981.

AMOUNT OF PREMIUMS FOR HOSPITAL INSURANCE COVERAGE

SEC. 403. (a)(1) The second sentence of section 1818(d)(2) of the Social Security Act is amended by striking out "Such amount shall be equal to $33, multiplied by" and inserting in lieu thereof "Such amount shall be equal to 50 per centum of the product of $33 multiplied by".

(2) The amendment made by paragraph (1) shall be applicable in the case of premiums imposed on and after July 1, 1979.

(b) In addition to other moneys appropriated to the Federal Hospital Insurance Trust Fund, there shall be appropriated from time to time, with respect to periods commencing after June 30, 1979, amounts equal to 100 per centum of the amounts deposited in such Fund pursuant to section 1818(f) of the Social Security Act from premiums payable for such period.

PAYMENT FOR EXTENDED CARE SERVICES

SEC. 404. Section 1861(v)(E) of the Social Security Act is amended to read as follows:

"(E)(i) In the case of services furnished by a skilled nursing facility with respect to which payment for services furnished under title XIX is made on a cost-related basis pursuant to the provisions of section 1920 (d)(2), such regulations may provide for the use of rates which are the same as the rates obtaining for such services under title XIX (except that such rates may be increased by the Secretary on a class or size of institution, or on a geographical basis by a percentage factor not in excess of 10 per centum to take into account determinable items or services or other requirements under this title not otherwise included in the computation of such rates under title XIX): *Provided*, That no such regulations shall become effective prior to the 60th day following the date on which the Secretary submits to the Congress a copy thereof together with a full and complete description of the methodology which would be employed in the determination of rates pursuant thereto, and an evaluation by the Secretary and by the Comptroller General of such methodology in terms of the extent to which the employment thereof will promote the efficient and economical administration of this title and equitable treatment to and between skilled nursing facilities furnishing services for which payment may be made hereunder.".

EXTENSION OF COVERAGE UNDER RENAL DISEASE PROGRAM

SEC. 405. Section 226(e) of the Social Security Act is amended by adding at the end thereof the following: "For purposes of the preceding sentence, any individual, who on or after the date of enactment of this sentence fails to meet the condition imposed by clause (2) of such sentence, shall be deemed to meet such condition. There are authorized to be appropriated, from time to time, to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund such sums as may be necessary (as based on estimates of the Secretary) to place each such Fund in the same financial condition that it would have occupied had the preceding sentence not been enacted.".

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

SEC. 406. Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"SEC. 1134. (a) It is the policy of the Congress that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system and access to health care services.

"(b)(1) For purposes of determining, under title XVIII or XIX, the reasonable costs of any service furnished by a provider of health services—

"(A) except as provided in paragraph (2), unrestricted grants, gifts, and endowments and income therefrom, shall not be deducted from the operating costs of such provider, and

"(B) grants, gifts, and endowment income designated by a donor for paying specific operating costs of such provider shall be deducted from the particular operating costs or group of costs involved.

"(2) Income from endowments and investments may be used to reduce interest expense, if such income is from an unrestricted gift or grant and is commingled with other funds, except that in no event shall any such interest expense be reduced below zero by any such income.".

S. 351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Catastrophic Health Insurance Act".

TITLE I—CATASTROPHIC ILLNESS INSURANCE

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 101. (a) The Social Security Act is amended by adding after title XX the following new title:

"TITLE XXI—CATASTROPHIC HEALTH INSURANCE PROGRAM

"PURPOSE OF TITLE

"SEC. 2101. The insurance program established by this title is designed to provide protection to all individuals who are citizens or permanent residents of the United States against the costs of high-cost catastrophic illness. Each such individual will be provided such protection either under the Federal plan established by part A of this title, or under an employer plan or a self-employed plan approved under part B of this title.

"PART A—FEDERAL PLAN

"ELIGIBLE INDIVIDUALS

"SEC. 2102. (a) Every individual who—

"(1) is a resident of the United States, and

"(2) is a citizen of, or an alien lawfully admitted for permanent residence in, the United States, or an alien otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall (subject to section 2107) be entitled to catastrophic health insurance benefits provided by this part for any period which commences on or after January 1, 1981, and with respect to which he is not covered by an employer plan or a self-employed plan approved under part B.

"(b) For purposes of subsection (a), entitlement of an individual to catastrophic health insurance benefits under this part shall consist of entitlement to have payment made, under and subject to the limitations in this title, to him or on his behalf for the services described in section 2103(a) which are furnished to him in the United States (or outside the United States in the case of services specified in section 1814(f)).

"SCOPE OF BENEFITS

"SEC. 2103. (a) The benefits provided to an individual by the insurance program established by this part shall consist of entitlement to have payment made (subject to the provisions of this part) on his behalf or to him for—

"(1) hospital and related services (as defined in subsection (c)(1)) which are furnished to such individual during a period with respect to which he has met the deductible impose by section 2104(b), and

"(2) medical and other health services (as defined in subsection (c)(2)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by section 2104(c).

"(b) Payment authorized under this part for any service covered hereunder shall be made to the person to whom payment for such service would be made under title XVIII, if such service were furnished to an individual who was covered therefor under title XVIII.

"(c)(1) The term 'hospital and related services' means—

"(A) inpatient hospital services (as defined in section 1861(b)),

"(B) post-hospital extended care services (as defined in section 1861(i)), and

"(C) home health services (as defined in section 1861(m)).

"(2) The term 'medical and other health services' means—

"(A) medical and other health services (as defined in section 1861(s)),

"(B) home health services (as defined in section 1861(m)),

"(C) outpatient physical therapy services (as defined in section 1861(p)), and

"(D) rural health clinic services (as defined in section 1861(aa)).

"(d) Notwithstanding the preceding provisions of this section, no payment may be made and no deductible shall be incurred with respect to—

"(1) expenses incurred for items or services, if pursuant to section 1862 (a), (b), or (d) payment may not be made with respect to such items or services under title XVIII, or

"(2) expenses incurred for post-hospital extended care services furnished to an individual on any day during any calendar year, if, prior to such day, there have been furnished to such individual for 100 days during such year such services with respect to which benefits under this part are payable.

"PAYMENT AND DEDUCTIBLE

"SEC. 2104. (a)(1) Payment of benefits under this part with respect to expenses incurred by an insured individual shall be made from the Federal Catastrophic Health Insurance Trust Fund.

"(2) For purposes of payment of benefits under this part with respect to expenses incurred for health services furnished to any insured individual, there shall be taken into account—

"(A) in case of expenses incurred for hospital and related services (as defined in section 2103(c)(1)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (b) is met, and

"(B) in case of expenses incurred for medical and other health services (as defined in section 2103(c)(2)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (c) is met;

and, with respect to the services to which the expenses so taken into account are attributable, there shall be paid (except where inconsistent with the provisions or purposes of this part) an amount which shall be equal to (and determined in the same manner as) the amount which would have been payable for such services under title XVIII in the case of an individual entitled to have payment made with respect thereto under such title (as determined without regard to any provision of such title relating to deductibles or copayments).

"(b) The deductible imposed by this subsection with respect to expenses incurred for hospital and related services (as defined in section 2103(c)(1)) shall be met by an insured individual—

"(1) for the period, in the calendar year, which commences on the day following the 60th day, during the calendar year and the last 3 months of the preceding calendar year, in which such individual received inpatient hospital services; and

"(2) for the period, in the calendar year, which is prior to the first consecutive 90-day period therein in which such individual is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility, but only if the first day for which such services in the calendar year occurs not later than 90 days after the last day with respect to which benefits were payable under this part on account of inpatient hospital services

furnished to him in the preceding calendar year.

"(c)(1) The deductible imposed by this subsection with respect to expenses incurred for medical and other health services (as defined in section 2103(c)(2)) shall be met by an insured individual—

"(A) for the period, in the calendar year, which occurs after such individual has incurred, during such year and the last three months of the preceding calendar year, expenses (including expenses deemed under paragraph (2) to be incurred by him, but excluding amounts required to be excluded under paragraph (3)) for such services of $2,000 (or, if higher, the amount determined under paragraph (4)); and

"(B) for the period, in the calendar year, which occurs prior to the first 90-day period therein during which such individual incurs for such services expenses (including expenses deemed under paragraph (2) to be incurred by him) the aggregate of which is less than $500 (or, if greater, the amount determined under paragraph (5)), but only if (i) during the last 3 months of the preceding calendar year, such individual incurred for such services expenses (including expenses deemed under paragraph (2) to be incurred by the individual) of at least $500 (or, if greater, the amount determined under paragraph (5)), and (ii) such individual had met (by reason of the application of clause (A)) for a period in the preceding calendar year the deductible imposed by this paragraph.

"(2)(A) In determining, for purposes of clauses (A) and (B) of paragraph (1), the amount of expenses incurred by an individual for medical and other health services furnished during any period, there shall be deemed to have been incurred by such individual any expenses incurred for such services furnished during such period to each other member of such individual's family, but only if such other member is (i) the spouse of the individual, (ii) a dependent of such individual, (iii) the person (or the spouse of the person) of whom such individual is a dependent, or (iv) a person who is a dependent of the same person of whom such individual is a dependent.

"(B) For purposes of subparagraph (A)—

"(i) the term 'dependent' shall have the meaning assigned to it by regulations of the Secretary;

"(ii) the term 'family' means two or more individuals who are (I) related by blood, marriage or adoption, and (II) living in a place of residence maintained by one or more of them as his or their own home (and for purposes of this clause, a child under age 22 who is absent from home for the purpose of attending an educational institution as a full-time student shall be deemed while so absent to be living in such place of residence); and

"(iii) the term 'member', when used in reference to a family means an individual described in clause (ii).

"(3) In determining, for purposes of paragraph (1)(A), the amount of expenses incurred (or deemed to be incurred) by an individual for medical and other health services in any calendar year, there shall be disregarded all amounts in excess of $500 incurred in connection with the treatment of mental, psychoneurotic, or personality disorders of such individual.

"(4) The Secretary shall, between July 1 and October 1 of 1981 and of each year thereafter, determine and promulgate the deductible which shall be applicable for purposes of paragraph (1)(A) in the succeeding calendar year. Such deductible shall be equal to whichever of the following is the higher:

"(A) $2,000, or

"(B) $2,000 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $100, being rounded to the nearest multiple of $100.

"(5) The Secretary shall between July 1 and October of 1981 and of each year thereafter, determine and promulgate the amount which shall be applicable for purposes of paragraph (1)(B) in the succeeding calendar year. Such amount shall be equal to whichever of the following is the higher:

"(A) $500, or

"(B) $500 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $50, being rounded to the nearest multiple of $50.

"(e)(1) Payment for services under this title shall also be subject to the limitations described in section 1812(e) and section 1833(e).

"(2) Payment under this part with respect to expenses incurred in connection with the treatment of mental, psychoneurotic, and personality disorders shall not be made unless such treatment consists of 'mental health care services' (as defined in paragraph (3)).

"(3) As used in paragraph (2) the term 'mental health care services' includes only care and services for mental conditions—

"(A) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(B) which, if provided on a partial hospitalization basis, are provided (i) in and by an accredited medical institution (as determined by the Secretary), or (ii) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary),

"(C) which, if provided on an outpatient basis, are—

"(i) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(ii) provided by a psychiatrist;

except that such term does not include any outpatient services provided by a psychiatrist, during a 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (I) five visits, plus (II) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(f)(1) Payment under this part with respect to expenses incurred for blood, blood products, and procedures and courses of treatment which are unusually extensive or complex shall be subject to standards and criteria imposed by the Secretary pursuant to paragraph (2).

"(2) The Secretary shall by regulations prescribe standards and criteria designed to assure that services consisting of the furnishing of blood or blood products or the application of procedures or courses of treatment, referred to in paragraph (1), for which payment may be made under this part will be provided only when, and to the extent that, such services are appropriate to the health care needs of the patient.

"(g) Payment under this part may not be made for extended care services furnished to an individual during any period for which such individual is entitled to hospital insurance benefits under part A of title XVIII.

"CONDITIONS OF AND LIMITATIONS OF PAYMENT FOR SERVICES

"SEC. 2105. (a) To the extent that payment may be made for services described in section 2103(a)(1), the provisions of sections 1814, 1815, 1816, 1833(f), and 1835 shall apply.

"(b) To the extent that payment may be made for services described in section 2103(a)(2), the provisions of section 1842 shall apply.

"APPLICABILITY OF CERTAIN PROVISIONS OF, OR RELATING TO, TITLE XVIII

"SEC. 2106. (a) The provisions of section 1861 (except subsections (a) and (y)), 1866, 1867, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878 and 1879 shall apply with respect to this part to the same extent as they are applicable with respect to title XVIII.

"(b) The provisions of section 402(a) of the Social Security Amendments of 1967 and the provisions of section 222(a) of the Social Security Amendments of 1972 shall be applicable to this part to the same extent as they are applicable to title XVIII.

"TREATMENT OF BENEFITS UNDER OTHER PROGRAMS

"SEC. 2107. Any amount otherwise payable under this part with respect to any item or service furnished to an individual shall not be denied or reduced because a benefit with respect to such item or service has been paid or is payable under any other public or private insurance or health benefits plan. Notwithstanding any other provision of law (other than section 2104(g)), payment with respect to any item or service furnished to any individual shall not be made under the insurance program established by part A or B of title XVIII, if such individual is (or, upon filing a proper claim, would be) entitled to have payment made under this part with respect to such item or service.

"CONTRIBUTIONS WITH RESPECT TO STATE AND LOCAL EMPLOYEES; APPROVED STATE LAWS

"SEC. 2108. (a) Contributions for the financial support of the catastrophic health insurance program established by this part shall be made by employers which are States (or political subdivisions thereof) in the manner prescribed under a State law approved by the Secretary of the Treasury under subsection (b).

"(b)(1) The Secretary of the Treasury shall approve a State law for purposes of this section only if such law—

"(A) provides that the State will pay into the Treasury, with respect to wages paid to employees of the State and employees of all political subdivisions of the State, amounts equal to the amounts which such State would be liable to pay with respect to the wages of such employees under the catastrophic health insurance protection tax imposed by section 3111(c) of the Internal Revenue Code of 1954 if such State were a private employer and all such employees were employed by it,

"(B) provides that any amounts so payable shall be paid at the same time and subject to the same conditions as taxes imposed by such section 3111(c) in the case of a private employer,

"(C) is in such form and contains such other provisions as the Secretary of the Treasury shall by regulations provide, and

"(D) becomes effective on January 1, 1981.

"(2) At the earliest practicable date after the State law of any State has been approved by the Secretary of the Treasury, he shall certify to the Secretary of Health, Education, and Welfare that such State law has been approved.

"(3) If the Secretary of the Treasury finds, after reasonable notice and opportunity for hearing to a State, that—

"(A) the State law of such State, theretofore approved by him, has been repealed, or

amended so that it no longer meets the requirements imposed by paragraph (1), or

"(B) the State has not substantially complied with its obligations to make contributions into the Treasury in accordance with the requirements imposed under paragraph (1),

he shall withdraw the certification of such State law theretofore approved by him and shall so notify the Secretary of Health, Education, and Welfare.

"(c) If, for any period of time after December 31, 1981, a State does not pay in full to the Treasury the amounts specified in subsection (b)(1)(A), the Secretary of Health, Education and Welfare shall reduce payments otherwise payable to such State under any other provisions of this Act by the amount of such underpayment (including interest thereon equal to the average of the rates of interest, from the date due until paid, on obligations issued for purchase by the Federal Catastrophic Health Insurance Trust Fund).

"FEDERAL CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 2109. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Catastrophic Health Insurance Trust Fund (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending September 30, 1981, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes imposed by section 3111(c) of the Internal Revenue Code of 1954 with respect to wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code after December 31, 1976, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such sections to such wages, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with such reports;

"(2) the taxes imposed by section 1401(c) of the Internal Revenue Code of 1954 with respect to self-employment income reported to the Secretary of the Treasury or his delegates on tax-returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of self-employment established and maintained by the Secretary of Health, Education, and Welfare in accordance with such return; and

"(3) the contributions made by States pursuant to State laws approved under section 2108.

The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than taxes specified in such sentence.

"(b) With respect to the trust fund, there is hereby created a body to be known as the 'board of trustees of the trust fund' (hereinafter in this section referred to as the 'board of trustees'), composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the board of trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Administrator of Health Care Financing Administration shall serve as the secretary of the board of trustees. The board of trustees shall meet not less frequently than once each calendar year. It shall be the duty of the board of trustees to—

"(1) hold the trust fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the board is of the opinion that the amount of the trust fund is unduly small; and

"(4) review the general policies followed in managing the trust fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the trust fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the trust fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the trust fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"(f) There are authorized to be appropriated to the trust fund from time to time such sums as the Secretary of Health, Education, and Welfare deems necessary for any fiscal year, on account of—

"(1) payment made or to be made during such fiscal year from the trust fund with respect to individuals who are entitled to benefits under part A of title XVIII,

"(2) the administrative expenses attributable to providing benefits under this part to individuals referred to in paragraph (1), and

"(3) any loss in interest to the trust fund resulting from the payment of such amounts,

in order to place the trust fund in the same position at the end of such fiscal year in which it would have been if the individuals referred to in paragraph (1) were not entitled to the benefits provided under this part.

"(g) There shall be transferred periodically (but not less often than once each fiscal year) to the trust fund from the Federal Old-Age and Survivors Insurance Trust Fund and from the Federal Disability Insurance Trust Fund amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments pursuant to section 1870(b) of this Act as made applicable to this title by section 2106.

"(h) The Managing Trustee shall also pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

(i) There is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such repayable advances (without interest) as may be required to assure prompt payment of benefits and administrative expenses under this title and to provide a contingency reserve. Such advances to the extent necessary shall be made available through calendar year 1983.

"MEANING OF 'STATE', 'UNITED STATES'

"SEC. 2110. As used in this part—

"(a) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(b) the term 'United States', when used in a geographical sense, means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"PART B—EMPLOYER PLANS, AND SELF-EMPLOYED PLANS

"EFFECT OF COVERAGE

"SEC. 2120. Any individual who would otherwise be eligible for benefits under part A of this title shall not be eligible for such benefits during any period for which he is covered under an employer plan or a self-employed plan approved by the Secretary under this part, but shall instead be entitled to the benefits provided under such approved plan.

"DEFINITIONS

"SEC. 2121. For purposes of this part—

"(a) The term 'employer plan' means—

"(1) an insurance policy, contract, or other arrangement entered into between an employer and a carrier under which the carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan, or

"(2) a plan under which the employer, as a self-insured employer (as defined in subsection (d)), undertakes to provide, pay for, or reimburse the costs of, health care services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan.

"(b) The term 'self-employed plan' means an insurance policy, contract, or other arrangement entered into between a self-employed individual and a carrier under which such carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by such individual (and those of the family members of such individual who are covered by the plan).

"(c) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the costs of, health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges payable to the carrier.

"(d) The term 'self-insured employer' means an employer who (either through outside administrators, including carriers, or otherwise) engages, without insurance arrangements with a carrier, to provide, pay for, or reimburse the costs of, health services for some or all of his employees.

"(e) The term 'employer' includes a State (or political subdivision thereof) and the Federal Government.

"APPROVAL OF PLANS

"SEC. 2122. (a)(1) In order for an employer plan or a self-employed plan to be approved by the Secretary under this part—

"(A) such plan, in the case of any plan other than an employer plan of a self-insured employer, must be a plan offered by a carrier which is approved by the Secretary pursuant to subsection (c);

"(B) the coverage provided under such plan must include, but shall not be limited to, a package of benefits, which (in terms of scope of benefits and the conditions of payment thereof) is the same as that provided by the Federal catastrophic health insurance benefits plan established by part A; except that the requirement imposed by this clause shall not be construed to (i) make applicable to the plan (or its administration) the provisions of sections 1862 (b) or (d), 1815, 1816, 1842, 1866, 1869, 1870, 1972, or 2104 (a)(1), and the carrier offering such plan may utilize, in the administration of the plan, payment and provider arrangements of the kind which are employed by it in connection with the administration of health insurance policies or plans which are not approved under this part, (ii) require that such plan provide coverage for any occupational injury or disease or for any item or service for which any benefit is payable under a workmen's compensation law of the United States or a State, and (iii) preclude the plan for making the benefits offered thereunder subject to provision for coordination of benefits provided under other plans (including the Federal plan established under part A), if such provision for coordination of benefits is approved by the Secretary as being consistent with prevailing practice within the health insurance industry for the coordination of benefits;

"(C) such plan (in the case on an employer plan) (i) must cover all of the employees of such employer (other than em-

"(C) such plan (in the case of an employer plan) (i) must cover all of the employees of such employer (other than employees who perform service for less than 25 hours per week, temporary employees, or employees who are entitled, under section 226, to hospital insurance benefits under part A of title XVIII), and (ii) may, at the option of the employer, cover all of the employees of the employer;

"(D) such plan must cover the spouse and dependent family members of any employee (in the case of an employer plan) or self-employed individual (in the case of a self-employed plan) covered by the plan;

"(E) such plan (in the case of an employer plan) must not require or permit any financial participation in the cost of the plan by any individual covered thereunder;

"(F) such plan (in the case of an employer plan) must provide that coverage (in the case of a new employee, his spouse, and dependent family members) will begin not later than the first day of the first calendar month which commences more than 30 days after the date the employee's employment commences, and that coverage of an employee (and of members of his family who are covered by the plan) will not be terminated by reason of the separation of the employee from his employment by such employer prior to 90 days after the date of such separation, or (if earlier) the first day after the date on which such employee first obtains coverage under another employer plan approved under this part;

"(G) such plan, in the case of any employer plan (other than an employer plan of a self-insured employer) must be a plan under which there are available to the employer arrangements for the pooling of risks under the plan by which his employees are covered and under the plans by which employees of other employers are covered so that the premium or other periodic charge payable therefor to the carrier are determined on a class basis either (i) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) covered by the plan, or (ii) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) in excess of a specified amount agreed to between the employer and the carrier of payments or reimbursements as to any one individual or family and under which the premium or other periodic charge made under such arrangement is specifically identified to the purchaser;

"(H) the premium or other periodic charge imposed for the pooling arrangements described in clause (G) shall (in case of any plan other than an employer plan of a self-insured employer) be stated, to the employer or self-employed individual subscribing to the plan, in annual (or more frequent) billings or renewal notices which shall be expressed in such a manner as to facilitate a comparison of such premium or charge with the amount allowable on account of such plan as a tax credit under section 1403 or section 3114, as the case may be, of the Internal Revenue Code of 1954.

"(2) In any case where, pursuant to one or more collective bargaining agreements, health insurance responsibilities for one or more groups (but not all) of the employees of an employer have been placed with a labor organization, the Secretary may waive the requirement imposed by paragraph (1)(C)(i) with respect to such group or groups of the employer's employees for such period as may be necessary to enable the employer and the labor organizations with which he has collective bargaining agreements a reasonable opportunity so to arrange health insurance coverage of the employees of the employer as to meet the requirement imposed by paragraph (1)(C)(i). The Secretary shall provide technical assistance to, and recommend procedures to be employed by, such employer and such organizations in meeting such requirement.

"(3) Approval of the Secretary of any plan (other than an employer plan of a self-insured employer) shall not be denied because such plan is provided under arrangements with carriers involving the plans of two or more employers in the same industry or under a trust or trade association arrangement.

"(b)(1) No employer plan or self-employed plan shall be approved by the Secretary except on the basis of an application for approval submitted by the employer or self-employed individual (or by a carrier on such person's behalf) to the Secretary, which application shall be in such form and contain such information and assurances as the Secretary shall by regulations require.

"(2) Applications for approval may contain provision for recommendations of approval, by the insurance department or similar agency of the State involved; and the Secretary may employ any such recommendations as a basis for expediting approval of the application with respect to which such recommendations are made.

"(3)(A) The Secretary shall not approve any application of an employer plan by a self-insured employer unless such application contains or is supported by proof and assurances satisfactory to the Secretary that the employer has the financial ability to discharge his obligations under the plan and has the administrative ability effectively to discharge such obligations.

"(B) The Secretary may, as a condition of approval of an employer plan by a self-insured employer, require the employer to deposit in a depository designated by the Secretary either an indemnity bond or securities (at the option of the employer) of a kind and in an amount determined by the Secretary, and subject to such conditions as the Secretary may prescribe (which shall include authorization to the Secretary in case of default of the employer's obligations to provide benefits under the plan to sell any of such securities sufficient to discharge such obligations or to bring suit upon such bonds to procure the prompt discharge of such obligations).

"(c)(1) As used in this section—

"(A) the term 'catastrophic health insurance' means a health insurance policy or plan which provides the coverage which is required pursuant to subsection (a)(1)(B); and

"(B) the term 'carrier' includes any nonprofit hospital or medical service corporation.

"(2)(A) In order for a carrier to be approved by the Secretary under this subsection, the carrier must—

"(i) offer, in each State in which such carrier does health insurance business, catastrophic health insurance to all individuals and groups on an annual or shorter contract basis, with the option of the policyholder to renew at the expiration of the term of the policy, and with provision that the coverage so offered will not be discontinued or denied in the case of any individual or group except for failure to make timely payment of premium therefor;

"(ii) provide claims determination procedures with respect to catastrophic health insurance benefits which (I) comply with the requirements imposed by section 503 of the Employee Retirement Income Security Act of 1974 and the regulations issued thereunder by the Secretary of Labor and (II) are consistent with those employed by the carrier in its noncatastrophic health insurance business and which in general are at least as favorable to claimants as those employed under the Federal plan established by part A, and

"(iii) operate in accordance with procedures satisfactory to the Secretary for meeting its obligations with respect to policies of catastrophic health insurance and for disposition of unearned premiums on such policies in the event of the discontinuance of such policies or the withdrawal of its

status as an approved carrier by the Secretary.

"(B) In order to better enable carriers to meet the requirements imposed by subparagraph (A)(ii), the Secretary shall provide to carriers, offering approved plans under this part, reasonable access to claim data developed under the Federal plan established by part A.

"(d) Approval of a plan by the Secretary under this section shall not have the effect of causing such plan to be a 'governmental plan', as that term is employed in and for purposes of title I of the Employee Retirement Income Security Act of 1974, if such plan would, in the absence of such approval, not be a 'governmental plan', as that term is so employed.

"(e)(1) It shall not be unlawful, under any antitrust law, for any carrier or group of carriers to enter into or participate in any pool, reinsurance, or other residual market arrangement, or for any carrier to carry on any activity which is necessary or appropriate to discharge its functions under any such arrangement, if and to the extent that, such arrangement and the activities taken pursuant thereto are confined to the offering and administration of plans approved by the Secretary under this section.

"(2) As used in paragraph (1), the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibits or restrains contracts, combinations, or other arrangements in restraint of trade.

"CERTIFICATIONS TO THE SECRETARY OF THE TREASURY

"SEC. 2123. (a) Whenever the Secretary approves, or withdraws approval of, any employer plan or self-employed plan under this part, he shall submit a certification of his action to the Secretary of the Treasury.

"(b)(1) The Secretary shall, prior to January 1, of each calendar year, certify to the Secretary of the Treasury the Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for such calendar year, together with such additional data as may be needed by the Secretary of the Treasury in connection with the administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The table of values referred to in paragraph (1) shall be developed, for each calendar year, by the Secretary and shall, except for such adjustments as the Secretary shall deem to be necessary, be the same as the Table of Values of Catastrophic Health Insurance Coverage which is prepared and recommended to the Secretary for such year by the Actuarial Committee established pursuant to section 2124.

"(3) Such table of values developed by the Secretary shall be made available to all carriers who offer catastrophic health insurance plans approved under section 2122 and to all other interested persons.

"ACTUARIAL COMMITTEE

"SEC. 2124. (a)(1) There is hereby established an Actuarial Committee which shall consist of five individuals, who are not otherwise in the employ of the United States, appointed by the Secretary.

"(2)(A) Members of the Committee shall be persons who are qualified to perform the functions and duties of the Committee. No individual shall be a member of the Committee unless he (i) is enrolled, or meets the conditions for enrollment (other than those relating to pension experience), as an actuary in the Joint Board for the Enrollment of Actuaries established by section 3041 of the Employee Retirement Income Security Act of 1974, and (ii) has significant actuarial experience in the field of health insurance.

"(B) At no time shall more than two members of the Committee be in the employ of a carrier (as defined in section 2122(c)(1)(B)) which does health insurance business.

"(3) Members of the Committee shall serve for terms of 4 years, except that of those first appointed, one shall be appointed for a term of 1 year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, and two shall be appointed for terms of 4 years. A member may be reappointed, but no member may serve for more than 2 successive terms. A member appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. A majority of the members of the Committee shall constitute a quorum thereof and action taken by the Committee shall be by majority vote of those present and voting. The Secretary shall, from time to time, designate a member of the Committee to serve as Chairman thereof.

"(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as may be required to enable the Committee to carry out its duties and functions.

"(b)(1) Members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Committee.

"(2) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(c) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Actuarial Committee established pursuant to this section.

"(d)(1) It shall be the duty and function of the Committee to prepare and recommend to the Secretary, not later than October 1 of each year, a Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for the calendar year commencing on the following January 1.

"(2) Such table of values shall establish, for each State, the actuarial value of one year's catastrophic health insurance coverage for one individual, as estimated for the calendar year for which such table of values is to be in effect, and shall be designed (with the use of a table of adjustment factors) to enable employers, carriers, and others involved with plans approved under section 2122 to determine the actuarial value of the catastrophic health insurance coverage provided under any such plan.

"(3) The value of catastrophic health insurance coverage shall be established by the Committee according to the best data and information available to it on the basis of the expected costs or charges for health care services, the expected utilization of health care services by all persons having such coverage, the expected administration and claim payment expenses (including an allowance for risk) applicable to plans providing such coverage, and such other information as the Committee determines to be relevant. In establishing such value of coverage in any State, the Committee shall employ appropriate adjustment factors, which shall be applied uniformly within the State, to reflect significant cost differences related to geographic variations and the age and dependency characteristics of individuals covered under plans providing such coverage.

"(4) The term 'catastrophic health insurance', as used in this section, means health insurance provided under plans approved under section 2122 which provides that minimum coverage necessary to meet the requirement imposed in section 2122(a)(1)(B).

"(e)(1) The Committee shall have the further duty (A) of reviewing (by random claim or data sample or otherwise) the marketing and rating practices of plans approved under section 2122 with a view to determining whether such practices unduly or inappropriately restrict, for particular groups, the availability of coverage under plans approved under such section, and (B) upon request of the Secretary of the Treasury, to assist him in establishing procedures designed to assure the proper administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The Committee shall report to the Secretary its findings resulting from its review functions, together with such recommendations as it may have based on such findings."

(b) Section 201(g) of the Social Security Act is amended by—

(1) inserting after "title XVIII" the first time it appears the following: "and the Federal Catastrophic Health Insurance Trust Fund established by title XXI"; and

(2) inserting after "title XVIII" each time it appears therein after the first time the following: "and title XXI".

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 102. (a)(1) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of social security tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year which begins after December 31, 1980, on the self-employment income of every individual a tax which is equal to 1 percent of the amount of the self-employment income of such individual for such taxable year."

(2) Such Code is further amended by (A) redesignating section 1403 thereof (relating to miscellaneous provisions) as section 1404, and (B) by adding after section 1402 thereof the following new section:

"SEC. 1403. CREDIT AGAINST CATASTROPHIC HEALTH INSURANCE TAX

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE UNDER APPROVED PLANS FOR THE SELF-EMPLOYED.—If, during any part of the taxable year the taxpayer has secured for himself (or for himself and members of his family) catastrophic health insurance coverage under a plan which is approved by the Secretary of Health, Education, and Welfare under section 2122 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 1401(c) for such taxable year an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.".

(3) The table of sections for chapter 2 of subtitle A of such Code is amended by striking out the last item and inserting in lieu thereof the following.:

"Sec. 1403. Credit against catastrophic health insurance tax.

"Sec. 1404. Miscellaneous provisions."

(b)(1) Section 3111 of such Code (relating to rate of social security tax on employ-

ers) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—

"(1) In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 1 percent of the wages (as defined in section 3121(a)) paid after December 31, 1980, by him with respect to employment (as defined in paragraph (2)).

"(2) The term 'employment', as used in paragraph (1), shall have the same meaning as when that term is used for purposes of subsections (a) and (b), except that the provisions of section 3121(b) shall be applied without regard to the exclusions specified in paragraphs (5), (6), (8), and (9) thereof.".

(2) Such Code is further amended by adding after section 3113 thereof the following new section:

"SEC. 3114. CREDIT AGAINST CATASTROPHIC HEALTH INSURANCE TAX

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE FOR EMPLOYEES UNDER APPROVED EMPLOYER PLANS.—If, during any period the taxpayer has secured for any or all of his employees (and for family members of such employees) catastrophic health insurance coverage under an employer plan approved by the Secretary of Health, Education, and Welfare under section 2122 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 3111(c) for such period an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed to a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.

"(c) PAYMENTS BY STATES.—For purposes of this section, any State which has a State law approved by the Secretary of the Treasury under section 2108 of thes Social Security Act shall be deemed to be a taxpayer to which the tax imposed by section 3111(c) applies, and any payments which such State is obligated to make to the Treasury pursuant to such State law shall be deemed to be an obligation to pay such tax.".

(3) The table of sections for subchapter B of chapter 21 of subtitle C of such Code is amended by adding immediately after the last item the following:

"Sec. 3114. Credit against catastrophic health insurance tax.".

(c)(1)(A) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"SEC. 42. CATASTROPHIC HEALTH INSURANCE TAX.

"There shall be allowed to the taxpayer, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 50 percent of the aggregate of the amounts of the tax, imposed by sections 1401(c) and 3111(c), paid by the taxpayer during the taxable year. For purposes of this section, any credit allowed the taxpayer for the taxable year under section 1403 shall be regarded as an amount of the tax, imposed by section 1401(c), paid by the taxpayer for the taxable year; and any credit allowed the taxpayer for the taxable year under section 3114 shall be regarded as an amount of the tax, imposed by section 3111(c), paid by the taxpayer for the taxable year. Any amounts allowed as a credit under this section shall not be allowed as a deduction under section 164. A State which, for the taxable year, has made contributions pursuant to a State law approved under section 2108 of the Social Security Act shall be regarded as a taxpayer for purposes of this section.".

(B) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Catastrophic health insurance tax.
"Sec. 43. Overpayment of tax.".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such sections; and

(B) striking out "oil," and inserting in lieu thereof "oil) or section 42 (relating to catastrophic health insurance tax),".

(3) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", and 42 (relating to catastrophic health insurance tax),"; and

(B) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

TITLE II—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION PROGRAM

SEC. 201. The Social Security Act is amended by adding after title XIV thereof the following new title:

"TITLE XV—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION

"PURPOSE

"SEC. 1501. It is the purpose of this title to encourage and facilitate the availability to the public of private basic health insurance coverage at a reasonable premium charge by—

"(a) establishing a procedure whereby health insurance policies offered by private insurers may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, conditions of payment, opportunity for enrollment, and reasonableness of premium charges,

"(b) facilitating arrangements whereby basic health insurance policies meeting such standards can be offered through pools of private insurers, and

"(c) encouraging States, through their laws and regulations pertaining to the health insurance industry, to facilitate the offering, within the State, of such basic health insurance coverage by carriers doing health insurance business within the State.

"CERTIFICATION OF BASIC PRIVATE HEALTH INSURANCE POLICIES

"SEC. 1502. (a) Any insurer which desires to have a health insurance policy certified for use in one or more States specified by the insurer may (in accordance with regulations of the Secretary) provide to the Secretary, for his examination and certification, any health insurance policy.

"(b)(1) If the Secretary, after examining any such policy and evaluating any data submitted in connection with such policy, determines that such policy meets the standards prescribed in section 1504, he shall certify such policy for use in each State which has in effect a basic health insurance facilitation program (as defined in section 1510).

"(2)(A) The certification by the Secretary of any such policy shall be conditioned upon such policy's continuing to meet the standards prescribed in section 1504; and no policy shall be deemed to have been certified by the Secretary under this title for any period for which it fails to meet such standards.

"(B) The Secretary shall establish procedures whereby any insurer having secured the Secretary's certification of any policy offered by such insurer shall from time to time provide to the Secretary (i) relevant data with respect to such policy in order for the Secretary to determine whether such policy continues to meet the standards prescribed in section 1504, and (ii) such data and information as the Secretary may require in order to assure proper coordination of the administration of titles XIX and XXI.

"(c) Notwithstanding the preceding provisions of this section, the Secretary shall not certify any health insurance policy of any insurer for use in any State unless such insurer furnishes assurances satisfactory to the Secretary that such insurer (whether as a member of a health reinsurance or other residual market arrangement or otherwise) will make generally available, in each geographic area of the State in which the insurer does health insurance business, to all individuals and family members the following two health insurance policies: (i) a policy which meets the standards of section 1504, and (ii) a policy which, if it were issued in combination with a plan meeting the minimum coverage necessary to meet the requirement imposed by section 2122(a)(1)(B), would, in the aggregate, meet the standards of section 1504.

"UTILIZATION OF STATE AGENCIES FOR CERTIFICATION OF POLICIES

"SEC. 1503. If any State has in effect a basic health insurance facilitation program (as defined in section 1510), the Secretary shall, if such State is willing to do so, enter into an agreement with such State whereby the agency responsible for the regulation of the health insurance industry within such State will, on behalf of the Secretary, make such determinations regarding whether basic health insurance policies meet the requirements for certification under this title, as may be specified by the Secretary. Such agreement shall provide that the agency will be reimbursed for its reasonable expenses incurred in carrying out activities specified in the agreement.

"STANDARDS WITH RESPECT TO BASIC HEALTH INSURANCE POLICIES

"SEC. 1504. (a) The Secretary shall not certify under this title any insurance policy offered (or to be offered) by an insurer unless he finds that—

"(1) such policy provides—

"(A) impatient hospital coverage (without any deductible in excess of $100 or copayment by the insured person) for at least 60 days during any policy year,

"(B) medical coverage which shall include home, office, hospital, and other institutional care provided by physicians,

"(C) with respect to medical coverage, that—

"(i) subject to clauses (ii) and (iii), payment in full shall be made with respect to not less than the first $2,000 of reasonable expenses incurred by any insured person for any policy year for services with respect to which coverage applies,

"(ii) the copayment required of any insured person with respect to such reasonable expenses shall not exceed 20 per centum thereof, and

"(iii) in the case of any deductible applicable to the payment of such reasonable expenses for any benefit year or benefit period of not less than 12-months duration, such deductible shall not exceed $50 for any insured person, and that, for purposes of computing such deductible for any calendar, policy, or other fixed benefit year or period, the insured person shall be given credit for any deductible applied toward such expenses for the last 3 months of the preceding policy year,

"(D) in case such policy is a group policy, there will be no exclusion from coverage or limitation on payment on account of any

medical condition (including any preexisting condition) or any waiting period prior to the beginning of coverage with respect to any such condition,

"(E) in case such policy is an individual policy (including a policy for an individual and members of his family), there will be no exclusion from coverage on account of any medical condition (including any preexisting condition) other than pregnancy, and there will be no waiting period prior to the beginning of coverage with respect to any preexisting condition which is greater than 90 days after the date the policy is issued,

"(F) in case such policy covers an individual and members of his family, coverage will be provided for all dependent unmarried children in the family under age 22, and coverage will be automatically extended, at birth to any newborn and upon adoption to any newly adopted, child of such individual or his spouse,

"(G) in case such policy is a group policy which covers all or a certain category of employees of any employer, that—

"(i) coverage will not be terminated with respect to any employee (and members of such employee's family, if such policy covers such members) because of the termination of such employee's employment prior to the expiration of 31 days after the date of such termination,

"(ii) the insurer offering such policy will afford to any employee covered by such policy whose employment has been terminated a reasonable opportunity to secure, from such insurer a basic private health insurance policy which has been approved under this title,

"(iii) there will be a periodic open enrollment period of at least 31 days (which shall occur not less than once during each policy year) in which all eligible employees, who are not covered by such policy because of failure to elect coverage at the time of initial employment or during previous open enrollment periods, can secure coverage thereunder,

"(2) the premium charge for such policy is such that there is not an unreasonable ratio of expenses to premiums (as determined under subsection (d)); and

"(3) there is established an appropriate (but different) premium rate for such policy when it is offered to cover (A) a single individual, (B) a married couple, or (C) a family.

"(b) The Secretary, in determining whether any comprehensive prepaid group practice plan is eligible for certification under this section, shall, in lieu of the standards imposed by subsection (a), develop and apply criteria which assure that such plan meets requirements which are, on an actuarial and benefit basis, at least equivalent to such standards.

"(c) Notwithstanding the provisions of subsections (a) and (b), the Secretary shall not withhold approval under this title of any health insurance policy solely because such policy excludes—

"(1) charges for services or supplies in connection with an occupational disease or injury,

"(2) items or services for which the insured individual furnished such items or services has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for,

"(3) any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to such item or service, under a workmen's compensation law or plan of the United States or a State,

"(4) charges for services or supplies with respect to which benefits are provided under title XVIII or title XXI,

"(5) items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury, pregnancy, or to improve the functioning of a malformed body member,

"(6) charges for care, treatment, services, or supplies, provided to any individual, to the extent that the payment of benefits with respect thereto is prohibited by any applicable law of the jurisdiction in which such individual is residing at the time he receives such care, treatment, services, or supplies,

"(7) charges for care, treatment, or supplies provided to any individual, to the extent that they are not reasonably priced (except that, for purposes of this paragraph, the charge for any item or service shall be deemed to be reasonable, if such charge is not in excess of the allowable charge therefor under title XVIII or XXI),

"(8) charges in connection with routine physical checkups,

"(9) expenses incurred for items or services, where such expenses are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member,

"(10) charges made by a hospital for the professional services of any resident physican or intern to the extent that such charges are in excess of the actual cost incurred by the hospital in providing such services,

"(11) charges for the professional services of a psychiatrist to the extent that such charges exceed $400 in a policy year, or

"(12) amounts which represent deductible and coinsurance provisions and which generally result in aggregate benefit coverage which is at least equal to the actuarial equivalent of the benefit coverage resulting from the application of the deductible and coinsurance provisions in section 1504(a)(1).

"(d)(1) With respect to policies submitted to the Secretary for his certification under this title, the Secretary shall establish (after considering the size of the groups to be covered by any such policy and the nature of the insurer) appropriate reasonable ratios of expenses to premiums imposed for coverage thereunder. In the case of individual policies such ratios shall be the same as those established by the Secretary for group policies covering the smallest groups. After making an initial determination with respect to any such policy, the Secretary shall periodically thereafter review and make a redetermination of such ratios based on actual expenses thereunder and the actual premium charges made for the period with respect to which the review is made, in order to determine whether such policy continues to meet the requirements for certification.

"(2) In determining the appropriate reasonable ratio of expenses to premiums imposed with respect to any particular health insurance policy offered by an insurer, the Secretary shall, in his determinations of such ratio, give consideration to the average ratio, with respect to group policies generally underwritten by insurers (classified on the basis of nonprofit or profitmaking) with respect to policies excluding those which are not certified under this title.

"APPROVED CARRIER

"SEC. 1505. For purposes of sections 1923(b), 1816, and 1842, an 'approved carrier' is an insurer which the Secretary has found (1) to offer one or more health insurance policies approved under section 1502 to the general public in each geographic or normal service area in which such insurer offers health insurance policies (including any which are not approved under this title) and (2) to employ effective procedures and practices designed to assure, through means consistent with efficient practices within the insurance industry, appropriate controls of utilization of health care services and the costs and charges imposed therefor with respect to which it will financially participate.

"ANTITRUST EXEMPTION

"SEC. 1506. (a) It shall not be unlawful under any antitrust law for any insurer to enter into any contract, combination, or other arrangement with any other insurer or group of insurers for the sole purpose of establishing or participating in an insurance pool, reinsurance, or other residual market, arrangement whereby there will be offered to the public health insurance policies approved under section 1502, if such contract, combination, or other arrangement is approved by the Secretary, as being consistent with the purposes of this title, before any party to the contract, combination, or other arrangement has carried out any activity, or refrained from carrying out any activity, under its terms (other than such activity as may be necessary to negotiate the contract, combination, or other arrangement and to apply for approval of the same under this section). The Secretary shall not approve any contract, combination, or other arrangement under which the parties thereto agree to act in a manner which constitutes a violation of any such law for which no exemption is provided under the preceding sentence or for purposes other than the purposes for which the exemption contained in this subsection shall exempt from any antitrust law any predatory pricing or practice, or any other conduct in the otherwise exempt activities of two or more such insurers under a contract, combination, or other arrangement approved under this section which would be unlawful under any such law is engaged in by only one such insurer.

"(b) For purposes of this section, the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any other arrangement in restraint of trade.

"ESTABLISHMENT OF EMBLEM TO INDICATE CERTIFICATION

"SEC. 1506. (a) The Secretary shall cause to be designed an appropriate emblem which may be used as an indication that certification of an insurance policy under this title has been made by the Secretary; and any insurer which has secured certification of an insurance policy by the Secretary under this title may have printed thereon such emblem, and may, in advertising such policy to potential subscribers, state that such policy has received such a certification.

"REPORT TO CONGRESS

"SEC. 1508. The Secretary shall, at the earliest practicable date (but not later than 60 days) after the expiration of the three-year period which commences on the date of enactment of this section, submit to the Congress a report indicating (1) the extent to which basic private health insurance policies certified by the Secretary under this title are actually and generally available to the residents of each State and (2) the extent to which residents in each State are covered by such policies.

"DUTY OF SECRETARY TO MAKE AVAILABLE INDIVIDUAL AND FAMILY HEALTH INSURANCE POLICIES ON A COST BASIS

"SEC. 1509. (a) The Secretary shall offer a standard health insurance policy, which meets the applicable criteria prescribed under this title with respect to approved basic health insurance policies, to individuals, married couples, and families living in any State (1) which does not have in effect a basic health insurance facilitation program (as found by the Secretary under section 1510, and (2) in which there is not actually and generally available one or more approved basic health insurance policies approved under this title.

"(b) The premiums imposed under any such policy shall be in an amount designed to cover the costs inclusive of administrative costs and appropriate reserves which will be incurred in furnishing the benefits provided in the policy.

"(c) No such policy shall be offered in any area prior to the expiration of the 3-year period which commences on the date of enactment of this title.

"(d) Premiums collected by the Secretary for insurance policies offered by him under this section shall be deposited in an Insurance Revolving Fund, and moneys in such fund shall be available, without fiscal year limitation, for the payment of claims under such policies.

"(e) For the purpose of providing a contingency reserve for the insurance program established by this section, there is authorized to be appropriated such sums as may be necessary; and any sums appropriate for such purpose shall remain available for the purpose of making repayable advances (without interest) to the Insurance Revolving Fund authorized to be established under subsection (d).

"(f) The Secretary, in making payment for services covered under any insurance policy issued pursuant to this section, shall utilize the payments methodology and administrative mechanism employed by him for making payment for services covered under the insurance programs established by title XVIII.

"BASIC HEALTH INSURANCE FACILITATION PROGRAM

"SEC. 1510. (a) For purposes of this title, a State shall be regarded as having in effect a basic health insurance facilitation program only if the Secretary, after examining the pertinent laws and regulations of such State governing the doing of health insurance business within the State by carriers, determines that such laws and regulations—

"(1) require the establishment of one or more health reinsurance or other residual market arrangement to be utilized by such carriers in connection with the offering within the State of basic health insurance policies which meet the standards for certification by the Secretary established by this title,

"(2) require all such carriers to be members of a health reinsurance or other residual market arrangement and provide that losses, under any such arrangement, will be shared by all members thereof on a pro rata basis in proportion to their respective shares of the total health insurance premium earned in the State during the calendar year,

"(3) provide that premiums charged for policies issued to individuals or family members under any such health reinsurance or other residual market arrangement shall not be less than 125 per centum nor more than 150 per centum of the average group rate for the same coverage under a group policy covering ten lives, and

"(4) otherwise encourage and facilitate the offering of such policies within the State by all carriers doing health insurance business therein on a basis which is fair and equitable to each such carrier.

"(b) The Secretary is authorized, upon the request of any State, to provide appropriate technical assistance to aid the State in developing a program which meets the conditions prescribed in subsection (a).".

TITLE III—OTHER AMENDMENTS

IMMUNIZATIONS

SEC. 301. (a) Section 1861(s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) such immunizations as the Secretary determines are appropriate, but only if provided on a scheduled allowance basis (as determined under regulations of the Secretary).", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a)(7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(s)(10),".

(d) The amendments made by this section shall apply only with respect to services furnished on or after the first day of the month following the month in which this section is enacted

MENTAL HEALTH SERVICES

SEC. 302. (a) Section 1833(c) of the Social Security Act is amended—

(1) by striking out "$312.50" and inserting in lieu thereof "$500", and

(2) by striking out "62½ per centum" and inserting in lieu thereof "80 per centum".

(b) Section 1812 of such Act is amended—

(1) by striking out subsection (c) thereof,

(2) in subsection (b) thereof, by striking out "(subject to subsection (c))", and

(3) in subsection (e) thereof, by striking out "subsections (b), (c), and (d)" and inserting in lieu thereof "subsections (b) and (d)".

(c) The amendments made by subsection (a) shall be effective only with respect to services furnished after December 31, 1980. The amendments made by subsection (b) shall be effective only with respect to services furnished after December 31, 1981.

AMOUNT OF PREMIUMS FOR HOSPITAL INSURANCE COVERAGE

SEC. 303. (a)(1) The second sentence of section 1818 (d)(2) of the Social Security Act is amended by striking out "Such amount shall be equal to $33, multiplied by" and inserting in lieu thereof "Such amount shall be equal to 50 per centum of the product of $33 multiplied by".

(2) The amendment made by paragraph (1) shall be applicable in the case of premiums imposed on and after July 1, 1979.

(b) In addition to other moneys appropriated to the Federal Hospital Insurance Trust Fund, there shall be appropriated from time to time, with respect to periods commencing after June 30, 1979, amounts equal to 100 per centum of the amounts deposited in such Fund pursuant to section 1818(f) of the Social Security Act from premiums payable for such period.

PAYMENT FOR EXTENDED CARE SERVICES

SEC. 304. Section 1861(v)(E) of the Social Security Act is amended to read as follows:

"(E)(i) In the case of services furnished by a skilled nursing facility with respect to which payment for services furnished under title XIX is made on a cost-related basis pursuant to the provisions of section 1920 (d)(2), such regulations may provide for the use of rates which are the same as the rates obtaining for such services under title XIX (except that such rates may be increased by the Secretary on a class or size of institution, or on a geographical basis by a percentage factor not in excess of 10 per centum to take into account determinable items or services or other requirements under this title not otherwise included in the computation of such rates under title XIX): *Provided*, That no such regulations shall become effective prior to the 60th day following the date on which the Secretary submits to the Congress a copy thereof together with a full and complete description of the methodology which would be employed in the determination of rates pursuant thereto, and an evaluation by the Secretary and by the Comptroller General of such methodology in terms of the extent to which the employment thereof will promote the efficient and economical administration of this title and equitable treatment to and between skilled nursing facilities furnishing services for which payment may be made hereunder.".

EXTENSION OF COVERAGE UNDER RENAL DISEASE PROGRAM

SEC. 305. Section 226(e) of the Social Security Act is amended by adding at the end thereof the following: "For purposes of the preceding sentence, any individual, who on or after the date of enactment of this sentence fails to meet the condition imposed by clause (2) of such sentence, shall be deemed to meet such condition. There are authorized to be appropriated, from time to time, to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund such sums as may be necessary (as based on estimates of the Secretary) to place each such Fund in the same financial condition that it would have occupied had the preceding sentence not been enacted.".

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

SEC. 306. Title XI of the Social Security Act is amended by inserting after section 1133 (as added by section 29 of ——) the following new section:

"ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"SEC. 1134. (a) It is the policy of the Congress that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system and access to health care services.

"(b)(1) For purposes of determining, under title XVIII or XIX, the reasonable costs of any service furnished by a provider of health services—

"(A) except as provided in paragraph (2), unrestricted grants, gifts, and endowments and income therefrom, shall not be deducted from the operating costs of such provider, and

"(B) grants, gifts, and endowment income designated by a donor for paying specific operating costs of such provider shall be deducted from the particular operating costs or group of costs involved.

"(2) Income from endowments and investments may be used to reduce interest expense, if such income is from an unrestricted gift or grant and is commingled with other funds, except that in no event shall any such interest expense be reduced below zero by any such income.".

FACT SHEET—CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM LEGISLATION OF 1979

TITLE I—CATASTROPHIC HEALTH INSURANCE

Part A—Public plan

Eligibility

All legal residents in the United States not covered by the private plan described in Part B below. Therefore, the public plan would pick up those who do not choose private insurance coverage, the unemployed, welfare recipients, and the aged.

Benefits

Federally-administered trust fund pays for medical bills after a family has incurred $2,000 of medical bills a year. Hospital costs would be paid for after a person has incurred 60 days of hospital costs. The $2,000 deductible and the 60-day deductible are entirely separate. If a person were to meet the hospital deductible alone he would be eligible only for the hospital benefits. Similarly, if a family were to meet only the $2,000 deductible, it would be eligible only for medical benefits.

Administration

Program would be administered by the Health Care Financing Administration parallel to the administration of Medicare.

Financing

Employers would be liable for a tax of one percent on payroll. However, a tax credit equal to 50 percent of this amount paid would be allowed.

Part B—Private insurance option

Eligibility

An employer could elect to have all of his employees and their dependents covered under a qualified private catastrophic insurance plan as an alternative to coverage under the public plan.

Benefits

Private catastrophic plan would have benefits identical to those in the public plan. Benefits beyond those required could be sold by private insurers.

Administration

Private catastrophic plan would be administered by a qualified private insurance company of the employer's choice.

Financing

Employer's premium for private catastrophic would be deduced from his one percent payroll tax liability. In addition, the employer would be eligible for the tax credit of 50 percent of his one percent payroll tax liability.

Effective date

January 1, 1981.

TITLE II—MEDICAL ASSISTANCE PLAN

Replaces Medicaid with a uniform national program of medical benefits for low-income persons administered by the Health Care Financing Administration.

Eligibility—Million people

All persons now receiving Medicaid benefits.

All individuals and families having an annual income at or below the following levels:

$3,000 for an individual;

$4,200 for a two-person family;

$4,800 for a three-person family;

$5,400 for a four-person family;

And $400 additional for each additional family member.

Families with incomes above these levels would become eligible if they spend enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with $6,000 would become eligible if it spent $600 for medical care.

Benefits

Provides hospital care for up to 60 days and all skilled nursing facility care, intermediate facility care and home health services.

Also covers physicians services, X-ray, laboratory, prenatal and well-baby care, family planning counseling services and supplies, periodic screening, diagnosis and treatment for children under 18, inpatient mental health care that consists of active care and treatment in a medically accredited institution and outpatient care in a qualified community health center. Outpatient psychiatric services would be limited to five visits related to "crisis" intervention, and additional visits could be authorized upon finding that in their absence the patient would require institutionalization or be severely dysfunctional.

The plan would also pay the $8.70 monthly (effective July 1, 1979) Part B Medicare premium for persons eligible for this Title.

Copayments and Deductibles

Copayment is $3 for each of first 10 visits to doctor per family (but no copayments for visits for well-baby care and family planning services).

Payments to Health Care Providers and Administration

Same as Medicare (reasonable costs for institutions, reasonable charges for physicians).

Payments made under the program would have to be accepted as payment in full, and there could be no additional charges to patient.

Benefits reduced to patients by $250 if they have failed to enroll in an employer-employee plan in which employer pays 75 percent or more of the premium cost.

Financing

States would have to pay no more than they did for Medicaid in the year prior to this Title's effective date plus one-half of what they paid for medical services for those not covered by Medicaid. Thus States would be held harmless against costs or caseloads.

Effective Date

October 1, 1981.

TITLE III

Establishes a voluntary certification program for private basic health insurance to encourage the availability of adequate private health insurance.

Insurer could submit policy to HEW Secretary for certification. Certification is based on adequacy of coverage, conditions of eligibility, actual availability. Certified policies would be advertised as such.

Criteria for Certification of Policies

Must provide 60 days of hospital care and coverage of medical bills up to $2,000. (This meshes with catastrophic plan.)

Limits on deductibles and copayments.

Ban on exclusions, waivers of liability and waiting periods in group policies, and with respect to individual policies, a limit on medical exclusion to pre-existing pregnancy and waiting periods for other pre-existing conditions to not more than 90 days.

At least one annual open enrollment period.

Reasonable ratios of benefit payments to premiums defined in terms of average ratios for group policies generally written by insurers.

Incentives to Provide Certified Policies

For three years from effective date of act, Secretary of HEW studies progress of insurers in making certified policies actually and generally available to the population.

After that time no insurer could serve as a Medicare carrier or intermediary unless it offered one or more certified policies to the general public in each geographic or service area in which it did business.

Additionally, at that time, Secretary of HEW would be authorized to make basic coverage available at cost through Social Security in any area of the country where certified basic health insurance was not available.

Insurance Pooling

Contains an anti-trust exemption under which insurers could enter into contracts or arrangements for the sole purpose of establishing insurance "pool" arrangements in order to offer to the general public certified health insurance policies. Such pools allow proportionate sharing of risks and rewards.

SUMMARY OF THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1979

Description

A. *General Approach.*—The bill would provide catastrophic health insurance protection, effective January 1, 1981, for all legal U.S. residents through one of the following plans: (1) a Federally-administered public plan for the unemployed, welfare recipients, the aged, and persons who do not opt for private insurance coverage, and (2) a private catastrophic insurance plan allowed as an option for employers and the self-employed, who would be required under the terms of the bill to provide and pay the full cost of such catastrophic protection for their employees. Benefits would be similar to those currently covered under Medicare, but would be subject to payment by the beneficiary of the first 60 days of hospital care and the first $2,000 in medical expenses. The program would be financed through a one percent tax on the payroll of employers, with 50 percent of the amount paid as payroll tax allowed as a tax credit. Employers opting for a private plan would have the amount of their premiums deducted from their one percent payroll tax liability. They would also be eligible for a 50 percent tax credit on both the total amount of premiums paid for catastrophic coverage and any remaining Federal payroll tax liability after the premiums have been deducted.

In addition, effective October 1, 1981, the bill would replace Medicaid with a uniform, national program of medical benefits for low-income persons, administered by the Department of H.E.W. The bill further provides for a voluntary Federal certification program for basic private health insurance to encourage private insurers to make such basic coverage (supplemental to the catastrophic program) available in all areas of the country. If private insurers failed to make certified basic private health insurance available in any State, the Secretary of H.E.W. would be empowered, three years after the enactment of the program, to offer a standard health insurance policy to individuals and families living in that State.

B. *People Covered.*—Under the Catastrophic Health Insurance Plan, every individual who is a resident citizen or a lawfully-admitted resident alien would be entitled to catastrophic health insurance benefits under either the public plan or the private plan for employers and the self-employed. All employers, including Federal, State and local governments would be required to provide for all their full-time employees (who work more than 25 hours per week) and their employees' spouses and dependent family members, the health insurance protection as specified in the bill. At their option, employers could also include part-time and temporary employees. An employer would be obligated to continue coverage for 90 days after an employee left his employment unless the employee obtained coverage under another employer plan. Federal, State and local governments would be considered employers for purposes of the catastrophic program.

The unemployed, welfare recipients, the aged, and all others not covered under an employer or self-employed private catastrophic plan would be covered under the public plan.

The Medical Assistance Plan for low-income persons would be available to all persons eligible for Medicaid benefits and to all individuals and families having an annual income at or below the following levels:

$3,000—for an individual;

$4,200—for a two-person family;

$4,800—for a three-person family;

$5,400—for a four-person family; and

$400—additional for each additional family member.

Families with incomes above these levels would become eligible if they spent enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with an income of $6,000 would become eligible if it spent $600 for medical care.

C. *Scope of Benefits.*—The Catastrophic Plan would cover the same kinds of services as currently provided under Parts A and B of Medicare, except that there would be no upper limitation on hospital days or home health visits. Present Medicare coverage under Part A includes 90 days of hospital care, plus an additional lifetime reserve of 60 hospital days; 100 days of post-hospital extended care; and 100 home health visits during the year following discharge from a hospital or skilled nursing facility. Part B coverage includes physicians' services, 100 home health visits annually, laboratory and X-ray services, outpatient physical therapy services, and other medical and health services such as medical supplies, appliances and equipment, and ambulance services.

Benefits excluded from Medicare would also be excluded under this program. Medicare's limitation on skilled nursing care would also be retained. The Catastrophic Plan would apply different limits on inpatient and outpatient mental health services than those currently applicable under Medicare (i.e., presently a 190-day lifetime maximum in psychiatric hospitals, $250 maximum payable for outpatient mental health care). The Catastrophic Plan would cover (1) unlimited inpatient mental health services, consisting of a course of active care and treatment provided in an accredited medical institution; (2) unlimited mental health care services provided on a partial hospitalization basis by an accredited medical institution or qualified community mental health center; (3) unlimited outpatient services provided by a qualified community mental health center; and (4) visits to a privately practicing psychiatrist during any 12-month period, unless additional visits have been approved in advance by an appropriate professional review mechanism on the grounds that the patient would require institutional care in the absence of such additional outpatient visits.

Unlike Medicare which provides basic insurance coverage, the Catastrophic Health Insurance Plan would provide institutional benefits only after an individual had first been hospitalized for a total of 60 days in one year (this feature of the program is called the "hospital deductible"), and medical benefits only after an individual or a family had incurred medical expenses of $2,000 for physicians' services, home health visits, physical therapy services, laboratory and X-ray, and other covered medical and health services (this "medical deductible" would be dynamic in character, adjusted annually to reflect changes in the Consumer Price Index and other economic factors). The Plan would have a deductible carryover feature under which days spent in a hospital in the last three months of one calendar year could be counted toward satisfaction of the hospital deductible in the following calendar year; similarly, covered medical expenses incurred in the last three months of one calendar year could be counted toward meeting the $2,000 medical deductible for the next year. Once the hospital and medical deductibles had been met, the individual would not be charged for services covered under the program. However, following the first period of any 90 consecutive days during which the individual incurred less than $500 in medical expenses, catastrophic benefits would temporarily terminate until such time as the individual once again satisfied the medical deductible by incurring $2,000 in additional medical expenses. Similarly, following the first consecutive 90-day period during which an individual was neither an inpatient in a hospital nor an inpatient in a skill nursing facility, the individual would once again be liable for the 60-day hospital deductible applicable to catastrophic benefits.

The Medical Assistance Plan for the low-income would cover the following benefits, generally without any limit on the amount of services or any cost-sharing required, except as indicated:

Inpatient hospital services—60 days in benefit period.

All medically-necessary skilled nursing facility care, intermediate facility care, and home health services.

Physicians' services—$3 copayment for each of first ten outpatient visits per family, except no charge for visits for well-baby care, family planning, and periodic exams for children under age 18.

Laboratory and X-ray services.

Prenatal and well-baby care.

Family planning, counseling, and supplies.

Periodic screening, diagnosis and treatment for children under age 18.

Outpatient physical therapy.

Immunizations and pap smears.

Medical supplies and appliances.

Ambulance services.

Mental health care services as follows: (1) on an inpatient basis—if provided in an accredited institution, services are included in the hospital inpatient benefit if the service constitutes active care and treatment; (2) on a partial hospitalization basis—if provided by an accredited institution or qualified community mental health center; (3) on an outpatient basis—without limit if provided by a community mental health center, limited to five visits if provided otherwise (e.g., by a phychiatrist) with additional visits subject to approval by a professional review organization. Benefit includes approved drugs when necessary to avoid hospitalization.

The Medical Assistance Plan would also pay the Medicare Part B premium for eligible individuals and would reimburse an individual for one-half of the amount of the actuarial value of catastrophic health insurance coverage paid by such individual under a self-employed plan or deducted as taxes from his self-employment income.

A special copayment requirement would apply to individuals who are not a member of a family after the 60th continuous day spent in a long-term care facility. The amount of this copayment would be equal to the amount of the patient's monthly income, less $50. (A similar requirement would apply in a situation where all members of a family have a stay exceeding 60 days.)

D. *Administration.*—The public Catastrophic Insurance Plan would be administered by the Health Care Financing Administration in a manner parallel to the administration of Medicare. The private Catastrophic Plan would be administered by a qualified private insurance carrier of the employers' choice. The Secretary of H.E.W. would be responsible for approving the employer plans and the self-employed plans administered through private carriers. To be approved as a carrier for private catastrophic insurance, an insurance carrier would have to comply with various Federal requirements, including a requirement that the carrier establish claims determination procedures which comply with section 503 of the Employee Retirement Income Security Act of 1974 and are consistent with those procedures employed by the carrier in its non-catastrophic health insurance business. To assist carriers in meeting this requirement, the Secretary would allow carriers reasonable access to claims data developed under Medicare's hospital insurance program. Carriers would also be exempted from certain antitrust laws as they might otherwise pertain to a group of carriers entering into a pool, reinsurance, or other residual market arrangement.

The Medical Assistance Plan for the low-income would be administered by the Secretary of H.E.W. Individuals eligible for benefits under the program would be issued a health benefits card indicating that their application for benefits had been filed and approved for a given benefit period. The Secretary would utilize private carriers as fiscal intermediaries responsible for administration of claims and payments to providers of services. The bill also provides that the Secretary could require the consolidation of the activities of these carriers in areas with small populations if necessary to improve quality and efficiency. Three years after the enactment of the program, no private carrier or other organization could be utilized under the Medical Assistance Plan or Medicare unless it was approved and certified under the Voluntary Certification Program established under the bill.

E. *Financing.*—The Catastrophic Health Insurance Plan would be financed through a one percent tax on the payroll of employers and the income of the self-employed now subject to the Social Security tax. No employee contribution would be allowed. Amounts collected as taxes would be deposited in a Federal Catastrophic Health Insurance Trust Fund. An employer or self-employed individual who opted for a private, rather than public, catastrophic health insurance plan would have the amount of the premium for private coverage deducted from his one percent payroll tax liability; he would, however, remain liable for payment to the Federal Government of any difference between the amount paid as premiums for a private plan and the one percent Federal tax liability. Publicly-insured employers and self-employed individuals would be eligible for a catastrophic health insurance tax credit equal to 50 percent of the amount paid as payroll tax liability. Similarly, private-insured employers and self-employed persons would also be eligible for a 50 percent tax credit on the amount paid for private catastrophic insurance premiums, as well as a 50 percent tax credit on any additional amount paid to meet the one percent Federal payroll tax liability.

Employers and self-employed persons opting for private coverage would pay premiums directly to the carriers. The bill requires that the employer plans administered through private carriers must make available to the employer certain arrangements for the pooling of risks among various employee groups of different employers, so that premiums can be determined on a class, rather than an individual, basis.

Each year a five-member Federal Actuarial Committee would prepare a Table of Values of Catastrophic Health Insurance Coverage for the following year, indicating the actuarial value of one year's catastrophic health insurance coverage for one individual. This Table could be used by the employer as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage (and the premium charged therefor) offered through private carriers. The Committee would also review the marketing and rating practices of private carriers providing employer and self-employed plans for catastrophic insurance.

The Medical Assistance Plan would be financed from general revenues, just as the Federal share of the current Medicaid program is now financed, and also with State funds. A medical Assistance Trust Fund would be established to make payments for benefits under the program. States would contribute a fixed amount which would be equivalent to their total expenditures from State funds under Medicaid for the types of benefits covered under this plan during the year prior to the effective date of this program. Additionally, a State would also pay 50 percent of the estimated amount that the State and local governments had expended in the same base year for provision of these types of services to people not covered under Medicaid who would, however, be covered under the new Medical Assistance Plan.

State contributions in future years would be limited to the initial contribution amount.

To encourage States to offer optional services not covered under the Medical Assistance Plan, the State contribution would be reduced by an amount equal to one-half the amount expended by the States from non-Federal funds in providing types of services not covered under this program, but which would have been matched under the Medicaid program (such as drugs, dental services, etc.), provided, however, that the State had actually included such types of services under its Medicaid plan prior to the effective date of the new program.

F. *Payments to/Standards for/providers of services.*—Providers of services under the Catastrophic Insurance Plan and the Medical Assistance Plan would be reimbursed on the same basis as under Medicare. Reimbursement controls would include the payment of audited "reasonable costs" to participating institutions and agencies, and "reasonable charges" to practitioners and other suppliers. Payments to skilled nursing facilities and intermediate care facilities would be reimbursed on a "cost-related" basis.

Payments made under the Medical Assistance Plan, along with any required copayment from the patient, would have to be accepted by providers and practitioners as payment in full for the services rendered, and no persons accepting such payment could charge additional amounts for these services.

Both programs would apply the same standards for providers of services as under Medicare. Both plans would also incorporate the quality, health and safety standards, and utilization controls which exist in the Medicare program, including review of services by institutional utilization review committees and Professional Standards Review Organizations (PSRO's).

G. *Effect on Other Government Programs.*—The Catastrophic Insurance Plan would supplement benefits provided under Medicare for persons covered by that program. The Medical Assistance Plan would replace the existing Medicaid program. The Catastrophic Insurance Plan would always be the primary payor in cases where an individual was also entitled to have payment made under either Medicare or the Medical Assistance Plan. Nor could payments under the Catastrophic Plan be denied or reduced because benefits for services covered under that plan were also payable, or had been paid, under any other public or private insurance or health benefits plan

H. *Other Major Provisions.*—

(1) *Voluntary Certification Program for Private Basic Health Insurance.*—The bill establishes a program whereby private health insurers could, at their option, submit one or more basic health insurance policies to H.E.W. for certification. Certification would be based upon certain minimum criteria with respect to adequacy of coverage, conditions of eligibility, actual availability of the policy, and reasonableness of premiums to expenses. Certified policies could then be used in each State which has in effect a basic health insurance facilitation program approved by the Secretary of H.E.W. State Agencies could also be used for certification on basic health insurance policies in States having an approved basic health insurance facilitation program. In addition to offering certified basic policies, a private carrier, in order to be "approved", would have to employ effective procedures designed to assure appropriate utilization and cost control with regard to health services insured under its policies.

Three years after the start of the program, no insurer could serve as a carrier or intermediary for either Medicare or the new Medical Assistance Plan unless it offered one or more certified policies to the general public in each geographic area or service area in which it did business. The bill would facilitate establishment of insurance pool arrangements in order to make such certified policies available to the general public with a proportionate sharing of risks and rewards among participating insurers.

(2) *Government-sponsored Standard Health Insurance Policies on a Cost Basis.*—Three years after the start of the program, the Secretary of H.E.W. would be required to offer a standard health insurance policy providing basic health benefits to individuals and families living in any State which had neither a basic health insurance facilitation program nor approved basic health insurance policies actually available through private carriers. Premiums charged for such policies would be designed to cover costs, including administrative costs and reserves.

(3) *Amendments to Medicare.*—Makes several amendments to the existing Medicare program, designed to (a) allow coverage of immunizations on a scheduled allowance basis; (b) increase the dollar amount payable for mental health services under Part B; (c) adjust the amount of premiums for hospital insurance coverage payable for uninsured individuals not otherwise eligible for Medicare; (d) clarify provisions relating to payment for extended care services on a cost-related basis; and (e) extend coverage under the renal disease program to all individuals with kidney disease, regardless of insured status for purposes of Social Security benefits.

(4) *Philanthropic Support for Health Care.*—Includes provisions designed to encourage philanthropic support for health care, especially in support of experimental and innovative efforts to improve the delivery system.

Mr. LONG. Mr. President, I send the bills to the desk and I ask unanimous consent for appropriate reference to the Committee on Finance for the bill to which I made reference.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● Mr. RIBICOFF. Mr. President, I am pleased to join the distinguished chairman of the Finance Committee (Mr. LONG) again in introducing the complete Catastrophic Health Insurance and Medical Assistance Reform Act.

It has been almost 6 years since we first presented our three-part health insurance proposal to the Senate. We felt then, and we still feel, that this proposal is realistic and workable; that it meets the critical needs of the American people at a cost they can afford.

Today we are all aware of major gaps in health care coverage of the American people. We have all heard heart-rendering stories of families bankrupted by the cost of a medical disaster. And it could happen to anyone. Almost anyone could find his life savings depleted; his house sold out from under him; educational opportunities for his children lost—all because of a major illness or injury. A medical catastrophe can reduce a middle-income family to poverty.

For poor families the threat is even greater. Medicaid benefits and eligibility vary widely from State to State. Financial pressures are leading States to cut back on benefits even more. And medicaid does nothing for the working poor.

We can all agree that something must be done to meet these major gaps. The question is what.

We must recognize not only these gaps in our current system but also the limits in our ability to administer and to pay for any massive program. All around us we hear cries for fiscal restraint. Double-digit inflation threatens us again. The American people simply cannot afford a $100 billion-plus health plan. Nor do I believe that they are prepared to shift all health spending to the public sector. We cannot evaluate the possible effects such a massive shift might have.

Moreover, Congress and the American people are beginning to doubt the ability of Government to provide every service and to administer massive programs. We cannot wave a wand and produce a functioning comprehensive national health insurance system overnight. If the last 12 to 17 years have taught us anything, it should have been that implementation is crucial—and that it is difficult.

It is far better to set our sights on a proposal which can be implemented properly—and soon—than to attempt a giant step which is doomed to failure.

Let us meet our pressing health needs first, building on our experiences with medicare and medicaid. We can expand the program as needs grow and as we are actually able to implement it.

"All or nothing" is not the right approach to national health insurance. For too long this approach has left the working poor completely unprotected, the medicaid population inadequately protected, and the average American fearful of the results of a medical catastrophe. We can meet these needs with this proposal.

Today we do not have the financial or administrative capacity to institute cradle-to-grave national health insurance. Today we can build upon our existing system to assure the availability of adequate coverage and equity. Our bill is designed to do just that. It should be viewed in its entirety.

The bill is phased in so as to keep new costs manageable and administration possible. This will prevent overwhelming the administrative system. Title I takes effect January 1, 1981. Title II takes effect October 1, 1981.

The bill is divided into three basic sections.

Title I protects all Americans against the large or catastrophic costs associated with prolonged illness, disease or injury. In effect, it places a ceiling on almost every American family's medical costs. We have an obligation to assure that no one goes into bankruptcy because of prolonged illness or injury. Under this title a family's medical costs would be assumed by the social security fund once it had incurred 60 days of hospital costs and/or $2,000 of medical bills. An employer would have the option to buy a catastrophic plan in the private sector.

Title II establishes a medical assistance plan with a uniform national program of medical benefits for low-income persons. It replaces the costly, inefficient, and inadequate Federal-State medicaid programs and provides health protection for over 34 million Americans, including more than 12 million working poor persons who were ineligible for medicaid. The coverage of this plan would provide basic benefits to mesh with the catastrophic program. That is, the program

would pay for the first $2,000 and 60 days of hospital and the catastrophic plan would assume costs above those limits. By requiring the States to pay only what they paid for medicaid in the year prior to enactment, States will save millions of dollars. Without this bill their costs would have continued to climb.

Title III of this bill makes it possible for any other American not eligible for the low-income plan to purchase at a reasonable price a private insurance policy. It sets standards for these policies to assure that they mesh with the catastrophic program. Insurers who elect to participate in this program and whose policies meet the basic standards set in this bill would be eligible to have their policies certified as meeting the proper standards. The Secretary of Health, Education, and Welfare would study the operation of this title for 3 years to see if this insurance was being made available. Any insurer not meeting the standards after 3 years would be ineligible to serve as a medicare carrier or intermediary. In addition, if a private policy meeting these standards is not available after 3 years, a similar policy would be made available at cost from the Social Security Administration.

The private health insurance industry will have a real incentive and real standards toward which they can work in meeting the needs of the majority of the population who are presently covered for better or worse under private health insurance.

Title III is a means of saying to the broad population that it is our expectation and hope that private health insurance will provide the opportunity to secure insurance coverage for the first 60 days of hospitalization and the first $2,000 of medical expenses, after which the Government catastrophic health insurance program would take over.

I believe that this legislation is a major step in protecting all Americans against rising health costs. It puts a ceiling on every American's medical bills, assures health protection to those who cannot afford it and encourages the private health insurance industry to make available the best possible policies at reasonable rates. At the same time it allows employees the flexibility necessary to bargain with their employers for broad health care protection.

We can wait no longer to reform our health care system. We have the opportunity today to make health care a right for all Americans—not just a privilege for the few.

I join my distinguished colleague, the chairman of the Senate Finance Committee in urging the Members of this body to help us make health care reform a reality.

Fact sheet follows:

FACT SHEET—LONG-RIBICOFF-TALMADGE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1978

TITLE I—CATASTROPHIC HEALTH INSURANCE

Part A—Public plan

Eligibility

All legal residents in the United States not covered by the private plan described in Part B below. Therefore, the public plan would pick up those who do not choose private insurance coverage, the unemployed, welfare recipients, and the aged.

Benefits

Federally-administered trust fund pays for medical bills after a family has incurred $2,000 of medical bills in a year. Hospital costs would be paid for after a person has incurred 60 days of hospital costs. The $2,000 deductible and the 60-day deductible are entirely separate. If a person were to meet the hospital deductible alone he would be eligible only for the hospital benefits. Similarly, if a family were to meet only the $2,000 deductible, it would be eligible only for medical benefits.

Administration

Program would be administered by the Health Care Financing Administration parallel to the administration of Medicare.

Financing

Employers would be liable for a tax of one percent on payroll. However, a tax credit equal to 50 percent of this amount paid would be allowed.

Part B—Private insurance option

Eligibility

An employer could elect to have all of his employees and their dependents covered under a qualified private catastrophic insurance plan as an alternative to coverage under the public plan.

Benefits

Private catastrophic plan would have benefits identical to those in the public plan. Benefits beyond those required could be sold by private insurers.

Administration

Private catastrophic plan would be administered by a qualified private insurance company of the employer's choice.

Financing

Employer's premium for private catastrophic would be deducted from his one percent payroll tax liability. In addition, the employer would be eligible for the tax credit of 50 percent of his one percent payroll tax liability.

Effective date

January 1, 1980.

TITLE II—MEDICAL ASSISTANCE PLAN

Replaces Medicaid with a uniform national program of medical benefits for low-income persons administered by the Health Care Financing Administration.

Eligibility—Million people

All persons now receiving Medicaid benefits.

All individuals and families having an annual income at or below the following levels:

$3,000 for an individual;

$4,200 for a two-person family;

$4,800 for a three-person family;

$5,400 for a four-person family;

And $400 additional for each additional family member.

Families with incomes above these levels would become eligible if they spend enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with $6,000 would become eligible if it spent $600 for medical care.

Benefits

Provides hospital care for up to 60 days and all skilled nursing facility care, intermediate facility care and home health services.

Also covers physicians services, X-ray, laboratory, prenatal and well-baby care, family planning counseling services and supplies, periodic screening, diagnosis and treatment for children under 18, inpatient mental health care that consists of active care and treatment in a medically accredited institution and outpatient care in a qualified community health center. Outpatient psychiatric services would be limited to five visits related to "crisis" intervention, and additional visits could be authorized upon finding that in their absence the patient would require institutionalization or be severely dysfuctional.

The plan would also pay the Part B Medicare premium for persons eligible for this Title.

Copayments and Deductibles

Copayment is $3 for each of first 10 visits to doctor per family (but no copayments for visits for well-baby care and family planning services).

Payments to Health Care Providers and Administration

Same as Medicare (reasonable costs for institutions, reasonable charges for physicians).

Payments made under the program would have to be accepted as payment in full, and there could be no additional charges to patient.

Benefits reduced to patients by $250 if they have failed to enroll in an employer-employee plan in which employer pays 75 percent or more of the premium cost.

Financing

States would have to pay no more than they did for Medicaid in the year prior to this Title's effective date plus one-half of what they paid for medical services for those not covered by Medicaid. Thus States would be held harmless against costs or caseloads.

Effective Date

October 1, 1981.

TITLE III

Establishes a voluntary certification program for private basic health insurance to encourage the availability of adequate private health insurance.

Insurer could submit policy to HEW Secretary for certification. Certification is based on adequacy of coverage, conditions of eligibility, actual availability. Certified policies would be advertised as such.

Criteria for Certification of Policies

Must provide 60 days of hospital care and coverage of medical bills up to $2,000. (This meshes with catastrophic plan.)

Limits on deductibles and copayments.

Ban on exclusions, waivers of liability and waiting periods in group policies, and with respect to individual policies, a limit on medical exclusion to pre-existing pregnancy and waiting periods for other pre-existing conditions to not more than 90 days.

At least one annual open enrollment period.

Reasonable ratios of benefit payments to premiums defined in terms of average ratios for group policies generally written by insurers.

Incentives to Provide Certified Policies

For three years from effective date of act, Secretary of HEW studies progress of insurers in making certified policies actually and generally available to the population.

After that time no insurer could serve as a Medicare carrier or intermediary unless it offered one or more certified policies to the general public in each geographic or service area in which it did business.

Additionally, at that time, Secretary of HEW would be authorized to make basic coverage available at cost through Social Security in any area of the country where certified basic health insurance was not available.

Insurance Pooling

Contains an anti-trust exemption under which insurers could enter into contracts or arrangements for the sole purpose of establishing insurance "pool" arrangements in order to offer to the general public certified health insurance policies. Such pools allow proportionate sharing of risks and rewards.

SUMMARY OF THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1978

Description

A. *General Approach.*—The bill would provide catastrophic health insurance protection, effective January 1, 1981, for all legal U.S. residents through one of the following plans: (1) a Federally-administered public plan for the unemployed, welfare recipients, the aged, and persons who do not opt for private insurance coverage, and (2) a private catastrophic insurance plan allowed as an option for employers and the self-employed, who would be required under the terms of the bill to provide and pay the full cost of such catastrophic protection for their employees. Benefits would be similar to those currently covered under Medicare, but would be subject to payment by the beneficiary of the first 60 days of hospital care and the first $2,000 in medical expenses. The program would be financed through a one percent tax on the payroll of employers, with 50 percent of the amount paid as payroll tax allowed as a tax credit. Employers opting for a private plan would have the amount of their premiums deducted from their one percent payroll tax liability. They would also be eligible for a 50 percent tax credit on both the total amount of premiums paid for catastrophic coverage and any remaining Federal payroll tax liability after the premiums have been deducted.

In addition, effective October 1, 1981, the bill would replace Medicaid with a uniform, national program of medical benefits for low-income persons, administered by the Department of H.E.W. The bill further provides for a voluntary Federal certification program for basic private health insurance to encourage private insurers to make such basic coverage (supplemental to the catastrophic program) available in all areas of the country. If private insurers failed to make certified basic private health insurance available in any State, the Secretary of H.E.W. would be empowered, three years after the enactment of the program, to offer a standard health insurance policy to individuals and families living in that State.

B. *People Covered.*—Under the Catastrophic Health Insurance Plan, every individual who is a resident citizen or a lawfully-admitted resident alien would be entitled to catastrophic health insurance benefits under either the public plan or the private plan for employers and the self-employed. All employers, including Federal, State and local governments, would be required to provide for all their full-time employees (who work more than 25 hours per week) and their employees' spouses and dependent family members, the health insurance protection as specified in the bill. At their option, employers could also include part-time and temporary employees. An employer would be obligated to continue coverage for 90 days after an employee left his employment unless the employee obtained coverage under another employer plan. Federal, State and local governments would be considered employers for purposes of the catastrophic program.

The unemployed, welfare recipients, the aged, and all others not covered under an employer or self-employed private catastrophic plan would be covered under the public plan.

The Medical Assistance Plan for low-income persons would be available to all persons eligible for Medicaid benefits and to all individuals and families having an annual income at or below the following levels:

$3,000—for an individual;

$4,200—for a two-person family;

$4,800—for a three-person family;

$5,400—for a four-person family; and

$400—additional for each additional family member.

Families with incomes above these levels would become eligible if they spent enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with an income of $6,000 would become eligible if it spent $600 for medical care.

C. *Scope of Benefits.*—The Catastrophic Plan would cover the same kinds of services as currently provided under Parts A and B of Medicare, except that there would be no upper limitation on hospital days or home health visits. Present Medicare coverage under Part A includes 90 days of hospital care, plus an additional lifetime reserve of 60 hospital days; 100 days of post-hospital extended care; and 100 home health visits during the year following discharge from a hospital or skilled nursing facility. Part B coverage includes physicians' services, 100 home health visits annually, laboratory and X-ray services, outpatient physical therapy services, and other medical and health services such as medical supplies, appliances and equipment, and ambulance services.

Benefits excluded from Medicare would also be excluded under this program. Medicare's limitation on skilled nursing care would also be retained. The Catastrophic Plan would apply different limits on inpatient and outpatient mental health services than those currently applicable under Medicare (i.e., presently a 190-day lifetime maximum in psychiatric hospitals, $250 maximum payable for outpatient mental health care). The Catastrophic Plan would cover (1) unlimited inpatient mental health services, consisting of a course of active care and treatment provided in an accredited medical institution; (2) unlimited mental health care services provided on a partial hospitalization basis by an accredited medical institution or qualified community mental health center; (3) unlimited outpatient services provided by a qualified community mental health center; and (4) visits to a privately practicing psychiatrist during any 12-month period, unless additional visits have been approved in advance by an appropriate professional review mechanism on the grounds that the patient would require institutional care in the absence of such additional outpatient visits.

Unlike Medicare which provides basic insurance coverage, the Catastrophic Health Insurance Plan would provide institutional benefits only after an individual had first been hospitalized for a total of 60 days in one year (this feature of the program is called the "hospital deductible"), and medical benefits only after an individual or a family had incurred medical expenses of $2,000 for physicians' services, home health visits, physical therapy services, laboratory and X-ray, and other covered medical and health services (this "medical deductible" would be dynamic in character, adjusted annually to reflect changes in the Consumer Price Index and other economic factors). The Plan would have a deductible carryover feature under which days spent in a hospital in the last three months of one calendar year could be counted toward satisfaction of the hospital deductible in the following calendar year; similarly, covered medical expenses incurred in the last three months of one calendar year could be counted toward meeting the $2,000 medical deductible for the next year. Once the hospital and medical deductibles had been met, the individual would not be charged for services covered under the program. However, following the first period of any 90 consecutive days during which the individual incurred less than $500 in medical expenses, catastrophic benefits would temporarily terminate until such time as the individual once again satisfied the medical deductible by incurring $2,000 in additional medical expenses. Similarly, following the first consecutive 90-day period during which an individual was neither an inpatient in a hospital nor an inpatient in a skill nursing facility, the individual would once again be liable for the 60-day hospital deductible applicable to catastrophic benefits.

The Medical Assistance Plan for the low-income would cover the following benefits generally without any limit on the amount of services or any cost-sharing required, except as indicated:

Inpatient hospital services—60 days in benefit period.

All medically-necessary skilled nursing facility care, intermediate facility care, and home health services.

Physicians' services—$3 copayment for each of first ten outpatient visits per family, except no charge for visits for well-baby care, family planning, and periodic exams for children under age 18.

Laboratory and X-ray services.

Prenatal and well-baby care.

Family planning, counseling, and supplies.

Periodic screening, diagnosis and treatment for children under age 18.

Outpatient physical therapy.

Immunizations and pap smears.

Medical supplies and appliances.

Ambulance services.

Mental health care services as follows: (1) on an inpatient basis—if provided in an accredited institution, services are included in the hospital inpatient benefit if the service constitutes active care and treatment; (2) on a partial hospitalization basis—if provided by an accredited institution or qualified community mental health center; (3) on an outpatient basis—without limit if provided by a community mental health center, limited to five visits if provided otherwise (e.g., by a psychiatrist) with additional visits subject to approval by a professional review organization. Benefit includes approved drugs when necessary to avoid hospitalization.

The Medical Assistance Plan would also pay the Medicare Part B premium for eligible individuals and would reimburse an individual for one-half of the amount of the actuarial value of catastrophic health insurance coverage paid by such individual under a self-employed plan or deducted as taxes from his self-employment income.

A special copayment requirement would apply to individuals who are not a member of a family after the 60th continuous day spent in a longterm care facility. The amount of this copayment would be equal to the amount of the patient's monthly income, less $50. (A similar requirement would apply in a situation where all members of a family have a stay exceeding 60 days.)

D. *Administration.*—The public Catastrophic Insurance Plan would be administered by the Health Care Financing Administration in a manner parallel to the administration of Medicare. The private Catastrophic Plan would be administered by a qualified private insurance carrier of the employers' choice. The Secretary of H.E.W. would be responsible for approving the employer plans and the self-employed plans administered through private carriers. To be approved as a carrier for private catastrophic insurance, an insurance carrier would have to comply with various Federal requirements, including a requirement that the carrier establish claims determination procedures which comply with section 503 of the Employee Retirement Income Security Act of 1974 and are consistent with those procedures employed by the carrier in its non-catastrophic health insurance business. To assist carriers in meeting this requirement, the Secretary would allow carriers reason-

able access to claims data developed under Medicare's hospital insurance program. Carriers would also be exempted from certain antitrust laws as they might otherwise pertain to a group of carriers entering into a pool, reinsurance, or other residual market arrangement.

The Medical Assistance Plan for the low-income would be administered by the Secretary of H.E.W. Individuals eligible for benefits under the program would be issued a health benefits card indicating that their application for benefits had been filed and approved for a given benefit period. The Secretary would utilize private carriers as fiscal intermediaries responsible for administration of claims and payments to providers of services. The bill also provides that the Secretary could require the consolidation of the activities of these carriers in areas with small populations if necessary to improve quality and efficiency. Three years after the enactment of the program, no private carrier or other organization could be utilized under the Medical Assistance Plan or Medicare unless it was approved and certified under the Voluntary Certification Program established under the bill.

E. *Financing.*—The Catastropic Health Insurance Plan would be financed through a one percent tax on the payroll of employers and the income of the self-employed now subject to the Social Security tax. No employee contribution would be allowed. Amounts collected as taxes would be deposited in a Federal Catastrophic Health Insurance Trust Fund. An employer or self-employed individual who opted for a private, rather than public, catastrophic health insurance plan would have the amount of the premium for private coverage deducted from his one percent payroll tax liability; he would, however, remain liable for payment to the Federal Government or any difference between the amount paid as premiums for a private plan and the one percent Federal tax liability. Publicly-insured employers and self-employed individuals would be eligible for a catastrophic health insurance tax credit equal to 50 percent of the amount paid as payroll tax liability. Similarly, private-insured employers and self-employed persons would also be eligible for a 50 percent tax credit on the amount paid for private catastrophic insurance premiums, as well as a 50 percent tax credit on any additional amount paid to meet the one percent Federal payroll tax liability.

Employers and self-employed persons opting for private coverage would pay premiums directly to the carriers. The bill requires that the employer plans administered through private carriers must make available to the employer certain arrangements for the pooling of risks among various employee groups of different employers, so that premiums can be determined on a class, rather than an individual, basis.

Each year a five-member Federal Actuarial Committee would prepare a Table of Values of Catastrophic Health Insurance Coverage for the following year, indicating the actuarial value of one year's catastrophic health insurance coverage for one individual. This Table could be used by the employer as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage (and the premium charged therefor) offered through private carriers. The Committee would also review the marketing and rating practices of private carriers providing employer and self-employed plans for catastrophic insurance.

The Medical Assistance Plan would be financed from general revenues, just as the Federal share of the current Medicaid program is now financed, and also with State funds. A Medical Assistance Trust Fund would be established to make payments for benefits under the program. States would contribute a fixed amount which would be equivalent to their total expenditures from State funds under Medicaid for the types of benefits covered under this plan during the year prior to the effective date of this program. Additionally, a State would also pay 50 percent of the estimated amount that the State and local governments had expended in the same base year for provision of these types of services to people not covered under Medicaid who would, however, be covered under the new Medical Assistance Plan. State contributions in future years would be limited to the initial contribution amount.

To encourage States to offer optional services not covered under the Medical Assistance Plan, the State contribution would be reduced by an amount equal to one-half the amount expended by the States from non-Federal funds in providing types of services not covered under this program, but which would have been matched under the Medicaid program (such as drugs, dental services, etc.), provided, however, that the State had actually included such types of services under its Medicaid plan prior to the effective date of the new program.

F. *Payments to/Standards for/providers of services.*—Providers of services under the Catastrophic Insurance Plan and the Medical Assitance Plan would be reimbursed on the same basis as under Medicare. Reimbursement controls would include the payment of audited "reasonable costs" to participating institutions and agencies, and "reasonable charges" to practitioners and other suppliers. Payments to skilled nursing facilties and intermediate care facilities would be reimbursed on a "cost-related" basis.

Payments made under the Medical Assistance Plan, along with any required copayment from the patient, would have to be accepted by providers and practitioners as payment in full for the services rendered, and no persons accepting such payment could charge additional amounts for these services.

Both programs would apply the same standards for providers of services as under Medicare. Both plans would also incorporate the quality, health and safety standards, and utilization controls which exist in the Medicare program, including review of services by institutional utilization review committees and Professional Standards Review Organizations (PSRO's).

G. *Effect on Other Government Programs.*—The Catastrophic Insurance Plan would supplement benefits provided under Medicare for persons covered by that program. The Medical Assistance Plan would replace the existing Medicaid program. The Catastrophic Insurance Plan would always be the primary payor in cases where an individual was also entitled to have payment made under either Medicare or the Medical Assistance Plan. Nor could payments under the Catastrohpic Plan be denied or reduced because benefits for services covered under that plan were also payable, or had been paid, under any other public or private insurance or health benefits plan.

H. *Other Major Provisions.*—

(1) *Voluntary Certification Program for Pivate Basic Health Insuance.*—The bill establishes a program whereby private health insurers could, at their option, submit one or more basic health insurance policies to H.E.W. for certification. Certification would be based upon certain minimum criteria with respect to adequacy of coverage, conditions of eligibility, actual availability of the policy, and reasonableness of premiums to expenses. Certified policies could then be used in each State which has in effect a basic health insurance facilitation program approved by the Secretary of H.E.W. State Agencies could also be used for certification on basic health insurance policies in States having an approved basic health insurance facilitation program. In addition to offering certified basic policies, a private carrier, in order to be "approved", would have to employ effective procedures designed to assure appropriate utilization and cost controls with regard to health services insured under its policies.

Three years after the start of the program, no insurer could serve as a carrier or intermediary for either Medicare or the new Medical Assistance Plan unless it offered one or more certified policies to the general public in each geographic area or service area in which it did business. The bill would facilitate establishment of insurance pool arrangements in order to make such certified policies available to the general public with a proportionate sharing of risks and rewards among participating insurers.

(2) *Government-sponsored Standard Health Insurance Policies on a Cost Basis.*—Three years after the start of the program, the Secretary of H.E.W. would be required to offer a standard health insurance policy providing basic health benefits to individuals and families living in any State which had neither a basic health insurance facilitation program nor approval basic health insurance policies actually available through private carriers. Premiums charged for such policies would be designed to cover costs, including administrative costs and reserves.

(3) *Amendments to Medicare.*—Makes several amendments to the existing Medicare program, designed to (a) allow coverage of immunizations on a scheduled allowance basis; (b) increase the dollar amount payable for mental health services under Part B; (c) adjust the amount of premiums for hospital insurance coverage payable for uninsured individuals not otherwise eligible for Medicare; (d) clarify provisions relating to payment for extended care services on a cost-related basis; and (e) extend coverage under the renal disease program to all individuals with kidney disease, regardless of insured status for purposes of Social Security benefits.

(4) *Philanthropic Support for Health Care.*—Includes provisions designed to encourage philanthropic support for health care, especially in support of experimental and innovative efforts to improve the delivery system.●

Mr. LONG. Mr. President, at Senator TALMADGE's request, I ask unanimous consent that his statement regarding this legislation be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. TALMADGE

I am pleased to join with the distinguished Chairman of the Finance Committee in reintroducing the Catastrophic Health Insurance and Medical Assistance Reform legislation.

These proposals represent a measured, incremental approach which addresses the major concerns with respect to health care financing in this country.

We have Medicare for our elderly.

We have Medicaid for our low income citizens. The Catastrophic Health Insurance and Medical Assistance Reform legislation fills the gaps in those programs and provides an umbrella of protection for all Americans against the financial ravages of catastrophic illness and injury.

It has wide bipartisan appeal and, to my mind, represents the most realistic and sensible long-term approach to our unmet health care financing needs.

While budget and inflation concerns may prohibit us from doing all we would like to do—as fast as we would like to do it—the Catastrophic Health Insurance and Medical Assistance Reform legislation is designed to be implemented as necessary funds become available.

To that end I am particularly pleased that the Committee will act on cost control and administrative improvements prior to considering National Health Insurance.

In this way we will be able to determine just how much we can afford to do and when we can afford to do it.

I look forward to continuing work on our cost control problems so that we may then address catastrophic health costs and medical assistance reform.

By Mr. STONE:

S. 352. A bill to extend coverage, under the insurance system established by title II of the Social Security Act, to service performed by an individual as a Member of Congress; to the Committee on Finance.

Mr. STONE. Mr. President, today I am introducing a bill to correct the most conspicuous of inequities in the social security law: Senators and Congressmen, who establish the rules and the tax rates for social security, do not pay into the system themselves because they are exempt from social security coverage. This bill would eliminate the exemption and require Members of Congress to participate in the social security system.

The original reason for exempting Congress from social security was that Senators and Congressmen were already protected by the civil service retirement fund, a program established before social security. Today, many workers belong to other retirement plans but, for them, social security is still mandatory. It is only natural then for these people to be resentful and to ask: If Congress can escape paying social security taxes, then why cannot other taxpayers with better plans have the same option. In my view, the congressional exemption is no longer either justifiable or fair.

In December 1977, Congress enacted a law substantially increasing social security taxes through the end of the 1980's. I reluctantly voted in favor of the tax increases, because they are necessary to prevent the pension system's bankruptcy and to protect the futures of millions of older Americans. But that very necessity only emphasizes the inequity of continuing the congressional exemption from social security.

Congress has mandated a study due in December looking into the advisability of including American workers under social security. My proposal would not affect the outcome of the study, but it would indicate Congress own willingness to pay the same taxes that might be recommended for all Government employees in the future.

The time has come for us as elected leaders to prove to working Americans, by our example, that we believe in the soundness of the social security pension program which we have mandated for them. To do this, Congress must end its special exemption and become taxpaying participants in the social security system. I urge you to support this measure and work with me toward its prompt enactment.

I ask unanimous consent that the text of the bill be printed.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 210(a) of the Social Security Act is amended, in paragraph (6) (A) and (C), by inserting "(Other than service performed as a Member of Congress)" immediately after "Service" each place it appears therein.

(b) Section 210 of such Act is further amended by adding at the end thereof the following new subsection:

"Member of Congress

"(P) The term 'Member of Congress' means the Vice President, a member of the Senate or the House of Representatives the Resident Commissioner from the Commonwealth of Puerto Rico, and a Delegate to the Congress from the District of Columbia or from any other Commonwealth or Territory of the United States.".

Sec. 2 (a) Section 3121(b)(6) of the Internal Revenue Code of 1954 (relating to definition of employment for purposes of the Federal Insurance Contributions Act) is amended by inserting "(other than service performed as a Member of Congress)" immediately after "(6)(A) service", and immediately after "(C) service".

(b) Section 3121 of such Code is further amended by adding at the end thereof the following new subsection:

"(r) Member of Congress.—For purposes of this chapter, the term 'Member of Congress' means the Vice President, a member of the Senate or the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and a Delegate to the Congress from the District of Columbia or from any other Commonwealth or Territory of the United States.".

Sec. 3. The amendments made by this Act shall apply with respect to service performed on and after the first day of the first calendar month which begins more than 60 days after the date of enactment of this Act.

By Mr. TOWER:

S. 353. A bill to facilitate the development and implementation of monetary policy, to reduce and restructure reserve requirements, and to provide for the maintenance of reserves by member banks and other depository institutions in earnings participation accounts at the Federal Reserve Banks; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL RESERVE MODERNIZATION ACT OF 1979

● Mr. TOWER. Mr. President, I am introducing legislation today that is designed to deal with what has come to be known as the Fed membership problem. That problem has to do with the attrition in the number of banks and bank deposits in the Federal Reserve System. The legislation I am introducing would deal with this problem through a voluntary approach by encouraging, rather than requiring, banks and other depository institutions to hold reserves at the Federal Reserve.

For a number of years now, there has been a decline in the percentage of banks and bank deposits in the Federal Reserve System. The peak in the percentage of banks was reached in 1951, when 49 percent of all commercial banks were members of the Federal Reserve. The share of total deposits held by member banks had peaked earlier at 87 percent. Since then, the percentage of banks that are members of the Federal Reserve has declined to 39 percent and the percentage of deposits at member banks has declined to 73 percent. Of course, all national banks must be members of the Federal Reserve, while State-chartered banks have the option of joining or not.

The principal reason for the attrition in Federal Reserve membership is that member banks are required to hold reserves at the Federal Reserve in the form of sterile assets. This requirement represents a tax on the assets of member banks. That tax results in a loss of revenue to member banks, and it has encouraged many member banks to withdraw from the System in order to improve earnings. It has also discouraged newly formed banks from joining the System.

The Federal Reserve is concerned that the continued attrition in banks from the System will affect its ability to conduct monetary policy. This concern was expressed most recently by Federal Reserve Board Chairman William Miller in an appearance before the House Committee on Banking, Finance and Urban Affairs when he stated that:

> It is essential that the Federal Reserve maintain adequate control over the monetary aggregates if the nation is to succeed in its efforts to curb inflation, sustain economic growth, and maintain the value of the dollar in international exchange markets. The attrition in deposits subject to reserve requirements set by the Federal Reserve weakens the linkage between member bank reserves and the monetary aggregates.

There is also growing concern over the competitive inequity caused by requiring member banks to hold reserves in the form of sterile assets while nonmember banks and thrift institutions are not.

Last year, the Banking Committees in both the House and the Senate considered legislation to deal with this issue. The approaches taken at that time varied rather widely. On the one hand, there was legislation that would have required all banks over a certain deposit size to hold reserves at the Federal Reserve, whether they were members or not. Other bills—introduced by Senator Brooke and Senator SCHMITT—did not require nonmember banks to hold reserves at the Federal Reserve, but would have encouraged membership by allowing member banks to receive earnings on their reserves. Because this issue was so controversial and complex, there was not enough time during the 95th Congress to resolve this matter and the Banking Committee in the Senate delayed taking any final action until it could review the issue in more detail this year.

Legislation has been introduced this year that would require banks and other depository institutions with deposits over a certain size to hold reserves at the Federal Reserve. I am greatly concerned over this legislation because it would subject nonmember banks to the reserve requirements of the Federal Reserve. This represents a significant break with the present system, under which banks can decide whether or not they want to be members of the Federal Reserve System.

Moreover, it perpetuates the inequitable tax of sterile reserves on the banking system. Nonmember banks, which

have not had to hold reserves at the Federal Reserve, would have to set aside reserves in the form of sterile assets. This would be unfair because it would reduce the earnings of those nonmember banks. They had chosen not to be member banks and to now tax them by requiring them to hold reserves in the form of sterile assets would result in an unwarranted shift of funds from the private sector to the public sector.

The reason for the attrition in Fed membership is an economic one: member banks must hold reserves at the Federal Reserve in the form of sterile assets. I believe this problem could be dealt with in a straightforward manner by allowing member banks to hold those reserves in the form of earning assets. This would put them on an equal competitive footing with nonmember banks and other depository institutions and remove the incentive which member banks have for leaving the Federal Reserve System. This bill I am introducing today adopts this type of a voluntary approach to solving the Fed membership problem.

There are three basic elements to my bill. The first part would authorize the Federal Reserve to obtain information on the assets and liabilities of nonmember banks and other depository institutions. One of the problems repeatedly noted by the Federal Reserve has been the lack of data on nonmember depository institutions and the effect that changes in monetary policy have on those institutions. This part of the bill would solve this problem.

The second part of the bill would reduce and simplify the reserve requirements on member banks, and apply them uniformly (for different types of deposits) regardless of the size of a bank or its location. A reduction in reserve requirements is needed to help reduce the overall burden of reserves on member banks. Their application on a uniform basis would help reduce the uncertainty for monetary policy associated with shifts in deposits between different types of deposits and different size banks.

Under my bill, nonmember banks and thrift institutions would be allowed, but not required, to hold reserves at the Federal Reserve. Any bank or thrift institution holding reserves at the Federal Reserve would be able to obtain any of the services provided by the Federal Reserve. Those not holding reserves at the Federal Reserve would not be able to obtain Federal Reserve services, except access to the discount window under emergency conditions. My bill does not address the issue of explicit pricing of Federal Reserve services. That is an issue that I believe should be dealt with separately.

The third part of the bill would allow banks and other depository institutions to earn interest on their reserves held at the Federal Reserve in the form of an earnings participation account. The legislation would be implemented over a 4-year period.

I am introducing this bill because I believe it is an approach that should be considered during the upcoming hearings in the Banking Committee. It is a clear-cut alternative to other proposals requiring all banks over a certain size to hold reserves at the Federal Reserve.

I ask unanimous consent that this bill, together with a brief section-by-section analysis of it, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Federal Reserve Modernization Act of 1979."

SEC. 2. Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended (1) by inserting "(1)" immediately after "(a)", and (2) by adding at the end thereof the following new paragraph:

"(2) To require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (A) directly to the Board in the case of member banks and in the case of other depository institutions which maintain reserves pursuant to section 19 of this Act and (B) to the Board through the (i) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, (ii) National Credit Union Administration in the case of insured credit unions, (iii) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (iv) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to avoid unnecessary burdens on reporting institutions and, insofar as possible, use reports required by the Federal agencies mentioned above or the appropriate state bank supervisory authority, and any data therefrom shall be made readily available to the Board. The Board may classify depository institutions for the purposes of this paragraph, and may impose different requirements on each such class."

SEC. 3. (a) The last sentence of subsection (b) of section 19 of the Federal Reserve Act (12 U.S.C. 461) is designated as paragraph (7) and that part of subsection (b) that precedes that sentence is amended to read as follows:

"(b)(1) Every member bank shall maintain reserves against its demand deposits in such ratio, not less than 3 per centum nor more than 10 per centum, as shall be determined by the Board.

(2) Every member bank shall maintain reserves against its time deposits of less than one hundred and eighty days in maturity and savings deposits in such ratio, not less than 1 per centum nor more than 7 per centum, as shall be determined by the Board.

(3) Member banks shall not be required to maintain reserves against time deposits with initial maturities of one hundred and eighty days or more.

(4) In setting the reserve ratios under paragraphs (1) through (2) of this subsection, the Board shall establish uniform ratios applicable to all member banks.

(5) Any nonmember depository institution may maintain reserves at a Federal Reserve bank: *Provided*, That such institution complies with the same reserve standards applicable to member banks under this section.

(6) Except as provided in paragraph 3 of section 13 of the Federal Reserve Act, any nonmember depository institution not maintaining reserves in accordance with this section shall not be eligible to receive Federal Reserve bank services: *Provided, however*, that this prohibition does not restrict a nonmember depository institution from receiving indirectly the benefits of such services through the maintenance of a correspondent or similar relationship with a member bank."

(b) Section 19(c) of the Federal Reserve Act (12 U.S.C. 461) is amended to read as follows:

"(c) Reserves held by any member bank to meet the requirements imposed pursuant to subsection (b) of this section or by any nonmember depository institution voluntarily complying with such reserve standards shall be in the form of—

(1) balances maintained for such purpose by such institution at a Federal Reserve bank, and

(2) the currency and coin held by such institution.

A member bank or a nonmember depository institution complying with this section may maintain an amount equal to its total reserves determined under paragraphs (1) and (2) of subsection (b), less its vault cash, in an Earnings Participation Account at a Federal Reserve Bank.

The Earnings Participation Account of a depository institution shall earn interest at a rate ½ percent below the average rate earned on the securities portfolio of the Federal Reserve System during the calendar quarter immediately preceding the interest payment date. The Board is authorized to adopt rules and regulations relating to the maintenance and administration of Earnings Participation Accounts."

SEC. 4. The Federal Reserve Board shall implement the reserve requirements imposed by section 2 and establish Earnings Participation Accounts provided for in that section in and orderly transition period, within four years after the effective date of this Act.

SEC. 5. This Act shall become effective 90 days after enactment.

SECTION-BY-SECTION ANALYSIS

Section 1. Title.

The title of this Act is the "Federal Reserve Modernization Act of 1979."

Section 2. Information Collection.

This section authorizes the Federal Reserve Board to collect information about the assets and liabilities of any depository institution. To avoid unnecessary reporting burdens, the information made available to the Board would be gathered by the appropriate Federal or State supervisory agency using existing reports insofar as possible.

Section 3. Reserve Requirements.

(a) The Board would set reserve ratios for two categories of deposits, as follows: (1) reserves against demand deposits would be set between 3 and 10 percent; and (2) reserves against savings deposits (including NOW accounts) and short-term time deposits would be set between 1 and 7 percent. Within each category, the ratios would apply uniformly regardless of the amount of deposits or the bank's location. For time deposits with initial maturity of 180 days or more, there would be no reserve requirements.

While such reserve ratios are mandatory for member banks, other institutions may voluntarily comply with the same reserve standards. Institutions which do not meet the reserve standards would be denied access to Federal Reserve System services. This latter provision does not affect the Board's ability to provide access to the discount window to non-member institutions in emergency situations nor does it restrict indirect use of Federal Reserve services through correspondent relationships with member banks.

(b) Reserves would be in the form of balances held at a Federal Reserve Bank and vault cash, as under present law. Member banks and other institutions voluntarily complying with the Board's reserve ratios could maintain an Earnings Participation Account with a Federal Reserve Bank. These accounts would earn interest at a rate ½ percent below the rate of earnings of the Federal Reserve on its portfolio. An institution could place in its participation account no more than the total amount determined under the reserve ratios minus its vault cash.

Section 4. Transition Period.

To provide an orderly transition to the reduced and uniform reserve ratios and the new Earnings Participation Accounts, the bill directs the Board to implement this Act within a four year period.

Section 5. Effective Date.

This Act would take effect 90 days after enactment.●

By Mr. CANNON (for himself, Mr. STEVENSON, and Mr. SCHMITT) (by request):

S. 354. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the National Aeronautics and Space Administration, and on behalf of myself and my colleagues, Mr. STEVENSON and Mr. SCHMITT, a bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development for fiscal year 1979.

I ask unanimous consent that the text of the bill, the letter of transmittal, and the sectional analysis be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD as follows:

S. 354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of subsection 1(a) of the National Aeronautics and Space Administration Act, 1979 (Public Law 95-401), is amended by striking out "$1,443,300,000" and inserting in lieu thereof "$1,628,300,000."

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., January 22, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Submitted herewith is a draft of a bill, "To authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development," together with the analysis thereof.

The bill would authorize for Fiscal Year 1979 an additional appropriation for "Research and Development" for Space Shuttle totaling $185,000,000. As discussed with the Committee on Commerce, Science, and Transportation, the additional funding is needed to support the most efficient and effective Space Shuttle development and production schedule. The funding requirement is not due to any single program element, but due to several items, including the orbiter, main engines, solid rocket boosters, external tank and thermal protection system. Generally, more work has been found necessary than was originally estimated.

The National Aeronautics and Space Administration recommends that the enclosed draft bill be enacted. The Office of Management and Budget has advised that such enactment would be in accord with the program of the President.

Very truly yours,

ROBERT A. FROSCH,
Administrator.

SECTIONAL ANALYSIS

A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development.

The bill increases the authorization for Research and Development for Space Shuttle, for fiscal year 1979, from $1,443,300,000 to $1,628,300,000.

The supplemental authorization will be subject to the same conditions and limitations contained in the National Aeronautics and Space Administration Authorization Act, 1979 (Public Law 95-401).●

By Mr. BENTSEN:

S. 355. A bill to amend title 18, United States Code, relating to criminal offenses committed by terrorists; to the Committee on the Judiciary.

ANTITERRORIST LEGISLATION

● Mr. BENTSEN. Mr. President, I rise today to introduce legislation to create strict mandatory prison sentences for those convicted of terrorist crimes, and to cosponsor legislation that will improve our Government's ability to anticipate and combat terrorist crimes.

In recent years such crimes have killed or maimed hundreds of Americans and thousands of people worldwide. In the last 10 years, over 400 Americans have been killed or wounded. Over $6 million of property damage has been inflicted. There have been over 1,000 separate incidents of terrorist violence.

International terrorism has taken an even greater toll, bringing death and danger to all corners of the world. In the Middle East, Palestinian extremists escalate their campaign of death, willing to destroy the lives of any person, even completely innocent women and children who happen to be at the wrong place at the wrong time.

In Europe, in Latin America, and in Africa, terrorist action has taken on alarming proportions. Aldo Moro is murdered in Italy, a general is shot in Spain, and countless citizens are gunned down by forces in Northern Ireland. When will it stop? When will people realize that murder cannot be seen as a solution to political disputes? When will these people stop using the innocent as pawns in a political struggle?

Mr. President, I am today introducing legislation to provide strict mandatory punishment for persons convicted of terrorist crimes in the Federal jurisdiction. In addition to the usual indeterminate sentence, my proposal would add a definite and mandatory sentence that could not be suspended or reduced by probation. For all terrorist crimes, there would be an additional sentence of no less than 2 or more than 20 years. For aggravated cases, the additional sentence would be no less than 4 years, and could go up to life in prison. For the most aggravated cases that result in death to the victim, the death penalty option would be available.

I am mindful that capital punishment is the ultimate sanction that the law allows. It should be used in only the most extreme cases. The graduated scale of punishments provided by this legislation would help insure that the punishment provided would rise with the gravity of the crime, and that the most severe punishment would be employed in only the most severe cases.

My measure provides for a sentencing hearing to determine whether any mitigating circumstances exist in cases where the death penalty is an option. It will fully protect the rights of the accused by allowing all relevant evidence about mitigating circumstances to be presented at the sentencing hearing. However, it will provide a clear message that society will not tolerate wanton and coldblooded crimes of violence.

Mr. President, there can be no place for random violence in our free society. There can be no place for bombs, air piracy, or machineguns in our streets. There can be no appeal over the ballot to the bullet, and those who make such an appeal must pay a high cost. My proposal, if enacted, would increase the cost.

The second piece of legislation, which I am pleased to cosponsor, would provide for greater coordination of Government antiterrorist programs, and sanctions against nations that refuse to act against terrorists. This legislation is similar to proposals I have made in the past, and I believe that it should be enacted in this Congress.

It is true that we cannot foreclose the possibility of future acts of terrorist violence, but we can increase our ability to predict and prevent some of these crimes. We can also increase our ability to apprehend and imprison the guilty. To do this we must improve our domestic antiterrorist activities. We must also demand the active cooperation of other governments in resisting this political blackmail and in punishing those responsible. This legislation will help us meet this important challenge.

It will provide for a more unified effort by the Departments of State, Justice, and Transportation to prevent and punish terrorist violence. It will create a high level interagency panel to enable different parts of the Government to work more closely and effectively together. It will require the President to send periodic reports to the Congress, listing terrorist crimes and the Government's response to them.

Mr. President, it is also essential that the United States exert pressure where it can against those countries that recklessly support terrorist crimes.

Nations that condone or encourage terrorist violence would not receive aid under the Foreign Assistance Act. They would not receive defense materials under the Arms Export Control Act. They would not receive export licenses for commodities or technical assistance that will enhance their military or terrorist potential. They would not receive duty free treatment under the Trade Act of 1974.

Furthermore, this legislation would require careful evaluation of airport secu-

rity in nations that service American passengers. It would increase our efforts to help friendly nations correct security weaknesses that provide opportunities for terrorists to commit their violent crimes.

We cannot eliminate terrorist crimes. There will always be some who will use the destruction of human life as a means to a political end. Yet the proposals I introduce and support today will help provide a unified and coherent response to terrorist violence.

They will insure that before crimes occur, we will be on guard.

They will insure that when these crimes occur, we will be prepared.

They will insure that if violence is committed, we will be ready and able to take every possible step to bring the guilty to justice.

They will insure that when the guilty are convicted, they will be punished severely, so severely that they will never again endanger or take the lives of innocent people.

Mr. President, there has been too much violence by political criminals who seek death and destruction in pursuit of revolutionary aims. There can be no excuse, no justification, no reasoning, that can support these mindless acts of bloodshed. There can be no place in civilized society for those who place their bullets and bombs above the rule of law. I urge the Congress to give prompt and favorable attention to this important effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title 18, United States Code, is amended by inserting immediately after Chapter 41 thereof the following new chapter:

"Chapter 41A.—OFFENSES COMMITTED BY MEMBERS OF TERRORIST ORGANIZATIONS

"Sec.
"880. Terrorist activities.

"§ 880. Terrorist activities

"(a) Whoever being a member of, or affiliated with, any terrorist organization is found guilty of, or pleads guilty to an offense under section 81, chapter 7 (other than subsection (e) of section 113 thereof), chapter 103, chapter 105, section 751, section 794, section 844(d), section 844(f), section 844(i), section 1111, section 1112, section 1201, section 2381, section 114, section 116, section 1751, or section 351 of this title, shall, if such offense was committed pursuant to the advocacy, direction, teachings, or encouragement of such terrorist organizations, in addition to the punishment provided for the commission of such offense, be sentenced to a term of imprisonment for not less than two years or more than ten years, except that, if the death of any person or injury resulting in death to any person occurred during the commission or attempted commission of or during the immediate flight from the commission or attempted commission of any such offense, such defendant so committing such offense shall, subject to the provisions of section 881 of this title, be sentenced to death.

"(b) As used in this chapter, the term 'terrorist organizations' means any society, group, club, league, committee association, or other combination or assembly of persons who advocate, direct, teach, or encourage (1) the use of murder, sabotage, or other forms of violence as a means or technique to (A) demonstrate approval or disapproval of governmetal policies or practices or the lack thereof, (B) express a view on public issues, or (C) bring into public notice any issue or other matter, (2) the use of murder, sabotage, or other violence as a means or technique to overthrow all forms of law, or (3) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers generally) of the Government of the United States or any other organized government (including law enforcement officers) because of his or their official character.

"§ 881. Sentencing hearing

"(a) When a defendant is found guilty of or pleads guilty to an offense referred to in section 880 and is subject to the death penalty under such section, the judge who presided at the trial or before whom the guilty plea was entered shall conduct a separate sentencing hearing to determine the existence or nonexistence of the factors set forth in subsection (d) of this section for the purpose of determining the sentence to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant guilty;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant guilty has been discharged by the court for good cause;

"(D) review by a court of appeals of the original sentence to death has resulted in a remand for resentencing under this chapter; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the court and of the Government.

"(b) Any information relevant to any of the factors set forth in subsection (d) may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials. The Government and the defendant shall be given a fair opportunity to rebut any information received at the hearing, and to present argument as to the adequacy of the information to establish the existence or nonexistence of any of the factors set forth in subsection (d).

"(c) The burden of establishing the existence of any of the factors set forth in subsection (d) is on the defendant and is not satisfied unless established by a preponderance of the evidence.

"(d) The jury, or if there is no jury, the court, shall return a special verdict setting forth its findings as to the existence or nonexistence of the following factors—

"(1) the defendant, at the time of the offense, was under the age of eighteen years;

"(2) at the time of the offense, the defendant's capacity to appreciate the wrongfulness of his or her conduct or to conform his or her conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to prosecution;

"(3) the defendant was under unusual and substantial duress, although not such duress as to constitute a defense to prosecution;

"(4) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor; or

"(5) the defendant could not reasonably have foreseen that his or her conduct in the course of the commission of the offense for which he or she was convicted would cause, or would create a grave risk of causing, death to another person.

"(e) If the jury, or if there is no jury, the court, finds by such special verdict provided in subsection (d) that any one or more of the factors set forth in subsection (d) exists, the court shall not impose the sentence of death on the defendant, but rather shall impose the sentence otherwise provided for such offense and, in addition thereto, shall sentence such defendant to a term of imprisonment which shall not be less than four years and which may be up to imprisonment for life. If such jury, or if there is no jury, the court, finds by such special verdict that no factor set forth in subsection (d) exists, the court shall impose the sentence of death on the defendant.

"(f) The imposition or execution of any mandatory minimum sentence pursuant to this chapter shall not be suspended, probation shall not be granted, and section 4202 and chapters 309 and 402 of this title shall not be applicable thereto." ●

By Mr. BELLMON:

S. 356. A bill to encourage the establishment of an International Grain Exporting Stabilization Commission; to the Committee on Agriculture, Nutrition, and Forestry.

INTERNATIONAL WHEAT EXPORTING COMMISSION ACT OF 1979

● Mr. BELLMON. Mr. President, the legislation that I am introducing today is designed to increase the domestic and world price of wheat so that farm income will increase, Government expenditures for farm subsidies will decrease, consumers will be assured of a dependable supply of wheat at a reasonable cost, and developing countries will have the incentive to increase their food grain production.

The International Grain Exporting Commission Act of 1978 requests the President to take such action as is necessary to establish an international grain exporting commission to be composed of the major wheat exporting countries. The Commission would establish a minimum world export price for wheat. I would suggest that the minimum export price should be around $4.50 per bushel f.o.b. at the export ports.

Although the management and policies of the Commission would be established by the member countries of the Commission, I envision the Commission implementing an export licensing program. In my proposal, no member country could export wheat without an export license issued by the International Grain Exporting Stabilization Commission. The license would be valid only when the sales price was above $4.50 per bushel f.o.b. at the port of member countries. The Commission would also establish some price when world supplies were tight that no export license would be necessary. Six dollars per bushel f.o.b. at the port would be a good level to no longer require export licenses.

The Commission would have to establish a procedure to allocate the export licenses to the member countries based upon historical shares of the export markets. The Commission would also probably want to provide procedures for the new entries into the market.

Although previous wheat agreements have not worked well, I am convinced that the climate has changed and that a carefully drawn, equitable plan would succeed.

It is my understanding that the current International Wheat Agreement that is being negotiated in Geneva, Switzerland, is weak and does not establish a world price for wheat that will increase farm income or provide incentive for developing countries to increase production.

Mr. President, the price of wheat has fluctuated around $3 per bushel at the farm since harvest last year. With a projected carry-in of over 1 billion bushels at the beginning of the new crop year, market prices are not likely to be higher this year than last year. Being a wheat farmer myself, I can assure my colleagues in the Senate that farmers cannot grow a bushel of wheat for $3 per bushel. Farmers cannot continue to sustain losses producing wheat over the long haul. Action must be taken that will allow farmers to make a reasonable profit.

Any increase in the target price on loan levels under the current farm program would be very costly to the Treasury. An International Wheat Exporting Commission would reduce the cost of the existing farm programs, not increase them.

A $4.50 per bushel f.o.b. export price would not gouge consumers. The price of a 1-pound loaf of bread increases about 1½ cents for each $1 per bushel increase in the price of wheat. Thus if the price of wheat increases to $5 per bushel f.o.b. at the ports, the price of bread would only increase about 2 cents per loaf since the current export price for wheat has been fluctuating around $3.50 per bushel f.o.b. at the ports.

An increase in the world wheat price may be the only thing that will prevent massive starvation in the developing countries in the next century. As long as the developing countries maintain a cheap food policy, their farmers will never have enough money to purchase better farming implements, fertilizer, or improved seed. It will never be economical to irrigate arid land, drain the swamps, or cultivate the marginal lands. Grain production cannot be increased overnight. Action must be taken now to provide the price incentive for developing countries to increase their productions.

A higher world price for wheat will not significantly decrease our exports to the developed countries. Japan resells U.S. wheat for over $9 per bushel and the European Community is currently selling wheat at $7.50 per bushel after adding $4 to the price of wheat through a levy. Accordingly an increase in the price of U.S. wheat should not affect exports to Japan or the European Community.

A higher export price for wheat would certainly help our balance-of-payment deficit and help offset the large amount of oil that the United States is importing.

Mr. President, Canada has expressed a strong desire to enter into a wheat agreement that is of mutual benefit. The United States and Canada produce two-thirds of the wheat that is exported. If Australia and Argentina joined in the International Wheat Exporting Commission, roughly 90 percent of the wheat exported would be subject to minimum price. Any economist will tell you that a wheat agreement that controls 90 percent of the market will be effective.

In summary, the organization of an International Wheat Exporting Commission would improve farm income, reduce Government expenditures, improve our balance of trade, encourage developing countries to increase production, and not significantly increase the cost of bread. Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD. Also I ask unanimous consent that an excerpt from a statement by Maurice J. Williams be inserted in the RECORD.

There being no objection, the bill and excerpt were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the International Wheat Exporting Commission Act of 1978".

SEC. 2. The Congress finds that (1) in order to insure an adequate supply of grain for the world market each marketing year, (2) in order to protect purchasers of wheat against wide fluctuations in the price of wheat during any marketing year, and (3) in order to assist wheat producers in the United States and throughout the world to obtain a fair and reasonable price on the quantity of wheat produced by them for export, an international body composed of members from countries that export substantial quantities of wheat each year should be established to carry out the purposes described in section 3.

SEC. 3. The President is requested to take such action as may be necessary to lead to the establishment of an international grain exporting commission whose purpose would be to set a minimum world market price each year for wheat exported from member nations, prescribe the share of wheat, based upon historic relationship, that may be exported from member countries each year, and to initiate and carry out such other actions as may be necessary to insure an adequate supply of wheat for the world market each year, to protect purchasers of wheat against wide fluctuations in the price of wheat during any marketing year, and assist producers of wheat throughout the world to recover at least costs of production for the quantity of wheat produced by them for export.

SEC. 4. The President is further requested to urge any such international commission which may be established to adopt a program which would incorporate the following measures:

(1) The issuance by such commission each year of export licenses to the member nations prescribing the total quantity of wheat each member nation may export in such year.

(2) A prohibition against the export by any member nation of any quantity of wheat in excess of the quantity provided for in the export license issued to such nation for such year.

(3) The quantity of wheat for which an export license would be issued in any year in the case of any member nation would be based upon the historical wheat export market share of such nation during a base period and upon other relevant factors prescribed by such commission.

(4) a minimum market price at which wheat exported from member nations would be sold each year, determined by such commission.

(5) In determining whether the minimum price referred to in clause (4) is being met in the case of any member nation in any year, there would be taken into consideration any transportation or freight subsidy paid by such nation on the wheat exported from such nation in such year.

(6) A minimum market price at or above which no export license for wheat would be required.

(7) An adjustment each year in the minimum sale price referred to in clause (4) and the minimum price referred to in clause (6) each year to take into account inflation.

(8) Procedures for including new wheat exporting nations in the membership of such commission each year with a prescribed maximum by which the membership could be expanded in any year.

(9) Provision for the imposition of a reasonable fee for each export license issued by such commission to cover the expenses of the commission.

SEC. 5. The President may provide for participation by the United States in any international wheat exporting stabilization commission described in section 3 of this Act for a period of three years.

SEC. 6. (a) The President shall keep the Congress currently informed of the actions taken by him in carrying out the provisions of this Act and the progress being made in achieving the establishment of an international wheat exporting stabilization commission for wheat described in section 3.

(b) Following the establishment of such a commission, the President shall submit a written report to the Congress at the end of each year describing the operations of such commission and the President's assessment of such operations.

THE NATURE OF THE WORLD FOOD AND POPULATION PROBLEM

D. THE NEED FOR STEPPED-UP INVESTMENT IN FOOD

It is in the basic interest of the United States and of other advanced industrial countries to support stepped-up investment and a dramatic increase in food production in the developing countries, both to help these countries meet the nutritional needs of their growing populations—as a major factor affecting world political stability—as well as to hold down the soaring cost of food which has been an important factor in the current inflation in the United States and other OECD countries.

In the next 15 years the demand for food grains in the developed countries will increase tremendously—by an estimated 200 million tons, or nearly equivalent to the current production of grain in the United States. During this period demand in the developing countries will increase by 350 million tons, and under current patterns of production well over 100 million tons of this increase in developing world demand would have to be met by increased exports from North America. The Washington-based Overseas Development Council has pointed out that the North American granary cannot provide another 100 million tons of exports for the developing countries while at the same time meeting growing needs in the United States and other developed countries, as well as the probability of large import demand by the USSR and China, without sharply increasing prices during the 1980s and beyond.

The United States and Canada cannot feed the world, nor should they attempt to do

so. Already North America is on its way to becoming the bread basket for the world, with exports increasing from 34 million tons in 1960 to 100 million tons in recent years. The inflationary implications of current trends in world demand and supply of food grains are considerable, not only because of the risk that world demand will surge ahead of world production, but because of the almost certain increased costs of production in the United States resulting from the need to engage land which should not be put under intensive production and the use of scarcer water supplies, as well as the prospects of having to use even more intensive application of higher cost fertilizer and energy to gain increased yields.●

By Mr. CANNON (for himself, Mr. STEVENSON, and Mr. SCHMITT) (by request):

S. 357. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the National Aeronautics and Space Administration, and on behalf of myself and my colleagues, Mr. STEVENSON and Mr. SCHMITT, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes for fiscal year 1980.

I ask unanimous consent that the text of the bill, the letter of transmittal and the sectional analysis be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1979:

(a) For "Research and development," for the following programs:

(1) Space Shuttle, $1,336,000,000;

(2) Space flight operations, $467,300,000;

(3) Expendable launch vehicles, $70,700,000;

(4) Physics and astronomy, $337,500,000;

(5) Planetary exploration, $220,200,000;

(6) Life sciences, $43,900,000;

(7) Space applications, $332,300,000;

(8) Technology utilization, $12,100,000;

(9) Aeronautical research and technology, $300,300,000;

(10) Space research and technology, $116,400,000;

(11) Energy technology, $3,000,000;

(12) Tracking and data acquisition, $332,800,000.

(b) For "Construction of facilities," including land acquisition, as follows:

(1) Modification of static test facility, Ames Research Center, $2,900,000;

(2) Construction of large aircraft maintenance dock, Hugh L. Dryden Flight Research Center, $1,500,000;

(3) Rehabilitation and modification of flight operations facilities, Ellington Air Force Base, $1,760,000;

(4) Modifications to central instrumentation facility, John F. Kennedy Space Center, $1,260,000;

(5) Modifications to operations and checkout building, John F. Kennedy Space Center, $950,000;

(6) Modifications of model support system 8-foot high temperature structures tunnel, Langley Research Center, $1,410,000;

(7) Modifications to 8-foot transonic pressure tunnel, Langley Research Center, $2,000,000;

(8) Modification of transonic dynamics tunnel, Langley Research Center, $970,000;

(9) Rehabilitation and modification of gas dynamics laboratory, Langley Research Center, $3,600,000;

(10) Modifications to central air system, various buildings, Lewis Research Center, $5,720,000;

(11) Modifications to various buildings, Marshall Space Flight Center, $2,640,000;

(12) Rehabilitation of roofs, various buildings, Marshall Space Flight Center, $900,000;

(13) Construction of facilities operations shop building, Wallops Flight Center, $1,100,000;

(14) Large aeronautical facility; construction of national transonic facility, Langley Research Center, $12,000,000;

(15) Large aeronautical facility; modification of 40- by 80-foot subsonic wind tunnel, Ames Research Center, $33,900,000;

(16) Space Shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $17,700,000;

(B) Modifications to crawler transporter maintenance facility, John F. Kennedy Space Center, $1,250,000;

(C) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $10,000,000;

(D) Minor Shuttle-unique projects, various locations, $2,500,000;

(17) Space Shuttle payload facilities at various locations as follows:

(A) Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $2,610,000;

(B) Modification and addition to materials sciences laboratory, Ames Research Center, $1,640,000;

(18) Repair of facilities at various locations, not in excess of $500,000 per project, $12,000,000;

(19) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $19,790,000;

(20) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $3,500,000;

(21) Facility planning and design not otherwise provided for, $14,000,000.

(c) For "Research and program management," $964,900,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection (1)(c) may be used but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repairs, rehabilitation, or modification of facilities: *Provided*, That of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (20), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 per centum,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (21) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such

sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of 30 days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. (a) Paragraph 13 of subsection (c) of section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473(c)(13)) is amended by striking out "$5,000" where it appears and inserting in lieu thereof "$25,000".

(b) The National Aeronautics and Space Act of 1958, as amended, is amended (1) by redesignating section 308 as section 309 thereof; and (2) by inserting the following new section:

"INSURANCE AND INDEMNIFICATION

"SEC. 308. (a) The Administration is authorized on such terms and to the extent it may deem appropriate to provide liability insurance for any user of a space vehicle to compensate all or a portion of claims by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle. Appropriations available to the Administration may be used to acquire such insurance, but such appropriations shall be reimbursed to the maximum extent practicable by the users under reimbursement policies established pursuant to section 203 (c) of this Act.

"(b) Under such regulations in conformity with this section as the Administrator shall prescribe taking into account the availability, cost and terms of liability insurance, any agreement between the Administration and a user of a space vehicle may provide that the United States will indemnify the user against claims (including reasonable expenses of litigation or settlement) by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user: *Provided*, That such indemnification may be limited to claims resulting from other than the actual negligence of willful misconduct of the user.

"(c) An agreement made under subsection (b) that provides indemnification must also provide for—

"(1) notice to the United States of any claim or suit against the user for the death, bodily injury, or loss of or damage to the property; and

"(2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

"(d) No payment may be made under subsection (b) unless the Administrator or his designee certifies that the amount is just and reasonable.

"(e) Upon the approval by the Administrator, payments under subsection (b) may be made, at the Administrator's election, either from funds available for research and development not otherwise obligated or from funds appropriated for such payments.

"(f) As used in this section—

"(1) the term "space vehicle" means an object intended for launch, launched or assembled in outer space, including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts;

"(2) the term "user" includes anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle, or who employs a person to be flown on a space vehicle; and

"(3) the term "third party" means any person who may institute a claim against a user for death, bodily injury or loss of or damage to property."

SEC. 7. In addition to the amounts authorized to be appropriated under section 1 of this Act, there is hereby authorized to be appropriated to the National Aeronautics and Space Administration, to be available no earlier than October 1, 1980, such sums as may be necessary:

(a) For "Research and development,"

(b) For "Constructon of facilities,"

(c) For "Research and program management."

All of the limitations and other provisions of this Act which are applicable to amounts appropriated pursuant to subsections (a), (b), and (c) of section 1 of this Act shall apply in the same manner to amounts appropriated pursuant to subsections (a), (b), and (c), respectively, of this section.

SEC. 8. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., January 30, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Submitted herewith is a draft of a bill, "To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes," together with the sectional analysis thereof. It is submitted to the President of the Senate pursuant to Rule VII of the Standing Rules of the Senate.

Section 4 of the Act of June 15, 1959, 73 Stat. 75 (42 U.S.C. 2460), provides that no appropriation may be made to the National Aeronautics and Space Administration unless previously authorized by legislation. It is a purpose of the enclosed bill to provide such requisite authorization in the amounts and for the purposes recommended by the President in the Budget of the United States Government for fiscal year 1980. For that fiscal year, the bill would authorize appropriations totaling $4,725,000,000 to be made to the National Aeronautics and Space Administration as follows:

(1) for "Research and development" amounts totaling $3,602,500,000;

(2) for "Construction of facilities" amounts totaling $157,600,000; and

(3) for "Research and program management," $964,900,000.

In addition, the bill would authorize such sums as may be necessary for fiscal year 1981, i.e., to be available October 1, 1980.

The enclosed draft bill follows generally the format of the National Aeronautics and Space Administration Authorization Act, 1979 (Public Law 95-401). However, the bill differs in substance from the prior Act in several respects.

First, subsections 1(a), 1(b), and 1(c), which would provide the authorization to appropriate for the three NASA appropriations, differ in the dollar amount and/or the line items for which authorization to appropriate is requested.

Second, in addition to the specific "Construction of facilities" projects enumerated in subsection 1(b), a line item entitled "Repair of facilities at various locations, not in excess of $500,000 per project" has been added.

Third, subsection 1(g) has been reworded to permit use of funds appropriated for "Research and development" and "Research and program management" for repairs, subject to the same limitations placed on construction of new facilities, additions to existing facilities, and rehabilitation or modification of facilities. The dollar limitation for each project has been raised to $75,000.

Fourth, two amendments to the National Aeronautics and Space Act of 1958 have been included. The first amendment increases to $25,000 the amount for which the Administration may settle or adjust claims resulting from the conduct of the Administration's functions. The second amendment would add a new section 308, entitled "Insurance and Indemnification," and renumber the existing section 308 as section 309.

Fifth, section 6 of Public Law 95-401, which corrected the misiettering of subsections of section 203 of the National Aeronautics and Space Act of 1958, as amended, has been omitted

Sixth, section 7 of Public Law 95-401, which added a new subsection (f) to section 102 of the National Aeronautics and Space Act of 1958, as amended, has been omitted since the amendment is now permanent law.

Seventh, section 8 of Public Law 95-401, requiring a report by December 31, 1978, on the Administration policy regarding conflicts of interest, standards of conduct and financial disclosure and the implementation of that policy, has been omitted.

Eighth, in addition to providing authorization of appropriations in the amounts recommended by the President in his Budget for fiscal year 1980, the bill also would provide authorization for such sums as may be necessary for fiscal year 1981. It is specified that all of the limitations and other provisions of the bill applicable to amounts appropriated pursuant to section 1 shall apply

in the same manner to amounts appropriated pursuant to section 7.

Finally, the last section of the draft bill, section 8, has been changed to provide that the bill, upon enactment, may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980", rather than "1979".

Where required by section 102(2)(C) of the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4332(2)(C)), and the implementing regulations of the Council on Environmental Quality, environmental impact statements covering NASA installations and the programs to be funded pursuant to this bill have been or will be furnished to the Committee on Commerce, Science, and Transportation as appropriate.

The National Aeronautics and Space Administration recommends that the enclosed draft bill be enacted. The Office of Management and Budget has advised that such enactment would be in accord with the program of the President.

Very truly yours,

ROBERT A. FROSCH,
Administrator.

SECTIONAL ANALYSIS OF A BILL

"To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes."

SECTION 1

Subsections (a), (b), and (c) would authorize to be appropriated to the National Aeronautics and Space Administration funds, in the total amount of $4,725,000,000 as follows: (a) for "Research and development," a total of 12 program line items aggregating the sum of $3,602,500,000; (b) for "Construction of facilities," a total of 21 line items aggregating the sum of $157,600,000; and (c) for "Research and program management," $964,900,000. Subsection (c) would also authorize to be appropriated such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

A line item entitled "Repair of facilities at various locations, not in excess of $500,000 per project" has been added. The line item reflects the priority and necessity for facility repairs which in past years have competed with other programs for funding.

Subsection 1(d) would authorize the use of appropriations for "Research and development" without regard to the provisions of subsection 1(g) for: (1) items of a capital nature (other than the acquisition of land) required at locations other than NASA installations for the performance of research and development contracts; and (2) grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities. Title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Moreover, each such grant shall be made under such conditions as the Administrator shall find necessary to insure that the United States will receive benefit therefrom adequate to justify the making of that grant.

In either case no funds may be used for the construction of a facility in accordance with this subsection, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator notifies the Speaker of the House, the President of the Senate and the specified committees of the Congress of the nature, location, and estimated cost of such facility.

Subsection 1(e) would provide that, when so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) contracts for maintenance and operation of facilities, and support services may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

Subsection 1(f) would authorize the use of not to exceed $25,000 of the "Research and program management" appropriation for scientific consultations or extraordinary expenses, including representation and official entertainment expenses, upon the authority of the Administrator, whose determination shall be final and conclusive.

Subsection 1(g) would provide that of the funds appropriated for "Research and development" and "Research and program management," not in excess of $75,000 per project (including collateral equipment) may be used for construction of new facilities and additions to existing facilities, and for repairs, rehabilitation, or modification of facilities. The dollar level has been raised to $75,000 from $25,000 for construction of new facilities and additions to existing facilities and from $50,000 for rehabilitation or modification of facilities to reflect the increased cost of facility projects over the period when the levels were initially established. The $250,000 per project limitation on use of funds appropriated for "Research and development" for unforeseen programmatic needs remains unchanged.

SECTION 2

Section 2 would authorize upward variations of the sums authorized for the "Construction of facilities" line items (other than facility planning and design) of 10 per centum at the discretion of the Administrator or his designee, or 25 per centum following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, for the purpose of meeting unusual cost variations. However, the total cost of all work authorized under these line items may not exceed the total sum authorized for "Construction of facilities" under subsection 1(b), paragraphs (1) through (20).

SECTION 3

Section 3 would provide that not more than one-half of 1 per centum of the funds appropriated for "Research and development" may be transferred to the "Construction of facilities" appropriation and, when so transferred, together with $10,000,000 of the funds appropriated for "Construction of facilities," shall be available for the construction of facilities and land acquisition at any location if the Administrator determines (1) that such action is necessary because of changes in the aeronautical and space program or new scientific or engineering developments, and (2) that deferral of such action until the next authorization Act is enacted would be inconsistent with the interest of the Nation in areonautical and space activities. However, no such funds may be obligated until 30 days have passed after the Administrator or his designee has transmitted to the Speaker of the House, the President of the Senate and the specified committees of Congress a written report containing a description of the project, its cost, and the reason why such project is necessary in the national interest, or each such committee before the expiration of such 30-day period has notified the Administrator that no objection to the proposed action will be made.

SECTION 4

Section 4 would provide that, notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation;

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c); and,

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House, the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SECTION 5

Section 5 would express the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SECTION 6

Section 6 would make two amendments to the National Aeronautics and Space Act of 1958. Subsection (a) would amend section 203(c)(13)(A) and (B) to increase to $25,000 the amount for which the Administration may settle or adjust claims on behalf of the United States for actions resulting from the conduct of the Administration's functions. The increase raises the adjustment to the same level established for the Federal Tort Claims Act (Public Law 89-506), which was set at $2,500 prior to 1966.

Subsection (b) of section 6 would add a new section 308 to the National Aeronautics and Space Act of 1958, as amended, and renumber existing section 308 as section 309.

The new section 308 includes six subsections, (a) through (f).

Subsection (a) would authorize the Administrator to provide liability insurance to any user of a space vehicle to compensate them for claims by third parties for damage resulting from described activities. The Administration would be authorized to provide such insurance in its sole discretion on such terms and to the extent it may deem appropriate. Thus, for example, the Administration could require certain Shuttle users to obtain through NASA and pay for an equitable share of third-party liability insurance. On the other hand, the Administration could, in its discretion, exempt other Shuttle users, e.g., small self-contained payloads, from the requirement of obtaining insurance or paying for it.

This subsection would authorize the Administrator, for example, to procure insurance for a number of Shuttle flights in the future based on a projected schedule. In doing so, he would be authorized to use for the purchase of such insurance appropriated funds available to the Administration. In turn, he would be required to seek reimbursement of the appropriation used, to the maximum extent practicable, from the users under general Shuttle reimbursement policies established pursuant to section 203(c) of the National Aeronautics and Space Act of 1958, as amended. This, of course, could be accomplished by charging users a fixed price for the insurance based upon an estimate of the cost of insurance, the number of Shuttle flights and users to be protected by the insurance policy, and other relevant factors. Any other reasonable method of charging users for such insurance may be adopted, depending on NASA's experience and the insurance coverage available. It is not anticipated that NASA would use its appropriated funds to protect the U.S. Government (including NASA when flying it payloads) from liability; however, the subsection is broad enough to permit that if the Administrator would determine that to do so would be desirable and appropriate in any particular case, for example, depending on the mix of payloads to be flown on a given Shuttle flight.

Subsection (b) would authorize NASA, in its discretion, to provide in any agreement entered into by it and a user of a space vehicle (as defined in subsection 309(f)), for the indemnification of the user against claims by third parties (as defined in subsection 308(f)) for damage resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user. It would require the Administrator to issue implementing regulations which would take into account the availability, cost and terms of liability insurance.

The agreement to indemnify may be inserted in several different types of agreements with users of a space vehicle, including but not limited to, agreements under which NASA provides Shuttle launch services and other Government services and agreements under which non-U.S. Government persons provide to NASA payload specialist services on board Shuttle flights.

It is specifically provided that the indemnification may, if the Administration deems it appropriate, be limited to claims other than those resulting either from the actual negligence of the user or from willful misconduct of the user, or both. Under this authority the Administration will be able to tailor the extent of the indemnification to the particular circumstances of a given flight, indemnifying the user totally or, for example, indemnifying the user only with respect to damage or injury which did not result from the user's willful misconduct.

Indemnification would only be applicable to claims of third parties who are defined in subsection 308(a)(f)(3) as "any person who may institute a claim against a user for death, bodily injury or loss of or damage to property." It is envisaged that a third party would not normally include persons who contract with NASA for launch services, since NASA expects to include in its launch agreements a provision under which the person procuring launch services agrees that he will not make a claim (and that he will hold NASA and other users harmless) for damage to his property or employees caused by NASA, other users or any other person involved in space transportation system operations during such operations. In turn, NASA and other users would promise not to bring a claim against the user for damage to their property or employees. The result would be that each person flying on a space vehicle would be required either to insure or self-insure his own property.

The indemnification authority would be applicable to damage resulting from activities carried on in connection with the launch, operations or recovery of a space vehicle. The term "space vehicle" is defined in subsection 308(f)(1) to include spacecraft and other payloads that may be launched, with the term specifically including the Space Shuttle. The Administrator's implementing regulations would define technically and in detail the activities carried on that would be protected by indemnification and the extent and duration of such protection.

Subsection (c) would provide that certain described conditions must be contained in any agreement providing for indemnification under section 308. Specifically, it requires that (1) notice be given to the United States of any claim or suit against a user for damage; and (2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

Subsection (d) would provide that no indemnification payment made under subsection (b) could be made unless the Administrator or his designee certifies that the amount is just and reasonable.

Subsection (e) would provide that upon the Administrator's approval, indemnification payments under subsection (b) may be made either from any funds available for NASA's research and development activities not otherwise obligated or from funds appropriated specifically for such indemnification payments. A decision on whether to use existing appropriations or seek additional appropriations from Congress specifically to pay meritorious claims would rest with the Administrator. It is the intent of this subsection that no authorized NASA program should be curtailed or terminated because of such indemnification payments.

Subsection (f) would provide a definition of three terms used in section 309.

The term "space vehicle" is defined in subsection (f)(1) as any object intended for launch, launched or assembled in outer space, specifically including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts. This is intended to include, but not be limited to, Spacelab upper stages, and any payload to be flown on board a Shuttle for a user.

The term "user," as defined in subsection (f)(2), would include anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle. It could include as one "who owns or provides property to be flown on a space vehicle", a person who intends and has made appropriate arrangements to retain ownership of property at any time during flight; e.g., a manufacturer of an upper stage who may retain title to the upper stage during space flight. The definition also includes as one "who employs a person to be flown on a space vehicle" an entity such as a university which would provide under a contract with NASA its employee's services as a payload specialist for a particular Shuttle flight.

The term "third party," as defined in subsection (f)(3), means any person who may bring a claim against a user for damage sounding in tort. As explained previously in connection with subsection (b), a "third party" would not normally include users who contract with NASA for launch services; however, there may be circumstances under which such a person could be a "third party" for the purposes of section 308.

SECTION 7

Section 7 would authorize to be appropriated to the National Aeronautics and Space Administration for fiscal year 1981 such sums as may be necessary: (a) for "Research and development," (b) for "Construction of facilities," and (c) for "Research and program management." All of the limitations and other provisions of the Act applicable to amounts appropriated pursuant to subsections (a), (b), and (c) of section 1 would apply in the same manner to amounts appropriated pursuant to subsections (a), (b), and (c), respectively, of this section.

SECTION 8

Section 8 would provide that the Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980."●

By Mr. STEVENSON:

S. 359. A bill to amend the Council on Wage and Price Stability Act to strengthen the independence, authority, and resources of the Council by establishing it as an independent Inflation Review Board, by authorizing the Board to require prenotification of and to delay temporarily wage and price increases which could have serious inflationary effects on the economy, by authorizing the Board to recommend to the President appropriate governmental actions to counter inflation, including voluntary wage and price guidelines and accompanying measures to encourage adherence to such guidelines, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

INFLATION REVIEW BOARD ACT OF 1979

● Mr. STEVENSON. Mr. President, I am introducing today a bill to establish an independent Inflation Review Board to replace the Council on Wage and Price Stability. The bill is similar to S. 3518 which I introduced last September but which was not acted upon before the 95th Congress adjourned.

Since then, the President has announced his anti-inflationary program including wage and price guidelines. The program avoids the dangerous extremes of deflation and mandatory controls. It sets realistic standards for wage and price increases. But the program is incomplete.

The President's anti-inflation program makes no provision for the Council on Wage and Price Stability to be informed in advance of price or wage increases. The Council is limited to monitoring inflation after-the-fact, unless companies or unions voluntarily provide information about their intentions. Had the President's program included authority to require advance notice of wage and price increases in large industries and authority to defer them temporarily, the Council would be in a position to report publicly proposed price or wage actions which exceed reasonable levels. Such actions could then be studied and exposed, and deferred, if necessary, for short periods of time. Instead, the council is left holding an empty bag, releasing reports on the inflationary impact of actions already taken, just as in the past. It should prevent, not punish, inflationary behavior. I would prefer to see the Council given the tools to prevent inflation than other agencies given the task of punishing those who contribute to it.

The President's program seems to divest the Council on Wage and Price Stability of its statutory responsibility to monitor inflationary measures proposed by the Government. Instead, the new Regulatory Council is supposed to de-

velop a calendar of proposed Federal regulations.

A calendar is no substitute for timely analyses of inflationary actions proposed by an executive branch. A body independent of the executive branch is needed to monitor the executive branch. For this program to deal with the inflationary psychology which is fueling inflation, it must have credibility. And it is not credible to think that the administration will effectively monitor and expose the administration.

Greater reliance should be placed on the force of informed public opinion to prevent inflationary behavior in and out of Government and less reliance on punitive measures by Government. The Council on Wage and Price Stability needs to be insulated from political and economic pressures—and given prenotification and deferral authorities.

Mr. President, the Council on Wage and Price Stability lacks the necessary independence, authority, and resources to accomplish in an objective, timely, and effective manner the purposes for which it was created by the Congress—to identify the causes of inflation, to expose private and governmental inflationary behavior to public scrutiny, and to temper irresponsible wage and price decisions.

Since the Council on Wage and Price Stability is the principal Government agency responsible for analyzing the inflationary effect of private and public sector activities, the Council must be strengthened if we are to reduce inflation which averaged 9 percent last year. Many factors have pushed inflation to this rate. The drop in the exchange rate of the dollar, increased food prices and severe weather in the first half of last year, energy prices, interest rates and the Federal deficit, the cost of compliance with regulations, housing costs, rising labor costs due in part to social security and minimum wage increases, together with the psychology of inflation which causes inflation by anticipating it, all contribute to inflation.

The Council with a miniscule professional staff has been unable to monitor in an effective and timely manner these and other inflationary developments. And when it seeks to do its job, it is rewarded first with an informal executive coordinating council with no apparent purpose save to keep the Council's director, Mr. Bosworth, from telling the hard truth, and later with a regulatory council which shields Government regulatory actions from review by the Wage-Price Council.

Mr. President, the bill I am introducing will strengthen the Council on Wage and Price Stability by making it an independent Inflation Review Board which reports directly to the Congress. The Board would have the power to monitor irresponsible wage and price increases by requiring prenotification, that is to say—notice of increases in the largest industries before they take place and it is too late. It would also have the power to temporarily delay wage and price increases which have serious inflationary effects. Thus, it could acquire time to examine the proposed increases and afford public opinion an opportunity to commend restraint upon the parties. Because of its independence of the Congress and President, it could also monitor the activities of both. The Board could recommend remedial actions to the President, including comprehensive or sectoral voluntary wage and price guidelines. With the resources offered by this bill, the Board could perform more effectively the tasks assigned to it by the Congress.

Mr. President, this legislation is needed to give the council the stature and tools to carry out its mandate to fight inflation. It is an alternative to wage and price controls which in the past have been inequitable, have led to distortions in the allocation of resources, and have suffered from undue administrative complexity. The legislation disavows any authority for wage and price controls. It creates no mechanism for the imposition of controls. By creating an Inflation Review Board with teeth in its jawbone and the independence to single out for public and congressional scrutiny inflationary behavior in both the private and public sectors, together with the financial resources to identify and monitor inflationary developments in a trillion dollar economy, the Board could focus our efforts on restraining and containing inflationary shocks to the economy, instead of bureaucratizing and stultifying the economic system with wasteful and nonproductive controls. This legislation contemplates the therapeutic force of public opinion—no more.

This independent Inflation Review Board is needed to monitor the greatest inflation machine of all—the Government itself—and to insure that the board will speak freely, even when it has to step on powerful toes—whether public or private. The board proposed in section 3 of the bill would consist of five members to be appointed by the President with the advice and consent of the Senate. Members would all have to be broadly representative of the public interest and could not therefore be affiliated with particular large economic interest groups. Members would serve 4-year terms, except for the first members whose terms would be staggered. The chairman would be the board's chief executive officer and the board could take action with three members—insuring its ability to act on its own when necessary and when unpopular to do so.

Under section 4 of the bill, the board would be given authority to delay for up to 45 days any price or wage increase which could or would significantly increase inflation. Such authority is essential if the board is to have an opportunity to determine the basis of any such increase, the extent to which it may be justified, and the need for remedial action. Such delay would give the board, the President, and the Congress time to fashion appropriate remedies before the public is made to suffer the consequences of irresponsible inflationary behavior. It would afford the pressure of public opinion time to effect restraint.

Section 4 of the bill would also give the board the authority to require firms with gross sales or revenues in excess of $250 million to notify the board of proposed price increases thirty days prior to the date of the increase. In addition, under section 4 the board could require similar prenotification from employers with respect to wage increases affecting more than 5,000 persons.

In any case in which a wage increase affecting more than 5,000 persons is subject to the collective bargaining process, the board could require bargaining representatives to submit to it all proposed or tentative wage increases to give the board—and public—some desirable lead time to insure inflationary consequences are considered in reaching the final agreement.

The coal pact negotiations last year demonstrate the difficulty of trying to influence such decisions once they have been bargained out. Those involved should know ahead of time the inflationary consequences so that their own members and employees, as well as the public, can take these effects into account in reaching a final pact.

Many employees may not want to gain an increase that is eroded overnight in a new spiral of inflation. Once a final agreement involving more than 5,000 employees is reached pursuant to collective bargaining, the board must be notified of the terms no more than 5 days after agreement and not more than 30 days prior to the effective date. Prenotification is essential to the effective exercise of the delay authority granted by the bill.

The bill will also give the board the authority to recommend to the President appropriate actions to counter inflation, including voluntary wage and price guidelines, either comprehensive or sectoral. The exercise of such authority by the board could embolden the President to be more responsive to general, as opposed to special, economic interests. The authority to establish voluntary guidelines would remain exclusively with the President. The board is also given authority to recommend to the President governmental measures to encourage adherence to guidelines, though it is my hope that the force of public opinion would reduce the need for such measures. Be that as it may, the President and Congress would have the benefit of the board's advice in determining what measures, if any, are needed to encourage guideline adherence.

Under section 5 of the bill the board would be required to report directly to the Congress on a semiannual basis and in greater degree than under present law. This will help insure vigilant congressional oversight, as well as constant attention to inflationary developments.

Section 6 of the bill requires the board to come directly to Congress for its appropriations—not through OMB. Again, this is crucial to maintaining the board's independence—to insure that it has enough resources to perform its tasks, including its review of Government-induced inflation.

Finally, the bill would authorize such sums as are necessary to carry out its functions and give the board an initial 5-year life. These provisions would allow

the Congress to determine appropriate funding and staff levels to insure that the board will be able to perform the tasks assigned to it and will give the permanence and status necessary to organize and do its job. Annual appropriations will insure constant oversight of the board's activities.

Cost-push induced inflation will continue, unless it induces serious recession—or receives an appropriate response from the Government. This is one such response; controls are not. If the Nation is to avoid wage and price controls, it needs an independent agency with tools to identify irresponsible inflationary behavior, expose it to public scrutiny and provide time to devise measures to prevent such increases from triggering another inflationary spiral. A strong, independent Inflation Review Board, with the powers and resources conveyed by this bill, will have such tools.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This act may be cited as the "Inflation Review Board Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) the council on Wage and Price Stability lacks the necessary independence, authority, and resources to accomplish in an objective, timely, and effective manner the purposes for which it was created— to identify the causes of inflation, to expose private and governmental inflationary behavior to public scrutiny, and to temper irresponsible wage and price decisions;

(2) since the Council on Wage and Price Stability is the principal Government agency responsible for analyzing the inflationary effect of private and public sector activities, the Council must be strengthened in order to reduce inflation which slows economic growth, raises unemployment, leads to increased interest rates, reduces investment, harms the national competitive position of the United States, reduces the purchasing power of the dollar and destabilizes world trade and investment, reduces real disposable income by moving taxpayers into artificially high tax brackets, and impacts most severely the aged, the poor, and those least able to cope with changing economic conditions.

(b) The purpose of this Act is to strengthen the Council on Wage and Price Stability by making it an independent Inflation Review Board which reports directly to the Congress, by giving the Board the authority to temper irresponsible wage and price increases by authorizing the Board to require prenotification of and to delay temporarily wage and price increases which have serious inflationary effects, by authorizing the Board to recommend to the President appropriate governmental actions to counter inflation, including voluntary wage and price guidelines and accompanying measures to encourage adherence to such guidelines, and by increasing the resources available to the Board to enable it to perform effectively the tasks assigned to it by the Congress.

(c) Nothing in this Act authorizes any Government control of production, employment, allocation of resources, or wages and prices or creates the administrative framework for the implementation of any such controls.

(d) It is the purpose of this Act to create a strong and independent Inflation Review Board which will serve as an effective alternative to wage and price controls which in the past have been inequitable, have caused distortion in the allocation of resources, and have suffered from administrative complexity.

(e) The Congress further finds that the authority granted the Inflation Review Board under this Act should be applied equitably to both wages and prices, and, to the extent required, to all sectors of the economy, and should be applied in a manner which minimizes distortion in the allocation of resources and administrative complexity.

ESTABLISHMENT OF INFLATION REVIEW BOARD

SEC. 3. Subsections (a) through (e) of section 2 of the Council on Wage and Price Stability Act are amended to read as follows:

"(a) There is established as an independent agency in the executive branch an Inflation Review Board (hereinafter referred to as the 'Board') which shall consist of—

"(1) a Chairman to be appointed by the President, by and with the advice and consent of the Senate;

"(2) a Vice Chairman to be appointed by the President, by and with the advice and consent of the Senate;

"(3) three members to be appointed by the President, by and with the advice and consent of the Senate;

"(b) The members of the Board appointed pursuant to subsection (a) shall be broadly representative of the public interest and shall be appointed for terms of four years, except that of the members first taking office, one shall serve for a term of three years, as designated by the President at the time of the appointments. Any vacancy in the membership of the Board shall be filled in the same manner as the original appointment was made, except that any appointment to fill a vacancy shall be made only for the remainder of the unexpired term. Not more than three of the members appointed by the President shall be affiliated with the same political party.

"(c) The Chairman of the Board shall be compensated at the rate provided for an individual occupying a position under level III of the Executive Schedule (5 U.S.C. 5314). The Vice Chairman and the other members of the Board shall be compensated at the rate for an individual occupying a position under level IV of the Executive Schedule (5 U.S.C. 5315).

"(d) Three members of the Board shall constitute a quorum for the transaction of business, but the Board may designate a lesser number for the taking of testimony. The Board shall meet at the call of the Chairman or at the call of a majority of its members.

"(e) The Chairman of the Board may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Board at rates not to exceed the highest rate for grade 18 of the General Schedule under section 5332 of title 5, United States Code. The Chairman may employ experts, expert witnesses, and consultants, in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rate not in excess of the maximum daily rate provided for grade 18 of the General Schedule under section 5332 of title 5, United States Code.".

PRENOTIFICATION; FORTY-FIVE-DAY DELAY; RECOMMENDED ACTIONS

SEC. 4. Section 2 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(h)(1) The Board may require any person having gross sales or revenues in excess of $250,000,000 during its most recent full fiscal year to submit a prenotification to the Board with respect to any price increase of any product or serivce of such person not more than thirty days prior to the effective date of such increase.

"(2) The Board may require any person who is an employer to submit a prenotification with respect to any wage increase affecting more than five thousand employees not more than thirty days prior to the effective date of such increase. In any case in which a wage increase affecting more than five thousand employees is subject to agreement pursuant to the collective bargaining process, the Board may require the employer and the employees' representative to submit to the Board, either singly or jointly, any or all proposed or tentative wage increases to be considered during such process, and the Board may require a prenotification to be submitted jointly by the employer and the employees' representative of any final agreement with respect to any such increase not more than five days after such agreement has been reached and not more than thirty days prior to the effective date of such increase.

"(3) The Board may, by regulation, prescribe the form and content of any prenotification required under this subsection, and it may require such prenotification to be submitted by any person, without regard to sales, revenues, or number of employees, whenever it finds that a wage or price increase implemented by such person might significantly increase inflation.

"(i) The Board is authorized, by order, regulation, or otherwise, to delay for one period of not to exceed forty-five days any proposed price or wage increase, in whole or in part, which the Board determines would or could significantly increase inflation.

"(j) Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any requirement imposed under this Act, the Board may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such act or practice, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue a mandatory injunction commanding such person to comply with such requirement.

"(k) The Board may recommend to the President appropriate governmental actions to counter inflation, including the establishment of comprehensive or sectoral voluntary guidelines for noninflationary wage and price adjustments and governmental measures to encourage adherence to any such guidelines.".

REPORTING REQUIREMENT

SEC. 5. Section 5 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 5. The Board shall transmit to the Congress on a semiannual basis and not later than thirty days after the close of the second and fourth calendar quarters, a report which shall include the following and such additional information as the Board deems relevant to its activities and purposes—

"(1) a description of its activities in monitoring the private and governmental sectors of the economy:

"(2) an analysis of changes during each of the quarters covered in wages, costs, supplies of commodities and industrial materials, productivity, prices, sales, profits, investment, executive compensation, fringe benefits, imports, exports, interest rates, and exchange rates;

"(3) developments during each of the quarters covered in key sectors of the domestic and international economy which could have an adverse inflationary effect on the economy in the next six-month period;

"(4) the Board's proposed activities for the next six-month period following transmission of the report; and

"(5) its recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.".

AUTHORIZATION

SEC. 6. Section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 6. In addition to any amounts made available prior to the date of enactment of the Inflation Review Board Act of 1979 to the Council on Wage and Price Stability, there are authorized to be appropriated to the Board such sums as may be necessary to carry out the provisions of this Act. The Board shall transmit annually to the Congress a recommendation for additional appropriations. No office or agency of the United States shall have the authority to require the Board to submit any recommendation for appropriations for review or comment prior to the submission thereof to the Congress.".

EXTENSION

SEC. 7. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1984".

TECHNICAL AMENDMENTS

SEC. 8. (a) The Council on Wage and Price Stability Act is amended by striking out "Director of the Council" each place it appears and inserting "Chairman of the Board".

(b) Such Act is amended by striking out "Council" each place it appears and inserting in lieu thereof "Board".

(c) The first section of such Act is amended to read as follows: "That this Act may be cited as the 'Inflation Review Board Act'.".●

By Mr. WILLIAMS (for himself, Mr. FORD, Mr. RANDOLPH, and Mr. RIEGLE):

S. 360. A bill to provide grants to schools of education, and for other purposes; to the Committee on Human Resources.

SCHOOLS OF EDUCATION ASSISTANCE ACT

● Mr. WILLIAMS. Mr. President, I am introducing today the Schools of Education Assistance Act of 1979, a measure intended to fulfill the responsibilities of the Federal Government with respect to one of the Nation's most vital resources, our teachers. We are proud that Federal policy for two decades beginning with the enactment of the National Defense Education Act in 1958 has helped to initiate and sustain the monumental efforts of the 1,240 colleges, departments, and schools of education currently in operation. In the past these institutions responded quickly and effectively to the national demand for more teachers to meet the burgeoning population of young people of the 1960's. And we conscientiously recognize today the paradox faced by those institutions—a dilemma characterized by surplus teachers seeking to find traditional employment in schools with declining enrollment. However, at the same time, personnel shortages exist in many developing fields of education, training and the social services in both the public and private sectors of the Nation.

The national interest requires that we complete our responsibilities to these valuable institutions, and that we help resolve this paradox. We must redirect Federal policy in accordance with these new developments, trends and opportunities. The proposed legislation which I am introducing today will help to achieve this goal. It will assist schools of education in adjusting their programs and enrollments and professional output through grants-in-aid during the next 5 years.

These grants will assist in retraining faculty and in diversifying the educational opportunities now offered to the 800,000 students currently enrolled in educational undergraduate professional programs. It would also provide support so that schools of education in various regions of the country can collaborate to reduce duplication and maximize mutual use of facilities and personnel, and create special emphases attractive to particular groups of students who, upon graduation, will be confident that the job market will welcome them.

This bill would also finance special, model projects to demonstrate best avenues to achieve these ends. And it would direct the education division of the Department of Health, Education, and Welfare to review problems of curriculum conversion, educational diversification, graduate placement, and intercollegiate planning mechanisms. It would require the Department of Health, Education, and Welfare to survey higher education financing with respect to schools of education and to report comprehensively to the Congress in 1981 recommendations for the Federal role in this area through the turn of the century.

Mr. President, the need for this legislation is acutely demonstrated by the rapidly increasing demand for education and human service personnel to fill new roles in business and industry, bilingual education, services to older Americans such as lifelong and adult education, bilingual education, private and proprietary education, special programs for the gifted and talented, community education and manpower training programs. The need for this legislation is further illustrated by two startling facts: That 18 percent of the 213,000 graduates prepared to teach in 1977 were unemployed or underemployed; and that between 1969 and 1982 elementary school enrollments in the United States will have declined by approximately 6 million students, a loss of 16 percent and a drop in total enrollments from 37 million students to 31 million students.

The imperatives of population change have forced a decline in the number of schools, colleges, and departments of education. Partly in response to Federal policy, these institutions grew in number to 1,440 in 1975 from 1,150 in 1959. And largely in response to dynamics of population and economy, these institutions shrank to 1,240 in 1978.

This rapid downward change occurs at a time when education is needed more than ever in the workplace and when demand for continuing and cooperative education is skyrocketing. With over 50 percent of women with children ages 5–17 working, the demand for upgraded skills by workers, unions and management can be expected to escalate. And it is my hope that enactment of this measure will provide access and skills for men and women to improve their incomes, status and value to their employers in the workplace.

The demands for child care, and trained child care workers, in response to the massive entry of women into the work force constitutes another potential market for educators. The international education field constitutes virtually unlimited potential for schools of education with both orientation and tools to probe ways to assist Asian, Latin American, African and Middle Eastern nations in their pursuit of basic and advanced education.

Mr. President, this measure will help our educational enterprise respond to new opportunities while coping with current problems. It is the continuation of encouragement to institutions of teacher education initiated by the Federal Government two decades ago in response to national conditions. It represents our response to a national problem which should and must be met.

Mr. President, I ask unanimous consent that the text of the Schools of Education Assistance Act of 1979, along with a summary and factsheet, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Schools of Education Assistance Act".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) rapid shifts in the population of the United States have resulted in great pressures upon schools of education of institutions of higher education and complicated their role in preparing elementary and secondary school teachers;

(2) rapid shifts of population have resulted in reduced public school enrollments and a surplus of qualified elementary and secondary school teachers;

(3) the surplus of qualified elementary and secondary school teachers has resulted in significant unemployment and underemployment among individuals seeking to render public service in the teaching field;

(4) the unused capacity of recently trained and imminent teachers can be wisely directed to new and developing areas of education and public service;

(5) diversification and rededication would promote the national interest by enhancing the available pool of individuals trained in education and available for community service work in a time of rapid economic change.

(b) It is the purpose of this Act to provide grants to schools of education for a limited period of time for the purpose of achieving diversification and redirection of education programs for elementary and secondary school teachers in order to make maximum use of human resources in the field of education and public service.

DEFINITIONS

SEC. 3 As used in this Act—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "institution of higher education" means any such institution as defined in section 1201 (a) of the Higher Education Act of 1965.

(4) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(5) The term "school of education" means any school, department, college, program, or other identifiable unit specializing in the education of elementary and secondary school teachers, which is a part of an institution of higher education, or which is an institution of higher education.

(6) The term "State" includes in addition to the several States of the union, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

GRANTS AUTHORIZED

SEC. 4. (a) The Commissioner shall, in accordance with the provisions of this Act, make grants to schools of education for the fiscal year 1981 and for each of the four succeeding fiscal years.

(b) The Commissioner shall assure equitable distribution among the States in making grants to schools of education under this section.

(c) No grant may be made under this section unless an application is made to the Commissioner at such time, in such manner and containing or accompanied by such information, as the Commissioner may reasonably require.

USES OF FUNDS

SEC. 5. Payments made to schools of education under this Act may be used for—

(1) the retraining of members of the faculty of such schools of education to provide courses of study for training elementary and secondary school teachers to teach in programs of career education, education of gifted and talented children, education of handicapped individuals, community education, adult education programs, and other related education programs;

(2) the provision of training and orientation projects for members of the faculty of schools of education designed to prepare the faculty to teach and train personnel to work in conjunction with personnel who carry out projects under the Comprehensive Employment and Training Act, and under title VIII of the Higher Education Act of 1965, relating to cooperative education, and similar programs related to education and training of individuals to prepare for the workplace;

(3) the establishment of new projects to prepare elementary and secondary school teachers to work in a variety of social service activities;

(4) the establishment of new projects to prepare elementary and secondary school teachers to work in a variety of business, industrial, public and private school settings;

(5) the development and operating of associations of schools of education for the purpose of developing curricula and courses of study to be offered at some of the schools of education and available to all of the member schools in the association;

(6) the provision of model projects within the school of education to carry out any of the activities described in classes (1) through (4) of this section; and

(7) the training of educational personnel who will specialize in the implementation of the urban policy of the United States.

MODEL PROJECTS

SEC. 6. (a) The Commissioner is authorized to make grants to schools of education for the fiscal year 1981 and for each of the four succeeding fiscal years to carry out model projects for the purposes set forth in section 5 of this Act

(b) No grant may be made under this section unless an application is made to the Commissioner, at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

PLANNING GRANTS

SEC. 7. (a) The Commissioner is authorized to enter into agreements with associations or consortia of schools of education for planning programs designed to help member schools of the association or consortium to diversify and redirect programs and curricula of the member schools of education.

(b)(1) The Commissioner shall develop criteria for determining the regions of the country in which associations and consortia of schools of education are to be established.

(2) No association or consortium may receive a grant in excess of $200,000 in any fiscal year under the provisions of this section.

(c) No cooperative agreement may be entered into under this section unless an application is made to the Commissioner, at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

FUNCTIONS OF THE ASSISTANT SECRETARY OF EDUCATION

SEC. 8. In order to contribute to carry out the policy of section 2 of this Act the Assistant Secretary of Education shall—

(1) develop, in cooperation with the fund for the improvement of post-secondary education established under section 404 of the General Education Provisions Act, a plan for the diversification and redirection of courses of study for elementary and secondary school teachers especially designed to use the skills of such teachers to provide social services described in section 5;

(2) provide for technical assistance designed to encourage magnet schools of education; and

(3) conduct a thorough study of the financing of higher education with special consideration of the future needs of such schools of education and the resources available to train elementary and secondary school teachers.

The Assistant Secretary shall prepare and submit a report of the study conducted under clause (3) of the previous sentence, together with recommendations for additional legislation, to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives not later than January 2, 1981.

RESEARCH AND EVALUATION

SEC 9. The Commissioner shall reserve not more than 5 per centum of the amounts appropriated in each fiscal year under section 10 or not more than $1,000,000, whichever is greater, to carry out the provisions of this section. From the amounts reserved under the preceding sentence the Commissioner shall carry out either directly or by way of grant, contract, or other arrangements a program of research activities designed to contribute to carrying out the policy of this Act, and to carry out evaluations of programs assisted under sections 4, 6, and 7.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. (a) There are authorized to be appropriated $10,000,000 for the fiscal year 1981 and for each subsequent fiscal year prior to October 1, 1986 to carry out the provisions of section 3 of this Act.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1986 to carry out the provisions of section 6 of this Act.

(c) There are authorized to be appropriated $2,500,000 for the fiscal year 1981 and for each fiscal year ending prior to October 1, 1986 to carry out the provisions of section 7 of this Act.

THE SCHOOLS OF EDUCATION ASSISTANCE ACT OF 1979

SUMMARY

Sec. 2. Findings and Statement of Policy. Congress finds that substantial adjustment is faced by schools, colleges and departments of education and establishes in the National interest a five year program of grants and planning activities to facilitate diversification and redirection of teacher education programs.

Sec. 3. Definitions. This section sets forth a summary of relevant definitions currently contained in applicable law.

Sec. 4. Authorization of Grants. This section authorizes the Commissioner of Education to make grants authorized by this Act to schools of education for five years beginning in Fiscal 1981, and requires the Commissioner to assure equitable distribution of such grants among the several states.

Sec. 5. Uses of Funds. This section specifies that schools of education receiving payments under this Act may use such funds for faculty retraining respecting several areas of education, in conjunction with the Comprehensive Employment and Training Act and other Federal programs related to workplace preparation; establish new projects to prepare elementary and secondary school teachers to work in a variety of social service agencies; relate preparation of elementary and secondary school teachers to business, industrial and private school settings; formulation of associations of schools of education for collaborative planning and implementation of courses of study to be used mutually; training of educational personnel who will specialize in implementing the Nation's urban policy.

Sec. 6. Model Projects. This section authorizes the Commissioner of Education to make grants to schools of education to carry out model projects for the purposes set forth in Section 5 of this Act; the Commissioner is authorized to promulgate an application procedure with respect to such grants.

Sec. 7. Planning Grants. This section authorizes the Commissioner of Education to establish criteria by means of which associations and consortia of schools, colleges, departments and programs of education may be brought into being; it authorizes grants to such associations and consortia as may thenafter be established to plan, diversify and redirect programs and curricula of the respective members schools of education; limitations of funding are imposed so that no consortium or association may receive more than $200,000 for each fiscal year in which this Act is applicable.

Sec. 8. Functions of the Assistant Secretary. This section requires the Assistant Secretary of Education to undertake activities of planning and technical assistance to carry out the policy of this Act. Such activities are detailed as:

(1) Promulgation of a plan, in cooperation with the Fund for the Improvement of Post-secondary Education, a unit of the Education Division, of a plan for diversification and redirection of courses of study for elementary and secondary school teachers as a means of technical assistance;

(2) Additional technical assistance to encourage magnet schools of education, a differential specialization of offerings so as to distinguish schools and more easily permit student selection of special emphases while at the same time reducing potentials for wasteful duplication of expenditures and faculty talent;

(3) Conduct a thorough study of the financing of higher education with special attention to the future needs of schools of education, and to report the findings of such study and recommendations for legislation to the Congress not later than January 2, 1981.

Sec. 9. Research and Evaluation. This section authorizes the Commissioner of Education to carry out directly or to make grants,

contracts or other arrangements to conduct a program of research respecting the problems, conditions, and approaches relating to the policy of this act and to carry out evaluations of programs assisted under sections 4, 6, and 7 of this Act.

Sec. 10. Authorization of Appropriations. This section authorises appropriations to carry out the provisions of this Act as follows:

(1) $20,000,000 are authorized to carry out section 3 of this Act beginning in fiscal year 1981 and terminating prior to October 1, 1986.

(2) $20,000,000 are authorized to carry out section 6 of this Act beginning in fiscal year 1981 and terminating prior to October 1, 1986.

(3) $2,500,000 are authorized to carry out section 7 of this Act beginning in fiscal year 1981 and terminating prior to October 1, 1986.

FACTS AND RELATED IMPACTS PERTINENT TO THE SCHOOLS OF EDUCATION ASSISTANCE ACT OF 1979

I. Demographic and Social Context Affecting Schools, Colleges, and Departments of Education (SCDEs):

A number of present and developing demographic, technological, and social trends have a potentially enormous impact on schools, colleges and departments of education (SCDEs). Some of these trends are creating unusual demands for large numbers of persons prepared to function in teaching and related roles in both school and non-school settings; other trends are reducing the demands for teachers and other educational personnel. Unfortunately, the roles of the newly required educational personnel are not exactly the same as those for which demand is diminishing. This circumstance, i.e., rapidly increasing demand for educational personnel for new roles and diminishing demand for educational personnel in traditional roles, is placing great stress on schools, colleges and departments of education. These institutions must have help if they are to meet these new requirements. It is to provide such assistance that this bill is proposed.

Some of the pertinent facts referred to above and their resulting impacts are as follows:

FACT

A. The K-12 school age population is rapidly decreasing.

Numbers of births have fallen nearly every year for the last 18 years.

The percentage decline in that period is nearly 28 percent (from about 4.3 million to 3.1 million).

This decline has resulted in a 10 percent decline in elementary school enrollments, with a further decline of 7 or 8 percent certain by the middle of the 1980's. (Between 1980 and 1982 or 3, elementary school enrollments will have declined 16 percent, from about 36,747,000 to about 30,800,000).

Secondary school enrollments reached their peak this year. They will decline through the 1980's, perhaps by as much as 25 percent.

Enrollment in grades kindergarten through 12 combined, reached a peak in 1970 of 51,300,000. Enrollment will decline through the mid-1980's to about 44,500,000, or about 13 percent.

IMPACT

A. For the past eight to ten years there has been a decreasing demand for elementary school teachers, and more recently, for secondary school personnel. Because of the decreasing demand, surpluses of school personnel have developed in many areas; however, even during a period of some surplus, shortages of trained teachers have remained in certain curricular fields, e.g., mathematics, handicapped education, and some fields in vocational education. For example, in fall 1977, there was a shortage of 9245 K-12 teachers, including 1,064 secondary mathematics teachers, 417 secondary science teachers, and 2,205 special education teachers (excluding gifted and talented).

At the present time, declining enrollments in traditional fields in SCDEs suggest the likelihood that general shortages for K-12 positions may develop within a few years. The contraction of programs in such areas as elementary education may extend to personnel cutbacks and dismantling of physical facilities—and these resources will take more money and time to replace in the coming decade.

FACT

B. The number of persons in the work force is increasing; the length of stay in the work force will increase due to federal legislation, and the nature of available jobs is changing extremely rapidly due to advancing technology and changing societal requirements, e.g., increased demands for services. The increase in the number of working women is particularly marked (projected at 41 million by 1985, up 5 million in 10 years). These women, especially those returning to the work force after a period of absence, require special counseling and education services from trained personnel.

IMPACT

B. The demand for adult job-related education—in the schools, in businesses and industry and at various levels of government—has increased astronomically and will continue to increase for the next twenty years. Every business of any size and almost every government agency at local, state, and federal levels has its own training or staff development program. Trained persons are needed to conduct and administer such programs. There is a need for improved linkages between school and the workplace which should be formulated at the K-12 level. Career education programs can provide students with the information, experience, skills, and counseling needed to prepare for satisfying employment.

FACT

C. The number of older persons is increasing and will continue to do so for at least the next fifty years. Not only will this group increase in number, it will increase even more rapidly as a percent of the population.

The median age was 30 in 1950: it will be 37 in the year 2050.

By the year 2030, it is predicted that 46 million people will be over 65, twice as many as there are today.

By the year 2050, approximately 16% of the population will be over 65.

IMPACT

C. Large numbers of persons prepared in teaching, therapeutic recreation, counseling and program administration will be needed to work in community education programs, lifelong learning, nursing and/or rest homes, retirement projects, etc.

FACT

D. The last few years have witnessed increased social concerns. These concerns have been articulated through legislation, court decisions, and citizen activities. Some populeds, minorities, non-English speakers, older lations of concern are: adults handicapped, minorities, non-English speakers, older persons in poverty, and youth offenders.

IMPACT

D. There is increased need for persons trained to work with each of these special population groups in both teaching and counseling roles—handicapped education, in both school and community settings: bilingual education in the schools (but also bilingually trained persons to work in adult training, counseling and related programs); persons in prison populations and half-way houses; and those suffering from alcoholism, obesity, drug addiction, child abuse, etc. Persons are also needed to work in various family support areas, helping the parents of infants, children and adolescents with particular problems.

FACT

E. For an increasing number of children, day-time care by their own parents is not possible. This results in large part from increased numbers of one-parent families and the rising numbers of women in the work force.

The single parent family is one of the major demographic trends affecting education: 45% of children born in 1976 will have lived with a single parent for some time before reaching 18 years of age.

Between 1970 and 1976 the number of children living with a single mother increased by 40%.

The number of female-headed families with children has increased over 250% since 1950.

IMPACT

E. Increasing numbers of children for whom own-home care is not possible result in need for day care, preschool education, and year-around schools, each of which requires trained personnel to operate and administer.

FACT

F. Many graduates of SCDEs find employment in occupations requiring skills related to teaching. Among these are advertising, sales, and management.

While the 1977-78 job market for teachers was discouraging, potential teachers were generally more successful than graduates in other fields in finding employment; 18% of persons prepared to teach were underemployed compared to 26% for all other graduates; 5% were unemployed compared to 8% for all other graduates.

IMPACT

F. Related occupations will continue to take teachers from the education market. SCDE-educated persons could be even better qualified for these positions with some modifications in SCDE programs and with cooperative efforts between SCDEs and colleges of business administration.

FACT

G. American youth maintain a high level of interest in education and education-related occupations.

IMPACT

G. SCDEs have the responsibility to prepare youth for the myriad of professional education opportunities in school and non-school settings. The responsibility extends to helping administrators in non-school institutions to articulate their needs and placing qualified graduates in these settings.

II. The Responsiveness of Schools, Colleges and Departments of Education (SCDEs) to Social Needs and Demographic Changes:

SCDEs have established a very good record of responding to emerging social needs and to changes in the size and nature of the student population. This responsiveness has been maintained in part through significant, timely assistance from the Federal government. Some instances follow:

FACT

A. Sputnik ushered in a tremendous need for curricular reform. The National Defense Education Act provided resources which assisted SCDEs in curriculum development, training new personnel for new needs, and inservice training for school personnel to implement the curricular innovations.

IMPACT

A. Added personnel were trained as guidance counselors, school social workers, foreign language teachers, librarians, and instructional specialists. Summer institutes were provided on new curricular approaches

for fields such as mathematics, science, foreign language and counseling.

FACT

B. Post-World War II birth rate increases resulted in a shortage of teachers and classrooms.

IMPACT

B. The number of SCDEs increased; they were responsive in producing the number of teachers needed. New technology was developed and employed to attempt to handle the increased numbers. New building designs and educational specifications for new buildings were created. Regular classroom teachers and principals were trained to participate in developing educational specifications and designing classrooms, language laboratories, mathematics and science laboratories, etc.

Earned BA/BSc degrees awarded in education increased from 36,400 in 1947-48 to 96,400 in 1964-65 (or 162.3%).

Between 1964-65 and 1972-73 (the peak year of productivity) earned BA/BSc degrees increased from 96,400 to 163,000.

FACT

C. Legislation and court decisions in the area of human and civil rights placed enormous demands on the schools to provide equality of educational opportunity for all citizens, including the school age population.

IMPACT

C. Research has been conducted, curricula developed, and personnel trained in areas of handicapped education, urban education, parent education, multicultural education, human relations, vocational education, school administration, curriculum development, educational supervision and teacher education.

Desegregation institutes, alternative school designs, differentiated staffing patterns and off-campus and continuing education programs have expanded to meet the needs of desegregated schools.

III. The Potential Capacity of Schools, Colleges, and Departments of Education (SCDEs) to Respond:

Because all institutions of higher education, but especially those of teacher education, were until recently in a growth mode, it has been relatively easy to respond rapidly to societal demands and demographic changes. New programs could be added, and new faculty employed to accommodate each necessary adjustment. Faculty displaced by changes found ready employment at other institutions. Institutional curricular renewal was easily made part of the growth process.

These conditions have changed. Higher education is operating at a steady state or experiencing retrenchment. Because of their disproportionate enrollment demands, SCDEs are often being asked to cut their budgets and faculty. Faculty are no longer mobile; there are few openings at any institution, and even these are more likely to be for new PhDs than for displaced senior faculty members. Institutional renewal can no longer be accomplished by adding on programs and faculty.

Even throughout the growth period, SCDEs received significant Federal program support to help them to develop the best models for change and to facilitate their adoption of these models. SCDEs did change, and their responsiveness benefited society and ameliorated significant social problems. Because of the growth pattern, past adjustive efforts could be accomplished with minimal outside funds.

Given the change in conditions, a much greater change effort must now be made so that the considerable resources of SCDEs are best used to society's benefit. Outside resources are even more imperative than in the past.

FACT

A. The past history of responsiveness of SCDEs augurs well for their continuing in this pattern. Further, the capacity building which has gone on throughout the period of growth has created an impressive array of resources that can be called upon and redirected. SCDEs have the organization, personnel, facilities and cooperative relationships with other human service agencies.

The number of SCDEs grew from 1150 in 1959 to 1440 in 1975 and declined to 1240 in 1978.

IMPACT

A. Approximately 1240 institutions of higher education operating with state accreditation have some aspect of teacher training as part of their instruction mission. This represents 72% of all collegiate institutions. Substantial resources have been committed to the development of programs, personnel, libraries and facilities to support this mission. These programs provide training for persons working in human development and service activities, primarily in a school setting. Although these resources are in place for teacher training, modifications can be made which will adapt these training programs to relevant human services: vocational and career development; criminal justice and rehabilitation; services for the infant and young child, the handicapped and the aged. In addition, developments in industry point to the need for programs designed for training.

FACT

B. The teacher shortage of the 60s resulted in substantial increases in the size and composition of teacher training institutions.

Nationwide, there were 41,000 faculty engaged full-time in education units with another 21,000 part-time or faculty with joint appointments in 1975-76.

91% of faculty have work experience in K-12 schooling.

IMPACT

B. SCDEs added a large number of highly trained and competent personnel, most of whom are now tenured and are capable of significant social contributions. Their average age is in the early 40s, and they can be expected to be in the higher education work force for approximately 20 more years. These personnel are much more broadly oriented than in the past. Alternative education patterns have become more common. Many schools added special education, counseling and school psychology, and adult education programs, which broadened the scope of human services to which they were sensitive and competent to attend.

FACT

C. Significant declines in SCDE enrollment have occurred as a result of the teacher surplus.

Supply of graduates completing programs in education in 1977 (213,054) is smaller by 6.2% than in 1976.

Supply has fallen from all time high of 317,254 in 1972 or by 32.8%.

IMPACT

C. Over 200 teacher training programs have been eliminated in the six years from 1972-78. The remaining teacher training programs are of higher quality than ever before.

In addition, although substantial reductions in faculty have occurred through retirement and normal attrition, remaining faculty are often under-utilized and could be retrained and redirected to other significant social purposes. However, the continued assumption of teacher over-supply continuously erodes the quality of remaining programs in teacher education through budget and resource deficiencies. It is estimated that under present conditions no more is being spent on the professional preparation of a teacher than is spent on the education of a high school student in an affluent community.

FACT

D. SCDEs are no longer the sole agencies involved in teacher training for schools.

IMPACT

D. Federal and state legislation have shifted responsibilities from SCDEs to State Education Agencies (SEAs) and Local Education Agencies (LEAs). Regional resource centers, teacher centers, and intermediate educational units are substantially involved in the continuing training of teachers. These resources may duplicate the existing resources of SCDEs in personnel and facilities, while SCDE resources are not being utilized to their capacity.

FACT

E. The programs and faculties already in place in SCDEs provide human development and teaching skills.

IMPACT

E. The human service needs described in Section I point to the urgency of developing an adequate training facility for human service personnel workers. These personnel, as well as those planning for careers in business and industry, need preparation and development in: a) specific teaching skills, b) human relations skills, c) goal-setting skills, d) use of instructional technology, e) ability to criticize in performance analysis, and f) ability to function as a team member. No formal training agency exists to meet these needs. The facilities, the organization and programs of many SCDEs provide some of the essential components to build such a training program. In order to do this, the resources of SCDEs must be maintained, strengthened and redirected.

The responsiveness documented in Section II suggests that in an atmosphere of growth, support and external resources, SCDEs have the capacity to respond quickly and effectively to social challenges. However, no estimate has been made of the cost to the national interest if the task of developing educational programs responding to urgent social issues must be accomplished in the context of drastically declining resources without outside help. The human resources in place with SCDEs can, with some assistance, be quickened to action to address the problems of the 80s.●

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 361. A bill to change the name of the Indiana Dunes National Lakeshore to the Paul H. Douglas Indiana Dunes National Lakeshore; to the Committee on Energy and Natural Resources.

PAUL H. DOUGLAS INDIANA DUNES NATIONAL LAKESHORE

● Mr. STEVENSON. Mr. President, today I am introducing a bill, along with my colleague, Mr. PERCY, to rename the Indiana Dunes National Lakeshore the Paul H. Douglas Indiana Dunes National Lakeshore.

Paul Douglas was a giant of the Senate. He understood the urgency of setting aside the Indiana Dunes at a time when support for preserving the environment had to be pleaded for and fought for.

Senator Douglas was approached by Indianans after their efforts to interest their own legislators failed. They had

come to the right person and typically he championed their cause. And he did so for years, from 1959 when he first introduced legislation to authorize the lakeshore until its enactment in 1966.

In introducing his bill, Senator Douglas said:

With all humility I ask for your support of this bill to create the Indiana Dunes National Monument. I ask it in the name of the people of Indiana to whom it should belong forever; the people of Illinois who depend upon it; the people of the United States who are growing ever more alert to their disappearing natural resources; and the people, the millions upon millions of people who are yet to be born who cannot live and grow and be happy in a tight little world of factories, of smoke, and noise and unrelieved pressures.

The situation was urgent. Establishment of the lakeshore had originally been proposed by the first director of the National Park Service, but was interrupted by World War I. During the decades that followed, many of the proposed areas were bulldozed, cemented, and taken over for factories and powerplants. Industrialization flourished and much of the natural beauty was lost forever.

Without Senator Douglas it would all have been lost. The country was not ready to choose between growth and profits and the need of present and future generations to get away from the anguish of urban life.

The choice was obvious to Paul Douglas. He loved the dunes and knew of their scenic and ecological wonders. He knew that our children and their children had to have the same opportunities as we to learn about them and enjoy them.

Paul Douglas will be remembered by those of us privileged to know and work with him. He represented the people most desperately in need. We are deeply in his debt.

We now have a chance to honor a noble human being. He deserves a memorial. We would be the better for a continuing reminder of his life. And what could be a more appropriate memorial to this life-long servant of his country than to have the Nation's first urban park become the Paul H. Douglas Indiana Dunes National Lakeshore.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That an Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved on November 5, 1966 (80 Stat. 1309), as amended, is further amended by striking out "Indiana Dunes National Lakeshore", wherever it appears, and inserting in lieu thereof "Paul H. Douglas Indiana Dunes National Lakeshore".●

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 362. A bill to increase authorization for Alaska Highway reconstruction; to the Committee on Environment and Public Works.

ALASKA HIGHWAY RECONSTRUCTION

● Mr. GRAVEL. Mr. President, today I am introducing legislation to increase the authorization for the Alaska Highway reconstruction project. Still today the citizens of Alaska are unable to drive from the interior of the State to southeast Alaska, which contains Juneau, the capital, on other than a dirt and gravel road. In order to correct this situation, in 1973 Congress authorized the Alaska Highway reconstruction project. It calls for paving and upgrading of the Alaska Highway from the Alaska/Yukon border to Haines Junction, and the Haines Highway from Haines Junction to the British Columbia/Alaska border. Dangerous curves are to be smoothed; narrow lanes and shoulders will be widened; steep grades will be realined to provide an improved and much safer journey for the public.

The route designated by the project is the most direct land route from the Alaskan interior to southeast Alaska but due to Alaska's removed location from the other 49 States, the route traverses Canadian soil. This required the establishment of a special agreement with the Canadian Government. Other States are able to maintain a connected system of paved highway without as many complicating factors. The Alaska Highway reconstruction project will help Alaska to enjoy this same privilege other States are able to take for granted.

The initial $58.67 million authorization was based on a 1966 Canadian Department of Public Works study of the entire Alaska Highway which was adjusted to 1971 dollars. This early study was updated by the Canadian Department of Public Works and the new estimate for the reconstruction project was $200 million in 1976 dollars. I have arrived at my own new figure of $265.8 million by allowing for the 32.9 percent increase in highway construction costs which has occurred since 1976. The impact of inflation is an already too familiar tale and the highway construction firms have felt its sting no less than other industries. The increased authorization for this project is a direct result of the high inflation this country has been experiencing.

Completion of this project will result in a savings, however, in both time and costs to users of the highway. Maintenance of the highway will be improved through the elimination of some of the more costly problems, such as the severe snowdrifting found on the Haines Highway. There will be a substantial reduction of costs to the individual citizen for whom it is not uncommon to be forced to replace a windshield or tire before the trip is through. Overshadowing the many expected improvements is the increased safety. Alaskans would like to be able to enjoy and to offer their ever-increasing number of out-of-state visitors a safe and reliable journey between regions in Alaska. By allowing completion of this project, the better interests of all U.S. citizens traveling the Alaska Highway will be served.●

By Mr. JOHNSTON:

S.J. Res. 34. A joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary.

Mr. JOHNSTON. Mr. President, I am today introducing a proposed constitutional amendment to extend the terms of Members of the House of Representatives to 4 years. The joint resolution further provides that House Members who wish, during the middle of their term, to run for the U.S. Senate would have to resign from the House. Their term would be coterminous with that of the President, and the proposal would become effective for each election after its passage.

Mr. President, I would simply give three or four very simple reasons why this joint resolution is not only a measure whose time has come, but one which is very much past due.

At the time of the founding of this country, during the debate in the constitutional convention, it was thought by some that the terms of House Members should be 1 year; by others, 3 years. The term of 2 years was a compromise between those two views. It was thought to be sufficiently long to give a Member of the House time to come to Washington and do his duty. And yet in those days, when terms of Congress were expected to be and indeed turned out to be 2 months, perhaps, at the outside, it allowed the Congressman to be close to his people so that during the 10 months of the year when the Congress was not in session, as a citizen-legislator he would be able to go home and be with his people. It allowed maximum flexibility for the electorate to change every 2 years.

Those kinds of conditions no longer exist in this country, Mr. President.

The 1 year advocates said it would prevent a Member from becoming too independent from his constituents. In 1787, communication and travel being what it was, this argument might have had some merit. Today, however, with instantaneous communication and rapid mass transportation this argument has lost much of its efficacy. Indeed what Marshall McLuhan calls "a global village," has made distant constituents Washington neighbors. Modern communication, opinion polls, letters, and the telephone give Members of Congress ample data on what people in their district are doing and thinking.

Today the typical congressional year is from January to December. The demands of the Congress, the difficulty of the issues, the complexity of Government, and the need to be on the job are overwhelming needs. There simply is no longer time in order for House Members to be, what amounts to, campaigning all year long every year.

I would simply give four very quick and simple reasons why this bill should be passed by the Congress.

First of all, the question of time: By lengthening the term to 4 years, Congressmen could at least have 2 years to be a legislator and 2 years to be a candidate, or perhaps generously 3 years to be a legislator and 1 year to be a candidate. It would give the Congress that kind of time which it needs to do the people's business.

Second, Mr. President, there is the question of money. I am talking about campaign money. There is not a Member of this Senate who is not concerned about the sinister effect of money on campaigns.

Not all of us would react in the same way. Some would go to Federal financing. Others would put more stringent limits on money in campaigns. But one thing is clear: In the present system where House Members must run every 2 years, Congressmen are spending most of their time either campaigning or raising money. To lengthen those terms to 4 years would cut in half the need to spend the time for, and the need to have the influence of, campaign funds.

There are many Congressmen, Mr. President, who, every time they have a tough race, go into debt for the whole 2-year period of their term. That should not be. It ought to be a more lengthy term.

The third reason, Mr. President, is the quality of people. We have a very good Congress, but I know from personal experience candidate after candidate after candidate in my State who will refuse to run, having an excellent chance to get elected, because the term is simply too short. The demands of coming to Washington, one of the most high-inflation places in the world, with the uncertainty of moving the family, the uncertainty of being able to survive in today's difficult politics, is more than many, many prospective candidates can put up with. So they do not run.

That does not happen just sometimes. That is getting to be more the rule than the exception.

It is hard enough, Mr. President, to serve in the Congress. This year, I think, retirements are running higher than they have in decades, perhaps higher than they are at any time in the history of the Congress, but at least higher than they are in decades. That is because of all of the manifold reasons of the difficulties of serving in public office now, the difficulties of living in Washington in inflationary times, the difficulties of trying to accommodate to one issue politics, of all the regulations on ethics and all the rest which, for the honest Congressman, constitutes a great burden in time.

All of those reasons dictate that we lengthen the time of the job on the other side of the Capitol to 4 years.

Finally, Mr. President, this constitutional amendment, if passed, will strengthen the two-party system. Almost all political scholars these days decry the blurring of the distinctions of the two-party system. Whichever side they come down on in terms of party and philosophy, they dislike intensely the fact that we do not have any party discipline any more, and that party lines are becoming very blurred. To have Congressmen run at the same time a President does would tend to reinforce the distinction between parties; it would tend to give to the people an ability through an election to carry out a program on which the President is running.

I will close by saying, Mr. President, that the American people in poll after poll have long supported this proposition. President Johnson was for it back in his term as President. I do not know why it has not passed. I suppose the reason it has not passed is that Senators were not willing to put in an amendment that said House Members could not run for the Senate without resigning. I have put that amendment in and quite frankly and candidly I thought, "Well, perhaps I will not put it in, and maybe the committee can."

If it is going to pass, Mr. President, it has to have that amendment in it, and we all know it. That amendment is here. In effect, it does not change the present situation where a House Member has to give up his seat if he runs for the Senate. It makes no change in that. But it makes it passable, I believe, in this body.

The time has come to pass this amendment.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 34

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. The terms of Members of the House of Representatives shall be four years and shall commence at noon on the third day of January of the same year in which the regular term of the President begins.

"Sec. 2. No Member of the House of Representatives shall be eligible for election to the Senate for a term which is to begin before the expiration of his term in the House of Representatives unless, at least thirty days prior to such election, he submits a resignation from the House of Representatives which shall become effective no later than the beginning of the Senate term.

"Sec. 3. This article shall become effective with respect to terms of Representatives which, under the provisions of section 1, begin after the date on which it is ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States.".

By Mr. STONE:

S.J. Res. 35. A joint resolution to continue programs, transactions, and activities with respect to the Republic of China to the same extent and in the same manner as provided in the memorandum of the President, dated December 31, 1978, pending further legislation, and for other purposes; to the Committee on Foreign Relations.

Mr. STONE. Mr. President, today I am introducing legislation regarding the continuation of commercial and other relationships between the United States and the Republic of China. My resolution authorizes the President to continue any programs, transactions, or other activity with the Republic of China to the same extent and manner as provided in the December 30, 1978, Executive memorandum of the President. My resolution also insures the maintenance of contacts and ties with the Republic of China if Congress has not enacted any pending legislation establishing the basis of future relations between the United States and the Republic of China before March 1, 1979.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 35

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the exchange of ambassadors or the establishment of embassies by the governments of the United States and the People's Republic of China, the President is authorized to carry out any program, transaction, or other activity with respect to the Republic of China to the same extent and in the same manner as provided in the Executive memorandum of the President, dated December 30, 1978, relating to relations with the Republic of China until the Congress enacts legislation specifically providing for commercial, cultural, and other relations with the Republic of China on an unofficial basis.

SEC. 2. This joint resolution shall take effect on January 1, 1979.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. DOLE, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 8, a bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, District of Columbia, and to members thereof.

S. 10

At the request of Mr. BAYH, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 10, a bill to protect the rights of institutionalized persons.

S. 12

At the request of Mr. DOLE, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the individual tax rates and in the amount of personal exemptions.

S. 22

At the request of Mr. PROXMIRE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 22, the First Amendment Clarification Act of 1979.

S. 76

At the request of Mr. STONE, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 76, to amend title XVII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 104

At the request of Mr. SCHMITT, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 109

At the request of Mr. HARRY F. BYRD, JR., the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 109, to require the reinstitution of procedures for the registration of certain persons under the Military Selective Service Act, and for other purposes.

S. 208

At the request of Mr. BAKER, on behalf of Mr. WALLOP, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 208, a bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States.

S. 212

At the request of Mr. SCHMITT, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 212, the National Space and Aeronautics Policy Act of 1979.

S. 232

At the request of Mr. CRANSTON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 232, the Sudden Infant Death Syndrome Act Amendments of 1979.

S. 239

At the request of Mr. CRANSTON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 239, the Domestic Volunteer Service Act Amendments of 1979.

S. 262

At the request of Mr. RIBICOFF, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Colorado (Mr. HART) were added as cosponsors of S. 262, the Reform of Federal Regulation Act of 1979.

S. 331

At the request of Mr. PROXMIRE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 331, to require a balanced budget when the economy grows at a real rate of 3 percent or more.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from Oklahoma (Mr. BOREN), the Senator from Montana (Mr. BAUCUS), and the Senator from Colorado (Mr. HART) were added as cosponsors of Senate Joint Resolution 20, to increase the price support milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity prices thereof.

SENATE RESOLUTION 59—SUBMISSION OF A RESOLUTION RELATING TO THE MINIMUM DENOMINATION OF SAVINGS CERTIFICATES WHICH BEAR INTEREST AT A RATE INDEXED TO GOVERNMENT SECURITIES INTEREST RATES

Mr. PROXMIRE submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 59

Resolved, That this resolution may be cited as the "Small Savers Equity Resolution of 1979".

SEC. 2. It is the sense of the Senate that, whenever the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board permit depository institutions to issue certificates of deposit bearing a rate of interest which is determined by reference to the interest rate payable on one or more classes of obligations of the United States under regulations heretofore or hereinafter issued, such institutions should also be required to issue such certificates in minimum denominations of not greater than $1,000.

EQUITY FOR SMALL SAVERS

Mr. PROXMIRE. Mr. President, I am today submitting a sense of the Senate resolution entitled the "Small Savers Equity Resolution of 1979" which will call upon the financial institutions regulatory agencies to stop discriminating against the small saver in implementing their current responsibilities under the Interest Rate Control Act (or Regulation Q as that legislative authority is better known in the marketplace).

Regulation Q, administered by the Federal Reserve, places ceilings on the amount of interest that can be paid on various classes of deposits including savings deposits by commercial banks which are members of the Federal Reserve System. The Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board also have statutory authority to regulate the amount of interest which may be paid by institutions under their jurisdiction. In practice, these financial institutions regulatory agencies have provided uniform ceilings which may be paid on various classes of deposits at commercial banks and uniform ceilings which may be paid on various classes of deposits at thrift institutions.

Mr. President, the ceiling is 5 percent in commercial banks. Five percent interest is all a small saver can get. He gets 5¼ percent at a savings and loan institution. There is a differential. But 5 percent and 5¼ percent interest is almost an insult these days. A big saver has no trouble buying a certificate for $10,000 that will yield him 10 percent. Why this discrimination against a little man?

It is reported that last month, the banks in this country enjoyed a tremendous increase in profits. That is fine. I think our banks should be profitable, but not at the expense of the small saver.

Obviously, when banks can pay 5 percent on their deposits or, in the case of savings and loan institutions, 5¼ percent, and then turn around and get 10, 12, and 15 percent when they lend money, it is a marvelous margin, but it is unfair, inequitable, and unnecessary.

For that reason, I have introduced proposed legislation that would change the situation and provide that over time, gradually, every 6 months, there would be a small increase in the rate that could be paid to a small saver. It will take a few years, but it gets a reasonable level. Unfortunately, we cannot do it over night, but it seems to me that this is a reasonable and fair approach. It recognizes the fact that the small saver has been discriminated against, and it overcomes that situation.

Since the inception of the current Reg Q framework, the permissible ceilings applicable to commercial banks have been ¾ percentage to ¼ percentage point below the ceilings applicable to thrift institutions. This differential has been based upon the theory that commercial banks by virtue of their ability to offer the consuming public a full range of banking services (including checking accounts, saving accounts, consumer loans, commercial loans, and home mortgage loans) have a built-in competitive advantage over thrifts such that unless thrifts are enabled to pay a higher rate of interest on their more limited deposit base (savings and time deposits and for the most part no demand deposits) depositors would place their funds in commercial banks not in thrift institutions.

Congress has continuously extended the statutory base for the Reg Q mechanism since 1966 on the grounds that rate controls are needed in the financial industry in order to maintain the viability of thrift institutions and to provide through the thrift institutions a steady flow of funds to the home building industry.

The fact is that ceilings on the amount of interest payable on savings deposits are becoming increasingly less equitable to small savers. Moreover, the Reg Q ceilings have not prevented the housing sector from bearing the brunt of every period of high interest rates and tight monetary policy since 1966 except in the current phase. (See table I.) The reason that the housing industry has not borne the economic brunt of the current tight money/high interest rate atmosphere is that the financial institutions regulatory agencies last summer established a new 6-month, $10,000 certificate which pays a market rate of interest, a rate now far above the existing Reg Q ceilings. (See table II.) Payment of a market rate of interest on a short-term instrument by financial institutions has successfully prevented the outflow of funds from the thrift industry which has thereby enabled the home mortgage market to continue to be funded. In the 7 months since the inception of the new certificates, $77 billion has been invested by savers in those instruments. The experiment with raising the Reg Q ceilings to a market rate has been successful. But this success is not enough. The Congress must be watchful to insure that any successful program is fair to all of our citizens. A closer look at this situation reveals that the fairness test has not been met. The small saver—that is the saver with less

than $10,000—is discriminated against. While the affluent saver—one with $10,000 or more to invest—receives a market rate of interest on his short-term investment, the small saver has been granted no reasonable relief from the old Reg Q ceilings to which he or she remains bound.

Mr. President, the current regulations authorizing financial institutions to issue money market certificates are grossly unfair to small savers. The $10,000 minimum denomination on these certificates prevents millions of small investors from participating in these new instruments. This means that wealthy savers can enjoy the benefit of receiving close to 10 percent on their savings while savers of modest means are limited to the interest rate ceiling established for passbook savings accounts, which is 5 percent at banks and 5¼ percent at savings and loan associations. This discrimination against small savers is wrong and should be stopped. My resolution would direct the bank regulatory agencies to lower the minimum denomination on money market certificates to $1,000.

The principal justification for the $10,000 minimum denomination has been that it is needed to protect the viability of financial institutions, especially thrift institutions, and the flow of funds into home mortgages. However, I believe this reasoning is faulty. Financial institutions themselves are capable of determining to what extent they can afford to issue these new money market certificates. If the cost of these certificates begins to seriously impair earnings, an institution can simply stop offering them, or offer them at lower rates.

Chairman Miller of the Federal Reserve acknowledged that the small saver is being discriminated against in his recent testimony before the Joint Economic Committee. The small saver should not be required to subsidize the homebuilding market. Many home purchasers are more affluent than some small savers. Is public policy well served if the young professional working couple making $80,000 a year together is able to obtain cheaper home financing because a number of elderly couples on social security are able to obtain only 5¼ or 5¾ percent on their under $10,000 savings account? Is public policy well served if thrifts may pay a market rate to large savers but depend upon low rates to the small saver to maintain their viability. I think the answer is "no." We have the obligation to develop a system that treats all savers fairly. Under the current rate control regulations the small saver would be required to go outside the federally insured financial system to receive a market rate on the savings while the large saver gets a market rate plus Federal insurance on his deposit. It is bad public policy to thus encourage the small saver to take such risks. After all, the Federal insurance program for deposits was intended to encourage the small saver to put their money in a safe place. This discriminatory state of affairs tends to destroy the confidence of the small saver in our financial system.

It is for these reasons, Mr. President, that I am introducing this Small Savers Equity Resolution of 1979. Passage of this resolution will put the Senate on a record as opposing the discrimination I have described against the small saver. The resolution calls upon the financial institutions regulatory agencies to permit a 6-month certificate for savers of $1,000 or more which would pay the same percentage as the rate authorized last summer for the 6-month certificates over $10,000. The establishment of such certificates would remove the discrimination on small savers. The effective rate on such certificates of $1,000 or more if issued today would carry a rate of over 10 percent. This is substantially higher than the 5- to 5¼-percent limitation which currently obtains. Financial institutions would not be required to issue any certificates if they chose not to for any management reason including low earnings. The resolution would only require that if a financial institution chose to issue any such certificates that the small saver not be discriminated against.

Once an institution decides to offer money market certificates, I believe they should be offered to all savers without discrimination. There is no justification for permitting only wealthy savers to receive the benefit of higher interest on their savings.

Mr. President, while adoption of the Small Savers Equity Resolution of 1979 and its implementation by the regulatory agencies will provide relief to consumers from the discriminatory aspects of Reg Q, more needs to be done to provide a basic cure to the inefficiencies in our financial markets brought by Reg Q.

Congress has always considered the imposition of Reg Q ceilings to be a temporary necessity. Secretary Blumenthal best summarized the history of Reg Q in testimony before the Banking Committee in 1977, stating that—

> In 1966, the Federal Government turned to deposit rate ceilings to protect the savings institutions and, thus, the mortgage market from commercial bank competition, but the ceilings were considered temporary and meant to expire in the following year. It was recognized then that ceilings penalized the small depositor and might not succeed in insuring a steady flow of funds to the housing market.

Since 1966, Congress has extended the Reg Q authority 11 times. During this time, Congress has also grappled with more fundamental solutions to the problems of maintaining the flow of funds to housing through thrift institutions, maintaining the viability of thrift institutions by increasing their earning power so they will be able to afford market rates of interest on deposits, and the benefits of free and open competition in financial markets among all types of financial institutions. In passing the Financial Institutions Act of 1975, the Senate sought to expand the lending and deposit powers of thrift institutions so that they could at the same time better serve consumers and be assured a steady flow of earnings even during periods of tight money. The provisions of the FIA of 1975 would have enabled the thrift institutions to move safely toward the payment of market rates for deposits over a period of 5 years by providing them with flexible asset powers enabling them to maintain their earnings viability and fundamental commitment to the housing market.

Unfortunately, the FIA of 1975 did not become law, in part because of the opposition of thrifts themselves. It is now time to take an alternative course to make our financial system more competitive without rate controls while maintaining our commitment to the housing market.

I will shortly introduce legislation which will require the Reg Q ceiling to be increased by one-fourth of a percentage point every 6 months or one-half percentage point each year over a 10-year period. This will raise the permissible interest rate levels on all classes of deposits that now exist under Reg Q a full 5 percentage points. The differential would not be disturbed. Nevertheless, it appears probable that at the end of the 10-year period the Reg Q ceilings would exceed the market rate for deposits so that Reg Q ceilings would be irrelevant.

The legislation which I intend to introduce will also require the Secretary of the Treasury in conjunction with the Federal Reserve Board, the Comptroller, the FDIC, the Federal Home Loan Bank Board, and the National Credit Union Administration to make legislative recommendations for increasing the scope of thrift lending and deposit powers to enable them to survive without the crutch of Reg Q and to make more competitive the entire financial system which would be in the best interests of all consumers.

Mr. President, I hope my colleagues will join with me in supporting the Small Savers Equity Resolution of 1979 which has for its purpose the elimination of discrimination against the small saver in financial markets.

I am hopeful that the Senate Banking Committee will move swiftly on this resolution. At the same time, I believe we need to take a long and serious look at our entire system for limiting the rate of interest on savings deposits. These interest rate ceilings, as established under Regulation Q, have deprived small savers of billions of dollars in interest over the years. I believe the time has come for an orderly phaseout of Regulation Q ceilings, and as I have said, I intend to introduce legislation to that effect in the very near future.

In the meantime, I believe small savers are entitled to immediate participation in money market certificates, and I look forward to prompt congressional action on my resolution.

Mr. President, I ask unanimous consent to have two tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—DEPOSIT FLOWS AND HOUSING STARTS

	Time and savings deposits [1] (billions)				Total private housing starts (millions)			Time and savings deposits [1] (billions)				Total private housing starts (millions)	
	Commercial banks		Thrifts					Commercial banks		Thrifts			
	Amount	Changes	amount	Changes	Amount	Changes		Amount	Changes	amount	Changes	Amount	Changes
1966	$142.4	NA	$177.3	NA	$1,165	NA	1973	300.9	30.9	347.8	28.6	2,045	−313
1967	162.7	$20.3	194.0	$16.7	1,292	127	1974	329.3	28.4	369.1	21.3	1,338	−707
1968	180.8	18.1	206.7	12.7	1,508	216	1975	369.6	40.3	427.8	58.7	1,160	−178
1969	183.5	2.7	214.9	8.2	1,467	−41	1976	427.0	57.4	496.0	68.2	1,538	378
1970	203.9	20.4	232.6	17.7	1,434	−33	1977	471.1	44.1	561.6	70.6	1,987	449
1971	237.8	33.9	273.3	40.7	2,052	618	1978	510.8	39.7	626.5	59.9	2,018	31
1972	270.0	32.2	319.2	45.9	2,357	305							

[1] Other than large CD's.
NA = Not available.

Source: Economic Report of the President.

TABLE II.—6-MO MONEY MARKET CERTIFICATES (MMC'S)

[In billions of dollars]

	Commercial banks	S. & L.'s	Mutuals	Total	Rate on MMC's	Rate differential, MMC rate less savings rate [1]		Commercial banks	S. & L.'s	Mutuals	Total	Rate on MMC's	Rate differential, MMC rate less savings rate [1]
1978:													
June	2.1	5.4	1.6	9.1	7.8	2.55	September	9.7	19.3	6.1	35.1	8.5	3.25
July	5.5	11.8	3.5	20.8	8.2	2.95	October	13.9	26.7	8.9	49.5	9.2	3.95
August	7.8	15.1	5.0	27.9	8.0	2.75	November	19.7	34.6	10.8	65.1	9.9	4.65
							December	23.0	40.8	12.8	76.6	10.1	4.85

[1] Rates at thrifts.

SENATE CONCURRENT RESOLUTION 4—SUBMISSION OF A CONCURRENT RESOLUTION OPPOSING WAGE/PRICE OR OTHER STABILIZATION STANDARDS

Mr. HEINZ (for himself, Mr. COCHRAN, Mr. GARN, Mr. GOLDWATER, Mr. HELMS, Mr. LUGAR, Mr. SCHMITT, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, and Mr. HUMPHREY) submitted the following con urrent resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. CON. RES. 4

Whereas Title II of the Economic Stabilization Act of 1970 expired on April 30, 1974 and the President of the United States is therefore not empowered to impose wage, price, profit, interest, dividend or other general economic stabilization controls pursuant to any existing statute or provision of the Constitution; and

Whereas the historical record amply documents the failure of peacetime wage and price controls to permanently reduce inflation; and

Whereas the wage and price controls implemented pursuant to the Economic Stabilization Act of 1970 produced serious inequities for many economic sectors, including workers, certain industries, and small businesses; caused harmful distortions in investment and production flows and selective shortages of many products and supplies; imposed heavy compliance and paperwork costs on both the government and private individuals; disrupted import and export markets; inhibited economic planning and generated pervasive economic uncertainty among those subject to continually changing regulations; and resulted in an unprecedented and damaging price explosion upon the lapse of such controls in 1974, thereby eliminating any temporary benefit that may have been achieved; and

Whereas the President intends to promulgate a wage and price program consisting of specific, numerical wage and price standards that will be enforced by indirect and informal sanctions, such as Federal procurement actions, environmental, consumer, and workplace safety standards decisions, import relief decisions, strategic stockpile management policies, and independent regulatory agency decisions; and

Whereas such discretionary authorities to grant relief or impose hardships were delegated to the President solely for the purpose of achieving the particular public policy objectives set forth in the statutes making such grants of discretionary authority, such as the protection of the public health and welfare through the establishment of ambient air quality standards, the protection of U.S. workers and industries against unfair trade practices, the reduction of workplace hazards faced by employees, the establishment of just and reasonable rates for the transport of goods in interstate commerce, and the maintenance of stockpiles of critical materials sufficient to protect against national emergencies, among others; and

Whereas it was not the intent of Congress in granting such discretionary authorities to provide the President with plenary powers that could be directed to the establishment and enforcement of a general economic stabilization program not specifically authorized by statute; and

Whereas the use of such discretionary powers to compel compliance with specific, numerical wage and price standards amounts to a de facto wage/price control program; and

Whereas the employment of such discretionary powers to promote unrelated, unauthorized and arbitrarily chosen wage/price objectives constitutes a fundamental abuse of Executive power, would arbitrarily burden some sectors, industries and economic groups more than others depending upon the discretionary power to compel compliance available to the Executive Branch in each case, and is incompatible with our constitutional framework of divided powers, proper statutory delegation of authority, and legislative rather than ministerial pre-eminence in public policy-making; and

Whereas the President may request authority to implement a general economic stabilization program through the proper legislative process of requesting a statute granting him the authority to administer a program of wage, price and other economic controls, which program may include compliance and enforcement mechanisms ensuring equitable treatment of all economic sectors and affording due process to affected parties;

Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), that it strongly opposes any action by the President to promulgate specific, numerical wage, price, or other general economic stabilization standards enforced by the direct or implied threat that compliance with or accommodation to such standards by workers, unions, companies, industries and other private economic groups will be considered, weighed or otherwise taken into material consideration in actions, decisions or other exercises of administrative discretion pursuant to the Agricultural Adjustment Act, the Anti-Dumping Act of 1921, the Civil Aeronautics Act of 1938 (as amended), the Clean Air Act (as amended), the Communications Act of 1934 (as amended), the Consumer Product Safety Act, the Emergency Petroleum Allocation Act, the Energy Conservation and Production Act, the Energy Policy and Conservation Act, the Export Control Act of 1949 (as amended), the Federal Aviation Act of 1958 (as amended), the Federal Environmental Pesticide Control Act, the Federal Food, Drug and Cosmetic Act (as amended), the Federal Insecticide, Fungicide, and Rodenticide Act of 1947 (as amended), the Federal Land Policy and Management Act of 1976, the Federal Non-Nuclear Energy Research and Development Act, the Federal Power Act (as amended), the Federal Property and Administrative Services Act (as amended), the Federal Trade Commission Act (as amended), the Federal Water Pollution Control Act (as amended), the Fishery Conservation and Management Act, the Internal Revenue Code of 1954 (as amended), the Interstate Commerce Act (as amended), the Mining Law of 1872, the Motor Vehicle Information and Cost Savings Act (as amended), the National Environmental Policy Act, the National Forest Management Act of 1976, the National Labor Relations Act of 1935 (as amended), the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Strategic and Critical Materials Stock Piling Act, the Tariff Act of 1930, the Toxic Substances Control Act of 1976, the Trade Act of 1974, the Trade Expansion Act of 1962 (as amended), and the Water Quality Improvements Act of 1970.

● Mr. HEINZ. Mr. President, today I am submitting a Senate concurrent resolution.

Its purpose is to express the sense of the Senate in opposing the use of any direct or implied threat of administrative action or decision pursuant to various laws being used to impose wage and price or other stabilization standards. Specifically, there is some question as to the statutory authority behind the Executive Order issued by the Office of Federal Procurement on November 3, 1978. The Executive has enforced the adherence to certain wage and price standards by government contractors, subcontractors, and suppliers, and the controls pertain not only to Government contracted business but extend also into the contractors personal activities.

With the expiration of the Economic Stabilization Act of 1970 on April 30, 1974, the President is no longer empowered to impose wage, price, profit, interest, dividend, or other general economic controls.

That being the case, Mr. President, it is this Senator's very strong view that if the President intends to promulgate any wage or price programs consisting of specific, numerical wage, and price standards, that is his prerogative, but it is not the intent of Congress that he be allowed to enforce any such standards by indirect or informal sanctions such as Federal procurement actions, environmental, consumer, and workplace safety standards decisions, import relief decisions, strategic stockpile management policies, and independent regulatory agency decisions.

To allow the President to do that would be to give to the Executive a power that Congress has never delegated. In fact, what we would be permitting is political blackmail, and that is not at all the intention of this Senator, or I believe, Mr. President, of the Senate.

The authorities that I mentioned a moment ago, which are explicitly set forth in my resolution, are discretionary authorities designed to grant relief or to impose hardships, which were delegated to the President solely for the purpose of achieving the particular public policy objectives set forth in the statutes.

We should make it very clear, and I think we do so by this resolution, that we have no intention of allowing such authority to be used for some other purpose that is not that of the intent of Congress. It should be clear, and I think it is clear on the record, when Congress does grant discretionary authorities with those specific purposes in mind, that it was never the intent of Congress to provide the President with plenary powers that could be directed to the establishment and enforcement of a general economic stabilization program not specifically authorized by statute.

It is not the intention of this amendment or this Senator to constrain, or in any way prohibit the President from promulgating whatever he wants in the way of guideline for phase II, phase III, or any other phase of voluntary wage and price guidelines.

The sole point of this amendment is, in general, to compel compliance with the explicit intent of our statutes and to see to it that there is no employment or use of such discretionary powers to promote unrelated, unauthorized, and arbitrarily chosen wage-price objectives which I believe would constitute a fundamental abuse of Executive power, and which would arbitrarily burden some sectors in industry or economic groups more than others. The imposition of any such sanction or the use of such power is fundamentally incompatible with our constitutional framework of divided powers and proper statutory delegation of authority and legislative rather than ministerial preeminence in public policy-making.

It is our burden and responsibility to determine what the law should be. It is the Executive's responsibility to carry out our actions according to the authority we choose to delegate to him. I hope my colleagues will join in this effort to put these matters in their respective order.

Mr. President, I would ask my colleagues to take notice that officials from the General Accounting Office will be testifying today that President Carter's use of Government procurement contracts to force compliance with his wage and price guidelines is illegal. I ask unanimous consent that an article by Bradley Graham of the Washington Post from yesterday's issue be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES CONTRACTS AS LEVER SEEN ILLEGAL

(By Bradley Graham)

General Accounting Office officials are expected to testify tomorrow that President Carter's use of government contracts to force compliance with his voluntary wage-price guidelines is illegal and likely to be ineffective.

Milton Socolar, GAO's general counsel, is reported as saying—testimony prepared for delivery before a House subcommittee—that, lacking approval from Congress, the president cannot withhold government contracts from businesses that do not go along with the wage-price program.

In addition, Jerome Stalarow, director of GAO's procurement division, is expected to criticize the program's enforcement provision as ineffective in view of the small size of the government's inflation monitoring staff and the small group of companies that will be affected.

"We have some serious doubts about the program," said one GAO source who asked not to be identified.

The opinion from GAO, a congressional watchdog agency, clashes with a Justice Department position that the Carter administration can deny government contracts to noncomplying firms. The White House relied on the Justice Department opinion in drafting the anti-inflation program last fall.

Administration officials, informed of GAO's planned testimony, said Friday they were confident the president's program is legal and will prove effective. They charged GAO officials with taking too narrow a view of the law.

"The GAO has to offer opinions that are very conservative by nature," said Lester Fettzig, administrator for federal procurement policies at the president's Office of Management and Budget.

As part of his anti-inflation program, Carter has announced the government would deny contracts to companies that raise their prices or wages above voluntary guidelines set by the government. The guidelines call for holding increases in wages and fringe benefits to no more than 7 percent and keeping prices below the average increases for the past two years.

The enforcement provision takes effect Feb. 15. On that date, companies must certify they are in compliance with the wage-price standards in order to be eligible for federal contracts in excess of $5 million. The names of companies found by the government not to be adhering to the guidelines will be placed on a public list.

The squabbling over the legality of the compliance provision is likely to be settled eventually by the courts. One court challenge to the anti-inflation program—a request for a preliminary injunction brought by the Association of Western Pulp and Paperworkers—was rejected in December.

The suit raised objections to the legality of the program similar to those to be cited by GAO officials tomorrow, though the court never addressed these objections, deciding the case instead on other grounds. White House officials expect other test cases to follow.

The administration's position rests chiefly on the wording of the Federal Property Act of 1949 that gives the president power to prescribe government contracting policies on factors other than price alone. Justice Department attorneys have interpreted the act broadly to mean government contracting is primarily an executive branch function.

This power has been questioned in the past. The Johnson administration was taken to court over its policy of denying contracts to companies not in compliance with federal anti-discrimination standards. The judges ruled in favor of the White House.

But Carter's anti-inflation program is a murkier case, because it involves confusing guidelines and congressional ambivalence about the program.●

AMENDMENTS SUBMITTED FOR PRINTING

AMENDING THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 9

AMENDMENT NO. 55

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON. Mr. President, very briefly, I am submitting an amendment today for a change in rule XXII. I have not yet determined exactly what I am going to do on the leader's proposed change in rule XXII. I certainly support the need to have a more efficient Senate, doing away with the postcloture filibuster conducted by one or two Members. But on the question of the total rule change I have not as yet decided. I do have an amendment, Mr. President, which I believe will improve even the leader's package.

What it does is to provide for a maximum of three cloture motions. All that the proponents would have is three bites of the apple. After that, cloture could not be invoked, according to my amendment.

The amendment does provide two protections to prevent postcloture motions from being made too fast, perhaps being made by opponents of a bill.

The first is that the first motion to close debate may be made at any time the measure is brought up.

The second cloture motion cannot be made until 2 calendar days later.

The third motion could not be made until 1 calendar day after the second cloture motion.

That would give a minimum of 3 days.

It would also provide that each Sena-

tor who signed the cloture motion to bring the debate to a close would have the duty to vote in the affirmative on the cloture vote. That would prevent opponents of a measure from bringing in a quick cloture motion at a time perhaps when they knew that Senators were out of town or when they knew that the other side did not have sufficient votes to prevail.

So, Mr. President, I think this proposed amendment to the pending rules change should be passed by the Senate.

COUNCIL ON WAGE AND PRICE STABILITY ACT AMENDMENTS OF 1979—S. 349

AMENDMENT NO. 56

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. PROXMIRE. Mr. President, I am introducing at this time an amendment to S. 349, a bill which increases the authorization for the Council on Wage and Price Stability, and extends the duration of the Council. The purpose of this amendment is to establish numerical goals for the gradual reduction of the share of gross national product accounted for by Federal outlays.

It is important for the Members of Congress to recognize that they must be an active participant in the fight against inflation, and that is exactly what my amendment would do—commit the Congress to the realization that Federal spending must be controlled. President Carter has recognized this important fact in his fiscal year 1980 budget. Also, he has established as one of his budget objectives the reduction of Federal outlays as a share of the Nation's gross national product from 22.1 percent in 1978 to 21.2 percent in 1980 and 20.3 percent in 1982.

My amendment is quite simple. It is related to the President's objectives for reducing the share of GNP accounted for by Federal outlays. It would require that the President establish goals each year in his economic report, for Federal outlays as a proportion of gross national product. Those goals would be for the current year and each of the next 4 years. It also would establish explicit numerical goals for reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 percent or less by 1981, and to 20 percent or less by 1983.

The President would be given the flexibility to recomend modification of the time tables for achieving those specific numerical goals. That flexibility is of the utmost importance for the President, and it will not, in my view reduce in any way the meaningfulness of establishing goals for reducing the proportionate share of GNP accounted for by Federal outlays. Moreover, it provides a mechanism for debating the level of Federal outlays. The final decision would still rest with the Congress in its debate each year on the budget.

In the late 1950's and early 1960's the proportion of Federal outlays to gross national product was less than 20 percent. That proportion increased to 21.5 percent in 1968, primarily because of spending for the Vietnam war. There were some declines thereafter, but outlays as a percentage of GNP has remained above 20 percent ever since. In 1975 and 1976, as we were coming out of a recessionary period, outlays increased and the proportion of GNP reached about 22.5 percent. Table 6 from part V of the "Budget in Brief" for fiscal year 1980 show the outlays as a percentage of GNP since 1958. I ask unanimous consent that it be printed in the RECORD at the conclusion of these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. PROXMIRE. Mr. President, Chairman Miller of the Federal Reserve Board indicated his support for reducing the Government's share of GNP last fall. He said:

> In my view the task of reducing the Federal share of GNP should begin now. A careful, systematic review must be undertaken to reduce or eliminate those Federal programs that are ineffective or that have outlived their usefulness. We also need to recognize the limits on Government resources when considering alternative spending proposals.
>
> I believe that we should strive to reduce the Federal Government's share of GNP from more than 22 percent at present to 20 percent or so over a period of 5 to 7 years. Such a reduction would not fully return the Government proportion to that of the early 1960's.
>
> As spending is brought under tighter control, government will become less prominent as a borrower in credit markets. A lower government profile will facilitate the flow of credit to the housing sector where it is becoming scarce, and to the business sector where it can be put to use in rebuilding our currently inadequate stock of fixed capital.

Last fall, the Senate Banking Committee approved an amendment to S. 50 that would have established goals similar to those in my amendment.

Mr. President, if inflation is to be restrained the Congress must contribute to the effort. We must have the discipline to reduce the growth of expenditures and the share of the Government in overall production. The private sector must be encouraged to lead the expansion of the economy, to create the new jobs that are needed for our expanding labor force and to increase productivity. As Federal spending is brought under tighter control those things will happen. The Federal Government will also become a less prominent borrower in the credit markets. This will have two complementary side effects: First, more credit will become available to other sectors of the economy at interest rates that will be relatively lower, and second, the Federal Reserve will have an easier time controlling the growth of the monetary and credit aggregates. Both of these will aid the fight against inflation.

I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following:

SEC. . (a) Section 3(a)(2)(A) of the Employment Act of 1946 is amended by inserting "Federal outlays as a proportion of gross national product," after "productivity,".

(b) The first sentence of section 4(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per cntum or less by 1983 and thereafter.".

(c) Section 4(c) of such Act is amended by adding at the end thereof the following:

"(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding economic report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 per centum or less.".

(d) The first sentence of section 4(d) of such Act is amended—

(1) by striking out "and" after the word "unemployment" and inserting in lieu thereof ", "; and

(2) by inserting after the word "inflation" the following: ", and Federal outlays as a proportion of gross national product."

TABLE 6.—FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958–82

[Dollar amounts in billions]

Fiscal year	Gross national product	Budget receipts [1]		Outlays [1]: Unified budget		Outlays [1]: Off-budget Federal entities		Outlays [1]: Total		Federal debt, end of year: Total		Federal debt, end of year: Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958	442.1	$79.6	18.0	$82.6	18.7			$82.6	18.7	$279.7	63.3	$226.4	51.2
1959	473.3	79.2	16.7	92.1	19.5			92.1	19.5	287.8	60.8	235.0	49.7
1960	497.3	92.5	18.6	92.2	18.5			92.2	18.5	290.9	58.5	237.2	47.7
1961	508.3	94.4	18.6	97.8	19.2			97.8	19.2	292.9	57.6	238.6	46.9
1962	546.9	99.7	18.2	106.8	19.5			106.8	19.5	303.3	55.5	248.4	45.4
1963	576.3	106.6	18.5	111.3	19.3			111.3	19.3	310.8	53.9	254.5	44.2
1964	616.2	112.7	18.3	118.6	19.2			118.6	19.2	316.8	51.4	257.6	41.8

TABLE 6.—FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958–82—Continued

[Dollar amounts in billions]

Fiscal year	Gross national product	Budget receipts [1]		Outlays [1]: Unified budget		Outlays [1]: Off-budget Federal entities		Outlays [1]: Total		Federal debt, end of year: Total		Federal debt, end of year: Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1965	657.1	116.8	17.8	118.4	18.0			118.4	18.0	323.2	49.2	261.6	39.8
1966	721.1	130.9	18.1	134.7	18.7			134.7	18.7	329.5	45.7	264.7	36.7
1967	774.4	149.6	19.3	158.3	20.4			158.3	20.4	341.3	44.1	267.5	34.5
1968	829.9	153.7	18.5	178.8	21.5			178.8	21.5	369.8	44.6	290.6	35.0
1969	803.7	187.8	20.8	184.5	20.4			184.5	20.4	367.1	40.6	279.5	30.9
1970	959.0	193.7	20.2	196.6	20.5			196.6	20.5	382.6	39.9	284.9	29.7
1971	1,019.3	188.4	18.5	211.4	20.7			211.4	20.7	409.5	40.2	304.3	29.9
1972	1,010.5	208.6	18.8	232.0	20.9			232.0	20.9	437.3	39.4	323.8	29.2
1973	1,237.5	232.2	18.8	247.1	20.0	$0.1	(2)	247.1	20.0	468.4	37.9	343.0	27.7
1974	1,359.2	264.9	19.5	269.6	19.8	1.4	0.1	271.1	19.9	486.2	35.8	346.1	25.5
1975	1,457.3	281.0	19.3	326.2	22.4	8.1	.6	334.2	22.9	544.1	37.3	396.9	27.2
1976	1,621.7	300.0	18.5	366.4	22.6	7.3	.5	373.7	23.1	631.9	39.0	480.3	29.6
1977	1,834.0	357.8	19.5	402.7	22.0	8.7	.5	411.4	22.5	709.1	38.7	551.8	30.1
1978	2,043.4	402.0	19.7	450.8	22.1	10.3	.5	461.2	22.6	780.4	38.2	610.9	29.9
1979 estimate	2,289.4	456.0	19.9	493.4	21.6	12.0	.5	505.4	22.1	839.2	36.7	650.9	28.4
1980 estimate	2,505.7	502.6	20.1	531.6	21.2	12.0	.5	543.5	21.7	899.0	35.9	689.9	27.5
1981 estimate	2,758.6	576.8	20.9	578.0	21.0	11.5	.4	589.5	21.4	940.3	34.1	701.9	25.4
1982 estimate	3,025.2	652.6	21.6	614.9	20.3	11.1	.4	626.0	20.7	951.9	31.5	674.3	22.3

[1] See footnotes to table 1 for changes in budget coverage.

[2] 0.05 percent or less.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. KENNEDY. Mr. President, I would like to announce my intention to chair a hearing of the Committee of the Judiciary on February 13, 1979, from 9 a.m. to noon at the John F. Kennedy Federal Building, Government Center, room 2003, Boston, Mass. The hearing will focus on citizen access to justice and alternatives to litigation. Anyone wishing to submit prepared statements for the record should send them to the Senate Committee on the Judiciary, room 2226, Dirksen Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEE TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy and Natural Resources Committee be authorized to meet during the session of the Senate today to hold an organizational meeting.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PRICE SUPPORT INCREASES

● Mr. BOREN. Mr. President, I am today cosponsoring Senate Joint Resolution 20 by Senator ZORINSKY to increase price supports for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity.

A strong agricultural economy is absolutely essential to the survival of our Nation's well-being. Agriculture is not only the No. 1 industry in my State of Oklahoma, but it is and always has been the cornerstone of the American economy.

I view with concern statistics which show that today less than 4 percent of our population is classified as a farmer or rancher. In the early 1800's, over 80 percent of the American population was engaged in some way in production of food and fiber.

While the efficiency of the American farmer and rancher has increased, it still should be of major concern to each of us that the number of family farms is diminishing each year. Preserving the family farm is of social as well as economic value to our Nation.

The family farm unit has contributed immeasurably to the maintenance of basic American values. Individual initiative and a strong code of moral values have been nurtured on the farm.

The cost-price squeeze has placed many farmers on the brink of financial disaster. A recent USDA survey revealed that in Oklahoma alone, 3,200 farmers faced the possibility that they could not refinance their loans.

Net farm income today is much lower than it was just 4 or 5 years ago. Our farmers cannot continue to survive if we let their problems go unanswered. If it were not for our farmers, our country's balance of payments would be in greater trouble. Only because of the more than $27 billion of farm products sold overseas, have we been able to purchase energy and other necessities. Our dollar is in trouble today but it would be in far worse trouble if it were not for the agricultural products we sell abroad.

The farmers have kept our Nation afloat and they doeserve our support. It is paramount to our Nation's economy that we have a foreign trade policy that supports, not hurts, our American farmer.

Because of the efficiency of the American farmer and rancher, other parts of our country's citizenry have been free to pursue other places in the work force. The American farmer has, thereby, given the American people the highest standard of living in the world.

While productivity and efficiency of the farmer and rancher may have increased greatly over the years, farm income has not kept pace with rising costs of production. Today one can virtually see no profit in agriculture. No business can continue to operate without earning a fair and reasonable return on investments and labor.

The American farmer and rancher has been receiving a smaller and smaller share of the total food dollar. We have seen many instances where farm prices have declined and yet prices for food paid by the consumer have increased. Many consumers from nonfarm areas have been given the false impression that farmers get the major benefit from higher prices for food. It is time to set the record straight. Our governmental agencies should tell the people the truth. While the cost of living, including the price of food is going up, the farmers share of the food dollar is going down every year.

The American people at large would join their farm neighbors in demanding action if they understood the fact that the farmer is still getting the same price for his product that he received 20 or 25 years ago while everything that he buys has gone up in price 2, 3, or in some cases, by 10 times.

No other group in this country has been so left out of the economic progress of our Nation as the farmers and ranchers.

I support the Zorinsky resolution and urge my colleagues to join me in that support, because our farmers cannot survive if the present situation continues. We must do more if we are to preserve the American family farm and the economic freedom of our Nation.●

PRODUCTION-RELATED COSTS FOR ALASKAN GAS

● Mr. GRAVEL. Mr. President, on February 2, 1979, the FERC issued a notice of proposed rulemaking and statement of policy concerning the treatment of various production-related costs for natural gas transported through the Alaska natural gas pipeline. It is expected that extensive comments will be filed during the 30-day comment period. I will be among those filing more detailed comments.

At this time, however, I would like to share with my colleagues the proposed rule and rationale. Essentially, FERC

would have the producers of the gas, and perhaps the State of Alaska, bear the costs of treating the gas to the rigid pipeline specifications necessitated by the extreme Arctic and sub-Arctic conditions of Alaska. FERC further proposes not to allow the producers to pass these additional costs on to the consumer of the gas, but rather to have those costs fall within the wellhead price of Prudhoe gas.

I am concerned that the proposal defies the real world. I am afraid that the proposal if adopted as a final rule will encourage litigation that will further delay negotiation for gas sales contracts and subsequent initiation of construction. At best, delays will result during the discussion by the producers of the costs of the conditioning plant and their willingness to enter into that aspect of the project. I hope that the doubts created in my initial reading of the proposal will be assuaged as the parties to the proceeding present their comments. At this point I am not persuaded by the reasoning of the proposal, or FERC's sense of the reality of the types of decisions that will be necessary to assure construction of the Alaska gas pipeline.

The material follows:

FERC PROPOSES POLICY STATEMENT ON TREATMENT OF PRODUCTION-RELATED COSTS FOR ALASKAN GAS

The Federal Energy Regulatory Commission today issued a proposed rulemaking and policy statement which states that the selling producers should bear the responsibility of production-related costs for natural gas to be transported through the Alaskan Gas Pipeline System.

While the field price for Prudhoe Bay Gas was set by the recently enacted Natural Gas Policy Act at $1.45 per million Btu's, the question remains as to who should be responsible for conditioning the gas to enter the pipeline. (Conditioning includes lowering the carbon dioxide content, chilling, water removal, and removing natural gas liquids.) The pipeline companies believe the producers should have the responsibility, and the producers believe the pipelines should.

The cost of conditioning gas was estimated to be about 30 cents per thousand cubic feet in the President's Decision and Report to Congress on the Alaskan Natural Gas Transportation System. The Commission said it believes that the Prudhoe Bay producers should build and operate the necessary conditioning facilities. The Commission said it bases this belief on the President's Decision, which specifically notes that the processing facilities are not a part of the transportation system.

If the producers should engage some third party to perform the conditioning function, the Commission said it will want to be satisfied that that third party can provide deliverability protection to gas consumers at least similar to what the producers themselves would provide.

The second basic question the Commission deals with in today's proposal is what costs for conditioning should be permitted to be passed through to the consumer. The Commission said it must address this issue in deciding whether to allow charges over and above the maximum lawful price.

In the Commission's interim regulations to implement the NGPA for the lower-48 producing areas, the Commission included quality standards that would have to be exceeded before it can consider an allowance for production-related costs above the NGPA ceiling price. These standards were based on experience in the lower-48 producing areas. No similar experience exists for gas sales from Prudhoe Bay, it said.

The quality standards applicable for gas delivered to the Alaskan Gas Pipeline System are specified by the President's Decision. As with the Commission's interim regulations for the lower-48 producing areas, however, the Commission said it believes the cost of delivering pipeline-quality gas to the Alaskan system should be covered by the first sale price ceilings of NGPA. It therefore proposes not to exercise its discretion to permit an adjustment for producer-related costs for the Prudhoe Bay gas.

The Commission said it believed the NGPA Section 109 price is adequate to compensate the producers for the cost of producing, gathering and conditioning the gas. The price specified in Section 109 of the NGPA is $1.45 subject to adjustment for inflation. The price in April 1979 would be $1.672, according to adjusted prices published by the FERC on January 26.

Comments on this proceeding should be filed by March 5, 1979, and directed to F.E.R.C., Office of the Secretary, Room 9310, 825 North Capitol St. NE., Washington, D.C. 20426.

[United States of America Federal Energy Regulatory Commission, Docket No. RM79-19]

NOTICE OF PROPOSED RULEMAKING AND STATEMENT OF POLICY

Before Commissioners: Charles B. Curtis, Chairman; Don S. Smith, Georgiana Sheldon, Matthew Holden, Jr. and George R. Hall

Treatment of Certain Production-Related Costs for Natural Gas to be Sold and Transported through the Alaska Natural Gas Transportation System

Issued February 2, 1979.

The Federal Energy Regulatory Commission (Commission) is considering an amendment to its interim regulations implementing the Natural Gas Policy Act (NGPA), and the establishment of a policy concerning the recovery of certain "production-related" costs as defined in the NGPA. The amendment to the regulations deals exclusively with first sales of natural gas produced from the Prudhoe Bay Unit of Alaska for transportation through the Alaska Natural Gas Transportation System (ANGTS).[1] The policy statement reflects the public's interest in the matter of establishing responsibility for bearing production-related costs for that gas.

The policy sets forth the general proposition that the recovery of any "production-related" costs by those making applications for certificates of public convenience and necessity under the Natural Gas Act are restricted to those costs permitted by the Commission pursuant to an adjustment granted under section 502(c) of the NGPA in the event of special hardship, inequity, or an unfair distribution of burdens. The policy which is proposed would apply only to certificates involving the purchase or transport of natural gas produced from Prudhoe Bay for transportation through the ANGTS applied for pursuant to the Natural Gas Act.

The proposal is within the Commission's discretion under section 110 of the NGPA. Our decision is also based upon the Natural Gas Act (NGA) 15 U.S.C. §§ 717 *et seq.*; the Alaska Natural Gas Transportation Act of 1976 (ANGTA) (15 U.S.C.A. §§ 719 *et seq.*) (Supp. 1978) and the *Decision and Report to Congress on the Alaska Natural Gas Transportation System* submitted to the Congress by the President.[2]

The Commission solicits opinions, data, and views from interested parties and the general public on the Commission's assessment of the public interest in the matter of assigning responsibility for conditioning the Prudhoe Bay gas for pipeline entry. The Commission also solicits comments on the mechanisms proposed to implement that assessment.

A. BACKGROUND

The ANGTA represents a legislative substitution of a Presidential decision with Congressional approval in lieu of the ongoing Federal Power Commission procedure regarding construction of the ANGTS. The ANGTA also contained specific requirements for the contents of that decision. The *Decision*, forwarded to and approved by the Congress in late 1977, was the product of the process set out in the ANGTA.

The facilities comprising the ANGTS were identified specifically in the *Decision*.[3] However, certain questions important to the implementation of the selected system remained for future resolution. Paramount was the question of a field price for the gas. As noted in the *Decision*:

Final financing for an Alaska natural gas transportation project cannot be arranged until the producer-owners of the Prudhoe Bay gas execute sales contracts. Without such contracts, no gas can be transported, and financing consequently would be unobtainable. Producers cannot be expected to negotiate sales contracts until a price has been established with a reasonable degree of certainty. If this project is to proceed expeditiously, the field price of the gas should be established as soon as possible. (*Decision* at 44)

The maximum lawful price for Prudhoe Bay gas was established by section 109 of the NGPA, thereby overcoming the disability referred to and providing the opportunity for the negotiation of sale contracts for the Prudoe Bay gas.

Other concerns are also important, including the assignment of responsibility for processing the gas prior to injection into the ANGTS. The Commission's amendments and statement of policy herein proposed are designed to implement the NGPA, the ANGTA, and the *Decision*, and thereby to resolve some residual issues and provide a climate for the rapid conclusion of contract negotiations.

B. ISSUES FOR COMMISSION CONSIDERATION

One of the remaining issues affecting the contracting process relates to conditioning the gas for entry into the ANGTS. There are two questions: (1) who is to bear the responsibility for the construction and operation of the necessary conditioning facilities; and, (2) what costs, if any, for conditioning should be permitted to be passed through to the consumer?

1. Responsibilities for the conditioning facilities

The responsibility for preparing the Prudhoe Bay gas for entry into the ANGTS has been an issue throughout the consideration of the system. It has been obvious that processing and conditioning facilities would be required in order to condition the gas for transportation.[4] None of the three gas pipeline proposals which were presented to the Federal Power Commission provided for the construction and operation of such facilities: all three assumed that the facilities were the responsibility of the producers. Prudhoe Bay producers, on the other hand, argued that the required ". . . conditioning steps—lowering carbon dioxide content, providing high pipeline inlet pressure, chilling, providing extremely thorough water removal, and maintaining close control of condensable

Footnotes at end of article.

hydrocarbon content—are all designed to minimize the investment and operating cost of the pipeline" and should therefore be part of the gas pipeline system.[5]

The question of whether the processing facility is included in the ANGTS was answered in the *Decision* in the negative. The *Decision* in Section 2 ("Description of the Nature and Route of the Approved System") stated: "The proposed Alcan pipeline will commence on the discharge side of the gas conditioning plant facilities in the Prudhoe Bay Field." (*Decision* at 6) Additionally, the system description in Section 3 states that the first compressor station for the ANGTS will be located 75 miles after point of commencement of the system. (*Decision* at 17) The necessary conclusion is that the gas will enter the ANGTS compressed to its maximum allowable operating pressure. As chilling to prevent degradation of the permafrost is to be done at compressor stations (*Decision* at 17), there is also the inference (given the location of the first compressor station) that the gas is to leave the conditioning plant sufficiently chilled to be transported over the first 75 miles of permafrost without warming to a temperature above the freezing point of water. Finally, there is the explicit reference that "[t]he facilities which are to be covered are those in the U.S. which . . . are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) in March 8, 1977." (*Decision* at 13) The facilities provided in that filing assume that the gas entering the system will have been conditioned to a certain quality, and compressed and chilled prior to entry.[6]

2. Allowances for conditioning costs

Having established that the processing facility would not be part of the ANGTS, that does not determine whether the producers or the pipeline should build the plant or who should pay for its operation. Therefore, the second principal issue which the Commission must consider is whether gas consumers should bear any portion of the costs of preparing the gas for pipeline entry. The Commission must address this issue in deciding whether to allow producers to include in the price of the gas costs over and above the maximum lawful price; or whether any of such charges, if paid by purchasers of the gas, could be passed through to consumers.

The Decision, in relevant part (Section 6—Pricing of Alaska Gas), took note of the difficulty in determining a cost-based price for the Prudhoe Bay gas because of its association with oil in the reservoir. It also observed that the Administration's proposed National Energy Act (NEA), then before Congress, would obviate that difficulty by shifting from cost-based pricing to a series of price ceilings determined by statute. The *Decision* then called "for enactment of a gas pricing approach similar to that contained in the National Energy Plan." (Decision at 46)

An amended version of the National Energy Act had passed the House of Representatives and was being considered by the Senate at the time of the *Decision*. That version allowed for possible increases, if allowed by the Commission, in the ceiling prices established by the statute to cover costs of gathering, conditioning, and compressing the gas for pipeline entry.

The Report which accompanied the *Decision* contained a discussion of the economic viability of the ANGTS.[7] Because of the possibility that the Commission might provide some allowance for costs of gathering, conditioning, and compression, that discussion used a range of 0 to 30 cents per MMBtu (1975 dollars) for a potential add-on in estimating the "city gate" or wholesale price of the gas.[8] However, the *Decision* clearly left determination of the appropriate amount of any such allowance to the discretion of the Commission.[9]

In its comments on the *Decision*, the Commission addressed the question of possible allowances for costs of gathering and conditioning.[10] The Commission recognized that a field price would have to be established either through legislation or through ratemaking proceedings before any determination could be made with regard to possible allowances for gathering and conditioning. As the Congress had not completed its deliberation on the National Energy Act, at the time of the Commission's comments on the *Decision*, the Commission could only discuss the factors it might consider if called upon to reach a determination regarding possible allowances. (*Comments* at 34–35)

The comments noted that although there will be a variety of costs associated with producing, gathering, and conditioning the gas for pipeline entry, where will also be substantial revenues available from these activities to offset those costs. Since the Prudhoe Bay gas is produced in association with oil, the Commission's comments contemplated that costs could be allocated among sales of gas, oil and natural gas liquids (NGL's), and looked to the gas sales contracts for the initial division of revenues and costs between producers and transporters. The Commission could then determine if an allowance for costs of processing and conditioning was warranted.

The NGPA, as finally passed by Congress, provided both a maximum lawful price for the first sale of Prudhoe gas (section 109) and Commission discretion regarding treatment of "certain production-related costs" (section 110). The legislative history of section 110 makes it clear that, while the Commission's authority to permit producers or other first sellers to charge an amount in excess of the maximum lawful price is discretionary, this authority should, when possible, be exercised in light of "prevailing industry practice."[11]

"[P]revailing industry practice" as to functions usually performed by the producer can be determined by reference to existing contracts and sales for those areas having a history of natural gas production and sales. It was on this basis that the Commission's interim regulations were structured. (43 Fed. Reg. 56490) There is, however, no such history for Prudhoe Bay, since the production from that area has never come under contract. For this reason, the Commission's discretion to consider the add-on of production-related costs for this producing area is not bound by considerations which prevailed for conventional producing areas.

C. COMMISSION ASSESSMENT OF THE PUBLIC INTEREST

The Commission believes that there is adequate information in the *Decision*, the Report accompanying it, and the legislative history to draw some preliminary conclusions regarding responsibility for the gas conditioning facilities at Prudhoe Bay and the need for any special allowances to the producers for the costs of construction and operation of those facilities. The Commission in this section outlines these conclusions and puts forward specific proposals to achieve the distribution of costs and benefits which conform to these conclusions.

1. Responsibility for the conditioning plant

It is the Commission's view that the Prudhoe Bay producers should be responsible for the construction and operation of the required conditioning facility. Providing the ANGTS with pipeline quality gas is the responsibility of the producers.[12] Therefore, the public interest will best be served if the producers bear these costs.[13] This conclusion is based on the premise that the producers will contract with purchasers for the sale of Prudhoe Bay gas at not less than the maximum lawful price set by section 109 of the NGPA. If the parties agreed to a sales price lower than the section 109 (NGPA) ceiling with the pipeline paying for some processing costs, the Commission would not necessarily oppose such an outcome provided the total price paid for pipeline quality gas did not exceed the section 109 (NGPA) price.[14] In any event, the financial responsibility for the construction and operation of the plant facilities rests with the producers.

An additional consideration in this determination is the risk of reduced gas deliverability and the potential for reducing this risk. Producer responsibility for the processing facilities is one answer. The ANGTS was designated for a throughput of up to 2.4 billion cubic feet per day. (*Decision* at 13) That these facilities will be efficiently used, and that natural gas will be available to ensure that efficient use, is a proper concern of the Commission. There has been a question as to whether the producers might be able to provide some type of throughput guarantee to reduce the pipeline's and the consumer's exposure to the risk of reduced deliverability.[15]

The Commission believes that producer responsibility for the gas conditioning facility would provide some deliverability protection. Should underutilization of a producer-owned facility result from reduced deliverability from the Prudhoe Bay field, the producers, who have the ability to explore for new sources of gas, will have an additional incentive to find and produce such gas as is necessary to maximize the use of the plant. If this result occurs, greater volumes available for transportation will make for a more efficient operation of the ANGTS.

The Commission believes that the specific language of the *Decision* in its description of the ANGTS and the potential for ensuring the system some form of deliverability protection forms the basis for a definitive Commission finding that the conditioning facilities should be the responsibility of the producers. If the producers should engage some third party to perform the conditioning function, the Commission must be satisfied that deliverability protection similar to direct producer responsibility is provided to gas consumers.

2. Costs of gathering and conditioning

In issuing proposed regulations to implement section 110 of the NGPA for lower-48 producing areas, the Commission included quality standards which would have to be exceeded in order for the Commission to consider an allowance for production-related costs above the NGPA maximum lawful price (43 Fed. Reg. 56574–77 (Dec. 1, 1978)). These standards were based upon experience in the lower-48 producing areas. For gas sales made from Prudhoe Bay there is no such experience. In lieu thereof, we have the *Decision*, its description of the system, and its references to the filings containing appropriate quality standards to rely on. (*See* note 6 above.) For this reason, the Commission believes that the quality standards used for the lower-48 are inapplicable for gas delivered to the ANGTS.

As with the Commission's interim regulations for the lower-48 producing area, the Commission believes that costs of delivering "pipeline quality gas" to the ANGTS should be covered by the first sale price ceilings which are provided by the NGPA. With respect to Prudhoe Bay, it is the *Decision* and not prevailing industry practice that determines the quality standards. (*Supra*, note 6) Therefore, the Commission declines to exercise its discretion under section 110 of the NGPA to permit an adjustment for

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production-related costs of the Prudhoe Bay gas.

We do not believe on the basis of available information, that a refusal to allow production-related costs in excess of the ceiling price established in section 109 of the NGPA will work no hardship on the producers. Such information as is available suggests that the NGPA's section 109 price is adequate to compensate the producers for the costs of producing, gathering and conditioning the gas for sale to the ANGTS at the prescribed standards. The Department of the Interior, as part of a study of alternative transportation systems completed in December of 1975, evaluated the incremental costs of producing and conditioning the gas for sale.[18] That study estimated those costs, including an appropriate return on equity investment, to be 47 cents/MMBtu (1975 dollars). Additionally, the Federal Power Commission, in its *Recommendation to the President*, estimated the costs of gathering and conditioning at about 50 cents/MMBtu (1975 dollars).[17] If these estimates of costs are close to being correct, then the $1.45 per MMBtu (1977 dollars) provided by section 109 of the NGPA would appear more than adequate to cover the incremental costs associated with gas sales, plus a reasonable profit.[19] The Commission solicits opinions, data and views regarding the costs of producing and conditioning this gas and the adequacy of the section 109 (NGPA) price to cover the incremental costs of gas production and conditioning for transportation in the ANGTS without inflicting hardship, creating inequity, or unfairly distributing to producers a burden.

D. SPECIFIC PROPOSALS

In this section, specific mechanisms are proposed in order to implement the policy expressed herein for the purpose of protecting the public interest in the assignment of responsibility for the construction and operation of the processing facilities.

These mechanisms are: (1) an amendment to the presently effective interim regulations to make section 502(c) of the NGPA applicable to Prudhoe Bay gas to provide an opportunity for relief if the Commission's perceptions of the distributions of production-related costs and benefits associated with producing and conditioning the Prudhoe Bay gas are not borne out; and (2) a policy statement under the NGA to govern certain aspects of future pipeline certification proceedings. The latter is required in order to make clear the Commission's interpretation that the facilities, and their associated costs, required to bring the gas to pipeline quality are the responsibility of the producers and not the pipeline company purchasers and transporters of the gas. The rationale for this interpretation and its public interest basis has been discussed above. We look to the submissions of opinions, data and views in response to this notice.

The proposed amendment would amend the Commission's current interim regulations to make the section 502(c) adjustment procedures available to those engaged in the sale and purchase of natural gas produced from Prudhoe Bay for transportation through ANGTS. The regulations would then provide for an adjustment if a special hardship, inequity, or an unfair distribution of burdens resulted.

Section 110 grants the Commission discretion to allow a price in excess of the maximum lawful price for permissible production-related costs borne by the seller. The scope of this statutory discretion does not reach the case of a sale at the maximum lawful price where there are production-related costs but they are not borne by the seller. This raises the possibility that untreated Prudhoe Bay gas may be sold at the maximum lawful price.[19] Such a sale of untreated Prudhoe Bay gas would have several undesirable consequences. It would shift gas processing costs from producers to consumers, thereby increasing the city-gate price of the gas and adversely affecting its marketability. In addition, certain production-related costs required for oil production, attendant to the production of the Prudhoe Bay gas but not related to gas sales, could be improperly shifted to the gas purchaser. (See *Comments* at 19–34).

It is the Commission's opinion that such a shift to the consumer of production-related costs would not be in the public interest because it would materially increase the cost of this gas to the consumer. For these reasons, the Commission declines to exercise its discretionary authority under section 110 to permit a first seller to charge a price in excess of the maximum lawful price permitted under section 109 for production-related costs.

Although the Commission's "conditional" certificate for the building of the ANGTS was issued pursuant to sections (5)(A)(2) and 9 (a) and (b) of the ANGTA, a final certificate authorizing construction and operation must be issued pursuant to section 7 of the Natural Gas Act (NGA), 15 U.S.C. § 717f(c).[20] In assessing the certification of the project which the statute requires, the Commission must consider the public convenience and necessity. A necessary part of this consideration is the assessment of the financeability of the ANGTS and the marketability and availability of the gas to be transported through it. The proper distribution of the processing costs impacts these considerations.

Mindful of the considerations inherent in the President's *Decision* on its approval of the ANGTS, and pursuant to the Commission's statutory authority,[21] the Commission intends to implement a policy that in its consideration of certificates for the construction of the ANGTS, or for the purchase or transportation of gas through the ANGTS, no cost of construction, purchase, or transportation which includes costs of processing the Prudhoe Bay gas will be certificated absent a determination made under section 502(c) of the NGPA that the cost is one properly allocable to the price of the gas. Such a policy will allocate production-related costs in a manner consistent with the Commission's view of the public interest, and will enhance the finance ability of the ANGTS, assist marketability of the gas involved, avoid the complications of incremental pricing, and comply with congressional dictates which touch upon this gas and its transportation through the ANGTS.[22]

The policy which the Commission proposes would apply only to certificates which involve the purchase or transportation of natural gas produced from the Prudhoe Bay Field for transportation through the ANGTS. The issuance of the certificates will proceed according to the prescriptions of the NGA.

E. WRITTEN COMMENT PROCEDURES

The Commission invites interested persons to submit written data, views, and other information concerning the matters set forth in this notice. An original and 14 copies should be filed by March 5, 1979. Comments should be submitted to the Federal Energy Regulatory Commission, Office of the Secretary, 825 North Capitol Street, N.E., Washington, D.C. 20426 and should reference Docket No. RM79–19. All written submissions will be placed in the Commission's public files and will be available for public inspection in the Commission's Office of Public Information, 825 North Capitol Street, N.E., Washington, D.C., during regular business hours.

Because of the complexity and importance of the issues presented in this notice, the Commission intends that those participating in this proceeding should serve their comments on other participants, and have an opportunity to respond to the initial comments made in response to this notice. In order for this to take place, any participant intending to file initial comments to this notice shall notify the Secretary of the Commission in writing on or before February 16, 1979 of the intent to participate. A service list will then be prepared and mailed to those who have stated an intention to participate. The initial comments shall be filed with the Office of the Secretary as stated above. In addition, each party shall serve their initial comments by March 5, 1979 to those of the service list. Reply comments are to be filed with the Office of the Secretary in accordance with the above procedures by March 19, 1979, and shall be served upon parties listed on the service list by the same date.

In providing proper service of the initial comments and any reply comments, attention is directed to the regulations of the Commission found at 18 C.F.R. 1.17(b) [1977] which permits service by mail. In addition, those who provide comments are directed to the subscription and verification provisions found at 18 C.F.R. 1.16 [1977].

In order that all interested parties may be apprised of this matter, the Commission orders that the Secretary, in addition to publishing this notice in the *Federal Register*, shall serve copies of the same to all parties of record in Docket Nos. CP78–123, CP78–124, CP78–125, and RM78–12, said service to be accomplished pursuant to 18 C.F.R. 1.17 [1977].

(Natural Gas Act, as amended, 15 U.S.C. §§ 717, *et seq.*; Natural Gas Policy Act of 1978, Pub. L. No. 95—621, 92 Stat. 3350 (1978); Department of Energy Organization Act, Pub. L. No. 95–91; Executive Order No. 12009, 42 Fed. Reg. 46267; DOE Delegation Order No. 0204–8, 42 F.R. 61491; Alaska Natural Gas Transportation Act of 1976, 15 U.S.C. §§ 719, *et seq.*; President's *Decision and Report to Congress on the Alaska Natural Gas Transportation System*, approved by joint resolution, Pub. L. No. 95–158, 91 Stat. 1268 (1977); Administrative Procedure Act, 5 U.S.C. § 553.)

In consideration of the foregoing, the Commission proposes to amend Part 2, Subchapter A and Subpart K, Part 271, Subchapter H of Chapter I, Code of Federal Regulations as set forth below.

By the Commission. Commissioner Sheldon voted present.

KENNETH F. PLUMB,
Secretary.

(1) Part 2, Subchapter A of Chapter I, Title 18 Code of Federal Regulations is amended by adding new § 2.101 to read as follows:

§ 2.101 *Policy respecting consideration of certain certificates applied for pursuant to the Natural Gas Act and involving gas to be transported through the Alaska Natural Gas Transportation System.* In any proceeding involving the approval of applications for certificates of public convenience and necessity, whether for the construction of the Alaska Natural Gas Transportation System or for the purchase or transport of gas through that system, it will be the general policy of the Commission, absent a showing that the public convenience and necessity would otherwise be served, that the purchase of natural gas from Prudhoe Bay, Alaska for transportation through the Alaska Natural Gas Transportation System should be of processed gas which is capable of immediate entry into the transportation system; and therefore, the Commission will approve only those applications for certificates of public convenience and necessity which do not require the assumption by the applicant or subsequent purchaser of processing or other related costs save to the extent such costs are allowed pursuant

Footnotes at end of article.

to Commission action taken under § 271.1106 of its regulations.

(2) Section 271.1100 of Subpart K, Part 271 of Subchapter H of Chapter I, Title 18 Code of Federal Regulations is amended in subparagraph (b) to read as follows:

§ 271.1100 *Applicability.*

* * * * *

(b) *Exclusions.* Sections 271.1104 and 271.1105 shall not apply to any natural gas produced from the Prudhoe Bay Unit of Alaska and transported through the natural gas transportation system approved under the Alaska Natural Gas Transportation Act of 1976.

(3) Section 271.1106 of Subpart K, Part 271 of Subchapter H of Chapter I, Title 18 Code of Federal Regulations is amended to read as follows:

§ 271.1106 *Adjustments.* Pursuant to section 502(c) of the NGPA, any person may apply to the Commission for an adjustment on the grounds that the operation of §§ 271.1100(b) or 271.1105 results in special hardship, inequity, or an unfair distribution of burdens to such person.

FOOTNOTES

[1] Pursuant to the Department of Energy Organization Act, 42 U.S.C.A. § 7101 *et seq.* (Supp. 1977), most of the powers formerly exercised by the FPC were transferred to the Commission. By delegation order dated December 5, 1977, the Secretary of Energy transferred to the Commission all necessary powers respecting the ANGTS. 42 F.R. 61491 (December 5, 1977).

[2] Executive Office of the President, Energy Policy and Planning, *Decision and Report to Congress on the Alaska Natural Gas Transportation System* (September 1977) [hereinafter cited as *Decision*]. Issued pursuant to section 7 of the ANGTA, 15 U.S.C. § 719c (1976), and approved by Joint Resolution of Congress, H. R. J. Res. 621, Pub. L. No. 95–158, 91 Stat. 1268 (1977), the *Decision* has the full force of law.

[3] For example, section 3 of the *Decision* states at page 13, "The facilities which are to be covered are those in the U.S. which are adequate for a throughput of up to 2.4 bcfd and are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) on March 8, 1977."

[4] Federal Energy Regulatory Commission, *Comments on the "Decision and Report to Congress on the Alaska Natural Gas Transportation System"*; 19–34 (October 1977) [hereinafter cited as *Comments*].

[5] *See, e.g., Natural Gas Pipeline from Alaska: Joint Hearings Before the Commerce Subcomm. on Energy and Power of the House Comm. on Interstate and Foreign Commerce and the Interior Subcomm. on Indian Affairs and Public Lands of the House Comm. on Interior and Insular Affairs*, 95th Cong., 1st Sess., Ser. No. 95–79, at 446 (1977) (statement of L. G. Rawl, Executive Vice-President, Exxon, U.S.A.) [hereinafter House Hearings].

[6] Alcan Pipeline Project 48" Alternative Proposal, Docket No. RM77–6. The revised Alcan filing describes a system which would transport natural gas processed to the following standards: (1) 1% carbon dioxide by volume; (2) 0.6% nitrogen by volume; (3) 1138 Btu/cuft gross heating value; and (4) a hydrocarbon dew point of –10° F at 100 psi. (Alcan Pipeline Project 48" Alternative Proposal at § 3, p. 3; Docket No. RM77–6). This revised filing referenced an initial filing in which the following additional specifications were enumerated: (1) a maximum water content of 0.2 pounds per million cubic feet; (2) a sulphide content of no more than 0.25 grains per 100 cubic feet; and (3) a total sulphur content of 10 grains per 100 cubic feet. Alcan Pipeline Co., FPC Gas Tariff, Original Vol. 1, Exhibit No. AP–16, at Original Sheet No. 112 (Docket No. CP75–96, *et al.*).

[7] *See Report* accompanying the President's *Decision*, at 93–98. While not adopted by the Congress in its joint resolution on the *Decision*, the *Report* was submitted to them with the *Decision*. It may thus be considered as relevant legislative history. *See Midwestern Gas Transmission Co.* v. *FERC*, No. 78–1753, slip op. at 11–12, n. 23 (D.C. Cir., Nov. 2, 1978)

[8] The actual cost of gathering and conditioning were estimated to be about 30 cents per MMBtu (1975 dollars). The range presented was intended to cover the spectrum of possibilities between a Commission determination that no add-on be provided and a determination that all these costs should be passed on to gas consumers.

[9] *See, e.g., Decision* at 95: "When the cost of service price of the Alcan project is added to a wellhead price of $1.45 to $1.75 per mmbtu (*depending on the amount the FPC will allow producers for their processing costs*), the wholesale or "city gate" price of the gas should be about $2.50 to $2.80 per mmbtu in constant 1975 dollars." (emphasis added). *See also* the statements of DOE Secretary Schlesinger in discussing the Decision before the House, House Hearings, supra note 5, at 219, 224–26, 234, 280–81.

[10] *Comments* at 19–34.

[11] 124 Cong. Rec. 38364 (Oct. 14, 1978). (Statement of the Hon. John D. Dingell).

[12] *See* statement of Secretary Schlesinger testifying on the *Decision* in *Alaska Natural Gas Transportation System: Hearings before the Senate Comm. on Energy and Natural Resources*, 95th Cong., 1st Sess., No. 95–73, at 12–13. Similar treatment to that proposed here was afforded in the Commission's interim regulatings implementing section 110 of the NGPA, 43 Fed. Reg. 56489–92 (Dec. 1, 1978).

[13] To the extent the pipeline was called upon to finance the plant, pay for its operation, or expend funds above the section 109 (NGPA) price to obtain pipeline quality gas, there might be an adverse effect on the financeability of the project or the marketability of the gas to the consumer. Even the possibility of such an impact would be detrimental and alien to the public good.

[14] The only consideration to be added is with respect to the incremental pricing provisions of section 203(a)(8) of the NGPA. The Commission welcomes the submission of comments on this point.

[15] *See, e.g.*, Federal Power Commission, *Recommendation* to the President, at I–57, XII–7, 8 (May 1, 1977) [Hereinafter FPC Recommendation]. For field performance, the producers' response to this issue has been that any deliverability guarantee on their part would be essentially useless because the rate of production is controlled by the Alaska state conservation authority. The producers reiterate their assertion that any performance guarantee for the facility, like the facility itself, is not their responsibility.

[16] U.S. Dept. of the Interior, *Alaska Natural Gas Transportation Systems, A Report to the Congress Pursuant to Public Law 93–153* (Dec. 1975).

[17] FPC Recommendations at XII–33, 34 n. 52.

[18] In this regard, the Commission notes that the $1.45 maximum level price applicable for the first sale of this gas, adjusted for inflation to April of 1979, is $1.672 per MMBtu.

[19] *See, e.g.*, 124 Cong. Rec. 31839 (Sept. 27, 1978) (exchange between Senators Gravel and Jackson).

[20] Order Vacating Prior Proceedings and Issuing Conditional Certificates of Public Convenience and Necessity, issued December 15, 1975, in Docket Nos. CP78–123, *et al.*

[21] Section 9 of the ANGTA provides that when any agency action is "necessary or related to the construction and initial operation of the approved transportation system," and that action "requires a certificate, right-of-way, permit, lease, or other authorization," the Commission must act at the earliest practicable date. The availability of an adequately processed gas supply for transportation through the system is obviously directly necessary and related to the construction and initial operation by the ANGTS. The processing facilities of Prudhoe Bay will not be part of the transportation system itself, but the building and operation of these facilities, and indeed the executing of related gas sales contracts, require the Commission to take the action proposed herein. *See Decision* at 44.

[22] Section 601(c) of the NGPA in its treatment of the limitations placed upon the NGA certification authority of this Commission is not germane. That section speaks only to the denial of a certificate based on the maximum lawful price paid for the gas, inclusive of that permitted under section 110. It does not address the issue posed here: the assumption by a pipeline of processing costs attendant to a purchase and sale of natural gas of less than pipeline quality.●

DISASTER ASSISTANCE FOR FIVE-COUNTY AREA IN NEW MEXICO

● Mr. DOMENICI. Mr. President, since last summer my State of New Mexico has experienced an unusually high number of days of rainfall. Consequently, since early fall, many farmers have been struggling to keep their crops alive in these most adverse circumstances. Despite their efforts, in December New Mexico experienced day after day of torrential rainfall. By Christmastime, the rivers were no longer able to hold all the water and began to overflow their banks. What was a joyous holiday for most, was a nightmare for many New Mexican families who fought these raging river waters. Families were displaced, valuable agricultural land was ravaged and businesses were totally destroyed.

I am pleased, however, to know that assistance is on its way. On Monday evening, January 29, President Carter declared a five-county area in New Mexico as a disaster area. Federal officials have assessed the damage and relief through low-interest loans will be made available to those who have suffered.

A wide variety of Federal assistance is now available for individuals and businesses who have suffered losses. The Department of Agriculture offers a wide range of disaster assistance. The most important programs are the emergency loan program and the rural housing disaster loans administered by the Farmers Home Administration. Guaranteed loans will be made available to replace equipment and livestock and to make real estate repairs. These loans are made available at an interest rate of 5 percent. Other useful programs include the crop loss disaster program, the emergency conservation measures program and the emergency livestock feed program, all

administered by the Agricultural Stabilization and Conservation Service.

The Small Business Administration will also play a major role in providing assistance. SBA's business repair loans, economic injury loans and home repair loans provide assistance to individuals, small business concerns and agri-business concerns. Loans up to $55,000 for repair of a private residence and loans up to $250,000 for business repair loans will be available at an interest rate of 7⅜ percent.

Counseling and guidance which are so important at a time like this will be offered. Legal services as well as IRS counseling will be provided to all who require it. Any taxpayer suffering losses can receive information about amending his tax forms to reflect the losses that have been sustained. For all of those who have become unemployed due to the flood, job placement services and unemployment assistance are available from the Department of Labor. These are only a few of the many Federal programs to assist the residents in getting back on their feet after this natural calamity.

As well, local officials will be contacted by the Federal Disaster Assistance Administration regarding replacement of roads, bridges, schools, or other public facilities that have been damaged or destroyed. Replacement will be done by the Federal Government at 100 percent of cost.

The Federal Disaster Assistance Administration has set up a central office in Las Cruces, N. Mex., 118 South Downtown Mall, 523-5556, with satellite offices in Silver City and Ruidoso. One toll free number, 800-432-3653, is available for individual callers regarding specific assistance available. These officials will be able to direct individuals to agencies that can help.

As well, should any individuals run into difficulties, I would hope that they contact my Las Cruces office, 523-7433.

While only the five counties of Catron, Grant, Hidalgo, Lincoln, and Sierra were actually declared disaster areas, all contiguous counties are also eligible for the SBA and FmHA loans. Therefore, other counties that were not necessarily as hard-hit as the designated five, but did suffer losses, will be able to receive assistance. Thus, the counties of Chaves, DeBaca, Dona Ana, Guadalupe, Luna, Otero, Socorro, Torrance, and Valencia are also eligible if residents require assistance.

Mr. President, I have been extremely pleased with the responsiveness of the Federal Disaster Assistance Administration to the concerns of the residents of these areas. I must commend their efforts. I must also praise the State government of New Mexico for its action to assess the extent of damages, so Governor King could request a disaster designation. My only hope now is that repair and replacement can be accomplished quickly so that all those who have been affected can pick up and resume a normal life again.●

GAO REPORT ON FEDERAL PAPERWORK

● Mr. BENTSEN. Mr. President, on November 17, 1978, after the 95th Congress had adjourned sine die, the General Accounting Office submitted a major report to the Joint Economic Committee on "Federal Paperwork: Its Impact on American Businesses." This study, which I requested while I was vice chairman of the committee, provides the first comprehensive data ever made available to Congress concerning the burden imposed on businesses by Government paperwork.

According to the GAO study—

American businesses each year spend 69 million hours complying with reporting and recordkeeping requirements of Federal agencies that have been approved or reviewed by the OMB or GAO under the Federal Reports Act;

Up to 250 million more hours are spent each year on paperwork that does not need to be cleared by either OMB or GAO, primarily IRS tax forms;

It cost businesses more than $1 billion annually just to comply with approved reporting requirements, to say nothing of the cost of IRS forms;

The GAO and OMB have approved or reviewed more than 2,100 agency proposals that impose recordkeeping or reporting requirements on businesses, with more coming every year; and

Virtually all—about 86 percent—of the reporting burden on businesses is accounted for by only 14 Government agencies.

The findings of the GAO report are based on information submitted by the Federal agencies to OMB and GAO as part of their request for approval of a new reporting or recordkeeping requirement. The agencies must estimate the number of hours each business will likely spend complying with the new requirement, the number of businesses affected, and the total burden imposed on all the responding businesses. The fact that these estimates are developed by the agencies who want approval for their reporting or recordkeeping requirement poses a problem concerning the accuracy of the data, according to the GAO report:

The accuracy of burden estimates provided by the various Federal agencies is unknown. Because these estimates are currently the only available measurement of the burden of reporting requirements, they should be as accurate as possible. If the estimates are poor, their usefulness is limited. Before these estimates can be relied on, questions regarding their accuracy need to be resolved.

Mr. President, one of my first actions as chairman of the Joint Economic Committee—in a letter to the Comptroller General on January 22, 1979—was to request that the General Accounting Office undertake a series of studies to: First, determine if the Federal agencies prepare reasonably reliable estimates of the burden their paperwork imposes on businesses, and second, to determine if the agencies ever use any of the information they obtain from businesses or if they just file it away.

The GAO plans to accomplish this by conducting an in-depth evaluation of a select number of Government forms and reporting requirements in agriculture, transportation, taxes, pensions, and the environment. In each area, GAO will report to the JEC on the following questions:

Are the burden estimates made by the agencies reasonably reliable?

Do the agencies use these figures to manage or limit the paperwork burden on businesses?

Do the agencies make good use of the reports, or are the reports simply collected and filed away?

Are any reporting requirements duplicative?

Are any reporting requirements ridiculous or useless?

Are the requirements consistent with the intent of laws passed by Congress?

The GAO has already begun an examination of the reporting burden imposed by the Department of Agriculture's regulations governing meat inspection. Later this year, the GAO will report its findings and recommendations.

The major purpose of this project, Mr. President, is to stimulate the enactment of legislation which reduces or eliminates unnecessary paperwork. The GAO reports will make a significant contribution to this effort.

I submit for the RECORD the list of the 50 most burdensome paperwork requirements and also the letter from the Comptroller General to be printed in the RECORD.

The material follows:

FIFTY REPORTING REQUIREMENTS GENERATING THE LARGEST BURDEN ON BUSINESSES IN TERMS OF TOTAL BURDEN HOURS

Total burden hours, reporting requirement title, agency, number of responses, and requirement type:

18,233,940. Standard Broadcast and FM Station Logging Rules. Federal Communications Commission. 4,160. Recordkeeping requirement.

4,409,810. Television Broadcast Programming Sales. Federal Communications Commission. 760. Recordkeeping requirement.

3,624,530. Monthly Operating Report 1. Average Daily Unit Power Level 2. Operating Date Report 3. Unit Shutdowns & Power Reductions 4. Spent Fuel Storage. Nuclear Regulatory Commission. Not shown. Other management report.

2,000,000. Authority to Construct a New Broadcast Station or Make Changes in an Existing Broadcast Station. Federal Communications Commission. 1,000. Application.

1,626,230. Authorization in the Auxiliary Radio Broadcast Services. Federal Communications Commission. Not shown. Application.

1,500,000. Plan Description Report. Department of Labor. 600,000. Other.

1,425,000. Census of Wholesale Trade, Retail Trade and Service Industries. Department of Commerce. 1,900,000. Other management report.

969,000. Shippers Export Declaration of Shipments from the United States. Department of Commerce. 5,800,000. Other management report.

953,800. New Broadcast Station License. Federal Communications Commission. 1,000. Application.

864,000. Wholesale Purchaser-Reseller's Certification of Distribution to Purchasers. Department of Energy. 432,000. Recordkeeping requirement.

832,000. CFR Parts 50 and 51-Licensing and Regulatory Policy and Procedures for Environmental protection. Nuclear Regulatory Commission. Not shown. Multirequirement.

800,000. Employer Information Report EEO-1. Equal Employment Opportunity Commission. 160,000. Statistical survey.

670,800. Radio Station Authorization in the Safety and Special Radio Services BURGCAU. Federal Communications Commission. 156,000. Application.

600,000. Reporting Chemical Substances for Inventory Section 8 (A) and (B) Toxic Substance Control Act. Environmental Protection Agency. 156,000. Other management report.

540,900. Recordkeeping Requirements Under the Ocupational Safety and Health Act. Department of Labor. 1,500,000. Recordkeeping requirement.

519,240. Authority to Construct or Make Changes in a Non-Commercial, Educational, TV, FM, or Standard Broadcast Station. Federal Communications Commission. 480. Application.

500,000. Mortgagee's Application for Mortgagor Approval and Commitment. Department of Housing and Urban Development. 1,000,000. Application.

500,000. Benchmark Survey of U.S. Direct Investment Abroad. Department of Commerce. 4,000. Other management report.

470,000. Census of Manufacturers. Department of Commerce. 110,000. Other management report.

456,000. Line of Business. Federal Trade Commission. 480. Statistical survey.

440,800. Local Public Works Payroll Reporting Form. Department of Commerce. 899,600. Program evaluation.

407,520. Regulation Governing Meat Inspection. Department of Agriculture. 1,757,750. Recordkeeping requirement.

389,010. Consumption Entry—Consumption Entry Permit Family. Department of the Treasury. 2,594,660. Program evaluation.

384,000. General Intermediate Care Facility Survey Report. Department of Health, Education and Welfare. 2,400. Statistical survey.

375,000. Census of Construction Industry. Department of Commerce. 150,000. Other management report.

352,630. Monthly Reports of Employment, Payroll, and Hours and Industry Class Supplements. Department of Labor. 2,115,780. Other management report.

328,320. Freight Loss and Damage Claims Quarterly Report—Motor Carrier. Interstate Commerce Commission. 9,120. Statistical survey.

324,000. Ships Weather Observations. Department of Commerce. 1,296,000. Other management report.

320,000. Occupational Injuries and Illnesses Survey. Department of Labor. 320,000. Other management report.

302,750. Air Taxi Operators and Commercial Operators of Small Aircraft. Department of Transportation. 3,967,000. Recordkeeping requirement.

288,000. Quarterly Estimate Under Approved Child Welfare Services Plan and Request for Grant Award. Department of Housing and Urban Development. 72,000. Program evaluation.

280,000. Annual Survey of Manufacturers. Department of Commerce. 70,000. Other management report.

274,380. Overhaul Contractor End Item Report and Overhaul Contractor Stock Balance Report. Department of Defense. 60,000. Program evaluation.

265,080. Freight Commodity Statistics—Class I Motor Property Carriers. Interstate Commerce Commission. 560. Statistical survey.

250,000. Recording of Aircraft Titles and Security Documents. Department of Transportation. 250,000. Other.

240,000. Statement of Property Changes-Railroads. Interstate Commerce Commission. 15,000. Recordkeeping requirement.

234,690. General Operating and Flight Rules (for General Aviation). Department of Transportation. 1,604,980. Other.

234,000. Alternate Shippers Export Declaration (Intermodal). Department of Commerce. 2,000,000. Other management report.

231,700. Contractor Financial Management Report. National Aeronautics and Space Administration. 23,170. Statistical survey.

230,000. Census of Transportation-Commodity Transportation Survey. Department of Commerce. 23,000. Other management report.

225,000. Economic Censuses General Schedule. Department of Commerce. 300,000. Other management report.

224,800. Class I and II Motor Carriers of Property Annual Report. Interstate Commerce Commission. 4,080. Statistical survey.

212,400. Petroleum Industry Monthly Report for Product Prices. Department of Energy. 3,600. Other management report.

211,440. Special Nuclear Material, 10 CFR 70. Nuclear Regulatory Commission. Not shown. Multirequirement.

210,000. Destination Control Provision. Department of Commerce. 2,500,000. Other.

205,330. CFR Part 715—General Performance Standards. Office of Surface Mining. Not shown. Multirequirement.

205,000. Single Family Default Monitoring System Status of Single Family Mortgages in Default. Department of Housing and Urban Development. 1,086,000. Other management report.

204,620. Grain Storage Survey. Department of Agriculture. 2,445,400. Other management report.

180,000. Monthly Certification of Training Under Chapter 34, 38, U.S.C. Veterans Administration. 1,080,000. Statistical survey.

172,260. Commercial, Educational, TV, FM, or Standard Broadcast Station License. Federal Communications Commission. 1,040. Application.

WASHINGTON, D.C.

B-158552.

Hon. LLOYD M. BENTSEN,
Vice Chairman, Joint Economic Committee, Congress of the United States.

DEAR MR. VICE CHAIRMAN: You requested that we prepare a study for the Committee on the impact of Federal paperwork requirements on American business. Specifically, you asked us to provide—

The annual burden on businesses as estimated by the agencies initiating the requirement;

The purposes for which the agencies were collecting the data;

The frequency with which the data was requested;

The number of responses required each year from businesses covered by the reporting requirements;

The 50 most burdensome requirements on businesses in terms of (1) annual burden per response, (2) number of responses per requirement, and (3) total annual burden; and

The five most burdensome requirements, in terms of total annual burden, for the 15 agencies imposing the greatest amount of burden on businesses.

Our work, based on information contained in GAO and Office of Management and Budget (OMB) clearance files, showed that:

Business firms were designated as respondents for 2,125 (about 43 percent) of all reporting requirements.

Business firms take about 69 million hours annually, at an estimated cost burden of over $1 billion, to respond to Government requests for information.

Fourteen agencies account for about 86 percent of the reporting and about 86 percent of the estimated annual cost burden imposed on business firms.

Management reports accounted for 709 reports—the largest type of business-related reporting requirement.

Reports requiring a single response comprised almost 50 percent of all business related reporting requirements.

In making our analyses, we made several observations regarding the completeness, accuracy, and usefulness of currently available GAO and OMB burden information.

The requirements analyzed represent only the tip of the burden iceberg. About 78 percent of all Federal reporting requirements are exempt from either GAO or OMB clearance. Thus, the most pervasive, burdensome, and probably most irritating requirements were not addressed.

Determining the reasonableness of burden estimates for approved requirements was difficult. The data permitted analyses of burden in terms of: (1) number of reports, (2) number of responses, and (3) reporting hours. Individually, these burden measures are misleading because requirements placing an equal amount of burden using a measure such as total hours of annual burden can differ significantly when analyzed along with the two other measures. For example, agency estimates for two business-related reporting requirements showed that each involved 500,000 hours of burden annually. The impact on respondents, however, differed significantly. One reporting requirement involved an estimated one-half hour for each of the estimated 1 million responses expected annually. The other required an estimated 125 hours for each of the expected 4,000 annual responses.

Most individual requirements, when viewed separately, did not appear to be very burdensome. To the extent that an individual business is affected by one or a few of these requirements, the burden is probably a small problem. Most businesses are, however, faced with responding to several reporting requirements. The cumulative burden placed on businesses cannot be determined from information presently available.

The problems associated with cumulative burden can be compounded if similar data or information is requested by more than one reporting requirement. Although the clearance process has the reduction of such duplication as one of its objectives, with almost 5,000 requirements on file at any one time, it is doubtful that current efforts to detect and eliminate such duplication are effective.

The accuracy of burden estimates provided by the various Federal agencies is unknown. Because these estimates are currently the only available measurement of the burden of reporting requirements, they should be as accurate as possible. If the estimates are poor, their usefulness is limited. Before these estimates can be relied on, questions regarding their accuracy need to be resolved.

The details of these matters are included in the attached appendixes. Appendix I discusses the Government's policy on controlling paperwork, the limitations of clearance file information, the business paperwork burden, and various aspects of burden measurement. Appendixes II to XVIII provide details on the nature and extent of Federal reporting and recordkeeping requirements affecting businesses.

We analyzed the 4,976 reporting and recordkeeping requirements that we and

OMB approved 4,605 of these requirements, and we approved 371. The reporting requirements were those in effect as of March 31, 1978, except for the Department of Energy's; we used the Department's reporting requirements approved as of June 30, 1978. According to the Department's clearance officer, the OMB figures for March, April, and May did not reflect the entire inventory of approved forms.

Information on these requirements was obtained from the GAO and OMB clearance units. The burden estimates and other information are as reported by the agencies initiating the requirements and were not verified. The information represents approved requirements, which were subjected to the clearance requirements set out in the Federal Reports Act.

Our analyses should be used with two important cautions: First, although the Internal Revenue Service (IRS) imposes an estimated 613 million hours of burden (about 78 percent of all respondent burden) annually on individuals and businesses, the IRS is exempt from the requirements of the Federal Reports Act. GAO and OMB files contain no data for reporting requirements imposed by the IRS. Secondly, because our analyses did not address the need for or use made of the data collected, no inferences should be drawn as to the necessity for the reporting requirements discussed.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.●

TRIBUTE TO CLARENCE MITCHELL

● Mr. MATHIAS. Mr. President, this morning the Senator from Kansas, Mr. DOLE and I acted as hosts at a Senate breakfast in honor of a remarkable human being, Clarence M. Mitchell, Jr.

The response to our invitation, not surprisingly, was overwhelming. It was overwhelming because Clarence Mitchell is a very popular man hereabouts.

In behalf of Senator DOLE and myself I ask that our joint tribute to Mr. Mitchell be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CLARENCE MITCHELL: THE FRIENDLY PERSUADER

For more than 30 years, Clarence Mitchell has been a force to reckon with on Capitol Hill. During that time, he has been continuously among us, representing his constituency with eloquence, conviction and determination. In fact, he may well hold the record for appearances as a congressional witness. Congressional sources reveal that since his first appearance in 1934, Mr. Mitchell has testified on Capitol Hill close to 200 times.

Virtually all of these appearances were in his capacity as chief legislative spokesman for the National Association for the Advancement of Colored People (NAACP). It is both reasonable and correct, therefore, to assume that Mr. Mitchell's testimony related to civil rights matters. But, if we think of "civil rights issues" in a very narrow sense, we will never appreciate fully the breadth of Clarence Mitchell's responsibilities and expertise. In his myriad appearances before Congress, he has addressed legislation affecting virtually every aspect of American life—voting rights; judicial and executive branch nominations; health; social security; foreign affairs; minimum wage; revenue sharing; education; housing; full employment; youth employment labor; federal court jurisdiction judicial selection and confirmation procedures; and urban decay.

But, Clarence Mitchell's contributions cannot be measured solely in terms of his congressional appearances; they tell only part of the story. Since joining the NAACP in 1945, first as its Labor Secretary and then is the director of its Washington Bureau, Clarence Mitchell has been in the forefront of efforts to achieve equal rights for all Americans. His record as a civil rights advocate is an enviable one; it is unlikely to be duplicated. He was present at the creation of the civil rights movement and he is still in the fray.

When Clarence Mitchell assumed the role of chief legislative spokesman for the NAACP, the quest for equal rights in America was moribund. Congress had not enacted any major civil rights legislation since the days of Reconstruction. But, with Clarence Mitchell at the helm, things began to change. Not all at once, of course, the fruits of his and his colleagues' labor were still years away. It was not easy to overcome years of accumulated apathy and prejudice. In 1957, however, Congress broke with the past and enacted the first major civil rights bill since 1875. Viewed generally as a modest first step, the 1957 Act provided for a civil rights commission; an assistant attorney general for civil rights, and, authorized federal lawsuits to protect the right to vote. Its real value was largely symbolic.

As Mr. Mitchell noted: "The importance of getting that bill through was that we could break the spirit of defeat around here on civil rights legislation."

The spirit of defeat had certainly been broken; and, in ensuring years, Clarence Mitchell shepherded through Congress an impressive array of major civil rights legislation, including:

The Civil Rights Act of 1960. Designed to shore up some of the weaknesses in the 1957 law, it strengthened the penal laws with respect to the obstruction of court school desegregation orders and extended the Civil Rights Commission for two years.

The 24th Amendment. Passed by Congress in 1962 and ratified in 1964, this amendment barred the use of the poll tax as a qualification for voting in any election or primary;

The 1964 Civil Rights Act. The most far-reaching of the various civil rights acts, designed in part to forbid discrimination in places of public accommodation and established an equal employment agency;

The 1965 Voting Rights Act. Banned the literacy test for a five year period and established a system of federal election examiners to aid in voter registration;

The 1968 Civil Rights Act. Outlawed discrimination in the sale and rental of housing and increased penalties against those who interfere with persons exercising their civil rights.

The 1970 and 1975 Voting Rights Act Amendments. Extended the time period for the 1965 Act.

The 26th Amendment. Passed by the Congress in 1971 and ratified in 1971, lowered the voting age in all elections to 18 years.

The Civil Rights Attorney Fees Act of 1976. Designed to insure that the high cost of litigation does not bar the federal courts to those seeking to enforce their rights under our civil rights laws.

The District of Columbia Full Voting Rights Proposal. Passed by the Congress in 1978 and now is before the States for their consideration.

Clarence Mitchell's record speaks for itself. It is the record of a tireless, dedicated man of great vision whose life has been guided by the belief that the Constitution and this country were intended for all Americans. To Mr. Mitchell, the only way to achieve his cherished goal of equality for all, is through the constitutional procedures vouchsafed us by our Founders.

Clarence Mitchell is a devout believer in the rule of law. At a time when the phrase "law and order" had taken on a somewhat perjorative meaning and when militant sentiments were sweeping the country, Mr. Mitchell implored his fellow citizens to work within the constitutionally prescribed system and adhere to the rule of law. He said:

"I, too, am a law and order man, but I am a man who seeks the kind of order that makes freedom grow instead of stifling it.

"We must be on guard against and repudiate those forces that would destroy us and our country by causing us to lose faith in the power of just law. Whether it comes from a Ku Klux Klan meeting in a cow pasture or a street-corner meeting in Harlem, the voice that ridicules our Constitution, that demeans our Supreme Court and discounts our civil rights laws is the sound of man's ancient enemy—ignorance."

Clarence Mitchell is a man who has shunned the limelight; who has fought in the trenches and, for the most part, under a cloak of anonymity. Mr. Mitchell's low-key, soft-spoken style was captured vividly in 1966 by Associated Press correspondent James Marlow, who wrote:

"There can be few, if any, men alive who have worked longer and harder for civil rights and an end to discrimination and injustice than this . . . Negro with a soft voice and a great supply of self-control . . . Television cameras seldom show him, news stories seldom mention him . . . He has worked inside. His efforts have been aimed at getting civil rights legislation through Congress, getting the Government to enforce legislation already on the books, banning discrimination in and out of Government.

"This means working under the Capitol dome with members of Congress, with all that is involved in rounding up votes, consulting on bills to get them strong and effective as he can; consulting with the Justice Department on legislation and enforcement; conferring with White House aides of the President on all the ramifications of civil rights . . . This is all work on the inside, out of public view . . . If there had been no Mitchell, he would have had to be invented."

Despite his preference for remaining behind-the-scenes and his passion for anonymity, Clarence Mitchell's accomplishments—because of their sheer magnitude—have not gone unnoticed. Three years ago, the U.S. Senate passed a resolution acknowledging Mr. Mitchell's great contribution toward the establishment of justice and equality in America and expressing the Senate's gratitude for his efforts to improve the quality of life for all Americans. And this morning, we sponsored a Senate breakfast to honor Clarence Mitchell for his three decades of service as chief legislative spokesman for the NAACP, and to wish him well in his new role as full-time Chairman of the Leadership Conference on Civil Rights. This 141-member body of national organizations, which Mr. Mitchell helped to found in 1950, works to promote passage of civil rights, social and economic legislation and the effective enforcement of existing laws.

All of us who know Clarence Mitchell share the view of the late Senator Philip A. Hart, of Michigan and himself a distinguished civil libertarian, who described Clarence Mitchell as a "man who embodies all that is best in lobbying. He asks not for special favors, but, for equal treatment."

Clarence Mitchell may have changed hats, but happily for us and for the cause of civil liberties in America, he has not changed roles. This "consummate" lobbyist promises to continue to be a source of wise counsel and guidance to us on legislative matters just as he has been in the past.●

BLACK HISTORY MONTH

● Mr. BAYH. Mr. President, the month of February represents the beginning of a very important month in the life of America's black population. For this month has been designated "Black History Month." During the next 28 days, black Americans from all walks of life will be honoring the outstanding achievements of their fellow blacks. Such names as Harriet Tubman, Sojourner Truth, Frederick Douglass, Booker T. Washington, W.E.B. DuBois, Malcolm X, and Dr. Martin Luther King, Jr., will figure prominently in this month's celebration. I feel that it is only fitting and proper that all Americans acknowledge and pay tribute to the many outstanding contributions of this country's black citizens. Beyond a doubt, black Americans have played and continue to play a very intricate role in the growth of this Nation. However, it is in the area of raising the moral consciousness of this Nation that black Americans have made a tremendous contribution. Because black Americans have led the struggle for social, political, and economic equality, we all owe a debt of gratitude to our outstanding black leaders.

Mr. President, among those I regard as an outstanding black leader is a dynamic, hard fighting black man from my home State of Indiana. It is with great pride that I take a few minutes from the Senate's busy schedule to pay honor to Henry Richardson, Jr., of Indianapolis, Ind. He is a man that I have known for many years; a great man who has always been out in the lead in civil rights issues in my home State. Before it was a popular cause, he was fighting for school desegregation and equal employment opportunities, as well as social and political upward mobility for his race. I have always admired Mr. Richardson's courageous stands on behalf of the underprivileged in Indiana. I have always admired his patience in dealing with people who have attempted to keep black Americans in a second class status. Over the years Mr. Richardson has balanced a combination of patience and determination in his struggle to effect change in Indiana. It is not necessary for me to stand here and praise this man. I will let the record speak for itself.

Henry Richardson's experiences with segregation made an indelible impression upon him early in his life. While enroute to Huntsville, Ala., in the early 1920's, he was forced to ride in a segregated baggage car. The passenger car usually reserved for blacks was needed for the additional white customers riding the train. He was forced to ride in the baggage car for approximately 3 hours. He was forced to sit on a box containing the corpse of a deceased soldier being returned from Europe to his home in Alabama. As a result he vowed to direct his life at implementing change.

After graduating from Indiana University Law School in 1928, Mr. Richardson set out to use his training to fight segregation. When in 1928, the Indianapolis School Board segregated that city's schools, the fighting side of this civil rights activist surfaced. He consistently fought this battle, often alone, until finally in 1949 the State passed the school and teacher public integration law, which prohibited the use of race as a means of segregation.

In 1932, Henry Richardson, Jr., was elected to the Indiana Legislature—the first black man to be elected in 30 years and the first black Democrat to be elected and reelected in the history of the State. While in office, he was quite active in writing legislation beneficial to low income and minority citizens of the State. He coauthored the welfare legislation and he authored and engineered the passage of the first fair employment practice law in the history of this country. Specifically, the law prohibited racial and religious discrimination in employment on public works projects such as highways and public buildings.

While in the legislature, he also amended the 1859 constitution which stated that only white males 21 years of age or older could serve in the Indiana State Militia. As a result, our militia has since had outstanding officers of all races and religions rendering service to our State.

Not one to rest on past accomplishments, Henry Richardson turned his attention to eradicating the practice of prohibiting black students from residing in school dormitories at Indiana University. Taking up the challenge in the 1935 legislative session, Richardson threatened to lead a fight to cut off appropriations to the university unless its racial policies were changed. With the help of a few outstanding legislators such as Senator Ward Biddle and Gov. Henry F. Schricker, and with the help of Dr. Hemran Wells, president of the university during that time, he was able to eradicate the policy of racial segregation at the university.

Having dealt effectively with the problem of segregation at the university, Mr. Richardson then turned his attention toward housing segregation in the southern part of Indiana. In 1953, as attorney for the NAACP he filed a suit against the Evansville Public Housing Authority charging racial discrimination. In July, 1953, Chief Judge William H. Steckler, of Indianapolis issued a permanent injunction against the Housing Authority. This was one of the first cases won by the NAACP against segregation in public housing projects and facilities. A great deal of the credit for this victory is due to the work of Henry Richardson, Jr.

Mr. President, I could continue to document this great American's victories in the field of civil rights. However, I feel the above cases attest to the greatness of the man. He has many other achievements that I might mention briefly. Besides serving in the Indiana State Legislature, Mr. Richardson was appointed judge pro tem for the vacation term of Marion County Superior Court Judge John Higgins—a first in the history of Marion County and the State of Indiana. He also served as a special judge for 10 months in the Marion County court in 1949 and again in 1959. As a legal staffer to the NAACP, Richardson participated in the famous Brown against Board of Education with the renowned Thurgood Marshall, who was at the time chief counsel for the NAACP.

Henry Richardson has also been active in many prominent organizations. He is a life member of the NAACP and a former member of the National Board of the United Negro College Fund. He is a former member of the Board of the National Urban League and is former president of the Indianapolis Urban League, which he helped found. He is a life member of the Federation of Association Clubs in Indianapolis, a life member of Alpha Phi Alpha Fraternity, and a member of Phi Alpha Delta Law Fraternity, and has served on the State Board of Public Welfare and Indiana Real Estate Commission and has been honored for his public service with many awards including a gold key from the city of Indianapolis and a resolution of recognition from the Indiana University Law School.

Mr. President it is with an abundance of respect that I offer this tribute to a man who has meant so much to his State and to the millions of Americans whose lives he has touched over the years. Henry Richardson, Jr., sums up his life in the following words "Of my seemingly 100 years of effort I have tried but wrought little as a pattern of profound * * * changes for equal justice and equal opportunity for all in Indiana."

Mr. President, it is very seldom that I disagree with this very wise American. But I sincerely disagree with his assessment of his accomplishments. Mr. Richardson had the vision early in life and worked to make his vision a reality. He saw an America in which all men and women are treated as equals and he set out to eradicate segregation. As a result of his indefatigable efforts segregation began to crumble throughout the State of Indiana. To the extent that we have an integrated university system, as well as integration in all facets of Indiana life, we are all indebted to this great civil rights activist. Henry again sums up his life with the following words, "Many ask how I have survived and I must honestly say that through the grace of God, his mercy, and through the cooperation of a few friends who helped me on my way thus far."

America is certainly a better place because God gave this man the wisdom and patience to bring about change. America is a better place because he cultivated the kinds of friendships that were useful in fighting his battles. And finally Mr. President, America is a better place because one of her more brilliant children, the Honorable Henry Richardson, Jr., dedicated his life to the growth and betterment of our country.●

SPACE POLICY

● Mr. SCHMITT. Mr. President, on January 24, 1979, I introduced the National Space and Aeronautics Policy Act of 1979, S. 212, cosponsored by my col-

leagues Mr. GOLDWATER, Mr. DOLE, Mr. RANDOLPH, Mr. HEINZ, Mr. WALLOP, Mr. DOMENICI, Mr. THURMOND, and Mr. LUGAR.

A recent editorial in Aviation Week and Space Technology, December 4, 1978, explained some of the main points of the administration's space policy directives and emphasized why a stronger and more aggressive space policy is needed. Unfortunately, the administration fails to recognize our Nation's need for an aggressive and dynamic space policy.

I ask that this editorial by Robert Hotz be printed in the RECORD.

The editorial follows:

SPACE POLICY DEBATE

As the world spins into the third decade of the space age, a lively debate is generating in the United States over what future course this country should chart for the practical utilization on earth of the full potential offered by space technology.

President Jimmy Carter acknowledged the need for a new U.S. space policy some time ago when he commissioned an intergovernmental agency study. From this study he distilled a new Administration policy recently published with a strong presidential endorsement as a "very aggressive space policy."

Surprisingly, it has drawn strong criticism from Capitol Hill where new space bills have sprouted in both the House and Senate aimed at a more vigorous future space program oriented toward more specific goals. Sen. Harrison H. (Jack) Schmitt (R.-N.M.), the only man to walk on the moon and sit in the U.S. Senate, and Sen. Adlai Stevenson, 3rd (D.-Ill.) have introduced new space policy bills. There also is dissatisfaction in the House and from California Gov. Jerry Brown's technical adviser, Apollo astronaut Rusty Schweikart.

POINT, COUNTERPOINT

The main points of President Carter's new space policy are:

Utilization of the space shuttle.

Development of public service communication satellites to serve U.S. domestic needs for education, medical emergencies, disaster aid and data transmission.

Resumption of federal research in communications satellite technology dropped by the Nixon Administration.

Development of intergovernmental agency coordination, including military, for operational satellite systems.

Principal points made by its critics are:

Lack of specific goals for both the immediate and distant future.

No plans for an operational Landsat system even though both the technology and the need exist now.

Continued indifference to unique launch windows for exploration of the universe that do not fit budgeting cycles.

Tailoring to budgetary restrictions and failure to regard space research as a high-dividend investment instead of a federal expenditure.

Failure to develop a broad base of industrial and public input for policy purposes and confining the information base to a narrow government bureaucracy.

No real drive to utilize fully the growth potential of the space shuttle and its relevant technology across the whole government industrial and social spectrum.

Some of the lack of faith in the President's new space policy comes from the relatively vague language in outlining specific projects that sounds more like Office of Management and Budget fudging than genuine technical objectives and some from the dichotomy stirred by the President's own curious phraseology in outlining his plans.

A few months ago at the Kennedy Space Center, he noted that "There is nothing in scientific and technological experience to compare with the enormous leaps we have made in the brief span of the two decades of the space age. We have performed what any generation would have considered miracles. We have taken the stuff of fantasy and dreams and we have turned it into accomplishment and reality. The dreams of a few visionaries have become part of the everyday life of hundreds of millions of people."

And then in the next breath, as in his inaugural address, he turned away from new dreams and rejected the hopes of current visionaries for space utilization because: "In my judgment it is too early to commit the nation to such projects. But we will continue the evolving development of our technology taking intermediate steps that will keep open possibilities for the future."

DYNAMICS DAMPED

This is the type of rhetoric that makes the critics believe the presidential space program has fine words but no music. They fear that there really is no concept in current Administration policy of how space technology can be applied to other acute problems such as food production, energy sources, balance of trade deficits and unemployment. The critics believe the tremendous dynamics of space technology are being damped out by a philosophy that clings to zero-based budgeting as a life raft in an economic typhoon.

It is encouraging to see the growing awareness of the vast potential in varying degrees from various branches of the government. But there is much more that needs to be done to develop an adequate space policy that will contribute strong social and economic sinews to the nation's future strength. We think what is really needed is a major public forum attracting all of the divergent views and technological possibilities for a thorough airing beyond the closed doors of federal bureaucracy conference rooms. Perhaps when the Senate takes up the new space bills proposed by Sens. Stevenson and Schmitt it can serve this extremely useful purpose.●

THE CARTER-DENG SHOW

● Mr. STONE. Mr. President, today I would like to insert into the RECORD an article by Dr. Ray S. Cline, executive director of the Center for Strategic and International Studies of Georgetown University, entitled "The Carter-Deng Show." This article appeared on the Op-Ed page of the Washington Post on Thursday, February 1, 1979.

I feel that Dr. Cline, who will be testifying before the Foreign Relations Committee, offers us interesting insights into the complexities underlying the present relations between the United States, the People's Republic of China, and the Republic of China. I am sure that the views of experts such as Dr. Cline will benefit us greatly as we begin the task of determining the future course of relations between the United States and the two Chinas.

Mr. President, I ask that Dr. Cline's article be printed in full in today's RECORD.

The article follows:

THE CARTER-DENG SHOW

Who could have dreamed up the strange political scenario that brought us the Carter-Deng show on Washington TV over the past few days? The reborn Christian peanut farmer from Georgia is showering hospitality and diplomatic favor on the politically twice reborn revolutionary soldier and bureaucrat from Asia. Their public embrace is clearly designed to bolster their respective political images, in both cases at some cost to previous assertions of principle and hence at considerable risk of providing ammunition to domestic opponents. Why? Why now? And what will follow?

Deng's motives are clear, and he is setting the predominately anti-Soviet tone of the encounter. The mystery is why Jimmy Carter is going along. Deng is gambling that he can consolidate his own domestic political power base and protect China from the Soviet Union by fashioning a temporary, informal alliance with the United States, borrowing billions and billions of dollars from capitalist advanced industrial states and importing modern technology for China's industry, agriculture, and military forces.

Deng has battled for his life and for power ever since he joined the Communist Party as a teenage student in France in the early 1920s. He is 74 years old and this is his last chance to confound his opponents in the Party and the Army. Since Deng was purged in 1966 precisely for "taking the capitalist road," his new maneuver of turning to the United States is consistent enough but extremely daring. His deadly enemies of the past 15 years and more are still in high posts; if Deng does not bring home the bacon in the form of strong anti-Soviet security assurances from Washington, plenty of long-term credit and modern weapons, he may encounter increasing resistance from his political antagonists, especially Premier Hua Kuo-feng, Security Chief Wang Tung-hsing, and the Peking Region Military Commander Chen Hsi-lien.

At the moment, having raised extravagant hopes for everything that is popular in China—more protection from the "Polar Bear" to the North and a better standard of living for everyone—Deng is in the ascendancy among the ten or twenty men who rule his nation's destiny. Political fortune in the narrow confines of such a dictatorship is, however, fickle and volatile, as Deng's previous purges demonstrate. The "American Card" Deng is playing in Washington must win him a rich pot to take home, or he will meet the fate of all ambitious leaders who promise the moon.

Obviously President Carter, his National Security Advisor Brzezinski and the State Department have led Deng to believe they are ready to give him almost whatever he wants. They were so anxious to get him to promise to come to Washington when their touted Israeli-Egyptian accords were coming unstuck that they hastily de-recognized the Republic of China and terminated a mutual defense American ally so shabbily, capitulating to all of Peking's condition for recognition and abandoning all of our earlier commitments to the 18 million Chinese of the Republic of China.

Naturally, Deng comes to Washington with whetted appetite and high hopes. It is too much to expect him to understand that Brzezinski's blithe geopolitical challenges to the Soviet Union of the kind voiced at the Great Wall last summer are not a commitment to military confrontation of the kind Deng says he expects. Nor would he foresee that there would be Congressional and popular resistance to Carter's secret agreement to treat Taiwan as a non-nation, having only "unofficial" relations with the United States. In the People's Republic of China legislative and popular influence is not a political factor in the decision-making, but it still has some meaning in Washington.

It is far from certain whether President Carter can really give Deng what he wants, both total control over the ultimate fate of Taiwan and a vast Western economic and military aid program in direct defiance of the Soviet Union. Probably Jimmy Carter does not relish wrecking his "human rights"

ideology by rendering Taiwan vulnerable to a political takeover, whether by guile or force, and he surely did not reckon on a major strategic confrontation with Breshnev over China.

Moscow has already given Vietnam the green light to humiliate Communist China by an outright military conquest of Cambodia, in effect challenging Peking and Washington to do something about it. Fighting may continue on both China's borders, north and south, if Moscow stays fearful that Deng will euchre Carter into a real Peking-Washington axis. Unless Jimmy Carter is careful, he will end up facing a land war in Asia that would put America on the side of a pitifully weak People's Republic of China against the most powerful military machine in the world—the Soviet Union. This could not have been where President Carter thought he was going when he made his hasty deal with the crafty little Chinese leader. It is certainly not where most Americans want to be.

The President has a chance to set limits to P.R.C. hopes and restore American credibility and international respectability if he acquiesces in the strong Congressional trend to put American relations with Taiwan back on an official and legal basis rather than proceeding at Deng's insistence to treat the Republic of China not as a sovereign nation controlling Taiwan but as a subordinate part of the P.R.C.

Probably not much can be done to dampen Deng's inflammatory rhetoric about meeting the danger of war with the USSR. On the other hand Congress may wisely refuse to go along with the President's proposed bill to manage the foreign relations and security arrangements with Taiwan through a "private corporation," thus saving Carter from his own folly of having given in to the P.R.C.'s every demand—something that startled Moscow along with nearly everyone else. This Congressional act would signal to the importunate P.R.C. that it has won diplomatic recognition from Washington, not dominance over American foreign policy in its relations with either its allies like Taiwan or its great adversary, the USSR. The Carter-Deng show might not be such a hit as hoped by the White House, but the world would be a little saner and safer.●

EULOGY TO NELSON ROCKEFELLER

● Mr. DOMENICI. Mr. President, Nelson Rockefeller's death reminds us all that if any man seeks for greatness, let him forget greatness and ask for truth, and he—as did our former Vice President—will find both.

Nelson Rockefeller knew that greatness lay not in being strong, but in the right use of strength.

Philosophers have said three degrees of greatness exist:

First, that of men who are anxious to enlarge their own power in their country;

Second, that of men who strive to enlarge the power and empire of their country over mankind; and

Third, that of a man who endeavors to renew and enlarge the power and empire of mankind itself over physical constraints of poverty and ignorance; a goal more noble than all else.

This was Nelson Rockefeller's ambition.

If it is true that an institution is but the lengthened shadow of one person, then men and women of this world will live his legacy not only in their own lives, but in the lives of their children and grandchildren yet to be born.

Great men, like great epochs, are judged by their works and deeds. The works and deeds of Nelson Rockefeller will live on far beyond those which we accomplish here today.

I know that I, personally am the greater for having known him as a friend.

And the world itself is greater for the friendship with which he knew it.●

SALUTE TO THE LEAGUE OF UNITED LATIN AMERICAN CITIZENS' 50TH ANNIVERSARY

● Mr. BENTSEN. Mr. President, this year an organization that was founded in Corpus Christi, Tex., will celebrate its golden anniversary, marking 50 years of service and achievement in advancing the cause of social justice and equal economic opportunity. I am proud to have this opportunity to salute the League of United Latin American Citizens, a pioneer in my State in searching for viable solutions to the problems of Americans of Hispanic and Spanish-speaking heritage.

LULAC has fought hard to create new opportunities for Hispanic Americans in such vital areas as education, employment and other areas crucial to their general welfare. LULAC can claim a proud record for its endeavors in providing assistance in training new immigrants of Hispanic heritage for American citizenship, improving educational opportunities for young people, and expanding their participation in the political process. LULAC has also demonstrated to the Nation the highest form of patriotism and in many cases sacrificed precious human life on the battlefields of foreign lands to protect our way of life.

LULAC continues to promote the cause of individual freedom and human rights. During the first years of its founding, LULAC became a fitting example of the life-or-death struggle for the ideals of freedom of expression and the right to organize a voluntary association.

LULAC has grown throughout its 50 years of existence into a vital institution and has persevered in building a strong and self-sustaining organization.

Their accomplishments for Hispanic Americans is self-evident in the "Little Schools of the 400," where non-English speaking youngsters were taught basic English in order to better cope in the classroom, where English was the language of instruction. These schools, established in the late forties, are the forerunner of the modern-day Head Start Schools now the promise of better educational preparation to preschool students regardless of their ethnic or racial origin throughout the Nation.

LULAC has also developed a nationwide network of educational service centers to counsel students desiring to attend our colleges and universities. The centers also help these students prepare for professional careers. The centers also sponsor a scholarship that annually awards hundreds of thousands of dollars to deserving students to attend college.

In the areas of employment, LULAC is one of the original founders of a program responsive to the needs of the Hispanic worker through its cosponsorship of the SER/Jobs for Progress program, which currently provides some $40 million of manpower training services in more than 70 offices throughout the United States.

LULAC has grown from a small group of dedicated individuals to a vital and effective national organization. Their contributions on behalf of Mexican Americans in particular has been impressive.

LULAC can also be proud of its recent efforts in the area of civil rights, and advancing the cause of social justice. There has been progress in this area, and more progress will be made.

Mr. President, as we pay homage to LULAC for its 50 years of dedication and achievement, I am confident that the next 50 years will be filled with equal if not greater accomplishments. For the RECORD, I would now like to submit some statements contained in LULAC's constitution, which reflect on some fundamental and rich values, which hold a special significance not only to Hispanic Americans, but for all Americans:

We believe in the democratic principles of individual political and religious freedom, the right of equality and economic opportunity, and in the cooperative endeavor toward the development of an American society wherein the cultural resources, integrity of every individual and group constitute basic assets of the American way of life.

We believe that as American citizens we must asume our duties and responsibilities and assert our rights and privileges of a fuller and richer civilization for our country;

We believe that education is the foundation for the cultural growth and development of this nation and that we are obligated to promote, protect and assure the right of our people to an education that is in accordance with the best American educational principles and standards; that we must deplore any infringement of this right wherever it may occur and regardless of whom it may effect;

We accept that it is not only the privilege but the obligation of every member of this organization to uphold and defend the rights and duties vested in every American citizen by the letter and spirit of the law of the land.

Based on the spirit of the philosophy of our league and having unequivocal faith in its righteousness, we propose:

To use all constitutional means at our disposal to implement with social action the principles set forth in our philosophy;

To foster the learning and fluent use of the English language that we may thereby equip ourselves and our families for the fullest enjoyment of our rights and privileges and the efficient discharge of our duties and responsibilities to our country but as the same time, exerting equal effort to foster the fluent mastery of the Spanish language which is part of our cultural heritage and a means of extending the cultural horizons of our nations;

To constitute the League into a service organization to actively promote and foster suitable measures for the attainment of the highest ideals of our American society, and to establish cooperative relations with civic and governmental institutions and agencies in the field of public service;

To exert our united efforts to uphold the rights guaranteed to every individual by our state and national laws and to assure justice and equal treatment under these laws;

To combat with every means at our command all un-American tendencies and actions that deprive American citizens of their rights in educational institutions, in economic pursuits and in social, civic and political activities;

To maintain the League free of all involvement in partisan politics as an organization; however we shall oppose any infringement upon the constitutional rights of an individual to vote and/or be voted upon at local, state and national levels.

To promote and encourage the education of youth and adults through scholarships the constant vigilance of administrative and instructional practices in schools which deprive persons of educational opportunities, the sponsorship of classes in citizenship and other areas, and through the dissemination of information and available training opportunities;

To make use of every medium of communication at our disposal and to exert our combined efforts to promulgate and propagate the principles of the League and augment its influence and numerical growth, and

To undergird the efforts postulated in our aims and purposes with the overall objective of creating among our fellow citizens, through example and a mutual exchange of concepts, an understanding and recognition of an appreciation for the dignity, worth and potential of the individual.●

CENSUS DATA ON WORKING WOMEN

● Mr. MATHIAS. Mr. President, despite the fact that 42.1 percent of the U.S. work force is women, the employment and advancement opportunities are still limited for those women. They still find themselves on the bottom rungs of the job category ladder with the lower paying positions.

On January 23, 1979, I joined my colleague Senator MATSUNAGA in sponsoring Senate Joint Resolution 24, which would help to identify the dimensions of the problem by collecting better and more detailed census statistics on women in the workplace.

As the Maryland Commission for Women has noted:

The current inability to determine which professional and technical positions women occupy precludes an intelligent and planful approach for future education, career counseling, and upward mobility training programs. The 1970 census for Maryland women revealed that women comprise 51.1 percent of state population and 44 percent of our work force. Yet we lack the specifics of the 5.6 percent who are managerial and administrative and the 18.7 percent who are professionals . . .

The inability to accurately determine, within the Maryland work force, the variance between men's salaries and women's salaries, a variance which we believe to be major, is a serious problem. The inequality manifested by differing wage levels has far-reaching negative implications for divorced women, widows, and single heads of households.

Detailed census data would assist us in developing a frame of reference for comparison studies of employment in state and local government. The results of these studies would enable personnel officers and fiscal and budget staffs to plan in a fiscally responsible manner for future employment.

If we are to address equal employment opportunity for women, we must have a clear understanding of the problem. And to do that we must have comparable information for both men and women, particularly those in professional, technical and managerial occupations. I am pleased to be a sponsor of Senate Joint Resolution 24 and hope that the Human Resources Committee takes positive action on this legislation during this Congress.●

PROCEDURAL RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

● Mr. CANNON. Mr. President, the Committtee on Commerce, Science, and Transportation, at a meeting held on January 25, 1979, adopted the procedural rules for the committee. In accordance with the requirement to publish the rules of each Senate committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I submit the rules for the RECORD.

The rules follow:

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee, or any subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee, or any subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee, or any subcommittee, when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(3) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Paragraph 7(b) of rule XXV of the Standing Rules of the Senate, as amended by S. Res. 9, 94th Cong., Nov. 5, 1975.)

3. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field Hearings of the full Committee, and any Subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Nine members shall constitute a quorum for official action of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. Six members shall constitute a quorum for the transaction of all business as may be considered by the Committee, (except for the reporting of a bill or nomination); provided that proxies shall not be counted in making a quorum. Rule XXV, Sec. 5(a).

3. For the purpose of taking sworn testimony a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public Hearings of the full Committee, or any Subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the Subcommittee unless he is a Member of such Subcommitee.

2. Subcommittees shall be considered *de novo* whenever there is a change in the chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.●

JAY SOLOMON—THE PENALTY FOR HONESTY

● Mr. METZENBAUM. Mr. President, a rare breath of fresh air hit the bureaucracy when Jay Solomon was named Administrator of the General Services Administration nearly 2 years ago. Solomon inherited a situation that would have caused lesser men to throw up their hands in frustration. But Jay Solomon persevered and has begun to clean up a mess that has long gone unattended.

Now, it appears that his thanks for a job well done is going to be a forced resignation. In the February 3 edition of the Miami Herald, Washington correspondent Vera Glaser has written an incisive article entitled "Is GSA Chief Being Ditched for Excessive Honesty?"—a question that we might all ask today.

Jay Solomon is one of the finest public servants I have ever had the opportunity to know. Mr. President, I think it is a shame that he is being asked to leave Government service and I, along with many of my colleagues, are urging the administration to reconsider its decision.

As Ms. Glaser points out in her article, the Solomons are not saying they are

bitter and disillusioned about the circumstances. But, Mr. President, I certainly am. And I cannot help but wonder what effect this situation will have on attracting men and women of Jay Solomon's caliber in the future. It certainly is not a tool for recruiting people to public service.

I ask that the article be printed in its entirety in the RECORD.

The article follows:

[From the Miami Herald, Feb. 2, 1979]

IS GSA CHIEF BEING DITCHED FOR EXCESSIVE HONESTY?

(By Vera Glaser)

WASHINGTON.—Newcomers often float here on a political high. They've helped elect a new president and they yearn for public service.

Quite often, though, they depart in bitterness and disillusionment.

Jay Solomon, administrator of the General Services Administration (GSA), and his wife Rosalind—who are about to leave Washington—won't confirm that they fit the pattern.

But they won't deny it, either.

Nonetheless, it is clear from what they say and don't say, from the way that Jay Solomon shakes his head quizzically sometimes and the way his wife avoids talk about being frozen out by the White House—that they would prefer to be leaving in more pleasant circumstances.

"Jay is fine and I'm fine," says Mrs. Solomon, a tall, rangy brunette with a melodious voice. "The opportunity for public service has been fantastic, but this isn't the story of our lives."

The Washington part of the story began with Solomon's selection by President Carter to head the mammoth GSA, the agency that buys supplies for the government and acts as housekeeper for the vast holdings.

It began to end during a Jan. 22 press conference when the White House officially announced it was seeking a replacement for him. White House officials stressed the President still has "full confidence" in Solomon.

Powell has admitted that it "would have been better if we talked (with Solomon) before the press became involved, rather than afterwards."

Solomon, 57, the first GSA chief to make a serious attempt at eliminating widespread corruption in the agency, does say he told the President some time ago that he wished to leave this spring.

"I still go to Cabinet meetings," he said in an interview in his luxurious, art-filled apartment. "I saw the President Monday. He was very friendly.

But now and then, Solomon finds himself unable to maintain that air of detachment, that benign attitude toward an awkward, unpleasant and painful situation.

"They didn't have to go out looking for someone without telling me," he said in his soft-spoken drawl. "I volunteered to leave. Why the hurry all of a sudden? I said all along I wanted to go in the spring."

Some say the White House is irked at Solomon for taking credit for the GSA cleanup that belonged rightfully to Carter.

Some say the probe, if carried to its ultimate conclusion, will involve members or former members of Congress, that Solomon is the kind who would carry it all the way, and that powerful interests feel the investigation has gone far enough.

Some say the Justice Department resents Solomon's willingness to release information on the probe that the department would prefer to keep confidential.

Solomon won't confirm or deny any of those assumptions.

Solomon, when he leaves his back-breaking job here, will not return to his home in Chattanooga, Tenn., where he made millions in real estate and shopping center developments before coming here.

Instead, he and his wife will move to New York, where they will have more time for their shared interest in the arts.

Mrs. Solomon is an accomplished photographer whose work, her husband said, "opened a new dimension in our lives."

He has traveled the world with her, assisting on photographic safaris to Guatemala, Japan, Australia and New Guinea. Her photographs have been shown in Paris, London, New York and Washington, and purchased by leading museums.

New York, they feel, is the place where they can best combine their artistic interests and whatever business opportunities might come Solomons' way.

Like her husband, Rosalind Solomon will talk only obliquely about what is happening now, and she will not criticize the President. Asked if she felt Solomon was being picked on, she said:

"I just don't feel I can comment on that. We're here as long as the President wants us to be here, and it's been a great life experience."●

EDA SHOULD STAY IN DEPARTMENT OF COMMERCE

● Mr. BENTSEN. Mr. President, reorganization for the sake of reorganization is bad public policy. That kind of policy makes no more sense than continuing to fund programs which have become obsolete. I would remind my colleagues that the General Services Administration is the product of a major reorganization of the Federal Government recommended by the Second Hoover Commission. That is certainly one case where the centralization of responsibility in one government agency has not served the taxpayers of this Nation well.

To be perfectly candid, I have had my policy differences with officials of the Economic Development Administration. We have not always agreed. But I believe that the Economic Development Administration has effectively and sufficiently carried out its mandate to promote economic development. And it has focused its attention not just on the big cities—those whose problems attract the headlines—but it has worked unceasingly to promote rural economic development and the economic development of small cities. These activities may not be glamorous. They may not make the news, but they meet the legitimate needs of thousands of American communities who often are forgotten and neglected by the big Federal bureaucracy.

I strongly oppose moving the Economic Development Administration out of the Commerce Department and putting it into the Department of Housing and Urban Development. I do not believe that the creation of another "super" agency in Washington would result in the reduction of waste and the saving of the average taxpayer's hard earned dollars. Years ago we created an agency to coordinate all of our social welfare programs. In the last session, however, we were asked to separate the Department of Education from HEW because of its monstrous size.

Mr. President, I think our Nation would be better off if the Economic Development Administration stays in the Department of Commerce. I believe thousands of our local communities would be well served if the President rejects this reorganization proposal and orders the officials of the Economic Development Administration to redouble its efforts to make that agency an even better, more innovative promoter of economic development in the small counties and small cities as well as in the greater urban areas of this Nation.●

THE NURSE TRAINING AMENDMENTS OF 1979

● Mr. WILLIAMS. Mr. President, I am pleased to join my colleagues in introducing the Nurse Training Amendments of 1979. This bill authorizes an extension, for fiscal 1980, of the nurse training authorities that have been in effect since 1975.

Specifically, the bill continues support for nurse practitioner programs, advance training for individuals with baccalaureate degrees in nursing, construction or replacement of teaching facilities, capitation grants, traineeships, scholarships, and student loan programs for the various levels of nursing education.

You will recall that last year the Senate and the House of Representatives passed S. 2416, the Nurse Training Amendments of 1978. Because President Carter believes that Federal assistance is no longer needed for nursing education programs, the bill was pocket-vetoed.

Most recently, the President recommended annual funding decreases of more than $100 million for these programs. Only special project and nurse practitioner programs were supported in his fiscal 1980 budget request.

A budget cut of this magnitude would seriously undermine the education of professional nurses. Ironically, it would occur at a time when the Senate has overwhelmingly endorsed legislation to encourage the delivery of primary care services and the growth of health maintenance organizations. Both of these programs, in combination with other needed health initiatives in future years, could substantially affect the demand for nurses.

The bill we are introducing today is designed to provide the time the committee feels is necessary to carefully assess the role of nurses in the delivery of health care services and the number of nurses required to meet future health care service needs. A special study is authorized in the legislation for this purpose. In addition, extending the nurse training authorities through fiscal year 1980 would permit the committee to review nurse training programs in conjunction with other health manpower programs that will expire during that same year.

The bill recognizes that nurse training programs have traditionally been funded at about half of their authorized levels. Thus, the authorization levels have been reduced to amounts that are more con-

sistent with appropriations approved by the Congress for these programs.

I urge my colleagues to reaffirm last year's overwhelming congressional support for professional nurses and the important contribution they make to the health care of Americans by cosponsoring this proposed measure.●

FEDERAL SPENDING LIMITATION

● Mr. STONE. Mr. President, yesterday I introduced into the CONGRESSIONAL RECORD a proposal prepared by the National Tax Limitation Committee for a constitutional amendment requiring a limitation on Federal spending. Today I want to call my colleague's attention to a discussion of this proposal by Jack Germond and Jules Witcover.

I agree with the authors that this proposal represents a reasonable approach for controlling Federal spending. It would allow the flexibility necessary to respond to national emergencies. I am in the process of analyzing the work of the National Tax Limitation Committee and intend to introduce a constitutional amendment based on its findings. I would welcome the support of all my colleagues in this endeavor.

Mr. President, I ask that the text of the Germond and Witcover article be printed in the RECORD.

The article follows:

"DARLINGS OF FAR RIGHT" NOW "MODERATES" ON TAX CUT PROPOSAL

(By Jack W. Germond and Jules Witcover)

The National Tax-Limitation Committee includes many of the darlings of the Far Right—the conservatives' favorite economist (Milton Friedman), one of their favorite columnists (M. Stanton Evans), surely their favorite newspaper publisher (John McGoff of the Panax chain), Ronald Reagan's favorite welfare adviser (Robert Carleson), and perhaps even their favorite lobbyist (Charls Walker).

But when the committee outlined its proposal for a constitutional limit on federal spending the other day, it qualified immediately as the "reasonable" or "moderate" alternative to the plan being promoted by another group, the National Taxpayers Union, for an amendment requiring a balanced federal budget.

And what that tells you is that the campaign to extend the logic, such as it was, of California's Proposition 13 to the federal government is serious business indeed.

Up to this point, the inclination in Washington has been to shrug off the whole amendment campaign as some harmless exercise being carried on out in the boondocks. It is an attitude strikingly similar to the one the political power structure in California took toward Howard Jarvis and Prop 13 last year—until it realized at the eleventh hour that the damned thing was going to pass.

But the latest tax limitation scheme is no joke. At this point, 24 of the required 34 state legislatures have approved resolutions calling for a constitutional convention to approve an amendment requiring a balanced federal budget. The measure has passed one house in four others—California, Indiana, Utah and South Dakota. And hearings have been scheduled in Montana and Washington. In other states, the NTU says, resolutions have been prepared and cosponsors are being signed up daily. And most of this had been accomplished before Jerry Brown's mad dash to the front of the pack to declare himself its leader.

The objections to the balanced budget amendment center on both its content and the method—the constitutional convention—its supporters have chosen. On the former, the principal complaint is predictably that an amendment would rob federal officials of the flexibility they require to tinker with the economy in recessions or to respond in times of national peril. It is one of those good logical arguments of the kind that were blithely ignored in California last spring.

The most serious concern, however, is that holding a constitutional convention would open up a whole can of extremist worms. Although the legal situation is far from clear, it seems at least possible that such a convention could deal with all sorts of issues, including but not limited to such things as the proposals for antiabortion, school prayer and antibusing amendments.

It is in this context, then, that the National Tax-Limitation Committee's proposal qualifies as the safe, sane alternative. What the committee proposes, somewhat oversimplified, is that spending be allowed to increase each year only as much as the gross national product. And in times in which inflation exceeds 3 percent, the permitted growth would be slightly lower. The committee points out, correctly, that the balanced budget amendment would not, in itself, lower spending but only require enough revenues for the balance.

But the core of the issue is the politics of the thing, rather than the particulars of the different plans. Few who understand the politics of this year would dispute the judgment of Lewis K. Uhler, president of the committee, that there is "sizeable" momentum for some kind of ceiling on federal spending. Nor would anyone argue with Friedman's contention that Congress is "under the gun" on the issue.

That was apparent in the election returns last fall and is equally apparent in such opinion survey data as the finding of the CBS-New York Times poll that 73 percent of the people favor the balanced budget amendment.

So what Uhler and his group clearly are trying to do is offer the Congress a political escape hatch—a way to satisfy popular demand without buying the whole NTU-Jerry Brown package.

It would be naive in the extreme, of course, to expect politicians here, in Congress or the White House, to rush to embrace the spending limit. On the contrary, it would qualify as an unnatural act.

But it is equally clear that the pressure for some kind of action is achieving impressive dimensions. And if the White House and Congress fail to react, there is at least a demonstrable risk that the state legislatures, and the voters, will take away their options.●

TESTIMONY OF JAMES A. MICHENER ON ADVANTAGES OF A SPACE PROGRAM

● Mr. STEVENSON. Mr. President, in the daily press of business, it is often difficult to step back and view the Nation's progress amidst the long tides of history. James Michener did so in recent testimony before the Senate Subcommittee on Science, Technology, and Space. The large questions he raises about the Nation's spirit and its willingness to respond to challenge and adventure are in part for us to answer—but ultimately for the public. Because the answers are in some doubt, as he implies, I invite my colleagues to step back for a moment and read his eloquent and challenging words. Mr. President, I ask that a statement by James A. Michener be printed in the RECORD.

The statement follows:

STATEMENT BY JAMES A. MICHENER BEFORE SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FEBRUARY 1, 1979

The only justification for allowing me to appear before your Committee is that for some years I have been studying the rise and fall of nations and in so doing have reached certain conclusions governing that process.

There seem to be great tides which operate in the history of civilization, and nations are prudent if they estimate the force of those tides, their genesis and the extent to which they can be utilized. A nation which guesses wrong on all its estimates is apt to be in serious trouble if not on the brink of decline. Toward the middle of the Fifteenth Century the minds of sensible men were filled with speculations about the nature of their world, and although not much solid evidence was available, clever minds could piece together the fragments and achieve quite remarkable deductions.

Prince Henry the Navigator of Portugal occupies a curious place in history. He never captained one of his ships; he never sailed on any voyage of exploration; in fact, he stayed at home devouring old books, new rumors and future guesses, and from this melange constructed a view of the world that was extraordinarily accurate, even though he died some thirty years before Portuguese explorers brought proof of his theories.

Christopher Columbus had very little solid data to work with, but he had clever intuitions and a powerful capacity to piece together odd bits of information, leading him to conclusions that resulted in the effective discovery of America.

Nations at that time faced problems comparable to those faced by individuals like Columbus, Vasco da Gama and Sebastian Cabot. They had to decide whether they wanted to participate in the exploration of the world, and if so to what degree of commitment. Those like Portugal and Spain, who made early and fast decisions, gained empires of fantastic richness. Others like disoriented Germany and Italy, who did not perceive the possibilities, suffered grave disadvantages and never caught up. England and France were very tardy, but in the end the first made a stunning recovery, the latter never did.

I am not primarily interested in either the exploits of a few daring captains or the economic advantages of the nations they represented. The more lasting effect was on the spirit of the times, that wonderful enlarging of the human consciousness when it realized that the old definitions no longer applied, when it knew that the world consisted of a great deal more than Europe. To have missed the explorations was regrettable, but to have missed this spiritual awakening would have been disastrous. France and Sweden are excellent examples of nations which did little of the manual work but which reaped the intellectual rewards of the period. One might almost argue that Portugal and Spain dragged home the raw material for France and Sweden to codify and digest, proving that any nation can participate in the great swing of civilization according to its peculiar capabilities. Portugal provided daring sea captains. England provided able administrators. And France provided the philosophers. Those which provided nothing lost an entire cycle of historical experience from which they never fully recovered.

Nor do I think that the rewards resulting from participation in a great cycle need be permanent, reaching down to all generations. I am quite content if my nation gains enlightment or riches or advantages of other kinds for a respectable period. It can't be the hullabaloo of a single day or week, nor the celebration without foundation of some accidental accomplishment with little subsequent meaning. But if a nation responds to a challenge, succeeds in its effort, garners the rewards for a sensible period, and then loses the commanding position, I think no harm has been done. The nation has gleaned from that experience about all that it was destined to achieve, and a great good has been accomplished, because then the nation is prepared psychologically to tackle the next big problem when it comes along. And it surely will, for the life of any nation since the beginning of history has been a record of how it confronted the great challenges that inevitably came its way.

It may be unfortunate that I started these remarks with Portugal and its navigational and colonizing victories, as if they were the only kind that mattered. Actually, I would place them in second position, somewhat down the line in the scale of historical values. It is triumphs in the world of ideas and concepts that loom largest in my thinking, and I would like to stipulate several to give you a clue to my thinking. Today we are witnessing in the Near East the phenomenal vitality of the ideas promulgated some thirteen hundred years ago by Muhammad; these ideas have always been far more powerful than the empire put together by Portugal. The entire civilized world is indebted to the miracles that occurred in England during Elizabeth's reign and that of James I: I mean the extraordinary combination of Shakespeare's plays and the new translation of the Bible into English. These works fixed the English language as a tool of great beauty, great potential, and I often think of the Bible in its King James translation when someone tells me that no committee ever accomplishes anything. Two of the greatest documents of our language were written by committees, our English Bible and our American Constitution. The trick, it seems, is to assemble the right committee.

I would place in this pantheon of great ideas Sigmund Freud's analysis of human behavior and Karl Marx's dissection of production and distribution. For any nation to have missed the significance of these powerful movements was to have missed the meaning of contemporary history.

Certainly, the world was changed by that cascade of brilliant industrial inventions produced by England in the late 1700s and early 1800s. We live today on the consequences of that industrial revolution. And I would include our own nation's enviable capacity to finance, organize and manage large industrial corporations.

Finally, of course, the historian must think of the impact of Christ's teachings two thousand years ago. They had a far greater importance than any mere exploration or conquest or empire.

But history is a grand mix of concepts, actions, organizings and commitments which determines the extent to which any nation can achieve a good life for its citizens, and I believe without question that if a nation misses the great movements of its time it misses the foundations on which it can build for the future.

One word of caution. I am not here speaking of either fad or fashion. I am not extolling the attractive ephemeral. And I am certainly not sponsoring the idea that was so fashionable in the 1930s, that German Nazism represented "the wave of the future." Anyone who subscribed to that idea had a very limited view of what the future of the human race could be, and few fashionable ideas have ever crumbled so fast and so disastrously. The senate of any nation is obligated to discern the merely fashionable when it offers itself and reject it.

Suppose that all I have said is true, which would be a miracle equal to those we've been discussing. Where does that leave the United States in relation to its space program? I am competent to comment on only three aspects, leaving the more technical details to others.

Are there non-military advantages to be gained from a space program? The high technical requirements for success in space are so fundamental that spin-off rewards are almost automatic. Radio, television, medical instrumentation, miniaturizing, watches, new food processes, communications, health advances and improvement in clothing are some of the few advantages which I myself have gained because of the space program, and I am speaking only of small items which can be comprehended and used by the individual.

If one considers the larger items, like intercontinental communications satellites, the mapping of weather patterns, the analysis of soils and forests, the exploration for minerals including oil, the management of fisheries and the like, the potential rewards are multiplied many times.

And the nature of human intelligence is such that no one today can even guess the limits of either the personal items or the industrial which might accrue from the basic scientific work that has to be done in a space program. I have followed our past space adventures about as carefully as an uninstructed layman could, and I have a rather imaginative mind, but I anticipated almost none of these significant by-products, and I doubt if any of us in this room today could predict where the next contributions will be made.

I have heard one impressive argument against what I am saying now. A man of some probity said, "If we had applied our scientific brains to these problems, we could have solved them all at one-tenth the cost." He is right. Had the Congress twenty years ago set aside a substantial budget, and had it authorized the assembling of a body of top scientists, and had it provided them with spacious laboratories and told them, "Devise a computerized navigational instrument that will operate regardless of where in space it is stationed," this could surely have been done. But neither Congress nor the human mind works that way. It is only when great felt needs spur the imagination that certain accomplishments become possible. As a project by itself few of the bonuses cited above would have materialized; as part of a national effort with a clearly defined goal they all came into being, and others like them will follow.

Are there military advantages to be gained from a space program? I would be terrified today if only Russian and Chinese vehicles were orbiting in space. Their military advantage would be so tremendous that we might almost suffer as a nation a kind of psychological shock from which we might never recover. For we would certainly be at their mercy.

I fear that the potentials of space warfare have even yet not been impressed upon the American public. We do not realize the overwhelming advantage a nation would enjoy if it alone commandeered space, if it alone could direct by radio beam when and where an object or its cargo was to be brought down to earth. Any nation which allowed its enemies such a superiority would be doomed.

But if all nations have the capacity to utilize space defensively, then the peril is diminished and reasonable arrangements can be worked out. But only through parity can this be done.

Therefore, the United States must have a sensible space program, whether it wants one or not. To fail to keep up with new developments in this field would be disastrous, and any administration which permitted a lag should be condemned. We must know what the capabilities of space are, and we must retain our proficiency in using them.

I think we have done a fairly good job in this area so far, and I would suppose that from our strength we would be able to deal intelligently with those other nations who have attained or will attain a comparable capacity. This is the great unknown ocean of the universe and we in 1979 are as obligated to probe it and use it and participate in its control as the nations of Europe were obligated to explore their terrestrial oceans in 1479.

The future and the safety of those nations depended upon their mastery of the seas; ours depends in shocking measure to our cautious control of space, and if we abandon it to others we condemn ourselves.

Are there spiritual advantages to be gained from a space program? The spirit of man, and the resolve of a nation, are tenuous things, to be fortified by the strangest experiences or destroyed by the most unanticipated accidents. Outward events influence them but inner resolves usually determine outcomes. A novelist sees men and women destroy themselves because the will to survive has been lost; the historian watches nations go down because of fatal wrong choices which sap the national energy. Usually the tragedy occurs when inner convictions are lost, or when a sense of general frustration or waning purpose prevails.

It is extremely difficult to keep a human life or the life of a nation moving forward with enough energy and commitment to lift it into the next cycle of experience. My own life has been spent chronicling the rise and fall of human systems, and I am convinced that we are all terribly vulnerable.

I do not for a moment believe that the spiritual well-being of our nation depends primarily upon a successful space program. There are, as William James said, moral equivalents to war, moral substitutes for any charismatic national experience. I am sure we could as a nation attain great spiritual reassurance from rebuilding our cities or distributing our farm produce better. And my experience in the arts has taught me to be suspicious of late fashions or high styles. Space programs are stylish today and run the risk of being abused.

But I also believe that there are moments in history when challenges occur of such a compelling nature that to miss them is to miss the whole meaning of an epoch. Space is such a challenge. It is the kind of challenge William Shakespeare sensed nearly four hundred years ago when he wrote:

"There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures."

We risk great peril if we kill off this spirit of adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation which loses its forward thrust is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to ensure its continuance.

I doubt if there is a woman or man in this room who honestly believes that the United States could ever fall backward, as other nations have within our lifetime. Intuitively we feel that we are exempt. Yet for us to think so is to fly in the face of all history, for many nations at their apex were inwardly

doomed because their will power had begun to falter, and soon their vulnerability became evident to all. Enemies do not destroy nations; time and the loss of will brings them down.

Therefore we should be most careful about retreating from the specific challenge of our age. We should be reluctant to turn our back upon the frontier of this epoch. Space is indifferent to what we do; it has no feeling, no design, no interest in whether we grapple with it or not. But we cannot be indifferent to space, because the grand slow march of our intelligence has brought us, in our generation, to a point from which we can explore and understand and utilize it. To turn back now would be to deny our history, our capabilities.

Each era of history progresses to a point at which it is eligible to wrestle with the great problem of that period. For the ancient Greeks it was the organization of society; for the Romans it was the organization of empire; for the Medievalists the spelling out of their relationship to God; for the men of the Fifteenth and Sixteenth Centuries the mastery of the oceans; and for us it is the determination of how mankind can live in harmony on this finite globe while establishing relationships to infinite space.

I was not overly impressed when men walked upon the moon, because I knew it to be out there at a specific distance with specific characteristics, and I supposed that we had enough intelligence to devise the necessary machinery to get us there and back. But when we sent an unmanned object hurtling into distant space, and when it began sending back signals—a chain of numbers to be exact—which could be reassembled here on earth to provide us with a photograph of the surface of Mars, I was struck dumb with wonder. And when computers began adjusting the chain of numbers, augmenting some, diminishing others, so that the photographs became always more clear and defined, I realized that we could accomplish almost anything, there in the farthest reaches of space.

My life changed completely on the day I saw those Mars photographs, for I had participated in that miracle. My tax dollars had helped pay for the project. The universities that I supported had provided the brains to arm the cameras. And the government that I helped nourish had organized the expedition. I saw the universe in a new light, and myself and my nation in a new set of responsibilities. My spirit was enlarged and my willingness to work on future projects fortified.

No one can predict what aspect of space will invigorate a given individual, and there must have been millions of Americans who did not even know Mars had been photographed. But we do know that in previous periods when great explorations were made, they reverberated throughout society. Dante and Shakespeare and Milton responded to the events of their day. Scientists were urged to new discoveries. And nations modified their practices.

All the thoughts of men are interlocked, and success in one area produces unforeseen successes in others. It is for this reason that a nation like ours is obligated to pursue its adventure in space. I am not competent to say how much money should be spent. I am not competent to advise on how the program should be administered. But I am convinced that it must be done.●

JOHN T. SCANLON JR., AN ENVIRONMENTAL CHAMPION

● Mr. PELL. Mr. President, John T. Scanlon, Jr. will be stepping down this Sunday after 8 years of service as executive director of Save the Bay Inc., Rhode Island's largest environmental organization. He has held that post since the organization was formed.

During those 8 years, John Scanlon has become known as one of the region's most outstanding environmental champions. Save the Bay has grown steadily and its current membership tops 20,000 persons.

John Scanlon, however, will be leaving far more than the strong group that he helped to build. He will be leaving Rhode Islanders with an increased appreciation of the beauty and the fragility of Narragansett Bay. He also will be leaving them with the knowledge that hard work is needed to protect and preserve our bay and the life it contains.

I would like to share some of his accomplishments with my colleagues. Consequently, I ask that an article from the Providence Journal of December 5, 1978, be printed in the RECORD.

The article follows:

JOHN T. SCANLON, JR., WILL LEAVE TOP POST WITH SAVE THE BAY

PROVIDENCE.—John T. Scanlon, Jr. announced his resignation yesterday as executive director of Save the Bay Inc., the state's largest environmental organization.

Scanlon, 51, who has held the post since the group formed eight years ago, said he will resign after its annual meeting Feb. 11 and after completing several projects, including a documentary film on Narragansett Bay.

He said he was resigning from the 20,000-member group because of the need to seek a better-paying job to support his wife, Olga, and son, John T. Scanlon 3rd. His present take-home salary is about $15,000, he said.

"Although I have had some overtures, my plans are wide open. I'll just test the marketplace and see if I can find a niche where I can contribute to the progress of a business or organization," he said in a news release.

He was among 14 New Englanders who received citizen environmental achievement awards from the federal Environmental Protection Agency in Waltham, Mass., on Friday.

The plaque was the latest of a series of awards Scanlon and Save the Bay have received for vigorous public education programs on balancing economic development with preservation of Narragansett Bay's natural features.

The organization, originally formed by opponents of an oil terminal, on Jamestown, also has opposed a refinery in Tiverton, nuclear power plants in Charlestown and liquefied natural gas terminals in Fall River and on Prudence Island.

Scanlon said he was leaving Save the Bay "with reluctance and mixed emotions."

He added, I'll miss the stimulation of the work, but perhaps the time has come for me, and the organization, to benefit from new direction and fresh ideas and techniques."

A former New Bedford newspaperman and Fall River radio announcer, Scanlon became known as one of Rhode Island's leading environmentalists because of his frequent public statements and appearances.

During his tenure, he addressed more than 500 groups, testified at numerous hearings and served on many official bodies.

He is a member of Governor Garrahy's energy facilities sites study commission, Mayor Vincent A. Cianci Jr.'s Narragansett Bay Advisory Committee, the New England Oil Coalition, the New England River Basin Commission's citizen advisory council and the state Department of Environmental Management's Bay Islands Park Committee.

A Fall River resident, Scanlon is membership chairman of the Fall River Symphony, former vice chairman of the city's Conservation Commission and a former director of the city's Chamber of Commerce. He also has headed St. Joseph's Catholic Charity Drive and spoken for the city's United Way drive.●

A DEPARTMENT OF EDUCATION: THE TIME IS NOW

● Mr. CRANSTON. Mr. President, the message accompanying the administration's budget message for fiscal year 1980 included an explicit renewal of President Carter's pledge to seek a new Department of Education, separate from the current Department of Health, Education, and Welfare. Such legislation passed the Senate last year, but not the House, and as an original cosponsor of last year's bill I am pleased to join with Senator ABRAHAM RIBICOFF and others in the reintroduction of a bill—S. 210—to create a cabinet-level Department of Education.

Those of us who worked to secure passage of last year's bill, S. 991, recognize and appreciate the vision and faith of Senator RIBICOFF, the distinguished chairman of the Senate Governmental Affairs Committee. From his experience as Secretary of Health, Education, and Welfare, Senator RIBICOFF sensed the compelling need to separate Federal education programs from growing and competing pressures within the present Department of HEW. Hearings on this year's measure, added to last session's extensive hearings, will comprise one of the most comprehensive examinations of the interrelationship of Federal education programs that has yet been compiled. I feel confident that this year's hearings will clarify additional issues and further document why the department should be created.

S. 210 provides a solid base upon which the Federal Government can reassess its present education programs and address the future. It can bring together many education programs scattered throughout the agencies, and in time, become responsible for additional programs of an education nature as well. Most importantly, a Department of Education can address these issues with a focus entirely its own and at a level responsible directly to the President.

Mr. President, the drive to establish a cabinet-level berth for Federal education programs began some 125 years ago. In the period 1908–51, as the Governmental Affairs Committee pointed out in last year's report, more than 50 measures were introduced in Congress to create such a department, though none got beyond the committee stage. As early as 1923, the President of the United States endorsed the department concept when Calvin Coolidge made clear his support for education's place in the Cabinet.

The most dramatic moves toward a new status for education began with the creation of HEW in 1953 and with the education initiatives of the Johnson administration. Presidential candidate GEORGE MCGOVERN endorsed the Department in his 1972 campaign, as did Jimmy Carter in 1976. Under the Carter administration the President's reorganization project produced, in November 1977, several options for the President's consideration relative to the enhancing of education's status in the executive branch. President Carter's decision in favor of an education department was first announced in his state of the Union address in January 1978.

Mr. President, last year's Senate-passed bill and this year's measure are most comprehensive. I am pleased to support most of the provisions. Along with the entire program of the present Education Division of HEW, the Senate bill transfers the programs for special institutions, telecommunications demonstration, health profession and nursing loans and scholarships, the Rehabilitative Services Administration, the Office for Handicapped Individuals, the Advisory Council on Educational Statistics, the Institute of Museum Services, the USDA Graduate School, the overseas dependents schools, law enforcement education loans, selected science education programs, and housing construction loans.

ADMINISTRATION OF HEAD START

I am particularly pleased that S. 210 specifically prohibits the transfer of the Head Start program to the new Department of Education. Head Start is presently administered in the Administration for Children, Youth and Families within the Office of Human Development Services in HEW. As originally introduced in the 95th Congress, the Department of Education bill provided for Head Start to be transferred to the new department. I felt very strongly that such a transfer was inappropriate and could threaten the continued success of Head Start, which is not simply or even primarily an educational program. It is a comprehensive preschool program which provides vital health, nutrition, and other social services to low-income children. I am gratified that S. 210 provides a prohibition against such a transfer.

TRANSFER OF THE REHABILITATION SERVICES ADMINISTRATION

Mr. President, I continue to have grave reservations about the proposed transfer of the Rehabilitation Services Administration to the new Department of Education. As a result of such a transfer, the conduct of services by RSA may well be isolated from the conduct of such key interrelated programs as developmental disabilities, titles II and XVI of the Social Security Act, section 504 enforcement and others—all programs which significantly affect handicapped individuals.

Mr. President, I believe that coordination between appropriate programs within the Department of Health and Human Services—the old Health, Education, and Welfare without the Office of Education—and the Department of Education is extremely important if we are to assure that the limited resources available are spent in the wisest possible manner. In this regard, I will be suggesting to the Governmental Affairs Committee a specific amendment to this legislation to provide for an entity to be left in the Department of Health and Human Services to coordinate appropriate programs within that Department and with appropriate programs in the new Department of Education.●

TAIWAN

● Mr. BOREN. Mr. President. I have joined as a cosponsor of S. 46 by Senator STONE and Senate Joint Resolution 17 by Senator ROTH.

S. 46 extends the same rights and privileges to the representatives of Taiwan as are enjoyed by any other diplomatic representative to the United States.

Senate Joint Resolution 17 declares our goodwill and support for the people of Taiwan. It makes clear that the United States would regard an armed attack on Taiwan as dangerous to its own peace and safety, and declares that we would act to meet this common danger if it arose. It also welcomes an agreement with Taiwan to establish liaison offices to promote the political and commercial ties between the two nations.

I have joined as a cosponsor on these two measures after very careful consideration. All of us hope that the action of the President in establishing relations with the People's Republic of China will be in the best interests of our Nation and the cause of world peace.

However, regardless of one's feelings about the advisability of establishing formal relationships with the government on the mainland, we must not desert the 17 million people who live on Taiwan.

The political and economic systems on Taiwan are much closer to our own. What a bitter irony it would be if we should turn our backs to the fate of 17 million free people at a time when we are professing that we place new emphasis on human rights as a basis of American foreign policy.

In addition, our Nation's long-range well-being is jeopardized if we become known as a nation that abandons its friends and fails to keep its commitments. The word of the United States must be the cement that holds the free world together.

In the affairs of nations, as in the affairs of men, to have a friend, you must be a friend.

It is not enough for us to rely upon mere verbal commitments renouncing the use of military force by those who currently are most poweful within the collective leadership group in Peking. Verbal commitments from temporary leaders are not sufficient to assure the security of Taiwan 5 or 10 years from now.

Even those verbal commitments have been far from absolute The Vice Premier of the People's Republic of China, during his recent visit here, avoided making definite commitments about the use of economic boycotts or other forms of coercion against Taiwan.

The repeated use in referring to Taiwan of such terms as "return to the Motherland" and "reunification" by officials of the Peking regime are not very comforting even when such words are preceded by the term "nonmilitary."

The People's Republic had a great deal to gain from recognition by the United States. If they have no designs upon Taiwan, they should have been willing to enter into a clear and written renunciation of the use of force of any kind against Taiwan.

The enactment of these two measures protects a nation that has been our longtime friend while opening the door to sincere cooperation with another nation with whom we hope to have a peaceful relationship.

New foreign policy initiatives should be undertaken from a position of strength and national integrity. Adoption of these two measures is important to our future relationships with all nations.●

THE SEEING EYE'S 50TH ANNIVERSARY

● Mr. WILLIAMS. Mr. President, since the turn of the century, this country has made great strides in medical technology, rehabilitation techniques, and methods to help handicapped citizens lead productive lives. We have seen the development of highly sophisticated machinery to diagnose diseases even before birth and have witnessed surgical accomplishments never before thought possible.

Fifty years ago a different sort of development for the handicapped was underway. A man named Morris Frank brought a welcomed message from Switzerland to thousands of blind people in the United States: that guide dogs could enable them to lead independent and active lives.

Morris Frank and his dog, Buddy, established what was soon to become The Seeing Eye, this country's pioneer guide dog organization, in Morristown, N.J. The organization celebrated its 50th anniversary earlier this month by placing its 7,500th dog with a blind person.

The story of The Seeing Eye is a familiar one to many New Jerseyans. Often, puppies from the school are placed with families who take care of the dog until it is old enough to begin its formal training. These families make sure the dog is house trained, disciplined and given plenty of love. Then it is returned to the Seeing Eye School for 3 months of training and an additional month of work to acquaint its blind master with the commands and activities which will become an integral part of their lives together. Dog and master become companions, and coworkers, and with the help of their "extra pair of eyes," these blind people are able to surmount their handicap and live active, independent lives.

I would like to call my colleagues' attention to the wonderful service The Seeing Eye organization has provided these past 50 years, and congratulate this group for the many hours of kind and dedicated assistance they have given to blind people throughout New Jersey and across the country. I am most proud of their accomplishments and happy that the organization has chosen to make New Jersey its home.●

INVENTOR OF THE YEAR AWARD

● Mr. STEVENSON. Mr. President, in introducing the Space Policy Act (S. 244) I cited the technological and economic benefits that accrue to the Nation

by virtue of a broad program of space science and applications. This fact is illustrated by the award announced by the Association for the Advancement of Inventions and Innovations (AAII) to Ms. Barbara Askins, a chemist at NASA's Marshall Space Flight Center. Ms. Askins will be honored as the 1978 National Inventor of the year at a ceremony on February 11 for National Inventions Day at the U.S. Patent Office.

The AAII selected Ms. Askins, a native of Belfast, Tenn., for her invention of a practical autoradiographic image enhancement process, using the radioactive chemical thiourea-sulphur 35, for severely underexposed photographs that would otherwise be worthless. A further application is in the field of medical radiography where it has been shown to have the potential for substantially reducing patient exposure to X-rays. The process also has been used to restore faded old photographs to their original quality.

The award is another example of how a broad technological development provided by the space program enables innovative applications in the consumer and medical field. Providing these opportunities for innovation is one of the best ways to strengthen the U.S. economy.●

TRUCKING JURISDICTION

● Mr. METZENBAUM. Mr. President, I ask my colleagues to consider several items pertinent to the antitrust bill which Senator KENNEDY, myself, and others will introduce shortly, which would eliminate the antitrust exemption for price-fixing in the trucking industry.

The "Dear Colleague" letter of my distinguished colleagues, Senators KENNEDY and THURMOND, points out that the issue at hand is not the merits of deregulating the trucking industry, but rather the importance of upholding the impartial, well-considered decisions rendered by the Senate Parliamentarian.

I am sure my colleagues recognize that many issues arguably touch upon the interests of two or more Senate committees. However, there can be no question that antitrust immunity granted to trucking firms is unquestionably within the jurisdiction of the Judiciary Committee. The antitrust laws which apply to private restraints of trade are necessarily separate from public restraints inherent in ICC regulation of the trucking industry.

President Carter's National Commission for the Review of Antitrust Laws and Procedures clearly treated the Reed-Bulwinkle exemption as distinct from the regulatory authority of the ICC. The final recommendations of the Commission's report correctly separate the elimination of the Reed-Bulwinkle exemption from reforms in the regulatory policies of the ICC. Indeed, it was their first recommendation in the section of the report dealing with surface transportation.

Some of my colleagues have expressed to me their concern that the authority of the ICC to regulate this industry would be severely affected by this measure. To the contrary, as the letter emphasizes, the antitrust bill is limited in scope and leaves wholly unaffected the ICC's authority to regulate entry of firms into the industry. Those powers were extended to the ICC in 1935, 13 years before the antitrust immunity was granted not to the ICC, but to private trucking firms. The bill eliminates only this immunity for restraints of trade practices by trucking firms—price-fixing.

As chairman of the Antitrust, Monopoly, and Business Rights Subcommittee, I am concerned that successful challenge to the Parliamentarian's ruling will invite further intrusions of the integrity of the subcommittee to Act on Sherman and Clayton Act matters. Other immunities of questionable public benefit are also in need of review.

Furthermore, overturning the Parliamentarian's decision will weaken the committee structure of the entire Senate. Committee jurisdiction is determined by an impartial decision based on Senate rules and precedents. If we abandon this system and establish the practice of deciding jurisdictional questions by a vote on the Senate floor, we will be opening the door to frequent and prolonged jurisdictional disputes on other issues of major concern—disputes which inevitably will be decided on a partisan basis.

I sat through the trucking hearings, and I know public restraints which result from ICC policies need change as well as the price-fixing practices of private firms. I have no quarrel with my distinguished colleague and chairman of the Commerce Committee regarding the need to pursue the reform of these counterproductive impediments to the free enterprise system. Moreover, these regulatory restrictions relate to overall transportation policy, which clearly falls within the jurisdiction of the Commerce Committee. I will certainly support the Senator's efforts to eliminate costly and unnecessary regulation in the trucking industry.

The Washington Star editorial, "Steering the Trucking Bill," and the Wall Street Journal article, "Senate Power Struggle May Decide Fate of Attempt to Deregulate Truck Rates," clarify the issue of referral and the crucial distinction existing between private restraints of trade subject to the antitrust statutes and public restraints of trade inherent in Federal regulation of the trucking industry. I urge my colleagues to review these items carefully.

Mr. President, I ask that the Dear Colleague Letter on this issue, a Judiciary Committee memorandum on antitrust legislation and the two articles from the Washington Star and the Wall Street Journal be printed in the RECORD.

The material follows:

COMMITTEE ON THE JUDICIARY,
January 25, 1979.

DEAR COLLEAGUE: We are writing to urge your support in a matter affecting the jurisdictional integrity of the Judiciary Committee and all other Senate committees.

You are aware of the stated intention of leaders of the Commerce Committee to challenge the jurisdiction of this Committee to consider antitrust legislation to be proposed by Senator Kennedy which would effectively terminate the system of government sanctioned price-fixing which presently exists in the trucking industry. What you may not be aware of, however, is that the Senate Parliamentarian has firmly indicated that the proposed bill—under Senate rules and precedents—is squarely within the Judiciary Committee's jurisdiction.

The merits of this particular bill are not at issue here. What is at stake is the continued viability of traditional Senate procedures for determining referrals of legislation which arguably touches upon the jurisdictional interests of two or more committees. If fair and impartial decisions of the Parliamentarian, rendered on the merits of each particular case, are not supported by Members of the Senate, then the entire system of rational and impartial committee assignment is threatened.

As discussed more fully in the attached staff memorandum, the legislation at issue is, as the Parliamentarian has advised he will rule, squarely within the Judiciary Committee's jurisdiction. The legislation, an amendment to the Clayton Act, does nothing more than repeal the existing antitrust immunity for price-fixing for the motor carrier industry.

We do not dispute the Commerce Committee's jurisdiction over reform of government regulation of motor carriers. However, where the issue is private restraints of trade, the proper jurisdiction lies with the Judiciary Committee.

Despite what we believe is the Judiciary Committee's claim to jurisdiction over the antitrust bill, in order to accomodate the interest of the Commerce Committee we have indicated a willingness to work out a joint referral that would protect those interests. However, we feel strongly that the Judiciary Committee's jurisdiction over antitrust matters must be preserved.

We, therefore, urge you to vote to support the ruling of the Parliamentarian should it be challenged on the Senate floor.

Sincerely,

STROM THURMOND.
EDWARD M. KENNEDY.

SENATE JUDICIARY JURISDICTION OF ANTITRUST LEGISLATION TO END ANTITRUST EXEMPTION FOR PRICE-FIXING BY MOTOR CARRIERS

On Monday, 22 January 1979, Senator Kennedy announced that he would introduce legislation to amend the Clayton Act to apply the antitrust laws to price-fixing activities by motor carriers and freight forwarders. For the last 30 years, these industries have been able to fix prices legally because of an exemption from the Sherman and Clayton Acts passed by Congress over President Truman's veto as the Reed-Bulwinkle Act of 1948.

Senator Kennedy's legislation is intended to end a private restraint of competition—price-fixing by motor carriers, nor does it change the federal regulatory system for motor carriers, nor does it affect the authority of the Interstate Commerce Commission to regulate rates, mergers, or entry into the motor carrier industry. A copy is attached.

The Parliamentarian has advised that the proposed legislation is within the jurisdiction of the Judiciary Committee, and will be so referred. On Friday, 19 January, Senator Cannon informed the leadership of his intention to appeal any decision of the Chair to refer the bill to the Judiciary Committee.

REASONS FOR JUDICIARY COMMITTEE JURISDICTION

The Parliamentarian's decision is based solely on the merits of this case. It was made after careful study of the jurisdictional authorities of the relevant committees, and on all applicable precedents. For the following reasons, his ruling should be upheld:

1. The proposed legislation amends the antitrust laws, the heart of the Judiciary Committee's jurisdiction.

The Sherman Act, 15 U.S.C. 1 et seq. (1890) and the Clayton Act, 15 U.S.C. 12 et seq. (1914) contain broad prohibitions against monopolies and restraints of trade. These laws were under the jurisdiction of the Judiciary Committee in the Senate when they were enacted and they are unquestionably within the jurisdiction of the Judiciary Committee today.

2. The substance of the legislation pertains solely to antitrust policy, an area in which the Judiciary Committee has unique expertise. It is intended solely to re-apply Sherman and Clayton Act price-fixing prohibitions.

3. The Reed-Bulwinkle Act, 49 U.S.C. 10706(b)(1948), was enacted to provide an antitrust exemption for price-fixing by common carriers. The bill was passed over President Truman's veto in response to successful price-fixing prosecutions by the Department of Justice in the years immediately following World War II. It was drafted as an amendment to the ICC Act (even though its substance was an amendment to the antitrust laws), and was reported by the Senate Commerce Committee. No issue was raised as to the jurisdiction of the Senate Judiciary Committee. In fact, the bill was an end run around the House Judiciary Committee, which was thought to be opposed to the exemption.

4. The Senate Committee Reorganization proposals adopted in 1977 coordinated certain aspects of committee jurisdiction, but left numerous areas in which two or more committees have jurisdiction over parts of broad areas such as energy, health care, and transportation.

Senate Rule 26 specifies that, in controversies over committee jurisdiction, a bill is to be referred to "the committee which has jurisdiction over the subject matter which predominates in such proposed legislation." The Senate Parliamentarian has clearly indicated that a bill to repeal the antitrust exemption for motor carriers would be referred to the Senate Judiciary Committee under the Senate rules.

REBUTTAL TO COMMERCE COMMITTEE ARGUMENTS

The Commerce Committee has taken issue with the Parliamentarian's decision, and will urge that it be revised by the Senate. Their argument in favor of referral of the legislation to the Commerce Committee is based on three assertions:

1. The Commerce Committee asserts that: "It would be unprecedented for legislation introduced by, considered by, and passed by one committee to be referred to an entirely different committee for its repeal."

2. The Commerce Committee asserts that referral to Judiciary would create a precedent which would weaken the committee structure of the Senate.

3. The Commerce Committee asserts that, because application of the antitrust laws in this case would affect the operations of a transportation industry, it goes to the heart of the Commerce Committee's jurisdiction.

These assertions are incorrect:

First, the contention that it would be unprecedented for a committee to recommend repeal of legislation which had been reported originally by a different committee is simply not accurate. One of several such precedents particularly on point is the McGuire Act. The McGuire Act amended the FTC Act (an Act within the Commerce Committee's jurisdiction) to create an exemption to the Sherman Act to legalize state fair trade practices. The McGuire Act was reported by the Commerce Committee in 1952; the repeal of the McGuire Act was reported by the Judiciary Committee in 1974.

Second, referral of this legislation to the Judiciary Committee would hardly weaken the committee structure of the entire Senate. If anything, it is more likely that referral to the Commerce Committee would, in these circumstances, weaken that structure. Decisions on referral are based on independent research and analysis of precedent by the Parliamentarian. The jurisdiction of particular committees is articulated in the Rules of the Senate and precedents thereunder to which the Parliamentarian must adhere. Challenges to decisions of the Parliamentarian are extremely rare, the last occuring nearly a decade ago.

The real danger to the integrity of the committee structure lies in the potentially disruptive effects of continued challenges to the Parliamentarian's rulings. If decisions on referrals of particular bills cannot be made on the merits by an acknowledged impartial authority, if they are allowed to become targets of committees seeking to impose their own interpretation of their jurisdictional interests, then the integrity of the system is in real jeopardy.

Third, the fact that applicability of antitrust principles to the motor carrier industry would affect the operations of that industry should not be allowed to determine the jurisdictional result. Application of antitrust laws always affects the substantive behavior of particular industries; they are expressly intended to do so.

Moreover, the logic of the Commerce Committee staff's own interpretation of the relative jurisdictional interests of the two committees dictates referral to Judiciary. Legalized price-fixing in the trucking industry—"collective ratemarking"—is an undisputed restraint of trade. In twelve days of hearings conducted by the Subcommittee on Antitrust and Monopoly during the last sixteen months, no witness suggested the contrary. The only policy question is whether the ostensible public benefits derived from this scheme are outweighed by its obvious detriments.

The Commerce Committee correctly notes that the Judiciary Committee's jurisdiction encompasses "protection of trade against unlawful restraints and monopolies." It is hard to find a more cogent reason for granting the Judiciary Committee exclusive jurisdiction of Senator Kennedy's proposed bill. The fact that it ostensibly touches other subjects of interest to Commerce—"highway safety, interstate commerce, regulation of interstate common carriers, and transportation"—cannot, under Senate Rule 26, dictate the jurisdictional result. The limited focus of the proposed legislation—antitrust immunity for price-fixing activities—does not substantially affect any of these areas.

The Commerce Committee further argues that the jurisdiction of the Judiciary Committee, read literally, extends only to unlawful restraints and monopolies (emphasis in text), and that anticompetitive practices already exempt from the antitrust laws are therefore beyond its scope. By that logic, the original Reed-Bulwinkle Act (which granted the antitrust immunity) should never have been referred to the Commerce Committee in the first place.

SUMMARY

The members of the Judiciary Committee recognize the jurisdiction of the Commerce Committee in issues affecting regulation of transportation industries. Any legislation proposing to alter the regulation of rates and entry by the I.C.C. would clearly go to the Commerce Committee and the Parliamentarian has so stated. The bill in question, however, does not involve regulatory issues. It is concerned solely with the integrity of national antitrust policies and their applicability to price-fixing; as such, it is clearly within the jurisdiction of the Judiciary Committee.

S. —

A bill to amend the antitrust laws to prohibit price fixing and rate setting agreements and to promote competition

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Clayton Act (15 U.S.C. 21) is amended by—

(1) inserting "(1)" after "(a)", and

(2) inserting at the end of subsection (a)(1), as so designated, the following new paragraph:

"(2) The antitrust laws as defined in section 1 of the Clayton Act (15 U.S.C. 12) shall apply to parties and other persons with respect to making or carrying out any agreement related to rates (including charges between carriers and compensation paid or received for the use of facilities and equipment), allowances, classifications, divisions, or rules related to them, or procedures for joint consideration, initiation or establishment of them where one of the parties to such an agreement is a motor carrier or freight forwarder.".

[From the Wall Street Journal]

SENATE POWER STRUGGLE MAY DECIDE FATE OF ATTEMPT TO DEREGULATE TRUCK RATES

(By Albert R. Hunt)

WASHINGTON.—The outcome of a high-level Senate power struggle may decide the fate of legislation to deregulate truck rates.

On one side is the Commerce Committee, its chairman, Sen. Howard Cannon, (D., Nev.), and its ranking Republican, Sen. Bob Packwood of Oregon. On the other side are their counterparts on the Judiciary Committee, chairman Edward Kennedy (D., Mass.) and ranking Republican Strom Thurmond of South Carolina. Both sides are claiming jurisdiction over a proposal to end the joint setting of freight rates by truckers.

The issue goes well beyond mere personal or jurisdictional disputes. The Commerce Committee and Sen. Cannon are considered friendly to the trucking interests and unlikely to adopt any sweeping legislation. On the other hand, Sen. Kennedy and the Judiciary panel are considered hostile by the trucking industry and are likely to enact significant antitrust legislation in this area.

Thus, the trucking-industry lobbyists have been hard at work to keep the issue out of the Judiciary Committee's hands. Some of these trucking interests hope the deregulation legislation then would die a quiet death in the Commerce panel.

The issue probably won't be resolved until next week when the Senate parliamentarian is expected to rule with Sens. Kennedy and Thurmond. But unless a compromise is reached, the Commerce Committee leaders have indicated they'll take the unusual step of appealing this ruling to the full Senate, where a bitter contest would likely ensue.

"INTEGRITY" OF SYSTEM

In recent letters to all their Senate colleagues, both sides, in dire tones, warned that the issue touches on the "integrity" of the Senate committee system. The substantive issue of the legislation's fate was barely touched upon, although intensive lobbying efforts are making that point.

In their letter, Sens. Cannon and Packwood said legislation introduced by Sen. Kennedy to end the antitrust exemption for setting truck rates would have a "profound impact upon the trucking industry" and "dramatically change the scope and nature" of the Interstate Commerce Commission. The truck lines must get permission from the ICC to put the rates into effect.

They further noted that the original 1948 bill, granting the truckers an antitrust exemption, was handled exclusively by the Commerce Committee. "It would be unprecedented for the legislation introduced by, considered by, and passed by one committee to be referred to an entirely different committee for its repeal," the senior Commerce Committee Senators insisted.

UNLIKELY DUO

In response, the unlikely political duo of Sens. Kennedy and Thurmond relied heavily

on the anticipated favorable ruling of the Senate parliamentarian. The proposed legislation, they noted, "does nothing more than repeal the existing antitrust immunity for price-fixing for the motor-carrier industry," and cited other instances where antitrust legislation had been enacted by a separate committee and then repealed by the Judiciary panel.

Apart from the antitrust matters, the trucking-deregulation issue also entails the ICC's control of competitive routes and entry. Here, both sides agree the jurisdiction lies with the Commerce Committee. Sens. Kennedy and Thurmond said they even would be willing to let both committees consider the antitrust provisions.

But that, so far, is unacceptable to the Commerce Committee and the trucking industry. "Sen. Cannon wants sole jurisdiction and we're supporting that position," said John Kinnaird, the top lobbyist for the American Trucking Associations. Insisting that the industry doesn't want to kill any legislation, Mr. Kinnaird added, "The Commerce Committee has an open mind . . . also we think they have more expertise and the issue should be treated by people who know what is involved."

With the stakes high, Mr. Kinnaird acknowledged the truckers are going all-out to win this jurisdictional fight. "We've contacted about every Senator," he said. The industry fears the type of legislation Sen. Kennedy proposes and worries that if it goes to the Senate floor, it might build momentum for the other aspects of trucking deregulation.

The industry, with the quiet assistance of the Teamsters union, is politically powerful, as the truckers are generous financial contributors to political campaigns. But the other side has clout, too. Sen. Kennedy has forged a deregulation coalition, with membership ranging from the National Association of Manufacturers and the American Conservative Union to consumer activist Ralph Nader and Common Cause, the self-styled citizens lobby. The Kennedy bill also has the support of the Carter administration.

To some extent, the current feud is a replay of the struggle over airline deregulation. Although the antitrust issues were minor, Sen. Kennedy held a series of hearings, over Sen. Cannon's objections, to build pressure for airline deregulation. Sen. Cannon eventually relented and supported an airline bill, which passed Congress and was signed into law last year.

[From the Washington Star, Jan. 29, 1979]

STEERING THE TRUCKING BILL

If the Senate wants to end price fixing in the trucking industry, it probably ought to let Sen. Edward Kennedy's Judiciary Committee handle legislation on the matter.

Senator Kennedy has announced that he will introduce a bill to repeal an exemption from anti-trust laws granted the trucking industry in 1948. But it has set off a heated jurisdictional squabble.

Since the Judiciary Committee has general jurisdiction over anti-trust legislation, it seems logical to assign the bill to Mr. Kennedy's committee. But Sen. Howard Cannon is claiming jurisdiction for his Senate Commerce Committee because the anti-trust exemption for the trucking industry was written into an amendment of the Commerce Act.

All things being equal, it probably wouldn't make any difference which committee handled the bill. But all things aren't equal. Senator Kennedy wants the exemption repealed; we're not sure about Senator Cannon.

It doesn't take great perceptive power to see which committee is more likely to act favorably on a repeal bill. Lobbyists for the trucking industry, which wants to keep the exemption, are lined up solidly behind Senator Cannon in the jurisdictional fight.

Senator Cannon threatens to take the fight to the floor if the Senate leadership sends the bill to Mr. Kennedy's committee. If it comes to that, we hope that Senator Kennedy's attempts the past few days to tighten his hold on the Judiciary Committee, which he became chairman of in the new Congress, don't prejudice members of the Senate against letting his committee handle the trucking bill.

While Mr. Kennedy's large ambitions for the Judiciary Committee need watching, we're on his side in the jurisdictional squabble over the trucking bill, for the simple reason that repeal of the antitrust exemption is most likely to come by that route.

The exemption ought to be repealed. It wasn't appropriate in 1948, when President Truman vetoed it as a tool for the trucking industry to run roughshod over the public interest, and it isn't appropriate now. Mr. Truman's veto was overridden and ever since, as Senator Kennedy pointed out the other day, the exemption has allowed trucking firms to set prices in ways that would be illegal in other industries.●

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE I, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. As in executive session,

I ask unanimous consent that the injunction of secrecy be removed from Proposed Amendments to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, done at Washington, London, Mexico City, and Moscow on December 29, 1972 (Executive I, 96th Congress, first session), transmitted to the Senate today by the President of the United States; and ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to acceptance, proposed amendments to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, done at Washington, London, Mexico City and Moscow December 29, 1972 (the Convention). These amendments provide procedures for peaceful settlement of disputes arising under the Convention. The report of the Department of State is enclosed for the information of the Senate.

Since entering into force in 1975 this Convention has provided an important focus for international concern about the protection and effective management of our oceans and for practical and constructive actions by Parties in the control of marine pollution. These amendments will make the Convention even more effective. I recommend that the Senate give prompt consideration to them and advise and consent to their acceptance.

JIMMY CARTER.

THE WHITE HOUSE, *February 6, 1979.*

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. STEWART). The Chair, on behalf of the Vice President, pursuant to Executive order signed by the President November 1, 1978, appoints the following Senators to the President's Commission on the Holocaust: The Senator from Washington (Mr. JACKSON), the Senator from Rhode Island (Mr. PELL), the Senator from Florida (Mr. STONE), the Senator from Missouri (Mr. DANFORTH), and the Senator from Minnesota (Mr. BOSCHWITZ).

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and at 3:49 p.m. the Senate recessed until tomorrow, Wednesday, February 7, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate February 6, 1979:

DEPARTMENT OF STATE

John Prior Lewis, of New Jersey, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

THE JUDICIARY

Robert M. Parker, of Texas, to be U.S. district judge for the eastern district of Texas, vice a new position created by Public Law 95-486 approved October 20, 1978.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. district judge for the northern district of Texas, vice a new position created by Public Law 95-486 approved October 20, 1978.

DEPARTMENT OF JUSTICE

Gary Louis Betz, of Florida, to be U.S. attorney for the middle district of Florida for the term of 4 years, vice John L. Briggs, resigned.

SENATE—*Wednesday, February 7, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, to whom all hearts are open, all desires known and from whom no secrets are hid, move us to a deeper awareness of Thy nearness that we may know we do not walk and work alone. Rule over this body, granting wisdom and strength to all its Members.

Be with those whose lot in life is hard—the lonely, the sick, the bereaved, the uncompensated workers, and those from whom hope and joy has fled. Give us compassionate hearts and willing hands to lift those who would not be helped except by our service. And may the love of Thy kingdom prevail among all men and nations.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 7, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration, as a separate resolution, of that part of Senate Resolution 9 beginning on page 4, line 6, and concluding on page 5, line 6, dealing with "postcloture procedure" only. I further ask unanimous consent that debate on any amendment to the resolution be limited to 1 hour, to be equally divided and controlled by the mover of such and the majority leader or his designee; and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the majority leader or his designee: *Provided,* That in the event the majority leader or his designee is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to "postcloture procedure" shall be received.

Ordered further, That on the question of agreeing to the resolution, debate shall be limited to 20 hours, to be equally divided and controlled, respectively, by the majority and minority leaders, or their designees: *Provided,* That the said Senators, or their designees, may, from the time under their control on agreeing to the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order: *Provided further,* That the vote on agreeing to the resolution occur no later than 6 p.m. on Thursday, February 22, 1979, without intervening amendments, motions, points of order, or appeals, and that immediately following that vote, the Senate proceed to the consideration of the remaining provisions of Senate Resolution 9 as a new resolution.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, today is February 7, and a good bit of the time from January 15 until now has been devoted to the effort of an ad hoc committee of Senators appointed by the majority leader and by me, and chaired by the able and distinguished Senator from Alaska (Mr. STEVENS), to arrive at some sort of mutually agreeable modification of the rules.

The unanimous-consent request just propounded by the majority leader represents the culmination of our efforts on yesterday to see if it was possible to arrive at a system to provide for the consideration of the postcloture provisions of Senate Resolution 9 without the precloture provisions, so-called, of Senate Resolution 9.

There are several aspects of this matter that I find appealing.

First of all, as far as I am personally concerned, I agree that something ought to be done about the postcloture rules. I must say in all candor that is not universally shared in this body and on my side of the aisle.

It is my personal view that we should do something about the postcloture situation in the Senate. I do not feel that we should change the precloture section of the rules. I believe there is an extraordinary level of protection available to the minority implicit in those rules as they apply to precloture situations.

I was pleased, therefore, when the majority leader indicated his willingness to submit this unanimous-consent request in effect dividing the two sections and suggesting a time certain.

By the way, I find the date reasonably satisfactory. It is far enough away so that there would be ample time to debate or at least a significant or substantial amount of time to debate.

Following the adoption or rejection of the postcloture provisions of Senate Resolution 9, it is my understanding that the majority leader had contemplated the adjournment of the Senate, which would remove us from the first day situation precedent that we discussed at some length in that respect; that is, the controversial constitutional question of whether the Senate on the first day can change its rules by majority vote, and even without effective debate and a series of motions and proceedings. Following the disposition of this matter we would proceed then to the precloture provisions of the rule which would then constitute a motion to change the rules other than on the first day, and which would require two-thirds of the Senate, not 60 percent but two-thirds of the Senate, to end debate on that matter.

I believe that was the impression I had on yesterday in my discussion with him.

As a result of that I met with our ad hoc committee on yesterday and then again this morning. I find, Mr. President, that it is not possible at this time to agree to this request on this point. That is not to say that I think it will never be possible to do so. I still hope that we can avoid the first day conflict, but I must say in all candor, and I say now to the majority leader, that I will find it necessary to object.

I am willing to withhold that objection if other Senators have remarks they would like to make on their reservation.

Mr. ROBERT C. BYRD. Mr. President, we have now spent 22 days, or thereabouts, in an attempt to find a resolution, acceptable to both sides, to the problem which faces the Senate and which is embraced in the context of Senate Resolution 9.

In that resolution, I attempt to deal with the postcloture filibuster. I also attempt to deal with filibusters that may

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

be threatened or may indeed develop on motions to proceed. Other matters are dealt with in that resolution, one of which would involve the motion to preclude nongermane amendments.

On yesterday, the distinguished minority leader told me that it might be possible to get an agreement on the postcloture section of Senate Resolution 9.

As he has correctly stated, I indicated my willingness to enter into such an agreement, provided that the remainder of Senate Resolution 9 would be the then-pending business upon the disposition of the section (d) limit postcloture. The agreement was hammered out. It was fully protective of all Senators who are concerned about any amendments coming in that would deal with the precloture. I gave my word that it would deal only with postcloture, so we have not only the agreement, but we have my word, which means that I would oppose any amendment that did not deal with the postcloture situation.

Now, we find that there is an objection even to this, an objection even to proceeding with only the postcloture section. I cannot, I just simply cannot understand why there is an objection to dealing only with the postcloture aspect.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. I am constrained to say, Mr. President, that when I came back here after my accident, the doctor told me that I probably ought to take a vacation and I said, "Well, you know, when we go back and open up the session, there is at least a month or two before things really get serious and there is not going to be any controversy at all." For 22 days, I think we have been in a controversy that is almost like it was when we left here last December.

We have put a lot of time in on this and I have great respect for the majority leader, as he knows and the Senate knows. I think we are closer to an agreement than the Senator from West Virginia indicates.

The problem is, I say to my good friend, that there are too many people on my side of the aisle that are a little squeamish about the majority that is behind the majority leader, and we would like to see the majority leader on record as supporting the work product that we now have. I think it is a fairly good concept. As a matter of fact, it goes almost the full mile with the majority leader in terms of looking for a total cap of time after cloture and dealing with some of the very vexatious problems that faced the Senate last year and the preceding years. It does not, however, touch precloture.

I am sure the Senator knows I would be constrained to object if no one else did, because we were instructed to object until we have some indication of support from the majority leader for the concepts that are involved in the substitute that I have shared with my good friend, albeit just a few minutes ago, I do not believe we can get an agreement.

Just so the Senator knows again and the Senate knows where I am coming from, I think the one vote I regret more than any vote in the Senate was the vote to reduce the number of Senators needed to invoke cloture from 67 to 60. I believe it has become too easy to get cloture. As a result people started devising means to delay the Senate after cloture in order to inform the country of what was going on. We are now dealing with the symptoms of that problem. I should like to see us move back to the point where it would be more difficult to get cloture, even though it would remain at 60. The concept of a cap on time after cloture would let Senators know that if they want to inform the country as to the problems involved in a piece of legislation, they should get over here before the cloture procedure starts and in the 2 days that are normally involved in waiting for the cloture vote.

The problem I have, as the Senator from West Virginia knows, is that a cloture petition is filed and we have difficulty getting anyone to come to the floor, because we wait for a cloture vote. If cloture is voted, then the debate on the controversy starts and the delay starts. I would rather let everybody know that there will be no interminable delay if he or she votes for cloture.

It seems to me that the agreement which we are ready to present—at least I am ready to present, the minority is not totally in agreement yet, because we do not know yet where the Senator from West Virginia stands—would involve removing some of the dilatory aspects from the existing rule. As to the Journal, we are prepared to say the Journal does not even have to be read after cloture is invoked.

Mr. ROBERT C. BYRD. The Journal does not bother me in the slightest. As far as I am concerned, I am ready to strike that from the resolution, forget about it from now on as long as I am in the Senate; that is a minor matter. The only thing we need to do to get around that is what I have been doing for 22 days, recessing the Senate, and the Journal does not have to be read.

Mr. STEVENS. It is still a matter of cleaning up the rules and preventing the abuses of the past. If the Senator will look at the rule now, he will recall the knotty problems we got into. I remember once when Senator Scott and Mansfield had to go through the device of getting a bill referred to a committee in order to bring it back. Our proposal would avoid that kind of thing by allowing amendments in the second degree to be filed after cloture has been invoked. Again, it is within the cap; the chargeable time of 100 hours is still there. We believe the cap ought to be reduced by an individual Senator. If you want to reduce it 100 hours, yield back your 1 hour.

Mr. ROBERT C. BYRD. They can do that now.

Mr. STEVENS. That will take it out of the total cap. You can take it out today, that is true, but you do not have a total cap today.

The Senate could control this time. If we do not want to spend 100 hours, 20 Senators could yield back their time and the cap would be 80.

Mr. ROBERT C. BYRD. I like that.

Mr. STEVENS. We also say we should not be in session more than 8 hours a day when that comes up.

Mr. ROBERT C. BYRD. I do not like that.

Mr. STEVENS. Well, it is negotiable. It does not do any good to be here all night long when we are not accomplishing something. We would like everybody to know we are going to be here accomplishing something.

Again, I say the result will be that it will be harder to vote cloture, but when we vote cloture, everybody knows that the cap will be a terminable time.

Mr. ROBERT C. BYRD. Mr. President, the Senator may have some very good suggestions in his proposal. He has worked diligently, worked sincerely and conscientiously. He has been to my office a number of times. I have found no fault whatsoever with the Senator's efforts in this regard. I can only applaud him. I honor and revere him for the dedication he has given to this matter.

What I say is this: Let us have a time agreement and let every Senator offer his amendments. There may be some amendments, and he just named one, the one with respect to Senators offering back their time and that would automatically lower the cap. I like that idea. I would vote for that. But if we are waiting on a piece of patent medicine here that everybody can subscribe to before we get a time agreement. I do not think we are ever going to reach that point.

Mr. STEVENS. Will the Senator yield again?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. Dr. Byrd can prescribe that medicine. The Senator is the majority leader and we know the majority is going to follow the majority leader on a procedural matter. That is all there is to it.

Mr. ROBERT C. BYRD. Dr. Byrd has proposed what I think is a good piece of medicine for the postcloture filibuster, but it seems to me there are people over on that side who do not trust the doctor.

Mr. STEVENS. We are not sure we are that sick. That is the only problem.

Mr. ROBERT C. BYRD. I can say to the Senator that the Senate is pretty sick. I think that has been obvious to people.

Mr. STEVENS. If there are a great many ills, we are ready to work with the majority leader to solve a considerable portion of them.

Mr. ROBERT C. BYRD. If you are ready to work with us, let us have a time agreement. Let them take their chances. I am willing to take my chances. They can knock out every word, every jot and tittle, and I shall not mind. All we want is a time agreement. We have been on this thing for 22 days. Let us have a time agreement.

I am not saying my proposal is without fault, I am not saying it is a cure-all. Let the Senators change it.

Mr. STEVENS. The Senator from West Virginia, really does not believe that the

minority would expect that the majority would not support the majority leader on a procedural matter, the very first procedural matter presented in this new session?

I have told my colleagues on my side of the aisle that that is my opinion, that the majority will support the majority leader. Therefore, we would like to work out a situation where we are in agreement with the majority leader and we can go hand in hand to solve some of these ills. Admittedly, the patient would not be without some lingering problems that we could solve at a later date, hopefully.

Mr. ROBERT C. BYRD. The doctor is always willing to look at whatever new medicine comes on the market, but let us have an agreement and let Senators offer their amendments.

Mr. JAVITS. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, I come at this matter perhaps a little differently than some of my colleagues to the ad hoc committee. I come at it, I think, a good deal more from the direction the majority leader himself takes.

I have fought for over 20 years for the constitutional right to amend the rules by a vote of the Senate which would not be bound by the Senate rules as they come through Congress after Congress.

But I do think, with that in mind, and if there is a vote—I have stated it before, I state it again—I will sustain that proposition.

I have not been here for over two decades to abandon what I consider to be a basic constitutional principle. But I do think there is equity to the position taken by the ad hoc committee, of which I am a part. I talked with them this morning and said I would object, and I will explain why.

This is a one-shot proposition. I can appreciate the concerns of many of my colleagues respecting this precedent. I agreed early in the game, if we could just determine the issue, the substantive issue, without changing what the situation is now, based on many rulings, et cetera, and not a new rule, this would be satisfactory to me.

That effort is a difficult one. It is difficult for me. I, too, would object very strongly to the reduction of the time by a vote which would deprive any Senator of the opportunity to speak if by that time he had not used up his time.

I had that experience in the House. I lived there for 8 years where by moving the previous question it cut off everything. I think the House suffers. It is a big body, and perhaps it has to suffer. But it does suffer from that issue.

I think that can be settled, but there are these very deep concerns.

Now, if the Senator had a train of business waiting on our deliberations, I must say I would agree with him, that we have to bring this thing to issue. He can bring it to issue any day. The Senator knows his weapons as well as I do. He can insist on debate and he can insist on whatever rules of order the Chair may invoke, Roberts, or some other, and he can bring this matter to a scrap, and it would be a monumental one, and he could, perhaps, prevail. But I do not think we have a lot of business in train.

I really vouch—I rarely do this, but I do here—for the good faith deliberations which have taken place continuously. I believe the chances are excellent that we can work out an arrangement with the majority leader which will assuage the deep concerns on this side of being ridden over by a steamroller. I would join with Senator STEVENS in asking that that opportunity be afforded.

I think it is an opportunity, and we ought to be able—if both ad hoc committees got together with the aid of both leaders, and that is my suggestion, I think the time has now come for a summit meeting—to do this within a day if we all got together in one meeting, the majority leader and the minority leader, and went over these points, point by point.

It is my belief that there is complete good faith, as far as I have seen, in the ad hoc committee on this side, and I am sure there is with Senator NELSON and his group on the other. I think we can agree within a day. If we can, let us do that tomorrow or this afternoon, then the Senator can get his unanimous consent before we go out for the recess. But I think to force it today would be premature.

I thank the Senator for yielding.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Does anyone else wish me to yield?

Mr. STEVENS addressed the Chair.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Alaska.

Mr. STEVENS. I do not wish to prolong the discussion. I wish that my good friend would not pursue his unanimous consent right now and would take heed from our distinguished Senator from New York, consider his suggestion, to go over this line by line and, hopefully, come back with a resolution that, if the majority leader and the minority leader could offer it, would be adopted almost unanimously. As far as I am concerned, it is ready to go now. I do not know about anybody else, but I would be willing to try to get it resolved before the recess. In any event, we could get it done before the time set in the majority leader's unanimous-consent request.

But I would be constrained and will have to object in carrying out the responsibilities of my task as assistant minority leader if the request persists.

Mr. ROBERT C. BYRD. Well, I can understand the distinguished Senator. What I cannot understand is why we cannot get a time agreement and let 100 Senators work their will on the postcloture section.

It would be my intention if we got a time agreement to immediately withdraw my motion and immediately modify my own resolution to strike everything except that section dealing with post cloture, adjourn for 5 minutes, and that throws us out of the first day, so nobody has any illusion, any question, any concern, about the constitutional question dealing with rulings in the past by various Vice Presidents of both parties.

So I would enter into it with the utmost good faith. I would be fully protective against amendments that dealt with anything other than postcloture, and let the Senate work its will, because it makes no difference how many times the ad hoc committees get together and we come in. They may be in agreement on some, but there are still other Senators here who have to live with these rules and they ought to have an opportunity to offer their amendments.

I do not want to be a party to saying that I will stand against any amendment that deals with postcloture. I may want to offer one myself.

So I do not know what question we are seeking. Are we seeking an agreement? Are we seeking language on which the majority and minority leaders would agree and that would stand fast against any amendment? Is that what we are seeking before we enter into a time agreement?

Mr. STEVENS. If the Senator will yield, what we are seeking is the majority leader's endorsement of the work that we have done to date, subject to modification we might agree with, and that this be a motion of the majority leader in support of this work we have done.

If the Senator lived on this side of the aisle, perhaps he might understand the fear that is involved in the majority having the right to change all this, notwithstanding the work we have done.

We want the majority leader to be for an agreement that we are for, and that meets the needs as they are defined in this new resolution. We want to be able to support the majority leader in that goal and we want to know that he supports the work that we have done. Otherwise, once we get a time agreement, the majority leader, again, is still the majority leader and we must presume he has the majority on his side who will follow him on a procedural motion, and that is what this is.

All I can say is that we would like to see that it follow something similar to the procedures suggested by Senator JAVITS. We would like to go over this line-by-line and come out with a resolution the majority leader offers and asks for its immediate consideration, and that becomes the subject of the time agreement, the majority leader's motion to amend the rules.

I think there are some substantial concessions here. Above all the concession we are willing to make is to put a total cap on the time after cloture of 100 hours. Everything that happens on this floor would be chargeable to that 100 hours, and even that time could be reduced through the concept of each Member making the decision to yield back his time.

I think that is a substantial concession.

We do want some agreement, though,

as to the amount of time we will be in every day, because I think the problem of the Senators—and I do not like to mention this, but I would just ask the majority leader to think of the number of our Members not here now who passed away soon after the procedures we went through last year, how much strain we put on those people by being in all night.

One thing I noticed is that it is the older Members who have developed a real love for the Senate who come here in the middle of the night, answer those quorum calls and vote on those motions to make absent Senators come. At least four of them who went through that procedure are not here now.

I do not think we should tell Senators that they are going to be put to the test of endurance in terms of stamina, to come here for sheer foolishness, in my opinion, and answer quorum calls and motions to produce Senators—things that have nothing to do with the substance of legislation.

I firmly take the position, along with the majority leader, that the time that follows cloture should be limited. Some of my friends over here are willing to go that mile, but only if we are assured that the other matters that are in that resolution have the support of the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I do not denigrate the work of the assistant Republican leader. I have only seen his proposal. I have not read it. He brought it to me just as I started into the Chamber. I do not say anything in denigration thereof. There may be some facts in it that I would support.

But the Senate never will get an assurance from this Senator that he will keep the Senate in session only 8 hours. If the Senate wants to write that into a rule, the Senate can do it, and I will have to abide by it. But I will not give that assurance on my own. Even if I did, my successor would not be bound by it.

I have to do what I think has to be done in order to get the business done. It is one thing to say that I will never keep the Senate in beyond 8 hours. But all one needs to do is to stand in these shoes, or stand in this place behind this desk, and he will see that that kind of assurance cannot be kept at all times. He will be the first to be taken advantage of if he makes that kind of assurance. But if the Senate wants to write that into the rule, postcloture, that is fine with me.

Mr. STEVENS. That is 8 hours on the matter postcloture. It does not say that the Senate could not be in session on other matters. It says that the postcloture debate on that matter would be limited to 8 hours a day when the Senate is in session. That would permit other matters to go ahead. That, too, is a change in the rules that is beneficial in considering the workload of the Senate.

Mr. ROBERT C. BYRD. That may very well be an amendment that the Senate would want to write into this rule. I am simply saying that we should get on with the business and get an agreement and let the Senate work its will.

It may be an amendment the Senate would want to write into the rule. But for me to agree that before we get a time agreement, I will come in here and agree to have my hands bound behind me, and I am dragged into the Chamber, kicking and screaming, and saying, "Yes, I'll enter into this time agreement, and I'll stand by this and that and that"—why, I am afraid we are suffering under a delusion.

I might agree to support—I would like to have the attention of the distinguished Senator from Alaska. I gave the Senator my attention .

Mr. STEVENS. I was just trying to recall the name of the little people who bound Gulliver. I have as much opportunity to bind the majority leader's hands as they had. It would take about the same length of time, I think. I do not feel that we are trying to bind the majority leader's hands.

Mr. ROBERT C. BYRD. I do not know what the Senator is talking about. I understand that he wants the majority leader to agree with the proposal that he and the minority leader can bring in here. Suppose when we get it up for debate, the majority leader sees certain loopholes in it? That might very well be the case with my own resolution. We have to get it up for debate.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. New Members, who have not been here before, might raise questions I never have thought of, questions which never have been raised in the Senate; and then I might have to say, "That is a loophole; I can't support that." Then, would the Senator say I had gone back on my word?

Mr. STEVENS. No. The Senator never has gone back on his word with me, and I do not expect to live to see the day that he does.

I am reminded that it was the Lilliputians who tied up Gulliver. I do not think I am capable of that.

We are not saying that we want the Senator to agree word by word to what we have done. We want to work with the Senator to get a resolution that will make these postcloture changes that the Senator would believe in and would present to the Senate on the basis that he believes in them, and we would believe in them, too.

Of course, the Senate could make the changes; but I do not think the Senate is going to make changes in a procedural resolution to change the rules which the Senator from West Virginia does not want made.

I have absolute confidence in the majority leader's leadership of the majority. It is that confidence that leads us to want to be walking shoulder to shoulder with the majority leader on these changes and not depending upon the fact that, after a time agreement is reached, the matter might survive. We know it will survive if the majority leader supports it.

Mr. ROBERT C. BYRD. The Senator very well knows that he and I worked with Mr. NELSON and Mr. CRANSTON and then with our respective ad hoc committees, and we thought we had worked out a format several days ago that was a complete substitute for my Senate Resolution 9. I took it up with my ad hoc committee and they were willing and said, "Fine, go ahead." But it always falls through on the other side. Somebody finds something they do not want to agree to. I am willing to try again.

Mr. STEVENS. My good friend knows that that agreement was that we were willing to take it up, but it still would be subject to amendment on the floor.

Mr. ROBERT C. BYRD. Yes—as it should be.

Mr. STEVENS. And it would not have had the endorsement of the majority leader in terms of its being his proposal.

We are seeking to work out, by this process, an amendment to the rules that the majority leader and the minority leader will support.

Mr. ROBERT C. BYRD. The Senator will recall, with respect to what had been worked out, that I said I would strike the provisions in my resolution and insert that as a modification and use that as the working piece: Just forget about mine. Just insert this new piece that the Senator had worked out so diligently, and I will modify my own resolution and insert this new matter and make it the working piece.

How much further can a man go, when he is willing to strike out his own handiwork and say, "We will take this new piece and insert it and let it be the working piece"?

I would try to amend it. I was willing to do that. I am not willing to do that again, because they went back and found—even as to the work on which the Senator had spent so many hours, people on his own side said they did not want to accept that.

I am not willing any longer to strike out my part and insert somebody else's as a working piece. We will leave mine in; and if they want to offer a substitute or amendments thereto, they may do it, and I may support the substitute. I do not take pride of authorship in Senate Resolution 9. It can be improved upon; and if it can be improved upon, I want to support it. But I think it is about time for us to understand that all this good work that the Senator has been doing, all the many hours he has been putting into that work, seemingly comes to no avail. When he takes it back over there, somebody raises a little point against this or that: A hole here or there should be plugged. There is a door open here, and when they try to close that door, they open two more.

I am willing to try again. I am willing to take a look at what the Senator has in mind. I may very well support much of it.

Mr. STEVENS. May I ask that this draft be printed in the RECORD, so that those who read this RECORD can see what we are talking about?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, I ask unanimous consent that this proposed revision of Senate Resolution 9 be printed in the RECORD as my version. It is not offered for anything; no motion is made. It is just so that Members will know what we are talking about.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED REVISIONS

Resolved that the second paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, such consideration being limited to not more than 8 hours per calendar day, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusions of all motions, except a motion to table, to recommit, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before a vote on an amendment or the final vote begins.

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

"A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, whether such time is used in debate or otherwise. A Senator may yield any of his remaining time to another Senator or may yield it back to the Chair, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least ten minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, then the time for the quorum call in excess of the Member's time shall not be charged against the one hundred hours."

(b) The last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by inserting the following at the end thereof:

"Whenever a Senate indicates an intention to appeal from a decision of the Presiding officer, that Senator shall be given preferential recognition for that purpose.

"New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered. Amendments which are otherwise in order may amend the bill in more than one place, if they involve only one substantive issue.

"If, for any reason, a bill is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the bill will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination."

(c) That paragraph 1 of Rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2 Rule XXII, the reading of the Journal shall be dispensed with."

(d) That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than 24 hours."

Mr. ROBERT C. BYRD. Mr. President, I will not persist in the request any longer.

I hope that, in view of the fact that we have only 2 days remaining before we go out for the Lincoln Day recess, we will at least have an agreement that will indicate a time and date when the Senate is going to complete its work on at least the postcloture section of this resolution.

I will be happy to take a look at what the Senator has in mind and support what I can and oppose what I cannot support. But I hope we get a time agreement and let the Senate work its will on it. I hope we can do that today.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, with statements therein limited to 15 minutes each; that the period not extend beyond 2 hours; that no motions or unanimous-consent requests or actions related to or having an impact upon, or the effect of which would prejudice my resolution, Senate Resolution 9 and/or the pending motion, be in order during that period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The previous unanimous-consent request is withdrawn.

Mr. ROBERT C. BYRD. I withdraw that request.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the President pro tempore, pursuant to Public Law 95-216, appoints Ms. Joyce Miller, of New Jersey, to be a member of the National Commission on Social Security.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business?

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

(The remarks of Mr. STEVENS in connection with the introduction of legislation appear under statements on introduced bills and joint resolutions.)

Mr. STEVENS. Mr. President, if no one seeks the floor, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Utah.

WAGE AND PRICE CONTROLS

Mr. HATCH. Mr. President, I desire to join with my distinguished colleagues in support of a joint resolution opposing Presidential imposition of mandatory wage and price controls without having first sought for congressional authority.

Mr. President, the Constitution is clear in its expression of the division of powers among the branches of Government. Presidential authority in addition to being expressly granted, may also include powers intentionally delegated to the President by Congress. There have also been times when the President has assumed an implied authority based on congressional inertia over a subject area. The Supreme Court has recognized the concept of implied authority and has defined parameters beyond which assumption of authority is constitutional abuse.

Mr. President, it is beyond doubt that the authority to regulate wages and prices is vested in the legislative branch. The Supreme Court has recognized this fact. The Congress has recognized this fact, and has evidenced its power by an unbroken pattern of positive congressional action or delegation specifically dealing with wage-price authority. History shows that the President has recognized this fact, but now ventures to abuse constitutional mandates by exceeding his authority be it express, delegated, or implied.

The history of executive authority on wage and price controls makes clear that with the expiration of the Economic Stability Act of 1970, all authority of the Executive to issue any wage and price controls without delegated congressional authority lapsed. The President is, therefore, not empowered to impose wage, price, or any other general economic stabilization controls.

The administration, which has so strongly declared its opposition to any controls, has crossed the fine line between voluntary and mandatory controls. In a procurement Executive order, issued on November 3, 1978, the administration de-

cleared that it would not purchase supplies, goods, or services, when, on a bid over $5 million, the bidder did not sign a release form signifying compliance with the "voluntary" wage and price guidelines. This, in fact, operates as an involuntary guideline.

Mr. President, the time is now for Congress to preserve the integrity of legislative power against unilateral executive action. The time is now for Congress to assert its constitutional authority over the encroachment of an administration bent on constitutional abuse.

Mr. President, with my cosponsorship of this joint resolution, I want to clarify my dedicated support of a constitution unblemished by aggressions from any influence.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NELSON A. ROCKEFELLER

Mr. MATHIAS. Mr. President, the memorial service for Nelson Rockefeller in Riverside Church was a ceremony of princely dimension.

Over 2,000 people jammed the church —all kinds of people—including 2 Presidents, 2 Secretaries of State, 44 ambassadors, a near quorum of the Congress, captains of industry, civil rights leaders, and family friends. A few of them may have come to see the show. A few of them may have come to be seen. A few of them may have been attracted by the glitter of wealth and power. But most of them were there because Nelson Rockefeller had in some way touched their lives. Not even all that wealth and all that power could have gathered that crowd.

And so the question arises, what was the nature of the life force that drove Nelson Rockefeller to strive so hard and to reach out for so many of his fellow mortals?

His daughter, Ann Rockefeller Roberts, has said he was "exuberant, energetic, extravagant"; that he filled his children's lives with excitement; that he challenged them to reach beyond their grasp.

His son, Rodman, said he was—

> An eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government, he saw the fruition of his drives and ambitions in the solving of problems.

His brother, David, said he was—

> a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system and in the responsibility of each citizen to revere God and to help his fellow man. He loved beauty and nature and the arts. He loved the companionship of people. He loved life.

What sort of portrait do they paint, these three who knew and loved Nelson Rockefeller so well?

They are sketching a figure of tremendous vitality and even restless energy. Clearly a part of the impact of this man was the velocity at which he moved. Planets and moons moving in their ordained and predetermined orbits attract little notice; but the comets that streak across the skies at immense speeds with pyrotechnics attract the notice and admiration and sometimes the apprehension of mankind.

Henry Kissinger has quoted him as saying "never forget that the most profound force in the world is love."

By love we must assume that he comprehended an appreciation of human beings one for another, and a desire to protect the weak and to insure the general welfare.

This was a powerful force in Nelson Rockefeller's life, without which it would be hard to explain his career. Some of the things he did could be ascribed to the ambition that motivates most of us. But his consistent recurrent championing of causes that helped to defeat his ambition and retard his career can only be traced to a more profound source of direction.

Nelson Rockefeller's taste in art and music were contemporary, even avant-garde, so it is startling to find him old-fashioned on the subject of patriotism. And yet he was a patriot in the Nathan Hale mold. He too would regret that he had but one life to give for his country. He was a patriot of the kind that would have recognized and accepted the moral of stories like "The Man Without a Country."

And just because he was such a patriot, just because he was a man of prodigious energies and, most of all, because he was a man motivated by love in its broadest, truest sense, Nelson Rockefeller gave more to those who knew him and to his countrymen and to his country than can be reckoned in any catalog of his accomplishments. His achievements can be numbered; his spirit was ineffable.

Nelson Rockefeller's spirit refreshed us for many years. His spirit was "as the light of the morning, when the sun riseth, a morning without clouds, when the tender grass springeth out of the earth, through clear shining after rain."

NOTICE OF HEARING

Mr. McGOVERN. Mr. President, as we all know, the American Agriculture Movement is in Washington to present their views on the state of agriculture. While the farm representatives have been meeting with their Senators and Representatives, and I have had the privilege of meeting with a considerable number of these farmers and farm families, I wanted to give representatives of the farmers the opportunity to present their views to the Senate Committee on Agriculture as soon as possible.

For this purpose I would like to announce to the Senate that I have reserved room 1202 in the Dirksen Senate Office Building from 2 o'clock until 3 o'clock on Friday, February 9. That was the largest hearing room available on the Senate side.

We will hear from a panel of farmers selected by the American Agriculture Movement.

It is anticipated that the committee will hold indepth hearings on the agricultural situation early this year. I would hope either by the end of this month or early in March the committee could set up a schedule of hearings to look at the issues that are being raised so urgently by the farmers who are now here in the capital.

JURISDICTION OF LEGISLATION AFFECTING THE ANTITRUST IMMUNITY IN THE INTERSTATE COMMERCE ACT

Mr. CANNON. Mr. President, I have requested the oportunity to speak today on an issue that has generated a great deal of attention in the past few days. The issue is the dispute between the Commerce Committee and the Judiciary Committee with respect to jurisdiction over legislation affecting the antitrust immunity in the Interstate Commerce Act.

There has been a great deal of misunderstanding about this issue. In particular, the media has misrepresented the intent of the Commerce Committee and has contributed to a general misunderstanding about what is at stake in this controversy. I emphasize now, and I will emphasize again, that the controversy between the Commerce and Judiciary Committees is in no way whatsoever related to the merits of the proposed legislation. The Commerce Committee is not trying to stop or delay consideration of any bill proposing changes to the regulatory structure of the motor carrier industry. As a matter of fact, no such bill has been introduced, even though there have been press conferences about it and talks about it. The dispute is a jurisdictional one, and do not let anyone convince you to the contrary. This committee is completely openminded on the basic issue of deregulation.

I think it is important that the Senate understand exactly what the position of the Commerce Committee is and what is at stake in the controversy. Therefore, I intend to outline very briefly the position of the committee and describe the issue involved. Following that, several members of the committee have asked for the opportunity to express their personal viewpoints. Our committee is absolutely united on this issue. With the one exception of Senator HEFLIN, who sits on both committees, the Commerce Committee has voted unanimously to fight

for our absolute right to exert jurisdiction over this particular subject area.

Let me now briefly state what is at issue. The senior Senator from Massachusetts has publicly announced that he intends to introduce a bill that would, in effect, repeal the so-called Reed-Bulwinkle Act. Contrary to popular belief, this act does not grant a blanket exemption to the motor carrier industry to engage in anticompetitive activities. What it does do is authorize the Interstate Commerce Commission to approve agreements among motor carriers that allow them to discuss among themselves the levels of rates that will be charged shippers for transportation of goods throughout the country. The approval by the ICC carries with it the grant of immunity from the antitrust laws. The power of the ICC is purely discretionary, and, in fact, they are currently reevaluating the need for granting immunity in several cases.

As a result of this authority, the ICC has authorized a number of so-called rate bureaus to be organized by the trucking industry. These rate bureaus are highly controversial, but no one disagrees with the fact that they are at the very center of economic regulation of the motor carrier industry. There could be no more profound change in the regulatory structure than the elimination of the motor carrier rate bureaus.

The Reed-Bulwinkle Act was incorporated as a subsection of the Interstate Commerce Act. Quite obviously, the most direct and simple method of removing the antitrust immunity would be to amend that section of the Interstate Commerce Act that permits the immunity. The senior Senator from Massachusetts, however, has been quite frank in admitting that a bill simply repealing that section of the Interstate Commerce Act would in all likelihood be referred to the Commerce Committee. In order to avoid that possibility, Senator KENNEDY has written his bill to amend the Clayton Act, in hopes of having the bill referred to the Judiciary Committee. If referral to the Judiciary Committee is upheld, it will be a triumph of form over susbtance. I would strongly hope that the Members of the Senate are sophisticated enough to look behind the title of the bill being amended to consider the subject matter at hand.

Under Senate rule XXVI, referral of any particular bill is to be made to the committee that has jurisdiction over the subject matter which predominates in the proposed legislation. The Senator from Illinois will discuss this aspect in some detail in a few minutes. As past chairman of the Rules Committee, I can assure you that referral to the Judiciary Committee on this proposed legislation would represent an extraordinarily strained and narrow reading of the Senate rules and would, in effect, strip the Commerce Committee of a major portion of its jurisdiction. This, in turn, would create a precedent that could destructively alter the committee system of the Senate. The Commerce Committee has jurisdiction over the general field of transportation, as has been stated, and, in particular, over "regulation of interstate common carriers." There is no bill that would be more directly concerned with transportation and regulation of interstate common carriers than the proposed bill. How can it reasonably be argued that a bill that would so profoundly affect the Nation's transportation industry should be referred anywhere except to the one committee with jurisdiction over transportation issues?

The previous precedent is overwhelmingly in favor of the Commerce Committee's position. The most telling argument of all is that the original legislation granting the antitrust immunity to the trucking industry, the Reed-Bulwinkle Act, was referred to, and considered by, the Senate Commerce Committee exclusively. It was not referred to the Judiciary Committee. That legislation was not part of a larger package, but was narrowly limited to the single question of antitrust immunity. It would be extraordinary for legislation introduced by, considered by, and passed by, one committee to be referred to an entirely different committee for its repeal.

Over the years, there have been many instances of bills introduced that affected only the antitrust aspects of various regulatory schemes. For example, many bills have been introduced to amend the merger and acquisition sections of the Interstate Commerce Act and the Federal Aviation Act over the years. All of these bills, without exception, have been referred exclusively to the Commerce Committee.

I am sorry that the No. 1 Parliamentarian is not in the Chamber to listen to these arguments today, because I think he would find them persuasive.

In the last Congress, S. 757, a bill to abolish the airline mutual aid pact, was referred exclusively to the Commerce Committee. S. 1162, a bill to repeal a section of the Communications Act dealing exclusively with mergers of telegraph companies, was also referred exclusively to the Commerce Committee. The Bank Merger Act of 1966, dealing exclusively with merger standards and exemptions from the antitrust law, was referred to the Senate Banking Committee, and not the Judiciary Committee. There are numerous other antitrust immunities in various laws affecting areas as diverse as agricultural marketing agreements and defense production authorizations. There is no doubt that as bills have been introduced to amend these various provisions and hearings have been held to review their operation, that jurisdiction has rested with the committee of specialized interest and not the Judiciary Committee.

In fact, there is direct and persuasive precedent for referral to the Commerce Committee, even though the law proposed to be amended is the Clayton Act. In the 85th Congress, the Senate considered and passed S. 1385, which amended the Clayton Act and no other. That bill was referred exclusively to the Senate Commerce Committee and was never referred to the Judiciary Committee. It dealt only with the enforcement of the antitrust laws with respect to motor carriers. It did not amend any other act. There could be no clearer precedent for referral to the Commerce Committee. It should not be the act which is being amended that determines referral, but the subject matter of the legislation, as the distinguished Senator from Illinois will discuss in a moment.

For those people who suspect that the Commerce Committee is trying to stall this legislation, I cannot help but wonder where on Earth they have been for the past few years. It was the Commerce Committee, and no other, that ultimately proposed to the Senate the total deregulation of the airline industry. It was the Commerce Committee, and no other that radically reformed the antitrust immunity for the railroad industry—which incidentally, is also given an exemption under the Reed-Bulwinkle Act, under certain circumstances.

We have a very fine record on regulatory issues, and it is grossly unfair to be accused of delaying or sabotaging proposals for change, particularly when no such proposal has been introduced and has been used only in the press conferences. We are fully committed to proceeding quickly and diligently in evaluating proposals for change of motor carrier regulation.

I want to conclude by explaining why the committee feels very strongly that it cannot accept joint referral. I will tell my colleagues right now that joint referral is no compromise to this dispute. Even joint referral is an unacceptable dilution of the Commerce Committee's jurisdiction.

The impact of repealing the Reed-Bulwinkle Act would be relatively minor on the economy as a whole, but of enormous magnitude for the transportation sector within the economy. To order joint referral would mean that the Commerce Committee would have to share its jurisdiction on the most important aspect of the regulation of interstate transportation of freight. In addition, joint referral would be a wasteful duplication of Senate resources. It would unduly and unnecessarily fractionalize the committee jurisdiction with respect to transportation matters. Even the Senator from Massachusetts admits that if only the Interstate Commerce Act were being amended, the bill would go to the Commerce Committee. It is ridiculous to give joint referral just because of the act being amended. If joint referral is ordered, under that precedent, the Commerce Committee should receive joint referral of every bill affecting "interstate commerce." That would be totally ridiculous. The whole point is that the question of antitrust immunity cannot be looked at in a vacuum. Its impact must be evaluated on the industry being regulated and on other industries. Eliminating the

antitrust immunity for motor carriers will affect the railroads. The Judiciary Committeee is in no position to make that evaluation. Elimination of the antitrust immunity could very well necessitate other changes in the regulatory structure. The Judiciary Committee is in no position to make those judgments.

As a matter of fact, the Reed-Bulwinkle Act gives a similar exemption to the railroad industry, as I have stated. Other legislation provides antitrust immunity and special antitrust laws for the aviation industry, the shipping industry, the communications industry, the agricultural industry, the banking industry, and others. The Judiciary Committee does not have the resources or the expertise to deal with these diverse areas. Nor should it. That is precisely why we have a committee system with specialization, though as the Senator from South Carolina will point out, they may be trying to get the resources to do it.

Meanwhile, this controversy has been going on now for about 3 weeks, and it is time for a resolution. We would more than welcome an immediate resolution by the Senate of this issue. We are anxious to stop this jurisdictional squabbling and get down to working on the merits of the proposals for change in the surface transportation industry.

As a matter of fact, we have just been holding an oversight hearing on the ICC with respect to the railroad industry this morning. Every day we argue about jurisdiction is a day lost on dealing with the merits of proposals for change.

Quite frankly, I am puzzled why Senator KENNEDY has not yet introduced his bill as he announced he would in an elaborate press conference more than 2 weeks ago. I wonder now who is engaged in delay. Let us get this jurisdictional dispute resolved so we can begin considering the substance of the proposed change.

I hope this has served to clarify somewhat the committee's position on this issue. At this time, I will yield to some of my distinguished colleagues from the committee who wish to speak on this issue. Senator INOUYE very much wanted to be here today, but he has been caught in the snowstorm trying to fly in from Chicago.

He has asked that I submit his statement for the RECORD.

Mr. President, I ask unanimous consent that the statement of Senator INOUYE be printed in the RECORD following my remarks on this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR INOUYE

In my judgment, any legislative proposal to eliminate the antitrust immunity to engage in agreements for economic cooperation among motor carriers currently permitted by the Reed-Bulwinkle Act of 1948, should be referred exclusively to the Commerce Committee. That Committee, of course, had exclusive jurisdiction when the Senate considered the Reed-Bulwinkle Act in 1948.

Those who maintain that such a proposal should be referred solely or jointly to the Judiciary Committee if it takes the form of an amendment to the Clayton Act rest their case on a technicality, and are substituting shadow for substance.

To repeal the Reed-Bulwinkle Act by amending the Clayton Act is to "repeal by implication". That approach is plainly and simply a bad way to legislate. It is the surest way I know to obscure consideration of whether the motor carrier segment of our national transportation system still needs the freedom to engage in agreements for economic cooperation if it is to remain an integral and efficient part of that system.

In other words, the Committee with expertise in transportation will not have the opportunity to test fully and deliberately the need for the Reed-Bulwinkle Act of 1948, against the realities of our transportation system of today. We will be making the Judiciary Committee the architect of our national transportation policy.

Important as the philosophy of competition and antitrust principles are, I submit, they are not the Alpha and Omega of government. As a Nation, if our economy is to remain sound, we must still have assurance that goods and products move in interstate commerce with stated regularity at rates which are reasonable to shippers and carriers alike. All of this, I might add, benefits the consumer.

Antitrust considerations do not move goods, motor carriers do. And motor carriers mean transportation, and transportation is within the expertise and jurisdiction of the Commerce Committee.

Even more importantly, if we fail to distinguish between shadow and substance—as we will surely do if we refer legislation repealing Reed-Bulwinkle to the Judiciary Committee simply because it was deliberately drafted as amendment to the Clayton Act to escape the exclusive jurisdiction of the Commerce Committee—we will be doing violence to a time-honored principle of law and logic. We will be doing indirectly what we cannot do directly. Surely no one would maintain that an amendment which by its express terms repeals Reed-Bulwinkle should be referred to the Judiciary Committee.

Long ago the Federal judicial system laid common law pleading to rest, and the "forms of action lie dead in the grave". The rationale for doing so should apply here as well. By referring this amendment to the Judiciary Committee, we will be recognizing shadow over substance, and our reasoning will be archaic.

As Chairman of the Merchant Marine Subcommittee, I am especially disturbed by the reasoning in the Judiciary Committee's memorandum in support of its position.

That memorandum states in part, and I quote:

". . . the fact that applicability of antitrust principles to the motor carrier industry would affect the operations of that industry should not be allowed to determine the jurisdictional result. Application of antitrust laws always affects the substantive behavior of particular industries; they are expressly intended to do so."

If that reasoning prevails in the instant case, it would most certainly prevail if legislation is introduced to repeal sections 14 and 15 of the Shipping Act, 1916. All the authors of such a bill would have to do is draft the bill to amend the Sherman or Clayton Act instead of the Shipping Act. But contrary to the Judiciary Committee's memorandum, it is by no means clear that Congress intended that the antitrust laws should affect the behavior of international shipping. Substantial authority holds otherwise. In fact, throughout our history Congress has recognized that the field of international shipping is a unique one, compelling separate and specialized treatment from other lines of our commerce.

Section 15, of course, is the heart of the Shipping Act. It permits agreements for economic cooperation among carriers in our foreign waterborne commerce which would otherwise be violations of the antitrust laws, if they are first approved by the FMC.

This provision had its genesis in the 1914 report of the House Committee on Merchant Marine and Fisheries (the Alexander Report), and the 1916 Act which was considered by that Committee and its counterpart in the Senate.

I might add that the 1916 Congress which enacted the Shipping Act was no stranger to the Clayton Act which it had passed only two years earlier.

In enacting the 1916 Act, Congress made plain its rejection of traditional American antitrust principles, as applied to the foreign waterborne commerce of the Nation.

Indeed on two subsequent occasions the Supreme Court in interpreting Congressional intent held the antitrust laws could not be used by private parties or the government to enjoin agreements for economic cooperation among carriers. (*United States Navigation Co.* v. *Cunard S. S. Co.*, 284 U.S. 474 (1932); *Far East Conference* v. *United States*, 342 U.S. 570 (1952)).

In *Cunard* the Supreme Court said:

". . . the maintenance of such a suit, being predicated upon a violation of the antitrust laws, depends upon the right to seek a remedy under those laws, a right which, as we have seen, does not here exist."

In 1958, however, the Supreme Court invalidated a section 15 agreement (dual-rate contract), on the basis that "predatory" dual-rate contracts were unlawful (*Isbrandtsen Co.* v. *United States*, 356 U.S. 481 (1958)).

In a blistering dissent, for himself and two others, Justice Frankfurter, viewing the majority's holding on the merits against the procedural backdrop of Cunard and Far East, accused the majority of making a "mockery" of the administrative process.

Congress quickly reacted to Isbrandtsen and passed three consecutive moratoria on the implementation of the Court's decision and ultimately, in 1961, passed legislation blunting the effect of Isbrandtsen, and once again rejecting the application of domestic U.S. antitrust principles to this field of international commerce.

Indeed at the time of passage of the 1961 amendments, Senator Magnuson stated that the Supreme Court had created an "emergency" with the Isbrandtsen decision and had "in effect . . . said that Congress should pass some legislation dealing with the problem of dual rates" (107 Cong. Rec. 19343 (1961)).

Also, during those floor debates, Senator Long said:

"Senators must realize that the pattern that is necessary to engage in ocean commerce does not fit into the pattern of our Antitrust Division, composed of lawyers who would like to regulate a farm cooperative as though it were the Standard Oil of New Jersey . . ."

The Committees which actually produced the 1961 amendments were the House Merchant Marine and Fisheries Committee, and the Senate Commerce Committee.

In enacting the 1961 amendments therefore Congress reaffirmed the determination of the Alexander Committee (1914) that it was in this Nation's best interest to remove the steamship conference system from the reach of the antitrust laws.

Subsequent administrative and judicial decisions, however, have eroded Congressional intent to remove international shipping from

the purview of our domestic antitrust laws. Congress, however, has not repudiated the principles underlying the legislation it enacted 63 years ago.

Our silence in the face of the Carnation case [1], the Svenska case [2], and their progency does not signify acquiescence in what the courts and the agencies have done. As the Supreme Court has said:

"It is at best treacherous to find in Congressional silence alone the adoption of a controlling rule of law." (*Girouard* v. *United States*, 328 U.S. 61, 69)

In any event, both the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee began a substantial review of the Shipping Act in the last Congress. One major amendment has already been enacted to the Shipping Act—controlled carrier legislation; and another, the anti-rebating measure passed the Senate unanimously and by a vote of 390 to 1 in the House. It was pocket vetoed, but I expect passage earlier in this Congress.

Neither of these bills were referred to Judiciary, although both the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee considered the antitrust objections of the Department of Justice, and rejected them.

If we accept the rationale of the Judiciary Committee memorandum, we could repeal the controlled carrier bill without ever consulting the Committee which produced the legislation. Simply introduce an amendment to the Sherman or Clayton Act.

I have already introduced the anti-rebating bill which was pocket-vetoed last Congress. That bill, S. 199, is currently pending before the Commerce Committee.

The Antitrust Division of the Department of Justice, I am certain, would much rather have this bill considered by the Judiciary Committee where antitrust principles would predominate in its consideration even though Congress had repeatedly indicated that international shipping was to be removed from the purview of the antitrust laws.

So, all that would be necessary would be to draft a bill dealing with the problem of rebating in our ocean trades, as an amendment to the Sherman or Clayton Act.

Mr. President, if ever there is a potential for chaos, this is it.

The present state of our merchant fleet is perilous. A significant contributing factor to the present unsettled conditions in the industry is the continued pressure to "deregulate" by making the industry subject to the full regulation of the Sherman Antitrust laws. The Antitrust Division of the Department of Justice is largely responsible for this state of affairs because it perceives its role as one to monitor the existing regulation under the Shipping Act of 1916 ". . . to ensure that competition is restricted no more than absolutely necessary to achieve the purposes of the Shipping Act." Pursuant to that position, the Antitrust Division has increasingly intervened in proceedings before the agency Congress created to regulate the maritime industry—the Federal Maritime Commission—in an adversary position. I know of no act of the Congress that places this monitoring function in the Antitrust Division and I question whether such a function is in the national interest.

As I have said, the framers of the 1916 Act realized that the international shipping industry is a unique one, compelling separate and specialized treatment from other lines of commerce, both domestic and foreign.

As a consequence of the threat to the viability of the liner segment of our merchant fleet, the Committee is continuing the work it began in the last Congress, and will be considering comprehensive measures which will involve serious examination of the impact of Carnation, Svenska, and their offspring, as well as administrative policies and practices affecting our maritime industry.

Over the past 63 years the Senate Commerce Committee has acquired the special expertise and concern necessary to deal with this uniqueness in the national interest.

Just as importantly, in all these years the Senate has recognized that matters affecting the Shipping Act are best left to the exclusive purview of the Commerce Committee.

If, however, the reasoning of the Judiciary Committee's memorandum prevails, it will be a simple matter to negate 63 years of expertise in maritime matters, and to assure—contrary to the intent of the present law—that antitrust considerations obscure consideration of the unique needs of our shipping industry. Simply draft an amendment to the Sherman or Clayton Act which would repeal section 15 by implication.

As I said at the outset, this is a bad way to legislate, in my judgment. If we do it in the instant case, a similar amendment to repeal section 15 of the Shipping Act will soon follow. I have tried to show the mischief which would occur in that event.

The last thing we should create in the Senate is a super Committee. Important as competition and antitrust principles are, I doubt that any of us would seriously maintain that they should transcend every other consideration in our Nation's economy.

I therefore urge my colleagues to support the position of Senator Cannon and the Commerce Committee.

Mr. STEVENSON. Mr. President, I thank the Senator from Nevada for yielding to me on this question. My purpose is not to address the subject of deregulation of railroads and trucks, but to discuss very briefly the jurisdictional question which the Senator has mentioned.

First, though, Mr. President, the Senator from Massachusetts has commendably brought this issue to the attention of the Senate and the public, and I for one feel that he deserves not only our commendation but our gratitude for having done so.

He, in the last Congress, also was instrumental in bringing the subject of airline deregulation to the Senate, and that effort, which he began with the distinguished Senator from Nevada, ended in success.

This is not a substantive question. There is no reason whatsoever to think that the Commerce Committee, chaired by the Senator from Nevada, is any less sympathetic to deregulation than the Judiciary Committee and the record of the last Congress proves the point. It was the Commerce Committee which did most of the hard work and ended up, by a vote of 13 to 4, reporting out a bill which, with subsequent modifications, became the law and resulted in the gradual deregulation of the airlines industry.

The issue is the question of jurisdiction. I asked to be heard on this matter, Mr. President, not just because I am a member of the Commerce Committee, but because, with the Senator from Nevada, I was one of the authors of the reorganization of the Senate which took place in the last Congress.

One of the objectives of the reorganization was to give the Senate functional jurisdictions, that is to say, jurisdictions of committees over all of the aspects of the subject matter. Then, instead of dealing ad hoc, spasmodically, and piecemeal with such large subjects as energy, the environment, or transportation, and ultimately not dealing with them at all, or certainly not effectively, we could begin to deal with all the aspects of a delicate, multi-faceted issue with committees of the Congress that had jurisdiction over the entire subject matter.

We did not succeed entirely, but we made a great deal of progress. As a result of that effort the Senate ended up with, not a Commerce Committee, but a Committee on Commerce, Science, and Transportation. This is the transportation committee, and this, Mr. President, is a transportation issue. It is not predominantly an antitrust issue.

The reorganization provided that the predominant jurisdiction over transportation is in the new transportation committee, for the reasons which I have mentioned. So the debate about the history, which sides very heavily with the Commerce Committee, is to me largely irrelevant. The relevant history began with the last Congress and the objectives of the Senate in its reorganization.

One of those objectives was to create a comprehensive jurisdiction for transportation in the Commerce Committee. We cannot effectively deal in that committee with trucking without considering rails, and without going beyond that to consider the effect on barges. To produce a balanced transportation policy for the Nation, some committee has to deal with all aspects of transportation and all modes of transportation, and this is the committee, and the only one, in which to do it.

If such a strained interpretation is placed on Senate Resolution 4 and reorganization as to permit a transportation bill to be referred to the Judiciary Committee because it has been drafted in such a way as to require or propose a change in the antitrust laws, then the same strained interpretation would undermine what we did, and did wisely in my judgment. The reorganization would begin to unravel, and, upon the same logic, that committee could claim jurisdiction over aspects of the Federal Communications Act, over merchant shipping, airline and rail economic regulation policies, agriculture, labor-management relations policy, including labor unions, banking, export policies, small businesses, and pipeline regulation—all areas with exemptions from the antitrust laws.

By such strained logic also, and in reverse, Mr. President, the Commerce Committee, with its responsibility and jurisdiction over interstate commerce, could claim jurisdiction over the antitrust laws.

That is not what was intended by the Senate when it proposed Senate Resolution 4 and when it approved its reorganization and at long last created committees with jurisdiction to deal com-

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[1] *Carnation Co.* v. *Pacific Westbound Conference*, (383 U.S. 213 (1966)).

[2] *Federal Maritime Commission* v. *Aktiebolaget Svenska Amerika Linien*, (390 U.S. 238 (1968)).

prehensively with complex, many-faceted subjects such as transportation.

I do not know how this is going to be resolved.

I hope that the bill introduced will be referred by the Parliamentarian to the Commerce Committee, and that he would go beyond the mere drafting of the bill to the intent of the Senate in Senate Resolution 4 and respect what was done, giving our committee not just in this case, but in all cases, the chance to deal comprehensively with such subjects as this.

So, Mr. President, I, with the Senator from Nevada, urge the Senate to do so in order to preserve the integrity of our new organization, and also to enable those of us who want to do it to get on with deregulating these industries. I thank the Senator for yielding.

Mr. CANNON. I thank the Senator from Illinois for his remarks. I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina seek recognition in his own right?

Mr. HOLLINGS. I do, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I thank the distinguished president.

Mr. President, the distinguished chairman of the Commerce, Science, and Transportation Committee on last weekend was speaking in Florida to the Regular Common Carrier Conference. This is the trucking industry. I thought it was a salutary development that the chairman himself would be addressing this group in such an open, frank, and candid fashion with respect to his commitment.

His commitment is to the people of the United States and to a responsible and responsive trucking industry with no premonitions with respect to monopoly, trust, antitrust, rates or against rates, regulate or deregulate. I think it is an outstanding speech in its own right, and I ask unanimous consent at this point that the speech in its entirety be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR HOWARD W. CANNON, REGULAR COMMON CARRIER CONFERENCE—FEBRUARY 3, 1979

It is a pleasure to be your keynote speaker this morning. I couldn't ask for a more distinguished audience. Of course, being distinguished isn't always that desirable. For many motorists in the country, the trucking industry is distinguished more as a nuisance on the highway than the critically vital industry that it is. For the administration, you are distinguished as the best candidate for deregulation. For the States, you are distinguished as a lucrative source of tax revenue.

When I told people in Washington that I was coming down here to talk about trucking deregulation, they all said, "Great Senator, anything you can do to keep the trucks off the roads will be terrific." No wonder the ATA is spending $1 million on a PR campaign to improve its image. Good luck.

I realize that the foremost issue in your minds this new year is the question of federal regulation of the motor carrier industry. This is only the beginning of what I suspect will be a long period of uncertainty for the trucking industry. You are entering the never-never-land of not knowing whether the future will bring less regulation, more regulation, or just continued uncertainty. It is a very uncomfortable position, to be sure.

I am afraid that I will not be able to provide you any relief today from that feeling of uncertainty. In fact, I will probably make it worse. For the fact is that I, and for that matter, the Senate Commerce Committee as a group, have not made up our minds on this important subject. The reason why should be obvious. The issue of trucking regulation is complicated by the enormous complexity of the industry and the vast amounts of conflicting data and studies of it. It is a formidable enough task to learn how the system works, much less make a decision on whether it should be changed.

I am vividly aware of the calls for Congress to demand that the ICC stop its program of liberalizing entry and reducing operating restrictions. I agree with those who insist that any major regulatory changes should be the exclusive prerogative of the Congress. But I also believe that it is in the best public interest to have a statute that can be administered with a substantial degree of flexibility. One has to strain very hard to figure out what is the Congressional intent of a statute that hasn't been significantly modified for 44 years, much less apply that intent to a situation far more complex and sophisticated than the original drafters could ever have imagined.

For those who think an agency has gone too far, there are two sources of relief. The most obvious one, I hardly need to remind you, is the Courts. If ATA keeps filing appeals to ICC decisions at its present rate, we may be able to balance the national budget in filing fees alone.

The other source, of course, is Congressional oversight. In exercising our oversight functions, we are far more concerned with whether the agency is making sound policy than attempting to determine if it is operating within the bounds of the law. The latter is a question for the Courts.

It must be understood that the purpose of oversight is not for a single committee of Congress to tell a particular agency what or what not to do. Rather, it is to determine if legislation of any kind is needed to improve the operations of the government. Oversight hearings present a forum for the agency to explain its activities and the interested outside parties to critically analyze those activities and make suggestions for change.

If, after effective oversight hearings, I conclude that the Commission has gone too far, I will not hesitate to introduce legislation to correct the situation. I am not, however, prepared to condemn any agency action without allowing all the interested parties to present their views in the proper forum. This process takes time—and it should take time. In my twenty years in the Senate I have learned that a "quick fix" to a complex solution almost always leads to disaster and is never satisfactory. The agony of uncertainty about the future is not too high a price to pay for a well-considered resolution of the issue. But don't misunderstand, we will be diligent in dealing with this issue.

One further point in this same vein: I am just as leery of partial solutions as I am of quick solutions. For example, I do not see how it is possible to consider eliminating antitrust immunity for motor carriers without considering any other legislative changes. Nor do I see how one can study entry freedom, without considering the question of rates. This kind of halfway approach leads to the worst of all worlds—one in which we keep the burdens of regulation, but eliminate the benefits.

My hope, then, is that the Congress will be able to take a comprehensive approach to the subject at hand. The Senate Commerce Committee certainly will. We will attempt to weigh the impact of every proposed change on the other elements of the regulatory system. I intend for our consideration of motor carrier regulation to be thorough—but not slow.

I want to share with you some thoughts on one of the arguments which I believe is at the center of this controversy. The motor carrier industry is unlike most other regulated industries: Historically, the principal justification for economic regulation has been that the barriers to entry in the regulated industry are so great that competition could never effectively regulate prices. Classic examples, of course, are the public utility industries which, in the absence of regulation, would be able to gouge the public. These industries are natural monopolies.

Obviously, the trucking industry is far from a natural monopoly. The barriers to entry are by no means insurmountable. Nevertheless, the argument is made that, in the absence of economic regulation, concentration in the motor carrier industry would increase to unacceptable levels. This argument seems to presuppose substantial economies of scale in this industry—i.e., that small carriers cannot compete effectively with larger carriers.

If there are not substantial economies of scale in this industry, then there should be no problem of industry concentration in the absence of economic regulation. For the purpose of argument, even assuming that there are substantial economies of scale, that is far from the end of the debate. If economies of scale do exist, it may be that economic regulation is in fact stifling efficiency in the industry through *under*-concentration.

To explain this point, let's look at another vital industry, for example, the retail food industry. Everyone depends on it, although I admit that not everyone gets equal service and equal pricing. Nevertheless, had we started regulating grocery stores in 1935, we would probably still have a network of "Mom and Pop" stores today. This would mean lots of stores, but a highly inefficient and costly system of distributing food to consumers. Instead, of course, today we have a retail food industry far more concentrated than it was in 1935, but also one that is much more efficient.

The only point I am making here is that there are obviously trade-offs that must be taken into account—trade-offs between concentration and efficiency. We may already have a perfect balance in the trucking industry; however, I personally have not yet reached that conclusion. Let me emphasize that I am not advocating more industry concentration or less industry concentration. I merely feel that these issues must be addressed in detail.

As I already pointed out, the argument that trucking is not a natural monopoly or a public utility and does not need to be regulated like one, seems to be the center of the controversy. If, as the deregulators claim, trucking is not a monopoly, then there are questions of why it should be regulated, what the regulation is supposed to accomplish, and how it should be regulated to accomplish those goals. As the Committee considers this issue, we will be asking the proponents of change to document exactly why the system should be changed, how it might be changed, and what the effects would be.

But we will also be asking the opponents

of change a similar set of questions. Since the ATA is rumored to oppose deregulation, let me outline what some of those questions might be: What is so unique about the trucking industry—or what makes it so different from other industries as to require economic regulation? Why should managers of trucking firms be second-guessed by the ICC on where they should serve and what they should carry? Why can't they make better decisions than the ICC? Why should operating rights have a great deal of value? How much value should they have? For individuals, especially minorities, who want to run their own businesses in this land of opportunity, is it fair for them to have to struggle through the morass of paperwork at the ICC? If the ICC is really granting 98 percent of all operating rights applications, what have been the effects? Why hasn't the system collapsed into chaos? If it hasn't do we really need to worry about the other 2 percent?

In short, as the debate evolves we intend to leave the rhetoric behind and get down to the hard questions.

Of course, any changes in the regulatory structure of the motor carrier industry will have a different impact on different groups. Among them are not only the shippers and carriers, but also the men and women who work in the industry, independent owner-operators, consumers, and other modes of transportation.

I think it is fair to say that the Congress and the trucking industry will be approaching this debate from different perspectives, but with the same ultimate goal in mind. The industry obviously has its own self-interest as its highest priority. The Congress has the best interests of the public as its primary focus. But in so far as the public is best served by a healthy and efficient motor carrier industry, the goals are the same.

I am confident that the trucking industry will be able to present its views to the Congress with a great deal of sophistication. Nevertheless, I will share with you my nominations for the five worst arguments against changes in the regulatory structure.

The winner for the most ineffective argument is the bare-boned assertion that, "Deregulation will result in complete chaos." Invariably, there is never an explanation of why, how, how much, and how long. I am perfectly willing to be persuaded that deregulation would lead to a worse system, but I doubt, quite frankly, that the entire transportation network would collapse. When the ICC expanded the commercial zones, we were told that the result would be chaos. You may not like the changes, but the resulting situation could hardly be described as chaotic. One becomes immune pretty fast to predictions by doomsayers. If you can tell me why there will be chaos and describe what the chaotic conditions would be, that's fine. Otherwise, this is an awfully ineffective argument.

In second place, but a very close runner-up, is the argument that, "We have the finest surface transportation system in the world, so why change it?" If I had a dollar for every time I heard that argument about the airline industry, I would be a rich man today. Just because it is the best system doesn't mean that it can't be better. After all, we have the best medical services in the world, but it would take an awfully callous person to argue that they could not be improved. I personally believe that we made vast improvements in the air transportation system through our recent legislation, even though it was the best system in the world before. In my view, it is even better now. If there is a way to improve the existing system, we should do it.

The third argument that leaves me cold is the assertion that the people proposing substantial changes in the regulatory structure are only motivated by political ambition. Believe me, the last thing any incumbent President or Presidential candidate needs is the organized opposition of 17,000 angry businesses evenly distributed throughout the country in each and every Congressional district, together with the Teamsters' Union. I simply do not believe that there is any great political advantage to be gained from promoting deregulation. Let's be realistic. Most people in the country don't even know that the motor carrier industry is regulated by the Federal government, much less have an opinion concerning deregulation. It is both naive and unfair to perpetuate the myth that anyone in favor of change is out to destroy the transportation industry. I may ultimately not agree with the proponents of complete deregulation, but I respect them for their sincerity and good motivations.

The fourth argument that you might as well make to someone else rather than me is that the air cargo experience is proof that deregulation of surface transportation would be a disaster. It is not. In the first place, the principal lesson from the air cargo legislation is that we should never deregulate prices before entry. Prices were deregulated in November 1977, but entry was not completely opened until a full year later. In those circumstances, it is not surprising that rates increased.

But the most important fact is that although rates have increased by about 10 percent, the volume of traffic has increased at a rate three times that of recent years. Air cargo traffic was up 15 percent last year. In some months, the increase was as high as 25 percent. It is clear that the air cargo industry is adjusting to the supply and demand of the marketplace. The fact that more people are shipping by air even though the rates are generally higher indicates to me that the system was inefficient before. Shippers may be grumbling, but they are also shipping more. As far as I am concerned, for the time being that means the system is working.

The final argument is one that we heard many times from the airlines: If economic regulation is changed, safety will fall by the wayside and unregulated firms will engage in mass slaughter. If we have some serious concerns about safety, they should be addressed whether or not economic regulation is changed. After all, half of the industry is not now regulated by the ICC. If they are unsafe—and there are arguments as to whether regulated or unregulated carriers are safer—we should clean up their act. But it doesn't take ICC regulation to do so, and whether or not ICC regulation should be changed is simply another question.

In short, the winning arguments will be those with substance. We can be persuaded by solid reasoning and hard facts. Our approach to the issues will be comprehensive. We must weigh each proposed reform against all other possible changes and consider the total effect of possible change on other transportation modes. If regulatory changes in the trucking industry produce serious problems for the railroads, then we should rethink proposals for change.

This is why I feel so strongly about sharing jurisdiction to consider regulatory issues with any other committee. The regulatory structure should not be tampered with on a piecemeal basis, especially with respect to pricing practices. Of all of its features, the rate bureau concept is one of the most critical in the scheme of motor carrier regulation. It is astonishing that some believe the concept on antitrust immunity can stand independently of the rest of the regulatory issues.

A comprehensive approach is needed and that is what we on the Commerce Committee will provide. I cannot assure you of the outcome, but I can assure you that we will listen carefully and allow you to make your best case.

Mr. HOLLINGS. Now, Mr. President, with respect to the question at hand on the matter of jurisdiction, you cannot make a more clear, precise statement than our colleague from Illinois. He chaired the committee. He has studied the reorganization provisions. And then he saw them through the last Congress. What we did was really to update. History begins there, in his context, and yet the history of the Judiciary Committee began even before that time in having had to deal with judicial matters.

As chairman of the Subcommittee of State, Justice, and Commerce, of the Appropriations Committee, and having had to deal with the legislative appropriations as chairman at one time of the Legislative Appropriations Subcommittee, I think you ought to really bring into focus what is at hand. There is no better word for it than hegemony. I learned that word last week. That is the exercise of total control over a situation and superimposing power by numbers and by budget.

As chairman of the Legislative Subcommittee in the early days, I learned that the control and power was sought, obtained, and exercised in different ways. Our distinguished friend, the Senator from Texas, Lyndon Johnson, as majority leader, had the good, old arm-twisting approach, absolutely attentive to all the Senators' needs, he worked around the clock with his dynamism, direction, and everything else like that, working, of course, with our friend from South Carolina, Bobby Baker. He had the control.

Then I learned that later the king of the Senate, the Senator from Oklahoma, Bob Kerr, sort of took over with a different twist, making investments, investment counseling, if you please, helping Senator friends make their investments and keeping themselves fiscally sound. He could always call, and the articles went to that effect—I know the distinguished Senator from Arkansas, the present occupant of the chair, knows some of this history as a Congressman from Arkansas, an outstanding Congressman from Arkansas—the king of the Senate could always call on 51 votes.

When I came to the Senate almost 13 years ago, I was told that what you ought to seek is a position on the Judiciary Committee. I asked why that was. They said, "Well, you know, a freshman Senator has a difficult time. He needs staff. He is as understaffed as he can be. He needs staff to keep up with the mail, to investigate, and counsel. As you become senior, you become more involved in senior positions on subcommittees and perhaps even someday a committee chairman. Then you have a staff that you can put to a particular effort. You can really wheel and influence. It is a tremendous assist. But you can cut that short by getting on the Judiciary Committee. Your friend Jim Eastland has learned how to get along even with the philosophical differences of TED KENNEDY of Massachusetts, and all the other Senators that might come upon the Judiciary, because they are immediately given a subcommittee."

If you look and watch it very closely, even the most freshman Senator is given a subcommittee, a director, a counselor,

an attorney, and two secretaries, and he immediately gets five more members on his staff. That has persisted.

I look today and I find our Commerce Committee with all of these particular functions: In science, we took over the entire space function from a full committee and full committee staff and jelled it down into a subcommittee; took over all of transportation, jelled that into surface transportation; airlines, with airline deregulation, went through the Aviation Subcommittee, chaired by our distinguished chairman of the Commerce Committee, the Senator from Nevada.

We have had the rail problems, which go right in. Incidentally, that really makes the very valid point that you cannot just look at the antitrust feature. How can you rule on the railroads without ruling on the airlines, or how can you rule on the trucking industry without some consideration of its impact upon rail transportation?

So it is all interrelated. It is to secure a comprehensive approach to a particular problem, and you put them all under one committee and it is named transportation.

You look at Commerce, Science, and Transportation. We have 92 employees with a budget of $1.4 million. Jump over to the Appropriations Committee, which has all of these. In fact, we have an exception as a result of the many charges that the Appropriations Committee has. For every particular subject there are appropriations. Instead of being limited as you are on any regular committee, the only way we can make up what you call a quorum and get a comprehensive treatment of any particular subject is to have a Senator on at least five subcommittees. We have grown now to a committee of some 28 members, but we still have 75 on the staff and we handle it all. We can take a particular subject, whether it is B-1, or any of these particular items of weaponry coming from Armed Services, and it will go into the Defense Subcommittee. I sat with the chairman, Senator STENNIS, on Appropriations with our House colleagues, in the Defense appropriations markup of a conference report last October. We were all in there reconciling 3,300 items under that one heading.

We do that with a secure staff of some 75. But if you go to the Judiciary Committee, you will find there that they have some 225—and I think they are petitioning now, have sent to the Rules Committee to get the updated amount. They have over 225 employees—I think it is nearer to 300; they are going to have to get an accurate count there—and a $5 million budget. Even the committee itself was ashamed of that kind of shenanigans, and they voted 8 to 7 to cut it back to $5 million. I commend them for their economy-in-governmer t move, realizing the outrageous nature of this proliferation of subcommittees into political fiefdoms that do not even perform, that do not do the work. I say that advisedly, because I am getting now to my real point, why I do call it political hegemony.

I sit there on the Labor-HEW Subcommittee, on the Labor-HEW Subcommittee of Appropriations, that is doing the work of the Judiciary. Because they are not adequately treating it in the Judiciary Committee, we get busing, school desegregation, gun control, ERA, women's rights, abortion, and every kind of judicial subject imaginable. Why? Because the Judiciary Committee, with all of its many subcommittees, is not doing the job.

You will find that they come around, because they are not doing what they are supposed to be doing—interestingly, the one subject selected to try to come in under—a very insidious and very devious way to gain jurisdiction, because I am sure the chairman will point out the negotiations that went on. They have been bringing bills—the distinguished chairman of the Judiciary Committee, the Senator from Massachusetts, has been charging up to the Parliamentarian for the last 8 weeks with his very astute and tricky staff, to say, "How can we doctor this one to get it referred?" So what we have is a total breakdown of the discipline and rule and procedure systems of the U.S. Senate just to grab hold of one thing.

Well, what is the case? What is the case in antitrust? On yesterday, we had a hearing with the Attorney General of the United States. We are trying to economize and we are looking for savings. We cut some $530 million from the FBI budget. That worries us about law enforcement, but we are going to look at that very carefully.

We cut back on LEAA. We have done away with the regional offices there and we are trying to pull in our horns on those particular programs that did not work. We are going to begin to eliminate those. We are starting to cut back on all the other kinds of budget we can think of and we got to these abominable antitrust laws.

I graduated from law school and I have a lawyer friend who married one of these antitrust cases. He handled it for about 16 years and he is retired in Florida today. All you have to do is get hold of one of these antitrust cases and they run on like Tennyson's Brook—on and on and on and on—petitions and hearings, witnesses, discovery, another hearing, another petition, another interrogatory, another discovery.

They said, my memory is a little hazy, but I think the A.T. & T. case, some 11 years ago, started in antitrust. The ITT case started about 7 or 8 years ago in antitrust. And the Attorney General, quite candidly, said, "Look, these cases will go on and on unless they amend the law." We hope those on the Judiciary Committee will begin to do their job and update the antitrust laws and, wherein political decisions are involved, we go ahead and treat them politically.

Example: A.T. & T. The question: Should the monopoly be allowed to compete? Should we have deregulation under the communications policies of our Nation? Should they be able or allowed to cross-subsidize in this competition?

Where is that subject going to be handled? Not really in an antitrust hearing. That is before the Communications Subcommittee. We are just lining out the bill and working with the Republican side to see if we can get a joint measure to deregulate with respect to the telephone communications, computerization, data processing, electronic funds transfers, and everything else; allow A.T. & T. to compete but not cross-subsidize. That is a function where the Judiciary Committee could well come in and say, "It is antitrust," but we would fight them to the wire, because that is a communications function.

Mr. President, we are having now a thrust by the authorizing committee itself, the fundamental Judiciary Committee, coming in on antitrust, of a transportation subject being very adequately handled over the years we have been here with the new Department of Transportation and otherwise, in an interrelated and comprehensive fashion, by Commerce, Science, and Transportation. Yet the real problems of antitrust are not being dealt with; that is my point.

I sit and listen to everything that comes out of that Judiciary Committee, whether it has to do with new judges, the judiciary, FBI, and all these other particulars, programs, including antitrust, and when we got Mr. Shenefield up there, we asked, "Do they have enough money?" And we keep, in that particular budget, trying to bring to a conclusion a particular question on antitrust.

We have the Attorney General saying in all candor that these things will go on, way beyond my time, this administration and the next several administrations.

So the question arises then for the Congressmen, is this a valid approach? Should we actually expand the millions and millions of dollars of corporate and Government lawyers to go around, wherein A.T. & T. and some of the questions, I think are going to be moot by the time the court gets to them.

In other words, we are cutting back on antitrust and we are trying to package, coagulate it, and orchestrate the antitrust laws in the fashion we have now on the books where they would be more responsive and not these interminable proceedings that go on and on, as I have described before, with tremendous waste and such a passage of time that by the time any conclusion is reached, it is not worth anything to anyone.

That is a serious question for the Judiciary Committee. That is not a question for the Judiciary Subcommittee on Appropriations. That is not a question for Commerce, Science, and Transportation. That is not a question for Agriculture, or any of these other things.

But that is what they ought to be, really, addressing themselves to if they really want to get into some of the weaknesses and needs of antitrust, when, in contrast, what do they do? They come in and select a popular subject, with respect to transportation now, where the formative law of the ICC in allowing the ratemaking—Reed-Bulwinkle—and the law back in 1948, and everything else, was referred then to Commerce, not the Antitrust Committee of Judiciary.

They want to change the entire historic pattern of treatment of transportation.

We have had Interstate Commerce Committees since the beginning of time

in the House and Senate and in this Government. That has been the kind of interstate commerce, interstate travel, railroads, highways, and what have you, the defense highway system under President Eisenhower in the mid-1950's, and now all the particular measures with respect to airport noise, pollution, and all, coming up to modern day problems.

Why start now with trying to make a headline rather than headway and have joint jurisdiction?

I have talked, as I say, on antitrust subjects with the Antitrust Division of the Justice Department and never heard the word "truck" mentioned in the years I have been on that subcommittee. I do not know where in the world that came from. They do not have anything to do with trucks.

Go to the Justice Department and they do not deal with that, or anything else in the world.

But now they come here with this oblique attack, trying to gain jurisdiction and, in essence, what do we do if it succeeds?

The former director of our Commerce Committee, now with Judiciary, knows better than any that this is a subject for the Commerce, Transportation Committee.

What we end up with then is that we will have two sets of rules. We have the rules for the 99 Senators, the little "yellow book," who want to go along with the U.S. Senate. Then we have the rules for the Kennedy Senate or the Kennedy hegemony, because we cannot tell where that thing will come from

This is a lawmaking body. So since we passed a law, and Judiciary handles lawmaking, everything could be referred under that guise to the Judiciary Committee of the U.S. Senate. And, if we want it to go through the regular course of consideration as outlined in the "yellow book," we pick up this rule book when he come to the Senate or we go with the Kennedy hegemony or Kennedy Senate and pick up whatever rule book he likes and his staff may choose to use under this strained Parliamentary interpretation that they have any kind of jurisdiction whatsoever over transportation.

They do not have jurisdiction. They know it. They cannot bring it in under antitrust. That is a total distortion.

Talk about the Ethics Committee, where are the ethics on the floor?

If it is not illegal, it is unethical, even to make a request of that kind.

If Senators have to be kept from being tackled from behind on particular subjects before their subcommittees, and everything else like that, by a wild card over here who says we can do lawmaking and I can get the Parliamentarian to rule with me. I just do not think that brings forth stability and a responsive service within the Senate, and a responsible Senate in this instance.

I strongly oppose it. I hope the Senator from Massachusetts will come some time and we can debate this thing, because every Senator knows what is going on. They have a large committee. They have a big staff. They voted now for the $5 million budgeting of it and they are running all over the lot, trying to grab work to do.

My answer to them is to get on with the busing legislation, get on with the abortion legislation, get on with all the gun control and all these other things, when we in Appropriations are just trying to appropriate money, and not get into these formative subjects, that they deal with them adequately so that we in Appropriations will not have these things to contend with, and tell them we have plenty of work we can send down for them to do on ERA and gun control and abortion and busing and integration, and all these other things.

These issues are not any votegetters. We can get more votes to deregulate the trucking industry, but, after all, I am sure they are very conscientious and not looking for votes, but really trying to clarify the antitrust provisions.

Then I ask them to go see Mr. Shenefield, the Attorney General of the United States, and any lawyer with any commonsense in the land, or any judge on the bench, the Supreme Court, or otherwise, and say, "Do these antitrust laws need changing?" Not with respect to a particular industry, just generally speaking, so we can get a conclusion, like in the criminal courts. We said, "You have a privileged position, you have to move these cases, bring them to trial, terminate discovery sometime."

They have to have these fair treatments. Let us do some of that in antitrust work instead of venturing into an entirely new field of trucking that our distinguished colleagues on Judiciary have never really passed a law about in their entire history, and now they want to gain the jurisdiction.

We oppose it and hope we can have full debate and keep one Senate.

I want to serve with the Senator from Massachusetts. It has been a wonderful pleasure serving with him. But if this rule is adopted, then I will have to start attending his caucuses and the Senate caucuses, and get this "yellow book" and his rule book, and see where we will meet and how we will handle things.

I do not know how we get elected to his Senate, really. I think that ought to be considered, if that is the way the Senate will vote. Then there ought to be the Kennedy hegemony rule book on how to grab and run, and take over and pass or kill whatever they have in mind, we know not.

I yield the floor.

Mr. CANNON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, I want to thank the distinguished Senator from South Carolina for his remarks and particularly for inserting in the RECORD the talk that I gave at a conference of ATA last week.

Mr. President, Senator MAGNUSON, as the most senior Member of the Senate and the Commerce Committee, has asked me to inform the Senate that he is fully in agreement with everything that I have said here today. He regrets that he could not be here to state his views personally but wishes it to be known that he strongly supports the Commerce Committee's position as I have stated it to be.

Mr. FORD addressed the Chair.

Mr. CANNON. I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized in his own right.

Mr. FORD. I thank the Chair.

Mr. President, I commend the chairman of the Commerce, Science, and Transportation Committee for bringing this jurisdictional dispute to the Senate floor.

I found him to be competent. I found him to be fair, and I found him to be knowledgeable. He never backs off from anything that he and his colleagues feel is right.

In this case, even though I am a member of the Commerce, Science, and Transportation Committee, I think my colleagues will tell you that when I agree, I agree, and when I do not, I do not. I thought this particular problem and jurisdictional dispute through as best I can from past experience in State government and the almost 5 years now that I have been in the Senate, and I am convinced from reading everything I can read and from past history that Senator CANNON as chairman of this committee is correct. This problem has been a subject of much print, a subject over the last few weeks that the newspaper articles and editorials have commented on one way or the other.

I believe the Senator from Nevada is correct that now is the time to resolve the issue, and the issue must be resolved, in my opinion, on the Senate floor rather than a continued debate through the media. It is time to proceed with the business of committees, to study and to deliberate the issue, and the committee is the Commerce, Science, and Transportation Committee.

I will give some reasons, Mr. President, as to why I support Chairman CANNON.

First of all, it needs to be made clear, I think, that the issue being considered today or discussed today is not a question of where one stands on trucking deregulation. This particular issue is whether or not legislation determining the future of a transportation industry should be referred to a committee by the subject matter or by the statute the legislation is amending.

While I was a member of the Kentucky General Assembly the rules were redrafted to settle the jurisdictional problems. The Kentucky rules are written by titles of the Kentucky Revised Statutes.

The rule in the U.S. Senate is just the opposite. Legislation is referred by subject matter.

Since the legislation in question amends the authority of the Interstate Commerce Commission, which is under the oversight jurisdiction of the Commerce Committee, the Commerce Committee is the committee to which this legislation should be referred.

Just this morning the members of the Commerce, Science, and Transportation Committee held an oversight hearing of the Interstate Commerce Commission's

implementation of the 4R Act. In looking over the proposals for railroad deregulation, I see many issues such as mergers and ratemaking in the railroad industry that should be of interest to the Judiciary Committee.

I wonder, as others I suspect are wondering, if we will face the same problem when railroad deregulation legislation is introduced.

Under the Senate rule XXV, the Committee on Commerce, Science, and Transportation has exclusive jurisdiction over transportation and regulation of interstate common carriers, including railroads, bus systems, trucks, vessels, pipeline, and civil aviation.

The issue is the jurisdiction, that the Judiciary Committee wants to consider only one element of the trucking deregulation, that is, the antitrust immunity for motor carrier rate bureaus should not be considered individually due to the overall impact on the industry and transportation in the entire country.

The Commerce, Science, and Transportation Committee will consider the entire issue of regulation, not just the issue of rate bureau exemptions.

All Members of this body should consider this dispute in terms of the potential impact—and I want to say that again—in terms of the potential impact on future narrow jurisdictional problems. In the future, all legislation will be drafted to get the issue to the proper committee rather than a remedy of the problem through legislation. Can you not just see the chaos that would be here when we start drafting a piece of legislation so narrow that we can get it to our committee or to that committee so that we can study one teeny fraction of it without looking at the total issue so we can make some commonsense judgment as it relates to the regulation of transportation in this country.

Stop and think about the awkward legislation that this body will be considering, legislation drafted for the sole interest and for the sole purpose of jurisdictional purposes, amending one statute to affect another to produce a piece of legislation for your committee. This in no way will produce good legislation.

It is my understanding that the chairman of the Judiciary Committee has requested a meeting of the Democratic Caucus to resolve this jurisdictional dispute. The Democratic Caucus, in this Senator's mind, is not the proper place to vote on this issue. The floor of the Senate is the final arbiter on such issues.

If we are going to open up the Democratic Caucus for such matters, maybe we should consider solving other problems like the subcommittee jurisdiction in the caucus. I understand some other bodies use the caucus method to solve their organizational structures and for this type of purpose.

I just want to leave this last part of my statement in support of my chairman and of the procedure of the Senate: An important issue is at stake here, one which could set a dangerous precedent with implications for any and all future committee referrals.

I urge my colleagues to recognize this point, and I hope the Members of the Senate will consider this issue based on subject matter rather than the statute amendment to determine jurisdictional referrals.

Mr. President, we have heard a lot about proposition 13, we have heard a lot about balancing the Federal budget, we have heard a lot about spending too much money in and around this town. I think the Rules Committee, by the statement of its chairman, is going to take a long hard look at the budgets required by the various committees.

When you take a subcommittee of the Judiciary Committee which has more money requested than the total budget requested for the Energy Committee, I think that subcommittee is in for a lot of scrutiny.

When the Rules Committee says, "We are going to reduce our budget by 6 percent," it indicates to the other committees that they are in for the same type of scrutiny.

Maybe they can substantiate 225 employees, maybe they can substantiate $1.5 million for subcommittees, but they are going to have to prove it.

I think we can stack our committee and its ability and its staff and its request up against any of them.

Therefore, Mr. President, going back to my final point that I made, we must be very, very careful here that we do not set a dangerous precedent, and I hope my colleagues will support this committee not just because the chairman had the courage to come before the Senate and say, "Whoa, we want to wait a minute to see what we are doing here," but I think it is an important issue for the entire Senate to determine so that this dangerous precedent shall not be invoked in its future deliberations.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. I thank the Chair.

I rise in support of the arguments put forth by the distinguished chairman of the Commerce Committee (Mr. CANNON) concerning the referral of a bill to repeal the Reed-Bulwinkle Act of 1948. It is my privilege to serve with the distinguished chairman as a member of that committee. This bill was reported from our committee in 1948. It provides an exemption from the antitrust laws of motor carrier rate bureaus.

Now, as my distinguished colleague from Kentucky has most eloquently set forth, there is something of an issue of committee precedents at stake. If the legislation which is expected to be proposed by the Judiciary Committee is exclusively or even jointly referred to the Judiciary Committee it could set a precedent so that bill referrals will no longer be considered on the basis of substantive content but merely on the cosmetic technical drafting.

This, Mr. President, is contradictory of the spirit of the Legislative Reorganization Act of 1946.

So far as I have been able to determine in discussing the matter with my colleagues on the committee, the Commerce Committee has no predisposition as to the merits of trucking regulation. Rather we, as a committee, are committed to a thorough investigation of the issue, which will include a substantial period of hearings.

It is expected that the administration will soon forward a major motor carrier regulatory reform measure to Congress. The Commerce Committee will then look at the whole idea of motor carrier industry regulation, including the Reed-Bulwinkle Act.

It seems to me, Mr. President, that it it really a matter of common sense. This committee, the Committee on Commerce, has a corporate memory which is invaluable to the body as a whole and, in my judgment, any restrictions of this statute must be made in the context of the whole consideration of the surface transportation industry.

I therefore urge my colleagues to support sole jurisdiction of this proposed legislation such that the Commerce, Science, and Transportation Committee can give it fair and objective consideration in the best interests of the United States.

I thank the Chair.

May I be recognized again?

The PRESIDING OFFICER. The Senator is still recognized.

Mr. WARNER. Mr. President, I ask unanimous consent that a statement by Mr. PACKWOOD be included in the RECORD, a statement which is germane to the discussion on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I thank the Chair.

STATEMENT BY SENATOR BOB PACKWOOD

Mr. PACKWOOD. Mr. President, I fully support the arguments made by Chairman CANNON in favor of referral to the Commerce Committee of my legislation which would, in effect, repeal the Reed-Bulwinkle Act.

The manner in which the motor carrier industry establishes rate levels is a central issue in the economic regulation of that industry. It should not be considered in a vacuum without examining other aspects of the regulatory structure of the industry, and it is the Commerce Committee, not the Judiciary Committee, that has the jurisdiction and the expertise with respect to motor carrier regulation.

In May of 1948, the Senate Committee on Interstate and Foreign Commerce—predecessor of the Committee on Commerce, Science, and Transportation—reported out the bill S. 110 which later became law and today is known as the Reed-Bulwinkle Act. Reed-Bulwinkle provides an antitrust exemption from the Clayton Act to allow the motor carrier industry to operate rate bureaus for the purpose of discussing and proposing rate changes for review and approval by the Interstate Commerce Commission.

It should be noted that the Judiciary Committee did not have either joint or sequential referral of Reed-Bulwinkle in the 80th Congress or in the preceding Congresses when similar legislation was considered.

It is expected that the Judiciary Committee will attempt to gain jurisdiction over the identical subject matter—to repeal Reed-Bulwinkle. In order to build a stronger case for jurisdiction, this proposed legislation has been drafted in the form of an amendment to the Clayton Act without any mention of Reed-Bulwinkle. Mr. President, we must be guided by the specific intent of this legislation—to repeal Reed-Bulwinkle—and not be misguided by the Clayton Act label that appears on the bill.

At this time, it would be appropriate to note that in 1960 and 1969 the Senate Commerce Committee had exclusive jurisdiction over bills which subsequently became law and dealt with limited immunity from the antitrust laws for the aviation industry. Once again, the Judiciary Committee did not share jurisdiction with the Commerce Committee on this issue.

Mr. President, the legislation we are now concerned with will have a tremendous effect on the whole structure of the motor carrier industry as it exists today. Repeal of Reed-Bulwinkle will require additional legislation affecting interstate and intrastate motor carrier operations.

In remarks describing this legislation, Chairman Kennedy of the Judiciary Committee acknowledged that the antitrust immunity issue is tangled with other issues, such as pricing and entry regulation, which are most clearly within the jurisdiction of the Commerce Committee.

Mr. President, if the Committee on the Judiciary were to receive even a joint referral on this issue, a dangerous precedent would take hold. For example, the Committee on Commerce, Science, and Transportation has jurisdiction over "interstate commerce" (Rule XXV(f)(1)(6)). If jurisdiction were as loosely interpreted as the Judiciary Committee would advocate on this matter, the Commerce Committee could demand use of the "Interstate Commerce" and "Rail Transportation" jurisdiction to get into Judiciary Committee bills dealing with "bankruptcy" issues where the entity operates in more than one State or is a motor, water, rail, or air carrier.

Such a bill did arise last year which substantially revised Section 77 of the Bankruptcy Act affecting the Nation's bankrupt railroads. Our Committee respected the jurisdictional lines and offered the Judiciary Committee our assistance and expertise in rail issues for their guidance.

I am open-minded on the merits of repealing the Reed-Bulwinkle Act and am prepared to consider the proposal. However, I feel strongly that it should be considered by the Commerce Committee, in the context of examining the entire regulatory structure of the motor carrier industry, and not by the Judiciary Committee.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. CANNON. Mr President, let me just briefly summarize what I and my colleagues have been saying today.

I again emphasize this is not a dispute on the merits of trucking deregulation. It simply and clearly is a jurisdictional dispute that will have substantial precedential value in this body.

There is no doubt about the fact that the subject matter of the proposed legislation is clearly within the scope of the Commerce Committee's jurisdiction. An overwhelming amount of precedent supports our committee position.

In addition, the Commerce Committee has an excellent record with respect to regulatory reform legislation.

To believe that this committee is in the pocket of the motor carrier industry is both unfair and naive. We are committed to only one thing, and that is to engage in a diligent and thorough investigation of the subject matter, and approach it with a completely open mind, not prejudge the issues that are at stake.

Finally, I again emphasize to my colleagues that the solution of joint referral is not a compromise. The Senate rules call for referral to the committee with jurisdiction over the preponderance of the subject matter, and there is no doubt about the fact that this is the Commerce Committee.

At this point in time it is my hope we can solve this jurisdictional dispute quickly and get on with the business of conducting ou investgation of motor carrier regulation, of rail regulation, of air transport regulation, of water carrier regulation, the entire subject of transportation which falls within the jurisdiction of the Commerce Committee.

Mr. President, I yield the floor.

SENATOR CHURCH'S GOOD WORK AS CHAIRMAN, SPECIAL COMMITTEE ON AGING

Mr. LEAHY. Mr. President, I take this opportunity to commend our distinguished colleague from Idaho, Senator FRANK CHURCH, for his outstanding work throughout his tenure as chairman of the Special Committee on Aging.

Throughout his 8 years as chairman of this committee, Senator CHURCH has provided a clear and effective voice in support of legislation to help our Nation's senior population.

Senator CHURCH has been highly successful in seeing more than half of his measures on behalf of senior citizens signed into law and has never lost a floor fight for the inclusion of amendments to assist the elderly. This legislative effort has resulted in an increase in the cost of living protection for senior Americans through an expansion of social security coverage. Other measures have included reduced air travel fares and an expansion of community civil service jobs.

Perhaps most importantly, during Senator CHURCH's chairmanship, the Special Committee on Aging has grown as an effective legislative focal point for the senior community. The committee provides an invaluable service to Members of the Senate in its information gathering capacity as a storehouse of current research findings on senior citizens and as a forum for members of interested community groups to meet and share ideas and coordinate legislative efforts.

This past session of Congress, Senator CHURCH began a series of hearings on "retirement, employment, and lifelong learning." I believe that this effort has very exciting possibilities for fostering greater understanding of the problems of growing old in America and for initiating appropriate legislative measures to alleviate some of the stumbling blocks we will all face as we plan our careers and our retirement years.

From the day we are born, each one of us prepares for the lifetime ahead and the day in which our life's work will end. Ahead of senior citizens are many problems and worries regarding health, payment of home, food, and utility bills. Senator FRANK CHURCH has provided a deep understanding and sensitivity toward solving some of these problems. Our retirement years will be less worrisome due to his efforts, and Americans will long benefit from his good work as chairman of the Senate Special Committee on Aging.

RECESS

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 1:11 p.m., took a recess for 1 hour.

The Senate reassembled at 2:11 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

JUSTICE SYSTEM IMPROVEMENT ACT OF 1979—S. 241

Mr. THURMOND. Mr. President, shortly before his retirement at the end of the 95th Congress, the distinguished Senator from Mississippi and chairman of the Senate Committee on the Judiciary, James O. Eastland, wrote to the Deputy Administrator of the Law Enforcement Assistance Administration. He closed his letter with the following words:

> I am very proud of LEAA and its many contributions to America. I wish you continued success in the important mission assigned you in the vital field of Law Enforcement.

I share this pride in the accomplishments of LEAA. I also strongly believe that LEAA must continue to play its vital role of assisting States and localities solve their law enforcement and criminal justice problems. It is, therefore, with great pleasure that I again join my colleague from Massachusetts, the new chairman of the Committee on the Judiciary, Mr. KENNEDY, to introduce the Justice System Improvement Act of 1979.

In fiscal year 1978, Mr. President, the Federal Government funneled $77.9 billion to States and localities. In that one year, over $10 billion in Federal tax dollars went for medicaid, $6.8 billion went for general revenue sharing, and $6.3 billion was spent for income maintenance for the poor. The Government also paid significant billions of dollars for such items as highways, waste water treatment, airport construction, and education.

Numerous surveys of public opinion have shown that crime ranks high among the concerns of Americans, particularly those in the inner cities. Yet less than 1 percent of the Federal assistance awarded in fiscal 1978 was allocated to LEAA which is the Government's only program specifically designed to help State and local governments address their law enforcement and criminal justice problems.

In recognition of the importance of dealing with crime, State and local governments have devoted increasing resources to this area. At the same time, however, the LEAA budget has been continually cut, so that in fiscal 1979, LEAA grants will account for only 3 percent of the total allocated to law enforcement and criminal justice at the State and local levels.

The Justice System Improvement Act builds upon the past successes of LEAA,

while also attempting to streamline the program and make it even more responsive to the needs of the governments it assists. I am very pleased that President Carter, who once favored abolishment of LEAA has been convinced of the value of this program and sent to the Congress last July a request for a 4-year reauthorization and restructuring of the current program. The bill submitted by the President, which was introduced at his request in both Houses of Congress, would revise the formula for distribution of funds among the States to assure that more money goes to areas of need. Larger jurisdictions would be entitled to a direct award of a share of each State's allotment. A hold-harmless provision would assure that no State is hurt by the change in the distribution formula.

The administration bill which we are reintroducing today for consideration during the 96th Congress, authorizes an appropriation of $825 million per year for an Office of Justice Assistance, Research, and Statistics. Within this office would be LEAA, the National Institute of Justice, and the Bureau of Justice Statistics. Most of the appropriated funds would go to LEAA, and most LEAA funds would be distributed directly to States and localities. The authorization level is critical to the operation of the formulas in the bill. This fact was acknowledged by the Attorney General and other Department of Justice officials in hearings last summer. Yet I am distressed by the fact that the budget just submitted ignores this fact.

Mr. President, the administration's fiscal year 1980 budget request makes a mockery of the statements previously made by officials in private meetings and public hearings. The President has requested only $546 million for the entire Office of Justice Assistance, Research, and Statistics, compared to the $647 million which LEAA received in fiscal year 1979. If funds separately authorized under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, are deducted, the request for the Justice System Improvement Act falls below $500 million.

Mr. President, I ask unanimous consent that the table comparing the LEAA fiscal year 1979 and the OJARS fiscal year 1980 budgets be inserted in the RECORD at this point:

Without objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF LEAA FISCAL YEAR 1979 AND OJARS FISCAL YEAR 1980 BUDGETS

[Dollars in thousands]

OJARS, fiscal year 1980 request	Amount	Amount	LEAA, fiscal year 1979 actual
State and local administration	$34,800	$50,000	Part B formula.
Juvenile justice formula	30,375	63,750	Juvenile justice formula.
Criminal justice formula	257,408	296,668	Parts C and E formula.
National priority grants	36,301	78,170	Parts C and E discretionary.
General criminal justice grants	36,301		
Training and manpower	3,918	29,168	Training and manpower (including LEEP).
Technical assistance	12,000	12,000	Technical assistance.
Community anti-crime	10,000	7,000	Community anti-crime.
Urban crime prevention	1,000		
Juvenile justice special emphasis	10,125	21,250	Juvenile justice special emphasis.
National Institute for JJDP	5,500	11,000	National Institute for JJDP.
Concentration of Federal efforts	1,000	1,000	Concentration of Federal efforts.
JJDP technical assistance	3,000	3,000	JJDP technical assistance.
Public safety officers' benefits	15,000	2,500	Public safety officers' benefits.
Executive direction	$10,685	$11,730	Executive direction.
Administration services	10,839	12,378	Administrative services.
National Institute of Corrections	9,884	9,920	National Institute of Corrections.
Subtotal	497,936	609,434	
Research, evaluation, demonstration (NIJ).	25,000	25,000	NILECJ.
Criminal justice statistics progress (BJS).	19,643	19,643	NCJISS.
Executive direction	3,768	3,768	Executive direction.
Subtotal	[1] 48,411	48,411	
Total	546,347	647,925	

[1] 551 positions.

[2] 729 positions.

Mr. THURMOND. If approved as requested, grants to States and localities on a formula basis for criminal justice programs would decrease 16 percent from last year; if the cuts in juvenile justice are included, the total drop would be more than 20 percent. This is ludicrous. The administration is recommending action that would assure its own proposal cannot work.

Reduced funding is not the only damage proposed to the LEAA program in the 1980 budget. The law enforcement education program (LEEP), which assists nearly 100,000 criminal justice officials receive higher education each year, would be eliminated. Funding for innovative juvenile justice and delinquency prevention activities would be cut in half, so that it will be extremely difficult to continue important progress in removing noncriminal children from jails and prisons and separating young people in facilities from adults.

In 1976, Congress gave LEAA new responsibilities to assure that there would be program accountability and more responsiveness. The Justice Department responded by closing LEAA regional offices and reducing the already-small agency by 200 people. For 1980, when more direct services will be required of LEAA, another drastic personnel cut is recommended. While the administration is being consistent in its illogical approach, the negative results of this decrease would be severe. I intend to work with Senator KENNEDY to restore to the 1980 budget at least the minimum amount of dollars and personnel necessary to make this program work effectively.

It is obvious, Mr. President, that criminal justice assistance to States and localities is a low priority of the Department of Justice. Congress has recognized that crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively. However, Congress has also reiterated on a number of occasions its belief that the Federal Government should provide constructive assistance to these governments in combating the problem. Enactment of the Justice System Improvement Act, as well as appropriation of adequate funds to implement it, will assure that the prophecies made by some regarding LEAA will not become self-fulfilling.

The Judiciary Committee will begin hearings on the Justice System Improvement Act in the very near future. We will explore some of the past criticisms of the LEAA program, as well as future directions. One myth that I hope we will dispel once and for all is that LEAA was mandated to reduce crime. Similarly, because the crime rate has not gone down during all 10 years of LEAA's existence does not imply that the program has been a failure. With the small amount of funds provided through LEAA, it is amazing that States and localities have been able to make great strides in improving the quality and fairness of justice. I should note that crime has been decreasing in recent years. Should not LEAA be given some of the credit for that if we are going to hold the agency responsible for so many other ills?

LEAA has been severely criticized for being preoccupied with hardware and military-type equipment, being police-oriented to the exclusion of other areas of criminal justice, and not looking into the root causes of crime. Those who make these charges are ignoring the facts and failing to appreciate the history of the program. LEAA was a child of the riots and violent street disorders of the 1960's. Congress mandated special emphasis to these areas by statute. Appropriations were made which earmarked funds for police. LEAA does not buy tanks or shoes that shoot. I find it interesting that the only item resembling an armored car for a police department was purchased in the very early days of the program before an Administrator had taken office; the purchase was approved by Attorney General Ramsey Clark.

At a time when local budgets are tight, there needs to be an emphasis on productivity. Efficient equipment can increase the productivity of the criminal justice system. The bulk of LEAA "hardware" purchases have actually been for computers and bringing criminal justice into the modern era. Mr. President, I doubt that the wives and children of the men whose lives have been saved by LEAA-developed Kevlar vests would be critical of expenditures for such "gadgets."

LEAA has been one of the most carefully scrutinized programs in Congress over the past 10 years. In 1976, there were

18 days of hearings in the House and Senate. The program has been tuned and fine-tuned by Congress so much that the original legislation has grown from 12 pages to 39. Juvenile programing authority was transferred to LEAA from the Department of Health, Education, and Welfare in 1974 because Congress felt LEAA would do a better job. As times have changed, so has the agency. Gains are being made in the areas of citizen participation, evaluation, research, statistics, and apprehension of habitual criminals. LEAA is not an operational agency, but it is showing operational agencies effective methods for utilizing their resources.

One of the strengths of the LEAA program is the planning it has encouraged. Before 1968, it was unlikely that different agencies representing components of the criminal justice system would talk to each other about mutual problems. Now it is recognized that what one component does will affect the others. Not only are they talking, but they are working together with an eye toward future needs. Such total resource planning would not have been possible without LEAA assistance. Of course, planning requires stability to be most effective. I sincerely hope that we can complete our review of this legislation quickly and set the program on a firm footing. Congress has changed signals on State and local officials too many times. We must give them a chance to make the legislation work.

Finally, Mr. President, I would like to indicate my intention to carefully look at what can be done about the most serious criminal justice problem facing the country today—corrections. Nearly every State is facing a crisis because of the overcrowding of jails and prisons. The courts are becoming involved to a greater extent than ever before. Archaic and inhumane facilities must be closed, but alternatives must be available. The Justice System Improvement Act is one of several vehicles that can be used to provide Federal assistance to alleviate some of the bad and unfortunate conditions which now exists.

Mr. President, I now turn to discuss some of the major features of S. 241. My discussion is based on the results of negotiations with Senator KENNEDY and his staff and others and reflects my understanding of those areas where we agree that the administration's bill is in need of revision. It should be noted at the outset that these revisions are based on our knowledge of the LEAA program and represent our best judgment at this point in time as to how the legislation should be amended. This is not to preclude a full review of the LEAA program in the Senate Judiciary Committee hearings which will begin in the very near future.

It does represent, however, an attempt to inform all those concerned with the extension of the LEAA program, and particularly those State and local agencies which carry a major burden with respect to administration of the LEAA program, know that the Senate Judiciary Committee is basically disposed toward a long-term extension of the existing LEAA program, but with such constructive changes and modifications thought necessary to improve its operation and effectiveness. After all, the LEAA program requires significant commitments of resources, both financial and human, to breathe life and meaning into the objectives and goals which Congress has established for the improvement of criminal justice. In fairness, the Congress should give the States and local governments as much lead time as possible to make appropriate plans for continuation of the tens of thousands of on-going LEAA-funded improvement and reform activities.

EXTENSION OF LEAA

The bill as introduced calls for a 4-year extension of the existing program. In my view, this is the absolute minimum. Senator KENNEDY and I agree that a 5-year extension is needed to provide for the continuity of the program. One of the major features of the new bill is to put the planning process on a 3-year cycle. It is only commonsense that this planning activity be carried out in a setting where the program is authorized for a period that will allow long-range comprehensive planning to be conducted meaningfully.

SPENDING CEILING

S. 241 realistically authorizes the funding level of $825 million for the LEAA program. This is a conservative figure and one which does not accommodate the ravages of inflation or other cost increases which would be necessary to keep programs operating at stable levels.

I am acutely aware of the need of fiscal restraint in this era of enormous Federal deficits. However, this request is consistent with that awareness. An effective law enforcement program is a need that goes to the very existence of an ordered and democratic society. LEAA has in the past provided valuable assistance in meeting this necessity. I should point out also that this bill is calling for a decrease of some $50 million from the peak year of LEAA funding, which was $880 million for fiscal year 1975. Therefore, Mr. President, this funding request is both cost effective and fiscally responsible.

Meanwhile, State and local expenditures for criminal justice have consistently increased. In the period from 1971 through 1977, the States' commitment to criminal justice has increased from $9.3 billion to $18.6 billion. Thus, the Federal share is going down and going down substantially.

POLICE PROGRAMS

One of the unnecessary, and in my view harmful provisions of the administration's bill is its feature which severely limits LEAA investment in hardware and equipment. This restriction is totally unnecessary, especially in view of the funding history of the LEAA program. Except for the first year of the agency's existence, LEAA's investment in hardware, primarily involving communications and computer equipment, has never exceeded 10 percent of total action funds available. The limitation in S. 241 simply prohibits most smaller police departments and other criminal justice agencies from effectively participating in the LEAA program. I am agreeable to a retention of the existing provisions on the subject, although I would have preferred to see more emphasis placed on police programs.

COURTS

The 1976 amendments to the LEAA program established a major new initiative to improve participation by State and local courts in the planning, evaluation and action activities of LEAA. This initiative was incorporated into the law through the leadership of the Conference of State Chief Justices and its then chairman of the Federal-State Relations Committee, my distinguished colleague on the Judiciary Committee from Alabama, Mr. Heflin. Mr. Heflin, who was then chief justice of the State of Alabama, worked closely with Chairman KENNEDY in placing authority to insure that courts' needs and requirements would be given higher priority in the LEAA funding process.

Judicial planning committees were authorized or designated for every State and today virtually every State has seen its Judiciary taking advantage of this new authority. Chairman KENNEDY and I agree that this initiative and successful program should be retained.

CORRECTIONS PROGRAM

The administration's bill calls for elimination of the LEAA part E corrections program. To me, this is the most regrettable feature of the bill. I strongly favor retention of the emphasis on what is the most neglected area of State and local criminal justice activities, particularly in these days when inmate populations are dramatically increasing as judges get tougher with career criminals and legislators revise criminal laws to emphasize stiffer penalties. Simple humanity combines with constitutional protection to require that conditions of incarceration be human. With proper Federal assistance, we can better insure that more humane conditions prevail in our correctional institutions.

The response of the administration seems to cut out even the limited amount of Federal aid to State and local corrections while at the same time developing new Federal standards for the States to meet.

The administration's bill also transfers the functions of the National Institute of Corrections to the proposed National Institute of Justice. The only rationale for this move is on the basis of management efficiency, but much more is at stake. The administration has yet to make a convincing case for this transfer. I also find it interesting that in the 1980 budget, the appropriation for the National Institute of Corrections is included under LEAA, rather than the National Institute of Justice.

PRIVATE SECURITY

A major asset and resource available for the prevention and control of criminal activity rests in the private security industry. Private security forces at least equal the number of public peace officers. Increased cooperation and coordination between public and private police and security is badly needed. The LEAA pro-

gram should serve as a catalyst toward this end. I will support authorizing language to give increased recognition and attention to private security.

ORGANIZED CRIME

Section 303B of the Omnibus Crime Control Act of 1968 places a much-needed priority on the development of strategies and programs to prevent and control the scourge of organized crime in this country. The administration's bill, despite the emphasis given last year by the Attorney General to the development of Federal organized crime programs, has unaccountably dropped the LEAA provision. This priority, including the development of information systems, should be retained.

STATE PLANNING FUNCTIONS

A major objection to the administration's bill is its almost total elimination of the central role of the States in comprehensive criminal justice planning. I strongly feel that this role should be retained in the new legislation; however, again we must face fiscal realities and reduce the Federal share so that Federal funds would be matched in the near future by State funds in those States which elect to continue and emphasize their planning functions. At the very least, action funds should be made available to support planning functions to the extent that each State or local jurisdiction sees fit. Reasonable amounts of action funds should be earmarked to support essential planning for and administration of LEAA funds by State and local governments.

SALARY LIMITATIONS

Existing LEAA legislation places fiscal and legal restrictions on the use of LEAA funds to subsidize salaries in operational criminal justice budgets. S. 241 removes these restrictions. A decade of legislative history underscores the soundness of existing limitations. In my view, these existing limitations do not go far enough. LEAA funds should not be used at all to subsidize salaries except for innovative, one-term projects and to support criminal justice personnel undergoing training and education. It is as true today as it was in 1967.

The 1967 House Judiciary Committee report on the original LEAA legislation rightly observed:

. . . he who pays the piper calls the tune.

Long-term salary subsidies could well mean Federal domination and control of State and local criminal justice. It could be the precursor of the establishment of a federalized police force. We want no part of this. It is inimical to our constitutional system where the police function is a prime responsibility of State and local governments and where the Federal police role is strongly limited.

Chairman KENNEDY and I agree that the limitations on salary support should be retained and strengthened.

CRIMINAL HISTORY REGULATION

In 1973, an amendment to the LEAA legislation was added on the Senate floor by Chairman KENNEDY which provided for LEAA regulation of State and local criminal information systems which received financial support from the agency. This amendment was agreed to by the floor managers of the legislation, Senators McClellan and Hruska. The clear intention of all parties involved at the time was that this provision was to be an interim measure which was to be replaced by comprehensive legislation to be enacted within a year.

Almost 5 years has elapsed since that time and the "interim measure" still remains in force. LEAA has been criticized on account of the regulatory role which was placed on it by this amendment. Yet it was authority which LEAA did not seek. The time is long overdue for replacement of this provision and, more importantly, to get LEAA out of the regulation of State and local information systems.

Chairman KENNEDY and I are agreed that this amendment should be replaced. I look forward to working with the distinguished Senator from Delaware (Mr. BIDEN) to develop a comprehensive replacement for the 1973 amendment. Hopefully, this replacement legislation can be considered at the same time as the rest of the LEAA legislation. It should be noted that the 1973 amendment was based on the pioneering work done by LEAA and "project search" beginning in 1969 and also partly came about as a result of a 1970 amendment which Senator MATHIAS added to the LEAA legislation which required the agency to send draft legislation to the Congress.

STING AND CAREER CRIMINALS

An important consideration in the extension of the LEAA program is to insure, if at all possible, that the proven successes are taken advantage of and utilized wherever possible in setting new legislative objectives. Such is the case with the highly successful "sting" and career criminals program. LEAA has funded close to 100 "sting" projects, operations which are conducted jointly with Federal, State, and local cooperation and participation. As a result, tens of millions of dollars worth of stolen property has been recovered and hundreds of criminals have received convictions and prison sentences. Although the 1976 LEAA amendments provided for a special fund to support "sting" activities, this authority still needs additional strengthening. Likewise, the highly successful career criminal program needs to be given a statutory priority and authority for ongoing funding. Chairman KENNEDY and I are agreed that this be done.

ACTION FUND FORMULAS

S. 241 as introduced contains new funding formulas for LEAA action grant moneys. They replaced existing block grant formulas which are based on population. The new formulas are weighted to accommodate crime trends and ratios of employment and expenditure. In addition, larger cities and counties could receive direct entitlements. The bill also has a "hold harmless" provision that assures no State would receive less than its block grant share under the current act.

Mr. President, I have two concerns over these new formulas. First, the administration's budget request does not contain enough money in it to hold any State harmless. Although a few of the larger States and local jurisdictions might receive a higher percentage under the new formulas, in reality they would receive much less money because of the budget cutting done by the administration. Why then is it necessary to go to all these complicated new formulas when the existing ones are simple to administer and when there is not enough money to go around in any event. The chairman and I agree that these formulas should be reviewed closely and reconsidered in the light of the harsh budget realities we are facing. I think we can reach a middle ground here but without resort to the unnecessary complications of the new formulas.

MAINTENANCE OF EFFORT

Existing law contains three provisions which establish a Congressional policy that prohibits LEAA from providing long-term subsidies to operational budgets of State and local criminal justice agencies. This has been a consistent theme from the time LEAA was first established in 1968 through its subsequent renewals. This has been sound policy because it recognizes that crime control is the primary responsibility of State and local governments and that Federal control of the purse strings could lead to a Federal take-over or Federal domination of the institutions that are so crucial to the preservation of our Republic.

I refer to those provisions which require State and local agencies receiving LEAA funding to maintain their current levels of budget support when they have received new LEAA funds and to insure that an infusion of LEAA money would not be used to supplant State and local funds already provided for budgetary support. These provisions, of course, are coupled with limitations on LEAA support for salaries. The administration's bill foolishly strips away these protections and would provide authority for federalization of State and local criminal justice. The chairman and I agree that these provisions, perhaps with some modifications, should be retained, and that the LEAA role should continue to be limited.

RESTRUCTURING LEAA

S. 241 advocates a basic restructuring and down-grading of the agency as it now exists. It would also be brought under the direct authority of the Attorney General, although the LEAA Administrator would have to report through a new layer of bureaucracy to be created in the Department of Justice that is called the Office of Justice Assistance, Research, and Statistics (OJARS).

Two new organizations would be created in OJARS, a National Institute of Justice, and a Bureau of Justice Statistics. Also created would be three new presidentially appointed advisory committees. This scheme is dangerous, foolish, and bureaucratically wasteful. I am of the strong view that there is a need for increased Federal planning, research and statistics to be conducted to support the needs of the

Federal criminal justice system, but this can be accomplished without resort to this bloated bureaucracy. The LEAA program should be independent of Attorney General or Department of Justice control, but I have agreed to compromise with Chairman KENNEDY to leave LEAA in its present relationship to the Attorney General; that is, under his general authority. The chairman and I agree that there is no reason whatsoever to transfer either the law enforcement education program or the public safety officers benefit program out of LEAA to other Federal agencies. We also agree that LEAA or a successor agency should retain its current status within the Department of Justice hierarchy. If a new group is established to look after Federal criminal justice planning, research and statistics, it should be at the same level as LEAA. Any advice that this new group might give to LEAA would be in an advisory capacity. LEAA would retain final authority for grants, contracts, and administration of its program as it does in S. 241. We are also agreed that at the very most, only one additional advisory committee would be needed.

There are two other matters which I feel strongly about and which I hope to be able to persuade the chairman and other members of the Judiciary Committee to adopt. First, the present provision setting aside 19.15 percent of all LEAA funds for juvenile justice should be eliminated or drastically modified. Second, I am very skeptical that the office of community anticrime programs is serving the purpose for which it was created. It should be either eliminated or its mission drastically changed. Grants should not be made which bypass affected local elected officials.

Mr. President, in conclusion I wish to reiterate my strong support for the continuation of LEAA. I expect and trust that we can build on LEAA's record of accomplishment and seek to improve and strengthen the program where experience suggests is necessary. The Senate Judiciary Committeee will begin its LEAA oversight hearings on February 9.

The matters I have discussed today, when taken with the comments of Chairman KENNEDY, will provide the basis for a discussion of the major issues in these forthcoming hearings and that this legislation can be expedited through the committee. As I said at the outset, time is of the essence for the criminal justice agencies and the State and local governments who must continue to administer existing LEAA programs and adapt to the new initiatives and priorities set by the Congress.

Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of S. 241: Senators BAUCUS, DOLE, HATCH, LAXALT, and COCHRAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. THURMOND. Mr. President, I have about an 8- or 9-minute talk here on inflation. I can make it now, or I can defer until Senator KENNEDY takes up a matter that he has in mind. I can proceed now, if it is his desire.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. I have a bill to introduce and a short statement that I want to make on it. I have a plane to catch, and I would appreciate it very much if the Senator from South Carolina and the Senator from Massachusetts would allow me to do that. It will be fairly short, no longer than about 6 or 7 minutes.

Mr. THURMOND. Mr. President, I assure the distinguished Senator from Arkansas I will be pleased to accommodate him in that respect.

The PRESIDING OFFICER (Mr. HEFLIN). The Senator from Arkansas is recognized.

S. 369—CONSUMER AND AGRICULTURAL PROTECTION ACT OF 1979

Mr. BUMPERS. Mr. President, I am introducing a bill today similar to the one that I introduced in the last Congress popularly known among the farmers of this country as S. 2626. The bill I am introducing is almost identical to that of last year.

First, I want to make this point: This morning's Herblock cartoon in the Washington Post was about as denigrating to the American farmer as any I have ever seen, and the Post followed it up with an editorial which was equally denigrating.

I would guess that 90 percent of the American people who have watched the American farmers' demonstration here in Washington over television have been turned off by it. One can hear them ask: "What are those farmers doing? They can't be doing very much, or they wouldn't be holding up traffic driving those expensive tractors around Washington."

You know, those are the same people who thought the Vietnam war demonstrations in the late 1960's and early 1970's were just great. I did not think very much of those demonstrations back then, although I had two sons. I was very much opposed to the war, but I recognized that those people were exercising fundamental rights under the Constitution of the United States, the right to assemble, to speak, and to express their grievances. And those youngsters were saying, "I don't want to fight for America in a war that I do not understand, a war that I believe is not in the best interest of my country."

Although I did not think too much of those demonstrations, I suppose if I had been of draft age I might have been out there with them. They brought the attention of the American people to what was going on in a way that caused a national debate, and the war came to an end, which was God's blessing.

I do know that what some of the American farmers have done has not been in the finest traditions of this country, but the lawbreakers have only been a handful compared to the thousands of peaceful farm demonstrators. Nobody has a right to flout the law, or arbitrarily and indiscriminately destroy property, either public or private.

But the American farmers have come to town to exercise a basic, fundamental right, and they are doing so. They are saying to America that despite what the President said in his state of the Union address about a 25-percent increase in farm income in 1978, and despite the Secretary of Agriculture's statements about an increase of 40 percent—I do not know who is right; there is a 15-percent spread between them—they are saying:

Despite those statements, all our life savings and everything we own are going down the tube, because of the bankrupt agricultural policies of this country.

It is just that simple.

I can name you one commodity raised in my State which is fairly profitable right now. That is soybeans, which are selling for about $7.50 a bushel. These farmers are not asking for subsidies. They are willing to accept a 50-percent set-aside if it will give them 90 percent of parity. All they want is an opportunity to produce and be rewarded for their labor.

The Farmers Home Administration in my State is making almost every farm loan that is made these days, because the bankers cannot get a financial statement adequate enough to make a farm loan. The bankers in my State made all the farm loans until about 2 years ago, but today the Farmers Home Administration is making many of them; and the old rule that you cannot get a loan from the Farmers Home Administration unless you have been turned down everywhere else is now in full play, and many farmers are going to the Farmers Home Administration.

Mr. President, there is not a developed nation in this world that does not do more for its farmers than the United States does, and there is not a farmer in the world who is more efficient than the American farmer is. Yet what is this Agriculture Department, that says the American farmer is greedy and seeking publicity, what are they doing in their official policies? I will tell you what they are doing in my State. They will loan a rice farmer $110 to $130 an acre to make a crop, and in the next column the USDA says it will cost him between $330 and $340 an acre to make a rice crop.

Incidentally, rice right now—and we produce 40 percent of America's total production in my State—is selling at less than the $330 an acre they say it costs to produce it. Where is the greed of a farmer going out and working all year long to get back only a part of what it costs him to produce a crop?

Take cotton. The farmers of my State are losing money on cotton. They can make a bale to the acre, which used to be considered a great crop. Those farmers who made a bale to the acre had a 67-cents-a-pound cost of production, according to the agricultural statistics, and last year cotton sold for 57 cents a pound, a 10-cent differential under the cost of production. Is that greedy?

Take the wheat farmer. I went out to North Dakota and made a great speech—it was a stem-winder—for Jimmy Carter, who at that time was a candidate for President. I told the wheat farmers out there, at the instance of that campaign committee—that was in 1976—that if elected President, he would see that they got at least the cost of production. Well, do you know what the target price, which is generally conceded to be the cost of production, is on wheat right now? $3.40; and wheat is selling for $3.07 right now.

We export these commodities, and bring the farmers in periodically, pat them on the head, and say, "You are the backbone of America; we couldn't make it without you," and we praise the American farmer, and say, "Isn't he great, the family farmer?"

That is what these people are that we have in town now, family farmers. They want their sons to follow in their footsteps, and they are not going to survive long enough to even get their sons through school. Is that greedy?

Mr. President, we depend on the American farmers to curb inflation. We ask them to export, and help us solve our trade deficit problems. Last year they produced $100 billion worth of goods, and we exported about $28 billion of it. If we had not done so, our trade deficit would have been $56 billion instead of $28 billion. They do a great job.

But a combine—and I guarantee you this is a fact—a combine that cost $40,000 on November 1, 1978, will cost you $70,000 on February 1, 1979.

Where are the President's big inflation fighters? They say, "Well, the cost of soybeans is up to about $5.50 or $6 a year."

How do you square that with a 30-percent increase in the price of one piece of equipment?

Mr. President, this bill I am introducing is probably not going to pass. We had about 20 to 30 cosponsors last year, but Bob Bergland does not like it and the President does not like it and that, of course, means it will not pass. But it is a bill that is a good solution to the problem because it does not subsidize the farmer for anything. It will not cost the U.S. Government as much as the 1977 Farm Bill. What it does is allow the farmer to borrow enough money based on an average cost of production to put in his crop. It does not let the Secretary decide what that cost of production would be. There would be an independent 21-person board, 6 of whom would be from labor and consumer groups. They make projections on what the demand for any commodity will be in the ensuing year and there will be a mandatory set-aside of the farmer's land to make sure we do not produce any more than that.

The farmers are willing to accept set-asides and they are willing to take their chances. They would not be getting 80 percent of parity, 90 percent, or any guaranteed percentage of parity in this bill. All he would have to do is to set aside a portion of his crop which he knew was going to be excess.

Mr. President, when we sell the Common Market wheat for $3.07 a bushel they turn right around and sell it to their own people for $7 a bushel.

I made a speech at the University of Zurich in Switzerland last October. I I was sitting at a table with a bunch of bankers after the speech. They were all upset because the biggest item in the Swiss budget last year and this year is agriculture subsidies. They pay their wheat farmers $8 a bushel in Switzerland, and we act like we are doing farmers a big favor by setting a target price of $3.40.

Mr. President, I have heard the administration say that net farm income is up this year 30 to 40 percent. I have yet to understand where they got those numbers—they certainly did not come out of the State of Arkansas. In my State, and in many States across this country, the farmers are struggling to preserve their way of life. And it is little wonder why they feel threatened: Farm prices for most commodities such as corn, wheat, cotton, and rice, still do not cover costs; prices farmers must pay for machinery, fertilizer and other inputs are skyrocketing; Government regulations hamper their operation; and the administration, which pledged to support crops at cost of production levels has become increasingly insensitive.

The farmers have returned to Washington this month with an even greater sense of desperation than we saw last year. Many of them came at great personal sacrifice—many were financed by friends from home. They do not want to be here pleading for help from this Congress. They want to go home. But they cannot. They cannot leave us alone because they cannot plant, cannot harvest, and cannot produce at today's prices. They must have relief.

In addition, farm debt continues to climb at a staggering rate. The farm debt at the end of 1978 was $136 billion—compare that to the increase in farm income of $7 billion which USDA boasts about. The Farmers Home Administration, which only loans to farmers who cannot obtain credit elsewhere, is inundated and bankers say they can make few farm loans, because financial statements are just too inadequate.

The American farmers are not asking for a Government handout nor for a guaranteed profit. They are simply asking for the ability to obtain a fair and reasonable price for the products which they grow so efficiently. Farming is still the greatest risk venture in America today. Our farmers are willing to take those risks. They ask, however, that they no longer be forced to subsidize the American public by receiving less for their crops than it costs to produce them. They no longer want their family and assets to be sacrificed for a policy of cheap food.

In order to remedy this situation some hard commitments must be made. We must commit ourselves to preserve the world's most efficient agricultural producer—the family farmer. We must do all in our power to save that segment of men and women in this country who are the backbone not only of our existence but also the existence of countries who are dependent on our food for their survival.

There are some steps we can take to remedy this situation. We have a farm bill currently which, if implemented to the level which Congress intended could solve many of these problems. I am not speaking about raising all loan levels to 90 percent of parity—but I am advocating an increase in loan levels to at least the USDA's own average cost of production figures. The Administration has the authority to take those steps now. Unfortunately, for our farmers and our country, Secretary Bergland and the Administration have been very insensitive to the farmer's plight.

For that reason, I am introducing today the Consumer and Agricultural Protection Act of 1979. This is a comprehensive farm bill—a vehicle which the Congress can use to strengthen the agricultural economy and provide farmers with a voice in the decisions which affect their livelihoods. This bill provides for a commonsense approach to the problem, a rational approach—one that does not raid the Federal Treasury, one that does not rip off the consumer, but one which will allow the farmer some hope of providing for himself and his family.

This bill has three major components: Long term non-recourse loans based on cost of production prices, mandatory production adjustments, and a National Board of Agricultural Governors.

This last component, the Board would be composed of 21 members; 15 will be representatives of organized labor, consumers, and business. This Board would advise with the Secretary of Agriculture and would be charged with the responsibility of determining what the actual cost of each commodity is each year. Commodities covered by the bill include wheat, corn, grain, sorghum, barley, oats, rice, soybeans, cotton and sugar. The cost of production prices established by the Board would be used as a basis for both guaranteed and direct loans to producers.

Commodities could be added to or eliminated from the program through produce referendums. Because loan rates will in all likelihood be higher under this legislation, the Secretary would be required to announce production adjustments for commodities where supply would be excessive. Mandatory set-asides would be applied equally to all producers.

In addition, a "National Commodity Reserve" would be established for storable commodities. Producers could enter their crops into this reserve for a period of 3 years. A commodity could be removed from reserve if the Secretary determined that insufficient quantities of that were being offered for sale, but only if the market price for the commodity was above the cost of production.

These are the essential ingredients of this bill. It is a bill which can meet the most stringent demands of consumers and can provide the relief we are talking about. I hope the bill will be referred to the Committee on Agriculture, Nutrition and Forestry and that they will treat it with the urgency it needs, deserves and literally demands, if we are going to save the family farmers in this country.

Mr. President, I wanted to get some of this off my chest. I know it may not be the most popular thing for me to do. I know the American people have been watching this on television. I know that people are tired of high grocery prices. That is another story. You could double the prices of every commodity I have mentioned and it would not raise grocery prices a half of 1 percent. That is the biggest hoax that has been put over on the American people. Maybe the people who raise asparagus had a 40-percent increase last year, or the people who raise lettuce and cauliflower.

The farmers who produce the commodities that are the backbone of this country and keep us from having even more inflation than we already have, the cotton, the rice, the soybeans, the corn, the wheat producers who produce about 80 percent of the value of the American agricultural products, I am telling you they are not going to make it. You are not only going to see the American small farmer disappear, but you are going to see the agribusiness of this country and of other countries who are buying significant quantities of land in this country accelerate their purchases. In the long run I believe that 10 years from now I can come on this floor, provided I am here, and say, "I told you so."

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield to the Senator from Arkansas.

Mr. PRYOR. I am deeply appreciative of the Senator yielding to me at this time.

I commend my colleague from Arkansas, Senator BUMPERS, for the introduction of this particular piece of legislation. I would also like to say that I am proud to be with him as a cosponsor of this legislation which last year became known as Senate 2626. It was then known as the Bumpers-Hodges bill. I think it strikes at the heart of the matter that we are about, and comes to grips with some of the problems that we are facing today in agriculture, especially as it relates to the American farm family, those farm families who are going to be an extinct breed of our population unless something is done quickly.

Despite what Secretary of Agriculture Bergland said yesterday, there is no question about the severity of the problem and the critical status of American agriculture.

Mr. President, it is with great pleasure that I join with Senator BUMPERS in sponsoring the Consumer and Agricultural Protection Act of 1979. It is my belief that this bill marks a new era of commitment to the family farmers of our country. This bill is a fair bill. It is a farmer-drawn bill. It is a bill not designed to subsidize the American farmer, but to seek in a comprehensive way what the farmers deserve—a fair return in the marketplace.

There is no question about the severity of the problem in American agriculture. Farmers have been going out of business at the rate of 2,000 farmers a week. Real net cash income in 1978 was 25 percent lower than in 1973. The family farm is threatened with extinction. Today 5 percent of the farms in America control 50 percent of the farm products in our country. Now is the time for us in the Congress to take action to save the backbone of our socioeconomic system—the family farmer of America.

For the past few years the farmer has seen his debt rise to record levels as he finds it increasingly difficult to recover even his cost of production. From the period of 1973 through 1977, the commodity prices actually declined 5 percent while the cost of farmer inputs went up 23 percent. This bill seeks to remedy that situation by establishing price protection for the farmer at the cost of production.

Mr. President, the farmer in America feels totally out of touch with his Government and with the Department of Agriculture, which President Lincoln called the people's department. I think they felt a little more out of touch with the Department of Agriculture after yesterday's statement by the Secretary of Agriculture indicating that basically the people who were here in Washington during this week for this demonstration were greedy, and that there were really no real problems in American agriculture.

I was saddened and I was shocked and I was very disappointed to read and to hear the statement. I hope that he will retract this particular statement that he made because, if he made it, I am certain that he made it after a very bad amount of information was passed on to him.

To remedy this particular situation, to allow the American farm family to once again gain contact with the Secretary of Agriculture within the Department of Agriculture, this bill proposes the creation of a farmer board to advise the Secretary of Agriculture. Mr. President, no one needs advice more today in agricultural matters than the Secretary of Agriculture. He needs advice from the grassroots level, not necessarily from the corporate farms, but from the farm families of America.

Through actual experience, as producing farmers, these representatives, who will comprise this board, can provide an invaluable resource in the preparation of realistic cost of production estimates and in the implementation of this act.

Since 1973, 87 percent of the increase in consumer expenditures for U.S. farm food has been caused by higher food marketing charges.

This alarming statistic reveals that despite the continuous rise in food prices, the farmer's share of the food dollar is steadily eroding. In order to get the farmer back into a position of getting a fair price for his product, this act will provide meaningful long-term loan provisions coupled with a national commodity reserve which will function to free the farmer from much of his vulnerability in the marketplace.

At the same time, the act will assure a fair price to the consumer through the implementation of mandatory release prices for commodities under loans. As overproduction continues to plague the American farmer, the production management feature of the act will bring farm products back in line with consumer demand.

Consumers have been devastated by food prices that spiral upward as farmers see their real incomes plunge to levels where their families cannot even enjoy a decent standard of living. America is looking to Congress to come forward with a workable plan of action. This act offers us an opportunity to salvage the family farm and to protect the American people from the growing menace of higher food prices.

It is my firm conviction that the family farm has been, is now, and must be in the future, the assurance to the American consumer that food will always be plentiful at a fair price.

Also, Mr. President, I ask unanimous consent that a statement from an Arkansas farmer relative to the increase of diesel fuel prices, minimum wage costs, social security costs, interest rates; and the price of fertilizer, herbicides and seed also be printed in the RECORD. These do not include the increases in the costly equipment farmers must have to produce our food and fiber.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

The price farmers get for cotton, and other crops is certainly not keeping up with the rising costs of production. Here are a few examples of price increases for this year:

Diesel—Up 8 cents gallon.

Labor—Minimum wage is up to $2.90 an hour (was $2.65).

Social Security—Up to 12.26% from 12.10%.

Interest Rates—Will be up 1 to 2%.

Fertilizer—Up 5 to 10%, maybe more.

Herbicides—5 to 10%, maybe more.

Example: MSMA $3.20 last year; $3.65 now. $4.25 by crop time.

Seed—Cotton seed is already up $50 a ton, and by crop time it will probably be up more.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Without objection, morning business will be extended for 1 additional hour.

The Senator from South Carolina.

THE FARM SITUATION

Mr. THURMOND. Mr. President, I will yield to the Senator from Colorado in a few minutes, but I want to take several minutes to discuss the farm situation.

To begin, I want to say that I know of no segment of our population in America today which contributes more, and receives less for their efforts, than our farmers. There is talk about farmers making a lot of money, but I want to say that last year we had an inflation rate of 9 percent. The prices of farm products did not go up in proportion to this inflation rate.

Everything the farmer buys has gone up. Machinery has gone up, in some

cases, 700 percent in the last 5 or 10 years. The clothes they buy are up; electricity costs are up. In the last year, for instance, electricity increased 8 percent. Insecticides increased 8 percent, herbicides increased 10 percent, and tractors about 11 percent in 1 year. The farmer just cannot stay in business unless something is done to bring him relief.

It is not a matter of being sympathetic to the farmer, it is a matter of whether we are going to permit him to stay in business. He cannot continue in the business of farming unless something is done to alleviate this situation. I have talked to farmers and I know. I have been out in the fields, I have been on the farms, and I have been in close touch with the people of my State—the business people, the farmers, the textile workers, and others. There is no segment of the population, I repeat, that is harder hit today than the farmers.

The USDA has stated that farm income increased last year. It did go up last year, but we must not forget that the farm debt went up, too. In 1977, the farm debt reached a level of over $102 billion. In 1978, it went up again to over $120 billion. In 1979, as of January 1, farm debt had climbed to almost $136 billion.

The farmers have stayed in business mainly, in the last few years, because the price of land has gone up. This permitted farmers to do one of two things: Either sell off some land to stay in business; or borrow on the value of their land which has increased due to inflation. But just the business of farming itself has not been profitable.

Clemson University, in my State, has made studies on the cost of producing crops. The university has found that it costs a farmer more to produce an acre of cotton than he gets for the cotton. The same thing has been found with corn and wheat. This cannot continue.

I think the time has come when the American people have to realize that if they do not want corporation farms, they must help the family farmer. The time has come when we must face this issue: Shall we pay more for food in the future by depriving the farmer now from making a living. That is why he is in the farming business. He is farming to make a living.

Corporation farms would be formed for the primary purpose of making a profit. There is a big difference there. Corporations go into business for a profit. If they enter the business of farming and if that is the only resource that is left to the American people. I tell you now, the consumers of this country are going to rue the day. They are going to regret it, because food prices then are going to jump high and the American people will pay much more for their food than they are paying today when the individual farmer produces it.

So, Mr. President, it is my hope that Congress will take steps to help the farmers. The Congress is helping the American people when they help these farmers. It is my sincere hope that this will not be delayed, because a lot of these farmers will be forced out of business if this matter continues much longer.

Mr. President, on another subject, Senator KENNEDY has a matter he wants to take up at this time and I will follow him with a few remarks.

JURISDICTION OF LEGISLATION AFFECTING THE ANTITRUST IMMUNITY IN THE INTERSTATE COMMERCE ACT—PART II

Mr. KENNEDY. I thank the Senator from South Carolina.

Mr. President, earlier in the afternoon, members of the Commerce Committee brought to the attention of the Senate the case for Commerce Committee consideration of legislation which I intend to offer that would reapply the Clayton Act to the motor carriers of this country. Members of the Committee on Commerce spoke about the appropriate jurisdiction for that measure. There were some who actually suggested that there was an effort by the Committee on the Judiciary to interfere with the legislative interests, concerns and jurisdiction of the Committee on Commerce.

Clearly, the legislation which I intend to introduce would be found by the Parliamentarian, based upon the rules of the U.S. Senate, to be an appropriate measure for consideration by the Committee on the Judiciary. It seems that the judgment of the Parliamentarian, who rules on these measures dispassionately, on the basis of the rules and precedents of the Senate, would be a wise one if there must be a referral to only one committee.

It seems to me that the discussion earlier today really failed to meet the central issue. The bill which would restore the effectiveness of the Clayton Act in the trucking industry is not solely an antitrust bill, nor is it solely a truck regulation bill. The interest of those of us on the Judiciary Committee was to try to work out some opportunity for the members of the Committee on Commerce to consider that measure and also to permit the members of the Judiciary Committee to consider that measure and, ultimately, to permit the Senate to make a final judgment.

Mr. President, we should not really lose sight of what we are talking about when we talk about the application of the Clayton Act to the activities of motor carriers. Without the antitrust exemption provided by the Reed-Bulwinkle Act of 1948, an exemption which permits motor carriers to fix freight rates that are going to be passed on to consumers in the form of higher prices—if that action were to be taken in any other industry of this country, those who were part of such an agreement, a part of such price fixing, would be sent to jail—imprisoned—under the laws of this Nation.

What happened, Mr. President—and I shall review the history very briefly—was that an antitrust exemption was created to permit those who participate in motor rate bureau decisionmaking to be immune from the operation at the Clayton Antitrust Act. In 1935, Mr. President, the motor carrier provisions of the Interstate Commerce Act were established. Motor rate bureaus also got started around that time, but with no right to fix prices. During the thirties, some motor rate bureaus were involved in price fixing. Those activities were challenged by the Antitrust Division of the Department of Justice, and there were findings that there had been violations of the antitrust laws.

During World War II, the Chairman of the War Production Board granted an exemption from the antitrust laws to motor carriers to permit them to enter into price-fixing agreements. At the end of World War II, that exemption from the antitrust laws ended. But still, a number of the motor rate bureaus went ahead and fixed prices.

A series of prosecutions followed.

Those cases were appealed until finally the Supreme Court indicated in Georgia against Pennsylvania Railroad Co. that carriers who fixed prices were clearly in violation of the Clayton Act and other antitrust laws.

Following that decision, a legislative recommendation was made to the House of Representatives and to the Senate of the United States in 1945 in the form of an amendment, not to the antitrust laws—which clearly would have put this issue before the Judiciary Committee—but to the Interstate Commerce Act. The legislative history is quite clear that this was done in an attempt to circumvent the House Judiciary Committee.

Hearings were held during the next few years, and the antitrust exemption was finally passed in 1948. It was then vetoed by President Truman, but overridden by the 80th Congress.

The reasons for President Truman's veto are compelling, and I ask that his veto message be included in my extended remarks. President Truman recognized the separation between the regulation of the motor carrier industry and the operation of the antitrust exemption, and this is spelled out in his veto message.

There are those that have suggested that it is virtually impossible to consider motor carrier regulation on the one hand, and elimination of the antitrust immunity on tht other. Harry Truman understood that this could be done. Harry Truman, in his statement to the Congress of the United States, well understood this, and the history for the trucking industry for the period of the 1930's and most of the 1940's—when there was no immunity—reflects this as well. That, Mr. President, is the issue that will be before the Senate.

It seemed to me, Mr. President, and to other members of the Judiciary Committee that it was a reasonable request on our part to ask the appropriate members of the Commerce Committee for the kind of joint jurisdictional reference which was utilized in the last Congress over 100 times—over 100 times, and I will include those instances as part of the RECORD. In instance after instance, particular measures were sent not just to one committee, but in some cases to two committees, and in some instances three committees for consideration. This was done in recognition of the fact that, if agreement on joint referral was not

reached, the Parliamentarian would have to rule in favor of one committee over another.

Twenty-four of these bills involved the Commerce Committee itself in joint jurisdiction. It seems to the members of the Judiciary Committee that joint referral would be the appropriate method for consideration of this issue as well. Especially in light of the fact that, according to the Senate Parliamentarian, this is primarily a Judiciary Committee issue.

The fact remains, Mr. President, when we are talking about this particular issue—the ability of motor carriers to fix prices—we are talking not about regulation, but about private action by American industry. Not regulation, but price fixing by firms in an American industry.

The rules of the Senate, on page 30 of the little yellow book that was referred to earlier today, point out that Commerce Committee jurisdiction is over regulation—regulation—of interstate common carriers, including railroads, buses, and trucks.

The Committee on the Judiciary's jurisdiction is described on page 38 of that book: "protection of trade and commerce against unlawful restraints and monopolies * * *" That should be emphasized: Trade and commerce * * * unlawful restraints and monopolies.

Price fixing, Mr. President, falls clearly within the definition of unlawful restraints and monopolies.

Mr. President, over the period of these past days, I have talked to the chairman of the Commerce Committee, the majority leader, and to others, in the hope that this might be an issue in which the Democratic Caucus, the members of our party, might have some interest.

We have had some difficulty in arranging an appropriate time for such a discussion, and now we find ourselves in the midpart of the week prior to the recess having to respond to sudden allegations on the Senate floor. However, it is still my hope that we will be able to work out an appropriate accommodation of the legitimate interests of these two committees.

I would point out, Mr. President, there is no claim by the Judiciary Committee to nonantitrust issues of truck regulation. Those are properly within the jurisdiction of Commerce Committee. We understand that. We respect that. But we must recognize that we are talking here about a different issue. We are talking about price fixing by trucking firms.

Second, Mr. President, in reference to earlier statements made by my friend and colleague, the Senator from Illinois, regarding Senate Resolution 4, it is quite clear that these have little relevance to this jurisdictional issue.

To suggest to the Senate that the passage of Senate Resolution 4 in some way affects or impacts this jurisdictional issue is not a fair representation, considering the specific language and the specific references which the resolution itself provides.

Senate Resolution 4 is retained from the existing Committee on the Judiciary's jurisdiction the protection of trade and commerce from unlawful restraints and monopolies, and other items. It is virtually without any change or alteration from the previous rule, and there was no discussion about any intended changes in the debates surrounding enactment of that resolution.

So, Mr. President, I welcome the opportunity to make these comments.

Mr. President, earlier today the distinguished chairman of the Senate Commerce Committee and several members of that Committee took the floor to challenge the jurisdiction of the Senate Judiciary Committee over proposed legislation to end an exemption in the antitrust laws that permits the motor carrier industry to engage in price-fixing activities for the interstate shipment of goods.

This legislation is simple and straightforward. It would repeal an exemption to the antitrust laws. It would not affect the Federal regulatory system governing motor carriers, nor would it affect the authority of the Interstate Commerce Commission to regulate rates, mergers, or entry into the motor carrier industry.

I have been advised by the Parliamentarian that this legislation is within the jurisdiction of the Judiciary Committee and would be referred to that committee. The Commerce Committee has stated that it intends to challenge that ruling.

I understand and respect Senator CANNON's desire to protect the jurisdiction of his committee. As he stated, the Commerce Committee did act in reporting out the airline deregulation bill in the last session of Congress. It does have an impressive record in dealing with regulation of various segments of our economy.

Nevertheless, it remains a fact that the Senate Judiciary Committee has jurisdiction over the antitrust laws. The proposed legislation deals only with antitrust matters. It is not designed to infringe upon the rights of the Commerce Committee to deal with other aspects of the motor carrier industry.

Mr. President, I announced my intention to introduce this bill on January 22. The reason I have delayed in introducing it on the floor was that I had hoped that we could resolve the jurisdiction dispute without having to have it come to a vote on the floor of the Senate. I am still hopeful that we can come to such an agreement.

In the meantime, I would hope that my colleagues would take the time to examine the following summary of the jurisdictional dispute and outline of the reasons that the bill should be referred to the Judiciary Committee.

BACKGROUND

First. The central issue is price fixing: What has been the effect of its legalization in the trucking industry? Should the full force of the antitrust laws be brought to bear? It is not transportation regulation. It is entirely separable from it and complete unto itself.

Rule 26 states that jurisdictional controversies "shall be decided by the presiding officer of the Senate in favor of the Committee which has jurisdiction over the subject matter which predominates in the proposed legislation." This is why the Parliamentarian has indicated that Judiciary should have jurisdiction.

Second. That this is an antitrust issue was well understood even at the time the Reed-Bulwinkle Act was passed in 1948. Truman vetoed the bill because it was "inconsistent" with the "vigorous antimonopoly program" he had "repeatedly urged upon the Congress."

Third. That the debate was over competition policy and not transportation issues can be found in another portion of Truman's veto message, where he said:

> My disapproval of this bill does not signify opposition to carrier associations as such, or to all of their present functions. Many of their activities are useful and desirable. However, this legislation is not necessary for the continuation of such activities.

Truman understood, as we continue to argue, that many of the things rate bureaus do—collecting and disseminating industry information, publishing tariffs for carrier members, facilitating joint negotiations on rates by carriers who are actually involved in the freight movements under discussion—are legal under the antitrust laws and could continue without antitrust immunity.

Fourth. Rate bureaus existed long before there was antitrust immunity. Railroads used them even before the Interstate Commerce Act was passed in 1887. Justice successfully prosecuted rate bureaus for price fixing when they did so (for example, the Trans-Missouri Freight Association case in 1897).

Fifth. ICC regulations were extended to motor carriers in 1935. Widespread use of rate bureaus to fix prices promoted intensified prosecutions by Justice, beginning in 1940. Justice investigated a rate bureau in Denver for fixing high prices on rates for movement of war materials in 1942. Another large investigation was begun in the Midwest.

Sixth. Antitrust prosecutions and investigations were halted by a certificate issued by the Chairman of the War Production Board in March 1943,[1] pursuant to the Emergency ICC Powers Act, which legalized price-fixing by rate conferences. This order was the basis of the Reed-Bulwinkle Act.

Justice opposed the issuance of the order, for reasons it still argues today:

Rate bureaus effectively deny or discourage independent rates;

Meetings are closed to the public;

Small and large carriers have grossly unequal representation;

Shippers get to make arguments for lower rates only as a matter of courtesy, not as a matter of right, and

Rate bureaus can protest independently set rates.

Justice intensified its prosecutions, with two rate bureau indictments in 1944. Congressman Bulwinkle introduced a bill to legalize rate conferences in 1944, and again in 1945—amended by Congressman Reed.

Seventh. In 1945, the State of Georgia sued 20 eastern railroads, parens patriae, for conspiring to fix rates which discriminated against Georgia. (Georgia

[1] Certificate No. 44, issued pursuant to Public Law 77-63.

against Pennsylvania Railroad Co.) The Supreme Court, in an opinion by Justice Douglas, held that the ICC had no authority to grant antitrust immunity for rate bureau agreements.

Eighth. After lengthy hearings, Congress finally enacted Reed-Bulwinkle in 1948.

Ninth. Pressure for repeal continued:

President Kennedy emphasized the need for increased reliance on competitive forces in his Transportation Message of 1962. He stressed the need for more independent ratemaking.

Ralph Nader attacked rate bureaus and ICC regulation in a 1970 report.

DOT (Secretary John Volpe) recommended repeal of Reed-Bulwinkle in 1971 (Transportation Regulatory Modernization Act) saying: "Rate bureaus and associations have a retarding effect on carrier pricing and service."

DOT drafted legislation in 1974 to curtail—not abolish—the immunity. (Transportation Improvement Act of 1974), and

President Ford proposed comprehensive reform of motor carrier regulation—including repeal of Reed-Bulwinkle—in the "Motor Carrier Regulatory Reform Act of 1976."

REASONS FOR JUDICIARY JURISDICTION

Tenth. Price fixing by trucking companies means that shippers—and ultimately consumers—pay higher prices than they would if there were price competition. Collusion in pricing among independent, competing businesses always produces agreements at rate levels higher than many firms would be willing to charge. Businessmen are often tempted to cooperate with each other in pricing, because collusion is always easier and surer than competition.

Eleventh. Antitrust Subcommittee conducted extensive investigative hearings during last Congress to see if this was the case in trucking. Twelve days of hearings indicated that collusion in ratemaking has produced rate levels which could not be maintained if there were real price competition in this industry. Estimates run as high as $2 billion in excess charges. Large carriers dominate rate bureaus, and large shippers can get special rate discounts. There is little incentive to price independently.

Twelfth. We have no objection to joint referral, but the argument that Judiciary has no jurisdictional interest in this legislation is absurd:

The Sherman and Clayton Acts are the bedrock of national antitrust policy. Amendments to them affect the integrity of that policy. Judiciary must have a say in whether immunities are granted, and it must play a role in determining whether immunity already granted operates in the public interest.

Under the Senate rules, Judiciary has jurisdiction over "protection of trade against unlawful restraints and monopolies." This includes business practices which either are or ought to be illegal under the antitrust laws.

Thirteenth. The fact that the original Reed-Bulwinkle legislation was considered and reported by Commerce is of no significance. Judiciary did not have an antitrust subcommittee until 1951, and was not as active in the antitrust area as it should have been. Moreover, Reed-Bulwinkle was drafted so as to avoid the Judiciary Committee. Although it amended the Sherman and Clayton Acts, it did so indirectly—by amending the Interstate Commerce Act to amend the antitrust laws.

Fourteenth. It would be entirely appropriate for Judiciary to recommend repeal of legislation which originated with Commerce. The most recent precedent for this is the repeal of the McGuire Act (which had granted Federal antitrust immunity to marketing agreements legal under State law). That act was drafted as an amendment to the FTC Act to amend the Sherman and Clayton Acts, and thus was reported by Commerce in 1952. But the repeal legislation—which terminated the immunity—was reported by Judiciary in 1974.

Fifteenth. Senator STEVENSON suggested this morning that Senate Resolution 4, last Congress settled all outstanding issues relating to committee jurisdictions and that bills affecting transportation clearly belong to Commerce.

However: First, the issue here is not transporation or regulation; it is antitrust.

Second, Senate Committee reorganization proposals adopted in 1977 coordinated certain aspects of committee jurisdiction, but left numerous areas in which two or more committees have jurisdiction over broad policy areas: That is, energy, health care, transportation.

Third, antitrust policy in transportation was never an issue in committee reorganization. It was not settled or even argued one way or the other.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of jointly referred bills in the 95th Congress, together with other items which illustrate the issues to this debate.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

140 BILLS JOINTLY REFERRED IN THE 95TH CONGRESS (1977–78)

(24 bills involving Commerce Committee)

Bill and sponsor, title, and committees

S. 6: Dole; Amend the Watershed Protection and Flood Prevention Act; Agriculture, Environment.

S. 24: Inouye; Authorize the widows of certain former members of the armed forces of the United States to use the services and facilities of post exchanges and commissaries; Veterans, Armed Services.

S. 40: Helms; Job Opportunities and Economic Reform Act; Banking, Budget, Human Resources.

S. 121: Biden; Federal Oil Pollution Liability and Compensation Act; Commerce, Environment.

S. 161: Heinz; Bridge Safety Act; Finance, Environment.

S. 182: Kennedy; Federal Tanker Safety and Marine Anti-Pollution Act; Commerce, Environment.

S. 199: Griffin; Conservation Gas and Residential Insulation Credit Act; Finance, Energy.

S. 218: Hansen; Comprehensive Health Care Act; Finance, Human Resources.

S. 268: Leahy; Rural Energy Office Act; Agriculture, Banking, Commerce, Energy.

S. 270: Kennedy; Public Participation in Federal Agency Proceedings Act; Judiciary, Governmental Affairs, with instructions.

S. 277: Mathias; Promote economy, efficiency, and improved service in the financing, administration, and delivery of social welfare service provided for under Federal law; Finance, Human Resources.

S. 370: Javits; National health insurance for mothers and children act; Finance, Human Resources.

S. 383: Hathaway; Financial Disclosure Act; Judiciary, Governmental Affairs.

S. 407: Church; Provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; Armed Services, Finance, Human Resources, Governmental Affairs.

S. 517: Nelson: Federal Employees Flexible and Compressed Work Schedules Act; Governmental Affairs, Human Resources.

S. 687: Magnuson; National Oil Pollution Liability and Compensation Act; Commerce, Environment.

S. 695: Proxmire; Defense Production Act Amendments; Governmental Affairs, Banking, with instructions.

S. 704: Heinz, Energy and Weather Emergency Adjustment Assistance Act; Small Business, Banking, Governmental Affairs, Human Resources.

S. 707: Johnston; Coal Pipeline Act; Commerce, Energy.

S. 790: Domenici; Inland Navigation Improvement Act; Commerce, Environment.

S. 794: Bayh; Juvenile Delinquency in the Schools Act; Judiciary, Human Resources.

S. 807: McIntyre; Small Business Energy Research Incentives Act; Energy, Small Business, with instructions.

S. 868: Case; Terminate the authorization for the Tocks Islands Reservoir Project as part of the Delaware River Basin project; Energy, Environment.

S. 891: Magnuson; Amend section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations; Commerce, Energy, Environment.

S. 897: Percy; Nuclear Non-Proliferation Act; Governmental Affairs, Foreign Relations, with instructions.

S. 901: Bentsen; Pension Simplification Act; Finance, Human Resources.

S. 923: Magnuson; Waterway User Charge Act; Commerce, Environment.

S. 962: Biden; Provide for the disposition of excess campaign contributions held by a defeated candidate for Federal elective office or a retired, resigned, or deceased holder of such office; Finance, Rules.

S. 1071: Hart; Comprehensive Maternal and Child Health Protection Act; Finance, Human Resources.

S. 1185: Magnuson; Interstate Horseracing Act; Commerce, Judiciary.

S. 1187: Magnuson; Comprehensive Oil Pollution Liability and Compensation Act; Commerce, Environment.

S. 1341: Stennis; ERDA Authorization Act—Joint Applications; Armed Services, Energy.

S. 1350: Pell; Amend the National Sea Grant Program Act; Human Resources, Commerce.

S. 1360: Church; Establish an Advisory Committee on Timber Sales Procedure; Agriculture, Energy.

S. 1391: Kennedy; Hospital Cost Containment Act; Finance, Human Resources.

S. 1419: Heinz; Emergency Rail Transportation Improvement and Employment Act; Human Resources, Commerce.

S. 1422: Bentsen; Exclude certain information in rape cases which relates to the victim's sexual behavior; Governmental Affairs, Judiciary.

S. 1432: Glenn; Nuclear Non-Proliferation Policy Act; Energy, Foreign Relations, Governmental Affairs, with instructions.

S. 1493: Hart; Energy Impact Assistance Act; Governmental Affairs, Environment.

S. 1691: Magnuson; Antarctic Conservation Act; Commerce, Foreign Relations, Environment.

S. 1734: Mathias; Amend the Employee Retirement Income Security Act of 1974 to encourage diversification of investment by retirement benefit fund managers; Finance, Human Resources.

S. 1745: McIntyre; ERISA Small Business Paperwork Reduction and Investment Act; Finance Human Resources.

S. 1758: Gravel; Energy Development Act; Energy, Finance, with instructions

S. 1820: Metcalf; Natural Diversity Act; Energy Environment.

S. 1686: Melcher; National Crude Oil Supply and Transportation Act; Commerce, Energy.

S. 1923: Roth; Amend the Consolidated Farm and Rural Development Act and Title V of the Housing Act of 1949 to authorize Federal assistance under such Acts with respect to the installation of solar heating and cooling devices in residential and farm structures; Agriculture, Banking.

S. 1950: Moynihan; Foreign Surveillance Prevention Act; Foreign Relations, Judiciary.

S. 1966: Anderson; National Employment Priorities Act; Banking, Finance, Human Resources.

S. 2003: Helms; International Financial Reform Amendments; Foreign Relations, Banking.

S. 2018: Curtis; A bill to amend section 514 (b) of the Employee Retirement Income Security Act of 1974 to restrict preemption of State law as it relates to employee welfare benefit plans; Human Resources, Finance.

S. 2019: Javits; Delay the effective date for mandatory coverage of multiemployer plans under title IV of the Employee Retirement Income Security Act of 1974; Human Resources, Finance.

S. 2053: Metcalf; Deep Seabed Mineral Resources Act; Commerce, Energy.

S. 2054: Metcalf; Amend the Federal Water Project Recreation Act, relating to the provision of uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects; Energy, Environment.

S. 2084: Moynihan; Better Jobs and Income Act; Finance, Human Resources.

S. 2085: Weicker; Transitional Deep Ocean Mining Act; Commerce, Environment, Foreign Relations, Energy.

S. 2125: Williams; Amend title IV of the Employee Retirement Income Security Act of 1974 to authorize the Pension Benefit Guaranty Corporation to extend, for not more than 18 months, the date on which the corporation first begins paying benefits under terminated multiemployer plans; Finance, Human Relations.

S. 2160: Moynihan; Amend the Employee Retirement Income Security Act of 1974 to provide additional time to study salary reduction and cash and deferred option profit-sharing plans; Finance, Human Resources.

S. 2161: Jackson; Regional Energy Development Act; Banking, Energy, Governmental Affairs.

S. 2168: Stevens; Deep Seabed Hard Mineral Resources Act; Energy, Commerce.

S. 2173: Mathias; Provide for Federal judicial review of the application of jurisdictional guidelines for the state taxation of interstate commerce and for the apportionment of interstate income among the states; Finance, Judiciary.

S. 2189: Mathias; Nuclear Waste Management Act; Governmental Affairs, Environment, Energy.

S. 2214: Williams; Relating to certain lotteries authorized under foreign law; Judiciary, Governmental Affairs.

S. 2279: McGovern; Defense Economic Adjustment Act; Governmental Affairs, Finance, Human Resources, Armed Services.

S. 2292: Packwood; Contract Disputes Act; Governmental Affairs, Judiciary.

S. 2346: Magnuson; Prevent Pollution From Ships; Commerce, Environment.

S. 2420: Sparkman; International Development Cooperation Act; Foreign Relations, Governmental Affairs, with instructions.

S. 2440: Bentsen; Highway Improvement Act; Finance, Environment.

S. 2490: Ribicoff; Regulatory Procedures Reform Act; Judiciary, Governmental Affairs, with instructions.

S. 2515: Hathaway; Require government contractors to establish and operate alcohol abuse and alcoholism programs and services; Human Resources, Governmental Affairs.

S. 2540: Riegle; Food Amendments Act; Commerce, Human Resources.

S. 2541: Cannon; Highway Safety Act; Commerce, Environment, with instructions.

S. 2676: Kennedy; Health Maintenance Organization Amendments; Finance, Human Resources.

S. 2693: Jackson; Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act; Armed Services, Energy.

S. 2737: McGovern; Provide for improved controls over the labeling and inspection of meat and meat food products; Agriculture, Finance.

S. 2750: Proxmire; Consolidated Banking Regulation Act; Banking, Governmental Affairs.

S. 2762: Gravel; National Aquaculture Organic Act; Agriculture, Commerce.

S. 2763: Bartlett; Improve the administration and fairness of provisions relating to employee benefit plans; Finance, Human Resources.

S. 2787: Chiles; Contract Disputes Act; Judiciary, Governmental Affairs.

S. 2862: Haskell; Regulatory Control Act; Governmental Affairs, Judiciary.

S. 2938: Pell; Improve the operations of the national sea grant program; Human Resources, Commerce.

S. 2995: Randolph; Union Station Improvement Act; Environment, Commerce.

S. 3003: Melcher; Amend the Rural Electrification Act of 1936, as amended, to provide for the financing of telecommunication facilities for cable television and other broadband services in small towns and rural areas; Agriculture, Commerce.

S. 3005: Metzenbaum; Citizens Right to Standing in Federal Courts Act; Governmental Affairs, Judiciary.

S. 3017: Williams; ERISA Improvements Act; Finance, Human Resources.

S. 3117: Kennedy; Nutritional Labeling Act; Commerce, Human Resources.

S. 3118: Kennedy; Smoking Deterrence Act; Environment, Finance, Commerce, Human Resources.

S. 3142: Hathaway; Pension Protection Act; Finance, Human Resources.

S. 3168: Dole; Amend the Congressional Budget Act of 1974 to limit increases in total Federal budget outlays and new budget authority to existing real dollar levels; Governmental affairs, Budget, with instructions.

S. 3178: Chiles; Contract Disputes Act; Governmental Affairs, Judiciary.

S. 3182: Talmadge; Amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church; Human Resources, Finance.

S. 3193: Bentsen; ERISA Paperwork Reduction Act; Finance, Human Resources.

S. 3200: Domenici; Congressional Budget and Impoundment Control Act Amendments; Budget, Governmental Affairs, with instructions.

S. 3209: Proxmire; State Community Conservation and Development Act; Governmental Affairs, Banking.

S. 3229: Glenn; Postal Service Amendments Act; Governmental Affairs, Commerce, with instructions.

S. 3230: Humphrey; Amend title 5 of the United States Code to provide that a former spouse of a Federal employee who had been married to such employee for ten years or more shall be entitled to a portion of such employee's annuity; Governmental Affairs, Foreign Relations.

S. 3277: Danforth; Small Communities Act; Budget, Governmental Affairs, with instructions.

S. 3309: Cranston; Indochina Migration and Refugee Assistance Amendments; Foreign Relations, Human Resources.

S. 3316: Anderson; Clarify the application of Revenue Ruling 69–502 and 76–259 to profit-sharing plans and defined benefit plans; Human Resources, Finance.

S. 3317: Bellmon; Provide for Health Warning Labels on alcoholic beverages and cigarettes; Human Resources, Commerce, Judiciary.

S. 3337: Chiles; Terminate, in the year 1979, further construction of the Cross-Florida Barge Canal project; adjust the boundary of the Ocala National Forest, Florida; Agriculture, Environment.

S. 3343: Percy; Reorganize and clarify the responsibilities of Federal agencies, Congress, and the States with respect to management of nuclear waste; Energy, Environment, Governmental Affairs.

S. 3403: Bellmon; National Student Loan Bank Act; Human Resources, Banking.

S. 3408: Inouye; National Aquaculture Policy Act; Agriculture, Commerce.

S. 3423: Brooke; Disaster Relief Amendment; Environment, Small Business.

S. 3531: Biden; Motor Vehicle Theft Prevention Act; Commerce.

S. 3552: Leahy; National Rural Development Bank Act; Banking, Agriculture.

S. 3597: Durkin; Comprehensive Liquefied Energy Gas Siting Safety and Liability Act; Energy, Commerce.

S. 3631: Kennedy; Direct the Secretary of the Treasury to prepare reports on certain loans advanced by domestic banks in countries the governments of which engage in gross violations of internationally recognized human rights; Foreign Relations, Banking.

[From the Public Papers of the Presidents of the United States, Harry S. Truman, January 1 to December 31, 1948]

VETO OF BILL TO EXEMPT CERTAIN CARRIERS IN INTERSTATE COMMERCE FROM THE ANTITRUST LAWS, JUNE 12, 1948

To the Senate:

I return herewith, without my approval, S. 110, a bill "To amend the Interstate Commerce Act with respect to certain agreements between carriers," because it would permit an important segment of the economy to obtain immunity from the antitrust laws, and would do so without providing adequate safeguards to protect the public interest.

This bill would authorize exemption from the antitrust laws for any carrier acting in concert with one or more competing carriers in the establishment of rates and related matters, if the Interstate Commerce Commission approves the procedural agreements under which such action would be taken. The Commission would be required to approve these agreements if it should find that exemption from the antitrust laws would be in "furtherance of the national transportation policy."

Under this bill private carrier associations and rate bureaus, free from the restraints of the antitrust laws, could exercise broad powers over most forms of domestic transportation, including railroads, trucks and busses, water carriers, pipelines, and freight forward-

era. Carriers could agree privately among themselves upon the rates to be filed with, or withheld from, the Interstate Commerce Commission. Acting through these bureaus, groups of carriers could exercise a powerful deterrent influence upon the filing by an individual carrier of proposed rates which might benefit the public.

The exercise by private groups of this substantial control over the transportation industry involves serious potential harm to the public. Transportation rates affect the cost of goods as they move through each phase of production—from raw materials, through finished products, to the consumer. Power to control transportation rates is power to influence the competitive success or failure of other businesses. Legislation furthering the exercise of this power by private groups would clearly be contrary to the public interest.

My disapproval of this bill does not signify opposition to carrier associations as such, or to all of their present functions. Many of their activities are useful and desirable. However, this legislation is not necessary for the continuation of such activities.

No legislation giving a major industry immunity from the antitrust laws should be enacted unless adequate alternative safeguards are provided for the public interest. This measure fails to provide such safeguards. Even the limited safeguards incorporated in the bill as originally passed by the Senate are omitted from the bill in its present form. It would require the Interstate Commerce Commission to approve any agreement which it finds to be in "furtherance of the national transportation policy." This is a vague and general standard and is manifestly neither adequate nor appropriate as a criterion for waiving the protection afforded the public by the antitrust laws.

Furthermore, the Commission would be placed in the position of applying this general criterion to the basic procedural agreements without being able to foresee fully the nature and effect of the joint actions which would be taken thereunder. Nevertheless, the exemption from the antitrust laws would extend to these subsequent actions without the necessity of further Commission approval. It would extend, moreover, even beyond the parties to the basic agreement to any "other persons" who participate in such actions.

Even though transportation rates are subject to regulation by the Interstate Commerce Commission, the public interest nevertheless demands that the general national policy of maintaining competition continue to be applied to this industry. Our present transportation policy contemplates a pattern of partial regulation, within the framework of which the pressures of competition will remain substantially effective. Regulation cannot entirely replace these competitive pressures. It can guard against some of the potential abuses of monopoly power, but it cannot be an effective substitute for the affirmative stimulus toward improved service and lower rates which competition provides. By sanctioning rate control by groups of carriers, this legislation would represent a departure from the present transportation policy of regulated competition. This, I believe, would be a serious mistake, with far-reaching effects on our economy.

Antitrust cases are now before the courts challenging some of the very activities which would be covered by this bill. Pending judicial clarification of the issues raised in these proceedings, it would be inappropriate to provide the immunity proposed by this bill.

I have repeatedly urged upon the Congress the necessity for a vigorous antimonopoly program. This bill would be inconsistent with such a program.

For these compelling reasons, I find it necessary to withhold my approval from the measure.

HARRY S. TRUMAN.

NOTE.—On June 17 the Congress passed the bill over the President's veto. As enacted, S. 110 is Public Law 662, 80th Congress (64 Stat. 472).

[From the New York Times, Feb. 1, 1979]

TRAFFIC JAM ON TRUCK DEREGULATION

It has all the markings of petty Congressional politics—two powerful Senate committee chairmen, each demanding the right to draft legislation to increase competition in the trucking industry. But appearances deceive. The current contest for committee jurisdiction between Chairman Edward Kennedy of Judiciary and Chairman Howard Cannon of Commerce is the opening battle in a bloody Congressional war over the deregulation of trucking.

Senator Kennedy, following the advice of both liberal and conservative economists, wants to eliminate the antitrust exemption that allows truckers to set rates jointly. Barring price-fixing would not by itself guarantee competition—routes must also be opened to all—but it would be a notable first step. After notice from the Senate parliamentarian that jurisdiction would be granted to the friendly Judiciary Committee, Mr. Kennedy announced plans to press for legislation.

Senator Cannon, however, has other ideas. Arguing that Chairman Kennedy is empire-building, he insists that jurisdiction be granted to his Commerce Committee. The Senator from Nevada asks his colleagues to crush Judiciary's imperialism before their own domains fall to the Massachusetts aggressor.

Senator Cannon is under heavy pressure from the Teamsters and the trucking industry to block deregulation. If Commerce gets jurisdiction, he should be able to bottle up the deregulation challenge and never report out any bill. That would please the trucking industry and a large number of senators who would prefer to avoid a public stand on so controversial an issue.

The best hope for a fair hearing for deregulation this year lies in the swift intervention of Robert Byrd and Howard Baker, the Senate's majority and minority leaders. Under Senate rules, they alone have the right to propose a compromise that would let both committees hold hearings and write legislation. If they act now, it is likely that the Senate will have an opportunity to decide the question on the merits. If they don't, the reform effort is likely to be smothered, at least temporarily, leaving the $100-billion industry free to continue charging what the traffic will bear.

[From the Boston Globe, Jan. 29, 1979]

A COLLISION OVER TRUCKING

The public may get an early reading this year on exactly how committed the US Senate is to stemming inflation when that inflation benefits powerful private interests. The test would be posed by a vote on the question of whether the Senate Commerce Committee or the Senate Judiciary Committee receives jurisdiction over a bill to end the trucking industry's antitrust exemption. While the matter may seem technical, the Senate's decision could substantially influence the future of trucking deregulation—with its potential benefits for consumers.

The jurisdictional fight pits Sen. Edward M. Kennedy, chairman of the Judiciary Committee, against Sen. Howard Cannon, the Nevada Democrat who chairs the Commerce Committee. While Kennedy has expressed a willingness to support a "joint referral" to both Committees, Cannon has balked at this notion. The issue may come before the full Senate this week for resolution. And more is at stake than committee "turf."

Kennedy is a supporter of trucking deregulation; in fact, he is the author of the legislation ending the antitrust exemption at the center of current fight. Cannon says only that he has an open mind on the subject; the American Trucking Association and the Teamsters Union are lobbying the Senate furiously for referral of the bill to the Commerce Committee.

In a less political environment, the matter might be considered a parliamentary question. And in that regard, it is interesting to note that the Senate parliamentarian has ruled that the legislation should be sent to Kennedy's committee. And properly so. Other elements of comprehensive trucking deregulation—those involving Interstate Commerce Commission's regulation of routes and entry—are within the jurisdiction of the Commerce Committee. But the Kennedy legislation, which would overturn the current government sanction of private agreements between truckers on pricing, is clearly an antitrust measure.

It is true that the exemption to the antitrust statutes, enacted in 1948, was attached to the Commerce Act. But that was only an effort to end-run House Judiciary Committee chairman Emmanuel Cellar, who was opposed to such doings. And it is true that the Kennedy bill would affect a particular sector of commerce. But any antitrust legislation does that. And the Senate has given the Judiciary Committee responsibility for antitrust legislation no matter what sector of the economy it affects.

As the current parliamentary fight reveals, trucking deregulation will be a tough battle. The $30 billion industry is well organized. And both labor and management gain from the anticompetitive aspects of the business. Only the consumer loses. A decision by the Senate to refer the legislation exclusively to the Commerce Committee would not only violate common sense, it would be a sign that the Senate is not anxious to make the fight to restore competition to the trucking industry.

[From the Wall Street Journal, Jan. 30, 1979]

SENATE POWER STRUGGLE MAY DECIDE FATE OF ATTEMPT TO DEREGULATE TRUCK RATES

(By ALBERT R. HUNT)

WASHINGTON.—The outcome of a high-level Senate power struggle may decide the fate of legislation to deregulate truck rates.

On one side is the Commerce Committee, its chairman, Sen. Howard Cannon, (D., Nev.), and its ranking Republican, Sen. Bob Packwood of Oregon. On the other side are their counterparts on the Judiciary Committee, chairman Edward Kennedy (D., Mass.) and ranking Republican Strom Thurmond of South Carolina. Both sides are claiming jurisdiction over a proposal to end the joint setting of freight rates by truckers.

The issue goes well beyond mere personal or jurisdictional disputes. The Commerce Committee and Sen. Cannon are considered friendly to the trucking interests and unlikely to adopt any sweeping legislation. On the other hand, Sen. Kennedy and the Judiciary panel are considered hostile by the trucking industry and are likely to enact significant antitrust legislation in this area.

Thus, the trucking-industry lobbyists have been hard at work to keep the issue out of the Judiciary Committee's hands. Some of these trucking interests hope the deregulation legislation then would die a quiet death in the Commerce panel.

The issue probably won't be resolved until next week when the Senate parliamentarian is expected to rule with Sens. Kennedy and Thurmond. But unless a compromise is reached, the Commerce Committee leaders have indicated they'll take the unusual step of appealing this ruling to the full Senate, where a bitter contest would likely ensue.

"INTEGRITY" OF SYSTEM

In recent letters to all their Senate colleagues, both sides, in dire tones, warned that the issue touches on the "integrity" of the Senate committee system. The substantive issue of the legislation's fate was barely touched upon, although intensive lobbying efforts are marking that point.

In their letter, Sens. Cannon and Packwood said legislation introduced by Sen. Kennedy to end the antitrust exemption for setting truck rates would have a "profound impact upon the trucking industry" and "dramatically change the scope and nature" of the Interstate Commerce Commission. The truck lines must get permission from the ICC to put the rates into effect.

They further noted that the original 1948 bill, granting the truckers an antitrust exemption, was handled exclusively by the Commerce Committee. "It would be unprecedented for the legislation introduced by, considered by, and passed by one committee to be referred to an entirely different committee for its repeal," the senior Commerce Committee Senators insisted.

UNLIKELY DUO

In response, the unlikely political duo of Sens. Kennedy and Thurmond relied heavily on the anticipated favorable ruling of the Senate parliamentarian. The proposed legislation, they noted, "does nothing more than repeal the existing antitrust immunity for price-fixing for the motor-carrier industry," and cited other instances where antitrust legislation had been enacted by a separate committee and then repealed by the Judiciary panel.

Apart from the antitrust matters, the trucking-deregulation issue also entails the ICC's control of competitive routes and entry. Here, both sides agree the jurisdiction lies with the Commerce Committee. Sens. Kennedy and Thurmond said they even would be willing to let both committees consider the antitrust provisions.

But that, so far, is unacceptable to the Commerce Committee and the trucking industry. "Sen. Cannon wants sole jurisdiction and we're supporting that position," said John Kinnaird, the top lobbyist for the American Trucking Associations. Insisting that the industry doesn't want to kill any legislation, Mr. Kinnaird added, "The Commerce Committee has an open mind . . . also we think they have more expertise and the issue should be treated by people who know what is involved."

With the stakes high, Mr. Kinnaid acknowledged the truckers are going all-out to win this jurisdictional fight. "We've contacted about every Senator," he said. The industry fears the type of legislation Sen. Kennedy proposes and worries that if it goes to the Senate floor, it might build momentum for the other aspects of trucking deregulation.

The industry, with the quiet assistance of the Teamsters union, is politically powerful, as the truckers are generous financial contributors to political campaigns. But the other side has clout, too. Sen. Kennedy has forged a deregulation coalition, with membership ranging from the National Association of Manufacturers and the American Conservative Union to consumer activist Ralph Nader and Common Cause, the self-styled citizens lobby. The Kennedy bill also has the support of the Carter administration.

To some extent, the current feud is a replay of the struggle over airline deregulation. Although the antitrust issues were minor, Sen. Kennedy held a series of hearings, over Sen. Cannon's objections, to build pressure for airline deregulation. Sen. Cannon eventually relented and supported an airline bill, which passed Congress and was signed into law last year.

[From Time magazine, Feb. 5, 1979]

TRUCKING WAR—DEREGULATING THE HIGHWAYS

What cause could possibly unite Ralph Nader, Inflation Fighter Alfred Kahn, the National Association of Manufacturers and the American Conservative Union in enthusiastic support of Teddy Kennedy? Of all things, deregulation of the trucking industry, which is likely to ignite one of the hottest fights in Washington over the next year or two. Stealing a march on the Carter Administration, the Massachusetts Senator last week outlined a bill to repeal the antitrust exemption that for the past 30 years has enabled groups of truckers to get together and set freight rates. As new chairman of the Senate Judiciary Committee, Kennedy has jurisdiction over antitrust matters, and perceiving deregulation to be a popular cause, he is eager to lead it. Illustrating his consummate political showmanship, he managed to get Nader, Kahn and officials of the N.A.M. and A.C.U. to join in blessing his effort.

More than showmanship will be needed to strip away the cocoon of regulations that has kept the trucking industry insulated from competition. Kennedy's bill, which will be followed by one being drafted by the Carter Administration, is only one step in that campaign, a key part of the Administration's anti-inflation drive. Many regulations will have to be torn down by their creator, the once lethargic Interstate Commerce Commission.

The ICC will face far fiercer opposition than the Civil Aeronautic Board encountered when it carried out its successful deregulation of airfares last year. Alfred Kahn, as CAB chief, had to deal with only 26 airlines, and some of the biggest backed deregulation, judging correctly that lower fares would tempt more people to fly and actually increase their profits. The ICC must contend with 16,600 regulated truck lines—at least one in every congressional district, truckers like to point out—and most are united in the belief that lowering rates and letting new firms enter the business will not generate more cargo, but only cut profits for everybody. The Teamsters Union stridently opposes deregulation too; the 300,000 members covered by its master freight agreement have won fat wage and benefit increases that truck lines have been able to pass on to customers by posting rate hikes rubber-stamped by the ICC.

But under its new (since April 1977) chairman, A. Daniel O'Neal, 42, the ICC is now solidly for deregulation. A soft-voiced, informal lawyer (he wears shortsleeved shirts even in January) from Bremerton, Wash., O'Neal learned the ICC's operations as a consumer-minded staff member of the Senate Commerce Committee. He was named to the then eleven-member ICC (since reduced to six) by President Nixon in 1973, but it was not until Jimy Carter made him chairman that he drew a bead on the set of regulations that had almost stamped out price competition in trucking.

The ICC was given jurisdiction over trucking by Congress in 1935. During the next four decades the ICC proceeded to put trucking into the same straitjacket that it had fashioned for railroads. Truck routes were spelled out in minute detail. New lines were permitted to enter interstate trade only if they could prove they would provide a service that existing carriers could not. Thanks to an antitrust exemption granted by Congress in 1948, truckers have been allowed to set their own rates, and they have prospered greatly. Indeed, over the past eight years the eight largest truck lines have earned an average of more than 20 percent a year on shareholders' equity, a return higher than that enjoyed by the leading firms in such high-profit industries as oil refining, auto, drug and computer manufacturing.

O'Neal has been moving to dismantle this structure. The ICC has abolished a rule preventing companies that haul their own goods—Sears or Safeway, for example—from picking up cargo from other shippers. Partly because this rule forced company trucks to return empty from hauls between warehouse and factory or store, one of every ten truck-miles driven in the U.S. has been "deadheaded." O'Neal has further decreed that organizers of a new truck line need prove only that they will "serve a useful public purpose" to be allowed to operate. He has also scrapped an ancient ICC dictum that a line could contract to haul the goods of only eight shippers. This "rule of eight" froze many small shippers out of trucking contracts; truckers were reluctant to sign up a small shipper when they might get a bigger one.

Most important, the ICC last fall turned down a rate increase proposed by the southern trucking conference that would have allowed the lines involved a 23.96 percent annual profit on stockholders' equity, and approved one that will hold the return to 14.78 percent. Its reasoning: truckers should not get a return greater than the average for manufacturers. That ruling is still sending shock waves through the industry, and O'Neal expects a lawsuit over it. Undaunted, he wants to set maximum and minimum charges and within those limits allow truckers to post any rates dictated by competition.

That will require legislation—either Kennedy's bill or one that the ICC and the Administration are drafting—and it will be hard fought. Truckers contend rate freedom will lead to cuts that will bankrupt small lines, which will be gobbled up by big ones that will then raise rates higher than ever and cut off service to remote towns. A new truckers' lobby called ACT (for Assure Competitive Transportation) has circulated petitions calling for O'Neal's resignation, a demand that Teamsters President Frank Fitzsimmons echoed in a letter to President Carter in mid-January. But Wall Street seems persuaded that some form of deregulation is inevitable—many once high-rolling trucking stocks have fallen sharply—and indeed the American Trucking Association is defensively drafting its own, as yet extremely vague, deregulation plan.

Getting a deregulation bill through Congress may take three years. Prospects are brighter for a 1979 bill giving railroads more freedom to set rates; railmen are for it. Interestingly, O'Neal doubts that rail deregulation will do much good. He fears that it would be used to hike rates, not cut them, and considers trucking deregulation more important. Since trucks haul just about everything that Americans buy or sell, he is probably right.

[From the Los Angeles Times, Jan. 31, 1979]

ROUGH ROAD, BUT IN THE RIGHT ONE

For nearly a century, the federal government has regulated the carriers of the nation's freight—first the railroads, then the truckers—deciding who could carry cargo, who could not, and what price the shipper must pay.

Until recently, regulation was presented, and usually accepted, as a means of protecting shippers and consumers. In fact, freight regulation has been, from the start, part of a cartel—rigged against competition, with railroads and truckers fixing prices and the government making them official. Even shippers, for whom regulations mean higher freight

rates, supported the system because it seemed to assure a stable freight network on which they could rely.

Now a long campaign by transportation economists, consumer groups and growing numbers of shippers has gathered enough support so that deregulation seems inevitable. The only question seems to be how long the powerful combination of truckers and teamsters can fight off the campaign in Congress.

Bills to relax federal controls of both railroad and trucking operations now are before Congress. Although giving railroads more freedom to set rates and decide whether traffic justifies maintaining services over some routes is controversial, it is not as explosive as the issue of trucking regulation.

Against the trucking lobby, deregulation might be hopeless except for the three factors: the successful deregulation of U.S. airlines last year, a recognition of the fact that high transportation costs feed inflation, and a spreading revolt among all businessmen, including shippers, against regulation of any kind.

Some economists estimate that regulation adds as much as $4 billion a year to the cost of merchandise, both as a result of price-fixing and of Interstate Commerce Commission regulations like one that forces trucks making deliveries for their own companies to go home empty rather than haul the freight of other companies on the return run.

The ICC, prodded by the White House, recently relaxed that rule and others, including one that has made it virtually impossible for new trucking companies to get federal certificates if it meant increased competition in the industry.

But there is a limit to the amount of dismantling that the ICC can do on its own without help from Congress, and that help has started to come.

Sen. Edward M. Kennedy (D-Mass.) has introduced a bill that would, in effect, break up the price-fixing mechanism under which the trucking industry operates.

Under the existing system, trucking companies in a region—usually the largest companies—agree among themselves on the rates that they must charge to meet expenses and show a profit. Those rates are almost without exception approved by the ICC and posted by regional "rate bureaus." Under the law, none of the 16,000 regulated trucking companies in the United States can charge less than the posted rate.

The rate-bureau mechanism can operate only because the trucking industry was granted an exemption from antitrust laws by Congress in 1948. Kennedy's bill would take away the exemption, leaving truckers free to ignore the posted rates.

Before Kennedy's bill can start moving through Congress, it must break free from a dispute between his Judiciary Committee, which claims jurisdiction, and the Commerce Committee of Sen. Howard W. Cannon (D-Nev.), which the trucking industry considers more sympathetic to its cause.

That is only a small parliamentary pothole compared with the pounding that the Kennedy bill, and the Carter bill that will go to Congress later this year, can expect in making the way around Capitol Hill. The nation's eight biggest trucking companies have enjoyed higher earnings all through the 1970s that such blue-chip operations as computer and drug companies, and they owe it to the regulation that discourages competition and the rate bureaus that keep prices high.

Our map of the economic system tells us that Kennedy, President Carter and the ICC are on the right road, and that they deserve all the help that they can get in clearing away the roadblocks. We hope that they get it.

[From the Washington Star, Jan. 29, 1979]

STEERING THE TRUCKING BILL

If the Senate wants to end price fixing in the trucking industry, it probably ought to let Sen. Edward Kennedy's Judiciary Committee handle legislation on the matter.

Senator Kennedy has announced that he will introduce a bill to repeal an exemption from anti-trust laws granted the trucking industry in 1948. But it has set off a heated jurisdictional squabble.

Since the Judiciary Committee has general jurisdiction over anti-trust legislation, it seems logical to assign the bill to Mr. Kennedy's committee. But Sen. Howard Cannon is claiming jurisdiction for his Senate Commerce Committee because the anti-trust exemption for the trucking industry was written into an amendment of the Commerce Act.

All things being equal, it probably wouldn't make any difference which committee handled the bill. But all things aren't equal. Senator Kennedy wants the exemption repealed; we're not sure about Senator Cannon.

It doesn't take great perceptive power to see which committee is more likely to act favorably on a repeal bill. Lobbyists for the trucking industry, which wants to keep the exemption, are lined up solidly behind Senator Cannon in the jurisdictional fight.

Senator Cannon threatens to take the fight to the floor if the Senate leadership sends the bill to Mr. Kennedy's committee. If it comes to that, we hope that Senator Kennedy's attempts the past few days to tighten his hold on the Judiciary Committee, which he became chairman of in the new Congress, don't prejudice members of the Senate against letting his committee handle the trucking bill.

While Mr. Kennedy's large ambitions for the Judiciary Committee need watching, we're on his side in the jurisdictional squabble over the trucking bill, for the simple reason that repeal of the anti-trust exemption is most likely to come by that route.

The exemption ought to be repealed. It wasn't appropriate in 1948, when President Truman vetoed it as a tool for the trucking industry to run roughshod over the public interest, and it isn't appropriate now. Mr. Truman's veto was overridden and ever since, as Senator Kennedy pointed out the other day, the exemption has allowed trucking firms to set prices in ways that would be illegal in other industries.

● Mr. BAUCUS. Mr. President, on Monday, January 22, 1979, Chairman KENNEDY announced that he would introduce legislation to amend the Clayton Act to apply the antitrust laws to price-fixing activities by motor carriers and freight forwarders. For the last 30 years, these industries have been able to fix prices legally because of an exemption from the Sherman and Clayton Acts passed by Congress over President Truman's veto as the Reed-Bulwinkle Act of 1948.

Senator KENNEDY's legislation is intended to end a private restraint of competition—price fixing by motor carriers. It does not change the Federal regulatory system for motor carriers, nor does it affect the authority of the Interstate Commerce Commission to regulate rates, mergers, or entry into the motor carrier industry.

The Parliamentarian has advised that the proposed legislation is within the jurisdiction of the Judiciary Committee, and will be so referred.

The Parliamentarian's decision has been rendered solely on the merits of this case. It was based on careful study of the jurisdictional authorities of the relevant committees, and on all applicable precedents. For the following reasons, his ruling is sound:

First. The proposed legislation amends the antitrust laws (Clayton Act)—the heart of the Judiciary Committee's jurisdiction.

Second. The substance of the legislation pertains solely to antitrust policy, an area in which the Judiciary Committee has unique expertise. It is intended solely to reapply Sherman and Clayton Act price-fixing prohibitions.

The Commerce Committee's staff has advanced several arguments in support of their contention that the Parliamentarian's ruling should be overturned and the proposed bill be referred to Commerce.

The members of the Judiciary Committee recognize the primacy of the Commerce Committee in issues affecting regulation of transportation industries which is why I support a joint referral. Any legislation proposing to alter the regulation of rates and entry by the ICC would clearly go to the Commerce Committee and the Parliamentarian has so stated. The bill in question, however, does not involve regulatory issues. It is concerned solely with the integrity of national antitrust policies and their applicability to price fixing.●

● Mr. CULVER. Mr. President, I urge my colleagues to support the jurisdictional integrity of the Judiciary Committee and all other Senate committees. The stated intention of leaders of the Commerce Committee to challenge the jurisdiction of the Judiciary Committee to consider antitrust legislation to be proposed by Senator KENNEDY which would effectively terminate the system of Government sanctioned price fixing which presently exists in the trucking industry is not a matter to be taken lightly. The Senate Parliamentarian has firmly indicated that the proposed bill—under Senate rules and precedents—is squarely within the Judiciary Committee's jurisdiction.

The merits of this particular bill are not at issue here. What is at stake is the continued viability of traditional Senate procedures for determining referrals of legislation which arguably touches upon the jurisdictional interests of two or more committees. If fair and impartial decision of the Parliamentarian, rendered on the merits of each particular case, are not supporteed by Members of the Senate, then the entire system of rational and impartial committee assignment is threatened.

I do not dispute the Commerce Committee's jurisdiction over the reform of Government regulation of motor carriers. However, where the issue is private restraints of trade, the proper jurisdiction lies with the Judiciary Committee.

Since 1948, the regulated trucking industry has enjoyed a broad exemption from the antitrust laws. This immunity allows trucking firms to set prices in ways that would be a felony in virtually

every other American industry. Today, regulated trucking firms are able to meet and decide in secret the prices they will charge shippers—and ultimately American consumers—for truck transportation.

This unique immunity from the antitrust laws was enacted over the veto of President Truman. He warned that the power it gave trucking companies and railroads would result in serious harm to the public. The words of his veto message are as true today as they were 30 years ago:

> Power to control transportation rates is power to influence the competitive success or failure of other businesses.

In 1976, Congress took steps to limit somewhat the antitrust immunity enjoyed by railroads. Yet, it did nothing to remedy the far more severe effects of that immunity in trucking. Where companies in highly competitive industries can get together and fix prices, consumers are the losers. The prices they set are always higher than they would be in a competitive marketplace.

Legalized price fixing in the regulated trucking industry has cost shippers and consumers billions of dollars in higher prices over the last 30 years. Estimates run as high as $2 billion a year. It has been particularly costly to small companies, which cannot ship in full truckload lots. Trucking companies have a virtual monopoly over this freight, because the railroads do not carry such freight in most cases, and small companies cannot afford to operate their own private fleets. As a result, there is no competitive incentive for truckers to reduce their rates to meet external competition—and the ability to fix prices legally enables them to avoid competing among themselves.

This legislation will end trucking's immunity from the antitrust laws and require that truck rates be set in open competition—not collusively behind closed doors.●

● Mr. DECONCINI. Mr. President, from its creation in the early 19th century, the Senate Committee on the Judiciary has been responsible under Senate rules and precedents for matters relating to antitrust and the protection of trade and commerce against unlawful restraints and monopolies. The Committee on Commerce has equally clear jurisdiction over the regulation of motor carriers. The legislation which the Senator from Massachusetts intends to introduce, as he has made clear, is an antitrust bill and not a bill involving Federal regulation of trucks. As such—and as the Parliamentarian has apparently indicated—the legislation should be referred under the traditions and practices of the Senate to the Judiciary Committee.

I am not suggesting that, as a member of that committee, I would vote for enactment of a bill to repeal the Reed-Bulwinkle Act. Nor do I suggest that I would oppose such a bill. The merits of the legislation are not in question. The bill is, however, an antitrust exemption bill. And as such, it should be referred to the Judiciary Committee.

The McGuire Act, which constituted an antitrust exemption legalizing State-authorized resale price maintenance, was repealed in 1974 by legislation referred to and reported from the Judiciary Committee. Incidentally, the McGuire Act was originally considered, in 1952, by the Commerce Committee. Likewise amendments to repeal or modify the McCarran-Furgeson Act—containing an antitrust exemption for insurance companies—have been referred to and are unarguably within the jurisdiction of Judiciary. Antitrust exemptions for failing newspapers and soft drink bottlers have likewise always been considered by that committee as the one with exclusive jurisdiction over antitrust immunities and exemptions. That, indeed, is the time-honored tradition of the Senate. That is its uninterrupted practice. And that is what is at issue here.

A rather tortured reading has been given to the rules and practices of this great body by some who would argue that because Senator KENNEDY's bill would have some impact on the trucking industry, it should be exclusively within the jurisdictional domain of the Commerce Committee. As chairman of the Judiciary Committee's Subcommittee on Improvement of Judicial Machinery, I should welcome this interpretation. For hardly a bill passes another committee—especially the Commerce Committee—which would not have some immense impact on our Federal judicial system. Where enforcement actions are placed within the Federal courts' jurisdiction, those bills should go to Judiciary. Where new private rights are created to be enforced by judicial action, those bills should go to Judiciary. Where judicial review is provided for administrative agency actions, those bills should go to Judiciary.

Obviously I am not seriously suggesting that every bill that impacts on the courts is—or should be—exclusively a Judicial bill. Nor do I believe that every bill that impacts on a Government agency should go to Governmental Affairs, or every bill that impacts our cities should go to Housing and Urban Affairs, or, for that matter, that every bill that impacts transportation should go to Commerce.

I am comfortable following the precedents of the Senate. I am reassured in supporting the reading of the Parliamentarian. And I am firm in my belief that bills relating solely to antitrust immunities or exemptions—either creating or eliminating them—should be referred to the Committee on the Judiciary.●

● Mr. LEAHY. Mr. President, more than a week ago the chairman of the Judiciary Committee announced that he would introduce legislation to amend the Clayton Act to make applicable to the trucking industry the operation of the Clayton Act.

The Senate Parliamentarian has informed Senator KENNEDY that he intends to refer this bill to the Judiciary Committee when it is introduced. The Parliamentarian's decision was rendered after his deliberate review of all applicable precedents, and of the jurisdictional responsibilities and authorities of the Senate committees. I believe that his reasoning is sound. I believe that because the measure amends the Clayton Act and because the substance of the legislation pertains completely and solely to the antitrust policy, there is no question that the measure should be considered by the Judiciary Committee.

I do not dispute the jurisdictional claim of the Senate Commerce Committee over broad transportation regulatory issues, such as ICC regulation of entry into the industry, of minimum and maximum rates, and of mergers. These powers were granted the ICC under the Motor Carrier Act of 1935. However, when we discuss private actions of private businesses, we are undisputedly referring to antitrust statutes. Collective ratemaking in the motor carrier industry involves such private action and, therefore, must be considered by the Senate Judiciary Committee.●

Mr. BIDEN. Mr. President, I support Senator KENNEDY's interest in the issue of the legality of price fixing in the trucking industry. Although I have not reached a position on this particular issue, I recognize that any examination of the legality of the immunity must be made separately from an examination of broad transportation policy, involving the functions of the ICC, and must involve centrally the Senate Judiciary Committee. Since I believe this is clearly an antitrust issue, it should be considered by the committee that handles all antitrust legislation, the Judiciary Committee.

The collective setting of trucking rates is one which involves a private restraint of trade, sanctioned under an exemption from the antitrust laws more than 30 years ago. Any consideration of that immunity must be made in the forum that recognizes the independence of its antitrust implications and the desirability of prolonging or terminating it.

The operation of the antitrust laws has a profound effect on the behavior of the firms in any and all industries. Public restraints of trade, like those inherent in Federal regulation of an industry must be separated from private restraints of trade.

That separateness is particularly clear cut in the trucking industry. The authority of private firms in the industry to set rates collectively is derived from a law that passed 13 years after the ICC was charged with the responsibility of regulating the motor carrier industry.

This separability is the key issue in this debate as I see it. A decision to exclude the Judiciary Committee from consideration of this measure clearly is contrary to the history of the antitrust laws, to the operations of the Senate, and to the best interest of the continuing integrity of the Senate committee structure.

Mr. METZENBAUM. Mr. President, I support the thrust and concerns expressed by the distinguished chairman of the Judiciary Committee with reference to the referral of this particular piece of legislation. I agree totally that we are not talking about general jurisdiction having to do with truck regulation, but we are talking about the subject of price fixing and we are talking about the matter of immunities. Certainly there can be no question, looking at the precedents,

that this kind of matter belongs in the Judiciary Committee. It does, indeed, have to do with antitrust legislation. It does, indeed, have to do with the whole question of immunities and which immunities shall or shall not be permitted.

Having said that, and having spoken yesterday to this subject, I should like to elaborate upon my concerns for one moment.

I am concerned, Mr. President, about the question of appealing the Parliamentarian's decision on a subject of this kind; because if we are going to start a precedent around here of appealing the Parliamentarian's decision with respect to substantive issues, I am concerned that it opens a Pandora's box for those who would like to raise issues that go beyond parliamentary concerns.

I can think of many instances in which it would be very simple for a Member of the Senate—if this procedure were to be adopted as an accepted procedure—wanting to put other Members on record in connection with a particular piece of legislation, and being concerned that the legislation otherwise might go to its burial in one or more committees, would raise the issue on the basis of an appeal from the Parliamentarian's decision.

I have attempted to check as to when was the last time that a Parliamentarian's decision was appealed in connection with a referral, and appealed successfully. I am frank to say to the Members of the Senate that, going back more than 20 years, I have been unable to find any record of a successful appeal of a Parliamentarian's referral of a particular piece of legislation.

It is a kind of precedent that we should not start around here. I believe that once you start that kind of precedent, any number of Senators will be raising issues. I have just glanced at a few of the issues in which referrals had been made at an earlier date by the Senate.

The issue with respect to transporting nuclear waste: Where does that belong? Does that issue properly belong in the Energy Committee? It certainly seems to me, as a member of the Energy Committee, that it does. Does that issue properly belong in the Public Works Committee? I think that opens some interesting possibilities; certainly, an argument could be made to that effect. But the fact is that the Parliamentarian has ruled in the past that this issue belongs before the Commerce Committee.

I am not rising to challenge the Parliamentarian's decision. I am only saying that we can open the door on many issues.

There are many issues having to do with the subject of health that wind up in the Finance Committee. A very strong argument certainly can be made that those issues do not belong in the Finance Committee but, rather, belong in the Health Committee.

The Federal Acquisition Reform Act, which was considered in the last session of Congress, had a joint referral.

It went to the Governmental Affairs Committee and the Armed Services Committee. But I believe an argument could be made that it also belonged in the Human Resources Committee or the Public Works Committee, or any one of a number of other committees.

Mr. President, I believe that once the Parliamentarian has indicated his referral procedure, his determination—and none among us would challenge his integrity—then I believe it is obligatory upon us to accept that as a decision of the Senate and not adopt a new procedure of appealing the decision. I think it is a dangerous practice to start; and once we start that practice, there will be no end.

I can understand the procedure of joint referrals which has occurred many times before. The distinguished chairman of the Judiciary Committee has indicated his willingness to accept a joint referral in connection with this matter, and I think it entirely appropriate.

However, I submit, Mr. President, that the Parliamentarian's decision should be the decision of the Senate. I submit that the Parliamentarian's decision in this instance is truly not challengeable on its merits. We are talking about an antitrust issue, we are talking about a matter that belongs before the Judiciary Committee and we are talking about a matter having to do with immunities under antitrust law.

It is a subject to which the President's Commission on Antitrust recently directed its attention. This includes its first recommendation in the chapter on surface transportation. The recommendation was to repeal the antitrust immunity for the trucking industry.

I believe that the Parliamentarian's decision should be supported; and if not that, then an agreement should be worked out with reference to a joint referral. It would provide for more orderly procedure in the Senate.

I believe that today we resolved one of the issues with respect to the rules of the Senate in moving this body forward, and this should not open up new ideas and new concerns and new possibilities.

Therefore, I strongly urge that we support the Parliamentarian or work out an agreement for a joint referral.

(Mr. METZENBAUM assumed the chair.)

Mr. THURMOND. Mr. President, I rise to state to my colleagues that I support joint referral to the Senate Commerce Committee and the Judiciary Committee, the Kennedy bill to repeal that portion of the Reed-Bulwinkle Act which grants immunity from the antitrust laws to the motor carrier industry. My support of joint referral of this bill in no way indicates my position on the merits.

I refused to sign a letter concerning referral, recently sent to each Senator, unless it stated that both committees should share jurisdiction over the bill.

I shall not dwell too long on the reasons for such joint referral because the reasons are very obvious to all Senators.

Historically, the Judiciary Committee and the Commerce Committee of the Senate have shared joint referral in a great number of bills and have shared hearings on a great number of issues. It is interesting to note that the Judiciary's Antitrust Subcommittee has held hearings on the motor carrier industry for the past 2 years, and much valuable data was obtained.

Since 1957 to date, the Senate Commerce Committee and other Committees have shared jurisdiction with the Senate Judiciary Committee willingly or unwillingly on the following major issues or legislative bills:

First. Consumer Protection Agency, in Senator Estes Kefauver's Subcommittee on Antitrust (1957 et al.).

Second. Class actions (1970).

Third. Pharmaceutical industry (1959–62).

Fourth. Federal no-fault auto insurance, several Congresses (1971–74).

Fifth. Aviation insurance (1958–60).

Sixth. Airline insurance (1958–60).

Seventh. Packaging and labeling (1961–66).

Eighth. Federal insurance guaranty fund (late 1960's).

Ninth. Telecasting of professional team sports.

Tenth. Professional team sports—boxing, baseball, football, basketball, and ice hockey.

Eleventh. Hearing aids.

Twelfth. Doctor-owned pharmacies.

Thirteenth. Doctor-owned optician stores.

Fourteenth. Railroad mergers (1963 normally a Senate Commerce Committee subject matter.)

Fifteenth. Hearings on life insurance—Banking Committee also has jurisdiction.

Sixteenth. Hearings on health insurance—Blue Cross-Blue Shield.

Seventeenth. The National gas industry.

Eighteenth. Hearings on oil import quotas.

Nineteenth. Hearings on depletion allowances.

Twentieth. Hearings on A.T. & T. on the interconnect and other related issues.

Twenty-first. Hearings on the franchising industry.

Twenty-second. Bill affecting labor organizations.

Twenty-third. Hearings on voluntary standards—commerce Department and Bureau of Standards jurisdiction.

Twenty-fourth. Gasoline marketing.

Twenty-fifth. Class action reform.

Twenty-sixth. Family farms bill.

Twenty-seventh. McGuire Act was under Commerce jurisdiction 1952 and the repeal of the McGuire Act was reported by the Judiciary Committee in 1974.

Mr. President, I do not dispute the Commerce Committee's jurisdiction over reform of Government regulation of motor carriers, but where the issue is private restraint of trade, the proper jurisdiction lies with the Judiciary Committee.

It appears reasonable to me to urge that both committees obtain jurisdiction of this bill, jointly, and that it would be in the best interest of the Nation, the economy, the public, and everyone concerned with the motor carrier industry and its employees.

Mr. President, if that is all on that subject, I now pass to another subject.

NATIONAL GOAL TO CONQUER INFLATION

Mr. THURMOND. Mr. President, in these beginning days of the 96th Congress, we look with considerable hope and anticipation toward being able to meet the crucial challenges before us in a timely and effective manner. This Congress in this new year has the opportunity and the responsibility to reflect on these major problems and then to take the legislative actions that will fulfill the needs and best interests of our people in all areas across this great Nation.

We know we are here to represent and to serve the public interest in the common good. This is both a high privilege and a serious responsibility.

Through our thoughts and actions we must exhibit the faith that the people of America have in our democracy of a citizenry that can trust and be trusted with freedom and liberty. With such a faith, expressed by us and by our public, we can realize an uplifted human spirit and the improvement of human conditions. The very existence of that faith is fundamental to all political debate, as we press forward through faith in leadership and service.

In the years of the 1960's and early 1970's, there were numerous times when our people of the United States appeared unsure of direction or purpose with respect to basic areas of public and private concern. Many had questions in their minds about our democratic institutions and about the traditional values and value system as related to themselves and to our society. During this time period, our young people felt considerable uneasiness while, at the same time, they saw no acceptable solutions or alternatives that might give them the hope for the future that all people, particularly young people, should have.

Also during this time period, Mr. President, our political movements seemingly were incapable of meeting the needs of our people, either as a society or as individuals or groups within that society. Our efforts to devise and implement wide ranging and extremely costly social programs provided some fragmented and short-term relief. But these actions were peripheral to the central problems that needed attention. We treated symptoms, rather than the basic causes. Each year we seemed to lose ground as we floundered from crises to crisis—utilizing a patchwork of programs and projects in our efforts to overcome these difficulties.

In retrospect, we have learned much from these past experiences. We can now use this knowledge to identify and to reach forward toward solving these crucial problems of our Nation.

In order to do this, however, we must ask ourselves some very direct and basic questions. During the last two decades, what did we do wrong and what went wrong? What has happened to the set of values to which we have traditionally adhered? Were they wrong and, if so, in what way? Why did so many people during the 1960–70 period find these values unacceptable to them, were not supportive of them, and not willing to make the all-out sacrifices required to maintain and preserve them?

Probably we would have as many different answers to these questions as we have people answering them. But perhaps, also, these reflective replies would give us the "feel" that we need to understand all sides of the questions. We might find then, within these answers, that most of our traditional values are still there, deep down inside us and our society. I feel very strongly that these values are still present, and they are ready to be brought back into use. We need only to look deeply enough for them and then to nurture them, in an orderly and effective manner, back into our today's value system.

Mr. President, it is with a recognition that this recalling and renewal of values is already underway among our citizens that we of the 96th Congress are mandated to think hard and clearly about the identification of an appropriate national purpose or goal that will encompass these values. With our identification of and agreement on such a goal and with the faith in the value concepts required, we can commit ourselves, individually and collectively, to reach forward and achieve that national purpose.

The American people have, in effect, already given us an indication of their feelings toward such a goal identification: and that is to do whatever is necessary to conquer inflation. They have told us over and over, in many different ways, that they understand the consequences of a continuing inflationary economy and they are willing to take the steps required to defend this country and themselves from the ravages of this enemy.

Mr. President, all of us share this major concern for the continuing problem of inflation because it affects us directly in so many ways. Each day more and more American families are falling behind financially because of the rapidly increasing prices they must pay.

Our private business firms are also affected in major ways by inflation. And this is particularly so for our smaller business firms.

All of us are painfully aware of many of the Government influences that fan the fires of inflation. Some of these influences are through direct governmental actions while others are through indirect governmental mandated costs on individuals and businesses.

In the fall of 1978 the Carter administration belatedly set forth a program in an attempt to deal with some of these problems of inflation. As we all know, the administration's October anti-inflation program was too little, too late. Economic matters got worse instead of better.

Then in early November, some additional actions were taken toward supporting the dollar. While some short run stability was achieved by these monetary actions, we still find ourselves in a very precarious situation with respect to continuing inflationary forces in our economy.

We in this Congress must act positively and with determination to provide the leadership and to open the avenues that will bolster the American people's attitude and desire that the job can, and must, be done.

The actions that must be taken will not be easy. They will not be popular to some groups and segments of our society. And these actions must be continued over a long-term period. The inflation battle will be hard; it will be long; and it will require unusual courage and resolution from all of us.

We cannot afford to sit back and wait to see what happens. We must move ahead with appropriate actions to tighten monetary policies even further, cut Federal spending and eliminate budget deficits, reduce regulatory actions and improve efficiency in governmental operations, provide tax incentives for business fixed investment, initiate measures to counter wage increases with improvements in productivity, open more export opportunities, and give careful consideration to the effects of controls on wages, prices, and credit.

Failure to meet this national purpose, or national goal, of conquering inflation will so devastate this country that everything in its future will be thrown in doubt. The adverse long-term consequences of continuing inflation will be more than our people and our Nation can endure.

Mr. President, it is my appeal that we in this 96th Congress join together, with and for our American people, and meet the challenges that are before us to fight and win the battle against inflation. We can, and we must, respond to this critical national need.

The PRESIDING OFFICER. Does the Senator from South Carolina suggest the absence of a quorum?

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. SARBANES). The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEOCOLONIALISM AT HOME

Mr. STEVENS. Mr. President, as you know, Congress adjourned last year without passing an Alaska d–2 lands bill. Following the adjournment of the 95th Congress, I met with the President to urge him not to complicate the situation by withdrawing the lands in question under Executive authority. It is my position that existing withdrawals adequately protected the options of Congress to act.

Despite my urgings, the President did withdraw 56 million acres of these lands along with another 65 million acres of lands under other withdrawals. This has greatly complicated the situation and endangered the ability of Congress to reach a reasonable solution to this issue. An editorial by the Wall Street Journal explains the problems created by the withdrawals. I ask unanimous consent

that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEO-COLONIALISM AT HOME

It is fashionable to attribute the lack of economic development in the Third World to decisions made from afar about its natural resources. The colonial administrators departed, the story goes, only to be replaced by neo-colonialists in London, Bonn, Paris and Washington, who locked up Third World resources in uses that kept the emerging nation-states poor. This explanation of Third World poverty still inspires a great deal of outrage against the U.S. among university people and provides excuses for socialist failures in the Third World.

We are puzzled why this doctrine is so narrowly applied. It seems to us that it is at least as good an explanation for the growing lack of economic development in Alaska and the western states. After all, a New Yorker and an Alaskan probably have less in common than Washington and Third World bureaucrats who shared an Ivy League education. We wonder if it is true that all imperialists are foreign, or whether there are domestic ones, too.

One characteristic of imperialists is that they don't rely on consensus politics, as happened the other day when 121 million acres of Alaskan lands got locked up. The Senate wouldn't do it, so the President and Interior Secretary did. Citing "emergency" conditions, the Interior Secretary used the Federal Land Policy and Management Act of 1976 to close off development of 121 million acres for three years. This is the first emergency withdrawal under the act, and if it is any indication of what to expect, the entire country will be locked up in a few years.

The President also invoked the Historic Sites and Antiquities Act to *permanently* set aside 56 million of the acres as national monuments. To put this in perspective, prior to his action, about 9.5 million acres had been set aside under the act since it passed in 1906.

Protecting the Alaskan lands did not require insult and injury from the President and Interior Secretary. Most of the lands were already protected under the D-1 section of the Alaska Native Claims Settlement Act. The failure of the Senate to arrive at a consensus decision in the last session of Congress did not expose these lands to "rape, ruin and run," or to anything other than a few hunters.

People in the eastern U.S. might not know the size of 56 million acres. That's roughly New York state plus most of New England. The 121 million acres equal the land area of the eastern seaboard states from Maine down into North Carolina. We have heard about the power of special interest lobby groups before, but we have never seen anything like this.

And it is only a small part of the story. The Alaskan land lock-up at least involves public lands. Throughout the western states private land is being locked up as well as a result of non-degradation air and water standards. To bring undeveloped privately owned western lands into development is now next to impossible, and to expand development in developing areas has been made more difficult. It is, after all, difficult to do anything when air and water must remain pristine.

Whatever the intention, the result has been to hold down the economic development of the western states, thus protecting eastern labor unions, industrial plants and resources from competition. Examples abound. Proposed federal regulations cancel the economic advantage of low sulfur western coal by requiring the same scrubbers for it as for "dirty coal." The environmental movement provides a convenient mask for any eastern legislators who want westerners for customers, not competitors.

The lock-up of public and private lands in the western states is a result of intense lobbying pressure, and we doubt that the public understands the consequences. The Independent Petroleum Association says that as a result of law or administrative procedures about 500 million federal acres, roughly one-fourth of the U.S., are off limits to oil and gas development. At a time when we are growing increasingly dependent on unstable foreign sources of energy, the most rapidly growing aspect of the American economy is the land and resources that are being removed from development.

The withdrawal of large amounts of public land from the nation's resource base would seem to be properly a role for Congress. The President received a letter urging him to make the unprecedented withdrawal from Rep. Udall and the House Interior Committee. According to the letter, "Protection for the American people's Alaskan treasures is required to insure that the decisions concerning these public lands are made by the people's representatives, and not by private interests." Somehow we feel uncomfortable with the thought that Senators are not the people's representatives, but an Imperial President is. Instead of suing the President, maybe the state of Alaska should take its case to the U.N.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will Senators please take their seats.

UNANIMOUS-CONSENT AGREEMENT—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration as a separate resolution of that part of Senate Resolution 9 beginning on page 4, line 6, and concluding on page 5, line 6, dealing with postcloture procedure only; provided further, that no amendment that is not germane to postcloture procedure shall be received; and provided further, that if the vote on final disposition of the resolution does not occur by 6 o'clock p.m. on Thursday, February 22, 1979, the Senate proceed at that time to the consideration of Senate Resolution 9.

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object at this time. I have sought this opportunity to speak on the majority leader's request after first having tried to solicit the attendance of as many Members on my side of the aisle as possible, and particularly those who have been involved in service on the ad hoc committee in their efforts to arrange a rules change agreement.

It was not possible this morning to obtain a unanimous-consent agreement to provide for a time certain to vote on the postcloture portion of Senate Resolution 9 or amendments thereto. The unanimous-consent agreement that the majority leader has proposed at this time does not provide a time certain to vote on the postcloture provisions of Senate Resolution 9, but does indeed provide that if we have not disposed of the postcloture provisions by February 22 at the appointed hour, the Senate then will automatically proceed to the consideration of the balance of Senate Resolution 9, which, of course, embraced the precloture provisions of the proposed rules change as well.

Mr. President, I think this is a good arrangement. I think in a way it is a signal that we have not been able to reach agreement, and that we are turning instead to the full Senate to consider this matter, to fully ventilate the reservations and objections that any Members may have to any provision at all; to amend or modify the postcloture provisions of the resolution, or to substitute a new section; to give the Senate as a body the opportunity to preview in advance of any final disposition of this resolution what the form and structure of that language will be. We are going to know what amendments will be adopted and what amendments will be rejected. We are going to know pretty well what shape we are in before we turn to consideration of the resolution as a whole. It provides substantial time; it provides the maximum opportunity for the maximum participation; it avoids the necessity for a unanimous-consent agreement, except for this agreement; it relieves us of what I believe now to be the impossible burden of trying to allay all of our disagreements in advance.

As I say, Mr. President, I think it is a good request. I have requested the attendance, and I observe the attendance, of most of the Members on this side, and I invite their participation by way of reservations.

Mr. STEVENS. Mr. President, reserving the right to object—and I, too, shall not object—I would like to state that it will be my intention to offer the proposed modification that I discussed earlier as a substitute tomorrow. There are some changes that will be made following the discussions that have been had since the colloquy this morning. It is my understanding that if that is done, the resolution that the majority leader has offered will truly be open to perfecting amendments, which could be considered; and at some time following the recess, it would be my hope to have a vote on the substitute that I will offer to the majority leader's proposal.

Mr. BAKER. Mr. President, further reserving the right to object—

Mr. ROBERT C. BYRD. Mr. President, I have the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object, I had meant to clear up this point when I first rose: It is also my understanding, from conversations

with the majority leader earlier this afternoon, that it is his intention, if we have disposed of the postcloture provisions of Senate Resolution 9 on February 22 or before that time, to adjourn the Senate before we proceed to the consideration of the balance of Senate Resolution 9, and that if we have not disposed of the postcloture provisions of Senate Resolution 9 it would be his intention to continue recessing the Senate. Is that correct?

Mr. ROBERT C. BYRD. Will the Senator say that again?

Mr. BAKER. Yes. It is my understanding, from a conversation earlier with the majority leader, that if under this formulation the Senate does in fact dispose of the postcloture portion of Senate Resolution 9 on or before February 22, it would be the majority leader's intention then to adjourn the Senate before proceeding to the consideration of the balance of Senate Resolution 9, and that if we have not disposed of the postcloture provisions of Senate Resolution 9 on or before February 22, he would continue to recess the Senate, or that it is his intention to continue to recess the Senate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. Mr. President, I thank the Senator. Will the Senator yield to me for a further question in that respect?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats, or retire to the cloakrooms to carry on their conversations.

Mr. BAKER. I thank the Chair, and I thank the majority leader for his confirmation of that intention.

It is my understanding that the practical effect of the adjournment of the Senate on February 22, under the conditions that I have described, that is to say, that the Senate has disposed of the postcloture part of Senate Resolution 9——

Mr. ROBERT C. BYRD. And has proceeded to the remainder thereof.

Mr. BAKER. And has proceeded to the remainder thereof, that thereafter, in the absence of a time agreement and if cloture were filed against a further debate on the balance of Senate Resolution 9, under the provisions of rule XXII, it would require two-thirds of the Senators present and voting to terminate debate.

Mr. ROBERT C. BYRD. The Senator is correct. It would require two-thirds to vote cloture on a rules change, two-thirds of those present and voting, it being the second day.

Mr. JAVITS. Mr. President, will the Senator yield? We have not had a ruling from the Chair on that question.

I would just like to say this: It has been my expectation that the precedent established in previous years would remain unimpaired by whatever we did here. I just wish to add that the Chair has not ruled, but the majority leader has stated his view, and that it is my view that that does not change the precedents which have been established, whatever they may be, on the grounds that those rules and precedents were based upon the situation which precedes the first adjournment of the Senate, to wit, the issue of whether or not, under the Constitution, the Senate may adopt rules or change existing rules upon the opening of a Congress.

I just wish to add that, to take that part of the argument.

Mr. ROBERT C. BYRD. Mr. President, I accede to that part of the argument so long as it is the first legislative day. We may be in a little disagreement as to the first or second day.

Mr. JAVITS. I referred to the first adjournment of the Senate, not the first day. That may be in the first 5 minutes. The important point is once you adjourn the Senate, that right is gone.

Mr. ROBERT C. BYRD. Exactly.

Mr. JAVITS. We agree.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. The only further inquiry I have with the majority leader at this time, Mr. President, is this: Under this unanimous-consent request, would those portions of Senate Resolution 9 to which we will direct our attention be treated as original text? Will there be any other disadvantage to any Member of the Senate in offering amendments in the first or second degree?

Mr. ROBERT C. BYRD. Does the Senator mean after——

Mr. BAKER. After this consent agreement. It does not change the character of this resolution as original text?

Mr. ROBERT C. BYRD. No.

Mr. BAKER. I thank the majority leader.

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object as I think this is a perfectly fair arrangement, I only express a personal hope because I think we are very close together, that we can try to go forward with the disposition of this issue and settle it. I think reform is essential. I have said I do not think there is a decent effort which has to be made by the minority to see that it is able to continue to perform its functions as a minority. I express my belief we will be able to work this out. The distinguished Senator is absolutely right. The substitution should be offered and amendments should be offered to it. As often happens here, in the course of that give and take, I am very hopeful that we will be able to work it out.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving thet right to object, and once again I do not plan to object, I believe there are 23 Republican Senators on the floor at this time. Before the Chair finally grants the request, I wanted to make sure whether any other Member on this side had any further inquiry or wished to express any reservation or disagreement.

I have no objection.

Mr. HELMS. Mr. President, I just wanted to have it clear in my mind that the majority leader does intend to adjourn after resolution has been reached on this matter, whether it be February 22 or earlier, is that correct?

Mr. ROBERT C. BYRD. If the resolution has been agreed to.

Mr: HELMS. The postcloture section?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I wonder if I might ask the majority leader a question now. I did not wish to interefere with the minority leader's statement. From my own point of view, can the majority leader tell us what is his plan with regard to the balance of the afternoon and tomorrow? We would like time to retype that substitute.

Mr. ROBERT C. BYRD. Senators who wish to speak for the rest of the day or at any point during the rest of the day may do so. I will then recess the Senate over until 12 noon tomorrow, and then recess the Senate over until 12 noon Friday, if Senators wish to come in on Friday. If they do not, we will go over until Monday, the 19th, and meet at 12 noon on that day.

Mr. STEVENS. I thank the Senator.

The text of the separate resolution (S. Res. 61), referred to in the foregoing unanimous consent agreement, is as follows:

S. RES. 61

Resolved, That the second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remainder time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has morning business expired?

The PRESIDING OFFICER. Morning business has expired.

Mr. ROBERT C. BYRD. I ask unanimous consent that the period for routine morning business be extended and that Senators be allowed to speak up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEBT WILL INCREASE BY $98 BILLION DURING NEXT 18 MONTHS

Mr. HARRY F. BYRD, JR. Mr. President, on Tuesday, February 6, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance held hearings on the administration's proposal that the national debt limitation be increased by $98 billion to take care of projected Government deficits for the period between now and September 30, 1980.

Witnesses were: The Honorable W. Michael Blumenthal, Secretary of the Treasury, and the Honorable James T. McIntyre, Jr., Director of the Office of Management and Budget.

As chairman of the subcommittee, I put a number of questions to each of the witnesses.

A transcript of the entire hearing will be available at a later date.

Today, however, I wish to insert in the RECORD some of the key points developed in my dialogs with Secretary Blumenthal and Mr. McIntyre.

I ask unanimous consent that they be inserted at this point in the RECORD to be preceded by my opening statement to the committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY CHAIRMAN HARRY F. BYRD, JR.

Oversight hearing on extension of the statutory debt ceiling before the Subcommittee on Taxation and Debt Management, Senate Committee on Finance.

As we begin 1979 and fast approach the decade of the 1980's, there are obvious lessons which can be learned from the 1970's. It is clear that our economy can no longer tolerate or accept the accumulated and accelerated deficits of the 1970's.

In the short period from 1970 to 1978, the national debt has more than doubled, from $383 billion to $780 billion.

Thus more than half of the total debt incurred by the government in 202 years of U.S. history was piled up in just eight years.

The inevitable result of this calamitous fiscal policy has been the cruel and hidden tax of inflation. From the base year of 1967, the consumer price index has more than doubled, and the inflation rate for 1978 was 9.0 percent.

Throughout the world, confidence in the American dollar has plummeted.

In past years, foreign nations wanted to accumulate dollars. The dollar was the currency to which other currencies was pegged.

Recently, the situation has reversed. International financial markets have reflected growing concern over the stability of the dollar and its value has been sharply eroded. This results from the refusal of the United States government to put its financial house in order.

Throughout this period, our inflating economy, our shrinking dollar, and the foreign oil price increases have created balance of trade deficits for all but two years.

This year will be a test of whether or not policy makers in Washington and Congress have learned the lessons the last 8 years.

The President says his budget is lean and austere. I say, nonsense.

How can a budget be lean and austere when it calls for a 9 percent increase in already bloated federal spending? If one feels federal spending was not already bloated, let him read candidate Jimmy Carter's 1976 speeches.

The prospective spending increase in the President's budget for Fiscal 1980 is higher than the administration's projection of inflation of less than 8 percent.

The number one problem confronting the nation today is inflation. It is difficult to see how we can get inflation under control when federal spending rises faster than prices.

The $532 billion in spending in F/Y 1980 will result in a deficit of $29 billion—and does not include $12 billion off-budget deficits.

Furthermore, the deficit figure is based on economic assumptions which private forecasters—and the Chairman of the Federal Reserve Board—have called very optimistic. A larger deficit is likely.

Inflation will only get worse as long as we finance government spending with printing press money.

The periodic upward revision in the public debt ceiling is an indication of the failure of the federal government to exercise the necessary fiscal discipline.

The public debt ceiling of $798 billion will expire on March 31, 1979. No doubt, the testimony today will advocate not only extending the ceiling but also increasing it.

Interest on the federal debt is an ever-increasing burden. In 1980, it is estimated to reach $65.7 billion. This is one-eighth of the total spending anticipated for 1950.

Fiscal discipline is not a new idea, except for the federal government. Individuals, households and businesses must live within their means or face the consequences of ultimate bankruptcy.

Americans are fed up with reckless and extravagant spending in Washington. They realize that the government's financial house must be put in order. Proposals to require a balanced budget in our Constitution are becoming more and more popular. Twenty-five states have passed measures calling for the convening of a Constitutional convention for the purpose of requiring a balanced federal budget.

But what is the response in Washington to the demand for balancing the Budget? Since the Carter administration assumed office, federal spending—already too high—has increased 22 percent. Now the administration proposes a 9 percent increase on top of that.

The test of the 1980's will be whether Washington will listen to the people's demand that federal spending be brought under control.

The following is partial dialogue between Senator Byrd of Virginia and the Secretary of the Treasury and the Director of the Office of Management and Budget.

Senator BYRD. Do you agree, or disagree, that the accumulated Federal deficit, the interest required to fund it, and the size of the national debt is the biggest single contributor to inflation?

Secretary BLUMENTHAL. Mr. Chairman, I would have to say that there are a whole host of contributory reasons why we have inflation and have had increasing inflation in the United States. I think that the size of government spending, the size of the debt and of the deficit is one important reason, but I could not agree that it is the single most important reason. I think it differs at different times.

There are different factors which are the most important one at different times.

For example, when we have had, as we did some years ago, a sudden major increase in the price of energy imposed on us, that has been the single most important reason. When we have had major problems in agricultural production that pushed up food prices, that has been, for a time, the single most-important factor. When we have had deficits during periods of relatively full employment and full utilization of resources, that is the most important factor.

A deficit during periods of recession and slack demand may, at times, be desirable. We ought to have, perhaps, a surplus at other times.

But I would not be in the position to say that it is always the most important factor.

Senator BYRD. In the interests of time, I will try to refrain from agreeing or disagreeing with your assertions. I am mainly interested in getting the facts and getting the thinking of this present Administration.

Some say that we owe the debt to ourselves, so that it makes no difference. Do you agree, or disagree?

Secretary BLUMENTHAL. I strongly disagree with that statement, Mr. Chairman. If my memory serves me right, it is indeed true that I believe about 35 or 36 percent of the debt is owed to other institutions of the Federal government, but the majority of it, most of it, is owed to private individuals, and even to non-Americans. That debt has to be repaid. It has to be serviced. It is an obligation of the United States government. It matters a great deal, and I would not at all agree that simply saying that, well, we owe it to ourselves and we do not need to worry about it should put our mind at ease. That is incorrect, and I disagree with it.

Senator BYRD. Well, I certainly agree with your view on that, but unfortunately many of my colleagues take a different view.

Now, on page 3 of your statement, if I read it accurately, between now and October of 1980, in other words, between March of '79 and October of '80, a period of 18 to 19 months, our national debt will increase by $98 billion. Is that correct?

Secretary BLUMENTHAL. Between now and October of 1980, it will increase, yes, from $798 billion to $896 billion, $98 billion.

Senator BYRD. So thus, the deficits in the general operation of government—that is, the Federal funds deficit—will increase by $98 billion?

Secretary BLUMENTHAL. That is correct.

It needs, of course, to be emphasized, Mr. Chairman, that a part of the Federal funds deficit is not merely the unified budget deficit but also the trust fund surplus which is invested.

Senator BYRD. The Federal funds deficit is the deficit in the general operations of budget. The trust fund, the unified deficit, takes into account the surplus of the trust funds.

Secretary BLUMENTHAL. As I understand it. We have gone through that one. Let me see if I have that right.

We have the unified budget deficit. The Federal funds deficit is defined as the unified deficit plus the trust fund surplus, which is invested, plus off-budget financing, less the change in the cash balance, and that, then, gives you the increase in the public debt.

Senator BYRD. Any way that you look at it, the public debt will be increased by $98 billion during the next 18 to 19 months?

Secretary BLUMENTHAL. Yes, that is correct. It includes—I think I am correct in this—it includes the investment of the surpluses that we generate in the trust funds. That is part of that number. Part of that number is that amount, so that the borrowing from the public, for example, is much less than that.

Senator BYRD. I am not speaking to the borrowing from the public. I am speaking

of the debt created, whether you borrow it from the public or borrow it from the trust fund—the Social Security trust fund, for example, that does not come from general revenues. That comes from the wage earner and his employer, so that when you borrow from that, you are not borrowing from the Federal government, you are borrowing from the wage earner and his employer.

So whoever the debt is owed to, the debt will be increased by $98 billion. That is the point I am suggesting.

Secretary BLUMENTHAL. As I understand it, what we do as the amounts of money in the trust funds increase, which is money that we have gotten through taxation, we take those surpluses and we invest them in government securities, so we really transfer them from one account to the other. But in order to allow us to do that, it involves an increasing in the debt limit which is included in the $98 billion figure.

So we have transferred it from one place to the other, having first taxed the American people. We take that money and we invest it in government securities and hold it, and that increases the amount of the debt that we have to get authority from you.

Senator BYRD. If you did not have that deficit, then, you would not need to increase the debt, would you?

Secretary BLUMENTHAL. If we did have no deficit, we would not have to increase the debt, but I hope I am not getting on thin ice here.

If we could take the surpluses in the trust funds and buy other securities, not government securities, go out and buy private securities for example, we would not need to increase the debt limit by the same amount. It is because we choose to invest it in government securities that we do that.

Senator WALLOP. Would you yield?

Senator BYRD. I yield to the Senator.

Senator WALLOP. Mr. Secretary, would that not appear, though, to balance off someplace as some offset against the debt, or do we not consider government securities offsets?

Secretary BLUMENTHAL. Yes, we do. The point that I am trying to make that we have the practice required in the statute that whatever assets that we have in the trust funds be invested in government securities.

We cannot buy General Motors bonds with it. We buy government bonds with it. Therefore, as a result of that, when we come in here and ask for an increase in the debt limit we have to include in that the amount of securities that need to be issued to invest whatever surplus that has been created in the trust funds.

That is not a reflection of the deficit spending of the Federal Government, not totally.

Senator BYRD. If you would yield at that point, let us take your figures. Now, your own figures show that the Federal funds deficit for fiscal year 1979 will be $55.2 billion. And it shows that the Federal funds deficit for fiscal year 1980 will be $49 billion and if you add those two together, you have a deficit in the Federal funds of $104 billion. Another way of putting this is that the Federal government, for the general operations of government, will spend $104 billion more than it takes in.

Now, the reason that lower figures show up in the press is that you offset that $104 billion deficit in general operations by the surplus in the trust funds, which do not come from general taxation. They come from the Civil Service retirement, for example. They come from the Highway Trust Fund; they come from the Unemployment Trust Fund where the employers put up all the money. When the government cites the unified budget figure, it is to reduce the actual deficit in the cost of government by the surplus in these trust funds.

And that is clearly reflected in your request to increase the national debt by $98 billion during the brief period of 18 months.

In the past, estimates of the amount of interest to be paid on the national debt have been based upon the current interest rates. What figure was used in projecting interest rate charges in the new FY 1980 budget?

Secretary BLUMENTHAL. In the FY 1980 budget, we took the present rate of interest and we held it constant with inflation. In other words, we assumed that we made a calculation as to what the effect on interest rates would be based on the budget and the economic projections upon which the budget was based, and we assumed and we related the interest cost of the Federal government to the 90-day bill rate. That is coming down, as we estimated it to come down, to a level of, I believe it is 7.9 percent—yes, 7.6 percent by the end of fiscal '80—so we reduced the rate of interest that the Federal government would have to pay gradually to be in conformity with that level, eventually going down to 7.6 percent.

Senator BYRD. What does it figure out to on an average?

Secretary BLUMENTHAL. I do not know if I have an average.

The average for the fiscal year would be 7.9.

Senator BYRD. If you take these interest figures, I think they are interesting and significant. Let's take again 1970. The interest cut in the budget for the government to pay that year was $20 billion. In 1975, the interest was $33.5 billion.

Now, for 1980, you project $65.7 which is almost double in that five-year period. In other words, the American people are paying $65 billion in interest charges on the national debt, $65 billion, and to put that in perspective, that is more than one-half of our total defense spending for that year.

Secretary BLUMENTHAL. I think it is terrible, Mr. Chairman. I agree.

Senator BYRD. To get back again to the question of Senator Wallop, as of last May when this Subcommittee held similar hearings on the statutory debt ceiling the Treasury indicated that almost $120 billion of public debt securities were held by foreigners.

I have a chart supplied by the Treasury on January 6th of this year, and that puts foreign and international security holders at $132 billion. That has gone up significantly during that period, has it not?

Secretary BLUMENTHAL. It has. It has gone from, at the end of 1977, it was $109.6 billion, in November, 1978, $132.4 billion, so it has gone up a total of $22.8 billion.

Senator BYRD. Could you list the countries as to the amount of interest that is paid to it? Do you have such figures as those?

Secretary BLUMENTHAL. We could certainly provide that. I do not have it calculated in terms of interest. I have the data for the individual countries in terms of the amount of that $132.4 billion. I can do it in terms of interest.

Senator BYRD. Just for the interest of the Committee at the moment, could you just indicate which countries hold the larger amounts?

Secretary BLUMENTHAL. Germany would be the largest, Japan would be the second largest, Switzerland and the oil-producing countries are the next largest, and then you drop down to the United Kingdom, France, below that.

Senator BYRD. Does Italy hold any of our bonds?

Secretary BLUMENTHAL. Italy holds some, but not very many. $4.1 billion, down from $4.8 billion, out of that $132 billion.

Senator BYRD. Is the dollar still dropping vis-a-vis the lira?

Secretary BLUMENTHAL. No. Actually, the dollar compared to the situation on November 1st of last year has firmed substantially against all currencies, certainly against the lira, so it has not been dropping recently.

Senator BYRD. In looking over some figures, I find this very interesting. The current budget, the budget that Congress is working on now, carries a figure of $65.7 billion as the amount of interest costs of the American taxpayer on the national debt today. Twenty years ago, the total Federal fund receipts for the entire government was $65.8 billion, almost identical to what it is costing the taxpayers today to finance this gigantic national debt.

The total cost of the general operations of the Federal Government in 1959 was $77 billion. Today the interest on the national debt—just the interest—is $65.7 billion.

The key to controlling inflation is fiscal discipline and expenditure of control. The FY 80 budget does not reduce spending. It only limits spending increases to roughly 9 percent. The real reason for the lower deficit is an increase in tax revenues. Should we not be trying to bring spending down and reduce the deficit that way rather than increasing taxes?

Secretary BLUMENTHAL. Mr. Chairman, I certainly feel strongly that the way to bring about budget balance is by reducing spending rather than by increasing taxes. I think that that has to be the goal. That is the President's goal. He does not want to balance the budget by having taxes go up.

I think that we have to be fair. Out of the $531 billion in the spending proposals of the President, there are $400 billion over which he now has immediate control because they are subject to previous statutory commitments that he has to observe. He is operating in a very narrow window to bring down in that narrow window the spending from current services levels by $18 billion.

That is a Herculean task and represents considerable progress. It is a smaller increase than we have ever had before, virtually no increase in real terms, and it is a major step on the road to bring that budget into balance.

Yes, it is. There was a great deal of complaint that he is cutting into vital programs. We do not think he has. I think the President has made the right decisions and distributed that reduction well. There are many who disagree with him.

It would be very difficult to say we can reduce defense spending for defense spending is very important for our security.

I do not think that anyone would want to see the President's proposal for our defense posture weakened. There are multi-year commitments that have been made by the Congress that the President has no flexibility on and must observe, so what he is working with is very, very narrow and he has gone a good ways. He has cut $18 billion out of that, and that is a lot.

Senator BYRD. He has not cut spending at all, Mr. Secretary. He has increased spending. All one has to do is read the figures. The figures show an increase of 9 percent. The President himself stated in 1976 that we had a swollen and bloated budget at that time. Since that time, it has been increased 22 percent and this new budget increases it another 9 percent, so Mr. Carter has not reduced spending.

The reason the deficit has gone down is that taxes have been increased and taxes have been increased because the American people have been thrown into higher tax brackets by the rate of inflation. To say President Carter has reduced spending simply is not correct; he has increased spending.

Secretary BLUMENTHAL. The Congress has voted in large areas of the budget forced increases which are related to inflation. Now, the President has no flexibility in that area. How can he reduce spending when the Congress has told him to automatically increase the spending?

Senator BYRD. You are the one that said he has reduced spending by $18 billion. He has not reduced spending.

Secretary BLUMENTHAL. If you take the current services, if you take the present programs and add no new programs, no addi-

tional spending to it, the budget would have been $18 billion more.

Senator BYRD. I am talking about the money in the budget that the American people are being asked to finance. You do not deny that there has been a substantial increase in the budget, do you, for expenditures?

Secretary BLUMENTHAL. There are more nominal dollars in the budget this year than last year on the spending side.

Senator BYRD. The Congress, by resolution, set $488 billion as the expenditure side for FY 79. This new budget, calls for $532 billion in spending for FY 1980.

That is a $44 billion increase.

Secretary BLUMENTHAL. Almost all of that is inflation mandated by Congress.

Senator BYRD. Whatever it is, it is a 9 percent increase in spending, a $44 billion increase in spending.

Secretary BLUMENTHAL. It is in nominal terms, that is correct.

Senator BYRD. How many Eurodollars are currently outstanding?

Secretary BLUMENTHAL. We are not entirely sure, but we think it is in excess of $500 billion.

Senator BYRD. Some experts believe that the Eurodollar interest rate is the best measure of U.S. inflation. What is your view on that?

Secretary BLUMENTHAL. I do not believe that is correct, Mr. Chairman. Only a portion of the dollars available in the Eurodollar market are owed to Americans. Some of those are dollars owed by some non-Americans to other non-Americans, and second, a portion of that total amount is due to previous deficits in the U.S. external accounts and the current accounts.

A lot of it is due to the fact that the United States for a long time has been the only major free capital market in the world and those resources were borrowed by foreigners in this market because ours was an economy in which they had confidence and those resources were available and they helped the development and the growth and the stability of the world economy to a very important extent.

If those resources had not been available, the western world would be in much poorer shape than it is. So as a measure of U.S. inflation, I certainly would not think that the float in the Euromarket of the dollars available in the Euromarket can be used as a measure of that at all.

Senator BYRD. I just have two or three additional questions, Mr. Secretary, and then we would be through. If we are unable to control inflation this year, what will happen to the dollar?

Secretary BLUMENTHAL. I try to avoid predicting what will happen to the dollar. That is not a very profitable thing to engage in.

If we cannot control inflation and if we cannot bring down our current account deficit, the dollar will clearly be weaker in the foreign exchange markets than it would be, and we expect it to be, as the success of our overall program becomes evident.

It is critical—as a matter of fact, it is a vicious circle, because as that happens and the dollar weakens, it adds to inflation again. We think about a full percentage point has been added to last year's inflation because of the substantially weakened dollar, so that it is critical to be successful in the fight against inflation that we strengthen the dollar, and it is critical to strengthening the dollar that we be successful in the fight against inflation. Those two things cannot be separated.

Senator BYRD. In view of the government's efforts to strengthen the dollar, have you given any thought to a stronger effort to bring Eurodollar's home?

Secretary BLUMENTHAL. We are carefully studying and examining the Eurodollar market, in order to insure that its operation will not weaken but strengthen the international system, that it will not be a source of instability but rather a source of greater stability in the international system, and obviously we are interested in assuring an inflow of dollars for that will lend added strength to the dollars and international exchange markets.

We are studying those problems and seek to develop programs that bring that about.

Senator BYRD. With some $500 million of Eurodollars, is that today a source of stability or instability?

Secretary BLUMENTHAL. It can be a source of instability and has been at certain times, Mr. Chairman.

Senator BYRD. What is it now?

Secretary BLUMENTHAL. Given the firmer and more stable tone of foreign exchange markets it has not been a source of instability in the very recent past, but it can be. It is not something that is very worrisome, but something that needs to be watched and, as I say, certainly, as the confidence in the U.S. economy in getting inflation under control increases, there will be a natural tendency to invest more in this country and for dollars to flow back.

Senator BYRD. It is a lack of confidence in this country that is forcing American dollars overseas?

Secretary BLUMENTHAL. It is a lack of confidence in the strength and stability and in our ability to bring inflation under control in this county that is causing people not to invest here and to bring resources back into this country that they otherwise would bring here.

Senator BYRD. It goes back to a question of confidence?

Secretary BLUMENTHAL. Confidence and an ability to bring inflation under control, yes.

Senator BYRD. The Wall Street Journal today has an interesting piece on the European view of the dollar and our activities to defend the dollar, and so forth. Among other things, the spokesman for West German Chancellor Helmut Schmidt, and quotes him as saying the U.S. fully recognizes its obligations to defend the dollar. He is speaking now, today, not in the past.

What additional steps over and beyond what has already been done has been taken, or will be taken, to defend the dollar?

Secretary BLUMENTHAL. We think that the program which is now in effect which is being implemented in cooperation with the Federal Republic as well as Switzerland and Japan and other countries is adequate and successful in bringing about strength and stability of the dollar in international exchange markets and we will pursue that policy, since we are determined that the kind of situation that exists as of the end of October of last year not re-occur.

We will obviously take whatever additional measures that are necessary to prevent that from happening and we reserve the right to do that, but we do not signal before hand what it is, because to do so would be to weaken the impact of whatever it is that we might additionally have to do.

Senator BYRD. Just one additional question and that deals with a new development with the President's action in regard to the People's Republic of China. I suppose that there are large amounts that are owed to the United States, either private American citizens or the United States government, by the People's Republic of China. Could you indicate the amount?

Secretary BLUMENTHAL. Yes, sir.

This relates to the question of settling claims which Americans have for property that they lost in China and which claims have been validated and certified by the Foreign Claims Commission on the one hand, and by assets which were of China which were in the United States and which were blocked by actions of the United States government.

At the same time, that issue has to be settled almost as a prerequisite to the resumption of normal and economic trade relations between the two countries, otherwise there would be considerable legal difficulty in carrying out such economic relations. The total amount of claims that have been certified by Americans against the Chinese amount to $196.6 million.

The United States blocked assets of China in the United States of $80.5 million. However, given the long period of time when that blocking of these assets occurred, and given the variety of legal ownership, it is not at all clear that some of that $80.5 million is still available, nor is it clear who has title to it.

Some of it is in the hands of third countries. It belongs to third country nationals, some of whom were merely residents in China, others of whom were resident out of China.

While we have nominally $80.5 million blocked we do not in fact have $80.5 million available to us.

The question that has to be resolved between us is how the claims of Americans are to be satisfied and what portion of the $80.5 million that we have nominally blocked will be available for that purpose.

This is a difficult negotiation which was begun just shortly before the Vice Premier came here. The matter was discussed briefly between the President and the Vice Premier. I had discussions with his foreign minister during that period and that is one of my main assignments when I go to Peiking in about two weeks.

We have normally settled these claims and asset questions on the basis of a package deal and we will have to do that again. The precise nature of that package deal, I cannot tell you. I can say that obviously we will try to do the best we can for the American claimants, but these claimants know that, based on past settlements of this kind, they will only get a portion of what it is that they are claiming, going back to something like 30 years ago, and I think that they will be glad to get it when they do.

Senator BYRD. Thank you, Mr. Secretary.

I think that the most significant part of your statement is on page 3 of your written statement and I will end by making a comment on it. It shows, which we have already discussed before, that between now and October of 1980, namely a period of 18 to 19 months, the national debt will increase by $98 billion.

I think that is the figure that the American people might want to bear in mind. In that short period of time the national debt, which is now approximately $800 billion will increase another $98 billion in that short period of time, and that the interest charges which the American taxpayers on that debt is now a total of $65 billion.

Thank you, Mr. Secretary. We appreciate your being here today.

At this point, Mr. McIntyre, Director, OMB, begins his testimony followed by questions by Senator Byrd.

Senator BYRD. Thank you, Mr. McIntyre.

In your opening statement, you expressed support for modifying or changing the way that the Congress has been handling the increase in the debt ceiling. I think that that should be pretty close to being a moot question. President Carter has committed himself to a balanced budget for fiscal 1981 so there should not be any real need to increase the debt ceiling when that comes about.

Now, let me ask you this question. You stress that the deficit has been reduced. It is correct, is it not, that the deficit has been reduced because the tax receipts have been tremendously increased.

It is another way of saying that the American people have paid $47 billion, or will pay in this upcoming year, in additional taxes. That is correct, is it not?

Mr. McINTYRE. There will be an increase in tax receipts, Mr. Chairman, but I will remind you that there was a tax decrease recommended by the President and approved by

the Congress this past year that went into effect this January, and in the budget we specifically have recognized the fact that the receipts will be increasing in future years unless there are changes in the tax laws, and we have recognized in at least six places in the budget that this is a fact and that we will examine the tax policy as we put together a 1981 budget and provide recommendations to the Congress.

Senator BYRD. The point that I am suggesting is that the figures showed that the reduction in deficit has not come about by a decrease in spending. As a matter of fact, the spending has been increased by $44 billion compared to the Second Concurrent Resolution passed by the Congress. The spending has been increased.

The only way the deficit has come down is that the taxes levied on the American people have gone up.

Mr. McINTYRE. You are correct, Mr. Chairman, that the total budget is increased. I have tried to point out in my testimony, my prepared statement, however, that the rate of increase has been dramatically slowed since this Administration—

Senator BYRD. That is a matter of opinion. I do not think it has been dramatically slowed. You mentioned the rate of increase was 9.4 percent, I believe you said for last year?

Mr. McINTYRE. That is correct.

Senator BYRD. This new budget provides for an increase right at 9 percent.

Mr. McINTYRE. 7.7 percent.

Senator BYRD. 9 percent as to the Senate Concurrent Resolution passed by the Congress last September.

Mr. McINTYRE. But the Congress will submit the revised estimates in my judgment, the Congress will be required—in fact, the CBO has already testified, as I recall, that there will be a need for some revised estimates and, in fact, the Congress will be just about at the same figure that the President has recommended for 1979.

Senator BYRD. As I understand it, you plan to recommend an increase in fiscal '79, a spending increase in fiscal '79 of roughly $6 billion?

Mr. McINTYRE. Not from our estimates. From our estimates, it is about $3 billion. Our estimates last year were $491 billion in outlays that Congress was about $3 billion under in its estimates.

Senator BYRD. The Congress reduced what you asked for.

Mr. McINTYRE. You had different estimates; as the facts are going to prove we were both too low in our estimates and the Congress is going to have to increase its estimates by $6 billion. We are going to have to increase ours about by $3 billion.

Senator BYRD. What I am saying is—correct me if I am wrong—you are advocating an increase in spending for 1979?

Mr. McINTYRE. The major portion of the increase in spending for 1979 is to meet the requirements of the uncontrollable programs, Mr. Chairman.

Senator BYRD. Regardless of what the reason is, you are advocating an increase in spending in 1979, correct?

Mr. McINTYRE. That is correct. There is an increase recommended in spending.

Senator BYRD. On top of that, you are recommending an increase as delineated in your 1980 budget of an additional $39 billion?

Mr. McINTYRE. That is correct. Our figures are $38 billion.

Senator BYRD. Do you agree or disagree that the accumulated Federal deficit, the interest required to fund it and the size of the national debt is, at the present time, the biggest single contributor to inflation?

Mr. McINTYRE. At the present time, I think there are probably a lot of contributors to inflation. I think the Federal deficit is certainly a contributor to inflation, but there are a lot of other things, Mr. Chairman, that contribute to inflation.

I do think that there are points in time at which the amount of Federal spending can place an increased demand in the economy that can have the effect of increasing inflation.

Senator BYRD. What about at the present time?

Mr. McINTYRE. At the current time, I could not say. I could not say that it is the single biggest contributor.

Senator BYRD. You could not?

Mr. McINTYRE. I could not.

Senator BYRD. You do not agree that it is the biggest single contributor?

Mr. McINTYRE. Not the single.

Senator BYRD. What do you say is the single biggest contributor?

Mr. McINTYRE. I think there are a number of factors that are contributors at this point in time. We are still experiencing some of the effects of inflation that was created from actions in prior years, particularly the late 60's and early 1970's.

Senator BYRD. You are going back to ancient history now.

Mr. McINTYRE. Well, I think inflation, Mr. Chairman, is a long-term problem. We do not know what causes any single cause of inflation is, but I can tell you that if the wage and price controls were taken off in the early 70's, we saw inflation zoom up.

Senator BYRD. It is rather astonishing, I think, that the Secretary of the Treasury and the Director of the Office of Management and Budget say that they do not really understand what causes inflation.

I think that the American people have a much better idea of it than some of our government officials seem to have.

Let me ask you this. You are here today to ask, on behalf of the Administration, for an increase in the national debt ceiling limitation, correct?

Mr. McINTYRE. That is correct.

Senator BYRD. According to Secretary Blumenthal's figures, the Federal debt will increase by $98 billion during the next 18 months.

Does that indicate to you that the government is getting spending under control?

Mr. McINTYRE. If you look at the deficit alone, it is correct—I mean, if you look at the debt alone, it is true that the debt is increasing.

I have tried to focus on Federal spending and what I have tried to indicate to the Committee is that we are slowing down the rate of growth in Federal spending.

Senator BYRD. You are not slowing it down when you are talking about a 9 percent increase in spending.

Mr. McINTYRE. We have a different figure for the increase. Our figure is the 7.7 percent.

Senator BYRD. That is after you increase spending for '79.

Mr. McINTYRE. That is correct.

Senator BYRD. The budget authority under the new budget, the budget authority would increase from $559.7 billion in FY '79 to $615.5 billion in FY 1980. This is an increase of 10 percent in Federal obligations to spend between those two years.

Should not spending increases be brought down sharply if we are serious about reducing Federal spending and the government debt?

Mr. McINTYRE. Mr. Chairman, I have been very concerned about budget authority. It has been long ignored by the Administration and the Congress. We pay more attention to outlays than we do to budget authority.

Senator BYRD. I agree.

Mr. McINTYRE. I tried to follow it fairly closely this year and I intend to give it much more attention as we put together the 1980 budget.

Senator BYRD. You are proposing a 10 percent increase?

Mr. McINTYRE. If you look at this figure, there is one big item in this figure that appears about every four or five years. That is $15 billion being authorized for TVA borrowing authority. If you take that $15 billion out, it is a much more realistic budget authority figure and actually it brings it down to about 2.5, 3 percentage points so we are down in the neighborhood of 7 percent.

Senator BYRD. That reminds me that last year, I forget who it was; one Administration official who testified before this Committee. I asked him the rate of inflation and he said now, if you leave out food and if you leave out fuel, then the rate of inflation is 7 percent or 6 percent, or something like that. But it seems to me you cannot leave things out. You have a budget and your proposal is to increase budget authority by 10 percent.

Mr. McINTYRE. Mr. Chairman, a good bit of this, again, is in the uncontrollable category.

Senator BYRD. Wherever it falls, we are talking about the budget.

Mr. McINTYRE. I understand that. You have to understand the constraints that have been imposed on us. We have a $15.4 billion increase for the Social Security trust funds. I do not know if anybody is going to cut that out. I am not going to recommend that we cut the increases out at this point for Social Security.

We have a $4 billion increase for Medicare and you go down the list. The biggest item that there is some degree of latitude over would be the $15 billion for the Tennessee Valley Authority and if that authority is going to continue to operate, then we have to recommend that this budget authority be approved by the Congress.

Senator BYRD. You have touched on trust funds. Is it not correct that the trust funds are running in surplus?

Mr. McINTYRE. That is correct.

Senator BYRD. If it were not for the surplus in the trust funds, the deficit would be $20 billion more.

Mr. McINTYRE. That is about right, yes, sir.

Senator BYRD. So far as the general operations of government are concerned, financed by general taxation, your new budget will provide nearly a $50 billion deficit. Is that not correct?

Mr. McINTYRE. $49 billion, that is correct.

Senator BYRD. A $49 billion to $50 billion deficit. What you are doing to make the $29 billion deficit look good—or look better; to me, it does not look good, but it is better—you are taking the surpluses from the trust fund to reduce the deficit from the general fund. Where do those trust funds come from? Not from general revenues; they come from the working people that they pay in in Social Security taxes. They and their employees pay in for their own retirement.

The largest item—I am taking it from memory—is the unemployment fund paid entirely by the employers of this nation and the Civil Service retirement fund, paid by the government employees.

When you get into the general fund operations, you are running terrific deficits, but you do have a surplus in the trust funds which do not come from the general taxation.

Mr. McINTYRE. The Chairman is all too familiar with the fact that the unified budget concept was put into effect in the late 1960's and we have not made any changes in the way that the budget has been accounted for, at least in the past decade, so that there is nothing unusual in this fact, and the fact that the trust funds are used—or are borrowed, in effect, by the Treasury—to offset the total amount of debt that is required.

Senator BYRD. You are quite right. There is nothing unusual about it, but the point is that in the general operations, the general operating side of the government, is where the huge increases in spending is, the huge increase in the deficit.

The trust funds, as you indicated, are running surplus.

Mr. McINTYRE. But your statement, Mr. Chairman—let me see if I can make a few

points on that statement. Let us take Social Security, for example. That program—actually, the spending in that program was going up 12.5 percent. It is going up to about $115 billion.

It is a rapidly growing program. It is true that there is a surplus in the trust fund, but the program itself, the expenditures, are growing rapidly, as fast as about any other item in the budget.

Senator BYRD. The taxes have been increased to reflect that.

Mr. MCINTYRE. To reflect that, that is correct. Future liabilities in general solvency of the Social Security Trust Fund.

But let me make this other point. Of the $38 million increases in the 1980 budget, about $20 billion of that is in the trust accounts.

Senator BYRD. Your Federal funds outlays will increase $20 billion? You project for FY 1980 Federal fund outlays of $361.6 billion; for 1979 it is $361.2 billion.

Mr. MCINTYRE. That is correct.

Senator BYRD. Incidentally, you mentioned the unified budget's going back a number of years, and you are quite right. The way that that came about was when Lyndon Johnson was President and he was running these huge deficits—nothing compared to what we have now. His deficits look pretty good now, but he was running what most considered huge deficits and in order to make it look better, he went to the unified budget concept instead of the Federal funds concept, picking up the surplus from the trust funds and thus reducing the deficit.

Now, I am wondering, if we do not have a gimmick in this budget which we are looking at now, for this reason. Looking again at FY '79, we find the Administration has significantly increased both budget authority and outlays over the budget resolution of last September. This has the effect of making the FY 1980 budget look better.

The larger FY 1979 figure, the smaller the increases are for FY 1980.

Is there a cosmetic element here, intending to make the new budget look a little better than it actually should?

Mr. MCINTYRE. Absolutely not, Mr. Chairman. Those increases and I can get you a list of those increases and explain to you the reasoning behind them, but in many instances we have re-estimated some programs and have increased estimates on others.

I think that probably one of our biggest increases in 1979 is interest on the debt and a number of the other increases are in some of the other programs, like defense.

We have a $2.2 billion supplemental recommended for 1979 in the Defense Budget. I can get a list for the Committee of the '79 recommendations and the reasons for those.

Senator BYRD. In regard to the off-government agencies?

Mr. MCINTYRE. Yes.

Senator BYRD. Deficits generated by so-called off-budget agencies, notably the Federal financing bank, continue at $12 billion in 1980, the same figure as they were in 1979. This is another element of government spending and it is not included in that deficit of $29 billion that you are speaking of, and it increases the deficit when you include that $12 billion. It increases the deficit to $41 billion.

Is that not correct?

Mr. MCINTYRE. That is the total deficit. That is correct.

Senator BYRD. Let me read my question again, if I may. Which is the biggest single contributor to inflation, if the accumulated Federal deficit is not the biggest, what is the biggest?

Mr. MCINTYRE. Mr. Chairman, it is very difficult to single out any single cause that is the principal cause of inflation. It is a cumulative thing involving an increase in prices for goods, increased wages, the amount of spending that the Federal government does, and the demand that is thereby placed on the economy.

There are a number of items that have a cumulative effect and result in inflation. As far as saying that one is more important than the other, maybe at times you can identify one single item that is more important than another.

One of the things that we have tried to address, and perhaps one of the greatest contributors to inflation is the inflation psychology. That policy in this country, the fact—and the deficit is symbolic in that regard, and I would concede that point, but the Federal government spending and the resulting deficit are symbolic and we have tried to address that in trying to address expectations that are created by government spending.

I do not think that anyone really knows what is the single and the principal cause of inflation, but I do know that we have to address inflation expectations and the inflation psychology that I see developing in this country and that is what we have tried to do in this budget.

Senator BYRD. I was mainly interested in getting the thinking of the Budget Director as to whether he does or does not agree that the accumulated Federal deficit, the interest required to fund it and the size of the national debt is the biggest single contributor to inflation. His reply is no.

I assume you are familiar with Public Law 95-435 that was signed on October 10, 1978?

Mr. MCINTYRE. I am not familiar with it by number. If you are referring to the law that created the Byrd amendment. I am familiar with that.

Senator BYRD. Yes. I assume you are familiar with Section 7 of that law. Section 7 reads thusly, beginning with fiscal year 1981, the total budget outlays of the Federal government shall not exceed its receipts. What is your view of Section 7?

Mr. MCINTYRE. Mr. Chairman, Section 7, in effect, requests that the budget be balanced by 1981. As I have indicated, the President remains committed to a balanced budget and we are putting all of our efforts into achieving that goal.

Next year, we will make fiscal policy plans for the 1981 budget and whether or not the President should propose a budget at that time will have to depend on the needs of the economy, as well as budgetary requirements.

We are going to do everything we can to achieve the goal of a balanced budget. Whether we can do it for 1981 or whether we have to defer that for one year is a matter that we cannot decide until we go through the '81 process and make the decisions about expenditures, as well as any tax cuts that I have heard this Committee suggest that need to be considered.

You cannot have it both ways. Tax cuts will increase the deficit unless there is an equivalent amount of reduction in spending. With 76 percent of this budget basically fixed by law or prior contractual commitments, we are going to have to chip away at the deficit. It is a long term problem and we have to look at it in that manner and set a goal and remain committed to that goal.

That is the important thing. We have set a goal in this Administration. We are making progress towards that goal, and we are going to keep that goal in sight and not lose sight of it and rapidly accelerate Federal spending.

Senator BYRD. When the President signed public law 95-435, including Section 7, the press quoted a White House spokesman as saying the White House did not understand just what the Byrd amendment meant.

In every speech that I have made in Virginia since, I have drawn attention to the fact that the White House did not understand exactly what that meant. I add that I have no doubt that some who live in the rarified atmosphere of Washington, D.C. would not understand it, but it is only 18 words, and then I read it to the audience. "Beginning in fiscal year 1981, the total fiscal budget outlays shall not exceed receipts."

I find that all the Virginia audiences can understand it. I do not know if they can understand it outside of Virginia or anywhere else, but all the Virginia audiences seem to understand it. I spoke to the New York State Bar Association—1,000 lawyers—they understand it.

Does the Administration expect to advocate repeal of this balanced budget requirement or does it intend to comply with it?

Mr. MCINTYRE. Mr. Chairman, there are no current plans to advocate repeal of the requirement. As I indicated in my previous answer, the Administration will have to look at its fiscal policy plans for the 1981 budget and make those decisions about fiscal policy in light of the situation and needs of the economy.

That is what we intend to do.

Senator BYRD. Let me ask you this. I assume that you either plan to comply with it, or plan to seek its repeal, one or the other.

Mr. MCINTYRE. Or amendment.

Senator BYRD. Or amendment.

In any case, this section 7 is a part of the statutory law, is it not?

Mr. MCINTYRE. That is correct.

Senator BYRD. Am I correct in assuming that you will comply with the law or seek its repeal or, as you indicated, another possibility would be to seek an amendment to it. Is that it?

Mr. MCINTYRE. Mr. Chairman, how we react to the law is something I think will have to be determined after we complete our analysis of the economic situation.

I would say to you, however, that there is a constitutional duty imposed upon the President to make proposals to the Congress that express his view of the needs of the nation, and there is some question whether or not that responsibility can be adversely affected by statute. An important point is that we share a common goal, Mr. Chairman. We may have a difference in judgment about how to arrive at that goal, yet we are both working toward a goal and I will submit that we have made progress in the Administration in achieving that goal and we are going to continue to work to achieve that goal.

Senator BYRD. I note that 25 state legislatures have petitioned the Congress for a Constitutional amendment to mandate a balanced budget. My impression is that the Administration does not favor this proposal.

Mr. MCINTYRE. The Administration has not taken an official position on the proposal. First of all, we are trying to examine the calls so that we can make an informed judgment about those calls that some 25, 26 states have adopted. I can give you a personal judgment, however, about the calls for such an amendment.

Let me preface this first by saying again we have as a goal that of balancing the budget and we are making progress towards that goal but we are doing this through a careful and deliberate economic and budgetary planning effort. I think that there is no substitute for making those tough economic and budgetary decisions on a year by year basis as circumstances dictate as we have done.

I think the Congress is going to have to submit itself to the same degree of restraint and have as a joint goal, that of balancing the budget.

Senator BYRD. I certainly agree with you on that. That is why I favor a Constitutional amendment.

I know the Congress; I have served in the Congress. I do not find any fiscal restraint in the Congress. I do not find any fiscal discipline in the Congress.

Mr. MCINTYRE. There is always hope, Mr. Chairman.

Senator BYRD. Yes, but the people are beginning to lose hope after a multitude of

years and the people are taking this into their own hands.

If someone had told me two years ago that the legislatures of 25 states, actually 26 if you include Nevada where the governor vetoed the Resolution, would petition the Federal Congress to put a Constitutional amendment mandating a balanced budget, I would have bet $1,000 to $1 that it would not have occurred.

Mr. MCINTYRE. At the same time, Mr. Chairman, those states are receiving $82 billion in Federal aid to help them with their own budgetary problems as well as carry out some Federally-mandated programs.

Senator BYRD. Sure. That is not the point I am making. The point I am making is that the American people, if I can judge it accurately, and I think there are certain signs that that is correct, that the American people are tired of waiting for the Congress and the President to act. They are taking the matter into their own hands.

Just this year, just this 1979, this is only the second month, the sixth day of the second month, four states have joined that parade: Arkansas, Utah, North Carolina and South Dakota. I think it is very significant.

I favor a Constitutional amendment, but I prefer that the Congress do it rather than go the route of the Constitutional Convention, but I do think that something needs to be done.

I thought that I would help the cause and help the President, too, because he was so outspoken in this regard in 1976. I thought I would help the cause when I presented Section 7 of Public Law 95-435 to require a balanced budget as of fiscal 1981.

If that law is not going to be adhered to, then—well, let me state first that amendment was approved by the Senate by a two-to-one vote. An identical amendment was defeated by a two-to-one vote four years earlier, but that amendment was approved by the Senate by a two-to-one vote and approved by the House by a three-to-one vote, and was signed into law by the President.

I realize that it was an amendment to another bill that the President was interested in and I am not sure that it would have been signed by Mr. Carter had it been a separate piece of legislation, but, nevertheless, it is still just as much the law and it was signed into law by the President.

So the President is committed to it, the Senate is committed to it, the House is committed to it. If that statutory law is not going to be adhered to, then I think that is additional reason why the people themselves must take this into their hands, and we must pass a Constitutional amendment.

I prefer to do it by statute. I prefer to have it done by the Congress itself working in cooperation with the President and maybe it will work out that way. But if it does not, I think the only thing we can do is go to a Constitutional amendment, but with an emergency provision where two-thirds of the Congress can set it aside if emergencies develop.

I hope that you and the President and all of you associated with it will comply with that mandate of the Congress enacted into law by signature of the President on October 10, 1978.

I think that is an obligation. I have heard—maybe I have heard inaccurately but I have heard when OMB has been queried on this that OMB—first, the Los Angeles Times published when they were first queried that they did not know anything about it. This was only a few weeks ago, although it became law in October of 1978. I have heard other statements that OMB downgrades it and says that is not something that has to be worried about, or something like that.

I do not know anything about that. These are just secondhand statements I get. But I do know that it is the law. It is a statutory law, and I would certainly expect that it would be complied with, realizing, of course, that if the President does not want to comply with it, or if the Congress doesn't then it can always be repealed. But until that is done, I would certainly think that the public would have a right to expect that it would be complied with.

Mr. MCINTYRE. Mr. Chairman, I certainly concur with you. It is the law. All I have tried to indicate to you is that it is premature at this time to predict what the 1981 budget is going to be. We have to look at it in terms of the economic circumstances.

Let me make one other point. One of the difficulties is how to get there. We have given an opportunity to the Congress this year to reduce the Federal budget over $4.5 billion from the current services level. I might add that since the current services concept has been in existence, this is the first time the Administration has submitted a budget to this Congress that is under the current services level of the increases that we are talking about in spending the $38 billion total increase.

The Administration is recommending its spending in 1980 at $33.9 billion, or 88.7 percent, is in the uncontrollable programs.

Now, that is significant to me because unless the Congress is willing to take some action to curb the growth of some of these uncontrollable programs then we are going to be faced with this tough dilemma of having to put a substantial amount of money into these uncontrollable programs.

We have recommended some changes in these programs. Some of them have not been very well received by various groups and some members of the Congress, but I would submit to you that if we are going to achieve a balanced budget, then we are going to have to make those tough decisions and we are going to have to take actions this year which are rather minor compared to the total spending in the program but have tremendous effects in the future on the spendings of those programs.

That is what we have recommended, and I would hope that the Congress will show that it is serious about the restraining the growth in Federal spending and will approve this budget that the President has submitted, particularly those programs where we have recommended curbs on the increase in spending, or in the growth of the rate of spending in these programs.

The way to get to the balanced budget, in our judgment, are through those tough decisions that are going to have to be made. Otherwise, there will be ways found to get around such amendments and such laws, and mine and the President's and your objectives will be thwarted. I do not want to see that, Mr. Chairman.

Senator BYRD. You will not get any defense of the Congress from me. I think Congress has been totally irresponsible over a period of time. The only way it is going to show any degree of responsibility is if the people demand it. I think there is evidence that the people are beginning to demand it, and I think that President Carter deserves credit for that, because he dramatized in 1976 the swollen bureaucracy, the swollen spending, the need to get spending under control and the need for government to put his financial house in order. I think he had a lot to do with stimulating the debate and the interest on the part of the public so I want to give him credit in that regard and I want to give the people of California credit.

I do not know what effect it might have in the future in California, but I do think that it has had a very desirable effect on the people of the United States as a whole and on the Congress as the whole.

To get back to your assertions about the Congress, as I say, I am not going to attempt to defend the Congress. I think it has been irresponsible but I do see some indication of change.

I think there has been a change in attitude on the part of many members of the Congress and I hope that that continues.

I want to thank you for being here today, and I want to say again that you have one of the toughest jobs in the government and I do not envy you one bit.

Mr. MCINTYRE. Thank you, Mr. Chairman.

Senator BYRD. Thank you.

(Thereupon, at 12:40 p.m., the Subcommittee recessed, to reconvene at the call of the Chair.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 60, A resolution authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the following nominations. In the Army, Maj. Gen. Richard H. Groves, USA, to be lieutenant general; Lt. Gen. Harold R. Aaron (age 57) to be placed on the retired list in that grade; 42 for permanent promotion to the grade of major general and brigadier general (list begins with Lt. Gen. Sidney B. Berry); 59 for temporary promotion to the grade of brigadier general (list begins with Col. Arthur Holmes, Jr.); Brig. Gen. George Kuttas, USA, to become major general and Col. Hubert T. Chandler, USA, to become brigadier general. In the Reserve of the Army, Brig. Gen. Carl D. McIntosh for promotion to the grade of brigadier general in the Army of the United States and also in the Reserve of the Army, there are 45 reserve component officers for promotion to the grade of major general and brigadier general (list begins with Brig. Gen. Robert D. Bay). In the Navy, Adm. Stansfield Turner, USN, (age 55), for appointment to the grade of admiral on the retired list. And, in the Air Force, Gen. John W. Roberts, (age 57), to be placed on the retired list in that grade; Lt. Gen. John J. Burns, (age 54); Andrew B. Anderson, Jr. (age 52); and, James A. Knight, Jr. (age 55), to be placed on the retired list in the grade of lieutenant general; Maj. Gen. Charles S. Pattillo; Lawrence A. Skantze; Evan William Rosencrans; James P. Mullins to become lieutenant generals. There are also two lists totaling 136 in the Air Force for temporary and permanent major general and brigadier general (lists begin with Brig. Gen. William P. Acker to major general and Brig. Gen. Joseph B. Dodds to major general). In the Reserve of the Air Force, there are two lists totaling 35 for appointment to the grade of major general and brigadier general (lists begin with Brig. Gen. John B. Conley to be major general and Brig. Gen. Bruce M. Davidson to be major general). I ask that these nominations be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. In addition, Mr. President, in addition, there are three lists for the Army totaling 1,327 for promotion to the grade of colonel and below (lists begin with Albert Abraham; Byron B. Alexander; and, Howard T. Prince II). For the Army Reserve there is one list totaling 2,305 for promotion to the grade of colonel and below (list begins with Carl W. Ackerman). In the Navy and Reserve of the Navy there are three lists totaling 162 in the grades of captain and below (lists begin with Larry E. Baker; Herbert J. Kendall II; and, John W. Dreon, Jr.). In the Marine Corps there are two lists totaling 205 for appointment to the grade of second lieutenant (lists begin with Ronald G. Horton and Ronald E. Anderson). And, in the Air Force and Reserve of the Air Force there are six lists totaling 5,162 for promotion to the grade of colonel and below (lists begin with Wilfred K. Abbott; David R. Abel; Robert A. Abbott; George H. Aberth, Jr.; Richard B. Almour; and, Jon S. Allen). Since these names have already appeared in the RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 23, 1979, at the end of the Senate proceedings.)

ORDER FOR REFERRAL OF S. 339

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 339, amending the Export-Import Bank Act, is reported by the Committee on Banking, it be referred sequentially to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. JACKSON:

S. 366. A bill to provide for the exploration for and development of federally owned minerals, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 367. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. STEVENS:

S. 368. A bill to amend title 5 of the United States Code to provide additional cost-of-living adjustments in civil service retirement annuities of annuitants who were employed in Alaska and continue to reside there after separation, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 369. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STEVENS:

S. 370. A bill to amend title 5 of the United States Code to provide vacation leave for residents of Alaska serving a tour of duty at a hardship station in Alaska; to the Committee on Governmental Affairs.

By Mr. MCGOVERN:

S. 371. A bill to modify the method of establishing quotas on the importation of certain meat to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

By Mr. LEAHY:

S. 372. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DECONCINI (for himself, Mr. KENNEDY, and Mr. THURMOND):

S. 373. A bill to amend title 28 of the United States Code to encourage prompt, informal, and inexpensive resolution of civil cases in the United States district courts by the use of arbitration, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANSTON (by request):

S. 374. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, to authorize Urban Volunteer Programs, and for other purposes; to the Committee on Human Resources.

By Mr. DOMENICI:

S. 375. A bill to incorporate the American Ex-Prisoners of War, Incorporated; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 376. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Human Resources.

By Mr. ROTH (for himself, Mr. RIBICOFF, Mr. DANFORTH, and Mr. HEINZ):

S. 377. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment, and for other purposes; to the Committee on Governmental Affairs.

By Mr BELLMON (for himself, Mr. JAVITS, Mr. MOYNIHAN, Mr. BAKER, Mr. BOREN, Mr. MELCHER, Mr. COCHRAN, Mr. LUGAR, Mr. GARN, Mr. TOWER, Mr. BAYH, and Mr. WALLOP):

S. 378. A bill to authorize funds for the Robert A. Taft Institute of Government; to the Committee on Human Resources.

By Mr. DOMENICI:

S. 379. A bill for the relief of Mrs. Ascencion M. Lujan, Noe Lujan, Sevedo Lujan, Junior, Cordelia Lujan Long, Antonioa Lujan, Venceslao Lujan, Marta Lujan, Felix Lujan, and Tovia Lujan; to the Committee on the Judiciary.

By Mr. DURKIN (for himself and Mr. TSONGAS):

S 380. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 381. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Human Resources.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. RIEGLE, Mr. DOMENICI, Mr. DANFORTH, Mr. LEVIN, and Mr. MAGNUSON):

S. 382. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. SASSER:

S. 383. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PACKWOOD:

S. 384. A bill for the relief of Jung-Sook Mun; to the Committee on the Judiciary.

By Mr. CULVER (for himself and Mr. JEPSEN):

S. 385. A bill for the relief of Rong-Shyang Shieh and Shiow-Ing Shieh, husband and wife; to the Committee on the Judiciary.

By Mr. HEFLIN:

S.J. Res. 36. Joint resolution proposing an amendment to the Constitution to prohibit appropriations for a fiscal year which would cause the total appropriations to exceed estimated receipts for such fiscal year; to the Committee on the Judiciary.

By Mr. SASSER:

S.J. Res. 37. A joint resolution authorizing the President to proclaim May 1, 1979, "National Bicycling Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON:

S. 366. A bill to provide for the exploration for and development of federally owned minerals, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL LAND MINING ACT OF 1979

● Mr. JACKSON. Mr. President, revision of the mining law of 1872, which governs development of so-called hardrock minerals on Federal lands has been urged by many people for many years. Despite this urging, there has been almost no action by either the Senate or the House of Representatives.

Now, however, the time should be ripe for action. The House Interior Committee began work on mining law reform during the last Congress. President Carter and Secretary of the Interior Andrus agree that the law should be revised. I have long held this view.

What is the reason for concern about the mining law of 1872?

Mining often involves the destruction of other resources to some extent. In many cases, timber must be removed, wildlife habitat must be disturbed, natural waterways must be changed, overburden must be set aside, wastes must be disposed of, roads must be pushed through undisturbed areas, water must be diverted and may become contaminated, and holes must be drilled. These and other activities are essential to obtain minerals needed by the economy.

Sacrifice of some resources to realize others is not limited to mining. It is characteristic of any intensive use. However, the mining law of 1872 fails to have internal controls for weighing the value of these sacrifices. It contains no general requirement for consideration of the other resource values of the lands involved.

The result has been a continuing battle among miners, prospectors, other user groups, administrators, legislators, and the general public. Attempts are made to resolve these incompatible conflicts often simply by barring mineral or nonmineral activity from specific areas. There are also, as a result, a host of special laws, or laws for special situations, governing mining in different types of Federal areas—some national parks, national recreational areas, power site reserves, wilderness areas, and others. It is increasingly apparent that the United States must develop its domestic mineral resources. Public land mineral development must take place within the context of the wide variety of demands being made on Federal lands. This requires accommodations among conflicting uses. It is, and will continue to be, impossible to make everybody happy all the time.

We need to be sure that our policies and procedures assure that this development is as compatible as possible with other uses and values of these lands. How can we achieve this goal?

There is a critical need for comprehensive land use planning. Most people are willing to compromise and allow "undesirable" uses such as mining. However, they do not see the tradeoffs in the case-by-case decisionmaking process. Comprehensive planning displays the alternatives.

Environmental protection must be built in all plans and actions. We must not permit any degradation that can be avoided and we must minimize all unavoidable degradation.

This is the critical weakness of the 1872 mining land. It puts the land use decision entirely in the hands of the miner. He decides that mineral development is the best use of public lands regardless of other values, and no evaluation of alternatives.

We must modify the basic principle of the 1872 mining law that mineral development is always the highest use of land. Existence of minerals in a given tract of land does not necessarily mean that mineral development is the best use.

In sum, we must seek to balance mineral development with other resource values and other potential land uses. For years, the scales have been tipped in favor of the mineral developer. To counter this, there has been a tendency to withdraw public lands from mining claim location. The result is an "all or nothing" confrontation which is not in the national interest.

Under our Constitution the Congress has a special responsibility for the Federal lands. Congress must establish policies and standards to assure that mineral resource development on Federal lands is consistent with the basic policy that the Federal lands are vital national resource reserves held in trust by the Federal Government for all the people.

Mr. President, I feel certain that Congress can establish laws that will permit compatible mineral development in a manner that is practical, fair, and just. At stake is the management of the public lands in the public interest, which includes a sound, vigorous mining industry.

In order to begin this process, I am introducing today the Federal Land Mining Act of 1979. It is designed to achieve the objectives I have outlined. The bill would establish a complete new legal system for prospecting for and developing "hardrock" minerals on both public domain and acquired lands. I believe it will meet the needs of both the Government and the industry; provide for congressional control of policies and programs with executive flexibility for day-to-day administration; encourage mineral prospecting and development with sound planning and adequate environmental controls; and harmonize mineral development on Federal lands with other congressionally authorized conservation and land management programs.

I ask unanimous consent that a brief summary of the manner in which the bill treats many of the most significant policy issues involved be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF DESCRIPTION OF SIGNIFICANT FEATURES OF THE FEDERAL LAND MINING ACT OF 1979

1. INCENTIVES FOR PRIVATE DEVELOPMENT

The bill assumes that the arrangements made by free enterprise in its dealings with private owners of mineral deposits and its other normal business operations provide prospects for profits sufficient to induce industry to undertake the risks inherent in the search for and development of minerals. It calls for "fair market" return to the Government, the amount a private owner realizes in his negotiations with private industry. The bill sets no specific upper or lower limits to Government returns in order that there will be no arbitrary interference with establishing "fair market" requirements. The bill grants authority to the Secretary of the Interior to provide for negotiated adjustments in contracts when changes in economic and other conditions modify "fair market" relationships. Consistent with the concept of "fair market," it assumes normal business practices.

2. CONSIDERATION OF ALTERNATIVE RESOURCE VALUES

The bill assigns the determination of whether minerals will be available for development to the head of the department or agency which administers the land. To provide an assurance that full weight will be given to minerals values and to the policies of the Congress as expressed in the bill, the bill requires a justification to the Secretary of the Interior whenever a department or agency head refuses to make lands available or requires restrictive provisions. Full consideration is further promoted by provisions in the bill for public participation in, and Congressional oversight of, decisionmaking. The bill makes no changes in existing law with respect to judicial review or, in substance, with respect to withdrawals of land from mining.

The bill establishes various policies and objectives with respect to the development of Federally-owned minerals and recognizes that there will be day-to-day practical problems in reconciling or harmonizing mineral policies and objectives with other Congressional natural resource and management policies and objectives. It expects these problems to be solved in the give-and-take of democratic processes and procedures, including public participation, Congressional oversight, internal appeals procedures, and judicial review.

3. TREATMENT OF SMALL MINERS

The bill retains a measure of miner-initiated decisions with a modified system of locations by "small miners." Under regulations of the Secretary of the Interior, heads of departments and agencies will determine the lands and mineral deposits open to small miner locations. The bill gives the Secretary of the Interior authority to establish rules and regulations which would permit a location system to operate equitably and consistent with environmental protection and resource management.

4. AVAILABILITY OF LANDS FOR MINERAL DEVELOPMENT

The bill requires a positive administrative action to make lands available for mineral development. For locations by small miners, lands would not be available until "opened" by administrative order but thereafter would remain open until "closed" by administrative order. Otherwise, lands would be available only if offered for lease or sale by the Secretary or his delegate. Offers would be made either on the motion of the Secretary or his delegate or by them in response to applications or nominations.

In order to encourage appropriate mineral development and facilitate industry preparation for development, the bill requires the Secretary to prepare long-range plans for scheduling lands for opening to prospecting and development.

5. CONGRESSIONAL CONTROL OVER THE AVAILABILITY OF LANDS

The bill relies on established Congressional procedures for oversight, legislation, and appropriations for control of executive actions under the bill.

6. ADMINISTRATIVE DISCRETION

The bill sets forth policies, objectives, standards, and criteria to govern the management and disposal of Federal mineral deposits. Within this framework, it grants the Secretary of the Interior and other Federal officials full discretion in the administration of the law and in devising the means to comply with the policies, to achieve the objectives, and to enforce the standards and criteria. It avoids, with a few exceptions, establishing by law details of procedures or other requirements.

To assure that the exercise of discretion will be based on a fully disclosed and carefully devised system of principles and practices adopted only after full opportunity for public participation and Congressional oversight, the bill requires the Secretary of the Interior to issue rules and regulations to carry out its provisions. The bill makes the rule and regulations process subject to the rulemaking provisions of the Administrative Procedure Act.

7. ENFORCEMENT OF DUE DILIGENCE

The bill calls for due diligence but leaves it to the Secretary of the Interior to devise the means by which due diligence will be enforced. The bill, however, does not maximize limits to the term of years for leases issued under its terms.

8. ALLOCATION OF EXPLORATION AND DEVELOPMENT OPPORTUNITIES

The bill specifies how opportunities will be allocated. The general rule is that resources will be allocated to the highest qualified bidder. Exceptions are: small miners can earn the right to a lease through locations on a first-come, first-served basis and, where competitive interest is lacking or very low values are involved, specific quantities of minerals can be sold on a first-come, first served basis. In addition, the bill allows

donations of minerals to governmental entities and to recreationists.

9. APPLICABILITY OF REGULATIONS

The bill permits the Secretary of the Interior to establish by regulation whether leases will be subject to future regulations and, if so, under what limitations and other conditions. As with other terms and conditions, the fair market value of the lease will be affected by the provisions for applicability of regulations.

10. ADMINISTRATION OF OPERATIONS

The bill centralizes the administration of its provisions in the Secretary of the Interior except for decisions whether lands will be open for mineral development and except also for determinations of terms and conditions related to non-mineral resource management. The latter responsibilities are assigned to the heads of the departments and agencies which manage the lands. The bill permits the Secretary of the Interior to delegate his authority to make quantity sales and to make inspections, enforce rules and regulations, and to carry out environmental protection and rehabilitation functions to departmental and agency heads.

11. PAYMENTS FOR LANDS AND RESOURCES

The bill requires the Secretary of the Interior to collect fair market value for lands and resources disposed of under its provisions. The bill permits collection of less than fair market value in transfers of minerals to governmental agencies and recreationists.

Charges required include rentals for use of surface resources, royalties and bonuses as payments for minerals taken, and payments for surface interest sold. The bill does not specify minima or maxima or any other standard other than fair market value. The bill permits the Secretary to accept cash, minerals, and land developments and improvements which would be of value to governmental programs.

12. REVENUE SHARING

The bill adopts the revenue sharing formula of the Mineral Leasing Act of 1920. Alaska is granted 90% and other States 50% of total revenues, less amounts paid to counties out of mineral revenues pursuant to other existing legislation. State legislatures will determine how the money will be used but are required to give priority to alleviating adverse effects of mineral developments undertaken pursuant to the provisions of the bill. Like the Mineral Leasing Act of 1920, the bill provides for loans to States based on expected revenues for early attack on such adverse effects.

13. ANTI-MONOPOLY

The bill charges the Secretary of the Interior to take the necessary steps to prevent or terminate monopoly and restraint of competition and trade. It requires the Attorney General to advise the Secretary and also to audit actual operations under the bill for that purpose. The bill authorizes the Secretary to adopt any means consistent with due process to carry out the statutory objective of normal competition.

14. MINERAL INVENTORY

The bill authorizes a comprehensive inventory of Federally-owned mineral interests. It requires the Secretary of the Interior to prepare long-range plans for inventory operations, which would be undertaken only if specifically authorized by Act of the Congress.

Inventory plans and operations would have to be designed to be harmonious with the statutory missions of the various land management programs. The bill requires maximum reliance on the private mineral industry and permits appropriate Government activity also. The bill requires authorized operators to disclose to the United States for Government use information about Federal lands and mineral resources developed and collected during authorized operations.

15. LOW-GRADE DEPOSITS

The bill assumes that acceptable decisions cannot be made with respect to low-grade deposits in the absence of facts about those deposits and the other values in the lands containing the deposits. To develop the needed facts and to assure executive and Congressional consideration of those facts, the bill calls for comprehensive mineral inventories, planning and Congressional oversight. The bill calls for, but does not specifically authorize, Government-financed research for identifying promising mineral targets. Specific authorizing legislation would be needed. The Government would recover its costs to the extent that the research added value to deposits disposed of, which in some cases could be less than actual expenditures and in other cases more.

16. EXISTING MINING CLAIMS

The bill protects existing valid rights. Valid claims existing on the date of the Act would not be adversely affected by the bill. However, holders of such claims would have three years in which to apply for patent. If they fail to do so, their rights thereafter would be limited to the minerals therein and to so much surface use as required for mineral operations.

Claimants having as of January 1, 1977, only a privilege of possession would be granted three years or until the lands were closed to mineral development, whichever is less, to continue their search for minerals. The bill permits them to apply for a lease under its provisions and authorizes the Secretary to issue leases where equitable considerations justify issuance.

17. CLASSES OF LANDS AND MINERALS INCLUDED

The bill supersedes all mineral disposal laws other than the Mineral Leasing Act of 1920, the Acquired Lands Leasing Act of 1947, and a special leasing law of limited application.●

By Mr. JACKSON (by request):

S. 367. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, today I am introducing, by request, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System.

I ask unanimous consent that the text of the bill, together with a letter to the President from the Secretary of Agriculture, Bob Bergland, be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 U.S.C. 1271-1287), is further amended as follows:

In section 3(a) after paragraph (15) insert the following new paragraph:

"(16) Illinois, Oregon—The segment from the boundary of the Siskiyou National Forest downstream to its confluence with the Rogue River as generally depicted on a/map entitled "Illinois River Study" and is also part of a report entitled "A Proposal: Illinois Wild and Scenic River"; to be administered by the Secretary of Agriculture. After consultation with State and local governments and the interested public, the Secretary shall take such action as is required under subsection (b) of this section within one year from the date of enactment of this paragraph. For the purposes of this river there are authorized to be appropriated not more than $2,100,000 for the acquisition of lands or interest in lands.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., October 25, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to send you a report recommending the designation of the Illinois River, Oregon, and its immediate environs as an addition to the National Wild and Scenic Rivers System. The study and the recommendations in the report were made in response to the provisions of the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 U.S.C. 1271-1287).

The entire Illinois River was designated for study in the Wild and Scenic Rivers Act. We interpreted the entire river to include the main stem from its confluence with the Rogue River to that point on the East Fork and West Fork of the river intersected by the Oregon-California boundary, a total of 88 miles. The detailed study of the river was conducted by the Forest Service, U.S. Department of Agriculture jointly with the State of Oregon and in cooperation with other Federal agencies.

The study found that the entire river meets the minimum criteria for addition to the National Wild and Scenic Rivers System. However, only the 50.4 mile segment of the main stem of the river from its confluence with the Rogue River upstream to the boundary of the Siskiyou National Forest near Eight Dollar Movement, is recommended for inclusion in the System. This would include a 3.8 mile segment from the mouth of the river upstream to Nancy Creek classified as recreational; a 28.7 mile segment from Nancy Creek upstream to Briggs Creek classified as wild; and a 17.9 mile segment from Briggs Creek upstream to the Siskiyou National Forest boundary classified as scenic. The upper 37.6 miles of river, in the immediate environs of Cave Junction upstream to the Oregon-California boundary, are not recommended for inclusion because of the predominance of private lands and development and the critically low water flows in the summer months. Non-classification of this upper segment of the river would enable future development of water storage facilities as they are needed. The State already has ample authority on this part of the river, to prevent and control pollution problems which could reduce water quality downstream. The segment of the Illinois River proposed for designation flows through predominantly public lands entirely within the Siskiyou National Forest and partially within the Kalmiopsis Wilderness. It joins the existing Rogue Wild and Scenic River at Agness, Oregon. The area within the proposed Wild and Scenic River boundary is about 15,229 acres consisting of 1,211 acres in private ownership and 14,018 acres in Federal ownership. We recommend the proposed Illinois Wild and Scenic River be administered by the Secretary of Agriculture.

The Illinois River study report and draft environmental statement were reviewed by other Federal and State agencies and by the public. Comments from interested reviewers are included in the enclosed report. The primary concerns expressed by reviewers relate to the impacts which the proposed wild and scenic river designation would have on hydroelectric power development and on mining within or adjacent to the river corridor.

Five potential power sites are within the segment of river recommended for designation. Application for preliminary permit for study of one of these, the Buzzards Roost site, has been filed with the Federal Energy Regulatory Commission by the Coos Curry Electric Cooperative, Incorporated. The proposed hydroelectric project would establish a 590 foot dam on the Illinois River 4.4 miles upstream from its confluence with the Rogue River, a re-regulating dam 1.5 miles upstream from the Rogue-Illinois confluence, and 5,600 acre-18 miles long reservoir extending upstream into the Kalmiopsis Wilderness. It is claimed that the additional 250,000 kilowatt capacity of this proposed project would be needed to prevent electric energy shortages forecasted beyond 1983 in the Cooperative's Rogue River Valley operating area. Cost-benefit analysis of the proposed project has not been made.

Hydroelectric development probably would foreclose most of the anadromous fishery values of the river. It is estimated that 30,000 Steelhead Trout migrate up the Illinois each winter to spawn. The river also supports a large run of fall Chinook Salmon with an escapement of about 20,000 fish and lesser runs of Coho Salmon and spring-run Chinook. Sea-run Cutthroat Trout and White Sturgeon are also found in the river system. Approximately 25,000 salmon and Steelhead Trout are caught by sport fishermen each year and the river contributes about 55,000 salmon annually to the offshore commercial fisheries of Oregon and California. Although some of the effects on these resources could be partially mitigated, it is doubtful that the existing natural conditions and present fish populations could be maintained if hydroelectric development were to occur.

Some reviewers also expressed concern that designation of the river would preclude new mineral development because land within one-quarter mile of the river would be withdrawn from appropriation under the mining laws and from operation of the mineral leasing laws. Valid existing rights would continue but the costs of mineral extraction probably would increase because of regulations which may be prescribed to protect and maintain the quality of the river environment. The known minerals within the Illinois River drainage, in order of economic potential, are gold, silver, platinum, nickel, copper, and chromite. Although mining of these deposits is not economically feasible at present, changing technology and markets could change the picture in the future.

We recognize the hydroelectric and mineral potentials present within the boundaries of the proposed Illinois Wild and Scenic River, but believe they are outweighed by the long-term public benefits to be realized by keeping the main stem of the river in its present natural condition.

The estimated additional costs for administration of the proposed Illinois Wild and Scenic River for the five-year period following enactment are $2,100,000 for acquisition of lands or interest in lands, $1,140,000 for development, and $242,000 for operation and maintenance. Land acquisition would be funded through the Land and Water Conservation Fund. A small increase in Federal employment consisting of one full-time employee and two seasonal employees for maintenance and protection of the river area, would be necessary.

I believe the segment of the Illinois River recommended for Wild and Scenic River designation is a unique and irreplaceable natural resource and should be protected as part of the National Wild and Scenic Rivers System. Accordingly, I recommend the proposal to Congress of the enclosed draft legislation to incorporate the Illinois River into the National Wild and Scenic Rivers System.

Sincerely,

BOB BERGLAND,
Secretary.●

By Mr. STEVENS:

S. 368. A bill to amend title 5 of the United States Code to provide additional cost-of-living adjustments in civil service retirement annuities of annuitants who were employed in Alaska and continue to reside there after separation, and for other purposes; to the Committee on Governmental Affairs.

Mr. STEVENS. Mr. President, today I am introducing a bill to extend cost-of-living allowances to certain civil service retired annuitants living in Alaska. The law presently allows a cost-of-living pay increase of up to 25 percent for Government employees who are stationed outside of the continental United States or in Alaska. The purpose of the law is to provide comparable pay throughout the United States by taking into consideration substantially different cost-of-living conditions. For example, certain employees in Alaska face excessively high living costs, often 25 percent higher than comparable costs in the District of Columbia. Thus, an allowance is granted to these employees to compensate for the difference in the cost of living.

However, no such allowances are granted for retired employees who live under the same economic constraints, and since annuities are only computed on base pay, the COLA benefits the employees are accustomed to are completely eliminated when they retire—hence, the need to provide similar allowances to retired annuitants living in Alaska. My bill would require that only a Federal employee who has performed at least 10 years of Federal service within Alaska and retires in Alaska would be eligible for this benefit.

Some may say: "If the annuitant cannot handle the adverse economic conditions, let him move back to the Lower 48 States. He is no longer required to live there." I do not accept that "feed them to the wolves" attitude. We must remember that one who has lived for 10 years in a particular area often has become acclimated to that area and would find it an economic hardship to move into the Lower 48 States. In addition, the local communities with such adverse climates have need for the experience and maturity that retired individuals bring to an area. Why create such disruptions for loyal Federal servants? Why should retirees be penalized for wanting to retire in the area in which they worked for so many years? If current employees are benefited by the allowance, it is only right that retired ones should continue to receive this benefit.

Mr. President, an inequity presently exists in our Nation. Alaskans who have rendered a great service to our Government are forced to retire on minimum wages while the cost of living in Alaska continues to leap upward at a much faster rate than elsewhere in the Nation. This bill will do much to dissolve this inequity; it is a bill that will provide long overdue justice to Alaskans, and I ask that it be considered as such in this session of Congress.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8340 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g)(1) On January 1 of each year, or within a reasonable time thereafter, the Office shall determine the percentage by which—

"(A) the percent rise in the cost-of-living for the preceding calendar year for any area in Alaska with respect to which an allowance under section 5941 of this title is paid, exceeds

"(B) the percent rise in the cost-of-living for the District of Columbia.

"(2) Notwithstanding any other provision of this subchapter, effective March 1 of each year, each annuity of an individual described in paragraph (3) of this subsection having a commencing date not later than such March 1 shall be increased by the percent change computed under paragraph (1) of this subsection, adjusted to the nearest 1/10 of 1 percent.

"(3) This subsection shall apply to an individual who resides in an area described in paragraph (1)(A) of this subsection and who is—

"(A) a retired employee or Member who—

"(i) has performed 10 years of service in Alaska prior to separation from the service, and

"(ii) continues to reside in Alaska after the commencing date of his annuity, and

"(B) a survivor of any employee or Member described in subparagraph (A)(i) of this paragraph who resides in Alaska after the death of the employee or Member.

"(4) An increase in an annuity under this section shall be in addition to any other increase under this section and shall terminate on the first day of the first month following the month in which an individual no longer continues to reside in such an area in Alaska".

(b) Section 8340(c) of such title is amended by inserting "subsection (b) of" before "this section is".

(c) The first increase in annuities by reason of the amendments made by this Act shall not take effect before March 1, 1980.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 369. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. BUMPERS when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. STEVENS:

S. 370. A bill to amend title 5 of the United States Code to provide vacation leave for residents of Alaska serving a tour of duty at a hardship station in Alaska; to the Committee on Governmental Affairs.

Mr. STEVENS. Mr. President, today I am introducing legislation that would treat Alaskan Federal employees who work in hardship stations the same as other Federal employees who are similarly located. Presently, Federal employ-

ees who are recruited from within the continental United States to work outside the continental United States enjoy a benefit termed "turnaround leave." Turnaround leave is a statutory provision which requires an agency to pay the expenses of round trip travel for an employee and his or her family every 2 years to their home in the Lower 48 States. The turnaround leave provision is twofold: First, to compensate the employee for the enormous expenses he sustains in transporting himself and his family great distances; and second, to assist in recruiting Federal employees to work in remote hardship duty stations.

Alaskans who are recruited for a tour of duty in remote areas of Alaska, however, are unable to qualify for such benefits even though the distances traveled, expenses borne and the hardship endured are often the same. Often an Alaskan and an employee from the Lower 48 work in the same station performing similar, if not the same, functions; yet, the employee from the continental United States gets turnaround leave. Whereas, the Alaskan whose permanent Alaskan residence may be thousands of miles away does not. This situation is blatantly inequitable and needs to be changed.

My bill basically entitles the Alaskan Federal employee to the same benefits Federal employees from the Lower 48 States enjoy. If the employee satisfactorily completes a tour of duty at a hardship station within Alaska and is returning to his or her place of residence before serving at another hardship station in Alaska or in another post outside of the continental United States and Alaska, he or she will be entitled to turn around leave.

Mr. President, I ask unanimous consent to have the text of my bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5728 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Under such regulations as the President may prescribe, an agency shall pay from its appropriations to an employee whose actual place of residence is in Alaska at the time of his appointment or transfer to a post of duty in Alaska which is designated as a hardship station the expenses of round-trip travel of such employee, and the transportation of his immediate family, but not household goods, from such post of duty to such place of residence after such employee has satisfactorily completed an agreed period of service at such post of duty and is returning to such place of residence to take leave before serving another tour of duty at the same or another post of duty at a hardship station in Alaska or at another post of duty outside of the continental United States and Alaska under a new written agreement made before departing from such post of duty.".

(b) The amendment made by subsection (a) applies to employees serving at a post of duty at a hardship station in Alaska on and after the date of enactment of this Act

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By Mr. MCGOVERN:

S. 371. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

MEAT IMPORT ACT OF 1979

Mr. MCGOVERN. Mr. President, it was a matter of keen disappointment in the agricultural community at the conclusion of the last Congress when the President vetoed a meat import bill upon which both Houses of Congress had worked hard over a considerable period of time.

The centerpiece of the legislation passed last year was a new concept on meat imports that was termed "countercyclical," that is to say, going against the traditional cattle cycle. When domestic production was low more imported meat was allowed to come into the country. When we began to reach the high side of the production cycle, imports would be reduced. This obviously would work in harmony with the cattle cycle, and had the endorsement of the Secretary of Agriculture, farm and livestock organizations and, for that matter, of the President.

But in his veto message, President Carter pointed out that the countercyclical section of the law was not what bothered him or his advisers. What he objected to was that portion of the law which would curb the discretionary authority of the President in dealing with the foreign countries in terms of voluntary restraint agreements, as well as the President's authority to suspend quotas under economic conditions when he thought such suspension to be in the best interests of the country.

The legislation I introduce today thus retains the countercyclical concepts of last year's bill but attempts to draw a compromise with the White House on the question of Presidential discretion. Obviously, sending last year's bill to the White House again will do no more than invite another veto. It is thus in the interests of responsible legislators to attempt to reach an accommodation with the President since confrontation will serve no useful purpose and simply result in another veto. So under these conditions, Mr. President, I have drafted legislation that I think will deal more effectively with the question of meat imports without doing violence to the President's constitutional discretionary authority.

Last year the President announced his decision to allow another 200 million pounds of beef to enter this country from foreign areas. The announcement was abrupt and came virtually without any forewarning. The result was a disastrous drop in the market—in some areas as much as $10 per hundredweight. The net result of the President's action was little or no assistance to consumers and a disastrous blow to the solar plexis of producers—one they will not soon forget.

In order to give the Congress a role in the matter and to further give the market a chance to adjust in the event of a similar announcement sometime in the future, the legislation I propose provides that such action by the President would require that Congress be advised of such an intent at least 30 days in advance of the time expansion in imports would take effect. If both Houses of Congress do not pass a resolution of disapproval during this period of ratification and consultation, the action of the President would take effect.

In my judgment, Mr. President, this is a reasonable compromise. It has additional language which stipulates that the President notify the Congress prior to increasing import levels as provided by the bill in the event that the average index ratio has reached 1.10. In this case, Congress could not block the proposed increase. This provision is in line with last year's bill.

Mr. President, I have checked the provisions of this bill with livestock interests in my own State and elsewhere. They favor it because they are convinced that it is an answer to sudden and uncalled for gyrations in the marketplace. It is looked on as a stabilizing compromise.

I do want to emphasize, Mr. President, to my colleagues and to cattle interests, that I do not consider the provisions of this legislation to be set in concrete nor do I consider them inflexible. My first concern is solving this Congress/White House impasse. I consider this bill to be a reasonable approach, but should a better proposal emerge that would have the backing of cattlemen and at the same time be acceptable to the administration, I would be one of the very first to support it. In short, I want this problem solved and solved in this session of the Congress. We have spent enough time on the matter and our stockgrowers deserve a square deal if we expect them to replenish their herds and eventually bring stability to the market. It is in the interests of all Americans that this question not be prolonged. I know that there are various other legislative proposals both in the Senate and the House of Representatives. I offer this one for the consideration of the Senate and obviously I hope the Senate accepts it. Of greater importance to me, however, is a quick and orderly resolution of the issue.

Mr. President, I ask unanimous consent that the text of the proposal I introduce today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979'.

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat),

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)), and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1979 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1969 through 1978; and

"(2) adjusted further under subsection (d). For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.53, and 100.55 of such Schedules entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1979 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year; and

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase 'domestic cow beef' means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1979, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) would be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e)(1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President shall by proclamation limit the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e)(1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is less than 110 percent of the aggregate quantity estimated by him under subsection (e)(1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g)(1) Notwithstanding the preceding subsections, the total quantity of meat articles which may be entered during any calendar year after 1979 (as established for such year under the preceding subsections and effective as of the third calendar quarter of such year) may be—

"(A) decreased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is .90 or lower;

"(B) increased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is less than 1.10 if no later than 30 days before the effective date of any increase under this paragraph, the Secretary submits to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a notification of such increase and a written report containing information regarding the circumstances of and reasons for such increase; or

"(C) increased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is 1.10 or higher if no later than 30 days before the effective date of any increase under this paragraph, the Secretary submits to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a notification of such increase and a written report containing information regarding the circumstances of and the reasons for such increase.

Any increase proposed under subparagraph (B) shall not take effect if disapproved by concurrent resolution adopted by the Congress before the effective date specified in such proposed increase.

"(2) For purposes of this subsection, the index ratio for any calendar quarter is the number obtained by dividing the Department of Agriculture Farm Price of Cattle Index for the calendar quarter by the Department of Labor Beef and Veal Price Index for the calendar quarter.

"(3) The Secretary shall compute the average index ratio for the first two quarters of each calendar year after 1979 before the beginning of the third calendar quarter of the year.

"(h) The President may suspend any proclamation made under subsection (f), increase the amount of any total quantity proclaimed under such subsection, or increase the amount of any total quantity established under subsection (g), if—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices. Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f)(1), and any increase in such quantity provided for under subsection (g), among supplying countries on the basis of the shares of the United States market for meat articles such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may reflect the trade in meat articles. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

"(l) The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1980.".

SEC. 2. This Act shall take effect January 1, 1980.

By Mr. LEAHY:

S. 372. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL RURAL DEVELOPMENT BANK ACT OF 1979

Mr. LEAHY. Mr. President, I rise today to introduce legislation which strikes at the very core of the problems impeding rural development. This legislation, the National Rural Development Bank Act of 1979, is designed to bring adequate credit to nonmetropolitan America.

There is no definitive document on the credit needs of rural areas. However, the limited studies and data available on the issue all point to a shortage of rural credit. For example, in 1970 the median interest rates on conventional mortgages was 6.6 percent in rural areas and 6 percent in urban areas. In that same year, the median mortgage amortization rate in rural areas was 20 years while in the cities it was 25.3 years.

Other less quantitative factors also strongly indicate a shortage of rural credit. These include the limited amount of fiscal resources in rural America, a limitation which translates into smaller bond issuances. These smaller bonds offer no economies of scale. This is an important constraint to consider when one realizes that the costs of flotation are nine times greater per dollar borrowed per issue under $2 million than for the larger bonds in excess of $20 million. Furthermore, it costs only one dollar per thousand for general obligation bonds of more than $25 million, and yet the smaller general obligation bonds of $500,000, which are more likely to come from small town America, cost $15 per thousand.

All this means that not only is credit scarce in rural America, but its very scarcity drives its price up to unreasonable levels.

Mr. President, the National Rural Development Bank would be a bank for rural banks. It would create an institution which would give rural banks a place to discount and refinance their rural development loans, thereby freeing their funds for other rural development projects. This mechanism is pat-

terned after the highly successful farm credit system. It has a strong, tested, and proven track record.

The National Rural Development Bank is not a new idea. The proposal has been offered in many versions to Congress. Last year, I introduced a version of the bill and I have been both pleased and informed by the public and professional comments I have received. The bill is a very prudent, fiscally responsible means of treating the very pressing problems of rural areas.

Mr. President, I have worked on this legislation to guarantee that the bank would not duplicate and would be coordinated with ongoing Federal rural development programs. The bill is structured in such a way that all Federal moneys used to start up the bank will be repaid in full and, as long as the bank holds any Federal debt, its policies must be approved by the Secretary of the Treasury and the Secretary of Agriculture. Also, and this is a very important feature, the bank could finance no rural development projects which were inconsistent with, and thereby not approved by, the State governmental entity of the area where a rural development project would be located.

Mr. President, the bill I present today is complicated, but so are the problems which plague rural America. There are no easy solutions. However, the National Rural Development Bank, while not being a panacea, would go far, very far, toward solving the rural dilemmas of poverty, structural unemployment, and a grossly inadequate system of social services.

The National Rural Development Bank would help rural areas in three ways. First, it would offer rural banks a place to discount their paper. Second, it would be able to finance joint-venture-equity rural development projects with Federal programs or rural financial institutions. Third, it would be able to extend loans directly to rural development project sponsors.

Mr. President, the bank would not be in competition with existing lending institutions. This is because it is borrower owned, hence purchase of bank stock is a prerequisite of receiving the bank's services. Therefore, its loans would be slightly, probably less than 1 percent, more expensive than loans available from existing private institutions.

Eventually, the bank will not cost the Federal Government anything. Initially, the bank would be capitalized by an annual $200 million purchase of stock by the Secretary of Treasury. At least 10 percent of the bank's yearly earnings would have to go toward retirement of the stock held by the Secretary of the Treasury. Hence, the Federal debt would be repaid in full. The bank thus becomes a private entity, not a continual drain on the Federal budget.

The bank would be run by a board comprised of 13 presidentially appointed, 12-member elected, and 3 ex officio members. Each board member would serve for a term of 6 years.

Mr. President, I could go on about the merits and structure of this proposal, but I daresay the bill itself will provide hours of reading and study. With that, I ask unanimous consent that the National Rural Development Bank Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Rural Development Bank Act of 1979".

SEC. 1. The Rural Development Act of 1972 is amended by adding at the end thereof the following:

"TITLE VII—NATIONAL RURAL DEVELOPMENT BANK ACT OF 1979

"Subtitle A—Findings, Purposes, and Definitions

"SEC. 701. TITLE AND FINDINGS AND PURPOSE.—(a) This title may be cited as the "National Rural Development Bank Act of 1979".

"(b) Congress hereby finds that—

"(1) community services and facilities and the income earning opportunities needed by farm and forestry people to increase their incomes and raise their quality of life are shared by all other residents living in rural areas;

"(2) to raise rural income and increase the accessibility to farm and rural residents of high-quality community facilities and services, it is necessary that all the resources in rural communities be used at maximum effectiveness and efficiency;

"(3) the conduct of industry and commerce, as well as farming and forestry, provide jobs and income that contribute to the tax base necessary to establish and maintain adequate rural facilities and services;

"(4) balanced geographic distribution of the Nation's population is essential to the prosperity, general welfare, and domestic tranquillity of the urban as well as the rural areas of the United States;

"(5) to achieve and maintain balanced geographic distribution of the Nation's population, it is necessary to attain balanced geographic distribution of profitable private economic enterprises, income earning opportunities, and high-quality community facilities, services, and public works;

"(6) additional capital investment and financial resources are essential to establish and operate private economic enterprises, public works, community facilities, and services in rural areas;

"(7) much of the needed investment must come from outside of rural areas;

"(8) much of the outside investment and credit needed by rural areas will be made available by the Nation's existing network of commercial and investment banks, the Farm Credit System, and other rural financial institutions, and by other private enterprise and local and State governments buttressed and supplemented by the direct, insured, and guaranteed loans, technical assistance, and grants provided under the Consolidated Farm and Rural Development Act and other titles of this Act;

"(9) the size of investment or credit required by the sponsors of significant rural development projects often exceeds the regulated lending limits and investment standards of existing rural financial institutions (even when a part of the loan is insured or guaranteed under the Consolidated Farm and Rural Development Act) so that existing arrangements do not provide fully to rural investors and financial institutions the liquidity, flexibility, and usable financial resources they require to be fully responsive to expanding rural development investment and credit needs;

"(10) the potential investors, public or private, who wish to construct, expand, or operate significant rural development projects do not have sufficient access to investment funds from existing credit and investment entities.

"(c) It is the policy of Congress to meet the need for additional investment funds by establishing a local-lender-and-borrower-owned facility that will provide equity-participation investment funds to sponsors of rural development projects and financial assistance to local lenders and to those with whom loans extended by local lenders are refinanced, discounted, rediscounted, or to whom such loans are sold.

"(d) It is therefore the purpose of this title to provide for a permanent rural development investment and financial institution that will organize and make available a stable, continuous, and dependable source of financial resources that will provide equity-participation investment, loans, and the discounting, rediscounting, refinancing, and purchase of loans extended by rural financial institutions to the residents of rural areas, agricultural producer organizations and other cooperatives (except where they are able to obtain needed credit from the Banks for Cooperatives under the Farm Credit Act of 1971), rural industrial and commercial enterprises, quasi-public bodies in rural areas, Indian tribes on Federal and State reservations or other federally or State recognized Indian tribal groups, and units of general and special purpose government in rural areas to establish, construct, and operate private and public facilities, works, and services in rural areas and provide remunerative employment to increasing numbers of rural residents.

"SEC. 702. DEFINITIONS.—As used in this title—

"(a) The term 'rural area' means all territory of a State, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, American Samoa, or Guam that (1) is not within any standard metropolitan statistical area, as designated by the Office of Management and Budget, and (2) in addition, all territory within any such standard metropolitan statistical area that is also within counties, parishes, towns, plantations (in Maine), and townships having a population density of less than two hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States.

"(b) The term 'rural development purpose' means any project undertaken by any private industrial or commercial enterprise or by any multistate region, State, multijurisdictional general purpose planning and development district, or local government or instrumentality thereof, that contributes or will contribute to attainment of the objectives of the revitalization and development of rural areas as provided in section 901(a) of the Agricultural Act of 1970, or the enhancement of any rural area as a place to live and make a living. Such term specifically includes, but is not limited to, projects that provide increased employment or income for or directly benefit rural residents and that—

"(1) establish or improve public works or community services, or facilities;

"(2) encourage private investment in, or promote the establishment and expansion of, industrial or commercial enterprises, including, but not limited to, investor-owned and cooperative marketing and other service associations and enterprises;

"(3) provide manpower development and training;

"(4) improve the quality and accessibility of rural community facilities and services;

"(5) promote the conservation, development, and proper utilization of natural resources;

"(6) establish and improve public educational facilities, including, but not limited to, community and junior colleges, vocational and technical schools, and other institutions of higher education, and encourage the development of improved educational methods;

"(7) establish and improve land, water, and air transportation systems and services;

"(8) assist in the solution of problems related to law enforcement activities;

"(9) establish safe, sanitary, and comfortable housing;

"(10) establish and improve health care and preventative practice facilities and services, including, but not limited to, facilities for vocational rehabilitation, and generally promote improved health and nutrition of residents of rural areas;

"(11) provide direct financial incentives to industry to create jobs in rural areas; or

"(12) establish and improve facilities and services that will enhance the quality of the environment and provide abatement and control of pollution.

"(c) The term 'rural development project' means an organized proposal or activity that does or will contribute to the attainment of one or more rural development purposes.

"(d) The term 'local general government' means the government of a municipality, county, parish, town, or township as such terms are defined and used by the United States Bureau of the Census.

"(e) The term 'Board' means the National Rural Development Bank Board established under subtitle B of this title.

"(f) The term 'Bank' means the National Rural Development Bank established under subtitle C of this title.

"(g) The term 'Participant' means any rural bank or other rural financial institution designated as a Participating Rural Development Financial Institution under subtitle D of this title.

"(h) The term 'Supporting financial institution' means any person or financial institution within the United States that has purchased, discounted, rediscounted, or refinanced all or part of a rural development loan extended to an eligible sponsor by a Participant.

"(i) The term 'rural development loan' means an identifiable unit of credit or other financial assistance extended to an eligible sponsor to construct or operate a rural development project.

"(j) The term 'Governor' means the executive officer of the National Rural Development Bank.

"(k) The term 'financial assistance' means (1) the purchase of legal obligations and the discount, rediscount, and refinancing of any note, draft, or other obligation and similar legal instruments evidencing and securing the repayment of a secured rural development loan advanced by a rural financial institution for the establishment or operation of any project required to attain a rural development purpose, regardless of whether such loan is insured or guaranteed in whole or in part by an instrumentality of the Federal Government; (2) the providing of funds for joint-venture equity investment in rural development projects; or (3) the extending of loans to eligible sponsors of rural development projects who are unable to obtain needed credit from other existing financial institutions at reasonable rates.

"(l) The term 'joint-venture equity investment' means the investment of funds by the Bank jointly with another private, quasi-public or public rural development project sponsor to establish and operate a rural development project.

"(m) The term 'eligible sponsor' means—

"(1) any of the following who propose to or are engaged in establishing or operating a rural development project:

"(A) public and quasi-public bodies;

"(B) cooperative associations as defined in the Agricultural Marketing Act (42 Stat. 388; 12 U.S.C. 1141j(a)), if such associations are unable to borrow from the Banks for Cooperatives;

"(C) other cooperatives;

"(D) corporations;

"(E) partnerships;

"(F) individual proprietors;

"(G) multijurisdictional general purpose planning and development districts established by the legislature or Governor of a State;

"(H) persons and firms;

"(I) owners of rural homes;

"(J) municipalities;

"(K) resource conservation and development project sponsors under title III of the Bankhead-Jones Farm Tenant Act;

"(L) sponsoring associations carrying out projects under the Watershed Protection and Flood Prevention Act;

"(M) corporate entities established by sponsors of concerted education and training service projects carried out jointly by the Department of Agriculture, the Department of Health, Education, and Welfare, and the Department of Labor;

"(N) councils of government established under State law if rural areas are included within their jurisdiction;

"(O) private associations;

"(P) local development districts organized under the Appalachian Development Act;

"(Q) economic development districts organized under the Economic Development Act of 1965;

"(R) technical vocational schools;

"(S) Indian tribes on Federal and State reservations or other federally or State recognized Indian tribal groups; and

(T) community development corporations, and

"(2) whose proposed or operating project is declared eligible based upon—

"(A) review of the proposed project by the governing body of the multijurisdictional general purpose planning and development district, if any, established by the legislature or Governor of the State concerned and a certification by such body that the proposed private or public facility, work, or service is not inconsistent with the current areawide general purpose development plan, if any, for the multijurisdictional district;

"(B) determination that the private or public facility, work, or service provided by the project will be located in and operate primarily in a rural area to increase the employment of, or for the benefit of, rural residents and that the proposed project promises to make a net increase in the number of jobs, or median family income or improve the quality of life in the rural area served;

"(n) The term 'voting stockholder' means any Participant, borrower, or Joint-venture-cosponsor who owns voting stock in the Bank.

"(o) The term 'Joint-venture-cosponsor' means an eligible sponsor who joins with the Bank in making a joint-venture equity investment in a rural development project under provision of subtitle E of this title.

"Subtitle B—National Rural Development Bank Board

"SEC. 703. THE NATIONAL RURAL DEVELOPMENT BANK BOARD; NOMINATION AND APPOINTMENT OF MEMBERS; ORGANIZATION AND COMPENSATION.—(a) There is hereby established a National Rural Development Bank Board (hereinafter referred to as the 'Board') composed of thirteen appointed, three ex officio, and twelve elected members. The appointed members shall be appointed by the President by and with the advice and consent of the Senate, not more than seven of whom shall be from the same political party nor more than one of whom shall be from any one State. In making appointments to the Board the President shall select persons who are especially qualified to serve on the Board because of their education, training, and experience and shall provide a fair representation on the Board of the different geographic regions and minority persons of the United States and the several economic interests in rural development. The representative of the Secretary of Agriculture on the Farm Credit Board, the Governor of the Farm Credit Administration, and the Governor of the Bank shall be ex officio members of the Board and shall not be eligible to vote. One elected member shall be chosen by voting stockholders of the rural areas served by each Regional Bank.

"(b) All members of the Board shall be citizens of the United States and not less than twenty-one members, exclusive of ex officio members, shall be legal residents of rural areas in which the Bank is authorized by this title to extend financial assistance for projects to carry out rural development purposes.

"(c) The Board shall elect a chairman and vice chairman from among its appointed and elected members. The Board shall elect a secretary from among its members or from outside its membership. Such officers shall be elected for terms of one year and shall hold office until their successors have been elected.

"(d) No member of the Board, other than the ex officio members, shall, while serving as a member of the Board, be an officer or employee of the United States or of the Bank or of the Farm Credit System.

"(e) Each appointed or elected member of the Board shall serve for a term of six years, except that (1) a person appointed to fill an unexpired term shall serve only for the remainder of the term for which his predecessor was appointed or elected, and (2) with respect to the first members appointed and elected to such Board, five shall be appointed and five elected for terms of six years, five shall be appointed and five elected for terms of four years, and three shall be appointed and two elected for terms of two years. A vacancy on the Board shall not affect the power of such Board to act. Members shall serve until their successors are duly appointed or elected and qualified.

"(f) The Board is authorized to establish its own rules of procedure for conducting its business, except that a majority of all members of such Board shall constitute a quorum for the transaction of its business.

"(g) Each appointed and elected member of the Board shall receive $200 a day for not more than one hundred days of meetings each year and all members shall be reimbursed for travel and expenses incurred in attending meetings of such Board and in discharge of their official duties with due regard to laws with respect to allowances which may be made on account of travel and subsistance expenses of officers and employees of the United States. Nothing in the preceding sentence shall be construed to limit the number of days of meeting each year to one hundred days.

"(h) The Board shall hold at least six regularly scheduled meetings a year and such additional meetings at such times and places within the United States as it may determine. Special meetings shall be held at any time at the call of the chairman or by any three members of such Board.

"SEC. 704. POWERS OF THE BOARD.—The Board shall establish the general policy for the guidance of the Bank in carrying out this title; may require such reports as it deems necessary from the Bank; and shall provide for the examination of the condition of and general supervision over the performance of the powers, functions, and duties vested in the Bank and in Participants, which, in the judgment of the Board, relate to matters of broad and general supervisory, or policy nature. The Board shall function as a unit without delegating any of its functions to individual members, but may appoint committees and subcommittees for studies and reports for consideration by such Board. It shall not operate in an administrative capacity.

"SEC. 705. ANNUAL REPORT.—The Board shall

make an annual report to Congress on the condition of the Bank, including analytical program evaluation and cost effectiveness studies, and recommendations it deems necessary to improve the operation of the Bank in providing supplementary investment required to attain the purpose of this title. An annual report shall also be prepared by the Board describing the type rural development projects financed by the Bank, geographic distribution of the Bank's loans, the number of loans made to minority related rural development projects, and the level of the Bank's loan activities directed toward rural areas with poverty levels above the national average.

"Subtitle C—National Rural Development Bank

"SEC. 706. ESTABLISHMENT; TITLE.—There is established a National Rural Development Bank as a federally chartered instrumentality of the United States subject to policies of the Board. Its charter may be modified from time to time by the Board in any manner not inconsistent with the provisions of this title as may be necessary or expedient to implement this title.

"SEC. 707. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—The Bank shall be a body corporate, subject to the general supervision of the Board and shall have power to—

"(1) adopt and use a corporate seal;

"(2) have succession until dissolved under the provisions of this title or other Acts of Congress;

"(3) make contracts;

"(4) sue and be sued;

"(5) acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal, tangible and intangible property necessary or convenient for its business;

"(6) operate under the policy direction of the Board;

"(7) prepare and disseminate information to the general public on use, organization, and functions of the Bank and to investors on merits of its securities;

"(8) require appropriate bonds or other provision for protection of the assets of the Bank against losses occasioned by employees;

"(9) prescribe rules and regulations necessary or appropriate for carrying out the provisions of this title;

"(10) prescribe its bylaws, subject to approval of the Board, and provide in such bylaws for—

"(A) the classes of its stocks and the manner in which such stock shall be issued, transferred, and retired;

"(B) the election or appointment of its officers and executive employees;

"(C) property acquired, held, or transferred;

"(D) the conduct of its general business; and

"(E) the exercise and enjoyment of the privileges granted to it by law;

"(11) deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, upon such regulations as may be prescribed by the Secretary of the Treasury, may be employed as fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under provisions of this subsection shall be invested in loans or bonds or other obligations of the bank;

"(12) buy and sell obligations of or insured or guaranteed by the United States or of any agency thereof, or securities backed by the full faith and credit of such agency, and make such other investments as may be authorized by the Board;

"(3) delegate to Participants and Joint-venture-cosponsors such functions vested in or delegated to the Bank, as it may determine appropriate;

"(14) exercise by its authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry out the business of the Bank;

"(15) purchase, refinance, or discount rural development loans and participations in such loans made by local rural financial institutions from such institutions and from other financial institutions that have purchased, discounted, or refinanced such loans; and

"(16) make joint-venture equity investment in rural development projects.

"SEC. 708. APPOINTMENT OF GOVERNOR; SALARY AND EXPENSE ALLOWANCE.—(a) The Governor shall be appointed by, and serve at the pleasure of, the Board.

"(b) The compensation of the Governor shall be at the rate prescribed for positions in level IV of the Executive Schedule provided for under section 5315 of title 5, United States Code. The Board shall fix the allowance for his or her necessary travel and subsistence expenses or per diem in lieu thereof.

"SEC. 709. COMPLIANCE WITH BOARD ORDERS.—The Governor shall be responsible, subject to the supervision and control of the Board, for carrying out the functions of the Bank and the policies of such Board. The Governor shall carry out all orders and directives received from the Board.

"SEC. 710. RURAL DEVELOPMENT BANK ORGANIZATION.—The Governor is authorized, in carrying out the powers and duties now or hereafter vested in the Governor by this title and acts supplementary thereto, to establish and to fix the powers and duties of such officers to serve within regions, divisions, and instrumentalities as the Governor may deem necessary to insure the proper and efficient administration of the functions of the Bank including the establishment of Regional Banks coterminous with the twelve regions of the Farm Credit System.

"SEC. 711. ADMINISTRATIVE EXPENSES.—The Bank may, within the limits of funds available therefor, make necessary expenditures for personnel, services, and rent at the seat of Government and elsewhere; contract stenographic reporting services; purchase and exchange of law books, books of reference, periodicals, and newspapers; expenses of attendance at meetings and conferences; purchase, operation, and maintenance at the seat of Government and elsewhere of motor-propelled passenger-carrying vehicles and other vehicles; printing and binding; and such other facilities and services, including temporary employment by contract or otherwise, as it may from time to time find necessary for the proper administration of the provisions of this title.

"SEC. 712. ENUMERATED POWERS.—(a) The Bank shall, in addition to the corporate powers enumerated in section "07, have the following powers, functions, and responsibilities in connection with the provision of financial assistance to Participants, to Joint-venture-cosponsors, and to those who purchase, discount, or refinance rural development loans extended by Participants:

"(1) to make studies of rural lending and investment needs, the need for better geographic distribution of population and economic opportunity, appraisal and credit standards, and credit requirements of rural industrial and commercial enterprise:

"(2) to develop acceptable national and regional standards, procedures, and appraisal forms; and

"(3) to prescribe price and cost levels to be used in such standards, joint venture investment, appraisals, and lending; and

"(4) when eligible sponsors are unable to qualify for the Bank's services, to make sure applicants aware of possible assistance available through programs of the Farmers Home Administration.

"(b)(1) if, in the opinion of the Bank, any Participant or joint-venture cosponsor or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is engaging or has engaged, or the Bank has reasonable cause to believe that the institution or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is violating or has violated, or the Bank has reasonable cause to believe that the institution or any director, officer, employee, agent or other person participating in the conduct of the affairs of such institution is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Bank in connection with its transactions with the institution or any written agreement entered into with the Bank, the Bank may issue and serve upon the institution or such director, officer, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the institution or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Bank at the request of any party so served. Unless the party or parties so served shall appear at the hearing by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the Bank shall find that any violation specified in the notice of charges has been established, the Bank may issue and serve upon the institution or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the institution or directors, officers, employees, agents, and other persons participating in the conduct of the affairs of such institution to cease and desist from the same, and further to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the institution or the party or parties so served (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Bank or a reviewing court."

"SEC. 713. GOVERNANCE OF POLICIES, PROGRAMS, AND PROCEDURES OF THE BANK.—(a) The Board shall establish and promulgate policies and regulations, not inconsistent with provisions of this title, to govern the policies, programs, and procedures of the Bank.

"(b) The policies of the Bank, for so long as the Secretary of the Treasury holds stock in such Bank for the United States, shall be subject to prior approval by the Secretary of the Treasury and the Secretary of Agriculture.

"SEC. 714. FINANCIAL AND OTHER SUPERVISION.—The Bank, Participants, and Joint-venture-cosponsors shall be subject to the supervision of the Farm Credit Administration with respect to all procedures relating to financial examinations, including audits. The Board shall arrange with the Federal Farm Credit Board to utilize the services of the Farm Credit Administration examiners for investigative, accounting, and administrative auditing of the work of the Bank in an orderly, efficient, and effective manner. The Farm Credit Administration is authorized to provide such services on a mutually agreeable reimbursable basis.

"SEC. 715. EXAMINATIONS AND REPORTS; AUDITS.—(a) Except as provided in this title, each office and division of the Bank, Participants, and Joint-venture-cosponsors, at such times as the Board may determine, shall be examined and audited by examiners of the Farm Credit Administration on a reimbursable basis, but in no event shall any such institution be examined and audited less frequently than once a year. If the Board determines it to be necessary or appropriate, the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, in accordance with generally accepted auditing standards. Upon request of the Governor of the Bank, credit examiners shall also make examinations of any organization other than a national bank, to which, or with which, the Bank contemplates extending financial assistance or delegating authority under this title. For the purposes of this title, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law. A report of each audit of the Bank or other institution for any fiscal year shall be made by the Farm Credit Administration through the Board to the President of the United States and to Congress not later than six months following the close of such fiscal year. The Farm Credit Administration shall be reimbursed by the Bank for the cost of performing such audits.

"(b) The Bank, Participants, and Joint-venture-cosponsors shall be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General of the United States shall determine.

"SEC. 716. CONDITIONS OF OTHER BANKS AND LENDING INSTITUTIONS.—The Comptroller of the Curency is authorized and directed, upon request of the Board, to furnish for the exclusive and confidential use of the Board such reports, records, and other information as the Comptroller may have available relating to the financial condition of national banks through, for, or with which the Bank has made or contemplates making discounts, loans, or delegations of power.

"SEC. 717. CONSENT TO THE AVAILABILITY OF REPORTS AND TO EXAMINATIONS.—Any organization other than State banks, trust companies, and savings associations shall, as condition precedent to security discount privileges or delegated powers with the Bank for the exclusive and confidential use of the Bank, file with such Bank its written consent to examination by the Board examiners as may be directed by the Farm Credit Administration; and State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon request of the Farm Credit Administration.

"SEC. 718. REPORTS OF CONDITIONS OF INSTITUTIONS RECEIVING LOANS OR DEPOSITS OR REDELEGATED POWERS.—The executive departments, boards, commissions, and independent establishments of the Government of the United States, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon request of the Board, to make available to the Bank in confidence all reports, records, or other information relating to the condition of any Participant or Joint-venture-cosponsor to which the Bank has or is contemplating extending financial assistance or for which it has or contemplates using as a custodian of securities or other credit instruments, or which it is using as or contemplates using as a depository, or to which it has or contemplates delegating powers under this title. The Federal Reserve banks in their capacity as depositories, agents, and custodians for bonds, debentures, and other obligations issued by the Bank or book entries thereof are also authorized and directed, upon request of the Board to make available for audit all appropriate books, accounts, financial records, files, and other papers.

"SEC. 719. JURISDICTION.—The Bank, Participants, and Joint-venture-cosponsors shall for the purposes of jurisdiction be deemed to be a citizen of the State, commonwealth, or District of Columbia in which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any private financial institution exercising delegated powers under this title, upon the ground that it was incorporated under this title or that the United States owns any stock thereof, nor shall any district court of the United States have jurisdiction, by removal or otherwise, of any suit by or against such institution except in cases by or against the United States or by or against any officer of the United States and except in cases by or against any receiver or conservator of any such institution appointed in accordance with the provisions of this title.

"SEC. 720. STOCK ISSUANCE; RETIREMENT; FRANCHISE TAX.—(a) The Bank shall issue stock which shall be purchased by the Secretary of the Treasury on behalf of the United States as an initial investment in the stock of such Bank to help such Bank to inaugurate financial assistance operations. During the time such stock is outstanding, the pertinent provisions of the Government Corporation Control Act shall be applicable to the Bank. Notwithstanding the requirements for annual audits and annual reports to Congress contained in sections 202 and 203 of the Government Corporation Control Act the operations of the Bank shall also be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General of the United States shall determine.

"(b) For any year or part thereof, in which the Secretary of the Treasury holds any stock in the Bank, such Bank, before declaring any dividends, shall pay to the United States as a franchise tax a sum equal to the lower of (1) 25 per centum of its net earnings for the year, or (2) a rate of return on such investment calculated at a rate determined by the Secretary of the Treasury equal to the average annual rate of interest on all public issues of debt obligations of the United States issued during the fiscal year ending next before such tax is due, multiplied by the percentage that the number of days such stock is outstanding is of three hundred and sixty-five days. Such payments shall be deposited in the miscellaneous receipts of the Treasury.

"SEC. 721. CAPITALIZATION OF THE BANK.—Subject to the provisions of this title, and approval of the Board, the Governor is authorized to issue from time to time and to have outstanding voting and nonvoting capital stock of an aggregate par value of not to exceed the par value of stock purchased by the Secretary of the Treasury plus not to exceed 2 per centum of the amount of outstanding financial assistance and joint-venture equity investment.

"SEC. 722. BANK STOCK; VALUE; SHARES; VOTING; DIVIDENDS.—(a) The capital stock of the Bank shall be divided into shares of par value of $5 each and may be of such classes as may be determined by the Board.

"(b) Voting stock of the Bank shall be held only by such Participants as obtain financial assistance from the Bank and Joint-venture-cosponsors, which stock shall not be transferred, pledged, or hypothecated except as authorized pursuant to this title. Any Participant or Joint-venture-cosponsor may elect to receive nonvoting stock in lieu of voting stock.

"(c) Nonvoting stock may be issued to the Secretary of the Treasury and may also be issued to Participants. When a Participant reduces its total outstanding indebtedness to the Bank, or when a Joint-venture-cosponsor has retired the Bank's investment, its voting stock may be converted at par value, or such greater value as the Bank may from time to time determine, into nonvoting stock, or may be redeemed in cash or as a credit to extinguish final indebtedness at such value as the Bank may from time to time determine. Nonvoting stock or other evidences of indebtedness of the Bank held by the Secretary of the Treasury may be retired at any time, subject to approval of the Board, and shall be retired each year to the extent of the availability of earnings in accordance with the provisions of this title.

"(d) The earnings of the Bank shall be determined in accordance with approved accounting principles and practices, as established by the Board subject to examination under policies of the General Accounting Office. Earnings shall be distributed as follows:

"First, not less than 10 per centum of net earnings for the year shall be paid into the reserve fund of the Bank until said reserve fund shall equal 150 per centum of outstanding stock.

"Second, not less than 10 per centum of net earnings for the year shall be paid into the capital surplus fund of the Bank.

"Third, the franchise tax shall be paid as required by section 720(b) for any year in which any stock is held by the Secretary of the Treasury.

"Fourth, not less than 10 per centum of net earnings shall be used for retirement of nonvoting stock and other evidences of indebtedness of the Bank held by the Secretary of the Treasury.

"Fifth, dividends shall be paid on nonvoting stock held by investors other than the Secretary of the Treasury at a rate not exceeding the average cost to the Bank of funds obtained through issuance of bonds, debentures, and other evidence of indebtedness in its funding operations.

"Sixth, dividends shall be paid on voting stock of the Bank as determined by the Board.

"(e) Dividends shall not be payable on any stock held by the Secretary of the Treasury.

"SEC. 723. POWER TO BORROW, ISSUE NOTES, BONDS, DEBENTURES, AND OTHER OBLIGATIONS.—The Bank, subject to supervision of the Board, shall have power to issue its own notes, bonds, debentures, or other similar obligations, fully collateralized by the notes, mortgages, joint-venture equities, and security instruments it holds in the performance of its functions under this title in such sums, maturities, rate of interest, and terms and conditions of each issue as it may determine.

"SEC. 724. AGGREGATE OF OBLIGATIONS; SECURITY.—(a) No issues of long-term notes, bonds, debentures, or other obligations by the Bank shall be approved in an amount that, when added to the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, exceeds twenty times the capital and surplus of the Bank, or such lesser amount as the Board shall establish by regulation.

"(b) The Bank shall have on hand at the

time of issuance of any long-term notes, bonds, debentures, or other similar obligations, and shall at all times thereafter maintain, free from any lieu or other pledge, notes and other obligations representing rural development loans made, refinanced, discounted, or purchased under the authority of this title, equities in joint-venture equity investments, obligations of the United States or any agency thereof direct or fully guaranteed, other readily marketable securities approved by the Board, or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or other similar obligations outstanding for which the Bank is primarily liable.

"SEC. 725. LIABILITY OF THE BANK.—(a) The Bank shall be fully liable on notes, bonds, debentures, or other obligations issued by the Bank.

"(b) The United States shall not be liable on notes, bonds, debentures, or other obligations issued by the Bank or assume any liability directly or indirectly thereon.

"SEC. 726. BONDS AS INVESTMENTS.—The bonds and other similar obligations issued under the authority of this title shall be lawful investments for all fiduciary and trust funds and may be accepted as security for all public deposits. Any obligation issued by the Bank pursuant to this title shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities that are direct obligations guaranteed as to principal or interest by the United States.

"SEC. 727. PURCHASE AND SALE BY FEDERAL RESERVE SYSTEM.—Any member of the Federal Reserve System may buy and sell bonds, debentures, or other similar obligations issued under the authority of this title, and any Federal Reserve bank may buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by such banks of State, county, district, and municipal bonds under section 14(b) of the Federal Reserve Act.

"SEC. 728. PURCHASE AND SALE OF OBLIGATIONS.—The Bank may purchase its own obligations and may provide for the sale of obligations issued by it, through a fiscal agent or agents, by negotiation, offer, bid, or syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

"SEC. 729. INVESTMENTS AND GUARANTEES.—The Bank is authorized to—

"(1) buy and sell securities it has guaranteed or whose mortgages it has insured or in which it has invested;

"(2) invest funds not needed in its financing operations in such property and obligations as it may determine;

"(3) guarantee securities in which it has invested for the purpose of facilitating their sale; and

"(4) guarantee and insure rural development loans made by other lenders.

"SEC. 730. VOLUNTARY LIQUIDATION; INSOLVENCY; RECEIVERSHIPS; AND CONSERVATORS.—(a) The Bank shall not go into voluntary liquidation without the consent of the Board and with such consent may liquidate only in accordance with regulations prescribed by the Board.

"(b) Upon default of any obligation by the Bank such Bank may be declared insolvent and placed in the hands of a conservator or a receiver appointed by the Board and the proceedings thereon shall be in accordance with regulations of the Board regarding such insolvencies.

"SEC. 731. FINANCIAL ASSISTANCE.—(a) The Bank is authorized to extend financial assistance to eligible sponsors, Participants, and such financial institutions as have extended financial assistance to Participants in accordance with provisions of this title.

"(b) The Bank is authorized to invest its funds in joint-venture equity investments in rural development projects 'Provided, That the Bank's investments for this purpose shall not, at any one time, exceed 15 percentum of the Bank's unimpaired capital and surplus.'

"(c) The Bank shall develop criteria to assure that projects assisted by it are not inconsistent with the comprehensive planning, if any, for the development of the multi-jurisdictional general purpose planning and development districts in which such projects are proposed to be located, and to assure that such projects will not be disruptive of Federal programs that authorize assistance for the development of like or similar projects in the same rural area.

"(d) Financial assistance extended under this section may not exceed the total capital cost of the project to be financed.

"(e) In any case in which the Bank undertakes to provide assistance to a State or local government under subsection (a) of this section for the development of a project for which any other department or agency of the Federal Government (under another law of the United States) will also provide funds—

"(1) the assistance provided by the Bank under subsection (a) may be in the full amount needed by the State or local government to finance such project (including the amount of the funds which will be provided by such other department or agency), but the funds to be provided by such other department or agency with respect to such project shall become payable (notwithstanding any contrary provision in the law under which they are payable) to the Bank in lieu of being paid directly to such government; and

"(2) the Bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds that are payable with respect to such project by such other department or agency, plus (B) a commitment from such other department or agency to pay the funds that are to be provided by it and are payable to the Bank as described in paragraph (1), in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such development that is attributable to funds provided by such other department or agency.

"SEC. 732. INTEREST RATES AND OTHER CHARGES.—Financial assistance provided by the Bank shall bear interest at a rate or rates, and on such terms and conditions, as may be determined by the Board from time to time. In setting rates and charges, it shall be the objective to provide the types of financial assistance needed on a sound business basis at the lowest reasonable cost, taking into account the cost of money to the Bank, the necessary reserves, capital surplus, and expenses of the Bank, and the orderly retirement of the capital subscriptions of the United States. The security documents may provide for the interest rate or rates to vary from time to time during the period of the assistance in accordance with the rate or rates currently being charged by the Bank.

"SEC. 733. SECURITY.—Financial assistance extended by Regional Banks established pursuant to the provisions of section 710 of this title shall be secured by the best available security owned or to be acquired by the beneficiary as may be required adequately to secure the obligation.

"SEC. 734. DELEGATION OF DUTIES AND POWERS TO PARTICIPANTS AND JOINT-VENTURE-COSPONSORS.—The Bank is authorized, by order, rule, or regulation, to delegate to any Participant, Joint-venture-cosponsor, or Supporting financial institutions who extend financial assistance to any Participant such of the duties, powers, and authority of the Bank with respect to such Participant or the officers and employees thereof, in the rural area wherein such Participant is located, as may be determined to be in the interest of effective administration. Any Participant, or other person to which any such duties, powers, or authority may be delegated, is authorized and empowered to accept, perform, and exercise such duties, powers, and authority as may be so delegated to it.

"SEC. 735. AGREEMENTS FOR SHARING LOSSES.—The Bank may enter into agreements with Participants, Joint-venture-cosponsors, or eligible sponsors for sharing the gains and losses on financial assistance extended and joint-venture equity investments made under this title.

"SEC. 736. NATURE OF OBLIGATIONS.—All obligations issued by the Bank shall be lawful investments, and may be accepted as security for all fiduciary, trust and public funds the investment or deposit of which shall be under the authority or control of the United States or of any officer or employee thereof.

"SEC. 737. TAX STATUS.—(a) The real property and tangible personal property of such Bank shall be subject to Federal, State, and local taxation to the same extent, according to its value, as similar property held by other persons is taxed.

"(b) The income of the Bank from any obligations purchased by such Bank from any Federal, State, or local governmental or quasi-governmental body, and any obligation issued by such Bank shall be subject to Federal, State, and local taxation to the same extent as the income of obligations of private corporations are taxed.

"(c) The Bank shall be liable for the franchise tax as provided by section 720(b) of this title.

"(d) Notwithstanding the foregoing provisions of this section, the Bank shall not be subject to Federal, State, or local income taxes for any period in which capital stock in such Bank is held by the Secretary of the Treasury for the United States.

"Subtitle D—Participating Rural Development Financial Institutions

"SEC. 738. DESIGNATION.—Any National or State bank, savings institution, credit union, or other financial institution making loans in rural areas for rural development purposes shall, upon application, be considered for designation as a Participating Rural Development Financial Institution, referred to in this title as a "Participant".

"SEC. 739. FUNCTIONS OF PARTICIPANTS.—Any Participant and any Supporting institution, is authorized, subject to provisions of this title, to obtain financial assistance from the Bank and to issue obligations for purchase by the Bank, and to perform such other duties as the Bank may delegate and the Participant or Supporting financial institution agrees to undertake.

"SEC. 740. PURCHASE OF CAPITAL STOCK.—(a) Any Participant may purchase voting capital stock in the Bank in an amount (at par value) equal to at least 1 per centum and not more than 10 per centum of the amount of the financial assistance received from the Bank.

"(b) Participants are authorized to purchase voting stock of the Bank.

"(c) Any of the institutions listed in section 738 of this title may purchase nonvoting stock in the Bank equal to at least 1 per centum and not more than 10 per centum of the financial assistance received.

"SEC. 741. GOVERNANCE OF PARTICIPANTS.—With respect to all evidence of financial assistance and other obligations that a Participant shall present to the Bank, the policies, rules, regulations, and procedures followed shall be in accordance with the rules

and regulations established by the Board. The designation of any institution as a Participant may be canceled by the Bank. Any Participant whose designation has been canceled under this section may appeal the cancellation to the Board. The decision of the Board shall be final. The Board shall establish appropriate rules and regulations and review bodies to implement expeditious, orderly, and fair consideration of appeals filed by Participants objecting to canceled designations or other matters related to their relationship to the Bank.

"SEC. 742. TERMS AND CONDITIONS.—The terms and conditions under which financial assistance may be made available to Participants, directly or through other financial institutions, shall be established by the Board. Such terms and conditions may vary depending on the rural development purpose for which such assistance is to be used and the practices of the supporting regional financial institutions involved.

"SEC. 743. A Participant, as a condition of eligibility for financial assistance with respect to any rural development loan it has extended, shall require the deposit by the borrower of such loan of 5 per centum of the amount of that part of the loan for which the financial assistance of the Bank is requested. Such amount shall be utilized by the Participant to purchase on behalf of the borrower voting capital stock of the Bank and shall transmit such stock to the borrower.

"Subtitle E—Joint-Venture Equity Investment in Rural Development Projects

"SEC. 744. JOINT-VENTURE-COSPONSORS; INVESTMENT IN JOINT-VENTURES WITH ELIGIBLE SPONSORS.—(a) The Bank is authorized, subject to regulations approved by the Board, to make investments in rural development projects proposed or established by Joint-venture-cosponsors directly, or through a Participant.

"(b) The Board shall establish standards and criteria to govern the making of investments in joint-ventures with Joint-venture-cosponsors.

"SEC. 745. The Bank and the Joint-venture-cosponsor with whom the Bank has entered into a joint-equity investment in a rural development project shall share in the profits of the project in the same ratio as the amounts of their several investments

"SEC. 746. Such joint-venture rural development projects shall be subject to all Federal, State, and local taxes.

"SEC. 747. No rural development project shall be eligible for joint-venture investment by the Bank if the project can otherwise obtain necessary credit or investment for the full amount of the investment from any other source on reasonable terms.

"SEC. 748. The investment made by the Bank in joint-venture projects shall not exceed the extent to which the total cost of the project exceeds the amount that can be obtained elsewhere on reasonable terms.

"SEC. 749. The joint-venture agreement between a Joint-venture-cosponsor and the Bank shall provide—

"(1) that such cosponsor will, as soon as financially able, purchase the investment of the Bank, and

"(2) the control over the joint-venture shall be apportioned between the Bank and the cosponsor in accordance with the relative amounts of investment of each in the project.

"SEC. 750. A Joint-venture-cosponsor may purchase not less than 1 per centum and not more than 10 per centum of the Bank investment in a joint-venture of voting capital stock of the Bank.

"SEC. 751. SEPARABILITY.—If any provision of this title, or the application thereof to any person or in any circumstances, is held invalid, the remainder of this title, and the application of such provision to other persons or in other circumstances shall not be affected thereby.

"SEC. 752. RESERVATION OF RIGHT TO AMEND OR REPEAL.—The right to alter, amend, or repeal any provision or all of this title is expressly reserved.

"SEC. 753. APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Treasury an amount not to exceed $200,000,000 annually for not to exceed ten years from date of enactment of this title for the purchase of capital stock of the National Rural Development Bank."

SEC. 2. AMENDMENTS TO OTHER LAWS.—(a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(95) Governor of the National Rural Development Bank."

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following:

"(132) Deputy Governor of the National Rural Development Bank.".

(c) Paragraph Seven of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provision in this paragraph, the association may purchase the stock, bonds, or other obligations of the National Rural Development Bank created pursuant to the authority of the Rural Development Bank Act of 1978.".

SEC. 3. EFFECTIVE DATES.—The provisions of this title shall take effect one hundred and twenty days after the date of enactment of this Act, or on such earlier date as the President may prescribe and publish in the Federal Register, except that the Secretary may promulgate regulations at any time after the date of enactment of this Act.

Mr. LEAHY. Mr. President, as I introduce this bill, I ask unanimous consent that it be assigned to the Agriculture Committee, where I understand similar legislation has been in the past.

The PRESIDING OFFICER. Is there an objection to the request?

Mr. TOWER. Reserving the right to object, will the Senator withdraw that momentarily and let me check on it?

Mr. LEAHY. I shall withdraw the request, Mr. President.

Mr. TOWER. I do not believe there will be an objection. I just feel obligated to check.

Mr. LEAHY. I shall not make any request on it.

The PRESIDING OFFICER. Does the Senator wish to withdraw his request?

Mr. LEAHY. I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn. The bill will be received at this time and appropriately referred.

By Mr. DECONCINI (for himself, Mr. KENNEDY, and Mr. THURMOND):

S. 373. A bill to amend title 28 of the United States Code to encourage prompt, informal, and inexpensive resolution of civil cases in the U.S. district courts by the use of arbitration, and for other purposes; to the Committee on the Judiciary.

COURT-ANNEXED ARBITRATION ACT OF 1979

Mr. DECONCINI. Mr. President, I am introducing today, together with the distinguished chairman and ranking minority member of the Committee on the Judiciary, Senator EDWARD M. KENNEDY and Senator STROM THURMOND, a bill entitled the Court-Annexed Arbitration Act of 1979. A bill which was very similar to this proposal was introduced by the distinguished former chairman of the Judiciary Committee, Senator James O. Eastland, in the 95th Congress. After extensive analysis and review by hearing witnesses, last year's proposal has been refined into what I believe will constitute a major advance in the struggle to make the Federal judicial branch more responsive to the many and varied needs of the American people. Subsequent to the last year's introduction, the bill was reported out of the Subcommittee on Improvements in Judicial Machinery and the Committee on the Judiciary, and during the closing hours of the last Congress the bill was considered and approved by the Senate on October 13, 1978.

The proposal realizes that in civil litigation there are avoidable expenses and delays in many Federal district courts. The purpose of the bill is to promote the prompt, informal, and inexpensive resolution of disputes. The vehicle for achieving that result is court-annexed arbitration.

This measure is the culmination of the highly favorable experience with arbitration in State courts and in pilot projects now being undertaken by the Federal district courts in three jurisdictions. Presently, Arizona, California, New York, Ohio, and Pennsylvania employ arbitration at some level in their court systems. Careful attention has been given to these programs, and the results obtained by them have convinced many people that the time is ripe for compulsory, nonbinding arbitration in the Federal courts. The Court-Annexed Arbitration Act would provide that opportunity.

Under the bill, any U.S. district court may authorize by rule the use of arbitration which would be conducted to find solutions to the mounting difficulties encountered by both jurists and litigants that arise from the growing backlog of cases now confronting the Federal courts. It is a response to the widespread concern that the effectiveness of the Federal judicial system is being weakened by the ever-increasing demands on the time of the Federal courts. The legislation employs arbitration as an alternative dispute resolution mechanism that would reduce the length and expense of litigation in many civil actions. The use of compulsory, nonbinding arbitration should enhance the responsiveness of the judicial system to the demands of society by providing some litigants with a quasi-judicial means of resolving disputes that is speedier and less costly, but no less fair, than the existing court process. At the same time, this will enable the courts to concentrate their limited resources on those legal and constitutional issues they are uniquely qualified to resolve.

At the time of its introduction in the 95th Congress, S. 2253 contained specific regulations for the conduct of arbitration hearings. It has been concluded that, because this Congress legislation proposes a 5-year opportunity to experiment with arbitration, it is desirable that a variety of methods of implementing arbitration in the district courts be encouraged and explored. Today's proposal gives each district court wide dis-

cretion in such procedural matters as determining which cases should be submitted to arbitration, in establishing rules for the prearbitration period, in setting costs for arbitration proceedings, in selecting and compensating arbitrators, and in regulating the discovery state of the arbitration process. It is hoped that this discretionary approach will result in a variety of methods of court-annexed arbitration being tried.

The bill creates a new chapter in title 28 of the United States Code that would establish a process of mandatory arbitration of specified categories of civil actions, with the right to a full district court trial de novo preserved. Under the proposal, any district court may adopt a compulsory, nonbinding arbitration procedure by rule. This approach was taken, because it is felt that the present experience with arbitration is sufficiently extensive to allow Federal district courts to utilize the process. At the same time, however, it seems premature to impose an arbitration scheme on all 94 districts without a period of optional use in Federal district courts at the conclusion of which a determination would be made concerning its long-term use. Under this year's proposal, the legislation will be repealed 5 years from the date of enactment.

The arbitration program proposed is compulsory in that all cases of specified types will be automatically referred to arbitration soon after pleadings are closed unless, upon the motion of a party, the district court judge orders that a case be excepted from arbitration. Two broad classes of cases to be arbitrated have been identified under the proposal. Generally, tort and contract actions, where the claim is exclusively for money damages of less than $100,000, or a lesser amount determined by the district court, will be required to go to arbitration. Also, any case may be arbitrated with the consent of the parties. A few types of cases within the general tort and contract categories frequently present issues of such sensitivity or general public importance that they warrant a trial before a district court judge. Therefore, certain exceptions have been made. These cases are specifically identified and excluded from arbitration under the proposal. For example, actions based on alleged violations of constitutional or civil rights may not be arbitrated. In addition, any case may be removed from the arbitration process at the discretion of the district court upon a showing of good cause.

Once a case has been referred to arbitration, time limits are imposed upon each step of the process in order to keep the average elapsed time from case filing to arbitration decision as brief as is reasonably possible. Litigants coming within the program are to receive a hearing not later than 150 days from the filing of the answer or 30 days from the disposition of any motion to dismiss the complaint, motion for judgment on the pleadings, or motion for summary judgment, whichever is later. Each district court may fix time limits within these boundaries by local rule. Discovery proceedings are another area where significant gains in judicial efficiency may be had. It is recognized that limited discovery may frequently be necessary so that the parties may be well enough prepared to engage in a meaningful and fair arbitration hearing. Consequently, witnesses and documents may be subpenaed under Federal Rules of Civil Procedure 45, and the district courts are given discretion to formulate rules for discovery within the 150-day time restriction. But extended discovery, frequently complained of in litigation today, will not be possible before arbitration.

After the arbitration hearing has commenced, the Federal rules of evidence should act as a nonbinding guide to the admissibility of evidence. It is intended that the relaxed rules would permit the admission of some hearsay evidence, particularly in documentary form.

The result of these streamlined procedures and enforced time limitations will be speedier dispute resolution and reduced backlogs in the courts. In California, a State which employs an arbitration program similar to that proposed by this legislation, the median time from the filing of the complaint until trial in a civil case in Los Angeles was 2½ years, while the median from the stipulation to arbitrate until filing of the award was only 60 days. Philadelphia, by raising the amount in controversy beneath which arbitration was compulsory, within 2 years reduced the backlog of its entire civil calendar from 48 to 21 months.

Arbitration not only reduces the time required for litigation, it also lessens the expense to private litigants through diminished pretrial preparation, simplified evidentiary procedures, and elimination of certain stages in the traditional jury trial process. Reduced expense makes it economically more feasible for parties to pursue justified claims and to present a defense to the trier of fact in relatively uncomplicated cases. In Ohio, the cost of arbitrating a case was estimated at $49; in Philadelphia, the per-case cost of arbitrators fees is $150. The salary and administrative costs for full court adjudication have been estimated at $500 to $600 per day for a trial that may last several days.

Empirical studies indicate that arbitration proceedings are generally perceived to be fair. A California survey reported that all attorneys and claim managers questioned believed that arbitration was as fair as a jury trial; three-fourths felt it was as fair as a court trial. Litigant satisfaction with arbitration has been demonstrated by the comparison of appeal rates from arbitration awards with the rate of appeal from conventional court decisions. In the California Superior Court, appeal rates from arbitration awards to trials de novo have ranged from 8 to 25 percent with most jurisdictions averaging between 11 and 13 percent, as compared with the 11 to 14 percent rate to appeal from all contested civil cases in California. Moreover, the majority of the appeals from trials de novo settle before a trial actually takes place. Thus, in most jurisdictions only 5 to 6 percent of arbitrated cases are retried de novo. These appeal rates from judicial arbitration awards indicate that arbitrated cases produce results as satisfactory to the parties as the regular civil trial process.

There are other, less easily quantified benefits to the administration of justice. There should be substantial improvement in the quality of judicial decisionmaking with the reduced pressure afforded by a more current calendar. Producing faster, less expensive dispute resolutions should eliminate some of the protracted anxiety felt by many litigants. Faster litigation will enable litigants to end more quickly a traumatic incident and to plan their future with greater certainty, especially in personal injury cases. Factfinding accuracy will be immediately improved, because dispute resolution will occur closer to the incident involved. Finally, the fairness of the settlement climate will be enhanced, because high costs and court congestion would no longer be used as a bargaining tool. This consideration is of great importance in a civil justice system in which most cases are settled prior to trial.

Court-annexed arbitration also commends itself to the bar. It presents an opportunity to improve the public's image of the legal community. The success of court-annexed arbitration is largely made possible by the interest and energy of volunteer attorney arbitrators. Attorney action of this kind could make a positive impact on a public highly frustrated by the current congestion and cost of civil litigation.

Although this bill proposes a compulsory program of arbitration, that program is not binding upon the litigants. The bill preserves the right of the parties to demand a full district court trial de novo in the event they are dissatisfied with the outcome of the arbitration proceeding. Where a trial de novo is demanded, the case is placed on the district court civil docket and treated in all respects as if it had never been referred to arbitration. Neither the fact of the arbitration proceeding nor the award may be admitted into evidence at the district court trial. However, the use of testimony given at the arbitration hearing would not be precluded from use for impeachment purposes in a subsequent trial.

During the 5 years that the statute is to be in force, the Federal Judicial Center, in consultation with the Attorney General, is expected to evaluate the operation of the arbitration procedure. It is intended that a report will be made available to the Congress which evaluates the operation of arbitration in those districts where arbitration is authorized.

In summary, increased utilization of court-annexed arbitration would be a means of increasing public satisfaction with the administration of justice. While arbitration is not the only innovation capable of improving the administration of justice, it is a particularly desirable alternative, because it is capable of attaining speed, economy, and fairness without requiring radical innovations in either substantive or procedural law. The substantive law upon which arbitration decisions are based remains unchanged.

Traditional trial procedures are retained in streamlined form; compulsory, nonbinding arbitration is not competitive with, but supplemental to, court procedures. It preserves the right to a trial de novo by jury and is ultimately subject to supervision by the courts. Court-annexed arbitration is a valid and viable alternative to conventional litigation. Its experimental use as proposed by the bill presents little risk to litigants and provides the possibility of great improvements in our judicial system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Court-Annexed Arbitration Act of 1979".

SEC. 2. (a) Title 28, United States Code, is amended by adding after chapter 43 the following new chapter:

"Chapter 44—ARBITRATION

"Sec.
"651. Authorization of arbitration.
"652. Certification of arbitrators.
"653. Compensation of arbitrators.
"654. Jurisdiction.
"655. Arbitration hearing.
"656. Arbitration award and judgment.
"657. Trial de novo.

"§ 651. Authorization of arbitration

"Each United States district court may authorize by rule the use of arbitration in accordance with the provisions of this chapter.

"§ 652. Certification of arbitrators

"(a) Each district court is authorized to certify arbitrators to perform services in accordance with this chapter. Each certification shall be entered on record in the certifying court.

"(b) An arbitrator is an independent contractor and is subject to the provisions of sections 202 through 209 of title 18, United States Code, that apply to a special Government employee of the executive branch. A person shall not be barred from the practice of law because he is an arbitrator.

"§ 653. Compensation of arbitrators

"(a) The district court shall establish and pay the amount of compensation, if any, that each arbitrator shall receive for his services for each case in which he serves, up to a maximum level that the Director of the Administrative Office of the United States Courts may fix under the supervision and direction of the Judicial Conference of the United States.

"(b) Under regulations prescribed by the Director of the Administrative Office of the United States Courts, a district court may reimburse arbitrators for actual transportation expenses necessarily incurred by them in the performance of their duties under this chapter.

"§ 654. Jurisdiction

"(a) Notwithstanding any provision of law to the contrary and except as provided in subsections (b) and (c) of this section, a district court that authorizes arbitration under section 651 shall refer to arbitration any civil action pending before it if—

"(1) the parties consent to arbitration; or

"(2)(A) the relief sought consists only of money damages not in excess of $100,000 or such lesser amount as the district court may set, exclusive of interest and costs; and

"(B) the action is based on a negotiable instrument or contract or is for personal injury or property damage.

"(b) No referral to arbitration under this chapter shall be made—

"(1) of an action based on an alleged violation of a right secured by the Constitution of the United States;

"(2) of an action in which relief is sought from any official or employee of the United States in his individual capacity for an act performed by such official or employee acting with the outer perimeter of his official duties, whether or not the action is also brought against such official or employee in his official capacity or against the United States;

"(3) of an action by the United States—

"(A) to recover money or property illegally or improperly obtained by an employee or former employee of the United States or any agency thereof; or

"(B) based upon fraud; or

"(4) if jurisdiction is based in whole or in part on section 1343 of this title.

"(c) A district court may establish by rule procedures for excepting from arbitration, for good cause shown, individual cases that would otherwise be referred under subsection (a).

"§ 655. Arbitration hearing

"(a) Arbitrators to whom actions are referred under section 654 shall have within the territorial jurisdiction of the court the power to conduct arbitration hearings and make awards as provided in this chapter. The arbitrators shall have the power to administer oaths and affirmations.

"(b) The arbitration hearing shall begin within a time period specified by the district court, but in no event later than 150 days from the filing of the answer or 30 days from the disposition of any motion to dismiss the complaint, motion for judgment on the pleadings, or motion for summary judgment, whichever is later.

"(c) Rule 45 of the Federal Rules of Civil Procedure, relating to subpenas, applies to subpenas for the attendance of witnesses and the production of documentary evidence at an arbitration hearing under this chapter.

"(d) An arbitrator may admit any evidence in an arbitration hearing which he considers relevant and trustworthy, however the Federal Rules of Evidence may be used as a guide to admissibility.

"§ 656. Arbitration award and judgment

"(a) The arbitration award shall be filed with the clerk of the district court promptly after the hearing is concluded, and shall be entered as the judgment of the court after the time has expired for requesting a trial de novo pursuant to section 657. The judgment so entered shall be subject to the same provisions of law and shall have the same force and effect as a judgment of the court in a civil action, except that it shall not be subject to appeal.

"(b) The district court may by rule allow for the inclusion of costs as provided in section 1920 as part of the arbitration award.

"§ 657. Trial de novo

"(a) Within thirty days after the filing of the arbitration award with the court, any party may demand a trial de novo in the district court.

"(b) Upon a demand for a trial de novo, the action shall be restored to the docket of the court and treated for all purposes as if it had not been referred to arbitration, and any right of trial by jury that a party otherwise would have had is preserved.

"(c) Unless the parties have otherwise stipulated, the court shall not admit at the trial de novo any evidence that there has been an arbitration proceeding, the nature or amount of any award, or any other matter concerning the conduct of the arbitration proceeding, except that testimony given at the arbitration hearing may be used for purposes of impeachment.

"(d) A district court may by rule allow arbitrators' fees paid pursuant to section 653 to be taxed as costs in any action in which subsection (a) of this section is invoked. Any such rule shall require the court in considering such taxation to take into account whether or not the demand for a trial de novo was made for good cause.".

(b) The table of chapters for title 28, United States Code, and for part III of title 28, United States Code, are each amended by inserting after the item relating to chapter 43 the following new item:

"44. Arbitration..... 651.".

SEC. 3. There is authorized to be appropriated to the judicial branch for the fiscal year ending September 30, 1980, such sums as may be necessary to be allocated by the Administrative Office of the United States Courts to Federal judicial districts and the Federal Judicial Center to carry out the purposes of this Act. The funds so appropriated shall remain available until expended, except that no such funds shall be expended for the arbitration of actions referred to arbitration subsequent to the date of repeal set forth in section 4 of this Act.

SEC. 4. Effective five years from the date of enactment of this Act, chapter 44 of title 28, United States Code, as added by section 2 of this Act, is repealed except that the provisions of that chapter shall continue to apply through final disposition of any action in which referral to arbitration was made before the date of repeal.

SEC. 5. This Act is effective 60 days after the date of enactment of this Act.

By Mr. CRANSTON (by request):

S. 374. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes; to the Committee on Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENT OF 1979

Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 374. I ask unanimous consent that the letter of transmittal and the text of the bill be printed in the RECORD at the conclusion of my statement.

Mr. President, as I have previously announced, the Subcommittee on Child and Human Development will be holding a hearing on the reauthorization of the ACTION Agency on Thursday, February 8. The hearing will begin at 9 a.m. in room 6226 of the Dirksen Senate Office Building. The subcommittee will be considering both the administration's proposal which I am introducing today by request, and S. 239, the proposed Domestic Volunteer Services Act Amendments of 1979, which I introduced on January 25 with Senator WILLIAMS and Senator RIEGLE.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

SEC. 2. Section 103(b) of the Domestic Volunteer Service Act of 1973 (Public Law 93-113) (hereinafter the "Act") is amended by striking out "Prior to" in the second sentence and inserting in lieu thereof "Within thirty days after".

SEC. 3. Section 105(a)(2) of the Act is

amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

SEC. 4. Section 114(a) of the Act is amended by—

(a) striking out "Of the funds appropriated for the operation of programs under this part, up to 10 per centum may be used, notwithstanding any other provisions of this part," in the first sentence and inserting in lieu thereof "The Director is authorized to conduct, or make grants or contracts for programs"; and

(b) striking out the second sentence thereof.

SEC. 5. Section 122(c) of the Act is amended to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purposes of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.".

SEC. 6. Title II of the Act is amended by:

(a) Adding "s" to the word "American" in the title thereof, and in the title of Part B thereof; and

(b) Striking out "Office of Economic Opportunity" and inserting "Community Services Administration" in section 221 thereof.

SEC. 7. The Act is amended by adding after Title II thereof the following new title:

"TITLE III—URBAN VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 301. The purpose of this title is to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Volunteer Programs which build on the capacity of neighborhood groups through the use of volunteers to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly in situations where the application of human talent and dedication may assist in the solution of poverty-related problems and the problems of the elderly, and to provide appropriate authorities and responsibilities designed to assist in the development and coordination of such programs.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"SEC. 302. (a) The Director is authorized to conduct, and make grants, contracts, or enter into cooperative agreements with public agencies and private nonprofit organizations for urban volunteer projects which carry out the purposes of this title.

(b) Programs authorized by this title may include, but are not limited to:

(1) An Urban Volunteer Corps which includes—

(A)(i) Projects in urban areas which attempt to match specific needs of local governments and neighborhood groups with volunteers who possess needed skills, on a request-for-service basis;

(ii) Development of listings of locally recruited, part-time volunteers as a resource bank within a community, city, or urban area;

Projects and activities of the Urban Volunteer Corps under subparagraph (A) shall be administered in each city or urban area receiving funds under this paragraph by a lead agency, which shall be designated by the Director with the concurrence of the mayor or other chief elected official.

(B)(i) Projects designed to provide personal and group financial counseling to low- and fixed-income individuals, particularly the elderly, utilizing volunteers with specialized or technical expertise, and

(ii) Projects utilizing volunteers to reduce the necessity of institutionalization and ameliorate the residential isolation of older persons, handicapped persons, and other similarly isolated persons.

Except to the extent projects under subparagraph (B) are administered by a lead agency described in subparagraph (A), grants for Urban Volunteer Corps programs under subparagraph (B) shall not be approved without prior consultation with the mayor or other chief elected official of such a city or area in a manner prescribed by the Director.

(2) A "Good Neighbor Fund" program which shall provide grants, not to exceed $15,000, to nonprofit organizations in cities and urban areas (either directly or through lead agencies designated under paragraph (b)(1) of this section) to assist communities to:

(A) reimburse the out-of-pocket expenses of volunteers working on neighborhood and community betterment projects, and

(B) provide volunteers and neighborhood groups with the materials, tools, supplies, and administrative support necessary to carry out neighborhood and community betterment projects.

No Good Neighbor Fund grant may be made to an organization within a city or urban area without prior consultation with the mayor or other chief elected official of such a city or area in a manner prescribed by the Director.

"CONSULTATION AND REGULATIONS

"SEC. 303. The Director shall, after consultation with the Director of the Community Services Administration, prescribe regulations to carry out this title, which shall include criteria for designation of lead agencies which require that special consideration be given to organizations of demonstrated effectiveness in serving persons in distressed urban areas, in mobilizing volunteers, in coordinating volunteer assistance projects and in working with other public and private agencies and voluntary organizations. Such regulations shall also prescribe an application process which includes public announcement and individual notice to Community Action Agencies recognized by the Community Services Administration of the criteria and process for the selection of lead agencies and assures coordination of the activities of lead agencies with existing programs, particularly Community Action Agencies, to prevent duplication of effort."

SEC. 8. Section 404(g) of the Act is amended by—

(a) inserting "(1)" after "(g)"; and

(b) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

SEC. 9. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, consultation with appropriate Departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provision for the listing and description of volunteer work on all employment applications forms.".

SEC. 10. Section 415 is amended by—

(a) amending subsection (b) by—

(1) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, to the extent the Director shall prescribe by regulation, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(2) striking out in clause (3) "and";

(3) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service shall be deemed to be that received under the entrance salary for a grade GS-7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service shall be deemed to be the entrance salary of a grade GS-2 employee,"

(4) striking out the period at the end thereof and inserting in lieu thereof a comma and by adding "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes).."; and

(b) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28, for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a full-time volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such persons shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal, the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 11. Section 417 of the Act is amended by

(a) inserting "handicap," after "age," in subsection (a);

(b) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94-135, title III, 42 U.S.C. 6101 *et seq.*), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(b) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1974 (42 U.S.C. 2000e-16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 *et seq.*) to applicants for enrollment for service as volunteers and to volunteers enrolled by ACTION for service under title I of this Act and any remedies available to individuals under such laws, other than the right of appeal to the Civil Service Commission authorized by section 717 of the Civil Rights Act of 1964, and transferred to the Equal Employment Opportunity Commission by Reorganization Plan Number 1 of 1978, shall be available to such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Secretary of Health, Education, and Welfare and the Interagency Committee on Handicapped Employees, established by section 501(a) of the Rehabilitation Act of 1973 (29 U.S.C. 791(a)), with regard to the application of policies set forth in title V of the Rehabilitation Act of 1973, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out the Age Discrimination Act of 1975, and after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies and the provision of such remedies so as to promote the enrollment and service of persons as volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 12. Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"SEC. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. In accordance with the Federal Reports Act (44 U.S.C. § 3501 *et seq.*), the Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

SEC. 13. Title V of the Act is amended by—

(a) amending section 501 by striking out "and" after "September 30, 1974," in the first sentence, and inserting "$42,321,000 for the fiscal year ending September 30, 1979, $42,415,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981," after "September 30, 1978," in such sentence;

(b) by adding, after section 502, the following new section:

"URBAN VOLUNTEER PROGRAMS

"SEC. 503. There are authorized to be appropriated $4,680,000 for the fiscal year ending September 30, 1979, $25,457,000 for fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out programs under Title III of this Act."

(c) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978,".

SEC. 14. The table of contents of the Act is amended by—

(a) Striking out "Title III" and all that follows through "operate programs." and

(b) inserting in lieu thereof the following:

"TITLE III—URBAN VOLUNTEER PROGRAMS

"SEC. 301. Statement of Purpose.
SEC. 302. Authority to Establish and Operate Programs.
SEC. 303. Consultation and Regulations."

(c) inserting below the heading for section 422 the following:

"SEC. 423. Reduction of Paperwork.

(d) Striking, immediately after "Sec. 503", "National" and all that follows through experience" and by inserting in lieu thereof "Urban Volunteer Programs".

SEC. 15. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other purposes", approved November 14, 1975, (Public Law 94-130; 89 Stat. 684) is amended by striking out the last sentence thereof.

ACTION,
Washington, D.C., February 6, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is draft legislation which will enable ACTION to continue its work in providing volunteers to programs which seek to alleviate poverty and poverty-related human, social and environmental problems and create volunteer opportunities for the elderly within the United States.

The proposed bill authorizes the appropriation of $42,321,000 for programs under Title I of the Domestic Volunteer Service Act of 1973 for fiscal year 1979, $42,415,000 for such programs in fiscal year 1980, and such sums as may be necessary for fiscal year 1981. Programs authorized by Title I of the Act include VISTA, University Year for ACTION, the National Student Volunteer Program, Mini-Grants, assistance to state volunteer organizations, and technical assistance to volunteer agencies.

ACTION's fiscal year 1979 budget did not include funds for the University Year for ACTION (UYA) program for fiscal years 1979 and 1980; however, because the Agency has been funded by continuing resolution since October 1, 1978, UYA grantees whose funds expire in the first nine months of fiscal year 1979 will be funded for an additional year. This will give the Administration and the Congress an opportunity to consult on the program's future. Because of this extended funding, and because volunteers must be enrolled for a full year of service, some funds for the continuation of the service of volunteers already enrolled will be needed in fiscal year 1980.

The proposed legislation would also add a new Urban Volunteer Program to the Domestic Volunteer Service Act, which was one of the President's urban initiatives. The program was one of the President's urban initiatives. The program will provide funds to lead agencies in cities and distressed urban areas to recruit skilled volunteers, to be known as the Urban Volunteer Corps, and match their skills with needs identified by neighborhood organizations. The volunteers, who will serve on a part-time, unpaid basis, will provide assistance in areas such as management, publicity, fundraising, accounting, planning and contract and grant administration to organizations in distressed urban areas to assist them in their efforts to revive deteriorating neighborhoods and improve the quality of life of residents of these areas.

The Urban Volunteer Corps would also provide, through neighborhood and community organizations, person-to-person services to low income individuals and the elderly. Examples of the types of services that might be rendered include group and individual counseling to the elerly and the other persons living on fixed incomes, and person-to-person assistance to reduce the need for institutionalization and the residential isolation of older persons, the handicapped, and others in need of assistance.

A second part of the Urban Volunteer Program is a "Good Neighbor Fund," which complements the Urban Volunteer Corps by authorizing direct grants to neighborhood groups in urban areas to provide seed money for volunteer community betterment projects. The grants, which would average $3,000–$7,000, would be used to provide the materials, tools, other forms of administrative support and reimbursement for volunteers' out of pocket expenses necessary to permit groups to carry out projects.

Projects authorized by the new Urban Volunteer program will be carried out with the active participation of the mayors or other chief executives of the urban areas involved.

$4,680,000 would be authorized for the Urban Volunteer Program for fiscal year 1979, $25,457,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981.

There are, in the bill, several amendments which broaden the authority of the Director to operate volunteer programs and to provide effective support to volunteers serving in the agency's programs. These include a provision which will permit the Director to pay allowances to short-term full-time volunteers and to part-time volunteers who serve more than 20 hours a week for at least 26 weeks in Special Volunteer Programs under Part C of Title I of the Act.

Other provisions which will provide more effective support to volunteers include a proposal that section 415(b) of the Domestic Volunteer Service Act be amended to provide benefits now available only to volunteers enrolled for a full year to all full-time volunteers, and to part-time volunteers serving at least 20 hours per week for at least 26 weeks to the extent the Director deems appropriate. Coverage of volunteers for Federal Tort Claims Act and Federal Employees' Compensation Act purposes, which are among the benefits contained in this section, is essential to provide adequate protection to the volunteers while they are performing their duties.

The bill also adds a new provision permitting the Government to waive collection of erroneous overpayments of volunteer allowances where collection would be against good conscience and not in the best interests of the Government. This authority is presently available with respect to federal employees, and has been extended to Peace Corps volunteers. Enactment of this provision would prevent hardship to volunteers who receive small overpayments of allowances and stipends which they are unable to repay because their allowances are only sufficient to permit them to live at the level of the poor people whom they serve.

The bill contains a provision which would extend to full-time volunteers under Title I of the Act the medical malpractice coverage under the Federal Tort Claims Act now availabel to medical personnel serving in the Public Health Service, with the Veterans Administration, under the Foreign Service Act, and with the various military services. This coverage would make the Federal Tort Claims Act the sole remedy for damages for personal injury or death resulting from malpractice arising out of performance of the volunteer's duty. Similar coverage was recently extended to Peace Corps volunteers.

The Solicitor of Labor has ruled that volunteers who are receiving Aid to Families with Dependent Children are required to enroll in the Work Incentive Program (WIN). WIN requires that, to be eligible for benefits (and, under recent legislation, food stamps), recipients are required to register for, seek, and accept employment. Under the Domestic recruited volunteers who were receiving AFDC benefits prior to their enrollment in ACTION volunteer programs are entitled to exclude their volunteer allowances and stipends in computing their eligibility for public assistance. This provision is intended to permit low-income persons with dependents to serve as volunteers, while continuing to receive the public assistance necessary to support their dependents.

These volunteers' assignments are based on the expectation that they will be able to complete their full term of service. If however, they were required, while serving as volunteers, to actively seek employment, the provisions of the Domestic Volunteer Service Act which encourage the enrollment of low-income volunteers would be defeated. We are proposing that such volunteers be exempted from the requirement that they register for and seek employment as a precondition to receiving the public assistance to which they would otherwise be entitled.

The proposed bill would strengthen the antidiscrimination provisions of the Domestic Volunteer Service Act by making it clear that volunteer service is Federal financial assistance for the purposes of Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, and by prohibiting and providing remedies against discrimination in personnel actions involving volunteers and volunteer applicants.

The bill strikes out a limitation in the Act which prohibits the expenditure of more than 10% of the first $6,700,000 of the appropriation for Service Learning Programs under Part B of Title I of the Act for programs other than the University Year for ACTION Program. In view of ACTION's decision not to continue the support of existing University Year for ACTION grants beyond the third quarter of fiscal year 1979, it is necessary that this limitation be removed so that ACTION's other service learning program, the National Student Volunteer Program, which has been modified to include the Youth Challenge Program, can continue to operate. The National Student Volunteer Program is a well-established, respected program which, though small in size, has demonstrated its effectiveness in providing technical assistance and other types of support to student volunteer programs. It deserves to be judged, and supported, on its own merits and should not be considered to be an appendage of the UYA Program.

The bill authorizes the appropriation of such sums as may be necessary for the administration of programs under the Domestic Volunteer Service Act for fiscal years 1979, 1980 and 1981.

The Office of Management and Budget has advised that there is no objection to submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

SAM BROWN,
Director.

SECTION-BY-SECTION ANALYSIS

Section 1 establishes the short title of the bill as the "Domestic Volunteer Service Act Amendments of 1979".

Section 2 amends section 103(b) of the Domestic Volunteer Service Act of 1973 (hereinafter the "Act") to modify the career development provisions for low-income VISTA volunteers by requiring that a plan for each such volunteer designed to provide opportunity for job advancement or for transition to a situation leading to gainful employment be developed within 30 days after the assignment of the volunteer, rather than prior to such volunteer's assignment. The experience of the ACTION agency has shown that it is not practical to deal with the post-service career needs of low-income volunteers until the volunteers have been placed in permanent assignments with sponsors who will be in a position to deal with the career needs of the volunteers on a continuing basis.

Section 3 amends section 105(a)(2) of the Act, to provide broader authority for advance payments of volunteers' end-of-service stipends. The amendment authorizes advances of the end-of-service stipend under such conditions as the Director of the ACTION Agency shall determine, rather than only in "extraordinary circumstances," as is the case at present. This would permit the Director to authorize the payment of a part of the volunteer's accrued stipend for the purchase of savings bonds and other worthwhile, but not extraordinary purposes, as is now authorized for Peace Corps volunteers.

Section 4 repeals the restriction, contained in section 114(a), which prohibits the expenditure of more than 10% of the first $6,700,000 appropriated for service-learning programs authorized by Part B of Title I of the Act for activities other than the University Year for ACTION program. The principal activity affected by this provision is the National Student Volunteer Program. NSVP is a small, but well-established and well regarded program of technical assistance to secondary and post-secondary school volunteer programs. The Youth Challenge Program (YCP) has recently been combined with it. Funding for this popular program deserves to be considered on its own merits, without being linked to the University Year for ACTION program.

Section 5 amends section 122(c) of the Act to provide the Director with a series of authorities to provide support to volunteers serving under part C of Title I of the Act (Special Volunteer Programs).

The types of support authorized by this subsection are in addition to the authority provided the Director in section 122(b) to reimburse part-time volunteers serving less than 20 hours per week or on an irregular basis for out-of-pocket expenses incurred in taking part in volunteer activities, and to pay other types of costs directly associated with volunteer projects. The types of support payments authorized by the amended subsection are:

1. Part time volunteers enrolled for at least 20 hours of service per week for at least 26 consecutive weeks may receive such allowances, support and services as the Director determines are necessary to permit them to carry out their assignments. They receive no end-of-service stipend.

2. Full-time volunteers enrolled for periods of service of less than one year may receive such allowances, support and services as the Director determines are necessary to permit them to carry out their assignments. These volunteers are required to take the oath required of VISTA Volunteers. They receive no end-of-service stipend.

3. Full-time volunteers enrolled for periods of service of at least one year receive, in addition to the allowances, support and services provided to other full-time volunteers, an end-of-service stipend which may not exceed the end-of-service stipend paid to VISTA volunteers.

The amendment also provides, with respect to full-time, full-year volunteers whose service is similar in character to that of VISTA volunteers, that the provisions of section 103(b) relating to career counselling and services for low income volunteers, and section 104(d) relating to grievance procedures shall apply to their service.

Section 6 makes two technical changes to the Act:

1. It adds an "s" to "American" in the title of Title II and in the title of Part B thereof; thereby conforming the name of the programs, "National Older Americans Volunteer Programs" to the title of section 502.

2. It substitutes "Community Services Administration" for "Office of Economic Opportunity" in section 221.

Section 7 adds to the Act a new Title III, which provides for new Urban Volunteer Programs.

Section 301 states the purpose of the new title, which is to strengthen and encourage the involvement of indivduals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Volunteer Programs which build on the capacity of neighborhood groups through the use of volunteers to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly where the application of human talent and dedication

may assist in the solution of poverty-related problems and the problems of the elderly.

Section 302(a) authorizes the Director to conduct, and make grants or contracts or enter into cooperative agreements with public and private non-profit agencies and organizations for urban volunteer projects which carry out the purposes of the title.

Section 302(b)(1) authorizes an Urban Volunteer Corps (UVC), one of the parts of the Urban Volunteer Program. Through assistance to lead agencies in cities and other distressed urban areas, the Corps would recruit and compile lists of skilled volunteers within urban areas to match specific needs of neighborhood groups with volunteers who have the needed skills on a request-for-service basis. The volunteers, recruited from business, academic institutions, non-profit organizations and public agencies on a part-time, unpaid basis would provide a supplementary technical assistance resource to neighborhood groups in such areas as management, publicity, fund raising, accounting, contract and grant administration and legal services.

It is the intent of the legislation not to specify particular categories of programs which are eligible for assistance so that local groups may have wide latitude in identifying and requesting volunteers to assist them in those activities which will be most effective in meeting the needs of each community.

Urban Volunteer Corps projects and activities would be administered in each city or urban area by a lead agency, which would be selected by the Director of ACTION with the concurrence of the mayor or other chief elected official of the city or area.

The process of lead agency selection will be based on a partnership with the chief elected official who will be involved in the process from the outset. No proposal will be funded without the concurrence of the chief elected official. This process will include the following operational steps:

1. First notice of availability of UVC grants will go to the mayor.

2. ACTION and the mayor will work together in developing a proposal from the lead agency.

3. A letter of support from the Mayor will be required as part of all lead agency proposals.

The lead agencies would receive ACTION funds to recruit volunteers, evaluate requests for assistance or volunteers from neighborhood organizations, establish priorities, match volunteer skills with needs, provide out-of-pocket expense support to the volunteers, and monitor results. They would also develop a resource bank of volunteer skills within the metropolitan area to provide as large a pool of potential volunteer skills as possible, both to provide a maximum number of skilled volunteers, and to prevent overlapping of recruitment efforts by neighborhood groups.

On a backup basis, technically skilled volunteers would also be recruited on a regional and national basis through regional resource centers. ACTION would provide lead agencies with technical and management assistance, such as recruitment, management training and support of volunters, orientation and training, and community outreach.

Section 302(b)(1)(B) authorizes Urban Volunteer Corps programs which focus on the provision of direct services to individuals by volunteers. Services may be provided on either a one-to-one basis, or to groups by volunteers having the special skills needed. While these programs may, in some cases, be funded through agencies other than Urban Volunteer Corps lead agencies, recruitment of volunteers with the required skills will require close coordination between the two programs.

Examples of the types of services which might be provided by these Urban Volunteer Corps programs include, but are not limited to:

1. Projects of fixed income counseling for the elderly and for low-income individuals and families, on either group or individual basis.

2. Projects of person-to-perron assistance to the elderly, the handicapped, the developmentally disabled, and other persons similarly in need, to reduce the necessity of institutionalization and the residential isolation of such individuals in hospitals, nursing homes, other extended care facilities, and in their homes.

Fixed income counseling and deinstitutionalization projects, if funded through a lead agency approved by the mayor or other chief executive officer, would not require further local approval. However, the direct funding of these programs through another organization would require the same type of prior consultation with the mayor as is required for a Good Neighbor Fund grant.

Section 302(b)(2) provides for a "Good Neighbor Fund" which would complement and supplement the Urban Volunteer Corps. The Director would be authorized to make direct grants to neighborhood groups in cities and other urban areas to provide a modest amount of seed money (up to $15,000, with an average of approximately $3,000–$7,000) to neighborhood groups which utilize volunteers. The funds provided could be used for expenses such as:

Providing neighborhood groups with materials, tools, and other forms of administrative support necessary to carry out community betterment projects; and

Reimbursement of volunteers' out-of-pocket expenses.

Grants under the Good Neighbor Fund would not be limited to items which directly support volunteers, but could be used by the neighborhood group for necessary expenses to strengthen and improve resident participation in community activities and building cooperative linkages between communities.

The emphasis in project funding will be on materials, tools, supplies, and administrative support necessary to carry out community betterment projects. Under no circumstances will permanent staff be funded or general overhead support be provided. ACTION regulations will require that the local project sponsor contribute significant voluntary personnel resources to the project.

Grants from the Good Neighbor Fund could be made only after consultation with the mayor or chief elected official of the urban area in which the grant would be made. A time-limited mayoral concurrence will be required for grant award. This process will have two steps:

1. Advance Notice.—Upon receipt of proposals from neighborhood groups, ACTION will send a letter to the appropriate mayor or chief elected official. This letter will notify the mayor that the proposals have been submitted.

2. Formal Notice of Intent.—After ACTION has screened the proposals and selected the finalists, ACTION will send a letter to the mayor or chief elected official informing him or her of ACTION's intent to award a grant. The mayor will have 30 days to communicate concurrence or non-concurrence. If the mayor takes no action within 30 days, the grant will be awarded. If the mayor informs ACTION that he or she does not concur within the 30-day period, the award will not be made.

Section 303 requires the Director of ACTION to consult with the Director of the Community Services Administration prior to prescribing regulations for the Urban Volunteer Programs. It also requires that the regulations establish criteria for designation of lead agencies which give special consideration to organizations of demonstrated effectiveness in serving persons in distressed urban areas, in mobilizing volunteers, in coordinating volunteer assistance projects and in working with other public and private agencies and voluntary organizations. The section also requires public announcement and individual notice to Community Action Agencies of the criteria and process for selecting lead agencies and directs the inclusion in the application process of a procedure to assure coordination of the Urban Volunteer Program with existing programs, particularly Community Action Agencies, to avoid duplication.

Section 8 amends section 404(g) of the Act by adding a new paragraph (2). The new paragraph resolves an unintended conflict between the Domestic Volunteer Service Act of 1973 the Work Incentive Provisions of title IV of the Social Security Act, which require that recipients of Aid to Families with Dependent Children (AFDC) register with a sponsor of the Work Incentive (WIN) program for manpower services, training, and employment as a condition of eligibility for AFDC.

Section 9 amends section 410 of the Act, relating to coordination of programs, to require the Director, in consultation with appropriate Departments and agencies, to take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work on all employment application forms.

Section 10(a) amends section 415(b) of the Act—the provision deeming volunteers as Federal employees for certain purposes—to provide that, in addition to the full-time full-year volunteers now covered under this section, all other full-time volunteers, and part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks are deemed to be Federal employees, as the Director determines is appropriate, for the purposes of the Hatch Act, the Internal Revenue Code, title II of the Social Security Act, the Federal Tort Claims Act, and the Federal Employees Compensation Act (FECA). Coverage under FECA would be at the GS-7 level for full-time volunteers, and at the GS-2 level for covered part-time volunteers.

These coverages are now available only to volunteers in Title I programs enrolled for periods of service of at least one year. Lack of these tort claims and workers compensation coverages has proved a major obstacle to the agency's efforts to offer shorter term service opportunities, and to enroll individuals in programs of part-time service where the individual contributes a substantial period of time (20 or more hours a week) to volunteer service.

Section 10(a) also makes the provisions of section 5584 of Title 5, United States Code, permitting the government to waive erroneous payments of pay to employees where collection would be against good conscience, and not in the best interests of the government, applicable to volunteer allowances and stipends paid to volunteers under Title I of the Act. This coverage is presently available to Peace Corps volunteers, and would prevent hardship to volunteers who receive small overpayments of allowances and stipends which they find themselves unable to repay because their allowances are so small. In addition, the requirement that these erroneous payments be collected results, in many cases, in an expenditure of Government resources in excess of the anticipated collection.

Section 10(b) would extend to the full-time volunteers under Title I of the Act, the same type of medical malpractice coverage under the Federal Tort Claims Act as is available to medical personnel serving in the Public Health Service, under the Foreign

Service Act and with various military services. This coverage makes the Federal Tort Claims Act the sole remedy for damages for personal injury or death resulting from malpractice arising out of the performance of the volunteers' duties. The coverage extends to all full-time volunteers performing medically-related duties. At present, a person receiving such services has the option of suing the federal government, or of suing the individual for damages. In view of the increase in the number and dollar-value of malpractice suits, this coverage is considered necessary to permit the agency to attract individuals to serve in projects which involve medical treatment. Similar coverage was recently provided to Peace Corps volunteers.

Section 11(a) amends section 417(a) of the Act to add handicap to the types of discrimination prohibited.

Section 11(b) amends section 417(a) to provide that the assignment of volunteers under programs authorized by the Act shall be deemed to be the provision of Federal financial assistance for purposes of the discrimination prohibited by the section, as well as for purposes of title VI of the provision will assure that remedies available by law are available to prevent discrimination against minority individuals or those with handicaps, or other conditions which do not interfere with their ability to perform volunteer service.

Section 11(c) adds a new subsection (c) to section 417 to make the policies (and remedies thereunder) set forth in section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. section 2000e-16), title V of the Rehabilitation Act and the Age Discrimination Act, applicable to volunteers and applicants for volunteer service enrolled by ACTION for service under the Act.

Since the ACTION agency has no direct role in the enrollment, assignment or termination of volunteers in most part-time programs, including RSVP, Foster Grandparents and Senior Companions, the subsection would have no application to them. They are covered by section 417(a).

Since full-time volunteers under title I are not deemed employees of the Federal Government except for limited purposes, they have no formal remedy in cases of racial, religious, age, sex, or handicap discrimination. The new subsection charges the Director of the ACTION agency to establish a remedy process for such volunteers and applicants for volunteer service, after consulting with the Equal Employment Opportunity Commission, the Secretary of Health, Education, and Welfare, and the Interagency Committee on Handicapped Employees.

The appeal process specifically eliminates the right to appeal to the Equal Employment Opportunity Commission which is available to federal employees, since volunteers are not employees, and the Commission would not have the special expertise with respect to volunteers that it has with respect to federal employees.

Section 12 amends title IV of the Act by adding a new section concerning the reduction of paperwork. This amendment requires the Director to review and evaluate requests for information made under this Act and to take such action necessary to reduce required paperwork in accordance with the objectives of the President's Paperwork Reduction Program and the Federal Reports Act of 1942. It is expected that this section will have particular importance in the processing of applications for small grants under the Good Neighbor Fund.

Section 13 amends title V of the Act—providing authorizations of appropriations—to provide authorizations of appropriations for titles I, III, and IV, for fiscal years 1979, 1980, and 1981.

Section 13(a) amends section 501(a) of the act to authorize the appropriation of $42,321,000 for the operation of programs under title I of the Act for the fiscal year ending September 30, 1979, $42,415,000 for the operations of such programs for the fiscal year ending September 30, 1980, and such sums as may be necessary for the operation of such programs for the fiscal year ending September 30, 1981.

Section 13(b) adds a new section 503 to the Act which authorizes the appropriation of $4,680,000 to carry out the new Urban Volunteer Programs authorized by Title III in the fiscal year ending September 30, 1979, $25,457,000 to carry out such programs in the fiscal year ending September 30, 1980, and such sums as may be necessary to carry out such programs in the fiscal year ending September 30, 1981.

Section 13(c) amends section 504 to authorize the appropriation of such sums as may be necessary for the administrative expenses of the agency under Title IV of the Act for the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.

Section 14 amends the table of contents of the Act to reflect the changes made by these amendments.

Section 15 amends section 5(b) of Public Law 94-130 by striking out the last sentence thereof. This amendment will permit appropriations for the increase in the stipend for full-time volunteers to $75 per month authorized by section 5(a) of Public Law 94-130 without the necessity for specifically providing for the increase in the Appropriations Act.

By Mr. DOMENICI:

S. 375. A bill to incorporate the American Ex-Prisoners of War, Inc.; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, on September 8, 1943, the State of New Mexico granted a certificate of incorporation to an association known as the Bataan Relief Organization. In 1949 this group was renamed the American Ex-Prisoners of War and was incorporated by the State of Washington.

The American Ex-Prisoners of War is comprised of men and women who, in the service of their country, have suffered as wartime prisoners at the hands of enemy nations. The membership includes one Scanish-American War veteran, many World War I and II veterans of both theaters, and Korean and Vietnam war veterans—all of them formerly POW's. Today the organization has a nationwide membership of well over 5,000 and recognizes 61 chapters and 8 affiliates.

These brave patriots have endured not only the horrors of combat, but also the agony of often prolonged interment in the prisons of cruel enemies. Nevertheless, they did not waiver in their faith and allegiance to their country and continue to work, even today, toward assisting their disabled comrades and the widows and orphans of those who made the ultimate sacrifice.

In order to facilitate the role of this organization in serving the unique problems which beset ex-POW's, I introduced legislation granting a Federal charter to the Organization of the American Ex-Prisoners of War, Inc. in the last Congress. The Judiciary Committee which adopted strict standards for the granting of Federal charters in the 91st Congress reported favorably on this measure. The Senate passed the legislation marking the first time in 10 years that a grant of a Federal charter had passed this body. Unfortunately, the House had not sufficient time to consider the measure in the waning days of the 95th Congress.

Today, I reintroduce this measure and hope that those who have suffered the indignity of imprisonment in service of their country shall be rewarded.●

By Mr. COCHRAN:

S. 376. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Human Resources.

NATIONAL DIGESTIVE DISEASES PREVENTION, CURE AND CONTROL ACT

● Mr. COCHRAN. Mr. President, the National Commission on Digestive Diseases was established by Congress in 1976, by Public Law 94-562. The Commission was given three major tasks: Study the medical, social and economic impact of digestive diseases; evaluate the use of resources to control identified problems; and develop a long-range plan for the organization and effective use of national resources to deal with digestive diseases.

On January 31, 1979, the Commission presented to Congress its findings and a long-range plan to combat more effectively the immense problems presented by digestive diseases.

The enormity of the medical disorders affecting the digestive tract has heretofore been unappreciated. Some 22 million Americans are afflicted by some form of digestive disease. Disorders such as ileitis, colitis, ulcers, diverticulosis, pancreatitis, gall bladder and liver diseases, among others, rob 1 out of 9 Americans of their most productive years and cost the public approximately $17 billion per year.

At present, a serious lag exists in our education, research and treatment of this problem. For every dollar of economic loss to society from various diseases, the following sum—in cents—was devoted to research: Cancer, 4.7 cents; neurological, stroke, communicative and eye disease, 2 cents; mental health, 0.8 cent; heart, lung and blood disease, 0.7 cent; kidney and urological disease, 0.4 cent; arthritis and bone disease, 0.3 cent; and digestive disease, 0.2 cent.

It is crucial to note in this context that the digestive disorders impose the third largest economic burden of illnesses in the United States.

Today I am introducing legislation to implement three key recommendations of the National Commission on Digestive Diseases. This bill would: Establish a National Digestive Diseases Advisory Board to oversee implementation of the Commission's long-range plan; establish a National Digestive Diseases Education and Information Clearinghouse to serve as a public and professional information source; authorize a grant program through the National Institute for Arthritis, Metabolism and Digestive Diseases to improve medical education in digestive diseases.

The total 3-year authorization is $5.665 million.

I urge that the Congress act expeditiously on this bill and that its provisions be implemented as quickly as possible. Only in this way can we carry through with congressional intent when it enacted Public Law 94-562 in 1976.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Digestive Diseases Prevention, Cure and Control Act."

SEC. 2. The Congress finds and declares that:

(1) digestive diseases (A) are an extremely serious and important category of illness in the United States, (B) are the major reason for and the leading cause of major surgery in the United States, (C) are the cause of chronic illness in 20 million Americans, 14 million of whom have episodes of acute illness annually, (D) are the cause of almost 20,000 deaths each year in the United States, and (E) are the second most common reason for disability in American workers;

(2) digestive diseases are the cause of one-tenth of the total economic burden of illness in our country;

(3) inadequate levels of public awareness of the importance of digestive diseases in our society are coupled with inadequate efforts and expenditures on public information and a low level of support for research in digestive diseases; and

(4) a major improvement in the health of persons with digestive diseases, and important advances in the prevention of such diseases, could occur through the intensified and improved efforts in the education of the public and professionals about digestive diseases, through better use of current resources and procedures involved in the diagnosis of those illnesses, through translating existing medical information into more effective treatment, through greater support of ongoing clinical programs in federally-supported hospitals, through the augmentation of current research efforts including both basis and applied clinical investigations, and through expanded research, education and more intense study of currently neglected areas such as epidemiology, emotional and nutritional causes of digestive diseases.

SEC. 3. Part D of title IV of the Public Health Service Act is amended by adding at the end the following new sections:

"NATIONAL DIGESTIVE DISEASES EDUCATION AND INFORMATION CLEARINGHOUSE

"SEC. 440B. The Secretary shall establish a National Digestive Diseases Education and Information Clearinghouse to identify, collect, analyse and disseminate information respecting digestive diseases and to serve as a national education resource for patients with digestive diseases and their families, physicians, and allied health professionals. For the establishment and operation of the Clearinghouse there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1979, $1,150,000 for the fiscal year ending September 30, 1980, and $1,250,000 for the fiscal year ending September 30, 1981.

"EDUCATION AND TRAINING PROGRAMS IN DIGESTIVE DISEASES

"SEC. 440C. The Secretary, acting through the Institute and after consultation with the National Arthritis, Metabolism, and Digestive Diseases Advisory Council, shall make grants to schools of medicine to strengthen their education and training programs in the diagnosis, prevention and treatment of digestive diseases. For grants under this section there are authorized to be appropriated $360,000 for the fiscal year ending September 30, 1979, $450,000 for the fiscal year ending September 30, 1980, and $550,000 for the fiscal year ending September 30, 1981."

SEC. 4. Part D of title IV of the Public Health Service Act is amended by adding after the section added by section 3 of this Act the following new section:

"NATIONAL DIGESTIVE DISEASES ADVISORY BOARD

"SEC. 440D (a) The Secretary shall establish a National Digestive Diseases Advisory Board (hereinafter referred to as the 'Board') to be composed of 24 members as follows:

"(1) Eight members shall be appointed by the Secretary from individuals who are scientists, physicians and other health professionals, who are not employed by the federal government and who represent the specialties and disciplines relevant to digestive diseases.

"(2) Two members shall be appointed by the Secretary from individuals with an interest in digestive diseases and who, as a group, have knowledge and experience in the fields of medical education, health education and public information and who are not employed by the federal government.

"(3) One member shall be appointed by the Secretary from individuals who are members of the National Arthritis, Metabolism and Digestive Diseases Advisory Council and who are experts in the field of digestive diseases.

"(4) Five members shall be appointed by the Secretary from the general public. At least three such members shall be persons who have experienced significant personal or family involvement with digestive diseases.

"(5) The following shall be ex officio members: The Assistant Secretary for Health or his designee, the Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the Division of Digestive Diseases of the National Institute of Arthritis, Metabolism and Digestive Diseases, the Director of the National Cancer Institute or his designee, the Director of the National Institute of Allergy and Infectious Diseases or his Designee, the Director of the National Institute on Alcohol Abuse and Alcoholism or his designee, and the Chief Medical Director of the Veterans' Administration or his designee.

"(b) The members of the Board shall select a chairperson from among the appointed members.

"(c) The Secretary shall, after consultation with and consideration of the recommendations of the Board, provide the Board with (1) an Executive Secretary and two clerical staff members and (2) such administrative support services and facilities and such services of consultants as the Secretary determines are necessary for the Board to carry out its functions.

"(d) Members of the Board who are not employees of the federal government shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day including traveltime they are engaged in the performance of their duties as members of the Board. While away from their homes or regular places of business in the performance of services for the Board, members shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

"(e) The appointed members of the Board shall be appointed to serve until the expiration of the Board (as provided in subsection (h)).

"(f) The Board shall:

"(1) review, evaluate and advise on the coordination of federal agencies' efforts in digestive diseases in the implementation of the long-range plan of the National Commission on Digestive Diseases under section 301(g)(2) of the Arthritis, Diaoetes, and Digestive Diseases Amendments of 1976 (42 U.S.C. 289a note);

"(2) maintain liaison with other advisory bodies related to federal agencies involved in the implementation of such long-range plan, the Coordinating Committee for Digestive Diseases, and with key non-federal bodies involved in activities affecting the control of digestive diseases;

"(3) develop recommendations for the implementation of such long-range plan:

"(4) hold regular quarterly meetings and provide an annual report to the Secretary and to the Congress dealing with the progress of such long-range plan, including a summary and analysis of expenditures and implementation by the federal government of such plan.

In carrying out its duties the Board may appoint subcommittees, appoint consultants, convene workshops and conferences, and collect data.

"(g) There are authorized to be appropriated to carry out the purposes of this subsection $300,000 for the fiscal year ending September 30, 1979, $300,000 for the fiscal year ending September 30, 1980, and $300,000 for the fiscal year ending September 30, 1981.

"(h) The Board shall expire on September 30, 1982."

By Mr. ROTH (for himself, Mr. RIBICOFF, Mr. DANFORTH, and Mr. HEINZ):

S. 377. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment, and for other purposes; to the Committee on Governmental Affairs.

INTERNATIONAL TRADE AND INVESTMENT REORGANIZATION ACT

● Mr. ROTH. Mr. President, together with Senator RIBICOFF, I am today introducing our International Trade and Investment Reorganization Act which would create a U.S. Department of International Trade and Investment. Senators HEINZ and DANFORTH have joined us as cosponsors of this bill.

Today's bill, with some minor modifications, is the same as S. 1990, which we introduced in the 95th Congress.

The announcement last week of yet another record U.S. balance-of-trade deficit for calendar year 1978 underscores the need for this legislation. A Department of International Trade and Investment, in and of itself, will not correct the balance-of-trade deficit. It will, however, create a more coherent, streamlined, and efficient policymaking structure through which our massive trade problems can be more effectively addressed.

Today's Federal trade policymaking apparatus is fragmented, sluggish, chaotic, and suited more to the needs of the 19th century than to those of the 20th and 21st centuries. There is no plan or purpose behind it; rather it grew up piecemeal at a time international trade was far less important to our economy.

Trade negotiations are primarily the concern of the Special Representative for Trade Negotiations and the Department of State. Overseas commercial op-

portunities and export promotion is divided between State and Commerce, with the Eximbank assisting in financing. Countervailing duties and antidumping duties come under the purview of the Department of the Treasury. And there are many other departments and agencies with some international trade and investment responsibilities.

Count Otto Graf Lambsdorff, the German Minister of Economics and a man who deals on international trade and economic issues with the United States from across the table, recently told me:

> Frankly, I just don't see how your system can work!

Unlike any other major industrial country, the United States does not have a central office or individual with the responsibility to coordinate and provide leadership in the areas of international trade and investment.

Some trade issues fall between the cracks; others become a battleground for competing Federal agencies. Too much energy is spent fighting interagency turf battles at the expense of our trade interests.

As Harald B. Malmgren, a former deputy special trade representative, testified before the Governmental Affairs Committee last year:

> My own negotiating experience is, if we are left with divided positions behind us, as we approach the negotiating table, we will be divided at the table and eaten alive.

The Roth-Ribicoff International Trade and Investment Act proposes to consolidate into one Department of International Trade and Investment the Office of the Special Representative for Trade Negotiations and the international trade and investment functions of the Departments of Commerce and Treasury. Smaller elements are included from the State Department and the International Trade Commission, while the Eximbank and the Overseas Private Investment Corporation are included in the department as semiautonomous units.

We are not proposing a Department of International Economic Policy.

The creation of the new Department of Trade and Investment would not add to the size of the Cabinet since one Cabinet level office, the Special Representative for Trade Negotiations, would be subsumed into the Department. Our bill would not authorize new bureaucracy nor any new regulatory activity on the part of the Federal Government. It involves the consolidation of existing offices and agencies. In doing so, it provides a strong new mandate to the Department to protect and promote the international trade and investment interests of the United States.

In an interdependent world economy, these interests are of critical importance to the American economy. Few Americans realize that overseas markets account for one-fifth of our Nation's manufacturing employment or that 1 of every 3 acres of farmland produces for the export sector.

To date, the United States has not developed effective policies for taking advantage of new opportunities in overseas markets or meeting the challenge of foreign competition in our own market.

It is essential that we proceed, without delay, to focus the appropriate resources at our disposal so American products can compete in the international arena on the same footing as the products of other countries.

If we are going to have a first-rate foreign trade policy, we need a first-rate governmental trade apparatus standing behind it.

I firmly believe we need a strong center of authority in the Federal Government for trade and investment policies to improve our bargaining position in international negotiations, support vigorous programs of promoting job-creating exports, to deal effectively with unfair competition from abroad and to develop sound foreign investment policies.

The Roth-Ribicoff bill is especially important in light of the conclusion of the multilateral trade negotiations in Geneva. If approved, the codes which have been negotiated will create new rights and rules for participating countries. Our rights are only good if we assert and enforce them. The new Department of Trade and Investment is specifically charged with protecting the international trade rights of the United States.

Mr. President, Senator RIBICOFF and I have agreed that this bill should receive early and speedy consideration in the Governmental Affairs Committee. I hope, therefore, the administration and interested groups in labor, business, and agriculture will give careful consideration to the bill and be prepared to provide us with their views at an early date.

Mr. President, I ask unanimous consent that the text of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Trade and Investment Reorganization Act".

DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby declares that the general welfare requires an effective and efficient coordination, development and implementation of policies of the United States relating to the international trade and investment interests of the people of the United States.

(b) The Congress finds that such coordination is now lacking and that to achieve such coordination it is desirable to establish a Department of International Trade and Investment with responsibility of coordinating and procrasting the international trade and investment interests of the United States.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of International Trade and Investment (hereinafter referred to in this Act as the "Department"). There shall be at the head of the Department a Secretary of International Trade and Investment (hereinafter referred to in this Act as the "Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Department a Deputy Secretary and an Under Secretary, each of whom shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Secretary (or during the absence or disability of the Deputy Secretary, or in the event of a vacancy in the office of Deputy Secretary, the Under Secretary or an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Deputy Secretary and the Under Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. There shall be in the Department five Assistant Secretaries and a General Counsel who shall be appointed by the President by and with the advice and consent of the Senate and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

FUNCTIONS

SEC. 4. The Secretary shall—

(1) exercise leadership under the direction of the President in international trade and investment matters;

(2) develop and coordinate the policies of the United States for the promotion of beneficial international trade relationships in industrial, agricultural, and service products, and raw materials;

(3) negotiate agreements relating to the international trade of the United States and assert and protect the rights of the United States under such agreements;

(4) seek fair and equitable international trade relationships which do not discriminate against the commerce of the United States;

(5) protect American industry, agriculture, and labor from unfair or injurious foreign competition;

(6) develop in cooperation with other appropriate executive agencies trade monitoring systems that encourage and permit timely reaction and adjustment to increased volumes of imports;

(7) seek and promote new trade and commercial opportunities for American industrial, agricultural, and service products in foreign countries;

(8) assist small businesses in developing export markets;

(9) assist in financing international trade between the United States and foreign countries;

(10) develop long-range programs to promote American international economic policy interests abroad in cooperation with other relevant executive agencies;

(11) secure access to supplies of raw materials, at competitive prices, which are produced in foreign countries;

(12) develop and implement policies of the United States toward foreign investment.

(13) administer the United States Customs Service and maintain the tariff schedules of the United States;

(14) mobilize and facilitate the participation of American private capital and skills, in the development of the economic and social progress of friendly developing countries and areas;

(15) administer export controls as provided by the Congress; and

(16) perform such other functions with respect to trade and investment matters as the President or Congress may from time to time designate.

GENERAL PROVISIONS

SEC. 5. (a) The Secretary in carrying out the purposes of this Act shall, among his responsibilities, promote and undertake the development, collection, and dissemination, of technical, statistical, economic, and other information relative to domestic and international trade and investment; consult and cooperate with other executive agencies in gathering information regarding the status of international trade and investment in which the United States or other countries may be participants; and consult and cooperate with State and local governments and other interested parties, including, when appropriate, holding informal public hearings.

(b) Orders and actions of the Secretary in the exercise of the functions, powers, and duties transferred under this Act, and orders and actions of any entity the responsibilities of which are transferred to the authority of the Secretary and vested in the Secretary pursuant to the functions, powers, and duties specifically assigned to any such entity by this Act or any other Act of Congress, shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the department or agency or other authority exercising such functions, powers, and duties immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred by this Act shall apply to the exercise of such functions by the Secretary.

(c) In the exercise of the functions, powers, and duties transferred under this Act, the Secretary shall have the same authority as that vested in the department, agency or authority exercising such functions, powers, and duties immediately preceding their transfer, and their actions in exercising such functions, powers, and duties shall have the same force and effect as when exercised by such department, agency, or authority.

(d) In carrying out his functions, powers, and duties the Secretary shall consult, exchange information, and carry on joint planning, research, and other activities with the Secretary of the Treasury, the Secretary of State, the Secretary of Agriculture, and the heads of such other executive agencies as the Secretary deems appropriate.

(e) The Secretary shall jointly study, with the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, and the heads of such other executive agencies as the Secretary deems appropriate, how Federal policies and programs can ensure that international trade and investment systems most effectively serve both national and international economic needs. The Secretary shall include in the annual report required by section 9 of this Act an account of the studies and activities conducted under this subsection, including any legislative recommendations which the Secretary determines desirable.

TRANSFERS TO DEPARTMENT

SEC. 6. (a) There are hereby transferred to and invested in the Secretary—

(1) all functions, powers, and duties of the Special Representative for Trade Negotiations and the Office of the Special Representative for Trade Negotiations in the Executive Office of the President.

(2) such functions of the Secretary of State, the Department of State and officers and components of such Department as relate to—

(A) commercial affairs and business activities, including export promotion, but not including the reporting of economic conditions in foreign countries;

(B) international investment policy; and

(C) negotiation and implementation of bilateral and multilateral commercial agreements and trade agreements with foreign countries, including commodity agreements.

(3) such functions of the Secretary of Commerce as relate to—

(A) export promotion;

(B) foreign investment;

(C) export administration; and

(D) international commerce including East-West trade and the administration of quotas or special tariff treatment; and

(E) foreign trade zones

(4) Such functions of the Secretary of the Treasury as relate to—

(A) international trade and investment;

(B) the United States Customs Service; and

(C) the administration of all laws designed to protect the United States against unfair competition in international trade and investment.

(5) Such functions of the International Trade Commission as relate to—

(A) tariff nomenclature and statistical reporting under the Tariff Schedules of the United States; and

(B) the administration of section 337 of the Tariff Act of 1930, as amended.

(b) The Export-Import Bank of the United States is hereby transferred to the Department, and there are hereby transferred to and vested in the Secretary all functions, powers, and duties, relating to the Export-Import Bank of the Board of Directors of such Bank and of the other officers and offices of such Bank.

(C) There are hereby transferred and vested in the Secretary all functions, powers, and duties of the Overseas Private Investment Corporation, and of the chairman, members, officers, and offices thereof. The Secretary shall exercise all functions of the President and chief executive officer of the Overseas Private Investment Corporation.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, or any other officer in the Department, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out the provisions of this Act and to prescribe their authority and duties.

(b) The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, but at rates not to exceed $100 per diem for individuals unless otherwise specified in an appropriation Act.

(c) The Secretary is authorized to provide for participation of military personnel in carrying out the functions of the Department. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for service in the Department by the appropriate Secretary, pursuant to cooperative agreements with the Secretary.

(d) (1) Appointment, detail, or assignment to, acceptance of, and service in any appointive or other position in the Department under the authority of subsection (a) shall in no way affect status, office, rank, or grade which officers or enlisted men may occupy or hold or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, nor shall any member so appointed, detailed, or assigned be charged against any statutory limitation on grades or strengths applicable to the Armed Forces. A person so appointed, detailed, or assigned shall not be subject to direction by or control by his armed force or any officer thereof directly or indirectly with respect to the responsibilities exercised in the position to which appointed, detailed, or assigned.

(2) The Secretary shall report annually in writing to the appropriate committees of the Congress on personnel appointed and agreements entered into under subsection (c) of this section, including the number, rank, and positions of members of the armed services detailed pursuant thereto.

(e) (1) Except where this Act vests in any administration, agency, or board, specific functions, powers, and duties, the Secretary may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to or vested in the Secretary in this Act, delegate any of his residual functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, power, and duty.

(2) In addition to the authority to delegate and redelegate contained in any other Act, in the exercise of the functions transferred to or specified by this Act to be carried out by any officer in the Department, such officer may delegate any of such functions, powers, and duties to such other officers and employees of the Department as he may designate; may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable; and may make such rules and regulations as may be necessary to carry out such functions, powers, and duties.

(f) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the Export-Import Bank or the Overseas Private Investment Corporation or the Office of the Special Representative for Trade Negotiations, and of the head and other officers and offices thereof, are hereby transferred to the Secretary.

(g) So much of the positions, personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties transferred by section 6 of this Act as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary.

(h) The transfer of personnel pursuant to subsections (f) and (g) of this section shall be without reduction in classification or compensation for one year after such transfer.

(i) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this Act, such office or agency shall lapse. Any person who, on the effective date of this Act, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in his new position.

(j) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary to the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphic and visual aids; and a central library service. The capital of the fund shall consist of any appropria-

tions made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain said fund.

(k) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

(l)(1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(2) For the purpose of Federal income, estate, and gift taxes, property accepted under paragraph (1) shall be considered as a gift or bequest to or for use of the United States.

(3) Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1) shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(m)(1) The Secretary is authorized upon the written request of any person, or any State, territory, possession, or political subdivision thereof, to make special statistical studies relating to international trade and investment, and special studies relating to other matters falling within the province of the Department, to prepare from its records special statistical compilations, and to furnish transcripts of its studies, tables, and other records upon the payment of the actual cost of such work by the person or body requesting it.

(2) All moneys received by the Department in payment of the cost or work under paragraph (1) shall be deposited in a separate account to be administered under the direction of the Secretary. These moneys may be used, in the discretion of the Secretary, for the ordinary expenses incidental to the work or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

(n) The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as shall be appropriate for the purpose of consultation with and advice to the Department in performance of its functions. Members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under subsection (b) of this section, and while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(o)(1) The Secretary is authorized to enter into contracts with educational institutions, public, or private agencies or organizations, or persons for the conduct of research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary shall require a showing that the institutions, agencies, organizations, or persons with which he expects to enter into contracts pursuant to this subsection have the capability of doing effective work. He shall furnish such advice and assistance as he believes will best carry out the mission of the Department, participate in coordinating all research initiated under this subsection, indicate the lines of inquiry which seem to him most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutions, agencies, organizations, or persons and between them and other research organizations, the Department, and other Federal agencies.

(3) The Secretary may from time to time disseminate in the form of reports or publications to public or private agencies or organizations, or individuals such information as he deems pertinent on the research carried out pursuant to this section.

(4) Nothing contained in this subsection is intended to amend, modify, or repeal any provisions of law administered by the Department which authorize the making of contracts or research.

CONFORMING AMENDMENTS TO OTHER LAWS

SEC. 8. (a) Section 19(d)(1) of title 3, United States Code, is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of International Trade and Investment".

(b) Section 101 of title 5, United States Code, is amended by inserting at the end thereof the following:

"The Department of International Trade and Investment".

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

(d) Subchapter II (relating to executive pay schedule rates) of chapter 53 of title 5, United States Code, is amended as follows:

(1) Section 5312 is amended by striking out

"(13) Special Representative for Trade Negotiations"

and inserting in lieu thereof

"(13) Secretary of International Trade and Investment".

(2) Section 5313 is amended by adding at the end thereof:

"(25) Deputy Secretary of the Department of International Trade and Investment".

(3) Section 5314 is amended by adding at the end thereof:

"(70) Under Secretary of the Department of International Trade and Investment".

(4) Section 5316 is amended by adding at the end thereof the following:

"(152) Assistant Secretaries Department of International Trade and Investment (6)

"(153) General Counsel of the Department of International Trade and Investment.".

ANNUAL REPORT

SEC. 9 The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

SAVINGS PROVISIONS

SEC. 10. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective—

(A) under any provision of law amended by this Act, or

(B) in the exercise of duties, powers, or functions which are transferred under this Act,

by (i) any department or agency, any functions of which are transferred by this Act, or (ii) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary (in the exercise of any authority vested in him by this Act), by any court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the department or agency before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary (in the exercise of any authority respectively vested in him by this Act), by a court of competent jurisdiction, or by operation of law.

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer for any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act—

(A) such department or agency is transferred to the Secretary, or

(B) any function of such department, agency, or officer is transferred to the Secretary,

then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the executive agency, or officer which was a party to the suit prior to the effective date of this Act).

(c) With respect to any function, power, or duty transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any executive agency, officer or office so transferred or functions of which are so transferred shall be deemed to mean the officer or agency in which this Act vests such function after such transfer.

SEPARABILITY

SEC. 11. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

SEC. 12. (a) This Act shall take effect ninety days after the Secretary first takes office, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the rates provided for in this Act. Such compensation and related expenses of their offices shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.●

DEPARTMENT OF TRADE AND INVESTMENT

● Mr. RIBICOFF. Mr. President, I join today with the Senator from Delaware (Mr. ROTH) in introducing the International Trade and Investment Reorganization Act. This important legislation would consolidate the major trade and investment responsibilities of the Federal Government in a single Cabinet-level Department of Trade and Investment.

Trade vitally affects our economic well-being.

The United States trades on the world market one-sixth of everything it grows or makes. One of every three acres of productive American soil contributes to our balance of trade. Annual international trade and investment to and from the United States currently represents a third of a trillion dollars.

On the other hand, the U.S. trade deficit has grown from $2 billion in 1971 to a deficit of between $29 billion and $34 billion, depending on how the figures are calculated. Our huge trade deficit last year contributed substantially to the erosion of confidence in the dollar.

Despite the importance of trade to the U.S. economy, and the serious threat raised by our trade deficit, responsibility for trade functions is fragmented among at least 10 agencies. This fragmentation seriously undermines our efforts to reduce our trade deficit. It hurts U.S. efforts to expand exports.

U.S. businesses seeking to do business abroad may have to go to a half dozen U.S. agencies. A businessman who has identified potential export markets may be sent to the Export-Import Bank for financing, and to different offices in the State Department or Commerce Department for export licenses. Four different departments have East-West trade bureaus.

Should a businessman in the country just wish information about markets abroad, he would ask the Commerce Department. But the Commerce Department in turn would have to rely on State Department commercial attachés who are largely selected, trained, posted, and evaluated by the State Department. Should the businessman feel that his experts are subject to unfair trade practices or illegal barriers, he may have to see any number of agencies because, in addition to State and Commerce, the Treasury Department, the Agriculture Department or the Office of the Special Trade Representative may have the chief responsibility depending on the nature of the export problem.

In reality, the bureaucratic confusion may actually discourage the businessman—especially if he is a small businessman—from doing business abroad.

The current disorganization makes it difficult for the United States to do much more than react to one crisis or another. It makes it difficult for the United States to form any overall strategy or policy design. It contributes to a loss of confidence here and abroad which hurts our international financial status, including our trade balance.

Our position in trade negotiations with foreign countries is more difficult because our own house is not in order. Trade negotiators must spend substantial time trying to negotiate a common U.S. position before we can even approach the bargaining table. The clout of the agency that may be heading the negotiations may be further hurt if it is not also responsible for administering domestic laws designed to protect the United States from unfair trade practices.

Other nations with whom we negotiate may be quick to sense this, and try to exploit the internal differences between U.S. agencies. These countries may change their tactics because they suspect that the U.S. negotiator across the table cannot deliver on the promises he has made, or apply appropriate trade sanctions if an agreement is not reached.

We will soon be asked to approve a new trade agreement. The details on the agreement are complex, and will require ongoing consultation, discussion, and negotiation. Yet the possibilities this new trade deal opens up for the United States are great. Ambassador Strauss predicted recently that duty reductions alone will open up billions of dollars worth of new export opportunities for U.S. manufactured goods and farm products. In the agricultural area only, the tariff reductions will be worth $3 billion to the United States.

But this country will not be able to gain full advantages from the new trading agreements unless the trade functions of our Government are better organized.

The current organization of the Government for trade matters provides no assurance that decisions are made on the basis of adequate information, after weighing all the competing domestic and foreign policy considerations. For example, in July 1973 the United States suddenly instituted controls on the export of soybeans. Contracts went unmet. The United States was seen as an unreliable supplier. This single decision hurt years of efforts to promote U.S. agricultural exports.

The bill I am sponsoring today would address these problems. It vests in the Secretary of the Department of Trade and Investment broad authority for trade matters. This includes—

Coordination, development, and formulation of trade and investment policy;

Negotiation and implementation of bilateral and multilateral commercial and trade agreements;

Export development, assistance, administration, and promotion; and

Enforcement of our fair trade laws.

The Office of the Special Representative for Trade Negotiations, the Export-Import Bank, and the Overseas Private Investment Corporation would be transferred in their entirety to the new department. Portions of the Department of State, Treasury, and Commerce would be included in the new department. The bill transfers to the new department functions of the International Trade Commission relating to the maintaining of the tariff schedules, and the enforcement of section 337 of the 1930 Trade Act, which concerns patent infringements and similar illegal practices.

The bill would add no new employees to the Federal Government. All functions would be carried out by existing Federal employees transferred to the new agency.

A new department organized around trade matters will not overnight wipe out our trade deficit. But it can help in a number of important ways.

It can better identify this country's trade shortcomings and help shape a coherent and comprehensive overall approach to international trade and investment.

It can help insure that before any decision involving trade matters is made, competing factors and priorities are considered, and a reasonable and fair tradeoff of these competing concerns made.

It can help assist American business to seek out and develop new markets for exports.

It can swiftly and effectively help American business and labor endangered by trade policies or unfair practices.

It can highlight within the Government, and in the country at large, the importance to our economic well-being of trade matters, and help mobilize public support for a rational and effective trade policy.

Last year the committee held 2 days of hearings on substantially the same proposal to create a Department of International Trade and Investment. The committee heard from 11 different witnesses from business, Government, and the universities. There was wide support among the witnesses for creating a new department to consider trade and investment matters. This year I look forward to additional hearings which will hear from an even wider number of witnesses.

I know that the administration has been considering the possible reorganization of a number of functions, including some relating to trade. I look for-

ward to working with the administration to make sure that any other reorganizations proposed by the executive branch are consistent with, and complement, the establishment of a new department for trade and investment.

But I believe it is very important that Congress act at an early date on legislation creating a new department for trade functions.●

By Mr. BELLMON (for himself, Mr. JAVITS, Mr. MOYNIHAN, Mr. BAKER, Mr. BOREN, Mr. MELCHER, Mr. COCHRAN, Mr. LUGAR, Mr. GARN, Mr. TOWER, Mr. BAYH, and Mr. WALLOP):

S. 378. A bill to authorize funds for the Robert A. Taft Institute of Government; to the Committee on Human Resources.

ROBERT A. TAFT INSTITUTE OF GOVERNMENT TRUST FUND ACT

Mr. BELLMON. Mr. President, today I am introducing legislation for myself and 11 Members of the Senate which is intended to promote to a much greater degree one of the most fundamental principles which shape and guide our representative form of Government—namely, majority rules, minority rights. This principle, Mr. President, embodies every facet of our democratic process. It is a basic principle. It provides for the orderly operation of government as well as safeguarding fundamental rights for dissent. Majority rules, minority rights can be accorded no more significance than in this very body. It is very simply the means by which a representative government exercises its right to govern.

Mr. President, there is no clearer example of this principle than the American two-party political system. By providing a basis for choice, the two-party system has encouraged direct participation by the citizens of this Nation in our self-governing experience. Such participation, as we all know, is the very foundation for any true elective process. This is the same foundation to which President Carter recently referred in his state of the Union address. Throughout our Nation's history the two-party system has done a great deal to solidify this foundation and foster the principle of majority rules, minority rights.

There has been considerable discussion over the last several years which forecasts the decline and ultimate demise of the two-party political system. Actually, Mr. President, such forecasts are not new. As a recent editorial from the Wall Street Journal points out, political observers have been writing obituaries on our two-party system for as long as we can remember. Entitled "Premature Obituaries," Vermont Royster concludes his article was a more encouraging and accurate forecast. He states, "Pretty durable, the American party system. Or at least the report of its demise seems a bit exaggerated." Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

EXHIBIT 1

[From the Wall Street Journal, Jan. 10, 1979]

THINKING THINGS OVER

(By Vermont Royster)

PREMATURE OBITUARIES

The first obituaries I recall reading on the Republican Party were those in the autumn of 1936.

In that year's election the Republicans carried only two states for Alf Landon. Worse, the party was reduced to 86 seats out of 435 in the House of Representatives. Only 16 Republican Senators were left out of the 96.

The Democrats appeared to have done to the Republicans what the Romans did to the Carthaginians. Not merely defeated them but obliterated them. There were some splendid eulogies delivered on what the Grand Old Party had done for the country since 1860, but just about everybody recognized them as funeral orations.

From then on it became fashionable to talk about the decline of the two-party system. For how could you have a two-party system if one party was so weak and wan it was never really a competitor?

Next, political writers began to notice that the Democrats, lacking a fearful foe to make them stick together, were splintering internally into fragments. By the 1970s the obituaries were being read over the whole American party system. As David Broder, one of the astute political observers, put it, "the party's over." Except that the names lingered on, both parties—Democrats and Republicans—were declared dead.

In the Congress presently assembling the Democrats are, right enough, in the numerical majority. But it is a majority with little party cohesiveness. The Democratic President cannot command it. Neither can its ostensible leaders in either house. Even the committee chairmen, men who once supposedly ruled little fiefdoms, find their power limited.

So perhaps it is true that the American system of responsible party government is in a terminal state. There's little evidence to refute it.

But it is possible to wonder if it ever really was the strong, vigorous, disciplined system that it appears in memory. And to take note of the fact that if its illness is terminal it's been a long time dying.

From 1860 to 1932—nearly three-quarters of a century—the situation was not unlike that of more recent times, except that then it was the Republicans who dominated the political scene. Only twice did the Democrats have a brief resurgence, in the days of Grover Cleveland and Woodrow Wilson. Nor were the Republicans of those days any more free of political schisms than the Democrats of today. In fact it was division among the Republicans that accounted for Cleveland and Wilson.

Moreover, a historian would be hard put to prove that during that long Republican reign we always had "responsible" party government. In any event it was a period in which the GOP leadership had to contend with rebellions within the party. It was also a period not without its scandals and corruption.

In more recent times the New Deal years might seem to offer a better example of strong party discipline making for responsible party government. The Democrats had won twice by a landslide for both the White House and Congress. Franklin Roosevelt was a strong charismatic leader. And indeed for the first 100 days or so of his administration the party did what it was told by the President and the congressional leaders.

But that didn't last long. Soon there were dissenters like Glass of Virginia and George of Georgia, unamenable to party discipline. By the time Mr. Roosevelt tried to reorganize the Supreme Court he found that party solidarity wasn't what it was cracked up to be.

It never really has been, and for a very simple reason. Unlike the British system where the party leadership chooses local candidates, American candidates are home grown.

The victors occasionally owe something to a party label, especially in areas traditionally Republican or Democrat, or perhaps to being on a ticket with a popular presidential candidate. But each Congressman has his own political base. If it is weak a President's support will not save him. If it is strong, he can be independent of a President or his national party. Party discipline in the British sense is almost impossible.

What has happened in recent years, and so given rise to these thoughts about the demise of the party system, is that voters seem to pay even less attention to party labels and so, therefore, do many candidates. On the registration books most voters are Democrats out of habit but Republicans get elected in Democratic states and vice versa. Whether that's cause for lamentations is an uncertain question.

Nonetheless, when the winners arrive at the legislature or in Congress they wear one or another party label. (There's only one independent in the Senate, none in the House.) The result is a contribution to political stability not to be scorned, for it means one party can organize the assembly and direct the machinery without which little could be done at all. We are spared the juggling of coalitions that plague so many foreign parliaments even in the mechanics of legislating.

Thanks to our party system the routine business gets done with a minimum of friction. Moreover it's surprising how often, in fact, the members do divide along party lines, pushed and shoved by their leaders and party whips.

As for those Republicans—well, more than 40 years after those first obituaries they'll have 41 members in the new Senate, 159 in the House. Not a majority but not exactly a remnant band either.

Pretty durable, the American party system. Or at least the report of its demise seems a bit exaggerated.

Mr. BELLMON. Still, Mr. President, there is a growing concern that our basic party structure is eroding. A lack of participation by our citizens in the political process is often cited as the primary cause for this impending decline. While there are numerous contributing factors which have led to this lack of citizen participation—insensitivity and disenchantment toward government, the political system, elected officials and political parties—it is essential we do all we can to reverse this trend by promoting the role of the individual in the elective process. In short, Mr. President, majority rules, minority rights cannot be exercised effectively unless the citizens of this Nation take an active role in their government.

A basic understanding of American political systems, the supporting two-party system, and the essential role of the individual citizen will go a long way in promoting the necessary participation.

Mr. President, there is an organization to which many of us in the Congress are familiar, which has dedicated its work to the very subject I have been discussing. I am referring to the Robert A. Taft Institute of Government, located in New York. Founded in 1961 as a memorial to the late Senator from Ohio, the Taft Institute is a nonprofit, bipartisan organization which directs its work toward enhancing understanding of American politics and government, developing knowledge of the supporting two-party system, and creating awareness of the political role and responsibilities of individual citizens.

Working from a premise that the people of this country, and particularly young people need to be fully informed concerning the basic principles of American self-government, the Taft Institute conducts seminars in behalf of elementary and secondary school teachers. At these seminars, teachers gain knowledge and insight into the operation of the American political system. They are also better equipped to develop in young people a commitment to participate in the process.

Mr. President, we cannot overemphasize the critical role of teachers in transmitting understanding of the principles and processes of government to children and high school students. While it is assumed that teachers have this responsibility, it is alarming to find that many teachers, very able ones at that, are not prepared academically or practically to teach government classes. A 1976 Taft study of 800 government teachers revealed not only that 20 percent had ever taken a political science course, but also that many were relatively naive about the political system. The Taft seminars for teachers are designed to meet this need.

Mr. President, Taft seminars are sponsored by colleges and universities, award graduate level credit, and are conducted mostly in the summer for 2 or 3 weeks. Each seminar, of which there are approximately 38 per year, enroll between 30–35 teachers. The 1978 seminars, conducted on 36 campuses in 30 States have had the participation of 1,100 elementary and secondary school teachers. Each seminar, a rigorous course in political science and practical politics, is directed by a political science professor who is a faculty member of the sponsoring institution. In addition, at each seminar, 20 or more experienced politicians, political party leaders, elected officals, Republicans and Democrats, meet with the teachers and explore ways in which teachers can effectively teach their government classes and help their students understand their responsibilities in a selfgovernment. Having participated in these seminars, as have many in this Chamber, I can personally attest to the effectiveness and overall quality of Taft seminars for teachers.

Mr. President, since 1963, the year in which the Taft Institute began its seminars for teachers, the institute has relied totally upon private contributions. While the ability to raise funds to finance these seminars has been remarkably successful, the institute needs major financial support to sustain and broaden its political education program. It has the reputation and the expertise well suited to building a substantially larger program, specifically by expanding the Taft seminars for teachers to include all 50 States as well as additional seminars in States already participating. By expanding the program to include every State of the Nation, Taft seminars would be able to reach, at a minimum, 700 additional teachers. Based on the 1978 enrollment of 1,100 teachers, such an increase would be substantial. It is not inconceivable for the institute to double its program through additional seminars in States which are already participating in the program.

To this end, Mr. President, I am today introducing legislation for myself and Mr. JAVITS, Mr. MOYNIHAN, Mr. BAKER, Mr. BOREN, Mr. MELCHER, Mr. COCHRAN, Mr. LUGAR, Mr. GARN, Mr. TOWER, Mr. BAYH and Mr. WALLOP), which would authorize Federal-matching assistance for the Robert A. Taft Institute of Government, to help further its goal of promoting the role of the individual in our democratic society. This legislation would establish a trust of $15 million, the income from which would be matched on a 50–50 basis with private contributions secured by the institute. By establishing a matching fund, the institute will continue its efforts to raise private contributions rather than rely on Federal assistance alone.

Mr. President, the institute has been operating on a budget of approximately $750,000 per year. A trust of $15 million, invested wisely, will undoubtedly yield income enough to match the private contributions raised by the institute, assuming private contributions equal that of the past several years. In the event the trust generates income in excess of the matching requirements, the excess will be returned to the General Treasury. This trust will be administered by the Commissioner or Secretary of Education.

Mr. President, I could speak for a long time on the attributes and ultimate value of the Taft Institute and its programs. Encouraging participation by young people in our elective process is an important undertaking. The Taft program does exactly this. While there are a number of organizations which direct their work in various ways toward specific areas of the governmental system, there is no other national organization which focuses its chief efforts toward developing an understanding of the benefits and the necessity of America's two-party system for American democracy. I know of no other organization which is providing education on the essential roles of the Republican and Democratic Parties and encouraging participation in those parties beginning at the precinct level, helping individuals understand they can have the greatest amount of influence in selecting their representatives for local, State, and National legislative bodies by working through a political party. This is sound reasoning, Mr. President, and we should emphasize such principles to the greatest degree.

Mr. President, American political history has been the story of a two-party system in action; yet there is too little understanding among the majority of the country's citizens of the importance of two strong political parties, forming our basic political arrangement—one party in power and one party in opposition. In other words, majority rules, minority rights. The Taft Institute has dedicated its work toward the understanding of these principles. There is a great deal left to be done. This legislation will help emphasize the importance of the Taft program and the work it performs. I am convinced this is a valuable contribution to our political and governmental process—and a wise investment of dollars. Additionally, Mr. President, I should point out that similar legislation is being introduced in the House of Representatives today by Congressman PAUL SIMON along with broad bipartisan support which includes 23 House cosponsors. I commend the distinguished gentleman from Illinois for his interest and support of this legislation and look forward to working with him in the coming months to assure both House and Senate approval of this bill.

Mr. President, I urge the favorable consideration of this legislation so we can get on with the responsibility of providing better public understanding and appreciation of government of the people, by the people, and for the people.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Robert A. Taft Institute of Government Trust Fund Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "Commissioner" means the Commissioner of Education;

(2) "Fund" means the Robert A. Taft Institute Trust Fund established in section 4;

(3) "Institute" means the Robert A. Taft Institute of Government located in New York, New York; and

(4) "Secretary" means the Secretary of the Treasury.

GRANTS FOR DEVELOPMENT

SEC. 3. (a) In recognition of the public service of Senator Robert A. Taft, the Commissioner is authorized to make grants from the Fund established in section 4 to assist in the development of the Robert A. Taft Institute of Government, located in New York, New York.

(b) The total amount of grants under this section in any fiscal year may not exceed the lesser of (1) the total amount of private contributions received by the Institute in the fiscal year prior to the fiscal year in which the grants are made, or (2) the income of the Fund generated in the fiscal year prior to the fiscal year in which the grants are made.

(c) No payment may be made under this Act except upon an application at such time, in such manner, and containing or accompanied by such information as the Commissioner may require.

ESTABLISHMENT OF FUND

SEC. 4. (a) There is established in the Treasury of the United States a trust fund to be known as the "Robert A. Taft Institute Trust Fund". The Fund shall consist of amounts appropriated pursuant to subsection (f).

(b) It shall be the duty of the Secretary to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(c) Any obligation acquired by the Fund may be sold by the Secretary at the market price.

(d) Except as provided in subsection (e), the interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to form a part of the Fund.

(e) Within 30 days after the end of each fiscal year, the Secretary shall determine the total amount of private contributions received by the Robert A. Taft Institute during such fiscal year and the total amount of income generated by the Fund in such fiscal year. If the Secretary determines that the total amount of income generated by the Fund in any fiscal year exceeded the total amount of private contributions received by the Institute in such fiscal year, the Secretary shall transfer from the Fund to the General Fund of the Treasury an amount equal to the difference between the income generated in such fiscal year and the amount of private contributions received in such fiscal year.

(f) There are appropriated to the Fund $15,000,000.

EFFECTIVE DATE

SEC. 5. This Act shall take effect on October 1, 1979.

By Mr. DOMENICI:

S. 379. A bill for the Relief of Mrs. Ascencion M. Lujan, Noe Lujan, Sevedeo Lujan, Jr., Cordelia Lujan Long, Antonioa Lujan, Venceslao Lujan, Marta Lujan, Felix Lujan, and Tovia Lujan; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, again in the 96th Congress I am introducing a bill for the relief of the family of Sevedeo Lujan. Mr. Lujan died in a tragic explosion accident which occurred at Los Alamos Scientific Laboratories in 1959.

As a result of that tragic accident a settlement was made with the family. However, the fairness of this settlement is questioned.

The facts available to me regarding the settlement made with the surviving widow by the U.S. Government are somewhat troubling. As I understand it, this mother of five children had to deal with the adjusters and lab representatives, without an interpreter or counsel, even though, for all practical purposes, she could not read or write English. It is also my understanding that the family was never briefed or counseled regarding the details of the accident and, in fact, the classified report about this accident was only recently declassified.

The legislation I submit today would allow a determination to be made whether the family is equitably entitled to additional compensation and, if so, the amount of such compensation.

This will allow the family to have their day of justice and the merits of their claim equitably examined.●

By Mr. DURKIN (for himself and Mr. TSONGAS):

S. 380. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DURKIN. Mr. President, I have long believed that the strength and continued vitality of our Nation is dependent on the economic health of enterprising small businessmen and women who form the backbone of our economy. In New Hampshire, small business means strength. When the small businessmen are in trouble, the Nation is in trouble. For this reason, I am greatly concerned that one of the outstanding, competitive small business groups in America, the independent insurance agents, is currently threatened with unfair competition through the encroachment of bank holding companies into the areas of retail property, casualty, and life insurance.

Last session I introduced legislation to limit the types of insurance activities in which bank holding companies may participate. My legislation was overwhelmingly passed by the Senate and by the House, failing to become law only because of end-of-the-session time constraints. I want to thank all the Senators, especially Senator PROXMIRE, chairman of the Banking, Housing and Urban Affairs Committee, who supported by legislation.

Because the Congress did not complete action on my bill, the need for a company participation in the insurance industry remains. Indeed, the need for such legislation is more urgent as it is expected that the coming months will see an increasing number of bank holding companies moving into the insurance business.

Consequently, I am today introducing legislation which is similar to that acted upon favorably by Congress last session. The bill prevents bank holding companies from acting as agents or brokers in the sale of property, casualty, and life insurance, and from engaging in the underwriting of such insurance. These are areas which have traditionally been the livelihood of small, independent insurance agents.

My legislation, however, would permit bank holding companies to continue to underwrite and sell credit life, accident and health insurance, lines of insurance which have historically been offered by lenders. In addition, the bill does not change the National Bank Act which currently permits natural banks in communities of 5,000 or less to act as insurance agents. It does not prevent bank holding companies, after public hearings, from operating in communities that lack adequate insurance agency fa ilities. Also exempted from the insurance prohibition are bank holding companies with total assets of $50 million or less and those which receive Federal Reserve Board approval prior to June 6, 1978.

In sum, my legislation will not interfere with bank holding company participation in those lines of insurance which lenders have traditionally offered, but will restrict them from venturing into sectors of the insurance business that are not their legitimate domain. My legislation merely allows independent agents to have the right to carry on their business free from unfair competition.

The present situation is made more urgent by a grandfathering clause in the Bank Holding Company Act of 1970. The grandfathering clause sets 1980 as a deadline for bank holding companies to receive approval by the Federal Reserve Board of applications to retain their nonbanking operations. With the 1980 deadline approaching, the Federal Reserve Board has instructed bank holding companies affected by the provision to file applications to retain nonbanking activities by September 30, 1979. A request by a bipartisan congressional group for the Federal Reserve Board to declare a "moratorium" on insurance applications by bank holding companies was denied by the Federal Reserve Board last November. At this juncture, nothing short of a change in the law will forestall massive bank holding company entry into the insurance business on a permanent basis.

Even a minor delay in the legislative process holds the potential of permitting large numbers of bank holding companies to enter the insurance business, thereby adversely affecting the public interest and thwarting the intent of the last Congress, which overwhelmingly adopted a bank holding company insurance prohibition. The consequences may well be the end of competition in yet another area of American business enterprise.

Mr. President, it is up to Congress to act now if it is to save a valuable natural resource—the enterprising and individualistic business people who constitute the independent insurance agents across America. The independent insurance agents across this country perform a great service to the American people, and my legislation will help them to continue to perform that service.

I want to thank my distinguished colleague, Senator TSONGAS, for cosponsoring this bill. I know that he, as a member of the Senate Banking, Housing, and Urban Affairs Committee, will work to see that it gets full consideration.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Repesentatives of the United States of America in Congress assembled, That Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking the period at the end of the first sentence thereof and adding the following:

", but for purposes of this subsection it is not closely related to banking or managing or controlling banks for a bank holding company to provide insurance as a principal, agent or broker except (i) where the insurance is limited to assuring repayment of the outstanding balance due on a specific extension of credit by a bank holding company or its subsidiary in the event of the death or disability of the debtor; or (ii) any insurance agency activity in a place that (A) has a population not exceeding 5,000 (as shown by the last preceding decennial census), or (B) the bank holding company, after notice and opportunity for a hearing, demonstrates it has inadequate insurance agency facilities; or (iii) any insurance activity engaged in by a bank holding company or any of its subsidiaries pursuant to an application which was approved prior to June 6, 1978; or (iv) any insurance agency activity engaged in by a bank holding company, or any of its subsidiaries which bank holding company has total assets of $50 million or less, provided, however, such bank holding company and its subsidiaries may not engage in the sale of life insurance or annuities except as provided in (i) or (ii) above."

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 381. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Human Resources.

BROWN LUNG DISEASE ACT OF 1979

Mr. HOLLINGS. Mr. President, today Senator THURMOND and myself are reintroducing legislation to provide compensation benefits for textile workers who have become totally disabled due to brown lung disease. Brown lung, or byssinosis, is a disease of the lungs which afflicts textile workers exposed to cotton dust over a period of years. The disease begins with a simple irritation of the bronchial airways and develops with time into a cough, chest tightness, shortness of breath and finally into a chronic disabling condition similar to emphysema or chronic bronchitis.

The need for this legislation points up the conspiracy of neglect which has victimized textile workers for decades. It has been more than 200 years since byssinosis was first recognized in foreign countries as a disease associated with textile manufacturing. In Great Britain it has been a compensable occupational disease since 1942, but until just a short time ago few people in the United States recognized the existence of the disease or the serious problem it constituted within the textile industry. New medical evidence, derived from studies on American textile workers, now indicates there may be as many as 35,000 active and retired textile workers suffering from brown lung.

For many victims of byssinosis time is running out. There are thousands of retired individuals who have worked 30, 40, and 50 years in textile mills who today are physically and financially crippled because of brown lung disease. In many instances they are living without a retirement pension, without adequate social security, and without the breath to walk up a flight of stairs. It is primarily for these individuals that I urge the Senate to give prompt and favorable consideration to this legislation.

Mr. President, I ask unanimous consent that a listing of the major provisions of the Brown Lung Disease Act be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAJOR PROVISIONS OF THE BROWN LUNG DISEASE ACT

1. Level of Benefits. Compensation benefits are calculated at one-half the rate of compensation received by a federal worker, GS 2 level, who is totally disabled. If the law were in effect today, compensation rates would be as listed below:

No dependents, $219.80 per month.
One dependent, $329.80 per month.
Two dependents, $384.80 per month.
Three or more, $439.80 per month.

Any compensation received under state law would be subtracted from the federal compensation.

2. Liability. Benefit payments are paid by the federal government and by responsible employers. Eligible workers who have retired before January 1, 1980 will receive benefits paid for by the federal government. Benefits for those retiring on or after January 1, 1980 will be paid by the owner or owners who employed the brown lung victim.

3. Medical Presumptions. The legislation authorizes the Secretary of Labor to establish and use medical presumptions in determining whether a worker is totally disabled due to brown lung disease and whether the disease was caused by the worker's employment in a textile plant.

4. Total Disability. A worker is considered to be totally disabled when it is medically determined that byssinosis prevents the individual from performing work comparable to that which he or she performed while employed in the textile industry.

5. Time Limitations. To be eligible for a claim, a worker must file within three years of a medical determination of byssinosis. A claim for benefits by an eligible survivor must be filed within three years of the enactment of this Act or three years after the date of death, whichever is later.

6. Job Protection. No employer may discharge or in any other way discriminate against a worker because he or she is suffering from byssinosis or has filed a claim for brown lung compensation benefits.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 381

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Brown Lung Disease Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) there are a significant number of workers who are totally disabled due to byssinosis arising out of their employment in the textile industry;

(2) there are a substantial number of survivors of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death;

(3) few States provide benefits for death or disability due to such disease, to workers or their surviving dependents; and

(4) the Congress, by enactment of title IV of the Federal Coal Mine Health and Safety Act of 1969, has provided for the payment of benefits to coal miners who are totally disabled due to pneumoconiosis arising out of employment in the coal mines and to the surviving dependents of such miners whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

(b) It is therefore the purpose of this Act to provide assistance in cooperation with the States to workers who are totally disabled due to byssinosis arising out of their employment in a textile plant and to the surviving dependents of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

DEFINITIONS

SEC. 3. For the purposes of this Act the term—

(a) "Dependent" means—

(1) a child as defined in subsection (g) without regard to paragraph (2)(B) thereof; or

(2) a spouse who is a member of the same household as the worker or is receiving regular contributions from the worker for his or her support or whose husband or wife is a worker who has been ordered by a court to contribute to his or her support or who meets the requirements of section 216(b)(1) or (2) of the Social Security Act. The determination of an individual's status as the wife of a worker shall be made in accordance with section 216(h)(1) of the Social Security Act as if such worker were the "insured individual" referred to therein. The term "wife" also includes a "divorced wife" as defined in section 216(b)(1) of the Social Security Act who is receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary of Health, Education, and Welfare, from the worker, or is, receiving substantial contributions from the worker (pursuant to a written agreement), or there is in effect a court order for substantial contribution to her support from such worker;

(b) "Byssinosis" means chronic dust disease of the lung and the sequelae arising out of employment in a textile plant;

(c) "Secretary" means the Secretary of Labor;

(d) "Worker" means an individual who is or was employed in a textile plant;

(e) "Spouse" means the wife or husband living with or dependent for support on the workers at the time of his or her death, or living apart for reasonable cause or because of his or her desertion, or who meets the requirements of section 216(c)(1), (2), (3), (4), or (5) and section 216(k) of the Social Security Act, who is not married. Such term also includes a "surviving divorced wife" as defined in section 216(d)(2) of the Social Security Act who for the month preceding the month in which the worker died, was receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary, from the worker, who was receiving substantial contributions from the worker (pursuant to a written agreement) or there was in effect a court order for substantial contributions to her support from the worker at the time of his death;

(f) "Total disability" shall have the meaning given it in regulations of the Secretary except that such regulations shall provide that a worker shall be considered totally disabled when it is medically determined that byssinosis prevents such individual from engaging in gainful employment requiring the skills and abilities comparable to those of any employment in a textile plant or plants in which such individual engaged with some regularity and over a substantial period of time. Such regulations shall not provide more restrictive criteria than those applicable under section 223(d) of the Social Security Act;

(g) "Child" means a child or a step-child who is—

(1) unmarried; and

(2)(A) under 18 years or age; or

(B) under a disability as defined in section 223(d) of the Social Security Act, which began before the age specified in section 202(d)(1)(B)(ii) of the Social Security Act, or in the case of a student, before he ceased to be a student; or

(C) a student.

(h) "Student" means a "full-time student" as defined in section 202(d)(7) of the Social Security Act, or a "student" as defined in section 8101(17) of title 5, United States Code. The determination of an individual as the "child" of a worker, widow or widower, as the case may be, shall be made in accordance with section 216(h)(2) or (3) of the Social Security Act as if such worker, widow or widower were the "insured individual" referred to therein.

(i) "Employer" means the operator of a textile plant.

(j) "Textile plant" means a work place where workers are exposed to cotton dust which, if inhaled in sufficient quantities over a period of time, may impair lung function to the point that byssinosis exists.

(k) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.

BENEFIT CLAIMS

SEC. 4. (a) Any claim (other than a claim under subsection (a) of section 5) for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when workers or their surviving wives, widows, children, parents, brothers, or sisters, as the case may be, are not covered by State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act.

(b)(1) For the purposes of this section a State worker's compensation law shall not be deemed to provide adequate coverage for byssinosis during any period unless it is included in the list of State laws found by the secretary to provide such adequate coverage during such period. The Secretary shall, no later than October 1, 1979, publish in the Federal Register a list of State worker's compensation laws which provide adequate coverage for byssinosis and shall revise and republish in the Federal Register such lists as may be appropriate to reflect changes in such State laws due to legislation or judicial or administrative interpretation.

(2) The Secretary shall include a State worker's compensation law on such list during any period only if he finds that during such period under such law—

(A) benefits must be paid for total disability or death of a worker due to byssinosis;

(B) the amount of such cash benefit is substantially equivalent to or greater than the amount of cash benefits prescribed by section 4(a);

(C) the standards for determining death or total disability due to byssinosis are substantially equivalent to section 3(f) and the regulations of the Secretary promulgated thereunder;

(D) in the case of a worker any claim for benefits on account of total disability of a worker due to byssinosis is deemed to be timely filed if such claim is filed within 3 years of a medical determination of total disability due to byssinosis;

(E) there are in effect provisions with respect to prior employers which are substantially equivalent to the provisions contained in this Act; and

(F) there are applicable such other provisions, regulations, or interpretations which are consistent with the provisions of this Act and with regulations promulgated hereunder as the Secretary determines to be necessary or appropriate to assure adequate compensation for total disability or death due to byssinosis.

The action of the Secretary in including or failing to include any State worker's compensation law on such list shall be subject to judicial review exclusively in the United States Court of Appeals for the circuit in which the State is located or the United States Court of Appeals for the District of Columbia.

ENTITLEMENT TO BENEFITS

SEC. 5. (a)(1) Subject to the provisions of subsection (b) of this section, retired and other workers suffering from byssinosis shall be entitled to benefit payments under this section to be made by the Secretary as follows:

(A) In the case of total disability of a worker due to byssinosis the disabled worker shall be paid benefits during the disability at a rate equal to 50 percent of the minimum monthly payment to which a Federal employee in grade GS-2 who is totally disabled, is entitled at the time of payment under chapter 81 of title 5, United States Code.

(B) In the case of death of a worker due to byssinosis or of a worker receiving benefits under this part, benefits shall be paid to his spouse (if any) at the rate the deceased worker would receive such benefits if he were totally disabled.

(C) In the case of the child or children of a worker whose death is due to byssinosis or of a worker who is receiving benefits under this part at the time of the worker's death, or who was totally disabled by byslsinosis at the time of the worker's death and in the case of the child or children of a widow or widower who is receiving benefits under this subsection at the time of such individual's death benefits shall be paid to such child or children as follows: if there is one such child, benefits shall be paid at the rate specified in paragraph (1). If there is more than one such child, the benefits paid shall be divided equally among them and shall be paid at a rate specified in paragraph (1) increased by 50 percent of such rate if there are two such children, by 75 percent of such rate if there are three such children, and by 100 percent of such rate if there are more than three such children: *Provided*, That benefits shall only be paid to a child for so long as he meets the criteria for the term "child" contained in section 3(g): and *Provided further*, That no entitlement to benefits as a child shall be established under this paragraph for any month for which entitlement to benefits as a widown or widower is established under paragraph (2).

(D) In the case of an individual entitled to benefit payments under subpargraphs (A) or (B) of this subsection who has one or more dependents, the benefit payment shall be increased at the rate of 50 percent of such payments if such individual has one dependent, 75 percent if such individual has two dependents, and 100 percent if such individual has three or more dependents.

(2) Notwithstanding paragraph (1), benefit payments under this section to a worker or his surviving spouse, child, parent, brother, or sister shall be reduced on a monthly or other appropriate basis, by—

(A) an amount equal to any payment received by such worker or his surviving spouse, child, parent brother, or sister, under the worker's compensation, unemployment compensation or disability insurance laws of the State of the worker on account of the disability of such worker, and

(B) the amount by which such payment would be reduced on account of excess earnings of such worker under section 203(b) through (1) of the Social Security Act if the amount paid were a benefit payable under section 202 of such Act, and

(C) an amount equal to not more than 50 percent of any benefits received under the Social Security Act.

(3) No payments of benefits shall be required under this subsection:

(A) except pursuant to a claim filed therefor in such manner, in such form, and containing such information, as the Secretary shall by regulation prescribe; or

(B) for any period prior to six months after the date of enactment of this Act.

(b) On or after six months after the date of enactment of this Act, any claim for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when worker's or their surviving spouses, children, parents, brothers, or sisters, as the case may be, are not covered by a State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act in accordance with subsection (a).

(c) Benefits payable under this section shall be deemed not to be income for the purposes of the Internal Revenue Code of 1954.

TIME LIMITATION AND MEDICAL PRESUMPTIONS

SEC. 6. (a)(1) Any claim for disability benefits by a worker under this Act shall be filed within three years of a medical determination of total disability due to byssinosis.

(2) Any claim for death benefits by a survivor of a worker under this Act shall be filed within 3 years of the date of enactment of this Act or 3 years after the date of death, whichever is later.

(b) The Secretary in conjunction with the National Institute for Occupational Safety and Health shall by regulation establish standards, which shall include appropriate presumptions, for determining whether a worker is totally disabled from, or in the case of a deceased worker, was totally disabled from, byssinosis and whether such byssinosis arose out of the employment in a textile plant or plants.

EMPLOYER LIABILITY

SEC. 7. (a) Each employer shall be liable for the securing of benefits to employees equal to or greater than those provided by this Act.

(b) During any period in which a State worker's compensation law is not included on the list published by the Secretary under this Act, each employer in such State shall secure the payment of benefits for which he is liable under this Act by—

(1) qualifying as a self-insurer in accordance with regulations prescribed by the Secretary, or

(2) insuring and keeping insured the payment of such benefits with any stock company or mutual company or association, or with any person or fund, including any State fund, of such company, association, person or fund which is authorized under the laws of any State to insure worker's compensation.

(c) In order to meet the requirements of clause (ii) of subsection (a) of this section, every policy or contract of insurance must contain—

(1) a provision to pay benefits at a level not less than that required under this Act, notwithstanding the provisions of the State worker's compensation law which may provide for payments in a lesser amount;

(2) a provision that insolvency or bankruptcy of the operator or discharged therein, or both, shall not relieve the insurance carrier from liability for such payments; and

(3) such other prvisions that the Secretary may by regulation require.

(d) No policy or contract of insurance issued by a carrier to comply with the requirements of clause (2) of subsection (a) of this subsection shall be cancelled prior to the date specified in such policy or contract for its expiration until at least 30 days have elapsed after notice of cancellation has been sent by registered or certified mail to the Secretary and to the employer at his last known place of business.

PAYMENT OF BENEFITS

SEC. 8. (a) If a totally disabled worker or widow, child, parent, brother, or sister is entitled to benefits under this Act and (1) an employer liable for such benefits has not obtained a policy or contract of insurance or qualified as a self-insurer, as required by section 7 of this Act, or such employer has not paid such benefits within reasonable time, or (2) there is no employer who was required to secure the payment of such benefits the Secretary shall pay such worker or such widow, widower, child, parent, brother, or sister the benefits to which he or she is so entitled. In the case referred to in clause (1), the employer shall be liable to the United States in the civil action in the amount equal to the amount paid to such worker or his widow, widower, child, parent, brother, or sister under this Act.

(b) The Secretary may also by regulation establish standards for apportioning liability for the benefits under this subsection among more than one employer, where such apportionment is appropriate.

(c) (1) Benefit claims based upon employment in a textile plant prior to January 1, 1980 shall be paid by the Secretary in accordance with the provisions of this Act.

(2) Benefit claims based upon employment in a textile plant after January 1, 1980 shall be paid by the responsible employer in accordance with the provisions of this Act.

COOPERATION WITH STATES

SEC. 9. With the consenting cooperation of State agencies charged with administration of State worker's compensation laws, the Secretary may, for the purpose of carrying out his functions and duties under this Act, utilize the services of State and local agencies and their employees and notwithstanding any other provision of law, may advance funds to or reimburse such State and local agencies and their employees for services rendered for such purposes.

REGULATIONS; OTHER LAWS

SEC. 10. (a) The Secretary is authorized to issue such regulations as he deems appropriate to carry out the provisions of this Act. Such regulations shall be issued in conformity with section 553 of title 5, United States Code, notwithstanding subsection (a) thereof no later than 9 months following the date of enactment of this Act.

(b) Within 120 days following the convening of each session of Congress the Secretary shall submit to the Congress an annual report on the subject matter of this Act which is under his jurisdiction.

(c) Nothing in this title shall relieve any employer of the duty to comply with any State worker's compensation law except insofar as such State is in conflict with the provisions of this Act and the Secretary by regulation, so prescribes. The provisions of any State worker's compensation law which provides greater benefits than the benefits payable under this title shall not thereby be construed or held to be in conflict with the provisions of this title.

(d) During any period after the date of enactment of this Act, in which a State workmen's compensation law is not included on the list published by the Secretary under section 421(b) of this part, the provisions of Public Law 803, 69th Congress (44 Stat. 1424, approved March 4, 1927), as amended (other than the provisions contained in sections 1, 2, 3, 4, 7, 8, 9, 10, 12, 13, 29, 30, 31, 32, 33, 37, 38, 41, 43, 44, 45, 46, 47, 48, 49, 50, and 51 thereof) shall (except as otherwise provided in this subsection and except as the Secretary shall by regulation otherwise provide), be applicable to each operator of an underground coal mine in such State with respect to death or total disability due to pneumoconiosis arising out of employment in such mine. In administering this part, the Secretary is authorized to prescribe in the Federal Register such additional provisions, not inconsistent with those specifically excluded by this subsection, as he deems necessary to provide for the payment of benefits by such operator to persons entitled thereto as provided in this part and thereafter those provisions shall be applicable to such operator.

RESEARCH

SEC. 11. (a) The Secretary is authorized to enter into contracts with and make grants to public and private agencies and organizations and individuals for the construction, purchase, and operation of fixed site and mobile clinical facilities for the analysis, examination, and treatment of respiratory and pulmonary impairments in active and inactive textile plant workers.

(b) The Secretary shall initiate research within the National Institute for Occupational Safety and Health and is authorized to make research grants to public and private agencies and organizations and individuals for the purpose of devising a simple and effective test to measure, detect, and treat respiratory and pulmonary impairments in active and inactive textile plant works. Any grant made pursuant to this section shall be conditoned upon all information, uses, products, processes, patents, and other developments resulting from research being available to the general public, except to the extent of such exceptions and limitations as the Secretary may deem necessary in the public interest.

DISCRIMINATION

SEC. 12. (a) No employer shall discharge or in any other way discriminate against any worker employed by him by reasons of the fact that such worker is suffering from byssinosis or has filed a claim for benefits under this Act or any other State or Federal law. No person shall cause or attempt to cause an operator to violate this section.

(b) Any worker who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section, or any representative of such worker may within 90 days after the violation occurs apply to the Secretary for a review of such alleged discharge or discrimination. A copy of the application shall be sent to the person who allegedly committed such violation who shall be the respondent. Upon receipt of such application the Secretary shall cause an investigation to be made of the allegations contained therein. Such investigation shall provide opportunity for public hearing at the request of any party to enable the parties to present information relating to such alleged violation. Each party shall be given written notice of the time and place of the hearing at least 5 days prior to the hearing. Any hearing shall be on the record and shall be subject to the provisions of section 554 of title 5 of the United States Code. Each hearing examiner presiding under this Act shall receive compensation at a rate not less than the rate prescribed for GS-16 under section 5532 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that such violation did not occur he shall issue a decision, incorporate an order therein, requiring the person committing such violation to take such affirmative action as the Secretary deems appropriate, including but not limited to, the rehiring or reinstatement of the worker to his former position with back pay. If he finds that there is no such violation he shall issue an order denying the application. Such order shall incorporate the Secretary's findings therein.

(c) Whenever an order is issued under this subsection granting relief to a worker, at the request of such worker a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) as determined by the Secretary to have been reasonably incurred by such worker for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the person committing the violation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There is authorized to be appropriated for the purposes of this Act such sums as may be necessary.

Mr. THURMOND. Mr. President, the distinguished junior Senator from South Carolina and I are today reintroducing a bill which will benefit hundreds of thousands of working people afflicted by byssinosis. Byssinosis, or brown lung, is a debilitating respiratory ailment contracted as a result of exposure to cotton dust. Those workers who are most likely to contract it are the backbone of the textile industry which is vital to our regional economy.

It has been estimated that 250,000 to 300,000 textile workers are significantly exposed to cotton dust in the primary textile industry. Our bill would establish a method of compensating these workers for disability that arises out of their employment. Such compensation is only fair. Byssinosis has been a recognized ailment associated with textile workers for over 200 years. Byssinosis victims in Britain have been eligible for workmen's compensation for 39 years.

Several years ago, Congress initiated a compensation program for those who suffer from black lung. I urge the Human Resources Committee to arrange to hold hearings on this bill as soon as possible. Delay only increases the number of those who suffer from this debilitating condition.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. RIEGLE, Mr. DOMENICI, Mr. DANFORTH, Mr. LEVIN, and Mr. MAGNUSON):

S. 382. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purposes; to the Committee on the Judiciary.

COMPETITION IMPROVEMENTS ACT OF 1979

● Mr. KENNEDY. Mr. President, there can no longer be doubt that regulatory agencies often go astrav. For the past several years. various committees of Congress, the President, several executive departments, consumer groups and research institutes have undertaken studies which have exposed gross regulatory inefficiencies and inadequacies. One theme that recurs throughout much of this bipartisan work is that a return to freer competition and strict adherence to antitrust policy will better serve the consumer and the business community alike.

For the most part, however, the regulatory agencies have not responded to this message. Too often administrative actions are taken without adequate analysis of the potential adverse economic impact that they may have. Therefore, I, along with Senators HATCH, RIEGLE, DOMENICI, DANFORTH, LEVIN, and MAGNUSON, am reintroducing the Competition Improvements Act, whose clear and unequivocal message is that competitive market forces should be established to the maximum degree possible within all regulated industries.

It is my fundamental conviction that free market competition, protected by vigorous enforcement of the antitrust laws, should continue to be the central organizing principle of our economy. Exceptions from this principle have been made where there is evidence of the un-

workability of competition or a clearly recognized paramount social objective, such as protection of health, safety or the environment.

The lack of competition in the regulated sectors of the economy has resulted in market inefficiency, poor service, outdated business practices, and high prices. Indeed, the lack of competition in the regulated sector of the economy is probably the single most important factor underlying the demise and poor financial condition of many regulated firms. Further, anticompetitive regulations tend to protect entrenched competitors and exclude new entrants, to the detriment of innovation and efficiency.

Regulatory agencies often stifle or restrict competition more than foster it, without promoting any other valid regulatory purpose. These conclusions were reached as far back as 1968 when a task force appointed by President Johnson reported that—

> In the regulated sector of the economy, the bias of policy and its enforcement is overwhelmingly against competition.

A few years later, a task force appointed by President Nixon found that—

> The regulatory commissions are largely out of control . . . the commissions should have the merits of competition impressed upon them. Competition is not a matter of all or none, and the fact of regulation should not exclude competition.

President Carter, too, appointed a special body to examine competitive issues. As recently as January of this year, the National Commission for the Review of Antitrust Laws and Procedures concluded that—

> A decision to impose regulatory limits on a particular industry does not address the question of the appropriate role of competition within the regulatory framework. Traditional statutes often do little more than state broad policy objectives, list the regulators' powers and tell them to act 'in the public interest.' . . . As a result, the anticompetitive and protectionist tendencies of regulation were left largely unchecked, and the regulators increasingly interpreted their statutory authority as a mandate to overlook or even suppress competition in pursuing regulatory goals.

The public costs of anticompetitive regulatory activity are staggering. A 1973 study estimated that the economic waste from anticompetitive regulation in the ICC, CAB, FMC and FCC alone was between $16 and $24 billion. If we are ever to get an edge in our battle against inflation, Government-induced waste and inefficiency must be controlled. Regulatory activity must be tightly focused to achieve its goal in the most efficient manner possible. More competition is the most effective way to this objective.

One industry serving as an example of what increased competition can mean: the domestic airline passenger industry. The Airline Deregulation Act has been in effect just over 3 months now. But even before its enactment, the progressive leadership of the then-CAB. Chairman Alfred Kahn moved the agency toward removing many of the outdated anticompetitive restrictions over fares and entry in the domestic flight market.

And the industry has quite literally exploded with benefits for the carriers and consumers alike. The latest CAB figures for the first 11 months of 1978, compared to the same period in 1977 show:

Net earnings were up 88 percent for the system trunk carriers, and up 49 percent for the local service carriers;

Traffic was up 17 percent, an astounding 11 percentage points above the predicted increase of 6 percent;

Average passenger load factors increased from 55 percent in 1977 to an economical and profitable 62 percent in 1978; and

Average fares actually decreased 1.6 cents per revenue passenger mile reflecting heavy use of the discount fares.

It is rare that such a sharp improvement in so many aspects of an industry can be reported. And most of it is attributable to the increased competition that has resulted from a reduction in Government regulation.

In a time of spiraling inflation, it is also of great importance to note that profits actually increased when the airline lowered fares.

We have no reason to believe that these kinds of benefits of increased competition will not be felt in other regulated industries. To what degree will depend on the unique characteristics of individual industries. But one thing is clear: where competition is workable and where there are not inconsistent, paramount considerations, competition should be encouraged by the regulatory agencies to a maximum degree.

Those who would erect federally protected barriers to competition—whether private business interests or Government regulators—should bear a heavy burden to justify them. This is the philosophy which underlies the Competition Improvements Act.

The Competition Improvements Act is an amendment to the Clayton Antitrust Act. The objective of the bill is to require Government agencies to regulate in the least anticompetitive manner. The bill does this by establishing a uniform standard which would prohibit Federal regulatory agencies from taking actions which would have substantial anticompetitive effects unless they find that:

First, such action is necessary to accomplish an overriding statutory goal of the agency;

Second, the anticompetitive effect of such action is outweighed by benefits to the public; and

Third, the action is the least anticompetitive method for achieving the goal.

The bill complements the various reform efforts currently underway, since the analysis required by an agency under this three-part test would identify areas where regulation is no longer needed. At the same time, the bill recognizes that there are many areas within the economy that legitimately require regulation. The uniform antitrust standard does not mean there can or will be uniform results from the diverse regulatory agencies. Nor does it mean that all regulatory policies inconsistent with the fostering of competition will be subordinated to antitrust policies. Consideration of whether a natural monopoly is involved, or whether health and safety will be affected, or whether there will be an impact on fair and adequate service, all play a part in fashioning regulatory policies. The legislation is designed so that agencies can continue to take all of these considerations into account while at the same time preventing unnecessary and unjustified anticompetitive regulation.

The bill's predecessor legislation was originally introduced at the end of the 93d Congress. In the 94th Congress, it was reintroduced as S. 2028 and, after hearings and substantial amendment, received the broad support of the Department of Justice, the Department of Transportation, the Council on Wage and Price Stability, the National Association of Manufacturers, and the Consumer Federation of America. It was favorably reported by the Committee on the Judiciary. In the 95th Congress, the bill became S. 2625. The version I and my colleagues are reintroducing today is virtually identical to S. 2625 except for technical amendments.

On January 16, 1979, the National Commission for the Review of Antitrust Laws and Procedures unanimously endorsed the principles of the Competition Improvements Act. As the Members of the Senate know, that Commission was brought into being by the President for the purpose of reviewing the state of antitrust effectiveness and enforcement in the Nation today and reporting back to the President with its recommendations. The Commission devoted an entire chapter of its report to the issue of regulatory inattention to competitive issues. More specifically the chapter is in most part, a detailed discussion of S. 2625, the Competition Improvements Act of 1978. The recommendation concludes that Congress should enact legislation to require increased consideration of competitive issues in regulatory decisionmaking and, specifically, that the legislation should adopt the principles contained in S. 2625.

Mr. President, I ask unanimous consent that the text of the bill we are introducing today be printed in the RECORD together with a separate summary of its provisions.

Additionally, so that each of my colleagues is fully informed as to the views of the National Commission for the Review of Antitrust Laws and Procedures, I ask unanimous consent that the chapter of the Commission's final report to the President concerning S. 2625 also be included in today's RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Competition Improvements Act of 1979."

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) this Nation is founded upon and committed to a private enterprise system and a free market economy, in the belief that competition protects consumers, promotes efficiency, and spurs innovation;

(2) economic regulation by Federal agencies has at times created unnecessary losses for consumers, fostered inefficiency, and stifled innovation;

(3) Federal agencies have taken actions which are more anticompetitive than necessary to achieve statutory goals;

(4) adherence to a definitive and formal antitrust standard by Federal agencies will reduce losses to consumers, improve efficiency, and remove impediments to innovation.

(b) POLICY.—It is the purpose of this Act to reaffirm that the fundamental national economic policy of the United States is free and open competition by—

(1) minimizing anticompetitive behavior in regulated industries;

(2) establishing procedures that strengthen and facilitate the application of antitrust and procompetitive policies by Federal agencies; and

(3) enabling Federal agencies better to restore, maintain, and protect open and vigorous competition in the marketplace.

ANTITRUST STANDARD FOR FEDERAL AGENCIES

SEC. 3. (a) Notwithstanding any other provision of law, no Federal agency shall take any action, the effect of which may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition, unless it finds that—

(1) such action is necessary to accomplish an overriding statutory purpose of the agency;

(2) the anticompetitive effects of such action are clearly outweighed by significant and reasonably certain benefits to the general public; and

(3) the objectives of the overriding statutory purpose cannot be accomplished in substantial part by alternative means having lesser anticompetitive effects.

(b) The findings, if required by section 3 (a), shall be included in any opinion accompanying an agency order and shall be included in the statement of basis and purpose incorporated in any rule or regulation.

(c) The Attorney General and the Federal Trade Commission may render advice to the agency regarding the findings required by section 3(a).

ADDITIONAL ANTITRUST REQUIREMENTS FOR CERTAIN INDEPENDENT AGENCIES

SEC. 4. (a) Each independent regulatory agency as defined in section 8(c) of this Act, after consultation with the Attorney General and within one hundred and twenty days after enactment of this Act, shall establish procedures by which the Attorney General will be notified of important pending agency action subject to section 3(a).

(b) In any administrative or judicial proceeding subject to section 3(a) and involving independent regulatory agencies, as defined in section 8(c), the Attorney General and the Federal Trade Commission may each appear as a party of right.

(c) Each independent regulatory agency as defined in section 8(c) must convene a hearing or other appropriate proceeding if, in the opinion of the Attorney General, the requirements of section 3(a) have not been met and a hearing has not already been held pursuant to section 553 or 556 of title 5, United States Code.

(d) The Attorney General and the Federal Trade Commission may utilize any and all powers conferred upon them by any other provision of law, including the antitrust laws and the Antitrust Civil Process Act (15 U.S.C. 1311), in carrying out their responsibilities under this Act.

JUDICIAL REVIEW

SEC. 5. (a) In any proceeding for judicial review of an agency order involving an action subject to section 3(a), the agency or other proponent of the action has the burden of establishing by substantial evidence based on the record as a whole that the requirements of section 3(a) have been met.

(b) In any action where the court finds an agency in violation of section 3(a), the court may award costs of litigation (including reasonable attorneys' and expert witness fees) to any party if—

(1) in the judgment of the court, the initiation and prosecution of such action served an important public interest; and

(2)(A) the economic interest of the person is small in comparison to the costs of effective participation in the action by that person, except that if the person is a group or organization, the economic interests of a substantial number of members of such group or organization taken individually are small in comparison to the costs of effective participation in such action, or

(B) the person demonstrates to the satisfaction of the court that such person does not have sufficient resources adequately to participate in the action in the absence of an award under this subsection.

REVIEW OF POLICIES AND ANNUAL REPORT

SEC. 6. (a) Each Federal agency shall—

(1) utilize a systematic approach which will insure the integration of antitrust law and policy in planning, in decisionmaking, and in other activities which may have an impact on competition;

(2) identify and develop, in consultation with the Attorney General and the Federal Trade Commission, methods and procedures, which will insure that antitrust laws and policies, and the promotion of competition, will be facilitated and enhanced in planning, in decisionmaking, and in other activities; and

(3) make available to States, political subdivisions of States, institutions, and individuals advice, information, and assistance in restoring, maintaining, and enhancing competition in the marketplace at the local, regional, national, and international levels.

(b) Each Federal agency shall review its present statutory authority for the purpose of determining whether there are any deficiencies or inconsistencies which may prevent full compliance with the purpose of this Act. Each such agency shall recommend to the President and to the Congress, not later than January 1, 1980, such measures as may be necessary or appropriate to maximize the carrying out of the purposes, policies, and provisions of this Act.

(c) Each Federal agency shall review and modify prospectively its rules, regulations, policies, practices, and procedures so as to have them conform to the purposes, policies, and provisions of this Act.

(d) The Federal Trade Commission shall report annually to the President and the Congress on the degree to which Federal agencies have complied with the purposes of this Act by fostering substantial and effective competition in the economy. Such report may focus on the industries or facets of industries, subject to regulation that the Commission believes should be accorded priority consideration for the purpose of promoting competition in the economy.

APPLICABILITY

SEC. 7. (a)(1) Nothing in this Act shall be deemed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to affect the applicability of the penal provisions or the civil remedies therein provided.

(2) The provisions of this Act are in addition to and not in lieu of the provisions of the antitrust laws, and no provision of this Act shall be deemed to grant immunity, or to create defenses to actions, under the antitrust laws.

(3) Nothing in this Act shall be deemed to preclude the intervention in any agency proceedings by any party, including the Attorney General and the Federal Trade Commission, and nothing in this Act shall be deemed to preclude the institution or maintenance of any action under the antitrust laws at any time.

(b) Effective on the date of enactment of this Act, the last full paragraph of section 7 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 18), is repealed.

DEFINITIONS

SEC. 8. As used in this Act, the term—

(a) "Agency" means each authority of the Government of the United States as defined in section 551 of title 5, United States Code, except the United States Patent and Trademark Office.

(b) "Action" includes the whole or a part of an agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act as defined in section 551 of title 5, United States Code.

(c) "Independent regulatory agencies" means the Interstate Commerce Commission, the Federal Energy Regulatory Commission, the Federal Communications Commission, the Securities and Exchange Commission, the Civil Aeronautics Board, the Federal Maritime Commission, the Nuclear Regulatory Commission, and the International Trade Commission.

EFFECTIVE DATE

SEC. 9. This Act shall become effective one hundred and twenty days after the date of enactment, and shall apply to all agency action not final at such time.

SUMMARY OF THE COMPETITION IMPROVEMENTS ACT OF 1979

Section 3—Antitrust Standard for Federal Agencies.—

This section contains a three-part test an agency must apply to an action, the effect of which "may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition." This section also provides that these three findings should be included if there is an opinion accompanying the action and also should be included in the statement of basis and purpose, as in the case of a rule or regulation.

A uniform antitrust standard does not, however, mean that there will be uniform results or that all inconsistent regulatory policies or other statutory goals will be subordinated to antitrust policies. Considerations such as whether a natural monopoly is involved, whether health and safety will be affected, whether there will be any impact on fair and adequate service all play a part in the fashioning of regulatory policies. Similarly, the congressional purpose underlying enactment of a particular agency statute will continue to be of utmost importance. The legislation is designed so that agencies can continue to take all of these considerations into account, while at the same time preventing unnecessary and unjustified anticompetitive activities.

No separate "impact statement" must be filed under this legislation. Application of the antitrust standard contained in section 3 will fit into existing agency procedures.

If a hearing or other proceeding is held on a matter, then the antitrust standard must also be considered in that proceeding. If a hearing or other proceeding is not required

to be held under a particular agency statute, one need not be held to consider the antitrust issue with one exception: If the Attorney General has determined that the standards of the bill are not being followed by certain independent regulatory agencies and requests a hearing or other appropriate proceeding, then one must be held.

Similarly, if written findings are made in the agency's opinion or statement of basis and purpose—which are required under the Administrative Procedure Act—those findings must also be addressed to application of the antitrust standard. But if no written findings are otherwise made or required, then none are required under this bill.

Parties adversely affected by agency actions significantly affecting competition can already receive judicial review by virtue of most statutes establishing Federal regulatory agencies, and under section 706 of the APA as well. Section 5 does not enlarge these rights, nor does it extend these rights to additional parties.

No separate appeal to the courts can be taken regarding application of the antitrust standard, and whether or not an appeal can be taken to an agency decision is still governed by the agency's organic statute and the Administrative Procedure Act. There is no new provision for judicial review. There is no fragmentation of review. And there is no new standing granted to seek review. Furthermore, when judicial review occurs, it is under a substantial evidence, not a de novo, test, with the burden on the agency to sustain its application of the antitrust standard. In sum, the antitrust issue is a part of the record of the overall agency decision and is to be reviewed by the court as part of the record of the overall agency decision.

Section 4—Additional Antitrust Requirements for Certain Independent Agencies.—

To facilitate the rendition of timely antitrust advice and to ensure rational intervention policies, the Interstate Commerce Commission, Federal Energy Regulatory Commission, Federal Communications Commission, Securities and Exchange Commission, Civil Aeronautics Board, Federal Maritime Commission, Nuclear Regulatory Commission, and the International Trade Commission are required to devise procedures whereby the Attorney General will receive timely and adequate notice of important agency actions which may have a significant effect on competition. In order to assure effective and meaningful participation, both the Attorney General and the Federal Trade Commission are given "party of right" status, are not precluded from using their statutory power, and in certain limited situations the Attorney General may require the agency to institute a hearing or other appropriate proceeding if a hearing has not already been held.

Section 5—Judicial Review.—

Whether or not an agency decision can be appealed and who can appeal is determined by the particular agency's statute and the Administrative Procedure Act. This section does not bifurcate the right of appeal nor does it extend this right to additional parties. It does, however, place the burden of proof upon the agency to establish that substantial evidence exists for the findings required by section 3. A limited right for the award of legal fees also is provided.

Section 6—Review of Policies and Annual Report.—

So that procompetitive policies are fully implemented wherever feasible, Federal agencies are directed to integrate antitrust considerations into all phases of the agency's operations and are required to review their statutory authority, rules, and regulations to ascertain whether changes are needed to more effectively achieve the goals of the legislation. An in-depth analysis of the efficacy of these actions will be provided by the Federal Trade Commission.

Section 7—Applicability.—

This section makes it clear that the provisions of the bill are in addition to and not in lieu of the existing antitrust laws. The last paragraph of Section 7 of the Clayton Act is repealed to make it clear that all agency actions are covered by section 3. The repeal does not add to or subtract from any substantive agency exemptive authority.

[From the report of the National Commission for the Review of Antitrust Laws and Procedures, adopted on Jan. 16, 1979]

CHAPTER 15. A GENERAL APPROACH: THE COMPETITION IMPROVEMENTS ACT (S. 2625)

RECOMMENDATION

Congress should enact legislation to require increased consideration of competitive issues in regulatory decisionmaking. This legislation should adopt the principles contained in S. 2625 which provide that where the effect of a regulatory action may be to substantially lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition, the agency could not approve such action unless it found that:

(a) such action is necessary to accomplish an overriding statutory purpose of the agency;

(b) the anticompetitive effects of such action are clearly outweighed by significant and reasonably certain public benefits; and

(c) the objectives of the action and the overriding statutory purpose cannot be substantially accomplished by alternative means having less anticompetitive effects.

I. The need for a broad attack on regulatory discretion and inattention to competition

A decision to impose regulatory limits on a particular industry generally does not address the question of the appropriate role of competition within the regulatory framework. Traditional statutes often do little more than state broad public policy objectives, list the regulators' powers, and tell them to act "in the public interest." In fact, the whole notion of precise standards and guidelines run contrary to the early philosophy of administrative regulation which tended to rely on regulators' expertise. As a result, the anticompetitive and protectionist tendencies of regulation were left largely unchecked,[1] and regulators increasingly interpreted their statutory authority as a mandate to overlook or even suppress competition in pursuing regulatory goals.[2] As one experienced antitrust practitioner told the Commission, "[I]t has been my experience that competition policy is a marvelous idea and rather few agencies of this government have ever heard of it."[3]

As we have detailed earlier in this report, existing antitrust immunities must be individually examined in their proper context.[4] Elimination of those exemptions and attendant regulatory schemes that are not currently justified can be accomplished only through an industry-by-industry approach. Nevertheless, a more general measure can deal effectively with the problems of unfettered administrative discretion. Competition should be a principal consideration in agency decisionmaking, and legislation mandating that concept can serve a dual purpose. Until such time as existing immunity and regulatory schemes are subjected to analysis and appropriate change, such legislation will limit unnecessarily anticompetitive regulatory actions. For those activities that remain subject to regulatory oversight, enactment of a legislative mandate to weigh the competitive impact of agency actions, will significantly increase the likelihood that regulatory intervention complements rather than inhibits existing market forces.

II. A proposed solution: S. 2625

The Commission studied one proposal dealing with a general approach to the interaction of regulation and competition, the Competition Improvements Act of 1978, S. 2625.[5] We believe a bill along the lines of S. 2625 can provide a needed message to regulatory agencies that have previously functioned with vague statutory guidelines. The proposal would encourage and facilitate the use of procompetitive policies in regulatory decisionmaking. It would require agencies to focus on the economic effects of their actions, and to maximize competition as a regulatory tool.[6] To accomplish these general goals, the bill establishes a uniform antitrust standard to guide both administrative agencies and reviewing courts and provides additional procedures to promote adherence to the new standard. For the most part, the mandate of S. 2625 would apply within established regulatory procedures and structures.

The heart of S. 2625 is section 3(a). This section establishes a three-part test for all federal agencies to apply to any action "the effect of which may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition, the agency could not approve such action unless it found that:

(1) such action is necessary to accomplish an overriding statutory purpose of the agency;

(2) the anticompetitive effects of such action are clearly outweighed by significant and demonstrable benefits to the general public; and

(3) the objectives of the action and the overriding statutory purpose cannot be accomplished in substantial part by alternative means having less anticompetitive effects."

The first part of the test requires the agency to specify the statutory purpose it seeks to accomplish by its action. The second part of the test demands that the benefits to the general public must clearly outweigh the anticompetitive effects of the action that is approved. The criteria of this balancing test are very similar to those contained in the Bank Merger Act and Section 105 of the Atomic Energy Act,[8] and to the revised public interest standard approved by the Supreme Court in *Federal Maritime Commission v. Aktiebolaget Svenska Amerika Linien*.[10] Finally, the third element of the test specifies that the proposed action must be the least anticompetitive option available that could accomplish the stated regulatory objectives.

The bill also provides that enumerated independent regulatory agencies[11] would be subjected to additional requirements. Those agencies would have to notify the Attorney General of important pending actions that may have anticompetitive consequences. The Attorney General and the Federal Trade Commission could appear as a party of right in these agencies' proceedings, and in particular circumstances the Attorney General could require the agency to hold a hearing. The statute would also authorize the Department of Justice and the Federal Trade Commission to use all of their investigatory powers, including those provided by the Antitrust Civil Process Act, in carrying out their responsibilities under the Act.

Section 5 of the bill provides that in any proceeding for judicial review, the agency has the burden of showing by substantial evidence that it has met the competitive standards set by S. 2625. All federal agencies would be required to review their statutory mandates, rules and policies in order to determine whether changes are warranted to

Footnotes at end of article.

facilitate compliance with the competitive standard established by the bill. Finally, the Federal Trade Commission would be required to report annually on the progress made by federal agencies in fostering effective competition.

III. The advantages of a specific legislative standard

Legislation embodying the principles of S. 2625 would push the regulatory agencies and courts beyond their current sporadic attention to competitive concerns to more meaningful and consistent application of competitive principles. Current law on agency responsibility to consider competition in reaching decisions has been aptly described as a collection of rules that "are very often articulated in a variety of cases that may be difficult to understand, may be internally inconsistent, will differ from industry to industry, and will be lacking in the kind of clarity and uniformity that it is desirable to have. . . ."[12] Under existing law, virtually every agency has at some point demonstrated or been forced to demonstrate some deference to antitrust concerns in its "public interest" for "public convenience and necessity" determinations.[13] These examples fall well short, however, of providing a set of clearly articulated rules whose application has solved the problems created by the excessively vague standards in regulatory statutes.

The general balancing tests contained in Section 3(a) of S. 2625 are similar to those already utilized in previous legislation, and experience in those areas has shown that regulatory agencies and antitrust enforcers can work together successfully to implement such standards.[14] Above all, a bill like S. 2625 would help tip the balance of agency decisionmaking in favor of competition. Those proposing agency decisions with anticompetitive consequences would have the burden of showing that overriding regulatory purposes required the action and that no less intrusive alternatives exist for achieving the same goals.[15] Such a required showing would not unduly burden agencies in the pursuit of legitimate regulatory goals, but would provide a specific set of requirements that could not be disregarded as casually as, for example, a simple admonition to the agencies to consider competition where appropriate.[16]

Those who oppose the approach of S. 2625 argue that application of the proposed uniform antitrust standard to agency actions affecting competition would cause a sizable increase in litigation, regardless of the outcome of agency rulings, further aggregating the delay and uncertainty which are such criticized features of the administrative process.[17] The bill does not, however, create any new causes of action nor is it intended to bifurcate appellate review. Except where the Attorney General requested one of the specifically listed independent regulatory agencies to hold a hearing, the bill does not change administrative procedures, nor does it create standing for additional parties. We would not, therefore, anticipate any significant increase in litigation or administrative delay.

The bias in favor of competition created by S. 2625 would not, of course, go so far as to force an agency to abandon considerations not directly related to competition, such as the adequacy of health and safety standards.[18] As a practical matter the application of S. 2625 would reduce the probability that agencies would adopt entry limits, set price floors, and approve collective ratemaking agreements among the regulated firms except in those rare instances in which reliance on more competitive approaches truly would frustrate essential statutory objectives.[19] To the extent that the bill's standards and procedures limit agency discretion, such limitation is warranted by the past record of many regulators who failed to recognize the role of competition in serving the public interest. The Commission recommends enactment of a strong, uniform antitrust standard for agency decisionmaking as an important step toward channeling agency discretion in a procompetitive direction.

Some Members' Concern With the Bill

While a significant majority of the Commission favors a bill with the scope of S. 2625, as presently drafted, several members believe that environmental, health and safety regulation should be removed from the bill's ambit, arguing that the bill could unduly hinder implementation of such regulation. These members suggest that such an amendment could reduce compliance costs significantly without limiting the most important potential benefits of the bill. These members are concerned that the bill as presently drafted could be used as a delaying tactic by the subjects of such regulation, that it could be an obstacle to emergency regulation and expedited appellate review, and that the bill implies, because of the burden of proof that the bill establishes, that competitive concerns outweigh health and safety goals.

A majority of this Commission, however, is satisfied that the threshold test for applicability of the statute's requirements adequately defines the types of regulatory decisions to be covered. The bill's requirements come into play only after genuine and substantial competitive concerns are triggered. Even if competitive concerns are raised, an agency action to protect health and safety will be an overriding statutory purpose, and an agency will only be required to make a reasoned search for the least anticompetitive alternative available to accomplish such purpose. Additionally, unnecessary delay can be prevented by creative use of informal and emergency procedures already established in administrative practice.

FOOTNOTES TO CHAPTER 15

[1] *Antitrust Commission Hearings* 44–46 (July 26, 1978, morning session) (testimony of Joe Sims, Deputy Ass't Att'y Gen., Antitrust Div., Dep't of Justice).

[2] *The Competition Improvements Act of 1975: Hearings on S. 2028 Before the Subcom. on Antitrust and Monopoly of the Senate Comm. on the Judiciary*, 94th Cong., 1st Sess. 29 [hereinafter cited as *S. 2028 Hearings*] (prepared statement of Thomas E. Kauper).

[3] *See Antitrust Commission Hearings* 81 (July 26, 1978, afternoon session) (testimony of Terrence R. Murphy, member, Task Force Panel on Antitrust Immunities, Antitrust Section, American Bar Ass'n).

[4] *See* Chapter Nine *supra*.

[5] S. 2625 is an amended version of S. 2028, the Competition Improvements Act of 1976. S. 2028 was originally introduced in 1975 by Senators Kennedy and Hart. The bill was referred to the Antitrust and Monopoly Subcommittee and was favorably reported by both the Subcommittee and the full Senate Judiciary Committee in significantly amended form. *See* Senate Comm. on the Judiciary, Comoetition Improvements Act of 1976, S. Rep. No. 1045, 94th Cong., 2d Sess. 31 (1976) [hereinafter cited as Committee Report]. The bill was reintroduced in its amended form as S. 2625 by Senator Kennedy on March 1, 1978. S. 2625, 95th Cong., 2d Sess., 124 Cong. Rec. S2663 (1978).

[6] Committee Report, *supra* note 5, at 1–4.

[7] S. 2625, 95th Cong., 2d Sess. § 3(a), 124 Cong. Rec. S2664, (1978).

[8] The language in subsection (2) above differs slightly from the wording of the Commission's recommendation set out at the beginning of this Chapter. The bill as presently drafted requires "significant and demonstrable benefits" outweighing anticompetitive effects. We believe that the language "significant and reasonably certain" benefits in this subsection would be more clear and is consistent with the principles of the bill.

[9] *See* Committee Report, *supra* note 5, at 21–23.

[10] 390 U.S. 238, 243–46 (1968). *See* H. Cohen, The Extent to Which Federal Agencies Must Consider Antitrust Policies: An Analysis of the Potential Impact of S. 2028 (Jan. 22, 1976) (report prepared by Congressional Research Service for Sen. Philip A. Hart), *reprinted in S. 2028 Hearings*, *supra* note 2, at 364.

[11] Section 8(c) of the bill defines "independent regulatory agency" as the Interstate Commerce Commission, the Federal Power Commission, the Federal Communications Commission, the Civil Aeronautics Board, the Federal Maritime Commission, the Securities and Exchange Commission, and the Nuclear Regulatory Commission. *See* note 5 *supra*.

[12] *Antitrust Commission Hearings* 65 (July 26, 1978, afternoon session) (testimony of David Boies, Chief Counsel and Staff Dir., Subcomm. on Antitrust and Monopoly, Sen. Judiciary Comm.).

[13] *See, e.g.*, Gulf States Utilities Co. v. Federal Power Comm'n, 411 U.S. 747, 756–62 (1973); Federal Maritime Comm'n v. Aktiebolaget Svenska Amerika Linien, 390 U.S. 238, 243–46 (1968); United States v. Federal Communications Comm'n, -------- F.2d -------- (D.C. Cir. 1978).

[14] Committee Report, *supra* note 5, at 21–23.

[15] *Antitrust Commission Hearings* 66 (July 26, 1978, afternoon session) (testimony of David Boies).

[16] *Id.* at 85–87. *See also id.* at 92 (testimony of Edmund E. Harvey, member, Task Force Panel on Antitrust Immunities, Antitrust Section, American Bar Ass'n) (agreeing that proposal to have agencies consider competition where appropriate is unlikely to have much effect). This approach could be supplemented with an Executive Order mandating additional consideration of competitive concerns. *Cf.* Exec. Order No. 12044, 43 Fed. Reg. 12,661 (1978) (Improving Government Regulations).

[17] *See, e.g.*, *Antitrust Commission Hearings* 69–70 (July 26, 1978, afternoon session) (testimony of Victor E. Ferrall, Jr., member, Task Force Panel on Antitrust Immunities, Antitrust Section, American Bar Ass'n); *id.* at 72–73, 88 (testimony of Edmund E. Harvey).

[18] Prepared statement of David Boies, Chief Counsel and Staff Dir., Subcomm. on Antitrust and Monopoly, Senate Judiciary Comm., to the Antitrust Commission 4 (July 26, 1978).

[19] *Antitrust Commission Hearings* 103–04 (July 26, 1978, afternoon session) (testimony of David Boies).●

By Mr. SASSER:

S. 383. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Governmental Affairs.

● Mr. SASSER. Mr. President, I am introducing today a bill to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act. This legislation is designed to facilitate the hiring of former employees of the Agricultural Stabilization and Conservation Service who are competitively selected for career positions in the executive branch.

I am personally very much aware of the many contributions made by the employees of the Agricultural Stabilization and Conservation Service (ASCS). The

work which they do in administering specified commodity and related land use programs is absolutely vital to the country, particularly at this period of time. The Agricultural Stabilization and Conservation Service is an agency of the U.S. Department of Agriculture. The programs which they implement are developed by the President, the Congress, and the Secretary of the Department of Agriculture.

The ASCS employees perform these important functions on the county level, working directly with local farmers to implement essential Federal programs designed for voluntary production adjustment, resource protection, and price, market, and farm income stabilization. Although the Federal Government develops, finances, and provides the means for the implementation of these programs, the ASCS employees are not considered to be Federal civil service employees.

They are, however, eligible to participate in the civil service retirement system and many other Federal employee programs. In addition, as a result of the enactment of Public Law 90-367, should an ASCS employee become competively employed by the Department of Agriculture, he or she is eligible to transfer annual and sick leave, creditable service for leave and reduction-in-force preference, and the highest previous rate of pay for salary determination purposes. Furthermore, should such an employee then become employed in another Federal agency, he or she is eligible to retain all previous benefit coverage. However, in spite of these benefits, ASCS employees are not considered Federal employees and are not eligible to transfer such credit directly into other Federal agencies.

The legislation which I am introducing simply broadens the applicability of existing law (Public Law 90-367) by granting to former ASCS employees, who become employed by a Federal agency, certain benefits, such as transferring accumulated sick leave and annual leave, receiving full credit for prior service in determining the annual rate of annual leave accrual, for reduction-in-force preference, and transfer of previous rates of pay.

Hearings were held on this issue during the 95th Congress and similar legislation was passed by the Senate on August 18, 1978. However, as a result of the short amount of time remaining in the session, the House of Representatives was unable to take further action.

Mr. President, this legislation addresses an important issue for a relatively small number of people who are thoroughly dedicated public servants. The legislation simply attempts to establish some uniformity and consistency in the treatment of county committee employees who transfer into Federal agencies. I urge my colleagues to join with me in giving wholehearted support to this legislation.●

By Mr. HEFLIN:

S.J. Res. 36. A joint resolution proposing an amendment to the Constitution to prohibit appropriations for a fiscal year which would cause the total appropriations to exceed estimated receipts for such fiscal year; to the Committee on the Judiciary.

Mr. HEFLIN. Mr. President, today I am introducing a joint resolution proposing an amendment to the Constitution of the United States which would prohibit appropriations for a fiscal year which exceed estimated revenues and receipts during the same period of time.

Experience in States which have similar constitutional provisions in their State constitutions has proven that this constitutional prohibition has been effective in eliminating deficit spending. There are 40 States that have constitutional provisions that either prohibit or constrain deficit spending. Thirty-four States have absolute prohibitive provisions in their constitution concerning deficits. My State of Alabama has had such a provision since early statehood. It has worked.

The people of this Nation want to end deficit spending. The people are convinced that nothing will be done to curb runaway inflation until the Government gets its fiscal house in order.

Mr. President, one does not have to be an economist to know that Federal deficits are inflationary, and that inflation is a cause, if not the major cause, of unemployment. The greater the amount of money issued to finance the deficit, the higher the subsequent inflation. Inflation causes unemployment because it diminishes purchasing power, real profit, increases tax liabilities, and increases the cost of producing goods, thus inhibiting employment opportunities.

Deficits also have an adverse effect on interest rates which have a direct impact on all consumers, and especially those in the housing market. As inflation causes a decline in real disposable income of the people of this country, more and more we will hear the clamor for action by the Congress, especially from those like the elderly who are on fixed incomes.

As the Members of the Senate are well aware, the Constitution of the United States provides for two approaches for its amendment. One approach is the legislative route by which two-thirds of both Houses propose a constitutional amendment. The other approach has never been used, but Congress is required to call a constitutional convention when the legislatures of two-thirds of the States make an application to Congress calling for such a convention. Much has been said in recent months regarding the latter amendatory process and the scope and power of such a convention.

There is a substantial school of thought in scholarly constitutional circles that if a constitutional convention is authorized, its power to propose amendments is unlimited. It is suggested that such a constitutional convention could change any part of the Constitution and that its scope of activity is not limited to the single issue which caused the convening of such a convention. Of course, there is another school of thought that suggests that the scope of such a constitutional convention is limited to the single issue which causes its creation.

In any event, a constitutional convention can be a very dangerous approach. It is not beyond the realm of possibility that the Bill of Rights presently contained in the Constitution could be substantially changed, if not by one convention, then by a series of conventions once a precedent is established.

Mr. President, the purpose of mentioning the constitutional convention authorization procedure is to highlight the probability of serious legal controversy and its potential dangers. There can be little question that in order to achieve a constitutional change, the legislative authorization route is much more desirable.

In my judgment, unless the Congress acts within a relatively short period of time, two-thirds of the States (which amounts to 34 States) will have made application to Congress for a constitutional convention, and Congress will be forced to call such a convention. I feel that Congress should lead this Nation and that it should not be necessary for the States to provide the push for reform. The prodding, evidenced by the actions of 25 States in seeking a constitutional convention should be enough to get Congress moving.

Thus, Mr. President, I advocate that Congress bite the bullet—that we assume the leadership on this issue and approve a constitutional amendment like I have introduced today.

Mr. President, my amendment, which would prohibit deficit spending, provides an exception in the event of a national emergency, which includes, but is not limited to, a state of war formally declared by Congress. Other emergencies, such as oil boycotts or severe economic conditions might be deemed so critical as to authorize extraordinary expenditures. The amendment I propose would require action on the part of both Houses of Congress, by a vote of 55 percent of all Members in each House for a national emergency to be declared. The national emergency, if so authorized, would be limited to a period of 1 year or for a shorted period, if so designated by the Congress.

Mr. President, under my plan there would be two means by which a national emergency could be declared. First, if the President in a special message called for such a declaration, then the House of Representatives would be required to act within 30 calendar days after delivery of this special message of the President. Within 30 days after the House of Representatives made its affirmative finding, the Senate would have to act on the proposed declaration of a national emergency.

Mr. President, the second approach or means of declaration would be that a Member of either House of Congress could introduce a resolution calling for a declaration of a national emergency, and if at least 25 percent of all the Members of the originating House were to sponsor such a resolution, then that House would have to act on the declaration within 30 calendar days. If the originating House gives approval by the required 55 percent of all Members, then the other legislative body of Congress would have to act within a 30-day timeframe.

Mr. President, my proposal for a constitutional amendment is a reasonable one, one which I think can be supported by both Houses of Congress, the States, and the people of this country. It provides that 55 percent of the total membership must approve a declaration of national emergency, a percentage which is, in my judgment, reasonably difficult, yet obtainable when necessary. In addition, there is a set time in which Congress must act, and the spending restrictions will be phased in over a period of 2 fiscal years.

I have previously mentioned the anticipated dangers of a constitutional convention. The prospect of Congress being forced to authorize a constitutional convention may be much sooner than most Members realize. In a recent statement, the president of the National Conference of State Legislatures, Oregon State Senator Jason Boe, predicted that action on the part of two-thirds of the State legislatures would be forthcoming by this summer.

Mr. President, already, as I mentioned earlier, 25 States have passed convention resolutions. These States are as follows: Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Kansas, Louisiana, Maryland, Mississippi, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.

The legislature of another State, Nevada, passed a convention resolution, but it was vetoed by the Governor 2 years ago. The speaker of the Nevada Assembly, the Honorable Paul May, says that a valid constitutional resolution will be passed by the Nevada Legislature by the end of February. If so, then 26 States will have acted. This will mean that only 8 more States will have to act to achieve the required 34 or two-thirds of the States. It is time that the Congress of the United States realized that this is not something that will just go away. It is upon us. I urge the Senate of the United States to act on this in the near future and authorize a constitutional amendment on this issue of a balanced budget.

Mr. President, we must take our choice: the possibility of a wide-open constitutional convention on one hand, or biting the bullet and authorizing a constitutional amendment through the congressional process, on the other hand.

Mr. President, I strongly commend the latter procedure.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 36

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"Article —

"SECTION 1. The Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total estimated receipts of the United States for such fiscal year.

"SEC. 2. (a) In case of a national emergency (including a state of war formally declared by the Congress), the provisions of section 1 may be suspended for a fiscal year, or portion thereof, by a concurrent resolution or a joint resolution, agreed to in each House by a rollcall vote by 55 percent of all Members, with such resolution providing the period of time of suspension.

"(b) A concurrent resolution referred to in subsection (a) may be recommended by the President in a special message to Congress delivered to both Houses of Congress while in session on the same date. Within thirty days after the receipt of such a special message, the House of Representatives shall complete its action on the concurrent resolution recommended by the President. Within thirty days after such concurrent resolution is agreed to by the House of Representatives, the Senate shall complete its action on such concurrent resolution.

"(c) A joint resolution referred to in subsection (a) may be introduced in either the House or Senate. If a joint resolution is sponsored by at least twenty-five percent of all Members of the House in which it originates then within thirty calendar days after the introduction of such a joint resolution, the House in which it originates shall complete its action on such joint resolution. Within thirty calendar days after such joint resolution sponsored by twenty-five percent of the Members is agreed to by the House in which it originates, the other House of Congress shall complete its action on such joint resolution.

SEC. 3. This article shall apply with respect to the second fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation."

By Mr. SASSER:

S.J. Res. 37. A joint resolution authorizing the President to proclaim May 1, 1979, "National Bicycling Day"; to the Committee on the Judiciary.

NATIONAL BICYCLING DAY

● Mr. SASSER. Mr. President, today I am introducing a resolution to authorize the President of the United States to proclaim May 1, 1979, as "National Bicycling Day," in honor of the recreational and transportation value of the bicycle.

It is estimated that there are more than 100 million bicycle users in the United States, with an approximate 91.5 million bikes in use. By comparison, there are only 114 million registered passenger automobiles in the United States, and there is evidence that the number of bicycles may soon exceed the number of automobiles.

In 1977 alone, American bicycle manufacturers produced 7.5 million bikes with an estimated value of $600 million. One of the Nation's largest bicycle plants is located in my own State of Tennessee, employing about 3,200 persons. Murray-Ohio Manufacturing Co., one of six domestic bicycle manufacturers, operates these facilities in producing the mode of transportation used by more American youngsters than any other. Additionally, the growing concern of Americans for personal fitness and energy conservation assures us that bicycle use will continue to grow.

Also, Congress has recognized the increasing role of bicycles as a viable means of transportation. The Surface Transportation Act of 1978 authorized $20 million annually for fiscal years 1979 through 1982 for grants to be used in the construction of bicycle paths and projects which enhance the safety and use of bicycles. While no funds have yet been appropriated, I am hopeful that the benefits to be derived from an additional Federal investment in bikeways will soon be realized.

Recognizing the great number of uses for a bicycle—commuting, shopping, recreation—the American bicycle industry has celebrated the month of May as American Bike Month for over 20 years. In honor of this uniquely human-powered vehicle, the bicycle, I submit this resolution calling for a National Bicycle Day on May 1.●

ADDITIONAL COSPONSORS

S. 6

At the request of Mr. LEAHY, the Senator from Missouri (Mr. DANFORTH) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 6, a bill to amend the Agricultural Act of 1949, and for other purposes.

S. 33

At the request of Mr. ROTH, the Senator from Tennessee (Mr. BAKER), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND) and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 33, to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. ROTH, the Senator from Tennessee (Mr. BAKER), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 34, a bill entitled the "Spending Limitation Act of 1979."

S. 43

At the request of Mr. HATCH, the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr. HELMS), the Senator from Vermont (Mr. STAFFORD), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 92

At the request of Mr. THURMOND, the Senator from Montana (Mr. MELCHER), the Senator from Hawaii (Mr. INOUYE), and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of S. 92, a bill to amend title 5, United States Code, to permit present and for-

mer civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 105

At the request of Mr. WALLOP, the Senator from Arkansas (Mr. BUMPERS), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Hawaii (Mr. INOUYE), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 105, the Parental Kidnaping Prevention Act of 1979.

S. 190

At the request of Mr. KENNEDY, the Senator from Michigan (Mr. LEVIN), the Senator from Rhode Island (Mr. PELL), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 190, the Victims of Crime Act of 1979.

S. 230

At the request of Mr. JAVITS, the Senator from Alaska (Mr. STEVENS), the Senator from North Dakota (Mr. BURDICK), the Senator from South Dakota (Mr. PRESSLER), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Alaska (Mr. GRAVEL), the Senator from North Dakota (Mr. YOUNG), the Senator from Mississippi (Mr. COCHRAN), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 230, the Nurse Training Amendments of 1979.

S. 241

At the request of Mr. THURMOND, the Senator from Montana (Mr. BAUCUS), the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. HATCH), the Senator from Nevada (Mr. LAXALT), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 241, a bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes.

S. 250

At the request of Mr. THURMOND, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 250, a bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes.

S. 268

At the request of Mr. DURKIN, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 268, the Soft Drink Bottlers' Protection Act of 1979.

SENATE JOINT RESOLUTION 17

At the request of Mr. ROTH, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of Senate Joint Resolution 17, relating to diplomatic relations with the Republic of China.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE JOINT RESOLUTION 20

At the request of Mr. HOLLINGS, he was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE CONCURRENT RESOLUTION 3

At the request of Mr. HART, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of Senate Concurrent Resolution 3, commending the Air Force Academy on its 25th anniversary.

SENATE RESOLUTION 60—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JACKSON (for himself and Mr. HATFIELD) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 60

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under Rule XXV of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,466,300, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 61—SUBMISSION OF A RESOLUTION AMENDING THE STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD submitted the following resolution:

Resolved, That the second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

SENATE RESOLUTION 62—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF THE FINAL RECOMMENDATIONS DESIGNATING THE BASIC ROUTE SYSTEM FOR AMTRAK

Mr. LEAHY submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 62

Resolved, That the Senate disapproves of the final recommendations designating the basic route system for the National Railroad Passenger Corporation, submitted to the Congress by the Secretary of Transportation on January 31, 1979, pursuant to section 4 (e) of the Amtrak Improvement Act of 1978.

THE DEPARTMENT OF TRANSPORTATION/ AMTRAK ROUTE STUDY

Mr LEAHY. Mr. President, agencies of the Federal Government have been accused often of shortsighted rulings. When the Department of Transportation last month recommended the abolition of almost a half of the Nation's passenger rail system, it earned the dubious distinction of making a blindsighted ruling. My resolution today asks that the Senate send the Department's study on the Amtrak system back to the agency so that huge bureaucracy can put some sense, logic, and even foresight into its next set of recommendations.

Less than 1 year ago, the Congress instructed DOT to recommend "an optimal intercity railroad passenger system * * *" A procedure was developed for a preliminary report, public hearings and then a final recommendation. Nowhere in these congressional deliberations was DOT told that the Congress wanted the system to meet a specific cost requirement. No dollars were discussed, no minimums, no maximums. The instruction was clear—DOT was to design the optimal system.

Somewhere along the way things got confused.

Instead of responding to this congressional instruction, DOT, in cahoots with the Office of Management and Budget, arbitrarily selected a figure, $552 million in operating subsidy, and designed a national rail passenger system within that figure. This is not only unresponsive to the congressional request, it raises serious political and legal questions as well.

Congress, not the Executive, is responsible for creating national policy. Elected officials, not anonymous bureaucrats or political appointees, were entrusted with this task, because we have a direct responsibility to the people of this Nation, our constituents. This is a basic, constitutional requirement. It is not to be ignored, bypassed, or forgotten.

However, this DOT plan represents an Executive power play designed to usurp the constitutional delegation and separation of power. Make no mistake, when DOT and OMB decided how much they would spend on an Amtrak system, they were declaring national policy. In addition, once they decided to form policy, they decide to go all the way.

Not only have these executive agencies decided how large Amtrak will be, not only have they decided which trains will run and which will not, not only have they decided how much we the Congress will spend on Amtrak next year, they are attempting to dictate a national transportation policy which will have a direct impact on our lives and the lives of our children well into the next century.

By reducing Amtrak by 43 percent, by allowing over 10,000 miles of usable track to quickly deteriorate to a stage where future use becomes economically prohibitive, by raiding Amtrak's capital account for nearly $100 million to cover labor protection costs, and by making false and empty promises to have new lines ready to replace the existing lines they have decided to terminate, DOT is attempting one of the biggest political fast shuffles I have witnessed in years.

The transportation needs of our country, although not a politically exciting project, is crucial to shaping the future. Although we know it works sort-of-sometimes, rail passenger service has never been truly tested. Every other developed country has made a commitment in time, money, and priority which puts our efforts to shame. It is clear that DOT's proposal, if it is accepted by the Congress, will eliminate rail passenger service as a major component in meeting our present and future transportation needs. That is a big decision. And I believe it is one too big for DOT to make through administrative fiat.

When Congress instructed DOT to recommend the optimal railroad passenger system, we asked that the route structure be based upon current and future market and population requirements. In addition, the Secretary of DOT was told to consider—

First, any unique characteristics and advantages of rail service as compared to other modes of transportation;

Second, the role that rail passenger service can play in helping meet the Nation's transportation needs while furthering national energy conservation efforts;

Third, the relationship of benefits of given services to the costs of providing such services, computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

Fourth, the transportation needs of areas lacking adequate alternative forms of transportation; and

Fifth, frequent alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service.

I have read the DOT preliminary report. I have read the contradictory final report. I do not believe the agency has fulfilled the congressional mandate.

The Department of Transportation is foisting this proposal on our country at a time when the call for cutting the budget is popular and easy. Cutting the budget is politically expedient, but not always sensible. DOT is taking advantage of this money-conscious mood and using it as a smokescreen to cripple our national passenger rail system.

By now we are also acutely aware of our responsibility to cut the budget, because our constituents demand lower taxes and inflation is fueled by Government spending. Passenger rail systems are an easy target, but will we save money in the long run if we show a quick reduction in costs now?

I would like to elaborate on three points of economy with regard to the transportation study of Amtrak.

If 43 percent of the lines are abandoned as proposed by the agency, those tracks will deteriorate rapidly and become irreparable.

The Department of Transportation recommends that a number of new lines be added, and estimates of contract costs paid to private railroads for this run as high as $100 million, and yet DOT has allocated only $10 million.

Labor contracts for existing lines set for nonrenewal contain labor protection clauses which will cost an estimated $69 million out of Amtrak capital expenditures next year alone and may total nearly $100 million within 4 years.

Besides the folly in false economics and poor policy, Mr. President, I have to admit to a personal gripe with the Transportation Department. It ignored New England in its hearing schedule, it failed to notify me or my New England colleagues of its study results, and the agency suggests that the only passenger rail system to northern and central New England be terminated. That is the Montrealer, Vermont's only passenger rail line.

I do not want to defend wanton Federal spending or unnecessary $100 million programs. However, we cannot abrogate our responsibilities while we examine our expenditures. We cannot be so shortsighted as to fail to realize that the short-term solution of a lower Federal subsidy this year, might well be saddling our children's generation with much more serious, and expensive, transportation problems in the future.

The Amtrak subsidy must also be considered against the Federal subsidies other transportation modes receive. For example, we do not know how expensive an airplane ticket would be if it included the cost of FAA air comptrollers, the cost of operating the airports themselves, and the other Federal largess which is absolutely crucial to the air industry's survival, but is never listed as a budget line subsidy item. I understand that a report on these costs for all transportation modes is being prepared and should be available in about 1 month. I, for one, will be most interested in reading that report and urge all my colleagues to do the same.

By now we are acutely aware of this Nation's need to conserve energy. Automobiles are prime consumers of petroleum products and more efficient mass transit systems become more attractive as energy reserves diminish. When then are we slashing one of the best long-distance, mass transit systems available?

No wonder we are developing inferiority complexes.

Risking the label of "parochial," I want to wander a little about the Montrealer, because the tradition of iron horses is closely ingrained in my State's history.

The Boston and Maine Railroad used to ply the track up the Connecticut Valley for years. Dairy farmers woke to the whistle and began their daily chores of milking cows and fixing fence and cutting hay and milking the herd again at day's end when the train would run by the other way. In 1966, the Interstate Commerce Commission forced the B. & M. to stop its Vermont run. The State was without passenger rail service until 1972 when the Montrealer ran the route up the Connecticut.

But that route was established only after years of work by Senator Winston Prouty and my esteemed predecessor Senator George Aiken. Vermonters will not easily lose their rail line again.

To reiterate, last year Congress asked the Transportation Department to assess the rail system and report on an optimal system. Then, OMB stepped in and set an arbitrary ceiling on the amount of money this system could use. Simply by setting this limit, OMB instructed the transportation agency to curtail by almost one-half the existing service.

Mr. President, I shall submit a resolution to disapprove of the final recommendations of the Secretary of Transportation designating the basic route system for Amtrak.

SENATE RESOLUTION 63—SUBMISSION OF A RESOLUTION TO REFER S. 379 TO THE U.S. COURT OF CLAIMS

Mr. DOMENICI submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 63

Resolved, That the bill (S. 379) entitled "A bill for the relief of Mrs. Ascencion M. Lujan, Noe Lujan, Sevedeo Lujan, Jr., Cordelia Lujan Long, Antonioa Lujan, Venceslao Lujan, Marta Lujan, Felix Lujan, and Tovias Lujan," now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code, and re-

port back to the Senate, at the earliest practicable date, giving such findings of fact and conclusions that are sufficient to inform the Congress of the nature and character of the demand as a legal or equitable claim against the United States or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on the nomination of Mr. Larry Edward Meierotto to be Assistant Secretary for Policy, Budget and Administration of the Department of the Interior.

The hearing is scheduled for Thursday, February 22, beginning at 9:30 a.m., in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Committee on Energy and Natural Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510. For further information regarding the hearing, you may wish to contact Jessie Mackenzie of the committee staff on extension 47147.●

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I would like to announce, for the information of the Senate and the public, the schedule of the Committee on Veterans' Affairs for the month of February.

On February 20, the committee will conduct a hearing to receive the Disabled American Veterans' legislative recommendations for the 1st session of the 96th Congress from Billy O. Hightower, national commander, at 11 a.m., in room 318 of the Russell Building.

On February 22, beginning at 9 a.m., in room 318 of the Russell Building, the committee will conduct a hearing on S. 330, the proposed Veterans' Administration Adjudication Procedure and Judicial Review Act, which Senator HART and I introduced on February 1. This bill has four major purposes: To provide certain codified procedures for adjudicatory proceedings before the Veterans' Administration, to bring the VA's rulemaking activity under the Administrative Procedure Act, to provide for judicial review of certain VA decisions, and to provide for reasonable attorneys' fees for those who represent claimants before the VA and the courts. Persons interested in testifying at this hearing should contact Bill Brew, associate counsel of the committee, at 224-9126.●

COMMITTEE ON THE BUDGET

● Mr. SASSER. Mr. President, I announce that there will be a hearing of the Budget Committee on Thursday, February 15, at the Federal Building in Knoxville, Tenn., at 10 a.m. to review the findings of the General Accounting Office publication, "Electric Energy Options Hold Great Promise for the Tennessee Valley Authority."●

ADDITIONAL STATEMENTS

THE TAIWAN NOBODY MENTIONS

● Mr. PELL. Mr. President, I am concerned that amid all the words that have been shed over the need to insure the security of Taiwan, nobody seems to be concerned about the status of the native Taiwanese, who comprise over 85 percent of Taiwan's population but who share little of the political power on the island. During World War II when I was a student at the Naval School of Military Government, I was taught that the Taiwanese disliked the mainland Chinese almost as much as they disliked the Japanese and wanted to be independent.

I have always believed that the United States made a mistake in supporting Chiang Kai-shek's contention that his regime was the government of all of China. We would have been better off and truer to our professed support of the principle of self-determination if we had used our leverage with Chiang and pressed for an independent Taiwan. Almost all of the native Taiwanese are of Chinese origin, but most of them are descendents of Chinese who migrated from the mainland three centuries ago and who have developed a distinct identity.

Moreover, although the mainland exercised sovereignty over Taiwan for some two centuries prior to Taiwan's takeover by Japan in 1895, mainland control was loose, and the Taiwanese pretty much had their own way on the island.

Except for a short period from 1887 to 1895, the mainland Chinese have exercized firm control over Taiwan only since World War II. In the process they have alienated the native Taiwanese and denied them a meaningful role in running the island that they have inhabited for 12 generations.

The justification, which we went along with, for mainland control of the levers of power on Taiwan has always been that Chiang Kai-shek and his followers were the rightful rulers of China and would one day reassert their control over all of China, including Taiwan. It would have been inconsistent, therefore, if the mainlanders did not control the government on Taiwan, or so the rationale went.

Now, however, that we no longer recognize the Nationalist regime on Taiwan as the Government of China, the fiction that justified to some the rule of the mainlanders over the native Taiwanese has been stripped away. In considering the various resolutions that Senators have offered and the changes in the administration's bill that members of the Foreign Relations Committee have mentioned, I believe that the Senate should devote careful thought to how the institutional structure that we are creating to deal with the "people of Taiwan" can be utilized to promote a greater participation by the native Taiwanese majority in running the affairs of their territory.

In this connection, I would like to draw the attention of my colleagues to an excellent article written by Clayton Fritchey that appeared in the Washington Post of February 3, and I ask that it be printed in full in the RECORD.

The article follows:

TAIWAN: ANOTHER INTELLIGENCE GAP?

(By Clayton Fritchey)

We now know that U.S. intelligence on Iran was so inadequate over a long period that President Carter publicly complained it had left the administration unprepared for what happened there. But what of U.S. intelligence on Taiwan's volatile internal situation? Is our information any better?

Possibly the greatest future threat to the imperious anti-democratic Nationalist China regime that has autocratically ruled Taiwan for 30 years is not that it may be attacked by Communist China, but that it may finally be overthrown by the Taiwanese people who have been denied self-rule ever since the Kuomintang (KMT) army of the late Chiang Kai-shek forcibly took over the island after being defeated on the Chinese mainland in 1949.

Little has been heard about the growing political disaffection in Taiwan, even in the wake of the new Sino-American accord, for, as with the shah of Iran, Washington has been so intimately involved with the KMT for so long that it has not welcomed realistic assessments that might discourage continued U.S. support.

Since Carter gave notice of terminating the U.S.-Taiwan defense treaty, a bloc of legislators has rushed to Capitol Hill with various resolutions committing the United States to further involvement in Taiwan's future. It's doubtful whether any of the resolutions will ever be very effective, but before they are hastily adopted, it might be prudent to wait and see how the Taiwanese themselves adjust to recent developments.

The island is presently populated by 15 million native Taiwanese and about 2.5 million Chinese mainlanders, consisting of the KMT and its large, U.S.-equipped army, plus those who followed Chiang Kai-shek after his forces descended on the island (then known as Formosa), slaughtered the native opposition, and set up the dictatorship now headed by the generalissimo's son, Chiang Ching-kuo, who is called president.

For 30 years the great mass of Taiwanese have lived under martial law, been excluded from significant political activity and mostly been banned from the officer ranks of the repressive army. The justification for the marathon martial law has been that the island was in a state of war with the People's Republic of China, and army rule could not be dispensed with until the mainland had been reconquered.

It is hard to see how that myth can be maintained, now that the Sino-U.S. relationship has been normalized and the support of U.S military forces withdrawn from the Chiang government. The idea of Chiang's own army retaking the mainland has been reduced to absurdity.

A week after Carter formally recognized Peking, Chiang, to "avoid unrest," cancelled long-promised elections for the Taiwan National Assembly, which consists of some 1,200 members, nearly all of whom were chosen on the Chinese mainland before 1949, and who now average 70 years of age. These handpicked figures automatically do the bidding of the KMT headed by Chiang.

Cancellation of the election appears only to have whetted the demand for a democratic government. Edward Friedman, a long-time resident of Taiwan and a specialist on its politics, says:

"Had the elections taken place, the Kuomintang would have taken a beating. They were frightened. They panicked." It is "painful to realize," he adds, "that some Americans again today mistakenly confuse the vile interests of the Kuomintang with the actual interests of Taiwan's people."

Many Taiwanese, Friedman reports, are "paralyzed with fear" of the security police. Nevertheless, Kang Ninghsiang, one of the few independent candidates ever elected to the Assembly, says, "The future of Taiwan shall be determined by its people." He is fighting for new laws and new elections, since the present constitution is still based on recovery of the mainland.

Actually, the movement for an independent Taiwan has persisted all this century, even during the long Japanese occupation that lasted through World War II. If the Taiwanese eventually succeed in ousting the KMT and establishing a democratic government, they would finally be in a position to convert the island into a sovereign entity, with or without ties to the mainland.

Peking would surely find a friendly, or even neutral, Republic of Taiwan more acceptable than a KMT government, dedicated to wiping out those "communist bandits" on the mainland. If Peking can let Hong Kong go its own way, as it has for decades, why not Taiwan as well?●

BATH IRON WORKS

● Mr. COHEN. Mr. President, over the past few years, the complaint has been heard more and more that American workers are no longer capable of producing quality products swiftly and at reasonable cost. Accusations of shoddy U.S. workmanship have been particularly common in discussions of defense-related industries.

Mr. President, I cannot speak for every State, but we in Maine have firsthand knowledge of the high quality work that workers in one defense industry in our State continue to do.

Bath Iron Works in Bath, Maine, has been building ships for the U.S. Navy for 80 years, and the management and workers at the yard take as much pride in their work today as they did in past generations.

Only recently has Bath Iron Works attracted the attention it deserves. BIW's ability to deliver first-rate ships, built on schedule and under budget, has been duly noted by such observers as George C. Wilson of the Washington Post and George Esper of the Associated Press.

Mr. President, in the hope that the example of Bath Iron Works will be reassuring and instructive, I ask that Mr. Wilson's and Mr. Esper's stories be printed in the RECORD.

The articles follow:

[From the Florida Times-Union and Jacksonville Journal, Jan. 1, 1979]

BATH IRON WORKS: ON TIME AND AT COST, IT IS A MOST UNUSUAL SHIPYARD

(By George Esper)

(NOTE.—The ironworkers at the Bath Iron Works aren't your usual lot—former college professors are among the work force. And there are other differences. For one, they build ships that are delivered to the Navy on time and for the agreed-upon price.)

BATH, MAINE.—The men and women of the Bath Iron Works come from academia, from sports, from shoe and clothing factories, from hospitals, from the military, from broken homes. Sometimes they walk in off the streets.

They come here to build what the Navy calls quality ships, to deliver them ahead of schedule at a savings to the taxpayer, with no unresolved contract or technical issues and no extra cost.

That's a rarity these days when the Navy is having problems in its shipbuilding program. Deliveries are often years late and costs far above originally agreed-upon prices. While other larger shipyards have filed claims against the Navy totaling $2.5 billion, Bath is as steady as the ships it builds.

Part of the success comes from what Bath President John F. Sullivan Jr. says is good planning; a new concept of working out bugs at a land test site instead of correcting things as they go along; cost cutting technology, clear wording in contracts and close day-to-day coordination with the Navy.

The other part comes from what the Navy and Bath executives call quality construction that means reduced maintenance and increased performance, a pride of workmanship from its 4,936 workers, people like Paul Morin, Thomas Clapp and Sue Caron.

Morin punches in as the sun rises and the gray of Navy ships blends with the seductive blue of Maine's skies and the water of the Kennebec River.

A hefty, good natured man with graying hair, Morin will spend eight hours getting together material for machinists to install on the Navy's new guided missile frigates—Navy designation FFG.

Then, in the clear crispness of a Maine afternoon, the fresh, clean air invigorating, the pace slow, he'll retreat to his island home to read Greek classics, or perhaps catch lobsters.

"We've had an excellent work force here over the years," says James Harvie, Bath's marketing manager. "What we have now is careful management where a plan is laid out that will tie up all facets of the company together so that materials are available in the right place at the right time and the design is right, there are good tools and shops are laid out for efficient work effort."

Sue Caron goes all over the yard to get materials. She orders them, expedites them, keeps track of them.

On the 4 p.m. shift, Thomas Clapp, wearing leather gloves, a leather sleeve, hard hat and a welding hood over his heavy beard, begins strengthening cut steel, the material that will form Navy warships and commercial container ships for the merchant fleets.

Morin and Clapp came to the shipyard from academia. Both have doctorates and years of teaching experience. Sue Caron came from a factory where she stitched shoes.

Like all Bath workers, they were lured to the shipyard by family ties, tradition, money and the easygoing lifestyle of Maine.

Almost everyone has relatives working here. Morin's father died of a heart attack outside the gate and two uncles work there.

BIW, as it's called here, is about the only game in this town of 10,000. Its payroll was $65 million in 1978 and it spent upwards of $15 million with other businesses in Maine for supplies and services.

BIW is solid financially. For 1978, the firm anticipates record revenues and income. In the nine months ending Sept. 30, it had revenues of $158.2 million and income of $12.8 million, and there's a backlog of half a billion dollars in contracts through 1982.

BIW officials say the shipyard will deliver the 11 ships for which it has contracts for the Navy's target price of $48 million or less for each and will do it an average of seven weeks ahead of schedule at a total savings of between $20 million and $30 million.

It has already delivered two of the ships ahead of schedule.

To cut costs and improve productivity, the ships are built in very large units—modules weighing up to 200 tons—and prefitted in an assembly building then put together like building blocks by towering cranes along the building ways of the Kennebec River.

"The steel structure itself can be built in an enclosed area under controlled weather conditions," says William E. Haggett, executive vice president of BIW. "It's possible to set up support requirements like welding, electrical, air, gas, in one area and continue to use it as opposed to having to pull that all over the shipyard."

The shipyard is steeped in the tradition of the Maine work ethic, the survivor of more than 20 shipyards along the Kennebec River that folded during the transition from wooden ship construction to steel before the turn of the century.

It was operated by two families for three quarters of a century until 1967 when it became a subsidiary of what is today the Congoleum Corp., a Milwaukee based manufacturer of home furnishings.

During World War II, it built 67 destroyers, delivered at the rate of one every 17 days at peak, more destroyers than were built by the entire Japanese empire during that time.

"During the war, everybody worked here," says Paul Morin. "This has been the major industry in this area. People are dependent on it. The area goes up or down as BIW does in great part."

Morin, 45, has been at BIW for more than a year, after 15 years of teaching Greek and Latin at The Catholic University of America in Washington and a dissertation at Ohio State University on the history of Oriental religion in the Roman Empire.

"I did want to come back to Maine," he says. "I've always wanted to live here. I live on the ocean in a beautiful place. This is better living."

With the higher education market depressed, he says, there was no opportunity for him to get into teaching in this area because there is not that much demand for the classics.

A depressed market and budget cuts forced the 47-year-old Clapp out of his position as an associate professor, head of communications and director of media at the University of Maine at Presque Isle.

Clapp has been at BIW for more than a year and learned welding from scratch in the firm's apprentice program.

"I have a little camp in Brunswick," he says. "It's a place I've always loved."

Morin has five children and Clapp two. Both took pay cuts of about $5,000, but theirs is the exception.

Debi Ruby, 20, had been a nurse's aide making $2.85 an hour. She started at BIW last April shoveling steel grit in the cleanup department at $5 an hour and now makes $6.

"I have a better apartment," she says. "Nice clothes, good food. The reason I'm here is that I'm able to put some money away and next year I'm going back to school."

Thirty-year-old Sue Caron, material handler and shipfitter, was divorced eight years ago and has two children.

"I wanted to get out of the shoe shops," she says. "I needed the money. And I figured it was a challenge to work in a shipyard. I made $3.50, $4 an hour stitching shoes for a manufacturer.

"And that was pushing. And it wasn't steady. From November to March it was slack. You were lucky if you worked a day a week. With (two kids and a house, you can't really live on unemployment. So I wanted something that was more steady."

At BIW, she makes $6.18 an hour.

When 33-year-o'd Rick Clark's dream of playing professional baseball with the New York Yankees died from arm trouble after two years in the minor leagues, he returned to BIW to join his father, John Clark Jr., 58, who has worked in the shipyard for 39 years.

John McDermott, a 30-year-old Air Force veteran, and his Korean-born wife, Chong Sim, 32, and their two childuren left Washington for Maine. He took a job as an administrative assistant, she as a laborer, earning up to $30,000 a year between them.

Hourly wages range from $6.64 to $5.75, according to officials of Local 6, Shipbuilders Union. BIW Executive Vice President Haggett acknowledges that the hourly wages are in the lower quadrant nationally in the shipbuilding industry, but says they are

among the highest in manufacturing firms in Maine.

Union officials will seek higher wages when the current contract expires next summer. There have been three strikes ranging from three to six weeks over the last nine years.

The union is also seeking a company guarantee of the 54-cent an hour cost of living differential paid to hourly employees when they are on vacation, holidays and military and jury duty. It is now deducted.

But says John Clark Jr., "The work is rewarding. When a ship goes down the river, that one is forgotten. But, I still like to get out and watch that boat disappear around the bend down there and think, 'Well, there's another one we have completed.'"

[From the Washington Post, Dec. 5, 1978]

DESTROYER BUILT ON TIME, UNDER COST

(By George C. Wilson)

BATH, MAINE.—Here on the banks of the Kennebec River, a strange thing is happening in this era of Navy ships being delivered years late and way over the original price tag.

The venerable Bath Iron Works, which started building ships for the Navy in 1890, is building a new breed of destroyer on time and under the agreed-upon price.

And, according to the shipyard's top management, Bath has no intention of filing any claims against the government for extra money—a promise that contrasts with the $2.7 billion other shipbuilders have demanded the Navy pay them for unexpected costs on their contracts.

Why Bath Iron Works is such a bright spot in an otherwise dark shipbuilding picture—including delays totaling 100 years—is a story of Mainers who like to build ships, of belated Navy reforms and of a company management determined to bite off no more than it can chew.

The end result is a new class of warships—which look like small destroyers but are called guided missile frigates with the Navy designation FFG—designed to keep the sea lanes open if war should break out.

"The best ship in 20 years," enthused Rear Adm. J. D. Bulkeley after the first of this new class, the Oliver Hazard Perry, went through her sea trials after Bath Iron Works delivered her to the Navy last December.

From a naval strategy standpoint, the Perry class marks a victory for those who argue that the time has come to build smaller, cheaper ships because no single ship—including nuclear-powered giants—can cover two places at once.

From a political standpoint, Bath's performance on these small frigates raises the question whether this yard could have avoided the delays and cost overruns which have plagued Litton's shipyard in Pascagoula, Miss., as Litton built the Navy the Spruance class of destroyers.

The Spruance contract pitted the Maine delegation in Congress against John Stennis (D-Miss.), chairman of the Senate Armed Service Committee, who helped locate the Litton yard in his home state. Litton had no experienced shipbuilding force to compare with Bath's and ran into trouble when it tried to train one.

Although comparative figures are hard to get from the Navy, the Pentagon's fiscal 1979 report on the cost of major weapons shows that each of the new 3,600-ton patrol frigates—including research and everything else—was expected to cost $152 million compared to $383.5 million for the 7,300-ton DD 963 Spruance destroyer and $938.6 million for the 9,000-ton DDG-47 Aegis anti-aircraft destroyer. (All figures are fiscal 1978 estimates.)

Here at the shipyard, Navy and company executives talk differently. They focus on how much it will cost the yard to build the bodies of new class of patrol frigates. The Navy has a target price of $48 million for this construction—not counting the cost of the engines and weapons the government will furnish—and a ceiling price of $52.6 million.

Under the latest estimates, Bath, after allowing for inflation, will deliver the 11 ships it has contracts to build for the $48 million target price or less—the first time a shipbuilder has done so well on the surface combatant in almost two decades.

Also, Bath executives insist they will deliver all 11 ships on the average of seven weeks ahead of schedule, saving the Navy between $20 million and $30 million.

The first of the new class, the Oliver Hazard Perry, was delivered to the Navy last December. The Perry is 445 feet long, carries two antisubmarine helicopters in hangars on the stern, is armed with missiles and a 76-millimeter gun, can steam at more than 30 knots with two gas-turbine engines turning the single propeller, and is highly automated so a comparatively small crew of 11 officers and 153 enlisted men can operate the ship.

Bath is building the ships in sections so workers can install everything from steel decking to light bulbs in an assembly building rather than struggle to do this in the cramped quarters of the ship after it is launched.

Although other ship yards, including Litton, now build ships in sections, Bath's ability to attract and hold high-quality workers is hard to match elsewhere in the country. The Maine yard has about 10 applicants for every opening and has only about 12 percent of its 5,000-person work force leave every year, with only about half that percentage quitting.

Robert C. Upham, a 50-year-old foreman at the Bath yard, exemplifies why so many people want to work there and stay.

"I tried California right after high school," recalled Upham in an interview here, because he thought he wanted to get into aviation. "But I got so homesick for Maine out there. I like the four seasons." So he returned to Bath, took a job as an apprentce in the same yard his father was employed and has been building ships here ever since.

"It's been a good steady job," said Upham. "I've never been laid off a minute since I lived here. And it's the best-paying job around."

Capt. Charles L. Mull, the Navy officer overseeing the patrol frigate program from an office at the Bath yard, said in an interview that "we don't have an attitude problem among the workers here. They want to do it right."

Mull added that the Navy itself has instituted a number of reforms to reduce the chances of cost overruns and delays. One such reform was building and testing the lead ship before freezing the design of the others in the class. This meant a delay of almost two years between the commissioning of the first ship, the Oliver Hazard Perry, and the start of the second one. But Navy leaders contend this "fly before you buy" approach is paying off.

Another improvement made in the Perry program was "putting everybody in bed together from the beginning" so that the designs passed muster with the Navy executives who would deploy the ships and the yards that would have to build it, Mull said.

Also, an extraordinary effort was made to test extensively on land the engines, weaponry, electronics and other gear before it was put in the ship, he continued.

John Sullivan, president of Bath Iron Works, in an interview credited the yard's ability to complete 76 percent of the first production ship, designated the FFG6, on land before launch with saving money and time.●

UNDOCUMENTED ALIENS

● Mr. KENNEDY. Mr. President, one of the more complex and important issues facing our country is the question of undocumented aliens, and the related economic, social and migration questions surrounding this issue.

Yet, despite the importance of this issue, responsible action has been made extraordinarily difficult by the many misunderstandings, misperceptions, and myths that surrounds it.

A recent column by a distinguished leader in the black community, Bayard Rustin, deals with this problem of "know-nothingism" that festers around the issue of undocumented aliens. He underscores the point that all available facts about them run directly counter to popular stereotypes.

I would like to draw the attention of the Senate to this excellent column by Bayard Rustin, and ask that it be printed in the RECORD.

The article follows:

FACTS ABOUT ILLEGAL ALIENS

(By Bayard Rustin)

In the 1850's, an ugly political organization appropriately known as the Know-Nothing Party grew in size and influence by appealing to mass hatred of foreign immigrants. According to the Know-Nothing leaders, the economic problems of America's workers and farmers had one main cause—the steady influx of Chinese coolies, European Catholics, and other such undesirables.

These groups, the nativists asserted, deprived white Americans of jobs, suppressed wages, and threatened white supremacy. To counteract the "Yellow Peril" and other alien threats, the Know-Nothings proposed mass deportations and highly restrictive immigration rules. The nativists had a simple program and a simple slogan: "Americans must rule America."

A new wave of Know-Nothingism seems to be sweeping America as we hear more and more about the economic threat from so-called illegal aliens. Of course, much of the outcry about "illegals" arises from the usual sources, organizations like the Ku Klux Klan, and other racist groups. But I find it very disturbing—indeed, very disappointing—to discover Know-Nothing sympathies even among some of the most sensitive and decent leaders of the black community. Here I have in mind those blacks who call for the virtual deportation of illegal aliens as a quick-fix remedy for chronically high black unemployment. Such an approach obscures the real issues, and simply uses illegal aliens—most of them Mexicans, blacks and Asians—as convenient scapegoats.

On the surface, any argument pointing to "illegals" as the economic enemies of black people appears to make sense. After all, we all agree that the labor force includes an enormous number of "illegals," anywhere from 3 million to 12 million people. But everyone seems to forget two important points: first "illegals" subsist as a virtual under-class in economic terms; and second, many employers have a vested interest in preserving an obsolete and highly questionable immigration system that creates "illegal aliens."

Anyone who suggests that "illegals" displace large number of black people from desirable jobs should examine the facts especially as they relate to wage rates and occupations.

By and large, "illegals" receive wages that are best described as "sub-poverty." In 1975, for instance, one of every four "illegals" earned less than $2.10 per hour; more than

65% received $2.50 per hour or less; and more than 95% earned $4.50 per hour or less. In terms of occupations, the largest group of "illegals" were concentrated in farm work, with the remainder scattered in extremely low-paying service and industrial jobs, jobs that would offer unemployed blacks scant opportunity for a decent living.

Who benefits from the existence of a large and growing pool of undocumented aliens? The answer is simple: employers in labor-intensive industries who greatly prefer defenseless, workers willing to work at low wages. "Illegals," who constantly fear deportation, fill that prescription exactly. And the economic position of black people, particularly youngsters, is threatened, more by this system of fear than by the mere presence of "illegals" who are in effect, innocent pawns in the employer's game of "divide and conquer." But by allying with "illegals" in an effort to destroy the employer's billy club—the threat of deportation—blacks can begin moving toward an effective and humane solution of the "illegal alien" problem.

As a minimal program, I believe blacks should support two proposals. First, and most important, we must call for some sort of amnesty for "illegals" presently working in the United States, especially those with long-standing attachments to the community. Such an amnesty would immediately eliminate the "under-class" of low-wage terror-stricken workers so easily exploited by some employers. Without the threat of deportation, employers will find it impossible to exact tribute from workers in the form of substandard wages and working conditions. Moreover, they will be unable to play-off Mexican workers and other "illegals" against black people.

Second, employers who repeatedly hire undocumented aliens should be prosecuted and fined. Under the present immigration laws, those who hire and recruit "illegals" face no penalties whatsoever. The only people subject to penalties are the "illegals" themselves. Justice demands that those who profit most from the "illegal alien problem" should pay the price.●

U.S. POPULATION, FEBRUARY 1, 1979

● Mr. PACKWOOD. Mr. President, I wish to report that, according to Census Bureau approximations, the total population of the United States as of Thursday, February 1, 1979, is 219,986,088. Despite the widely publicized reductions in our fertility level, this is an increase of 1,646,226 since this last day last year. It is also an increase of 109,770 in just the last month.

During the past year, therefore, we have added more than enough people to fill the city of Detroit, Mich. During the past month, in fact, we have added more than enough people to fill the city of Eugene, Oreg.●

WEST VIRGINIA HAS LOST A FRIEND IN NELSON ROCKEFELLER

● Mr. RANDOLPH. Mr. President, the death of Nelson Rockefeller has left a great void in our national life. For many years, he was deeply involved in government through his lifelong dedication to public service. He held many offices of responsibility and trust, and his contributions will affect our country for years to come.

Nelson Rockefeller lived much of his life in the public arena. He possessed boundless energy, he was enthusiastic, he was innovative and he was concerned about the welfare of our Nation. But Nelson Rockefeller was also a personal man. He was loyal to his friends and they to him. I was privileged to know Nelson Rockefeller, not just as a public figure, but as a cherished personal friend for more than 35 years. It is as such that I mourn his loss most intensely.

Nelson Rockefeller also was a helpful friend to worthwhile causes in West Virginia. His association with our State stretches back for many years. He knew people throughout the hills and he did many deeds for the benefit of our Mountaineer State. The name of "Rockefeller" was well known in West Virginia before his nephew, John D. Rockefeller IV, became our youthful and energetic Governor.

During his long and successful tenure as Governor of New York, Nelson Rockefeller was formally associated with West Virginia through his membership in the Appalachian Regional Commission. The common interests of our two States came together in this unique forum. West Virginia and New York—and the other 11 States of the region—worked together in common purpose.

It was in West Virginia that he may have articulated one of the driving forces behind his life. On January 26, 1976, as Vice President of the United States, he addressed a Bicentennial Convocation at Salem College, where he received the honorary degree of doctor of public service. At that time he said:

> Sure we have problems. But who hasn't got problems? And wouldn't life be boring if we didn't have problems?

Nelson Rockefeller devoted his life to solving problems.

Mr. President, the esteem in which he was held in West Virginia was reflected in an editorial which first appeared in the Wheeling News-Register written by its editor, Harry Hamm. This tribute was reprinted elsewhere in our State and I request that the editorial, as published in the Elkins Inter-Mountain, be printed in the RECORD.

The editorial follows:

WE HAVE LOST A STATESMAN

Former vice president Nelson A. Rockefeller, who died of a heart attack last Friday evening, started at the top and went up from there, not quite reaching his ultimate goal of the presidency of the United States.

He began his long career in politics with a good name and great wealth and he embellished both. He was an unusually gifted leader and many observers believe that if he had been a Democrat, the White House would not have eluded his grasp.

As Governor of New York, he spent 15 years preparing for the presidency and sought to demonstrate his executive abilities in the laboratory of state government. He tried for the Republican nomination for president in 1960, 1964 and 1968, but each time he lost. But Nelson Rockefeller never really became embittered by his rejection.

He entered politics in New York as an underdog and launched what some have called a "blintz-kreig" campaign in 1958 to unseat incumbent Democrat Averell Harriman as Governor. He surprised the pundits and won election.

A large proportion of New York State's citizens had known no other chief executive when he decided to bow out in 1973, for one last try for the presidency. In a very concrete way, his inimitable personal style was a prime reason New York State functioned at all.

Rocky, as he was popularly called by many, governed the state in a manner peculiarly his own, a sort of "easy-going ruthlessness," as one commentator once described it. He was considered the master of fiscal prestidigitation, devising all manners of way to increase spending without having the impact show immediately in the budget.

He was responsible for a massive increase in state services in areas such as education, employment opportunities, health, social welfare, housing and environmental protection. In the course of that effort, the people of New York saw their taxes soar and the state budget grow from $1.8 billion to more than $8.85 billion.

His 15 years covered a time of urban turmoil and crisis in many areas of governmental concern. Although he made mistakes, still, it must be said that few men alive could have done as well as Nelson Rockefeller in responding to these challenges.

In political philosophy, Mr. Rockefeller was erratic. In 1958, for example, he was depicted as a welfare liberal, drawing heavy opposition from the GOP conservatives. But in 1970, he was seen as a conservative on most issues of the day.

Above all, Mr. Rockefeller was a pragmatist and a consummate politician. When he resigned as Governor in 1973, many doubted his statement that he did so to devote his time to heading a panel to solve the nation's problems. The political pros felt he would use the commission to launch one more bid for the presidency. But, instead he accepted the vice presidential nomination under President Ford in 1974.

In recent years, he devoted most of his time to his various philanthropic endeavors and to his art collection. He started a ruckus in the world of art collectors when he decided to market reproductions of his collection. He drew heavy criticism from the Art Dealers Association of America and certain art critics who described his decision as a "shameful venture."

Mr. Rockefeller argued that exquisite reproductions of outstanding original works of art can give comparable aesthetic pleasure and at prices within the reach of a far greater number of people.

We agreed with his point of view believing that popularization of fine art should be applauded rather than condemned. For someone who has fallen in love with a work of art, a reproduction is better than nothing.

Nelson Rockefeller's passing will be mourned by his family and millions of Americans who found him to be an outstanding citizen, a statesman and a man of courage, vision and compassion.●

RURAL ELECTRICAL COOPERATIVES CALL FOR REGULATORY REFORM

● Mr. SCHMITT. Mr. President, the people of America are calling for a reduction in the burden of Federal regulation on our society. Each day seems to bring forth some new example of regulatory excess.

A recent article which appeared on "Enchantment," a publication of the New Mexico Rural Electrification Cooperative outlines some of the cost borne by the utilities industry and ultimately by the consumer, in complying with the rules and regulations issued in abundance by a variety of Federal and State

regulatory agencies. I ask that the text of this article be printed at the conclusion of my remarks.

It is time for the Congress to address the regulatory problem with a fundamental reform of the regulatory process. Such a reform must include at least two elements. First, Federal agencies and departments must examine the costs and benefits of proposed rules, second, the Congress must have responsibility to disapprove rules when they are found to be beyond the bounds of legislative intent or of rational administrative behavior.

I have proposed legislation S. 104, the Regulatory Reduction and Congressional Control Act, which would accomplish both of these aims. Much more needs to be done. The passage of this legislation will be a first step in the right direction.

The article follows:

THE RISING COST OF REGULATION

(By John Whitcomb)

If you believe inflation is the only reason why your electricity bills are going up, please reconsider. Granted, inflation is a major factor. Your cooperative is forced to pay more for the electricity it purchases from its power supplier for resale to you. The price of poles, wire, transformers and insulators is rising. So, too, is the cost of borrowing money to expand service within the cooperative area. The men and women who toil on line crews and in the office must receive salary hikes to allow them to keep pace with rising costs of living. Your utility, like any solid business concern, attempts to cut costs where possible and practicable, but there are a great many areas where the utility must pay the going price for the services and materials it receives.

Of course, all of us are familiar with the fuel and cost of power adjustment that appears on utility billings. This figure fluctuates according to the price your cooperative has to pay for wholesale electric power and the cost of the fuel to generate that power. When the cooperative receives the bill for this cost, it is passed through to you, the consumer. If the cooperative doesn't receive the money to pay this bill, it doesn't get the electricity. And, as a consequence, neither do you.

However, it's not only the pass-through that is escalating. The base rate you pay for your electric power will be going up steadily also. Again, inflation is a prime culprit. But, as time goes on, another factor enters the picture. It is called regulation, and it is a function of the U.S. Government. To complicate matters, the effect of inflation on the utility business is worsened by excessive government regulation. The cost of regulating the utility industry and any industry remotely connected with the operation of a utility is reaching astronomical proportions. Unfortunately, this cost is hidden from the consuming public, but utility management figures on letting the public know exactly what is happening since the consumer ultimately pays the bill.

Government regulation in the past few years has served to stifle free enterprise and growth, and, at the same time, it is expensive. Further, the feds are assuming that social ills, rather than economic ones, are in need of remedying by regulation. Note the formation in the past few years of such agencies as the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA) and the Consumer Products Safety Commission (CPSC). Or, how about the Council on Environmental Quality (CEQ). Or those acts of Congress like the Employe Retirement Income Security Act (ERISA), the Endangered Species Act, the Hazardous Materials Transportation Act and the Toxic Substances Act to mention a few. All of these agencies require budget and staff to operate, and this translates into vast amounts of money. Tax money. Yours and mine. The Congressional acts must have manpower and more money to take effect. Again, it's our money that is used.

No one can responsibly claim he or she is against all regulation. The benefits of clean air, pure water, safe products, healthy workers and secure futures are, without question important. At issue, though, is whether or not all of this regulation is worth the price, whether the benefits justify the cost.

Consider some of the costs of regulation as estimated by economist Murray Weidenbaum, head of the Center for the Study of American Business at Washington University. Mr. Weidenbaum splits the cost into two categories: administrative and compliance. The first consists of visible federal spending on regulatory agencies. These have escalated from $745 million in 1970 to $4.8 billion this year. Compliance, the second cost, is what employers must spend to conform to the regulations. There is a multiplier effect here. Take, for example, the EPA which, in 1976, spent $416 million. Its rules forced industry to lay out nearly $8 billion.

In 1976, total administrative costs of federal regulation ran to $3 billion, but this generated compliance costs of $63 billion, equivalent to a hidden tax of $307 on every man, woman and child in the United States. That was two years ago. Costs since then have risen sharply, and estimates of administrative expenditures approaching $100 billion in 1979 probably aren't out of line. The U.S. spends almost that much on defense in one year.

You don't have to be reminded from whence springs this inexhaustible gusher of greenbacks. Taxpayers can certainly justify their uneasiness when so much of their own money is spent regulating themselves.

As has been mentioned, it's not the regulations themselves that are drawing the most critical fire. Rather, it's the extent and the often foolish and contradictory nature of them. Time Magazine's Jay Palmer, in an essay, recently pointed out some of the more silly instances of federal regulation. He explained that on construction sites, be they power plants or skyscrapers, OSHA demanded that heavy equipment must be equipped with loud back-up horns but that workers must wear heavy ear protectors to cut down on noise levels.

Time's Palmer goes on to explain that contradictions between agencies can be maddening. Earlier this year, the Department of Energy was busy pushing industrial use of domestic coal to cut oil imports. At the same time, EPA was putting the clamps on companies for polluting the air with coal smoke.

New Mexicans aren't escaping the rising cost of regulation despite their being 2,000 miles away from the source. Customers of the Public Service Company of New Mexico, which include electric cooperatives, bear the burden of the company's compliance with emission standards at coal-fired plants in the Four Corners area. Through their power bills, they pay those millions of dollars required to clean up after the generating process. The same is true of those electric cooperatives over on the east side of the state that purchase their power from Southwestern Public Service Company, Amarillo, which also burns coal. In many instances, environmental compliance costs represent up to 40 per cent of the total cost of generating electric power.

If Plains Electric Generation and Transmission Cooperative, Albuquerque, which provides wholesale electric power to 12 member distribution cooperatives, ever gets to build a much-needed coal-fired plant, chances are good environmental compliance will cost approximately half the total outlay of building the plant. Then, to operate the plant, several millions of dollars will be required in the cleaning process. A significant amount of the power generated will also be drained off to operate the equipment that scrubs the emissions from the generating process. This cuts down on efficiency, and additional personnel must be hired.

It's highly unlikely the generating utilities are against clean air. Rather, they want their consumers to know what clean air is costing them.

There's yet another facet of the utility business that comes into play when contemplating the impact of federal regulation. That's the cost of delay and having to provide voluminous amounts of documentation before starting any new phase of construction. Delaying the construction of a medium-sized power plant these days adds several thousands of dollars *a day* to the eventful total cost. This is relatively easy to figure since interest rates are going up, and inflation is driving up the cost of materials and labor. Every day's delay costs somebody a great deal of money.

Regulation is here to stay, make no mistake about it. But, that is not to say we have to accept overregulation. U.S. citizens are making clear they're reaching their limit in being taxed. Congressmen are getting about attacking inflation as President Carter seems to be, they'll busy themselves with simplifying the regulatory process when they convene in Washington in January. The savings could be tremendous to all of us.

Sensible regulation is as necessary to our society as umpires and line judges are to the Super Bowl. Better and simpler regulation—not more of it—should be the objective. Without some drastic changes and soon, the problem facing the utility companies won't be in meeting the demands of a growing populous but in the populous being able to pay for its electric power . . . providing it's available.●

A FAIR DEAL WITH MEXICO

● Mr. KENNEDY. Mr. President, the lead editorial in the New York Times for February 5 makes a careful analysis of the issues involved regarding the importation of natural gas from Mexico and suggests that the administration "should aim for a compromise that Mexicans can reasonably view as a victory." It discusses terms of a compromise which might resolve this most difficult but important question to the satisfaction of both sides. "The future of Mexican-American energy relations is too important to be left to the price hawks at the Department of Energy," the editorial concludes.

The editorial makes a useful contribution to the debate over a gas contract with Mexico and should be called to the attention of the Senate. I, therefore, request that the editorial, "Making a Deal With Mexico," might be printed in the RECORD.

The article follows:

[From the New York Times, Feb. 5, 1979]

MAKING A DEAL WITH MEXICO

As everyone knows by now, Mexico sits on a pool of oil and gas second only to the reserves of Saudi Arabia. Its leaders intend to raise oil production at a measured pace, selling enough crude in world markets (at world prices) to finance a long period of industrialization. What will happen to the natural gas has yet to be determined. Its sole potential foreign buyer is the United States. Last year, after months of haggling over price, the two countries broke off negotiations and the Mexican Government vowed to develop the

gas for domestic use. But we doubt that will be the Mexicans' last word.

Both Governments understand the powerful arguments for exports to the United States. And if an agreement could be worked out that did not appear to compromise the Mexican Government's strong public commitment to a price of $2.60 per thousand cubic feet, Mexico would be satisfied. That is why the issue ranks high on the agenda of President Carter's talks with President Lopez Portillo later this month.

Mexico chose $2.60 because it was equivalent at the time to the price of home heating oil. Natural gas is a clean, versatile energy resource easily substitutable for the distilled oil used for home heat. Moreover, the Mexican Government proposed to cover most of the investment for a pipeline to bring the gas from wellhead to consumers. The deal was acceptable to private American pipeline companies.

But the Carter Administration objected to both the economics and the politics of the offer. The President's energy plan, then stalled in Congress, called for a maximum price on domestic gas well below $2.60. And no one wanted to explain to an already balky Congress why a premium should be paid to Mexico. Then, too, there was the problem of Canadian gas, which was selling in the United States for only $2.18. Had Mexico gotten $2.60, the Canadians would have demanded parity.

In the year since President Carter refused to initial the Mexican agreement, Congress has finally passed legislation that will eventually let domestic producers sell gas for more than $2.60. But the Canadian problem remains, and the Carter Administration is divided over how much to offer the Mexicans.

Energy Secretary James Schlesinger opposes paying much more than the value of the gas to Mexico's domestic industry—about four-fifth's the asking price. Mr. Schlesinger is plainly worried that the Mexican connection would further delay gas production in Alaska. Owing to the enormous costs of pipeline construction, Alaskan gas will never be a bargain. But it would reduce American dependence on foreign energy. A subtler view, focusing on other aspects of the Mexican energy connection, seems more farsighted. Even if Mexican gas is, strictly speaking, slightly overpriced, the gas issue should not be allowed to sour future United States negotiations with Mexico over energy.

If President Carter managed to persuade the Mexican Government to accept a lower price, the savings would not necessarily serve the national interest. The loss of face for President López Portillo would undoubtedly strengthen chauvinist political forces, making it more difficult for any Mexican leader to accommodate the United States on oil development or on increased flows of gas when circumstances demand.

The Carter Administration should aim for a compromise that Mexicans can reasonably view as a victory. We might, for example, yield to the $2.60 demand in return for an option to buy more gas in the future at the same price, or for a price formula that would become more favorable as energy prices rise in the mid-1980's. However the agreement is reached, the future of Mexican-American energy relations is too important to be left to the price hawks at the Department of Energy.●

THE PRESIDENT'S HEALTH BUDGET

● Mr. JAVITS. Mr. President, the Health and Scientific Research Subcommittee of the Human Resources Committee recently had a hearing on the implications of the President's health budget.

One of the witnesses at the hearing was the former minority counsel and staff director of the Human Resources Committee, Jay Cutler. While Mr. Cutler is presently special counsel to the American Psychiatric Association, a medical specialty society representing more than 24,000 psychiatrists nationwide, his testimony was presented solely as president of the Coalition for Health Funding. The coalition represents more than 50 national nonprofit health organizations concerned with America's health care.

I might note that the minority leader, Senator BAKER, in commenting upon Jay Cutler being awarded an honorary doctor of humane letters said that Mr. Cutler was, and I quote Senator BAKER'S CONGRESSIONAL RECORD statement:

One of this body's most distinguished former employees.

I agree. His contributions to the work of the Human Resources Committee, particularly in health care legislation, reaffirm the importance of his testimony as president of the Coalition for Health Funding.

The perceptive comments of Jay Cutler on the implications of the President's health budget, as the Congress seeks to chart a course between fiscal austerity and meeting the health needs of the American people, should be helpful to my colleagues.

I commend the testimony of Jay Cutler to the attention of my colleagues and ask that it be printed in its entirety in the RECORD.

The material follows:

IMPLICATIONS OF THE PRESIDENT'S FISCAL YEAR 1980 HEALTH BUDGET

(By Jay B. Cutler)

Mr. Chairman and Members of the U.S. Senate Health and Scientific Research Subcommittee, on behalf of the Coalition for Health Funding, I would like to express my appreciation for the opportunity to testify about the implications of the President's health budget.

My name is Jay Cutler and I am appearing as President of the Coalition for Health Funding, which is comprised of more than 50 national non-profit organizations concerned with America's health care. With me are representatives of other organizations which are also Coalition members: Constance Holleran, R.N., of the American Nurses' Association and John A. D. Cooper, M.D., of the Association of American Medical Colleges. They will address the budget impact on nursing education programs and medical education and the future of biomedical research.

I believe the Coalition's member organizations are familiar witnesses to this Subcommittee with respect to the programs for which this Subcommittee has legislative jurisdiction. However, as a group, the Coalition has only one goal: development of a comprehensive analysis of the discretionary or controllable health budget—essentially the Public Health Service Act, Rehabilitation Services and the Developmentally Disabled programs.

Since 1970 the Coalition has annually suggested comprehensive funding levels to Congress and I would like to share with you how this process occurs. Our funding recommendations are carefully developed over a three-month evaluation period. First, the members testify to a panel of the Board concerning preliminary funding levels in their areas of interest. These are justified through supportive documents. The Board then carefully considers each program individually on its merits; evaluates previous funding levels and the member's suggested increases and their purposes; analyzes program accountability; and then approves a tentative budget. The tentative budget is distributed to all members. After the President's budget is released, the Board considers all appeals and formulates a final budget which is then approved by the membership.

The Coalition publication for the 1980 budget is not yet available. However, I would like to submit for the hearing record the most recently published copy of our booklet. It is entitled "Appropriation Recommendations for Federal Health Programs FY 1979: An Alternative to the President's Proposal."

Let me assure the Subcommittee that the Coalition approached its task of responding to the President's health program funding recommendations fully aware that the President promised an austere fiscal 1980 budget. We take a back seat to no person in concern about the fight against inflation.

Yet we are concerned that the rhetoric surrounding the actual health budget dollars—to the effect that the budget demonstrates even in times of austerity a determination to meet the nation's health needs—is a tale told by budgeteers, full of sound and fury, signifying nothing.

While the words speak of adequate resources for assistance for the disadvantaged and for, and I quote: "developing a broad national health plan to meet the national needs for health," our analysis of the health budget tells us a different story. As I expect you shall soon hear from the other witnesses, the health care of the American people can not afford the proposed fiscal retreat in support of health professions education or biomedical research, the combined cutting edge of progress in health care.

The health budget not only fails to provide for reasonable growth in proven cost effective, controllable health programs but in effect—in both human and economic terms—makes severe cuts in certain carefully developed research programs, and at the same time, effectively ends certain vital health manpower training and development programs which are essential to bringing health services to those Americans most in need of health care.

We would like to express our deep appreciation to you, Mr. Chairman. Your leadership in focusing public attention on the initial tragic OMB health funding proposals, and the time and energy you and your staff have expended in seeking to change the disastrous course set by OMB for America's health care, have in great measure enabled us to say that while in some respects the President's health budget is counter productive, it is not the anticipated catastrophy for the American peoples' health care. Unfortunately, it remains a retreat from progress in health care.

There is also a sens of deja vu when one reviews the budget.

The OMB architects of this health budget—as they were for President Nixon—have many of the controllable health programs developed by this Committee to meet defined health needs of the American people on their hit list. There is nothing new in their budgetary response which would seek to end capitation for health professions education; eliminate support for nursing education; fiscally undersupport biomedical research; wipe out alcoholism and drug abuse State formula grants; and under fund CMHCs.

Nowhere does the health budget rationale indicate that an existing controllable health program is marginal or wasteful. Not a scintilla of evidence is submitted to support

the conclusion that appropriations requested for discretionary programs should be held to approximately the same level as current services.

It is time to slay the mythical dragon that OMB—not this Committee nor the Congress—knows what is best for this health care of the American people. That is not true, neither in fiscal, economic, or human terms.

On one hand the President's budget proposes special Public Health Program initiatives. Unfortunately on the other hand it neglects other critically important programs. For example, funding for venereal disease control programs, rat control and lead-based paint poison prevention programs remain constant and no growth is permitted, even to keep up with inflation.

In fact with respect to the venereal disease prevention and control programs you submitted Mr. Chairman, in Senate Report 95-960, that, and I quote: "The Committee believes that the public, Government, and Congress itself are unaware of the full dimension of the venereal disease problem. Although 1,064,650 cases of venereal diseases were reported in 1977, the Center for Disease Control estimates actual incidence to number approximately ten million cases of reported, unreported, and unreportable venereal disease cases in the United States last year, 2.7 million of which were estimated in teenagers ages 15 to 19."

Nowhere does the health budget rationale rebut report after report, and study after study that have documented that these are all cost effective programs and should be expanded. Moreover, there is substantial evidence showing that there is a direct correlation in the reduction of incidence of venereal disease with increased Federal support. Furthermore, I hear no one saying the problems of our urban centers have been so vastly improved that the tragic problems of rat bites and the need for detection and treatment of lead-based paint poisoning of inner city children has diminished.

While I commend and applaud the President's mental health program initiatives and his budgetary commitment to deliver comprehensive mental health services, I am concerned about who is expected to provide the necessary care stimulated by such initiatives.

This is double troublesome: one, funding for the community mental health centers programs is proposed to be reduced by $67 million from the comparable fiscal 1979 appropriation; and second, the appropriation for training the necessary psychiatrists and other mental health professionals—psychologists, social workers, psychiatric nurses—and paraprofessionals is $3.6 million less than Congress appropriated in fiscal 1979. Yet the NIMH clinical manpower training system represents the trained professional resources vital to the mental health of our nation and is the key to providing quality mental health care to the 20-32 million Americans the President's Commission on Mental Health identified as in need of such services and to which the budget initiatives allegedly seek to respond. Without personnel such initiatives would be meaningless.

Moreover, the budget fails to include funding for CMHC services in areas where the Federal operation grant has terminated. As the Committee knows under the law, CMHCs can receive grants for nonreimbursable services such as outpatient; outreach and satellite programs to make services more accessible; prevention and early intervention services. All of which reduce cost in the long term and obviate the need for intensive inpatient treatment. The budget ignores the need of the 20 million persons served by CMHCs in need of consultative and education grants. As a result services which have previously been available will be in jeopardy. This despite the recommendation in the Commission's report that prevention be emphasized. Also, there are 34 CMHCs in need of distress grants to provide direct services for which no other reimbursement is available. These centers serve areas totalling half million people, and about 10,000 individuals will be denied needed treatment as a result of this cutback.

While in its totality the health budget is increased, as this Committee is well aware, that is the result of uncontrollable health program costs. Lacking in great measure the ability to deal with the complex causes of such uncontrollable health costs, the OMB historically has slashed controllable health programs. OMB does not allege the controllable health programs fail to provide accountability; or fraud and abuse problems; or question fiscal program management.

OMB instead, in an arbitrary and capricious fashion, says let them die of fiscal malnutrition. It chooses to ignore the realities of inflation and prefers to leave the programs at current services—an anomaly in terms. How does a program maintain current services without the necessary funding to meet the costs of providing current services?

Also, there is a bit of fiscal sleight of hand when the budget magicians talk of establishing a single State formula grant for alcohol, drug abuse and mental health. It says $99 million would be provided directly to the States in 1980 and that such a State formula grant program would combine existing alcohol and drug abuse formula grants plus 15 percent of the State Comprehensive Health formula grant now allocated to mental health programs.

This $99 million budget prestidigitation has $11.3 million disappear for 1980 as compared to fiscal 1979 appropriations. In fiscal 1979, the appropriations for such programs were: Alcoholism formula grants, $56.8 million; Drug Abuse formula grants, $40 million; and 15 percent of State comprehensive health formula grants, $13.5 million. At the same time, budget legerdemain elects to omit consideration of whether Congress will choose to provide legislation authorizing single source formula grant funding. If Congress does not, the States, as OMB knows, could very well end up with nothing for 1980.

While all commend the $7 million increase proposed for funding migrant health centers, it should be noted that this is $179.48 per person as compared to national statistics showing the cost of health care for a family of four is $2,115 annually. Moreover, despite the increase more than two million migrant and seasonal farm workers will continue without any health care.

While all commend the budgetary fiscal commitment to preventive health, where is the budget commitment for increased funding of behavioral research to determine how we more effectively could achieve desired life style changes?

With respect to the $53 million initiative for adolescent pregnancy prevention service, are these new funding dollars or budget magic, shifting health program funding allocations, e.g., no increases proposed for family planning services.

All the evidence proves that the maternal and child health component of the Health Services Administration has developed successful cost effective programs which have drastically reduced infant mortality and have demonstrated that comprehensive preventive services can reduce hospitalization and improve the health and status of children. Programs for prevention of diseases of the newborn, testing for preventable forms of mental retardation, training of new types of health providers, counseling parents who have lost an infant by sudden infant death, establishment of special clinics for teenagers and public education of the importance of good prenatal nutrition are but a few examples of successful MCH's programs.

The budget alleges an $11 million increase but analysis shows a $17.3 slashing of maternal and child health research and training programs. Thus, the totality of the maternal and child health budget is $5.4 less in 1980 than the comparable 1979 appropriation.

I would note that much rhetoric surrounds State and Local Health Planning assistance. The budget rationale says, and I quote: "The most critical cost-containment aspect of the health planning process is the capacity of health planning agencies to understand local conditions and to devise appropriate strategic responses. There is a great need to strengthen this capacity at the State and local level." Yet such budgetary commitment toward cost-containment is a 1.3 percent increase over the 1979 budget, an effective decrease as compared to last year for "great need."

My concern is that the controllable health budget, consisting of cost effective and caring health programs—building blocks structured by the Congress for meeting national health needs for quality medical care and mental health services—through fiscal malnourishment will neither perform the health mission for which they were created nor provide a continued strong defense to combatting disease.

If this budget seeks to chart a course between the need for fiscal restraint and the needs of those least able to help themselves. I ask why a $3.5 million reduction for Developmental Disabilities program support of University Affiliated Facilities. All of these projects share the common goal of providing the trained personnel needed to serve the mentally retarded and other developmentally disabled persons—our most vulnerable citizens.

We can not pay lip service to our moral and legislative commitments (Bill of Rights Act, Section 504 of the Rehabilitation Act) to the mentally retarded and other developmentally disabled persons and economize at their expense.

If we care about the future of our nation's health I urge the Congress to return to its historic tradition of leadership and take up the cause of health.

Now Mr. Chairman, I will turn to my fellow Coalition panelist.

COALITION FOR HEALTH FUNDING MEMBERSHIP 1979

American Academy of Pediatrics.
American Association for Dental Research.
American Association of Colleges of Nursing.
American Association of Colleges of Osteopathic Medicine.
American Association of Colleges of Pharmacy.
American Association of Colleges of Podiatric Medicine.
American Association of Dental Schools.
American Association of University Affiliated Programs.
American Congress of Rehabilitation Medicine.
American Dental Hygienists' Association.
American Diabetes Association.
American Federation of State, County and Municipal Employees.
American Health Planning Association.
American Nurses' Association.
American Optometric Association.
American Psychiatric Association.
American Psychological Association.
American Public Health Association.
American Society of Allied Health Professions.
Amrican Speech and Hearing Association.
Arthritis Foundation.
Association of American Medical Colleges.
Association of American Veterinary Medical Colleges.
Association of Independent Research Institutes.
Association of New York Neighborhood Health Centers.
Association of Schools & Colleges of Optometry.

Association of Schools of Public Health.
Association of University Programs in Health Administration.
Citizens Committee for the Conquest of Cancer.
Citizens for the Treatment of High Blood Pressure.
Council of State Administrators of Vocational Rehabilitation.
Council on Social Work Education.
Cystic Fibrosis Foundation.
Endocrine Society.
Federation of American Societies for Experimental Biology.
Friends of Eye Research, Rehabilitation & Treatment.
Group Health Association of America.
Human Growth Foundation.
Medical Library Association.
Mental Health Association.
National Association of Community Health Centers.
National Association of Social Workers.
National Committee Against Mental Illness.
Naional Council of Community Mental Health Centers.
National Council on Alcoholism.
National Foundation/March of Dimes.
National Health Education Committee.
Naional League for Nursing.
National Medical Association.
National Student Nurses' Association.
Planned Parenthood Federation of America.
Society for Investigative Dermatology.
Society for Neuroscience.
United Auto Workers.●

SENATE JOINT RESOLUTION 1—DIRECT ELECTION OF PRESIDENT

● Mr. METZENBAUM. Mr. President, I rise to express once more my support for Senate Joint Resolution 1, the proposed amendment to the Constitution that would abolish the electoral college and institute a system for the direct election of the President and Vice President. As a cosponsor of this measure in the last Congress, I wish to commend my good friend and colleague, Senator BAYH, for his sustained efforts to reform our electoral system.

The electoral college is an arcane and outmoded institution. The purposes for which it was designed are no longer appropriate to our mode of Government. The framers of the Constitution did not believe that the people were qualified to elect their top leaders. As a result, they insulated the most important offices in the land by creating the intermediary structure of the electoral college.

We know too well today the dangers of a Presidency insulated from the people. The electoral system developed by the founders of this Nation was a unique and brilliant one, but it was not meant to outlive its relevance. In fact, the original electoral system lasted for only 16 years until the rise of party politics made it necessary to enact the 29th amendment.

Our Nation has evolved into a representative democracy that has benefited all of us and served as a model to the world. But our system is flawed in one overwhelming respect. Our people still do not directly elect their top leaders. This must be changed.

A blue-ribbon American Bar Association Committee, after years of careful study, has concluded that the electoral college system is "archaic, undemocratic, complex, ambiguous, indirect, and dangerous." Even so, amending the Constitution is serious business; to do so, one must make a strong case for the necessity of modification. I believe that such a case has been made.

This Nation—its people and its Constitution—have experienced unprecedented shocks in the last decade. The revelations of Watergate and related, abuses of power have punctured our deeply held belief in the inherent integrity of our Government. We have seen a President resign under the threat of impeachment. We have seen a Vice President resign, because of his alleged criminal activities. We have had our first nonelected Vice President, and our first nonelected President. That we have survived these shocks intact is a tribute to the resiliency and strength of our free institutions.

The patience of our people cannot be relied upon forever. The retention of the electoral college extends the glaring potential for mass frustration and constitutional instability.

On three separate occasions men who have lost the popular vote became President: John Quincy Adams, Rutherford B. Hayes, and Benjamin Harrison—all were quirks of our electoral system. Fortunately, there has not been a Presidential victor who lost the popular vote in nearly 90 years. Yet recently we have come far too close for comfort.

In 1960, a shift of less than two-hundredths of a percent in the popular vote would have given Richard Nixon victory in the electoral college, with John Kennedy still the popular winner. In 1968, a switch of seven-hundredths of a percent would have made Hubert Humphrey President even though more Americans preferred Richard Nixon.

Our most recent election has underlined the danger of retaining the electoral college. In my own State of Ohio, a shift of 5,559 votes would have brought Gerald Ford within two electoral votes of victory. Had 3,687 votes also switched in Hawaii, Mr. Ford would have been elected President with less than a popular majority. A shift of only one-hundredth of a percent of the 79.7 million votes cast could have plunged us into another constitutional crisis.

A related flaw and potential source of instability is the "faithless elector" problem. In many States, electors are not bound to vote for the candidate who carried their States. In the past three Presidential elections, electors have cast their votes for a candidate other than the popular victor in their State. This situation removes the election of the President even further from the people's control.

No one wants to have a President rejected by the people. There is no rationale in favor of it, and there is no excuse for its occurrence. Tradition is no defense for irrelevance. The way to insure that this does not happen is to pass Senate Joint Resolution 1. The country needs it and the people want it. Opinion polls have shown that over 80 percent of the people of this country favor direct popular election of the President.

In addition to insuring the popular election of the President, there are other advantages to abolishing the electoral college. We have accepted the egalitarian principle of "one man, one vote." Yet, under our present system, millions of votes do not count if they are cast for the loser in a particular State. A system of direct election of the President would give every vote the same weight, no matter what the size of the particular State or the choice of other people in that State.

Finally, one of the dangerous drawbacks of our present system is the power given to the House of Representatives to choose a President if no candidate receives an electoral college majority. It goes completely against the grain of the American spirit for the Presidency to be decided by a political bargaining process in the House. Had George Wallace's popular support been somewhat stronger in 1968, he could have brought the election into the House and negotiated for the candidate of his choice. No power brokers should tell us who will be President, except the ultimate power brokers—the people.

Senate Joint Resolution 1 provides a more rationale system for choosing a President in the unusual case where there is no clear victor. If no candidate receives at least 40 percent of the popular runoff between the top two choices. The people will decide as they should.

Mr. President, the need for this constitutional amendment is clear. Our democratic spirit requires it. The stability of our institutions requires it. And the people call out for it. I urge swift passage of this proposed constitutional amendment.●

PLAYING GAMES WITH SALT II

● Mr. HART. Mr. President, I would like to have printed in the RECORD an article by Walter Pincus entitled "The Soviet Strategic 'Advantage'" which appeared in the Washington Post on February 5.

The article succinctly and accurately exposes the misleading premise underlying several recent critiques of the expected SALT II agreement. Mr. Pincus points out that SALT critics have created the specter of a strategic imbalance favoring the Soviets by ignoring important elements of our own nuclear arsenal. It is essential to a sound analysis of the benefits and risks of a SALT II agreement that we do not deal in half-truths and distorted presentations about our own strategic capability.

I commend Mr. Pincus' article to all my colleagues.

THE SOVIET STRATEGIC "ADVANTAGE"

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen

good examples of this in two recent critical analyses of the pending SALT agreement. Or perhaps I should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warhead SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expected that SS18s *may* eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8–10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor, the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S. advanced technology permitted small, more accurate warheads to be built.

As U.S. missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—diminishes to almost zero. A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States, deriving from it advantages such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 200 of which are always on 15-minute alert at the end of runways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the Mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation, The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour catclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using The Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-'60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60s, announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Soviet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missiles, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keep us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry; he and The Economist are playing the same game, but with the formidable U.S. force.●

GIANT ON THE PRAIRIE

● Mr. McGOVERN. Mr. President, I would like to submit to the RECORD an article that appeared in a recent issue of Light of Faith magazine which tells an impressive story of industrial success in my State of South Dakota. The industrialist is Art Kroetch of Philip, S. Dak., and his industry is the manufacture of the Dvorak Ironworker, a machine which is explained in the article. Although Mr. Kroetch tries to take little credit for the outstanding growth of his company, it will be clear to anyone who reads about Little Scotchman Industries that there are far too few comparable stories in small, rural towns. Besides a good product and marketing procedure, I am sure the president has a good deal to do with this unique success.

I would also urge my colleagues to review this article for the references to "fighting the bureaucracy." It is unfortunate that efforts to assist small businesses are often countered by overregulation. Mr. Kroetch makes a good point of this in his testimony regarding OSHA inspections.

Mr. President, I ask that the article "Giant on the Prairie" be printed in the RECORD.

The article follows:

GIANT ON THE PRAIRIE

What South Dakota town of 1500 is the site of a manufacturing plant that has grown from six employees in 1967 to over fifty employees in 1978?

What South Dakota town of 1500 manufactures a product that is sold in Europe, Australia, Mexico, and South Africa?

What South Dakota town of 1500 is the home to businessman/county commissioner/hospital and school board member who was named one of Ten Outstanding Young Men in America by the Jaycees, and Small Businessman of the Year by the South Dakota Small Business Administration?

The town is Philip, South Dakota; the product is the Dvorak Ironworker manufactured by Little Scotchman Industries, and the businessman is Art Kroetch, company president.

Philip, South Dakota, located 85 miles east of Rapid City, looks like many small South Dakota towns, with schools, churches, and a shopping area similar to those in other midwestern communities. It has one unique feature, however, in Little Scotchman Industries, a manufacturing plant which produces a line of ironworking machines which are sold around the world. Behind Little Scotchman Industries, which has grown to be the second largest employer in Philip, is Art Kroetch, company founder and board chairman.

Someone meeting Art Kroetch for the first

time might imagine him to be a typical small town businessman. It is not until Mr. Kroetch begins to explain his company and its products that the listener realizes he is far from typical. He may begin by discussing the U.S. balance of payments or a recent trade exposition which he has attended in Europe or Australia, or efforts to establish an export connection in Hong Kong. Little Scotchman is an unusual company, and Mr. Kroetch is an unusual man.

When Art Kroetch came to Philip, he started out in the salvage business. Then, as he puts it, "I happened to be in the right place at the right time. I knew Joe Dvorak—a blacksmith with a third grade education—was ready to sell the patent on a machine that he had invented, the Dvorak Ironworker. I bought the patent rights and his existing inventory, and started production here in Philip—I have three times as much money tied up in one piece of production machinery today as I did in all of my production machinery when I started—Joe made 150 of these machines; we've produced 1500, and are still making the same basic product, our model 314, with a few modifications today."

Although Art Kroetch takes no personal credit for the success of his business, it has done extremely well. In 1967, Little Scotchman employed six; today there are over fifty employees. Mr. Kroetch attributes his company's growth to a well built product which has a variety of uses in any setting from a vocational training school to a one-man ornamental iron-working shop or a large manufacturing plant. The Dvorak ironworker cuts bar iron up to seven inches wide and one-half inch thick. It can also angle cut and punch holes. All component parts of the machine except for the hydraulic pump assembly and the electric motor are manufactured at the Philip plant.

In addition to a good product, Mr. Kroetch credits Little Scotchman's growth to marketing. Both the president and the international sales manager of the company have masters degrees in international trade. Mr. Kroetch and his wife Eleanor travel to trade shows throughout the United States and abroad, where live demonstrations show the Dvorak Ironworker in action. "We are presently selling our product line in Europe, Australia, Mexico, and South Africa, and we have plans to extend to Korea, Taiwan, Hong Kong, and the Far East, perhaps Red China. He predicts that if world economic trends continue, by 1980, 25 percent of his customers will be outside the United States. "With the U.S. dollar as weak as it is," says Mr. Koretch, "foreign businesses are anxious to cash in American Dollars for goods such as our machine." Mr. Kroetch also feels that if the recessionary period which has been predicted for the United States materializes, he will have an advantage in foreign trade opportunities.

THE DVORAK IRONWORKER

The success of Little Scotchman Industries has not gone unnoticed in U.S. business circles. In 1967, he was named Small Businessman of the Year by the South Dakota Small Business Association, and was also named one of Ten Outstanding Young Men in America by the Jaycees. He is also actively involved in the community, serving as Haakon County Commissioner, school board member, and member of the board of directors of Hans P. Peterson Memorial Hospital and Nursing Home in Philip.

SPARKS FLY AS IRONWORKER IS ASSEMBLED

One of Mr. Kroetch's real interests is (as he puts it) "fighting the bureaucracy". He is devoting more of his time to meeting with state and national legislators to try and convince them that government regulations are putting a stranglehold on U.S. business, especially small business. "I was in Washington, D.C. a couple of years ago to testify before a committee holding hearings on OSHA (Occupational Safety and Hazard Act) regulations," says Mr. Kroetch, "and I was trying to convince the committee to at least notify an employer before an OSHA inspector would visit his plant." Representative Dominic Daniels told me that would be impossible. "If we did that Mr. Kroetch," he said, "everything in the plant would be in compliance with the regulations when the inspector arrived."

"But Mr. Daniels," I said, "isn't that the idea?"●

RULES OF THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I submit for printing in the RECORD the rules of the Committee on Energy and Natural Resources adopted at the committee's organization meeting on February 6, 1979:

RULES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

GENERAL RULES

Rule 1. The Standing Rules of the Senate and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such Acts are applicable to the Committee on Energy and Natural Resources and as supplemented by these rules, are adopted as the rules of the Committee and its Subcommittees.

MEETINGS OF THE COMMITTEE

Rule 2. (a) The Committee shall meet on the third Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

(b) Business meetings of any Subcommittee may be called by the Chairman of such Subcommittee, *Provided*, That no Subcommittee meeting or hearing other than a field hearing, shall be scheduled or held concurrently with a full Committee meeting or hearing, unless a majority of the Committee concurs in such concurrent meeting or hearing.

OPEN HEARINGS AND MEETINGS

Rule 3. (a) Hearings and business meetings of the Committee or any Subcommittee shall be open to the public except when the Committee or such Subcommittee by majority vote orders a closed hearing or meeting.

(b) A transcript shall be kept of each hearing of the Committee or any Subcommittee.

(c) A transcript shall be kept of each business meeting of the Committee or any Subcommittee unless a majority of the Committee or the Subcommittee involved agrees that some other form or permanent record is preferable.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee or any Subcommittee at least one week in advance of such hearing unless the Chairman of the full Committee or the Subcommittee involved determines that the hearing is non-controversial or that special circumstances require expedited procedures and a majority of the Committee or Subcommittee involved concurs. In no case shall a hearing be conducted with less than twenty-four hours notice.

(b) Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee or Subcommittee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

(c) Each member shall be limited to five minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included on the agenda of the next following business meeting of the full Committee or any Subcommittee if a written request for such inclusion has been filed with the Chairman of the Committee or Subcommittee at least one week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee or Subcommittee to include legislative measures or subjects on the Committee or Subcommittee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee or any Subcommittee shall be provided to each Member and made available to the public at least three days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee or Subcommittee. The Staff Director shall promptly notify absent Members of any action taken by the Committee or any Subcommittee on matters not included on the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsections (b), (c), and (d), six Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless ten Members of the Committee are actually present at the time such action is taken.

(c) Except as provided in subsection (d), one-third of the Subcommittee Members shall constitute a quorum for the conduct of business of any Subcommittee.

(d) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure or matter before the Committee or any Subcommittee.

VOTING

Rule 7. (a) A rollcall of the Members shall be taken upon the request of any Member. Any Member who does not vote on any rollcall at the time the roll is called, may vote (in person or by proxy) on that rollcall at any later time during the same business meeting.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

(c) Each Committee report shall set forth the vote on the motion to report the measure or matter involved. Unless the Committee directs otherwise, the report will not set out any votes on amendments offered during Committee consideration. Any Member who did not vote on any rollcall shall have the opportunity to have his position recorded in the appropriate Committee record or Committee report.

(d) The Committee vote to report a measure to the Senate shall also authorize the staff of the Committee to make necessary technical and clerical corrections in the measure.

SUBCOMMITTEES

Rule 8. (a) The number of Members assigned to each Subcommittee and the division between Majority and Minority Members shall be fixed by the Chairman in consultation with the ranking Minority Member.

(b) Assignment of Members to Subcommittees shall, insofar as possible, reflect the preferences of the Members. No Member will receive assignment to a second Subcommittee until, in order of seniority, all Members of the Committee have chosen assignments to one Subcommittee, and no Member shall receive assignment to a third Subcommittee until, in order of seniority, all Members have chosen assignments to two Subcommittees.

(c) Any Member of the Committee may sit with any Subcommittee during its hearings and business meetings but shall not have the authority to vote on any matters before the Subcommittee unless he is a Member of such Subcommittee.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 9. Witnesses in Committees or Subcommittee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee or Subcommittee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any Member, any other witness shall be under oath. Every nominee shall submit a statement of his financial interests, including those of his spouse, his minor children, and other members of his immediate household, on a form approved by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. A statement of every nominee's financial interest shall be made public on a form approved by the Committee, unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a statement of their financial interests in the form required in the case of Presidential nominees under this rule.

CONFIDENTIAL TESTIMONY

Rule 10. No confidential testimony taken by or confidential material presented to the Committee or any Subcommittee, or any report of the proceedings of a closed Committee or Subcommittee hearing or business meeting, shall be made public, in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 11. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee or Subcommittee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 12. Any meeting or hearing by the Committee or any Subcommittee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording, filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 13. These rules may be amended only by vote of a majority of all the Members of the Committee in a business meeting of the Committee: *Provided*, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting.●

BUILD ON FARMERS HOME'S SUCCESS—DON'T WRECK IT

● Mr. MCGOVERN. Mr. President, I have been provided with a report by the Farmers Home Administration on its past year's administration of a wide range of credit programs in farming and rural development. The report reveals some remarkable facts, all adding up to a clear reflection that Farmers Home Administration is one of the most successful systems for public service to be found in the Federal Government.

This agency is the principal arm of Government in generating an adequate supply of credit to meet the needs of family farmers; for farmers disadvantaged by natural disaster or adverse economic conditions; of rural people for housing; of rural communities for improvement of their public service facilities; and for business and industry that employs people in rural areas and smaller towns and cities.

The Farmers Home Administration farm credit service has existed for more than 40 years, operating through a nationwide pattern of county offices that are directly accessible to rural people. During the 1960's and 1970's, this locally based loan system has been put to use for many other purposes, taking on the administration of programs in rural housing, community facilities, and business and industry. As of the end of fiscal 1978, the total resources provided through this system over the years stood at nearly $59 billion.

More than $11 billion—nearly 20 percent of the alltime total—was moved through the agency last year alone. Its volume of service has doubled during the past 2 years, and is five times greater than in the fiscal year 1971—although last year the agency operated with only about 40 more full-time employees than in 1971.

A full understanding of the Farmers Home Administration's responsibilities and program delivery system is appropriate to important issues that will come before the Congress this year. There is the question of finding ways to perform essential Government services in the most efficient and economical manner, and to target services toward areas of greatest need. There is also the question of whether, in Government reorganization, the best means of serving rural people is to further develop a single-agency delivery system as represented now by Farmers Home Administration.

A few years ago, the Committee on Agriculture, Nutrition, and Forestry sent out a questionnaire to 4,000 rural business and governmental leaders regarding the performance of the Farmers Home Administration. The message came back loud and clear that rural people believe that the Farmers Home Administration is essential for furthering rural development. They said this agency is successful at what it does.

The political tinkerers who have been playing at reorganization of the Government are risking the loss of billions of dollars of essential services to rural America by shifting or breaking up this agency.

It has taken Congress nearly 45 years to make Farmers Home the vital service agency it has become. I will not stand by and watch this Agency diminished and shoved around by a lot of people who are only interested in promoting reorganization for its own sake.

I ask that the overview of Farmers Home Administration programs provided by the agency be printed in the RECORD.

The material follows:

OVERVIEW OF FARMERS HOME ADMINISTRATION PROGRAMS

Farmers Home Administration (FmHA), an agency of the U.S. Department of Agriculture, is now in its 44th year.

Its function is to help farmers and other rural and small town families, burdened with inadequate resources, improve their economic status and quality of life.

FmHA, in addition, assists local governments and their entities, when necessary, to finance needed facilities and services and, as needed, guarantees repayment of loans made by private lenders to non-urban business and industry, in order to help rural areas develop creatively and improve their economic base, including job opportunities.

Tools used by the agency to achieve these purposes include loans, grants, and technical assistance.

Thirty-four separate governmental programs in four general categories—farming, housing, community, and business and industry—are administered by FmHA.

Delivery of programs to recipients is accomplished through state offices and 1800 local county offices. These offices cover all rural and smalltown areas in the United States and its territories.

During fiscal year 1978 FmHA invested $11.1 billion in loans and grants to meet needs in rural America. Ninety-three percent of this investment was in the form of loans. All money for FmHA loans comes from investors who purchased governmental notes backed by the collateral which secures the loans. Table I, which follows, indicates how the $11.1 billion FmHA effort was divided and includes its relationship to the agency's over-the-years contribution to the national well-being.

TABLE I.—LOANS AND GRANTS MADE BY FARMERS HOME ADMINISTRATION IN FISCAL YEAR 1978 RELATED TO 44-YR, ALL-TIME TOTAL OF ITS LOANS AND GRANTS (1935 TO SEPT. 30, 1978)

[Dollar amounts in billions]

	All-time total 1935 to Sept. 30, 1978		Fiscal year 1978		Fiscal year 1978 percent all-time total	
	Number	Amount	Number	Amount	Number	Dollars
Farm loans	3,429,353	$24.6	155,951	$5.0	4.5	20.3
Housing loans and grants	1,341,561	22.7	122,581	3.8	9.1	16.7
Community loans and grants	30,055	7.3	3,782	1.2	12.6	16.4
Business and industry loans and grants	4,268	2.5	1,382	1.1	32.4	44.0
Total	4,805,237	57.1	283,696	11.1	5.9	19.4
Discontinued loans and grants [1]	3,304,868	1.6				
Grand total	8,110,105	58.7				

[1] Mostly made up of rural rehabilitation loans made during the years of the late 1930's to depression-stricken farm families.

Over time Farmers Home Administration has changed from administering strictly supervised credit agricultural programs in the beginning to a multifaceted credit arm for rural development.

As recently as 1960, FmHA was concerned mostly with its original mission. At that time its annual loan volume stood at the $300 million mark.

FmHA loans and grants made in FY 71 reached the $2.4 billion level. And since that time they have more than quadrupled, climbing to the $11.1 billion record set in FY 1978.

During this seven year period, meanwhile, the number of outstanding loans serviced by the agency (caseload) more than doubled, passing one million in FY 78. Also, the number of loans and grants made annually increased from 190,623 in FY 1971 to 283,696 during the year ending 9/30/78 (see Table II below). This was accomplished with virtually no increase in the number of fulltime employees working for the agency.

TABLE II.—INDICATORS OF GROWTH IN FmHA PROGRAMS FISCAL YEAR 1971 VERSUS FISCAL YEAR 1978

[Dollar amounts in billions]

	Fiscal year 1971		Fiscal year 1978	
	Number	Amount	Number	Amount
Loans and grants made (fiscal year)	190,623	$2.4	283,696	$11.1
Loans outstanding (June 30)	555,693	7.9	1,148,062	27.4
Full-time employees (June 30)	7,688		7,675	

While it is difficult to evaluate accurately the direct contribution of FmHA's $11.1 billion FY 1978 investment in rural America, it is even more difficult to precisely assess its indirect contribution thereto.

This report will therefore deal primarily with the tangible results from '78 efforts of the agency. It will be less specific in terms of indirect results—results such as the number of jobs created or saved, the increased level of bank deposits, retail trade and tax revenues created and the resulting escalation in the tempo of the economic activity flowing out of the effort—however substantial that impact may be.

Likewise, this report will not attempt to appraise, in specific detail, the 1978 impact of Farmers Home Administration loans, grants and technical assistance on the quality of life and social well-being of the people of rural America. We know for instance that FmHA has financed 200,000 single family dwelling starts in fiscal years 1975, 1976 and 1977. And we know that these new homes have done much to reduce the disproportionate number of sub-standard homes in rural areas. We do not know how to put a value emblem on that accomplishment.

Suffice to say that FmHA programs assisted 10,058,737 rural families during the year ending on September 30, 1978. Also, if one accepts the conclusions of a study that indicates that every FmHA loan and grant dollar invested in rural areas buys $2.11 of indirect economic and social benefits, the total contribution of the agency's $11.1 billion direct effort would be $23.4 billion plus the $11.1 billion for a total of $34.5 billion in benefits.

See Appendix A for a complete tabulation of loans and grants made by FmHA during FY 1978.

FARM PROGRAMS

Farm loan programs, administered by FmHA, are used to assist qualified farm families unable to satisfy credit needs elsewhere to:

Get into and be successful in agriculture,

Become farm owners,

Obtain enough operating capital to finance required inputs to achieve optimum practical output from crops and livestock and to farm on a scale sufficient to achieve and sustain efficient production and marketing,

Weather economic emergencies and natural disasters so as to bring production and income back to normal,

Conserve soil, water and other resources,

Curb pollution,

Join with others to achieve collective benefits, and

Provide outside income to supplement farm income.

In a broader sense, FmHA uses its supervised farm loan programs to:

Preserve and enhance the family farm,

Improve farm family income and quality of life.

Help recipients contribute more to the nation's economic, social and aesthetic well-being by encouraging and assisting them to participate in a system of agriculture unequaled elsewhere, create and preserve an acceptable rural environment and add to the traditional stability, the tax base and economic tempo that farmers bring to today's society.

Now that America's agriculture has evolved into a capital intensive industry, Farmers Home Administration, as a lender of last resort, is becoming increasingly involved in helping qualified families get into, stay in and succeed in farming.

During FY 1978, for instance, the agency invested more than twice as much money as ever before—$4,995,861,810—in its farm loan programs.

The sharpest FY '78 loan gains compared to FY 1977 were in three loan areas, namely operating loans—$780.6 million, up from $542.3 million; farm ownership loans—$550.8 million vs. $451.2 million; and emergency loans—$3.4 billion compared to $1.2 billion.

More than one U.S. farm in eleven—roughly 250,000 farms—are currently operated by owners because of FmHA's over-the-years farm ownership loan program.

On January 1, 1978, FmHA held nearly 6% of the total U.S. farm real estate debt and an equal proportion of the non-real-estate debt—the latter being up from the usual three to four percent because of the relatively high level of emergency loans made in FY 1977.

The proportion of the total U.S. farm real estate debt held by FmHA on January 1, 1978, however, varies significantly by states, ranging from a high of 42 percent in Maine to a low of 2 percent in Florida.

MAJOR ACCOMPLISHMENTS BY PROGRAMS

Farm ownership loan program

Farmers Home Administration contributed significantly to farm ownership by young farm families and others during FY 1978 as in previous years through its farm ownership (FO) loan program.

A total of 12,015 FO loans were made by the agency during FY 1978—9,384 initial loans and 2,631 loans to existing FO borrowers.

Initial FO loans made this year brings the total number of U.S. farms operated by owners because of the agency's farm loan program to near the 260,000 mark—just short of one U.S. farm out of each ten.

Existing FO borrowers came back to FmHA for additional loans to expand acreage, make permanent improvements, finance non-farm enterprises and refinance debts.

FO loans made by FmHA during the fiscal year totalled $474,266,230—an all-time record annual high.

In addition, private lenders loaned FmHA an additional $175 million [1] by participating with the agency in financing FO real estate loans, bringing the total level of those loans in FY '78 to $950 million.

The average age of FO borrowers is 37 years as compared to an average age of all farmers of 49 years.

Other miscellaneous FO-related loans in FY 1978, included:

3,439 individual soil and water loans totalling $53.3 million

4 grazing association loans adding up to $3.6 million

7 irrigation or drainage loans totalling $440,700 and

8 loans adding up to $10 million to finance Indian lands.

The fact that today's average U.S. farmer has real estate assets in excess of $196,000—up from $73,000 in 1970—indicates how difficult it is for young farm families and others short on resources to finance farm ownership.

Farm operating loan program

As America's agriculture became more capital intensive, more operators, low on net assets, found it necessary to come to Farmers Home Administration for operating capital.

[1] This figure is estimated and is based on FY 1977 FO loan participation by private lenders.

Annual production expenses per farm are currently averaging better than $35,000. The average U.S. farmer has invested about $56,000 in machinery and other non-real-estate assets, up from $25,800 in 1970.

FmHA farm operating loans have crept up annually from $275 million in FY 1971 to $780.6 million in FY 1978. The number of these loans made annually, however, has not changed materially during those years, ranging mostly between 40,000 and 50,000 loans per year.

This year (FY '78) 49,414 FmHA farm operating loans were made. Of these loans, 22,176 were initial loans averaging $21,000 each. This average figure has increased almost $4000 since 1976.

In FY 1978, 1381 FmHA farm operating loans were "youth loans" going to rural young people for projects supervised by 4-H advisors, FFA teachers and others.

Emergency loans

Three types of emergency loans were made by Farmers Home Administration in FY 1978:

1. Emergency (EM) loans (direct and guaranteed).—89,119 EM loans were made in FY 1978. These loans totaled $3.4 billion—an all-time annual high, being over twice the level of the previous top year, 1977. EM loans are made to assist eligible farm operators, hard hit by natural disasters, overcome losses and setbacks, regain assets and production and remain in farming.

2. Emergency livestock loans (EL) (guaranteed).—FmHA guaranteed payment of principal and interest, up to 90 percent, of emergency livestock loans made by private lenders to 451 farmers and ranchers. These loans totaled $75.1 million. They were made to bona fide livestock operators to help them overcome severe temporary economic setbacks.

3. Economic emergency loans (EE) (direct and guaranteed).—This new loan program was signed into law by President Carter on August 4, 1978. It is designed to help farmers and ranchers facing economic hardships and disaster, from the impact of the cost/price squeeze, weather the crisis. The agency may either make such loans or guarantee those made by a private lender, provided, of course, that the applicant is unable to get the money from a regular private lender without the guarantee. This is a temporary program, authorized through May 15, 1980. FmHA may carry as much as $4 billion of EE credit outstanding at any one time. The agency made 1463 such loans totaling $108.3 million in the closing weeks of FY 1978.

RURAL HOUSING PROGRAMS

The investment made by Farmers Home Administration in improved rural housing for low and moderate income families has escalated sharply in recent years as:

The cost of homes increased faster than family income, reducing disproportionately the "affordability" of home ownership for low income Americans.

The long and massive outmigration of country people to urban centers was reversed creating new demands beginning in the early 1970's, for housing in rural and smalltown areas. The population of non-SMSA areas increased almost 4 million people between 1970 and 1975.

Rural households increasingly used FmHA loans to modernize and improve the disproportionate share of the nation's substandard homes located in non-metro areas—substandard occupied non-metro housing units have been reduced from 3 million in 1970 to 2 million today.

Private lenders such as country banks and savings and loan associations often shun home loans in rural areas. Also HUD and VA concentrated their home loan efforts mostly at urban areas.

FmHA is currently financing:

One out of every five *new* homes currently under construction in non-metro areas, and

One out of every 22 *new* homes currently being built in the nation. (assumes 2 million housing unit starts)

Over time (1949 through 9/30/78) the agency has financed-construction or purchase of close to 746,000 *new* single family homes and around 163,000 apartment units, making a total of 909,000 new home units.

With something like 23 million housing units (1975) located in non-metro areas, new units financed by FmHA account for approximately one unit out of every 25 in rural America.

Add to the above units the existing homes FmHA has financed since 1949, (all of which have met minimum property standards) and one can begin to understand the contribution FmHA has made in helping families improve their health, safety and quality of life conditions in rural areas.

FmHA has made an investment in America's strength, through its housing programs because:

National policy specifies that all Americans should live in a decent home

Good housing strengthens family life, and

Home owners generally make better citizens.

Major FmHA housing programs provide loans so that families in the lower income bracket, who cannot qualify for conventional credit, may own a home of their own. These loans are repaid, with interest. Other agency programs provide low cost rental housing (apartments) for families and elderly people in rural areas, loans to repair and improve existing homes, farm labor housing and self-help construction of homes. Grants, interest credits and rent supplements are also available to people displaying grave need.

In fiscal 1978, FmHA made nearly 117,382 loans totaling $2.7 billion low and average income families for home ownership or improvement. In addition the agency financed, with loans totaling $676 million, 1,451 multi-family apartment (rural rental) projects in rural towns. These projects brought modern housing to more than 20,000 elderly or low income families.

FmHA's total housing investment in FY 1978 amounted to $3.8 billion including loans, grants and rural rental assistance—up from $3.1 billion in FY 1977.

Major accomplishments by program

Homeownership; Section 502: During FY 1978, 112,500 families, averaging 3.4 persons, used FmHA loans to build, buy or improve a home—their residence.

The average loan was $25,066 (1977 figure) and the average home built contained 1,057 square feet of living space. And approximately 60 percent of these borrowers had incomes low enough to qualify for an interest credit, which reduced their interest rate to an average of 2.9 percent.

The on site labor involved in building the new FmHA financed apartments and homes in FY 1978 provided 27,410 jobs in rural areas (excluding jobs created in the production and distribution of the materials, equipment and supplies used).

Very-low income home repair loans; section 504

These loans are made to families who cannot qualify for section 502 loans. One purpose of the loans is to help families remove health and safety hazards. Loans go for insulation and weatherization, roof replacement or repair, and installation of indoor bathrooms, running water and other needed repairs. Nearly 5,000 families received such loans during the year—these loans totaling just under $12 million. The interest rate on these loans was one percent and the average loan totaled $2,400. Grants are available for those over 65 years of age who need "504" loans but are unable to afford them.

Three thousand six hundred nine such grants totaling $9 million were made during the fiscal year.

Rentals; Section 515: Rural rental loans are made to individuals, trusts, cooperatives, public, private and non-profit corporations and public agencies to build rental apartments for low income people and senior citizens. In fiscal year 1978, 1,466 of these apartment complexes were financed providing good housing for about 29,000 families.

Other FmHA housing programs

During FY 1978, 75 labor housing loans totaling $10 million and 11 labor housing grants equalling $7.75 million, were made. These loans and grants were made primarily to help provide improved housing to migrant farm workers.

Thirty self-help rural housing assistance grants were made during the year to provide needed assistance to groups of families who had joined together to assist each other build their own homes. These grants totaled $3.6 million.

Eight rural housing site loans were made in the total amount of $2.9 million.

COMMUNITY PROGRAMS

Farmers Home Administration made its first investment in non-farm rural community development following passage of the Water Facilities Act of 1937.

Since that time, particularly since the early 1960's, its authorities and responsibilities to encourage and assist rural and smalltown areas to develop have been materially expanded.

Today, as a result, FmHA is a major financial force in helping these areas achieve development. During fiscal 1978, for instance, the agency's loans and grants for community and job-producing business and industry purposes (excluding farm and housing programs) exceeded $2.3 billion.

The Congress has increasingly used FmHA to help the nation achieve balanced growth. The present attitude of the Congress is summed up in this policy language adopted as part of the Agricultural Act of 1970: "The Congress commits itself to a sound balance between urban and rural people . . . the Congress considers this balance so essential to the peace, prosperity and welfare of all citizens that the highest priority must be given to the revitalization and development of rural areas."

Many rural areas, weakened by the loss of human and financial resources associated with the long out-migration of millions of their people to urban centers, are now hit by heavy demands for additional facilities and services. These demands in part are an outgrowth of the rural turnaround which has brought, since 1970, a large net-inmigration of urban people into non-metro areas.

The Bureau of the Census reports that 6.2 million people—one person in eight (five years old and older)—in non-metro areas in 1975 has moved there from a metro area since 1970.

Without FmHA assistance, many communities do not have the ability to sell bonds or otherwise finance health, sanitary, educational, transportation, police, fire, business and other needed facilities and associated services.

The problems faced by these communities in financing community improvements grow out of these conditions:

Small governmental entities have difficulty selling bonds. They often have not established a credit rating. And bond buyers are usually uninterested in small bond issues.

Country banks as a rule are not equipped to make large, long-term loans.

Rural and smalltown people often cannot afford to pay the full cost of EPA mandated or other sewer and/or water systems and some other community facilities. Per capita income in rural areas is considerably below that of urban centers. A greater proportion of their people live below the poverty line. The per capita cost of some of those facilities exceeds that of urban areas.

Major accomplishments by program

Water and Waste Disposal Loans: During the year ending September 30, 1978, FmHA made 1,702 water and waste disposal loans totalling $750 million. This brought the total of such loans made by the agency since its beginning to that date to 18,324. These loans total $4.87 billion. Outstanding loans in this FmHA category now total $2.8 billion.

Over time, of course, more than one loan has been made to many borrowers. Hence the total number of water or waste disposal systems or combinations for which FmHA has provided financing for installing, expanding or modernizing is estimated to be 11,396.

This is the largest effort in history to provide rural people with area-wide safe running water, and to take raw sewage from smalltowns out of streams and lakes.

Water and Waste Disposal Grants: These grants are used when necessary to lower FmHA sewer and/or water system loans to a point that will enable users to pay back the loan over time without being subjected to monthly bills that are beyond their ability to pay. These grants may go up to 75 percent of the cost of the system. They are based on a formula to bring user costs to a reasonable level.

In the fiscal year 1968, 1,464 such grants totalling $304 million were made, bringing the total number of these grants issued during the life of the agency to 8,403 ($1.3 billion).

Community Facility Loans: The Rural Development Act of 1972 expanded FmHA's community programs to include any needed rural or smalltown community facility. Prior to that legislation, the agency's community efforts were restricted to water and waste disposal loans and grants. Since the act was passed 1,775 loans totaling $950 million were made.

During fiscal year 1978 FmHA financed many types of community facilities. Those facilities, when construction and installations are completed, will serve more than 6.5 million people. A substantial portion of the facilities fall in the health category—71 hospitals, 37 nursing homes, 22 clinics and four other medical facilities.

The largest number of 1978 community loans—167—went to public safety, mostly fire stations and fire fighting equipment. Another large number of loans—132—went for public service facilities, such as town halls, community centers, libraries, recreational areas and equipment and streets, bridges and parking lots.

Business and Industry Loans Guaranteed by FmHA: Adding to the local economic base and creating and preserving local jobs is a mainspring of rural development. Because non-farm jobs in rural areas are currently increasing twice as fast as job opportunities in metro areas, it is possible for many local people (as well as new residents) to find employment locally—instead of having to pull up roots and move to distant cities. One-eighth of all U.S. rural jobs in 1975 did not exist in 1970.

Farmers Home Administration helps to expand the economic base of local communities and to create and preserve rural jobs by guaranteeing job-related business and industry loans made by local private lenders.

During the life of this program, begun in 1974, FmHA has guaranteed 3,397 "B and I" loans. These loans total $2.34 billion. In fiscal year 1978, 1,213 of these loans amounting to $1 billion were made.

Other FmHA community programs

Industrial Development grants are made, when needed, to help local governments provide facilities or services needed by business to locate or expand within their boundaries. FmHA has made 671 of these loans totalling $59 million from the date of first authorization through September 30, 1978.

Watershed and flood prevention loans are sometimes made by the agency to help municipal organizations and various types of special districts finance their share of watershed project costs. Over the period which ended September 30, 1978, FmHA made 457 of these loans totalling $140 million.

Resource, conservation and development (RC&D) loans, made by FmHA are designed to help local organizations (public agencies and non-profit corporations in designated RC&D areas) finance development, conservation and utilization of area resources wisely. Since the beginning of this program to the end of fiscal year 1978, the agency has made 247 of these loans totaling $21 million.

Beginning in fiscal year 1978, Farmers Home Administration started making rural development planning grants to governmental entities or non-profit planning groups. By the end of fiscal year 1978, 145 of these grants for $5 million had been made.

FARMERS HOME ADMINISTRATION FACTSHEET—FISCAL YEAR 1978

Did you know that FmHA—

Provided $11.1 billion of financing for agriculture, community facilities, housing and business and industrial development. This dollar volume exceeded the FY 1977 total by $3.9 billion.

Financed more than 120,000 individual homes and 1,466 multi-family rental housing projects, many designed especially for senior citizens.

Introduced an FmHA rental assistance program to provide rent for low-income families in rural apartments built with FmHA loans.

Farm loans totaled nearly $5 billion, doubling the previous record year.

Made 65,000 loans to family-size farmers for ownership, operating and other farm purposes.

Made nearly 90,000 emergency loans to restore farm operations disrupted by natural disaster.

Launched a $4 million economic emergency loan program to refinance farmers adversely affected by economic conditions.

Guaranteed 451 emergency livestock credit act loans made by commercial lenders, totaling $75 million.

Made loans totaling $750 million and grants of $304 million for some 2,000 water and waste disposal projects in rural areas.

Approved nearly 450 loans totaling $250 million for other types of community facility projects, including hospitals, medical centers, nursing homes, fire stations and equipment, emergency rescue equipment, recreation centers, community buildings, and others.

Did you know that FmHA—

Guaranteed $1 billion of business and industrial development loans made by private lenders, and made $10 million of grants to improve rural industrial sites.

B & I loans created or preserved about 100,000 jobs in rural areas.

Administers loans and grants through 46 state, 242 districts and 1,853 county offices serving the 50 states, Pueto Rico, Vigin Islands and Pacific island territories.

Is restructuring service delivery to make county offices responsible only for individual farm and housing loans while district offices handle group and community project loans and grants.

Has made more than 8 million loans and grants totaling $49.76 billion during its 43-year history.

Now carries 1¼ million active loan accounts totaling $30 billion.

Had to write off as uncollectable only about 1 percent of advances in all programs in FY 1978.

APPENDIX A

FARMERS HOME ADMINISTRATION—U.S. DEPARTMENT OF AGRICULTURE

LOANS AND GRANTS BY PROGRAM—FISCAL YEAR 1978

	Number of loans or grants	Amount
Farmer programs:		
Farm operating loans	49,414	$780,627,800
Farm ownership loans	12,015	550,846,500
Recreation loans (individual)	11	1,504,230
Emergency loans	89,119	3,411,808,200
Economic emergency loans	1,463	108,295,180
Grazing association loans	4	3,649,200
Soil and water loans (individual)	3,439	53,552,980
Irrigation and drainage loans	7	440,700
Indian land acquisition loans	8	10,000,000
Emergency livestock loans	451	75,137,020
Farmer programs, total	155,951	4,995,861,810
Rural housing programs:		
Low-moderate income housing loans	112,559	2,691,300,930
Very low income repair loans	4,823	11,941,510
Very low income repair grants	3,609	9,000,080
Rural rental housing loans	1,466	675,944,550
Rental assistance program		348,243,295
Rental housing (17,996 units)		312,359,388
Labor housing (2,084 units)		36,483,907
Farm labor housing loans	75	9,998,390
Farm labor housing grants	11	7,750,000
Site loans	8	2,923,730
Self-help housing grants	30	3,645,920
Housing programs, total	122,581	3,761,348,405
Community programs:		
Water and waste disposal loans	1,702	749,995,800
Water and waste disposal grants	1,464	303,906,660
Community facility loans	447	249,997,000
Industrial development grants	169	10,000,000
Business and industrial loans	1,213	999,978,030
Watershed and flood prevention loans	19	11,691,600
Resource conservation and development loans	5	1,137,000
Rural development planning grants	145	5,000,000
Community programs, total	5,164	2,331,709,090
FmHA program totals:		
Loans	278,268	10,400,770,350
Grants	5,428	688,148,955
Total, FmHA program	283,696	11,088,919,305

*Excluding 154 grants totaling $22,183,030 administered for other agencies.

AN IMPORTANT ASSESSMENT OF THE ALASKA HIGHWAY GAS PIPELINE

● Mr. KENNEDY. Mr. President, a research institute at the University of Alaska has written for the Alaskan Legislature a document which should be required reading for all those who want to know where the Alaskan gas pipeline stands today. It is a lengthy document but it is so forthright, so intelligently written and so useful to experts and laymen alike that it should be made available to the Senate and the public.

This document contains a thorough review of the expectations of both the Congress and the executive branch concerning the obligation of the Federal Government to guarantee the costs of building all or a portion of the pipeline. Clearly no Federal Government assistance of this kind was anticipated at the time the project was authorized in 1977. As President Carter stated to the Congress in September 1977:

> Novel regulatory schemes to shift this project's risk from the private sector to consumers are found to be neither necessary nor desirable. Federal financing assistance is also found to be neither necessary nor desirable, and any such approach is herewith explicitly rejected.

Yet, this report makes clear that Federal financial guarantees are, in all likelihood, going to be requested of the Congress and recent testimony by Secretary Schlesinger before the Joint Economic Committee conveys this same impression.

The report is filled with warnings about the pipeline which are refreshing for their realism and candor. For example, the report notes:

> The economics of the project are so fragile, the risks are so large, and the number of crucial actors and actions so diverse, that the project can not possibly succeed in the face of active opposition, unrealistic or unreasonable demands, or even poor judgment or clumsy management by the sponsors, the producers, FERC or other units of the Federal Energy Department, Canadian interests, or Alaska. Thus, several parties each have the power to kill the pipeline project, at least as it is now planned, organized and scheduled.

I commend the authors, Arlon Tussing and Connie Barlow, for their contribution to public understanding of this issue and ask that the report "The Alaska Highway Gas Pipeline: A Look at the Current Impasse," prepared by the Institute of Social and Economic Research of the University of Alaska, be printed in the RECORD.

The report follows:

THE ALASKA HIGHWAY PIPELINE: A LOOK AT THE CURRENT IMPASSE

PREFACE

During the 1978 legislative session the legislature and the administration in the State of Alaska were approached by the sponsors of the Alaska Highway Gas Transportation System with the request that the state participate in the equity financing of that project. It was expected that this proposal would be an important issue before the legislature during the 1979 session.

In order to assist the legislature in evaluating this project and establishing policies with respect to it, the Legislative Affairs Agency contracted with the University of Alaska's Institute of Social and Economic Research for the preparation of several analytic reports. The first of these, detailing the financial, economic, and political environment in which the gas industries operate, was published by the agency in November of 1978. The second study, presented here, looks more directly at the Alaska Highway Project, examining in detail the events that led up to the current impasse, and the options available for the state if it wishes to influence events in the future.

A third and final report, in addition to integrating the results of the first two studies, will examine various methods by under which the project might be structured to go forward. This final report will be submitted to the agency in March of 1979, and will be made available to the public shortly thereafter.

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INTRODUCTION: CRITICAL PATH VS. CRUCIAL ISSUES

In August 1978, when the Legislative Affairs Agency and the University of Alaska defined the scope of the present study, the Agency and the authors both felt a need to explore the "critical path" of events upon which construction of the proposed gasline depended. Our intent was to present a clear picture of how the myraid of decisions on detailed routing, engineering design, gas pricing, sales, rates of return, conditioning costs, tariffs, sponsorship, and so forth, all fit into the grand scheme of getting the Alaska gasline project organized, designed, financed, built and into operation, and within that context to examine how and when State decisions on financing and royalty gas sales could or would have to be made.

During the 1978 legislative session, the pressure was on the State to act—and act soon. The prevailing view within Alaska was that the eyes of the nation were turned northward, and that the State was in the spotlight to make the next move.

Under this asumption the Alaska Department of Natural Resources called for bids from potential purchasers of the State's royalty gas. The Governor and Legislature also responded promptly to the pipeline sponsors' request that the State establish a financing authority to issue tax exempt revenue bonds for the pipeline. But since no one really knew how much royalty gas was for sale, nor when it would be available (if ever), the solicitation evoked no serious bids; the financing authority proposal receded into obscurity with no serious attempt by the pipeline sponsors to obtain the necessary tax exemption from the 95th Congress.

After the 1978 Legislature adjourned, it became clear that further State action on gas sales and a decision on whether or not to participate in equity financing were not of critical importance—at least not immediately. Instead attention turned to the President's energy program, with the future of the Alaska gasline ostensibly hanging on favorable Congressional action in setting a "wellhead price" and authorizing "rolled-in" charges to consumers. Action came in October with passage of the National Energy Act. Since that time, Northwest Pipeline Company (the project leader), the Federal Energy Regulatory Commission (FERC), North Slope gas producers, and Canadian interests have been passing the buck back and forth, dickering about incentive rates of return, Canadian exports to enable pre-building, the meaning of the pricing provisions in the new energy legislation, and conditioning costs.

But even these issues are not of critical importance. While it may be fashionable to focus on one or more of them and to blame FERC, Northwest, the producers, Canada or somebody else for holding up the project, each issue is only a manifestation of more fundamental problems. And while conflict over, say, the incentive rate of return may seem to be resolved at some point, something else will inevitably arise to cause trouble until the fundamental problems are dealt with.

At an early stage of investigation, the authors discovered that neither the pipeline sponsors nor the Federal Energy Regulatory Commission (FERC) had mapped out the critical path of the project for themselves. Northwest Alaskan had only a calendar of mileposts it hoped to achieve, while FERC had a meticulously detailed chart of its own internal procedures with respect to the pipeline, related at some points to required actions of other federal agencies. Neither party, however, incorporated into its diagrams the crucial prerequisites for financing of the project, nor the order in which they needed to be accomplished. This lack may not be a problem; however, a critical path chart is not only unnecessary at this time, but would probably be misleading. What is holding up the project is not the scheduling and resolution of a host of individual events—incentive rates of return (IROR),[1] conditioning costs, gas sales contracts, etc.—but a resolution of the basic question of who will bear what risks, and in return for what benefits?

Emphasis on specific events has tended to draw attention away from the more basic questions of risk allocation. Moreover, it will be impossible to determine how particular events must interrelate—even to determine which events are part of the system—until these broader issues are faced. Once the problems are in fact resolved (assuming the resolution is sound), the scheduling of reports, permits, engineering designs, procurement, mobilization and the like, are no longer critical policy problems. The sponsors' engineers, construction managers, lawyers and contractors, together with an army of federal and state bureaucrats can work things out.

A good illustration of the difficulty of dealing with risk allocation in a piecemeal, sequential fashion is the current IROR dilemma. On the one hand, the governments of Canada and Alberta, the Foothills group (the Canadian sponsors of the pipeline), and even Northwest all maintain that they will not know whether their own equity participation makes sense until firm figures are set for equity rates of return. On the other hand, FERC maintains that specific figures cannot be inserted into the rate of return formula until it is clear just how much risk the sponsors will bear. Hence, there is a stalemate; and a stalemate in which *neither* side is necessarily being unreasonable.

The crucial issues cannot be resolved sequentially. There is no critical path of such events that can work. The most important parts will all fail into place at one time—or not at all. While this concept is difficult to accommodate within the rigid strictures confining most governmental actions, it is the conventional way of operating in the private sector—at least for solving basic problems of project scope, organization and financing.

This point was recognized by Congress in the Alaska Natural Gas Transportation Act of 1976 (ANGTA), which preceded and directed Presidential selection of a transportation system for Alaska natural gas. That Act made special allowance for the executive branch to study and deliberate over the best means for moving Alaska gas, unhampered by the adversarial method of "adjudication" that is customary in public utility regulation—a system that evolved to ensure accountability and to protect the public interest, but which inevitably causes confusion and delay where projects are large or the issues complex. While Congress provided an

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opportunity for continuing a flexible mode of deliberation and decision, even after the President selected a general system concept and a party to build it, the executive has thus far failed to make much use of this opportunity. The Federal Inspector called for in ANGTA has not been appointed, and FERC is making only limited use of the waiver of "ex parte" restrictions (which otherwise forbid the Commission and its staff any contact with interested parties outside of a public adversary proceeding), choosing instead to "negotiate" with the sponsors through a traditional semi-formal rulemaking process.

This paper will explore not only the fundamental question of risk allocation but also why both the federal government and the pipeline sponsors have failed to face up to the issue. Within this context we will lay out a variety of possible strategies for state action.

TROUBLING CHARACTERISTICS OF THE ALASKA GASLINE PROJECT

Almost everyone knows that the Alaska Highway gas pipeline venture is floundering: government officials, businessmen, bankers, and the press are expressing more frequent and deeper doubts about whether the project will be completed on schedule—or ever. The problems and conflicts now confronting the pipeline project have grown out of three troubling characteristics: (1) its marginal economics, (2) the accompanying uncertainties and risks, and (3) the need for an explicit allocation of those risks.

1. *Marginal Economics.* A recent report completed for the Federal Department of Energy[2] and submitted to the legislature in conjunction with the author's first report sets out the reasons why the Alaska Highway gas pipeline is a marginal venture *at best* from a business standpoint, and is subject to substantial risks of an ordinary commercial sort. It would still be a marginal venture if it did not face any catastrophic risks such as non-completion or enormous cost overruns. The precariousness of the gasline's economics contrasts sharply with that of the TAPS oil pipeline which, because of the great margin between the cost and market value of the oil, has remained viable even in the face of huge cost overruns and a reduced throughput caused by the Congressional prohibition on exports.

Gas delivered through the Alaska Highway system would cost Lower 48 customers more than twice today's prices for fuel oil, and although oil prices are almost certain to keep rising, there is no assurance that Alaska natural gas will be saleable in competition with other fuels over the project's entire economic life. "Rolled-in" pricing of the gas at the wholesale and retail levels would reduce the marketability risk, but cannot totally eliminate it.[3] A "full cost of service" tariff coupled with rolled-in prices at wholesale theoretically would protect the pipeline and its investors from this risk by shifting the problem "downstream" to local gas distributors.[4] But even these devices beg the question: What would happen to the pipeline's finances if distributors could not or would not pay their bills, or if state utility commissions ordered them not to do so?

2. *Uncertainties, Scale, and Resulting Risks.* Catastrophes such as TAPS-like cost overruns, engineering or regulatory problems that would prevent completion of the project after actual construction had begun, or a prolonged interruption of gas production are not very likely, but they are clearly possible. The gasline project is so large that its failure would be devastating to the pipeline sponsors, the gas producers (if they were to sink capital into conditioning and other facilities in the field), the lending institutions, the economy of Canada, and the political fortunes of the Canadian government. The exposur of these parties is magnified not only by the huge investment required, but also by the span of time over which favorable conditions must continue—several more years for project organization, followed by 3 or 4 years of construction and another 20–25 years of gas production, line operation and successful marketing.

3. *The Need for an Explicit Allocation of Risks.* Thus, investors in the Alaska Highway project face two kinds of risk: (a) the chance that the cost of Alaska gas will exceed its market value, even if there are no unpleasant surprises connected with the construction or operation of the pipeline itself, and (b) the possibility of such surprises. The project can not be financed unless there is a creditworthy party or group of parties both large enough *and willing* to bear both kinds of risk.

Traditionally, large transportation projects have been "conventionally" financed, that is, in a way that the sponsors are assumed to bear all risks. "Project financing" as proposed for the Alaska guideline, however, is a relatively new technique in which the sponsors risk only their invested equity capital.[5] The sponsors will *not* be liable for debt service; all together, their net worth is not large enough to meet this responsibility even if they were willing to do so. Lenders, on the other hand, cannot afford to take *any* risks when the stakes are so great. They must therefore be assured that some other creditworthy party will assume responsibility for scheduled payments of debt and interest in the event of project non-completion or a shortfall in revenues during some 25 years of operations. The transfer of these risks onto such parties must, therefore, be tight, complete, and explicit—especially for a project such as this in which any lender is asked to commit a substantial fraction of its total resources. This need for an explicit and satisfactory allocation of risks from the lenders' standpoint has not yet been satisfied, and the pipeline project will continue to flounder until its sponsors and the federal government address the problem directly.

PURPOSES OF THE PIPELINE AND THE PROSPECTS FOR PROJECT SUCCESS

The paramount reason the various parties have not decided who is to bear the pipeline's risks is the lack of agreement among them, and particularly within the United States federal government, about the *purposes* of the project:

> Is the pipeline *an ordinary business venture* (albeit a very large one) designed to move the reasonably certain volumes of gas deliverable from the Prudhoe Bay field at costs competitive with alternative fuels, while giving its sponsors a public utility-type return on their investment?
>
> Or is it, rather, *a national or bi-national strategic enterprise*, to (a) insure United States and Canadian economies against an interruption of Eastern Hemisphere oil imports even if the private commercial benefits of so doing are insufficient . . . (b) to open up the Arctic and provide spare capacity for future gas discoveries which, while now only speculative, may be discoveries which, while now only speculative, may be many times larger than the known reserves at Prudhoe Bay . . . and (c) to tie together, materially and symbolically, the energy security and economic welfare of the United States and Canada?

In the 1975–76 debate before FERC's predecessor, the Federal Power Commission (FPC), over the route of the Alaska natural gas transportation system, all parties tacitly assumed that the system ultimately chosen would be commercially viable *and* serve strategic purposes (though those purposes were defined differently by the competing applicants). The President's September 1977 decision and Congressional approval of that decision pointedly declined to face up to whether the pipeline should go ahead as an essential national project even if it could not be justified (or financed) on the basis of straightforward business calculations. In part, the Alcan system was chosen by the President and approved by Congress because it was the only one of the three proposals whose sponsors argued that they would *not* need any sort of government financial assistance.

This expectation may or may not have been realistic two years ago, when most energy experts in industry and government believed that the shortage of natural gas in the United States would continue to grow relentlessly, and that the only practical alternatives to increasingly expensive and insecure foreign oil would be Alaska gas, synthetic gas, and equally expensive but insecure imported LNG. It was, at worst, a widely shared expectation, given the assumptions that prevailed at that time. In the last few months, however, the economic outlook for the Alaska gas pipeline—along with other supplemental gas projects—has clearly and radically changed:

Instead of a growing gas shortage, the United States is facing at least a short-term surplus, while both Canada and Mexico are wrestling with the domestic politics of managing gigantic gas resources almost unimaginable two or three years ago.

It is becoming apparent that the demand for gas not only has tangible limits imposed by the cost of alternative fuels (chiefly oil), but that demand may indeed be approaching those limits, at least in some U.S. transmission and distribution systems, and even with the existing system of rolled-in pricing.

There is far less conviction among energy experts than there was only a year ago that there will be a world shortage of crude oil in the 1980's. Despite the current Iranian crisis, which permitted OPEC to raise prices sharply for 1979, many analysts now doubt that the real price of oil (and with it, the market value of gas) will continue to escalate.

Because of the current supply bulge, and because gas demand has not been growing at the rates projected in the past, Alaska gas may not be economically competitive or needed at least until several years after the planned completion date of the pipeline.

The prospect for an early connection of gas supplies from Canada's Western Arctic has been diminishing, because slower growth in demand and new discoveries in the Western Provinces have pushed back Canada's own need for frontier gas well into the next century.

With the now recognized magnitude of North Slope gas conditioning costs, the interest of the Prudhoe Bay gas producers in gas sales has weakened, particularly if they would be required to invest billions of dollars in conditioning and other facilities in the field.

One implication of these changes is inescapable: the Alaska Highway gas pipeline can *not* now be financed and operated as an ordinary commercial venture, even if it might have been so financed and operated under the assumptions that prevailed from 1974 through 1977. This assertion can remain even mildly controversial today only because the sponsors of the pipeline project, the President and the Secretary of Energy feel compelled to give lip service to the assurances about private financibility they made in 1976 and 1977, as if everything were still the same.

ORIGINS OF THE CURRENT IMPASSE

Two and three years ago the notion that a transportation system for Alaska natural gas could meet conventional market and cost-benefit tests was not terribly controver-

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sial. But it was also generally believed that financing such a system would require extraordinary measures to shift construction and operating risks to consumers, the federal government, or both. The two original applicants, Arctic Gas and El Paso, held that in addition to rolled-in pricing, the project would need an "all events full cost of service tariff,"[6] whereby consumers would pay all of the system's costs whether gas could be delivered or not, *and* federal loan guarantees.

While most of the private intervenors and governmental witnesses before the FPC agreed that *some* such measures would be necessary and acceptable, they did not agree on which ones. Consumer advocates and some state utility commissions vehemently opposed all-events tariffs, while Treasury Department officials were worried about the precedent that governmental backstopping of the project would establish. Treasury's concern is reflected in a July 1977 interagency report to the President, *Financing an Alaska Natural Gas Transportation System:*

One serious concern is that Federal financial assistance will create *subsidies which may cause an underpricing of gas and a misallocation of scarce energy and economic resources.* Another serious concern is that assistance by the government in this instance will set a precedent which will make it difficult to find willing parties to support other large energy projects without government assistance. Such a precedent could have long term adverse consequences for the national economy.

Even if Federal assistance were ultimately found necessary to finance the project, it should not be provided *in lieu of* risk bearing by other parties. *Direct beneficiaries of the project [Alaska and the gas producers] should remain obligated to bear the project risks to the largest extent feasible,* and any taxpayer risk should be residual and subordinate.[7] [Insertion added emphasis in original].

Members of Congress also were concerned whether any Alaska gas transportation system could be built without backstopping from the federal government. Observing the enormous overruns on the Trans Alaska oil pipeline, they feared that self-serving and unrealistic cost estimates by project sponsors, accepted by gullible government officials, would lead the FPC to certify one of the three proposed pipeline projects on the theory that it could be financed wholly by private capital—only to have the sponsors come back a couple of years and several billions of dollars later appealing for the government to rescue a vital national effort on which thousands of jobs, and a large part of the nation's energy supply, now depended.

Congress deliberately and specifically addressed this concern in the Alaska Natural Gas Transportation Act of 1976, which required the President to submit:

". . . a financial analysis of the transportation system designated for approval. Unless the President finds and states in his report . . . that he reasonably anticipates that the system he selects can be privately financed, constructed and operated, his report shall also be accompanied by his recommendation concerning the use of existing Federal financing authority or the need for new Federal financing authority.[8]

Members of Congress, to be blunt, wanted the President to assure them that they were not being gulled or sandbagged, and to let them know whether loan guarantees or subsidies were likely to be needed, *before* they voted to approve any Presidentially recommended gas transportation project. While they obviously would have preferred to find that a transportation system could be built without consumer or government guarantees of any kind, there is no evidence that either the executive branch or Congress had prejudged the issue in 1976.

A third contestant, the Alcan Pipeline group, filed an application in May 1976; Alcan asked neither for an all-events tariff nor for government backstopping; there were good reasons to believe that the Alcan proposal was less risky than its rivals. In its original form, at least, the Alaska Highway project would involve the smallest capital outlay among the three proposals. It would be built alongside an existing pipeline and highway, using conventional technology and conventional construction methods. The Canadian applicants had experience in building gas pipelines through rugged mountains, muskeg, and permafrost—building them on time and within budget. And the project was relatively immune from controversy over Native claims, environmental impacts, or safety.

In essence, the Alcan group distinguished itself from the other two applicants by its willingness to explore ways for reducing the uncertainties and risks, rather than simply loading those risks onto consumers and the government. A good illustration is Alcan's scheme to reduce the noncompletion and cost overrun risks through collection of an additional pool of capital before construction even begins. Nevertheless, while Alcan was able to *reduce* many of the risks inherent in the rival proposals, unless the risks are effectively *eliminated* somebody still has to be willing to bear them.

Artic and El Paso took a more forthright but politically difficult position in centering arguments on effective *risk allocation* through government and consumer involvement. On the other hand, Alcan took the politically attractive but impractical approach in centering its pleas on *risk reduction*, in hopes of eliminating the need for consumer or government support. Unfortunately, this latter approach moved well beyond promising simply to try harder than the other applicants to finance the line privately; instead the applicants gave at least the impression of an absolute "we can!" Today it is apparent that a strategy midway between the two extremes is the only realistic approach—on both a practical and political level. Such a strategy would first entail a thorough attempt to reduce risks, in order to make government or consumer participation politically palatable; then efforts are needed to find ways to apportion remaining risks effectively and fairly among *all* "beneficiaries" of the project, including the federal government and consumers, but not just the federal government and consumers.

"HE WHO RIDES THE TIGER . . ."[9]

The Alcan sponsors had made the President an offer that was very difficult to refuse. He took their optimistic claims at face value, accommodated the Treasury Department's fears, and gave Congress the assurances it hoped to hear. In his *Decision and Report*, President Carter stated:

The Alcan sponsors and financial advisors have stated the Alcan project can be privately financed. The financial analysis above supports this conclusion. Therefore, *it is reasonable to anticipate that the Alcan project can be financed in the private sector.*

Novel regulatory schemes to shift this project's risks from the private sector to consumers are found to be neither necessary nor desirable. *Federal financing assistance is also found to be neither necessary or desirable, and any such approach is herewith explicitly rejected.*[10] [emphasis added]

Thus the project sponsors and the Administration hooked Congress—and themselves. Their failure to address the financing question openly and realistically from the beginning has sowed seeds of suspicion that could well prove fatal to the project, or at least to its present sponsors, when and if they finally decide to ask for federal help. Moreover, the optimism of Northwest and the President that loan guarantees or unconventional tariff designs *would not be needed* has seemingly been turned into a Congressional dogma that such assistance absolutely *shall not be given.*

The members of Congress who deliberated on and drafted the Alaska Natural Gas Transportation Act were fearful that something would be put over on them; later they were skeptical of the President's finding and took great pains to state their concerns and intentions. The report of the Senate Energy Committee approving the Presidential decision is worth quoting at length:

While the Committee has reservations about the ability of the Alcan project sponsors to secure the necessary private financing, we are recommending approval of the President's decision based upon the unqualified assertions made by the administration and Alcan officials.

It is essential for the project's sponsors to proceed with their financing arrangements as promptly as possible. The State of Alaska, the producers, and most of all the project sponsors should bear in mind that the door to the Federal Treasury has not been left open to them. *We have taken the administration's and the sponsors' assurances at face value and are placing our reliance upon them.*

The Committee cautions the Administration and the sponsors against taking a back door approach to Federal financing. We are, of course, aware of the possibility that the Federal Energy Regulatory Commission may be tempted to devise a new type of tariff, or a special type of well-head price policy, that would in essence be a "back door" or indirect approach with the same practical effect as direct Federal participation in project financing. We intend to monitor the project's progress closely and caution that *financial "gimmicks" involving consumer risk-taking via the Federal Treasury or via special tariffs will* not be tolerated by the Congress. [emphasis added][11]

Congressional spokesmen reiterated this attitude once more in the Fall of 1978. The Conference Report accompanying the Natural Gas Policy Act stated that the conferees:

. . . agreed [reluctantly, we must add] to provide rolled-in pricing for natural gas transported through the Alaska Natural Gas Transportation System and for the cost of transportation because they believed that private financing of the pipeline would not be available otherwise. *Rolled-in pricing is the only Federal subsidy, of any type, direct or indirect, to be provided for the pipeline.*[12] [insertion and emphasis added]

In short, the Alcan sponsors, in order to get their project chosen, offered the FPC and the President the optimistic financing forecasts they wanted to hear; the President, in order to get his choice approved, told Congress what it wanted to hear. Both parties may well have been sincere (or naive) in their confidence about the basic soundness of the project. Federal backstopping, they seemed to believe, would be necessary (if at all) only to deal with extraordinary catastrophic risks, and not with uncertainty about the national "need" for high-cost supplemental gas. In any event, Northwest seemingly accepted an obligation to exhaust all possible efforts to put the project together *without* loan guarantees, price supports, subsidies, or innovative tariff provisions, before any of these measures could even be considered again. In our judgment, however, this charade has now become a waste of time, effort and money, and the longer it goes on the more it will erode the sponsors' credibility and that of the project concept itself.

The best and most powerful defense today against charges of incompetence or deception would be for industry and government

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spokesmen to acknowledge the changed energy outlook, particularly the changed supply and demand outlook for natural gas. Yet, this defense has been politically unavailable to the Administration over the last year. To acknowledge the change in outlook would have undercut the case for the President's energy program, whose major premises were a coming world energy crunch, and particularly the notion that the shortage of natural gas was the nation's most acute energy problem.

Northwest was in no better position than the Administration to call attention to the end of the natural gas "crisis," both because of its close political and personal ties to the White House, and because its management believed that pricing provisions in the President's legislation were absolutely crucial to progress on the pipeline project.

Passage of the President's energy program did not set the gasline sponsors and the Energy Department free to address the problems of the pipeline project openly and realistically, however. The fact that they had oversold the energy legislation to Congress as an answer to those problems became another compelling reason for reticence. The new natural gas law would not in fact have been enacted without the votes of a substantial number of members who supported it because—and only because—they thought that the legislation would clear the way for gas sales contracts and, ultimately, for the financing and construction of the Alaska gasline.

The theory was that a Congressionally determined wellhead price and Congressional sanction of rolled-in pricing would cut through the delays and legal uncertainties that are inherent in traditional FERC price proceedings under the old Natural Gas Act. Passage of the new law, gasline supporters believed, would remove the uncertainty that was keeping gas producers from signing sales contracts with potential shippers. Signed sales contracts would pave the way for transportation contracts, which would allow the pipeline sponsors to start lining up commitments for equity and debt financing. At the very worst, Northwest and the Administration believed passage of the Natural Gas Policy Act of 1978 would bring a quick test of whether or not the sponsors' financing plan would work without federal backstopping.

In this belief, both parties were probably sincere but quite wrong. The wait for passage of the President's energy program actually *delayed* this determination by at least a year, and the legislation has in fact created entirely new difficulties for the project. First, passage of the law does *not* set the wellhead price or define the terms of sale, either at the wellhead or to final consumers. It only marks the beginning of a rulemaking process by FERC that will be followed by challenges in the courts (a process that could just as well have begun as soon as Congress ratified the President's decision in favor of the Alcan system).

Moreover, the Natural Gas Policy Act has given the gas producers and the State of Alaska hopes of receiving a wellhead price ($1.45 plus inflation) that is considerably higher than the figures most commonly considered before the energy bill was proposed. It is true that the price provided by the Act is only a ceiling price. But even if that price would make Alaska gas unmarketable when conditioning and transportation costs are added, the producers and the State now have encouragement from Congress to hold out for an unrealistically high price.

Finally, it is not clear that the end-use pricing provisions of the 1978 energy legislation will help rather than hurt the gasoline project. The law does provide Alaska gas with "rolled-in" treatment for its wellhead price and pipeline tariffs, as against "incremental pricing" for most other sources of high-cost gas. Yet the actual implementation by FERC and DOE of incremental pricing for any component of gas supply and of the Powerplant and Industrial Fuels Act (another part of the President's program, which prohibits the use of gas in new industrial boilers) could worsen the project's marketing outlook, by greatly shrinking the industrial and electric utility markets for natural gas—and despite recent professions to the contrary by Administration spokesmen, that was the explicit purpose of these measures when they were proposed to Congress.

In any event, passage last October of the President's bill does not lead directly to negotiation of gas sales contracts essential for further progress in putting together the project's financing. Moreover, passage of the bill alone does not ensure that events will follow in a way that provides Northwest with an opportunity to go through all the motions which the sponsors may believe are required in order to keep faith with the President, Congress, and the public. There will yet be months of skirmishing among the interested parties before FERC and the federal courts over the meaning and implication of the new legislation. Gas producers and gas purchasers are not likely to sign definitive sales contracts until these debates are concluded. It is by no means clear that they will do so even then, unless the questions of the gasoline's basic economics and the allocation of risk also have been resolved.

Since passage of the energy legislation last October, the authors have noticed a spreading suspicion (now hardening into conviction) in the gas industry, Congress, and even within DOE itself, that the Department is determined to reject every other major gas project application until construction of the Alaska pipeline is assured. If a strategy does indeed exist to kill off LNG projects, Mexican import opportunities, and imports of Canadian gas by anyone except the Alaska project sponsors, that strategy is again based upon the illusion that the Alaska gasline can be made financeable without a substantial federal commitment. At best such a policy will be as ineffective as its predecessors. More likely it will be counterproductive: The *belief* (right or wrong) that the Administration is using these tactics to help the project, and particularly the suspicion it is doing so to repay a political debt, is creating enemies for the pipeline where they did not exist before and is undermining credibility that will be indispensable to DOE and the President when and if they finally decide to confront the real problems of pipeline finance.

With such a background, it is little wonder that neither the federal administration nor the pipeline sponsors have been eager to raise the issue of federal backstopping. Both parties are damned if they do and damned if they don't: the project is essentially stalled, but if the sponsors now admit that the line might not be built without government help, many members of Congress will believe (as indeed they may already believe) that Northwest and the President deliberately and systematically misled them about the need for federal support. As one relatively sympathetic senior legislator told the authors, "We knew there could be financing problems when we approved the President's choice. I asked [a Northwest official] what would happen if they couldn't raise the money in the market; all we got was [a former western governor who was lobbying for the project]'s assurance that everything had been taken care of. Now, I don't know what we could do for them if we wanted to . . . if only they had leveled with us from the start!"

There is an ominous similarity here to the TAPS debate, during which the oil companies, the federal administration and the State of Alaska assured Congress that North Slope crude oil would all be absorbed on the West Coast of the United States, and that none of them remotely contemplated shipping oil to Japan. A less dogmatic and confident posture—together with a straightforward explanation of the circumstances in which exports of Alaska oil might be in the national interest—would not have defeated the oil pipeline. But even today, there are members of Congress who adamantly oppose exports of Alaska oil largely because they were "lied to" in 1973. In the TAPS case, the pipeline sponsors at least got the construction permits they were seeking; with the gasline today, widespread resentment in Congress could kill the project.

In the final report of the present series, we shall review possible strategies for dealing with both the ordinary commercial risks of the project and the extraordinary risks it faces because of its great size. At the moment, however, we do not see any surefire (not to mention comfortable) way out of the sponsors' political dilemma—how to acknowledge that the project is stalled, and how to identify correctly the problems that have to be solved to get it moving again.

STRENGTHS AND MERITS OF THE ALASKA HIGHWAY PROJECT

It is only fair to temper the preceding pessimism with a review of the strengths and merits of the Alaska Highway project. It still represents the largest single addition to the supply of clean energy that could be brought on stream from proved domestic resources with proved technology. There is probably no other group of domestic energy supply projects of a similar magnitude that involve lower levels of safety and environmental risk, or at least involve less controversy over environmental and safety impacts. The Alaska Highway gas pipeline project is the only major U.S. energy project, to our knowledge which owes its approval in part to endorsements from the Sierra Club, Friends of the Earth, and the Wilderness Society. The pipeline itself remains uncontroversial (except with regard to its method of financing and the credibility of its sponsors); it is still without real enemies (except for corporate sponsors of rival projects and their financial advisors) though this may be changing. Almost every sectional and sectoral interest in North America has indicated it can at least live with the proposed system.

The Alcan system was chosen by the U.S. and Canadian governments over its rivals in a remarkable cooperative effort involving many agencies of both governments, which cut through the conventional adversary processes to arrive at a compromise substantially different from the system proposed by any single applicant. While one might question individual decisions of the Canadian sponsors and governmental authorities, Canada has been and remains totally loyal to the project, and the private and governmental parties in Canada generally have lived up to their commitments.

Northwest and Foothills were in part chosen to build the system because of their foresight in recognizing changing market conditions in Canada, because of a far greater sensitivity compared to their rivals about environmental concerns and Native claims, and because of their flexibility—their willingness to change design and organizational strategy to meet the two governments' changing perceptions of the transportation system's purposes.

As a practical matter, the Alaska Highway pipeline (at least its distinguishing features) is the only transportation system for North Slope natural gas that is likely to be built in the near future—if any is to be built at all.

Of the four proposals bfeore the FPC and Canada's National Energy Board (NEB) in 1976, the Alaska Highway system remains the only one that would have the remotest chance of success today. If this project appears uneconomic or risky now, it is far less so than the Arctic Gas, El Paso, or Maple Leaf schemes

would have been. The relative advantages of the Alcan project over its rivals have grown since the President's decision, as the lack of Canadian markets for frontier gas, the West Coast energy surplus, and the difficulties in siting a major LNG terminal in California have become more obvious.

Now that the project seems to be stalled, it is fashionable to deride the amateurism, financial weakness, and opportunism of the sponsors, and Northwest in particular. While these charges may not be entirely unjustified, we cannot regard the Alcan group's sins or handicaps as graver than the inflexibility, arrogance, and political unrealism of their former rivals, El Paso and Arctic Gas.

Because of the web of mutual obligations binding the Administration to the present pipeline sponsors, moreover, it is fruitless to think of giving the project new momentum and direction by making Northwest Pipeline Company the scapegoat for the impasse, and displacing the company from its leadership position, at least so long as Jimmy Carter is President of the United States. Nevertheless, Congress may be so moved. And after all the effort that went into the projects' birth, it seems remarkable that the project may now be allowed to die of attrition and frustration simply because the sponsors are too politically embarrassed to admit they need help, and because the federal government refuses to face up to the question of *why* it wants a pipeline for Alaska gas *now*, and what responsibilities it is willing to accept if the project cannot stand alone as an ordinary commercial venture.

Two years ago, in claiming that wholly private financing was possible, the President and Northwest may truly have believed what they were saying; they may even have had a plausible case for doing so. Today their failure to confront what has now become obvious cannot be judged so leniently. However difficult it may be to acknowledge changed circumstances and however grim the prospects in Congress, facing up to the impasse cannot be as damaging to the project as continued drift and evasion. Understanding of the problem is so widespread—if not fully articulated at least intuitive—that no matter when the charade breaks down, no one really ought to shoulder the blame. Who can be blamed for failing to foresee the recent Mexican and Canadian discoveries? Who can be blamed for misjudging consumer demand and failing to see the now evident market value limitations of natural gas? Almost everybody is to blame; therefore nobody is.

AN HISTORICAL PARALLEL

Putting the problem in perspective, there is nothing inherently evil if one tries to do the optimum, fails, and ends up settling for something less. A close historical parallel occurred more than a quarter century ago. It is the story of the TransCanada gas pipeline, which now extends from the Alberta gas fields to Montreal:

TransCanada was plagued with marketing uncertainties because there were no established gas markets in eastern Canada; it was recognized that even under the best possible circumstances a subsidy would be needed for at least several years.

Getting the project off the ground required an elaborate arrangement whereby Canadian gas would be exported temporarily into the north central United States, and U.S. gas would temporarily be imported into Eastern Canada. (This arrangement had the dual advantage of creating domestic markets for U.S. gas and Canadian markets for Canadian gas. FERC should note that the FPC dragged its feet for years and almost killed the project despite intense diplomatic efforts by Canada.)

Largely because of technological unknowns (constructing a gasline over and through the bedrock barrens and muskeg swamps of the Canadian Shield), lenders could not be found to finance the western Ontario section of the line in the absence of government risk-bearing.

The line was built in two stages, with the first part put into operation before construction of the second part was even begun.

The choice of route and design for the line was highly politicized and economic concerns were to some extent overridden by nationalistic and sectional issues.

For six years the sponsors (actually, several groups of sponsors) and the government worked together to find a way to finance the pipeline without government support. Failing that, an approach was finally negotiated in which government bore enough of the risks to attract required amounts of equity and debt capital.

One of the most divisive internal conflicts in Canadian history raged in Parliament on the question of government participation, and what form it should take. In the end, TransCanada won; but the majority party that had put the deal together was so damaged by the struggle that it lost the subsequent election.[13]

THE NEED FOR COOPERATION AND REASONABLENESS

Before an Alaska natural gas transportation system can be organized, financed, and constructed, active cooperation of one sort or another is needed from a financially strong enough group of gas transmission company sponsors, and from the same or another group of creditworthy gas transmission companies willing to buy the gas and contract to ship it; from financial institutions willing to lend short-, medium-, and long-term debt capital; and from federal regulatory bodies in the United States and Canada. The project requires, in addition, at least a sympathetic accommodation from the State of Alaska, and perhaps from the Western provinces of Canada and regulatory bodies of the major consuming states in the Midwest and California. Above all, of course, the project requires an unwavering federal commitment.

The degree of commitment by various parties to the pipeline project is a subjective matter, and may be judged differently by the parties themselves. It appears, however, that the only parties now unconditionally committed to the project, and making wholehearted and serious efforts for its success, are some (but not all) of the Alaskan Northwest partners, the Foothills group, and the government of Canada. The United States government (through the decision of the President and Congressional approval, and FERC's conditional certification), the State of Alaska, and the remaining members of the Northwest partnership nominally support the project, but in each case with some confusion, ambivalence or reservations. None of them, in any case, regards itself *responsible* for the success or failure of the venture, and each is waiting upon the actions of others.

Other parties whose cooperation is necessary to the project (such as the gas producers, several potential gas purchasers, and the big lenders) would like to see this project or a similar one succeed, but they are in essence just waiting to see what happens, without making any efforts or taking on risks to move it along. Finally, there are a few parties—most of them U.S. or Canadian gas transmission companies and their financial advisors—whose cooperation may eventually be necessary to the project as gas purchasers and shippers, but who will support it if and *only if* its completion is assured; in the meanwhile, they favor rival projects or a reorganization of the present project under different leadership. These parties would not be displeased to see the venture fail, and might well use whatever opportunity comes along to obstruct it.

Footnotes at end of article.

The economics of the project are so fragile, the risks so large, and the number of crucial actors and actions so diverse, that the project cannot possibly succeed in the face of active opposition, unrealistic or unreasonable demands, or even poor judgment or clumsy management by the sponsors, the producers, FERC or other units of the Federal Energy Department, Canadian interests, or Alaska. Thus, several parties each have the power to kill the pipeline project, at least as it is now planned, organized and scheduled. The State of Alaska is clearly one of these parties: there is no doubt the State could impose sufficiently onerous tax and regulatory burdens to make any pipeline unprofitable. Considerably lesser burdens or even their serious consideration by the legislature could be enough to frighten off lenders. In addition, entirely plausible pronouncements or actions of the Department of Natural Resources or the Oil and Gas Conservation Commission could create sufficient doubt about gas deliverability to keep a pipeline from being financed.

An accumulation of individually reasonable demands could also have a seriously adverse impact on pipeline economics. The State cannot expect to bargain for and get all the benefits Alaskans now anticipate from pipeline construction and operation. Demands for a high wellhead price (and thus high royalty and production tax revenues), high taxes on pipeline property and income, liberal tariff terms for gas taken out of the line in Alaska, the ability to sell gas for out-of-state consumption now and to retrieve it later for use within the state, extraction of gas liquids for industrial use in Alaska, local hire, and exceptional measures to protect the environment or to protect and aid impacted communities, not only are competitive with one another but, also, if too many demands are pressed too far the project cannot succeed.

The same considerations apply to other parties with an influence on the gasline venture: the producers with respect to the wellhead price and responsibility for gas conditioning; the project sponsors and governments in Canada with respect to the return on Canadian equity, "Canadian content" (purchases from Canadian suppliers), provisions for a future connection to the Canadian Arctic, levies to cope with socioeconomic impacts in the Yukon, and federal and provincial taxes; and the United States federal government with respect to final consumer pricing rules, environmental and safety protection, provision for low-cost future expansion at the expense of higher costs now, and affirmative action for Alaska Natives, other minorities and women. In short, the Alaska Highway gas pipeline cannot be regarded as a Christmas tree with loads of goodies for everyone in its neighborhood (as the oil line was treated). As a privately or even publicly financed business venture it can succeed (if at all) only if all the affected parties are reasonable in their expectations and demands.

Right now, the expectations of the various parties, including the State of Alaska, are cumulatively far from reasonable, as are some of the individual commitments already made—for example, the $1.45 plus inflation wellhead price offered by the U.S. Congress, and a 16.0 to 27.2 percent range on return to Canadian equity granted by the NEB. If there were yet any chance the project could succeed as a self-sustaining business venture, burdens such as these would surely scuttle it. Open-ended consumer or governmental subsidies and guarantees, on the other hand, could make these or virtually any other exaction by any of the parties attainable. But if such backstopping measures are in fact necessary to make the pipeline viable and financeable, any price for the gas substantially above the cost actually needed to deliver it, and any return to equity above the

market rate on very low-risk investments would be an unnecessary, unreasonable, and unfair imposition on U.S. consumers or taxpayers.

WHO IS CAPABLE OF BEARING THE ULTIMATE RISKS?

The question of who bears the ultimate risks is the real crux of the pipeline's problems. Because of the federal government's reluctance to define the national purposes of the pipeline and to face its own leadership and financial responsibilities, the Treasury Department, the President, and (taking a cue from them) Northwest Pipeline Company identified the State of Alaska and the gas producers as major "beneficiaries," who should take on or share the pipeline's construction and operating risks.

For several reasons, neither the State nor the producers could serve as effective guarantors of last resort for pipeline financing even if they wished to do so:

Neither the producers nor the State controls wellhead or end user prices, the rates of return on U.S. and Canadian equity, federal and Canadian taxes or any of a dozen other crucial economic parameters. Thus, credible financial guarantees by the State and the producers would only signal to all other parties that they are free to extract as much from the project as each of them individually viewed as fair and reasonable. Alaska and the gas producers could therefore end up subsidizing everybody else to the extent of their backstopping commitment. This tendency could go full circle and leave the project just as risky as it was before.

No prudent person will take on a contingent business liability, that is, cosign a loan, without collateral or other recourse against the primary borrower in case of default. The President's decision selecting the Alcan system incorporated a Justice Department recommendation that the gas producers be forbidden to hold any equity interest in the pipeline. By denying the producers the opportunity to protect themselves by taking over the pipeline if they had to bail it out, the President totally eroded any chance that might have otherwise existed for producer debt guarantees.

The creditworthiness of the State and the major North Slope producers (perhaps excluding Exxon) depends overwhelmingly on their income from oil production at Prudhoe Bay. While the present cash flow of the producers and the State seems relatively secure, some of the very dangers against which the big lenders want their gasline debt to be protected—for example, unforeseen production problems at Prudhoe Bay or a collapse of world oil prices—also could jeopardize the value of their North Slope oil properties and hence their ability to make good on any guarantee. Thus, the "Big Three" institutional lenders—the Prudential, Metropolitan and Equitable Insurance Companies—are likely to look with some skepticism on loan "guarantees" that compound rather than offset their present commitments to the North Slope petroleum economy.

Most important of all with respect to State assumption of risk may be the fact that no State financial guarantee would be truly credible to the major lenders of long-term debt, essentially the Big Three companies and the smaller institutional lenders who take their lead from the Three. These institutions are convinced (justifiably we believe) that if construction, operation, or marketing difficulties forced the State to make good on any deficiency in pipeline revenues pursuant to a loan guarantee, Alaska would try to recoup those losses by means of higher taxes on oil and gas production, or on a profitably operating TAPS oil line. The North Slope producers as owners of the Alyeska pipeline are already among the largest borrowers from these same financing institutions. The Big Three, therefore, will not regard any backstopping by the State of Alaska as a true *assumption* of risk, but rather as a *shift* of risk from the gas pipeline bonds these companies are now being asked to buy to the oil company pipeline bonds the same companies already hold.

In our view, among all the beneficiaries, only the federal government is large enough, and only the federal government can capture enough of the non-marketable benefits of the project, to be able and motivated to provide the essential financial guarantees. The forms these guarantees might take will be examined in the final report of this series.

CONCLUSIONS AND IMPLICATIONS FOR STATE ACTION

The preceding pages developed the following points:

(1) Some very substantial problems currently block progress in putting together a pipeline package that private investors (equity as well as debt) will find attractive. These problems center on the need to apportion the risks and benefits explicitly among all involved parties—the project sponsors, the gas producers, the gas purchasers, the State of Alaska, the Canadian government, large institutional lenders, the U.S. federal government, and final consumers—in a way that *all* will find acceptable. This task becomes even more difficult when one considers that while the project may make strategic sense, from a strict business standpoint it is clearly marginal at best.

(2) Of all the involved parties, the only ones financially capable of bearing a substantial part of these burdens are consumers and the U.S. government, and possibly Canada or one of the three major producers (Exxon). Of these, only the first two have any reason at all for taking on such risks, and those reasons are weakening. And yet, the Presidents' *Decision* approving the Alaska Highway pipeline application and subsequent actions by Congress expressly prohibit substantial government or consumer risk-bearing.

(3) Both the present project sponsors (really only Northwest since the others joined the partnership after Northwest had made promises to the President and Congress) and the current federal administration stand to lose not only face but much more if and when the above points are acknowledged. Northwest may be charged by Congress with deliberate deception, and is a handy scapegoat for demands that the sponsorship be moved into other hands. Likewise, the Carter Administration could come under similar Congressional attack, while the federal government as a whole stands to set what it considers a dangerous precedent if it does acquiesce to substantial government or consumer risk-bearing. Hence, there is a tremendous incentive for both the current sponsor and the administration to avoid confronting the issue, waiting perhaps for divine intervention. Added to this is the fact that neither party is really in a position to set the other one up as the maligning force and then prompt a showdown: President Carter and the chairman of the principal sponsor (John McMillian) owe each other profound political debts. In effect, both parties are in a box: they can each jockey for position within that box (as they are doing now) but they cannot step outside its bounds.

What does all this mean for the State of Alaska? On the surface it looks as if the State can avoid for at least another year confronting the difficult policy questions: (1) does the State want to contribute risk capital to assist the project? and (2) what should be done about the royalty gas? After all, until the fundamental risks are explicitly apportioned, it is impossible to make prudent judgments, either on the soundness of financial involvement or on how critical State financing or royalty decisions are to the project's success. Moreover, unless Northwest or FERC is excessively naive about the State's comprehension of these points, neither of these parties will be putting much pressure (at least directly) on the State to reach decisions during the 1979 legislative session.

Before the royalty gas and financing questions are brushed aside and set on next year's agenda, let us first examine what the outcome may be when the federal administration, and ultimately Congress, finally confront the necessity for substantial consumer and government risk-bearing.

Very recently the Carter Administration has been doing its best to undermine all rival high-cost gas projects. The LNG projects systematically are being killed. Even the SNG projects (so essential to the Department of Energy's public rhetoric) are lost in a battle between FERC and DOE's own Economic Regulatory Administration (ERA)—the ERA being unwilling to authorize government backstopping (even though Congress did give conditional approval to the concept last year) and FERC steadfastly refusing to grant full consumer guarantees. No attempt to resolve this in-house clash at a higher level is apparent. Moreover, the January 10 *Washington Post* reports that Secretary Schlesinger openly linked DOE's lack of enthusiasm for Mexican gas imports directly to a preference for building a system to move Alaska gas.

Nevertheless, even if the Administration were willing to do everything in its power to destroy all rival projects, that policy would not be enough to salvage the Alaska gasline unless the government were also willing to take on some of the risks it has, to date, refused to contemplate. Added to this problem is the very real possibility that blunt actions to stifle competing sources for the express purpose of making room for Alaska gas may very well stir the ire of Congress and prompt retaliation.

Hence, there is a very real chance that the Alaska Highway project may be scuttled or at best put on the back burner. The government may well decide that the gas is still needed—but that it is not needed now. Any among a host of reasons can provide the federal government with convenient (and even sound) pretexts for avoiding the unpleasantness of invoking consumer or government guarantees to rescue a huge and ailing project. These include: recognized limitations on consumer demand for increasingly high-cost gas; the prospect of other relatively secure sources (Canada and Mexico); and the prospect of substantial new domestic supplies prompted by higher prices and relaxation of the barriers between inter- and intrastate markets. Now that the traumas of the embargo and price upheaval of 1973–74 are receding into history, the initial extremist slogans (e.g. U.S. energy "independence") are giving way to a more moderate and cosmopolitan approach emphasizing diversity of import sources. The very notion that energy is America's number one problem has lost its force; inflation has become a more fashionable rallying point, and unfortunately with respect to the gasline, a victory on the energy front can only be secured with a substantial loss in the war against inflation.

The other possible outcome is that the federal government may resolve to assume the burdens that no one else is able to carry. However, it is virtually certain that federal backstopping can be made politically palatable only if the other parties who stand to benefit likewise bear their fair share of the burdens. No matter how important the gasline might be to the federal government in a

strategic sense, the government cannot be expected to bear all the risks if the producers, sponsors, Canadian interests, and Alaska are going to extract "unearned" economic benefits. This concept was repeatedly stressed throughout the President's decision and backup documents:

The risks associated with the construction and operation of the Alcan Project must be assumed by credit-worthy parties in order to achieve private financing. There is sufficient credit support capacity among the direct beneficiaries of the project to assure completion of the pipeline without assistance from consumers. Such beneficiaries are the gas transmission companies, gas producers, and the State of Alaska. The benefits to these parties sufficiently outweigh the risks associated with the project so that it is reasonable to expect them to provide support at small additional cost to consumers.[14]

The problem with the above conclusion is that the President's report expected the producers, the State of Alaska, and the gas transmission companies to agree to bear risks that they would be largely unable—and probably foolish—to take on. The expectations were unrealistic; even so, the President's policy thrust is valid. While the so-called "beneficiaries" of the project cannot be the ultimate and full risk-bearers, there are certainly more moderate approaches for extracting sacrifices sufficient to facilitate financing and which these parties are capable of carrying (and maybe even willing to carry) *provided that the federal government and consumers as a whole take on a larger share than they have yet accepted.*

Whatever the resolution of the current impasse, it will be objectionable to at least some important factions in Alaska: either the project will die for the foreseeable future, or the State will find itself being "asked"—not by Northwest but by the federal government—to assume certain explicit burdens. In the latter case, it will be very clear that federal willingness to provide the necessary backstopping (and thus the future of the project) depends on some state sacrifice, or at least upon sharply reduced expectations of benefits from the gasline. It will no longer just be "very important" for the State to take a particular action (as Northwest advised last year with respect to State financial participation) but it will become "absolutely essential" for the State (and other parties) to do something which is yet undefined.

In summary, Alaskans may decide that construction of the gasline and resulting ability to move gas from Prudhoe Bay are a good thing for the state regardless of any other benefits it may produce. The compromises needed to get the system built and into operation, however, may leave precious few ancillary benefits to divide up among Alaska communities and interest groups, and may additionally require the State to bear some financial risk.

ALTERNATIVE POSTURES FOR ALASKA

It is thus apparent that Alaska would be foolish to commit itself now to participate in gasline financing. Nevertheless there are several plausible attitudes the State could take toward this and other pipeline issues during 1979. Possible State postures range from total passivity to an attempt to exert overall leadership in putting the pipeline project together. Between these extremes lies a continuum of more responsible and realistic approaches, which can be divided into three general types: Defensive, Offensive, and Strategic.

The following pages will examine briefly some of the pros and cons of these three postures, and the purposes for which they might be employed.

Footnotes at end of article.

Posture No. 1—Defensive

The first approach is grounded on a belief that for one reason or another, it is best for the State to avoid any direct responsibility for progress of the pipeline, but that it is nonetheless vital for the State to take some action to protect its interests and to take out bargaining positions. The driving force to take *some* action can be either concern that the State might be stuck with the blame of project failure, or recognition of a need to at least keep up with the other parties in asserting its interests and reacting to their proposals.

This description corresponds most closely to the posture that both legislative and executive branches have taken in the past year. The executive has consistently filed testimony on proposed FERC rulemakings. The IROR rulemaking is most notable, but pipeline design was another topic that prompted State reaction. Likewise, the executive and legislature did take action in response to federal and sponsor pressure last spring urging the State to issue $1 billion of tax-exempt revenue bonds to be used as pipeline debt capital, and $500 million of State equity in the form of preferred shares. When the legislature satisfied itself that it faced no serious risks in doing the former, a bill setting up a process to issue such bonds was passed (SB 603), but even then final approval was deferred. Further, about a dozen specific conditions were attached to the bill and it, in effect, became a vehicle for staking out territory and putting the State's interests on record. To respond to the equity request, a committee was appointed by the legislature to study the question (SCR 102).

Looking back on those actions, it is now difficult to think of any other approach the State could have taken that would have been as effective in protecting the State's interests in the face of enormous unknowns, yet at the same time enable the State to pull its weight in the drive to "keep up the momentum"—which was a very real and legitimate concern last year.

This year, any of four reasons would be sufficient to continue this approach:

(1) It is probably the best back-up position to take if there is no real impetus or consensus for assuming a more active role.

(2) It is probably the best approach if one does not particularly care one way or the other about the project, or if one would rather see it die (for environmental, social, spiteful, or whatever reasons) or postponed (possibly due to field production uncertainties), yet at the same time one does not want to voice those feelings openly.

(3) It is probably the best approach if one feels the situation is hopeless—that there is no way the problems can be resolved (at least in the near future) and resolved in a way tolerable to the State's interests, and that there is no point in the State spending much energy on the whole thing.

(4) Likewise, the approach makes sense if one believes that while the situation may not be hopeless, the State is in no position or is simply unable to act effectively and with sufficient finesse to do any good, and at the same time keep out of trouble.

Posture No. 2—Offensive

The State could take an approach in which it would be the first to lay its cards on the table, hoping that others would then do the same. It could, for example, make a commitment to follow through on a particular action (say, taking a specific financial position in the pipeline venture) if certain enumerated conditions were to occur first. The State would thereby stake out its own position on the risks it is willing to bear and the benefits it expects in return. A variation on this theme would be for the State to issue an ultimatum, declaring that it will not even consider taking a stand on a particular action until certain conditions are met.

On the one hand this posture could be an effective way to jar things off dead center. But it might have a debilitating effect as well—what if the demands made by the State prove to be unrealistic and unachievable? One can only conjecture whether laying out demands that may later prove impossible would have a more deleterious effect than doing nothing at all. One likewise cannot be sure that the State would escape blame for killing the project when and if the other parties finally abandon the myth of private financing.

A real difficulty in this approach centers on internal Alaskan considerations:

How realistic is it to expect that the Governor and sixty legislators could arrive at a consensus on specific preconditions at this time?

What would these preconditions actually mean . . . a bargaining stance from which the State expected to retreat? the package the State believed was reasonably fair to all part is, and achievable? the bottom line from which no retreat would be tolerated?

Would other parties understand what the State really intended by its list of preconditions? would they believe what the State said about them?

What is the danger the State might give away too much too soon? or be unable to retreat from a position that turned out to be unattainable, because it had developed an implacable in-state constituency?

Finally, is it possible for an open government to arrive at a public position and at the same time keep its true strategy and bottom line secret from those with whom it has to bargain?

Before State officials take any more steps in this direction, we suggest that they frankly assess the outcome of last year's legislative action. Creation of a pipeline bonding authority was conditioned on a list of demands, some of which are clearly unreasonable or unattainable in light of present conditions. What effect—positive or negative—has setting out these preconditions actually had? What effects will it likely have in the future?

We also advise a reflective look on one of last year's biggest controversies—the ALPETCO royalty oil contract. While such introspection runs the risk of exhuming old hostilities, it does present some comparisons and contrasts that should not be overlooked.

Before royalty oil bids were even solicited, the State chose to set out a list of conditions, most notable of which was the in-value price floor. The solicitation prompted several responses and the process of negotiation began. Right from the start it was apparent that most, if not all, of the companies had no intention of meeting that pricing mandate. Why had they bothered to bid? Because these private companies expected to find a process of negotiation similar to that in which they were used to dealing; that is, a process in which both parties initially stake out unattainable demands than slowly back down until an agreement is reached. Hence, the initial pronouncements were not taken too seriously.

The Administration, however, had no intention of backing down from its original position. In any event, once that position had been announced, it was very unlikely the legislature or the public would have tolerated any retreat from it, or at least would have severely berated the State's negotiators. This intransigence reflected the fact that the situation was not one in which the State had to find a buyer for its oil, since an inability to do so would only mean a continuation of in-value taking. The State could comfortably afford to wait until some buyer (if ever) was willing to meet its non-negotiable demands.

It took a long time for the bidders to accept this inflexibility—most of them assumed the State was seeking the best terms it could

get for its royalties, *compatible with the overriding objective of getting a refinery or chemical plant built.* At the eleventh hour, one bidder was finally willing to accept terms that (at least in the view of most industry observers) totally precluded the financing or profitable operation of a petrochemical plant or refinery.

One can defend such an approach as nearly risk-free when royality sales are the issue. What if it does run the risk that the successful bidder might actually be the most naive or disingenuous of the lot—and hence the least likely to carry out its plans? What has the State lost? The governor had made it clear from the beginning that he didn't want a refinery or petrochemical plant if it required discounting the royalty oil price or any other sizable state subsidy. With respect to the gasline, however, an adamant "take it or leave it" posture makes any sense at all only if one's attitude toward the pipeline is the same as the State's position toward ALPETCO; that is, only if one is comfortable with the ". . . or leave it" alternative of no gasline.

Posture No. 3—Strategic

Posture No. 1 was a more or less passive, but sufficiently defensive, attitude. Posture No. 2 centered around an aggressive but singular action by the State in the hope of prompting other parties into action. The third approach is less forthright in a visible sense than the second, but effectively it comes much closer to the aggressive leadership role we characterized earlier as one of the poles on the whole continuum of possible State postures.

That extreme itself was dismissed as probably unrealistic because the only possible locus of true leadership (now so apparent in its absence), and a leadership credible to the other paties, is the federal government. The U.S. sponsor is already bogged down by its unfulfilled promises, and has always been under scrutiny by the defeated gas transmission companies that hold critical pieces of consumer markets. Added to that is the sponsor's proved inability to convince the gas producers to even begin serious conversations. In effect, the only party which has the potential credibility or clout to wield leadership is the party that can and must become the ultimate responsitory of risks other parties are incapable of accepting or prudently cannot take on.

This is not to say that the State cannot serve as a *catalyst*. That role is the heart of what we call the Strategic Posture because effective action at this point to give the Alaska Highway project new momentum (if indeed any such action is possible) calls for a turning away from the present adversarial, piecemeal approach. This prevailing adversarial stance is exemplified by the fact that the involved parties, often as not, have chosen to "speak" to each other through legal briefs and the public media.

Posture No. 3 relies mainly on means other than state proclamations; it is not conducive to establishing a formal Alaska "position". In a large sense, it is impossible to judge what role is fair, right, or even necessary for any party to assume until *all* are considered together. Likewise, it is probably not conducive to blackmail or bullying on the part of the State—particularly heavy-handed dealings with the federal government, which must instead be *eased* into taking on the least attractive role that anybody will have to carry.

The State would continue to appear before FERC and at Congressional hearings, but not in order to stake out territory nor to present detailed legalistic critiques of proposed orders or regulations. The State would, instead, use these proceedings as a forum for setting out the issues in a fashion maybe similar to how they have been described here, and to give others a general understanding of the State's interests and limitations.

Probably the most useful thing anybody could catalyze at this point is an understanding by each party about the real financial and political limitations restraining every other party. Certainly the President misjudged the producers' interests when he claimed private financing was possible and relied on the Treasury Department's wishful fantasies about the gas producer's motivations and restraints. Perhaps the least understood of all parties will prove to be the Canadian government. While it cannot help but gain all sorts of goodies if the pipeline is built, onerous political considerations prohibit the Canadian government from taking on many (if any) risks. The U.S. executive branch has already demonstrated a tremendous insensitivity to these considerations.

The authors wish to make no judgment here whether the State could actually function in this manner, nor are we confident that it would be successful. The present impasse is highly complicated by conflicts of interests, both real and imaginary, and seemingly insurmountable psychological hurdles. Overall, the impasse is characterized more by nuance than forthright and absolute certainties. Indeed, we are not convinced that the State or any other earthly force can plow through it all and sow the seeds that will lead to ultimate resolution of all the critical problems.

Even if the State could do it, the "State" is not a monolithic force. Negotiations could only be handled by the executive, but all major results would need to survive legislative scrutiny as well. How much credibility would the State have in dealing in this fashion? Would the legislature be willing to grant the necessary leash and provide enough support to give the executive sufficient clout in its dealings?

A final note . . .

Of the three possible approaches for State action during the upcoming year, the authors believe that the governor and the legislature would be most comfortable with Posture No. 1 or No. 3. Policy makers' political inclinations and philosophical views about the government's appropriate role and its ability to maneuver in a much broader arena, of course, play a large role in the choice of strategy. While such considerations are outside the author's terms of reference for this study, the present report has so far avoided more than passing mention of another question that is crucial, but which *is* part of our assignment: Are there conceivable ways to put the project together so that each of the involved parties will find its own apportionment of risks and benefits at least tolerable? Might Posture No. 3 (which thrusts the State into a behind-the-scenes catalyst role) prove fruitful, or would it just be a waste of time—in which case, the semi-passive approach of Posture No. 1 might make more sense?

The authors plan to explore this question in detail in the final report. Nevertheless, while we hope the complete series of reports will assist the legislature in choice of approach, we cannot offer a definitive answer to the question: Should the State of Alaska want a gas pipeline, this pipeline, and at this time? Even the sponsors do not know whether they really want to build the thing. The only prudent answer is "*maybe*, if . . ."—and the "if" really cannot and should not be hammered out at this time or by us.

Only when the State knows what it will get out of the project (tariff conditions, wellhead price, etc.) and what it has to give up in return (financing risks, etc.)—hence, only *after* the risks and benefits are apportioned among all parties—can judgment be made. Even then, it will have to include a hard look at alternatives. If the pipeline is not built now, what are the chances it might be reborn and under more or less favorable conditions? What is the effect of an extended period of gas reinjection during oil production? What alternatives (if any) *realistically* exist for using the gas within Alaska? Only after these points are better known and are weighted against one another can a prudent judgment be made on whether the State wants the gasline and whether it wants it bad enough to accept any given share of the system's risks and costs.

FOOTNOTES

[1] The President's 1977 *Decision* on the Alaska natural gas transportation system required the use of a variable or "incentive" rate of return to pipeline equity, which would reward the owners for controlling construction costs and penalize them for overruns. FERC is currently trying to put specific numbers (the "centerpoint" and "marginal" rate of return) into the IROR formula.

[2] Arlon R. Tussing and Connie C. Barlow, *Marketing and Financing Supplemental Gas: The Outlook for, and Federal Policy Regarding, Synthetic Gas, LNG, and Alaska Natural Gas.* (A report to the federal Department of Energy). Anchorage: Institute of Social and Economic Research (1978).

[3] For an explanation of "rolled-in" and other pricing rules, see Tussing and Barlow, *An Introduction to the Gas Industry* (a report to the Alaska Legislature). Juneau: Legislative Affairs Agency (1978), pp. I–66; and *Marketing* (cited above), pp. II–61–80.

[4] "Full cost of service" and related tariff concepts are explained in Tussing and Barlow, *Introduction* (cited above) pp. I–100, and *Marketing* (cited above), pp. II–34–36.

[5] For an explanation of the project financing technique, see Tussing and Barlow *Marketing* (cited above) pp. II–29–46.

[6] For a discussion of "all events" tariffs, see Tussing and Barlow, and *Introduction* (cited above), pp. I–100, and *Marketing* (cited above), pp. II–34–36.

[7] Report to the President: *Financing an Alaska Natural Gas Transportation System.* Washington: U.S. Department of the Treasury (Lead Agency) (July 1, 1977).

[8] P.L. 94–586, Section 7(c).

[9] ". . . dare not dismount." (But what if he's been knocked senseless by the brush?)

[10] Executive Office of the President, *Decision and Report to Congress on the Alaska Natural Gas Transportation System.* Washington: (September 1977). pp. 127.

[11] U.S. Senate, Committee on Energy and Natural Resources, *To Approve the Presidential Decision on an Alaska Natural Gas Transportation System.* Washington: (October 1977) pp. 13.

[12] U.S. House of Representatives, *Conference Report to Accompany H.R. 2589.* Washington: (October 10, 1978) pp. 103.

[13] U.S. federal officials should note that it was not advocacy of federal aid for Trans-Canada *per se* that fatally damaged the St. Laurent government, but its deviousness and heavyhandedness in pressing for Parliamentary approval. The whole fascinating story is found in: William Kilbourn, *Pipe Line*, Toronto: Clarke, Irwin and Company, Ltd. (1970).

[14] *Decision and Report* (cited earlier), p. 102.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 42—ADJOURNMENT OF THE HOUSE AND RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on House Concurrent Resolution 42.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, February 8, 1979, it stand adjourned until 12 o'clock meridian on Tuesday, February 13, 1979, and that when the Senate recesses on Friday, February 9, 1979, it stand in recess until 12 o'clock meridian on Monday, February 19, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 42) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPECIAL ORDERS FOR THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, Mr. HARRY F. BYRD, JR., be recognized for not to exceed 15 minutes after I have yielded the floor following the prayer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the order for recognition of Mr. HARRY F. BYRD, JR., tomorrow, Mr. PERCY and Mr. BELLMON be recognized, each for not to exceed 15 minutes, in whatever order those two Senators wish to present themselves.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to and, at 3:54 p.m., the Senate recessed until Thursday, February 8, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

MITRE CORPORATION CONDUCTS DETAILED REVIEW OF SOLID WASTE ISSUES

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1979

● Mr. RANDOLPH. Mr. President, one of the high priority objectives of the Environment and Public Works Committee this year will be extension of authority for essential solid waste management and recycling programs established under the Resource Conservation and Recovery Act of 1976.

In reviewing that legislation an immediate concern will be a search for ways to accelerate implementation of those programs so they can more fully realize the potential for which they were designed.

Unfortunately, that progress has been slower than we would have wished, for a variety of reasons, since enactment of the legislation.

That problem was addressed in detail in a symposium conducted here last October 3–5 under sponsorship of the Metrek Division of the MITRE Corporation of McLean, Va.

I was privileged to deliver the keynote address and was impressed with the level of participation and the degree of understanding of the broad scope of related issues demonstrated by both the symposium leaders and attendees.

I want to share some of their conclusions with you and I ask that portions of a synopsis of the proceedings be printed in the Record at the conclusion of my remarks.

The material follows:

SYMPOSIUM SUMMARY

Mr. Charles A. Zraket, Executive Vice-President of the MITRE Corporation, set the symposium theme with the question: "Why is resource recovery implementation moving at such a slow rate when Federal, state and local governments as well as private industry are all pushing for resource recovery?" Approximately 150 people who are actively involved in the field of resource recovery were assembled by MITRE to discuss this question, identify specific issues, and to propose actions to resolve the problems that they face. The attendees represented all sectors involved in the issue, including Federal, state and local governments, materials and solid waste handling industries, electric utilities, system equipment and supplier industries, financial advisory firms, consulting engineers, environmental and public interest groups, and research organizations.

The symposium opened with a day-long plenary session during which invited speakers related their experiences and points of view concerning barriers to implementation. During the second day, five concurrent workshops were held on the following topics: Resource Recovery Planning and Procurement: Technology State-of-the-Art; Resource Recovery Project Financing; Contracting, and Institutional Factors.

On the third day, each workshop chairman presented a summary of the discussion that took place and the conclusions reached during his workshop session.

As a result of the symposium, key decision-makers in the field have exchanged points of view on the problems they face, and have identified specific actions which they believe will lead to an accelerated resource recovery implementation process. The following points of view, although not formally stated as such by the participants, must be recorded as a reflection of their prevailing opinion.

1. Because of the technical and business complexity of resource recovery facilities, the majority of them should be operated by private industry, not government agencies.

2. The preferred method for procuring a resource recovery facility is to select a full service contractor through the evaluation of competitive industry proposals and negotiation of a contract with a single firm for facility design, construction, and operation.

3. The majority of resource recovery facilities should be financed through the sale of revenue bonds, and not capitalized as general obligations against state or local governments.

4. The two most difficult problems to overcome in planning a resource recovery facility are to:

Secure control over the waste stream so that it can be contractually committed for delivery to the new facility, and thus guarantee throughput and disposal fee revenue, and

Secure a commitment—and an equitable price—for purchase of the energy products; the most dependable energy customer is the public utility.

5. Because of the complexities and risks of resource recovery, it will be chosen by local officials only when all other disposal alternatives are unavailable or clearly beyond economic reason.

The following proposed actions were among the many recommendations developed during the five workshop sessions.

1. It is essential to have evenhanded enforcement of environmental standards for both landfills and resource recovery facilities.

2. Research priorities should be established for developing unit operations in refuse-derived fuel processing and for demonstration scale evaluation of small scale resource recovery technologies (50–250 tons per day).

3. A significant improvement is needed in the transfer of technical information.

4. DOE and EPA funding for front-end planning should be expanded.

5. Public Utility Commissions should encourage public utility use of refuse-derived energy.

6. The most critical concern for both the financial community and for local governments is the management of risk elements, and, consequently, there is a need to make widely available the contract negotiations experience of early resource recovery projects.

Dr. Sidney R. Galler, Deputy Assistant Secretary for Environmental Affairs, U.S. Department of Commerce, presented the luncheon address on the second day. Dr. Galler stressed the need for participation on the part of academia in research and development related to the resource recovery industry. He also pointed to the lack of university programs available in the field, stating that more people with an educational background in the field of solid waste management and resource recovery are needed.

Mr. Zraket, in welcoming participants at the opening session, emphasized that the prime motivation behind the development of resource recovery is a need on the part of state and local governments for an improved method of solid waste disposal, not a need to utilize solid waste as an energy source. The energy recovery component of resource recovery is important, however, because it provides revenue which can make a project economically feasible. In addition, the re-use of waste to provide energy seems to be both logical and desirable in this period of energy shortage. However, solid waste can meet only specific energy needs in specific cases. Resource recovery can be an efficient, cost effective, and environmentally sound long-term method of solid waste disposal, and this is what is urgently needed by communities across the nation.

The following discussion relates to the actions recommended, and is based on ideas and opinions that were expressed during the plenary and workshop sessions.

It was agreed that because of the knowledge of difficulties experienced in past projects, and because of the perceived risks and the necessary commitments associated with long-term regional agreements, resource recovery will generally be chosen only when it is the only available solid waste disposal option. Resource recovery can initially be more expensive than landfill (although in the long-term it can be a lowest cost alternative), and communities will not spend more money to get rid of their waste simply for the "environmental benefit" of resource recovery. The high up-front costs of procuring a resource recovery system can appear to be prohibitive, and the current lack of front-end funding makes it difficult to initiate implementation efforts. Resource recovery technology is in rudimentary stages; some even argue that there are no proven resource recovery plants. Local laws can cause delays over the resolution of issues such as control of waste stream, long-term contracting for solid waste disposal, and the use of competitive negotiations in contractor selection. Local officials feel that they assume a political risk because of the chance that their system will either never materialize despite years of planning effort or that disposal fees will far exceed those that are estimated in early planning stages.

However, symposium participants agreed that regional resource recovery can be a self-supporting and environmentally sound solution to the problem of solid waste disposal. It is essential that leaders in the field assess past experiences and take action to minimize risks and speed up the implementation process.

One action that might be taken is evenhanded enforcement of environmental standards for "noncomplying" alternatives to resource recovery. This would help to close the gap between the costs of landfill and resource recovery. Other suggested actions were the establishment of tradeoff policies or a grace period for compliance with regulations, and assumption of the financial burden of compliance by the Federal Government.

It was felt that Department of Energy (DOE) and Environmental Protection Agency (EPA) funding for front-end planning should be expanded because front-end planning is essential to a swift and successful implementation process. EPA has four integrated assistance programs: a $15 million grant program, a technical assistance panels program, a program in which information on commercial scale plants is collected to assist planners in system selection, and a general responsibility under RCRA to provide support to states in resource recovery planning.

Public Law 95-238 of February 1978 gave DOE the authority to support, by loan guarantee, innovative plants which recover desirable forms of energy. Title IV permits DOE to support municipally owned and/or operated waste processing plants through grants and/or price supports. Regulations governing price supports will be published next spring.

There must be a flexible approach to federal assistance; support should be specific to the needs of each project. Many feel that a price support system is the best and most flexible means of providing assistance. With a price support system, resource recovery tipping fees are lowered through the use of federal funds, and the cost of resource recovery to the user is thus made competitive with landfill costs. Support is provided at a critical time, the beginning of facility operation when the economic success of the plant depends on a consistent and sufficient influx of solid waste.

Some participants expressed a feeling that federal loans and guarantees can actually inhibit implementation. The loans and guarantees adjust for risks on the front-end of the project and facilitate planning and implementation. They do not, however, ease the economic burden of the first year or two of operation as with a price support system. The pitfall associated with loans and guarantees is that jurisdictions may choose to delay the initiation of planning and procurement in hope of receiving federal money. It is likely that the federal funding will not make up for time or money lost to inflation during the waiting period.

It was suggested that a repayment schedule for federal funding could be established based on the success of a project. Successful projects could repay up to one hundred percent of the funds, while unsuccessful projects might not repay any, or only a small portion. The returned funds would then be available for new efforts. Another suggestion is to explore the use of entitlement funds for resource recovery projects.

Front-end funding is urgently needed in order to avoid allowing jurisdictions to have feasibility studies performed for projects that don't get off the ground, and inadequate RFP's prepared that can elicit only poor responses. It is imperative that expert and experienced legal, technical and financial advisors assist in RFP preparation. The RFP must contain definitive project parameters and reflect realistic objectives and creditable assumptions which will serve as a basis for technical and management decisions by the responding firm. The credibility of the resource recovery industry will suffer if there is a flurry of activity at the local level and excitement about the prospect of resource recovery without timely follow-through and implementation. This is, in fact, what has happened over the past few years.

Control over the waste stream is an institutional—and in many cases legal—problem of considerable complexity. The nub of the problem is that communities, counties, etc. frequently do not have the legislative authority to direct where waste shall be delivered for disposal. Communities almost never have control over the industrial waste collected by private firms, and yet they are often responsible for providing a suitable public disposal facility.

The following is a list of Plenary Session speakers and the topics on which they spoke:

Keynote Address—Mr. Jerold Prod, Chairman, California Solid Waste Management Board; Industry Perspective—Mr. Robert Baratta, Vice-President, UOP, Inc.; Local Government Perspective—Mr. Clyde Dowell, Environmental Protection and Maintenance Department, City of Detroit; DOE Program—Mr. Donald K. Walter, Chief, Urban Waste Technology Branch, U.S. DOE; Implementing Resource Recovery—Mr. Ahti E. Autio, Associate Department Head, Resource Recovery and Energy Systems, The MITRE Corporation; EPA Program—Mr. Steffen Plehn, Deputy Assistant Administrator, Solid Waste Management, U.S. EPA; Solid Waste Management Industry—Mr. Eugene Wingerter, Executive Director, National Solid Waste Management Association; Electric Utilities—Mr. Robert Paladino, Edison Electric Institute; Financing Alternatives—Mr. Charles Ballard, Vice-President, Dillon, Read; Dinner Address—The Honorable Jennings Randolph, U.S. Senate, West Virginia; Luncheon Address—Dr. Sidney R. Galler, Deputy Assistant Secretary for Environmental Affairs, Office of Environmental Affairs, U.S. Department of Commerce.

The Workshop Chairmen were as follows: Planning and Procurement—Mr. William Gaughan, Director, Bureau of Solid Waste Disposal, Massachusetts Department of Environmental Management; Technology—Dr. Albert J. Klee, Chief, Processing Branch, Solid and Hazardous Waste Research Division, U.S. EPA; Financing—Mr. Robert Aldrich, Vice-President, Paine Webber; Contracting—Mr. Mel Greenberg, Esq., Greenberg, Traurig, Hoffman, Lipoff, Quentel, Wolff, P.A.; Institutional Factors—Mr. William G. Bentley, Director, Division of Solid Waste Management, New York State Department of Environmental Conservation.●

SENATE COMMITTEE MEETINGS

Title IV of Senate resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 8, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on the nutritional information contained on food labels.
322 Russell Building

9:15 a.m.
Judiciary
To hold hearings on S. 241, proposed Justice System Improvement Act.
2228 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
6626 Dirksen Building

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

10:00 a.m.
Appropriations
Labor-HEW, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.
S-128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Environment and Public Works
To continue to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Joint Economic
To hold hearings to explore the problems of unemployment and training programs among blacks, Mexican Americans, and other groups.
318 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To receive testimony on economic problems in American agriculture.
1202 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 13

9:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To hold hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

FEBRUARY 14

9:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To continue hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

FEBRUARY 15

10:00 a.m.
Judiciary
To resume hearings on S. 241, proposed Justice System Improvement Act.
2228 Dirksen Building

FEBRUARY 19

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, to hear EPA officials.
4200 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Office of Special Representative for Trade Negotiations, Foreign Claims Settlement Commission, and the International Trade Commission.
S-146, Capitol

FEBRUARY 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To resume hearings on the nutritional information contained on food labels.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on a proposed joint government/industry program of advanced automotive technology development.
235 Russell Building

Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, to hear EPA officials.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy to hear its Secretary.
1224 Dirksen Building

Banking, Housing, and UrbanAffairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Arms Control and Disarmament Agency, Presidential Commission on World Hunger, Securities and Exchange Commission, and on supplemental appropriations ofr FY 79 for ACDA.
S-146, Capitol

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Navajo-Hopi Relocation Commission and the Institute of Museum Services.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Thomas P. Salmon, of Vermont, to be a Member of the Board of Directors of the U.S. Railway Association, and S. Lee Kling, of Missouri, to be a Member of the Board of Directors of the National Railroad Passenger Corporation.
235 Russell Building

Rules and Administration
To continue hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed fiscal year 1980 authorizations for NASA.
5110 Dirksen Building

Veterans' Affairs
To hold hearings on S. 330, to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.
318 Russell Building

9:30 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Larry E. Meierotto, of the District of Columbia, to be an Assistant Secretary of the Interior.
3110 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Indian Education.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

Rules and Administration
To continue hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

FEBRUARY 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To resume hearings on the nutritional information contained on food labels.
322 Russell Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Jesse Hill, Jr., of Georgia, and Joan Fleischmann Tobin, of the District of Columbia, each to be a Member of the Board of Directors of the Communications Satellite Corporation, and Anne P. Jones, of Massachusetts, to be a Member of the Federal Election Commission.
235 Russell Building

Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hear Secretary Marshall on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

FEBRUARY 26

9:00 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To continue hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Japan-U.S. Friendship Commission, and on supplemental appropriations for FY 79 for the International Communications Agency and Renegotiation Board.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To hear Secretary Califano on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

FEBRUARY 27

10:00 a.m.
Rules and Administration
To resume hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

APRIL 5

9:30 a.m.
Veterans' Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through fiscal year 1980.
5110 Dirksen Building

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To mark up S. 239, authorizing funds through fiscal year 1981 for ACTION programs, and S. 232, authorizing funds through fiscal year 1981 for information and counseling projects to aid families who experienced sudden infant death syndrome deaths.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear its Secretary.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Services Administration, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Center for Disease Control, Department of HEW.
S-128, Capitol

FEBRUARY 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorization for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.
S-146, Capitol

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for fiscal year 1979 both for the Department of State.
S-146, Capitol

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1318 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Judiciary.
S-146, Capitol

MARCH 6

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S-146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
2355 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Inteiror, to hear outside witnesses.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
234 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 13

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Indian Health Service
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

MARCH 22

10:00 a.m.
Appropriaitons
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Geological Survey.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

MARCH 27

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for fiscal year 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 5

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

SENATE—*Thursday, February 8, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Almighty God, grant to Thy servants in the service of this Government strength of character, keenness of mind, and soundness of judgment to match the high demands of the day. Mid the collision of forces abroad and the competition of interests at home, help us to remember who we are and whom we serve. Give the President wisdom to propose, the Congress competency to legislate, and the people a healing and helpful response. Keep us all in Thy service and fill our spirits with the quiet confidence of those whose master is the Lord of all life, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 8, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The PRESIDING OFFICER (Mr. STEWART). The Senator from West Virginia.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time I consume not be taken out of the time of the distinguished Senator from Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared with the distinguished minority leader, that the Senate go into executive session to consider the nominations on the Executive Calendar beginning on page 1 and extending throughout the Executive Calendar to the close of page 26, and that those nominations be considered en bloc.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the majority leader is, of course, correct. Those items are cleared on our calendar and we are delighted to proceed to their consideration.

I might say parenthetically that I believe this is the biggest Executive Calendar that we have ever had the opportunity to deal with in one bite.

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF STATE

The legislative clerk read the nominations of:

W. Beverly Carter, Jr., of Pennsylvania, to be Ambassador at Large;

Robert H. Pelletreau, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain;

Stephen Warren Bosworth, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia;

Jonathan Dean, of New York, during the tenure of his service as Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations, Ambassador.

NOMINATION OF W. BEVERLY CARTER, JR.

● Mr. ZORINSKY. Mr. President, I oppose Mr. Carter's appointment. I do not question his qualifications to serve as an Ambassador-at-Large. He is very capable, I am sure.

But I do question whether we need a State Department liaison for State and local governments.

Our States and cities already spend a great deal on representation in Washington. We have a National League of Cities, a U.S. Conference of Mayors, a National Association of Counties, and a National Governors Association. In addition, many States and municipalities employ lobbyists individually. All are paid for by the taxpayers.

Congress itself functions as a lobby for States', cities', and other constituents' interests, pursuing them, where necessary, with executive agencies.

We do not need another voice in the middle, also at taxpayer expense.

I served 4 years as mayor of Omaha before moving to the Senate in 1977. I dealt with the State Department once in connection with an official trip I took, with two other mayors, to Poland. The city also helped individual Omahans, on occasion, with passport applications.

I never had any trouble dealing with State Department officials direct.

My former colleagues in local government tell me that they, too, would find a State Department liaison unhelpful, not only because they would prefer not to have to go through an intermediary, but because they simply have little interest in matters that are within the Department's jurisdiction.

A lobbyist for the cities said his organization has never had to contact the State Department on behalf of a member. A spokesman for several counties told me the same thing.

I could not find anyone in Nebraska State government who has had enough contact with State to be able to discuss with me whether an intermediary would be useful.

I have heard much talk here recently about a new era of fiscal austerity—about balancing the Federal budget. The Federal Government's size and bureaucratic inefficiency are also favorite complaints of those of us in this body.

Yet if we were truly serious about that talk and those criticisms, we would not permit the creation of this new and unnecessary State Department office today.●

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The legislative clerk read the nominations of:

William Brownlee Welsh, of Virginia, to be an Assistant Secretary of Housing and Urban Development;

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

U.S. AIR FORCE, U.S. ARMY, U.S. NAVY—NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the U.S. Air Force, U.S. Army, U.S. Navy, and nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

(All nominations considered and confirmed are listed at the conclusion of Senate Proceedings in today's RECORD.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the votes by which all the nominations were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now thank again the distinguished Senator from Virginia for his courtesy.

GEN. GEORGE CATLETT MARSHALL

Mr. HARRY F. BYRD, JR. Mr. President, the life and career of Gen. George Catlett Marshall are a source of inspiration to our Nation. Few Americans of this century can rival his achievements.

On November 11, 1978, Virginia Military Institute paid tribute to General Marshall with the unveiling of a statue—a fitting memorial, indeed, since General Marshall once was a member of the proud cadet corps at VMI.

On the occasion of the unveiling of the statue, the Honorable Mills E. Godwin, Jr., the distinguished former Governor of my State, delivered a moving tribute to General Marshall and a challenge to today's youth to emulate General Marshall's splendid example.

Governor Godwin fittingly described General Marshall as "an outstanding soldier, a farsighted statesman, an uncompromising gentleman, and a former member of this corps."

I ask unanimous consent that full text of Governor Godwin's eloquent address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE MILLS E. GODWIN, JR.

General Irby, Distinguished Guests, Cadets of VMI, Ladies and Gentlemen:

It is good to be at Virginia Military Institute where I have so often in the past, shared occasions of a public nature with you. It is especially good to be here on this Founders Day when you pay tribute to a graduate of

this institution who is certainly one of the great Americans of the 20th century.

General Irby has reminded us that it was snowing on November 11, 1839, when VMI first opened its doors to young men of Virginia, and if that first cadet sentinel should be watching over us today, I am certain that he shares with me a distinct pride that VMI's essential mission has not changed over the 139 years since the Institute became the nations' first state-supported military college.

It was the object of the founders to combine the academic work of a full college curriculum with exacting military discipline, and through the years the Institute has hewn true to its citizen-soldier mission, to its belief that education should prepare a man for the "work of his civil life," as the founders phrased it, but also prepare him in the art of military defense, with personal discipline the byproduct of his military training. The Institute was a pioneer in this respect, as was the Commonwealth in establishing a state military college. Today, so many generations later, VMI is an eloquent witness to the demand for graduates disciplined in both mind and strength of character.

I congratulate you on this anniversary occasion and on VMI's illustrious history of service to the Commonwealth and the Nation.

Our stated purpose today is to pay homage, by means of his likeness, to an outstanding soldier, a far-sighted statesman, an uncompromising gentleman, and a former member of this Corps.

His example serves us well in our own time.

His intellect commanded the respect of his associates, high and low.

His personal stature and diplomacy helped to hold together the supreme commanders of America's allies, with vastly different backgrounds and personalities.

His vision enabled this nation to rebuild the countries of its former enemies and transform them into friends.

However skillfully his likeness is presented to us here today, it can hardly do justice to the man.

But it can serve as a constant example to successive generations of his successors here at VMI.

Few of them, perhaps, will be endowed with his many talents.

Few of them, we all pray, will be presented with his opportunities to display them.

But all of them—all of us—can profit from the example of self-discipline in mind and spirit that made their application possible.

But with all due respect, his task was easier than ours.

As a military commander, his decisions in the field were backed by a confident people, solidly committed to a principle, and supported by an unbelievable outpouring of military hardware.

As a Secretary of State, his proposal to channel some of the wealth of the world's wealthiest nation to the cause of world peace and stability was firmly supported by a victorious and a generous people.

Today, the threat to freedom from a foreign ideology is even greater. But after an expedition into Southeast Asia, our people see it through a glass darkly.

The developing nations of the world, to whom America is still the land of freedom and opportunity, chastise us for our use of the world's resources, and at the same time, clamor for a portion of our proceeds thereof.

Our allies against the further spread of collectivism are even less of one mind on how to proceed than they were in Marshall's time.

And yet America is still the world's hope for freedom. Its spirit is still alive, although perhaps in different form.

Here at home, various associations of our people still demand freedom, at least from their own points of view.

Human rights are still paramount to our policy abroad.

The question we whisper among ourselves, the question our enemies are also whispering, is whether we still have the willingness to sacrifice, whether we still have the self-discipline that the times demand of us once more.

If we really cherish the freedom that is ours, the opportunities that are ours as Americans, our answer to ourselves and to the world must be that we do.

The alternative is to resign ourselves, and to commit the world, to a return of the Dark Ages that followed the fall of the Roman Empire.

That decision we must make as a people begins with a decision we must make as individuals.

One of VMI's great dividends has been to give us young men whose unique minds, talents, character and discipline enable them to stand with their heads above the crowd and when necessary to stand against the crowd.

General Marshall was such a man—one touched by the hand of greatness, and may this likeness of him unveiled today keep you always true to the spirit of VMI.

SENATE JOINT RESOLUTION 38—BALANCING THE BUDGET: A CALL TO RESPONSIBILITY

Mr. HARRY F. BYRD, JR. Mr. President, I am today introducing a joint resolution to amend the Constitution of the United States to require a balanced budget.

I wish this action were not necessary. It would be good to be able to report that the people could count on fiscal discipline in Washington.

But there is no fiscal discipline in Washington.

Two hundred such forty-two billion dollars' worth of red ink over the last 5 years, with another $29 billion planned for the next year, is proof that the Federal Government must be bound to fiscal responsibility with the chains of the Constitution.

Accumulated and accelerated deficits have piled up a debt now close to $800 billion, and is projected by the Treasury Department to be $900 billion by September 30 of next year. The Treasury projects a $98 billion increase in the debt during the next 18 months.

The interest on the national debt—just the interest—will cost taxpayers $60 billion this year. That is 22 percent of all individual and corporate income taxes paid into the Treasury.

This endless deficit financing is the chief cause of the chronic high inflation which is eroding the paycheck of every working man and woman, undermining the value of the dollar and threatening the very foundations of our economy.

I want to remind the Senate that the Congress last year passed, and the President signed, legislation I sponsored requiring a balanced Federal budget by fiscal year 1981, which begins in October 1980.

I take great encouragement from the approval of that legislation, but there could be efforts to set it aside or evade it.

Therefore, I feel we must move now to amend the Constitution to make a permanent requirement for a balanced budget.

The mood is right and the time is right to move toward a balanced budget. Twenty-five State legislatures have passed resolutions calling for a constitutional convention to frame a balanced budget amendment.

I think those resolutions represent the voice of the American people. Not only the State resolutions, but also numerous public opinion polls, show that the people want the Federal Government to control spending and balance the budget.

Congress must stop evading its responsibility, waiting for the States to act. Congress must submit a balanced budget resolution to the States for ratification, just as all our other constitutional amendments have been submitted.

The budgetary policies of the Carter administration illustrate well the need for a balanced budget requirement. In 1977 the new administration pushed through a program of economic stimulus, despite the fact that a strong recovery from recession had been underway for 2 years.

The result was a building of inflationary pressures. These pressures were enhanced by a fiscal year 1979 budget first proposed to be $60 billion in deficit—later whittled down to $37 billion, largely because of tax increases.

Late last year, with inflation touching the double-digit mark, the administration—with much fanfare—declared war on inflation. But now we have in hand the Carter proposal for a so-called anti-inflationary budget for fiscal year 1980: A budget which will increase spending by 9 percent over the level approved by Congress last fall, and with a deficit projected at $29 billion and likely to go significantly higher.

What all of this demonstrates is the inability of politicians to resist the temptation to spend.

Deficit spending is a bonanza for politicians. By approving big-spending programs without raising the taxes to finance them, politicians can please the special-interest groups with handouts while avoiding increases in the official tax rates.

I say "official" tax rates advisedly. For while the tax schedules have been reduced for both individuals and corporations, revenues from both tax sources continue to rise primarily because of the bonus which the Treasury receives from inflation.

But even this "inflation bonus" in Federal revenues has been insufficient to prevent the accumulation of enormous deficits and a resultant piling up of a staggering debt. The national debt more than doubled in the 8-year period from 1970 to 1978, rising from $383 billion to $780 billion.

And the debt in turn forces the ex-

penditure of $60 billion in interest this year. The burden of debt interest has grown to the point where 22 cents of every individual and corporate income tax dollar goes to pay the interest on the debt.

At the same time, the huge amounts which the Federal Government must borrow to finance its debt—$72 billion last year and $67 billion this year are a major drain on the money markets, creating upward pressure on interest rates and tying up funds which otherwise could be used for job-producing expansion in the private sector.

Thus the continued and accelerated deficit spending of the Federal Government fuels the fires of inflation and holds back private economic development.

We need to get the economy of the United States back on a sound basis. If we are to do this, we must follow policies that will inspire confidence in the minds of consumers and businessmen.

Consumers and businessmen cannot have confidence in an economy which is burdened with excessive Government spending and plagued with inflation.

The road to a balanced budget is the only road to permanent recovery for our economy.

Under the amendment which I am proposing today, in the first fiscal year after ratification by the States, the budget would have to be balanced.

Provision is made for incurring a debt in a national emergency declared by vote of two-thirds of both Houses of the Congress. This provision furnishes the flexibility needed to deal with serious and unforeseen problems which the Nation may come to face in the future.

The direction indicated in this proposed amendment to our Constitution is the one we must take if we are to avoid economic calamity and build a base for sound progress in the years ahead.

It is time for our national leadership—specifically, the Congress of the United States—to heed the voice of the people, and to bring our fiscal and economic policies in line with the demands of the future.

Mr. President, in conclusion, in a moment I shall ask unanimous consent to insert in the RECORD the texts of 22 resolutions passed by State legislatures calling for a constitutional convention to frame an amendment to the Constitution requiring a balanced budget.

In that connection, I want to pay tribute to the National Taxpayers Union and the balanced budget committee of that organization for focusing attention on this vitally important problem.

Whether one agrees or disagrees with the concept of a constitutional convention to require a balanced budget, I think that all of us who favor a balanced budget should give credit to the organization which has done so much to focus attention on this vital problem.

I am advised that there has been some confusion as to the number of States which have acted, the wording of the various resolutions and the maintaining of records concerning the actions of the States. Consequently, I hope that by submitting certified copies of 22 State resolutions—which I am about to do—I can in some measure relieve this confusion.

I understand that in addition to the States whose resolutions I am now about to present, four more have acted in the recent past: Arkansas, North Carolina, South Dakota and Utah. Certified copies of these resolutions are not yet available.

Among the 22 resolutions which I am now submitting is one from Nevada, which I understand has been vetoed by the Governor of that State. Nevertheless, the legislature has acted, so I am submitting the resolution at this time. It is expected that Nevada will clear a new resolution this year.

Thus, the actual total of States which have taken undisputed action is 25. The addition of Nevada will bring the total to 26, and more States are expected to follow suit in the weeks ahead.

Since the number of States required to call a constitutional convention is 34, it can be seen that this number may be reached in the not-too-distant future.

As I see it, it is the duty of Congress to act on its own and submit an amendment to the States. I believe that it is prudent for the Congress to follow the one tried-and-true method of submitting an amendment for ratification—the method which has been used for all constitutional amendments since the founding of the Republic.

Mr. President, I send to the desk a joint resolution and ask that it be printed and appropriately referred, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the texts of 22 State legislature resolutions, calling for a constitutional amendment to require a balanced Federal budget, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

S.J. RES. 38

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. During the first fiscal year beginning after the ratification of this article, the total outlays of the Government, not including any outlays for the redemption of bonds, notes or other obligations of the United States, shall not exceed total receipts, not including receipts derived from the issuance of bonds, notes or other obligations of the United States.

"SEC. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

EXHIBIT 2

HOUSE JOINT RESOLUTION 227

(Alabama)

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is vital to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may be proposed by the Congress; now therefore,

Be it resolved by the legislature of Alabama, both houses thereof concurring, That the Legislature of Alabama hereby petitions the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Alabama Legislature requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Be it further resolved, That, alternatively the Alabama Legislature makes application and requests that the Congress of the United States call a constitutional convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose for proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by

the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Further resolved, That the legislatures of each of the several states comprising the United States are urged to apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such amendment to the Federal Constitution.

Further Resolved, That the Clerk of the House is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislatures of each of the other States in the Union, the Clerk of the United States House of Representatives, Washington, D.C., and the Secretary of the United States Senate, Washington, D.C., and to each member of the Alabama Congressional Delegation.

Approved August 18, 1976.

Time: 6:30 P.M.

HOUSE CONCURRENT MEMORIAL 2320

(Arizona)

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation; and

Whereas, constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; and

Whereas, under article V of the Constitution of the United States, amendments to the constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary or on the application of the legislatures of two-thirds of the states the Congress shall call a constitutional convention for the purpose of proposing amendments.

Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States prepare and submit to the several states an amendment to the constitution requiring, in the absence of a national emergency, that the total of all federal appropriations made by the Congress for any fiscal year not exceed the total of the estimated federal revenues, excluding any revenues derived from borrowing, for that fiscal year.

2. That, in the alternative, the Congress of the United States call a constitutional convention to prepare and submit such an amendment to the constitution.

3. That this application continue in effect until the will of the Legislature of Arizona to the contrary is communicated to the Congress of the United States.

4. That the Secretary of State of Arizona transmit certified copies of this memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, to each member of the Arizona delegation to the United States Congress and to the presiding officers of each house of the legislature of each of the other states of the union with the request that it be circulated among leaders in the executive and legislative branches of the state governments.

SENATE JOINT MEMORIAL NO. 1

(Colorado)

Whereas, With each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, Convinced that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is vital to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article V of the constitution of the United States, amendments to the federal constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary or on the application of the legislatures of two-thirds of the several states that the congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states; now, therefore,

Be It resolved by the Senate of the Fifty-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the Congress of the United States is hereby memorialized to call a constitutional convention pursuant to article V of the constitution of the United States for the specific and exclusive purpose of proposing an amendment to the federal constitution prohibiting deficit spending except under conditions specified in such amendment.

Be It Further Resolved, That this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

Be It Further Resolved, That copies of this memorial be sent to the secretary of state and presiding officers of both houses of the legislatures of each of the several states in the union, the clerk of the United States house of representatives, the secretary of the United States senate, and to each member of the Colorado congressional delegation.

HOUSE CONCURRENT RESOLUTION NO. 36

(Delaware)

Be it resolved by the House of Representatives of the 128th General Assembly, the Senate concurring therein, that the General Assembly of the State of Delaware hereby, and pursuant to Article V of the Constitution of the United States, makes application to the Congress of the United States to call a convention for the proposing of the following amendment to the Constitution of the United States:

"ARTICLE —

The costs of operating the Federal Government shall not exceed its income during any fiscal year, except in the event of declared war."

Be it further resolved that this application by the General Assembly of the State of Delaware constitutes a continuing application in accordance with Article V of the Constitution of the United States until at method of proposing amendments to the several states have made similar applications pursuant to Article V.

Be it yet further resolved that since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and, since the power to use such right in full also carries the power to use such right in part, the General Assembly of the State of Delaware interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions.

Be it yet further resolved that a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, to each member of the Congress from this State and to each House of each State Legislature in the United States.

SENATE MEMORIAL NO. 234

(Florida)

A memorial to the Congress of the United States making application to the Congress to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions thereto.

Whereas, it is estimated, as of August, 1975, that the Federal debt at the end of the 1975 fiscal year will be $558.637 billion, and

Whereas, the fiscal year deficit for 1976 will be the largest in our history, between $70 and $80 billion, and

Whereas, the growing debt is a major contributor to inflation, lagging economic investment, excessive interest rates, and the resulting unemployment, and

Whereas, the economic welfare of the United States and its citizens depends on a stable dollar and sound economy, and

Whereas, the National Conference of State Legislatures passed Resolution No. 11 at its Annual Business Meeting on October 10, 1975, urging the Congress to take prompt and affirmative action to limit federal spending, and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress,

on the application of the legislatures of two-thirds of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress, now, therefore, be it

Resolved by the Legislature of the State of Florida:

That the Legislature of the State of Florida does hereby make application to the Congress of the United States pursuant to Article V of the Constitution of the United States to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto. Be it further

Resolved that a copy of this memorial be transmitted to the presiding officers of the Senate and the House of Representatives of Congress, the members of the Congressional delegation from the State of Florida and to the presiding officers of each house of the several state legislatures.

A RESOLUTION

(Georgia)

Applying to the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States; and for other purposes.

Be it resolved by the General Assembly of Georgia:

That this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

Be it further resolved that this application by the General Assembly of the State of Georgia constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Resolution before January 1, 1977, this petition for a Constitutional Convention shall no longer be of any force or effect.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and instructed to transmit a duly attested copy of this Resolution to the Secretary of the Senate of the United States Congress, the Clerk of the House of Representatives of the United States Congress, to the Presiding Officer of each House of each State Legislature in the United States, and to each member of the Georgia Congressional Delegation.

SENATE CONCURRENT RESOLUTION No. 1661

(Kansas)

A CONCURRENT RESOLUTION requesting and applying to the Congress of the United States to propose, or to call a convention for the purpose of proposing, an amendment to the Constitution of the United States which would require that, in the absence of a statutorily defined national emergency, total federal appropriations shall not exceed total estimated federal revenues in a fiscal year.

Whereas, Annually the United States moves more deeply in debt as its expenditures exceed its available revenues and the public debt now exceeds hundreds of billions of dollars; and

Whereas, Annually the federal budget demonstrates the unwillingness or inability of the federal government to spend in conformity with available revenues; and

Whereas, Proper planning, fiscal prudence and plain good sense require that the federal budget be in balance absent national emergency; and

Whereas, A continuously unbalanced federal budget except in a national emergency causes continuous and damaging inflation and consequently a severe threat to the political and economic stability of the United States; and

Whereas, Under Article V of the Constitution of the United States, amendments to the Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary or, on the application of the legislatures of two-thirds of the states, the Congress shall call a constitutional convention for the purpose of proposing amendments: Now, therefore,

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected to the Senate and two-thirds of the members elected to the House of Representatives concurring therein: That the Congress of the United States is hereby requested to propose and submit to the states an amendment to the Constitution of the United States which would require that within five years after its ratification by the various states, in the absence of a national emergency, the total of all appropriations made by the Congress for a fiscal year shall not exceed the total of all estimated federal revenues for such fiscal year; and

Be it further resolved: That, alternatively, the Legislature of the State of Kansas hereby makes application to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution of the United States which would require that, in the absence of a national emergency, the total of all appropriations made by the Congress for a fiscal year shall not exceed the total of all estimated federal revenues for such fiscal year. If the Congress shall propose such an amendment to the Constitution, this application shall no longer be of any force or effect; and

Be it further resolved: That the legislature of each of the other states in the Union is hereby urged to request and apply to the Congress to propose, or to call a convention for the sole and exclusive purpose of proposing, such an amendment to the Constitution.

SENATE CONCURRENT RESOLUTION No. 73

(Louisiana)

A Concurrent Resolution.—To memorialize and apply to the Congress of the United States, petitioning that a convention be called pursuant to Article V of the United States Constitution, to consider amending the same to prohibit the incurrence of national debt except in a state of emergency as declared by a three-fourths vote of the members of both houses of Congress; providing that the purview of such convention be strictly limited to the consideration of this amendment.

Whereas, the United States Government has, over the past three decades, embarked on a course of continuous and ever increasing deficit spending; and

Whereas, the public debt engendered thereby now far exceeds 300 billion dollars, and current budget proposals include provision for a further deficit of 43 billion dollars; and

Whereas, such national debt is, in and of itself, a major contributor to the very inflation to which the United States is committed to eradicating; and

Whereas, this massive national debt is inimical to the public welfare, limiting the amount of credit available to private citizens, thus curtailing opportunities for needed economic growth; and

Whereas, continued fiscal irresponsibility can only result in an eventual financial debacle of the sort recently experienced by New York City; and

Whereas, payment of the massive interest required to service national debt imposes an undue hardship on the citizenry, particularly those on fixed incomes; and

Whereas, the ability of the Federal Government to avoid the difficult budgetary choices posed by zero debt financing has resulted in a lack of objective budgetary analysis, and thus the funding of unnecessary or inefficient programs.

Therefore, be it resolved by the Senate of the Legislature of the state of Louisiana, the House of Representatives thereof concurring, that pursuant to Article V of the Constitution of the United States, the Legislature of the state of Louisiana does hereby apply to the Congress of the United States for a convention to consider the following amendment to the United States Constitution:

Section 1. Except as provided in Section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

Section 2. There shall be no increase in the national debt, and the existing debt, as it exists on the date on which this amendment is ratified, shall be repaid during the one hundred-year period following the date of such ratification. The rate of repayment shall be such that not less than one-tenth of the debt shall be repaid during each ten-year period.

Section 3. In times of national emergency, declared by the concurrent resolution of three-fourths of the membership of both Houses of Congress, the application of Section 1 may be suspended, provided that such suspension shall not be effective past the two-year term of the Congress which passes such resolution. If such a national emergency continues to exist, a suspension of Section 1 may be reenacted pursuant to the provisions of this Section. National debt incurred pursuant to this Section shall be repaid under the provisions of Section 2; provided, however, that the repayment period shall commence upon the expiration of the suspension under which it was incurred.

Section 4. This article shall apply to fiscal years that begin six months after the date on which this article is ratified.

Section 5. Congress shall provide by law for strict compliance with this amendment.

Be it further resolved that the purview of any convention called by the Congress pursuant to this resolution be strictly limited to the consideration of an amendment of the nature as herein proposed.

Be it further resolved that this application by the Legislature of the state of Louisiana constitutes a continuing application pursuant to Article V of the United States Constitution, until such time as two-thirds of the Legislatures of the several states have made similar application, and the convention herein applied for is convened.

Be it further resolved that a duly attested copy of this resolution be immediately transmitted to the President of the United States, to the Secretary of the United States Senate, to the Clerk of the United States House of Representatives, to each member of the

Louisiana delegation to the United States Congress, and to the presiding officer of each house of each state Legislature in the United States.

RESOLUTION No. 77

(Maryland)

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars.

Attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress.

The annual Federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues.

The unified budget of 304.4 billion dollars for the current fiscal year does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit.

As reported by US News and World Report on February 25, 1974, of these nonbudgetary outlays in the amount of 15.6 billion dollars, the sum of 12.9 billion dollars represents funding of essentially private agencies which provide special service to the federal government.

Knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance.

Believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend.

Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpos of proposing amendments; now, therefore, be it

Resolved by the General Assembly of Maryland, That this Body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that the General Assembly of Maryland requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues, excluding any revenues derived from borrowing, for that fiscal year; and be it further

Resolved, That this Body further and alternatively requests that the Congress of the United States call a constitutional convention for the specific *and exclusive* purpose of proposing such an amendment to the Federal Constitution, to be a new article XXVII; and be it further

Resolved, That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the Federal Constitution, to be a new Article XXVII; and be it further

Resolved, That the proposed new Article XXVII (or whatever numeral may then be appropriate) read substantially as follows:

"PROPOSED ARTICLE XXVII

"The total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues for that fiscal year, excluding any revenues derived from borrowing; and this prohibition extends to all Federal appropriations and all estimated Federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this Article. If the President proclaims a national emergency, suspending the requirement that the total of all Federal appropriations not exceed the total estimated Federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all Members elected to each House of the Congress so determine by Joint Resolution, the total of all Federal appropriations may exceed the total estimated Federal revenues for that fiscal year."

and, be it further.

Resolved, That copies of this Resolution under the Great Seal of the State of Maryland, be sent by the Secretary of State to: Honorable Gerald Ford, President of the United States, Washington, D.C.; Honorable Charles McC. Mathias, Old Senate Office Building, Washington, D.C.; Honorable J. Glenn Beall, Jr., Old Senate Office Building, Washington, D.C.; Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C.; Honorable Robert E. Bauman, Longworth Building, Washington, D.C.; Honorable Clarence D. Long, Rayburn Building, Washington, D.C.; Honorable Paul S. Sarbanes, Cannon Office Building, Washington, D.C.; Honorable Marjorie S. Holt, Longworth Building, Washington, D.C.; Honorable Gladys Spellman, House Office Building, Washington, D.C.; Honorable Goodloe E. Byron, Longworth Building, Washington, D.C.; Honorable Parren J. Mitchell, Cannon Building, Washington, D.C.; and Honorable Gilbert Gude, Cannon House Office Building, Washington, D.C.; and be it further

Resolved, That under the Great Seal of the Senate of Maryland, the Secretary of State is directed to send copies of this Joint Resolution to the Secretary of State and to the presiding officers of both Houses of the Legislature of each of the other States in the Union, with the request that it be circulated among leaders in the Executive and Legislative branches of the several State governments; and with the further request that each of the other States in the Union join in requiring the Congress of the United States to call a constitutional convention for the purpose of initiating a proposal to amend the Constitution of the United States in substantially the form proposed in this Joint Resolution of the General Assembly of Maryland.

HOUSE CONCURRENT RESOLUTION No. 51

(Mississippi)

Whereas, an ever-increasing public debt is inimical to the general welfare of the people of the United States; and

Whereas, the natoional debt is already dangerously high and any further increases will be harmful and costly to the people of the United States; and

Whereas, a continuous program of deficit financing by the Federal Government is one of the greatest factors supporting the inflationary conditions presently existing in this country and therefore has been the chief factor in reducing the value of the American currency; and

Whereas, payment of the increased intest required by the ever-increasing debt would impose an undue hardship on those with fixed incomes and those in lower income brackets; and

Whereas, it is not in the best interest of either this or future generations to continue such a practice of deficit spending particularly since this would possibly deplete our supply of national resources for future generations; and

Whereas, by constantly increasing deficit financing the Federal Government has been allowed to allocate considerable funds to wasteful and in many instances nonbeneficial public programs; and

Whereas, by limiting the Federal Government to spend only the revenues that are estimated will be colected in a given fiscal year, except for certain specified emergencies, this could possibly recult in greater selectivity of Federal Government programs for the benefit of the public and which would depend upon the willingness of the public to pay additional taxes to finance such programs, and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may eb proposed by the Congress;

Now Therefore, Be it Resolved by the House of Representatives of the State of Mississippi, the Senate Concurring Therein, That we do hereby, pursuant to Article V of the Constitution of the United States, make application to the Congress of the United States to call a convention of the several states for the proposing of the following amendment to the Constitution of the United States;

"ARTICLE —

Section 1. Except as provided in Section 3, the Congress shall make no apropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

Section 2. There shall be no increase in the national debt and such debt, as it exists on the date on which this article is ratified, shall be repaid during the one-hundred-year period beginning with the first fiscal year which begins after the date on which this article is ratified. The rate of repayment shall be such that one-tenth (1/10) of such debt shall be repaid during each ten-year interval of such one-hundred-year period.

Section 3. In time of war or national emergency, as declared by the Congress, the application of Section 1 or Section 2 of this article, or both such sections, may be suspended by a concurrent resolution which has passed the Senate and the House of Representatives by an affirmative vote of three-fourths (3/4) of the authorized membership of each such house. Such suspension shall not be effective past the two-year term of the Congress which passes such resolution, and if war or an emergency continues to exist such suspension must be reenacted in the same manner as provided herein.

Section 4. This article shall apply only with respect to fiscal years' which begin more than six (6) months after the date on which this article is ratified."

Be it Further Resolved, That this application by the Legislature of the State of Mississippi constitutes a continuing application

in accordance with Article V of the Constitution of the United States until at least two-thirds (2/3) of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1976, this application for a convention of the several states shall no longer be of any force or effect.

Be it Further Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States; to each member of the Congress from this state; and to each house of each state legislature in the United States.

SENATE JOINT RESOLUTION No. 22

(Nevada)

Whereas, The national debt now amounts to hundreds of billions of dollars and is increasing enormously each year as federal expenditures grossly exceed federal revenues; and

Whereas, Payment of the increased interest on this ever-expanding debt imposes a tremendous burden on the taxpayers of this country; and

Whereas, Continuous deficit financing by the Federal Government supports inflationary conditions which adversely affect the national economy and all Americans, particularly those persons with fixed or low income; and

Whereas, Constantly increasing use of deficit financing has enabled the Federal Government to allocate considerable sums to programs which in many instances have proved to be wasteful and nonbeneficial to the public; and

Whereas, Limiting federal expenditures in each fiscal year to revenues available in that year, except during national emergencies, will result in greater selectivity of federal programs for the benefit of the public; and

Whereas, The annual federal budgets continually reflect the unwillingness or inability of both the legislative and executive branches of the Federal Government to balance the budget and demonstrate the necessity for a constitutional restraint upon deficit financing; and

Whereas, Under article V of the Constitution of the United States, the Congress is required to call a convention for proposing amendments to the federal Constitution on the application of the legislatures of two-thirds of the several states; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That, pursuant to article V of the Constitution of the United States, the legislature of the State of Nevada hereby makes application to the Congress of the United States to call a convention for the purpose of proposing an amendment to the United States Constitution which would require that, in the absence of a national emergency, the total of the appropriation made by the Congress for each fiscal year may not exceed the total of the estimated federal revenues for that year; and be it further

Resolved, That the legislature of the State of Nevada proposes that the legislatures of each of the several states apply to the Congress to call a constitutional convention for the exclusive purpose stated in this resolution; and be it further

Resolved, That this application by the legislature of the State of Nevada constitutes a continuing application in accordance with article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications, but if Congress proposes an amendment to the Constitution similar to that contained in this resolution before January 1, 1981, this application for a convention of the several states shall no longer be of any force; and be it further

Resolved, That a copy of this resolution be immediately transmitted by the legislative counsel to the President of the Senate and the Speaker of the House of Representatives of the United States, to each member of the Nevada congressional delegation and to the presiding officer of each house of the legislatures of the several states; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

LEGISLATIVE RESOLUTION 106

(Nebraska)

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenue, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenue; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

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Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action is vital.

Now, Therefore, be it resolved by the members of the eighty-fourth legislature of Nebraska, second session:

1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the State of Nebraska requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.

2. That, alternatively, this Legislature makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.

3. That this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the federal Constitution.

4. That the Clerk of the Legislature transmit a copy of this resolution to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each member of the Nebraska Congressional delegation, the Secretaries of State and the Legislatures of each of the several states, and the Secretary of State for the State of Nebraska.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the resolution pass?' "

SENATE JOINT RESOLUTION

(New Mexico)

Be it resolved by the legislature of the State of New Mexico:

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article 5 of the constitution of the United States, amendments to the federal constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments; we believe such action vital;

Now, therefore, be it resolved by the legislature, of the State of New Mexico that this body proposes to the congress of the United States that procedures be instituted in the congress to add a new article to the constitution of the United States, and that the legislature of the state of New Mexico requests the congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved that, alternatively, this body makes application and requests that the congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the constitution requiring in the absence of a national emergency that the

total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved that this body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the federal constitution; or requiring the congress to call a constitutional convention for proposing such an amendment to the federal constitution; and

Be it further resolved that copies of this resolution be sent by the secretary of state to the members of New Mexico's delegation to the Congress of the United States; and

Be it further resolved that the secretary of state of this state is directed to send copies of this joint resolution to the secretary of state and presiding officers of both houses of the legislature of each of the other states in the union, the clerk of the United States house of representatives, Washington, D. C. and the secretary of the United States Senate, Washington, D. C.

SENATE CONCURRENT RESOLUTION No. 4018

(North Dakota)

Be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That we respectfully propose an amendment to the Constitution of the United States and call upon the people of the several states for a convention for such purpose as provided by Article V of the Constitution, the proposed Article providing as follows:

ARTICLE —

Section 1. The president shall submit, at the beginning of each new Congress, an annual budget for the ensuing fiscal year setting forth in detail the total proposed expenditures and the total estimated revenue of the Federal Government from sources other than borrowing. The president may set new revenue estimates from time to time. Expenditures for each two-year period shall not exceed the estimated revenue except in time of war or a national emergency declared by the Congress. The provisions of this Article shall not apply to the refinancing of the national debt; and

Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the legislatures of the several states.

HOUSE JOINT RESOLUTION No. 1049

(OKLAHOMA)

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars.

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Section 3. That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution.

Section 4. That copies of this Resolution shall be sent by the Secretary of State to our members of Congress.

Section 5. That the Secretary of State of this state is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislature, the Congress and of each of the other States in the Union.

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit.

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance.

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal dicipline needed to restore financial responsibility.

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states that the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital.

Now, therefore, be it resolved by the House of Representatives and the Senate of the 2nd session of the 35th Oklahoma legislature:

Section 1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Legislature of the State of Oklahoma makes application and requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Section 2. That alternatively, this Body requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency.

SENATE JOINT MEMORIAL 2

(Oregon)

(1) That this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

(2) That this application by this body constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Joint Memorial before January 1, 1979, this petition for a constitutional convention shall no longer be of any force or effect.

(3) That this body propose that the legislative body of each of the several states comprising the United States apply to the Congress of the United States requiring the Congress to call a constitutional convention for proposing an appropriate amendment to the Federal Constitution or requesting the enactment of such an amendment to be submitted to the states for ratification.

(4) That a copy of this memorial shall be transmitted to the President of the United States; to each member of the Oregon Congressional Delegation; to the presiding officers of the Senate and House of Representatives of the United States of America; to each Governor of each state in the United States of America; and to the presiding officer of each legislative body in the United States of America.

RESOLUTION No. 236

(Pennsylvania)

Whereas, Requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the Legislatures of two-thirds of the several states, calling a Constitutional Convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual Federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal Government to curtail spending to conform to available revenues; and

Whereas, Unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, Knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

Whereas, Believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states the Congress shall call a Constitutional Convention for the purpose of proposing amendments. We believe some such action vital; therefore be it

Resolved (The Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania proposes to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the General Assembly of the Commonwealth of Pennsylvania requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved That, alternatively, the General Assembly of the Commonwealth of Pennsylvania makes application and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring

in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved, That the General Assembly of the Commonwealth of Pennsylvania also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a Constitutional Convention for proposing such an amendment to the Federal Constitution; and be it further

Resolved, That copies of this resolution be sent to the members of the Congress from Pennsylvania; and be it further

Resolved, That the Chief Clerk of the House of Representatives send copies of this joint resolution to the Secretary of State and presiding officers of both Houses of the Legislature of each of the other states in the Union, the Clerk of the United States House of Representatives, Washington, D. C. and the Secretary of the United States Senate, Washington, D. C.

CONCURRENT RESOLUTION No. S. 1024

(South Carolina)

Whereas, with each passing year this Nation becomes more deeply in debt as congressional expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds a half-trillion dollars; and

Whereas, attempts to limit spending by means of the new congressional budget committee procedures have proved fruitless; and

Whereas, the annual Federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, the proposed budget of five hundred billion dollars for fiscal year 1978–1979 does not reflect total spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, believing that fiscal irresponsibility at the Federal level, with the resulting inflation and decline in the Nation's trading position is a growing and corrosive threat to our economy, to the well-being of our people, and to our representative democracy, that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress is requested, pursuant to Article V of the United States Constitution, to call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution.

Be it further resolved that the proposed new amendment read substantially as follows:

"PROPOSED ARTICLE XXVII

The total of all federal appropriations made by the Congress for any fiscal year shall not exceed the total of the estimated federal revenues for that fiscal year, excluding any revenues derived from borrowing, and this prohibition extends to all federal appropriations and all estimated federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article.

The provisions of this article shall be suspended for one year upon the proclamation by the President of an unlimited national emergency. The suspension may be extended, but not for more than one year at any one time, if two-thirds of the membership of both Houses of Congress so determine by Joint Resolution."

Be it further resolved that copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of Congress from South Carolina.

NO. 774

An Act To Authorize The Secretary Of State To Restore The Charter Of Plainview Rural Water Co., Inc.

Be it enacted by the General Assembly of the State of South Carolina:

Section 1. Charter may be restored.—Authority is hereby granted to the Secretary of State to restore the charter of Plainview Rural Water Co., Inc., upon the payment to the South Carolina Tax Commission of such taxes, penalties and interest as the commission shall find to be due. The Secretary of State shall note the reinstatement upon the record of the original charter.

Section 2. Time effective.—This act shall take effect upon approval by the Governor.

Became law without the signature of the Governor.

NO. 775

A Joint Resolution To Request Appropriate Action By The Congress Of The United States, On Its Own Action By Consent Of Two-Thirds Of Both Houses Or On The Application Of The Legislatures Of Two-Thirds Of The Several States, To Propose An Amendment To The Constitution Of The United States To Require That The Total Of All Federal Appropriations May Not Exceed The Total Of All Estimated Federal Revenues In Any Fiscal Year, With Certain Exceptions.

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, attempts to limit spending have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, the unified budget of over three hundred billion dollars for the current fiscal year does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning and fiscal prudence require that the budget reflect all federal spending and that the budget be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend; and

Whereas, under Article V of the Constitution of the United States, amendments to the federal constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

Section 1. Amendment to U.S. Constitution proposed.—The General Assembly of South Carolina proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that the Congress prepare and submit to the several states an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues, excluding any revenues derived from borrowing, for that fiscal year.

The General Assembly further and alternatively requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing such an amendment to the federal constitution, to be a new Article XXVII.

The General Assembly also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the federal constitution, to be a new Article XXVII, which shall read substantially as follows:

"ARTICLE XXVII

The total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year, excluding any revenues derived from borrowing, and this prohibition extends to all federal appropriations and all estimated federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article. If the President proclaims a national emergency, suspending the requirement that the total of all federal appropriations not exceed the total estimated federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all members elected to each house of the Congress so determine by joint resolution, the total of all federal appropriations may exceed the total estimated federal revenues for that fiscal year."

Section 2. Copies to certain persons.—The Secretary of State is directed to forward copies of this resolution bearing the Great Seal of the State to the following persons: The President and Vice President of the United States, the Speaker of the United States House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C.

Section 3. Time effective.—This act shall take effect upon approval by the Governor.

HOUSE JOINT RESOLUTION No. 22

(Tennessee)

Whereas, each year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the legal public debt limit has exceeded 437 billion dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, nonetheless, the annual budget repeatedly demonstrates an unwillingness or inability to curtail spending to conform to available revenues; and

Whereas, the federal budget never reflects actual spending because of the exclusion of special outlays which are neither included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning requires that the budget reflect all federal spending and that the budget be in balance and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that a constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; now, therefore

Be it resolved by the House of Representatives of the Ninetieth General Assembly of the State of Tennessee, the Senate concurring. That pursuant to Article V of the Constitution of the United States, application is hereby made to the United States Congress to call a convention for the purpose of considering and proposing an amendment to the Constitution of the United States to require that, in the absence of a national emergency, the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year, such amendment to read substantially as follows:

The total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year; and this prohibition extends to all federal appropriations and all estimated federal revenues without exception. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article. If the President proclaims a national emergency, suspending the requirement that the total of all federal appropriations not exceed the total estimated federal revenues for a fiscal year, and two-thirds (⅔) of all members elected to each house of the Congress so determine by joint resolution, the total of all federal appropriations may exceed the total estimated federal revenues for that fiscal year.

Be it further resolved, That this application shall constitute a continuing application for such convention under Article V of the Constitution of the United States until the legislatures of two-thirds (⅔) of the several states shall have made like applications and such convention shall have been called and held in conformity therewith, unless the Congress itself proposes such amendment within the time and the manner herein provided.

Be it further resolved, That proposal of such amendment by the Congress and its submission for ratification to the legislatures of the several states substantially in the form of the article hereinabove specifically set forth, at any time prior to sixty (60) days after the legislatures of two-thirds (⅔) of the several states shall have made application for such convention, shall render such convention unnecessary and the same shall not be held. Otherwise, such convention shall be called and held in conformity with such applications.

Be it further resolved, That as this application under Article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign states under the Constitution of the United States, it is requested that receipt of this application by the Senate and the House of Representatives of the Congress of the United States be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and the House of Representatives of the Congress.

Be it further resolved, That certified copies of this Resolution be transmitted forthwith to the Senate and the House of Representatives of the Congress of the United States, to each Senator and Representative in Congress from this state, and to each house of the legislature and to the Secretary of State of each of the several states.

HOUSE CONCURRENT RESOLUTION No. 13

(Texas)

Whereas, The overwhelming endorsement by California voters of Proposition 13 has spurred a nationwide taxpayer's revolt against high taxes and excessive government spending; and

Whereas, While numerous local governments and states, including Texas, are sincerely responding to citizen demands for tax limitations coupled with responsible spending, the federal government, where budget restraint is most needed, has reacted to the message of Proposition 13 in a halfhearted and disappointing manner; and

Whereas, The federal budget is increasing at an alarming rate, several times that of inflation, as seen by a 140 percent increase since 1970; and

Whereas, The federal government through many years of deficit spending has incurred a national debt of astronomical and dangerous proportions; the gross national debt is currently estimated to be almost $800 billion, over twice the figure for 1962 and about 40 percent of the nation's gross national product; and

Whereas, Statutorily imposed "permanent" debt ceilings, repeatedly raised by Congress, have proved to be no impediment to the monstrous growth of the national debt; this disgraceful legacy for future generations has swollen by $177 billion over the past three years and has fostered an interest payment of $50 billion for this year; and

Whereas, Persistent deficit financing is a major factor contributing to income-robbing inflation, high interest rates, and an unstable, unpredictable economy, and results in the funding of government programs of questionable benefit and need; and

Whereas, Texas' enviable financial position among state governments is largely due to its "pay-as-you-go" constitutional provision restricting deficit spending by the legislature; and

Whereas, During the 1977 regular session, this legislature adopted House Concurrent Resolution No. 31 memorializing congress to initiate a constitutional amendment that would similarly prevent deficit spending and therefore halt the growth of the national debt, the greatest threat to this nation's future well-being; now, therefore, be it

Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the 65th Legislature, 2nd Called Session, hereby reaffirm the provisions of House Concurrent Resolution No. 31 calling for an amendment to the United States Constitution requiring a balanced annual federal budget and hereby request the Texas congressional delegation to sponsor this vital amendment; and, be it further

Resolved, That this amendment require the achievement of a balanced budget within a reasonable period after adoption and establish a procedure for amortizing the national debt; and, be it further

Resolved, That the Governor of Texas be hereby requested to actively seek the sponsorship of the amendment by the Texas congressional delegation and to use the financial resources of his office to promote support for the amendment; and, be it further

Resolved, That the governor, lieutenant governor, and speaker of the house be hereby requested to contact government leaders of other states to solicit and encourage support for the amendment; and, be it further

Resolved, That the lieutenant governor and speaker of the house be authorized to designate separate or joint committees or individual legislators to represent them and the state in this endeavor and that reasonable expenses incurred by them or their designees in efforts to initiate the amendment be paid from the contingent expense fund of the appropriate house; and, be it further.

Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

SENATE JOINT RESOLUTION No. 36

(Virginia)

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual Federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments; and

Whereas, we believe such action vital; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the General Assembly of Virginia proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that this Body hereby requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and, be it

Resolved further, That, alternatively, this Body makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all esti-

mated Federal revenues for that fiscal year; and, be it

Resolved further, That this Body also proposes that the legislature of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution; and, be it

Resolved finally, That copies of this resolution be presented forthwith to the President of the Senate and the Speaker of the House of Representatives, to each of the Senators and Representatives from Virginia and to the legislatures of each of the several states, attesting the adoption of this resolution.

ENROLLED JOINT RESOLUTION No. 1

(Wyoming)

A joint resolution requesting appropriate action by the Congress, on its own by consent of two-thirds of both Houses or on the application of the legislatures of two-thirds of the several states, to propose an amendment to the Federal Constitution to require that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year, with certain exceptions.

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now amounts to hundreds of billions of dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous assertions that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual Federal budget repeatedly demonstrates the unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, the unified budget does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, the U.S. News and World Report reported on February 25, 1974, that of these nonbudgetary outlays in the amount of $15,600,000,000.00, the sum of $12,900,000,000.00 represents funding of essentially private agencies which provide special services to the Federal government; and

Whereas, knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance; and

Whereas, believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments;

Now, therefore be it resolved by the legislature of the State of Wyoming, a majority of all members of the two Houses, voting separately, concurring herein:

Section 1. That procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that Congress prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues, excluding any revenues derived from borrowing, for that fiscal year; or

Section 2. That the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing such an amendment to the Federal Constitution, to be a new Article XXVII.

Section 3. That the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the Federal Constitution, to be a new Article XXVII.

Section 4. That the proposed new Article XXVII (or whatever numeral may then be appropriate) read substantially as follows:

PROPOSED ARTICLE XXVII

"The total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues for that fiscal year, excluding any revenues derived from borrowing; and this prohibition extends to all Federal appropriations and all estimated Federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriations bill shall comply with this Article. If the President proclaims a national emergency, suspending the requirement that the total of all Federal appropriations not exceed the total estimated Federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all Members elected to each House of the Congress concur by Joint Resolution, the total of all Federal appropriations may exceed the total estimated Federal revenues for that fiscal year."

Section 5. That copies of this Resolution be transmitted to the President of the United States, the chairmen of the Judiciary Committees of both the Senate and House of Representatives, the chairman of the Joint Committee on Budget Control of the Congress and to each member of the Wyoming Congressional delegation.

Section 6. That copies of this Joint Resolution be transmitted to the Secretary of State and to the presiding officers of both Houses of the Legislature of each of the other States in the Union, with the request that it be circulated among leaders in the Executive and Legislative branches of the several State governments; and with the further request that each of the other States in the Union join in requiring the Congress of the United States to call a constitutional convention for the purpose of initiating a proposal to amend the Constitution of the United States in substantially the form proposed in this Joint Resolution.

ORDER OF BUSINESS—ROUTINE MORNING BUSINESS

Mr. STEVENS addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I hesitate to interrupt the distinguished Senator, but the regular order is that two other Senators be recognized at this time. I know the Senator is not aware of that.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Inasmuch as those Senators are not in the Chamber at this time, and in order not to prejudice their orders, and at the same time to allow the distinguished acting Republican leader to proceed, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 5 minutes, awaiting the arrival of the two Senators for whom the orders previously have been given.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I thank my good friend, and I apologize. I was not aware of those orders.

ENERGY AND THE PUBLIC LANDS

Mr. STEVENS. Mr. President, the United States is facing another energy crisis. The Secretary of Energy has stated that he is considering banning Sunday gas sales as well as restricting commuter parking and imposing emergency heating and cooling restrictions. It is clear that we must take steps to reduce our dependence on foreign oil or live with the continued threat of another Iran, another oil embargo, another catastrophe. Yet, Federal policies are restricting and even prohibiting exploration for much needed mineral potential. These policies are threatening to cripple our Nation.

The Federal Government owns over 760 million acres of land—one-third of the United States. This land contains significant reserves of crude oil, natural gas, and other minerals. It is estimated that the Federal Government is sitting on as much as 135 billion barrels of crude oil and gas liquids and almost 760 trillion cubic feet of natural gas. This is nearly four times the known current reserves of oil and gas in the United States. Yet almost nothing is being done to explore and develop this tremendous potential. In fact, more and more steps are being taken to block any exploration of these lands.

Much of the Federal lands has been withdrawn by the Federal Government and is not available for any mineral potential. Secretary Andrus recently suggested that we terminate a program to gather information on the national strategic petroleum reserve until we "see if it is needed." What does it take before he realizes that it is needed?

We must work toward a national policy to improve our energy supply, not sabotage it.

I ask unanimous consent that a memorandum recently compiled by the Independent Petroleum Association of America on this subject be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ENERGY AND THE PUBLIC LANDS

U.S. public lands are the last frontier for domestic oil exploration. They present the most promising opportunities to expand our nation's domestic supplies of crude oil and natural gas. Yet, federal surface management policies are restricting and, in some cases, prohibiting any form of exploration. De facto and de jure withdrawals of public lands from the operation of the Mining Act of 1872, the Mineral Leasing Act of 1920 and the Mining and Minerals Policy Act of 1970 have occurred in haphazard and uncoordinated fashion with little thought given to future economic or energy impact. If there is any denominator for the federal government's actions with regard to public lands over the last decade, it is the exclusive concern for maintaining the works of nature inviolate while disparaging the efforts of man.

MINERALS POTENTIAL IN PUBLIC LANDS

The federal government owns over 760 million acres—one-third of the total land area of this country—as well as the mineral rights to an additional 63 million acres. The largest federal landowners are the Bureau of Land Management (BLM) with 470 million acres (equivalent to Alaska, California, and Massachusetts combined) and the Forest Service with 187 million acres (equivalent to Texas and South Carolina combined). They are followed by the Department of Defense, 31 million acres; Fish and Wildlife Service, 30 million acres; National Park Service, 25 million acres; Bureau of Reclamation, 7.6 million acres; and Bureau of Indian Affairs, 5 million acres. In addition, the federal goverment controls some 559 million acres underlying territorial waters beyond state jurisdiction.

These vast stretches of Federal land contain significant potential reserves of crude oil and natural gas and other critical minerals. Dean William H. Dresher of the University of Arizona College of Mines estimates that publicly owned lands contain 50 percent of all known energy resources including: 40 percent of the coal, 70 percent of the low-sulfur coal; 75 percent of the oil shale; 85 percent of the tar sands; 18 percent of the developed oil reserves; 33 percent of the estimated U.S. oil resource base; and 43 percent of the estimated U.S. natural gas base.

Studies of the U.S. Geological Survey indicate that this country has enough known and potential oil and natural gas resources to continue present levels of production for nearly 50 years. The low estimate suggests that, with improved technology and the right economic climate, the nation may have as many as 135 billion barrels of crude oil and gas liquids, and some 760 trillion cubic feet of natural gas, almost four times the current proved reserves of oil and gas in the U.S.

The Geological Survey and private oil and gas industry sources estimate that much of the nation's undiscovered oil and natural gas reserves lie in Alaska, the Rocky Mountains and on the Outer Continental Shelf (OCS). Ninety-six percent of the lands in Alaska, 46 percent of the Rocky Mountain states (Idaho, Utah, Montana, Wyoming, Colorado, and New Mexico), and all of the OCS beyond state jurisdiction are controlled by the federal government. Thus, the management policies governing access and development of these resources is critical.

In a recent statement before the American Association for the Advancement of Science, Charles O. Masters of the U.S. Geological Survey stated that the U.S.G.S. was raising its estimate of undiscovered crude oil resources in the U.S. by 10 billion barrels, according to a January 6, 1979 Washington Post report. Eight new discoveries in the Western part of the Green River Basin provide data which supports an upward revision of the low estimate from 50 to 60 billion barrels of undiscovered crude oil. These new discoveries highlight the significance of the new frontier on public lands in the Rocky Mountain states as the Green River Basin covers parts of Wyoming, Utah, Montana, and Colorado and is part of the Overthrust Belt. The new discoveries have also raised the 1973 estimates of potential in that basin from 1.5 to 37 billion barrels of oil, adding further support to government and industry claims that the Overthrust Belt may have greater potential than Prudhoe Bay in Alaska.

The Rocky Mountain Oil and Gas Association estimates undiscovered recoverable hydrocarbon resources of Forest Service RARE II tracts overlying the Overthrust Belt in Idaho, Montana, Utah and Wyoming to be from 4.5 to 25.9 billion barrels of crude oil and from 13.2 to 97.3 trillion cubic feet of natural gas. According to RMOGA, "this is equivalent to as much as 4.3 times the oil and gas estimated to be recoverable from the Atlantic Continental Shelf (0–6 billion barrels of oil and 0–22 trillion cubic feet of natural gas), or up to eight times the amount of crude oil imported by the United States in 1977 (3.2 billion barrels)."

Only one hundred nine million acres of public lands are under oil and gas lease at the present time. Of the 559 million offshore acres controlled by the U.S., only a little more than 10 million, or less than 2 percent of the offshore acres has been leased for oil and gas exploration, according to the American Petroleum Institute. Of the 3.2 million wells drilled throughout the world, some 2.4 million have been drilled in the mature producing areas of the U.S. Extrapolate such a drilling density to Alaska, to the western areas where new discoveries have been made recently, and to other promising regions such as those on the public lands and the results could be phenomenal.

However, according to "The Final Report of the Task Force on the Availability of Federally-Owned Mineral Lands" (U.S. Department of Interior, 1977, using 1974 data) 312.5 million acres of federal lands were formally withdrawn and an additional 183 million acres were governed by such severe restrictions as to constitute de facto withdrawals—as much as 73 percent of the U.S. public lands.

CURRENT LAND MANAGEMENT POLICY

The movement to withdraw more and more federal land has come about largely as a result of a latent awareness that U.S. borders are not limitless and her natural resources must be managed in a manner which will respect the natural environment as well as the economic environment of the nation. Thus, land managing agencies are mandated to protect and sustain every aspect of the natural environment under a plethora of piecemeal programs. The result is a collage of conflicting policies and procedures which lack priority identification and national perspective. For example, improving the nation's energy supply situation is a top national priority. At the same time, conservation of public land has also been identified as a top environmental issue. It is this conflict which has seriously limited access to U.S. public lands for energy exploration and development.

The emphasis on wilderness preservation has exacerbated the land withdrawal issue. During the past two years, the Forest Service withdraw sixty-three million acres of national forest land for its RARE II studies; the Bureau of Land Management initiated a 15-year Wilderness Review; 123 million acres were withdrawn from any development in Alaska while Congress debates the Alaska National Interest Lands Act; and countless individual wilderness and other limited access bills have passed in Congress. According to the U.S. Forest Service, the current wilderness situation is as follows:

National wilderness preservation system

Existing wilderness	[1] 19,013,305
Endorsed and pending before Congress	[2] 23,148,041
Under review or estimated under review	[1] 202,842,863
Total acres	245,004,209

[1] Includes National Forests, National Parks, National Wildlife Refuges, and Bureau of Land Management lands.

[2] Includes National Forests, National Parks and National Wildlife Refuges.

All of these 245,004,209 acres are presently managed in a manner that will protect their wilderness characteristics; i.e., they are not available for mineral resource development.

The controversy is obvious in the debate over future use of Alaska lands. In proposed legislation which would limit access to 128 million acres of land in Alaska, all of that acreage would be withdrawn from mineral entry while oil and gas leasing could occur on non-wilderness refuges subject to special procedures. Seventy percent of the lands rated highly favorable for minerals by the U.S. Bureau of Mines and three of the world class mineral discoveries in Alaska identified by the Stanford Research Institute are included in Wilderness areas and would therefore be off-limits to exploration and development or be so restrictively managed as to preclude development. Additionally, the Arctic National Wildlife Range coastal plain would be designated Wilderness and subject to wilderness protection stipulations.

EXISTING STATUTORY PROVISIONS

The conflict between energy development and conservation crystalizes when one examines the statutory provisions for conducting oil and gas operations on designated wilderness areas. The Wilderness Act of 1964 makes special provisions for exploration and development of minerals on "wilderness" areas, recognizing their important place in American productivity. The Act provides in part:

". . . Nothing in this Act shall prevent within national forest wilderness areas any activity, including prospecting, for the purpose of gathering information about mineral or other resources, if such activity is carried on in a manner compatible with preservation of the wilderness environment . . .

"Notwithstanding any other provisions of this Act, until midnight December 31, 1983, the United States mining laws and all laws pertaining to mineral leasing shall, to the same extent as applicable prior to the effective date of this Act, extend to those national forest lands designated by this Act as 'wilderness areas'; subject, however, to such reasonable regulations governing ingress and egress as may be prescribed by the Secretary of Agriculture consistent with the use of the land for mineral location and development and exploration, drilling, and production . . ." (Sec. 4(d)(2) and (3))

Implicit in the language of the Act is a recognition of the fact that mineral exploration and extraction can be conducted in harmony

with the environment. Multiple use is not contrary to preservation of the natural environment. Reasonable requirements for surface protection and restoration provide adequate safeguards and are consistent with the language of the Wilderness Act and the Federal Land Policy and Management Act (FLPMA).

The importance of mineral values in wilderness areas as recognized by Congress in the Wilderness Act was later confirmed by FLPMA (sections 603(a) and 603(c)). Both acts require that minerals surveys be performed by the Geological Survey and Bureau of Mines, the results of such surveys to be reported to the President and Congress. FLPMA goes further by requiring such report to be completed prior to any wilderness designation recommendations. It is significant that both acts which mandate wilderness studies include this recognition of mineral values.

Furthermore, Section 4(d)(3) of the Wilderness Act provides that, with regard to wilderness areas, regulations governing ingress and egress shall be:

". . . consistent with the use of the land for mineral . . . development and exploration, drilling, and production, and use of land for . . . facilities necessary in exploring, drilling, producing, and processing operations, including where essential . . . restoration as *near as practicable* of the surface of the land disturbed. . ." (Emphasis added)

The language is specific. Not only can oil and gas be discovered but produced as well. The legislators recognized not only that land disturbance is a necessary by-product of exploration and production but also, more importantly, that the land can be restored without impairing wilderness suitability. The BLM's NTL-6 provides more than ample reclamation requirements.

Our interpretation is consistent with language in section 603(c) of FLPMA: ". . . the Secretary shall by regulation or otherwise take any action required to prevent unnecessary or undue degradation of the lands. . ." This language makes clear that some degradation of the lands will be necessary; otherwise there would be no need for regulation. Therefore, a "no surface occupancy" stipulation on a lease is an unwarranted and improper application of wilderness protection. Failure to issue new leases, and failure to grant or process applications for drilling permits are equally unacceptable. The pertinent language of section 603(a) of FLPMA reads:

". . . the Secretary shall continue to manage such lands . . . so as not to impair the suitability of such areas for preservation as wilderness, *subject, however, to the continuation of* existing mining and grazing uses and *mineral leasing* in the manner and degree in which the same was being conducted on the date of approval of this Act." (Emphasis added)

IMPLEMENTATION OF STATUTORY AUTHORITY

In spite of the foregoing development provisions, land managing agencies have taken the position that mineral leasing is a use taking place on public lands rather than a legal entitlement by which a party would be allowed to conduct exploration and production operations on the land. To the contrary, a lease is nothing if not a legal entitlement to use the land consistent with the purpose for which it was leased. An oil and gas lease is meaningless without the entitlement to access, drilling, and production.

An example of agency restrictions can be found in the following quote taken from the recently published RARE II Final Environmental Statement:

". . . Oil industry exploration proposals will be examined on a case-by-case, site-specific basis in full compliance with the National Environmental Policy Act. This means before on-the-ground activities are permitted, environmental assessment reports will be made. Where proposed activities, individually or cumulatively, would have major effects on quality of the human environment, environmental impact statements will be prepared with full public involvement. Where environmental impacts are judged unacceptable, the proposed activities will be disapproved."

This process continues the all too familiar scenario to oil and gas lessees: endless delays, litigation by environmentalists, prohibitive operating costs, and increased bureaucratic involvement in private enterprise, not to mention the obvious disincentive posed by no guarantee that production will be allowed once a discovery is made. It also provides a classic example of the conflicts which exist in the mandates of public land managing agencies.

Commercial production of oil and gas and development drilling in National Forest nonwilderness and further planning areas as well as all BLM lands under study for wilderness characteristics will not be approved until land use allocation decisions and/or land management plans have been completed. Under these conditions, it will take years to bring on any of the vast energy potential that lies beneath public lands.

Until very recently, the chief concept which governed the management of public lands was "multiple use". Congress reaffirmed the multiple use philosophy in the Federal Land Policy and Management Act of 1976. However, the Act's definition of "multiple use" has only further clouded the picture:

"The term multiple use means the management of public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustment in use to conform to changing needs and conditions; *the use of some land for less than all of the resources;* a combination of balanced and diverse resource uses that takes into account the long-term needs of future generations for renewable and nonrenewable resources; including, but not limited to, recreation, range, timber, minerals, watershed, wildlife and fish, and natural scenic, scientific and historical values; and harmonious and coordinated management of the various resources *without permanent impairment of the productivity of the land and the quality of the environment* with consideration being given to the relative values of the resources and *not necessarily to the combination of uses that will give the greatest economic return or the greatest unit output.*" (Emphasis added.)

The term is defined in FLPMA is broad enough to cover any wish of federal land managing officials and can mean many things to persons with different backgrounds and interests.

Implied but not stated in the definition of multiple use is the concept of "without conflict". Historically, it has meant simultaneous occurrence of compatible uses or sequential occurrence of conflicting uses. An outstanding example is Avery Island in Louisiana which is simultaneously a bird sanctuary, salt mine, red pepper farm, and a producing oil and gas field.

With perspective, the term "multiple use" as defined in FLPMA can be used to provide for the needs of our society. Without perspective, it can be used to eliminate massive portions of public lands from broad public use. The latter is happening.

CONCLUSION

All current projections indicate that U.S. demand for imported petroleum will continue to increase unless new domestic sources of petroleum are found and developed. Federal lands (both onshore and offshore) are the areas of greatest potential for future domestic petroleum supplies. Our ability to develop those domestic supplies depends upon gaining access to these lands.

Petroleum activities on federal lands—in addition to being necessary to expand domestic production—are in most instances temporary and can be conducted in a manner that is compatible with sensitive environmental areas. Exploration activity (both seismic and test drilling) involves minimal surface disturbance of the land over a fairly short period (a few days or weeks usually—a few years at most). Even in the event of a commercial discovery, the normal life of a field (25 to 30 years) is also a "temporary" intrusion on the land when considered in terms of an average lifetime and the pressing need now for domestic energy supplies.

Petroleum development as a "compatible use" has been fully documented even in the case of the most sensitive competing use—wildlife. Oil and gas activities on the Kenai Moose Range in Alaska and on various wildlife refuges along the coast of the Gulf of Mexico have shown that wildlife management and petroleum production can proceed together. In fact, the Wildlife Refuge Management Act specifically states that oil and gas activities may proceed on wildlife refuges.

The petroleum industry recognizes the need and the responsibility to conduct its operations in a manner that is environmentally sound. IPAA is anxious to work with the Federal government to bring about a process of operations which will satisfy that responsibility so that its members can get on with the business of finding and developing new domestic energy supplies.

SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized for not to exceed 15 minutes.

SENATE RESOLUTION 64—SUBMISSION OF A RESOLUTION RELATING TO THE FUNCTIONING OF MARKET FORCES IN CRUDE OIL PRODUCTION AND CONSERVATION

Mr. BELLMON submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 64

Be it resolved that it is the Sense of the Senate that:

"The President shall act to allow market forces to function in crude oil production and conservation".

Whereas, Congress finds it in the best interest of all Americans, that U.S. energy resources be valued at their true replacement cost, as established by market forces;

Whereas, the majority of the American people desire to be self-sufficient in production of energy insofar as that is possible;

Whereas, the majority of the American people believe that energy is a non-renewable natural resource which should not be wasted, and should be priced at the world market or true replacement cost;

Whereas, our President has pledged his word, on our behalf, to allow the price of American oil to seek the world market price by 1981;

Resolved, that it is the sense of the Senate that price controls on all categories of domestically produced American crude except crude "lower tier" shall be terminated on June 1, 1979. Further, resolved the President shall systematically remove all remaining controls over the following two years.

Mr. BELLMON. Mr. President, I rise to submit a sense of the Senate resolution dealing with the expiration of EPCA.

Mr. President, I have some good news and some bad news. The good news is that mandatory price controls on American crude oil production are due to expire in May of this year. The bad news is that President Carter has the authority to extend or reimpose these controls and that great political pressures will be exerted on the President to get him to take this action.

That pressure is for a bankrupt policy and one which I believe needs to be allowed to die an early death.

There are those who want to keep these price controls on, but I believe that the majority of Americans do not want the price controls continued and will view the expiration of these controls as a necessary step toward conservation and toward the expansion of production of domestic energy.

In a recent Harris public opinion poll (released on January 8 of this year) 65 percent of all Americans polled said they favored "deregulation of the price of all oil produced in the United States, if this would encourage development of more oil production here at home."

The purpose of my statement this morning is to show that this would logically follow.

There is no doubt that deregulation would encourage development of more oil production. I offer evidence that deregulation would result in more oil production here at home just as it has with natural gas in the intrastate market. The point is so important that I intend to return to it in another later statement, wherein I hope to offer evidence from the real world that price incentives have brought forth increased production for both gas and oil.

Once Congress and the administration is convinced of this fact, it should then be but a short step to the realization that the solution to our energy problems is to get the Government out of the way and let market forces begin to operate.

In testimony this week officials of the Energy Department, Mr. Bardine and also Secretary Schlesinger, have taken the position that we should let the market forces work, and to me this is a healthy sign that the administration has now begun to see the light.

But, Mr. President, let me return to the Harris poll.

There are two points of significance in what 65 percent of all Americans favor. The first is that they favor deregulation of all domestic oil. Not just marginal wells. Not just new oil. Not just oil from enhanced recovery projects. They favor decontrol of all oil. That means that most Americans realize that we need to get more money to those who explore for, who find, and who produce energy in this country. Most Americans realize that we have an economic problem far more than we have a limitation of resource problem.

The second point is that most Americans realize that increased prices will probably result in increased production. In other words, they believe in the law of supply and demand.

Increasingly Americans realize that price controls are a mistake. The present controls on domestic crude production came about as amendments to the Emergency Petroleum Allocation Act (EPAA) of 1973. If that act has any redeeming feature, it is that it has shown a whole generation of Americans the inevitable failure of such controls. Production falls off, wasteful overutilization continues, and the rate of imports rises. When foreign production slumps shortages and sharp price increases follow.

The situation we find ourselves in now, after the 40 months of controls, is worse than the situation we were trying to escape. Not only has domestic oil production declined, but imports have escalated at an even more rapid pace, as is illustrated in a table, which I wish to have printed in the RECORD at this point.

Mr. President, I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—IMPORTED AND DOMESTIC CRUDE OIL, 1960–77

[Thousands of barrels per day]

Year	United States	Per barrel[1]	OPEC	Per barrel[2]
1960	7,035	$2.88	1,315	$1.20
1961	7,183	2.89	1,269	1.50
1962	7,332	2.90	1,265	1.60
1963	7,542	2.89	1,284	1.80
1964	7,614	2.88	1,362	1.80
1965	7,804	2.86	1,476	1.80
1966	8,295	2.88	1,472	1.80
1967	8,811	2.92	1,259	1.80
1968	8,660	2.94	1,303	1.80
1969	8,778	3.09	1,334	1.80
1970	9,180	3.18	1,334	1.80
1971	9,032	3.39	1,673	2.29
1972	8,998	3.39	2,063	2.48
1973	8,784	3.89	2,993	5.04
1974	8,375	6.87	3,280	11.25
1975	8,007	7.67	3,601	12.38
1976	7,776	8.19	5,066	11.50
1977	8,217	8.57	6,156	12.70

[1] U.S. domestic average price at wellhead, current dollars.
[2] Posted price of Saudi "marker" crude, current dollars.

Source: Energy Information Agency: Annual Report (1977).

Mr. BELLMON. Mr. President, this table shows that OPEC crude oil imports went from what had been a relatively constant 1.3 million barrels a day prior to 1971 to about 7 million barrels a day by 1977, and they are even higher today. In this same period of time, the OPEC crude oil price had gone up a factor of four.

Since the collapse of oil production in Iran and the announced refusal of the Saudi Arabians to increase their production, Americans realize more than ever the dangerously exposed position of this Nation's oil supply. The politically inspired notion that the United States can have cheap, abundant, and dependable energy is evaporating.

Let me explain the apparent perverseness of a demand for OPEC that rises rapidly in the face of an even more rapid rise in price. The answer lies in the fact that all energy forms that compete with oil in the world market went up in price in concert with OPEC oil. But American oil was not allowed to go up in price, so the average price for oil in this country was substantially less than the nearest alternative energy source. Demand for oil went up. No increased domestic production was forthcoming, so imports took up the slack.

Mr. President, it was interesting to note in Secretary Schlesinger's testimony before the Energy Committee yesterday the charts which he submitted that showed that in real dollars the price of crude oil is less now than it was back in 1974, and the same thing is true with gasoline.

So it is natural under these conditions when crude oil prices are not allowed to go up as the cost of production goes up that there would be less activity and also since gasoline prices have stayed constant that we would be continuing our wasteful overutilization of this product.

It is worthwhile taking a look at how we came to have these controls in the first place. After World War II, what we would now call "OPEC" oil began to be imported into this country. It was cheap oil. OPEC was practically giving it away and it could be sold in this country much cheaper that we could produce our own domestic fields.

By 1955, we had instituted import controls on OPEC oil. The controls were designed to limit the amount of OPEC crude oil that could enter this country. The idea was to preserve a viable U.S. oil industry. It is fortunate for the country that this policy was followed. Otherwise, the United States would now be at the complete mercy of a foreign cartel.

The import quotas worked in the sense that a relative constant volume of 1.3 million barrels a day of OPEC oil was allowed to be imported from the early 1950's up until 1971. That amounted to about 17 percent of domestic production and allowed a price support of about $3 a barrel, in 1955 dollars, for domestic oil.

Then, in 1971, President Nixon imposed wage and price controls on virtually everything. These other price con-

trols were later lifted but the price controls on domestic oil production have never come off.

As late as mid-October 1973, Saudi Arabia "marker" crude, which is to say the sweet light crude oil whose posted price serves as the basis for the price of all OPEC oil, was selling for $2.32 a barrel.

The price of Saudi "marker" crude is posted in dollars, and I want to return later to the significance of that fact. But by the first of the year, the price of "marker" crude had gone from $2.32 a barrel to $10.83 a barrel. Congress quickly passed the Emergency Petroleum Allocation Act late in 1974 and late in 1975 passed, and President Ford reluctantly signed into law, the Energy Policy and Conservation Act, known as EPCA. It was EPCA amending EPAA that gave us the price controls that are to expire in May of this year.

The original price controls imposed by President Nixon on everything in 1971 were to stop inflation. When the EPAA controls on oil were imposed in 1974, inflation was very high, and some economists were afraid the shock of domestic oil going to the world market price would be too much for the economy. Inflation was still too high in 1975 when the EPCA controls were imposed, but the controls were designed to result in a gradual lifting of domestic oil prices to the world market price.

But inflation continued at a high level and the dollar began to drop like a rock as well. It might even be said that because inflation in this country continued at a high rate, the dollar began to drop. In any event, the OPEC price has been raised several times to compensate for the inflation and the fall in the dollar against more stable currencies (such as the Swiss franc).

As I said earlier, the price of market crude is set in dollars, and when the dollar falls, OPEC raises the price.

We, now, import six times the amount of OPEC oil we were importing when President Nixon put the price controls on domestic oil and we are paying six times as much per barrel. We are 36 times worse off when it comes to "balance of payments." When you consider imported crude oil and imported refined products, we import as much as we produce.

The intent of the price controls contained in EPCA was to allow the average price of domestic crude to rise, over a period of 40 months, the world price. The rate of increase was limited to 10 percent per year, unless the President could show that a faster increase would bring forth increased domestic production.

But the OPEC price has been increased over those 40 months by a third because of inflation and the falling dollar. In 1975 the OPEC price was $12 a barrel and 1.9 billion barrels of American crude would have sold at $12 a barrel—instead of $5—if controls had been lifted. Now, the OPEC price is $16 a barrel and 2.25 billion barrels of American crude can be sold, if price controls are lifted now, at $16 a barrel, instead of $9.

So we are no closer to deregulation today than we were when these price controls for phased deregulation were instituted. Now, the impact of this infusion of revenue into energy investment would have been and still will be significant so far as our future energy supplies from domestic resources are concerned.

Those who want price controls extended apparently take comfort from the figures of declining domestic production. If we leave controls on until 1981, they reason, there will not be any domestic production to lift the price controls from.

They may take some comfort. It all causes me much discomfort. The economic jolt is still there to be felt because the OPEC price is higher. Production has declined in the Lower 48 States. Inflation has not been checked. We are importing several times more oil and paying several prices for it. How can anyone plead for more of this torture?

And yet some do. They want to protect the Americn consumer, they say. And that is why the news that President Carter has the authority to extend or reimpose these controls may be bad news. Up to now he has shown far more concern, as President, for the price consumers pay than he has for the energy producers produce or fail to produce. Up to now, he would not acknowledge (much less confront) the real problem, which is lack of incentives for domestic energy production of all sorts. Perhaps the pending emergency from the decline in Iranian production plus changing consumer attitudes will cause a rethinking of the administration's position—at least I hope it will.

President Carter did not impose the present price controls on American oil. Congress imposed them and President Ford reluctantly agreed to them. The price controls were supposed to be a kind of phased deregulation. (The same kind of phased deregulation that we have ill advisedly put on our domestic natural gas, but I will come back to that on another day). A maximum increase of 10 percent per year in the average price of domestic crude oil was allowed. However, the President could increase the price more if he could show that by so doing, it would result in increased production.

It would have been and still is, easy to show that increased price would have resulted in increased domestic crude oil production. I ask unamious counsent to have printed in the RECORD, two tables, which can be used for this purpose.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE II.—EXPLORATORY DOMESTIC GAS WELLS

Year	Number of producing wells	Cents per MCF [1]
1950	431	11.2
1955	874	16.2
1960	868	19.8
1961	813	21.1
1962	771	21.3
1963	664	21.5
1964	577	20.6
1965	515	20.3
1966	698	19.8
1967	532	19.6
1968	465	19.1
1969	616	18.7
1970	481	19.2
1971	437	18.4
1972	601	18.0
1973	900	[2] 51.0
1974	1,195	80.0
1975	1,171	129.0
1976	1,402	161.0
1977	1,477	183.0

[1] Price in 1972 dollars.
[2] After 1972, unregulated market weighted average price for new gas.

Source: Energy Information Agency: Annual Report to Congress, 1977.

TABLE III.—INTERSTATE ADDITIONS (VERSUS) INTRASTATE ADDITIONS

[Trillion cubic feet]

Year	Regulated	Unregulated
1966	10.0	4.8
1967	9.9	4.9
1968	6.4	3.4
1969	6.2	3.4
1970	3.5	7.8
1971	2.2	8.9
1972	5.0	5.7
1973	1.7	8.4
1974	2.4	7.3
1975	1.3	8.7
1976		7.5
1977		12.0

Source: "Economics of Cas Deregulation," Natural Gas Supply Committee, 1977.

Mr. BELLMON. In table II, there is a comparison of, what happened in the federally price controlled interstate natural gas market, with what happened in the uncontrolled market. Until 1977, the Federal Power Commission held down the price that interstate pipelines could pay for gas. As a result of the general rise in the price of all energy that began in 1972—except for gas and crude oil under Federal price controls—interstate gas prices for new contracts began to rise. Exploratory footage for gas surpassed oil, and nearly all drilling activity was for the unregulated, intrastate market, as can been seen in table III. American drilling for unregulated gas, and the finding of that gas, quickly tripled. Furthermore, throughout the 1970's, additions to reserves have very nearly equaled production. In other words, the unregulated market is approximately in balance, and prices have recently begun to ease, reflecting that balance.

So, anyone who examines the recent history of exploratory drilling for unregulated gas must conclude that higher prices have resulted in increased domestic production. President Carter could have increased the average price of domestic crude oil much more than the 10-percent per year. And yet, he did not, and there are reports that he feels he must extend or reimpose EPCA price controls so as to further protect the consumer. For him to do so would be adding

the insult of perverse economics to the very real injury we have already suffered from these price controls.

Now that an oil shortage confronts the country all Americans will suffer from these price controls and the reduced domestic production which has resulted.

I ask unanimous consent to have printed in the RECORD a table showing the amounts of domestic crude oil production—as a function of price—for the period of these price controls.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE IV.—DOMESTIC [1] CRUDE PRODUCTION UNDER PRICE CONTROLS

Year	Lower tier (old)		Upper tier (new)		Stripper	
	$ Per barrel [2]	Million barrels per year	$ Per barrel [2]	Million barrels per year	$ Per barrel [2]	Million barrels per year
1971	$3.39	3,454				
1972	3.39	3,446				
1973	3.79	2,768	$6.70	369	$6.70	224
1974	5.03	2,035	10.13	793	10.13	375
1975	5.03	1,875	12.03	734	12.03	397
1976	5.13	1,615	11.71	935	12.16	419
1977	5.19	1,371	11.22	1,078	13.59	398
1978	5.45	1,158	12.08	1,100	13.95	437

[1] Alaskan production excluded.
[2] Current dollars.

Source: Data abstracted from DOE/EIA "Monthly Energy Review".

Mr. BELLMON. It can be shown that since 1973, these price controls have cost:

Americans—as producers—$27 billion after taxes, royalty and dividend payments for reinvestment.

Americans—as taxpayers—$30 billion in taxes they should not have had to pay.

That injury does not take into account the greatest injury in the long run; namely, the amount of energy supply that would have been found, or developed, with that $27 billion. There is also the reduction in the deficit that $30 billion in taxes could have made, which in turn, would have slowed inflation. But it is certain that, had no price controls been imposed, more energy would have been produced in this country.

It is difficult to estimate how much. It is sometimes a long interval between the time money is invested in new energy sources and the time production begins. However, if all that $27 billion had been invested in oil exploration and development, and if you can accept the OPEC posted price as being a measure of the true replacement cost of oil in this country, then the revenues denied our producers by these controls could have added more than 4.5 billion barrels of oil to our oil reserves. If you believe, as some do, that the OPEC price is arbitrary and is much higher than the true replacement costs, then much more oil would have been added to our reserves by this reinvestment.

At the current reserve-to-production ratio, we would be producing this year more than 600 million additional barrels of oil. At $15 a barrel, that increase in production would mean we would be handing almost $10 billion less to OPEC this year. Revenues from that oil, coupled with the increased revenue from other decontrolled domestic production would mean that either Americans could pay almost $12 billion less in taxes, or we could reduce the deficit by that amount.

There is one final point I want to make that I have not seen made elsewhere. There is a growing realization in this country about the importance to our system of capital formation. Even the socialist economies now realize that their system cannot survive without capital formation. One of the most important assets many oil companies (and independent producers) have is their proven reserves. It is like money in the bank. They can borrow money on it. I saw the other day where the Securities and Exchange Commission is going to make them publish the value of their oil and gas reserves in their annual report so investors will know how much the company is worth.

Right now, as a result of these price controls, all that oil in the ground that is classified as "old" or "lower tier" is only "worth" $5 a barrel. OPEC thinks that oil is worth more that $15 a barrel. Most of the world is in no position to argued with them. The value of that "old" oil, as an asset, would be tripled if we decontrolled oil prices. The borrowing power of domestic producers would increase enormously. And we have already talked about what oil producers do with any revenue they can lay their hands on. They go out and find more energy.

We have been wasting our oil. It is natural to do that with something the Federal Government says is not worth much. We have got to stop wasting it. We have got to get rid of these price controls. Even the Arabs hate to see us wasting our oil. The rest of the world holds to the view that the U.S. energy policy is irresponsible. The oil consuming nations have pleaded with us to end these controls. President Carter has promised Chancellor Schmidt that American oil would be priced at world market prices by 1981. I propose to express the sense of the Senate that he keep that promise to our allies and friends.

SPECIAL ORDER

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.) The Chair recognizes the Senator from Illinois (Mr. PERCY).

REDUCING OIL GLUTTONY: AN AGENDA FOR THE 96TH CONGRESS

Mr. PERCY. Mr. President, I wish to commend my distinguished colleague from Oklahoma for his fine statement. I commend him on his analysis of oil pricing. Oil decontrol is one of the issues which I would like to address.

Mr. President, habits are hard to break, and America's colossal craving for imported oil is no exception. For nearly a decade now, short-term shortages and warnings of imminent depletion have had only minor impact on consumption.

Some experts predict that global demand for oil will outstrip supply by the mid-1980's, with economically debilitating squeezes occurring at several points before then. Other experts show greater optimism, claiming that the aggressive development of non-OPEC oil will forestall the time of reckoning for a few decades.

Even if new supplies of oil are discovered, can the United States reasonably expect to have reliable access to these resources? Recent events in Iran should cause us serious doubt. Political upheaval in that country has brought oil exports to a virtual standstill. With 7.6 percent of our oil imports coming from Iran, the consequences of a prolonged shutdown could be very damaging to the U.S. economy. Secretary of Energy Schlesinger has warned that, if the shutdown persists for 3 months, gas rationing may be necessary. Just yesterday he warned this crisis could be greater than the crisis caused by the embargo of October 1973.

A year ago, we did not anticipate this course of events. Today, we are equally unable to predict with assurance of accuracy what will happen next year in Saudi Arabia or Kuwait. Rapid modernization has caused major social and political turmoil in many oil-producing countries. Is it responsible for the United States to base its economic welfare on such uncertain grounds? I think not.

Sudden disruptions in supply are one source of aggravation to American consumers. Major price hikes are another. OPEC's recent pricing decision will boost American gas prices by at least 2.5 cents per gallon, and will increase overall consumer prices by 0.4 percent in 1979.

In recent years, rising world oil prices have far outstripped the general rate of inflation. The world market price for oil

has grown from $2 per barrel in 1973 to about $13.50 today—nearly a 700-percent leap during a time when the consumer price index has risen less than 50 percent. Energy costs have thus cut deeper and deeper into family budgets.

THE LIMITED PROSPECTS OF NEA

Decisive action is clearly needed to protect the American people from future hardship. We must reduce our inflationary and unstable dependence on imported oil.

The major purpose of the National Energy Act, passed by Congress last fall, was to cut our oil imports. This act, though praiseworthy, is no more than a beginning. As originally conceived, the National Energy Act was expected to stimulate savings of nearly 5 million barrels of oil per day by 1985. Today, the administration estimates that the act as passed will save little more than half that amount.

Even taking NEA-induced savings into account, Secretary Schlesinger has predicted that our 1985 imports will significantly exceed current levels. He estimates that we will require 9 to 10 million barrels of imported oil per day in 1985, compared with today's 8.5 million barrels.

A CALL FOR ACTION

The 96th Congress faces a considerable challenge. In the coming months, we must move ahead swiftly in adopting measures which will reduce oil imports, and not merely hold them near present levels. An ambitious but realistic goal would be to cut imports back to 6 million barrels per day by 1985. A number of measures should be implemented in order to meet this goal.

1. DECONTROL OIL PRICES

An effective program geared toward cutting oil imports should aim at reducing overall demand for oil—domestic as well as imported. This reduction will not occur if domestic crude oil prices continue to be kept artificially low by stringent price controls. "Old" domestic oil today sells at less than half the world market price for oil.

No measure which raises the price of a major commodity such as oil will be readily embraced by the American people. American families today spend 10 to 15 percent of their income on energy, and they understandably wish to avoid yet further energy-related encroachments on their already strained budgets.

I fully appreciate these budgetary concerns. Nevertheless, I strongly believe that allowing domestic oil prices to reflect this commodity's true value will serve our country's long-term interests. Somewhat higher prices today may free American consumers from much greater hardships imposed by oil scarcity tomorrow.

In the next few years, price controls on domestic crude oil should be lifted. This decontrol must occur in a phased manner, to avoid placing a sudden, unfair burden on American family budgets.

Decontrol should be accompanied by a windfall profits tax for a limited period of time. We need decontrol to provide consumers with accurate price signals as to the real value of oil. However, we also must recognize how difficult decontrol is to achieve politically. We need a windfall profits tax as an inducement to win support for decontrol, and as a reassurance to consumers that they will not be taken advantage of.

My hope is that competition inside the energy field and between oil companies will be adequate to assure that we will have fair pricing after a period of readjustment. A windfall profits tax would, therefore, only be needed during this initial period.

In addition to preventing excessive oil company profits, a windfall profits tax would raise much-needed revenues for the development of alternative energy technologies. Revenues from the tax should also provide assistance to lower-income families, who are hardest hit by rising fuel prices.

2. ENCOURAGE CONSERVATION AND RENEWABLE RESOURCES

Raising oil prices will only curb America's oil appetite if we at the same time adopt strong measures to promote renewable resource-based technologies and conservation strategies.

Decades of lopsided subsidies have given oil an undeserved prominance and have crippled the market potential of alternative energy technologies. Since 1918, oil producers and distributors have received a total of $77.2 billion in Federal assistance. This assistance has been provided through depletion allowances, incentives for new oil discovery, stripper well price incentives, subsidies for tankers and pipelines, and other mechanisms.

Renewable resource technologies such as wind, solar, and biomass have quite a different history. Aside from large-scale hydroelectricity, these technologies have received a mere $1.5 billion in Federal support, mostly in the past 3 years. Conservation strategies have encountered similar Federal indifference.

The administration's solar domestic policy review claims that a major Federal commitment to renewable resources could enable these technologies to provide 20 percent of all U.S. energy demand by the year 2000. Other studies predict that conservation measures could cut overall energy demand by 40 percent or more. If the price of oil had not been kept artificially low through subsidies and controls, conservation measures and renewable resource strategies only now being considered would have been implemented years ago.

3. EMPHASIZE SMALL-SCALE TECHNOLOGY

Within the conservation/renewables field, there are two areas which I feel warrant particular Federal action. Small-scale technology development is one area. State and local energy programing is another. The Department of Energy has yet to implement well-coordinated programs in these areas.

Potential applications of small-scale energy technologies abound. Manure from a single dairy farm can produce significant amounts of heat from methane. An array of moderately sized windmills can meet a small community's electrical needs. On a household scale, solar collectors have already begun to provide space and water heat to tens of thousands of American families.

Those who doubt that small-scale technologies can make a meaningful contribution to our Nation's energy needs should take another look. Small-scale hydroelectricity is a good example. America has hundreds of small rivers which cannot support large-scale hydroelectric projects, but would be ideal settings for low-head generators. The Army Corps of Engineers recently calculated that installation of generating equipment at existing dams could save 727,000 barrels of oil per day—nearly one-tenth of our current demand for imported oil.

In addition to yielding enormous amounts of energy, small-scale technologies can be sensitive to the particular social needs, economic conditions, and political factors in individual communities or regions. Often requiring only modest amounts of capital, they enable individual households and communities to build their own energy bases. This self-sufficiency will help to strengthen family budgets, revive local economies, and free our Nation from the economic drain and political strain of foreign oil dependence.

Last spring, I introduced the Small Scale Energy Technology Programs Reorganization Act. This bill instructed the Department of Energy to create an Office of Small Scale Technology, to give these technologies a solid institutional base within the Department of Energy. I am happy to report that this office was established within the Department's Conservation and Solar Applications Division last month.

In the coming weeks, I will be working closely with Assistant Secretary Omi Walden, to insure that the Office of Small Scale Technology will receive broad program authority and high visibility. In addition to supporting R. & D. efforts, the Office should help to develop markets for proven small-scale technologies, and it should push for the removal of institutional barriers to small-scale technology development. The Office should also establish effective linkages with comparable programs in other Federal agencies.

4. STRENGTHEN STATE AND LOCAL PLANNING

State and local planning should be central elements in our national energy policy. Through building regulations, zoning codes, procurement guidelines, transportation policies, loan programs, and educational campaigns, State and local governments can stimulate major energy savings and foster significant new energy production methods.

Davis, Calif., offers a fine example of what can be accomplished through effective energy planning. In October 1975, that city adopted the Nation's first comprehensive energy-conserving building code. Since then, the city has

reduced its residential consumption of electricity by an astonishing 18 percent.

State and local planning efforts also facilitate public participation. This is not only essential to truly democratic government, but tends to make citizens more conscious of energy consumption as it relates to their own daily lives.

For the past 2 years, State governments have been eligible for Federal financial assistance in developing energy conservation plans. Under the Energy Policy and Conservation Act (EPCA) and the Energy Conservation and Production Act (ECPA), $135 million has been channeled into State governments for this purpose. While these programs have helped States to develop conservation strategies, the Federal Government has provided no general funding to States for renewable resources development.

The Carter administration is now drafting a bill which would consolidate the EPCA and ECPA programs into a broader bill geared toward improving States' overall energy-planning capabilities. This bill, the Energy Management Partnership Act, would help States to develop data systems, supply and demand forecasting, facility siting plans, and energy emergency programs. It would also offer some assistance to local-level planning efforts.

One weakness of the bill is its failure to provide planning officials with an adequate means of sharing valuable information and expertise. This problem is especially troublesome at the local level, where a lack of technical expertise often inhibits creative and effective program development. For every success story such as Davis, there are scores of cities which have not made any real progress toward energy conservation and renewables development. I am currently considering ways to stimulate cost-effective information-sharing among State and local planning officials.

Aside from this shortcoming, the Energy Management Partnership Act lays a solid foundation for State and local energy planning. I will give this bill my close attention in the coming months.

5. IMPROVE GOVERNMENT EFFICIENCY

The Small Scale Energy Technology Programs Reorganization Act and the Energy Management Partnership Act share an important strength: Both focus on improving the efficiency of existing energy programs.

Too often Government rushes to create new programs while paying little attention to the proper functioning of those which already exist. We owe it to the American people not to handle their tax dollars with such abandon. Americans are fed up with wasteful Government spending. They want a Federal Government which can account for its actions.

Oversight hearings on the Department of Energy will be held this spring by the Governmental Affairs Committee where I am the ranking minority member. I regard these hearings as a unique opportunity for Congress to examine the Department's programs and priorities. Cost effectiveness will be my No. 1 concern. With this objective in mind, I will focus on ways to strengthen the Department's conservation and renewable resource programs. These areas offer our greatest hope for reliable, cost-effective energy in the future.

6. PROMOTE THE SAFE USE OF COAL AND NUCLEAR POWER

The key to a safe, healthy energy future lies with conservation and renewable resources. Nevertheless, a partial reliance on other energy technologies will be necessary for the next few decades.

America has immense coal resources. By expanding our use of coal, we could sharply cut our demand for petroleum. Expanding coal production will not be easy, however. In the past, a number of factors have caused productivity to decline and the price of coal to double. If those trends continue, coal could lose its competitive edge in the energy marketplace.

Some of the factors contributing to the rising cost of coal have also led to significant improvements in environmental quality as well as worker health and safety. Such gains must not be sacrificed in a panicked rush to increase production.

Last April, President Carter formed the President's Commission on Coal, under the chairmanship of Gov. Jay Rockefeller of West Virginia. The Commission's goal is to prepare a report on the current state and future prospects of the coal industry. I am pleased to be a member of the Commission, and believe that its report can become the basis for a sound Federal coal policy.

Nuclear power is another energy resource which we must consider. The growth of this industry has recently been slowed, partially because of the Federal Government's failure to develop an adequate program for nuclear waste disposal. A great deal of painstaking research still needs to be done before a disposal strategy can be implemented.

Last June, I introduced the Nuclear Waste Management Act of 1978, to strengthen the Federal Government's management and policymaking structure in this field. One of this bill's goals is to set clear guidelines for State and local input into policy and facility-siting decisions. I intend to reintroduce this legislation, along with Senator GLENN. We will be holding hearings on it in the Governmental Affairs Committee this spring.

THE ALLIANCE TO SAVE ENERGY

Raising public awareness of the need to conserve energy must be a major national priority. It is a task to which private groups as well as Government agencies should dedicate themselves.

The Alliance To Save Energy is one nongovernmental group which has already contributed significantly to the energy conservation effort. Five million copies of a useful booklet, "How To Save Money by Saving Energy," are now being distributed by the Boy Scouts of America. We owe the Boy Scouts a great debt of thanks for this important voluntary work.

The alliance has also produced a number of public service radio and TV announcements featuring Gregory Peck. These are presently being aired on stations across the country.

Business leaders, consumer advocates, environmentalists, and public officials are among the alliance's board members. I am pleased to be chairman of the alliance, and am delighted to have the opportunity to work with Senator ALAN CRANSTON as a cochairman. I am also pleased that many of our colleagues in both the Senate and the House have associated their names with the alliance.

CONCLUSION

Self-sufficiency should be the central goal of our energy agenda for the 96th Congress.

On a national scale, we can foster energy self-reliance by promoting fuel conservation and aggressively developing renewable resource-based technologies. Special attention should be given to small-scale technologies, because of their tremendous energy potential and their sensitivity to local resources and social conditions. Improving the safety of coal and nuclear power will also help to expand our domestic energy supply.

Within States and localities, we can build independent energy bases by strengthening the energy-planning capacities of State and local officials. The Energy Management Partnership Act is a good first step.

The message from Iran and the OPEC cartel is clear. We must take steps now to reduce our reliance on foreign oil. Our economic welfare and national security depend on it.

THE 31ST ANNIVERSARY OF SRI LANKA'S INDEPENDENCE AND THE FIRST ANNIVERSARY OF AN EXECUTIVE PRESIDENT FORM OF GOVERNMENT

Mr. PERCY. Mr. President, February 4 was the 31st anniversary of Sri Lanka's independence from colonial rule and the first anniversary of the inauguration of an executive president form of government, currently headed by Mr. Junius Richard Jayewardene. Previously the crown colony of Ceylon, this beautiful land and its people became an independent state on February 4, 1948. In 1972, the country adopted its ancient and venerable name, Sri Lanka, "resplendent land," in lieu of the name given it by the Portuguese in the early 16th century and which later became familiar to us in its English form.

Sri Lanka deserves our admiration for its dedication to democracy, human rights, and social justice. Since independence, Sri Lanka has been a model of democracy in a multiracial and multireligious society.

At the same time, Sri Lanka has shared many of the difficulties that have accompanied the transition to independence in all of the former colonial areas of Asia and Africa. The long period of European dominance exacerbated many of the ten-

sions inherent in any pluralistic society, and the economy has suffered the usual difficulties and disadvantages of an undue dependence on a few tropical exports the value of which has steadily declined relative to the cost of imported manufactured goods.

Sri Lanka remains a poor nation but, in terms of more sophisticated "quality of life" indices, it stands head and shoulders above most of the less-developed countries. Its 85-percent literacy rate is one of the highest in Asia, and its standards of nutrition, health care, and income distribution are among the best in the Third World.

It is a mark of Sri Lanka's commitment to democracy that the government has changed hands peacefully six times since independence. The most recent national elections, in 1977, resulted in the victory of the United National Party under the leadership of Mr. Jayewardene, a distinguished member of the legislature for some 29 years.

President Jayewardene has focused his attention on the need to liberalize the economy and phase out food subsidies and controlled prices. His government has lifted onerous import controls and freed the rupee, the country's currency, to find its own level. In addition, the government has given high priority to several important projects, including the Mahaweli irrigation program, the development of the greater Colombo metropolitan area, including the revitalization of its magnificent port, and the establishment of a free trade zone to generate employment and industrial development.

The United States and Sri Lanka have had a long and happy relationship. We share many of the same values and social and economic goals, and the policies of the present government have brought us closer in respect to the means of achieving those goals. It is my hope and expectation that in the 32d year of Sri Lanka's independence the ties between our countries will be further strengthened.

PROPOSED DEPARTMENT OF INTERNATIONAL TRADE

Mr. PERCY. Mr. President, last September the President announced an export promotion program which will undoubtedly help in our effort to increase exports and reduce the massive trade imbalance. It is not the committed effort many of us had hoped would come out of the White House, however, and there is a good deal more that the Federal Government could do to help small exporters and smooth the way for all businesses that export.

One intriguing idea which has surfaced is that of creating a Department of International Trade. The Japanese, for example, excel in exports partially because of the support their government gives through the Ministry of International Trade and Industry (MITI). Our European competition also seems to be particularly well organized with substantial government assistance.

Senators ROTH and RIBICOFF have just reintroduced their bill to create a new executive department to handle these issues. They should be commended for taking this initiative. However, I have serious reservations about the suggestion that a wholly new department be created for this purpose. Instead, I believe that we should closely examine the possibility of realining the Commerce Department to more adequately deal with domestic and international business issues.

The Governmental Affairs Committee will be considering these proposals along with its other work in the reorganization field over the coming months, and I am confident that we can reach early agreement on a workable approach to strengthen the American export program.

WORLD BANK APPROVES PROGRAM TO EXPAND LENDING FOR OIL EXPLORATION

Mr. PERCY. Mr. President, I was very pleased to learn that the World Bank's executive directors recently approved a proposal to expand substantially the Bank's assistance for oil and natural gas exploration and production in developing countries. Greater World Bank involvement in this area will help to enlarge and diversify world oil supplies, thereby decreasing demand for OPEC oil and relieving upward pressure on world prices. Furthermore, the Bank estimates that the economies of some 60 developing countries, the majority of which depend heavily on imported oil, will benefit from this program.

I have been very interested in and supportive of this Bank initiative for some time. On November 29, 1978, seven of my colleagues on the Senate Foreign Relations Committee and I wrote a letter to President Carter urging that he endorse the Bank's proposal.

I commend the World Bank executive directors for their decision. This program will certainly have a significant catalytic effect on non-OPEC oil exploration.

Mr. President, I ask unanimous consent that the letter to President Carter be printed in the RECORD.

There being no objection, the letter was printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., November 29, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing you to urge you to support a proposal presently being considered by the World Bank to establish a $500 million loan fund for oil exploration in non-OPEC developing countries. We believe that the creation of this fund would be in the best interest of the United States as well as the Third World.

Imported oil will undoubtedly figure prominently in meeting America's energy needs for many years to come. It is to our benefit, therefore, to diversify and increase foreign sources of oil. The creation of this fund would help accomplish this goal.

In addition, the ability of developing nations to continue importing goods and services from the United States—we presently export more to these nations than to all of Europe, the Soviet Union, and China combined—is dependent upon their capacity to procure a reliable supply of affordable energy to spur their development. This World Bank fund would help to assure them the energy they need.

Our support for such a World Bank proposal is entirely consistent with your wishes, and those of the other Summit participants, as expressed in the recent Bonn Declaration. Clause sixteen of the Declaration urges that "the World Bank examine whether new approaches, particularly to financing hydrocarbon exploration, would be useful" as a means of assisting developing countries in the energy field.

We are well aware that U.S. participation would, in all likelihood, require additional funds from the Congress. We are also aware that this request would come at a time when the Congress is cutting back on its funding for international institutions and bilateral aid programs. Nevertheless, as members of the Senate Foreign Relations Committee, we believe that Congress should not shirk its responsibility in this area.

Our support for this World Bank initiative will not inhibit us from critically examining the details of U.S. participation in this program. We believe, however, that a World Bank program to finance oil exploration in the Third World is vital to the economic growth and prosperity of both the developing and developed world and merits your support.

We urge you to endorse this initiative and pledge United States support.

We appreciate your time and consideration of this vital issue.

Sincerely,

CHARLES H. PERCY,
GEORGE MCGOVERN,
CLAIBORNE PELL,
JACOB K. JAVITS,
JOHN GLENN,
RICHARD STONE,
FRANK CHURCH,
CLIFFORD P. CASE.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 10 minutes, as if in routine morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

REJECT THE VALUE ADDED TAX

Mr. PROXMIRE. Mr. President, the Secretary of the Treasury, Michael Blumenthal, has been widely quoted this week as saying that he is "not unsympathetic" to the concept of a value added tax and welcomed hearings on it. Further, while not proposing it this year, he has said that perhaps "1981 would be a good year to be serious about it."

This is an ominous note. It indicates that the Carter administration and Mr. Blumenthal have embraced this unfair tax.

The Carter administration has a good record, especially in the areas of tax, fiscal, and human policies. The President and Secretary Blumenthal have proposed modest but important ways to reform the tax laws. The Secretary's appearances before Congress indicate a man of growing ability and composure. The U.S. position in the world has been enhanced by the President's human rights policies. Secretary Blumenthal's strong support of the dollar late last year was a model of thoughtful and correct policies tailored to the specific

problem. So it is not out of any sense of carping or a general negative attitude that I criticize the embrace of the value added tax by two men, President Carter and Secretary Blumenthal, whose judgments and compassion in other areas I greatly respect.

In my judgment the imposition of a value added tax would be a disaster. Here is why:

First, it is a regressive tax. It places the burden most heavily on those least able to pay. It takes a larger proportion of the income of the poor than of the wealthy. It is in effect a Federal sales tax.

Second, it is an inflationary tax. The tax is added at each stage of production. There is thus a pyramiding of the tax, with the tax added to the previous tax which has been added. Each percentage markup is made on a larger base as goods go from raw material to manufacturing to wholesalers and to retailers.

A tax is a price increase. What we need now are fewer and lower taxes rather than more and higher taxes.

Third, it is a hidden tax which is one of the reasons it is a favorite of the tax collectors and the tax writers. Because it is imposed at each new stage of production and hidden from view, it is an open invitation to higher and higher taxes.

As a hidden tax it will be the first to be raised when Government officials are pressed for funds because raising taxes directly or cutting favorite programs will be too unpopular.

This is one reason why its proponents are arguing it should be used as a substitute for social security taxes. At a time when these taxes are getting so high the public is resisting them, this hidden, secret, out of sight tax is proposed in their place.

Finally, it promotes bigger and bigger Government and more and more spending.

Except from the bureaucrats' view, everything is bad about it. It raises taxes when we should be lowering them. It promotes big spending when we should cut spending. It promotes inflation when we should be fighting inflation. And it puts the burden on the little guy at a time when the property tax, State, and local sales taxes, and the Federal income tax which he pays while many high income people can avoid taxes through tax shelters are more than he can take.

For all these reasons, Mr. President, the unfair, regressive, hidden value added tax should not pass.

THE GENOCIDE CONVENTION: A TRULY INTERNATIONAL CONCERN

Mr. PROXMIRE. Mr. President, one of the primary arguments of opponents of ratification of the Genocide Convention runs as follows: Genocide is a domestic, not an international, concern and, therefore, not a proper subject for a treaty.

The argument has a beguiling simplicity.

But, Mr. President, it is wrong.

Dead wrong.

Not only on moral grounds. But legal and historical grounds as well.

First, genocide is indeed a proper subject for an international treaty and, second, genocide is not only a matter of domestic but international concern as well.

IS GENOCIDE A PROPER SUBJECT FOR A TREATY?

Mr. President, what is the proper subject matter for a treaty? What does the Constitution say? What does the Supreme Court say?

Mr. President, the Constitution places no limitation on the subject matter of a treaty. The only limitation placed on treaties is that they must be made by and with the advice and consent of the Senate and that they must be ratified by a two-thirds vote of this body.

What has the Supreme Court said? In Geoffrey against Riggs in 1890, the Supreme Court held that "the treaty power of the United States extends to all proper subjects of negotiation between our Government and the governments of other nations. * * *"

What, then, does the Court mean by "proper subject of negotiation?" And does the subject of protection of man's most fundamental right—the right to live—fall within this category?

Mr. President, neither the Supreme Court nor the Constitution attempt to lay down precise formulas as to what constitutes a "proper subject of negotiation." But treaties previously ratified by the Senate will provide us with a precedent as to what this body has deemed to be appropriate subject matter.

Let us look at the record.

The Senate has approved treaties covering migratory birds, regulations on whaling, prevention of oil pollution of the seas, air hijacking, and narcotic drug traffic, to name just a few.

Mr. President, I ask you: If treaties can be concerned with the protection of whales, may they not also be concerned with the protection of national, racial, ethnical, and religious groups?

But this conclusion is not mine alone.

The special committee of lawyers of the President's Commission for Human Rights Year conducted a thorough study of the treatymaking authority in 1968. Their report clearly concludes that human rights are indeed a proper subject for a treaty.

DOES THE IMPACT OF GENOCIDE GO BEYOND NATIONAL BOUNDARIES?

Mr. President, opponents of the Genocide Convention also claim that genocide is purely a domestic crime. Let us look at this claim.

First of all, does anyone seriously believe this? Is moral outrage to be limited by the boundaries of nations? How can we possibly be neutral about the systematic destruction of 6 million Jews during the Nazi holocaust? Do we wish to promote an attitude of indifference when confronted with such atrocities?

By any standard, the answer to these questions must be no.

Second, what does history tell us about the practice of genocide? Has it been practiced solely on a domestic level, or has it spread beyond national boundaries?

Mr. President, the 6 million victims of the Nazi holocaust were not only German Jews, but Polish, Dutch, Swiss, Czech, and Hungarian as well. Nazi Germany's policy of genocide marched with its army as it poured across Europe. Genocide, if it is likely to be practiced at all, is quite likely to be practiced on an international level, as the holocaust amply demonstrates.

Third, does the world community at large believe genocide to be a crime so serious that it is deemed necessary that the prevention and punishment of this crime be recognized and regulated by international law?

The answer to this question is a resounding "yes." The United Nations has proclaimed genocide to be "a crime under international law," and 83 nations, including all of our major allies, have subscribed to this proposition by their ratification of this treaty. The United States stands conspicuously alone in its refusal to give its consent to this convention.

It is apparent, then, on a variety of grounds—historical, legal, moral, and in the opinion of the world community—that genocide is a matter of international, and not merely domestic, concern. The American Bar Association, which at one time disputed this point, now gives its full approval to the convention. This objection, like every other objection to the convention, has been conclusively rebutted. There is no further reason for delay. The genocide convention must be ratified.

Mr. President, I hope that Senators will seriously and thoughtfully consider the genocide convention, and pass it early this year.

THE NEEDS OF THE NATION'S CITIES

Mr. PROXMIRE. Mr. President, the Asheville Citizen has carried a recent editorial by Mr. Rick Gunter which supports the position that I have taken, that we need to reexamine our approach to helping cities, and that in the past few years we have enormously increased the sums we are pouring into our cities. The result has been most discouraging.

Our cities are getting worse, based on the most objective kind of criteria. This is not my opinion, but this is a study by Dr. Nathan. of the Brookings Institution, who points out that virtually all of the cities in the Northeast and most of the big cities in the country are the cities which have deteriorated in the last 15 years at the same time we have enormously, from $2 million a year to $85 million a year, increased the amount pouring into the cities. The programs have not worked.

Mr. President, I ask unanimous consent that the editorial, dated January 31, 1979, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NATION'S CITIES NEED MORE THAN FEDERAL AID

Two interests are in conflict in the current debate over aid to the nation's cities. One revolves around the fact that ours is an urban civilization. It follows that to remain

vibrant, our civilization needs thriving, sparkling cities. The second interest is financial. During this period of austerity it is difficult to finance urban renewal without going deeper into red ink.

Those competing interests need to be viewed against recent findings. Sen. William Proxmire, D-Wis., said in the Senate last week that in 1957, $1 out of every $100 in the budgets of the nation's cities came from the federal government. In 1978, $50 out of every $100 came from Washington. That is an increase of 50 fold in little more than 20 years!

Has that money put the nation's cities on sound footing? Hardly, according to the respected Brookings Institution last week. The think tank used three criteria to judge urban progress: 1) the fraction of older housing in a city; 2) poverty as measured by per capita income; 3) population—are people staying in the cities?

In spite of the dramatic increase in federal urban aid, the nation's cities, as a group, declined between 1960 and 1975. These cities led the list in distress: Buffalo, St. Louis, Cleveland, Newark, Pittsburgh, Rochester, Boston, Detroit, Philadelphia, Chicago, Cincinnati, Baltimore, and Akron. New York City was not included because of the lack of data.

This is not to brand all federal aid programs as failures. But as a group, they appear to have yielded far less than their architects promised.

The answer is far harder than finding more urban aid. Proxmire put it this way:

"All of us want to help our cities. We must find more effective methods. We must recognize we have not been able to solve that problem by throwing money at the cities. It just has not worked."

New solutions will cost lots of money. But let's hope congressmen are a little surer of new programs' soundness before appropriating monies than was the case in the 1960s and early 1970s.

Many mayors, of course, would be quite content to win a fatter federal check for faulty programs. But that approach will only increase the federal deficit, not improve urban life.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 30 minutes with statements limited to 15 minutes each.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

SPECIAL ORDER PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, up until this point we have operated on a sort of a freewheeling basis because of the fact that the ad hoc committees that had been appointed on both sides of the aisle to discuss possible rule changes have been meeting and it was thought they had been making progress. There was not much else to do on the floor except morning business.

I think now that we do have an agreement to proceed on a section of Senate Resolution 9, from now on we will go back to our previous policy, to wit, Senators wishing to get orders to speak up to 15 minutes should get those prior to the day on which they wish to speak. By the word prior, I mean they need to secure the orders on a day when the Senate is in session prior to the day they wish to speak. That has been the policy for the last 12 years during which I have been working in the leadership. In that way, the leadership can provide for their orders and can also program the day, to come in before noon if necessary to accommodate those Senators who wish to speak early, and, at the same time, accurately inform the managers of measures to be called up as to when they should be expected to be on the floor to call up their measures.

The leadership will also provide, as in the past, for periods of transaction of routine morning business on some days, not on every day but on some days, and will try in that way to accommodate Senators, when possible.

I believe it is provident that I make this statement for the record so that Senators who have been, during the past few days, able to come to the floor and speak at reasonable length without prior orders may know that now that we will have a matter on which the Senate can occupy its attention, we will have to go back to the rules of practice. I appreciate the cooperation and understanding of Senators. Unless they are told in advance, however, they will not know that that is going to be the policy. As a courtesy to them, I am making this statement.

Mr. President, I now yield the floor.

THE FOURTH ENERGY CRISIS

Mr. TSONGAS. Mr. President, thank you for the opportunity to speak on the floor of the Senate today. I have chosen energy as the topic of my first Senate speech because I believe the energy crisis is our Nation's greatest threat and greatest test. Our economy and our very democracy rest on how we meet that crisis today.

In this decade, we have faced three energy crises—the oil embargo of 1973, the natural gas shortages of 1976, and the coal strike which followed closely in 1977. We were quickly lulled back from those three periods with little lasting impact.

Today we face the fourth energy crisis of this decade. This summer, you and I will sit in long gas lines and pay still higher gasoline prices. By winter, home heating oil will cost more and severe shortages, particularly in New England, may well be common. A billion-dollar coupon gas rationing program could be imposed at any time. This program will be a bureaucratic nightmare.

Despite cutoffs of oil from Iran adding up to a shortfall of 500,000 barrels a day, we are again in danger of being lulled back into complacency. President Carter ignored the crisis in his state of the Union address. The Government has called the situation "serious but not critical." I believe otherwise.

The Iranian oil crisis is but one manifestation of a deeper, harsher energy reality. To hear the person in charge of the country's emergency energy planning say the Iranian situation is "an unpleasant crisis that hopefully won't last very long" is frightening, I believe. The administration's warning signal is barely audible.

With a shortfall of 500,000 barrels a day, we are dipping into diminishing stocks on a daily basis. Unlike the embargo of 1973, the Iranian cutoffs have worldwide repercussions. The shortfall is 4 percent worldwide, but nations in Europe and Japan have shortfalls from 15 to 20 percent. In an era of international political and economic dependency and responsibility, the consequence for all countries is extremely serious. On March 1, the International Energy Agency will decide if the emergency warrants implementing an international allocation system. In that case, we should share the burden of shortages with other member nations. Our own shortfall could easily double, forcing us to use up more of our stocks.

I might add that I suspect the number of Americans who understand our obligations under this particular agreement probably number in the hundreds.

The situation in Iran indicates how vulnerable our Nation really is. Eighty-two percent of the world's oil reserves are in Arab, Communist, and developing countries. One assassin's bullet in Saudi Arabia could cut off 30 percent of our oil supply. In the light of the religious uprising in Iran, that eventuality in other countries including Saudi Arabia is not farfetched.

Even with the Saudi Government intact, our dependence on Saudi oil is dangerous. In response to the Iranian cutoffs, the Saudis recently began producing at maximum rates. More recently—including, I might add, this morning—they pulled back from maximum production. The acceleration of Saudi oil production has left us without a cushion. And a tight market without the leverage of Saudi Arabia gives hardline Arab States the ability to raise oil prices at will. Spot market prices have already reached $22 a barrel in some places. That, I suspect, will continue.

The Government is predicting gas shortages and higher prices this spring and early summer. I think those predictions have been understated. Here is the near term fallout from the present crisis which I foresee:

Mandatory allocations and controls and mandatory conservation measures by summer, perhaps earlier. Spelled out, those measures mean restrictions of weekend gasoline sales, commuter parking restrictions to encourage car pooling, limits on building temperatures, and advertising lighting curtailments.

Long gasoline lines and higher gasoline prices this summer. This year's 14.5 percent increase is only the beginning.

Severe heating oil shortages and higher prices next winter, particularly in New England. Pressure to produce more gasoline this summer will affect heating oil supplies next winter.

Inflationary spinoffs which may be a serious blow to our economy. Plants could shut down, unemployment could increase, just at a point where the President is indicating the possibility of a balanced budget.

That is the short-term picture. Over the long term—within the next 10 years—gasoline coupon rationing is inevitable unless we change our ways. And

that long-range view could be shortened at any second by another crisis. There is no insurance we can buy to protect against another Iran.

Consider what a bureaucratic nightmare awaits us with coupon rationing:

It will cost nearly $300 million to set up and $1.5 billion a year to run, an estimate I believe is too low.

It will require the mailing of 165 million coupon rationing checks on a quarterly basis to all registered car and truck owners. Our massive social security system mails out only 25 to 30 million checks per month.

It will mean that consumers have to cash ration checks for coupons in order to purchase gas. Each registered vehicle will get the same number of coupons. The potential number of special cases is mind-boggling. There would be no equity under that kind of program.

The Department of Energy says a rationing program would take from 6 to 8 months to get rolling. Can we expect to have a 6-month lead time on such an emergency? The answer obviously is "no."

To find out about our rationing plan, a Senate Energy Subcommittee had to schedule hearings. The Government has yet to produce an energy emergency contingency plan which Congress mandated 2½ years ago. The plan is supposed to arrive on Capitol Hill at the end of this month. I cannot help wonder whether that plan would be forthcoming if the Shah of Iran had not moved to Morrocco.

I think the next 6 months will show that our last 6 years were a dismal failure in terms of Government response to the energy crisis. Where is our sense of urgency right now?

We are still selling and promoting fuel inefficient automobiles. I think they should be prohibited.

I might add, Mr. President, that I had an amendment to that effect on the energy bill 2 years ago and on the House side, that was ruled nongermane.

We have yet to adopt a serious program to develop solar energy and other alternative energy sources such as biomass, low head hydro and wind energy. We must enact and implement an aggressive and comprehensive program.

That, indeed, is not in the President's budget. The President, as you know, is going to receive a domestic policy review recommendation in the next few days. I hope he will opt for the maximum approach.

We have a strategic petroleum reserve that has barely begun to be filled. We must plan for regional product reserves to protect oil dependent areas like New England.

The Secretary of Energy indicated yesterday before the committee that it is unlikely, after the initial buys, that that reserve will continue to be filled.

We have no permanent program for helping low-income families and the elderly cope with shortages and higher prices. We need a large-scale weatherization program for the poor and the elderly.

We need it this winter, but we surely will need it the winter that follows

While the Government prepares to mandate energy conservation measures by consumers, the public education budget for the Department of Energy has been cut. How can the public deal with the crisis without understanding it and participating in energy policymaking? Everyone in our society has the opportunity to make personal decisions which would help buffer them against the inevitable shortages. When coupon rationing is imposed upon the American public most people will wonder if sometime along the way they might have helped to avert the severity of the crisis—or at least lessened its impact on their own lives.

I might add that in 2 weeks, I shall have a statement that will go into recommendations that individuals themselves may pursue to lessen the impact on each one of them.

The Iranian oil cutoffs have moved the energy crisis into our daily lives. The short-term consequences will be uncomfortable. Unlike the other crises of the seventies, however, we will not go back to normal. Iran is a warning signal. If we do not heed the signal now, the gas lines of 1979 will be hardly remembered in the harsh light of what awaits us in the eighties.

SENATOR KENNEDY PRAISES SENATOR TSONGAS' ENERGY SPEECH

● Mr. KENNEDY. Mr. President, earlier today, my distinguished Senate colleague from Massachusetts, Senator PAUL TSONGAS, delivered an excellent maiden address on one of the most critical issues facing the Nation—America's energy policy.

I commend Senator TSONGAS' address to the attention of every Member of the Senate. In it, he sounds a clear alarm about the failures of past Congresses and administrations to deal effectively with our worsening energy crisis. Unless we mend our ways, he foresees an even more serious energy crisis ahead, and he warns us forcefully of the nightmare that a gasoline rationing program would become.

As a new member of the Senate Energy Committee, Senator TSONGAS will be in a central position to help deal with the energy problems we face. As a leading advocate of the drive in the House of Representatives for the development of alternative energy sources, especially solar energy, he has already established a reputation as a leader and innovative thinker in the energy field.

In his tenure as a Congressman, he was also a leader in the development of a more effective energy policy for New England. As chairman of the Energy Task Force of the New England Congressional Caucus, he was a strong supporter of such vital programs as regional oil storage, conservation, and special fuel assistance for the elderly and the poor. His excellent work on alternative sources of energy led to the establishment of the Northeast Solar Energy Committee.

The address by Senator TSONGAS to the Senate today is an auspicious beginning in what I am confident will be an outstanding Senate career. I congratulate him for his insight and commitment, and I look forward to working with him on energy and other issues of vital importance to our Nation's future.●

Mr. ROBERT C. BYRD. Mr. President, at this point I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOSPITAL COST CONTAINMENT

Mr. ROBERT C. BYRD. Mr. President, it is becoming increasingly difficult for citizens of all income levels to afford basic medical care. The average American now works 1 month each year—one-twelfth of his or her time—just to pay his or her share of the Nation's health care bill.

Health care costs are escalating at the rate of $1 million per hour. Expenditures for hospital care are the largest component—40 percent—of total medical expenditures in this country.

In recent years, hospital costs have risen annually at an average rate of 15 percent. Five years ago, the Nation's hospital bill was $29 billion. Last year, it was over $60 billion. Hospital costs are often called invisible costs since most people pay only a small portion of these costs directly. Nevertheless, the bite out of the paycheck is real. Every employed citizen now pays an average of $15 a week to finance the Nation's hospital bill.

Private health insurance is obtained largely as a fringe benefit of employment. Employers' costs are passed on to employes as consumers of goods and services. Hospital cost inflation increases taxes. Medicare, medicaid, veterans' health benefits, and public hospitals are financed through Federal, State, and local revenues. Twenty-five percent of the social security payroll tax goes toward financing medicare and that money is supplemented by general revenues. The elderly today are paying more out of their own pockets for medical care than they were in 1964, the year medicare was enacted.

At the end of the 95th Congress, by a vote of 64 to 22, the Senate passed its own version of a hospital cost containment bill. I supported that version, which charted a middle course between competing proposals. It was the product of a great deal of study and work on the part of many Senators. Senator TALMADGE, chairman of the Health Subcommittee of the Finance Committee, and Senator LONG, chairman of the Finance Committee, offered a plan which addressed the impact of hospital cost inflation on the medicare and medicaid programs. Senator KENNEDY, chairman of the Health Subcommittee of the Human Resources Committee, and Senator NELSON, a member of that subcommittee pressed the need for an immediate slowdown of hospital inflation in the private as well as the public sector.

While both measures had merit, I believe that the majority of the Senate acted wisely in accepting the "Nelson

compromise." In its recognition of volunteer efforts in the hospital industry, I found it to be a positive and reasonable approach. Mandatory Federal controls would have been imposed only as a last resort—only if hospitals failed to reach their own cost containment goals. I regret that the measure died in the House.

This year, it is estimated that the cost of illness in this country—and I am not speaking here about the cost of human suffering—will exceed more than $250 billion in lost productivity and the cost of care. Human suffering, of course, cannot be measured in dollars and cents.

The cost of hospital care has been rising faster than the overall cost of living, and faster than other medical costs. Adequate care must be as accessible to poor and middle-income citizens as well as to those for whom price is no object. Our tax dollars must be carefully spent.

The hospital industry is one of the most inflationary segments of our economy. Hospital cost inflation results in inequitable and inefficient distribution of scarce health care dollars. It is my hope that hospital cost containment will become law this year.

ORDER FOR EXTENSION OF PERIOD FOR MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains for the period for morning business?

The PRESIDING OFFICER. Eleven minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that that time be extended by not more than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE CHAIR

The PRESIDING OFFICER (Mr. BRADLEY). The Chair, on behalf of the President pro tempore, pursuant to Public Law 92-484, appoints the Senator from Maryland (Mr. MATHIAS) to the Technology Assessment Board, in lieu of the Senator from New Jersey (Mr. Case), retired.

The Chair announces that the following members of the Committee on Finance have been chosen by such committee, pursuant to section 8002 of the Internal Revenue Code of 1954, to serve as members of the Joint Committee on Taxation for the 96th Congress: The Senator from Louisiana (Mr. LONG), the Senator from Georgia (Mr. TALMADGE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Kansas (Mr. DOLE), and the Senator from Oregon (Mr. PACKWOOD).

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

RHODESIA AND AMERICAN SECURITY

Mr. HARRY F. BYRD, JR. Mr. President, on January 30, 1979, the predominantly white electorate of Rhodesia voted overwhelmingly for a new constitution to establish majority rule; namely, black rule.

The new Rhodesian constitution mandates elections under a one-man, one-vote balloting process designed to create a new predominantly black government.

The vote in Rhodesia on January 30 was the last step by Rhodesians in fulfilling all requirements of the Anglo-American plan for transition to majority rule as it was outlined by Dr. Kissinger in 1976.

Now, Mr. President, the Carter administration has been careful to attribute its most unpopular foreign policy decisions to the policies of past administrations. It has often characterized its decisions as required by ongoing programs initiated by either President Ford or President Nixon. Both the Panama Canal Treaty and the recognition of mainland China were announced as the culmination of policies and commitments initiated in prior administrations.

Yet, in the case of Rhodesia, Mr. President, the Carter administration has apparently thrown out the window the efforts and commitments made by a prior administration. The Carter administration has preferred to forget and, indeed, to disclaim the agreement reached on September 24, 1976, when then-Prime Minister Ian Smith of the Salisbury government accepted in full the Kissinger or United States-United Kingdom plan for a peaceful Rhodesian settlement.

Mr. President, the Government of Rhodesia has not forgotten the terms of the Kissinger agreement. The Salisbury government has worked diligently to carry each aspect of the agreement into full effect. That goal has now been achieved. Rhodesia has fulfilled all commitments. The United States and Britain have fulfilled none.

The Anglo-American plan contained the following terms and conditions.

First, Rhodesia was to agree to majority rule based on one-man, one-vote elections. That condition was fulfilled on January 30, 1979, by an overwhelming vote for the new Rhodesian constitution.

Second, the Anglo-American plan required representatives of the Salisbury government to meet immediately with African leaders to organize an interim government. That condition also has been fulfilled. The present transitional government in Salisbury meets all criteria of this second requirement of the Anglo-American proposal.

Third, the Anglo-American proposal specifically required that the interim transitional government should incorporate a Council of State, half of whose members would be black and half white. That condition also has been met.

Fourth, the Anglo-American plan provided that the United Kingdom would enact enabling legislation for the process to majority rule. That condition has not been met.

Fifth, the Anglo-American plan provided that, upon the establishment of an interim government, economic sanctions would be lifted and all acts of war, including guerrilla warfare, would cease. Again, that condition has not been met.

Sixth, and finally, the Anglo-American plan promised substantial support to Rhodesia to provide assurance of the economic future of the country under a new majority rule regime. That condition has also been totally ignored by Britain and the United States.

So, Mr. President, in every respect Rhodesia has fulfilled exactly the obligations it undertook when it accepted the Anglo-American plan some 2½ years ago. Yet, without exception, the United States and Great Britain have in every respect failed to fulfill a single commitment they undertook at the same time.

The decision made in 1976 by the Salisbury government and by its Prime Minister Ian Smith to accept the Anglo-American proposal was a decision which required great courage. It was a decision made only after receiving the solemn pledge of the British and American Governments conveyed by the American Secretary of State, Dr. Kissinger.

The Rhodesian Government has now fulfilled its obligations under the Kissinger agreement. It has fulfilled those obligations to the letter. It is now time, indeed, it is past time, that the United States and Great Britain act to make good their word.

I am advised by friends in the British Parliament that Prime Minister Callahan has not the slightest intention of implementing Britain's side of the deal. That is a matter for resolution in the United Kingdom.

But if Britain has decided to be unfaithful to her commitments, then the United States should wait no longer and should take independent action to honor unilaterally its own pledge.

The people of Rhodesia, Mr. President, black and white alike, are fighting desperately to stem the tide of Soviet imperialism in Africa. They are faced with the worst forms of terrorist warfare perpetrated by external forces which are armed, trained, and financed directly by the Soviet Union. In the face of this onslaught, the people of Rhodesia are attempting to establish a new democratic government in which all are eligible to participate.

Now, Mr. President, more is at stake in Rhodesia than the reliability of the United States and Great Britain in fulfilling obligations solemnly undertaken. More is at stake, too, than the lives and freedom of the 9 million people of Rhodesia. These factors alone should be enough to compel action, but obviously they are not.

I ask, therefore, that account is taken of a third consideration. That consideration is purely economic, but it is strategic in its implications.

Current intelligence reports convince me that in the case of four strategic metals—chromite, manganese, vanadium, and platinum—the Soviet Union is destined to become the dominant supplier if South African and Rhodesian sources are cut off from the free world.

The National Research Council, in its study entitled "Contingency Plans for Chromium Utilization," concludes unequivocably that the long-term Western strategic vulnerability in chrome is

greater than in petroleum. We must not forget that initially all of the world's chrome is in three places: Rhodesia, South Africa, and Russia.

Now, Mr. President, because of the repeal of legislation I sponsored, the United States again cannot import Rhodesian chrome. The proponents of that repeal argued in the Senate that high-grade Rhodesian chromite was no longer needed by the United States because of the development of a new argon-oxygen process for utilizing low-grade chromite. They argued that low-grade chromite from South Africa would be sufficient for the U.S. needs and that high-grade Rhodesian chromite would not be needed.

But, Mr. President, the plain fact is that, since the repeal of the Byrd amendment, the United States is once again heavily dependent on chromite. We are back at square 1, relying on our most dangerous potential adversary for our most strategic mineral import.

Once again, Mr. President, U.S. military planners must rely on Soviet chromium imports in preparing and developing American military systems.

No doubt there are those at the Department of State and elsewhere who would assert that this is beneficial interdependence. But, Mr. President, the Senator from Virginia does not favor dependence on the Soviet Union in matters of national security.

If this country were denied chrome and manganese, it would take us a minimum of 5 years to adjust to that cutoff. For platinum group metals, it would take at least 10 years to move to alternatives.

The slightest supply interruption of any of these essential metals would cause staggering increases in the price of steel products and consumer goods. The inflationary effect could, in fact, be far greater than the loss of foreign petroleum supplies.

Western Europe and Japan do not stockpile these minerals. U.S. stockpiles are sufficient only for short-term relief.

Futuristic plans for the collection of manganese nodules from the seabed are not feasible in the foreseeable future. The seabed mining companies acknowledged the need for billion dollar capital investments, far more research and development, and high-cost, energy-intensive refining techniques. Seabed mining does not provide a satisfactory answer.

In short, the free world can expect to require South African and Rhodesian minerals far into the future and, indeed, indefinitely.

Mr. President, for perhaps the first time in the short history of Africa, there is now an opportunity for a white-dominated government to transfer power to a black government without total economic upheaval and the subsequent installation of a repressive new regime. For the first time in the history of Africa, the free world has an opportunity to support an emerging moderate multiracial regime which wishes to gain the advantages of contact with the West and to avoid the tyranny of Soviet domination.

Mr. President, I urge the Carter administration to reverse and correct the disastrous policy it has adopted toward Rhodesia. Its present policy—if successful—will lead to a Soviet-dominated terrorist government.

I close my remarks today by offering to the attention of Senators an editorial which appeared in the Washington Star on Tuesday of this week. This editorial highlights the worst aspects of our irrational policy toward southern Africa, and its thesis is my own.

The editorial describes the inflammatory rhetoric of our Ambassador to the United Nations. His statements on Rhodesia continue to be characteristic of pronouncements of other delegates to the U.N.—those from the worst and most repressive Marxist dictatorships.

But, Mr. President, in the Senate and in the Congress, if not in the U.N. and in the Carter administration, the demands of Western security and our obligations to a friendly people must be made to overcome irresponsible pronouncements of ill-chosen political appointees. I look forward to working to achieve that goal and hope that action will come before it is too late.

Mr. President, I ask unanimous consent that an editorial on Rhodesia published in the Washington Star of Tuesday, February 6, 1979, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"NEO-FASCISM" IN RHODESIA

UN Ambassador Andrew Young recently declared, with even less than his usual regard for the weight of words, that "only neo-fascists in this country would be willing to support the neo-fascism of the Smith regime" in Rhodesia.

No doubt Mr. Young would include, as neo-fascism, last week's successful referendum on a new Rhodesian constitution. The vote, after all, was limited to non-black Rhodesians; and the constitution, under which a black-majority government will be elected this spring, reserves considerable power over a five-year transition period to whites.

If Andrew Young spoke for himself alone, and not for the United States, he would be at liberty to mangle the language as he pleased. But he is, in fact, an American official who pretends to be interested in drawing the Rhodesian government into all-party talks with the guerrilla insurgents on the country's future. If this is more than pretense, he approaches it in a curious fashion.

It is not, of course, as if the new Rhodesian constitution were immune to reasoned criticism. It is, one could say, conservative and cautious; and it is open to the practical objection that it may not fully satisfy even the black partners in Mr. Smith's slow-motion movement from white to majority rule.

Even so, the effort is far from contemptible, and far indeed from being "fascist" in flavor, neo- or otherwise. The advent of a government in Rhodesia-Zimbabwe (as it's to be called) in which blacks will have the predominant place is a milestone. It imposes a certain obligation on the U.S. to approach it, approve or not, with some consideration.

A more considerate and receptive attitude would indeed have been appropriate months ago, when Ian Smith first decided to scrap exclusive white rule and negotiate a settlement with the black majority. The Rhodesians thought then that Mr. Smith and his collaborators had met the "six points" on which Dr. Kissinger, as a Ford administration emissary, had implicitly conditioned some relaxation of diplomatic hostility. Even now, one of Mr. Smith's selling points in inducing the embattled Rhodesian whites to accept a new power-sharing constitution has been the stubborn hope that the U.S. may lift economic sanctions.

That is almost certainly a vain hope as long as Ambassador Young is calling the shots on U.S. policy in Africa. But what is the alternative? What, in other words, is the price of Mr. Young's policy? Now as before, it is that the U.S. may be a bystander, and by inaction a collaborator, in the subversion of an elected government in Rhodesia by Marxist guerrillas, hostile to both form and substance of our political values.

If they succeed there will be many Rhodesians, black and white, who if lucky enough to escape alive will find themselves nostalgic for a bit of what Andrew Young is pleased to call "neo-fascism."

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. If there be no further morning business, morning business is closed.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. Senate Resolution 61.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I am going to offer a perfecting amendment or some perfecting amendments to the resolution today, in the hope that action can be taken at least on some of them. But before doing so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on January 15, the first day of the 96th Congress, I submitted Senate Resolution 9, which remains in the background the pending business of the Senate. However, immediately before the Senate is Senate Resolution 61, which deals only with the postcloture section of Senate Resolution 9.

Throughout the intervening days, including and subsequent to January 15, ad hoc committees on both sides of the aisle have attempted, through discussions—sometimes separately and sometimes together—to determine if there could be found proposals which would be more acceptable to the Senate than the provisions of Senate Resolution 9.

To the great credit of Senator STEVENS, who chairs the ad hoc committee on the Republican side of the aisle, he repeatedly has come forward with proposals. He has spent many hours in attempting to develop new approaches that could be substituted for the provisions of Senate Resolution 9.

To the great credit of Mr. NELSON, on the Democratic side of the aisle, who chairs the ad hoc committee there, he and his committee likewise have met time and time again and have met with Mr. STEVENS, and there have been times when the distinguished minority leader and I have sat down with the chairmen of the two ad hoc committees, Mr. STEVENS and Mr. NELSON.

The efforts to arrive at a consensus availed very little, and time and time again even Members on his own side of the aisle took issue with the proposals that Senator STEVENS had attempted to develop. So the days passed.

On yesterday, after discussing a time agreement with the distinguished minority leader on the evening of the day before yesterday, I attempted to get an agreement which would provide for the allotment and control of time on amendments and debate on just that section of Resolution No. 9 which deals with postcloture. That agreement would have provided for a final vote on that section only, dealing with postcloture, no later than 6 o'clock p.m. on Thursday, February 22. The unanimous-consent agreement, which I had thought was about to be accepted, somehow overnight developed opposition, and there was an objection made by Mr. STEVENS on behalf of certain Senators on his side of the aisle to the unanimous-consent agreement.

Thereupon, it was suggested, and I believe it was suggested by the distinguished minority leader, that we try to get the two ad hoc committees together again and that he and I sit down with them in their totality, as they were originally constituted, and see if together we could not work out a version behind which most of us could march and to which we could lend our support.

So I acceded to that request. We had that meeting in my office, and it readily became apparent that no such consensus was going to be reached.

So finally it was agreed that I would make the effort to separate the postcloture section from Senate Resolution 9 and make it a separate resolution, and try to get a time agreement to the effect that if final disposition of that section was not obtained by no later than 6 o'clock p.m., on Thursday, February 22, the Senate would immediately proceed to the Senate Resolution No. 9; and unanimous consent was given to that request.

So we have today before us Senate Resolution 61, which deals only with the postcloture provisions in Senate Resolution 9.

So Senators may observe that I have done everything I could possibly do to try to bring the Senate to a vote, try to bring the Senate around to acting upon proposals to change the rules that deal with not only the postcloture problem but also precloture matters.

But I have not been one, I have never been one, and I am not today one who feels that I have to have every provision in my Senate Resolution 9 voted up intact with no changes. The Senate will observe that I have never taken the position that any part of Senate Resolution 9 had to be adopted by the Senate. I have only asked that the Senate be allowed to work its will on Senate Resolution 9, adopt such portions of it as in its wisdom it wishes to adopt, reject such portions thereof as in its wisdom it wishes to reject, but at some point vote up or down on the resolution as amended if amended. Vote it up or vote it down; that is all I have asked.

There are those who are unwilling to give a time agreement unless the final form can be pretty much agreed upon beforehand, and it has to be according to their viewpoint. As I have said time and time again, let us take our chances. There is not a single word in my resolution that cannot be improved upon, and all I want is for the Senate to have the opportunity to do that. But there are those who, like Horatius at the bridge, are determined it will not pass unless it is written according to their prescription.

Well, happily at least we did reach the agreement that we would proceed with at least the postcloture section. So, accustomed as the Senate is to seeing me so congenial, amicable, always tolerant and reasonable, and willing to be persuaded, I said, OK, we will strip away everything, just forget old Senate Resolution No. 9 for the time being, and just take that little teensy-weensy portion, that little infinitesimally small part thereof that deals with postcloture, and let us examine that under the scrutiny of the Senate microscope enlarged to its magnitude of 100, and I will bend over backwards and just forget about the rest of the resolution for a little while, and we will take a look at that. If the Senate wants to substitute something for my suggestion that is all right with me, but at least let us take a look a it.

So that is where we are. The Senate finally agreed that maybe that was not such a bad suggestion after all: "Since Senator BYRD is willing to give up for the time being any consideration of the rest of his resolution, we will go along with that."

So here we are. Now we are on Senate Resolution 61.

Mr. President, there actually has been very little debate on the floor on the resolution, Senate Resolution 9, but several newspapers have run editorials in support of a rules change, and I ask unanimous consent that editorials from the New York Times of January 30, 1979, the Tennessean of January 21, 1979, the Rocky Mountain News of January 30, 1979, the Kansas City Star of January 18, 1979, the Danbury Sun-Times of January 21, 1979, the Birmingham Post-Herald of January 29, 1979, the St. Louis Post-Dispatch of January 17, 1979, and the Boston Globe of January 15, 1979 be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 30, 1979]

ONE FILIBUSTER PER ISSUE

By voting against a motion to stop a filibuster, 41 of the 100 members of the Senate can block any legislation. That is not necessarily pernicious and we agree with the Senate majority leader, Robert Byrd, that there is a right to filibuster. But we also agree strongly with him that on any one issue, one filibuster is enough. Still, present rules permit multiple filibusters. Even the threat of a filibuster has become a serious problem, making the Senate, in Mr. Byrd's term, "a spectacle." The time has come to do something about it.

Partly because of the parliamentary virtuosity of the late Senator Allen of Alabama, the Senate has been increasingly subject to multiple filibusters. Unless the leader calls up legislation under special circumstances, his very motion to proceed to consideration of the bill is subject to a filibuster. If the filibuster is then voted down through cloture, another filibuster can be undertaken when the bill becomes the pending business. And even when such a filibuster is defeated, there has been an increasing use of "post-cloture" filibusters in which one or a handful of Senators can tie up business for days with dilatory motions, interminable amendments, quorum calls and roll calls.

Senator Byrd has now offered a resolution to change the rules and ease this "misery." He does not propose, probably wisely, to make filibusters easier to stop. A full 60 votes would still be necessary—but only once. Debate on motions to take up a bill would be limited and filibusters confined to actual consideration of the measure. Post-cloture stalling would be curbed.

Both Republicans and Democrats have named ad hoc committees, ostensibly to consider Senator Byrd's proposal but actually to negotiate both on its terms and on how a vote can be had on a rules change. Conservative members believe that 67 votes are needed to end a filibuster on a motion to change the rules. More liberal members believe a simple majority can vote to change the rules and cut off debate.

It would appear to be in the interest of Republicans and conservative Democrats to avoid a showdown. A loss would create a precedent that would make future rules changes easier and eventually undermine the rights of the minority. A showdown can be avoided by an agreement to limit debate on the Byrd resolution and to vote at an agreed time. There seems to be fairly widespread bipartisan agreement that something should be done to limit post-cloture filibusters, and there seems to be room for reasonable compromise on other elements of the Byrd proposal as well.

But if meaningful rules changes are not soon forthcoming, Senator Byrd reluctantly will have to force the showdown. Then it will be important that 51 Senators, including liberal and moderate Republicans, back him up. Senator Henry Cabot Lodge Sr. was right when he said many decades ago: ""To vote without debate is perilous, but to debate and never vote is imbecile."

[From the Tennessean, Jan. 21, 1979]

MODEST CHANGES SOUGHT TO CURB THE FILIBUSTER

Senate Majority Leader Robert Byrd has proposed some new curbs on the filibuster that are fairly modest, but likely to set the stage for another battle.

The filibuster is simply prolonged debate by a minority in an attempt to prevent the majority from passing a bill. From the viewpoint of democratic principles, it runs counter to logic. But its defenders argue that it protects the right of the minority and prevents hasty action.

On the question of hasty action there is no quarrel. Past filibusters have left the Senate spinning its wheels in the sands of rhetoric for days on end. And frequently, because of the filibuster and the continued threat of it, measures have been derailed.

In recent years it has not been so much a case of a minority's right as a struggle between contending forces outside the Senate, that between big business and big labor.

Delaying tactics in the last session of the Senate brought the defeat of labor on a fairly modest labor law reform proposal.

The House had passed the bill easily and hopes were rising that it would fare as well in the Senate. But when it finally came to the floor, it was filibustered for five weeks.

Unable to break the opposition after six cloture votes, sponsors of the labor law reform bill finally had to recommit the bill to committee, from which it never returned.

There were a good many reasons why the bill never made it, but the point is that the filibuster was instrumental. It also tied up the Senate at a time when there were pressing problems with which it should have been dealing.

Filibusters or delaying tactics have defeated the creation of a federal agency to speak for consumers in regulatory hearings, and an effort to get public financing for congressional elections.

In the beginning, a filibuster required two-thirds of the senators present and voting to cut off debate. In 1975, the Senate changed the rule to require only 60 votes.

Senator Byrd would continue that number but after cloture there would be a requirement that a final vote would be held within 100 hours.

The majority leader would also change the procedure so that it could be required that all amendments be directly related to the bill in question.

It has been a tactic in the past for opponents of legislation to print up hundreds of amendments and to call them up after cloture is in effect. Often they may bear little resemblance to anything relating to the bill. But voting on these can tie up the Senate as long as a filibuster.

Senator Byrd's proposals are hardly sweeping. The minority is still protected and the business of the Senate would be improved. At some point, the public is going to be so enraged at a Senate doing nothing when great problems are at hand, it may lose patience with both the filibuster and the senators involved.

[From the Rocky Mountain News, Jan. 30, 1979]

SENATE AGONISTES

The time has come when the United States Senate must straighten out its rules of procedure so that it can act responsibly on vital matters of public policy.

High school civics students are taught that a minority of senators can and often do band together in an effort to talk a pending bill to death, to stall a decisive vote through the use of the "filibuster." They are also taught that if 60 of the 100 senators agree that the matter has been thoroughly debated, they may vote "cloture," thus ending the talkathon and setting the stage for a decision.

Alas, this is not so. The late Sen. James B. Allen, D-Ala., as wily and resourceful a parliamentarian as ever walked the floor of the Senate, found ways to force a theoretically unlimited series of procedural votes even after cloture was voted. In short, he found a way to paralyze the Senate.

He also found a way to infuriate the Senate. Fighting chicanery with chicanery, Senate Democratic Leader Robert C. Byrd, W. Va., in trying to break a post-cloture filibuster, set some very troubling parlimentary precedents. He had perfectly proper motions and amendments ruled out of order.

This is no solution. In fact, it's more dangerous than the problem Allen created.

To his credit, Byrd recognizes the danger. He has asked the Senate to set up new rules concerning procedures after the Senate has voted cloture. His proposals are fair. They would provide the minority the opportunity to make a last-ditch stand but would also guarantee that the Senate would resolve the issue in a timely manner.

We make no complaint against the filibuster itself. It is a cherished and time-honored device to protect the minority from being steam-rollered by the majority. But when at least 60 senators vote to end a filibuster, the filibuster should end. The Senate should dispose of the issue and move on to other business.

According to an aide, Sen. William Armstrong, R-Colo., has "no position" on the matter at this time. Sen. Gary Hart, D-Colo., says he is generally sympathetic to filibuster rules by the vote of a simple majority.

We disagree with Hart's position, (and hope Armstrong comes up with one soon). It may be that that the traditional two-thirds majority should be required to change the prescribed number of votes needed to end a filibuster. But Byrd's proposals do not in any way alter the three-fifths requirement to end debate. They seek only to shut off parliamentary tricks which have converted the time-honored filibuster into a tool for any senator bent on obstruction, pure and simple.

The central question in the rules debate, as noted earlier by columnists Jack Germond and Jules Witcover, is whether the members of the Senate are going to live up to their own estimate of their importance—or continue to "behave like cheap shysters trying to find loopholes in the fine print of zoning ordinances." Will Colorado's senators vote with or against the pettifoggers? We're waiting to see.

[From the Kansas City Star, Jan. 18, 1979]

DEBATE AND DELAY IN THE SENATE

As sure as a new Congress convenes, the Senate goes through a biennial debate on its rules which, after 190 years, should be reasonably workable. The ritual began in 1789 with the adoption of 20 rules by the first senators. Those initial guidelines on conduct of the Senate were adopted with more dispatch than the Senate will display this month in another attempt to curb abuse of the filibuster.

The filibuster has become a sacred guarantee that the minority will not suffer a tyranny of the majority. In the House, which prides itself as the truly representative body of the two legislative chambers, the majority tyrannically shuts off its minorities by ending debate through frequent motions to move the previous question. Whether the cause of free debate has been better served in one chamber than another is questionable.

Four years ago the Senate dealt with the filibuster by adopting a new rule permitting 60 senators to invoke cloture, or end a filibuster. The three-fifths rule was of all 100 senators while the previous two-thirds requirement was of senators present and voting. The practical result is that opponents of a filibuster must keep 60 senators on the floor which, because of absenteeism, is not much easier than prevailing on a two-thirds vote (maximum 67) of those present.

The more serious failing of the three-fifths rule is that practitioners of the filibuster have found ways to block a vote after 60 senators have voted in favor of cloture. One new technique is to filibuster by amendment. Other devices for delaying a vote on legislation opposed by a determined minority are frequent time-consuming quorum calls or roll calls on procedural questions.

Even more deadly than the filibuster itself in the final days of a congressional session is the threat of delaying tactics. Senate leaders in the last Congress elected not to call up controversial measures in the final hectic days if a talkathon appeared likely to hold up action on essential legislation such as budget or high-priority legislation of the administration.

In less complex times the filibuster was often little more than a nuisance and was at times an entertaining diversion when employed by flamboyant Southern orators. Senate schedules are now too heavy for such indulgences. As an example of how precious time is consumed, 80 Senate roll calls requiring as many as 30 minutes each were taken last year during debate on Panama Canal treaties when outnumbered opponents filibustered with amendments.

Next was a controversial labor law revision bill which never came to a final voto. A minority, well aware that a majority of senators would pass the bill if given a chance, blocked six efforts to shut off a filibuster over a six-week period. If cloture had been invoked, opponents of the measure were ready to filibuster with nearly 1,000 printed amendments. Opponents of the treaties and labor bill killed chances for a fair hearing on much legislation by throwing the Senate behind schedule in its early months of last year's session.

The staid Senate is not given to draconian rules changes so there is no reason to expect a lowering of the 60 votes required for invoking cloture. But the sheer annoyance of running from Senate office buildings to the Senate floor for time-wasting quorum calls or senseless, delaying roll calls should generate support for limiting post-filibuster debate. If a filibuster is broken, it seems entirely reasonable, as Sen. Robert Byrd, Democratic majority leader, has proposed, that post-filibuster debate be limited to a few hours. It should be no embarrassment to senators to concede that their profundity on a given issue has its limits.

[From the Danbury (Conn.) Sun-Times, Jan. 21, 1979]

SENATE SHOULD CURTAIL FILIBUSTERS

The United States Senate may regard itself as the world's greatest deliberative body, but the general public thinks of it as the world's most inefficient body when one, two or a handful of senators can keep it tied in a filibuster, even though a cloture vote to end debate has been invoked by a substantial majority of the Senate.

The Senate, at the start of its current session, has the opportunity to correct the filibuster problem by adopting changes in Rule 22, such as those proposed by Majority Leader Robert C. Byrd.

In recent sessions of Congress, the Senate has been prevented from voting on major legislation by the dilatory actions of opponents of a measure who offer dozens if not hundreds of amendments, or who insist that the previous day's journal be read in full or who raise and engage in the long arguments about points of order.

On these occasions, the Senate has often showed the public a perception which borders on querulous men engaging in childish games.

It is not a case of conservatives vs. liberals or anything like that. It is a case of getting public business done when it ought to be done.

[From the Birmingham Post-Herald, Jan. 29, 1979]

POST-CLOTURE FILIBUSTERS

The time has come when the United States Senate must straighten out its rules of procedure so that it can act responsibly on vital matters of public policy.

High school civics students are taught that a minority of senators can and often do band together in an effort to talk a pending bill to death, to stall a decisive vote through the use of the "filibuster." The students are also taught that if 60 of the 100 senators agree that the matter has been thoroughly debated, they may vote "cloture," thus ending the talkathon and setting the stage for a decision.

Alas, this is not so. Alabama's late senator, James B. Allen, as wily and resourceful a parliamentarian as ever walked the floor of the Senate, found ways to force a theoretically unlimited series of procedural votes even after cloture was voted. In short, he found a way to paralyze the Senate.

He also found a way to infuriate the Senate. Fighting chicanery with chicanery, Senate Democratic Leader Robert C. Byrd, W. Va., in trying to break a post-cloture filibuster, set some very troubling parliamentary precedents. He had perfectly proper motions and amendments ruled out of order.

This is no solution. In fact, it's more dangerous than the problem Allen created.

To his credit, Majority Leader Byrd recognizes the danger. He has asked the Senate to set up new rules concerning procedures after the Senate has voted cloture. His proposal is fair. It would provide the minority the opportunity to make a last-ditch stand but would also guarantee that the Senate would resolve the issue in a timely manner.

We make no complaint against the filibuster itself. It is a cherished and time-honored device to protect the minority from being steam-rollered by the majority. But when at least 60 senators vote to end filibuster, the filibuster should end. The Senate should dispose of the issue and move on to other business.

We hope the Senate will amend its rules and outlaw the post-cloture filibuster.

[From the St. Louis Post-Dispatch, Jan. 17, 1979]

A RULE TO END SENATE DELAY

As the 96th Congress convened, the Senate was still faced with the prospect of having its legislative machinery sabotaged by strategists of delay—although the Senate since 1975 has been theoretically able to cut off filibusters by a vote of 60 members. Now the parliamentary saboteurs accomplish their end, after the cloture vote, by offering endless amendments to the bill under consideration.

In order to end such legislative wrecking tactics, Senate Majority Leader Robert Byrd has proposed a rule that would require a vote on the measure at issue within 100 hours after the required 60 senators approve a cut-off of debate. That is an excessively generous amount of time, considering that an inordinate period of debate may already have been spent on a bill before a cloture vote is ever called. Yet filibuster sympathizers, including business interests and members of the Republican minority, are still expected to fight the Byrd proposal.

There is talk that the majority leader could win support for an anti-filibuster rule by embracing an easing of the Senate ethics code to permit senators to earn in outside income more than the 15 percent of salary now allowed. Such a blatant surrender to senatorial greed would be inexcusable. At $57,500 a year, senators are paid enough to get by without yielding to the corrupting influence of fat lecture fees from groups with interests in legislation. The rule against intolerable delay should be adopted because it is right, not because senators have been lured by a lowering of ethical standards.

[From the Boston Globe, Jan. 15, 1979]

ON NEW FILIBUSTER RULES

If all goes according to schedule, the U.S. Senate ought to come in like a lion. Its first item of business will be the enactment of its own rules and a time-honored debate over filibusters is almost certain to be rejoined. And well it should be because, as was amply demonstrated in the last session of Congress, the current rules not only protect the minority but give potential obstructionist powers even to any lone and willful senator.

Business interests, headed by the U.S. Chamber of Commerce, are already organized for a major fight against any substantial changes, and groups such as organized labor and Common Cause are sure to be on the other side. The specific form of the confrontation will, however, depend upon Majority Leader Robert Byrd and, presumably to keep the opposition off-guard, he is not saying exactly what he will propose.

The most dramatic change would be a reduction in the number of Senators required to vote for cloture to end a filibuster. In 1972, the number was reduced from 67 to 60, a "constitutional" three-fifths of the full 100-member body. One modest but progressive step would be to change that "constitutional" three-fifths, which means that 60 senators must vote to support cloture, to a simple three-fifths of those present and voting. Cloture could now fail if the vote were 59-to-2.

A change to three-fifths of those present and voting would at least require proponents of a particular filibuster to muster their troops and demonstrate they constitute a committed and significant minority.

Another change, maybe the most important, would be to limit debate on a measure once cloture has been invoked. Now, there is the potential that legislation can be filibustered by amendment. Senators opposed to a particular bill can propose thousands of amendments and demand a time-consuming roll call on each. The time consumed in such voting is not counted against the hour of debate afforded each senator after cloture.

Last session, as time grew short, individual senators were able to use the threat of a direct filibuster or a filibuster-by-amendment to persuade Byrd not to bring popular but controversial issues to the floor. A change to include the time it takes to vote on amendments within a senator's allotted time for debate would cure this problem and preclude post-cloture filibusters.

Even if it is argued that some protections should be afforded a legislative minority, there can be no justification for giving one or two or three legislators veto power. That, however, is what the present Senate rules permit, and that is what the Senate should change when it convenes later this month.

Mr. ROBERT C. BYRD. Mr. President, here is Senate Resolution 61 amending rule XXII of the Standing Rules of the Senate:

Resolved, That the second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time specified above, may be made in any one calendar day.".

That is the resolution, Senate Resolution 61, in its entirety.

So, Mr. President, the Senate is now beginning its debate on my proposal to deal with what has become known as the postcloture phenomenon, more commonly referred to as the postcloture filibuster.

We now have precloture filibusters; we have filibusters on motions to proceed; then we can have postcloture filibusters on the motion to proceed; then we have filibusters on the measure precloture, and then we have filibusters on the measure itself; then we have postcloture filibusters on the measure; then we can have filibusters on conference reports; and, of course, we always have the threats of filibusters.

We have minifilibusters, mini-maxi-filibusters, all kinds of filibusters. You name it, we have it, filibusters.

But the only thing we are trying to deal with here is the postcloture filibuster. We have seen that become the most divisive, the most contentious, matter to come before the Senate. In the year before last, cloture was invoked on the natural gas pricing bill. After cloture was invoked, there were 127 rollcalls—I may be off, I may not be accurate, and maybe I have missed by a half dozen one way or the other, but the RECORD will be

corrected if I am incorrect—and so we had all these rollcalls and about 35 quorum calls, after cloture had been invoked.

There is no cure for the postcloture filibuster in the rules. There is no cloture provided for as against the postcloture filibuster in the rules, and by virtue of that fact rule XXII really, insofar as dealing with filibusters is concerned, no longer exists.

I was here in the old days when Senator Richard Russell was recognized as the person in the Senate who knew more about the rules and precedents than any other Member in the body, and those were the days when the southerners—and a few other Senators from time to time would join them—would conduct filibusters in connection with civil rights matters and occasionally in regard to some other issue.

But the filibuster was not a weapon that was often resorted to. It was resorted to by those Senators only when measures came along from time to time that dealt with an issue that was engrained in their culture, and which had been so engrained for generations.

But they used the filibuster—at least Senator Russell and the Senators who worked with him in those days—they used the rules; they did not abuse the rules. They were germane in their speeches. Senator Russell operated with his Southern colleagues in their organized fashion. He was very much like the German general staff. They were organized into teams, and they would use the rules, but never abuse them.

Once cloture was invoked, they recognized that the Senate had indicated that it was its will that the matter be brought to a close. They did not resort to dilatory tactics, dilatory motions, dilatory amendments, endless quorum calls. They simply offered the amendments in good faith, had them voted up or down, and that was the end of the ball game.

Mr. TOWER. Mr. President, will the Senator yield for an observation at that point?

Mr. ROBERT C. BYRD. Yes, I yield without losing my right to the floor.

Mr. TOWER. I appreciate the Senator's recitation of the history of the use of the filibuster.

I might note that in the old days under Russell's leadership—and I was privileged to be a member of the Southern Caucus at that time, as a matter of fact the only Republican member of the Southern Caucus—but as I remember, too, it was more difficult to get cloture in those days, and the postcloture filibuster is a phenomenon of recent occurrence that has resulted from the reduction of the requirement of the two-thirds vote to that of 60 percent of the Senators duly elected and sworn.

I think the conjunction of the two is not fortuitous.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

It happened that in those days I was also on Senator Russell's side, and I spoke——

Mr. TOWER. And we both learned a lot, I imagine.

Mr. ROBERT C. BYRD. I learned a little bit. I did not learn a lot, but I learned a few things. I did learn, however, that the southerners under Senator Russell's generalship conducted their filibusters in a very dignified manner, and once the Senate registered its will by invoking cloture they did not seek to prolong the agony. They only sought to have the Senate act up or down on their amendments.

Senator Ervin, I think, called up more than 30 amendments one day following the debate on the 1964 Civil Rights Act, and they were voted on that same day. He did not insist on a quorum call in advance of each rollcall vote. He did not insist that the Sergeant at Arms be sent after Senators with requests for attendance, and then require a rollcall vote on that. He did not move to reconsider every vote on every amendment and then have a motion to table that, appeal the ruling of the Chair, and all that business.

They did not engage in that nonsense. They did not engage in that farce. That was to their credit.

As to the change in the number of Senators required to invoke cloture, that is my change, and it is of very recent vintage. It is language I wrote into the rule with the support of the majority of the Senate. I do not seek to change that. I do not seek to make any change in that. I am glad the distinguished Senator mentioned that, because I was about to admit the fact that I do not seek any change in the number of votes required to invoke cloture. The number is now the constitutional three-fifths—60 votes, if 100 Members are serving—and I do not propose to change that. But we have lately seen, in the past 8 or 9 years, not just since that constitutional three-fifths become the rule, but in the last 8 or 9 years, an increasing number of filibusters, and within the last few years we have seen this postcloture filibuster burst into full bloom.

So it is an effort to deal with that postcloture filibuster and to bring out of chaos an orderly procedure whereby the Senate can finally work its will on a measure or matter after cloture has been invoked that I have offered Senate Resolution 9, and offered even to momentarily strip away everything but the postcloture section.

It is unfair to a majority of 60 Senators, who have indicated by their votes that it is time to bring a matter to a close, to continue to drag out and prolong the action of the Senate and prevent it from reaching its final decision up or down on a measure.

It is unfair to the three-fifths majority. In many instances, a part of that three-fifths is made up by Members on the other side of the aisle who join with Members on this side of the aisle to invoke cloture.

It was never meant that the charity of the minority should rule in this place. It was always intended that the minority shall have its just rights and that they should not be trampled upon, and the rules so provide. That is why I support the three-fifths cloture rule. I feel that there should be a supermajority before cloture is invoked.

But even after cloture is invoked debate does not come to an end. The present rules provide that each Senator shall have 1 hour. That was a good rule until it became abused, and the abuse of it is not the monopoly of either side. We have seen it abused by Senators on both sides of the aisle. So it is not a partisan position that I take today in seeking to change that rule so as to prevent what we have lately seen develop, which has made the Senate from time to time a spectacle before the Nation.

So, Mr. President, I am going to send to the desk an amendment, but I will explain it first. I have other amendments.

UP AMENDMENT NO. 2

The first amendment I will send to the desk primarily will strike words from Resolution No. 61. It will strike the words on page 1, line 1, "the second paragraph."

The reason for this amendment is as follows: In looking at rule XXII, on page 23 of the yellow manual which I hold in my hand, there is some disagreement as to just what constitutes paragraph 2. There is a section numbered 2, and that section consists of several paragraphs. I suppose if one wanted to be technical, the first paragraph would end with the question mark after the word "close" on page 24. Another paragraph still under the section designated 2 ends with the preposition "of," almost midway down the page.

Then there is a third paragraph ending with the word "debate." That is before the section numbered 3.

If we say that the second paragraph in paragraph 2 of rule XXII "is amended by inserting at the end thereof," what are we talking about? What is the second paragraph of paragraph 2? Is it the paragraph that ends with the words "all other business until disposed of"? Or is it the paragraph that ends with the words "shall be decided without debate"?

It is an amendment that I think there should be no opposition to. It would simply strike out the words "the second paragraph."

So the resolution would then read as follows:

Resolved, that Rule XXII of the Standing Rules Of The Senate is amended by insetting at the end thereof.

Mr. McCLURE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Mr. President, I do not think there would be any objection to that change. I think it does, first of all, two things. Certainly, the proposer of the resolution knows what he has in mind and he ought to be able to say it very clearly for others. Second, I think it does remove the ambiguity to which he has made reference.

It does, however, present one procedural question in regard to amendments some have already prepared and lodged at the desk that make reference to the resolution as it appeared in Senate Resolution 9 and again appears in Senate Resolution 61. I would assume there will

be no difficulty in conforming and perhaps no necessity for resubmitting and having two sets of amendments printed.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. McCLURE. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk the amendment and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 2:

On page 1, line 1, strike "the second paragraph of".

Mr. McCLURE. Mr. President, I wonder if the Senator from West Virginia might agree that the rekeying of the proposed amendments will be permitted from time to time as they come up as necessary to reflect change, and that after that rekeying they will be treated as original text, as an original amendment.

Mr. ROBERT C. BYRD. The Senator would certainly have my support with respect to rekeying any amendments that might otherwise fall, because they have been keyed to those particular words.

Mr. McCLURE. And that in so rekeying them they will not be treated as an amendment in the second degree?

Mr. ROBERT C. BYRD. Absolutely.

Mr. McCLURE. I thank the Senator. With that understanding, Mr. President, I think there is absolutely no objection to the amendment from this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 3

Mr. ROBERT C. BYRD. Mr. President, I move that on page 1 of Senate Resolution 61, line 4, after the word, "after," there be inserted the words, "no more than."

The way the measure now reads is as follows: "After 100 hours of consideration of the measure," et cetera. It might be contended that the Senate, if it adopts the resolution, could proceed to vote on the final disposition of the matter on which cloture has been invoked only after 100 hours of consideration. My amendment would simply insert words to make it read, "After no more than 100 hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof," et cetera.

I have three parts to this amendment. I am content with offering only that portion of the amendment at this time.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. I believe there is no objection over here, provided the same understanding elicited from the majority leader by the Senator from Idaho on the first amendment still prevails in terms of conformity of amendments already pending.

Mr. ROBERT C. BYRD. Yes, indeed. Absolutely. If there are amendments which have already been introduced which are keyed to those words as they now exist in the resolution, I would ask unanimous consent that they be so keyed as to conform with the change that would be made by my amendment.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 3: On page 1, line 4, after the word "after", insert "no more than".

On page 2, beginning on line 2, strike "amount of time specified in the preceding sentence" and insert in lieu thereof "one hundred hours".

Mr. ROBERT C. BYRD. That merely conforms the second portion so that it would not be inconsistent with the first change.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Do I understand correctly that the second change being suggested is on page 2 of Senate Resolution 61, and would strike the words "the amount of time specified in the preceding sentence"?

Mr. ROBERT C. BYRD. It would not strike the article "the". It would strike "amount of time specified in the preceding sentence," and would substitute "100 hours."

Mr. McCLURE. It would then read "The 100 hours may be increased or decreased".

Mr. ROBERT C. BYRD. That is the way it would read: "The 100 hours may be increased or decreased", and so on.

Mr. McCLURE. Mr. President, I think the first change, that which occurs on page 1, line 4, is a clarifying amendment, and under the substitute which the Senator from Alaska has sent to the desk on behalf of the ad hoc committee considering this matter, this would also be a means by which the 100 hours might be decreased. I think that the change that is being suggested by the Senator from West Virginia is consistent with what both sides, all the parties negotiating, have been groping to achieve.

The change which is being suggested on the second page certainly can be read in connection with the change on the first page. I do not believe there is any objection from anybody on this side of the aisle. We accept the amendment as offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 4

Mr. ROBERT C. BYRD. Now, Mr. President, I send an amendment to the desk which would do the following: On page 2, line 3, of Senate Resolution 61, beginning with the word, "or", strike all through and including the word, "at", on line 6. It would insert in lieu thereof the words, "or at".

On page 2, line 7, it would strike the word, "any" and the word "reduced", and would substitute for the word "any" the word "the", and for the word "reduced", the word, "decreased".

Let me read the resolution, that portion thereof that is affected, as it now reads in the resolution, having been amended a moment ago:

The 100 hours may be increased, or decreased (but to not less than 10 hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after 10 hours of consideration any remaining time may be reduced, but to not less than 10 hours, by the adoption of a motion,

Et cetera.

I propose to change that by my amendment so it will read as follows:

The 100 hours may be increased, or at any time after 10 hours of consideration, the remaining time may be decreased, but to not less than 10 hours, by the adoption of a motion, decided without debate,

And so on.

Why do I do this? The reason is as follows: As the verbiage now reads, the amount of time—the 100 hours—can be decreased, but to not less than 10 hours.

Then it goes on to say that at any time after 10 hours of consideration, the remaining time may be decreased.

As the language now reads, I think it is possible that the moment cloture is invoked, a motion could be made to decrease the time from 100 to 10 hours, and if that motion is supported by a three-fifths affirmative vote, 10 hours is all there is for debate.

I do not mean to do that. I want at least 10 hours of consideration before that motion can be made.

So that is the purpose of my amendment.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Which would provide that the 100 hours may be increased at any time, but that only after 10 hours of consideration could a motion be made to decrease the remaining time, and then to not less than 10 additional hours.

Mr. SARBANES. Will the majority leader yield on that?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. SARBANES. I take it this would mean that there would be, in effect, even if this process were invoked, 20 hours as the absolute minimum. In other words, 10 hours as it is now; only then, as I understand it, it is subject to the interpretation that a motion to decrease could be made immediately, and then there would be 10 hours.

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Then that would be the end of it.

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. The change would preclude that motion from being made until 10 hours had expired.

Mr. ROBERT C. BYRD. Exactly.

Mr. SARBANES. And then the motion could only decrease down to an additional 10 hours. So it guarantees 20 hours at a minimum. Is that correct?

Mr. ROBERT C. BYRD. Precisely. The Senator has stated in 60 seconds that which took me 5 minutes to say and it is exactly the intent of the amendment.

Mr. SARBANES. I think that is very considerate on the part of the majority leader in terms of further insuring a significant amount of time postcloture.

This is after cloture?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Postcloture for the consideration of the measure, because it would insure 20 rather than 10 hours.

Mr. ROBERT C. BYRD. Yes. I thank the Senator.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, certainly, on behalf of the minority, we have no objection to the amendment. However, we would, I think, like to indicate at this time that at this point we may begin to register some objection and we may have further amendments to offer later in addition to the substitute which has been lodged at the desk.

I say now that our acceptance of the amendment should not be implied as an acceptance of the proposition that a three-fifths vote can limit the debate to 20 hours.

There are many of us who feel that that is unduly restrictive and unduly limits the guarantees to individual Members, and whatever the minority group might be, grouping within the Senate, with respect to the right to debate or offer amendments even in a postcloture situation.

But we have no objection to the amendment and, for our part, will accept it with that understanding.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, I send the amendment to the desk and ask that it be stated so it will be in the RECORD.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 4.

On page 2, line 3, beginning with the word "or", strike all through and including the word "At" on line 6 and insert the words "or at".

On page 2, line 7, strike "any remaining time may be reduced" and insert in lieu thereof: "the remaining time may be decreased".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 4) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I will be glad to yield to any other Senator who has an amendment to offer. I want to demonstrate in every possible way my total fairness, objectivity, reasonableness, and sweetness; so if any Senator wishes to offer an amendment, I will yield.

If not, I think we are making great progress.

I have so many goodies here that I am hard put to determine which should be called up first.

UP AMENDMENT NO. 5

Mr. ROBERT C. BYRD. Mr. President, the next amendment I shall offer is one which will demonstrate beyond any peradventure of a doubt that the majority leader really wants to do the right thing always and be fair to those who oppose a measure on which cloture has been invoked.

It would add at the end of the resolution a new paragraph which would provide for conforming changes to be made to changes ordered prior to the reprinting of a bill, after cloture has been invoked, such conforming changes to be limited to lineation and pagination; and that is just what the distinguished Senator has been talking about here a moment ago.

The Senate might proceed to invoke cloture, as it does from time to time, and after cloture has been invoked amendments which were in order prior to the reprinting of a bill no longer are in order because the pages had been changed, or the numbers of the lines had been changed. In that case, through no fault of his own, a Senator who has dutifully followed the rules and had his amendments at the desk in writing, prior to the invoking of cloture and the announcement of such by the Chair, is automatically ruled out. He cannot call up his amendment.

So I will correct that, if the Senate will adopt this amendment, which I now send to the desk, and I ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 5:

At the end of the resolution, add a new paragraph as follows:

"If, for any reason, a bill is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the bill will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination."

Mr. McCLURE. Mr. President, will the Senator from West Virginia yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. Mr. President, this tracks very closely what the ad hoc committee had discussed, which is contained also in the substitute offered by the Senator from Alaska, with one difference; and I wonder where the Senator from West Virginia might consider that one difference.

After some discussion, we had deleted the provision that restricts it to pagination and lineation, for the reason that sometimes an amendment or a substitute may change the words, may change the order or structure of a sentence, but not change the meaning, but technically an amendment that might have repeated the original structure or ordering of that sentence would then be out of order.

For that reason, we deleted that reference to lineation and pagination but left in the provision that it can be only a conforming change, a change to conform the amendment to the structure of the bill as it then stands before the Senate.

There are two reasons for this: First of all, if it occurs early, you may have to submit a multiplicity of amendments, trying to anticipate the changes. Second, once cloture has been invoked, you cannot thus amend.

I think it just carries forth the intention the Senator from West Virginia is expressing, without opening it to any kind of mischief.

Mr. ROBERT C. BYRD. I am afraid it would do just that. It would open it up to mischief. It is too ambiguous and too vague, and I think the interpretations and constructions of such an amendment could vary from pole to pole.

We have been going along for years without what I have offered, and Senators simply were just out of luck if the bill were reprinted; and sometimes it was done intentionally so that amendments would be out of order.

By offering this amendment, we correct an obvious inequity. There can be no ambiguity about this. It is clear as to what it does and what it means. I am afraid that to go beyond that, we might open up some other doors. Therefore, I would not want to modify my amendment to include the suggestion offered by the able Senator.

Mr. McCLURE. Mr. President, although I am saddened by the failure of the spirit of comity that had so far enveloped these proceedings this afternoon, to the extent of this modest change I have suggested, it certainly would not be my intention to object to the adoption of the amendment. It goes a long way toward answering one of the serious questions that has been involved, and it is a step in the effort to be fair to all Members in the post-cloture situation.

So I will not object to the amendment. But I do hope that before we have completed the consideration of this matter, the Senate may again—and perhaps, indeed, even the Senator from West Virginia may again—take a look at that proposal, with a view either to finding a way to avoid the mischief which he perceives or to agreeing that it does not have that degree of mischief in it. We will not at this time pursue the matter

further, but we have no objection to the adoption of the amendment.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, if any Senator wishes to call up an amendment, I will be glad to yield the floor.

For the time being, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 6

Mr. ROBERT C. BYRD. Mr. President, the amendment I am about to offer, I think, is a good one which should be accepted.

There are those who say that, in view of the fact that the resolution would put a 100-hour cap on a measure or a motion or other matter on which cloture has been invoked, in view of the fact that time for quorum calls and rollcall votes and so on would come out of the 100 hours, lo and behold, at the end of 100 hours there may be a Senator who has been seeking recognition all of this time and he would be denied recognition because the clock would have run its course, the 100 hours would have passed, the sands in the hourglass would all have dropped into the pyramid, and the poor fellow would be left without recourse, 100 hours are gone. Someone thoughtlessly chewed up part of it with quorum calls and rollcall votes. And here is this poor junior Senator from West Virginia, who has been standing on his feet all this time, all that 100 hours, seeking recognition, and he never could get it because the Chair continued to recognize only members of the majority party or only certain Senators there within the party, or certain Senators on either side of the aisle or on one side.

Theoretically, that is correct. In theory that could happen. But in practice I cannot conceive of its happening. I just cannot conceive of its happening.

I think it was ascertained here recently that the maximum number of Senators ever to seek recognition to seek to use their hour after cloture was invoked was something like 27.

So I cannot conceive of a situation in which, cloture having been invoked on a matter, the 100 Senators would desire to use the hour to which each of the 100 Senators was entitled.

Nor can I conceive of any Presiding Officer who would consistently refuse to recognize a Member of the Senate on either side of the aisle who had not been accorded recognition.

On one occasion I was critical of the Vice President, a member of my own party who sat in the chair, because he did not recognize the minority leader. And I think I unduly criticized him. I thoughtlessly took advantage of the fact that the Vice President could not defend himself without permission of the Senate to do so. And I expressed my regrets later to the Vice President for that fact and said if it ever happened again I would try to get unanimous consent of the Senate for the Vice President to speak to explain his position.

On another occasion the distinguished senior Senator from Louisiana criticized the Vice President of the United States at that time, the late Nelson Rockefeller, because the Vice President declined to recognize the late able Senator from Alabama (Mr. Allen).

So there are those on both sides, certainly, on this side of the aisle. I cannot say that any Member on the other side of the aisle would defend my right to recognition, but I have defended theirs from time to time, and I think that in the spirit of fairness that exists in the Senate, on which really the operation of the Senate basically rests, the spirit of comity and fairness would always guarantee that a Member of the Senate would get recognition.

The Chair has discretion in the recognition of Senators. Although he is required by the rules to recognize the first Senator who shall address the Chair, it is within his discretion to decide who is the first Senator to address the Chair. When several Senators address the Chair simultaneously, the Chair has the discretion, and that discretion cannot be appealed.

But I cannot envision unfairness on the part of the Chair in refusing to recognize a Senator who repeatedly stands on his feet and seeks to get recognized.

Now, conceivably 100 hours could go by and a Senator might have had a few of his amendments acted upon and he might still have an amendment remaining, in which case my resolution provides for an extension of the 100 hours if three-fifths of the Senators, the same number who invoke cloture, vote to extend the time; so there is that escape valve. And if it is noted that the distinguished Senator from Idaho (Mr. McCLURE) has been seeking recognition and he has had one amendment acted upon, he has had two amendments acted upon, he has had a half-dozen acted upon, or he has had none and he has tried to get recognition time and time again and he could not get it, and 100 hours are up, then 60 Senators in this body are going to be fair and they are going to extend that time, if it is only for an hour, so he can call up his amendment, and that provision is in my resolution.

So every Senator is going to get his chance.

I cannot envision a time when the 100 hours would be run and a Senator would not have had an opportunity to call up his legitimate amendments. Now if he has 500 amendments at the desk, or 1,000, and has his staff cranking out 500 more with the promise that after those 500 are produced there will be 500 more, then I can envision 100 hours going by and he will not have an opportunity to call up his 2,000 amendments.

But I do not think there is any rule of equity, justice, and fairness that would require that the Senate have to undergo that kind of trial and tribulation in any event, and that is just what we are trying to get away from here now.

So, to meet that theatrical hypothesis that some Senators have conjured up, I offer the following amendment, which says that no Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

This would give every Senator a chance to call up two amendments. He could not call up any more; and if another Senator wanted recognition, that Senator seeking recognition would be able to call up his amendment. And if no other Senator sought recognition, then the same Senator who had just called up two amendments and had them disposed of could call up another one. It at least gives other Senators a chance also to call up their amendments.

So, Mr. President, I send that amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 6.

At the end of the resolution, add a new paragraph as follows:

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise."

Mr. McCLURE. Mr. President, I wonder if the Senator from West Virginia might illustrate what he thinks procedurally will happen, how this provision will be procedurally handled. Would it be the expectation of the Senator from West Virginia that a Member who has had two amendments called up and acted upon, and then seeks recognition, could not be recognized, if there were any other Senator in the Chamber who had not had two amendments offered and acted upon and was then seeking recognition?

Mr. ROBERT C. BYRD. He could not be recognized to call up another amendment at this point.

Mr. McCLURE. Yes. But it would not entail the necessity of some procedural method to determine whether or not some other Senator wished to call up another amendment.

Mr. ROBERT C. BYRD. No.

Mr. McCLURE. It would simply depend upon whether or not there was some Senator in the Chamber——

Mr. ROBERT C. BYRD. Exactly.

Mr. McCLURE. Seeking recognition which would be the qualification.

Mr. ROBERT C. BYRD. Precisely.

If the Senator from Idaho called up two amendments one after the other and they were disposed of, he would not be required, and no one would be required, to put in a quorum call or a call on the cloakroom lines to find out if Senator

RANDOLPH, my senior colleague, or Senator BYRD of West Virginia wants to call up an amendment.

If Senator RANDOLPH wants to call up an amendment or Senator ROBERT C. BYRD wants to call up an amendment, let them be here to call it up.

Mr. McCLURE. If the Senator had two amendments acted upon and was seeking to offer a third amendment, and there was no other Senator seeking recognition for the purpose of calling up an amendment, he could do so without delay?

Mr. ROBERT C. BYRD. Exactly. The other Senators would have slept on their rights. Presumably no other Senator would be on the floor ready to call up an amendment, so the Senator from Idaho, having had two amendments called up and acted upon, and seeking to call up another amendment, could not call up that amendment until Senator MOYNIHAN, who might be seeking recognition, could call up his amendment. Then after that amendment of Senator MOYNIHAN's was acted upon, and he did not have any other amendment and sat down, if no other Senators sought recognition then the Senator from Idaho could seek and gain recognition and call up a third amendment.

It would prevent a Senator from hogging the floor, calling up amendment after amendment after amendment without other Senators having a chance to get their amendments acted upon.

Mr. McCLURE. Mr. President, I will not object to the amendment. I do have one concern in my mind. If the bill is a long bill and if at that time we are still going through the bill section by section, ordinarily if you get to the cloture provision and the bill is open for amendment at any point, my only concern would be if, as a matter of fact, you are still proceeding through the bill sequentially, an individual Member's major concern might be to a section that is late in the bill, and that might be the one he wants to call up first, but he would have to wait until everybody else in the Chamber had had their say on the earlier sections before he could ever offer his amendment.

I suspect that may be nearly academic; that probably in every instance when we are in a cloture condition the Member could pick the amendment regardless of where it lies within the bill, and in that manner be able to choose the amendment in which he is most interested regardless of where it may occur in the bill; and if that latter is the practical method, then I do not think there is any real problem. But I can see where there might be if the other situation were in effect.

Mr. ROBERT C. BYRD. I think it would be the practical situation that would obtain as a general rule, and if the Senate is proceeding section by section I do not think he would be any worse off than he is at the present time.

Mr. McCLURE. He would be worse off from the standpoint that he would not dare offer his less important amendments because he would be subject to the invocation of this rule by the time they got to the section that was of most importance to that individual Member, and it might preclude him from offering other amendments in which he was very much interested, but he had to reserve his time and his rights until we get to the end the bill, and then he would be under very—he would be in a very hard dilemma as to when he might offer what amendments, and in what order, because once having offered two he is subject to a rule that he was not subject to before he offered the two amendments.

As I say, that may be academic. However, I can perceive of a time when it may indeed become restrictive, and it may be that with some thought we could find a way around that in the post-cloture situation.

I certainly, for one, will be trying to consider that in the next few days and before we get back on the 19th to continue the amending of this provision.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator. I do not envision a problem, but I certainly will continue to also think about it, and if it develops that there seems to be a problem I will certainly give consideration to any suggestions to ameliorate it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

Mr. McCLURE. Mr. President, without prolonging the discussion, a couple of things have crossed my mind as to the way in which we could do that. After 50 hours of time have elapsed on the measure, that it would be in order to offer an amendment to any section of the bill even though otherwise we would be proceeding through the bill section by section, or something of that nature, so that if you cannot get down to the very end of the time still going through the bill section by section, still not having arrived at the section in which the Senator is really interested, that might be the remedy. The whole 100 hours could have been consumed without ever having gotten to the section of the bill in which the Senator is most interested.

Mr. ROBERT C. BYRD. Mr. President, I do not see——

The PRESIDING OFFICER. Will the Senator have the kindness to withhold? The Chair, for the edification of the Senator from Idaho, and not to lecture but to make the observation, would like to state that it is not normally the practice of the Senate to proceed sequentially on a bill, section by section, save for committee amendments. To do so otherwise requires unanimous consent, and since the normal practice is to amend where it will in whatever order amendments come forward after the committee amendments have been acted upon, the Chair does not see any problem.

I thank the Senator for his courteous attention to the Chair.

Mr. McCLURE. I thank the Chair for his observation. As I said, it may be academic, and maybe it will not occur.

The PRESIDING OFFICER. The Senator is quite correct; he did say that.

Mr. ROBERT C. BYRD. I was just going to say——

The PRESIDING OFFICER. If the Chair could interrupt the Senator once more, the Parliamentarian wishes to make a point that on treaties as in the Committee of the Whole, the matter is taken up section by section for amendment.

Mr. ROBERT C. BYRD. I was going to say just what the Chair said, although not as well and not as articulately, that normally we do not proceed section by section except in dealing with committee amendments unless by unanimous consent resorted to otherwise. But in the case of treaties, there would be that problem.

May we have a vote on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, we are making such splendid progress that I am going to run out of amendments at this rate.

The PRESIDING OFFICER. Is the Senator going to move its reconsideration?

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum for the moment before deciding on whether to call up another amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I had expected such violent opposition to the amendments I have called up, I am really somewhat taken aback by the speed with which the Senate has accepted what I had considered to be excellent amendments.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. We are trying to illustrate our good faith and our desire to accommodate, our desire to find a solution. We want to demonstrate that. The Senator from West Virginia has certainly demonstrated his measure of sweetness in his disposition on a matter of this kind.

Mr. ROBERT C. BYRD. Mr. President, I stand at this time helpless and almost speechless.

RECESS FOR 30 MINUTES

Mr. President, I ask unanimous con-

I stand at this time helpless and almost

that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 2:57 p.m., recessed until 3:27 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-500. A confidential communication from the Assistant Secretary of Defense, International Security Affairs, transmitting, pursuant to law, a report on NATO country defense expenditures for 1978, planned expenditures for 1979, and the percent of real change indicated for the 1978-79 period; to the Committee on Armed Services.

EC-501. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the antisatellite weapon system being developed by the Department of Defense; to the Committee on Armed Services.

EC-502. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize family separation allowances for members in the pay grade of E-4 and below with dependents; to the Committee on Armed Services.

EC-503. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; to the Committee on Commerce, Science, and Transportation.

EC-504. A communication from the chairman, Advisory Council on Historic Preservation, transmitting, pursuant to law, a report on the actual and potential effects of surface mining activities on nationally significant natural and historic landmarks; to the Committee on Energy and Natural Resources.

EC-505. A communication from the chairman, United States Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on the Environment and Public Works.

EC-506. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-507. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for fiscal year 1979; to the Committee on Foreign Relations.

EC-508. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize appropriations for the Department of State for the fiscal years 1980 and 1981, and for other purposes; to the Committee on Foreign Relations.

EC-509. A communication from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on civilian positions in the Department allocated or places in grades GS-16, GS-17, and GS-18 during the calendar year 1978, and a report on positions established in the Department to carry out research and development activities requiring the services of specially qualified scientific or professional personnel; to the Committee on Governmental Affairs.

EC-510. A communication from the Governor of the Canal Zone, transmitting, pursuant to law, a report of disposal of foreign excess property (including plant retirements due to age and obsolescence) by the Panama Canal Company and Canal Zone Government for the fiscal year ended September 30, 1978; to the Committee on Governmental Affairs.

EC-511. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Marine Amphibious Forces: A Look at Their Readiness, Role, and Mission," February 6, 1979; to the Committee on Governmental Affairs.

EC-512. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Early Childhood and Family Development Programs Improve the Quality of Life for Low-Income Families," February 6, 1979; to the Committee on Human Resources.

EC-513. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the first of four bimonthly reports on the progress of the Influenza Immunization Program; to the Committee on Human Resources.

EC-514. A communication from the chairperson, National Commission on Digestive Diseases, transmitting, pursuant to law, a report on the use and organization of national resources to effectively deal with digestive diseases; to the Committee on Human Resources.

EC-515. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Correctional Institutions Can Do More to Improve the Employability of Offenders," February 6, 1979; to the Committee on the Judiciary.

EC-516. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 1,094 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-39. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION NO. 7

"Whereas, It is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11,000,000 innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, The statute of limitations of the German Federal Republic relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas, If such statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas, If such statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, Crimes of lesser horror than mass murder and genocide are subject to no statute of limitations either in California or in numerous other jurisdictions; and

"Whereas, It is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, An international campaign to convince the German Federal Republic to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Government of the United States urge the German Federal Republic and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes; and be it further

"Resolved, That the Legislature requests that the President and Secretary of State of the United States communicate the contents of this resolution on behalf of the people of California to the following officials of the German Federal Republic: the President, the Chancellor, the Ambassador to the United States, Chief Justice of the Supreme Court, and the national legislators; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President of the United States, to the Secretary of State, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chairman, Senate Foreign Relations Committee, to the National Security Council members, and to each Senator and Representative from California in the Congress of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, without amendment:

S. Res. 66. An original resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Senator S. I. Hayakawa: Japan	Yen	148,020	784.00	307,178	1,627.00			455,198	2,411.00
Elvira Orly: Japan	Yen	148,020	784.00	307,178	1,627.00			455,198	2,411.00
Nancy P. Foster: Japan	Yen	148,020	784.00	257,712	1,365.00			405,732	2,149.00
Nelson C. Denlinger: Japan	Yen	143,465	759.87	257,712	1,365.00			401,177	2,124.87
Phillip L. Fraas: Japan	Yen	135,370	717.00	257,712	1,365.00			393,082	2,082.00
Douglas Jackson: Switzerland	German marks	921.05	545.00	1,206.15	713.69			2,127.20	1,258.69
Total			4,373.87		8,062.69				12,436.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 29, 1978.

HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON ENERGY AND NATURAL RESOURCES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Senator James Abourezk:									
Japan	Yen	18,113	75.00	642	2.66			18,755	77.66
People's Republic of China	Dollar		975.00						975.00
Transportation					[2] 2,897.40				2,897.40
Senator James A. McClure:									
United Kingdom	Pounds	38.26	75.00					38.26	75.00
Libya	Dinars	110.400	375.00					110.400	375.00
Saudi Arabia	Riyals	778.50	225.00					788.50	225.00
Michael D. Hathaway:									
United Kingdom	Pounds	76.13	150.00					76.13	150.00
Libya	Dinars	110.400	375.00					110.400	375.00
Saudi Arabia	Riyals	778.50	225.00					778.50	225.00
Senator Henry M. Jackson:									
Japan	No currency used								
People's Republic of China	Yuan eq	1,014.60	[3] 600.00					1,014.60	600.00
Transportation					1,853.40				1,853.40
Grenville Garside:									
Japan	Yen	11,980	49.97					11,980	49.97
People's Republic of China	Yuan eq	1,014.60	[3] 600.00					1,014.60	600.00
Transportation					1,853.40				1,853.40
Daniel A. Dreyfus:									
Japan	Yen	14,460	60.32					14,460	60.32
People's Republic of China	Yuan eq	1,014.60	[3] 600.00					1,014.60	600.00
Air travel					1,853.40				1,853.40
Winfred O. Craft, Jr.:									
Geneva, Switzerland	Franc	885.05	450.00					885.05	450.00
							27.00		27.00
Air travel					751.00				751.00
D. Michael Harvey:									
Geneva, Switzerland	Franc	737.55	375.00					737.55	375.00
							23.80		23.80
Air travel					751.00				751.00
Grenville Garside:									
England	Pound	224.44	442.16					224.44	442.16
France	Franc	1,891.25	445.00					1,891.25	445.00
Air fare					883.40				883.40
David L. Swanson:									
England	Pound	179.55	353.71					179.55	353.71
France	Franc	2,269.50	534.00					2,269.50	534.00
Germany	Deutsche mark	487.05	255.00					487.05	255.00
Air fare					936.60				936.60
Willis D. Smith:									
England	Pounds	179.55	353.71					179.55	353.71
France	Francs	2,269.50	534.00					2,269.50	534.00
Germany	Deutsche marks	487.05	255.00					487.05	255.00
Air fare					936.60				936.60
Harris N. Miller:									
Egypt	English pounds	210.00	300.00					210.00	300.00
Air fare					[4] 441.00				441.00
Total			8,682.87		13,159.86		50.80		21,893.53

[1] If foreign currency is used, enter U.S. $ equivalent; if U.S. currency is used, enter amount expended.
[2] Via military aircraft, equivalent commercial rate.
[3] Includes travel within People's Republic of China.
[4] All other air fare and per diem paid by outside source.

Dec. 28, 1978.

HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, EXPENDED BETWEEN NOV. 26 AND DEC. 17, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Heidi Boucher:									
Belgium	Belgian franc	6,712	222.00					6,712	222.00
Germany	Deutsche mark	712.17	369.00					712.17	369.00
Italy	Lira	255,300	300.00					255,300	300.00
Egypt	LE	262,000	375.00					262,000	375.00
United Kingdom	Pound	214.48	416.00					214.48	416.00
Netherlands	Guilder	347.50	168.00					348.50	168.00
					1,251.00				1,251.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, EXPENDED BETWEEN NOV. 26 AND DEC. 17, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Mike Gravel:									
Belgium	Belgian franc	6,712	222.00					6,712	222.00
Germany	Deutsche mark	712.17	369.00					712.17	369.00
Saudi Arabia			542.00						542.00
Egypt	LE	105.500	150.00					105.500	150.00
United Kingdom	Pound	155.47	301.00					155.47	301.00
Netherlands	Guilder	173.75	84.00					173.75	84.00
Morocco	Moroccan Dirham	1,800	450.00					1,800	450.00
					[1] 783.15				783.15
Total			3,968.00		2,034.15				6,002.15

[1] Amended report will be filed when State Department determines the balance of travel reimbursement due Senator Gravel.

Jan. 31, 1979.

Signed: JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. HAYAKAWA:

S. 386. A bill to amend and supplement the Federal reclamation laws relating to the furnishing of water service to nonexcess and excess lands; to the Committee on Energy and Natural Resources.

By Mr. STEVENS:

S. 387. A bill to amend title 5 of the United States Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States; to the Committee on Governmental Affairs.

By Mr. STEWART (for himself, Mr. NELSON, Mr. WEICKER, Mr. HATCH, and Mr. PRESSLER):

S. 388. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration; to the Select Committee on Small Business.

By Mr. TOWER:

S. 389. A bill to amend the Credit Control Act of 1969; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. BAYH, Mr. LEAHY, Mr. MORGAN, and Mr. BAUCUS):

S. 390. A bill to expedite and reduce the cost of antitrust litigation, and for other purposes; to the Committee on the Judiciary.

By Mr. ROTH:

S. 391. A bill to limit the burden reporting requirements placed on small businesses, to provide for the pilot testing of reporting forms issued or required by the Federal Government, to establish procedures for the reduction of the reporting burden upon small businesses on a continuing basis, and for other purposes; to the Committee on Governmental Affairs.

By Mr. COHEN (for himself and Mr. HATFIELD):

S. 392. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on Rules and Administration.

By Mr. DOMENICI:

S. 393. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widowers of certain railroad employees; to the Committee on Human Resources.

By Mr. MOYNIHAN (for himself and Mr. JAVITS):

S. 394. A bill to amend the definition of employee for certain purposes of the Internal Revenue Code; to the Committee on Finance.

By Mr. CHILES (for himself, Mr. DOMENICI, Mr. DOLE, Mr. GLENN, Mr. BRADLEY, Mr. PRYOR, and Mr. COHEN):

S. 395. A bill to require studies and recommendations from the Department of Health, Education, and Welfare with respect to health insurance sold as a supplement to Medicare, to provide penalties for certain sales practices, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. MCGOVERN):

S. 396. A bill to amend the Internal Revenue Code of 1954 to exempt farm trucks and soil and water conservation trucks from the Highway Use Tax; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 397. A bill to amend the Internal Revenue Code of 1954 to recognize and define theatrical production organizations, to allow cost recovery accounting for theatrical production organizations, to allow the investment tax credit for theatrical production costs, to provide for capital gain treatment upon sale of certain theatrical production rights, to allow for limited nonrecognition of gain realized or income derived by a theatrical production organization, and to provide for capital gain treatment for sales by authors of first theatrical production rights and the initial subsequent sale of ancillary rights; to the Committee on Finance.

By Mr. CHILES (for himself, Mr. STONE, and Mr. BUMPERS):

S. 398. A bill to amend section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE (for himself, Mr. PRESSLER, Mr. STEWART, Mrs. KASSEBAUM, and Mr. HAYAKAWA):

S. 399. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SCHWEIKER:

S. 400. A bill to relieve the liability for the repayment of certain erroneously made contributions by the United States; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 401. A bill for the relief of the Manhattan Bowery Corporation, of New York, New York; to the Committee on Finance.

By Mr. RIEGLE:

S. 402. A bill for the relief of Samson Kossivi Kpadenou, M.D.; to the Committee on the Judiciary.

S. 403. A bill for the relief of Anita Tavares Dy; to the Committee on the Judiciary.

S. 404. A bill for the relief of Yaeko Howell; to the Committee on the Judiciary.

S. 405. A bill for the relief of Hun Sik Sanderson; to the Committee on the Judiciary.

S. 406. A bill for the relief of Luzbella Y. Imasa, M.D.; to the Committee on the Judiciary.

S. 407. A bill for the relief of Arnaldo Moreno, M.D.; to the Committee on the Judiciary.

By Mr. HELMS:

S. 408. A bill for the relief of Yasmeen Muradali Giliani and Aneela Giliani; to the Committee on the Judiciary.

S. 409. A bill for the relief of Muradali P. Giliani; to the Committee on the Judiciary.

By Mr. BAYH:

S. 410. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. HELMS):

S.J. Res. 38. A joint resolution to amend the Constitution of the United States to mandate a balanced budget; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 386. A bill to amend and supplement the Federal reclamation law relating to the furnishing of water service to nonexcess lands; to the Committee on Energy and Natural Resources.

FAMILY FARM LIBERATION ACT OF 1979

Mr. HAYAKAWA. Mr. President, today I am introducing the Family Farm Liberation Act of 1979. This bill is intended to free our family farms from the entanglements of Federal intervention.

The main thrust of this bill is to allow American farmers the opportunity to operate their farms without Federal interference. This bill provides a buy-out provision, which may be chosen by individuals or by water districts. Any individual or water district would opt to own land in excess of the acreage limitation. They would agree to pay the full cost of the water. This would include costs of construction, the interest on that construction, and the costs of operation and

maintenance. At the time they agree to pay this unsubsidized cost of water they would be free from all limitations associated with reclamation law. They could own as much land as they wish, in order that these farmers can own and operate economically sound farm units, without the intervention of the Federal bureaucracy.

The Family Farm Liberation Act raises the acreage limitation from 160 acres to 320 acres per person, for those wishing to continue to receive Federal water subsidies. These recipients of the interest-free construction loans would be free from any residency requirement also. I do not think that the Government should have the right to tell people where they can or cannot live simply because they receive Federal moneys for water.

In addition, no person who owns land receiving Federal water subsidies shall be restricted in any way as to how much land they can lease. There has never been any leasing restriction written into any of the Federal reclamation laws currently on the books, and I see no reason to begin now. The Secretary of the Interior, in publishing reclamation regulations in the spring of 1977 took great liberty in including leasing limitations in them. This is a great example of Federal bureaucrats establishing new policy through regulation, policy that was never intended by law. This is why we need a buy-out provision in Federal reclamation law.

This bill I am presenting is very simple—it is intended to liberate our family farms from entanglements with the Federal bureaucracy. I believe that American agriculture is the backbone of this country. Our farms should be able to operate on a free enterprise basis.

Over the last few decades, we have gotten carried away in Washington. Every day the Federal Register publishes many new regulations. Each Federal agency has so many new rules and regulations that it is almost impossible to keep up with them. We need to start heading in a new direction, one of less government. Most bureaucrats are in the habit of keeping themselves in business, promoting new regulations that their agency can enforce. We need to turn this trend around and take control of this regulatory process, which has long been out of hand.

I want to make it clear that under my bill, any individual who wishes to continue owning 320 acres or less is entitled to continue to receive federally subsidized water. That person is free to operate his land in any way he wishes, including in partnership with another farmer or group of farmers. Members of that person's family would also be entitled to 320 acres each of land receiving federally subsidized water.

The equivalency provision in this bill will allow owners to less productive land to make up for that inequity in terms of an increased acreage allotment. This equivalency provision would take into account all factors affecting productivity. These include topography, soil characteristics, adequacy of water supply, crop adaptability, costs of crop production, and length of growing season. Through this provision I hope to make the factors more equal for those who choose to remain under an acreage limitation.

This bill allows people to voluntarily pay the full cost of water, and at the same time free themselves from Federal intervention. They would be free to operate their farms as free enterprise businesses. The idea for this legislation is not brandnew—in fact this philosophy of the buy-out provision has been discussed for over 10 years. In 1968 a committee appointed by Governor Reagan issued a report which advocated the idea of taking away water subsidies in return for freeing farmers from the awesome regulations associated with reclamation law. The members of that Reagan committee are very distinguished members of society, and they deserve credit for their hard work on this subject.

We had hearings on reclamation law in the Senate last year, but many people did not have the opportunity to testify because of time constraints. I hope that this year the Senate Energy and Natural Resources Committee and the House Interior Committee will take the time to very carefully review all angles of this subject.

Up until now the administration has attempted to enforce regulations that would upset 75 years of established farming practices in the West, under the guise of enforcing reclamation law. We must recognize the fact that any Federal dollars spent on irrigation and other water projects are dollars well invested. Reclamation law reform is one of the most important issues to the people of California. I hope to see this issue addressed by the Senate this year.

By Mr. STEVENS:

S. 387. A bill to amend title 5 of the United States Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States; to the Committee on Governmental Affairs.

ATHLETIC OPPORTUNITIES ASSISTANCE ACT

Mr. STEVENS. Mr. President, in the last Congress, the distinguished former Senator from Minnesota, Hubert Humphrey, and I introduced a bill which provided leave time and flexible hours for Olympic athletes employed by the Federal Government. Hearings were held on the bill this past fall. At that time, the Civil Service Commission viewed the bill favorably, though they desired some minor modifications.

Today, I am introducing basically the same bill. It entitles an Olympic athlete credit for up to 90 days a year, in which he, as a member of the U.S. team, is preparing for or participating in world, Pan American or Olympic competition.

Until last year, our Government provided no financial support for U.S. teams in the Olympics. A great number of other nations have subsidized their athletic programs for years. The lack of funding has been one of the key impediments to a fully developed sports program.

My bill attempts to help resolve that problem. It does not provide direct Government subsidies. Rather, it gives Federal employees who are athletes the opportunity to continue to participate in major competitions. At the present time, if an individual takes a full-time job, he or she must often forego any serious athletic competition. Many of our college or even high school graduates who happen to graduate in a non-Olympic year must choose between participation in athletics or earning a living. We need to provide a way for athletes to work without foregoing the opportunity to represent the United States in international competition. The cost would be minimal. Testimony at the hearings stated that only one Federal employee would have been benefited by this bill for the 1976 Olympics.

Passage of this bill will certainly open up greater opportunities for a Federal employee to represent this Nation in Olympic competition. No longer will Federal employment bar the athlete from continuing his career in international amateur sports. We also hope passage of this bill will encourage private industry to assist our athletes in a similar fashion.

Mr. President, I ask unanimous consent to have the text of my bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Athletic Opportunities Assistance Act."

SEC. 2. (a) Subchapter II of chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"SEC. 6327. ABSENCE WHILE REPRESENTING THE UNITED STATES IN CERTAIN COMPETITION

"(a) An employee (as defined in section 2105 of this title) is entitled to leave without loss of, or reduction in, pay, leave to which he is otherwise entitled, credit for time or service, or performance, or efficiency rating for each day, not in excess of 90 days in a calendar year, in which he, as a member of the United States team, is preparing for or participating in athletic competition on the world, Pan American or Olympic level in a sport which is contested in either Pan American or Olympic competition.

"(b) For purposes of subsection (a), the Term 'United States team' includes any coach or athlete who is a member of the official delegation of the United States to world, Pan American, or Olympic competition.

"(c) The Civil Service Commission is authorized to issue regulations for the administration of this section.".

(b) The table of sections for chapter 63 of such title is amended by adding at the end thereof the following new item:

"6327. Absence while representing the United States in certain athletic competition.".

By Mr. STEWART (for himself, Mr. NELSON, Mr. WEICKER, Mr. HATCH, and Mr. PRESSLER):

S. 388. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where

the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or party by their employees are eligible for all forms of assistance from the Small Business Administration; to the Select Committee on Small Business.

SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

● Mr. STEWART. Mr. President, today, along with the distinguished chairman and ranking minority member of the Senate Select Committee on Small Business, and with the strong support of Senator RUSSELL LONG, I am pleased to introduce the Small Business Employee Ownership Act. The bill mandates that all of the assistance the Small Business Administration normally makes available under its 7(a) business loan program and 8(a) procurement assistance program will now also be made available to employee owned companies, companies with employee stock ownership plans (ESOP's) and trusts (ESOT's), and employee organizations which are seeking to purchase their companies when they would otherwise close, relocate, or be sold to an outside interest.

The bill is being introduced because the SBA current regulations discourage employee ownership of business. That is a major error in judgment, however, because employee ownership has been clearly shown to improve company profits and productivity, to provide a means for a retiring businessman to transfer his business, rather than be forced to liquidate it, and because employee purchase of businesses that would otherwise close or relocate has been a very successful and low-cost way to preserve jobs and community business activity. Under current SBA regulations, however, employee stock ownership trusts are ineligible for SBA assistance altogether, and employees seeking to buy their businesses through other financial devices find that they are subject to the same criteria that must be met by individual entrepreneurs—criteria such as individual assets and management experience. These criteria, except for a few employees, are totally inappropriate.

Employee ownership of business is a recent phenomenon, with the large majority of employee ownership plans having been established in this decade. There are now between 1,000 and 3,000 ESOP plans, and at least 100 companies in which a majority of the employees own a majority of the stock. Recently, researchers at the University of Michigan Survey Research Center found that companies wholly or partly owned by their employees were 1.5 times as profitable comparable conventionale firms. The more equity owned by employees, the higher the profits. They also confirmed the results of other studies showing that employee ownership leads to significant increases in productivity and worker satisfaction. Perhaps companies which were planning to close have been saved by employee purchase. According to a Small Business Committee staff study, all of the new companies for which information is available are still in business, and many have become extremely profitable. The Federal Government has made 13 loans to these companies (generally under considerable pressure) and all are being repaid. In these cases, communities would normally have been subject to the costly trauma of a plant closing, and the Government would have been forced to pay unemployment insurance and possibly welfare, public works jobs funds, and a host of other program costs to ameliorate the effects of unemployment. Instead, employee initiative saved the companies, and the Government has not been forced to activate any of these programs. Employee ownership has provided a free enterprise, community based solution to a problem traditionally handled by big government. This is the kind of solution the country needs.

Many of the plant closings have been of subsidiaries of larger companies. Research has shown that many conglomerates purchase companies only to find later that they are not interested in one of the company's plants, or that the company, although profitable, is not returning enough on investment to make the effort worthwhile. In these and similar cases, the conglomerate simply shuts down the company, with little regard for the effects on the community. Yet these plants could continue in operation profitably, and probably would if locally owned. In other cases, lack of employee incentive or corporate mismanagement has made a company unprofitable, but once employee owned, the company returns to profitability. Plant closings and relocations are likely to increase in coming years, business analysts say, in response to the merger trend of the last decades. Employee ownership is one way to ease the impact of these changes.

Employee ownership also helps the small businessman who wants to retire or leave his company. After working a lifetime to build a company, it is tragic that in most cases small businessmen end up liquidating their firms because no buyer can be found, or because the tax problems of a sale are too great. Special tax provisions already in the law, however, provide a sound means for selling to employees—if the employees can get the money they need. By providing that assistance, the Government can help many sound small businesses stay prosperous. This bill also provides that loan guarantees can be made directly to the seller of a business when an installment sale is used, a provision that simply brings SBA policy up to date with current business practices.

Finally, employee stock ownership plans have, in at least a number of cases, proved to be a very effective way for businesses to raise capital. For well-capitalized firms this is not a problem, but it is for many smaller companies. The ESOP tool provides a means to raise the money and use the same dollars to create an employee benefit and employee incentive plan of proven merit.

Of course, the SBA will not be able to help large companies. About half the employee-owned firms are small, however, and a large number of ESOP companies are as well. SBA also should not assist company owners to dump unprofitable companies on their employees. The bill requires that a feasibility study be done to assure that the company can succeed, and it is on the basis of this study that the loan will be made. The individual assets of employees will not be a factor.

The bill also assures that companies or employee organizations receiving assistance under the program will become employee owned within a reasonable period of time and that all employees will have a chance to participate in the ownership plan. Stock must vest to all employees by the end of the loan. Stock distribution plans may not discriminate in favor of higher paid employees, and when stock is distributed according to salary, all amounts over $50,000 will be ignored.

Virtually all assistance under this program will be in the form of loan guarantees, since the main difficulty employees have is in convincing creditors that their idea is sound. Hopefully, in time, private credit sources will come to the realization that employee ownership works and the guarantees will no longer be needed. No new funds are appropriated under this act. No new agency is credited, and no new bureaucrats will be needed to run the program. Despite the modesty of the changes in the law, however, this program could save the Government millions in unemployment related programs. It could give credibility to an idea that has been proven to work. It could help small businesses and their employees, as well as the communities in which they are located. Frankly, I do not think there are any credible arguments against this proposal, and I urge its speedy passage.

I ask unanimous consent that the text of the bill, a summary of the bill, a section-by-section analysis, together with a copy of a summary of the staff study of this issue, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 388

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Employee Ownership Act".

SEC. 2. The Congress finds and declares that—

(1) employee ownership of firms has been shown to be a successful means of organizing an enterprise and that employee owned firms are likely to have greater productivity rates, better long-range prospects, greater employee and management job satisfaction, and broader distribution of the company's profits and equity than similar non-employee owned firms;

(2) employee ownership of firms provides a means for preserving jobs and business activity where they would otherwise be lost due to company closings, liquidations, or relocations;

(3) employee ownership of firms provides a means of keeping a small business small when it might otherwise be sold to a conglomerate or other large enterprise;

(4) employee ownership provides a means for creating a new small business from the sale of a subsidiary of a large business, when such a subsidiary would otherwise be closed, liquidated, relocated, or sold to another business;

(5) unemployment insurance programs, welfare payments, and job creation programs are less desirable and most costly for

both the government and program beneficiaries than loan programs to maintain employment in firms that would otherwise close, be liquidated, or relocate;

(6) the continued closing of small businesses or the sale of small businesses to conglomerates represents an undesirable and anti-competitive trend towards economic concentration;

(7) the slow growth in productivity in the United States contributes to inflation and balance-of-payments deficits;

(8) the present concentration of capital ownership has created too great a disparity between the very wealthy few and the low- and moderate-income majority; and

(9) by making and guaranteeing loans to employee stock ownership trusts or other employee organizations, the Small Business Administration could provide feasible and desirable methods for the transfer of all or part of a company's ownership to employees, by aiding employee organizations in purchasing small business concerns that would otherwise close, be liquidated, or relocate, or in purchasing subsidiaries of companies which would close, be liquidated, or relocate, and would, if independently owned, be small businesses.

SEC. 3(a). It is the purpose of this act to include as small business concerns any employee owned company which would otherwise be defined as small, or any employee organization, or employee stock ownership plan, established for the purpose of purchasing a business which, when purchased, would otherwise be defined as a small business, and to make such employee owned firms or employee organizations eligible for all assistance available to small business concerns as provided in the Small Business Act.

(b) It is the further purpose of this act to assure that a small business using an employee stock ownership plan which qualifies under the specifications as set forth in this act can obtain assistance from the Small Business Administration through an employee stock ownership trust.

(c) It is the final purpose of this act to assure that the Small Business Administration shall give a high priority to guaranteeing loans to employee owned firms, to employee organizations or employee stock ownership plans seeking to buy their firms, and that such assistance shall be made available by the Small Business Administration on the basis of a firm's future prospects rather than past performance or individual employee-owner assets.

SEC. 4. Section 7 of the Small Business Act is amended by adding at the end thereof the following:

"(m)(1) As used in this subsection, the term—

"(A) 'employee organization' means any organization representing employees of a company which is a small business concern as presently constituted or, if the company is a subsidiary of a large business, would be a small business concern if independently owned;

"(B) 'employee' means any full-time employee of a small business concern;

"(C) 'employee stock ownership plan' or 'ESOP' means a plan described in section 4975(e)(7) of the Internal Revenue Code of 1954;

"(D) 'Administrator' means the Administrator of the Small Business Administration;

"(E) 'employee stock ownership trust' or 'ESOT' means a trust created by a small business concern or an employee organization as part of an employee stock ownership plan and which, among other functions, can (i) borrow funds for the purpose of investment in company stock and (ii) can receive contributions of stock from the small business concern or employee organization;

"(F) 'startup and operating costs' means the funds required to acquire ownership of a small business concern and operate it.

"(2)(A) The Administrator is directed to make all assistance available under this section available to employee organizations, employee owned small business concerns, and employee stock ownership trusts which meet the qualifications specified in this subsection.

"(B) Assistance to employee owned business concerns shall be made on the same basis as assistance to non-employee owned firms, except as specifically provided in this act.

"(C) Assistance to small business concerns using an employee stock ownership plan shall be made to the employee stock ownership trust on the same basis as assistance is made to companies not using an employee stock ownership plan, if—

"(i) the company seeking the assistance through an ESOT guarantees to the Administrator that it will be responsible for providing such funds as shall be necessary to the ESOT for the repayment of the obligation incurred by the ESOT;

"(ii) the trustee of the ESOT warrants in writing that funds acquired by the ESOT with the assistance of the Small Business Administration will be used solely for the purpose of purchasing stock in the small business concern adopting the ESOP, provided that nothing in this section shall limit the activities of ESOTs with regard to funds acquired from other sources except as may otherwise be specified by law;

"(iii) all stock issued to the ESOT pursuant to the assistance made available through this subsection fully vests with employees of the small business concern no later than the expiration date of the assistance;

"(iv) a plan certified by legal counsel for the business concern adopting the ESOP is presented to the administrator which assured that notwithstanding any other provisions of law, allocations of stock to participants in the ESOP will ignore all compensation of participants in excess of $50,000 when annual compensation is used as a guide for such allocation, provided that any allocation formula adopted under the ESOP must be one which satisfies the requirements of the Internal Revenue Code.

"(3) Loans to employee organizations, including employee organizations establishing an ESOP and using an ESOT, shall be guaranteed as provided in this section for the purpose of acquiring a small business concern in which the employees work, or for acquiring a subsidiary which, if independently owned, would be a small business concern, and in which the employees work, provided that—

"(A) the small business concern or subsidiary would otherwise close, be liquidated, or relocated, or be purchased by a large business, or the owner and employees agree to a transfer of ownership to the employees;

"(B) an employee organization has completed a feasibility report showing the management capability planned for the new firm, a marketing analysis, and such other features as the Administrator may require;

"(C) at the time the employee organization submits an application for a guarantee or a loan as provided in this subparagraph (B), whichever comes first, the organization provides a plan certified by legal counsel to the Administrator demonstrating that—

"(i) all employees will be offered an opportunity to participate in the ownership plan, and that employees subject to a collective bargaining agreement will be included in such an offering, unless the union representing the employees in the bargaining specifically requests, in writing, exclusion from the plan;

"(ii) at least 50% of the total stock or other asset value of the firm will be owned by at least 50% of the employees by the time the assistance made available from the Administration expires, or any other government assistance made at the same time expires, whichever occurs later;

"(D) in the case of subsidiaries, a plan is provided demonstrating that once the transfer of the subsidiary to the employees is completed, the subsidiary will be an independent business which qualifies as a small business concern.

"(E) In addition to the requirement in subparagraph (C), the organization, at the same time, must provide a plan which is certified by its legal counsel and which would—

"(i) provide that where stock is distributed, it will carry full voting rights and be vested by the expiration of the last government assistance made available at the time the Small Business Administration assistance is made available;

"(ii) enable the concern to retire stock being sold by employees leaving the firm or make the stock available to new employees;

"(iii) provide for a periodic review of the mode of company organization and the role employee owners will play in the management of the concern;

"(iv) except in the case of an ESOP, provide a method whereby the loan to the employee organization can be repaid by employee members through a system of payroll deductions should other methods or repayment as may be specified in the loan application be unable to provide the necessary cash; and

"(v) provide adequate management contracts to assure management expertise and continuity.

"(4) Assistance under this paragraph shall be provided on a high priority basis and shall be made when the feasibility study required shows that the future prospects of the firm show a likelihood of an ability to repay any loans guaranteed, and when the Administrator determines that the company will generate sufficient revenues to provide a reasonable assurance of repayment. The individual business experience or personal assets of individual employee-owners shall not be used as loan guarantee criteria, except inasmuch as certain employee-owners may assume managerial responsibilities, in which case business experience or ability may be considered.

"(5) The principal amount of any loan guaranteed under this section may not exceed $1,000,000.

"(6) For the purpose of the feasibility study specified in 3(B), the Administrator is authorized to loan not more than $10,000 to the employee organization, at the same rate as the current cost of money to the government and which shall be repayable within three years, provided that if the feasibility report does not result in an SBA guarantee, the loan shall be considered a grant.

"(7) Nothing in this section affects the status of any ESOP under Sec. 401 of the Internal Revenue Code of 1954.

"(8) The Administrator shall compile a separate list of applications for assistance under this provision, indicating which applications were accepted and which were denied, and shall report periodically to Congress on the status of employee owned firms assisted by the SBA.

"(9) The Administrator is authorized to make the guarantees under this subsection directly to the seller of a small business concern or a subsidiary of a large business that would become a small business upon becoming independently owned, as specified in subsection 4m(3)(D), provided that the guarantees under this subsection must be made in accordance with the provisions of this sub-

section for employee ownership, and further provided that—

"(A) In guaranteeing assistance under this subsection, the Administrator will guarantee payments on installment sale contracts by the buyer to the seller, provided that no more than 90 percent of the total remaining obligation at the time of default shall be paid;

"(B) In the case of default, the seller will have the option of (1) paying the SBA 90 percent of the total amount paid on the contract at the point of default and exercising his option to reassume title to the business, in which case the SBA will be relieved of any further obligations to the seller, including the obligation to pay 90 percent of the remaining payments on the contract, or (2) assigning to the SBA the option of assuming title to the business and receiving, in a lump sum, 90 percent of the remaining payments due on the contract;

"(C) If the seller should take option 2), the SBA may resell the business or its assets, or may seek another individual to reassume the contract and make the remaining payments to the SBA.

SEC. 5. Definitions of Minority Owned Firms with ESOPs—After the words in Section 8(a)(4)(A) "... at least 51% of the stock is owned by one or more socially and economically disadvantaged individuals;" add the phrase, "or in the case of a company with an employee stock ownership plan, in which 51% of the stock in the company is allocated through an ESOT to one or more socially and economically disadvantaged individuals;"

SUMMARY OF THE SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

This bill would make employee owned businesses, businesses using employee stock ownership plans and trusts (ESOPs and ESOTs), and employee organizations seeking to buy firms which would otherwise close, relocate, or be sold to an outside interest eligible for all assistance normally available under the SBA's 7(a) business loan program and 8(a) minority enterprise contract assistance program. Currently, SBA will make loans and loan guarantees to employee organizations seeking to buy their firms, but only under very restrictive conditions. SBA will make no loans or guarantees available to ESOTs due to a technical interpretation of the law.

The bill would base the loans or loan guarantees for company buyouts by employees on a feasibility study of the future prospects of the company once employee owned. It would require that in any buyout case, feasibility be clear and a plan provided to assure that the company's employees actually will own a majority of the company stock by the expiration of the loan. Stock must be distributed in a way that does not discriminate in favor of higher paid employees. When distributed by salary, amounts over $50,000 per year must be ignored. All stock distributed must vest by the end of the loan.

In order to deal with SBA's objection that ESOTs are technically not small businesses, companies securing SBA backed loans through ESOTs must guarantee that all funds so acquired will be used solely to buy company stock and that the company will make whatever funds are necessary available to the ESOT to repay the loan.

Feasibility study loan funds are provided and the loan guarantee limit under the 7(a) program is raised from $500,000 to $1,000,000.

SECTION-BY-SECTION ANALYSIS OF THE SMALL BUSINESS EMPLOYEE OWNERSHIP AND JOB PRESERVATION BILL

Sec. 1. Title.

Sec. 2. Findings. The Congress finds that employee ownership of business helps to 1) preserve jobs, 2) increase worker productivity and company profits, 3) provide for the continuity of existing small businesses and create new ones from corporate divestitures, and 4) provide a means for broadening participation in the capitalist system. Employee ownership is a desirable alternative to unemployment insurance and other federal programs designed to ameliorate the effects of job loss. Small Business Administration guarantees of loans to employee ownership organizations and employee stock ownership trusts would facilitate employee ownership of business.

Sec. 3. The purposes of this act are to 1) provide that the SBA will make loans to employee stock ownership trusts, 2) assure that in those cases where an employee organization seeks to purchase a company that would otherwise close or relocate, or whose owner agrees to transfer ownership to the employees, the employee organizations, including those using an employee stock ownership trust, will be eligible for all SBA assistance under the Small Business Act, 3) provide that when guaranteeing loans to employee organizations under the circumstances described (2) the SBA will use a feasibility report on the company's future prospects once owned by employees as a basis for determining the soundness of the loan.

Sec. 4. Amendments to Sec. 7(a) of the Small Business Act.

(m)(1) Definitions. Employees are defined as all full-time employees. Employee stock ownership trusts (ESOTs) and plans (ESOPs) are defined.

(m)(2) Authorizes the Administrator of the SBA to make all assistance available under the 7(a) business loan program available to employee owned firms, employee organizations seeking to buy their companies, and to firms or employee organizations using ESOTs, provided that they meet the qualifications established in the Act. In the case of a company using an ESOP, the company must guarantee that it will make available to the ESOT such funds as are necessary to repay the loan guaranteed by the SBA and must further guarantee that the funds loaned to the ESOT will be used solely for the purchase of company stock. A plan certified by legal counsel must also be presented showing that the distribution of company stock to employees through the ESOT will be fully vested, will comply with all IRS requirements (these assure that higher paid employees will not be favored) and, when distributed by salary, will ignore all amounts of annual compensation in excess of $50,000.

(m)(3) Loans will be made to employee organizations, including those using an ESOT, for the purpose of acquiring a small business or a company which, when independently owned, would become a small business, provided that the company would otherwise close, relocate, be sold by a large business, or provided that the owner agrees to sell to employees. The employee organization must complete a feasibility study on the proposed transfer, and must present a plan to the administrator showing that 1) all employees will be offered an opportunity to participate in the ownership plan, and 2) that by the time the loan expires, a majority of the company stock will be owned by a majority of the employees, or 67% of the stock will be owned by employees in the lowest third of the salary distribution. The plan must also provide for the voting rights and vesting of any stock, the periodic review of the mode of company organization, and adequate management contracts. Finally, the plan must enable the company to buy stock from employees when they leave the firm or sell their stock and provide a method of wage deductions in non-ESOP cases where such deductions are necessary to repay the loan.

(m)(4) Assistance under this section will be given a high priority and will be based on the future prospects of the firm rather than the individual assets of employees.

(m)(5) The principal amount that can be guaranteed is $1,000,000.

(m)(6) Feasibility studies required under the act are eligible for $10,000 loans. The loans will be considered grants if the applications are denied.

(m)(7) This bill does not alter the status of ESOPs under the Internal Revenue Code.

(m)(8) The Administrator will report on this program to Congress.

(m)(9) Guarantees under this section may be made directly to the seller of a business when selling under an installment contract, provided that the seller agrees to pay a specified penalty if, after the default of a buyer, he chooses to reassume the contract and resell the business.

THE ROLE OF THE FEDERAL GOVERNMENT AND EMPLOYEE OWNERSHIP OF BUSINESS

SUMMARY

In the last several years, there has been a growing trend for employees to own substantial equity in the companies for which they work. It has been estimated that there are between 1,000 and 3,000 employees stock ownership plans ("ESOPs") in the country, and in at least 90 cases, employees, through ESOPs or other means, have actually purchased a majority interest in their companies. In part, the popularity of ESOPs has been a result of special tax incentives enacted in the last five years; in part it stems from the belief on the part of many companies that ESOPs provide a unique means of financing growth and providing an employee benefit plan with the same dollars. Similarly, the trend towards employee acquisition of business has partly been encouraged by government loans, 13 of which have been made to date. On the other hand, roughly 70 percent of the employee owned companies have been formed in this decade, so government assistance had usually not been a factor. This report will review the information available on employee ownership of business, with particular emphasis on the role the government has played and might play in the future.

Employee ownership has been sold primarily as a means to increase worker motivation and productivity by giving employees a clearer stake in their companies. A comprehensive study by the University of Michigan's Survey Research Center has confirmed that this argument is valid. In a study of 98 firms, the study found that companies with employee ownership were 1.5 times as profitable as comparable conventional firms. They also found that employee and managerial satisfaction was higher, and that managers reported increased productivity. Other studies of the plywood industry and individual case studies have confirmed these findings, and the plywood studies showed, in addition, that wages were 25 percent higher in employee owned firms than nonemployee owned firms. The higher wages were compensated for by 30 percent greater productivity in the worker owned companies. Finally, the Michigan study showed that the greater the amount of equity owned by employees, the greater the profits.

The most popular form of employee ownership is the employee stock ownership plan. In its typical form, a company establishes an ESOP and the ESOP includes an employee stock ownership trust. The trust secures a loan for company growth, with the company pledging to make whatever funds are necessary available to the ESOT to repay the loan. The ESOT uses the loan funds to purchase company stock, so that the company gets the money from the loan and the trust gets the stock. As the loan is repaid, the stock vests with employees. Contributions to the trust to repay the loan are tax deductible, so that the company can, in effect, deduct both the principal and interest on the loan, instead of the interest only. In addition to this tax benefit, companies making qualified investments can receive an additional 1 percent–1.5 percent credit if the investment is financed through an ESOP.

The benefits and disadvantages of ESOPs have been widely disputed. For the company, there are, in some cases, cheaper ways to borrow, and the issuance of new stock to an ESOT dilutes the value of existing stock. The employee, although he pays nothing for the ESOP (unless there is a contribution plan), may be asked by the company to rely on the ESOP as his employee benefit plan in lieu of something else. If the company succeeds, this will be to his benefit; if it fails, the benefit is worthless. For companies with good prospects without access to other sources of equity capital, however, ESOPs appear to be very useful for financing growth as well as being very beneficial for individual employees. Moreover, the ability to deduct both principal and interest payments on loans makes ESOPs uniquely suited to employee purchases of companies. There is no other means by which this could be accomplished as well in these situations. Finally, ESOPs offer special tax advantages to owners of nonpublic companies who wish to transfer ownership of their companies, either gradually or through an immediate sale, to their employees.

While ESOPs have gained in popularity as a tool for existing companies, employee purchases of companies have gained in popularity in cases where companies would otherwise close. In the last decade, perhaps 50 or 60 such purchases have occurred. In most cases, an ESOP is used, but a variety of other ownership forms, including producer cooperatives and simple direct purchases of companies through the sale of stock to employees and others, have also been used. The motivation for such purchases is generally to preserve jobs that would otherwise be lost when a company plans to close, relocate, or be purchased by an unrelated interest. Roughly 70 percent of the employee purchases since 1971, in fact, have been of conglomerate subsidiaries which were scheduled to close. Most of the rest appear to have been voluntary sales by owners of independent businesses to their employees when the owners were ready to retire. The companies that have been purchased in this way appear to have been very successful, in many cases transforming companies or subsidiaries with poor performance records into profitmakers. Despite their success, however, efforts by employees to purchase their businesses still face enormous obstacles in the areas of financing and simply organizing people around what is still an unconventional goal.

Government policy toward employee ownership has been mixed. On the one hand, the Congress has enacted special tax benefits for ESOPs, and the Small Business Administration, the Economic Development Administration and the Farmers Home Administration have all made loans to employee organizations which have purchased their businesses. The ESOP tax incentives, however, are limited primarily to capital intensive, large companies. Certain so-called incentives for ESOPs, in fact, actually only have the effect of equalizing the treatment of ESOPs with other employee benefit plans. Government loans have been made, but not frequently—SBA has made three, EDA nine, and FmHA only one. The SBA has expressed reluctance to make loans to employee organizations and will not make loans to companies or employee organizations through ESOPs, arguing that the employee stock ownership trust is not formally a small business and therefore does not qualify for a loan. EDA has made more loans, but their legislative mandate is such that they must give priority to companies suffering from the effects of disasters, defense realignments, or government regulations. FmHA officials have expressed enthusiasm for the idea of employee ownership, but their loan program has not been seen, as yet, as a potential source of funding. Even if it were more broadly known that FmHA were favorable, however, only companies in places of less than 25,000 people would be eligible, and even then small business would be encouraged to go to SBA.

In the 95th Congress, a bill was introduced by Congressmen Kostmayer, Lundine and McHugh to create a special program in EDA, with $100 million in loan funds for employee or employee/community organizations seeking to purchase firms that would otherwise close, relocate, or be sold to outside interest. Loans would be granted only if feasibility studies confirmed that the company could make a profit when reorganized. The bill was not acted on, however, and will be reintroduced in the 96th Congress.

In the Senate, Senators Nelson and Long will introduce legislation to mandate that the SBA guarantee loans to ESOTs on a nondiscriminatory basis, and that SBA guarantee loans to employee organizations seeking to purchase their businesses when they would other wise close, relocate, or be sold to unrelated interests. These loans would also be granted on the basis of feasibility studies, without regard to the individual assets of employees, a criterion that, if in effect, would make it all but impossible for employee organizations to secure credit. Senator Nelson also plans to introduce legislation similar to the House bill mentioned above.

Given the lack of enthusiasm and regulatory policy of SBA and the legal limitations on EDA, legislation such as that proposed by Nelson, Long, Kostmayer, Lundine and McHugh is necessary if the government is to take a more active role in encouraging employee ownership. The alternative to this policy would be to allow the businesses to close and to make the variety of transfer payments that are involved when there is extended unemployment, such as occurs when a plant closes. Given the success of employee ownership, it seems much the wiser course for the government to make or guarantee loans, the large majority of which would almost certainly be repaid, then to spend money on various programs designed to ease the impact of unemployment. Of course, such loans should only be made to companies with reasonable prospects for success, and the government should not strive to make loans in every instance. Government encouragement of the concept and practice of employee ownership, however, could convince at least some conventional credit sources to treat it as just another way of organizing a business. That, it appears, would be a very positive development which could significantly increase the productivity, wealth, and job satisfaction of employees, as well as preserve and improve local businesses. Finally, it would accomplish these things within the framework of free enterprise rather than government regulation.●

By Mr. TOWER:

S. 389. A bill to amend the Credit Control Act of 1969; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. TOWER. Mr. President, I am introducing legislation today which would limit the President's authority to impose credit controls. I am introducing this legislation in response to accounts in the press and elsewhere that the President and his economic advisers are considering credit controls as a possible tool in the fight against inflation. The President can impose such controls right now under the Credit Control Act of 1969. In my opinion, this would be a serious mistake. It would seriously disrupt and distort our Nation's financial system, which is the most efficient in the world. Moreover, it would divert attention away from the important steps which need to be taken if inflation is to be brought under control.

The Credit Control Act of 1969 gives the President almost unlimited authority to allocate credit. Under that act, the President can authorize the Federal Reserve Board to regulate "any or all extensions of credit" whenever he determines that is is "necesary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume." The authority under this bill is so broad that it could include, among other things, the setting of conditions and terms of credit, the maximum rates of interest, the retention of certain unspecified credit records, and the prohibition or limitation of "any extension of credit under the circumstances the Board deems appropriate."

One can only guess at what form these credit controls would take. It could mean limitations on consumer credit, small business loans or loans to farmers. I do not think anyone knows at this point which groups in our society could be affected, and I do not believe there is anyone capable of establishing credit controls that could second guess the marketplace and be equitable at the same time.

This is a very dangerous law to have on the books, particularly at a time when quick and easy solutions to inflation are being sought. Unfortunately, credit allocation is not a very effective tool against inflation. It merely results in a redistribution in the flow of funds between different groups of lenders and borrowers.

The flow of credit can be pushed down in one area and it will just pop up elsewhere. Moreover, the marketplace is very effective in developing innovative ways of circumventing those controls.

Credit controls have very little effect on the overall volume of money and credit which is the critical factor in causing inflation. As Prof. Karl Brunner of the University of Rochester put it:

> The anti-inflationary argument on behalf of credit allocation is particularly defective. The reallocation of credit among various classes of borrowers exerts at most a marginal influence on aggregate demand for output. . . . Some marginal effects on aggregate demand are not impossible, but such credit controls are a singularly useless device to curb inflation

I do not believe that inflation can be solved by resorting to credit controls. But, it can be brought under control by limitations on the growth of overall money and credit, which the Federal Reserve has authority to do already. This would allow the marketplace to continue distributing credit in an efficient manner. The bill I am introducing today would make sure that credit controls would not be adopted without prior congressional approval. If the President determines that credit controls are needed, he would have to notify Congress of such a determination, and no action could be taken

to implement those controls until approved by both the House and the Senate.

Credit controls could be very damaging to our Nation's financial situation, and their imposition is a decision that is too important to be left in the hands of the President.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (Subsection 205(a) of the Credit Control Act (12 U.S.C. 1904(a))) is amended by striking the period at the end of the subsection and inserting a colon in lieu thereof and adding the following language: "*Provided*, That (i) the President shall transmit to Congress, within seven calendar days of such determination, a report specifying the necessity for regulating and controlling extensions of credit and (ii) the authorization of the Board by the President shall not take effect until approved by a concurrent resolution of the Congress, which resolution shall specify a termination date by which the authorization must be withdrawn by the President or resubmitted to the Congress for approval."

SEC. 2. Section 206 of the Credit Control Act (12 U.S.C. 1905) is amended by striking out "by the President" and "and for such period of time as he may determine." ●

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. BAYH, Mr. LEAHY, Mr. MORGAN, and Mr. BAUCUS):

S. 390. A bill to expedite and reduce the cost of antitrust litigation, and for other purposes; to the Committee on the Judiciary.

ANTITRUST PROCEDURAL IMPROVEMENTS ACT OF 1979

● Mr. METZENBAUM. Mr. President, I am introducing today with Senators KENNEDY, BAYH, BAUCUS, LEAHY, and MORGAN, the Antitrust Procedural Improvements Act of 1979. This bill also has been strongly supported by the administration.

As the new chairman of the Judiciary Subcommittee on Antitrust and Monopoly, I plan to bring the same dedication to the goals of free enterprise as my distinguished predecessors, Senators KENNEDY, Hart, and Kefauver.

At a time when our country is suffering from the effects of runaway inflation, effective antitrust laws, and expeditious enforcement of those laws is critical. Greater competition in the marketplace means lower prices for our consumers and more efficient use of our Nation's resources. President Carter recognized this in his state of the Union message when he called for "improvement and better enforcement of the antitrust laws" to fight inflation.

During this session of Congress, the Antitrust and Monopoly Subcommittee will carefully examine various legislative proposals which seek to strengthen existing antitrust laws with respect to conglomerate mergers and persistent monopoly power. In addition, the subcommittee will attempt to implement several recommendations of the National Commission for the Review of Antitrust Laws and Procedures which call for the repeal of outdated and anticompetitive antitrust immunities.

While these issues demand immediate attention, I believe that our first priority must be to expedite and reduce the cost of enforcing existing antitrust laws. The bill I introduce today is an important first step in this direction.

During the last 6 months, I had the honor of serving as a member of the President's National Commission for the Review of Antitrust Laws and Procedures—a Commission comprised of some of the most respected antitrust scholars and practitioners, representatives of the Government's enforcement and regulatory agencies and nine other Members of Congress.

When the Commission began its work in June of last year, the President emphasized that one of our two principal tasks was to make recommendations for expediting and reducing the costs of antitrust cases. He said then that—

> We have cases that drag out almost indefinitely. They sap away the legal talent of our country that could be more productively used in other efforts. They delay a resolution of judgment and decision which works to the advantage of one party or the other, and quite often against the best interests of the public. So how to deal with this question is one that I believe, if resolved, would have a greatly beneficial effect on the parties to the disputes and on the public itself.

Accordingly, the Commission spent considerable time examining the problem of extraordinary length and excessive cost of antitrust cases. We looked for the causes of the problem and, in our report to the President and the Attorney General, made several recommendations which, if implemented, should expedite and reduce the costs of antitrust litigation.

Detailed testimony from judges, professors, and private practitioners revealed that a large percentage of private antitrust cases take an astounding 5½ years or more, while even the average case takes nearly 4 years. Many Government suits last even longer. The gravity of this problem is strikingly illustrated by the Department of Justice's case against IBM. The suit was filed on January 17, 1969. Today—a decade later—IBM is still in the midst of presenting its defense.

Mr. President, the Commission recognizes that a primary source of the excessive length and expense of major antitrust suits lies in the degree to which the parties seek to obtain thousands of documents from each other. Many times, these requested documents have little or no relationship to the factual situation at hand. This search for documents or "discovery" is governed by the Federal Rules of Civil Procedure. The Commission found that these discovery rules were overbroad and that the parties often used them to delay proceedings.

The Commission proposed a number of changes in this area. They recommended that the courts take more active control of the discovery process, and that rule 26(B) of the Federal Rules of Civil Procedure be changed to narrow the scope of discovery. They also recommended an amendment to the Antitrust Civil Process Act in order to make it clear that the Government can issue a civil investigative demand for documents which had been produced during the course of private lawsuits. Sections 2 and 3 of the Antitrust Procedural Amendments Act of 1979 make the changes to the Antitrust Civil Process Act recommended by the Commission.

These amendments to the Antitrust Civil Process Act will result in substantial savings of Government enforcement resources, because the Department of Justice will not need to duplicate discovery efforts of others as it often must do now. For instance, in the past, some courts have refused to grant the Government access to materials discovered in major private antitrust suits, because of agreements among the parties to restrict disclosure. The concern about protecting truly confidential information is of course legitimate, but these agreements should not be construed to prevent the Justice Department from acquiring these documents. Legitimate concern over confidentiality is satisfied by giving discovery material the same confidential treatment that all other documents produced pursuant to civil investigative demands are given. In addition, under this bill, the person who originally gave up the documents is given notice of the demand before the material is to be delivered to the Government. This gives the affected persons opportunity to challenge the demand in court.

Sections 2 and 3 of the bill also specifically allow "agents" of the Department of Justice to process documents obtained by a civil investigative demand. This is necessary, because advanced automated data processing techniques must be used to organize and retrieve effectively the countless documents and other pieces of information which are part of every major antitrust suit. This task has placed a tremendous burden upon the limited number of employees working at the Department of Justice. The bill, therefore, makes clear that the Department has the power to contract with persons outside of the Department for automated data processing services.

Experienced jurists and litigators testified in detail before the commission about the lengthy delay caused in many antitrust suits by counsel's dilatory practices. In its report to the President and the attorney general, the commission described the multiple practices to which counsel frequently resort to prolong lawsuits:

> Dilatory and abusive conduct occurs far too frequently in complex litigation. Lawyers, particularly in "high stakes" antitrust litigation, too often file meritless claims, defenses, or counterclaims, make excessive or abusive discovery demands, unreasonably resist legitimate discovery requests, provide unresponsive "stonewalling" answers, and unreasonably produce masses of insignificant, nonresponsive information. Other dilatory behavior may take the form of unjustified refusals to stipulate or admit facts, unwarranted motion practices, mishandling of documents, bad faith claims or privilege or confidentiality, and disruption of depositions.

The commission urged judges and lawyers to increase their awareness and use of existing sanctions and recommended that the sanctions now in the Federal Rules of Civil Procedure and the American Bar Association's disciplinary rule 7–102, together with the corresponding State disciplinary rules, be strengthened. Significantly, the commission also recommended that Congress amend 28 United States Code, section 1927 and sections 4, 4A, and 4(C)(A)(2) of the Clayton Act, 15 United States Code, sections 15, 15A and 15c(A)(2), to increase incentives for parties and counsel to expedite litigation. Sections 4 and 5 of the Antitrust Procedural Improvements Act of 1979 embody these Commission recommendations for statutory change.

Section 4 amends 28 United States Code, section 1927 by expressly making an attorney who engages in conduct primarily for the purpose of delay or increasing costs liable for the excess expenses and attorneys' fees reasonably incurred, because of the dilatory conduct. As section 1927 now stands, the attorney's conduct must be solely for the purpose of delay and reasonable attorney fees attributable to the delay are not recoverable by the innocent party. By liberalizing the intent requirement of section 1927 and expanding the costs which a court may award, the bill encourages counsel to focus on the legitimate issues in the lawsuits and to avoid strategic ploys that do not move the case nearer disposition.

Section 5 of the bill amends sections 4, 4A, and 4C of the Clayton Act to make unsuccessful defendants in antitrust damage suits liable for interest on the plaintiffs' actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time of judgment. Prejudgment interest, however, is not trebled under the bill. Allowing for prejudgment interest will provide antitrust defendants with a strong financial incentive to refrain from dilatory litigation activities.

The unavailability of prejudgment interest under current case law, *Transworld Airlines, Inc.* v. *Hughes*, 449 F. 2d 51 (2d cir. 1971), rev'd on other grounds, 409 U.S. 363 (1973), provides a powerful disincentive for defendants to expedite antitrust trials. Defendants now may keep the earnings attributable to the value of the money's use during the litigation period. By permitting an award of interest from the date of service of the complaint to the date of judgment, these amendments, in effect, require that interest attributable to these ill-gotten fruits be paid by the antitrust law violators to the successful plaintiffs.

This amendment recognizes that plaintiffs may also be the cause of protracted litigation. Accordingly a court is permitted to deny or reduce an award of prejudgment interest if the award of all or part of the prejudgment interest is unjustified under the circumstances.

Under common law, courts have long allowed prejudgment interest to successful plaintiffs with liquidated, or sum certain, claims. However, courts have been reluctant to award prejudgment interest to plaintiffs, including plaintiffs in antitrust suits, whose claims are unliquidated until judgment. This reluctance, which stems from practical difficulties, not from substantive policy considerations, has been abating somewhat in recent years.

A recent Federal court opinion noted that awarding prejudgment interest in antitrust suits would require "highly abstruse inquiries as to proper rates and the time from which interest should run." *Transworld Airlines, Inc.* v. *Hughes*, 449 F. 2d 57,80, (2d cir. 1971), rev'd on other grounds, 409 U.S. 363 (1973.) By providing for interest to be calculated at the commercial rate prevailing at the time of judgment and for interest to run always from the date of service of the complaint, the amendment eliminates these practical problems.

In its report to the President, the Commission took full aim at the needless retrying of issues in antitrust suits caused by the failure of section 5(a) of the Clayton Act, 15 United States Code, section 16(a), expressly to allow Federal courts to give prior Government judgments collateral estoppel effect. Collateral estoppel means that issues resolved against a defendant in a prior Government suit are conclusively resolved against the same defendants in a subsequent private suit. Only one district court has ruled that section 5(a) allows Federal courts to give prior Government judgments collateral estoppel effect in subsequent private suits. Several courts have construed section 5(a) not to permit this. In other areas of the law, however, Government judgments are given collateral estoppel effect in subsequent private actions. For example, the Supreme Court held in *Parklane Hosiery Co.* v. *Shore*, docket No. 77–1305 (U.S. Jan. 9, 1979), that a Securities and Exchange Commission judgment in an equitable action may be given collateral estoppel effect in a subsequent private suit. No good reason exists for treating prior Government judgments in antitrust actions any differently.

If a judgment in favor of the Government in the prior suit does not have collateral estoppel effect, a full range of trial witnesses and exhibits on issues already decided will be offered by the plaintiff and the defendant in the subsequent private suit. The burden on courts and litigants will be substantially reduced and trial time measurably shortened if in appropriate circumstances prior Government judgments are given collateral estoppel effect.

The Commission, therefore, recommended that section 5(a) be amended to allow collateral estoppel effect, and section 6 of the Antitrust Procedural Improvements Act of 1979 incorporates this recommendation.

Because of two loopholes in its jurisdiction under section 7 of the Clayton Act, the Department of Justice is unable to challenge some mergers which might have serious anticompetitive consequences. Section 7 of the bill closes these two loopholes.

The first loophole stems from the Supreme Court's decision in *United States* v. *American Building Maintenance Industries*, 422 U.S. 271 (1975) ("ABMI"). The Court held in ABMI that section 7 does not reach a merger involving a firm only "affecting" interstate commerce, although the merger may have the effect of substantially lessening competition or tending to create a monopoly. The Court thereby concluded that Congress did not intend for jurisdiction under section 7 to extend to the full scope of the commerce clause. According to the Supreme Court, both firms involved in a merger must "participate directly in the sale, purchase, or distribution of goods or services in interstate commerce" for section 7 to apply.

Section 7 reflects the intense congressional concern about mergers and acquisitions leading to reduced competition and increased concentration in the American economy. The Supreme Court's decision in ABMI restricts the effectiveness of section 7 to deal with this congressional concern.

Expanding section 7 to the limits of the commerce clause, which this bill does, merely places it on equal footing with sections 1 and 2 of the Sherman Act and section 5 of the Federal Trade Commission Act. This is now particularly important, because, under section 7 in its present form, the Department of Justice cannot successfully challenge some mergers which have the effect of substantially lessening competition in the increasingly vital service sector of the economy.

In ABMI, for example, the Supreme Court affirmed a grant of summary judgment to American Building Maintenance Industries, which acquired two of its competitors in the southern California market. The two acquired companies had 7 percent of the market, and American Building Maintenance Industries had 10 percent of the market. Although the two acquired firms derived 80 to 90 percent of their revenues from interstate and international clients, the Supreme Court held they did not meet the "engaged in commerce" jurisdictional test of section 7. This bill will bring mergers of the type at issue in ABMI within the parameters of section 7.

The second loophole in section 7 arises from the use of "corporation" or "corporations" instead of "person" or "persons" in the statute. As a result, mergers involving large businesses which are unincorporated associations are beyond section 7's jurisdiction. There is no good policy reason for section 7 to differ in this respect from section 2 of the Sherman Act, which does cover "persons." The bill therefore substitutes "person" and "persons" for "corporation" and "corporations," respectively.

Mr. President, the time has come for Congress to take action to remove the roadblocks to effective antitrust enforcement created by too lengthy and too costly antitrust litigation. The Antitrust Procedural Improvements Act of 1979 makes significant statutory changes which will expedite and reduce the costs of antitrust cases.

Mr. President, I ask unanimous consent that the text of the Antitrust Procedural Improvements Act of 1979, to-

gether with the section-by-section analysis of the bill, the Justice Department's letter of support, and part One, section One, of the report to the President and the Attorney General of the National Commission for the Review of Antitrust Laws and Procedures, which contains the Commission's recommendations for expediting and reducing the costs of litigation, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Procedural Improvements Act of 1979".

ANTITRUST CIVIL PROCESS ACT AMENDMENTS; DEFINITIONS

SEC. 2. Section 2 of the Antitrust Civil Process Act (76 Stat. 548, 15 U.S.C. 1311) is amended—

(1) in subsection (g), by striking out the semicolon and "and" at the end thereof and inserting in lieu thereof a comma and the following: "and any product of discovery;";

(2) in subsection (h), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new subsections:

"(i) The term 'product of discovery' includes without limitation the original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery in any litigation or other judicial or administrative proceeding; any digest, analysis, selection, compilation, or any derivation thereof; and any index or manner of access thereto; and

"(j) The term 'agent' includes any person retained or consulted by the Department of Justice in connection with the enforcement of the antitrust laws.".

ANTITRUST CIVIL PROCESS ACT AMENDMENTS; SERVICE REQUIREMENTS FOR A DEMAND FOR ANY PRODUCT OF DISCOVERY

SEC. 3. (a Section 3(a) of the Antitrust Civil Process Act (15 U.S.C. 1312(a)) is amended by adding at the end thereof the following new sentence: "Whenever a civil investigative demand is an express demand for any product of discovery, the Attorney General or the Assistant Attorney General in charge of the Antitrust Division shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and notify the person to whom such demand is issued of the date on which such copy was served.".

(b) Section 3(b) of that Act (15 U.S.C. 1312(b)) is amended by adding at the end thereof the following new sentence: "Any such demand which is an express demand for any product of discovery shall not be returnable until after ten days after a copy of such demand has been served upon the person from whom the discovery was obtained.".

(c) Section 3(c) of that Act (15 U.S.C. 1312(c)) is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by striking out "(1)" and inserting in lieu thereof "(A)";

(3) by striking out "(2)" and inserting in lieu thereof "(B)"; and

(4) by adding at the end thereof the following new paragraph:

"(2) Any such demand which is an express demand for any product of discovery supersedes any inconsistent order, rule, or provision of law preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege, including without limitation any right or privilege which may be invoked to resist discovery of trial preparation materials, to which the person making such disclosure may be entitled.".

(d) Paragraph (3) of Section 4(c) of that Act (15 U.S.C. 1313(c)(3)) is amended by inserting immediately after "transcripts" the second time it appears, a comma and the following: "and, in the case of any product of discovery produced pursuant to an express demand for such material, of the person from whom the discovery was obtained".

(e) Paragraphs (2) and (3) of Section 4 (c) of that Act (15 U.S.C. 1313(c)(2) and (3)) are amended by striking out the phrase "official or employee" and inserting in lieu thereof "official, employee, or agent" each time it appears.

(f) Section 5 of that Act (15 U.S.C. 1314) is amended—

(1) by amending subsection (b) to read as follows:

"(2)(1) Within twenty days after the service of any such demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any antitrust investigator named in the demand, such person may file and serve upon such antitrust investigator, and in the case of an express demand for any product of discovery upon the person from whom such discovery was obtained, a petition for an order modifying or setting aside such demand—

"(A) in the district court of the United States for the judicial district within which such person resides, is found, or transacts business; or

"(B) in the case of a petition addressed to an express demand for any product of discovery, only in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

"(2) The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court, except that such person shall comply with any portions of the demand not sought to be modified or set aside. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of such person.";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively;

(3) by inserting immediately after subsection (b) the following new subsection:

"(c) Whenever any such demand is an express demand for any product of discovery, the person from whom such discovery was obtained may file, at any time prior to compliance with such express demand, in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any antitrust investigator named in the demand and upon the recipient of the demand, a petition for an order of such court modifying or setting aside those portions of the demand requiring production of any such product of discovery. Such petition shall specify each ground upon which the petitioner relies in seeking such relief and may be based upon any failure of such portions of the demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of such petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand."; and

(4) in subsection (d), as that subsection has been redesignated by paragraph (2) of this section, by inserting immediately after "such person" a comma and the following: "and, in the case of an express demand for any product of discovery the person from whom such discovery was obtained,".

SANCTIONS FOR ATTORNEY DELAY

SEC. 4. Section 1927 of title 28, United States Code, is amended to read as follows:

"§ 1927. Counsel's liability for excessive costs

"Any attorney or other person admitted to conduct cases in any court of the United States or any territory thereof who engages in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of litigation may be required by the court to satisfy personally the excess costs, expenses and attorney's fees reasonably incurred because of such conduct.".

PREJUDGMENT INTEREST

SEC. 5. (a) Section 4 of the Clayton Act (15 U.S.C. 15) is amended—

(1) by inserting after "sustained," the following: "interest on his actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time judgment is entered,"; and

(2) by adding at the end of the section the following new sentence: "The court may adjust interest on actual damages from the date of service of the complaint to the date of judgment if it finds that the award of all or part of such interest is unjust in the circumstances.".

(b) Section 4A of the Clayton Act (15 U.S.C. 15a) is amended—

(1) by inserting after "sustained" a comma and the following: "interest on such actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time judgment is entered,"; and

(2) by adding at the end of the section the following new sentence: "The court may adjust interest on actual damages from the date of service of the complaint to the date of judgment if it finds that the award of all or part of such interest is unjust in the circumstances.".

(c) Section 4C(a)(2) of the Clayton Act (15 U.S.C. 15c(a)(2)) is amended—

(1) by inserting after "subsection," the following: "interest on such total damage only from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time judgment is entered,"; and

(2) by adding at the end of the section the following new sentence: "The court may adjust interest on total damages from the date of service of the complaint to the date of judgment if it finds that the award of all or part of such interest is unjust in the circumstances.".

COLLATERAL ESTOPPEL

SEC. 6. Section 5(a) of the Clayton Act (15 U.S.C. 16(a)) is amended—

(1) by striking out "or by the United States under section 4A,";

(2) by striking out "or to judgments or decrees entered in actions under section 4A"; and

(3) by inserting at the end thereof the following new sentence: "Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel.".

MERGER JURISDICTION

SEC. 7. Section 7 of the Clayton Act (15 U.S.C. 18) is amended—

(1) by striking out "corporation" each time it appears in the first and second paragraphs and inserting in lieu thereof "person";

(2) by striking out "corporations" in the second paragraph and in the first sentence of the third paragraph and inserting in lieu thereof "persons"; and

(3) by inserting "or in any activity affecting commerce" after "commerce" each time it appears in the first three paragraphs.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C. February 7, 1979.

Hon. HOWARD M. METZENBAUM,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to provide you with the views of the Department of Justice on your bill entitled the "Antitrust Procedural Improvements Act of 1979".

Your bill contains several important provisions that were recommended by the President's National Commission for the Review of Antitrust Laws and Procedures. In his recent State of the Union Message, President Carter pledged to work closely with the Congress to implement many of the recommendations of that Commission.

Your bill would materially enhance the Antitrust Division's ability to enforce the antitrust laws effectively and would significantly assist in expediting our antitrust investigations. Its provisions would assist the courts in reaching the merits of antitrust cases more swiftly in an efficient and up-to-date manner that would conserve scarce judicial resources. These provisions would also provide necessary disincentives to delay final resolution of such cases. Such provisions would assist in providing timely compensation to parties injured by antitrust violations, would help deter such violations from occurring, and would help restore public confidence in our judicial system.

Taken together, the overall thrust of these provisions would be to advance the effective enforcement of the antitrust laws and to expedite the movement of antitrust cases through the courts. Accordingly, I am happy to express the Administration's enthusiastic support for your legislation. I urge your Subcommittee—and the Congress—to give the bill its early and favorable consideration. A discussion of the bill's most important provisions follows.

I. Amendments to section 5(a) of the Clayton Act: Collateral estoppel:

One important way that antitrust litigation can be expedited is to insure against needless relitigation of issues already determined in prior litigation. Section 6 of the bill would amend Section 5(a) of the Clayton Act, 15 U.S.C. § 16(a), by adding a new sentence that would clearly affirm that that section is not a limitation on the application of the common law doctrine of collateral estoppel with respect to issues determined in antitrust litigation. In addition, section 5(a) would be amended by striking certain references to Clayton Act Section 4A to make clear that final judgments or decrees in government enforcement actions may be afforded full, preclusive effect in subsequent government damage actions under section 4A, and to extend prima facie effect to such damage actions in subsequent litigation. These amendments were recommended by the National Commission for the Review of Antitrust Laws and Procedures, see *Report to the President and the Attorney General of the National Commission for the Review of Antitrust Laws and Procedures* 113–17 and n.21 (January 22, 1979) (hereafter referred to as "*Antitrust Commission Report*"), and are fully supported by the Department of Justice.

A. The application of collateral estoppel to issues previously determined in actions brought under the antitrust laws:

Clayton Act Section 5(a) provides that final judgments or decrees rendered in civil or criminal proceedings brought by the United States under the antitrust laws (other than consent judgments or decrees or judgments or decrees in actions brought by the United States under Clayton Act Section 4A, 15 U.S.C. § 15a) that establish that a defendant has violated the antitrust laws may be used against that defendant in later actions as prima facie evidence of all matters as to which the judgment or decree would be in estoppel between the parties. Prima facie evidence is sufficient, standing alone and uncontroverted, to sustain a judgment on the issues for which it is submitted. However, if a defendant presents rebuttal evidence, the plaintiff may be forced to relitigate some or all of the disputed issues in order to prevail.

An alternative to the prima facie effect provided by Clayton Section 5(a) is collateral estoppel, the equitable doctrine that precludes a party to a prior action from relitigating in a second action those issues actually litigated, decided and necessary to the result in the first action. Application of collateral estoppel achieves finality, certainty, and economy in the utilization of judicial resources and resources of litigants generally, and avoids the possibility of inconsistent results as to similar issues. As an equitable doctrine, collateral estoppel is applied only after the judge presiding over the second action has determined, in light of all relevant circumstances, that its application is fair; *i.e.*, that the above goals are not being achieved at the undue expense of the party being foreclosed from relitigating.

When section 5(a) was introduced as part of the original Clayton Act in 1914, both the Senate and House of Representatives favored granting collateral estoppel effect to government enforcement actions in subsequent private antitrust litigation as a matter of policy. However, Congress ultimately adopted the lesser prima facie standard on the belief that it was the most complete preclusive effect that could be legislated. The cause of Congress' concern was the concept of mutuality of estoppel. It had long been a tenet of the doctrine that collateral estoppel operated only between parties to a prior action or persons in privity with them. Thus, it was believed that in a second action collateral estoppel could not be invoked by a nonparty to the first action since, had the issue been resolved differently, the nonparty would not have been bound by it in the later action. The requirement of mutuality of estoppel had been upheld by the Supreme Court only two years before the Clayton Act was enacted. *Bigelow* v. *Old Dominion Copper Co.*, 225 U.S. 111, 127 (1912). Concerned about the constitutional implications of legislating the use of collateral estoppel by private plaintiffs based on earlier government antitrust enforcement actions to which they had not been parties, Congress substituted prima facie effect for collateral estoppel effect in the version of section 5(a) that was ultimately enacted.

The application of collateral estoppel doctrine has changed significantly since passage of the Clayton Act. Mutuality of estoppel, which was at best a rule-of-thumb approach to preventing unfairness when a nonparty to prior litigation sought to invoke collateral estoppel, has largely given way to a more particularized fairness analysis—a case-by-case, due process-oriented examination by judges to determine whether or not it is fair to give estoppel effect to a particular action. *See, e.g., Bernhard* v. *Bank of America Nat'l Sav. & Trust Ass'n.*, 19 Cal. 2d 807, 122 P.2d 892 (1942); *Federal Savings & Loan Ins. Corp* v. *Hogan*, 476 F.2d 1182 (7th Cir. 1973); *James Talcott, Inc.* v. *Allahabad Bank, Ltd.*, 444 F.2d 451 (5th Cir. 1971); *Brown* v. *R. D. Werner Co.*, 428 F.2d 375 (1st Cir. 1970); *Graves* v. *Associated Transport, Inc.*, 344 F. 2d 894 (4th Cir. 1965); *Bruszewski* v. *United States*, 181 F.2d 419 (3d Cir.), *cert. denied*, 340 U.S. 865 (1950). The Supreme Court ultimately upheld the constitutionality of nonmutual collateral estoppel and approved its use by defendants in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 (1971). Recognizing that a judicial determination that a party against whom an estoppel was asserted had had a full and fair opportunity to litigate the relevant issues in a prior action provided a significant safeguard to the rights of the estopped party, the Supreme Court stated that "it is apparent that the uncritical acceptance of the principle of mutuality of estoppel . . . is today out of place." 402 U.S. at 350. The Court recently expanded its approval of nonmutual estoppel to include use by plaintiffs against defendants who have fully and fairly litigated issues in a prior action. *Parklane Hosiery Co.* v. *Shore*, 47 U.S.L.W. 4079 (U.S. January 9, 1979). In addition, the Court in *Parklane* held that where collateral estoppel can otherwise be applied to foreclose relitigation of particular factual issues in an action in which a right to jury trial exists, the Seventh Amendment does not require a different result merely because the issues were originally determined in an action in which no jury trial right existed.

However, a substantial possibility exists that antitrust plaintiffs will be unable to take full advantage of this modern trend in estoppel doctrine due to the very language of Clayton Act Section 5(a) that was intended to benefit them. At issue is the intent of Congress in providing, in section 5(a), prima facie effect to antitrust enforcement actions brought by the United States. Congress could have intended either that such actions were to have prima facie effect *only* and were never to have the benefit of the more complete collateral estoppel effect, or that government enforcement actions were to have *at least* prima facie effect but were to have the full, preclusive benefit of collateral estoppel whenever it appropriately could be applied. The federal courts have as yet been unable to determine conclusively congressional intent in this area. *See, e.g.*, cases cited in *McCook* v. *Standard Oil Co.*, 393 F. Supp. 256, 259 (C.D. Calif. 1975). For example, the Supreme Court stated, in *Sam Fox Publishing Co.* v. *United States*, 366 U.S. 683, 690 (1961), that "[Section] 5 of the Clayton Act, . . . making an adjudication of liability in a government suit prima facie evidence of liability in a . . . private suit, would seem to be a definitive legislative pronouncement that a government suit cannot be preclusive of private litigation." However, a lower federal court has recently held to the contrary and applied collateral estoppel effect to a government enforcement action in later private litigation. *Illinois* v. *Huckaba & Sons Construction Co.*, 442 F. Supp. 56 (S.D. Ill. 1977), *appeal docketed sub nom. Illinois* v. *General Paving Co.*, No. 78–1479 (7th Cir. April 13, 1978).

Section 6(3) of the bill would add the following sentence at the end of Section 5(a) of the Clayton Act: "Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel." By enacting this legislation, Congress would encourage the use of conclusive, collateral estoppel effect in private antitrust actions based on fully and fairly litigated government judgments or, if circumstances warrant, on private judgments. The Department of Justice agrees that antitrust litigants should be entitled to the same benefits of collateral estoppel that are currently available to other litigants generally, and that congressional action is required to overcome the uncertainty created by section 5(a) respecting the application of collateral estoppel to antitrust litigation.

Collateral estoppel is a flexible, equitable

doctrine that is applied only after a court has decided that it is fair to do so on the basis of the facts and circumstances involved in the case before it. This determination of particularized fairness prevents collateral estoppel from being abusive or coercive. Moreover, the availability of collateral estoppel would reduce relitigation of already-determined antitrust issues and thus save scarce judicial resources as well as provide an additional deterrent to violation of the antitrust laws. Therefore, we urge Congress to amend Clayton Act Section 5(a) to clarify that that section does not in any way limit the application of collateral estoppel with respect to issues determined in antitrust litigation.

It should be noted that the availability of collateral estoppel would not mean that antitrust judgments would automatically be given full, conclusive effect in subsequent actions. Application of the equitable doctrine of collateral estoppel in any particular case requires appropriate consideration of fundamental fairness.

While we endorse appropriate use of collateral estoppel, we believe that the prima facie effect established by Clayton Act Section 5(a) should be retained. Questions remain over the proper scope of the application of nonmutual collateral estoppel. For example, the Supreme Court recognized in *Parklane Hosiery Co.* v. *Shore, supra* at 4082, that equitable considerations may place limitations on the application of offensive collateral estoppel in certain private damage action contexts. Retaining prima facie effect will insure that, at a minimum, prima facie preclusive effect will be accorded to issues previously determined in government antitrust litigation, thereby helping speed the movement of antitrust actions through the courts.

B. Use of collateral estoppel in damages actions brought by the United States under Clayton Act Section 4A:

Section 6(1) of the bill would also amend Section 5(a) of the Clayton Act by deleting the phrase "or by the United States under section 4A.". This amendment would make clear that final judgments or decrees in government enforcement actions may be afforded full, preclusive effect in subsequent government damage actions under Clayton Act Section 4A. 15 U.S.C. § 15a.

At present, Clayton Act Section 5(a) provides that final judgments and decrees in government criminal and civil enforcement actions are to be given prima facie effect in subsequent government damage actions as to all matters respecting which such judgments or decrees would be an estoppel as between the parties. If such judgments and decrees "would be" an estoppel between the government and a defendant, the Department of Justice believes they should actually be given estoppel effect. Accordingly, we support this proposed amendment to remove any ambiguity that may exist and to clarify that full estoppel effect be accorded to government enforcement actions in subsequent government damage cases.

C. Prima facie effect of government damage actions:

Section 6(2) of the bill would amend Section 5(a) of the Clayton Act by deleting the phrase "or to judgments or decrees entered in actions under 4A." This amendment would extend prima facie effect to actions brought by the United States under Clayton Act Section 4A in subsequent litigation.

At present, Clayton Act Section 5(a) provides that final judgments or decrees in actions brought by the United States under Clayton Act Section 4A are not entitled to prima facie effect in subsequent litigation. The Department believes that government damage actions should be afforded prima facie effect. We reject the notion that government damage actions are less worthy of preclusive effect than government enforcement actions. In certain instances, an action under section 4A may be the only option available to the Antitrust Division, as where criminal charges would be unwarranted and the violation has been discontinued, making injunctive relief unnecessary. The judgment in such a case should be as entitled to prima facie effect as any other enforcement actions brought by the Justice Department.

Accordingly, we support the proposed amendment to extend prima facie effect to actions brought by the United States under Clayton Act Section 4A.

II. Amendment to 28 U.S.C. § 1027: Sanctions for attorney delay:

Another means by which antitrust litigation can be expedited is to authorize increased sanctions for delay by attorneys conducting such litigation. Section 4 of the bill would modify the "state of mind" requirement for imposing sanctions presently contained in 28 U.S.C. § 1927 for delay by attorneys and would broaden the range of sanctions authorized by the statute for dealing with dilatory behavior.

As recognized by the National Commission for the Review of Antitrust Laws and Procedures, dilatory conduct in a variety of forms continues to be a significant problem in antitrust litigation. It delays the adjudication of legitimate claims and defenses, unnecessarily increases costs to litigants, and squanders limited judicial resources. Moreover, by coercing parties to settle litigation simply to escape needless expense and frustration, and by making it difficult for the less wealthy to protect their interests through the courts, such conduct leads to public cynicism about the judicial system. *Antitrust Commission Report* at 91.

Section 1927 of Title 28, United States Code, allows a court to combat dilatory behavior by imposing resulting excess costs personally on an attorney ". . . who so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously. . . ." The scope of this provision is unclear and has been variously interpreted by the courts. At least one court has viewed the statute as authorizing sanctions only in unusually egregious instances. *See Kiefel* v. *Las Vegas Hacienda, Inc.*, 404 F.2d 1163, 1167 (7th Cir. 1968), *cert. denied*, 395 U.S. 908 (1969). In addition, the section has been narrowly construed to allow imposition of only "taxable costs" rather than all the added expenses incurred because of the improper conduct. *See United States* v. *Ross*, 535 F.2d 346, 350 (6th Cir. 1976).

The proposed amendment would substantially strengthen section 1927 in two significant ways. First, it would remove the current uncertainty regarding the statute's application by eliminating the requirement of "vexatiousness" and establishing a clear standard authorizing sanctions whenever unreasonable conduct has been undertaken "primarily for the purpose of delaying or increasing the cost of the litigation." Second, the amendment would provide a much more effective and appropriate sanction than does the present statute by expressly allowing imposition of not only excess "taxable costs" but also all excess expenses and attorney's fees reasonably incurred because of the sanctionable conduct. However, the proposed amendment would not alter the fact that the decision to impose such sanctions would remain subject to the sound discretion of the Court.

The proposed amendment, which is identical to that recommended by the National Commission for Review of Antitrust Laws and Procedures, see *Antitrust Commission Report* at 197 and n.13, should assist in reducing unwarranted delay in antitrust litigation. The Department of Justice supports this proposed legislation and urges its enactment.

III. Amendment to sections 4, 4A and 4C of the Clayton Act: Prejudgment interest:

Another means by which to eliminate unwarranted delay would be to authorize courts to award, in appropriate situations, successful antitrust plaintiffs interest on their damage judgments for the period during which the case was being litigated. Section 5 of the bill would amend Sections 4, 4A, and 4C of the Clayton Act, 15 U.S.C. §§ 15, 15a, and 15c, to authorize an award of interest on a successful antitrust plaintiff's actual damages from the date of service of the complaint to the date of judgment, at the prevailing commercial rate at the time judgment is entered. These amendments would apply to private treble damage actions, actions by the United States for single damages, and *parens patriae* suits by State Attorneys General for damages suffered by citizens of their states, respectively. We understand that post-judgment interest would remain available under the general provisions of 28 U.S.C. § 1961.

As recognized by the National Commission for the Review of Antitrust Laws and Procedures, parties, especially defendants, frequently have little or no incentive to expedite litigation, and they sometimes have strong economic incentives to delay. *Antitrust Commission Report* at 101. The ability of judges to award prejudgment interest at prevailing commercial rates would reduce or eliminate the considerable financial benefit that may be available by protracting the litigation and thereby extending the period during which an amount eventually paid to the plaintiff is retained by the defendant for profitable use. However, existing law is unclear as to whether prejudgment interest may be awarded in any types of antitrust cases, and such an award has been denied in at least one treble damage action. *Trans World Airlines, Inc.* v. *Hughes*, 449 F.2d 51, 80 (2d Cir. 1971), *rev'd on other grounds*, 409 U.S. 363 (1973).

The proposed amendments would clearly authorize the award of prejudgment interest in antitrust cases in appropriate instances to eliminate substantial incentives to delay. Such awards would be based upon a plaintiff's established actual damage, not upon a trebled amount. Moreover, awarding such interest at the prevailing commercial rate was deemed necessary by the National Commission for the Review of Antitrust Laws and Procedures to deter delay effectively. *Antitrust Commission Report* at 108, n.28. These amendments are particularly helpful by making awards of prejudgment interest essentially automatic. However, courts would be permitted to disallow such interest where an award might be unjust in the circumstances, for example, because of dilatory conduct by the plaintiff. The Department of Justice believes that these amendments would materially assist in expediting final resolution of antitrust litigation, and would thereby assist in deterring antitrust law violations as well. Accordingly, we support the proposed amendments and urge their enactment.

IV. Amendments to the Antitrust Civil Process Act:

Government investigation and trial of antitrust cases would be expedited and facilitated by amending certain provisions of the Antitrust Civil Process Act to clarify the ability of the government to attain access to information developed in related antitrust litigation and its ability to make use of modern document analysis techniques and other support services.

A. Obtaining products of discovery:

The Antitrust Civil Process Act, 15 U.S.C. § 1311 *et seq.*, permits the Attorney General or the Assistant Attorney General in charge of the Antitrust Division to obtain information, in the form of documentary materials, written answers to interrogatories and oral testimony, that they have reason to believe is relevant to ascertaining whether an antitrust violation has occurred or may be about to occur. Section 3 of the bill contains several provisions that would clarify the ability of the Antitrust Division to issue civil investigative demands (CIDs) for information that has been produced through discovery in litigation. These provisions would also clarify the procedures to be followed by the Antitrust Division and other parties when the Division issues CIDs for such products of discovery.

The bill would expressly provide for the issuance of CIDs for products of discovery. Section 2(3) of the bill would define products of discovery as including any materials in the possession of a party obtained by any method of discovery, together with any indexes, digests, analyses or compilations of the materials so obtained. In addition, whenever the Antitrust Division issues a CID for materials obtained through discovery, the party from whom the materials were originally discovered would receive a copy of the CID and would have at least ten days in which to challenge the CID's validity upon whatever grounds may be available to it. The person receiving the CID would, of course, also retain the right to challenge it.

The bill also provides that CIDs for products for discovery would take precedence over protective orders issued in the course of private litigation. Products of discovery received by the Division pursuant to a CID would be confidential and could be used only in the same manner and for the same purposes as other materials acquired under the Antitrust Civil Process Act. Section 3 of the bill contains the additional safeguard that both the party from whom the materials were demanded and the party from whom the materials were originally discovered could invoke the confidentiality protections currently provided by the Act for materials submitted pursuant to it. Moreover, disclosure of any product of discovery to the Division pursuant to a CID would not constitute a waiver of any privilege, including the privilege relating to trial preparation materials, that the party making such disclosure might have with respect to such materials.

The Division has attempted to obtain products of discovery by serving a CID upon a party having such materials in its possession. However, such efforts have been slowed by the absence of specific procedures in the Antitrust Civil Process Act relating to such materials. The Antitrust Division served a CID on the GAF Corporation in an attempt to obtain products of discovery in GAF's possession as a result of its litigation against the Eastman Kodak Company, which was simultaneously under investigation by the Division. GAF believed itself prohibited from voluntarily producing the desired materials because of a protective order entered in the private litigation, and accordingly resisted complying with the Division's CID for fear of violating that protective order. The Antitrust Division sued to compel compliance with its CID, but enforcement was denied, without resolution of the protective order issue, primarily on the ground that the Antitrust Civil Process Act did not grant the Division authority to obtain products of discovery because the Act did not contain express procedures for protecting the confidentiality of such materials. *United States* v. *GAF Corp.*, 449 F. Supp. 351 (S.D.N.Y. 1978), *appeal docketed*, No. 78-6102 (2d Cir. June 13, 1978).

The proposals embodied in this legislation would ensure the ability of the Antitrust Division to utilize its law enforcement resources effectively and would decrease the time required to institute enforcement actions through clarification of the Division's ability to attain access to materials already produced through discovery in litigation between other parties. In many instances, such parties will have spent considerable amounts of time and resources discovering and organizing materials relevant to an ongoing investigation by the Antitrust Division. If the Division was unable to attain access to such materials, it would be required to duplicate the efforts of these parties with unnecessary expense to the taxpayers and delay to its investigations. In addition, these proposals would protect the confidentiality of such materials and would preserve all rights and privileges with respect to such materials that presently exist. Such proposals were recommended by the National Commission for the Review of Antitrust Laws and Procedures in order to maximize the benefits to be derived from the Antitrust Civil Process Act for the speedy and efficient investigation, and perhaps trial, of antitrust cases. *Antitrust Commission Report* at 53–54.

Accordingly, the Department of Justice supports enactment of such legislation.

B. Use of contractor services:

An examination of the legislative history of the Antitrust Civil Process Act reveals that the goal of Congress, in passing both the original Act and its 1976 amendments, was to provide support to the Division for the "effective and expeditious" enforcement of the antitrust laws. H.R. Rep. No. 94–1343, 94th Cong., 2d Sess. 1 (1976); S. Rep. No. 94–803, 94th Cong., 2d Sess. 1 (1976). *See also* Conference Rep. No. 2291, 87th Cong., 2d Sess. 3 (1962). Indeed, the 1976 amendments were designed to provide the Division with "all the basic investigative tools necessary" to its law enforcement needs. H.R. Rep. No. 94–1343, 94th Cong., 2d Sess. 1 (1976), and "to improve and modernize antitrust investigation and enforcement mechanisms." S. Rep. No. 94–803, 94th Cong., 2d Sess. 1 (1976).

However, certain language contained in paragraphs (2) and (3) of subsection 4(c) of the Act [15 U.S.C. §§ 1313(c)(2), (3)] could arguably be seen as hindering the Division's ability expeditiously and effectively to enforce the antitrust laws by inhibiting its ability to take full advantage of contractor services. As presently written, the statute states that copies of materials obtained pursuant to it may be prepared as required for official use by any duly authorized "official or employee" of the Department of Justice [15 U.S.C. § 1313(c)(2)]. It also states that, with specified exceptions, such material may be made available to a duly authorized "official or employee" of the Department of Justice [*Id.* § (3)]. Use of the phrase "official or employee" in these paragraphs may be argued to limit personnel assigned to the organization, processing, analysis or evaluation of CID materials to those with full-time employee or special government employee status, to the exclusion of contractors working under the direction and/or control of the government attorneys in charge of an antitrust matter.

Section 3(e) of the bill would substitute the phrase "official, employee or agent" for the phrase "official or employee" in paragraphs (2) and (3) of subsection 4(c). In addition, the term "agent" would be defined in Section 2(3) of the bill, for purposes of the Antitrust Civil Process Act, as including "any person retained or consulted by the Department of Justice in connection with the enforcement of the antitrust laws." These amendments would thus clarify the Department's authority to contract for document analysis and consultant services in order effectively and efficiently to process, analyze, evaluate and utilize materials produced pursuant to the Act. Enactment of these proposals would be entirely consistent with, and would further, the policy objectives contained in the Act's 1976 amendments of providing the Division with support services necessary for the effective and expeditious enforcement of the antitrust laws.

Use of contractor services would most frequently occur where a civil antitrust investigation or prosecution required the production and analysis of great numbers of documents or involved complex issues. Such contractors generally would be either specialists in automated document processing and indexing techniques or professionals having particular knowledge or expertise in an industry or a discipline.

In the first instance, the Division has recognized that automated document processing and indexing techniques are necessary to expeditious, effective law enforcement, and that its ability to utilize fully such methods of document analysis for CID materials should be clarified. Not incidentally, we are increasingly opposed by defense trial teams with substantial automated document analysis resources at their command. For a variety of reasons, we have concluded that, in connection with major antitrust investigations and prosecutions, it would generally be preferable to contract for the delivery of such services rather than to utilize Department employees for these purposes. The costs associated with contracting for document analysis services would generally be less than the costs of hiring, training and maintaining a staff to provide those services. In addition, contracting for such services would have the significant advantage of being more flexible than utilizing government employees. Given substantial uncertainty as to the timing and volume of receipt of CID materials, contracting for support services would enable us to adjust changing work schedules quickly, accurately and efficiently to meet our needs with a minimum of delay and loss of resources.

Similarly, where an investigation or prosecution involves complicated issues or subject matter, the use of experts having particular knowledge or experience in those areas may be necessary in order effectively and efficiently to analyze, evaluate and utilize the information received. Again, use of experts is commonplace in complex litigation, and the ability of the Division to utilize such persons as necessary for the effective progress of its investigations and cases should be clarified. It simply would not always be practical or even feasible to hire such persons as employees or special employees of the Department of Justice.

Enactment of the proposed amendments would not introduce any new concepts in antitrust enforcement. The proposal tracks the longstanding "duly authorized agent" language contained in comparable Section 9 of the Federal Trade Commission Act (15 U.S.C. § 49), which provides similar authority to FTC personnel. Moreover, the proposal would not prejudice the purposes of subsection 4(c) of the Antitrust Civil Process Act, as the "agent" would be required to be "duly authorized" to perform the assigned task in the same manner as presently required of the "official or employee" of the Department of Justice. Thus, the responsibility for the proper use of the materials would remain with the antitrust investigator designated to serve as custodian of them. *See* 15 U.S.C. §§ 1313(a), (c)(1). Moreover, the obligation of confidentiality already imposed on a "duly authorized official or employee of the Department of Justice" would also extend to the duly authorized "agent" as well (15 U.S.C. § 1313(c)(3)); thus, safeguards against improper disclosure of CID information would likewise be applicable against such agent. Finally, the Department would impose appropriate measures and take appropriate steps in connection with any service contracts to insure that the security of CID materials is maintained.

In summary, the proposed technical amendments would simply clarify the ability of the Department's Antitrust Division to expeditiously and efficiently process, analyze, evaluate and utilize information produced pursuant to the Antitrust Civil Process Act in connection with its enforcement of the

laws. However, unless the Act is promptly clarified, the Division faces possible legal challenge to its use of contractor services, causing, at minimum, severe delays (and the inherent costs) in the challenged proceedings. At worst, if such challenge were successful, the Division would be compelled, without such assistance, to cut back the number and size of the civil antitrust investigations or prosecutions it could initiate because it would be less able, and in some instances totally unable, to bring them to a successful completion. Moreover, the use of contractor services for such proceedings would in most instances be less costly and more efficient than use of Departmental employees with no loss in the security of confidential information. Furthermore, it would not always be practical, or even possible, for the Department to employ the diverse array of professionals with which it may need to consult on a case-by-case basis.

Accordingly, the Department supports enactment of this legislation.

V. Amendments to section 7 of the Clayton Act: Mergers and acquisitions:

At the same time your Subcommittee is considering ways to improve antitrust enforcement, it is important to consider eliminating two jurisdictional limitations contained in Section 7 of the Clayton Act, 15 U.S.C. § 18, that place arbitrary limitations on the Division's ability successfully to challenge certain mergers and acquisitions. Section 7 of the bill would expand the coverage of section 7 to clearly include acquisitions involving partnerships and other unincorporated entities. Section 7 now applies only to acquisitions of the stock or assets of one "corporation" by another. Section 7 of the bill would also apply the anti-merger provisions of the Clayton Act to activities that "affect" commerce. Section 7 now applies only to acquisitions of corporations which are "engaged in commerce." These amendments would not affect the substantive standards governing the legality of stock or asset acquisitions or mergers.

The Department of Justice supports enactment of such legislation.

A. Transactions involving unincorporated entities:

The first two amendments of section 7 of the bill would substitute the words "person" and "persons" for "corporation" and "corporations" in Clayton Act Section 7 so as to prohibit anticompetitive mergers and acquisions by or of any "person". Section 1 of the Clayton Act provides that the word "person" "shall be deemed to include corporations and associations. . . ." This language has been construed expansively by the courts. The proposed amendments would bring within the coverage of section 7 acquisitions involving natural persons, partnerships, associations, and other unincorporated entities. In practice, however, the proposed amendments are not expected to affect significantly persons other than partnerships, since such persons will rarely be involved in acquisitions having the prohibited anticompetitive effects.

These amendments would remove an arbitrary limitation on the jurisdictional scope of Section 7 of the Clayton Act, the major antitrust law used to challenge mergers and acquisitions which are likely to lessen competition. Section 7 is intended to supplement the Sherman Act by preventing increases in economic concentration that could lead to actual restraints of trade. Although the Sherman Act provisions apply to all "persons", section 7 applies only to "corporations." The proposed amendments would eliminate this jurisdictional anomaly.

Anticompetitive economic concentration could occur through acquisitions of and by unincorporated entities. In the accounting profession, for example, 1977 revenues of the "Big Eight" accounting partnerships reportedly ranged from $350 million to $516 million. In 1975, these partnerships reportedly audited 5,769 publicly held firms with total sales of $1,501.6 billion. If a merger between large accounting partnerships substantially lessened competition, the national economy could be significantly affected. Unless existing law were construed flexibly—a result that is by no means certain—the legality of such a merger could be determined by the legal form of the firms involved, not by the substantive effect on competition produced by the merger.

Accordingly, we urge enactment of legislation to eliminate such a potential unwarranted result.

B. Transactions involving firms affecting commerce:

The third proposed amendment to Clayton Act Section 7 contained in section 7 of the bill would apply the antimerger provisions of the Clayton Act to firms whose activities "affect" commerce. This amendment was made necessary by the Supreme Court's decision in *United States v. American Building Maintenance Industries*, 422 U.S. 271 (1975). In that case, the Court, interpreting the phrase "engaged in commerce" as used in section 7, held that that statute does not apply to acquisitions of companies whose activities, while clearly *affecting* interstate commerce, are nevertheless basically intrastate in nature. Thus, the bill would expand the applicability of section 7 to "any activity affecting commerce."

This amendment would serve effective antitrust enforcement in a number of respects. First, it would make the jurisdictional reach of section 7 with respect to the "commerce" requirement coextensive with that of the Sherman Act and Section 5 of the Federal Trade Commission Act. The present restrictive interpretation of this section partially defeats the Clayton Act's central purpose, which, as noted above, is to provide a means for halting incipient anticompetitive situations before they develop into restraints and monopolies prohibited by the Sherman Act. Specifically, the current "in commerce" constraint on section 7 may permit major firms to obtain virtual nationwide monopolies by acquiring one local firm after another. The statute's objectives will be seriously undercut if it is not applicable to acquisitions of firms with a localized business, however large or dominant those firms may be. In addition, the "in commerce" limitation on section 7 creates an internal inconsistency in the statute. While its basic proscription is of acquisitions with certain predictable *effects* on competition, it may not be used to challenge some acquisitions of firms whose activities do in fact *affect* commerce. Thus, while such an acquisition may produce the effects proscribed by section 7, the Department of Justice would be helpless to prevent it.

Accordingly, we urge enactment of such legislation.

I am pleased to have this opportunity to provide you with the views of the Department of Justice on the Antitrust Procedural Improvements Act of 1979. Enactment of this legislation would implement several recommendations of the National Commission for Review of the Antitrust Laws and Procedures. I sincerely hope your bill will receive early and favorable action in the Congress, and I stand ready to assist you and your Subcommittee in your consideration of the bill and in securing its enactment.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN H. SHENEFIELD,
Assistant Attorney General, Antitrust Division.

ANTITRUST PROCEDURAL IMPROVEMENTS ACT OF 1979

(Section-by-section analysis of the legislation)

The bill provides that the short title of the legislation is the "Antitrust Procedural Improvements Act of 1979."

SECTION 2

Section 2 of the bill amends Section 2, the definition section, of the Antitrust Civil Process Act, 15 U.S.C. § 1311, by adding definitions of "product of discovery" and "agent."

"Product of discovery" is defined in Section 2(3) of the bill to include all products of discovery, documentary and otherwise, and all organizational and analytical materials relating thereto. Discovery material obtained in any litigation or other judicial or administrative proceeding is covered by the definition. Section 2(1) includes any product of discovery, as defined in Section 2(3), in the definition of "documentary material" which appears in Section 2(g) of the Antitrust Civil Process Act. Section 2(3) also defines "agent" to cover "any person retained or consulted by the Department of Justice in connection with the enforcement of the Antitrust laws."

SECTION 3

Section 3 expressly gives the Attorney General and the Assistant Attorney General in charge of the Antitrust Division the right to require a person to produce products of discovery for examination pursuant to a civil investigative demand. It sets forth the procedures that the Attorney General or the Assistant Attorney General must follow in issuing the demand and the procedures that a person affected by the demand must follow if he intends to challenge the action of the Attorney General or the Assistant Attorney General. Section 3 also makes clear that a duly authorized agent of the Department of Justice, who is not an officer, member or employee of the Department, may examine material produced pursuant to a civil investigative demand. This change gives the Department express authority to employ outside contractors to analyze and organize documents produced in response to civil investigative demands.

Section 3(a) adds a sentence to Section 3(a) of the Antitrust Civil Process Act, 15 U.S.C. § 1312(a), to require the Attorney General or the Assistant Attorney General, when making an express demand for products of discovery, to notify the person from whom the product of discovery was originally obtained by serving upon him a copy of the demand. Section 3(a) also requires the Attorney General or the Assistant Attorney General to notify the person to whom such express demand is issued of the date on which the copy of the demand is served upon the party from whom the discovery was originally obtained. These requirements assure that all affected parties are notified when an express demand for any product of discovery is issued.

Section 3(b) of the bill adds a sentence to Section 3(b) of the Act, 15 U.S.C. § 1312(b), to give the recipient of an express demand for any product of discovery at least ten days to comply. This allows an affected person time to challenge such demand in court.

Section 3(c) of the bill adds a new subsection to Section 3(c) of the Antitrust Civil Process Act, 15 U.S.C. § 1312(c), which makes clear that an express demand for any product of discovery supersedes a protective order covering such material. The subsection further provides that disclosure of any product of discovery pursuant to such demand does not constitute a waiver of any rights and privileges affecting additional disclosure of such material.

Section 3(d) of the legislation amends Section 4(c)(3) of the Act, 15 U.S.C. § 1313(c)(3), to prohibit disclosure of any product of discovery produced pursuant to an express demand for such material to anyone other than a duly authorized official, employee or agent of the Department of Justice without the consent of the person who produced the product of discovery to the Department and of the person from whom the discovery was originally obtained.

Section 3(e) amends Section 4(c)(2) and (3) of the Act, 15 U.S.C. § 1313(c)(2) and (3), expressly to add duly authorized agents of the Department of Justice to the class of persons who may examine material produced pursuant to a civil investigative demand. This provision is intended to make clear that the Department can contract with outside agents for the document analysis and automated document processing and indexing services which are often necessary to organize effectively the material produced pursuant to demands.

Section 3(f)(1) amends Section 5(b) of the Antitrust Civil Process Act, 15 U.S.C. §1314(b), to require that if a person to whom an express civil investigative demand for any product of discovery is issued intends to challenge the demand, he must file his petition in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

Section 3(f))(2) redesignates subsection (c), (d), (e), and (f) of Section 5 of the Act as subsections (d), (e), (f), and (g) respectively.

Section 3(f)(3) adds a new subsection to Section 5 of the Act expressly permitting the person from whom discovery was originally obtained to challenge an express civil investigative demand for any product of discovery in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending. The new subsection, designated subsection (c), specifically preserves such person's right to base his petition for an order modifying or setting aside portions of such demand on any constitutional or other legal right or privilege.

Section 3(f)(4) amends Section 5(c) of the Act (redesignated Section 5(d) by Section 3(f)(2) of this bill) to permit the person from whom discovery was originally obtained to petition for a court order requiring the custodian of any product of discovery produced pursuant to an express demand to perform any duty imposed by the Act.

Sections 2 and 3 of the bill make clear that the Attorney General or the Assistant Attorney General in charge of the Antitrust Division can issue civil investigative demands expressly for products of discovery. Courts have on occasion declined to enforce express demands for products of discovery because the Antitrust Civil Process Act does not explicitly authorize demands for such material. The changes made by Sections 2 and 3 of this legislation will eliminate the duplicative and wasteful discovery efforts caused by these court decisions. In addition, other changes made by Section 3 fully protect the rights of persons from whom products of discovery, subject to an express demand, were originally obtained.

Sections 2 and 3 also make clear that the Department of Justice can contract with outsiders to analyze documents and perform document organization and indexing services with respect to materials produced pursuant to a civil investigative demand. Private litigants routinely do this in major antitrust cases. The procedures applicable to further disclosure apply in the same manner to these duly authorized agents as they do to duly authorized officials and employees of the Department of Justice.

SECTION 4

Section 4 of the legislation amends 28 U.S.C. § 1927 to give the federal courts increased authority to sanction attorneys for dilatory litigation practices. Section 4 changes Section 1927 in two respects. First, Section 4 contains a more realistic intent requirement for the imposition of sanctions. Section 1927 now permits a court to require an attorney who "so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously" to pay for certain of such increased costs incurred by other litigants. The language of Section 1927 can be construed to allow the court to assess the attorney for such increased costs only when his actions were solely for the purpose of delay. Section 4 makes clear that a court can require an attorney to pay for increased costs when his conduct is primarily, instead of solely, for the purpose of delay or increasing costs by substituting the following language for the language in Section 1927 quoted above: "engaged in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of litigation."

Second, Section 4 of the bill permits the court to require an attorney who engages in litigation conduct unreasonably and primarily for the purpose of delay to pay for increases in costs other than taxable costs. Section 1927 has been construed to limit an attorney's liability to excess taxable costs. Section 4 gives courts authority to require an attorney to pay all excess costs, expenses, and attorneys' fees reasonably incurred because of the attorney's dilatory conduct.

By providing for a more realistic intent standard under Section 1927 and by expanding the category of increased costs and expenses a court may award, Section 4 of the bill makes Section 1927 a more effective deterrent to dilatory litigation practices by attorneys.

SECTION 5

Section 5 of the bill amends Sections 4, 4A and 4C(a)(2) of the Clayton Act, 15 U.S.C. §§ 15, 15a, 15c(a)(2), expressly to authorize courts to award interest to successful antitrust plaintiffs on their actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time of judgment. The award of prejudgment interest is not trebled under Sections 4 and 4C of the Clayton Act, the provisions which authorize private suits and *parens patriae* actions, respectively. Section 5 of the bill does not affect successful antitrust plaintiffs' rights to postjudgment interest under 28 U.S.C. § 1961.

Sections 5(a)(1), 5(b)(1) and 5(c)(1) add language to Section 4, 4A and 4C(a)(2) of the Clayton Act, respectively, which allows the award of interest on actual damages from the date of service of the complaint to the date of filing of the complaint at the commercial rate prevailing at the time of judgment. By setting fixed dates for interest to begin running and for calculation of the rate, Section 5 avoids the practical problems that sometimes make courts reluctant to award interest on unliquidated damages.

Sections 5(a)(2), 5(b)(2) and 5(c)(2) are intended to allow a court to adjust the award of prejudgment interest if the plaintiff has unreasonably prolonged the case.

By permitting awards of prejudgment interest on actual damages, Section 5 provides an incentive for defendants in antitrust suits to refrain from litigation tactics which serve no purpose other than delay. The amount of interest for which they might be liable is a function of the length of the suit.

SECTION 6

Section 6 of the bill amends Section 5(a) of the Clayton Act, 15 U.S.C. § 16(a), to make clear that courts may give collateral estoppel effect to final judgments and decrees entered in favor of the government in criminal and equitable antitrust actions. Some courts have read Section 5(a) to limit the use of government judgments and decrees in criminal and equitable actions to prima facie evidence in subsequent private actions against the same defendants. In other areas of the law, government judgments and decrees are given collateral estoppel effect in appropriate circumstances. Thus, Section 6 of the bill merely directs courts to treat government judgments and decrees in antitrust actions the same as they do government judgments and decrees in other areas of the law for collateral estoppel purposes. The Supreme Court has announced standards in *Parklane Hosiery Company v. Shore*, Docket No. 77-1305 (U.S. Jan. 9, 1979), to prevent unfair application of collateral estoppel.

If a prior government equitable or criminal judgment in an antitrust suit is not given collateral estoppel effect in appropriate circumstances, a full range of trial witnesses and exhibits will be offered by the plaintiff and the defendant in a subsequent private suit. By making clear that Section 5(a) of the Clayton Act does not preclude the application of collateral estoppel, Section 6 of the bill will substantially reduce the burden on courts and litigants and shorten trial time.

SECTION 7

Section 7 of the legislation amends Section 7 of the Clayton Act, 15 U.S.C. § 18, in two respects. First, it allows the Department of Justice to challenge anticompetitive mergers involving business entities other than corporations. Second, Section 7 of the bill allows the Department to challenge anticompetitive mergers involving firms which affect interstate commerce.

Sections 7(1) and (2) substitute "person" and "persons" for "corporation" and "corporations" in the first two paragraphs and the first sentence of the third paragraph of Section 7 of the Clayton Act. There are large business entities in the economy that are not organized in the corporate form. These changes in Section 7 of the Clayton Act extend the prohibition of anticompetitive mergers to mergers involving businesses not organized in the corporate form. The application of other antitrust laws, including Section 2 of the Sherman Act, has always extended to noncorporate business entities.

Section 7(3) makes clear that Section 7 of the Clayton Act reaches mergers involving firms "in any activity affecting commerce." This subsection overrules the Supreme Court's decision in *United States v. American Building Maintenance Industries*, 422 U.S. 271 (1975) ("*ABMI*"). The Supreme Court held in *ABMI* that Section 7 of the Clayton Act does not reach mergers involving firms affecting interstate commerce. Under the Supreme Court's construction of Section 7 of the Clayton Act, many anticompetitive mergers, particularly in the important service sector of the economy, may well not be challenged. Like substituting "person(s)" for "corporation(s)", changing Section 7 of the Clayton Act to reach firms affecting commerce makes the statute consistent with other antitrust laws, including Sections 1 and 2 of the Sherman Act and Section 5 of the Federal Trade Commission Act.

These amendments to Section 7 of the Clayton Act close two significant loopholes in the Department of Justice's jurisdiction to challenge mergers which may have the effect of substantially lessening competition or tending to create a monopoly in important markets in the economy.

REPORT TO THE PRESIDENT AND THE ATTORNEY GENERAL OF THE NATIONAL COMMISSION FOR THE REVIEW OF ANTITRUST LAWS AND PROCEDURES

PART ONE: COMPLEX LITIGATION

Section I: Procedure and Management

Introduction

Not all antitrust cases are complex or protracted. Nor are all complex cases antitrust

cases. Evidence before the Commission, however, indicates that, on the average, antitrust cases take longer to litigate than other civil litigation; that some antitrust cases absorb enormous resources and time; and that undue delay is a serious problem in a significant number of complex antitrust cases.[1]

The resulting burdens on litigants and the courts are great. Excessive public and private resources are needlessly expended; confidence in antitrust enforcement and the judicial process is weakened; and effective enforcement is impeded. Difficult remedial problems are compounded because the market reflected in the record may have changed substantially by the time the remedial stage is reached. In short, the overall effectiveness of the antitrust laws in promoting a competitive economy is impaired.

Understandably, the Commission has not spent substantial time preparing solutions for those antitrust cases that do not pose special problems of delay. The focus of this Report, including its major conclusions and recommendations, concerns the complex, potentially very large and expensive civil antitrust case. It is the latter, multiyear, sometimes multimillion dollar phenomenon that has caused the greatest public concern and that the Commission has primarily addressed.[2] Most Commissioners also believe, however, that the general principles of litigation management discussed here should have applicability to most civil cases.

Several interrelated factors account for the complexity and length of some antitrust cases. Major antitrust litigation is necessarily complicated because the workings of any important industry, including its competitive relationships, are inevitably complex. The substantive rules of antitrust are in some instances purposely drawn broadly so that certain fundamental, general principles can be applied to changing economic and industrial conditions. Particularly when combined with such broad rules, modern procedural concepts of notice pleading and liberal discovery tend to expand, rather than define, the boundaries of litigation. The sweeping nature of potential relief, including treble damages and divestiture, often make the stakes in antitrust cases huge, so that parties may view litigation as all-out economic war.

Caseload burdens on federal district courts typically are acute. An average of almost 400 civil cases per judgeship are pending at any given time.[3] The strict time limits of the Speedy trial Act[4] for federal criminal cases and the fact that about 90 percent of all civil cases are settled before trial[5] provide incentives for judges to pay greatest attention to cases actually in trial or clearly headed for trial.

Many of these facts are as a practical matter not subject to change. Other related aspects of the problem clearly are.

The Commission believes that the failure of some judges to manage and control complex antitrust litigation adequately is a major component of unreasonable delay in such cases.[6] We recognize that the root of this part of the problem may lie in the adversary system itself. Traditional notions of the judicial role presuppose a largely passive, mediating status for the court, with critical decisions greatly affecting the scope and management of the case left primarily to the tactical initiatives and responses of the parties and their attorneys. In major antitrust suits where potential for protraction is acute, however, an uninvolved, unaggressive judicial posture is a prescription for directionless litigation and excessive delay.

The absence of strong judicial control permits discovery to mushroom and issues to go unfocused; delay and obfuscation are more likely to be adopted as litigation tactics; bitterness and suspicion may more readily develop and persist between counsel. As a result, excessive motion practice and other examples of dilatory or overly litigious conduct proliferate, while incentives for stipulations and other potentially expediting types of behavior are reduced.

Conversely, the Commission believes that early and active judicial involvement and control can substantially reduce undue delay in the big case, and the first section of the Report attempts to spell out more specifically how this result can be achieved.

While stronger judicial management and control may be the single best solution for unreasonably protracted cases, judges clearly are not the sole cause of the problem. Financial incentives operating on private parties contribute to delay. From the defendant's perspective, protracting a case over many years can extend the life of profitable business practices challenged by the suit. Plaintiffs, on the other hand, may hope that the high costs of responding to massive discovery and preparing for possible trial will induce a settlement, even where liability may be in doubt.

Lawyer excesses and inefficiencies surely also contribute to unreasonable delays. Discovery is too often used purposely to protract pretrial or to wear down an opponent rather than to gather relevant information in preparation for trial. Discovery demands frequently are overbroad and repetitious; discovery responses are often dilatory, confusing, and inadequate. Issues are often left unfocused far too long. Unnecessary motions are sometimes brought, causing considerable burden on other parties and the court but without serious prospects of any meaningful relief. Extreme caution or single-minded perseverance by lawyers can also be a factor, producing "the compulsion to leave no stone unturned and no idea unargued."[7] Inadequate preparation, limited resources, and relative inexperience on the part of the government can also produce inefficiencies and delay.

The recommendations below suggest ways of counteracting the various causes of undue delay. Central to our recommendations is the importance of effective judicial control, tailored to the contours of each case and flexibly applied or withheld as the circumstances of each case dictate. Judges, in our view, are in the best position to ensure that litigation is expedited. They have the opportunity and, we believe, the responsibility to see that issues are focused, that discovery is streamlined, that delaying tactics are avoided, and that issues are addressed as soon as they are reasonably framed.

Many of the recommendations below are of complex litigation more effective by involving the judge in the process of establishing schedules and time limits (Chapter Two); controlling discovery (Chapter Three); defining the issues and reducing matters in controversy (Chapter Four); imposing sanctions (Chapter Five); and otherwise expediting the case (Chapter Six). Together, these recommendations should provide a framework within which the judge can bring focus to the case and avoid unnecessary delay.

The recommendations are not necessarily appropriate for every antitrust case, and their use must be tailored to the individual facts of each case, but when delay and complexity are potential problems, application of the recommendations will, we believe, significantly reduce the burdens and expense of litigation. If the recommendations are followed, we believe that even very complex antitrust cases can be successfully tried within the judicial system and the basic substantive framework of existing law.

FOOTNOTES TO PART ONE

[1] For example, 1977 figures of the Administrative Office of the United States Courts showed that, for private antitrust cases reaching trial, the median time between filing and disposition was 44 months and that 10 percent of these cases took longer than 68 months (5.67 years). *See* Submission of James A. McCafferty, Chief, Statistical Analysis and Reports Div., Administrative Office of the United States Courts, to the Antitrust Commission (Aug. 2, 1978) [hereinafter cited as McCafferty Submission] (Time interval from Filing to Disposition of Selected Civil Cases Terminated During the 12 Months Ended June 30, 1970–77, by Method of Disposition). The Commission's Empirical Case Studies Project Report provides more detailed examples from a limited number of specific cases. *See* P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures (Jan. 15, 1979).

[2] *See, e.g.*, President's Remarks on Greeting Members of the National Commission for the Review of Antitrust Laws and Procedures, 14 Weekly Comp. of Pres. Doc. 1140 (June 21, 1978); President's Remarks at the 100th Anniversary Luncheon of the Los Angeles County Bar Association, 14 Weekly Comp. of Pres. Doc. 834 (May 4, 1978). Commissioner Blecher feels that some techniques suggested here, while useful for particularly complex cases, could be counterproductive and actually lengthen simpler antitrust litigation.

[3] Annual Report of the Director of the Administrative Office of the United States Courts in Reports of the Proceedings of the Judicial Conference of the United States 186 (1977). The recently enacted Omnibus Judgeship Act of 1978, Pub. L. No. 95–486, 92 Stat. 1629, will substantially increase the number of circuit and district court judges. Nonetheless, with the upward trend in civil litigation expected to continue, the docket pressures on federal court judges will remain heavy.

[4] 18 U.S.C. § § 3161–3174 (1976).

[5] McCafferty Submission, *supra* note 1 (United States District Courts: Civil Cases and Antitrust Cases Filed, Terminated and Pending on June 30, 1962–1977).

[6] Commissioner Fox believes that the amorphous state of the law, and tactical maneuvers or inefficiencies of the lawyers, are the sources of the problem, and that judicial management and control is one of the most effective solutions. She believes that the problem must be dealt with also by directly addressing the root causes: clarifying and simplifying the law and assuring that lawyers of skill, experience and proficiency handle the complex case.

[7] *Antitrust Commission Hearings* 38 (Nov. 14, 1978, afternoon session) (remarks of Commissioner Fox).

Chapter one: Judicial management and control

Virtually all our recommendations for expediting potentially protracted cases require strong judicial control. To this end, we recommend the following:

Recommendations

1. In complex or potentially protracted cases, judicial management should begin early and be applied continuously and actively, based on knowledge of the circumstances of each case.

2. Educational programs for federal judges concerning techniques of effective judicial management should be expanded. Study of techniques of judicial control should be undertaken on a continuing basis.

3. Additional support personnel and relief from other judicial assignments should be available, when necessary, to judges handling complex cases.

4. The Commission does not recommend the creation of a special roster of judges to handle complex antitrust litigation. District courts should consider, however, the possibility of assigning complex antitrust cases to judges whose background, temperament and interests are conducive to the exercise of firm and efficient case management.

5. We do not recommend use of masters or magistrates to supervise the pretrial stages of complex antitrust cases. Direct supervision should be exercised by the district court judge.

The need for effective judicial control of complex antitrust cases

Traditionally, federal judges have served as umpires to resolve disputes brought to them by the litigants. That continues to be an appropriate role in many cases. Greater judicial involvement is required, however, in complex antitrust actions. To ensure more efficient and less costly litigation, the courts should exercise close and continuous control at all stages of complex cases.

In the absence of attentive judicial management, antitrust litigants often lack sufficient motivation to press their claims and defenses efficiently. Given the high stakes of many antitrust cases, the parties may feel that creating delay and exhaustion is a necessary or desirable way to defeat their adversaries.[1] Some attorneys actually specialize in dilatory procedural maneuvers;[2] others, while free of ulterior motives, are nonetheless too cautious or indecisive to face the merits of a lawsuit directly.[3] In addition, there is often little personal financial incentive for attorneys to move a complex case quickly to resolution.[4]

The importance of judicial management and control in expediting complex litigation is shown by nearly unanimous evidence in the Commission's record. For example, an empirical case study done for the Commission found that when the parties lack incentives to expedite the case, judicial control is the single most important factor in eliminating waste and delay. The importance of judicial control is similarly confirmed by statistical data obtained from the Administrative Office of the United States Courts and the Federal Judicial Center. Research shows that much of the expenditure of time and resources in protracted antitrust cases is unnecessary and is traceable directly to inefficient management.[5]

Much of the testimony before the Commission likewise supports the conclusion that effective court control of complex antitrust actions has been too often lacking.[6] Letters and memoranda submitted to the Commission by judges and lawyers underscored the need for improving judicial management of such cases.[7] The literature regarding problems created by big case litigation, going back to at least 1950, is yet another indication that inefficient case control has endured too long. While the earlier literature diverged on the details, much of it stressed the primacy of judicial control. The arrival of the *Manual for Complex Litigation*, with its disavowal of early issue-narrowing practices, may have retarded the implementation of prior-developed judicial management concepts. *The Nature of Effective Judicial Control.*

Effective judicial management must be early, continuous, active and knowledgeable. As soon as a case can be identified as complex,[8] the court should initiate contacts, either formal or informal, with the litigants. Judicial control should continue throughout the litigation. Regular and frequent contacts between court and counsel are indispensable in moving a complex action efficiently toward final resolution.

Effective judicial management should be active, a creative force that steers the litigants toward reasonable assessments of their discovery needs and the strengths and weaknesses of their case. Judicial supervision, of course, should not be so rigid as to stifle cooperation between counsel; rather, the court should encourage and build upon cooperative efforts of counsel. The judge, however, must carefully and independently evaluate the conduct of the parties, imposing such guidelines and restrictions as are suited to the efficient conduct of the lawsuit.

Finally, effective judicial control must be well-informed—the degree and type of judicial control must be tailored to the particular circumstances of each case. Each lawsuit should be viewed organically and the judge, exercising discretion, should apply managerial techniques that appear reasonable and appropriate. Under this approach, no rigid rules should be allowed to dissipate the effectiveness of imaginative and active judicial control of the complex antitrust case.[9] The overriding objective, of course, is to move the case efficiently toward either settlement or a fair trial, the date for which should be early and firmly set.[10]

The court must hold the litigants to the established pretrial schedule, with exceptions granted only for good cause shown, in the interest of justice. Continuous monitoring of the progress of pretrial, together with quick action whenever required, will prevent problems that might otherwise require schedule deviations. In addition, close judicial attention and control can prevent the litigants from abusing the discovery process by dilatory, obstreperous, or unethical conduct.[11] Counsel should be sternly reminded, whenever necessary, of their professional duty to act in the interest of the efficient administration of justice and to avoid dilatory tactics.[12]

The court should also guide the parties in focusing the issues and theories involved in the lawsuit,[13] since this makes both pretrial and trial more efficient.[14]

Facilitating judicial control

Judicial control of complex antitrust litigation may be increased in a number of ways. The most important of these is to sensitize judges to the pressing need to take hold of each phase of complex cases and manage it effectively. Clearly, judicial management is a skill that can be increased by education as well as experience. The Federal Judicial Center already provides valuable educational aid to members of the judiciary. These programs should continue to be expanded and improved regarding special procedures in handling complex antitrust cases.[15]

Our investigations have also disclosed that resources available to judges handling complex cases in some instances may be inadequate. Judges handling complex cases should be provided extra suport services, including extra law clerks with longer appointments, and relief from other judicial assignments.[16]

Complex cases should be handled by judges whose background, temperament and interests indicate an ability to exercise firm and efficient controls. Executive Order 12022[17] directed the Commission to consider a special "roster" of judges to manage complex antitrust cases. This idea generated considerable controversy and negative comment. Several witnesses, including a number of judges, expressed concern that unwanted "elitism" among the judiciary would result if a special panel or roster were chosen. Furthermore, implementation of this concept would, according to some observers, provide resources to antitrust cases at the expense of other important cases, such as those involving issues of civil rights or securities regulation.[18] Therefore, the Commission concluded that it would be unwise to establish a special "panel" or "roster" of specially qualified federal judges to hear complex antitrust cases.[19]

Nonetheless, the random assignment of cases to judges may be counterproductive because it does not necessarily result in assignment of cases to judges with the best ability to manage them. Where a district is faced with a potentially very protracted case, it should consider altering its usual random assignment procedures (as some do currently)[20] to make the most effective use of judicial resources. Where necessary, as when a small district is involved or the judges of a district are already overburdened, the Judicial Council of that circuit[21] should be called on to make an intracircuit assignment. This action would be consistent with the Judical Conference's 1971 Resolution regarding special assignment of "protracted, difficult or widely publicized cases."[22] Renewed study and application of that innovative resolution are in order, and its principles should be applied, whenever necessary, on an intracircuit as well as an intradistrict basis.

Judges with particular kinds of experience—such as the handling of multidistrict litigation—should be well-suited to managing complex cases. At the same time, it is clear that prior antitrust experience, or even prior "big case" experience, is not a prerequisite for a judge to be an effective case manager. Other qualities of management and administration also are relevant in making such assignments.

Another idea that led to considerable debate in the Commission's proceedings is the proposal that masters or magistrates be used more extensively in the pretrial management of complex cases.[23] While talented individual masters or magistrates may help in expediting some complex cases, their general use does not appear to offer any substantial hope of expediting pretrial procedures. Unless masters and magistrates are used in close consultation and virtual partnership with judges, their presence in a case may actually add to its complexity and hinder direct supervision by the district judge.[24]

Many good techniques of judicial management are already in use, albeit on an *ad hoc* and scattered basis. Such devices need to be collected and employed more systematically, and this Report is directed to that end. The *Manual for Complex Litigation*, in our opinion, is not in its present form an answer to the problems encountered in complex antitrust litigation. Its overall approach to pretrial is inconsistent with principles of close judicial control that, in our opinion, are vital to the efficient litigation of complex antitrust cases.[25] We therefore hope that the next revision of the *Manual*, expected in 1979, will give careful attention to our recommendations.

FOOTNOTES TO CHAPTER ONE

[1] *See Antitrust Commission Hearings* 7–8, 13 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning, member, Special Committee for the Study of Discovery Abuse, Litigation Section, American Bar Ass'n); Submission of David L. Foster, member, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 4–5 (Oct. 2, 1978) (tabulation of responses to the complex litigation questionnaire) [hereinafter cited as Foster Submission].

[2] *See, e.g.*, Grady, *Trial Lawyers, Litigators and Clients' Costs*, Litigation, Spring 1978, at 5, 6, 58.

[3] Foster Submission, *supra* note 1, at 3–5; *Grady, supra* note 2, at 5, 6, 58.

[4] *Antitrust Commission Hearings* 124 (July 11, 1978) (testimony of Judge Charles B. Renfrew, U.S. District Court, Northern District of California); *id.* at 47–48 (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[5] *Id.* at 126–27 (testimony of Judge Charles B. Renfrew). *See id.* at 6, 10–11 (testimony of Joseph F. Spaniol, Jr., Deputy Dir., Administrative Office, U.S. Courts). A study conducted by the Federal Judicial Center revealed that strong judicial control can cut almost in half the time devoted to discovery. *See* P. Connolly, E. Holleman & M. Kuhlman, Judicial Controls and the Civil Litigative Process: Discovery 54–55, tables 19–20 (Federal Judicial Center 1978). In a questionnaire sent out by the ABA Antitrust Section, 100 percent of the respondents stated that lack of judicial supervision was a source of delay. *See* Foster Submission, *supra* note 1, at 1. *See also, id.* at 4–5. A survey of experienced lawyers from the Antitrust Division of the Justice Department yielded similar responses. *See* Submission of the Antitrust Div., Dep't of Justice, to the Antitrust Commission 2–6 (June 21, 1978) (tabulation of responses to the complex litigation questionnaire) [hereinafter cited as Antitrust Division Submission].

[6] *See, e.g., Antitrust Commission Hearings* 13–14, 25–26 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning); *id.* at 60 (July 13, 1978) (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 110–11 (July 11, 1978) (testimony of Fred H. Bartlit, Jr., member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 64–65 (testimony of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[7] *See* Submission of David L. Foster to the Antitrust Commission (Sept. 29, 1978) (speech by James T. Halverson to the Conference Board, March 2, 1978, The Litigation Process as a Device for Resolving Complex Competitive Economic Problems 8–13, included as part of follow-up responses of Task Force Panel on Complex Litigation); Submission of Arthur R. Curtis, Esq., Chicago, Illinois, to the Antitrust Commission 1 (Aug. 21, 1978); Submission of Lee Loevinger, Esq., Washington, D.C. and former Ass't Att'y Gen., Antitrust Div., Dep't of Justice, to the Antitrust Commission 4 (Apr. 20, 1978). *See also* Foster Submission, *supra* note 1, at 3–5; Antitrust Division Submission, *supra* note 5, at 2–6.

[8] There are a number of ways in which a complex case can be identified. These include inspection of complaints by the clerk, consultation with counsel, and notification to the clerk by counsel. *Antitrust Commission Hearings* 11 (July 11, 1978) (testimony of Joseph F. Spaniol, Jr.); Manual for Complex Litigation § 0.23 (1977). Fortunately, the Administrative Office of the United States Courts already requires counsel to complete and file a form simultaneously with filing the complaint which discloses the nature of the litigation, including whether it is an antitrust action. The assigned judge, or other court officers, can thus promptly review this form and the complaint to determine whether the case will be a complex one.

[9] *Antitrust Commission Hearings* 18–19 (Sept. 12, 1978, morning session) (testimony of Judge Patrick E. Higginbotham, U.S. District Court, Northern District of Texas); *id.* at 36 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.); *id.* at 67 (testimony of Denis McInerney). *See* Pollack, *Discovery—Its Abuse and Correction* (pt. 2), N.Y.L.J., May 11, 1978, at 3, col. 1; Pollack, *Pretrial Conferences*, 50 F.R.D. 451 (1970).

[10] *Antitrust Commission Hearings* 110–11 (Sept. 12, 1978, morning session) (testimony of Judge Charles R. Weiner, U.S. District Court, Eastern District of Pennsylvania); *id.* at 110–11 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.); *id.* at 144 (testimony of Judge Frederick B. Lacey, U.S. District Court, District of New Jersey). *Contra, id.* at 67 (testimony of Denis McInerney). *See generally* P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 45–46 (Jan. 15, 1979) [hereinafter cited as Gerhart Report].

[11] *See, e.g.*, Ellington, A Study of Sanctions for Discovery Abuse 109–13 (Nov. 27, 1978) (a report submitted to the Office for Improvements in the Administration of Justice Dep't of Justice).

[12] Report of the Special Advisory Panel on Ethical Issues in Complex Antitrust Litigation to the National Commission for the Review of Antitrust Laws and Procedures *passim* (Dec. 4, 1978).

[13] Gerhart Report *supra* note 10, at 14–15, 47–57.

[14] The subject of issue-focusing is treated in detail in Chapter Four, *infra*.

[15] *Antitrust Commission Hearings* 6 (July 13, 1978) (testimony of Joseph L. Ebersole, Deputy Dir., Federal Judicial Center); Submission of Joseph L. Ebersole, Deputy Dir., Federal Judicial Center, to the Antitrust Commission 7–9 (Sept. 28, 1978) (response to follow-up questions).

[16] *See, e.g., Antitrust Commission Hearings* 139–40 (July 11, 1978) (testimony of Judge Alvin B. Rubin, U.S. Court of Appeals for the Fifth Circuit). Judge Rubin suggested that a central resource and research staff could be created to assist judges facing complex litigation, and that it might be linked by computer with the various circuit courts.

[17] Exec. Order No. 12022, 3 C.F.R. 155 (1977), *as amended by* Exec. Order No. 12052, 43 Fed. Reg. 15,133 (1978).

[18] *Antitrust Commission Hearings* 76–82 (Sept. 12, 1978, morning session) (testimony of Senior Judge John Minor Wisdom, U.S. Court of Appeals for Fifth Circuit, and Chairman, Judicial Panel on Multidistrict Litigation); *id.* at 127–28 (July 11, 1978) (testimony of Judge Charles B. Renfrew). *See also* Resolution of the Eleventh Transferee Judges' Conference (Nov. 3, 1978) (opposes special roster of judges for antitrust cases because of perceived tendency to create an "elite" group of judges).

[19] Commissioner Arkins believes that a circuit-wide roster of district judges, who have demonstrated efficiency in handling of complex cases, to whom random assignment of complex antitrust cases could be made, would help assure effective judicial management. The roster should be continuously supplemented by the addition of judges who have successfully handled complex cases as transferee judges by assignment from the Multidistrict Panel.

The Commission notes that listed under the President's Standards for Evaluating Proposed Nominees for United States district court judgeships is the "ability and willingness to manage complicated pretrial and trial proceedings." Exec. Order No. 12097, § 1-201(g), 14 Weekly Comp. Pres. Doc. 1975, 1976 (Nov. 8, 1978).

[20] *See, e.g.*, United States v. Keane, 375 F. Supp. 1201 (N.D. Ill. 1974) (setting out and discussing unpublished assignment procedures); D.N.J. Local R. 11(C)(1); D.D.C. Local R. 3-3(c).

[21] *See* Oliver, *Reflections on the History of Circuit Judicial Councils and Circuit Judicial Conferences*, 64 F.R.D. 201 (1975). *See also* 28 U.S.C. §§ 332, 333 (1976).

[22] Report of the Proceedings of the Judicial Conference of the United States, October 28–29, 1971, at 70–74 (1971) (Resolution on Prompt Disposition of Certain Cases).

[23] Antitrust Commission Staff, *Magistrates and Masters* (Aug. 7, 1978) (options paper submitted to the Antitrust Commission).

[24] *Antitrust Commission Hearings* 53–54 (July 11, 1978) (testimony of James T. Halverson, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 172–73 (testimony of Judge Charles B. Renfrew); *id.* at 174 (testimony of Judge Alvin B. Rubin); Foster Submission, *supra* note 1, at 11–13.

[25] *See* Chapter Four *infra*. The Commission received comment critical of the approach to pretrial management taken by the *Manual for Complex Litigation*. *See Antitrust Commission Hearings* 41, 99–100 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.); Foster Submission, *supra* note 1, at 18–20; Submission of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 2 (Sept. 13, 1978); Submission of William E. Swope, Director of Operations, Antitrust Div., Dep't of Justice, to the Antitrust Commission 4–5 (Oct. 17, 1978) (response to follow-up questions). *See also* Comment, *Observations on the Manual for Complex and Multidistrict Litigation*, 68 Mich. L. Rev. 303 (1969).

Chapter two: The use of time limits to expedite litigation

This chapter discusses the use of time limits or cutoff dates as a way to avoid undue protraction of complex antitrust cases.

Recommendations

1. Time limits should be regularly used to expedite major phases of complex litigation.

2. Time limits should be established early, tailored to the circumstances of each case, firmly but fairly maintained, and accompanied by other methods of sound judicial management.

3. The regular use of pretrial time limits should be effectuated by amending Rule 16 of the Federal Rules of Civil Procedure to authorize the establishment of time limits and cutoff dates. A local court rule modeled on the one included here should set a preliminary pretrial conference for 45 days after the complaint is served, mandate the establishment of time limits as soon as practicable thereafter, direct the early establishment of a firm trial date, and establish a maximum of 24 months for the completion of pretrial, not as a norm and extendable only in truly extraordinary cases.

The Need for Time Limits

In many complex cases, much pretrial time is consumed by tangential and unfocused activity, by deliberately dilatory behavior, or by periods of inactivity between spasms of more productive effort. The Commission's own investigation indicates that much of what lawyers do during litigation could just as well be left undone. A recent, exhaustive study by the Federal Judicial Center shows that needlessly wasted time constitutes a substantial portion of pretrial in many complex cases.[1] In districts having strong time controls, cases were resolved as much as 50 percent faster than similar actions in other districts with weaker controls.[2]

The use of time limits to expedite judicial and administrative proceedings is now receiving widespread and favorable comment. For example, a special "task force" within the Federal Trade Commission has recommended that time limits be set in litigation before that agency.[3] The Administrative Conference of the United States[4] has suggested the use of time limits to expedite various types of administrative action.[5] Time limits also play an important part in ensuring manageability of class actions under a recent proposal sponsored by the Department of Justice's Office for Improvements in the Administration of Justice.[6] During its hearings the Commission heard much testimony favoring and little opposing the use of time limits as one means of effective judicial control.[7]

The value of time limits lies in their simplicity and their capacity to stimulate litigants to narrow the areas of inquiry and advocacy to those they believe are truly relevant and material.[8] Time limits not only compress the amount of time for litigation, they also reduce the amount of resources invested in litigation. Litigants are forced to establish discovery priorities and thus to do the most important work first. Time limits may also be imposed on trials so that parties will pare away redundant witnesses and documents while still having wide latitude in putting on their cases.[9]

Footnotes at end of chapter.

Using Time Limits Effectively

There are several necessary components to the successful use of time limits. Time limits should encompass relatively large segments of litigation activity, should be determined by the judge as early in the litigations as possible, should be firmly maintained, and must be accompanied by other controls, such as discovery management, issue definition, and effective sanctions.

It is desirable to establish time limits for each major phase of a complex case, so that within each fixed period the litigants are motivated to exercise self-discipline and creative choices between alternatives. In some cases, a judge may want to establish interim deadlines covering portions of discovery activity. The adoption of overall time limits, however, for all major phases of litigation, particularly discovery, is clearly needed.

Time limits should be set early in the litigation. This allows the parties and the court to plan complex litigation rationally from the outset. The Federal Judicial Center has endorsed the early setting of time limits,[10] as do a large number of local rules.[11]

The determination of proper cutoff dates is crucial. Time limits must be realistic. An arbitrarily short time limit will be unjust; one luxuriously long will be ineffective. Therefore, after consultation with counsel, the judge should establish time limits that are appropriate for the particular case, based on an intimate knowledge of the action, common sense, and the court's experience.

Clearly, as the Federal Judicial Center and others have emphasized, a time limit must be firm to be credible.[12] Time limits should be expanded only by court order, and then only on a showing of substantial need and the prior due diligence of the parties. Firmness, of course, does not mean absolute intractability. Even when time limits work credibly and well, situations do arise in which more time is necessary.[13] Failure to adjust time limits to the circumstances or to prevent harassment or oppression would be unreasonable.[14] Extension, however, should be allowed only when demonstrably necessary.

Finally, time limits for complex cases must be combined with other means of judicial control to maximize their effectiveness. Early judicial efforts leading to a clear understanding of the issues can help make tight time periods work more productively. Controls on the scope and responsiveness of discovery are necessary to keep time limits from being used to oppress an adversary. A willingness to employ appropriate sanctions can also help to prevent injustice. Thus integrated with other controls, time limits are an important tool of strong judicial control in complex cases.

Time limits for length of trial, as imposed recently in a large antitrust case,[15] have been rarely used. The power of judges to cut off cumulative, redundant presentations of proof may provide authority for the use of overall limits on trial presentations.[16] As long as the limitations established are realistic and fair, and the judge prevents delaying tactics by hostile witnesses, we believe that trial time limits would also be an appropriate means of expediting litigation.

Footnotes at end of chapter.

A New Method for Effective Use of Time Limits

Pretrial time limits have been used sporadically for some years and have been rarely challenged.[17] Time limits now are generally permissible as long as they are reasonable.[18] Several federal districts have local rules authorizing or mandating such limits in one form or another.[19] Some local rules contemplate the establishment of time limits by the judge at an early, preliminary pretrial conference; others allow court personnel to set limits when the complaint is filed. Some local rules simply stipulate the number of days or months allowed for discovery; others provide for no time limits until a pretrial conference held shortly before trial. Only a few local court rules address complex cases specifically; those that do tend simply to double the number of months allowed in noncomplex cases.[20] The existing rules are therefore too diverse and untailored to deal specifically with complex cases. Accordingly, effective and widespread use of time limits in the ways recommended here, although permissible under current law, would be facilitated by changes in existing local rules.

The Commission considered recommending a national rule governing the establishment of time limits, but concluded that such a rule would be too inflexible to allow for existing variations in local practice, particularly in view of the maximum time periods already provided in some districts. Accordingly, we endorse the adoption of a uniform but flexible rule at the district level.

Since an early, preliminary pretrial conference is vital to the Commission's recommendations, we recommend that Rule 16 of the Federal Rules of Civil Procedure be amended to authorize the establishment of time limits and cutoff dates. Time limits and cutoff dates should be added to the six enumerated items now listed in Rule 16 for consideration at a preliminary pretrial conference and should be included among the components of the pretrial order. Our suggested language, set out at the end of Chapter Four, is permissive, not mandatory, but it would encourage courts and litigants to utilize time limits in complex cases. We also recommend that Rule 16 be amended to provide, additionally, for a preliminary pretrial conference if requested by one of the parties.

The Proposed Model Local Rule

The full text of a model local rule is set out at the end of this chapter. Each essential element of the proposal has sufficient flexibility to permit minor adjustments to accommodate local conditions.

The rule would first require that in a potentially complex case a preliminary pretrial conference be held within 45 days of the service of a complaint.[21] As explained in the next chapter, an early, preliminary pretrial conference is vital to the process of making complex cases manageable. Such a conference, or, if necessary, a series of such conferences, should be the forum for ascertaining information and positions necessary to formulate fair and realistic pretrial time limits. Forty-five days should allow counsel time to prepare for the initial conference; indeed the judge may require the parties to meet beforehand to discuss the issues and a discovery schedule. The 45-day period should start to run upon service of the complaint since an answer or other responsive pleading may be delayed.[22] While the preliminary pretrial conference should be held on schedule whether or not the answer or responsive pleading has been served, the filing of answers and other responsive pleadings should not be delayed. An answer or other pleading directly assists the court in formulating realistic pretrial time limits and serves the important function of beginning the process of issue narrowing.[23]

The proposed rule applies only to potentially complex cases. If the local rules now in effect require an early, preliminary pretrial in all civil cases, as do many existing local rules, the designation of a lawsuit as complex would not be necessary. If the applicability of the local rule does depend on a determination of "complexity," the determination should be made quickly by the Chief Judge, the assigned judge or other court personnel.[24] Although not all antitrust cases are complex, a preliminary pretrial conference should be called whenever there is doubt as to the potential complexity of a particular action.

The second major change incorporated in the proposed local rule complements the first. A district judge assigned a complex case may need time to determine appropriate time limits; the proposed rule gives him 30 days after such a preliminary pretrial conference. The object is for the judge to be able to make a considered determination, but to do so with all due speed.

Thirdly, the model rule would articulate a strict standard for extending time periods. Extensions would not be available merely by stipulation of the parties, but would require leave of court. Extensions of time for the personal convenience of counsel would also be limited. A standard requiring both need and due diligence[25] for extensions provides needed flexibility but should ensure that the exception will not become the rule.[26]

While the judge handling a complex case should set a specifically tailored time limit that is not longer than circumstances require, the proposed model local rule should set a ceiling on the judge's discretion by specifying a maximum allowable pretrial period. Such a period should be clearly designated as a maximum, intended only for a few unusual cases, and not as a norm. Of course, the maximum itself may occasionally have to be extended to prevent injustice, but ordinarily it should signal the outer limit of allowable pretrial time. Because we believe that all but a handful of extraordinarily complex cases can be brought to trial within 24 months, we recommend that individual judges and the various district courts consider that period as a practical ceiling on pretrial time. Some Commissioners oppose the use of the 24-month figure or any other specific maximum time in the local rule because they fear that such a maximum could unintentionally become the norm, or even a minimum. These Commissioners believe that each case should have its own time limit, determined by the judge alone.[27] A majority of the Commissioners, however, believe that 24 months is a fair and reasonable specific maximum, based on their own experience and judgment, the pretrial blueprint recently set out in *United States* v. *AT&T*,[28] a highly complex case, and the available statistics on potential time savings in complicated cases.[29]

Finally, the proposed rule would require judges handling complex cases to report any relaxation of established time limits or the maximum 24-month period to their Chief Judge and the appropriate Circuit Council. Testimony before the Commission indicated that analogous reporting requirements have had salutary effects on judges' performance.[30] This requirement would not afford appellate review of the judge's action, but would facilitate administrative supervision and help to highlight any need for assistance that the judge may have.

The text of the model rule we recommend to federal district courts is set forth below.

Text of a Model Local Time Limits Rule

"Time limits for complex civil actions"

(1) Not later than 45 days after the service of the complaint in any civil action deemed to be potentially complex, the judge assigned the matter shall hold an initial pretrial conference. This conference shall be held for purposes of considering any and all matters which may be raised at such confer-

ence under Rule 16, of the Federal Rules of Civil Procedure, including the setting of pretrial time limits and cutoff dates. The court may require counsel to meet prior to such conference and either agree on a statement of issues and a plan and schedule of discovery or file a statement that they met and were unable to reach such an agreement.

(2) Within 30 days after the initial pretrial conference required in subsection (1) has been held, or as soon thereafter as is practicable, the judge assigned the matter shall enter an order fixing cutoff dates for the parties to complete discovery and also a trial date. The judge may, in his discretion, include in such order or by any supplemental order such other provisions as he deems appropriate.

(3) The parties and their counsel are bound by the dates specified in said order and no extensions thereof shall be granted without a showing of good cause. Failure on the part of counsel to proceed promptly and diligently with the processes of discovery shall not constitute such good cause. Orders for extensions of time shall be entered only after consultation with, or hearing before the court.

(4) Continuances of time periods pertaining to pretrial processes but not set out in the order specified in subsection (2) and based on the personal inconvenience of counsel shall be strictly limited and allowed only upon a showing of good cause.

(5) Save where manifest injustice would result, the maximum periods of time set out in any order entered under subsection (2) shall not exceed 24 months from the date of service of the complaint. A 24-month time period shall be allowed only rarely, where an action presents potential for extreme and unusual complexity.

(6) A judge assigned a case to which this rule applies shall report to the Chief Judge and to the Circuit Council, in writing, whenever any order is entered pursuant to subsection (3) granting an extension of time or an order is entered pursuant to subsection (2) allowing a time limit in excess of 24 months.

FOOTNOTES

[1] *See* P. Connolly, E. Holleman & M. Kuhlman, Judicial Controls and the Civil Litigative Process: Discovery 62–66 (Federal Judicial Center 1978) [hereinafter cited as FJC Discovery Report].

[2] *Id.* at 68–69.

[3] *See* Working Group, Federal Trade Commission Staff, Report on Complex Antitrust Case Procedures 11–12 (1978) (not necessarily official FTC policy) [hereinafter cited as Working Group Report].

[4] The Administrative Conference of the United States is a body created by statute to serve as a forum for the exchange of ideas about administrative procedure and to develop proposals to ensure that federal regulatory activities do not infringe on private rights and are "carried out expeditiously in the public interest." 5 U.S.C. § 571 (1976).

[5] Administrative Conference of the United States, Recommendation 78–3: Time Limits on Agency Actions (June 7–8, 1978).

[6] *See* Office for Improvements in the Administration of Justice, United States Department of Justice, S. 3475: Bill Commentary (Aug. 25, 1978) (Proposed Revisions in Federal Class Damage Procedures) (not necessarily Department of Justice policy).

[7] Numerous witnesses supported the use of time limits. *See, e.g., Antitrust Commission Hearings* 27–28 (Sept. 13, 1978, morning session) (testimony of A.G.W. Biddle, President, Computer Communications Industry Ass'n); *id.* at 17–18 (Sept. 12, 1978, morning session) (testimony of Judge Patrick E. Higginbotham, U.S. District Court, Northern District of Texas); *id.* at 110–11 (testimony of Judge Charles R. Weiner, U.S. District Court, Eastern District of Pennsylvania); *id.* at 133–34 (July 13, 1978) (testimony of Chief Administrative Law Judge Daniel H. Hanscom, Federal Trade Commission); *id.* at 75–76 (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 118 (July 12, 1978) (testimony of Harold E. Kohn, Esq., Philadelphia, Pa.); *id.* at 37 (July 11, 1978) (testimony of Fred H. Bartlit, Jr., member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 52–53 (testimony of James T. Halverson, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 144 (testimony of Judge Frederick B. Lacey, U.S. District Court, District of New Jersey); *id.* at 146, 148 (testimony of Judge Charles B. Renfrew, U.S. District Court, Northern District of California); *id.* at 147 (testimony of Judge Alvin B. Rubin, U.S. Court of Appeals for the Fifth Circuit); *id.* at 191–92 (testimony of John E. Sarbaugh, Chief, Chicago Field Office, Antitrust Div., Dep't of Justice); *id.* at 190 (testimony of William E. Swope, Director of Operations, Antitrust Div., Dep't of Justice); *id.* at 77–78 (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n). A few witnesses stressed their reservations about the use of time limits. *See, e. g., id.* at 677 (testimony of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[8] *Id.* at 36–39 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.).

[9] Time limits can also be useful in the post-judgment period, in that they might compel a defendant facing injunctive and/or structural relief to think more realistically and creatively about that relief. *See* Chapter 7 *infra*.

[10] FJC Discovery Report, *supra* note 1, at 78–79.

[11] *E.g.*, E.D. Pa. Local R. 7(b)(2); E.D. Va. Local R. 12(3)(a).

[12] *See, e.g., Antitrust Commission Hearings* 116–18 (July 12, 1978) (testimony of Harold E. Kohn); *id.* at 148 (July 11, 1978) (testimony of Judge Charles B. Renfrew); FJC Discovery Report, *supra* note 1, at 82–83.

[13] For example, in the Southern District of Florida, judges granted one discovery deadline extension in 48 percent of the cases with a cutoff date and multiple extensions in 14 percent of such cases. FJC Discovery Report, *supra* note 1, at 73.

[14] *See, e.g.*, Alamance Indus., Inc., v. Filene's, 291 F.2d 142 (1st Cir.), *cert. denied*, 368 U.S. 831 (1961).

[15] SCM Corp. v. Xerox Corp., 77 F.R.D. 10 (D. Conn. 1977).

[16] *Id.* at 13–14 and authorities cited therein.

[17] For example, in Alamance Indus., Inc. v. Filene's, 291 F.2d 142 (1st Cir.), *cert. denied*, 368 U.S. 831 (1961), and Freehill v. Lewis, 355 F.2d 46, 48–49 (4th Cir. 1966), strict time limits were found unreasonable because, in the view of the appellate court, the trial court had completely failed to consider the legitimate and reasonable interests of one or more parties in a later trial date.

[18] Greyhound Lines, Inc. v. Miller, 402 F.2d 134, 144 (8th Cir. 1968); Freehill v. Lewis, 355 F.2d 46, 48 (4th Cir. 1966).

[19] T. Guyer, Survey of Local Civil Discovery Procedures 12–17 (Federal Judicial Center Staff Paper 1977).

[20] Local rules which impose longer discovery ceilings for antitrust, patent, and trademark matters or for complex matters generally include E.D.N.C. Civ. R. 7(E) (eight months from filing of answer for antitrust cases versus four months for other cases); S.D. Tex. Local R. 15(e) (six months versus four months); N.D. Ind. Local R. 12(d) (eight months versus five months).

[21] The Commission's position that 45 days provides adequate time for preparation for this conference is similar to the position of the Working Group Report, *supra* note 3, at 8, which recommends that a preliminary conference be held in FTC cases within 45 days of the filing of the answer to the complaint. Local Rule 7(b) of the Eastern District of Pennsylvania also requires an initial pretrial conference to be held within 45 days of the filing of the complaint.

[22] One study found that few answers are timely filed and that the answer may not be filed until several months after the filing of the complaint. *See* S. Flanders, Case Management and Court Management in United States District Courts 21–23 (Federal Judicial Center 1977).

[23] This is consistent with the import of the Working Group Report, *supra* note 3.

[24] The Administrative Office Form which must be completed and filed by plaintiff's counsel when a complaint is filed discloses the nature of the litigation, including whether it is an antitrust action. The person who determines whether the case is complex can base his decision on a prompt review of this form.

[25] The FJC Discovery Report, *supra* note 1, at 82, also concluded that "[p]ostponements of the cutoff date should be granted only if the moving party shows both active discovery during the initial control period and a specific need for further discovery."

[26] If at least one extension is granted in 85 percent of cases with cutoff dates for discovery and multiple extensions in 60 percent of those cases, as happens in the Central District of California, *id.* at 73, most of the benefits of setting the original schedule are lost.

[27] Commissioner Blecher believes that the 24-month limitation for pretrial may be desirable for government cases where the plaintiff has pre-complaint discovery powers. He believes, however, that such a limitation with respect to private plaintiffs is impractical and potentially oppressive. In private cases, particularly where no prior record has been developed as a result of a previous case, 24 months is simply inadequate. In such cases, the plaintiff may only know that it has been injured and that its injury, *e.g.*, termination of a dealership, appears to be linked to its competitive behavior, *e.g.*, price-cutting. Discovery in these circumstances is the lifeblood of the private case, and restricting it arbitrarily will penalize plaintiffs and unfairly advantage defendants.

[28] United States v. American Tel. & Tel. Co., [1978–2] Trade Cas. ¶ 62,247 (D.D.C. Sept. 11, 1978), *on motion for reconsideration*, [1978–2] Trade Cas. ¶ 62,312 (Oct. 18, 1978).

[29] Figures compiled by the Administrative Office of the United States Courts show that approximately one quarter of the antitrust cases tried in the statistical years 1970–1978 took more than two years from the filing of the answer to trial. Submission of Joseph F. Spaniol, Jr., Deputy Dir., Administrative Office, U.S. Courts, to the Antitrust Commission, Table 4A (Oct. 20, 1978) (attachments to letter to Wendell B. Alcorn, Jr., Spec. Counsel to the Antitrust Commission). These data include many cases in courts without strong judicial management, and the FJC Discovery Report, *supra* note 1, at 55 Table 20, found that strong judicial controls can cut almost in half the length of discovery in cases with a lot of discovery. Accordingly, many of the antitrust cases which took more than two years to get to trial could have been handled in considerably less time. These statistics, combined with the experience in cases like *AT & T*, demonstrate that a goal of 24 months or less between complaint and trial is realistic in all but a small percentage of antitrust cases.

[30] *See Antitrust Commission Hearings* 34 (Sept. 12, 1978, morning session) (testimony of Judge Robert R. Merhige, Jr., U.S. District Court, Eastern District of Virginia); *id.* at 35 (testimony of Judge Jon O. Newman, U.S. District Court, District of Connecticut); *id.*

at 107–08 (testimony of Senior Judge John Minor Wisdom, U.S. Court of Appeals for the Fifth Circuit, and Chairman, Judicial Panel on Multidistrict Litigation).

Chapter three: Control of discovery

Pretrial discovery usually consumes the greatest amount of time spent in complex litigation. This chapter discusses means of curbing wasteful or abusive discovery practices in complex cases, and makes recommendations designed to increase the efficiency of discovery procedures.

Recommendations

1. Courts handling complex cases should exercise effective, direct control over the discovery process. They should balance the burdensomeness of particular discovery activity against its materiality and reduce discovery of tangential, immaterial matters.

2. Application of existing discovery rules by the courts has not resulted in a balanced and reasonable discovery process. Therefore, Rule 26(b) of the Federal Rules of Civil Procedure should be amended to narrow the scope of discovery. Rule 26(c) should be amended to make it clear that the court may, on its own initiative, protect against "annoyance, embarrassment, oppression, or undue burden or expense" related to discovery.

3. Improvements should also be made in the mechanics of written interrogatories, oral depositions, and document production. Procedures authorizing government access to materials discovered in private antitrust actions should be liberalized, and the interest of litigation efficiency should be given greater weight by courts that are requested to grant private parties access to grand jury materials.

Nature of the Discovery Problem

Discovery practices that cause undue delay and unnecessary expense are a major problem in complex cases. The record of the Commission and the Commission's Empirical Case Studies Project[1] make clear the need for discovery reform, particularly in very large antitrust cases.[2] The Rules Committee of the Judicial Conference has been considering extensive revisions to discovery procedures, as have the American Bar Association and other groups.[3] Although lawyers often have greatly different perceptions about which specific practices are the most abusive, depending on whether they ordinarily represent plaintiffs or defendants, there is considerable unanimity that serious discovery abuses exist.

The Report on the Empirical Case Studies Project make clear the magnitude of discovery difficulties in major cases. For example, one recent complex antitrust case[4] consumed four years of pretrial and required a 14-month jury trial. Depositions took 700 days and hundreds of thousands of documents were produced. Over 60 pretrial motions, leading to more than 40 opinions, were filed. Another recently tried private monopolization case[5] resulted in 4½ years of pretrial effort during which 33 hearings were held and 21 written opinions were issued by the court on scheduling and discovery matters. In a still pending government action[6] under Section 2 of the Sherman Act,[7] which was filed in 1969, the plaintiff produced about 26 million pages of documents, of which the defendant selected about 890,000 for duplication. The defendant produced around 4 million pages directly in this action. It also produced approximately 60 million documents to various private parties, many of which were copied and turned over to the United States. The litigants in this case took 1,270 depositions, including over 800 depositions by the defendant on relevant market issues.

Although cases like those described above may be in a class by themselves in terms of size and complexity, available statistical data indicate that a substantial number of other antitrust cases also pose serious problems of delay and expense.[8] In such cases, discovery is frequently carried to excessive lengths. The use of overly broad, intrusive, repetitious and confusing interrogatories and document requests does little to advance the litigation, and results in wasted time and resources.

Poor responsiveness to discovery can be equally abusive; responses may be delayed, incomplete, and evasive. The adverse impact of such resistance is increased because the party seeking more responsiveness has the burden of moving for an order compelling discovery.[9] Another abuse is to go beyond the scope of the inquiry. This technique consists of providing an opponent with a "flood" of low-grade information, often with the most important items deliberately buried or produced last.[10]

Courts, unfortunately, largely have been resigned to permitting such activity. Since the modern federal rules on civil discovery were enacted in 1938, the prevailing attitude has been that the discovery rules should be construed liberally and left to operate with little or no judicial intervention.[11] See, for example, *Hickman* v. *Taylor*,[12] a leading judicial pronouncement on the philosophy of the discovery rules.[13] This permissive attitude toward discovery appears, however, to have been carried too far with adverse consequences for efficient judicial management. At least in the area the Commission studied, some real tightening up of discovery is required.

Control of Discovery Through Better Management of Its Scope

In the Commission's judgment, there are four separable, but integrally related elements of better control over discovery: more active and informed judicial management; a more sensitive approach toward the scope and burdensomeness of discovery; an early and continuing effort to define issues; and certain "mechanical" improvements in the main discovery devices.

A timely and informed judicial presence, whether through pretrial conferences, "status calls," or informal meetings, sets a better tone for discovery and makes parties aware of their responsibilities. Even without any rule change, close monitoring and attention by the court can make the litigants more cooperative and sanctions less necessary.[14] A judge is by these means able to offer and adopt his own ideas for scheduling and limiting discovery.[15] Although the court should, through consultation with counsel, avoid the imposition of a discovery plan by fiat, uncooperative attitudes or unproductive proposals by the litigants should not be accepted by the court. Efficient discovery processes, in sum, are not promoted by the sort of passive judicial posture that has been traditional in discovery matters.

Past practice in antitrust cases has often favored exceptionally liberal discovery; little concern has been shown for preventing burdensome discovery or prolonged discovery into marginal areas. An example of this permissive attitude is the case of *Maritime Cinema Service Corp.* v. *Movies en Route, Inc.*,[16] where the court stated:

"[D]iscovery under the Federal Rules, particularly in antitrust cases, is extremely broad, and not limited to the allegations of the pleadings . . . In antitrust litigation discovery is broadly permitted, and the burden or cost of providing the information sought is less weighty a consideration than in other cases." [17]

Courts have often adopted this view because the broad remedial purposes of the antitrust laws are said to require great discovery latitude for those seeking to enforce them.[18]

Not all antitrust courts, however, have abdicated a supervisory role over discovery. Courts do have broad and flexible authority to manage discovery, and some have used their authority to cut off tangential and overly costly inquiries.[19] In *Carlson Cos.* v. *Sperry & Hutchinson Co.*,[20] the court denied discovery into the acquisition or operation of subsidiaries that did not directly engage in a business related to the relevant product market. The court observed:

"[W]hen the requests approach the outer bounds of relevance and the information requested may only marginally enhance the objectives of providing information to the parties or narrowing the issues, the court must then weigh that request with the hardship to the party from whom discovery is sought." [21]

Too much permissiveness in discovery can and should be redressed by greater judicial sensitivity to the burdens of the process. The materiality of information sought should be weighed against the expected burden of producing it. By this approach discovery of marginally relevant material should be prohibited, or sought through more economical means, or postponed until more fruitful matters have been explored. Judicial control reflecting such a balancing process will not unduly restrict discovery or deny a party important information; rather, it will stress the need for economical choices and alternatives.

Balancing the materiality of the information sought against the burden imposed by the inquiry cannot be done in a vacuum. To make balancing work, courts must appraise relevance and materiality more carefully. Antitrust discovery decisions demonstrate that stemming such unwarranted discovery is both practicable and worthwhile.[22]

Since many courts, however, apparently are reluctant, despite their existing power, to limit discovery, an amendment to Rule 26 (b) of the Federal Rules of Civil Procedure is desirable. The Rule now defines the scope of allowable discovery by providing: "parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action." [23]

In the face of this broad standard, many courts apparently feel unable to limit discovery significantly. The Rules Committee of the Judicial Conference and a Special Committee of the Litigation Section of the American Bar Association, among others, support revision of this language to emphasize that courts can and should place reasonable limitations on the scope of discovery.[24]

The Special Committee of the American Bar Association has indicated a preference for defining "relevance" in terms of the issues raised," [25] while the Rules Committee of the Judicial Conference has tentatively chosen, instead, to define "relevance" with regard to the "claims or defenses" of the parties.[26] In both versions, the phrase "subject matter" has been deleted because it has permitted overly broad discovery. While the ABA Committee's version is somewhat more consistent with our recommendations for early issue definition, we support the adoption of either of these approaches, since both appear to be aimed at the same objective: "to direct courts not to continue the present practice of erring on the side of expansive discovery." [27]

Rule 26(c) of the Federal Rules of Civil Procedure is also germane to the effective control of discovery since it authorizes courts to protect litigants or others from "annoyance, embarrassment, oppression, or undue burden or expense." [28] Although this rule has the potential to curb abusive discovery and has been used to facilitate discovery by protecting the confidentiality of privileged information, it has only occasionally been employed to prevent undue burden of expense.[29] Parties served with reasonable and

Footnotes at end of chapter.

potentially abusive discovery demands too often fail to seek judicial protection. If a judge does not know that wasteful and dilatory pretrial techniques are being employed, management controls cannot be applied to remedy the situation. Litigants should give more serious consideration to moving for relief under this rule when faced with unreasonable discovery demands, and courts should be receptive to curtailing such abuses by issuing protective orders. Indeed, the rule should be amended to authorize courts to issue such orders on their own motion, following consultation with counsel, rather than waiting for a motion from one of the parties. Some commissioners, however, believe that courts should take such initiative only in egregious circumstances, where litigants fail to assume their responsibility to invoke rule 26(c) to assure the efficient progress of litigation.

Control of Discovery Through Early and Continuous Issue Definition

To control discovery actively and effectively, judges must be familiar with the issues in the case. A judge who is familiar with the issues can effectively limit the scope of discovery, decisively rule on discovery motions and ensure that discovery responses are forthright. Indeed, the processes of controlling discovery and defining the issues must go together: close monitoring of discovery plans can help a court define the issues; focusing issues can help guide discovery. Our recommendations concerning early issue definition are set out in chapter four *infra*.

Reduction of Inefficiencies Through Improved Discovery Devices

A basic change is needed in the approach toward pretrial discovery prescribed in the *Manual for Complex Litigation*. The *Manual* advocates the use of consecutive waves or layers of discovery, each being confined to a different phase of inquiry. A first wave seeks background information, such as location of documents and witnesses; a second wave seeks information on the merits; and a third wave satisfies remaining discovery needs such as amount of damages suffered. Although this may be a logical sequence for discovery in some cases, it is not an efficient process in most complex antitrust cases since it often leads to repetitious and wasteful pretrial activities.[30] Courts, thus, should avoid the automatic use of such an approach. Judicial management of the overall scope and sequence of discovery should, instead, be based on educated, *ad hoc* determinations by the court.

The court should encourage the litigants to employ discovery devices suited to the particular objective of the inquiry. At the initial, preliminary pretrial conference, the court and counsel should consider setting flexible guidelines for interrogatories and depositions. Continued experimentation by local districts in setting limits on the number of interrogatories and depositions may also lead to greater efficiency.[31] The Rules Committee of the Judicial Conference has proposed an amendment to Rule 33 of the Federal Rules of Civil Procedure that would expressly authorize the promulgation of such local court rules.[32]

Some existing procedural rules themselves raise problems of delay and cost, particularly in complex cases. Examples are Federal Rules of Civil Procedure 33 (governing written interrogatories to parties) and 34 (governing the production of documents and things), which permit the production of masses of disorganized, undesignated documents in response to interrogatories or document requests. This can result in significant delays in complex cases. The Commission has considered proposals designed to overcome this problem by the Rules Committee of the Judicial Conference, the Litigation Section of the American Bar Association, and the Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation.[33] These suggested changes would help prevent many serious abuses of the discovery process and we support them.[34]

In accordance with these recommendations, Rule 33(c) of the Federal Rules of Civil Procedure should be amended to require parties who respond to interrogatories by producing business records to specify the documents that are responsive to each interrogatory. This specification should be sufficiently detailed to permit the party seeking discovery to identify, as readily as the party producing the documents, the materials that contain the information sought.

Also, Rule 34 of the Federal Rules of Civil Procedure should be amended to require parties responding to a document request either to label the materials in a manner corresponding to the request or to produce files as they are maintained in the usual course of business. With respect to practice under Rule 34, the Second Circuit Commission has also suggested a promising change.[35] The party serving a document request would be able under the Second Circuit proposal to indicate the sequence in which the materials are desired and would have the right to inspect the files of the other party in the order so indicated (insofar as practicable). This would be an alternative, exercisable at the option of the discoverer, to the current practice of leaving the sequence and details of file searching solely to the discretion of the discoveree. This alternative procedure should prove less burdensome to both the party seeking and the party giving discovery. Where the alternative method is not chosen by the discovery seeker, the court could give objections regarding "burdensomeness" more weight than is presently done under Rule 34. We support a rule change to reflect this proposal.

Improved Procedures for Shared Discovery

Another important cause of unreasonable delay and extraordinary expense, particularly in complex antitrust suits brought by the government, is the denial of access to materials already produced in actions initiated by private parties. Courts have on occasion refused governmental access to such materials because of prior orders protecting such materials from disclosure to nonparties.[36] Such a response forces the government to devote enormous time and resources to duplicate the past discovery of private attorneys general, who are frequently willing but unable to share with the government already discovered materials. Potential defendants have no legitimate interest in wasting the government's time and taxpayers' money in the interest of gamesmanship. Requiring such waste and dissipation of government enforcement resources should be avoided, except upon a judicial determination that it would be grossly unfair or unjust to do otherwise. Potential unfairness or injustice could be prevented through the imposition of reasonable conditions on the government's use of the previously discovered materials.[37]

To dispel the ambiguity that presently exists, we recommend that the Antitrust Civil Process Act[38] be amended to authorize expressly the issuance of civil investigative demands for products of discovery.[39] By "products of discovery" we mean depositions, pre-existing collections of particularly significant documents, indices, digests, analyses, and the like.[40] Under the amended law, notice would be given to the party from whom discovery was originally obtained and that party, as well as the recipient of the demand, could raise any objection to production. The confidentiality protection accorded materials submitted to the government under the current Civil Process Act would continue to apply, and the courts would remain empowered to deny production if warranted by the circumstances.[41]

The Commission also heard testimony concerning the need of private antitrust litigants to obtain better access to grand jury material, particularly grand jury transcripts.[42] Disclosure to private parties has often been denied or delayed because of the strong public policy favoring grand jury secrecy. While we favor steps to increase the efficiency of pretrial discovery, we also recognize a need, in some cases, to preserve grand jury secrecy.[43]

Authority to order disclosure of grand jury documents and transcripts presently exists under Rule 6(e) of the Federal Rules of Criminal Procedure. Applications are handled on a case-by-case basis, balancing the need for disclosure against the need for grand jury secrecy. The standard of "particularized need" which the courts have used in ruling on disclosure requests does provide a flexible approach to the problem.[44] We emphasize, however, that the difficulty of obtaining discovery is a particular need that should also be given considerable weight by the courts.[45]

Commissioners Spivack, Blecher and Fox believe that secrecy now afforded antitrust grand jury proceedings is generally not justifiable after an indictment is returned. They would recommend amendment of Rule 6(e), Federal Rules of Criminal Procedure, to provide such secrecy in antitrust cases only where the government demonstrates to the court that there is a particularized need for preserving it. This, they contend, would be fairer to defendants in criminal cases and would significantly expedite treble damage litigation following indictment.

FOOTNOTES

[1] P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures (Jan. 15, 1979) [hereinafter cited as Gerhart Report].

[2] *Antitrust Commission Hearings* 29–36 (Sept. 13, 1978, morning session) (testimony of A.G.W. Biddle, President, Computer Communications Industry Ass'n); *id.* at 59 (July 13, 1978) (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 124–30 (testimony of Chief Administrative Law Judge Daniel H. Hanscom, Federal Trade Commission); Gerhart Report, *supra* note 1, at 13, 32; Submission of David L. Foster, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 6–7 (Oct. 2, 1978) (tabulation of responses to complex litigation questionnaire) [hereinafter cited as Foster Submission]; Submission of the Antitrust Div., Dep't of Justice, to the Antitrust Commission 5–6 (June 21, 1978) (tabulation of responses to complex litigation questionnaire).

[3] *See* Committee on Rules of Practice and Procedure, Judicial Conference of the United States, Preliminary Draft of Proposed Amendments to the Federal Rules of Civil Procedure (Mar. 1978) [hereinafter cited as Rules Committee Proposed Amendments]; Litigation Section, American Bar Ass'n, Report of the Special Committee for the Study of Discovery Abuse (Oct. 1977) [hereinafter cited as Discovery Abuse Report]; and Submission of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation, to the Antitrust Commission (July 5, 1978) (Proposal for a Volunteer Masters Pilot Program, Apr. 10, 1978) [hereinafter cited as Hruska Submission].

[4] SCM Corp. v. Xerox Corp., Civ. No. 15,807 (D. Conn. Dec. 29, 1978) and SCM Corp. v. Xerox Corp., 77 F.R.D. 10 (D. Conn. 1977).

[5] Berkley Photo, Inc. v. Eastman Kodak Co., 457 F. Supp. 404 (S.D.N.Y. 1978) (memorandum on post-trial motions).

[6] United States v. International Business Machs. Corp., 69 Civ. 200 (S.D.N.Y., filed Jan. 17, 1969).

[7] 15 U.S.C. § 2 (1976).

[8] *Antitrust Commission Hearings* 7 (July 11, 1978) (testimony of Joseph F. Spaniol, Jr., Deputy Dir., Administrative Office of the U.S. Courts); Administrative Office of the United States Courts, 1978 Annual Report of the Director, Table C5A at A–32 and A–33, Table C8 at A–42 (1978).

[9] *Antitrust Commission Hearings* 65 (July 13, 1978) (testimony of Alan J. Hruska); Submission of Thompson, Hine and Flory, Cleveland, Ohio, to the Antitrust Commission 8 (July 28, 1978) (Control of Discovery Abuses).

[10] *Antitrust Commission Hearings* 13 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning, member, Special Committee for the Study of Discovery Abuse, Litigation Section, American Bar Ass'n).

[11] Fed. R. Civ. P. 26(b) was first adopted in 1938 and was intended not to limit discovery, as had been the old Chancery practice, to facts supporting the case of the party seeking discovery. Notes of Advisory Committee on the Original Rules, Rule 26(b) was then amended in 1946 to permit "inquiry into matters in themselves inadmissible as evidence but which will lead to the discovery of such evidence." Notes of Advisory Committee on 1946 Amendment to Fed. R. Civ. P. 26(b). The Committee Note went on to state that "[t]he purpose of discovery is to allow a broad search for facts . . ." *Id.* In the 1970 amendments, the scope of discovery was not changed, but a provision was added whereby discovery could be limited as provided by any of the other rules. *See* Notes of Advisory Committee on 1970 Amendment to Fed. R. Civ. P. 26(b). As discussed *infra*, however, the primary mechanism for control, Rule 26 (c), has been employed infrequently.

[12] 329 U.S. 495 (1948).

[13] In language strongly endorsing an expansionist view of discovery, the Supreme Court stated:

"[T]he deposition-discovery rules are to be accorded a broad and liberal treatment. No longer can the time-honored cry of "fishing expedition" serve to preclude a party from inquiring into the facts underlying his opponent's case. Mutual knowledge of all the relevant facts gathered by both parties is essential to proper litigation. To that end, either party may compel the other to disgorge whatever facts he has in his possession." *Id.* at 507 (footnote omitted).

[14] Gerhart Report, supra note 1, at 40–42; Ellington, A Study of Sanctions for Discovery Abuse 109–13 (Nov. 27, 1978) (A report submitted to the Office for Improvements in the Administration of Justice, Dep't of Justice).

[15] Judges currently have the power to take part in discovery planning, and should do so. For a recent example of constructive judicial participation, see United States v. American Tel. & Tel. Co., [1978–2] Trade Cas. ¶ 62,247 (D.D.C. Sept. 11, 1978), *on motion for reconsideration*, [1978–2] Trade Cas. ¶ 62,312 (Oct. 18, 1978). *See also* Professional Adjusting Syss. of America, Inc. v. General Adjustment Bureau, Inc., 373 F. Supp. 1225 (S.D.N.Y. 1974); Dolgow v. Anderson, 53 FR.D. 661 (S.D.N.Y. 1971); Prepared Statement by Judge Charles B. Renfrew, U.S. District Court, Northern District of California, Judge Frederick B. Lacey, U.S. District Court, District of New Jersey, and Judge Alvin B. Rubin, U.S. Court of Appeals for the Fifth Circuit, to the Antitrust Commission *passim* (July 11, 1978) (contains a detailed list of suggestions for the increased control of complex cases by trial judges); 4 Moore's Federal Practice ¶ 26.56[1], at 26–142 (1978) ("Antitrust cases are so peculiarly complex, however, that the court is often called upon to fashion some limits . . . ."); 6 C. Wright & A. Miller, Federal Practice and Procedure ¶ 1530 (1970); Manual for Complex Litigation (1977).

[16] 60 F.R.D. 587 (S.D.N.Y. 1973).

[17] *Id.* at 589, 592.

[18] *See, e.g.*, United States v. International Business Machs. Corp., 66 F.R.D. 180, 186, 215 (S.D.N.Y. 1974) (three separate orders) ("[D]iscovery in antitrust litigation is most broadly permitted." *Id.* at 189); Morgan Smith Automotive Prods. Inc. v. General Motors Corp., 54 F.R.D. 19, 20 (E.D. Pa. 1971) (In allowing discovery of information relating to all product lines of automobiles and trucks manufactured by defendant, court stated that "utmost liberality" should be allowed for discovery in civil cases). For the application of traditionally liberal principles of discovery in antitrust litigation, see, *e.g.*, In re Folding Carton Antitrust Litigation, 76 F.R.D. 420 (N.D. Ill. 1977) and FTC v. Lukens Steel Corp., 23 Fed. R. Serv. 2d 1142 (D.D.C. 1977) (allowing discovery of materials dated seven years beyond the reach of the statute of limitations). *See also* Foster Submission, *supra* note 2, at 6 ("Any excessive delay can be principally attributed to the judicial approach to the scope of discovery in antitrust cases and the courts' failure to utilize available techniques to control complex litigation."); Submission of Palmer Brown Madden, and Cass R. Sunstein, Esqs., San Francisco, Cal., to the Antitrust Commission 8–11 (July 20, 1978) [hereinafter cited as Madden and Suntein Submission].

[19] *See* Professional Adjusting Syss. of America, Inc. v. General Adjustment Bureau, Inc., 373 F. Supp. 1225 (S.D.N.Y. 1974) (limiting time and geographic area of discovery); William Goldman Theaters, Inc. v. Metro-Goldwyn-Mayer, Inc., 54 F.R.D. 201 (E.D. Pa. 1971) (refusing to allow nationwide discovery where local conspiracy is alleged); Schenker v. Pepperidge Farms, Inc., 7 Fed. R. Serv. 2d 684 (S.D.N.Y. 1963) (limiting discovery to shorter time period, smaller geographic area, and fewer products than defendant had requested).

[20] 374 F. Supp. 1080 (D. Minn. 1974).

[21] *Id.* at 1088

[22] Madden and Sunstein Submission, *supra* note 18, *passim*.

[23] Fed. R. Civ. P. 26(b).

[24] *Antitrust Commission Hearings* 147–57 (July 13, 1978) (testimony of Harold S. Levy, General Att'y, American Telephone & Telegraph); *id.* at 188–209 (testimony of William Simon, Esq., Washington, D.C.); Rules Committee Proposed Amendments, *supra* note 3, at 6–11; Discovery Abuse Report, *supra* note 3, at 2–33.

[25] Discovery Abuse Report, *supra* note 3, at 2–3.

[26] Rules Committee Proposed Amendments, *supra* note 3, at 6–11.

[27] *Id.* at 10 (quoting with approval Discovery Abuse Report, *supra* note 3, at 3). *See also* Madden and Sunstein Submission, *supra* note 18, at 2.

[28] Fed. R. Civ. P. 26(c).

[29] Such motions as are made to prevent burdensome discovery have usually met a heavy burden of proof. *See, e.g.*, Davis v. Romney, 55 F.R.D. 337, 340 (E.D. Pa. 1972) (compelling reason for granting protective order to preclude discovery of documents not shown); Apco-Oil Corp. v. Certified Transp. Co., 46 F.R.D. 428, 432 (W.D. Mo. 1969).

[30] *See Antitrust Commission Hearings* 41 (July 11, 1978) (testimony of Fred H. Bartlit, Jr., member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); Foster Submission, *supra* note 2, at 18–20.

[31] Commissioner Atkins wishes to note that Judge Hugh Will, Northern District of Illinois, reports favorably on the experience of that district in limiting to 20 the total number of interrogatories including all subparts, except for cause. Very few requests have been received for leave to file a greater number of interrogatories. Also according to Commissioner Atkins, the Southern District of Florida, where a local rule limits the number of interrogatories to 40, has had similar favorable experience.

[32] *See* Rules Committee Proposed Amendments, *supra* note 3, at 29–32.

[33] *See Antitrust Commission Hearings* 13 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning); *id.* at 63–71, 80–82, 106 (July 13, 1978) (testimony of Alan J. Hruska). Also, after the deadline for submissions, the Commission received a written report generally critical of the rules changes proposed by the Committee on Rules of Practice and Procedure (*see* Rules Committee Proposed Amendments, *supra* note 3). *See* Arizona State University Discovery Conference, Report on the Advisory Committee's Proposed Revision of the Rules of Civil Procedure (Discovery) (Nov. 1978).

[34] *See* Letter from John H. Shenefield, Chairman, Antitrust Commission, to the Hon. Walter R. Mansfield, Chairman, Advisory Committee on Civil Rules, Judicial Conference of the United States (Nov. 30, 1978).

[35] *See Antitrust Commission Hearings* 80–82 (July 13, 1978) (testimony of Alan J. Hruska).

[36] Zenith Radio Corp. v. Matsushita Elec. Indus. Co., [1978–1] Trade Cas. ¶ 61,961 (E.D. Pa. 1976); GAF Corp. v. Eastman Kodak Co., 415 F. Supp. 129 (S.D.N.Y. 1976); Data Digests, Inc. v. Standard & Poor's Corp., 57 F.R.D. 42 (S.D.N.Y. 1972).

[37] *See* the discussion in note 39 *infra* concerning the proposed amendments to the Clayton and Antitrust Civil Process Acts to provide for notice to discoveree, preservation of privileges and immunities, and right of petitions for court order modifying a discovery order based on constitutional or other legal right or privilege.

[38] 15 U.S.C. §§ 1311–1314 (1976).

[39] *See, e.g.*, Submission by Neil E. Roberts, Chief, Evaluation Section, Antitrust Div., Dep't of Justice 3–12 (Mar. 1978) (proposed amendments to Clayton Act § 4 and the Antitrust Civil Process Act). Under the proposed amendment, sections 2 through 5 of the Antitrust Civil Process Act would be amended to provide in principal part that the Department of Justice may issue a civil investigative demand upon any person who may be in possession, custody, or control of any documentary material, "including any product of discovery obtained by such person in any litigation." In this amendment a "product of discovery" would be defined to "include without limitation the original or a duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery; any digest, analysis, selection, compilation, or other derivation thereof; and any index or manner of access thereto." The amendment would also contain the following provisions:

"Whenever a civil investigative demand is issued for any product of discovery, a copy of the demand shall be served upon the person from whom the discovery was originally obtained and the person to whom demand is issued shall be notified of the date on which such copy is served.

". . . any demand for any product of discovery shall not be returnable until after ten days after notice of said demand has been served upon the person from whom the discovery was originally obtained.

". . . a demand pursuant to this Act for any product of discovery shall supersede any inconsistent order, rule, or provision of law preventing or restraining disclosure of such product of discovery to any person; and provided further, that disclosure of any product of discovery pursuant to this Act shall not be deemed to constitute a waiver of any right or privilege, including without

limitation any right or privilege which may be invoked to resist discovery of trial preparation materials, to which the person making such disclosure may be entitled."

The amendment would also provide that all materials produced pursuant to the demand would be confidential and could be used only in the manner and for the purposes set forth in the Civil Process Act. Further, a motion to modify or set aside a civil investigative demand directed at a product of discovery could be made by the recipient of the demand or by the person from whom discovery was originally sought in the district court in which the discovery was originally obtained.

[40] Under this amendment a "product of discovery" would be defined to "include without limitation the original or a duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery; any digest, analysis, selection, compilation, or other derivation thereof; and any index or manner of access thereto." *Id.*

[41] *See* note 39 *supra*. Senator Hatch dissents from the recommendation for modification of procedures authorizing government acces to materials discovered in private antitrust actions.

[42] *Antitrust Commission Hearings* 43–45 (July 11, 1978) (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[43] *See* Submission of William E. Swope, Director of Operations, Antitrust Div., Dep't of Justice, to the Antitrust Commission 5–6 (Oct. 17, 1978) (responses to follow-up questions).

[44] Pittsburgh Plate Glass Co. v. United States, 360 U.S. 395 (1959); United States v. Procter & Gamble Co., 356 U.S. 677, 682 (1958); Petrol Stops N.W. v. United States, 571 F.2d 1127 (9th Cir.), *cert. granted sub nom.* Douglas Oil Co. v. Petrol Stops N.W., 98 S. Ct. 3087 (1978).

[45] Certainly the level of "need" required for permitting disclosure should diminish if the reasons for preserving secrecy become less compelling. *See, e.g.*, U.S. Indus., Inc. v. United States Dist. Court, 435 F.2d 18, 21 (9th Cir.), *cert. denied*, 382 U.S. 814 (1965); Illinois v. Harper & Row Publishers, Inc., 50 F.R.D. 37, 41 (N.D. Ill. 1969). For example, if grand jury transcripts have previously been disclosed to a witness' employer, the need for secrecy is reduced. Illinois v. Sarbaugh, 552 F.2d 768, 775 (7th Cir.), *cert. denied*, 434 U.S. 889 (1977).

Chapter four: Methods for early focusing and resolution of issues

Early focusing of issues in complex litigation can greatly aid in controlling discovery and simplifying the case. This chapter explores the types and uses of early issue-focusing, including the prompt exchange of "relevant market" contentions and the increased use, where appropriate, of judicial notice. Also addressed is the use of partial and full summary judgment and interlocutory appeals of controlling questions of law.

Recommendations

1. Procedures for early and continuous issue-focusing, including nonbinding statements of fact and contentions of law, should be used aggressively in complex litigation. Rule 16 of the Federal Rules of Civil Procedure, relating to pretrial conferences, should be amended to encourage this issue-focusing process and to strengthen judges' authority to manage and effectuate it.

2. The Department of Justice and the Federal Trade Commission, using pre-complaint investigation powers, should strive to bring well-prepared, well-focused cases that can be tried expeditiously. The government and private litigants should strive to use stipulations to the greatest extent practicable.

3. The parties should exchange their contentions and information concerning relevant market and market shares early in the proceedings. This information should be used by the judge to encourage stipulations or, at a minimum, more rapid resolution of issues involving market allegations.

4. In much antitrust litigation the parties may not significantly disagree on certain relevant facts, such as economic data. Where there is but one acceptable factual interpretation of economic or other evidence, the court should expedite the litigation by taking judicial notice of such facts.

5. Partial summary adjudication or summary judgment itself may expedite litigation by narrowing, resolving, or eliminating issues. While the standards for summary adjudication set forth in Rule 56 of the Federal Rules of Civil Procedure are workable, the utility of summary judgment has sometimes been impaired by overly restrictive judicial construction of Supreme Court precedent. In appropriate antitrust cases, courts should not be reluctant to use summary procedures to narrow or resolve the issues.

6. In certain cases, interlocutory appeal of controlling questions of law can expedite complex antitrust litigation. 28 U.S.C. § 1292 (b) should be employed in such litigation whenever appropriate and practical. Discovery and other pretrial activities generally should continue during such appeals.

Benefits and methods of issue definition

The definition and narrowing of issues promotes controlled discovery by helping to delineate its scope, and helping to outline the legal theories and evidentiary material on which each side intends to build its case. Exchanging and updating statements of contentions and issues can eliminate the waste that occurs when a party drops an issue or changes theories without informing the other side, a practice of which we strongly disapprove.[1] Moreover, when issue-focusing proceeds in conjunction with the refinement of the facts through discovery, areas of substantial agreement may emerge. Such agreed-on facts can be reduced to stipulations or presented in the form of requests to admit prior to trial.[2] The effort expended on pretrial issue definition can also help streamline the evidence and arguments to be presented at trial.[3] Accordingly, issues should be defined in each case to enable the judge to consider facts and law within the context of actual disputes and to limit the litigation to proceedings and activities that are truly relevant and material.

In many complex cases, final definition of the issues will be achieved only after a series of pretrial conferences and substantial discovery.[4] Yet, many authorities believe that early pretrial conferences should at least begin to focus the issues before discovery has progressed significantly.[5] We agree, although we recognize that in some cases little real refinement of the issues can occur until the parties have obtained some discovery. The contrary approach of the *Manual for Complex Litigation*, which recommends that discovery be completed before the issues are defined, is, in our view, generally inefficient and counterproductive.[6] In complex cases, discovery without concurrent issue definition is often conducted without sufficient direction or reasonable scope and can easily become unduly broad and protracted.

An early, preliminary pretrial conference should be the starting point for defining the issues and determining the proper scope and direction of discovery.[7] Subsequent conferences between the court and counsel should be employed to refine and redirect the scope of discovery, as appropriate, for each particular action. In this manner, the issue-narrowing process will not operate to inhibit discovery unduly. Obviously, the degree of specificity that reasonably can be demanded in early attempts to delineate the real issues will vary from case to case. Only a limited amount of information may be available when some private plaintiffs file their complaints, while in government or other private cases, the plaintiffs may already know the facts in considerably greater detail.[8]

In particular, the Commission would emphasize that both the Antitrust Division and the Federal Trade Commission should help solve the protracted case problem by better, earlier focusing of issues in their own litigations. Both the Antitrust Division and the FTC possess considerable pre-complaint investigative powers. Nonetheless, at times complaints have been issued by these agencies that, while perhaps well-founded in the facts and the law, have nevertheless lacked structure and clarity. In addition, government cases have at times been hampered by use of inexperienced legal personnel, rapid turnover of attorneys, and by inadequate support staff and services.

To remedy these shortcomings, the Commission believes that both enforcement agencies should strive consistently to bring cases well enough prepared to allow for a rapid pretrial, as well as a comparatively short trial, with the government's case-in-chief taking the shortest amount of time practicable, usually not more than a few months at most. To facilitate this, we urge Congress and the appropriate officials of both agencies to consider ways of attracting and retaining sufficient legal and support personnel to prosecute cases effectively. We recognize this may require increased financial and personnel support for government cases as well as greater use of pre-complaint investigations to produce well-organized, well-focused cases.

In both government and private cases, constructive issue-focusing activity can be begun early in the case. Various courts now attempt to bring the issues into early focus by requiring timely, written memoranda that concisely state material facts, points of law, and any issues in the pleadings that have been abandoned.[9] The requirement of written submissions, if coupled with close judicial control and management, can cause counsel to present the case in an organized fashion, encourage them to be prepared for pretrial conferences, and induce them to formulate reasonable and adequate discovery plans.[10]

There are a variety of other useful techniques by which the court and counsel can work to narrow issues. Their use depends on a flexible, imaginative approach. Among the best known devices are the exchange of progressively more specific statements of factual and legal positions and proofs[11] and the use and discussion of draft stipulations of uncontested facts.[12] This latter technique can work if paid adequate judicial attention, and if parties refusing to stipulate are obliged to present alternative versions of the facts wherever possible.

Parties should also be moved to stipulate objective facts to the maximum extent possible. Of course, litigants should not be expected to stipulate to questions involving motive, intent, or reasonableness. They should also be permitted to withdraw agreements or stipulations on a showing of good cause—for example, when new facts are ascertained in the course of discovery.

Pretrial proceedings should not become an occasion for special pleading that elaborately states arguments or allegations.[13] The Commission has considered and rejected the concept of "special" or detailed pleading in antitrust cases,[14] and pretrial proceedings should not be used to require this. Written pretrial submissions, however, can foster more useful and continuing clarification of the issues than is achievable by reliance on the complaint and answer alone. Moreover,

Footnotes at end of chapter.

submissions encourage continuous consideration of the case by the parties and the court.[15] We recommend, therefore, that Rule 16 of the Federal Rules of Civil Procedure be amended to encourage use of such written statements in the course of pretrial proceedings.[16]

Rule 16 should also be amended to clarify judicial authority to define issues unilaterally, where litigants have failed to use reasonable efforts to agree. In many cases the parties will arrive at mutual statements of the legal and factual issues that can be incorporated in a pretrial order.[17] If the parties fail to properly define or reasonably agree about those issues, however, the court should itself restate the issues and resolve the impasse. The authority of courts to define issues in the absence of agreement is not now specifically established by Rule 16 or case law.[18] There is nothing in the language or spirit of Rule 16 or the case law to prohibit it, and courts now have inherent issue-defining power in Rules 12(f) and 56.[19] Nevertheless, Rule 16 should be amended to make this power clear.

Such an amendment is not intended to become an alternate form of summary judgment. Rather, the amendment would enhance judicial management capacity when counsel fail to reach a workable statement of issues. These statements are essential to a productive pretrial, especially discovery, and their creation should not be left to chance. Once again, active judicial management is an absolutely necessary ingredient.

Rule 16 as now written empowers judges, but not litigants, to call pretrial conferences. The need for access to the court mandates that counsel have the ability to initiate a pretrial conference.[20] The Rules Committee's proposed amendment to Rule 26(f) of the Federal Rules of Civil Procedure would have the court hold a pretrial conference, on the subject of discovery, when requested by any party. While this proposal has merit, there is no need, in our view, to limit such a conference to discovery, given the close relationship of discovery and other pretrial activity.[21] It would thus be more appropriate to amend Rule 16 to allow a party to call a preliminary pretrial conference, rather than amending Rule 26 in this fashion. The underlying need is for pretrial conferences to be available at an early stage to parties who experience a need for them.

Early exchange of market information

In some complex antitrust cases proof of relevant markets and market structure involves enormous time and expense.[22] A company often has excellent market information concerning the market in which it operates, and in many cases can readily state market shares with only a small margin of error. Yet an adversary seeking to prove market shares may have to conduct costly, nationwide surveys of all industry members, often in the face of myriad motions for protective orders and other objections by nonparty competitors. Thus, it is often hard for the parties or the judge to get a firm grasp of the case and to understand its dimensions until long after the suit is filed.[23] Even when this process is completed, a plaintiff may get data that is less reliable and complete than the data its adversary had all along.

If market information were exchanged early in the litigation, the parties would be better able to focus their efforts and might well agree to drop some market issues where essential weaknesses of their contentions were exposed. Preliminary market information might be used in early motions to dismiss, for partial summary adjudication, or for interim injunctive relief. The parties would be in a better position to agree on facts or to serve notices to admit, and the judge would be in a better position to press for stipulations.

Within existing law and procedural rules, courts can usefully adopt guidelines for such early exchanges of market contentions. Accordingly, we recommend that in every antitrust case involving proof of markets and market structure, within 20 days after the first pretrial conference but no later than 60 days after joinder of issue, plaintiff be required to serve on defendant its preliminary product and geographic market definition contentions. Within 30 days thereafter defendant would be required to serve on plaintiff the defendant's preliminary contentions of market definition. Within 30 days thereafter each party would serve on the other a statement of its best estimate, with regard to each line of commerce alleged by a party, of: (1) all significant competitors, the allegedly competitive products of such competitors, and their market shares, and (2) the approximate number and size of the remaining competitors. All principal documents on which the estimates and contentions are based should be attached to the statement, along with identification of all persons on whom the producing party substantially relied in arriving at the contentions and estimates. Documents under the custody and control of the parties that pertain to the definition or measurement of any relevant market listed by either party should be available for inspection and copying.

If a party lists an unreasonable number of market definition contentions, the judge should require that party to select the markets most important to it.[24] The opposing party would then respond only with respect to its own markets plus those selected by the adversary as most important. Compliance with this proposal would not preclude either party from pursuing discovery on market issues, but it is likely to obviate much of the need for such discovery.[25] Nor would a party be precluded from later changing its contentions upon a proper showing of underlying data.

This proposal requires no rule change.[26] It is a procedure that judges should implement under present law and its feasibility is aptly demonstrated by such potentially protracted cases as *United States* v. *Amax, Inc.* where the major factual issues were promptly settled by stipulation before trial.[27]

Increased use of judicial notice

The concept of judicial notice permits the trial judge to place uncontroverted facts into the record on a nonadversary basis.[28] By taking such action the trial judge can identify and resolve some factual questions and may provide an instructive foundation of facts about the pertinent industry and market structure. Expanded pretrial use of judicial notice can help overcome the hesitancy of counsel to stipulate the facts that are not substantially disputed. The use of judicial notice to identify those factual issues over which there is no substantial disagreement woud lessen the ability of litigants to obscure the questions really at issue, and thereby expedite the pretrial stage of litigation.

The Supreme Court has made significant use of this doctrine in antitrust cases in analyzing the economic and structural background of various industries, by taking judicial notice of reports by government agencies, as well as economic treatises and professional articles.[29] Such use of judicial notice has been quite important to the ultimate determination of a number of antitrust cases, but current judicial attitudes towards this type of notice are somewhat ambiguous and in need of clarification.

Rule 201 of the Federal Rules of Evidence is the sole evidence rule pertaining to judicial notice.[30] Generally, "two categories of facts clearly fall within the parameters of judicial notice, these being facts generally known with certainty by all reasonably intelligent people in the community and facts capable of accurate and ready determination by resort to sources of indisputable accuracy."[31] A second school of thought would also allow notice of facts that are unlikely to be challenged and are highly reliable, though less than certain.[32] Although the language of Rule 201 leans toward the former, more conservative school, creative use of judicial notice nonetheless need not be precluded.

Operating within present standards for judicial notice, the judge should, after notification of the parties, take appropriate notice where there is but one acceptable fact resolution. Thus employed, the doctrine becomes a tool of judicial management that, along with other techniques discussed elsewhere in this Report, should facilitate the quick and intelligent resolution of factual nondisputes. If, in the future, it becomes clear that Rule 201 is insufficiently flexible for this purpose, then we would recommend an amendment to liberalize that rule.

Summary adjudication

Partial or full summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure can also help expedite certain cases through the early determination of appropriate legal questions. The express function of summary judgment is to discern whether a "genuine issue as to [a] material fact" exists, thus removing irrelevant or factually deficient claims and defenses.[33] While there is considerable support for greater use of both summary judgment and partial summary adjudication in complex cases there are fairness problems in overuse of these procedures and many judges are extremely reluctant to employ such devices at all, particularly in antitrust cases.[34]

We recommend summary procedures as a valuable, workable element in the pretrial of much complex antitrust litigation. They can help define the issues, reduce the scope of discovery, shorten the length of trial, and increase the prospect of settlement. We caution, however, that summary disposition must be employed judiciously, and not as a means for bypassing trial or as an excuse for staying other pretrial activity.[35]

By specifying the facts and issues not in substantial controversy, partial summary adjudication may be very similar to an order entered pursuant to Rule 16 following a pretrial conference.[36] Materials prepared for the summary judgment motion can be used as an aid to trial planning, or as the basis for evidentiary presentation at trial. For example, in *United States* v. *Bethlehem Steel Corp.*[37] and *Seligson* v. *New York Produce Exchange*,[38] the parties condensed the record to prepare summary judgment exhibits, while intending to use the exhibits as a major part of the trial evidence if summary judgment were not allowed.[39]

Also, antitrust litigants should give careful consideration to moving for full or partial summary judgment as a means of focusing pretrial and trial. Rule 56 of the Federal Rules of Civil Procedure and the accompanying Advisory Committee notes indicate a uniform summary judgment standard for all cases and no special category for antitrust or other complex actions. Some courts, however, have been much more reluctant to grant summary judgment in antitrust cases. This result, in our opinion, stems from overly restrictive interpretation of certain Supreme Court cases. In *Poller* v. *Columbia Broadcasting System*,[40] the Supreme Court stated:

We believe that summary procedures should be used sparingly in complex antitrust litigation where motive and intent play leading roles, the proof is largely in the hands of the alleged conspirators, and hostile witnesses thicken the plot. . . . Trial by

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affidavit is no substitute for trial by jury. . . .[41]

This language may have served at the time to correct overly eager use of summary judgment in some antitrust cases, and the Commission is not recommending a return to pre-*Poller* practice.[42] Some cases since *Poller*, however, appear to have gone to the opposite extreme.

Under *Poller* and other Supreme Court decisions, failure by the movant to disprove conclusively a disputed material fact or factual inference requires denial of a motion for summary judgment.[43] This formulation has led to overly strict application in some instances. Some appellate courts have stated, for example, that summary judgment should not be granted if there is the "slightest doubt" as to any material fact.[44] This is an unwarranted gloss on the "genuine issue" requirement. Opinions relying on the slightest doubt standard have been declining, however, and some circuits, including the Second Circuit, have explicitly rejected the more restrictive language found in older cases.[45]

The *Poller* decision, when properly applied, should discourage the use of summary adjudication only where such action encompasses subjective evidence such as motive, intent, credibility, and the like.[46] In assessing the contribution of summary judgment to the expedition of complex antitrust cases, the Commission does not wish to invite the sort of abuses of summary judgment that the *Poller* decision effectively condemned. On the other hand, the appellate courts should more realistically evaluate the availability and proper application of summary judgment.

Since we view the present language of Rule 56 as compatible with more effective use of summary adjudication, we do not recommend a change in the Rule. If, however, future decisions do not enhance the availability of summary judgment, an amendment to the Rule may be needed.[47]

Interlocutory appeal

Readier recourse to interlocutory appeal of controlling legal questions could be very helpful in the earlier determination of certain complex antitrust cases. Resolution of novel legal theories should not await an entire pretrial and trial period only to have the earlier effort declared in vain. When there is "a controlling question of law as to which there is substantial ground for difference of opinion and . . . an immediate appeal from the order may materially advance the ultimate termination of the litigation," Section 1292(b) of title 28, United States Code, allows, early appeals, in the discretion of the trial judge. A "controlling" question need not itself be a "dispositive one," so long as its resolution will indeed "materially advance" the end of the case.[48] Section 1292(b) must be employed with discretion, but it should be used more readily by district and appeals courts handling complex antitrust litigation.

There is considerable scholarly comment that Section 1292(b) has been underutilized.[49] We agree, and urge litigants in private antitrust suits to seek interlocutory appeals of truly key legal issues that are likely to lead to a significantly faster resolution of the action.[50] The statute, appropriately in our judgment, provides that no stay of proceedings shall occur unless specifically so ordered. This provision is important, because use of interlocutory appeal can be counterproductive if discovery and other activity are allowed simply to languish pending resolution of one issue, even a main issue. We therefore recommend against any "stays" of pretrial during interlocutory appeals except in extraordinary situations. An effort to resolve at an early point a controlling question of law should not be made at the expense of all other aspects of pretrial preparation.[51] Use of Section 1292(b) in tandem with vigorous pretrial work should promote economy without fostering delay.

Proposed amended rule 16

(Italics indicates an addition; brackets denote deleted material.)

In any action, the court may, in its discretion, *or upon the request of any party*, direct the attorneys for the parties to appear before it for a conference *or conferences* to consider

(1) The simplification of the issues;

(2) The necessity of desirability of amendments to the pleadings;

(3) The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof;

(4) The limitation of the number of expert witnesses;

(5) The advisability of a preliminary reference of issues to a master for findings to be used as evidence when the trial is to be by jury;

(6) *The filing of non binding statements and counter-statements of facts and theories of claims or defenses, which shall be used to narrow issues, guide discovery and prevent surprise, but shall not be admissible at trial;*

(7) *The imposition of the sanctions stated in Rule 37(b)(2) against any party for failure to follow orders entered pursuant to Rule 16;*

(8) *The submission of a plan and schedule of discovery;*

(9) *The setting of pretrial time limits, cutoff dates, and a trial date;*

(10) [(6)] Such other matters as may aid in the disposition of the action.

The court shall make an order which recites the action taken at the conference, the amendments allowed to the pleadings, *the time limits and cutoff dates set*, and the agreements made by the parties as to any of the matters considered, and which *defines the legal and factual issues and* limits the issues for trial to those not disposed of by admissions or agreements of counsel; and such order when entered controls the subsequent course of the action, unless modified at the trial to prevent manifest injustice. The court in its discretion may establish by rule a pretrial calendar on which actions may be placed for reconsideration as above provided and may either confine the calendar to jury actions or to non-jury actions or extend it to all actions.

FOOTNOTES

[1] P. Gerhart, Preliminary Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 14, 47–48 (Jan. 15, 1979) [hereinafter cited as Gerhart Report]; Smith, *Preliminary Particularization of Issues*, 21 F.R.D. 456 (1957).

[2] Requests to admit are governed by Fed. R. Civ. P. 36. Like contention interrogatories, requests to admit are useful pretrial tools. They are more formal alternatives to the statements we have recommended.

[3] Gerhart Report, *supra* note 1, at 14–15; Smith, *Defining the Issues and Establishing a Plan for Trial*, 23 F.R.D. 412 (1958); Comment, *Federal Rule 16—Definition of Issues by the Pre-trial Judge*, 61 Mich. L. Rev. 1566, 1567 (1963).

[4] *See, e.g.*, United States v. American Tel & Tel. Co., [1978–2] Trade Cas. ¶ 62,247, at 75,565–69 (D.D.C. 1978).

[5] *Antitrust Commission Hearings* 99 (Sept. 13, 1978, morning session) (testimony of Professor Philip E. Areeda, Harvard Law School); *id.* at 28–30 (testimony of A. G. W. Biddle, President, Computer Communications Industry Ass'n); *id.* at 79–80 (Aug. 15, 1978) (statement of Commissioner Atkins); *id.* at 95–98 (statement of Commissioner Nicholson); *id.* at 59–60 (July 13, 1978) (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 129–31 (July 11, 1978) (testimony of Judge Charles B. Renfrew, U.S. District Court, Northern District of California); Gerhart Report, *supra* note 1, at 14, 47; Judicial Conference Study Group on Procedure in Protracted Litigation, *Handbook of Recommended Procedures for the Trial of Protracted Cases*, 25 F.R.D. 351, 373 (1960). *See also* Life Music, Inc. v. Broadcast Music, Inc., 31 F.R.D. 3, 5 (S.D.N.Y.), *petition for mandamus denied*, 309 F.2d 242 (2d Cir. 1962); Kirkham, *Complex Civil Litigation—Have Good Intentions Gone Awry?*, 70 F.R.D. 199, 204 (1976); Antitrust Section, American Bar Ass'n, *Streamlining the Big Case*, 13 ABA Antitrust L.J. 183, 184, 190–92 (1958); Smith, *supra* note 3, at 413.

[6] Manual for Complex Litigation, introduction, at 3 n.3, § 1.20, at 18 n.19 (1977). *See* Gerhart Report, *supra* note 1, at 75; *Oversight of Antitrust Enforcement: Hearings Before the Subcomm. on Antitrust and Monopoly of the Senate Judiciary Comm.*, 95th Cong., 1st Sess. 246 (1977) (statement of Ira Millstein); Flittie, *Judicial Notice in the Trial of Complex Cases—The Sherman Act § 1 Per Se as a Testing Ground*, 31 Sw. L.J. 819, 825 & n. 38 (1978); Withrow & Larm, *The "Big" Antitrust Case: 25 Years of Sisyphean Labor*, 62 Cornell L. Rev. 1, 25 (1976); Note, *Observations on the Manual for Complex and Multidistrict Litigation*, 68 Mich. L. Rev. 303 (1969).

The *Manual* supports its recommendation against initial briefing of contentions with a citation to Perma Life Mufflers Inc. v. International Parts Corp., 392 U.S. 134 (1968), commenting that "where plaintiffs originally proceeded on one theory before discovering their entitlement to rely on another, early briefing would have clearly been pointless." Manual for Complex Litigation § 1.20, at 18 n.19 (1977). Reliance on *Perma Life* is questionable. In *Perma Life*, a group of franchisees alleged a conspiracy to restrain trade in violation of sections 1 and 2 of the Sherman Act. The district court granted summary judgment for the defendants on the grounds that plaintiffs were voluntary parties to the alleged antitrust violations and were barred from suing under the doctrine of *in pari delicto*. Alternatively, the district court held that plaintiffs could not claim a conspiracy among the defendants because they were in essence a single business enterprise although organized as separate corporations. *See* Perma Life Mufflers, Inc. v. International Parts Corp., [1966] Trade Cas. ¶ 71,802 (N.D. Ill. 1966); Perma Life Mufflers, Inc. 1. International Parts Corp., [1966] Trade Cas. ¶ 71,801 (N.D. Ill. 1966). The Supreme Court reversed, holding that the *in pari delicto* doctrine is not a defense to treble damage actions. The Court also held that doing business through separate corporations rendered them liable on conspiracy grounds. Plaintiffs raised before the Supreme Court the theories that conspiracies also existed between defendant and each plaintiff and between defendant and other franchisees. The Court held that these theories were alleged with sufficient specificity in the complaint to allow plaintiffs to rely on them.

Perma Life thus does not stand for the proposition for which the *Manual* cites it. An attempt at early issue definition might have forced plaintiffs to list their alternate theories of conspiracy more clearly. At worst, the late appearance of the alternate theories had little effect on the litigation, since plaintiffs' primary theories were upheld. Early issue definition might have focused discovery and lessened the "voluminous" record. Perma Life Mufflers, Inc. v. International Parts Corp., 376 F.2d 692, 693 (7th Cir. 1967), which developed between the filing of the complaint in 1960 and the district court's ruling on motion for summary judgment in 1966.

[7] If the initial pretrial conference is conducted within 45 days after service of the complaint, responses to discovery requests will not normally have been due. Responses to interrogatories and document production are not required until 45 days after service of the summons and complaint. Fed. R. Civ. P. 33(a), 34(b). Depositions within 30 days of service on the defendant are by leave of court. Fed. R. Civ. P. 30(a).

[8] *See, e.g.*, Furth, *The Anatomy of a Seventy Million Dollar Sherman Act Settlement—A Law Professor's Tape-talk with Plantiff's Trial Counsel*, 23 De Paul L. Rev. 865, 874–75 (1974).

[9] *See, e.g.*, C.D. Cal. Local R. 9(e). The Northern District of Ohio has promulgated rules for litigation involving the antitrust or patent laws, damage claims exceeding $1 million, and multiple parties. Discovery is "confined to the genuine issues necessary to a decision of the case," and counsel submit tentative statements "explaining and clarifying the positions taken in the pleadings." A pretrial conference follows for the purpose of "defining the bounds of discovery in accordance with the elaboration and clarification of the issues." The rules specifically provide that a party is not precluded "from changing his position or amending his pleading, where otherwise proper"; the statement of issues is to serve only "as a framework for discovery." N.D. Ohio R. for Complex Litigation 1, 3, 4.

[10] For positive and negative views, see *Antitrust Commission Hearings* 40 (Sept. 12, 1978, morning session) (testimony of Judge Patrick E. Higginbotham, U.S. District Court, Northern District of Texas); *id.*, at 24–25, 39–40 (testimony of Judge Jon O. Newman, U.S. District Court, District of Connecticut); Gerhardt Report, *supra* note 1, at 38–40; Submission of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 5 (Sept. 13, 1978) (response to follow-up questions of Antitrust Commission).

[11] *See, eg.*, United States v. American Tel. & Tel. Co., [1978–2] Trade Cas. § 62,247, at 75,565–69 (D.D.C. 1978).

[12] Telex Corp. v. International Business Machs. Corp., 367 F. Supp. 258 (N.D. Okla. 1973), *rev'd on other grounds*, 510 F.2d 894 (10th Cir.), *cert. dismissed*, 423 U.S. 802 (1975). *See also* Gerhart Report, *supra* note 1, at 48–53.

[13] McCargo v. Hendrick, 545 F.2d 393, 401–02 (4th Cir. 1976); Padovani v. Bruchhausen, 293 F.2d 546 (2d Cir. 1961).

[14] We have studied the "revision of pleading requirements in order to narrow as quickly and precisely as possible the scope of contested issues of fact and law." Exec. Order No. 12022, § 2(a)(1)(ii), 3 C.F.R. 155 (1977). Past experience with code systems and with the civil bill of particulars under Rule 12(e) between 1938 and 1948, demonstrates that in a system of detailed pleading there is an inherent risk of delay and abuse, whether well intentioned or not. 4 Moore's Federal Practice ¶ 26.02[1] (2d ed. 1976); Holtzoff, *A Judge Looks at the Rules After Fifteen Years of Use*, 15 F.R.D. 155 (1953); Stayton & Boner, *The Plastic Code in Operation*, 36 Texas L. Rev. 561, 572 (1958). Moreover, there has been little comment presented to us favoring increased specificity in antitrust pleadings. *See, e.g.*, Submission of the Committee on Trade Regulation, Ass'n of the Bar of the City of New York, to the Antitrust Commission 5 (June 21, 1978). *But see Antitrust Commission Hearings* 153–54, 163, 181–83 (July 13, 1978) (testimony of Harold S. Levy, General Att'y, American Telephone & Telegraph).

The case for creation of a special or detailed system of pleading in antitrust or other complex cases is, in our view, very weak, and hence we do not support such revisions. Any gap in specificity which the present system of notice pleading creates can be remedied by the pretrial statements and conferences we have recommended.

[15] Gerhardt Report, *supra* note 1, at 47–54; McDowell, *Pretrial Procedures: Pretrial v. Procedure*, 4 Antitrust Bull. 675 (1959); Pollack, *Pretrial Procedures More Effectively Handled*, 65 F.R.D. 475 (1974); Wright, *The Pretrial Conference*, 26 F.R.D. 141 (1960).

[16] The text of the proposed amendment is set forth at the end of this Chapter.

[17] Rule 16 requires the court to make an order which "limits the issues for trial to those not disposed of by admission or agreements of counsel." The preparation of a comprehensive final pretrial order is a uniform and desirable practice in complex cases. Gerhart Reports, *supra* note 1, at 54, 63; S. Flanders, *Case Management and Court Management in United States District Courts* 39 (Federal Judicial Center 1977).

[18] Life Music, Inc. v. Broadcast Music, Inc., 31 F.R.D. 3, 5 (S.D.N.Y.), *petition for mandamus denied*, 309 F.2d 242 (2d Cir. 1962), is often cited for the proposition that a judge has authority to define the issues in the absence of agreement. *But see* United States v. International Business Machs. Corp., 68 F.R.D. 358 (S.D.N.Y. 1975); *see also* Padovani v. Bruchhausen, 293 F.2d 546 (2d Cir. 1961).

[19] Rule 12(f) allows the court upon its own initiative to strike any "immaterial" matter from a pleading, which may result in removal of immaterial issues. Summary judgment under Rule 56 also results in the elimination or retention of issues. As to the Court's inherent power, *see* Link v. Wabash R.R., 370 U.S. 626 (1962); Grumbel v. Pitkin, 124 U.S. 131, 144 (1888); MacAlister v. Guterma, 263 F. 2d 65, 68 (2d Cir. 1958); *see also* Comment, *supra* note 3; Note, The Role of the Court in Simplifying the Triable Issues at Pretrial Conference, 72 Yale L.J. 383 (1962). One commentator suggests, however, that such power not be inferred. *See* 3 Moore's Federal Practice ¶ 16.11, at 1119, & n.5 (2d ed. 1978).

[20] Gerhart Report, *supra* note 1, at 29–30.

[21] *See* Letter from John H. Shenefield, Chairman, Antitrust Commission, to the Hon. Walter R. Mansfield, Chairman, Advisory Committee on Civil Rules, Judicial Conference of the United States (Nov. 30, 1978).

[22] It has been estimated that market definitions required 20 to 25% of the trial time in SCM v. Xerox Corp., Civ. No. 15,807 (D. Conn. Dec. 29, 1978), and Berkey Photos, Inc. v. Eastman Kodak Inc., 457 F. Supp. 404 (S.D.N.Y. 1978). In United States v. International Business Machs. Corp., 69 Civ. 200 (S.D.N.Y., filed Jan. 17, 1969), this subject is estimated to be consuming 45 to 50% of the trial. Gerhart Report, *supra* note 1, at Appendix G. *See also Antitrust Commission Hearings* 74, 101–02 (Sept. 13, 1978, afternoon session) (testimony of Fred H. Bartlit, Jr., Esq., Chicago, Illinois); *id.* at 77–80 (testimony of Professor Thomas E. Kauper, University of Michigan Law School, and former Ass't Att'y Gen., Antitrust Div., Dep't of Justice); *id.* at 85–93 (testimony of Judge Frederick B. Lacey, U.S. District Court, District of New Jersey).

[23] *See, e.g.*, United States v. Standard Oil Co., 78 F. Supp. 850 (S.D. Cal. 1948), *aff'd*, 337 U.S. 293 (1949). Justice Frankfurter writing for the court, stated the economic facts in a few pages. 337 U.S. at 295–97. Apparently most of this evidence was introduced at trial on an adversarial basis and created a large record. Flittie, *supra* note 6, at 828–29.

[24] The number should depend upon what is reasonably necessary for the case.

[25] This savings should occur even though proof of conduct is also relevant to proving market shares. *Antitrust Commission Hearings* 79–80 (Sept. 13, 1978, afternoon session) (testimony of Professor Thomas E. Kauper); *id.* at 86–87 (testimony of Judge Frederick B. Lacey).

[26] The exchange of market data proposal was originated by Commissioner Fox and closely follows her ideas.

[27] 402 F. Supp. 956 (D. Conn. 1975). In *Amax*, the government sought to enjoin a merger. The complaint was filed on August 25, 1975, and at a pretrial conference on September 2, 1975, defendants voluntarily agreed to postpone the closing of the merger pending an expedited hearing on the merits. A four day trial was held on September 16–19, 1975. The court noted that the parties "were able to stipulate to uncontested facts and to narrow the issues to the minimum necessary for decision." *Id.* at 958 n.1. The parties stipulated the relevant geographic and product markets. Although they strongly disagreed whether the proposer measure of market shares in one product market should be sales or manufacturing capacity, the parties reached factual stipulations under each of their conflicting theories of measurement. *Id.* at 961 n.15, 964. *See also* Gerhart Report, *supra* note 1, at 55–56.

[28] Flittie, *supra* note 6, at 834. The potential savings to be realized through the use of judicial notice have long been recognized. *See, e.g.*, J. Thayer, A Preliminary Treatise on Evidence at the Common Law 309 (1898); 9 Wigmore on Evidence § 2583, at 585 (3d ed. 1940).

[29] Philadelphia Nat'l Bank v. United States, 374 U.S. 321 (1963) (commercial banking); Tampa Elec. Co. v. Nashville Coal Co., 365 U.S. 320, 332–33 (1961) (annual production, number of producers, sales to particular customers, and consumption in certain geographic areas for coal); Parker v. Brown, 317 U.S. 341 (1943) (California raisin industry); Jay Burns Baking Co. v. Bryan, 264 U.S. 504, 534 (1924) (Brandeis, J., dissenting) (commercial bread production).

[30] Rule 201 governs judicial notice of "adjudicative" facts but not judicial notice of "legislative" facts. The rule does not define either term and leaves explanation to the Advisory Committee Notes. S. Saltzburg & K. Redden, Federal Rules of Evidence Manual 56–68 (2d ed. 1977).

[31] C. McCormick, Evidence § 328, at 758 (2d ed. 1972); E. Morgan, Basic Problems of Evidence 9 (1962).

[32] J. Thayer, *supra* note 28, at 309; 1 J. Weinstein & M. Berger, Weinstein's Evidence ¶ 201[03], at 201–37 (1975); 9 Wigmore on Evidence § 2571 (3d ed. 1940); Davis, *Judicial Notice*, 1969 L.J. & Soc. Ord. 513.

[33] Fed. R. Civ. P. 56(c); Louis, *Federal Summary Judgment Doctrine: A Critical Analysis*, 83 Yale L.J. 745, 769 (1974).

[34] We use the term "partial summary adjudication" to refer to an order entered pursuant to Rule 56(d) or a partial summary "judgment" as to less than the whole case pursuant to Rule 56(a) or (b). 6 Moore's Federal Practice ¶ 56.20, at 56–120 (2d ed. 1976); 10 C. Wright & A. Miller, Federal Practice and Procedure § 2737, at 680–81 (1973). For support of summary adjudication, see *Antitrust Commission Hearings* 133 (July 11, 1978) (testimony of Judge Charles B. Renfrew); Gerhart Report, *supra* note 1, at 57–62; Submission of David L. Foster, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 21 (Oct. 2, 1978) (tabulation of responses to complex litigation questionnaire); 2 P. Areeda & D. Turner, Antitrust Laws §§ 316–317 (1978); Manual for Complex Litigation § 1.30 (1977); Section of Antitrust Law, American Bar Ass'n, Monograph No. 3, Expediting Pretrials and Trials of Antitrust Cases 100–40 (1978); Section of Antitrust Law, American Bar Ass'n, Panel on Improvement in Pretrial and Trial Procedures in Civil Anti-

trust Cases 22–27 (Nov. 18–19, 1977) (transcript of Chicago Conference); Bromley, *Judicial Control of Antitrust Cases*, 23 F.R.D. 417, 421 (1958); Louis, *supra* note 33; Judicial Conference Study Group on Procedure in Protracted Litigation, *supra* note 5, at 389 n.43; Withrow & Larm, *supra* note 6, at 30–36.

As to judicial utilization of summary judgment, see, *e.g.*, Section of Antitrust Law, American Bar Ass'n, Panel on Improvement in Pretrial and Trial Procedures in Civil Antitrust Cases 28 (Nov. 18–19, 1977) (transcript of Chicago conference). *But see* Hays, *The Use of Summary Judgment*, 26 F.R.D. 126 (1962); Withrow & Larm, *supra* note 6, at 31–32 & n.166 (collecting cases).

[38] Submission of Fulbright & Jaworski, Houston, Texas, to the Antitrust Commission (Aug. 7, 1978) (Stays of Discovery in Antitrust Litigation); 2 P. Areeda & D. Turner, *supra* note 34, § 317, at 73.

[39] Clark v. Kraftco Corp., 447 F.2d 933, 936 (2d Cir. 1971); Christianson v. Gaines, 174 F.2d 534, 536 (D.C. Cir. 1949); Leonard v. Socony-Vacuum Oil Co., 130 F.2d 535, 536 (7th Cir. 1942); Notes of Advisory Committee on 1948 Amendment to Fed. R. Civ. P. 56.

[40] 168 F. Supp. 576 (S.D.N.Y. 1958); 157 F. Supp. 877 (S.D.N.Y. 1958).

[41] 378 F. Supp. 1076 (S.D.N.Y. 1974).

[42] *See* Bromley, *supra* note 34; McDowell, *supra* note 15; Reycraft, *Practical Problems Presented in the Trials of Recent Merger Cases*, 4 Antitrust Bull. 635 (1959).

[43] 368 U.S. 464 (1962).

[44] *Id.* at 473.

[45] *Antitrust Commission Hearings* 41–43 (Nov. 30, 1978, morning session) (statement of Commissioner Blecher); 10 C. Wright & A. Miller, *supra* note 34, §§ 2712, at 378, 2732, at 609–10; Lemley, *Summary Judgment Procedure Under Rule 56 of the Federal Rules of Civil Procedure—Its Use and Abuse*, 11 Ark. L. Rev. 138 (1957).

[46] Adickes v. S.H. Kress & Co., 398 U.S. 144 (1970); Norfolk Monument Co. v. Woodlawn Memorial Gardens, Inc., 394 U.S. 700 (1969). *But see* First Nat'l Bank v. Cities Serv. Co., 391 U.S. 253 (1968) (suggesting that the motion be decided on the most probable inference rather than requiring the absence of any dispute).

[47] Cases decided under the slightest doubt standard include: Devex Corp. v. Houdaille Indus., Inc., 382 F.2d 17, 21 (7th Cir. 1967); Armco Steel Corp. v. Realty Inv. Co., 273 F.2d 483, 484 (8th Cir. 1960); Cox. v. American Fidelity & Cas. Co., 249 F.2d 616, 618 (9th Cir. 1957); Doehler Metal Furniture Co. v. United States, 149 F.2d 130, 135 (2d Cir 1945).

[48] 10 C. Wright & A. Miller, *supra* note 34, § 2725, at 510. As noted, the Second Circuit has explicitly rejected the slightest doubt standard found in some of their earlier cases. Beal v. Lindsay, 468 F.2d 287, 291 (2d Cir. 1972); Dressler v. MV Sandpiper, 331 F.2d 130, 132–34 (2d Cir. 1964).

The significant role that summary adjudication can serve in antitrust litigation is illustrated by cases where it played a leading role. Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977) (The Supreme Court affirmed the district court's grant of partial summary "judgment" against all plaintiffs that were indirect purchasers); Citizen Publishing Co. v. United States, 394, U.S. 131 (1969) (where record establishes a *per se* violation of the antitrust laws summary judgment is proper); White Motor Co. v. United States, 372 U.S. 253 (1963) (grant of summary judgment upheld on the government's price-fixing charges, but vertical restraint issue to be tried); International Salt Co. v. United States, 332 U.S. 392 (1947) (government granted summary judgment enjoining defendant from enforcing lease provisions on its patented machines); Associated Press v. United States, 326 U.S. 1 (1945) (documentary evidence established violation as a matter of law); United States v. Beatrice Foods Co., 344 F. Supp. 104 (D. Minn. 1972), *aff'd*, 493 F.2d 1259 (8th Cir. 1974), *cert. denied*, 420 U.S. 961 (1975); Withrow & Larm, *supra* note 6, at 31 n. 166 (collecting cases).

[49] First Nat'l Bank v. Cities Serv., Co., 391 U.S. 253, 285 (1968); White Motor Co. v. United States, 372 U.S. 253, 259 (1963); 2 P. Areeda & D. Turner, *supra* note 34, § 2732 at 609–17; 6 Moore's Federal Practice ¶¶ 56.15 [1.00], 56.16 (2d ed. 1976).

[50] Dressler v. MV Sandpiper, 331 F.2d 130, 132–134 (2d Cir. 1964); Notes of Advisory Committee on 1963 Amendment to Fed. R. Civ. P. 56.

[51] 7B Moore's Federal Practice § 1292 (2d ed. 1978).

[52] *Id.* at 435.

[53] Section 1292(b) does not apply to government equity suits under the antitrust laws. The amended Expediting Act, 15 U.S.C. § 29(a)(1976), precludes use of § 1292(b) appeals in such suits. United States v. International Business Machs. Corp., 406 F. Supp. 184 (S.D.N.Y. 1975) (denying request for § 1292(b) certification due to the strictures of the amended Expediting Act).

[54] Gerhart Report, *supra* note 1, at 57–62. Interestingly enough, a Senate Report mentioned that the new provision might be applied to statute of limitations defenses in antitrust cases. *See* S. Rep. No. 2434, 85th Cong. 2d Sess. 2–3 (1958), *reprinted in* [1958] U.S. Code Cong. & Ad. News 5255, 5256. The House Report described avoidance of a long trial by resolution of claimant's basic right of action as an appropriate use of the new section. *See* H.R. Rep. No. 1667, 85th Cong., 2d Sess. 1 (1958).

Chapter five: Sanctions and disincentives for dilatory behavior

The use of sanctions against dilatory behavior will sometimes be necessary to make judicial management techniques work effectively. Sanctions also have important deterrence and punishment functions. When used properly, they can be an important and integral part of the process of expediting complex cases, as can professional ethics standards. Moreover, the creation of financial disincentives to delay would help deter recalcitrance.

Recommendations

1. Appropriate sanctions should be used systematically to ensure that other litigation management techniques, including time limits, are effective. Lawyers and judges should increase their awareness and use of the sanctions available to help eliminate dilatory behavior.

2. Certain sanctions should be strengthened. Rule 7(b)(2) of the Federal Rules of Civil Procedure and 28 U.S.C. § 1927 should be amended to incorporate a more realistic "state of mind" requirement, and Section 1927 should be amended to allow recovery of a fuller range of expenses, including attorneys' fees. Rule 37 of the Federal Rules of Civil Procedure should be changed to authorize sanctions for discovery delays caused by excessive and uncooperative conduct, to allow imposition of sanctions without a prior motion by a party, and to highlight the availability of costs under 28 U.S.C. § 1927.

3. Lawyers and judges involved in complex litigation should be more sensitive to actual or potential violations of professional ethics through dilatory or abusive litigation tactics and should be prepared to invoke disciplinary procedures for such violations. The ethical status of some apparently common practices needs to be clarified; law schools and professional associations can begin to do so. As a first step, the American Bar Association's Disciplinary Rule 7–102, and corresponding state disciplinary rules, should be amended to emphasize the obligation to litigate expeditiously.

4. Sections 4, 4A and 4C of the Clayton Act (15 U.S.C. §§ 15, 15a, and 15c) should be amended to mandate an award of interest on the amount of the plaintiff's actual damages, from the date the complaint is served unless the court finds that circumstances make an award of prejudgment interest unjust. The rate of interest to be paid should be the prevailing commercial rate at the time judgment is entered.

The Need for Control over Dilatory and Abusive Litigation Behavior

Dilatory and abusive conduct occurs far too frequently in complex litigation.[1] Lawyers, particularly in "high-stakes" antitrust litigation, too often file meritless claims, defenses, or counterclaims, make excessive or abusive discovery demands, unreasonably resist legitimate discovery requests, provide unresponsive "stonewalling" answers, and unreasonably produce masses of insignificant, nonresponsive information. Other dilatory behavior may take the form of unjustified refusals to stipulate or admit facts, unwarranted motion practice, mishandling of documents, bad faith claims of privilege or confidentiality, and disruption of depositions.

Such conduct postpones or frustrates fair adjudication of legitimate claims and defenses. It unnecessarily increases litigants' costs and wastes scarce judicial resources. Litigation harassment and delay coerce parties into settlement simply to avoid unnecessary expense and frustration, make it difficult for the less wealthy to protect their interests through the courts, and thus lead to public cynicism concerning the judicial system.

Lawyers should fully recognize that dilatory and abusive conduct is not legitimate and will not be tolerated. We believe that lawyers should take more seriously their responsibility to the system of justice, not just to their clients.

The Role of Sanctions in Controlling Unreasonable Litigation Behavior

To be effective, management of complex litigation will sometimes require that meaningful sanctions be threatened or imposed. For example, time limits on discovery may be effective only if appropriate sanctions are available to penalize tardy or inadequate discovery responses. Although time limits contain their own penalty for procrastination, the use of cutoff dates may allow one party to oppress an adversary. Sanctions should therefore be used to prevent a party resisting discovery from providing too little information too late, and to prevent the opposite tactic of responding to a discovery request with a flood of nonresponsive, unimportant documents.[2]

As judges tighten and refine their control of the timing, volume and content of pretrial activity in complex cases, it may become easier for them to recognize and punish uncooperative behavior.[3] Also, more precise judicial controls will, in all likelihood, encourage cooperative conduct and decrease the need for sanctions. Thus, while better judicial management requires more readiness to use appropriate sanctions, it should also make the imposition of sanctions easier and may induce at least some litigants to avoid behavior that would make sanctions necessary.

Dilatory behavior has often gone unchecked because lawyers have been reluctant to request, and judges hesitant to impose, sanctions.[4] Both judges and lawyers should become more aware of the sanctions available and more willing to turn to them in appropriate circumstances. In particular, greater attention should be paid to the various sanctions presently available under Rules 7(b)(2), 36, 37, 41(b), and 56 of the

Footnotes at end of chapter.

Federal Rules of Civil Procedure, 28 U.S.C. § 1927, the court's contempt power, provisions enforcing bar disciplinary rules, and local court rules. We encourage the courts to take dilatory conduct into account, under existing statutory and inherent authority, in calculating awards of postjudgment attorneys' fees.[5]

District court judges should more vigorously and frequently apply existing sanctions, including awards of costs, where warranted. To avoid undue delay during the litigation, argument and decision concerning sanctions sought during pretrial or trial can be made at the end of the case.[6] Appellate courts should be less hesitant than they often have been in the past to support the imposition of strong sanctions.[7] Many concerns and perceptions contributing to judicial reluctance to impose sanctions lack any real weight when analyzed carefully.[8]

Where necessary, judges should take the initiative in considering the imposition of sanctions. Lawyers have often been reluctant to seek sanctions against fellow attorneys or have delayed seeking sanctions because of the cumbersome, multistep procedure required. In such instances, courts should not tolerate the cost to the judicial system from dilatory conduct that is not promptly remedied.

The reluctance of counsel to seek sanctions should decline if courts become more willing to impose them. At the same time, greater willingness by counsel to seek sanctions is necessary to break the existing circular pattern whereby infrequent judicial imposition of sanctions, caused partially by the infrequency of sanction requests, discourages efforts to seek justifiable sanctions. Counsel should, of course, first try to resolve differences through consultation and cooperation, but, where such efforts are not successful, appropriate sanctions should be sought.[9] In addition, the amendments to Rule 37 of the Federal Rules of Civil Procedure endorsed below should reduce the hesitancy of both judges and lawyers by allowing greater imposition of sanctions without prior violation of a compelling order.

Furthermore, reluctance to punish a client for the wrongful acts of its counsel should not deter a judge from imposing sanctions. If the imposition of sanctions solely on a lawyer, with provision for nonreimbursement by the client, is insufficient or unenforceable in a given context, it is preferable to impose the costs resulting from dilatory conduct on the party employing the attorneys responsible, rather than on the party against whom such tactics were used. In appropriate cases of particularly egregious conduct, courts should resort to the sanctions of dismissal or default judgment.

As recently recognized by the Supreme Court,[10] the imposition of sanctions is important to the deterrence of dilatory conduct. Indeed, in terms of improving the efficacy of our system of justice, it is as important to deter dilatory conduct as it is to redress specific injury and punish particular wrongful conduct.

Increased judicial willingness to impose sanctions need not generate significant adverse effects. Fears that increased willingness to impose sanctions will flood the courts with routine requests for sanctions are overblown. Parties requesting sanctions would still have the burden of showing misconduct and might themselves be penalized for frivolous or unfounded motions. When a judge actively manages a case and has frequent meetings to check litigation progress, sanctions can be imposed quickly and efficiently.[11] Furthermore, the increased but careful use of sanctions should have no "chilling" effect on the assertion of legitimate rights and novel positions. Neither existing rules nor ones proposed herein allow for loose or arbitrary imposition of punishment.

Several amendments to the Federal Rules of Civil Procedure would provide more adequate authority for imposing sanctions. First, Rule 7(b)(2) should be amended, or a new rule adopted, to highlight the availability of sanctions for unwarranted motions (and other court papers besides pleadings) and to incorporate a more appropriate state of mind requirement for their imposition. Currently, Rule 7(b)(2) incorporates the intent requirement of Rule 11, which provides that the signature of an attorney on a pleading:

"• • • constitutes a certificate by him that he has read the pleading; that to the best of his knowledge, information and belief there is good ground to support it; and that it is not interposed for delay. If a pleading is not signed or is signed with intent to defeat the purpose of this rule, it may be stricken as sham and false and the action may proceed as though the pleading had not been served. For a wilful violation of this rule an attorney may be subjected to appropriate disciplinary action. • • •"

Such an "intent" standard has been interpreted to allow the imposition of sanctions only when a motion or other filing has been made *solely* for the purpose of delay. Such an interpretation is unnecessarily restrictive and provides inadequate authority for effectively dealing with dilatory practices. Accordingly, the rule should be amended to make it clear that imposition of appropriate disciplinary sanctions is authorized whenever a motion or other filing is "submitted primarily for delay."[12]

Second, 28 U.S.C., § 1927, which provides for the imposition of costs against an attorney who "so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously," should be modified to incorporate a similar, more adequate intent requirement. In addition, this statute should be amended to allow not only the taxing of the narrow range of "costs" now provided, but also all expenses and attorneys' fees incurred because of the dilatory behavior.[13]

Third, the chief authority for discovery sanctions, Rule 37 of the Federal Rules of Civil Procedure, should be amended along the lines suggested by the Advisory Committee on Civil Rules. We have not considered that part of the Committee's proposal that would require that discovery abuses by government attorneys be reported to the Attorney General.[14] However, we do support the balance of the Committee's proposed amendment, which would highlight the alternative availability of 28 U.S.C., § 1927; explicitly extend Rule 37's own coverage to excessive or abusive discovery demands, as well as failures to make discovery; and give the court broad general authority to impose sanctions for discovery abuse without the need for any prior motion by a party.[15]

Finally, since local rules can be a valuable supplement to other sanctions provisions, rules providing firm sanctions should be seriously considered by federal district courts.

The Desirability of Enhanced Awareness of Professional Ethics Issues in Litigation Practice

Professional ethics are a potentially important, yet seldom emphasized, dimension of the problems raised by complex litigation. To consider these issues, the Commission established a Special Advisory Panel on Ethical Issues in Complex Antitrust Litigation to study that dimension.[16] Based on our record and the independent analysis of the Panel, we urge courts and counsel to become more sensitive to ethical obligations in complex civil litigation.

Some types of litigation behavior, such as deliberate destruction or concealment of evidence, are, of course, clear violations of ethics and of law, and should be dealt with accordingly.[17] Ethical questions raised by many other undesirable litigation practices that are believed to be widely employed are not so easily answered under existing rules and guidelines.[18]

The American Bar Association's Code of Professional Responsibility gives only general guidance. The Code exhorts lawyers to represent their client's particular interest "zealously," while also emphasizing that this should be done within the law [19] and without use of "offensive tactics."[20] A lawyer is not allowed to "assert a position, delay a trial, or take other action on behalf of his client when he knows or when it is obvious that such action would serve merely to harass or maliciously injure another."[21]

The Code of Trial Conduct for members of the American College of Trial Lawyers urges a "specific responsibility" on trial counsel to seek "prompt, efficient, ethical, fair and just disposition of litigation."[22] It imposes affirmative obligations to "avoid unnecessary delays," to eschew use of "dilatory tactics," and (in civil cases) to "stipulate in advance with opposing counsel to all noncontroverted facts. . . ."[23]

These and similar rules, while well-intentioned, are uncomfortably general. We urge the American Bar Association and other professional organizations to study ethical issues arising from complex litigation and attempt a more particularized definition of practices that are unethical. Such guidance is needed, not only to allow punishment for misbehavior, but to give well-meaning practitioners a better opportunity to fulfill their obligations to both client and court.

We endorse, therefore, the recommendation of our Special Advisory Panel on Ethical Issues calling for a change in the American Bar Association's Disciplinary Rule 7–102. The ABA rule, and corresponding state disciplinary rules, should be amended to increase the emphasis on, and make more specific, the affirmative obligation of an attorney to refrain from dilatory conduct.[24] Such an amendment would at least foster greater sensitivity to the ethical imperative of expediting cases. The amendment could be an addition to the rule providing:

"(c) In representation of a client in civil cases, a lawyer shall make every effort consistent with the legitimate interests of his client to expedite litigation, to refrain from dilatory tactics and to avoid unnecessary delays. For this purpose any financial or other comparable benefit that may result to a client from lack of speedy resolution of the litigation shall not be considered a legitimate interest of the client."[25]

We also urge the judge in a complex case informally to impart to the attorneys, at the outset, the standards of conduct that he or she expects to be followed in the litigation. Thereafter, the judge should monitor litigation activity to see that the prescribed standards are followed, and should be ready to hold counsel to them.

Increased awareness by courts and counsel of the ethical obligations involved in the handling of complex antitrust cases will not solve all problems. Ethical rules are seldom clear-cut and are not designed to prevent vigorous advancement of a client's legal positions. Increased ethical sensitivity, however, coupled with other techniques of case management, can begin to reduce the dilatory and obfuscatory practices now apparently flourishing.[26]

A Proposed Financial Disincentive to Litigation Delay

Dilatory behavior can also be countered by incentives to expedite litigation. One incentive would be the award of prejudgment interest. Other powerful incentives, preliminary injunctions or "hold-separate" orders to preserve the status quo, will be discussed in Chapter Seven, *infra*.

Footnotes at end of chapter.

Parties, particularly defendants, often have little or no incentive to expedite litigation; some have economic incentives to delay. Defendants, especially those with fairly clear liability exposure, can garner considerable financial benefit by protracting litigation since such delay increases the period during which any eventual monetary award to the plaintiff can be retained for profitable use. A majority of the Commission believes that awarding interest on damages from the date of service of a complaint, rather than from the actual date of judgment, would provide an incentive to expedite case,[27] or at least remove a possible disincentive to expedition.[28] While this device will necessarily operate as an incentive to defendants, we reiterate our belief that plaintiffs can also be responsible for litigation delay. Accordingly, we urge courts to consider plaintiffs' litigation conduct carefully in awarding postjudgment attorneys' fees. Where warranted, fee awards should be reduced.

Existing statutes and case law do not provide clear authority for awarding prejudgment interest in antitrust cases. Sections 4, 4A and 4C of the Clayton Act, providing for damage suits by private plaintiffs, the federal government, and states suing as *parens patriae*, are silent on the subject of interest.[29] The general federal interest statute allows interest on a money judgment in a civil case from the date of entry of the judgment, calculated at the rate allowed by state law.[30] This statute does not preclude the award of prejudgment interest, but leaves such interest to be governed by the law concerning the compensation awarded to make an injured party whole.[31]

Prejudgment interest has not been allowed in treble damage actions because the multiple damage sums are not compensatory in nature.[32] Treble damages have, in fact, been viewed as more than adequately compensating a plaintiff for its losses.[33] While a treble damage award may handsomely compensate a plaintiff for actual losses, it often offers no particular incentive for a defendant to seek final resolution of the issue. In government cases seeking single damages under Clayton Act Section 4A,[34] prejudgment interest may be available on the basis of general legal principles, but its imposition is discretionary rather than automatic.[35]

In addition to providing a disincentive to delay, a statutory provision for awarding prejudgment interest has the advantage of being essentially self-executing. Interest would be awarded automatically unless the court determined that circumstances would make such an award unjust. For example, if a plaintiff engaged in dilatory tactics or purposeful delay, the court might disallow prejudgment interest. Such a decision would be discretionary with the court and should not itself provoke extensive briefing or hearings.

Finally, prejudgment interest should be based on a plaintiff's actual damages, not treble damages. Although it can be argued that awarding prejudgment interest on the full amount of the judgment would provide an even greater financial disincentive to delay by the defendant, the magnitude of such an award would raise serious questions concerning its fairness and workability. Also, courts might be more inclined to find the award of interest on treble damages to be unjust, and thus defeat the purpose of prejudgment interest.

Commissioners Blecher, Fox, Izard, McClory, Nicholson, Spivack, Wiggins and Hatch believe that automatic awards of prejudgment interest against defendants who lose antitrust cases are no more justifiable than automatic awards of attorneys' fees to defendants who win antitrust cases. Commissioner Seiberling believes that judges should have the discretionary authority to award prejudgment interest only upon a finding of a defendant's acting with a primary purpose being delay.

FOOTNOTES

[1] *See, e.g.*, Submission of Judge Charles B. Renfrew, U.S. District Court, Northern District of California, to the Antitrust Commission 1 (Oct. 3, 1978) (Sanctions: A Judicial Perspective; paper to be published in the California Law Review) [hereinafter cited as Renfrew Submission]; Submission of David L. Foster, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 1–6, 25–26 (Oct. 2, 1978) (tabulation of responses to complex litigation questionnaire).

[2] *See Antitrust Commission Hearings* 67 (July 11, 1978) (testimony of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n) (use of firm trial dates to coerce settlement).

[3] *See* C. Ellington, A Study of Sanctions for Discovery Abuse 107, 112 (Nov. 1978) (prepared for the Office for Improvements in the Administration of Justice, Dep't of Justice).

[4] *See, e.g.*, P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 40–42 (Jan. 15, 1979); C. Ellington, *supra* note 3, at 44–45, 52.

[5] *See, e.g.*, Lindy Bros. Builders, Inc. v. American Radiator & Standard Sanitary Corp., 540 F.2d 102, 118 (3d Cir. 1976) (en banc); *cf.* Baughman v. Wilson Freight Forwarding Co., 583 F.2d 1208, 1216 (3d Cir. 1978) (disallowing compensation for hours spent in second trial required solely because of improper closing argument by plaintiff's attorney in first trial).

[6] This proposal was raised by, among others, Stephen D. Susman. *See Antitrust Commission Hearings* 49 (July 11, 1978) (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[7] *See, e.g.*, Renfrew Submission, *supra* note 1, at 14–15. A survey of reported appellate decisions on discovery sanctions between January, 1975, and October, 1977, found that appellate courts reversed dismissals or default judgments in 11 of the 24 cases in which the trial court imposed these severe sanctions. M. Werner, Survey of Discovery Sanctions 28 (March 10, 1978) (unpublished student paper at the University of Pennsylvania Law School).

[8] For a more detailed analysis of these matters, *see* Renfrew Submission, *supra* note 1, at 8–17.

[9] Commissioner Atkins notes that in his district, the Southern District of Florida, a local rule requires a statement that counsel have conferred regarding any discovery problem and were unable to resolve their differences before a motion to compel will be considered.

[10] National Hockey League v. Metropolitan Hockey Club, Inc., 427 U.S. 639, 643 (1976) (per curiam).

[11] *See* C. Ellington, *supra* note 3, at 16–17.

[12] This proposed change adopts one portion of a suggestion originally offered by Chief Judge David N. Edelstein of the Southern District of New York in *The Ethics of Dilatory Motion Practice: Time for Change*, 44 Fordham L. Rev. 1069, 1079 (1976). The second prong of the Edelstein suggestion would allow imposition of sanctions for filings where the attorney "knows or should know that substantial delay will result and that the motion if granted will secure very insubstantial relief." A witness before the Commission, Mr. Denis McInerney, suggested a revision of this test. *See* Submission of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 6 (Sept. 13, 1979) (responses to follow-up questions). While a minority of the Commission was in favor of adopting some such second test, the majority felt that it would necessarily be too subjective and difficult in application.

[13] Section 1927 should be amended as follows (existing language deleted is in brackets, new language is underscored):

"Any attorney or other persons admitted to conduct cases in any court of the United States or any Territory thereof who *engages in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of the litigation* [so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously] may be required by the court to satisfy personally [such] *the* excess costs, *expenses and attorneys' fees reasonably incurred because of such conduct.*"

[14] *See* Letter from John H. Shenefield, Chairman of the Antitrust Commission, to Hon. Walter R. Mansfield, Chairman, Advisory Committee on Civil Rules, Judicial Conference of the United States (Nov. 27, 1978). Attorney General Bell has argued that a more direct approach would be enactment of proposed legislation repealing Rule 37(f), which would result in the availability of Rule 37 expense and fee award sanctions against the government. Letter from Griffin B. Bell, Attorney General, to Roszel C. Thomsen, Chairman, Committee on Rules of Practice and Procedure of the Judicial Conference of the United States (June 27, 1978); S. 3331, 95th Cong., 2d Sess., 124 Cong. Rec. S11500 (1978).

[15] *See* Committee on Rules of Practice and Procedure, Judicial Conference of the United States. Preliminary Draft of Proposed Amendments to the Federal Rules of Civil Procedure (Mar. 1978). A sanction of expenses, including attorneys' fees, is already available under Rule 37 for excessive or abusive discovery, but its workings are a bit cumbersome. A party faced with an unreasonable discovery request who seeks a protective order under Fed. R. Civ P. 26(c) can be reimbursed the expenses incurred in obtaining such an order. Alternatively, a similarly situated party who simply fails to respond can be reimbursed under Fed. R. Civ. P. 37(a)(4) for the expenses incurred in successfully defending against a motion to compel. Nevertheless, the amendment to Rule 37 proposed by the Advisory Committee would better highlight the availability of sanctions for abusive discovery demands, while allowing their imposition by the court without the prior initiative of a party, in appropriate cases. Such authority to combat excessive or abusive requests might be used most effectively in conjunction with a pretrial conference establishing the permissible bounds of discovery, since such conferences would facilitate determinations of excess or abuse.

[16] *See* Report of the Special Advisory Panel on Ethical Issues in Complex Litigation to the National Commission for the Review of Antitrust Laws and Procedures (Dec. 4, 1978) [hereinafter cited as Ethics Panel Report]. The report contains some 10 well-reasoned recommendations. That we do not specifically restate all of them here should in no way be taken as a disagreement with any of them.

Senator Hatch would "go further than the majority . . . and recommend stronger disincentives directed at spurious suits by plaintiffs."

[17] *See* Ethics Panel Report, *supra* note 16, at 16–18. *See also* 18 U.S.C. §§ 401–402 (criminal contempt), 1505, 1509–10 (obstruction of justice), 2071 (destruction of court records) (1976).

[18] *See* Ethics Panel Report, *supra* note 16, at 18–19, for a detailed listing of questionable discovery, motion and other practices. According to the Special Advisory Panel's ethics questionnaire, a majority of the antitrust litigators contacted believed that practices of this kind raised serious ethical concerns. Moreover, a large majority said that they had encountered what they regarded as unethical behavior during antitrust litigation. *Id.* at 10. It should be noted that the Panel did not find that ethics were at a lower level in complex antitrust litigation than in other sorts of litigation activity. *Id.* at 16. The Panel did find scant evidence of disciplinary measures being taken against such practices. *Id* at 7–8.

[19] ABA Code of Professional Responsibility, Canon 7.

[20] *Id.* DR 7–101(A)(1).

[21] *Id.* DR 7–102(A)(1).

[22] American College of Trial Lawyers, Code of Trial Conduct, preamble (1978) [hereinafter cited as Trial Lawyers Code].

[23] *Id.* Rule 21.

[24] This suggestion follows the Special Advisory Panel's Eighth Recommendation to the Commission. Ethics Panel Report, *supra* note 16, at 29.

[25] *Id.* at 25. This language is partially based on the American College of Trial Lawyers Code. *See* Trial Lawyers Code, *supra* note 22, Rule 21(a) and (d).

[26] Commissioner Fox wishes to associate herself with the entire Report of the Special Advisory Panel on Ethical Issues in Complex Antitrust Litigation, many of whose recommendations are reflected herein. She sees an increasing tension between the sporting theory of litigation and the efficient pursuit of truth and justice. See Wessel, The Rule of Reason (1976). She agrees that:

"Changing the rules of the game is, of course, an undertaking that far transcends antitrust litigation, since these types of practices exist in all litigation. Yet . . . faced with overwhelming evidence that the present system in antitrust and other complex cases generally does not produce effective and speedy justice—we call upon the American Bar Association, and other appropriate organizations, to come to grips with this basic issue of whether such litigation should not be tried on the basis of ethical premises very different from those that presently exist."

Ethics Panel Report, *supra* note 16, at 21–22.

* * * * *

"[S]erious consideration must be given by the bar, particularly in the context of complex cases, to a major reordering of the existing balance between an attorney's duty to his client and his duty to the system of justice in greater favor of the latter. . . ."

Ethics Panel Report, *supra* note 16, at 29.

[27] A minority of the Commission opposes the provision of prejudgment interest. Another minority endorses the use of prejudgment interest, but only on a much less automatic basis.

[28] Prejudgment interest should be set at prevailing commercial rates. While postjudgment interest would remain at the lower "legal interest" rate, setting prejudgment interest at full commercial rates is necessary to the deterrent effect of the prejudgment interest concept. Otherwise, a liable defendant could still be financially somewhat better off by delaying at the prejudgment stages.

[29] 15 U.S.C. §§ 15, 15a, and 15c (1976).

[30] 28 U.S.C. § 1961 (1970).

[31] Louisiana & Arkansas Ry. Co. v. Export Drum Co., 359 F.2d 311, 317 (5th Cir. 1966); Moore-McCormack Lines, Inc. v. Amirault, 202 F.2d 893, 895 (1st Cir. 1953).

[32] Trans World Airlines, Inc. v. Hughes, 449 F.2d 51, 80 (2d Cir. 1971), *rev'd on other grounds*, 409 U.S. 363 (1973).

[33] *Id.*

[34] 15 U.S.C. § 15a (1976).

[35] *See* Memorandum of the United States in Support of Motion for a Ruling that the Jury be Instructed that on a Finding of Liability It May in Its Discretion Award Prejudgment Interest as an Element of Damages if it Finds Such an Award is Necessary to Assure Full and Fair Compensation to the Government, United States v. Pfizer, Inc., No. 4–71 Civ. 403 (D. Minn., filed July 15, 1969) (memorandum filed Aug. 16, 1976).

Chapter six: Other procedural recommendations

The Commission considered several procedural topics in addition to those covered by the preceding chapters. This chapter discusses the use of efficient evidentiary practices to expedite the litigation process,[1] the doctrine of collateral estoppel, the use of separate trials on separable issues, and certain techniques for jury trials in complex cases.

Recommendations

1. Litigants in complex antitrust cases should be required to simplify their trial proofs, to minimize evidentiary disputes, and to organize efficiently their exhibits and other evidence prior to trial.

2. Section 5(a) of the Clayton Act should be amended to make it clear that the statute does not preclude a "collateral estoppel" effect in appropriate cases in addition to the "prima facie" effect now expressly permitted.

3. When confronted with a complex antitrust case, the court should consider the potential advantages of holding separate trials on different issues, for example, by trying liability issues prior to damage issues.

The Need for Streamlined Evidentiary Practices

Executive Order 12022 directed the Commission's attention, among other procedural topics, to possible "amendment of evidentiary practices to expedite introduction of testimony and exhibits at trial." [2] We do not believe that amendments of any evidentiary rules or statutes are necessary at this time. Greater use of certain existing evidentiary techniques is, however, highly desirable. Efficient evidentiary practices not only focus and shorten trials, but may also streamline pretrial discovery and issue-definition. These benefits can accrue whether or not the case is tried before a jury.[3]

Several procedures already recommended in this Report have substantial utility at trial as well as during pretrial. Time limits for presentation of evidence and cross-examination, when set before trial and based on the parties' own realistic assessments of their requirements, can keep the trial moving. Such time limits encourage the parties to decide which witnesses and exhibits are redundant or unnecessary rather than putting the onus for such decisions solely on the judge.[4]

The techniques suggested in Chapter Four, *supra*, for pretrial stipulation, market share determination and judicial notice should also result in useful evidentiary material.[5] If employed successfully, these techniques should create concise evidence that can be read into the record, thus eliminating the need for more cumbersome procedures. Similarly, partial summary judgment procedures under Rule 56(d) of the Federal Rules of Civil Procedure can aid evidentiary efficiency in two ways. First, they indicate which issues not in dispute can be handled summarily at the trial; secondly, they may lead to the creation of exhibits that can be used at trial. This consideration should be particularly true for summaries of statistical material or deposition testimony.

A number of important streamlining evidentiary techniques are available in the *Manual for Complex Litigation* and the new Federal Rules of Evidence.[6] These devices should be routinely employed in complex antitrust cases.

There should, for example, always be a specific listing of proofs and objections thereto prior to trial. The *Manual* recommends such procedures and a number of local rules and individual judges require them as a matter of regular practice.[7] Parties should be compelled to make reasonable listings of their proposed exhibits and witnesses prior to trial, and should be required to state their objections to their opponents' "offers of proof." To the extent deemed practical, the judge should rule on objections prior to trial, and should urge the parties to meet and attempt to resolve such basic issues as the authenticity of documents. As a variant on the practice of exchanging lists of proposed evidence and objections, motions *in limine* for the pretrial exclusion of particular proofs may also be useful.[8] The actual techniques used should be flexible and tailored to the individual case. The goal should be a pretrial winnowing of proofs and arguments over them, so that the trial moves quickly with a sharp focus. The judge who participates actively in pretrial should be able to use the available mechanisms quickly and capably.

Similarly, the judge presiding over a complex antitrust case should strongly encourage the use of summary materials. Summaries are essential, not only for statistical evidence, but also for deposition testimony. The trial judge should not allow litigants to consume trial time, particularly jury time, debating at length about underlying economic figures or reading individual deposition transcripts. Use of summaries is already widely recommended[9] and should be regularly done.

Collateral estoppel

Section 5(a) of the Clayton Act[10] provides that a final judgment or decree entered in a government action in which a defendant was found to have violated the antitrust laws can be used by a plaintiff suing the same defendant as prima facie evidence of an antitrust violation. The prima facie effect, however, extends only to "matters respecting which said judgment or decree would be an estoppel" [11] as between the government and the defendant. Judgments or decrees entered with the consent of the defendant in a prior government suit before testimony is taken, or in an action brought by the government to recover damages to its business or property, do not have such prima facie effect.

A fundamental question exists as to how Section 5(a) of the Clayton Act should be applied. A number of courts have interpreted the statute to limit the prior judgments or decrees to prima facie evidence only, rather than allowing them to have full collateral estoppel effect.[12] On the other hand, at least one district court has held that the statute does not preclude allowing more than prima facie effect to judgments or decrees in government cases.[13]

Giving prior litigated judgments in favor of the government only prima facie effect can cause considerable delay in subsequent actions because it enables the defendant to relitigate previously decided issues. The result, of course, is that both the defendant and plaintiff offer a full range of trial witnesses and exhibits. By contrast, if the prior judgment had greater evidentiary effect, relitigation of already proved violations could be avoided in appropriate cases, thus decreasing the burden on the courts and litigants. The public interest would be further served by facilitating recovery, as in other types of actions.

Some members of the Commission would amend Section 5(a) to require automatic collateral estoppel effect for prior government judgments, except where manifest injustice would result. The majority of the Commission, however, believes that this could lead to unjust results, even with the specified proviso. The defendant in the first case does not frame the complaint, and to a large extent, does not control the issues to be litigated. Also, the complexity of many antitrust cases can make full litigation of

Footnotes at end of chapter.

all issues in a government suit impracticable. Moreover, the defendant may be less motivated to fully litigate every issue in a government case than in a subsequent treble damage action, where huge amounts of money may be at stake. Conceding relatively minor issues for practical reasons in a prior action might preclude their consideration in subsequent litigation where they assume unanticipated significance.

Therefore, replacing Clayton Act Section 5 (a) with new legislation to make government judgments automatically conclusive in subsequent actions, is not recommended. Instead, the majority of the Commission recommends that Congress amend the statute to make it clear that the prima facie effect afforded prior litigated judgments won by the government does not preclude courts, in their discretion, from applying in antitrust cases the principles of collateral estoppel now applicable in other types of litigation. A defendant who lost either a prior government or private suit could be precluded from relitigating against subsequent plaintiffs those issues fully and fairly contested and necessary to the result in the first action.[14] In this way, the deterrent effect of the antitrust laws will be enhanced and complex antitrust cases can be litigated and adjudicated more efficiently.

In recommending an amendment to Section 5(a) of the Clayton Act to encourage the wider application of collateral estoppel in antitrust cases, we recognize that courts have fairly readily allowed the use of collateral estoppel defensively. Used defensively, the doctrine precludes the relitigation of an issue decided against the plaintiff in a prior suit. The offensive use of collateral estoppel, which arises when a defendant is barred from relitigating issues determined adversely to it, has been less generally allowed, since courts have rightly been sensitive to the potential unfairness of estopping a defendant from relitigating issues that it did not frame. Nevertheless, the risk of unfairness depends on the facts of a particular case, and the Supreme Court[15] and other federal courts[16] have approved the offensive use of collateral estoppel in some circumstances. A particularized inquiry based upon principles of fairness affords protection where an issue that was viewed by the defendant as insignificant in a prior action, and therefore not contested vigorously, becomes critical in a subsequent suit.[17]

The use of collateral estoppel may somewhat increase pressure on antitrust defendants to settle rather than litigate. The potential benefits of an equitable application of estoppel doctrine, including greater judicial finality, the preservation of resources, and increased deterrence, however, are substantial. Under these circumstances, the possibility that an innocent defendant will settle to avoid the potential collateral estoppel effects of an adverse litigated judgment, when that defendant would not have settled under the present prima facie rule, does not outweigh the substantial potential benefits that the reasoned application of estoppel doctrine can have.[18]

Nor does it appear that the broader application of collateral estoppel in antitrust cases will induce defendants to contest insignificant issues and to take unnecessary appeals. Under current law, litigated antitrust cases are generally thoroughly contested, and antitrust defendants now appeal most adverse judgments in any event. Moreover, insignificant issues should be subject to stipulation and, of course, issues not fully litigated should have no collateral estoppel effect.[19] Based on the foreging considerations, we recommend that Section 5(a) of the Clayton Act[20] be amended as follows (bracketed matter is deleted; italic matter is added):

Sec. 5(a) A final judgment or decree heretofore or hereafter rendered in any civil or criminal proceeding brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any action or proceeding brought by any other party against such defendant under said laws [or by the United States under section 4A.] as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken [or to judgments or decrees entered in actions under section 4A]. *Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel.*[21]

Division of Complex Antitrust Trials into Separate Parts

Holding separate trials on separate issues—such as liability and damages—can substantially shorten and simplify some complex antitrust cases.

Under Rule 42(b) of the Federal Rules of Civil Procedure, a court can order separate trials to avoid prejudice or to promote "expedition and economy."[22] Separate trials may promote efficiency and economy by resolving a dispositive issue, one that either makes further litigation unnecessary—for example, where the verdict upholds an affirmative defense[23]—or one that substantially increases the likelihood of settlement by eliminating fundamental uncertainty.

It is true, of course, that "separation of issues for trial is not to be routinely ordered,"[24] but separation should be deemed appropriate where there is no significant overlap between the issues. There may well be antitrust cases where liability can be determined without any detailed evidence on the issue of damages.[25] Other possible candidates for separate trial include issues involving subject matter jurisdiction, patents,[26] impact, the terms of a written agreement, statute of limitations, fraudulent concealment, the *in pari delicto* defense, and the applicability of prior releases.[27]

Obviously, the greater the overlap between separated issues, the greater the potential for prejudice, reversible error, and wasted resources if separate trials are held.[28] Separate trials may also impede efficient litigation if issues are framed too narrowly or evidence is improperly excluded.[29] Moreover, separate trials may burden witnesses who have to testify at both. And, in some cases, the factfinder may be confused rather than aided by separate trials. Consequently, issues should only be separated if the court is satisfied that the potential advantages of doing so outweigh the disadvantages.

Other, broader considerations are also relevant in deciding whether to order separate trials. The Constitution and Rule 42(b) itself may require a "unitary" jury trial on integrally related issues.[30] A difference in the trial format—that is, single trial versus divided trial—may affect the substantive outcome.[31] Finally, the impact on discovery and pretrial are important. If the split trial will actually lead to an earlier disposition of the case, then discovery work can indeed be shortened and more narrowly focused. If the possibility of separate trials leading to a conclusive determination is not strong, however, orders staying discovery on separated issues may be counter-productive.[32]

In conclusion, separate trials can indeed be useful, but only in appropriate circumstances. For those antitrust cases where separable and apparently dispositive issues exist, separation can help to streamline pretrial, can shorten trial and make it more intelligible, and can lead to a quicker conclusion of the litigation. Accordingly, we recommend that judges handling complex antitrust litigation give careful consideration to employing the option afforded by Rule 42(b). In doing so, the judge should resolve the issue of whether the same jury should be used to decide the damage issue if liability is found.

The Role of the Jury

Recent judicial decisions, articles, and testimony before the Commission reflect growing interest in the role of juries in complex antitrust litigation. Evidence about the effect of juries on the length of such litigation is, in our opinion, inconclusive. Furthermore, the constitutional issue of the scope of the jury trial right in complex antitrust litigation is beyond the Commission's mandate. Accordingly, we make no recommendation concerning the role of the jury in complex antitrust litigation.

Even if the role of juries in some antitrust cases is limited, juries will continue to try many antitrust cases, including some that cannot be considered simple, and a number of innovative techniques can help juries understand those cases better. It has proved useful for courts to instruct the jury on the relevant legal issues at the beginning of trial as well as at the end. It may also be useful for courts to refresh juries on the factual and legal relationships of the different parts of the trial, such as evidence and argument on the "relevant" market. Counsel may assist the jury's early understanding of the case by giving more comprehensive and focused opening statements. If the case is to be submitted on interrogatories, a preliminary set of interrogatories may be given to the jury at the start of the trial. These procedures collectively should facilitate the jury's understanding and assessment of the evidence presented.

The parties might provide the jurors with a binder containing important exhibits. During trial, the expanded use of visual aids may contribute to ready comprehension. Jurors may be permitted to take notes during trial and the exhibits, trial transcript (if ready), and jury instructions can be made available in the jury room during deliberations.[33] Counsel should also evaluate the utility of preparing summaries of the evidence for the jury's use.

FOOTNOTES

[1] This topic was specifically referred to in the Executive Order that established the Commission. Exec. Order No. 12022, § 2(a)(1)(v), 3 C.F.R. 155 (1977), *as amended by* Exec. Order No. 12052, 43 Fed. Reg. 15,133 (1978).

[2] *Id.* at § 2(a)(1)(v).

[3] Submission of Martin Frederic Evans, Esq., New York, New York, to the Antitrust Commission 2 (Aug. 8, 1978) (Evidentiary Practices in Complex Antitrust Cases) [hereinafter cited as Evans Submission].

[4] *See* Chapter Two *supra*.

[5] *See* Chapter Four *supra*.

[6] While we do disagree with several aspects of the *Manual for Complex Litigation* (*see e.g.*, Chapter Three *supra*), we believe that its recommendations on preparation of evidence are very useful. Manual for Complex Litigation, §§ 2.70–.71, 3.30–4.70 (1977) [hereinafter cited as Manual]. The Federal Rules of Evidence were enacted in 1975. Federal Rules of Evidence, Pub. L. No. 93–595, 88 Stat. 1926 (1975).

[7] Manual, *supra* note 6, §§ 3.30, 4.20–.21.

[8] Note, *Pretrial Exclusionary Evidence Rulings*, 1967 Wis. L. Rev. 738.

[9] *See* Fed. R. Evid. 1006; Evans Submission, *supra* note 3, at 7–9; Manual, *supra* note 6, §§ 2.71, 4.211.

[10] 15 U.S.C. § 16(a) (1976).

[11] *Id.*

[12] *See, e.g.*, Sam Fox Publishing Co. v. United States, 366 U.S. 683, 690 (1961) (dictum); Purex Corp. v. Procter & Gamble Co., 308 F. Supp. 584, 589–90 (C.D. Cal. 1970), *aff'd*, 453 F.2d 288 (9th Cir. 1971), *cert. denied*, 405 U.S. 1065 (1972); *see also* McCook v. Standard Oil Co., 393 F. Supp. 256, 259–60 (C.D. Cal. 1975).

[13] Illinois v. Huckaba & Sons Constr. Co., 442 F. Supp. 56 (S.D. Ill. 1977), *appeal docketed sub nom.* Illinois v. General Paving Co., No. 78–1479 (7th Cir. Apr. 13, 1978) (oral argument held on November 28, 1978).

[14] In place of the earlier doctrine of mutuality, which was used as a guideline for insuring against unfairness in the application of collateral estoppel, federal courts now generally undertake a more individualized analysis of the particular facts of each case in determining whether allowance of estoppel would be unfair or violate due process. *See, e.g.*, Federal Sav. & Loan Ins. Corp. v. Hogan, 476 F.2d 1182 (7th Cir. 1973); James Talcott, Inc. v. Allahabad Bank, Ltd., 444 F.2d 451 (5th Cir.), *cert. denied*, 404 U.S. 940 (1971); Brown v. R. D. Werner Co., 428 F.2d 375 (1st Cir. 1970); Graves v. Associated Transp., Inc., 344 F.2d 894 (4th Cir. 1965); Bruszewski v. United States, 181 F.2d 419 (3d Cir.), *cert. denied*, 340 U.S. 865 (1950). *See also* Bernhard v. Bank of America Nat'l Trust & Sav. Ass'n, 19 Cal. 2d 807, 122 P.2d 892 (1942). The Supreme Court has approved the non-mutual use of estoppel in Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 U.S. 313 (1971), and more recently in Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079 (U.S. Jan. 9, 1979).

[15] *See* Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079 (U.S. Jan. 9, 1979).

[16] *See, e.g.*, Zdanok v. Glidden Co., 327 F.2d 944 (2d Cir.), *cert. denied*, 377 U.S. 934 (1964); United States v. United Air Lines, Inc., 216 F. Supp. 709, 725–29 (E.D. Wash., D. Nev. 1962), *aff'd as to estoppel sub nom.* United Air Lines, Inc. v. Wiener, 335 F.2d 379, 404 (9th Cir.), *cert. dismissed*, 379 U.S. 951 (1964).

[17] Courts have recognized the much more severe fairness and due process concerns that would be raised by applying collateral estoppel against persons who were not represented in the earlier litigation, and such use of estoppel is available, if at all, only in extraordinary circumstances. *E.g.*, Note, *Collateral Estoppel of Nonparties*, 87 Harv. L. Rev. 1485, 1496–97 (1974).

[18] It is also unlikely that allowing collateral estoppel will encourage putative claimants to wait on the sidelines until some plaintiff wins, thereby discouraging consolidation of claims. The first action is often a government enforcement action. Consolidation is usually not feasible. Furthermore, Congress has determined that potential plaintiffs should be able to await the outcome of such an action and accordingly has provided that the running of the statute of limitations is suspended during the action's pendency and for one year thereafter. *See* 15 U.S.C. § 16(i) (1976). When the first action is a private suit, plaintiffs may risk a partial loss of damages as a result of the running of the statute of limitations if they wait on the sidelines. In any event, a court may deny collateral estoppel effect where a later plaintiff "could easily have joined in the earlier action." Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079, 4082 (U.S. Jan. 9, 1979).

[19] An additional concern sometimes expressed is the "multiple claimant anomaly." This occurs under principles of collateral estoppel where a defendant prevails in at least one suit but loses a later action by another claimant involving essentially the same facts. The defendant may then be estopped from litigating against subsequent plaintiffs those issues on which he prevailed in the first case but lost in the intervening action. However, this does not appear to be a cause for serious concern here. Antitrust litigation is sufficiently costly that it is unlikely that putative plaintiffs would continue to sue a victorious defendant on essentially the same facts. In any event, the court retains discretion to deny collateral estoppel where the prior judgments have been inconsistent. Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079, 4082 (U.S. Jan. 9, 1979).

[20] 15 U.S.C. § 16(a) (1976).

[21] The recommended amendment clarifies the prima facie rule as a minimum standard, which can be triggered by government damage suits as well as enforcement actions. In addition, the proposed amendment would expressly allow the courts to grant collateral estoppel effect, in appropriate cases, as they would in other areas of the law, for issues previously litigated in civil or criminal suits brought by the government or private parties. Finally, the reference to excepting prima facie effect in subsequent government damage actions would be eliminated by the amendment, since retention of that reference would be superfluous.

Senator Hatch dissents from the recommendation for such an amendment.

[22] For a detailed exposition of interpretations of Rule 42(b), see 5 Moore's Federal Practice ¶ 42.03 (2d ed. 1978) and 9 C. Wright & A. Miller, Federal Practice & Procedure §§ 2387–91 (1971).

[23] *See, e.g.*, Kimberly Corp. v. Hartley Pen Co., 237 F.2d 294, 297 (9th Cir. 1956). *See also* Braun v. Berenson, 432 F.2d 538 (5th Cir. 1970).

[24] Notes of Advisory Committee on 1966 Amendment to Fed. R. Civ. P. 42(b).

[25] *See In re* Master Key Antitrust Litigation, 70 F.R.D. 23, 28–29 (D. Conn.), *appeal dismissed for lack of jurisdiction*, 528 F.2d 5 (2d Cir. 1975).

[26] *See, e.g.*, Components, Inc. v. Western Elec. Co., 318 F. Supp. 959, 965–68 (D. Me. 1970) and cases cited therein. *See also* Report of the Attorney General's National Committee to Study the Antitrust Laws 249 (1955), which recommended a separate trial of separable patent and antitrust issues.

[27] These items were selected from a list appearing in Antitrust Section, American Bar Ass'n, Expediting Pretrials and Trials of Antitrust Cases 125–33 (1978) (Monograph No. 3). *See also* Manual, *supra* note 6, § 4.12 (a lengthy and detailed list of potentially separable issues).

[28] *See, e.g.*, Response of Carolina, Inc. v. Leasco Response, Inc., 537 F.2d 1307, 1324 (5th Cir. 1976); United States v. International Business Machs. Corp., 60 F.R.D. 654, 657 (S.D.N.Y. 1973).

[29] Response of Carolina, Inc. v. Leasco Response, Inc., 537 F.2d 1307, 1324 (5th Cir. 1976).

[30] *See* United Air Lines, Inc. v. Wiener, 286 F.2d 302 (9th Cir.), *cert. denied*, 266 U.S. 924 (1961); Hosie v. Chicago & N.W. Ry., 282 F.2d 639, 642–44 (7th Cir. 1960); C. Wright & A. Miller, *supra* note 22, § 2391. One Commission witness, Judge Robert Merhige, suggested that, where permissible, separate juries might hear separate, more manageable segments of the case. *See Antitrust Commission Hearings* 59 (Sept. 12, 1978, morning session) (testimony of Judge Robert R. Merhige, Jr., U.S. District Court, Eastern District of Virginia). A variant on this, to the extent feasible, is to retain the same jury but adjourn the trial for short periods between segments.

[31] One study of jury trials in personal injury cases indicated that defendants won 42 percent of those cases where damages and liability were tried together, but 79 percent of those where liability was tried alone. Rosenberg, *Court Congestion: Status, Causes, and Proposed Remedies*, in The Courts, the Public and the Law Explosion 29, 48 (H. Jones ed. 1965), *cited in* C. Wright & A. Miller, *supra* note 22, § 2390, at 299. There is no indication that similar results need occur in the antitrust sphere.

[32] *See* Submission of Samuel E. Stubbs, Esq., Houston, Texas, to the Antitrust Commission 11–12 (Aug. 7, 1978) (Stays of Discovery in Antitrust Litigation).

[33] P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 17, 72–73 (Jan. 15, 1979); *Those Complex Antitrust Cases*, Wall St. J., Aug. 29, 1978, at 16, col. 4. Some of these techniques were used in: SCM Corp. v. Xerox Corp., Civ. No. 15,807 (D. Conn. Dec. 29, 1978); Berkey Photo, Inc. v. Eastman Kodak Co., Civ. No. 73–424 (S.D.N.Y. June 16, 1978).

By Mr. ROTH:

S. 391. A bill to limit the burden reporting requirements placed on small businesses, to provide for the pilot testing of reporting forms issued or required by the Federal Government, to establish procedures for the reduction of the reporting burden upon small businesses on a continuing basis, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL ADMINISTRATIVE IMPROVEMENTS IN REPORTS ACT

● Mr. ROTH. Mr. President, I am today introducing legislation which, I am hopeful, will go far toward easing the terrible paperwork burdens thrust upon our small business community by the Federal Government. I believe, as do a large majority of the American people, that something must be done, and done quickly to deal with the paperwork problem. Piecemeal actions and band aid repairs can no longer suffice.

The legislation I am submitting today is entitled the "Federal Administrative Improvements in Reports Act of 1979" or the FAIR Act. I carefully chose this title, because I believe it has special meaning. In my view, it is only fair and equitable that the huge Federal bureaucracy makes every possible effort, pursues every conceivable method, of reducing the terrible burden of paperwork thrust upon the small business community. It is not fair to me that a government spending close to $500 billion a year with all of the resources it commands continues to pile upon the shoulders of small businesspersons so many reporting requirements and regulations. In fairness to these entrepreneurs, we in the Federal Government must commit ourselves to the task of making the struggle to succeed in business a little easier.

The small businesses of our Nation are extremely important to its economic health. Forty-three percent of the Nation's gross national product is produced by small businesses of all types. Small businesses account for 64 percent of the total dollar volume generated by wholesaling, 73 percent of that generated by the construction industry. Somewhere between 95 and 99 percent of the businesses in the country can be considered small businesses. Census figures indicate that upwards of 90 percent of the businesses in the United States employ fewer than 50 workers. An equal number of these businesses earn $1 million or less in total annual receipts.

The importance of small businesses to our economy can be seen in the employment opportunities they offer. For the past 8 years, small businesses have accounted for 99 percent of the increased employment in the United States. While total employment rose in those years by 9,853,000, the Fortune 1,000 companies employed only 74,897 of that number, or 0.8 percent. Small businesses added 6.5 million new employees to their payrolls between 1969 and 1976. It is clear from these figures that small businesses are

the main hope for the unemployed and underemployed in our national economic recovery. Healthy, growing small businesses are one of the keystones to an expansion of job opportunities.

Small businesses are dynamic and innovative and provide vitality to our economy. It is the small businesses of our Nation that account for an estimated one-half of the new inventions developed in any given year by American businesses. Free from the shackles of corporate bureaucracy, small business people and individual entrepreneurs have come up with such inventions as power steering, the automatic transmission, the zipper, hand-held calculators, and countless others. Their imagination and vigor have kept American technological prowess second to none.

These facts indicate the extent of small business involvement in our national economic development. Big business may be more visible and more vocal, but smaller firms are every bit as active, and in many ways just as important to our Nation. We cannot allow these small businesses to sink in a quicksand pit of Federal paperwork in which the more they struggle, the faster they sink. With over 50 percent of all small businesses succumbing to failure within 2 years of their birth, it is inexcusable for the Federal Government to add more weight to their burdens through countless paperwork requirements.

Though the problem is serious today, it has not gone unexamined through the years. Since 1887, there have been at least nine major commissions or congressional hearings which looked into the paperwork problem in depth. Two lengthy statutes have been enacted in an attempt to stem the flow of reports requirements and to control the growth of paperwork. Countless studies by the General Accounting Office, hundreds of thousands of complaints from citizens, innumerable Executive orders, and agency circulars and study upon study by private institutes and businesses have failed to do anything to reduce the amount of paperwork created by Washington's bureaucrats. Since the time of the first Hoover Commission in 1950, the cost to the Government alone for paperwork has increased by a factor of 30 to over $30 billion. American businesses spent nearly $32 billion in 1976 to comply with Federal paperwork requirements and tragically, small businesses accounted for over $20 billion of this cost. We have studied the paperwork problem to death, tried to circumscribe its growth by law, attempted to corral the paperwork creators in the agencies and railed against the bureaucracy to no avail. The problem keeps growing, in large part, because the production of paperwork helps to justify a larger budget for each agency and provides more support for its existence and growth. We have found that bureaucrats cut paperwork only one way—lengthwise. In short, we have been unable to deal with a problem which has been with us since the bureaucracy began.

What effect do all of these paperwork requirements have on small businesses? We here in the Congress can not really understand the problem since we do not have to face it on a day-to-day, week-to-week basis. The financial impact is obvious but the psychological impact may be even more serious. In our modern society, the most prevalent (many would say the only) contact between the Federal Government and small businesses and citizens is through paper. Indeed, in many parts of the country the only time a citizen notices the Government is when he receives a form to fill out. Small businessmen are risk takers and they know they have taken a big step in relying on themselves for their livelihood. When they are forced to spend precious time filling out forms the purpose of which they cannot understand, they begin to believe their own Government is an enemy. Negative attitudes toward Government can be nurtured by the constantly increasing, burdensome, and unnecessary load of paperwork created in Washington.

A few small businesses can afford to hire an accountant to do their own bookkeeping. But recent surveys have shown that nearly 94 percent of all small business owners do their own records keeping. They seem to be more aware and concerned with the problem because they, unlike large business firms, cannot afford to hire an accountant and must complete Federal forms and reports themselves. In addition, the relative and absolute burden of Federal paperwork on small businesses is much larger than that upon large firms, because there are many more small businesses in existence and because the relative costs, the cost of complying compared to the gross income of the firm, of Federal reporting requirements are much higher for small firms.

The horror stories regarding paperwork have been cataloged at length. The sheer number of these stories should be ample warning to us here in the Congress that the problem is very serious. I have received numerous letters complaining about the general problems of bureaucratic redtape and "too much unnecessary paperwork." But two letters I recently received are particularly noteworthy and disturbing.

In the first letter, a small businessman in my State lamented the fact that he was forced to spend so much of his time filling out Federal forms. He not only received a huge number of forms, he also received forms which were too large to be stored in a standard filing cabinet or fit easily into a typewriter. The Government first deluged him with paperwork and then did not even have the courtesy to send him a standard sized form.

The second letter I received also complained of the tremendous number of forms which must be filled out each year by a small businessman and his two employee firm. His children took note of the long hours he was forced to work on Government paperwork and one of them commented:

> I don't want any part of a business of my own. You don't make that much, you have too many problems, and it would be much easier to work for someone else and let them worry.

I think this letter is an especially sad comment on our Federal Government. It is apparent to me that the paperwork problem has begun to severely hurt our small business community. In reality it hurts each and everyone of us regardless of whether we own a small business. Recent studies including one just completed by the Brookings Institution, indicate that Government regulation and redtape may be partially responsible for the recent decline in American productivity.

Declining productivity has meant rising prices and sluggish business activity. The costs to all of us are enormous, but the tragic fact is that the reporting system we use for compliance with Federal regulations is not very effective. It is often an unfair system as well as ineffective in achieving its goals, heaping the same burdens on small businesses it does on larger firms.

Burdensome Government regulations have many unseen effects. One of the most tragic results of bureaucratic redtape and regulation is the growth of what one authority has called the subterranean economy. A recent study has described this subterranean economy as an "attempt by overstressed small businesses to escape the demands of big government by going underground." These small firms leave the everyday business world and make all of their economic transactions in cash thereby avoiding Government recording, regulation, and snooping. It has been estimated that this subterranean economy generated an illegal GNP of $175 billion in 1976, and it is almost inevitable that rising tax rates and increased Government regulation will continue to drive more and more small businesses in the U.S. economic picture underground. We are literally forcing many small business owners to become fugitives in their own country, afraid of their own Government.

There is no doubt that Government regulations and redtape is a significant small business problem and small business owners have begun to shout, with increasing vigor, that they have becomfed up with Federal encroachment and dilly dallying in their business operations. As of January 1978, 12 percent of the Nation's small firms cited regulation and redtape as their single greatest business problem; only inflation and taxes were cited with greater frequency. In contrast, only 4 short years ago, the same survey revealed that inflation, shortage of fuels (remember the energy crisis), taxes, quality of labor, competition from large businesses, and interest rates, were cited with similar or greater frequency than Government regulation, as the single greatest problem for small businesses. The figures only represent the tip of the iceberg, for more than 40 percent of the small business community consider regulation to be a "major" business problem.

Small business owners spend an average of 58 hours per week running their businesses. How can we expect them to flip through the 70,000 pages contained in the Federal Register each year to find out what new paperwork requirements they are expected to fulfill? Even if they had the time, they frequently lack the knowledge of foreign language necessary to decipher the "legalese" that constitutes the regulations. The burden has become unbearable.

I believe the time has come to take a forceful, direct approach to the paperwork problem. The legislation I am introducing today takes such an approach. It contains two important titles which I believe will have a major beneficial impact on the paperwork problem.

I must emphasize that this legislation will not exempt small businesses from complying with all applicable Federal laws and regulations. Its intent is to streamline and alleviate the paperwork burden borne by small businesses, not exempt them from the requirements of laws and regulations.

The FAIR Act provides for a uniform definition of a small business to expedite the paperwork reduction process provided for under the legislation. There are over 600 definitions of small business in use today, most of them created by bureaucratic sophists at the Small Business Administration. There is a small business definition for every purpose: For Government procurement, loan assistance, investment assistance, Government subcontracting, lease guarantees, uranium prospecting, mining rights, and countless others.

But that is not the whole story. The Government definition of small business for Government procurement purposes, to use a specific example, changes like a chameleon, from product to product. There are different procurement definitions for construction, dredging, janitorial services, research, and development, cargo handling, rug cleaning, computer programing services, freighting, crating, and helicopter services, to name only a few.

There is a further problem with these SBA definitions of small business, one that renders them virtually useless as a means of exempting small businesses from Federal regulations: the SBA definitions are too large.

For instance, the definition of "small" for purposes of Government procurement is any business with $42 million or less in annual recepits. Petroleum, ammunition, and aircraft manufacturers are considered small if they have 1,500 employees or less. Definitions such as these exclude all but the top few firms from benefits intended for small businesses. The confusion resulting from so many different definitions discourages Federal agencies from designing simpler forms for small businesses and reducing the number of reports for which small business persons are responsible. It also makes it extremely difficult for the Congress to legislate paperwork relief statutes.

Title I of my bill provides for a new, action forcing procedure designed to create a workable paperwork reduction process within the agencies and bureaus of the Federal Government. The Title establishes a 3-year time frame in which all agencies responsible for any paperwork requirements affecting small businesses would redesign their requirements with an eye toward eliminating or streamlining forms and reports. Consultation with affected groups would be required and criteria for improving and eliminating forms would have to be developed by each agency. The Office of Management and Budget would assume overall direction of the program and would assist each agency in its efforts.

As each agency completes its review process, it would submit its revised set of new reporting requirements in the form of a single report to the Congress. Either House of the Congress would then have 60 days to accept or reject any form in the report. An important provision in my legislation would also require each agency to reduce the number of new reporting forms required of small businesses by 30 percent in comparison with the number of previously utilized forms. In simple terms, my bill sets a firm goal and forces the agencies to reach that goal.

In addition, the legislation would also allow each agency to resubmit reporting forms initially rejected by the Congress. I believe this provision removes some of the inflexibility in the process and allows the agencies to react to congressional mandates with innovative and improved proposals. Once rejected for a second time, however, the legislation provides that such forms could not be utilized by the agency for at least 1 year and after such time the forms could only be used after they had been thoroughly tested under the provisions of title II of the bill. Through these procedures I believe we can achieve significant reductions in the paperwork burden and simplify the remaining reporting forms we require of small businesses.

At the end of the 3-year review period, all forms which were in use before the last day of the period would be eliminated and could not be used by any Government agency. This provision is the action forcing mechanism in my bill. It is designed to stimulate creative action on the part of the agencies in fulfilling the requirements of this bill.

While this legislation may seem a radical approach, similar efforts have been made at the State level with excellent results. In Minnesota, for example, the State Department of Administration set a goal of reducing the number of forms required to be completed by assistance recipients and businesses by 30 percent in 1 year. The program began in 1977 and at that time there were 35,939 forms in use in the State, including those forms used for interoffice purposes. By the end of the year, only 11,720 forms remained. By setting goals and forcing the bureaucrats to work toward them, real gains were made. In fact, many State agency heads became enthusiastic about the program and discovered that there really were duplications in requirements and unnecessary forms in use. In short, the State set a goal and forced itself to meet that goal. We must do the same if we hope to win the battle against paperwork.

The FAIR Act also creates a new system to control the regrowth of paperwork once we have cut it down to size. Title II of the bill would require the pilot or trial testing of any new Government form before it could be put into use on a regular basis. Each agency would be required to determine whether the paperwork requirements attached to any new regulation would affect a significant number of small businesses. The Office of Advocacy in the Small Business Administration would also be required to review each new paperwork requirement and make the same determination. If either the agency responsible for the regulation or the Office of Advocacy determine the impact of the requirements upon small businesses would be significant, the form in question would have to be pilot tested.

Essentially, pilot testing would allow small businesses the chance to comment on a form before it was issued in its final format. It would test the form in the real world working conditions under which it would be used. Small businesses would have the opportunity to comment on a proposed form directly and could indicate to an agency where they saw duplications or overlaps and could comment on the difficulty of completing the form. The legislation also would require that the pilot test forms would have to be clearly marked "voluntary" and would require that each agency describe th need and uses for which the form was developed. Finally, all information collected through these tests would have to be stored by each agency for at least 2 years providing the Congress with a good source of information on the Federal forms used by the Government. In a sense, the pilot testing program would provide Congress with a window on the problems small businesses experience with Federal paperwork.

In conjunction with the provisions in title I of the bill which require the 3-year review process to be begun anew every 7 years, the pilot testing procedures created by title II will provide for a workable, creative, and flexible paperwork streamlining and reduction process. These two titles together will set goals for reducing paperwork while at the same time forcing the agencies to carefully consider the impact their reporting requirements will have on small businesses.

Mr. President, I believe the comprehensive and carefully conceived paperwork reduction and improvement process provided by the FAIR Act will go far toward reducing the paperwork burden we impose upon our small business community. We have nickeled and dimed the problem for long enough. It is time we took firm and forceful action and made a strong commitment to reducing the Federal paperwork blizzard both now and in the future. My legislation will accomplish these goals and I urge my colleagues to give it thorough consideration.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 391

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Federal Administrative Improvements in Reports Act".

FINDINGS AND PURPOSES

SEC. 2. The Congress finds and declares that—

(1) the reports and paperwork required of small businesses by the Federal government have become a severe financial, economic,

and social burden upon the small business community, and such reports and paperwork—

(A) lead to decreased productivity by small businesses and stimulate inflation;

(B) create anger, suspicion, and frustration among small business owners;

(C) are not highly effective in the enforcement of Federal laws;

(D) add to the cost of goods purchased by consumers; and

(E) decrease incentives for investment in and maintenance of new businesses;

(2) there has been extensive study and exhaustive examination of the problems surrounding Federal paperwork requirements, yet little has been accomplished to reduce the burdens imposed by such paperwork; and

(3) it is time for the Congress to take action to significantly and substantially reduce Federal paperwork requirements.

DEFINITIONS

SEC. 3 (a) Notwithstanding any other provision of law, and for the purpose of this Act and its application to all Federal statutes and administrative rules, regulations, orders, licenses, and permits, the term "small business" means any individual or other person, including any sole proprietorship, corporation, partnership, joint venture, governmental entity, or Indian tribe who employs fewer than 50 employees or whose gross receipts did not exceed $1,000,000 in the most recent taxable year.

(b) For the purposes of this Act the term—

"(1) 'agency' has the same meaning as in section 551(1) of title 5, United States Code, including any authority of the Government of the United States within or subject to review by another agency;

"(2) 'reporting form' means any document or written form, including application forms, schedules, questionnaires or similar devices which requires any small business to expend any time or effort in the provision of information to the Federal government including those forms not subject to the Federal Reports Act (44 U.S.C. § 3501 et. seq.); and

"(3) 'rule' has the same meaning as provided in section 551(3) of title 5, United States Code, and includes prescriptive or proscriptive standards of every description.

TITLE I—REVIEW OF REPORTING FORMS

SEC. 101. (a) On the date three years from the date of enactment of this Act, no Federal agency may require any small business to execute or respond to any reporting form in effect on the day before that date.

(b) Within three years of the date of enactment of this Act, each agency head shall review all reporting forms of that agency, and shall design and establish, in accordance with the procedure established in subsection (c), new reporting forms for small businesses which will become effective on the date three years from the date of enactment of this Act.

(c)(1) In designing and establishing new reporting forms under this section, each agency head shall—

(A) Consult as fully as possible with representatives of small business in order to obtain information concerning the impact of such reporting forms on small businesses;

(B) Consider every possibility for reducing the number of new reporting forms required, reducing the length and complexity of new reporting forms and simplifying the recordkeeping requirements of each new reporting form;

(C) Develop criteria for designing new reporting forms which should include, at a minimum, a consideration of the continued need for the reporting form, the type and number of complaints received with respect to previously utilized reporting forms, the burdens imposed upon small business, the need to simplify or clarify language, the need to eliminate overlap or duplication and the length of time since each reporting requirement has been reviewed;

(D) Reduce the total number of new reporting forms required of small businesses by fifty (50) per centum in comparison with the total number of previously utilized reporting forms; and

(E) Submit to Congress a single report containing each proposed reporting form, together with an identification number for each such form, supporting documentation concerning the need for each reporting form and a concise description of how the proposed reporting system significantly reduces the burdens upon small businesses in comparison with the existing reporting system.

(2)(A) The reporting forms contained in the report submitted by the agency head to the Congress pursuant to paragraph (1) may be utilized by the agency head upon the date described in Section 101(b) of this Act if, between the date of transmittal and the end of 60 calendar days of continuous session of Congress after the date on which such reporting forms are transmitted to the Congress, neither House passes a resolution stating in substance that the House does not favor any part or all of the reporting forms submitted under this section.

(B) Any reporting forms not approved by the Congress may be resubmitted for consideration, under the procedures described in subsection (2)(A) above, by the Congress 60 days following the passage of any such resolution provided:

(i) in passing such resolution the Congress has not found the proposed reporting form to be unnecessary or duplicative; or

(ii) in passing such resolution the Congress has not expressly prohibited the agency from resubmitting such reporting form.

(C) Any reporting forms not approved by the Congress upon resubmission of such reporting forms may not be issued by the agency for one year from the date described in Section 101(b) and shall be subject to the provisions contained in Title II of this Act without regard to the limitations of Section 201(a) of such Title.

(D) The provisions of Sections 908, 910, 911, and 912 of Title 5, United States Code, shall apply to any resolution considered under this paragraph. For the purposes of the preceding sentence of this subparagraph—

(i) all references in such sections to "reorganization plan" shall be treated as referring to "reporting forms" submitted under Section 101(c) of the "Federal Administrative Improvements in Reports Act of 1978"; and

(ii) all references in such sections to "resolution" shall be treated as referring to a resolution of either House of Congress, the matter after the resolving clause of which is as following: "That the _____ does not favor _____ of the reporting forms submitted under Section 101(c) of the "Federal Administrative Improvements in Reports Act of 1978", the first blank therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

SEC. 102. Seven years from the end of the three year period described in section 101(b), and for every seven years thereafter, the provisions of section 101 shall be implemented by all agencies as defined in sections 3(b)(1).

SPECIAL REQUIREMENTS FOR THE COMMISSIONER OF THE INTERNAL REVENUE SERVICE

SEC. 103. (a) The Internal Revenue Service of the Department of the Treasury shall be considered exempt from sections 101 (a) and (c) of this Act.

(b) In carrying out his responsibilities under section 101(b) in relation to the administration and enforcement of the Internal Revenue Code of 1954, the Commissioner of the Internal Revenue Service shall review all reporting forms for small businesses, especially those which require responses by small businesses at intervals of more than once each year, and in redesigning and establishing new reporting forms for small businesses, shall eliminate reporting forms which require responses by small businesses at intervals of more than once each year unless such reporting forms are absolutely necessary to the administration and enforcement of the Internal Revenue Code of 1954.

(c) After designing and establishing reporting forms for small businesses in accordance with section 101(b), the Commissioner shall take such action as may be necessary to continue to reduce, streamline and simplify the number and size of all reporting forms for small businesses used in the administration and enforcement of the Internal Revenue Code of 1954, and shall consult with groups representative of small business in order to obtain information concerning the effect of any such action on small businesses. The Commissioner shall report to the Congress every two years concerning efforts made to carry out the provisions of this subsection.

(d) In the report required under subsection (c), the Commissioner shall include—

(1) a list and description of all objections made by small businesses to any reporting form used by the Internal Revenue Service;

(2) a description of the efforts made to solicit input from the owners of small businesses;

(3) a list of small businesses or small business groups contracted;

(4) a description of how the comments of small business owners and groups have been utilized in the development of reporting forms for small businesses; and

(5) a list of reporting forms which require responses by small businesses at an interval of more than once each year, and a justification of the need for each such form.

TITLE II—PILOT TESTING PROGRAMS

PROCEDURES

SEC. 201. (a) Whenever any proposed rule becomes final, reporting forms which are required of small businesses pursuant to any such rule shall be subject to the requirements of this section if—

(1) the agency which proposed such rule determines, pursuant to careful analysis, that a significant number of those corporations or general businesses which would be required to complete such reporting forms are small businesses as defined in this Act; or

(2) the explicit language or the legislative history of any public law pursuant to which such report forms are issued or required by an agency, requires such agency to analyze and to take into account the effect of any such rule and its impact on small businesses; or

(3) the Office of Advocacy of the Small Business Administration, after reviewing the paperwork impact such rule would have on small businesses as defined in this Act, believes that the proposed requirements would have serious negative impacts upon such businesses; or

(4) otherwise required by law.

(b)(1) Reporting forms which are described under the provisions of subsection (a) of this section shall be distributed in a pilot test survey to a selected cross sample of all small businesses as defined in this Act.

(2) A survey conducted pursuant to paragraph (1) of this subsection shall accurately reflect the composition of the small business community, as reflected in such statistics of the Bureau of the Census, as would otherwise be subject to the provisions of the rule and should be designed according to the latest available scientific techniques.

(c) If any reporting form is not pilot tested pursuant to the requirements of subsection (b) of this section before its use or execution is required, the agency which promulgated the rule pursuant to which such reporting form is required shall publish in the Federal Register a notice of explanation as to why such pilot testing has not been conducted and a detailed explanation of the means by which such report is to be executed.

COMPOSITION

SEC. 202. (a) Reporting forms utilized pursuant to section 201(b) of this Act shall be clearly marked as test forms, shall be voluntary in nature and shall be distributed as necessary together with explanations of—

(1) the purpose of the utilization of the test reporting form itself;

(2) how the results of such test surveys of reporting forms would be used to aid Federal agencies; and

(3) how such reporting forms may be beneficial to small businesses.

(b) Each such test reporting form shall include an additional solicitation sheet to be utilized by the agency to determine the problems and advantages which the proposed report may create for small businesses.

(c) Each such solicitation sheet shall provide for the recovery of the following information:

(1) problems a respondent has encountered in executing or fulfilling the requirements contained in the reporting form;

(2) difficulties the respondent may have had in completing or understanding the reporting form;

(3) duplications or overlapping areas of inquiry which the respondent detects between the reporting form and other reporting forms for which the respondent is responsible; or

(4) such other pertinent information as the agency may feel to be useful in analyzing the reporting form.

(d) Each agency shall maintain a complete file of all such responses for a period of at least two years from the date upon which such test reporting forms were distributed.

PUBLICATION

SEC. 203. Information determined pursuant to the pilot test survey authorized by section 201(b) of this Act shall be published in the Federal Register together with an acknowledgement by the agency which promulgated the rule pursuant to which such reporting forms are required of problems identified by small businesses and the steps such agency will take to alleviate such problems.

FEDERAL REPORTS ACT

SEC. 204. (a) All reporting forms, including those not subject to the provisions of the Federal Reports Act (44 U.S.C. § 3501 et seq.), shall be submitted to the Office of Advocacy in the Small Business Administration for review and analysis, and those subject to the Federal Reports Act shall be submitted at the same time such reporting forms are submitted to the Office of Management and Budget for approval pursuant to such Act.

GENERAL OVERSIGHT

SEC. 205. The Office of Management and Budget shall be responsible for the administration of this Act and shall issue such rules and regulations as are necessary for the implementation of this Act. It shall monitor and facilitate the activities of all agencies as they prepare their reports and shall convene interagency meetings as needed to help resolve conflicts and inconsistencies which may arise among agencies as they seek to reduce conflicting or duplicative reporting requirements. The General Accounting Office shall perform the same duties with respect to the independent regulatory agencies.

SEC. 206. In fulfilling its responsibilities pursuant to section 205, the Office of Management shall certify that each agency report submitted to Congress under section 101 of this Act contains no new reporting forms or requirements which are duplicative of others within such agency's reporting system or among the reporting systems administered by other agencies affected by this Act. Such certification shall be contained in each report submitted by the agencies to the Congress pursuant to the requirements of section 101. The General Accounting Office shall perform the same duties with respect to the independent regulatory agencies.●

By Mr. COHEN (for himself and Mr. HATFIELD):

S. 392. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on Rules and Administration.

VOTING RIGHTS FOR THE ELDERLY AND THE HANDICAPPED ACT

● Mr. COHEN. Mr. President, today, joined by my colleague Senator HATFIELD, I am pleased to introduce legislation which will reenfranchise many handicapped and elderly citizens by making polling places and voter registration facilities accessible to persons using wheelchairs and other ambulatory aids.

Most of us take for granted the simple act of voting. Yet, certain groups of persons have been systematically deprived of the right to vote. Among those are the handicapped and elderly who lack the mobility to overcome architectural barriers that have been thoughtlessly placed in their way.

Despite our best intentions in passing laws making Federal buildings accessible to the handicapped and elderly and offering tax incentives to encourage similar changes in other buildings, accessibility to polling and voter registration places remains a problem. A few States, including my own State of Maine, have had the foresight to enact legislation which provides for accessibility to polling places. These laws should serve as a model for comprehensive Federal action.

The exact number of individuals who would benefit from Federal legislation in this area is unknown, but several reliable estimates underscore the magnitude of the problem.

The National Center for Health Statistics reports that there are approximately 1.87 million Americans of voting age whose mobility is restricted as a result of physical handicaps. A large percentage of the Nation's 23.5 million elderly citizens are also affected by structural barriers. The Department of Transportation estimates that, at any one time, more than 2.6 million potential voters are temporarily disabled by serious, but short-term illnesses or injuries. Together these groups represent a significant number of Americans whose ability to exercise their right to vote is threatened by the presence of architectural barriers.

In addition to architectural barriers, another obstacle to political participation by handicapped persons and the elderly is the requirement governing absentee ballot registration and voting procedures. Existing laws, which were designed to protect States from vote fraud, discriminate against the handicapped, and the frail elderly. Many States, for example, require a doctor's statement and often notarization before a disabled individual can vote absentee. These requirements can be expensive, difficult to obtain, and in a sense constitute a poll tax.

The bill I am introducing today directs the Attorney General and the Secretary of Health, Education, and Welfare to jointly develop standards which will insure that all polling places and registration facilities are fully accessible to the elderly and the handicapped. When promulgated, these standards will serve as a guideline for State and local jurisdictions in the selection of polling and registration facilities. States and local jurisdictions which have already adopted standards as stringent as those prescribed by the Attorney General will be unaffected by this legislation.

If no accessible polling place or voter registration site is available in a voting district, the State shall provide for alternative methods of voting and registration. In the case of voting, such alternatives will include setting up accessible voting places outside the voting precinct to which the handicapped or elderly individual is assigned to vote, modification of absentee laws, and "curbside" voting. Likewise, alternatives for voter registration are required.

In addition, the bill requires that paper ballots be available at all Federal election voting sites for the use of persons who are unable to operate a conventional voting machine. Another provision will aid the blind in their attempts to vote. Blind individuals and others who have difficulty in operating a voting machine and marking a paper ballot would be allowed to designate individuals to assist them in the voting booth.

More than 80 percent of the instructions given in voting places and registration sites are verbal. For the deaf and those with hearing difficulties, the bill requires that instructions and directions be written and posted.

Whatever the alternative method of voting or registration selected, public notice shall be given at least 60 days prior to the election or close of registration in order to advise those affected citizens of the options available to them. Handicapped and elderly voters would then have ample opportunity to notify election officials of their intention to vote by an alternative method.

If the Attorney General has reason to believe that a State or political subdivision is not complying with the provisions of this act, he has the authority to bring action in Federal District Court.

Mr. President, voting is one of the most cherished freedoms guaranteed by our Constitution. We in Congress have an overriding obligation to insure that no American is denied this basic right through no fault of his own. The time is at hand to remove the barriers which have made it difficult for the elderly and the handicapped to participate fully in

the political process, and I hope that we can enact this bill into law without further delay.●

By Mr. DOMENICI:

S. 393. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widowers of certain railroad employees; to the Committee on Human Resources.

SURVIVOR ANNUITIES FOR WIDOWS AND WIDOWERS

● Mr. DOMENICI. Mr. President, today I am introducing S. 393, which amends the Railroad Retirement Act of 1974 to modify the survivors benefits for widows and widowers of railroad employees.

Annuities are payable to surviving widows and widowers, children, and certain other dependents. Eligibility for survivor benefits depends on whether the employee was insured under the Railroad Retirement Act at the time of death. An employee is insured if he or she has at least 10 years of railroad service and a "current connection" with the railroad industry at the time of retirement or death. In the great majority of cases the "current connection" requirement is met if the employee had some railroad service in at least 12 of the months in the 2½ years before retirement or death.

Currently, over 300,000 widows and widowers are on the Railroad Retirement Board's annuity rolls.

The bill I am proposing today is intended to increase the annuities of widows and widowers by the difference between what they get under current law and what the railroad employee was getting. My bill will include widows and widowers of employees who died before retirement who qualify for survivors benefits under current law.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Railroad Retirement Act of 1974 is amended by adding at the end the following new subsection:

"(j) With respect to any month in which a survivor's annuity otherwise payable under this Act to a widow or a widower of a deceased employee would be in an amount less than the amount of the annuity under section 3 which would have been payable to such deceased employee if not deceased, the survivor's annuity of such widow or widower shall be increased to an amount equal to the amount of annuity that would have been so payable to that deceased employee. The annuity would continue to be reduced by the amount of social security benefits received. Coverage under this Section would include widows and widowers of employees who died before retirement who qualify for survivors benefits under current law. However, it would exclude supplemental annuity benefits under section 3(e)."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to annuities accruing under the Railroad Retirement Act of 1974, for months beginning as to the date of the enactment of this Act."●

By Mr. CHILES (for himself, Mr. DOMENICI, Mr. DOLE, Mr. GLENN, Mr. BRADLEY, Mr. PRYOR, and Mr. COHEN):

S. 395. A bill to require studies and recommendations from the Department of Health, Education, and Welfare with respect to health insurance sold as a supplement to medicare, to provide penalties for certain sales practices, and for other purposes; to the Committee on Finance.

MEDICARE SUPPLEMENTAL HEALTH INSURANCE INFORMATION DISCLOSURE PROTECTION ACT OF 1979

● Mr. CHILES. Mr. President, today I am introducing a bill to provide protections against unethical and unscrupulous sales of "medi-gap" health insurance policies to older Americans. Senators DOLE, GLENN, BRADLEY, PRYOR, and COHEN are joining me as original cosponsors.

Medicare now pays for about 40 percent of the total health case bill for older Americans. The large gaps mean that most older Americans, fearful of illness and escalating health care costs, purchase commercially marketed health insurance to supplement their medicare protection. Some of it is good, and some of it is not.

Two-thirds of those age 65 and over have purchased some form of this insurance, spending at least $1 billion each year. Medi-gap policies pay for about 5 percent of their total health care bill.

Testimony before the Committee on Aging revealed widespread misinformation, unchecked sales of policies with questionable benefits, and callous attitudes toward older Americans fearful of rising health costs

We found gross instances of overselling: One woman had been sold 19 health insurance policies from 9 different companies by 6 different insurance agents in just over 1 year, most of which overlapped or were duplicated and would never be of benefit.

We found some agents "rolling over" policies: They would come back again and again to replace old policies with new ones, receiving a new, higher commission each time.

We found some agents claiming that the expensive policies they were selling covered everything medicare did not, when the policy really provided very little beyond medicare.

We found individuals posing as licensed insurance agents selling worthless pieces of paper as health insurance policies.

We found agents circulating lists of elderly people who were particularly vulnerable and would buy more insurance. In Wisconsin they were called "mooches" or "cripples." In Texas, they were called "goose lists."

Since our hearings, further examples have surfaced in hearings conducted by the House Committee on Aging and through newspaper investigations.

This bill would take what I feel are minimum necessary steps to acknowledge and fulfill our Federal responsibility to prevent these abuses. The magnitude of the problem has been acknowledged by many members of the health insurance industry and by a number of State insurance commissioners. During our hearings, a spokesman for the National Association of Insurance Commissioners made a commitment to develop recommendations for State action, and members of the health insurance industry have been participating in this effort.

I recognize these efforts, and support them. I believe the most effective corrective actions can be taken by the States and by individual insurance companies. The intent of this bill is to support these efforts. Concerned insurance commissioners and representatives of health insurance companies would be fully involved in all actions taken.

First, the Department of Health, Education, and Welfare would be required to develop, and propose for adoption by States, minimum standards for the content and sale of medi-gap policies. Included would be policies designed to supplement medicare, such as "wrap-around" policies which commonly pay for medicare deductibles and coinsurance charges; and other policies which are marketed heavily to the elderly, such as dread disease and hospital indemnity policies.

Second, HEW would be required to make a thorough evaluation of the feasibility and effects of a program of Federal certification of medi-gap policies. If a medi-gap policy met standards for benefits, exclusions, premiums, and loss ratios and if other standards for information disclosure, solvency guarantees, and company marketing practices were met, for instance, that policy could be advertised and sold as meeting Federal standards. Misuse or falsification of certification would be subject to penalties.

I would like to have some more evaluation of the effort and costs which would be involved in such a program, and the expected impact, before we fully institute such a measure. If model regulations and standards are uniformly adopted and enforced by all States, for instance, such a Federal program may not be necessary.

Third, the bill provides penalties of up to $25,000 fine or 5 years imprisonment for anyone who misrepresents in any way an association with medicare for the purpose of soliciting business for medi-gap sales.

This is a strong penalty, but it is consistent with existing medicare fraud penalties, and I think we owe the same protection to medicare beneficiaries. It would be a strong deterrent for those insurance agents who imply they are collecting premiums for medicare, or say they need to come to a home to explain changes in medicare, simply to get a foot in the door to sell insurance.

Fourth, HEW would be required to provide comprehensive, timely, and easy to understand information to all medicare beneficiaries on the types of medigap policies available, their relationship to medicare and medicaid benefits, and the probable need for such policies.

Virtually every witness during our hearings concluded that a significant amount of abuse could be avoided if

medicare beneficiaries were better informed about medicare and the medigap policies being sold. Federal Trade Commissioner Dole concluded that a wide information gap has made it virtually impossible for older Americans to make rational purchase decisions. As Wisconsin State Insurance Commissioner Harold R. Wilde observed: "Millions make a good choice. Millions of others do not."

I believe, and Secretary Califano has agreed, that the Federal Government has a responsibility to improve its medicare information and extend that responsibility to information to help evaluate supplemental insurance.

Fifth, the Federal Trade Commission would be required to undertake a nationwide study of unfair and deceptive practices in medi-gap advertising, solicitation, and marketing practices. The Commission would also be required to assess the relative impact of a number of different State approaches to regulation of medi-gap insurance sales. The activities of the Department of Health, Education, and Welfare and the Federal Trade Commission would be carried out in consultation with each other.

We are not facing a brand new issue, and I do not expect implementation of these provisions to take a long time. I urge my colleagues to see that this bill is passed soon, so we can bring a quick end to the incredibly callous treatment of too many older Americans.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Medicare Supplemental Health Insurance Information disclosure and Protection Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that significant numbers of the Medicare beneficiaries who have availed themselves of the option, provided for under section 1803 of the Social Security Act, to obtain supplementary health insurance protection, have been subjected to misinformation and unethical sales practices when making purchases of supplementary policies, and that a combination of Federal, State, and private action is necessary to ensure that these beneficiaries have access to complete, timely, and accurate information on the nature and costs of supplementary health insurance. The Congress also finds that increased protection against certain selling practices is necessary.

(b) The Congress finds that Federal responsibility in fully carrying out the provisions of title XVIII of the Social Security Act extends to providing an assurance of the quality of suitable additional insurance protection against health costs not included within the protections offered by title XVIII.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "Medicare" means the program of health insurance for the aged and disabled under title XVIII of the Social Security Act;

(2) the term "Medicare eligible person" means a person entitled to benefits under part A or eligible to enroll under part B of the Medicare program; and

(3) the term "Medicare supplemental insurance" means—

(A) any policy of accident or sickness insurance which is designed to supplement Medicare or is advertised, marketed, or otherwise purported to be a supplement to Medicare; and

(B) any other policy of accident or sickness insurance marketed or sold to Medicare eligible persons, including a specific illness or specific benefit or hospital indemnity policy, regardless of whether it is purported to supplement Medicare benefits.

PENALTIES FOR CERTAIN SALES PRACTICES

SEC. 4. Section 1877 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(e) Whoever falsely assumes or pretends to be acting, or misrepresents in any way that he is acting, under the authority of or in association with the program of health insurance established under this title for the purpose of selling or attempting to sell insurance, or in such pretended character demands or obtains any money, paper, document, or thing of value, shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years, or both.".

MINIMUM STANDARDS FOR MEDICARE SUPPLEMENTAL INSURANCE

SEC. 5. (a) The Secretary of Health, Education, and Welfare shall develop, for proposed adoption by States, model legislation and regulations concerning proposed minimum requirements for the sale of Medicare supplemental insurance to Medicare eligible persons.

(b) In the development of such model legislation and regulations, the Secretary shall consult with consumers, the Federal Trade Commission, the National Association of Insurance Commissioners, and representatives of the health and accident insurance industry.

(c) The Secretary shall include in such proposal recommendations for minimum national uniform standards for all health insurance policies advertised for sale to, or sold to, Medicare eligible persons.

(d) Recommendations shall address, but not be limited to, minimum benefits required of policies sold as Medicare supplemental insurance; accurate and descriptive labeling of all such policies; the relationship between premiums charged and benefits paid under such policies; policy exclusions and limitations (including limitations on pre-existing conditions) under such policies; and requirements for information disclosure and fair sales practices in the advertising and marketing of such policies.

(e) The recommended minimum national uniform standards shall be made widely available to members of State legislatures and the public.

STUDY OF FEDERAL CERTIFICATION

SEC. 6. (a) The Secretary of Health, Education, and Welfare shall undertake a study of the feasibility and desirability of a program of Federal certification of Medicare supplemental insurance, and report his findings and recommendations to Congress within one year.

(b) The study shall include an assessment of the probable impact of certification on prevention of abuses in the content, premiums, and marketing of Medicare supplemental insurance, and of any additional costs to consumers resulting from certification.

(c) For purposes of the study, the Secretary shall determine the relative impact of certification made available on a voluntary basis to insurance companies wishing to participate in the program, and of a mandatory requirement that all Medicare supplemental insurance sold to Medicare eligible persons meet conditions of certification.

(d) For purposes of the study, the Secretary shall include, to the extent practicable, analyses of the impact of standards for Medicare supplemental insurance which may have been proposed under the provisions of section 5 of this Act. The study shall also include an assessment of the feasibility and desirability of applying standards relating to insurance company marketing practices and such additional requirements for certification as the Secretary may deem appropriate.

INFORMATION FOR MEDICARE ELIGIBLE PERSONS

SEC. 7. (a) The Secretary of Health, Education, and Welfare shall make readily available to all Medicare eligible persons and persons about to become eligible, in easily understandable language, comprehensive information on the types of Medicare supplemental policies available, the relationship of these policies to Medicare and Medicaid benefits, and the probable need for supplemental insurance by Medicare eligible persons.

(b) Such information shall be made readily available in printed form and through other means, such as counseling, where feasible.

(c) The Secretary shall also recommend to Congress other appropriate means of ensuring full disclosure of essential information to Medicare eligible persons who purchase Medicare supplemental insurance.

FEDERAL TRADE COMMISSION STUDY

SEC. 8. (a) The Federal Trade Commission shall undertake a nationwide study of unfair or deceptive acts and practices in the sale of Medicare supplemental insurance to Medicare eligible persons and report its findings to Congress within one year after the date of the enactment of this Act.

(b) The study shall include, but not be limited to, unethical or inappropriate activities in the advertising, solicitation, and sale of such insurance policies by insurance companies or their agents, whether directly employed or acting as independent contractors, and a determination of the relative impact of differing State and regulatory approaches to the sale of such insurance to Medicare eligible persons. The Commission shall recommend to Congress additional actions which should be taken to deter misinformation and unethical or inappropriate activities in the sale of such policies to Medicare eligible persons.

(c) The Commission shall conduct such study in consultation with consumers, the Department of Health, Education, and Welfare, the National Association of Insurance Commissioners, and representatives of the health and accident insurance industry.●

● Mr. DOLE. Mr. President, I am pleased to join my distinguished colleague from Florida, Senator CHILES, in introducing this legislation requiring certain studies and recommendations with respect to supplementary health insurance sold to the elderly.

PLIGHT OF THE AGED

Without question, health care costs are a significant expense and of primary concern to those of our citizens who are elderly. At present, medicare pays only 38 percent of the total health care costs of the elderly. In addition to medicare deductibles and coinsurance, the elderly are required to pay for many types of services that are not reimbursable under the medicare program at this time. Examples of such services are out-patient drugs, eyeglasses, hearing aids, dental

care, and most importantly, certain types of long-term care.

The annual amount of out-of-pocket per capita health care expenditure for the elderly reached $403 in 1976. This amount continues to grow and is frightening for the elderly since many are on fixed budgets. The elderly are faced with serious dilemmas: Limited dollars versus escalating health care costs; the increasing risk of illness due to age; and the inability of medicare to finance all services necessary. Because of these dilemmas, many seek out supplementary health care insurance plans to cover the gaps in coverage (and financing) of health care services. These policies are often referred to as "medi-gap" plans.

SUPPLEMENTARY HEALTH INSURANCE

In 1975, it was estimated that 63 percent of all Americans over 65 had some private health insurance coverage for hospital care alone and that 55 percent of all older Americans had some sort of private health insurance to cover physicians' services. Premiums for this type of insurance coverage cost the elderly approximately $1 billion last year.

This type of private insurance, referred to as medi-gap or medicare supplemental insurance, is designed to fill the gaps in the benefits structure of the medicare program and pay service rather than indemnity benefits. Additionally, many elderly also purchase indemnity policies which pay a certain number of dollars per day of hospitalization. The third type of insurance frequently purchased by the elderly is a limited policy which is frequently referred to as a dread disease policy. It pays benefits, often indemnity, only in the event the insuranced individual contracts a certain disease, which is in most instances cancer.

Some of our elderly citizens hold 15, 20 or even more of these policies in an attempt to cover as many costs and services as possible. An estimated 23 percent of those who buy this private health insurance have some unnecessary duplication in coverage. Many other problems with these insurance plans have also been noted.

PROBLEMS WITH SUPPLEMENTARY HEALTH INSURANCE

In hearings held by the Special Committee on Aging of the U.S. Senate and in investigations by the Federal Trade Commission into the private health insurance market to supplement medicare, many unscrupulous and questionable practices came to light. In a document prepared by the staff of the Federal Trade Commission, the following description of some present insurance company practices can be found: "Unscrupulous agents selling door-to-door or mail order advertisements often mislead or frighten them (the elderly) into "loading up" on two or more policies or replacing policies each year—a practice known as "twisting." When they file claims, many of them find that coverage they thought would fill all the gaps in medicare falls short of their expectations. Most supplemental policies would not pay for preexisting conditions or the major gaps in medicare, such as nursing home care, excess provider charges, and prescription drugs."

The report which is summarized in the testimony presented by Elizabeth Handford Dole, Commissioner, FTC, to the Senate Special Committee on Aging, also indicates that inadequate information, ignorance about the real health risks faced by the elderly, nonstandardized coverage, and special limitations for the elderly in these plans all lead to problems. Commissioner Dole, in addition to outlining these difficulties, also notes that the elderly are frequently confronted with policies which pay back in benefits only a relatively low percentage of dollars paid in premiums. Of course, the worse abuse of all are the scare tactics used by some agents to sell these questionable policies.

Mr. President, I ask unanimous consent that Commissioner Dole's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ELIZABETH HANFORD DOLE, COMMISSIONER, FEDERAL TRADE COMMISSION

Mr. Chairman and Members of the Committee: Thank you for inviting me to testify here today on behalf of the Federal Trade Commission. I welcome this opportunity, for I share with you a deep personal concern about the problems of the elderly. I am pleased that, thanks to your efforts, the issue of Medicare supplement or "Medigap" insurance is beginning to receive the attention it so urgently needs.

More than half the people in this country aged 65 and over have private health insurance in addition to Medicare. They purchase it because they worry about meeting the medical expenses which Medicare does not cover, and with good reason. On the average, elderly individuals spend $1360 per year on health care, three times as much as the rest of the adult population. In 1976 Medicare paid only 38% of their health care costs.[1]

At this Committee's hearing on May 16, both state officials and consumers told of the abuses associated with the marketing of Medicare supplement insurance. There was testimony that some dishonest agents take advantage of the isolation or physical disability of many older people. Some agents engage in "stacking," or selling several policies with overlapping coverages to the same person. Another common marketing abuse is "twisting," or persuading people to cancel their policies and buy new ones which subject them to new exclusions and waiting periods. Some agents also misrepresent that they are from Medicare or Social Security or that the policies they sell have been approved or sponsored by the federal government. The Federal Trade Commission commends those state insurance commissioners who have increased their enforcement efforts in order to put an end to misconduct by agents.

It is also important to recognize that there is such a dearth of consumer information in the Medicare supplement market that it is almost impossible for consumers to make rational purchase decisions; agent misconduct is thus facilitated. A great variety of differing policies effectively precludes buyers from comparing benefits or premiums, resulting in lack of price competition and the sale of duplicate coverage to hundreds of people who are under the impression that they are filling all the gaps in Medicare. Other areas of widespread misunderstanding are the limited nature of Medicare supplement coverage, the relatively high cost of coverage for the initial deductibles compared to insurance against catastrophic medical expenses, and exclusions for pre-existing medical conditions.

Footnotes at end of article

This morning I would like to describe some of the common informational problems in the Medicare supplement area, and then review briefly the public policy alternatives and some recent state initiatives. These subjects are discussed at length in a staff report which is nearing completion and which we hope to release to you next month. Finally, I'd like to discuss the possibility of an impact evaluation of various state approaches, conducted perhaps as a cooperative federal-state effort, to determine the most effective method of making Medigap supplement insurance comprehensible to everyone.

Why should the federal government become involved in this area?

First, the Medicare supplement market is a by-product of the federal Medicare program. Supplemental insurance is confusing because Medicare's benefit structure is complicated. Commissioner Harold Wilde of Wisconsin has observed that the federal government has a moral responsibility to cope with the problems Medicare has caused.

Second, there are arguments for a uniform approach to Medicare supplement regulation, which federal study could facilitate. Continuing variation in state standardization regulations carries the spectre of insurers having to market different Medigap policies in every state, with obvious increasing costs. In addition, it would appear that uniformity would benefit consumers by ensuring that the categories for Medigap insurance will be the same should they move to another state. These and other issues should be assessed in the impact evaluation to determine if there are particular reasons why uniformity is desirable in this segment of the insurance market.

Third, most states would not be able to enforce their Medicare supplement regulations against mail order insurers not licensed in their states. Many supplement and indemnity plans are sold by mail.

As you know, the McCarran-Ferguson Act generally immunizes the "business of insurance" from the Sherman, Clayton, and FTC Acts to the extent that such business is regulated by state law. However, federal agencies can make valuable contributions to the deliberations in this important area by undertaking studies and making recommendations to Congress and to the states.

THE COMPLEXITY OF THE MARKET

Three types of health insurance policies are commonly sold to the elderly. "Medigap" or Medicare supplement policies pay service benefits to fill some of the gaps in Medicare;[2] generally they pay some or all of Medicare's initial and daily deductibles and coinsurance.

The second and third types, hospital indemnity and dread diseases policies, may be sold to adults of any age, but many companies emphasize sales to the elderly.[3] Unlike Medigap policies, indemnity policies pay a certain dollar amount per day of hospitalization, typically $20 to $50, to offset daily hospital costs which usually run to $150 or more. Finally dread disease contracts cover only some of the expenses incurred for care of a particular illness, such as cancer.

Even in the Medigap category alone, there is virtually no standardization.[4] Let me give you a few examples. Some Medigap policies cover only the Part A initial and daily hospital deductibles; some place low dollar limits on coverage for the 20% coinsurance under Part B; some cover virtually the full 20% Part B coinsurance, but others only for those medical services rendered in a hospital setting, and not for the same procedures performed outside a hospital. Some sell several policies with piecemeal, but overlapping, coverages. Some mix service and indemnity benefits.

It is difficult enough for anyone to have a thorough understanding of Medicare's complex benefit structure and its gaps. Now add to that the bewildering variety of ways each different insurer fills some of those gaps.

Then, when hospital and nursing home indemnity plans and dread disease contracts complicate the picture, comprehension and comparison become almost impossible for consumers.

Confusion caused by the multiplicity of policies often leads consumers to buy two or more policies in an effort to obtain complete coverages. It has been estimated that twenty-three percent of the people over 65 who have private insurance have two or more policies covering hospital costs, resulting in some degree of overlapping coverage.[5] Medigap policies generally include coordination of benefits clauses. This means that in the areas of overlap, only one policy will pay for each gap. For instance, a person who buys three policies which cover the $144 Part A deductible will not receive $432 in the event of hospitalization. Only the first policy will pay $144 in benefits. The buyer has wasted the portion of the second and third premiums which paid for the duplicate coverage of the initial deductible. Those elderly persons who live on fixed incomes can ill afford to spend their money on such worthless duplication.

Both indemnity and dread disease plans will pay benefits in addition to Medicare and any other private insurance, giving "extra cash."[6] However, these policies often produce few benefits in relation to the amount of money invested; they typically have very low loss ratios.

Even the elderly person with only one Medigap policy may have a low value product. Since comparison shopping is foreclosed, many Medicare supplement insurers are not obliged to price or operate competively. Recently the outgoing Chairman of the Board of the Health Insurance Association of America criticized those companies whose loss ratios are "far too low," saying they "give a bad name to the whole industry."[7]

LACK OF INFORMATION

Many people purchase supplemental coverage in the belief that their private insurance will take care of all of the medical expenses Medicare will not pay. Often agents tell their prospects: "This policy will cover everything that Medicare doesn't cover."[8] In reality many Medigap policies exclude from coverage the very same areas which Medicare will never cover: out-of-hospital prescription drugs, most nursing home care, routine physical examinations, eyeglasses, hearing aids, and dental care. Medicare will not pay for the portion of physicians' fees which exceed a "reasonable charge," as determined by the Medicare carrier.[9] We are not aware, either, of any Medicare supplement insurer who will pay those excess charges.

Of course, Medicare's determination of reasonable charges is a measure designed to control costs. We are not suggesting that Medigap insurers should provide reimbursement for excess physicians' charges. Nor do we mean to say that supplemental policies should fill every gap in Medicare. The problem is the common misperception that Medicare supplemental coverage is comprehensive. Actually its role is limited; private health insurance accounts for only 5% of the health care expenses of the elderly. How many people would buy Medigap policies if they knew how incomplete their coverage might prove to be?

Consumers may not realize that some kinds of Medicare supplement coverage are more expensive than others. For example, they pay more for coverage for the initial deductibles than for insurance covering those catastrophic medical expenses which could mean financial disaster. The California Department of Insurance estimates that it costs, on the average, $30 per year to buy insurance for the $60 annual Part B deductible.

It is important that consumers know how much first-dollar insurance coverage really costs them, as well as which Medigap policies provide it and which do not. Some people, however, want first-dollar coverage for health care expenses because it gives them a sense of security, and they may not realize that not all Medigap policies cover the initial deductibles. Once again, the problem is lack of information. And if consumers knew the true cost of first-dollar coverage, perhaps they would not choose it.

Many Medigap policies exclude coverage or require waiting periods before they will cover pre-existing conditions. Under "pre-X" clauses, an insurance company can deny coverage for conditions which existed before the policy went into effect. Since many elderly people have multiple health problems, a policy may lose much of its value if the insurer interprets a pre-X clause strictly to deny claims for any illness which developed out of pre-existing conditions. Some campanies insure all applicants regardless of medical history, then deny their claims, citing pre-existing conditions.[10] Because pre-X clauses are not uniform, it may be extremely difficult for the consumer to anticipate what his premium dollar is buying.

POSSIBILITIES FOR GOVERNMENTAL ACTION: STATE APPROACHES

In attempting to solve the consumer information problems in the Medicare supplement area, the states have developed three possible approaches. The first of these is the establishment of minimum standards. California has set a benchmark minimum loss ratio of 55% for Medicare policies.[11] An Illinois statute requires that all such policies delivered in that state must fill certain gaps, including the initial Part A deductible, Part A copayments, and Part B coinsurance.

A second approach is to bring about standardization by establishing categories for policies and requiring that each policy carry an appropriate label. Wisconsin's new rule sets up four benefit levels for Medigap policies, which must now bear the corresponding number. Categories 1 to 3 range from most to least comprehensive. Policies in category 4A supplement only Part A of Medicare, which those in category 4B supplement only Part B.[12] California has also established, in a different way, three categories for Medicare supplement policies, labelling them "in-hospital only", "in-and out-of hospital", and "catastrophic."

The third type of public policy initiative involves efforts to provide information to consumers in order to permit the market to function more effectively. The most common method is a disclosure requirement. Wisconsin requires agents to give out an 18 page booklet and California mandates the use of general one-page disclosure forms. In Oregon, insurers or agents must fill in the blanks on a disclosure chart showing Medicare benefits, gaps, and policy benefits. New Mexico requires a slightly different disclosure chart. In my opinion, a chart would be particularly useful if it could show not only Medicare's coverage and gaps and the policy's benefits and costs, but also the expenses the consumer would still have to pay out-of-pocket.

I should emphasize that these state approaches—minimum standards, standardization combined with labelling, and disclosure requirements—are not mutually exclusive. It may well be that a combination of these regulatory measures would be most effective.

At present, when an agent or an advertisement exaggerates the worth of a Medigap policy, the prospective buyer typically has no where else to turn for impartial information to correct the misunderstanding. Other methods have been suggested besides mandatory written disclosures to assure that buyers get the information they need, such as individualized insurance counseling and consumer education measures to furnish facts which insurers do not generally provide: Medicare coverage and gaps; eligibility for Medicaid;[13] health risk information (e.g., average length of hospital stay for the over-65 age group); and rating of companies' records in handling claims. In addition, nontraditional avenues for increasing consumer awareness, such as the use of television spots, should be explored.

IMPACT EVALUATION

What is needed to ferret out the problems and evaluate the public policy implications of alternative solutions? We believe the answer is an impact evaluation of existing state regulations of Medicare supplement insurance, with central focus on the effectiveness of different regulatory systems in facilitating the purchase of Medicare supplement insurance which meets consumers' needs and expectations.

Considerable groundwork would be necessary to narrow the focus of the study. Basic facts about the Medicare supplement industry, such as total premium volume, are presently unavailable.[14] It is evident that duplicate coverage is a serious problem, but no one knows its precise nature or extent. It would be important to learn from consumers what information they feel is essential to make wise purchasing decisions.

A full-scale impact evaluation would help to answer the complex and important policy questions which abound in the Medicare supplement area: Is it possible to provide complete yet comprehensible explanations of Medicare and the multitude of ways private insurers fill some of its gaps? Is standardization necessary to make the market's offerings understandable? Should public policy try to influence the consumer's choice between costly first-dollar coverage and what economists might call more rational insurance for catastrophic medical expenses? What are the arguments for and against the sale of dread disease or indemnity policies?

An impact evaluation would be timely because several states' regulations have become effective within the past year. As I have already indicated, Wisconsin and California have established totally different systems of standardization and labelling. Oregon and New Mexico have different disclosure requirements, but no regulations involving standards. Illinois sets minimum standards but does not prescribe any particular disclosures. An evaluation should point up the strengths and weaknesses of each state's system and should assess the desirability of a model regulation.

An impact evaluation could also provide information about the effectiveness of various disclosures and recommend follow-up consumer education and counseling measures. And if current debates lead to the establishment of some form of national health insurance, it appears that the results of such a study would be valuable to policy makers since a similar supplemental market might well develop under any system providing a less than comprehensive benefit package. The results of the impact evaluation would be available, of course, for the use of state regulators and legislators, Congress and the public.

How should this impact evaluation be performed? Perhaps a cooperative federal/state effort would be best, with participation by the National Association of Insurance Commissioners, FTC, and HEW. A joint HEW/FTC/NAIC project would bring together different types of expertise, each of which would contribute greatly to such a study. The NAIC and state insurance departments have first-hand experience with insurance regulation

Footnotes at end of article.

and access to data. In fact, on June 12 the Accident and Health Subcommittee of the National Association of Insurance Commissioners voted to create a Task Force to investigate regulation of health insurance sold to the elderly and identification of other health insurance products "which do not fulfill the public's interest." HEW would contribute knowledge about the Medicare program, and the FTC's expertise in the areas of consumer protection, information disclosure, and competition would be pertinent. We would welcome the opportunity to work with the NAIC and HEW in such an undertaking.

In conclusion, Mr. Chairman, I am convinced that inappropriate medicare supplement insurance purchases can impose severe hardships on the elderly. We must begin now to determine the best approaches for resolving these problems, and I hope that my testimony this morning will make some contribution to that endeavor.

FOOTNOTES

[1] They must pay initial and daily hospital deductibles under Part A, and the initial deductible and 20 percent coinsurance for medical services under Part B. In addition, they must pay the entire bill for certain kinds of care: routine physical examinations; most eye, hearing, and dental care; medical appliances such as eyeglasses, hearing aids, and dentures; out-of-hospital prescription drugs which can be self-administered; and homemakers' services or meals at home, among others. The Medicare program was never intended, of course, to provide complete coverage. Instead, it was meant to serve as a base on which people could build by means of private health insurance and employer retirement plans. *See Medicare Gaps and Limitations*, Hearing Before the Subcom. on Health and Long-Term Care of the House Select Committee on Aging, 95th Cong., 1st Sess. 36 (1977) (Appendix I; "The Aged and their Health Expenditures").

[2] The health insurance industry sometimes designates such Medigap policies as "wrap-around" coverage.

[3] Some companies make a special sales pitch to older women with limited incomes. Commercial Health and Accident Industry, Hearings before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, 92nd Cong., 2nd Sess. 591, 829, 1150 (1972).

[4] *See* generally Health Insurance for Older People: Filling the Gaps in Medicare, Consumer Reports 27 (Jan. 1976).

[5] G. Ellenbogen, Private Health Insurance Supplementary to Medicare (a working paper prepared for the Senate Special Committee on Aging) 7–8 (1974) (1972 Social Security Administration estimate). For another estimate based on the 1974 National Health Survey of 40,000 households, see 52 *Hospitals* (Journal of the American Hospital Association) 20 (May 16, 1978) (In 1974 53.8% of those 65 and older had private hospital insurance in addition to Medicare and 12.1% of those had two or more plans).

[6] Since indemnity and dread disease policies are a fixed dollar amount per day regardless of Medicare coverage, the benefits are not necessarily related to a Medicare patient's need for cash to pay for medical expenses.

[7] Speech by Robert A. Beck, CLU, Chairman and Chief Executive Officer-Elect and President of Prudential Insurance Company of America, to the Health Insurance Association of America, Group Insurance Forum, Chicago, Illinois, May 1, 1978. Mr. Beck said that these low loss ratios "could never be expected to reach a reasonable figure." Sometimes a low loss ratio reflects the fact that a policy has only been in use for a few years; in later years the claims paid out to policy-holders will increase. Apparently, Mr. Beck meant that some supplemental policies will never show a loss experience sufficiently favorable to represent a good value for buyers, because of limited benefits, arbitrary denials of claims, and/or unreasonable expense ratios.

[8] *See, e.g., International Security Life Insurance Co.* v. *Finck*, 475 S.W. 2d 263 (Tex. Civ. App. 1972); *aff'd in part* and *rev'd in part*, 496 S.W. 2d 544 (Tex. 1973).

[9] During the second quarter of 1977, Medicare Part B carriers made some reduction in 80% of the unassigned claims for physicians' services filed with them. They reduced the total dollar amount of unassigned Part B claims filed by 21%. This means that Medicare patients can expect to pay, on the average, 36% of their physicians' bill themselves (20% coinsurance plus roughly 20% of the remaining 80%). Medigap policies which cover the 20% coinsurance under Part B generally pay 20% of the amount the Medicare carrier determines to be reasonable.

[10] Dishonest agents sometimes "clean-sheet" elderly applicants, or encourage submission of their applications without any indication of prior health problems, to ensure that the company will underwrite the risk. Again, the company can deny claims on the basis of pre-existing conditions, a practice known as "post-claims underwriting."

[11] Recently, New Jersey Insurance Commissioner Sheeran banned the sale of more than 100 individual health policies with loss ratios of less than 50%, including many low-value products marketed especially to the elderly.

[12] The major factor which distinguishes categories 1, 2, and 3 is the difference in the lowest permissible dollar limit each may set on claims. Categories 4A and 4B have dollar limits as high as category 1, but each supplements only one part of Medicare. 4B policies may also provide for a large deductible, up to $500.

[13] In most states, Medicaid programs pay for almost all the medical expenses for people whose incomes are low enough to qualify. It is almost always unnecessary and inadvisable for an elderly person who is eligible for Medicaid to buy any private health insurance at all, but many now do.

[14] Estimates of total annual Medicare supplement premium volume range from $0.5 to $1 billion. However, no reliable figure exists because insurance companies are generally not required to separate Medicare supplement experience from the accident and health insurance data they report to state insurance departments.

WHERE GOVERNMENT HAD FAILED

Mr. DOLE. Mr. President, it is additionally difficult for senior citizens to make informed and rational decisions about their need for private health insurance because they lack the appropriate amount and type of information about medicare. A great deal of blame for this problem must certainly be placed on the Government, which has done an inadequate job of informing elderly individuals fully about their medicare benefits. While many individuals may be aware that medicare does not cover everything, they are unsure of what the exact gaps are and how to most rationally fill them with private insurance.

UNITED EFFORT

The Senator from Kansas joins the distinguished Senator from Florida in his effort to form a United Front to combat the problems I have outlined. All the solutions will certainly not fall solely within the appropriate jurisdiction of the Federal Government, nor the insurance industry, nor of the State insurance commissioners. The responsibility for solving the problems with supplementary health insurance must be shared by us all.

The insurance industry itself has begun to address these problems, and they are to be commended for their efforts. Many State insurance commissioners are contributing their thoughts and expertise in helping solve the question of how to prevent abuses in the system while still providing and encouraging the availability of rational and responsive supplementary health insurance.

The legislation we introduce today is built upon our belief in this need for a united front. As Senator CHILES has outlined, our legislation requires studies and recommendations from the Department of Health, Education, and Welfare and the Federation Trade Commission with respect to health insurance sold as a supplement to medicare. The legislation also contains a penalty provision for certain sales practices found to be misleading or abusive. One of the most important responsibilities given to the Federal Government in this legislation will be the development of understandable and complete information on the medicare program for the elderly.

CONCLUSION

We, each of us, have a responsibility to the elderly in our communities to protect them against the type of abusive practices that have come to light with respect to the sale of supplementary health insurance. The Senator from Kansas is hopeful that the legislation introduced today will assist us in these efforts.●

By Mr. DOLE (for himself and Mr. MCGOVERN):

S. 396. A bill to amend the Internal Revenue Code of 1954 to exempt farm trucks and soil and water conservation trucks from the highway use tax; to the Committee on Finance.

HIGHWAY USE TAX EXEMPTION

● Mr. DOLE. Mr. President, I am pleased to join with my distinguished colleague from South Dakota, Mr. MCGOVERN, in introducing legislation to exempt farm trucks and soil and water conservation vehicles from the highway use tax.

SENATE APPROVAL

This legislation is similar to a proposal which the Senate adopted as an amendment to the Revenue Act of 1978. Senators at that time were in agreement that the present law is inequitable to owners of farm use trucks. Unfortunately, the amendment was not included in the conference report and the inequity remains.

Mr. President, the highway use tax is designed to maintain our Federal highway system by having trucks pay a special tax, based on weight. Under current law, the highway use tax is levied on all single unit trucks of 13,000 pounds unloaded weight; on all three-, four-, or more-axled truck/tractors; on two-axled truck/tractors if the unloaded weight is 5,500 pounds or more; and on all combination-type trucks with two axles or more if the unloaded weight is 9,000 pounds or more. Each owner is required to file annually and pay the tax. The current tax ranges between $81 and $240 annually.

FARM VEHICLES

I do not, however, feel that owners of farm-related vehicles need be subject to this tax. Farm trucks are for farm use and do not make extensive use of Federal highways. In general, farm trucks can be found operating in the field or on State and county back roads. Requiring the owners of farm trucks to pay a special tax for the upkeep of the Federal highway system is inherently unjust.

This bill has been carefully drawn to limit the exemption to bona fide farm-owned, not for hire, farm use trucks. The exemption would not apply to vehicles owned or registered in the name of a corporation whose gross receipts for the last taxable year exceeded $950,000 or which derive more than 50 percent of their gross income from activities other than farming.

TAX IS UNJUST

Furthermore, Mr. President, sufficient precedent exists for exempting certain vehicles from the highway use tax. At the present time derrick-drilling trucks and some logging trucks are not liable for the use tax. That exemption is certainly warranted and it seems to me that farm use and soil and water conservation trucks should be granted a similar exemption.

Mr. President, this is not a controversial bill. As I mentioned earlier, the Senate agreed to this bill in the form of an amendment last session. There exists broad support on both sides of the aisle for the elimination of this unfair tax burden on the owners of farm use trucks. I am hopeful that my colleagues will see fit to eliminate this inequity in the near future.●

● Mr. MCGOVERN. Mr. President, during the 94th Congress, Senator DOLE and I introduced legislation designed to correct inequities in the manner in which the highway use tax currently applies to vehicles used for agricultural and closely related purposes. At the request of Senator LONG, we withdrew our proposal on the condition that the Finance Committee would carefully study our proposal during their consideration of the next tax bill. As a result, during the last session of Congress the Senate adopted our amendment. Unfortunately, this proposal, as were many others, was dropped from the final package during the House-Senate conference.

Today, we again ask the Senate to correct this inequity.

Since its inception, the highway trust fund has proved an excellent and successful means of generating essential revenues to offset increased road construction and maintenance costs. The highway use tax, which is imposed on most heavy road vehicles, is the source of trust fund revenues. The overwhelming majority of those who pay the use tax are commercial truckers. As regular users of the road system it is entirely appropriate to expect commercial truckers to contribute toward public expenses which are necessary to sustain their own industry.

Unfortunately, for the purposes of tax liability, the Internal Revenue Code fails to distinguish between commercial trucking firms, which use the Federal highway system on a regular basis, and those farmers or ranchers who own heavy vehicles, but seldom use them on Federal highways, and only for agricultural purposes. Consequently, thousands of family farmers are subject to the same use tax burden which applies to large interstate trucking firms.

I am particularly familiar with one case in which the Internal Revenue Service found a farmer fully liable for the use tax on his truck despite the fact that he operated it 90 percent of the time on township roads or on his own farm. To make matters worse, this individual, as well as several others from whom I have heard, had no idea that he might be liable for the tax until he was billed by the IRS some months after he registered the truck. My earlier bill, S. 2897, in the 94th Congress, was intended to exempt farm vehicles from the use tax.

In addition to farm trucks, the IRS has also determined that vehicles used exclusively for soil and water conservation activities are liable for this tax. Even though a survey conducted in 1976 indicated that the average conservation vehicle travels only 3,000 miles per year—and 80 percent of that is traveled on State and county roads—soil and water conservation vehicles continue to be subject to an annual Federal tax of $175. Correction of these inequities is long overdue.

Mr. President, in recent years revenues generated by the highway trust fund have become increasingly important. While our Nation's Interstate Highway System is nearing completion, our interstates and Federal-aid highways are rapidly deteriorating. Repair and maintenance costs for this vast transportation system are rapidly rising.

Ordinarily, I would not propose any further exemptions from the highway use tax. However, I contend, and many of my colleagues agree, that it was never the intent of Congress to impose a tax on a limited category of vehicles seldom operated on our Federal-aid highways, and on the family farmer whose operations bear no resemblance to those of commercial truckers.

It makes no sense to treat farm trucks and conservation vehicles in the same way we treat commercial trucks for highway tax purposes. I cannot believe that it was the intent of Congress in the development of the highway trust fund and highway use taxes, to equate the farmer transporting his own supplies or the small businessman engaged in soil and water conservation activities with long distance truckers moving the Nation's freight.

Our amendment would correct this situation by adding heavy trucks used for farm and soil and water conservation purposes to the list of exemptions from the highway use tax. In order to insure that the exemption is limited to family farmers and small soil and water conservation concerns, the amendment specifically excludes vehicles registered in the name of any corporation with gross receipts for the last taxable year in excess of $950,000 or which derived more than 50 percent of its gross profits in that taxable year from activities other than farming or soil and water conservation activities.

If enacted, this measure will have minimal effect on highway trust fund revenues. Revenue from farm trucks, for example, is so small that the IRS does not bother to segregate income from this source in compiling its own internal data. Regarding soil and water conservation vehicles, Senator DOLE has estimated that an exemption would cost the Treasury approximately $7 million per year. It can be argued that the cost of collecting the tax probably comes to a high percentage of the total revenue generated by this means.

I submit that this tax is little more than a nuisance. It penalizes farmers and small businessmen unfairly, produces minimal revenue and absorbs IRS time and energy which could better be expended elsewhere. More importantly, it is discriminatory and I cannot believe that Congress intended to enact such an unfair and discriminatory tax.●

By Mr. CHILES (for himself, Mr. STONE, and Mr. BUMPERS):

S. 398. A bill to amend section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. CHILES. Mr. President, I introduce on behalf of myself and Senators STONE and BUMPERS, legislation to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to require that imported tomatoes conform with pack-of-container standards under marketing orders.

This bill is identical to legislation introduced in the last Congress which passed the Senate as a separate measure and was also approved by the House as an amendment to the farm bill.

Through this proposed legislation, we are seeking to clarify section 8e of the act with respect to requirements, imposed under marketing order, on the way in which tomatoes are packed for shipping. This amendment is offered to revise the interpretation of section 8e as adopted by the Department of Agriculture, which is inconsistent with the original intent of section 8e.

The difference in the interpretation of section 8e has an impact on whether there is an orderly marketing situation for tomatoes and whether domestic producers are able to effectively compete with imports.

Under marketing order, domestic producers of fresh tomatoes are not permitted to mix different grades or sizes of tomatoes in the same shipping container. Since tomatoes are sold by grade and size, this requirement is quite significant in the pricing and orderly marketing of fresh tomatoes.

Section 8e of the act requires that imports of selected commodities—including tomatoes—meet the same minimum grade, size, quality, or maturity stand-

ards imposed on domestic shipments under a marketing order. Its purpose is to insure that market regulation would be of equal benefit to both domestic and foreign producers. It is not the purpose of section 8e to exclude or curtail imports. Rather, its aim is to see that imports and domestic produce are on an equal footing with respect to marketing orders.

The U.S. Department of Agriculture, however, maintains that the prohibition against the mixing of grades or sizes within a container is not a grade or size regulation, but a "pack" regulation. The Department further maintains that pack regulations cannot be imposed on imports under section 8e of the Agricultural Marketing Agreement Act.

As a result of the Department's interpretation, foreign shippers are permitted to ship different grades and sizes of tomatoes in a single container, while U.S. producers must comply with the pack regulation.

A substantial volume of the tomatoes sold in the United States are foreign grown. Because pack restrictions are not applied to these tomatoes, the buyer does not know what he is getting, and the domestic producer is placed at a disadvantage.

I am convinced that the solution to this problem lies in a clarifying amendment to section 8e, which would supply pack regulations to imports. Such a clarification would benefit the grower, shipper, importer, and ultimately, the consumer of tomatoes. Enactment of this legislation would incur no additional cost to the Government. It would not create hardship for other states or for foreign producers, and would not create a trade barrier. It would standardize the sizes and grades of tomatoes offered for sale in the United States, and equalize the competition between domestic and foreign producers.

Mr. President, I ask unanimous consent that the text of the bill we are introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608e-1), is amended—

(1) by inserting in the first sentence after "eggplants" a comma and "or regulating the pack of any container of tomatoes.";

(2) by inserting in the first sentence after "provisions", each time such word appears, a comma and "and in the case of tomatoes any provisions regulating the pack of any container,"; and

(3) by inserting in the fourth sentence after "classifications" a comma and "and with respect to imported tomatoes such restrictions on the pack of any container.".●

By Mr. DOLE (for himself, Mr. PRESSLER, Mr. STEWART, Mrs. KASSEBAUM, and Mr. HAYAKAWA):

S. 399. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL CROP INSURANCE EXPANSION ACT OF 1979

● Mr. DOLE. Mr. President, today I am pleased to introduce the Federal Crop Insurance Expansion Act of 1979. This proposed legislation is especially pertinent and timely. The expiration of the crop disaster payments program at the end of this year affords Congress with an excellent opportunity to fashion a new and comprehensive strategy in helping agricultural producers meet the risk of disastrous crop losses resulting from causes beyond their control.

DISASTER PAYMENTS

Almost everyone agrees that our current efforts to alleviate the impact of natural crop disasters are cumbersome, duplicative, inequitable and ineffective.

The disaster payments program which is administered by the agricultural stabilization and conservation service, is limited to producers of upland cotton, wheat, rice, and three feedgrains—corn, grain sorghum, and barley.

The program is meant to alleviate losses when natural disasters or other uncontrollable conditions prevent the specified crops from being planted or result in abnormally low yields.

The program is subject to numerous inconsistencies in payment computations, eligibility requirements and program coverage. The program is also difficult to administer because the provisions are so complicated farmers do not fully understand them. My office is constantly receiving calls from farmers unhappy with the disaster payments program.

CROP INSURANCE IS LIMITED

Additional protection from crop losses is provided by the Federal Crop Insurance Corporation—FCIC. Unfortunately, Federal crop insurance is not available in all agricultural counties nor does it cover all basic commodities in the counties where insurance is available.

In many instances, insurance is not available where it is needed most. Moreover, high premiums and competition from the disaster payments program have kept participation low.

COMPREHENSIVE COVERAGE

The purpose of the Federal Crop Insurance Expansion Act is to replace these current efforts with a new, equitable, and comprehensive system of crop coverage. Specifically—

First, my legislation requires FCIC to expand into all agricultural counties and provide coverage for six basic commodities wherever they are grown commercially. They include wheat, cotton, corn, rice, grain sorghum, and barley.

Second, coverage will include up to 85 percent of a farm's average yield, in contrast to the existing limitation of 75 percent.

Third, FCIC is authorized to offer lower levels of coverage—at reduced premiums—to be selected at the discretion of each producer, depending on the needs of the farmer.

Fourth, the legislation also provides for 33⅓ percent Federal subsidy of the premiums producers pay into FCIC. A premium subsidy of this size, together with the existing Federal payment of the Corporation's operating and administrative expenses, will reduce the cost of insurance to producers and make it a viable and attractive alternative to the disaster payments program.

The Federal premium subsidy will substantially increase the level of Government support, but the expirations of the disaster payments program—which cost $526 million in 1978—will more than offset the Federal subsidy of a nationwide FCIC.

The Department projects an impressive savings if an expanded FCIC were to replace the present crop insurance/disaster payments system. Crop insurance and disaster payments cost the taxpayer a total of $683 million in 1978. In contrast, a nationwide FCIC, operating with 33⅓ percent premium subsidy and assuming a participation level of at least 30 percent, will cost the taxpayer only about $125 to $175 million per annum.

In short, taxpayers will save money and producers will enjoy more comprehensive coverage.

Fifth, this bill excludes hail, fire and lightening coverage from the Federal crop insurance program. The insurance industry already offers such coverage nationwide at highly competitive rates. This legislation does not have the Federal Government directly competing with the private insurance industry.

Sixth, this legislation authorizes the sale of FCIC policies by private agents and provides that Federal reinsurance of privatc crop insurors will be provided only if the reinsurance deemed necessary is not available from recognized private sources at reasonable costs.

Seventh, the existing provision of law restricting the number of counties eligible for the Federal reinsurance of private insurors of producers of agricultural crops is deleted.

Eighth, a new crop insurance coverage is authorized to insure producers against losses that they may incur when they are unable to plant an agricultural crop because of weather conditions.

Ninth, Federal crop insurance premiums are required to be increased to cover administrative and operating costs of the Corporation, as well as claims for losses and the establishment of a reserve against unforeseen losses.

Tenth, the authorized capital stock of the Federal Crop Insurance Corporation is increased from $200 to $450 million.

Eleventh, a revolving fund in the Treasury is established to be available without fiscal year limitation to the FCIC to carry out the Federal Crop Insurance Act.

Twelfth, the Corporation is authorized to borrow from the Treasury as necessary if moneys available in the revolving fund are insufficient to enable the Corporation to meet its responsibilities under the Federal Crop Insurance Act.

I believe this bill is a sound, equitable, and realistic attempt at providing a protection plan to all producers. I believe it is imperative that crop insurance be dealt with quickly in order to provide the protection needed by farmers with the lapsing of the disaster payment program. Protection must also be there for those producers who are not now covered by the low-yield disaster payment program or the Federal crop insurance program.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Crop Insurance Expansion Act of 1979".

SEC. 2. Section 504(a) of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 504. (a) The Corporation shall have a capital stock of $450,000,000 subscribed by the United States of America, payment for which shall, with the approval of the Secretary of Agriculture, be subject to call in whole or in part by the Board of Directors of the Corporation.".

SEC. 3. The second sentence of subsection (c) of section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows: "The members of the Board who are not employed by the Government shall be paid such compensation for their services as directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS-18 in section 5332 of title 5, United States Code, when actually employed, and be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.".

SEC. 4. Section 507 of the Federal Crop Insurance Act, as amended, is amended—

(1) by striking out ", and county crop insurance committeemen" in subsection (a);

(2) by striking out the comma after the word "title" in subsection (b) and all that follows down through the end of the sentence and inserting in lieu thereof a period;

(3) by striking out subsection (c) in its entirety;

(4) by redesignating subsection (d) as subsection (c) and amending such subsection (as redesignated) to read as follows:

"(c) The Corporation may contract with, and transfer funds to, other agencies and offices of the Department of Agriculture or with the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for assistance in carrying out this title; but any employees of such other agencies and offices responsible for performing functions under this title shall be responsible directly to the Corporation without the intervention of any intermediate office or agency."; and

(5) by redesignating subsection (e) as subsection (d).

SEC. 5. Section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 508. To carry out the purposes of this the Corporation—

"(a)(1) shall for the 1979 and subsequent crop years insure producers of wheat, cotton, grain sorghum, corn, rice, and barley, wherever grown commercially, but subject to the limitations herein, and may insure producers of other agricultural commodities wherever grown commercially, subject to the limitations herein, at such time as the Board determines that insurance on any other agricultural commodity has been developed to the point that it can be offered to the producers thereof. The insurance for any commodity shall be offered under any plan or plans determined by the Board to be adapted to the commodity. Such insurance shall be against loss of the insured commodity due to one or more unavoidable causes, including drought, flood, wind, frost, winter-kill, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes, other than hail, lightning, or fire, as may be determined by the Board: *Provided*, That except in the case of tobacco, such insurance shall not extend beyond the period the insured agricultural crop is in the field. Any insurance offered against loss in yield shall cover up to 85 per centum of the average yield for a representative period of years for a farm, or area in which the farm is located, as determined by the Corporation on the basis of recorded or appraised yields, subject to such adjustments as may be necessary to the end that the average yield fixed for farms in the same area, which are subject to the same conditions, may be fair and just. In addition, the Corporation may offer lower levels of coverage to be selected at the option of each producer. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where the Corporation determines it was practical to so reseed, or to the failure of the producer to follow established good farming practices. For each crop insured, the Corporation shall not offer insurance on any acreage not suited to the production of such crop or in any county where the planted acreage of such crop is below a minimum county acreage as established by the Corporation, except that it may, if it is deemed practical to do so, offer insurance on acreage in such county through the office serving another county which meets the minimum requirement. The Corporation shall report annually to the Congress the results of its operations on each community insured.

"(2) may implement the program set forth in paragraph (1) for crops planted for harvest in 1979, as determined by the Board, consistent with the purposes of this Act, as amended, to insure, or reinsure insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity.

"(3) may insure producers against losses that they may incur when they are unable to plant an agricultural crop because of weather conditions. Insurance issued under authority of this paragraph shall be subject to the applicable provisions of paragraph (1) of this subsection.

"(b) may fix adequate premiums of insurance at such rates as the Board deems sufficient to cover claims for crop losses on such insurance, establish as expeditiously as possible a reasonable reserve against unforeseen losses, and sell the crop insurance provided for under this Act through contract arrangements with commercially operated insurance companies. For the purpose of encouraging the broadest possible participation in the crop insurance program 33⅓ per centum of each participant's calculated premium shall be paid by the Federal Government. The remaining 66⅔ per centum of the premium shall be paid by each participant and such premiums shall be collected at such time or times or shall be secured in such manner as the Board may determine.

"(c) may adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim by registered mail is sent to the claimant.

"(d) may provide, upon such terms and conditions as the Board may determine to be consistent with section 508(b) and sound reinsurance principles, reinsurance to private insurance companies, or groups or pools of such companies, which insure producers of any agricultural commodity under contracts acceptable to the Corporation: *Provided*, That no application for reinsurance shall be approved unless the Corporation shall have determined that the reinsurance deemed necessary is not available from recognized private sources at reasonable cost.

SEC. 6. The second sentence of section 515 of the Federal Crop Insurance Act, as amended, is amended to read as follows: "The compensation of the members of such committee shall be determined by the Board, but shall not exceed the daily equivalent of the rate prescribed for grade GS-18 in section 5332 of title 5, United States Code, when actually employed, and be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (section 5703 of title 5, United States Code) for persons in the Government service employed intermittently.".

SEC. 7. Section 516 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 516. (a) There is hereby created within the Treasury a separate fund (hereafter in this section called the 'fund') which shall be available to the Corporation without fiscal year limitation as a revolving fund for carrying out the purposes of this title. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by sections 102, 103, and 104 of the Government Corporation Control Act (31 U.S.C. 847-849) for wholly owned Government corporations.

"(b)(1) There are authorized to be appropriated to the fund such amounts as may be necessary to restore the expense of the Corporation, including administrative and operating expenses, Federal premium payments, interest, the direct cost of loss adjustment and agents' commissions, but excluding indemnities. All amounts received by the Corporation as premiums, fees, and other moneys, property, or assets derived by it from its operations in connection with this title shall be deposited in the fund.

"(2) The Corporation is hereby authorized to use any funds available to it for administrative and operating expenses subject to limitations that shall be prescribed in applicable Acts: *Provided*, That, the direct cost of loss adjustment for crop inspections and loss adjustments, Federal premium payments, interest expense, and agents' commissions may be considered by the Corporation as being nonadministrative or nonoperating expenses.

"(3) All expenses, including reimbursements to other Government accounts, and payments pursuant to operations of the Corporation under this title shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Corporation shall pay from the fund into Treasury as miscellaneous receipts interest on its outstanding capital stock and outstanding borrowings from the Treasury, less the average undisbursed cash balance in the fund during the year and Federal premium payments due the Corporation. The rate of such interest shall be determined by the Secretary of the Treasury and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States to compara-

ble maturities. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Corporation determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

"(c) If at any time the moneys available in the fund are insufficient to enable the Corporation to discharge its responsibilities under this title, it shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Corporation from appropriations or other moneys available under subsection (b) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(d) The Secretary of Agriculture and the Corporation, respectively, are authorized to issue such regulations as may be necessary to carry out the provisions of this title.".

SEC. 8. Section 518 of the Federal Crop Insurance Act is amended by striking out "Sec. 518. 'Agricultural commodity'," and inserting in lieu thereof "Sec. 518. 'Agricultural crop',".●

By Mr. SCHWEIKER:

S. 400. A bill to relieve the liability for the repayment of certain erroneously made contributions by the United States; to the Committee on the Judiciary.

RELIEF OF SIX PENNSYLVANIA LIBRARIES

● Mr. SCHWEIKER. Mr. President, today I am reintroducing a bill for the relief of six Pennsylvania libraries which have been placed in an awkward position by the Federal Government. The Federal Disaster Assistance Administration is demanding from them repayment of $561,066.09 which they received as disaster payments after Hurricane Agnes.

An identical bill to relieve these libraries from repayment was passed by the Senate last September 14 unanimously, after being favorably reported by the Senate Judiciary Committee. The Office of Management and Budget also approved the bill. Unfortunately, in the rush to finish at the end of the last session, the House did not have the time to consider the bill. Therefore, I am reintroducing it today. I would also like my distinguished colleague from Pennsylvania JOHN HEINZ, to be shown as a cosponsor of this bill once again.

Under most circumstances, I would commend the tenacity of our Federal auditors in collecting funds mistakenly given out. Considering the size of this year's Federal budget—almost $500 billion—any sums we might recover would seem prudent. However, the circumstances of these six libraries deserves a closer look. I have included at the end of my statement a summary prepared by FDAA detailing its claims.

Pennsylvania, more than any other State, suffered extensive damage from Tropical Storm Agnes in June 1972. Damage nationwide was so great that Congress wisely adopted for all States hit by Agnes, a special relief package to help individuals and businesses repair or replace their losses. In addition, section 252(a) of Public Law 91-606, which was law at the time of the Agnes disaster, provided Federal assistance to State and local governments to restore public facilities belonging to such State or local governments which were damaged or destroyed by a major disaster.

After the President declared Pennsylvania a major disaster area, making State and local government facilities eligible for Public Law 91-606 assistance, the Federal Disaster Assistance Administration approved project applications for Federal assistance from a large number of local governments in Pennsylvania. Included among them were applications for damages to these six privately owned library facilities covered by this bill.

Mr. President, I see no evidence of attempted fraud on the part of these libraries. They suffered damages at the hands of Tropical Storm Agnes, were informed they were eligible for disaster relief and their applications for relief were approved by the Government. For example, it was pointed out in 1972 to State and Federal officials that although the Shippensburg Public Library received funds from the borough of Shippensburg and the school district, it was privately owned. But disaster relief aid was still granted.

I cannot dispute the Federal Disaster Assistance Administration when it now claims these six Pennsylvania libraries in fact should not have received funds under Public Law 91-606. The law is clear. Privately owned facilities are not eligible to receive grants. But I am not here today demanding to know who is at fault for this payment error or requesting a significant change in Federal law I am asking Congress to recognize the tenuous financial position in which these libraries will be placed if they are forced to repay FDAA and am encouraging it to adopt this special relief measure.

I have been informed by FDAA that this is a unique situation. These are the only privately owned libraries nationwide which erroneously received disaster relief payments under section 252(a) of Public Law 91-606.

The roots of the community library system go back to our prerevolutionary period when most libraries were privately owned and looked to community generosity for support. Since then, community libraries, both privately and publicly supported, have made valuable contributions to the United States. They frequently double as community centers and make a variety of educational programs available to the general public which frequently cannot be obtained by the average person because of cost or rarity. I would be greatly distressed if we are to turn our backs on these six libraries and force them to raise over one-half million dollars for Uncle Sam to pay for damages received from the worst disaster in Pennsylvania's history.

Mr. President, I strongly recommend this bill, which has been passed once already, to my colleagues and respectfully urge its early passage. I ask unanimous consent that the text of my bill and fiscal summary be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 252 (a) of the Disaster Relief Act of 1970, any unit of local government or any of the following privately owned libraries is relieved from any liability for the repayment of contributions erroneously made by the United States for disaster relief activities for the benefit of the following private facilities which were damaged or destroyed by Hurricane Agnes:

(1) the William D. Himmelreich Memorial Library in Lewisburg, Pennsylvania, in the amount of $4,136;

(2) the Milton Library in Milton, Pennsylvania, in the amount of $21,869;

(3) the Shippensburg Public Library in Shippensburg, Pennsylvania, in the amount of $12,827;

(4) the West Shore Public Library in Camp Hill, Pennsylvania, in the amount of $26,772;

(5) the Osterhout Library in Wilkes-Barre, Pennsylvania, in the amount of $457,318; and

(6) the West Pittston Library in West Pittston, Pennsylvania, in the amount of $9,984.

FISCAL SUMMARY—INELIGIBLE LIABILITIES AFFECTED BY TROPICAL STORM AGNES

Project application No.: Library	Cost of restoration	Refund due Federal Government
OEP 340-DR-		
60-1: Himmelreich	$4,136.68	$4,136.68
49-1: Milton	21,869.89	21,869.89
21-7: Shippensburg	12,827.45	12,827.45
21-9: West Shore	26,772.12	26,772.12
40-57: Osterhout, City of Wilkes-Barre	[1] 565,423.42	[1] 446,474.00
40-20: West Pittston	[2] 48,985.95	[2] 9,984.40
Total	680,015.51	561,066.09

[1] $565,423.42 is the approved audited claim for the Osterhout Library. Final payment has not been made, so that only the advance of $446,474 is due the Federal Government.

[2] A claim of $48,985.95 for the West Pittston Library has been received but not audited. The remainder of the West Pittston Borough project application claim has been audited and approved for $23,362.60. The refund due to Federal Government of $9,984.40 reflects the difference between an advance of $33,347 for the library and the final amount of the West Pittston Borough claim.

Note: Funds have been used for general flood restoration work, including debris clearance, structural repair, and the replacement of contents of the libraries.●

By Mr. BAYH:

S. 410. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedure for congressional review of agency rules, and by expanding judicial review, and for other purposes; to the Committee on Governmental Affairs.

ADMINISTRATIVE RULEMAKING REFORM ACT OF 1979

● Mr. DURKIN. Mr. President, I rise today to introduce the Administrative Rulemaking Reform Act of 1979. This legislation represents a comprehensive treatment of the matter of congressional review of regulations promulgated by Federal agencies.

I initiated my efforts in this area in the 94th Congress with the Regulatory Limitation Act of 1975. My colleague from Georgia, Congressman ELLIOTT LEVITAS, and I joined together in the 95th Congress in introducing the Administrative Rulemaking Reform Act of 1977.

There is no doubt that escalating agency regulation is high on the list of matters troubling Americans. In talking with Georgians from all walks of life, I have found the burdensome regulatory situation to concern them fully as much as do economic and energy problems. Indeed, in many ways the three problems seem interrelated. More and more frequently I am asked to "Do something about those bureaucrats," to bring some measure of accountability to bear on the 40 agencies and 100,000 employees who, though no doubt well meaning, impose unrealistic restrictions on our citizens without regard to the practical consequences.

Federal regulation now touches nearly every aspect of our lives—at home, at work, and even at play. Regulation took a three point five billion dollar chunk of the Federal budget last year.

We all realize that the number and the complexity of issues with which Congress must deal force the delegation of implementation of many laws to regulatory agencies. Mr. President, I do not believe that that delegation of congressional responsibility carries with it an abdication of representative responsibility to the American people. The Congress writes "The Secretary shall have the power to promulgate regulations" into an act and then leaves its practical implementation to faceless, unelected bureaucrats. We have seen the original congressional intent subverted by agency rules and our people deluged and demoralized by an avalanche of ill-conceived, impractical rules. Of the 61,000 pages of the 1978 Federal Register, more than 11,000 pages were devoted to publication of proposed rules and rule amendments and final rules and amendments occupied another 15,000 pages.

When an agency promulgates an off-the-wall rule clearly at odds with reality or congressional intent, the only resource available for correcting the situation is legislation to the contrary. Corrective legislation must frequently take a back seat as other important and timely issues demand Congress attention.

The Administrative Rulemaking Reform Act of 1979 is a mechanism designed to directly address this problem by insuring congressional review of proposed rules and by increasing citizen participation and control over agency rulemaking.

The act reflects several suggestions made by the American Bar Association, especially in the notice requirements. A Federal agency would have to make a reasonable effort (something more than a notice in the Federal Register) to notify those affected by a proposed rule. Where that number is large, representatives of the affected group should be notified. Notification should include not only the text of the rule and the time and place of hearings, but an adequate description of the purpose and subject of the rule as well as a list of those technical or theoretical studies on which the rule rests. These procedures will allow greater, more informed participation by those whose lives and businesses are most affected by agency regulations. The "faceless bureaucracy" will be confronted directly with those who are the object of the rules.

The second major feature of the act subjects many agency rules, except emergency rules, to congressional review. Following hearings, an agency would be required to file the rule with Congress. The rule would not become effective, if within 90 days both Houses of Congress disapproved the rule or if one House disapproved the rule in 60 days and the other failed to take action within 30 days. If one House votes yes and the other no, the rule goes into effect. If within 60 days after filing, no committee of either House reported or was discharged from consideration, the rule would take effect.

Also, either House can require an agency to reconsider and resubmit any rule subject to this act.

Mr. President, my colleague, Congressman LEVITAS, has taken the lead in this effort to impose some degree of accountability on the regulatory bureaucracy. I want to commend him for his efforts in this area and to express my hope that my colleagues in the Senate will join in the battle to make some sense out of the regulatory process.●

By Mr. HARRY F. BYRD, JR. (for himself and Mr. HELMS):

S.J. Res. 38. A joint resolution to amend the Constitution of the United States to mandate a balanced budget; to the Committee on the Judiciary.

(The remarks of Mr. HARRY F. BYRD, JR. when he introduced the joint resolution appear elsewhere in today's proceedings.)

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1, the Food and Agricultural Act of 1979.

S. 22

At the request of Mr. PROXMIRE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 22, the First Amendment Clarification Act of 1979.

S. 37

At the request of Mr. PROXMIRE, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 37, a bill to repeal a section of Public Law 95-630.

S. 107

At the request of Mr. MORGAN, the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Alaska (Mr. STEVENS), the Senator from Nebraska (Mr. ZORINSKY), the Senator from South Carolina (Mr. THURMOND), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 107, a bill to create a National Agricultural Cost of Production Board.

S. 266

At the request of Mr. MOYNIHAN, the Senator from Florida (Mr. CHILES) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 266, a bill to amend the Social Security Act with respect to the issuance of social security cards.

S. 267

At the request of Mr. MOYNIHAN, the Senator from Florida (Mr. CHILES) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 267, a bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards.

S. 333

At the request of Mr. DURKIN, his name was added as a cosponsor of S. 333, a bill to combat international and domestic terrorism.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE RESOLUTION 65—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

Mr. CHILES (for himself and Mr. DOMENICI) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 65

Resolved, That the Special Committee on Aging, established by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, is authorized from March 1, 1979, through February 28, 1980, in its discretion to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as a standing committee may provide such assistance under section 202(j) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. In carrying out its duties and functions under such section and conducting studies and investigations thereunder, the Special Committee on Aging is authorized from March 1, 1979, through February 28, 1980, to expend $325,305.00 from the contingent fund of the Senate, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under pro-

cedures specified by section 202(j) of such Act).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at annual rate.

SENATE RESOLUTION 66—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON, from the Committee on Veterans' Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 66

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $279,000, of which amount not to exceed $22,500 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 67—SUBMISSION OF A RESOLUTION WITH REGARD TO COOPERATION WITH THE GOVERNMENT OF MEXICO RELATING TO OIL AND NATURAL GAS

Mr. DURKIN submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 67

Whereas, the United States of America is becoming increasingly dependent on imported petroleum and natural gas;

Whereas this dependence is on foreign governments which are using cartel power to raise prices beyond the point of reason;

Whereas continual price hikes for imported petroleum and natural gas are wreaking havoc on all sectors of our economy;

Whereas the foreign governments which supply much of our imported petroleum and natural gas are often unstable;

Whereas New England and other parts of our country may suffer severe economic dislocations because of worldwide oil and natural gas shortages;

Whereas the Government of Mexico recently announced substantial new discoveries of petroleum and natural gas;

Whereas the Government of Mexico is a friendly and stable government which has had a close relationship with the United States of America for many years;

Whereas the Government of Mexico is not a member of any international petroleum and natural gas cartel; and

Whereas, when it is necessary to obtain petroleum and natural gas from abroad, it is desirable for the United States of America to shift its dependence on foreign energy supply sources away from less stable members of international cartels and towards our closest allies who have significant mutual interests in assuring that our Nation has a secure and reasonably priced energy supply: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President and the Secretary of Energy shall make every effort to pursue an active policy of reaching an equitable agreement with the Government of Mexico with regard to securing a share of the newly discovered oil and natural gas for the United States of America.

● Mr. DURKIN. Mr. President, recent developments in Mexico are having increasingly important implications for energy policies in New Hampshire, New England, and other parts of the country. As I pointed out on the Senate floor almost 1½ years ago, Mexico has become a potentially major oil and natural gas producer at a time when major cutbacks in Iranian oil production once again reminds us of the insecurity of our Middle Eastern energy supplies. It is time for this country to take positive and immediate measures to take advantage of energy resources Mexico can offer us, and to stop treating our great neighbor to the South worse than we treat members of OPEC.

That is why I am today submitting a sense of the Senate resolution that President Carter and Energy Secretary Schlesinger pursue an immediate and vigorous policy of securing Mexican oil and natural gas for this country. We must move on this now, before our energy problems get worse. It truly concerns me that we send Cabinet secretaries to Saudi Arabia to treat their Crown Princes as if they were our royalty, and then give our Mexican friends and neighbors the backs of our hands.

This administration had better wake up quickly to some hard realities before New England and other parts of the country begin to suffer severe economic dislocations caused by energy shortages. The recent cutbacks in oil production, including some in Saudi Arabia, mean only one thing for New Hampshire and New England: Oil and gas shortages, people out of work, and cold factories and homes.

Our dependence on any foreign oil—from Mexico, Saudi Arabia, Iran, or any other place in the world—is regrettable. But it is a fact that we must deal with for now. With that before us, it clearly makes more sense for New Hampshire and the rest of the country to obtain our oil and natural gas from our closest and most reliable sources, rather than from OPEC who raised prices over 14 percent, and then tell us they are doing us a favor. With Mexico, a stable and long standing ally, on our border, that is where we should look for supplies.

Of course, not only are we a market for Mexican oil and gas, they are a market for our products. With a large and growing population, an influx of dollars from their oil and gas sales, and cheap transportation costs from American plants, Mexico is a natural outlet for U.S. goods. We are seeing today that Iran, supposedly a great market, has proved to be unreliable, with literally billions of dollars worth of contracts being canceled outright. Mexico's stability, politically and economically, and its longstanding relations with our country make that country a much more dependable outlet for our products.

Up until now, the President and Secretary Schlesinger have indicated at best a lukewarm, and, at worst, a hostile attitude toward Mexican oil and gas imports. It is time for the President to redirect his thinking before he travels to Mexico next week, rather than after his return when it may be too late. I agree with the President that we should not increase our dependence on imports, by bringing in Mexican oil and gas, but there is no reason that Mexican oil and gas cannot be substituted for higher priced and somewhat uncertain Mideast oil.

This will become increasingly important in the next few months as the cutback in Iranian production caused by the riots and strikes there begins to put the squeeze on the New Hampshire and New England consumers. One does not have to be a prophet of doom to realize that the worldwide daily shortfall of 1 to 2 millions of barrels per day of production caused by events in Iran must inevitably lead right back to the homes, jobs, and lives of the people of my State, so critically dependent on energy imports. But New Hampshire and New England are not alone in this problem: It is national and worldwide.

I am glad to see that at least a few people in Washington are beginning to wake up to the facts I put before them 1½ years ago about Mexican energy resources. A major study just completed by the Library of Congress has shown that Mexican resources are of major proportions, rivaling those of Middle Eastern OPEC countries. By next year, Mexico will be easily able to export over a million barrels per day, and even that could double within 10 years. Unless this administration acts immediately and aggressively, I am convinced that those exports will go to friendly competitors rather than to this country where they are sorely needed now.

As a Senator from a region which is dependent on imported oil for 63 percent of its energy, nobody is more suspicious than I of dependence on foreign energy sources. But Mexico's newly discovered energy riches promise to permit us to switch our foreign purchases to a more stable supplier than our present sellers.

My resolution is a simple statement of support for a more aggressive effort to reach agreement with Mexico on this crucial question. It stresses that our long and close alliance, as well as the stability of the Mexican Government, make Mexican oil and natural gas desirable for at least part of our existing burden of foreign imports. As the President is about to leave the United States to visit Mexico, it is important to let him know that the Senate supports his efforts to arrive at an immediate agreement on this issue.●

SENATE RESOLUTION 68—SUBMISSION OF A RESOLUTION TO COMMEMORATE THE 150TH ANNIVERSARY OF THE CITY OF SPRINGFIELD, MO.

Mr. DANFORTH (for himself and Mr. EAGLETON) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 68

Whereas during 1979 the city of Springfield, Missouri is celebrating its one hundred and fiftieth anniversary:

Whereas in 1829 pioneers cleared the land, and settled their families in the Springfield area;

Whereas the Springfield region became an independent county known as Greene County in 1833;

Whereas Springfield became the permanent seat of justice for all of Greene County in 1835;

Whereas Springfield was the site of the Civil War Battles of Wilson Creek in 1866 and of Springfield in 1863;

Whereas Springfield has become known as the "Queen City of the Ozarks" and is today a center of trade, business and commerce: Now therefore, be it

Resolved, That the Senate recognizes and commemorates the contributions of Springfield, Missouri to the growth of this great nation and joins with the people of Missouri in honoring the city and its people.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the mayor of Springfield, Missouri.

THE SESQUICENTENNIAL OF SPRINGFIELD, MO.

● Mr. DANFORTH. Mr. President, I am happy to join today with my senior colleague from Missouri (Mr. EAGLETON) in introducing a resolution to commemorate the sesquicentennial of our State's third largest city, Springfield.

One hundred and fifty years ago, in 1829, John Polk Campbell and William Fulbright settled with their wives and families near the site of what was to become Springfield's public square. Gifted with the same capacity for extended effort, the same determination and the same spirit of independence that still characterize the people of Missouri's Ozarks, they set to work to make a better life for themselves and their families. In their labors they were soon joined by other settlers who recognized the wisdom of their choice of sites. Within 2 years, Springfield had a primitive log school with a mud floor; within 3 years, it had a larger school with a plank floor and a chimney; within 5 years it was receiving weekly mail service from parts of Missouri and Arkansas; and within 6 years, it had become the permanent seat of justice for Greene County, an independent jurisdiction created by the Missouri Legislature in 1833 with John Polk Campbell as its first clerk.

Perhaps, Mr. President, the character of Springfield was indelibly shaped by these early years of rapid and progressive growth, because certainly, in the ensuing years, Springfield has maintained and enhanced its position as a center of vitality for the entire Ozarks region. Today, this city of approximately 150,000 persons is the site of several outstanding institutions of higher learning; it is the gateway to a tourist region of rugged hills and beautiful lakes that is a national treasure; it is the marketplace of a trade region with annual business of over a billion dollars; and it is one of the fastest growing cities in our Nation.

Mr. President, it is altogether fitting that over the years Springfield has become known as the "Queen City of the Ozarks"; and it is just as fitting that the Senate should join with the people of Missouri in honoring Springfield and her citizens for their contributions over the past 150 years to the growth of our great Nation. I urge the Senate's favorable consideration of this resolution at the earliest possible time.

Mr. EAGLETON. Mr. President, the city of Springfield, Mo., will celebrate the 150th anniversary of its settlement throughout 1979. I am pleased to sponsor this resolution to commemorate the city's sesquicentennial.

In 1829, John Polk Campbell journeyed from Tennessee and staked claim to land in southwest Missouri inhabited by the Osage Indians. Along with John Fulbright and A. J. Burnett, the families worked together to clear the land and build log cabins, pioneering the way for the "Queen City of the Ozarks". By 1833, the population in the region had grown so much that the State legislature designated it as an independent county—Greene County, after the Revolutionary War Gen. Nathanael Greene. John Campbell became the first county clerk, and largely through his efforts, the State legislature named Springfield as the permanent seat of justice for Greene County.

Campbell donated 50 acres of land for the town site, and the county courthouse was built in the center of the public square. By 1835, the city boasted a blacksmith, a dry goods store, a cabinet maker, and a hotel, unique because its proprietor, John Campbell, served everything free of charge. Weekly mail service was already in operation at the cost of 25 cents for an out-of-State letter. Wages were 50 cents a day. The first schoolhouse was built with Joseph Rountree as the first teacher.

From the modest beginning, Springfield has grown to become a thriving center of commerce, industry, transportation, education, and tourism. With a population of 150,000, Springfield is the business and shopping center of a four-State area. The "Queen City of the Ozarks" is the gateway to one of mid-America's favorite vacation areas. The city is the home of a major State university, Southwest Missouri State, as well as several outstanding private colleges.

Springfieldians are understandably proud, both of their 150 years of achievement and of their bright prospects for the future. I know my colleagues will want to join me in paying tribute to Springfield, as its pioneer spirit carries it forward into the 21st century.●

SENATE CONCURRENT RESOLUTION 5—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE IMPACT OF REGULATION Q ON DEPOSITORS AND ACCOUNT HOLDERS WITH SMALL DEPOSITS AND ACCOUNTS

Mr. CRANSTON submitted the following concurrent resolution which was referred to the Committee on Banking, Housing and Urban Affairs:

S. CON. RES. 5

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that, in the administration of interest rate controls under Regulation Q, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board should promptly provide an appropriate method under which the interest rate on small savings deposits and accounts is increased equitably in order to reduce the adverse impact of such Regulation on the holders of such deposits and accounts.

SENATE CONCURRENT RESOLUTION 6—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF THE "BIOGRAPHICAL DIRECTORY OF THE AMERICAN CONGRESS"

Mr. PELL submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 6

Resolved by the Senate (the House of Representatives concurring), That there shall be compiled and printed, with illustrations, as a Senate document, in such style and form as may be directed by the Joint Committee on Printing, a revised edition of the Biographical Directory of the American Congress up to and including the Ninety-sixth Congress (1774–1979); and that three thousand five hundred additional copies shall be printed, of which one thousand copies shall be for the use of the Senate, two thousand two hundred copies for use by the House of Representatives, and three hundred copies for use by the Joint Committee on Printing.

SEC. 2. There is hereby authorized to be appropriated for the Joint Committee on Printing such sums as may be necessary for the employment of personnel and the payment of expenses to carry out the provisions of this resolution through January 2, 1981.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENT OF RULE XXII OF THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 61

AMENDMENT NO. 57

(Ordered to be printed and to lie on the table.)

(Mr. STEVENS submitted an amend-

ment intended to be proposed by him to Senate Resolution 61, a resolution to amend XXII of the Standing Rules of the Senate.)

Mr. STEVENS. Mr. President, I submit an amendment in the nature of a substitute to Senate Resolution 61, that being the separate resolution that was introduced by the distinguished majority leader, pursuant to the colloquy that took place here yesterday.

This amendment is the work product of the ad hoc committee that was appointed on our side, which I have had the privilege to Chair. It does modify to some extent the provisions that were in that proposed substitute yesterday. Those modifications or changes were made following a lengthy conference with the majority leader and other Senators. We offer it in the hope that it will be considered.

I am offering it today so that it will be printed, and I hope it will be on the desks of Senators tomorrow, in order that we can start discussing it.

I will call it up, of course, after the recess, and am in hopes that the process we follow will lead to substantial support for the concepts that are involved in this substitute.

I might say to my good friend, the distinguished majority leader, that many of the proposals that are in his Senate Resolution 61 are also in this substitute. We have added rather than subtracted from the concepts of the majority leader.

I ask that this amendment be printed and be on the Members' desks.

The PRESIDING OFFICER. The amendment will be printed in order to allow it to be on the Members' desks.

Mr. STEVENS. I also ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 57

Strike all after the resolving clause and insert in lieu thereof the following: (a) The last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following:

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, except the time consumed in roll call votes and one quorum call immediately prior to a vote on final passage. A Senator may yield any of his remaining time to another Senator or may yield it back to the Presiding Officer, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. No Senator may be yielded more than 9 additional hours. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least 10 minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, such time shall not be charged against the 100 hours."

(b) The last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by inserting the following sentence at the end thereof:

"Whenever a Senator indicates an intention to appeal from a decision of the Presiding Officer, that Senator shall be given preferential recognition for that purpose. Any Member may make a point of order that any other Member's pending amendment is violative of the rule, and the Chair shall then rule upon that point of order. Where such point of order is sustained, the amendment or amendments in question shall not then be considered further. A Member moving an amendment or amendments against which a point of order is made and sustained by the Chair may take such appeal en bloc, or such Member may choose those specific amendments which such Member wishes to make subject of the appeal. Such Member shall have a right to one such appeal (including the quorum call on such appeal) without being chargeable against such Member's time for debate."

(c) After the last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate, insert the following:

"After 100 hours of consideration of the measure, motion, or other matter on which cloture has been invoked, which time is the aggregate of the one hour of time to which each Member is entitled, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before a vote on an amendment or the final vote begins.

New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered and have been printed and available at each Member's desk for at least 24 hours. Amendments which are otherwise in order may amend the measure or matter in more than one place, if they involve only one substantive issue.

If, for any reason, a measure or matter is reprinted, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be technically conformed to the bill as it then reads when the amendments are called up, and reprinted at the request of any Member.

After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than 24 hours."

(d) Paragraph 1 of Rules III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, Rule XXII, the reading of the Journal shall be dispensed with."

INTERNATIONAL AND DOMESTIC TERRORISM—S. 333

AMENDMENT NO. 58

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. DURKIN (for himself, Mr. STEVENS, Mr. HELMS, Mr. CHURCH, Mr. MCCLURE, Mr. DOMENICI, Mr. SCHWEIKER, Mr. GARN, and Mr. RANDOLPH) submitted an amendment intended to be proposed by them, jointly, to S. 333, a bill to combat international and domestic terrorism.

● Mr. DURKIN. Mr. President, I announce my strong support for S. 333, a bill to combat international and domestic terrorism, which has been introduced by my friend and colleague from Connecticut, Senator RIBICOFF. But I wish to state at the same time that I strongly oppose the provision of that bill which requires the tagging of black powder and smokeless powder, and am today submitting with my friend and colleague from Alaska, Senator STEVENS, and Senators CHURCH, HELMS, MCCLURE, DOMENICI, GARN, and Mr. RANDOLPH, an amendment to that bill to exempt black powder and smokeless powder from tagging requirements.

The need for strong legislation to combat terrorism both within this country's borders and abroad, is beyond dispute. Rarely a week goes by without some incident of domestic or international terrorism that might have been prevented by stronger Government action and worldwide cooperation. When a similar bill to the one I am supporting was considered by Congress last year, it received widespread support. The administration, respected authorities on terrorism, and aviation-related groups all gave the measure endorsements. Only the press of Senate and House business at the end of the session kept the bill from becoming law. I hope that Congress will complete action on this bill this year, and that it will be signed into law.

The bill introduced this session, however, contains one provision which is unneeded, unworkable, inflationary, and detrimental to millions of American sportsmen who reload their own ammunition or who shoot antique and reproduction firearms using black powder propellant. That provision requires the tagging of black and smokeless powders. The amendment we are introducing today exempts black and smokeless powders from the tagging provisions. During Senate committee consideration of the antiterrorism bill last session, a similar exemption was written into the bill with my support, the support of Senator STEVENS and many other colleagues.

The list of serious problems with the tagging of black and smokeless powders is well known, and I will not spend a lot of time reviewing it here. The most important problem is that it represents another attempt by the Federal bureaucracy to reach needlessly and without adequate justification into the lives of American citizens. The tens of thousands of New Hampshire sportsmen are peaceful, law-abiding citizens, who certainly should not be bothered and burdened by more unworkable Federal regulations. And I want to assure all the sportsmen in New Hampshire that I will do everything possible in this legislation and any other matter that comes before the Congress to keep the Federal tentacles off their backs and out of their lives. I have opposed all Federal gun control legislation and I will continue to do so.

While tagging of firearms propellants would place a burden upon sport shooters and upon the small businessmen who sell powder, it would do little or nothing to benefit law enforcement. The recordkeeping would be extremely cumbersome and complex, making it difficult to trace powder even with the taggants. And even then, bombers are unlikely to obtain their supplies of powder through legal commerce where registration is at least possible.

The technology for tagging powders is still developing, and presents a great many unknowns. There could be major problems with fouling and clogged barrels caused by the taggants, potentially causing safety hazards to the shooters. On top of this, the financial costs of tagging are projected to be extraordinary, raising the cost of powders by 20 to 30 percent. This inflationary move would certainly require substantial justification, exactly the kind of justification which has not been produced by the Federal bureaucrats.

In sum, Mr. President, while the Federal Government must do everything reasonably possible to fight the ominous cloud of terrorism which potentially threatens each and every one of us, this Congress cannot allow the Federal Government to continue to meddle into the lives of law-abiding citizens at the whim of a few bureaucrats. Tagging black and smokeless powders will not contribute substantially to antiterrorism, but it will pose another threat to the basic freedoms and liberty of the people in our society. That is why I will fight this provision, and urge my colleagues to do so.

I ask unanimous consent that the text of our amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 58

Amendment to section 303.

After subsection "t", add a new subsection "u";

"(u) Black and smokeless powders, manufactured as propellant powders, shall be excluded from the provisions of this section."

Reletter the existing subsection accordingly.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold hearings on March 12, 19, and 20, 1979 on the carryover basis provisions of the estate tax law.

The hearings will begin at 10 a.m. in room 2227 of the Dirksen Senate Office Building.

The Department of the Treasury will testify on March 12, 1979.

The Congress during the last session agreed to defer the effective date of carryover basis until December 31, 1979. The hearings will focus upon whether or not carryover basis should be repealed or modified, and if modified, what modifications should be made.

The hearings will give the Senate Finance Committee an opportunity to explore in detail the implications and full ramifications of this significant departure from tax law prior to 1976.

Other witnesses who desire to testify at the hearings should submit a written request to Michael Stern, Staff Director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on March 1, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by April 13, 1979, to Michael Stern, Staff Director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

RHODESIA AND THE ARROGANCE OF ANDREW YOUNG

● Mr. GARN. Mr. President, the unmitigated arrogance of the U.S. Ambassador to the United Nations, Andrew Young, manifested itself again the other day. Mr. Young saw fit to declare that "only Neofacists in this country would be willing to support the neofascism of the Smith regime" in Rhodesia/Zimbabwe.

Mr. President, this is not the statement of a private citizen—it is the declaration of an official of the United States. Mr. Young's record for embarrassing public utterance in the name of U.S. policy is a disgrace. I remain convinced that Mr. Young should be removed from office for gross incompetence detrimental to the interest of the United States.

By an 85-percent majority vote, white Rhodesians recently passed a referendum to approve a new constitution, drawn up in March 1978, to hold universal suffrage elections in order to bring a form of qualified black majority rule. Elections are now scheduled to be held in April. Is the new constitution perfect? No it is not. I recognize this. But to say that it bears any resemblance to fascism is ludicrous.

The United States and its allies have every reason to work for a peaceful settlement of the Rhodesian problem. Yet, we continue to dismiss the efforts of the internal settlement to accomplish this very objective. Instead, we insist that the guerrilla forces of Robert Mugabe and Joshua Nkomo be made participants in the new government. This administration has, in effect, given these guerrila forces, the so-called Patriotic Front, a defacto veto over the efforts of blacks and whites to avoid a bloody and destabilizing civil war.

With the April elections, the leaders of the biracial internal settlement will have met the two conditions set by Congress for an end to the U.S. economic embargo against Rhodesia/Zimbabwe. I call on my colleagues to insure that we do not go back on our word in this regard. We have already made a tragic error in not backing the internal settlement when it first determined to establish black majority rule. Let us not compound this error by remaining silent as the Carter administration continues to pursue a course that can only lead to disaster.

These points are recognized very well in an editorial in the Washington Star, which I will ask to have inserted in the RECORD in a moment. By contrast, the Washington Post's editorial staff is oblivious to the damage it, and others like it, has caused.

The bloodthirsty nature of the Mugabe and Nkomo guerrillas has been clear from the beginning. Their Marxist and racist rhetoric has never left any doubt as to the nature of any "government" they might establish, if they were successful in coming to power. It would be a regime of blood and horror, similar to a dozen others in Africa. The rule in Africa is one-party autocratic rule, with no civil freedoms, religious repression, and genocidal vendettas against rival tribal factions. There are a few exceptions, and two of them are the governments of South Africa and Rhodesia.

The fact is, Mr. President, that there was never any chance for peace and freedom in the direction of Mugabe and Nkomo. These two worthies have from the beginning shunned every invitation to an all-parties conference, and any invitation to participate in free and supervised elections. They know that neither has a chance of coming to power peacefully, and for that reason they have done everything they can to destabilize the country, in the hopes of coming to power by the gun. When they do, of course, they will have to fight each other, and the result will be a bloody civil war, followed by the familiar autocracy.

The chances of peace under the direction of the Salisbury government were never high. But in that direction there was a chance of success. Had the nations of the world supported the Smith government's efforts to bring blacks into power, to provide for a stable transition to black majority rule, it is possible that Smith could have succeeded. We will never know, because this administration, led by the fatuous Andrew Young, has from the beginning cast its lot with the revolutionary Marxists. The Washington Post editorial is a perfect example of the silliness and the tragedy of this line of thinking. Now that bloody war is inevitable, the Post looks around and asks what happened. I will tell you what happened. America's liberal establishment has let itself be led into the wilderness by Andrew Young and his coterie of displaced civil rights workers. And it will be a bloody road coming home.

Somewhat bewildered, the Post concludes wistfully that there is "blame enough to go around." Indeed there is, and the Post has earned its share. I would like to think that they recognize it, but today's editorial indicates otherwise.

Mr. President, I ask that the editorials from the two Washington papers be printed in the RECORD, and I invite my colleagues to examine them closely, to see where the blame belongs.

The editorial follows:

[From the Washington Post, Feb. 7, 1979]

DEAD END IN RHODESIA

The British and American foreign secretaries put their heads together on the matter of Rhodesia the other day and came up with nothing. We say this not in derision but with a certain approval. For the several conflicts in Rhodesia—between the multiracial regime in Salisbury and the guerrillas, and among each of these groupings—have produced a degree of violence and fragmentation demonstrably beyond Anglo-American repair.

It is painful to recall that the Carter administration once saw in Rhodesia an exciting opportunity to make the United States both the champion of black majority rule in Africa and the manager of peaceable change. But the administration's diplomacy, as it developed, seemed to focus on the first of these roles—though not openly enough to gain African credit for it—and fulfillment of the second role was made that much more difficult. There is no doubt now that black majority rule is coming, but not peaceably, and not in a context ensuring white minority rights, and not under American patronage, and not in a way that promises to advance other American interests.

The transitional government of Ian Smith has just sponsored a poll in which whites approved a white-written majority rule constitution due to take effect when general elections are held in April. At one point, those elections looked like they might help win international acceptance for the "internal" settlement. But the military deterioration since then has put them in a different light. The elections will be held under military-law conditions in the shrinking fraction of the country where the government's writ runs. Salisbury figures the vote will meet one of the two tests Congress set last year for lifting economic sanctions; it met the second by announcing its availability for negotiations with the guerrillas. But even if Salisbury meets Congress' technical requirements—and it may—what will that avail? Salisbury's talk of elections, the lifting of sanctions, and then somehow a miraculous Western bailout, sounds increasingly like whistling in the dark. The overwhelming fact is the war.

The guerrillas are winning, under the worst imaginable conditions for the future of Zimbabwe—economic devastation, political radicalization, racial conflict, black civil war. Their military advance is sweeping away the whites and the assorted blacks of the transitional regime. There is blame enough all around; the leaders of Rhodesia/Zimbabwe deserve most of it. But what Americans cannot avoid asking is whether things are better or worse for the people of that brutalized country as a result of the administration's exertions in their behalf.

[From the Washington Post, Feb. 6, 1979]

"NEO-FACISM" IN RHODESIA

UN Ambassador Andrew Young recently declared, with even less than his usual regard for the weight of words, that "only neo-fascists in this country would be willing to support the neo-facism of the Smith regime" in Rhodesia.

No doubt Mr. Young would include, as neo-fascism, last week's successful referendum on a new Rhodesian constitution. The vote, after all, was limited to non-black Rhodesians; and the constitution, under which a black-majority government will be elected this spring, reserves considerable power over a five-year transition period to whites.

If Andrew Young spoke for himself alone, and not for the United States, he would be at liberty to mangle the language as he pleased. But he is, in fact, an American official who pretends to be interested in drawing the Rhodesian government into all-party talks with the guerrilla insurgents on the country's future. If this is more than pretense, he approaches it in a curious fashion.

It is not, of course, as if the new Rhodesian constitution were immune to reasoned criticism. It is, one could say, conservative and cautious; and it is open to the practical objection that it may not fully satisfy even the black partners in Mr. Smith's slow-motion movement from white to majority rule.

Even so, the effort is far from contemptible, and far indeed from being "fascist" in flavor, neo- or otherwise. The advent of a government in Rhodesia-Zimbabwe (as it's to be called) in which blacks will have the predominant place is a milestone. It imposes a certain obligation on the U.S. to approach it, approve or not, with some consideration.

A more considerate and receptive attitude would indeed have been appropriate months ago, when Ian Smith first decided to scrap exclusive white rule and negotiate a settlement with the black majority. The Rhodesians thought then that Mr. Smith and his collaborators had met the "six points" on which Dr. Kissinger, as a Ford administration emissary, had implicitly conditioned some relaxation of diplomatic hostility. Even now, one of Mr. Smith's selling points in inducing the embattled Rhodesian whites to accept a new power-sharing constitution has been the stubborn hope that the U.S. may lift economic sanctions.

That is almost certainly a vain hope as long as Ambassador Young is calling the shots on U.S. policy in Africa. But what is the alternative? What, in other words, is the price of Mr. Young's policy? Now as before, it is that the U.S. may be a bystander, and by inaction a collaborator, in the subversion of an elected government in Rhodesia by Marxist guerrillas, hostile to both form and substance of our political values.

If they succeed, there will be many Rhodesians, black and white, who if lucky enough to escape alive will find themselves nostalgic for a bit of what Andrew Young is pleased to call "neo-fascism." ●

A COLLISION OVER TRUCKING

● Mr. TSONGAS. Mr. President, I would like to direct the attention of my colleagues to an editorial which appeared in the Boston Globe on January 29.

I believe that the editorial emphasizes several valid and important points regarding the current controversy surrounding referral of antitrust legislation to eliminate the 1948 antitrust exemption for price fixing in the trucking industry.

The editorial accurately states that the matter is a parliamentary question. I believe that the parliamentarian has ruled correctly. However, even more importantly, I would hope that my colleagues will focus their attention on that ruling and the question of whether or not to abide by the decision of the Parliamentarian, rejecting attempts to confuse the issue by casting the debate as a vote on the issue far down the road: Truck deregulation.

The January 29 Boston Globe editorial follows:

A COLLISION OVER TRUCKING

The public may get an early reading this year on exactly how committed the U.S. Senate is to stemming inflation when that inflation benefits powerful private interests. The test would be posed by a vote on the question of whether the Senate Commerce Committee or the Senate Judiciary Committee receives jurisdiction over a bill to end the trucking industry's antitrust exemption. While the matter may seem technical, the Senate's decision could substantially influence the future of trucking deregulation—with its potential benefits for consumers.

The jurisdictional fight pits Sen. Edward M. Kennedy, chairman of the Judiciary Committee, against Sen. Howard Cannon, the Nevada Democrat who chairs the Commerce Committee. While Kennedy has expressed a willingness to support a "joint referral" to both committees, Cannon has balked at this notion. The issue may come before the full Senate this week for resolution. And more is at stake than committee "turf."

Kennedy is a supporter of trucking deregulation; in fact, he is the author of the legislation ending the antitrust exemption at the center of current fight. Cannon says only that he has an open mind on the subject; the American Trucking Association and the Teamsters Union are lobbying the Senate furiously for referral of the bill to the Commerce Committee.

In a less political environment, the matter might be considered a parliamentary question. And in that regard, it is interesting to note that the Senate parliamentarian has ruled that the legislation should be sent to Kennedy's committee. And properly so. Other elements of comprehensive trucking deregulation—those involving Interstate Commerce Commission's regulation of routes and entry—are within the jurisdiction of the Commerce Committee. But the Kennedy legislation, which would overturn the current government sanction of private agreements between truckers on pricing, is clearly an antitrust measure.

It is true that the exemption to the antitrust statutes, enacted in 1948, was attached to the Commerce Act. But that was only an effort to end-run House Judiciary Committee chairman Emmanuel Cellar, who was opposed to such doings. And it is true that the Kennedy bill would affect a particular sector of commerce. But any antitrust legislation does that. And the Senate has given the Judiciary Committee responsibility for antitrust legislation no matter what sector of the economy it affects.

As the current parliamentary fight reveals, trucking deregulation will be a tough battle. The $30 billion industry is well organized. And both labor and management gain from the anticompetitive aspects of the business. Only the consumer loses. A decision by the Senate to refer the legislation exclusively to the Commerce Committee would not only violate common sense; it would be a sign that the Senate is not anxious to make the fight to restore competition to the trucking industry. ●

STATE DEPARTMENT MEMORANDUM ON TREATY TERMINATION: A REBUTTAL

● Mr. GOLDWATER. Mr. President, as you know, I have filed a lawsuit, together with 25 other Members of Congress, challenging as being unconstitutional, President Carter's attempted abrogation of the defense treaty with Taiwan. In defense of the President's unilateral action, the Department of State has released a lengthy memo arguing that Presidents have terminated treaties before, in situations similar to President Carter's action.

Mr. President, the State Department memo is absolutely wrong. It is a desperate attempt to erect some sort of justification for the President's usurpation of legislative power.

The so-called memorandum is actually a one-sided argument that distorts and

twists history and contains many self-contradictions.

First, I would note that the State Department has dredged up only 12 claimed precedents for Presidential treaty termination, and not one of them involves a defense treaty.

Even if the 12 incidents were taken at face value, the State Department does not tell us what legal significance this would have. Of course, the answer is they would have no legal bearing.

A handful of precedents cannot create a Presidential power that does not appear in the Constitution itself. As the Supreme Court said in 1969:

> That an unconstitutional action has been taken before surely does not render that same action any less unconstitutional at a later date.

Thus, the alleged 12 precedents beg the question. For all anyone knows, they were unconstitutional actions, so that these disclosures might be no more than admissions of past illegalities.

In this connection, I might remind my colleagues that Federal courts have decided at least three important issues of power against the President in the past 5 years, although a long line of precedents were argued as a basis for Presidential power in each of these cases. We can all remember the Nixon tapes case where executive privilege was decided against the President. Then there is the impoundment of funds case which the executive branch lost. And, there is the executive veto case, in which the U.S. Court of Appeals for the District of Columbia rejected 38 pocket vetos as not having any legal meaning. The court squarely held that precedents cannot create an Executive power.

Now, if the State Department memorandum were truly that, a fair discussion of all points so that the President and Secretary of State could act on full information, it surely would have discussed exactly what significance the 12 precedents are supposed to have. But there is no mention in the memo about the quite recent Federal court cases which rule that past practice does not make a Presidential power. It is obvious the lawyers at the State Department did not want to bring this question up with their superiors.

Mr. President, turning to the so-called precedents contained in the State Department memo, it is revealing that two of the incidents involved treaties which did not contain notice provisions. Now, I must ask, what are these two examples doing in the memo?

What has happened here is that the State Department has shown its hand. It is not arguing merely that President Carter has implied authority to terminate a treaty when the treaty itself includes a provision for termination upon notice by either party. If that is all the State Department is claiming, it would not have used these two examples in its memorandum.

Instead, it is clear the State Department is asserting a broad power for the President to terminate any treaty he wants, whether the treaty includes a notice provision in it or not.

In other words, the State Department wants the President to have total power over treaties. State has long taken the position that the President can make a treaty by calling it an executive agreement, and now they are saying he can break a treaty, even if it was ratified with the advice and consent of the Senate.

So I would warn my colleagues against allowing the State Department to get away with what is an obvious power grab.

Mr. President, I have mentioned that 2 of the 12 treaties asserted in the State Department list did not contain notice provisions. If we remove these 2 incidents, that leaves 10. Of these treaties, only eight were actually terminated. Presidents withdrew the notice of termination in two cases and there is no proof they would have gone ahead with terminating the treaties.

So that leaves us with only eight incidents. But the terminations of three of these treaties were necessitated by superseding statutes in conflict with earlier treaties. In these situations, the President was acting under the implied authority of congressional statutes. Another treaty termination clearly was authorized under no less than four separate acts of Congress.

Some of the treaties discussed by the State Department were canceled in full agreement with the other countries, which is completely different from the present case where the Republic of China wishes to keep the defense treaty alive.

And, there is no evidence Congress was informed when the President acted on each of these treaties. He notified the foreign countries, but in many cases he neglected to tell Congress. Congress could hardly challenge what it did not know about and a situation where the President acted in secrecy hardly qualifies as a precedent for his independent action.

Mr. President, I have prepared a detailed analysis of the alleged precedents argued in the State Department memo which shows that not one of the incidents back up the President's position. Since the paper relates to an important issue of shared power between the President and Congress, I ask that it be printed in the RECORD.

The material follows:

ANALYSIS OF PRESIDENTIAL TREATY "TERMINATIONS" ARGUED IN STATE DEPARTMENT MEMORANDUM

1. 1815: President Madison's administration exchanged correspondence with the Netherlands which allegedly established that the 1782 Treaty of Amity and Commerce had been annulled.

Analysis: There is strong historical evidence the treaty was not annulled in 1815, but remained in effect assuming the treaty was then annulled, the cause was the wartime destruction of one of the governments and nations, not independent Presidential power. Also, President Madison did *not* give notice of the treaty's termination; the foreign government first denounced the treaty.

Discussion: The Netherlands took the initiative in insisting the treaty of 1782 had expired because of the Napoleonic wars, during which the United Netherlands, with whom the treaty was made, was absorbed into the French Empire, entirely disappearing as a separate nation. After the war, it was transformed into a new nation unlike the original one. According to Samuel Crandall in his *Treaties: Their Making and Enforcement*, the State thus formed "differed in name, territory, and form of government from the state which had entered into the treaty of October 8, 1782, with the United States." (p. 429)

In response to a letter from the government of the new state, in 1815 Secretary of State Monroe appeared to acknowledge the Netherlands' claim that the treaty had been annulled. However, when Monroe became President, he himself repudiated this interpretation. His Secretary of State John Q. Adams argued in 1818 that the 1782 treaty was still operative. (U.S. Foreign Relations 722 et seq. (1873)) In 1831, the Supreme Court of North Carolina enforced the treaty as law in *University v. Miller*, 14 N.C. 188, 193.

At most, the incident is a precedent for termination of a treaty *in agreement* with the other government. Obviously, in the present case, the Republic of China wishes the 1954 treaty to remain in effect.

It is true that much later in 1873, the State Department informed the Minister of Holland that "The Treaty of 1782 is no longer binding on the parties." However, the State Department did not claim President Madison had terminated it. Rather, in a list of treaties that have been abrogated, which was prepared and published by the State Department in 1889, the Department included the Netherlands treaty under a category entitled "Treaties with Powers that have been absorbed into other nationalities."

The Department explained the termination of the treaty as follows:

"The principle of public law which causes Treaties under such circumstances to be regarded as abrogated is thus stated: The obligations of Treaties, even where some of their stipulation are in their terms perpetual expire in case either of the contracting parties losses its existence as an independent State, or in case its internal constitution is so changed as to render the Treaty inapplicable to the new condition of things." (U.S. Treaties and Conventions 1776–1887 (1889), at 1236–1236).

2. In 1899, President McKinley gave notice to the Swiss Government of intent "to arrest the operations" of certain articles of the 1850 Convention of Friendship, Commerce and Extradition.

Analysis: The Convention was superseded by a later Act of Congress inconsistent with the earlier treaty. That statute conferred implied authority on the President.

Discussion: The State Department memo itself admits the Presidential notice "may have been necessitated by the Tariff Act of 1897." (p. 9) This admission hardly qualifies the incident as a precedent for notice where there is *no* accompanying legislative action.

Following enactment of the Tariff Act of 1897, the United States entered into an agreement with France under authority expressly granted by that law. The Swiss government thereupon claimed the right to enjoy the same concessions for Swiss imports as granted French products, but without making reciprocal concessions.

The United States rejected the Swiss demand because, in the words of the State Department memo: "It was contrary to U.S. general policy *and to the policy of the Tariff Act* to make trade concessions in the absence of a reciprocal arrangement." (p. 9) Section 3 of the Tariff Act denied the President authority to negotiate trade agreements unless "reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States." (30 Stat. 203).

Since Congress had passed a law clearly in-

consistent with an earlier treaty, the President was compelled to enforce the later expression of legislative will. Unlike the 1899 incident, there is no subsequent statute which President Carter claims is in conflict with the Mutual Defense Treaty of 1954. To the contrary, there are numerous statutes and treaties which reinforce the purpose of that treaty.

3. In 1920, President Wilson "by agreement" terminated the 1891 Treaty of Amity, Commerce, and Navigation with the Congo.

Analysis: The treaty was terminated following Congressional action affecting that treaty. It was denounced in its entirety by the foreign government, not by notice of the United States.

Discussion: In the Seamen's Act of 1915, Congress ordered President Wilson to notify several countries of the termination of all articles in treaties and conventions of the United States "in conflict with this act." (38 Stat. 1184) The authority of Congress to impose this obligation on the President was upheld by the Supreme Court in *Van der Wayde v. Ocean Transport Co.*, 297 U.S. 114, 118 (1936).

In accordance with this statutory mandate, President Wilson notified Belgium of his intention to terminate Article 5 of the 1891 treaty. (The treaty was originally concluded with the independent state of the Congo, which later came under Belgian control. The change of governments further weakens the incident as a precedent for termination of the Mutual Defense Treaty since the identical governmental authorities on Taiwan with whom we made the treaty are still in effective control of the territory covered by that treaty.)

In view of the Congressionally-mandated termination of a substantive article of the treaty, Belgium replied that it wanted to terminate the entire treaty. A month later, Belgium sent a second note instructing the United States that its first note was intended as formal notice of termination of the treaty. In acknowledgement of this notice, the United States regarded the treaty as expiring one year later.

The situation is entirely different from the 1954 Mutual Defense Treaty with the Republic of China. The 1891 treaty was terminated with the agreement of both parties. The Republic of China, however, does not wish to terminate the 1954 treaty.

4. In 1927, President Coolidge gave notice of termination of the 1925 Convention with Mexico on the Prevention of Smuggling.

Analysis: The Convention was terminated during an unsettled period in Mexico which caused a fundamental change in conditions essential to its continued effectiveness. The President did not inform Congress, depriving legislators of an opportunity to challenge his action.

Discussion: In 1927, United States relations with Mexico were unsettled because of alleged religious persecution within Mexico and the confiscation of American-owned private and oil lands. In fact, President Coolidge claimed Mexico was *smuggling* arms and ammunition to revolutionists in Nicaragua, indicating Mexico was not a reliable treaty partner under a Convention relating to the prevention of smuggling.

In the circumstances, it appears changed conditions were a cause of President Coolidge's notice. Under the doctrine of *rebus sic stantibus*, a treaty "ceases to be binding when the basic conditions upon which it was founded have essentially changed." (40 Opinions Attorneys' General 121)

However, in the case of the 1954 Mutual Defense Treaty, President Carter has not invoked *rebus sic stantibus*. Nor could he. For an essential requirement of the doctrine is that the change in conditions must not be the result of action by the party seeking to invoke it. (1969 Vienna Convention on the Law of Treaties, Articles 61, 62; Restatement of the Law 2d, Foreign Relations Law of the U.S., at 467–470 (1965)).

There is another reason the 1927 incident is not a valid precedent. Congress was not informed of the notice at the time and thus it went unchallenged.

5. In 1933, President Roosevelt withdrew the United States from the 1927 Convention for the Abolition of Import and Export Prohibitions and Restrictions.

Analysis: The 1927 Convention was inconsistent with and had a restrictive effect on the National Industrial Recovery Act of 1933. It also was terminated due to a fundamental change in conditions, not the result of any action by the United States.

Discussion: The official papers published in connection with the termination of the 1927 Import-Export Convention prove that the provisions of the National Industrial Recovery Act, a later statute, were instrumental in moving the President to give notice. (U.S. Foreign Relations 784–786 (1933); W. McClure, *International Executive Agreements* 18 (1941)).

The incident stands as no more than an example of the President implementing the latest expression of Congressional intent. Since the President cannot enforce two laws which are in conflict, as the 1927 convention and 1933 statute were, he is compelled to select the one which reflects the current will of Congress.

The U.S. Government notice gave as the reason for withdrawal the fact that several other nations had already withdrawn, thereby defeating the original purpose and assumption for the convention. Eleven countries out of an anticipated original 19 had ceased to be bound by the convention on June 20, 1933, when the United States gave its notice. So our notice stated that while it "had been hoped that the principle embodied in the convention would be widely accepted", the "reverse" has been true.

These circumstances fit the classic example of *rebus sic stantibus*, where a basic set of conditions or expectations were assumed to exist as the basis for carrying out the treaty, but due to changed conditions, those original purposes or expectations are no longer present. When such a fundamental change occurs, the treaty is no longer operative or binding.

The principle was recognized by Mr. Justice Davis, who wrote, in *Hooper v. United States*, that a "treaty might be construed as abrogated when material circumstances on which it rested changed." (22 Court of Claims 408 (1887)).

Thus, rather than asserting any general power to withdraw the nation from all treaties having a notice provision, President Roosevelt's 1933 notice itself clearly limits the basis of his action to the change in conditions. As the State Department memo states: "A convention on the abolition of import and export prohibitions and restrictions clearly needed widespread acceptance to be effective . . . " (p. 18)

In contrast to the 1927 convention, there is no change in circumstances which prevents the 1954 Mutual Defense Treaty from being effective. The same regime with which we concluded the treaty remains in effective control of the territory of Taiwan and the Pecadores, regardless of derecognition. The territory governed by the authorities remains a critical and strategic link in the entire chain of Pacific Basin security bases from which the United States supports its national security and the security of allies with whom we have formal defense treaties.

Even if derecognition were viewed as a basic change, it cannot be invoked as a reason for terminating the 1954 treaty. Under customary international law, a nation cannot use a change of conditions as a ground for terminating a treaty if the change is the result of its own action, inconsistent with the original purposes of the treaty.

In any event, President Carter is not asserting changed circumstances as a ground of his notice; he claims implied authority solely under the notice provision of the treaty. Thus, the 1933 incident has no similarity to the present case.

6. In 1933, President Roosevelt gave notice of termination of the 1931 Treaty of Extradition with Greece.

Analysis: The treaty was not terminated. The sole basis for the President's notice was violation of the treaty by the other nation, a charge that has not been made against the Republic of China.

Discussion: The incident is not a precedent for Presidential treaty termination because the treaty was not terminated. President Roosevelt did give notice, but *withdrew* it. Whether he would have completed the termination is speculation; the strongest evidence points to his purpose only of using the threat of termination as pressure for negotiating purposes.

The President's action was initiated because Greece had refused to extradite an individual accused of fraud as required under the extradition agreement. Clearly, his action was founded on the fact the treaty had already been violated by breach of the other party. The President may have power to determine that a treaty has become void in this narrow situation under the ancient principle of traditional contract law whereby a party is released from a contract obligation if the other party is guilty of a substantial breach.

Even so, the principle has no application to the 1954 defense treaty. The Republic of China has not committed any breach of the treaty, nor is any violation on her part alleged. In contrast, the 1933 notice by President Roosevelt clearly identified the violation by Greece of the treaty as the reason for the notice.

7. In 1936, President Roosevelt signed a protocol agreeing with Italy to terminate the 1871 Treaty of Commerce and Navigation.

Analysis: The 1871 treaty had become inconsistent with a later Act of Congress which conferred implied authority upon the President. Also, the treaty was terminated in joint action with the other country by a protocol mutually agreed upon. In contrast, the Republic of China wishes to keep in effect the 1954 defense treaty.

Discussion: President Roosevelt's action in agreeing with Italy to terminate the 1871 treaty arose directly out of and was tied to the 1934 trade law enacted by Congress. That law authorized the President to suspend beneficial duties to imports from any country discriminating against our exports. Since American commerce was being subjected to what the State Department described as "highly prejudicial treatment" by the trade control measures of Italy, the Department warned the President he "would be placed in the position of having to choose between the execution of the act and observance of the treaty."

In order to avoid being forced to breach the treaty or ignore the obvious intent of the statute, the State Department advised the President to notify Italy of our intent to terminate the treaty. (G. Hackworth, 5 Digest of International Law 330–331 (1943)).

Thus, the statute conferred implied authority on the President to terminate the treaty. In the present case, President Carter has no implied or express authority under a separate statute.

Instead of giving the initial, formal notice to Italy of the treaty's termination as suggested, President Roosevelt approved a joint protocol entered into between the United States and Italy announcing the intention of *each* government to terminate the treaty. Thus, the treaty was not cancelled by Presidential notice alone, as is proposed in the case of the 1954 treaty with the Republic of China, but by mutual agreement with the other government.

8. In 1939, President Roosevelt gave notice of termination of the 1911 Treaty of Commerce and Navigation with Japan.

Analysis: The 1911 treaty was clearly terminated pursuant to authority granted by a later treaty. Also, the treaty had become inoperative due to wartime conditions.

Discussion: The termination of the 1911 commercial treaty with Japan is not an example of independent Presidential power. Under the Treaty on Principles and Policies Concerning China of 1922, known as the Nine Power Agreement, the United States was bound to participate with other governments in respecting the territorial integrity of China. But in the early 1930's, Japan repudiated the Kellogg-Briand Pact, which outlawed war "as an instrument of national policy," and withdrew from the 1921 treaty for the limit of naval fleets. After Japanese troops invaded China, by overrunning Manchuria in 1931 and by entering upon all-out war in 1937, it was apparent that Imperial Japan had the same designs in the Far East that Nazi Germany had in Europe.

Accordingly, President Roosevelt made his famous "Quarantine" speech in which he announced on October 5, 1937, that war was becoming a contagion whose spread could be stopped only by a "quarantine" against aggressors. The Japanese made a partial answer to this speech on December 12, 1937, when their planes sunk a U.S. gunboat in the Yangtze River, with the loss of two dead and 30 wounded, and destroyed three American merchantmen.

Consequently, an American embargo was mounted against Japan. In the middle of 1938, the State Department informed all manufacturers and exporters of aircraft and airplane parts that it frowned upon the sale of such commodities to countries such as Japan, which indiscriminately bombed civilians, and the following year this ban was extended to high octane gasoline. These warnings were heeded by the producers, with the result that a virtual embargo on planes, parts, and gasoline was raised against Japan.

In similar fashion, the State Department gradually ended the extension of credit to Japan by American citizens after 1938. Then in 1939, the United States gave Japan the necessary notice for termination of the commercial treaty. Thereafter, shipment of every typo to Japan fell off greatly.

Thus, it is undeniable that the notice was an integral part of American policy which took a no-compromise stand on behalf of the territorial integrity of China. Clearly, this policy of morality on behalf of the welfare of China was exactly the type of governmental action contemplated and authorized by the Nine Power Treaty.

The aggression by Japan, even against U.S. vessels, also created a fundamental change in circumstances not the result of our personal actions. Absent a Supreme Court decision of the issue, it is not known whether the President acts legally when he invokes the doctrine of *rebus sic stantibus*, but this principle of international law would at least have given President Roosevelt an additional plausible ground for independent action.

In the present case, neither any asserted authority under a related treaty subsequent in time to the 1954 treaty, nor the principle of *rebus sic stantibus* has been invoked by President Carter.

9. In 1944, President Roosevelt gave notice of denunciation of the 1929 Protocol to the Inter-American Convention for Trademark and Commercial Protection.

Analysis: Denunciation of the 1929 Protocol is at most an example of an international agreement becoming inoperative when the basic conditions upon which it was founded have essentially changed and the change is not the result of any action by the nation deciding to withdraw. Moreover, Congress was not informed of the notice and was denied any opportunity to challenge the action.

Discussion: The notice of denunciation of the 1929 protocol expressly stated that it had failed to serve any purpose. Secretary of State Hull explained the United States had decided to withdraw from the protocol "in view of past ineffectiveness and absence of any evidence of future increased activity."

Accordingly, the situation fits the classic case of invoking the principle of international law known as *rebus sic stantibus*, described in an Attorneys' General Opinion of July 28, 1941, as "a declaration of the inoperativeness of a treaty which is no longer binding because the conditions essential to its continued effectiveness no longer pertain." (40 OP. A.G. 119)

Even so, the incident may have been an improper exercise of power by the President. Assuming for the sake of argument, however, that the notice was legally made, the action can be explained under the principles of ordinary contract law. The principle of *rebus sic stantibus* was known to international law authorities at the time of the Constitutional Convention of 1787. Vattel, Grotius and other writers, whose works were read by several of the Framers, each mentioned that one of the implied conditions inherent in public contracts, such as a treaty, was the right of a government to consider itself no longer bound by the agreement when fundamental conditions assumed as the basis of the contract no longer existed.

There is no similar, well-established principle of international law, however, providing that in a government of divided powers as ours, the Executive alone possesses a general power of treaty termination. The principle of *rebus sic stantibus* does not apply to President Carter's notice affecting the treaty with the Republic of China; nor has he sought to invoke the principle. Rather, he is claiming a general power of terminating any treaty which includes a notice provision, regardless of any special surrounding circumstances.

Moreover, the State Department memo admits at page 27 that there "was no prior or subsequent communication" of the 1944 notice with the Senate or Congress. Thus, the notice was in effect kept secret from Congress and did not present an opportunity for challenge in the courts.

10. In 1954, President Eisenhower gave notice of withdrawal from the 1923 Convention on Uniformity of Nomenclature for the Classification of Merchandise.

Analysis: The United States withdrew from the 1923 Convention because it had been "rendered inapplicable" by a basic change in conditions not the result of our government's actions. Also, termination of the Convention was done with the agreement of other parties.

Discussion: The 1954 notice is a classic example of the application of the principle of international law known as *rebus sic stantibus*, discussed above.

The 1923 Convention relied on use of the Brussels nomenclature of 1913 in statistical reporting of international commerce. In the words of the State Department memo, at page 29, "the Brussels system of 1913 had become outdated."

In 1950, the United Nations Economic and Social Council had urged governments to use a new system known as the Standard International Trade Classification instead of the Brussels system. Then in 1954, the 10th Inter-American Conference of American States adopted a resolution on customs nomenclature which specifically declared that "the Brussels nomenclature of 1913 has become outdated and has thereby rendered inapplicable the Santiago Convention on Uniformity of Nomenclature for the Classification of Merchandise . . ." The resolution urged member nations to abandon the 1923 Convention and adopt the new United Nations-sponsored system.

The United States notice of withdrawal from the convention acted upon the wide agreement of other governments, who were parties to it, that the convention was no longer applicable to current conditions. It is obvious a fundamental change of conditions had occurred. If the basic system of statistical reporting had become "outdated" and governments generally wished to adopt a new system to replace the old, and if governments generally viewed this change as having "rendered inapplicable" the 1923 Convention which utilized the earlier reporting system, these facts surely must constitute a fundamental change in the basic conditions upon which the convention was founded.

Unlike the situation as to the 1923 convention, there is no argument by President Carter that a basic element of the Mutual Defense Treaty with the Republic of China has become "outdated." Nor is there any claim the defense treaty has been "rendered inapplicable." To the contrary, it has an even greater significance to the people and authorities of Taiwan after the recognition of the Peoples Republic of China by the United States; and it remains significant to United States security interests in the Pacific Basin.

Moreover, unlike the situation with the 1923 convention, where there was widespread agreement among parties to the convention that it should be abandoned, here the Republic of China wishes to keep the defense treaty in effect. Whatever the President's power may be to act by agreement with other parties to a treaty in denouncing it, this does not create a general power of unilaterally deciding to withdraw from a bilateral treaty when the other nation does not agree or join his action.

One of the specific defects meant to be corrected by the Framers of the Constitution was the unfaithfulness of the United States under the Articles of Confederation in keeping its treaty obligations. Several of the Framers declared the Constitution was supposed to aid in restoring respect to the United States as a treaty partner. Thus, it is exactly the easy escape from a treaty represented by President Carter's unilateral notice, not in agreement with our foreign treaty partner, that the Framers wanted to prevent.

11. In 1962, President Kennedy gave notice of termination of the 1902 Convention on Commercial Relations with Cuba.

Analysis: The President's action clearly was authorized by several statutes and one other treaty.

Discussion: The termination of the 1902 commercial convention was an integral part of the U.S. economic embargo of Castro Cuba, declared on February 2, 1962, in which we were joined by the Organization of American States. (13 CQ Almanac 295–298, 331, 333 (1962)).

President Kennedy's notice of August 21, 1962, occurred only eight weeks before the naval blockade of Cuba. He had ample authority to impose a trade embargo under provisions of the Foreign Assistance Act of 1961, the Export-Control Act of 1948, the Trading with the Energy Act, and Battle Act of 1954. Termination of the convention was also authorized pursuant to the Inter-American Treaty of Reciprocal Assistance of 1947, which contemplated a "partial or complete interruption of economic relations" as a means of enforcement. Thus, notice of terminating the commercial convention was given pursuant to a national policy authorized and developed with full legislative participation.

Moreover, the notice may have been authorized under implied authority conferred by Congress when it enacted the Tariff Act of 1945 (59 Stat. 410).

Under the specific authority granted by this statute, the United States Government had entered into numerous trade agreements with other nations by executive agreement through the General Agreement on Tariffs

and Trade (GATT). Pursuant to authority granted by the same trade statute, the commercial treaty with Cuba had already been suspended by an executive agreement with Cuba. Thus, it is possible the notice of termination would have been made even had the United States not been engaged in an embargo of Cuba.

However, had the notice been given in the absence of the embargo policy, it still would have been authorized by the enabling statute which set in motion the GATT process on the part of the United States. In either event, the President's action was exercised under the authority of Acts of Congress. In contrast, there is no past or current statute which is cited as having any plausible bearing on the notice given by President Carter. His notice was given in the absence of any separate, supporting legislative enactment and rests solely on the President's unilateral and self-serving interpretation of the Mutual Defense Treaty.

12. In 1965, President Johnson gave notice of denunciation of the 1929 Warsaw Convention limiting claims by passengers on international air carriers.

Analysis: Our government's participation in the Convention was not terminated; President Johnson withdrew the notice. It is not a precedent for Presidential termination. The Convention was widely viewed in this country as being outdated and, in fact, was being ignored by American courts. At most, the incident is an example of a treaty becoming inoperative due to changed conditions.

Discussion: The United States did not withdraw from the Warsaw Convention. It is pure speculation to assume President Johnson would have denounced the agreement unilaterally. To the contrary, it appears he used the threat of U.S. withdrawal as leverage in negotiations with other nations leading to acceptance of a protocol to the convention favorable to our wishes for a sizable increase in the ceiling on claims awarded to air passengers. The incident is not a precedent for Presidential termination of a treaty because President Johnson did not actually denounce a treaty.

There was strong support in the Senate and the country for U.S. withdrawal from the convention. An unfortunate tragedy had befallen then Senator Capehart, whose son and daughter-in-law were killed in a plane crash in Jamaica on January 21, 1960, leaving four young children orphaned. The survivors were clearly entitled to recover damages against the grossly negligent airline, however the Warsaw Convention limited liability to $8,300. Lawyers for the airline literally waved the convention in Senator Capehart's face in refusing initially to pay a realistic award to his relatives. Only court proceedings eventually forced the airline to settle at a higher amount.

With the personal experience of one of their colleagues much in mind, many Senators were revolted at the deficiencies in the Warsaw Convention. Their attitude was reinforced by testimony before the Foreign Relations Committee by trial attorneys who demonstrated that the convention was "outdated, archaic" and further that the proposed Hague Protocol to the convention was inadequate in lifting airline liability to a sufficient amount.

It was established at the Senate hearings that American courts had successfully avoided the limits of the convention by developing a judicial principle which allowed exceptions to the convention in cases of "willful misconduct" by an airline. The exception had become the norm in U.S. courts and the convention had been effectively replaced by legal practice. (Hearings on the Hague Protocol before Senate Foreign Relations Committee, 89th Cong., 1st Sess., 1965, at 41, 59).

In this setting, there was a basic change in conditions. The convention had become inapplicable in U.S. courts and outdated as practical matter. Moreover, its original purpose had been met. It was adopted to help fledging airlines, now become strong carriers. If President Johnson had denounced it, his action would have been consistent with the principle of international law known as *rebus sic stantibus*, discussed above. The principle has no application to the defense treaty with the Republic of China. Unlike the history of the Warsaw Convention in the mid-1960's, there is no line of consistent judicial decisions desregarding the defense treaty. There is no similarity between the two situations.

Moreover, as Lee S. Kreindler, Chairman, Aviation Law Section, American Trial Lawyers Association, testified at the Senate Committee hearings: "It should be pointed out that the Warsaw Convention is a 'private law' treaty which only regulates rights and liabilities as between private individuals and corporations. It does not involve real interests of governments as such. Whatever reluctance there might be to withdraw from a public law treaty involving the performance of governmental responsibilities, it does not apply to the Warsaw Convention which only regulates rights between private persons." (Hearings at 106)

Thus there is a critical difference between the Warsaw Convention and the Mutual Defense Treaty. The latter is a "public" treaty involving the performance of governmental duties. Even if, for the sake of argument, the President has power to terminate treaties involving "private rights," it does not follow that he has power to revoke a treaty which involves fundamental policy for the country on a matter of vital interest to all the people.

It is true, 29 Senators joined in sponsoring a Senate Resolution urging President Johnson to denounce the Warsaw Convention. The resolution was introduced several months after he had given notice and anticipated that the notice might be withdrawn. It is wrong to infer from this that the 29 Senators, or a majority of the Senate, believed the President possessed authority to denounce the convention absent legislative action. In fact, the very act of introducing or cosponsoring the legislation was an affirmative action which in the normal process of legislative activity would result, if successful, in a grant of authority or ratification by the Senate of Presidential action as required by the Constitution. From this, the logical conclusion is that the Senators sponsoring the resolution believed legislative participation was necessary to fulfill the decision to denounce the convention.●

TRIBUTE TO JOHN W. SLEDGE

● Mr. MORGAN. Mr. President, I would like to share with the Members of this body an excellent article about an individual who is most dedicated to the welfare of America's farmers. That individual is John W. Sledge who, for the past 5 years, has been president of the North Carolina Farm Bureau Federation. John, who operates a 260-acre farm at Oak City in Martin County, N.C., has had influence on farm policymaking far beyond the borders of North Carolina. Indeed, Mr. Sledge's counsel is sought by people interested in farm issues across this Nation and abroad. Mr. President, everyone who knows John considers him to be informed, tough yet fair. In my 4 years in the Senate, his advice has been most welcome on the many important farm issues that face our Nation. Mr. President, I ask that the January 1979, article on John W. Sledge which appeared in the Flue Cured Tobacco Farmer magazine be printed in the RECORD.

The article follows:

JOHN W. SLEDGE

(By Bill Humphries)

Both as a tobacco farmer and as president of the 160,000-members North Carolina Farm Bureau Federation, John W. Sledge is vitally interested in tobacco. And when he speaks out on the issues affecting tobacco, people listen—including USDA officials and Congressmen.

From its beginnings at Greenville in 1936, the N.C. Farm Bureau has been a strong backer of the tobacco quota and price support program and has provided major input into decisions affecting the evolution of the program over the years.

Sledge, 54, accurately describes himself as "a product of the soil." He also is a skilled administrator and an articulate spokesman for tobacco farmers as well as for producers of other commodities.

"The main thing we've got to do regarding tobacco," he believes, "is to keep ourselves informed.

"We must be vigilant about the problems that come along. We in the producing community, as well as in the total tobacco industry, should make every effort to stand together and work together to ward off anti-tobacco attacks."

Farmers in North Carolina will be producing tobacco for many years to come, says Sledge, and for that reason Farm Bureau "must be in position to try to sustain the the commodity in the most favorable position for those who grow it."

When the "four-leaf" program was being developed by USDA in an effort to reduce the heavy flow of downstalk priming and and nondescript grades into loan stocks, Sledge said the members of his organization had mixed emotions about the plan. For many farmers there was little or no economic incentive to participate. Yet there was a feeling that the entire support program was in jeopardy and some type of adjustment was inevitable.

"We felt it would be easier to accept the four-leaf plan than, say, changes in the support formula which could have been much more far-reaching," he said.

After the experience of the 1978 season, Sledge still has mixed feelings about the four-leaf plan.

"The concept is good," he said. "The real problem in 1978 was the 20 percent overplanting tolerance for those who participated. We took a strong stand on this and said the tolerance ought to be more like 10 percent.

"I think everybody in the industry will tell you now we were right."

He hopes a consensus will be reached that the overplanting tolerance should be reduced to the 10 to 12 percent range for the 1979 season.

"Even though there are questions about the economics of the four-leaf plan, I think the bottom line is a plus for the tobacco program. Any time we can put forth the image that we're taking action to deal with our problems and keep our program on a sound basis, then we're much better off and better able to defend the program against its enemies," thinks Sledge.

As for the size of the 1979 quota, he said at presstime the figures clearly show there is no need for an increase—in fact, possibly some decreases—in the flue-cured tobacco supply during the coming year.

The most important thing: "We must avoid wide fluctuations in the quota level from year to year. Farmers can't make those kinds of adjustments very easily. We ought to stay on top of the supply-demand situation and limit annual changes in the quota, either plus or minus, to something like five percent or so."

Sledge is concerned about the increase in U.S. imports of "scrap" tobacco. The crux of the problem, he says, is the definition of scrap.

"It used to be floor sweepings. Now it can be groundup good-quality foreign tobacco which competes directly with the tobaccos that we grow."

The U.S. duty rate on regular cigarette leaf is 45 cents a pound, but if such tobacco is shredded, the rate drops to 16.1 cents a pound.

"We'll continue to work on this problem until we find out exactly what the situation is," Sledge says.

What about the outlook for U.S. tobacco exports?

"I'm optimistic, even though many existing trade barriers hinder the movement of American tobacco into world markets," he says. "It's especially encouraging to note the tremendous increase in the value of manufactured products being exported.

"We've got to continue to raise the very best tobacco we know how to raise. This is an absolute must.

"Much has been said about the danger of pricing our tobacco out of the world market. Certainly people are going to buy qualities of tobacco based on price. But we have the quality. And as far as I can determine, we're not pricing ourselves out of the market. We've said this all along, even when others were saying our prices were too high and we should reduce the support formula.

"This past season, market prices generally stayed $15 to $20 above support rates. So actually, the support level is not a real factor as I see it."

As for the smuggling of cigarettes from North Carolina to high-tax states, Sledge said the cause of the problem is not that North Carolina has a low tax of two cents a pack, but that some other states have cigarette taxes exceeding 20 cents a pack. "They ought to recognize they are the ones causing the problem!"

New legislation passed by Congress making cigarette smuggling a federal crime, while not an ideal solution, "may have been the best we could come out with at present—and hopefully it will do a little good."

How does Sledge see the future of tobacco?

"We are going to have tobacco as long as anybody presently living is still alive. People are going to be smoking, perhaps to about the extent they are now. We still are seeing some increase in total consumption.

"I really think the events of the past two or three years—some of the exercises we went through—have helped us. The continuing attacks on tobacco have brought the total industry together as never before.

"Tobacco means so much to individual farmers who produce it and to a state like North Carolina, which gets a third of its farm income from this one crop. If all of the cultivable land in North Carolina were planted in crops such as corn and soybeans, the returns still would not equal the returns from tobacco grown on much smaller acreage," he points out.

Will the support program survive? Sledge isn't sure but he's pleased that President Carter has given all-out endorsement to the program. Although the program has cost the government relatively little over four decades, and although government at all levels collects over $6 billion a year in taxes on tobacco products, there still are many people who oppose the program.

"What would happen if we suddenly woke up one morning and learned we no longer had a tobacco program? We in Farm Bureau have tried to address this question. We have some things in mind and hopefully we could implement them.

"It would take some consideration by Congress and would take a lot of money—but we believe some of the things we have in mind would enable us to continue some semblance of the present tobacco program."

A North Carolina trade delegation of 16 tobacco farmers went to England and Europe November 12–24 in an effort to improve sales of Tar Heel tobacco overseas. Sledge was one of the leaders of the delegation.

John William Sledge was born August 20, 1924, on a farm near Bunn, N.C., in Franklin County. While he was still an infant the family moved to a farm at Spring Hope in Nash County, where John grew up. He met Ludell Beiflower of Oak City while both were teaching school at Spring Hope in the 1940s. They were married in 1947.

Since 1950 the Sledges have owned and operated a 260-acre farm at Oak City in Martin County. They produce about 12 acres of tobacco, using priming aids and bulk curing barns. Other crops are peanuts and corn. In two years they have developed a farrow-to-finish swine operation of more than 100 sows, in cooperation with a son-in-law, Russell Perkins.

John has one brother, George, who is associate dean of agriculture at the University of Wisconsin. He has four sisters: One is the wife of agronomist Dr. Philip Upchurch of the University of Arizona, two are residents of Raleigh, and the fourth, Joyce, is married to William Griffin of Pollocksville, a leading eastern North Carolina farmer.

John and Ludell Sledge have three daughters. The oldest, Johnsie Lou Perkins, is dean of continuing education at Martin Community College. A second Valeta, who attended N.C. State University and completed a medical technology course at Bowman Gray School of Medicine, Wake Forest University, is married to Dr. Jack Pittman and they live at Roanoke, Va. The third, Nancy, is a student at East Carolina University, Greenville.

John attended Momeyer and Spring Hope schools and Louisburg College. Very active in the Baptist church, first at Momeyer and since 1950 at Oak City, he has served continuously since the age of 16 as either a Sunday school teacher or superintendent, and since the age of 21 as a deacon.

A former director and former president of Martin County Farm Bureau, he served as vice president and member of the North Carolina Farm Bureau until 1970, when he was appointed administrative assistant to President B.C. Mangum. When Mangum retired late in 1974, Sledge was elected to succeed him as president of the federation and all its affiliates.

In 1978 he was elected to the board of the American Farm Bureau Federation. He is a director of Southern Farm Bureau Life Insurance Company.

Sledge has held many positions of responsibility in Martin County. Without opposition he was elected to two terms as a member of the Board of County Commissioners.

He has served at various times as chairman of the State Committee on Vocational Agricultural Education, president of Coastal Plain Development Association, co-chairman of National Farm-City Week in North Carolina, lieutenant governor of Roanoke Ruritan District. He serves on several foundations at N.C. State University and is a member of the Dean's Advisory Committee for the School of Agriculture and Life Sciences. "We're very supportive of the land-grant university because it has meant so much to the farmers of North Carolina, particularly in research, extension and education," Sledge said.

John is 6 feet tall and weighs 155. How does he stay so slim? "I had good parents. Also, I always tell everybody I work real hard and get plenty of exercise and that helps." He and his wife have an apartment in Raleigh but try to get to the farm in Oak City most weekends.

Hobbies? "I don't have a lot of hobbies like hunting and fishing. People tell me I'm a workaholic."

"I'm a farmer at heart, and I look forward to going back to the farm and driving either nails or tractors. In Farm Bureau, our activities are expanding rapidly—in fact, nearly everything has doubled in size or scope in the past five years."

And that's the way John Sledge likes it. Summing up his attitude toward life in general, he says "I just like to see things moving on."●

NATIONAL ENERGY CONFERENCE

● Mr. BAKER. Mr. President, last weekend, February 2–4, the National Conference on Energy Advocacy and the Nuclear Option was held at the Mayflower Hotel. This conference was convened for the purpose of devising a strategy for the development and expansion of all domestic energy sources. It was attended by over 700 individuals.

Although there were several noteworthy speeches, two addresses were particularly insightful and significant. I ask that the texts of the speeches given by the distinguished junior Senator from Idaho (Mr. MCCLURE), and the distinguished chairwoman of the NAACP National Board of Directors, Mrs. Margaret Bush Wilson, be printed in the RECORD.

The material follows:

NUCLEAR ENERGY: THE MORAL ISSUE

In the early days of nuclear power, the scare tactic was the threat of atomic power plants becoming atomic bombs. After that nonsense was discredited, the antinuclear types began the campaign about how deadly the radiation was that was emitted by these power plants. This, too, was thoroughly discredited, as was the subsequent scare campaign about how the cooling water discharges would boil our nation's rivers and lakes, destroying all fish and plant life. So, pre-1977, the nation was moving ahead with development of nuclear energy, despite the continuing propaganda efforts and guerilla attacks. But, then the anti-nuclear movement finally discovered a winning combination: (1) stop the breeder reactor program, using phony press releases concerning plutonium, (2) stop spent nuclear fuel reprocessing, while making vague threats about terrorists who somehow are immune to radiation, (3) create serious doubts as the the future availability of spent fuel storage facilities, and (4) cripple the opportunities for our domestic nuclear industry to survive through exports, using the threat of nuclear weapon proliferation while ignoring the reality that such prohibitions actually increase the threat of proliferaton.

I believe that we are all aware of the success that each of these tactics has enjoyed. But, why, we should ask ourselves, do the opponents of nuclear energy continue to successfully advance, even though the facts, data, evidence, and realities concerning nuclear energy discredit their positions? The answer, I believe, lies in Congress.

The proponents of nuclear energy have surrendered the moral issues involved, the opponents have wrapped themselves in the invisible emperor's cloak of righteousness. They have assumed the role of good, while casting the proponents as evil. The validity of this proposition can be demonstrated by talking with some of the men and women who support nuclear energy.

Even while disagreeing with the anti-nuclear crowd, they still ascribe to them pure and sincere motives. They are just "misguided idealists", trying to save mankind, even though they do not have all their facts

straight. The supporters, on the other hand, are imagined as being concerned with "only" such self-serving worries as jobs and profits. It is time that the record be set straight. This battle for the survival of nuclear energy cannot be won while conceding the moral position to the opposition.

It is indeed ironic that the moral defense offered for the American nuclear energy program comes from a Russian. Of course, he is no ordinary Russian. He is Andrei Sakharov, a Nobel Peace Prize winner in 1975 and prominent advocate of international disarmament, including the banning of nuclear weapons.

Doctor Sakharov has summarized the issue perfectly, regarding the development of nuclear energy. In his own words, "It is not just a question of comfort or maintaining what is called "the quality of life". It is a more important question—an issue of economic and political independence, of maintaining freedom for your children and your grandchildren."

And that is the decision before us today. Will the United States and its allies have the nuclear energy required during the decades ahead for national independence and military defense, or will we continue our disastrous increasing dependence on outside energy sources?

Continued American independence on Middle East oil does not benefit us or the Arabs or our other allies. It serves the best interest of only one nation—the Soviet Union. Reducing this dependence is essential if we are to maintain our ability to discourage Soviet aggression, not to mention preventing further decay of our dollar and our national economy.

The battle lines have been clearly drawn: breeder reactors, the Barnwell reprocessing plant, nuclear exports, and spent nuclear fuel storage. It is disgraceful, though, that there are those who support the nuclear program, but who still believe that you can negotiate with the opponents of nuclear energy.

Clinch River and Barnwell are not the real targets. The final solution to the nuclear energy problem is, in their eyes, the complete cessation of construction of light water reactors, to be followed by the dismantling of the existing LWR's. The opponents of nuclear energy do not hide this goal. It is there for anyone who does not refuse to face reality. There is, for them, no compromise, short of total destruction of the nation's nuclear energy program.

This anti-nuclear attitude is quite prevalent on Capitol Hill. One Senate staff member, who works on nuclear energy was overheard to say that he "wished they could put wheels on it", referring to a nuclear power plant operating in his home state, and "push it out of the state." Another staff member, working on the House side and holding a senior position on a committee exercising jurisdiction over energy, was quoted as saying that Amory Lovins is "his guru." For those of you who may not be familiar with Mr. Lovins' work—and I strongly suggest you quickly become familiar with it—his position on nuclear energy is quite compatible with Ralph Nader's: in other words, nuclear energy might be preferable to bubonic plague, but not by much.

These individuals, though, have one major advantage over the supporters of nuclear energy: they are embarked on a quasi-religious crusade to rid mankind of the imagined horrors of the atom. This provides a strong moral position, which can easily override the factual arguments and logical presentations of nuclear energy supporters, unless they too believe that their position is morally correct. The supporter of nuclear energy must truly believe that nuclear energy is a moral necessity for mankind and that, without it, future generations will sink even deeper into poverty and, eventually, dictatorship. Shortages of energy will result in shortages of jobs, housing, and food. And, shortages of necessities—even when caused by government action—always result in increased government controls. And, increased government controls will always lead to increased shortages. And, the tragic culmination of such a chain of events is war, as those who are without seek to take from those who have.

Dr. Sakharov understands very well the true nature of the battle over nuclear energy. The question in Congress today is, "Do the supporters of nuclear energy share his understanding?" If they do not, but continue to concede the moral issue to their opponents, then it is only a matter of time before the Congress joins the Administration in performing the final rites over our nuclear energy program.

One American organization which also clearly understands the nature of the battle over energy versus anti-energy is the NAACP. As they so accurately stated in their message of December, 1977, referring to the President's energy plan, "We cannot accept the notion that our people are best served by a policy based upon the inevitability of energy shortages and the need for government to allocate an ever diminishing supply among competing interests."

The NAACP strongly believes that nuclear power is vital for the expansion of our economy. Their concern about the plan was specifically described as "(It) seems to call for a retreat from nuclear energy on the basis that the environmental and safety costs may be too high."

The NAACP disagrees with that pessimistic criticism, as I do. The NAACP believes that the problems posed by nuclear power "can be solved through the dedicated efforts by government, the scientific community and industry working cooperatively together."

I share their positive approach to the need for nuclear energy, as a means to provide the jobs and improve the quality of life desired by all reasonable Americans.

When you debate the issue of nuclear energy, you are actually debating the issue of growth. Growth will be the key issue for the remainder of this century, and it is the resolution of that issue which will determine the lifestyles of most Americans for generations to come. To fully understand the implications of this debate, it is useful to take a look at who the opponents of growth are.

Tom Wolfe has called them the "me generation", and Herman Kahn terms them "the new class". They often call themselves consumerists or environmentalists. Whatever label is used, however, what this group represents is an affluent, politically active, college-educated minority whose influence is far out of proportion to its numbers. This is partly because the members of this group often occupy key positions in the media and in federal agencies through which they can act on their beliefs and publicize them.

What then are they looking to do? First and foremost, the advocates of this "new class" philosophy want to limit economic growth. In a sense this is ironic, as they are the beneficiaries of the growth which has taken place to date. Having reaped the benefits of an expansionary economy, though, they are beginning to question the merit of further expansion. This is because they see such expansion as infringing on their ability to enjoy the material benefits they have been able to acquire. Perhaps I can draw an example which will make this more clear. If, for example, I, as a member of this group have been able to purchase a fast, sleek sports car in which I can experience the joys of motoring, I might not want to see too many more such automobiles on the road, because then there would be a traffic jam which would limit my capacity to enjoy the machine. If I have a cabin on a lake in the woods, I might not want to see others build in my area because they might infringe on my privacy. If I have a home in a comfortable neighborhood, with good schools, I might not want to see further development in my area so that the schools will remain uncrowded. The point is, of course, that one of the characteristics of this "new class" is to want to limit growth so that no one else's enjoyment of the goods of society will infringe on their own.

Hypocritically, the members of this new class choose to couch their selfish desires to limit the amount of goods and services available to the population in moral terms, speaking of husbanding scarce resources and preserving the environment, but this is really a smokescreen. Unfortunately, the smokescreen seems to be working and all too many people believe what they are saying.

Another characteristic of this new class is that while they give lip service to the concept of democracy they actually hold it in contempt. Nowhere was this more dramatically demonstrated than in the instance of the California initiatives related to a nuclear moratorium. The citizens of California voted, by a margin of more than two-to-one against such a moratorium, and yet the State bureaucrats turned around and imposed one anyway. So much for the popular will.

You see, these people honestly believe that they know better than the rest of society. They see themselves as more insightful, intelligent, and perceptive than the rest of the population, and feel that this gives them the right to impose their standards and values on the rest of society—for its own good. What would this value system entail?

On the surface, what new class is advocating is a return to a simpler, less hectic existence. On the surface, at least, it is certainly attractive. It is a pastoral vision, out of late 19th century England, with every man a country squire. The only problem is that during this period every man was not a squire, and their vision bears no resemblance to what the society they advocate would really be like.

What their society, which they term a stable economy, would resemble, would be more akin to the feudal era than to the last period of the industrial revolution. The reason is that an economy which does not grow makes no allowance for upward mobility. Of necessity, it would result in the creation of a permanent underclass. Were it imposed on our economy, those who were only just attaining the American dream would be the ones condemned to that fate.

How then, does the concept of a stagnant economic system relate to the question of energy advocacy? The answer simply is that economic growth has been inextricably linked to the growth of the supply of energy throughout history. The advocates of the stable state economy realize that if they can control the supply of energy, they can control the rate at which an economy is to grow. Energy is the one crucial variable in any economic system. You see, no matter what the cost of energy, a way can be found to pay for it. This lesson has been well learned in both Europe and Japan, both of which experience far higher energy costs than does the United States. In the case of both of these nations, adjustments have been made, and methods of conservation have been instituted.

On the other hand, if energy is not available, nothing can make up for its absence. For this reason, control of the supply of energy is tantamount to control of the economy. This, in turn, would give the Federal Government an unprecedented ability to control individual lifestyles.

The concept of controlling the behavior of the energy-using population, or for controlling behavior generally, is found throughout the actions proposed by the new class.

The key lies in their attitude. As I mentioned earlier, they believe that they know

better than the rest of the population, and that their superior knowledge gives them the right to impose their standards, values, and lifestyles on the rest of the population regardless of the wishes of that population. After all, it's for their own good.

This relentless onslaught seems to be progressing on all fronts. Virtually every energy option is under attack. First, nuclear plants came under fire as the harbingers of doom. With their usual restraint and recourse to reason, opponents of the atom claimed that anyone advocating nuclear power or connected with it in any fashion was committing random, willful murder. Shortly thereafter, coal came under attack. Persons advocating coal as a fuel were polluters of the environment, who were going to raise the earth's CO_2 level to the point that the polar icecaps were going to melt. There was always, of course, the benign source of electricity, hydroelectric power. The only trouble with that is there always seems to be an endangered species somewhere near the site of a proposed dam, and no matter how far along the project is, the Endangered Species Act seems to be able to stop it.

Solar energy seems to be acceptable, until you start talking about providing it in large amounts. Then, problems with capital costs and land use seem to arise. The one common factor behind the opposition to a particular energy form seems to be that as long as it remains unfeasible, or in the planning stage, it is all right, but the moment it seems that the option may become practical, it is met with opposition.

On the surface, the picture seems bleak, but there is some good news and some bad news. The bad news is that at present, the opponents of a secure energy future seem to have the initiative. The good news is that you assembled in this room can take that initiative away from them, and just by being here you have taken a giant step in that direction. You have a number of advantages on which you can capitalize. First, the public is really on your side. Virtually every poll taken regarding energy attitudes has demonstrated that, on balance, most Americans favor the development of all energy options, whether they be coal, nuclear, or what have you. This gives you a tremendous edge.

Secondly, the facts are on your side. The opponents of the development of our domestic energy supplies have relied for too long on rhetoric and emotion to convey their message. They simply do not have their facts straight. For the most part, their inaccuracies are so blatant that even the unsophisticated observer can see through them when they are challenged by accurate data.

A third point in your favor is that the American public is basically optimistic. People want to believe that we can solve our problems, and are rapidly tiring of the harbingers of doom who seem to see disaster in every action.

The most important thing to remember is to speak out. The only reason for the current advantage enjoyed by the advocates of the new class philosophy is that too many of us have been complacent. We have stood by and let the other fellow do it. For most of you in this room this is not the case, as you have already been involved in advocacy in some fashion, but that is not enough. Now is the time for you to go out and get your friends, neighbors, co-workers, and others who agree with you to add their voices to the debate. A day should not go by, in which you do not encourage someone to pitch in. You may be surprised to find out just how willing many people will be to help.

Finally, don't let yourself be intimidated by the other side. They love to make statements they don't have to back up. Make them back them up. They love to use figures which have no basis. Challenge them. They love to talk about energy options which will be available in the middle of the next century. Make them talk about the middle of the next decade. If you do this they will quickly be shown up for the frauds that they are.

Most of all, keep heart. It is easy, especially when you are beginning an advocate group, to get the feeling that you are all alone, the sense that somehow you are the odd one on the block. This can be depressing. But if you will stop for a minute, and look around this room, you will see that this is not the case. Everyone in this room is united by a common belief in the development of our domestic resources. Some of you work in the industry, some of you are students, some of you are just interested citizens, but you do share that common bond. You are not alone. Rather, you are the people of vision, and the hope of our nation. For it is your foresight which will insure that our children and grandchildren will continue to enjoy the standard of living and personal freedom which our economic system has created.

FLOATING IN A SEA OF CIRCUMSTANCE

It was only a year ago that a few of us within the NAACP were undergoing a very sound baptism in fire as a result of what some critics felt was our meddling in energy. The energy field, we were scolded, was supposed to have been a highly specialized domain beyond the province of civil rights organizations. We were challenged to prove that minorities, the poor and other socially oriented groups had a vested interest in energy other than paying for heating fuel or gasoline.

Needless to say, the experience was a profound education for persons such as myself about the immense responsibilities of leadership. And, as we seek to confront the economic and social challenges ahead, it is ever more incumbent upon all of us to look seriously at the type of leadership that is required to steer this great nation through the many shoals and barrier reefs that lie hidden beneath the surface of prosperity.

It was partly for these reasons that we welcomed the great awakening that occurred a year ago over the universal implications of a national energy policy. The very fact that the Carter Administration could have prepared an energy plan for the nation without first seeking the views and hearing the concerns of minorities was further, disturbing evidence of the depth of governmental insensitivity to the needs of some segments of society.

Somehow, there are still many Americans who find it incomprehensible that the mere enactment of civil rights laws does not of itself constitute freedom or fulfillment of the civil rights dream. To have a dream is the first step toward full social justice.

But to fulfill that dream, we must have a strategy and a task. The civil rights laws resents is an affluent, politically active, col- struggle for civil rights and equal social justice. These laws not only provide for the protection of individual rights for every American, but they also established mechanisms for the implementation of social and economic goals.

How then do we pursue our task, the fulfillment of our dreams and goals.

Historically, a primary function of the NAACP has been to help shape governmental policy in both the executive and legislative branches. In this regard, we welcomed the subsequent flexibility and resolve that President Carter showed by utilizing the full weight of his office in getting the energy package through Congress last year.

No doubt, you are well aware of the extensive imperfections contained in those bills. But, there are considerable benefits as well. We are confident that, among other things, natural gas producers and industrial users of this energy source welcome the end to the uncertainty over national pricing policy. Furthermore, there is every indication that Midwestern workers will not have to endure the costly layoffs this winter that they experienced in the past as a result of restrictions on natural gas usage by industries.

In fact, the supply picture has improved to such an extent that Energy Secretary Schlesinger is now encouraging industry to use up the present surplus of natural gas as an alternative to higher priced oil. At the same time, the Mexicans and Canadians are burning off their natural gas because prices in the United States are lower than what they are demanding for their product.

Clearly, there is now some chaos resulting from residual pricing imbalances that have led to a wasteful surplus of natural gas in some areas.

While we welcome the abundance of this precious resource, therefore, we must at the same time strongly deplore the lack of planning at home and abroad that is still evident in segments of the energy industry. Too often, as we have seen, especially in recent years, there is little rational relationship between supply, demand and prices. Much of this problem stems from the fact that the U.S. does not have control over many crucial factors involved in supply and pricing.

We are well aware as well that free market forces hardly apply anymore to energy prices. At work, instead, is an archaic system of regulations that are rapidly crumbling by their own weight and the unpredictable nature of forces and developments abroad. Furthermore, the U.S. has for so long been complacent about developing new energy sources that it is now almost at the mercy of fate.

Let us be on guard, therefore, that this temporary surplus in natural gas will not lull us back into complacency. Indeed, we actually doubt that the nation will relax its concern to the extent that it did in the period preceding the 1973 Mideast oil boycott. For one thing is certain. The U.S. has reached the limits of its energy expansion ability. Cutbacks must soon be made in production here at home in natural gas supply.

There is the danger, however, in the rush to counter the recent 14½ percent price increase imposed by the Organization of Petroleum Exporting Countries and to meet the challenges posed by disrupted Iranian oil supplies as well as dwindling supplies here at home, that our national government will pursue policies that over the long run are counterproductive.

So, as the NAACP has been doing for well over a year, we are once more urging the Carter Administration to seek the views and hear the concerns of the most vulnerable segments of the population—minorities, the poor and the aged. We are encouraged by the knowledge that many leaders within the industry recognize the problem and are working along with NAACP units in various regions, such as New England, to devise appropriate proposals and strategies for easing the severe economic burdens that are presently being experienced by some groups. Furthermore, these burdens are certain to increase.

Because the NAACP perceived this danger, its policy statement opposed the oil equalization tax as an unwanted burden on the poor. It is to be expected that the Association will continue to oppose any move to increase oil prices appreciably until, and unless such steps also include provisions to lessen the impact on the poor and lower income groups.

The inability of a large number of the NAACP's constituents to bear the high costs of energy is a very real concern to all of us. Nevertheless, considerable pressure is being placed on President Carter to abandon controls almost indiscriminately, with little or no regard for the poor.

We understand that President Carter will be submitting his Energy Plan II to Congress in April. While the first plan dealt with such

specifics as energy availability, pricing, environmental impact, and conservation, Plan II, we understand, will be more concerned with broad national policy. It will pose such questions as the government's role and responsibility for providing subsidies for developing cleaner coal products and for the development of geothermal energy sources, among others.

The questions of energy supply and availability were dealt with in the NAACP's first energy statement. The central thrust of the NAACP's policy is that the national government must be made to lead in ensuring that the country develops abundant, affordable energy supplies that will promote vigorous economic growth.

We continue to stand fully behind that statement. Furthermore, future NAACP energy statements, we are sure, will continue to pursue these issues as well as questions relevant to Plan II.

At the same time, however, let us guard against the misconception that it is only the disadvantaged who will be hurt by sharply rising oil prices. For we are well aware that in such regions as New England, which has its own peculiar supply problems, heating fuel oil companies are equally victims of price instability.

If the customers of fuel oil companies cannot pay their bills, companies have found, they too suffer serious financial losses. Consequently, these companies began pushing Congress last year to pass a $200 million fuel subsidy bill for the poor.

We are also aware that the unstable world oil price situation is one of the primary factors behind the U.S. inflation problem, which last year was more than 9 percent. The 1978 deficit was also a whopping $28.45 billion, even though we imported $3 billion less in oil. But the reality still is that the least able to pay are required to make the greatest sacrifices.

Industry's role in helping to devise solutions to many of these critical problems is well documented. We know that, despite a persisting image of corporate unconcern for social problems, there are many leaders in industry who are genuinely aware of the immense urban and human problems around them.

From our cities to many rural areas, the extensive evidence of poverty is real. Indeed, since the sixties, we have been focusing on the glaring poverty and extensive decay that are destroying the big cities and many smaller ones. These problems have not only gotten worse as cities find themselves increasingly in financial trouble because of a shrinking tax base; but they are also now spreading into many suburban areas. They are more and more finding it impossible to pay for services from their limited resources.

The major problems, however, abound in older cities such as New York, Newark, Pittsburgh and my own hometown, St. Louis.

Because the cities are so close to us, our focus has naturally been on these areas. Indeed, the majority of the nation's black citizens live in urban centers outside the South.

In a recent article, however, The Wall Street Journal reminded us that deep poverty also exists in the South. "Economically," the article said, "the South has risen again; Sun Belt prosperity is radiating through Southern cities and putting many an entrepreneur into the comfortable upper middle class. But the South is distinguished also by a disproportionate proportion of dirt-poor people like Mrs. Wilson—that is, Mrs. Helen Wilson of Mashulaville, Mississippi.

The article proceeded to report that: "The Southern Regional Council's Task Force on Southern Rural Development says the South has about 25% of the nation's land, 33% of the nation's population and 45% of its poor people—some 10 million persons. It is color blind; blacks and whites share deprivation, hunger, malnutrition and chronic illness."

Our main reason for giving this reminder on rural poverty is to note that, yes, America is a land of prosperity. But we must never forget that there are a great many citizens who have not yet bridged the gap between stark deprivation and simple comforts.

So, not only the government, but industries as well are challenged to multiply their efforts to solve these problems. The energy industry, especially, should regard these challenges as new frontiers of opportunity for the development of a variety of energy sources.

The NAACP will continue to seek the support of industry in the search for meaningful and lasting solutions to these grave social and economic problems. A serious concern for industry in recent years has been the growth of the regulatory bureaucracy. This monster—for that is what it often is—has gone well beyond its mandate for protecting the public in too many areas.

So much so, that, many times, instead of serving the public, the regulatory bureaucracy hamstrings it. Quite often, we have seen, regulations function more for the protection of the bureaucracy. They needlessly delay construction plans. They impose many burdensome costs that are non-productive. Consequently, they restrict job opportunities and add to inflation.

The Carter Administration in recent months has given some indication that it is aware of this problem. Repeatedly, the airline industry is held up as a shining example. A reduction of some regulations here has led to welcomed price reductions and permitted a number of inducements for people to fly more.

The trucking industry is also receiving some attention. We trust that the result will be increasing competition and reduced operating costs.

Regulations affecting other key industries serving masses of people also need to be reviewed.

At the same time, let us also stress the grave need for the private sector to increase its implementation of affirmative action programs. We are aware of the dearth of black engineers, scientists, nuclear physicists and other experts in technology. The majority of black college graduates historically have been, and continue to be, in the softer professional fields, especially teaching and religion. Few are in economics, accounting and other business-related fields.

Yet, there are areas where better job opportunities abound. Last year, I had the pleasure of addressing a group of specially selected students from black colleges in a seminar that was sponsored by Citibank. These students were being prepared to work in business and areas such as the banking sector.

The program was an enlightening experience. For it demonstrated so well that when an industry is seriously interested in hiring and promoting minorities, it can find the means to do so.

But not only must the energy industry recruit and train promising minority candidates for middle and management level positions, it must also aggressively recruit the many who are already qualified. In the future, as even more federal dollars are invested in developing new energy sources, it will be all the more incumbent upon these industries to provide greater job opportunities for minorities.

Also upon us at this time is the question of how best to foster mutually beneficial arrangements with Mexico for the development of its extensive oil resources. America's historical neglect of the economic and social needs and interests of its lesser developed neighbors to the South is well known.

Partly as a result of this lack of interest in the past, and exploitation, there is throughout South America and the Caribbean extensive suspicions, if not outright hostility in several areas toward the U.S.

The United States, therefore, must take care that it does not repeat old mistakes. One looming trap relates to this country's needs for immediate replacements for Iranian oil. At the same time, Mexico is well aware that its new oil will greatly accelerate its economic and social development.

But at how fast a pace.

Mexican leaders are very leary of seeing their country turned into another Iran. Pressed to use up its immense oil riches, Iran, under the Shah, embarked on an unbridled path of modernization. Billions of dollars were spent on ultra modern weapons and construction.

However, the masses of the people received little benefit. They were encouraged and pushed into modernization to such an extent that they felt their religious and social customs were being destroyed. Given the long-seething hostility toward the Americanization of Iran, it really boggles the mind that United States intelligence did not detect this developing volcano.

Added to that hostility, of course, was the astronomical inflation that racked the nation. Iran was simply not able to absorb its immense wealth in the short time it was allowed. Consequently, prices spiralled; corruption increased; the people revolted, and the government collapsed.

These are the dangers that Mexico sees and fears. The manner in which the U.S. deals with the Mexican immigration problem will also require care and consummate diplomatic skills.

According to published reports, Mr. Carter has been fully briefed in a Presidential Review Memorandum 41 about the situation along the 1,933 mile border with Mexico. The Washington Post story on this document was helpfully candid. It said, "Perhaps never before in peacetime has a U.S. foreign policy decision reached so deeply into the lives, livelihoods and neighborhoods of Americans as this one will reach into MexAmerica."

MexAmerica, we must explain, is the term being used to describe what is regarded as a hybrid, unique nation within a nation. It is made up of California, Texas, New Mexico, Arizona and Colorado. More than 7 million Mexicans live legally in the area, and there are many millions more living there illegally.

The Carter Administration clearly recognizes Mexico's concerns about the treatment of its citizens who are in this country to work. At the same time, the president and his advisers are giving the Mexican oil connection high priority.

It seems clear, that the administration has accepted the idea of bartering oil for free access to the U.S. job market by the hordes of Mexican unemployed.

Historically, the United States has welcomed immigrants from other lands. We see no reason why this receptivity and welcome should be withdrawn for the Mexicans.

There are, however, several significant differences between the manner in which the bulk of Mexicans are illegally entering the U.S. and the way other immigrants continue to be settled here. It is to be expected that any unrestricted entry by foreign nationals will have a severe, even adverse impact on the job market for Americans who depend on the types of low income work that the newcomers seek.

We sincerely hope, therefore, that in its negotiations with the Mexican government, Mr. Carter ensures that the internal development of our southern neighbor is also a priority discussion item. For it is only by assisting Mexico to develop can we hope to help that nation respond to its own internal social problems.

We live in a rapidly changing world, which, in these times of profound social and economic upheavals, test our will to survive in ways unknown to earlier generations. The American economic system is increasingly showing signs of the strain.

Its inadequacies are glaring. The boom-recession cycles are recurring with troubling frequency. At the same time, hardcore social problems intensify. What are the answers?

As in the past periods of crisis, the fundamental difference between success and failure has been leadership. We have had our George Washington, Abraham Lincoln, Franklin Delano Roosevelt, John Kennedy and Lyndon Baines Johnson. Leaders are made by events. Without a doubt, President Carter's challenge today is the economy. Irrevocably, the foundations of the American economic system are changing. The question of how well, and how smoothly will depend on how perceptive, wise and bold Mr. Carter is.

In discussing the Carter Budget priorities recently, Congressman Barber Conable, ranking Republican on the Ways and Means Committee, observed that, "We float in a sea of circumstances."

Whether we simply drift or are purposefully steered to new and solid foundations is the challenge for America's leaders.●

S. 210—LEGISLATION TO CREATE A DEPARTMENT OF EDUCATION

● Mr. CHILES. Mr. President, I am pleased to be counted among the original cosponsors of S. 210, the bill to create a separate, Cabinet-level Department of Education. This week the Governmental Affairs Committee will be holding hearings on the measure. State and local representatives of government and school boards will be testifying on the bill, as well as national associations of colleges and universities, spokesmen for black organizations, and administration officials. In conjunction with the extensive hearings the 95th Congress held on the issue, this testimony evidences the widespread input we have received and utilized in planning for a Department of Education.

The need for this legislation is clear. Expenditures for the Education Division of the Department of HEW have risen from $8.7 billion in 1977 to an appropriation of $12 billion for fiscal year 1979. In elementary and secondary programs alone, we have appropriated almost $3.5 billion for fiscal year 1979. Federal aid to education programs for the disadvantaged will be 1½ times the 1977 allocation in 1979 and funding of handicapped education programs will have nearly tripled within the same period.

When we look at these figures by themselves, it becomes evident we have made a real commitment to providing every child—including the disadvantaged, the handicapped, the gifted, and the child who has not mastered English—a free, public education.

When we examine these figures in light of the Department of HEW's total spending of about $162 billion in 1978, we see the impossibility of maximizing usage of Federal education dollars without a separate agency to administer these programs, as well as the numerous other education programs scattered throughout 20 other Federal agencies. And if the $12 billion we are going to spend this year for education looks too small in comparison with the total budget for HEW's 300 programs to merit a Cabinet-level department, we should remind ourselves that we are spending more for the Education Division than for five other Cabinet-level agencies.

The 95th Congress put a good deal of hard work and positive effort into the drafting and consideration of a Department of Education bill. Hearings brought together a broad range of individuals and groups committed to improving the quality of education in this country. The issues were debated and discussed, and the consensus which emerged was that there is strong grassroots support, as well as enthusiasm by the educational community, for the creation of a separate Education Department at the Federal level.

The Senate-passed version of the bill reflected the views we heard from parents, teachers, students, school administrators, the handicapped, the poor, and others who are working with or benefiting from Federal education programs. Rather than lumping together every single education-related program, we listened to those who sincerely felt a particular program could best be administered by the agency currently operating it.

For example, the transfer of the Headstart program was opposed by many groups who work with or benefit from these comprehensive services to preschool children. There was widespread fear that putting the program in an education-oriented agency would undermine the progress that has been made toward integrating health and other social services in the readiness program. Even though our original intent in incorporating Headstart in the new Department was not to make it an exclusively educational program, nor to undercut the effective delivery of a wide range of services to preschoolers and their families, we heeded the wishes of Headstart parents and administrators and withdrew the program from the legislation.

The same is true of child nutrition programs. The agricultural community and supervisors of school lunch and breakfast programs let us know their feelings that these activities are best administered by the Department of Agriculture. They saw serious obstacles ahead if the commodities program was to be split off from the rest of child nutrition programs. Again their objections were heeded by retaining these programs under the Agriculture Department's jurisdiction.

The original proposal to transfer the operation of the Bureau of Indian Affairs schools, which serve more than 50,000 Indian children, caused a great deal of controversy. I heard from native Americans in my State who were concerned that opportunities to serve Indian children would be sharply decreased. The new Department of Education legislation reflects the wishes of native Americans and leaves administration of Indian education programs with the Bureau of Indian Affairs.

Each of the aforementioned areas of disagreement and their resolution demonstrates the point I am making: S. 210 is the product of many people—educators, legislators, parents, and specialists in education-related fields—putting their heads together to devise a plan and organizational structure that will give eduction the priority it deserves in this country. The concerns raised by proponents as well as opponents of the legislation have focused on this key question: How can we best serve the needs of students? I would suggest, Mr. President, that this is precisely where the debate should focus. Accordingly, I would strongly suggest that students are best served when the Federal bureaucracy has effectively consolidated its many varied programs in an orderly fashion.

I would strongly suggest that students are best served when effective coordination in education becomes a reality instead of a code word for no action.

I would strongly suggest that students are best served when at the Federal level we orient educational programs in such a manner so as to insure equal educational opportunities for all students and promote a close working relationship with local, State, and private institutions.

At the end of the process, I think we have reached a common understanding that the goal of creating a separate Department was not to undermine our tradition of State and local control of the public schools but to strengthen it, by providing more efficient, effective program administration, eliminating wasteful duplication and paperwork, and focusing on our national education needs and priorities.

The wisdom and guidance of the chairman of the Governmental Affairs Committee, the Senator from Connecticut (Mr. RIBICOFF) has been of particular importance to those who support this legislation. The Senate is indebted to him for his leadership on this issue.

Mr. President, educators as well as other interested persons around the country have a particular concern about our action on this legislation. Congressional commitment to education should at least equal our commitment to the environment, transportation, and energy as well as other legislative initiatives.

The Department of Education bill that has been introduced incorporates the knowledge and experience which was gained over the past two sessions of Congress. It goes even further to protect the rights of State, local, and private education agencies to direct the course of public education in this Nation. The American people are watching us closely to see if we will fulfill the promises we have made to bring about a more responsive, more effective, and more productive Government. I hope we will make good those commitments to streamline the bureaucracy, cut out waste and duplication, and target Federal spending efficiently by passing this legislation to reorganize our education programs.●

ADDRESS BY SENATOR GOLDWATER BEFORE THE AMERICAN INSTITUTE OF ASTRONAUTICS AND AERONAUTICS

● Mr. GOLDWATER. Mr. President, it certainly is not my desire to fill the RECORD with speeches I have made before

various groups. However, there are times when I make observations which I wish could be given a little wider circulation because they bear directly on the future of our freedoms and our country. Yesterday, I delivered a speech before the American Institute of Astronautics and Aeronautics raising the question of whether we have not begun to see the twilight of American greatness. Needless to say, my remarks received virtually no attention in the media; and I can only conclude that those who control the media do not share my concern over the future of our Nation or else they believe that the observations of a mere Republican in this day and age are not pertinent enough to be reported.

Whatever the cause, I ask to have my remarks before the AIAA printed in the RECORD.

The remarks follow:

SPEECH BY SENATOR BARRY M. GOLDWATER

At certain times of the day in the nation's capital, the sun strikes the Washington Monument in a way that casts a giant shadow in the direction of the Arlington National Cemetery. To me, this is symbolic and it reminds me of a giant hour glass showing that as the shadow lengthens, time is passing away. I say symbolic because I think of it in terms of our greatness as a nation and the shadows that are now being cast over that greatness and over our position as a leader of the free world. These lengthening shadows dimming and obscuring the honor and the respect and the strength which marked our nation's rise to the number one leader of the free world cause me to wonder if we haven't really already begun to see the twilight of our American destiny.

Here we sit at this early date in the year 1979 with serious questions rising in the minds of many, questions which squarely confront our nation. Will we remain free? Will we ever regain the power and the respect and the honor that we have allowed to dribble through our fingers by following policies of appeasement and timidity? And will we live to see the day when there is again openness and honesty in the dealings between our President and the other nations of the world and with our own people? I say these are questions which must be faced in all truth and while they cannot be answered at a meeting such as this, it is meetings like this repeated across the length and breadth of our country that can have the effect of bringing pressure on the Congress and the President to do something about the miserable and declining position which we now hold in this world.

My friends, a United States that is second in military strength to the Soviet Union cannot possibly guarantee its own future and its own survival let along that of friendly nation-states in other parts of the world. A vast Soviet superiority will enable the Russians to engage in a poker diplomacy which could give her the victory she seeks merely by American default.

Unless drastic steps are taken by the United States and other western powers, the Soviet Union will be able to achieve her aim of world domination without firing a shot or dropping a bomb or releasing a missile. She can achieve that frightening objective merely by the threat of overpowering military might combined with gunboat diplomacy and the use of proxy forces from Cuba and other Communist-controlled states.

So long as the Soviets have terrorist forces that they can train and equip, there is no need for them to soil their hands with the dirty work needed to reduce the West to a position of servitude.

Now, let me briefly run through the events contributing heavily to the trend which has given the Soviet Union the upper hand throughout the world. At the root of much of our troubles are negotiations which have taken place under the Carter Administration in almost complete secrecy—negotiations which have resulted in earth-shaking decisions being made quite evidently on the spur of the moment and without prolonged and mature deliberation.

There is the whole question of China and the precipitous, unilateral moves which President Carter made to curry favor with the communist regime in Peking. This was taken with no prior consultation with the United States Senate and may well have far-reaching and serious effects on the balance of power throughout the world. Let me give you just one possibility. How do we handle the situation if our former allies on Taiwan should suddenly cozy up to the Soviet Union, thereby enabling the Russians to establish a power base which we gave away?

The history of the Soviet expansion throughout the world has been one of moving quickly into power vacuums wherever they exist, and believe me, we created such a vacuum on Taiwan when the President unlawfully abrogated our defense treaty with that government. And who could blame the Taiwanese if they should now decide that the Soviets would make more dependable allies than the United States proved to be?

Remember the great fear of the Taiwanese is grounded in the possibility of an assault by Communist China. What better buffer could they erect to such a contingency than an alliance with the Soviet Union? But if none of this happens, let me say that our treatment of Taiwan, all by itself, has handed the Soviets a great advantage—not only in the Far East, but in every other area of the world where they compete with American influence. The Taiwan sellout was a measure of American expediency. It showed the world that our commitments to the defense of freedom are subject to readjustment and abrogation whenever it suits our government to dishonor them. This has had a disastrous effect on American prestige everywhere, especially in the Middle East and among the NATO allies.

Then there were those secret negotiations at Camp David followed by glowing promises of lasting peace in the Middle East—negotiations which were so secret and complex that we still don't have an accurate picture of what went on, what promises were made, how American commitments were employed. The only thing we do know is that much of what went on involved political window dressing which quickly disappeared when hard bargaining began and the entire operation is more and more beginning to look like a non-productive sham.

We also have negotiations going on in an attempt to reach a SALT II agreement with the Soviet Union. It seems every other week somebody in the Administration says that an agreement is only weeks or days or hours away. Then we wait and nothing happens. And I believe sincerely that it is because the Soviets detect in the Administration's attitude an eagerness that will permit them to take their demands for more concessions just one step further. Even before the talks became serious, we began giving away our hold cards. We jettisoned the B-1 bomber, decided not to produce the so-called neutron bomb, scaled down most of what we had planned to do with cruise missiles, closed our Minute Man III production line and delayed development of the Mobile M-X.

We were forewarned about the overthrow of the Afghanistan government, a move that could prove fatal to any use of the Indian Ocean we have to have. The information on a situation in Iran supplied to the President and his council by the C.I.A. was sufficient and adequate enough for anyone to understand that trouble was coming. This was not, and I repeat, this was not a lack of intelligence, this was a failure on the part of our policy makers to either understand plain English or to have refused to do so. Our position in this world is precarious and it seems that everyone in the world knows it but the President, his State Department and his other close advisors on foreign policy.

And while we were busily cancelling, cutting back and delaying our weapons development and double crossing our allies, what were the Soviets up to? I am indebted to author Joseph Churba for a rundown he gave on this trend in a recent article published in the Washington Star. He points out the following:

1. While the U.S. has developed one ICBM system since 1965, the U.S.S.R. has developed seven.

2. Soviet advances in MIRV (Multiple Reentry Vehicles) technology are rapidly overcoming whatever lead the United States previously had in quality and quantity of nuclear warheads.

3. The Soviets have invested heavily in additional submarine-launch ballistic missiles while the U.S. will not begin modernization of its Polaris-Poseidon force until 1980.

4. The Soviets are now deploying their supersonic bomber, the Backfire, which is capable of delivering weapons anywhere in the U.S. without refueling.

5. Soviets have more naval ships than the U.S. in every category except aircraft carriers and destroyers and more shore-based naval aircraft. They have many ship based anti-ship cruise missiles with both nuclear and conventional warheads. The U.S. is only beginning to deploy its first non-nuclear anti-ship missile.

In addition to all this, the Soviet Union has a tremendous lead in general purpose forces. They have a better than two to one ratio of armed forces and larger inventories of nearly every category of equipment.

And their military budget is believed to be 40 to 60 percent higher than that of the United States.

This massive military buildup is affecting American interests everywhere in the world. It threatens our freedom of the seas, our access to raw materials, our free alliances with great industrial democracies in Europe and the Pacific Basin because you must understand the Soviet Union is not engaged in strictly defensive military preparedness. In a recent White Paper, the British government concluded, and I believe correctly, that the Soviet military posture and building programs are offensive in character and cannot be explained by considerations of defense. And it is perfectly obvious that the Soviet Union is beginning to feel its oats—beginning to exercise its might—is using, threatening and deploying its military power to attain its policy goals.

As Mr. Eugene V. Rostow, Chairman of the Committee on the Present Danger, recently told the Foreign Policy Association, "The Soviet Union has moved forward since 1970 with increasing boldness in Asia, Africa, and the Middle East. Pressures of Soviet policies have been greater since 1970 than ever before. The agreements for peace in Indo-China were torn up in disregard. The Soviets supported aggressive and large scale war in Bangladesh, in the Middle East and in Africa. There has been an alarming slide towards chaos."

Mr. Rostow went on to point out that as things got worse, many writers and politicians kept telling us that they were getting better, that the cold war was over and that we were living in an age of detente, an age in which negotiations had replaced confrontation.

Now, I am sure I don't have to remind you that even when the U.S. enjoyed a clear strategic nuclear advantage, the Soviets were not deterred from erecting serious challenges

in the Cuban Missile Crisis and in the Middle East. If they were unafraid to challenge us from a position of inferiority, just think what they can do from their present position of superiority.

In view of Soviet military buildup—a buildup without equal in modern world history—it behooves us to look with great care at any SALT II agreement that is ultimately agreed to by the Carter Administration. Any further concessions on the part of the United States will be nothing short of total disaster. We are at the end of the string in the military sphere and the shadows which I mentioned at the beginning of my talk are indeed lengthening. We are certainly in the twilight of our military strength. The hour is late and the clock is ticking.

No speech of mine touching on our place in the world could possibly be complete without mentioning the disaster which struck our great and valued ally, Iran. And, here, I again fault the Carter Administration for a weak-kneed belated response to a crisis which deeply involved American material and strategic interests. When the Shah of Iran encountered his hour of greatest need, the United States was nowhere in sight. It is true, President Carter and his advisors gave weak lip service to the Shah and then quickly flip-flopped when things began to get rough.

And now they have recognized the new government without a single word of thanks to the Shah of Iran for all he has done to help this country with its energy needs and with the problem of erecting an effective buffer to the Soviet Union in the area of the Caspian Sea. What many Americans don't understand is that our stake in Iran is not confined to oil, it is also vital to our defense needs and to our requirements for adequate intelligence.

For example, it would be very difficult for the United States to verify Soviet compliances with the terms of any future SALT agreement without the valuable observation posts which we have heretofore been able to maintain in Iran.

Much of this adds up to deep trouble in the way the United States is perceived throughout the rest of the world. Everywhere we have failed miserably to propose the kind of policy and the kind of action that once won us the honor and the respect of other nations.

Our whole stupid attitude in Rhodesia and South Africa has made us, together with the British, a diplomatic laughing stock and our efforts have done nothing but strengthen the hands of those who are out to grind axes for the Soviet Union. In the Indian Ocean, in my opinion, the greatest strategic point in the world, we have dillied and dallied and we have yet to finish our desperately needed air base and naval shelter on Diego Garcia. And we stood by helplessly and watched the communists overthrow Afghanistan, thereby guaranteeing the Soviets a route to the Indian Ocean and eventual domination of the Straits of Malacca in a move that could close off the oil lines to the Pacific.

Even in its implementation of the finest facet of President Carter's foreign policy—the insistence on human rights—the Administration has managed to present the world with a picture deeply flawed by favoritism and expediency. The President came into office with a firm dedication to human rights but as things progressed, the world began to understand that this policy was to be applied selectively and with little regard for actual examples of mass repression and trampling of human rights.

In other words, the Administration's insistence on human rights has little to do with reality. For example, throughout the entire negotiations on Chinese recognition, there was no mention ever of Mainland China's miserable, murder-strewn record in this regard. The President who finds so much to complain about in other areas of the world apparently saw nothing wrong in recognizing a communist regime that has killed more people in its short history of control over the teeming millions of that great country than any other collection of dictators or tyrants in the history of the world.

And apparently, the President and his advisors see nothing wrong in the way the Cubans continue to mistreat their people. In fact, I am the first to admit that the President has a laudable policy but he has made a total mockery of it and it has done nothing about restoring the world's faith in America as a nation dedicated to human rights.

In conclusion, let me say that I believe it is much later than we think. The clock on the wall of the Oval Office is ticking away but President Carter does not seem to understand. He does not seem to recognize that our prestige and our strength and our future are slipping away as the Soviet military juggernaut builds ever greater and begins to roll. He does not seem to understand that words and gestures will not take the place of fighting planes and fighting ships and other weapons needed to lend credibility and authority to American policies. He does not seem to understand that even if we had enough power to be arrogant about, there is great doubt throughout the world over whether we would have the will to make effective use of that power in the cause of freedom. I wish sincerely that I could bring you a happier more optimistic message here today. But the facts as I see them are pretty grim and the stakes are as important as our very survival.●

THE LIMITS OF SOVIET INFLUENCE IN AFRICA

● Mr. TSONGAS. Mr. President, one hears, these days, a great deal about Soviet expansionism in Africa. Experts point to the large number of Cuban troops on the continent and speak solemnly of our "defeat" in Angola. One gets the impression from these observations that Soviet influence has swept over the continent without difficulty.

That portrait of Soviet power completely ignores, however, the needs and interests of Africans themselves. The Soviet role in Africa is severely constrained by what Africa states need and what the Soviets have to offer. At times, these two factors have coincided; quite often they have not. The record of Soviet exploits in Africa is therefore a mixture of limited success and frequent failure.

Mr. President, Africans are well versed in the narrow limits of Soviet power and a recent editorial in the Daily News of Nigeria illustrates their point of view clearly.

I ask that the article entitled "From the Daily News of Nigeria", as it appeared in the Washington Post on February 2, 1978, be printed in the RECORD.

EDITORIAL

The situation in Africa at the present time is such that the Soviet Union is losing out to the Americans, not so much because African countries detest socialism, as because the Soviet Union is unwilling to, or incapable of, providing more economic than military aid.

Sudan and Egypt are already sold on the Western way of life. Somalia's problem was a little different, but it boiled down to the same issue of incompatibility of purposes. Ethiopia is still basking in the first phase of military brotherhood, and may yet ask the Russians and Cubans to leave. Mozambique and Angola are already flirting with the West (that's what "nonalignment" usually means). Guinea has decided to mend its fences with France. And Zimbabwe and Namibia are unlikely to go a different course.

It is a truly ironic situation, for what it means is that all Americans have to do is fold their hands and wait for the honeymoon to end before stepping in for the picking. The Americans are, of course, well aware of this, and their protests against Russian incursions into Africa are designed precisely to accelerate the process of disaffecting and disillusionment.

In a quite profound sense, what it does mean is that African nations, often against their own inclination, are being denied all meaningful options in terms of the economic arrangements they have to make for themselves. But it also means that we need not get too starry-eyed about the possible gains to be had from the Russians, at least in terms of our concern for economic development. They would have to modify their policies first.●

PUBLIC AWARENESS PROGRAMS

● Mr. RIEGLE. Mr. President, as chairman of the Subcommittee on Alcoholism and Drug Abuse, I would like to alert my colleagues to an announcement being made today by the Bureau of Alcohol, Tobacco, and Firearms. The Bureau is releasing a progress report calling for a national educational campaign to inform Americans of the dangers that excessive alcohol consumption by pregnant women can present to their unborn children.

The fetal alcohol syndrome causes birth defects including congenital abnormalities, growth retardation, and functional abnormalities. These tragic consequences could be avoided if expectant mothers were aware of the risks they may run by drinking during their pregnancy.

The Bureau's proposal calls for a cooperative governmental and private campaign to raise the level of public awareness of this problem. Although no new funds are requested (other than those already requested by the National Institute of Alcohol Abuse and Alcoholism as part of Secretary Califano's "new initiatives" program), the Bureau believes that through a joint endeavor with the alcohol beverage industry, the incidence of alcohol-related birth defects can be significantly reduced. An integral part of this proposal is the provision that, after a reasonable period of time, the success of the program will be reviewed to see if it has been effective or if other steps, possibly including a warning label on all alcoholic beverage containers, should be taken.

I strongly support this initiative, and I would urge the Bureau to conduct the followup review within a period of months, rather than years. If private groups, including the alcoholic beverage industry, can coordinate their activities with those of the Bureau of Alcohol, Tobacco, and Firearms and with the Department of Health, Education, and Welfare, I am hopeful that we will be able to help pregnant women protect their unborn babies. If the program proves ineffective, however, I would sup-

port additional steps, possibly including warning labels.

To carry out the educational program proposed by the Bureau, I would suggest that HEW Secretary Califano consider requiring that all departmental programs involving pregnant women—such as the adolescent pregnancy program currently being launched—include a fetal alcohol information component. I strongly believe that local groups providing pregnancy assistance should make it a point to educate their clients to the risks of drinking during pregnancy. Organizations (such as Planned Parenthood and local health clinics) which conduct pregnancy tests should also be involved in distributing informational materials regarding the fetal alcohol syndrome.

On a related matter, I would also like my colleagues to be aware that the Bureau of Alcohol, Tobacco, and Firearms has recently proposed that labels on alcoholic beverages include a listing of their ingredients. As a strong proponent of ingredient labeling for all foods, I will be closely examining the Bureau's proposal to evaluate whether it would adequately inform consumers of what they are drinking in a reasonable, realistic manner, taking into account seasonal variations and changes in possible components. Of course, I am also concerned that labeling decisions in the alcoholic beverage field are compatible with parallel decisions that this Congress will make in terms of comprehensive food labeling. It is essential if the American consumer is to know what goes into the food we eat.●

QUORUM CALL

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State that is almost heaven, West Virginia, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. RIEGLE assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PRINT SENATE RESOLUTION 61

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Resolution 61 be reprinted overnight with the language that has been added shown in italics and the language that has been deleted shown in stricken-through type.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So that now, Mr. President, on tomorrow the reprinted Senate Resolution 61 will show the amendments that have been adopted today by voice vote and the language that has been deleted will be in stricken-through type and the language that has been added will be in italics.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow, rather than 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer and the approval of the Journal, the two leaders or their designees be recognized, each for not to exceed 5 minutes, and that thereafter Mr. STENNIS, Mr. PROXMIRE, and Mr. PRESSLER be recognized each for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes, after which the Senate then resume its consideration of Senate Resolution 61, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously—before I do this I look around to ascertain whether or not any Senator seeks recognition. I do not want to close off opportunities for debate or for offering of amendments to the resolution. I see no Senator seeking recognition.

I therefore move, Mr. President, that the Senate stand in recess until 12 noon tomorrow, under the order previously entered.

The motion was agreed to, and, at 3:35 p.m., the Senate recessed until tomorrow, Friday, February 9, 1979, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 1979:

DEPARTMENT OF STATE

W. Beverly Carter, Jr., of Pennsylvania, a Foreign Service information officer of class 1, to be Ambassador at Large.

Robert H. Pelletreau, Jr., of Connecticut, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

Stephen Warren Bosworth, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

Jonathan Dean, of New York, a Foreign Service officer of class 1, for the rank of Ambassador during the tenure of his service as Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

William Brownlee Welsh, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

Gen. John W. Roberts, U.S. Air Force, (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James Patrick Mullins, 012-24-1644, U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. William P. Acker, 247-42-3710FR, Regular Air Force.
Brig. Gen. Christopher S. Adams, Jr., 456-40-2229FR, Regular Air Force.
Brig. Gen. James I. Baginski, 213-28-5913FR, Regular Air Force.
Brig. Gen. Emil N. Block, Jr., 281-22-3930FR, Regular Air Force.
Brig. Gen. Bill V. Brown, 510-24-4133FR, Regular Air Force.
Brig. Gen. Norma E. Brown, 265-30-6862FR, Regular Air Force.
Brig. Gen. William E. Brown, Jr., 137-22-1897FR, Regular Air Force.
Brig. Gen. George M. Browning, Jr., 572-28-8395FR, Regular Air Force.
Brig. Gen. Carl H. Cathey, Jr., 244-36-7303FR, Regular Air Force.
Brig. Gen. Murphy A. Chesney, 415-38-0473FR, Regular Air Force, Medical.
Brig. Gen. Philip J. Conley, Jr., 035-20-5730FR, Regular Air Force.
Brig. Gen. David B. Easson, 484-14-1407FR, Regular Air Force.
Brig. Gen. Jay T. Edwards III, 410-44-6723FR, Regular Air Force.
Brig. Gen. Herbert L. Emanuel, 001-24-6354FR, Regular Air Force.
Brig. Gen. James C. Enney, 283-24-1982FR, Regular Air Force.
Brig. Gen. Billy B. Forsman, 282-22-8726FR, Regular Air Force.
Brig. Gen. Irwin P. Graham, 249-38-8267FR, Regular Air Force.
Brig. Gen. Patrick J. Halloran, 471-26-6958FR, Regular Air Force.
Brig. Gen. William W. Hoover, 338-26-4110FR, Regular Air Force.
Brig. Gen. Charles C. Irions, 312-24-6750FR, Regular Air Force.
Brig. Gen. Robert E. Kelley 049-24-0301FR, Regular Air Force,
Brig. Gen. James H. Marshall, 227-30-0802FR, Regular Air Force.
Brig. Gen. Earl T. O'Loughlin, 382-26-5822FR, Regular Air Force.
Brig. Gen. Leighton R. Palmerton, 504-16-5755FR, Regular Air Force.
Brig. Gen. Don H. Payne, 449-30-6238FR, Regular Air Force.
Brig. Gen. Herman O. Thomson, 467-32-7534FR, Regular Air Force.
Brig. Gen. William R. Usher, 031-24-6787FR, Regular Air Force.
Brig. Gen. Jack W. Waters, 532-22-5814FR, Regular Air Force.
Brig. Gen. Larry D. Welch, 514-32-7932FR, Regular Air Force.
Brig. Gen. William R. Yost, 284-20-7535FR, Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Lt. Gen. John G. Albert, 071-18-4390FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Rufus L. Billups, 418-22-2533FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Richard C. Bowman, 336-20-0042FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Edgar A. Chavarrie, 526-20-2859FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Lynwood E. Clark, 087-20-7534FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Robert W. Clement, 256-30-2091FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Charles G. Cleveland, 121-18-3678FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Thomas E. Clifford, 579-32-3643FR (brigadier general, Regular Air Force), U.S. Air Force.
Lt. Gen. Bennie L. Davis, 444-20-0242FR (brigadier general, Regular Air Force), U.S. Air Force.
Lt. Gen. Charles A. Gabriel, 243-32-0018 FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. John W. Hepfer, 193-12-6820 FR (brigadier general, Regular Air Force), U.S. Air Force.
Lt. Gen. Lloyd R. Leavitt, Jr., 375-26-8215FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Richard E. Merkling, 557-20-9153FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Earl G. Peck, 088-20-4685FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. Andrew Pringle, Jr., 556-30-0618FR (brigadier general, Regular Air Force), U.S. Air Force.
Lt. Gen. Thomas M. Ryan, Jr., 142-20-5526FR (brigadier general, Regular Air Force), U.S. Air Force.
Lt. Gen. Winfield W. Scott, Jr., 230-24-1597FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. James W. Stansberry, 106-20-0475FR (brigadier general, Regular Air Force), U.S. Air Force.
Maj. Gen. LeRoy W. Svendsen, Jr., 361-16-9390FR (brigadier general, Regular Air Force), U.S. Air Force.
Brig. Gen. Jack W. Waters, 532-22-5814FR (brigadier general, Regular Air Force), U.S. Air Force.

To be brigadier general

Brig. Gen. William P. Acker, 247-42-3710FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Christopher S. Adams, Jr., 456-40-2229FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Charles C. Blanton, 218-26-1940FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Robert M. Bond, 426-50-7954FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. James R. Brickel, 008-20-0220FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Bruce K. Brown, 525-52-6910FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. George M. Browning, Jr., 572-28-8395FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Gerald J. Carey, Jr., 049-22-2986FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Robert F. Coverdale, 277-26-0316FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Charles L. Donnelly, Jr., 267-24-0955FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. George A. Edwards, Jr., 414-40-8472FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Herbert L. Emanuel, 001-24-6354FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Billy B. Forsman, 282-22-8726FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Martin C. Fulcher, 552-38-1264FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. James L. Gardner, Jr., 432-40-4798FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Philip C. Gast, 498-34-9821FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Allison G. Glover, 224-32-0328FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. James R. Hildreth, 432-32-0058FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Dewey K. K. Lowe, 559-26-7577FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. James H. Marshall, 227-30-0802FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. William B. Maxson, 297-26-0238FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. James E. McInerney, Jr., 579-36-0794FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Waymond C. Nutt, 465-44-4751FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Earl T. O'Loughlin, 382-26-5822FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Leighton R. Palmerton, 504-16-5755FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. John E. Ralph, 293-24-0096FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Len C. Russell, 494-30-1871FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Lawrence A. Skantze, 060-20-8707FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. Click D. Smith, Jr., 226-32-4358FR (colonel, Regular Air Force), U.S. Air Force.
Lt. Gen. Thomas P. Stafford, 440-40-8005FR (colonel, Regular Air Force), U.S. Air Force.
Maj. Gen. Jasper A. Welch, Jr., 555-54-3836FR (colonel, Regular Air Force), U.S. Air Force.
Brig. Gen. William R. Yost, 284-20-7535FR (colonel, Regular Air Force), U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Joseph B. Dodds, 540-22-7823FR, Regular Air Force.

To be brigadier general

Col. Clarence R. Autrey, 459-54-4896FR (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. Leon W. Babcock, Jr., 311-30-7236FR, Regular Air Force.
Col. Robert D. Beckel, 535-30-8971FR (major, Regular Air Force), U.S. Air Force.
Col. Kenneth H. Bell, 458-44-8082FR, Regular Air Force.
Col. Harry H. Bendorf, 461-30-0439 FR, Regular Air Force.
Col. Charles E. Bishop, 005-26-1158FR, Regular Air Force.
Col. John A. Brashear, 201-20-9094FR, Regular Air Force.
Col. Donald D. Brown, 119-24-4891FR, Regular Air Force.
Col. Stanford E. Brown, 327-20-2741FR, Regular Air Force.
Col. Lyman E. Buzard, 531-22-0336FR, Regular Air Force.
Col. John E. Catlin, Jr., 146-12-7792FR, Regular Air Force.
Col. Robert D. Caudry, 462-44-1313FR, Regular Air Force.
Col. William M. Charles, Jr., 188-22-7190FR, Regular Air Force.
Col. Neil L. Eddins, 520-30-3383FR, Regular Air Force.
Col. James D. Gormley, 474-22-2295FR, Regular Air Force.
Col. James I. Granger, 254-38-7324FR, Regular Air Force.
Col. Jack I. Gregory, 401-46-9833FR, Regular Air Force.
Col. John J. Halki, 236-32-6996FR, Regular Air Force, Medical.
Col. Monroe W. Hatch, Jr., 433-58-0993FR, Regular Air Force.
Col. Delbert H. Jacobs, 535-29-3721FR, Regular Air Force.
Colonel Ralph H. Jacobson, 528-36-3966FR (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. Albert J. Kaehn, Jr., 074-24-6024FR, Regular Air Force.
Col. William L. Kirk, 433-48-5527FR, Regular Air Force.
Col. Stanley C. Kolodny, 455-28-5866FR, Regular Air Force, Medical.
Col. Donald P. Litke, 524-38-6925FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. Rano E. Lueker, 529-28-8273FR, Regular Air Force.
Col. William J. Mall, Jr., 183-26-5824FR, Regular Air Force.
Col. Charles McCausland, 113-26-5988FR (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. Horace W. Miller, 427-42-7796FR, Regular Air Force.
Col. Joseph D. Moore, 255-54-3753FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. Richard D. Murray, 439-34-5111FR, Regular Air Force.
Col. Robert C. Oaks, 528-42-8163FR (major, Regular Air Force), U.S. Air Force.
Col. Peter W. Odgers, 143-24-4055FR, Regular Air Force.
Col. Norris W. Overton, 306-22-3793FR, Regular Air Force.
Col. David L. Patton, 215-28-2243FR, Regular Air Force.
Col. Attilio Pedroli, 016-24-6614FR, Regular Air Force.
Col. John L. Pickitt, 451-44-6719FR, Regular Air Force.
Col. Eugene M. Poe, Jr., 236-42-9333FR, Regular Air Force.
Col. Gerald L. Prather, 256-48-8510FR (lieutenant Colonel, Regular Air Force), U.S. Air Force.
Col. Raymond C. Preston, Jr., 469-34-3059-FR (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. Richard W. Pryor, 365-30-2949FR Regular Air Force.
Col. Robert H. Reed, 407-28-7281FR, Regular Air Force.
Col. Albert G. Rogers, 267-40-8969FR, Regular Air Force.
Col. Carl R. Smith, 205-26-3647FR, Regular Air Force.
Col. Perry M. Smith, 114-26-6130FR (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. James P. Smothermon, 431-56-9642FR (lieutenant colonel, Regular Air Force), U.S. Air Force.
Col. John H. Storrie, 457-34-4048FR, Regular Air Force.
Col. Thomas S. Swalm, 560-32-9470FR, Regular Air Force.
Col. Chester D. Taylor, Jr., 468-28-3189FR, Regular Air Force.
Col. Donald A. Vogt, 322-22-0637FR, Regular Air Force.
Col. Rudolph F. Wacker, 072-24-3093FR, Regular Air Force.

Col. Sarah P. Wells, 148-20-2185FR, Regular Air Force, Medical.

Col. Harold J. M. Williams, 258-52-3625FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. John B. Conley, 115-20-0738FG, Air National Guard of the United States.

Brig. Gen. Lloyd W. Lamb, 537-16-4625FG, Air National Guard of the United States.

Brig. Gen. Orlando Lienza, 582-58-6555FG, Air National Guard of the United States.

Brig. Gen. Stanley F. H. Newman, 331-20-2448FG, Air National Guard of the United States.

Brig. Gen. Hal C. Tyree, Jr., 484-14-9219FG, Air National Guard of the United States.

Brig. Gen. Emory M. Wright, Jr., 515-07-9024FG, Air National Guard of the United States.

To be brigadier general

Col. William F. Casey, 221-16-0876FG, Air National Guard of the United States.

Col. Robert J. Collins, 533-30-0244FG, Air National Guard of the United States.

Col. James E. Cuddihee, 001-12-8176FG, Air National Guard of the United States.

Col. William A. Free, 518-28-0982FG, Air National Guard of the United States.

Col. Roy A. Jacobson, 527-12-8848FG, Air National Guard of the United States.

Col. Lloyd L. Johnson, 507-22-1833FG, Air National Guard of the United States.

Col. Monroe G. Mathias, 522-30-9119FG, Air National Guard of the United States.

Col. Charles B. Ocksrider, 170-22-0056FG, Air National Guard of the United States.

Col. William E. Riggs, 237-20-8066FG, Air National Guard of the United States.

Col. Frank H. Smoker, Jr., 186-14-2448FG, Air National Guard of the United States.

Col. Emmett J. Whalen, 516-24-5374FG, Air National Guard of the United States.

Col. Charles J. Young, Jr., 150-20-4220FG, Air National Guard of the United States.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. Bruce M. Davidson, 372-20-2171 FV, Air Force Reserve.

Brig. Gen. Walter R. Longanecker, Jr., 218-16-0542FV, Air Force Reserve.

Brig. Gen. George W. Miller III, 144-22-4148FV, Air Force Reserve.

Brig. Gen. Dalton S. Oliver, 415-12-2994 FV, Air Force Reserve.

Brig. Gen. John E. Taylor, Jr., 048-18-7764 FV, Air Force Reserve.

To be brigadier general

Col. Ronald R. Bialack, 295-22-3793FV, Air Force Reserve.

Col. William L. Copeland, 250-42-0529FV, Air Force Reserve.

Col. Charles M. Duke, Jr., 251-64-3502FV, Air Force Reserve.

Col. Wayne E. Garrett, 548-30-5501FV, Air Force Reserve.

Col. Arthur Gerwin, 107-20-0225FV, Air Force Reserve.

Col. Vincent P. Luchsinger, Jr., 482-28-1725FV, Air Force Reserve.

Col. Milton Matter, Jr., 304-34-0192FV, Air Force Reserve.

Col. John A. Paterson, 571-28-4517FW, Air Force Reserve.

Col. John D. Roper, 457-22-7795FV, Air Force Reserve.

Col. Alan G. Sharp, 582-32-0580FV, Air Force Reserve.

Col. Jerome N. Waldor, 143-20-7534FV, Air Force Reserve.

Col. Charles T. Yarington, Jr., 574-10-7171 FV, Air Force Reserve.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles Curtis Pattillo, 260-18-8947FR, U.S. Air Force.

The following-named officers under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lawrence Albert Skantze, 060-20-8707FR, U.S. Air Force.

Lt. Gen. John J. Burns, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. James A. Knight, Jr., U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officers under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Evan William Rosencrans, 188-14-0620FR, U.S. Air Force.

Lt. Gen. Andrew B. Anderson, Jr., U.S. Air Force (age 52), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Harold Robert Aaron, 307-16-4531, (age 57), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

May. Gen. Richard Hulbert Groves, 042-32-1884, U.S. Army.

The following-named Army Reserve officer for appointment to the grade of brigadier general, Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Brig. Gen. Carl D. McIntosh, 463-20-7092.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306 and 3307:

To be major general

Lt. Gen. Sidney B. Berry, 428-22-5274, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Homer S. Long, Jr., 486-24-9098, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clay T. Buckingham, 263-32-8635, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles I. McGinnis, 490-24-2560, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James L. Kelly, 510-22-9173, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas U. Greer, 266-30-0303, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Robert G. Gard, Jr., 449-36-3971, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul F. Gorman, 034-12-6940, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John C. Faith, 346-18-0189, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emil L. Konopnicki, 206-14-1022, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul M. Timmerberg, 487-28-1552, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles K. Heiden, 386-16-0763, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Hillman Dickinson, 495-20-6943, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Sinclair L. Melner, 530-01-9074, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Marvin D. Fuller, 504-05-4547, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Phillip Kaplan, 497-20-4986, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Lucien E. Bolduc, Jr., 015-20-6456, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Louis W. Prentiss, Jr., 229-26-9023, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack V. Mackmull, 294-22-6931, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James H. Merryman, 432-44-0293, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Eicher, 211-14-4820, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James G. Boatner, 467-40-0347, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Edward C. Meyer, 205-18-3616, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William R. Richardson, 238-38-4817, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward A. Partain, 429-74-3516, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ernest D. Peixotto, 579-52-8218, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Benjamin L. Harrison, 432-26-6004, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard E. Cavazos, 452-34-5055, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Oscar C. Decker, Jr., 505-22-1930, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John K. Stoner, Jr., 161-24-2058, Army of the United States (brigadier general, U.S. Army).

To be brigadier general

Maj. Gen. John D. Bruen, 359-22-6681, Army of the United States (colonel, U.S. Army).

Maj. Gen. Jack N. Merritt, 446-22-2608, Army of the United States (colonel, U.S. Army).

Big. Gen. Elvin R. Heiberg III, 081-32-3110, Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn K. Otis, 084-20-5938, Army of the United States (colonel, U.S. Army).

Maj. Gen. John W. Seigle, 286-20-4671, Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Boyle, 036-20-3100,

Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Lawrence, 452-44-8487, Army of the United States (colonel, U.S. Army).

Maj. Gen. Tom H. Brain, 190-22-4900, Army of the United States (colonel, U.S. Army).

Maj. Gen. Guy S. Meloy III, 460-64-4230, Army of the United States (colonel, U.S. Army).

Maj. Gen. Maxwell R. Thurman, 237-42-0668, Army of the United States (colonel, U.S. Army).

Maj. Gen. Jerry R. Curry, 165-22-9599, Army of the United States (colonel, U.S. Army).

Brig. Gen. James J. Lindsay, 391-26-8187, Army of the United States (colonel, U.S. Army).

The following-named Army Medical Department officer for appointment as a major general, Dental Corps, Regular Army and as a major general, Dental Corps, in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3040, 3442, and 3447.

DENTAL CORPS

To be major general

Brig. Gen. George Kuttas, 058-22-5317, Dental Corps, U.S. Army.

The following-named Army Medical Department officer for appointment to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447.

DENTAL CORPS

To be brigadier general

Col. Hubert T. Chandler, 235-50-1736, Dental Corps, U.S. Army.

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Arthur Holmes, Jr., 411-36-9944, U.S. Army.

Col. Johnny J. Johnston, 458-34-3051, U.S. Army.

Col. Joe S. Owens, 486-34-4079, U.S. Army.

Col. Maurice O. Edmonds, 267-36-0098, U.S. Army.

Col. Arthur E. Brown, Jr., 424-24-4091, U.S. Army.

Col. Claude M. Kicklighter, 255-46-4806, Army of the United States (lieutenant colonel, U.S. Army).

Col. Wendell H. Gilbert, 410-44-6371, U.S. Army.

Col. Andrew L. Cooley, Jr., 520-34-0353, Army of the United States (lieutenant colonel U.S. Army)

Col. Ronald L. Watts, 487-38-9023, Army of the United States (lieutenant colonel, U.S. Army).

Col. Nathan C. Vail, 265-46-5581, Army of the United States (lieutenant colonel, U.S. Army).

Col. Scott B. Smith, 044-26-9950, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph P. Franklin, 217-28-9800, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edwin C. Keiser, 522-32-5553, U.S. Army.

Col. Henry J. Hatch, 361-26-6617, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Klein, 423-34-1779, U.S. Army.

Col. Zeb B. Bradford, Jr., 240-46-8897, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack A. Apperson, 229-40-8053, Army of the United States (lieutenant colonel, U.S. Army).

Col. Josiah Blasingame, Jr., 250-58-2383, U.S. Army.

Col. Bobby B. Porter, 429-64-0821, Army of the United States (lieutenant colonel, U.S. Army).

Col. David W. Stalings, 234-50-1762, Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene L. Stillions, Jr., 431-56-5342, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas W. Kelly, 297-26-7144, Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Thompson, Jr., 252-50-6760, Army of the United States (lieutenant colonel, U.S. Army).

Col. John F. Wall, 251-44-7177, Army of the United States (lieutenant colonel, U.S. Army).

Col. Dave R. Palmer, 460-64-5096, Army of the United States (lieutenant colonel, U.S. Army).

Col. Michael J. Conrad, 226-38-8588, Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor J. Hugo, Jr., 014-24-9628, U.S. Army.

Col. Joseph C. Lutz, 308-30-5139, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Hammond, 538-28-7595, Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth C. Leuer, 484-38-5195, Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnie Forte, Jr., 458-50-7790, Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Mitchell, 577-44-2713, Army of the United States (lieutenant colonel, U.S. Army).

Col. Anthony F. Albright, 155-24-0827, Army of the United States (lieutenant colonel, U.S. Army).

Col. Leonard P. Wishart III, 152-26-4608, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Honor, 224-52-5229, U.S. Army.

Col. Jerry M. Bunyard, 440-28-8915, U.S. Army.

Col. Colin L. Powell, 113-28-4024, Army of the United States (major, U.S. Army).

Col. Jack O. Bradshaw, 316-36-1251, Army of the United States (major, U.S. Army).

Col. Thomas E. Carpenter III, 263-60-4055, Army of the United States (major, U.S. Army).

Col. George R. Stotser, 410-50-9185, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Wiegand, 383-30-9360, Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Drummond, 525-56-8128, Army of the United States (lieutenant colonel, U.S. Army).

Col. Homer Johnstone, Jr., 557-40-6246, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Kenyon, 091-28-4680, Army of the United States (lieutenant colonel, U.S. Army).

Col. Crosbie E. Saint, 224-52-4564, Army of the United States (major, U.S. Army).

Col. Gerald T. Bartlett, 549-40-1608, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert J. Donahue, 023-24-4584, U.S. Army.

Col. James E. Moore, Jr., 245-64-1208, U.S Army.

Col. William G. O'Leksy, 399-28-3959, U.S. Army.

Col. Joseph J. Skaff, 233-46-6270, Army of the United States (lieutenant colonel, U.S. Army).

Col. James R. Demoss, 314-30-6771, U.S Army.

Col. Gerald E. Monteith, 501-28-1765, Army of the United States (lieutenant colonel, U.S. Army).

Col. William G. T. Tuttle, Jr., 726-07-3388, Army of the United States (major, U.S. Army).

Col. John M. Brown, 428-40-4703, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas J. Flynn, 083-22-6818, U.S. Army.

Col. Gerald G. Watson, 455-52-2104, Army of the United States (lieutenant colonel, U.S. Army).

Col. Wayne E. Alley, 544-32-1602, Army of the United States (lieutenant colonel, U.S. Army).

Col. Hugh R. Overholt, 429-68-2708, U.S. Army.

Col. Richard J. Bednar, 505-34-3432, U.S. Army.

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371, and 3384:

To be major general

Brig. Gen. Robert Dewey Bay, 493-20-3062.

Brig. Gen. Russell Ivan Berry, 419-22-7298.

Brig. Gen. Allen Earl Stilson, Jr. 281-20-2364.

To be brigadier general

Col. Jimmy Franklin Bates, 409-46-6375.

Col. George Harrison Cate, Jr., 410-44-4620.

Col. Norman Wright Martell, 722-03-1773.

Col. Thomas Milton Moore, 241-32-1372.

Col. Mack Jay Morgan, Jr., 408-24-6750.

Col. Gilbert Gerald Parker, 533-24-0286.

Col. James Louis Pelton, 296-26-5456.

Col. Alfred Winston Porter, Jr. 429-58-1893.

Col. Garnet Ray Reynolds, 538-22-0701.

Col. John Ricottilli, Jr., 037-20-4783.

Col. Ronald Doyle Worcester, 463-40-5576.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig. Gen. John B. (IO) Garrett, 465-14-1026.

Brig. Gen. Joseph Andrew Healy, 072-22-2314.

Brig. Gen. Robert Woodson Teater, 407-40-2797.

Brig. Gen. Robert George Walker, 476-16-1666.

To be brigadier general

Col. James Alexander Baber III, 229-28-4215.

Col. Joaquin Balaguer-Rivera, 581-60-0199.

Col. Dan Bullard III, 259-28-3789.

Col. Bernard Thomas Chupka, 210-14-7252.

Col. William Eugene Doris, 322-20-3410.

Col. Charles Phillip Doyle, 482-26-1213.

Col. James Glynn Fanning, 350-16-8098.

Col. Robert Samuel Ford, 365-22-4167.

Col. Richard George Geith, 485-28-3310.

Col. Joseph Guadalupe Iniguez, Jr., 350-20-3428.

Col. Bruce Jacobs, 080-20-9669.

Col. Hubert Monroe Leonard, 239-24-5791.

Col. Jay Meredith Lotz, 305-24-6366.

Col. Jerome Joseph Mathieu, Jr., 380-32-4866.

Col. Dana Carleton Ramsay, 414-30-2566.

Col. Lawrence Felix Roy, 441-24-2978.

Col. Paul Eugene Staples, 448-16-7298.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Robert Lee Childers, 234-18-8174.

Brig. Gen. Francis Alphonse Ianni, 726-10-0555.

To be brigadier general

Col. Lawrence Pierce Flynn, 089-22-4944.

Col. Luis Ernesto Gonzalez-Valez, 582-72-7541.

Col. William Henry Henderson, 445-16-7606.

Col. Leonard Robert Herbst, 504-12-4796.

Col. Stuart Joel Shoob, 526-38-0118.

Col. Dayle Eugene Williamson, 507-34-2741.

Col. Hershel Cleveland Yeargan, 720-07-9772.

IN THE NAVY

Adm. Stansfield Turner, U.S. Navy, (age 55) for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

Air Force list beginning Wilfred K. Abbott, to be colonel, and ending William P. Dubose III, to be major, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning David R. Abel, to be lieutenant colonel, and ending Donald E. Kessell, to be lieutenant colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning Robert A. Abbott, to be lieutenant colonel, and ending James H. Slepicka, to be major, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning George H. Aberth, Jr., to be colonel, and ending Frank R. Young, to be captain, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning Richard B. Almour, to be colonel, and ending Leo E. McFadden, to be colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning Jon S. Allen, to be colonel, and ending Virginia L. Floyd, to be colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE ARMY

Army list beginning Albert Abraham, to be colonel, and ending Joseph Saltas, to be first lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Army list beginning Byron B. Alexander, to be colonel, and ending Lloyd A. Youngblood, to be lieutenant colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Army list beginning Howard T. Prince II, to be colonel, and ending Gerald A. St. Amand, to be captain, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Army list beginning Carl W. Ackerman, to be colonel, and ending Paul J. Sullivan, to be lieutenant colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE NAVY

Navy list beginning Herbert J. Kendall II, to be lieutenant, and ending Jeffrey L. Roddahl, to be permanent lieutenant (j.g.), and temporary lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Navy list beginning Larry E. Baker, to be chief warrant officer, and ending Pamela J. Rhyner, to be lieutenant (j.g.), which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Navy list beginning John W. Dreon, Jr., to be ensign, and ending William B. Humphrey, to be commander, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE MARINE CORPS

Marine Corps list beginning Ronald G. Horton, to be second lieutenant, and ending Robert W. Smith, to be second lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Marine Corps list beginning Ronald E. Anderson, to be second lieutenant, and ending Gary R. Zeller, to be second lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

HOUSE OF REPRESENTATIVES—*Thursday, February 8, 1979*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
February 7, 1979.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, February 8, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Mladen Cuvalo, pastor, Sts. Cyril and Methodius Church and St. Raphael's Church, New York, N.Y., offered the following prayer:

Heavenly Father, we thank Thee for Thy great blessings bestowed upon the American nation, and pray for divine guidance for this "Forum of the People." We ask Thy protection for all the people of the world, born and unborn, and its nations, independent or not yet independent.

We pray for the Croatian nation which has contributed so many immigrants to America and its sacred cause. We pray for the fulfillment of the divine right of self-determination of nations, with all nations of the world achieving their independence and equality and an end of nations being divided or subjugated to other nations.

We pray for people of all faiths and nations to live in brotherhood, not only in the forthcoming days, but throughout the entire year. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 42. Concurrent resolution providing for an adjournment of the House from February 8 to February 13, 1979, and a recess of the Senate from February 9 to February 19, 1979.

The message also announced that the Vice President, pursuant to Public Law 95-216, appointed Ms. Joyce Miller, of New Jersey, from private life, to be a member of the National Commission on Social Security.

The message also announced that the vice president, pursuant to Public Law 81-754, as amended by Public Law 93-536, appointed Mr. PELL to the National Historical Publications and Records Commission.

The message also announced that the vice president, pursuant to Public Law 94-280, appointed Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, to the National Transportation Policy Study Commission, in lieu of Mr. Pearson, retired.

REV. MLADEN CUVALO

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, it is indeed an honor for me today to note that the opening prayer in the House today was offered by Father Mladen Cuvalo, pastor of Sts. Cyril and Methodius and St. Raphael's Churches in New York City.

Today marks a day of dual significance. Father Cuvalo has the largest Croatian-American parish in the United States, numbering over 100,000 and hailing from the tri-State area of New York, New Jersey, and Connecticut. It is also the first time in over 200 years that a Croatian-American clergyman has offered the prayer in the House of Representatives. In addition, for people of Croatian heritage everywhere, today holds another special significance as it marks the death of Cardinal Aloysius Stepinac and the 34th year commemoration of the massacre of 29 priests in Croatia, Yugoslavia, on February 8, 1945. Cardinal Stepinac, at the age of 36 became the youngest archbishop in the world and from there went on to become a noted and zealous crusader for the cause of human rights of the oppressed and persecuted of Eastern Europe.

On this day, the anniversary of the death of Cardinal Stepinac, let us renew our solidarity with those persons who suffer religious oppression and persecution. Let us look with real hope toward the Vatican, where for the first time in centuries it has elected a Pope who hails from Poland—another captive nation such as Yugoslavia. The inspirational leadership of John Paul II may well advance the cause of religious freedom throughout the world and we wish him success in this most important work.

Father Mladen Cuvalo's devotion to God and to furthering the cause of religious freedom everywhere is to be commended and it is indeed a privilege for me to present him to my colleagues here today. Father Cuvalo has been in the priesthood for 13 years, having studied theology under the Franciscan Brothers in Sarajevo, Croatia. He has dedicated his career not only to tending the needs of his own parishioners, but to promoting and furthering the noble cause of religious and human freedom is Eastern Europe, most particularly in Yugoslavia. He is an exemplary spiritual leader and one who deserves much praise for the humanitarianism he has displayed for his Croatian brothers both in his community as well as the world over.

REV. MLADEN CUVALO

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, as the Representative for the 18th Congressional District in New York City, I want to welcome Father Mladen Cuvalo to the House of Representatives. I commend my colleague from New York (Mr. BIAGGI) for arranging for Father Cuvalo to become the first Croatian-American clergyman in over 200 years to offer the prayer at the opening of Congress.

As the pastor of Sts. Cyril and Methodius Church and St. Raphael's Church at 502 West 41st Street in New York City, Father Cuvalo serves the spiritual needs of 100,000 Americans of Croatian heritage in the tri-State area of New York, New Jersey, and Connecticut. His ministry has emphasized social service and human rights activities.

In keeping with his concern for human rights and social justice, Father Cuvalo will meet this afternoon with the staff of the Commission on Security and Cooperation in Europe to offer information on the status of religious freedom and religious liberties in Yugoslavia. It is expected that the Commission soon will convene public hearings on religious liberties in Eastern European countries. Father Cuvalo's discussions today will contribute significantly to the work of the Commission in this regard.

Father Cuvalo's appearance before the House of Representatives today symbolically commemorates the 19th anniversary of the death of Aloysius Cardinal Stepinac and the 34th anniversary of the murder of 29 priests at the Franciscan High School and Seminary near Mostar in Croatia, Yugoslavia.

May Father Cuvalo's visit today remind all of us of the importance of religious freedom and renew our commitment to ending oppression of religion wherever it occurs.

□ 1105

IN DEFENSE OF SECRETARY SCHLESINGER

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, the Secretary of Energy is absorbing a great deal of flak these days—for things that he has said that displease some people—for alleged bad management of his Department—for a host of other complaints, real, and imagined.

But Secretary Schlesinger deserves a bit of defense.

The Department of Energy is new, and it is made up of a great many components, not all of them compatible in their interests and orientation. It would take a genius to drew those agencies into a coherent whole, and even a Cabinet officer with the experience, the wit, the nerve, and the ability of Jim Schlesinger needs a little time to create a new department. Consider Health, Education, and Welfare. It has been around a long time, but I know of no one who says that it is a unified agency. It may in fact be impossible to administer that Department, which is probably why the President wants to create a Department of Education. It is conceivable that managing the Department of Energy is impossible. It is certain that the task is formidable. Secretary Schlesinger deserves a little time to draw his horses into something that resembles a workable team. He should not be judged hastily.

There are those who say that the Department of Energy keeps sending out confused and conflicting signals. That does not reflect incompetence by the Secretary, so much as it reflects the lack of a coherent energy policy for him to administer. In plain words, the confusion in energy policy starts here in Congress, where energy legislation is written. I want the United States to buy Mexican gas, as much as anyone else; the Secretary says that the price is too high and the need not urgent. We may not agree on that point. On the other hand, those who damn him most are also the ones who demand price controls to preserve cheap energy produced from domestic sources. If some members of the Senate demands cheap gas and oil prices, insist on it in statutes—then it is difficult to see how they can candemn the Secretary for not wanting to import expensive energy. The confusion may be more in their minds than his.

There are a great many things about energy policy that I do not like. But there is something I like about the Secretary of the Department of Energy: He is accessible and he is responsive. Not all members of the Cabinet are as readily accessible as he. Not all are willing to talk plainly and give straight yes or no answers, as he is. And not all know what they are doing as well as he does.

We have given Secretary Schlesinger a jumble of agencies and a jumble of unclear policies to administer. It will take a great deal of time before the tangled lines can be worked out. Critics would do well to get off his back.

SALT II SHOULD NOT BE AFFECTED BY SOVIET BEHAVIOR IN OTHER AREAS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute.)

Mr. BINGHAM. Mr. Speaker, the resolution adopted this past weekend by Republican leaders suggests that the attitude of the Congress toward a SALT II agreement should be influenced by the behavior of the Soviets in Africa and elsewhere.

What does this mean? Does it mean that, if a signed SALT II agreement is in the U.S. national interest, the Senate should not ratify it if the Soviets continue to act up in Africa? Conversely, does it mean that, if the Soviet Union should become more docile, we should then enter into a SALT II agreement even if the agreement is not in the U.S. national interest?

Obviously, what I am getting at is that the United States should enter into a SALT II agreement if it is in our national interest, and not otherwise.

The behavior of the Soviets unrelated to SALT may be tolerable or intolerable at any given time; it may change next month or next year. The decision of our Government with respect to SALT, whether it be positive or negative, will have to stand no matter what changes may occur in other Soviet policies. That being the case, we should not be diverted, in our study of SALT, by the shifting scenery of Soviet international politics.

□ 1110

ABOLISHING WEST GERMANY'S STATUTE OF LIMITATIONS ON NAZI WAR CRIMES

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, under present law after December 31, 1979, Nazi war criminals guilty of some of the most heinous acts committed in the history of the world will be able to find a haven in West Germany, free from the threat of prosecution for their crimes. If the Federal Republic of Germany does not act to extend or abolish entirely its statute of limitations governing war crimes, after that date prosecutions will be barred against those who committed atrocities prior to May 8, 1945, against whom proceedings have not been initiated. Those war criminals who thus far have escaped detection and prosecution will be able to live openly in West Germany without fear of punishment.

Mr. Speaker, no arbitrary time limit should prevent the trial of those who participated in the Holocaust. I am therefore, today introducing with my

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

colleague from New York, (Mr. FISH), and a total of 100 cosponsors, a House resolution strongly urging the Government of the Federal Republic of Germany to abolish its statute of limitations governing the prosecution of war crimes, or amend the present statute to allow a period of time sufficient to assure the prosecution of all those responsible for the horrors of the Holocaust.

The text of the resolution follows:

H. Res. —

Whereas the present statue of limitations of the Federal Republic of Germany will prevent the prosecution after December 31, 1979 of those people who committed war crimes prior to May 8, 1945 against whom proceedings have not already been initiated;

Whereas the identification and the prosecution of Nazi war criminals serve to remind the world of the enormity of their crimes and of the need to prevent any repetition of such crimes;

Whereas worldwide efforts to locate and bring to justice those who participated in the Holocaust have recently been intensified;

Whereas the government of the United States is now moving aggressively against people living in this country suspected of war crimes and has enacted legislation to exclude and deport war criminals and has established a Special Litigation Unit within the Department of Justice to direct investigations and prosecutions;

Whereas these intensified worldwide efforts will undoubtedly lead to the discovery of new and important evidence against many suspected war criminals;

Whereas the government of the Federal Republic of Germany has an inescapable obligation to ensure that these worldwide efforts are not diminished or nullified and that all war criminals are brought to justice, and that government recognized this obligation in 1965 and in 1969 by amending the statute of limitations to permit the prosecution of those who participated in the Holocaust; and

Whereas no statute of limitations should preclude the trial of those who participated in the Holocaust: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly urges the government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the Holocaust; and

(2) directs the Clerk of the House of Representatives to send a copy of this resolution to the Ambassador of the Federal Republic of Germany to the United States for transmittal to his government.

Mr. Speaker, it is particularly ironic that the West German statute is expiring at a time when worldwide efforts to locate and bring to justice those who participated in the Holocaust have been intensified. Our own government is finally moving aggressively against suspected war criminals living in the United States, and a special litigation unit was established in the Justice Department in August 1977 to direct investigations and prosecutions—a step I originally recommended in 1974. Last year the Congress passed and the President signed into law my bill to bar war criminals from entering the United States and to authorize the deportation of those who are living here now. Other countries are stepping up their efforts as well. The August 28, 1978 issue of the German magazine Der Spiegel reported,. for example, that in the last 2 years Poland has gathered sufficient incriminating evidence to indict 170 individuals.

The failure of the German Government to act on the statute of limitations would undoubtedly serve both to diminish these recent worldwide efforts and make useless much of the newly discovered evidence—which may involve individuals against whom proceedings have not been instituted by the December 31 deadline. The Washington Post, in fact, recently reported that the showing of the television program "Holocaust" in West Germany, has resulted in a flood of new allegations against undetected war criminals in West Germany itself. And there have even been allegations that some valuable information is now being intentionally withheld, particularly by Communist countries, to be used to embarrass the West German Government once the statute has expired.

West Germany has twice before—in 1965 and 1969—extended its statute of limitations governing war crimes, apparently recognizing its special obligation to assure that all those who participated in the Holocaust are brought to justice. But according to Der Spiegel, there is a growing reluctance among leaders of all four Bundestag parties to extend the statute of limitations again. For this reason it is vital that the West German leadership be made aware that the world community is watching its response. Several countries, notably Poland and Israel, have already expressed their strong views that the statute should be extended once more or abolished entirely. The United States should add its voice to this call for justice.

Mr. Speaker, the resolution we are introducing today reflects the work of numerous organizations, particularly the American Jewish Congress, the American Jewish Committee, B'nai B'rith, the Harvard Jewish Law Students Association and the Simon Wiesenthal Center for Holocaust Studies, and incorporates several suggestions made by officials at the State Department. It deserves wholehearted support and prompt passage. I urge my colleagues who have not yet joined as cosponsors to do so.

● Mr. BINGHAM. Mr. Speaker, I am pleased to join Representatives HOLTZMAN and FISH in cosponsorship of a resolution urging the West German Government to extend the statute of limitations governing the prosecution of Nazi war criminals. I have also written Chancellor Helmut Schmidt expressing my strong feelings on this matter.

I do not believe that any statute of limitations should apply to Nazi war criminals. During the Second World War this Nation, alone and in concert with our allies, vowed that the practitioners of genocide would not go unpunished. At the 1943 Moscow Conference we pledged that we "will pursue them to the uttermost ends of the earth and will deliver them to their accusers." At Nuremberg, after the war, the victors put all Nazi criminals on notice that they would not escape justice and the judgment of humanity. How unseemly to speak of a statute of limitations in connection with the slaughter of 18 million men, women, and children. The prosecution of Nazi war criminals should only cease on the day that the last perpetrator of genocide is brought to justice.

I commend Representatives HOLTZMAN and FISH for their sponsorship of this resolution. I am also pleased to note that Representative HOLTZMAN's bill, which will expedite the removal of Nazi war criminals from these shores, is now public law. Her leadership in this area is well recognized. My letter to Helmut Schmidt on this matter follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., February 8, 1979.

Chancellor HELMUT SCHMIDT,
Bundeskanzlerant,
Federal Republic of Germany.

DEAR CHANCELLOR SCHMIDT: I am writing to express my strong belief that the statute of limitations governing Nazi war crimes should not be permitted to expire. As you know, it was the intention of the Allied powers as enunciated at Nuremberg in 1945 and before, that those responsible for the Nazi genocide should not escape prosecution. During the Moscow Conference of October, 1943 the Allies vowed that they would pursue war criminals "to the uttermost ends of the earth." It is, I believe, the moral obligation of he Federal Republic to fulfill that pledge.

I do not believe that any statute of limitations should apply to Nazi war criminals. The murders of six million Jews and millions of others cannot be dealt with as if they were simple cases of manslaughter, and prosecutions must not cease until every surviving killer is brought to trial. There is no statute of limitations for the survivors of the Holocaust who must live every day with their memories of unspeakable horrors and with the loss of relatives, gone forever. There is no statute of limitations for the Jewish people which will forever bear the scars of one-third of its number, gone forever. There is no statute of limitations that governs pain and indescribable grief.

Mr. Chancellor, I urge that the Federal Republic continue its prosecution of Nazi war criminals. No arbitrary statute of limitations should stand in the way of the justice we all seek.

Sincerely,

JONATHAN B. BINGHAM.●

Mr. BUCHANAN. Mr. Speaker, I am joining today in the introduction of the resolution by the gentleindy from New York (Ms. HOLZMAN).

In my judgment, it is particularly appropriate that we act at this time to urge the Federal Republic of Germany to abolish or at least extend the statute of limitations on war crimes.

Within the last several weeks the televised dramatization "Holocaust" was screened in Germany and its showing resulted in numerous calls to those investigating the war crimes with new information and leads.

Our own Government has intensified its efforts in this regard.

But the statute of limitations in West Germany will prevent the prosecution of individuals for war crimes after December 31 of this year.

These are crimes against humanity, Mr. Speaker, and as such should have no statute of limitation.

The German people have acted twice in the past to extend the statute and it is my sincere hope that they will do so again.

The horror and tragedy of the wanton slaughter of millions of innocent people lives with us still. Those who were responsible ought not escape punishment. Time cannot diminish the horror of their crimes and time should not be permitted to erase their legal guilt.

It is my hope, Mr. Speaker, that we will move on this resolution and express our suport to the Government of the Federal Republic of Germany for repeal or extension of the statute of limitations on war crimes.

● Mr. LONG of Maryland. Mr. Speaker, the West German statute of limitations on the prosecution of Nazi war criminals will expire on December 31, allowing the foulest criminals in the history of mankind to escape punishment for the systematic extermination of more than 6 million men, women, children, and babies.

An estimated 150,000 were responsible for these atrocities. Some have been tried and convicted in West Germany, Israel, and other countries. Others are awaiting sentencing or are under investigation. But more than 100,000 murderers remain at large throughout the world.

It is inconceivable that those responsible for such inhumanity should escape not only punishment but even further fear of punishment. Most countries do not apply a statute of limitations to murder cases. It is morally wrong for Germany to apply this limitation to Nazi war crimes.

I wholeheartedly support the resolution introduced by my colleagues, Representatives HOLTZMAN and FISH, to express the sense of the House that the Government of West Germany should abolish its statute of limitations governing the prosecution of war crimes.●

GENERAL LEAVE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks on the subject of the resolution I am introducing today with the gentleman from New York (Mr. FISH).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

ABOLISHING WEST GERMANY'S STATUTE OF LIMITATIONS ON NAZI WAR CRIMES

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FISH. Mr. Speaker, with a personal moral committment, I join my colleague from New York (Ms. HOLTZMAN) in the introduction of a House resolution expressing the sense of the House that Government of West Germany should abolish or extend its statute of limitations governing the prosecution for war crimes, due to expire on December 31, 1979.

Some claim the introduction of this resolution results in meddling in the internal affairs of West Germany. I do not see it as such. Rather, I believe this resolution calling for the extension or abolishment of the statute of limitations is a continuation of the world community's obligation, recognized by the Allies after World War II, to bring to justice those who committed crimes—not only against the Jewish community in Europe, but against all mankind.

The possible expiration of the statute of limitations at this time would be most tragic. I draw this conclusion from the fact that there has been an intensification of the efforts to bring these criminals to trial.

I am sure my colleagues in the House would be interested to know that there is a growing sentiment in West Germany to aid in the apprehension of Nazi war criminals. Newsweek, a national news weekly magazine, recently published an article which stated—and I quote:

Simon Wiesenthal, the dogged Austrian who tracks down Nazi War Criminals has been deluged with tips from West Germany in the past two weeks. The new information comes mostly from TV viewers reacting to a West German screening of "Holocaust," NBC's mini-series about Nazi persecution of Jews. "They felt moved to do something," Wiesenthal says of his informants. "They can't keep silent now."

I hope that the House will expedite its consideration of this important House resolution.

FCC THREAT TO GRAND OLE OPRY

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, on January 22, 1979, the Federal Communications Commission which was created in 1934 to regulate interstate and foreign communications by wire and radio, issued regulations designed to severely cut back to within 100 miles broadcast signals of radio station WSM in Nashville. WSM broadcasts the Grand Ole Opry performances to a nationwide audience and is currently classified as an A–1 station entitled to a clear channel frequency, meaning no other station in the country is allowed to use the same frequency. The FCC proposes to curtail the signals of clear channel stations like WSM to give other stations around the country a chance to broadcast on those frequencies. The impact of such a curtailment on 25 stations including WSM, the Grand Ole Opry, and the country music industry as a whole could be devastating.

I rise today, Mr. Speaker, to introduce legislation designed to amend the Communications Act of 1934 which provides the basic legislative and legal authority for the Federal Communications Commission to promulgate regulations in this area. My legislation simply prohibits the FCC from adopting rules relating to clear channel broadcasting. I feel the proposal to limit the clear channel broadcast range of the existing 25 class A–1 stations to make room for additional local AM stations, is arbitrary, capricious, and beyond the normal regulatory activities of the Federal bureaucracy.

The legislation which I will introduce today seeks to redress this discriminatory Federal regulation and simply provides congressional input and direction into an area that a Federal Government has sought to involve itself. The issue here is not just WSM in Nashville, Tenn. It affects radio stations across the Nation, such as KFI in Los Angeles, Calif., WNBC and WABC, New York, WSB in Atlanta, Ga., WJR in Detroit, Mich., WBAP in Fort Worth, Tex., WHAS in Louisville, Ky., WLS in Chicago, Ill., WHAM in Rochester, N.Y. Today I have issued an invitation for the entire House of Representatives to stand up as one and cosponsor and support this piece of legislation designed to correct the FCC's overregulatory activities.

The Grand Ole Opry began on November 28, 1925, and today, over half a century later, it is the oldest continuous radio program in the United States of America and has never missed weekly broadcast in all these years. The colorful opry cast has grown to over 200 singers, musicians, dancers, comedians and is regularly heard throughout much of the United States, Canada, and overseas. Over 906,934 faithful listeners saw the Grand Ole Opry in 1978 and I understand that an additional 7 to 8 million people across this land see the opry stars as they visit local areas throughout the United States.

Opry fans annually travel an average of 470 miles, one way, to see the performance at the Grand Ole Opry House with a seating capacity of over 4,400. Over 50 percent of the Opry's annual ticket sales are generated in the States of Ohio, Illinois, Indiana, and Michigan. This is not purely regional or a State of Tennessee problem, it is an effort to cut out a vital part of America's music and national tradition. Nashville citizens employed by recording studios, record press plants, talent agencies, trade papers, recording companies and performing rights organizations are a few of the country music industries that are directly affected by the Grand Ole Opry.

This past year, the country music industry in Nashville generated over $1 billion in business and I am proud to say that the Grand Ole Opry is a vital part of this Country Music tradition. I think Judge George D. Hay, an announcer summed it up well when he said:

The Grand Ole Opry is as simple as sunshine. It has an universal appeal because it is built upon goodwill and with folk music expresses the heartbeat of a large percentage of Americans who labor for a living.

I understand that an organization has been formed in Nashville, Tenn., called Friends of the Grand Ole Opry which has already begun a nationwide campaign to save the listening audiences of this great American tradition. I shall make every effort to generate support for passage of my legislation, both in the Subcommittee on Communications, House Interstate and Foreign Commerce Committee and on the floor of the Congress and shall urge all friends of the Grand Ole Opry to join with me in fighting these Federal Communications Commission regulations.

Every interested person is urged to write to the Federal Communications Commission. FCC Reference Room, 1919

M Street NW., Washington, D.C. 20554 before the April 9 comment period ends.

In addition, I urge all Members and readers of the CONGRESSIONAL RECORD to support the provisions of the bill that I have introduced today as well as any efforts to retain the Grand Ole Opry as a way of life for its large and dedicated listening audience.

A copy of my legislation reads as follows:

H.R. 1913

A bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from prescribing rules which would permit duplication of radio broadcasting station assignments on Class I-A clear channels, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"CLEAR CHANNEL BROADCASTING STATION ASSIGNMENTS

"SEC. 332. Notwithstanding any other provision of this Act or any other provision of law, the Commission shall not have any authority to prescribe or administer any rule which would—

"(1) authorize or otherwise permit or allow the amount of duplication of radio broadcasting station assignments on Class I-A clear channels to be increased to an amount greater than the amount of such duplication which is authorized under rules of the Commission in effect on February 1, 1979; or

"(2) rescind, repeal, or limit the application of the provisions of section 1.569 of title 47, Code of Federal Regulations, as in effect on February 1, 1979, which prohibit any interference or overlap with Class I-A radio broadcasting stations which operate on unduplicated Class I-A clear channels.".

CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED FEDERAL BUDGET

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, a new political wave has been sweeping across America, and it is beginning to break over Washington. It carries urgent pleas for consideration of a constitutional amendment requiring a balanced Federal budget.

We must deal with it. Most important, we must consider the depths of the wave as well as its spectacular surface. We must look beyond its immediate contours and try to foresee its impact—and the consequences of any action we might take in Congress.

I am certain of one characteristic of this movement for a balanced budget: It holds immeasurable implications for the future and uncharted dimensions related to the way in which our Government operates. On this issue, we face a great unknown.

Since last summer, staff members of the House Judiciary Committee and I have devoted considerable study, thought, and discussion to the many proposals advanced and the many resolutions introduced, which differ in detail but all of which call for a constitutional amendment.

I wish to announce that the House Committee on the Judiciary will conduct hearings centered on the basic proposal to amend the Constitution to require a balanced Federal budget each year.

We will prepare for the hearings calmly, carefully, and thoroughly. We will conduct the hearings with a full awareness of the gravity of any action to amend the Constitution of the United States.

We will take the time necessary to assure, in advance, that the hearings will be deliberate, fair, and comprehensive. The hearings will require diligent work and deep thought.

The imperative need is to study, to inquire, to deliberate on the vast implications of this issue—not to decide or rule now, on superficial grounds or capricious political considerations.

No matter how many resolutions are introduced—and more than 50 have been introduced in the House so far in this session—and no matter how many influences are exerted, I will urge that the Judiciary Committee remain an island of reason on this issue.

A constitutional amendment requiring a balanced budget may, ultimately, be a correct action. But I share the spirit of caution in these words, spoken by Abraham Lincoln in 1848, when he was a Member of Congress:

> I wish now to submit a few remarks on the general proposition of amending the Constitution. As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. Better not take the first step, which may lead to a habit of altering it. Better, rather, habituate ourselves to think of it as unalterable. It can scarcely be made better than it is.

Many, many questions will have to be answered before we can act on the proposals to amend the Constitution to require a balanced budget. The Judiciary Committee will examine each question dispassionately.

I have already considered some of the fundamental questions related to this issue, and I do not yet know the answers. I doubt that anyone does.

Would a constitutional amendment requiring a balanced budget work?

Would it be enforceable?

How would the suggested major exception to the requirement—"a national emergency"—be defined?

Is it wise to eliminate the discretion of elected representatives on budget and fiscal matters and replace it with an inflexible rule?

What would be the effects of a Constitutional amendment requiring a balanced budget on inflation? On unemployment? On the Government's ability to engage fiscal policy to prevent recession?

Behind the opinion polls and the press headlines, what do the people of the United States really want? A balanced budget? Reduced government spending? Reduced taxes? Reduced Government services? Reduced inflation rate? All of those or some of them or none of them?

Does the purpose of the people on this require the severe step of amending the Constitution, or are there alternative actions possible?

What would a budget-balancing amendment do to the ability of Congress to perform its responsibilities within our system of representative democracy?

Would an amendment of this type preserve the integrity of the Constitution of the United States, which has served and guided us so magnificently throughout our history?

I will continue to devote study and thought to these and other questions.

The House Judiciary Committee and its staff will prepare as fully as possible for hearings to examine these and many more questions.

Those hearings will, I am confident, provide the basis for calm, logical, informed, and wise judgments.

□ 1115

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I am delighted that Representative PETER W. RODINO, the distinguished chairman of the Judiciary Committee, on which I serve as the ranking member, is announcing a firm intention to hold hearings on the proposal to amend the Constitution to require a balanced Federal budget.

In so doing, the chairman is responding to a groundswell of public opinion sweeping the country, a tide which is manifest in resolutions thus far received from 25 States asking for action on the balanced budget issue—with more such resolutions certain to come.

In my judgment, a constitutional convention may well not be the best way to proceed, and, therefore, the chairman's promise of congressional action is doubly welcome for providing a means by which the task of amending the Constitution can be dealt with in a more careful and orderly manner.

Behind the scenes, the Judiciary Committee has, in fact, been moving ahead on this issue for some time on a bipartisan basis. Last August, a Committee request for an analysis of the balanced budget concept was made to the Library of Congress. A study by the Public Interest Economics Foundation was commissioned by the committee last fall on the economic issues raised by proposed constitutional amendments to require a balanced budget. Numerous discussions have been held, generally on a bipartisan basis, with experts on the issue from the Brookings Institution, the American Enterprise Institute, the Hoover Institution, the Library of Congress and others.

The responsible course for the Judiciary Committee, which Chairman RODINO's statement gives promise will be followed, will be to schedule early briefing sessions for Members and staff and to follow them up promptly with comprehensive hearings. I am gratified to be able to report that a number of the economists and others with whom we have been meeting have offered the assistance of their organizations in both the briefing and hearing stages of our committee's consideration of the proposed amendment. I am not taking any position as to what form an amendment should take, but I have concluded on the basis of my examination thus far that a constitutional amendment offers the best means of imposing the necessary fiscal discipline on the Executive and the Congress.

Again, I welcome Chairman RODINO's statement and I can assure him of the solid interest and enthusiastic cooperation of the Republican Members on his committee for early hearings—and resolution of this all-important national issue.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, can the distinguished gentleman tell us how soon this might be; is it within the next month?

Mr. RODINO. Without attempting to avoid giving the gentleman a positive response, I might say that because the issue is one of infinite complexity with enormous consequences, I believe we have got to prepare with great care to assure that the hearings will be the kind of hearings that the gentleman and others who are concerned and the American people will require of us.

For this reason, I cannot say at this time precisely when the hearings will take place. I want to assure the gentleman that we will not delay. We will proceed posthaste immediately upon having prepared for this.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, the gentleman probably thinks it would be within the next 2 or 3 months?

Mr. RODINO. I have every reason to believe the gentleman's statement is reasonably accurate.

THE INTRODUCTION OF THE BIENNIAL BUDGETING ACT

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, today I am reintroducing the Biennial Budgeting Act, a bill I sponsored in the 95th Congress which would switch Congress over to a 2-year budget timetable, in place of our present annual system.

Let me say as a newly elected member of the House Budget Committee that I deeply admire and support the work of the committee. Under our present 1-year system, the crush of work that faces the committee in attempting to responsibly prepare and report out a budget resolution covering more than $500 billion worth of Federal programs is staggering. The committee, under the leadership of the gentleman from Connecticut (Mr. GIAIMO), has in fact been the cutting edge of fiscal restraint in the House.

There can be no doubt that the basic guiding principles of the budget system do work. In the last year, for example, the committee was able to reduce the projected fiscal year 1979 deficit by billions of dollars in the second budget resolution, merely through closer oversight and scrutiny of economic and budgetary fluctuations during the year. The committee and the process met the test: more oversight does and did lead to better control over the size of the budget.

It is with that observation in mind that I propose the Biennial Budgeting Act, which will give Congress a full 6 months of oversight, as well as another 6 months for hearings and markup of specific legislative proposals, before the budget resolution and specific bills actually come before the full House. It is my firm belief that this additional time will greatly help us get a handle on the hundreds of Federal programs and agencies and enable us to begin building a more effective, long-term budgeting system.

I believe that the central thrust of our future budgeting schemes must be around long-range planning. Long-range planning is basic to every good budget system and the Federal Government should be no exception. For example, when a family plans its budget, it allows money each year for relatively fixed costs or easily estimable costs, such as housing, food, clothing, transportation, and then considers on top of that fixed figure what extras or emergencies it should budget for. If the same family used the system we use, it would compute these costs each year as though they were entirely new and unexpected costs, and then recompute the extras, instead of focusing on the "discretionary" costs that it has some real control over. Clearly, such a system would not give a family a proper focus on its budget or on where it hoped to be in a few years. The problem is bogging down each year on relatively unvarying costs and losing perspective on the overall fiscal status.

This is just what we do in Congress. Instead of looking at the long-range costs of a given program, for example, and how those costs fit into our budget plans for the future, we look at the 1-year costs. For new programs, these costs are usually very low at first, giving a distorted picture of their overall impact on the budget in coming years. Of course, once the program is started and costs rise steeply, we are told we must continue with the program, despite its budgetary impacts, because we have already invested a certain sum of money in the program. This is a never-ending cycle.

Obviously, there are unpredictable factors in the budget process that cannot be accurately forecast far in advance. The rate of inflation, the unemployment level, and other key economic indicators fluctuate almost daily and clearly, these factors must be taken into account. However, a great number of budget items do not reflect these economic changes and can be budgeted far in advance.

In addition, even for programs that are sensitive to economic indicators, we can set goals and targets for future years, with built-in allowances for economic contingencies. For example, we can decide a year in advance where we want to be in terms of eligibility standards for certain entitlement programs and incorporate those budgetary impacts in our long-term planning.

In addition, with the increasing popularity of full funding of many large-scale projects, such as weapons systems or water projects, we need to see the impact of yearly payouts for those projects on our budget outlays. For example, it is my understanding that the Congressional Budget Office has determined that the 3-percent real growth contained in the defense function of the President's proposed budget is accounted for by "spinouts" from prior-year authorizations for weapons systems. At the same time, there are some $75 billion in the pipeline of appropriated but unspent defense funds that will show up in coming-year budgets, thus distorting those budgets. Without some kind of long-term budgeting, we face this problem over and over again each year, as though we were encountering it for the first time.

Unless we begin soon to deal in multiyear terms, we are in great danger of losing what control we do have over future budgets. As CBO points out in its 5-year budget projections report to the Congress:

> The Congress has wide discretion over spending that will occur in later years—fiscal year 1982, for instance—but under the present scheme it will adopt no 1982 targets until 1981, by which time its choices will be narrowly circumscribed. In the absence of multi-year budget targets, the short-term consequences of legislative actions tend to overwhelm the longer range considerations.

Fortunately, there are some indications that many involved in the budget process are beginning to recognize the need for longer term planning. Over the objections of many in his administration, the President has imposed a new budgeting system on the bureaucracy that requires 2 year planning beyond the fiscal year for which the formal budget is presented.

In addition, the Senate Budget Committee voted on multi-year targets in its fiscal year 1979 budget consideration. Pursuant to its responsibility under the 1974 Budget Act, the Congressional Budget Office has for several years now been presenting Congress with 5-year budget projections, along with various alternative budgetary scenarios that the Congress might pursue to achieve specified fiscal goals. It is my hope that the House Budget Committee will this year participate in this kind of long-range planning process.

At this point, however, these activities are merely on the plannng level. While we do need to begin gaining experience with long-range budgeting, I believe that, ultimately, the Congress must commit itself to longer term budgets. Without this kind of commitment, it becomes easy for Congress to violate its own budget goals for future years by authorizing seemingly small programs that, taken together, can have major impacts on future year budgets.

This lack of discipline, particularly over future year budgets, is precisely the essence of the problem that faces the Budget Committees each year. We must address it on longer-term bases or we are

in danger of winning the battle for fiscal restraint each year and losing the war in future years, as greater and greater proportions of our budgets become "uncontrollable," because of huge, out-year authorizations in prior years that were never accounted for in the budget process.

A biennial budget system, built around 2-year life of each Congress, offers an ideal way to begin committing ourselves to such fiscal discipline and to begin planning for where we want to be in coming years. Besides improving our budgeting and planning capabilities, such a system would allow us sufficient time to examine programs and find areas within current year budgets where responsible cuts and reductions can be made. These reductions, in addition to reasonable controls that we will be able to place on future year budgets, will without doubt return us quickly to sound, effective, and responsible budget-making that will lead our Nation back to economic health.

PRESIDENT CARTER'S FOREIGN POLICY—ROSES FOR THE ENEMY, AND THORNS FOR OUR FRIENDS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, Communist China's Vice Premier Teng Hsiao-Ping brought everyone's attention to the word "hegemony" during his U.S. visit.

Until recently, our Government leaders had always vigorously opposed Communist "hegemony"—attempts by Soviet Russia, Communist China, and their client regimes to impose totalitarian domination through subversion, force, and violence.

But "hegemony" is Teng's codeword against specifically Soviet totalitarianism.

And since President Carter will not upset the Soviets by publicly criticizing anything Moscow does, he insisted on also adding the redundant word "domination," supposedly to soften the joint statement with Teng at the conclusion of his visit.

This whole episode again demonstrates the President's apparent eagerness to appease Communist powers at all turns, while he is unashamed to kick in the teeth and humiliate long-standing U.S. friends such as Taiwan.

I would like to include at this point in the RECORD a good editorial on this subject from the Phoenix Gazette:

[From The Phoenix Gazette, Feb. 5, 1979]

TOO DOMINATING

A word that sounds almost as foreign to the American ear as Teng Hsiao-ping has become prominent in the news as a result of the Chinese vice premier's visit to the United States.

HEGEMONY—Preponderant influence or authority (as of a government or state): Leadership, dominance. A government or state possessing hegemony. *Webster's Third New International Dictionary.*

This is the Communist Chinese code word for Soviet Union world aggression.

Teng's hosts in America were rather hoping that he would shun use of this term. U.S. officials trying to establish relations with Peking at the same time that they were trying to conclude a strategic arms limitation treaty with Moscow, didn't want Teng saying anything to upset a delicate diplomatic balancing act.

As for Teng, he obviously could care less. He was anything but hesitant about applying the word hegemony to China's Red rivals. And, not only did he get away with it, but he had his Washington hosts joining him.

When Teng began his visit last Monday, Secretary of State Cyrus Vance said no joint communique would be issued. By Thursday, after Teng had "hegemonized" all over the place, President Carter joined Teng in issuing a press communique that, among other things stated: "They reaffirm that they are opposed to efforts by any country or group of countries to establish hegemony or domination over others . . ."

Chalk up another complete capitulation on Carter's part. Since it is synonymous with hegemony, domination would have sufficed in the communique. But no, Carter had to let Teng have his way.

If and when SALT II is concluded and President Brezhnev visits the U.S., we suppose Carter will give him a chance to respond to Teng in kind. This is called even-handed diplomacy.

□ 1120

TEACHER'S DAY USA RESOLUTION

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today I am introducing a resolution to honor and recognize our Nation's teachers by designating the first Friday of March of each year as "Teacher Day, USA."

We have all, I am sure, had a teacher who had a strong influence on our lives in one way or another. A teacher whose dedication and hard work enriched our classroom experiences and our lives far beyond those few years spent in school. By designating a special day to honor our teachers we have the opportunity of paying high tribute to that individual teacher.

Teachers Day could be a day when students at all grade levels would be encouraged to pay tribute to individual teachers through a kind note or word or in many other appropriate ways. Former students may wish to communicate their appreciation to the teacher whom they felt was a strong influence in their lives.

The Teacher Day, USA concept initiated by the Kansas Teachers Hall of Fame has received a tremendous response from the State conventions to the PTA, the Kansas State Legislature, the Retired Teachers Organization, the Kansas-National Education Association and many other groups. I urge my colleagues to support this resolution recognizing the efforts of teachers throughout our Nation.

RESOLUTION ON "LEGISLATIVE AGENDA"

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUSTER. Mr. Speaker, it is my honor as chairman of the Republican Policy Committee to report to this House that in its organizational meeting the policy committee unanimously adopted the following resolution:

Whereas, after more than forty years of Democrat domination of Congress, the Democrats and their leadership stand indicted before the American people and before history for inflicting upon the American people the ravages of inflation, the burdens of massive taxation, and the heavy hand of excessive regulation: Now, therefore, be it

Resolved, That the Republican Policy Committee of the U.S. House of Representatives hereby reaffirm the "Legislative Agenda of a Republican House" which was adopted by the Policy Committee of the 95th Congress, as the foundation upon which Republican policy shall be built during this, the 96th Congress.

Mr. Speaker, that Republican agenda calls for permanent tax cuts, for economic growth, for the elimination of excessive regulation, and for a reduction in Government spending. The agenda calls for a balanced budget and a significantly lower tax burden of only 18.6 percent of GNP.

Where do the Democrats and their leaders stand on these issues? The American people have the right to know that Republicans embrace these principles because we believe in them, and not as some political expedient. We urge the American people to measure the performance of their Congressmen not based on rosy rhetoric, but rather on the reality of their voting records in the months ahead.

DO COLLEGE STUDENTS HAVE SENSE?

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, many times when you have visited a college campus, you wonder do college students have any sense. They use five syllable words to confuse you. They will quote Shakespeare. They can amaze you with a mathematical computation. But when it comes to logic and commonsense, they often appear to be completely minus.

I read an interesting article by a young lady named Heather Richardson who is in the class of 1981 at Wellesley College.

My wife showed me this article which appeared in a recent copy of the Wellesley newspaper. This young Wellesley sophomore impressed me with her logical mind. Read some of the key paragraphs of her outspoken statement.

YOU CAN'T BASE FOREIGN POLICY ON MORALITY ALONE

(By Heather Richardson, '81)

A fair assumption is that students do mull over politics, and occasionally include in their thoughts the rather broad topic of foreign policy.

Divestment, of course, has been the predominant issue on campus. Except for the Nestlé Boycott and its infrequent appearances, it seems in fact to be the only international issue of concern. The argument most often given to support divestment is that of morality: it is morally wrong for us to do business with an "oppressive regime." Pragmatists tend to be looked on with scorn, as are those favoring a more tentative course of action. Morality is a definite goal, one which should be reached, apparently, with all the immediacy and public display possible.

The first is one of moral consistency. By their very nature, morals derive their value from continuous application, not just from application wherever they may profitably flourish. Selective morality is no morality at all. If we take the position that our brand of morality is the correct version (quite a presumption in and of itself) and that we should in essence force it on those with whom we deal, then that standard should be uniformly applied.

The individual who can condemn South Africa and not chastise the Organization of African Unity (OAU), is highly subject to a questioning of his "moral" motive. For of the forty-nine member states, only four have anything resembling democratic institutions, the rest being either one-party states or military dictatorships. Furthermore, the president of the OAU is Idi Amin, that compassionate individual who praised Hitler for his treatment of the Jews and, in his own racist fashion, expelled Asians from Uganda and did his best to eliminate all the leading families of the Acholi and Langi ethnic groups. It would be remiss of those protesting Biko's death in a South African prison not to decry the murder of Ijegayehu Asfa-Woosen, the late Emperor Haile Selassie's daughter, who died under almost identical conditions in a prison hospital in Ethiopia last year. To ignore countries which commit even greater crimes, such as Cambodia—three million liquidated at latest count—indicates a heavily weighted double standard.

The second question the individual who protests on moral grounds must ask himself concerns whether or not the *result* of his advocated action would be moral. The road to you-know-where is paved with good intentions. Is advocacy of the annihilation of any tribe, even a white one, moral? Even more, is it wise?

And if you compound their grievances and worsen your own circumstances, economically, politically, and strategically, can you claim the tenuous self-congratulatory satisfaction you received from that protest as sufficient reason?

Certainly I don't pretend to advocate apartheid. Yet I don't condone hypocrisy, the double standard, either. Shouldn't the proponent of human rights go after the worst culprits first, however, as opposed to being swayed by the media?

Interestingly, a survey of the New York Times, The Washington Post, NBC, CBS, and ABC, in 1976 revealed that they discussed human rights in Cambodia 137 times, in South Korea ninety times, while in North Korea once, and in Cuba seven times. In those two newspapers alone, however, there were 513 stories, editorials and columns about human rights in South Africa. It seems, then, that those countries friendly to the United States, which allow our reporters to talk with whomever they please, are rewarded with incessant criticism.

The real world is full of countries that cannot match our expectations. Are we so perfect ourselves as to demand perfection from our friends, particularly when we overlook the shortcomings of our foes?

HONORING THE OUTSTANDING WOMEN OF CENTRAL NEW YORK

(Mr. LEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEE. Mr. Speaker, it is a tradition of over 30 years' standing—dating back to 1949—for the Syracuse Post-Standard to annually honor central New York's most outstanding women in community service. Since 1953, the Post-Standard has been joined in this public recognition of a select list of women of achievement by the Syracuse Federation of Women's Clubs.

Designation of each year's recipients is made on January 1, followed within a few weeks by a gala luncheon at which the citations and awards are presented—an event which takes place in Syracuse today.

I am privileged to share with you the pride those of us who are part of the central New York community have in the special leadership accomplishments of each of the women of achievement, circle of 1978:

Mildred A. Eggers, all time; Annetta Kaplan, the arts; Hon. Mathilde Bersani, career; Joyce Tabb, communications; Letty Murray, cultural development; Dr. Ruth Stoner, health; Lynn Mehar, Arcenis London, education; mental health; Dr. Sarah Short, nutrition; Gladys Wood, religion; Elizabeth Higbee, communications.

Each of them, along with the guiding spirits behind their public tribute—J. Leonard Gorman, executive editor, and Lois Vosburgh, family living editor of the Post-Standard—have richly earned the salute being given them today.

□ 1125

CHINESE HAVE LOT OF EXPERIENCE IN ORGANIZING SOCIETY

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I know it will come as a shock to many Members, but I do read the Washington Post. Quite often I glean something educational, interesting, and otherwise beneficial.

I want to call the attention of the Members to the Washington Post of Thursday, February 1, 1979. As a follow-up to the visit of the leader of the Government of the People's Republic of China it had an article on John K. Fairbank, and here is what Mr. Fairbank said:

"I think the two countries have a lot to offer each other," he says. "We're learning from them in many forms—cuisine for one. And the Chinese have had a lot of experience in organizing society."

Mr. Speaker, I guess that would somewhat be an understatement of the year. I would say they have had a lot of experience organizing society. They have one of the most repressive societies in the world, as indicated by Freedom House and Amnesty International. I have not looked at the Guiness Book of Records. They also hold the record for the extermination of the most people, the record being somewhat between 25 and 50 million, according to the statistics.

So, indeed, they have had a lot of experience in organizing society.

STRONG TIES WITH TAIWAN SHOULD BE ESTABLISHED BY CONGRESS

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, today I am introducing a resolution urging the United States to assure our friends on Taiwan that they have not been abandoned and that it is the intention of the United States to continue on a normal basis our political, economic, cultural, social, and trade relations with their country.

Mr. Speaker, for more than three decades we have shared a close, friendly relationship with these proud people. We cannot at this time turn our backs on one of our most faithful allies. We must continue to offer to the people of Taiwan our assistance in defending their country and assuring that they remain a free people.

Mr. Speaker, last week I, along with the majority of the Members of this body, had an occasion to meet with Vice Premier Teng Hsiao-Ping of the People's Republic of China; and, although I feel it is time for our two great nations to resume normal relations, I do not feel we can do this without first being assured of a secure future for Taiwan.

One of the biggest roadblocks to accomplishing this goal appears to be resolving the question of whether Americans may deal directly with officials and private individuals in Taiwan or only through the official sanction of the Communist People's Republic of China.

Mr. Speaker, I urge the other Members of this body to join me by cosponsoring this legislation which would give our pledge of continued support of political, economic, cultural, social, and trade relations with this great and friendly nation.

THE BEGINNING FARMER'S ENTRY ASSISTANCE ACT

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, as a lifelong resident of a rural State, South Dakota, I have been a witness to the decline of the family farm and the growing frustrations of young men who without the benefits of inheritance or substantial financial reserves, find it impossible to enter farming on a full-time basis.

The trend in farming today is to larger operations with fewer operators. Since 1954 the number of farms across the United States has decreased from 5.4 to 2.7 million. In my home State of South Dakota, between 500 and 1,000 farmers leave farming annually. Today farmers comprise barely 3½ percent of the total American population.

This is a trend that is leading to large agribusiness corporate investments in

farmland, both from domestic as well as foreign corporations. As a result of the speculative nature of these investments, the young family farmer gets priced right out of the market. This is proven by the startling statistic that nationally, farm real estate values have increased 263 percent alone over the period from 1967 to 1977. Again, in South Dakota, the value of farmland doubled between 1974 and 1978. Obviously it requires a massive capital investment to buy land alone, much less machinery, fertilizer and housing.

To me it seems criminal when a qualified individual is denied access to an occupation because he cannot make an initial investment. This is precisely what is happening today in the rural areas of our country. A 1973 USDA study shows capital needs for a technically optimum one-person farm to range from $158,000 for a Louisiana soybean farm to $610,000 for an Indiana corn farm.

Here again, inflation dramatizes the differences, in 1940 it cost $6,000 to start a farm and in 1969 it cost $85,000. In conjunction with the increasingly high break-even point of production it is little wonder that farming is no longer looked upon with enthusiasm as a lucrative business to get into.

Financing for family farming is nonexistent for those just beginning. Present loan authority for family farmers under the Farmers Home Administration is totally inadequate. FHA funding on the whole has never been sufficient to finance all eligible borrowers, much less comprehensive requests for one-half million dollars to start family farmers. Forty-three percent of present FHA loans are made for real estate purchases alone, indicating the partial nature of current funding programs.

More than anything else the inflationary nature of land values and production costs have created a negative atmosphere that allows corporate takeover of farmland which in turn has reduced the ability of young farmers to enter the market. As a result of this situation I am proud to join in sponsorship of the Beginning Farmer's Entry Assistance Act. This act, which accounts for State and regional control, seeks to establish a program within the Department of Agriculture that will provide financial assistance through a new loan program to individuals seeking to establish and operate full-time family farms.

The Secretary of Agriculture through the new program is authorized to guarantee up to 90 percent of the principal and interest on such a loan to those individuals who have met the approval of their appropriate State agency and are qualified under the specifications set forth in the act. Governors of the States seeking to participate in the program must submit an application, subject to the approval of the Secretary.

The act also contains provisions for full oversight capabilities and allows for amendments to the portion of the program administered by the State. Furthermore, existing loan agencies, namely the Farmers Home Administration, are expected to cooperate fully with the State agencies administering the program.

In concluding these remarks, Mr. Speaker, I feel that the Beginning Farmer's Entry Assistance Act will catalyze a resurgence of the family farm and reverse the trend to large corporate farms that is currently taking place. This revitalization of our farm areas and the communities that depend on a strong farm economy, will be of benefit to urban and rural dwellers, alike. Thank you.

CAMPAIGN CONTRIBUTIONS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, campaign contributions—which are acceptable and which are not—are the subject of frequent discussion among all of us. One aspect which has never been finally settled is whether a person can accept, that is, receive, an unsolicited campaign contribution in a Federal building.

Last year I asked the Select Committee on Ethics for an advisory opinion on the question of the receipt of unsolicited campaign contributions in Federal buildings. I am inserting a copy of the reply that I received from the committee since the information contained therein may be helpful to my colleagues in the future.

SELECT COMMITTEE ON ETHICS,
Washington, D.C., November 1978.

Hon. GEORGE DANIELSON,
Rayburn House Office Building,
Washington, D.C.

DEAR GEORGE: This is in reply to your letter of October 13, 1978, wherein you request an advisory opinion concerning the receipt of campaign contributions in federal buildings.

Specifically, you asked whether it is proper for a Member of Congress to receive a campaign contribution in a federal building when the contribution is offered as a spontaneous act of the donor and not in response to a solicitation by the Member or his agent. As you know, there is a statutory prohibition against the solicitation or receipt of campaign contributions in a federal building (18 U.S.C. 603). It is, of course, beyond the jurisdiction of this committee to render an advisory opinion on the application of this statute to the situation you describe, but the following discussion is provided on an informal basis for your information.

The views of the Department of Justice on the operation of 18 U.S.C. 603 and related statutes are contained in a letter from Patricia Wald, Assistant Attorney General of Legislative Affairs, to Senator Howard Cannon, Chairman of the Committee on Rules and Administration. That letter, dated October 21, 1977, sets forth the following views: ". . . we do not feel that a prosecutable violation of this section (603) results when political contributions are sent unsolicited to a Senator's office, provided the corpus of the donation is transmitted to the Member's political committee as soon as is feasible. On the other hand, violations of Section 603 would occur, in our view, . . . where political contributions are routinely accepted in . . . (a Member's office) and used for political purposes without transmission to a political committee."

In addition, the American Law Division of the Library of Congress has prepared an analysis of 18 U.S.C. 603 and related statutes governing political contributions. That report specifically addresses the question you raise as follows:

"It is not unusual, however, and is often unavoidable that unsolicited campaign contributions will be received through the mail, or a contribution by a supporter will be tendered in person, within a congressional office. When this situation occurs it has been advised that as a practical matter the congressional employee accept the contribution only as a transmittal for subsequent forwarding, as soon as possible, to appropriate campaign personnel outside of the congressional office for actual receipt and acknowledgement of the contribution. When contributions are offered in person within a congressional office, it has further been advised to suggest, when practical, that the contribution be tendered instead to the appropriate campaign committee. . ."

Based on the foregoing, it would appear that a prosecutable violation of 18 U.S.C. 603 would not result when a Member receives an unsolicited campaign contribution in the Capitol or the House office buildings and subsequently transmits the contribution directly to his campaign committee.

If you have any further questions on this matter, please contact the Select Committee staff on ext. 58461.

With best wishes,

Sincerely,

RICHARDSON PREYER,
Chairman.

DISABILITY INSURANCE AMENDMENTS OF 1979

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, last September 15 the Social Security Subcommittee of the House Ways and Means Committee approved a bill enacting substantial revisions in the social security disability program.

Today I am introducing a bill similar to that one for the purpose of providing a framework for discussions and action on this subject by the subcommittee this year. I am pleased that the Ways and Means Chairman AL ULLMAN, and the full and subcommittee ranking Republicans Congressman BARBER CONABLE and Congressman BILL ARCHER are joining me in this measure.

The committee has conducted substantial work in the disability field over the past several years and we hope to move rapidly to complete that work through this bill.

Actuarial work requested by the subcommittee indicates that the disability system is performing better than had been expected, and that fewer benefits are being awarded than was earlier projected.

However, an early analysis of that information indicates that the progress is at best fragile and may well prove illusory. In addition, the program has many aspects which have not worked equitably and which have worked as disincentives against people returning to work.

It is imperative I think that we move ahead to enact reforms in the disability area.

I think that many of the recent improvements came about because of the intense activity of the subcommittee in this field in recent years. That momentum must be continued.

Following is a brief discussion of the

bill as it is being introduced. While this version maintains the various reforms, proposals to liberalize benefits have been left out pending further study and discussion.

WORK INCENTIVES

One of the continuing problems in disability is the fact that the amount of benefits received by disability beneficiaries may constitute a substantial work disincentive. Decoupling legislation enacted in 1977 helped to some degree in this regard but many commentators think the disability benefit formula itself still creates a major problem.

Recent actuarial studies in both the public and private sector have indicated that high replacement rates (the ratio of benefits to previous earnings) have constituted a major disincentive to disabled people in attempting rehabilitation or generally returning to the work force. A recent analysis by the social security actuaries has indicated:

The average replacement ratio of newly entitled disabled workers with median earnings and who have qualifying dependents increased from about 60 percent in 1967 to over 90 percent in 1976, an increase of about 50 percent. During this time the gross recovery rate decreased to only one-half of what it was in 1967. High benefits are a formidable incentive to maintain beneficiary status especially when the value of medicare and other benefits are considered. We believe that the incentive to return to permanent self-supporting work provided by the trial work period provisions has been largely negated by the prospect of losing the high benefits. ("Experience of Disabled-Worker Benefits Under OASDI, 1972–76", actuarial study No. 75, June 1978.)

John H. Miller, probably the most knowledgeable disability actuary in the private sector, points to the role of high replacement rates in recent adverse social security disability experience:

The evidence is clear that liberal disability benefits induce both an increase in the number of cases approved and the prolongation of disability. From a social and humanistic point of view, we are presented with a dilemma, namely, how we can provide adequate benefits to those unfortunate individuals who become and remain truly disabled, without removing or greatly reducing the incentive to overcome the disability.

There is evidence that high replacement rates increase the incidence rates for private group long-term disability insurance policies. Private insurance plans with replacement rates in excess of 70 percent have disability incidence rates two-thirds higher than the average, and plans with replacement rates below 50 percent have incidence one-third below average. Because of this experience, private insurers generally attempt to limit disability benefits to 50 to 60 percent of gross earnings. In a speech in April in Chicago, Secretary Califano noted the following as one of the danger signs in the disability program:

SOME BENEFICIARIES RECEIVE EXCESSIVE BENEFITS

Six percent of last year's awards actually increased the disabled person's after-tax income. Almost one-fifth of awards produced earnings replacement rates of more than 80 percent.

The bill attempts to deal with these problems with a number of provisions designed to stimulate work incentives:

First. As to excessive replacement rates the bill would limit total DI family benefits to the smaller of 75 percent of a worker's average indexed monthly earnings (AIME) or 150 percent of the worker's benefits. No family benefit would be reduced below 100 percent of the worker's primary benefit.

Second. To further reduce the disparity in disability benefits between young and older workers, the bill would vary dropout years by age for disability awards after 1979. There would be no dropout years allowed for workers under age 28 and the number of years would gradually rise to 5 dropout years (which is existing law) for workers age 45 and over. However, if a worker provided principal care for a child under age 6 for more than 6 months in any calendar year, the number of dropout years would be increased by 1 for each year but to not more than 5.

Third. The bill extends the trial work period so that benefits would be paid regardless of earnings during the first 12 months of benefit status and then suspended during the next 12 months but benefit eligibility would not be terminated. The present trial work period of 9 months seems to be an insufficient work incentive for work attempts.

Fourth. The bill also provides trial work periods for disabled widows and widowers. There appears to be no justification for the lack of applicability for trial work to this category of beneficiaries.

Fifth. The bill eliminates two work disincentive provisions which relate to the medicare program:

(a) Medicare coverage would be extended for 24 months after a benefit termination for work after the trial work period;

(b) The medicare second waiting period would be eliminated.

Sixth. To further stimulate work efforts for severely disabled individuals there would be excluded from earnings used in determining ability to engage in substantial gainful activity the costs to the worker of any extraordinary work expenses necessitated by a severe impairment. Also authority to waive benefit requirements of title II and XVIII would be authorized so that demonstration projects could be carried out to ascertain alternative methods of treating work activity to stimulate a return to gainful employment by disability beneficiaries. Research findings in this area are urgently needed for enlightened policy determinations.

PROGRAM ACCOUNTABILITY AND UNIFORMITY OF ADMINISTRATION

Concern in this area is not only one of cost control but also one of trying to effectuate more uniformity of administration so that beneficiaries regardless of their place of residence will be treated on an equal basis as to this Federal benefit. The bill attempts to strengthen the Federal-State adjudicative structure and reinstitute more Federal review of State decisionmaking.

This does not prejudice the issue of whether complete federalization may be the more desirable route. The subcommittee and the administration continue to actively explore this alternative, and the latest GAO report in this area recommends that legislation be developed to bring the disability program "under complete Federal management."

As to the State agency operation, the bill requires that the Secretary may enter an agreement with a State only where there is an agency which could efficiently and effectively carry out the required functions. The bill would also have required that the agreement "contain such terms and conditions which will assure effective and uniform administration throughout the United States." The idea is to give a statutory underpinning for the GAO suggestion in its first report on the Federal-State system that more Federal leadership and control could be achieved by the more aggressive use of the Federal-State contract mechanisms. With such authority the Social Security Administration would set and enforce standards for, among other things, quality control, a uniform training program, and model administration structures, personnel requirements, and claims processing procedures.

A corollary provision in the bill is specific authority in the Secretary to terminate an agreement because of unsatisfactory performance or because such an agreement was inconsistent with effective administration. The necessity for this provision is emphasized by the recent action of the Council of State Administrators of Vocational Rehabilitation which has recommended the rejection by the States of some modest amendments of the State-Federal agreement emphasizing uniform standards and administration which had been worked out by a task force of Social Security Administration and State agency personnel. The council stated:

State directors should be aware that there is no expiration date for the current State-Federal agreement for carrying out the disability determination functions. In fact, there is no legal basis requiring a State to sign the proposed new agreement. States which are dissatisfied with the proposed revision can continue to manage the disability determination function under their current agreement with the Secretary of Health, Education, and Welfare.

The bill would also prohibit what is known as "indirect costs" whereby the parent agency is reimbursed under an HEW formula for the services it renders to the disability determination unit. Although this approach is perhaps appropriate to grant-in-aid programs, it is not for the national social security program supported by the payroll tax. Currently as to "indirect costs" the Social Security Administration has no responsibility in determining whether these costs charged to the disability trust fund are valid. The bill would insert the word "actual" before "costs" in the provision which authorizes reimbursement to the State agency for expenditures under the agreement. It would be our intention that the Social Security Administration in its regular budget process with the State agencies

should examine these "indirect costs" charged to the trust fund to see if they are truly ones that should be charged against the disability program.

As to increased Federal review of State agency decisions, budget pressure in 1971–72 to reduce Federal staffing forced the Social Security Administration to take administrative steps which were tantamount to an amendment of the statutory scheme of the disability insurance program. It moved in rapid steps from what had been about an 80-percent review of the State agencies disability allowances prior to their making awards—preadjudicative—to a sample review involving only 5 percent of State cases after the awards were made—postadjudicative.

The social security actuaries have reported:

> We believe that these changes in review procedures have contributed to higher incidence rates since 1977.

The bill returns to the situation existing prior to 1972 as to the review of allowances. The requirement in the bill for increased Federal review on a preadjudicative basis is phased in over a 3-year period so that there can be an orderly increase in the highly trained staff necessary to carry out this purpose.

The subcommittee is also concerned by the lack of followup on the medical condition and the possible work activity of individuals who have been on the rolls for years. The bill provides, therefore, that unless the adjudicator in the State agency makes a finding that the individual is under a disability which is permanent, there will be a review of the status of disabled beneficiaries at least once every 3 years. The bill emphasizes that all existing reviews of eligibility under the law are to be continued and expanded where necessary.

REHABILITATION EXPENDITURES AND PROGRAM EFFECTIVENESS

In recent years the cost effectiveness of the provisions which authorize vocational rehabilitation (VR) expenditures out of the disability trust fund have been questioned. Under existing law, an amount equal to 1.5 percent of disability insurance expenditures is potentially available for vocational rehabilitation expenditures. This is called the beneficiary rehabilitation program (BRP). However, in 1976 the GAO reported that previous estimates of benefit savings because of rehabilitation services were not being realized. The GAO suggested that the administration freeze funding in the program and this has been done for the last couple of years, although some increase in funding has been made available in the current fiscal year.

The bill contains a provision aimed at providing a more permanent solution to this problem. In terms of simplification and better administration, section 14 of the bill would consolidate the VR funding sources for the seriously disabled in the regular VR program. Under existing law the VR agency and counselor may have three potential funding sources for disabled beneficiaries and the required bookkeeping and juggling of differing program rationales has lead to confusion in administration. The approach in the bill also seems appropriate inasmuch as the Congress, following the recommendation of the VR administrators, seems about ready to place the regular VR program in a new Department of Education.

The bill also replaces the BRP program with a much more limited program of disability trust fund contributions for vocational rehabilitation expenditures. It authorizes bonus Federal matching of State regular VR expenditures for those individuals where the rehabilitation results in the actual termination of disability benefits for a 12-month period. The bill provides for an orderly transition to allow for adjustment of the authorization of appropriation for the regular VR program which is within the jurisdiction of the Education and Labor Committee.

The bill recognizes that some persons on the disability rolls will only be able to work in sheltered workshop situations at a wage rate which would not be sufficient to terminate their benefits. Under this, bill, there would be bonus matching for their rehabilitation expenses, but it would be subject to a requirement that they receive wages for the 12-month period after the "rehabilitation" phase of their sheltered workshop experience had been concluded.

The bill also provides that no beneficiary be terminated due to medical recovery if the beneficiary is participating in an approved VR program which the Social Security Administration determines will increase the likelihood that the beneficiary may be permanently removed from the disability benefit rolls.

APPEALS PROCEDURE—MISCELLANEOUS PROVISIONS

The bill also provides a number of provisions which make the disability adjudication and appeals process more effective and equitable:

First. The bill would provide the claimant with a more detailed explanation and rational for the decision and a written summary of the evidence.

Second. The bill would authorize the Secretary to pay all non-Federal providers for costs of supplying medical evidence of record in social security disability claims as is done for SSI disability claims.

Third. The bill would place in permanent law authority for payment of claimant's travel expenses resulting from participation in various phases of the adjudication process.

Fourth. The bill provides that the Secretary's authority to remand a court case to the ALJ be discretionary with the court upon a showing of good cause by the Secretary. The Secretary has absolute authority under existing law and this may have led to laxity in appeals council review. The bill also requires that the court may remand only on a showing that there is new evidence which is material, and that there was good cause for failure to incorporate it into the record in a prior proceeding. Under existing law the court itself, or on motion of the claimant, has discretionary authority "for good cause" to remand the case back to the ALJ. It would appear that although many of these court remands are justified some remands are undertaken because the judge disagrees with the outcome of the case which may be sustainable under the "substantial evidence rule."

Fifth. The bill also requires the Secretary of HEW to submit a report to Congress recommending appropriate time limits for the various levels of adjudication. The Federal courts have imposed such limits at the hearing level and numerous bills have been introduced to set such limits at various levels of adjudication.

The bill requires the Secretary in recommending the limits to give adequate consideration to both speed and quality of adjudication. This would force the administration in program and budget planning to take a harder look at these sometimes conflicting objectives. Congress could then evaluate the recommendations for consistency with the elements it wishes to emphasize and take further action next year.

Sixth. The bill directs the Commissioner of Social Security to carry out a demonstration project to determine the feasibility of giving every applicant who is to receive an unfavorable decision an opportunity to have a personal conference (face to face) with the individual making the decision.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT, FRIDAY, FEBRUARY 9, 1979, TO FILE REPORT ON H.R. 1894, TEMPORARY DEBT LIMIT EXTENSION

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight, Friday, February 9, 1979, to file a report, along with any separate or minority views, on the bill (H.R. 1894) to extend the existing temporary debt limit, and for other purposes.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Oregon?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I do so only to ask the gentleman from Oregon this question: Since the Committee on Rules will consider this next Tuesday, is it the gentleman's expectation that this matter will be before the House next week?

Mr. ULLMAN. If the gentleman will yield, it could be; or the week after. I cannot tell the gentleman exactly. I think our purpose will be to bring it to the House as expeditiously as we can.

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It could be up next week; more likely the following week.

Mr. BAUMAN. What is the operative date by which some action must be taken?

Mr. ULLMAN. Well, it is not now going to be able to carry the government through March 31. It looks like about March 9 is the final date that Congress must act on this matter.

Mr. BAUMAN. I thank the gentleman.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to say that it may be up several times in the next week and the following week. I would like to say though, Mr. Speaker, that it is the agreement that we had at the time this bill was considered in our committee, that we would have until Friday night. There is no objection on this side.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS AND ITS SUBCOMMITTEES TO SIT WHILE HOUSE IS IN SESSION DURING 96TH CONGRESS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means and its subcommittees be authorized to sit while the House is in session during the 96th Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 99) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 99

Resolved, That the following-named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on the District of Columbia: FORTNEY H. (PETE) STARK, California, to rank number six thereon.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS OF JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. THOMPSON. Mr. Speaker, I offer a privileged resolution (H. Res. 100) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 100

Resolved, That the following named Members be, and they are hereby elected members of the following joint committees of Congress to serve with the chairman of the Committee on House Administration:

Joint Committee on Printing: Mr. HAWKINS of California; Mr. DICKINSON of Alabama.

Joint Committee of Congress on the Library: Mr. NEDZI of Michigan; Mr. BRADEMAS of Indiana; Mr. DEVINE of Ohio, Mr. STOCKMAN of Michigan.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, this is a routine resolution which conforms to the statutes establishing these two joint committees. Section 101 of title 44 of the United States Code establishes the Joint Committee on Printing consisting of "the chairman and two members of the Committee on House Administration." Similarly, section 132b of title 2 of the Code establishes the Joint Committee on the Library consisting of the chairman and four members from the Committee on House Administration. The members are selected from House Administration who have expressed interest in these two areas.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RULES OF THE HOUSE GOVERNING STANDING COMMITTEES

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the Rules of Procedure of the Committee on House Administration; and similarly, I ask unanimous consent to insert in the RECORD the Rules of Procedure for the Joint Committee on Printing.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RULES OF PROCEDURE OF THE COMMITTEE ON HOUSE ADMINISTRATION

(96th Congress)

(Adopted, January 30, 1979)

RULE NO. 1. GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committe and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committees under Rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. 2. REGULAR AND SPECIAL MEETINGS

(a) The regular meeting date of the Committee on House Administration shall be the first Wednesday of every month when the House is in session in accordance with Clause 2(b) of Rule XI of the Rules of the House. Additional meetings may be called by the chairman as he may deem necessary or at the request of a majority of the members of the committee in accordance with Clause 2(c) of Rule XI of the House of Representatives. The determination of the business to be considered at each meeting shall be made by the chairman subject to Clause 2(c) of Rule XI of the House of Representatives. A regularly scheduled meeting need not be held if there is no business to be considered.

(b) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at the meeting.

(c) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

RULE NO. 3. OPEN MEETINGS

As required by Clause 2(g), Rule XI, each meeting for the transaction of business, including the markup of legislation, of the committee or its subcommittees, shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, However*, that no person other than members of the committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE NO. 4. RECORDS AND ROLLCALLS

(a) The result of each rollcall vote in any meeting of the committee shall be made available for inspection by the public at reasonable times at the committee offices, including a description of the amendment, motion, order or other proposition; the name of each member voting for and against, and whether by proxy or in person, and the members present but not voting.

(b) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

(c) In order to facilitate committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be promptly made available to the full committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(d) All subcommittee hearings, records, data, charts, and files, shall be kept distinct from the congressional office records of the member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full committee, shall be the property of the House, and all members of the House shall have access thereto.

RULE NO. 5. PROXIES

A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the commit-

tee or the clerk of the subcommittee, as the case may be, during each rollcall in which such member's proxy is to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. The member does not have to appear in person to present the proxy.

RULE NO. 6. POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

RULE NO. 7. QUORUMS

No measure or recommendation shall be reported to the House unless a majority of the committee is actually present. For the purposes of taking any action other than reporting any measure, issuance of a subpoena, closing meetings, promulgating Committee orders, or changing the Rules of the Committee, the quorum shall be one-third of the members of the Committee. For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

RULE NO. 8. AMENDMENTS

Any Amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chair will allow an appropriate period of time for the provision thereof.

RULE NO. 9. HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least 1 week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) Unless excused by the chairman, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcomittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(f) The following additional rules shall apply to hearings:

(1) The chairman at a hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, it shall—

(A) afford such person an opportunity voluntarily to appear as a witness;

(B) receive such evidence or testimony in executive session; and

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULE NO. 10. PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendations shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include:

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) The statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days, commencing on the day on which the measure or matter(s) was approved, excluding Saturdays, Sundays, and legal holidays, in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the members of the House prior to the consideration of such measure or matter in the House.

RULE NO. 11. SUBCOMMITTEE OVERSIGHT

The standing subcommittees of the committee shall conduct oversight of matters within their jurisdiction in accordance with Rule X, clauses 2 and 3 of the Rules of the House of Representatives.

RULE NO. 12. REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(c) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. 13. BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE NO. 14. COMMITTEE AND SUBCOMMITTEE STAFF

Except as provided in Rule XI, clause 5 (d) of the Rules of the House of Representatives, the staff of the Committee on House Administration shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes of the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the chairman within the budget approved for such purposes by the committee.

RULE NO. 15. TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States shall be initiated by the chairman and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(c) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. 16. NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be seven Standing Subcommittees. The jurisdiction of the subcommittees shall be:

Subcommittee on Accounts.—Internal budget matters; expenditures from the contingent fund.

Subcommittee on Libraries and Memorials.—Matters relating to Library of Congress, Smithsonian Institution, House Library, statuary and pictures, acceptance or purchase of works of art for the Capitol, Botanic Gardens and erection of monuments.

Subcommittee on Printing.—Matters pertaining to cost of printing, Government Printing Office, depository libraries, material printed in Congressional Record, executive papers, and authorization for printing Army Engineers' reports.

Subcommittee on Personnel and Police.—Matters pertaining to salary of scheduled House employees and Police, and number of positions.

Subcommittee on Contracts.—Matters pertaining to contracts for goods and services.

Subcommittee on Services.—Matters pertaining to parking facilities, restaurant facilities, barber and beauty shop facilities, and other House services.

Subcommittee on Office Systems.—Matters pertaining to furniture, electrical and mechanical office equipment and other accoutrements for use in the office of members, officers or committees and matters pertaining to the development of management systems for such offices.

(b) The chairman of the committee may appoint such ad hoc subcommittees as he deems appropriate.

(c) The chairman of the committee and the ranking minority member shall serve as exofficio members without vote of all subcommittees of the committee unless either member is appointed as a voting member of any subcommittee.

RULE NO. 17. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of committee or subcommittee meetings or hearings wherever possible. It shall be the practice of the committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full committee. In order to ensure orderly and fair

assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the chairman through the staff director of the committee.

RULE NO. 18. REFERRAL OF LEGISLATION TO SUBCOMMITTEES

All legislation and other matters referred to the committee shall be referred by the chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the members of the full committee, consideration is to be otherwise effected. The chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations), or divide the matter into two or more parts and refer each such part to a different subcommittee, or refer the matter pursuant to Rule X to an ad hoc subcommittee appointed by the chairman for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate. The chairman may designate a subcommittee chairman or other member to take responsibility as "floor manager" of a bill during its consideration in the House.

RULE NO. 19. OTHER PROCEDURES AND REGULATIONS

The chairman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

RULE NO. 20. DESIGNATION OF CLERK OF THE COMMITTEE

For the purposes of these rules and the Rules of the House of Representatives, the staff director of the committee shall act as the clerk of the committee.

JOP COMMITTEE RULES OF PROCEDURE

(96th Congress)

RULE 1. COMMITTEE RULES

(a) The rules of the Senate and House, insofar as they are applicable, shall govern the committee.

(b) The committee's rules shall be published in the *Congressional Record* not later than March 1st after the Congress convenes in each odd-numbered year.

(c) Where these rules require a vote of the members of the committee, polling of members either in writing or by telephone shall not be permitted to substitute for a vote taken at a committee meeting, unless the ranking minority member assents to waiver of this requirement.

(d) Proposals for amending committee rules shall be sent to all members at least one week before final action is taken thereon, unless the amendment is made by unanimous consent.

RULE 2. REGULAR COMMITTEE MEETINGS

(a) The regular meeting date of the committee shall be the second Wednesday of every month when the House and Senate are in session. A regularly scheduled meeting need not be held if there is no business to be considered and after appropriate notification is made to the Ranking Minority Member. Additional meetings may be called by the Chairman as he may deem necessary or at the request of the majority of the members of the committee.

(b) If the Chairman of the committee is not present at any meeting of the committee, the Vice-Chairman or ranking member of the majority party on the committee who is present shall preside at the meeting.

RULE 3. QUORUM

(a) Three members of the committee shall constitute a quorum which is required for the purpose of closing meetings, promulgating committee orders, or changing the Rules of the Committee.

(b) For purposes of taking testimony and receiving evidence, two members shall constitute a quorum.

RULE 4. PROXIES

(a) Written or telegraphic proxies of committee members will be received and recorded on any vote taken by the committee, except at the organization meeting at the beginning of each Congress, or for the purpose of creating a quorum.

(b) Proxies will be allowed on any such votes for the purpose of recording a Member's position on a question only when the absentee committee Member has been informed of the question and has affirmatively requested that he be recorded.

RULE 5. OPEN AND CLOSED MEETINGS

(a) Each meeting for the transaction of business of the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public.

(b) No person other than members of the committee, and such congressional staff and other representatives as they may authorize, shall be present in any business session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE 6. ALTERNATING CHAIRMANSHIP AND VICE CHAIRMANSHIP BY CONGRESSES

(a) The chairmanship and vice chairmanship of the committee shall alternate between the House and the Senate by Congresses. The senior member of the minority party in the House of Congress opposite to that of the chairman shall be the ranking minority member of the committee.

(b) In the event the House and Senate are under different party control, the chairman and vice chairman shall represent the majority party in their respective Houses.

RULE 7. PARLIAMENTARY QUESTIONS

Questions as to the order of business and the procedures of the committee shall in the first instance be decided by the chairman, subject always to an appeal to the committee.

RULE 8. HEARINGS: PUBLIC ANNOUNCEMENTS AND WITNESSES

(a) The chairman, in the case of hearings to be conducted by the committee, shall make public announcement of the date, place, subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman shall make such public announcement at the earliest possible date. The staff director of the committee shall promptly notify the Daily Digest of the *Congressional Record* as soon as possible after such public announcement is made.

(b) So far as practicable all witnesses appearing before the committee shall file advance written statements of their proposed testimony at least 48 hours in advance of their appearance and their oral testimony shall be limited to brief summaries. Brief insertions of additional germane material will be received for the record, subject to the approval of the chairman.

RULE 9. OFFICIAL HEARING RECORD

(a) An accurate stenographic record shall be kept of all committee proceedings and actions. Brief supplemental materials when required to clarify the transcript may be inserted in the record subject to the approval of the chairman.

(b) Each member of the committee shall be provided with a copy of the hearings transcript for the purpose of correcting errors of transcription and grammar, and clarifying questions or remarks. If any other person is authorized by a committee member to make his corrections the staff director shall be so notified.

(c) Members who have received unanimous consent to submit written questions to witnesses shall be allowed two days within which to submit these to the staff director for transmission to the witnesses. The record may be held open for a period not to exceed two weeks awaiting the responses by witnesses.

(d) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee. Testimony received in closed hearings shall not be released or included in any report without the approval of the committee.

RULE 10. WITNESSES FOR COMMITTEE HEARINGS

(a) Selection of witnesses for committee hearings shall be made by the committee staff under the direction of the chairman. A list of proposed witnesses shall be submitted to the members of the committee for review sufficiently in advance of the hearings to permit suggestions by the committee members to receive appropriate consideration.

(b) The chairman shall provide adequate time for questioning of witnesses by all members, including minority members, and the rule of germaneness shall be enforced in all hearings.

(c) Whenever a hearing is conducted by the committee upon any measure or matter, the minority on the committee shall be entitled, upon unanimous request to the Chairman before the completion of such hearings, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

RULE 11. CONFIDENTIAL INFORMATION FURNISHED TO THE COMMITTEE

The information contained in any books, papers, or documents furnished to the committee by any individual, partnership, corporation, or other legal entity shall, upon the request of the individual, partnership, corporation, or entity furnishing the same, be maintained in strict confidence by the members and staff of the committee, except that any such information may be released outside of executive session of the committee if the release thereof is effected in a manner which will not reveal the identity of such individual, partnership, corporation, or entity in connection with any pending hearing or as a part of a duly authorized report of the committee if such release is deemed essential to the performance of the functions of the committee and is in public interest.

RULE 12. BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE 13. COMMITTEE REPORTS

(a) No committee report shall be made public or transmitted to the Congress without the approval of a majority of the committee except when Congress has adjourned; Provided, that any member of the committee may make a report supplementary to or dissenting from the majority report. Such supplementary or dissenting reports should be as brief as possible.

(b) Factual reports by the committee staff may be printed for distribution to committee members and the public only upon authorization of the chairman either with the approval of a majority of the committee or with the consent of the ranking minority member.

RULE 14. CONFIDENTIALITY OF COMMITTEE REPORTS

No summary of a committee report, prediction of the contents of a report, or statement of conclusions concerning any investigation shall be made by a member of the committee or by any staff member of the committee prior to the issuance of a report of the committee.

RULE 15. COMMITTEE REPORT TO CONGRESS

The committee shall submit to the House and Senate, not later than January 15th of each odd-numbered year, a report on the activities of the committee during the preceding Congress.

RULE 16. COMMITTEE STAFF

(a) The committee shall have a professional and clerical staff under the supervision of a staff director. Staff operating procedures shall be determined by the staff director, with the approval of the chairman of the committee, and after the notification to the ranking minority member with respect to basic revisions of existing procedures. The staff director under the general supervision of the chairman, is authorized to deal directly with agencies of the Government and with non-Government groups and individuals on behalf of the committee.

(b) The Chairman, on behalf of the majority party's members, shall designate the Staff Director, General Counsel, and Deputy Staff Director for the committee. The Ranking Minority Member, on behalf of the minority party's members, shall be entitled to designate an Assistant Staff Director or Associate General Counsel (Minority) and a Special Assistant (Minority).

(c) All other staff members shall be selected on the basis of their training, experience, and attainments, without regard to political affiliations and shall serve all members of the committee in an objective, nonpartisan manner.

RULE 17. COMMITTEE CHAIRMAN

The chairman of the committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

AUTHORIZING GROSS COMPENSATION TO MINORITY EMPLOYEE HYDE MURRAY

Mr. ROUSSELOT. Mr. Speaker, by direction of the Republican Conference, I send to the desk a resolution (H. Res. 101) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

The Clerk read the resolution as follows:

H. RES. 101

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, the sixth of the minority employees authorized therein shall be Hyde H. Murray, effective immediately until otherwise ordered by the House, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-Fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RESIGNATION FROM COMMITTEE ON THE BUDGET

The SPEAKER pro tempore laid before the House the following resignation from the Committee on the Budget:

HOUSE OF REPRESENTATIVES,
February 8, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Effective as of this date, I wish to resign my position on the Committee on the Budget.

Thank you for your attention in this matter.

Sincerely,

CLAIR W. BURGENER,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION FROM SELECT COMMITTEE ON AGING

The SPEAKER pro tempore laid before the House the following resignation from the Select Committee on Aging:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 2, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I hereby notify you of my resignation from the House Aging Committee.

Sincerely,

EDWARD P. BEARD,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION FROM COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following resignation from the Committee on Veterans' Affairs:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 2, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby notify you of my resignation from the House Veterans' Affairs Committee.

Sincerely yours,

EDWARD P. BEARD,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON THE BUDGET

Mr. ROUSSELOT. Mr. Speaker, by direction of the Republican Conference, I offer a privileged resolution (H. Res. 102) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 102

Resolved, That Eldon Rudd, of Arizona, be and he is hereby elected a member of the Committee on the Budget.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. CORCORAN asked and was given permission to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, I take this time in order to ask the acting majority leader what the schedule is for the balance of this week and next week.

Mr. MOAKLEY. Mr. Speaker, will the gentleman from Illinois yield?

Mr. CORCORAN. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. I thank the gentleman for yielding.

Mr. Speaker, in reply to my good colleague, the program for the House of Representatives for the week of February 12, 1979, is as follows:

Monday, February 12, the House is not in session.

Tuesday, February 13, the House meets at noon to work on a suspension bill, H.R. 1902, the Carson City silver dollar bill.

On Wednesday, February 14, the House is not in session.

On February 15, Thursday, the House meets at 11 o'clock a.m., and there will be a series of House committee funding resolutions.

On Friday the House is not in session.

Any further program will be announced later.

Mr. CORCORAN. Mr. Speaker, I would like to inquire a little further of the acting majority leader. The inquiry I have is with respect to the legislation we are going to consider under suspension. Am I correct in believing there will be only one bill, the so-called Carson City legislation?

Mr. MOAKLEY. If the gentleman would yield, yes. According to the latest information I have, this is the only matter that will be before the House on Tuesday.

Mr. CORCORAN. I thank the gentleman.

FURTHER LEGISLATIVE PROGRAM

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute.)

Mr. ROUSSELOT. Mr. Speaker, will the gentleman from Massachusetts (Mr. MOAKLEY) tell us about the debt resolution. We had a colloquy previously that we may get the debt resolution next week. Is it the leadership's intention to bring it up next week or the following week?

Mr. MOAKLEY. Mr. Speaker, if the gentleman from California would yield, at this moment there is just a possibility we will get it next week.

Mr. ROUSSELOT. Which day?

Mr. MOAKLEY. If it comes next week, probably Thursday.

Mr. ROUSSELOT. Thursday?

Mr. MOAKLEY. Right.

Mr. ROUSSELOT. So the Membership should be made aware that the add-on debt resolution will probably come before the House next Thursday?

Mr. MOAKLEY. It would most likely be called up no earlier than Thursday.

Mr. ROUSSELOT. No earlier than Thursday. So it could still be the following week?

Mr. MOAKLEY. That is right.

Mr. ROUSSELOT. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I am not sure the gentleman from Massachusetts (Mr. MOAKLEY) can answer my question, but under the new Rules of the House which have been changed in many respects, it is my understanding that the Speaker has the sole authority and discretion to postpone votes on suspensions for a period of several legislative days—two, I think it is, under the new rules. I do not know how we in the House will know how the Speaker is going to feel that morning, or whether his breakfast agreed with him, but the possibility exists that the Members could be called back from the netherland all over the place to vote on Tuesday. And the Speaker may decide that the vote would be on Thursday.

□ 1140

That is 1 legislative day.

Is there some way that we are going to be told whether the Speaker is feeling good on a given day or whether votes will be permitted or not?

Mr. MOAKLEY. I have been informed that if there is any clustering or postponing of votes, the House will be informed in advance.

Mr. ROUSSELOT. Before the day of the consideration of the suspension, we will be told when the votes will be?

Mr. MOAKLEY. That is my understanding.

Mr. ROUSSELOT. So we can assume from this announcement there could be a vote on the important matter of the Carson City Silver Dollar on Tuesday and the Debt Limit on Thursday?

Mr. MOAKLEY. That is correct.

FAILURE OF BERMUDA II AGREEMENT DETRIMENTAL TO BOSTON AIR SERVICE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. MOAKLEY. Mr. Speaker, at a time when our urban areas are struggling to maintain their economic viability, one U.S. city has lost 100 jobs and suffered a blow to vital transportation resources because of the failure of the executive branch to meet the needs of our citizens under the Bermuda II treaty with Great Britain.

Who is reaping the rewards of this failure? The Government of the United Kingdom and its corporate partner, British Airways. Through the Bermuda II agreement, they have worked together to limit United States–United Kingdom air services to the disadvantage of U.S. travelers and shippers, all at the immense profit of British Airways. This anticompetitive, anticonsumer agreement caused Boston to be stripped of service by a U.S. carrier, affecting jobs in Boston, Mass., and New England.

In addition, Boston and New England area passengers pay higher fares, face intolerably high seat factors and are unable to obtain cargo space to send their products to Europe. U.S. inflation is fueled, foreign commerce stifled—and the ripple effects are felt by other U.S. citizens best served through the Boston Gateway—people from Indianapolis, Dayton, Cincinnati, Columbus, Houston, Syracuse, Rochester, Buffalo, and Denver, to name a few.

And who benefits from this situation? British Airways, whose profits for the April-September 1978 period, the first peak season of the restrictive agreement, soared 102 percent while U.S. carriers' share of both the Boston-London and New York-London markets fell below 50 percent.

In an effort to rectify this anticonsumer situation, our New England delegation and local groups like the Massachusetts Port Authority, together with a coalition of elected officials and business and trade interests, have been working for months with the State Department to correct this consumer injustice. We have even located a carrier prepared to make a major concession to the British by putting services into Gatwick rather than Heathrow Airport.

Despite this concession, the United Kingdom and British Airways steadfastly refuse to release their stranglehold on U.S. consumers.

What has the U.S. Government and its negotiating team achieved in rescuing this situation from the Bermuda II debacle. Absolutely nothing. In fact, despite the failure to resolve the problem, our Government has actually rewarded the British for their inflationary, anticonsumer campaign against U.S. citizens.

Unless the British agree at the scheduled February 13–14 talks to permit another U.S. Boston-London carrier in time for the peak summer season, I call on you to join me in insisting upon consultations with the British regarding the continued utility of this Bermuda II agreement.

In addition, we must review the concessions given to the British to help them bail out their Concorde program—such special deals as U.S. landing rights, Concorde aircraft certification, and the authorization of the so-called interchange agreement, all of which allow British Airways to avoid a financial disaster with the Concorde. Why should we do so much for the British when the British ignore our problems and needs. Unless they retreat from their position immediately, we should reopen the issues of landing rights and U.S. certification for the Concorde and move for immediate withdrawal of approval. Finally, in order to regain the U.S. carrier share of the United Kingdom market, I ask for your help in calling upon the U.S. travel industry to actually market non-United Kingdom destinations this summer.

In closing, Bermuda II is incompatible with today's economic environment and other more liberal U.S. supported European agreements. In today's inflationary economy and rising unemployment, the United States simply cannot abide those—United States or foreign—who cause U.S. consumers to pay more for less, those who insist on hiding behind the skirts of monopoly. Mr. Speaker, this is the heart of the President's inflation program. We cannot insist that our citizens accept the Government's direction on domestic inflation while allowing a contradiction such as the Bermuda II agreement to exist.

APPOINTMENT AS MEMBERS OF TECHNOLOGY ASSESSMENT BOARD

The SPEAKER pro tempore. Pursuant to the provisions of section 4(a), Public Law 92–484, the Chair announces, without objection, that the Speaker appoints as members of the Technology Assessment Board the following Members on the part of the House: the gentleman from Arizona (Mr. UDALL); the gentleman from California (Mr. BROWN); the gentleman from Michigan (Mr. DINGELL); the gentleman from Kansas (Mr. WINN); the gentleman from Ohio (Mr. MILLER), and the gentleman from New York (Mr. WYDLER).

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 6, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m., Tuesday, February 6, 1979, and said to contain a message from the President wherein he transmits the Fourteenth Annual Report on the Status of the National Wilderness Preservation System which covers the calendar year 1977.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FOURTEENTH ANNUAL REPORT ON THE STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–51)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interior and Insular Affairs and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the Fourteenth Annual Report on the Status of the National Wilderness Preservation System. This information has been compiled by the Secretaries of Agriculture and the Interior for lands under their respective jurisdiction and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *February 6, 1979.*

GENERAL LEAVE

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. JEFFORDS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO BE DISCHARGED FROM FURTHER CONSIDERATION OF HOUSE RESOLUTION 88 AND REFERRAL TO COMMITTEE ON HOUSE ADMINISTRATION

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the resolution (H. Res. 88) to provide for the expense of investigations and studies to be conducted by the Committee on Ways and Means, and to re-refer the resolution to the Committee on House Administration.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Texas?

There was no objection.

A TRIBUTE TO THE LATE HONORABLE NELSON ALDRICH ROCKEFELLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WYDLER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. WYDLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WYDLER. Mr. Speaker, I come here today without hesitation or embarrasment to praise Nelson Aldrich Rockefeller. He was a noble man with a truly common touch. One of the most remarkable men I have ever met in my life and one who I can call great without exaggerating or missing the mark. He was a man who was almost President, a position that he longed for since, as he once admitted, there was so little else in his privileged life to long for. Born the heir to one of America's great dynastic names and fortunes, he grew up a statesman of outstanding stature and a politician of astonishing range. But 3½ varied decades in public life brought him no nearer his dream than 15 years as Governor of New York and as Vice President. When he died of a heart attack at the age of 70 last week, he left a place for himself on the American political stage. He directed his gifts and his money to the public and his own political career from the age of Roosevelt to the Presidency of Gerald Ford. Of his contribution to America, Henry Kissinger said, "Nelson Rockefeller was the greatest American I have ever known."

Rocky was brought up to earn his own way. His father, John D., Jr., saw to his upbringing by the stern Baptist principles of thrift, toil, and charity.

His youth was brought into maturity by the stringencies of Dartmouth where, upon graduation, his rewards included a key from Phi Beta Kappa and $2,500 from his father for having got that far without smoking or drinking. He began adult life in the family business, but he became restless in trade and began offering himself and his ideas to Washington. A 1940 report on Latin American conditions caught F.D.R.'s eye and landed Rockefeller his first public job as Coordinator for Inter-American Affairs.

In the years that followed, he helped write the United Nations Charter, worked on Harry Truman's "Point Four Foreign Aid Program," and was present at the creation of the Department of Health, Education, and Welfare under Dwight Eisenhower.

But his restless political eye began wandering and in 1958, he talked himself into the Republican nomination, aided by the conviction in the Party that it was a Democratic year anyway and that the Rockefeller millions might help. He spent 15 years in the Governor's mansion and left a heavy stamp on the State of New York.

Towers rose over the State landscape with his name graven in the cornerstone—the World Trade Center in Lower Manhattan, a State office building in central Harlem, and a billion-dollar mall in Albany. Rocky bulled through the expansion of the State University from 26 campuses to 71 and from 38,000 students to 270,280. He raised 90,000 housing units, 23 mental-health facilities, 109 hospitals and nursing homes, three new model communities, and 55 state parks. His beneficences to the needy reached into his own pocket when 400 plus followers of Martin Luther King, Jr. were jailed for demonstrating in Albany, Ga., and SOS'd for bail money, Rocky's check for $25,000 arrived within 72 hours.

All these achievements are, in fact, the measure of the man.

Of course, anyone's assessment of another person is based primarily on his own contacts. Through a series of circumstances it came to pass that the then Governor discussed with me his philosophy of government and, in fact, of his life. Years ago I was asked by party leaders in Nassau County to run for the position of county executive. At that time I had served a number of years in Congress and was enjoying the position and was not sure if I would enjoy an executive position. My party leaders kept urging me to accept the nomination, but I hesitated. About this time, Nelson Rockefeller invited the entire New York congressional delegation to a dinner in Washington for the purpose of discussing the problems of the State of New York. At the conclusion of the dinner, he was flying back to New York, and as I was returning he invited me to go on his plane. It was, of course, his personal plane. On the flight to New York, we sat alone together and he frankly told me that he had been asked to speak to me and to urge me to accept the nomination for county executive. For the approximately 1 hour flight to New York we discussed this serious decision in my life. I can say now, that he told me to make my own decision and to do what I thought was right for myself. He explained why he so enjoyed being Governor of New York State and why he enjoyed the challenges of an executive position. He said simply he loved to build things; he loved to be able to make decisions and to get things done; he liked to give orders and see that those orders were put into effect. He compared this, of course, to the role of the legislator, which is one of slow, deliberate action, which is often frustrating. In that conversation, I understood the man and the force that was driving him, for he wanted to leave his mark on our country and the world.

Although I decided to stay in the Congress, I know Nelson Rockefeller achieved his own dream of having the power and means of serving the people; of making decisions on their behalf and of seeing them carried out.

These words I say today come after Nelson Rockefeller has died and, too often in our lives, we wait too long to give a person due praise. I am happy, therefore, that more than 2 years ago, when I had finished a very arduous campaign for reelection, in which the Governor again gave me an assist, I wrote him the following letter. It is dated November 9, 1976:

DEAR NELSON: I just want to say that I have rarely enjoyed a day so much in my life as the one I spent with you in Nassau County. Although it was campaign activity, it proved once again that you are the outstanding campaigner in the United States.

I must add, in addition, that you are one of the great men of this period and it has been an honor and pleasure to know you. I hope you will continue to serve our country as there is much you can do for our nation and the world in the years ahead.

I look forward to seeing and working with you often. With every good wish to you and Happy,

Sincerely yours,

JOHN W. WYDLER,
Member of Congress.

I have written no other letter like this in my life in which I have called a living person "great" to his face, but I meant it for Nelson Rockefeller then and I repeat it publicly now. He was truly a remarkable personality and the only man I know who could have conducted

a street corner rally in Harlem at 11 o'clock in his shirtsleeves and speak to a luncheon of international bankers at the Waldorf an hour later and have been totally and completely at home with groups and totally and completely accepted by both.

His wife, Happy, described him simply as a "great guy" and that he was, but he was more—he was a great man and a great guy.

□ 1155

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, Nelson Rockefeller was a controversial figure in politics, as any honest, vigorous, and uncomprising person must become in these contentious times. His vitality invigorated American public life, as his vision illuminated it. Nelson always liked to look ahead, to design America's future on a wider canvas than most of us dare. He marshaled the best advice available about many aspects of our society, and tried to impart a positive momentum to what he found that was right about countless areas of human concern. As a social engineer he left his mark not just on government, but on America's private institutions as well. America needed his optimism and his dedication. If you assume that the national pool of vitality can only achieve a certain maximum level, all of us should feel perceptibly more vigorous now that Rocky has left us, because he concentrated so much of our national vigor in his own person. I know I drew strength from his example.

Mr. Speaker, in his remarkable eulogy, Henry Kissinger said that Nelson Rockefeller symbolized to us what America symbolizes to the world—wealth, power, caring, the common touch. He was uniquely American, uniquely fine. Like my colleagues, I salute his memory, his courage, his dedication, and the family of which he was the central contributing figure.

We all send our very best to his immediate family at this difficult time for them, since we share their loss.

Mr. WYDLER. Mr. Speaker, I thank the gentleman for his statement.

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Speaker, Nelson Rockefeller was that special breed, a man both ahead of and very much a part of his time. The temperature of this Earth is and always will be just a little colder since his passing. For he was, above all, a life force all his own. Warm, intensely human, a man whose interests and abilities were the stuff of several distinguished careers.

Those of us in politics and government were especially fortunate, for we had Nelson among us for four decades. He accepted his first public service assignment from President Franklin D. Roosevelt. And in one way or another he served every single President—Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford—who followed F.D.R. in the White House.

Nelson Rockefeller had a world view and a world grasp as few other public men of his time had. Down through the years he steeped himself in international problems and in the heart beat of individual countries. He had the world population statistics and their impact on the planet's food supply at his fingertips long before that matter ever moved into priority status for others. He was that special breed: A man both ahead of and very much a part of his time.

And he was very much a New Yorker. In his speech patterns, in his heart, in the knowledge of where home really was—he was born to be the Governor of New York for more years than any man since the State's first chief executive, George Clinton, sat in Albany. Nelson knew the Bronx and North Amityville, Rotterdam and Cherry Valley, Buffalo and Corning.

Governor Rockefeller was an insatiable seeker of data. Facts. They were the tools he used to do the great deeds he did. He was one of the environment's strongest allies, a builder of schools and universities, a champion of mass transit. Rockefeller: the optimist. He believed that problems could be solved. Should be solved. By melding the private and the public sector.

He was at once a dynamic leader who millions of Americans including myself felt should have been President of the United States and at the same time a kind and generous man to those of us in politics who sought his counsel and help. He cared about his party in a pragmatic but also very personal way.

I am proud to have know him, to have learned from him, to have been his friend. I hope, Mr. Speaker, that one or both of his young sons will carry on the tradition of public service which Nelson Rockefeller so splendidly set. That would make Nelson Rockefeller proud. It would be his final, touching testimonial to a State and Nation that loved him.

At this moment of loss I send my deepest condolences to those who will feel his loss most personally, his beloved wife Happy, his children and the complete and impressive Rockefeller clan.

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman for yielding to me.

My fellow colleagues, it is difficult to set precise standards in judging an individual's contribution to his fellow man. I suppose historians for years will be judging the contributions that Nelson Rockefeller made to this country and this world. I would suspect that they will judge him as a man who probably contributed more than many of our Presidents, although he never made it to the Presidency, because his contributions were enormous.

They were enormous if judged by the dollars which he so generously contributed; enormous if judged by the positions he held and the exemplary manner in which he carried out the responsibilities as Governor of New York and as Vice President of the United States; enormous if judged by the specific programs he initiated which have improved this country and this world; and enormous if judged by his appreciation for the arts, which do so much to enrich peoples' lives.

Most importantly, he contributed so much to lifting the spirit of the American people and the spirit of the people around this world. I would say that it truly could be said of Nelson Rockefeller that he was a man who contributed more than his fair share of rent here on the planet Earth.

I thank the gentleman for yielding to me.

Mr. WYDLER. I thank the gentleman from Delaware for his remarks.

□ 1200

Mr. McCLORY. Mr. Speaker, will the gentleman yield to me?

Mr. WYDLER. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to commend the gentleman from New York for taking this special order in order that we might have an opportunity to pay tribute to a beloved and great American, Nelson Rockefeller.

Mr. Speaker, in expressing myself today on the floor of the House of Representatives in tribute to Nelson Rockefeller, I want first of all to say that I sense a deep personal loss in his passing.

Many of us in this body were personal friends of Nelson Rockefeller, many others were political allies, still others may have been political rivals or antagonists in the course of his active public and political life. For my part, I am, indeed, a long-time friend. Our relationship goes back to a time in 1926 when we both entered Dartmouth College as members of the freshman class of 1930. Nelson Rockefeller was then, as he was throughout his life, a very natural and a very friendly person who became well liked and respected on the Dartmouth College campus for the individual qualities he possessed and not for any reason of family or economic status with which the Rockefeller family is frequently identified.

Nelson Rockefeller was as active as a student as he was in later life as a business man and as a public figure involved in the political and civic life of his State and of our Nation. He was active on the athletic fields, in the Dartmouth Outing Club, and as the result of hard work he succeeded likewise in the classroom. Nelson Rockefeller and I were initiated as members of the Psi Upsilon Fraternity where together with other friends we enjoyed a close relationship from that time and during later years.

I recall one experience when I borrowed his Dartmouth Outing Club equipment in order to make a winter's hike up Mt. Washington. I recall likewise the visits of his father, John D. Rockefeller, Jr., when he came to Hanover, N.H., to be with Nelson on occasions when parents were welcomed there. It was at the end of my sophomore year that I visited with Nelson Rockefeller and his family in New York City and spent the night at the Rockefeller home at Pocantico Hills. It was there that I first met Nelson Rockefeller's mother and his brothers, Laurance and John.

Mr. Speaker, in recalling the life and career of Nelson Rockefeller it seems most appropriate to observe that he had the advantage of a wonderful home life in which his parents were devoted to their children. It was a wholesome, Christian atmosphere in which he lived and developed, an atmosphere which enabled him to relate throughout his lifetime with people from all walks of life.

Mr. Speaker, in the course of events I had occasion to work closely with Nelson Rockefeller in connection with his confirmation as Vice President of the United States. It was my privilege to introduce him in the proceedings before the House Judiciary Committee upon which I now serve as the ranking member. We conferred almost daily with respect to requirements and details of the committee proceedings. While no more thorough examination into an individual's private life seems ever to have been undertaken, Nelson Rockefeller was forthright and forthcoming. He endured the experience and emerged with even greater respect and glory than when he first entered the committee room.

Mr. Speaker, my wife, Doris, and I enjoyed our contacts with Nelson Rockefeller and his wife, Happy, during the time that he served as our Nation's Vice President. It was on the occasion of a silver anniversary salute to me for my service in the Illinois General Assembly and in the U.S. Congress that Nelson Rockefeller attended and paid honor to me in my 13th Congressional District of Illinois. The reaction to his presence and to his remarks was such that there followed a consensus from the more than 600 guests that this was the most enjoyable political event they had ever attended.

Mr. Speaker, on the occasion of this silver anniversary salute meeting, my wife, Doris, recounted some of my recollections about Nelson Rockefeller as a Dartmouth College classmate in these words:

My recollection of Nelson Rockefeller as a Dartmouth undergraduate is that he was a very modest, unassuming fellow. He was a good student, elected to Phi Beta Kappa, but he studied hard for the marks he received. There was something we had in common: neither one of us knew how wealthy he was. I seem to recall that during our college days I always had more money than he, because my allowance was larger than his. At one stage in our sophomore year, I was waiting on tables in one of the town's dining clubs. Nelson became one of my customers and I waited on him and my nine other customers for several months. One weekend I decided to travel to New Haven where Dartmouth was playing its annual football game with Yale. But I needed someone to wait on my table over the weekend in order that I could go. Nelson Rockefeller took over. And I gave him $5 credit against the following week's board bill.

At the end of our sophomore year, while we were together on the train to New York, Nelson invited me to spend the night at his family's home in Tarrytown, New York. After dinner together we drove to Tarrytown where Laurance, his brother, was having a party. There I met Nelson's wonderful mother, who was keeping her eye on the young people as they danced and sang. Like her husband, John D., Jr., she gave personal care and attention to her children, and to their growth and development. A wholesome, unaffected household, a home where decency, mutual respect, and good fun prevailed. This is the environment where Nelson Rockefeller learned about people, and life, and love of family, church and country.

Mr. Speaker, my wife, Doris, and I feel greatly privileged that we have known and benefited from Nelson Rockefeller's life and friendship. At the same time, we feel that his influence for good has extended in as wide or wider a sphere than almost any American in our time. I recall a few months ago that Nelson Rockefeller was honored on the floor of this Chamber as a distinguished and honored citizen to whom we paid appropriate tribute. Even more recently, at a reception and ceremony at the Capitol Hill Club, Nelson Rockefeller received verbal tributes from many of his long-time friends and political allies. It was on that occasion that he seemed to me to express fundamental concepts of our great heritage as a nation, concepts which characterized his deeds and actions throughout his long and distinguished political life.

Mr. Speaker, combining his service to his friends, his contributions to his State, Nation, and to the entire world, I can think of no individual American who has given so much, so unselfishly, to so many.

Mr. Speaker, no more genuine or more natural person ever lived. No person in my experience displayed the qualities of unselfish service more completely than Nelson Rockefeller. His service included exceptional talents for leadership, combined a quick mind, broad experience, and an ability to arrive at sound judgments, and a genuine respect for his fellow man regardless of race, color, or station in life.

Mr. Speaker, Nelson Rockefeller's contributions to Dartmouth College are, in my mind, unsurpassed by any other alumnus or benefactor. His public service and leadership in public affairs mark him as one of the great Americans of our entire history.

Mr. Speaker, Nelson Rockefeller's widow, Happy, his children, his brothers, and all who have been part of the intimate family, have been particularly blessed by his life. The rest of us, his close and long-time friends, and his fellow citizens, are grateful for his life, his deeds of love and dedication and his heritage of honor, spiritual faith, and for his many, many gifts of wisdom, inspiration and service.

Mr. Speaker, in behalf of our classmates from the Dartmouth class of 1930, including particularly our former colleague from Pennsylvania, Herman Schneebeli, who was a close friend and one of Nelson Rockefeller's roommates at Dartmouth, I take this occasion to express our friendship, respect, affection and appreciation to Nelson Rockefeller for his gifts to us and to our alma mater, Dartmouth College.

Mr. Speaker, in behalf of my Illinois constituents, I wish to express gratitude for his public service and for his dedication to the principles of our great democratic society, which he loved and worked to preserve.

Finally, Mr. Speaker, in behalf of my wife, Doris, and myself, and all the members of my family, I wish to communicate to his widow, Happy, to his children, and to all members of his family, our affection and deep sympathy.

Mr. WYDLER. I thank the gentleman from Illinois for those very eloquent words on behalf of the former Vice President.

□ 1205

Mr. Speaker, I thank the gentleman.

I yield to the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to join with my colleague from New York (Mr. WYDLER), and with my other colleagues here today in paying tribute to my great friend Nelson Rockefeller with a strong sense of disbelief. It seems impossible that his vital, forceful, friendly personality will never be with us again. It seems impossible that we will never again hear that gravelly voice exclaim, "Hiya, fella," or feel the friendly slap of his hand on our backs. For Nelson Rockefeller was one of those unique human beings, so filled with energy, enthusiasm, optimism, and vitality; so ebullient and outgoing in his dealings with his fellow men that one came to believe that nothing could extinguish that glowing force of life within him. Therefore, his sudden passing has dealt us all a shock of great force.

Especially is this true of those of us who were privileged to have worked with Nelson during his long and brilliant career in public life. I served in the New York State Senate for five terms during his 15 years as Governor in Albany, N.Y. I campaigned for election on a Rockefeller-led ticket in 1962, 1966, and 1970. During his tenure in Washington, D.C., as Vice President (1974–77), I served in the House of Representatives. I can testify from 15 years of association that he was a superb leader, always able to imbue in those who worked with him some of his excitement in meeting the challenges he faced, and to impart some of his glowing vision of the goals he had set.

And, as with all great leaders, Nelson sought and welcomed advice and counsel. If there were setbacks or defeats, he was the first to rally his supporters and to encourage them to seek ways to overcome those setbacks and defeats. His leadership produced an unsurpassed record of achievement in his four terms as Governor of the State of New York.

Perhaps Nelson Rockefeller's magnificent ability to deal with the complications of government came from his great zest and appetite for political life. I have never met a man in public office who so enjoyed every facet of politics and government. His delight in the challenges offered in debate, in legislative action, in political organization, in dealing with a resisting bureaucracy, and in handling the complicated personal relationships of political life was always evident. As he himself once said, his greatest pleasure in life was to use government effectively to help people. No one used government more effectively to help people than Nelson Rockefeller.

Furthermore, Mr. Speaker, his great zest for politics and government was

never dimmed by the great disappointments he suffered in his unsuccessful campaigns for the Presidency. It was in defeat that Nelson Rockefeller displayed his true greatness. For a lesser man, such deep disappointments would have brought intense bitterness, deep resentment and acid cynicism. But Nelson never let defeat sour his outlook, nor sear his friendships. His bubbling optimism and enthusiasm, his enormous vitality were marshaled immediately to meet new challenges.

Mr. Speaker, the loss of this dedicated man is a tremendous one for our Nation and for our State of New York. But for those of us who had the privilege of experiencing his friendship, the loss is even greater. There is an unfillable gap left in our lives. We shall sorely miss Nelson's experienced counsel and guidance, and his warm, undemanding friendship.

My deepest sympathy goes to his lovely wife Happy, his children, and to the other members of the Rockefeller family. I know we all share in their grief and sense of irreplaceable loss.

Mr. WYDLER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, the United States of America was greatly blessed for 70 years by the life of Nelson Aldrich Rockefeller. His life evidences his commitment to the things he was taught as a child.

Mr. Rockefeller's father and grandfather were rather strict Baptists—and I know a little about them—and one concept that is taught is one of stewardship—that what you have in this world is not really yours to keep, but something that has been placed with you for you to use wisely and for the benefit of mankind.

Nelson Rockefeller was a good steward. Born to greater riches than most of us can comprehend, he did not merely live a life of leisure and consumption. He had to do more, and he realized that what he had to give to the world was not only his money, but his intellect, his energy, and his compassion.

He helped his father and brothers organize various foundations and development associations to help others born not as fortunate as he. He was a renowned patron of the arts, not only of the established, "safe" works, but of new, modern designs of sometimes unknown artists. He gave much to the world of the arts and humanities.

But his greatest gift, his main stewardship, was in the realm of public service. He persuaded his father to put up $8.5 million necessary to acquire the East River site for the United Nations in New York City. He served in various capacities under Presidents Roosevelt, Truman, and Eisenhower.

In 1958, he was elected Governor of New York. His service in this post was so highly regarded that the voters of that State sent him to that office four times—For 15 years, New Yorkers knew no other Governor but Nelson Rockefeller.

Others have chronicled his many accomplishments as the leader of his State, in the field of education, in mental health, and so many other areas. The programs for which he provided leadership will tell his story for years to come.

Of course, his last Government service was as Vice President of the United States. He brought to this office the integrity and competence that characterized his entire career.

He never achieved one goal to which he aspired—the Presidency of this country. His critics complained that he was too ambitious. I believe, however, that Nelson Rockefeller's quest for this goal grew out of his intense desire to serve the country he loved so much.

We will miss Nelson Rockefeller. All of us, whether rich or poor, can learn from his example.

Mr. WYDLER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I want to commend the gentleman from New York for taking this time to comment on a great American. "Rocky," as Governor was often a friend and sometimes a strong adversary of the State of Vermont; but he always had my deepest admiration and my deepest respect. I certainly want to share my feelings with the gentleman and with the family.

Though internationally known as a man of material wealth, Nelson Rockefeller was also known as a man of the people, whose intense desire to involve himself in the problem-solving process of issues before all Americans, was his greatest passion.

As one of the Nation's finest public servants, his political career spanned a range of positions few men aspire to, or whose influence left such a lasting impression on policy and the people it touched.

Every President since Franklin Roosevelt, not only respected his talents, but made wide use of his energy and desire to serve the Nation to the upmost. As Governor of New York for four terms, Nelson Rockefeller expanded the State university student population nearly sixfold and nearly doubled campus facilities throughout the State. He increased the State park system by 50 acreas, added 100,000 new housing units, and achieved effective reduction of pollution in upper New York through the construction of 348 sewage treatment plants.

As Vice President, his remarkable statesmanship served all Americans well at a crucial point in the Nation's history, and was perceived by many as a man who could have been one of the finest Presidents we could have ever had, if he had been given the opportunity to serve.

Amidst his government service orientations, Nelson Rockefeller had a longheld interest in the arts and philanthropy, a manifestation of the quality of humanism he possessed, and few men of similar stature share.

In Vermont, the Rockefeller family in the person of Nelson's brother Laurence, has left a lasting impression on the community of Woodstock. Using personal funds, the family helped transform this southern town into one of the most beautiful localities in the State, which is nationally known as a desirable place to both live and visit.

During my tenure as Vermont Attorney General, I had the fortune of personally dealing with then Governor Rockefeller in tackling the pollution problems of Lake Champlain. Together with former Vermont Governor Deane Davis, I grew to respect Nelson Rockefeller's sincere appreciation of this problem and his incomparable abilities at working constructively with his neighbor State in an attempt to reach a common resolution of this dilemma. Unfortunately, this situation eventually had to be resolved in the courts, in spite of the diligent efforts of Nelson Rockefeller to amicably work with officials of the State of Vermont.

Our Nation, having unquestionably benefited from the dedication and vitality of this man, mourns the passing of a vanishing breed of Americans. Those who knew or worked intimately with Nelson Rockefeller, have all expressed in their own way, the love they had for this man whose vision and sensitivity touched their lives daily. The rest of the Nation who knew Nelson Rockefeller by name and achievement, will remember and greatly miss a man whose unpretentious confidence in his ability to get things done, can serve as a model for all Americans. The spirit of this great man whose love of living and people, will remain a force in society we all can draw upon for strength and guidance in our own pursuits.

Mr. WYDLER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from New York.

A tireless talent is how I think of Nelson Rockefeller—an extremely gifted man with boundless energy—a man for whom no challenge was too large nor any concern too small.

Though I often found myself holding divergent views philosophically, I had nothing but the highest regard for him as a person and as a public servant.

Though privileged to great wealth and status, he never lost sight of the common man, the man not so fortunate as he. His life's works were directed toward making his State, his country, and this world, a better place to live for one and all. For this we shall be forever grateful.

□ 1210

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding, and I want to compliment him for asking for this time.

Mr. Speaker, our country has lost a devoted American citizen, Nelson Rockefeller. Whoever might disagree with his politics, he could never question Nelson Rockefeller's patriotism. Mr. Rockefeller wanted everything that was best for the United States, in government, in art, in the success of the capitalistic system.

Theodore White speaks in his recent book "In Search of History" of the fact that we are all figuratively put in boxes with labels on it. Nelson Rockefeller was too big to fit in any one box. His box would have to be labeled "politician," philanthropist," "art connoisseur," "statesman," no one label would do. In all these roles Nelson Rockefeller brought an enthusiasm and an interest in quality that was contagious. His spirit will certainly ever be with us urging us constantly on to achieve the very best of which we as a nation and as individuals are capable.

We will all remember the tremendous vitality of Nelson Rockefeller. He loved life and communicated that love of life to everyone so that people sensed it and were drawn to him. He was born into a family of tremendous wealth, but obviously was well taught that wealth, whether in dollars or intelligence, is a trust to be used for the benefit of mankind. The Rockefeller Foundation has made a great contribution to our Nation. We are all richer for having had the gift of his life.

Although Nelson Rockefeller was not a member of the Democratic Party, I feel that he shared many of our ideals. Today people on both sides of the aisle are paying tribute to the man that contributed so much of his life to our Government.

Those of us who were close to former President Lyndon Johnson and the Johnson administration know that there existed a special fondness of President Johnson and Mrs. Johnson for Nelson Rockefeller and his family. In addition, Laurance Rockefeller and his family were close friends of the Johnson family. Time after time the Rockefeller family and the Johnson family have visited, and planned and talked about the future of our country.

The LBJ Grove on the Potomac was largely the recommendation of the Rockefeller family, and it became a reality because the Rockefellers put their endorsement and means to accomplish this beautiful grove of pine trees. Last fall the Friends of the LBJ Library conducted a drive to increase the funding of that trust document. Here again, the Rockefellers were in the forefront to accomplish this objective.

In every way the Rockefellers have been one of the great American families. Though Nelson Rockefeller was from New York, he had many friends and admirers in Texas. He was an all American citizen and statesman. Many of us in this House are saddened but we also remember with deep gratitude the goodness and greatness that was in Nelson Rockefeller.

Mr. WYDLER. Mr. Speaker, I thank the gentleman from Texas (Mr. PICKLE).

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, last week on the floor of the House, I expressed some of my personal thoughts and recollections on the passing of Nelson Rockefeller. Since that time I have had the great privilege of attending the special memorial services in New York City as part of the official congressional delegation, and would like the opportunity to make some further remarks.

I, like the many other participants in the memorial service, was deeply touched by Henry Kissinger's very personal profile of Nelson Rockefeller. Kissinger recalled that:

> Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.
>
> He loved his family. He loved his country. And in his mind the two were connected. It is not a simple matter to have great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

It was a tribute to the career of one public servant that such a tremendous gathering of citizens and friends were brought together in New York City to remember the best about one of their number. Above all, they recalled Nelson Rockefeller never thought of himself as greater than any of his fellow men; he thrived on personal contact, and it brought out the best in people. All turned out at the Riverside Church in Manhattan to say an affectionate farewell to one of the giants of our times.

However, it would be a serious oversight on our part to forget that among the Presidents, elected representatives, diplomats, civic leaders and statesmen, were the "plain folks" who remembered Nelson Rockefeller. They were the thousands of people outside the church without passes to get inside who remembered the many acts of kindness he rendered, or perhaps recounted the social programs he brought to New York State, or even had the opportunity to personally see in his eyes that he really cared about people. This was the real tribute to Nelson Rockefeller—his constituents who cared enough to say goodby.

Perhaps Kissinger summed it up best when he recalled a statement that was often repeated by Nelson Rockefeller that guided him throughout the trials of public service. The phrase was:

> Never forget that the most profound force in the world is love.

I know that this statement transcended his private beliefs onto his public record. I know it because I could read it on the faces of every person inside that church. Most importantly, it was etched onto the faces of those waiting patiently outside.

We in public life all feel a great sense of loss in his untimely passing, but our loss must be shared with the many private citizens who were touched by Nelson Rockefeller's 70-year journey through life. Mr. Speaker, he loved his family and his country, and to Nelson Rockefeller, his family and his Nation were one and the same.

We will miss him.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I want to compliment the gentleman for setting aside this special order so that we could pay tribute to Nelson Rockefeller for the many, many different roles that he played in the lives of so many of us.

Mr. Speaker, in the past week much has been spoken and written of Nelson Rockefeller, the philanthropist, the leader, the statesman, and he is deserving of all the accolades which have been paid him. But for the moment I would like to speak of Nelson Rockefeller the man, a man who respected all mankind, and valued what each had to offer.

I first met Governor Rockefeller many years ago, while taking my first real active interest in political activities. As a young Republican it was my good fortune to be involved in a program in which the Governor was deeply interested and I had the rare opportunity of working with him. The respect and consideration he showed to me, in spite of my rather minor position, was surprising and created a feeling about Nelson Rockefeller, the man, which I have never forgotten. During the years that passed, I had the privilege of being in contact with him on a number of occasions including some when we were on different sides politically, but still he was always more than friendly and gracious in our relationship.

When I last met with Nelson Rockefeller, his and my status had changed a good deal. I was no longer a fledgling young Republican but a Member of the Congress of the United States, and he was our Nation's Vice President. The exchange was rewarding, as it always was with Nelson Rockefeller. I often reflect on these two specific meetings with Nelson Rockefeller, the first and the last, and the manner in which he treated the neophyte politician and the Member of the U.S. House of Representatives. Interested and respectful of what each had to offer, he had given the obscure young Republican the same warm, friendly consideration that he later gave the Member of Congress.

In Nelson Rockefeller's eyes all men were equal and he took and savored what each had to offer and gave of himself in return. The world has lost a great leader, a statesman, whose contributions were many. But more important, we have lost an extraordinary human being, one who enriched the world by his presence, and in whose absence we are left wanting.

Mr. WYDLER. Mr. Speaker, I thank the gentleman from Florida (Mr. YOUNG) for those very eloquent words.

● Mr. FORSYTHE. Mr. Speaker, I rise with great sadness in tribute to the Honorable Nelson A. Rockefeller. He

was such a vital force in shaping our Nation's domestic and foreign policy that it seemed he would always be with us and that we would always benefit from his enlightened guidance. His death was a shock to the Nation and no one can take his place.

I had the honor to work with, and support, Nelson Rockefeller in 1964 and 1968 when he sought the Republican nomination for President. Although I know that the failure to receive the nomination was a great personal disappointment, his dignity and courage in the face of defeat impressed me. He looked to the future and continued to serve as best he could a country which he loved and a country to which he gave unreservedly of himself. It was our loss as a nation that Nelson Rockefeller never had the opportunity to serve as President.

I have nothing but praise for this man who was born to great personal wealth and who chose to lead a life of public service. He never failed to fight for the rights of the underprivileged either here or abroad; nor, when the opportunity presented itself, did he ever fail to attempt to create a better world for all of us.

Nelson Rockefeller has long been one of my heroes and I will miss his presence. I take comfort, however, in knowing that he will serve in the days and years ahead as one of this country's finest examples of a great political leader and statesman.●

● Mr. RITTER. Mr. Speaker, I would like to add my tribute to those of my colleagues in mourning the death of former Vice President Nelson A. Rockefeller.

The American people have a wide variety of political beliefs, yet sometimes we respect in a leader qualities that go beyond political theory. Such was the case with Nelson Rockefeller—many Americans respected above all his enthusiasm, his energy, and the active way he lived his political life. He was a clear-cut figure in public life; he had that special quality of looking upon Government and politics as exciting fields in which to boldly express conviction. In many ways Nelson Rockefeller was larger than life. He had disappointments and he had opponents. But none could deny that his enthusiasm about being a part of his Government and helping form its policy was remarkable.

He was distinctive, colorful, and tireless. His long career on the State and national levels will be long remembered.●

● Mr. CAMPBELL. Mr. Speaker, like all Americans, I was saddened by the untimely death of Nelson A. Rockefeller. Though I did not always share his views, neither I nor anyone could question his love of and devotion to our Nation. Born to wealth and privilege, Nelson Rockefeller could easily have chosen an easy road in life. Instead, driven by a need to serve, improve and uplift his country, Rocky worked for the people of the United States in Government service for some 35 years.

Nelson Rockefeller has been an outsize presence on our national stage for as long as most of us can remember. And remember him we will: For his belief in the worth and dignity of the individual; for his conviction that the United States has a moral mission in the world and his leadership in international affairs; for his commitment to a strong defense posture to insure continued U.S. freedom and influence.

Although he was never one to avoid controversy, Nelson Rockefeller handled what disagreements he had with a sense of energy, exuberance and extravagance—he was an altogether fair and refreshing friend or foe.

This country will be worse for the loss of Nelson Rockefeller. To his wife and family, I add my expressions of sympathy and support.●

● Mr. GREEN. Mr. Speaker, Nelson Rockefeller was never really defeated. As many have said of him, it was his desire to govern, not to win. Few could doubt the sincerity of his desire to serve. His willingness to step out from a comfortable life into the sometimes thankless world of politics is testimony to his strong character. His many decades of work in government have had a significan effect on all of us.

Citizens of my home State of New York will remember Nelson Rockefeller for his many achievements during his 15-year term as Governor. Students in the State university system, which today boasts more than five times the number of students on nearly three times the number of campuses than on the day he was elected, can thank him for his commitment to providing a quality education for all. Residents statewide can thank him for his concern for the public welfare, and his construction of hundreds of new mental and public health hospitals and nursing homes. His advancement of the arts in New York helped make it an important cultural center. And his behind-the-scences support which led to his father's purchase of the land the United Nations sit on today was more than instrumental in maintaining New York as a city of the world.

On a national scale, the millions who benefit from services provided by the Department of Health, Education, and Welfare can thank him for his important role in establishing that Department and eventually serving as one of its first Under Secretaries in the Eisenhower administration. Nelson Rockefeller will be remembered by minorities for his brave civil rights stand before the 1964 Republican National Convention. This was but one example of his taking a strong position in his efforts to lead his party into a more progressive direction; urging his colleagues to remember the historical truth that republicanism and progressivism are not necessarily exclusive of each other.

Internationally, Nelson Rockefeller devoted his energy to the International Basic Economy Corporation to encourage growth in Latin America. His public service extends as far back as the administration of Franklin Delano Roosevelt, with whom he helped establish the Good Neighbor policy.

Nelson Rockefeller was continually called upon to serve the people of the Nation he loved. In one capacity or another he worked under every President since F. D. R. And when President Gerald Ford stood before a beleaguered nation looking for honest, dedicated, and healing leadership, he called upon Nelson Rockefeller.

His tremendous record of service and achievement was his greatest wealth and our good fortune.●

● Mr. WOLFF. Mr. Speaker, it is with personal sadness that I pay final tribute to the memory of a man who for half a century was one of the most influential statesmen of our time. Nelson Rockefeller spoke of his "great sense of gratitude for the privilege of serving the country" he loved. In this I believe rested the heart of his personal and political commitment. To this he devoted his tremendous energy and vision which so characterized all his efforts in service to the American people.

His was a consuming conviction that vexing problems could be solved, and expansive goals could be achieved through Government planning and activism. Throughout New York State stand monuments to this conviction. Nelson Rockefeller was an individual gifted with a great personal fortune, yet he regarded his fortune as a public trust and his activism became an extension of this belief. It came to generate innovative social welfare programs and the growth of a university system founded upon the ideal of universal higher education in our State. It lead him to accept the Vice Presidency at a difficult period in American history. We were not of the same political party yet it was my privilege to have shared in his vision, and collaborated on a bipartisan basis to work toward the accomplishment of these endeavors.

In his tenure of public service Nelson Rockefeller will be remembered far more as a pragmatist than as an idealist. His occupancy of high State and Federal of fice was never merely visionary, but constantly sought to translate vision into concrete realities with the United States and its citizens fundamental to his concerns.●

● Mr. DE LA GARZA. Mr. Speaker, I rise today to pay tribute to one or the finest Americans I have ever had the privilege to know—Nelson Rockefeller.

Throughout his long and illustrious career spent in service to the people of his native New York and the country, Nelson Rockefeller exemplified the virtues of dedication, concern, and good humor.

As Governor of New York, Nelson Rockefeller left his mark and vision in that State's trendsetting social programs. As Vice President of the United States, this charismatic leader was crucial in the effort to restore faith and integrity to government.

Many thought that Nelson Rockefeller's great wealth would prevent him from effective political action. They thought he would be too big for the little man. But he showed everyone that his vast wealth was no burden—and that his basic humanity was extraordinarily vibrant and strong.

Mr. Speaker, today we mourn the passing away of a great American. The loss of Nelson Rockefeller will be felt in my own area since he was a ranch owner there.●

● Mr. RANGEL. Mr. Speaker, the death of an esteemed friend and colleague is the occasion for which I rise to speak. The sorrow, dismay, and shock are not sufficient to express my feelings for the loss of Nelson A. Rockefeller, a fine and distinguished American statesman as well as a great New Yorker.

He certainly will be sorely missed in the arena of politics. It is one of the great tragedies in American history that he never obtained the office for which he sought. His was a life dedicated to public service.

He has served seven Presidents, starting with Franklin D. Roosevelt.

His achievements as Governor of New York State were many, including the most extensive educational system of any State of the Union; progressive social programs that benefited every New Yorker and was the model of succeeding programs in almost every State. He lead the State at a time it enjoyed its greatest prosperity.

He assumed the office of the Vice Presidency at a time when his abilities and talents were instrumental in the recovery of world trust and respect in the Executive Office.

I will sincerely miss him as I know all of my colleagues who worked with him on the State Legislature will and I extend a heartfelt sympathy to his wife and family during this time of great sorrow.●

● Mr. REUSS. Mr. Speaker, Nelson A. Rockefeller was a colossus of 20th century public life.

Much of the press coverage of Rockefeller, both while he lived and since his death, has focused on his thwarted Presidential ambitions. That focus slights, however, a career of uprecedented scope to which the Presidential efforts were only incidental.

Rockefeller held public office for most of the past four decades. But his essential influence was his own, and not derivative from election or appointment.

He was an internationalist, and a man not disinclined to see public action as an appropriate response to public problems. Those were philosophies with which his party was not universally comfortable.

But Nelson Rockefeller never shrank from a fight for a good cause, and he won quite a few battles. Not without opposition within the party, the Republican Party and Rockefeller cleaved in the postwar years to a bipartisan, outward-looking foreign policy. And while the GOP was more divided on domestic policy, Rockefeller and the party's progressive wing made sure that no effort was made to dismantle the Nation's structure of social legislation.

In according as much weight to loyalty as to opposition, Rockefeller led the Republican Party by word and by example. His service as Assistant Secretary of State, as Under Secretary of HEW, and as Vice President, were as strong evidence of his willingness and ability to be part of a team, as his four terms as Governor of New York were of his willingness and ability to lead.

Rockefeller's Government service would have been a full career for even a man of extraordinary abilities. But he combined with that career a long record as one of the Nation's foremost patrons of the arts. The Museum of Modern Art, which he served as president and chairman of the board, and the Museum of Primitive Art, which he founded, will be permanent monuments to the role he played in making fine art accessible to all. It was typical of him that, at the time of his death, he had thrown himself into projects to bring to others of more modest means the art he loved and his appreciation of it.

Rockefeller brought to everything he did an energy and a vitality that never flagged. He showed that energy and vitality, not only in living an incredibly full life, but in his obvious enjoyment of whatever he was about. It was this joy—not unlike Hubert Humphrey's—that made him the attractive figure he was to the public and to his friends and colleagues.

Nelson Rockefeller's passing has left a gap in American public life. Only as we strive to fill that gap will we fully realize how great was his contribution and how much we miss him.●

● Mr. PANETTA. Mr. Speaker, today we are commemorating the life of one of the great Americans of our generation. In Nelson Rockefeller, we have lost one of the most forward-looking and idealistic political figures of our time.

This past week, we have been reading that Nelson Rockefeller's life was not quite what it might have been, because he never reached his ultimate goal, the Presidency. Frankly, I believe he achieved something much more important. Nelson Rockefeller proved himself to be a man of principle—a commodity of which our political system is too often in short supply.

Needless to say, there are few of us in this Chamber who did not, at one time or another, disagree with Mr. Rockefeller on an issue or an idea. But foolish would be the person who ever faulted him for any lack of integrity, fairness, or intelligence. Nelson Rockefeller always acted in the finest traditions of service, loyalty, and charity, and the American people owe him a great debt for the example he set over the years.

I know we all extend our sympathy to Mr. Rockefeller's beautiful and courageous wife, Happy, and to his fine children. They have lost a husband and a father. Sympathy is due the entire Nation, too, because we have lost a leader, a man devoted to his country. Let us pray that the spirit he always demonstrated endures for generations to come.

● Mr. MICHEL. Mr. Speaker, the death of former Vice President Nelson Rockefeller came as a shock to all Americans but especially to those of us fortunate enough to have known and worked with him. He was a man of immense vitality and energy and enthusiasm. It is difficult to believe that this man who lived life to the fullest is now dead.

Everyone knows of his great political success, ranging from being elected four times as Governor of New York to ending his political career as Vice President of the United States. And everyone knows that the one position he wanted so very much—President of the United States—he never was granted. But in victory or defeat his characteristic determination and dedication to the principles of his party and his Nation were always the same.

He was at the very heart of the political life of our Nation for 25 years and for many years before that he was recognized as an important public figure.

If I were asked to describe his political philosophy I would use a word he always used: he believed things were "do-able." That was his way of saying that problems can be solved, solutions can be found, progress can be made, disagreement can be negotiated, if we only have the willingness to work hard and have faith in ourselves and our system.

We seem to be entering an age when this kind of optimistic, enthusiastic belief is giving way to a no-growth, gloom-and-doom philosophy of national despair among many influential political and intellectual leaders. Nelson Rockefeller would not have agreed with such a philosophy. He knew that Government could not do all things but he had faith that it could do some things for the benefit of the needy and for the common good. And, of course, he also believed in the value of our free enterprise system. He was a man of double faith, in our political and economic system, a faith curiously absent among many leading figures today.

We need that kind of faith and enthusiasm and dedication. We will miss Nelson Rockefeller not only for the kind of man he was but for what he stood for.●

● Mrs. HOLT. Mr. Speaker, February 2 was a sad day. We were shocked to learn that Nelson Aldrich Rockefeller had passed away. At a time when our Nation was in the throes of a leadership crisis in 1974, he responded to the call of President Ford and served as Vice President of our country.

Born to enormous wealth, Nelson Rockefeller was yet most sensitive to the needs of people. He shunned the business world for a dynamic career in public service, politics, and art.

During World War II, he served under President Roosevelt to secure our mutual security interests in Latin America—an achievement of no mean importance.

The one major feature that most of us will remember about him was his dynamism. Here was an enthusiastic man with ever-widening interests. He lived with vigor and imagination.

Mr. Rockefeller added zest to the public life of our Nation. He provoked political excitement and debate that are essential ingredients for the health of a free society.

We shall miss this dynamic figure who graced the American scene for so many years.●

● Mr. EMERY. Mr. Speaker, Maine mourns the loss of one of her greatest favorite sons, Nelson Rockefeller. Despite an immensely active life, Nelson always demonstrated a keen sense of interest in Maine, her government, and her people.

Was it possible that a man of such wealth and power could reject the withdrawn existence of the elite? Ask any fisherman on Mount Desert Island or the townfolk in Seal Harbor, the community where he lived during the summer months. They remember a vivacious, warm person full of concern and interest, friendships that will not be forgotten in hearts of the Maine people he loved.

Rocky's concern spread far beyond his summer existence to encompass an active awareness of the political affairs of our State. Despite a greater involvement in New York and national politics, Nelson always had time to attend Republican functions, plug for our candidates, and generously contribute to our efforts. When I was elected to Congress by a hairbreadth margin in 1974, my first friend in Washington was the Vice President, when he opened his office up to me as a base of operations before I was sworn in. This small act of friendship was critical in establishing my credibility as a newcomer to Washington and at 26 years old, the youngest Republican Congressman. There was no better friend at a better time than Nelson.

Home for Rockefeller was Maine, or least we thought of it that way. We were proud to know a man so outspoken, colorful, and controversial, a man who was so successful yet so warm and friendly, a man of unimpeachable integrity yet able to get so much done, and a man overflowing with energy, yet capable of insightful reflection. Yes, Maine people were proud to know a man named Rockefeller.●

● Mr. ROTH. Mr. Speaker, I join my colleagues today in a special tribute to a great American, Nelson Rockefeller. He had a long and distinguished career in public service—a span of over 40 years of devotion to this country. In addition to his three and three-quarter terms as Governor of New York, Mr. Rockefeller capped his career as Vice President under Gerald Ford.

As heir to one of America's great fortunes, he could have lived a life of apathy and indolence. Instead, he devoted his life to public issues, evolving into a politician of astonishing verve and range. The example Mr. Rockefeller set in pursuing the public good will remain an everlasting testimony to his memory.

I share the sorrow of my colleagues in the loss of so dedicated an American. His like will not soon be seen again.●

● Mr. HUGHES. Mr. Speaker, we are here today to pay tribute to an outstanding political leader and humanitarian of 20th-century America—Nelson Aldrich Rockefeller.

Governor Rockefeller personified the best in America. Although he was born to incredible wealth and educated in the finest schools, he was not content to sit back and merely enjoy his privileged position. He was far too interested in the dynamics of building, shaping and improving situations and events for that. He was a man who was in love with living.

Because of this enthusiasm, this zest for life, he felt compelled to use his gifts and his money to make the world a better place for those who were not so fortunate. He possessed the true sense of noblesse oblige without any of the pejorative overtones that this phrase can sometimes carry with it.

Everyone who knew Nelson Rockefeller was impressed by his unflagging energy and devotion to doing the right thing. He could be pragmatic and he knew how to expedite but he always tried to do what was right.

He surrounded himself with the brightest and most creative people he could find and he used their expertise whether it was in social programs, the fine arts, or foreign affairs to formulate new initiatives and policies so he could leave the world a better place than he found it. And he succeeded.

In the time since his death many words have been spoken in praise of Nelson Rockefeller. His long time friend and protege, Dr. Henry Kissinger, summed up Nelson Rockefeller's unique qualities eloquently in his eulogy at the Rockefeller

Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia, is a blessed past never to be recovered; for Americans it is just beyond the horison * * * One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.

We will miss Governor Rockefeller very much but the many accomplishments of his busy and productive life will remain a constant and fitting memorial to a great man.●

● Mr. DAN DANIEL. Mr. Speaker, last Friday, it was my privilege to attend a memorial service for the Honorable Nelson A. Rockefeller.

In my judgment, this gentleman's greatest contribution and one that has not been fully recognized was his deep commitment to our free-enterprise profit-motivated system which is the primary reason for our country's having reached a state of greatness.

I was profoundly impressed with the eulogy by former Secretary of State Henry A. Kissinger and I respectfully request that his remarks be inserted in the RECORD in order that all Members have an opportunity to read this inspiring tribute.

The eulogy follows:

EULOGY

(By Henry A. Kissinger)

That Nelson Rockefeller is dead is both shattering—and nearly inconceivable. One thought him indestructible, so overpowering was he in his energy, warmth and capacity for love. His buoyant vitality, his deep faith in man's inherent goodness, uplifted all those whose lives he touched. For twenty-five years he had been my friend, my older brother, my inspiration and my guide—matter-of-factly, unobstrusively, intuitively at my side when he was most needed, instilling a sense of confidence and duty, of commitment to the values in which he believed so deeply.

I first met Nelson Rockefeller when as an assistant to the President he called me, a graduate student, to Washington to join one of the panels of experts he was forever setting up to ponder the nation's future. He entered the room slapping backs, caling each of us by the best approximation of our first name he coud remember, at once outgoing and remote. Intoxicated by the proximity of power all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished the smile left his face and his eyes assumed the hooded look which showed that we were now turning to the things that mattered. "What I want you to tell me," he said, "is not how to maneuver. I want you to tell me what is right."

"What is right?" For Nelson Rockefeller this was the quintessential question, both naive and profound, at once shaming and uplifting. It was the definition of his integrity. All that was twenty-five years ago. When the phone call came last Friday night it seemed that our relationship had just started. And now it was already ended.

No one who did not have the privilege of experiencing Nelson's selfless dependability, his embracing thoughtfulness, can possibly appreciate how desolate our life has now become. Our lives without him are an unchartered territory; a suddenly stark and hazy future. And yet we would not trade places with anyone; his friendship will be our badge of honor so long as we live.

He permeated our lives. He was always steadfast. He took enormous pride in the accomplishments of his friends especially when they served their nation. When he was Vice President of the United States he was nearly always at the airport when I returned from a foreign mission. He would give me a bear-hug—saying little—and drive off. By these gestures he infused strength and hope and inspiration. Of his friends and associates he asked nothing except that they do their best, keep their faith, love their fellow man and set their sights high in pursuit of honorable goals.

Nelson Rockefeller was a man of many contrasting qualities; ebullient yet withdrawn, gregarious and still lonely, joyful and driven, full of the moment yet always somehow marked by destiny. He could be pugnacious in asserting his beliefs but he respected those who differed with him; he could be hard but never petty; singleminded but never malicious. His enemies were the slipshod and the second-rate.

Nelson always had a marvelous time. Nothing was too trivial for his attention. He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and hot dogs. He loved parties and travel and meeting people. And he loved art not only for love of beauty but because it expanded the reach of the human spirit.

He was a noble man who gave succor but asked for no reciprocity. None of us ever heard him complain; he never shared his sorrow, only his inspiration. He considered himself so blessed that he felt he had no right to burden others with the doubts and worries inseparable from the human condition even in a man so strong as himself. It was an extraordinary burden which cumulatively drained him though he would never have admitted it. He was truly his brother's keeper.

Nelson could not express in glib words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated—the meanings of the nudges, winks and mumbles by which he conveyed his infinite caring. He was an artist; sudden unexpected flashes of insight startled and sometimes astounded one. I have known no public figure who so often reflected about the spiritual. The Brotherhood of Man and the Fatherhood of God was not a cliche for Nelson; it was a call to action, the motive force of his life. He practiced his faith but he was too humble to

preach it. He fought against injustice and fostered equality but he thought it unseemly to adopt the clamoring tone of protest; he helped the downtrodden but he thought it demeaning to publicize acts of Christian love.

Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspriation was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.

He was born to leadership. Every decade Nelson had another project: to commission the murals of Rockefeller Center, to inspire a Museum of Primitive Art, to gather the nation's experts to study the problems of coming decades, to expand the State university system, to rebuild the State capital, to survey the problems of Latin America, to define our Critical Choices, to solve the energy problem. His faith in reason and democracy and the human personality was boundless. He never looked back. He often seemed remote because he was already living in a future which most of us had not yet understood.

He loved his family. He loved his country. And in his mind the two were connected. It is not a simple matter to have great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

And just as he unabashedly believed it his family's duty to serve their country, so he was convinced that it was his country's duty to vindicate its values by reaching out to the rest of mankind with the message of hope and freedom. Skeptics might scoff at his belief in America's moral mission. But then cynics do not build cathedrals.

He revered his Presidents whether or not he agreed with them. As a patriot, he sought to ease their burden; he winced when associates made unworthy comments about those who in his view had been entrusted with our future and therefore the hopes of mankind. One of the few times he became impatient with me was over a decade and a half ago when I had just seen the then President and reported that I had told him what I thought wrong with some particular policy. Did I offer an answer?, Nelson wanted to know. And when I said no, he chided me: "You should never tell a President that he has problems; he is too overwhelmed by them as it is. Your duty is to offer solutions."

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter who in these days of bereavement found the time amidst the cares of his duties for several gestures to ease the family's pain and then to extend the one solace that would have stirred Nelson the most: that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved for giving him the opportunity to serve his nation and whom he served with unselfish dedication as Vice President. He defied the cynics who expected him to chafe at the limitations of the office, then stepped aside in mid-term without complaint or slackening in his devotion to his responsibilities. Nelson's ambition was to serve, not to be.

Much has been said or written about the frustration that Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have been! How he would have ennobled us! What an extraordinary combination of strength and humanity, decisiveness and vision—a natural born leader. Yet I never heard him express even one word of disappointment. As with everything, he sought the office with zest; but when it eluded him he went on to new challenges, undaunted, resilient, inexhaustible.

In a sense there was something inevitable and even noble in his gallant failure to win the nation's highest office. Here again the myths are wrong. He never succeeded not despite the fact that he was a Rockefeller but because of it. His entire upbringing made him recoil before appearing before the people he wanted to serve as if he were pursuing a personal goal; having been already so privileged he felt that he had no right to ask anything more for himself as an individual. And so this superb campaigner who genuinely loved people eschewed the personal pursuit of delegates. He sought the office by trying to assemble and present to the nation the most sweeping vision of its future and the best blueprints to attain it. He spent days and weeks seeking expert advice for substantive speeches telling the American people about its challenges and how to master them. He had a touching faith in the power of ideas. It is not quite the way our boisterous process works, more geared as it is to personalities than to programs.

And yet in the final accounting it was often Nelson who worked out the agenda which others then implemented as national policy. The intellectual groundwork for many innovations was frequently his. Indeed he continually called the nation's leaders and thinkers to their responsibility, to make their commitments and apply their best efforts to the future of the nation. Destiny willed it that he made his enduring mark on our society in a way that transcends personality—almost anonymously in the programs he designed, the values he upheld and the men and women whose lives he changed.

Nelson was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. This assemblage is the best testimony to how well he succeeded. Legislators and diplomats, the eminent and the humble, Americans and foreigners of all faiths and races and nations are here to pay tribute to the scope of his achievements, the reach of his spirit and above all to the greatness of his heart. This distinguished gathering would tell Nelson the one thing his friends knew better than he: how much he sustained the public life and honor of his country.

As I have thought about my gallant and beloved friend I was first seized by an inexpressible loneliness. And then it occurred to me that his role in our society was symbolic of America's role in the world. Like him we are uniquely strong; like him we are idealistic and a little inarticulate. But if he were here he would tell us: do not look back, do not be afraid or ashamed of your strength; neither hoard it nor abuse it; it is not a burden but God's blessing conferring an opportunity to oppose tyranny, to defend the free, to lift up the poor, to give hope to the disadvantaged and to walk truly in the paths of justice and compassion.

When Nelson was relaxed he did not speak about power but about love. He meant not the sentimental, clinging, demanding emotion which often is a form of selfishness; rather it was the grace of the inwardly strong, an all-embracing feeling that only those who are truly at peace with themselves can dare to articulate.

In recent years he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more but he understood better. And as the statues on the lawn glowed in the dimming light Nelson Rockefeller would occasionally get that squint in his eyes which betokened a far horizon. And he would say, because I needed it, but above all because he deeply felt it: "Never forget that the most profound force in the world is love."●

● Mr. FISH. Mr. Speaker, it is with great personal sadness that I join my colleagues in the House in paying tribute to Nelson Rockefeller, a man who dedicated so much of himself to the well-being of the people of his home State of New York and of the Nation.

I was fortunate as a member of the New York delegation to have worked with Nelson Rockefeller, while he served as our Governor. I also was privileged to serve on the House Judiciary Committee during confirmation of his appointment as Vice President.

Nelson Rockefeller was a true patriot. He worked to better the economic, social, and cultural lives of all Americans. In New York, he expanded the State university system and rebuilt the State capital, while establishing innovative programs to improve the lives of the less-fortunate.

For over four decades Nelson Rockefeller served the public with great industry and ability. Through the years he used his many talents on behalf of the people of New York and the country. He always fulfilled his obligations and responsibilities, never running away from a difficult decision. One could never question his humanity and sincerity, or do less than marvel at his vitality. Even if one did not agree with his policy decisions, it was clear that whatever he did, he did for the good of the people.

As a New Yorker, it will be difficult for me to imagine the arena of New York politics without him as a participant. He was a politician in the true sense of the word. What set Nelson Rockefeller apart from the rest was that he was a statesman. He will be remembered as a great public servant. His love and dedication to the people will serve as an example for generations to come.●

● Mr. MURPHY of New York. Mr. Speaker, throughout the history of America, we have hardly ever been without the name Rockefeller, or so it seems. Ever since the Industrial Revolution brought John D Rockefeller, Sr., into the public eye, the family has been not simply one of America's leaders, but one of its foremost leaders in every field it has pursued.

Such is the case of Nelson Rockefeller, a man with whom I had the distinct pleasure of being associated throughout my entire political career. Although we differed greatly in our political directions, he was still a man whose strength of character, integrity, and vitality surpassed party boundaries. He brought his exuberance and dedication to his personal ideals fully into each area he touched. He felt, as his father once expressed, that it is our responsibility to see in every opportunity, an obligation, and in every possession, a duty.

As a man of great wealth, he was often subjected to challenges from those who questioned his motives for public service. But again, reflecting his father, he would respond that the only question with wealth is what you do with it. He had a tremendous capacity and desire to take on those public obligations, feeling that those who refuse to take part in government condemn themselves, and the people, to living under a bad government which could be considerably better. He had the strength of character to "do what I think is right in this world, and others will follow." He was a leader who could make that concept work.

Nelson Rockefeller used his great capacity to translate his values into public policy. He admitted to having an ambition, not of power, but to "do things, to do useful things, and to do them myself, not to ride on somebody else." He was never above doing the small, seemingly insignificant things which always need to be done, but which somehow are avoided by those who cannot see the value of such groundwork. He was not just a thinker, but a "doer," as he noted when he said that most of the things he had done in his life have been because he had written a memorandum to someone suggesting that someone ought to do something. He never worried about walking through a door which had been opened, and taking on a new challenge.

And in addition to his outstanding national presence, he had a personal commitment to his friends and family which went far beyond that which might be expected of such a man. He was an exuberant, energetic man who was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. And thus, he continued to give, and to do, and to accomplish, and to bring to this Nation an excellence that will be unequaled for a very long time.●

● Mrs. SNOWE. Today I join my colleagues in paying tribute to a very special and truly great American, the Honorable Nelson A. Rockefeller.

Throughout my lifetime, there have been precious few true statesmen. With the passing of Nelson Rockefeller, America certainly has lost one of them.

I believe all of us share a mutual respect and admiration for this man—for his dedication, for his accomplishments, for his sense of duty, for his unselfishness, and for his spirit. This man—who had so much yet gave so much—possessed the character, the quality, and the energy of which true leaders are made.

In Maine, with the passing of Nelson Rockefeller, we sense a personal loss. As a native son and distinguished summer resident, Nelson Rockefeller gave much to the Maine community and demonstrated time and time again to our people the unselfishness and the concern for his fellow man which marked his character.

Mr. Speaker, we have lost a great American. But the spirit of Nelson Rockefeller will remain as an example for all Americans for years to come.●

● Mr. WINN. Mr. Speaker, it is with sadness that I join my colleagues in paying tribute to Nelson A. Rockefeller.

Mr. Rockefeller was a man of principle, a holder of strong and definite views on the issues that face our Nation, and a fighter for what he believed was right.

Nelson Rockefeller visited the Third District in Kansas to lend his support to Republican candidates in the general election campaign of 1968. He was highly respected by party leaders in my district, and was immensely popular with the voters in the Kansas City area. We were more than glad to welcome him when he returned for the Republican National Convention in 1976.

It is typical of his life that he would have attended a program at his son's school, introducing his old friend, Henry Kissinger, and then returned to his office, to die at his desk working on his much loved art collection.

Nelson Rockefeller was a doer, a worker, and the kind of human being who does not come down the road often. We were fortunate to have had him for the years we did. There is no need for a litany of his contributions. We are all well aware they were varied and many, and he will be missed by all segments of our society.

My heartfelt sympathies go to his wife and family.●

● Mr. BOB WILSON. Mr. Speaker, the recent passing of former Vice President Nelson Rockefeller has left us all with a deep sense of loss. He was such a vital force in our world that it is hard to believe that he is really gone.

From his birth, Rockefeller had it all—comfort, ease, privilege, status. His future was assured. But rather than follow a path of idleness and leisure, Rockefeller opted for the arena of politics and a career in public service, and here he made his mark.

Rockefeller served in three administrations, was elected Governor of the State of New York four times, and ended his political career as Vice President under Gerald Ford. He gave fully of his time and boundless energy to public service for over three decades.

Nelson Rockefeller was a man who thought big and dreamed big, who believed in the greatness of this country and its immense future potential. He never lost faith in the innate ability of Americans to innovate and achieve that greatness, that the realization of America's potential lies just around the corner.

He brought an enthusiasm and fervor to the political scene that was rarely seen before. His spirit and optimism were infectious.

Rockefeller wanted America to be the best, was convinced that it could be, and spent his life's energies in pursuit of that goal. He was a unique man and a valued friend. I will miss him greatly, as we all will.●

● Mr. WALKER. Mr. Speaker, I am honored to join with my colleagues in the House of Representatives today to pay tribute to a truly great American, the late Nelson A. Rockefeller. With his recent death, our Nation has lost a valuable and experienced public servant and I take this opportunity to add my expression of deepest sympathy to the Rockefeller family.

Nelson Rockefeller's distinguished public career began with his upset victory in the race for Governor of the State of New York in 1958. He proceeded to serve in that capacity for four terms. His dedication to the principles of democracy was never failing and in December 1974 we were honored when President Ford selected Mr. Rockefeller to serve as Vice President of our country.

I am reminded that on the day he took the Vice-Presidential oath of office, Mr. Rockefeller said:

> I feel a great sense of gratitude for the privilege of serving the country I love.

I suggest that we, as Americans, are deeply grateful to have known Nelson Rockefeller and to have had the benefit of his great wisdom and devotion to our Nation.●

● Mr. VANDER JAGT. Mr. Speaker, our country has lost a great citizen, and I have lost a great friend.

The sudden death of former Vice President Nelson A. Rockefeller came as a great shock and with deep sadness. Our Nation and, for that matter, the world community have lost one of the finest men it has ever been my privilege to know. The great outpouring of glowing comments by world and national leaders has been overwhelming. Unfortunately, as often is the case, the words should have been spoken weeks, months, and even years ago.

I share in that shortcoming, as well. I have tried to think of the right words—moving, meaningful words—as to his passing. Former Secretary of State Henry Kissinger perhaps has said it best when he called Nelson Rockefeller the "greatest man he ever knew." Senator DANIEL PATRICK MOYNIHAN said it well when he commented that Nelson Rockefeller was a man of great generosity "* * * he gave us so much more than we ever gave to him."

As I pay honor to this wonderful, decent human being, to think of words of my loss, our country's loss, perhaps nothing can come closer than my special associations with him which I have described in chapter VII of my soon to be published book recollecting my personal experiences at the White House during President Gerald Ford's time.

Excerpts from my manuscript follow:

THE VICE PRESIDENT

Nelson Rockefeller emerged from these meetings as one of the most irrepressible, zestful and youthful men I have ever known. He could hardly contain his enthusiasm. He was like a one man cheering section for the President and his programs. Often when someone was making a point, particularly to the Vice President's liking, he'd bubble with "Here, Here" or "Amen" or "Good for you" or even applause. He looked at life like a little boy in a candy shop. He was always so enthused and so stimulated and so alert and involved in everything. He was always bubbling over with some experience or conversation he had just had. In one of my very first meetings in January of 1975 Rockefeller corrected me when I addressed him as Mr. Vice President. "To you" he said, "it is Nelson." Then he pulled something from his pocket and grinning like a naughty school boy showed me an angle worm. I was trying

to adjust to the spectacle of the Vice President of the United States pulling an angle worm from his pocket at 8:00 in the morning in the Cabinet room when he explained it wasn't a real one. Seems the day before the Rockefeller family had celebrated his son Mark's 8th birthday. Since the young Rockefeller is such an avid fisherman the birthday party theme was built around fishing. The birthday cake was in the shape of a fish and at each place setting was an angle worm. After the party Rockefeller had gone around collecting the angle worms, unable to resist the sort of practical joke possibilities that he had just pulled on me.

Later John Tower came over and told us he had just been named Vice Chairman of the Senate Select Committee for investigating the CIA. Rockefeller was chairman of the executive committee investigating our investigators and could speak on the subject with some authority. He reached into his pocket and pulled out some angle worms and showed them to Tower. "That's what we have," he said to the Senator. "They're in my hand rather than in a can but that's what we have. A can of worms." Rockefeller said that he was going to trace CIA and FBI snooping beginning with Eisenhower and on thru Kennedy, Johnson and Nixon. He said this would show that Nixon merely carried on a practice that started under Eisenhower and had been added to by each successive President. He said, "You know there's great truth to the joke around town that Ike read the funny paper for amusement but Johnson read the smutty stuff about his friends in the FBI files for his amusement. LBJ had a passion for reading the FBI files on Congressmen and other notables."

Sometimes my chair would be directly to Rockefeller's right, and I'd always enjoy those mornings because of the asides and addendums he'd whisper to me. Like the morning we were counting Ford delegates at the upcoming national convention and Rockefeller had just told the President he could count on every one of New York's 97 delegates. "I couldn't put Jim Buckley on the delegation," he whispered to me "because I just couldn't trust him. He's a fine guy but I just couldn't be sure about him and we've got to make sure New York is 100% for Ford." Another morning he was describing to me an appearance the day before at a Senate Committee. "I went over there to greet the Swedish Crown Prince or whatever he is. I haven't paid too much attention to Sweden because I didn't like the way they've treated us in international affairs or their attitudes. In fact, I didn't particularly want to go over there but the Senate has asked me, so I went. Some Senator asked the President of Volvo what we could do in America to correct our problems. I heard the President of Volvo's answer," Rocky said, and quoted him, "You Americans fascinate me. America is the most powerful nation in the world. You have the greatest capacity the world has ever seen. You can do anything you set your minds to. All you have to do is stop contemplating your navel and stop this obsession with what's wrong with America and think about what's right with America. Because there is so much that is right. You can build on that."

Rockefeller said he thought the President of Volvo had put it so well that when he was asked for comments by the Senate Committee at the end he simply told them he agreed with everything the President of Volvo had said and would make that statement his own. "You know," Rockefeller whispered, "the only thing America needs is confidence and pride. We've got to give the countries of the world and our own people confidence that we in Washington know what we're doing. I just love to work on solving problems. That's fun. I don't really like fighting this rear guard action," he said, sweeping his hand over the table over which we had discussed so often how to stave off some Democratic wrong headed action. "I'll do it if I have to, and often we have to, but I really get turned on by trying to solve problems."

No President ever had a more loyal Vice President than Ford had in Rockefeller. Rockefeller's loyalty was so deep that it led him in November of 1975 to remove himself from consideration as Ford's Vice Presidential nominee at the 1976 Convention. Rockefeller had always been like a lightening rod attracting conservative attacks on the Ford Administration. Ever since the 1964 Convention, mentioning Rockefeller to Conservatives was like waving a red flag at a bull.

As I got to know Rockefeller better and better, this conservative hostility puzzled me more and more. On subjects dear to the Conservative's heart like Capital Formation, a strong defense, anti-Communism, free enterprise and resistance to the public sector swallowing the private sector Nelson Rockefeller was as conservative as Barry Goldwater. Rockefeller wasn't just positioning himself politically on these issues. He felt them as passionately as the most rock-ribbed of the Conservatives. But Rockefeller remained anathema to the right and he concluded that by removing himself as an issue he could take some of the wind out of the sails of the billowing conservative tack to dump Ford and replace him with Ronald Reagan. He just didn't want to be "an embarrassment to the President" was the way Rockefeller put it. I was with John Rhodes on that third day of November in 1975 when his phone rang. News of Rockefeller's decision had come over the ticker less than ten minutes before but it was Rockefeller calling to inform Rhodes of his action. Rockefeller was still at the White House having hand delivered his letter to the President. "I thought it over very carefully. I just didn't feel that the President could have a totally free hand with complete freedom of choice as long as I was in the picture. I simply didn't want to be an embarrasment to the President," Rockefeller explained.

Even after the Ford White House so readily and completely embraced Rockefeller's heroic act of political self-annihilation Rockefeller remained totally loyal to Ford, not just ritualistic lip service loyalty but rather he remained the enthusiastic cheer leader for Ford and his programs fighting at our side for every last delegate as though his political future still depended on it. Although Rockefeller had sacrificed himself to avoid any damage to the President where he might hurt, he continued with unabated enthusiasm to serve Ford where he knew he could help. No task was too big or too small for Rockefeller to take on. Even the mundane assignments Rockefeller cheerfully bounded off to perform simply because the President had asked him to. One day the Vice President called and tried to rent the NRCC the fourth floor of the Capitol Hill Club which is the Republican social club of Washington. "What in the world are you doing spending your time renting space like a real estate agent," I inquired increduously.

"The Capitol Hill Club was tottering on the edge of bankruptcy and only a drop away from having its front doors bolted," Rockefeller explained. "The President was asked to help and he assigned me to the task of putting the Capitol Hill Club back on a sound financial basis. I'm here to serve the President. Whatever he wants me to do that's what I do. And right now he wants the Capitol Hill Club bailed out." Rockefeller cheerfully explained. With the help of advice from his personal lawyers, CPAs, and investment counselors together with some Rockefeller twisted arms at fund raisers, the Vice President had the Capitol Hill Club back on a sound financial, business-like, basis within a few months.

Of course, the ultimate irony is that Rockefeller's removal from the Ford team in no way lessened the challenge from the right. Rockefeller had been an excuse, not the reason. At any rate, I doubt if ever a Vice President gave more to an Administration and received less in return than Rockefeller. Although he had every reason to feel slighted and bitter, I never saw the slightest trace of hurt or disappointment and he remained the cheerful, exhuberant Ford advocate to the very end. Not once in the two years did I ever see Rockefeller try to draw attention to himself or make others—or even Ford—aware of credit due him for some Presidential service well performed which is all the more remarkable when one considers that much of the energy of any President's inner circle is directed to winning Presidential favor and notice for services rendered. I don't know what Ford said to Rockefeller upon their leave taking, but I do know that Ford could have spoken no words more appropriate to Rockefeller's service as Ford's Vice President than those of the apostle Paul. "Well done, thou good and faithful servant."

As Rockefeller left the Vice Presidency, he put some 40 years of public service totally behind to plunge with characteristic zest and abandon into a brand new adventure with his private art collection.

America, so much richer and greater because he had served it, might well have said to Nelson Rockefeller and his nearly half century of service to his beloved country, "Well done, thou good and faithful servant." Good Baptist that he is, that simple epitaph might be the most appropriate of all, even for so distinguished a man and proud and gifted leader.●

● Mr. STANGELAND. Mr. Speaker, the unexpected death of former Vice President Nelson A. Rockefeller brings sorrow to the heart of the Nation. We have lost a valued and faithful friend.

Throughout his lifetime, and political career, not only as Vice President, four-term Governor of New York, and Presidential candidate, but also as a humanitarian, Nelson Rockefeller exemplified the image of a man dedicated to the welfare of this great country, and every individual who resides in it.

His honesty, sincerity, and integrity were deeply respected during his lifetime, and these qualities of his charitable personality will be immortalized in the hearts of Americans for many years to come.●

● Mr. SHUSTER. Mr. Speaker, I rise to pay tribute to one of the most distinguished Americans of our time, Nelson Aldrich Rockefeller.

Born to one of the wealthiest families on the face of the Earth, Nelson Rockefeller could easily have led a life filled with ease and pleasure. But that was the farthest thing from his mind as he grew to maturity and devoted his life to the service of his country and his fellow man.

As Assistant Secretary of State under President Roosevelt and President Truman, he demonstrated his concern for the underdeveloped nations of Latin America. Returning to private life he almost singlehandedly was responsible for finding a home for the United Nations, an institution he felt would be able to play a large role in keeping the then newly found peace of the world. Recalled to service by President Eisenhower, he helped organize the new Department of

Health, Education, and Welfare, later being made Under Secretary.

But Nelson Rockefeller would not be satisfied with appointments to prestigious positions, and entered the turbulent world of electoral politics. For the next 15 years, Nelson Rockefeller was to dominate the State of New York as its Governor. Creating a State university system where none had existed, beautifying the State capital at Albany, always Nelson Rockefeller was in the thick of controversy. Whether one agreed or disagreed with him, his zest for life, his extensive and detailed knowledge of his country and the world made him a formidable friend or foe.

Denied the Presidency of the United States three times, he came forward to serve his Nation as Vice President at one of its most critical moments. And he served it well. Truly we shall miss this very big man, a man with a heart who gave his country everything he had. Instead of taking the wide path of enjoyment and ease, Nelson Rockefeller took the road less traveled by, the road of superb public service, and for that our country is forever in his debt.●

● Mr. SHUMWAY. Mr. Speaker, I appreciate this opportunity to pay appropriate tribute to the memory of the late Nelson Rockefeller, a man who has always stood extremely tall in my estimations.

I did not have the privilege, as many of you have had, of a longstanding and close association with Mr. Rockefeller. However, this lack of personal contact in no way alters my high regard for this great American—in fact, that regard could not be higher. His loss will be felt not only by his family and friends, or by those who were privileged to know and work with him through his service as Governor of the State of New York and Vice President of the United States. Rather, that loss will be felt by Americans from all walks of life, because of Nelson Rockefeller it can truly be said that here was a man who cared. He cared about the direction his country was taking; he cared about bettering the lifestyle of our citizens, and he cared about the integrity of the American principle. If ever an individual could be called a sincere philanthropist, that individual would be Nelson Rockefeller.

To me, his name evokes an image of a colorful individual who lived life to the fullest, rather than allowing that life to "happen" to him. Moreover, he extended that vigorous participation in living to all those whose lives he touched.

He will be missed, but more importantly he will be remembered. My family joins with me in extending sincere condolences to all those whom Nelson Rockefeller left behind.●

● Mr. RICHMOND. Mr. Speaker, it was my privilege to have had a long, close, and warm association with the man we honor today, Nelson Rockefeller.

Nelson was a kind, wonderful friend. In public life as in his private life, you could count on Nelson—he always kept his word. He was one of the busiest people I have ever met, yet he was one of the most available. He always had time to talk, to inquire, to listen.

Few people have had Nelson's long record of distinguished service to his State and Nation. Though he was born to great wealth, the considered it a privilege to serve his fellow citizens, especially those least able to help themselves. He approached his career in public life like he approached everything he did, with dedication, drive, and boundless enthusiasm. Above all, he had confidence—in himself, and in the wisdom, patriotism, and fairness of the American people. Nelson believed to an absolute certainty that together he and they would someday achieve the better world he envisioned.

Nelson Rockefeller's name is synonymous, both with philanthropic giving for the welfare of all, and with compassionate leadership to improve the quality of life in our beloved New York, throughout the Nation, and overseas.

When Nelson believed in a concept, he made it become a reality. Without his interest in culture and the arts, without his energy and personal commitment, there would have been no State council of the arts in New York. He, more than anyone in our Nation, put the arts "on the map," and the New York State Council became the blueprint for State and local councils of the arts everywhere.

In addition to his accomplishments in support for the arts, Nelson's achievements as Governor of New York included expansion and improvements in housing, hospitals, schools, the State university system, and public transportation. He served as Governor of New York for 15 years—an achievement in itself.

When the Nation needed stability and absolute integrity in the executive branch in the wake of Watergate, he accepted the Vice Presidential nomination and served with distinction for 2 years.

Mr. Speaker, these are but a few examples of the monumental contributions of this dynamic, sensitive, exuberant, visionary—my dear friend, Nelson Rockefeller.●

● Mr. RAILSBACK. Mr. Speaker, I am proud to join with my colleagues in paying sincere tribute to an outstanding American who was a dedicated public servant and a close personal friend of many of us in the Congress—the late Nelson A. Rockefeller. His recent passing is certainly a great loss to all Americans.

Nelson Rockefeller was a man who loved his country and served it well during a career in public life that spanned four decades. Although I will not now attempt to detail all of his many accomplishments, his record of enthusiastic and unselfish service to his State and Nation in a variety of official stations is an outstanding one.

His personal compassion helped him to recognize the defects in our society; his idealism and optimism encouraged him to seek solutions to these problems; and his intelligence, drive, and personal dynamism enabled him to transform his ideas into concrete realities. His accomplishments were many and varied, and they provide a fitting memorial to this man, a man who found it a stimulating challenge to seek answers to some of the most complex problems facing our Nation.

Nelson Rockefeller was a firm believer in the American democratic process and the two-party system. Although he was unsuccessful in his three attempts to gain the Republican Party's nomination for President, he was always highly respected by his Republican peers as a loyal colleague of the highest personal integrity. As a member of the Republican party, he actively advocated and advanced those policies in which he believed strongly, while compromising when necessary for the sake of the public good. Always he kept sight of his two basic political beliefs: That government existed to serve the people, and that effective problem solving was the fundamental challenge confronting America's public officials.

Mr. Rockefeller's distinguished Government career reached its climax in August 1974 when he was nominated by President Gerald R. Ford to assume the then-vacant office of Vice President of the United States.

As a member of the House Judiciary Committee, I had the privilege of participating that year in Governor Rockefeller's confirmation hearings. During those proceedings the committee investigated his background and credentials before reporting to the House regarding his qualifications for the office of Vice President. After an exhaustive examination, we found him to be a man of high integrity, whose extensive background in business, foreign affairs, and Government service made him eminently qualified to fill the Nation's second highest office. Thus we were pleased to recommend his confirmation to our fellow Members of the House of Representatives. After assuming the Vice Presidency, Mr. Rockefeller went on to play an important role in the Ford administration's efforts to restore public confidence in the integrity of our Government.

Before closing, I would like to recall a passage from Mr. Rockefeller's testimony before the House Judiciary Committee during his confirmation hearings. Although they were spoken in 1974, his words represent a timely challenge to the 96th Congress as we confront a wide variety of pressing national issues. He said:

> This is a time to face up to what needs to be done. This is a time to mobilize the best minds: to develop challenging new concepts; to resolve the conflicts that must, and should, arise in a diverse and democratic system. This is a time to get things done.

As we mourn his passing, I express my confidence that Nelson A. Rockefeller will be remembered as one of the great public figures of our time, as a great citizen of our Nation and above all as a man who got things done. He will be sorely missed and well remembered.●

● Mr. QUILLEN. Mr. Speaker, America has suffered a great loss in the passing of former Vice President Nelson Rockefeller. For two decades Nelson Rockefeller strode the American political stage, and his personality, his leadership, and his achievements have made a permanent impression on our history.

He was born the heir of one of America's great family fortunes, and as a man he devoted himself to public service for the benefit of ordinary people. Nelson Rockefeller cared about America and he cared about people.

Through the years of success and also of defeat on the political stage, Nelson Rockefeller's heart always seemed as big as his smile. His humor and exuberance never failed him. He was a strong man, but also a happy and a joyous man. He will be missed.

My wife joins me in extending deepest sympathy to Mrs. Rockefeller and all the members of the family on this sad occasion.●

● Mr. MURPHY of Illinois. Mr. Speaker, the death of Nelson Rockefeller has removed a prominent figure from our national political scene. Born into a family of name and fortune, Nelson Rockefeller devoted himself to public service for three and a half decades, leaving his mark as Governor of New York, Vice President of the United States, and a two-time Presidential candidate.

Nelson Rockefeller's career dates back to the 1940's, when President Roosevelt picked him to be coordinator for inter-American affairs. Following that appointment, Nelson Rockefeller participated in developing President Truman's point 4 foreign aid program, helped draft the United Nations Charter, and played an important role in creating the Department of Health, Education, and Welfare under President Eisenhower.

Finally in 1958 "Rocky" entered the rough-and-tumble arena of elective politics. Though wealthy, Nelson Rockefeller established himself as one with whom the common man could identify, and consequently won the governorship of New York.

As Governor "Rocky" expanded the State University from 38,000 students to 270,000, built hospitals, State parks, and buildings (such as the World Trade Center). Perhaps the most difficult episode in his career was the tragic uprising at Attica Prison, which occurred in 1971.

After resigning the governorship in 1973, Nelson Rockefeller was selected by President Gerald Ford to serve as Vice President. In that capacity, he headed the so-called "Rockefeller Commission" that investigated improper activities of our intelligence agencies.

After retiring to private life, "Rocky" returned to his great love of art collecting. But as Newsweek magazine reported:

> . . . When a visitor asked last year what he wished most he might have done, he answered bluntly: "Been President."

Mr. Speaker, America has lost one of its most distinguished politicians and philanthropists. Nelson Rockefeller was a powerful force for ideas and change, as well as for preserving our cultural heritage. He will be missed by all of us.●

● Mr. MITCHELL of New York. Mr. Speaker, our Nation was greatly saddened by the death of Nelson Aldrich Rockefeller. He was an individual of boundless energy, limitless vision, and unchallenged devotion to those causes he championed as he tried to find a better way for us all.

Few men in the annals of American history have given more of their time, talent, and resources to the strengthening of the bond of friendship between people and nations. There was no end to his dedication to those activities which he felt would benefit his fellow man and in the process help assure a world at peace and a quality life for all.

Nelson Rockefeller's accomplishments were many. They stand as a living testimonial to his never-ending quest for excellence in all that he undertook. The lives of literally millions of people have been enriched by projects and policies that had his imprint.

He was not a man who had all of the answers. He would have been the first to concede this. But he was an individual who never stopped searching for those answers. And he was not afraid to sail ahead into unchartered waters on his journey. Determination and Nelson Rockefeller were synonymous.

There were successes in his life. Many of them. And there were failures. There were times when all thinking people, friend and foe alike, embraced his philosophy and proudly identified with his approach to a problem; an approach that often led to a sensible, pragmatic solution of widespread benefit. And there were times when he was opposed with every ounce of energy available to those who had a different version, a different approach. There were occasions when I was with him 100 perecnt. And, at times, I was in the opposite camp. I doubt there were few instances when a Rockefeller position on a public issue elicited a neutral response. He was always out front and highly visible on matters important to us all. Neutrality just was not his style.

As a citizen, but more significantly as a New Yorker, a Republican, and a public official, I was permitted an opportunity to be personally associated with this truly remarkable human being. For most of my political career he was the unchallenged head of the GOP in New York. He brought to that role a vigor and vitality that earned for him the respect of ally and adversary. His advocacy was sought; his opposition avoided. At all times, Nelson Rockefeller was a force to be reckoned with.

Although his policies were questioned, his integrity, sincerity, and strong leadership were never doubted.

The legacy of Nelson Aldrich Rockefeller from a distinguished career of public service marked by major accomplishments touches us all and he will be missed. He will be especially missed by the poor, the handicapped, and the needy. He was their undisputed champion.

Mr. Speaker, I would like to close with two quotes which I feel are tailormade to describe the man we are eulogizing today. The first is from George Bernard Shaw who long ago said:

> Some men see things as they are, and ask "Why?" I dream things that never were and ask "Why not?"

And from the pen of Theodore Roosevelt:

> The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood . . . who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause . . . who at the best knows in the end the triumph of high achievement, and who at the worst . . . fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.

Nelson Aldrich Rockefeller, you earned our respect, you have our appreciation, you are missed.●

● Mr. MAZZOLI. Mr. Speaker, with the death of former Vice President Nelson A. Rockefeller, the Nation has lost a truly great leader and statesman.

It is a rare individual who combines a commitment to public service with the personal appeal sensitivity to the problems of the needy in the way Nelson Rockefeller did. His dedication to improving the quality of life, first as Governor of New York and then as Vice President, was steadfast and exemplary.

The Nation will miss Nelson Rockefeller's presence on the American political scene.●

● Mr. LOEFFLER. Mr. Speaker, Nelson Rockefeller and I sat together many times in the cabinet room of the White House during the period of my service with President Ford—the Vice President at the table, I at the perimeter of the room.

While I did not always agree with the positions which he espoused, I certainly respected him as a man of principle, of dedication, of honor, and of courage.

I am personally saddened by his loss.

Kathy and I extend to Mrs. Rockefeller and the Rockefeller family our deep and most heartfelt sympathy.●

● Mr. JOHNSON of California. Mr. Speaker, America has lost one of its greatest public servants. Nelson A. Rockefeller was a unique man in American history and this Nation will miss him dearly.

Rockefeller was born to fame and fortune. One of the reasons he has a special place in our hearts is that instead of being satisfied with his state in life, he used the opportunities which came his way by virtue of his birth to help others and improve life for all of us.

The word dynamic is often used to describe Nelson and I feel this adjective is most fitting. He was a man of innovation, of strong will, and of eternal optimism. He was energetic, warm, and dedicated.

Although his interests spanned a wide array of fields, his tremendous vitality and enthusiasm allowed him to make important contributions in each. Nelson was a humanist who was tireless in his efforts to make a better world for us all.

It was my great privilege to know Nelson personally through our work together on the National Commission on Water Quality which he chaired so effectively. He showed great concern for the problems of our Nation's waterways and the environmental effects of their being polluted. He was a strong leader and set an outstanding example for us all.

Much of his life was spent in the public arena. In addition to his notable service as our first appointed Vice President of the United States and as Governor of the State of New York for four terms,

Nelson served on numerous task forces and commissions as well as in other positions with the Federal Government. He loved people and loved his country.

Nelson Rockefeller has left this Nation a better place for his having been here, and we all feel a sense of loss as a result of his death. To his wife Happy, his brothers, his sons, and the other members of his family, my wife Albra and I extend our heartfelt sympathy. I will always consider it an honor to have had him touch my life.●

● Mr. GIAIMO. Mr. Speaker, the nation lost a great leader and public servant when our former Vice President, Nelson A. Rockefeller, died.

Born into enormous wealth, Nelson Rockefeller never deviated from what he considered a noblesse oblige. His charitable works are legend. His service as Governor of New York is a record.

Denied the Presidential nomination by his party, he often rejected the idea that he would ever accept the Vice Presidency. Yet, when the Nation's need was clear, he accepted the appointment to that office as an obligation.

Our country benefited greatly from the service of Nelson Rockefeller. We shall all enjoy the legacy he left us. We shall all miss him. And so, we offer our sincerest condolences to his widow and children.●

● Mr. DERRICK. Mr. Speaker, it is my privilege to rise before this body to offer a few words in tribute to the Honorable Nelson Rockefeller.

There is no real way for any of us to address the passing of a national figure. For Nelson Rockefeller was surely dedicated to national service, and I know I need not tell any Member of this Chamber how extensive and unselfish his dedication was. But I would like to use this occasion to hold up his life as a pinnacle anyone in public service could well emulate. We all know that Nelson Rockefeller could have easily passed the political mantle of American life. He chose not to and thereby enriched this Nation with wise counsel and true ability. We shall all miss Nelson Rockefeller very much.●

● Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman for yielding and wanted to add my appreciation and respect for the great service that Nelson Rockefeller has rendered to our country. We all remember Nelson Rockefeller in so many interesting ways. But of all of his great traits, I admired him most for his generosity. The Rockefeller family has always been such a generous family. From the days of his grandfather, they have carried forward the Baptist tradition of philanthropy, sharing, and have given from the heart to education, health, the arts, and to the humanities. It was said that Nelson Rockefeller was liberal, but he was liberal in the finest sense of the word because he was most liberal with his own money. When you picture Nelson, you always visualize him with that warm Rockefeller smile. For a man that grew up in the most aristocratic of families, he was sincerely down to earth and warm in his relations with people. He liked people.

I recall a conversation a few years ago with Nelson about parades. It always impressed me to see his enthusiasm as he waved and smiled for miles of a parade. He explained that he looked to one side of the street and in the back row chose an interested face. He waved at him and the guy would wave back and everyone around also joined in. As the Governor said, "When this face smiled back and the arm waved, that friend of mine gave me a big lift." When you boil it all down, I guess that everyone, everywhere Nelson Rockefeller saw was a friend to him.

I admired Governor Rockefeller so much as he grew through the years in his perspective of Government. With his deep compassion, he entered politics as a believer that the Government should do everything it could to help everyone. In the past few years he has had an opportunity to observe and witness the experiences that resulted from an overburdened Government. He gradually became more and more conservative. In behalf of the sound U.S. dollar and the need to limit Government expenditures to the Nation's fiscal capacity, he realized that as much as he wanted to see the Government do everything for everybody, that it was more essential for the Government to maintain itself with stability for the future.

To all of the family of Nelson Rockefeller, Dee and I extend our warmest and sincerest sympathy.●

● Mr. CARTER. Mr. Speaker, I, too, was saddened to learn of the death of Nelson Rockefeller.

We in the Republican Party have lost a distinguished statesman whose celebrated exuberance as well as his insightful leadership had enlivened and enlightened our party's politics over the past quarter century. But we in the Republican Party are not the only ones to mourn the passing of Nelson Rockefeller, and that is perhaps the greatest indication of his contributions to his country.

Mr. Rockefeller came to Kentucky during Gerald Ford's campaign for the Presidency. Kathleen and I were the ones to greet him at the Lexington Airport. Though I had known him for many years, I was impressed anew with his understanding, his interest and his warmth.

The last time I saw Nelson Rockefeller was at the last joint session of the House and Senate in 1976. The then-Vice President and Speaker O'NEILL were seated on the podium, and I went by and spoke with Mr. Rockefeller. I told him that President Ford would have been elected had he kept him on the ticket. And Speaker O'NEILL said, "Yes, that's true."

Much mention has been made of Nelson Rockefeller's vain quest for the Presidency. But like another former Vice President who also had aspirations to the Presidency, the late Hubert Humhprey, the fact that Nelson Rockefeller never was elected President does not diminish in any way what he managed to accomplish in the service of his country under two administrations and in countless private endeavors for the public good. And what Nelson Rockefeller accomplished most of all during his 70 years on this earth was to provide a lasting example of selfless public service. We shall miss him and his good counsel.

Kathleen and I offer our sincere condolences to his wife, Happy, and to his children and his family.●

● Mr. BROOMFIELD. Mr. Speaker, I will always remember Nelson Rockefeller as the man who died the way he lived—working with enormous energy and enthusiasm. His forceful presence, his unselfish dedication, and his unmistakable humor will be missed by us all.

Nelson's zest for life was apparent in everything he did. Born of great wealth and nurtured in the arts, he chose the demanding profession of public service. In serving the State of New York, as well as the United States of America, he was an imaginative, enthusiastic, and dedicated statesman. In addition, he always felt a great sense of gratitude for the privilege of serving the State and the country he loved so much.

Nelson Rockefeller's contributions to American Government and to the Republican Party have now become a part of the history of this great land. Having served nearly four terms as the Governor of New York, he became only the second Vice President of the United States to be installed under the 25th amendment of our Constitution. As Vice President—under former President Gerald R. Ford—he played an important role in fostering the faith of the American people in their system of Government.

In serving the American people, Nelson Rockefeller always had a special interest in establishing institutional frameworks for social action and worldwide peace. He was particularly instrumental in the construction of various national security strategies for our country. In his long and distinguished career in public service, Nelson Rockefeller epitomized creativity, dedication, and especially enthusiasm. When he finally departed from the American political scene—to concentrate his last energies on the arts—he offered us all a short but appropriate epitaph: "I did my duty for 15 years and kept my enthusiasm."●

● Mr. BINGHAM. Mr. Speaker, last week I made some personal comments about the late Governor and Vice President. In connection with this special order today, I would like to insert in the RECORD an editorial broadcast on January 27 over Station WVOX in Westchester County, N.Y., by Mr. William O'Shaughnessy, president. In this editorial Mr. O'Shaughnessy presents one of the most vivid word pictures I have seen of Nelson Rockefeller as an appealing and very human person:

NELSON—A WVOX EDITORIAL OF THE AIR

(By William O'Shaughnessy)

Saturday is a day for blue jeans, and chores around the house, for errands and shopping at the A & P.

It is not the kind of day to get on the radio to announce that Nelson Rockefeller died last night.

He deserves better than our Saturday edition.

But last night Nelson Aldrich Rockefeller, a former member of the Westchester County Board of Health went down at his office in New York. And all night long and into these early morning hours the newspapers and the radio were preparing bulletins and obituaries to tell you this fabulous and zestful man's heart had stopped on him.

In cold, clinical, medical language he had a "massive" heart attack. It would have to be a slammer to take out this particular 70-year-old man.

This weekend, there will be a lot written and broadcast in the national media about Nelson Rockefeller. And if you want an objective, arms-length report—you'd better tune elsewhere for you'll not get an unbiased version here at his hometown station—or indeed from me.

For we were with him at countless political dinners and at ground breakings and dedications. We rode with him in air planes and helicopters and even in golf carts.

It started with Louis Lefkowitz and Jack Gilhooley down at Ratner's on Delancey Street in New York City. And it was outside the Jewish delicatessen in a Puerto Rican neighborhood where I first discovered the Great Squire of Pocantico Hills. As the old Jewish men from the neighborhood looked on—this partician, this aristocrat from Westchester, plowed into a crowd of hispanic faces yelling at him "Senor Rocky."

For over ten years we followed Nelson Rockefeller as he dominated New York State politics—settling garbage strikes, battling with John Lindsay, building colleges and a great state university, pushing bond issues, building roads and expressways.

He was always the best story of the day . . . even just sitting on the dias of the Westchester Republican dinner at the old Commodore Hotel with the late Fred Powers and telling his neighbors: "Good to see you . . . nice to see you . . . Wow . . . you look fabulous!"

He loved to tell them about the time old Boss Ward, the Republican leader, put him on the Westchester Board of Health.

And on Thursday past as Henry Kissinger spoke at this year's county dinner, I was reminded of the time Fred Powers gave him a huge replica of the Sword of Excalibur which the Wilkinson Sword people had made up. And Nelson Rockefeller was like a kid and just loved it.

There were so many nights and speeches and so many trips and so many arrivals at the county airport.

He would come down out of his Gulfstream, exhausted, in the middle of the night. He might finesse an interview with the networks. But he never waved off a WVOX microphone. When he left Albany he gave us the last question at his final press conference as governor. And when we used the occasion to inquire which of his predecessors staring down at us in the Red Room had "inspired" him, NAR said a lot of great men had been governor of New York, but Teddy Roosevelt had inspired him as a young boy.

And there was the time Air Force Two brought a tired Vice President home from a long trip around the world. And as the national press and TV camera crews clamored for interviews, the Governor, as we still called him, made straight for our local station.

And then there was the time we accompanied him on a swing thru the deep South. David Broder and I were watching the Vice President and finishing a drink as Air Force Two, a DC-9, landed with a hell of an abrupt jolt—landing "hot" as the pilots call it—at Columbia, South Carolina. It reminded David Broder and me of our own mortality for a brief, nervous, fleeting moment. But Rockefeller never even winced. He bounded down out of the plane to meet Strom Thurmond and those southern belles in hoop skirts.

On this same trip, down on Mobile Bay, he even charmed old George Wallace and his lady Cornelia. Eastern, patrician, aristocratic, wealthy, yankee Nelson Rockefeller wowed the red necks.

He could never, of course, make the great, formal speech in front of a television camera. But in a room, with a crowd or one-on-one he was superb when he was informal.

In 1968, in Miami, he had just delivered an uninspiring formal speech to the delegates to the Republican National Convention. He didn't come across before the television camera. And then he joined Walter Cronkite in the CBS broadcast booth for a more informal discussion.

The great Cronkite was trying hard to be his usual objective self when Nelson reached over, put his hand on his arm and said: "Just a minute, Walter . . . I'd like to thank you, sir . . . for all that you do. . . . The way you conduct yourself is an inspiration to me . . . and to our country!"

An astonished, but flattered, Walter Cronkite went over like a giant oak.

I'll remember lots of moments with this neighbor of ours. There was the day just before Christmas, in 1974, when he walked into the oval office to be sworn in as Vice President of the United States. And America, which had just been thru Watergate, felt good again about itself, having this extraordinary man at center stage for awhile.

And I remember Gerald Ford, the President, telling me over drinks in the White House: "Don't worry, Bill . . . I agree with you . . . Nelson and I are a good team . . . he'll be on my ticket . . . and we're going to win."

That, of course, was before Bo Calloway and the mean, narrow southerners and the Rockefeller-haters started after him.

Most men would sell their soul for the vice presidency or to sit in the oval office. He took himself out of it—with style and with grace.

And yet on this morning after he died, it is his sense of humor that keeps coming back to me.

I heard him say—on a plane or in a chopper—one day: "My lawyer just sued me!" I didn't understand—until Bobby Douglass, his aide, explained that Louis Lefkowitz, the attorney general, had just brought a suit against Mobil Oil.

And he was in great, good form at his last public appearance here in the county at SUNY Purchase where he showed slides of his art collection to a very toney group—members of the Westchester Arts Council.

He quipped and joked and raised his eyebrows and moved his blocky shoulders and his eyes twinkled and it was vintage Rockefeller. And as he greeted this staid, artsy crowd, an exceptionally well-endowed lady came thru the receiving line—rather falling out of a somewhat revealing dress. Nelson's eyes lit up. And when he noticed that Joe Canzeri and I had also tuned in on the display, the Governor threw a sly, mischievous wink to us (and to Happy standing next to him) and said to the lady: "Wow . . . how are you . . . yes, sir . . . good to see you!"

He was a man of great enthusiasm. He could find humor in almost any situation. But he had to have been hurt by that number done on him and his art reproductions by the reporter in the Times last month.

In the New York Times, James Reston will write a sweet, affectionate column about him—while Anthony Lewis, who shares the same page, will find some way to tell us he never forgave Nelson for Attica. And many Catholics will never understand his stand on abortion. (And, indeed, they wouldn't even pray for him among the formal petitions Sunday at Holy Family Church in New Rochelle. But in the same city, the Christian Brothers of Ireland at Iona Grammer School remembered the soul of Nelson Rockefeller at a mass for fathers and sons.)

There was a big, broad range to his life. He was a high roller who was equally at ease with the Emperor of Japan and the Shah as he was with Meade Esposito of Brooklyn or a Yonkers politician.

As a wealthy man, as a Rockefeller, he had a lot of material things—Kykuit the house at Pocantico, an apartment on Fifth Avenue, his newest project in the desert near Brownsville, Texas. He would sit at "21" and jet off to Dorado for vacations or with Happy to visit an Italian princess named Letitia in Rome.

But he also had great enthusiasm for some of the ordinary pleasures. I discovered this the night we flew to Cleveland to campaign for Governor Jim Rhodes. A busy tour had been arranged—TV interviews, a visit to the publishers of the Plain-Dealer and a political dinner.

Just before the dinner we stopped at a slightly run down Sheraton Hotel which was probably the best Cleveland had to offer. There were anti-abortion pickets outside. And the governor's hosts had laid on the "presidential suite" for a brief rest stop before dinner.

As we cased the room he spotted a portable bar stocked with Dubonnet and milk which suited him just fine. I could have used a Canadian Club. And there also sat a gleaming silver tray with oreo cookies all grandly wrapped in cellophane and with a ribbon.

"Wow . . . said the governor of New York . . . look at that!"

And so there we sat in short sleeves eating oreo cookies, Dubonnet and milk in the presidential suite while the pickets chanted below.

He has his name on great tall buildings now—in Albany and in New York. And he has left around this state a lot of soaring architecture which will remind us and future generations of Nelson Rockefeller.

But I will think of him everytime I see a kid eating an oreo cookie.

In countless editorials over the years, I've tried to tell you on this radio station what he has done for our state and for our nation—his accomplishments. They are many and known to you.

But this morning I think I merely want to say I'm glad he was our neighbor—and a friend.

Nelson . . . you lit up our lives. You were fabulous.

This is a WVOX Editorial of the Air.

This is William O'Shaughnessy.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sadness I rise today to join my colleagues in paying tribute to a distinguished American who recently passed from our midst, the late Nelson A. Rockefeller.

For almost 40 years, Nelson Rockefeller devoted himself and his great energies to public service, from President Roosevelt's coordinator for inter-American affairs to President Ford's Vice President.

In doing so, he turned his back on the life of great privilege to which his family's wealth entitled him. It was not a decision many people would make.

All too many of us—given the opportunity and the wealth to satisfy our every desire—would opt for the life of leisure and indolence. But Nelson Rockefeller rose above that inclination.

Instead, he became a dedicated public servant, a man determined to leave this world a better place than when he arrived, determined to improve the quality of life of all Americans—nay, all peoples of this globe.

During his 15 years as Governor of New York, Nelson Rockefeller presided over a tremendous expansion in that State's university system, saw health facilities and medical care improved greatly, and generally made his home State a better place in which to live.

Few political figures are that successful.

And few political figures will be missed as much as Nelson Rockefeller.●

● Mr. ANDERSON of Illinois. Mr. Speaker, when John F. Kennedy challenged Americans to ask not what their country could do for them but what they could do for their country, he suggested no prototypes to symbolize the quintessential American. Regardless, our success as a Nation can be traced to the many Americans who heeded that call; and among the many, a few have stood out as the paradigms of public service Kennedy hinted at when he urged us to lay aside personal desire for the public good. Nelson Rockefeller was one such example.

Born to circumstances that would have enabled him to lead a life of leisure, detachment, and dilettantism, Nelson Rockefeller instead plunged himself into a career of public service with characteristic verve and enthusiasm. In and out of elected office, both publicly and privately, he devoted his intellect and his energy to building an America that would attain the lofty goals only the most optimistic of us would ever dream possible.

His public service began in the State Department when he helped formulate the Latin American policies of FDR's administration; it continued through his service as Governor of a distinguished State; and it peaked when he agreed to serve a disillusioned nation as its Vice President. Yet, it would be erroneous to imply that his public service ever ended. Even when not in elected office, Nelson Rockefeller was too compelled by his dreams to rest on his accomplishments. In those times, he devoted himself to private endeavors that, being typically Rockefeller in nature, not only sought solutions to our gravest problems but posed questions that many of us were afraid to ask. His national commission on critical choices epitomized these undertakings.

Much was made of Rocky's wealth, his ambition, and his disappointment in not having achieved the Presidency. To criticize his fortune and his personal goals is to fault the very attributes he used to our benefit. Undeniably, Nelson Rockefeller was a man of substantial financial wealth; but he also was blessed with a wealth of ideas, a surfeit of ideals, and an abundance of good humor that he shared unflinchingly.

Truthfully, he never hid his ultimate pursuit, the Presidency, but neither was he consumed by disappointment in never having achieved that goal. His spirit remained undampened, and he continued to reflect the attitude Teddy Roosevelt once exhibited in describing success and failure in public office:

> Far better it is to dare mighty things, to win glorious triumphs, even though checkered by failure, than to take rank with those poor spirits who neither enjoy much nor suffer much, because they live in the gray twilight that knows not victory nor defeat.

Nelson Rockefeller knew both victory and defeat. He lived not in the gray twilight of obscurity but in the bright sunshine of commitment and service. He leaves behind a legacy of accomplishments and also the memory of the raspy voice, the winking eye, and the firm grasp that were distinctive of the man.

In the end, this man of great fortune left us the fortunate ones. It was our good fortune that such a gifted individual, so exceptional a person, sacrificed the privacy and rewards of his personal life to devote himself to our people.

To say that he will be missed now that he is gone is insufficient; rather we should say that we would have been missing even more had Nelson Rockefeller never graced us with his presence.●

● Mr. ABDNOR. Mr. Speaker, few men have had the generosity of spirit—to say nothing of generosity of purse—which marked the life of Nelson Rockefeller.

Although repeatedly turned back in the quest of his greatest personal dream—the Presidency of the United States—Nelson Rockefeller was never discouraged and bore no grudges against those who opposed or disagreed with him.

That he was willing to "try and try again" in convincing those who considered themselves "conservatives" that they had something in common with "liberals" was evidenced during a trip he made to South Dakota in 1974. I had the privilege of traveling with him at that time.

Clearly, he was a man of great energy, great enthusiasm, great expertise in many fields, great generosity with his time, his talent and his wealth, great goals in his vision for America and the American people.

While he may have had some philosophical differences with some Americans, when it came to being a great American, Nelson Rockefeller had few equals.●

● Mr. RHODES. Mr. Speaker, the passing of Nelson Aldrich Rockfeller deprives our country of the zeal and enthusiasm of a man who dedicated his life to public service.

Born to great wealth, he shunned an idle life and threw himself with boundless energy into causes, projects and campaigns for office. During his 15 years as Governor of New York, he worked tirelessly to better its government. He was a builder, who humorously maintained that he had an edifice complex. His projects include a massive mall in Albany, a model of architectural grace and efficiency, to house the State government.

Nelson Rockefeller battled constantly to provide opportunity for youth. He was most proud that during his tenure as Governor, 31 new campuses for the State universities of New York were created, making it the largest university system in the Nation.

His philanthropies were diverse and generous. Behind the ready grin and brash confidence dwelt a sensitive man who had a deep appreciation for beauty, reflected in his collection of art, which he loaned freely to museums.

His embarkation on the stormy seas of politics in 1958 brought a refreshing and often startling candor to the political process. His "hya fella" reached the so-called man on the street, and his unblinking honesty in facing issues and decisions shocked the cynical and blase. He was a doer, a scrapper for the things he believed in, a leader, a mover and shaker.

It was my privilege to have Nelson Rockefeller as a warm, personal friend. He was a devout Republican, who entered the political lists with spirit and vigor, whether running for office, or espousing a party position at our National Convention.

He was a private man, whose accomplishments came in public affairs. He used his talents and resources to the fullest. Our Nation is the richer for his having devoted his career to Government. Few will leave behind a more lasting legacy. For Nelson Rockefeller, his achievements are his monuments.

I extend condolences to his wife, Happy, his six children, his brothers and sister, and to his many grandchildren.●

● Mr. SCHULZE. Mr. Speaker, I would like to take a few moments to join my colleagues in remembering one of our great statesmen, one of New York's finest Governors, an irreplaceable member of the Republican Party, but most importantly, an outstanding American, Nelson Aldrich Rockefeller.

Nelson Rockefeller was a very special American. He served his Nation for over four decades with a love and a dedication matched by few. He was respected by many, not only for his unquestionable integrity and quick wit but for his unending concern for America and his determination to serve as our conscience, when necessary, to keep us on a course of greatness.

When sworn-in as Vice President of the United States in 1974, Nelson Rockefeller said—and I quote:

> I feel great sense of gratitude for the privilege of serving the country I love.

Nelson Rockefeller was a great public servant because of this abiding love for his fellow man and for his country. He continued to fight throughout his life for what he thought was right, and though he did not always win—Nelson Rockefeller always stood for what he thought was best for America.

Few men have been as selfless, or as caring, in their concern for the good of our Nation. His voice will be sorely missed among the leadership of America in the days and months ahead.●

● Mr. CONTE. Mr. Speaker, I am grateful to my good friend, the gentleman from New York, Mr. WYDLER, the dean of New York's Republican delegation for making this time available today for tributes to the late Nelson Rockefeller.

Like many of my colleagues on both sides of the aisle today, I will stand here and say that Nelson Rockefeller was a friend of mine. Our friendship was of longstanding and was born of a deep respect and admiration.

This is not the first time I have stood up to claim that friendship or to enumerate that great man's finest attributes. In 1964, at the Republican National Convention in San Francisco, I stood with Rocky before a crowd that, by and large, did not want to listen to him as he spoke his piece and gave his counsel to the convention, only to be rebuffed.

In 1968, it was in Miami when I again stood as a member of the Rockefeller camp and again we were turned down.

I think Henry Kissinger, in his very moving eulogy at the memorial service for Nelson Rockefeller, expressed what many of us felt and believed strongly, when he said, "What a great President he would have been. How he would have ennobled us. What an extraordinary combination of strength and humanity, decisiveness and vision—a natural born leader."

We were to be denied that leadership on the national level until when, in 1974, I had another opportunity to stand up in support of my friend, Nelson Rockefeller and urged our colleague-turned-Chief Executive, Gerald Ford, to name him to the Vice Presidency.

I admired Nelson Rockefeller as a personal man—for his deeply held principles, his scrappy attitude, his energy, his vitality and his compassion.

I also respected Nelson Rockefeller as a public man—for his positive approach to people's problems, for his willingness to make that distinctive voice of his heard on the important issues of our times.

That beloved gravelly voice has been stilled, but its impact echoes on in the hearts of those of us who knew him. Yes, we will remember him. But not as the master of a great personal fortune, although he was that. But, rather, and more fittingly, as the servant of a great nation. My wife, Corinne, joins me in extending our deepest sympathy to the Rockefeller family.●

● Mr. BRADEMAS. Mr. Speaker, I wish to add my own to the many tributes being paid to the memory of the Honorable Nelson A. Rockefeller.

Although I met Mr. Rockefeller only a few times, I came to have great respect for his outstanding record of service to the people of the United States.

A man of great personal wealth, Nelson Rockefeller turned his back on a life of ease to plunge into the turbulent world of electoral politics. He served not only as Governor of the State of New York and as Vice President of the United States, but held positions of significant responsibility in the administrations of both Democratic and Republican Presidents.

What I feel sure nearly everyone who observed Nelson Rockefeller will particularly recall about him is that he brought to whatever responsibility he undertook great personal zest and enthusiasm combined with a genuine sense of dedication to the people of our country.

I join in expressing condolences to all of the members of the Rockefeller family on the passing of a man who was a major figure in American life for well over a generation.●

● Mr. DERWINSKI. Mr. Speaker, I join with my colleagues in expressing our sorrow at the untimely passing of Nelson A. Rockefeller. The House is providing a well-deserved tribute to this outstanding leader of our Nation.

Four terms as Governor of New York, the 41st Vice President of the United States and three times a Presidential contender, Nelson Rockefeller's distinguished career represents a lifetime of governmental achievement. He was a man of power and influence, who held fast to his convictions and followed the course in which his judgment and good sense directed him.

The strength of his personality and the controversy of his behavior should not overshadow his skill as a leader and statesman. His colorful life, dramatic career, and numerous achievements made him a striking, unique figure of our time.

Rocky was effective not only by the virtue of his extraordinary capabilities but also because of his warmth and the feeling for life that he expressed in whatever he was doing. He was not afraid to introduce a little humor into a grave situation, or to take a stand on matters of great consequence. His career was marked by a remarkable sense of vision, compassion, objectivity, and total dedication to his country.

The people of America have lost a dedicated public servant who undertook many tasks asked of him with boundless energy, enthusiasm, and effectiveness. Once Nelson Rockefeller was determined to do something, he was relentless in his tireless efforts to achieve his goals. The services performed by Nelson Rockefeller, that of statesman, humanitarian, man of the arts, will be as greatly missed as will his brilliant mind and strong leadership. His long and distinctive leadership has made a lasting impact not only on the State of New York but also on the entire country. Rocky was indeed "one of a kind," and he will be sorely missed.

Mr. Speaker, my wife Pat and I join in extending our deepest sympathy to Happy Rockefeller and the entire Rockefeller family on their loss.●

● Mr. CLAUSEN. Mr. Speaker, I wish to express my deep regret and shock at the sudden death of Nelson Rockefeller, a most respected colleague and dear friend.

Rocky's background made him something of a exception in the political field from the beginning of his twenty year career. Coming from a family of extreme wealth and prestige, he was well acquainted with the benefits of money and power, and this influence set him apart. Even so, he was always politically and personally uncharacteristic in his concern for the well-being of people from all walks of life, and worked to insure Government support for the working citizen.

Nelson Rockefeller was an ambitious politician; but his ambition was grounded more in his love for new experience and challenge, and a desire to make a positive contribution than in desire for power or political glory. When he was appointed Vice President under Gerald Ford, he embraced the office with zeal, intent on doing more with the Vice Presidency than had ever been done before.

Rocky's unfailing interest in new ideas and his desire to lead were an inspiration to us all. There can be little doubt that he contributed greatly to the flexibility of the Republican Party because he was capable of new perspectives at a time when many pressing issues confronted the Nation.

This country will surely not be the same without Nelson Rockefeller. I know my colleagues join with me in paying tribute to a remarkable man and a politician who truly made a difference.●

● Mr. HEFTEL. Mr. Speaker, the accomplishments of Nelson Rockefeller were so numerous and so varied that even a brief contemplation of them would be a humbling experience for any person, especially since they continued with undiminished vigor into the final moments of his life.

But in this hour of mourning for a truly great public servant, I think it is appropriate to place special emphasis upon a certain aspect of his character that is easily overlooked yet which has left an imprint at least as significant as his well-known accomplishments.

It is perhaps more by his defeats, even, than his victories, that Nelson Rockefeller responded most nobly to a challenge thrust upon him by fate. If any name is synonymous the world over with American capitalism, it is Rockefeller. That legacy placed an extraordinary burden upon the man who inherited the Rockefeller name and brought it to the center of the American political arena. That he suffered defeat, and, even more important, that he responded to it with graciousness, good humor, and a renewed commitment to the institutions of American Government, provided an unanswerable argument to the most persistent misguided criticism of our society, a criticism that could only have been effectively answered by the strength of human example. In the most convincing manner conceivable, Nelson Rockefeller proved, once and for all, and perhaps as only he alone could have proved, that moneyed wealth does not rule the institutions of American Government.

Thus, even in defeat, he was triumphant in the cause of his Nation. For that alone, we owe this great man a unique debt of gratitude.●

Mr. WYDLER. Mr. Speaker, there have been many Members of the House who have indicated they would like to participate in this special order. Their remarks are included in these remarks.

In addition, the Vice President of the United States, Mr. WALTER MONDALE, has asked that a statement be included on his behalf.

□ 1215

Mr. Speaker, both Senators JACOB JAVITS and DANIEL PATRICK MOYNIHAN of New York have statements to be included.

We have statements from former Cabinet members who served with the Vice President: John T. Dunlop, former Secretary of Labor; William E. Simon, former Secretary of the Treasury; Earl L. Butz, former Secretary of Agriculture; Thomas S. Kleppe, former Secretary of the Interior; Carla Anderson Hills, former Secretary of Housing and Urban Development; and William T. Coleman, former Secretary of Transportation.

In addition, we have received statements from the former President of the United States, Richard M. Nixon, and from the current Nassau County Republican Party chairman, Joseph M. Margiotta.

In addition, in this special order we are going to include in full the memorial service remarks that were made by members of the family and by Henry Kissinger, together with a very eloquent

statement by Laurance S. Rockefeller that was part of the memorial service.

The statements referred to are as follows:

STATEMENT BY VICE PRESIDENT WALTER MONDALE, FEBRUARY 8, 1979

The Rockefeller all of us remember is the campaigner—hand outstretched, broad friendly grin, enthusiasm and good cheer, boundless energy. He seemed made for American political life—and perhaps that is because during the last quarter century he did so much to shape it. Or perhaps it is because he understood America so well. The bigness of his plans, his generous giving and good works, his enthusiasm for politics, his partisan zeal and limitless patriotism, his sense of duty and love of work—when we think of these qualities, we remember Nelson Rockefeller and we think of America as well.

He had an eagerness for life itself. He liked to travel, and knew many parts of the world, especially Latin America, which early caught his interest (and on which he advised many Presidents). He loved the solitude of eastern Maine, where he had a country house, and also the bustle of Manhattan He loved New York State, which for fifteen years he governed—the second longest tenure in the history of New York's governorship. And he loved art. It was in keeping with his generous heart that he did so much to share this love with his fellow New Yorkers. He helped create one of the finest museums in the world, and as Governor he was steadfast in his devotion to the arts. And after he retired from politics, he began to make reproductions of the art objects in his wonderful private collection, which he wanted to share with the public—and who, knowing Nelson Rockefeller, was surprised?

I did not know him well. But I know that he generously took it upon himself to offer me his help—the benefit of his experience and knowledge—when I followed him in the Vice Presidency. And I will also remember, as all Americans will, the energy and devotion and good will of this man, and will, as they will, miss his presence.

STATEMENT BY SENATOR DANIEL P. MOYNIHAN, FEBRUARY 8, 1979

The work of the Rockefeller family is to be seen throughout the world and yet, I suppose, one must be a New Yorker to really know it. In New York, after all, one sees it physically—in the skyline—yet one senses it palpably in the energy that is itself a residue of the extraordinary energies all the Rockefellers expended in our City and our State.

It is not enough to say that Nelson Rockefeller was a man who was larger than the privileged circumstances of his birth. His grandfather had been one of the builders of the modern industrial state, the modern industrial world, the dominant figure in an heroic age of enterprise. And yet there was never a sense communicated to his descendants that the achievements of the founding generation marked a high point which could not be recovered. Instead, there was a sense that there was still work to do.

Nelson Rockefeller did that work, in a way that conveyed what seemed to be more than the ordinary human capacities. Little stood outside his field of vision. Nothing seemed to him beyond the scope of human intelligence and dedication, and thus he became for all public figures a standard by which their own work might be judged. It is hard to describe one's intense personal reaction to such a figure. When I was told of the news of his death, though, one thought came instantly to mind, which I conveyed then to the press: "There was not a more generous man in American politics, and yet we were never as good to him as he was to us. May God bless his soul."

A TRIBUTE TO NELSON A. ROCKEFELLER, MADE ON THE OCCASION OF HIS 70TH BIRTHDAY

The Chinese character for "crises" combines the symbols for "opportunity" and "danger." Nothing could illustrate better Nelson's philosophy and profound belief that all problems or crises, regardless of magnitude, are potential opportunities.

His power of positive thinking seems absolutely unlimited!

Nelson is not only a great statesman but he also is endowed with qualities of a truly creative artist.

Statesmanship and artistic ability have one important characteristic in common—the capacity for making order of out chaos!

The principal difference is that an artist works with paint and canvas and a statesman works with people in terms of their political, social and economic problems.

Throughout his lifetime, Nelson has dramatically demonstrated this fantastic ability to be both statesman and artist! To endlessly bring order out of chaos—whether it be within the Family, the State, the Nation, or the World itself!

To sum up my feelings, let me say that I have always loved and admired Nelson as a brother and as a friend for as long as I can remember.—LAURANCE S. ROCKEFELLER

EULOGY

(By Henry A. Kissinger)

That Nelson Rockefeller is dead is both shattering—and nearly inconceivable. One thought him indestructible, so overpowering was he in his energy, warmth and capacity for love. His buoyant vitality, his deep faith in man's inherent goodness, uplifted all those whose lives he touched. For twenty-five years he had been my friend, my older brother, my inspiration and my guide—matter-of-factly, unobtrusively, intuitively at my side when he was most needed, instilling a sense of confidence and duty, of commitment to the values in which he believed so deeply.

I first met Nelson Rockefeller when as an assistant to the President he called me, a graduate student, to Washington to join one of the panels of experts he was forever setting up to ponder the nation's future. He entered the room slapping backs, calling each of us by the best approximation of our first name he could remember, at once outgoing and remote. Intoxicated by the proximity of power all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished the smile left his face and his eyes assumed the hooded look which showed that we were now turning to the things that mattered. "What I want you to tell me," he said, "is not how to maneuver. I want you to tell me what is right."

"What is right?" For Nelson Rockefeller that was the quintessential question, both naive and profound, at once shaming and uplifting. It was the definition of his integrity. All that was twenty-five years ago. When the phone call came last Friday night it seemed that our relationship had just started. And now it was already ended.

No one who did not have the privilege of experiencing Nelson's selfless dependability, his embracing thoughtfulness, can possibly appreciate how desolate our life has now become. Our lives without him are an uncharted territory; a suddenly stark and hazy future. And yet we would not trade places with anyone; his friendship will be our badge of honor so long as we live.

He permeated our lives. He was always steadfast He took enormous pride in the accomplishments of his friends especially when they served their nation. When he was Vice President of the United States he was nearly always at the airport when I returned from a foreign mission. He would give me a bear-hug—saying little—and drive off. By these gestures he infused strength and hope and inspiration. Of his friends and associates he asked nothing except that they do their best, keep their faith, love their fellow man and set their sights high in pursuit of honorable goals.

Nelson Rockefeller was a man of many contrasting qualities; ebullient yet withdrawn, gregarious and still lonely, joyful and driven, full of the moment yet always somehow marked by destiny. He could be pugnacious in asserting his beliefs but he respected those who differed with him; he could be hard but never petty; singleminded but never malicious. His enemies were the slipshod and the second-rate.

Nelson always had a marvelous time. Nothing was too trivial for his attention. He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and hot dogs. He loved parties and travel and meeting people. And he loved art not only for love of beauty but because it expanded the reach of the human spirit.

He was a noble man who gave succor but asked for no reciprocity. None of us ever heard him complain; he never shared his sorrow, only his inspiration. He considered himself so blessed that he felt he had no right to burden others with the doubts and worries inseparable from the human condition even in a man so strong as himself. It was an extraordinary burden which cumulatively drained him though he would never have admitted it. He was truly his brother's keeper.

Nelson could not express in glib words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated—the meanings of the nudges, winks and mumbles by which he conveyed his infinite caring. He was an artist; sudden unexpected flashes of insight startled and sometimes astounded one. I have known no public figure who so often reflected about the spiritual. The Brotherhood of Man and the Fatherhood of God was not a cliche for Nelson; it was a call to action, the motive force of his life. He practiced his faith but he was too humble to preach it. He fought against injustice and fostered equality but he thought it unseemly to adopt the clamoring tone of protest; he helped, the downtrodden but he thought it demeaning to publicize acts of Christian love.

Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.

He was born to leadership. Every decade Nelson had another project: to commission the murals of Rockefeller Center, to inspire a Museum of Primitive Art, to gather the nation's experts to study the problems of coming decades, to expand the State university system, to rebuild the State capital, to survey the problems of Latin America, to define our Critical Choices, to solve the energy problem. His faith in reason and democracy and the human personality was boundless. He never looked back. He often seemed remote because he was already living in a future which most of us had not yet understood.

He loved his family. He loved his country. And in his mind the two were connected. It is not a simple matter to have great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

And just as he unabashedly believed it his family's duty to serve their country, so he was convinced that it was his country's duty to vindicate its values by reaching out to the rest of mankind with the message of hope and freedom. Skeptics might scoff at his belief in America's moral mission. But then cynics do not build cathedrals.

He revered his Presidents whether or not he agreed with them. As a patriot, he sought to ease their burden; he winced when associates made unworthy comments about those who in his view had been entrusted with our future and therefore the hopes of mankind. One of the few times he became impatient with me was over a decade and a half ago when I had just seen the then President and reported that I had told him what I thought wrong with some particular policy. Did I offer an answer? Nelson wanted to know. And when I said no, he chided me: "You should never tell a President that he has problems; he is too overwhelmed by them as it is. Your duty is to offer solutions."

Nelson would be proud that two Presidents have honored him by attending his service. He would be touched at the act of grace of President Carter who in these days of bereavement found the time amidst the cares of his duties for several gestures to ease the family's pain and then to extend the one solace that would have stirred Nelson the most: that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved for giving him the opportunity to serve his nation and whom he served with unselfish dedication as Vice President. He defied the cynics who expected him to chafe at the limitations of the office, then stepped aside in mid-term without complaint or slackening in his devotion to his responsibilities. Nelson's ambition was to serve, not to be.

Much has been said or written about the frustration that Nelson experience because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have made! How he would have ennobled us! What an extrordinary combination of strength and humanity, decisiveness and vision—a natural born leader. Yet I never heard him express even one word of disappointment. As with everything, he sought the office with zest; but when it eluded him he went on to new challenges, undaunted, resilient, inexhaustible.

In a sense there was something inevitable and even noble in his gallant failure to win the nation's highest office. Here again the myths are wrong. He never succeeded not despite the fact that he was a Rockefeller but because of it. His entire upbringing made him recoil before appearing before the people he wanted to serve as if he were pursuing a personal goal; having been already so privileged he felt that he had no right to ask anything more for himself as an individual. And so this superb campaigner who genuinely loved people eschewed the personal pursuit of delegates. He sought the office by trying to assemble and present to the nation the most sweeping vision of its future and the best blueprints to attain it. He spent days and weeks seeking expert advice for substantive speeches telling the American people about its challenges and how to master them. He had a touching faith in the power of ideas. It is not quite the way our boisterous process works, more geared as it is to personalities than to programs.

And yet in the final accounting it was often Nelson who worked out the agenda which others then implemented as national policy. The intellectual groundwork for many innovations was frequently his. Indeed he continually called the nation's leaders and thinkers to their responsibility, to make their commitments and apply their best efforts to the future of the nation. Destiny willed it that he made his enduring mark on our society in a way that transcends personality—almost anonymously in the programs he designed, the values he upheld and the men and women whose lives he changed.

Nelson was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. This assemblage is the best testimony of how well he succeded. Legislators and diplomats, the eminent and the humble, Americans and foreigners of all faiths and races and nations are here to pay tribute to the scope of his achievements, the reach of his spirit and above all to the greatness of his heart. This distinguished gathering would tell Nelson the one thing his friends knew better than he: how much he sustained the public life and honor of his country.

As I have thought about my gallant and beloved friend I was first seized by an inexpressible loneliness. And then it occurred to be that his role in our society was symbolic of America's role in the world. Like him we are uniquely strong; like him we are idealistic and a little inarticulate. But if he were here he would tell us: do not look back, do not be afraid or ashamed of your strength; neither hoard it nor abuse it; it is not a burden but God's blessing conferring an opportunity to oppose tyranny, to defend the free, to lift up the poor, to give hope to the disadvantaged and to walk truly in the paths of justice and compassion.

When Nelson was relaxed he did not speak about power but about love. He meant not the sentimental, clinging, demanding emotion which often is a form of selfishness: rather it was the grace of the inwardly strong, an all-embracing feeling that only those who are truly at peace with themselves can dare to articulate.

In recent years he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more but he understood better. And as the statues on the lawn glowed in the dimming light Nelson Rockefeller would occasionally get that squint in his eyes which betokened a far horizon. And he would say, because I needed it, but above all because he deeply felt it: "Never forget that the most profound force in the world is love."

REMARKS OF DAVID ROCKEFELLER AS PREPARED FOR DELIVERY ON FEBRUARY 2, AT RIVERSIDE CHURCH, AT MEMORIAL SERVICES FOR HIS BROTHER, NELSON A. ROCKEFELLER

We are gathered together here in this beautiful sanctuary of the Riverside Church from many parts of the country and the world, from many sectors of our society, to pay tribute to the memory of Nelson Aldrich Rockefeller. Your being with us means so much to Happy, Laurance and all of us in the family. We have been through a difficult period—with John's recent death and the deaths of Winthrop and Babs only a few years before.

I speak to you today as Nelson's youngest brother and as a member of a large family which he loved and from which he drew strength—a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system, and in the responsibility of the citizen to revere God and help his fellow man. In addition, he loved beauty in nature and in the arts—he loved the companionship of people—he loved life.

These traits represented a synthesis of the qualities of his two grandfathers and his parents, all of whom he greatly admired.

Grandfather Aldrich served for 31 years as United States Senator from Rhode Island—he was majority leader for the last 17 years of his term. He played an active role in the formulation of economic policies of our country at a critical period before and after the turn of the century. Even though Senator Aldrich died when Nelson was a small boy, Nelson's fascination for politics undoubtedly stemmed from the legacy of the man for whom he was named and about whom he heard much from Mother.

Grandfather Rockefeller, a founder of one of America's great industries, lived until Nelson had reached full maturity. They were devoted to one another and saw one another frequently. Nelson's respect for rugged individualism, for creative capitalism, for surrounding himself with able associates clearly came from this intimate association with his Grandfather Rockefeller.

From Father, whose upbringing as a devout Baptist, and whose lifetime devotion to philanthropy led him to pioneer in fields such as education, conservation, race relations and medical research, Nelson learned that opportunity and responsibility go hand in hand. His strong adherence to Judeo-Christian principles and his respect for all religions were deeply imbedded in him by Father and guided his actions throughout his life. For this and a commitment to discipline and hard work, Father provided prime inspiration.

No one had a stronger impact on Nelson's life than Mother. When Nelson was fifteen years old, Mother wrote to him:

"I am eager that you shall be much above the ordinary in character and achievement, the world needs fine men, there is great work waiting to be done. I want you to train yourself to meet any opportunity the future may hold in store for you."

It was she who gave him a love of the visual arts which was a critical element in his creativity and also provided him with joy and relaxation. It was she who imparted to him a concern for people—their qualities, their problems, their aspirations—and who imbued him with a capacity to find people—all kinds of people—a source of unending exhilaration and satisfaction. It was her uncanny intuition and wisdom which gave to Nelson and, indeed, to all of us, subtle guidance and inspiration.

The impact on Nelson of these four powerful and very different personalities gave him a sense of purpose, perhaps even of mission. It made him the strong, magnetic leader he was.

After graduating from Dartmouth College, where these qualities of leadership were already manifest, Nelson joined the family office to work with Father on family affairs. A year or two before, Father had started the construction of Rockefeller Center. Work had hardly begun before the great depression hit the country and the bottom dropped out of the real estate market. With no prior experience, Nelson immersed himself in the building and leasing of Rockefeller Center, and, along with Mother, in selecting works of art to adorn it. He, more than any other person, was responsible for making Rockefeller

Center, described by pundits at the time as a white elephant, a financial success.

At that time, Nelson became deeply engrossed with the Museum of Modern Art, which Mother and two other women had started a short time before. Once again his qualities of leadership, coupled with his interest in the arts and in efficient management, contributed enormously to its becoming the world's preeminent museum of contemporary art.

Nelson was always a champion of family solidarity—something in which Mother also fervently believed. It was Nelson's farsightedness and leadership which brought us together as a family unit—out of which grew many joint initiatives, including the Rockefeller Brothers Fund. Close at his side, and with unswerving devotion and loyalty, in good times and in bad, was my brother Laurance, with whom Nelson always had a very special relationship.

Nelson's career in public service began in 1939, when President Roosevelt asked him to take on a special assignment in relation to Latin America as Co-Ordinator of Inter-American Relations. In this position, he demonstrated his unusual capacity to relate with sensitivity and feeling to peoples of diverse culture and background to make them feel equal "Partners in Progress." Our relations with our Latin American neighbors were never better than during the period when he was Co-Ordinator.

While he cherished the appointive positions he held in government, Nelson felt that only through elective office would he truly represent the people in a democratic society. His four terms as Governor of the State of New York brought him the challenge he was looking for more than any other task he undertook during his life. He relished the matching of wits, the rough and tumble which is inherent in political life.

In reviewing Nelson's accomplishments as Governor, one sees the fulfillment of his heritage—the establishment of the New York State Arts Council, the creation of the Adirondack State Park, and the dramatic expansion of the State University of New York.

His role as Governor was often controversial and provocative, but he showed great vision as a planner, great courage as a doer and he gave of himself without stint.

The climax of Nelson's career as a public servant was the two years he served with President Ford as Vice President of the United States. I am sure that Nelson would have been very touched and honored to think that President Ford, as well as President Carter, were attending this service today.

For us in the family, this is a day of mourning, but also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave in whatever area he touched. His departure leaves a gap which never will be filled, but his spirit, his patriotism, his determination and his optimism will remain a vibrant force in our lives. We are proud of him as a member of the family. We are proud of his manifold achievements. We are proud of his ability to deal gracefully with disappointment, as well as success. Our love for him will never end.

REMARKS OF ANN ROCKEFELLER ROBERTS, AS PREPARED FOR DELIVERY ON FEBRUARY 2, AT RIVERSIDE CHURCH, AT MEMORIAL SERVICES FOR HER FATHER, NELSON A. ROCKEFELLER

"I celebrate myself, and sing myself,
And what I assume you shall assume,
For every atom belonging to me as good belongs to you.
I harbour for good or bad, I permit to speak at every hazard,
Nature without check with original energy."[1]

These words of Walt Whitman[1] speak to me of my father. I can almost hear him saying them to us. He was what he was—exuberant, energetic, extravagant. He was all these things without hesitation, without regret, with conviction, at home as well as in the public eye.

To be his children was not always easy, but he filled our lives with excitement and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art by spending hours with us hanging pictures together, and his wanting us to help build a chicken coop or a garden wall, so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother always felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To Father, life was meant to be lived. As we leave this church today, he would want us to get on with it—to go forward, to take our lives in our hands fully and joyfully, as he did.

And so as we share our grief at Father's death, let us listen to Paul's bold comfort to the Romans:[2]

"What then shall we say to this? If God is for us, who is against us? He who did not spare his own Son but gave him up for us all, will he not also give us all things with him?

Who shall separate us from the love of Christ? Shall tribulation, or distress, or persecution, or famine, or nakedness, or peril or sword? . . ."

"No, in all these things we are more than conquerors through him who loved us. For I am sure that neither death, nor life, nor angels, nor principalities, nor things present, nor things to come, nor powers, nor height, nor depth, nor anything else in all creation, will be able to separate us from the love of God. . . ."

REMARKS OF RODMAN C. ROCKEFELLER, AS PREPARED FOR DELIVERY ON FEBRUARY 2, AT RIVERSIDE CHURCH, AT MEMORIAL SERVICES FOR HIS FATHER, NELSON A. ROCKEFELLER

My brother, Nelson, told us in his moving talk at the graveside that the spirit of our father, Nelson, will be with us always.

For seventy years his family, his country and the world lived with, enjoyed and were benefitted by that spirit.

His mother, Abby Aldrich Rockefeller, helped form that spirit, writing to him in September 1929, when he was 21:

"DEAREST NELSON: We can have some talks when we are in Hanover about your future. I am glad if you feel *absolutely sure*. There are so many fine things that it is possible for you to do and so many things that seem necessary for someone to do. I am terribly eager that the high standard of citizenship set by your father shall be maintained by you boys. It seems as if all of you would have to join in the battle for righteousness in all walks of life, business, church, professions and private life, no small or easy job."

A sense of power and of the Christian obligation to dedicate that power to something greater than himself came early in his life.

He was born into a period of revolutional change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teenage years and he graduated into adulthood with the Depression. He described it well in 1958 in the introduction to the Rockefeller Brothers Panel I Report:

"The world is going through a period of profound and rapid change, placing upon men and nations unusual strains which will endure as far as we can see into the future. After the burst of energies now loose in all realms of life—in basic discoveries, in technology, in population growth, in human expectations—the tide may abate. Or it may be that the wave of change is cumulative and will demand of men hereafter an adaptability and resourcefulness such as we can now only dimly imagine."

Into that world came Nelson Rockefeller, a man of power, of wealth and equipped with the confidence born of that power and wealth.

He loved people and the hurly-burly of political campaigning. We share the image of his first statewide campaign, from Nathan's on Coney Island to Niagara Falls—as he charged into cheering crowds with "Hi ya fella" for everyone he could reach.

He came early to his love of and response to people. He found his first professional political love in Latin America. That warm and genuinely uncritical response of one man to another matched his nature and kindled a lifetime love and respect. In many ways, his six years as Coordinator for Inter-American Affairs and his eleven years beginning the International Basic Economy Corporation were the most enjoyable and fruitful of his lifetime.

This response to the deep human qualities of people everywhere was matched by his instinctive seeking for justice and a greater purpose. His very personal power demanded a framework of law and of purpose.

Dr. Martin Luther King, Jr. told America, "I have a dream . . . ." a dream of universal justice and opportunity. How Nelson Rockefeller responded is best told in his own words. He told the American Jewish Committee in April 1958:

"America is the political expression of our great Judeo-Christian heritage. In the Declaration of Independence, the Constitution and the Bill of Rights, the Founding Fathers sought to make explicit in law what was implicit in the teachings of the prophets and in Christ's teachings as to the sanctity of the human person.

Out of these deeply spiritual beliefs has grown our whole concept of political freedom and the freedom of economic opportunity which has contributed so much to their realization."

In our pluralistic, dynamic society, which so matched his own complex personality, the role of law was one he understood and promoted:

"We cannot have a free society if people don't know the rules. We cannot have a law-abiding society if people don't understand the laws."

To understand the warmth and the depth of my father's spirit one must turn to the role that the appreciation and collecting of art played in his life. A dabbler in painting as a child, under the tutelage of both his parents, his appetite grew rapidly into the collecting of American art and gradually, the objects of all artistic achievement. As said at the opening of the Steichen "Family of Man" photographic show:

"I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way. For the artist sees with an eye that is clearer and more penetrating than the vision of ordinary perception; and his craftsmanship communicates to us, with the excitement of new awareness, insights that we may have sensed but were never able to formulate." . . . "Here are the deep personal emotions of men and women and children." . . . "Finally, here is the universal experience of death and loss through death, and the ever-recurring miracle of new birth, new youth, a new stream of life."

The life of a whole man has unfolded before us, strong, even arrogant; impatient yet wise and foreseeing; integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

His respect for ideas was as great as his love of ideals. His faith in the efficacy of assembled men and women of proven experience and ability in confronting national problems was proven by the successful use of such distinguished Americans in the Rockefeller Brothers Panel reports in 1958, the Reports to Presidents Truman and Nixon and the Commission on Critical Choices for Americans in 1975. The possibility of progress through rational study and the application of human talent to the solution of human problems was a belief he held deeply. He stated in 1976, before the American Association for the Advancement of Science in Boston, Massachusetts:

"I am convinced that too little attention is given today to these basic interrelationships which have helped to produce the world's greatest standard of living for ordinary men, the greatest individual liberty for people in all walks of life and the greatest economic freedom men and women have ever enjoyed.

"Scientific advancement, economic progress and the quest for freedom have marched together in America for over two centuries."

Again, this process is not an end in itself, but serves man. Before the Pan American Union in 1953, Nelson Rockefeller declared:

"Human welfare is the true goal of economic progress. We share a faith in the inherent dignity and worth of the individual and in the capacity and desire for self-improvement of human beings of whatever nationality, race, creed or color. Basic to this well-being is economic growth and a rising standard of living."

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government he saw the fruition of his drives and abilities in the solving of problems. He told the National Press Club in Washington, D.C., in 1976:

"It is time we as a nation give major attention to basic problems. We should seek ways to shape and strengthen our governmental and political structure so as to promote the kind of political consensus upon which democracy depends, and to insure governmental capacity to perform upon which our national survival depends."

His public service is measured over a span of 40 years and six Presidents. His term as Governor of the State of New York was the longest and perhaps the most productive of any since post-colonial days. He never reached the pinnacle of his ambition—the Presidency of the United States, which he so richly deserved. In this, he joins such great Americans as Alexander Hamilton, Daniel Webster and Adlai Stevenson. His service as Vice President, coming as it did after such traumatic times, may be considered by history to be a fitting climax to such a prodigiously productive life.

In the end, one turns back to the beginning to gain a perspective on the life of my father. At the depths of World War II he stated in this church on January 27, 1943:

"One day the noise will subside. One day the murk and stench of war will be cleared away. Weary eyes will search horizons, seeking that with which to build anew. And presently, in awed silence, they will see emerging the ideal of democracy, unchanged, untouched—the Christian vision of universal brotherhood."

I thank God that the world is a better place because Nelson Rockefeller passed by.

USHERS FOR THE MEMORIAL SERVICE FOR FORMER GOVERNOR NELSON A. ROCKEFELLER ON FRIDAY, FEBRUARY 2, 1979

Harry W. Albright, Jr. Former State Commissioner of Banking; President, Dime Savings Bank of New York.

James M. Cannon. Former Special Assistant to Governor Rockefeller; Aide to Senator Howard H. Baker, Jr., (R) of Tennessee.

Joseph Canzeri. President, Greenrock Corporation.

Dana S. Creel. Vice Chairman, Rockefeller Brothers Fund.

William M. Dietel. President, Rockefeller Brothers Fund.

J. Richardson Dilworth. Senior Financial Advisor, Rockefeller Family.

Robert R. Douglass. Former Secretary to Governor Rockefeller; General Counsel, Chase Manhattan Bank.

John French. New York Attorney; Governor Rockefeller's Dartmouth College roommate.

Berent Friele. Aide to Governor Rockefeller since 1940; Specialist in Western Hemisphere Diplomatic Relations.

Nancy Hanks. Rockefeller Brothers Fund Trustee; former Chairman of National Endowment for the Arts.

Wallace K. Harrison. Architect; close personal friend of Governor Rockefeller.

George L. Hinman. Former New York State Republican Committeeman and chief political advisor to Governor Rockefeller since 1957.

Kathleen M. Huldrum. Personal Secretary to Governor Rockefeller.

T. Norman Hurd. Former New York State Budget Director and Secretary to Governor Rockefeller.

Dr. Lindsley F. Kimball. Retired Philanthropic Advisor to the Rockefeller Family.

Mary M. Kresky. Longtime member of Governor Rockefeller's personal staff and former State Government Program Associate.

John E. Lockwood. Retired former Chief Counsel to the Rockefeller Family.

Alton G. Marshall. Former Secretary to Governor Rockefeller; President of Rockefeller Center, Inc.

Hugh Morrow. Longtime associate of Governor Rockefeller in Public Relations field.

Donal C. O'Brien, Jr. Chief Counsel to the Rockefeller Family.

Richard D. Parsons. Personal Counsel to Governor Rockefeller.

Dr. Kenneth Riland. Personal Physician to Governor Rockefeller.

William J. Ronan. Former Director of Port Authority of New York and New Jersey; Secretary to Governor Rockefeller and President, The Nelson Rockefeller Collection, Inc.

Oscar M. Ruebhausen. Close personal friend and longtime counsel to Governor Rockefeller in Latin American affairs.

Arthur R. Taylor. Former CBS president; recently associated with Governor Rockefeller in overseas business ventures.

Ann C. Whitman. Former Personal Secretary to Governor Rockefeller in Albany, and Washington and former Personal Secretary to President Eisenhower.

George D. Wood. Former President World Bank and Policy Advisor to Governor Rockefeller on business and national policies.

[From the CONGRESSIONAL RECORD, May 25, 1978]

Mr. NELSON A. ROCKEFELLER. Mr. Speaker, distinguished present and former Members of Congress, to be recognized by one's peers is always a source of immense satisfaction and pride.

I am deeply grateful to you, the former Members of Congress, for this recognition and honor in the form of a distinguished service award. I would especially like to thank Senator Hugh Scott and former President Gerry Ford, as well as Jim and Bob, my old colleagues and dear friends, for their most generous gesture.

Walter Lippman had some very interesting reflections on the subject of public service. He said:

"Surely the task of statesmanship is more difficult today than ever before in history. The distance between what we know and what we need to know appears to be greater than ever before. Nor can we keep the problem within our borders. Whether we wish it or not, we are involved in the world's problems, and all the winds of heaven blow through our land."

What he said is more true today than ever before. Because you have honored me with your public service award here in these hallowed halls of democracy, I feel compelled to set forth briefly and candidly the realities I see which the American people urgently need to know and understand. I am speaking of those realities which political leaders, quite naturally, are reluctant to state bluntly, on the old theory of "Why should I always be the one who has to bring the bad news?"

However, my own experience shows that the American people are not afraid of the hard realities if they feel someone is being totally honest with them.

The hard reality is that free societies today are facing the most serious challenge to their survival in the history of democracy.

In the past, the ruthlessness of an invading armed force galvanized democratic people into action in the common cause of defending their own freedom and even the freedom of their neighbors. Unfortunately, however, this is not true of the slow, relentless penetration and disruption of free society through subversion, deception, and the carefully laid plans to confuse, divide, intimidate, and undermine the will and the ultimate capacity of free people to either understand or resist the destruction of their own freedom and of free nations throughout the world. Yet, that is exactly what we are witnessing in Africa, in Asia, in Latin America, in Europe; yes, and even in the United States.

These are the stark realities of today. This is no time for recrimination or for a search for scapegoats. Rather, it is a time to stand together.

When we Americans understand the problem and make up our minds to deal with it, there is nothing we cannot do. You as Members of this, the world's greatest democratic deliberative body, have the capacity to make this possible. The future of freedom is in your hands, but the hour is later than we think.

I thank you.

[Applause. The Members rising.]

Mr. KORNEGAY. Mr. Speaker, with deep appreciation we yield back the balance of our time.

The SPEAKER pro tempore. Would the Members kindly attend for just a moment, please?

Speaker O'NEILL has asked me to express his regrets that he has not been able to be here during most of this program. He hopes to meet and talk with his former colleagues sometime during the day.

The Chair again wishes to thank the former Members of the House for their presence here today.

Before terminating these proceedings, the Chair would like to invite all those former Members who have not been previously recorded to come to the well and to give the Reading Clerk their names for inclusion in the RECORD.

Good luck to you all.

STATEMENT OF THE FORMER PRESIDENT RICHARD M. NIXON

Nelson Rockefeller inherited great wealth. But, to his eternal credit, instead of sitting on the sidelines, living it up, he plunged into the political arena where he enjoyed great

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[1] Walt Whitman. "Song of Myself," *Leaves of Grass*.

[2] *Holy Bible*. Romans 8, Verses 31–32, 35, 37–39.

victories and suffered disappointing defeats. His great ability, enormous energy, unfailing good humor, and selfless dedication to public service left an indelible mark for good on the American political scene.

Mrs. Nixon joins me in expressing our deepest sympathy to Mrs. Rockefeller and his family.

STATEMENT OF NASSAU COUNTY REPUBLICAN PARTY CHAIRMAN JOSEPH M. MARGIOTTA

I was deeply saddened by the sudden death of former Vice President and Governor Nelson A. Rockefeller.

Governor Rockefeller will be remembered as one of the truly great men of our times. His untimely passing will leave a great void on the American scene. He will be missed.

Having worked in the successful gubernatorial campaigns of the former governor and having worked with him in Albany as a former Assemblyman, I had nothing but great respect for Rockefeller.

Governor Rockefeller had many devoted political followers and I am proud to number myself among them and to have been characterized as a "Rockefeller Man."

He was probably the greatest politician I ever had the privilege of working with. He had true charisma. He would walk into a room full of people and great excitement would flow throughout the room. It was almost like the crackling of electricity. It was always enjoyable to campaign with him.

In addition to his political skills, his accomplishments as Governor of New York State are legendary.

I was honored and privileged to have participated in some of them as an Assemblyman and political leader. He was a true friend of Nassau; always willing to listen to our needs and act if possible. He never said something could not be done. Instead, he said, "let's find out how we can do it." His passing is a great loss.

STATEMENT OF JOHN T. DUNLOP, FORMER SECRETARY OF LABOR

Nelson Rockefeller had an abiding faith in the destiny of the American people and in their capacity to make the critical choices. Few men have identified so enthusiastically with the nation's interest. To managers and workers, rich and poor, elite and disadvantaged alike, he generated genuine respect and dedication, qualities rare in our times across a wide spectrum of our people.

STATEMENT BY WILLIAM E. SIMON, FORMER SECRETARY OF THE TREASURY

Nelson Rockefeller's integrity, insight and dedication will always serve as a brilliant example to everyone in public service. He was a truly great American and will long be remembered by his fellow countrymen with deep gratitude and admiration.

STATEMENT OF FORMER SECRETARY OF AGRICULTURE EARL L. BUTZ

Nelson Rockefeller was one of those rare individuals who completely devoted his life to public service in the interest of his fellow man, his nation, and his world.

Endowed as he was both with material wealth and a keen intellect, he chose to devote his talents and his energies to public service.

The world is better because Nelson Rockefeller lived in it and worked in it.

STATEMENT OF FORMER SECRETARY OF HOUSING AND URBAN DEVELOPMENT CARLA ANDERSON HILLS

The passing of Nelson Rockefeller marks the passing of a great era in American political life. Nelson exuded warmth, compassion, humor, energy, wit, enthusiasm and concern. He loved his fellow man.

All of us, regardless of our political affiliation, learned from him, and we shall sorely miss him.

STATEMENT OF FORMER SECRETARY OF INTERIOR THOMAS S. KLEPPE

I thank Congressman Wydler for letting me participate in this Special Order for Nelson Rockefeller.

I was not always in the front row as far as Rocky was concerned. When he was seeking the nomination for the Presidency, I was not to be counted then. When it became my privilege to get to know this man personally and to work with him, he earned my total respect and admiration. I believe I became one of his greatest admirers in the Ford Administration. If ever I knew a loyal and honest red-blooded American, Nelson Rockefeller was it.

From time to time, there were allegations that maybe Rocky was something less than totally supportive of President Ford. As one witness, I would categorically deny this and praise him for his contributions to our government and nation.

He was one of a class of Vanishing Americans and he is sorely missed. I like him very much and my wife, Glen, joins me in extending our sympathies to Happy and their entire family.

He was a good man and I am pleased to have called him my friend.

STATEMENT OF SENATOR JACOB K. JAVITS ON THE DEATH OF FORMER VICE PRESIDENT NELSON ROCKEFELLER

His was a big version and a big concept of what the American people were capable of achieving in peace and prosperity for themselves and the world. His extraordinary public services to New York State, to our nation and to his political party are the material of history and will mark him as one of America's most distinguished sons. We will do well to remember his ideas, his teachings and his personal warmth and dynamism. It will help us as individuals and as a people. We have all lost a good friend.

STATEMENT OF FORMER SECRETARY OF TRANSPORTATION, WILLIAM T. COLEMAN, JR.

In the words of Feste in Twelfth Night, "Some are born great; some achieve greatness, and some have greatness thrust upon them." But there are few for whom all three descriptions apply. Nelson Aldrich Rockefeller was one. Born into a great American family, he plunged into a life of public service with a child-like enthusiasm and wonderment that he never outgrew. Freed by birth from concerns of financial security, he committed his substantial intellectual resources to the cause of better government and a better society. More than any other leader of our time, he was unemcumbered by the proxies of special interest or the allurement of political power. He plainly sought to analyze public policy issues on the basis of substance; politics was for him only the means, not the end. He constantly reverted to the basics—the goals and objectives of our society which many times he helped rearticulate and reaffirm as we moved from a self-complacent generation to a confused one.

Rocky's commitment to civil rights and his support of the legal defense of minorities began early and was an unwavering, integral part of his dream for a better America. When the Vice Presidency was finally thrust upon him during one of our nation's darker hours, he brought wisdom, continuity, moderation and compassion to the nation's leadership. As a member of the Ford Cabinet, I often heard him speak out eloquently and forcibly for the cause of civil rights and as the nation's social conscience. He was equally as forceful on our need as a nation to face up to the energy crisis and to think grandly to achieve its solution. He would have been a great President, and had he ever reached this full flowering of his leadership potential, we all would be today a bit more self-confident of our nation's course, a bit more committed to true equality, and a bit more convinced of the integrity and efficacy of our governmental institutions.

My heart goes out to his family who has lost a giant.

[From Newsday, Jan. 31, 1979]

HIS GUIDING STAR WAS PRAGMATISM

(By Bob Wiemer)

If pragmatism, the belief in things that work, were an organized religion, Nelson Rockefeller would have been at least archbishop of New York.

Dr. John Knowles, who—appropriately enough—is president of the Rockefeller Foundation, could have been thinking of Rockefeller's years as governor when he penned perhaps the best definition of pragmatism ever written. Said Knowles: "The pragmatist refuses to deal in idealogical absolutes. We pragmatists believe if an idea works it is true. But we believe the truth is plural and contingent and forever in the making."

Rockefeller's policies may sometimes have seemed inconsistent. His late concern for fiscal prudence, for example, was clearly at variance with his earlier passion for borrowing. It wasn't Rockefeller who changed, however; it was the facts available to him. He was always in search of that plural and contingent truth.

One of Rockefeller's biographers quotes Dartmouth President Ernest Hopkins, who observed Rockefeller as an undergraduate.

"He had two particular qualities," said Hopkins. "One, his fearlessness in expressing convictions to which he had come after serious thought, and the other, his willingness to revise his opinion on the submission of new evidence or the acquiring of new acquaintanceship with the facts."

So the most significant statistic arising out of Rockefeller's tenure has nothing to do with the billions he spent or the buildings he built.

During his 15 years in office, Rockefeller named 70 task forces and five temporary commissions. In addition, he called 16 governor's conferences. *These* are the actions that truly define Nelson Rockefeller and characterize his style of government. He was hungry for new ideas and willing, perhaps too willing, to test them.

Although his tenure touched three decades, he was clearly most in tune with the confident pragmatism and high optimism of the '60s, a decade that opened with the election to the presidency of John Kennedy, who shared more than inherited wealth with Rockefeller. Kennedy, too, was a pragmatist, a believer in the ability of men to shape their own destinies by intelligence, vigor and calculated action. They shared the belief that problems could be isolated, studied and broken down into manageable components. It was the task of an executive, then, to select the most practical, feasible "attacks" from an array of "options."

When Rockefeller first entered New York politics, he turned to the dean of the School of Public Administration at New York University, William Ronan, for help in studying the issues and developing a strategy to get the GOP nomination in 1958. Ronan helped prepare the collection of bound and indexed studies of the issues that Rockefeller carried with him on the campaign trail. Ironically, one of the issues of that year was Harriman's fiscal policies: Rockefeller alleged his opponent mismanaged the budget; he was especially critical of Harriman's borrowing.

In 1959, when Rockefeller took office, the

state's full faith and credit debt was $912 million. When he left office it was $3.4 billion, and that doesn't count the $6.7 billion debt incurred by semiautonomous agencies and authorities, such as the Urban Development Corp., the State University Construction Fund and the Housing Finance Agency.

Rockefeller will be remembered for the Albany mall, and the gigantic state university system with campuses all across the state. He'll be remembered for his accomplishments in housing, which include the massive Roosevelt Island project—built by the Urban Development Corp. And he'll certainly be remembered for the staggering debt he left behind to accomplish those grand programs.

Every year when the editors of the state journeyed to Albany to hear Rockefeller explain the latest budget, Rockefeller's aides were present, ready with the answers to most questions in the carefully indexed briefing books they carried. No question went unanswered. If the answer wasn't in the books, it would be researched by Rockefeller's staff and answered later.

Arthur Levitt, a Democrat, was the state controller throughout the Rockefeller years. He was consistently critical of the governor's efforts to avoid constitutional limits on borrowing. But he was usually ignored. Each year, Rockefeller would be equipped with charts and bar graphs showing just how each extension of the debt would be handled within an overall fiscal plan.

Much of the borrowing was done by public authorities established during the Rockefeller years. They did not have the power to pledge the full faith and credit of the state. Instead, they offered investors bonds backed only by a tenuous moral obligation. This form of authority borrowing was not new. It was developed by Robert Moses, and it worked. To pragmatists, such as Ronan and Rockefeller, that was the ultimate test.

The late governor was a man with a genius for politics. He was good in a crowd and on a platform, but he was at his best before a hostile audience. So he used the tactic of the town meeting frequently. But there was steel behind his smile and the easy manner.

In 1967, for example, Robert Moses stood in the way of the formation of the Metropolitan Transportation Authority, which was a classic Rockefeller-Ronan response to a problem.

In this case, the bankrupt Long Island Rail Road was near collapse. The MTA was to rescue it with money to renovate and replace the rolling stock and with better management to utilize the new equipment more efficiently.

Rockefeller promised Moses an important role in the new authority. This is how Moses' biographer Robert Caro, the author of "The Power Broker," described what happened: "Rockefeller's promise to Moses had served its purpose well. It had kept Moses quiet for almost a year, persuaded him not to oppose Rockefeller's transportation merger or the referendum which had funded it. The governor's promise had, moreover, persuaded Moses to withdraw the lawsuit which might have invalidated Rockefeller's transportation merger. It had enabled Rockefeller to use his name. And now, having used his name, having gotten everything out of him that he could, the governor threw him away." Instead of an important job, Rockefeller offered Moses a $25,000-a-year post as "consultant."

In 1968, Rockefeller intervened forcefully when the Legislature refused to give the Urban Development Corp. the power to override local zoning codes in order to build low-cost housing for the poor. That idea was not popular in the suburbs, but the governor wanted the legislation, and he twisted arms until he got it. The unpopular and unprecedented grant of power to a state agency did not long remain on the books.

He was similarly tough during the revolt at the Attica Correctional Facility. When the hostage-holding prisoners demanded total amnesty, Rockefeller refused to "set a precedent which would go across the country like wildfire." His steadfastness—in my view—undoubtedly saved lives in other states and other prisons.

But the response angered some influential opinion makers, and some liberals never forgave him. Nonetheless, when he left office he obviously still entertained presidential hopes—as he had ever since 1960. And he approached the challenge in a familiar manner. He formed the National Commission on Critical Choices for Americans, to study the great issues of the day. But he ended up settling for a truncated term as an appointed vice president, and retirement to a hobby, his art business.

Ever the pragmatist, he accepted the harsh reality: There was a greater market for reproductions of his collected art works than for an original Rockefeller.

[From the South Shore (N.Y.) Record, Feb. 1, 1979]

FIVE TOWNS REMEMBERS "ROCKY"

The Five Towns remembers Nelson Rockefeller. As the country and the State mourn the death of the former vice president and Governor of New York local politicians are looking back.

Congressman John Wydler's most vivid recollection is of a flight from Washington to New York aboard Mr. Rockefeller's private plane. At the time, Mr. Wydler was considering running for Nassau County Executive. "Mr. Rockefeller told me never to serve in the legislative branch. He liked to give orders and get things done."

Despite Rockefeller's advice, Mr. Wydler never entered that race. In 1962, the Governor played a big role in Mr. Wydler's first campaign for congress. "He was running too—for Governor—and he took me under his wing. Wherever we went, he'd single me out and push me forward."

Mr. Wydler's final tribute to the Republican leader—"He was one of the few men I've met in my political life, who was both a great man and a great guy."

Councilman Eugene Weisbein of Hewlett Harbor, spoke to the South Shore Record about Nelson Rockefeller, with his eye on a photograph of them both. The valued picture decorated a wall in the councilman's Mineola office.

"He truly loved to be with people. He enjoyed the political arena and campaigning. What you saw of the man was what he was."

Mr. Weisbein added. "The sum total of Nelson Rockefeller was his honesty and forthrightness. He was dynamic and driving. His public and private personality were one and the same."

The Councilman feels that the late Governor's greatest contribution to New York was his revitalization of the New York State University system. "It was nothing until he stepped in."

As for Peter DeSibio, Republican executive leader of Inwood-North Lawrence, the memories are very personal. "Someone had given me a calendar from 1908—the year I was born. Just a few years ago, I had it presented to the Governor in Albany. He too was born in 1908."

Mr. DeSibio accompanied Nelson Rockefeller on many political motorcades. "He was a great man. He should have been president of the United States. His death was a great loss for all the people," said Mr. DeSibio.

[From the Long Island (N.Y.) Graphic and Roosevelt Press, Feb. 5, 1979]

EDITORIAL

He could have lived his life as a dilettante, dabbling in the arts, a patron of those who achieve. He could have indulged a penchant for hedonism, living life for its pleasures alone. He could have been another tenant in yet another ivory tower, following scholarly pursuits away from the maddening crowds, insulated by a great fortune.

But Nelson Rockefeller chose to follow none of the paths that other men of immense wealth have trod. He spent his life and expended his flair for manipulating people and his tremendous energies and dynamism in public service.

An inheritor of the greatest fortune this country has seen amassed, he possessed the rare quality of remaining unawed by expenditures that ran to the billions. By his own admission a frustrated architect, he carved his mind's visions on the citizens and the State of New York. Rockefeller's four terms as chief of state in New York brought a staggering debt, but a State University system unparalleled in its scope and its excellence.

He left, as a part of his heritage, his mark etched in marble on the State's capitol, in the controversial Albany Mall, which brought employment to thousands, and further shook our already unsteady budget. He could have remained wrapped in luxury, but instead, he exposed himself to the vilification of his own party, which denounced his ideals as too "liberal."

Unprepossessing in appearance and stature, yet by nature born to lead, he accepted second place in national government for the good of his country. He left his mark with a permanence.

[From the New York Times, Jan. 28, 1979]

FOR NEARLY A GENERATION, NELSON ROCKEFELLER HELD THE REINS OF NEW YORK STATE

(By Linda Greenhouse)

He sought the Presidency of the United States three times, and in his final years of public life he served as the nation's 41st Vice-President. But for all his aspirations for national leadership, Nelson Aldrich Rockefeller was a New York institution. He was, it seemed, the eternal Governor.

By the time he left office in Albany in 1973, an entire generation of New Yorkers had reached voting age and entered adulthood scarcely able to remember a time when he was not the state's chief executive. Only New York's first Governor, George Clinton, who served 21 years, held the office longer.

Mr. Rockefeller dominated the state as few men have ever dominated any government. Starting with his upset defeat of the Democratic incumbent, W. Averell Harriman, in 1958, Mr. Rockefeller—a political neophyte whom the Republican leadership had indulged largely because he could finance his own campaign—left his mark indelibly on the economic, political and cultural life of New York.

$1 BILLION ALBANY MAIL PROJECT

His influence was measured not in increments but in quantum jumps: under his leadership, the state university system increased from 36,000 students on 28 campuses to 246,000 students on 71 campuses; the number of state employees nearly doubled, from 102,000 to 183,000; the state budget more than quadrupled, from $2 billion to $8.85 billion; and the tax levy went from $94 to $460 for every man, woman and child in the state.

In the $1.5 billion, gleaming white marble South Mall state office building complex in Albany and in 29 other state office buildings from Hauppauge, L.I., to Buffalo, Mr. Rockefeller left a physical legacy that was among the more controversial aspects of his four administrations.

On Dec. 11, 1973, slightly more than a year before the expiration of his fourth term, Mr. Rockefeller announced that he was resigning in order to devote his time to two organizations he headed, the National Commission on Critical Choices for Americans and the Commission on Water Quality.

WAS EXPECTED TO TRY AGAIN

The move was widely interpreted as a prelude to a fourth try by the Governor for the Presidency, a goal that had eluded him throughout his political life. He cheerfully denied that assessment, saying he wished to keep his options open, and turned over the governorship to Malcolm Wilson, who had been his Lieutenant Governor the entire 15 years.

Mr. Rockefeller did not run again for the Presidency, but his political career was not yet finished. After Gerald R. Ford succeeded to the Presidency with the resignation of Richard M. Nixon at the climax of the Watergate scandal, Mr. Rockefeller was persuaded to become an appointed Vice President and was sworn in on Dec. 19, 1974.

"I feel a great sense of gratitude for the privilege of serving the country I love," he said the day he took office as Vice President.

Mr. Rockefeller was the second Vice President installed under the 25th Amendment, which provides for filling vice presidential vacancies with nomination by the President and confirmation by the Congress. Mr. Ford was the first. He succeeded Spiro T. Agnew as Vice President after Mr. Agnew's resignation in the wake of a bribery scandal.

Mr. Rockefeller served two years under Mr. Ford, who completed Mr. Nixon's second term of office.

WORKED ON ART COLLECTION

Since leaving public life in January 1977, after the Republicans lost the White House, Mr. Rockefeller had focused his energies on his considerable art collection, on writing books on art, on setting his family's financial affairs in order and on providing new direction for the $209 million Rockefeller Brothers Foundation.

Notably, he did not involve himself extensively with politics. On the contrary, in what many observers interpreted as a falling-out with the Republican Party, Mr. Rockefeller sharply diminished his contributions to and fund-raising efforts for G.O.P. causes and candidates. He also stopped attending political dinners and managed often to be out of the country when important political meetings were being held.

Mr. Rockefeller did, however, take on a few peripherally political assignments, lobbying privately for President Carter's Panama Canal treaties, urging the United States Senate to support a $100 billion Government corporation to finance high-risk energy ventures and attempting to attract Middle East oil money to venture capital investments in the West.

In the past two years, he made a couple of trips to the Middle East, describing himself as a mere tourist, and traveled to Iran in 1977 at the behest of the Shah to dedicate an art museum.

Last November, without fanfare, Mr. Rockefeller opened a retail store at 48 East 57th Street displaying expensive, high-quality reproductions of his own art and art-objects collections. Catalogues were made up and the merchandise was sold by mail order, with the store billed as a place where customers could merely get a look at the goods.

What some critics called the "commercialization" of the Rockefeller collections generated some debate in art circles, but the store was a big success. As a result, Mr. Rockefeller decided to make it a permanent operation and was to have announced today that he had taken out a five-year lease.

Last March, Mr. Rockefeller signed a contract with Alfred A. Knopf, the publishers, to produce five books about his extensive art collections, and had spent much of his time since at work on the project.

The first volume, on his extensive primitive art collection, was published last month. Titled "Masterpieces of Primitive Art," it had a text by Douglas Newton, photographs by Lee Boltin and an introduction by Mr. Rockefeller. At the time of his death, Mr. Rockefeller was at work on the second volume in the series.

Since leaving politics, Mr. Rockefeller had made only one foray—a somewhat sentimental journey—back into the limelight, traveling to the state capital last May for the rededication of the Albany Mall as "the Nelson Rockefeller Empire State Plaza."

HIS GREETING WAS POLITICAL ASSET

When Mr. Rockefeller left Albany in 1973, members of both parties found it difficult to imagine life in the state capital without him. Over the years, his magnetic grin and his perennial greeting of "Hiya, fella!" had become the stuff of political cartoons and easy parody, but there was no disputing their value as political assets, and no doubt of the force of his personality.

Those whom he failed to enchant maintained that the public Rockefeller, with the hearty, good-natured ease he projected, was only a facade carefully constructed to mask a crafty, ambitious, thoroughly political nature.

His critics were most vociferous after he refused to go to the scene of a prisoner riot and cellblock takeover at the Attica State Prison in western New York in September 1971 to negotiate the release of guards seized as hostages. The rebel inmates had demanded his presence as a condition for talks.

Instead of going to Attica, however, he ordered the rebellion crushed by force, and 29 inmates and 10 hostages held by prisoners were killed in the ensuing blaze of gunfire and tear gas. Eventually, 43 persons died of injuries sustained in the insurrection and its bloody conclusion.

MANY NEVER FORGAVE HIM

The Governor defended his refusal to go to Attica and his orders to end the uprising forcibly on the ground that it was his "best judgment," but many people—critics and supporters alike—disagreed with the decisions. His political opponents, contending that it showed he lacked compassion, never forgave him, and even some of his supporters and staff aides were hard pressed to defend the decisions.

A commission headed by Robert R. McKay, then dean of the New York University Law School, concluded in 1972 that Mr. Rockefeller should have gone to Attica before ordering the assault to recapture the prison.

Critics of Mr. Rockefeller attacked him in harsh terms again in 1973, when, nearing the end of his administration, the Governor backed a tough revision of the criminal penalties for convicted narcotics pushers and users. Most of the laws survived court tests, but the harshest sentences called for—up to life in prison for heroin sales—have not been widely imposed.

Mr. Rockefeller's ambition was difficult to deny, but to his supporters, his public personality indicated a real enjoyment of people and a disinterested commitment to public service, in the tradition of his philanthropist father.

HOSPITALITY AND LARGESSE

In any event, the private side of Mr. Rockefeller's life was one that only a very few intimate friends ever saw. Casual acquaintances might be invited to a function at the Playhouse, the "public" building with an indoor swimming pool and bowling alleys on the Rockefeller family's 4,180-acre estate at Pocantico Hills, near Tarrytown in Westchester County.

Closer friends and political notables might gain entrance to the Governor's own castle-like home on the estate or to his Fifth Avenue duplex apartment, where they could admire a Matisse mural that the artist, working in France from a scale model, designed to fit around the livingroom fireplace, or an abstract landscape that Fernand Leger came to the apartment to paint. When Meade H. Esposito, the Brooklyn Democratic leader, admired a lithograph in that apartment, Mr. Rockefeller took it off the wall and gave it to him.

But beyond the affable hospitality and largesse, Mr. Rockefeller was a complex man who used his great wealth to protect his and his family's privacy. There were a number of people he called on often for advice, but few among them could consider themselves his intimate friends or confidants. He usually vacationed in the family's retreat at Seal Harbor, Me., or at his large ranch in Venezuela; spent nearly every weekend at the discreetly but very well guarded Pocantico Hills, and was rarely seen in the Executive Mansion in Albany, the Governor's official residence, except to stand on a receiving line.

STYLE OF HIS YOUNGER DAYS

Mr. Rockefeller's associates like to tell how as a young boy he shined the family's shoes and raised rabbits for use in the Rockefeller Institute's laboratories to earn money, and how as an undergraduate at Dartmouth he customarily wore baggy pants and a sweater with holes in it. The point such stories were designed to make was that this scion of one of the world's wealthiest families had an ordinary childhood and grew up considering himself just one of the boys.

But in the light of both the circumstances of his early life and some of the rare personal comments he occasionally dropped, that analysis seems disingenuous at best.

One winter night in the early 1960's, Governor Rockefeller's private plane swept in over Washington, the floodlit White House clearly visible below. "How long has it been, Governor, since you wanted to live in that house?" a passenger asked.

Mr. Rockefeller fingered his glass of Dubonnet thoughtfully for a moment, then replied: "Ever since I was a kid. After all, when you think of what I had, what else was there to aspire to?"

And once, when a dinner partner at a small party he gave complimented him on his skill as a dancer, Mr. Rockefeller answered with a short laugh. "Yes, I had two choices," he said. "I could have become a gigolo or I could become Governor. I chose the latter."

USED TO "GOLDFISH BOWL"

"Being a Rockefeller is like living in a goldfish bowl," he said on another occasion. "The goldfish get used to it and so do we."

He learned early to protect himself from those who might want to use his money or name for their own purposes. As a young man, he served briefly on a civic commission with 20 other persons, none of whom he knew. Before the group disbanded a month later, a third of the members had approached him with a business proposition or other deal.

But if the family name and fortune imposed burdens, they also offered enormous power and instant access to the world's leaders, access that did not depend on a particular Rockefeller's holding public office at a given time. It was Nelson Rockefeller who, out of office in 1946, persuaded his father on a few hours' notice to put up the $8.5 million necessary to acquire the East River site for the United Nations, thus preventing the world organization from building its headquarters in Philadelphia.

Nelson Aldrich Rockefeller was born July 8, 1908, at the family home in Bar Harbor. He was the third of six children of Abby Green Aldrich Rockefeller and John D. Rockefeller Jr., the son of the founder of the Standard Oil fortune. He was named for his maternal grandfather, Senator Nelson Aldrich of Rhode Island, a powerful figure in a national Republican politics.

IMAGE AS "MALEFACTORS"

At the time of his birth, the Rockefeller family was not only rich but also notorious—"malefactors of great wealth." Theodore Roosevelt once called them. In 1908, the Standard Oil Company was in the midst of massive legal battles, which it eventually lost, against Federal and state attempts to break up the huge monopolistic trust. A typical political cartoon of the day, by Frederick B. Opper, showed a giant thug labeled "Standard Oil Trust" stomping on a small figure identified as "The Public."

The image changed, largely because of the work of Mr. Rockefeller's father. Before he died in 1960 at the age of 86, John D. Rockefeller Jr. gave uncounted millions of dollars for medical research and other charitable and humanitarian endeavors, and the Rockefeller name came to be associated no longer with malevolence but with philanthropy on a previously unmatched scale.

Nelson Rockefeller was educated at the Lincoln School, a "progressive" private school in Manhattan and at Dartmouth College, where he majored in economics, wrote his senior thesis on his grandfather and graduated as a Phi Beta Kappa in 1930.

A few days after graduation, he married Mary Todhunter Clark, the daughter of a prominent Philadelphia family. The couple took a round-the-world cruise financed by Mr. Rockefeller's father as a reward for not smoking. His father and grandfather were abstemious Baptists who neither drank nor smoked, and Nelson Rockefeller usually confined himself to a single glass of Dubonnet.

HEADED ROCKEFELLER CENTER

The young graduate took a job as a clerk in the family bank, then called the Chase National. He later worked in the bank's Paris and London branches. He also worked in the rental department of Rockefeller Center, then newly completed. Mr. Rockefeller was later president and then chairman of the center, resigning when he was elected Governor.

The year of his college graduation he signaled another lifelong interest by joining the board of trustees of the Metropolitan Museum of Art. His mother was one of the founders of the Museum of Modern Art and urged her children to collect and admire modern art. Nelson Rockefeller took her advice to heart, and during his lifetime he assembled one of the world's most spectacular private collections of modern paintings and sculpture and primitive art of all kinds.

He founded the Museum of Primitive Art in 1957 to accommodate his fast-growing collection. For advice on his collection of American and European art, which was especially strong in cubism, futurism and abstract expressionism, Mr. Rockefeller had the services of a "shadow cabinet" of some of the country's leading curators and museum directors. For many years, he employed a full-time curator of his own, Mrs. Carole Uht, who kept his catalogues up to date and kept track of works out on loan and of his voluminous transactions with dealers.

However, Mr. Rockefeller himself was extremely knowledgeable about art, and actively enjoyed his paintings, not only as investments but also as objects of beauty. He served as president of the Museum of Modern Art in 1939.

LECTURE ON A MARC PAINTING

In a lecture he gave at the New School for Social Research in 1967, Mr. Rockefeller commented on his fascination as an art student in college with "Red Horses," a painting by the German artist Franz Marc.

"This is a subject in which the composition, the color, the motion, the strength, constantly keep hitting you," Mr. Rockefeller said. "If you are in a different mood than when you previously saw it, you are going to see a different painting, different portions, with their fine points of variation in color, as viewed through the slightly tinted glasses of a different mood or attitude of the day. Talking now not of this particular painting alone but in general, this always makes such artistry exciting."

He filled the Governor's mansion in Albany with paintings from his collection, many of them abstract works that left his fellow politicians frankly confused. "They had never seen anything like it," he recalled. "You know: 'My son, who's 3 years old, could have done better.' I got the standard reaction. It was delightful."

Only by outright arm-twisting of the Legislature did the Governor get the state to approve a $15 million contribution to Lincoln Center for the Performing Arts to build the New York State Theater there.

A MEETING WITH MORGAN

Once while Mr. Rockefeller was an officer of the Museum of Modern Art, that museum invited the painter William Gropper to do a modern mural for a special exhibition. The painter selected J. P. Morgan as his subject and also included a chorus girl and a man clutching a bulging moneybag. Mr. Rockefeller, who was in his 20's at the time, was mortified, and decided to go see the older man before the exhibition opened and explain what had happened.

As Mr. Rockefeller later recounted the incident, Mr. Morgan told him: "Of course you've got to hang it. Don't give it another thought." Mr. Rockefeller called that exchange "one of the great experiences of my life."

From 1935 until 1940 Mr. Rockefeller was a director of Creole Petroleum, a Standard Oil affiliate with large holdings in Venezuela, where he spent much time. He became fluent in Spanish and acquired a lifelong interest in South America.

In 1940 he joined the State Department as coordinator of Inter-American Affairs, helping to formulate President Franklin D. Roosevelt's "Good Neighbor" policy for Latin America. In 1944 he was named Assistant Secretary of State for the American Republics.

Mr. Rockefeller left Government service in 1945, and the next year helped to found the American International Association for Economic and Social Development, a private, nonprofit group, to work with Latin American governments in agriculture and nutritional research and development.

ADVISER ON POINT FOUR

In 1947 he helped to organize the International Basic Economy Corporation, a profit-making organization, to foster investment in Latin American industrial and agricultural enterprises.

President Harry S. Truman recalled him for a year in 1950 as chairman of the International Development Advisory Board to advise on the Point Four technical aid program.

He served in the Eisenhower Administration as Under Secretary of Health, Education and Welfare from 1953 to 1955, when he became a special assistant to the President for foreign affairs.

Frustrated by the lack of effective power in appointive office, he left government in 1956, looking for a place to run. Two years later, he won the Republican gubernatorial nomination in New York, primarily because the party was looking for a wealthy newcomer willing to make what was seen as a doomed run against Governor Harriman.

Mr. Rockefeller was chauffeured around the state by a fellow Westchester County Republican Malcolm Wilson of Yonkers, a 20-year veteran of the State Assembly. In return, Mr. Rockefeller insisted that Mr. Wilson be given the nomination for Lieutenant Governor. With an expensive media campaign and the tactile, personal campaign style Mr. Rockefeller was to develop into an art form, the Republican ticket won in an upset by 573,000 votes, and the newly elected 50-year-old Governor was immediately projected onto the national political scene as a potential Republican Presidential candidate in 1960.

He made some hesitant overtures toward seeking the nomination, eventually saying that he would accept a draft, but finally backed away from a showdown fight with Vice President Richard M. Nixon, who won the nomination easily.

INCOME-TAX WITHHOLDING

Mr. Rockefeller's first years in Albany meanwhile, were busy ones. Soon after he took office on Jan. 1, 1959, he announced the state's first $2 billion budget together with $277 million in tax increases and the state's first withholding for income taxes. There were howls of protest in the Legislature, but Mr. Rockefeller prevailed.

His fiscal policy during the early years of his administrations was traditionally conservative—pay-as-you-go—with little or no borrowing. Eventually he reversed himself—as he did on many other issues—and came to rely on massive borrowing and record bond issues to finance capital improvements, sewer projects, transportation and other major programs.

The voters twice rejected major transportation bond issues. But he was able to incur an additional $6.7 million in state debt without voter approval by creating semiautonomous agencies such as the Housing Finance Agency and the Urban Development Corporation with the power to issue their own bonds.

Under Mr. Rockefeller, the state got its first sales tax, which had risen to four cents on the dollar by the end of his 15 years. Taxes of various kinds were imposed or increased in 1959, 1963, 1965, 1966, 1968, 1969, 1971 and 1972. The state debt increased from $92 million in 1959 to $3.4 billion by the end of 1973.

A LIST OF ACHIEVEMENTS

However, for their money the voters got a long list of achievements. Among bricks and mortar, in addition to the State University and the Albany mall and other state office buildings, were the construction of 200 water-treatment plants to combat pollution; the construction of 30,000 housing units by the Urban Development Corporation and 60,000 units by the Housing Finance Agency; three new model communities built by the Urban Development Corporation at Lysander near Syracuse, Amherst outside Buffalo, and Welfare Island; 23 new state mental health facilities; 109 voluntary and municipal hospitals and nursing homes constructed or expanded, and completion of the Long Island Expressway, which opened up Long Island to residential and industrial expansion.

In education, there were major increases in state aid to local school districts, state aid to parochial schools—most of which was later declared unconstitutional; state aid to private universities; 235,000 scholar-incentive awards of $100 to $600 annually for students attending private and public colleges in the state, and 75,000 Regents scholarships of up to $1,000 annually. In most of these areas, the Governor blazed new trails.

So, too, did he pioneer in injecting the state into the mass transit business by creating the regional Metropolitan Transportation Authority, which took over New York City's subway system and pumped into it funds for new subway cars and new subway-line construction. He also was largely responsible for creating a State Council on the Arts, which provided about $15 million annually for local cultural events.

As Mr. Rockefeller began preparations for running for a second term, the announcement suddenly came that he and his wife of 31 years were being divorced. They had last been seen together in public on March 3, 1961, when they were rescued by firemen from the Executive Mansion in Albany. A fire

almost completely wrecked the interior of the mansion, although no one was injured. The Governor personally paid $58,000 of the $556,000 in the restoration costs.

The Rockefellers had five children: Rodman, Ann (now Mrs. Lionel Coste), Steven, Mary (now Mrs. William J. Strawbridge Jr.) and Michael, Mary's twin brother. Michael was lost and declared dead on an anthropological expedition to New Guinea in November, 1961, the month that his parents' impending divorce was announced. He was 23 years old and, according to most accounts, was the closest of the five children to his father.

Mr. Rockefeller chartered a jet from Honolulu and flew to New Guinea to join in the search, but gave up and returned home after 10 days.

Mrs. Rockefeller was granted a divorce on the grounds of mental cruelty. Some political leaders expected the divorce to hurt the Governor's chances for re-election, but he easily won a second term in 1962 by defeating the Democratic candidate, Robert M. Morgenthau. The margin was 530,000 votes.

The next year, he married Mrs. Margaretta Fitler Murphy five weeks after her own divorce. The new Mrs. Rockefeller, nicknamed Happy, was 19 years the Governor's junior. Her former husband received custody of the couple's children.

Whether it was the divorce and remarriage or the conservative tide in the country that defeated Mr. Rockefeller's second try for the Presidency in 1964 was a subject of lengthy debate. He won Republican primaries in Oregon and West Virginia, but lost the important California primary to Senator Barry Goldwater of Arizona and withdrew his candidacy in favor of Gov. William W. Scranton of Pennsylvania.

BOOED AT 1964 CONVENTION

At the Republican nominating convention in San Francisco, Governor Rockefeller was loudly booed by conservatives when he took the rostrum to denounce the philosophy of the extreme right. He did not campaign for Senator Goldwater, who won the nomination and whose defeat by Lyndon B. Johnson was a major disaster for Republicans in New York State: The party lost a Senate seat, seven seats in the House of Representatives and, for the first time in 25 years, both houses of the State Legislature.

Governor Rockefeller began his campaign for a third term in 1966 by declaring: "I speak as one who has taken himself out of national contention, completely and forever, without reservation." He was reported to have spent between $5 million and $6 million on the campaign, a new national record for a state election, and won with 44.6 per cent of the vote in a four-way race against Frank D. O'Connor, the Democratic candidate; Francis Adams, the Conservative, and Franklin D. Roosevelt Jr., on the Liberal party line.

As the 1968 Presidential elections approached, Governor Rockefeller once again vacillated to the crucial moments. He first declared that he would support Gov. George Romney of Michigan for the Republican nomination. When Mr. Romney withdrew, Governor Rockefeller called a news conference at which it was widely believed he would announce his own candidacy. But he still hung back, waiting 40 more days until May 1968 to announce that he would fight Mr. Nixon for the nomination "right up to the last vote."

NIXON AN EASY WINNER

Mr. Rockefeller campaigned vigorously, but Mr. Nixon easily won the nomination on the first ballot at the Republican National Convention at Miami Beach. Mr. Rockefeller expected to be offered a high Cabinet position in the Nixon Administration, but no serious offer ever came.

Mr. Rockefeller won his fourth term in 1970 by easily defeating Arthur J. Goldberg, the former Supreme Court Justice and chief United States representative at the United Nations, by 688,000 votes, the largest plurality in his career.

Although he was obviously as effective a vote-getter as ever, and showed few signs that he was approaching an age when many men consider retiring from active life, the flow of innovations that had marked Mr. Rockefeller's first decade as Governor seemed to come to an end, replaced instead by an emphasis on holding down state spending and keeping new programs to a minimum.

Typical of this latter period was the Governor's attempt to impose a residency requirement for welfare—a proposal he had assailed when it was suggested by Mr. Goldwater eight years earlier—and his appointment of a welfare "inspector general" to crack down on welfare recipients.

Liberals, who had once considered Governor Rockefeller one of their number, denounced him for these shifts, especially after he refused to go to Attica in 1971. The criticism reached a peak in 1973 when Mr. Rockefeller proposed a revision of the penalties for convicted narcotics sellers that some considered Draconian.

REVERSED STAND ON U.D.C. POWER

Also that year, Mr. Rockefeller reversed an earlier stand and allowed the Legislature to strip the Urban Development Corporation of its controversial power to override local zoning regulations in the construction of low-income housing, a power the Governor had insisted on when he forced the bill creating the U.D.C. through the Legislature, in the wake of the assassination of the Rev. Dr. Martin Luther King Jr. in 1968.

This later period was also marked by Governor Rockefeller's feud with Mayor John V. Lindsay of New York. The relationship between the two reached its nadir in 1973 when Mr. Rockefeller teamed up with Alex Rose, the Liberal Party leader, to try to put across a former Democratic Mayor, Robert F. Wagner, as the Republican-Liberal candidate for Mayor of New York. Eight years earlier, Mr. Rose and Mr. Rockefeller had joined to back Mr. Lindsay, supposedly to rescue the city from the effects of 12 years of Wagner rule.

As Mr. Rockefeller's politics changed over the years, so did his personality. In the early years of his administration, he was often testy and arrogant off camera, despite his public image of ebullience.

But he mellowed considerably, and toward the end of his four terms his private demeanor more closely resembled his public personality. Some attributed the relaxation to the effect of the second Mrs. Rockefeller, who, at least in public, lived up to her nickname, Happy. The couple had two children, Nelson Jr., born in 1964, and Mark, born in 1967.

RETAINED A JAUNTY BEARING

At 5 feet 10 inches tall and about 185 pounds, Mr. Rockefeller had a broad-shouldered, stocky build. His reddish-brown hair turned gray during his 15 years in office, but his bearing remained jaunty. He had a rather flat, high-pitched speaking voice with an accent that seemed to fluctuate between the broad "a" of the upper classes and the twanged, nasal vowels of upstate New York.

Mr. Rockefeller was not at his best when reading a speech. Few people were aware of the problem, but all his life he suffered from an innate tendency to read backward from right to left, a difficulty that may have had its origin in his father's unrelenting effort to change young Nelson from a left-hander to a right-hander. Around the family dinner table, the elder Mr. Rockefeller would put a rubber band around his son's left wrist, tie a long string on it and jerk the string whenever Nelson started to eat with his left hand, the one he naturally favored. Eventually, the boy achieved a rather awkward ambidextrous compromise.

But Nelson Rockefeller could be fluent and effective when, as was his habit, he discarded a prepared speech, promised the reporters present that "Boys, I'll stand behind every word," and spoke extemporaneously. His nickname "Rocky" was purely a convenient political invention. His family and friends always addressed him as "Nelson."

His tireless, tactile campaign style was famous. He nudged and hugged and winked his way through crowds with his "Hiya, fella" or "You're terrific, I want to tell you," leaving beaming voters everywhere he went.

A SURPRISE TO CRONKITE

One of the few spontaneous moments of the Republican National Convention in 1972 occurred when Walter Cronkite invited Mr. Rockefeller to the broadcast booth for an interview. After some minutes of perfunctory questions and answers, the Governor suddenly thrust his hand out toward Mr. Cronkite, grinned and said, "Walter, I just want to tell you, I think you're terrific, fantastic." It took the usually unflappable Mr. Cronkite a few silent seconds before he realized he should take the proffered hand and return the compliment.

On rare occasions, the homey touch fell flat. Once, for example, as he passed a baseball diamond where small boys were playing, Mr. Rockefeller commented on how much he enjoyed the game in his youth. Near him was a boy in shinguards and a chest protector, carrying a big, round glove. "And what position do you play, son?" asked the Governor, putting his hand on the boy's head.

And sometimes there was an outright blunder. He was once asked what he thought of his protégé, Dr. William J. Ronan, head of the Metropolitan Transit Authority. "He's doing a horrendous job," Mr. Rockefeller replied proudly. While reporters tittered, his staff gathered around him in consternation. He emerged to say he had meant to say "terrific." An aide explained that the Governor had always thought "horrendous" was a term of praise.

In his work, his greatest strength, aside from his nearly limitless resources, was an expert, loyal and secure staff. He rewarded competence handsomely, and the men around him worked with the knowledge that when their days on the public payroll were over, there would almost certainly be a position in the far-flung family enterprises.

His aides examined issues meticulously, preparing detailed briefing papers on everything from the apple crop to sewage disposal. Mr. Rockefeller was rarely caught short by being unprepared in discussion around the state.

His years as Governor were remarkably free of public scandal. The only major scandal that struck close to home involved L. Judson Morhouse, the Republican state chairman and former Rockefeller political mentor, who was convicted in 1966 of bribing the chairman of the State Liquor Authority, another Rockefeller appointee named Martin Epstein. Although sentenced to three years in prison, Mr. Morhouse was granted executive clemency by the Governor on the grounds of illness.

The day after Mr. Rockefeller announced his intention to resign from office, Perry B. Duryea, Speaker of the Assembly and other Republican figures were indicted by a grand jury on charges of violating the election law in an alleged vote-siphoning scheme. The charge against Mr. Duryea was later dropped, and he unsuccessfully challenged Hugh Carey for the Governorship last year.

OBJECTIVITY STRESSED

Mr. Rockefeller's supporters stressed the objectivity and humanity of his years in

power. "When I make a decision," the Governor once said, "I think: 'It's human, it's right, it's neither liberal nor conservative, but it's the right thing to do.' I have as much to 'conserve' as anyone."

To his detractors, he was arrogant, opportunistic and shallow, able to retreat to his mansions and pass out of reach of the consequences of his policies, so sure that his decisions were selfless and free from desire for private gain that he held competing views in utter contempt. They saw him as so isolated by millionaire comforts that he was capable of giving an aide a nickel to make a telephone call.

Like many wealthy people, he never carried money and once had to borrow a dollar from a startled receptionist at the Department of Health, Education, and Welfare to pay a 90-cent taxi fare.

There never was a precise estimate of Mr. Rockefeller's worth. The family fortune was said to be between $6 billion and $10 billion, and Mr. Rockefeller was estimated to have a personal fortune of something like $200 million. He said in the early 70's that his yearly income taxes had not been under seven figures for the past 25 years.

He dressed impeccably, lived with great style and paid many expenses of the governorship out of his own pocket. He had been brought up with the strong belief that money should not be squandered or spent ostentatiously. Yet he felt he owed no apologies or explanation for spending it as he pleased.

One year he presented Mrs. Rockefeller with a new Rolls-Royce that cost $33,000. Since the car was to be used almost exclusively for driving among other Rockefellers at the Pocantico Hills estate, an aide asked only half-facetiously whether the Governor didn't think the purchase a bit extravagant.

"Well, you know, we're getting along," replied Mr. Rockefeller, who was 64 years old at the time. "It's time to have a little fun."

ROCKEFELLER'S ZEST FOR LIFE IS TERMED THE DRIVING FORCE IN HIS CAREER

(By Francis X. Clines)

Seventy years was not enough for Nelson Rockefeller, a man whose enthusiasm for life in all its public and private passions seemed to dwarf even the family fortune as the key factor in his drive to be remembered as a dominant figure in his part of history.

He talked often of surpassing the 96 years of his grandfather. But he lived as if each new day was his limit, whether he was trying to force the Legislature into some new pet master program or breathlessly merchandising reproductions of his own art treasures. Either way, the master program or the reproduction business drew the same tireless superlatives from the man.

He looked at life with a crinkle-eyed, lantern-jawed optimism. His basic political credo was to sell himself as the ultimate pragmatist who could hire the best minds to study the hardest problems as a prelude to his stepping in and making the decisions for solving them.

A MAN OF GREAT CHARM

In passing, he sprinkled "think tank" minds like Henry Kissinger's on the political landscape, and he added a Medici precaution to modern politics by privately paying his favorite aides hundreds of thousands of dollars in addition to whatever public salary they got.

His critics found the payments consistent with the thread of brass that ran with the gold and the great human charm through the complicated Rockefeller personality.

A characteristic Rockefeller moment in time was a night in 1973, when, flying in a family jet, he was sipping Dubonnet, eating peanuts, and talking of his latest enthusiasm, the "National Commission on Critical Choices," which some said he had brought into being apparently as a public vehicle in a final Presidential bid.

Mr. Rockefeller talked casually of "polling the world." He popped a peanut into his mouth and said, "I'd like to get Mao Tse-tung or one of his henchmen to prepare a paper on the nature of man." Right there, was the classic mixture of ego and hope that was his trademark.

Even the most experienced politicians never realized the power of state government until he took it over and reinvented parts of it. Such Rockefeller creations as the Urban Development Corporation and the Metropolitan Transportation Authority have been criticised lately in the frayed reality of time, but they bear the Rockefeller stamp as attempts to cut through the old political ways and turn social needs into votes.

1964 G.O.P. CONVENTION RECALLED

From a youthful studious scion invited by President Franklin D. Roosevelt into a foreign-affairs project, Nelson Rockefeller evolved into one of the toughest, the most cynical of stump fighters. His 15 years of candidacies for the governorship and the Presidency took him all over the terrain of political philosophy and left him remembered as both hero and goat in the eyes of different political blocs.

A liberal has to picture him standing tall and speaking through boos against the grain of the 1964 Republican Convention's right-wing militancy. But the same liberal also has a memory of the shock when Governor Rockefeller had state troopers retake Attica prison in 1971 with a fusillade of heavy gunfire that took 39 lives of inmates and hostages.

Just so, there are conservatives still angry at Mr. Rockefeller's refusal to support Senator Barry Goldwater as the Republican Presidential candidate in 1964. But these same critics also had the satisfaction of seeing Mr. Rockefeller fly into Arizona nine years later and tell, in a recanting tone, of how he had been too soft on crime and welfare issues.

"I'm not moving to the right," he said back then to the inevitable question of his trying to shed the Eastern liberal image that was such a hindrance in his quest for the Presidency. "I'm just dealing with problems as they come up."

That latter statement comes close to the shifting truth of the type of classic American political life that Mr. Rockefeller led. As Governor, he arrived with a pay-as-you-go budget avowal, but left 15 years later having invented vast new means of floating state debt.

CONSISTENTLY ENTHUSIASTIC

In the same way, he first took on the narcotics problem as a treatment issue, preparing for costly institutions and jobs about the state. But then, as public tolerance was withering, he switched to the "crack down" stance and pushed through a heavy punishment program for drug criminals. In all cases, his enthusiasm carried the votes and the days.

Ultimately, he came to be seen as the consummate politician, vying to fly the topmost pennant in the shifting winds of the issues. But that judgment seems to overlook key facets of the Rockefeller zest for life. In 1962, for example, his private and public passions clashed and he opted on the side of his private life, divorcing his wife and marrying Margaretta Fitler Murphy. He was advised the transaction would hurt his political image, but he wanted this with his consistent enthusiasm.

Through all the disappointment he might have presented to idealogues, Mr. Rockefeller never failed to stir the emotions of other politicians, whether to rub a Mayor the wrong way or leave an entire Legislature awe-struck with his ability to dream up fresh, costly, job-producing, vote-snagging programs. Their envy was bipartisan, particularly since he was not above helping to protect valuable Democrats when the reappointment maps were drawn. But it also was the sheer, begrudging respect of one politician watching a pure artist steal the show.

When he missed the Presidency for the final time, Mr. Rockefeller was the first to show he knew it by withdrawing cleanly from politics, back to the art world where he was nurtured by his mother. As he departed the political life, with his grin only slightly daunted, he offered a bit of epitaph: "I did my duty for 15 years and kept my enthusiasm."

[From the New York Times, Jan. 28, 1979]

PRIVATE RITES TOMORROW TO FOLLOW CREMATION

(By Anna Quindlen)

As messages of tribute and sorrow poured in from across the country, relatives and close friends of Nelson A. Rockefeller gathered at the family's Pocantico Hills estate yesterday to mourn the passing of the 70-year-old former Vice President and four-time Governor of New York, who died of a heart attack Friday night.

A Rockefeller family spokesman said that Mr. Rockefeller's body would be cremated and that a private burial, with family members only in attendance, would be held at 11 A.M. tomorrow in the cemetery at the family estate. The Rev. Marshall L. Smith, pastor of the Union Church in Pocantico Hills, will officiate.

A memorial tribute to Mr. Rockefeller, with family members, associates, close personal friends and national and international dignitaries present, is scheduled for Friday at 11 A.M. in the Riverside Church in Manhattan. William Sloan Coffin Jr., the pastor, will preside.

FAMILY ARRIVES AT ESTATE

Limousines carrying Mr. Rockefeller's wife, Happy, and some of his brothers and children began arriving early in the day at the family estate near Tarrytown in Westchester County, north of New York City. They were joined by stunned Rockefeller staff members and longtime friends. Former Secretary of State Henry A. Kissinger and his wife, Nancy, had been at the estate as weekend guests.

As other relatives flew home from around the world, funeral and burial arrangements were made by Mr. Rockefeller's brother, Laurance, 68, now the eldest surviving member of the family. He spoke briefly with reporters outside his Fifth Avenue apartment in Manhattan.

"To sum up my feelings," he said, his voice quavering, "let me say that I have always loved and admired Nelson as a brother, and as a friend, for as long as I can remember."

Governor Carey yesterday informed the Rockefeller family that he planned a major state tribute and memorial service in Albany at a later date.

Mr. Rockefeller's wife, her pale face drawn, left the family's Fifth Avenue duplex with her son Nelson Jr. for the ride to Pocantico Hills. The couple's other child, Mark, who was 12 years old yesterday, was already at the estate with the Kissingers, longtime friends of the Rockefeller family.

David, the youngest of Nelson's brothers, was reportedly flying home from a business trip in the Middle East.

Mr. Rockefeller's body was at a funeral home in Tarrytown.

TRIBUTES FROM NATIONAL FIGURES

Both those who knew and those who had only read about Mr. Rockefeller reacted to the news that he was dead. Western Union reported being flooded with telegrams. Tributes poured in from all of the country's major political figures, including Gerald R. Ford, who had made Mr. Rockefeller his Vice President in 1974.

The staff at Mr. Rockefeller's offices in Rockefeller Center was stunned by the news. Employees recalled that their employer had been as energetic and irrepressible as ever during the day Friday.

Hugh Morrow, a longtime family spokesman, said yesterday that he had been mistaken in announcing early Saturday that Mr. Rockefeller had died at his Rockefeller Center office. Instead, Mr. Morrow said, Mr. Rockefeller was stricken in a brownstone house at 13 West 54th Street, in which he maintained offices. Mr. Morrow said that when he was told that Mr. Rockefeller had died in his office, he assumed it was the office at Rockefeller Center.

The 54th Street building is connected by a private walkway with another brownstone at 22 West 55th, which Mr. Rockefeller used as his New York City headquarters during his four terms as Governor. It is still used by his associates.

EMERGENCY CALL TO POLICE

After Mr. Rockefeller collapsed, he was taken to Lenox Hill Hospital, where efforts to revive him were unsuccessful.

According to Rockefeller aides, Mr. Rockefeller's heart attack occurred at 10:15 P.M. The police reported that the first emergency call to the 911 system was made at 11:16.

Neighbors and passers-by reported that when the ambulance arrived, a woman in an evening dress emerged from 13 West 54th Street and accompanied the attendants as they carried Mr. Rockefeller to the vehicle.

Mr. Morrow, the family spokesman, said he did not "know of any woman" being present when Mr. Rockefeller was stricken. He said the 911 call had been made by an unidentified woman neighbor.

Laurance Rockefeller, looking frail and tired beyond his years, paused under the awning of the building at 834 Fifth Avenue early yesterday to deliver a statement he had prepared about his brother, an adaptation of a speech he had given at a 70th birthday party earlier this year for Mr. Rockefeller, who was Governor of New York for 15 years but whose Presidential ambitions were continually dashed.

Laurance said of his brother, an inveterate art collector whose private holdings were legend: "Nelson dramatically demonstrated this fantastic ability to be both statesman and artist; to endlessly bring order out of chaos—whether it be within the family, the state, the nation, or the world itself."

PRAYER IS QUOTED

Laurance carried with him an illuminated version of "The Prayer of Saint Francis." He said he had taken special solace in its last lines, which said in part: "It is in dying that we are born to eternal life."

The consensus was that Mr. Rockefeller had died the way he had lived—doing, working, moving, never slowed. Mr. Morrow reported that after dinner with his wife and Nelson Jr., Mr. Rockefeller, who recently had started a retail art reproduction business, had returned to work on a book about his extensive collection.

Mr. Rockefeller was a member of a family whose name has become a synonym for wealth and power, but yesterday those in political life mused over the fact that no one in their arena had ever really forgotten Mr. Rockefeller's presence in politics.

LONG A PRESENCE IN ALBANY

Years after he left Albany, he was still a presence there, his administration the standard for others to come, his personality the personification of the can-do consensus builder, a man who could gather support and planning for an entire program by using only a telephone and his own determination.

Mr. Rockefeller was a member of the third generation of a dynasty started by his grandfather, John D.

[From the New York Times, Jan. 28, 1979]

CARTER LEADS WORLDWIDE PRAISE FOR ROCKEFELLER'S ACHIEVEMENTS

(By Pranay Gupte)

"The nation mourns one of its most distinguished public men," President Carter said yesterday. "Nelson Rockefeller was born to privilege and accepted his privilege as an obligation to serve his state and nation. He sought the highest service, but willingly and ably performed whatever tasks were asked of him by his country."

Mr. Carter's praise for the former Vice President and Governor of New York was one of hundreds of tributes to Mr. Rockefeller that came from around the world, from friends as well as one-time adversaries.

"At a time when our people's trust in their government had been deeply shaken," the President continued, "he accepted appointment to the Vice Presidency, helping to reassure the nation with his own integrity and vigorous optimism. He had special concern for the less fortunate, for the arts, for the processes of government itself, and most of all, for the vision that guided this nation. He drank deeply of life from a full cup."

PRAISED BY FORD AND NIXON

Two of Mr. Carter's predecessors echoed his sentiments. Former President Gerald R. Ford, reached in Amman, Jordan, where he is on a private visit, said: "I have lost one of my closest friends, both personally and politically." Mr. Rockefeller was chosen by Mr. Ford to serve as his Vice President.

Another former President, Richard M. Nixon, said from his home in San Clemente, Calif.: "Nelson Rockefeller inherited great wealth. But to his eternal credit, instead of living it up on the sidelines, he plunged into the political arena, where he enjoyed great victories and suffered disappointing defeats."

Mr. Nixon, a long-time political rival who bested Mr. Rockefeller in the 1960 and 1968 campaigns for the Republican Presidential nomination, added: "His great ability, enormous energy, unfailing good humor and selfless dedication to public service left an indelible mark for good on the American political scene."

Senator Barry Goldwater of Arizona another Republican who defeated Mr. Rockefeller for the G.O.P. Presidential nomination—in a bitter contest in 1964—said: "Although we had our policy differences, there were very few Americans who were more deeply dedicated to their country."

Another Presidential and ideological rival in the Republican Party, Ronald Reagan, gave this assessment: "He brought a lively dimension to American politics."

The man who succeeded Mr. Rockefeller in January 1977, as Vice President, Walter F. Mondale, said: "He chose the most demanding and democratic professions of all, government and politics, which he pursued with legendary energy and enthusiasm."

And W. Averell Harriman, who Mr. Rockefeller succeeded as Governor of New York—after unseating him in 1958—said of Mr. Rockefeller: "He was a true patriot. He was always working to do something constructive which would have lasting benefit to the nation."

Two of Mr. Rockefeller's gubernatorial successors, too, recalled his zest for public service. "As our Governor, he had vision, courage and determination," Governor Carey said. And Malcolm Wilson, the Republican who served as Lieutenant Governor under Mr. Rockefeller, who took over as Governor after Mr. Rockefeller resigned and then who subsequently was defeated by Mr. Carey, said: "I doubt we will ever see his like again."

Perry B. Duryea, Republican of Montauk, L.I., once the Speaker of the State Assembly and who hoped to succeed Mr. Rockefeller—his foe within the G.O.P.—as Governor some day, said: "He was respected by all for his energy, enthusiasm and dedication."

Henry A. Kissinger, the former Secretary of State who was closely associated with Mr. Rockefeller for more than two decades, said: "He was the greatest American I have ever known. His friends will miss him for his sensibility, insight, and loyalty. His family will mourn his infinite capacity for love. The world will be without his faith and compassion."

Mayor Koch, too, recalled the many facets of Mr. Rockefeller's life, which he characterized as a "life of devotion to his family, city, state and country."

"Would that all of us could face our Maker with such a record," Mr. Koch said.

Mr. Koch's predecessor, Abraham D. Beame—who was sometimes involved in political imbroglios with Mr. Rockefeller, especially over the question of state aid to New York City—recalled that Mr. Rockefeller was a "very dear friend despite the fact that we were of different political beliefs." Mr. Beame added: "I think the country will miss him and what he stood for."

One of Mr. Beame's Democratic predecessors, Robert F. Wagner, also mentioned the political differences between himself and Mr. Rockefeller. But, Mr. Wagner said, "We worked together for a fairer distribution of state aid to the city. He was an outstanding public servant."

New York's Congressional representatives, too, reflected on Mr. Rockefeller's service to the state. "He was a part of our lives in so many ways," said Senator Daniel P. Moynihan, Democrat of New York. "There was not a more generous man in American politics. Yet we were never as good to him as he was to us."

Senator Jacob K. Javits, Republican of New York, said: "His extraordinary public service to New York State, to our nation and to his political party are the material of history. His was a big vision and a big concept of what the American people were capable of achieving in peace and prosperity for themselves and the world."

LEFT MARK IN ARCHITECTURE

Mr. Rockefeller's contributions to New York's architecture were noted by Alan Sagner, chairman of the Port Authority of New York and New Jersey. "His vision, enthusiasm and his love for his city and state remain etched not only in our memories but also in the great construction landmarks which stand in his tribute, including our own World Trade Center," Mr. Sagner said. As Governor, Mr. Rockefeller vigorously promoted the building of the center despite intense criticism that such a complex was costly, wasteful and unnecessary.

The tributes also flowed in from those whose personal backgrounds were greatly dissimilar to that of Mr. Rockefeller and yet whose social struggles he often supported.

"Nelson was a friend whose wealth did not bind him to human misery, suffering, and poverty," said James Farmer, a founder of the Congress of Racial Equality. "He was a man of compassion for all people, rich or poor."

"Nelson Rockefeller was a fine and decent man who understood the problems and aspirations of working people, and in every office he held he did his level best to translate their goals to reality," said George Meany, head of the American Federation of Labor and Congress of Industrial Organizations. "America has lost a devoted and distinguished public servant, and the trade-union movement has lost a good friend."

KENNEDY CITES HEALING ROLE

And from a man whose family also is known for possessing great wealth, Senator

Edward M. Kennedy, Democrat of Massachusetts, came a statement noting the variety of Mr. Rockefeller's talents in leadership. "His contributions ranged from foreign policy to his long and constructive leadership of the State of New York. But perhaps his most important role was in helping to restore the faith of the country in its system of government after the Watergate episode."

From the United Nations, Secretary General Kurt Waldheim, noting that Mr. Rockefeller was instrumental in the establishment of the world organization's headquarters in New York, remembered him as a man who had "seemingly limitless energy."

Robert Moses, the master builder of the metropolitan area, summed up the Rockefeller career this way yesterday:

"Nelson was matchless."

[From the Washington Post, Jan. 27, 1979]

ROCKEFELLER DIES OF HEART ATTACK AT 70 IN NEW YORK

NEW YORK.—Former vice president Nelson A. Rockefeller, 70, three times a candidate for the presidency, died tonight of an apparent heart attack while working at his office, a spokesman said.

Spokesman Hugh Morrow said Rockefeller was stricken while working at his desk in Rockefeller Center and was rushed to Lenox Hill Hospital in Manhattan after security personnel tried unsuccessfully to revive him. He was pronounced dead on arrival at the hospital at about 10:15 p.m., Morrow said.

Morrow said Rockefeller was working on a book featuring his extensive modern art collection when he slumped over his desk.

Rockefeller had spent a "normal day at his office today," said Morrow, and his health had been excellent.

Rockefeller's wife, Margaretta, was at the hospital. Morrow described her as "composed".

Rockefeller was elected four times as governor of New York and tried three times to gain the presidency during a lengthy political career.

He was sworn in as vice president on Dec. 19, 1974, and served under Gerald Ford, who completed the term of Richard Nixon.

Since leaving public life after the Republicans lost the White House in 1976, Rockefeller had concentrated his energy on his considerable art collection.

Nelson was the oldest surviving brother of the sons of John Rockefeller Jr.

His brother John D. III, eldest of the third generation of the financial dynasty started by John D. Rockefeller, died last July in an automobile accident on the family estate, Poncantico, in Westchester County. He was 72.

Another brother, Winthrop, died in 1973 after serving as governor of Arkansas for two terms.

Two other brothers, Laurance and David, and a sister, Abby, survive. Laurence, 68, has made his career in philanthropies, especially conservation efforts. David, a giant in American financial circles, is president and chairman of Chase Manhattan Bank.

A nephew, Jay—John D. Rockefeller IV—is governor of West Virginia. He is a Democrat.

Nelson was the family's leading politician, upsetting incumbent New York Gov. W. Averell Harriman in 1958 and going on to serve four terms as governor. During the off-election years of 1964 and 1968 he made futile attempts to win the Republican presidential nomination.

Rockefeller resigned as governor in 1973, saying he would devote his time to the National Commission on Critical Choices for America, a study group he had organized and funded to determine where the world and America were headed so that rational political decisions could be made.

Ford, upon assuming the presidency after Nixon's resignation, persuaded Rockefeller to leave political retirement to become the appointed vice president.

"I feel a great sense of gratitude for the privilege of serving the country I love," he said on the day he took the oath of office.

Rockefeller was the nation's 41st vice president. Rockefeller and Ford were the first two men installed under the Constitution's 25th Amendment, which provides for filling vice presidential vacancies with nomination by the president and confirmation by the Congress.

[From the Washington Star, Jan. 28, 1979]

ROCKY'S NAIVE ENTHUSIASM SET HIM APART FROM PACK

(By Jack W. Germond)

Nelson Rockefeller was a paradox. He was one of the most familiar, and surely most controversial, public figures of our time. Yet he was one of the least accurately understood.

He was, of course, an extraordinarily sophisticated man, as only someone who grows up in New York supported by enormous wealth can be, a man who understood art and wine and high finance and corporate power. But in the political world he entered in mid-life, it was his naive enthusiasm and unconscious arrogance that set him apart from the pack.

Because of the layers of scar tissue he acquired over his 20 years on the political stage, it is easy to forget that Rockefeller burst onto the national scene as an instant superstar. In 1958 he defeated a formidable Democratic incumbent, Averell Harriman, to win the governorship of New York—and become overnight a potential presidential candidate.

But, more to the point, in doing so, Rockefeller touched some chord of hero worship in the electorate and attracted a frenzied popular following probably unmatched by any politician of the last two decades other than Robert F. Kennedy. Everywhere he went in those early days, before that scar tissue began to accumulate, the crowds surged around him, shouting, "Rocky, Rocky, Rocky" and his grin and wave, his "Thanks a thousand, fella" in reply all became staples of the political scene.

Even then the misunderstandings were there. He was adored for his obvious, and genuine, enthusiasm for the commonplaces of political street campaigning—look at Rocky, he's eating a blintz, 200 million dollars in his kick and he's eating a blintz. But what drove him was far less his love for the common experience than a consuming conviction that he could run things better than other people, solve more vexing problems, build bigger monuments.

Indeed, he entered politics in the first place only because he was frustrated by the limits placed on appointive officials. The last straw came while he was serving in the Eisenhower administration, in various subcabinet posts, and was proposed for deputy secretary of Defense with the idea that he eventually would move up to run the huge department. Rockefeller, he would recall later, was bursting with enthusiasm; he could manage the unmanageable Pentagon as no one had done.

But George Humphrey, the conservative secretary of the Treasury, went to Eisenhower and scotched the plan. Rockefeller, he told the president, was "a spender" and, thus, too dangerous in such a sensitive place. "Spender," Rockefeller would say acidly years later. "Now what the hell did that mean? It was just a label, just a word, but I had to get out. I could see if you were going to get anything done, you had to get yourself elected."

Entering politics, he was set apart by the special insulation that his money and position had provided all his life. As a campaigner, he was unconsciously unorthodox, often more candid than he should have been, often forgetting his goal in his zeal for the new experiences. Reporters who traveled with him would laugh among themselves, for example, when he would spend 10 full minutes while touring the state fairgrounds talking to one farmer about the problems in a new law requiring warning lights on manure spreaders.

His own experience was clearly removed from that of many of his constituents. Once campaigning at a factory gate in Elmira during the sixth game of the World Series, he was puzzled when the workers rushed through the gate, ignoring his outstretched hand, to get to their television sets and watch Bob Turley pitch.

His insulation was clear, too, in his first meeting with his advisers after the election. It was apparent that a substantial state tax increase was going to be needed, and they warned him that this would mean that he might have to back away from an implied promise to raise the salaries of state employees. But Rockefeller ignored the warning of political danger and insisted he would have to keep the commitment. Finally, someone came up with a solution. The State would take over the payment of both the employer and employee contributions to the Social Security system, thus avoiding a pay raise while increasing the state workers' "take-home pay."

"What," asked Rockefeller, "is take-home pay"?

Shortly after he took office, he described a feature of his tax program in these terms, "Now, take an average family with two children earning $25,000 a year . . ." It was, of course, a far from average family in 1959, but Rockefeller was clearly puzzled when reporters burst into laughter.

And he was equally puzzled when the entire political community dissolved into guffaws at his proposal to require that fallout shelters be built into every building, including private homes, in the state. Didn't people understand they would be needed if there was an atomic attack?

Before that first year was out, however, Rockefeller had the political confidence to begin touring the country looking for signs of encouragement for a race against Vice President Richard Nixon for the 1960 Republican presidential nomination.

The public reaction was stunning—all those people shouting "Rocky, Rocky, Rocky"—but the political reaction of Republican regulars was almost universally, if predictably, hostile. In Milwaukee, the party regulars shunted his party to a decrepit hotel. In Los Angeles, they ignored him almost totally. In Chicago, they made a point of avoiding him.

But Rockefeller read it all wrong. What was there in the public reaction was the potential for defeating Nixon in the primaries, despite the party regulars. But he chose to listen instead to advisers on his own staff with no experience in national politics, and at year's end announced he would not be a candidate.

Later the mistake would become clear. In fact, it had been his one best chance, as a fresh face without any scar tissue, and that was clear throughout the political community. Even John F. Kennedy said on several occasions that he would have been a far more formidable opponent than Nixon that year. And years later, drinking Dubonnet on his private plane, Rockefeller would say ruefully: "I know now, but I just didn't know then. It was all new to me."

It was the beginning of a pattern of political behavior. He succeeded repeatedly in New York, winning reelection in 1962, 1966 and 1970, in large measure because of the

genius of New York Democrats for choosing remarkably inept candidates as his opponents (Robert Morgenthau in 1962, Frank O'Connor in 1966, Arthur Goldberg in 1970) while fighting zealously among themselves.

But he failed everytime he ventured onto the national stage—a victim of the misperceptions about himself and, just as certainly, his own misperceptions about the country.

From the outset, he was tagged as a "liberal" in the Republican Party when all that conjured up in the conservative core of the party was Tom Dewey and New York smart-alecks with fancy ideas. In fact, his "liberalism" was limited to the race issue, then the litmus test for sorting out politicians. And at that he was more Baptist than liberal, moved far more by his mother's ideas of the way people should behave to one another than by any abstract concept of civil rights.

On other issues, he was as Republican and conservative as anyone. He was always a hard-liner on foreign policy (Henry Kissinger was his chief adviser), warning repeatedly against the Soviets "who treat people like cogs in a machine" and who failed to recognize "the brotherhood of man under the fatherhood of God." (His devotion to that particular construction gave rise to the acronym "BOMFOG" to describe the earnest, tediously long Rockefeller speeches.) He was a devoted advocate of a big military budget. And in his early years as governor, he was ardent in his commitment to pay-as-you-go financing.

The truth was that Rockefeller was a pragmatist far more than an ideologue. And he seemed liberal only because he was devoted to government activism as the device through which he hoped to accomplish all the wonderful things he thought the country needed.

But the image of him in his party was of the rich guy who could afford all these costly, liberal ideas and was trying to impose the Eastern Establishment on the plain sensible people elsewhere.

But if the Republicans didn't understand Rockefeller, neither did he understand them. Thus, he never grasped the political impact of his decision to divorce his first wife in 1962 and marry a second 20 years his junior the following year.

In September of 1963, for example, he flew out to Ogle County, Illinois, to attend a traditional Republican corn roast as the first test of public reaction after his remarriage. As the plane flew west, Rockefeller read a column by James Reston in the New York Times saying that his personal life had seriously undermined, perhaps destroyed his political prospects. When he finished reading, Rockefeller passed the column to a reporter riding with him and asked, "Do you agree with that?" And when the reporter replied that he did, Rockefeller shook his head in mock sorrow at his companion's failure to understand the tolerance of the American people. But that afternoon, at the Ogle County corn roast, Republican politicians who had always attended in the past—such as the late Everett McKinley Dirksen—made a point of staying home.

But Rockefeller was nothing if not persistent. He pressed ahead in 1964, suffering one primary defeat after another until reaching Oregon in May. There he finally polled more votes than either Barry Goldwater or Henry Cabot Lodge, largely on the strength of the fact he was the only candidate who campaigned there and a slogan that exploited that compliment to the state: "He Cared Enough to Come."

A week later, however, leading Goldwater in the polls in California, he made another mistaken judgment and surrendered all of his television time on the final weekend and lost the California primary.

His last attempt at the presidency, in 1968, was fiasco upon fiasco. When his choice for the nomination, George Romney, collapsed, Rockefeller sent loud public signals that he was intending to run if enough support could be engendered. Anti-Nixon Republicans from all over the country flocked to New York for meetings in Rockefeller's Fifth Avenue apartment in which they declared their fealty.

But, after several weeks of what seemed to be an elaborate political charade, Rockefeller scheduled a press conference in New York for meetings in Rockefeller's Fifth Avenue office and announced that he would not be a candidate after all.

Then, six weeks later, he compounded the felony by announcing that he had changed his mind and would indeed compete with Nixon. But by then any realistic chance he might have enjoyed had gone up in smoke. By the time, the convention in Miami Beach opened, he was no longer a serious challenge to Nixon's primacy in the party.

To those who knew Rockefeller, what was most puzzling about the whole dance was how he could imagine in March that he could sit by for months and allow Nixon, for whom he rarely disguised his contempt, a free ride to the nomination. And when it was all over and Rockefeller was asked that question, he just shook his head and said, "I know, I know."

But if Rockefeller's political career was characterized by frequent lapses into unreality, it was consistently charged by another quality, unremitting optimism. Nelson Rockefeller always thought there would be another chance to become president, another opportunity to change the world. That was clearly the motive when he resigned from the governorship late in 1973 to position himself for one last fling when Nixon left office in 1976.

And it was clearly the operative factor when, that scenario aborted by Watergate and Nixon's resignation, he accepted with such relish the chance Gerald Ford offered to be vice president. He embraced the office, surrounded as usual by an extraordinarily able staff and determined to make it more than it had ever been. Over the following months, of course, it became apparent that even Nelson Rockefeller was not going to be more than a conventional vice president, shunted aside from many key decisions by the White House staff—and consulted by Ford but rarely genuinely influential with him.

His anger at some Ford advisers, most notably Donald Rumsfeld, and his frustration reached a level that he grasped for ideas on which he would have an impact—at one point even seriously proposing that the United States buy Greenland.

For all of the frustrations, however, Rockefeller made no secret about his anger when Ford decided to drop him from the 1976 ticket. In December of 1975, he went to a meeting of Southern Republicans in Houston, a meeting dominated by the kind of conservatives who had always been hostile to him, and startled them with an angry and profane outburst. And when he left office in 1977, he turned his back totally on politics, in New York or elsewhere.

His bitterness was, in a sense, a misunderstanding, too. In Rockefeller's view, he had done everything over his 20-year career that you could reasonably expect to establish his regularity as a Republican. If he had not done enough for Richard Nixon in 1960 or Barry Goldwater in 1964, surely no one could argue with his devotion to party unity thereafter. If he had seemed too "liberal" early in the game, surely he had changed dramatically when he altered his positions markedly on such issues as welfare and drug law enforcement. If he had shown an unwillingness to be "a player" at first, surely he had been one for Jerry Ford at the end.

But what Nelson Rockefeller could never do was be just one of the boys. He was too confident he was right, too ambitious—and too rich and inevitably different from everyone else.

[From the Washington Star, Jan. 28, 1979]

2 Surviving Brothers Wield Family Power

New York.—With the death of Nelson Rockefeller, two brothers remain from a generation that expanded a financial empire and built a national political base.

Of the six children of John D. Rockefeller Jr. two survive—Laurance, 68, and David, 63. Nelson 70, probably the best-known of the five brothers and a sister, collapsed Friday night in his Rockefeller Center office and was pronounced dead early yesterday.

The family began with John D. Rockefeller, who parlayed a $4,000 investment in a small Cleveland oil company into the largest fortune the nation had seen.

He did it by crushing competition. The Standard Oil trust became synonymous with the worst excesses of the age of the robber barons.

But whether for religious and ethical reasons, as John D. said, or for public relations reasons, as his enemies charged, he gave $500 million to charities, the same amount of money he handed down to his only son, John Jr.

"I believe it is a duty for a man to get all the money he honestly can and to give all he can," the senior Rockefeller once said.

John D. lived 97 years, and even to his death in 1937 he kept meticulous ledgers of his daily spending and required that his son do the same. In his later years, John D. became enshrined in American memory as the man who walked the streets giving away dimes.

John Jr. sparked the restoration of colonial Williamsburg, Va., gave the federal government 15,000 acres of sugar pines for Yosemite National Park and donated hundreds of acres of redwoods for Humboldt State Park in California.

John Jr. reveled in construction, and his greatest achievement may have been Rockefeller Center, a collection of 16 buildings in the heart of Manhattan that was born in the depths of the Depression.

While the family gave money away, it also believed in spending money—living in a manner that some kings would find awesome.

The family's base is Pocantico Hills an estate in Westchester County, N.Y., looking down on the Hudson. About 70 buildings adorn its grounds. One of them, the playhouse, contains gymnasiums, swimming pools and other recreational fixtures, and is where John Jr's children—sons John D. 3d, Nelson, Winthrop, Laurance and David, and daughter Abby—grew up.

Nelson was governor of New York for 15 years and was vice president in Gerald Ford's administration.

John D. 3d, who died in an auto accident last July, became an Asian expert and was instrumental in the building of New York's Lincoln Center for the Performing Arts.

Winthrop died of cancer in 1973. He moved to Arkansas and built a ranch, Winrock Farm, that became a state landmark. He served one term as governor of his adopted state.

Abby, who died in 1976, devoted herself to the arts and was the most private of her generation.

The two remaining brothers both have made their mark in business.

Laurance, 68, developed resorts in Puerto Rico, Hawaii, and the Virgin Islands and invested heavily in Eastern Air Lines and futuristic fields including lasers, computers and nuclear technology.

David, 63, heads Chase Manhattan—the nation's third largest bank. He has turned down bids that he run for mayor or serve as secretary of the Treasury, defense or U.S. ambassador to the Soviet Union.

In the latest generations of Rockefellers, John D. IV, popularly known as Jay, is the Democratic governor of West Virginia, building on the family's strong political base.

David's eldest daughter, Abby, 35, has supported radical causes and has founded an organic toilet firm.

Nelson's son Rodman runs the family ventures in South America, and Winthrop's son Win Paul has taken over his father's holdings in Arkansas.

[From the Washington Star, Jan. 28, 1979]

Services Tomorrow Will Be Private—Rockefeller To Be Buried on Family Estate

(By Jeremiah O'Leary)

Nelson A. Rockefeller will be buried in the family cemetery at his Pocantico Hills, N.Y., estate tomorrow after a private funeral service for family members.

Officiating at the final rites, after cremation, will be the Rev. Marshall L. Smith, pastor of the Union Church in the Westchester County suburban area near the Rockefeller family home.

A memorial tribute for family, friends, associates and national and international figures will be held Feb. 2 at Riverside Church in Manhattan with the Rev. Dr. William Sloane Coffin presiding. A major state tribute and memorial service will be held at a later date in Albany, Gov. Hugh Carey announced.

The death of the four-time governer of New York Friday night at the age of 70 produced an outpouring of condolences for his family and eulogies from political friends and foes alike.

For half a century, Rockefeller's occupancy of high state and national offices and his great personal wealth made him one of the most influential men of his time in politics, diplomacy, business and art. But despite his succession of prestigious government positions, including service as vice president under President Gerald R. Ford from 1974 to 1976, Rockefeller never reached the pinnacle he sought so long—the presidency.

He tried in vain for the Republican presidential nomination three times, but lost to Richard Nixon in 1960 and 1968 and to Sen. Barry Goldwater in 1964.

It was typical of the hard-driving Rockefeller that his fatal heart attack came late at night while he was working at his desk in his office in the family townhouse just off Fifth Avenue in midtown Manhattan. He was writing the second of two volumes on modern art when he was found slumped over his desk at 10:15 p.m. by his bodyguard, William Keogh.

Rockefeller had no previous history of heart illness and his family physician, Dr. Ernest Esakof, said death came instantly. Paramedics tried unsuccessfully to revive him before they took him to Lenox Hill Hospital.

Earlier in the evening, he had had a quiet dinner with his second wife, Happy, and their two sons, Mark, 12, and Nelson Jr., 16 at the family's Fifth Avenue apartment. Before dinner, Rockefeller had gone to Buckley School in Manhattan, where his young sons are students, and had talked with former Secretary of State Henry A. Kissinger who was addressing the student body.

Kissinger was a former aide and adviser to Rockefeller and owed his own meteoric rise from relative obscurity on the Harvard faculty to Rockefeller.

Rockefeller's wife, his brother, Laurance and his oldest son, Rodman, 46, rushed to Lenox Hill Hospital when the word came but they arrived only in time to begin receiving some of the flood of calls and messages of sympathy from friends and admirers. Rockefeller was not breathing when he was carried into the hospital but doctors tried for an hour to revive him.

Besides his wife and the two young sons, Rockefeller is survived by two brothers, Laurance and David, a sister, Abby, and four of the five offspring of his first marriage to the former Mary Todhunter Clark to whom he was married for 31 years. They are: Rodman, who is president of a family-owned business; Steven, who teaches at Middlebury College in Vermont and two daughters, Mary and Ann. Another son, Michael, disappeared while on an anthropological expedition to New Guinea in 1962 and is presumed dead.

President Carter yesterday offered words of praise and sympathy. In a statement from Camp David, the president said:

"Nelson Rockefeller was born to privilege and accepted his privilege as obligation to serve his state and nation. He served unstintingly under many presidents of both parties whenever there was a special task to be done. At a time when our people's trust in their government had been deeply shaken, he accepted appointment to the vice presidency, helping to reassure the nation with his own integrity and vigorous optimism. He knew how to lose with grace and win with enthusiasm."

Former President Ford said in Amman, Jordan, "One cannot adequately express one's sadness when a tragic death occurs. I have lost one of my closest friends. The nation loses a truly great leader who unselfishly devoted his lifetime to helping his country and its people."

Vice President Walter Mondale said Rockefeller "left us with a proud example of a man who gave more to his country than he received."

Ronald Regan, who was often at odds with the more liberal Rockefeller, said he was deeply shocked. Gov. Carey said the nation "mourns the departure of a man of wisdom and courage, energy and vision."

Nixon issued a statement saying Rockefeller's "great ability, enormous energy, unfailing good humor and selfless dedication to public service left an indelible mark for good on the American political scene."

Sen. Edward Kennedy, D-Mass, said Rockefeller's most important role was helping restore the faith of the country after Watergate.

Kissinger called Rockefeller "the greatest American I have ever known."

Rockefeller was a central figure in the financial dynasty started by John D. Rockefeller Sr., and was the family's leading politician. His late brother Winthrop was a two-term governor of Arkansas and a nephew, Jay, is governor of West Virginia.

Rockefeller was born July 8, 1908, at the family's seaside estate in Bar Harbor, Maine, the son of John D. Rockefeller Jr. After graduating from Dartmouth College in 1930, Rockefeller received a bonus of $22,500 from his father for not smoking or drinking.

Rockefeller was involved in the family businesses for a few years, but entered public service in the 1940's when he served as coordinator for Inter-American Affairs under President Franklin D. Roosevelt.

In 1953, he became chairman of the President's Committee on Government Reorganization. He made his first try for elective office in 1958 when he scored a remarkable upset by defeating Democrat Averell Harriman to win his first term as governor.

[From the Washington Star, Jan. 28, 1979]

LBJ Wanted Him To Block Nixon Bid for Presidency

In 1976, Nelson Rockefeller told two reporters a startling anecdote on condition it never be printed in his lifetime—the story of how retiring President Lyndon Johnson begged him, a Republican, to make one last run for the White House in 1968.

Musing over his long public career, Rockefeller confided that Johnson had called him and Mrs. Rockefeller to the White House in that year when the streets shook with anti-war protest, when Richard Nixon was driving for the GOP nomination and Vice President Hubert Humphrey badly needed Johnson's backing on the Democratic side.

"He told me he could not sleep at night if Nixon was president, and he wasn't all that sure about Hubert either," Rockefeller said. "I told him I'd made a promise to Happy that I would not run again. She would not let me run.

"He said, 'Let me talk to Happy,' and they went off down the hall" for some of the classic personal persuasion that was Johnson's stock-in-trade.

"They came back a half hour later," Rockefeller recalled, "and Lyndon said 'I've talked her into letting you run.' "

That did it. The following Monday Rockefeller, then governor of New York, announced his candidacy. But it was too late. Nixon's powerful campaign rolled over him. Humphrey got the Democratic nod—and wanted Nelson Rockefeller for his running mate.

"I turned him down," Rocky recalled. "Franklin Roosevelt wanted me to be a Democrat (back in the 1940s). It was too late."

[From the New York Times, Jan. 30, 1979]

President and Wife Will Attend Memorial Service for Rockefeller

(By Robert D. McFadden)

As flags in New York and the Nation's capital fluttered at half-staff, the White House announced yesterday that President and Mrs. Carter would fly to New York City on Friday to attend a nondenominational memorial service for Nelson A. Rockefeller, the former Vice President and four-time Governor of New York who died of a heart attack Friday at the age of 70.

Jody Powell, the President's press secretary, said Mr. and Mrs. Carter would return to Washington immediately after the 11 A.M. service at Riverside Church, on Riverside Drive at 122d Street. Members of the Rockefeller family, close friends and hundreds of national and international dignitaries are expected to attend the service, which will be led by the Rev. William Sloan Coffin, Jr., Riverside's pastor.

Tributes in Congress and from throughout the Nation continued to pour in yesterday for Mr. Rockefeller.

The United States Senate passed a resolution praising Mr. Rockefeller's "illustrious statesmanship," and heard several eulogies to its former presiding officer. Senator Robert C. Byrd, Democrat of West Virginia, and Senator Howard H. Baker Jr., Republican of Tennessee, said that they had been prepared to authorize a lying-in-state ceremony in the Capitol Rotunda, but the Rockefeller family had declined.

TRIBUTE FROM SENATOR GOLDWATER

Senator Barry Goldwater, Republican of Arizona, who defeated Mr. Rockefeller for the 1964 Republican Presidential nomination, said: "While we had political differences, they were never of any great nature. I don't think I've ever known a man who lived in America who so strongly supported American ideals and always put America and the American people at the forefront of his thinking."

Senator Jacob K. Javits, Republican of New York, praised Mr. Rockefeller for dynamism, friendship and warmth. At Mr. Javits' behest, the Senate, by unanimous consent, agreed to submit their tributes for a special memorial document. "We have all lost a good friend," Mr. Javits said.

In Albany, State Senators reflected for more than an hour on their personal moments with the former Governor. Senator

Major R. Owens, Democrat of Brooklyn, recalled that, some years ago, he led a group of angry tenants to Albany to confront Mr. Rockefeller on tenants' issues.

Mr. Rockefeller agreed to see them, Mr. Owens said, and when the meeting was over, the tenants "came out 99 percent meek and convinced this was one of the greatest governors that ever existed."

The State Senate, which passed a resolution yesterday afternoon adjourning out of respect to the memory of Mr. Rockefeller, postponed the official opening of its refurbished chamber because of his death. A reception for 1,500 people and a dinner for 250 to celebrate the $1.3 million restoration of the chamber to its 19th-century appearance had been scheduled tonight, but was put off until next Monday.

The Texas Legislature passed a resolution praising Mr. Rockefeller.

George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, said that with Mr. Rockefeller's death the country had lost a distinguished public servant and the union movement had lost a good friend. He said Mr. Rockefeller "understood the problems and aspirations of working people, and in every office he held, did his level best to translate their goals into reality."

Maxwell E. Greenberg, the national chairman of the Anti-Defamation League of B'nai B'rith, said Mr. Rockefeller was "a symbol of integrity," who had been "a champion of the Jewish state and enjoyed good relations with its leaders and officials."

[From the New York Times, Jan. 29, 1979]

ROCKEFELLER'S FAMILY GATHERS FOR SERVICES

(By Peter Kihss)

The body of Nelson A. Rockefeller was cremated yesterday, and during the morning a service in the nondenominational Union Church near the Rockefeller estate at Pocantico Hills in Westchester County heard a prayer for the former Vice President and four-time New York Governor, who died suddenly Friday night at the age of 70.

Laurance S. Rockefeller, 68 years old, one of the former Governor's two surviving brothers and now head of the family, and his wife attended the services at which the Rev. Dr. Marshall L. Smith prayed for the late leader.

The ashes of Mr. Rockefeller are to be buried privately at 11 A.M. today in the family cemetery on the estate, with Dr. Smith officiating.

Hugh Morrow, Mr. Rockefeller's longtime press secretary, yesterday gave a new account of the circumstances and time of Mr. Rockefeller's death. He indicated that only a minute—rather than an hour, as first reported—elapsed between Mr. Rockefeller's heart attack and an emergency call to the police. [Page B4.]

Yesterday was a day for grief being shared at the estate only by the family members and their most intimate friends, who continued to arrive.

The youngest of whom were once five brothers, 63-year-old David Rockefeller, chairman of the Chase Manhattan Bank, flew into Kennedy International Airport in a private jet and later went by car to the estate. He had been in Salalah, Oman, on the Persian Gulf.

A family spokesman, George Taylor, said the body of Nelson Rockefeller had been cremated during the day in a Westchester County crematorium.

Mourners for the former Governor arrived at the estate during the day, but unless their license plates were known to the gatekeeper at the high iron picket fence surrounding the 250-acre Rockefeller family estate a score of miles from Manhattan, they were gently turned away.

Just off the curving estate approach, Joseph Canzeri, the family's real-estate manager, charged with working on funeral arrangements, was asked about the newly widowed Margaretta Rockefeller, best known as Happy.

"She's gathered, and understands reality," he said.

At 2:45 P.M., in a maroon sedan, David Rockefeller drew up to the black wrought-iron gates. After three short toots from the car's horn, the twin gates swung open. With a smile and a nod to a bystander, David Rockefeller, 63, passed through.

Many of those turned away at the gate traveled on a few thousand feet, and stopped to enter Union Church, officially situated in North Tarrytown.

The chapel, whose benches might hold 150 worshipers, remained open all day. Visitors wandered in to see and ponder the stained-glass windows by Marc Chagall, dominated by cerulean blues. Eight of the windows were dedicated just 11 years ago yesterday.

One picturing the Crucifixion was a memorial to Michael Clark Rockefeller, Nelson's son, lost in New Guinea. A ninth Chagall design, on the theme of the Good Samaritan, was dedicated later as a memorial to John D. Rockefeller Jr., Nelson's father.

FORMAL TRIBUTE PLANNED

Although today's service on the estate is to be private, a formal memorial tribute has been scheduled for Friday at 11 A.M., in the Riverside Church in Manhattan, heavily financially helped over the years by John D. Rockefeller Jr., who was a noted philanthropist.

With national and international leaders expected, that service is to be led by the Rev. William Sloan Coffin Jr., Riverside's pastor.

Gov. John D. Rockefeller 4th, of West Virginia, known as Jay, was among family arrivals due last night.

Mr. Morrow, the press aide, said Nelson Rockefeller's six surviving children were at his Kikyuit mansion on the estate—Rodman, Ann, Steven and Mary by his first marriage, and Nelson Jr. and Mark.

The old political battles tended to be forgotten. Former Mayor John V. Lindsay, often engaged in sparring with then Governor Rockefeller, said yesterday: "Nelson Rockefeller leaves a mark in history, especially for the betterment of New York State and New York City. He was a great leader, and I and all New Yorkers will miss him terribly."

Former Governor John B. Connally of Texas, now seeking the Republican nomination for President, which eluded Mr. Rockefeller despite his best grasp, told a National Broadcasting Company's "Meet the Press" telecast that Mr. Rockefeller was "one of the most superb public servants that this country has produced in this century."

[From the Christian Science Monitor, Jan. 29, 1979]

ROCKEFELLER: CHAMPION OF CIVIL RIGHTS—A CONSCIENCE OF REPUBLICANS, THIS WEALTHY POLITICIAN WAS ACCEPTED BY THE DISADVANTAGED

(By Godfrey Sperling Jr.)

WASHINGTON.—Although it was sometimes difficult to understand precisely what Nelson Rockefeller was up to—would he run or would he not run for president was a perennial guessing game—it was always clear the former vice-president, who passed away Jan. 26, was more than anything else a conscience of the Republican Party.

Mr. Rockefeller's foes saw him as a defiant figure, a dangerous man. But to those Republicans who said that the party needed to follow a more compassionate course, he was their champion for years.

Some people felt that Rockefeller's "Hi, Fella," his pumping handshake, and his broad, engaging smile, did not quite ring true.

But most reporters who traveled with Mr. Rockefeller marveled at how easily this extremely wealthy man mingled with the man-on-the-street and how readily he was accepted by the poor and the disadvantaged.

AN ADVOCATE OF CIVIL RIGHTS

Like most politicians, he said he "liked people." He genuinely did.

Mr. Rockefeller probably will be remembered more for his courageous leadership in fighting the battle for civil rights than for anything else, including that he finally reached the rung just below his presidential goal.

He was in there, championing this cause long before it was even faintly popular in political circles.

Often, in espousing civil rights, Mr. Rockefeller would literally "take on" the other leaders of his party, particularly at governors' conferences.

Also, during his four-term stint as New York's governor, beginning in 1958, Mr. Rockefeller provided exceptionally strong leadership in support of social programs. In an interview early in the 1960s, he told this reporter that his "greatest pleasure in life" was "to use government effectively to help people."

CONSERVATIVES WERE BITTER

In so doing Mr. Rockefeller won broad popular support in his own state. But he antagonized the conservatives within his party, who bitterly accused him of overspending and of betraying both the GOP and his family background.

Mr. Rockefeller probably came closest to winning his prize, the presidency, when he first looked in that direction in 1959.

To assess his possible support for the presidential nomination in 1960, he made an exploratory trip around the United States, talking with Republican leaders and key GOP functionaries.

But Mr. Rockefeller, new to politics and to the national political scene, made the mistake of lining up interviews with the "wrong" politicians—with the old-time regulars who were against him.

He never talked to the influential GOP moderate leaders who were springing up everywhere at that time and who would have urged him to make the race. So Nelson Rockefeller decided not to run, but polls later showed that had he persisted, the Republican rank-and-file would have supported him over Richard Nixon for the nomination.

HE WITHSTOOD BOOS, HISSES

Further, polls indicated that Governor Rockefeller stood a much better chance of beating John F. Kennedy than did Mr. Nixon.

The Rockefeller political life lasted for 20 years—and was so very eventful that it is difficult to single out the highlights. But to a reporter who watched the Rockefeller saga from close at hand two episodes cannot be overlooked:

At the 1964 national GOP convention in San Francisco Mr. Rockefeller audaciously, even eagerly, confronted the heavily conservative, Goldwater-leaning assemblage and withstood a thunder of boos and hisses for long minutes as he attempted to speak.

Then, always smiling, always keeping his poise, he taunted his party foes, telling them that a Goldwater candidacy meant certain disaster in the fall election. As viewed by Rockefeller's many fans, this was, indeed, a "gutsy" performance. But conservatives never forgave him for it.

In the spring of 1968, when Rockefeller made a belated leap into the presidential race after earlier saying he would not run, his first speech outlined a proposal for ending the war in Vietnam (essentially by a gradual reduction of U.S. involvement there) that eventually was adopted by Richard Nixon after he became president.

Beyond the above instance, one should

not forget the graceful way Mr. Rockefeller, then vice-president, reacted to the GOP pressures that caused him to drop out as a running mate for Gerald Ford in 1976.

BRASH OR "REFRESHING"

Had President Ford insisted on his staying on, Mr. Rockefeller would have stayed on. But without this presidential support, he bowed out quietly—making sure that nothing he said or did would damage the party or the Ford election chances. After the election, Mr. Rockefeller told a reporter, privately, that he thought his presence on the ticket would have won the election for Gerald Ford—by helping to win New York State.

There was something always rather brash—or perhaps "refreshing"—about Nelson Rockefeller. He was always doing the "wrong things" politically, going against the advice of others to do "his thing" long before there were advocates of such independent thinking and acting.

And many people will regret that Mr. Rockefeller never had the chance to apply his unique talents—his boldness, his ingenuity, his independence of action, and his almost stubborn persistence—to the responsibilities of the highest office in the land.

[From the New York Times, Jan. 30, 1979]

ROCKEFELLER IS BURIED ON THE FAMILY ESTATE; SON, 15, LEADS EULOGY

(By Steven R. Weisman)

POCANTICO HILLS, N.Y., January 29.—The ashes of Nelson Aldrich Rockefeller were buried today in a wooded hilside grave site here after a simple service attended only by members of the Rockefeller family.

The funeral—held under a cloudy sky at a family cemetery on the northwestern edge of the Rockefeller estate—was marked by brief expressions of mourning from Mr. Rockefeller's 15-year-old son, Nelson Jr., and 23-year-old granddaughter, Meile.

"Dad, we know how much you love us, and we want you to know how much we love you and how much we're going to miss you," Nelson Jr. said during the rites. "Your spirit will live with us forever."

After his remarks, Laurance S. Rockefeller, 68-year-old brother of the former Vice President and four-time Governor of New York, turned to the youth and said: "Nelson, you've spoken for all of us."

At the conclusion, the 60 family members in attendance stood next to the burial plot in a sheltered grove of beech, oak, dogwood and maple trees and recited the 23d Psalm together: "The Lord is my shepherd; I shall not want. . . ."

A small bronze urn containing the ashes of Mr. Rockefeller was lowered into the grave, and each family member took a clump of earth and cast it in. The body had been cremated yesterday.

A memorial service for Mr. Rockefeller will be held Friday at 11 A.M. in the Riverside Church in New York City. President Carter is scheduled to attend. Among the speakers will be David Rockefeller, a brother; the Rev. Martin Luther King Sr., and former Secretary of State Henry A. Kissinger.

Among those at the graveside today were Mr. Rockefeller's wife, Happy, the former Margaretta Fitler Murphy; his first wife, Mary Todhunter Clark Rockefeller; his two surviving brothers, Laurance and David; four children from his first marriage and two from his second; 14 grandchildren, and numerous nieces and nephews, including Gov. John D. Rockefeller 4th of West Virginia, and other relatives.

During the service and afterward, the comments by the younger generation suggested that Mr. Rockefeller, who died in New York City Friday night of a heart attack at the age of 70, had dominated his family as robustly as he had dominated public affairs in New York State and the nation for a generation.

"The family is going through a major transition," Steven C. Rockefeller, the former Governor's 43-year-old son, told a cluster of reporters huddled in the chill at the wrought-iron gates to the family's 3,400-acre estate in Westchester County. "Increasingly my generation is having to move into positions of leadership in the family. Where it's all going, nobody can say for sure."

"TREMENDOUS ENERGY" RECALLED

The wistful comments by Steven Rockefeller, a professor of religion at Middlebury College in Vermont, came during the only formal public appearance by any family member during the day. By the time he appeared, the sun had emerged from behind the morning's clouds, and the bearded Mr. Rockefeller—a son who had kept himself aloof from the glare and tumult of his father's career—now squinted before the cameras through gold-rimmed glasses as he spoke evenly of what his father had meant to the family and to him.

With a smile, he talked of his father's "tremendous energy" and then—alluding to the buffeting setbacks of Mr. Rockefeller's career—likened him to a type of Japanese doll that rocks back and forth with a weight at its base. "There's a saying in Japan, 'Seven times down, eight times up,'" Steven Rockefeller said. "Father was that kind of man. You could never put him down."

The son said that he and other family members, secluded from news reporters and from cameras during the funeral, had at first been bothered by the buzz of helicopters wheeling overhead as photographers tried to get pictures of the funeral. "Then I thought," he went on, "'Well, he's a public figure right to the end, right into the ground.'"

Later Steven Rockefeller added: "I don't think the family is going to have quite the focus it did in the last 20 years or so"—a remark that, in its tentativeness, seemed to echo the sentiments spoken earlier at graveside by Meile Rockefeller, a Williams College senior and daughter of the former Governor's oldest son, Rodman.

"Right now we are looking at the future," she said, according to a text distributed by the family. "There are those of us who are facing it with questions, hesitation and confusion. But we each have the confidence and the direction we have received from granddaddy that will stand us in good stead, no matter what doubts or crises we face."

Thus the main comments of the day came from the younger family members who have not generally shared in the Rockefeller limelight.

FAMILY ASSEMBLES AT MANSION

For young and old, the day began as the family assembled at Kykuit, the three-story, weathered fieldstone mansion built in 1908 on the crest of a hill by John D. Rockefeller, Jr. for his father, the family patriarch. Each succeeding head of the family has lived there, although the former Vice President and his wife had planned to move, in their retirement, to a newly built Japanese-style house nearby. Mrs. Rockefeller will now eventually move there herself, a family spokesman said.

All morning, cars entered and exited through the iron gates at the Pocantico Hills estate. Usually the family members themselves drove the vehicles. Shortly before 11 A.M. a small procession, led by a black Cadillac limousine carrying Mrs. Rockefeller, left the gate and drove through the snow-dappled terrain of the Rockefeller compound to the three-acre family cemetery a mile away.

At the grave site, a few chairs were assembled for some, but most of those in attendance stood as the Rev. Dr. Marshall Smith, pastor of the Union Church in North Tarrytown, conducted the 27-minute service.

It consisted of passages from Revelations 21:3; the Lord's Prayer; Psalm 121; a selection from "The Seasons of Life," by the Swiss theologian Paul Tournier; the Apostle Paul's letters to the Corinthians and to the Romans; a selection written by the contemporary theologian Frederick Buechner, and finally the 23d Psalm.

"Thou Eternal God, before whom the generation rise and fall," Dr. Smith said at the end, "we especially thank thee for thy servant Nelson, for the gift of his life, for thy grace given him, and for all that in him was good and kind and faithful."

The cemetery, abutting the northern end of the Sleepy Hollow Cemetery in North Tarrytown, contains the graves of other family members, including the late Governor's parents, John D. Rockefeller Jr. and Abby Aldrich Rockefeller, as well as John D. Jr.'s second wife, Martha Baird Rockefeller.

To the left of John D. Rockefeller Jr.'s grave, overlooking a low-lying section of rhododendron and pachysandra, criss-crossed by flagstone pathways, lies the graves of John D. Rockefeller 3d, who died last July of injuries in a car accident. Off to the left of his grave lie the burial plots of Jean Mauze and Abby Rockefeller, Mauze, the former Governor's late sister and brother-in-law.

The former Governor's ashes were buried several feet to the right of John D. Jr.'s plot. As with the burial plots nearby, a simple Vermont granite gravestone marks the site. It says:

"Nelson Aldrich Rockefeller. Born Bar Harbor, Maine, July 8, 1908. Died, New York, N.Y., January 26, 1979."

NELSON ROCKEFELLER DIES; STRICKEN IN CITY OFFICE

NEW YORK.—Nelson A. Rockefeller died last night, apparently of a heart attack. He was 70.

The former vice president and four-time New York governor was stricken in his office in Rockefeller Center and was rushed to Lenox Hill Hospital in Manhattan about 10:15 PM, where he was pronounced dead on arrival. He had no history of serious illness.

Rockefeller, the scion of one of America's great dynasties and easily the richest man ever to compete on the national political scene, tried unsuccessfully three times to gain the Republican presidential nomination. Finally, after President Richard Nixon resigned in the wake of the Watergate scandal, Rockefeller was sworn in on Dec. 19, 1974, as the vice president of President Gerald Ford, Nixon's successor. In the 1976 election, Ford picked Sen. Robert Dole of Kansas to replace Rockefeller on the losing GOP ticket. Rockefeller, who had not enjoyed his tenure as vice president, retired to private life.

"I never wanted to be vice president of anything," he said.

Since then, Rockefeller had concentrated his energy on his considerable art collection. His latest venture was the retail sale of reproductions of art works he owns. He printed a catalog before Christmas offering the high-priced and high-quality works.

Rockefeller had been scheduled to speak to the Fifth World Antiques Market Conference today and had planned to announce plans to make his retail art store in Manhattan a permanent operation. He opened the store to promote his reproductions before Christmas, but a statement to be released today said: "We are so heartened by the public response to the collection and our temporary retail store on 57th Street that we have taken a five-year lease . . ."

A Rockefeller spokesman, Hugh Morrow, said that when Rockefeller was stricken, security personnel who were present tried in vain to revive him. Morrow said Rockefeller

had spent "a normal day at the office today" and had been working on a book featuring his extensive modern art collection when he slumped over his desk.

Morrow said Margaretta (Happy) Rockefeller rushed to Lenox Hill, where she immediately began receiving calls of sympathy from friends. Morrow described her as "composed."

The White House said President Carter was at Camp David and would have no statement on Rockefeller's death until today. Former Attorney General Louis Lefkowitz, who ran several times with Rockefeller on the statewide ticket, termed the death "a deep personal loss to me. He was like a member of my family."

Gov. Hugh Carey, who was at his Manhattan apartment when he learned of Rockefeller's death, immediately ordered flags on all state buildings lowered to half-staff. During the fall gubernatorial campaign, Carey renamed the enormous office complex in Albany that had been built during Rockefeller's tenure there the Nelson A. Rockefeller Empire State Plaza. Carey said: "With the passing of Nelson Rockefeller, we have lost our great governor and our beloved vice president. We mourn the departure of a man of wisdom and courage, energy and vision, who contributed so much, not only to the state, but to the nation and the world. Happy Rockefeller and members of the family who have given so much to our state, we share your sense of loss with deep gratitude because you have shared with us Nelson Rockefeller's entire life."

Gerald Ford, on a private tour of the Mideast, was reached in Amman, Jordan. His reaction: "One cannot adequately express one's sadness when a tragic death occurs. I have lost one of my closest friends both personally and politically. The nation loses a truly great leader who unselfishly devoted his lifetime to helping his country and its people. The world has lost a statesman with vision, understanding and wisdom."

Former Assembly Speaker Perry B. Duryea Jr., unsuccessful candidate for governor last November, said, "He was a great leader who made an outstanding contribution to New York and the United States. He will be missed by us all." Arthur Levitt, 78, just retired after 24 years as state controller: "I'm shocked . . . This is one of the greatest men I've ever known . . . I always considered him a strong and healthy man. I'm overwhelmed with grief."

Rockefeller, the grandson of oil magnate John D. Rockefeller, was one of the most controversial and powerful of New York's governors. During his one and a half decades as New York's chief executive, he rebuilt the state capital complex in Albany and dramatically altered the course of state government with higher taxes, expanded social programs and what was the nation's toughest drug law.

His personal life was no less controversial. It included divorce, remarriage and the death of a son. He scored an upset victory in the New York gubernatorial election of 1958 over incumbent W. Averell Harriman, another son of a wealthy family. Three years later, in November, 1961, Rockefeller's 23-year-old son, Michael, one of three sons by his first marriage, disappeared while exploring near New Guinea in Southeast Asia. No trace of him was ever found, despite a massive search.

In March, 1962, just as he was to begin his campaign for the second of four terms as governor, Rockefeller was divorced by his wife of 31 years. Mary Todhunter Clark Rockefeller, a Philadelphia-born railroad heiress, went to Las Vegas, Nev., to obtain the decree ending the marriage to which five children had been born. On May 4, 1963, less than 14 months later, Rockefeller marrried the former Margaretta Fitler Murphy, a divorced mother of four who had, with her first husband, enjoyed a personal friendship with Rockefeller and his first wife. Rockefeller and his second wife had two sons.

Rockefeller's personal fortune was undoubtedly a help in his political career. He had a reputation of hiring the best people as aides, paying them lavishly and working them hard. He once was asked by a television reporter how much money he had, and he said he didn't know. He likened his money to silverware in the kitchen cabinet. He didn't know how many forks and spoons he had, but he knew he had enough.

The Rockefeller name became a household word for wealth and power. He was born an heir to both one of history's greatest fortunes and to one of the 20th century's great philanthropic traditions. The "first" Rockefeller was John D., born the son of a small trader at Richford, N.Y., in 1839. When he was 20 years old, the first American oil well was drilled in Titusville, Pa. Four years later, with capital raised through his life-long habit of saving half his salary, no matter how small, young Rockefeller founded a company to enter the oil-refining business.

By 1867, the firm owned two refineries in Cleveland and in 1870 it was converted into a joint stock company and named the Standard Oil Company of Ohio, with John D. as its president.

NELSON A. ROCKEFELLER: 1908–79

For Nelson Aldrich Rockefeller, wealth could never secure what was for him the ultimate prize: the White House.

He was four times elected governor of New York. But he was always the bridesmaid, in three attempts at capturing the Republican nomination for president. A good party man, he accepted second place, an unaccustomed position for a Rockefeller, when Gerald Ford became President in the grim days of Watergate. He became the 41st vice president of the United States on Dec. 19, 1974.

When Ford chose Sen. Robert Dole of Kansas as his running mate in 1976, Rockefeller returned to private life and concentrated his energies on his formidable art collection. It was while working on a book about his collection of modern masters that he slumped over his desk at Rockefeller Center last night. In his long political career Rockefeller was not known to have suffered a serious illness.

Before becoming involved with government in the 1940s, Rockefeller worked at the pursuits of a millionaire—promoting Rockefeller Center in the 1930s, and working with such family-related enterprises as the Chase Manhattan Bank and Creole Petroleum. The last is a Venesualan affiliate of Exxon, and one of the descendants of the Standard Oil Co., his grandfather's creation and the basis for the family fortune.

Rockefeller became the first man to be installed as vice president under the Constitution's 25th Amendment.

The former New York governor took office after the House completed approval of his nomination by a vote of 287 to 128. The Senate had approved him earlier, 90–7.

Rockefeller read a short speech to a crowded chamber illuminated by five banks of television lights: "I feel," he said "a great sense of gratitude for the privilege of serving the country I love."

He went on to thank all those involved in his nomination—the President, Congress and Betty Ford for "great warmth and her courage." "And if you'll forgive me a personal note, my love and admiration to my own gallant wife, Happy," he said.

(In September, 1974, Mrs. Ford underwent a radical mastectomy for removal of a cancerous right breast. In October and November, 1974, Mrs. Rockefeller underwent the same procedure for the removal of both breasts because of cancer.)

Rockefeller ended his remarks on a typically optimistic note, mentioning "tremendous difficulties and unprecedented problems both at home and abroad, but adding that "there is nothing wrong with America that Americans cannot right."

Over the years, Rockefeller's stand on some key matters changed. He gave these indications of his thinking during confirmation hearings:

On economic policy: "I would think generally speaking, that we have got to channel more of our gross national product into capital formation for investment in new production . . . It is essential that the country recognize our national interest and shape its tax structure and incentives in such a way as to result in accumulating the capital to put in."

On federal spending: "We've reached a point where government at all levels has got to economize."

On energy: "There has got to be an aggressive policy for production of energy sources within the country to make us less dependent on outside sources so that we are not in a position to be blackmailed."

Internationally, Rockefeller favored keeping defenses up while dealing with others. He told congressional questioners, "We have to defend our national security."

On the question of detente with the Soviet Union, he said it really is effective only as long as it serves the interests of both parties "If it does not serve it, you had better start to renegotiate the contract."

During confirmation hearings before the Senate Rules Committee and the House Judiciary Committee, Rockefeller put up a stout defense against a series of objections to his qualifications for high office.

He assured Congress he could foresee "no conflict of interest" between his and his family's enormous wealth and the interests of the country. He stressed his claim to "integrity" in every public position he had held.

As for the Rockefeller millions, the financial adviser to the Rockefeller family testified that its assets totaled more than $1 billion. Of this, Nelson Rockefeller's fortune was put in the neighborhood of $180-million. He declared he would put his holdings in a "blind trust."

The Senate Rules Committee found Rockefeller "current in his tax obligations" as a result of an agreement to pay $903,000 in back taxes that became due when the IRS disallowed or reduced some claimed deductions.

The crucial issue in the congressional deliberations was whether his wealth created any conflict of interest.

Most supporters agreed with opponents that Rockefeller demonstrated poor judgment in his more than $2-million in gifts and loans which he said were to keep talented officials in government.

Rockefeller insisted there was nothing wrong with gifts, that they did not buy him influence. But he delivered a written promise not to make any loans or gifts, other than Christmas and similar presents, to any public employee while he served as vice president.

Opponents, supporters and Rockefeller himself agreed during the hearings that his authorization in 1970 of a political book about his gubernatorial opponent, Arthur Goldberg, was a mistake.

In December, 1973, Rockefeller resigned as Governor of New York, saying he would devote his time to the National Commission on Critical Choices for Americans. This was a study group organized and funded by Rockefeller to determine where America and the world were heading so that rational political decisions could be made.

In February, 1975, Rockefeller resigned as chairman of the commission, citing lack of time and possible conflict between his public office and the private commission.

Rockefeller came within striking distance of the White House in a political career that

made his name and face perhaps more familiar to the American public than his famous grandfather, oil billionaire John D. Rockefeller Sr.

Using the New York governor's office as a springboard, Rockefeller tried three times to run for President, but was rebuffed by his party on each occasion.

In 1960, he made overtures toward the Republican presidential nomination, but backed away from a showdown fight with the party leaders' choice, Richard M. Nixon, who lost a narrow electoral decision to Democrat John F. Kennedy.

Four years later, Rockefeller mounted an all-out drive for the GOP nomination but was stymied by Barry M. Goldwater in a grueling struggle highlighted by primary battles on both coasts. Goldwater was swamped by Democratic President Lyndon B. Johnson.

After his 1960 disappointment, Rockefeller publicly declared that he never would seek the presidency again. "I've had my chance," he said. "Let others try now."

He sounded convincing enough, but he was to make one more try, in 1968. Again, elements controlling the Republican party preferred Nixon and Rockefeller was set down hard at the GOP National Convention.

After Nixon vanquished Hubert H. Humphrey in the general election, there was speculation that Rockefeller would join the Nixon cabinet. But he never received a solid offer from his longtime political rival and he said he never wanted one—although persons close to Rockefeller confided that he was disappointed. Rockefeller himself insisted that he preferred to stay on as governor and announced plans to seek an unprecedented fourth four-year term in 1970.

He followed through on his pledge, waging a hustling, heavily financed campaign that swamped Democrat Arthur J. Goldberg, the former Supreme Court justice and ex-ambassador to the United Nations. Goldberg had been regarded as his strongest challenger ever, but Rockefeller racked up his biggest plurality in that election.

It was his first gubernatorial victory, breasting a national Democratic trend in 1958, that shot Rockefeller's political star into ascendancy.

After serving in a variety of federal posts under three presidents, the restlessly energetic and ambitious Rockefeller concluded that he could exert no real impact on the course of government unless he won elective office in his own right.

So he returned from the nation's capital to his home state and wangled a gubernatorial nomination that few other Republicans wanted, except possibly for the honor.

The incumbent governor, Democrat W. Averell Harriman, the aging multimillionaire son of railroad tycoon E. H. Harriman, had battled a Republican-ruled State Legislature to a standoff for four years and appeared a shoo-in for a second term. Harriman had presidential ambitions of his own.

Because of the great personal wealth of the contenders, the 1958 campaign was dubbed the "Battle of the Millionaires" and attracted wide attention nationally.

Rockefeller upset Harriman with a razzle-dazzle campaign that contrasted his bubbling, boyish enthusiasm with Harriman's aloof dignity.

On the campaign trail, the 50-year-old Rockefeller, wavy-haired, handsome and a trim, if somewhat stocky 5-foot-10, cut a wide swath through the feminine electorate.

He shook so many hands that he developed calluses on his right hand. He bounced babies and the babies seemed to love it. He danced with elderly women at senior-citizen centers. And he munched happily on blintzes and other gastronomic fancies while touring ethnic pockets in polyglot New York City.

It was a highly personalized style of campaigning that he was to employ with varying success later on the national scene.

After his emphatic upset victory over Harriman, Rockefeller immediately was elevated to the status of presidential possibility. At first he discouraged such talk, pointing out that Nixon, then Dwight D. Eisenhower's vice president, was the undeniable front-runner.

Late in 1959, however, Rockefeller began hop-scotching around the country, travelling in a twin-engined Convair owned by his family to test party sentiment toward a Rockefeller candidacy.

His reception by GOP leaders in most states was polite but cool. Most already were committed to Nixon and seemed to resent Rockefeller's belated intrusion.

Nevertheless, it appeared Rockefeller would pursue his ambitions. But, in December 1959, Rockefeller issued a statement that took political observers by surprise. He said in effect that he would not be a candidate because Nixon had the nomination wrapped up.

Later, political intimates said Rockefeller came to feel he had made the wrong decision, particularly in the light of Nixon's defeat by John Kennedy, who subsequently said he thought Rockefeller would have been a more formidable opponent.

Eight years later, Rockefeller's insistence on re-entering the presidential lists was—in the view of many observers—to cost him his last chance to move into the White House.

In the interval, Rockefeller concentrated on affairs of state government. He had put through a major tax increase in his first year as part of his program to establish New York on a "pay-as-you-go" footing, a fiscal posture he abandoned midway in his second term in favor of massive bond borrowing.

The initial round of tax increases aroused widespread public hostility, but this feeling had dissipated largely as the time for seeking a second term, in 1962, approached.

But then a bombshell burst over Rockefeller's political career—the sudden announcement, in November 1961, that Rockefeller and his wife of 31 years were to be divorced.

Rockefeller had married the former Mary Todhunter Clark, daughter of a socially prominent Philadelphia family, immediately after his graduation from Dartmouth College. They had met in Maine, where both families had summer homes.

Rockefeller was born at the Maine home—at Bar Harbor, on July 8, 1908, the third of six children of John D. Rockefeller Jr. and Abby Green Aldrich Rockefeller. His mother was the daughter of U.S. Sen. Nelson Aldrich of Rhode Island, a major power in the national GOP at the time. Abby named this son after her father.

Young Nelson was reared in a family atmosphere of strong religious convictions (Baptist) and disciplined personal habits—influences that appeared to be reflected in both his public and private life. Accordingly, the breakup of his marriage was completely unexpected. There had been no hint of marital discord.

The Rockefellers had been seen together last on March 3, 1961, where they were rescued from a fire that wrecked the interior of the Executive Mansion in Albany. Neither was injured.

Shortly afterward, "Tod" Rockefeller entered a hospital in New York City for what was described as routine surgery. She dropped from public view afterward.

The reasons for the divorce never were explained, either by Rockefeller or his wife, although the general impression was that Rockefeller initiated the move. When Mrs. Rockefeller obtained the decree, in March, 1962, at Reno, Nev., she charged extreme mental cruelty. In New York State, the only ground for divorce at that time was adultery.

The previous November, just after plans for the divorce were announced, one of the Rockefeller's five children, Michael, 22, disappeared off the coast of New Guinea while on an exploring expedition. The other four, Rodman, Ann, Steven and Michael's twin sister, Mary, all were married and had homes and families of their own. Rockefeller flew to New Guinea to take personal command of searching operations for his son—in vain.

Meanwhile, New York Republican leaders waited anxiously to determine whether the marital breakup would impair Rockefeller's chances of winning a second term. The governor insisted that it should not.

After waging a strong campaign against a relatively unknown Democratic contender, Robert M. Morgenthau, son of onetime Treasury Secretary Henry Morgenthau, Rockefeller emerged an easy winner. But his victory margin was reduced from that of 1958.

A few months after the election, rumors began to circulate that Rockefeller would remarry. The name mentioned was that of Margaretta (Happy) Fitler Murphy, wife of Dr. James Slater Murphy, a virologist at the Rockefeller Institute. The Murphys had been friends of the Rockefellers, and Mrs. Murphy had worked on Rockefeller's 1958 gubernatorial campaign and also in the 1960 presidential sortie.

The rumors heightened when Mrs. Murphy, then 36 and the mother of four young children, obtained a divorce in Idaho in March, 1963 on the grounds of mental anguish. Dr. Murphy received custody of the children.

Five weeks later, the governor, then approaching his 55th birthday, and the former Mrs. Murphy were married in a ceremony attended by a handful of family members and friends at the Rockefeller estate at Pocantico Hills, just north of New York City.

Almost immediately, Rockefeller's stock in presidential-possibility polls tumbled, and Arizona's Sen. Barry Goldwater vaulted to the top of the GOP column. Rockefeller never was able to recoup.

THE 1978 REPORT TO THE NATION OF THE BOY SCOUTS OF AMERICA

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BUCHANAN. Mr. Speaker, on yesterday, representatives of the Boy Scouts of America presented to the President of the United States a bound copy of their 1978 Report to the Nation, and then a young man from Birmingham, Erskine Faush, Jr., presented to the Speaker of the House a bound copy for the U.S. House of Representatives.

Scouting in 1978 continued to carry out its purpose of character development, citizenship training, and mental and physical fitness for the youth of this country. It is an organization that has influenced the lives of many Members of this body and thousands of leadership people like us all over the land.

It is my pleasure to include in the RECORD at this time for the edification of the Members the 1978 Report to the Nation of the Boy Scouts of America.

1978 REPORT TO THE NATION OF THE BOY SCOUTS OF AMERICA

During 1978 Scouting continued to carry out its purpose of character development, citizenship training, and mental and physical fitness for the youth of this country. The Boy Scouts of America persisted in its efforts to deliver a balanced program of traditional activities and special events designed to meet the needs of boys and young adults.

One of Scouting's primary lures is outdoor fun and adventure. In Cub Scouting last year, this meant more than 300,000 boys attending 1,800 day camps in 400 councils. Summer camp attracted 436,000 Boy Scouts in 33,000 troops. In addition 21,000 older Scouts and Explorers traveled to the six high-adventure bases of the Boy Scouts of America for rugged outdoor experiences. Membership in the Order of the Arrow, a brotherhood of honor campers elected from troops by fellow members, increased by 2,300 members to 152,000.

Cub Scouts are boys who have completed the second grade and are 7 through 10 years of age. The 10-year-olds meet in separate dens and are called Webelos Scouts. For these boys, safe and healthful practices, sports, and outdoor activities last year received continuing emphasis. The Wolf Cub Scout Book was revised with a simplified text and improved format that an 8-year-old can easily follow. The new Cub Scout is led over the clearly marked trails of the Bobcat and Wolf through the requirements, 12 achievements, and 20 electives—all related to things he likes to do.

Boy Scouts are 10½ years old and have completed the fifth grade or are 11 through 17 years of age. The Boy Scout program was greatly enhanced with the production last year of the ninth edition of the Official Boy Scout Handbook. This completely revised edition, consisting of 576 pages with 1,000 illustrations in full color, was written by William "Green Bar Bill" Hillcourt, well-known author, naturalist, and world Scouter. Geared to the contemporary needs of boys, the Handbook contains practical information on outdoor activities, nature, community service, first aid, and personal fitness. It features many of the Scouting illustrations by the late Norman Rockwell.

In 1978, Scouts earned more than two million merit badges in 120 subjects pertaining to hobbies, vocations, and advanced Scoutcraft. Nearly 24,000 boys scaled Scouting's advancement ladder to achieve the Eagle Award. Age restrictions were eliminated in regard to advancement for the severely handicapped, including the blind, deaf, and emotionally disturbed.

Exploring is the program for 15- through 20-year-old young men and women. The Eighth Annual National Explorer Presidents' Congress was conducted in Washington, D.C., April 12–16. More than 2,100 Explorer post presidents and ship boatswains attended this highlight national event. More than 2,000 Explorer athletes competed in the 1978 National Explorer Olympics at Colorado State University, July 30–August 5. Conducted in cooperation with the United States Olympic Committee and national sports organizations, the National Explorer Olympics provides thousands of young men and women the opportunity to learn and compete in sports.

Additional national events held in 1978 to enrich and add excitement to Exploring were the National Invitational White River Canoe Race, Little Rock, Ark.; National Sea Exploring Sailing Championships, Annapolis, Md., sanctioned by the United States Yacht Racing Union; National Exploring Air Rifle championships, Orlando, Fla., sponsored by the Crosman Arms Company; National Invitational Surfing Conference, Honolulu, Hawaii; National Explorer Winter Games, Duluth, Minn.; and the Reader's Digest-Boy Scouts of America National Public Speaking Contest.

Outstanding Explorers were recognized through a variety of awards programs including James S. Kemper Foundation Scholarships; the U.S. Secret Service Law Enforcement Assistance Award; TRW, Inc. and the Explorers' Club National Exploration Awards; and the Mutual of Omaha sponsored Young American Awards.

The National Court of Honor committee again recognized heroic acts with two honor medals with crossed palms, 26 honor medals, 31 certificates for heroism, and 164 medals of merit. Recognition for service to youth included the presentation of 12 Silver Buffalo Awards, 48 Silver Antelope Awards, and 41 Distinguished Eagle Scout Awards. Local councils also recognized distinguished leadership to youth through the presentation of 2,428 Silver Beaver Awards. The National Eagle Scout Association (NESA) increased its membership by 5,000 Eagle Scouts last year to 46,000. The number of chapters increased to 206. Chapter programs continue to emphasize volunteer Scouting support for units, districts, and councils.

Nineteen-year-old assistant Scoutmaster Mark Leinmiller of Marietta, Ga., was selected to represent Scouting during the 1978–79 scientific research projects on the Antarctic Continent. This selection culminated a nationwide search to select an outstanding youth to follow in the footsteps of Paul Siple in 1928 and Richard Lee Chappell in 1957. The program was cosponsored by the National Science Foundation and the Reader's Digest Association. Leinmiller is part of a scientific party encamped on the Darwin Glacier studying glaciology.

Civic service was also a high priority last year. Scouts began the distribution of five million copies of the booklet How To Save Money by Saving Energy for the U.S. Department of Energy. This was a continuation of President Carter's challenge for Scouting to become deeply involved in energy conservation. The Tom C. Clark Award, in recognition of this Eagle Scout and former Associate Justice of the Supreme Court, was created jointly with the National Park Foundation to recognize Scouting units that complete significant service projects in national parks and wildlife areas as well as any publicly owned park property.

A major emphasis during 1978 was the strengthening of council and district operation. A new functional plan for local councils was offered in January which will result in the more effective involvement of the adult volunteers who give of themselves to Scouting. The Volunteer Training Division was established in the national office with the mission of developing, designing, implementing and evaluating training opportunities for volunteer leadership in every phase of Scouting.

Over 500 Boy Scouts and leaders represented the Boy Scouts of America in official contingents to jamborees and activities in Japan, Mexico, Israel, Canada, Taiwan, Switzerland, Scotland, and Ireland. Countless others took part in patrol and troop exchanges with brother Scouts across the border in Canada and Mexico. The International Camp Staff program reached a new high in participation and area coverage. One hundred thirty overseas leaders from 29 countries served on camp staff in 87 councils and over a hundred camps across America. Each counselor was privileged to take part in a 10-day sightseeing tour after camp duty.

All of these Scouting activities and experiences happened last year because of more than 140 national organizations with whom the Boy Scouts of America joined hands at the community level: PTA's and other educational groups; churches, synagogues, service clubs, and veterans' organizations; fraternal, civic, industrial, and professional associations; and groups of citizens with no other ties except a determination to aid young people. These American institutions provided leadership and meeting places last year for 134,171 Cub Scout packs, Boy Scout troops, and Explorer posts and ships serving 3,303,269 boys and young adults.

From all its activities in 1978 and the years ahead, the Boy Scouts of America pledges all its strength to even greater service to the Nation and its youth.

IN OBSERVATION OF "NATIONAL VOCATIONAL EDUCATION WEEK"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

Mr. JEFFORDS. Mr. Speaker, I am honored and pleased to introduce today the following "joint resolution" designating the week of February 11 through 17, 1979 as "National Vocational Education Week."

Vocational educational efforts in the public and private sectors span over half a century of service. It was in this month in 1917 that the Federal role in vocational education was firmly established with the passage of the Smith-Hughes Act. I am pleased to note that Vermont was in the forefront of this movement in the early 1900's.

Vocational education has changed and expanded substantially since 1917. Originally, vocational education provided for the promotion of training in specific areas: Agriculture, trade, industrial education, and home economics. These targets have been broadened substantially over the years to include all groups regardless of their vocational or labor force inclination or affiliation.

Vocational education now provided skills training in numerous areas. In addition, the recent amendments to the Vocational Education Act through the Education Amendments of 1976 address issues of sex discrimination and bias in programing; funding problems for the handicapped, the disadvantaged, post secondary vocational education, and American Indians; as well as planning and coordination issues between vocational education and other Federal and State programs that deal with the same or similar matters. This is a far cry from 1917 and warrants even closer attention.

Education in these areas provide a major resource to us that truly has not been fully tapped. Vocational education has been variously praised and denigrated by Government agencies and different sectors of the population at different times during its history. The facts are that vocational education programs now serve around 20 million children and adults in this country and the Federal Government has appropriated well over $600 million this year alone encouraging and providing basic services. States now contribute close to 8 times this amount to carry out their programs.

Aside from employment and training programs, vocational education offers the major publicly-supported educational service that helps enable people with varying needs to gain and improve skills that will hopefully move them into productive employment. In Vermont, for example, over 85 percent of the secondary students who successfully participated in vocational education programs in 1977 are employed or continuing their education after high school.

National recognition of "Vocational Education Week" dates back several years. The theme for this year's commemoration is "Know How Vocational Education Serves the Nation." This week is especially noteworthy in our usually overregulated bureaucratic experience. While the date and theme are decided nationally, localities themselves plan and carry out their programs for the week having designed them to suit their particular local needs. Perhaps we can learn from this model to rely on our local resources a little more.

Given our Nation's pressing unemployment problems, particularly in the area of youth employment, skills training is a vital asset. We need to know all we can about how vocational education and other training programs benefit the Nation. This week offers that opportunity. Many of the thoughts that spurred the enactment of the original Vocational Education Act are applicable today: A focus on first, the coordination of educational and training projects to decrease unemployment, second, the involvement of private and public sector resources to achieve that end, and third, more efficient use of the taxpayers' dollars in all those efforts.

The coordination and improvement of vocational education and other training programs is a priority for us in this Congress as we try to better serve our citizens with limited spending. I believe that vocational education can serve as a useful historical model in our efforts. I am pleased to commend the educators in Vermont and around the country for the progress made so far and challenge them to stretch our limited tax dollars and transform promise into productivity.

H.J. Res. 195

Joint resolution designating the week of February 11 through February 17, 1979, as "National Vocational Education Week"

Whereas the educational system is the only means by which all citizens are provided with an opportunity to receive training for employment; and

Whereas since 1917 the Federal Government, recognizing the importance of vocational education, has appropriated funds to provide technical assistance to the States to assist in the development of vocational education programs; and

Whereas graduates of vocational education programs enter the work force more easily and progress in employment faster than those who have not had the benefits of vocational education; and

Whereas through their employment graduates of vocational programs make a substantial economic contribution to the nation; and

Whereas vocational education programs foster student organizations which provide an effective means of developing in students leadership qualities and other important personal characteristics: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of February 11 through February 17, 1979, is designated as "National Vocational Education Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

LOBBY REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

● Mr. RAILSBACK. Mr. Speaker, lobbyists spend $2 billion each year to directly or indirectly influence Washington decisions according to Time magazine. Yet the decisionmakers and the public alike are generally unaware of who is trying to influence whom and why. Such secrecy is inimicable to our system of government and contributes greatly to the public notion that important decisions are made as a result of wining and dining and backroom deals. It further obscures the positive and informational role that the professional lobbyist plays, a role vital to the government process generally and frequently helpful to me personally.

In an attempt to put an end to this secrecy and open the role of the lobbyist to public scrutiny, BOB KASTENMEIER and I will today introduce a lobby reform bill identical to that which overwhelmingly passed the House during the 95th Congress. We understand that this bill will be assigned the number H.R. 1979, a number we hope will underscore the importance of moving promptly to secure House and Senate passage of this measure before the end of the year. By our introduction of this proposal we do not mean to suggest that seeking to affect the actions of Government officials is somehow injurious to the policymaking process. We firmly believe that this is a right guaranteed by the constitutional safeguards of free speech, assembly, and petition for redress of grievances. But where special interests seek to assert a major influence the public has a right to know, a right which is not being served by existing law.

More loophole than law, the 1946 Federal Regulation of Lobbying Act falls woefully short of the goal of assuring that virtually all organizations engaged in significant lobbying activities are registered and their activities disclosed quarterly. In fact, while fewer than 2,000 lobbyists are registered under the 1946 law, their actual number has soared from about 8,000 to 15,000 over the past 5 years according to a Time estimate. Specific examples of abuses under current law are equally revealing. Common Cause, the citizens lobbying group which has been at the forefront of lobbying reform efforts, released a study last year of 376 energy-related organizations with Washington representatives and 954 of the individual lobbyists these organizations employed. They found that almost two-thirds of the energy lobbyists were unregistered and only 1 in 10 of the organizations had filed lobbying reports of any kind. In one instance, Mobil Oil ran a full page "advocacy advertisement" soliciting grassroots opposition to then pending energy proposals. This ad cost about $4 million, yet Mobil's lobbying reports for this period showed total expenses of less than $30,000. Such lax filing requirements render the 1946 act meaningless, a rightful target of ridicule and a worthy subject for reform.

Earlier this year the distinguished chairman of the Judiciary Committee, Mr. RODINO, and Mr. DANIELSON, the distinguished chairman of the Subcommittee on Administrative Law and Governmental Relations, introduced H.R. 81, a lobby reform bill identical to that reported out of the full Judiciary Committee last year. I would like to take this oportunity to commend both of my colleagues for their diligent efforts in securing House passage of a fair and even-handed disclosure measure during the 95th Congress. Further, I would like to commend them for their continued commitment to this cause. Nevertheless, in my opinion, H.R. 81 falls somewhat short of the mark in at least three areas, areas which are of prime importance to an effective lobby disclosure law.

First, H.R. 81 creates a major loophole by exempting from the act's coverage the reporting of solicitations made by lobbying organizations. Failure to report on these activities would certainly lead to a misleading and incomplete picture of the overall activities of many lobbying organizations. For example, Common Cause now spends approximately 70 percent of its lobbying budget on solicitations. Other organizations—including the AFL–CIO, the chamber of commerce, and the National Rifle Association—are increasingly relying on indirect or grassroots lobbying to exert pressure on public officials. As the president of the chamber of commerce, Richard Lesher, explained, "lobbying that counts is done through the grassroots process." Last Congress, individual Members of Congress were flooded with mailings generated on such issues as common situs picketing, consumer protection, Hatch Act revision, labor law reform, and the Panama Canal, and more can be expected this year.

H.R. 1979, the measure which Congressman KASTENMEIER and I will introduce today, contains a strong solicitation reporting provision. Under it, basic and readily available information must be reported, including identification of the issue on which the organization undertook the grassroots lobbying effort, the means used, the approximate number of organizations or individuals solicited, and, in the case of a major ad campaign, the media outlets used and the amounts expended. For the latter, receipts would clearly be available in the normal course of business; no special calculations would be involved. Reporting would be solely the responsibility of the organization doing the soliciting. There would be no burden placed upon the individuals responding to the solicitation. Grassroots lobbying is where substantial lobbying takes place today, and information about those efforts should be disclosed.

Second, the bill introduced by Congressmen RODINO and DANIELSON does not require reporting by lobbying organizations of their major contributors, those most likely to have the greatest impact on the organizations' decisions. In this respect, the bill represents a step backward from the 1946 act, which requires disclosure of contributions of $500 or more. It invites the establishment of front organizations that mask the real source of lobbying activities. Without disclosure of major contributors, for example, it would be difficult to know that the Calorie Control Council is an organi-

zation which receives its principal financial backing from soft drink manufacturers opposing the saccharin ban; or that the Electric Consumers Resource Council is financed by the big electric industry; or that the Natural Gas Supply Committee is supported by the major oil companies. Without a requirement that major contributors to lobbying organizations be disclosed, there will be no way to identify the major backers of Citizens' Choice, Common Cause, or Ralph Nader's Congress Watch—organizations which purport to represent a broad public interest.

During consideration of the lobby bill in the 95th Congress, an amendment was adopted on the House floor which required disclosure of significant contributions in an effective, evenhanded fashion. H.R. 1979's disclosure provision tracts this approach. Only those organizations spending more than 1 percent of their budget on lobbying would be required to disclose contributions.

Disclosure would be limited to those contributions of $3,000 or more, and then only if received from an organization. Individual contributions would never be subject to disclosure. In addition, disclosure in ranges of amounts will be permitted, rather than specific dollar figures. Thus, the magnitude of contributions will be revealed, but proprietary information will not be disclosed as might result if the dues schedule and the precise dues paid to the lobbying organization were made public. To us, the constitutionality of such a requirement is clear. Speaking for the majority, Chief Justice Earl Warren wrote in the 1954 Court decision upholding the constitutionality of the 1946 act:

> Congress has not sought to prohibit (any lobbying activities) . . . It has merely provided for a modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose. It only wants to know who is being hired, *who is putting up the money, and how much . . .*" *United States* v. *Harriss*, 347 U.S. 612, 625, 74 S. Ct. 808, 816 (emphasis added).

Indeed, there is ample precedent for such a requirement in the Federal campaign laws which require each of us to disclose our major contributors.

Finally, H.R. 81 as written does not require reporting about individuals who, though they may receive no pay for their services, are the major policy formulators of an organization and are active in arguing their case before public officials. We recognize that on this issue we must be especially wary. We are dealing with important first amendment rights. However, reporting about the lobbying acticivities of a covered organization's chief executive officer, whether paid or unpaid, must be included in any fair lobby reform bill. To provide such coverage, H.R. 1979 will require reporting of the major issues on which these individuals lobbied. This would assure that the public would be able to know of the lobbying activities of such influential persons as Ralph Nader, of Public Citizen, Irving Shapiro, of the Business Roundtable, and the heads of various trade associations who may not be paid. We certainly have no intention of covering the myriad of volunteers who, from time to time, take an active interest in issues before Congress.

In sum, I hope that my colleagues will lend their support to H.R. 1979 and join with BOB KASTENMEIER and me in cosponsoring this measure. Without question, the increasingly knowledgeable and competent Washington lobbyist supplies much practical information vital to the legislative process. For the good of that process and the fulfillment of the public's right to know, however, we sincerely believe that lobby disclosure requirements must be strengthened. We believe our proposal, H.R. 1979, will do just that.

For my colleague's convenience and information, the text of our proposal follows:

H.R. 1979

A bill to regulate lobbying and related activities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Disclosure of Lobbying Act of 1979".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "affiliate" means—

(A) an organization which is associated with another organization through a formal relationship based upon ownership or an agreement (including a charter, franchise agreement, or bylaws) under which one of the organization maintains actual control or has the right of potential control of all or a part of the activities of the other organization;

(B) a unit of a particular denomination of a church or of a convention or association of churches; and

(C) a national membership organization and any of its State or local membership organizations or units, a national trade association and any of its State or local trade associations, a national business league and any of its State or local business leagues, a national federation of labor organizations and any of its State or local federations, and a national labor organization and any of its State or local labor organizations;

(2) the term "Comptroller General" means the Comptroller General of the United States;

(3) the term "direct business relationship" means the relationship between an organization and any Federal officer or employee in which—

(A) such Federal officer or employee is a partner in such organization;

(B) such Federal officer or employee is a member of the board of directors or similar governing body of such organization, or is an officer or employee of such organization; or

(C) such organization and such Federal officer or employee each hold a legal or beneficial interest (excluding stock holdings in publicly traded corporations, policies of insurance, and commercially reasonable leases made in the ordinary course of business) in the same business or joint venture, and the value of each such interest exceeds $1,000;

(4) the term "employ" means the utilization of the services of an individual or organization in consideration of the payment of money or other thing of value, but does not include the utilization of the services of a volunteer;

(5) the term "exempt travel expenses" means any sum expended by any organization in payment or reimbursement of the cost of any transportation for any agent, employee, or other person (but not including a Federal officer or employee) engaging in activities described in section 3(a), plus such amount of any sum received by such agent, employee, or other person as a per diem allowance for each such day as is not in excess of the maximum applicable allowance payable under section 5702(a) of title 5, United States Code, to Federal employees subject to such section;

(6) the term "expenditure" means—

(A) a payment, distribution (other than normal dividends and interest), salary, loan (if made on terms or conditions that are more favorable than those available to the general public), advance, deposit, or gift of money or other thing of value, other than exempt travel expenses, made—

(i) to or for the benefit of a Federal officer or employee;

(ii) for mailing, printing, advertising, telephones, consultant fees, or the like which are attributable to activities described in section 3(a), and for costs attributable partly to activities described in section 3(a) where such costs, with reasonable preciseness and ease, may be directly allocated to those activities; or

(iii) for the retention or employment of an individual or organization who makes lobbying communications on behalf of the organization; or

(B) a contract, promise, or agreement, whether or not legally enforceable, to make, disburse, or furnish any item referred to in subparagraph (A);

(7) the term "Federal officer or employee" means—

(A) any Member of the Senate or the House of Representatives, any Delegate to the House of Representatives, and the Resident Commissioner in the House of Representatives;

(B) any officer or employee of the Senate or the House of Representatives or any employee of any Member, committee, or officer of the Congress;

(C) any officer of the executive branch of the Government listed in sections 5312 through 5316 of title 5, United States Code; and

(D) the Comptroller General, Deputy Comptroller General, General Counsel of the United States General Accounting Office, and any officer or employee of the United States General Accounting Office whose compensation is fixed by the Comptroller General in accordance with section 203(i) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 52b);

(8) the term "identification" means—

(A) in the case of an individual, the name, occupation, and business address of the individual and the position held in such business; and

(B) in the case of an organization, the name and address of the organization, the principal place of business of the organization, the nature of its business or activities, and the names of the executive officers and the directors of the organization, regardless of whether such officers or directors are paid;

(9) the term "lobbying communication" means, with respect to a Federal officer or employee described in section 2(7) (A) or (B), an oral or written communication directed to such Federal officer or employee to influence the content or disposition of any bill, resolution, treaty, nomination, hearing, report, or investigation, and, with respect to a Federal officer or employee described in section 2(7) (C) or (D), an oral or written communication directed to such Federal officer or employee to influence the content or disposition of any bill, resolution, or treaty which has been transmitted to or introduced

in either House of Congress or any report thereon of a committee of Congress, any nomination to be submitted or submitted to the Senate, or any hearing or investigation being conducted by the Congress or any committee or subcommittee thereof, but does not include—

(A) a communication made at the request of a Federal officer or employee, or submitted for inclusion in a report of a hearing or in the record or public file of a hearing;

(B) a communication made through a speech or address, through a newspaper, book, periodical, or magazine published for distribution to the general public, or through a radio or television transmission, or through a regular publication of an organization published in substantial part for purposes unrelated to engaging in activities described in section 3(a): *Provided*, That this exemption shall not apply to an organization responsible for the purchase of a paid advertisement in a newspaper, magazine, book, periodical, or other publication distributed to the general public, or of a paid radio or television advertisement;

(C) a communication by an individual for a redress of grievances, or to express his personal opinion;

(D) a communication on any subject directly affecting an organization to (i) a Senator, or to an individual on his personal staff, if such organization's principal place of business is located in the State represented by such Senator, or (ii) a Member of the House of Representatives, or to an individual on his personal staff, if such organization's principal place of business is located in a county (including a city, city-and-county, parish, and the State of Alaska) within which all or part of such Member's congressional district is located; or

(E) a communication which deals only with the existence or status of any issue, or which seeks only to determine the subject matter of an issue.

(10) the term "organization" means—

(A) any corporation (excluding a Government corporation), company, foundation, association, labor organization, firm, partnership, society, joint stock company, organization of State or local elected or appointed officials (excluding any Federal, State, or local unit of government other than a State college or university as described in section 511 (a)(2)(B) of the Internal Revenue Code of 1954, and excluding any Indian tribe, any national or State political party and any organizational unit thereof, and any association comprised solely of Members of Congress or Members of Congress and congressional employees), group of organizations, or group of individuals; and

(B) any agent of a foreign principal as defined in section 1 of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611);

(11) the term "quarterly filing period" means any calendar quarter beginning on January 1, April 1, July 1, or October 1; and

(12) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

APPLICABILITY OF ACT

SEC. 3. (a) The provisions of this Act shall apply to—

(1) any organization which makes an expenditure in excess of $2,500 in any quarterly filing period for the retention of an individual or another organization to make lobbying communications, or for the express purpose of preparing or drafting any such lobbying communication; or

(2) any organization which (A) employs at least one individual who, on all or any part of each of thirteen days or more in any quarterly filing period, or at least two individuals each of whom on all or any part of each of seven days or more in any quarterly filing period, makes lobbying communications on behalf of that organization, and (B) makes an expenditure in excess of $2,500 in such quarterly filing period on making lobbying communications,

except that the provisions of section 4 and section 6 of this Act shall not apply to an affiliate of a registered organization if such affiliate engages in activities described in paragraphs (1) and (2) of this subsection and such activities are reported by the registered organization.

(b) This Act shall not apply to practices or activities regulated by the Federal Election Campaign Act of 1971.

REGISTRATION

SEC. 4. (a) Each organization shall register with the Comptroller General not later than thirty days after engaging in activities described in section 3(a).

(b) The registration shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) An identification of the organization, except that nothing in this paragraph shall be construed to require the disclosure of the identity of the members of an organization.

(2) An identification of any retainee described in section 3(a)(1) and of any employee described in section 3(a)(2).

(c) A registration filed under subsection (a) in any calendar year shall be effective until January 15 of the succeeding calendar year. Each organization required to register under subsection (a) shall file a new registration under such subsection within fifteen days after the expiration of the previous registration, unless such organization notifies the Comptroller General, under subsection (d), with respect to terminating the registration of the organization.

(d) Any registered organization which determines that it will no longer engage in activities described in section 3(a) shall so notify the Comptroller General. Such organization shall submit with such notification either (1) a final report, containing the information specified in section 6(b), concerning any activities described in section 3(a) which the organization has not previously reported or (2) a statement, pursuant to section 6(a)(2), as the case may be. When the Comptroller General receives such notification and report or statement, the registration of such organization shall cease to be effective.

RECORDS

SEC. 5. (a) Each organization required to be registered and each retainee of such organization shall maintain for each quarterly filing period such records as may be necessary to enable such organization to file the registrations and reports required to be filed under this Act, except that, in those situations where a registered organization elects to report as to the lobbying activities of its affiliates pursuant to section 3 (a), such affiliates shall be responsible for maintaining such records as are necessary to enable the registered organization to fully discharge its reporting obligations as they pertain to such affiliates. The Comptroller General may not by rule or regulation require an organization to maintain or establish records (other than those records normally maintained by the organization) for the purpose of enabling him to determine whether such organization is required to register.

(b) Any officer, director, employee, or retainee of any organization shall provide to such organization such information as may be necessary to enable such organization to comply with the recordkeeping and reporting requirements of this Act. Any organization which shall rely in good faith on the information provided by any such officer, director, employee, or retainee shall be deemed to have complied with subsection (a) with respect to that information.

(c) The records required by subsection (a) shall be preserved for a period of not less than five years after the close of the quarterly filing period to which such records relate.

REPORTS

SEC. 6. (a)(1) Each organization which engages in the activities described in section 3(a) during a quarterly filing period shall, not later than thirty days after the last day of such period, file a report concerning such activities with the Comptroller General.

(2) Each registered organization which does not engage in the activities described in section 3(a) during a quarterly filing period shall file a statement to that effect with the Comptroller General.

(b) Each report required under subsection (a)(1) shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) An identification of the organization filing such report.

(2) The total expenditures (excluding salaries other than those reported under paragraph (5) of this subsection) which such organization made with respect to activities described in section 3(a) during such period.

(3) An itemized listing of each expenditure in excess of $35 made to or for the benefit of any Federal officer or employee and an identification of such officer or employee.

(4) A disclosure of those expenditures for any reception, dinner, or other similar event which is paid for, in whole or in part, by the reporting organization and which is held for the benefit of any Federal officer or employee, regardless of the number of persons invited or in attendance, where the total cost to the reporting organization of the event exceeds $500.

(5) An identification of any retainee of the organization filing such report and of any employee who makes lobbying communications on all or part of each of seven days or more, and the expenditures made pursuant to such retention or employment, except that in reporting expenditures for the retention or employment of such individuals or organizations, the organization filing such report shall—

(A) allocate, in a manner acceptable to the Comptroller General, and disclose the amount which is paid to the individual or organization retained or employed by the reporting organization and which is attributable to engaging in such activities for the organization filing such report; or

(B) notwithstanding any other provision of this Act, disclose the total expenditures paid to any individual or organization retained or employed (as described in section 3(a)) by the organization filing such report.

(6) A description of the issues concerning which the organization filing such report engaged in lobbying communications and upon which the organization spent a significant amount of its efforts, disclosing with respect to each issue any retainee or employer identified in paragraph (5) of this subsection and the chief executive officer, whether paid or unpaid, who engaged in lobbying communications on behalf of that organization on that issue. However, in the event an organization has engaged in lobbying communications on more than fifteen issues, it shall be deemed to have complied with this subsection if it lists the fifteen issues on which it has spent the greatest proportion of its efforts. For purposes of this paragraph the term "chief executive officer" means the individual with primary responsibility for directing

the organization's overall policies and activities;

(7) In the case of written solicitations, and solicitations made through paid advertisements, where such solicitations reached or could be reasonably expected to reach, in identical or similar form, five hundred or more persons, one hundred or more employees, twenty-five or more officers or directors, or twelve or more affiliates of such organization—

(a) a description of this issue with which the solicitation was concerned: *Provided*, That the reporting organization may, in its own discretion solely, satisfy this requirement by filing a copy of the solicitation;

(b) a description of the means employed to make the solicitation and an indication of whether the recipients were in turn asked to solicit others;

(c) an identification of any person retained to make the solicitation;

(d) if the solicitation is conducted through the mails or by telegram, the approximate number of persons directly solicited; and

(e) if the solicitation is conducted through a paid advertisement and the total amount expended exceeds $5,000, an identification of the publication, or radio or television station where the solicitation appeared and the total amount expended on any solicitation conducted through one or more such advertisements.

"For purposes of this paragraph, the term "solicitation" means any communication directly urging, requesting, or requiring another person to advocate a specific position on a particular issue and to seek to influence a Member of Congress with respect to such issue, but does not mean such communication by one organization registered under this Act to another organization registered under this Act.

(8) Disclosure of each known direct business relationship between the reporting organization and a Federal officer or employee whom such organization has sought to influence during the quarterly filing period involved.

(9) If any lobbying communication was made on the floor of the House of Representatives or adjoining rooms thereof, or on the floor of the Senate or adjoining rooms thereof, a statement that such lobbying communication was made.

(c) The report covering the fourth quarter of each calendar year shall also include a separate schedule listing the name and address of each organization from which the reporting organization received an aggregate of $3,000 or more in dues or contributions during that calendar year and listing the amount given, where (i) the dues or contributions were expended in whole or in part by the reporting organization for lobbying communications and solicitations and (ii) the total expenditures reported by the reporting organization under subsections (b)(2) and (b)(7) of this section during that calendar year exceed 1 per centum of the total annual income of the organization: *Provided*, That the reporting organization may, if it so chooses, instead of listing the specific amount received, state the amount, in the following categories: (A) amounts equal to or exceeding $3,000, but less than $10,000; (B) amounts equal to or exceeding $10,000, but less than $25,000; (C) amounts equal to or exceeding $25,000, but less than $50,000; (D) amounts equal to or exceeding $50,000.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 7. (a) It shall be the duty of the Comptroller General—

(1) to develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including (A) a cross-indexing system which, for any retainee described in section 3(a)(1) who is identified in any registration or report filed under this Act, discloses each organization identifying such retainee in any such registration or report, and (B) a cross-indexing system, to be developed in cooperation with the Federal Election Commission, which discloses for any such retainee each identification of such retainee in any report filed under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(2) to make copies of each registration and report filed with him under this Act available for public inspection and copying, commencing as soon as practicable after the date on which the registration or report involved is received, but not later than the end of the fifth working day following such date, and to permit copying of such registration or report by hand or by copying machine or, at the request of any individual or organization, to furnish a copy of any such registration or report upon payment of the cost of making and furnishing such copy; but no information contained in any such registration or report shall be sold or utilized by any individual or organization for the purpose of soliciting contributions or business;

(3) to preserve the originals or accurate reproductions of such registrations and reports for a period of not less than five years from the date on which the registration or report is received;

(4) to compile and summarize, with respect to each quarterly filing period, the information contained in registrations and reports filed during such period in a manner which clearly presents the extent and nature of the activities described in section 3(a) which are engaged in during such period;

(5) to make the information compiled and summarized under paragraph (4) available to the public within sixty days after the close of each quarterly filing period, and to permit copying of such information by hand or by copying machine or, at the request of any individual or organization, to furnish a copy of such information upon payment of the cost of making and furnishing such copy;

(6) to prescribe such rules and regulations and such forms as may be necessary to carry out the provisions of this Act in an effective and efficient manner; and

(7) to refer to the Attorney General all apparent violations of any provisions of this Act, or any rule or regulation promulgated in accordance therewith.

(b) The duties of the Comptroller General described in subsection (a)(6) of this section shall be carried out in conformity with chapter 5 of title 5, United States Code, and any records maintained by the Comptroller General under this Act shall be subject to the provisions of sections 552 and 552a of such chapter.

ENFORCEMENT

SEC. 8. (a) It shall be the duty of the Attorney General to investigate alleged violations of any provision of this Act, or any rule or regulation promulgated in accordance therewith. The Attorney General shall notify the alleged violator of such alleged violation, unless the Attorney General determines that such notice would interfere with the effective enforcement of this Act, and shall make such investigation of such alleged violation as the Attorney General considers appropriate. Any such investigation shall be conducted expeditiously, and with due regard for the rights and privacy of the individual or organization involved.

(b) If the Attorney General determines, after any investigation under subsection (a), that there is reason to believe that any individual or organization has engaged in any act or practice which constitutes a civil violation of this Act as described in section 11(a), he shall endeavor to correct such violation by informal methods of conferrence or conciliation.

(c) If the informal methods described in subsection (b) fail, the Attorney General may institute a civil action, including an action for a permanent or temporary injunction, restraining order, or any other appropriate relief, in the United States district court for the judicial district in which such individual or organization is found, resides, or transacts business.

(d) If the Attorney General determines, after any investigation under subsection (a), that there is reason to believe that any individual or organization has engaged in any act or practice which constitutes a criminal violation of this Act as described in section 11(b) or 11(c), the Attorney General may institute criminal proceedings in a United States district court in accordance with the provisions of chapter 211 of title 18, United States Code.

(e) The United States district courts shall have jurisdiction of actions brought under this Act.

(f) In any civil action brought pursuant to subsection (c), the court may award to the prevailing party (other than the United States or an agency or official thereof) reasonable attorney fees and expenses if the court determines that the action was brought without foundation, vexatiously, frivolously, or in bad faith.

REPORTS BY THE COMPTROLLER GENERAL

SEC. 9. The Comptroller General shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Comptroller General in carrying out his duties and functions under this Act, together with recommendations for such legislative or other action as the Comptroller General considers appropriate.

CONGRESSIONAL DISAPPROVAL OF RULES OR REGULATIONS

SEC. 10. (a) Upon promulgation of any rule or regulation to carry out the provisions of section 4, 5, or 6 under the authority given him in section 7(a)(6) of this Act, the Comptroller General shall transmit notice of such rule or regulation to the Congress. The Comptroller General may place such rule or regulation in effect as proposed at any time after the expiration of ninety calendar days of continuous session after the date on which such notice is transmitted to the Congress unless, before the expiration of such ninety days, either House of the Congress adopts a resolution disapproving such rule or regulation.

(b) For purposes of this section—

(1) continuity of session of the Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the ninety calendar days referred to in subsection (a).

SANCTIONS

SEC. 11. (a) Any individual or organization knowingly violating section 4, 5, or 6 of this Act, or any rule or regulation promulgated in accordance therewith, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(b) Any individual or organization who knowingly and willfully violates section 4, 5, or 6 of this Act, or who, in any statement required to be filed, furnished, or maintained pursuant to this Act, knowingly and willfully makes any false statement of a material fact, omits any material fact required to be disclosed, or omits any material fact necessary to make statements made not misleading, shall be fined not more than $10,000 or imprisoned for not more than two years, or both, for each such violation.

(c) Any individual or organization knowingly and willfully failing to provide or falsifying all or part of any records required to be furnished to an employing or retaining organization in violation of section 5(b) shall be fined not more than $10,000, or imprisoned for not more than two years, or both.

(d) Any individual or organization selling or utilizing information contained in any registration or report in violation of section 7(a)(2) of this Act shall be subject to a civil penalty of not more than $10,000.

REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT

SEC. 12. The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.), and that part of the table of contents of the Legislative Reorganization Act of 1946 which pertains to title III thereof, are repealed.

SEPARABILITY

SEC. 13. If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. There are authorized to be appropriated to carry out this Act $1,600,000 for the fiscal year beginning on October 1, 1979; $1,600,000 for the fiscal year beginning on October 1, 1980; and $1,600,000 for the fiscal year beginning on October 1, 1981.

EFFECTIVE DATES

SEC. 15. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1979.

(b) Sections 4, 5, 6, 8, 11, and 12 shall take effect on the first day of the first calendar quarter beginning after the date on which the first rules and regulations promulgated to carry out the provisions of sections 4, 5, and 6 take effect, in accordance with section 10.●

MOTOR VEHICLE THEFT PREVENTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Motor Vehicle Theft Prevention Act of 1979. This bill is similar to H.R. 14252, which I introduced in the 95th Congress.

The Motor Vehicle Theft Prevention Act seeks to improve the physical security features of motor vehicles and their parts, to increase the criminal penalties for those trafficking in stolen motor vehicles and parts, and to curtail the exportation of stolen motor vehicles.

Motor vehicle-related theft is a serious national crime problem. In 1977, 46.2 percent of all larcenies reported involved the theft of a motor vehicle, its contents, or its parts. By comparison, thefts from buildings accounted for 14.1 percent of all larcenies, and shoplifting comprised 9.5 percent of all larcenies.

The Uniform Crime Report for 1977 recorded 968,358 motor vehicle thefts for that year. In addition, there were 998,100 thefts of contents from motor vehicles and 1,210,700 thefts of motor vehicle accessories.

These statistics are shocking, but difficult to comprehend. Perhaps it is more illuminating to consider that a theft of a motor vehicle occurs once every 33 seconds. Moreover, 1 out of every 44 registered motor vehicles either is stolen itself or has its contents or accessories stolen.

The value of property stolen during motor vehicle-related thefts in 1977 amounted to over $2.3 billion. The average value of a stolen motor vehicle was $1,992. The average theft of vehicle contents was $231, and the average theft of vehicle accessories was $128.

The impact of motor vehicle thefts has been felt severely in the State of New York. In 1977, New York State experienced 133,669 motor vehicle thefts. This accounted for 13.8 percent of the national total. New York State was second in this regard to California, which recorded 145,270 thefts, or 15 percent of the national total. In addition to California and New York, eight other States had over 25,000 stolen motor vehicles in 1977. A table which details these data will appear in the RECORD at the end of my remarks.

The New York City metropolitan area suffered 104,147 motor vehicle thefts in 1977. This was 77.9 percent of the total for New York State, or 10.8 percent of the national total.

The New York State Senate Standing Committee on Transportation has been at the forefront of national efforts to develop solutions to the motor vehicle crime problem. With LEAA funding, the New York State Senate Standing Committee on Transportation sponsored the National Workshop on Auto Theft, which was held in New York City on October 3–5, 1978. This was the first national conference of its kind to explore this important issue.

In response to the alarming number of motor vehicle-related thefts, the Federal Interagency Committee on Auto Theft Prevention was formed in March, 1975. The committee is composed of representatives of the Office of Management and Budget and of the Departments of Transportation, Justice, State, Treasury, and Commerce. The Federal Interagency Committee on Auto Theft Prevention, which is coordinating Federal activities relating to motor vehicle theft, believes that legislation at the national level is required to combat this crime more effectively. The bill I am introducing today reflects the work of the Interagency Committee and the recommendations of the Department of Justice.

MOTOR VEHICLE THEFT PREVENTION ACT OF 1979

TITLE I—FINDINGS AND PURPOSES

Title I of the Motor Vehicle Theft Prevention Act of 1979 contains a series of findings and states the purposes of the act. The purposes enumerated in section 102 are to:

(a) improve the locking devices for motor vehicles;

(b) improve the identification numbering systems for motor vehicles and their major components;

(c) increase the Federal criminal penalties for those persons trafficking in stolen motor vehicles and their parts; and

(d) establish regulatory procedures to reduce the opportunity for the criminal to export stolen motor vehicles.

TITLE II—IMPROVED SECURITY FOR MOTOR VEHICLES AND THEIR PARTS

Title II of the bill gives the Secretary of Transportation authority to issue standards whose purpose would be to deter motor vehicle-related thefts. Such standards could require improving the locking devices for the ignition, doors, trunk, and hood of motor vehicles, as well as identification numbering systems for certain key components of the motor vehicle. These measures would make it more difficult for professional thieves to dispose of the stolen motor vehicle or its parts.

Many law enforcement agencies believe that component identification is the best way to help control the "chop shop" problem. "Chop shop" is used to describe experts who steal a motor vehicle and then cut it up for its major parts. These component parts then are recycled into the auto repair business. Component identification would help law enforcement agencies to identify stolen parts, and also would increase the difficulty of successfully retitling a stolen vehicle because of all the additional numbers the thief must alter.

Using the "safety" authority given by the National Traffic and Motor Vehicle Safety Act of 1966, the National Highway Traffic Safety Administration (NHTSA) established the first "antitheft" standard for automobiles manufactured or sold after January 1, 1970. This measure, known as Motor Vehicle Safety Standard No. 114, required the steering column to lock when the ignition key was removed. It is important to note that the existing authority for standard 114 is limited to "safety" matters. Thus, the Department of Transportation presently can require only measures which, while having antitheft benefits, clearly are "safety" oriented. Title II of the Motor Vehicle Theft Prevention Act amends the National Traffic and Motor Vehicle Safety Act of 1966 to give the Secretary of Transportation the authority to "include standards to reduce the theft of the motor vehicle and its parts."

I want to point out that, in issuing standards, the Secretary of Transportation is to take into account: First, the cost of implementing the standard and the benefits attainable as a result of the implementation of the standard; second, the effect of implementation of the standard on the cost of automobile insurance; third, savings in terms of time and inconvenience; and fourth, considerations of safety.

TITLE III—ANTI-FENCING MEASURES

Title III of the bill strengthens the Federal criminal laws as they pertain to professional motor vehicle theft. It contains five amendments to title 18 of the United States Code, plus one amendment to the Master Key Act (39 U.S.C. 3002).

With respect to title 18, title III of the Motor Vehicle Theft Prevention Act of 1979 first makes it a Federal crime to alter or remove any motor vehicle or vehicle part identification number required by the Secretary of Transportation.

Second, it allows forfeiture to the United States of any vehicle or part

which has its identification number removed, obliterated, tampered with, or altered.

These two provisions of title III are enforcement provisions that go hand in hand with title II of the bill. Under title II, the Department of Transportation is given the regulatory authority to require identification numbers for certain vehicle component parts. Upon the enactment of title III, it would be a Federal crime to remove or alter the vehicle identification number on any existing or future motor vehicle since such an identification number already is required by Department of Transportation regulations. However, the removal or alteration of a component part identification number would become a Federal crime only for such activities occurring after the effective date of a Transportation Department regulation requiring the component part identification number.

The third amendment to title 18 within title III of the Motor Vehicle Theft Prevention Act adds motor vehicle titles to the definition of "securities" in the National Stolen Property Act (18 U.S.C. 2311). In addition, it states that a motor vehicle title ceases to be a "security" when it "is canceled by the State" of issuance. A blank motor vehicle title also would not be a "security." These provisions would clarify authority for prosecutions for counterfeit title offenses under the National Stolen Property Act.

The fourth element of title III would make it a Federal crime to traffic in motor vehicles or motor vehicle parts which have had their identification numbers required by the Secretary of Transportation removed or altered. "Trafficing" would refer to the buying, receiving, possessing, or obtaining control of the vehicle or component part with the intent to sell, transfer, distribute, dispense, or otherwise dispose of it.

It should be noted that this provision requires that the illegal possession of such a vehicle or part include an intention on the part of the possessor to dispose of the vehicle or part. Thus, it is aimed at dealers and peddlers of such stolen items. It concentrates Federal attention on organized "ring" activities. The individual who knowingly possesses a "hot" vehicle or component part would be the subject of State and local prosecution.

The fifth provision of title III concerning title 18 of the United States Code amends the Racketeer Influenced and Corrupt Organizations Act to include as a racketeering activity trafficking in stolen motor vehicles and their parts. This part of title III is intended to have a deterrent effect upon businesses that engage in the receipt and disposition of stolen vehicles and their parts.

The amendment in title III to the Master Key Act prohibits the mailing of manipulative devices which are designed to open or make inoperable any of the locks on two or more motor vehicles. The provision also prohibits the mailing of any advertisement for such a device and authorizes the U.S. Postal Service to issue a mail stop order in an appropriate case. Violations of this section would be within the investigative jurisdiction of the U.S. Postal Service.

TITLE IV—IMPORTATION AND EXPORTATION MEASURES

Section 401 makes it a Federal crime for anyone to import, export, or attempt to import or export, first, any motor vehicle, vessel, aircraft, or part of a motor vehicle, vessel, or aircraft knowing the same to have been stolen or second, any motor vehicle or part of a motor vehicle with the knowledge that its identification number has been removed, obliterated, tampered with, or altered. Enforcement of this section would rest with the U.S. Customs Service.

Section 403 creates two new sections in the Tariff Act of 1930. Section 626(a) subjects any individual who imports, exports, or attempts to import or export any stolen motor vehicle, vessel, aircraft, or part thereof or any motor vehicle or motor vehicle part having its identification number removed, obliterated, tampered with, or altered, to a civil penalty. Section 626(b) makes any of the above-described conveyances or component parts subject to seizure and forfeiture if they are imported or exported. Section 627(a) authorizes the Secretary of the Treasury to issue regulations concerning the inspection of used motor vehicles to be exported.

Section 404 creates a new section in the Tariff Act of 1930 to give customs officers the same powers of arrest presently possessed by other Federal law-enforcement officials. Under current law, a customs officer has authority to make an arrest without a warrant only for violations of the narcotic drug and marihuana laws and for violations of the customs or navigation laws or any law respecting the revenue under section 581 of the Tariff Act where the violation is committed in his or her presence or where he or she has reason to believe that the person to be arrested has committed or is committing such violation. The customs officer, due to strategic location, often is able to detect fugitive felons entering the United States and violators of other Federal criminal laws such as the statutes prohibiting theft from interstate and foreign shipments and the interstate and foreign transportation of stolen property. The present limited arrest authority for a customs officer is inconsistent with the arrest authority provided other Federal law enforcement officials, and hampers effective enforcement of Federal criminal laws. Section 404 of the bill would permit customs officers to, first, carry firearms, execute and serve search warrants and arrest warrants, and serve subpenas and summonses issued under the authority of the United States, and second, make arrests without warrant for any offenses against the United States committed in their presence or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed, or is committing, such a felony.

TITLE V—REPORTING REQUIREMENTS

Section 501 of the Motor Vehicle Theft Prevention Act requires the Attorney General to file a report with Congress 18 months after the passage of the act dealing with developments in the area of vehicle identification of off-road motor vehicles. "Off-road motor vehicle" means any self-propelled vehicle used or designed to run on land but not on rails which is used in the agricultural and construction industries. The report will be prepared in consultation with the Secretaries of Agriculture, Commerce, Transportation, and the Treasury. Section 501 lists 13 areas that are to be included in the report.

Section 502 requires the Attorney General to file five successive annual reports concerning the implementation and effectiveness of titles II, III, and IV of the Motor Vehicle Theft Prevention Act of 1979. The reports are to be prepared in consultation with the Secretary of Transportation, the Secretary of the Treasury, and the Postmaster General.

These, then, are the principal provisions of the Motor Vehicle Theft Prevention Act of 1979. I hope that my colleagues will join with me to work for the enactment of this legislation in the 96th Congress. Let us make passage of such a bill a crime prevention priority.

I commend to my colleagues' attention a resolution on auto thefts adopted by delegates to the 75th annual meeting of the New York State Automobile Association, which was held on July 13, 1978. I also am including a table from the Uniform Crime Reports which lists States with 25,000 or more stolen motor vehicles in 1977:

NEW YORK STATE AUTOMOBILE ASSOCIATION—RESOLUTION ON AUTO THEFTS

More than 133,000 automobiles were reported stolen in New York State in 1976—fully 10 percent of the national total. While the increase in stolen cars has been sharpest in the New York City metropolitan area, auto thefts were also on the rise—and recoveries on the decline—in Buffalo, Albany, Syracuse and suburban communities across the state. New York motorists are paying for these losses in higher insurance premiums for theft coverage which today have reached a staggering 220% above the national average.

Police estimate that 25% of the state's auto theft reports involve fraudulent claims against insurers and 50% represent thefts for the purpose of obtaining parts for vehicles damaged in accidents. The ease with which these phony claims can be made is obviously one of the factors contributing to the worsening problem. More important, the high demand, short supply and rapidly rising cost of crash parts, the lack of a standardized system of marking and tracing vehicle components, and sophisticated new methods for retailing such merchandise have produced what is, in effect, an auto theft "industry."

This low-risk, high-profit "business" will continue to prosper until a concerted effort is made—at all levels of government—to slow its malignant growth.

New York State should take the initiative by enacting proposals now before the Legislature which would: mandate stiffer penalties for individuals who file fraudulent auto theft reports and claims; tighten controls on the distribution of salvage parts; root out unlicensed dismantlers, scrap processors and illegal "chop shops"; require vehicle identification numbers (VIN's) on major components; stiffen penalties for VIN tampering or dealing in parts with altered VIN's, and establish insurance incentives for motorists who install anti-theft devices.

At the federal level, it is imperative that Congress empower the National Highway Traffic Safety Administration to require manufacturers to stamp major components with VIN's. Moreover, Congress should consider mandating a uniform titling system that would help prevent shipment of stolen cars to states where VIN's are easily altered, documents forged, and cars and VIN's resold. And Congress should also empower the appropriate federal agencies to require that shippers provide clear evidence of title before autos are shipped overseas.

The New York State Automobile Association, therefore, urges the state and federal governments to make these recommendations the basis for a concerted war on auto thefts. This Association pledges its support and its member Clubs pledge their cooperation in measures that will help to alleviate this serious problem.

It is directed that copies of this resolution be sent to the Governor, the New York State Congressional delegation, all members of the Legislature and other interested agencies and officials.

THE UNIFORM CRIME REPORTS, STATES WITH 25,000 OR MORE STOLEN MOTOR VEHICLES IN 1977

1977 rank	State	1976 rank	1977 thefts	1976 thefts	Numerical change	Percent change	[1] Percent of national 1977 total
1	California	1	145,270	138,650	+6,620	+4.8	15.0
2	New York	2	133,669	133,504	+27	+0	13.8
3	Massachusetts	3	65,922	76,257	−10,335	−13.6	6.8
4	Illinois	4	59,446	56,685	+2,761	+4.9	6.1
5	Texas	6	51,018	43,871	+7,147	+16.3	5.3
6	Michigan	5	49,803	55,821	−6,018	−11.8	5.1
7	Ohio	8	42,851	40,421	+2,430	+6.0	4.4
8	Pennsylvania	7	39,264	41,303	−2,039	−4.9	4.1
9	New Jersey	9	37,489	37,462	+27	+0	3.9
10	Florida	10	29,698	28,605	+1,093	+3.8	3.1
	Total		614,430	652,579			63.5

[1] Total national thefts in 1977 was 968,358.

SHALE OIL PRODUCTION TAX INCENTIVE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of Colorado. Mr. Speaker, today I am introducing a bill to provide a $3 per barrel tax credit for the production of shale oil. I am pleased to report that this particular incentive to encourage the production of synthetic crude oil from oil shale rock, has the publicly stated support of the present administration; the full and enthusiastic support of the shale oil industry; and it has the backing of those of us who recognize the need for our Nation to become less dependent on unreliable supplies of energy from foreign sources.

Unlike other incentives which have been proposed in previous years for shale oil development, this tax credit approach has the advantage of absolutely no risk to the Federal Government for any shale oil ventures that may not prove successful, and absolutely no cost to the Federal Treasury unless and until actual shale oil production begins. There are no massive, direct or indirect Federal grants or loan guarantees involved in this proposal. The Federal Government will not be called on to do anything, to give anything, or to risk anything, unless and until the private sector first invests private capital in the construction of retorting plant facilities and succeeds in actually producing shale oil.

The immediate result of the passage of this $3 per barrel tax credit will be to provide a foundation for a degree of certainty and confidence within the industry, and thus encourage private industry to seek out and obtain the necessary financial backing for the construction and operation of the retoring facilities. The possibility exists that this production incentive would not even be used. This is not an open ended incentive. The tax credit, under the provisions of my bill, begins to phase out when the price of imported crude oil exceeds $20 per barrel. The tax credit would end when the price of imported crude oil exceeds $23 per barrel. According to Department of Energy (DOE) projections, the price of imported crude oil may reach $20 per barrel between 1985 and 1990. Most industry officials agree that the first shale oil plants would not come on line until the mid-1980's. Thus, if the competitive market conditions are such that shale oil can compete in the world market at that time, the tax credit would not come into play. However, if the world price of crude oil does not reach $23 per barrel by the time the first major amounts of shale oil are produced, the tax credit would be available. The point is this, the adoption of the tax credit now provides the necessary and immediate economic stability private industry needs. It will result in investment for construction activities now, and bring the shale oil facilities on line as soon as possible, consistent with the environmental and other Federal, State, and local government requirements which must and will be met.

The shale oil tax credit incentive is the single most positive stimulus presently available to encourage the orderly development of a viable and productive shale oil industry. The entire shale oil industry supports this particular production-oriented incentive. One company has already made a public commitment to immediately begin a $100 million shale oil facility in western Colorado, once the production tax credit legislation is passed by the Congress. The company is already involved in the initial permit process. When one project gets underway, it will provide an additional stimulus for competing companies to do the same.

The administration supported the $3 shale oil tax credit last year when the Senate approved the measure as part of the energy tax portion of the National Energy Act legislative package. Unfortunately, the tax credit did not survive the hectic action on the energy tax bill late in the 95th Congress. Energy Secretary James Schlesinger stated publicly and privately at that time, and has subsequently repeated in recent weeks, that the administration supports the tax credit incentive approach to stimulate the shale oil industry. Other DOE representatives have also stated that position.

Those of us who shudder at the economic and national security dangers inherent in our continued over-reliance on imported crude oil, recognize the contribution a viable commercial shale oil industry can make to our domestic economy and security. During the House Ad Hoc Energy Committee hearings on the energy bill, Defense Secretary Harold Brown testified:

> There is no more serious threat to the long-term security of the United States and to its allies than that which stems from the growing deficiency of secure and assured energy and resources . . . it is of the utmost urgency to plan for an orderly shift from our dependence on natural crude to synthetic fuels.

The present situation in Iran underscores the concern voiced by the Secretary. If the problems in Iran continue, it may well be that the United States will be forced to share our tight supplies of energy with other nations, under the terms of the International Energy Agreements of 1974 and 1975. The only secure source of energy is that which is produced right here at home.

Last year, the United States sent $40 billion overseas, mostly to OPEC nations, to pay for imported crude oil to meet nearly one-half of our domestic requirements. The balance of payments and inflationary impacts are obvious. If at least part of that nearly $40 billion could have been kept here at home by means of increased domestic energy production, we could have realized industrial expansion and created additional job opportunities, and as a result, actually increased the flow of tax revenue into the Treasury. We simply must reduce our reliance on unreliable foreign sources of energy. Shale oil production will assist in that goal. The $3 per barrel tax credit will provide the proper incentive to bring about that necessary production.

In the States of Colorado, Utah, and Wyoming, there are an estimated 600 billion barrels of recoverable shale oil—more than the proven reserves of conventional crude oil in the OPEC Nations—just waiting to be properly developed. That development can and will be accomplished in a responsible manner. The wait has been long, frustrating, and at times disappointing. All that is needed now is the proper economic stimulus, one which does not unduely burden the American taxpayers, and one which will in fact be an investment in our energy future. The $3 per barrel shale oil production tax credit is that proper incentive which is necessary to break down the economic barriers that have hampered shale oil development to date.

The administration supports it, the industry is united behind it, and everyone who truly realizes our serious domestic energy supply situation should support it with vigor, for the benefit of our national security and domestic economy. I ask my colleagues to actively support this proposal, and I urge the Ways and Means Committee to seek administration comments, hold the necessary hearings, and to act on the measure with all deliberate speed:

H.R. 1969

A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Shale Oil Production Tax Incentive Act of 1979".

SEC. 2. CREDIT FOR THE PRODUCTION OF SHALE OIL.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"SEC. 44D. PRODUCTION OF SHALE OIL.

"(a) GENERAL RULE.—

"(1) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the production credit carryovers carried to such taxable year,

"(B) the amount of credit determined under subsection (b) for such taxable year, plus

"(C) the production credit carrybacks carried to such taxable year.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by paragraph (1) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(b) AMOUNT OF CREDIT FOR CURRENT TAXABLE YEAR.—The amount of credit determined under this subsection for the taxable year shall be an amount equal to $3 multiplied by the number of barrels of shale oil produced during the taxable year which are attributable to the taxpayer.

"(c) LIMITATIONS ON CREDIT FOR CURRENT TAXABLE YEAR.—

"(1) CREDIT REDUCED BY PROPORTION OF FEDERAL GRANT FUNDING.—

"(A) IN GENERAL.—The amount of credit determined under subsection (b) shall be reduced by an amount equal to the aggregate Federal shares attributable to the barrels of shale oil taken into account under subsection (b).

"(B) FEDERAL SHARE PER BARREL.—The Federal share attributable to a barrel shall be equal to—

"(i) an amount which bears the same ratio to the amount of credit which (but for this paragraph) would be determined under subsection (b) with respect to such barrel, as

"(ii) the total amount of grants made by the United States which was used to acquire any equipment or facility used in the project which produced such barrel bears to the total cost of all equipment and facilities used in such project.

"(2) CREDIT REDUCED BASED ON INCREASES IN ADJUSTED REFERENCE PRICE.—

"(A) IN GENERAL.—In the case of a taxable year for which the adjusted reference price exceeds $20.50, there shall be substituted for '$3' in subsection (b) the applicable amount determined in accordance with the following table:

"If the adjusted reference price is:	The applicable amount is:
Over $20.50 but not over $21.00	$2.50
Over $21.00 but not over $21.50	2.00
Over $21.50 but not over $22.00	1.50
Over $22.00 but not over $22.50	1.00
Over $22.50 but not over $23.00	.50
Over $23.00	0

"(B) PRESIDENTIAL AUTHORITY TO MODIFY APPLICABLE AMOUNTS IN SUBPARAGRAPH (A).—If the President determines that petroleum is being imported into the United States in such quantities or under such circumstances so as to threaten or impair national security, he may, for such period he deems appropriate, prescribe a dollar amount (not in excess of $3) which shall apply in lieu of the applicable amount which (but for this subparagraph) would apply under subparagraph (A).

"(d) SPECIAL RULES.—For purposes of this section—

"(1) ONLY PRODUCTION WITHIN THE UNITED STATES TAKEN INTO ACCOUNT.—Shale oil shall be taken into account under this section only if it is produced from property which is located within—

"(A) the United States (within the meaning of section 638(1)), or

"(B) a possession of the United States (within the meaning of section 638(2)).

"(2) COMPUTATION OF ADJUSTED REFERENCE PRICE.—

"(A) IN GENERAL.—The Secretary of Energy shall, not later than March 1 of each calendar year, determine the adjusted reference price for such year in accordance with this paragraph. If the adjusted reference price for such year exceeds $20, the Secretary of Energy shall publish in the Federal Register such price and a reasonably complete explanation of the calculations and data on which such determination is made.

"(B) ADJUSTED REFERENCE PRICE.—For purposes of this paragraph, the term 'adjusted reference price' means, with respect to a taxable year, the reference price for the calendar year in which the taxable year begins, multiplied by a fraction the numerator of which is the CPI for such calendar year and the denominator of which is the CPI for calendar year 1978.

"(C) REFERENCE PRICE.—For purposes of this paragraph, the term 'reference price' means, with respect to a calendar year, the average daily market price per barrel during the preceding calendar year for Arabian light crude oil (commercially known as Arabian marker crude oil) having—

"(i) an American Petroleum Institute gravity rating of 34 degrees, and

"(ii) a sulfur content of more than 1.5 percent but less than 2 percent.

For purposes of the preceding sentence, the average daily market price per barrel shall be determined as delivered (including cost, insurance, and freight) at New York City, New York.

"(D) CPI.—For purposes of this paragraph, the term 'CPI' means the Consumer Price Index for all urban consumers, as published by the Department of Labor.

"(3) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—Shale oil production from a property shall be attributable to the taxpayer for the taxable year in an amount which bears the same ratio to the total production of shale oil from such property during such year as the amount of the taxpayer's gross income from such property for such year from such production bears to the aggregate gross income from such property for such year from such production. For purposes of the preceding sentence, gross income from a property shall be taken into account to the extent that such income is taken into account under section 613(a).

"(4) FRACTIONS OF A BARREL.—For purposes of determining the amount of credit under subsection (b) in the case of a fraction of a barrel, the dollar amount which (but for this paragraph) would be applicable to such barrel shall be reduced by an amount which bears the same ratio to such dollar amount as the excess of a barrel over such fraction bears to a barrel.

"(e) CARRYBACK AND CARRYOVER OF UNUSED CREDITS.—

"(1) ALLOWANCE OF CREDIT.—If the sum of the amount of the production credit carryovers to the taxable year under subsection (a)(1)(A) plus the amount determined under subsection (a)(1)(B) for the taxable year exceeds the amount of limitation imposed by subsection (a)(2) for such taxable year (hereinafter in this subsection referred to as the 'unused production credit year'), such excess attributable to the amount determined under subsection (a)(1)(B) shall be—

"(A) a production credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a production credit carryover to each of the 7 taxable years following the unused credit year,

and, subject to the limitations imposed by paragraphs (2) and (3), shall be taken into account under subsection (a) in the manner provided in such subsection. The entire amount of the unused production credit for an unused production credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such production credit may be carried and then to each of the other 9 taxable years to the extent, because of the limitations imposed by paragraphs (2) and (3), such unused production credit may not be taken into account under subsection (a)(1) for a prior taxable year to which such unused production credit may be carried.

"(2) LIMITATION ON CARRYBACKS.—The amount of the unused credit which may be taken into account under subsection (a)(1) for any preceding taxable year shall not exceed the amount by which the limitation imposed by subsection (a)(2) for such taxable year exceeds the sum of—

"(A) the amounts determined under subparagraphs (A) and (B) of subsection (a)(1) for such taxable year, plus

"(B) the amounts which (by reason of this subsection) are carried back to taxable years preceding the unused production credit year.

"(3) LIMITATION ON CARRYOVERS.—The amount of the unused credit which may be taken into account under subsection (a)(1)(A) for any succeeding taxable year shall not exceed the amount by which the limitation imposed by subsection (a)(2) for such taxable year exceeds the sum of the amounts which (by reason of this subsection) are carried to such taxable year and are attributable to taxable years preceding the unused production credit year.

"(f) OTHER DEFINITIONS.—For purposes of this section—

"(1) BARREL DEFINED.—The term 'barrel' has the meaning given such term by section 613A(e)(4).

"(2) SHALE OIL.—The term 'shale oil' means a liquid hydrocarbon fuel produced from oil shale.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Production of shale oil."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

SECTION-BY-SECTION EXPLANATION—SHALE OIL PRODUCTION TAX INCENTIVE ACT OF 1979

(By Mr. JOHNSON of Colorado)

Section 1: Section 1 states the short title of the Act as the "Shale Oil Production Tax Incentive Act of 1979".

Section 2: Section 2 of the bill amends subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954. This part of the Code pertains to income tax credits. The amendment adds a new section 44D—"Production of Shale Oil."

GENERAL RULE

The new section 44D authorizes a credit to be allowed against the tax imposed by chapter 1 of the Code for the taxable year. The amount of the credit for the taxable year is determined by adding together the credit for the taxable year and the production credit carryovers and carrybacks carried to the taxable year. The total credits may not exceed the total tax liability for the taxable year, i.e., the tax credit is nonrefundable.

AMOUNT OF CREDIT FOR CURRENT TAXABLE YEAR

The basic credit allowed under the amendment is an amount equal to $3 multiplied by the number of barrels of shale oil which are attributable to the taxpayer for the taxable year.

LIMITATIONS ON CREDIT FOR THE CURRENT TAXABLE YEAR

Several limiting restrictions are placed on the amount of credit to be allowed. FIRST, the amount of the credit is reduced proportionately by the amount of Federal grant funds, if any, used in the project to the extent attributable to the taxpayer. SECOND, provisions are made for phasing out the credit based on the "adjusted reference price" which is later specifically defined as the price of imported crude oil, adjusted for inflation. The amount of the credit is reduced in fifty-cent increments, beginning when the "adjusted reference price" exceeds $20.50. The subsequent reductions are set forth in a table in the bill. The credit will end when the "adjusted reference price" exceeds $23.00. THIRD, the President is given the authority to set a specific credit amount, not in excess of $3 per barrel, for a given time, if he determines that the importation of crude oil threatens or impairs the national security of the United States.

SPECIAL RULES

Among the special rules is a requirement that in order to qualify for the credit, the shale oil must have been produced within the U.S. or within a U.S. possession.

The special rules also set forth the method of computing the "adjusted reference price." In general, the Secretary of Energy is directed to determine, not later than March 1 of each calendar year, the "adjusted reference price" for such year. If the "adjusted reference price" exceeds $20 per barrel, the Secretary of Energy is required to publish such price along with an explanation of the method and data used to arrive at his determination.

The "adjusted reference price" is defined as the "reference price" adjusted, by means of the Consumer Price Index (CPI), for inflation based on constant 1978 dollars. The "reference price" is defined as the average daily market price of Arabian light crude oil—known commercially as Arabian marker crude oil—delivered, including cost, insurance and freight (C.I.F.), at New York City, New York.

The production attributable to the taxpayer pertains to joint venture projects and properties where more than one taxpayer may be involved. Each taxpayer's production would be figured in proportion to the gross income each taxpayer realizes from such property for the taxable year.

CARRYBACK AND CARRYOVER OF UNUSED CREDITS

The carryback and carryover provisions are patterned after the provisions of the Investment Tax Credit. Their purpose is to allow each taxpayer who has no tax liability for the taxable year, or whose credits exceed the tax liability for the taxable year, to carry the excess credits forward to the succeeding seven taxable years and/or carry the credits back to the previous three taxable years. In each case, the amount of the credit allowed to be carried forward or backward is limited to the total tax liability for each of those taxable years.

OTHER DEFINITIONS

The definition of a "barrel" is cited as being the same as that set forth in section 613A(e)(4), which defines a "barrel" as being equal to 42 U.S. gallons. "Shale oil" is defined as a liquid hydrocarbon fuel produced from oil shale.

REGULATIONS

The Secretary (within the context of the Code) is directed to set forth the regulations necessary to carry out the provisions of the amendment.

TECHNICAL AND CONFORMING AMENDMENTS

Certain technical amendments are included in the bill to make the new section 44D conform with other parts of the Code.

EFFECTIVE DATE

The provisions of the amendment will become effective in the taxable years beginning after December 31, 1979.●

THE GREAT TRAIN ROBBERY—1

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MARLENEE) is recognized for 5 minutes.

● Mr. MARLENEE. Mr., Speaker, the James boys would be put to shame by the latest train robbery—they are not only holding up the mail car—they are stealing the entire train.

And they are stealing jobs, commodity transport, and the competition that would insure lower utility rates in the Eastern United States with it.

This saga of the "old West" starts out with two competing railroads. The Milwaukee and the Burlington Northern. The Milwaukee was not as big as the Burlington but it did provide competition.

Mr. Speaker, there is one thought on the minds of almost every Montanan who works for or with the Milwaukee—that the fix is on, and has been for some time. In Montana if it looks like a skunk and smells like a skunk we generally give it credit for being one. If one railroad had a plan to dry up would it not cease maintainence, cut down on power, stop advertising, and refuse business?

From all indicated reports, the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. is on very thin financial ground. Some reports disclose that they will not even be able to meet their next payroll. Since December 1977 when the railroad announced bankruptcy many questions have been asked, very few adequately answered by the railroad, by the Interstate Commerce Commission, by the Federal Railroad Administration, or by the trustee.

Point:

Is it not surprising that the same management is intact today that was there when the bankruptcy was caused?

Is it not odd that there are funds available through the ERSA to keep the transcontinental railroad going, sitting at the FRA, but the management will not apply for them?

Does it make sense that a railroad that needs money would not seek out new sources of revenue, do no advertising, actually turn down business?

Why is it that a railroad that admits it wants to end service west of Minneapolis not respond to parties that want to buy it?

Is it not peculiar that companies and employees are denied access to the financial records of this carrier, being told point-blank that they cannot have them?

There are very many well-meaning, dedicated employees and shippers who want to maintain freight competition in the West via a viable Milwaukee road. I will soon be introducing legislation putting more information into the RECORD about the latest, greatest, train robbery.●

A TRIBUTE TO COL. STANLEY GROGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MCDADE) is recognized for 5 minutes.

● Mr. MCDADE. Mr. Speaker, I would like to call attention today to the outstanding military and civilian career of the late Col. Stanley Grogan, who was born and raised in Scranton, Pa.

Upon completion of high school, Colonel Grogan gained experience in the field of journalism by working as a reporter for various New York and Pennsylvania newspapers before he settled for 5 years at the New York Telegram. When the United States entered World War I in 1917, Stanley Grogan enlisted in the Army. For a year he served as a private with artillery and infantry units in France, and was commissioned in 1918.

Colonel Grogan remained with the Army after the Armistice, serving in various posts until he was appointed public relations officer. In the 1930's he served as chief of Army information in New York. After successfully fulfilling the obligations involved in that post, Colonel Grogan was assigned to organize the War Department Bureau of Public Relations in Washington in 1939. Colonel Grogan directed the expansion of this Bureau's information service to an organization capable of comprehensive public relations efforts.

In 1944, Colonel Grogan became public relations officer of the 5th Army in Italy, where he was awarded the Bronze Star for his efforts in retaliation to an ambush by German troops. Colonel Grogan did not stay behind the lines as other administrators might have. On three dif-

ferent occasions he received the Legion of Merit, a rare honor for an officer. Colonel Grogan's multitude of wartime decorations stems from service in Europe, the Mediterranean, Soloman Islands, South America, New Guinea, Africa, and the Phillippines.

When Colonel Grogan retired from the Army in 1951, he became the Deputy Director of the CIA, in charge of public relations. Colonel Grogan retired from the CIA in 1966, after 15 years of dedicated service.

Colonel Grogan made service to his country a way of life, and he will be sorely missed by all those who came into contact with him.●

BANKS SPEAK OUT AGAINST CONSUMER RIP-OFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, variable rate mortgages (VRM's) are disadvantageous to consumers, because over the long run rates on these mortgages will inevitably go up, not down. I have often expressed these sentiments ever since this alternative mortgage instrument was first offered just over 3 years ago. But today I am proud to say that these words are not my own. They are those of a mortgage banker.

A recent report in the trade newspaper American Banker reveals that three of California's largest banks have opted not to offer VRM's because they fear a consumer backlash. Unlike the traditional fixed payment mortgage, which has made homeowning a reality for millions of Americans, a VRM's interest rate fluctuates with prevailing market conditions. Over the life of a loan, a borrower's rate of interest can increase as much as 2.5 percent, which translates into thousands of extra dollars in the total payment for a home.

Despite the serious threat to consumers which this type of mortgage poses, financial institutions have hailed the VRM as the savior of the home financing industry. But at least three banks in California, the only State where VRM's are common, dispute these claims. And they do so with good reason. Since this alternative mortgage instrument was first offered, the rates have changed once—in an upward direction which is likely to continue.

Proponents of the variable rate mortgage have reported that consumer reaction to the rate hike was mild, and use this as evidence that the new type of home loan is popular with consumers, who take on the risks of unpredictable interest rates under this system.

But Mr. Paul O'Brien, a vice president of Security Pacific National Bank's mortgage division, says that consumers' attitudes have not been sufficiently tested. The next time rates jump, lenders might hear a "few more grumbles," he predicts. And if the level of interest is raised again, borrowers may begin to express their anger on a full-scale basis.

United California Bank and Crocker National Bank have joined Security Pacific in refusing to offer VRM loans. Representatives of the banks have cast doubt upon claims that VRM's will increase mortgage availability and are therefore beneficial to consumers. Supporters contend that without VRM's, they become locked into fixed payment mortgages at low interest rates, and funds for new loans dry up when the bank's cost of borrowing money becomes prohibitive. Mr. Richard Betchley, an executive with Security Pacific, points out the fallacy of this argument in clear terms. It would take over 5,000 VRM's, he calculates, each going up one-half percent to produce enough funds for just one new loan.

The basis on which changes in the interest rate are determined poses a further threat to unwary consumers according to Mr. Betchley. Variable rate mortgages in California are tied to an index which measures the relative cost of funds to thrift institutions. Historically, this index has not coincided with the level of mortgage interest rates. Between 1974 and 1975 interest rates declined more than 2 percent, but the index rose during the same period. Thus, it is easy to envision a situation in which consumers holding VRM's would receive bigger bills each month while general mortgage rates were reduced.

From the analysis these banks present, it is evident that for consumers, variable rate mortgages are a no-win proposition. Over the past few years, I have made an effort to speak out against this consumer rip-off. This time, I let the banks speak for themselves.●

KING CRIME NO. 3

The SPEAKER pro tempore (Mr. PICKLE). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, this could very well be labeled my third occasion, and, therefore, labeled "King Crime No. 3."

I have been speaking out on a subject matter that for years has preoccupied and concerned me quite a bit. Things have happened that, more than ever, emphasize the gravity of the situation that continues to afflict the country with respect to organized crime and its success in penetrating and dominating legitimate areas of business, high places and offices in government, from the local to the highest levels, and otherwise finding such roots in our society as to make it now an institutionalized activity of great wealth and success.

□ 1220

Unfortunately in some areas, mine being an example, we see some of the results in the tragic cases that I have addressed myself to, but I think more disturbingly than ever is the direct challenge to the government itself inflicted in the attempted murder of an assistant Federal district attorney in my area, Mr. James Kerr, and then subsequent to that, almost immediately, the case of Sante Bario, who is in a limbo in Santa Rosa Hospital in San Antonio, and who has a history that would defy any James Bond character, but which very, very disturbingly reflects this tie-in between crime and government.

Not unrelated to these other matters, less known citizens in my district who have been hit, murdered, are all part of this tremendous complex, one aspect of which has grown into a billion dollar business just within the last two and a half years, the international trade in stolen motor vehicles and parts.

The murder of an attorney in El Paso, Chagra, is also not unconnected because it is part of this web which is so vast and so deep that I feel in a quite demoralized state of mind that perhaps it is too late really to do anything about it. It may be beyond control; it may be such a reflection of a malaise among us or in America that unless we were to have a rebirth and a reaffirmation of basic principles, I doubt seriously that we are going to be able to extricate ourselves from the clutches of King Crime and his imperious reign.

I wish to introduce into the RECORD at this point the second of three or four articles appearing in the San Antonio Light. I introduced the first into the RECORD on Monday last. This is No. 2, by Saul Friedman, writing for the Knight News Service and appearing in the San Antonio Light on Monday, January 15, 1979.

I will continue to speak out, because I have importuned the highest levels of our executive branch, from the attorney general to the chief of domestic policy for President Carter, in the hopes that we can penetrate the presidential office to a point where we can have from the highest source, the President himself, on a priority basis, a war on crime.

Mr. Speaker, the article follows:

[From the San Antonio Light, Jan. 15, 1979]

KING CRIME—III

INFORMANT BARIO'S DOWNFALL?

(By Saul Friedman)

In 1975, Sante and Pat Bario were divorced and Sante married Joanne, a tiny, dark-haired woman 10 years his junior, whom he had met through Richard Ben-Veniste, an old friend and a former U.S. attorney. After a trip to visit Bario's family in Italy, the newlyweds moved to Mexico City, where Sante was placed in charge of the enforcement section in the Drug Enforcement Administration's (DEA) regional office.

Mexico City was a hot spot, the marijuana and heroin traffic from Mexico to points north was heavy, and DEA, riddled by the suspicion hanging over from Watergate and the target of congressional investigations, was under pressure to make cases and justify its existence.

In addition, DEA, which was just a couple of years old, was at odds with the State Department's interests in Mexico and other federal law enforcement agencies. And Bario was in a bureaucratic war with his regional director, who was replaced.

For a time, Bario was acting director of the regional office and Joanne recalls that her husband "was under tremendous pressures, trying to make cases, maintain relations with Mexican authorities, many of whom were corrupt, and fighting the battles within the office.

Then along came "Claude," who was recommended to Bario as an excellent informant on the basis of previous work with DEA and the Canadian mounties.

In Mexico his name was "Claude Picault." But he also used "Claude Henandez." And both aliases were on his elaborate business card, along with his real name and an "occupation"—"Rene Quintin de Kercadio, free-lance reporter . . . hot spot missions."

Although Claude lived in Guadalajara, Mexico, where the DEA says he is now in hiding, he claimed offices in Paris, Rio de Janeiro, Montreal, Hong Kong and Honolulu.

For more than two years, as Claude and Bario worked together setting up narcotics smuggling cases, Joanne recalls, they saw each other often.

"Claude was the kind of man who insinuated himself into our lives, calling at odd hours, coming over to the house, always whining about his money troubles or the problems he was having with his girlfriends," she said. "He tried to give me gifts. He brought things to our son. He came to dinner. He once came to get Sandy's help in getting back some money the Mexicans had taken from him. The DEA helped him get his money. It was $150,000 for helping DEA."

Joanne insisted that Claude, like other informants, was paid large sums routinely with proceeds from narcotics transactions, which he made at the behest of DEA agents. On occasion, she said, Claude told her husband, after the fact, that he had held out, as his profit, portions of narcotics he had purchased for investigative purposes.

DEA officials insist this practice is prohibited by regulations and the law. But the congressional investigations disclosed that DEA and other narcotics agents have paid off informants with narcotics, as well as with cash, in order to make cases.

Nevertheless, Bario had violated the law and regulations by not reporting Claude to DEA officials. And, as Joanne recalled sadly, her husband had given Claude cause for blackmail.

"Claude had his hooks into Sandy," she said.

THE NEED FOR A NATIONAL DEBATE: WHAT KIND OF DEMOCRACY FOR TOMORROW?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 10 minutes.

Mr. PANETTA. Mr. Speaker, a few weeks ago, I sat in the House of Representatives with Members of the 96th Congress and heard the President deliver his state of the Union message. Along with a general outline of his program goals for the coming year, he called upon Congress and the country to join him in building a "new foundation" for American policy both at home and abroad.

A new foundation. That phrase has been very much on my mind as I and other members of the Budget Committee have begun to study the administration's proposals for the next fiscal year. For, while the President is right in his concern over inflation, the elimination of the Federal deficit, the limitations of Government, and the changing national and global realities, he failed to provide the bold reassessment of the future that is essential to any new theme. He failed to provide a vision of the "structure for the future" to place on his "new foundations."

What troubles me is that I do not see this bold reassessment for the future taking place anywhere—in the Congress or in the country at large or in the President's own budget. The program categories—the terms in which the budget is presented—have remained basically unchanged. The budget debate in the Congress in the coming months can be expected to center on a myriad of minor cuts and adjustments in money for all the various existing programs, not on sweeping reassessments of the programs themselves. I believe that sweeping reassessments ought to be made in a great many program areas. In fact, I believe it is time for a major reexamination of the Federal role in our society.

The pressures for change are everywhere. In part, they stem from serious economic issues relating to escalating inflation and taxes, reduced productivity, increased deficits, interest rates, and trade imbalances. In part, they come from a growing frustration with the ability of Government to respond effectively to the needs and concerns of people.

The growth of bureaucracy, red tape and the complexity of government have too often hindered the achievement of the very goals sought by well intended programs supported by a majority of the people. And that same bureaucracy has dulled the incentive of local governent and the private sector to fulfill their crucial roles in a balanced democracy.

But whether the pressures for change are born out of frustration or confusion, out of legitimate concerns or irrational fears, the people in this country are seeking a vision of where this country must go in the future. What is the role of government? What is the proper partnership between Federal, State and local government? What is the role of the private sector? What kind of democracy do we want for tomorrow?

I am not suggesting that we indulge in a simplistic effort to dismantle the Federal Government. I am not suggesting that we will find a free lunch. But I do believe we can find more imaginative, efficient and effective ways of delivering many of the services that government now offers, and I believe we desperately need a more coherent guiding vision for our country for the remainder of this century and beyond.

That vision simply does not exist today. We find ourselves in a state of national confusion. Some talk of returning to the programs of the sixties despite their failures and frustrations. Some talk of returning to the policies of the twenties despite the reality of modern progress and the basic changes that have occurred in our economic and social structures. And some cling to Government programs and structures as they are, even when they are not really doing the job.

Perhaps the most disturbing element of this state of national confusion is the growing erosion of public support for and commitment to public service. Any role in government draws almost universal criticism from a public barraged by reports of fraud and corruption that often fail to recognize the commitment of the thousands of dedicated people in government. If any response to the current crisis is to succeed, if any vision is to be fulfilled, it will demand pride in public service by both those who work for and are served by government.

But how will a new national vision be shaped? To whom should we turn?

Presidential leadership is one important element in this effort. But a President by himself cannot dictate a new vision for a democratic society. That vision must come from the people themselves, hammered out in a myriad of local forums and given final shape and direction by their elected representatives in Congress. It is important, therefore, to look at the Congress and see whether its structure will allow for debate and decision along such fundamental lines.

Congress today does not begin to meet this test. It is swamped with legislative minutiae. It struggles frantically to complete all the complicated steps of the budget process in 1 year, and then starts all over again. Special interests and special constituencies dominate congressional reaction and overreaction. The oversight function—the examination of Government departments and programs to see how well they are working—has fallen by the wayside in the scramble to complete all of this pressing legislative business.

That is why I introduced my proposal in the last Congress for a 2-year or multiyear Federal budget, and I will be introducing it again this year. Basically, handling the budget in 2-year installments will free up time for critical study of current programs and for asking more fundamental questions about the direction and purpose of the Federal Government for the future.

As newly appointed member of the Budget Committee and chairman of the Task Force on Legislative Savings, it will be my responsibility to review the President's budget and help determine the congressional budget. My goal will be to examine and challenge the fundamental structures and assumptions of government.

The people are ready for that kind of national reassessment—for the building of a new foundation not only in rhetoric but in fact. Whether right or wrong, this was the mood that produced proposition 13 and the basis of the movement now for a constitutional convention. Obviously, the danger of such a convention is that it will be dominated by highly emotional single-issue organizations that will stampede a legislature or an electorate into passing measures that are ill-conceived, repressive or narrowly self-serving. While I do not believe a constitutional convention should be sought at this time, I do believe the underlying mood of the public to examine and challenge the process must be mobilized within existing democratic institutions.

Let us ask some sweeping questions in the same enlightened and innovative spirit that brought this country into be-

ing. Does it make sense simply to add or subtract a few million here and a few million there from the programs that overlap each other's functions or miss their intended purpose completely? Can we accomplish some of the same worthy goals of old programs through new approaches that are more direct and less costly?

Let us look at entire Federal departments. What is their real function? If their output simply amounts to the distribution of money through grants and loans, could not we accomplish some of the same things more effectively by creating some kind of community development bank for housing, transportation and small business assistance?

Let us look at the Defense Department. There is no getting away from the Federal responsibility for a strong national defense. But what about the way we organize and fund it? We will have a defense budget in the coming year of about $125 billion, and over 50 percent of that amount will go just for personnel. Can we afford to continue that ratio—especially when we already have commitments for $99 billion worth of new arms and equipment in the pipeline for 1981? Should we be considering a revival of the military draft or some broader form of national service as a way of relieving that load?

Let us look at our foreign affairs and our policy of human rights. Do billions of dollars of direct aid and military arms truly implement an effective foreign policy or does it make more sense to turn to improved trade in agricultural goods and other humanitarian services and technologies?

Let us look at our national revenue system and social security system. Our tax laws are so complicated today that even the CPA's are confused. Is it not possible to have a drastic simplification of these systems without abandoning the goals of progressivity and fairness? Why can we not revamp whole structures, rather than tinker a little here and a little there, with the result that programs designed to advance equity result in gross inequity?

Let us look at Government regulation of industry. When we set out to deregulate the airlines, the only objection came from the airlines themselves. They had grown so accustomed to the old system that the idea of competition frightened them. But now that the mission is accomplished, ticket prices are down, passengers are flocking to the airports, and the airlines are rolling in profits. Are there other functions we could turn over to private enterprise?

Perhaps we are not talking about a total restructuring of our society so much as seeking a better balance among and between the various institutions and elements of our society; a balance between Federal, State, and local governments; a balance between the public and private section; a balance between labor and management; growth and environment; progress and stability.

Some of these questions are already being asked. As I said, these are questions for which I have no final answers. Indeed, there may never be final answers to questions of this kind in a society where conditions are perpetually changing. But unless we ask these questions and adjust our policies and institutions to keep in tune with the times, we risk being governed today by the dead hand of the past. We risk losing all respect for government on the part of a people who are supposed to be the government themselves.

I believe we stand today perilously close to that point where public confidence breaks down, and indeed it is time to build a new foundation, a new vision for this country. That cannot be done by a President alone, or by a Congress or a Congressman. It can only be done, if it is to have any validity for the future, with the full participation of the people.

□ 1225

EXPORT TRADE ARTICLE NO. 1: CHINA NEEDS AMERICAN AGRICULTURE

The SPEAKER pro tempore Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, I believe we are all aware of the potentials for trade with the People's Republic of China. For the American farmer these trade opportunities present a special challenge and reward because the Chinese have shown the most interest in American agriculture. As the following editorial points out, and I am sure my colleagues will agree, "no place on earth feeds its people better or grows its foodstuffs better than the United States". The article appeared in the January 12, 1979, issue of the Delta Farm Press and I commend it highly to my colleagues.

[From the Delta Farm Press, Jan. 12, 1979]

CHINA IMPRESSED BY U.S. FARMING EXPERTISE

The recent decision by the governments of the United States and the People's Republic of China to formally recognize one another threw into the bright light of day some of the complexities of living in this day and age.

On the one hand, the decision was a tough one—politically and historically. But the obvious hospitality toward the U.S. by China in the recent past should have shown pretty clearly that that mammoth nation was interested in friendship with this country.

And, even more tellingly, the swarm of Chinese tours that began arriving on these shores within the last 16 months should have been an even more obvious indication that China was warming in her public policy.

And what were the Chinese most interested in? What did they request to see first? What sector of this society did they send the highest-ranking delegation to investigate?

Food.

American agriculture.

The fact that the Chinese put the greatest emphasis on learning more about our crop-raising and processing and transportation capabilities should have been an obvious clue as to a very significant reason the Chinese want—and need—to get to know America and America's farmers better.

Because when it all comes down to it, we wind up with the same old, but true, cliche: Everybody's got to eat. And no place on earth feeds its people better or grows its foodstuffs better than the United States.

And the Chinese seem to know that fact of life.●

THE REGULATORY FLEXIBILITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 15 minutes.

● Mr. KASTENMEIER. Mr. Speaker, I am introducing today along with my colleagues Congressmen BALDUS and HARKIN the Regulatory Flexibility Act, a bill to amend the Administrative Procedures Act to provide that Federal regulations and informational requirements fit the scale of those being regulated, and that fewer, simpler requirements be made of individuals of limited means, small organizations, small businesses, and small governmental jurisdictions.

It will come as no surprise to any Member of this House that Federal regulations have vastly proliferated in the past decade. Their basic intent and purpose has been to improve the quality of life for our people through improving the environment, creating safer working places, and removing hazardous products from commerce. Unfortunately, however noble their goals, the fact is that some of these regulations have had the effect of limiting competition in the marketplace.

Regulations which are poorly designed and have enormous reporting requirements, significant compliance burdens, and impose standard technologies rather than permitting the use of the least expensive means of achieving the standards have the effect of placing small business and small organizations at a great disadvantage in terms of competitiveness. By its very nature, small business is less capable than larger business of discovering what Government regulators expect, understanding what Government regulators expect, and complying with what Government regulators expect. Yet, the way our regulatory process operates, more often than not the same expectations are made of small business as of large business.

An examination of our current regulatory process reveals two clear problems. One, is the heavy burden the reporting requirements placed on small businesses and organizations, and the other is the disproportionate cost to these small enterprises of compliance with Federal regulations.

There seems to be a growing tendency by Government on all levels to demand more and more information of the public. The business community, in particular, is seemingly bombarded with forms, reports, questionnaires, and other information-gathering mechanisms, some requiring information of a questionable necessity and many raising the same questions over and over again—a redundancy which is costly and inefficient.

There are legitimate questions being raised about just how much information the Government need have in order to

protect the public and the marketplace. The answer should be no more than is absolutely necessary to faithfully execute the laws. But, the information grab is on and there does not seem to be an end to it all.

There are over 5,000 Federal forms distributed to the public and more than 10 each year for every man, woman, and child in the country.

The Federal Paperwork Commission in its report issued in 1977 estimated that the paperwork burden costs the American taxpayer $100 billion a year.

Of course, not all of this directly affects small business and small organizations, but much of it does.

Small organizations do not have legal or accounting departments to help them meet all of the reporting requirements placed on them. Yet, because there is no differentiation made, a small tool company with 15 employees is often subjected to the same reporting requirements as General Motors. The result is a tremendous and disproportionate burden placed on small organizations that large organizations simply do not face.

Keeping up with the existence of new and changing regulations is difficult enough for the small businessman. Complying with them is another thing and weighs far heavier on the small enterprise.

Small organizations do not have the staff, nor the expertise required to deal with the Federal Government. They do not have the modern technology and data-handling techniques which allow them to respond quickly. Much of the compliance work must be done after hours, when they leave the store or the office. The result is a basic inequity resulting from compliance requirements, placing small business at a definite disadvantage in the marketplace.

Small business spends an estimated $32 billion a year to fill out 10 billion sheets of paper. And, while it is generally assumed that the additional costs of compliance are passed on to the consumer, studies have cast serious doubt on that assumption. A survey by the Small Business Administration of the small business community in 1975 found that about 60 percent of the firms surveyed reported that they were unable to pass on costs mandated by Federal regulations.

Some examples of the impact of the regulatory process on small business presented to the Senate Select Small Business Committee will help illustrate the problem.

An elderly couple in Arizona, proprietors of literally a "ma and pa" auto business, testified that they spend an average of 15 hours a week preparing Federal reports.

A pension plan in Montana with 12 members is subject to the same informational and regulatory requirements as the pension plan of the Carpenter's Union with more than 800,000 members.

The president of a rural Indiana feed and farm supply company testified before the Federal Paperwork Commission that his firm now spends 80 bookkeeping days per year, 120 auditing hours, and 80 legal hours complying with regulations from the Departments of Agriculture, Commerce, Labor, and Transportation, as well as the FCC, the IRS, the EEOC, OSHA, the FDA, the Social Security Administration, and the Census Bureau. He also testified that during the height of one harvest season, the Transportation Department demanded an exhaustive record of every shipping transaction his firm had made in a previous year—and then sent out an investigator when he did not comply at once. He later learned it was a "random survey."

The owner of a machine shop in Iowa, who was unable to complete the Census Bureau's massive MA-200 report on pollution abatement expenditures without changing his entire accounting system, filled out the report as best he could and offered to let the Bureau examine his books. The Bureau threatened punitive action if its specifications were not met in full.

In its 28th annual report, dated February 1, 1978, the Senate Select Committee on Small Business noted:

> Indeed, testimony before the Senate Small Business Committee, the Federal Paperwork Commission, and other bodies concerned about these problems, has turned up repeated instances of Federal rules and information requests being applied so rigidly that privacy rights have been violated, individuals have been harassed, high market entry barriers have been created, and competition has been stifled.

All of this is not to suggest that regulation is bad per se nor that small business should not be subject to regulation. It is to say, however, that the current regulation process is creating a genuine and serious problem in the business community.

The bill I am introducing today may not solve all of these problems, but it should go a long way toward easing greatly the regulation burden placed on small business and small organizations, without compromising the obligation of the Federal Government to protect the health and welfare of the people.

The basic purpose of the bill is to provide the agencies and departments of the Federal Government with the necessary tools to tailor regulations to the size and resources of those being regulated. The intended effect of the bill is to relieve small business, small organizations, small governmental jurisdictions, and individuals of limited resources of some of the regulation and paperwork burden.

The bill proposes a number of approaches to flexible regulations: The establishment of differing compliance and reporting requirements that take into account the amount of resources available to individuals, businesses, organizations, and governmental jurisdictions; exemptions from coverage of the proposed rule, or any part thereof, for such entities whose activities are of a nature which makes their inclusion of minimal value to the realization of the goals of the proposed rule; and other suitable means, such as performance standards rather than standards which impose particular technologies and differing timetables for compliance.

In addition, the bill establishes new procedures to govern the imposition of reporting and recordkeeping requirements on the public by Federal agencies. They must indicate at the time the regulations are originally proposed whether reports will have to be filed by the public, the nature of the reports, the proposed use of the information required, an estimate of the number of persons required to submit or maintain such reports and an estimate of the average amount of time necessary for each person to comply with the requirements.

This bill encourages the agencies to seek alternative regulatory strategies not only from within the Government, but from the public as well. It streamlines the requirements for agency impact statements. It mandates agency consideration of regulatory effects on small cities and towns, as well as on small enterprises and on individuals.

It offers regulatory strategies which go beyond "tiering" but have the same effect: Reducing the burden on those least able to bear it. It imposes strict controls on paperwork requirements. And, it opens the regulatory process further to public participation.

Senators CULVER and NELSON have taken the lead on this issue and introduced such legislation in the Senate during the last Congress as well as last week. The Senate Judiciary Committee approved such a bill and the Senate passed the measure on the last day of the 95th Congress. Although time constraints prevented any further action last year, I am hopeful that we can move this bill forward in both the Senate and the House in the months ahead.●

THE VICTIMS OF CRIME ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am today introducing a bill that will, I hope, be enacted into law this year. It is designed to help States assist innocent victims of crime by compensating them for financial losses resulting from physical injuries.

It has been said with a good measure of truth that a crime victim is victimized twice, once by the wrongdoer and once by the criminal justice system. Crime victims are victimized by the criminal justice system in two ways. First, too few criminals are apprehended. Society, which has a duty to protect its citizenry, has failed to protect against the commission of the wrongful act, and that failure is compounded by the failure to apprehend and punish the wrongdoer.

Second, when the wrongdoer is caught, the criminal justice system operates with an attitude which seems to assign lowest priority to concern for the welfare of the victim. Victims are expected to assist police and prosecutors to the extent of taking time off from work if necessary, because cases are handled by those authorities to suit their schedules, not the

victim's. Cases are set for trial and canceled and reset for the convenience of the judge, the lawyers, and the defendant, often with little concern for the convenience of the victim.

If the defendant is convicted, the court fixes a punishment—jail, fine, probation—that vindicates the interest of the Government and that usually does not require the wrongdoer to recompense the victim.

In recent years, there have been attempts to redress this situation and to pay more attention to the welfare of victims. There are programs to deal with the special problems of rape victims, for example. In addition to such special programs, 25 States have established programs to compensate innocent crime victims for unreimbursed losses sustained as the result of the crime committed against them. The States are: Alaska, California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Tennessee, Virginia, Washington, and Wisconsin.

These programs are not giveaways, and they do not unjustly enrich victims. Victims first have to look to other sources, such as insurance. The State assists victims only to the extent that those sources are inadequate to meet the need of the victim.

These programs, moreover, assist law enforcement. A victim cannot receive compensation unless he or she has promptly reported the crime to the police and cooperated with the reasonable requests of police and prosecutors. It may be for this reason that the law enforcement community strongly endorses victim compensation programs. The Federal crime victim compensation legislation has been endorsed by the International Association of Chiefs of Police, the International Conference of Police Associations, the Fraternal Order of Police, the National District Attorneys Association, Americans for Effective Law Enforcement, and by numerous individual district attorneys and State attorneys general.

Federal legislation has been endorsed by a wide variety of other groups, including the American Bar Association, the National Council on Crime and Delinquency, the National Conference of State Legislatures, the National Retired Teachers Association and American Association of Retired Persons, Americans for Democratic Action, the National Conference of State Legislatures, the National League of Cities and United States Conference of Mayors, and the National Moratorium on Prison Construction.

The bill, which is similar to the legislation approved by the House in the 95th Congress, calls for the Federal Government to reimburse States for half of the money they actually pay to victims. It does not call for reimbursement of the States for their administrative and overhead expenses, so each State will bear most of the cost of its victims compensation program.

The bill sets forth nine criteria that a State must meet in order to qualify for Federal assistance. These criteria have been carefully developed to assure that certain standards are met, while allowing the States maximum flexibility to shape their own programs.

There is one other point that I would like to emphasize. It is the wrongdoer, not a State victim compensation program, who is primarily responsible for making good on the loss caused the victim. The person who commits the crime has a restitutionary obligation to the victim.

My bill recognizes this and seeks to encourage that idea. The legislation requires that, in order to be eligible for Federal assistance, a State must be able to impose a restitution requirement upon persons convicted of a crime.

It is important to keep in mind that the criminal has the primary responsibility for compensating victims, and courts should impose a restitutionary obligation upon convicted wrongdoers whenever appropriate. I am afraid, however, that we cannot rely upon restitution to supplant and do away with the need for victim compensation programs. As a practical matter, restitution will be of no help to most victims. Too few criminals are caught, and of those caught and convicted many are financially unable to make restitution. We cannot expect restitution to help very many crime victims.

Mr. Speaker, the Federal Government presently helps State law enforcement agencies, State prosecutors, State courts, State prisons and jails. It is time for the Federal Government to help States assist another, and equally important, component of the criminal justice system—the innocent victims of crime.

SECTION-BY-SECTION ANALYSIS OF H.R. 1899, THE VICTIMS OF CRIME ACT OF 1979

SECTION 1

Section 1 provides that the short title of the legislation is the "Victims of Crime Act of 1979."

SECTION 2

Section 2 authorizes the Attorney General to make grants to States that have qualified crime victim compensation programs. The amount of a grant that a qualified State program may receive equals 50 percent of the cost of paying compensation to victims of State crimes and 100 percent of the cost of paying compensation to victims of analogous Federal crimes (described in section 7(8)(B) of the bill). Such grants are subject to the availability of amounts appropriated, and grants may be made in advance or by way of reimbursement.

Section 2 also authorizes the Attorney General to prescribe such rules as are necessary to administer the legislation. The Attorney General, however, is prohibited from modifying the disposition of any individual claim that a State program has processed.

SECTION 3

Section 3 establishes a 9 member Advisory Committee on Victims of Crime. The Committee's purpose is to advise the Attorney General with respect to the administration of the legislation and the compensation of crime victims. The Committee will have 9 members. They will serve one year terms and receive only travel and transportation expenses and a per diem allowance while away from their homes on committee business.

Seven of the members of the Committee must be officials of States with qualified victim compensation programs. The purpose of this requirement is to ensure that those directly affected by the administration of the legislation will have a formal and direct method of making their views known to the Attorney General.

SECTION 4

Section 4 sets forth the criteria that a State program must meet in order to qualify for a grant under section 2.

First, the program must offer (a) compensation for personal injury to any person who suffers personal injury as the result of a qualifying crime; and (b) compensation for death to any surviving dependent of any person whose death is the result of a qualifying crime.

Second, the program must offer to aggrieved claimants the right to a hearing with administrative or judicial review.

Third, the program must require that claimants cooperate with appropriate law enforcement authorities with respect to the qualifying crime for which compensation is sought.

Fourth, the State must require that appropriate law enforcement agencies and officials take reasonable care to inform victims about the existence of the State's victim compensation program and the procedure for applying for compensation under that program.

Fifth, the State must be subrogated to any claim that the victim, or a dependent of the victim, has against the wrongdoer for damages resulting from the qualifying crime, to the extent of any money paid to the victim or dependent by the State's victim compensation program.

Sixth, the program must not require a claimant to seek or accept welfare benefits, unless the claimant was receiving such benefits prior to the qualifying crime that gave rise to the claim.

Seventh, the program must deny or reduce a claim if the claimant contributed to the infliction of the death or injury with respect to which the claim is made.

Eighth, the State must be able to require a criminal wrongdoer to make restitution to the victim, or the surviving dependents of the victim, of his crime.

Ninth, the program must not require that any person be apprehended, prosecuted or convicted of the qualifying crime that gave rise to the claim.

Section 4 also provides for a grace period for existing State victim compensation programs to modify their statutes and regulations in order to comply with all of the criteria of section 4. The grace period lasts from the effective date of the legislation until the day after the close of the first regular session of the State legislature that begins after the effective date of the legislation. During the grace period, all existing State crime victim compensation programs are deemed to be qualified for grants under section 2.

SECTION 5

Section 5 provides that certain expenses will be excluded from the cost of a State program when determining the amount of the federal grant. Thus, the State itself pays for all of these expenses. The expenses that are to be excluded are: (1) administrative expenses; (2) awards to victims for pain and suffering; (3) awards to victims for property loss; (4) awards to claimants who failed to file a claim within one year after the crime occurred, unless the appropriate State agency finds good cause for the failure to file within that time; (5) awards to claimants who failed to report the crime to police within 72 hours after it occurred, unless the appropriate State agency finds good cause for the failure to report it within that time; (6) amounts awarded to a victim that exceed $50,000; (7) amounts awarded to a victim covering a loss for which the victim was entitled to be compensated by a source other than the State victim compensation program and the perpetrator of the crime and (8) amounts awarded to a claimant for lost earnings or loss of support that exceed $200 per week.

SECTION 6

Section 6 requires the Attorney General to report annually to the House and Senate Judiciary Committees on the administration of the legislation. The report, which is due not later than 135 days after the end of the federal fiscal year, must provide specified information about each qualifying State program and about the Attorney General's activities in administering the legislation.

SECTION 7

Section 7 defines certain terms used in the legislation.

The term "dependent," for purposes of the legislation, means any dependent as defined by the State for purposes of the State's victim compensation program.

The term "personal injury," for purposes of the legislation, means personal injury as defined by the State for purposes of the State's victim compensation program.

The term "State" means a State of the United States, as well as the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

The term "compensation for personal injury" means, for purposes of the legislation, compensation for loss resulting from personal injury and includes: (a) reasonable expenses for hospital and medical services; (b) reasonable expenses for physical and occupational therapy and rehabilitation; and (c) loss of past and anticipated future earnings.

The term "administrative expenses" means, for purposes of the legislation, any expenses other than awards of compensation for personal injury and compensation for death. The term also includes attorney's fees when such fees are paid in addition to, and

* * * * *

Mr. DRINAN. Mr. Speaker, I am today joining the distinguished chairman of the Committee on the Judiciary in sponsoring a bill H.R. 1899, to help States assist crime victims. Passage of this legislation is long overdue, and the Subcommittee on Criminal Justice, which I chair, will handle it expeditiously in order to bring it before the House at an early date.

One of the most important functions of Government is to insure the safety of its citizens and protect them from the criminal acts of those within its jurisdiction. When a citizen is misfortunate enough to be victimized by a criminal act, the Government has failed that citizen, or it has permitted conditions to exist that lead to criminal conduct. The Government may further fail that citizen (and the rest of its citizenry) if it is unable to apprehend and punish the wrongdoer.

When someone has been victimized by a criminal act, that victim should be reimbursed for losses incurred as the result of the crime. Who has the basic obligation to make the reimbursement? The criminal wrongdoer who caused the loss has the basic obligation.

Our judicial system recognizes this and empowers courts, as a part of the criminal sentence, to impose a restitution obligation upon a convicted wrongdoer. Our judicial system also allows the victim to recover in a civil action against the wrongdoer.

These methods of reimbursing victims for the losses they sustain as the result of criminal acts have, regrettably, proven to be inadequate. Many criminal wrongdoers never get caught, and for their victims restitution and civil suit is not even available. Moreover, many of those wrongdoers who are caught and convicted are of such limited financial resources that they cannot reimburse their victims. The victims of those wrongdoers find restitution and civil suit to be meaningless.

We therefore have a class of crime victims for whom restitution by, or civil suit against, the wrongdoer is either unavailable or meaningless. This class, unfortunately, is quite large and constitutes probably the vast majority of all crime victims.

The issue, then, is: Who should bear the loss? The innocent citizen, who through no fault of his or her own, fell victim to the criminal act of another? Or should it be the Government, to whom the innocent victim—indeed all of the citizenry—looks for protection from just such acts?

Some 25 States which have addressed this issue have concluded that they have a responsibility to assist crime victims. They have established programs—relatively modest programs—to compensate victims for certain losses which the victims would otherwise have to bear entirely. They do not compensate all crime victims for all losses. They compensate victims only for those losses caused by physical injury resulting from crime. They do not compensate victims if the loss is recoverable through other sources, such as insurance. They do not compensate victims for loss of property, such as a stolen car.

The legislation which Chairman RODINO and I have introduced will assist these States in that worthwhile endeavor and will encourage other States to establish crime victim compensation programs. It will reimburse States for half of the amounts that they pay to compensate crime victims. It will not reimburse States for their administrative costs.

To qualify for such assistance, the States must meet several criteria. These criteria have been developed in close consultation with States that have programs. They have been carefully drafted to insure that each State has maximum flexibility to shape its own program to meet its own needs and conditions, while at the same time insuring that certain basic standards are met. I am happy to say that the States have responded well to our efforts and have found that they can comply with the criteria with a minimum of change in their present programs.

I am proud to join Chairman RODINO in the introduction of the "Victims of Crime Act of 1979." The legislation will be the subject of hearings by the Subcommittee on Criminal Justice on Wednesday, February 21, 1978, starting at 10 a.m. in room 2237. The hearing will deal with all aspects of the legislation and will focus in particular upon the special needs of elderly crime victims.

The Select Committee on Aging, on which I serve, under the outstanding leadership of the distinguished gentleman from Florida, has been particularly concerned about the problems and needs of elderly crime victims. Last Congress our committee's Subcommittee on Housing and Consumer Affairs, under the able leadership of its distinguished chairman, Mr. ROYBAL, and distinguished ranking minority member, Mr. HAMMERSCHMIDT, issued a report concerning elderly crime victims. That report, entitled "In Search of Security: A National Perspective on Elderly Crime Victimization," recommended enactment of Federal legislation to help States assist crime victims. In addition, the report recommended several provisions to deal with the special needs of the elderly crime victims.

These recommendations, and others concerning special provisions for elderly victims, will be a major area of concern to the subcommittee in its work on the legislation.

The subcommittee will begin its markup of the legislation shortly after the close of hearings. I hope to bring the legislation to the floor for a vote early in the session, and I urge my colleagues to support it.

HOW THE UNITED STATES SHOULD PROCEED ON RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

● Mr. DIGGS. Mr. Speaker, white Rhodesians recently voted overwhelmingly to approve a new constitution which is purported to guarantee black majority rule, but which in fact entrenches continued white minority domination for years to come. It should not go unnoticed that Rhodesia's black majority was not allowed to vote in the referendum on this dubious document (which will not even make it binding on the black prime minister "elected" in April). Yet Ian Smith and his supporters will now launch a campaign in the U.S. Congress to try and force unilateral, de facto recognition of the so-called "internal settlement" by having us lift trade restrictions in violation of United Nations sanctions.

Such a congressionally inspired move would damage, perhaps irreparably, overall United States-African relations,

undermining our credibility throughout Africa, and contribute to the very internationalization of the escalating Rhodesian conflict that all interested parties seek to avoid. If the U.S. Congress is going to play a constructive role in the conduct of U.S. policy toward Rhodesia, it must be an informed role based on the merits of the issue, and on an objective reading of the mutual interests of the United States and Africa in seeing a stable situation develop in Southern Africa. The following selections from the New York Times (February 1 and January 30, 1979, respectively) should provide a proper perspective for intelligent congressional action on the Rhodesian issue:

[From the New York Times, Feb. 1, 1979]

NO END OF TORMENT: IV

(By Anthony Lewis)

SALISBURY, RHODESIA.—What could the United States do now to stop the fighting and encourage a real political settlement in Rhodesia? The question is not of preoccupying concern to Americans; it is not Iran or SALT or China. But the chaos in Rhodesia affects all of southern Africa, and before long there may be scenes of flight and misery that will rouse U.S. opinion.

Ian Smith, leader of Rhodesia's small white minority, has a role in mind for the United States. It is to support his arrangement with internal black leaders for a form of "majority rule" that preserves white influence.

White Rhodesians have just overwhelmingly approved Mr. Smith's plan in a referendum. (The total vote was 67,000, in a country of 6 million people.) In the campaign Mr. Smith told white voters that a crucial aim was to get American backing. Once Rhodesia had accepted majority rule and agreed to go to a conference of all the warring parties, he said, President Carter "is virtually obligated to grant us recognition." Mr. Smith spoke repeatedly of "our strong conservative supporters" in the United States. "They are the light at the end of the tunnel," he said.

One difficulty with Mr. Smith's scenario is that it does not state American law correctly. Congress voted last year to end economic sanctons against Rhodesia if its Government accepted an all-party conference and held free and fair elections among all its people. It said nothing about diplomatic recognition, which is up to the President, not Congress.

There is supposed to be an election on April 20. All blacks will be eligible to vote for the first time, although the white 4 percent of the population will fill 28 percent of the seats. But with guerrillas controlling much of the countryside, and internal political armies intimidating voters, it is questionable if the election will be accepted internationally as "free and fair."

In any event, neither Mr. Smith's referendum nor American diplomacy can magically transform the reality on the ground. Patriotic Front guerrillas, principally those of the movement headed by Robert Mugabe, have made significant gains in recent months. And there is no evident reason to expect that a multiracial government set up after the election would have any greater success against the guerrillas.

The post-April government is in fact likely to be a weak and divided one. The new constitution requires parties that detest and fear each other to govern in coalition, with no strong executive. The resulting regime may have real trouble holding the loyalty of the security forces, white and black.

There have already been signs of restlessness among white soldiers about the idea of fighting for a multi-racial government—which Mr. Smith used to say would not come in his lifetime. Young soldiers jeered him at some election meetings, and chanted: "Will someone tell us why we fight? What once was wrong now is right."

As for black soldiers, who make up the bulk of the army under white officers, they may not find much appeal in a government that has a black prime minister but that cannot deliver much, if any, improvement in black living standards. They will probably also be influenced by intensifying tribal loyalties, reflected in the makeup of the guerrilla forces and the private political armies.

At this point no one can predict the political future with any confidence. Observers with lines into the rural areas believe that Mr. Mugabe now has the greatest popular support, not only because of his military success but because he is from the majority Shona language group. But the other Patriotic Front leader, Joshua Nkomo, has held most of his troops in reserve and might win in a showdown with Mr. Mugabe, as many expect.

The issue in Rhodesia now is not ideology but power. Among the internal black leaders, for example, Bishop Abel Muzorewa is often called a moderate. But a South African newspaper has just reported that radical Libya has trained several hundred soldiers for the Bishop's private army.

In the circumstances, it would be folly for the United States to commit itself to any one party. To support Ian Smith would be to tie America's reputation to a man so hated by blacks in Rhodesia and elsewhere in Africa that almost any solution he backs will lack legitimacy in their eyes. To support one of the black leaders would be to venture into the unknown.

The Anglo-American proposal for a conference of all parties, looking to internationally supervised elections, may become relevant at some point. But it cannot work until some clearer sense of relative power has emerged. In the meantime the U.S. can only watch, and be ready to help save lives if things worsen drastically. Contingency plans are being made for mass evacuation of refugees, and that would necessarily involve American planes.

It may sound cynical to say that America should do nothing. But if we remember Vietnam, we know that intervention, however well-intended, may do terrible harm if it is uninformed. For now, restraint is best for us and for the tormented Rhodesians, black and white.

[From the New York Times, Jan. 30, 1979]

AFRICAN POLICY'S BIG TEST

(By Dick Clark)

WASHINGTON.—Few foreign-policy initiatives have represented as sharp departures from the past, contained as many innovative ideas or demanded as much diplomatic skill and patience as the Carter Administration's policy toward Africa.

Whereas over the last two decades, United States policy wavered between the poles of benign neglect and erratic anti-Communism, a fresh start was made in 1977. Midway through President Carter's first term, that policy is now being sorely tested.

High priority was attached to the new Carter policy, which stressed the importance of African-nationalist aspiration and which took a tough stance against racism in Southern Africa.

To give teeth to this policy, concrete plans were formulated with our Western allies to bring majority rule to Rhodesia and Namibia through peaceful negotiations and free elections. After months of patient diplomacy, a United Nations formula acceptable to all the participants in the Namibian conflict seems close to implementation. Similar results, however, have not been forthcoming in the Rhodesian dispute.

It is on this issue that the acid test of Carter's Africa policy is likely to come this year, a product of mounting public criticism over the United States role in the deteriorating Rhodesian situation. While there are some in this country who feel that the Administration has not gone far enough in pressing for a Rhodesian settlement that includes all parties, others—whose views are well-represented in Congress—believe that President Carter has gone too far by insisting on the participation of the guerrilla forces.

Rhodesia, it has been reported in the press, was to tap this sentiment by launching a high-powered lobbying campaign on Capitol Hill to lift economic sanctions. Domestically, the expected Rhodesian sanctions vote will provide a way to measure public confidence in Carter's Africa policy as a whole. It will go to the roots of domestic criticism and to the heart of the debate over the limits of American influence. Internationally, its consequences would reach far beyond the borders of Rhodesia.

Of all the African issues, Rhodesia has the longest history of Congressional concern. In 1977, after many unsuccessful efforts, Congress repealed the Byrd Amendment, which allowed trade with Rhodesia in violation of United Nations sanctions. In 1978, Congress barely resisted an attempt to rescind that repeal by enacting the compromise Case-Javits Amendment, which tied the lifting of sanctions to two conditions: a willingness of the Rhodesian Government to attend an all-parties conference and the installation of a new government chosen through free elections. This year, Congress will decide whether to uphold the balanced formula carefully laid down by the 95th Congress or to lift sanctions unilaterally, bringing the United States full circle to a period when our power and prestige in Africa were minimal.

On the surface, the debate will revolve around the question of which side to support in the tragic conflict. But few members of Congress are familiar with the complexities of the Rhodesian war or have clear perceptions of American interests in the dispute. In reality, the debate will be more of a trial of the Administration's performance, an assessment of the ability of the team that conceived the African policy to defend it against the anti-Administration, anti-terrorist and anti-Soviet impulses that are shaping public attitudes on American foreign policy today. In my view, this is the fundamental issue at stake, not the elements of the conflict itself.

But therein lies the irony of the entire episode. For in the event that sanctions are lifted, it will have little or no impact on the outcome of the Rhodesian controversy. It would come at the 11th hour, when the prospects of peace in Rhodesia and the influence of the United States Government there will be at their lowest point ever. But the damage to American foreign policy will have been done. A sanctions-lifting vote could seriously cripple if not fatally discredit the entirety of Carter's Africa policy, shattering African expectations of America's commitment to racial justice.

The political credibility generated by the Carter Administration in Africa over the last two years stands at the crossroads. It could go up in a puff of smoke by one Congressional vote on the single issue that has traditionally been the bellweather of United States-African relations.●

WILSON PLANS EARLY CONSIDERATION FOR POSTAL REFORM LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 10 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, on the first day of this new Congress I introduced important legislation which attempts to correct some of the problems facing the troubled U.S. Postal Service.

This legislation, H.R. 79, would reestablish the principle of service to the public as the most important priority for the Postal Service and mandate some much-needed greater accountability for postal management.

In connection with its introduction, I made a detailed statement on the specific provisions of the bill in a speech printed in the January 25, 1979, edition of the CONGRESSIONAL RECORD on page H313.

At this time I would like to reemphasize my determination to have early consideration for this important measure.

As the newly elected chairman of the Postal Operations and Services Subcommittee of the House Committee on Post Office and Civil Service for the 96th Congress, I intend to schedule hearings on the bill in the very near future.

A synopsis and text of H.R. 79 follows:

SYNOPSIS OF "POSTAL SERVICE ACT OF 1979"

(Sponsored by Representative CHARLES H. WILSON)

Sec. 1. Title.

Sec. 2. The Chairman of the Postal Service Board of Governors will be directly appointed by the President and the Chairman will have a newly-created independent staff including a staff director and five additional employees. The Chairman of the Board of Governors is specifically designated as the chief executive officer of the Postal Service with respect to implementing national postal policy.

It is mandated that in the future at least one member of the Board will have direct postal administrative background and one member with postal labor background.

The Postmaster General and Deputy Postmaster General will no longer be members of the Board of Governors.

It is mandated that the Board shall meet at least twice during each calendar month.

Sec. 3. Public service appropriations are increased to $1.1 billion for fiscal year 1980; to $1.2 billion for fiscal year 1981; and to $1.3 billion for the fiscal year 1982 and beyond.

The Postal Service shall send to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Government Affairs of the Senate a yearly report on postal research and development.

Sec. 4. The phasing of postal rates othethan first class and parcel post is extended from 16 to 20 years for non-profit organizations and from 8 to 10 years for commercial rates. The cost involved in "revenue foregone" appropriations to cover this item will be quite small in relation to the full postal financial picture, averaging considerably under $100 million per year through 1984.

Sec. 5. The Postal Rate Commission will be given a budget independent from the Postal Service. Its expenses will be included in the President's budget as a separate item.

Sec. 6. The Postal Rate Commission shall conduct a cost attribution study and use such study as a basis for developing a recommended system of accounts by which the costs of the United States Postal Service can be identified. The Commission shall report its findings and recommendations to the Congress no later than September 30, 1979.

Sec. 7. The Postal Service may establish size and weight limitations for mail matter

Sec. 8. Teaching aids, catalogs of books and eligible educational materials will be charged the library rate.

Sec. 9. It is specified that nothing in the legislation will affect the postal collective bargaining agreements.

A bill to amend title 39, United States Code, to provide that the chairmen of the Board of Governors of the United States Postal Service be appointed by the President, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postal Service Act of 1979".

ORGANIZATION OF POSTAL SERVICE

SEC. 2. (a)(1) Section 202 of title 39, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out "11 members" and inserting in lieu thereof "9 members";

(ii) by striking out "Nine of the members" and inserting in lieu thereof "The members";

(iii) by striking out the third sentence and inserting in lieu thereof the following new sentence: "The Chairman of the Board of Governors shall be designated by the President from among the members of the Board."; and

(iv) by inserting after the fourth sentence the following new sentence: "Of members of the Board—

"(1) at least one shall be appointed from persons who are specially qualified to serve on the Board by virtue of their education, training, or experience in postal management; and

"(2) at least one shall be appointed from persons who are specially qualified to serve on the Board by virtue of their education, training, or experience in postal labor organizations recognized under section 1203 of this title.";

(B) in subsection (c), by striking out ", who shall be a voting member of the Board";

(C) in subsection (d), by striking out ", who shall be a voting member of the Board"; and

(D) by adding at the end thereof the following new subsection:

"(e)(1) The Board shall have a Director who shall be appointed by the Chairman of the Board and who shall be paid at a rate not to exceed the rate of basic pay payable for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The Chairman of the Board shall appoint and fix the pay of five additional employees, two of whom shall be clerical employees and paid at a rate not to exceed the rate of basic pay payable for grade GS–10 of the General Schedule under section 5332 of title 5, United States Code, and the other three of whom shall be paid at a rate not to exceed the rate of basic pay payable for the Director.".

(2) Section 402 of title 39, United States Code, is amended—

(A) by striking out the first sentence;

(B) by striking out "the Postmaster General or"; and

(C) by striking out "Governors in their exclusive judgment" and inserting in lieu thereof "Board".

(3) The requirements of the fifth sentence of section 202(a) of title 39 United States Code, as added by paragraph (1)(A)(iv) of this subsection, need not be met with respect to the first 3 members of the Board of Governors of the United States Postal Service appointed after the effective date of this Act.

(b)(1) Section 203 of title 39, United States Code, is amended—

(A) by inserting "with respect to administration and daily operations after "Postal Service each place it appears in such section; and

(B) by inserting "(a)" before "The chief executive" and adding at the end of such section the following new subsection:

"(b) The chief executive officer of the Postal Service with respect to determinations of all policies for postal services is the Chairman of the Board of Governors designated under section 202(a) of this title.".

(2) The heading for section 203 of such title is amended by adding at the end thereof "; Chairman of the Board of Governors".

(3) The table of sections for chapter 2 of such title is amended by inserting "; Chairman of the Board of Governors" before the period at the end of the item relating to section 203 of such title.

(c) Section 205 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) The Board shall meet at least twice during each calendar month which begins after the effective date of this subsection.".

APPROPRIATIONS AND ANNUAL REPORT

SEC. 3. (a) Section 2401 of title 39, United States Code, is amended to read as follows:

"§ 2401. Appropriations

"(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

"(b) There is authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403–3405, and 3626 of this title and the Federal Voting Assistance Act of 1955 (50 U.S.C. 1451 et seq.) had not been enacted and the estimated revenues to be received on mail carried under such sections and Act.

"(c) As reimbursement to the Postal Service for costs incurred by it in the establishment and maintenance as a public service of a comprehensive nationwide system for the regular and effective delivery of mail matter, and in recognition of the value of the system to the Nation and the public, there is authorized to be appropriated to the Postal Service $1,100,000,000 for the fiscal year ending September 30, 1980, $1,200,000,000 for the fiscal year ending September 30, 1981, and $1,300,000,000 for each fiscal year thereafter.

"(d) The Postal Service shall after the close of each fiscal year for which funds are expended to carry out research and development submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the activities conducted through the expenditures during that year.

"(e) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed to be a failure of appropriations under section 3627 of this title.

"(f) The rates established under chapter 36 of this title for zone-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (c) of this section were not appropriated.".

(b) Section 2003 of title 39, United States Code, is amended by striking out subsection (f).

PHASING

SEC. 4. (a) Section 3626(a) of title 39, United States Code, is amended —

(1) in subparagraph (1), by striking out "sixteenth" and inserting in lieu thereof "twentieth"; and

(2) in subparagraph (2), by striking out "eighth" and inserting in lieu thereof "tenth."

(b) Nothing in subsection (a) of this section shall be construed to authorize a reduction in any rate of postage in effect and being paid on the date of the enactment of this Act.

POSTAL RATE COMMISSION BUDGETS

SEC. 5. Section 3604(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission annually shall prepare and submit to the President a budget of the expenses of the Commission, including expenses for facilities, supplies, compensation, and employee benefits. The President shall include the budget of the Commission, with his recommendations but without revision, as a separate item in the budget required by section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) to be transmitted to the Congress.".

COST ATTRIBUTION STUDY

SEC. 6. (a) The Postal Rate Commission shall study alternatives to the method of attributing or apportioning postal costs (including capital investments made by the Postal Service) among each class or subclass of mail or type of mail service established under section 3622(b) of title 39, United States Code. The Commission shall, after the study, provide for the preparation of a recommended system of accounts by which the costs of the United States Postal Service can be identified and associated with the class or subclass of mail or type of mail service, or with the public service function of the Postal Service. The Commission shall report its findings and recommendations to the Congress no later than September 30, 1979. The report of the Commission shall include—

(1) a recommended system of accounts, and

(2) the Commission's estimates of the effects of the alternatives studied on postal volumes, revenues, capital investments, rates, and fees in terms of both overall postal services and each class or subclass of mail or type of mail service.

(b) The Postal Service shall cooperate with the Commission in the conduct of the study under subsection (a) of this section and shall provide the Commission with any information the Commission reasonably deems necessary to carry out that study.

(c) In the conduct of its study under subsection (a) of this section, the Commission is authorized to conduct such proceedings, including hearings, as it deems are warranted, without regard to the provisions of sections 556 and 557 of title 5, United States Code.

SIZE AND WEIGHT LIMITS

SEC. 7. Section 3682 of title 39, United States Code, is amended to read as follows:

"§ 3682. Size and weight limits

"The Postal Service may establish size and weight limitations for mail matter in the same manner as prescribed for changes in classification under subchapter II of this chapter.".

RATES FOR BOOKS, FILMS, AND OTHER MATERIALS

SEC. 8. (a) Section 3683(b) of title 39, United States Code, is amended to read as follows:

"(b) Notwithstanding any other provision of this title—

"(1) any book (including any book published or otherwise issued as a supplement to any other book) which—

"(A) consists exclusively of reading matter, scholarly bibliography, or reading matter with incidental blank spaces for notations; and

"(B) contains no advertising, other than incidental announcements of books;

"(2) any 16 millimeter film, narrow-width film, film strips, transparencies for projection, slides, or microfilm;

"(3) any sound recording;

"(4) any museum materials, specimens, or collections;

"(5) any scientific or mathematical kit, instrument, or other device;

"(6) any teaching aid, guide, map or other interpretative material for use in conjunction with any item specified in one or more of paragraphs (1) through (5); and

"(7) any catalog or similar publication which contains a listing of any item specified in one or more of paragraphs (1) through (6);

may be mailed at the rates currently in effect for mail matter specified in former section 4554(b)(1) of this title in any case in which any such item is mailed to or from any institution, organization, or association specified in subparagraph (A) or subparagraph (B) of former section 4554(b)(1) of this title or to or from any school, college, university, or library.".

(b) The heading for section 3683 of chapter 36 of title 39, United States Code, is amended to read as follows:

"§ 3683. Uniform rates for publications, films, and other materials.".

(c) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by striking out the item relating to section 3683 and inserting in lieu thereof the following new item:

"§ 3683. Uniform rates for publications, films, and other materials.".

EFFECT ON COLLECTIVE BARGAINING AGREEMENTS

SEC. 9. Nothing in this Act shall be construed to affect—

(1) any collective bargaining agreement entered into by the United States Postal Service which is in effect on the date of the enactment of this Act;

(2) the authority of the United States Postal Service under chapter 12 of title 39, United States Code, to engage in collective bargaining with respect to any collective bargaining agreement into which the United States Postal Service may enter; or

(3) any obligations entered into by the Postal Service in any future collective bargaining agreement.

LEGISLATION TO AMEND SOCIAL SECURITY ACT WITH REGARD TO MEDICARE REIMBURSEMENTS TO SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I have today introduced legislation to assure that medicare reimburses senior citizens properly for their medical expenses.

Medicare is supposed to pay 80 percent of an elderly person's doctor bills and other covered medical expenses. Many of my constituents complained, however, that the reimbursement they actually received was much less than 80 percent of their medical bills.

The reason this occurs is because medicare will pay only 80 percent of a "reasonable charge" for medical care, and that in the great majority of cases the "reasonable charge" for a particular service is far below the physician's actual fee. As a result, most of the time medicare patients do not receive the 80 percent reimbursement which they are led to expect and which Congress intended that they get.

This problem is severe throughout the Nation. In 1976 in 71.7 percent of all medicare claims nationwide, the "reasonable charge" was lower than the physician's actual fee. This resulted in reduced medicare reimbursements—underpayments—of more than $1.3 billion. The average reduced claim was underpaid by $20.51. In other words, more than 70 percent of the time, senior citizens received less than the full 80 percent reimbursement they expected from medicare, and each time this happened it cost the average patient more than $20.

The problem has grown rapidly. In 1974, 63.7 percent of claims nationwide were reduced below the amount claimed. In 1975, there were reductions in 69.2 percent of claims. As the rate of claim reductions has risen, the number of physicians willing to accept assignment of a claim—that is, willing to take the risk of a reduction themselves, rather than put it on the patient—has dropped steadily.

Reduced medicare reimbursements can have a devastating impact on the elderly, most of whom live on small, fixed incomes. I asked the General Accounting Office, as part of a study it conducted for me of the entire "reasonable charge" problem, to gauge this impact in Brooklyn. GAO found that 5.9 percent of Brooklyn medicare beneficiaries—nearly 2,500 people—experienced reduction of $50 or more during a 10-month period. Reductions amounted to $400 or more for 82 persons, and according to the GAO's report, caused them to cut down on food, clothing, or furniture, to borrow from families, to spend their savings, or even to move.

The impact of underpayments is aggravated by the fact that medicare patients cannot learn in advance how much reimbursement they will receive for a particular treatment. Only after patients have been treated and submitted the physician's bill to medicare do they learn whether medicare will pay 80 percent of the bill or considerably less. Thus, for most elderly patients reduced medicare reimbursement comes as a cruel surprise.

The legislation I am introducing today is intended to correct this intolerable situation and assure that senior citizens are compensated fairly for their medical expenses. It responds to the legislative problems identified by GAO, after an 18-month study of medicare, as the cause of many underpayments. It should also make the program simpler, less costly to administer, and less subject to error as well.

First, my bill requires that medicare reimbursements be based on physicians' current fees rather than those charged in the past. Under present law, reasonable charges for the current fiscal year are based on physician fees during the preceding calendar year. GAO said:

> Consequently reasonable charges are based on data which is 6 to 18 months old at the beginning of the fiscal year and 18 to 30 months old at the end of the fiscal year.

Given the rampant inflation in medical cost, this system virtually assure that reasonable charges will be below the actual fees.

The use of outdated fee information penalizes the elderly for inflation. When health costs are rising rapidly it is unreasonable and unfair to reimburse a senior citizen on the basis of fees his physician charged 1 or 2 years earlier. My bill will assure that when medicare determines a physician's "customary charge" for a service, it does so on the basis of current information.

My bill also requires medicare to allow patients to learn in advance, through their physicians, what the reasonable charge for a particular treatment will be. This would prevent surprise, provide patients with a way to detect errors, and most importantly, encourage them to avoid physicians whose fees are unreasonably high. If the purpose of the "reasonable charge" is to keep medical costs down, then allowing patients to choose among doctors on economic grounds would be of major importance in achieving the goal.

Finally, the bill directs the Secretary of Health, Education, and Welfare to conduct pilot projects in order to find better ways to determine benefits under medicare. GAO found that the present process was costly and error prone, in addition to failing to provide adequate reimbursement. In fiscal 1974, administrative costs for medicare health insurance amounted to $360 million—12 percent of program costs. This is a higher rate of administrative cost than in the medicaid, food stamp and welfare programs. In addition, GAO found computer errors in 13 percent of the surgical claims it studied in New York. This rate of error could produce more than $8 million annually in erroneous underpayments—and could also produce substantial, undetected overpayments.

Clearly a method must be found to reimburse senior citizens for their medical expenses which is less costly to administer and more effective than the present system. The pilot projects authorized by my bill would enable the Secretary of Health, Education, and Welfare to identify such a method, and thereby not only improve medicare service, but assist the Congress in planning for a national health insurance program, as well.

The 24 million elderly Americans who depend on medicare health insurance to help them meet their medical expenses have been badly served by the present "reasonable charge" method. The legislation which I am introducing today should lead to a vastly improved medicare program, which will be cheaper to administer, protect both the taxpayer and the elderly patient from artificially inflated fees, and assure that legitimate health care expenses are met.

The text follows:

H.R. 1962

A bill to amend title XVIII of the Social Security Act to make more realistic the determination of reasonable charges under the supplementary medical insurance program, to require that patients be given advance estimates of the reimbursement they will receive for services rendered under such program, and to provide for the conduct of pilot projects to test new methods and procedures for determining reasonable charges under such program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1842(b)(3) of the Social Security Act is amended, effective with respect to services provided after the month in which this Act is enacted, by striking out "person furnishing such services" in the first full sentence following subparagraph (E) and inserting in lieu thereof "person furnishing the particular services involved at the time such services are furnished".

SEC. 2. Section 1842 of the Social Security Act is amended, effective with respect to contracts entered into (or renewed) after the month in which this Act is enacted, by adding at the end thereof the following new subsection:

"(h) Each contract under this section shall provide that enrollees who are to receive services under this part shall be furnished with an estimate of the reasonable charge for each of the services involved prior to the receipt of such services. To the maximum extent feasible, the estimate with respect to each such service shall be made available to the enrollee through the provider of the service."

SEC. 3. Section 1842 of the Social Security Act (as amended by section 2 of this Act) is further amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other requirement of this section, the Secretary shall establish and carry out pilot projects, using carriers or other appropriate agents, to test methods and procedures, other than those described in the preceding provisions of this section, for determining reasonable charges. In carrying out such pilot projects, the Secretary shall seek methods and procedures which (1) assure that enrollees are properly reimbursed for their reasonable medical expenses, (2) reduce the number of instances in which the reasonable charge allowed is less than the full charge for a service, (3) provide enrollees with the incentive and opportunity to seek lower cost medical care, and (4) promote the simpler and more efficient administration of benefits under this part. The Secretary shall make such reports and recommendations, and take such other actions, as he may deem appropriate on the basis of such projects and his findings made as a result thereof.".●

IN SUPPORT OF THE LITHUANIAN STRUGGLE FOR SELF-DETERMINATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MOFFETT) is recognized for 5 minutes.

● Mr. MOFFETT. Mr. Speaker, I would like to take this opportunity to reaffirm my commitment to the Lithuanian struggle for self-determination. In just the past year, there were two blatant examples of the Soviet Government's intolerance toward Lithuanians. After the charade of a fair trial, Lithuanian dissidents Viktoras Petkus and Balas Gajuskas, were convicted and sentenced to prison terms of 15 and 10 years, respectively.

Ironically, Mr. Petkus was convicted for associating with a Lithuanian group which sought to oversee compliance with the Helsinki accords. By signing the accords and subsequent documents, the Soviet Union promised to guarantee the basic human rights of its citizens. That promise has been an empty one—the arrest of Mr. Petkus for seeking enforcement of its principles is a striking example of how it has been flouted. Repression of Lithuanian dissidents such as Mr. Petkus and Mr. Gajuskas is all too commonplace.

This repression has not diminished the Lithuanian people's tenacious resistance to Russification. In this supposedly secular country, the Lithuanians have clung steadfastly to their religious faith and cultural practices. They have recently made even bolder moves to practice Catholicism openly. Hopefully, this effort will be furthered by Pope John Paul II's personal request to Andrei Gromyko for greater religious tolerance.

Violations of the rights of Lithuanians deserve our condemnation. Our vocal support of their fight for self-determination can offer strength to them. Please join me in supporting the staunch resistance of the Lithuanian people to forced assimilation and Russification, in violation of the Helsinki accords.●

CONSUMERS VICTIM OF UTILITY RATE DISPARITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, one of my major legislative priorities in this session of the 96th Congress is to draft legislation to change utility ratemaking practices which result in inefficient use of energy and discriminate against small residential consumers. As a Maryland Public Service Commissioner from 1975 to 1978, I had the opportunity to gain firsthand experience with problems of this kind.

One problem with utility regulation in the United States is that rates charged to consumers may vary widely within a limited geographical area, even though consumers may receive service from the same utility company. In the Washington, D.C., metropolitan area, for example, the Maryland Public Service Commission, the District of Columbia Public Service Commission, and the Virginia State Corporation Commission use different criteria in setting electricity rates charged by the Potomac Electric Power Co. (Pepco) and the Virginia Electric and Power Co. (Vepco). Figures supplied to the Washington Post show that customers using 500 kilowatt hours of electricity in November 1978 were charged $18.81 in the District of Columbia, $27.97 in Fairfax County, Va., and $30.33 in my constituency, Montgomery County, Md. Rates in Maryland

appear to be, in effect, pushed up because of the lower rates in the District of Columbia. Suburban users are apparently, as a result, subsidizing utility rates in the district because there is no coordination in regulatory practices among the three jurisdictions.

Mr. Speaker, this is more than just a local problem. There are unquestionably many other areas around the country which experience a similar disparity. That is why I intend to introduce legislation to encourage regional cooperation in setting utility rates. I believe the problem can be approached effectively on the Federal level to encourage our national goals of equity and energy conservation.

I am inserting in the RECORD an article which appeared in the Washington Post on February 4, 1979, which illustrates the effect of electricity rate disparities on my own constituency. The article follows:

ELECTRICITY RATES VARY WIDELY IN AREA

(By Phil McCombs)

Washington area residents are paying vastly different prices for equal amounts of electricity, according to utility company records.

A somewhat typical Montgomery County household using 750 kilowatt-hours of electricity last November was charged $43.68, or nearly 56 percent more than the $28.02 charged the user of 750 kilowatt-hours in the District of Columbia.

Montgomery households paid between 17 percent and 63 percent more than those in the District for the same quantities of electricity, the records for two winter months show.

Residents of Montgomery and the District receive their electricity from the same utility company, Potomac Electric Power Co., known as Pepco.

Utility rates are substantially lower in the District than elsewhere in the area.

Prince George's County residents paid between 21 and 60 percent more than the District for equivalent amounts.

In Fairfax County the residents paid between 22 and 55 percent more; in Arlington County between 8 and 44 percent more; and in Alexandria between 6 and 60 percent more.

Virginia area residents receive their electricity from Virginia Electric and Power Co.—Vepco.

Countrary to claims by some consumer activists, utility company records show that Vepco customers are paying slightly less for equivalent amounts of electricity than the Maryland customers of Pepco.

The large price variations occur because the regulatory commissions in the various local jurisdictions operate independently and apparently give little consideration to rates in neighboring areas.

Rates are determined by complex formulas and procedures that include seasonal adjustments, the passthrough to customers of fuel costs, differing local taxes and other variables—all of these affecting the price a customer will pay.

The statistics in this article and the accompanying chart were provided by Pepco and Vepco at the request of The Washington Post. Some special computer runs had to be made by the companies in order to obtain the data.

In addition, the statistics show that the rates are often lower for customers who use more electricity. In other words, energy conservation seems to be discouraged in some cases.

The new National Energy Act—now the law of the land—sets energy conservation as a major goal for utility companies.

Rates for District of Columbia users are set by the Public Service Commission. It consists of three members appointed by the mayor.

In Maryland rates are set by the state Public Service Commission of five members appointed by the governor.

For Virginia, utility rates are set by the State Corporation Commission—a three-member group established by the Virginia Constitution. The SCC members are elected by the state legislature and the commission is often considered so powerful that it is referred to as a fourth branch of government.

A top regulatory official who declined to be identified said last week that the variations in charges show that Maryland Pepco customers are essentially subsidizing District customers.

That subsidy could run as high as $10 million, according to some calculations.

But Pepco senior vice president Paul Dragoumis said Maryland customers were paying a fair rate and District customers were being subsidized not by Maryland but by Pepco stockholders.

Brian Lederer, the District of Columbia official who represents consumers before the Public Service commission, said that Pepco was not losing money in the District as Pepco claims.

He said that if Maryland customers think they are paying too much, they should take the matter up with the Maryland commission to get rate reductions.

Four years ago in the District, the commission put a lid on the price of 450 kilowatt hours or less used by any residential customer. That price has not changed since. Maryland and Virginia have no such lid—referred to as a "lifeline rate"—for small customers.

The District commission also has been considering Pepco's request for a 15 percent rate increase for a year and a half but approval has not been given. A decision is expected within a few months.

In Maryland, the commission has acted quickly in deciding rate cases. A request by Pepco for a 5.2 percent increase is pending there.

In Virginia, a commission decision on Pepco's request for a 25 percent increase is expected at any time.

The rates shown on the chart apply only to residential and not to commercial customers.

ELECTRIC UTILITY COSTS

[Figures supplied by Potomac Electric Power Co. and Virginia Electric and Power Co.]

Jurisdiction and class of customer	Use of 400 kWh, November 1978	Use of 400 kWh, February 1979	Use of 500 kWh, November 1978	Use of 500 kWh, February 1979	Use of 750 kWh, November 1978	Use of 750 kWh, February 1979	Use of 1,000 kWh, November 1978	Use of 1,000 kWh, February 1979	In December 1978 the average residential customer used (kilowatt-hours)	And paid a bill of	Number of customers in this jurisdiction and class	Percent rate increase requested by comp., pending decision [1]
PEPCO												
District of Columbia residential	15.23	18.37	18.81	22.61	28.08	33.73	37.35	44.97	398	17.41	155,264	15
District of Columbia residential, all electric only			17.75	21.55	25.39	31.07	33.78	41.40	1,295	51.67	5,443	15
Montgomery County residential	25.01	24.39	30.33	29.56	43.68	42.52	54.12	52.58	643	35.76	112,804	5.2
Montgomery County residential, all electric only			25.43	25.19	35.60	35.24	48.69	48.21	1,984	86.76	12,448	5.2
Prince George's County residential	24.58	23.96	29.80	29.03	42.88	41.72	53.06	51.52	512	28.65	96,587	5.2
Prince George's County residential, all electric only			25.96	24.66	36.40	34.44	49.75	47.15	2,166	91.08	7,503	5.2
Rosslyn, Va. residential, including all electric	18.15	21.56	21.78	26.04	30.85	37.24	37.47	45.99	160	11.05	2,354	None
VEPCO												
Fairfax County residential, including all electric	23.80	24.73	27.97	29.14	37.53	39.27	46.50	48.83	1,258	58.34	148,400	[2] 20.7
Fairfax City residential, including all electric	23.54	24.40	27.40	28.48	36.25	37.86	44.56	46.71	1,258	55.84		[2] 20.7
Herndon residential, including all electric	23.54	24.40	27.40	28.48	36.25	37.86	44.56	46.71	1,659	68.83		[2] 20.7
Arlington County residential, including all electric	22.04	22.90	25.90	26.98	34.75	36.36	43.06	45.21	705	34.77	41,210	[2] 20.7
Alexandria residential, including all electric	24.44	25.30	28.30	29.38	37.15	38.76	45.46	47.61	705	37.17	22,955	[2] 20.7

[1] With all these percentages, the actual impact on your monthly bill would vary from jurisdiction to jurisdiction and would be slightly less than the full percentage figure because of the way rates are structured.

[2] 8.5 percent of this has already been granted on a temporary basis and is reflected in the rates. If Vepco's rate increase request is granted in full then the remaining 12.2 percent increase would impact on residential customers.

BEGINNING FARMERS ENTRY ASSISTANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today I am introducing the Beginning Farmers Entry Assistance Act of 1979, which would direct the Federal Government to act as a guarantor of State-administered loan programs to facilitate entry into full-time farming.

Last month, I held a beginning farmers informational seminar in Le Mars, Iowa. At this meeting, which was open to the public, a variety of panelists, including both established and new farmers, bankers, and Federal and State officials, discussed the alarming trend toward increased concentration in farm ownership. It appeared that there was general consensus that obstacles to entry present a serious problem, and that an effort should be made to devise responsible, effective solutions to them. The Beginning Farmers Entry Assistance Act is intended to be part of that effort.

Before proceeding further, I would like to acknowledge the leadership role that has been played by Senator GAYLORD NELSON, chairman of the Senate Small Business Committee, and Senator GEORGE MCGOVERN, second ranking majority member of the Senate Agriculture Committee, in formulating this bill. Their interest in and concern with the welfare of the family farm system of agriculture in this country have been demonstrated time and again, and their latest effort in this regard is especially commendable.

The need for legislation addressing barriers to new entry can be easily demonstrated. A recently released Congressional Budget Office study revealed that, in 1945, the United States had 5.9 million farms. Today, over 30 years later, there are 2.7 million farms. Even more alarming is what one sees when this trend is extrapolated: By the year 2000, there will likely be only 1.6 million farms in the United States if nothing is done to counter the trend toward concentration in American agriculture.

I do not mean to imply that there is a conspiratorial campaign underfoot in the American countryside designed to subvert the family farm system of agriculture and concentrate ownership of farmland in a few corporate hands. In fact, the catalyst for increased concentration of farm ownership in recent years has been the expansion of the highly efficient and successful family farm operator who has purchased land from his neighbors in order to gain the economies of scale that have become an integral part of today's highly mechanized, capital intensive agriculture. Obviously, there has been no intent on the part of these farmers to subvert the family farm system of agriculture. I believe that this tendency for expansion on the part of family farm operators is not as much a cause of the disturbing trend toward increased concentration in farm ownership as it is a symptom of the prevailing environment surrounding American agriculture itself. In fact, according to the above-mentioned CBO report, the Federal Government must bear a great share of the blame because of the way its programs tend to reward, and thus provide incentives for, bigness.

It is no secret that, to own and operate your own farm today, one must have access to large amounts of capital. These capital requirements often prove prohibitive even to those operators who already have their own land (with the increased ability to borrow that ownership brings); for the new entrant who desires to begin his own operation, the capital barriers usually mean failure. It should be of little surprise that while in 1956, 60 percent of all farm purchase transactions went to set up new, distinct farming operations, only 20 to 25 percent of all transactions went for that purpose in 1976.

Mr. Speaker, I believe that the Beginning Farmers Entry Assistance Act takes a responsible approach to this problem. It has been designed in a way that minimizes the role of the Federal Government, allowing State governments to formulate and implement programs that will be most responsive to the needs of the local communities and individual sellers and buyers. I would like to briefly set out the broad parameters of this program in order to clear up any misunderstandings that might exist about it.

First, let me outline what this program would not do. It would not empower the Federal Government to compete with other farmers by allowing it to acquire land and then sell it to prospective new farmers. It would not necessitate massive increases in Federal, or, for that matter, State government outlays, nor would it create new levels of bureaucracy. And finally, this proposal would not add impetus to land inflation; in fact, there is strong evidence that it would help in dampening land price increases.

Simply stated, the bill that is being introduced today would provide Federal guarantees for loans, leases, and sales of land through land sales contracts as a means to assist persons interested in beginning farming who cannot acquire the financial assets from any other source including Farmers Home Administration. As noted above, one of the central elements of this proposal is its utilization of the State governments. To qualify for this program, each State government must submit a State plan to the Secretary of Agriculture for approval. Once this is approved, and the State has met certain other minimal requirements, such as establishing an advisory committee composed of bankers, farmers, agricultural specialists, and others, the State is free to administer the program as it deems appropriate. As long as the State maintains the program in a way that prevents abuse, such as taking steps to insure that the Federal guarantees are not used for speculative purposes, it can continue to receive the guarantee assistance.

I believe that this proposal has been drafted in a way that anticipates and precludes most of the opportunities for abuse. For instance, for an individual to qualify for assistance under this program he must meet the following criteria: He must be a citizen or resident alien of the United States and a legal resident of that State; he cannot have been engaged in farming on a full-time basis within the immediately preceding 10-year period (this condition is qualified in that these individuals who have worked on a farm as a family member or as an employee of a farming operation without exerting any legal control over the operation are still eligible); he must be able to prove that he could not receive the necessary credit assistance from any other source, including FmHA; he must demonstrate that he is qualified to become a full-time farmer and had at least a year of actual farming experience; he must have a net worth of less than $75,000. A State appraisal of the land must have been conducted to provide assurance that the price of the land is fair and reasonable.

There are extensive protections written into the bill so that the Government does not suffer a loss in the event of default on payment by the guarantee recipient. As noted earlier, prohibitions are established to prevent the use of the guarantees for speculative purposes; for example, if the guarantee recipient decides to sell the land within 10 years after the date of purchase, the Secretary shall have the option of repurchasing the land at its original purchase price adjusted for inflation.

The proposal as now drafted authorizes a loan guarantee fund of up to $400 million annually for 4 years; 75 percent of these funds are to be allocated among qualified States according to a formula based on the State's percentage of the total national farm population. The remaining 25 percent of the loan guarantee funds would be distributed to those States who, in the view of the Secretary, have especially meritorious programs. Examples of a meritorious program might be one that includes provisions which would serve as incentives for sellers to keep down the selling price as a result of preferable tax treatment.

I should point out, Mr. Speaker, that the State of Minnesota has been administering a program that has many of the same provisions contained in the proposal I am offering here today. I am sure that my distinguished colleague, Mr. NOLAN, who is one of the prime sponsors of this measure, will be able to more fully elaborate on the impressive successes that the Minnesota program has had during the past several years. It is worth mentioning, however, that the administrative costs of the program have been unusually low, and that only three full-time people are required to manage it in Minnesota.

Mr. Speaker, I am hopeful that the Beginning Farmers Entry Assistance Act will serve to stimulate a thorough examination of the entry issue. As with many issues, there are still many questions to be answered and further debate needed, and I expect that an intensive

hearing process will identify refinements and improvements that should be made.

However, one thing is beyond question. The family farm system of agriculture in this country is the backbone of the greatest food production miracle the world has ever seen. The economic and social costs of allowing it to disappear are unthinkable. I would like to urge all my colleagues to look upon the legislation that I am offering here today as one very important dimension of the drive to preserve perhaps the most important American institution of all—the family farm—and to lend it their support.●

NO ROOM FOR SMALL BUSINESS IN DOE'S SOLAR PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, I would like to make my colleagues aware that—contrary to several congressional mandates—the share of solar-related Federal contracts awarded to small businesses markedly declined during James Schlesinger's first year as Secretary of Energy.

This issue has a long history in the House of Representatives. Almost 2 years ago, I joined the gentleman from Iowa (Mr. BEDELL) and 85 other Members of the House in sponsoring H.R. 3984, a bill to guarantee a substantial role for small businesses in the development, demonstration, and marketing of solar energy equipment and energy-related inventions. An identical bill, S. 807, was introduced by 19 U.S. Senators. Title II of this legislation required that at least 20 percent of the funds appropriated to the Energy Research and Development Administration (ERDA) for solar energy programs be extended to small businesses and individual inventors.

At public hearings in 1977 and 1978, spokespersons for the Department of Energy (DOE)—ERDA's successor agency, and the Small Business Administration (SBA) steadfastly denied the need for this legislation. These witnesses cited a memorandum of understanding between SBA and ERDA/DOE which obstensibly provided for significant small business participation in solar energy R.D. & D.; expressing the opinion that this agreement obviated the need for corrective legislation.

Mr. William Parker, ERDA's Deputy Director of Procurement, expressed a similar view at a May 11, 1977, hearing of the House Small Business Subcommittee on Energy, Environment, Safety and Research:

ERDA is very aware not only of the need for small business involvement and participation in our energy technology development, but we are acutely aware of our responsibility to assure that we are doing everything possible to bring that about. I think our efforts to date have been effective, but I would further assure you of our interest and goals to exceed our past achievements.

Mr. Speaker, the time has come to examine the record.

In response to an inquiry which I made last March, DOE provided me with figures outlining the distribution of solar R.D. & D. funds to small and large businesses for fiscal years 1976 through 1978. The chart provided by the Department for fiscal year 1976 showed 10 percent of the dollar value of Federal solar contracts going to small businesses, 28 percent to large businesses, and the remainder to universities and other agencies of Government. The next chart, for reasons which have never been adequately explained, contained only aggregate data for fiscal year 1977 and fiscal year 1978. It showed 17 percent participation by small businesses, and 34 percent participation by large ones—giving the impression of substantial improvement over the performance of prior administrations.

In July, I asked Mr. Ronald D. Scott, Assistant Director for Heating and Cooling in DOE's Division of Conservation and Solar Applications, to provide me with a separate breakdown of solar contracts between fiscal years 1977 and 1978. After 5 months and dozens of unexplained delays, DOE provided its answer. Between fiscal years 1977 and 1978, the share of solar R.D. & D. prime contract funds awarded to small businesses declined from 17 to 14 percent, while those funds going to large businesses increased from 29 to 34 percent.

Mr. Scott's handling of this matter raises serious questions both about DOE's openness with Congress, and about the integrity and direction of its solar energy programs. First, why did DOE originally misrepresent data to conceal the fact that small business participation had declined under Secretary Schlesinger's stewardship? Second, when this problem was brought to DOE's attention, why did the Department take 5 months to disclose routine information which it is supposed to have readily available? Third, why did the figures initially released to me last April overstate small business participation and fail to correspond with the more detailed information provided by DOE last December?

The changing distribution of solar R.D. & D. funds revealed by DOE unmistakably shows a pattern of favoritism toward the large corporations which increasingly dominate the solar energy field. Interagency agreements and congressional testimony notwithstanding, Mr. Speaker, the figures tell us that Secretary Schlesinger's commitment to maintaining a competitive solar energy market represents no improvement over the dismal attitude which prevailed at ERDA under President Ford.

My exchange of correspondence with DOE on this issue follows:

DEPARTMENT OF ENERGY,
Washington, D.C., April 14, 1978.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: Thank you for your letter of March 14, 1978, concerning Mr. Jack Nelson's letter about small business participation in solar energy.

I have enclosed a copy of Mr. Michael Maybaum's response to Mr. Nelson's March 2, 1978 letter, as you requested. It is our intention that should the planning effort described in Maybaum's letter of March 28, result in a public plan, we will contact Mr. Nelson for his suggestions of representative groups of installers, manufacturers, and municipal planners to join with others that we identify to participate in the development of a retrofit program plan.

I would like to emphasize that we are aware of the contribution that small business can make to our programs. The fraction of our funds awarded to small business has been significant, increasing to 17% of the funding for fiscal years 1977 and 1978 combined (see enclosed chart).

I am also enclosing a listing of small business awardees for a series of solicitations at the end of fiscal year 1977. You can see that the list is quite long, and that Massachusetts is well represented.

Your interest in the solar applications programs of the Department of Energy is appreciated.

Sincerely,

RONALD D. SCOTT,
Assistant Director, Heating and Cooling, Office of Assistant Secretary, Conservation and Solar Applications.

Distribution of R. & D. funds

	Percent of total
Fiscal year 1975:	
Government	31
Universities	31
Large businesses	28
Small businesses	10
Fiscal years 1977 and 1978:	
Large businesses	34
Government	26
Universities	18
Small businesses	17
Other non-profits	5

[Summarized from charts enclosed by DOE; other enclosures deleted.]

WASHINGTON, D.C., *July 26, 1978.*

RONALD D. SCOTT,
Assistant Director, Heating and Cooling, Office of the Assistant Secretary, Conservation and Solar Applications Department of Energy, Washington, D.C.

DEAR MR. SCOTT: Thank you for your letter and enclosures of April 14th. The information you provided was very helpful and informative.

I remain concerned, however, about the percentage of DOE Solar Heating and Cooling R&D funds awarded to small businesses. In your letter, you cited a figure of 17 percent small business participation for fiscal years 1977 and 1978 combined. I would appreciate a year-by-year breakdown of R&D funds distribution over this period. In grouping 1977 and 1978 together as you did on your chart and in your letter, one possible implication is that the percentage of awards to small businesses actually was lower in FY 1978 than in FY 1977. I hope that this was not the case.

Thank you for your prompt attention to this request.

With every best wish, I am,
Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

DEPARTMENT OF ENERGY,
Washington, D.C., September 1, 1978.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: Thank you for your July 26, 1978, letter requesting further information about the percentage of DOE Solar Heating and Cooling R&D funds awarded to small businesses. You requested

a year-by-year breakdown of R&D funds distribution for fiscal years 1977 and 1978.

A detailed breakdown of R&D funds is being prepared in response to your request. This information will be forwarded by letter to you within three weeks. I hope that this will be acceptable.

Please let me know if I may be of any further assistance in the interim.

Sincerely,

RONALD D. SCOTT,
Assistant Director, Heating and Cooling, Office of Assistant Secretary, Conservation and Solar Applications.

DEPARTMENT OF ENERGY,
Washington, D.C., December 4, 1978.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR DRINAN: This letter is in regard to your July 26, 1978, letter requesting further information about the percentage of Department of Energy (DOE) Solar Heating and Cooling R&D funds awarded to small businesses In follow-up to our initial response of September 1, 1978, the requested FY 1977 and 1978 breakdown of these funds is attached.

Some of the numbers require explanation. In particular, the apparent decrease of small business funding from 17% to 14% between FY 77 and FY 78 does not reflect an actual decrease in the funding rate for new small business contracts. Most of the current R&D contracts are the result of a series of 11 competitive solicitations (PRDA & RFP) released during FY 77. Many of these were incrementally funded, i.e., part FY 78 and part FY 79 funds. Since small business contracts tend to involve smaller projects with lower budgets than large business contracts, many of the small business contracts were fully funded in FY 77 and did not require FY 78 incremental funding. The large business contracts did involve substantial FY 78 increments, and this is the primary reason for the apparent increase in FY 78 funding. The most accurate picture of the current funding patterns is a weighted average of FY 77 and 78.

The increase in government laboratory funding is a consequence of two factors: the R&D Program management decentralization, and the establishment of the Solar Energy Research Institute (SERI). The DOE laboratories have taken on the bulk of contract technical management effort, as the program has grown with no Headquarters staff increase. This has required laboratory funding for support. Since laboratory management requires a balance between R&D and management activities, this has also necessitated an increase in lab R&D funding. This R&D activity, however, is all of great value to the program and well integrated with other activities.

I trust that this information is of use to you. If I or my staff may be of further assistance, please do not hesitate to let us know.

Sincerely,

RONALD D. SCOTT,
Assistant Director, Heating and Cooling Office of Assistant Secretary, Conservation and Solar Applications.

RECIPIENTS OF SOLAR R. & D. PRIME CONTRACT DOLLARS, FISCAL YEARS 19797 AND 1978

[In thousands of dollars]

Program element	Small	Large	N–P	Univ.	Government	Und.	Total
FISCAL YEAR 1977							
Collectors	963	582	381	799	683	0	3,408
Storage/HEX	66	100	39	202	177	0	584
Heat pumps	0	378	0	0	180	0	558
Cooling	408	2,507	1,051	728	342	0	5,036
Systems [1]	1,020	768	325	1,011	104	0	3,228
Controls	0	0	0	0	60	0	60
Support	50	0	0	190	1,111	0	1,351
Undetermined	0	0	0	0	0	775	775
Totals	2,507	4,335	1,796	2,930	2,657	775	15,000
Percent of total	17	29	12	20	18	5	

Program element	Small	Large	N–P	Univ.	Government	Und.	Total
FISCAL YEAR 1978							
Collectors	1,253	3,252	314	1,071	1,105	0	6,995
Storage/HEX	751	751	64	427	180	0	2,173
Heat pumps	25	1,490	0	141	435	0	2,091
Cooling	235	111	290	91	297	0	1,024
Systems [1]	299	470	59	735	1,990	0	3,553
Controls	0	0	0	10	175	0	185
Support	39	234	0	204	2,002	0	2,479
Total	2,602	6,308	727	2,679	6,184	0	18,500
Percent of total	14	34	4	14	33	0	

[1] Includes passive.

SUMMARY OF FISCAL YEAR 1978 GOVERNMENT FUNDING

Program element	Amount	Lab	SERI	NBS	Other
Collectors (total $1,105)	$300	ANL		100	50—NASA/JPL.
	400	LASL			
	100	LBL			
	125	LLL			
	30	Mound			
Storage (total $180)	70	ANL			
	110	ANL			
Heat pumps (total $435)	240	BNL			
	65	BNL			
	130	BNL			
Cooling (total $297)	25	LASL			
	182	LBL			
	90	LBL			
Systems (total $1,990)	110	E.G. & G.		75	50—OPA.
	135	LASL		144	
	400	LASL		150	
	61	LASL			
	160	LBL			
	130	LBL			
	180	LBL			
	225	LBL			
	170	Sandia			
Controls (total $175)	100	LLL			
	75	LASL			
Support (total $2,002)	100	ANL	[1] 337	30	377—Special support projects.
	240	BNL	[2] 79		
	75	LASL	[2] 134		
	400	LASL			
	40	LBL			
	50	LLL			
	140	Sandia			
Total	4,658		550	499	477.

[1] Northern Energy Corp.
[2] Public Technology.

[2] Southern States Energy Board.●

INTERMENT OF VETERANS UNDER PANAMA CANAL TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, the Panama Canal Treaties, confirmed by the Senate last year, include a number of amendments, conditions, reservations, and understandings—all accepted by the Republic of Panama on June 16, 1978, at the ceremonial exchange of instruments of ratification. One of the most significant reservations, from the viewpoints of the Committee on Veterans' Affairs, requires the negotiation of an agreement under which the American Battle Monuments Commission would maintain a permanent cemetery for the remains of our honored U.S. citizens who have given their lives in defending and maintaining the Panama Canal. The representatives of the two governments concluded this agreement on January 18, this year. In accordance with its own constitutional processes, the Government of Panama must submit the agreement to its national legislative assembly for ratification, and I am informed by the Department of Defense that the Government of Panama will do so quickly. The Government of the United States has completed its constitutional requirements for this agreement, in accordance with the terms of the treaty reservation. I ask that the negotiated agreement, as well as an excerpt from the official remarks made by Panama's representative at the signing ceremony, with regard to the agreement for permanent use of the Corozal Cemetery, be placed in the RECORD.

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMA RELATIVE TO THE USE OF PLOTS OF LAND LOCATED IN THE REPUBLIC OF PANAMA FOR MAINTAINING A PERMANENT CEMETERY

The United States of America and the Republic of Panama, desiring to strengthen their ties of friendship, have agreed upon the following as regards the establishment of a cemetery at Corozal:

ARTICLE I

1. Without prejudice to the provisions of the Agreement in Implementation of Article IV of the Panama Canal Treaty, signed in Washington September 7, 1977, the Republic of Panama grants to the United States of America the exclusive use of the areas identified and described in the maps which constitute Annexes A and B to this Agreement, hereinafter referred to as "the Areas".

2. The United States of America will use the Areas exclusively to maintain a cemetery.

3. The rights which the Republic of Panama hereby confers upon the United States of America are effective upon the date of entry into force of this Agreement and thereafter and, moreover, are without taxation or the imposition of fees or costs.

4. The Republic of Panama likewise grants to the United States of America free access to the Areas for the use set forth in this Agreement.

ARTICLE II

1. The United States of America will use the Areas exclusively for the purposes of the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, during the life of that Agreement, and for the purpose set forth in Article I of this Agreement. In carrying out these purposes the United States of America may bury United States citizens or their dependents, erect headstones and boundary walls, take such measures to beautify and maintain the Areas as it deems appropriate, build a commemorative monument and construction roads, buildings (including two residences) and the utilities needed to maintain this cemetery.

2. The flags of the United States of America and the Republic of Panama shall be displayed in the Areas in the manner prescribed by Article VII of the Panama Canal Treaty of 1977.

3. The Republic of Panama will provide the United States of America with uninhibited access to those utilities necessary for the operation and maintenance by the United States of America of the Areas. Upon request of the United States of America, the Republic of Panama will insure that there is made available to the United States of America those utilities necessary for the operation and maintenance by the United States of America of the Areas. The terms and conditions of use, prices, rates and tariffs, as well as priorities, shall not be unfavorable in relation to those applicable to the most favored private user.

4. The Republic of Panama will insure that the Areas remain free from private or public easements or other encumbrances that might hinder their use by the United States of America for the purposes of this Agreement.

5. The Republic of Panama will further the preservation of the dignity and esthetic character of the cemeterial site which shall be maintained in the Areas, prohibiting unsightly or inappropriate structures or activities in the vicinity of the Areas.

6. The United States of America will not allow any third party to use the Areas or any part of them. Moreover, it is agreed that should the Areas or any portion thereof cease to be used for the purposes set forth in Article I of this Agreement, the use of such land shall revert to the exclusive use of the Republic of Panama.

ARTICLE III

1. The United States of America may bury or exhume bodies of United States citizens and their dependents within the Areas, and may transport them to or from the Areas. For purposes of this Agreement, "United States citizens and their dependents" shall be comprised of the following categories of persons:

(a) Persons to whom the United States of America is authorized to provide medical services in accordance with the Panama Canal Treaty and related agreements;

(b) Members of the Armed Forces of the United States of America on active duty, to the extent authorized by applicable United States laws and regulations;

(c) Persons who, prior to the entry into force of this Agreement, have reserved plots in the Areas; and

(d) Persons having close relatives buried in the Areas.

2. It is understood that after noon, Panama time, December 31, 1999, interment of the remains of persons shall take place only with the mutual consent of the appropriate authorities of the United States of America and of the Republic of Panama. Both Parties shall give sympathetic consideration to requests for the interment of the remains of individuals when the remains of close relatives of such individuals are interred in the Areas.

3. The United States of America will take all necessary measures to prevent the operations authorized by this Article from endangering public health.

4. With respect to the movement through Panamanian territory of bodies to be buried in the Areas or removed from them, the United States of America shall not be subject to the laws, regulations or administrative authority of the Republic of Panama concerning movement of bodies.

5. All such burials, disinterments and movements of bodies shall be exempted from all Panamanian taxes.

ARTICLE IV

1. All expenses incurred in carrying out the provisions of Articles II and III shall be borne by the United States of America.

2. Nationals of the United States of America designated by the United States of America to carry out the purposes of this Agreement and their dependents, shall be treated as members of the civilian component and dependents in accordance with the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977 for all purposes during the life of that Agreement. Thereafter, such nationals and their dependents shall be treated as members and dependents of members of the administrative and technical staff of the Embassy of the United States of America in the Republic of Panama.

3. All supplies, materials and equipment or other removable property utilized by the United States of America in carrying out the provisions of this Agreement, whether procured in Panama or imported, and the Areas, including all non-removable improvements thereon that have been made or shall be made, shall be exempt from all forms of taxation, direct or indirect. The United States of America shall have the same exemption in all undertakings and services which it may order or contract for, in carrying out the purposes of this Agreement. It is understood, however, that this exemption does not mean that the Republic of Panama is obliged to reimburse taxes collected by it prior to the purchase of goods or services on the Panamanian market by the American Battle Monuments Commission or its successor.

ARTICLE V

The terms, conditions and prerequisites for employment of Panamanian nationals by the United States of America under this Agreement shall conform with the general principles of the labor laws of the Republic of Panama.

ARTICLE VI

1. The United States of America hereby designates the American Battle Monuments Commission as the agency to carry out the terms of this Agreement and will inform the Republic of Panama of any successor agency.

2. The American Battle Monuments Commission or its successor shall be exempt from the jurisdiction of the Republic of Panama.

3. Any differences of interpretation which may arise with respect to this Agreement shall be resolved by the Parties through diplomatic channels.

ARTICLE VII

This Agreement shall enter into force on the same date that the Panama Canal Treaty of 1977 and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal enter into force, or on the date on which the Republic of Panama notifies the United States of America that its Constitutional requirements have been fulfilled, whichever is later.

Signed at Panama, Republic of Panama, this 11th day of January, 1979, in the English and Spanish languages, both texts being equally authentic.

EXCERPT FROM SPEECH DELIVERED BY PANAMA'S AMBASSADOR TO THE UNITED STATES, DR. CARLOS LOPEZ GUEVARA, JANUARY 11, 1979

The agreement permitting the U.S. the permanent use of the Corozal Cemetery is a clear proof of the Judeo-Christian tradition of both nations. It shows our respect for the dead. There will rest the mortal remains of those who gave their lives; they will rest there with the eternal respect of Panamanians and North Americans, sheltered by the flags of Panama and the United States as a sign of respect and veneration for these human beings.

Additionally, this treaty reservation requires certain actions by the Executive Branch to ensure that the remains of U.S. citizens, now buried in the cemetery to be transferred to Panama, be reinterred in the cemetery to be administered by the American Battle Monuments Commission prior to 1 October 1979, unless the next of kin requests, after being fully advised of the implications, that the remains either not be disturbed or be transported to a selected location in the United States. The President has announced his plan for the reinterments in Executive Order 12115, dated January 19, which I now ask to be inserted into the record.

[Executive Order 12115 of Jan. 19, 1979]

PERMANENT AMERICAN CEMETERY IN THE REPUBLIC OF PANAMA

By the authority vested in me as President by the Constitution and the laws of the United States of America, including Section 10 of the Act of March 4, 1923 (42 Stat. 1509), as amended (36 U.S.C. 132), and to implement the intent of the United States Senate (124 Cong. Rec. S. 3857 of March 16, 1978) as set forth by Reservations (1) and (3) to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, it is hereby ordered as follows:

1-101. The Secretary of State shall take all appropriate steps to complete, prior to the date of entry into force of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, hereinafter referred to as the Neutrality Treaty, the negotiations which have begun with the Republic of Panama for an agreement under which the United States of America would, upon the date of entry into force of such agreement and thereafter, administer as a permanent American cemetery such part of Corozal Cemetery as encompasses the remains of citizens of the United States of America.

1-102. Subject to the conclusion of the agreement referred to in Section 1-101 of this Order, the American Battle Monuments Commission shall administer that part of Corozal Cemetery which encompasses the remains of citizens of the United States of America, in accordance with the terms of the agreement with the Republic of Panama.

1-103. The Governor of the Canal Zone shall, to the extent funds are available, disinter from Mount Hope Cemetery, before entry into force of the Neutrality Treaty, and reinter in Corozal Cemetery the remains of United States citizens, and the remains of members of their immediate family that are buried with them. The Governor shall not remove from Mount Hope Cemetery the remains of any such person whose next of kin timely requests in writing that such remains not be disinterred. The Governor shall transport to the United States for reinterment the remains of any such person whose next of kin timely requests in writing that such remains be transported to the United States for reinterment.

1-104. The Secretary of Defense shall, to the extent funds are available, disinter from Corozal Cemetery and transport to the United States for reinterment the remains of United States citizens, and the remains of members of their immediate family buried with them, whose next of kin requests in writing by April 1, 1982, that such remains be transported to the United States for reinterment.

1-105. Subject to the availability of funds, all the costs incurred in the disinterment, reinterment in Corozal Cemetery, and transportation of remains required by this Order, including the costs of preparation, cremation if requested, and a casket or urn, shall be borne by the United States of America. The costs of reinterment in the United States, including any costs for funeral home services, vaults, plots, or crypts, will be the responsibility of the next of kin making the request, except to the extent otherwise provided by law, including any unused specific entitlements available pursuant to statute.

1-106. (a) The Governor of the Canal Zone shall identify, to the extent feasible, the closest surviving next of kin of each deceased United States citizen buried in the Mount Hope and Corozal Cemeteries, and of such next of kin of each member of the immediate family that is buried with such United States citizen.

(b) The Governor shall provide notice to the next of kin of such deceased buried in Mount Hope Cemetery that the Government plans to remove the deceased to Corozal Cemetery unless the next of kin requests in writing, not later than three months after the first issuance of such notification, either that the remains not be removed from Mount Hope Cemetery, or that the remains be moved to, and reinterred in, the United States in a cemetery or other burial site designated by the next of kin.

(c) The Government shall also provide notice to the next of kin of such deceased who are buried in Corozal Cemetery that the Government will disinter and transport such deceased to the United States for reinterment in a cemetery or other burial site designated by the next of kin, if the next of kin so requests in writing not later than April 1, 1982.

(d) The Governor shall publish the notices provided for in subsections (b) and (c) of this Section in appropriate newspapers, magazines and other periodicals, and utilize such other means of communicating with the next of kin that he finds to be practical and effective.

1-107. The Governor of the Canal Zone shall, before the entry into force of the Neutrality Treaty, fully advise the next of kin of all available options, and their implications, in those cases where a request has been made that remains not be removed from Mount Hope Cemetery.

1-108. The Secretary of the Army shall supervise the planned removal of the remains from Mount Hope Cemetery to Corozal Cemetery and shall ensure compliance with the wishes of any next of kin who, within the time specified in clause B(1) to the Third Reservation to the Neutrality Treaty, objects to such removal.

1-109. As used in this Order:

(a) "Next of kin" means the person whom the Governor of the Canal Zone determines to be the nearest living relative, by consanguinity or affinity, of a person buried at Mount Hope Cemetery or Corozal Cemetery.

(b) "Members of their immediate family" means the spouse, children, mother or father of the deceased United States citizen.

JIMMY CARTER.

THE WHITE HOUSE,
January 19, 1979.

The required letters to the identifiable next of kin have been dispatched and advertisements for placement in several national magazines have been prepared. The Congress has also received a fiscal year 1979 supplemental funding request of $3.9 million, which includes $1.7 million required to reinter the remains of our honored U.S. citizens now buried in the cemetery to be transferred to Panama on October 1st. It is my understanding that the Canal Zone Government will be prepared to carry out this reinterment program, beginning April 20, in accordance with the treaty reservation—provided that Congress moves quickly to approve this request for supplemental funds.

Mr. Speaker, now that the agreement has been signed and the Government is prepared to proceed, I urge the House to promptly consider the related supplemental funding request to insure that our honored dead, civilian and veteran alike, can be given the dignity and respect they so richly deserve.

RULES OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a) of the rules of the House of Representatives, I submit herewith the rules of the Committee on Ways and Means for the 96th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on January 29 and 31, 1979:

RULES OF THE COMMITTEE ON WAYS AND MEANS FOR THE 96TH CONGRESS

Rule XI of the Rules of the House of Representatives, provides in part:

* * * The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

* * * Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules so far as applicable.

* * * Each standing committee of the House shall adopt written rules governing its procedure. Such rules * * *

(1) shall be adopted in a meeting which is open to the public * * *

(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House * * *.

In accordance with the foregoing, the Committee on Ways and Means, on January 29 and 31, 1979, adopted the following as the Rules of the Committee for the 96th Congress.

RULE 1. IN GENERAL

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Ways and Means and its subcommittees as well as to the respective chairmen.

RULE 2. MEETING DATE, QUORUM, AND QUORUM FOR TAKING TESTIMONY AND EVIDENCE

The regular meeting day of the Committee on Ways and Means shall be on the second Wednesday of each month while the House is in session. A majority of the Committee constitutes a quorum for business. Provided, however, that two members shall constitute a quorum at any regularly scheduled hearing called for the purpose of taking testimony and receiving evidence.

RULE 3. SUBCOMMITTEE MEETINGS

Insofar as possible, meetings of the Committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

All matters referred to the Committee on Ways and Means involving the Internal Revenue Code, except those revenue measures referred to the Subcommittee on Select Revenue Measures under paragraph 3 hereof, shall be considered by the whole Committee and not in subcommittee. The purpose of this is to expedite consideration of these matters.

There shall be six standing subcommittees a follows: Subcommittee on Social Security; Subcommittee on Health; Subcommittee on Public Assistance and Unemployment Compensation; Subcommittee on Trade; Subcommittee on Select Revenue Measures; and Subcommittee on Oversight.

The jurisdiction of such subcommittees shall include:

1. Subcommittee on Social Security shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Social Security will include bills and matters referred to the Committee on Ways and Means which relate to the Federal Old-Age, Survivors' and Disability Insurance System and employment taxes and trust fund operations relating to that system, but shall not include those titles of the Social Security Act involving health benefits, unemployment compensation or welfare matter. The jurisdiction of this subcommittee, more specifically, will include bills

and matters involving title II of the Social Security Act, as well as provisions in title VII and title XI of the Act relating to procedure and administration involving the Old-Age, Survivors' and Disability Insurance System.

2. Subcommittee on Health shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Health includes bills and matters which are referred to the Committee on Ways and Means relating to programs which provide payments (from any source) for health care, health delivery systems, or health research. More specifically, the jurisdiction of the Subcommittee on Health includes bills and matters relating to the health care programs of the Social Security Act (including titles V, XI (Part B), XVIII, and XIX thereof) and tax credit (including tax credits where no tax is due) and deduction provisions of the Internal Revenue Code dealing with health insurance premiums and health care costs.

3. Subcommittee on Select Revenue Measures shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

The jurisdiction of this subcommittee shall consist of those revenue measures which, from time to time, shall be referred to it specifically by the Chairman of the full Committee.

4. Subcommittee on Trade shall consist of 21 Members, 14 of whom shall be Democrats and 7 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Trade will include customs and customs administration including tariff structure, classification, valuation of and special rules applying to imports, and special tariff provisions and procedures relating to customs operation affecting exports and imports; import trade matters, including import impact, industry relief from injurious imports, adjustment assistance, unfair import practices including antidumping and countervailing duty provisions, and import policy relating to dependence on foreign sources of supply; reciprocal trade agreements including multilateral and bilateral trade negotiations involving tariff and nontariff trade barriers to and distortions of international trade; international rules, organizations and institutional aspects of international trade agreements; and special trade-related problems involving market access, export promotion, access to materials in short supply, trade with developing countries, operations of multinational corporations and state trading.

5. Subcommittee on Public Assistance and Unemployment Compensation shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of this subcommittee shall include bills and matters referred to the Committee on Ways and Means affecting those provisions of the Social Security Act relating to welfare matters, i.e., welfare reform, supplemental security income, aid to families with dependent children, social services and child support, and eligibility of welfare recipients for food stamps.

More specifically, the jurisdiction of this subcommittee shall include bills and matters relating to titles I, IV VI, X, XIV, XVI, XVII, XX and related provisions of titles VII and XI of the Social Security Act.

The jurisdiction of this subcommittee will also include bills and matters referred to the Committee on Ways and Means which relate to the Federal-State system of unemployment compensation, and the financing thereof, including the programs for extended and emergency benefits.

More specifically, the jurisdiction of this subcommittee shall include all bills and matters pertaining to the programs of unemployment compensation under titles III, IX, and XII of the Social Security Act, Chapter 23 of the Internal Revenue Code, the Federal-State Extended Unemployment Compensation Act of 1970, the Emergency Unemployment Compensation Act of 1974, and provisions relating thereto.

6. Subcommittee on Oversight shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

The jurisdiction of this subcommittee shall include all matters within the scope of the Committee but shall be limited to existing law and said oversight jurisdiction shall not be exclusive but shall be concurrent with that of the other subcommittees, and with respect to matters involving the Internal Revenue Code said concurrent jurisdiction shall be shared with the full Committee. Before undertaking any investigation or hearing, the chairman of the Subcommittee on Oversight shall confer with the Chairman of the full Committee and the chairman of any other subcommittee having jurisdiction.

RULE 5. SUBCOMMITTEE CHAIRMEN

Democratic members of the Committee shall have the right in order of full Committee seniority to bid for vacant subcommittee chairmanships. Such bids shall be subject to approval by a majority of those present and voting in the Democratic caucus of the Committee. If the caucus rejects a subcommittee chairmanship bid, the next senior Democratic Member may bid for the position as in the first instance. No member of the Committee who serves on the Budget Committee shall serve as a chairman of a subcommittee. A subcommittee chairmanship shall not be considered vacant while the subcommittee chairman has taken a leave of absence to serve on the Budget Committee.

RULE 6. EX-OFFICIO MEMBERS OF SUBCOMMITTEES

The Chairman and the ranking minority member may sit as ex-officio members of all subcommittees. They may be counted for purposes of assisting in the establishment of a quorum for a subcommittee. However, their absence shall not count against the establishment of a quorum by the regular members of the subcommittee. Ex-officio members shall not vote in the subcommittee.

RULE 7. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORT

Every bill, or other matter (except bills concerning the Internal Revenue Code) referred to the Committee or initiated by the Committee shall be referred by the Chairman of the full Committee to the appropriate subcommittee within 2 weeks from the date of its receipt by the Committee unless by a majority vote in the full Committee, consideration is to be by the full Committee. A subcommittee shall, within 3 legislative days of receipt of a bill referral, acknowledge some to the full Committee.

After a bill has been pending in a subcommittee for a reasonable period of time, the Chairman of the full Committee may make a request in writing to the subcommittee that the subcommittee forthwith report the bill to the full Committee with its recommendations. If within 7 legislative days after the Chairman's written request, the subcommittee has not so reported the bill, then there shall be in order in the full Committee a motion to withdraw the original reference of the bill to the subcommittee. If such motion is approved by a majority vote in the full Committee, the bill may thereafter be considered only by the full Committee.

No bill reported by a subcommittee shall be considered by the full Committee unless it has been presented to all members at least 2 legislative days prior to the meeting, together with a comparison with present law, a section-by-section analysis of the proposed change, and a section-by-section justification.

RULE 8. SUPERVISION, DUTIES OF COMMITTEE STAFFS

The staff of the Committee, both professional and clerical, shall be under the general supervision and direction of the Chairman of the full Committee except as provided in Rule XI Clause 5(d) and Clause 6 of the Rules of the House of Representatives concerning committee expenses and staff. Provided, however, that the chairman of each subcommittee shall be entitled to select and designate at least one professional staff member for said subcommittee and at least one clerical staff member for said subcommittee subject to the approval of a majority of the Democratic members of said full Committee. The ranking minority member shall have the right to designate one staff member. Said staff members shall be compensated at a salary commensurate with the responsibilities prescribed by said subcommittee chairman. Compensation shall be provided out of appropriated amounts—rather than statutory amounts allowed each committee.

RULE 9. COMMITTEE BUDGET AND EXPENSES

The Chairman, in consultation with the majority members of the Committee, shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, travel, investigation, and other expenses of the Committee. After consultation with the minority members, the Chairman shall include an amount budgeted to minority members for staff under their direction and supervision. Thereafter, the Chairman shall combine such proposals into a consolidated Committee budget, and shall present the same to the Committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the Committee duly authorized by the House. After said budget shall have been adopted, no substantial change shall be made in such budget unless approved by the Committee.

RULE 10. WITNESSES

Witnesses who are scheduled to appear before the Committee shall file with the clerk of the Committee at least 24 hours in advance of his appearance a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement unless this provision is waived by the Chairman. Witnesses shall provide sufficient copies of his statement to the clerk for distribution to members, staff and news media.

RULE 11. QUESTIONING OF WITNESSES

Committee members may question witnesses only when recognized by the Chairman for that purpose. All members shall be limited to five minutes on the initial round of questioning. In questioning witnesses under the five minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

RULE 12. PUBLICATION OF TENTATIVE DECISIONS

A copy of any tentative or final legislative decision made by the Committee on the subject matter under consideration shall be made available to each member of the Committee by the next meeting of the Committee, or at the latest, by the next day.

RULE 13. AMENDMENT TO PROVISION PREVIOUSLY READ

In the process of reading a bill for amendments, it shall be in order to return to a previously read portion of the bill for the purpose of considering and acting upon amendments thereto. However, if such previously read portion has been adopted by a record vote, the provisions of Rule XVIII of the Rules of the House of Representatives concerning reconsideration shall be applicable except that the term "succeeding day" shall be defined as the next day on which a quorum of the Committee is present.

RULE 14. RECORD VOTES

A record vote on an issue shall be required on the request of a Member which is supported by at least one-fifth of a quorum.

RULE 15. PREVIOUS QUESTION

The Chairman shall not recognize a Member for the purpose of moving the previous question unless the Member has first advised the Chair, and those Members present that this is the purpose for which recognition is being sought.

RULE 16. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee and subcommittee members as the Chairman may designate. In making recommendations of minority members as conferees the Chairman shall consult with the ranking minority member of the Committee.

RULE 17. RECORDS OF HEARINGS

An accurate stenographic record shall be kept of all testimony taken at a public hearing. Witnesses may, in the presence of a member of the Committee staff and at reasonable times in the office of the Committee, examine the transcript of his own testimony and may make suggestions to the staff to correct grammatical or technical changes as will not substantially alter the record of the testimony. In instances where the witness is from out of town, and where it will contribute to a more complete record and/or expedite the printing of the hearing, the appropriate portion of the transcript may be transmitted to the witness by the staff for correction and immediate reurn. Members shall correct their own testimony and return transcripts as soon as possible after receipt thereof. The Chairman may order the printing of the hearing without the corrections of a witness or Member if he determines that such Member or witness has been afforded a reasonable time to make such corrections and that further delay would impede the consideration of the legislative action which is the subject of the hearing. Witnesses appearing in public hearings, or submitting a statement for the record of a public hearing, or submitting a written comment in response to a request for comments by the Committee from the interested public, must provide the Committee with a list of any clients of that witness (or the firm or association he represents) at whose behest or in whose employ the witness appears. This list shall be retained in the Committee's files and shall be made public unless otherwise directed by the Committee. As to public hearings within the United States, verbal testimony and statements for the record, or written comment in response to a request for comments by the Committee, will be accepted only from citizens of the United States or corporations or associations organized under the laws of one of the 50 States of the United States or the District of Columbia, unless otherwise directed by the Committee or subcommittee involved. Written statements from noncitizens may be considered for acceptance if transmitted through Members of Congress.

RULE 18. TRANSCRIPTS OF OTHER COMMITTEE MEETINGS

An accurate stenographic record shall also be kept of all markup and other meetings of the Committee, whether they be open or closed to the public. This record, marked as "uncorrected," shall be available for inspection by Members of the House, or members of the Committee together with their staffs, at reasonable times and places. This record shall not be published or made public in any way except by a majority vote of the Committee. Before any public release of the uncorrected record, Members must be given a reasonable opportunity to correct their emarks. In instances in which a stenographic record is kept of a conference committee proceeding, all of the requirements of this rule will likewise be observed with respect to such record.

RULE 19. BROADCASTING OF COMMITTEE OR SUBCOMMITTEE HEARINGS

The provisions of House Rule XI 3(f) are by reference specifically made a part of these rules.

RULE 20. PARTY RATIO

The ratio of Democrats to Republicans on any subcommittee of the Committee shall be not less than two Democrats to each Republican.

RULE 21. PROXY VOTING

Voting by proxy shall be permitted in accordance with the manner prescribed in House Rule XI 2(f).

RULE 22. TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of Committee members and Committee staff. Travel to be reimbursed from funds set aside for the full Committee for any Member or any Committee staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any Member and any Committee staff member in connection with the attendance of formal or informal hearings conducted by the Committee, its subcommittees, or any other committee or subcommittee of the Congress on matters relevant to the general jurisdiction of the Committee, and meetings, conferences and investigations which involve activities or subject matter relevant to the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of Members and Committee staff seeking authorization.

Where travel is in connection with the conduct of Members of the Committee of an informal hearing, the prior approval not only of the Chairman but also of subcommittee chairmen shall be required where the hearing involves any matter within the jurisdiction of one or more of the subcommittees of the Committee.

(b) In the case of travel of Members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

(c) Within 60 days of the conclusion of any travel authorized under this rule, there shall be submitted to the Chairman a written report, covering the information gained as a result of the study or investigation, or meeting, conference or hearing attended pursuant to such travel.●

WHITE HOUSE FOREIGN POLICY BRIEFING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, last night a group of other Members and I attended a foreign policy briefing at the White House conducted by President Carter, Secretary of State Vance, Secretary of Defense Brown, and National Security Advisor Brzezinski. It was a fascinating and highly informative session and I would like to share with my colleagues some impressions from that briefing.

First, our foreign policy has over the past 2 years, and must continue to be, marked by a unique flexibility that will allow us to cope with a world that is constantly and rapidly changing. Although we still face a threat from the Soviet Union, the world now consists of over 160 polities, each struggling, each attempting to deal with their own sense of values and priorities. It will be on our successful efforts in dealing with these many policies, and the multiplicity of policy decisions that will result that will determine our own future and that of the world.

Second, and in line with this, must be the development of our foreign policy mechanisms away from a strictly military orientation. We must learn the value of "weapons" such as friendship and nonmilitary assistance in helping others in this world recognize the values for which our country stands. Our commitment to human rights recently has been, and must continue to be a statement of our goals and principles and a signal of the U.S. recognition of those universal values throughout the world.

Mr. Speaker, the world is changing rapidly and, under the Carter administration, our foreign policy has been marked by a welcome acceptance of those changes. We have moved beyond the conventional wisdom of the past into a new and more fluid approach to the world.

Last night's session was an excellent forum, and I want to register with my colleagues my appreciation of the event, my enthusiasm for the directions being taken by the administration as outlined to us last night, and my hopes that we can all work together to achieve the goals we share for a peaceful world in which individuals and nations can express and fulfill themselves.●

RULES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Mr. UDALL asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. UDALL. Mr. Speaker, as chairman of the Committee on Interior and Insular Affairs, I submit for printing in the CONGRESSIONAL RECORD the rules adopted by the Committee on Interior and Insular Affairs for the 96th Congress as provided in clause 2(a) of House rule XI:

PART I

RULES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

A. RULES OF GENERAL APPLICATION

Rule 1. Rules of the House.—The Rules of the House of Representatives are the rules of its Committees and Subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in Committee and Subcommittees. Written rules adopted by the Committees, not inconsistent with the Rules of the House, shall be binding on each Subcommittee. Each Subcommittee of a Committee is a part of that Committee and is subject to the authority and direction of that Committee. Rule XI of the Rules of the House, which pertains entirely to Committee procedure, is incorporated and made a part of the Rules of the Committee which are supplementary to the Rules of the House.

Rule 2. Time, Place of Meetings.—(a) While Congress is in session, regular business meetings of the Committee shall be held in the regularly assigned committee room, Longworth House Office Building, beginning at 9:45 a.m. on each Wednesday, except that whenever any party caucus or conference conflicts with such meeting of the Committee, then the Committee shall meet on Thursday or on such other day as may be mutually agreed upon by the Chair and the Ranking Minority Member. Such meeting shall be called to order and presided over by the Chair, or in the absence of the Chair, by the ranking majority member of the Committee present.

(b) Special meetings shall be held at the call of the Chair or upon written request of Members of the Committee as provided in Rule XI, Clause 2, of the Rules of the House. When a regularly called party caucus or party conference is scheduled to be in session after 10 a.m. on any day, and the Chair is so advised not later than 12 noon on the preceding day, the regularly scheduled Committee meeting for that day shall be rescheduled as provided in paragraph (a) of this rule.

(c) Each meeting of the Committee or any of its Subcommittees for the transaction of business, including the mark-up of legislation, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided however*, That no person other than Members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or mark-up session which has been closed to the public. This paragraph does not apply to any meeting that relates solely to internal budget or personnel matters.

Rule 3. Agenda for Meetings.—The agenda for Committee meetings, setting out all items of business to be considered, shall be delivered to the office of each member at least two calendar days in advance of the meeting: *Provided*, That this requirement may be waived by a majority vote, a quorum being present.

Rule 4. Adjournment of Meetings.—A motion to adjourn shall not be approved unless the Chair, in his discretion, recognizes a Member for the purpose of making such motion and the motion is approved by a majority of the Members present and voting.

Rule 5. Committee Procedure.—(a) The date, time, place and subject matter of all public hearings of the Committee or any of its Subcommittees shall be announced at least 1 week in advance of the commencement of such hearings. If the Committee, or any of its Subcommittees, determines that there is good cause to expedite the hearing, it shall make the announcement at the earliest possible date. Any such announcement shall be promptly published in the Daily Digest.

(b) Each hearing conducted by the Committee or Subcommittee thereof shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided*, That the Committee or Subcommittee may by the same procedure vote to close one subsequent day of hearing: *Provided further*, That two or more Members at a meeting held for the purpose of taking testimony may determine, by a majority vote,

(i) to close such hearing for the purpose of discussing whether testimony or evidence to be received would endanger national security or tend to defame, degrade, or incriminate any person in violation of rule XI, 2(k)(5) of the Rules of the House; or

(ii) to close the hearing as provided in rule XI 2(k)(5) of the House.

(c) No Member may be excluded from nonparticipatory attendance at any hearing of the Committee, or its Subcommittees unless the House, by majority vote, authorizes the committee or its Subcommittees, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close such meetings to Members by the same procedures designated in this rule for closing meetings to the public.

(d) Each witness who is to appear before the Committee or one of its Subcommittees shall file with the Committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation at his appearance to a brief summary of his argument, unless this requirement is waived by the Committee.

(e) The right to interrogate witnesses before the Committee or any of its Subcommittees shall alternate between the Majority Members and the Minority Members. In recognizing Members to question witnesses, the Chairman may take into consideration the ratio of majority and minority party Members present and may recognize two majority party Members for each minority party Member recognized. Each Member shall be limited to 5 minutes in the interrogation of witnesses until such time as each Member of the Committee who so desires has had an opportunity to question the witness.

(f) No bill, recommendation, or other matter reported by a Subcommittee shall be considered by the Committee until 2 calendar days have elapsed from the time of the action of the Subcommittee and such action has been reported by the Committee Clerk to all Members of the Committee and, in the case of a bill, a copy has been delivered to the office of all Members so requesting the same, together with a section-by-section comparison with the present law: *Provided*, That this requirement may be waived by a two-thirds vote of a quorum of the Committee Members.

Rule 6. Quorum.—No measure or recommendation shall be reported from the Committee unless a majority of the Members of the Committee is present, but for the purpose of transacting any other Committee business one-third of the Members shall constitute a quorum. Testimony and evidence may be received at any meeting at which there are present two or more Members of the Committee. A quorum, once established, shall be deemed present unless a Member objects to the transaction of business due to the lack of a quorum. When a call of the roll is required to ascertain the presence of a quorum, the offices of all Members shall be so notified and the Members shall have not less than 10 minutes to prove their attendance. The Chair shall have the discretion to waive this requirement when a quorum is actually present or whenever a quorum is secured and may direct the clerk to note the names of all Members present within the 10 minute period.

Rule 7. Proxies.—A vote by any Member in the Committee or in any Subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the Member who is to execute the proxy authorization, shall assert that the Member is absent on official business or otherwise unable to attend, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Rule 8. Subpenas and Oaths.—(a) A subpena may be authorized and issued in the conduct of any investigation or series of investigations or activities when authorized by a majority of the Members of the Full Committee, a quorum being present. Authorized subpenas shall be signed by the Chair of the Committee or by any other Member it may designate.

(b) The Chair of the Committee, the Chair of any of its Subcommittees, or any Member designated by either, may administer oaths to any witness.

Rule 9. Journal, Rollcalls.—(a) The proceedings of the Committee shall be recorded in a journal which shall, among other things include a record of the votes on any question on which a record vote is demanded. A copy of the journal shall be furnished the Ranking Minority Member through the Minority Counsel. A record vote may be demanded by one-fifth of the Members present or, in the apparent absence of a quorum, by any one Member. No demand for a rollcall shall be made or entertained except for the purpose of securing a record vote or in the apparent absence of a quorum.

(b) At the beginning of any meeting of the Committee, the Chair may announce to the Committee, in its discretion, that further proceedings will be postponed on any motions on which a recorded vote is ordered or on which the vote is objected to under Rule 6 until immediately preceding the conclusion of the meeting. In such instances, the Committee shall proceed with the consideration of the next regularly scheduled measures or matters until all such business is disposed of or until such time as the Chair announces that the question will be put on the matter deferred. The question on any motion so postponed shall be put by the Chair and shall be disposed of by the Committee, without further debate, as expeditiously as possible. If the Committee adjourns before the question is put and determined on such motion, then the first order of business at the next meeting shall be the disposition of such motion.

(c) The result of each rollcall vote in any meeting of the Committee shall be made

available in the Committee office for inspection by the public.

Rule 10. Filing of Committee Reports.—(a) All Members of the Committee shall be given an opportunity to review each proposed Committee report for at least 2 days (excluding Saturdays, Sundays, and legal holidays) prior to filing.

(b) If, at the time of approval of any measure or matter by this Committee, any Member of the Committee gives notice of intention to file supplemental, minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) after the copy of the Committee report in substantially final form is completed, excluding formal or technical changes, in which to file such views, in writing and signed by that Member or Members, with the Clerk of the Committee. In the event that substantial or significant changes are made in the Committee report, such Member shall have not more than one calendar day to review such changes and alter his or her views in responding thereto. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter.

Rule 11. Record of Committee Proceedings.—Evidence, testimony, and information relevant to any measure or matter before the Committee will be received for inclusion in the record of proceedings as determined appropriate. A formal transcript need not be made in all instances and the Chair may exercise discretion as to content of the record. A complete record of all Committee actions, which shall include a record of the votes on any question on which a rollcall vote is demanded, shall be kept and retained in the permanent files of the Committee. All printing of proceedings or of other matter shall be subject to general principles promulgated by the Chair as well as by approval in each instance not only by the Chair of the appropriate subcommittee but also by the Chair of the Committee.

Rule 12. Broadcasting of Committee Hearings.—(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which Committee hearings, or Committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its Committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photograph, or by any of such methods of coverage, and the personal behavior of the Committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of Committee members in connection with that hearing or meeting or in connection with the general work of the Committee or of the House; or

(2) cast discredit or dishonor on the House, the Committee, or any Member or bring the House, the Committee, or any Member into disrepute.

(d) The coverage of Committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause. No recording of Committee or Subcommittee proceedings shall be permitted except as authorized pursuant to these rules.

(e) Whenever any hearing or meeting conducted by any Committee of the House is open to the public, that Committee may permit, by majority vote of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the Committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f) The following rules shall apply to the Committee and its Subcommittees:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed on the Committee rostrum or in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting by still photography. In the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, on the Committee rostrum or between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 13. Committee Staffs.—(a) Pursuant to Rule XI, Clause 6, of the Rules of the House, the permanent staff of the Committee shall consist of not more than 30 staff members who shall be selected on the basis of fitness to perform the duties of their respective positions as follows:

Three shall be chosen by the Committee from nominations approved by a majority of the members of the minority party of the Committee;

One shall be chosen by the Committee from nominations submitted by the Chair of each of the standing Subcommittees of the Committee;

One shall be chosen by the Committee from nominations submitted by the ranking minority party member of each standing Subcommittee of the Committee; and

The balance of any unfilled positions shall be chosen by the Committee from nominations approved by a majority of the Members of the Majority party Members of the Committee;

The staff members selected by the Majority party shall be assigned such legislative, oversight, and administrative duties and responsibilities as the Chair of the Committee may prescribe and shall assist Committee Members in connection with matters related to Committee business. Each staff member nominated by a Subcommittee Chair shall be under the general supervision and direction of that Subcommittee Chair. The staff members selected by the Minority party shall be under the general supervision and direction of the Minority party Members of the Committee who may delegate such authority as they determine appropriate.

(b) A Subcommittee Chair shall be entitled to select and designate additional staff members, subject to the approval of a majority of the Majority party Members of the Committee, to assist the Subcommittee in carrying out its legislative, investigative and oversight responsibilities. The Minority shall be accorded fair and equitable consideration with respect to the appointment of additional staff, but Minority staffing shall continue to

be approximately one-third Minority representation on the Committee. Such staff members shall be assigned such duties pertaining to Subcommittee business as the Subcommittee Chair or the Minority, respectively, deem advisable and shall be compensated at a salary commensurate with the responsibilities prescribed by such Subcommittee Chair or by the Minority.

(c) Notwithstanding paragraphs (a) and (b) of this rule, the Committee may employ such additional nonpartisan staff as it deems necessary to conduct the administrative and clerical functions of the Committee. Such staff shall be in addition to any staff designated exclusively for the Majority or Minority party and shall be appointed only with the approval of a majority of the Members of the Majority party and with the approval of a majority of the Members of the Minority party. The Chair of the Committee shall establish and assign the duties and responsibilities of such members of the staff and they shall be compensated at a salary commensurate with the responsibilities prescribed.

(d) In the event that staff is not otherwise available pursuant to paragraphs (a) and (b) of this rule, from the funds provided for the appointment of Committee staff pursuant to any primary and additional expense resolution:

(1) The Chair of each standing Subcommittee is authorized to appoint at least one staff member who shall serve at the pleasure of the Subcommittee Chair.

(2) The ranking Minority party Member of each standing Subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the ranking Minority party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (a) and (b) shall be compensated at a rate determined by the Subcommittee Chair pursuant to Rule XI, Clause 5(d) of the House of Representatives.

(4) The staff positions made available to the Subcommittee Chair and ranking Minority party Members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under Rule XI, Clause 6 unless such staff positions are made available pursuant to a primary or additional expense resolution.

(e) All staff selected pursuant to this rule shall be approved by the Committee and shall not be assigned any duties other than those pertaining to the business of the Committee and its Subcommittees. The staff of a Subcommittee shall be under the general supervision and direction of the Chair of that Subcommittee. The staff assigned to the Minority shall be under the general supervision and direction of the Minority party Members of the Committee who may delegate such authority as they determine appropriate. The staff of the Committee not assigned to a Subcommittee or to the Minority shall be under the general supervision and direction of the Chair of the Committee, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as determined appropriate.

B. SUBCOMMITTEES: JURISDICTION, COMPOSITION, AND POWERS

Rule 14. Subcommittee Rules.—The Rules of the Committee, where applicable, shall be the Rules of its Subcommittees.

Rule 15. Reference of Legislation.—

(a) Except for bills, resolution, or matters involving Indians and Indian Tribes which shall be retained for consideration by the Committee unless referred by the Chair to an appropriate standing, select, or special Subcommittee, every bill, resolution, or other matter referred to the Committee shall be referred to the standing Subcommittee having jurisdiction over its principal subject matter within 2 weeks from the date of its referral to the Committee unless the Chair, with the approval of a majority of the Majority Members of the Committee, orders that it be retained for consideration by the Committee or that it be referred to a select or special Subcommittee.

(b) A bill, resolution, or other matter referred by the Chair to a Subcommittee may be recalled therefrom by him or her with the approval of a majority for the Committee's direct consideration or for referral to another Subcommittee. The Chair shall so inform, in writing, and such recommendation shall be effective within 1 week if approved by a majority of the Members of the Committee.

(c) A bill, resolution, or other matter referred by the Committee to a Subcommittee may be recalled from such Subcommittee at any time by majority vote of a quorum of the Committee for its direct consideration or for reference to another Subcommittee.

Rule 16. Subcommittees.—There shall be the following seven standing Subcommittees of the Committee: Subcommittee on Energy and the Environment, Subcommittee on National Parks and Insular Affairs, Subcommittee on Water and Power Resources, Subcommittee on Public Lands, Subcommittee on Oversight and Investigations, Subcommittee on Pacific Affairs, Subcommittee on Mines and Mining. Additional standing Subcommittees may be created by resolution of the Committee.

Rule 17. Jurisdiction of Subcommittees.—(a) The jurisdiction, including legislative, investigative, and oversight responsibilities, of the seven standing Subcommittees shall, subject to alteration as other Subcommittees are created, be as follows:

Subcommittee on Energy and the Environment

(a) Recommendations with respect to laws and programs under the jurisdiction of the Committee made by the Council on Environmental Quality in its annual Environmental Quality Report to the Congress.

(b) Selected matters and proposals, as referred by the Chairman, involving the environmental impacts of any laws or programs under the jurisdiction of the Committee.

(c) Regulation of the domestic nuclear energy industry, including regulation of research and development of reactors and nuclear regulatory research and special oversight functions with respect to nonmilitary nuclear energy and research and development, including the disposal of nuclear waste.

(d) Petroleum conservation on the public and other Federal lands and conservation of the uranium supply in the United States.

Subcommittee on national parks and insular affairs

(a) The National Park System and its units.

(b) Other national units established for the protection, conservation, preservation or recreational development of areas on public domain lands, or on reservations created out of the public domain, or under the jurisdiction of the Department of the Interior.

(c) Military parks, battlefields, and national cemeteries administered by the Secretary of the Interior, and parks within the District of Columbia.

(d) National outdoor recreation plans and the Land and Water Conservation Fund programs.

(e) Preservation of prehistoric ruins and objects of interest in the public domain and other Historic Preservation programs, including the Historic Preservation Fund.

(f) Puerto Rico, Guam, the Virgin Islands, American Samoa, Antarctica, the Trust Territory of the Pacific Islands, and the insular possessions of the United States, except matters affecting revenue and appropriations.

Subcommittee on water and power resources

(a) Irrigation and reclamation projects and other water resources development programs, including policies and procedures relating thereto.

(b) Compacts relating to the use and apportionment of interstate waters.

(c) Water rights.

(d) Saline water research and development program and water resources research program.

(e) Water resources planning conducted pursuant to the Water Resources Planning Act.

(f) Programs involving major interbasin movement of water or power.

(g) Legislation affecting the use of geothermal resources for the production of water and power.

Subcommittee on public lands

(a) Public lands generally, including, but not limited to, lands in Alaska, except units of the national park system, involved in the implementation of section 17(d)(2) of the Alaska Native Claims Settlement Act, as well as measures or matters related to entry, easements, withdrawals, and grazing.

(b) Forfeiture of land grants and alien ownership, including alien ownership of mineral lands.

(c) Forest reserves created from the public domain.

(d) National Wilderness Preservation System.

Subcommittee on Oversight and Investigations

(a) General and continuing oversight and investigative authority over activities, policies and programs within the jurisdiction of the Committee.

(b) Such remedial legislation resulting from the findings or recommendations of the Subcommittee as may be referred to the Subcommittee by the Chair of the Full Committee, after consultation with the Chair of the principal standing legislative Subcommittee involved.

(c) Legislation concerning the transportation of natural gas from or within Alaska.

(d) Legislation concerning the disposition of oil transported by the Trans Alaska oil pipeline.

Subcommittee on Pacific Affairs

(a) General and continuing oversight and investigative authority over activities, policies and programs in all of the Pacific territories (Guam, Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands).

(b) Such remedial legislation resulting from the findings or recommendations of the Subcommittee as may be referred to the Subcommittee by the Chair of the Full Committee.

Subcommittee on Mines and Mining

(a) Mining interests generally.

(b) Mineral resources of the public lands.

(c) Mineral land laws, and claims and entries thereunder.

(d) Geological survey.

(e) Mining schools and experimental stations.

(f) Proposed long-range domestic minerals programs, including availability of domestic minerals to fulfill all domestic requirements.

(b)(1) In order to enable the Committee to carry out its responsibilities under Rule X, Clause 2 of the Rules of the House, each Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that Subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that Subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that Subcommittee.

(2) Pursuant to Rule X, Clause 2, of the Rules of the House, the Chair of the Committee and the Chair of the Subcommittee having jurisdiction over the matter involved or their respective designees, shall meet with representatives of the Committee on Government Operations to discuss and to assist in coordinating oversight plans of their respective committees.

Rule 18. Party Ratios.—The Chair shall negotiate with the Minority with respect to the size of each Subcommittee, with due regard for the preference of Members for Subcommittee assignments, except that party representation on each Subcommittee shall be no less favorable to the Majority party than the ratio for the Committee.

The Chair, if approved by a majority of the Members of the Majority party, and the Ranking Minority Member, if approved by a majority of the Members of the Minority party, may serve as Members of each Subcommittee.

The size and party representation for each Subcommittee during the 96th Congress shall be as follows:

Subcommittee [1]	Total members	Majority party [2]	Minority party [2]
Energy and the Environment	21	14	7
National Parks and Insular Affairs	22	14	8
Water and Power Resources	12	8	4
Public Lands	18	12	6
Oversight and Investigations	9	6	3
Pacific Affairs	8	5	3
Mines and Mining	12	8	4

[1] The Chair and the Ranking Minority Member of the Full Committee serve as ex officio Members of all Subcommittees, but are voting Members only on the Subcommittees to which they are assigned pursuant to Rule 18.

[2] The Delegates from Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico do not count for purposes of the ratio between the majority and minority parties.

Rule 19. Special or Select Subcommittee.—The Chair is authorized, after consultation with the Ranking Minority Member of the Committee, to appoint such special or select Subcommittees as he deems advisable for carrying out the responsibilities and functions of the Committee. Party representation on each such Subcommittee shall be in the same proportion as that on the Committee.

Rule 20. Powers and Duties of Subcommittees.—Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it. The Chair of each Subcommittee shall set dates for hearings and meetings of their respective Subcommittees after consultation with the Chair of the Full Committee and of other Subcommittees with a view toward avoiding simultaneous scheduling of Committee and Subcommittee meetings or hearings wherever possible.

Rule 21. Travel.—(a) Subcommittee hearings outside of Washington, D.C., and travel by Members and staff shall be subject to approval by the Chair of the Committee pursuant to regulations promulgated by the Committee on House Administration. Each Subcommittee Chair may, for the purposes of field trips or hearings outside of the District of Columbia, assign any Members of the Committee to that Subcommittee.

(b) Staff members assigned to any Subcommittee may travel in connection with their respective duties only with the approval of the appropriate Subcommittee Chair and with the approval of the Chair of the Committee. Prior to submitting such travel requests to the appropriate Subcommittee Chair, all Minority staff travel shall be subject to such approval as the Minority Members of the Committee deem appropriate. All such travel shall be subject to the regulations promulgated by the Committee on House Administration.

Rule 22. Subcommittee Chair.—(a) The Majority Members of the Committee shall have the right, in order of Full Committee seniority, to bid for Standing Subcommittee Chairs. Any such bid shall be subject to approval by a majority of the Majority Members of the Committee. The Minority shall select a counterpart to the Subcommittee Chair for each of the Subcommittees. The Chair of select and special Subcommittees shall be appointed by the Chair of the Committee, subject to approval by a majority of the Majority Members of the Committee except that no Subcommittee Chair shall be Chair of another legislative Subcommittee of the House.

(b) Members chosen to chair a Subcommittee shall retain a ranking position on not more than one other retained Subcommittee. Any Subcommittee Chair serving on more than two Subcommittees shall be assigned positions on additional Subcommittees only after all other Members are assigned to Subcommittees and their ranking established on such Subcommittee, then the Subcommittee Chairs may serve in the order of their ranking on the Committee.

Rule 23. Duties of Chair Upon Favorable Action by Committee.—Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee, the Chair shall report the same or designate some Member of the Committee to report the same to the House and shall use or cause to be used all parliamentary methods to secure passage thereof, without such additional authority being set forth particularly in the motion to report each individual bill or resolution. Without limiting the generality of the foregoing, the authority contained herein extends in appropriate cases to moving in accordance with Rule XXIV, Clause 5, of the said rules that the House go into the Committee of the Whole House on the State of the Union to consider the bill or resolution; and to moving in accordance with Rule XXIV, Clause 2, of said rules for the disposition of a Senate bill or resolution that is substantially the same as the House bill or resolution as reported.

Rule 24. Committee Budget and Expenses.—(a) Each Subcommittee Chair and the ranking Minority Members of the Committee shall submit to the Chair a budget for each session of the Congress covering the funding required for staff, travel, and miscellaneous expenses. The Chair shall prepare a consolidated budget for each session of Congress which shall include amounts required for all activities and programs of the Committee and the Subcommittees, except those Committee expenses to be paid from appropriations provided for by statute.

(b) Upon approval by the Committee of each such budget, the Chair, acting pursuant to Rule XI, Clause 5, of the Rules of the House, shall prepare and introduce in the House, a supporting expense resolution, and take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(c) The Chair shall report to the Committee any amendments to each expense resolution and any changes in the budget necessitated thereby.

(d) Authorization for the payment of additional or unforeseen Committee and the Subcommittee's expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) Committee members shall be advised of the availability of each monthly report, prepared by the Chair for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year, anticipated expenditures for the projected Committee program, and detailed information on travel.

Rule 25. Recommendation of Conferees.—Whenever in the legislative process it becomes necessary to appoint conferees, Majority Members shall be recommended to the Speaker as conferees as determined by the Majority, and Minority Members shall be recommended to the Speaker as conferees as determined by the Minority. Recommended party representation shall be in the same proportion as that in the Committee.

THE FCC: AN INSIDE VIEW

(Mr. VAN DEERLIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. VAN DEERLIN. Mr. Speaker, it is possible that the House will be asked to work its will, several months from now, on far-reaching legislation to revamp the Communications Act of 1934. A result of nearly 3 years of staff studies and public hearings, the bill will seek deregulation where possible in both broadcasting and common carrier communications.

Simply stated, the verities of nearly a half-century ago are no longer valid in a new age of technology. Politically appointed Commissioners should no longer be asked to make choices that are better left to the marketplace.

One of the most eloquent voices raised in support of this viewpoint has been that of Margita White, an outgoing member of the Federal Communications Commission. Mrs. White's opinions were well summed up in what she describes as "my last speech" as a Commissioner. It was delivered last week before the Georgia Association of Broadcasters. I ask its inclusion in the RECORD as a helpful guidepost in the move toward a communications law to match our Nation's needs in the 21st century.

THE FCC: AN INSIDE VIEW

(Remarks by Commissioner Margita E White)

This is my last speech as an FCC Commissioner and hence my last opportunity to speak as an "insider" about the Commission that so directly affects your present and future as broadcasters. That being the case, I would like to share with you today some of my reflections on how the Commission works and why I believe, as I have said before, that only legislation will achieve the public's and broadcasters' goal of removing needless federal regulation.

Although the Federal Communications Commission consist of seven independent members with equal votes, it often is assumed that the Chairman not only is more powerful than the six Commissioners but that the Chairman is the leader and the Commissioners the followers.

That is not surprising when you consider the Commission's voting records. An analysis prepared by my office last summer of the Commission's 502 votes during the 6½ month period between October 25, 1977 and May 31, 1978. Found that the Commissioners voted with the Chairman an average of 98.7% of the time. There were dissenting or split votes on only nineteen of those 502 issues.

But this is not just a current phenomenon. A survey of Commission voting records by the National Citizens Committee for Broadcasting in 1975 found that between July 1974 and April 1975 the Commissioners voted in agreement with Chairman Wiley 97.6% of the time.

The unanimity can be explained in part by the fact that some routine matters, by law, must be voted on by the full Commission. Moreover, differences on some issues may be settled prior to Commission meetings.

In 1975, Nick Johnson suggested that his NCCB figures demonstrated "an unhealthy domination of the FCC's deliberative process by the chairman" and "an incredible lack of independence among the commissioners."

Unaccustomed as I am to agreeing with Nick Johnson, and leaving his adjectives aside, I do agree that the Chairman dominates the Commission and that the Commissioners lack independence.

THE WAY IT WORKS

The lack of dissent is not due to a lack of diligence or intelligence on the part of the Commissioners but rather, for lack of a better phrase, to the way the system works.

The Chairman is dominant for reasons of law and procedure. He selects the General Counsel and other key staff. He and his personal staff meet regularly with bureau and office chiefs to plan and discuss upcoming agenda items. Some draft policy recommendations are submitted to him alone; while the staff is hard put to decline sharing them with Commissioners on request, Commissioners are not informed that they exist. Through these procedures, the Chairman has direct power to influence both the content and timing of recommendations presented to the Commissioners.

This concentration of control in the Chairman's office and the staff's role as advocates of only one side of controversial issues combine to discourage robust debate and inhibit a diversity of viewpoints on the Commission.

During my tenure, I have come to hold the FCC's professional staff in the highest regard. Many, like the very capable Wally Johnson, have devoted their entire professional careers to the Commission's work.

The complexity and sheer number of issues before the FCC obviously require Commissioners to rely heavily on the expertise of the Bureau and office staffs. That is as it should be.

The more difficult question is how heavily we should rely on the policy recommendations of the staff.

I believe we rely too much on those recommendations.

A SINGLE POINT OF VIEW

Unlike the Chairman, the Commissioners rarely have notice of upcoming issues until at the earliest two weeks prior to a meeting when—while the focus is on the current week's agenda—their respective offices begin to receive what usually adds up to 25 to 50 items and several hundred, sometimes thousands, single-spaced pages. The typical agenda item, while summarizing arguments from the various parties, is written to support the staff's recommendation. In a Commission meeting, the bureau chief promotes and defends that conclusion, supported by a platoon of staff experts who have spent weeks, months or sometimes years with the issue and who, even if in disagreement with the bureau's position, are not likely to volunteer a personal view. To the Commissioners, in turn, it is not apparent whether the recommendation reflects a strongly held or unanimous position of the bureau, a position hammered out in a deeply divided bureau, or the acquiescence of the bureau to the Chairman's views.

In preparation for these meetings, a Commissioner or his or her staff of two professionals, the maximum allowed by law, will pursue questions with the bureau staffs or call for the entire file of comments on a particular issue which may require a grocery cart for delivery. But the Commissioner who disagrees with the staff's recommendation faces a tremendous burden in researching the record, articulating arguments—including legal and technical reasons—to support another position and in overcoming the presumption that an expert and impartial staff best can define what is in the public interest. The burden is especially heavy if the staff concludes that the public interest is served best through regulation and a Commissioner's opposing position for self-regulation or less regulation can be interpreted as a pro-industry stance.

To put it another way, the system is stacked against dissent because individual Commissioners lack the time and resources to present thoroughly explored alternatives to many staff recommendations. Their reliance on the staff and insulation from alternatives have been increased by ex parte rules which go beyond court requirements and common sense. As a result, a number of votes which might have been dissents become concurrences, reflecting dissatisfaction rather than disagreement.

One partial solution, which has been supported by most Commissioners and is incorporated in the Communications Act rewrite, is to give individual Commissioners larger professional staffs to provide more independent research on the issues.

Another would be to involve the Commissioners more in policy development and hiring decisions. This would be assisted by restoring the practices of issuing advance calendars of specific issues to be discussed and of holding Commission meetings on staff appointments.

"RUBBER STAMP" PERCEPTION

But the most useful approach, it seems to me, would be for the Commission to apply the principles of some of its regulations to its own procedures. Formats of Commission agenda presentations should be changed to provide reasonable opportunities for the expression of staff views opposing bureau recommendations. The advocacy system of staff recommendations should be modified to require that, when there are reasonable public interest arguments in support of a position contrary to the bureau's, the Commissioners should be presented by the experts with the best case for any and all options along with the bureau's recommendations. (What I am suggesting goes beyond some budding efforts to present the Commission with option papers which, for the most part, simply mention the options dismissed and defend the option supported by the staff.)

The Commission would benefit from the presentation of the full range of adversary positions much as it would benefit from holding more oral arguments. Applying the spirit of the fairness doctrine to the Commission's own proceedings would make the staff more helpful to the entire Commission, would encourage more informed debates on the issues, would reduce any perception that the Commission is a rubber-stamp for its Chairman and, most importantly, would serve the public interest.

It also would help counter the system's built-in incentives to expand regulations.

The staffs of a regulatory agency are, by definition, regulators. Most are lawyers. Their role is to apply not only the statutes but the mountains of regulatory interpretations and rules which implement them. The interpretations expand to cover more and more contingencies; the rules become rigid doctrines which court decisions set further into concrete. Precedent is paramount. Each new case challenges the regulator to fit the facts into the regulatory framework. If they do not fit, the impetus is to make room for them. For with the broad mandate of fitting in what is in the public interest and leaving out what may not be, the safe thing to do is to regulate, to fit the cases within the rules or to issue new rules.

SPARING THE DYNAMITE

The odds are against a Commissioner seeking to stem this momentum. Nevertheless, in two recent cases, a narrow majority of four Commissioners overcame those odds.

The first case came up over a year ago and was covered in a *Washington Star* front page story captioned "Real Blowup Avoided by Common Sense." It began as follows: "In one of those rare instances when common sense prevailed over strict legal interpretation at a federal regulatory agency, a majority of the Federal Communications Commission has decided not to require the owner of a small radio station to blow it up before a license may be granted. The vote was 4–3 with the three lawyers on the FCC voting to require Vincent C. Myles to tear down the tower and dynamite the foundations at his new little station in Montgomery City, Missouri before the agency would issue a construction permit allowing him to build and operate the station."

Some of you may recall the case. The law, of course, requires a construction permit before a station can be licensed. The facts in the case clearly indicated there was no intent to sidestep the law and that the problem was one of misunderstanding between Mr. Myles and the FCC staff, with whom he had been in contact since the beginning. There was no intent to hide information about the construction—there had been a large public ground-breaking ceremony. The community had no service. The Broadcast Bureau recommended, however, that law and precedent required that the construction permit and license be granted only on the condition that the tower first be torn down and the foundations demolished.

To the four non-lawyers on the Commission this simply did not make sense, especially since extensive legal research by my staff found that neither the law nor Congressional intent required demolition. So we voted not to blow up the station.

More recently, in a decision with significant implications for what lies ahead for radio deregulation, the Commission voted 4–3 to waive ascertainment documentation and reporting requirements for seven small radio stations.

THE ASCERTAINMENT PROCESS

To understand this decision, it is necessary to go back to 1973 when the Commission's re-regulation Task Force recommended examination of the effectiveness of the ascertainment process. In March of 1973, the Commission adopted a Notice of Inquiry which asked whether ascertainment requirements should differ for television and radio and be affected by the size of the market, the number of station employees and other variables.

In May of 1975, the Commission issued a further notice which expressed "our strongly felt concern for the regulatory burdens" upon small broadcasters. It concluded that many small radio and TV stations had made a convincing case for the hypothesis that "the broadcaster in the small community knows his town thoroughly" and that the formal record-keeping required by the 1971 primer was excessively burdensome for them. The Commission proposed, on an experimental basis, to test this hypothesis by exempting smaller stations from Commission oversight of their methods of ascertainment and from record-keeping and reporting requirements concerning ascertainment. The exempt stations still would ascertain community needs and prepare annual problems-programs lists to be available in station files and for submission with renewal applications.

In December of 1975, the Commission adopted this experiment. It did not explain how the test was to be conducted except to state it would be a 3-year experiment and that for purposes of the test a small community of license was defined as one with a population of 10,000 or less which is located outside all officially designated Standard Metropolitan Statistical Areas. The SMSA definition was selected for convenience and to exclude "bedroom suburbs." The Commission concluded that "while we do not pretend to be statisticians we believe that the approximately 1900 stations (virtually all radio) that would be exempted . . . is a sufficient sample, constituting some 25% of all commercial radio and TV stations," to make the experiment "meaningful."

In April 1978, the Commission found on its agenda a petition for a waiver from ascertainment documentation from Station WHMI–AM–FM in Howell, Michigan, a community with a population of 5,202 within the Detroit SMSA. The petitioner stated: "Howell is a semi-agrarian community, located 49 miles from the Detroit city limits and in no way do we feel we are a part of metro Detroit. The station's management is as familiar with the community leaders as if Howell were located several hundred miles from Detroit . . . We are a very small market station with a small staff and the documentation places a burden on us."

The Broadcast Bureau recommended denial of the waiver, holding there should be no waivers until the experiment was completed and evaluated.

Four Commissioners, myself included, disagreed. We concluded the facts warranted regulatory relief, that Howell was not a "bedroom suburb", that the circumstances appeared to be unique and that adding one station to a sample of 1900 would have no significant impact on the experiment. The dissenters charged the waiver could "deal a potentially crippling blow to the experiment" and that the majority was not "seeing the forest for the trees."

In November, the agenda included a petition for reconsideration of Howell and seven new ascertainment documentation waiver petitions from very small stations in similar circumstances.

It was at this point that the Commissioners began to express an interest in the experiment which had been initiated before most of us had joined the Commission.

The test was to have a full three-year renewal cycle, running through September 1979. During the two years so far covered, statistics for only 10 percent of exempt radio stations, or 87 stations, and for all 27 exempt TV stations had been compared with statistics for all radio and TV stations whose renewals had come up.

What kind of statistics, you may well ask, could compare the effectiveness of ascertainment? The staff chose four measures. The first three compared the number of inquiries from the Commission regarding deficiencies in annual problems-programs lists, promise versus performance problems and the amount of total nonentertainment programming proposed under our delegation of authority rules. The fourth compared the number of petitions to deny filed against exempt stations and all stations.

A USELESS EXERCISE

The results: Renewal applications for the exempt stations did not generate more questions from Commission analysts than those filed by all stations except that the few exempt TV stations received more queries about their annual problems-programs lists. No petitions to deny were filed against exempt radio stations whereas 2.3 percent of all radio stations were filed against during this period. 3.4 percent of all 29 exempt TV stations were petitioned against (a percentage reflecting a single petition which was part of a mass filing), whereas 15.4 percent of all TV stations were filed against.

The staff members who compiled this information concluded there was no evidence that exempt stations served. Their communities less effectively than non-exempt stations. They also conceded, to their credit, that the assumption that these four measures related to the effectiveness of ascertainment was tenuous at best and that the problems they found appeared to be related more to a lack of understanding by licensees as to what the Commission wants on its forms than to any failure to ascertain and program effectively to their communities.

Clearly the experiment had proven to be a useless bureaucratic exercise and should have been abandoned.

Instead, the bureau came to the Commission not only to defend the experiment but to promise that for the remaining year of the test it would keep detailed records on all the exempt stations to be processed in the same four categories. To cover the obvious outcome of the test, the bureau admitted there was no guarantee of success and asked the Commission to approve a forthcoming proposal to fund a research contract to have an outside consultant study the small market experiment.

In summary, the end is not yet in sight for a deregulatory effort begun six years ago simply to relieve small community broadcasters from the burden of filling in and filing a few forms and to prove the common sense hypothesis that they know their communities. A meaningless experiment is to continue for another year. A recently approved $55,000 study will start the process all over again to evaluate also indications by some social researchers that "because of the stratified social organization of the typical smaller community, such factors as the discouragement of controversy and limited media channels may limit the potential for successful informal ascertainment." In the meantime, the bureau would oppose granting waivers to the very small stations, like the seven who had petitioned us, which the Commission in 1973 had set out to relieve from excessively burdensome paperwork requirements.

THE REGULATORY WEB

Last November, the Commission, in a 4–3 vote, granted the seven waivers and upheld the one for Howell. The dissenters said our action on Howell alone would "jeopardize the statistical reliability of the experiment by skewing the control group of non-exempt stations." They charged further that the seven new waivers would destroy the "statistical foundation" of "an attempt by the Commission to determine if the public interest is *disserved* by elimination of certain of our requirements." (emphasis added)

So far as the "statistical foundation" is concerned, it should be obvious that the experiment will be useless without a "new foundation."

As for the suggestion that the public interest would be "disserved" by deregulation, I submit that is a far cry from the zero-based regulation we've heard so much about.

The overwhelming momentum is for regulators to regulate. Once it has been held that the public interest is served by regulation, the assumption is that the public interest will be "disserved" by deregulation. The system spins the regulatory web further. To unravel the web would be to take it apart strand by strand, precedent by precedent, decision by decision. That is as contrary to the natural instincts of regulators as it would be for a spider to unweave its web.

That is why so many cobwebs are left by both.

And that is why I do not foresee any meaningful deregulation of broadcasting forthcoming from the Federal Communications Commission.

I am well aware that just about everyone has joined the bandwagon for deregulation of radio in recent months. Last October the Chairman of the FCC took the Commissioners and staff by surprise to announce an experimental radio deregulation program in major markets. Some weeks later, he asked the Broadcast Bureau to evaluate all non-technical rules over radio and to classify them into three categories—rules to be retained, rules to be proposed for immediate elimination or change, and rules to be proposed for elimination or modification after data has been collected through experiments in selected radio markets.

The staff currently is preparing proposals for presentation to the Commission.

A premise for these proposals is that radio can be deregulated where it is probable that the marketplace will operate in the public interest.

IT WILL TAKE FOREVER

Given that premise, it is inevitable that rules slated for retention will include not only statutory requirements, such as equal time, but those, such as EEO rules, in areas where the marketplace has been held ineffective. Moreover, given the Chairman's commitment to increase competition through "structural reform of the marketplace," multiple ownership rules not only are likely to be retained but to be expanded, possibly to prohibit AM/FM combinations.

In view of the Chairman's intent to experiment with deregulation in major radio markets and the premise for deregulation, it is obvious that the most controversial rules—those of greatest concern to and burdensome for broadcasters—will fall into the experimental category. These will include rules where the Commission would face the heaviest burden to disprove its previous conclusions that regulations serve the public in-

terest. Minimum performance standards, commercial limitations, and ascertainment would be among the likely candidates. Moreover, since the goal not only is to eliminate rules but to modify them, there is bound to be an interest in experimenting with alternatives, such as access rules to modify the fairness doctrine.

Regardless of what the specific recommendations will be, the more important question is whether the experimental approach will result in deregulation.

The Commission's small market ascertainment experiment does not give cause for much optimism.

The response might be that the Commission, as it confessed in 1975, did not "pretend to be statisticians." The Commission now has economists and statisticians eager to persuade the Commission that they have the expertise to conduct experiments which will show whether the public will be "better off" with or without regulation.

LET THE PUBLIC DECIDE

My rejoinder to that would be: Let the Public decide.

Yet it will not be the public but the Commission which will judge the performance of broadcasters and decide whether the marketplace serves the public interest according to its already established theories, definitions and standards. The goal of deregulation, Chairman Ferris stated in his testimony before the House Subcommittee, is "increasing reliance on competition to achieve regulatory goals." Inevitably, the pressure will be on the experimentally deregulated stations to respond to the same regulatory stimuli to reach the same regulatory results. Like Pavlov's dogs, they will be expected to react as instructed even though the signal has changed. The regulatory bell will continue to condition the broadcaster's behavior.

There are many other problems with the experimental approach, not the least of which is the length of time it will take before conclusions, if any, can be drawn. It has been said, with respect to regulatory delay, that the people are fortunate they don't get all the Government they pay for. But with deregulatory delay, the people will continue to pay for regulations no longer needed while the regulators tinker with the marketplace to make it conform to their social ideas.

Experiments simply will put off forcing the Commission to explain why—in today's competitive environment—regulation of radio is in the public interest.

Experiments also will put off dergulation for all broadcasts, including the small stations the Commission expressed its "strongly felt concern" for unburdening when it started its small market ascertainment experiment.

The time for deregulation is now.

I am convinced that deregulation of radio, as well as television, will come about only through legislation. As I pointed out in Atlanta, you have been warned that what the Congress gives, Congress can take away. But it is likely—as I have tried to explain today—that what the Commission takes away only Congress can give back.

PUZZLED BY BROADCASTERS

I have been puzzled by some broadcasters' reluctance to support the rewrite bill's substitution of the marketplace for the public interest standard and even more by suggestions that the public interest standard be reinserted along with the marketplace standard.

It is the broad public interest standard which has served as an open invitation for any four Commissioners to decide at any time what should be regulated and which has led to the far heavier burden to reverse those decisions.

Specific public interest objectives can be spelled out in the law. But to reinstate the current law's open-ended mandate would be to reverse the rewrite's salutory premise—that the Commission only should regulate to the extent marketplace forces are deficient—and to give statutory authority to the FCC's current premise that the Commission should deregulate only to the extent the marketplace is proven efficient.

As I read the First Amendment, it does not suggest that freedom of speech shall not be abridged except where the government decides the marketplace does not operate in the public interest.

Broadcasters can't have it both ways. The choice is clear. Either the commission will define the public interest and use the marketplace as a regulatory tool or the public will use the *free* marketplace (an adjective seldom heard in declarations of deregulatory intent) to make its own decisions.

IT'S UP TO CONGRESS

I support the second choice. In a free society, the presumption must be that the public is served better through the competitive marketplace of products and ideas than through government regulation. That has been the Commission's premise in moving toward deregulation of the common carrier industries. But when it comes to broadcasting, the Federal Communications Commission—clinging to legal precedents built on an outdated law, propelled by an institutional momentum for ever increasing regulation, and with a mindset that the public interest is "disserved" by eliminating regulations—is unlikely to provide for any meaningful or permanent deregulation.

Experiments may be conducted, new regulations may be substituted for the old, and the rhetoric is sure to continue. Some commissioners and members of the staff will continue to seek less regulation with all sincerity. But only Congress can sweep away the cobwebs of presumptions and precedents that have made the determination of how broadcasters shall serve the public interest the prerogative of seven appointed officials in Washington.

Legislation which helps restore that power to the public itself is in the public interest.

And it is in your interest to support it.●

INTRODUCTION STATEMENT ON BAKE AND TAKE DAY RESOLUTION

(Mr. SEBELIUS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SEBELIUS. Mr. Speaker, over the centuries, wheat bread has become known to mankind as the "staff of life," because of man's dependence upon it. The reverence in which men held wheat and bread over the ages still lives in the Lord's Prayer: "Give us this day, our daily bread"; and in the wafers of the Eucharist. In the Hebrew faith, the eating of unleavened matzoth during Passover also marks the significance of bread in religion.

So many foods today are made from or contain wheat that we take it for granted, an accepted and often unnoticed part of our daily meals. One bushel of wheat will provide about 70 loaves of whole wheat bread, and more than 40 million loaves of bread are sold in the United States each day. Macaroni, spaghetti, noodles, cookies, crackers, cakes, and pastries are a few of the myriad of wheat foods products.

Of the 40-odd essential nutrients, all but six vitamins A, D, B–12, and C, plus sodium and chlorine—can be found in a whole kernel of wheat. Wheat also contains good levels of all the essential amino acids, although it is comparatively low in lysine. Calorie for calorie, it contains a high concentration of 18 nutrients, including important trace minerals. Recent studies have led scientists to believe that the intake of wheat fiber in the human diet, specifically wheat bran, plays an important role in preventing colonic cancer, the second most frequent cause of cancer mortality in this country.

The United States is by far the world's leading exporter of wheat and flour thereby supplying nutritious food to multitudes around the globe. Kansas is easily the leading producer of wheat, and plays a major role in this humanitarian endeavor.

As a reminder of the importance of wheat foods in our lives, and to personally deliver fresh bakery products to the elderly, ill, and shut-in, the Kansas Wheathearts, auxiliary of the Kansas Association of Wheat Growers, have initiated a "Bake and Take Day," that has grown to national proportions. Since its inception in 1971, National Bake and Take Day is now observed on the fourth Saturday in March by an average of 18 States. In fact, President Carter signed Bake and Take Day proclamations twice while he was Governor of Georgia.

Mr. Speaker, it is the earnest wish of the Kansas Wheathearts that this event be observed in every State. As the representative of the largest wheat-producing district in the Nation it is an honor for me to again introduce a concurrent resolution that would make this possible.

THE RULES OF PROCEDURE

(Mr. BOLLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOLLING. Mr. Speaker, clause 2 (a) of rule XI of the Rules of the House of Representatives requires each standing committee of the House as well as select and joint committees, unless otherwise prohibited by law, to publish in the CONGRESSIONAL RECORD their rules of procedure at the beginning of each Congress. Committee rules must be published no later than 30 days after Congress convenes.

In compliance with this House rule and on behalf of the Committee on Rules, I am submitting today a copy of the rules adopted by the committee at our organizational meeting on January 30, 1979.

They are, basically, the committee rules of the 95th Congress with two changes, one of a technical nature and the other providing for two subcommittees rather than one as in the last Congress.

These committee rules, however, are something of an interim step in the development of rules of procedure for the committee in the 96th Congress. At the organizational meeting, the committee established, and I appointed, a five-member task force to draft permanent rules for the committee for the 96th Congress. The task force, chaired by Mr. DODD and

including in its membership Mr. DERRICK, Mr. BAUMAN, Mr. QUILLEN, and myself, is to complete a comprehensive review of existing committee rules and to submit draft recommendations for committee consideration no later than March 6, 1979.

The committee chose to follow this two-step procedure in order to comply with House rules as well as granting sufficient time for the task force to complete its work. The task force approach allows the committee to thoroughly review its rules vis-a-vis House requirements and to obtain maximum input from committee members. Once the committee adopts permanent rules for the 96th Congress these, too, will be published in the RECORD.

Without further comment, I insert the Rules of Procedure of the Committee on Rules for the 96th Congress in the RECORD:

NINETY-SIXTH CONGRESS—RULES OF PROCEDURE FOR THE COMMITTEE ON RULES, ADOPTED TUESDAY, JANUARY 30, 1979

RULE 1—MEETINGS

(a) The Committee on Rules shall meet at 10:30 a.m. on Tuesday of each week when the House is in session. Meetings and hearings shall be called to order and presided over by the Chairman or, in the absence of the Chairman, by the Ranking Majority Member of the Committee present as Acting Chairman.

(b) A minimum 48-hour notice of regular meetings and hearings of the Committee shall be given to all members except that the Chairman, acting on behalf of the Committee, may schedule a meeting or hearing for the consideration of emergency and/or procedural measures or matters at any time. As much notice as possible will be given to all members when emergency meetings or hearings are called; provided, however, that an effort has been made to consult the Ranking Minority Member. In the event of his absence, an effort shall be made to consult the member next in rank, and so on down the line until an effort has been made with respect to all members of the minority. Copies of bills and reports to be considered for a rule by the Committee are to be sent to members of the Committee at least one day in advance of consideration by the Committee, except in cases of emergencies.

(c) Meetings, hearings, and executive sessions of the Committee shall be open to the public in accordance with clause 3(g) of rule XI of the Rules of the House of Representatives.

(d) For the purpose of hearing testimony on requests for rules, seven members of the Committee shall constitute a quorum.

(e) For the purpose of hearing and taking testimony on matters or measures of original jurisdiction before the Committee, three members of the Committee shall constitute a quorum.

(f) For the purpose of executive meetings, a majority of the Committee shall constitute a quorum.

(g) The following Committee meeting and hearing procedures shall be determined by the Chairman acting on behalf of the Committee, in cooperation with the Ranking Minority Member.

(1) Measures or matters before the Committee which are deemed noncontroversial as to both type of rule and substantive content may be scheduled for consideration by the Committee without hearings.

(2) Measures or matters before the Committee which are deemed noncontroversial as to substantive content but controversial as to type of rule may be the subject of Committee hearings at which time the principal proponents and opponents will be provided an opportunity to testify only as to the type of rule to be granted.

(3) Measures or matters before the Committee which are deemed controversial as to substantive content by a minimum of six committee members will be the subject of Committee hearings at which time all interested Members of Congress, who are proponents or opponents, will be provided a reasonable opportunity to testify.

(h) There shall be a transcript of regularly scheduled hearings and meetings of the Committee which may be printed if the Chairman decides it is appropriate, or if a majority of the members request it.

(i) A Tuesday meeting of the Committee may be dispensed with where, in the judgment of the Chairman, there is no need therefor, and additional meetings may be called by the Chairman, or by written request of a majority of the Committee duly filed with the Counsel of the Committee.

(j) The Committee may permit, by a majority vote on each separate occasion, the coverage of any open meeting or hearing, in whole or in part, by television broadcast, radio broadcast, and still photography under such requirements and limitations as set forth in the Rules of the House of Representatives.

(k) The five-minute rule in the interrogation of witnesses, until such time as each member of the Committee who so desires has had an opportunity to question the witness, shall be followed.

(l) When a recommendation is made as to the kind of rule which should be granted, a copy of the language recommended shall be furnished to each member of the Committee at the beginning of the meeting where such language is to be considered or as soon thereafter as such recommendation becomes available.

RULE 2—VOTING

(a) No measure or recommendation shall be reported, deferred, or tabled by the Committee unless a majority of the Committee is actually present.

(b) A rollcall vote of the members of the Committee may be had upon the request of any member.

(c) The result of each rollcall vote, including the names of Committee members and how they voted on specific issues, shall be available for public inspection at the office of the Committee.

RULE 3—REPORTING

(a) Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee, the Chairman or Acting Chairman shall report the same or designate some member of the Committee to report the same to the House, such report to include the totals of any record vote thereon.

RULE 4—COMMITTEE STAFFING

(a) The professional and clerical staffs of the Committee shall serve under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of the members of the staffs and delegate such authority as the Chairman deems appropriate, with the exception of the minority staff, who shall serve under the general supervision and direction of the Ranking Minority Member of the Committee.

(b) The appointment of staff members of the Committee shall be made as follows:

(1) Each member of the Committee shall be authorized to appoint one (1) staff member;

(2) The Chairman of the Committee, with concurrence of the majority party members, shall be authorized to appoint the remaining staff members authorized under clause 6 of rule XI of the Rules of the House of Representatives;

(3) The Ranking Minority Member of the Committee, with concurrence of the minority party members, shall be authorized to appoint the remaining minority staff members authorized under clause 6 of rule XI of the Rules of the House of Representatives.

(c) Each staff member appointed under subsection (b)(1) shall be paid at a rate of pay of not more than $31,171 per annum.

RULE 5—SUBCOMMITTEES

(a) There shall be two Subcommittees of the Committee to be composed of six members appointed by the Chairman.

(b) The Subcommittee jurisdictions shall be as follows:

(1) Subcommittee Number One which shall be responsible for measures or matters related to the legislative process in the House.

(2) Subcommittee Number Two which shall be responsible for measures related to the rules and procedure of the House.

(c) Measures or matters may be referred to the Subcommittees as follows:

(1) No resolution providing for the consideration of any bill or resolution shall be referred to a Subcommittee.

(2) The Chairman may refer any measure or matter to a Subcommittee or retain such measure or matter in the jurisdiction of the full Committee.

RULE 6—MISCELLANEOUS

(a) The Committee shall have prepared, maintained, printed and published a calendar listing all matters formally before it. Information on this calendar shall include the number of the bill or resolution, a brief description of the measure's contents, including the legislative committee reporting it, and the name of the principal sponsoring Member.

(b) The staff shall prepare, maintain and furnish to the members of the Committee a list of all pending bills or resolutions from other committees concerning which a hearing request has been properly filed with the Committee. This list shall be distributed to the members of the Committee on a regular weekly basis when the House is in session and shall include the number of the bill or resolution, the name of the legislative committee reporting it, the principal sponsoring Member, and the date upon which the request for a rule was filed, along with a brief analysis of the contents of the scheduled measures and a description of the rule requested by the reporting legislative committee, if so requested.

(c) For purpose of this rule, matters formally before the Committee include: bills or resolutions over which the Committee has original jurisdiction, and bills or resolutions from other committees concerning which the chairman or designated member of such committee has requested a hearing in writing and forwarded to the Committee on Rules a copy of such bill or resolution as reported, together with the final printed committee report.

(d) Executive meeting minutes shall be available to Members of Congress in compliance with clause 2(e) of rule XI of the Rules of the House of Representatives.

(e) Upon adoption of the rules and procedures of the Committee at the opening of each Congress, the Chairman may have these rules and procedures printed in an early issue of the Congressional Record.

□ 1145

GENERAL LEAVE

Mr. DASCHLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New Jersey, Mr.

RODINO, relative to the introduction of the bill H.R. 1899, the Victims of Crime Compensation Act.

The SPEAKER pro tempore (Mr. ANNUNZIO). Is there objection to the request of the gentleman from South Dakota?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CAMPBELL) to revise and extend their remarks and include extraneous matter:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. GREEN, for 10 minutes, today.

Mr. JOHNSON of Colorado, for 5 minutes, today.

Mr. MARLENEE, for 5 minutes, today.

Mr. MCDADE, for 5 minutes, today.

(The following Members (at the request of Mr. DASCHLE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. KASTENMEIER, for 15 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. CAVANAUGH, for 10 minutes, today.

Mr. LEVITAS, for 10 minutes, today.

Mr. CHARLES H. WILSON of California, for 10 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. MOFFETT, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. BARNES, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. BOLLING, for 5 mniutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. PANETTA, for 10 minutes, today.

Mr. ROBERTS, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mr. WEISS, for 60 minutes, on February 15, 1979.

Mr. DRINAN, for 60 minutes, February 15, 1979.

(The following Members (at the request of Mr. PANETTA) to revise and extend their remarks and include extraneous matter:)

Mr. WIRTH, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. VAN DEERLIN, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $965.

Mr. BINGHAM, to revise and extend his remarks and to follow Ms. HOLTZMAN'S remarks.

(The following Members (at the request of Mr. CAMPBELL) and to include extraneous material:)

Mr. LEE.

Mr. FINDLEY.

Mr. SHUSTER in two instances.

Mr. CLAUSEN.

Mr. MOORHEAD of California in two instances.

Mr. GILMAN.

Mr. GREEN.

Mr. YOUNG of Florida.

Mr. WHITEHURST in two instances.

Mr. MICHEL in five instances.

Mr. SOLOMON.

Mr. RUDD.

Mr. GRASSLEY.

Mr. WYDLER.

Mr. STANGELAND.

Mr. DERWINSKI in four instances.

Mr. SHUMWAY.

Mr. ANDERSON of Illinois.

Mr. SYMMS in two instances.

Mr. PURSELL.

Mr. BEREUTER.

Mr. GINGRICH in two instances.

Mr. COURTER.

Mr. COLLINS of Texas in three instances.

Mr. HYDE.

Mr. LEWIS in two instances.

Mr. JOHNSON of Colorado in two instances.

Mr. GOODLING.

Mr. LENT.

Mr. GOLDWATER.

Mr. MYERS of Indiana.

Mr. HANSEN in five instances.

Mr. DORNAN.

(The following Members (at the request of Mr. DASCHLE) and to include extraneous material:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. IRELAND.

Mr. CORMAN in five instances.

Mr. VENTO.

Mr. MARKEY in five instances.

Mr. HEFTEL.

Mr. EVANS of Indiana.

Mr. FAUNTROY.

Mr. ROSENTHAL in two instances.

Mr. NATCHER.

Mr. MOFFETT.

Ms. OAKAR in two instances.

Mr. COTTER.

Mr. UDALL in three instances.

Mr. WAXMAN.

Mr. MAZZOLI.

Ms. SPELLMAN.

Mr. NOLAN.

Mr. MOAKLEY.

Mr. MURTHA.

Mr. MURPHY of New York.

Mr. WRIGHT in four instances.

Mr. JOHNSON of California.

Mr. DINGELL.

Mr. CONYERS.

Mr. BRADEMAS in five instances.

Mr. WOLFF.

Mr. GRAMM.

Mr. STENHOLM.

Mr. DANIELSON.

Mr. LEHMAN.

Mr. SIMON.

Mr. DRINAN.

Mr. MONTGOMERY.

Mr. BONER of Tennessee.

(The following Members (at the request of Mr. PANETTA) and to include extraneous material:)

Mr. WIRTH.

Mr. WEISS.

Ms. MIKULSKI.

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 28 minutes p.m.), pursuant to the provisions of House Concurrent Resolution 42, the House adjourned until 12 o'clock meridian Tuesday, February 13, 1979.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

563. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the fourth quarter of fiscal year 1978 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 95–111; to the Committee on Appropriations.

564. A letter from the Assistant Secretary of Defense (International Security Affairs), transmitting a report on NATO country defense expenditures for 1978, planned expenditures for 1979, and the percent of real change indicated for the 1978–79 period; to the Committee on Armed Services.

565. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize family separation allowance for members in the pay grade of E–4 and below with dependents; to the Committee on Armed Services.

566. A letter from the Assistant Attorney General, Civil Rights Division, transmitting the Attorney General's report for calendar year 1978 on administration of the Equal Credit Opportunity Act, pursuant to section 707 of the Consumer Credit Protection Act, as amended (90 Stat. 255); to the Committee on Banking, Finance and Urban Affairs.

567. A communication from the President of the United States, transmitting reports on international communications policy, international journalistic freedom, and U.S. policy toward Cuba, pursuant to sections 601, 603, and 613 of Public Law 95–426; to the Committee on Foreign Affairs.

568. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on steps taken by the Agency for International Development to alter U.S. development assistance programs because of human rights considerations, pursuant to section 116(d)(2) of the Foreign Assistance Act of 1961, as amended (91 Stat. 537); to the Committee on Foreign Affairs.

569. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for fiscal year 1979; to the Committee on Foreign Affairs.

570. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize appropriations for the Department of State for the fiscal years 1980 and 1981 and for other purposes; to the Committee on Foreign Affairs.

571. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

572. A letter from the Chairman, Japan-United States Friendship Commission, transmitting the second annual report of the Commission, covering fiscal year 1978, pursuant to section 5(b) of Public Law 94–118; to the Committee on Foreign Affairs.

573. A letter from the Public Information Officer, Occupational Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

574. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

575. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

576. A letter from the Special Counsel of the Merit Systems Protection Board, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

577. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1978 on the Government's helium program, pursuant to section 16 of Public Law 86–777; to the Committee on Interior and Insular Affairs.

578. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a report on the actual and potential effects of surface mining activities on nationally significant natural and historic landmarks, pursuant to section 9(b) of Public Law 94–429; to the Committee on Interior and Insular Affairs.

579. A letter from the Federal and State Cochairmen, Federal-State Land Use Planning Commission for Alaska, transmitting the Commission's annual report for 1978, pursuant to section 17(a)(8)(A) of Public Law 92–203; to the Committee on Interior and Insular Affairs.

580. A letter from the Secretary of Agriculture, transmitting a report recommending 15 national forest primitive areas of redesignation as class I clean air areas, pursuant to section 164(d) of the Clean Air Act, as amended (91 Stat. 733); to the Committee on Interstate and Foreign Commerce.

581. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the progress of the influenza immunization program; to the Committee on Interstate and Foreign Commerce.

582. A letter from the Secretary of Energy, transmitting notice of the establishment of a photovoltaic systems evaluation and purchase program; to the Committee on Interstate and Foreign Commerce.

583. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held in Paris, France, between February 13–19, 1979; to the Committee on Interstate and Foreign Commerce.

584. A letter from the Commissioner, Federal Energy Regulatory Commission, transmitting a proposed regulation to establish a direct purchase program for essential agricultural uses of natural gas; to the Committee on Interstate and Foreign Commerce.

585. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's decision to extend the time period for acting on an appeal pending in Finance Docket No. 27620, *Maine Central Railroad Co.* v. *Amoskeag Co., Frederick Dumaine and Dumaines*, pursuant to 49 U.S.C. 10327(k); to the Committee on Interstate and Foreign Commerce.

586. A letter from the Chairman, Securities and Exchange Commission, transmitting the Commission's annual report for fiscal year 1977 and the transition quarter; to the Committee on Interstate and Foreign Commerce.

587. A letter from the Chairperson, National Commission on Digestive Diseases, transmitting the Commission's report on the use and organization of national resources to deal effectively with digestive diseases, pursuant to section 301 of Public Law 94–562, as amended (92 Stat. 3437); to the Committee on Interstate and Foreign Commerce.

588. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

589. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

590. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

591. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a report on civilian positions in the Defense Department allocated or placed in grades GS–16, 17, or 18 during calendar year 1978, and a report covering the same period on scientific and professional positions established, pursuant to 5 USC 5114(a) and 5 U.S.C. 3104(c), respectively; to the Committee on Post Office and Civil Service.

592. A letter from the Director, Office of Personnel Management, transmitting a report on actions on positions in grades GS–16, 17, and 18 during calendar year 1978, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

593. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on the positions in grade GS–17 in his Office during calendar year 1978, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

594. A letter from the Director, Congressional Budget Office, transmitting a report on guidelines for a study of highway cost allocation, pursuant to section 506(b) of Public Law 95–599; to the Committee on Public Works and Transportation.

595. A letter from the Comptroller General of the United States, transmitting a report on the readiness of Marine Corps amphibious forces (LCD–78–417A, February 6, 1979); jointly, to the Committees on Government Operations, and Armed Services.

596. A letter from the Comptroller General of the United States, transmitting a report on education and training programs in Federal and State correctional institutions (GGD–79–13, February 6, 1979); jointly, to the Committees on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 or rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. Report on subdivision to subcommittees of budget totals agreed to in second concurrent resolution on the budget (H. Con. Res. 683) for fiscal year 1979 (Rept. No. 96–1). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 1894. A bill to provide for a temporary increase in the public debt limit, and for other purposes; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 1895. A bill to provide for a reduction in the number of Federal employees through voluntary attrition; to the Committee on Post Office and Civil Service.

By Mr. PURSELL (for himself, Mr. MURPHY of Pennsylvania, Mr. WHITEHURST, Mr. PRITCHARD, and Mr. CORCORAN):

H.R. 1896. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. PURSELL (for himself, Mr. STOCKMAN and Mr. TRAXLER):

H.R. 1897. A bill to amend section 1304 of the Internal Revenue Code of 1954 relating to income tax returns of married individuals; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 1898. A bill to provide for payment of national service life insurance benefits with respect to members of the Armed Forces who were killed in action during 1942 withouf having life insurance in effect and after the expiration of the period provided for gratuitous life insurance benefits for members of the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr. DRINAN, Ms. HOLTZMAN, Mr. MAZZOLI, Mr. GUDGER, Mr. MIKVA, Mr. HYDE, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. LEHMAN, Mr. NOLAN, Mr. PATTEN, and Mr. VENTO):

H.R. 1899. A bill to help States assist the innocent victims of crime; to the Committee on the Judiciary.

By Mr. HAGEDORN (for himself, Mr. BARNARD, Mr. BEARD of Tennessee, Mr. HALL of Texas, Mr. ABDNOR, Mr. ARCHER, Mr. BADHAM, Mr. BAFALIS, Mr. BAUMAN, Mr. BOWEN, Mr. BUTLER, Mr. COLLINS of Texas, Mr. PHILIP M. CRANE, Mr. DEVINE, Mr. DICKINSON, Mr. DORNAN, Mr. GRASSLEY, Mr. GUYER, Mr. HANSEN, Mrs. HOLT, Mr. KELLY, Mr. KINDNESS, Mr. LOTT, Mr. MCCLORY, Mr. MCDONALD, Mr. MOORHEAD of California, Mr. QUAYLE, Mr. ROBINSON, Mr. RUDD, Mr. SEBELIUS, Mr. STANGELAND, Mr. SYMMS, Mr. WHITEHURST, Mr. WINN, Mr. COUGHLIN, Mr. SNYDER, and Mr. YOUNG of Florida):

H.R. 1900. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. MONTGOMERY:

H.R. 1901. A bill to provide for reactivation of registration and classification under the Military Selective Service Act, to provide for induction of not more than 200,000 individuals per year for training and service in the individual Ready Reserve, to provide for educational assistance for individuals so inducted, and for other purposes; to the Committee on Armed Services.

By Mr. ANNUNZIO (for himself, Mr. REUSS, Mrs. SPELLMAN, Mr. VENTO, Mr. FAUNTROY, Mr. GONZALEZ, Mr. MITCHELL of Maryland, Mr. STANTON, and Mr. EVANS of Delaware):

H.R. 1902. A bill to amend the Bank Holding Company Act Amendments of 1970; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO:

H.R. 1903. A bill to amend the Electronic Fund Transfer Act to provide that certain provisions of such act shall take effect on June 10, 1979, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. APPLEGATE:

H.R. 1904. A bill to require that direct Presidential primary elections be held throughout the United States on the first Tuesday after the first Monday in May of each Presidential election year; to the Committee on House Administration.

By Mr. ASHBROOK:

H.R. 1905. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax-exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

By Mr. AuCOIN:

H.R. 1906. A bill to limit, and require an annual report with respect to, the level of foreign investment in the U.S. fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1907. A bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to provide for multi-year funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes; jointly to the Committees on Government Operations and Rules.

H.R. 1908. A bill to amend the Export-Import Bank Act of 1945 with respect to credit to Communist countries, and for other purposes; jointly to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. BAFALIS (for himself and Mr. GEPHARDT):

H.R. 1909. A bill to amend the Internal Revenue Code of 1954 to reduce the rates of excise taxes on transportation by air; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. NOLAN, Mr. BALDUS, and Mr. DASCHLE):

H.R. 1910. A bill to provide Federal guarantees for State programs designed to assist individuals who, except for their lack of financial means, would be qualified to enter farming on full-time basis; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 1911. A bill to prohibit Federal assistance to rental housing projects for the elderly and handicapped if such projects do not allow tenants to have pets; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1912. A bill to amend title XX of the Social Security Act to provide for the reallotment of unused social security funds, in any fiscal year to States which will use such funds during the succeeding year to furnish nutrition services aimed at preventing or reducing inappropriate institutional care; to the Committee on Ways and Means.

By Mr. BONER of Tennessee:

H.R. 1913. A bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from prescribing rules which would permit duplication of radio broadcasting station assignments on Class I-A clear channels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRODHEAD:

H.R. 1914. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 1915. A bill to require the Secretary of Agriculture to periodically report to the Congress on the status, condition, and productive potential of privately owned forest lands; to the Committee on Agriculture.

Mr. BROWN of California (for himself and Mr. FORSYTHE):

H.R.1916. A bill to enable freestone peach growers to finance through their own industry a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches; to the Committee on Agriculture.

By Mr. CARTER (for himself, Mr. PREYER, Mr. WALGREN, Mr. ANDREWS of North Carolina, Mr. DUNCAN of Tennessee, Mr. BROYHILL, Mr. VAN DEERLIN, Mr. DAVIS of South Carolina, Mr. MURPHY of Illinois, Mr. ROSENTHAL, and Mr. FUQUA):

H.R. 1917. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce

By Mr. ANDERSON of California:

H.R. 1918. A bill to amend title 38, United States Code, to provide a service pension for veterans of World War I who have annual incomes of less than $10,000 and for certain surviving spouses and dependent children of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. COTTER:

H.R. 1919. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 1920. A bill to require a speedy trial for criminal defendants charged with use of a firearm in the commission of a Federal crime; to the Committee on the Judiciary.

By Mr. DANIEL B. CRANE:

H.R. 1921. A bill to repeal the provisions of title 23, United States Code, relating to a national maximum speed limit of 55 miles per hour; to the Committee on Public Works and Transportation.

By Mr. DANIELSON:

H.R. 1922. A bill to create a Federal Disaster Insurance Corporation to insure the people of the United States against losses due to major natural disaster, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1923. A bill to provide for appellate review of decisions of the High Court of American Samoa; to the Committee on the Judiciary.

H.R. 1924. A bill to provide for payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

By Mr. DANNEMEYER:

H.R. 1925. A bill to provide for the establishment of a U.S. Liaison Office in the Republic of China and a Republic of China Liaison Office in the United States; to the Committee on Foreign Affairs.

H.R. 1926. A bill to require that a question regarding U.S. citizenship be included in questionnaires used in the decennial census; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.R. 1927. A bill to allow projects conducted under the Rio Grande bank protection project to be undertaken in Starr County, Tex.; to the Committee on Public Works and Transportation.

H.R. 1928. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly to the Committees on Government Operations and Rules.

By Mr. ERDAHL:

H.R. 1929. A bill to authorize construction of a project for flood control and other purposes on the South Fork Zumbro River at Rochester, Minn.; to the Committee on Public Works and Transportation.

By Mr. FLOOD (for himself, Mr. MURPHY of New York, Mr. DORNAN, and Mr. HANSEN):

H.R. 1930. A bill to provide for the increase of capacity and improvement of operations of the Panama Canal within the framework of continued sovereign control of the canal and the Canal Zone by the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ERLENBORN (for himself and Mr. ASHBROOK):

H.R. 1931. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. FARY:

H.R. 1932. A bill to amend the Home Owners' Loan Act of 1933 to prohibit Federal savings and loan associations from making variable rate and rollover mortgages and to authorize the Federal Home Loan Bank Board to permit such associations to issue graduated payment and reverse-annuity mortgages; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1933. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 with respect to the terms of office of officers of local labor organizations; to the Committee on Education and Labor.

H.R. 1934. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 1935. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 1936. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1937. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 1938. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 1939. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. FORSYTHE:

H.R. 1940. A bill to provide that portion of the savings which are realized by the Department of Defense as a result of the closure or realinement of a military base in a community shall be returned to the community for economic recovery and ajdustment; to the Committee on Armed Services.

H.R. 1941. A bill to amend section 1951 of title 18, United States Code, to make it a Federal criminal offense to engage in violence or destruction at or near a construction site or any other place where work or business is carried on; to the Committee on the Judiciary.

H.R. 1942. A bill to limit the authority of States and their subdivisions to impose taxes with respect to income on residents of other States; to the Committee on the Judiciary.

H.R. 1943. A bill to amend title 28 of the United States Code, to provide a civil action for damages against the United States and the U.S. Postal Service with respect to tortuous conduct of the U.S. Postal Service in the delivery of mail matters, and for other purposes; to the Committee on the Judiciary.

H.R. 1944. A bill to require biennial reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Government Operations.

H.R. 1945. A bill to amend section 5520 of title 5, United States Code, relating to the withholding of city taxes from the pay of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 1946. A bill to limit civil service disciplinary actions in certain cases involving the failure of an employee to report as directed for the service of process; to the Committee on Post Office and Civil Service.

H.R. 1947. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

H.R. 1948. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1949. A bill to amend title XVIII of the Social Secretary Act to authorize payment under the supplementary medical insurance program for regular physical examinations; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1950. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1951. A bill to amend the Federal Election Campaign Act of 1971 to provide that candidates in general elections for Federal office may mail campaign materials at reduced third-class mailing rates; jointly to the Committees on House Administration, and Post Office and Civil Service.

H.R. 1952. A bill to amend title XVIII of the Social Security Act to include as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly to the Committees Ways and Means, and Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 1953. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 1954. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, and to eliminate the requirement that an individual need skilled nursing care in order to qualify for such services, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GREEN:

H.R. 1955. A bill to improve the physical security features of the motor vehicle and its parts, increase the criminal penalties of persons trafficking in stolen motor vehicles and parts, and to curtail the exportation of stolen motor vehicles and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 1956. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

H.R. 1957. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. HANSEN:

H.R. 1958. A bill to protect the interests and express wishes of the taxpayers of the United States as espoused by the U.S. Senate in its ratification of the Panama Canal Treaty of 1977; to insure domestic harmony; to assist the U.S. Treasury in providing for a balanced Federal budget; to require that all funds used to implement the Panama Canal Treaty of 1977 be expended only with the express consent of the Congress of the United States; and to require that no territory or other property of the United States in the Panama Canal Zone be transferred to the Republic of Panama unless the Congress hereafter enacts legislation which expressly authorizes such transfer; jointly to the Committees on Merchant Marine and Fisheries, and Foreign Affairs.

By Mrs. HECKLER:

H.R. 1959. A bill to amend section 204 of the Federal Water Pollution Control Act to repeal certain grant conditions, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. HECKLER (for herself and Mr. PEPPER):

H.R. 1960. A bill to amend title 38, United States Code, to establish within the Department of Medicine and Surgery of the Veterans' Administration the position of Assistant Chief Medical Director for Geriatrics, Gerontology, and Extended Care and to establish demonstration centers of geriatric and gerontological research, education, and clinical operations within the Veterans' Administration; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN:

H.R. 1961. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

H.R. 1962. A bill to amend title XVIII of the Social Security Act to make more realistic the determination of reasonable charges under the supplementary medical insurance program, to require that patients be given advance estimates of the reimbursement they will receive for services rendered under such program, and to provide for the conduct of pilot projects to test new methods and procedures for determining reasonable charges under such program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HUGHES:

H.R. 1963. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 regarding the issuance of interim permits for ocean dumping, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HYDE:

H.R. 1964. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

H.R. 1965. A bill to establish the energy development facility within the Export-Import Bank of the United States and to foster increased energy exploration and production, to increase U.S. exports, to improve the U.S. balance of trade and for other purposes; jointly to the Committees on Banking, Finance and Urban Affairs, and Foreign Affairs.

By Mr. ICHORD (for himself and Mr. TAYLOR):

H.R. 1966. A bill to amend title II of the Social Security Act, the Internal Revenue Code of 1954, as amended, and the Railroad Retirement Act of 1974 to permit combined reporting of wages by employers for old-age, survivors, disability, and health insurance and income tax withholding purposes on an annual basis, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 1967. A bill to modify the boundary of the White River National Forest in the State of Colorado; to the Committee on Interior and Insular Affairs.

H.R. 1968. A bill to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colo., to Harold and Doris Harlan; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado (for himself, Mr. KOGOVSEK, Mr. MCKAY, Mr. DORNAN, Mr. BADHAM, Mr. SYMMS, Mr. DERWINSKI, Mr. BUCHANAN, Mr. GOODLING, and Mr. KRAMER):

H.R. 1969. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma:

H.R. 1970. A bill to amend the Fair Labor Standards Act of 1938 to delay for 2 years the increases in the minimum wage under that act scheduled to take effect in 1980 and 1981, to provide a special minimum wage for the limited employment of youth under the age of 19, to broaden, the authority for the employment of full-time students at a special minimum wage, and retain the 45-percent tip credit; to the Committee on Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. BALDUS and Mr. HARKIN):

H.R. 1971. A bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes; to the Committee on the Judiciary.

By Mr. KELLY:

H.R. 1972. A bill to amend the Export-Import Bank Act of 1945 to reestablish government-to-government relations and provide

for the defense of the Republic of China (Taiwan); to the Committee on Banking, Finance and Urban Affairs.

H.R. 1973. A bill to amend the Trade Act to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Ways and Means.

By Mr. LENT:

H.R. 1974. A bill to protect local governments of a State from the imposition of liability based on violations of civil rights; to the Committee on the Judiciary.

H.R. 1975. A bill to amend the Public Safety Officers' Benefits Act of 1976 to eliminate the requirement that parents of deceased public safety officers be financially dependent on such officers in order to qualify for death benefits; to the Committee on the Judiciary.

H.R. 1976. A bill to amend title 39, United States Code, for the purpose of providing that the postage rates for third-class mail matter mailed by a qualified county political committee be the postage rates in effect for third-class mail matter mailed by a qualified nonprofit organization; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS:

H.R. 1977. A bill to provide that, if any hearing is held by the Federal Energy Regulatory Commission in connection with any rule, regulation, or order that would significantly increase rates for natural gas or electricity, one or more hearings shall be held in the State or region directly affected by the rule, regulation, or order; to the Committee on Interstate and Foreign Commerce.

By Mr. LONG of Maryland:

H.R. 1978. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. RAILSBACK (for himself and Mr. KASTENMEIER):

H.R. 1979. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 1980. A bill to provide for research programs under the Secretary of Agriculture and the Secretary of Energy, to amend the Internal Revenue Code of 1954 to encourage the use of grain-produced ethanol as an alternative fuel for motor vehicles, and to provide guaranteed loans for ethanol-producing facilities; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, Science and Technology, and Ways and Means.

By Mr. LUNGREN (for himself, Mr. BONIOR of Michigan, Mr. CLEVELAND, Mr. DANNEMEYER, Mr. EVANS of Delaware, Mr. GEPHARDT, Mr. HAGEDORN, Mr. HILLIS, Mr. HOPKINS, Mr. HYDE, Mr. LUKEN, Mr. MINETA, and Mr. PASHAYAN):

H.R. 1981. A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 1982. A bill to authorize the Secretary of the Interior to acquire the Walnut Street Theatre, a national landmark, for inclusion as a national historic site in Independence National Park, Philadelphia, Pa., and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1983. A bill to amend the Small Business Act; to the Committee on Small Business.

By Mr. LEVITAS (for himself, Mr. PEASE, Mr. CARR, Mr. MINETA, Mr. BAUMAN, Mr. BADHAM, Mr. BENJAMIN, Mr. MADIGAN, Mr. KILDEE, Mr. HILLIS, Mr. HAMILTON, Mr. GEPHARDT, Mr. GRADISON, Mr. EDWARDS of Oklahoma, Mr. ZEFERETTI, Mr. MURPHY of Pennsylvania, Mr. BEDELL, Mr. DERWINSKI, Mrs. BOUQUARD, Mrs. SPELLMAN, Mr. HUGHES, Mr. HEFNER, Mr. CONTE, Mr. LLOYD, Mr. LOTT, Mr. CORCORAN, Mr. NEAL, Mr. BUCHANAN, Mr. BURGENER, Mr. CLEVELAND, Mr. GUDGER, Mr. ICHORD, Mr. LEE, Mr. COLEMAN, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. MARLENEE, Mr. SKELTON, Mr. WATKINS, Mr. ROBINSON, Mr. REGULA, Mr. FORSYTHE, Mr. COUGHLIN, Mr. YOUNG of Missouri, Mr. WYATT, Mr. MONTGOMERY, Mr. KOGOVSEK, Mr. LONG of Maryland, Mr. DORNAN, Mr. EVANS of Georgia, Mr. SPENCE, Mr. WALKER, Mr. ALBOSTA, Mr. STOKES, Mr. TREIBLE, and Mr. KRAMER):

H.R. 1984. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that Act; to the Committee on the Judiciary.

By Mr. McDONALD (for himself, Mr. MATHIS, Mr. SYMMS, Mr. LAGOMARSINO, Mr. GUYER, and Mr. DANIEL B. CRANE):

H.R. 1985. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. McHUGH (for himself and Mrs. SPELLMAN):

H.R. 1986. A bill to amend section 1114 of title 18, United States Code, to provide for protection of airport police officers of the Federal Aviation Administration; to the Committee on the Judiciary.

By Mr. MARLENEE:

H.R. 1987. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 1988. A bill to repeal section 154 of title 23 of the United States Code relating to the national maximum speed limit; to the Committee on Public Works and Transportation.

H.R. 1989. A bill to amend title 18 of the United States Code to provide mandatory minimum sentences for repeat offenders; to the Committee on the Judiciary.

H.R. 1990. A bill to amend the Controlled Substances Act to provide mandatory minimum sentences for certain drug offenses; to the Committee on Interstate and Foreign Commerce.

H.R. 1991. A bill to amend section 924(c) of title 18 of the United States Code to increase the mandatory minimum penalties applicable to certain firearms offenses; to the Committee on the Judiciary.

H.R. 1992. A bill to provide for minimum fines for certain offenses relating to welfare and unemployment fraud; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, and Ways and Means.

H.R. 1993. A bill to amend section 107A of the Agricultural Act of 1949 relating to prevented planting and farm disaster payments for the 1980 and 1981 crops of wheat; to the Committee on Agriculture.

H.R. 1994. A bill to amend the Agricultural Act of 1949 for the purposes of directing the Secretary of Agriculture to permit the production of hay on set-asides of acreage on certain farms producing wheat or feed grains; to the Committee on Agriculture.

H.R. 1995. A bill to amend the Meat Import Quota Act of 1964 to define fresh, chilled, and frozen meat, and for other purposes; to the Committee on Ways and Means.

H.R. 1996. A bill to amend the meat import law in order to impose the limitations thereunder if the estimated quantity of imported meat will equal or exceed 100 percent, rather than 110 percent, of the quota for any year; to the Committee on Ways and Means.

H.R. 1997. A bill to amend the meat import law to reduce the amount of meat permitted to be imported into the United States during any calendar year by the amount, if any, by which actual imports during the preceding calendar year exceeded the quota for that year, and for other purposes; to the Committee on Ways and Means.

H.R. 1998. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 1999. A bill to amend Civil Service provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies; jointly, to the Committees on Post Office and Civil Service, and Interior and Insular Affairs.

By Mr. PANETTA (for himself, Mr. MARKEY, Mr. LEE, Mr. EDWARDS of California, Mr. VENTO, Mr. WALKER, Mr. LAFALCE, Mr. CONTE, Mr. COELHO, Mr. BURGENER, Mr. SKELTON, Mr. FORSYTHE, Mr. KINDNESS, Mr. EDGAR, Mr. DORNAN, Ms. MIKULSKI, Mrs. SPELLMAN, Mr. WHITLEY, Mr. HUGHES, Mr. GEPHARDT, Mr. EVANS of Georgia, Mr. BEDELL, Mr. HUTTO, Mr. DOWNEY, Mrs. BOUQUARD, Mr. ROE, Mr. HEFTEL, Mr. GORE, Mr. SWIFT, Mr. CARR, Mr. FAZIO, Mr. ERTEL, Mr. WEISS, Mr. NOLAN, Mr. MATHIS, Mr. McCLOSKEY, Mr. GLICKMAN, Mr. STARK, Mr. STOCKMAN, Mr. WALGREN, Mr. PATTERSON, Mr. OTTINGER, Mr. ALBOSTA, and Ms. FERRARO):

H.R. 2000. A bill to amend the Congressional Budget Act of 1974 to provide for a 2-year budgeting cycle, to provide for separate and timely consideration each of authorizing legislation, budget resolutions, and appropriations, and for other purposes; jointly, to the Committees on Rules, and Government Operations.

By Mr. PEPPER:

H.R. 2001. A bill to establish a program to promote the utilization of spinoffs from space technology in meeting the needs and alleviating the suffering of the elderly; to the Committee on Science and Technology.

By Mr. MINISH:

H.R. 2002. A bill to revise and extend the Renegotiation Act of 1951; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MONTGOMERY (by request):

H.R. 2003. A bill to amend title 10, United States Code, to allow concurrent payment of benefits under the survivor benefit plan for the uniformed services and under the Veterans' Administration dependency and indemnity compensation program without a reduction in the amount of either benefit; to the Committee on Armed Services.

H.R. 2004. A bill to amend title 38, United States Code, to provide that additional compensation for dependents paid to veterans with service-connected disabilities who are receiving compensation may be paid for

adopted children who became permanently incapable of self-support before the age of 18, regardless of their age at the time of their adoption; to the Committee on Veterans' Affairs.

H.R. 2005. A bill to amend title 38, United States Code, to provide additional compensation for dependent parents of certain veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2006. A bill to amend title 38, United States Code, to provide a $350 per month aid and attendance allowance to veterans who have suffered the loss or loss of use of both hands as a result of a service-connected injury; to the Committee on Veterans' Affairs.

H.R. 2007. A bill to amend title 38, United States Code, to provide additional compensation under section 314(k) of such title to veterans with service-connected heart conditions who have had a heart valve replaced and a pacemaker implanted; to the Committee on Veterans' Affairs.

H.R. 2008. A bill to amend title 38, United States Code, to equalize the rates of disability compensation paid to veterans with service-connected disabilities rated at 50 per centum through 90 per centum; to the Committee on Veterans' Affairs.

H.R. 2009. A bill to amend title 38, United States Code, to permit certain eligible veterans to purchase up to $20,000 of National Service Life Insurance; to the Committee on Veterans' Affairs.

H.R. 2010. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2011. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 2012. A bill to amend title 38, United States Code, to provide additional compensation for dependents of certain veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2013. A bill to amend title 38, United States Code, to establish a presumption that certain chronic or tropical diseases contracted by a prisoner of war within 5 years from the date of his separation from service were incurred in or aggravated by such service, and to provide that bronchial asthma and bronchitis shall be considered chronic diseases; to the Committee on Veterans' Affairs.

H.R. 2014. A bill to amend title 38, United States Code, to provide that any disability which has been continuously rated at or above any evaluation for 10 or more years for compensation purposes shall not thereafter be rated at less than such evaluation, except upon a showing that such rating was based on fraud; to the Committee on Veteran's Affairs.

H.R. 2015. A bill to amend section 312(c) of title 38, United States Code, so as to provide for additional presumptions relating to certain diseases and disabilities of prisoners of war; to the Committee on Veterans' Affairs.

H.R. 2016. A bill to amend title 38, United States Code, so as to provide mustering-out payments for certain members discharged from active duty in the Armed Forces during the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 2017. A bill to amend title 38, United States Code, to include the service connected loss or loss of use of a kidney among the conditions for which veterans may receive additional compensation under section 314 (k) of such title; to the Committee on Veterans' Affairs.

H.R. 2018. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 2019. A bill to amend title 38, United States Code, to extend eligibility for the Veterans' Administration clothing allowance to certain veterans with skin disorders resulting from service-connected diseases or injuries; to the Committee on Veterans' Affairs.

By Mr. CORMAN (for himself, Mr. PICKLE, Mr. BRODHEAD, Mr. LEDERER, Mr. DUNCAN of Tennessee, Mr. ADDABBO, Mr. AKAKA, Mr. ANDREWS of North Dakota, Mr. AUCOIN, Mr. BALDUS, Mr. BARNES, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. CARR, Mr. CLEVELAND, Mr. CONTE, Mr. CONYERS, Mr. CORRADA, Mr. DAVIS of Michigan, Mr. DELLUMS, Mr. DIGGS, Mr. DIXON, Mr. EDWARDS of California, Mr. ERTEL, Mr. FASCELL, Ms. FERRARO, Mr. FLOOD, Mr. FLORIO, Mr. FORD of Michigan, Mr. HAGEDORN, Ms. HOLTZMAN, Mr. HUGHES, Mr. HYDE, Mr. KILDEE, Mr. LUNDINE, Mr. McCORMACK, Mr. MARLENEE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTEN, Mr. PERKINS, Mr. PRICE, Mr. PRITCHARD, Mr. RAHALL, Mr. RICHMOND, Mr. RODINO, Mr. ROYBAL, Mr. ST GERMAIN, Mr. SEBELIUS, Mr. SOLARZ, Mr. STANGELAND, Mr. STANTON, Mr. TRAXLER, Mr. VAN DEERLIN, Mr. VENTO, Mr. WEISS, Mr. WHITTAKER, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WOLFF, and Mr. ZEFERETTI):

H.R. 2020. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

Mr. MONTGOMERY (by request):

H.R. 2021. A bill to amend title 38, United States Code, to extend from 1 year to 2 years the period during which veterans with service-connected disabilities may apply for National Service Life Insurance; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (for himself and Mr. HAMMERSCHMIDT) (by request):

H.R. 2022. A bill to amend section 312 of title 38, United States Code, by providing that malignant tumors (cancer) which develop within 3 years from the date of separation from wartime service shall be presumed to have been incurred in, or aggravated, by such service; to the Committee on Veterans' Affairs.

H.R. 2023. A bill to amend section 312 of title 38, United States Code, by providing a 2-year presumptive period of service connection for the psychoses which develop within 2 years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 2024. A bill to amend title 38, United States Code, to enable certain veterans with service-connected disabilities to increase their life insurance coverage under such title; to the Committee on Veterans' Affairs.

H.R. 2025. A bill to amend title 38, United States Code, to provide that payments made to a hospitalized incompetent veteran will not be terminated unless his estate exceeds $3,000, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2026. A bill to amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependants from 30 per centum to 10 per centum; to the Committee on Veterans' Affairs.

H.R. 2027. A bill to amend title 38, United States Code, to extend from 1 year to 3 years the period after separation from military service during which the manifestation of epilepsy will be presumed to be service-connected; to the Committee on Veterans Affairs.

H.R. 2028. A bill to amend title 38, United States Code, to provide for additional benefits to certain veterans injured as a result of medical treatment or vocational rehabilitation; to the Committee on Veterans' Affairs.

H.R. 2029. A bill to extend section 3012 of title 38, United States Code, to extend to 120 days the period between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency, and indemnity compensation, or pension; to the Committee on Veterans' Affairs.

H.R. 2030. A bill to amend title 38, United States Code; to provide for the determination of certain unemployable veterans with service-connected disabilities as being totally disabled and to direct the Administrator of Veterans' Affairs to consider age in rating the degree of disability of veterans with service-connected disabilities; to the Committee on Veterans Affairs.

H.R. 2031. A bill to amend title 38, United States Code, to increase the travel allowance paid by the Veterans' Administration for travel by a veteran in connection with a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 2032. A bill to amend title 38, United States Code, to allow persons in addition to guardians to apply for service disabled veterans' life insurance on behalf of mentally incompetent veterans; to the Committee on Veterans' Affairs.

H.R. 2033. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay, without deduction from either; jointly, to the Committees on Veterans' Affairs and Armed Services.

By Mr. MOORE:

H.R. 2034. A bill to amend the Agricultural Act of 1949 for purposes of providing that milk shall continue to be supported at not less than 80 per centum of the parity price for milk until October 1, 1981, and for other purposes; to the Committee on Agriculture.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. McCLOSKEY, Mr. STUDDS, Mr. BONKER, Mr. FORSYTHE, Mr. AUCOIN, Mr. LOWRY, Mr. PRITCHARD, Mr. BONIOR of Michigan, Mr. ANDERSON of California, Mr. YOUNG of Alaska, Mr. OBERSTAR, Mr. HUTTO, Mr. LENT, Mr. EMERY, Mr. DORNAN, Mr. EVANS of Delaware and Mr. TREIBLE):

H.R. 2035. A bill to authorize appropriations for fiscal years 1980, 1981, and 1982 to carry out cooperative programs with the States for the conservation of anadromous fish; to the Committee on Merchant Marine and Fisheries.

By Mr. NOLAN:

H.R. 2036. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 2037. A bill to amend the Federal Reserve Act to direct the Federal Open Market Committee to regulate the extension of the money supply to achieve steady growth rates of money, to reduce the rate of inflation, and to encourage continued growth of the economy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2038. A bill to provide for grants to graduate and professional schools for the establishment of programs for minority, low-income, and culturally disadvantaged individuals for the purpose of providing greater access to graduate and professional education for such individuals; to the Committee on Education and Labor.

H.R. 2039. A bill to establish national policies to promote the adoption of Government programs which can be expected to provide the greatest net public benefit and to prevent Government programs from having unreasonable public costs, to establish a system requiring regulatory cost/benefit assessments to be prepared for any proposed legislation or regulation which may have a significant economic impact, and for other purposes; to the Committee on Government Operations.

H.R. 2040. A bill to amend title XIX of the Social Security Act to eliminate Federal payments for abortions under the medicaid program except for abortions to prevent the death of the mother; to the Committee on Interstate and Foreign Commerce.

H.R. 2041. A bill to establish mandatory penalties for use of a firearm during the commission of a felony, and for other purposes; to the Committee on the Judiciary.

H.R. 2042. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children; to the Committee on the Judiciary.

H.R. 2043. A bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 2044. A bill to amend section 43 of the Internal Revenue Code of 1954 to allow a handicapped person who maintains a household to be eligible for the earned income credit provided under such section; to the Committee on Ways and Means.

H.R. 2045. A bill to amend the Internal Code of 1954 to exempt farmers from the highway use of tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 2046. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to the Committee on Ways and Means.

H.R. 2047. A bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to that portion of adoption expenses which are properly attributable to medical expenses incurred for the benefit of the adopted child; to the Committee on Ways and Means.

H.R. 2048. A bill to amend part A of title IV of the Social Security Act to provide that the aid to families with dependent children shall be payable with respect to unborn children; to the Committee on Ways and Means.

H.R. 2049. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for retirement savings in the case of individuals who have limited participation under pension plans and to expand the cases in which joint and survivor annuity coverage is to be provided under certain pension plans; to the Committee on Ways and Means.

H.R. 2050. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain amounts paid for food and lodging while away from home for purposes of receiving medical care; to the Committee on Ways and Means.

H.R. 2051. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

H.R. 2052. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the feasibility of Federal taxation and other policies designed to reduce the dependence of such governments on taxation of real property, and the effects of such Federal taxation and other policies so designed on the financing of elementary and secondary public education by such governments; jointly, to the Committees on Ways and Means and Government Operations.

By Mr. PEYSER:

H.R. 2053. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. ULLMAN, Mr. ARCHER, and Mr. CONABLE):

H.R. 2054. A bill to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 2055. A bill to amend title 10, United States Code, to remove the limitation on the percentage of members of the Senior Reserve Officers' Training Corps program appointed in any year as cadets or midshipmen for participation in the financial assistance program who may be appointed from the 2-year Senior Reserve Officers' Training Corps course; to the Committee on Armed Services.

By Mr. RICHMOND (for himself and Mr. WALGREN):

H.R. 2056. A bill to amend the Rehabilitation Act of 1973 to require that rehabilitation counselors hired under State plans approved under such act have certain minimum qualifications; to the Committee on Education and Labor.

By Mr. ROBERTS (by request):

H.R. 2057. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 2058. A bill to amend 38 U.S.C. 312(a) so as to provide a 7-year presumptive period for syringomyelia; to the Committee on Veterans' Affairs.

H.R. 2059. A bill to amend title 38, United States Code, to provide for an increase in the aid and attendance allowance for severely disabled veterans with nonservice-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr. SEIBERLING, and Mr. HUGHES):

H.R. 2060. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. MAZZOLI, and Mr. MCCLORY):

H.R. 2061. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 2062. A bill to provide that the United States District Court for the Judicial District of New Jersey shall be held at Paterson, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. ROE (for himself, Mr. JOHNSON of California, Mr. HARSHA, Mr. ROBERTS, Mr. HAMMERSCHMIDT, Mr. HOWARD, Mr. CLEVELAND, Mr. ANDERSON of California, Mr. CLAUSEN, Mr. MCCORMACK, Mr. SNYDER, Mr. BREAUX, Mr. SHUSTER, Mr. MINETA, Mr. ASPINOR, Mr. LEVITAS, Mr. TAYLOR, Mr. OBERSTAR, Mr. STANGELAND, Mr. AMBRO, Mr. LIVINGSTON, Mr. NOWAK, Mr. GINGRICH, Mr. EDGAR, Mr. CLINGER, Mrs. BOUQUARD, Mr. SOLOMON, Mr. FARY, Mr. LEWIS, Mr. HEFNER, Mr. YOUNG of Missouri, Mr. BONIOR of Michigan, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FLIPPO, Mr. RAHALL, Mr. APPLEGATE, Ms. FERRARO, Mr. DONNELLY, Mr. HUTTO, Mr. ATKINSON, Mr. ALBOSTA, Mr. LEATH of Texas, and Mr. BONER of Tennessee):

H.R. 2063. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for three additional years; to the Committee on Public Works and Transportation.

By Mr. SHUSTER (for himself, Mr. ERTEL, Mr. FLOOD, and Mr. GOODLING):

H.R. 2064. A bill for the relief of the Shippensburg Public Library, the Ousterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library, and certain units of local government; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.R. 2065. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

By Mr. SPELLMAN (for herself, Mr. BARNES, Mrs. BYRON, Mr. FISHER, Mr. HARRIS, Mrs. HOLT, and Mr. MITCHELL of Maryland):

H.R. 2066. A bill to amend section 181(a)(2) of the Water Resources Development Act of 1976; to the Committee on Public Works and Transportation.

By Mr. STANGELAND (for himself Mr. FRENZEL, Mr. SEBELIUS, Mr. ERDAHL, Mr. GUYER, and Mr. ALBOSTA):

H.R. 2067. A bill to implement the International Sugar Agreement, 1977 between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. STARK (for himself, Mr. CONYERS, Mr. BRODHEAD, Mr. BUCHANAN, Mr. LAGOMARSINO, Mr. EDWARDS of California, Mr. CORRADA, Mr. SOLARZ, Mr. BEDELL, Mr. LEHMAN, Mr. MILLER of California, Mr. NOLAN, Mr. FORSYTHE, Mr. BONIOR of Michigan, Mr. MITCHELL of Maryland, Mr. BURGENER, Mr. RICHMOND, Mr. DORNAN, Mr. WHITEHURST, Mr. STANGELAND, Mr. MOAKLEY, Mr. FLORIO, Mr. VENTO, Mr. PATTEN, Mr. GREEN, Ms. FERRARO, Mr. HOLLENBECK, Mr. RAHALL, Mr. ADDABBO, Mr. RANGEL, Mr. DELLUMS, Mr. DRINAN, Mr. EMERY, Mr. SEIBERLING, Mr. DIXON, Mr. GUYER, Ms. HOLTZMAN, Mr. MCHUGH, Mr. MATSUI, Mr. HAGEDORN, Mr. AKAKA, Mr. WALGREN, Mr. FLOOD, Mr. GLICKMAN, Mr. WOLPE, Mr. PRICE, Mrs. SPELLMAN, Mrs. SCHROEDER, Mr. SCHEUER, Mr. PATTERSON, Mr. MOFFETT, and Mr. BALDUS):

H.R. 2068. A bill to amend title VI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. STENHOLM (for himself, Mr. ARCHER, and Mr. BURLISON):

H.R. 2069. A bill to amend the Internal Revenue Code of 1954 to exempt farm vehicles and soil and water conservation vehicles from the highway use tax; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 2070. A bill to amend title IV of the Social Security Act to permit the payment of benefits for shelter, utilities, and similar expenses under the AFDC program in cases where the children involved are living with relatives not legally responsible for their support, and to provide a method for determining the amount of such expenses; to the Committee on Ways and Means.

Mr. VENTO:

H.R. 2071. A bill to amend the Water Resources Planning Act of 1965 (Public Law 89-80; 79 Stat. 244) as amended; to the Committee on Interior and Insular Affairs.

By Mr. VOLKMER:

H.R. 2072. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CONTE, Mr. DELLUMS, Mr. DIXON, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FLOOD, Mr FORD of Tennessee, Mr. HOLLENBECK, Mr. MOAKLEY, Ms. OAKAR, Mr. PATTEN, Mrs. SCHROEDER, Mr. SEIBERLING, and Mr. STARK):

H.R. 2073. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. WEISS:

H.R. 2074. A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. WHITEHURST:

H.R. 2075. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Ways and Means.

H.R. 2076. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

H.R. 2077. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas:

H.R. 2078. A bill to provide for the induction of individuals, during the period beginning July 1, 1979, and ending June 30, 1981, for training and service in the Armed Forces; to the Committee on Armed Services.

H.R. 2079. A bill to amend title 28 of the United States Code to establish a Lufkin Division in the Eastern District of Texas, and for other purposes; to the Committee on the Judiciary.

H.R. 2080. A bill to amend title II of the Social Security Act to provide that any individual who is over age 65 at the time of application for benefits thereunder may (if otherwise qualified) be paid such benefits from the month in which he or she attained that age; to the Committee on Ways and Means.

H.R. 2081. A bill to reduce temporarily the rate of duty on deramic insulators used in spark plugs; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas (for himself and Mr. HALL of Texas):

H.R. 2082. A bill to provide for the tax treatment of interest on obligations issued by the Sabine River Authority of Texas; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas:

H.R. 2083. A bill to authorize the Corps of Engineers to establish and develop separate campgrounds for senior citizens at lakes and reservoirs under the jurisdiction of the corps and to require that such a campground be established and developed at the Sam Rayburn Dam and Reservoir; to the Committee on Public Works and Transportation.

H.R. 2084. A bill to amend titles II and XVIII of the Social Security Act to eliminate the waiting period for disabled individuals to become entitled to coverage under the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. YATRON:

H.R. 2085. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction for blood donations, and to allow an individual to take such a deduction whether or not he itemizes his deductions; to the Committee on Ways and Means.

By Mr. APPLEGATE:

H.J. Res. 191. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office of the judges of the Supreme and inferior courts; to the Committee on the Judiciary.

By Mr. FARY:

H.J. Res. 192. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 193. Joint resolution relating to diplomatic relations with the Republic of China; to the Committee on Foreign Affairs.

By Mr. HYDE:

H.J. Res. 194. Joint resolution authorizing the President to proclaim the month of February of each year as American History Month; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS:

H.J. Res. 195. Joint resolution designating the week of February 11 through February 17, 1979, as "National Vocational Education Week"; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself, Mr. LAGOMARSINO, Mr. LOTT, Mr. MOTTL, Mr. GUYER, and Mr. DANNEMEYER):

H.J. Res. 196. Joint resolution proposing an amendment to the Constitution of the United States to permit citizens through a popular initiative process to propose, repeal, and amend the laws of the United States; to the Committee on the Judiciary.

By Mr. RHODES:

H.J. Res. 197. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.J. Res. 198. Joint resolution to provide for the designation of the first Friday of March of each year as "Teacher Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. UDALL:

H.J. Res. 199. Joint resolution to amend the act of October 21, 1978 (92 Stat. 1675; Public Law 95-498); to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK (for himself and Mr. BAUMAN):

H. Con. Res. 43. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on Foreign Affairs.

By Mr. FARY:

H. Con. Res. 44. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H. Con. Res. 45. Concurrent resolution requesting the President to proclaim the fourth Saturday in March of each year as National Bake and Take Day; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON:

H. Con. Res. 46. Concurrent resolution providing for the printing of 3,500 copies of a revised edition of the Biographical Directory of the American Congress up to and including the 96th Congress; to the Committee on House Administration.

By Mr. WHITEHURST:

H. Con. Res. 47. Concurrent resolution calling for a regional conservation treaty to protect northern hemisphere pinnipeds; to the Committee on Foreign Affairs.

By Mr. DINGELL:

H. Res. 103. Resolution to disapprove the proposed exemption of aviation gasoline and kerosene-base jet fuel from the mandatory petroleum allocation regulations (DOE energy action No. 3); to the Committee on Interstate and Foreign Commerce.

H. Res. 104. Resolution to disapprove the proposed exemption of aviation gasoline and kerosene-base jet fuel from the mandatory petroleum price regulations (DOE energy action No. 4); to the Committee on Interstate and Foreign Commerce.

By Mr. GLICKMAN (for himself, Mr. WINN, Mr. WHITTAKER, Mr. SMITH of Iowa, Mr. LEACH of Iowa, Mr. JEFFORDS, and Mr. STUMP):

H. Res. 105. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN (for herself, Mr. FISH, Mr. ADDABBO, Mr. AMBRO, Mr. ANDERSON of California, Mr. ARCHER, Mr. AUCOIN, Mr. BAILEY, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BEVILL, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CARNEY, Mr. CAVANAUGH, Mr. CHAPPELL, Mr. CONYERS, Mr. CORMAN, Mr. COTTER, Mr. DANIEL B. CRANE, Mr. DELLUMS, Mr. DIXON, Mr. DODD, Mr. DORNAN, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAZIO, Mr. FLOOD, Mr. FROST, Mr. GARCIA, Mr. GILMAN, Mr. GLICKMAN, Mr. GRADISON, Mr. GRAY, Mr. GREEN, Mr. GUDGER, Mr. GUYER, Mrs. HECKLER, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HORTON, Mr. HUGHES, Mr. KILDEE, Mr. KOSTMAYER, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEDERER, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LEVITAS, Mr. LEWIS, Mr. LONG of Louisiana, Mr. LONG of Maryland, Mr. LUNDINE, Mr. MCHUGH, Mr. MARKS, Mr. MATSUI, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. O'BRIEN, Mr. OTTINGER, Mr. PEPPER, Mr. PEYSER, Mr. PRITCHARD, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SENSENBRENNER, Mr. SHANNON, Mr. SKELTON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STACK, Mr. STARK, Mr. TRAXLER, Mr. TREEN, Mr. WALGREN, Mr. WAXMAN, Mr. WEISS, Mr. CHARLES WILSON of Texas, Mr. WOLFF, Mr. WOLPE, Mr. YATES, and Mr. ZEFERETTI):

H. Res. 106. Resolution urging the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to

amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the Holocaust; to the Committee on Foreign Affairs.

By Mr. JEFFORDS (for himself, Mr. WILLIAMS of Montana, and Mr. PERKINS):

H. Res. 107. Resolution disapproving the final recommendations of the basic route system of Amtrak proposed by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLORY:

H. Res. 108. Resolution to encourage cordial relations with Taiwan; to the Committee on Foreign Affairs.

By Mr. MARLENEE:

H. Res. 109. Resolution to disapprove the final recommendations for the basic route system of Amtrak submitted by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS of Montana:

H. Res. 110. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for Amtrak; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

27. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to recognition of the city of Jerusalem as the capital of Israel; to the Committee on Foreign Affairs.

28. Also, memorial of the House of Representatives of the State of Arizona, relative to gun control; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWEN:

H.R. 2086. A bill for the relief of Kwan Do Sun; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 2087. A bill for the relief of Kai Hung Pun, also known as Wah Poon; to the Committee on the Judiciary.

H.R. 2088. A bill for the relief of Chan Chee; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 2089. A bill for the relief of Ulrich L. Peters; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 2090. A bill for the relief of Sara Padilla Guerrero; to the Committee on the Judiciary.

By Mr. HUGHES:

H.R. 2091. A bill for the relief of Paul Papoulias; to the Committee on the Judiciary.

By Mr. McKAY:

H.R. 2092. A bill for the relief of Jose Roberto Alarcon Navarrete; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 2093. A bill for the relief of John Howard Barbour; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.R. 2094. A bill for the relief of Hector O. Fernandes; to the Committee on the Judiciary.

H.R. 2095. A bill for the relief of Leonides T. Fernando; to the Committee on the Judiciary.

By Mr. CHARLES WILSON of Texas:

H.R. 2096. A bill for the relief of Franklin R. Helt; to the Committee on the Judiciary.

H.R. 2097. A bill for the relief of Miss Julia Hannah Orr; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 2098. A bill for the relief of Antonio Rivera Aristizabal; to the Committee on the Judiciary.

H.R. 2099. A bill for the relief of Martin R. Goodall, his wife Mary and their son, James; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. ALBOSTA, Mr. CLEVELAND, Mr. ROBERT W. DANIEL, JR., Ms. FERRARO, Mr. GRAY, Mr. MAGUIRE, Mr. MATSUI, Mr. PURSELL, Mrs. SNOWE, Mr. STARK, Mr. TRIBLE, and Mr. WATKINS.

H.R. 20: Mr. TRIBLE.

H.R. 39: Mr. MOFFETT, Mr. AKAKA, Mr. DASCHLE, Mr. PRICE, Mr. STOKES, and Mr. LEVITAS.

H.R. 85: Mr. CHARLES H. WILSON of California, Mr. McCLOSKEY, Mr. RICHMOND, Mr. LAFALCE, Mr. MITCHELL of Maryland, Mr. RANGEL, Mr. MYERS of Pennsylvania, and Mr. ANDERSON of California.

H.R. 396: Mr. STANGELAND.

H.R. 397: Mr. STANGELAND.

H.R. 556: Mr. ROUSSELOT, Mr. COLLINS of Texas, Mr. WINN, Mr. SNYDER, Mr. BURGENER, Mr. LAGOMARSINO, Mr. HYDE, Mr. LOTT, Mr. GOLDWATER, Mr. DAN DANIEL, Mr. SYMMS, Mr. JEFFRIES, Mr. GUYER, and Mr. DORNAN.

H.R. 596: Mr. ATKINSON, Mr. CLAUSEN, Mr. DORNAN, Mr. DOWNEY, Mr. FLOOD, Mr. GILMAN, Mr. GINGRICH, Mr. HAGEDORN, Mr. HOPKINS, Mr. KELLY, Mr. LONG of Louisiana, Mr. ROE, Mr. SENSENBRENNER, Mr. SHUMWAY, and Mr. WEAVER.

H.R. 654: Mr. ST GERMAIN.

H.R. 837: Mr. ADDABBO, Mr. AMBRO, Mr. ANDERSON of California, Mr. ANDREWS of North Dakota, Mr. ANTHONY, Mr. BADHAM, Mr. BAFALIS, Mr. BALDUS, Mr. BEDELL, Mr. BENJAMIN, Mr. BEVILL, Mr. BLACHARD, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CARR, Mr. CHAPPELL, Mr. CLAY, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL Jr., Mr. DERWINSKI, Mr. DIGGS, Mr. DIXON, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. ERDAHL, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FUQUA, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GRADISON, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Ms. HOLTZMAN, Mr. HOPKINS, Mr. HORTON, Mr. JEFFRIES, Mr. JENRETTE, Mr. JOHNSON of Colorado, Mr. JONES of North Carolina, Mr. KILDEE, Mr. KINDNESS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEE, Mr. LEWIS, Mr. LLOYD, Mr. LONG of Maryland, Mr. LOTT, Mr. LOWRY, Mr. LUKEN, Mr. McCORMACK, Mr. McDADE, Mr. McDONALD, Mr. McHUGH, Mr. MADIGAN, Mr. MITCHELL of Maryland, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. NEDZI, Mr. NICHOLS, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, Mr. PASHAYAN, Mr. PRICE, Mr. PRITCHARD, Mr. RICHMOND, Mr. ROBINSON, Mr. ROSE, Mr. ROUSSELOT, Mr. SANTINI, Mr. SCHEUER, Mr. SENSENBRENNER, Mr. SIMON, Mrs. SNOWE, Mrs. SPELLMAN, Mr. STOKES, Mr. SYMMS, Mr. SYNAR, Mr. THOMPSON, Mr. WALKER, Mr. WATKINS, Mr. WEISS, Mr. WHITEHURST, Mr. WHITTAKER, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WOLPE, Mr. YOUNG of Alaska, and Mr. ZEFERETTI.

H.R. 1008: Mr. BENJAMIN, Mr. BURGENER, Mr. BUTLER, Mr. DORNAN, Mr. ERDAHL, Mr. LAGOMARSINO, Mr. McDONALD, Mr. NEAL, Mr. ROTH, Mr. RUDD, Mr. SOLOMON, Mr. STANTON, Mr. STOCKMAN, Mr. WHITEHURST, Mr. COLLINS of Texas, Mr. BADHAM, Mr. EDWARDS of Oklahoma, Mr. GOLDWATER, Mr. CHARLES WILSON of Texas, and Mr. WINN.

H.R. 1009: Mr. CHAPPELL, Mr. ROBERT W. DANIEL, JR., Mr. DORNAN, Mrs. HOLT, Mr. IRELAND, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. ROBINSON, Mr. WHITEHURST, Mr. YOUNG of Alaska, Mr. COLLINS of Texas, Mr. DOUGHERTY, Mrs. BYRON, Mr. FORSYTHE, Mr. KELLY, and Mr. LEDERER.

H.R. 1509: Mr. DEVINE, Mr. COELHO, Mrs. SPELLMAN, Mr. LUKEN, and Mr. ROSE.

H.R. 1542: Mr. ASPIN, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON of Illinois, Mr. AUCOIN, Mr. BADHAM, Mr. BEDELL, Mr. BONIOR of Michigan, Mr. BONKER, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. BURGENER, Mr. BUTLER, Mr. CARR, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORCORAN, Mr. COUGHLIN, Mr. DAVIS of Michigan, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. ERDAHL, Mr. FASCELL, Mr. FORSYTHE, Mr. FRENZEL, Mr. GEPHARDT, Mr. GINGRICH, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Mr. HANLEY, Mr. HOLLENBECK, Mrs. HOLT, Ms. HOLTZMAN, Mr. HORTON, Mr. HYDE, Mr. KASTENMEIER, Mr. KILDEE, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LAFALCE, Mr. LEACH of Iowa, Mr. LEDERER, Mr. LENT, Mr. LONG of Maryland, Mr. LOTT, Mr. LUKEN, Mr. McCLORY, Mr. McCLOSKEY, Mr. McDADE, Mr. MARLENEE, Mr. MARRIOTT, Mr. MILLER of Ohio, Mr. MINETA, Mr. MURPHY of Pennsylvania, Mr. MYERS of Indiana, Mr. NEAL, Mr. PATTEN, Mr. PATTERSON, Mr. PEPPER, Mr. PRITCHARD, Mr. QUAYLE, Mr. RHODES, Mr. RICHMOND, Mr. ROBINSON, Mr. SABO, Mr. SCHULZE, Mr. SENSENBRENNER, Mr. SOLOMON, Mrs. SPELLMAN, Mr. STANGELAND, Mr. STENHOLM, Mr. SYMMS, Mr. VENTO, Mr. WALKER, Mr. WHITEHURST, and Mr. CHARLES H. WILSON of California.

H.R. 1603: Mr. BONKER, Mr. GRASSLEY, Mr. BEREUTER, Mr. WHITTAKER, Mr. GOODLING, Mrs. BOUQUARD, Mr. HAGEDORN, Mrs. SMITH of Nebraska, Mr. SHUMWAY, Mr. DAVIS of South Carolina, Mr. JEFFRIES, Mr. HANSEN, Mr. MILLER of Ohio, Mr. YOUNG of Alaska, Mr. BOWEN, Mr. SAWYER, Mr. SEBELIUS, Mr. ROUSSELOT, Mr. STANGELAND, and Mr. EDWARDS of Oklahoma.

H.R. 1644: Mr. BENNETT, Mr. DUNCAN of Oregon, Ms. FERRARO, Mr. FOUNTAIN, Mr. FROST, Mr. GLICKMAN, Mr. HORTON, Mr. LEACH of Iowa, Mr. PRICE, Mr. ROSE, Mr. ROYBAL, Mrs. SPELLMAN, Mr. STOKES, Mr. TREEN, and Mr. WOLFF.

H.R. 1739: Mr. HALL of Texas.

H.R. 1798: Mr. AUCOIN, Mr. PRITCHARD, and Mr. BAUMAN.

H.J. Res. 6: Mr. CLEVELAND, Mr. HARSHA, Mr. MOORE, Mr. ANDREWS of North Dakota, Mr. DUNCAN of Tennessee, Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. BURGENER, Mr. YOUNG of Florida, Mr. EDWARDS of Oklahoma, Mr. CORCORAN, Mr. BUCHANAN, Mr. FORSYTHE, Mr. YOUNG of Alaska, Mr. KINDNESS, Mr. REGULA, Mr. MARRIOTT, Mr. QUAYLE, Mr. KELLY, Mr. GOLDWATER, Mr. BADHAM, Mr. BAUMAN, Mr. LEE, Mr. GINGRICH, Mr. EVANS of Delaware, and Mr. SYMMS.

H.J. Res. 56: Mr. CORCORAN, and Mr. HUBBARD.

PETITIONS, ETC.

Under clause 1 of rule XXII,

52. The SPEAKER presented a petition of the Latin Chamber of Commerce of the United States, Miami, Fla., relative to the proposed merger and acquisition of National Airlines by Eastern Airlines, which was referred to the Committee on Public Works and Transportation.

EXTENSIONS OF REMARKS

HOW A BILL BECOMES A LAW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MICHEL. Mr. Speaker, those of us in Congress are so close to the legislative process that we sometimes forget that the way in which a bill becomes law is not clearly understood by many of our fellow Americans. I receive inquiries from time to time about this question. I have prepared a brief summary of the process in the hope it may be useful to anyone who is interested in the machinery of Government.

HOW A BILL BECOMES LAW

Ours is a government "of the people, by the people, for the people." It is not a pure democracy. It is a republic in a democracy. It is a representative democracy.

Our laws are the embodiment of the wishes and wants, the ideas and ideals of the American people as expressed through their Representatives in the Congress: 435 in the House of Representatives and 100 in the Senate. Any Member of the House or Senate may introduce a bill embodying a proposed law or revision of existing laws, at any time when his respective House is in session. When introduced the bill will be entered in the Journal of the House, and the title and sponsors of it printed in the CONGRESSIONAL RECORD of that day.

EACH BILL NUMBERED

Each bill introduced is assigned a number by the clerk of each House and referred to the committee having jurisdiction over the subject matter by the presiding officer, that is, the Speaker of the House or the President of the Senate. Copies of the bill are printed by the Government Printing Office and made publicly available from the congressional document rooms.

Acting through its chairman, the committee decides whether a bill should be taken up by the full Committee or referred to a subcommittee for its initial consideration.

THE DELIBERATIVE STAGE

The committee's deliberations are the most important stage of the legislative process. It is here that detailed study of the proposed legislation is made and where people are given the right to present their views in public hearings. When the chairman has set a date for public hearings it is generally announced by publication in the CONGRESSIONAL RECORD.

Copies of the bill under consideration by the committee are customarily sent to the executive departments or agencies concerned with the subject matter for their official views to be presented in writing or by oral testimony before the committee. The number of witnesses, pro and con, heard by the committee is largely dictated by the importance of the proposed legislation and degree of public interest in it.

TESTIMONY HEARD

The transcript of the testimony taken is available for inspection in the individual committee offices. Quite frequently, dependent on the importance of the subject matter, the committee hearings on a bill are printed and copies made available to the public.

After conclusion of the hearings the committee proceeds to meet in executive sessions (sometimes referred to as "markup" sessions) to discuss the bill in detail and to consider such amendments as any member of the committee may wish to offer. Each committee has its own rules of procedure but they generally conform to the rules of the House itself.

THE COMMITTEE VOTE

By a formal vote of the committee, it decides whether to report favorably to the House the bill with or without committee amendments. A committee report must accompany the bill, setting forth the nature of the bill and reasons for the committee's recommended approval. The report sets forth specifically the committee amendments and, in compliance with the rules of each House, indicates all changes the bill would make in existing law. Any committee member, individually or jointly, may file additional supplemental or minority views to accompany the majority committee report. The committee report, accompanying the bill, is viewed by the courts and the administrative agencies as the most important document as to the intent of the Congress in the proposed legislation.

AFTER REPORTING

When a bill is reported by the committee it is placed on the appropriate calendar. The majority leadership decides how and when the bill will be considered on the floor. In general the bill is allowed to remain on the calendar for several days to enable members to become acquainted with its provisions.

In both the House and the Senate innumerable measures of relatively minor importance are disposed of by unanimous consent. In the Senate, where debate is unlimited, major bills are brought up on motion of the majority leader and in the House are called up under a privileged resolution reported from the Rules Committee which fixes the limits of debate and whether amendments may be offered from the floor. The Rules Committee resolution is called a "rule" for consideration of a bill; a "closed rule" if no amendments are allowed, as is generally the case in tax bills, and an "open rule" if amendments can be offered.

REACHING CONSENSUS

While there are distant differences between the House and Senate procedures, in general a bill is debated at length with the proponents and opponents presenting their views to acquaint the membership, as well as the general public, with the issues involved, and all with a view to arriving at the consensus. Amendments are frequently offered to make the measure more in conformity with the judgment of the majority. In the course of consideration of the bill there are various parliamentary motions, in both the House and the Senate, which may be offered to determine the sentiment of the members with respect to the pending legislation. The measure may be postponed to some future date or referred back to the committee which reported it.

With the conclusion of general debate and the reading of the bill for amendments, the question becomes whether the House or Senate, as the case may be, will pass the bill in its final form. The CONGRESSIONAL RECORD of the day the bill was under consideration will set forth the verbatim debate on the bill and the disposition made of such amendments as were offered.

AFTER PASSAGE

With the passage of a bill by either body it is messaged to the other with the request that they concur. If no action has been taken on the like measure by the body receiving the message the bill is usually referred to the appropriate committee of that body for consideration. Hearings are again held and the bill reported for floor action. On relatively minor or noncontroversial matters the Senate or the House accepts the measure as messaged to it by the other body.

If there are substantial differences between the House and Senate versions of a given bill, the measure is sent to a conference committee which is appointed by the Speaker and the President of the Senate from the ranking committee members of each body having original jurisdiction over the bill. The object of the conference committee is to adjust the differences between the two bodies, and to report back to each its agreement. The report of the conference committee must be in writing and signed by those agreeing thereto and must have the signature of the majority of the conferees of each house.

CONFERENCE REPORT

The report of the conference committee cannot be amended and must be accepted or rejected by each House as it stands. If either House finds itself unable to accept the conference committee report a further conference is usually requested.

When the bill has been agreed to in identical form by both bodies a copy of the bill is enrolled, signed by the Speaker and by the President of the Senate, for presentation to the President. The bill becomes law with the President's signature of approval, or it may become law without his signature if he does not return it, with his objections, to the Congress within 10 days of its presentation to him.

If the President should return the bill, with his objections, to the originating body of the Congress, his veto may be overridden by two-thirds of both the House and Senate respectively voting to have the measure become law the President's objections to the contrary notwithstanding. Both the President's veto message and a record of the vote of the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

individual Members in the motion to override are required by the CONSTITUTION and set forth in the CONGRESSIONAL RECORD.●

THE NATIONAL VIEW OF THE BANK RESERVES PROBLEM

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. REUSS. Mr. Speaker, the House Banking, Finance and Urban Affairs Committee is deep into an issue raised with some urgency a year ago by the Federal Reserve: The erosion of required reserves in the Nation's banking system, reserves which the Federal Reserve views as essential for the effective conduct of monetary policy.

After hearings last year, and after extensive consultation with the Federal Reserve, I introduced on January 15, 1979, H.R. 7, the Monetary Control Act of 1979. We are now in the midst of in-depth hearings on H.R. 7. All interested parties have been invited to react to this proposal, and to offer suggestions for improvement.

Legislation establishing bank reserve requirements in a fair way for all concerned in order to improve the conduct of monetary policy, and do so at minimal cost to the Treasury, is certain to be difficult. It is a complicated issue, extremely important to the banking industry and other segments of the financial world, and to the conduct of a monetary policy that will foster a stable and growing economy. However, because it is little understood by the general public, the success of our legislative effort is more than normally dependent on the willingness of the various segments of the financial community to place national requirements ahead of parochial interests.

Various groups have been meeting to formulate their positions. From what is emerging, there is a real danger that the groups could become polarized into positions that will make legislation more difficult.

Some bankers insist that any system, to be fair, must place reserves on all of the deposits of thrift institutions. Another group of bankers insist that no deposits of thrift institutions be included, not even transactions deposits, for fear it might lead to homogenization of thrifts and banks somewhere down the road.

Some factions want all banks, regardless of size, to be required to post reserves. Others favor legislation exempting small and medium-sized banks, believing their inclusion unnecessary for monetary control purposes and potentially damaging to the dual banking system and private correspondent banking. Still other bankers see these very exemptions as a trip, fearing a future Congress might reduce the exemption once the institutions have been brought into the system. Others, fearing a threat to the dual banking system, want to keep the system essentially unchanged, except to lower the reserve requirements of Federal Reserve member banks. Despite their attachment to fiscal responsibility and balanced budgets, few banks consider the effect of their proposals on the Treasury.

It would be unfortunate if these various positions became locked in stone. This would make our efforts to arrive at a consensus among financial institutions, the public, the Federal Reserve and the Treasury impossible. The Congress has its duty to try to forge a realistic solution in the public interest, whether the interest groups involved are able to reconcile their differences or not.

The bill H.R. 7 proposes a broad-based, and I believe, fair, resolution of the issue. It is very similar to H.R. 14072 of the 95th Congress, formally reported by the House Banking, Finance and Urban Affairs Committee on September 19, 1978. It would provide the Federal Reserve System with the reserves monetary experts believe are necessary to conduct monetary policy effectively, and to assure the continued soundness of the banking system. It includes transactions accounts at all institutions, in the belief that checkable accounts should be treated alike for monetary purposes wherever they exist. It promotes competitive equality among banks of comparable size, by treating all alike for reserve requirement purposes. It exempts small- and medium-sized banks from reserve requirements, on the ground that their participation is not necessary for the effective conduct of monetary policy, and that the exemption will help smaller banks survive in competition with bigger banks. And it keeps the cost to the Treasury down to $117 million in fiscal 1980 and to $13 million by fiscal 1984, by Treasury estimates.

No solution can satisfy the desires of all competing groups. But H.R. 7 comes closer than any alternative so far produced. Industry groups would serve themselves and the public by helping develop support for H.R. 7. To press exclusively for self-serving positions that have no chance of enactment will not, in the end, serve even the banks.●

ANTARCTICA REVISITED: THE DOGS WHO CAME IN FROM THE COLD

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PICKLE. Mr. Speaker, most of us feel we know the sensation of being cold. We also think we know darkness. Together, cold and darkness make a being want to hunker down, to pull up the covers, to reach out for companionship.

But the words "cold" and "dark" are not words enough to describe winter at the South Pole. It is very cold, and very dark—for 6 months.

It takes a special person to withstand winter at the South Pole; but in the final analysis the South Pole winter resident reacts to the cold and dark there just as you and I do—we react by desiring physical and spiritual warmth.

Many different things can provide us with comfort and love during long winter days, but over the centuries the one that has perhaps proven to be the most unwavering, reliable and loyal is man's dog. Man has always needed dogs; but the need is perhaps greatest in the dark and the cold of wintertime.

On December 12, 1978, the alarm sounded from McMurdo Station, Antarctica. Rita and Dune, two undersized huskies, were threatened. Three hundred human souls, facing the prospect of a winter on the ice, had sent an urgent plea stateside for help for Rita and Dune. Chosen as a spokesperson was Sue Williams, who is from Austin, Tex., in my congressional district.

As fate would have it, I have for a long time maintained a very keen personal interest in our efforts in Antarctica. I have been privileged to visit McMurdo Station and the South Pole, and to dedicate a South Pole station in 1975.

One cannot experience Antarctica and come away unchanged. God's beauty there is untouched and pristine; the landscape there overwhelms man's senses.

At the same time, God's gifts to man are also untouched there. The principles of respect and justice maintained by the residents of Antarctica toward each other and toward their environment in its entirety are uniquely rare, and beautiful to behold. It is unfortunate that this kind of respect is not universal, for the way in which 21st century man directs his perhaps innate urge to exploit that around him for his own personal comfort and aggrandizement will determine whether our species can continue to habitate this Earth.

In a very real way, the Husky dogs Dune and Rita became caught in the battle between man's needs and Antarctica's needs.

The multinational agreement giving basic guidelines for research in Antarctica prohibit the introduction of any nonnative plant or animal to the Antarctica environment that is not essential to the research teams' mission there.

Dogs are not native to Antarctica, but dogs who pull snow sleds can live in Antarctica's climate. Rita and Dune, however, were pets, not work dogs. Based on the rules, Rita and Dune were nonessential, nonnative animals at McMurdo Base, and so had to go.

At this point Sue Williams, along with 300 others, issued a call for help. In her words:

The issue here is not dogs, but people.

Ms. Williams' plea reached the ears of my office. I called and wrote to Dr. Edward P. Todd, Director of the Division of Polar Programs of the National Science Foundation. Just as my office and his made contact, he was departing for McMurdo Station. I herewith insert a copy of my letter to Dr. Todd:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 4, 1979.

Dr. EDWARD P. TODD,
Director, Division of Polar Programs, National Science Foundation, Washington, D.C.

DEAR DR. TODD: Considering myself to be the Congressman for McMurdo Station, since

I had such a memorable time there when the new station was dedicated at the South Pole, I am not hesitant to write to you about the controversy that has erupted over Rita and Dune.

One of my constituents, who works at McMurdo, has written to me about the NSF's position that the McMurdo people cannot keep the dogs for the winterover.

Just my sense of loving dogs compels me to say that if there is any way for the dogs to be kept with those who love them, I would ask that this be done.

It is hard to imagine why the dogs would interfere with the mission, and in fact, it would seem that they could be real morale boosters.

Over the years I have learned of apartments and dormitories and the like with no pets rules. But then someone gets a pet, it is loved by all, and it stays. More often than not, the development is a one-time occurrence, and as it will with pets, fate intervenes and they are not residents for long. The important thing is that no harm is done to the "House" rules over the long run in giving the pet a home.

I would predict that the same thing would be the case with Rita and Dune if allowed to stay at McMurdo. Your personal review of this situation would be greatly appreciated.

Sincerely,

J. J. PICKLE.

Shortly after my letter to Dr. Todd, I received the following letter from Mr. Al Fowler, Deputy Division Director of the Division of Polar Programs:

NATIONAL SCIENCE FOUNDATION,
DIVISION OF POLAR PROGRAMS,
Washington, D.C., January 19, 1979.

Hon. J. J. PICKLE,
House of Representatives,
Washington, D.C.

DEAR MR. PICKLE: We are indeed proud of our "Congressman for McMurdo Station" and thank you for your letter concerning the dogs. Earlier this week I had the opportunity to brief Ms. Watkins of your office on the status and plans for "Rita" and "Dune." At this point we expect the saga to have a happy ending. Here are the highlights.

The U.S. Program in Antarctica has observed a long-standing rule of no pets, based on the Agreed Measures under the Treaty. The sled dogs used by New Zealand at Scott Base are an authorized but closely controlled exception under the Agreed Measures. Although the New Zealand rules prohibit the loaning or giving of dogs, it has happened more than once over the years that an ex-Kiwi dog has appeared in residence at McMurdo.

As you have heard from your constituent, there are two dogs currently at McMurdo. While the original transfer was not embellished by formal approval by New Zealand or U.S. program authorities, Dr. Todd has received a request to authorize retaining one or both dogs as a station mascot. When the situation came to his attention he, like you, was inclined to judge in favor of the people and the dogs. The question has also been considered in light of the regulations being developed by NSF pursuant to PL 95-541 implementing the Agreed Measures.

At the present time Dr. Todd is at McMurdo. He had earlier suspended preliminary plans to return the dogs to Scott Base, and now reports that Australia has formally requested that Rita be transferred to Casey Station via a planned LC-130 flight next week. Therefore, all indications are that Dune will be duly authorized to remain at McMurdo as the station mascot and that Rita will be installed as mascot at Australia's Casey Station.

Dr. Todd will return from the ice in mid-February and he will provide you a follow-up report not only on the mascot situation but also on what shapes up to be a very successful season of science and support projects on the ice. I know he will join me in enthusiastic appreciation for your continued interest.

Sincerely yours,

A. N. FOWLER,
Deputy Division Director.

Deputy Director Fowler was going to try to work out a solution. Having been to the South Pole with both Dr. Todd and Mr. Fowler, I knew they would do what was best for Antarctica and the people there.

As a result of our combined efforts, Dr. Todd has overseen the transfer of Rita to be the one base mascot for the Australians, and Dune remains the base mascot at our McMurdo Station.

This story is one of man and his dog triumphing over the bureaucracy. It shows that our Government, and the people who comprise it, do have a heart, and do care.

Senator George Graham Vest perhaps said it best in his closing arguments in the Drum case in 1870. The case involved a man who was sued by his neighbor for damages because the neighbor had shot Drum, his dog, to death. As Senator Vest said:

A man's dog stands by him in prosperity and proverty, in health and in sickness. He will sleep on the cold ground, when the wintry winds blow and the snow drives fiercely, if only he may be near his master's hand.

Senator Vest's words were so true—and were proven true again in the case of Rita and Dune, who can now come in from the cold—of the South Pole.●

CELEBRATION OF THOMAS ALVA EDISON'S BIRTHDAY—THE GREAT INVENTOR OF OUR TIMES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DORNAN. Mr. Speaker, I would like to bring to the attention of my colleagues a man who created a better world for all. His ingenuity has affected our lives in many ways, affording us an easier existence.

What would man do today if he did not have the electric light to read by, write by, live by. Without this notable inventor, the pleasures of listening to records or watching our favorite movie would never have come about. I speak of Thomas Alva Edison. It is his birthday that we celebrate on February 11 amidst the International Centennial of Light, a year-long celebration of the discovery of the incandescent light 100 years ago.

Also, I think it is appropriate to point out to my fellow Members that among Edison's many inventions such as the stock ticker, electric railway, storage battery, disc phonograph, and talking motion pictures, he is responsible for the electrical vote recorder, which in our sphere of activity is certainly indispensible.

I am pleased to join the Thomas Edison Foundation's International Committee for the Centennial of Light in honoring Mr. Edison. I hope on the day of his birth, February 11, we will all take a moment to contemplate and show our appreciation to the spirit which pervaded this man and come to realize the great accomplishments Thomas Alva Edison has given the people of the world.●

BACKHAULING CAN SAVE FUEL AND MONEY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEHMAN. Mr. Speaker, I recently introduced legisiation which addresses our Nation's two top domestic priorities, energy and inflation. It deals with the practice known in the trucking industry as "backhauling."

Many of my colleagues may be familiar with the ICC's recent decision to permit shippers with their own trucking operations to provide for-hire services. This means that shippers will no longer have to haul back empty trucks following the delivery of its own merchandise. The result will be less wasted fuel and lower freight costs.

Regardless of the ICC's decision, however, there is still a roadblock to backhauling which arises out of the application of the Robinson-Patman Act to uniform zone pricing markets. My bill is designed to remove this obstacle and enable backhauling to become more widespread.

The uniform zone delivered pricing system provides that the same price shall be charged to all customers located within a given geographical zone. Such a price includes the cost of delivery.

When a wholesale distributor, for example, engages in backhauling, the truck will normally first make a delivery to a retail store. If a supplier of the wholesaler is located in the vicinity of the retail store, the truck will pick up supplies for the return trip to the warehouse of the wholesale distributor. The wholesaler in this case would be justified in expecting some sort of price reduction since the supplier is saved the cost of delivery. This discount is known as a backhaul allowance.

A problem arises, however, because of the Federal Trade Commission's 1967 opinion that granting a backhaul allowance equal to what the supplier would otherwise have to pay for delivery by a common carrier in a uniform zone delivered pricing system would probably be a violation of the Robinson-Patman Act. This law prohibits price discrimination "between different purchasers of commodities of like grade and quality."

In subsequent interpretations, the FTC has stated that a violation would probably not occur if the seller offered the same backhaul allowance to every customer for the identical amount and type of goods. Because the allowance would be the same regardless of the distance traveled by the customer, the

close-in customers would have more incentive to backhaul than would those customers farther away within the zone. The seller, faced with the prospect of, in effect, having to subsidize deliveries to the distant customers, is naturally reluctant to offer the maximum economically feasible allowance. The end result of the FTC interpretation is to discourage larger backhaul allowances and thus backhauling itself.

My bill, H.R. 1681, will permit the seller to grant an allowance which reflects the cost savings to the seller. The allowance cannot be greater than the actual transportation costs saved, and such allowances must not be discriminatory. In other words, if the seller wishes to allow only one half of his savings to one customer, he must offer one half to all others.

This legislation will help improve the efficiency of our Nation's delivery system. Savings will accrue to the buyer, the seller, and ultimately the consumer. This is an important step in holding down prices and is a measure that has been encouraged by the National Commission on Productivity and Work Quality, the Federal Energy Administration and a former director of the Council on Wage and Price Stability.

In addition to fighting inflation, this bill will save fuel. Its title, the Diesel Fuel and Gasoline Conservation Act of 1979 gives special prominence to its fuel-saving nature. A 1975 study estimated that the enactment of this legislation could save 100 million gallons of fuel annually in the food industry alone.

The time is right for passage of H.R. 1681. I trust my colleagues will support this bill which is both energy-saving and anti-inflationary.●

THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEWIS. Mr. Speaker, 25 years ago the San Bernardino Valley Municipal Water District was nothing more than an idea in the minds of a few farsighted men. Since then, the water district has been one of California's leading water agencies in providing supplemental water, basin management, and regional planning for water resources, weather modification, data collection, distribution, and coordination.

The San Bernardino Valley Municipal Water District was incorporated by the State of California on February 27, 1954, under the Municipal Water District Act of 1911. Its primary function has been to plan and develop a long-range water supply, including the importation and distribution of State project water for the Upper Santa Ana River Basin area within the district. Today, the San Bernardino Valley Municipal Water District is one of the principal members in the Santa Ana Watershed Project Authority, a joint exercise of powers with the objective of improving the quality of water in the Santa Ana River Basin.

The achievements and service of the San Bernardino Valley Municipal Water District are numerable. Therefore, on behalf of the entire California delegation, I would like to extend my highest commendations for the past 25 years of service to the people in their district and throughout the Santa Ana River system, and express my deepest appreciation for the district's leadership and resolution of many vital water matters with the hope that they will continue to do so successfully in the years ahead.●

ACES LEADER PLUGS U.S. WAY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GOODLING. Mr. Speaker, I came across an interesting interview in the Harrisburg Evening News of Wednesday, December 6, 1978, by staff writer Mary O. Bradley. The interviewee, Mr. Ralph E. Peters, is president of the central Pennsylvania chapter of Americans for the Competitive Enterprise System, Inc. Mr. Peters, and those with whom he works, realize the importance of informing high school students about the free enterprise system and its prospects for survival. Mr. Peters points out:

It depends on each and every one of us and the generations that are coming. If they want something for nothing, our system will not work. If they are willing to work and be challenged and motivated . . . I think there's that ray of hope or light at the end of the tunnel.

As a former educator, I am aware of how important it is that young people be exposed to the concepts of free enterprise in all its forms. A sense of awareness of the business system should be encouraged. Efforts to this end can help assure that students will develop the full understanding of the free enterprise system that will allow them to become interested and active participants.

As this important subject should be of interest to my colleagues, I ask unanimous consent that this article be printed in the RECORD.

[From the Harrisburg, (Pa.) Evening News, Dec. 6, 1978]

CAPITALISM "STILL THE BEST"—ACES LEADER PLUGS U.S. WAY

(Ralph E. Peters, president of Berger Associates, is president of the Central Pennsylvania Chapter of Americans for the Competitive Enterprise System Inc., commonly called ACES. He is interviewed by staff writer Mary O. Bradley.)

Q. Is capitalism a dirty word to today's high school students? Why?

A. Yes, it probably is and this is what we're attempting to change through the ACES program. I think it's because of the old proverb of one rotten apple in a whole big bushel of apples. There are some people with the title of businessman who might do something wrong, and then everyone gets painted with the same brush. It's lack of information and knowledge.

Q. Where do students today get their impressions about business?

A. I think you'd have to ask the students themselves, but I would say that from their homes and peer groups, and, frankly, from newspapers and the media. When you're honest in your reporting, and you tell it as it is, sometimes it's a bad situation and that's the way it's reported. The children read this and they don't look at the thousands upon thousands of other businesses that follow the rules and are run honestly and fairly.

Q. Isn't today's student also a consumer?

A. You're absolutely right. This consumerism—the idea of this generation questioning where the past generation didn't question—I think it's wholesome and good.

Q. Is there a better system than the free enterprise system?

A. Nobody has shown me one. In our system we all take our God-given talents and put them to work. If we're successful, there are rewards. It's motivation. In China and Russia today to get production up and to get more material things for their people, they're sort of leaning toward our system, and I think that's interesting.

Q. Does the free enterprise system need to be defended in America today?

A. Yes. It shouldn't (need to) be defended. I think we have to spend some time telling people how the system works—why it's the better system and what their role is in the system.

Q. Then, you don't think it needs to be defended, just explained?

A. Very good.

Q. What is the biggest threat to the American free enterprise system?

A. The biggest current threat to the system is inflation. We certainly have to do our utmost to curb this inflationary trend and get it down to a growth pattern that we all can live with.

And, of course, the other danger is the other "isms"—socialism, communisim, things of this nature. Somebody has the idea that everyone should have everything equally and not necessarily determined by how much effort you put into it, but to get it because it's due you or it's owned to you. I think opportunity is owed to everyone. If you have the opportunity, then it ought to work out for those who produce, work and contribute their talents.

Those that are less fortunate—the invalids and others—should be helped by us. Within our free enterprise system, we can take care of those who need help without going to a socialistic system.

Q. What do you see as a way that the free enterprise system might cope with inflation?

A. I think we can go back to the basics. I think productivity is one answer to it—each of us suffering a little by tightening our belts and demanding less material things. We shouldn't go into debt. We should start reducing and paying off debts, living within our means.

Q. At one point it was thought that communism was the biggest threat to free enterprise from outside the United States. But today, isn't the disgruntled American consumer a pretty powerful nemesis himself?

A. I'm not afraid of communism. I think that thinking persons and thinking young people, once they get the facts in front of them, won't embrace that system. I think they'll stick with the free enterprise system.

Q. But, what about the American consumer?

A. That is the free enterprise system—the consumers challenging. The whole system is based on what is produced for the individual purchaser—the person who wants an object. He selects object one over objects two, three and four because he likes object one, and object one probably adheres to some of the things he's questioning or she's questioning or asking when they go to the store to buy it. I think this consumerism movement—

attacking products which are not up to par and which aren't good products—is the free enterprise system in action.

Q. What are the shortcomings of the business community in either promoting, defending or explaining the free enterprise system?

A. Business people have been so busy doing their business and they have such a tremendous knowledge. I think we're all guilty of thinking that other people know what we know and we don't think they need an explanation. Since we know that it's right, we assume that everybody else thinks it's right. Working on the high school level, I think we just have to do the job of informing them of how it works, why it works and let them form their own judgments on it—not to say to them, "This is the best system because I say so," but "This is how it works. Study it, think about it. Here's another system. Study it. Think about it. Draw your own conclusions." I'm positive that the inevitable conclusion is "I want freedom."

Q. How has ACES met the challenge of helping students along this line?

A. ACES has varied programs, but basically they all work around the high schools. We have high school students coming to the businesses in the area. They tour the business and see how it operates. Before the tour, they have a session in their classrooms explaining the business. At the conclusion, hopefully, the president or one of the top members of the firm will go into the classroom again and answer any questions about the tour. During the whole time, they are explaining the free enterprise system—how it works, how they pay salaries, how so much of the salaries are taxes which go into local and state governments.

We also have contests for the young people. You'd be amazed at the people who have been in business as they've gone through high school. We had one young man last year in Hershey who had his own dairy industry while he was a student. It's absolutely amazing what some of these young people can do. They've really proven the system because they've earned a lot of money through it, and they've worked hard.

Q. ACES aims at the high school student. Are there any programs for the elementary grade student?

A. No. But that is something we are looking into. It's like so many basics today. With so many options and so many bombardments of information coming to people, we feel we should be starting at lower grades and teaching them how it works.

Profits are somewhere around 3 or 4 percent of the total amount of money. People think that profits are 50 percent on anything that's ever sold. I do think we have to start at a younger level and give them some basic examples.

Q. With inflation, with disgruntled American consumers, with increasing government regulation and growth in public payroll, will America's free enterprise system survive?

A. It depends upon each and every one of us and the generations that are coming. If they want something for nothing, our system will not work. If they're willing to work and be challenged and motivated—it seems to me that human nature does want these things—I think there's that ray of hope or light at the end of the tunnel. I have faith that what people really want is the free enterprise system. To me it's freedom.

Q. Do you agree with a lot of sociologists who think that Americans today are looking for cradle-to-grave care from government?

A. With what? Where will it all come from to take care of everyone from the cradle to the grave? I think the only way to work is through our system. You can't have everyone working for government. What are they producing? What services are they rendering? Where do they get their sources of funds if we don't have a free enterprise system? Where does the money come from without business?

I still think it's basic, and I believe in a good day's work for a good day's pay. I want to be free to live the life I want to live and make the decisions I want to make. I think you can only do this under our system. And long may it live.●

THE PERSONAL SAFETY FIREARMS ACT OF 1979

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DRINAN. Mr. Speaker, of the many vital issues facing Congress, few generate more controversey, more intensive lobbying, and more diametrically opposed points of view than the issue of Federal gun control. Most significantly, however, few issues are more important, more pressing, and more completely related to the quality of life in this country.

I would like to bring to my colleagues' attention, Mr. Speaker, a bill which I recently introduced, the Personal Safety Firearms Act of 1979 (H.R. 286). While a more detailed explanation of this legislation will follow, the Firearms Act can be briefly described as providing for the registration of all firearms and the licensing of all gun owners. In addition, the bill prohibits the sale or delivery of "Saturday night specials," deadly but inexpensive handguns.

Our claim to be a civilized nation cannot be sustained until we enact tough, effective and enforceable Federal gun control laws that will put an end to the tragic and scandalous level of violence that permeates life in America.

We are a people who have become habituated to violence in our daily lives. Nothing symbolizes this fact more than the 25,000 gun deaths that occur in our Nation each year. The annual record of gun-related carnage is a national tragedy and international disgrace. Every year 12,000 homicides, 10,000 suicides, and 3,000 fatal accidents are caused by guns. Another 200,000 people are wounded by firearms resulting in paralysis, sterilization, dismemberment, blindness, deafness, and other disabling effects.

How long will the Congress avoid its clear responsibility to protect the public safety and the general welfare by allowing this gun-related slaughter to continue?

Here are some of the most up-to-date gun statistics available. It is crucial that Congress become aware of this compelling evidence:

There are approximately 50 million handguns in the United States. These handguns are easily concealable and highly lethal, causing accidents and murders by the thousands.

Nearly 3 million new handguns are produced each year in this country; one handgun is sold every 13 seconds.

At the current rates of production, there will be some 100 million handguns by the year 2000.

Handguns are used in over 2½ times as many murders as any other weapon.

Since the passage of the 1968 Gun Control Act, nearly 87,000 Americans have been murdered with handguns; 9,177 in 1977 alone. Millions more have been injured, threatened, assaulted, raped, and robbed at gunpoint.

In 1977 there were an estimated 300,000 crimes involving handguns; and in that same year, 216 children below the age of 14 were murdered in gun violence.

Five billion rounds of ammunition are produced annually in this country by 10 manufacturers.

One out of every 100 deaths in the United States—including natural deaths—is caused by a gun.

On any given day an average of 69 people in the United States are killed by firearms. Of that total, 27, or more than 1 per hour, are killed by a handgun.

Most murders are committed by previously law-abiding citizens, the killer and the victim being acquainted. In only one-fifth of all homicides are offenders strangers to their victims. About 25 percent of murders occur within families.

More people—over 800,000—have been killed in America by privately owned guns since 1900 than the number of Americans who have died in all our wars since the revolution.

The United States has more gun deaths every year than any other country in the world. In fact, the total number of gun deaths in all other free nations is exceeded by the number of gun deaths in the United States alone.

These statistics, and dozens more like them, can no longer be ignored. In poll after poll, the citizens of this country have revealed their overwhelming desire for strong, effective gun control laws. Both the Harris and Gallup polls have found that two-thirds of our citizens favor registration of all firearms and the licensing of all gunowners. The people are weary with the dread of violence. They are outraged by congressional inaction. If we do not act swiftly and forcefully to establish Federal gun control laws, the Congress will have to share the responsibility for much of the violence and suffering caused by the unchecked proliferation and unregulated use of firearms in America.

WHY THE FEDERAL GUN CONTROL ACT OF 1968 HAS NOT WORKED

The Federal Gun Control Act of 1968 was a sadly inadequate compromise law that was virtually emasculated before its passage. It was further weakened by a 1969 law eliminating the act's dealer recordkeeping requirements with respect to the sale of long-gun ammunition. In its major thrust, the 1968 act bans the interstate and mail-order shipment of firearms to individuals and forbids over-the-counter sales to minors. It prohibits the possession of guns by convicted criminals and certain undesirables, and also bars the importation of cheap, concealable foreign handguns, responsible for so much violence in this country.

Unfortunately, however, that 1968 act is fatally flawed with so many loopholes that there are now more cheap, concealable handguns produced in this country

than ever before. Some of the most glaring deficiencies in the 1968 Gun Control Act include:

First, the importation of "Saturday night specials" was banned by the law, but the ban did not extend to the importation of their parts. As a result, total domestic assembling and production of these cheap handguns during 1970 exceeded 1 million—a total far higher than the number of foreign guns that annually flowed into this country prior to the 1968 act.

Second, the interstate ban on gun shipments was rendered meaningless by allowing licensed gundealers in different States to ship firearms between themselves with no restrictions. Since it is extremely easy to become a gun dealer, many individuals obtain guns from other States merely by ordering them as "dealers" through other federally licensed sellers.

Third, the 1968 act contains no foolproof safeguards for gun dealers to check the background, or even the identity, of would-be gun purchasers. Neither are the purchasers' background or identity checked by local or State police; fingerprints are not even required. The purchasers' signed statement that he is not a felon, minor, or mental incompetent is almost always accepted after a driver's license is produced.

Fourth, private individuals can transfer ownership or possession of their own legally purchased firearms to anyone within their own State. And "anyone" means anyone—any criminal, juvenile, lunatic, drug addict, or other incompetent who would not otherwise be permitted to purchase a gun. The 1968 law provides no penalty whatsoever for such clearly irresponsible and dangerous private gun transactions.

Even moderate regulations recommended by the Bureau of Alcohol, Tobacco, and Firearms that would have improved the Federal firearms tracing system were not acted upon, even though the 1968 Gun Control Act clearly gives that agency such authority.

Because of these loopholes, firearms are still available, in most instances, to any and all who want them. Whether legally or illegally, the ease with which firearms can be purchased in this country means that Congress has failed to exercise its full authority on the issue of gun control. How many more assassinations, how many more years of increasing gun related crimes, how many more friends, neighbors, even relatives have to be gunned down on the streets and in their homes, before the Congress will clearly see the need to enact tough and comprehensive gun control legislation?

PERSONAL SAFETY FIREARMS ACT OF 1979

I believe that this Nation's tragic and shameful experience with firearms can only be reversed if all firearms are required by law to be registered, and all firearms owners are licensed. In addition, the irrefutable evidence linking handguns to crime must be acknowledged through a total ban on the production, possession and sale of the inexpensive and easily available handguns known as Saturday night specials. These provisions are incorporated in my bill, H.R. 286. Its sections are as follows:

TITLE I: REGISTRATION

The first provision of my bill requires the registration of all firearms—long guns as well as handguns. Firearms newly purchased after the passage of this act must be registered at the time of purchase, and guns already owned must be registered within 6 months.

The purpose of this registration procedure is to locate all guns in circulation, determine their number, and identify their owners. This information will prove to be of invaluable aid to law enforcement agencies in tracing those who commit crimes with firearms. If lost or stolen, registered firearms are more easily identified, and noncommercial transfer of guns will be more thoroughly recorded. This provision also makes registration a prerequisite to the purchase or sale of ammunition, since a valid registration certificate must be shown before a licensed dealer may sell ammunition.

An individual who carries a firearm must have the registration certificate with him at all times while he is carrying the firearm. Violation of the registration provision is a criminal offense punishable by imprisonment for up to 5 years or a fine of $5,000 or both. Therefore, simple possession of an unregistered firearm is an unlawful act, and subjects a violator to criminal penalties even before any other criminal activity takes place.

TITLE II: LICENSING

Licensing all gun owners will mean that for the first time in this country's history, strong and reasonable national standards will determine who will exercise the privilege of owning firearms. The licensing must be provided for either through a Federal program or through a State system which complies with certain minimal standards. A licensed dealer or private individual may not sell firearms or ammunition to any person unless that person has a State or Federal license.

The license will require identification of the holder including the individual's name, address, age, signature, and photograph. Persons who are under indictment, are fugitives from justice, or who have been convicted of a crime punishable by a term of more than 1 year may not receive a license. Similarly, individuals who cannot be relied on to possess or use firearms responsibly because of age, mental condition, alcoholism, drug addiction, or previous violations of firearms laws, are precluded from obtaining a license. All applicants will be thoroughly investigated before receiving a license and the would-be purchaser will no longer be the sole source of information as to his reliability.

As with the registration requirement, violation of the licensing provisions will result in a criminal penalty of not more than 5 years in prison or a $5,000 fine or both.

TITLE III: PROHIBITING SALE OR DELIVERY OF "SATURDAY NIGHT SPECIALS"

The third provision of the bill—the banning of domestic commerce in cheap handguns—is directed toward the elimination of the so-called Saturday night specials. These inexpensive and easily concealable guns have no legitimate sporting purpose; on the contrary, their sole use is in aiding the criminal in his illegal objectives, whether robbery, murder, or rape.

This section will remove from the marketplace any handgun which does not meet the criteria specified. These standards serve to ban all handguns without sporting and safety features delineated in the bill. This ban, though not a total one against handguns, will effectively eliminate the ubiquitous and deadly Saturday night specials.

HANDGUN CONTROL ACT OF 1979

My second bill, the "Handgun Control Act of 1979"—H.R. 285—would make it illegal for any person to import, manufacture, buy, sell, receive, transfer or transport any handgun or handgun ammunition.

Persons wishing to use safe, approved handguns for sporting or recreational purposes can do so provided they belong to a licensed pistol club. These clubs will maintain possession and control of the handguns used by their members, and will be responsible for the storage and safekeeping of such guns. Otherwise, it will be illegal for any person to own, or possess, any handgun or handgun ammunition after 180 days from the effective date of this bill.

Exemptions to these provisions include: Licensed importers, manufacturers, or dealers; State-licensed professional security services; and the U.S. Government, or any State government, and any of their agencies. Also, these provisions do not apply to antiques, handguns manufactured before 1890, or to collectors' items.

This bill also establishes a reimbursement system by which the Secretary may designate Federal, State, and local law enforcement agencies to receive the voluntary delivery of handguns, and to pay the owners of such handguns $25 or the fair market value of the gun, whichever is higher.

Violation of the provisions of this bill will result in a criminal penalty of not more than 5 years in prison, or a fine of $5,000, or both.

This bill, therefore, will substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse handguns by restricting the availability of such guns for law enforcement and military purposes, and for certain approved purposes including sporting and recreational uses.

I hope the Congress will realize the importance of taking prompt action on the need for strong gun control legislation, as I have suggested above.●

NINE AREAS OF CONCERN IN NATIONAL SECURITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MICHEL. Mr. Speaker, the Advisory Council on National Security and International Affairs of the Republican

National Committee recently published a position paper on the Carter administration's defense and foreign policy.

This study discloses nine major areas of concern, ranging from unilateral cutbacks in our defense by the Carter administration to the gradual but unmistakable debilitation of our intelligence capability.

As I said, this position paper is the product of an official Republican group. But the wisdom and concern reflected in its pages transcends partisan lines. This is a study that Americans of both major parties can agree with.

At this point I wish to insert in the RECORD, "A Republican Position on National Security and International Affairs."

REPUBLICAN NATIONAL COMMITTEE ADVISORY COUNCIL ON NATIONAL SECURITY AND INTERNATIONAL AFFAIRS

A REPUBLICAN POSITION ON THE CARTER ADMINISTRATION'S DEFENSE AND FOREIGN POLICY

Bipartisanship in support of the President's foreign policy has often served our country well. It has become an American tradition which we Republicans have nurtured, and have practiced constructively for many years. We have recently entered a period, however, when the President's foreign and defense policies have become clearly detrimental: America's reliability as an ally is in doubt, our military capabilities are becoming more inadequate every year, our international economic strength keeps deteriorating, our position in some of the most vital regions of the world is crumbling. The Carter Administration, in a spirit of retreat and resignation, takes this downward drift for granted—with its mistaken policies it accelerates our decline.

The time has come when Republicans must balance their responsibility as citizens with their tradition of bipartisanship.

Republican statements last year warned of mistaken policies in many areas of foreign affairs. Unfortunately, in almost every area the Administration policies and the situation for the United States have deteriorated further.

(1) The unilateral cut-backs and cancellations of our defense investment programs continue. Initially, the Carter Administration cancelled the B-1 bomber, closed our only ICBM production line for Minuteman III missiles, and slowed down our new land-based missile (the MX); then it deferred the enhanced radiation weapon ("neutron bomb"), delayed the ground- and sea-launched cruise missiles, allowed ground force and tactical air modernization, and drastically curtailed naval shipbuilding. As a direct result of such decisions the gap between American and Soviet military strength is widening. The United States has been consigned to become Number Two by current Administration policies and long-range plan.

(2) Since all these unilateral cut-backs have remained totally unreciprocated by the Soviet Union, they have severely damaged our bargaining strength in arms control negotiations. From what is known of the forthcoming SALT Treaty, it will not only fail to curtail the massive Soviet military build-up, but will also lock U.S. forces into an inferior and strategically unstable position.

(3) The Carter Administration is using its unilateral cut-backs to deceive the American public about the true impact of its SALT Treaty. The Administration has delayed arms programs that the Soviets wanted us to give up (such as the sea-based cruise missile) and now apparently believes it can claim that its SALT Treaty will not hurt us. That is to say, it seeks to cover up the magnitude of its SALT concessions by voluntarily cutting back U.S. programs well before the treaty is completed.

(4) Mr. Carter fails to explain to the American people and to the world that it is the Soviet military build-up which fuels the arms competition. Only the Soviets are racing. Less than two years ago, Mr. Carter sensibly favored genuine and substantial nuclear arms limitations. But as soon as the Soviets opposed him, he lost the courage of his convictions. Now, the Carter Administration has put such unwarranted priority on a new SALT Treaty that it no longer seems to have any convictions about the objectives arms control must serve—the Treaty has become an end in itself.

(5) By letting the Soviet Union overtake us in nearly all aspects of military strength, the Carter Administration invites disastrous setbacks in our foreign policy. Where could we marshall the necessary forces and support if it came to a military contest in the Middle East, for example, or in the Persian Gulf? The fact that the answer to this question is so painfully in doubt cannot fail to have an impact on the outcome of the crisis in Iran. If Soviet pressure should be applied at some future juncture, it may well seem too dangerous to resist. A major setback in Iran would lead to increased danger to Israel and the moderate Arab States in the Middle East.

(6) The way in which Mr. Carter scuttled our longstanding defense treaty with the Republic of China on Taiwan sends a frightening signal to our remaining allies. Which nation, counting on our support, will be sacrificed next? The abrogation of our defense treaty was not only taken without consultation with Congress, but initially the public and Congress were not even told about the one-year moratorium on new arms shipments to Taiwan. Evidently, this dangerous concession to Peking was too embarrassing to admit.

(7) The withdrawal of U.S. forces from South Korea, on which Mr. Carter continues to insist, can only encourage the ruthless dictatorship in North Korea to step up its preparations for aggression. Moreover, this American withdrawal has further undermined the confidence of our Japanese allies in our ability and will to meet our defense commitment to them.

(8) Carter's policy on Africa and toward Castro has encouraged the continued presence of the Cuban Africa Korps, financed and supplied by the Soviet Union. Not surprisingly, the African outposts of Soviet Imperialism are becoming more entrenched. By opposing the moderate blacks in Rhodesia and in other parts of Africa, and by encouraging and sympathizing with the forces of violence, the Carter Administration has made the totalitarian extremists ever more intransigent. The result of the Carter policies: more bloodshed in Rhodesia, the weakening of democratic forces working for genuine racial equality, and the prospect of increasing Soviet intervention throughout Southern Africa.

(9) The Carter Administration has permitted the continued debilitation of our intelligence capability that had been initiated by the Democratic-controlled Congress. The Administration inflicted further damage to the morale of our intelligence organizations and added rigid constraints on their ability to function efficiently and with the requisite secrecy. The decline of our intelligence capabilities has led—and will continue to lead—to disastrous consequences for the United States. Afghanistan fell under Soviet dominance with no advance warning and contrary to administration expectations; the developments in Iran gained momentum totally unanticipated by the Carter Administration; Hanoi defeated Cambodia in a lightning campaign to Washington's utter surprise. Instead of rebuilding our intelligence capabilities—especially the crucial functions of covert intelligence—and defending the need for them in Congress, the Carter Administration still supports new legislation which would further cripple them.

We are confident that the American people will support a sound foreign policy and the necessary defense effort to back it up. What we need is the leadership to provide inspiration and guidance. Over the next two years, we Republicans shall work hard to that end.●

CIVIL DEFENSE—MISSOURI INITIATIVE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GEPHARDT. Mr. Speaker, my colleague from Missouri, IKE SKELTON, has written an interesting and comprehensive article for the Journal of Civil Defense, in the February 1979 (Vol. XII—No. 1) issue.

As we are all aware, Congressman SKELTON is extremely concerned with strengthening the civil defense of our Nation, and he has closely followed developments in this area. I recommend that our colleagues in Congress read Congressman Skelton's article for important facts in the field of civil defense.

The article is set forth as follows:

UNDER THE NUCLEAR GUN

(By Congressman IKE SKELTON)

President Carter recently announced that, congress agreeing, he would like to increase our nation's Civil Defense's budget. It is an important step to a Civil Defense Program that I believe will require even more attention—a good deal more attention—before it will be truly effective. On the other hand, it bothers me when some commentators say this upgraded Civil Defense plan is being used to help win Senate approval for the SALT agreements. Civil Defense is not a pawn. Civil Defense is the way to save lives in our nuclear age.

Since the President announced his plans to upgrade Civil Defense, I've read with interest the many newspaper editorials written in response to the President's action. Some are opposed to Civil Defense. Although it is good to offer constructive criticism to Civil Defense, I believe much of the negativism is off target.

In light of the questions raised, let's look at the realities:

Reality one: The major powers on earth have nuclear weapons . . . enough weapons to destroy the lives of millions upon millions of people. It would be a different situation entirely if these governments didn't have these terribly awesome powers . . . but they do. People around the world are literally under the gun 24 hours a day because of nuclear weapons. Also, people who live in high risk areas, such as my District, Missouri's Fourth Congressional District, with its 150 ICBM missiles, are not only constantly under the gun, they are also living on a potential powder keg.

Reality two: In case of an attack against the United States, now and in the near future, our entire population is virtually defenseless. Also, there are ten million Americans living within or near potential prime target or high risk areas. There are very few effective plans for such areas in case of a nuclear attack against the United States.

When you add these two realities, I believe

you reach one solution . . . that is take steps to protect ourselves in case the unthinkable happens. That means upgrade civil defense.

For years some circles in our government have subscribed to the mutually assured destruction or M-A-D theory. Briefly, that is the idea that one nuclear power will not attack the other because both are vulnerable and if an attack occurred . . . both would lose too much. That theory is, I believe, open to question because the Soviet Union has a stronger civil defense than we do. According to a recent newspaper editorial in the Scripps-Howard Newspapers: "Soviet Policy seems to be to avoid a nuclear war if possible, but to be prepared to win one if necessary."

The CIA says the Russians have been spending over one *billion* dollars a year on civil defense, with 100,000 people working full time in that field. Right now, we are spending less than 100 *million* dollars a year on civil defense. The effectiveness of the Soviet Civil Defense is debatable, but the fact remains that the Soviets are much more active in this area than is our government.

Contrary to popular opinion, it is not impossible to survive a nuclear attack. Despite the wailings of many commentators, the world will be livable if the unthinkable happens . . . if we start planning now.

Our government is guilty of what I like to call "analytical impotence." We've done little more than discuss the pros and cons of civil defense. We've analyzed ourselves into a position where our civil defense is impotent. We need action and we need it now!!!

I believe it is time to admit that our civil defense is weaker than it should be. We should begin an all-out effort to convince the public, and then convince those in government, that civil defense is extremely critical and must be upgraded in this nuclear age in which we live. I have taken a first step to upgrade our national civil defense by introducing the "Skelton Amendment," which has been signed into law by President Carter.

The purpose of this amendment, which is part of the 1978 Defense Authorization Bill, is to provide for a study of the special civil defense needs of areas in the United States which contain significant elements of the U.S. Strategic Nuclear Retaliatory Forces.

For instance, Missouri's Fourth Congressional District contains 150 Intercontinental Ballistic Missiles (ICBM's). These missiles are situated throughout the district. In some cases, the missiles are actually located in people's backyards, as was pointed out in a 1972 NBC television report.

Fifty areas of the United States collectively contain about ten million people who live in or near potential high risk or prime target areas. These areas include Strategic Air Command Centers, Nuclear Submarine Bases and ICBM sites. It is my opinion that these high-risk areas will be the first to receive a nuclear strike in the event of an attack against the United States. This opinion is shared by the Defense Civil Preparedness Agency (DCPA). As of now, these ten million people are virtually defenseless. It is my understanding that the immediate future holds little hope for truly effective protection in these fifty areas.

This study should be completed in order to—

First: Provide new facts and information about potential prime target areas that are not now available.

Second: Learn what information is already available that can be made applicable to the special needs of these ten million people. Available information should be funneled to a program or programs that are concerned with high-risk areas.

The DCPA informs me that much defense preparedness information is already available. However, this does not solve the problem. Information must be gathered with the foreknowledge that it may be used for the special needs of these ten million people. The information must be localized to these special areas. For example, in response to my question about warning systems, the DCPA sent me an answer which looked at the national warning system. One sentence went thusly:

"The local warning points activate outdoor warning sirens and/or contact radio and television stations to alert the public of an attack or natural disaster."

I know for a fact that several communities in my district do not have warning sirens. I also know for a fact that during the 1972 false alert when all radio and TV stations were given orders to go off the air because a nuclear attack was imminent—none in my district, to my knowledge, went off the air. My point is that DCPA information that is now available deals with general proposals rather than specific, local needs.

Under the Skelton Amendment, no additional fiscal authorization for the study is required. The study is funded from money the Armed Services Committee has authorized DCPA for research and development.

The elements of the amendment are:

(1) A determination of what civil defense evacuation and shelter plans and warning systems are now available or are proposed to be available to these areas.

(2) An evaluation of the effectiveness of these existing evacuation and shelter plans and warning systems.

(3) A determination of the feasibility of establishing more effective evacuation and shelter plans and warning systems for these areas, and a determination of the potential costs and methods of financing.

(4) A detailed analysis of the specific effects of a nuclear attack on each of these areas.

(5) A determination of the need for educating and the most effective methods of educating the public in these areas on civil defense matters.

Let us look at the human side. The United States recently allocated $124 million to harden the ICBM silos at the Whiteman Air Force Base in Missouri. I do not disagree with the need to harden these silos. However, I must raise the following question: If my country can spend more than a tenth of a billion dollars on this project—why cannot it invest more money into protecting the lives of its people? These people did not ask to be subjected to high risk. Their lives and property are in a very special danger. I believe we should study the possibility of providing them with the protection they need.

I believe the fifty areas of the nation which contain the ten million people do deserve this special study. But a general study of the ways to reduce the dangers to all our people should also be undertaken.

Remember, the Skelton Amendment is not the final solution, but it is a first step. As far as my involvement is concerned, it is only the first of many steps. My next step will come in April after I review the results of my amendment.

Expanding civil defense preparedness in this country is facing an up-hill battle. It currently lacks the necessary public awareness. I believe this is our biggest challenge.

Today Americans are concerned about inflation. They have every right to be concerned about their pocketbook. However, I don't think people are saying let's do away with government and government services. I think they are saying . . . let's make government more efficient. Let's get rid of the waste.●

SOLOMON REPORTS ON TAIWAN TRIP

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SOLOMON. Mr. Speaker, last week I returned from Taiwan. I accepted an invitation by the National Conservative Research and Education Foundation to go on a brief factfinding trip because I was deeply concerned, not so much with the recognition of Communist China, but primarily with our disavowal of Free China on Taiwan. It did not seem logical or consistent with a long honorable history of established American foreign policy to unilaterally sever complete diplomatic relations with people who have been our friends and who have stood by us through many conflicts during the past four decades.

I was disturbed that we should leave such close allies virtually defenseless and alone after they have been a strategic bastion of defense in the long struggle against communism.

Mr. Speaker, I do not dispute the importance of developing our relations with Communist China, but I do feel it could have been accomplished without abandoning our friends.

Meeting the people of Taiwan was a moving experience. This is a society which has adopted American ways. They appear to be an industrious and prosperous nation. I observed that they were still in a state of shock following President Carter's decision to disavow them. I think they were frightened at that prospect, but they also appeared determined to overcome their present dilemma. I think they found some cause for hope in learning by our visit that not all Americans had abandoned them.

Their way of life which we have helped to develop has been a beacon of freedom for many of their countrymen on the mainland of Communist China and as a result a great number of them have sought refuge on Taiwan. I spoke with a number of these people and heard firsthand about the atrocities which have been committed on their families and friends who stayed behind. There was hardly a member of our delegation who was able to fight back the tears upon hearing these unbelievable revelations.

Our briefings with both Taiwanese and American military officials proved disheartening too. The great part of their military equipment is old. They have never received the latest type of fighter aircraft. They do not even have the capability of launching counter air strikes at the mainland.

But, under the arrangement the President has proposed it may not even be necessary for the Communist Chinese to mount a military assault against Taiwan. With the severence of diplomatic relations the flow of any business must go via Peking and it will be just a matter of time before Taiwan is strangled economically. It is important to keep in mind that the United States does more business with Taiwan than it does with the entire Communist bloc of nations. It has taken many years to build a $2 billion annual business with the Soviet Union alone. So while many argue that Communist China presents a great new economic frontier it will take a long time to make up the difference in trade.

With all of these factors not withstanding, I believe, Mr. Speaker, that the most important issue at stake is a moral one. I believe as do other Members of the returning delegation that we must do something to correct the grave error that I believe the President has committed by throwing the 17 million free people of Taiwan to the mercy of the Communist China government. I think the American people and the Congress should take action to insure that Taiwan will continue to be recognized by the United States.

I am hopeful, Mr. Speaker, that my colleagues in the Congress will join those of us who have personally viewed the situation on Taiwan and provide that the independence of this proud and valiant country is maintained. The integrity of American foreign policy and the respect our Nation enjoys among free people demands nothing less.

I assure you, Mr. Speaker, I will continue this fight because I believe it is right.●

A TRIBUTE TO LITHUANIA'S INDEPENDENCE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Ms. MIKULSKI. Mr. Speaker, February 16 is a day of great importance for individuals of Lithuanian origin because this day commemorates the 61st anniversary of the restoration of the Republic of Lithuania. The proud citizens of this Baltic republic fought bravely for their independence, but in 1940 the Soviet Union, an ally of Nazi Germany at the time, seized and occupied all Lithuanian territory. At the end of World War II, the Soviets refused to restore the independence of Baltic States.

Since that time the citizens of Lithuania have been under foreign rule. The domination of this people by the Soviet Union is a flagrant denial of the principal of national self-determination. Those who have not been able to escape from their homeland have been subjected to political repression, religious persecution, and a denial of their human rights. This situation has been verified by those who have managed to escape; one of the most valiant of whom is Simas Kudirka, who several years ago jumped ship, but was returned to Soviet officials. The cause of getting Simas Kudirka out of jail and seeing to it that he and his family could emigrate to the United States proved to Americans that Lithuanians are dedicated to justice and human rights for their fellow countrymen and women.

To the Lithuanian people I express my continuing sentiments of support on this 61st anniversary celebration of independence. The Lithuanian people in America must continue to speak out on behalf of their countrymen who are unable to do so.●

PROTEST SOUTH AFRICAN "BANNED" CRITIC

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MARKEY. Mr. Speaker, the racist regime in South Africa continues to suppress its vocal opponents through a process called "banning." This practice prohibits an individual who has spoken out against government policies from publishing his or her views.

On a recent visit to South Africa, ROBERT F. DRINAN met with one such "banned" individual, the Reverend Smangaliso Mkhatshwa, a close friend of Steve Biko who died in 1977 under highly suspicious circumstances while in police detention. Congressman DRINAN, in an article published in the February 3, 1979, issue of America, notes that the only avenue available to us, to pressure the South African Government to release this man from his "banning," is to lodge our protests in writing with the South African Ambassador to the United States.

I urge my colleagues to join me in this campaign, by writing to His Excellency Donald B. Sole, South African Embassy, 3051 Massachusetts Avenue, NW., Washington, D.C. 20008. The article follows:

A CALL TO PROTEST

(By Robert F. Drinan)

I talked recently in Johannesburg, South Africa, for almost two hours with a heroic black priest, the Rev. Smangaliso Mkhatshwa. In October 1977, the Pretoria Government issued a nonappealable decree that, for reasons never stated, this priest, the able executive secretary of the bishops' conference of the eight southern African nations, was "banned" for five years. This meant that Father Mkhatshwa, who has his graduate degree in theology from Louvain, could not preach, write or engage in any priestly activities. No newspaper, including Catholic periodicals, may quote him.

The practice of "banning" outspoken persons is an old one in South Africa. And, once "banned," a person seldom if ever gets off the list.

Father Mkhatshwa's offense goes back to his close friendship with Steve Biko, the prominent dissenter against apartheid, who died in 1977 in a jail cell under suspicious circumstances. Biko's death was protested in an overwhelming record vote by the U.S. House of Representatives. In addition, Father Mkhatshwa, jailed for six months after the 1976 student riots in Soweto, advocated a policy of disinvestment in South Africa on the part of American corporations; such advocacy is a crime by decree of the Government of South Africa.

Father Mkhatshwa treats his tragic plight with an almost astonishing good humor. He notes that he can say Mass every day and sometimes—in violation of the law—gives talks to young people. His principal hope is that the dreadful prospect that he will be forever "banned" will rouse protest from Catholic groups around the world. This is his only hope, because now he daily confronts a situation where, as he puts it, the "oppressive machinery is ruthless" and where even some Catholics have been paid to be informers about his activities.

This enormously impressive and dynamic priest recognizes that the possibility of success for massive civil disobedience in South Africa is very slim. He points out perceptively that the continued insistence on apartheid is due mostly to the forces of economic exploitation and that race is used as a rationalization for the incredibily brutal policies of segregating and dehumanizing the blacks. He notes almost continuously to anyone who will listen that it is simply immoral for some 4 million white people to segregate and brutalize 19 million black people.

I spoke with Archbishop Joseph P. Fitzgerald of Johannesberg about the plight of Father Mkhatshwa. This prelate, who is the president of the Southern African Bishops' Conference, concurred in the judgment that only the strongest and most persistent world opinion could possibly induce the security police of South Africa to back down on the techniques they have adopted to silence a troublesome black priest. There are 32 Catholic bishops in South Africa with about 2 million Catholics out of a total population of 24 million. By everyone's agreement, the Catholics—some 90 percent of whom are black—exercise influence disproportionate to their numbers. They know and care deeply about Father Mkhatshwa. They are waiting for their fellow Catholics around the world to protest the denial of this priest's basic rights.

Protests should be sent to South Africa's Ambassador to the United States, His Excellency Donald B. Sole, South African Embassy, 3051 Massachusetts Ave., Washington, D.C. 20008.

I am sending Ambassador Sole a copy of this article. Unless he receives a good deal of mail, he will be able to conclude and so inform the Government of South Africa that Catholics in America don't really care very much about the outrageous way it has treated a 32-year-old black priest, a man with enormous potential to influence the future of the church in all the nations of southern Africa.

Father Mkhatshwa's address, for those who want to write him directly, is 140 Visagie St., Pretoria 0002, South Africa.

(Robert F. Drinan, S. J., is a member of the House of Representatives from the Fourth Congressional District of Massachusetts.)●

TRIBUTE TO ANDREW BIEMILLER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to honor a man who has contributed so much to the democratic process in this country and who serves as an outstanding example for all Americans.

For years, Andy Biemiller has served working people by being a strong advocate, both inside and outside of government, for a wide variety of important social causes. His contributions to the fight against discrimination and poverty demonstrate his staunch commitment to the needs of disadvantaged people throughout our society. And, his list of accomplishments are beyond compare, especially his efforts to gain passage of the Civil Rights Act and medicare. As

the author of the first civil rights plan in 1948, Andy set the stage for the acceptance of one of the most important pieces of social legislation in our time. His efforts to achieve a comprehensive health care plan deserve our respect and admiration.

I am glad I have had the privilege of working with Andy over the years and I hope he will continue to give me the benefit of his guidance in the future. ●

BILL TO EXEMPT FARM AND SOIL AND WATER CONSERVATION TRUCKS FROM THE FEDERAL HIGHWAY USE TAX

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. STENHOLM. Mr. Speaker, as the Congress strives to eliminate inequities in our tax code, I and the other sponsors of this bill, feel one small but glaring inequity deserves our attention. The tax in question is the highway use tax levied on limited-use vehicles employed in farming and in soil and water conservation activities.

The highway use tax was designed to help raise the necessary funds to build and maintain the Federal-aid highway system. It was intended, and has been widely publicized, that highway users should pay the cost of a modern Federal highway system. However, in passing the legislation, Congress also extended the tax liability to all heavy vehicles whether they used the system or not. The current language of the law is so broad that it makes no distinction between long distance commercial haulers and the relatively few vehicles used to grow food and fiber, and to conserve our soil and water resources. This is not an equitable application of our taxing authority.

As a result of various court proceedings, certain similar vehicles have been exempted from the Federal highway use tax based on their limited or special use. Now exempt are derrick-drilling trucks, certain logging trucks, and certain oversized vehicles. These exemptions were established as a result of the following court cases, respectively: Stafford Well Service against U.S.A., 1971; Carl Nelson Logging Co. against U.S.A., 1967; and Rossi against U.S.A., 1963. In both the Stafford and Rossi cases the determining factor was the highway use of the vehicle was incidental to its industrial or special use. The same is true of vehicles involved strictly in limited farming and conservation work.

The average tax paid on these vehicles is $175 a year, and the State use taxes range up to several thousand dollars per year. It is not unusual for an operator to pay $1,000 a year in Federal and State taxes on a vehicle that travels 1,000 miles a year—that averages more than 70 percent of its travel on State and county roads, not Federal. The equivalent tax here is over $1 per mile, while the vehicle rarely, if ever, uses the Federal roads for which it is taxed.

The Joint Committee on Taxation has estimated that annual revenue loss to the Treasury would probably not exceed $7 million, for conservation trucks. Since there are far fewer liable farm vehicles, the total annual loss would probably not exceed $10 million. Yet, this equalizing of the tax liability would reach every sector of our farm community and national conservation effort. It is hoped, too, that more States will follow this precedent if we act, thus increasing the beneficial effects in the field.

Presently six States we are aware of—Texas, Minnesota, Illinois, Kansas, Nebraska, and South Dakota—have provided some kind of similar exemption from State use taxes for these same vehicles. Reports from the administering agencies in every case reveal there are no significant difficulties in controlling the use of the exemption. In many cases, private organizations whose members operate the vehicles work closely with State officials in preventing abuses in these programs.

It is our intent in this legislation to provide an exemption only for that small number of vehicles that strictly deserve it. Consequently, various limitations have been written into the bill. First, it is inherent that a subject vehicle not be let out for hire for general use. Second, any exempted vehicle must be used a clear majority of the time in farming or conservation pursuits. And third, only small locally owned corporations engaging primarily in this kind of work are to be covered. In addition to the restrictive language in the bill, the Internal Revenue Service would be called upon to issue guidelines in the form of regulations to govern the exemption's application.

A firm case can thus be made for the fairness and manageability of this measure. We enthusiastically recommend this bill to our colleagues in the House for timely and positive action.●

ANDY BIEMILLER

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. RHODES. Mr. Speaker, for the past two decades, the House and Senate have been kept well aware of the legislative positions of organized labor through the untiring work of Andy Biemiller.

As legislative director of the AFL–CIO, he has been a familiar fixture in the halls of Congress. As a former Member of this body, he was effective as a spokesman for labor interests.

While Andy and I often were not on the same side of issues before Congress, he earned a great deal of respect from both sides of the aisle for his forthright presentation of his case. I consider him as a personal friend.

We all will miss him, and wish him the very best for the future.●

THE SCARCITY OF ENERGY AND OUR LAGGING EXPORTS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HYDE. Mr. Speaker, today I am introducing a bill which addresses two of our country's most serious problems: The scarcity of energy and our lagging export performance.

I am disturbed to see the scramble of foreign governments to bid for a share of Mexico's newly discovered oil reserves. While our Government and U.S. energy companies argue over the appropriate price, government buyers from Japan, France, Germany and elsewhere are locking up increasingly large shares of Mexico's projected output.

I am disturbed that the OPEC oil oligopoly seems as potent as ever, despite the instability which is supposed to characterize cartels. For more than 4 years, OPEC has priced energy resources well above a fair markup over production costs. Every economy in the world has paid the price in severe hardships. Raging inflation, unemployment and massive trade deficits have slowed growth in the industrialized countries and threatened the economic survival of many developing countries.

I think the time has come for us to strike back. I cannot subscribe to any of the radical proposals which some have suggested. It would be wrong to price our food exports to blackmail energy producing countries, and at the same time exacerbate our lagging farm exports.

I do, however, feel that there is room for innovative new approaches to weaken OPEC, reduce U.S. energy costs and to assure us dependable sources of energy supplies.

This is what my proposal attempts to do. It is designed to spur a dramatic increase in foreign energy development while, at the same time boosting our lagging exports. It is based on the premise that the United States will have to continue to import a substantial share of its energy needs for the foreseeable future and that this Government should rightfully play a major role in assuring the adequacy of supply.

The bill has three central features. First, it creates an entirely new arm of the Export-Import Bank. (You will remember that the Eximbank is the Government agency which provides financing for U.S. exports.) The Energy Development Facility, as this new arm will be called, is given a $2 billion set-aside out of Eximbank's existing $40 billion authority with which to back energy related projects in foreign countries. In addition we give Eximbank the authority to cut its rates and terms to make borrowing for energy development more attractive. At the same time we relax the credit worthiness standards so that promising projects in riskier areas will not be turned down.

Second, we give the administration authority to conclude barter agreements

with producing countries. The export-for-energy swap arrangements, as I have called them, would work something like this. The President's negotiators would sit down with the producing country and settle on a price and quantity—say a million barrels of crude per day at $14.50 per barrel. The producing country is paid, not in cash but in letters of credit good only for U.S. exports. The Eximbank would administer these letters of credit.

Third, we enable the Eximbank to piggyback onto approved World Bank energy projects, supporting any U.S. exports involved. The hope again is to increase exports and win preferential access to new energy supplies.

In my mind the beauty of this proposal is that it marries a potential solution to two of our Nation's most pressing problems—access to new energy resources and finding new export markets—all at little or no cost to the taxpayer. The barter agreement concept has the added benefit of permitting new energy imports without any damage to the balance of payments. Every dollar's worth of imported oil is matched by a dollar's worth of exports.

These ideas will be considered radical by some. In my judgment the Congress and the country will benefit from a serious discussion of such new ideas. Certainly none of the strategies of recent administrations has made much of a dent in the problems.

I would like to add that we do not consider the bill to be a finished product. We will be circulating it widely among energy experts in Government and industry, and the legislative craftsmen at Eximbank and our own legislative counsel. We hope others will come forward with new proposals and help us work them into this legislation.●

WHO PAYS TAXES?

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. COLLINS of Texas. Mr. Speaker, everyone seems to feel that taxes are mighty heavy on their backs. Many times we get the suggestions up here in Congress to put more taxes on the rich. The facts show that the top 25 percent in the high-pay income are loaded now with 72 percent of the taxes.

An information publication named Enterprise, published by the Fisher Institute, of which Sherrill Edwards is president and Bob Arnold is editor, had a key story.

Quoting from Feedback of Junior Achievement Co., they told who pays the taxes. Here it is, as these young people so concisely summed up the facts. Rich people are paying three-fourths of the taxes. Here is Junior Achievement's summary:

The income earners in the top 50 percent pay 92.9 percent of the total taxes paid, while those in the lower 50 percent pay 7.1 percent. The individuals in the highest 25 percent pay 72 percent of the taxes, while those in the lowest 25 percent pay 0.4 percent. The top 1 percent account for 18.7 percent of all of Uncle Sam's income taxes.●

TAIWAN RESOLUTION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WOLFF. Mr. Speaker, I am pleased and honored today to place into the RECORD the names of 88 of my colleagues who have joined with me in cosponsoring House Joint Resolution 167, a joint resolution regarding the peace, prosperity and welfare of the people of Taiwan.

I should also note that this resolution has been introduced in the other body by Senator KENNEDY, Senator CRANSTON, and some 30 of their colleagues.

Mr. Speaker, such broadly-based support for this important and timely resolution has not gone unnoticed, and I am pleased to be able to inform the House today that at Monday's hearing before the Foreign Affairs Committee Secretary of State Vance pronounced House Joint Resolution 167 not incompatible with the administration's policy regarding Taiwan.

Since the language of the resolution is clear, I place House Joint Resolution 167 into the RECORD, with the names of its cosponsors, and to urge its favorable consideration by the House.

COSPONSORS OF KENNEDY-WOLFF RESOLUTION ON TAIWAN AS OF FEBRUARY 7, 1979

Abdnor, James, South Dakota.
Addabbo, Joseph, New York.
Akaka, Daniel, Hawaii.
Baldus, Alvin, Wisconsin.
Bellenson, Anthony, California.
Biaggi, Mario, New York.
Bingham, Jonathan, New York.
Bonior, David, Michigan.
Bouquard, Marilyn, Tennessee.
Brademas, John, Indiana.
Breaux, John, Louisiana.
Buchanan, John, Alabama.
Chappell, Bill, Florida.
Coelho, Tony, California.
Conte, Silvio, Massachusetts.
Davis, Robert, Michigan.
Dixon, Julian, California.
Dornan, Robert, California.
Downey, Thomas, New York.
Duncan, John, Tennessee.
Edgar, Robert, Pennsylvania.
Edwards, Don, California.
Emery, David, Maine.
English, Glenn, Oklahoma.
Erdahl, Arlen, Minnesota.
Fazio, Vic, California.
Flood, Daniel, Pennsylvania.
Foley, Thomas, Washington.
Fountain, L. H., North Carolina.
Gilman, Benjamin, New York.
Gingrich, Newt, Georgia.
Glickman, Dan, Kansas
Goodling, William, Pennsylvania.
Gray, William, Pennsylvania.
Hanley, James, New York.
Hollenbeck, Harold, New Jersey.
Howard, James, New Jersey.
Ireland, Andy, Florida.
Jenrette, John, South Carolina.
Jones, Ed, Tennessee.
Kildee, Dale, Michigan.
LaFalce, John, New York.
Lee, Gary, New York.
Levitas, Elliott, Georgia.
Long, Clarence, Maryland.
Luken, Thomas, Ohio.
Lundine, Stanley, New York.
McHugh, Matthew, New York.
Madigan, Edward, Illinois.
Maguire, Andrew, New Jersey.
Markey, Edward, Massachusetts.
Martin, James, North Carolina.
Mica, Dan, Florida.
Mikulski, Barbara, Maryland.
Mineta, Norman, California.
Mitchell, Donald, New York.
Moorhead, William, Pennsylvania.
Murphy, Austin, Pennsylvania.
Myers, John, Indiana.
Neal, Stephen, North Carolina.
Oakar, Mary, Ohio.
Panetta, Leon, California.
Pease, Donald, Ohio.
Pepper, Claude, Florida.
Price, Melvin, Illinois.
Pritchard, Joel, Washington.
Rahall, Nick, West Virginia.
Richmond, Frederick, New York.
Roberts, Ray, Texas
Rodino, Peter, New Jersey.
Roe, Robert, New Jersey.
Sabo, Martin, Minnesota.
St Germain, Fernand, Rhode Island.
Sebelius, Keith, Kansas.
Shannon, James, Massachusetts.
Simon, Paul, Illinois.
Solarz, Stephen, New York.
Solomon, Gerald, New York.
Stratton, Samuel, New York.
Van Deerlin, Lionel, California.
Waxman, Henry, California.
Williams, Pat, Montana.
Wilson, Charles H., California.
Wolpe, Howard, Michigan.
Wright, Jim, Texas.
Wylie, Chalmers, Ohio.
Yatron, Gus, Pennsylvania.
Young, Robert, Missouri.

H.J. RES. 167

Regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes.

Whereas the governments of the United States and the People's Republic of China on January 1, 1979, recognized each other and establish diplomatic relations;

Whereas the President on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

Sec. 2. The Congress finds and declares that it is the policy of the United States to act in

accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.●

POLITICAL PRISONERS IN CUBA

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, I wish to bring to the attention of my colleagues the plight of a former constituent of mine, Mr. Lawrence Lunt, Jr., a political prisoner in Cuba.

The case of Mr. Lunt, and of others in his situation, was recently discussed in Cuba by a delegation of Members of the House and President Fidel Castro. I wish to commend the members of the delegation, headed by Representative JONATHAN B. BINGHAM of the Committee on International Relations, and Representative BENJAMIN A. GILMAN, ranking minority member of the International Relations Subcommittee on Inter-American Affairs, for their continued concern for the American political prisoners, and for their persistent efforts in working toward the release of the prisoners.

President Castro has stated the prisoners can be released when Puerto Rican prisoners involved in a shooting incident in Congress in 1954 are released from U.S. prisons as a humanitarian gesture. I am hopeful action can be taken to secure the release of the Americans in Cuba. So my colleagues might be aware of the facts of Mr. Lunt's case, my correspondence on the case with the administration follows:

NOVEMBER 27, 1978.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It has been brought to my attention that a former constituent of mine, Mr. Lawrence Lunt, Jr., is at this time still imprisoned as a political prisoner in Cuba.

As you know, Mr. Lunt was sentenced to thirty years imprisonment in 1965, on a charge of political espionage. At the time, Mr. Lunt owned a ranch on the island of Cuba and, as far as I can determine, was attempting to assist refugees leaving that country for the United States. I've been given to understand President Castro has stated that Americans being held as political prisoners in Cuba will not be considered eligible for inclusion in the recent release of political prisoners with Cuban citizenship.

Earlier this year, I believe, during a televised interview, President Castro indicated his willingness to release the few American political prisoners (including Mr. Lunt) at such time as the United States released those persons responsible for the Puerto Rican shooting incident on the Floor of the House in the early 1950's. I've been informed there is a possibility of this action, whether by parole, commutation of sentence, or pardon, within the next year or so.

Would you be kind enough to have someone look into this situation and advise me on the validity of the above. Since I've just now been requested to assist in the matter, any additional information you may provide will be greatly appreciated. Also, any suggestions you may have regarding possible action on my part, any way you think I might help in working toward Mr. Lunt's release, will be appreciated as well.

Although I have been aware of Mr. Lunt's dilemma in Cuba, this is the first opportunity I've had to review the case thoroughly. While recognizing the years of hard work already rendered by the State Department in Mr. Lunt's behalf, I wish to go on record as strongly urging that everything possible be done to effect his release. After all this time, his family is understandably distraught—his children have grown up without him, his wife has been allowed to visit only once a year—and I know any positive action on your part will be extremely helpful to them as they await his return.

Thank you for your attention in this matter. I will look forward to hearing from you at your convenience.

Best regards.

Sincerely yours,

JAMES P. JOHNSON,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C., January 3, 1979.

Hon. JAMES P. JOHNSON,
House of Representatives,
Washington, D.C.

DEAR MR. JOHNSON: I have been asked to reply to your letter of November 27 to President Carter concerning Larry Lunt, an American political prisoner in Cuba.

Your information is correct. President Castro has stated that American prisoners will not be included on the lists of prisoners to be released. The Cuban Government's position is that release of Cuban prisoners is an internal matter; release of the American prisoners, on the other hand, must be negotiated with the U.S. Government.

President Castro stated in June that he would release the four American political prisoners, including Larry Lunt, provided the U.S. would release the four Puerto Rican nationalists, including Lolita Lebron. I do not believe any final decision has been made in the matter. I can assure you, however, that every possible consideration will be given to the welfare of Mr. Lunt and the other prisoners who have been separated from their families for so many years.

Should you have any further questions, please do not hesitate to contact Wayne S. Smith in our Inter-American Bureau at (202) 632-9272.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary
for Congressional Relations.●

TRIBUTE TO FRANK DELELLO

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. COURTER. Mr. Speaker, I would like to join my friends in Warren County, N.J., today in honoring an American of great service to the county, the State, and the Nation.

Mr. Frank DeLello of Hackettstown, N.J., distinguished himself during the second World War in Army combat duty. Since coming to Hackettstown in 1961, he has made a record of dedicated community service.

He has been elected to the leadership of several service-oriented fraternal organizations, among them the Kiwanis Club, the Fraternal Order of Eagles, and the Knights of Columbus. He has taken an intense interest in his community and his county by serving on the Warren County Tax Board, the Hackettstown Planning Board, the Hackettstown Parking Authority, and as president of the Hackettstown Trade Association.

Frank has also served his party over the years. He has been the chairman of the Warren County Republican Committee for the past 6 years, a 1976 delegate to the Republican National Convention, the sergeant-at-arms of the New Jersey Assembly, and the president of the Hackettstown Republican Club.

So, Mr. Speaker, I join my friends and neighbors in praising a truly exemplary American, Mr. Frank DeLello.●

THE CRIMINAL JUSTICE ASSISTANCE ACT OF 1979

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CONYERS. Mr. Speaker, I have today introduced the Criminal Justice Assistance Act of 1979, a bill designed to restructure and reauthorize the Federal financial assistance program to State and local criminal justice efforts. This bill would replace the present Law Enforcement Assistance Administration in the Department of Justice with a successor organization to be known as the Bureau of Criminal Justice Assistance, as well as making a number of major organizational and programmatic changes in the Federal aid program to criminal justice.

The Law Enforcement Assistance Administration—LEAA—is now into its 11th year and its 7th billions of dollars. Proposed by the Johnson administration as a categorical aid program devoted largely to research and innovation, the program underwent major changes during Congressional consideration of the proposal, and emerged with the block grant revenue sharing characteristic which has remained the central feature of the program to this date. In its early years it was really not a program at all, but more in the nature of a checkbook with which State and local government—predominantly police departments—purchased law enforcement hardware: Vehicles for land, sea, and air; weapons, particularly riot equipment; gadgetry, including gadgets reminiscent of, if not inspired by, Dick Tracy and Batman of comic strip fame.

As criticism of the wasteful expenditures of the program mounted, and as police department equipment storage facilities overflowed, proponents of the LEAA program recognized that if the program was to survive, it would have to broaden its base of beneficiaries and expand the range of activities for which the Federal funds are spent. We have thus seen, over the last several years, a shift from domination of the program by police expenditures to a more balanced distribution between police, courts, and corrections. As a result, the range of

programs and projects funded was also expanded so that LEAA became a "systems improvement" program, under which virtually any expenditure for criminal justice is permitted if it arguably improves the efficiency or capacity of some component of the criminal justice system.

Another major phenomenon in the history of the LEAA program has been its role in the development of a new industry on the criminal justice horizon, that of criminal justice planning. Criminal justice planners, though compensated with Federal dollars, are answerable to governing bodies in State and local government, who are predominantly criminal justice practitioners. More than any other development, the explosive growth of planners has contributed to the entrenchment of the LEAA program as a seemingly permanent and virtually unassailable element on the landscape of Federal programs.

It is these planners, by and large, who are charged with the responsibility of identifying new improvements which are needed, and who orchestrate—hopefully without shedding of blood—the division of the Federal dollars among the various participating units of government and elements of the criminal justice system. They are unique in that, being products of the LEAA program, they are also, with few exceptions, dependent upon the continuation of the Federal program for their very existence. Nonetheless, one of the primary contributions claimed for the LEAA program, that of provision of comprehensive planning and coordination between units of governments and components of the system, has fallen far short of its mark. This is not a result of the shortcomings of the planners, but rather a reflection of the fragmented nature of the criminal justice system and of the limited influence which the LEAA financial contribution can have upon State and local criminal justice decisionmaking.

Although functioning as a form of special revenue sharing for criminal justice, the LEAA program in fact contributes only about 3 percent of the total criminal justice expenditures at the State and local level. A tiny portion of this is earmarked for "comprehensive planning." The reality is that, with few exceptions, State and local policy and decisionmakers do not give this 3 percent contribution control over the 97 percent that is provided from other sources; "comprehensive planning," is, by and large, planning for the Federal funds alone. Thus the present LEAA program is neither a substantial fiscal relief program, nor is it successful in promoting systemwide planning and coordination.

Furthermore, despite the fact that countless studies, including a recent study by the General Accounting Office for the Congress, indicate that evaluation of the programs and projects funded is of such poor quality that we cannot tell which programs are effective, a very high percentage of projects temporarily funded by LEAA are picked up by State and local government when the Federal assistance runs out. The Advisory Committee on Intergovernmental Relations recently placed this pickup rate at 60 percent; one Governor recently told me that the rate in his State was almost 90 percent. While it can be argued that this suggests that State and local government find a high percentage of LEAA programs to be beneficial, it may be that institutional pressures are as much a factor in these pickup rates as is the quality of the programs. We have seen total criminal justice expenditures in the United States more than quadruple during the life of LEAA; we need to consider now how much LEAA programs contributed to that escalation.

Given the lessons we have learned in 10 years and more than six and a half billion dollars, I believe it is time we moved in a new direction in the Federal program of aid to criminal justice. There simply are not enough Federal assistance funds available to be effective if they continue to be used merely to augment criminal justice agency budgets. We need to scale down the rhetoric and the expectations regarding what the Federal Government can contribute to alleviating State and local crime problems. The present formula distribution mechanism should be retained, but Congress should establish a limited number of critical areas of need within which the formula must be used.

The legislation I am introducing addresses many of these problems by designating four national priorities as fundable criminal justice program areas:

Neighborhood-based community anticrime efforts;

Alternatives to traditional incarceration;

Programs to prevent juvenile delinquency; and

Efforts to combat white-collar crime.

Involving people in their neighborhoods and communities in law enforcement efforts is essential if we are going to significantly impact on juvenile and adult crime. This vitally important ingredient of crime prevention—community participation—is most in need of Federal assistance at this time.

I find it deplorable in principle and practice that the United States has one of the highest incarceration rates in the industrialized world, exceeded only by South Africa. Prisons are by far the most expensive, inhumane, and counterproductive remedies to crime and moreover, are unnecessary for the vast majority of offenders. Post-imprisonment recidivism rates of 60 percent and higher suggest that prisons produce more and worsened criminal behavior and certainly fail to help the offender become a positive and contributing member of society. Therefore, one of the priorities of my bill is Federal financing of alternatives to prisons, jails and detention facilities, and alternatives to traditional criminal justice, including community service orders, restitution, 24-hour supervision in the community, group homes, etc.

Youth and young adults under the age of 22 now account for about one-half of all arrests. The crime problem is in many ways a juvenile and youth crime problem. My legislative proposal for restructuring LEAA designates as a priority prevention program aimed specifically at preventing and reducing juvenile crime. The Office of Juvenile Justice and Delinquency Prevention would be continued, but statutory provisions regarding its authority and responsibility would be clarified to establish the Office as a subordinate unit within the Bureau of Criminal Justice Assistance.

A feature of my bill which distinguishes it from other bills on the subject is its emphasis on increasing Federal financial assistance to State and local governments for programs and projects related to white-collar crime. For far too long, we have thought of the crime problem strictly in terms of so-called street crime, such as the FBI's current index crimes. The Subcommittee on Crime began hearings on the subject of white-collar crime in June 1978. Those hearings have demonstrated that white-collar crime is the most all-pervasive, serious and costly crime problem in America today.

In 1974, the chamber of commerce conservatively estimated that the cost to the public of white-collar crimes—excluding price-fixing and fraud against Government programs—was $40 billion annually. When antitrust violations such as price-fixing and fraud against Government programs are included, estimates run as high as $200 billion annually. This compares to $4 billion per year for all so-called property-related index or street crimes. Nevertheless, LEAA has spent less than 4 percent of its money since 1969 on projects related to white-collar crime. Surely, now—when demands are increasingly made that governmental expenditures bear some rational relationship to the relative severity of social problems—such statistics demostrate the necessity for increased Federal criminal justice assistance in the area of white-collar crime.

Indeed, markedly increased emphasis on combatting white-collar crime has been a highlight of recent Justice Department and State and local prosecutors' pronouncements about their new and current crime-fighting priorities.

Within each of these categories, States and localities would still retain ample discretion to allocate funds on whatever percentage basis selected. Formula grants would initially be allocated among the States on the basis of population. Within each State, funds would be divided between the States and localities on the basis of relative criminal justice expenditures. States and localities could fund up to 100 percent of the cost of each project selected under the formula or special emphasis program.

In order to facilitate local implementation, larger units of local government and combinations of smaller units could apply to the State planning agency for a miniblock grant—that is, one grant for the entire 3-year authorization reflecting all project activity, thus lending more stability to the funding process than the submission of individual grant applications and guaranteeing localities a certain fixed amount of funds. The requirement for an annual State plan would be eliminated, and in its place, a 3-year plan would be substituted. The population

level to qualify for a miniblock grant is established at 100,000.

State and local planning units would be able to secure Federal planning dollars, but such funds would be derived from that jurisdiction's formula grant allocation. There is no separate planning appropriation and no match requirements. Planners must justify their share of formula grants in competition with action programs. Hopefully, this will insure that only those jurisdictions seriously interested in planning will undertake such efforts.

A separate community anticrime program is established, in addition to the formula grant program, to provide both technical and grant assistance to community groups. These funds would enable communities to help define and alleviate the crime problems facing them, as well as apply for and manage community anticrime funds. Ten percent of the overall Federal assistance would be provided to support these efforts.

The new Bureau of Criminal Justice Assistance would manage a special emphasis discretionary program, funding exemplary programs to improve the quality and fairness of the criminal justice system and reduce the reliance on the justice system as a whole. A portion of these discretionary funds would be awarded by the Bureau itself, since there are a number of national or regional activities that no one State could be expected to fund. Most of these funds would, however, be allocated to the States to distribute within each State as discretionary funds.

Out of recognition of the critical nature of the juvenile justice problem throughout the country, a discretionary grant program for juvenile crime problems is provided. To insure the continued participation of the private sector in these efforts, at least 25 percent of these funds are to be awarded to private nonprofit organizations.

The typical funding cycle under the present block grant program is 3 years, with the local contribution increasing in the second and third years. In recognition of this feature of the present program, transitional funds are to be provided in fiscal years 1980 and 1981 to provide for the orderly change to the new formula grant program. As the transitional funds are reduced, the amount of money allocated to the new program is increased, as is the States' share of the special emphasis funds. The transitional funds may also be used to phase out the Law Enforcement Education Program.

My proposal would create both a separate research institute and statistics bureau within the Department of Justice. The National Institute of Justice would be concerned solely with criminal justice research and would be governed by a 12-member policy board of Presidential appointees designed to insulate the Institute from the political pressures of the Justice Department. The Institute would also be required to evaluate the effectiveness of programs funded by the Bureau of Criminal Justice Assistance and the Bureau of Justice Statistics. The Bureau of Justice Statistics would be responsible for both civil and criminal statistics, and would also be governed by a policy board.

FUNDING AUTHORIZED

	Fiscal year—		
	1980	1981	1982
Community anticrime	50	50	50
Juvenile delinquency	50	50	50
Discretionary:			
Federal	25	25	25
States	25	50	75
New formula grants	100	200	300
Transition block	250	125	0
Administration	20	20	20
National Institute of Justice	25	25	25
Bureau of Justice statistics	20	20	20
Total	565	565	565

Mr. Speaker, for the RECORD, I offer the following section-by-section analysis of the Criminal Justice Assistance Act of 1979:

ANALYSIS OF THE CRIMINAL JUSTICE ASSISTANCE ACT OF 1979

PART A—BUREAU OF CRIMINAL JUSTICE ASSISTANCE

Sec. 101. Section 101 creates a new Bureau of Criminal Justice Assistance within the Department of Justice. The Bureau shall be headed by an Administrator appointed by the President with the advice and consent of the Senate. The duties and functions of the Administrator are specified herein.

Sec. 102. Section 102 creates within the Bureau an Office of Community Anticrime Program. The Office shall dispense technical assistance and grants to nonprofit community groups in crime prevention programs.

Sec. 103. Section 103 establishes within the Bureau the Office of Juvenile Justice and Delinquency Prevention, which shall make grants and enter into contracts to reduce juvenile delinquency. At least 25 percent of such grants and contracts shall involve private, non-profit entities.

Sec. 104. Section 104 authorizes the Administrator to make grants to the states for the following purposes; (1) community anticrime projects; (2) projects to prevent juvenile delinquency; divert juveniles from the traditional juvenile justice system; and provide critically needed alternatives to institutionalization; (3) projects to provide alternatives to incarceration; (4) white-collar crime projects to improve and expand criminal justice system coordination and capacity to detect, investigate, prosecute, combat and prevent white-collar crime and to create a proactive and comprehensive national strategy to fight white-collar crime; and (5) planning projects at the state, regional, and local levels of government.

All planning funds are match-free and shall be derived from the formula allocation to the states and units of local government. Formula grant funds shall be allocated annually among the states according to their respective populations.

Sec. 105. Section 105(a) requires that each state establish a Criminal Justice Coordinating Council for the purpose of preparing a state application and reviewing, accepting, or disapproving applications for formula funds made by other state agencies and units of local government. Several other duties are specified, including the preparation of an annual report, the provision of technical assistance, and the auditing of formula grant projects.

Subsection (b) provides for the establishment of a Criminal Justice Council by state law and specifies the composition of its membership. Representatives of the general public would comprise a majority on the Council.

Sec. 106. Section 106 provides for the allocation of formula grant funds within each state between state agencies and local units of governments. Following further testimony and research concerning various allocation options, a specific allocation formula will be inserted.

Sec. 107. Section 107 requires that each state desiring formula funds shall submit an application to the Bureau for all anticipated activities over the period which appropriations are authorized (3 years). State agencies, units of local government, and combinations of such units desiring formula funds shall also file an application with the Criminal Justice Council. Larger units of local government and combination of smaller units of local government may submit a single three-year application to the Council (mini-block) and such application shall be deemed approved unless the Council finds that the application is inconsistent with Federal law or the priorities established in Section 104. Testimony will be taken on what the appropriate population level for mini-block eligibles should be.

Local government units would have the option of establishing their own criminal justice offices to administer formula funds, and planning grants would be available to support the activities of such offices. The members of local planning offices must be broadly representative of criminal justice and other local government agencies, with at least a majority consisting of members of the general public.

All applications under this part must provide citizens adequate information concerning the nature and scope of proposed programs, including public hearings and the opportunity to participate in the development of applications. Grant recipients would be required to file an annual performance report concerning the impact of their activities.

Sec. 108. Section 108 establishes procedures for the approval of applications submitted by the states to the Bureau of Criminal Justice Assistance. No formula funds could be spent for the purchase of equipment of hardware, or the payment of personnel costs unless such expenditures were incurred as an incidental and necessary part of the program. Construction projects and salary increases would be ineligible to receive such funds as well as projects which have been demonstrated to be ineffective. The Bureau would be required to suspend funding for an approved application that has failed to conform to the statutory objectives of this Act as evidenced by the content of the annual performance report or based on an evaluation of the project.

Sec. 109. Section 109 grants authority to each Criminal Justice Coordinating Council to review formula grant applications submitted by units of local government. Each Council must suspend funding to an outgoing project that has failed to conform to the requirements or statutory objectives of this title as evidenced by the annual performance reports or other such evaluations.

Sec. 110. Section 110 gets forth requirements for the provision of special emphasis grants to any public or private entity. Such grants and technical assistance may be designed to (1) address the issues of community anticrime, juvenile delinquency, alternatives to incarceration and white-collar crime, as enumerated in Sec. 104(b)(1)–(4); (2) improve the quality and fairness of the criminal justice system; (3) reduce the reliance on the criminal justice system as a means of social control; (4) reduce the number of persons under the jurisdiction of the criminal justice system; (5) train criminal justice personnel and citizens who have demonstrated concern in criminal justice; (6) fund innovative projects which have the approval of the National Institute of Justice; and (7) identify, evaluate, and distribute models of successful projects assisted under this part. A portion of these funds is allocated to the states for distribution at their discretion.

Sec. 111. Section 111 authorizes the Bureau to make "transition grants" to provide a smooth transition to the new criminal justice assistance scheme established by this Act.

PART B—NATIONAL INSTITUTE OF JUSTICE

Sec. 201. Section 201 establishes a National Institute of Justice within the Department of Justice.

Sec. 202. Section 202 creates a Board to establish the policies and priorities of the Institute. The Board shall consist of twelve members appointed by the President with the advice and consent of the Senate. All Board members shall serve until their successors are appointed and have qualified. Various duties and powers of the Board are specified herein, including the composition of the Board, the terms of office of each member, and the authority to create formal peer review procedures.

Sec. 203. Section 203(a) provides that the Institute shall be headed by a Director appointed by the President with the advice and consent of the Senate. The Director shall have demonstrated significant expertise in justice research, shall have final authority over all grants and contracts awarded by the Institute, and shall carry out the policies and priorities established by the Board.

Subsection (b) sets out the responsibilities of the Institute. The Institute shall have the authority to make grants and conduct research designed to identify the causes of criminal behavior, develop methods of preventing and reducing crime, improve the quality and fairness of the criminal and juvenile justice systems, insure citizen access to and participation in crime prevention, and devise alternatives to incarceration and the criminal justice system in general.

Among other responsibilities the Institute shall evaluate the effectiveness of programs funded by the Bureau of Criminal Justice Assistance and the Bureau of Justice Statistics.

Subsection (c) authorizes the Director, with the approval of the Board, to request and obtain relevant information from any Federal agency.

Sec. 204. Section 204 requires that recipients of grant assistance provide, whenever feasible, money, facilities, or other services to carry out the purposes for which the grant is sought.

PART C—BUREAU OF JUSTICE STATISTICS

Sec. 301. Section 301 establishes within the Department of Justice a Bureau of Justice Statistics.

Sec. 302. Section 302 creates a Board to establish the policies and priorities of the Bureau. The Board shall consist of twelve members appointed by the President with the advice and consent of the Senate. All Board members shall serve until their successors are appointed and have qualified. Various duties and powers of the Board are specified, including the composition of the Board, the terms of office of each member, and the authority to create formal peer review procedures.

Sec. 303. Section 303 provides that the Bureau shall be headed by a Director appointed by the President with the advice and consent of the Senate. The Director shall have demonstrated significant expertise in statistical programs, shall have final authority over all grants and contracts awarded by the Bureau, and shall carry out the policies and priorities established by the Board.

Sec. 304. Section 304 authorizes the Bureau to enter into grants, contracts, or cooperative agreements designed to improve civil and criminal justice statistics. The Bureau is required to collect, analyze, disseminate, and maintain accessible data systems concerning the prevalence and attributes of crime, juvenile delinquency, and civil disputes at the Federal, state and local levels. Other functions of the Bureau are specified, including the mandate to collect statistics relating to criminal victimization, white-collar crime, civil disputes, and the processing of criminal, juvenile and civil cases.

Among other powers, the Director shall have the authority to request and obtain relevant information from any federal agency.

Sec. 305. Section 305 requires that recipients of grant assistance provide whenever feasible, money, facilities, or other services to carry out the purposes for which the grant is sought.

PART D—ADMINISTRATIVE PROVISIONS

Sec. 401. Section 401 authorizes the Administrator of the Bureau of Criminal Justice Assistance and the Directors of the National Institute of Justice and the Bureau of Justice Statistics, respectively, to establish such rules as are necessary to carry out their functions under this title.

Sec. 402. Section 402 provides general authority under this title for the appropriate Bureau or Institute to terminate, reduce or otherwise limit funds to recipients of assistance under this title who have failed to comply with any provisions of federal law. All recipients of such action shall be entitled to adequate notice, hearing, and appeal procedures.

Sec. 403. Section 403 prohibits the transfer of duties of both Bureaus and the Institute elsewhere in the Department of Justice unless specifically authorized by Congress.

Sec. 404. Section 404 provides both Directors and the Administrator with the authority to select, employ, and compensate personnel pursuant to existing civil service provisions.

Sec. 405 Section 405 authorizes the appropriate Bureau or Institute to reimburse other federal agencies for work performed under this title.

Sec. 406. Section 406 permits both Bureaus and the Institute to obtain the services of experts and consultants in accordance with Title 5, United States Code.

Sec. 407. Section 407 prohibits the discrimination or denial of employment on the basis of race, color, religion, national origin, or sex in connection with any programs funded under this Title.

Before approving any grant or contract in excess of $200,000.00 the appropriate Director or Administrator shall conduct a pre-award review to determine compliance with this section.

Should any program be found in violation with this section, the appropriate Bureau or Institute shall suspend further payment of any funds following proper notice and hearings. Procedures relating to cause of action, notice, appeal, hearings, attorney fees, and resumption funds are included herein.

Sec. 408. Section 408 permits the appropriate Bureau or Institute to maintain such records as it may require recipients of assistance under this title. It authorizes the appropriate Bureau or Institute to obtain access for the purpose of audit and examination to any records of grant recipients. Similar provisions are provided for the general accounting office.

Sec. 409. Section 409(a) prohibits any federal employee or recipient of assistance under this title from revealing any research or statistical information furnished under this title which is identifiable to any person, other than the purpose of the research. Such information shall be immune from legal process unless the person furnishing such information consents. An exception is granted to legislative bodies.

Subsection (b) requires the appropriate Bureau or Institute to assure the security of all criminal history information collected, stored, or disseminated through assistance under this title. Such information shall be kept reasonably current and shall contain, wherever feasible, disposition date where arrest data is present. A fine of up to $10,000 is provided for violation of this section.

Sec. 410. Section 410 permits one member of the public to inspect all records of recipients of grants, contracts, or cooperative agreements which relate to the performance of that grant, contract, or agreement under this title.

Sec. 411. Section 411 authorizes the Institute or appropriate Bureau to accept the voluntary and uncompensated services of qualified individuals.

Sec. 412. Section 412 prohibits the expenditure of any assistance under this title for land acquisition.

Sec. 413. Section 413 permits the Administrator to waive state liability with respect to Indian tribes, and pursue appropriate legal remedies concerning enforcement of the grant provisions contained in this title.

Sec. 414. Section 414 authorizes sums to be appropriated for fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982. For the fiscal year ending September 30, 1980, $500 million is appropriated, of which 10 percent is authorized for Community Anticrime, 10 percent for OJJPD, 10 percent for Special emphasis grants, 20 percent for formula grants and 50 percent for transition grants. For the fiscal year ending September 30, 1981, $500 million is appropriated, of which 10 percent is authorized for Community Anticrime, 10 percent for OJJDP, 15 percent for Special emphasis grants, 40 percent for formula grants and 25 percent for transition grants.

For the fiscal year ending September 30, 1982, $500 million is authorized, of which 10 percent is authorized for Community Anticrime, 10 percent for OJJDP, 20 percent for Special emphasis grants, and 60 percent for formula grants.

In addition, for each of the fiscal years ending September 30, 1980, 1981 and 1982, $20 million is authorized for the administration of the Bureau of Criminal Justice Assistance (Part A), $25 million for the administration of the Institute (Part B) and $20 million for adminstration of the Bureau of Justice Statistics (Part C).

Sec. 415. Section 415 defines the following terms used in this title: "state," "unit of local government," and "criminal justice."

PART E—CRIMINAL PENALTIES

Secs. 501, 502, 503. Sections 501, 502, and 503 continue to effect prior sections 651, 652, and 653 of the Omnibus Crime Control and Safe Streets Act, as amended, relating to the criminal misuse of funds received from the Bureau of Criminal Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics.

Sec. 102. Section 102 amends Section 5314 of Title 5, United States Code, to provide for the schedule of compensation for the Administrator of the Bureau of Criminal Justice Assistance, the Director of the National Institute of Justice, and the Director of the Bureau of Justice Statistics. This section also deletes several administrative positions under the Law Enforcement Assistance Administration.

Sec. 103. Section 103 repeals Titles I and II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 104. Section 104 authorizes the Attorney General to make such rules as to assure the orderly termination of programs eliminated by this title and the orderly transition to activities initiated by this title.

TITLE II

Secs. 201, 202, 203, 204, 205, 206. Sections 201, 202, 203, 204, 205, and 206 transfer the provisions of the Safe Streets Act that pertain to the public safety officers' death benefit program to the Department of Labor.

TITLE III

Sec. 301. Section 301 establishes that this Act and the amendments made by the Act shall take effect on October 1, 1979.●

WE CAN STOP INFLATION AND LOWER UNEMPLOYMENT AT THE SAME TIME

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● **Mr. KEMP.** Mr. Speaker, the other day I had the opportunity to testify before the House Committee on Ways and Means concerning the administration's proposed "real wage insurance" program. In that testimony, I disputed the administration's assertion that we cannot reduce inflation and unemployment at the same time. I submit those remarks today, because I believe this issue is of interest to all my colleagues.

The remarks follow:

REMARKS OF CONGRESSMAN JACK KEMP ON THE ADMINISTRATION'S "REAL WAGE INSURANCE" PROPOSAL

Mr. Chairman, I am grateful for this opportunity to address the committee on the Administration's "real wage insurance" proposal. "Real wage insurance" is one of the rewards and punishments which are intended to secure compliance with the Administration's program of wage and price guidelines. Before getting to the question of how effectively "real wage insurance" would achieve that compliance, I would like to spend a minute or two on the broader question of the guidelines themselves.

Attempts to stem rising prices by government suasion have been conspicuously unsuccessful, at least as far back as when Roman Emperor Diocletian imposed the death penalty as an incentive for compliance with his wage-price guidelines. Diocletian's famous Edict of A.D. 301 which "commanded cheapness" was followed by thousands of executions, and the economy did not even pause in its course toward ruin. As early as the Code of Hammurabi in the 18th Century B.C., and as recently as today's totally ignored 5-percent official wage standard in the United Kingdom, all experience shows that wage and price controls range from the ineffective to the destructive, depending on the amount of official coercion involved.

Here in the United States, we have had the examples of the wage-price controls of World War II, which produced shortages, dislocations and a black market. We have seen the quick, successive capitulations of the Kennedy wage guidepost, the Johnson price standards, and the mandatory wage and price controls of the Nixon Administration. The current Administration officially concedes the counterproductive nature of mandatory controls, but nevertheless is substituting a rather convincing facsimile under the guise of a "voluntary" program.

The Administration has established a 7-percent guideline for maximum wage increases, and a price guideline calling for a one-half-percent "deceleration" per year, or alternatively, a ceiling on profit increases. The "real wage insurance" program is one carrot among the many sticks intended to enforce the guidelines. The other features outlined by the Administration are sanctions, including the public naming or investigation of those who do not comply, denial of government contracts, removal of import protection, review of government price supports, denial of Export-Import bank credits, and stricter regulation by various federal agencies.

I do not question the good faith behind the Administration's proposals, but the failure to understand what causes inflation means that the Administration's efforts will fail, like all similar efforts in history, after a lot of unnecessary suffering.

Treasury Secretary Michael Blumenthal has explained that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways." President Carter has suggested that inflation is caused by "attitudes and habits." Then there is the circular definition that says inflation is caused by rising prices and wages. In other words, inflation causes inflation. There is even the view that we are simply at the mercy of the gods. "To get a significant improvement in the inflation rate," says Professor Lester Turow of the Massachusetts Institute of Technology, "the U.S. needs some good luck." None of this is particularly helpful or hopeful.

This almost mystical view of inflation is caused, I think, by the failure of the prevailing theories of inflation—the Keynesian and the monetarist—to explain the facts.

The Administration bases its argument for wage and price guidelines on the Keynesian assertion that inflation is caused by spontaneously rising costs, and specifically, by the cost of labor, or wages.

This theory is very sympathetic to Diocletian's view that "unprincipled greed" is the major contributing factor. Economist Walter Heller blames "strongly organized producer groups—powerful unions, oligopolistic business and politically potent farmers." He explains:

With each group pushing for a larger slice of the economic pie, it seemed very doubtful that increasing productivity could satisfy those rising claims. Something had to give.

Either full employment had to give way to recession in order to maintain reasonable price stability; or price stability had to give way to inflation to maintain full employment; or economic freedom of choice had to give way to wage-price restraints or controls to reconcile reasonably full employment with reasonable price stability.

The Administration clearly believes in this long-discredited "Phillips Curve" notion that there is a tradeoff between inflation and unemployment. This belief is behind the proposed planned economic slowdown and the calls for "restraint" and "national austerity."

"During the course of an economic recovery, a stage is reached at which the emphasis of macroeconomic policy must switch from efforts to strengthen growth in economic activity to measures that restrain inflation," says the Council of Economic Advisers' Economic Report. "In view of the acceleration in inflation which has occurred, a further reduction of the unemployment rate during 1979 would run some risk of generating excess demand and creating inflationary pressures in labor markets."

"Inflation-fighter" Barry Bosworth goes around saying things like, "these major unions have to be brought back into line"—at a time when workers in general have never felt more threatened, when the typical wage-earner's real after-tax income is no higher than in 1967, and when both labor and capital are suffering massive increases in effective taxation as inflation pushes everyone into higher and higher tax brackets.

One of the larger problems with this theory is that it does not explain how, in a relatively free market, every wage-earner and producer can demand and receive a monopoly price for his or her goods and services. Recognizing this difficulty, Alfred E. Kahn has suggested to the Joint Economic Committee that, as though by common agreement, "We have experienced a decreasing willingness to rely on and expose ourselves to the function of an uncontrolled open market. The fact is that most people in this country don't like the way a truly competitive economy functions and have found ways of protecting themselves from it."

The idea that we are all causing inflation because we have rejected the workings of a free market which would actually produce lower prices than we have now strikes me as highly improbable. The monetarists seem to come closer to the mark. Under this theory, inflation is a monetary phenomenon, a case of too much money produced by the government and too few goods produced by the economy. The price of goods rises.

Michael E. Trebing explains:

This view holds that changes in money growth exert a strong influence on total spending in the economy. When people find that they are holding cash balances which are greater than desired, they spend the excess money on real and financial assets and bid up their prices.

The monetary view does not deny existence of a wage-price spiral, but interprets the cost-push analysis as a confusion of the cause and effect relationships of the inflation process. According to the monetary view, the observed patterns of wage and price adjustments are normal responses to excessive money growth. For inflation to persist, the higher prices, no matter where they originate, must be validated by increases in the money supply. With money growth held constant, price increases can be maintained only through reduced production and employment. For such a situation to persist, businesses would have to willingly accept lower profits and labor would voluntarily remain unemployed and refuse to accept employment at lower wages. The empirical evidence does not support such irrational behavior. Only when monetary authorities actively ensure that the spiral is fully augmented through increases in the money supply, will inflation result.

The monetarists, however, believe that although inflation means too much money and too few goods, we can cure inflation with monetary policy alone. They recommend a "quantity rule" for monetary policy: Since long-term increases in productivity have averaged about 3 percent a year, they say, the money supply should be increased by 3 percent every year, come boom, come bust.

Walter Heller complains that this view is too simple. After all, he objects, if we look at the supply of money alone, how can monetarists explain why there can be inflation during a recession when money is held constant? How can a country like West Germany increase its money supply faster than the United States and still have lower inflation?

The problem is with the monetarists' prescription rather than their analysis. There are clearly not one but two ways to reduce inflation—restrain the creation of money, and increase the output of goods. When the supply of goods falls during a recession, the price of goods rises when the amount of money is constant. Likewise, increasing production reduces prices when money is constant.

Relying on monetary policy alone is like setting the hand throttle of a car at 50 miles per hour, and saying the car will reach its destination 50 miles away in one hour. That may happen, but the car will stall going uphill, and race going downhill. Instead of a "quantity rule" for the money supply, we need a "price rule," one which is aimed at maintaining the dollar at a constant price or value. This is like keeping the car at 50 miles per hour whether it is going uphill or down by using the accelerator instead of the throttle. The government should increase the money supply to match economic growth, and reduce it during periods of slack.

This kind of monetary policy would guarantee that there was no inflation, but not that there would be economic growth. For this, we need fiscal policies aimed at stimulating production.

I believe this theoretical perspective is important when judging the merit of the Administration's "real wage insurance" proposal, because the plan is aimed squarely at labor.

Actually, labor is just a handy scapegoat for the government's own inflationary policies. Some workers may gain relative advantages, but they do so only by driving other workers into more competitive labor markets, depressing wages there. Similarly, blaming inflation on big business has no basis in logic or evidence. We had big business and big unions before the late 1960s, but there was barely any inflation, and prior to 1933, none at all. What has happened since to bring inflation is that monetary, tax and regulatory policies have combined to give us too much money and too little production.

The whole idea that political officials should dictate what a person's labor or property is worth, through guidelines of controls, strikes me as morally offensive, politically dangerous, and economically counterproductive even if it worked. But individual wages and prices have nothing to do with the cause of inflation, the decline in the value of money. Wages and prices both rise when there are inflationary pressures, but that doesn't prove that wages push prices, or vice versa—only that both labor and product markets are affected by too much money.

If some wages or prices are held down by government decree, it only means that workers and producers have less incentive to work and produce and fewer of the goods they were producing come into the market. If it were possible to control all the millions of prices in an economy (think about used goods, new fashions, commodities priced in world markets) we would only see chronic excess demand for all goods and widespread shortages of all goods. The empty meat counters and drowned chicks of 1974 are typical of a controlled economy. There was little satisfaction then in knowing that if there had been any meat to buy, it would have been a few pennies cheaper. Once controls were lifted, supplies soared and meat prices fell.

One of my favorite stories along these lines is about the woman who complains to the grocer that he charges $1 for a dozen eggs. "The grocer across town only charges 75 cents," she tells him. "Well, lady, why don't you buy your eggs from him?" The lady says, "Well, he is out of eggs." To which the grocer replies, "Oh, when I'm out of eggs I only charge 70 cents a dozen."

Prices have important work to do, in signaling businessmen about what consumers value most highly. If prices and wages are not free to respond to market signals of supply and demand, there will be no incentive for labor and capital to move to the most promising opportunities. Wage and price restraint distorts these signals, and the result is wasted resources, less production and more inflation.

REAL WAGE INSURANCE

The mechanics of the plan are already familiar to this committee: it offers a tax rebate for qualified workers who accept a raise of 7 percent or less when inflation is higher, equal to earnings times the percent by which inflation exceeds 7 percent.

Here's the Administration's explanation of the program in its simplest form:

RWI would work like this: If you belong to an employee group that has an average pay increase of 7 percent or less, you would qualify for a tax credit equal to your 1979 employment earnings times the amount by which the 1979 inflation rate exceeds 7 percent. For instance: Assume that you belong to a complying group, that your 1979 earnings are $15,000, and that the 1979 inflation rate is 8 percent. You would receive an RWI tax credit of $150—$15,000 times 1 percent (i.e., 8 percent minus 7 percent).

The Administration explains the reasoning: "If one employee group shows restraint, but others do not, that group knows it will be penalized—its wages will be restrained, but prices generally will keep on rising." This is generally in line with the Administration's theory that inflation is caused by workers working and business doing business. Under this theory, the problem is how to get workers to "show restraint"—substitute a supposed "social goal" of earning less for the individual goal of earning more.

The obvious difficulty with this idea has led Labor Secretary Ray Marshall to say publicly what other Administration insiders are reportedly saying privately—that the Administration's anti-inflation efforts can survive without the "real wage insurance" program.

Arguments in favor of the proposal are curiously defensive. Essentially, the strongest argument in its favor seems to be the contention that the program wouldn't make much difference one way or the other. With widespread compliance, the Administration estimates the plan would reduce the inflation rate by only half a percent, and hopes in this case the cost would be kept to $2.5 billion a year. If fewer workers comply, the Administration reasons, then we just won't have to lay out as much of the taxpayers' money.

WHY IT WON'T WORK

Incentives for compliance are not very large—certainly not large enough to attract more than a few workers who would otherwise be in line for raises of more than 7 percent. In an apparent show of no confidence in its own proposal, the Administration has limited "insured" wages of $20,000 a year, and then only up to an inflation rate of 10 percent. On top of that, the tax credit itself is subject to federal income tax.

Twenty thousand dollars is no longer a lot of money. In a year or two, it will be the national median income, and a good number of blue-collar workers would already have no protection under the plan. Even the Congressional Budget Office, which generally subscribes to the Administration's theory of inflation, questions the attractiveness of the incentive:

The Administration's estimate that 21 million workers will accept lower wage increases in exchange for the credit may be somewhat optimistic. The Administration's assumption that the wage restraint exercised by these 21 million workers will reduce the rate of increase in employee compensation this year by 0.7 percent implies a reduction in compensation for these workers of around $6 billion after taxes. Since these 21 million workers will receive only a little over $1.1 billion in real wage insurance after taxes under the Administration's estimate, the Administration is assuming that they will forgo $6 billion in higher wages in exchange for $1.1 billion in real wage insurance.

In other words, aside from those 26 million workers who the Administration says would receive a tax credit but weren't in line for 7 percent pay increases anyway, "real wage insurance" would not prevent a substantial drop in real after-tax income. For most other workers, the primary effect of the plan would be to assure that those who do comply are pushed into higher tax brackets by inflation as fast as those who don't.

But now we get to the crux of the problem: when do workers get to catch up? A raise foregone this near in the name of stopping inflation is also given up for every year from now until retirement. Take the Administration's example of the worker earning $15,000 a year. If the worker accepts a 7 percent raise instead of 10 percent when inflation is 10 percent, a taxable, one-shot credit of $450 is not going to make up for the fact that he has given up $450 a year for say, 30 years until he retires. That's $13,500. In the limiting case, a worker earning $20,000 a year who accepts a 7 percent raise when inflation is 10 percent would receive a taxable credit of $600. But then he loses $13,000 over 30 years.

What happens? Does the worker get to make up with a raise next year? If so, we have a "real inflation deferral" plan. All we guarantee is that workers will have to seek twice as large an increase next year as this year. Holding down wages while devaluing the dollar drives a bigger and bigger wedge between capital and labor, labor and management, causing tension, frustrating the free collective bargaining process, leading to strikes. Look at Britain.

Clearly, the plan won't work. But we should be thankful. All the evidence suggests that the consequences for the United States economy would be worse if the "real wage insurance" proposal somehow worked than if it didn't.

Essentially, the program amounts to paying workers to be less productive. Wage increases include not only inflation, but real increases due to improved production.

The Council of Economic Advisers professes to be mystified by the alarming decline in productivity in the past decade, from 3.3 percent a year in 1947–67, to 1.8 percent from 1967–77, to 0.4 percent—almost zero—last year. Yet the period from 1967 to the present is exactly the period in which inflation caused by the government has pushed the entire work-force into higher tax brackets, and thereby eliminating incentives for being productive. The "real wage insurance" proposal would complete the process by reducing increases in productivity to zero—or below.

The proposal would disrupt economic activity in other ways, too. The plan would penalize workers in smaller growth industries. The larger companies generally offer a higher rate of base pay, with lower yearly increases, and can afford to meet the guidelines. Smaller, growing companies, however, depend on hiring employees away from the larger companies by promising quicker advancement in wages from a lower pay scale. Why run the risk of a job in a smaller outfit when the pay raise will be exactly the same, but from a lower starting salary?

This assumes that the Administration "caps" new jobs. If not, the proposal would encourage a disruptive game of "musical chairs," as people left "capped" jobs for higher paying jobs offered by a competitor, since, "new" jobs are not capped.

BETTER SOLUTIONS

Other concerned members of Congress and I have filed an Amicus Curiae challenging the Administration's legal authority to impose a coercive wage and price program. I intend to pursue these efforts. But we must also offer something better.

Since inflation is a case of too much money created for the amount of goods produced, there is a double reason for the failure of the Administration's anti-inflation program. The Administration neglects the role of monetary policy in stopping inflation, and actually advocates tax increases which discourage production.

The most striking feature of the Administration's centerpiece "anti-inflationary" budget is its proposal to close the "inflationary deficit" by using inflation to cause a massive tax increase by pushing people into higher tax brackets. The plan is to increase

spending a moderate amount—7.7 percent in fiscal 1980—but hike taxes by 13.4 percent this year, 10.3 percent in 1980 and 14.5 percent in 1981. Personal income taxes alone are supposed to increase $24 billion in the 1980 budget. Another major source of tax increases is the legislated increase in Social Security taxes. Congressional Budget Office figures figure the sum of these tax increases at $19 billion in 1980, $34 billion in 1981, $51 billion in 1982, $64 billion in 1983, and $76 billion in 1984.

All of this points to a crying need for significant tax rate reduction to narrow the growing wedge between what an employer pays and a worker takes home, between the amount of labor a worker has to perform for the amount of goods he or she can buy. Yet the Administration opposes restraining tax increases, the fastest growing component of the cost of living—in the name of holding down the cost of living.

Indexing the tax brackets to eliminate these future automatic tax increases caused by inflation "would constitute a surrender to the problem (of inflation) rather than a solution to it," according to Treasury Secretary Michael Blumenthal.

To me, the Administration surrendered to inflation when it decided to cash in on it, by claiming from its citizens windfall tax increases of bracket creep. The Treasury calculates that every 10 percent increase in inflation is worth a 16.7 percent increase in revenues.

Doing more than merely preventing some of the worst anticipated tax increases "would be inflationary, expanding the deficit while contributing nothing to wage moderation," Blumenthal says. President Carter agrees: "It would be unwise—and, indeed, very dangerous—to commit ourselves now to any mechanical formula for future (tax) reductions. No such formula will pass the test of budgetary responsibility."

Now, this raises some interesting questions, which shed some light on the gradualism and defeatism one senses in the Administration's rhetoric about reducing inflation. Suppose that, through some stroke of luck, inflation were to disappear tomorrow. Would the budget deficit stay the same, increase, or decrease? Obviously, it would widen, since the Administration would be without the massive inflation-caused tax increases it is counting on to balance the budget. By the Administration's twisted logic, reducing inflation itself does not meet the "test of budgetary responsibility."

Suppose, on the other hand, that inflation continues unabated, as everyone including the Administration predicts. These massive tax increases will continue to brake the economy, veering toward the by now widely predicted recession. A recession would shrink revenues and increase the need for spending on social welfare programs like unemployment, welfare and public jobs programs, to correct the Administration's economic mistakes. Judging by the last recession, a $30 billion deficit would quickly double or triple. Therefore, the Administration will never keep the deficit to anywhere near $30 billion without a substantial cut in tax rates to encourage real economic growth.

The Administration, believe it or not, maintains that "with a little bit of luck" we can slow the economy almost to a standstill—no great trick since it is almost there already—and still avoid recession. But this question is pointless since we are talking about a matter of degree. If the money creation continues as it has in the last year, no matter whether the supply of goods grows more slowly, stops, or falls, the price of goods must rise faster in each case.

Clearly, our priority must be to encourage real economic growth, not to slow the economy. The only way to do that is to reduce effective marginal tax rates on both labor and capital and responsible monetary policy.

Spending all our time squabbling over whether the budget deficit ought to be $30 billion or $32 billion is foolish when the economy is going down the tubes in the meantime. The budget should be balanced through prosperity, not squeezing the American taxpayers.

An anti-inflation plan which is anti-labor and anti-production is no plan at all; in fact, it is worse than no plan at all, because by discouraging economic growth it will only worsen the problem of stagflation with a lot of unnecessary suffering.

Suffering is not the way to end inflation. We can end inflation with responsible monetary policy which guarantees the value of the dollar, by curbing the excessive growth of federal spending, and with regulatory and especially tax policy which provides incentives for real economic growth.●

TAX CENTS TO STOP SMOKING

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, last Saturday, the Washington Post published an editorial by Colman McCarthy, which deserves some thoughtful consideration.

As Mr. McCarthy observes, if the Government is truly committed to discouraging the consumption of cigarettes in the interest of public health, why does Congress not drastically increase the Federal tax on tobacco? The answer is simple—politics. In past Congresses, votes have been more important than the health of constituents.

In reviewing Mr. McCarthy's comments, I hope my colleagues will conclude it would not be that way with the Members of the 96th Congress.

The editorial follows:

TAX CENTS TO STOP SMOKING

(By Colman McCarthy)

Marlboro Country isn't a place I visit often, but the recent report on smoking from the surgeon general brought to mind my most recent trip. I'm talking about the real Marlboro Country—the cancer ward of a local hospital where a friend lay dying after 40 years of cigarettes.

He had cancer of the throat. He could speak for only a few moments at a time. Incredibly, he brought up the subject of cigarettes. He had always been a Chesterfield smoker, he said with pride. They were better than Camels or Luckies. Not only were they "good tasting," but they were associated with first-class radio programs, like the old Chesterfield Supper Club with Perry Como.

My friend was no fool. He sensed the arch irony of this scene: He would be dead soon from cigarettes, but here he was boasting about his brand, as if he had picked a winner early in the game. But then, wanting to let me know that only his throat, not his mind, was destroyed, he said he regretted every cigarette he ever lit.

"If only they weren't so cheap to buy," he said. "I'd have passed it up if it had been an expensive vice."

What my dying friend said he needed for himself and what Joseph Califano, secretary of health, education and welfare, says the country needs for itself is the same: a strong negative attitude about cigarettes. The lethal product currently sells for an average of 54 cents a pack. But only eight cents of that is federal tax, a figure that has not been tampered with since 1951.

Why can't the tax be doubled or quadrupled? Why is such a devastating addiction allowed to be sold so cheaply? The costs of smoking—350,000 lives annually and $18 billion in hospital bills, disability payments, etc.—are carried by more than just smokers. If the federal government wants to raise our outrage against the hazards of smoking, why doesn't it also increase the taxes—and thereby discourage consumption and raise revenues?

Until lately, the taxation approach had been pushed only by the occasional idealist who could persuade a congressman to introduce a bill that everyone knew would go nowhere. But this may be changing.

HEW's Office of Smoking and Health has been quietly exploring the possibilities of an increased tax. It is known already, for example, that teen-aged smokers are more sensitive to price increases than others. Among females aged 12 to 14, the percentage of smokers has increased eightfold between 1968 and 1974. Jeffrey Harris, a medical doctor and a professor at MIT, is researching for HEW the idea of increasing taxes as a possible federal policy. Among teen-agers, he says, "a relatively small price increase may have a significant public health effect because it deters individuals from becoming addicted early in life."

Harris points to past research among smokers of all ages: If prices increase by 25 percent, a 12.5 percent decrease in smoking follows. But as increases go beyond 25 percent, the less reliable is the predicted decrease.

All of this presumes that the federal government wants to turn smoking into an expensive vice. John M. Pinney, the head of the Office on Smoking and Health, says that "although we are very interested in this approach, we know also that it's very complicated. We'd hate to use up a great deal of energy to get only a marginal benefit."

If viewed as a moral issue, the ethics of an increased federal tax are defendable. Some of the revenue could be used to help smokers quit. Surveys reveal that large numbers of them want to, but either lack the strength to go cold turkey on their own or the money to join a group. If federal money goes into programs for victims of other addictions—from alcohol to heroin—is it humane that some 50 million citizens with the tobacco disease be left out?

What is clear as a moral question becomes fuzzy as a political one. Even if a strong case can be made in favor of heavier federal taxes, it would still leave middle-level officials like Pinney and Harris trying to persuade high-level officials to go with the idea. Jimmy Carter assured the tobacco industry last March in North Carolina that it's fine for Califano to protect the nation's health but that he, the president, is committed "to preserve the health and stability of the tobacco industry." That, said Carter, is balance.

It isn't at all. It's politics. It's putting votes before public health.●

THELMA BOTTOM

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEWIS. Mr. Speaker, on February 24, 1979, Mrs. Thelma Bottom of San Jacinto, Calif., will be installed as president of the California Association of Educational Office Employees.

In her over 20 years of service to the San Jacinto Unified School District, Mrs. Bottom has served as an elementary school secretary for a decade before becoming the secretary to the district superintendent of the San Jacinto Unified School District until 1977. Presently, Mrs. Bottom is the secretary to the director of the educational services.

Although an outstanding worker, Mrs. Bottom has not stopped there. Her contributions to the Riverside and California Associations of Educational Office Employees have paralled her service to the school district in a way few can match. From 1968 until 1970, she served as president and program chairman of the Riverside California Association of Educational Employees. During her tenure in the California association, she has served as an inservice educational team member, corresponding secretary, first vice president, and now Mrs. Bottom is president-elect.

The California Association of Educational Office Employees is dedicated to the continued search for ideas and methods which will result in more efficient service to schools and the community, and through her dedication Thelma Bottom has epitomized these ideals.●

EVA KIRBY RETIRES

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CORMAN. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the dedication and ambitious services of Eva Kirby, retiring principal of North Hollywood High School.

On March 4, Mrs. Kirby will be honored for outstanding leadership during her 32-years of service to the Los Angeles Unified School District.

Mrs. Kirby has contributed enthusiasm, dedication and skills to the betterment of the public school system. A few of her many accomplishments include service on numerous District committees; designer of study diagrams used since 1949 by students in health education and biology; secretary, vice-president, and president of the Senior High School Girls' Vice-Principal Association; and secretary, vice-president, and president of the Junior High School Principals' Association. She has also been a member of the executive board of the Los Angeles Association of Secondary School Administrators and has held membership in the Association of California School Administrators and the National Education Association. The list is nearly endless.

Eva Kirby is a credit to the community. Her presence will be missed by all who had the priviledge to work with her and by the students she nobly served. Mrs. Kirby has said:

I'm not retiring. I'm just expanding my options for service and involvement. My greatest rewards have come from helping young people grow and achieve, and from helping to establish a school environment conducive to learning, and from encouraging staff, faculty and students to excel and to strive for excellence.

Her service has been longstanding and her contributions many. We owe Mrs. Kirby our deepest gratitude and I personally hope she fully understands our appreciation for all her devoted community services.●

WILLIAM GREIDER TAKES A LOOK AT DEFENSE SPENDING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CONYERS. Mr. Speaker, William Greider of the Washington Post has had a remarkable career as a journalist. His writings have been a major source of in-depth knowledge on a variety of issues, including the energy industry, urban poverty, and Government-business relations in general. Recently, he became editor of the Sunday Outlook section, and inaugurated a weekly column, Against the Grain.

Mr. Greider's column of Sunday, February 4 examines the defense industry and its relationship to Government; in particular the historical changes that have given rise to the considerable inefficiency, waste, and inflationary impact within the industry. Among the basic questions he raises is: How does the administration get a handle on the inflation built into defense spending, given political sensitivities and the sheer size and scale of that sector? Other questions are implicit in his analysis: for example, why has the administration seen the need to raise the DOD budget this year by 10 percent, given the expected surplus of $99 billion by the end of fiscal year 1980 that DOD will have accumulated, funds that either have been contracted for, but not spent, or else not yet even contracted for.

William Greider's article ought to be read by all those who seek to restrain inflation.

AGAINST THE GRAIN

(By William Greider)

For children of a certain age, say 40 years and older, the mention of certain names will stir deep feelings, a collection of important memories not shared by those who are too young to remember.

These names are imaginative emblems of a special time in the national history, a period when events were terrible and glorious and more fantastic than most other eras in America's fantastic past. I will mention some of these names:

Grumman Hellcat. Lockheed Lightning. Curtiss P-40. Douglas C-47. Northrop P-61 Black Widow. Vought Corsair. Boeing B-17 Flying Fortress. North American P-51 Mustang. Republic Thunderbolt.

Everyone over 40 recognizes the great airplanes of World War II and the aircraft companies which built them. Each name evokes a brave sense of daring the wild blue yonder. Even children who never flew memorized every name and silhouette in the sky as our contribution to the "war effort."

Those fighter planes and bombers were all propeller-driven, all incredibly small alongside today's behemoth jets. Yet they are still the most convenient statement of America's innate capacities—the resources and imagination and awesome industrial muscle which were mobilized to full potential by that national crisis. It was extraordinary what this country could do, when it needed to do it.

United by the war, politicians put aside the usual arguments over government spending, subsidies, government-financed research, government controls of wages, prices and profits.

The government built a lot of factories and turned them over to private companies to operate. The government ordered airplanes, world without end, and the infant aircraft industry rolled them out in dizzying variety and at heroic production speeds.

MAKING A MARKET

In business terms, World War II made a market for airplanes on which the aircraft companies were able to grow strong. After the war, America had a new industrial giant in place, an industry which would dominate world aircraft sales, commercial and military, for the next generation.

This was our national legacy from World War II—the industrial base for the long prosperity which this nation has enjoyed ever since. Government spending and government risk-taking nurtured the infancy of the great postwar industries—atomic energy, plastics and synthetics, advanced electronics, computers, jet propulsion, among others. Every living American benefitted, one way or another.

And yet this also must be said: Americans are still paying dearly for the glory of those old airplanes. We are paying billions in wasted dollars, consumed by subsidized and unneeded capacity in the aircraft industry. Worse than the wasted dollars, we still tolerate the distorting effect which this excess capacity has on defense planning and U.S. foreign policy. The government and the industry—interwined as they have always been—have a joint stake in selling more and more arms to the world and in endlessly elaborating on America's own arsenal. The alternative, which no one wants to face, requires killing off a few famous old names.

Revisionist historians of the Left would argue that this is what the Cold War is really all about—making markets for the defense contractors of World War II. Their argument goes like this:

Cold War ideologies conjure fearful visions of World War III, which, thus, justify permanent arms production on a massive scale which, in turn, keeps those factories humming, almost as though World War II never ended.

That version of history is too cynical, too simplistic for most of us, but it touches on something true about U.S. policy today and yesterday. Having raised a mighty industry from infancy, the government lacks the courage to confront its bloated offspring and reduce it to a proper size. To politicians of every stripe, Republican and Democratic, conservative and liberal, that sounds like infanticide and they won't touch it.

EXCESS CAPACITY

What happened to the great names of World War II? A few companies like Curtiss-Wright have moved away from military aircraft sales. Several companies merged (McDonnell and Douglas, Fairchild and Republic) and others were absorbed by huge conglomerates (North American by Rockwell, Vought by LTV, Consolidated Vultee by General Dynamics, Ryan by Teledyne). But that still leaves 12 major airplane manufacturers and five helicopter companies, all bidding furiously for the available business.

To put the problem bluntly, America has too many airplane companies. If two or three of them went out of business, the industry would still have abundant extra capacity for the future. As it is, the aircraft industry is roughly twice as large as it needs to be in order to produce all the commercial and military airplanes needed between now and 1990.

The Defense Department, as the principal customer, picks up most of the cost of this unneeded capacity. Conservatively estimated, maintaining this excess eats up $300 million to $500 million a year. This wasteful government spending—which is pure inflation since it produces nothing—pays for unneeded employees, for idle factories and depots, for the inflated costs of airplanes and helicopters which are manufactured at inefficiently low production rates.

The above facts are not exaggerated claims from antiwar zealots or pacifist nervous-nellies. These facts are from the Pentagon, reported by a special joint study group which courageously explored this sensitive subject and proposed a long list of alternative policies to confront the problem. The report was issued quietly in the last days of the Ford administration and, as far as I can determine, it promptly disappeared beneath the waves.

2,000 FOOTBALL FIELDS

The findings were drawn by colonels and captains, admirals and generals and Defense budget analysts, so one may reasonably assume that they do not approach the aircraft industry with hostility. Here are a few provocative points which their report made:

If all of the aircraft companies geared up for full employment, operating three shifts a day, they would produce four times more airplanes than the United States or foreign customers will need in the next decade. Even operating at one-shift capacity, they would produce too many airplanes.

Even during the "surge" production of the Vietnam war, when both military and commercial orders reached simultaneous peaks, the industry was still operating below its nominal one-shift capacity.

The defense budget pays for something like 30 million square feet in excess factory space. This dead space is equivalent to 2,000 football fields, about a third of it government-owned. It costs about $60 million a year.

Industry and government could close about eight major production centers, save $310 million a year and still have plenty of competition and "surge" capacity in the event of war.

The aircraft industry has become top-heavy with the overhead costs of maintaining nonproduction employes, the managers and engineers and others who do not make airplanes but who plan, design and sell them. In 1975, for the first time, these nonproduction employes outnumbered the production employes.

So what we have is a government-industry relationship which covers itself with elaborate pretensions, complicated rules for procurement which pretend to an arm's-length standard. Behind these functions is the absurd reality—a subsidized marketplace which doesn't make any sense, in economic terms. The government keeps the companies afloat. It stages great contests among them—design competitions and complex bidding games—but ultimately the government must keep them afloat. If the Pentagon falls short in this obligation, Congress or the White House usually step in to save the day.

When Lockheed was on the ropes, the government bailed it out with a loan guarantee. Last year, when Vought was in trouble, Congress ordered a special purchase of Vought planes, even though the Pentagon didn't want them. Every year, it seems, Congress buys more F-14s from Grumman than the Pentagon ordered.

This juggling goes on, season after season, obscured by a lot of fancy theoretical arguments about which new planes are best and which ones fit the defense stategies. Ultimately, the purchases have another strategic goal—keeping each factory open with at least a little "warm production," as the Pentagon calls it.

WORLD SALESMAN

This inefficiency probably hurts the national defense in the long run because it inflates the cost of every airplane the government buys. Stretching out production runs and spreading the orders around means the armed services get fewer planes and each plane costs more delivered at a slower schedule. It pressures the Pentagon into becoming world salesman for the planes because, if Iran, Saudi Arabia or another country puts in an order for F-15s or F-16s, that means more U.S. production and that lowers the overhead costs the Pentagon itself has to pay for each plane.

But here is the devilish part. Despite the government's constant patronage and subsidy, these airplane companies are still extremely insecure. Because there simply isn't enough business to go around. As a result, nearly every season, one or two of them are in serious danger of collapse, belly-up bankruptcy. Meanwhile, several others will be "surging" with big contracts.

From the desperate companies salesmen will scour the world; aided by U.S. diplomats and military officers, in search of foreign buyers. Desperate lobbyists will blanket Capitol Hill, pleading for special consideration, special orders.

This fierce competition explains, in part, why some famous old aircraft names have become tarnished in recent years with scandal. Lockheed, Grumman, Northrop have new connotations for younger citizens: big-time corporate bribery or illegal political slush funds. Ugly corporate behavior flourishes when company survival depends upon political decisions.

Since the government finances the heavy costs of maintaining this extra capacity, the government, in effect, is still taking the risks for the aircraft industry, just as it did in the crisis time of World War II.

If conservative politicians were more alert or more true to their stated principles, they would pounce on this situation, denouncing the Pentagon subsidies as a monstrous distortion of the risk-taking values of a free market. Conservatives, of course, tend to be the most zealous defenders of this particular wedding of government and private industry.

A Forbidden Question

Why do President Carter's inflation fighters duck this problem when the savings could be so enormous? Because it would require them to ask a forbidden political question: Whose airplane factory shall the government close?

Certainly not Sen. Jackson's Boeing or Sen. Tower's General Dynamics. Surely not Sen. Moynihan's Grumman or Sen. Cranston's Northrop. Definitely not Sen. Eagleton's McDonnell-Douglas or Sen. Glenn's Rockwell.

Well, then, how about President Carter's Lockheed? Forget it. Notwithstanding its noble rhetoric, the Carter administration is busy buying airplanes and selling them to U.S. allies.

The awkward reality is that this industry has a natural political base which makes it nearly impossible for Congress or the executive branch to pursue national solutions. A modern pork barrel, sustained by log-rolling in the classic tradition. From the 11 states which have major airframe plants, the House of Representatives draws 198 of its members. Some of those representatives won't vote for every airplane every time, of course, but we haven't yet counted the other political components which go into the airplane—engines, electronics and air bases. When these votes are added, the industry has something close to a permanent majority in Congress. Perhaps this explains why Congress permanently supports bigger defense budgets.●

TAX CREDIT FOR THE ELDERLY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WYDLER. Mr. Speaker, since the tax period is once again upon us, I would like to share with the older Americans in the "Fabulous Fifth" certain tips on how to avoid overpayment of income tax. In these inflationary times, it is important to every taxpayer, and particularly the older American, to know every means by which he can gain on his tax return. It is important that each person be able to minimize his tax liabilities.

The following material is offered as an assistance to our older Americans:

TAX CREDIT FOR THE ELDERLY

The Tax Credit for the Elderly may be claimed if you are age 65 or older or if you are under age 65 and receive a taxable pension or annuity from a public retirement system. The taxable pension or annuity you receive from a public retirement system must result from your services or from the services of your deceased spouse. The credit is 15 percent of a portion of your income. The amount of income on which the credit is based depends on your age, your filing status, and, if married, the age of your spouse.

If you are age 65 or older, the amount of income on which you can take the credit must be reduced by the amount of social security and certain other tax-free income you receive, and may have to be reduced further by a part of your adjusted gross income.

If you are under age 65 and qualify for the credit, the amount of retirement income on which you can take the credit must be reduced by the amount of social security and certain other tax-free income you receive and by earned income in excess of certain amounts.

You must be a U.S. citizen or resident to claim the credit. A further explanation follows:

The credit for persons age 65 or older is computed on Schedule R (Form 1040). You must be age 65 or older before the end of the tax year to qualify. You are considered to be age 65 on the day before your 65th birthday.

If you are 65 or older but your spouse is under 65 and receives a taxable pension or annuity from a public retirement system, you and your spouse may compute your credit on Schedule R, for persons age 65 or older, or you both may choose to compute your credit on Schedule RP, as explained later under Credit for Persons Under Age 65. You should figure your credit both ways to determine which will result in a larger credit.

Before you figure your credit for the elderly on Schedule R you need to know your initial amount of income for credit computation, the amount of your nontaxable pensions and annuities, and your adjusted gross income limitation.

The initial amount of income for credit computation is:

$2,500 if you are single;

$2,500 if you are married filing a joint return and only one spouse is 65 or older;

$3,750 if you are married filing a joint return and both spouses are 65 or older; or

$1,875 if you are married filing a separate return and you and your spouse lived apart the entire tax year.

Nontaxable pensions and annuities. You must reduce the initial amount of income for credit computation by the total amount of the following nontaxable items:

Pension or annuity payments that are not taxed. (Do not include amounts received as workmen's compensation or accident and health benefits);

The monthly payments from a matured U.S. Government life insurance endowment contract. (Do not include amounts you paid for the contract);

Railroad retirement pension payments (but not supplemental annuities);

Social security payments. (This includes the gross amount of social security benefits before deduction of any amounts withheld to pay premiums on supplementary Medicare insurance).

The amount of social security pension you subtract does not include the lump-sum death benefit payment you may receive as a surviving spouse, or a surviving child's insurance benefit payments you may receive as a guardian.

If you file as married filing a separate return and either you or your spouse or both live in a community property state, the character of social security benefits as separate or as community property is determined by the community property laws of that state.

If you are married filing a joint return, reduce the initial amount of income for credit computation by the total of nontaxable items received by both you and your spouse.

Do not reduce the initial amount of income for credit computation by any of the following:

Amounts treated as a return of your cost of an annuity or pension;

Compensation for injury or sickness;

Disability pensions (including VA service-connected disability compensation);

Proceeds of accident or health insurance policies;

Life Insurance proceeds received upon the death of the insured (including the amount discussed under *Insurance Received in Installments* in Publication 550, available free from your Internal Revenue office);

Basic or supplementary Medicare benefits;

Amounts paid to the estate or to the beneficiaries of an employee by or for an employer because of the employee's death;

Amounts received by beneficiaries of an employees' trust;

Death compensation paid by the Veterans Administration to the surviving spouse of a veteran who died from sickness or injury incurred in active service.

Adjusted gross income limitation. You may have to reduce your initial amount of income for credit computation by part of your adjusted gross income (line 31, Form 1040). To determine this amount divide by 2 your adjusted gross income that is more than:

$7,500 if you are single;

$10,000 if you are married filing a joint return; or

$5,000 if you are married filing a separate return and you and your spouse lived apart the entire tax year.

The credit for the elderly will not be available to you if:

You are single and receive $2,500 or more from nontaxable pensions and annuities, or have adjusted gross income of $12,500 or more;

You are married filing a joint return with only one spouse 65 or older and together receive $2,500 or more from nontaxable pensions and annuities, or have adjusted gross income of $15,000 or more;

You are married filing a joint return with both spouses 65 or older and together receive $3,750 or more from nontaxable pensions and annuities, or have adjusted gross income of $17,500 or more; or

You are married filing a separate return and you and your spouse lived apart the entire tax year and receive $1,875 or more from nontaxable pensions and annuities, or have adjusted gross income of $8,750 or more.

In addition, the credit will not be available to you if the total of the amounts you receive from nontaxable pensions and annuities plus your adjusted gross income limitation is more than your initial amount of income for credit computation.

COMPUTING THE CREDIT

If you are age 65 or older, you use Schedule R (Form 1040) to compute your credit for the elderly. Put your name and social security number in the space provided at the top of Schedule R.

Compute your credit on Schedule R in the following way:

Check the filing status and age box that applies to you and enter on line 1 the initial amount of income for credit computation.

Enter on line 2a the total amount of nontaxable pensions and annuities you receive. If you are married filing a joint return, the amount you enter on line 2a is the total amount of these nontaxable items received by both you and your spouse. See Nontaxable pensions and annuities.

Enter on line 2b one-half of your adjusted gross income (line 31, Form 1040) that is more than $7,500 if you are single; $10,000 if you are married filing a joint return; or $5,000 if you are married filing a separate return.

Add lines 2a and 2b. Enter this amount on line 3 and subtract it from line 1. The balance is entered on line 4.

Your credit is 15% of the amount on line 4 or the tax shown on line 37, Form 1040, whichever is less. Enter the credit on line 7, Schedule R (Form 1040) and on line 39, Form 1040.

EXAMPLES

The following examples illustrate how to compute the credit for the elderly for persons age 65 or older.

Example 1. John Ash is single and 68 years old. He receives the following income for the year:

Social security pension	$1,920
Interest (taxable)	215
Pension (taxable portion)	3,600
Wages from a part-time job	4,045

John's adjusted gross income is $7,860 ($4,045 + $3,600 + $215) and his tax on line 37, Form 1040, is $643. John computes the credit as follows:

Initial amount of income for credit computation	$2,500
Subtract:	
Social security pension	$1,920
One-half of adjusted gross income over $7,500	180
Total	2,100
Balance	400
Tentative credit (15% of $400)	60
Tax from line 37, Form 1040	643
Credit for the Elderly	60

John's credit is $60, since that is less than the $643 tax on line 37 on his Form 1040. See the filled-in Schedule R at the end of this publication.

Example 2. You are 66 years old and your spouse is 64 years old. Neither you nor your spouse receive a taxable pension or annuity from a public retirement system. You file a joint return on Form 1040. Your adjusted gross income (line 31, Form 1040) is $9,630 and your tax on line 37, Form 1040, is $548. Together you receive $1,900 from social security. You compute the credit as follows:

Initial amount of income for credit computation	$2,500
Subtract: Social security pension	1,900
Balance	600
Credit for the Elderly (15% of $600)	90

You do not deduct any of your adjusted gross income from the initial amount of income for credit computation because your adjusted gross income is less than $10,000. Your credit is $90, since that is less than the $548 tax on line 37 of your Form 1040. Enter $90 on line 39, Form 1040.●

PHILLIP BLAIR

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mrs. SPELLMAN. Mr. Speaker, Theodore Roosevelt, our 26th President, advised that the first requisite of a good citizen is that he "be able and willing to pull his own weight."

In just a few days, Mr. Speaker, I will have the distinct pleasure of helping to honor a resident of my district who has not only "pulled his own weight," but has shouldered the burdens of many others. He is Phillip C. Blair.

I want to take just a few minutes today to share with my colleagues some of the contributions made by this outstanding man. For many years, Mr. Blair earned his living as an employee of the Federal Government here in Washington. But his avocation for an even longer period has been the Boy Scouts of America. Phil Blair's retirement last month after an incredible 51 years of volunteer service to Scouting will be marked by many of his longtime friends at a surprise dinner this coming weekend.

A resident of Cheverly, Md., Mr. Blair ended his Scouting career as the institutional representative to Scout Troop and Pack 716 for St. Ambrose Church in his home community. Before that, he was both assistant scoutmaster and scoutmaster of Troop 716 at St. Ambrose. He also organized the Cub Scout Pack at St. Ambrose and organized and led a Scout Troop at St. Frances de Sales Church in northeast Washington.

Twice in Phil Blair's Scouting career, his troops were designated honor troop of the year for the Archdiocese of Washington and in December 1963, he, himself, received the St. George Award for outstanding leadership. This outstanding citizen's involvement in Scouting did not begin with his arrival in the Washington area. For more than 20 years before he moved to Cheverly in 1951, he had been involved in Scouting in one form or another. He began his association with the Scouts as an assistant scoutmaster in Bedford, Mass., and he served as a scoutmaster in Bedford before entering the service in 1940.

Keep in mind, Mr. Speaker, that these achievement—remarkable enough in their own right—all were accomplished while Mr. Blair was donating his spare time, not as part of any employment. His sole recompense was the enjoyment and fulfillment he felt helping make "good boys even better men," as they say in scouting.

Mr. Speaker, I know my colleagues will want to join me in recognizing the many fine achievements of this most dedicated resident of my district. I know, too, they will want to join me in wishing him and

his wife, Rita, well in all their future endeavors. And most of all, Mr. Speaker, I know my colleagues will want to join me in offering my heartfelt thanks to Phillip C. Blair for more than a half century of volunteer service to the Boy Scouts of America, during which he has enriched the lives of countless boys, most of whom have grown to manhood with fond memories of this dedicated, remarkable man.●

GOVERNMENT REGULATION AND INTERVENTION IN HEALTH CARE SYSTEM CITED AS REASON FOR HIGH COST OF HEALTH CARE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SYMMS. Mr. Speaker, I would like to point out an editorial by Mr. Keith B. Leffler, professor of economics at the University of Washington, which was published in the February 2, 1979, issue of the Wall Street Journal and is entitled "Doctors Fees and Health Costs."

With what I consider to be the unwise and unnecessary move toward nationalized health care under the present administration, I would strongly urge my colleagues to consider the economic impact of such a policy and suggest Professor Leffler's excellent editorial be priority reading material.

DOCTORS FEES AND HEALTH COSTS

(By Keith B. Leffler)

In a recent speech before the Association of American Medical Schools, the Secretary of the Department of Health, Education and Welfare, Joseph Califano, announced a new "first tenet" of national policy towards the health care professions.

Secretary Califano proclaimed that the United States faces a severe "oversupply" of doctors in the coming decade. Only last year, the Department of Commerce issued a widely quoted report by its Council on Wage and Price Stability that anticipated the Secretary's annoucement by also emphasizing concern over a surplus of physicians. Both Secretary Califano and the council agree that the "chief effect of physician oversupply is dramatically rising costs." This conclusion is duly noted as being contrary to the laws of supply and demand and the policy makers allege "the forces of supply and demand have been overturned in the market for physician services."

The proclaimed oversupply of doctors and the impotency of the marketplace in controlling the problem has fortunate consequences for HEW.

Secretary Califano emphasizes that the solution to escalating health care costs lies in a "substantive partnership between the federal government and the providers of health care." For over 15 years, the Department of Health, Education and Welfare has actively supported the adoption of an extensive national health insurance (NHI) plan. Presumably such support arises from the personal conviction of HEW staff and also from the beneficial expansion of HEW power and the size that would be a result of the regulatory powers conferred under an NHI plan. Recent interest and debate on NHI has centered exactly on the potential for cost control by direct government intervention in the marketplace

AN INNOCUOUS ALTERNATIVE?

Certainly, the failure of the medical care marketplace to efficiently regulate itself makes government regulation and control seem an innocuous alternative. Yet, it is exactly the growing government intervention into this sector that is responsible for the current high costs of health care. Indeed, just as spraying a fire with gasoline will douse fire only when the laws of physics are repealed, increased government intervention will control health care costs only when the laws of economics are repealed. Politicians have no difficulty with such considerations; they simply announce that supply and demand doesn't work. Yet what is the evidence on this issue? Do the economics of supply and demand explain the costs of health care and also effectively regulate this market?

Until quite recently, the major government concern with the supply of physicians was a shortage believed to be caused by organized medicine's restrictions on medical school accreditation and licensing examinations. Only last year the Federal Trade Commission issued a report emphasizing supply. The theory was that medical groups were seeking to restrict entry to the medical profession as a means of keeping incomes high. It must have come as good news to organized medicine, therefore, to hear Secretary Califano's sugestion that medical school enrollment and foreign physician immigration be restricted.

Only some 15 years ago, the legislative debate preceding the 1965 passage of the Medicare-Medicaid programs centered on the inadequate supply of physicians and the resulting "excessive" cost of medical care to the aged and poor members of society. Subsequent government programs subsidized the consumption of medical care for a substantial portion of American families. The result was greatly increased medical care costs. Just as the 1973 Russian wheat demand pushed up wheat prices, the post-1965 increases in the demand for health care generated rapid health care prices increases.

Since 1965, average family health care expenditures have more than tripled. In the first four years of the Medicare-Medicaid programs, physicians, incomes increased 50%. The forces of supply and demand were clearly at work, though not quite in the fashion government might have hoped.

Extensive national health insurance plans, such as that repeatedly supported by Senator Edward Kennedy, would remove most financial disincentives to the consumption of health care. Medical treatment for minor colds, aches and pains, or hypochondriac reassurance would no longer imply sacrifice of a martini lunch or dinner at McDonald's for the kids. Of course, absorption of medical care financing by the government in no way alters the true cost of a hospital bed or one-half hour of a physician's time, even though the cost is obscured in a myriad of taxes. How then might "government partnership" control cost when the direct impact is only to raise prices? Here the oversupply scenario plays a crucial role.

In traditional supply and demand controlled markets, a greatly increased demand increases price which in turn stimulates supply. In turn, the increased supply eventually controls the high costs that arose from the original demand increase.

Secretary Califano argues that such responses do not apply to the health care sector. This belief is buttressed by reference to studies done both by economists and by the Council on Wage and Price Stability. These studies have shown that a high number of surgeons in an area is accompanied by high per capita surgery rates and high surgical fees. The explanation for physicians' good fortune in having their surplus supply "cause" high prices (and thereby making it necessary for the government partnership to control costs) lies in the notion that doctors individually control their incomes. When surpluses arise, physicians are alleged to simply raise fees and expand demand by prescribing "unnecessary" surgery, diagnostic procedures and follow-up visits.

The presumed passivity of patients to the provision of excessive, expensive medical care rests upon the presence of substantial third party reimbursement for physician care. However, while the government and private insurers on average pay 65 percent of doctors' bills, medical care is still expensive. For all but a morose few, a visit to the doctor is a disagreeable and frequently painful way to spend one's afternoon. We laymen may be somewhat ignorant of the true beneficial results of various medical procedures, but consistently high costs, whether in terms of the dollar bill or in terms of time, inconvenience and pain, will influence our propensity to visit the doctor.

Alternatively, it's argued that rather than expand services, physicians may simply raise fees to reach their desired incomes. Yet, the success of this strategy denies the actual existence of a sizable segment of the population who do pay their own bills.

The facts do, however, persist. Where there are more surgeons, there is more, higher cost surgery; where there are more internists, there are more internal problems.

Rather than the destruction of supply and demand, the explanation may be patently simple. The location of physicians is not determined by lottery. Among other factors, doctors locate where there is a demand for their services. Just as diesel mechanics tend to locate on interstate highways and diesel repairs are highest on these highways, surgeons and surgical rates will be greater where people get the sickest.

In addition, physicians are likely to be somewhat immobile compared to the general population. At a point in time, the area with the highest demand for surgery may simultaneously have the highest surgical fees and also the most surgeons. Again, truck mechanics may be the most prevalent and highest paid along a new highway that is particularly hard on trucks.

Finally, patients react to the presence both of doctors and of the latest in medical technology. Rural patients may flock to cities with the best equipment and the most surgeons. Data relating the usage and the fees of physicians to presence of physicians cannot alone hope to overturn the forces of supply and demand.

Contrary to the oversupply scenario, nearly all facts about the market for physicians suggest a market closely regulated by the classic forces of economics.

For example, the high cost of specialty training in terms of time explains the patterns of physician incomes and fees across specialties quite well. Are we to believe surgeons simply desire higher incomes than internists and internists higher incomes than general practitioners?

COMPARATIVELY LOWER INCOME

Perhaps most suggestive of the actual nature of the medical market is the response of physician incomes to the increasing supply of doctors since 1970—they have not kept pace with inflation. Compared to the average college graduate, physicians earned relatively less in 1976 than they did in 1970. This is exactly the response to increased supply predicted by the laws of economics. Again, are we to believe physicians' desire for income simply fell?

The costs of medical care of 1976 are certainly high and the market has not completely reacted to the rapid substitution of a third party for direct consumer payment. Yet experience with government attempts to generate efficiency and control costs is not encouraging. Prior to attempting the potentially high cost policy of increased government partnership in health care, the government can exploit a number of opportunities to lower the cost of health care.

For example, federal policy discourages for-profit hospitals in which cost saving innovations can personally benefit managers and owners in a large way. Similarly, reimbursement formulas and tax law favor the Blue Cross-Blue Shield plans. These plans are non-profit and also are closely allied with physicians and hospitals that might suffer most from alternative cost saving innovations in health care delivery. Finally, ethical restrictions and state licensing laws limit physician incentives and opportunities to institute low cost health care plans.

In all cases, the government can promote cost savings by removing these impediments to the workings of market forces. The first attempted cure for the ills of our medical care system should be to assist, rather than glove, the invisible hand of Adam Smith.●

CUTTING TAXES AND REDUCING FEDERAL SPENDING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GINGRICH. Mr. Speaker, inflation is the root cause of our major economic problems. Low productivity, high taxes, unemployment, the decline of the dollar overseas—all of these problems are caused or aggravated by inflation.

The people in my district, and the people in this country know how inflation and high taxes affect them. They are unable to pay their personal debts at the end of the month because they have less take-home pay. When they go shopping for groceries they have to choose between macaroni and ground beef because their dollars will buy less than they did last month. Older Americans living on fixed incomes cannot fill their shopping carts with nourishing food because inflation robs older Americans of their buying power.

As a father I share the concern of other parents faced with the problem of providing an education for their children. I am also concerned about what kind of future our children will inherit from us. I don't want our legacy to them to be a country in which owning a home is impossible, where their earning power is destroyed by inflation, where they cannot afford to heat their homes or plan for the future.

Mr. Speaker, I'm not one of those people who believe our problems are insolvable. If we dare to, we can tackle the giants of inflation and high taxes. We would be remiss in our duty if we did not.

That's why I am cosponsoring the new Kemp-Roth tax reduction bill. This legislation will lower taxes by 10 percent each year over the next 3 years. Giving people more take-home pay will lessen the burden of inflation and stimulate the growth of our economy. And that will create more jobs.

This bill also establishes a tax indexing system at the end of the 3-year period. Because of inflation, most Americans need pay increases just to stay even. But when they get more pay, they pay even higher taxes, and fall further behind. Under this plan the Tax Code would be tied to the Consumer Price Index making the tax system inflation proof. This will guarantee that a pay increase will mean an increase in take-home pay, and not be lost to higher taxes.

Finally, the Kemp-Roth package includes a resolution to limit the increase in Federal spending to 7 percent a year and lessens the Federal Government's share of the GNP. By putting a limit on the increase in Federal spending this resolution fights the worst cause of inflation—deficit spending.

Last year many Congressmen, both Democrats and Republicans, objected to the Kemp-Roth bill because the cut in taxes was not matched with a cut in spending. The new Kemp-Roth package has this provision. I urge you now to join Jack Kemp, myself, and the other cosponsors in approving this vital legislation.

By cutting taxes and reducing Government spending we can fight inflation and open up more opportunities for our children.●

SIX LIBRARIES IN PENNSYLVANIA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SHUSTER. Mr. Speaker, today, I am joined by three of my colleagues from Pennsylvania in reintroducing a bill for the relief of six libraries in the Commonwealth of Pennsylvania that have been notified they must repay funds paid to them for repair of damage inflicted by Hurricane Agnes. My colleagues, Congressmen DAN FLOOD, ALLEN ERTEL, and BILL GOODLING, in whose district five of the six libraries are located, have indicated their support for this measure.

Late in the 95th Congress, the Senate passed this identical legislation by unanimous consent. However, because of the lateness of the session, the House Judiciary Committee was unable to act upon this legislation. Thus, I am reintroducing this legislation today.

I can best relate the problem facing these libraries by explaining the example of Shippensburg Public Library which is located in my district. The Shippensburg Library was heavily damaged in the flood of 1972 and applied along with the local community for Federal disaster assistance from the Federal Disaster Assistance Administration. Their grant was approved and the library received $12,827 in aid. However, subsequent to the payment of the money and their utilization for repair work it was determined by FDAA, on information furnished by the Pennsylvania Attorney General, that the payment did not fall within certain portions of Public Law 91-606, the Federal Disaster Relief Act. In essence, it was determined that the Shippensburg Library was not owned by a State or local government and therefore not entitled to Federal disaster.

The Shippensburg Library was ordered by FDAA to repay all funds received. Obviously, repayment would place a tremendous burden on a small community supported library. Identical situations exist at the Ousterhout Library of Wilkes-Barre, the West Pittston Library of West Pittston, the West Shore Library of Camp Hill, the Milton Public Library of Milton, and the Himmelreich Library of Lewisburg. The total amount of money requested is $532,906. It appears a real possibility that what nature could not do the Federal bureaucracy will do. These libraries face total disaster and in my opinion the communities that will be affected have suffered enough.

Most certainly, I concur with the thoughts of the General Counsel of the Department of Housing and Urban Development which appear in Senate Report 95-1183:

> To require the libraries to reimburse the Government for these grants at this time would only serve to penalize the beneficiaries of their services—the public. In our opinion, this is a case of limited applicability where, because of the unique circumstances involved, the remedy provided by the bill will not establish an undesirable precedent.

I join with my colleagues from the Commonwealth in urging the House to act expeditiously on this legislation and insure the continued operation of these libraries.●

SUNSET LEGISLATION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BONER of Tennessee. Mr. Speaker, today I arise to cosponsor a major piece of legislation, H.R. 2, introduced by Congressman JAMES BLANCHARD of Michigan on January 15, 1979, to require authorizations of new budget authority for Government programs at least every 10 years and to provide for the review of Government programs every 10 years. The Sunset Act of 1979 is a continuation of the work which I started while I was a member of the Tennessee General Assembly.

During the 90th General Assembly of Tennessee I introduced Public Chapter 77-452 which was later codified as chapter 29 of title IV, Tennessee Code Annotated. This act provided for the orderly and systemic analysis of all State boards, commissions, agencies, and departments. Further, the act provided that without overt action by the general assembly the respective agency would cease to exist. By this mechanism those agencies which no longer provide for the public good were allowed to have the Sun set on them.

In recent years, the numbers of Federal Government agencies, programs, and regulations have increased considerably. Accompanying this proliferation has been a growing public disenchantment with the responsiveness of administrative efficiency and shear expense of government at all levels. These developments have prompted widespread interest in

improving techniques of legislative oversight and an effort to increase government accountability and economy. One such procedure which has been receiving major attention, both State and Federal level, is the sunset approach embodied in Mr. BLANCHARD's Sunset Act of 1979, whereby programs and agencies were automatically terminated on a periodic basis unless explicitly renewed by law. According to its advocates this threat of termination would force Congress and the State legislatures to conduct systematic oversight reviews of existing programs and agencies at regular intervals.

Sunset legislation offers us a workable solution to the present situation so that we can identify programs that are wasteful or no longer useful, make room for more efficient funding or deserving Federal programs.

The bill that I am cosponsoring today is identical to the legislation which I sponsored in Tennessee, with the exception that it excludes certain Federal retirement programs to which individuals have contributed to in anticipation of later returns. Some of the major provisions of this sunset legislation include:

Establishment of an explicit but flexible review schedule and procedure for committees to follow in determining the appropriate funding level for the programs that are authorized.

The requirement that review and possible reauthorization programs of similar roles and scope be scrutinized.

Termination of the funding for any programs that Congress chooses not to reauthorize.

Requiring that all Federal programs with a few notable exceptions be reviewed and reauthorized at least once every 10 years.

Requiring the House Ways and Means Committee, and the Senate Finance Committee to draft a proposal so that Federal expenditures are reviewed.

Definite sunset legislation by this Congress is mandatory. In this age of limited financial resources we must not only show physical restraint but we must also show the wisdom of expending our dollars in those programs that provide the greatest good for our citizens.●

STRANGULATION BY REGULATION

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MYERS of Indiana. Mr. Speaker, every day the grip of excessive Government regulation strangles our private sector's productivity and fuels the fires of inflation. Small and large businesses alike are being forced to commit capital and labor resources to unproductive ends while attempting to comply with these bureaucratic mandates. Some businesses are forced to the point of consolidation or closing their doors. And the American consumer is the one who ultimately has to bear the costs of higher prices for goods and services.

I believe that the economic and inflationary impact of Government regulations should be evaluated with the same religious fervor that some place on environmental impact statements. In an attempt to objectively identify and quantify the costs and benefits of Federal regulations and expenditures, a cost-benefit analysis may be used as an economic tool to determine the impact of the Government action on the economy as a whole. While cost-benefit analysis does not perfectly estimate all variables, it does offer one guideline for evaluation.

Those who believe that the Government should regulate the activities of the private sector often criticize cost-benefit analysis because it sometimes does not support their position. Mr. Peter Schuck does a good job of addressing this issue in his January 28, 1979, article in the Washington Post entitled, "On the Chicken Little School of Regulation." I submit his article at this point for the benefit of my colleagues and the American consumer:

ON THE CHICKEN LITTLE SCHOOL OF REGULATION

(By Peter H. Schuck)

Last week Mark Green, director of Ralph Nader's Congress Watch, attacked the growing disenchantment with federal regulation, and particularly the cost-benefit studies often used to support anti-regulation views. This week Peter Schuck, a former deputy assistant secretary of HEW now at the American Enterprise Institute, challenges many of Green's arguments. Schuck, once an aide to Nader and later Washington director of Consumers Union, will teach law at Yale next fall.

Like Mark Green, I have had nightmares about regulation. But mine are different. In his, you will recall, big business and its minions gang up on Congress to defeat a regulation to end polio. In one of mine, a government agency mandates that children's sleepwear be flame-retardant only to learn—many millions of dollars and perhaps many cancers later—that the chemical that the agency knew would be used to comply was carcinogenic and the sleepwear could not be used.

In another, a government agency mandates that each new vehicle be armed with a costly system that prevents ignition until seat belts are fastened, only to find that consumers are disarming the systems in frustration. In another, a new government agency is created to increase the security of pensions, only to learn that its efforts have succeeded in discouraging the creation of pension plans and in helping to drive many small ones out of business.

In each of my nightmares, the regulatory scheme is preceded by analyses by academic economists, consulting firms, business organizations and the Council on Wage and Price Stability, all warning that the regulations will be costly, inequitable and produce fewer benefits than expected. Each, however, is implemented on a groundswell of righteous indignation fueled by congressional investigations, media exposés and Ralph Nader denunciations of cowardly politicians, passive bureaucrats and greedy corporations locked in unholy alliance against the public interest. And just before I awaken, as the predictions of the economists come true, proponents of the regulations propose not that they be repealed but that the economists be killed.

The difference between Green's nightmare and mine, of course, is that while his is fanciful, as he admits, mine all actually occurred. (In fairness, he does not recommend death for economists, only that nobody listen to them—which to them amounts to much the same thing.)

FALSE CHOICES

Green properly points out that some particular regulatory schemes have been effective, that cost-benefit analysis is still a rudimentary decision-making tool, that opponents of particular regulations often abuse it, that costs are often easier to measure than benefits, and that many of society's most cherished values are not well suited to this sort of analysis.

If his ambitions had been limited to these points, his article would merit applause rather than rebuttal. In fact, however, he has set himself a larger task: to build a case for regulation *in general*.

Like a lawyer representing a defendant already convicted many times in the same court for the same offense, he attempts to discredit some of the witnesses for the prosecution, hoping that the presumption of innocence alone will be enough to get his client off.

In our political-economic system, however, government regulation *in general* should not enjoy a presumption of innocence or effectiveness, however justified a *particular* regulatory program may be. Indeed, this is a lesson which Green and Ralph Nader, in their numerous documentations of regulatory failure, have been at pains to teach us.

From reading Green's article, one would think that regulatory policy is shaped, indeed dominated, by persons who believe that all regulation is bad. Yet the fact is that virtually all participants in these debates—and certainly all those who are taken seriously—agree that regulation is appropriate under conditions of significant market failure (such as public utility monopolies or environmental pollution) or inadequate legal remedies to prevent significant harm (such as occupational health).

Nevertheless, the questions remain: *How* should government regulate? What are the likely *benefits* and *costs* of regulations? Can the regulations be *enforced?* Green suggests throughout that those who are critical of the way in which these questions have been asked and answered in the past are "trying to make citizens hate their government" or are seeking to "abolish" regulation. This inference is as logical as concluding that one who criticizes a proposed merger between two giant corporations is therefore hostile to the free enterprise system, a conclusion that Green would surely resist.

Closely related to the straw man that Green creates is the false choice that he poses: "The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of marketplace abuse." Or, as Green characterizes the issue elsewhere: "Should health and safety regulation be sacrificed to the anti-inflation campaign?"

This reflects a view of the world as one of blacks and whites, either-ors, and goals which do not conflict. Neither the president nor any other policy maker, however, can afford the luxury of seeing the world in that utterly distorted way, but must find some acceptable balance between health goals, anti-inflationary goals, employment goals, capital formation goals and other goals, each of which conflict to some degree. To suggest that such an accommodation is a betrayal of trust, rather than constituting the essence of leadership, is truly to "make citizens hate their government."

FLAWED BUT NECESSARY

In his discussion of cost-benefit analysis, Green begins with two fundamentally sound premises: Cost-benefit studies are usually flawed, often seriously, and they are often used by political actors for political ends. Much like a rookie cop who encounters sin on his new beat, however, Green finds this reality profoundly disturbing and draws the conclusion that cost-benefit analysis is essentially a sham, designed to serve predetermined corporate, anti-regulatory ends.

In truth, however, analysis is an effort to engage in rational decisionmaking, an effort that will always fall short to some extent. Green's critique confuses a process with the products of that process. It is rather like opposing democracy because it permitted Watergate to occur, or opposing sex because it sometimes leads to prostitution, venereal disease and unwanted babies.

If cost-benefit analysis is at best imperfect, which it is, what is the alternative? Green provides confusing signals on this question: He says that "obviously" officials devising regulations should do what sounds suspiciously like cost-benefit analysis (he calls it "impact review"). Yet the entire thrust of his article is that such analysis is pernicious.

In any event, let me offer a few modest suggestions. First, cost-benefit analysis, as a way of addressing complex problems, is inescapable. Although we do not often call it that, we all use it, with varying degrees of sophistication and rigor: The driver trying to decide how fast to drive and what route to take; the worker puzzling about whether to change jobs; the student figuring out whether to go to work or to graduate school; the Congress agonizing over whether to spend more money on jobs programs; the regulator trying to set safety standards, and lobbying groups like Public Citizen deciding on which bills to focus their limited resources. In short, we are stuck with cost-benefit analysis, and the only questions are how well it is done (analysis, after all, is not costless) and how honestly and openly its inevitable limitations are acknowledged.

Second, even when the analysis cannot help us to evaluate regulatory objectives, it can often help us identify the most cost-effective alternative for attaining a given objective (for example, reducing pollution through effluent charges rather than emissions standards).

Third, it is simply not true that the biases in benefit-cost analysis work only in an anti-regulation direction. Proponents of regulation routinely predict large benefits while downplaying costs in an effort to persuade others, and those predictions often turn out to be exaggerated. In short, numbers games are played by all sides—and, to judge by the outpouring of regulations in recent years, the deck can hardly be said to have been stacked against those of Green's persuasion.

Finally, his attack on the notion that "business-dominated cost-benefit studies should control regulatory decisions" is mere wrestling with phantoms. The political process constitutes an important safeguard against the inevitable shoddy and distorted analyses, a safeguard which Green ignores. Regulatory policy is made in an intensely competitive environment in which adversaries have every incentive—and many forums—to pinpoint and publicize the limitations and imperfections of any particular piece of analysis. His own article is replete with examples of this adversary process successfully at work.

Decision makers in the real world do not make decisions primarily on the basis of cost-benefit analyses (although they may haul them out as protective coloration once the decision is made); the limits of such analyses are too well-known to them—though not always to the general public—to permit them to be decisive except in a few extreme cases on which almost everybody would agree, anyhow.

QUALIFIED BENEFITS

Most students of regulation, including those often critical of its particular manifestations, agree that regulation often yields important social benefits. Since Green catalogues them at great length, I can limit myself to pointing out some of the deficiencies in his analysis of benefits.

Regulation does often encourage innovation, as Green points out, but only in a restricted sense of the word. To be sure, a firm can be expected to find the least costly way of meeting a given regulatory standard, but that is innovation only in the sense that a driver presented by a detour sign from taking his accustomed route is engaged in innovation when he takes a different road. The regulation may well elicit a fresh response, but that does not tell us whether the standard itself, the detour, was the best road to have taken.

Moreover, many regulations actually prohibit innovation by prescribing a specific manner in which a standard must be met. In fact, most studies of the subject have concluded that regulation usually inhibits innovation or channels it into frivolous areas (such as the color of airplane fuselages).

Regulation, as Green's example indicates, both creates jobs and destroys jobs; in fact, it usually does both simultaneously. But the jobs which regulation "creates" in one sector (say, manufacture of pollution control equipment) will probably occur at the expense of jobs which existed (or, absent regulation, would have existed) in other sectors (say, in the regulated industry itself or in industries to which the capital used to produce the pollution control equipment would otherwise have flowed). And even a regulation that produces a net gain in jobs is undesirable unless it is the least expensive way to achieve the regulatory objective (a question, by the way, that cost-benefit analysis can help to answer).

Green asserts that regulation often has a beneficial redistributive effect, postulating a regulation that shifts costs "from hard-pressed workers to relatively well-off stockholders." If the world were that simple—if redistributive effects were so easily identified and socioeconomic groups were so easily categorized—social policy making would be almost as easy as Green seems to think it is. In fact, however, a regulation often benefits certain "hard-pressed workers" at the expense of other workers (now even more hard-pressed because unemployed) and equally hard-pressed consumers and small business people.

By the same token, the "relatively well-off stockholder" often turns out to be that same hard-pressed worker; indeed, he and his co-workers now own through their pension plans close to half of the stock in American corporations (according to Peter Drucker), and the percentage is steadily growing. Again, the point is not that regulation does not sometimes have redistributive effects of which Green and I might approve, but only that these effects are very difficult to predict and probably occur (when they do) as much by accident as by regulatory design. If we really wish to redistribute income, there are far better ways to do it than through regulation.

CHICKEN LITTLE REGULATION

Finally, there can be little doubt that some regulations do enhance health and safety. In each case, however, the important questions will be: How much health and safety? For whom? At what cost? To whom? Could the money be more effectively spent in other ways? These difficult questions do not vanish just because Green invokes grisly images of children disfigured by fire and workers suffering from cancer, nor is our effort to answer them aided by reminding us that human life is priceless. Society measures the value of life many times every day, either explicitly (as when a jury must award damages or a person purchases life insurance) or implicitly (as when Congress, regulators or citizens make tradeoffs between safety goals and other goals, as in our refusal to set 30-mile-an-hour speed limits on interstate highways). The logical implication of Green's life-is-priceless litany is that we should spend the entire federal budget on health and safety, yet no one—least of all, the public—seems to think that makes sense.

Green properly warns us against what he calls "the Chicken Little School of Economic Analysis." An equal, if not greater, danger, however, is the Chicken Little School of Regulation, founded on the principle that one need only consult one's ethical precepts in order to know when and how to regulate in areas of complex human and institutional interaction, and that those who believe otherwise lack ethical precepts, are dupes (witting or unwitting) of business propaganda, or both. His article is a primer for this school. Fortunately, the administration and the public appear increasingly disposed to reject its false teaching.●

A REAFFIRMATION OF REPUBLICAN POLICY PRINCIPLES

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SHUSTER. Mr. Speaker, on Tuesday of this week, the Republican Policy Committee, which I have the honor to chair, held its first meeting of the 96th Congress. At this meeting, Policy Committee members unanimously adopted the following resolution, and I quote:

Whereas after more than forty years of Democrat domination of Congress, the Democrats and their leadership stand indicted before the American people and before history for inflicting upon the American people the ravages of inflation, the burdens of massive taxation, and the heavy hand of excessive regulation, and

Whereas this legacy of the Democrats is a political failure so devastating and so obvious that it is without parallel: Now, therefore, be it *Resolved*, That the Republican Policy Committe of the U.S. House of Representatives hereby reaffirms the "Legislative Agenda of a Republican House" which was adopted by the Policy Committee of the 95th Congress, as the foundation upon which Republican policy shall be built during this, the 96th Congress.

Mr. Speaker, the legislative agenda points out numerous examples of the record of Democrat broken promises and broken trust. It then details how Republicans would repair the damage and clear away the wreckage of Democrat failure.

Concerning the economy, the Republican agenda calls for permanent tax cuts, expansion of business, more jobs, the elimination of excessive regulation, control of the Federal budget, a reduction in Government spending and a stimulation of exports. The agenda calls for a balanced budget at a significantly lower tax burden of only 18.6 percent of the GNP.

In the commitment to reduce big government, the agenda concentrates on legislative oversight and regulatory reform. In the field of energy, where the Carter administration still has no program, the Republicans spell out ways to bolster supplies, bring about conservation and lessen U.S. dependence on imported fuels.

The agenda commits Republicans to a strong national defense, and to a reversal of the Carter administration's deterioration of our defense capabilities.

On other issues, Republican policy goals pledge to farmers a fair price in the marketplace and elimination of the "Democrat boom and bust cycle" current in American agriculture. In the fields of social security and retirement, Republicans offer a plan to finance the social security system for the next 75 years without massive payroll taxation. The Republican agenda goes on to spell out programs for the cities, education, recreation, the environment, transportation, minorities, veterans and health care.

Where do the Democrats and their leaders stand on these issues? For more than 40 years their opposition to these principles has put the country where it is today. Now we see their half-hearted embrace of Republican principles only because the American people are forcing them to a shotgun wedding. The American people have a right to know that Republicans in the House embrace these principles of limited government because we believe in them, and not as some political expedient.

I urge the American people to measure the performance of their Congressmen, not based on rosy rhetoric, but rather on the reality of their voting records in the months ahead.●

CONGRESSIONAL VETO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, an editorial appeared in the January 29, 1979, issue of the Atlanta Journal endorsing the work of ELLIOTT LEVITAS of Georgia on the congressional veto.

Congressman LEVITAS has done outstanding work on the congressional veto and on other measures to control the bureaucracy and to make Government work better. It is a pleasure for me to call this editorial to the attention of my colleagues.

The editorial follows:

MAKING THE LAW

Lecturing at the University of Kansas, Attorney General Griffin Bell decried the continuing growth of "government by bureaucracy."

He called for a number of reforms, but particularly stressed the danger of unelected bureaucrats having the power to make rules and regulations affecting citizens with the force of law, a danger which has concerned us for some time.

In connection with this problem, Bell said he would urge Congress "to sharply curtail, if not abolish, the so-called 'rulemaking' powers of the independent regulatory commissions."

We find this recommendation confusing, however, in view of the fact that the administration of which Bell is a part has opposed proposals by Rep. Elliott Levitas that would give Congress power to review and veto such regulations. Certainly the Levitas proposal would bring a "curtailment" of runaway bureaucratic lawmaking.

In an interview before his Kansas lecture Bell said he would not be speaking for the administration in the views he presented. But he showed clear understanding of a serious problem, and we think something ought to be done about finding a solution.

We hope Bell's view that something must be done will become the administration's view, and if he doesn't think that Levitas has the best solution to the problem we would like to see the attorney general come forth with an alternative. So far Elliott Levitas is the only person in Washington who has contributed real leadership in dealing with this very real danger to our system of representative government.●

TRIBUTE TO LEO BURKE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SHUMWAY. Mr. Speaker, at this time I ask that my colleagues join with me in paying tribute to my constituent, Mr. Leo P. Burke, Jr., Commander of the Department of California American Legion. On Saturday, February 10, Leo will be honored with a "Salute to Leo Burke" by the 11th District American Legion for his many outstanding contributions and civic activities.

Enumerating Leo Burke's many impressive achievements and civic offerings would require that I stand before this body for a very lengthy time indeed. My description of Leo's continual involvement in and concern with the betterment of others will constitute only a broad overview. Nonetheless, I believe that my colleagues will agree that Mr. Burke is a community-minded citizen of the highest order.

Leo Burke has been honored with more than 100 awards and citations for his selfless dedication to improving his community, his State, and his Nation. Additionally, his name appears in the impressive rosters of Who's Who In California, as well as the Who's Who Historical Society.

His present capacity as Commander, Department of California, the American Legion, speaks volumes concerning his ongoing affiliation with this most worthwhile organization. In 1976, Leo served as president and general chairman of the Legion's 11th District Convention, which had over 10,000 individuals in attendance. His efforts surely played a major role in delivering this convention to his hometown of Stockton, Calif.

Leo's contributions to society are by no means limited to this one area, however. Through his tireless efforts, he has certainly enhanced the lifestyle and understanding of individuals and organizations in every area of endeavor: He has aided the older American through his chairmanship of the Senior Citizen of the Year Award panel; youth has benefited from his involvement with the Boy Scouts; education has been furthered by his many efforts, including his presidency of the San Joaquin Delta College board of directors, and we have all benefited from his open and obvious pride in the American ethic and principle.

Leo Burke is concerned about the health, happiness, enlightenment, safety, and dignity of his fellow man. In short, he is truly a man worthy of appropriate recognition. I thank my colleagues for joining in this tribute with me, and I extend to Leo Burke my heartiest congratulations on many jobs well done, as well as my best personal regards.●

LUIS LAINER

HON. HENRY A. WAXMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WAXMAN. Mr. Speaker, recently a "Bet Tzedek" party was held to honor Luis Lainer, who has just completed 5 years of service as the executive director of the Jewish legal services program of Bet Tzedek, a Jewish community law project. Luis was with the program at its inception and has created one of the finest community legal services plans in the country. Previously in the private practice of law, Luis followed his bent toward community service involvement by initiating the law project.

After taking his LL.B. at Yale Law School, Luis received an LL.M. in urban and poverty law at NYU Law School and was admitted to the bar in California in 1969, and in New York in 1970. Luis' general education consisted of an A.B. at Columbia College, with studies at UCLA and the Hebrew University of Jerusalem. For his Jewish studies, he attended the Seminary College of the Jewish Theological Seminary of America and the University of Judaism.

Luis Lainer's selfless devotion to the underprivileged is evidenced by more than his work with Bet Tzedek. He has been legal adviser to Jewish Resources, a nonprofit corporation which provides consultant services for innovative Jewish projects and organizations; a member of the Los Angeles City Attorney's Advisory Committee on Board and Care Homes; and a member of the Task Force on Alternatives to Institutionalization, City of Los Angeles Council on Aging-Long Term Care Committee. He is a member of the Westwood Free Minyan and a member also of the Anti-Defamation League, Pacific Southwest Regional Board. Luis also interests himself in youth activities; he is active in the Los Angeles Hebrew High School and Camp Ramah. His fluency in Yiddish, Spanish, and Hebrew permits him to communicate well with a large portion of southern California's non-English speaking population.

One does not know how to go about offering praise to such a man as Luis Lainer—everything that can be said about him is dwarfed by his accomplishments. I can only ask the Members to join me in an expression of gratitude. The wealth of our country resides in the devotion of such individuals as Luis Lainer. He enriches us all.●

DR. FRANCES WU—HER QUIET DETERMINATION PAYS OFF

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DANIELSON. Mr. Speaker, one of my most interesting, unselfish, and dedicated constituents is Dr. Frances Wu of Monterey Park. She was recently honored by the Monterey Park (Calif.) Progress, one of the leading newspapers in my Congressional district as its "Woman of the Year."

The following article describing Dr. Frances Wu's determination in obtaining a Federal loan for a senior citizens housing project in Monterey Park best describes the work she has done; it describes a model of good citizenship. I urge my colleagues to read this story about Dr. Frances Wu, the Monterey Park Progress Woman of the Year.

HER QUIET DETERMINATION PAYS OFF

(By Mary Ann Belyea)

Frances Wu is a private person. Ask anyone who knows her, they'll tell you they hardly know her at all. They believe she has a sister living in Taiwan, or is it Hong Kong?

They know she is single, and they'll describe her in the words most often heard in reference to her personality—determined and dedicated.

But they know little about the private Frances Wu. She cannot be led to talk about herself. What she will talk about is her cause.

For the last several years that cause has been to better the plight of the many elderly Chinese who have been uprooted from their native land to find themselves in the middle—and sometimes on the edges—of a society they do not understand, and one that often doesn't understand them.

Certainly it took dedication for Wu to almost single-handedly bring together about 160 elderly Chinese into an organization called the Chinese-American Golden Age Assn.

The family-centered older Chinese, much like Wu, aren't prone to speaking of personal needs. The American custom of people with common cause uniting into a group is alien to their thinking.

They are more accustomed to spending their twilight years in the quiet, respectful care of their children.

Frances Wu could see this. She recognized the need for a change if the Chinese were ever to integrate themselves securely into the strange new culture of their adopted land.

So she wheedled, cajoled, counseled and prodded until the people she loves so much and to whom she is so dedicated, realized that they must become a part of the culture if they are to live their final years in peace and harmony.

In her work with the association, of which she is president, she arranges tours for the elderly Chinese to quiet places, calling on her many years of experience in social work to counsel them and act as their interpreters.

She also aids their children in fulfilling obligations to their elders while at the same time maintaining lives of their own.

It was Wu's sense of dedication and determination that took her to Washington after many months of working around the clock to develop an application for a $4.8 million loan from the U.S. Housing and Urban Development (HUD) Dept. to build a senior citizens housing project in Monterey Park.

Assisted by some local politicians, she went to the capitol with the grant application under her arm and was turned down flat.

Back she came to Monterey Park, again working for hours on details she may have missed the first time.

An associate recalls: "I watched her working so hard and I helped her, but I had to point out to her that it was very improbable that the loan would be granted, since one had already been approved for Lions Manor, another senior citizens housing facility in the city.

"She just smiled at me and went right back to her work."

Wu's determination paid off, as this year she returned to Washington to redraw the HUD application, working closely with Rep. George Danielson (D-Monterey Park) and Sens. Alan Cranston and S.I. Hayakawa.

Made in the name of the association, the HUD loan was approved.

Because of her quiet determination and her achievements, Frances Wu has been named the Monterey Park Progress Woman of the Year.

"She is in a sense an island," a friend said, "because she never complains or confides in anyone about her own life. If she has personal problems, no one knows about them.

"But if she is an island, she's an island that is always reaching out to touch the lives of others in a very positive way.

"You can't know her and not be a better person for it."

Wu, 52, came to Monterey Park with a solid background in helping others. As a young woman in Nanking, she earned her bachelor of arts degree in sociology, then entered McGill University in Montreal where she got her master's in social work.

In 1974 she became a doctor of social work, graduating from USC, where she specialized in administration and gerontology and wrote a research thesis, "Mandarin-Speaking Aged Chinese in the Los Angeles Area."

She chairs the Southern California Senior Citizens Assn., is an adviser for International Senior Citizens Assn., a member of the planning committee for Los Angeles Chinatown Redevelopment project, a consultant in the multi-cultural Ethnic Heritage Oral History Program at East L.A. College, a member of Orange County Chinese Culture Club, the San Gabriel Valley Chinese Cultural Assn., and a director on the boards of Asian Pacific Coalition on Aging and the Chinese Committee on Aging in L.A.

She also chairs the Monterey Park Commission on Aging.

Before coming to California to work on her doctorate, she applied her expertise in social work by working with children in New York, Connecticut and Michigan for many years.

Because she met so many Chinese friends, especially those with elderly parents, she realized how difficult it was for the elderly Chinese to adjust to another way of life.

So she reluctantly decided to leave behind her years of child welfare work to devote her time to the cause of the elderly.

It took her some time to get the Chinese people together, but eventually she organized them into the Golden Age Assn.

Today members participate in field trips, picnics, physical exercise programs, nutritional programs and classes.

Her desire, friends say, is to gently guide her elderly Chinese friends into the American lifestyle until they become an accepted part of the society around them.

That is what she hopes to achieve in the housing project. It should be ready for occupancy two years from now and will be open to low-income senior citizens of all races and creeds.

There's still a lot of red tape and planning to be worked out. Acceptance of the association application by HUD only marks the beginning of a lot of work yet to be done.

But anyone who knows Frances Wu will tell you that as long as she's at the helm, anything is possible.●

A SALUTE AND THANKS TO THE AMHERST BEE UPON THE OCCASION OF ITS 100TH ANNIVERSARY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. KEMP. Mr. Speaker, a wise man once observed that "newspapers are the world's mirrors."

It is no less true that communities reflect the quality of their newspapers and, conversely, newspapers are mirrors of the people and governments they serve.

There is no greater evidence of this relationship than in western New York where Bee Publications and the flagship of that newspaper chain, the Amherst Bee, admirably serve my constituents in the 38th Congressional District and the other people of the region.

On Tuesday next, February 13, these people and honored guests will inaugurate a year-long observance of the 100th anniversary of the first publishing of the Amherst Bee.

The occasion will be the Our Town Dinner jointly sponsored by the Amherst, N.Y., Chamber of Commerce and the Williamsville Rotary Club.

Mr. Speaker, it was prophetic in 1879 when Adam L. Rinewalt wrote in his publisher's salutation in the first edition that:

No one who has lived here any length of time can fail to see that the town (of Amherst) has reached a new regime that certainly points to prosperity.

In that same first edition, Publisher Rinewalt also promised the townsfolk, which then included farmers as well as villagers, that he would provide them with the latest news, market quotations, railroad timetables, reports on the movements of people and accounts of other happenings as well as facilities for job printing.

Presaging what has become one of the most advanced publishing operations of weekly newspapers in the United States, the fledgling enterprise in 1879 was one of the community's first telephone subscribers, causing the newly opened newspaper office to become a communications center where young men would pick up messages from Buffalo and run to deliver them to houses within the village of Williamsville.

The same telephone which conveyed the messages also was used for news coverage including election results, sports scores and a variety of happenings such as the fire in a Buffalo lumberyard described in an early issue.

One of the early presses was "horse-powered;" that is to say it was turned by a horse driven in a circle.

Just after the turn of the century, Mr.

George J. Measer, Sr., was apprenticed at the Amherst Bee at the princely sum of $2 a week. In 1907, this same George J. Measer, Sr., bought the publication. Until 1965 and his death at the age of 82, he was the publication's dominant figure.

Also playing a vital role both as editor and in the shaping of the Amherst Bee was the newspaper's late editor, Robert S. Measer, the eldest son of Mr. George J. Measer, Sr. For 26 years before his death in 1963, Robert Measer manifested the skills of an outstanding newspaperman and led his staff to heights of uncommon excellence. He is remembered as a man who was keenly interested in people, one who relished writing about them and as an editor who was both quick to criticize and praise his associates.

"His emphasis on fairness—sometimes to the point of frustration—won him approval," the Amherst Bee noted at his passing.

Mr. Speaker, the current publisher of the Amherst Bee, George J. Measer, Jr., is, I am proud to say, my personal friend, and an outstanding and widely respected leader of our community.

From his days as a young boy when his mother, Eugenie Snyder Measer, wrote with what contemporaries recall as her "personal touch," George J. Measer, Jr., has thrived on newspapering and publishing even as his forebears.

Today, his Bee chain encompasses six weekly, suburban newspapers, the original Amherst Bee, the Cheektowaga Bee, the Depew Herald, the Clarence Bee, the Lancaster Enterprise and the Suburban Bee.

Now an offset enterprise, Bee Publications employs the latest in technology and enjoys a staff which, under George Measer's leadership, has garnered numerous newspapering awards. To mention a few, these include first prizes from the New York Press Association in such categories as Best Editorial Page, Best Special Edition, Best Sports, Best Feature, Best Suburban, General Excellence and Greatest Improvement. Mr. Measer, himself, is a past president of the New York Press Association and currently serves, among many other posts, as a director of the National Newspaper Association and as a member of Suburban Newspapers of America. His awards for community service are many, including the Brotherhood Award, the Freedoms Foundation Award, and Community Service Award.

George Measer continues to remain a source of information and counsel to me as an elected representative of the people we both are privileged to serve.

During the 1977 blizzard that put Buffalo and environs on the front pages and television news programs across the Nation, the Amherst Bee faced the prospect of missing its first weekly edition in its 98-year history.

With a fraction of the staff available for editing and production, Trey Measer, vice president in charge of commercial printing and the son of George J. Measer, Jr., was able, during his father's vacation, to work by telephone with managing editor James Schrader and others, to put the Amherst Bee "to bed."

With the help of the State Police, employees trudging to work on foot in record snowfalls and other unusual emergency measures, the edition was printed and delivered to subscribers.

Mr. Speaker, I salute the Amherst Bee and the great people behind it. May it thrive and serve the people of our community and country in the next 100 years and beyond.●

AMERICA, THE NATIONAL CATHOLIC WEEKLY, URGES LIMITS ON ADVERTISING OF CIGARETTES AND RESTRICTIONS ON SMOKING IN PUBLIC PLACES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DRINAN. Mr. Speaker, America magazine, the national Catholic weekly, edited by Jesuits, published a strong editorial in its January 27, 1979, issue on the lethal effects of cigarette smoking.

Among other points, the editorial in America stated that President Carter by his silence:

> Has left Mr. Califano alone to take the abuse and even personal vilification of the tobacco lobbies.

America also notes that the Federal Government:

> By continuing its policy of subsidy to tobacco growers rather than incentive for the conversion of tobacco lands to other crops, is in the dubiously moral position of abetting the distribution of a toxic substance to the American people.

The significant and forceful editorial of America magazine follows:

THE MORALITY OF SMOKING

The Surgeon General's report on the lethal effects of cigarette smoking left little room for doubt. The 30,000 research papers contributing to the 1,200-page report offer overwhelming statistical evidence that cigarette smoking can contribute to lung cancer, heart disease, emphysema and birth defects. Dr. Julius B. Richmond, the Surgeon General, called cigarette smoking "the largest preventable cause of death in the United States." Joseph A. Califano, Secretary of Health, Education and Welfare, released the report with the comment that "the cigarette is even more dangerous—indeed, far more dangerous—than was supposed in 1964," when the first Surgeon General's report on smoking was published.

The new report, by affirming that the risk from tobacco is no longer speculation but fact, raises serious questions about the morality of smoking. Is cigarette smoking a matter of personal sin? Over the years, moral theologians have been able to spell out principles for the prudent use of other potentially harmful activities, like drinking alcohol or eating for pleasure, but little has been offered for guidance in the matter of smoking. An after-dinner cigar is far different from a three-pack-a-day addiction, but why or how? Moral culpability for taking such a risk of endangering health and even life is probable at some point, but the when and how are questions quite new to the moralists.

The tobacco industry continues to argue that a statistical convergence does not prove a causal connection between cigarettes and the diseases they are linked to. This is perfectly true. Walking blindfolded into traffic does not cause a fatal accident, but it does increase the statistical probability of one. It is an irresponsible and culpable act. Exposed insulation in a school brings an immediate closing because of the possible carcinogenic quality of asbestos. No school board waits for all the pupils to be stricken before it acts on the basis of mere statistical probability.

While the ethical implications of an individual's decision to smoke are still largely unexplored, other questions seem more easily resolved. Advertisers can no longer maintain that cigarette promotions are morally neutral. While the number of adults going through the agony of breaking a cigarette addiction increases each year, the number of children beginning to smoke goes up too. Seventy-five percent of the 54 million Americans who smoke acquired their habit before the age of 20. Through advertising, the industry directs its effort toward the young with promises of cowboy machismo and coming "a long way, baby."

Finally, the Government, by continuing its policy of subsidy to tobacco growers rather than incentive for the conversion of tobacco lands to other crops, is in the dubiously moral position of abetting the distribution of a toxic substance to the American people. At the same time, it is mounting expensive campaigns to warn the public of the dangers of cigarettes. President Carter, by his silence and ostentatious wearing of a cap with a tobacco grower's emblem on it, has left Mr. Califano alone to take the abuse and even personal vilification of the tobacco lobbies.

Public tobacco policy has acquired a moral dimension. Outright prohibition did not work with alcohol, and it should not even be considered in the case of tobacco. Even if moralists were unanimous in concluding that cigarette smoking is immoral, the Government cannot prevent an individual from making an immoral choice with regard to his own health. However, the Government can phase out subsidies, limit advertising, inform young people and restrict smoking in public areas. Such a strategy would be not only consistent, it would be moral.●

ADMINISTRATION PROPOSES AVIATION FUELS DECONTROL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DINGELL. Mr. Speaker, on January 31, 1979, the Secretary of Energy transmitted to Congress energy actions Nos. 3 and 4, which are rules exempting aviation gasoline and kerosene-based jet fuel from mandatory petroleum allocation and price regulations. In accordance with the procedures of section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (Public Law 93–159), and section 551 of the Energy Policy and Conservation Act (Public Law 94–163), these rules are subject to a congressional review period of 15 calendar days, exclusive of days in which either House of Congress is in recess for more than 3 days. Therefore, the review period would end on February 25. If neither House passes a resolution of disapproval during this period, the proposed amendments would be effective on the day following the end of the review period. The President would retain standby authorities which permit the reimposition of controls on these products in the event of changed circumstances.

Today, I am introducing a resolution of disapproval for each energy action. I am doing so to provide a vehicle for the review of the Secretary's proposal. The Subcommittee on Energy and Power, which I chair, has the responsibility for conducting such a review, and today, February 8, 1979, we are conducting a public hearing on the proposal to determine whether the Secretary's proposal is justified and sound. By introducing the resolutions, however, I do not intend to indicate disapproval of the energy actions. The resolutions will provide for an orderly investigation into the merits of the proposed amendments.

To save printing costs, I am not reprinting the letter of transmittal and proposed rule, since the identical transmittal to the Senate can be found on page 1720 of the CONGRESSIONAL RECORD of February 1, 1979.●

THE STRANGE CASE OF THE NONEXISTENT POWERPLANTS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. IRELAND. Mr. Speaker, when I was first elected to Congress, I was told by many oldtime Washington hands, most of whom are far wiser than I about the ways of this city, that, yes, it sure was nice to be a Member of Congress. You get a big staff, free plane rides, get your picture in the paper now and then; but if you really want to have power and be important, you should become a bureaucrat instead.

Well Mr. Speaker, I am a patriotic American, steeped in the tradition of the power and the glory that is the U.S. Congress, and naturally, being quite excited about being elected, and having the privilege of working with you and our distinguished colleagues, I thought my friends' advice was like most conventional wisdom in politics, well intentioned but slightly off the mark—until recently.

Let me tell you what happened to change my assessment of their analysis.

On November 9 of last year, as part of the National Energy Act, the President signed into law the Power Plant and Industrial Fuel Use Act of 1978.

In an effort to conserve energy, this law prohibits the burning of petroleum and natural gas in new powerplants unless an exemption is obtained from the Department of Energy under the legislation. Currently existing powerplants are permitted to burn petroleum indefinitely, and may use natural gas until 1990.

So far so good. The Congress in its wisdom has worked its will, passed an energy bill and the President signed it into law. Marvelous the American political process is alive and well—but wait. Two weeks later on November 22, the Department of Energy issued "Interim Rules to permit Classification of Certain Power Plants and Installations as Existing Facilities."

The issue here is quite simple. What constitutes an existing powerplant and thus qualifies the facility for an exemption from the costly and time consuming coal conversion process?

Let us look at the law. Under section 103(A) (8) and (9) of the Fuel Use Act, any powerplant which "began construction or acquisition" on or before April 20, 1978, is automatically classified as "an existing electric power plant" without need for any further action on anyone's part. Under part II of the Fuel Use Act, any powerplant so classified is automatically exempt from the coal conversion requirement.

In fact, even powerplants which began construction or acquisition between April 20, 1977, and November 9, 1978, when the act was adopted, must be classified as existing, under section 103(A)(8)(B) if certain standards are met, that is, if the total system reliability would be adversely affected or if a financial penalty would be incurred by changing the fuel source.

Well, that seems clear enough, what's the problem?

The problem is that the law was either unclear or unacceptable to the bureaucrats at the Department of Energy, because their interim rules completely ignore the law and substitute a new test to determine when a power plant is considered to "exist" for purpose of exemption. The new criteria proposed by Department of Energy in its interim rules is the substantial construction test.

According to the DOE for the purpose of coal conversion exemption, a power plant does not exist unless it was substantially constructed by April 20, 1977. And in a sentence that would turn Lewis Carroll green with envy, DOE explains "under these tests, substantial construction does not occur for these power plants until the unit is operational * * *."

Thus, for the DOE substantial construction as stated in the law now means totally operational. What a way with words.

On January 9, 1979, the DOE issued a list which identified 88 powerplants nationwide which may be designated as "transitional," that is, they were not totally operational as of April 20, 1977. That is to say DOE can now cause them to become "nonexistent."

What power. Why should the American public be overly concerned with any threatened energy shortage? The DOE is on the job. Any agency that, with the stroke of a pen and carefully worded phrases, can make 88 powerplants disappear, can probably create that many new plants in the same manner. We shall bring O.P.E.C. to its knees by creative adaptation of bureaucratic regulatory authority.

In my own congressional district in Manatee County we have one of DOE's largest nonexisting powerplants in all of Florida. Acquisition and construction began in 1970, and it became operational in December of 1977, at a cost of just over $125 million. Currently this nonexistent plant is rated at 764 MW of power.

Under these regulations, the DOE will have the authority to shut down all of these 88 powerplants and require them to convert to coal on May 8, 1979. This would cost over $500 million at the Manatee facility alone.

Therefore Mr. Speaker, I would urge my colleagues to get back to their districts quickly and count their powerplants. Even now, the DOE may have made some of their's disappear.

The lights may be going out all over the county on May 8. So you see, Mr. Speaker, it looks as if my friends were right all along. We pass laws, have nice offices and large staffs, but the bureaucrats ignore the laws or change their meaning from what we intended. That's really some kind of power—no pun intended.●

HOME HEALTH CARE FOR THE ELDERLY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GONZALEZ. Mr. Speaker, in the last Congress we came very close to enacting into law a bill that would improve and expand home health care services for the elderly. Unfortunately it came too near the end of the session and the differences between the House and Senate bill could not be worked out in conference. Today, I am again proposing a bill that would help keep many of our elderly citizens out of nursing homes but still enable them to obtain the health care they need.

Nursing homes are certainly essential in our society, but unfortunately too many elderly persons have been forced to enter them for lack of alternative health care. According to recent statistics, more than 1 million people over the age of 65 are in a nursing home, although many of these do not need the round-the-clock care provided by nursing homes nor the intensive medical care available, but what they do need is a little skilled assistance to enable them to remain safely and happily in their own homes or those of their families.

We cannot ignore the fact that our elderly population is growing, and people 65 years of age and older, as a group, are subject to high rates of illness and use health care services at a higher rate than any other age group. Thus, as our elderly become a larger and larger percentage of our population there will be a heavier demand on our health care resources which is why it is essential that we develop an alternative means of health care immediately.

There are studies which show that if adequate home health care programs were available 2.5 million elderly could be kept out of nursing facilities. And the sad fact is that many of these people would prefer to remain in their own homes where they are comfortable, and in their neighborhoods among the friends that they know and love. But because of their illness they do not feel secure remaining in their homes or apartments alone, fearing that if they could need medical attention quickly they would not get it. So they end up giving up their freedom and independence

for the security that is provided in a nursing home.

The bill I am proposing calls for various changes in our current medicare program including removing the limitation of 100 home health visits currently permitted under medicare part B, expanding home health services covered under medicare to include a full range of medical, homemaker, and other correlative services, and removing the requirement that an individual need skilled nursing care in order to qualify for home health services.

Mr. Speaker, by liberalizing home health care we will not only be caring for the elderly physically but also enabling them to have freedom of choice in their living arrangements. By not forcing them into nursing homes we are allowing them to live their golden years in a familiar, warm environment, surrounded by the things that provide them with many happy memories as well as hopes for a brighter tomorrow. I will encourage the House Ways and Means Committee to act quickly on my proposal and hopefully before the year is out the elderly of our Nation will have health care alternatives.●

PATRICK HAYES HONORED

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MOORHEAD of California. Mr. Speaker, Washington impresario Patrick Hayes was honored during the past week by friends and local citizens on the occasion of his 70th birthday. Patrick Hayes is the founder of the Washington Performing Arts Society. He and his wife, Evelyn Swarthout, who is widely acclaimed as a concert pianist, have contributed much to cultural enrichment in our Nation's Capital. Following is an article that appeared in the Washington Star on Wednesday, January 31, 1979:

PATRICK HAYES: AN IMPRESARIO WHO MAKES A DIFFERENCE

(By Irving Lowens, Special to The Washington Star)

Most people think of the community of the performing arts as a never-never land inhabited solely by creators, re-creators and experiencers. A composer writes a piece of music, a performer plays it, an audience listens to it, and that's that. That's the complete aesthetic experience. That is, however, a totally fictitious situation—in real life, that's simply not the way things happen.

Composers, performers and listeners don't just materialize spontaneously out of the thin air all in the same place. Somebody has to bring them together. The missing member of the community, the one who turns the miracle into a reality, is the humble impresario. It is the impresario who pays the artist, hires the hall and sells the tickets; it is the impresario who acts as the catalyst which makes possible that biochemical reaction called the art work.

There are impresarios and impresarios, but there is only one Patrick Hayes, and Washington can thank its lucky stars that he chose to make this town the center of his activities.

Most of his colleagues look upon themselves as middle men in a business transaction—they make something happen, and that brings them in a fee. For them, being an impresario means being an expert in a specialized field of commodity merchandising. The better they are at gauging the taste of the public, the bigger their financial return, and that's good. They are useful enough people, but that's not the way Pat Hayes plays the game.

For him, being an impresario is a passion and an art. Yes, he has made an honest buck out of wheeling and dealing, but the buck has never been the thing that lured him on. The pot of gold at the end of Pat's rainbow has been the explosion that takes place when great artists make great music for enraptured audiences. If the buck follows, fine; if it doesn't, there will always be another possible miracle to come.

The long Hayes regime in the nation's capital has been marked by daring and imagination. He has not been content to bring us merely the sure winners—just as frequently, he brings us the little known masters of today who turn out to be the bright stars of tomorrow.

He has not been content to bring us only the music we already know and love—he has brought into existence new works, among them Frederic Rzewski's overwhelming piano piece, "The People United Will Never Be Defeated." It was commissioned in 1975 by Hayes' Washington Performing Arts Society for Ursula Oppens, thanks to a grant from the Edyth Bush Charitable Foundation. Harold Schonberg, writing last month in The New York Times, hailed it as a landmark in the history of piano music.

Pat Hayes has not been content to merely accept popular taste and cater to it—he has gone about creating new audiences for the performing arts from the ground up, invading the public schools to get them while they're young and thus to transform the quality of their later life.

He takes the keenest pleasure in being a very public man. He is a born leader, and a most eloquent spokesman for ideas in which he believes. He loves to climb up on that white horse and sally forth to battle like St. George pursuing the dragon, and he fights fair. The role of chivalrous knight is a natural for him. At the same time, he is the ideal American politician, always ready with a quip or a funny story, always the engaging charmer. If he ran for any public office, he would win in a walk.

I know of no man more generally admired in the business sector of the American performing arts world and no figure more universally loved and respected for his aims and accomplishments in his chosen field of activity than Patrick Hayes. I cannot think of a more appropriate time to acclaim the country's most distinguished elder statesman of the arts than his 70th birthday, a time when he is still happy and healthy and active among us. By honoring him, we honor ourselves.●

CHARLES MARSTON

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MICHEL. Mr. Speaker, all too often we neglect to honor men and women whose abilities and dedication help the House of Representatives to serve the people. Charles Marston is one of those public servants. After 34 years of service in the House he is now retiring. I think it is only fitting that we take this opportunity to say thanks for his service to the House and to the Nation.

He began as a page and elevator operator. After 3 years he went to work in the House Press Gallery where he remained for 31 years. During that time he has won the respect, the affection, and the trust of all those who have worked with him.

He hopes to eventually live in the warmer climate of Florida.

My very best wishes go to him. It is with a great deal of regret we bid goodby to a fine public servant.●

LETTER OF COMPLAINT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GINGRICH. Mr. Speaker, I commend Chairman BENNETT and the members of the Committee on Standards of Official Conduct, for their prompt handling of my complaint regarding our colleague, Mr. DIGGS.

Last Friday, along with 17 cosigners, I filed a letter of complaint regarding Mr. DIGGS. The letter noted Mr. DIGGS' indictment and conviction for a felony which clearly violated the order of this House. We filed the complaint as the official means of requesting an investigation and recommendation from the committee.

I think every Member should be able to agree on the need for such an investigation. In fact, I view this request as the mildest possible. Congress can do no less. The American people are tired of a system that seems to say there is one standard of justice for them, and one for Congressmen.

There is another pressing reason for an investigation in this particular case. The crimes Mr. DIGGS committed were against the House itself. Like any professional body we should be able to judge and discipline our Members, independent of the judicial system.

For the information of the Members, here is the text of the letter of complaint filed Friday:

FEBRUARY 2, 1979.

CHAIRMAN,
Committee on Standards of Official Conduct, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Under the provisions of rule X, clause 4(e)(2)(B) of the Rules of the House of Representatives, the Committee on Standards of Official Conduct may undertake an investigation relating to the official conduct of an individual Member upon receipt of proper complaint.

We are enclosing herewith copy of a Grand Jury Indictment filed in the United States District Court for the District of Columbia on March 23, 1978, in the matter of the United States of America vs. Charles C. Diggs, Jr., citing thirty-five charges involving violation of 18 U.S.C. 1341 (Mail Fraud) and 18 U.S.C. 1001 (False Statement). Mr. Diggs is a Representative in Congress from the State of Michigan.

Also enclosed is copy of the Judgment and Commitment Order handed down by the U.S. District Court for the District of Columbia on November 20, 1978, finding the defendant guilty as charged in twenty-nine of these charges, with sentence of three years on each count; said sentence to run concurrent by the counts; subject however, to the provisions of Title 18, Section 4205(b)(2).

The conduct leading to the aforesaid Judgment and Commitment Order appears to be in violation of Clause 1, Rule XLIII, Code of Official Conduct, as well as other laws and standards of conduct applicable to Representative Diggs in the performance of his official duties.

Therefore, to assist Members of the House in determining proper, and equitable action to be taken in this matter, I hereby request the Committee on Standards of Official Conduct commence an investigation as expeditiously as possible and to report to the House such findings and recommendations as the Committee may deem appropriate.

(Signed):

Newt Gingrich, Ed Bethune, Charles F. Dougherty, Arlen Erdahl, Wayne Grisham, Dan Lungren, Jerry Lewis, Gerald B. Solomon, Bob Whittaker, Ken Kramer, Lyle Williams, Ron Paul, Richard Gephardt, Doug Bereuter, William E. Dannemeyer, Philip Sharp, Tom Tauke, and Donald Ritter.●

LETTER TO THE EDITOR

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. RAHALL. Mr. Speaker, I would like my fellow colleagues to have the opportunity to read my "Letter to the Editor" concerning the editorial printed in the Washington Post of February 6, 1979, regarding the proposal to restructure the Amtrak system.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 7, 1979.

EDITOR,
Washington Post,
Washington, D.C.

DEAR EDITOR: I read with great interest your editorial of February 6, "The Dismembering of Amtrak," and must say I find your support of Secretary Adams' recommendations disheartening.

As an original supporter of the Amtrak system, you should indeed recognize the need for passenger-train service not only along the Boston-Washington corridor, but throughout rural regions of our country that lack adequate transportation alternatives.

The Department of Transportation's announced cut-backs, drastically reduce passenger-train service to the State of West Virginia, and in particular the southern portion of the state which I represent in Congress. The curtailment of this service severs an important link to Cincinnati and Chicago, in the west; and to Roanoke, Washington and New York, in the east. With Appalachian highways being what they are and with no air-passenger service in many cities and towns, West Virginia residents will be left to their own means of transportation over long distances. Other rural residents throughout the nation will be faced with a similar situation.

West Virginia is of course not the only state adversely affected by DOT's recommendations. H. Res. 93, which I introduced, and other resolutions to disapprove Secretary Adams' action, has drawn support from numerous Members of Congress from both rural and urban states.

Amtrak is not yet ten years old. Those who believed as you once did, and those who still believe that Amtrak is a worthwhile endeaver, should: admit the system's problems, end the harassment, provide necessary new equipment, add a broader route structure with a more convenient schedule, and undertake a more aggressive marketing campaign. Such a test, in the overall context of transportation expenditures, would cost peanuts.

I agree that Amtrak is not a money maker. As a matter of fact, very few public transportation systems make money, as is evidenced by Metro. However, making money is not the objective, providing a needed public service is.

With warm regards, I am

Sincerely,

NICK J. RAHALL II,
Member of Congress.●

TAX AID FOR THE SEVERELY HANDICAPPED

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. NOLAN. Mr. Speaker, today I am introducing legislation, along with 39 of my colleagues, which would allow a severely handicapped person who is unable to drive a motorized vehicle even with the aid of adaptive equipment, to deduct from gross income commuting expenses incurred while traveling to and from work.

Under current law, the handicapped person is given a deduction for the purchase of a specially designed vehicle, modification of a vehicle (that is adaptive equipment such as hand controls and special chair lifts) and maintenance costs. Thus, if a handicapped person is not severely disabled and is able to transport himself, he is given a deduction covering his transportation expenses.

Yet, a severely handicapped person who is ready and able to work but needs the service of a driver to transport him to and from work is not able, under current law, to deduct this expense from his income.

Enactment of this bill will meet two important objectives. First, this legislation will remedy the existing unfairness in the tax laws by providing the severely handicapped an appropriate deduction. In addition, the bill will facilitate employment of the handicapped individual and encourage that individual to lead an independent, "deinstitutionalized" life.

Congress recently passed the Humphrey-Hawkins bill which specifically directed the Federal Government to make efforts to reduce the substantial unemployment rate among handicapped citizens in this country. This bill will help achieve that result and at a minimal cost. In fact, it has been estimated that this bill will generate revenues as a result of increased employment.

Therefore, I strongly urge my colleagues to support this legislation which will reduce the burden on the employable handicapped.

The following Members are cosponsors:

Mitchell of Maryland, Hyde, Conte, Moakley, Akaka, Miller of Calif., LaFalce, Erdahl, Corrada, Forsythe, Fenwick, Kildee, Wolff, Young of Mo., Rahall.

Richmond, Bonior, Burgener, Lehman, Murphy, Bevill, Madigan, Vento, Hollenbeck, Lagomarsino, Diggs, Williams of Mont., Pepper, Ford of Mich., Mitchell of N.Y., Guyer, McCloskey, Rangel, Weiss, Simon, Flood, Luken, Green, Ottinger.●

BIALYSTOKER SYNAGOGUE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MURPHY of New York. Mr. Speaker, one of this Nation's most important historical religious landmarks, the Bialystoker Synogogue, has just recently celebrated its 100th anniversary. It has a long and proud history of existence in Lower Manhattan, and is to be congratulated on its centennial celebration, as well as on its confidence in looking forward to a second century of service to the Jewish community of New York.

The Bialystoker Synagogue was originally formed by immigrants from the area around Bialystok, an industrial city of northeastern Poland near the border of Byelorussia. The immigrants organized the Chevrah Anshei Chesed of Bialystok in 1878, in a first floor loft on Hester Street, and moving later to a house on Orchard Street which was converted into a small synagogue.

Another group of Bialystok landsmen organized the Adas Yeshurun Congregation in 1893, located on Grand Street. Both chevras became too small to accommodate all the newcomers, so the Anshei Chesed Congregation bought the Methodist Church and surrounding land at 7–11 Willett Street for $105,000, which was a considerable amount in those early days. They moved in, in 1905, upon payment of $5,000, and proceeded to raise the remaining $100,000 cash, as called for in the agreement, through several programs, including the sale of the surrounding land.

The two chevras merged under the name of Beth Hakneses Anshei Bialystok congregation, and through both bank and private loans, was able to pay off the existing debt.

On September 3, 1905, the building became a Beis Hamikdash M'at (a holy sanctuary), with religious services scheduled over a period of weeks for thousands to participate in.

The mortgage was finally eliminated in 1950, when the synagogue was under the aegis of Rabbi Mitchel S. Eskolsky, with Judge Saul Price as president. Some of the many outstanding renovations include a dome-like ceiling in the synagogue, painted in azure and dotted with gold stars, and surrounded by a depiction of the Hebrew months and their zodiac symbols. The women's sections feature scenes of Israeli holy places painted on the walls, while intricate stained-glass windows abound and intricately carved wooden panels adorn the Aron Ha'kodesh. The three crowns—the Keter Torah, Keter Ke'hunah, and Keter

Malchut—which adorn the top of the ark were imported from Europe early in this century.

According to historical experts, the edifice which houses the synagogue was built in 1826, probably the first house of worship in the United States to be erected of big stones. Both the State of New York and the Federal Government designated the synagogue a landmark in 1972.

Rabbi Yitzchok Singer assumed the spiritual leadership of the synagogue in 1960, and Irving Greher has been the president for the past 7 years. There are four morning daily minyanim, and a very large attendance at the evening services, as well as highly active affiliated groups, a men's club and sisterhood.

During the past century, the Bialystoker Synagogue has developed an enviable record of service to the Jewish community, and has assumed a well-deserved position of leadership in the city. I'm proud to have been associated with this outstanding organization, and we can look forward to witnessing another 100 years of service to the community with as much zeal and devotion as the early organizers and builders had.●

NATIONAL FHA/HERO WEEK

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. NATCHER. Mr. Speaker, 450,000 members will celebrate the week of February 11 as National FHA/Hero Week. FHA/Hero, Future Homemakers of America and Home Economics Related Occupations, is a nonprofit national vocational education organization that maintains the family unit as its central focus. This concept, especially today, should be encouraged and applauded.

FHA/Hero is the designation of two allied chapters. FHA chapters place major emphasis on consumer education, homemaking and family life education combined with exploration of jobs and careers. Hero chapters place major emphasis on preparation for jobs and careers with recognition that workers also fill multiple roles as homemakers and community leaders.

The homemaker role of today has undergone a profound change. Men and women share this responsibility in increasing numbers. FHA/Hero provides the foundation to build upon. The realization that all individuals have leadership potential and the ability to be not only an asset to their community but a vital, caring person is nurtured through development and recognition of personal capabilities.

Functioning as an integral part of the Home Economics Education curriculum that operates within the school system, FHA/Hero provides opportunities at national, State, and local levels for student initiative and direction in planning and carrying out individual and chapter projects based on a philosophy of cooperation. Personal growth, stressing value clarification and decisionmaking is of paramount concern.

In my home State of Kentucky, FHA/Hero has become an essential part of our educational system. It is with a great deal of pride that I can say Kentucky has an enrollment of 12,945 members in 211 chapters, and 11 of these are new chapters that were not affiliated last year. I would like to congratulate Mrs. Agnes Foster, Kentucky State advisor, upon receiving the National Distinguished Service Award for outstanding contributions and continued service to the national organization.

Mr. Speaker, FHA/Hero is our future and the untiring efforts and devotion to principal of this organization deserves the gratitude of the American people.●

RIGHTS: IS CHINA THE EXCEPTION?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, it is interesting to find the administration's record and consistency on human rights being questioned by American journalists, but when the United Nations Association questions President Carter's human rights policy, it adds another dimension to the critique.

In the February issue of the Inter Dependent, the monthly newspaper of the United Nations Association, Michael R. Gordon comments on the application of President Carter's human rights policy with regard to the People's Republic of China. The article follows:

RIGHTS: IS CHINA THE EXCEPTION?

(By Michael R. Gordon)

It had to be one of the most unusual criticisms ever directed at President Carter's human rights campaign. On December 6, Carter declared human rights to be the "soul of American foreign policy." And the following day, a poster sprang up on the walls of Peking's Chang An boulevard chiding Carter for failing to press the cause of human rights in China as vigorously as he has taken the Soviet Union to task.

Citing the worldwide "thirst for human rights," the poster asked Carter, "In your own words, 'Are you really exerting yourself? Why not the best?' "

The questions raised by the poster have long plagued US policymakers concerned with evolving US-China relations.

Ever since the Carter Administration launched its human rights campaign, critics in the US have charged that Washington, with an eye to bettering relations with Peking, has soft-pedaled the cause of human rights in China. And while the widely publicized judicial reforms and outpouring of wall posters in China have stolen the thunder from some of China's severest human rights critics, the Administration's approach to human rights there still draws its share of high-level rebukes.

"Carter's been tepid about human rights in China," says Jerome Alan Cohen, Director of East Asian Studies at the Harvard Law School and an authority on China's legal system. "We haven't been evenhanded. We've gone after individual cases in the Soviet Union, but not in China.

"What's going on in China now is the greatest vindication of the notion that human rights are universal, that everyone wants the same minimum protections. . . . We should deal with this in a positive way: not singling out China, but not omitting them either."

Whatever the merits of these criticisms, what is known about US human rights initiatives on China suggests that Peking has indeed escaped the sort of private importunings the public slings and arrows that have been directed at Moscow's rights record.

Though Administration officials fend off critics by pointing out that Secretary of State Cyrus R. Vance discussed U.S. human rights concerns during his August 1977 trip to Peking, they acknowledge that Vance limited himself to outlining US rights policy "in general terms" and stopped short of criticizing specific abuses in China or expressing interest in the plight of specific individuals. And one State Department official with responsibilities for human rights says that he expects Vance to take much the same approach when he discusses human rights with China's Vice Premier Deng Xiaoping (Teng Hsiaoping)—a matter Vance has vowed to raise during Deng's visit to the US, in spite of Deng's statement that human rights should not be discussed by Washington and Peking because "each has his own interpretation of the question."

Washington, in its public pronouncements on rights in China, has also studiously avoided references to the numerous charges of arbitrary imprisonment, torture, forced labor and political oppression that have been chronicled in Western press reports and by Amnesty International. The day after Amnesty International's November 27 release of a 176-page report on political imprisonment in China, State Department spokesman Hodding Carter 3d responded to reporters' questions about allegations in the report by praising Peking's acknowledgement of "serious violations of human rights."

But while State Department officials privately acknowledge some "inconsistency" between the US approach to rights violations in the Soviet Union and in China, they insist they are far from indifferent about human rights in China and make no apologies for US rights policies.

"I'm not persuaded that we must take the same rhetorical stance toward China as we do toward the Soviet Union," says one US policymaker. "What I'm concerned about is performance, and with China's very dynamic push toward liberalization, it doesn't make sense to apply the same method to these two countries. . . . With China's hierarchical notion of Confucianism and its tradition of emphasizing responsibility to the group over individual rights, it would be oversimplistic to hold China too strictly to Anglo-Saxon standards."

Still, officials say that the US' approach of restrained encouragement is now undergoing review; and some observers predict that the policy is likely to be challenged in the relatively near future, as much by events in China as by critics at home.

The increased presence of Western correspondents and the spread of Western ideas in China, observers say, may foster the development of organized dissident groups like those in the Soviet Union—groups which may cry out in the Western press for the sort of verbal intervention in China's affairs that Washington has scrupulously shunned so far.

The sheer volume of information Westerners are likely to bring out of a more open, modernizing China may also change the face of US rights policy toward Peking, US officials say. "Right now we don't have the kind of coverage on China that we have on the Soviet Union," says Laurent Morin an Asian affairs specialist in the State Department's Bureau of Human Rights and Humanitarian Affairs. Morin notes that even

Amnesty International's report could only come up with a handful of case histories of political imprisonment, but adds, "Eventually we'll start hearing more and more, and then we'll have more of a target."

Washington's triangular relationship with Peking and Moscow, observers say, may also require that the US take a harder public stand toward China to show that it isn't playing any human rights favorites. Indeed, this triangular relationship has already presented US policymakers with one concrete human rights muddle concerning Peking's quest for most-favored-nation (MFN) status.

Peking, which anticipates an enormous trade deficit with the US, has signaled that it would like this trading status in order that its exports might enter the US at reduced tariff rates. (Most-favored-nation status is already enjoyed by Taiwan, Hong Kong and South Korea, among others of China's export competitors.) But the Jackson-Vanik amendment to a 1974 trade act does not allow granting this status to Communist countries which don't allow free emigration.

Despite his words to Western correspondents that "we don't have this question of emigration," Deng has reportedly indicated that China is willing to undertake a more flexible emigration policy. And reports from Hong Kong note that the US Consulate there is issuing four times as many visas this month as last to legal emigrants from China.

"Clearly something is going on in terms of emigration," says one US official who notes that the switch may stem from a variety of Chinese concerns, including a decision to allow malcontents to leave the country, a desire to favorably impress Western opinion and the hope that the new wave of emigrants may help supply China with badly needed foreign exchange by sending money to relatives in China.

Whatever happens with Chinese emigration, US officials say that the Carter Administration, endeavoring to be "evenhanded" in its dealings with Moscow, does not want to see China granted MFN trading status without the same being done for the Soviet Union.

"It just shows you how complicated the issue of rights in China can be," says one observer. "But dealing with the problem of Chinese emigration may depend just as much on Jewish emigration from the Soviet Union as on what's going on in Hong Kong."●

NATIONAL FHA—HERO WEEK

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. EVANS of Indiana. Mr. Speaker, I would like to call to the attention of the House the observance of National Future Homemakers of America-Hero Week, February 11–17.

The FHA is a very worthy organization both nationwide and in the State of Indiana. Not only do FHA members explore career opportunities within the field of home economics but they are also given the chance to exercise leadership and creativity, develop organizational skills, learn responsible decisionmaking, and to gain a greater sense of direction in their lives. I believe this point is particularly relevant as the theme for this year's Future Homemakers of America-Hero Week is "Explore Roles, Set Goals."

In recent years we have gained a greater appreciation for the magnitude of the responsibility of home management. There are fewer roles which are more demanding of one's time, talent, and creativity. I think my colleagues will want to join me in wishing the FHA members well as they focus on their goals for enrichment this week.●

CHEAP DRUGS MAY ENDANGER INNOVATIVE DRUG RESEARCH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SYMMS. Mr. Speaker, I would like to suggest that my colleagues in the House take the time to read an excellent editorial published in the February 6, 1979, issue of the Washington Post. The editorial is written by C. Joseph Stetler, president of the Pharmaceutical Manufacturers Association, and is entitled "Paying the Price for Cheaper Drugs."

It is unsettling to me that every year innovative drug research suffers new blows to its already tremulous existence. Mr. Stetler's position is one that merits our consideration and one that I personally concur with.

PAYING THE PRICE FOR CHEAPER DRUGS

The phony issue of brands versus generics is on center stage again.

HEW and FTC have proposed a model state law designed to induce doctors and pharmacists to substitute "less expensive" generic prescription drugs for "expensive" brand names. The model law would supposedly increase competition and provide substantial consumer savings.

The Pharmaceutical Manufacturers Association, whose companies make 90 to 95 percent of the drug supply, oppose this and other federal intrusions into the pharmaceutical marketplace. Why? To explain, we must look at the real world, not the one fabricated by bureaucrats.

"Single-source" drugs—those marketed by only one firm—account for about 55 percent of all prescription drug sales. Thus generic prescribing, or substitution, could only make any difference in price in the remaining 45 percent of sales. Manufacturer list prices are poor guides for retail pricing and often vary significantly from actual transaction prices paid by pharmacies. Price gaps narrow further at the prescription counter. For example, the innovator's brand of the widely prescribed antibiotic, tetracycline, costs about the same on average as generic versions.

Invariably, doctors prescribe and pharmacists dispense products from companies they trust for quality, dependability and service. Thus most generic prescriptions are filled—not with cheap generics, as is commonly believed—but with quality brands or generics from established firms.

This system has worked well. Frequently the consumer can save money because the physician will prescribe or the pharmacist can dispense either a lower-priced brand or generic version.

Government at both state and federal levels has thrust itself into this efficient and highly competitive marketplace with programs that encourage the use of only low-cost "generics." In trumpeting this cheap drug policy, government distorts facts.

For example, in citing cases of absurdly atypical price differentials, it leads consumers to believe that such differentials are usual and widespread. They are not. Where they do exist and the consumer can benefit—and quality can be assured—fine!

Government charges industry with espousing only "expensive" brand names. PMA has never done so. After all, our companies make most of the generic supply as well as most of the brand specialties. The brands versus generic issue is phony because the only thing that matters is the competence of the source and the integrity of the product—not drug nomenclature.

The capabilities of companies vary. A recent study of Food and Drug Administration recalls shows that a sample of research-intensive companies, producing perhaps 80 percent of the drug supply, had one million units recalled in just one year, while a sample of non-research-intensive companies, producing a far smaller percentage of the supply, had 15 million units recalled. The latter group also had 43 times more court actions filed against them.

Government claims that the FDA can assure uniform quality and equivalency. Not so. The agency conducts very few tests for drug equivalency. It cannot provide 100 percent assurances that two chemically equivalent drugs can be safely interchanged. While FDA does a good job in monitoring the safety of a generally excellent drug supply, it has nowhere near the resources to guarantee the quality and bioequivalence of all marketed products at any given time.

Equivalence problems have been reported over the years for many widely prescribed drugs. Just a few months ago, FDA proposed an amendment to antibotic regulations, noting that:

"Data available to the FDA show that there have been batches of tetracycline hydrochloride capsules . . . that met the requirements of official monographs but were not bioequivalent to a reference product."

Our quarrel is not only with awkward and costly schemes that seek to hammer down drug prices, but with a heedless government philosophy that this can be done without social costs. Penalties must be paid if public policy demands and enforces a cheap drug approach. For one thing, it would unfairly advantage commodity-type producers who do no research, practice minimum quality control and provide few services with limited distribution. Any system that would force prices toward commodity-type levels would shrink the funds for research—the most important function of the drug industry.

Last year the research-intensive companies spent $1.3 billion of their own money seeking new products (government provides less than one percent of the industry's R&D). Useful leads do come from NIH and academe, but the resources to develop new therapy come almost exclusively from the industry. It is costly. To research and develop a single new drug entity cost, on average, around $10 million in 1972. Today it runs closer to $50 million. In constant dollars, the rate of pharmaceutical R&D growth has declined in the '70s. Current government policy could accelerate that rate of decline.

The research-based segment of the industry seeks more cost-effective therapy—the best answer to climbing medical costs. Innovative drugs and medical devices reduce the greater costs of surgery, hospitalization, doctor visits and time off the job. For example, one recent new drug—the result of many years of company research—is saving thousands of patients from undergoing ulcer survey. Yet, prescription drugs today account for only eight cents of the health-care dollar, down from around 12 cents in 1967.

In the end, society must choose. It can't have it both ways. Public policy can be based on a drive for lower prices. Or public policy

can demand from industry augmented efforts—based on adequate rewards for innovation—to develop better therapies. Without that incentive, those products that might on some tomorrow save health or life—yours and mine—simply won't be there.●

STANDBY SELECTIVE SERVICE ORGANIZATION ERODES

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MONTGOMERY. Mr. Speaker, in 1971 the Congress, amending the Military Selective Service Act of 1967, required that "if at any time calls under this section for the inductions of persons for training and service in the Armed Forces are discontinued because the Armed Forces are placed on an all-volunteer basis for meeting their active duty manpower needs, the Selective Service System, as it is constituted on the date of the enactment of the subsection, shall nevertheless, be maintained as an active standby organization, with first, a complete registration and classification structure capable of immediate operation in the event of a national emergency and second, personnel adequate to reinstitute immediately the full operation of that system, including military reservists who are trained to operate such system and who can be ordered to active duty for such purpose in the event of a national emergency."

As every citizen knows, we have gone to the all-volunteer basis for meeting active-duty manpower needs. What is not so clearly recognized is the failure by the Government, in the interest of false economy, to insist on full compliance with the continued requirement for an active standby Selective Service organization with a complete registration and classification structure capable of immediate operation.

In the past 5 years, from a budget of $96 million with 8,000 employees, these debilitating steps have been taken:

The President's induction authority was allowed to lapse on July 1, 1973;

In fiscal year 1974, preinduction physicals were stopped and classification limited to 500,000 men per year at a budget of $61 million;

In fiscal year 1976 continuous registration was halted and a plan for annual registration developed; classification stopped and the budget was $37.5 million; and

In fiscal year 1977, with a budget of approximately $6 million there was no annual registration; local boards and State headquarters were eliminated and the Selective Service System was reduced to a 100-man planning organization.

With the active Army beginning to have quality problems, the Air Force failing to meet its recruiting goals for the first time, with National Guard and Reserve units dangerously understrength and needing help fast, with the Individual Ready Reserve nearly 500,000 short of Army needs, and a smaller pool of eligible young men from which to recruit and with the Selective Service System in impotent, deep-standby status, the status quo has become unendurable.

Mr. Speaker, to rectify this situation, I am today introducing legislation to revitalize the Selective Service System. As I do, I want to remind my fellow Members of the House that in 1971 the draft was not the inequitable system of manpower procurement it had become during the Vietnam war. Rather, it was as fair a system as could be devised:

A random sequence lottery was in effect;

Occupational, agricultural, student and paternity deferment had been ended. Ninety-five percent of any age group were exposed to the possibility of induction;

Men were exposed to the draft for 1 year only and the lottery system permitted them to make long-range plans;

Men became vulnerable to induction during the 20th year; and

Registrants could appear in person before local and appeal boards.

A good job had been done in reducing the disruptive effects of a military draft. We do not need a totally new law, but we do need to modernize what is now the law of the land.

Mr. Speaker, my measure would require all 18-year-olds, male and female, to register within 6 months of attaining that age; would reestablish immediately Presidential induction authority for the drafting of not to exceed 200,000 individuals annually for the Individual Ready Reserve (not less than 3 months training); would require the exercise of the annual lottery and the classification of registrants, by random sequence number, in order to assure a capability to meet DOD personnel requirements in the event of full mobilization.

The costs of doing this are minimal by today's standards and I remind my colleagues that this is inexpensive insurance to make our defense posture imminently stronger and our deterrence more credible. We cannot continue the present downward drift in our capability to supply adequately trained personnel to our Active Forces in an emergency. To do so is to invite terrible losses of half trained people in inadequately supported units.

I suggest further, Mr. Speaker, that a viable, operating Selective Service System is of itself a sizable contribution to a credible deterrence and will be recognized as such by both friends and adversaries.

Mr. Speaker, I ask unanimous consent that this bill be printed in the RECORD.●

PROTECTING AMERICA'S ARCHEOLOGICAL HERITAGE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. UDALL. Mr. Speaker, last week I, along with a number of my House colleagues, introduced H.R. 1825, the Archaeological Resources Protection Act of 1979. This legislation is designed to provide improved protection for important archeological sites found on federally owned public lands. In recent years, the dramatic rise in prices for prehistoric Indian artifacts and other archeological resources has created a large international demand. Coupled with the loopholes in existing law that have made professional looters virtually immune from prosecution; commercial artifact hunting, particularly in the Southwest, has increased at an alarming rate.

The legislation I have sponsored would close the loopholes in existing law and impose stiff penalties for all those convicted hereafter of illegally removing or trafficking in archeological resources from the public lands.

Perhaps nowhere but in my home State of Arizona is the problem so severe; the following articles from the Arizona Republic and the Phoenix Gazette make excellent reading for all those Members concerned with the tragic loss of a great part of our national heritage.

[From the Phoenix Gazette, Apr. 14, 1978]

LEGALIZED THEFT

Unless Congress acts with remarkable swiftness to pass a new law against theft of Indian artifacts from federal land, a great archeological treasure will be lost forever.

At this moment, robbers doubtless are digging with a frenzy in Indian ruins all over Arizona because the taking of artifacts is no longer a crime, thanks to federal court rulings.

U.S. District Court Judge William P. Copple dismissed charges the other day against three men accused of stealing artifacts from Tonto National Forest lands, stating that appeals courts rulings in similar cases prohibited their prosecution.

The judge doubtless applied the law in the only way possible, but the effect of the ruling nevertheless is to authorize a massive raid on archeological sites.

The men in the case before Judge Copple were accused of taking bone awls, human skeletal remains and other artifacts, all appraised at a value of $6,000 to $8,000 by an archeologist.

While artifacts do have a dollar value, they are in reality priceless. Somewhere in plunder that will be gouged out of ruins during the court-ordered period of legal theft may be something that would explain what happened to the Hohokam, an ancient civilization that prospered here for years—and vanished.

That information could be of more than passing interest to people here today and those yet to come. Knowledge of the past might easily provide important insight into the future.

Congress can move quickly in an emergency. It is to be hoped that the delegation from Arizona and other states rich in archeological sites can prompt Congress to act within days.

PUBLIC MUST SAVE STATE HERITAGE

(By Lowell Parker)

Graverobbing always has been considered the lowest of crimes, but in Arizona desecration of Indian graves on reservation and public lands is a way of life for professional scavengers.

What such ghouls find often turns up in expensive shops or on the shelves of private collectors. Most dealers, presumably, are unaware that they are fences for graverobbers, for usually there is no way of knowing that the items are stolen.

Many graves, as well as relics of Indian villages and campsites, are on privately owned land, and the owner has every right to sell whatever he finds. For instance, not the smallest bit of petrified wood can be carried away legally from Arizona's Petrified Forest National Park. But cords of petrified wood are available on privately owned desert.

Hence the stacks of souvenir wood found at curio shops along the state's highways.

In general the graverobbers are skilled at their trade, amateur archeologists who know what they're looking for, where to find it, how to get it and where to sell it.

Reservation police say long steel poles often are used as probes to learn whether booty lies beneath the surface. Obtaining one or two items usually damages an entire site to such an extent that it becomes another page torn out of the book of prehistoric history.

Outnumbered though they are, the official protectors of Arizona's artifact heritage have strong backing in the way of national, state and Indian tribal antiquities acts. Laws against pilferage and the destruction or sale of relics recently have been strengthened and tougher ways of prosecution developed.

If caught, offenders, particularly professional scavengers, now face stiffer penalties, and successful prosecutions are becoming more frequent.

But catching the souvenir hunter, the graverobber or the malicious vandal is a problem of such magnitude that continuing depredations can be halted only by making the public fully aware of what they are doing to their own heritage.

Even stout steel mesh fences around better known sites are no protection against vandalism or forays by professional hunters. They rip them up, usually with the help of an offroad vehicle.

Arizona is particularly plagued by another sort of vandal whose deeds deface scenic features with their graffiti. They are best described by the adage: "Fools' names, like fools' faces, are always seen in public places."

Debbie and Mark, Joe and Susie scrawl their names on scenic rock formations along roadsides. They face severe penalties if caught, but obliterating fools' names, when it can be done, costs the highway department time and money.

Another thoughtless or purely malicious breed not only destroys property but frequently endangers lives.

No accurate figures are available as to the destruction caused by selfstyled "sportsmen" who specialize in blasting away at highway guidance signs and historic site markers with rifles and shotguns. Several fatalities occur each year because of defaced signs or intersection warnings deliberately flattened or uprooted by vandals.

Government agencies are not the only sufferers, however. Private property owners, who find their lives and livestock endangered during every hunting season, also are victimized throughout the year by trespassers who deliberately tear down fences and damage outbuildings.

Contractors building segments of the Central Arizona Project in the Phoenix area suffer considerable loss in the way of damaged or stolen machinery and construction materials, according to Bureau of Reclamation officials.

Utility lines, both telephone and power, are prime targets for vandalism by gun. Damage to insulators and other pole-mounted equipment costs utility customers, just as damage on public lands costs the taxpayers. In the case of utility companies, however, money is only part of the cost.

At 1 a.m. last Dec. 29 residents of a 15-square-mile area west of Avondale found themselves without electric service. Some malicious shotgun toter had shattered three insulators on a 12,000-volt line . . . No lights, no heat, businesses temporarily closed, danger and discomfort for seven hours.

Vandalism cost Arizona Public Service Co., just one public utility, about $40,000 in labor and materials last year. What it cost in lost production and other side effects is beyond calculation.

Jail sentences and fines—and no forgiveness for those who know not what they do—help in the war against vandalism.

But there's no decisive victory on such a broad battlefront unless an aroused public gets into the fight, say the guardians of Arizona's unique heritage.

[From the Arizona Republic, Mar. 6, 1978]

ARIZONA'S HISTORY ENDANGERED BY VANDALS

(By Lowell Parker)

Forgive them for they know not what they do.

Well, some of them know not what they do, but a lot of them know full well what they are doing.

That latter category includes the "pros" who are deliberately destroying Arizona's desert and artifact heritage for profit. Their trails of desecration extend throughout the national and state parks, forests and Indian reservations that comprise 84 percent of Arizona.

Their profits are high; their risk not too great and, until recently, their punishment, if caught, seldom fits the crime.

The professionals' depredations, however, probably are no greater than those committed by normally law abiding citizens who think pocketing a shard or two, just for a souvenir, is a harmless pastime.

And then there is a third breed, the worst of all, the malicious vandal.

What people of such ilk are doing to Arizona is beyond the imagination, say the various guardians of the state's vast stretches of public domain. What they do, some willfully, some unthinkingly, is beyond accurate calculation in dollars. But in this case it really isn't the money that counts.

Fact of the matter is that all America, the Southwest particularly, is being robbed of a legacy, a heritage that the land has held for thousands of years. A stone, a bit of pottery, an arrowhead, a bone may or may not have monetary value. But such objects are of immeasurable worth when it comes to tracing America's unwritten past.

In each of the last several years more damage has been done to ancient sites of archaeological and historic significance than in all of 600 years past.

Only in recent years have the sites containing the story of Southwest mankind become easily accessible to almost everyone. Time was when only genuine outdoorsmen, usually respectful of nature and the marks left by earlier civilizations, penetrated on foot the areas now reached on a Sunday afternoon.

Highways, destructive off-road vehicles and a plague of motorcycles now carry vandals, professional scavengers and a horde of thoughtless people into regions once visited only by those hardy enough to work at viewing nature as it once was.

They have created a problem that officials of the National Park Service, the Forest Service, the Bureau of Reclamation, the Bureau of Land Management and keepers of Arizona's public lands find almost beyond them. It's a problem, they say, that can't be whipped without widespread public cooperation.

Desecration on Indian reservations has grown to such an extent that many sites of historic interest now are closed to even the most innocent of visitors.

So large has become the swarm of professional and amateur thieves that many sites on state and national lands no longer are marked.

Few realize that almost the entire face of Arizona is a huge history book, a book measured in acres rather than pages.

"Unauthorized removal or destruction of just one piece of a shattered pot, one bone, is the same as tearing a page out of a book," says Thomas E. White, interpretative specialist in the Phoenix office of the National Park Service. "It breaks the continuity in the story of Southwest mankind."

Arizona's early inhabitants left no written history. One missing item means a missing page in the book of reconstructed history.●

BLOOD BANK OF HAWAII

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HEFTEL. Mr. Speaker, I recently came across an interesting article in a magazine entitled "Ampersand" which I am delighted to share with my colleagues. The blood bank of Hawaii serves not only as an example of Hawaii's unique problems, being an island State at least four and a half hours away from the mainland, but also of community awareness and responsibility. The blood bank is indeed a source of pride among Hawaii's citizens as it has developed, through community support and participation, into a sophisticated organization, comparable to many well-run blood banks in the country.

The article follows:

BLOOD BANK OF HAWAII

It is an ordinary day in Hawaii, mostly pleasant and peaceful, but with some unsettling situations.

There's been a car accident and three people are injured.

Several people are undergoing surgery, some open heart, at Honolulu hospitals.

Two infants struggle for survival.

Cancer patients begin another round of treatments.

And, at least one poor soul has bleeding ulcers.

Keeping a close and experienced eye on all of this—as it has done for nearly 40 years—is the Blood Bank of Hawaii.

For the people involved in these situations—although they don't know each other and hardly are in a position to give it a thought—share something in common.

On this ordinary day in Hawaii, they all need blood to stay alive.

And, they will get it, along with others who need it, thanks to the Blood Bank of Hawaii.

The situations described above, multiplied several times, are common occurrences to the Blood Bank. Providing this needed blood is considered meeting "normal requirements." Hawaii requires approximately 2,500 pints (units) of blood a month, just to cover everyday situations. To meet this requirement, the Blood Bank draws (collects) from volunteer donors some 100 pints of blood a day, six days a week.

The Blood Bank also is geared for emergencies—an eight-car accident, for example, in which victims are in trauma, or some other catastrophe. It must supply the blood for such emergencies, while continuing to fulfill the State's normal requirements.

In nearly four decades, using various methods including public appeal, the Blood Bank has done exactly that.

In good times and bad, the organization has not let Hawaii down.

Although the Blood Bank is run as a successful business, it is a nonprofit organization whose only objective is to supply Hawaii with blood 365 days a year.

The Blood Bank collects blood from donors throughout the State, processes the blood in its own laboratory, and then distributes it to hospitals to be used in direct patient transfusions. It operates much like a money bank, except that units of blood are the medium of exchange. As it moves blood about and makes "investments," the Blood Bank protects the public against future needs. In doing so, it performs a vital community service.

For the Islands' civilian population, it is the sole collector of and repository for blood. Tripler Medical Center has a similar operation for the military, and these two organizations cooperate to meet all Hawaii's needs.

COMMUNITY SUPPORT

Since 1973 the Blood Bank has received blood on a volunteer basis, and all units are labeled "collected from volunteer donor."

But long before that, when different methods were used to get blood—including paying donors—the Blood Bank had captured public interest. Today it enjoys tremendous community loyalty and support.

Evidence of this is found in the 90,000 people who participate in Blood Bank programs.

The Blood Bank and the community are interdependent. Without support and community participation, the Blood Bank could not exist. Without the Blood Bank, Hawaii would be in a dreadful mess. How could the individual hospitals meet all their blood requirements, much less do this as quickly and efficiently as the Blood Bank? What would happen to this isolated island state without its orderly and daily blood supply close at hand? Imagine the chaos in an emergency.

Says Dr. Julia Frohlich, executive director of the Blood Bank of Hawaii: "The community approach is the key to the success of the Blood Bank of Hawaii. Some people might ask, 'Can't we just fly the blood in when we need it?' Technically we could. But imagine the time lost, and the cost to do this. And, who suffers in the end? The patients needing the blood transfusions, which could be any one of us here in Hawaii."

With community responsibility in mind, she adds: "Why should another community on the mainland supply Hawaii's blood needs, in addition to its own? Why shouldn't Hawaii take care of its own needs? The people of Hawaii apparently believe it is their responsibility for they respond well to the Blood Bank appeals and programs. And, this is the most rewarding aspect of our work—the wonderful relationship we have with the community."

But, good as Hawaii has been, every community needs to be spurred on. The one doing this in Hawaii for many years has been Betsy Mitchell, community relations and donor recruitment director at the Blood Bank.

Known throughout the Islands as the Blood Lady, Mitchell's career and personal commitment is to "make sure all our needs are met every single day without wasting a single drop of blood."

This immensely dedicated woman, the most familiar name in local Blood Bank work, will be examined more closely in an accompanying article. As this is written she is busily seeing to it that enough blood is collected, guided by the philosophy: "Donors are the greatest people who ever lived—if only they get involved. You must reach them, get to them, tell them the Blood Bank story."

BLOOD IS UNIQUE

There is no doubt that Hawaii's cooperation is based partly on people's healthy respect for this unique, essential element called blood that has yet to be duplicated and that always is in demand.

For people need blood all the time. A lucky few may live a lifetime without requiring a blood transfusion. But most will need blood at least once in their lives. And there are so many who require blood frequently and in large amounts.

The need for blood transgresses all boundaries for it makes no distinction as to race, color, creed, age, sex, religious preference or economic status.

And blood links all humanity for it is supplied to human beings only by other humans.

Explains Dr. Frohlich: "Blood cannot be synthetically reproduced, nor have we found a substitute for it. Humans cannot use animal blood. And, although other countries have experimented with blood from the dead or dying, in the United States we use blood only from living, healthy people."

Hawaii's people keep their Blood Bank well stocked for various reasons. The motive may be personal and purely selfish—"I might need blood someday." It might be genuine compassion—"A friend of mine needs it," or "I'd like to think I've helped someone." Or the reason might be practical and businesslike: "There has to be an adequate blood supply in the community and it's good sense and good business for me to donate." Whatever the motive—and all are perfectly legitimate—the results are impressive.

In addition, donating blood can save people money. The Blood Bank of Hawaii offers plans (discussed in more detail later) whereby donors do not pay a cent for blood when they or their families need it. Like everything else in health care, blood is expensive, and one of the Blood Bank's major goals is to keep costs down.

As a new year opens, the Blood Bank of Hawaii is ready to enter an exciting new era. For one thing, it awaits important national recognition. For another, it prepares to build and then move into a modern, new facility . . . actually its first real home. And, in still another area, some major changes are being made in its plans which should benefit the people of Hawaii.

REGIONAL CENTER

According to Dr. Frolich, 25 percent of the blood centers in the United States operate in the same manner as the Blood Bank of Hawaii—as nonprofit, community organizations. Fifty percent are Red Cross centers. The other 25 percent * * * Whole blood is used in cases when large volumes of blood are needed in a hurry, such as for open-heart surgery or accidents. Blood can be broken down into three or four components including red blood cells which is the component most frequently used in transfusions; platelet concentrate for cancer patients undergoing chemotherapy; fresh frozen plasma for coagulation problems; and antihemophilic factor for victims of hemophilia.

Whole blood and its components have varying, but relatively short lifespans. Whole blood and red blood cells must be transfused in 21 days, and platelets in 72 hours. Fresh frozen plasma and antihemophilic factor have a one-year lifespan.

Dr. Frohlich says a new substance which would increase the life of whole blood and red blood cells to 35 days will be available in June 1979. Meanwhile the Blood Bank lab last year got a new cell washer which prepares special units containing only red blood cells. White blood cells, platelets and plasmas are completely removed. These washed units of red blood cells are given to patients who may require multiple transfusions over long periods of time.

In view of all of this, it is understandable that while the Blood Bank can't afford to be out of blood, neither can it be oversupplied. A look at the laboratory's refrigerators shows a carefully monitored supply. And, the Blood Bank regularly transfers components not only from its own laboratory, but between hospitals as various needs arise. It also has a supply of rare blood which it distributes to hospitals as needed.

PLANNING IS IMPORTANT

Blood is collected at the donor center on Dillingham Boulevard and through bloodmobiles which are assigned to different locations on Oahu four days a week. Neighbor Islands also have bloodmobiles and centers for regular, scheduled donations.

The experienced Blood Bank staff knows almost exactly how much blood it can count on from the center and mobiles each day. They also know that 20 percent who show up will not be able to donate for one reason or another, so they count on only 80 percent of the scheduled donors to actually give blood.

It is essential, reminds Mitchell, that companies schedule their employee donors five days in advance for the mobiles. They also should advise the Blood Bank exactly who will be donating. In this way, the Blood Bank can figure what types of blood will come in and schedule their use.

Of necessity, the Blood Bank follows a strict daily routine. Every day as soon as its doors open at 8 a.m., the Blood Bank is advised by all hospitals as to what they have on hand, what is cross-matched (assigned to patients) and what the expected needs are for the day—both planned situations such as surgery and unexpected happenings.

Armed with this information, the Blood Bank checks its refrigerators and then its mobile schedule. It then figures out what can be expected from the donor center. And barring a catastrophe, Hawaii is routinely, but well supplied with blood.

And now the Blood Bank has a bold new plan for emergencies built around volunteer "rescue companies" whose employees can be rounded up in a hurry and from all points in Oahu to donate blood and meet such needs.

NEW HOME

In 1977, when The Queen's Medical Center continued its expansion plans, the building and facilities of the Blood Bank—located there for many years—had to be relocated. The temporary solution was to divide the operation at two sites, with administrative and laboratory functions in the Gold Bond Building on Ala Moana and the donor center at Dillingham Boulevard.

But by 1980, the Blood Bank will have a spacious new home of its own for the first time. Plans are under way to construct a two-story, $900,000 center on 35,000 square feet of leased land adjacent to the donor center on Dillingham. Construction is expected to start in September 1979, but the donor center will continue regular operation.

The new facility will have 13,000 square feet of space and parking for 40 cars. The first floor will be used as a donor center and for supplies and mobile equipment. The second floor will house the laboratory, offices, donor recruitment area, blood inventory equipment, reference lab and two new sections—a blood freezing department (new in Hawaii) and a conference room.

The new building will greatly increase the Blood Bank's efficiency by centralizing all its operations. It will be close to the airport, so that blood can be delivered quickly and easily to Neighbor Islands. In short, it will restore all functions to a full service center—collecting, testing and processing.

Beginning in April 1979, the Blood Bank will appeal to the public for funds to build this new facility. Although it always has asked for blood, the organization has never gone to the community for money before. But, it hopes that the people of Hawaii will want to share in this important new construction.

Although the fund-raising campaign has not yet begun, anyone can start sending donations to the Building Fund, Blood Bank of Hawaii, Gold Bond Building, Ala Moana.

The Blood Bank of Hawaii has developed into a sophisticated organization that stands tall with others throughout the country. And, it adds a spirit of aloha to efficient business practices. Now, more than ever, the Blood Bank deserves all the support it can get from the community it serves so well.●

FEDERAL GRANT SYSTEM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, I am joining Mr. AuCoin today in introducing a bill which I believe will be an important first step in simplifying the fragmented Federal grant system, a system whose paperwork requirements and general complexity have so confused, discouraged, and burdened the local officials and community leaders who seek to participate in it.

This bill was introduced in the Senate last year by Mr. Roth, Mr. Muskie, and Mr. Danforth. It was strongly supported by the Advisory Commission on Intergovernmental Relations, the National Governors Association, and the National Association of Counties. Although brief hearings were held on the bill in July, the press of legislative business at the end of the session prevented it from getting the attention it deserved. I hope that both House and Senate will give more study to this proposal early in this session.

During the last few years Federal grants-in-aid programs have grown increasingly complex. There has been a fourfold increase in the amounts of grants provided to State and local governments, while the number of categorical programs has increased by 20 percent to 481. An increasing number of requirements have been added to many assistance programs, such as affirmative action, environmental quality, maintenance of effort, public participation, et cetera, all of which require documentation of compliance. The development of new programs have increased duplication and complexity by addressing the same problem area from several different angles—targeting different population groups or types of jurisdictions, varying methods of service delivery, or limiting funding to only one aspect of the problem's solution, such as planning. Variation in program requirements and procedures has increased as each agency independently tries to make its programs efficient and effective.

Numerous efforts have been made over the past few years to improve the grant system—well-known examples being the A-95 review process and the computerized grant information retrieval system "FAPRS"—but they have had only limited success in making the system more understandable and efficient. Local governments still come to me lost in a labyrinth of programs which might possibly fit their needs. Local officials still complain about the cost of preparing applications and administering the program after receiving funds. Many of my constituents, especially those from the smaller communities which have no full-time or professional staff, are asking themselves the question: Is it worth it?

The Federal Assistance Paperwork Reduction Act addresses some of the most pressing management inefficiencies in the grants-in-aid system and provides a response to some of the problems that have so plagued local and State officials involved with Federal aid. In brief, it would:

Provide for a standardization of generally applicable requirements, such as wage and hour rates, equal employment opportunity, and so forth, so that these standards and their implementation will not vary from agency to agency and application to application.

Provide a waiver system under which States and local governments may be exempted from repeatedly documenting compliance with such standards after demonstrating that State or local laws and standards are equivalent to the Federal.

Provide for a study of the benefits of 1-year-in-advance appropriations and 5-year budget projections so that grant recipients could plan more comprehensive programs with greater assurance that they would be funded to completion.

Provide for expeditious handling of applications involving more than one grant, as well as incentives for State and local governments to submit applications utilizing more than one grant program.

Entitle State and local governments to receive upon request information about Federal grants made in their jurisdictions, so that they are more aware of programs for which they are eligible and which are suitable to their area's needs.

Provide for a reduction in the time between award of grant funds and their disbursement by the U.S. Treasury.

The Federal Assistance Paperwork Reduction Act does not have all the answers, but it is a sound first step. I urge that the proposals in this bill be given serious consideration, and that a real effort be made during this Congress to develop additional ideas to make the Federal grant system more efficient and more accessible.●

RENTERS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PEYSER. Mr. Speaker, today I am introducing legislation to amend the Internal Revenue Code of 1954 to provide a deduction on Federal income tax on the proportionate share of rent and interest that a renter pays on his principal dwelling place.

There are two important reasons why I believe we need such a bill. First we should eliminate the present gross inequity in Federal tax treatment between the homeowner and dwelling unit renter. For years the homeowner has been allowed to deduct expenditures for property tax and interest on his property. The renter on the other hand has not been afforded this privilege.

This inequity exists despite the fact that the renter pays his or her share of the property tax and interest on the rent charged by the owner.

The result of this situation is that the owner deducts his costs and thus pays a lower income tax than a renter with the same income who cannot deduct these payments.

My bill would eliminate this inequity and put the 35 percent of Americans who rent on a fair and equal basis with the other 65 percent who own their homes.

To give an example relating to the property tax deduction; an average apartment renter in a city in my district, Yonkers, N.Y., pays a proportionate share of property taxes on his apartment of $470. My bill would allow the renter to deduct this amount from his income.

There would be additional savings realized on deductions for interest payments made by the renter.

The effects of this bill would be felt by an even larger percentage of renters earning less than $15,000 per year, as between 40 and 50 percent of this income group rents.

My second reason for introducing this bill is to provide a form of relief in this period of rampant inflation. Everywhere the wage earner turns he or she is confronted with rising costs of heating fuel and other utilities, property taxes, food, and housing.

This bill would provide an immediate reduction in the cost of housing as it would allow deductions on the proportionate share of property tax and interest actually paid by the renter.

The homeowner is provided this relief now, my bill will provide this deduction for the renter.

I urge support for my bill and for the equal tax treatment it will provide between renters and homeowners.●

PAUL CORBIN

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CLAUSEN. Mr. Speaker, the people of Santa Rosa, Sonoma County and the Redwood Empire suffered a great loss in the recent death of Paul Corbin, the manager of the North Coast Builders Exchange.

Paul Corbin was one of those primarily responsible for the growth of the North Coast Builders Exchange into the largest of its kind in the State. In this development he concentrated not only on attracting new members, but in providing additional membership services. He became a well-recognized leader in the building exchange movement in California and across the Nation and was very incisive in advising on legislation which affected the construction industry.

Paul Corbin was also a dedicated community leader who wrote a weekly column for the city newspaper and was active in church, civic, and social organizations.

He was a man who was both well liked and well respected. We were all richer for having known him, and share in the deep sense of loss felt by his wife Eula and his seven children. I enjoyed a very close personal relationship with Paul Corbin. He was a big man—big in character, integrity, dedication, and commitment to high principles and ethics, as well as his physical stature.

I first met Paul Corbin in Redwood Country—he will always stand tall in the forest of great people like the majestic big trees we both loved so much.

So that my colleagues may know the high esteem in which he was held, I am submitting for the RECORD articles about him which appeared in the Santa Rosa Press Democrat and the Ukiah Daily Journal.

The articles follow:

[From the Santa Rosa (Calif.) Press Democrat, Nov. 3, 1978]

BUSINESS LEADER C. P. CORBIN DEAD AT 63

Charles Paul Corbin, manager of the North Coast Builders Exchange, died in a Santa Rosa hospital Wednesday following a long illness. The active businessman was 63.

Corbin, a resident of Santa Rosa since 1954, had been an advertising and business executive most of his life. He joined radio station KSRO in 1959 as a stations relations man and was affiliated with KIEM radio and the Paul Corbin Advertising Agency in Eureka.

He had written a Sunday column, Empire Builders, for the Press Democrat for about twenty years.

Corbin had worked for the North Coast Builders Exchange since 1958 as a field representative and was instrumental in the development of the Mendocino County Contractors Association and the Lake County Contractors Exchange.

He became manager 13 years ago of the largest membership exchange in California, which grew from 400 to 1,000 members under his direction.

Corbin served as secretary for the International Builders Exchange Executives, later becoming first vice president and next in line for the president's position.

A native of Davenport, Wash., he attended Washington State University and was a member of Sigma Phi Epsilon fraternity. He was an Army veteran of World War II.

He was a former member of the Eureka Rotary Club and the Santa Rosa Lions Club, and past president of the Eureka Cancer Society, executive committee member of the Safety Council of Builders Exchanges, Inc.; a member of the American Society of Association Executives, and a charter member of the Redwood Chapter of the Construction Specifications Institute.

He is survived by his wife, Eula Corbin, Santa Rosa; sons Charles Paul Jr., of Mission Viejo, Hans Christopher, Eureka, James Timothy Patrick of Woodbridge, Conn., and Steven Dee, Santa Rosa; three daughters, Terry Lynn of Long Beach, Susanne Hope of Santa Rosa, and Sally Elizabeth, U.S.A.F.; a sister, Hope St. Angelo, Jackson, Calif.; and four grandchildren.

Services are Saturday at 11 a.m. at the First United Methodist Church, 1551 Montgomery Drive, with interment at Chapel of the Chimes. Eggen and Lance Mortuary are in charge of the arrangements. Donations may be made to the Trustee Memorial Fund of the First United Methodist Church in Santa Rosa.

[Ukiah (Calif.) Daily Journal, Nov. 3, 1978]

PAUL CORBIN

Funeral services for Charles Paul Corbin, 63, of Santa Rosa, will be conducted Saturday at the First United Methodist Church in that city. Interment, under the direction of Eggen and Lance Mortuary, will be in the Chapel of the Chimes.

Corbin died Wednesday following a long illness.

He had been executive director of the North Coast Builders Exchange for the past 13 years and was widely known throughout this county in his connection with the Mendocino County Contractors Association. He wrote a column for the Ukiah Daily Journal covering construction activity in this area.

Prior to joining the Builders Exchange, Corbin was a resident of Eureka where he operated the Corbin Advertising Agency. He was affiliated with radio station KIEM in Eureka and later with station KSRO in Santa Rosa. He was a past president of the Eureka Cancer Society and a former member of Eureka Rotary and Santa Rosa Lions clubs.

A native of Davenport, Wash., Corbin was born Aug. 30, 1915, and was a graduate of Washington State University. He was an Army veteran of World War II.

In addition to his other affiliations, he was vice president of International Builders Exchange Executives, a member of the executive committee of the Safety Council of Builders Exchanges, and a member of the American Society of Association Executives.

Corbin is survived by his wife, Eula, of Santa Rosa; three sons—Charles Paul Jr. of Mission Viejo, Hans Christopher of Eureka, and James Timothy of Woodbridge, Conn.; three daughters, Suzanne Hope of Santa Rosa, Sally Elizabeth of the U.S. Air Force, and Steven Dee, Santa Rosa; a sister, Hope St. Angelo of Jackson, Colo.; and four grandchildren.

Visitations may be made until 9:30 a.m. Saturday at Eggen and Lance.

The family prefers contributions to the trustee memorial fund of the First United Methodist Church.●

PITTSBURGH'S RENAISSANCE II

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the famous downtown Pittsburgh "Renaissance" of the 1950's and 1960's is being succeeded by Renaissance II, which greatly expands the area of urban renewal and encompasses many creative and exciting projects. The status of this renewal activity was reviewed by Robert Dickey III, chairman of the Allegheny Conference on Community Development at the organization's recent annual dinner. The Allegheny conference spearheaded the first Renaissance and remains the primary nongovernmental coordinating vehicle for the urban development program.

Pittsburgh's efforts should provide an inspiration to other great cities throughout the country; and so I insert into the RECORD the pertinent parts of Mr. Dickey's report on the progress—and continuing challenge—of Renaissance II, as well as an editorial from the Pittsburgh Post-Gazette describing Mr. Dickey's speech.

IMPRESSIVE ROUNDUP

The annual dinner of the Allegheny Conference on Community Development in many ways provides a "State of the Community" assessment of activity and accomplishments—as well as continuing challenges—in Pittsburgh.

Everyone knows that Pittsburgh has picked up steam in recent months in what is called Renaissance II. But it took the annual report Monday night by Robert Dickey III, chairman of the Allegheny Conference, to pull together all the strands and demonstrate the plenitude and diversity of what is going on.

Detailed plans for the first major renovation of Grant Street in 60 years were announced at the dinner. Earlier in the day the Pittsburgh History and Landmarks Foundation said that Freight House, the specialty shopping center at Station Square on the South Side, scheduled to open next Aug. 15, already has attracted 31 businesses.

Mr. Dickey recounted among the events of 1978 the announcement by PPG that it will build a new world headquarters building near Market Square and the proposals received by Allegheny County for a large office building complex across Grant Street from the Grant Building. He described U.S. Steel's announcement of its intention for a major development on the east side of Grant Street from Fifth Avenue to its headquarters building. The Heinz Hall Plaza on Liberty Avenue, announced by the Heinz family, is yet another enhancement of Downtown.

In December a recycling conference will be held to consider methods by which downtown buildings can be rehabilitated for new uses. Penn Central Station is the subject of a special study.

The long-delayed Crosstown thoroughfare again is being studied by the regional planning association. The PATway East is under construction.

Plans for developing the North Shore of the Allegheny River have been completed. "We now are seeking ways to implement the plans," Mr. Dickey said.

A citizens development group has been created in Manchester to carry out development programs in that North Side neighborhood, under contract with the Urban Redevelopment Authority of Pittsburgh.

The Conference is developing a new group of voluntary organizations to assist in controlling health care costs. Finally, and quite important, the Allegheny Conference is "cooperating with the Pittsburgh Board of Education and its staff, as well as the Allegheny Intermediate Unit, to determine the kind of support which private enterprise might contribute for the improvement of the total educational system," Mr. Dickey said.

Harper's magazine in its latest issue contends that the American urban crisis is leaving town—moving to the suburbs. Pittsburgh is cited as a city particularly optimistic and—in a striking phrase—the article's author talks about "cities that are less fortunate" than Pittsburgh.

To Pittsburghers concerned about the condition of this community and used to having their city badmouthed this may be surprising, welcome praise. Mr. Dickey's roundup of the forward movement taking place in so many ways amply undergirds that assessment of the Steel City.

EXCERPTS FROM THE REPORT OF ROBERT DICKEY III

At this time I would like to share with you a few of the programs of the Allegheny Conference which are making progress as we move into a new period of urban development, now known as Renaissance II.

First and foremost, I must mention the Grant Street Improvement Project. Sometime ago, the Allegheny Conference agreed to assume responsibility for developing preliminary design plans for a bold program to improve and upgrade Grant Street. It is a major entrance to downtown and should in fact be a grand avenue. I hope you had the opportunity to see the very attractive plans in the hall of architecture during the reception. In the process of developing these plans, the Allegheny Conference has worked with the owners of the buildings on Grant Street, with several departments of the city and county, with the Port Authority, and has met frequently with the mayor and the county commissioners. The consultant who has handled most of the work is the environmental planning and design partnership of Pittsburgh.

I have here a report that contains our recommendations for what we hope might be achieved in the rebuilding of Grant Street. While much remains to be done before the project can be undertaken, I would like to state that the Allegheny Conference will do everything it can to help convert this dream to a reality.

I would like to call Mayor Caliguiri to the podium in order to present to him this report of the Grant Street design.

Mr. Mayor, this is a report we jointly have worked long and hard to develop. We present it to you, not as an accomplishment, but as a recommendation. If it is determined that it is feasible to rebuild Grant Street, we will help in every way.

REMARKS BY MAYOR CALIGUIRI

I would like to mention briefly some of the projects that are currently underway in the Pittsburgh area; not to burden you with a long speech, but to give you a sense of the movement and excitement that is at hand as the Pittsburgh region moves toward the future.

I have already mentioned Grant Street.

The city officials and staff are making genuine progress with Renaissance II in the fields of housing development and rehabilitation, neighborhood improvement and economic development.

The conference is developing a new group of voluntary organizations to assist to the fullest extent in the control of health care costs.

We are cooperating with the Pittsburgh Board of Education and its staff, as well as the Allegheny Intermediate Unit, to determine the kind of support which private enterprise might contribute for the improvement of our total educational system.

PPG Industries has announced its intention and is proceeding with plans to build a new world headquarters building in the renewal project area adjacent to Market Square.

Allegheny County has received two proposals for the construction of a large office building complex on property directly across Grant Street from the Grant Building. The county will select one of the proposals, and work on that significant development should proceed.

The United States Steel Corporation has announced its intention for a major development on the east side of Grant Street extending from Fifth Avenue to its headquarters building.

Studies sponsored by the Pittsburgh Regional Planning Association and supported by the Allegheny Conference and several local foundations, are proceeding to determine the best design configuration for the crosstown thoroughfare.

Under the sponsorship of the urban redevelopment authority, and in cooperation with the Allegheny Conference, the Greater Pittsburgh Chamber of Commerce, the North Side Chamber of Commerce, the Pittsburgh History and Landmarks Foundation, the Department of City Planning and others, the plans for the development of the north shore of the Allegheny River have been completed. We are now seeking ways to implement the plans.

The conference completed a master plan for the improvement of Hartwood Acres, a major county regional park. The planning work was performed by Seay and Ridenour and the county now has the final reports. A volunteer group, the Friends of Hartwood, has been formed and will work with the county to assist in implementing specific parts of the master plan.

The Allegheny Conference, with a significant grant from the Sarah Scaife Foundation, designed and is constructing a new service center at the Pittsburgh zoo. This facility, in combination with other work being carried out by the city of Pittsburgh, will be the first phase of what it is hoped will become a significant improvement program for the entire zoo.

In December, there will be a recycling conference to consider methods by which downtown buildings can be rehabilitated for new uses. This will be co-sponsored by the conference and the Pittsburgh History and Landmarks Foundation, in cooperation with the mayor and the department of city planning.

Recently, it was announced that a citizens' development group had been created to carry out the development program in Manchester, under contract with the Urban Redevelopment Authority of Pittsburgh. This is unique and may be an example of how to approach development efforts in other neighborhoods.

In the Hill district, the Phoenix Hills Shop N' Save Shopping Plaza has opened. It is the first major commercial building in that area in many years. Also, ground has been broken for the K. Leroy Irvis Towers, a high-rise apartment building to be completed next year.

The Patway East is under construction and will offer bus service from downtown to the eastern Pittsburgh neighborhoods and suburbs in about two years. The light rail vehicle system is in the design stage and will soon be under construction. It will provide rapid rail service between downtown Pittsburgh and the area to the south.

The conference is cooperating with the Urban Redevelopment Authority and the Pittsburgh History and Landmarks Foundation in a study to determine the feasibility of rehabilitating the Penn Central station for some, as yet unspecified, new use.

The announcement this year of Heinz Hall Plaza is indeed significant. Through the generosity of the Heinz family, this jewel-like park will greatly enhance the downtown area. While at the other end of Liberty Avenue, work continues on the construction of our exposition hall.

We will continue our efforts in manpower development and employment and again will exceed the established goals for the year.

We are concerned about the completion of an adequate highway network to serve Pennsylvania. With the cooperation of all public and private organizations, we must move to repair and renew the bridges which are the vital links in the road network and which are essential to the economic well-being of our area.

I could enumerate many other projects and programs, but time does not permit. I do hope, however, that you catch something of the spirit and excitement that exists in Pittsburgh and the surrounding area.

We believe and hope you agree, that the future is full of promise.●

PROGRESSIVE NATIONAL BAPTIST CONVENTION ADOPTS EIGHT RESOLUTIONS ON SEVERAL AREAS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. FAUNTROY. Mr. Speaker, the Progressive National Baptist Convention, at its annual midwinter session on January 22–25, 1979 adopted 8 resolutions which I share for review by my colleagues. Representing more than 1,500 member churches with almost 1 million members in 43 States, these resolutions which cover a multitude of areas, represent some thinking and concerns which some of us will be interested in knowing.

The resolutions follow:

RESOLUTIONS ADOPTED BY THE PROGRESSIVE NATIONAL BAPTIST CONVENTION

HUMAN RIGHTS

The Progressive National Baptist Convention, Inc. applauds, approves and supports the President's strong advocacy of human rights as the hallmark of his foreign policy. We commend Mr. Carter for being the first president to bring to the forefront of national and world attention the principles and mandates of the Universal Declaration of Human Rights. We note with dismay, however, that the President's focus on human rights has been selective rather than universal. We, therefore, urge the President and the Departments of State and Justice to pursue the full recognition and realization of human rights in America where political prisoners like Ben Chavis are still unjustly incarcerated. We further urge the full recognition and realization of human rights in Israel as well as in Uganda, in South Africa as well as in the Soviet Union, in Chile, Nicaragua and Iran as well as in Eastern Europe. The President's Human Rights offensive must universally proclaim and promote the right to work, the right to strike, the right to vote, the right to own property, the right of self defense, the right of equality before the law and the right of self-determination for all persons and groups in the world—beginning in America.

AFFIRMATIVE ACTION

The Progressive National Baptist Convention condemns and deplores the U.S. Supreme Court's Bakke decision of June 28, 1978, a day that shall ever live in infamy—when Allan Bakke, the son of Norwegian immigrants, was ordered admitted to the University of California Medical School at Davis. He was accorded a place that had been set aside for a disadvantaged Black student,

whose race has suffered 244 years of slavery and 360 years of racial discrimination in America. The long, outrageous history of racial injustice has rendered Black people disadvantaged and under-represented in medicine, law, engineering and all other fields of technological and educational advancement.

This convention takes little comfort in the Supreme Court's weak allowance of the use of race as a legitimate criterion for college and university admission, provided that race is not used exclusively but only in conjunction with other indices of past discrimination such as nationality, economic stratum, sex, age, etc. The Court displayed the Harvard Plan as an example of what would be an acceptable remedy to the problem of racial and other forms of discrimination. In our view, the Harvard Plan is an inadequate remedy because it fails to isolate and combat head-on the unique problem of racial discrimination. Harvard is still very exclusive, very white and very unjust.

Race is the only factor that makes an American citizen permanently unassimilable and frozen into a position of second-class citizenship. All other forms of discrimination are more easily disguised, remedied, obscured and overcome. The Supreme Court's Decision on Bakke has served only to divide, confuse, complicate and weaken the Nation's fight against its most damnable and destructive crime, namely the crime of racial discrimination.

Affirmative Action, focused exclusively on the cause and effect of racial discrimination, is not discrimination in reverse, it is discrimination to reverse a set pattern and custom of historical, racial persecution. The fact that the Court will no longer allow a frontal attack on racial discrimination alone has retarded if not altogether halted the process of compensatory justice in America.

Just as the Supreme Court Decision known as "Pleasy vs. Ferguson" in 1896 obviated everything that had been gained with the passage of the 13th, 14th and 15th Amendments to the Constitution, the Bakke Decision has destroyed the spirit and intention of the omnibus Civil Rights legislation of 1964, which was written and adopted to isolate and destroy racial discrimination in housing, education, employment and capitalistic opportunity.

The Progressive National Baptist Convention, Inc. makes common cause with other persons and groups who are working to mitigate the effects of the Bakke Decision and to destroy the sickness unto death of racial discrimination.

AFRICAN AFFAIRS AND SOUTH AFRICA

Whereas Black America has a very obvious kinship to the domain of the Continent of Africa and in the specific experience of Human and Economic development, we deplore the present Imperialistic and Capitalistic tactics imposed upon Africa in general, and in particular African countries of Southern Africa under Apartheid rule; and, we denounce intervention on the part of Nations that are economic partners of America in their contributions to stabilizing the Apartheid Economy and Exploiting African Resources at the cost of African Blood.

We additionally denounce and deplore present economic postures of exploitative tactics of Japanese and Israeli Governments who have blatantly contributed to the constant demise of African Majority rule through Israeli and Japanese involvement in economic enterprising with White South Africa, and the merchandising of African Resources for Israeli and Japanese gain; therefore, we affirm our approval of Black African determinism to be free by whatever means necessary, and "we hold this truth to be self evident" in the historical Judeo tradition of the Conquest of Canaan and the American Revolution for Freedom.

We take note and applaud the International Freedom Movement headed by the Dr. Kelly Miller Smith, National Chairman, and urge support of every individual member and every church of the Progressive National Baptist Convention.

INTERNATIONAL RELATIONS

Whereas Black America affirms kinship to Africa in the specific experience of Human and Economic development, and whereas the new positive relationship with China opens up a vast new arena of economic growth, we mandate the American Economic and Political Enterprising system to expedite the following:

To adopt the functional policy of increased technical assistance and services for Black African people in parity to that of planned Economic assistance to China.

To increase an equitable economic development enterprising system between Black Americans and Black Africans in parity to the existing economic development between American White Corporate Powers, China and Israel.

FEDERAL BUDGET

Whereas the USA has willfully reduced its 1978–79 National Federal Budget in Domestic Categorical Programs for the Poor and, has increased the Budget for Military purposes, we resolve this willful act to be totally unacceptable; in contrast to the reality that such budget cuts impact poverty upon the poor, and cushions the pockets of the rich, we demand that the following affirmative posture be adopted in behalf of Black Americans:

1. To increase Federal Contractual Procurement opportunities for Black Americans and Black Business to at least the minimal of Black American proportional contribution to the Gross National Product. (That being $90 Billion.)

2. To increase Black Employment in the Private and Industrial Sector of this Nation that reaps the benefits from Federal Contracts.

3. To facilitate the development of a National Black Citizens Task Force for Budgetary Development for the Poor for the year 1979–80.

PEACE

We petition the Carter Administration to take steps nationally and internationally that would realize peace particularly when it involves limiting the production and sales of nuclear weapons. One of the most welcomed responses to this petition would be the quickest possible ratification of SALT II. We further petition the Administration to proceed to reduce the production and sale of conventional weapons in a SALT III agreement.

We condemn the United States role in supplying either through sales and/or grants arms and ammunitions to repressive regimes in our world. The prospect for peace will be severely shattered if our nation continues to perpetuate the denial of human rights by availing arms to inhumane governments.

NUCLEAR POWERPLANTS

We petition the United States government to seriously reconsider and thoroughly investigate the long-ranged effects of nuclear powerplants on the natural environment and on the human body. Because of recent findings of the lethal dangers of handling nuclear materials and wastes, extreme caution must be exercised so that our earth and its people will not be polluted and destroyed in the desperate attempt to meet our nation's present and future energy needs.

BLACK ECONOMIC DEVELOPMENT

Whereas the PNBC is deeply concerned about the economic plight of the Black community, and

Whereas, PNBC is as much concerned about economic development within the Black community, and

Whereas, local, state and the federal governments are using their bonding powers, tax exemptions, tax incentives, state and federal grants and loans for redevelopment, rehabilitation, the construction of malls, shopping centers, parking lots, hotels, golf courses, etc., and

Whereas these same sources of funding and instruments used in the leveraging of private investments are not being made accessible to the Black community, and

Whereas these brutal, beastly racist practices exist at all levels of government and in the private sector,

Be it therefore resolved that PNBC Churches, through local consortiums and coalitions with other Black Churches, Minority Business Associations, local units of NAACP, SCLC and the Urban League.

1. Join in bringing unrelenting pressure upon all levels of government to make available the resources and technical assistance for the development of Black enterpreneurship and Capitalism.

2. That such pressures would take the form of suits, the filing of complaints with all appropriate agencies at all levels of government including mayors, governors, city and state legislative bodies to gain access to the above mentioned financial resources and assistance. Such pressures would take the form of public exposure of all institutions and entities practicing economic discrimination such as lending institutions and bonding companies.

3. That PNBC Pastors would take the lead in the formation of such coalitions as are necessary to accomplish such goals as are set forth in this resolution as well as the planning of economic development workshops to (a) make known the resources that are available from a variety of sources, both private and governmental, and (b) develop the skills and techniques to acquire the same.

4. That PNBC Pastors be concerned, not only about Black appointments to jobs, commissions and boards, but about the commitment and willingness of government and business to spell out concrete and workable plans to aid the economic development of the Black community.

5. That PNBC Pastors, in cooperation with others, would not only concern themselves with affirmative action in terms of jobs at airports and new hotels such as the Hyatt Houses and Radissons, but foster Black owned and operated shops within these establishments.

6. That PNBC Pastors and Churches bank funds in local minority owned and operated banks and bring pressure to bear on governmental units to invest and bank funds in the same.

7. That PNBC would deposit its funds in minority banks where available.

NAACP

Whereas the NAACP is the oldest, the most respected, the most effective and the most feared of the Civil Rights Organizations, and

Whereas the NAACP is now in the red in excess of $600,000, and

Whereas in a previous struggle against economic extinction the NAACP had to secure a loan of approximately $800,000 to survive from big labor when the Black Community

failed with an inadequate financial response, and

Whereas it is the desire of the PNBC for the NAACP to be sufficiently independent to act with boldness in the cause of liberation, knowing that "the borrower is servant to the lender" (Prov. 22:7).

Be it therefore resolved that

1. Every pastor and church of PNBC become a life member ($500) or a golden heritage ($1,000) member of the NAACP,

2. That each PNBC Pastor and church would form and put to work a membership committee within the local church to secure NAACP memberships

3. That each PNBC Pastor and church join with other Black churches in raising funds annually to be sent directly to the National Office of NAACP beginning this year, 1979. The urgency of the matter cannot be overemphasized. Now is the time these funds should be raised.

4. That PNBC churches seek to raise a minimum of $300,000 annually for the NAACP. The office of the President or his designee would develop a mechanism both for initiating the effort and monitoring it to determine the amount of funds raised through PNBC Churches.

5. That local PNBC Pastors become involved in the leadership and policy development of local and state branches of NAACP to insure the following:

(a) That NAACP branches become more than membership collectors for the mere existence of office holders,

(b) That the leadership roles in the NAACP do not become sole vehicles for selfish political aspiration, and

(c) That local branches and state conferences do not become captives of local and state governments, or pawns of political parties.

RESOLUTIONS COMMITTEE

Dr. Charles G. Adams, Detroit, Michigan.
Attorney L. Clayton Jones, Brooklyn, New York.
Dr. W. J. Hodge, Louisville, Kentucky.
Dr. Nelson H. Smith, Jr., Birmingham, Alabama.
The Rev. Ralph G. Henley, Portsmouth, New Hampshire.
Dr. Thomas L. Brown, Indianapolis, Indiana.
Dr. Otis Moss, Cleveland, Ohio.

RESOURCE CONSULTANTS TO THE COMMITTEE

Dr. Wyatt Tee Walker, New York, New York.
Dr. George Lawrence, Brooklyn, New York.●

A PRAYER FOR ALL PEOPLE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GOLDWATER. Mr. Speaker, I recently had the honor to attend a celebration of what we have come to recognize as what is best about the American way of life: A family enterprise successfully accomplishing, flourishing, enriching the economy and society as a whole. The family of Erwin Weder set about years ago to become a viable part of the American business community. They have succeeded, and have provided the rest of us with an outstanding example of what persistence, courage, and faith in God can accomplish. During the course of the program at the Weder's new Redlands, Calif. plant—which is skillfully operated by his daughter Wanda (her brother Donald manages the family facility in Hobart, Okla., while Erwin and his wife Louise administer the family headquarters in Highland, Ill.), Louise Weder offered up a prayer. It could easily be offered on behalf of all people, so I offer it to my colleagues for their thoughtful consideration:

Heavenly Father we are grateful for the many blessings you have bestowed upon us, and for the opportunity to be with these fine friends. Touch the sick and heavy of heart that they may be healed and their burdens lifted. A very special blessing on all those in my apron pocket, you know their needs. Slow us down Lord that we may count our blessings and to begin each new day with this beautiful thought. The Light of God surrounds us. The Love of God enfolds us. The Power of God protects us. The presence of God watches over us. Where ever we are God is. Help us to remember all things are possible when we place our lives in Your care. Guide us that we may join together in prayer and deeds for the preservation of our Christian traditions, our constitutional freedom, our individual sovereignty, our racial self respect and for the redemption of America. Let us remember that America was founded on the basic laws of God. Without a free country we have no choice as to where and how we work, worship, educate our children, or where and how we live. Bless this food to the nourishment of our bodies. Walk with each of us here today, guide us to become better people. See us all safely to our homes again. We ask these things in Thy name.—Amen.●

HAROLD SHORT

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEE. Mr. Speaker, this evening in my 33d Congressional District of New York, Mr. Harold Short of Auburn, N.Y., will be honored for his 68 years' service to the Boy Scouts of America. Today, I ask that my colleagues in the House join briefly with me in helping bestow upon Mr. Short the recognition which the Nation, not just his neighbors, should provide.

Mr. Short is, at the age of 83, one of our Nation's oldest living members of the Boy Scouts. He is a pioneer of the movement which has instilled leadership and patriotism through generations of American youth. When the Scouting movement began in 1910, here, Mr. Short started an active career which has never slowed, never failed. Today, his community still recognizes him as a partictipant and contributor without equal.

Long an advocate for the American dream, as well as the American responsibility, Mr. Short served and was wounded in the First World War. He is now in his 67th consecutive year of service to the YMCA, and he remains a dynamic church, service and veterans organization leader.

During a hometown interview, Mr. Short summarized the value of the Scouting experience as one which "develops young men of character to honor their country, church and parents and to respect law and order." Those qualities, he said, "will keep this country safe." Mr. Speaker, I believe every Member of this House would wholeheartedly echo those words.

It is with great pride that I add my voice, and the voice of this House, in saluting Mr. Short on this day.●

TAFT INSTITUTE HELPS TWO-PARTY SYSTEM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SIMON. Mr. Speaker, much has been said and written about the current decline of the two-party system, of the increasing influence of single interest groups in eroding the ability of two parties to serve as check and balance against one another, and of the lack of citizen participation in the electoral process.

Much has been said, but words have not always been followed by action toward constructive solutions to these important problems. However, for more than a decade and a half, the Robert A. Taft Institute of Government has worked to promote the values of two strong parties. The Taft Institute is a nonprofit, bipartisan organization which directs its work toward enhancing the understanding of American politics and Government, developing knowledge of supporting the two-party system and creating awareness of the political role and responsibilities of individual citizens. Through annual seminars which have been held at more than 75 campuses in 38 States, the Taft Institute has brought elementary and secondary teachers and those involved in Government together to discuss current issues and problems.

The objectives of the Taft Seminars are as follows:

One, to develop greater understanding and appreciation of the basic principles of the U.S. Constitution.

Two, to develop greater understanding of the American two-party system and the essential roles of the Republican and Democratic parties.

Three, to develop a working knowledge of the processes of government;

Four, to encourage teachers to use their best teaching skills, methods and creativity to instill in their students understanding and appreciation of the fundamentals of democracy and the United States as a free society.

Five, to help teachers to instruct their students more effectively concerning the principles, structures and foundations of Government and the two-party system.

Six, to help teachers develop in their students strong, positive attitudes toward civic responsibility and political involvement.

The Taft Institute has served as an effective bipartisan vehicle for encouraging citizen participation in, and an understanding of, the American political system.

Because of its experience in setting up these programs each year, the Taft Institute is ideally suited to building a larger program to reach many more teachers, students, and individual citizens. Because of the Taft Institute's abilities to coordinate these programs on a national scale and because of the growing urgency with which we must address the decline of citizen participation in the governmental process, I am today introducing a bill, concurrently with my colleague HENRY BELLMON in the Senate, to establish a Federal trust fund of $15 million, the interest from which is to be used on a matching basis with those funds the Taft Institute raises through private contributions for its programs.

The Taft Institute provides a valuable contribution to our political and government processes. Such an investment in an income-generating trust fund to enable the institute to expand its programs nationwide is, I believe, a wise one.

As Henry J. Taylor, a columnist writing about the success of the Taft seminars recently observed:

Political difference is good democracy. It's political indifference that represents our dangers. The Robert A. Taft Institute of Government is doing its part.

Cosponsors in the House of this bill are:

James R. Jones, Parren J. Mitchell, Clarence J. Brown of Ohio, Butler Derrick, Jerry M. Patterson, James C. Corman, Paul N. McCloskey, Jr., Fernand J. St Germain, Richardson Preyer, William G. Whitehurst.

Edward P. Beard, Nick Rahall, John W. Jenrette, S. William Green, John Buchanan, Ray F. Lederer, Robert K. Dornan, Pat Williams, Tim Lee Carter, Jim Leach, Robert A. Young of Missouri, Thomas A. Luken, Richard L. Ottinger, and John B. Anderson.

H.R. —

A bill to authorize funds for the Robert A. Taft Institute of Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Robert A. Taft Institute of Government Trust Fund Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "Commissioner" means the Commissioner of Education;

(2) "Fund" means the Robert A. Taft Institute Trust Fund established in section 4;

(3) "Institute" means the Robert A. Taft Institute of Government located in New York, New York; and

(4) "Secretary" means the Secretary of the Treasury.

GRANTS FOR DEVELOPMENT

SEC. 3. (a) In recognition of the public service of Senator Robert A. Taft, the Commissioner is authorized to make grants from the Fund established in section 4 to assist in the development of the Robert A. Taft Institute of Government, located in New York, New York.

(b) The total amount of grants under this section in any fiscal year may not exceed the lesser of (1) the total amount of private contributions received by the Institute in the fiscal year prior to the fiscal year in which the grants are made, or (2) the income of the Fund generated in the fiscal year prior to the fiscal year in which the grants are made.

(c) No payment may be made under this Act except upon an application at such time, in such manner, and containing or accompanied by such information as the Commissioner may require.

ESTABLISHMENT OF FUND

SEC. 4. (a) There is established in the Treasury of the United States a trust fund to be known as the "Robert A. Taft Institute Trust Fund". The Fund shall consist of amounts appropriated pursuant to subsection (f).

(b) It shall be the duty of the Secretary to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(c) Any obligation acquired by the Fund may be sold by the Secretary at the market price.

(d) Except as provided in subsection (e), the interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to form a part of the Fund.

(e) Within 30 days after the end of each fiscal year, the Secretary shall determine the total amount of private contributions received by the Robert A. Taft Institute during such fiscal year and the total amount of income generated by the Fund in such fiscal year. If the Secretary determines that the total amount of income generated by the Fund in any fiscal year exceeded the total amount of private contributions received by the Institute in such fiscal year, the Secretary shall transfer from the Fund to the Geenral Fund of the Treasury an amount equal to the difference between the income generated in such fiscal year and the amount of private contributions received in such fiscal year.

(f) There are appropriated to the Fund $15,000,000.

EFFECTIVE DATE

SEC. 5. This Act shall take effect on October 1, 1979.●

STATEMENT ON VLADIMIR SHELKOV

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PEYSER. Mr. Speaker, I would like to bring the sad and terrible ordeal of Mr. Vladimir Shelkov to my colleagues' attention.

Mr. Shelkov, who is 83 years old and in failing health, is a prolific religious writer and leader of the Seventh-day Adventist Church in the Soviet Union.

The Soviet Government has imprisoned Mr. Shelkov for a total of 24 years during his lifetime. He was most recently arrested in Tashkent, in March 1978, and held incommunicado until this past week. At this very moment, Mr. Shelkov is standing trial for daring to practice the religion of his conscience.

The persecution of Mr. Shelkov violates the United Nations Universal Declaration of Human Rights and the spirit of the Helsinki accords.

I urge you to add your voices to the outcry now being raised against the outrageous and indecent treatment of Vladimir Shelkov.●

JIM KELLIS: THE FIGHTER FROM CHICOS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. ROSENTHAL. Mr. Speaker, Dr. James Kellis has served his country as an intelligence official and defense planner. In times of war as well as peace he has distinguished himself.

He is profiled in a recent issue of the New York Greek-American Monthly Review, and I would like to share this portrait of an outstanding American with all my colleagues by inserting the article in the RECORD at this point:

JIM KELLIS: THE FIGHTER FROM CHICOS

The Carter administration decided their arguments on the attempt to lift the embargo should be based on "security reasons." The U.S. intelligence facilities in Turkey and the geopolitical importance of Turkey are now being emphasized to overcome majority rule, human rights and the rule of law. Carter is using General Alexander Haig Commander of NATO and Ambassador to Turkey Ronald Spier to visit many senators and congressmen and present the Turkish side.

For the past 18 months Dr. James G. Kellis has been trying to counter the security arguments regarding the embargo. Dr. Kellis served as a plans officer in NATO, with particular interest on Italy, Greece and Turkey, while he was a U.S. Air Force Colonel. He also served as the director of the Operations Division of CIA. Kellis has been arguing before congressional committees and the press that the security arguments are exaggerated by segments of the U.S. government to help lift the embargo. "I am a busy man, and cannot devote full time in Washington to counter the arguments of the Pentagon, CIA and the Department of State. They have about 25 officials devoting their full time to the press and Congress making their case in favor of lifting the embargo," said Kellis. Nevertheless Kellis believes we have to balance the arguments for otherwise biased positions would not serve the best interest of the U.S. Kellis argument is:

"In 1974, the U.S. operated 26 intelligence facilities in Turkey. Since the closing of most of these facilities alternate facilities have been operating to provide the same type of intelligence. The N.Y. Times reported from Iran on July 9, 1978, that most of the intelligence functions formerly performed in Turkey are now performed in Iran. Also similar intelligence facilities operate now in Greece, Cyprus, Israel, Italy, Central Europe and Northern Europe. Reconnaissance satellites and the AWCS aircraft also gather the same type of intelligence formerly collected in Turkey."

"The geopolitical significance of Turkey is being exaggerated to help lift the embargo. Though Turkey has standing armed forces numbering 450,000, they lack the sophistication to stop the Soviet Union, in case of war. The Turkish forces could be overrun by the Soviet Union within 60–90 days unless supported by the U.S. Forces with advanced and sophisticated weapons and equipment. There is also doubt as to how an effective buffer Turkey is in the Middle East. If the Soviet forces intended to attack and capture the Middle East oilfields their more likely attack is to come through Iraq and Iran. In 1973 the Soviet Air Force overflew Turkey in providing arms to Syria and Egypt. The same is happening now in the rearmament of Ethiopia. Soviet warships are permitted to navigate through the Turkish straits in violation of international treaties."

"The Southern flank of NATO could be protected only through the close cooperation of Italy, Greece, Turkey and the United States. Turkey invaded Cyprus and Turkey could reinstate this cooperation by pulling her forces from Cyprus thus reestablishing normal relations with Greece. If the present position of the Carter administration continues there is a likelihood that anti-American elements would eventually prevail in Greece and they would force Greece to pull out of NATO and Western cooperation. Then Turkey will become geographically isolated from the rest of NATO and her position will become untenable."

"Turkish leaders claim because of internal political factors they cannot withdraw from Cyprus as long as the arms embargo continues. Frankly, the political and economic conditions in Turkey have been worsening for the past 18 years. Even if the embargo is lifted there is a serious doubt that progress would be made in Cyprus. Turkey is very dependent on the U.S. and Western Europe for military and economic assistance. We hear that Turkey needs 1.5 billion dollars in military assistance and 2–3 billion dollars in economic assistance. The Turks, traditionally, have been hard bargainers and the U.S. should demand clear concessions before we provide any further assistance."

Kellis has been active, during the past four years, with the American Hellenic Institute (he is on the board of directors) and the Chian Federation (he is the executive vice president under President George P. Livanos) lobbying with the administration and Congress to continue the embargo until meaningful progress is made on the Cyprus and Aegean issues. "The past two months I have been working on the average of 80 hours per week, that is my job and the embargo," said Kellis.

Dr. James Kellis was born in Alexandria, Egypt from parents who came from Chios. He came to the U.S. as a teen-ager finished high school and then entered the U.S. Army Air Corps. He graduated from the U.S. Air Force Institute of Technology and the U.S. Air Force Flying School. This was just before World War II.

During World War II, he was assigned to the OSS (the American intelligence service) and he was parachuted behind the enemy lines in Greece and China. He received many combat decorations and was wounded once. Also participated in the Korean conflict and was promoted to the grade of Colonel, U.S. Air Force at the age of 32.

After the war, while stationed in Washington, he continued his studies and was awarded the M.A. and Ph.D. in political economy from Georgetown University.

In 1948, Kellis was assigned to assist General William Donovan (Note Exhibit D) in the investigation of the murder of the American correspondent George Polk. In this investigation Kellis believed that Greek Security, the CIA and the British Intelligence were trying to cover-up the real murderers and protested. Kellis remarked: "You don't solve your national problems by using unethical practices. You have to be honest and display courage. One of the problems we are faced with the embargo is that the U.S. Government has been encouraged to move to lift the embargo by certain bankers, oil companies and defense manufacturers. These people have used their immense influence to energize NATO, the Pentagon, CIA and the State Department."

Kellis says, he has served in high and very sensitive positions in the U.S. Government and experience taught him to be objective, honest and display courage in pursuing the interest of the United States. "There are many officials in the government who don't agree with President Carter on the embargo, but they are afraid to speak-out," says Kellis.

Kellis lives in Fairfield, Connecticut. He is married to Sophie Kellis and they have two sons, George 28 and Michael 26. He is a member of the AHEPA and a member of the Parish Council of the Holy Trinity Church in Bridgeport, Connecticut. Kellis is a high-level executive of the United Technologies Corporation since 1960. He is also Commissioner of Special Revenue for the State of Connecticut. He was appointed to this position, which administers and regulates race tracks, dog tracks, jai alais and lotteries, by Governor E. Grasso in 1976, after allegations of corruption were surfaced in this area in Connecticut. This is a clear indication of the respect for Dr. Kellis' integrity and competence.

Kellis says he and his family visit Greece and Chios every summer "to seek our roots. We are proud of our ancestry and know how much Greece contributed to America and Western Civilization."●

FRIENDSHIP QUESTIONED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, as the United States embarks on its new relationship with the People's Republic of China, I think it is important to understand the nature of our new association. A kind of euphoria has swept the country this past week with the visits of China's Vice-Premier Teng Hsiao-p'ing. His tour became a major media event and a major public relations coup, leading to the caluculated impression among much of the American public that the United States and the People's Republic of China are indeed close friends, and that the mutually strained relationship that has existed for much of the last 30 years was no more than an unfortunate aberration.

I believe that this is a false impression. I hope this new era between the People's Republic of China and the United States is one of cooperation and will be mutually beneficial. We must recognize, however, that the past hostility between the United States and the People's Republic of China was more than a mere aberration. The People's Republic, as a major Communist state, for many years proclaimed its extreme hostility to the United States and all that it stood for. It encouraged and supported revolution and subversion throughout the world, in many instances against countries closely tied to or allied with the United States. It fought a deadly war against the United States on the Korean peninsula, at the cost of many American and allied lives. Both domestically and internationally, then, the People's Republic of China was for many years legitimately viewed as a threat to American global interests and values.

In the last few years, this impression has changed somewhat, as the People's Republic of China's international attention has turned from Third World subversion to the more serious Soviet threat, and as a more "pragmatic" leadership has taken the helm in Peking. I think that the United States should view it as an important opportunity. At the same time, however, we must recognize that perhaps the "aberration" regarding the People's Republic of China is not the past antagonism which existed with the United States, but rather the current line being taken by Vice-Premier Teng.

On the other hand, there have been many good reasons for our close ties with the Republic of China on Taiwan. The Republic of China shares many of the same values as the United States. These include a commitment to individual economic opportunity, free enterprise, freedom of personal movement, freedom of religion, a commitment to the family as the cornerstone of society, and to a considerable degree of political democracy. It is not coincidence, then, that our relationship with the Republic of China has been a close and a mutually beneficial one for the past 30 years.

This is one reason why I strongly oppose the President's current position on the future of U.S. relations with Taiwan. I do not challenge the new relationship with the People's Republic of China—this may serve a variety of American interests. What I do question is the virtual casting aside of a society with which we have so many mutually reinforcing ties, in favor of a society with which American ties may only be superficial, and thus not long-lasting. I think, at the least, that since American interests now reside in both Chinese states, the United States should maintain some form of official relations with both. I intend to support this position in the upcoming debate on China in the House.

In the immediate wake of the President's normalization announcement, a very interesting and perceptive article appeared in the pages of the San Diego Union titled, "A Long Hard Look at America's New Connection With China." I wish to insert the article at this point, and we hope that the Members will give it their attention:

A LONG, HARD LOOK AT AMERICA'S NEW CONNECTION WITH CHINA

(By Sean Randolph)

One neglected aspect of the U.S. debate on normalizing relations with China concerns the fundamental nature of American interests in both Taiwan and the People's Republic of China. In short, inadequate attention has been paid to the distinction between long-term and short-term interests—a confusion which has blurred the distinction between strategic as opposed to tactical approaches to the China issue.

Alliances should—at least in theory—be based on a certain identity on interests between the parties. It is those interests which

bind the partners and which holds the alliance relationship together through the trials and mutual tensions that inevitably arise. The thinner the overlap of interests, the shakier the alliance—and conversely, the more multifaceted and multitudinous the shared interests, the more durable and viable the alliance will be.

In the case of China, Washington and Peking are moving toward a de facto alliance aimed against the nation which stands as the primary threat to both, the Soviet Union. The Chinese, feeling more immediately exposed than the United States, have been particularly adamant in their warnings against Soviet imperialism, and have actively encouraged the closer working relationship with the United States that President Carter confirmed in his address to the world last Friday evening.

That is well and good, as the reality of global strategy today makes it clear that, to the extent that both nations are threatened by Soviet power, they share a mutual interest. A careful and controlled cooperation on a broad level between the United States and China thus appears to be in the interest of both.

Nevertheless, even though the immediate benefits of a normal and perhaps even cordial Sino-American relationship might be substantial, they also have been overstated. The opening of embassies by several European nations in Peking has not brought with it either the increase in contacts with the Peking government or the increased trade and the flow of information at the governmental level that was once anticipated.

The point is, besides giving pause to the Soviets, the benefits deriving from exchanging ambassadors with Peking will rebound more to China than to the United States. Aside from recently discovered oil, the Chinese have little to offer us in the way of trade or payment for our exports. In fact, Peking is already advising that "tens of billions" of U.S. financial aid will be in order.

Small wonder then that the Chinese are willing to soften, at least for now, their previously hard line about U.S.-Taiwan ties.

This is not to say that the United States should not pursue the full normalization of relations with Peking. Quite the contrary. The key question, however, is "at what price?"

In examining what will satisfy both U.S. interests and U.S. commitments, we would do well now to recall how we handled a parallel in the not-too-distant past. At this juncture of U.S.-China relations, it might be well to look back briefly to our historical antecedents, if only to set current American policy in its proper perspective.

Hearkening back to the years before World War II, we remember that the Soviet Union was the bete noire of the international system. From its accession to power in 1917, the Soviet government actively encouraged and abetted the forces of international revolution, proclaiming all the while its unending hostility to the forces of capitalism and imperialism, represented by the United States and West European powers. While some improvement of relations occurred in the late 1920's, the U.S.-Soviet atmosphere remained cool at best and few deceived themselves with the thought that either nation shared any fundamental interests. Relations in fact deteriorated following the establishment of formal diplomatic ties between the two countries in 1933, as American expectations of increased commercial opportunity and greater political harmony were sadly disappointed.

This situation was radically changed by the coming of World War II, which threw both the United States and the Soviet Union together with the industrial democracies of Europe in the struggle against Nazism, Fascism and Japanese imperialism. Almost overnight, Soviet propaganda against the United States was stifled. Likewise, in the United States, vast public relations efforts were made by the Roosevelt administration to improve the public image of the Soviet Union and to extoll its achievements and heroism. Information critical of our Soviet allies was discouraged or suppressed.

Predictably, however, the Soviet-American alliance began to disintegrate soon after the final collapse of Nazi Germany and the capitulation of the Japanese Empire. Having been bound together only by their mutual fear of Nazi Germany, the cement joining the two nations lacked the tensile strength to endure into the post-war period. In the years immediately after the war, the United States struggled vainly to preserve the cooperative cast of Soviet-American relations, making catastrophic concessions to Stalin in Eastern Europe in an attempt to hold the Big Four together. In the process, and in order to ensure Soviet participation in the fledgling United Nations, the political independence of Poland and the Balkan countries was shamelessly compromised at Yalta. At the time, the United States did not think, of course, that it was "sacrificing" Eastern Europe, because it chose to trust its Soviet ally and accept at face value its assurances. By the time the Cold War had fully set in, however, the fate of the East Europeans was sealed, and the alliance to which their fate had been held hostage had long since withered.

The American experience with the Soviet Union prior to and after World War II is not without its parallels in the warming Sino-American relataionship. In both cases, the United States was and is faced with a dangerous adversary which has pledged itself to militant opposition to the United States and its global interests. Through the early 1940's, victory over Nazi Germany became a single and overriding interest shared by the United States and Soviet Union, binding them into a broad cooperative relationship. The absence of other mutual interests which might have served to reinforce that primary tie ultimately led, however, to a deterioration of the relationship, as the fundamental incompatibility of the two political and economic systems reasserted itself. Yet, in the name of that alliance, and before its transitory nature was fully recognized, friends and allies of the West—weaker states in the game of global strategy—were consciously or unconsciously sacrificed.

The point regarding the Republic of China should be obvious, but bears reiterating. While the United States and the People's Republic of China are, in fact, tied together today by antipathy toward a third and highly threatening power, neither nation shares other fundamental interests in common. If and when the Soviet threat should decline, therefore, or more likely, as one or the other nation readjusts its perception of the Soviet Union and its intentions, the bonds uniting the United States and the People's Republic of China will inevitably weaken. A return to antipathy at some point is not unlikely.

This is not to say that such a likelihood should preclude a near-term alliance, based on those mutual interests that clearly do exist. This is obviously sound from a tactical perspective. The fate of Taiwan, however, should not be made to hinge on that relationship. This is because American interests in Taiwan are compatible and of a long-term nature.

The values shared by the United States and Taiwan are multiple and overlapping—values relating to economic opportunity and free enterprise, political expression, and social freedom. These are interests which bind the Republic of China to the United States more closely than is commonly recognized—ties that can be expected to endure through repeated crises and into the indefinite future.

That being the case, the Carter administration should think long and seriously before it sacrifices (under whatever ruberic) America's long-term interests in Taiwan on the altar of near-term tactical expediency. The danger, if it does so, is that a valuable ally will be lost, for only ephemeral gains.●

THE U.S. LABOR DEPARTMENT MEETS DONALD JUNIOR

HON. WILLIAM PHILIP GRAMM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GRAMM. Mr. Speaker, we in Texas have always prided ourselves on the defense of individual liberties. I am proud that this tradition is carrying over to our youth. Too often Government regulations which are supposed to protect our people have resulted in discrimination against them.

In the words of the late Robert A. Taft:

Liberty has been the key to our progress in the past and is the key to our progress in the future. If we can preserve liberty in all its essentials there is no limit to the future of the American people.

Our duty is to enhance the opportunities of the American people, and we must move in that direction. Free enterprise and individual freedom are noble causes, and we should return them to their proper place of respect, through less Federal intervention. The following article from the January 26th issue of the Fort Worth News-Tribune tells of a young man's fight to protect his right to work for profit outside of paternalistic Federal guidelines. I believe that we can all learn a lesson from Donald Woodard, Jr.

David versus Goliath was a preliminary bout compared to the battle of Donald versus the U.S. Department of Labor here this week.

The results were the same—even though Donald didn't have a slingshot.

Donald is Donald Woodard Jr., advertising account executive representing The News-Tribune and he is an independent businessman in the best sense of the word.

The Department of Labor was Joe Noriega, 30, a compliance officer in the Fort Worth area office headed by Curtis Leroy Poer, out of the regional office in Dallas represented by H. J. Menhard, assistant area director.

At issue was whether The News-Tribune was in violation of "Child Labor Requirements in Nonagricultural Occupations— Under the Fair Labor Standards Act."

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We got to cover the contest because Donald could—and did—request that we be present when he was interviewed by Noriega.

It was a fair fight. In one corner was Noriega, with the Department of Labor only since June, in the Dallas district only two weeks and making his first investigation in Fort Worth. A graduate in public justice from St. Mary's University in San Antonio, he also was making his first investigation of a newspaper.

In the other corner was Donald, a slender red-head, a junior at Paschal High School, with The News-Tribune two years. It was the first time he had been grilled by a public official.

When asked, Donald told Noriega that his title is account executive with The News-Tribune.

"How long have you had that title?"

"Two years."

"Two years exactly?"

"Two years exactly."

(Donald knew because he's giving a dinner party Saturday to celebrate the anniversary.)

"You have been an employee of The News-Tribune two years?"

"No, sir. I am not an employee. I am an independent agent, like an insurance agent. I represent The News-Tribune," Donald said.

"That's what I mean. There is an employee-employer relationship here."

"No sir, there is not," said Donald.

Noriega reached for a Department of Labor booklet. Donald reached for a dictionary.

"I think you'll accept Webster's definition," Donald said. "It is accepted generally. If you will read it, you will see that I am not an employee. I am an independent agent, self-employed."

"But you sell their product."

"No, sir. I sell advertising and strictly on commission."

"Now, Donald, I am here to protect you . . ." protested Noriega.

"Against what?" Donald demanded.

"The government recognizes that some kids . . ." Noriega started to explain.

"Please, sir, do not call me a kid," Donald said coldly.

"I'm sorry. The government recognizes that certain classifications of employees need protection . . ."

"I am not an employee. And what do I need protection against?" Donald inquired.

"H.O., what the Department of Labor calls 'hazardous occupations,'" Noriega offered.

"There's nothing hazardous about selling advertising unless you make a prospect so mad he throws you out of the office, and I don't," said Donald.

Undeterred, Noriega bored in: "The government protects you as a salesman. It is conceivable you could work all day and not sell an ad and then you wouldn't get any money for your work."

"It is not conceivable, sir," said Donald.

"What is not?"

"That I would work all day and not sell an ad," Donald stated.

"Nevertheless the government wants to be sure you do not work for nothing . . ."

"I don't. I work on commission," Donald pointed out.

"Yes, well. Now as an outside salesman you are entitled to $4.35 an hour. That's one and a half times the minimum wage."

"I don't work by the hour," said Donald.

"But that's what you are to be paid when you spend your time and don't make any sales."

Donald was outraged. "Do you think I would accept money for something that I didn't do? I wouldn't take it. The government couldn't make me take it. That's an insult."

"Now, Donald, that's the law."

I reached for copies of The News-Tribune free enterprise editions published in 1977 and 1978. I turned the pages, showing dozens of full-page and half-page ads.

"Donald sold all these ads," I told the Department of Labor. "He feels very strongly about free enterprise. These advertisers are the biggest and most powerful firms in this area, and Donald sold them all. He really doesn't need the government's protection. In fact he feels very strongly that there is too much government."

Noriega looked hurt, and said: "All right, now we come to your brother, Blake. I understand he's only 15 and he works here too."

"Blake has a contract with Donald that was worked out under their father's guidance," I said. "He's 15 and a freshman in high school and works for Donald after school. Next year he will work in the D.E. program." (Donald Jr. and Blake are the sons of Donald and Wanda Woodard, 3921 Stonehenge).

"Blake's my assistant," Donald said. "He works for me." He excused himself and came back with a business card that read "Donald Woodard & Associates" and under that "Blake Woodard."

"He's only 15?"

"That's right. And he doesn't work for The News-Tribune. He works for me," said Donald. "He sold his share of the free enterprise ads."

Noriega looked pained. "I will have to research Blake."

Donald was puzzled. "What are you going to do to my brother."

"I'm going to research him."

"What for?"

"To establish your relationship."

"I just told you our relationship. We're brothers," Donald said.

"Still, he's only 15."

"What has that got to do with it?"

"He has to be protected."

"From me?" Donald asked indignantly.

"I will research Blake and let you know."

Noriega returned later with Menhard. Their verdict: Donald is indeed self-employed. There is no restriction on his salary. He specifically is not subject to minimum wage and overtime. He is an independent agent. But he could be considered in a hazardous occupation since he now drives a car to make some of his calls, and the government wants to be sure everyone is aware of the hazards the teenager and the various citizens on the streets face when he is behind the wheel.

I could be silent no longer. "Is this the same government that dumped $8.5 million into Fort Worth summer before last and about $6 million this past summer to hire unemployed youth and keep them off the streets?"

"I suppose so," Noriega admitted.

"The same government that put them in the back of pickup trucks and armed them with chain saws and power mowers and paid them to ride around looking for back yards to clean up? Does the Government realize our City Council considers riding in the back of a pickup so hazardous they tried to pass an ordinance making it illegal?"

"Well," Noriega changed the subject briskly. "Now for Blake. He must not be permitted to work more than three hours a day, not after 7 p.m. and never over 18 hours a week during school. During the summer he can work up to 40 hours but not over eight a day and not past 9 p.m. or before 7 a.m. Can you see to that?"

"No," I replied, "but I can ask Donald to. He works for Donald, you know. Not for me." ●

THE ANNUAL FORECAST OF PUNXSUTAWNEY PHIL

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MURTHA. Mr. Speaker, my most famous constituent is Punxsutawney Phil, the celebrated groundhog and top weather forecaster.

Last Friday, February 2, Mr. Charles M. Erhard, Jr., president of the Punxsutawney Groundhog Club led a procession up to Gobblers Knob where Punxsutawney Phil lives. Joining Mr. Erhard in the official procession were: Paul Jordan, mayor of Punxsutawney; Chief of Police Ron Krolich and members of the police force; and Hank Stankewich, game protector for the area.

This was the 92d year for the annual Groundhog Day. By this time, I am certain you have all seen and heard the results of Phil's morning appearance, but for your information, I wish to insert into the RECORD, the official proclamation.

The proclamation follows:

Hear Ye! Hear Ye! To all faithful followers assembled here on Gobblers Knob in Punxsutawney, Pennsylvania, and to all true believers around the world.

I, Charles M. Erhard, Jr., President of the Punxsutawney Groundhog Club, hereby proclaim that his imperial majesty, the prognosticator of all prognosticators, King Philip, has emerged from his snow covered burrow at 7:28 this morning, scampering out amid the blasts of chilling arctic winds only long enough to cast a long, pale shadow. The seer of seers quickly raced back into the comforting warmth of his official residence. So with the powers vested in me as President of the Punxsutawney Groundhog Club, I hereby proclaim six more weeks of mild winter weather, but take heart for the worst is over!

That's the official word today from the weather capital of the world, Punxsutawney, Pennsylvania, the home of Punxsutawney Phil, the only reliable forecasting groundhog! ●

A DIFFERENT PERSPECTIVE REGARDING FARM PRICES

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BEREUTER. Mr. Speaker, there has been considerable discussion lately of a 40-percent increase in farm income. That sound pretty impressive, but this 40-percent figure does not mean that farmers are getting rich.

First of all, that figure represents a 40-percent increase from the lowest level of farm income in 5 years. If you are making a hundred dollars a month and get a 40-percent increase, you still cannot go out and buy a tractor.

Second, that 40 percent is a national average. That includes livestock, fruits, vegetables—all farm products. Limes are a pretty good price now. They are at 108 percent of parity. And Temple oranges are at 122 percent. Livestock prices have gone up. But all this masks and distorts a pretty dismal grain income picture. Grain prices have risen very little from some record lows.

According to the USDA publication called Agricultural Prices, farming costs have increased faster than urban living costs. The Consumer Price Index for all urban consumers for December 1978 was 9 percent higher than December 1977, but the index of prices paid by farmers for

commodities and services, interest, taxes, and farm wage rate is up 11 percent over January 1978. And, the index of prices paid by farmers for farm production goods and services increased 13 percent above a year earlier.

The other point that has to be made is that in terms of 1967 dollars this $28 billion of 1978 net farm income is worth about $14.4 billion compared with $22.5 billion in 1973 in terms of 1967 dollars. Real farm income is still a long way from that high point.

In spite of a 22-percent increase in farm prices generally, and this 40-percent rise in farm income in 1978, wheat and corn are costing many farmers more to produce than they can sell it for. The cost of production figures that I have are $3.72 for wheat and $2.62 for corn. You cannot make much money losing 50 cents or a dollar on each bushel that you produce.

In fiscal year 1978 about 44 percent of the Agriculture Department's budget outlays went for food distribution programs and 27 percent for farm income stabilization programs. The President's budget proposal for 1980 shows food programs taking almost 60 percent of USDA outlays, with farm income programs dropping to 13 percent, and research, extension, and natural resources programs also taking a cut over fiscal 1979.

These figures would seem to contradict the impression being given by the USDA that the farm income picture is greatly improved and that farmers visiting Washington are just greedy and poor managers.●

IN SUPPORT OF HOUSE JOINT RESOLUTION 92

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WHITEHURST. Mr. Speaker, on January 15, 1979, I introduced House Joint Resolution 92, calling for a wildlife preserve to protect the breeding grounds of the humpback whales in the West Indies. It states:

That the President shall seek a treaty or other appropriate international agreement establishing a wildlife preserve for humpback whales, in the area encompassing the Turks Islands, Mouchoir Passage, Silver Bank Passage, Navidad Bank, and such additional area as may be necessary to insure the protection of the breeding grounds of the humpback whales.

The humpback whale is one of the largest mammals ever to inhabit the Earth and today is found from the waters of the Caribbean as far north as Labrador and off the Australian coast. The humpback whale is believed to have strong family ties because they roam the migratory paths of the Atlantic Ocean in small groups of between 20 to 30 animals each. It is this family grouping which makes the humpback particularly vulnerable to literal biological extinction. From an original stock of nearly 100,000 animals there exist today only 6,000. The International Whaling Commission recognized the problem and since 1964 the humpback has been protected. However, each member nation of the IWC has its own inspectorate, and it has proved impossible to implement any scheme for international inspection. Furthermore, the threat to this species from nonmember nations must also be considered.

I believe, therefore, that it is imperative that the United States work toward an international agreement to insure proper protection and preservation of this magnificent marine mammal. Such an agreement is essential if we are to prevent the final extermination of the humpback whale, and I hope that my colleagues will see fit to join me in support of House Joint Resolution 92.●

MARIHUANA DECRIMINALIZATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MAZZOLI. Mr. Speaker, I have never found the case for decriminalizing marihuana to be persuasive.

The material I am placing in the RECORD today makes the burden of proof for decriminalization of marihuana even harder to carry.

I commend to the attention of my colleagues the following articles: an interview with Robert L. DuPont, Jr., former Director, National Institute on Drug Abuse, which appeared in the August 7, 1978, U.S. News & World Report, and an article entitled "The Medical View", which appeared in the January 29, 1979, issue of Time magazine.

IS U.S. BECOMING A DOPE-RIDDEN SOCIETY?

Q. Dr. DuPont, are Americans beginning to accept so-called soft drugs, such as marihuana, as a way of life?

A. The answer to that is "Yes." Particularly in the under-30 group, there has been a tremendous increase in the use of drugs of many kinds during the last decade. Within the younger population, there is an increasing tolerance and acceptance of marihuana as a part of life. It is often said about marihuana that we see in this country is a sort of laissez-faire attitude: You do your thing and I'll do mine.

Q. How widespread is the use of marihuana?

A. About 43 million Americans have tried marihuana. Sixteen million are current users—including about 9 percent of high-school seniors who are daily users. That has to be put in the context of the roughly 92 million consumers of alcohol—including 6 percent of high-school seniors who are daily users—and 65 million people who are using tobacco.

Other frequently abused drugs include sedatives—such as the Quaaludes recently in the news—stimulants, tranquilizers and hallucinogens.

Ten years ago, only 1 in 20 American college students had tried marihuana. Today, 11 out of 20 have tried the drug, and 2 out of 20 are using it every day. Probably 15 percent of the auto accidents in this country today are associated with marihuana intoxication.

Q. Do you expect other consequences from such widespread use?

A. Yes, so far we have only seen the tip of the iceberg. We're going to see more evidence of the harmful consequences of marijuana use on health, social activities, family living and work performance as time goes by. Those people going around today emphasizing the benignness of marijuana are going to have a tough time with their consciences.

Q. How widely used is cocaine?

A. After marijuana, cocaine is by far the most widely used illegal drug. About 10 million Americans have taken it at least once, and just under 2 million have taken it within the last month. We have about 400,000 heroin addicts in the country, many of whom became addicted in the 1967 and 1972 epidemics. Heroin use is decreasing now, but it remains our most costly and serious illicit drug problem.

Q. What is the big appeal of drugs of all kinds to so many people?

A. Abused drugs make many people feel good. They are powerful reinforcing substances.

Q. How about the use of illegal drugs by young people who are successful?

A. Many of these people aren't yet sure of where they stand and what they can do. It is especially true of young people who suddenly become successful—such as athletes, singers and actors—who have often risen from fairly modest backgrounds.

A sudden rise in status is extremely unsettling. It usually triggers the feeling that one is magic—that whatever one touches works, and that all the rules that are holding others back don't apply to oneself. So the suddenly successful person often gets involved in a hip, risk-taking lifestyle. That's one reason these people get heavily into drugs.

Cocaine is especially appealing to the newly rich, because they don't care how much money they're putting up their noses. Money stops having value. It's exciting, and they feel terrific.

On a personal level, many of these people are actually quite shy. They appear before great crowds and are adulated and yet they have never done much to sort out their own interpersonal relations. The use of drugs helps them overcome this shyness.

Another thing happens to many of these people. Their sudden success creates a success-anxiety syndrome and they are preoccupied with guilt. They think: "Why did this happen to me and not you?" They worry about it at an unconscious level even if not consciously. Much of what we see is really self-destructive behavior the individual is unconsciously undoing the success he can't account for and doesn't feel secure with. People who are successful often do things which make you say: "How dumb! I can't believe he did that."

Q. How much does this drug-using behavior influence others particularly young people?

A. A great deal. These highly visible successful people are cultural beacons attracting large numbers of others. They're the people young people emulate. This kind of recklessness and drug use has a bad effect on the rest of the population particularly young people.

Q. Why are we being told that there is drug taking in the White House, where people are both successful and presumably secure in their jobs?

A. Many of them are not secure. I have been around the White House for nearly 10 years, and I'm impressed by the fact that the names on the doors are in little containers so that they can be pulled out quickly. Nobody's name is painted on anything, and you rarely go back to the same office from year to year and see the same person in it. They come and go. The average duration in service of a presidential appointee used to be 14 months. It may be a little longer now, but it's still a short period of time.

Q. Why is cocaine in particular so popular?

A. It's glamorous. It's exciting because it involves taking a risk. Furthermore, it's an "up"—producing good feelings, at least for the moment—instead of putting you down as alcohol does, making you sleepy and sort of stupid.

Cocaine is supposed to be the drug of the Inca gods. It's expensive. People who take it emphasize that, like marijuana, it's relatively harmless. You're not likely to die from it, as you might from an overdose of heroin.

The biggest problem with cocaine is wanting more of it, and centering your life around it. Of all the drugs, it is the most powerful in conveying a feeling of well-being. A cocaine user wants more of it all the time, and when he stops taking it, he feels depressed and exhausted. So he tries to go on redoubling what he takes.

Laboratory animals die of exhaustion and seizures following unlimited use of cocaine. It's as if their nervous systems just give out. There have been deaths associated with human cocaine use. And even though we don't understand exactly what is happening, it is clear that frequent use can be damaging.

Despite its glamorous image, cocaine is a dangerous drug, and it can kill.

A. What does cocaine cost?

A. It can cost as little as $2 or $3 for a single dose or up to several thousand dollars a day, depending on the level of use.

Q. Do you think that many Americans underestimate the dangers of marijuana?

A. Absolutely. One of the most distressing facts to me has been the difficulty communicating the risks of marijuana use. Probably no issue was more frustrating to me in five years as director of the National Institute on Drug Abuse.

I have supported throughout that time the decriminalization of the personal possession of marijuana—the substitution of a noncriminal fine for the user of small quantities of the drug. By that means, we establish that marijuana use is prohibited behavior, but we do not use the criminal law and arrest records and tie up the courts to discourage it.

That substitution of a fine for the current criminal penalty is perceived by 90 percent of the public as being soft on pot. But, actually, I am very deeply concerned about the rising levels of marijuana in this society.

Too many people conclude that, because we have increasing levels of marijuana use, we will inevitably move toward legalization. I do not believe this is the way of the future. I can foresee the time when young and old will hold attitudes toward recreational drug use which are similar to those now held toward herbicides, pesticides and food additives—that they are unhealthy and should not be used.

Q. What happens physically to somebody when he starts taking marijuana often?

A. Probably the most serious consequence has to do with his interpersonal relationships and his involvement in what's going on around him. The frequent marijuana user becomes increasingly preoccupied with himself. He doesn't feel the stress anymore of situations that are normal stimuli to problem solving, so that instead of solving his problems with friends, with heterosexual relationships, with work and with family, he simply doesn't care about them anymore. These anxieties that one feels are healthy. They are the stimuli to growth, and without them, people just don't grow.

There's a great myth about the use of many drugs as sex stimulants. The truth is that all drugs do is reduce a person's anxieties about sex, so that one doesn't really care what happens. Actually, sexual performance is often not good after drug use of any kind. Drugs are an unreliable crutch.

Q. Are there also health hazards to marijuana?

A. Yes. The problem is in knowing exactly what the health consequences are. We now have a 4-million-dollar-a-year federal research program on marijuana, and we're learning more about it every year. But the nature of science is that scientists often contradict each other, and the most frequent finding in science is always uncertainty.

In the area of effects of marijuana on the male sex hormone testosterone, for example, there is disagreement among scientists. So the promarijuana people say: "You see, there's no problem." In fact, marijuana does influence the hormone levels of the body, the body's immune response, the way we think and the tissues of the lung. Bronchitis, for example, is common in people who smoke marijuana cigarettes. Furthermore, there is laboratory evidence to show that marijuana is more likely to cause cancerlike lesions than is cigarette smoke.

Its going to take years to sort all that out. My point is this: We already know enough to say that marijuana poses a substantial risk. Anybody who takes that drug and thinks that nothing is happening to his body has lost his mind. Marijuana is a powerful drug that is influencing his entire body.

The other thing people don't understand: Marijuana stays in your body for over a week from a single dose. If a person is only smoking marijuana once a week, his body is continuously exposed to THC—tetrahydrocannabinol, the major ingredient—all the time. That's not true for tobacco or alcohol. We don't know yet what the consequences of that are. But it isn't too bright to expose yourself to this risk.

Q. Do you find age or class patterns in drug taking?

A. Yes. There's a regular pattern, based more on age than economic class. The first drug that is used when one is young is alcohol—mainly beer and wine. If a young person does not use alcohol, he is unlikely to go on further to other drugs. But if he does take beer, the next step usually is cigarettes and/or hard liquor.

The first illegal drug that young people adopt is marijuana. And then there is a hierarchy leading to heroin, which is the end of the line. Only a portion of those who reach any step go on to the next, so that we have 16 million marijuana users but only 500,000 heroin users.

The interesting thing is that when people stop using drugs, they usually go back down these same steps in reverse sequence.

Q. What sort of drug problems are prevalent among Americans over 30?

A. The drug problems of older people are the prescription drugs: Valium and the sedatives and stimulants, as well as tranquilizers other than Valium. These problems are increasingly serious for business and for middle America.

Betty Ford's recent courageous admission of drug-abuse problems is a major milestone for drug-abuse prevention. It has opened the door for hundreds of thousands of Americans to, for the first time, admit their problems and seek the help they need. Drug problems affect all ages in our society, from the newborn infant born addicted because of his mother's drug use to the senior citizen who is drugged with tranquilizers.

THE MEDICAL VIEW

It is used as an aphrodisiac, but Indian monks take it to repress physical desires. Caribbean laborers use it by day as an "energizer," but by night as a sedative. Marijuana is a paradox.

It has been around since at least the 15th century B.C., when it was used in China as an anesthetic, a ritual potion, a condiment and an intoxicant. As it moved on to India and beyond, it was applied to all manner of miseries: allergies, rheumatism, falling hair, tapeworm, leprosy, gonorrhea, failing memory and dandruff. Today marijuana is being considered as a treatment to reduce eyeball pressure in glaucoma patients and to reduce vomiting by cancer patients receiving drug therapy.

Systematic scientific studies of marijuana's benefits or dangers began with the isolation and synthesis in 1965 of the plant's principal psychoactive ingredient—delta-9-tetrahydrocannabinol. But that is only one of more than 100 chemical substances in marijuana, some of which exert their own characteristic effects. Further hampering marijuana studies is the difficulty of screening out such other factors as environmental or genetic influences, and deciding what constitutes long-term use or heavy use. To date, most results have been based on studies of laboratory animals or small groups of healthy young men. Thus little is known about marijuana's effects on the elderly, on pregnant women, and on developing youngsters, an area of particular concern. In addition, the greater strength of the marijuana now being imported from Colombia adds a new dimension to the question.

About the only findings so far that have widespread support are the drug's effects on the heart and the lungs. Marijuana accelerates the rate at which the heart contracts and may temporarily weaken the strength of the contractions, making it potentially dangerous for people with certain cardiac conditions. Smoking pot irritates the lungs and throat and can result in "joint cough." Long-term use may impair the lungs. Other tentative findings:

Immunity. Some studies have shown a marked reduction in white blood cell response, the body's prime defense against infection, in marijuana smokers.

Chromosomes. Human cell cultures from pot users have shown breaks in the chromosomes carrying genetic information, or reduced numbers of chromosomes.

Endocrine Function. Levels of testosterone, the male sex hormone, have been reported to drop with long-term pot intake. While the levels remained within normal range, the drop might reduce potency and fertility.

A number of psychological problems have also been associated with marijuana use. The most common is described as "acute panic anxiety reaction." It is seen most frequently in inexperienced users, but can also follow an unexpectedly high dose. Transient feelings of mild paranoia are fairly common in users, especially those who are anxious about the experience to start with. Prolonged or long-term effects of marijuana use are an area of much dispute. There have been reports of psychotic reactions, personality change, impaired learning ability and development of a chronic lethargy. By no means all doctors are convinced, however, that marijuana is the real cause of these reactions.

If the scientific studies of marijuana are uncertain, the studies on cocaine are even more mysterious. When the drug's active ingredient was chemically isolated in the 1860s, doctors soon found that cocaine was valuable as a local anesthetic. They also found that it acted as a very pleasant stimulant. Young Sigmund Freud used it and ad-

vocated it: "The psychic effect consists of exhilaration and lasting euphoria."

Scientists still do not know how it produces its psychic effects, but they believe it somehow causes a buildup of "neurotransmitters," substances that make possible the movement of impulses across nerve endings. It also causes an increase in heart rate and blood pressure, and some of its other consequences are distinctly unpleasant. Prolonged use sometimes causes the nasal tissues to wear away so that the nose itself collapses. Chronic use may lead to a psychosis most resembling alcoholic DTs. Overdoses, particularly when injected, can lead to convulsions, heart and respiratory failure and death.

Neither cocaine nor marijuana in commonly used dosages causes withdrawal symptoms when use is stopped. Many doctors believe, however, that some people can easily become psychologically dependent on the two drugs and the effects they produce.●

NUCLEAR WASTE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Ms. OAKAR. Mr. Speaker, it is very encouraging to see Americans becoming more energy conscious and conservation minded in the wake of the sharp increases in the cost of imported oil. It is certainly in the long-range interest of our community to intensify our efforts to explore and develop alternative sources of energy, such as coal and solar technology. But it is profoundly disturbing to me to see us charging ahead in the construction of nuclear power plants without pausing to consider the sinister genie we have let out of the nuclear bottle: Nuclear waste. The production of abundant energy by nuclear power plants has not justified our inability to safely dispose of the highly radioactive waste. I am particularly alarmed because the Department of Energy has been considering the Salina Salt Basin under northeastern Ohio as a possible burial site for the nuclear waste now stored in large steel and lead canisters.

I find it incredible and intolerable that the Energy Department would seriously consider burying deadly nuclear garbage underneath a populous metropolitan area. In personal conversations with Energy Department officials, as well as with fellow colleagues representing most of northern Ohio and with State and county officials from Ohio, there has been agreement that nuclear waste is highly toxic and dangerous and should not be buried near populated areas. We also received a letter from the Department of Energy assuring us that our highly populated area would be a poor choice for the storage of nuclear waste. We assumed that written forms of communication meant an end to any consideration. Yet, in defiance of commonsense and the public health and safety, the Energy Department persists in continuing its study on the feasibility of dumping nuclear waste in so-called safe caverns under the most heavily populated part of the State of Ohio.

To emphasize my concerns about the silent danger of nuclear waste, I wish to insert into the RECORD two excellent articles by reporter Al Thompson of the Cleveland Press, on the growing crisis of the safe and permanent disposal of nuclear waste byproducts. This article clearly and persuasively illustrates the danger inherent in our trusting all too naively in the benefits of nuclear power without having understood precisely the original risks.

The articles follow:

[From the Cleveland (Ohio) Press, Jan. 29, 1979]

STORE NUCLEAR WASTE IN OHIO?—UNITED STATES STILL CONSIDERS SALINA SALT BASIN A LIKELY CANDIDATE

(By Alan Thompson, Press-Washington Writer)

WASHINGTON.—The federal government is still considering storing nuclear wastes in northeastern Ohio. The Press has learned.

For some 300 million years a thick layer of salt has stretched benevolently beneath the ground across northeastern Ohio and parts of four surrounding states.

In the most recent millisecond of geologic history—say 100 years or so—the salt has given employment to a handful of miners and done little else save testify to the geologic stability of the region.

Now the Salina salt formation is drawing Ohio inexorably into the debate over a grim byproduct of the nuclear age: What to do with the highly radioactive waste churned out by the nation's military and civilian nuclear power plants?

And despite assurances that all studies have stopped, the Salina salt remains a viable candidate to become an underground dump for spent nuclear fuel, some of which can cause cancer and will be radioactive for between 1000 and 250,000 years.

Vigorous opposition from Governor Rhodes and nearly every politician in northeastern Ohio has caused the Department of Energy to put its investigation of the Salina formation on the back burner.

But a DOE official told The Cleveland Press that that does not mean the federal government has written off the formation.

"Where we have actually started field drillings (in other potential sites), we have not started drilling in Ohio because the state has not been amenable to it," said Christ George, acting chief of DOE's geologic exploration branch. "But so far as we are concerned, the Salina Basin still has some potential . . . Given an opportunity to complete the studies, we'll be able to come to a rational decision."

A decade ago the burning question faced by the nuclear industry was plant safety. Fear of an accident at a nuclear power plant understandably chilled people in the vicinity and was fodder for the antinuclear mill.

That opposition diminished as a growing number of plants swung into operation without incident and demonstrated a remarkable safety record.

Now the waste problem—an inevitable phenomenon of the so-called "nuclear alternative"—threatens to become an even more serious question in the ongoing debate over nuclear power.

At the heart of the issue are three factors: the fission process inevitably produces potentially lethal wastes; there is no way of neutralizing those wastes in existence today, nor is any on the scientific horizon, and the existing storage facilities are filling up.

The commercial nuclear industry developed on the assumption that permanent storage would be handled by the government, and "onsite" storage facilities were constructed to accommodate spent fuel only until it was safe to cart away. Now those facilities are filling up, meaning that sooner or later the wastes will have to be disposed of or the reactors shut down.

"The delay (in dealing with the waste problems) is causing a bottleneck with what you do with the spent fuel waste coming out of the reactors," said George Gleason, general counsel for American Nuclear Energy Counsel. "This is becoming a significant problem because we can total up the figures to show that by 1984 there will not be in existence enough capacity to take care of the spent fuel."

There are about 65 nuclear plants licensed to operate now, and federal officials estimate that figure will jump to about 350 by the year 2000.

A year ago it was estimated there was about 5000 tons of spent fuel in existence in the United States. By the year 2000 the total will climb to 100,000 tons. (Military waste dwarfs the civilian stockpile, and is stored in above ground facilities in South Carolina and Washington.)

With its back against the wall after years of neglect, the government is now seeking a long-term waste disposal policy. As part of that effort an Interagency Review Group is due to submit its recommendations to President Carter within a month.

What worries some observers is that the government is already committed to geologic disposal of that waste—burying it deep underground and hoping it stays there for hundreds of thousands of years—and that like it or not salt is the preferred formation.

"It's my understanding that (the review group's) mandate starting out was pretty much to determine what type of subterranean formation we would use," says Sen. John Glenn (D-O.), a leading Senate spokesman on nuclear issues. "That mandate should be broader.

"Granted it would be ideal if we could just put this stuff underground and never hear from it again. But recent studies indicate that underground there would be the possibility of (the waste) leaching out.

"I think that encapsulated surface storage that we can monitor makes a lot more sense, even if it doesn't put the stuff away for time immemorial."

But if above-ground storage is feasible, there is evidence that below-ground disposal is the direction the government is taking—that a sort of bureaucratic momentum is underway that will be difficult if not impossible to stop.

DOE insists it is too early to even use the word potential to describe the areas it is looking at, but six underground formations have been picked for study in the National Waste Terminal Storage Program begun in 1976.

Of the six, four are salt: the Salina, underlying parts of New York, Ohio, Pennsylvania, Michigan and West Virginia; the interior salt domes of Louisiana, Mississippi and Texas; the Paradox Basin of Utah and Colorado, and the Permian Basin underlying parts of Kansas, New Mexico, Oklahoma and Texas.

Non-salt formations being investigated are under federally owned land in Washington, for basalt, and near Las Vegas, Nev., for various rock formations.

One of the problems with basalt and some other types of rock is that they are volcanic in origin, and it is not considered prudent to put nuclear waste in an area with any potential for volcanic activity.

The huge salt formations, on the other hand, have been there for millions of years, indicating that they are geologically stable and free of running ground water, which would have washed them away. Salt also would presumably "seal" itself should a fissure appear under the tremendous pressure found at the depths being contemplated.

DOE's Christ George emphasized that no decision has been made on what rock would be the best medium, but says "we have strong feelings that (salt) would be adequate."

Of geologic disposal in general he says: "One of the physical realities is that there is no way to make a radioactive material non-radioactive. There is a profound majority of opinion that says geologic disposal is the most at hand, and of all the things the most readily available."

4x4x4-FOOT CUBE—A PACKAGE OF DANGER

WASHINGTON.—Each year since it went into operation in 1977 the Davis-Besse Nuclear Power Plant west of Cleveland has produced the equivalent of a 4-foot square cube of spent nuclear fuel.

For each Ohioan who uses electricity generated by that plant, the annual waste volume amounts to slightly less than three aspirin-sized tablets, or about half of a pint in a lifetime.

Clearly not much volume, except that the waste generated by plants like Davis-Besse is highly radioactive and some of it will stay that way for between 1,000 and 250,000 years.

What to do with the spent fuel is a technological and political problem that is approaching critical mass in several states and promises to smoulder in others—including Ohio—for years to come.

Ohio popped into the nuclear garbage picture in 1976 when the National Waste Terminal Storage Program identified several major geologic formations for preliminary study as possible locations for future permanent underground waste repositories.

One of them was the Salina Salt Basin, a huge layer of salt deposited some 300 million years ago by the evaporation of a giant set that covered the Midwest.

Studies by the Stone & Webster Engineering Co. isolated areas in the Finger Lakes region of New York State, upper Michigan and Northeastern Ohio as suitable for additional study. The minimum requirements were that the salt be at least 200 feet thick, and that it be at least 1,000 feet below the surface but not more than 3,000 feet below sea level.

Three areas were isolated in Ohio. The first and by far the biggest dips south from Lake Erie at Fairport Harbor, swings east of Middlefield, south to below Ravenna, then angles northwest across the top of Akron to Cleveland's West Side. A smaller area was identified near Orwell, and a crescent-shaped area was picked starting west of Alliance and swinging northeast to near Warren.

The result was an immediate uproar.

In July, in the heat of a political campaign and under enormous pressure from local officials, Governor Rhodes ordered any additional studies of the Salina formation in Ohio stopped.

On behalf of Rhodes, Ohio energy chief Robert Ryan advised federal officials of the opposition from "virtually every local and county official in Northeast Ohio" and ordered "any consideration of Ohio relative to permanent nuclear waste storage be discontinued."

Several months later Sen. Howard Metzenbaum (D-O.) wrote the U.S. Department of Energy (DOE): "I am appalled that DOE would even consider locating a facility of this type in close proximity to one of the nation's most densely populated areas."

Asked recently about Ohio waste disposal, Sen. John Glenn (D-O.) said: "If they go deep geologic, I'm dead set against putting it in a major population area such as Northeastern Ohio. Why would it make any sense to put it in a major population center when we have vast areas virtually unpopulated in the west?"

Adhering to its policy of proceeding only with the cooperation of an individual state, DOE scrubbed plans to go ahead with test drillings, the next step after the preliminary paper studies.

But suspending preliminary drilling in Ohio may not have been much of a sacrifice, because there is a great deal of geological data already available.

Donald Keller, of the Battelle Institute in Columbus, notes that where preliminary drilling is underway it was required because of insufficient basic data. Battelle has a $69 million contract with DOE to manage the federal waste project.

Keller said that where drilling is underway it is because "we had to get some data of our own to have the same data base we already had for the Salina. The (Salina) program has only gone as far as the existing data would permit, and it's just about at the end of that period."

One Senate aide recently noted that so far it has been relatively easy for DOE to accommodate local sensibilities, but that circumstances may get more complicated as the waste crunch worsens.

As the national debate heightens, the notion that the people who reap the benefits of nuclear power ought to accept some of its hazards is sure to emerge. And the Salina Basin in the heart of the Northeast and Midwest, where most of the nation's nuclear plants are and will be located.

Even some citizens of such pro-nuclear states as Nevada are murmuring about the waste problem. Louisiana Gov. Edwin Edwards recently commented that it might be OK to build a repository for waste generated there, but he wasn't so sure about accepting the stuff from all over the country.

Californians have already said they won't license any more plants until the waste problem is solved.

Robert D. Thorne, former assistant secretary for energy technology, noted in a June letter to Ohio energy chief Ryan:

"The power reactors operating or under construction in Ohio and the planned expansion of enrichment facilities at Portsmouth are part of the developing use of the nuclear power option . . . Because so many of these reactors are operating or planned in the eastern half of the United States, we feel it is reasonable to consider possible locations in this area rather than arbitrarily requiring long transportation routes through many states such as Ohio to reach facilities which might be located only in more lightly-populated Western states."

The Interagency Review Group (IRG) which is due to report to President Carter soon on a national waste policy also seems aware of those conditions.

An IRG draft report recommends having two or three repositories operational "within this century, ideally in different regions of the country."

The draft adds that detailed site study requires access to the site, and that states have been more and more reluctant to grant that access. Approaching the states on a regional basis might help put the problem "in a proper national perspective," it notes.

"Regional siting would reduce the transportation requirements and attendant risks, provide redundancy that would hedge against the possibility of operational difficulties causing unexpected repository shutdown, and could assist in repository siting by distributing the burden across more than one location," the draft report notes.

Whatever else, the bureaucrats and technicians are well aware of the political and technological issues that will cloud the debate if geologic disposal is finally decided on.

"People are always fearful of anything that might diminish their property values or render a hazard to themselves or their sons, daughters or grandchildren," said Christ George, acting chief of DOE's geologic exploration branch. "But we are determined that anything we propose to do is safe, is thoroughgoing and based on solid, professional scientific study.

"When we say we are studying the suitabilities, we are talking about a highly sophisticated program. We're not saying 'yea, that looks about right. Dig a hole and dump it in.'" ●

ZEALOUSNESS OF THE BUREAUCRATS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, the Economist Newspapers, a leading daily and weekly newspaper chain, serving the Chicago suburban area, is known for its very timely and provocative editorials. In the January 31 edition, the Economist reports on the zealousness of the bureaucrats of the Federal Trade Commission. I wish to insert the editorial at this point:

WILL TRADE BECOME A NATIONAL NANNY?

There may be no clearer example of empire building by government regulators than the Federal Trade Commission's current crusade to dictate the content of television advertising aimed at children.

To save America from the menace of presugared cereals, candy bars and toys that fail to meet a bureaucrat's arbitrary standard of suitability, the FTC is considering:

Banning all television advertising directed at children under eight years of age.

Prohibiting commercials for sugared products that might contribute to tooth decay in children under 12 years of age.

Require advertisers to pay for "nutrition" and "health" ads whose content would be determined by the commission.

In short, the Federal Trade Commission proposes to become, in the words of the Washington Post, a great national nanny.

The legitimate role of parents gets short shrift from the commission. Overlooked is the simple fact that children too young to understand that television commercials are sales pitches rarely do the family shopping. Mom and Dad buy the food. And Mom and Dad are perfectly capable of saying no to a child whose vision of dinner is a dozen candy bars or a box of Fruit Loops.

Has it occurred to the commission that even children who have never watched an hour of television in their lives might still favor a breakfast of ice cream and lollipops? Admittedly, the FTC staff report on which these proposals are based does mention parents. The report suggests that parental disapproval of a child's television-induced gastronomical fantasies fosters "alienation" and "child-parent conflict." Bunk. Any responsible parent finds it necessary to say no to a child a dozen times a day, and does so without producing neurosis

As for tooth decay, even the FTC doesn't pretend that there is a direct correlation between watching television commercials and the incidence of dental cavities.

Another real puzzler is how the commission would square its compulsory health and nutrition advertising with its own staff report's conclusion that "the representation that one food is more healthful than another . . . is false and deceptive." But should the proposal be adopted, it would cost food marketers and consumers tens of millions of dollars to find out.

As if all this were not enough to bury the FTC proposals under an avalanche of ridicule, consider the First Amendment implications of these potential regulations. If the commission, acting on the basis of bogus or nonexistent scientific evidence, can ban or restrict ads for cereal, candy and toys, what form of commercial speech is safe from the Washington censors?

Will asparagus marketers have to include a 30-second homily on the need for a balanced diet as the price for getting their ad on the air? What about potatoes? An undiluted diet of spuds surely must contain its own special treat to health. Are teenagers sufficiently cognizant of these dangers to resist a pitch for french fries? And how is the commission to decide which commercials are beamed solely at seven-year-olds and thus subject to outright prohibition?

There simply is no end to the mischief that might be wrought under the precedent inherent in these proposed regulations.

All this is not to say that the FTC should relax its enforcement of existing law against false and misleading advertising.●

CONGRESSIONAL ETHICS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, the issue of ethics in the 95th Congress may leave one with two basic impressions. The first is that Members of the House of Representatives understand the Code of Official Conduct and the role of the Committee on Standards of Official Conduct in different ways. The second is that procedures for handling ethics cases in the House need significant improvement.

I. INTERPRETATION OF THE RULES

The principal rule governing the official conduct of Members states in part:

A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives (House Rule XLIII, Code of Official Conduct, Clause 1).

The rule defining the jurisdiction of the Committee states in part that the committee shall investigate—

. . . any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities . . . (House Rule X, Establishment and Jurisdiction of Standing Committees, Clause 4(e)(1)(B)).

The two rules are clear enough at first glance. The code specifies that a Member should not engage in actions which reflect discredit on the House or adversely affect him in the performance of his duties or the discharge of his responsibilities. The committee sees to it that alleged violations of the code are investigated, assessed and, when necessary, referred to the House for consideration. The two rules ultimately derive their legitimacy from the Constitution, which states that the House—

. . . may determine the Rules of its Proceedings [and] punish its Members for disorderly behavior . . . (Article I, Section 5).

The idea behind the code and the role of the committee is that of an autonomous legislative body which must itself take account of the official conduct of the legislators who sit in it.

A. ILLEGAL AND UNETHICAL ACTIONS

Unfortunately, Members differ in their interpretations of the two rules. For example, one often hears the claim that the committee should be concerned only with illegal activity by a Member. Those who make this claim take a narrow view of the ethics issue since they seem to be saying that no action other than an illegal one reflects discredit on the House or adversely affects a Member in the performance of his duties or the discharge of his responsibilities.

I have witnessed vehement arguments for this narrow view, but I am not convinced that its proponents have the merits on their side. To take just one example: A survey made by the Commission on Administrative Review showed that 71 percent of the public and 90 percent of all Members were disturbed by a Member's acceptance of a sizable honorarium from a group with an interest in his congressional work. Such a practice is not illegal, but it nonetheless raises questions in the public mind about the integrity of the House and the fitness of Members. The new rules contained in the code since March of 1977, including the restriction on the size of a Member's honorarium, are to be understood in terms of the ethical prohibitions they lay down. They proscribe otherwise legal actions in order to protect the integrity of the House and the fitness of Members. It is now within the purview of the committee to look into actions that are unethical but not illegal. This is as it should be.

Notwithstanding the importance of legal and ethical behavior by a Member, I do not believe that the spirit of the code and the reach of the committee extend to all illegal and unethical actions whatever. Many illegal actions are of no concern at all. For example, if a Member inadvertently turns the wrong way on a one-way street, he has broken the law but has not done anything to justify a committee inquiry. Similarly, many actions that might be considered morally questionable, such as withholding contributions to a needy charity when one could easily afford to make them, fall outside the area of concern. The jurisdiction of the committee with its code does not correspond exactly to that of a court with its law, nor does its role parallel that of a moralist with his precepts. The committee examines only those actions which—whether they are illegal, unethical, or both—reflect discredit on the House or adversely affect a Member in the performance of his duties or the discharge of his responsibilities. In this regard the code and the committee are like the professional standards and the disciplinary board of a medical or bar association. Just as the question for such a board is professional integrity and performance as prescribed by the standards, so the question for the committee is House integrity and Members' performance as prescribed by the code.

B. THE NOTION OF HIGH ETHICAL STANDARDS

There is another interpretation of the rules, and it gives rise to the claim that the code is unfair, because it makes a Member more accountable for his actions than an ordinary citizen would be. Those who make this interpretation are quick to criticize the "high ethical standards" to which a Member must conform. They are willing to overlook lapses and excuse transgressions on the grounds that "anyone can make a mistake." Implicit in such an argument is the idea that the public at large should expect of a Member only what it expects of itself.

I believe that a Member ought to be held more strictly accountable for his work-related conduct than most other people would be. The reason is not that the code somehow embraces unique, extraordinarily high ethical standards, but rather that a Member's job has special features other jobs do not have. The general principle underlying the code—that one not act in a way that reflects discredit on one's organization or adversely affects one's ability to do one's work—obviously applies to people in all kinds of work. Compliance with the principle is a simple test of a person's ability to handle the work that falls to him, whatever that work might be. In this sense, a Member is not being asked to live up to unique ethical standards. A strict accountability for work-related conduct results, however, when the principle is applied to the job of a Member. The public trust of congressional service, with its attendant powers and prerogatives, is such that there are many ways for a Member to damage the reputation of his organization and show himself unfit to carry out his duties. A Member has the formidable task of making the law and providing an example that others live by, so it is with firm justification that the code holds him strictly accountable for his official conduct.

C. CODE ENFORCEMENT BY THE HOUSE

I have frequently heard the argument that ethics cases in the House should be turned over to civil authorities for resolution. While the House rules state that the committee must—

. . . report to the appropriate Federal or States authorities, with approval of the House, any substantial evidence of a violation, by a Member, officer, or employee of the House, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation . . .

(House Rule X, Establishment and Jurisdiction of Standing Committees, Clause 4(e)(1)(C).

I do not accept the proposition that consideration by civil authorities should be the end of such matters. The main reason follows immediately from my interpretation of the code and the role of the committee: The House is properly interested in unethical actions as well as illegal ones, yet no court would permit prosecution of a Member unless it were alleged that he had violated a law. Moreover, even when the actions in question are illegal the House is the only good judge of their effects on the House itself. The enforcement of ethical standards and the assessment of the effects of illegal actions on the House are simply not jobs that civil authorities can do.

The inadequacy of turning over all ethics cases to civil authorities has a significance that is not always appreciated. It means that the House should not decline to investigate a case solely on the grounds that evidence is insufficient for a criminal indictment. It means that the House should not fail to take action in a case just because a prosecution or another investigation is going on. Further, it means that the House should not unthinkingly accept the decisions of prosecutors and courts (one way or the other) as final. Where allegations are made concerning discredit to the House or the unfitness of a Member to perform his duties or discharge his responsibilities, the House should be moved to action irrespective of what the civil authorities do.

Enforcement of the code by an independent, nonjudicial commission is often recommended as an alternative to the present scheme of things. The basic idea is that the House should turn over ethics cases to a body having no institional connection with the House. This commission, acting in a way not unlike the committee, would investigate each case to determine whether the code had been violated. Other powers the commission might have, and what its composition would be, are matters of debate.

I believe that there could be advantages in an independent commission, not the least of which would be its position outside the personal and political crosscurrents of the House. However, three potential problems make me reluctant to endorse its establishment at this time. First, the question whether an action reflects discredit on the House or adversely affects a Member in the performance of his duties or the discharge of his responsibilities is best left to current Members who know the institution intimately, because they work in it daily. An independent commission would be little better than a court in this respect. Second, it seems likely that Members would respond more fully to a finding of violation by their colleagues than they would to such a finding by outsiders. Disapproval by peers is especially onerous given the close working relationship that exists among Members in the House. Third, and most critical, there is a profound sense in which an independent commission would be self-defeating. The very existence of the commission would be an admission that the House did not have the resolve and forthrightness to police itself. The implications of such an admission for House integrity would be both clear and painful.

Many well intentioned people suggest that the issue of ethics be left entirely to the voters. If a Member is alleged to have violated the code, they argue, let him explain himself and answer in the next election for whatever he did. On this view, the discipline of the electorate is taken to be a potent threat. Indeed, the remedies of reprimand and censure may seem bland when compared to it.

I do not find myself in agreement with this view. To begin, the discipline of the electorate cannot apply evenly to all Members at all times. Retiring Members need not be troubled by it, and those who enjoy great popularity in their districts will fear it less than others will. Another problem is the extreme complexity of the electoral process. The many issues, the candidates' personalities, and the varying levels of voter knowledge and interest make it improbable that the typical congressional election would ever become a clear-cut referendum on a Member's conduct. Yet another problem is the balancing of remedy with violation. Defeat at the polls may be a fitting remedy for some violations, but it may be too strong a remedy for others. Further, it is apparent that voters do not have the means to sift through all the allegations and information that may be relevant to a particular case. Without a thorough House investigation they would make their judgment largely on the basis of hearsay and innuendo. Finally, a Member's decisions and actions have effects on the entire House, an institution in which all Americans are represented and in which all have a stake. Thus, it is not sufficient to leave the question of a Member's possibly irresponsible conduct solely to the voters in his district.

While the options offered by civil authorities, an independent commission, and an aroused electorate have their good points, I think it best to start with the assumption that the House should police itself. I take this stance in full recognition that the House has been hesitant in the past to judge the conduct of its Members. It is my opinion, however, that any hesitancy or questionable judgment in the past was due in large measure to the incomplete procedures for handling ethics cases. I believe that the House can modify existing procedures or create new ones to help insure that responsible decisions are reached.

It seems to me that procedural change is the correct starting point, but I may be wrong. If it turns out that no improvements in procedures will help, I favor the establishment of an independent commission to enforce the code.

II. POSSIBLE IMPROVEMENTS IN HOUSE PROCEDURES

Since the committee looks into violations of an ethics code rather than violations of criminal law, it need not adhere exactly to all the procedures of criminal trials. Commonsense indicates that some procedures of criminal trials would not apply to committee actions at all, while others would apply only in a limited way. Of course, the committee should avoid any action that would destroy a Member's chances for a fair trial, but beyond that general guideline the committee should have considerable flexibility in choosing how it will pursue an inquiry. As I have noted before, the Constitution gives the House explicit authority to establish what procedures it will. I shall briefly discuss three main areas in which improvements are possible.

A. MEMBERS' KNOWLEDGE OF THE EVIDENCE

Whenever legislation is considered in the House, there is the problem of Members' limited knowledge of the facts. However, the problem is especially troublesome when the House, in its role as ultimate arbiter of a committee recommendation, is assessing a Member's conduct. The action of the House seems odd, because it is so unlike the action of a jury: Those who have the final say in the House, the Members themselves, need not have any familiarity whatever with the case at hand. Members can simply enter the House Chamber and cast their votes without seeing any evidence or hearing any testimony or summation. The action of the House also seems odd, because it is so unlike the typical legislative action by which bills are passed: The facts in an ethics case are unique to that case, and the substance of the case cannot be known by comparison with past cases. Members cannot vote on the basis of party affiliation or political outlook if they are unclear about specifics. It goes without saying that such an arrangement does not guarantee that the best decision will be reached. Outside observers are bothered less by the fact that the House may discipline itself than by the fact that it may do so in ignorance of the basic data.

No one can expect a Member to be well informed about a case after an hour of general debate, especially if the better part of that debate does not touch on the issues in the case. Likewise, no one can expect a Member to spend days or weeks sifting through evidence and listening to testimony as if he were a juror in a trial. The dilemma, then, is one of the need of a Member for key knowledge versus the severe constraints on his time. It is apparent that whatever the procedure is, the House will have to rely very heavily on the committee since it is the committee that has had the legal briefings, taken the depositions, observed the witnesses under pressure of cross-examination, and so on.

One way out of the dilemma would be to make a recommendation of the committee self-executing, thereby transferring primary responsibility for enforcement of the code from the House to the committee. If the House itself were not required to act on a recommendation of the committee, Members' unfamiliarity with a case would matter very little.

Only those Members who knew the case would be called on to adjudicate it, and they would see it through from beginning to end. To insure that the committee did not abuse its power, a number of safeguards could be built into the rules. For example, the composition of the committee could be determined in accordance with guidelines approved by the House and implemented by House leaders. Committee membership (incuding the chairmanship) might be rotated regularly Special efforts could be made so that the committee would always be representative of the House as a whole. Moreover, the committee might be directed to recommend with a two-thirds vote, and the House might be empowered to overturn a committee recommendation by a two-thirds majority. Other safeguards could be created if they were found necessary to check abuses.

The idea that a committee within a house of a legislature might have primary responsibility in ethics cases is not new. While national legislatures which enforce ethics rules (such as the British and Canadian Parliaments) do things more or less as the House does, there appear to be exceptions among State legislatures in the United States. For example, a joint ethics committee in one State legislature automatically fines a member or employee whom it finds in violation, and it may take further action against an employee (suspension, discharge, et cetera) on its own initiative. Moreover, ethics committees in the houses of other State legislatures are empowered to refer certain findings of violation directly to civil authorities. There is an apparently quite workable alternative to the arrangement the House now favors.

I do not support such an alternative for the House at the present time. Members might view it as an unjustifiable delegation of House authority to a committee, and they might fear it no matter what safeguards were adopted. Then, too, one could plausibly argue that a self-executing recommendation of the committee, lacking as it would the direct sanction of the House, might be a less effective tool of code enforcement. Members found by the committee to have violated the code might be more tempted than ever to try to deflect the disgrace with an ad hominem against the committee or particular members on it. The ultimate result could be a climate in which the committee would be totally unable to do its work. Less radical solutions to the dilemma of knowledge versus time are possible, and they should be tried first.

A simple way to increase Members' knowledge of the evidence would be to require the committee to make sure that its findings and recommendations were readily available for study. This could be done by having the committee deliver a detailed summary of its findings and recommendations to each Member's office several days before a case was to be considered on the floor. The summary would be a rather thorough compilation of the main findings of fact (much expanded over the material contained in the reports on the recent resolutions) and should include a careful outline of the precise reasons for the recommendation of one remedy rather than another (something objected to as lacking in the reports on the recent resolutions). Likewise, the committee could be directed to insert such a summary into the CONGRESSIONAL RECORD at least 1 week before floor action. Finally, the committee might be given the option of having its findings read by a clerk when a case was up for debate and vote.

Such measures as these are no panacea, but they would increase the likelihood that Members were acquainted with the evidence. Better knowledge, of course, would lead to more informed judgments and a general debate that focused on the merits of a case. It would also lessen the need for Members convinced by the evidence to rise and expound their views on the floor, something they might be understandably reluctant to do. The publication of a summary in the CONGRESSIONAL RECORD would have its own advantages. It would help the people form a more accurate picture of a case by dispelling misinformation they might have received from baised sources. Political pressure from all interested persons—not just from special interest groups—could then be brought to bear on Members.

B. THE SYSTEM OF REMEDIES

One of the principal aims of the code is to encourage honest and forthcoming conduct by a Member. Consequently, one of my main worries is that the present system of remedies instead encourages an accused Member to distort the facts of his case, misrepresent his role in it, and generally do all that he can to escape House action. Someone who is facing a reprimand or censure also has every incentive to downplay or exaggerate the significance of the House decision when that decision is finally rendered. In trying to determine what actions reflect discredit on the House or adversely affect a Member in the performance of his duties or the discharge of his responsibilities, there are really two sets of actions to be considered: The past violation, and what the Member now does when confronted with that violation. The character of the past violation cannot be altered by the prospective remedy, but the system of remedies can be realined to encourage honest and forthcoming conduct by a Member who is charged with a violation.

I believe that an accused Member should be subject to a lesser remedy if he freely and openly admits to a past violation and does not attempt to downplay its significance. For example, if a Member admits to misusing the frank and does not try to represent his action as a trifling lapse, he might receive a reprimand. However, if that same Member covers up his misuse of the frank or tries to convince his colleagues that such an action means little, he might receive a reprimand and also be the focus of some other remedy. If the issues are the reputation of the House and the fitness of a Member to perform his duties and discharge his responsibilities, irresponsible conduct in the present may be every bit as important as the past violation. Procedures can be modified so that admission of a violation and acceptance of its significance would weigh very heavily in a Member's favor when the committee sent its recommendation to the floor. Admission and acceptance themselves show integrity.

Another improvement in the system of remedies has to do with the kinds of remedies that are available and the pairing of those remedies with kinds of violations. On the latter point, the House obviously could not list the precise remedies beforehand for every conceivable unethical action. Nor does it seem wise for the House to try to do so since rigidly fixed remedies would limit the latitude the House must have to deal with the complexity and variety of circumstances surrounding each case. Nonetheless, the House could set out in a preliminary way the remedies that might be considered for various violations. A consensus of Members and the precedents established by House action would eventually lead to a workable pairing of ranges of remedies with violations.

Many kinds of remedies have been tried or are possible in the future. It is helpful to group them into four classes:

4. DENIAL OF OFFICIAL POWERS AND PREROGATIVES

1. EXPULSION FROM THE HOUSE

A remedy available under the Constitution is the expulsion of a Member who has violated the code. Expulsion, however, is very drastic and should be used only in the rarest of cases. A fundamental tenet of congressional representation, the right of the people to select whomever they wish to represent them in the House, implies that the House should not expel a Member without the most extreme provocation. To my knowledge, expulsion has occurred only three times in the history of the House. The expulsions all took place in 1861 at the beginning of the War between the States.

2. PUBLIC REBUKE

At present the House reprimands or censures a Member who has violated the code. Censure is the more severe of the two remedies since the censured Member must present himself to the House for a formal dressing-down. Censure has been more common as well since reprimand as a weaker remedy has existed only in recent years. In all, 19 Members have been censured, the last in 1921, while only 4 have been reprimanded, all in the past 3 years. Unfortunately, these remedies are essentially symbolic in the sense that they are as serious as colleagues and the public take them to be. I regret that the public does not perceive them as serious, and I doubt that any acceptable changes in procedure would alter this perception.

3. FINANCIAL PENALTIES

The House could impose financial penalties on a Member who has violated the code. This form of remedy might include an attachment of congressional salary and benefits, a charge for the cost of ethics proceedings (as is made in some States), or a simple fine. I acknowledge that financial penalties would not fall with equal severity on all Members. Moreover, I am aware that they are clearly punitive in nature and thus seem more appropriate in a legal context than in a context where ethics is the question. In some instances, however, financial penalties might be advisable, especially if the violation were motivated by a desire for financial benefit. For example, if a Member exceeded the limit on outside earned income he might be fined the excess, or if he engaged in payroll fraud he might be fined the amount of the fraud.

An as yet unformalized remedy is the denial of official powers and prerogatives to a Member who has violated the code. This type of remedy might include the loss of committee or subcommittee chairmanships, important committee assignments, seniority on a committee, seniority in the House, or many other things. Such remedies are generally the emphasis of parliaments in the Scandinavian nations: Legislators found to have engaged in irresponsible conduct there are deprived of privileges and immunities. I want to clarify one point in connection with this final form of remedy. The voters may send whomever they wish to the House, provided that the person meets the constitutional requirements of age, citizenship, and residency. Election to the House, of course, confers certain powers and prerogatives on a person, but none of these do I propose to deny to any Member. I am concerned only with the many powers and prerogatives that cannot be construed as flowing from the voters. These powers and prerogatives are conferred by the House itself or by some entity within the House.

When discussing improvements in the system of remedies, I believe that special attention should be given to the denial of official powers and prerogatives to a Member. There are three main reasons why I think this. First, the prospect of such a denial would be an effective deterrent to those who might be tempted to violate the code. A Member unconcerned with a reprimand might think again before doing something that could result in the loss of major powers or prerogatives. Then, too, powers and prerogatives are common denominators in the House: All Members seek to acquire and keep them. Second, additional remedies are needed if the House is to have greater flexibility in making the remedy fit the violation. The authority to deny a Member various official powers and prerogatives would make very fine distinctions possible. Third, and most central, the denial of official powers and prerogatives is dictated by logic and commonsense in many instances. To find that a Member is in violation of the code is to find that he has reflected discredit on the House or has adversely affected himself in the performance of his duties or the discharge of his responsibilities. What remedy speaks to the violation more directly than a denial of official powers and prerogatives that the House itself, or some entity within the House, has bestowed on him?

Before turning to other matters of importance in the ethics issue, I want to make two final observations about the system of remedies. First, if Members were amenable to the suggestion that financial penalties and denial of official powers and prerogatives are appropriate remedies for some violations, then I would argue that the House should not hesitate to prescribe multiple remedies for a single violation. While the denial of official powers and prerogatives might best receive emphasis, it would often be in the interest of the House to supplement this remedy with others. For example, if a Member were found to have accepted a sum of money in an influence-buying incident, then in certain circumstances he might be stripped of some official power or prerogative, fined the amount of the influence payment he accepted, and publicly rebuked. Past handling of such incidents has not persuaded the public that the House is sufficiently serious about ethics. Multiple remedies, I submit, would be much more persuasive.

Second, I have detected in many Members a misconception of what the House is doing when it enforces the code. This misconception prompts some Members to claim that the House runs afoul of double jeopardy restrictions when it acts against a Member who is charged with a crime. It prompts other Members to favor a minimal remedy (or none at all) on the grounds that a prosecuted or disgraced colleague "has already suffered enough" or "has already paid for his mistake." The primary response of the House to violations of the code, however, is not punishment of an individual. The interest of the House in prescribing a remedy is not reform of a Member's character, and still less is it retribution. Rather, the House is mainly interested in its own integrity and the fitness of its Members. The remedies of reprimand (whose older meaning is "repression"), censure (like "censor", to remove something offensive), and expulsion make sense in this light. In reprimanding, censuring, or expelling a Member, the House acts to repress or remove a threat to its own integrity or to the fitness of its Members. It is absolutely necessary that the House take such action for its own sake since inaction implies that the House does not recognize the threat.

C. HOUSE RESOLVE

I believe that the ethics issue has reached a critical juncture in the House. On the one hand, the 95th Congress was marked by significant advances in ethics reform. Early in the first session the House adopted tough new amendments to the code which, among other things, put strict limits on the outside earned income of Members, required broad financial disclosure, and prohibited the conversion of campaign funds to personal use. An important ethics bill, signed by the President last October 26, made the financial disclosure requirements law and laid down other ethics rules for high Government officials. Moreover, the committee concluded its lengthy investigation of Korean influence-buying by reprimanding three Members, the largest number of formal ethics actions taken at one time in the history of the House. These events and others have raised the expectations of the public.

Still, on the other hand, not every development was one about which the House could boast. Committee members were struck by the fact that during the investigation of Korean influence-buying no Members or House employees voluntarily came forward to assist the committee in its work. Perhaps the most disturbing incident took place last October 13 as the House wrapped up that investigation. When the cases reached the floor for consideration, Members voted to reduce the remedy prescribed in one case from censure to reprimand despite a committee finding that the Member in question had deliberately given false testimony under oath, and despite commanding evidence that the stronger remedy was justified. These events and others have shaken the confidence of the public.

One test of House resolve would be an amendment to the code to require every Member and House employee to disclose any evidence of a violation of the code. The amendment would place the heavy responsibility of code enforcement on everyone in the House so that the committee would not be forced to work on its own, as it was in the investigation of Korean influence-buying. The amendment would mean, for example, that if one Member had evidence of another Member's violation of the code, yet failed to come forward voluntarily to disclose that evidence, both would be in violation of the code. Such a requirement would undoubtedly give rise to problems, but problems should be expected since self-discipline is an inherently difficult task. It should not be left to 12 committee members to carry out a mandate that the House as a whole does not support. The effort to enforce the code should be made by everyone in the House, or it should not be made at all.

No matter how good the code is, and no matter how much Members and House employees assist in disclosing evidence of violations, the code has little value if violators do not face serious consequences. The traditional remedies of reprimand, censure, and expulsion all have their limitations, so closer attention must be given to financial penalties and, what is more critical, to denial of official powers and prerogatives. I believe that the House has delegated to the committee the authority to recommend such remedies (House rule X, Establishment and Jurisdiction of Standing Committees, clause 4(e)(1)(B) states in part that, subsequent to an investigation, the Committee shall "* * * recommend to the House by resolution or otherwise, such action as the committee may deem appropriate in the circumstances * * *"), but I am uncertain how the House as a whole would react. Having a well-con-

sidered committee recommendations overturned on the floor is worse than having no recommendation at all, even if the facts of the case are plain for all to see.

In the absence of a committee recommendation in a specific case, it is difficult to see how the House can envince a willingness to prescribe firm remedies. A possible test of House resolve might be a resolution expressing the sense of the House that financial penalties and denial of official powers and prerogatives may be appropriate remedies for violations of the code. Detractors would probably decry the symbolic nature of such a resolution, but sybolism too has its place. If the resolution were passed, at very least the committee could anticipate that strong recommendations would be treated with circumspection on the floor.

If the House balks in its efforts to see that the code is vigorously enforced, then, in my view, it is time to consider abolition of the committee. The House should not be permitted to think that it is serious about ethics when its incomplete procedures for code enforcement say otherwise. As I have argued above, the best way to protect the integrity of the House and the fitness of Members is to have the House to police itself. However, if the House will not take up the challenge it should turn over its ethics cases to an independent commission. My sincere hope is that House action in the 96th Congress will make an independent commission unnecessary.●

"LITTLE BROTHER" IS GONE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, during the recent adjournment the House of Representatives lost one of its long-time employees, Carl E. Sommers, who was known to several generations of Members. Mr. Sommers died on November 23, 1978, at the age of 67.

Having started as a busboy in the House restaurant in the days before World War II, Mr. Sommers later became a waiter in that restaurant before joining the staff of William "Fishbait" Miller, then Doorkeeper of the House, in 1959. It was Miller who dubbed him "Little Brother."

Also, from the days of Speaker Sam Rayburn until his death Mr. Sommers served as a waiter to the Texas delegation at its weekly luncheons in the Capitol.

He was a man who was universally liked and respected.

Mr. Sommers was born December 27, 1910 and devoted virtually his entire adult life to Federal service, most of it in the Capitol.

But he had a private life, too. He was an active member of Matthews Memorial Baptist Church in Anacostia as well as the Elks Lodge.

He is survived by his wife, Cornelia, one son, one daughter and a grandchild.

In 1976 the U.S. Capitol Historical Society published an article about him which reflected the esteem in which Mr. Sommers was held. It follows:

CARL E. SOMMERS

For almost three decades, Carl Sommers has been a part of the passing scene in the Capitol. His story is like those of many other minor officials whose capacity to adapt has given them notable longevity, and whose longevity has given a sense of continuity to the Capitol that would otherwise be lacking.

Now a clerk in the Doorkeeper's Office, Sommers started out many years ago as a busboy in the House Restaurant. In those pre-World War II days the Congress was in session for fewer months each year, and Capitol workers had to scrounge for work during the recesses. Sommers got his first job at the Capitol after meeting a House Restaurant waiter, who was working, while the Congress was in recess, at the Continental Hotel near Union Station.

Eager to work, and anxious to please, Sommers did not long remain a busboy, becoming first a waiter and then Head Waiter in the House Restaurant. His memories of these less hectic days are interesting. But, in truth, not much different from those one might get in a similar situation today, except that the names are those from another era. Sommers remembers that long time Speaker Sam Rayburn, called "Mr. Sam" by everyone, would always request fresh corn when it was in season, and melted butter instead of the normal butter patties. Other Congressmen and women, whose names conjure up pictures of a by-gone time also depended upon Carl Sommers for special treatment, which he was always pleased to give.

During the recesses, Sommers worked at various jobs. He was a laborer for the Architect's office and worked part-time in the bars and hotels around Washington, the city of his birth.

In 1959 Carl Sommers moved to the Doorkeeper's Office, and it was there that he got the sobriquet, "Little Brother." According to Sommers, Doorkeeper William (Fishbait) Miller would give him encouragement to do a difficult task by saying: "Now your my little brother, get in there and do it." Sommers was quite close to "Fishbait" and felt a personal loss when he was replaced by the present Doorkeeper, James Malloy. But, Sommers enjoys working for Mr. Malloy, and is pleased to be able to retain his job as clerk.

"Little Brother" Sommers expects to retire soon, and looks forward to a well-deserved rest.●

BILL AMENDING INTERNAL REVENUE CODE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WHITEHURST. Mr. Speaker, it is my pleasure today to introduce the House companion bill to S. 246, which was introduced by Senator BENTSEN in the other body on January 29, 1979. This bill is for the purpose of amending the Internal Revenue Code of 1954 to encourage greater individual savings by excluding from gross income for tax purposes up to $500 of the amount received as interest or dividends on a time or demand deposit (or $1,000 in the case of a husband and wife who file a joint return).

For a more detailed description, let me refer my colleagues to page S769 of the CONGRESSIONAL RECORD for January 29.

We have been rewarding the grasshoppers in this country for some time, now; it seems to me that the ants deserve a break.●

HOUSE BROADCAST PLAN: THE VIDEOTAPE WORM

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, this body is in danger of developing a giant political tapeworm—a parasite that will create an insatiable appetite in House Members to order-up heaping helpings of TV tapes of their floor speeches for distribution to their local media. This political parasite, known in the Latin as incumbentus reelectus, will not only cause Member munchies for instant selfreplays, but will gobble-up gobs of tax dollars as well, through official expenses allowances.

Mr. Speaker, this is not the plot line for some made-for-TV sci-fi bilogical thriller; it is a real-life plot made for the new House TV system. According to a newspaper report this week, the Speaker's House broadcast committee is planning to permit House Members to order videotape copies of their floor speeches for distribution to their local broadcasting stations. I do not think it takes any imagination to foresee where all this will lead: More Members will make more speeches consuming more time for home consumption. The House Chamber will be converted into an annex of the House recording studio for producing self-promotional tapes to insure incumbent reelection.

As one of the earliest and strongest proponents of permitting broadcast coverage of our proceedings, I fully support making our debates available to the people through the news media. But I must strongly object to this scheme to permit Members to spoonfeed their local media at taxpayers' expense.

I have written to the Speaker pointing out that this proposal violates our new House broadcast rule which only authorizes the Speaker to distribute recordings of our proceedings to the news media and prohibits the political use of such tapes. I hope the Speaker will strictly enforce this new rule from the outset before we are destroyed by our own tapeworm.

At this point in the RECORD, Mr. Speaker, I include the newspaper article to which I referred, my letter to the Speaker, and a copy of the new broadcast rule. The items follow:

[From the Washington Post, Feb. 6, 1979]

ON CAPITOL HILL

House leaders have assured concerned members that when television of House floor proceedings begins later this month, members will not be permitted to get videotapes of their floor speeches immediately and ship them back home for self-serving same-day use on hometown TV.

Republicans complained recently that when the House began permitting radio broadcasting last year, members were permitted to get tapes of their floor speeches for use back home.

A group of junior Democrats, fearing that this practice, especially when expanded to TV, would be considered by the public as another misuse of the process, met with O'Neill asking that it be forbidden.

Rep. Leon E. Panetta (D-Calif.), one of those present, said O'Neill opposed the practice. An ad hoc committee making arrangements for House television plans to deal with the issue by forbidding members to obtain TV tapes until one day after their speeches are delivered, thus removing spot news value.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 7, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR TIP: Your broadcast committee's plan to permit Members to order TV tapes of their floor speeches is in clear violation of the new House broadcast rule.

Under the new broadcast rule, the Speaker is only authorized to "provide for the distribution of such broadcasts and recordings thereof to news media," and moreover, the use of such broadcasts and recordings is clearly prohibited "for any political purpose." (Rule I, clause 9(b)(1)&(3)). Certainly House Members cannot be considered part of the news media, and obviously any use of these tapes by them would be construed as being political.

As I have already indicated to you, permitting Member access to TV tapes of their own floor speeches will only distort and prolong our proceedings by encouraging more and longer speeches for home consumption. Such access will also lay us open to the very justifiable charge that we are giving ourselves but one more incumbent protection device at taxpayers' expense. Not only has the new broadcast system been purchased with tax dollars, but now, under the tape access plan, Members may use their official expense allowances to buy tapes of their own floor speeches at $100 a throw and up, and then mail these at taxpayers' expense to their local broadcast stations under the government frank. I am certain that this will be viewed as one more revolting development contributing to the taxpayers' revolt.

I would hope you will use your authority to enforce this new rule by making it quite clear at the outset that Member access to tapes of floor proceedings is flatly prohibited and limited to the news media.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

HOUSE BROADCAST RULE

RULE I

"Duties of the speaker"

Clause 9

9. (a) He shall devise and implement a system subject to his direction and control for closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees and in such other places in the Capitol and the House Office Buildings as he deems appropriate. Such system may include other telecommunications functions as he deems appropriate.

(b)(1) He shall devise and implement a system subject to his direction and control for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives. He shall provide for the distribution of such broadcasts and recordings thereof to news media and the storage of audio and video recordings of the proceedings.

(2) All television and radio broadcasting stations, networks, services, and systems (including cable systems) which are accredited to the House radio and television correspondents' galleries, and all radio and television correspondents who are accredited to the radio and television correspondents' galleries shall be provided access to the live coverage of the House of Representatives.

(3) No coverage made available under this clause nor any recording thereof shall be used for any political purpose.

(4) Coverage made available under this clause shall not be broadcast with commercial sponsorship except as part of bona fide news programs and public affairs documentary programs. No part of such coverage or any recording thereof shall be used in any commercial advertisement.

(c) He may delegate any of his responsibilities under this clause to such legislative entity as he deems appropriate.●

TRIBUTE TO LESTER EDELMAN

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. JOHNSON of California. Mr. Speaker, Lester Edelman, one of the most brilliant and dedicated legislative experts I have encountered in my 20 years in Congress, has left the Committee on Public Works and Transportation as of February 3, to become Chief Counsel of the U.S. Army Corps of Engineers.

Mr. Edelman, who has served as counsel to the committee since 1968, will be sorely missed by all of us who have had the opportunity to work with him, but our sense of loss is tempered by the knowledge that his talents and energies will continue to be devoted to the public interest in his new capacity.

Lester Edelman has spent virtually all of his professional career in public service. Born in Cambridge, Mass., he attended Boston College and received his law degree from Boston University in 1954. Three years later, he won his master's degree from the Columbia University Law School—an academic record which admirably prepared him for the career of service he had already chosen.

Prior to joining the staff of the Committee on Public Works, Mr. Edelman served with the U.S. Army Corps of Engineers in a number of highly important capacities. His first assignments with the Corps included that of counsel for the minuteman ballistic missile program, and assistant counsel at the Engineers' North Central Division and the Detroit and Chicago districts.

In 1962 he was brought to Washington as assistant general counsel for legislation and assistant to the general counsel for civil works at the office of the Chief of Engineers. He served there with distinction until 1968, when he joined the committee.

As counsel to the committee, Mr. Edelmans' responsibilities extended over the entire range of the committee's very extensive jurisdiction, but with particular emphasis on legislative matters within the areas of water resources development and water quality.

It is no exaggeration to say, Mr. Speaker, that the landmark legislation enacted in the area of water resources over the past decade owes much to the wise counsel and legislative expertise which Mr. Edelman contributed to the efforts and deliberations of our committee members. In fact, the quality and detail of every piece of legislation which has passed through this committee in the past 10 years is due in large part to Les Edelman's careful scrutiny and legislative craftsmanship.

To cite but a few of the legislative accomplishments in which Mr. Edelman played a chief role during his committee service, I would call the attention of the House to the Monumental Federal Water Pollution Control Act of 1972; the Water Resources Development Acts of 1968, 1970, 1974, and 1976; the Clean Water Act of 1977; the National Dam Inspection Act of 1972; the Deep Water Ports Act of 1974 . the Disaster Relief Acts of 1970 and 1974, and Uniform Relocation Assistance and Land Acquisition Policies Act. Individually and collectively, these enactments to which Mr. Edelman contributed so much represent a tremendous step forward in the protection and preservation of our priceless water resources and the well being of our fellow countrymen.

Les Edelman personifies the very best in congressional staff work. His attention to detail, his firm grasp of complex substantive issues, his uncanny sense of compromise among many different positions and points of view, and his understanding of congressional practices and procedures make him a model for others to follow.

Mr. Edelman now returns to the Corps of Engineers where he began his career of public service and all of us, members and staff of the Committee on Public Works and Transportation, wish the very best to him, his lovely wife Joan, and his children, Ellen and Benjamin, in this new chapter of their lives.

We know that in his new capacity he will add distinction to an already distinguished record and invaluable service to the Nation he has served so long and so well.●

ALEXANDER GRAHAM BELL ON ALCOHOL FUELS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. FINDLEY. Mr. Speaker, recent events overseas have shown us the potential unreliability of our supply of oil imports. And they point to the need for Government policies that will develop the possibility of large-scale use of gasohol to cover for a future shortage of liquid energy. It is interesting to note that the inventor of the telephone, Alexander Graham Bell, recognized the advantages of alcohol as a fuel in 1917.

Now a company that bears his name is experimenting with the use of alcohol fuel. Illinois Bell will be using gasohol, a mixture of 10 percent alcohol and 90 percent gasoline, in 15 of its vehicles. The firm will be testing the likelihood that

gasohol will improve mileage and reduce maintenance costs.

Such programs to provide information that can benefit the Nation as well as the company itself deserve commendation. And it is appropriate to look at the words of Alexander Graham Bell, spoken over 60 years ago to the graduating class at McKinley Manual Training School in Washington, D.C.:

On every hand we see the substitution of machinery and artificial modes of power for animal and manpower. There will therefore be plenty of openings in the future for young bright mechanical engineers working in this direction.

There is, however, one obstacle to further advance, the increasing price of the fuel necessary to work machinery. Coal and oil are going up and are strictly limited in quantity. We can take coal out of a mine, but we can never put it back. We can draw oil from subterranean reservoirs but we can never refill them again. We are spendthrifts in the matter of fuel and are using our capital for our running expenses.

In relation to coal and oil, the world's annual consumption has become so enormous that we are now actually within measurable distance of the end of the supply. What shall we do when we have no more coal or oil?

Apart from water power (which is strictly limited) and tidal and wave power which we have not yet learned to utilize, and the employment of the sun's rays directly as a source of power, we have little left, excepting wood, and it takes at least twenty-five years to grow a crop of trees.

There is, however, one other source of fuel supply which may perhaps solve this problem of the future. Alcohol makes a beautiful, clean and efficient fuel, and, where not intended for consumption by human beings, can be manufactured very cheaply in an indigestible or even poisonous form. Wood alcohol, for example, can be employed as a fuel and we can make alcohol from sawdust, the waste product of our mills.

Alcohol can also be manufactured from corn stalks and in fact from almost any vegetable matter capable of fermentation. Our growing crops and even weeds can be used. The waste products of our farms are available for this purpose and even the garbage from our cities. We need never fear the exhaustion of our present fuel supplies so long as we can produce an annual crop of alcohol to any extent desired.

The world will probably depend upon alcohol more and more as time goes on, and a great field of usefulness is opening up for the engineer who will modify our machinery to enable alcohol to be used as a source of power.●

GOVERNING IN AMERICA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 6, 1978, into the CONGRESSIONAL RECORD:

GOVERNING IN AMERICA

An alarming fact is acknowledged by most public officials and observers in the media today: America is becoming increasingly hard to govern. Naturally, these officials and observers cite many problems to explain what is happening.

One of the primary problems is surely the confused jurisdiction of government. The administration of big cities has been fragmented to the point that there are scores of governing bodies in major metropolitan areas. County government has risen in importance as populations have spilled over city boundaries into outlying regions. Layers of administration tend to pile up at the local level as special purpose districts are created to provide residents with water, sewer, transportation, and a dozen other services. At the same time, state officials have reacted vigorously to the public's demand for new and better services. Complex federal initiatives, directed either from Washington or by state and local agencies, have proliferated at a rapid pace. The confusion of federal, state, regional, and local jurisdiction nearly defies description, but behind it all is a general trend toward more federal responsibility. Washington is already straining under the burden.

Another problem is a basic change in the character of government. In response to the enormous growth of regulation, federal and state legislators have become people's advocates who must be more sensitive than ever to constituent needs. They set aside state, national, and international issues in order to focus on local concerns. They seek what is good for their districts and neglect what is good for the country. The problem is compounded by the new organizations that have formed around single interests or causes. The lobbying efforts of these groups have intensified, and through their political action committees they contribute generously to candidates who are "right" on their issues. Their work has had the positive effect of getting people actively involved in government, but it has had its drawbacks too. At a time when each election produces a lower voter turnout, special interest groups gain in stature and influence because their members do not fail to cast their ballots.

There are other problems that make it more difficult to govern in America. Some people say that there is a visible lack of confidence in public officials from the President down. Stemming as it may from Vietnam and Watergate, this lack of confidence seems to be mirrored in the voter who has turned inward to confront his own personal worries. It is characteristic of the inward-looking voter that he considers the effect of government policy on himself and his family alone, to the detriment of his community and country. Other people complain about the apparent lack of leadership at the national level. They point to a President who does not easily achieve his goals, a Congress that is pulled apart by lobbyists of all persuasions, and a bureaucracy that cannot be moved in constructive ways. Still other people place the blame on issues that are too complex. They wonder whether anyone can get the nation back on track. One commentator summed it up nicely when he said, "There is no glue holding the country together anymore."

The result of all these problems, say the experts, is a government that cannot mold a consensus, administer programs in an efficient way, or carry out the reforms that the voters seem to want. Because of complicated government practices and procedures, legislators who concentrate on narrow local demands, and single-minded special interest groups, inflation is fed, genuine needs go unmet, and almost every issue becomes controversial.

As might be anticipated, there is no general agreement on what is needed to make America more governable. I myself think a reduction in the size and scope of government would help. The next Congress should see to it that government programs do what they are intended to do. Also, methods must be found to encourage legislators to be more responsive to their broader constituencies. Political parties, which historically have put together coalitions representing large portions of the electorate, must be strengthened. To accomplish this, we might consider the public financing of congressional elections and political parties. Such financing would reduce the influence of special interest groups over incumbents and make elections more competitive. Finally, we must think about a strong Presidency as the best advice to pull together the different threads of our national life.

Government reorganization may be very useful, but I do not think that it will get to the heart of the matter. At the risk of sounding presumptuous, let me suggest that an item of highest priority is a change in attitude. Although we rightly pride ourselves on a sense of diversity and pluralism in this country, we need to emphasize within that diversity and pluralism our fundamental unity. We are all in the American adventure together, for better or worse. We must also determine with greater precision what the federal government should do, and then leave to other levels of government, private agencies, and individuals the things they are better able to do. In this way we will relearn the values of self-restraint and self-reliance.

(A series of articles in the New York Times provided information for this newsletter.)●

JEWISH COMMUNITY RELATIONS COUNCIL OF NEW YORK EXPRESSES CONCERN FOR SOUTHEAST ASIAN REFUGEES

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GREEN. Mr. Speaker, the Jewish Community Relations Council of New York recently brought to my attention a resolution they adopted unanimously expressing concern for the plight of Southeast Asian refugees, particularly the "boat people."

The hardships and struggles of the "boat people" today bring to mind the similar circumstances that befell Jewish refugees both during the Holocaust and after World War II when they sought to enter the land called Palestine. The resolution passed by the Jewish Community Relations Council of New York recalls this and emphasizes that "special efforts must be undertaken immediately under the leadership of the United States to insure that history does not repeat itself."

The Immigration and Naturalization Service has indicated that the number of Indochinese refugees to be admitted to the United States will be increased to 50,000 by end of April. This should help to relieve the growing refugee emergency in Southeast Asia.

During the 95th Congress, legislation (Public Law 95-412) was enacted to abolish existing hemispheric quotas for immigration to the United States and to replace these quotas with a single worldwide ceiling of 290,000. I was among those who voted in favor of this legislation, which also established a Select Commission on Immigration and Refugee Policy.

The Commission is instructed to study and evaluate "existing laws, policies, and procedures governing the admission of immigrants and refugees to the United States and to make such administrative and legislative recommendations to the President and the Congress as are appropriate," not later than September 30, 1980. It has been almost 30 years since such a systematic review of our immigration policy has ben undertaken. Hopefully, the Commission will recommend measures to respond to refugee crises of the kind occurring in Indochina.

Other nations also should be encouraged to step forward to offer assistance to the Southeast Asian refugees. I share the view of the Jewish Community Relations Council of New York that the United States should secure the involvement and aid of other countries which are in a position to help Southeast Asian and other refugees.

The members of the Jewish Community Relations Council of New York are to be commended for their compassion and empathy for the "boat people." The council's resolution, which follows, calls upon all of us to uphold the deep-rooted tradition of support for victims of political oppression which truly is our American heritage.

RESOLUTION ON VIETNAMESE BOAT PEOPLE

The Jewish Community Relations Council of New York is deeply concerned with the plight of thousands of Southeast Asian refugees who have been forced to flee their homelands. We note with particular dismay the group of more than 2500 people plying the Pacific Ocean in search of a safe haven. Reports of their tragic situation and the refusals of so many countries to allow them refuge recalls the desperate voyage in 1939 of the "St. Louis". With over 900 Jewish refugees on board, the boat was denied entry to many countries, including the United States. The soul-searing memory of hundreds of thousands of our brethren who could have been saved prior to World War II and the many boats of Jewish survivors who were turned away from Palestine after the war, compels us to speak out strongly at this time.

We appreciate the efforts of our government in the past and are mindful of the hardships that accompany an influx of refugees. However, we feel that special efforts must be undertaken immediately under the leadership of the United States to ensure that history does not repeat itself.

We applaud the government of Israel for their efforts in granting asylum to a group of "boat people" plucked from Asian waters by an Israeli freighter last year and their recent decision to grant asylum to more refugees. We hope that other countries will emulate this example.

This country has a deep-rooted tradition of support for victims of political oppression and has, in recent years, resettled large numbers of Hungarians, Cubans and Vietnamese.

We believe it is now time to mobilize all available resources, public and private, for a comprehensive international humanitarian rescue program.●

MR. SAM

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, that great Texan, Sam Rayburn, was far too busy during his lifetime to write his memoirs. But he did write thousands of letters, deliver hundreds of speeches, and grant many interviews. From this voluminous body of material H. G. Dulaney, director of the Sam Rayburn Library in Bonham, Tex., and Dr. Edward Hake Phillips, professor of American history at Austin College in Sherman, Tex., have assembled what is, in fact, both his autobiography and an anthology of his political views. It is entitled "Speak, Mr. Speaker" and was published by the Sam Rayburn Foundation.

Praises for the book have been pouring in from reviewers across the country. I have in hand one such review from my own hometown newspaper, the Fort Worth Star-Telegram, in its issue of January 21, 1979. The critic is Clair Eyrich. I am sure my many colleagues who served with "Mr. Sam", as well as those who merely know of his career in the House and his accomplishments as Speaker, will find it of interest. The book review follows:

MR. SAM—AS SEEN THROUGH HIS OWN EYES

Speak, Mr. Speaker, by Sam Rayburn, compiled and edited by H. G. Dulaney and Edward Hake Phillips; Sam Rayburn Foundation.

The golden years of Texas influence in Washington belonged to the times when Sam Rayburn was the speaker of the House of Representatives.

From his comfortable office with the deep leather chairs and Oriental rugs, the heavy crystal chandelier and the painting of bluebonnets by Porfirio Salinas, Mr. Sam wielded a power second to none in the Congress of the United States—a power that perhaps equaled that of Lyndon B. Johnson as Senate majority leader, a power he was not afraid to exercise in his own way and according to a code of ethics that set a standard of excellence that caused many critics to observe that Watergate could never have happened if Mr. Sam had been in Washington.

The New York Times once commented acerbly, "Sam Rayburn doesn't own the Capitol." But he didn't need to own it; with his abilities, and his clout on Capitol Hill, Mr. Sam remained for decades a most influential figure at the center of world events as well as Democratic party politics.

To H. G. Dulaney, director of the Sam Rayburn Library in Bonham, a personal friend and longtime aide of the late speaker, the only way to tell the Sam Rayburn story is in the words of the speaker himself.

In conjunction with Dr. Edward Hake Phillips, professor of American history at Austin College in Sherman, he has put together a book of great importance in "Speak, Mr. Speaker." With enlightened and poetic chapter headings by MacPhelan Reese of Bonham, a member of the library staff, the book is much more than a tribute to Mr. Sam's 40 years of laboring in Washington to translate high purpose, passion and patriotism into "a better life for all mankind."

It is a distillation of a lifetime of thought and action—and the thousands of historic documents in the classic Sam Rayburn Library, where the spirit of the late speaker seems to hover in a setting chosen by himself for its simplicity and beauty, and the relics it houses of a long career in Texas and Washington.

By way of introduction, the compilers cite the words of Eric Severeid: "A few have learned to love Sam Rayburn, many to like him, all have learned to respect him."

The book will add another dimension to this public image. Fully indexed for reference use as well as hours of happy reading of the speaker's own terse and eloquent contributions to American statesmanship, the 478 pages in large format contain many of the things for which Mr. Sam would have liked to be remembered—if he had ever had the time to get them all together. The authors have done a superb job of selection and editing that does full justice to a man who, chiefly through words, was one of the major powers in Congress and a world figure with a track record that leaves lesser Washington leaders behind.

The great man comes through these pages not only as a voice lucid in the wilderness of American political pronouncements. He is a warm and eloquent personality unafraid to express his feelings to friends and about friends, aware of those to whom he was a symbol of power—and of those who voted to keep him in power.

No one knew this side of the speaker better than Dulaney, and with a sure instinct for the right passage, the right expression, he molds an image of American political influence at its best and the use of prestige at its most fascinating. There is scarcely a quote in the entire collection that does not have the mark of a special genius for getting things done, always with the best interests of the nation in mind.

Present-day leaders are finding it difficult to equal Mr. Sam in the alliance of power with sheer political skill and popular appeal. Mr. Sam is a hard act for anyone to follow, including the present crop of influential Southerners at the seat of power.

Power, in Mr. Sam's gentle but strong hands, was never damaging, and the coalitions he formed remained high in purpose and achievement. The potential may be there for newer leaders on Capitol Hill to assume the role of unquestioned leadership to the extent that Mr. Sam did.●

GOLDWATER PREPARES HIS CHINA CASE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. RUDD. Mr. Speaker, one of the great constitutional issues facing our Nation is the President's recent unilateral abrogation of the 1954 Mutual Defense Treaty between the United States and the Republic of China.

I am proud to have joined with Senator BARRY GOLDWATER, the distinguished senior Senator from Arizona, along with other colleagues in both Houses of the Congress, in a lawsuit challenging the President's authority to abrogate this treaty without prior consultation or approval of the legislative branch, his coequal partner in the treaty process.

One of the best short newspaper columns that I have read concerning Senator GOLDWATER's lawsuit was written by Ben Cole, bureau chief of the Arizona Republic, our State's largest daily newspaper.

One paragraph of that column neatly summarizes the terrible danger of the President's precipitous action to repudiate our defense treaty with Taiwan—

Goldwater will tell the court that if this logic could be sustained, every treaty the nation makes could be abrogated on the whim of the president at the moment. A dovish president might without recourse junk the NATO pact, and a hawkish chief executive could scrap the Nuclear Test Ban agreement—all without consulting Congress.

Mr. Speaker, I would like to include Mr. Cole's good column at this point in the RECORD:

[From the Arizona Republic, Jan. 9, 1979]

GOLDWATER PREPARES HIS CHINA CASE

(By Ben Cole)

WASHINGTON.—Sen. Barry Goldwater has set the stage for an historic legal drama with his suit to block abrogation by President Carter of the 1955 Mutual Defense Treaty with the Republic of China.

Goldwater and his colleagues on one side and the administration on the other only agree on one point: It is, indeed, a "threshold case" with far-reaching consequences in American foreign affairs.

Both sides are going into court convinced of the virtue of their cause. The administration will be fighting to maintain the historic concept of presidential sovereignty. The senator will insist with equal vehemence on the constitutional doctrine of coequality of powers.

If the judiciary takes up the case, it will be asked to fulfill a basic duty of declaring what the Constitution says on the issue.

First of all, Judge Oliver Gasch must decide whether he is going to accept the case at all.

Goldwater and his colleagues filed their petition Dec. 9, 1978, before the ex-FBI agent who sits on the U.S. District Court for the District of Columbia. As of this writing, the State Department had not yet filed any reply.

The government can be expected to challenge the standing of Goldwater and his fellow plaintiffs to bring the suit. Administration lawyers will argue that the president has sovereign immunity against challenges to his ministerial acts.

To this, Goldwater will answer that the court, when President Nixon was compelled to produce the Watergate tapes, ruled the occupant of the White House is not above the law.

The administration also will argue that if the issues are to be raised at all, the proper plaintiff should be the whole Senate and that some authorizing resolution would be necessary.

Goldwater then will rebut by citing the suit taken by Sen. Edward M. Kennedy, D-Mass., against the Nixon administration's impoundment of appropriated funds. Kennedy established that his standing in court was his right to vote upon the expenditure of funds.

Moreover, Goldwater will tell the court that his fellow plaintiffs, Strom Thurmond of South Carolina and Carl Curtis of Nebraska, were present and cast affirmative votes Feb. 9, 1955, when the Taiwan treaty was ratified 65 to 6. Hence, they have a direct legal interest in maintaining the treaty.

One way or another, Goldwater expects to convince the court of his and his associates' standing to bring the lawsuit.

Once the case is taken up, basic constitutional questions will be raised.

The Constitution deals with the treaty-making power in half a sentence: "He shall have the power, by and with the consent of the Senate, to make treaties, provided two-thirds of the senators present concur; . . ."

Goldwater will declare that as a party to the treaty, the Senate should be asked to advise and consent when it is terminated.

The State Department has already compiled a long list of treaties terminated by other presidents without Senate approval. Goldwater, however, says violations of the law in the past cannot justify continued violations.

The administration will then argue that the Senate, by ratifying the treaty, accepted the clause providing for its termination with a year's notice by either party.

Goldwater will tell the court that if this logic could be sustained, every treaty the nation makes could be abrogated on the whim of the president at the moment. A dovish president might without recourse junk the NATO pact, and a hawkish chief executive could scrap the Nuclear Test Ban agreement—all without consulting Congress.

The administration can be expected to warn that forcing a president to go to the Senate before terminating a treaty would put him at a disadvantage in relation to other heads of state. Goldwater then would reply that such a question of policy must turn on what the respective constitutions of the countries require. He will insist the U.S. Constitution does indeed compel the president to get Senate concurrence when treaties are ended.

The case, once begun, would most certainly go all the way through the Supreme Court.

What happens if Goldwater wins? It is difficult to say. The recognition of Red China Constitution does indeed compel the presidential prerogative. Yet Red China might decide, should Goldwater win, that the terms of renewed diplomacy with the United States are broken. She then might withdraw her ambassador.

At least, that is what Goldwater hopes.●

CARDINAL STEPINAC DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GILMAN. Mr. Speaker, today marks the anniversary of the death of the martyred Cardinal Stepinac on February 10, 1960.

Mr. Speaker, the spirit of human rights has taken on an important dimension in both political and religious developments the world over. During a time when Soviet Jews are being persecuted and arbitrarily convicted for merely desiring to emigrate to Israel, when South Americans are being tortured and shot for political sentiments that simply urge education reform and equitable employment opportunities, when European industrialists are kidnaped and their respective countries abused by terrorists that seek to violently overthrow an entire social structure, we need to turn to examples set by those courageous individuals who were, and still are, not afraid to speak out or act in defense of those people being victimized. Cardinal Stepinac was one such courageous individual.

Aloysius Stepinac was born of a peasant family of Croation heritage in 1897, and following many years of intensive education as well as a stint in the Serbian Army, was ordained in 1924, and became bishop coadjustor of Zagreb in 1937.

On April 28, 1941, following the German invasion of Yugoslavia, Dr. Ante Pavelic, head of the Ustashi Nationalist Group, was established as head of the independent State of Croatia. Archbishop Stepinac announced from the pulpit of the cathedral on Easter Sunday 1941, the founding of this new state. His devotion to this declaration required his constant attention over the years, yet he was also consistently engaged in helping to relieve the suffering of Jews, Slovenes, and many other victims of persecution.

In 1945, he and his fellow bishops sent out a pastoral letter drawing attention to the many bishops, priests, and laymen killed or imprisoned; on the official press' perpetual attack on the clergy to which no rebuttal was allowed; on the confiscation of church property; and on the suppression of ecclesiastical teachings in public schools. Although the letter was never published, Archbishop Stepinac's constant outspokeness on that and other crucial matters, instigated his own show trial in 1946 which resulted in a sentence to 16 years hard labor and loss of civil and political rights, for allegedly collaborating with the Communists.

However, his popularity with the people earned him a conditional release and being named cardinal. Nevertheless, the sentence left him restricted to a life of silence, stripped him of his title and responsibilities, and left him under house arrest in his hometown Krasci. Not to be intimidated, Cardinal Stepinac continued in his struggle to abridge the schism between church and state and remained an unyielding prisoner until his death of natural causes on February 10, 1960.

Mr. Speaker, I urge my colleagues to join with me and the 2,500,000 American Croatians who wish to pay tribute to a man whose dedication to the preservation of fundamental human rights was permeated by his every course of action. May Cardinal Stepinac serve as a beacon of hope for those suffering similar persecution and be an example for all of us who are actively participating in the struggle for human rights around the world.●

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. AuCOIN. Mr. Speaker, I am introducing today a bill which is a small but important first step toward reshaping our system of Federal assistance to local governments. I am joined in this effort by my colleague from Indiana, Mr. HAMILTON.

Our Federal grant system has become a confusing maze of conflicting requirements, burdensome paperwork, and poor interagency coordination. The time has come to streamline grant administration, cut away at wasteful and duplicative red-tape and force Federal agencies to cooperate with each other and with local governments.

No longer can we afford to have an ineffective system of assistance to local governments. They need help today more than ever before. And in a time of budget austerity, it is doubly important to make what we have work better.

To achieve that goal the Congress must not only change the structure of the Federal grant system. We must also change the Federal Government's approach to local assistance. We need to rediscover confidence in individuals, private enterprise and public bodies to act in the public interest without Federal hand holding. I am confident that local governments can utilize Federal assistance to carry out activities which help to achieve Federal goals—and do it without the paternal oversight of the Federal Government. All local governments need is a chance to do what they know best how to do.

This bill puts us on the road to some needed reforms. It requires the executive branch to establish uniform procedures for complying with the myriad of Federal grant requirements such as equal opportunity, enviromental protection et cetera. At the present time each agency has its own procedures for meeting those requirements. Too often the requirements of one agency come into conflict with those of another. Almost always, the differences among agencies cause needless headaches and massive paperwork for local officials.

The bill also establishes the framework for advance appropriations for Federal assistance programs. One of the biggest problems for local governments, especially for small communities, is that funding availability changes from year to year. Comprehensive development programs—the kinds of programs that are most effective—require long range planning. That kind of planning is impossible without some knowledge of future fund availability.

This legislation will also facilitate joint funding of projects and require greater coordination by Federal agencies with State governments for grants to local governments.

Mr. Speaker in the weeks to come I will be introducing other legislation to improve Federal programs for local governments. These bills will improve assistance to small rural communities and reshape some housing programs in rural areas to better meet their unique needs. The bill that I am introducing today will lay the foundation for these future efforts.●

ABE MARTIN, COACH AND PHILOSOPHER

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, one of Fort Worth's most beloved citizens and one of the Nation's most respected athletic directors is dead. He was Abe Martin, for 14 years the head football coach at Texas Christian University and for another 9 years its athletic director. He retired in 1975.

Here was a man who epitomized sportsmanship. He never demeaned an opponent or another institution. He stuck by the rules. And he saw his players as human beings first and athletes second.

When he died last month at the age of 70 Abe was eulogized by many who had known him and followed his career. Among them was Pat Truly of the Fort Worth Star-Telegram. It is such a moving tribute to such a remarkable man that I want to share it with my colleagues. The column by Pat Truly follows:

ABE BELIEVED IN THE VALUES

Sometimes this is a heck of a depressing business.

Newspapers not only chronicle people's lives (and basically that IS their business), but the ends of those lives.

It hurts to call a Jim Swink and be the one to tell him that Abe Martin is dead. It hurts that Abe is gone.

The thing is that cold facts and figures, the public successes and failures that make up the outward record of a life and a career are sometimes a small part of the story of that life.

HE RUBBED OFF

What does a man believe? What mark does the extension of that belief leave on others?

A few years ago, when Abe had been out of active coaching for some time, we talked about doing a book together. Abe's idea was that he had something to say about football.

That's about as far as it went, and it's a shame.

Abe not only had something to say about football, but about life. And when he didn't say it, he demonstrated it.

I think it means something that an unusually large number of men who came from other places to play football for Abe Martin at TCU have remained in Fort Worth and hewed for themselves good lives and prosperous careers in any number of directions—doctors, dentists, lawyers, businessmen, teachers.

And I think most of them (nothing is unanimous except Russian elections) would agree on reflection that some of Abe Martin rubbed off on them.

"A lot of guys have stayed here," agrees one of Abe's former players. "He created a family for them. He always had time for his boys. There was nothing more important, to Abe, than one of his boys, and he'd drop anything for him."

"He was never shocked by anything his kids did," says Mazie Varley, who was Abe's secretary for many years, "and because of that they trusted him."

In the case of Abe Martin, there was a basic, overriding faith in the value of college athletics, and the value of the individuals involved, that colored his every act.

Abe didn't feel he was doing a boy a favor by giving him a chance to play ball in college and thus get an education.

He felt college athletics was doing them BOTH a favor.

There's a lot of lip-service paid to the eternal values to be derived from athletics. Abe believed it, down to the core.

"He always seemed to have the entire person in mind," says Marvin Lasater, who played for Abe and then worked for him, "not just the football player but the human being."

Lasater recalls when a teammate in the late 1950s came up against a bad disciplinary problem. He was about to be kicked out of school.

"He wasn't a starter, either," he says. "But Abe brought him before the team and discussed the problem with us. We were together, we backed him. Abe backed him, and he got another chance. He'd have done the same for his top quarterback or a last-team guard. He was concerned about the individual.

"He was always positive, always encouraging. He made people believe in themselves and he rubbed off on people. They came to have faith in others, because he had faith in them. He never preached about it, he just set an example.

"Probably Abe's greatest quality was the ability to understand what the other person was going through. To have empathy. And he was enough of a country philosopher that he could talk to anybody and make them understand."

MORE THAN VICTORY

Last year Lasater called Abe to invite him to watch a peewee football game that Lasater's son Jeff was playing in. Abe came, and enjoyed the game.

"But then," says Lasater, "he wrote Jeff a letter, telling him he hoped he achieved all his goals. Encouraging him. There was no reason for him to do that, except he believed in it. I'll tell you, that letter made Jeff feel like a real stallion."

You see, just to write, "Othol H. Martin, 1908–1979, coach, athletic director," isn't enough. Three conference championships and five bowl teams doesn't tell it. Abe was more than that, more than victory on the field of play.

"Abe," says Lasater with a cracking voice, "was something else."●

PRISONERS OF FEAR

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BIAGGI. Mr. Speaker, police estimate that the fear of being robbed, raped or murdered keeps 100,000 older persons in the city of New York prisoners in their own homes. Certainly, prompt action is necessary to correct this tragic situation, and I strongly urge that this issue be given high priority during the 96th Congress.

Unfortunately, since this is something that does not affect all segments of our population, very little attention has been given to this problem. Recognizing the need to bring this tragedy to the public's attention, Michael Daly of the New York Daily News recently spent 3 days with one of these prisoners in her Coney Island, N.Y., apartment and published a series of articles describing his experience. The "prisoner" is an 83-year-old widow named Jennie, who has not stepped foot outside her 2-room apartment since being mugged 3 times during a 15-month period.

At this point, I would like to insert the second of Mr. Daly's articles—the first of which appeared in the January 31 RECORD:

[From the New York Daily News, Jan. 24, 1979]

NO EXITS FOR JENNIE—FEAR HAS BOLTED HER DOORS

(By Michael Daly)

It is 8:23 a.m. and, sitting at the white enamel table in the kitchen, Jennie Kelly raises a blue china cup to her lips. Her hand trembles slightly as she hooks her upper lip over the edge of the cup and sips the tea. A drop of tea rolls off her chin and falls onto the front of her flannel robe. As she sets the cup back in the saucer, the tremor spreads from her hand to her right leg. She raises her heel from the floor and the leg shakes faster. Her right hand grabs her knee as she raises her left index finger to her lips.

"Listen," Jennie says. "Listen to how quiet it is."

At each pause of the day, Jennie tells you, this silence slams in her face like a vault door. The stillness turns the two rooms into a crypt and Jennie is reminded that the

apartment will only be filled with her voice, her footsteps, her breathing, that for another day she will go no farther than the front door and see no farther than the vacant lots that sprawl beneath her window.

"Do you ever think of suicide?" Jennie is asked.

"Sometimes" she answers. "I think if I had somebody to kill myself with, I might turn on the gas. But I can't stand the idea of lying here alone until somebody smells the body. That's more lonely than I am now. The way things are, I at least have me."

It is 9:32 a.m.

Returning to the kitchen, Jennie fills a plastic bucket with warm water and ammonia. Placing two towels on the black and white linoleum to cushion her knees, Jennie kneels and scrubs the floor with slow, circular motions of the sponge.

EVERYTHING SPOTLESS

"I know," she says, "it's already clean. I wash it every day. I keep everything spotless. It makes me feel better." Jennie then scours the kitchen sink, wipes the shelves in the cupboards, cleans the racks in the refrigerator, and rinses the laundry soaking in the bathtub. As she sweeps the bedroom floor, Jennie suddenly stops and takes a deep breath, shaking her head as she exhales.

"After all this, I never know if I'm depressed or tired," Jennie says.

It is 8:45 a.m.

Pointing with the brush toward the kitchen, Jennie asks you to leave the bedroom while she dresses. When you return 10 minutes later, she is standing in front of the mirror, smoothing the wrinkles on the front of her dress. Crumpled at the shoulders, the black material stretches across Jennie's abdomen and falls loose to the middle of her calves. Swollen blue veins snake up from her ankles, vanishing under the lace-trimmed hem. Licking her right index finger, Jennie bends over to wipe a spot off the bodice of the dress.

"Aren't I a sight," Jennie says. As she smiles, the lines of her face relax and you realize that this is the expression recorded by the deep wrinkles that radiate from her month and eyes. This, you realize, is not a face used to imprisonment.

"But I have to keep myself up," Jennie says. "I have to dress and brush my hair and take care of myself. If I don't, I'm finished. There's nothing harder to do than to keep doing while there's nothing to do. The one thing I don't want to do is to die here alone. Not until I have to, anyway."

This is the 16th Saturday of the 83-year-old widow's confinement in a two room apartment in Coney Island. After she was first attacked a year and a half ago, Jennie no longer went out at night. Two months later, a second mugging left her too afraid to venture farther than the corner grocery. Then, last September, the terror came to Jennie's doorstep. Beaten to the floor by a teenager wearing blue sneakers, Jennie knew she would never step outside her third-floor apartment again.

Like tens of thousands of other elderly people in this city, Jennie Kelley had become a prisoner in her own home.

It is 8:28 a.m.

SHUFFLES TO BEDROOM

Pushing the cup to the center of the table, Jennie shuffles 12 paces into the bedroom and stops in front of a full length mirror framed with mahogany. Reaching over to the dresser, she uncaps a one-ounce bottle of Joy perfume. Craning her neck, she places a drop of the perfume in the hollow between her collarbones. The smell, Jennie tells you, is a charm against the silence.

Placing the bottle back on the dresser, Jennie stands in front of the mirror and pulls five bobby pins out of the tight knot of hair at the back of her head. A few flicks of the bonehandled brush, and the thick white hair cascades over her shoulders, framing her milky blue eyes.

Signing the letter "Your friend still in Coney Island," Jennie folds the onion skin and slips it into an envelope. Her nephew will mail it on Wednesday, when he comes with the groceries.

"I wrote letters to the mayor and the President and Sen. Moynihan in the fall," Jennie says, pointing to a piece of White House stationery taped to the refrigerator door. "The White House was the only answer."

"In acknowledging your message to President Carter, I want to thank you for giving us the opportunity to consider your views," staff assistant Landon Kite wrote. "We find it helpful to know the frank and candid opinion of all our citizens."

ASKED FOR HELP

"What was your message to President Carter?" you ask Jennie.

"Help," Jennie says.

It is 1:10 p.m.

Pulling a cardboard box from under the table, Jennie fishes out a Dec. 16 issue of Newsweek magazine. Licking her fingers between each page, Jennie leafs through the magazine until she comes to a Marlboro ad with a picture of a cowboy on a horse dragging a Christmas tree through a snowstorm.

It is 11:51 a.m.

Propping the broom by her single bed, Jennie paints a thin line of mascara on her eyelids and walks over to the kitchen table. She turns the radio to WHN, a country music station, and takes a pad of onion skin paper and a blue ball point pen from the table drawer.

"My friend, Elizabeth, who moved to a nursing home in Queens likes country," Jennie says. "So I play it while I write her letters. The only song I like is one about a woman named Lucille who leaves her man with the children. I never had children, but I like the song."

"When did you last see Elizabeth," you ask Jennie.

"About a year," Jennie says. "Before I was afraid." Her knotted fingers wrapped around the pen, Jennie neatly lettered the first four lines of the letter.

"A newsman is here who wants to know what it is like to live alone and be afraid to go outside," Jennie wrote. "I told him it is not very exciting."

"I collect pictures I like," Jennie tells you as she snips the photograph out of the magazine, carefully trimming the edges. "Especially snow and water skiing pictures." Other prisoners have also collected magazine pictures.

It is 2:06 p.m.

Ushering you to a blue armchair in the bedroom, Jennie sits down in an adjacent chair covered with a frayed brown slipcover.

HER HUSBAND'S FAVORITE

"The blue chair is the one my husband liked to sit in," Jennie says. "Before they took him to the hospital for him to die. That was four years ago and it seems much longer. Sometimes I'm afraid I will forget him. So much has changed, and I spend so much time worried about myself."

Jennie picks up an .001 gauge crochet needle and a ball of navy blue yarn. To the rhythm of the stitches, she leads you through a labyrinth of memories, beginning with the day she met her husband on a Manhattan bound IRT train, to her defeat in the final round of the Brighton Beach Bridge Championship of 1943.

"When nobody's here," Jennie tells you, "I talk what I remember to myself. The tongue slows down my thoughts and stops me from going crazy."

It is 4:41 p.m. Jennie shuffles into the kitchen to take a final look out the window. Night is falling and the dark mounds of rubble rising from the snow-covered vacant lots remind Jennie of sleeping cattle. On the far side of the lot, under a streetlight, a man in a black fur hat is changing a flat tire. As he bends down to tighten a lug nut, a mongrel starts up and snips at his pants leg.

"That's one thing I don't have to worry about any more," Jennie says. "Flat tires."

SHATTERED BUILDINGS

Standing behind Jennie, you peer beyond the car with the flat tire at the dark rows of shattered three and four-story walk-ups and abandoned storefronts. Turning away from the window and facing Jennie's prim two rooms, the neat rows of dishes, the gleaming wood floors, the polished doorknobs, you step back 20 years, to before the forces of greed and poverty laid Coney Island to waste, to a time when Coney Island was a thousand apartments like Jennie's.

Closing the blue cotton curtain, Jennie assembles her burglar alarm, 24 Budweiser cans, at the base of the window. Crossing the room, she picks up a pencil and makes an 'X' on the Sat., Jan. 6 box of the Williamsburg Savings Bank calendar that hangs on the back of the front door.●

FUSION—THE FUTURE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PURSELL. Mr. Speaker, 2 years ago I arrived in Washington with the subject of energy as one of my highest priorities. In that regard, I have viewed development of new energy sources to take the place of fossil fuels as the central issue we face in guaranteeing our Nation an adequate energy supply for the future. While promoting research into a wide variety of energy sources—including oil shale, coal gasification, geothermal, solar, and others—I have concentrated most on fusion because I believe it offers our best hope for a virtually inexhaustible new energy base that is economically sound and environmentally clean.

During the course of the 95th Congress, I shared with my colleagues a series of articles and other items regarding laser fusion and its probability of meeting our growing energy needs. Meanwhile, interest in this important subject has been increasing both within and outside of Congress. Accordingly, I intend to continue doing what I can to bring the latest developments in this area to the attention of the general public and my fellow Members of Congress.

The latest issue of National Review is devoted to the nuclear-power problem. Among the items featured is one entitled "Fusion—The Future," which was authorized jointly by the chairman of a leading New York investment management firm (Arthur Gray, Jr.), the head of the nuclear engineering program at the University of Illinois at Urbana (George Miley), and an energy consultant (Mr. George Brumlik). Today, I would like to share this timely and convincing article.

[From the National Review, Feb. 2, 1979]

FUSION—THE FUTURE

The history of man is a record of progress directly tied to a continuing reduction in the cost of energy. From the discovery of fire and the wheel, to the harnessing of coal, oil, and natural gas for the generation of electricity, man's material lot has improved in direct proportion to the cost and availability of energy.

Now that fossil fuels have reversed their curve of cost efficiency, and other sources of energy (winds, tides, solar energy, fission, geothermal and hydroelectric power) have become economically attractive only in comparison to the ever-increasing cost of fossil fuels, we must look to what is the cheapest source of future energy in our universe—fusion.

Having low-cost energy available once again is not a dream, but a reality whose timing depends on us. Nature has stored on the earth's surface vast amounts of energy in the form of nuclei of isotopes of light elements—hydrogen, helium, lithium, boron. These abundant materials can be made to burn in nuclear fusion reactions, wherein they will release a *million* times more energy than a comparable weight of burning coal or oil. The magnitudes involved here are so fantastic that their meaning escapes us. If the price of oil dropped from $15 to $3 a barrel, the stock market would skyrocket; yet the energy provided by a million truckloads of oil can be replaced by the energy contained in a single truckload of fusion fuel.

What then would be the cost? The accessibility and abundance of the raw materials used in fusion fuels—isotopes of hydrogen and the other light elements mentioned above—make their cost essentially negligible. Construction of small, compact power plants could cost a fraction of present-day utility systems, if they could be mass produced with suitable confinements. And by placing them wherever they were needed, we could slash transmission costs. As the price of electric power then fell, electricity could replace oil and gas in heating and suburban transportation—another important saving. Fossil fuels could then be reserved for chemical feedstocks.

The single major expense involved in fusion energy is the enormous research and development outlays still required to bring the technology to fruition.

CUTTING TIMETABLES

Research will be needed to explore the questions of which element represent the best fusion fuels, and what means of confinement are most economical. The cost of this research, however, is a one-time investment, because of the abundance of the fuels; whereas the costs of oil exploration, which are currently far greater than the proposed outlays for the fusion effort, have to be carried on continuously as old wells dry up.

Fusion energy seeks to duplicate on earth a process which takes place in the sun. (When we speak of using "solar energy," we are talking about capturing this energy after it has traveled over ninety million miles to reach earth. That is neither very efficient, nor very cheap.) In fact, we have already duplicated the solar process here on earth. We have burned deuterium and tritium and lithium isotopes; but we had to use a fission reaction involving uranium and plutonium as a match. Result: the hydrogen bomb. Now we must find a safer match and learn how to produce a controlled fusion reaction.

At fusion temperatures, matter forms a gas of free ions and electrons called a "plasma." When such conditions persist, confinement is obviously a key problem. A normal containment vessel cannot be used, since the hot plasma, would melt material walls. At present, two sophisticated approaches—*magnetic* confinement and *inertial* confinement—are being pursued.

Magnetic confinement experiments, in most cases, make use of the "Tokomak" concept, originally developed in Russia [see also "Meanwhile, in the Soviet Union . . ." by Wil Lepkowski, p. 168] and now being advanced at various Department of Energy laboratories including the Princeton Plasma Physics Laboratory and the Oak Ridge National Laboratory. The Tokomak employs magnetic fields in a closed configuration shaped like a large doughnut. An alternative approach, called "mirror" confinement, uses magnetic fields to reflect plasma particles that would otherwise escape from the ends of an open cylindrical field; it is being developed at the Lawrence/Livermore laboratories, among other places. Dr. Melvin Gottlieb, director of the Princeton Plasma Physics Laboratory, believes that at least 15 years could be cut from the present timetables for development of magnetic confinement by initiating a full-scale research effort now.

Inertial confinement, the second major technology, involves heating a small fuel pellet with a laser or a charged particle beam so rapidly that the inertia of individual ions keeps the plasma together as fusion occurs. Inertial confinement is being pursued at the Los Alamos Scientific Laboratories and the Sandia National Labora- Rochester in New York State, the Lawrence/Livermore laboratories in California, and KMS Fusion Corporation in Ann Arbor, Michigan. Dr. John Emmet, Division Leader of the Laser Fusion Team at Livermore, is every bit as optimistic as Dr. Gottlieb.

There are yet other approaches to the harnessing of fusion which would be entitled to adequate funding. The Russians are exploring avenues of their own, some of which may be unknown to us. Meanwhile, fusion research has made remarkable strides in recent years. Experimental devices now being built at Princeton and Livermore are expected to "break even"—to produce as much energy through fusion as they consumed in heating the "plasma"—by the early 1980s.

How much will it cost us if present trends continue, and the fusion era is delayed?

The Department of Energy has targeted the year 2025 for the employment of the first commercial fusion reactors. The United States is importing $1 billion worth of oil each and every week of the year. By 2025 we will have expended well over a trillion dollars on oil imports. (This is more, by way of comparison, than the total value of all securities currently listed on the New York Stock Exchange.) Clearly, the date selected by the Department of Energy is far too late.

CAPITALIZED COSTS

America must not expend hundreds of billions of dollars on foreign oil while it has cheap and plentiful fusion fuel at hand. The time has come to stop flirting with fusion, and to demand of our leaders a total national commitment to get us back on the track toward inexpensive energy. We must not accept the current schedule; we must plan instead to have a fusion economy in place by the year 2000.

We cannot afford to have foreigners standing in line to buy American industries and securities with weakened dollars (which they have been doing to the tune of over $150 billion in the last five years).

These problems could be avoided by increasing the funds available for fusion research. The United States now spends $500 million a year on fusion research. At the same time we spend $4.5 billion a year on the NASA space effort. We should be willing to invest on a comparable level in a program which would result in saving the American economy. Let us increase the funding of our national laboratories, and put an end to the underfinancing of the research departments of our universities and high-technology companies that occurs because of inflation, unfortunate tax policies, and misdirected government allocation of funds. In May 1978, Takeo Fukuda, the then-Prime Minister of Japan, volunteered to contribute $1 billion to the United States fusion effort over the next five years as part of a program to redress the balance of payments, now in Japan's favor. Our government continues to procrastinate. It has been rumored that we would go along with a much smaller effort, partly devoted to coal research—in which the Japanese, who have no coal reserves, are understandably not very interested.

America has been lagging in high technology innovation—a pattern which has become a major concern of the present Administration. A properly funded fusion program could reverse the present downward trend and open a myriad of new innovations, the benefits of which will accrue to all Americans.

The Administration has every right to be concerned with continuing high federal deficits. Certain expenditures, however, can face the most rigid scrutiny. There is no reason why money appropriated for the fusion program could not be capitalized over a twenty- or thirty-year period, exactly as when a corporation builds a new plant. The investment will be returned, in money and quality of life, to our children and children's children a hundred-fold.●

SALT TALKS CONTINUING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, there has been a great deal of discussion in official circles over the resumption of the SALT talks, now that the administration has spent the previous week entertaining the current Vice Premier of China, Teng Hsiao-p'ing.

One of the well-known spokesmen on the international scene is Dr. Joseph A. Mikus. He draws from his practical background in international diplomacy in his recent article, "SALT and Detente—An Entangling Soviet Strategy." I wish to insert his article for the Members' attention.

SALT AND DETENTE—AN ENTANGLING SOVIET STRATEGY

On January 14, 1979, I carefully listened to the Meet the Press Program on TV channel 4 with Senator Howard H. Baker. In it the latter gave some details about his recent discusisons with the leaders of the Soviet Union in Moscow. This exchange of ideas was centered on SALT II, the conclusion of which Leonid Brezhnev considers of highest priority. He allegedly said should the United States and the Soviet Union fail to come to an agreement on this issue, it would mean the end of détente and a return to the cold war.

This, of course, would bring no change, since the cold war continues anyway and détente is for the Soviets only a cover-up of their expansionist policy all over the world. If they really believed in détente, why would they incite now the Communists in Iran?

In spite of SALT I, détente, and the Helsinki Final Act, the Soviet Union has not abandoned its objectives. The political chess-game, in which the Russians are accomplished masters, is going on without the slightest change. Now, after our recognition of China's Government, the Soviet Union may be even more eager to entangle us in an agreement in order to obtain a commitment that would limit our freedom of action, or that would freeze "the current im-

balance and reinforce permanent Soviet superiority"[1] for decades to come. This must remind us of the general Soviet strategy, which consists in tightening hands of Soviet partners or their potential opponents.

In East-Central Europe, the Communists successfully applied the strategy of the National Front, i.e., of a coalition government, in which the Communist Party retained the right of veto against the potential proposals of other political parties. Thus, any opposition was made impossible. This strategy, which on February 25, 1948 led to the communist take-over in Czecho-Slovakia, was amply explained by Prof. Dr. Joseph Kalvoda in his book *Czechoslovakia's Role in Soviet Strategy*, University Press of America, 4710 Auth Place, S.E., Washington, D.C. 20023.

By the same type of strategy, the Soviet Union has managed to reduce to subservience all its satellites, with which it has military and economic agreements: the Warsaw Pact and the COMECON. One has to keep in mind that these are not voluntary institutions such as the NATO or the Common Market are. The Khrushchev policy, applied in 1956 in Hungary and the Breshnev Doctrine, imposed upon Czechoslovakia in 1968, prove it.

SALT and détente are, in short, the same type of devices. Shall we abandon our freedom of action, such as the production of electronic bombs, for the sake of our agreement with the Soviet Union, we shall, willy-nilly, be a victim of Finlandization.

Our only strategy toward the Soviet Union will ultimately remain in adopting the policy of self-determination as originally formulated by President W. Wilson not only for Africa, where, in spite of a tribal social structure, we have been promoting "national states", but also in East-Central Europe, the Soviet Union itself, and elsewhere in the world. The current conflicts between communist countries, such as Ethiopia-Somalia, Viet-Nam-Cambodia, and the Soviet Union-China clearly prove that national interests of those countries are more important than the solidarity of the world proletariat.

Moreover, the Kissinger policy of détente has sinned by an excessive fear of an atomic war danger. This has nearly paralyzed our decision-making process toward the Soviets, even though there are three Western atomic powers plus China against them. The real danger is, however, in the disproportion of the Soviet and our conventional weapons.

Therefore, we shall return without delay to a compulsory military service and increase our effectives at least to 3 million men. Such a step would not only somewhat rectify the present imbalance, but would also reduce our unemployment rate, not to speak of the educational meaning of the military service for our young generation, many members of which are idle and indulge in criminality.

Finally, our unilateral concessions to the Soviet Union shall be stopped. The latter owes the United States or our industries allegedly $16 billion. Shall we, in this indirect way, finance the Soviet fomented "wars of national liberation" and revolutions in the world? Has this policy anything in common with common sense?●

[1] "170 Retired Top Military Officers Warn Carter of a Soviet Challenge", The New York Times, January 12, 1979.

THE F-16 GOES OPERATIONAL

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, last month marked the start of a critical period for the F-16 multimission fighter, the newest aircraft in the Air Force inventory.

On January 6 the first operational F-16 was turned over to the 388th Tactical Fighter Wing in Utah. By year's end 64 are scheduled to be delivered to that unit.

Then on January 26 the first F-16 assembled in Europe was delivered to the Belgian Air Force. Production is continuing for the four European nations which are participating in this trailblazing program.

The January issue of Air Force magazine contains an interesting article reporting on the remarkable performance and acceptance of this aircraft. The article follows:

THE F-16 GOES OPERATIONAL

(By Bonner Day)

January marks the start of a critical period for the F-16 multi-mission fighter, the newest aircraft in the Air Force inventory.

At Hill AFB, Utah, the first operational aircraft is scheduled to be turned over to the 388th Tactical Fighter Wing on January 6. By the end of the year, sixty-four are to be delivered, of a total of seventy-eight that will be assigned to the unit.

And on January 26, the Belgian Air Force is to accept its first model of the plane assembled in Europe.

Since the first flight of the prototype in February 1974, the F-16 has been flown by test pilots. Now the F-16 moves into the hands of those responsible for flying and maintaining it in combat, the operations people.

So far, the plane has been hailed as one of the big successes in Air Force R&D history.

Test pilots are impressed with its flight performance. NATO diplomats regard it as a model in efforts to put standard sophisticated weapons in the hands of NATO allies. Defense Department managers cite it as evidence that modern, sophisticated weapons can be developed without the technological problems and massive cost overruns that occurred in many Pentagon programs during the 1960s. Defense officials are pleased with the cost of the F-16, which has remained substantially lower than the price of the F-15 and F-14, the other two major fighter aircraft entering the US inventory.

SUCCESSFUL TESTING

Before the scheduled turnover of operational F-16s, the aircraft was tested extensively at Edwards AFB, Calif. The joint test team consisted of pilots from General Dynamics, Air Force Systems Command, Air Force Test and Evaluation Center, Tactical Air Command, and pilots from the air forces of the four participating European countries.

The aircraft's performance, propulsion, stability, and control were primary objectives of the tests. But test pilots were also charged with exploring the plane's ability to perform air-superiority and support missions. Ground testing involved extensive evaluation of repair and maintenance operations.

At the test center, two prototype F-16s and eight preproduction versions, by mid-November, had flown more than 2,100 flights totaling some 2,600 hours.

One test pilot, Col. James G. Rider, formerly director of the F-16 Joint Test Force at Edwards AFB and now assistant deputy commander for operations for the F-16 at the 388th Tactical Fighter Wing, has flown more than 320 hours in the aircraft. (*See Air Force Magazine, October '78, for a pilot report on the YF-16 by Colonel Rider.*)

In a recent interview with Air Force Magazine, Colonel Rider said that no significant changes were made in the plane as a result of flight and other tests of the preproduction model. Overall, he said, the production model is proving to be as efficient in flight as the prototypes were.

Colonel Rider's greatest praise is for the high Gs the plane is capable of withstanding. "The plane is built for the Gs necessary for tight and hard maneuverability. But the cockpit environment—the side stick controller and the thirty-degree inclination of the seat—also makes it possible for the pilot to actually use the higher Gs that are available." Colonel Rider says that seven Gs in an F-16 feel like five Gs in another airplane.

Test pilots also have found that the electronic flight control system, the so-called "fly-by-wire" feature, is as impressive to fly as it promised to be in design studies. Colonel Rider says this feature makes it virtually impossible for the plane to go into an out-of-control spin.

Early concerns about the engine's performance have been resolved. The aircraft is equipped with the Pratt & Whitney F100 engine, which produces twenty-five percent more power per pound of engine weight than the best previous fighter engine. The same engine powers the F-15.

Though some of the engines in F-15s have experienced stall-stagnation problems over the past six years, Air Force and Pratt & Whitney officials say the faults are being corrected and will not be a factor in the F-16. Engine stalls already have been reduced to less than two per 1,000 flight hours. The engine in the F-16 is expected to have a stall stagnation rate between .4 and .2 per 1,000 engine flight hours, which Air Force experts say is acceptable.

COSTS AND BENEFITS

Defense officials have been less pleased with the added costs associated with multinational production. There is general agreement, however, that the increased cost has been more than made up in other benefits. Six months after the US decision to buy the F-16 was announced in January 1975, four European governments signed a memorandum of understanding with the US to buy and coproduce the aircraft. The five countries agreed that the US would buy at least 650 of the planes, and the European countries would buy 348. Of this total, Belgium would buy 116; the Netherlands, 102; Norway, seventy-two; and Denmark, fifty-eight.

The Europeans will pay a share of the development costs for the aircraft and its support equipment. This amounts to more than one half million dollars per aircraft. In addition, more than $1 billion has been added to US exports because of the European buy, which translates into at least 50,000 additional American jobs.

But Defense officials say less tangible benefits were the key to the decision to coproduce the plane. Says one Air Force officer: "From the NATO point of view, the joint production contract is the most important thing that ever happened in aircraft procurement."

Because the plane is being built and flown in Europe as well as the US, spare parts and repair facilities will be more readily available. Air Force planners can foresee times when aircraft down at allied airfields can be repaired and rearmed immediately, without the need to call men and equipment from a US base. In a war, the advantages of commonality would be multiplied, Air Force experts say.

The five NATO members are working together, not only on testing the plane, but on tactics to address the Warsaw Pact threat.

The management of the F-16 program is extremely complex, and the division of responsibilities, contracting, and multinational decision-making have presented many problems. But Air Force officers say the experience gained in the F-16 program now can be used in future multinational projects.

The plan calls for the four European nations to produce ten percent of the procurement value of the first 650 US Air Force aircraft, forty percent of the procurement value of aircraft purchased by the European countries, and fifteen percent of the procurement value for planes sold to other countries.

Two other countries have already signed up: Iran wants to buy 160, and Israel, seventy-five. Other countries have indicated a desire to buy the F-16, if the US Administration permits.

In addition to the assembly plant in Fort Worth, Tex., final airframe assembly lines have been established in Belgium and the Netherlands. The first Belgian Air Force plane was assembled at the Belgian plant.

The procurement value of the planned buy of 348 aircraft to the four European countries is $2.8 billion with a "not-to-exceed" contract unit price of $6.09 million, in 1975 dollars. The Air Force estimates that over the life of the longer US purchase program the unit price will average $10.76 million, which would mean a total program acquisition cost of $15 billion.

MILITARY MISSIONS

But while Defense Department officials see diplomatic and financial benefits, the military advantages of the plane weigh more heavily with Air Force officers. The Air Force pilots who have flown the plane are the most impressed, praising its flight controls in particular.

Already, the F-16 has become an integral part of the NATO strategy to counter the buildup of Soviet Air Forces in Europe. U.S. policymakers decided on a mix of F-15s which are more sophisticated but also more expensive, and the simpler F-16s, in an effort to retain NATO's qualitative advantage and partially offset the Soviet and Warsaw Pact numerical advantage in aircraft.

The F-16 will have two major roles as it is deployed in Europe. It is designed to augment the F-15 in achieving air superiority in the opening stages of a war. Once NATO forces gain control of the air, the F-16 would supplement the F-111, F-4 and A-10 aircraft in air-to-ground missions.

Because it will eventually replace the Air Force F-4, which has a nuclear strike role, the F-16 will also be equipped to conduct nuclear missions.

In nine years, the F-16 thus has grown from a study of modern aerospace technology to multibillion fighter program that is vital to U.S. and NATO defense.

IRELAND IN 1979—CONTINUING PROBLEMS BUT HOPE ON THE HORIZON

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BIAGGI. Mr. Speaker, the beginning of 1979 finds the Ad Hoc Congressional Committee for Irish Affairs active and flourishing. On February 1, our executive committee voted unanimously to have the ad hoc committee sponsor a peace forum later in 1979. The forum would invite all shades of political thought to come to this Nation to discuss peace. It constitutes the most dramatic American initiative to date for promoting the cause of peace and justice in Ireland. An announcement about a date will be forthcoming.

As Chairman of the ad hoc committee I am pleased that our membership has again surpassed the 100 mark. We expect to be very active not only with respect to the peace forum issue but also on behalf of working for the convening of congressional hearings on other facets of the Irish question. Certainly one of the most fundamental problems in Ireland continues to be rampant violations and deprivations of human and civil rights.

Since Congress adjourned I have made two trips to Ireland. On the first, I was accompanied by my colleague on the ad hoc committee, Mr. GILMAN. While there we met with some 25 different political parties, paramilitary organizations, church leaders as well as peace and labor groups to assess their sentiments about the peace forum. We found not only considerable interest but also support and it was on that basis that I recommended to the executive committee that we sponsor the peace forum.

On this same trip, both Congressman GILMAN and myself visited prisons in Northern Ireland which had been cited as havens for human rights abuses. I visited the Long Kesh facility where the most celebrated cases of human rights violations are occurring in the so-called H Block wing. Here some 300 prisoners have been protesting the elimination of the political status category for crimes. I met with one of these so-called "blanket men" a young man who had seen no visitors for 15 months. I was disturbed greatly by his appearance but found his spirits to be high. I came back from this trip with a renewed commitment to having our administration exert pressure on the United Kingdom to cease these practices and restore human and civil rights.

Recently, Amnesty International issued its 1978 report in human rights conditions around the world. I wish to include in the RECORD the reports on the United Kingdom and the Republic of Ireland. I should point out that last year Amnesty International released a report describing inhumane conditions involving 78 prisoners housed at the Castlereagh barracks. The ad hoc committee has submitted about one-fourth of the cases from the report into the RECORD and will complete the work early in the 96th Congress.

We engage in this activity for one simple reason—to get our administration to apply a consistent standard in its human rights policy. What we do in East Timor we should do in Ulster—violations of human rights are wrong no matter where they are practiced. To apply pressure to some nations and ignore others is nothing more than selective morality.

In addition, the ad hoc committee recognizes that peace in Ireland remains an impossibility until there is restoration of human and civil rights in Ireland. We learned firsthand how continued violations of prisoners rights serves as a motivating factor for violence. This does not in any way justify violence—but it is important to establish the fact that violence in Northern Ireland is both institutional and civilian in nature. The United Kingdom will continue its barbaric policies as long as the administration remains uninterested. While I respect the longstanding nature of the United States-United Kingdom relationship—I do not feel we can continue to overlook their poor record on human rights.

Mr. Speaker, at this point in the RECORD I wish to insert the reports on the United Kingdom and the Republic of Ireland from the Amnesty International report.

I do wish to close on a hopeful note—I believe that the decision by the Ad Hoc Congressional Committee for Irish Affairs to conduct an Irish peace forum offers new hope for peace and justice in Ireland. We offer ourselves as a completely neutral sponsor favoring no solution nor group. Rather our interest is setting into motion the peace process for Ireland: a process which must involve the Irish people from the outset to the conclusion. They must determine their own future not the United States. However, it is our firm belief that the peace forum could serve to provide the impetus to move Great Britain and the Irish Republic off dead center on Northern Ireland.

The information follows:

No prisoners of conscience were under adoption by Amnesty International in the United Kingdom during the period 1977–78, although the organization continued to take an active interest in the case of a former adoptee, Pat Arrowsmith.

Pat Arrowsmith was arrested in 1973 and served approximately nine months of an 18 months' prison sentence under the Incitement to Disaffection Act 1934. The charge against her was that she had distributed leaflets to troops, "endeavouring to seduce them from their duty or allegiance" in relation to service in Northern Ireland. Her application to the European Commission on Human Rights, alleging that her conviction was in violation of those articles of the European Convention on Human Rights which guarantee freedom of expression and freedom to manifest a belief, was declared admissible in May 1977. Pat Arrowsmith was represented by the Legal Adviser in the International Secretariat of Amnesty International and Howard Levenson, a solicitor, on behalf of the British National Council for Civil Liberties.

During the course of 1977, Amnesty International received serious allegations of maltreatment by members of the Royal Ulster Constabulary (RUC) of people arrested in connection with terrorist offences in Northern Ireland. On 28 November 1977, Amnesty International sent a mission to Northern Ireland to investigate these allegations. The members of the mission were Douwe Korff, a Dutch lawyer, Jorgen Kelstrup, a Danish doctor and Amnesty International member, and a member of the Research Department in the International Secretariat. The delegates were joined on 1 December 1977 by a second Danish doctor, Inge Lunde.

The mission stayed in Northern Ireland until 8 December 1977. While there, its members met the Deputy Secretary of State, a representative of the Attorney General's office, a representative of the Attorney General's office, the Chief Constable and the Deputy Chief Constable of the RUC, the Head of the RUC Complaints Branch and members of his staff, members of the Police Federation of Northern Ireland, and the Director and Deputy Director of Public Prosecutions. In addition, it met the Chairman, Secretary and other members of the Northern

Ireland Police Authority, doctors under contract to the Authority, members of the Police Surgeons' Association, and the Head of the Police Complaints Board. The mission was offered—and accepted—the opportunity to visit Castlereagh Police Holding Centre in Belfast, to which a large number of allegations of maltreatment related.

The delegates in addition obtained direct testimony from 52 people who alleged that they had been maltreated while in police custody, mostly during the course of 1977. The delegates examined medical reports on 13 of the 52 cases, and five people agreed (at the delegates' request) to have a further more thorough examination by the medical members of the mission. As well as obtaining testimony directly from the 52 people already mentioned, the delegates collected detailed information (including medical reports) about a further 26 cases of alleged maltreatment. The mission met doctors, lawyers and other individuals who were able to provide evidence relating to the allegations of maltreatment. It met also organizations concerned with civil liberties.

The report of the mission was forwarded to the British Government for comment on 2 May 1978. Amnesty International issued it on 13 June 1978, under the title *Report of an Amnesty International Mission to Northern Ireland (28 November–6 December 1977)*.

In the report Amnesty International concluded that suspected terrorists had been maltreated by the RUC sufficiently often to warrant a public inquiry into the matter. (The evidence presented to the mission did not suggest that uniformed members of the RUC were involved.) The mission found also that legal measures which have eroded the rights of suspects held in connection with terrorist offences have helped to create the circumstances in which maltreatment had taken place. In addition the evidence indicated that the machinery for investigating complaints of police assaults during interviews is inadequate.

On the basis of these conclusions, Amnesty International recommended to the Government that a public and impartial inquiry be established both to investigate the allegations of maltreatment, and to consider the rules relating to interrogation, detention and admissibility of statements, and the effectiveness of the machinery for investigating complaints against the police over assaults during interviews. The organization recommended also that, pending the establishment and the report of such an inquiry, immediate steps should be taken to ensure that people interviewed by the RUC on suspicion of terrorism were protected against possible maltreatment. Measures to this end should include right of access to lawyers at an early stage of detention.

On 8 June 1978, in response to Amnesty International's request for an impartial and public inquiry into the allegations of maltreatment the Government of the United Kingdom announced that, having examined Amnesty International's report, it had decided to set up an independent and public committee of inquiry into police practice and procedure in Northern Ireland as regards the interrogation of people suspected of terrorist offenses. It would be within the terms of reference of the committee of inquiry to consider also the effectiveness of the machinery for dealing with complaints against the police, but not to review the rules relating to the admissibility of confessions in the special non-jury courts in which terrorism cases are tried in Northern Ireland.

The Government said also that individual allegations of maltreatmet would not be investigated by the committee of inquiry. Instead, it invited Amnesty International to give to the Northern Ireland Director of Public Prosecutions (DPP) the names of the 78 people whose allegations of maltreatment were dealt with in the *Report* of the mission. The DPP would then examine these complaints with a view to prosecuting identified police officers if the evidence justified it. The Government stated that the DPP would furthermore report on the "general findings and conclusions" of his examination of these cases to the Government and the committee of inquiry.

In a public statement on 13 June 1978, Amnesty International expressed regret that the terms of reference of the Government's committee of inquiry did not include examination of individual complaints of maltreatment. It repeated its recommendation that a committee of inquiry be established which would have access to all relevant data regarding any individual complaints of maltreatment, not only those made by the 78 people whose testimony is in the Amnesty International *Report*. In particular, the committee should have direct access to police doctors' reports and to the complaints files of the DPP, and should not have to rely on a report of the general findings and conclusions of the DPP. Amnesty International further proposed that provision should be made for members of the public to testify in private before the Committee, and called for the full report of the committee to be made public. The Government subsequently stated that it would not change the terms of reference of the committee as set out in its statement of 8 June.

On 18 June, following the kidnapping the previous day of a police constable, William Turbitt, who had been wounded in an ambush by the Provisional Irish Republican Army (IRA),[1] and the abduction of a Roman Catholic priest, Father Hugh Murphy, by a Protestant para-military group as hostage for the return of the constable, Amnesty International issued a statement appealing for the release of the two men and condemning the kidnappings and threats to maltreat and kill the victims. The priest was subsequently released unharmed, but on 20 June the IRA announced that the police constable had been "executed" for his role in the "British war machine". Post mortem examination of Constable Turbitt's body indicated that he died soon after capture of the wounds inflicted on him in the ambush.

On 18 January 1978, the European Court of Human Rights judged that interrogation practices used by the security forces of the United Kingdom in Northern Ireland in 1971 were "inhuman and degrading" but not torture". This reversed a ruling by the European Commission on Human Rights that these practices constituted "torture". Following this judgment, Amnesty International, which in 1971 had condemned these interrogation techniques as "torture", issued a statement expressing concern and disappointment that the European Court had arrived at this decision despite its own stated consideration that "the five techniques were applied in combination, with premeditation and for hours at a stretch. They caused, if not actual bodily injury, at least intense physical and mental suffering . . . and also led to acute psychiatric disturbances during interrogation."

On 17 May 1978, Amnesty International wrote to the Secretary of State for Northern Ireland regarding conditions in Long Kesh (Her Majesty's Prison The Maze), Northern Ireland, where over 300 prisoners convicted of terrorist offences are carrying out a prolonged protest in order to be granted "political" status. The prisoners concerned refuse to wear prison uniform or do prison work and have consequently been confined for prolonged periods in cells, with no exercise and no reading or writing or other occupation. They are now refusing to clean their cells or use the proper facilities for hygiene. Amnesty International is investigating the situation.

Ireland (the Republic of)

During the year covered by this report (July 1977–June 1978), Amnesty International has been concerned over anti-terrorist legislation and the rights of suspects detained by the police in the Republic of Ireland. In June 1977, the organization sent a mission to Dublin to investigate these matters and an Amnesty International submission to the Irish Government followed, in August 1977.

Amnesty International's submission, the contents of which are described in the *Amnesty International Report 1977*, gave details of allegations that people detained by the *Garda Siochana* (Irish police) on suspicion of involvement in terrorist or other politically motivated offences, had been maltreated. Amnesty International called for a full, impartial and public inquiry into these allegations. The cases of alleged maltreatment which the submission described involved people who had been arrested, most of them during 1975 and 1976, under the Offences Against the State Act (1939 and 1972) or under the Emergency Power Act (1976). On 4 October 1977, the Irish Government announced that it would not renew the section of the Emergency Powers Act under which suspects could be detained by the police for up to seven days without being charged. The Offences Against the State Act continues to operate: it covers a wide range of offences related to terrorism, provides for police detention of suspects for 48 hours without charge, and for the establishment of special non-jury courts to try people charged under the Act.

Amnesty International has no prisoners in the Republic of Ireland under adoption as prisoners of conscience.

In October 1977, the Minister for Justice, Gerard Collins, made a public statement that, after considering Amnesty International's request for an impartial inquiry into allegations of police brutality, the Irish Government had appointed a three-member Committee of Inquiry to consider ". . . what additional safeguards are necessary for the protection against ill-treatment of persons in *Garda* custody and for the protection of members of the *Garda Siochana* against unfounded allegations of such ill-treatment". The Minister stated that the Committee would not have a mandate to inquire into specific allegations of maltreatment: these should be investigated through the normal procedure of bringing criminal prosecutions against identifiable police officers in the courts.

Amnesty International wrote to the Minister for Justice on 17 October 1977, welcoming the establishment of a Committee of Inquiry into safeguards for people in police custody but criticizing the Committee's terms of reference as being too narrow. It urged that the Committee's mandate be extended to include investigation of specific past complaints of maltreatment, to reach conclusions as to whether the complaints were justified, and to make their findings public. In this and in subsequent correspondence with the Irish Government, Amnesty International expressed the view that the normal procedure for bringing police officers accused of maltreatment before the criminal courts would not reveal the extent of maltreatment, because of the difficulty of fulfilling the courts' requirement for proof beyond reasonable doubt of the guilt of individual officers.

On 8 December 1977, Alfred Heijder, a member of Amnesty International's International Executive Committee, and Douwe Korff, a Dutch lawyer who had taken part in the Amnesty International mission to Dublin, testified on behalf of the organization to the Committee of Inquiry appointed by the Irish Government, on the general issue of safeguards for suspects in police custody. Among the recommendations made by Amnesty International to the Committee were those people who were detained should have prompt access to solicitors of their own choice before interrogation; that no statement or confession made by a suspect in police custody should be used in evidence unless made in the presence of a solicitor; that detained people should have medical examinations at regular intervals while in police custody. In May 1978, the Committee of Inquiry sent the Irish Government a confidential report of its findings and recommendations. The contents of this report have not been made public. During the past year there has been a decrease in the allegations of police maltreatment of suspects received by Amnesty International. However, Amnesty International is still concerned by the fact that there has as yet been no public inquiry into specific past complaints.●

[1] The military wing of the Republican movement which opposes British rule in Northern Ireland and supports a reunification of Northern Ireland and Southern (the Republic of) Ireland. They resort to terrorism in order to achieve this aim.

FUNDING FOR THE ANADROMOUS FISH CONSERVATION PROGRAM

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MURPHY of New York. Mr. Speaker, the legislation I introduced today with other members of the Merchant Marine and Fisheries Committee would authorize appropriations for the next 3 fiscal years to implement the Anadromous Fish Conservation Act. This legislation would insure that funding will continue to be available to the Secretaries of Commerce and the Interior for carrying out the programs established by the act.

The Secretaries are authorized to enter into cooperative agreements with any State containing anadromous fish, any of the States adjoining the Great Lakes or Lake Champlain that contain fish that ascend streams to spawn, and any non-Federal interests concerned with the conservation of such fish. Presently, there are 26 States participating in this program. Anadromous fish are those species of fish which begin their life in fresh water, migrate to salt water, and return to fresh water usually the stream of their birth to spawn.

Programs conducted under the act have contributed to the development of facilities for producing or enhancing fish populations and have also helped to provide unobstructed waterways and healthy spawning grounds for the use of various species, including the Atlantic salmon, shad, striped bass, steelhead, Arctic char, sheefish, five different species of the Pacific salmon, and the Dolly Varden trout.

The program is carried out on a 50–50 matching fund basis, except when the Secretary enters into a cooperative agreement with two or more States, in which case the Federal share is increased to 66⅔ percent. No State can receive more than $1 million per year.

The present authorization under the act, which expires at the end of fiscal year 1979, is for a total of $20 million for the two Secretaries combined. Since the act was passed in 1965, over $60 million has been distributed by the Federal Government. The economic benefits which have accrued to the participating States are valued at approximately $44.6 million. Perhaps even more importantly, the program has provided a valuable service for both commercial and recreational fishermen, a service for which they have often expressed their appreciation.

The authorization for funds to implement this program is contained in section 4(a) of the act. The legislation I introduced would extend the authorization for 3 additional years at a constant level of $20 million for each of fiscal years 1980, 1981, and 1982.

In past years, insufficient funds have been appropriated to cover all of the projects proposed by the States. Of the $20 million authorized each year, only slightly over $5 million has actually been allocated to the States. With last year's inclusion of Lake Champlain under the coverage of the act and with the leftover unfunded projects, I feel sure there is a need for the funds authorized by the legislation.●

TO LIMIT LEVEL OF FOREIGN INVESTMENT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. AuCOIN. Mr. Speaker, today I am introducing a bill to limit the level of foreign investment in the U.S. fishing industry and require an annual report on the nature of that investment and its effect on the development of a strong domestic fishing industry.

Since the implementation of the Fishery Conservation and Management Act (200-mile act) on March 1, 1977, the American fishing industry has experienced tremendous change. That law imposed fees on foreign nations for the right to fish in U.S. fishing waters and limited foreign fishing to a surplus of each fishery not harvested by American fishermen. The law also set up a structure for developing conservation plans necessary for the rebuilding of this badly overused resource. The evidence is already mounting on the fundamental success of the 200-mile act—preliminary fishery management plans have provided increased protection for many overfished stocks and there has been a significant drop in the catch taken by foreign vessels in our zone. It is clear the United States has begun to recover control of this important domestic industry.

However, in spite of the fact that the 200-mile act was designed to control the level of foreign access to U.S. fisheries, foreign interests have energetically sought to circumvent the intentions of the act by investing heavily in the U.S. fishing industry. I do not oppose foreign investment in this industry as a matter of course. In fact, on the Oregon coast fishermen are working with foreign processing vessels in joint venture arrangements. Here is an example where foreign involvement has created new opportunities for the U.S. industry. But the kind of furtive business activity which is now being exposed goes beyond this.

The result is an avoidance of the foreign fees imposed by the 200-mile act to fund important fishery management programs, a total circumvention of the priority system used to allocate this limited resource to U.S. fishermen, a loss of revenue to fish-related domestic industries (most notably the food processing industry), and a funneling of American resources abroad at the expense of our economy while we continue to hold onto the illusion that we have regained the economic and social benefits of U.S. control over our commercial fishing industry.

I believe my bill will provide the necessary legislation to insure that foreign fishing interests continue to be regulated as originally mandated in the legislation. No one knows exactly how successful this investment activity has been. The most recent study of foreign investment in the U.S. commercial fishing industry was done in 1974 when the 200-mile law was still being viewed by foreign interests as a mere possibility, not a real threat to their historic dominance of our fish resources. Yet, in the face of the possible enactment of such a law, between 1970 and 1974, foreign investments in our industry doubled, increasing 30 percent during 1974 alone. There is substantial evidence that foreign interests have continued buying into our industry at an alarming rate following enactment of the 200-mile law.

This bill makes several important changes which will result in a reasonable, not isolationist, regulation of foreign investment in the U.S. commercial fishing industry:

First. In enacting the law reserving priority rights to American fishermen, we did not anticipate that a U.S. company wholly owned or controlled by foreign interests could easily meet the legal requirements to fish under the allocation expressly reserved for the U.S. industry. This first part of my bill amends the basic vessel documentation laws of the United States to require that fishing vessels satisfy the same citizenship requirements now imposed on all other seagoing vessels documented in the United States. The citizenship test for corporate vessel ownership is the one used in section 2 of the Shipping Act of 1916. Applying this definition of ownership would limit the 49 percent or less, foreign corporate investment in U.S.-documented fishing vessels.

Second. The second part of the bill is designed to monitor certain indirect business arrangements which could result in foreign interests accessing U.S. allocated fish. Some of these business contracts may not necessarily be detrimental to U.S. interests. This section of the bill sets up on an approval process to evaluate certain types of transactions whereby control of a U.S.-documented fishing vessel, and its priority allocation

rights could be transferred to noncitizens.

Third. The last part of the bill requires an annual report regarding the level of foreign investment in the U.S. fishing industry. Similar to the Agricultural Disclosure Act passed in the last Congress, this reporting requirement will, for the first time, give us accurate information on foreign involvement in U.S. harvesting, processing, and fishing vessel construction and repair operations so that we can begin to assess the overall impact which foreign investments have had on the U.S. fishing industry and whether that investment has adversely effected the development of this important domestic industry.●

ENDING DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing legislation that will remedy one of the most pervasive forms of discrimination to be found in our Nation. My bill will also reinforce the constitutional guarantee of the right to privacy since this fundamental freedom is undermined whenever an individual's sexual orientation becomes the basis for discrimination.

A person's sexual orientation should not be regarded as legitimate grounds for bias any more than should skin color or religious expression.

Homosexual men and women are to be found in every occupation and institution in our Nation. They are doctors, lawyers, professors, carpenters, clerks, secretaries, writers, government workers, and streetsweepers. They are rich and poor, black and white, city dwellers and rural residents. There are some 20 million of them in the United States and, like most Americans, they obey the law and work hard.

But unlike other minority groups, homosexuals do not have legal recourse when they encounter discrimination. A man or woman may meet every possible criterion for housing or employment and yet if he or she is a homosexual an apartment or job can be denied him or her simply on the basis of personal, private sexual orientation.

I believe most Americans oppose this form of bias just as strongly as they reject discrimination directed against racial and religious minorities. Indeed, Californians voted overwhelmingly—by a 1.1 million margin—in November to reject proposition six, a measure to bar homosexuals from teaching in public schools. Liberals and conservatives, from Tom Hayden to Ronald Reagan, opposed proposition six.

They recognized, as I hope this Congress will do, that homosexuality is not a sufficient reason to relegate a person to the status of second-class citizen. I urge my colleagues to join me in cosponsoring this legislation to amend the Civil Rights Act so that we may eliminate discrimination against homosexuals in housing, employment, education, and public accommodations.

When we address the issue of rights for homosexuals we are in fact talking about human rights. Let us make 1979 the year when our Nation no longer sanctions discrimination based on the private sexual orientation of millions of Americans.

Please call Sandy Rivo of my staff at 55635 if you wish to become a cosponsor.

The bill follows:

H.R.—

A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Amendments Act of 1979."

PUBLIC FACILITIES

SEC. 2. Section 301(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000b(a)) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

FEDERALLY ASSISTED OPPORTUNITIES

SEC. 3. Section 601 of the Civil Rights Act of 1964 (42 U.S.C. 2000d) is amended by inserting after "color," the following: "affectional or sexual orientation,".

EQUAL EMPLOYMENT OPPORTUNITIES

SEC. 6. (a) Sections 703(a), 703(b), 703(c), 703(d), 703(e), 703(j), 704(b), 706(g), and 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2, -3, -5, -16) are amended by inserting after "sex," each place it appears the following: "affectional or sexual orientation."

(b) Section 717(c) of such Act (42 U.S.C. 2000e-16) is amended by inserting ", affectional or sexual orientation," after "sex".

(c)(1) Section 703(h) of such Act (42 U.S.C. 2000e-2) is amended by inserting after "sex," the first place it appears the following: "affectional or sexual orientation."

(2) Such section 703(h) is further amended by inserting ", affectional or sexual orientation," after "sex" the second place it appears.

INTERVENTION AND PROCEDURE

SEC. 7. Section 902 of the Civil Rights Act of 1964 (42 U.S.C. 2000h-2) is amended by inserting after "sex" the following: ", affectional or sexual orientation,".

HOUSING SALE, RENTAL, FINANCING AND BROKERAGE SERVICES

SEC. 8. (a) Section 804 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation and for other purposes," (42 U.S.C. 3604), is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

(b) Section 805 of such Act (42 U.S.C. 3605) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

(c) Section 806 of such Act (42 U.S.C. 3606) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

PREVENTION OF INTIMIDATION

SEC. 9. Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes," (42 U.S.C. 3631), is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

DEFINITION

SEC. 11. As used in amendments made by this Act, the term "affectional or sexual orientation" means male or female homosexuality, heterosexuality, and bisexuality by orientation or practice.

TO PREVENT MISINTERPRETATION

SEC. 12. No amendment made by this Act shall be construed to permit or require—

(1) the determination that discrimination exists to be based on any statistical differences in the incidence of persons of a particular affectional or sexual orientation in the general population as opposed to in the activity wherein such discrimination is alleged; or

(2) the fashioning of any remedy requiring any sort of quota for the activity wherein such discrimination is alleged for persons of any particular affectional or sexual orientation.●

NATION'S BUSINESS CLIMATE

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. COTTER. Mr. Speaker, Mr. Thomas Murphy, chairman of General Motors Corp., recently spoke to the Greater Hartford Chamber of Commerce about our Nation's business climate. His remarks were refreshingly upbeat, especially in light of the dismal economic forecasts which flood the news almost daily.

I submit his entire speech for the RECORD as a model of the cooperation we as a Nation need between leadership in government and leadership in industry.

REMARKS BY THOMAS A. MURPHY, CHAIRMAN, GENERAL MOTORS CORP.

Thank you very much, Henry (Henry R. Roberts, chairman, Connecticut General Life Insurance Company).

This has been a delightful day for me here in the Insurance City, and I'd like to thank you and the Chamber for the warm welcome and the gracious hospitality I've enjoyed.

I'm particularly gratified by this large and responsive turnout tonight. It may be that this is the usual gathering for your Annual Banquet, but I think I recognize more than a few familiar faces from General Motors and from our dealer organization here. It's the type of spontaneous outpouring of General Motors people that happens every time their chairman is on the program. They're a loyal bunch—at least I hope they are—and I really do appreciate their coming out.

This visit to Central Connecticut has been something of a sentimental journey—a return to original roots might be a better way to put it. Much of the country's early history began here, of course. I needn't remind you of that. Hartford is filled with beautiful reminders of America's past and memorials to some of its most distinguished early citizens.

But an important part of General Motors began in this area, too. The New Departure-Hyatt Bearings Division started in a small room at the end of a clock shop in the city of Bristol over 90 years ago. That makes New Departure-Hyatt GM's oldest U.S. division, and we're very proud of it. It's grown up to be one of the world's largest makers of ball bearings.

Today its Bristol plant is involved in making an all-new design ball bearing for our brand-new front-wheel-drive cars.

Even the division's new general manager, Lester Lanning, has roots that grow deep in Connecticut's past. Lanning's father, Lester Lanning, Sr., used to play semi-professional baseball here in Hartford. He pitched for a team called the Hartford Polis (POE'-lis).

Among its star hitters was a player called Babe Ruth. The Babe didn't stay too long in Hartford. But they sure used to play some exciting ball.

I've been excited today by the vital spirit I see alive everywhere in this city. It's there in Constitution Plaza, in all the new company-headquarters buildings, in the Civic Center Complex, and in the rebuilding of the Center's coliseum. Hartford really learned what it was to have the roof fall in when the coliseum came down about a year ago. But the people of Hartford knew what revitalization was long before most other cities had even heard the word. So you stepped right in and started rebuilding—barely after the last brick had fallen. It was a testament to the unbreakable, unbeatable spirit of this city—a spirit other cities, despairing of their own urban decay and social problems, would do well to follow.

Your experience having the roof fall in isn't too far from what some people have been saying about by subject matter tonight: our national economy and the continuing threat of inflation.

We are already 25 days into the new year, and since this is a business audience, I assume most of you are familiar with the very wide variety of projections that have been made about the probable course of our economy during 1979.

The consensus seems to be decidedly pessimistic. In fact, it is extremely difficult to find an economist anywhere who will permit himself to be quoted about the future of our economy with anything but gloom. Just the other day, for example, the Associated Press quoted a very positive statement by a financial analyst—but, significantly that analyst asked not to be identified.

Economists seem to be indulging in a deadly kind of competition, trying to outguess each other about *when* the roof will fall in or the bottom finally fall out—plunging our country back into another economic recession. Some are busily predicting the end of the world—which puzzles me: why predict something where, if you are right, you won't be able to tell someone else, "I told you so."

As I say, it is a deadly game. For example, those economists who had predicted a recession in 1978 have hardly broken stride. They were proven wrong; 1978 was an excellent year for our country. In fact, it's been said that the economists have predicted twelve of the last five recessions accurately. But they feel no reason to apologize for the negative, and depressing, and possibly self-fulfilling effect their unfounded and erroneous predictions of gloom could have had on the decisions made by American business leaders, on those in government who are responsible for setting our fiscal and monetary policies, and on the psychology of the American consumer. These determined doomsayers simply move the date of their imagined recession forward a few quarters and attempt to save face by predicting that the recession—when it comes—will be all the worse for the delay. That was the thrust of the lead article in the Wall Street Journal earlier this month—a shining example of making favorable economic news seem unfavorable. And consider this classic headline from Friday's Detroit News: "Economy's rise triggers alarm."

Well, we at General Motors read the same economic reports, charts, and graphs these doomsayers do, and we find no such forbidding prospects. On the contrary, we find strong favorable signs—for example, what was first reported to be a 0.5% decline in retail sales for October, was subsequently found to be a 1.3% increase. In November, the increase rose to 2%. And with record Christmas buying, December was up a further 1%. For 1978 as a whole, retail sales increased more than 11%

All of this seems to fly in the face of those who have been telling us that the consumer is not in a buying mood and that the consumer-led recovery may be running out of steam. Automobile sales remain strong and new housing starts are surprising everybody by running at a brisk annual rate of about 2 million.

At the same time, the business community seems to be paying more attention to what is happening in the marketplace than to what is being said by professional economists and emphasized in the media. The good news gets little space for the most part, though there is an occasional article of a positive nature. According to Business Week, for example, new orders for industrial supplies and equipment have gone through the roof in recent months, running some 22% ahead of the same period last year. The magazine ran down a long list of accelerating business activity, from capital spending and machine tool orders to carefully controlled inventory levels. And it concluded that, "If executives were as worried about the future as the surveys seem to say, they would be cutting back new bookings and advance planning, not accelerating them. But businessmen are placing the orders for new equipment because they can see the sales volume to keep that equipment busy."

And that conclusion, ladies and gentlemen, closely approximates our own at General Motors. More people are employed in our country today than ever before—a record of nearly 96 million, an increase of over 7 million in just the last 2 years. Furthermore, there is a rising level of disposable income in their hands. The Commerce Department reported just last week that the gross national product rose by a robust 6.1 percent seasonally adjusted annual rate in the fourth quarter of last year. That was considerably higher than the 5 percent rate most government economists had predicted for the period. We don't think that rate of increase will be sustained throughout the new year. There will be a slowing in the rate of increase, but far from falling into a recession, we expect the nation's rate of term average—somewhere in the neighborhood of 3 percent.

It is on that basis—what we consider the hard evidence of the marketplace and actual economic performance—that we have predicted another record sales year for the automobile industry.

As most of you know by now I'm sure, our industry is just coming off a really banner year—the best calendar year for U.S. sales in our history. A record of approximately 15.4 million cars and trucks were sold—about 4 percent more than the previous record of 1977. And we're very proud to report that over 7 million of those sales were made by our General Motors dealers.

It was the first time GM sales in the U.S. have ever surpassed the seven-million mark in a single year. All our car and truck divisions had a hand in setting that record—Buick, Cadillac, Oldsmobile, and Pontiac all reported new highs. Chevrolet achieved a combined record of car and truck sales. And GMC Truck & Coach set a commercial vehicle record.

Now, General Motors is forecasting still another excellent calendar year in 1979. We expect industry sales in this country to increase again and reach about 15.5 million units in 1979. This should include sales of about 11.5 million passenger cars and more than 4 million trucks. What's more, we expect domestic automakers to continue to improve their sales relative to foreign manufacturers, just as they did in 1978.

At General Motors, much of the credit for this success in competition belongs to the successive waves of new, more fuel-efficient GM products we have been introducing in recent years. And our all-new front-wheel-drive compact cars to be introduced on April 19 should spark still more customer interest. These new models will replace the present Nova, Phoenix, Skylark, and Omega cars and will weigh about 800 pounds less and be 30% better on fuel economy.

In short, we're very bullish on the future at General Motors. And behind that bullishness is the unshakeable belief that our automobile industry in this country is still a growing one. Acting on that belief, we made capital expenditures of more than $4.5 billion in 1978—by far the heaviest investment we have ever made in a single year. And we are projecting even heavier spending in 1979 and beyond—more than $5 billion annually.

But, as we enter this new year, we are not ignoring the uncertainties our economy faces. Some of them are enormous—the cost and availability of energy, for example; our deficits in overseas payments and trade; and, overshadowing all other problems, inflation.

When we rredict another year of continued, although moderate, economic growth for the United States, we do so in the belief that the President's anti-inflation program will win the support that is absolutely essential for its success—the leadership of those in his own Administration in setting monetary, fiscal and legislative policies that will reduce spending and our Federal deficit; the cooperation of Congress in budgetary affairs: the cooperation of the independent agencies in reducing the inflationary impact of unnecessary regulation; the cooperation of organized labor in negotiating new contracts; and the cooperation of business in restraining costs, increasing efficiencies, and in keeping price increases within the established guidelines.

There are already signs that some in government agencies and others in organized labor do not seem to have the same concern about inflation that most of us do. They place their own interests and the special interests of their various constituencies above the national interest by ignoring opportunities to contribute to the struggle.

Our chief hope is that the majority—and especially those in positions of the greatest public responsibility and influence—will counterbalance the influence of the dissidents and give the President's program their full and enlightened support.

It should be clear by now to every American that inflation is his or her greatest enemy today, that a reversal in the rising cost of living will benefit everyone in American society—old and young alike, the welfare recipient as well as the job holder, the retiree as well as the employee, the investor as well as the worker. There is no more important objective in our country today, since the attainment of all other objectives will depend upon success in this one.

We think the President has displayed great political courage in addressing this problem—in drawing up his budget and vetoing legislation which had the support of his own political party's leadership but which he felt would result in inflationary public spending. He has made a good start, but it is only a start. The demands on his courage and on his leadership abilities will increase tremendously over the coming weeks and months—and even years, since inflation is a disease that will probably take as long to cure as it did to germinate, fester, and mature. Regardless of our own political persuasions, we all owe the President our strongest support in his continuing efforts—for only in their continued and consistent application can the program succeed.

He will be accused of breaking campaign promises, of being insensitive to environmental and social problems, of betraying the liberal traditions of his Democractic Party and of organized labor. He has already come under heavy criticism of this sort,

and more is sure to come before the Presidential election in 1980. But Mr. Carter has pledged to make the hard choices, to stick with his battle against inflation even if it costs him the Presidency.

We have great confidence in our President in this battle. This is a *war* we are engaged in, and if we are going to win it, we will have to subordinate all other objectives to the single, overriding objective of victory. We must insist on, we must demand—indeed, we must pray for—the kind of inspired leadership in both public and private life that will recognize inflation for the scourge that it is, that will never lose sight of the absolute necessity of defeating it, and that will resist all efforts to place other interests over the national interest. Unless America is blessed with strong and courageous leadership of this magnitude, we will never prevail over inflation. We will continue to be victims instead of victors.

But we are confident that we have such leadership—in many parts of government, in many parts of organized labor, in many parts of the business community. What remains is for the majority of the American people to encourage this leadership, to get behind it and support it, and to demonstrate that we are willing to accept the degree of sacrifice asked of each one of us. We must not allow our common resolve to be dissipated into the splintered causes of special interest groups playing adversary roles.

Too often today, the major elements of society are cast in the role of adversaries: labor interests versus business; business against the government regulatory bodies.

And beyond those broad groupings, there seems an infinite number of smaller, special interest groups: the Blacks, the Hispanics, and the American Indians—or native Americans; women, welfare mothers, and senior citizens; the handicapped, the gay liberationists, students, and children; even the champions of the unborn and those who demand their right to die in a dignified manner. The profusion of such groups is so great and their voices at times so shrill that it seems our society is tearing itself apart.

Meanwhile, the adversary relationship between groups has itself become something of a sacred cow. Even to question it is thought to defile democracy. Out of some twisted sense of politics the contention of factions is looked upon as democracy in its highest and purest form. In contrast, unity and cooperation between people are denigrated as cop-outs, cowardly compromises, and capitulations to the status quo.

There are efforts to persuade the average citizen that virtually everyone is his adversary; that our American system no longer works; that the citizen is no longer represented in any real sense by his elected officials; that individual citizen action within the system is useless and destined to failure; and that to protect himself the average citizen must align himself within a special-interest group, and that he must trust no one except this or that so-called "public advocate."

Now this is clearly wrong. This adversary climate of "me against them" and "us against the world" is clearly destructive of those bonds of mutual trust that have traditionally bound our pluralistic society together. The magnificent political system which we have carefully developed and improved upon has proved itself time and time again in our history. It has shown itself to be elastic enough to accommodate all legitimate demands and to assure the rights and privileges of every citizen. And it will continue to do so today, if we let it, and if we work for it.

Despite the popular and sometimes prevailing view, I believe our society is not hopelessly divided. Despite our differences and our special pleadings, I think the broad majority of our people remain united in their basic beliefs. Behind the special interests, beneath the muscle groups lies a strong connective tissue drawing us all together in the common body of our country. We must do all we can to nurture this unity. And we must curb the restrictive practices of special interests which would prevent us from making the most of our economic resources.

Certainly we will still have disagreements. But if we are to continue in our task of building our nation and keeping it—and its economy—strong, then all of us must be ready to put aside our petty arguments and join together when unified action is needed. Unified action is very much needed, now.

Now is the time to reaffirm our common ties, reemphasize our shared beliefs, retrace our common roots.

As I say, this battle against inflation is war. Nothing less than a single-minded, total commitment will assure victory. So, let labor and management put their narrow suspicions aside; let our special interest groups recognize that their primary interest is the national interest; and let us all unite as we have in the past, whenever our nation has been challenged as seriously as it is being challenged right now.

If we do this, then inflation will be curbed without recession and without widespread unemployment for the first time in our history. Victory will be shared by all Americans, and it will be among the sweetest and most rewarding victories we have ever known.

Thank you very much.●

OLDER AMERICANS TAKE NOTICE—IT'S TAX TIME AGAIN

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. YOUNG of Florida. Mr. Speaker, inflation takes a big bite out of everyone's pocketbook, but it especially hits our Nation's elderly living on small, fixed incomes. Because of my deep concern for older Americans, I would like to submit a checklist of itemized deductions which could prove to be of great assistance to senior citizens. The checklist was prepared by the Senate Special Committee on Aging, and although it is not intended to be comprehensive for every conceivable tax situation. Members of Congress might well wish to share it with their constituents to insure that they are provided with the most up-to-date information:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, truck, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amounts paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Point—deductible as interest by buyer where financing agreements provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the President Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Beside the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount." — The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of

your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ dependening on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RF.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; and electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydorgen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

SENATE—*Friday, February 9, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Reverend Ronald J. Degges, assistant minister in education, North Chevy Chase Christian Church, Chevy Chase, Md., offered the following prayer:

Let us pray:

Most merciful God, whose spirit of love and truth is ever before us and whose sovereignty is unmatched, we beseech Thee to guide these Thy servants of the U.S. Senate. Give understanding, where nought but cloudiness and confusion reside; humility, where arrogance and boastfulness rule; and charity, the greatest of all Thy gifts.

We pause this moment to give Thee joyful thanks for the power and strength Thou hast made known to us.

We pray for peace among all people and nations, split by ancient pride and wrongs remembered. Disarm us, break the hold of hate on our hearts, and draw us from every race and nation to live together in brotherhood, as children of one Father.

In spite of all those things which would normally separate us from Thee, may Thy love, the all-consuming quality, the very core of our existence, stand firm in our lives.

Help us, O God, to look squarely at the injustices present and battling within our inner souls, within our Nation, and within our world, doing everything possible to bring justice to bear on them.

Hear our prayers, God of Grace, and help us to enact them, working ever for Thy peace and justice, mercy and purpose in all we do today; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 9, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back my time under the order.

Mr. GARN. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. STENNIS) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may retrieve the time I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask unanimous consent that I may retrieve my time that I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, in order to protect Mr. STENNIS, who has the first order and is chairing a hearing but is coming shortly, I understand, I suggest the absence of a quorum and I ask that it be charged against my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask that it be charged to both our times.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MODIFICATION OF DESIGNATED ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the period for the transaction of routine morning business be implemented at this time, without prejudice to the orders which have been secured for Senators to speak.

I think I should say that when orders are secured in advance for Senators to speak, it is hoped that they would come to the floor if at all possible. Sometimes it is not possible, and when it is not, we try to juggle things around so as to accommodate them. But if it becomes a habit or the rule rather than the exception, the program is discommoded and Senators are discommoded.

So I think we ought to say here that Senators, whenever possible, should be on hand to be recognized when their order comes up. That is the purpose of getting the order.

The ACTING PRESIDENT pro tempore. Is there objection?

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. So I ask unanimous consent that morning business transpire now, without prejudice to those orders, so that Senators may still have their orders following morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WASHINGTON'S FAREWELL ADDRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of George Washington's Farewell Address for this year occur on February 19, instead of on February 22, as provided in the order of the Senate on January 24, 1901.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be business transacted on that day following the reading of Washington's Farewell Address. That has been the norm in recent years since I have been here. The reading of the address does not constitute the business of the day. There will be business transacted and rollcall votes can occur or may occur. I hope Senators will plan their schedules accordingly.

Mr. President, I suggest the absence of a quorum.

The ACTING PRSEIDENT pro tempore. Will the Senator withhold?

Mr. ROBERT C. BYRD. I withdraw that suggestion.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to the order of the Senate of January 24, 1901, as modified February 9, 1979, appoints the Senator from Virginia (Mr. WARNER) to read Washington's Farewell Address on Monday, February 19, 1979.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, am I recognized?

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recognized for 15 minutes.

Mr. STENNIS. I thank the Chair.

Mr. President, I especially thank the leadership on both sides of the aisle for their arrangements so that I could take care of another official matter where we had witnesses summoned, the Secretary of the Navy and others, who needed badly to be somewhere else this afternoon.

Mr. President, I am speaking briefly this morning about a matter I have had on my mind a long time. I want briefly to outline some of my thoughts on the subject.

THE NEED FOR SELECTIVE SERVICE

Mr. STENNIS. Mr. President, in June 1973, the selective service system and the power to induct our young people for mandatory military service was discontinued. In the almost 6 years which have passed since that time, the Defense Department in general, and the Army in particular, have been endeavoring to fill their manpower requirements without the benefit of selective service.

I do not mean to eliminate the other services by mentioning the Army, but the Army has had to struggle more, in a way, than the others services. All have tried their best.

Even though I strongly opposed the halting of the inductions, I have steadily and even vigorously supported the all-voluntary service concept since it was instituted. After all these years, though, I have reached the conclusion, both through observation as well as a result of repeated inquiry and study, that the so-called all-volunteer force system, under which all the military services now operate, is clearly the weakest link in the vital chain of our military security. We are simply not getting manpower in the numbers and with the quality that the military requirements of this Nation demand. We must turn our attention to this matter in an urgent way.

As I said some time ago, when I turned in the final version of the military appropriations bill back in mid-October, that bill provides the largest number of dollars ever appropriated by the U.S. Congress in one bill in peace or war. I felt certain then in my own mind that the weakest part of the whole program was the question of enough of the right kind of personnel. That is not meant as any reflection on anyone that is in any service, not at all, or any unit of the service. I have a high respect for the American military uniform and I think that those who wear that uniform, from private to general officer, are entitled to appreciation and respect. They are going the way of honor and service and face a mission and a challenge that is equal to any.

So this is a hard list of qualifications and ability and talent and dedication and discipline—self-discipline as well as unit discipline—that I am talking about. We have units in all the services that are capable in every way. Do not look upon the military as being soft to the core, but there is a certain softness about the volunteer system itself and what it produces that we must rid ourselves of.

It is fair to say that the success or failure of the all-volunteer concept is measured by the ability of the military to attract and recruit people with the necessary qualifications and to train and retain them both for the Active and Reserve Forces. We must look at it in terms of recruiting the necessary numbers, and equally important, getting the needed "quality" of recruits and matching needed skills. I would like to stress that being a member of the military service is not merely a job.

We get off in debate here sometimes about what is fair to one group or another group. In looking at military serv-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ice, let us not think in terms of its being a job. It is much more than a job. It is serving the country in a mission which is and will continue to be vital to our national security. Let me sum it up in a very few words: This is not a job we are talking about, it is a mission.

I am impressed with the sincerity and dedication with which the services have tackled this problem.

I have followed it from the beginning. I have been around to the bases and to the units in training, including the recruits in basic training. I went all the way up the line. The services have worked at the all-volunteer concept with real zeal and perseverance. I have personally observed this. They have given it an all-out effort. In short, I am satisfied that they have done their best. On the other side of the coin, the Congress has given the all-volunteer system the needed support and has backed the military fully. In short, I believe that the military has now had a full and fair opportunity to determine by trial and error whether the all-volunteer system will work.

I regret to say again that, on the record before us, I am forced to the conclusion that the all-volunteer concept has failed its test and has proved not to be the answer to either our peacetime or our wartime military manpower requirements. I believe that the time has come now to end the experiment. There are several reasons for this.

The Army continues to have serious difficulty in meeting its recruiting quotas in terms of numbers.

I personally know the present Army Chief of Staff. I am not a particular friend of his, there is certainly no close connection with him on my part, but I know he not only has military training and talent and outstanding achievement, but that he is a man of tremendous moral force, and spiritual values mean something to him. He has put his all into this job.

I know there are some figures, incidentally, that can be produced which show a bright picture in the quality of enlistees. I do not want to discredit enlistees, but I know on the whole, all is not well.

That is no reflection on them at all. It is the condition we are talking about.

The difficulty in meeting manpower requirements is particularly pronounced in the case of the National Guard and other Reserve components. These are faced with severe manpower shortages. This is particularly important since the Reserve component is the critical pool that is needed for quick mobilization during wartime.

The quality of the enlisted forces in the military is a matter of growing concern. I know that figures can be produced which show a bright picture in the quality of the enlistees, but I have a gut feeling that all is not well. This is particularly true since, in the absence of a Selective Service System, a disproportionate number of lower income and less privileged recruits are attracted.

Without the pressure of the Selective Service System, there are no draft-induced recruits for the Navy, Air Force, Marine Corps, or Army. These services consequently find it increasingly difficult to meet their enlistment quotas. The same thing applies with even more force to the National Guard and other Reserve components as I have already mentioned.

We have followed this year after year. We have given them inducements, enlistment inducements, reenlistment inducements, and additional types of inducements, dollarwise and others. This applies to the Reserves, of course.

Those Reserve services have illustrious careers. The National Guard is older than the Constitution, older than the Declaration of Independence. The Reserves are, too, in a way. They have been a part of all the history of our Government. Still, they do not have the prestige, nor the influence, nor the ability, to attract enough of the type of men that they need as volunteers.

Discipline is a continuing problem. We an say what we want to, but with any group of men or women anywhere, no matter what it is called, we do not have a military unit unless we have the necessary discipline.

I do not know why it is, but it is not a military unit unless it is based upon discipline. Some of that has to be self-discipline, but it must be discipline that prevails on sunshiny days and on dark rainy days, at 2 o'clock in the morning as well as high noon.

"Volunteering out" by virtue bad conduct or dishonorable discharges is an all too frequent occurrence.

The retention of trained and skilled personnel by reenlistment is not satisfactory. Despite what are termed favorable trends, the services have not reached their objectives in the fields of attrition and reenlistment.

There is some ex eption and some of the services have come very near reaching objectives, but none, as I understand it, has reached its full objectives in the field of attrition and reenlistment.

Of course, in comparison with the selective service system, the all-volunteer system is tremendously costly. If it was an unqualified success it would be worth the money but not so, in my opinion, under existing circumstances.

That is what I believe, but it is just not that unqualified success.

As to the money, I would be willing right now to support appropriations that will put still more money in the volunteer system if it has any reasonable assurance of getting the desired result. I would support the idea of putting the same amount of money on fewer men. I an. satisfied that if we concentrate on quality enough and get the right types, then fewer people can do the job better than the 2 million we have now.

So I am not taking my stand on the grounds of money, although I think we ought to do our best to save money in the military just like any other department, and the committees ought to try to save money and pass on these figures originally.

I will go a long way trying to save money, but this is not a money question with me. It is a question of quality and knowing what our military people will do under the pressure. That is where the necessity for discipline comes in.

Finally, the absence of the machinery for registration and selection which would be provided by selective service means that we have no means for mobilizing rapidly the millions of persons we would need in the event of a wide-scale war. Many, many valuable months would be lost in gearing up, calling, and training the necessary personnel. This could mean the difference between defeat and victory. The inability to produce sufficient manpower during mobilization to meet wartime requirements is perhaps the most serious problem of the all-volunteer concept.

To restate the situation, I believe that for the total military force to be able to perform its prescribed role, it must be manned with sufficient quality soldiers who have the requisite qualities, skills, vigor, motivation, and discipline to serve their country honorably and effectively in peace and in war. This is not now true under the existing all-volunteer concept. Therefore, I believe it is now time for us to reconsider and, after careful appraisal and study, to move to a new type of selective service which will be fair and equitable to all. I see a need to be innovative and to search for new procedures in this field rather than merely returning to the old systems which have been tried and found wanting.

Now, I am not talking about a selective service system like the one we abandoned. I want one that is built from the ground up on the basis of fairness and equity and fair treatment for all concerned.

As far as I am concerned, those that are not qualified mentally and physically, of course, cannot qualify anyway. But we are going to have to meet this problem and we may as well face up to those hard decisions that go with making it a fair and impartial, truly a selective service.

I know that the need for selective service and the authority to induct persons into the military is not now generally understood or recognized by the American public or even by the Congress. There is a need for public information in this area. We should proceed, therefore, only after exhaustive hearings which develop all of the facts and thoroughly explore all of the possible alternatives. Since, as I stated at the beginning of this statement, I believe that the all-volunteer system is the weakest link and the possible achilles heel in our military security, I believe that we should proceed to a full and complete study and examination of this very serious problem just as soon as possible.

I am satisfied, Mr. President, that we are faced with another situation. We have to go to get the group that is more knowledgeable in this field than any other now, our people in the military service, and we have to find a way for them to be released and be more free to let us know what is going on.

I do not mean they are conceding wrongdoing, but I am stating what the true situation is.

It is a general situation with military men. Of course, there is no influence on the President of the United States. I do not want to decrease his power as Commander in Chief one bit. I like what the Constitution says.

Until we get the freedom of our military men of experience to testify—a method worked out some way—we are not going to get enough of the truth to know what the right conclusion is. I think that can be worked out. I believe in living within the Constitution, not trying to run over it. They must be permitted to speak freely.

Also, we cannot travel along on a flat tire of discipline. If we are not going at this matter with the idea of giving the military services the authority and responsibility of instilling discipline into the minds and hearts and backbone of these people, then we might just as well quit.

I know we can do this, because it has been done many times before, and that is the real America, anyway. That is the real America that we have known, and that is the America we have to rebuild.

I emphasize that I am not holding back anything with reference to the military services. They have worked hard. They have worked faithfully. They have tried to make a go of the present law. There are many ramifications to this matter. I did not intend to cover all of them today. There are a lot of additional facts.

I want to emphasize that I know there is a feeling here among many Members as to this need, and many people are not fully informed. I mean by this that the people as a whole are not fully informed. This is a possible problem. We can solve this one. We have others to which there is no quick solution, but we can solve this one. I am sure that if we try hard, there is time.

There is nothing like a mutiny in the services—I do not want to leave an intimation of that kind. But this matter must be and can be adjusted; we must start before it is too late.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The Chair announces that the Senator from Wisconsin had the first previous order. In the absence of the Senator from Wisconsin, the Chair recognizes, without objection, the Senator from South Dakota.

Mr. FORD. Mr. President, will the Senator yield me 1 minute?

Mr. PRESSLER. I yield.

Mr. FORD. I thank the Senator.

CAUTION SUGGESTED IN REVISION OF THE SOCIAL SECURITY PROGRAM

Mr. FORD. Mr. President, the house of representatives of the Commonwealth of Kentucky has petitioned Congress and the President of the United States to consider with extreme caution any revision of the social security program which would be detrimental to the elderly, the poor, and the disabled.

I ask unanimous consent that house resolution No. 14 of the house of representatives of the Kentucky General Assembly be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION No. 14

Whereas, the elimination of lump sum death benefits would pose an untimely and unfair hardship upon thousands of families across these United States; and

Whereas, the curtailment of aid to students aged 10 through 21 would deprive many communities of talented young people who without this legislation would not be able to further their education; and

Whereas, the present program provides benefits for all students regardless of their economic status; and

Whereas, eliminating the minimum benefit formula that gives a special retirement advantage to low wage workers would deprive these people of the bare necessities; and

Whereas, we believe that the government of the United States should not sacrifice the poor, the elderly, and the disabled in order to immediately balance a long-time deficit budget; and

Whereas, the Social Security System was established to provide assistance to persons of low income, the curtailment of any program aiding the elderly, the poor, and the disabled would be contrary to the intent of the Social Security Program;

Now, therefore,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body urges the Congress and the President of the United States to cautiously and emphatically consider any proposal to the federal budget which would effectively curtail or diminish benefits to the elderly, poor, or disabled citizens across this country.

Section 2. That this body endorses the continuance of Social Security benefits to students aged 10 through 21 on an eligibility-need basis.

Section 3. That this body affirms its endorsement of the President's avowed goal of limiting the budget deficit, yet encourages the President to maintain the stability of existing social programs.

Section 4. That copies of this resolution be sent by the Secretary of State to the members of Congress from Kentucky.

Section 5. That a copy of this resolution be sent by the Secretary of State to the President of the United States.

EULOGY TO SENATOR TOM GARRETT

Mr. FORD. Mr. President, when we look back on our paths to the U.S. Senate, each of us can recall a few individuals who had a special influence on our lives, and for whom we have a special feeling.

For me, one such person was Tom Garrett, a long and close personal friend and majority leader of the Kentucky State Senate, who passed away last Sunday at the age of 57. His untimely death was a shock and source of great personal sadness.

Tom Garrett's career as a legislator spanned 18 years, and at the time of his death he was the senior member of the State senate. We served together in that body, and he was first selected as majority leader during my administration as Governor.

His skills as a legislator were extraordinary, and he commanded the respect of others regardless of party affiliation because of his ability and his dedication to duty.

In recent days, he has been eulogized as a man of fairness, honesty, integrity and high professionalism. Tom, indeed, was a man possessed of all those attributes, but when I think of him I remember most of all his intense loyalty to the people he represented for many years and to the Commonwealth he so faithfully served.

He was a good man and a good friend. I will miss him, and I extend my heartfelt sympathy to his wife, Helen, and his family.

THE FARMERS IN WASHINGTON

Mr. PRESSLER. Mr. President, I should like to make a few brief remarks regarding the farmers in Washington, the tractors, and the situation with which we are faced.

I have counseled the farmers at all times to obey the law, to petition their Government in an orderly fashion. Irrespective of the short-term controversies, I think it is very important that we look to some of the problems in our rural areas and also to the consumers' interests involved in this situation.

Yesterday, in the Budget Committee, Mr. Blumenthal testified in answer to some of my questions regarding wage insurance. Rural America was left out. In the trade package that will be coming before us in April, the largest concessions we are making are in the area of farm products.

There was the veto of the beef bill last year. There is a feeling in rural America that many of the programs by the Federal Government with respect to aging and other matters do not reach rural areas.

As a member of the Small Business Committee and as a member of the Congressional Rural Caucus in the House, before I came to the Senate, I observed frequently that our national programs, be they transportation programs or tax programs, do not encourage the development of industry in smaller towns and rural areas.

We seem to have national programs to move people into our large cities, and Congress has adopted programs and policies that are encouraging concentration in our society.

I believe that the discussions this week have a deeper and a more serious nature than just the immediacy of farm prices, although that certainly is part of it.

In many European countries, small independent farmers have been preserved. It certainly is in the interests of consumers to preserve the farms. If we have corporate agriculture, we will then have the possibility of price fixing, the same as we have on the part of some of the trusts that seem to dominate many industries in our country. The opportunity for the small independent farmer or the small independent businessman is becoming less and less in our country, and we are giving way to bigness more and more.

Perhaps the demonstrations by the farmers and their tractors are a manifestation of the feelings of frustration

about many things, some of which are not being articulated as well as they should. I fear that some of the violations of the laws this week perhaps have done as much damage as good, but I hope that is outweighed by the farmers who have followed the law in getting across their message.

However, the message is much deeper, because it is the concept that small towns and rural America are getting a low priority. The concept of national programs, be they transportation or tax or whatever else, has encouraged our people to move more and more into the congested centers of population.

I make this statement at this time because I think the farmers and their tractors are a reflection of this and that the question is much broader in terms of our national policy. It certainly involves immediate farm prices, but it also involves the direction in which our country wishes to go with respect to rural areas and small towns.

Mr. President, I yield whatever time I have remaining under the special order to the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

Mr. HELMS. Mr. President, before the Senator does that, will he yield me 1 minute?

Mr. PRESSLER. I yield.

Mr. HELMS. Mr. President, I congratulate the Senator from South Dakota for what I believe to be his maiden speech in the Senate. I have not had the privilege of hearing him speak before, but I look forward to hearing him often in the months and years to come. He is a welcome addition to this body and a very able and conscientious Senator. I welcome him to the Senate, and I congratulate him on his remarks.

As to the farmers who are visiting Washington this week, and presumably for some time to come, I thoroughly agree with the Senator that America had better pay attention to them. We may not fully agree with their tactics, but they are delivering an important message to us, as the Senator has said, with reference to the value of the family farm, whence came much of the moral and spiritual base of this country, in addition to the economic aspects and in addition to the production of food and fiber in abundance for all Americans.

The Senator has stated the case in an excellent fashion, and I congratulate him. Again I say that I look forward to working with him in the Senate.

Mr. PRESSLER. I thank the Senator.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

(The remarks of Mr. SCHWEIKER in connection with the introduction of legislation are printed under Statements on Resolutions.)

SPECIAL ORDER

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Wisconsin is recognized for 15 minutes under the previous order.

HUMAN RIGHTS AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on February 12, the U.N. Commission on Human Rights will be meeting in its 35th session. It is an international body established by the United Nations to deal with the violations of basic human rights. The agenda this session will consider the question of human rights violations in Chile, South Africa, Cyprus, and Arab occupied territories.

Being one of the 32 members of the commission, our voice, the voice of the United States, should have the strength that embodies our national principles. But will it, Mr. President? Will it?

Our views on human rights are morally significant. The President has clearly stated that human rights will have a top priority in our foreign policy. A priority which is long overdue. But can it?

There is an obstacle blocking this noble and essential pursuit, an obstacle which for 30 years has weakened our stance on human rights. It is the need to ratify the Genocide Convention.

Mr. President, while we sit here, atrocious violations of human rights are being committed all over the world. Can we in a clear conscience overlook the most fundamental right of any human being? Is not the example of the systematic extermination of 6 million Jews by the Nazis, a list of names that alone would stretch 200 miles, cause to reconsider this indispensable treaty?

Eighty-three nations have joined a chorus which resoundingly condemns this most horrible and destructive act. We look on silently, unwilling to pledge our convictions. Let us not enter a fourth decade of indecision and irresponsibility. The 35th U.N. Commission on Human Rights is a perfect opportunity for us to ratify that which is of the utmost consequence: the Genocide Convention.

Mr. President, on another matter.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. PROXMIRE. I am delighted to yield to my friend, the majority leader.

REPEAL OF NOTICE REQUIREMENT UNDER THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, this matter has been cleared on the other side of the aisle.

I ask unanimous consent that the Senate proceed to the consideration of S. 37 and that there be a time limitation thereon of not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 37) to repeal a section of Public Law 95–630.

There being no objection, the Senate proceeded to consider the bill.

Mr. PROXMIRE. Mr. President, to my knowledge there is no controversy over S. 37. It was reported unanimously by the Committee on Banking, Housing, and Urban Affairs following a hearing on February 2.

The bill would repeal the notice requirement contained under section 1104(d) of the Right to Financial Privacy Act. That section, which will become effective on March 10, 1979, would require every creditor and financial institution to notify all of their customers of their rights under the Right to Financial Privacy Act. This act was added by the House as title XI to the Financial Institutions Regulatory and Interest Rate Control Act of 1978 which passed the Congress on the last day of the 95th Congress. The financial privacy title was never formally considered by the Senate Banking Committee.

I think all of us can remember the chaotic situation and the enormous amount of legislation that passed in the last minutes and, of course, it is remarkable there is so little correction needed, but here is a correction that is needed.

Mr. President, in its report on S. 37 the Senate Banking Committee takes the position that the benefits of the disclosures required under section 1104(d) are small compared to the enormous estimated cost of sending a notice to all customers of all financial institutions. These costs have been estimated to approach $1 billion.

In the committee's view, these notices are totally unnecessary since the act already requires a Federal agency to provide a person with an extensive disclosure of his rights under the Privacy Act at least 10 days prior to the time his financial records are to be obtained. These notices will adequately inform consumers of their legal rights at the precise time they most need to be informed—that is, when a Federal agency attempts to gain access to their financial records. Since the act already provides for notice of rights at time of access, the committee sees no reasons why financial institutions should be put to the enormous expense of sending out close to one billion notices to all of their customers. At a time when we are seeking to cut down on unnecessary regulation in order to curb inflation we need to be especially sensitive to imposing new requirements on industry. The passage of S. 37 will prevent a senseless cost from being imposed on industry—and a cost that will ultimately be paid by consumers in the form of higher prices and interest rates.

This measure would save those higher costs and higher interest rates and higher prices.

I think, as I say, it is completely noncontroversial. Every member of the Banking Committee, Republican and Democrat, is aware of the bill. It was considered at a hearing. We have discussed it, and it is unanimously favored by the committee, and I am delighted that the distinguished majority leader has called this measure up.

I am very hopeful it can be passed now. It is very important that it be passed now because, as you know, we are going out today for a week. When the House returns it is essential that they pass it early in March, and it is necessary that they have this before them as early as possible so that this action at the present time is vital.

Mr. HELMS. Mr. President, I have a small problem about this, and only a small problem, and I suggest the absence of a quorum.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time for the quorum call not be taken out of the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. Is the Senator from Wisconsin reporting this bill from committee?

Mr. PROXMIRE. I am sorry, I missed that.

The PRESIDING OFFICER. Is the Senator from Wisconsin reporting this bill from committee?

Mr. PROXMIRE. Yes. The answer is, yes.

There being no objection, the bill (S. 37) was ordered to be read a third time, was read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1104(d) of Public Law 95–630 is repealed.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. MOYNIHAN. I move to lay that motion on the table

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I thank the Chair and I yield back the remainder of my time.

(The following proceedings occurred later in the day and are printed at this point by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a resumption of the period for the transaction of routine morning business for not to exceed 30 minutes with Senators permitted to speak during that period not to exceed 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RETIREMENT OF DR. WALTER GRADY BISHOP

Mr. THURMOND. Mr. President, one of the outstanding physicians in South Carolina, Dr. Walter Grady Bishop, retired recently after a distinguished career spanning more than 50 years.

Dr. Bishop began his medical career in his native Spartanburg County, S.C. After a short time he moved to nearby Greenwood, starting out in a small hospital, where he practiced until his retirement.

The early part of Dr. Bishop's career was spent in a time of extreme hardship and economic deprivation for the entire Nation. As a physician, Dr. Bishop was in almost constant contact with the penurious living conditions of many of his patients and often worked under the most adverse conditions.

Like other doctors sympathetic to the plight of so many people in this era, Dr. Bishop only charged a patient what he thought he could afford. As is often the case when there is a shortage of currency, barter became common, and Dr. Bishop often received payment in the form of chickens, pigs, or vegetables.

Beginning his practice before the days of specialization, Dr. Bishop was, in the real sense of the word, a general practitioner. He treated many kinds of illnesses, from typhoid fever to a simple cold, and he performed many types of surgery. Over his long and distinguished career, Dr. Bishop delivered over 1,000 babies in South Carolina.

Throughout his life, Dr. Bishop has been a public spirited man always willing to help his community and his Nation. For many years he ably served as the physician for Lander College in Greenwood and as the Greenwood County physician. During World War II Dr. Bishop left his home to serve America in the U.S. Army.

Dr. Bishop has done much for the medical profession in Greenwood. When he first moved into the small South Carolina town of Greenwood, it boasted only one 30 bed hospital and 10 doctors. Now, due largely to Dr. Bishop's efforts, Greenwood has a fine hospital and over 60 doctors. Great strides have been made in medicine during the 50 years Dr. Bishop has practiced, and his outstanding work has helped pave the way for better medical service to South Carolinians.

Dr. Walter G. Bishop is a dedicated, selfless physician, and his long, illustrious career will always be remembered by the thousands of people he has helped throughout his life.

Mr. President, in order that I may share a newspaper article concerning Dr. Bishop's retirement, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DR. BISHOP: HE DELIVERED MORE THAN 1,000 BABIES

An ad for an anesthetist on a bulletin board in Spartanburg brought Dr. Walter Grady Bishop Sr. to Greenwood when he was 25.

He's 79 now and, after practicing here more than 50 years, delivering more than 1,000 babies and participating in numerous surgical operations, Dr. Bishop has closed his offices in the Scurry Clinic.

Although his wife, the former Martha Thurmond of Edgefield (sister of South Carolina's senior senator, Strom Thurmond) said he'll spend his retirement gardening, fishing and attending to the Black Angus cattle on his son's farm, Dr. Bishop said he planned to while away the days "right here" in a comfortable-looking leather easy chair in the den of the couple's home on Grace Street Extension.

But it may not be that easy for him. Our interview was interrupted by a telephone call from a former patient, apparently insisting the doctor see her.

"How's your cancer?" Dr. Bishop asked. Then gently, but firmly, he instructed her to make an appointment with another physician and settled into the easy chair to reminisce about the early days of his career.

Upon his graduation from medical school, Dr. Bishop returned to his native Spartanburg County to go into practice with an eye, ear, nose and throat specialist. He didn't like it. After a week, he accepted the job at the Greenwood hospital.

The 30-bed facility was on a knoll at Edgefield and West Creswell, now the site of several newly-constructed doctors' offices. Dr. Bishop's duties included examining patients prior to admission, performing laboratory work, administering anesthesia and preparing patient progress reports.

During those times, the late 1920's, Greenwood had only eight to 10 doctors, Dr. Bishop recalled. Ninety Six had two doctors, and Hodges and Ware Shoals, one each.

"When I started practicing here, house calls were two dollars and a half," Dr. Bishop said. Of course, if the house was in, say Kirksey, the fee jumped to $5. Office visits were $2, tonsillectomies, $25 and deliveries, $30.

"His policy was always not to charge a patient more than he could afford to pay," Mrs. Bishop said.

Payment frequently came in the form of a live chicken or a bag of potatoes or a smoked ham. "People couldn't pay. They always wanted to give me something because they couldn't pay," Dr. Bishop said.

During his 52-year career, Dr. Bishop has treated "every kind of illness I know."

When he first arrived in Greenwood, a wave of typhoid fever was receding and "pneumonia caused more deaths than anything." At that time the only treatment for pneumonia was to draw fluid from the lungs with a needle.

With the advent of, first sulfa drugs and later, penicillin, pneumonia became less of a threat. "Now heart trouble is the top (killer)," Dr. Bishop said.

Medical trends have come and gone during Dr. Bishop's career. As a young anesthetist he accompanied a local surgeon on periodic trips to Beaufort to perform mass tonsillectomies. The team would remove 50 to 75 tonsils a day.

Dr. Bishop recalls that the PTA's of the Beaufort schools would sponsor the clinics, converting a gymnasium into a ward where the young patients spent the night.

"The kids were just tickled to death. They weren't scared a bit. It was just kind of a picnic with them," he said.

"I enjoyed those clinics. I'd do it just for the fun of it."

Back in the "good old days," much "doctoring" was done at the patient's home. Mrs. Bishop recalls driving her husband, in a blinding rain, to Coronaca, where he was met by a man with a mule who led him to the patient's house.

"The water was up to the belly of the mule," Dr. Bishop said.

Dr. Bishop also remembers performing surgery at the home of a patient, stretching her out on her dining room table in Troy for the operation.

Nearly all babies were delivered at home, a trend whose return Dr. Bishop deplores. The risk of infection is too great, he said.

Even with house calls, Dr. Bishop managed to see 40 to 50 patients a day at his office on a "first come, first served" basis. Persons who looked particularly ill or who had a noisy baby were worked in ahead of others.

During a medical career that included not only hospital work and private practice but also a stint as a doctor in the army during World War II and long tenures as physician for Lander College and Greenwood County, Dr. Bishop has been sued only once—by a prisoner, who also named the sheriff and magistrate in the action. The courts threw it out.

Dr. Bishop was serving with the U.S. Army in Monroe, N.C., in the early 1940's when a tornado ripped through Greenwood. He returned home to view the damage. The storm

"tore up" the operating rooms at the old hospital on Edgefield Street.

"That's about the worst accident I've seen here in Greenwood," he remembers.

In 1952 Self Memorial Hospital was completed, and since then Dr. Bishop's home town has flourished as a medical community.

"It's very much of a medical center now," he said.

And he should know. He figuratively laid the foundation upon which it was built.

ARTICLES ON YOUTH IN THE MARCH AND JUNE 1978 EDITIONS OF THE AMERICAN LEGION MAGAZINE

Mr. THURMOND. Mr. President, no veterans organization in America supports a stronger program for our Nation's youth than the American Legion. The American Legion's Americanism and children and youth programs sponsor a variety of meaningful activities in communities across our Nation that emphasize responsible citizenship, good sportsmanship, civic pride, and patriotism among our youth.

Last year the national commander of the American Legion, the Honorable Robert Charles Smith of Louisiana, wrote two interesting articles concerning youth and youth problems, which were published in the March and June editions of the American Legion Magazine.

Mr. President, I commend these articles to my colleagues and request unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PROTECT OUR YOUTH AGAINST DRUG ABUSE

Today's youth are beset with many interrelated problems. They come in many different forms and degrees of complexity. In this month's message, I want to briefly discuss two such areas which should deeply concern every American and do involve The American Legion through its Children & Youth Program. They are: child abuse and teenage drinking. Although these issues are often dealt with separately, a closer look will show an intertwining nature.

Consider this: Parent comes home drunk. Parent physically abuses other family members, especially the children. One of the children is 15 years old. To escape such an atmosphere, the child often stays away from home. Child befriends other youth who have similar problems. They gather together. At one such meeting, they try drinking to further escape reality and continue the practice. Years later, child becomes a parent. Current statistics show that based on childhood experiences, this new parent will probably have a drinking problem and will most likely physically abuse his children. This unfortunate situation presents a vicious cycle that continues to perpetuate itself.

Very briefly, let's look at each problem separately: Conservatively, the United States Children's Bureau places the annual incidence of child abuse at about 50,000 to 70,000 cases. During the next five to 10 years, such cases of maltreatment will probably top 1.5 million. There will be some 50,000 deaths. Most fatalities will be children three years old or younger.

Although all states have laws requiring medical practitioners to report suspected cases of child abuse, the appalling nature of this problem still demands increased national attention. This sickening blight on our society must be challenged by many if we can ever hope for a brighter future.

Part of the challenge can be met by learning the facts about child abuse, helping abuse victims and their parents with your time, resources and understanding and by supporting legal and social efforts to combat child abuse.

Concerning the issue of teenage drinking, it is disturbing to note that 70 percent of this age group drink beverage alcohol to some extent. Immediately, the question comes to mind—Why do teenagers drink?

Unfortunately, parental influence and example is the number one cause. Not realizing the effect of social drinking on their youngsters is a major blunder by many parents.

Peer pressure. Haven't we all felt this as adults? It is even greater during the teenage years when acceptance of any kind is important.

Rebellion against authority. Another major pressure point that parents can control.

Emotional disturbances. Such things as anxiety, insecurity, extreme self-consciousness and lack of self-confidence.

These reasons alone do not justify why nationwide, more teenagers (and even preteenagers) are drinking than ever before. What is more tragic is that a significant number of these young drinkers are misusing alcohol in ways that often disrupt their lives and threaten the health and safety of themselves and others. We adults should be jarred into action just by reading of the increase in drunk driving fatalities and arrests for alcohol-related offenses involving youth.

To prevent irresponsible drinking, our children must develop healthy attitudes starting in early childhood. These attitudes can be developed most effectively within our families if we, as parents, are prepared to react honestly and openly and through well-planned alcohol education programs in our schools—each supporting the other!

As adult citizens of this great Nation, we must join together in positive ways to combat the atrocity of child abuse and teenage drinking. The very stability of our future is at stake and what better insurance can we invest in than direct involvement with our youth.

We of The American Legion can be most helpful through our Children & Youth programs in needed preventive efforts. The avenues of service are open and always in need of your interest and support. One step beyond caring is Action! Motivate your concerns. Direct your efforts in the form of organized, constructive programs geared to help overcome these threats to our society.

OUR YOUTH—OUR FUTURE

Everyone has heard of the "generation gap" and many have become embroiled in debate over its effects on society. It is created by individuals on opposing sides who have lost contact with each other. Each faction believes the other is wrong and consequently, they should not be trusted. If this concept became the attitude of every American, we would indeed be in a sorry state. We are fortunate in this country that only a few have allowed their imagination to rule their thinking.

If we were to separate for a moment the "older" society from "younger" society and ask them identical questions, you might expect results to differ significantly. True? Not always.

During the summer of 1977, "Who's Who Among American High School Students" conducted a national survey of 50,000 members of the younger society. The following samples will give you their attitudes on certain subjects which may surprise you:

54 per cent indicated they wanted their tax dollars in the coming year to be spent for defense.

77 per cent felt the national budget for defense should be kept about the same or increased.

88 percent have never used illegal drugs.

62 per cent believe marijuana should not be legalized.

79 per cent said they believed in the two-party system and would support it during their lifetime.

This indicates the youth of our Nation do want to believe in the United States. It is also proof our youth programs can and do instill a personal obligation to accept an active part in the duties and responsibilities of American citizenship.

In the wake of February, "Americanism Month," and with the advent of April, "Children and Youth Month," The American Legion can stand proud of its programs for youth. Through these efforts, we have stressed the importance and worth of our young people. Such associations have been helpful and are needed to dispel the generation gap myth. Adult care and leadership in our youth programs have also helped to shape attitudes concerning day-to-day living as a productive American citizen.

Through established Americanism and Children and Youth programs, we have been doing this for years. We must continue to do so, but it has now become necessary to expand our involvement and include total education within the community. We must re-unite the community in support of education goals that are compatible with our objectives; we need to work toward the restoration of family authority, with schools and government once again serving as backup to the family; and youth must be given active participating roles in community responsibilities, with adults working with youth rather than for them.

As we move through this third century of freedom and democracy, we need only look at our history to note the many different attitudes which helped mold this country. Although there were differences, one attitude prevailed—the hope of greatness.

Each year thousands of you volunteer your time and energy to help serve our youngest generation. Through this annual contact, you have served many needs and have been recognized by the youth as one who understands and cares. This healthy situation is the answer to any separation of generations. In the many years to come, if we keep our priorities in order, we will remain a leader in shaping the American attitude.

S. 423—THE DISPUTE RESOLUTION ACT OF 1979

Mr. FORD. Mr. President, I send to the desk for introduction a bill, and ask unanimous consent that it be considered as having been read the first and second times.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 423) to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the second reading of the bill?

Mr. HELMS. Mr. President, this has been approved by our side.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read a second time.

Mr. FORD. Today I am introducing a measure to be known as the Dispute Resolution Act. This legislation, which is cosponsored by Senators KENNEDY, DANFORTH, BAYH, and METZENBAUM will greatly accelerate the development of effective, fair, inexpensive, and efficient means to resolve numerous small civil disputes. As chairman of the Consumer Subcommittee, I have been deeply concerned by the numerous serious problems that consumers have brought to my attention which too often cannot be appropriately resolved due to the lack of adequate dispute resolution mechanisms. This legislation will foster the development and improvement of small claims courts, arbitration, mediation, and conciliation programs in order to assure the public adequate means to obtain justice in these important areas.

The need for strengthening and improving existing procedures for resolving such disputes has been strongly endorsed by those experts who have closely examined this issue. The Honorable Griffin Bell, for example, has stated:

Constitutional guarantees of human rights ring hollow if there is no forum available for their vindication. Statutory rights become empty promises if adjudication is too long delayed to make them meaningful, and when the value of the claim is consumed by the expense of asserting it.

Mr. Shepherd Tate, president of the American Bar Association, in a recent letter emphasized the importance of this legislation by writing:

The American Bar Association is convinced that your legislation would provide the two tools needed by citizens and government institutions at the state and local level to improve their access to forums to help resolve everyday disputes. First, your bill would establish in the Department of Justice a resource center for the collection and dissemination of information about the usefulness of such existing dispute resolution mechanisms as mediation, arbitration, fact-finding and small claims courts. This clearing-house would provide an inexpensive means of assisting state and local governments to utilize effective approaches to dispute resolution and avoid pitfalls which may have occurred elsewhere.

Second, the legislation would establish a modest—$15 million per year—program to help state and local governments and citizen groups to establish new, or improved existing minor dispute mechanisms which the citizens of that jurisdiction determine to be best suited to their needs.

Mr. Tate concluded:

One of the more important, and one of my priorities as Association president, is the prompt enactment of the proposed Dispute Resolution Act.

Business organizations also have a very strong interest in assuring that small claims are expeditiously and inexpensively resolved and a number of business organizations communicated last year with the Commerce, Science, and Transportation Committee in favor of legislation to accelerate the development of dispute resolution mechanisms in the States.

In drafting this legislation we have been cognizant and responsive to a recommendation of the National Institute of Consumer Justice that a modest infusion of Federal funds would stimulate local and State jurisdictions already strapped financially to improve and create alternative forums for resolution of disputes. This legislation seeks to provide incentives whereby the States and localities can respond to their unique needs with the most up-to-date solutions. A number of experiments have already taken place in some very successful small claims courts and other sources of arbitration and mediation mechanisms have been operating for several years. They have demonstrated both the need for the bill and the success of the kind of programs that could be implemented under it. This legislation will provide the following extremely necessary improvements to the resolution of disputes:

First. A coordinated program to strengthen dispute resolution mechanisms including small claims courts, arbitration, mediation, and conciliation efforts in the country;

Second. Development of a Dispute Resolution Resource Center to facilitate the systematic exchange of information to the States and localities concerning the improvement of existing and development of new dispute resolution mechanisms.

Third. Comprehensive surveys of existing systems will also be undertaken in order to help determine what mechanisms have been effective and ineffective in the past.

Fourth. Modest levels of financial assistance to strengthen existing systems and to develop new dispute resolution systems.

This legislation has been given extremely careful scrutiny over the last several years. Similar legislation has been introduced in the last three Congresses and has passed the Senate in the last two Congresses. In the last Congress detailed hearings were held by the Senate Commerce, Science, and Transportation Committee. Subsequent to these hearings literally hundreds of hours were spent in consultation with outside experts, interested groups, Senators and staffs of the Senate Commerce, Science, and Transportation Committee, the Senate Judiciary Committee, and other interested Senators in refining and improving this document. In this regard, Senator KENNEDY and Senator MCCLURE's efforts were particularly noteworthy. Finally, an amended bill, cosponsored by Senator KENNEDY and myself, was introduced and passed unanimously last session. The legislation I introduce today is identical to that bill.

Mr. President, in light of the long history surrounding this legislation and its widespread support in the business, consumer, and academic communities, I urge that the Congress act rapidly to institute these provisions into law.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor today, with my distinguished colleague and friend from Kentucky, the Dispute Resolution Act of 1979.

This act is the result of the efforts of many Members of this body as well as outside private and public interest groups. As a result, during the last Congress, the Senate unanimously passed an identical bill. However, in the closing hours of the 95th Congress, although a majority of the Members of the House approved the bill, the necessary two-thirds vote could not be mustered, and the House failed to approve this legislation.

The act focuses on a crucial problem in our present judicial system—providing easy access to justice for all Americans in the resolution of minor civil disputes. According to a 1976 American Bar Association survey, two-thirds of our citizens now lack this access—a freedom intended by our founders to be the right of all and not the privilege of a few.

In 1850 Abraham Lincoln offered the following advice:

Discourage Litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often the real loser—in fees, expenses, and waste of time. As a peacemaker, the lawyer has a superior opportunity of being a good man.

Throughout history, Lincoln's words have found tangible meaning for those who seek redress through judicial processes. Litigation is not always a viable vehicle nor is the court room always the most appropriate forum—especially for resolving minor disputes—which is fair, expeditious, and inexpensive.

One hundred and twenty-five years ago, Charles Dickens described a judicial system—

which so overthrows the brain and breaks the heart, that there is not an honorable man among its practitioners who would not give—who does not often give—the warning, "suffer any wrong that can be done you rather than come here!"

Many of our citizens who have attempted to resolve their disputes through litigation might well repeat this same advice to others today.

Judicial institution designed to resolve disputes between citizens have generally not fulfilled their function. They have not answered the needs of people who are either distrustful of the judicial process or intimidated by its formality. Many persons may not need or want such a process for the adjudication of their disputes. Chief Justice Warren Burger recently noted this fact when he said:

The notion that ordinary people want black-robed judges, well-dressed lawyers, and fine paneled courtrooms as settings to resolve their disputes is not correct. People with problems, like people with pains, want relief, and they want it as quickly and as inexpensively as possible.

The judicial process has not answered the needs of people who cannot afford lawyers, and who lack the knowledge enabling them to represent themselves. It has not answered the needs of people who can neither afford nor understand the long delays of courtroom procedure. Too often the end result of these failings is an exhaustion not only of finances, but of patience, courage, and hope. In 1913, Roscoe Pound, then dean of Harvard Law School focused on the problem of an individual with a small grievance, commenting:

May it not be that we have been assuming too lightly that what is unprofitable for the lawyer is unprofitable for the law? It is a de-

nial of justice in small causes to drive litigants to employ lawyers, and it is a shame to drive them to legal aid societies to get as a charity what the state should give them as a right.

Small claims courts may not be the only effective means of resolving minor disputes. Many States, localities, private businesses, and neighborhood groups have established innovative and very successful programs for resolving disputes without resort to the courts. Although we must be careful to insure that the fundamental legal rights of our citizens are not compromised, these alternatives can be effective means for providing access to justice where none exists. They often provide a quick, inexpensive, and fair resolution of disputes—a resolution which in most cases satisfies the parties.

Private industry has also been an advocate of arbitration proceedings for customers dissatisfied with their products or procedures. A large percentage of customers using such arbitration procedures have been satisfied with the outcome even some who did not prevail. Consumers have a chance to voice their complaint and the ear of a neutral party deciding the issue in a fair and expeditious manner.

There are approximately 20,000 businesses in the United States now using various methods of arbitration in the settlement of consumer disputes. Five years ago, the Better Business Bureau began a nationwide consumer arbitration program which is in most cases free and voluntary. Since that time more than 2,300 cases have resulted in an arbitration hearing. Of the 23,000 cases in which the Bureau has offered arbitration, more than one-third were settled after the consumer and the business had agreed to arbitrate, but before a hearing took place. Awards from this process average about $100 with the three largest complaint categories being home improvement, car repair, and appliance purchases. According to the vice president of the Counsel of Better Business Bureaus, more than 6,000 arbitrators have been trained in this nationwide program, and less than one-half of 1 percent of their awards have been challenged.

On November 23, 1977, the Department of Justice provided funding through LEAA for three neighborhood justice centers in Los Angeles, Calif., Atlanta, Ga., and Kansas City, Mo. awarding approximately $200,000 for each project. Additionally a grant of $350,000 went to the institute for research to conduct an evaluation of the three centers.

Each of the centers is operated by a director and four staff persons. Between 20 and 34 volunteer mediators, with 48 to 70 hours of training, assist in mediation and arbitration. The volunteer mediators are assigned to particular cases according to their expertise or background. In each of the three cities the young lawyers section of the local bar association provides free legal advice to mediators on individual cases. Judging from statistics collected between the time the centers opened and June of 1978, they have proved to be a useful mediation device.

Of 1,908 cases processed, 399 were referred, 642 were not resolved, 206 were resolved prior to hearing, 458 hearings were held, and 388 of these cases were resolved at those hearings.

One of the most successful programs in the country is located in my own State of Massachusetts. The urban court program in Dorchester, which has been in operation since December 1975, was used as a model for the neighborhood justice centers which I just mentioned.

A majority of the cases handled by the urban court program are referred to it by the local courts. The rest of the cases either are referred by the police or come to it because of the program's reputation in the community.

In the 2 years of its existence, the program has handled approximately 1,000 cases; 300 of those cases were withdrawn by the parties prior to a hearing. Of the 680 cases in which hearings were held, 525, or 77 percent, were settled; 87 percent of those cases which were settled remained so after 3 months.

The urban court program mediates a wide range of disputes, as the following table indicates:

	Percent
Intrafamily disputes	33
Disputes among friends	23
Neighborhood disputes	21
Landlord-Tenant disputes	8
Merchant-customer disputes	3
School-related disputes	1
Other	11

This program is administered by three full-time staff members, and the mediation is done by volunteers who receive a small stipend for the 2½ to 3½ hours each of these hearings takes.

The urban court program provides not only an invaluable service to the community and a good model for others to imitate, but also gives testimony to the theory that alternative methods of dispute resolution can and will become an increasingly effective and essential part of our system of justice.

Unfortunately, the number of such successful programs are few. Lack of adequate funds, lack of technical assistance, lack of qualified personnel, and lack of publicity about the program within the community have defeated many similar programs throughout the country. The Dispute Resolution Act of 1979 is an attempt to expand the successful efforts I have just described by encouraging the States and others to experiment with various dispute resolution mechanisms which will provide all persons convenient access to justice that is fair, effective, inexpensive, and expeditious.

This legislation will equalize the opportunities for dispute resolution by expanding the forums which provide such opportunities. The programs and experiments funded under this act could easily dovetail with or complement existing mechanisms such as our small claims courts. Access problems could be remedied by extending the operating hours to evenings and weekends, by establishing mediation centers in locations convenient to those that will make use of them, and by making these centers informal and comfortable to those who would feel ill at ease in the formal courtroom setting. Qualified paralegal personnel should be made available to assist in preparing, filing, and handling the cases. A communitywide information program should be undertaken in areas where the dispute resolution programs are located.

This legislation embraces an idea whose time is long overdue. The Dispute Resolution Act carries the longstanding support of the Department of Justice, the Department of Commerce, the American Bar Association, Congress Watch, many members of the State judiciary, a number of highly respected scholars, and many of my distinguished colleagues. We owe a debt of gratitude to all of these people who have turned this idea into a workable plan. We have a clear need, we have a clear plan, and now we must make this legislation a reality. "Equal justice under law" is the principle on which our judicial system was founded. It is the responsibility of this Congress to make "Equal access to Justice" a fundamental part of that ideal.

Mr. President, I ask unanimous consent that the letter from S. Shepherd Tate, the president of the American Bar Association, endorsing the Dispute Resolution Act, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
Washington, D.C., January 15, 1979.

Hon. TED KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: With the 96th Congress having just begun, I write to express our hope and expectation that this will be a legislative session marked by the implementation of many important improvements in our justice system. One of the more important, and one of my priorities as Association president, is the prompt enactment of the proposed Dispute Resolution Act.

You and Senator Ford are to be complimented for your successful advocacy of this legislation last year, and for working with your colleagues toward the unanimous approval of this legislation for the second consecutive Congress. The beginning of the 96th Congress this week presents you with another opportunity to modestly assist states and localities in the development of new, and the improvement of existing, forums for the resolution of many important, though relatively minor, disputes.

The American Bar Association is convinced that your legislation would provide the two tools needed by citizens and government institutions at the state and local level to improve their access to forums to help resolve everyday disputes. First, your bill would establish in the Department of Justice a resource center for the collection and dissemination of information about the usefulness of such existing dispute resolution mechanisms as mediation, arbitration, fact-finding and small claims courts. This clearing-house would provide an inexpensive means of assisting state and local governments to utilize effective approaches to dispute resolution and avoid pitfalls which may have occurred elsewhere.

Second, the legislation would establish a modest—$15 million per year—program to help state and local governments and citizen groups to establish new, or improve existing minor dispute mechanisms which the citizens of that jurisdiction determine to be best suited to their needs.

The wisdom of the bill's limited and balanced approach has attracted the support of the Justice Department, U.S. Chamber of Commerce, the Consumer Federation of America and various organizations of judges and lawyers. The ABA is pleased to be a part of this distinguished and diversified group of supporters.

The Association congratulates you on the manner in which the bill pending in the last Congress was carefully prepared to respond to the interests of liberals and conservatives, Republicans and Democrats. As president of the ABA, I heartily encourage you to reintroduce the Dispute Resolution Act and offer the Association's full support in working toward prompt Senate approval.

Sincerely,

S. SHEPHERD TATE.

Mr. FORD. Mr. President, having cleared the matter with the majority leader, I object to any further proceedings on the bill at this time.

The PRESIDING OFFICER. Objections having been heard to further proceedings on the bill after its second reading, under the provisions of paragraph 4 of rule XIV the bill will be placed on the calendar.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not morning business is closed.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the legislative holiday going over until Monday, February 19, at 12 noon, the Vice President of the United States, the President pro tempore of the Senate, the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions, and that during the same period the Secretary of the Senate be authorized to receive messages from the President of the United States and from the other body, if there be such messages, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

The PRESIDING OFFICER. The pending business before the Senate is Senate Resolution 61.

Mr. ROBERT C. BYRD. Mr. President, the Senate has before it now Senate Resolution 61, as amended. I had thought that the distinguished assistant Republican leader (Mr. STEVENS) would be ready to call up his substitute today. But I now find I was mistaken. He does not intend to call it up until Monday, after the Senate returns from its legislative holiday.

It has been printed, however.

I do not think he would object if I should ask unanimous consent that it be printed in the RECORD. Mr. President, I understand that there will be no problem with that, so I ask unanimous consent that Mr. STEVENS' substitute to Senate Resolution 61 be printed in the RECORD in order that Senators may have an opportunity to study it during the holiday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS' proposed substitute is as follows:

AMENDMENT No. 57

Strike all after *Resolved* and insert in lieu thereof the following:

(a) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following:

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

"A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, except the time consumed in rollcall votes and one quorum call immediately prior to a vote on final passage. A Senator may yield any of his remaining time to another Senator or may yield it back to the Presiding Officer, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. No Senator may be yielded more than nine additional hours. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least ten minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, such time shall not be charged against the one hundred hours.".

(b) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting the following sentence at the end thereof: "Whenever a Senator indicates an intention to appeal from a decision of the Presiding Officer, that Senator shall be given preferential recognition for that purpose. Any Member may make a point of order that any other Member's pending amendment is violative of the rule, and the Chair shall then rule upon that point of order. Where such point of order is sustained, the amendment or amendments in question shall not then be considered further. A Member moving an amendment or amendments against which a point of order is made and sustained by the Chair may take such appeal en bloc, or such Member may choose those specific amendments which such Member wishes to make subject of the appeal. Such Member shall have a right to one such appeal (including the quorum call on such appeal) without its being chargeable against such Member's time for debate."

(c) After the last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate, insert the following:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, which time is the aggregate of the one hours of time to which each Member is entitled, the Senate shall proceed without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before a vote on an amendment or the final vote begins.

"New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered and have been printed and available at each Member's desk for at least twenty-four hours. Amendments which are otherwise in order may amend the measure or matter in more than one place, if they involve only one substantive issue.

"If, for any reason, a measure or matter is reprinted, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be technically conformed to the bill as it then reads when the amendments are called up, and reprinted at the request of any Member.

"After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.".

(d) Paragraph 1 of rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, Rule XXII, the reading of the Journal shall be dispensed with.".

Mr. ROBERT C. BYRD. Mr. President, I will ask unanimous consent that Senate Resolution 61, as amended, be printed in the RECORD, but not at this point.

Mr. President, I would welcome the introduction of amendments to Senate Resolution 61 by any Senators today who wish to offer amendments.

In looking about the Senate floor I welcome any Senator present to offer an amendment to the resolution, to debate it, and possibly act on it today. I will be glad to yield the floor to any Senator who wishes to offer an amendment to the resolution at this time.

Does any Senator wish to offer an amendment to Senate Resolution 61 at this time?

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. MOYNIHAN. I just wish to say that I am one of the many Members of this body who has followed with growing admiration and confidence the atmosphere of cooperation and careful consideration of this most important matter by both sides of the issue, and on both sides of the aisle.

Our majority leader needs no congratulations from as junior a Member of this body as myself. He knows of our affection and respect for him, but I hope he would know that it has even increased. For we have long known him as a master of the existing rules, and now we begin to see him as a person whose understanding of the importance of procedure goes well beyond mere mastery of its details, to the fact that the life of this institution depends upon rules that make it possible for us to work our will in order to reach decisions.

President Kennedy, as the majority leader well knows, used that wonderful phrase, "To govern is to choose."

When times got difficult in the White House for the President, when people

espoused widely varying points of view, and when his administration was divided or his own mind was divided, he would remind himself and those with him that "To govern is to choose."

That is the ultimate responsibility. In the case of the U.S. Senate you choose when you vote, and, as the majority leader reminds us, the central act of democracy is that of voting.

We could not be too much in his debt, and he could not be more modern in his concerns, owing to one point which I would like to introduce into this debate, which is perhaps not sufficiently attended to.

With the weight of modern government, and perhaps with some of the changes we have made that we need not have made, some of the functions we have assumed that we need not have assumed, in this Nation of more than 250 million people with worldwide responsibilities, government has become a full-time procedure in the United States.

It used not to be. As a matter of fact, I have often felt that one of the most regrettable decisions ever made by this Government was when Alexander Hamilton agreed to move the Capital from the city of New York to this malarial swamp on the banks of the Potomac, and Thomas Jefferson in turn agreed to have the Federal Government assume the debts incurred by the State of New York during the Revolutionary War.

He agreed to it, not to increase the influence of the Federal Government, which became the ultimate effect, but to get the seat of government down here in a swamp which turned malarial in April, so that all the Congressmen would leave the city and would not come back until November when the threat of malaria subsided.

Perhaps Senators will recall with differing degrees of reverence or affection Roosevelt's 100 days. Our distinguished Presiding Officer (Mr. LEVIN) is perhaps not old enough to recall them, but he has heard the phrase.

Why has that period recalled by some as the most constructive and by others as the most destructive moment in our history become known as "the 100 days"? Because that is how long Congress was in session when Roosevelt was first here. They came in in March and went home in June. The whole structure of government as different when, in 100 days, we could enact the New Deal and go home in June. That Senate could leave the arrangements for extended debate to the most random kind of procedure. There was nobody, for practical purposes, in the history of the U.S. Senate who had ever run out of time.

I would like to repeat that: For practical purposes, in the 150 years up until that time, no Senator had ever run out of time. They always adjourned with another 2 or 3, or 4, 5, 6, or 7 months left in the calendar year, with their work done.

In such a setting, unrestricted debate was not only an honorable provision, but a practical one. If someone wanted to be heard longer on a subject that he cared about, as Senators should, he could say, "Let's not go home; it is June 15, we can stay here until June 17, and you can finish hearing me."

But now we face so often the situation that it is December 15, and the calendar year ends and the work to be done has not been accomplished. At that point, unlimited debate changes its nature. It is not a means of making certain that full consideration is given to a subject; it becomes a weapon to prevent full consideration, which means that the Senate cannot work its will, and the Government does not choose. And thwarting the capacity to choose thwarts the democratic purpose; that has never been the function of this body, and will not be as long as the Senator from West Virginia serves as its majority leader.

Having said that, let me also say, as a member of the committee appointed to negotiate with the minority, whose rights the majority holds in trust, that we could not have met with men who more shared our concern, or who did so more responsibly.

I am very much looking forward to the proposal of the minority whip, who is a man for whom we have genuine respect and, beyond that, great affection.

I do not wish to prolong this, because the majority leader is sometimes short of patience with people being pleasant to him. Bad news is the only kind of news he likes, and that is the only kind he usually gets; but I want him to know that he has won yet more respect from this body for this demonstration of his fundamental respect for the democratic process.

Mr. ROBERT C. BYRD. I thank the able Senator for his comments. They are timely and most helpful.

Whereas I had intended to have some comments with respect to the substitute by Mr. STEVENS, I will not make those comments in his absence, and certainly not while his substitute is not pending.

I yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished majority leader for yielding, and I rise not for an extended statement, but simply to indicate my support of what the distinguished majority leader is trying to do.

It was 20 years ago last month that I first came to the Senate, and the pending issue on the very first day was the question of modifying rule XXII to liberalize the possibilities of closing off debate.

The reform that was proposed by the then majority leader, Lyndon Johnson, was to change the two-thirds requirement from a constitutional two-thirds to two-thirds of those present and voting.

That was regarded as a revolutionary change by those who opposed it, as one that would destroy the Senate as an institution.

Well, we adopted the change. The whole focus of our attention at that time was to preserve the right to free debate in the Senate while still permitting the Senate to do its work.

For 20 years now I have watched us continuing our preoccupation with that dilemma and that challenge. Rule XXII was subsequently reformed again to the present requirement that 60 Senators can close off debate, to be followed by the same procedure that we adopted 20 years ago. But what we have seen developing, Mr. President, is more opportunities for extended debate, without any way of limiting it—more than existed when I came here 20 years ago.

In other words, it is possible today, notwithstanding our efforts to put in place a cloture rule that would enable the Senate to do its work as well as preserve debate, to thwart the will of the Senate. We have taken steps backward rather than forward. It is now possible for a minority—and I am not picking on any particular minority; it may be a minority that does not exist, in terms of an issue, today—any minority could tie the Senate up absolutely into knots for indefinite periods after cloture has been invoked. That was never possible when I first came here, but it is possible today.

I heard this defended as a preservation of individual Senator's rights. The point I would like to make, Mr. President, is that no Senator has unlimited right. Any Senator who seeks to preserve unlimited rights for himself to that extent erodes the rights of 99 other Senators.

Although this is an institution of individual Senators, and we pride ourselves on the fact that it is, comity must prevail. If it cannot be done without being codified to some degree, then we must codify comity.

If each of us is to have rights, they ought to be equal rights.

The way the present situation works, as I see it and as I have experienced it for 20 years, is that the cloture rule in its development on the floor of the Senate has reached the point where any Senator who wants to be tough enough and ruthless enough, and, yes, with all respect, Mr. President, nasty enough, can use the threat of filibuster to absolutely deprive another Senator from having the Senate give consideration to a legislative proposal in which he believes deeply.

When any Senator in this body has a right which is that unlimited, then we are not a Senate of 100 Members with equal rights. We are a Senate subject to the possible tyranny of a single Member.

That is the way I have seen it proceed.

There are those who say, "It is too bad but that is what has developed. But if you modify it in any way, you change the shape of the institution." I have heard that argument before. We have changed its shape in a very unfortunate way.

I was delighted to be in the Chamber when Senator MOYNIHAN presented his observations. He drew another historical aspect upon this issue. He is quite right. There is just so much time in the calendar year. We have now reached the bottom of time. There is no more left. I have been here when the Senate was in session on New Year's Eve, on New Year's Eve with the work of the Senate uncompleted. The prospect of reaching the end of a calendar year with important work which cannot then be completed before the year is over is frightening.

There is another aspect to all of this which I find disturbing. When I first came here in 1959, debate on the Senate floor was meaningful. Almost every afternoon Senators would assemble in substantial numbers to debate legislation, to debate issues. They would often go into the evening hours—7, 8, 9:30. There was real debate with a lot of Senators involved.

I have seen that decline over the years. I think the country is worse off for it, and I think the Senate is worse off for it.

But, Mr. President, to the extent that we permit the filibuster rule to operate in such a way that the time of the Senate is occupied or could be occupied for days on end, weeks on end, in frustrating, often harassing, emotion-generating haggling over procedures which are being used to prevent the Senate from voting, to that extent are we further robbing ourselves of time for meaningful debate on a host of issues that ought to be meaningfully debated.

I remember many of these occasions in the last 3 or 4 years when I would wander over, if I happened to have a free afternoon or a free couple of hours, in the midst of one of those so-called filibusters or threatened filibusters, or interminable debates, and I would sit for a little while and say to myself, "What am I going to learn from this? What is going on is simply killing time to prevent the Senate from coming to a vote."

Nobody used those occasions for meaningful debate, because nobody listened. They are interested in only one thing: Preventing decisions, not improving the quality of decisions. Just preventing decisions.

Mr. MOYNIHAN. Will the Senator yield?

Mr. MUSKIE. I will yield in a moment.

If we continue the present rule, we are going to see more of that and less time for meaningful debate, even less than we have had in recent years.

I yield.

Mr. MOYNIHAN. I would like to offer a statistic in support of the statement of the distinguished Senator from Maine. In the first half of the century of the cloture rule, 52 years, to be exact, cloture was voted 45 times. Since 1970 it has been voted 95 times.

In 1935, in the unreconstructed Senate, you might say, the one filibuster lasted 6 days. In the 1978 reform Senate, the reform filibusters lasted 62 days. Those are 62 days in a 12-month calendar.

I thank the Senator for having heard what I said. In the past, the Senate had unlimited debate, but never in history did it run out of time. That is what has changed in our present situation. I do not presume to comment, but that was a marvelous statement by the Senator from Maine.

Mr. MUSKIE. I thank the Senator from New York.

As the distinguished majority leader or my good friend from Louisiana would say, it is not the kind of exercise which has attracted my interest over the years. Sometimes when I am involved in a debate with my good friend from Louisiana, I wish I were an expert on the rules, because it is sort of a one-sided battle when I disagree with the involved use of the rules. I respect those who know them. I think the rules are terribly important.

Let me point out that another thing has happened in the last 20 years that to me is oddly directly in conflict with what I have just described. In other words, the opportunity for tying up the Senate with delay, my first point, has been enhanced by the reform of the cloture rule, not limited but enhanced. One can delay the Senate longer, more effectively, more frustratingly, with less contribution to enlightenment on the issue than when I came here. At least in the filibusters of those days our friends from the South came to the Senate floor with speeches, on a subject about which they felt deeply, the civil rights issue of that time, and although from time to time you heard nongermane speeches, you heard a lot of germane speeches, many of them pulled out of the files having been given years before.

Nevertheless, they were relevant and they did contribute to the dialog. Now, we just get this frustrating other business. But, accompanying this has been the growth in the use of the unanimous-consent agreement. I do not know if Lyndon Johnson was the first to use the unanimous-consent agreement in order to expedite the work of the Senate, but he certainly gave it impetus and developed it as a constant tool of the leadership to get the work done and to limit debate more drastically than any proposal to reform rule XXII than I had ever heard. The unanimous-consent agreements that we agree to routinely limit Senators' rights to speak more drastically than any reform of rule XXII I have ever heard.

Why do we use it? Why did it come into use? Because of the difficulty of closing off debate with rule XXII, no other reason. So we got around the rule by unanimous-consent agreements.

The distinguished majority leader (Mr. ROBERT C. BYRD) has been a master at using it, getting parties to come together in comity, in a give-and-take spirit, to limit debate in that ad hoc kind of way. That has been fine. There is one shortcoming. That is when it comes to those really controversial issues. The majority leader becomes, then, the prisoner of the institution and of any Member of it who wants to block the legislation and thus blocks unanimous-consent agreements and leaves us with an ineffective rule XXII to get to a decision. It is sort of ironic to me that, over this 20-year period, the constant efforts we have made to reform rule XXII in order to bring free debate under a rational kind of limitation has not worked. As a matter of fact, the result has been the contrary and, out of frustration, we have adopted another technique that works up to a point, but not when it is needed the most.

So, I think the time has come, Mr. President, and I know that the majority leader must have, these last few days and weeks, felt rather lonely in his fight to do what I suspect most Senators feel needs to be done. We are disagreeing about means and we are suspicious of particular language, and we are worried that there may be something in Senator BYRD's language that is a sleeper, that will deprive us of some rights in the future that we do not want to be deprived of. On the other side, Senator STEVENS may have some language that we suspect is a sleeper that we do not perceive, so we are having difficulty in reaching accommodation on what exactly ought to be done.

But I suspect a substantial majority in the Senate would like something to be done to make this a more rational and orderly kind of institution so we can make the decisions that need to be made; that nobody will be cut off from the right to speak; that we can even have prolonged debate provided there is credibility in the assurance of the rules that eventually we will have the right to make a decision.

It is easy to make those points in generalities. It is much more difficult to codify. But I just wanted to say to my good friend, BOB BYRD, that I am not indifferent to what he has been trying to do. I am not one of the experts to whom we should turn to try to write whatever new rules we have, but I am certainly going to try to learn in these next few days and weeks. He will find me in full support of his objective and I shall devote as much time as I can with my other responsibilities to do so and to say so. I thought this might be a good day to add my 2 cents worth.

Mr. HELMS. Mr. President, I always feel enriched and privileged to hear the thoughts of my friend from Maine and my friend from New York. And it is always enlightening and most enjoyable to associate with the distinguished majority leader.

I was thinking just now that I may, in one respect, be a senior among my peers here, certainly those on the floor at this moment. I was a very small part of the Senate in the early 1950's, not as a Senator but as administrative assistant to two Senators from my State. I knew some of the great ones of that time—Walter George and Dick Russell, Harry Byrd, Sr., Bob Taft, and so forth.

There was a degree of comity in the Senate then that I sometimes think does not really exist today. I find myself wondering why, because personal affection among Senators is here. I do not think there is a Member of the Senate that does not have an abiding affection for the distinguished majority leader. I have a particular affection for him, because, among other reasons, he was born in my State. I am sorry he left North Carolina, but I tell the folks back home that we really have three Senators from North Carolina—Senator MORGAN, JESSE HELMS, and the Honorable ROBERT C. BYRD.

I say to my friend from Maine and to my friend from New York that what they have said in the way of statistics and dates may provide the basis for an assessment that we ought to consider, that perhaps the problem today is the result of a mistake that was made some years ago when the Senate tampered with the two-thirds vote then required to shut off debate. I am persuaded that if the two-thirds vote to impose cloture were still in existence, comity in the Senate would take care of it, just as it did before the two-thirds rule was abandoned. In the early 1950's, I say to my

friend from Louisiana, there was no disposition to drag out a matter after cloture had been voted. Is that his recollection?

He is nodding his head, Mr. President.

There are a lot of things that could be done, without creating resentments, let alone apprehensions, concerning the proposed rule changes. For example, rollcall votes could be avoided when they are not necessary simply by increasing the number of Senators required for a sufficient second. That would instantly eliminate a lot of the activity that has caused a problem in the past couple of years.

For my part, I have always felt the ballgame was over when cloture was voted. And I have not often participated in any of the extensions of time. But others feel differently precisely because the requirement for shutting off debate first had been cut, first from the constitutional two-thirds to two-thirds of those present and voting, and then to the existing constitutional three-fifths.

In any event, I hope my friends understand that the motivation of this Senator—and I say this with all the sincerity I possess—is to protect the right of the minority. I have no other motivation and I think no other motivation is worthy. I am glad that the situation has developed as it has, wherein we are dealing only with postcloture and the distinguished majority leader has agreed to adjourn the Senate when a vote has been taken on that, or the question is otherwise resolved. I think we are on our way to an accommodation of both sides and I, for one, appreciate the distinguished majority leader's meeting with us the other day in his office. It was a healthy thing.

Mr. President, I do think that it is essential to bear in mind that the more we tamper with the rules, the more risk we run in doing infirmity to a system that is vitally important to this Nation.

The convenience of Senators is way down the list, as far as I am concerned. We are paid year round and if we have to be in on New Year's Eve in order to do the business of the Senate, that is fine, although I do not relish it. But we must maintain a system wherein the rights of the minority are protected.

I was thinking here while the Senator from New York was speaking so eloquently, suppose the majority should shift—I am not speaking in any partisan sense, I am speaking in the philosophical sense—and, to use an extreme hypothesis, that a move was made to cut off all funds to the State of New York.

Now, he would want to use every device, and I am sure he would want to hold this Senate in session until his last gasp to prevent that sort of thing.

Mr. MOYNIHAN. Will the Senator allow me to respond?

Mr. HELMS. Yes, gladly.

Mr. MOYNIHAN. Indeed, I would wish to talk about that matter until a reasonable person would be satisfied that every Member of this Chamber knew what was at issue. But after a reasonable period, I hope I would simply "Vote." Because, in the end, that is how we make decisions in a democracy.

Perhaps, I will add, when the Senator from Maine spoke of being here on New Year's Eve, he did not speak, nor did the Senator suggest that he did, of the inconvenience entailed, but rather of the fact that on New Year's Eve we had run out of time, we could no longer choose.

What the majority leader is trying to do, and what the Senator would want him to do, is to enable the Senate to work its will.

As a matter of fact, I was under the impression that funds for New York had been cut back or cut off years ago, and there was some historic arrangement we had around here. I have been trying to draw attention to it without success.

But I do thank the Senator from North Carolina for suggesting what is, in any event, an ancient and honored tendency of this body which, as much as I deplore, I shall never seek to frustrate by talking any longer than is appropriate to the message I would have to convey.

Mr. HELMS. I will say that the Senator does not anticipate that he will ever see the necessity of that. Certainly, he has not yet.

But the time may come when there is a measure before the Senate and a majority vote against the Senator's point of view will cause the Senator to say, "My Lord, why did I vote to make it easier to shut off debate?"

Now I return to my original thesis that the trouble may well have begun when the Senate tampered with the two-thirds vote in the first place. That mistake washed out a great deal of the comity of the Senate, and there's no doubt in my mind about its having created the problem we're wrestling with today.

I knew Dick Russell very well. I had a personal association with him which I shall always treasure. I know how he felt about this Senate, and I feel precisely the same way. But the Senate did not have this sort of thing in those days when the Senate required a two-thirds vote to shut off debate.

But that is water over the dam and I acknowledge it, Mr. President. I am simply saying that there are two sides to this thing. There is not one worthy side saying, "Let's get on with the Senate's business," and an unworthy side that says, "Let's don't get on with the Senate's business." The implications are far more serious than that.

There are two sides with clearly worthy motivation and, hopefully, in a few days, after we return from the recess, we can resolve the situation satisfactorily with regard to postcloture.

Mr. MOYNIHAN. Will the Senator yield to me?

Mr. HELMS. Yes.

Mr. MOYNIHAN. I would simply like to say that it is scarcely for me to presume to speak for anyone more than myself in this matter, but the Senator from North Carolina should know we have heard with true appreciation the courtesy and the comity of his remarks.

Mr. HELMS. I thank the Senator. As he knows, I feel precisely the same way about him.

Mr. MOYNIHAN. And that we fully share his purposes and look forward to finding a common resolution of them.

I would like to thank him personally for his kindness.

Mr. HELMS. I thank my good friend.

I say again, I greatly enjoy my relationship with him, and with all other Members of this Senate.

I thank the Chair. I yield the floor.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I am pleased to see that the majority leader is seeking to reach a decision on the postcloture filibuster aspects of his proposed rules change first, and that he will leave as a second order of business the matter of the so-called precloture rule.

Now, when I came to the Senate and participated in many of the southern filibusters of that day, we always felt that when cloture was voted that was the end of it, that we could offer amendments and we had 1 hour to talk, but that the filibuster was over, that we would vote and state our position and go on from there.

If we had thought at that point that it was possible by dilatory tactics to continue the matter indefinitely, we might have engaged in such tactics. But it was our thought that the purpose of that rule was to bring the matter to a vote, and we felt that those who were trying to pass the measure would insist on construing the rule in such a fashion that it would bring the matter to a conclusion after cloture was voted.

Now, the postcloture filibusters that have been developed in recent years really exploited a potential in the rules that most of us never realized was there in the earlier days. It can be, in large measure, controlled by making precedents, as we did at the time we were debating the gas pricing bill, so that the way the rules are construed after cloture would be less favorable to those who were delaying matters than it would be prior to cloture.

But that, Mr. President, is not the best way of changing our procedure, that is, by changing our precedents, by ruling, or in one case different than a prior rule, or by appealing from the ruling of the Chair and overruling the Chair to set precedents that had not been set before.

That is not the orderly way to change the rules and our precedents. The orderly way to do it is the way the majority leader is trying to do it, that is, to bring the matter before the Senate, let everybody discuss it, let everybody propose his suggestions, and then to vote on what we think is the best approach.

Now, the Senator's proposal, in my judgment, is a very good one.

After cloture has been voted, we are assured of at least 10 hours of debate. A motion at that point can be made that we would limit any further debate to 10 more hours. If 60 Senators wanted to vote that way, we would then have a total of 20 hours of debate.

Some amendments have been suggested that I think make good sense, such as the fact that during that period of time, no Senator should be permitted to monopolize the time by continuing to offer his amendments, have them voted on, and suggesting the absence of a quorum, and things of that sort, to the exclusion of other Senators. It was suggested that after a Senator had had the opportunity to have all his amendments

considered, other Senators should be recognized, until they had their opportunity to offer their amendments. That is a very good suggestion.

I hope we will consider amending the proposal of the majority leader to say that 1 hour could be yielded by other Senators to the manager of a bill. I say that because if you assume that 50 Senators have amendments they want to offer and each has an hour, a Senator would like to use his 1 hour as the best expert on his amendment, speaking for it. Ordinarily, the person who would be expected to speak against it would be the manager of the bill. The manager of the bill might be compelled to limit his time, so that he would be using only 1 minute to the other side's solid 1 hour explaining their side of the matter.

While it is true that, on occasion, unanimous consent has been given to permit someone to yield some of his time to the manager of the bill, I believe it would make for a far better rule if the person who is managing the bill for the Senate were permitted to have 1 additional hour yielded from those Senators who were not going to use their full time.

It may be that some time should be made available to the majority leader and the minority leader on a similar basis. I know the problems of a manager of a bill in that respect. In managing bills under cloture, it has been my burden on occasion to have to find other committee members and plead with them to take the majority leader's seat and debate various amendments that would be offered; and in some cases they were not as prepared to debate it as was the manager of the bill or the chairman of the committee. But because one did not have the time to do it, he had no choice but to find someone else to debate that matter on behalf of the committee.

Perhaps the Senator could support such an amendment when we get down to the nitty-gritty of this proposal. I would hope that could be considered.

(Mr. BAUCUS assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Louisiana has made two very worthwhile proposals during his present statement.

The first one was that no Senator should be able to call up more than two amendments until other Senators had the same opportunity. That is an excellent suggestion. Yesterday, I modified my resolution to include that proposal. I had heard the Senator mention that before, and I knew of his interest in it. So on yesterday I amended my resolution to say that no Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

With respect to the second suggestion that the distinguished Senator has mentioned—and which he has mentioned to me before—I am prepared to offer an amendment to my own resolution that would allow other Senators to yield to each the manager and the ranking manager—and to each the majority leader and the minority leader, not to exceed a total of 2 hours.

I am prepared to offer that amendment and will do so today. I knew of the Senator's interest in this regard and his concern. He and I have discussed this resolution and the problems that are concomitant to amending Senate rule XXII so as to deal with the postcloture situation.

So I am implementing those suggestions, and I thank the Senator.

I also express appreciation to the Senator for what he has said with regard to my efforts to amend the postcloture section of the rules. I am not attempting to change the constitutional three-fifths that are required to invoke cloture. The Senator does not want to see that changed. He and I have discussed that before.

I am not attempting to do anything with the exception of dealing with postcloture once cloture has been invoked.

I thank the Senator for what I construe to be a very supportive statement. He is making suggestions as to possible modifications of my resolution. I am listening carefully. One of his suggestions already has been put into effect, and I am prepared to put the second one into effect now. I want the Senator to know that I am grateful for his observations.

Mr. LONG. I thank the distinguished Senator.

Mr. President, it seems to the Senator from Louisiana that, more and more, the Senate is going to find that cloture is a good way to do business on occasion, quite apart from simply trying to shut down the debate and pressing for an immediate vote.

There have been such instances in managing revenue bills. Last year was a good example. The Senate wanted to conclude its work, wanted to vote on the pending amendments, and wanted to go home. We had been around here a long time. So the Senate voted for cloture.

As a matter of fact, the Senator from Louisiana was asking for cloture. He had signed the motion and had urged others to do likewise, and he was very surprised that the Senate did vote cloture the first time. He thought we would have to try two or three times to vote cloture. But the Senate was of the opinion that we should get down to business, reduce the conversation to a limit, and do a great deal more voting.

Also, the Senate was ready to agree to a germaneness rule. Incidentally, at that point there was some fighting against cloture just on that basis. Senators wanted to offer an amendment or amendments not germane to the bill, and they felt that they would be foreclosed from offering their amendments on an appropriate bill if the cloture motion was agreed to. But the Senate felt that we should go ahead and pass that big revenue bill. It was a tax cut, but there were controversial phases of it. So Senators felt that we should go ahead and do business, and therefore they voted for cloture.

The principal reason for voting cloture on that occasion, as my good friend the majority leader recalls, was that the Senate wanted to be germane. Senators wanted to get down to the business of taxes and the things that the committee had reported and to amend them in ways that were relevant to the bill; but they were ready to vote or to limit that bill to the kind of thing that had been recommended to it.

By doing that, we managed to get on with the business. I think about half the amendments thereafter were ruled out of order because they were not germane. They involved everything the mind of man could imagine. Some of them were tax matters, but they did not involve anything that was in that bill. That being the case, as I recall, we were through with that bill in less than a week. I think that about 3 days after we voted for cloture, we were through with it.

Senators had probably 80 hours still available to them that they could have used to make speeches or to have rollcall votes or to suggest the absence of a quorum, and to do many other things. The point was that they were not interested in using all that time.

The way we expedited the procedure was to achieve germaneness. If we do not have any other way to limit a bill to the things that are germane to that bill, cloture does offer us that opportunity.

I hope very much that the majority leader will persevere in trying to give the Senate the opportunity to stay germane to a particular subject because when you wander all over the whole outdoors and get involved in everything the mind of man can conceive to bring in here and quarrel about on a revenue bill, for example, it could take forever—it could take months—while if you simply do one thing at a time and keep your attention on what you are trying to do, you can get just a great deal of good legislating done.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. In Senate Resolution 9 I had proposed that a Senator could move to preclude any nongermane amendments from being in order to any measure, and if such motion is supported by three-fifths vote, then no nongermane amendment would be in order to such measure.

Unfortunately, the pending resolution before the Senate does not include that motion. But the pending resolution that is before the Senate does not alter the present cloture rule which requires that no nongermane amendments be in order once cloture is invoked.

Mr. LONG. So after cloture is voted, the amendment would have to be germane.

Mr. ROBERT C. BYRD. Exactly.

Mr. LONG. Those are good changes.

Mr. President, I knew what it feels like to feel strongly that I am right about matters. I am sure everyone who served here for a while has had that same feeling. This Senator, even when he was one of the junior Members of this body, feeling outraged about something that was going on, made up his mind he would stand in the gap as long as he could and keep the Senate in session for 3 days without the help of a single additional Senator. He just stood there and debated and once in a while suggested the

absence of a quorum and then proceeded to start talking again just to keep the Senate in session for 3 days.

And yet when one looks at that type of thing from retrospect, he says, "What did I achieve by doing all that?" It takes a very egotistical person to think what he did really was justified. Keeping the Senate in session for 3 days only to be voted down by an overwhelming vote really achieved nothing and was a waste of the Senate's time and money.

I can fully appreciate how strongly Mr. Abourezk and Mr. METZENBAUM felt when they engaged in a post-cloture filibuster in the previous Congress and kept us in around the clock. Each poor bedraggled soul, so weary he was dropping from exhaustion, would drag himself up to some little couch to get a moment's rest and no sooner would he get asleep than the bells would ring, and he would be dragged in here for a rollcall vote. It is a wonder it did not shorten the lives of some Senators, particularly some older Members, who went through that torture. That went on around the clock.

May I say that the old fashioned filibuster where someone would take the floor and speak for 4 or 5 hours at a time was an act of mercy compared to what we went through when we were coming in here voting every half hour. What was achieved? Those Senators who felt dedicated and felt that anything they did to defeat the bill would be justified can look back on it and say, "Well, we did our best, but look what happened. The bill was passed anyway."

They made no meaningful contribution to it. They might have shortened the lives of themselves and some of their colleagues by doing all this. But nothing was gained, other than to say someone received a lot of publicity out of it. Aside from that, nothing was gained whatever.

We ought to put it beyond the capacity of any single Senator just to put Members of the body through excruciating torture hour after hour, day after day, when nothing is going to be achieved.

That is the kind of thing that the Senator is trying to do here, and in my judgment the kind of rule that the Senator from West Virginia (Mr. ROBERT C. BYRD) is trying to achieve, especially in the post-cloture area, will be a big benefit to the minority side of the aisle just as it is to the majority side because sometimes when a Senator is resisting a bill he feels a good faith obligation to resist as strenuously and as doggedly and determinedly as he knows how to do. A rule that says, "Here is what you can do and this is all you can do," at least gives him the basis in good conscience to tell his constituents and to tell everybody that agrees with him that one did everything that person could do.

He did everything. He fought as long as the rules gave him any right to speak. He made every motion he had a right to make up until the clock ran out on him and at that time he was required to take his seat or else if he had not taken his seat, they had to send for the Sergeant at Arms and strap him down perhaps, as it has been done in some court trials, and perhaps even gag him, so that the vote could be had. But one did his best and he was not able to prevail making his case.

That is how it should be after cloture has been invoked, and I would hope that all Senators would in good faith now join and give us a rule where each of us is limited but where the Senate is really doing what a substantial majority wants in passing a bill that can be considered in an orderly fashion, with everyone offered an opportunity to be heard.

The suggestion that is before us, I think, also tends to put pressure on Senators to call up their best amendments first. Every Senator would be entitled to have 2 of his amendments considered before any other Senator could have 3, 4, 5, or 10 amendments considered. That would mean that to be sure that time was not used out before he had his chance to offer an amendment he would tend to offer his better amendments first. I think this would again tend to cause us to consider the more thoughtful meritorious amendments and tend to drop by the wayside those that made less sense.

I congratulate the majority leader on the effort he has made to change the rules, and I hope all Senators, in the spirit of bipartisan cooperation, will help the majority leader to write a very good rule. I appreciate the opportunity to be a part of it.

Mr. ROBERT C. BYRD. Mr. President, I am deeply indebted to the distinguished Senator from Louisiana for his very eloquent statement, and to have his expression of support for this resolution is indeed gratifying and extremely meaningful.

The Senator from Louisiana has been a Member of the Senate longer than just about any other Senator, I can say, and he has lived through the days when there were the old civil rights filibusters. He can speak with authority on that subject where many of us cannot, and he is an authority on the Senate rules.

I appreciate the suggestion that he has made to me in our private discussions of this rules change, and I appreciate greatly his supportive statement here today.

UP AMENDMENT NO. 7

Mr. President, I send to the desk an amendment but before doing so let me state what this amendment does.

This amendment would provide that a Senator may yield all or part of his 1 hour to the majority or minority floor managers of the measure, motion, or matter, or to the majority or minority leader, but each Senator specified shall not have more than 2 hours so yielded to him and may in turn yield such time to other Senators. This would mean that the managers of the bill—if Senator LONG is managing a bill out of his Finance Committee, of which he is chairman, and the ranking member—each of those Senators could be yielded time by other Senators without unanimous consent but only up to a maximum of 2 hours. The Senator from Louisiana would have 1 hour to begin with so he would then have 2 hours additionally, making him a total of 3 hours. For all these many years under cloture once it is invoked, the manager of the bill has had only 1 hour and if any additional time were yielded to him it had to be done by unanimous consent. The majority leader, likewise, only had 1 hour. The minority leader only had 1 hour. So this is, I think, a very important liberalization.

Mr. LONG. Mr. President, will the Senator yield at that point,

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. It seems to me that, on reflection over this amendment, it might be well to further amend it, and I think that the Senator would want to think about it and so would others, to make sure that additional time yielded to the manager of a bill or the minority manager of the bill would not make it possible for them to have more time in speaking against an amendment than the sponsor of the amendment would have speaking for it.

No one is seeking, and I know I would not, and I do not know of anybody else on the bill who would seek, to have an advantage as to the amount of time. He would not seek to have more time than the sponsor of the amendment. But where he has to, perhaps, state the committee position on 50 different amendments, and each Senator has 1 hour to speak for his amendment, the additional time would be needed in order to just let the managers of the bill have a fair chance to explain what the committee position and attitude was with regard to the amendment being offered to the committee bill.

Mr. HELMS. Or vice versa, the other way around.

Mr. LONG. That is right.

The whole purpose of this amendment and the need for clarification—and this Senator would vote for clarification—should be to give each side an equal chance to be heard. That is the objective we seek to obtain with that amendment.

Mr. ROBERT C. BYRD. Yes. Each of the two leaders would have a maximum of 2 hours yielded by other Senators, which would give each of the two leaders a maximum then of 3 hours, and they could, in turn, yield to Senators if need be, or they could also yield the time back to the Chair.

My amendment would also provide that a Senator may yield back all or part of his 1 hour right after cloture is applied. He can stand up and say, "Mr. President, I yield back my hour," or "I yield half of my time back." In that event the overall time for the consideration of the measure, motion, or matter shall be reduced by the amount yielded back.

We start out with a 100-hour cap. And if 20 Senators, once cloture is invoked, yield their time back, then the cap is reduced to 80 hours.

But other Senators who want to yield to the managers of the bill and to the two leaders could do so without unanimous consent up to a maximum of 2 hours to each of those four individuals.

So, Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 7:

At the end of the resolution, add a new paragraph as follows:

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators. A Senator may also yield back all or part of his one hour, in which event, the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back."

Mr. HELMS. Mr. President, I have a problem with the 2 hours, not so much as it may apply to this Senator, but in response to the wishes of other Senators who have served, as I do, on the ad hoc committee, and I hope the Senator will not press for approval of the amendment this afternoon but, perhaps, have it the pending business.

I do have a problem with the 2 hours and, perhaps, we can negotiate that out.

Mr. ROBERT C. BYRD. Mr. President, I will not press for action on the amendment this afternoon.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. Although it is early—2:30 in the afternoon. On this side of the aisle we can produce virtually a quorum today. I really do not understand why, we should not go ahead and vote.

Mr. HELMS. If the Senator does not mind a rollcall vote I would be delighted. I am here.

Mr. ROBERT C. BYRD. Yes. I would not mind a rollcall vote. It is perfectly all right with me.

Mr. HELMS. It suits me.

Mr. ROBERT C. BYRD. No Senators have been assured that there would not be rollcall votes. As a matter of fact, I wrote a letter to the Senators on my side of the aisle indicating that rollcall votes could be expected at any time beginning with yesterday and extending through today and on the day that George Washington's Farewell Address will be delivered and daily thereafter, so I am prefectly happy to have a rollcall now to decide it.

Mr. HELMS. It suits me.

Mr. ROBERT C. BYRD. I think it is a good amendment.

Mr. HELMS. Well, as I say, I have no problem except for the 2-hour provision.

Mr. ROBERT C. BYRD. Does the Senator want less? [Laughter.]

Mr. HELMS. I am sure the Senator jests. No, to be honest with the Senator, I do not feel privileged to suggest a figure other than 2 hours, except that I would object to any less. But I think we might well get the Senators here and let them evaluate it for themselves.

Mr. ROBERT C. BYRD. All right. Shall I put in a live quorum?

Mr. HELMS. I think that would be a good idea.

Mr. ROBERT C. BYRD. All right. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, after having discussed the amendment and its implications with the distinguished majority leader and with my friend from Louisiana (Mr. LONG), I do not think I have any objection to this amendment, and I am perfectly willing to have it voice-voted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS and Mr. LONG moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I wonder if I might direct a question to the distinguished majority leader.

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Implicit in this amendment we just agreed to, I assume that the distinguished majority leader intended that in the event of the absence of the minority leader, let us say the assistant minority leader or whoever happened to be acting minority leader could have that time yielded to him?

Mr. ROBERT C. BYRD. Yes. I did not put the word "designee" in there for what should be obvious reasons, but the Senator is quite right in bringing up the question.

If the minority leader is out of town, obviously the acting minority leader is acting in his stead with his full authority, rights, and powers, and it would be my intention and should be the intent shown in the legislative history now that the acting minority leader would be standing in the stead of the minority leader, and could thus be the recipient of the additional time.

Mr. HELMS. I thank the Senator for making that legislative history.

Mr. ROBERT C. BYRD. I thank the Senator for asking the question.

Mr. President, the motion to reconsider that vote was laid on the table, was it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President. I send to the desk another amendment—first, let me see if any other Senator wishes to offer an amendment. I do not wish to be charged with monopolizing the floor. I will be very glad to sit down and let other Senators have their chances, and I do so.

UP AMENDMENT NO. 8

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. No other Senator wishing to offer an amendment, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) offers an unprinted amendment numbered 8:

On page 2, line 11, strike out "ten" and insert "twenty".

Mr. ROBERT C. BYRD. Mr. President, as Senators will readily concede, the majority leader is a most reasonable man. As Dizzy Dean said, it is "all right to boast if you have done it." So the majority leader is a reasonable man, and a very patient individual. When Vice Premier Teng was visiting in our country, he spoke of the patience of the Chinese people. I, too, have lots of patience, and I want to be very reasonable.

For that reason, I have offered to amend my own resolution, Resolution No. 61.

In that resolution, I have provided that once cloture had been invoked, a nondebatable motion supported by three-fifths of the Senators elected and sworn could further reduce the time after 10 hours of consideration. The constitutional majority, in other words, three-fifths of those Senators elected and sworn, could, by nondebatable motion, further reduce the time, but not below 10 hours.

I will read the pertinent part of the resolution:

The amount of time specified in the preceding sentence may be increased or at any time after 10 hours of consideration the remaining time may be decreased (but to not less than 10 hours), by the adoption of a motion, decided without debate, by three-fifths affirmative vote of the Senators duly chosen and sworn.

My amendment that I have just sent to the desk would provide that, once there had been consideration for 10 hours on a measure, or a matter on which cloture had been invoked, then a three-fifths constitutional majority of Senators could move that the remaining time, to wit, the remaining 90 hours, let us say, could be further reduced, but to not less than 20 additional hours.

Let us say 10 hours of consideration had been had and 90 hours remain. Such a motion would allow a further reduction from the 90 hours down to 80 hours, 70 hours, 60 hours, 50 hours, 40 hours, 30 hours, 25 hours, or to 20 hours, but there is the cutoff. The motion could not reduce it below 20 hours. This would assure the Senate that it would have at least 30 hours overall for consideration on the measure or matter on which cloture had been invoked.

What a generous offer. What a reasonable offer.

Mr. HELMS. Giving the store away.

Mr. ROBERT C. BYRD. Giving the store away.

When one considers that Lincoln's Gettysburg Address only required 3 minutes, or thereabouts, 30 hours is a long time for

Senators to spend in the consideration of a measure.

Remember, they will have all of 2 days, once the cloture motion is offered, before the vote on the cloture motion occurs. So there is considerable time, I am saying, after the cloture motion has been offered and before the cloture has been invoked. Ten hours must thereafter be utilized if Senators want to utilize the time, and then the constitutional three-fifths can lower the time again. But beware, there must still be at least a 20-hour guarantee in addition to the 10 hours that have already run—20 hours guaranteed to those who want to utilize it before the final vote would come.

If no Senators want to utilize the time, the Chair would put the question and the ball game would be over. But that is the way it is now. Senators are allowed up to 1 hour each under the present cloture rule, but if they do not want to use it, the Chair puts the question and the vote is taken.

I think this is a very generous gesture on my part, and I would hope there would be no objection to this effort on my part to walk the extra mile. I have been asked for my cloak and I have shed it. I hope no one will ask me additionally for this beautiful suede vest that I wear today and my gold watch and chain. But I have gone the extra mile. That is what we are told to do, to walk the extra mile. So without anyone's having complained about the 10 hours, just very generously, graciously, and magnanimously I am offering to increase the minimum from 10 to 20 hours. That is the purpose.

Mr. HELMS. Mr. President, I am simply overwhelmed. I wonder if the distinguished Senator, bearing in mind that he and I feel pretty much the same about postcloture, but realizing that his amending his resolution effectively cuts off any consideration for a different period, would entertain a unanimous-consent request by the Senator from North Carolina that he be allowed to modify his resolution in that regard?

Mr. ROBERT C. BYRD. No, I would not. I might even want to withdraw my amendment.

Mr. HELMS. The Senator's magnanimity just ran out?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Mr. President, personally, I, of course, have no objection to this amendment. I cannot speak for others on either side of the aisle who may be in disagreement with me about it but, inasmuch as no Senator has advised me of his opposition to this amendment, and I imagine that what we are saying here is going by speaker to each senatorial office, I am not constrained to oppose it at all. I do think it is an improvement on the Senator's resolution.

Mr. ROBERT C. BYRD. I say to the distinguished Senator from North Carolina, his magnaminity and graciousness are only matched by his wisdom.

Mr. HELMS. I thank the Senator.

Let us vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I am going to suggest a brief recess, because I may bring on some more goodies before the day is over. I just want to retire to my office and ponder them, because I do not want to be overly generous; it can get to be too much of a good thing. If no Senator seeks the floor, I shall move to recess.

Mr. MATSUNAGA. Mr. President.

Mr. ROBERT C. BYRD. I see my good and dear and true friend from Hawaii, a man who wears a perpetual smile——

Mr. HELMS. And who is also generous.

Mr. ROBERT C. BYRD. Not only generous, but also a gentleman. A man who is clean on the inside, a man who is clean on the outside; a man who neither looks up to the rich nor down on the poor; a man whose compassionate heart goes out to the young, the old, the maimed; a man who is too honest to cheat and too honorable to lie: that man is a gentleman. I speak of none other than my friend from Hawaii.

Mr. HELMS. Mr. President, I say if that does not gain for the majority leader a case of fine pineapple, nothing will.

Mr. MATSUNAGA. I thank the distinguished majority leader for yielding and for his most generous comments. While, out of sheer modesty, I cannot quite agree with the Senator from West Virginia, I bow to the wisdom and accept his words as the ultimate truth. [Laughter.]

Mr. President, I rise in strong support of the effort being made by the majority leader to change the rules of the Senate, and I commend him for the leadership he has demonstrated in this regard.

The Senate, needless to say, is a great institution. It is an institution which has been termed "the greatest deliberative body in the world," and it is so. It is so because the Senate has jealously guarded against any attempt to abolish the history-long institution called "filibuster." As a Member of the House of Representatives for 14 years, I used to envy the Senators whenever I was forced to cut my arguments by the House's 5-minute rule. But what the majority leader and those who are of his thinking are trying to do here today is not to eliminate that cherished senatorial privilege of filibuster; it is only to cut off that additional postcloture filibuster, which was never intended to be. That, as my colleagues well know, was best illustrated in the last Congress during the debate on the energy bills, wherein, after cloture had been duly invoked, amendment after amendment was offered and the time was not counted against the allotted 100 hours by such maneuverings. We witnessed a filibuster after a filibuster had been duly foreclosed.

It is absolutely necessary that we adopt the rules as propsed by the majority leader, if this body is to function as effectively as the other body. The fact that with 435 Members, the House is able to expedite its consideration of measures before it much more than a body of only 100 Senators must—give us reason to pause, to think, and ask ourselves, "What are we doing wrong here?" The changing of the rules as proposed by the majority leader will correct that wrong. Adoption of Senate Resolution 61 and Senate Resolution 9 will correct a major defect in the Senate Rules and permit us to conduct our Nation's business as our constituents rightfully expect us to do. I, therefore, urge adoption of the rule changes now pending.

Mr. President, I ask unanimous consent at this time to proceed out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. MATSUNAGA in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 20 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 20 minutes.

There being no objection, the Senate, at 3:06 p.m., recessed until 3:26 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

(At this point the Senate transacted further routine morning business which is printed earlier in today's RECORD, by unanimous consent.)

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, at 3:45 p.m., the Senate took a recess for 30 minutes.

The Senate reassembled at 4:15 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

The distinguished junior Senator from Arkansas is presiding over the Senate with a degree of dignity and efficiency and skill that is "so rare as a day in June." I want to compliment him.

I want to say this about the entire new class, it is an excellent class of Senators. They are on the floor most of the time. They are at their posts of duty. They are attentive. They are eager to familiarize themselves with the rules and precedents. I do not think I have seen a class in my 20 years here that has shown greater perspicacity, dedication, and eagerness.

I predict that they will all distinguish themselves in the service of the Senate and the people they represent.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 4:16 p.m., recessed until 4:46 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MATSUNAGA).

The PRESIDING OFFICER. The Chair recognizes the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that all statements today in relation to Senate Resolution 61 be placed in the RECORD together so that they are not separated by extraneous matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The readers of the RECORD can then get the full import of the actions of the Senate today and the contents of statements of Senators by reading them all together in one section of the RECORD.

UP AMENDMENT NO. 9

Mr. ROBERT C. BYRD. Mr. President, I have another perfecting amendment which I shall offer.

The original resolution, Senate Resolution 61, in my judgment, for all practical purposes need not have been amended but little. Yet, because of various theoretical arguments, I have amended it, with the consent of the Senate, in a number of ways.

For example, Mr. President, as was incorrectly stated in the Washington Post this morning, and I read therefrom:

> Byrd's proposal would permit the Senate by a vote of 60 Members to force a vote on a bill 10 hours after cloture has been voted.

Mr. President, that statement was inaccurate even before I amended the measure on yesterday because, prior to the time I amended the measure yesterday, it provided that after, and only after, 10 hours of consideration a constitutional majority could further reduce the remaining time, but not to less than 10 hours, which meant that with the 10 hours to begin with, and with the reduction of time to not less than 10 hours subsequent thereto, there would be a total of 20 hours rather than 10 hours.

I suppose inaccuracies in interpretations arise from not carefully reading the language in the resolution and carefully thinking about what one has read.

So the statement that "Byrd's proposal would permit the Senate by a vote of 60 Members to force a vote on a bill 10 hours after cloture has been voted" was inaccurate. I am saying only that it was an inadvertence, but it was still inaccurate.

There were at least 20 hours guaranteed—if the time were needed—before a vote on the measure could occur after cloture had been invoked. But on yesterday, I amended the resolution to make indubitably clear the fact that the motion to reduce the time could occur only after 10 hours had transpired, and that there would then be another minimum of 10 hours. So that was made unquestionable yesterday, guaranteeing 20 hours. Nevertheless, today's news story failed to accurately reflect this.

Now, today, in order to meet certain theoretical situations in which perhaps 10 hours in addition to the guaranteed 10 hours might not be enough, I have further amended the resolution so that in addition to the first 10 hours, which are guaranteed, three-fifths of the Senate could reduce the remaining time further, but not to less than 20 hours.

Also, there were many Senators who were concerned that in a hypothetical situation it would be possible, theoretically, for a Senator to be completely shut out from offering an amendment; that the Chair might refuse to recognize him and would, instead, continue to recognize other Senators to call up their amendments; and that at the end of 100 hours, or whatever the cap may be in a given situation, a Senator might not have had the opportunity to call up his amendment because he could not get recognized.

So to meet that hypothetical situation, which is highly theoretical and most unlikely to happen, I amended the measure yesterday to provide that no Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

In other words, Mr. HELMS stands, he calls up two amendments, they are acted on, and he seeks recognition again to call up another amendment. The Chair will then say, "Does any other Senator seek recognition to call up an amendment?" And if Senator SARBANES, who is on the floor, should say, "Yes, Mr. President, I ask for recognition; I have an amendment," the Chair would not then recognize Mr. HELMS; Mr. SARBANES would be recognized, and he could call up as many as two amendments.

And if Mr. Sarbanes then wanted to offer a third amendment, the Chair, before again recognizing Mr. SARBANES, would say, "Does any other Senator seek recognition to call up an amendment?" And if Mr. HELMS then again arose and said, "Yes, Mr. President, I seek recognition," the Chair would not yet recognize Mr. HELMS—because he has already had two amendments called up. The Chair would say, "Does any other Senator seek recognition to call up an amendment?"

Then, if no other Senator sought recognition, the Chair would recognize one of these two illustrious Senators to call up a third amendment.

So that theoretical problem went up in smoke, and that hypothetical flaw was cured.

Then there were those who felt that if a bill were reprinted after cloture had been invoked, amendments which were in order prior to the reprinting would not be in order, perhaps, because of changes in the numbering of pages and lines.

That was a valid criticism, and it could be very real; so that very real flaw was cured.

Now there are those who are yet concerned, and who say, "Well, 100 hours may pass, and a Senator may not have had an opportunity to speak."

It is highly unlikely. Highly unlikely. In the course of 100 hours—6,000 minutes, stretching over a period of at least 4 days, 4 nights, and 4 hours—surely every Senator could have had an opportunity to obtain recognition if he sought it.

But walking, again, the extra mile, I have prepared an amendment which will guarantee even the most recreant Senator that he shall have had at least 10 minutes before the final vote occurs. Even the most reticent—and there are Senators who are reticent about seeking recognition, especially when other Senators are seeking recognition at the same time. Some are reticent; some are shy; some are not accustomed to the rough and tumble of vying for recognition; and there are Senators who are hesitant to speak except in the most dire extremity.

To protect those Senators, therefore, I have prepared an amendment which would say, in essence, that, when the curtains on the 100-hour cap have been drawn and night has fallen on the debate, that poor Senator who, during those 100 hours, had been denied recognition or had been reluctant to seek the attention of the Chair, could then with temerity timidly rise to his feet and get recognition, and would be allowed to speak for up to a total of 10 minutes inclusive, which means that if perchance he had spoken for only 3 minutes during the 100 hours, he could then rise and address the Chair in a stentorian voice and say, "Mr. President, although the 100 hours are gone, I have only had 3 minutes, and I wish to speak."

He would be guaranteed—guaranteed—by the rules, engraved in the rule book, inscribed on the stone tablets, he would be assured of 7 additional minutes.

I can picture a situation with a Senator from West Virginia, with a great controversial matter pending, 100 hours had gone by, and the vote came. The people in West Virginia looked in that CONGRESSIONAL RECORD and they did not see a word, not a word. Not one word did Senator BYRD have to say in that 100 hours of debate. Or perchance they saw a few words and there was a little bullet there. If they knew what that bullet meant, they would just say, "Well, he did not actually say that. Where was he?" Poor Senator BYRD, reticent, shy, hesitant to assert his rights, had not had the opportunity, had not gotten recognition, or having sought recognition had been preemptorily denied his right to speak by an arbitrary chair.

This amendment is for his protection.

What would the people say about that Senator? They would look all through the RECORD. Ten days of debate and Senator BYRD did not say a word. But this amendment is going to guarantee that Senator BYRD will have the opportunity before that gavel goes down and the Chair announces that vote, to at least deliver himself of a 10-minute oration. Who knows, that 10-minute oration may change the course of the stream of history.

So I offer this amendment, Mr. President, which reads as follows:

> Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least 10 minutes, is, if he seeks recognition—

He has to seek recognition. He cannot be over at Charlestown at the racetrack and get 10 minutes. No other Senator can say, "Well, Senator BYRD has not had his 10 minutes and he is downtown."

> guaranteed—

Guaranteed. Not promised, not assured, but guaranteed.

up to 10 minutes, inclusive, to speak only.

The Chair cannot then deprive that poor little Senator from West Virginia of his right to speak, to be heard, in his representation of the people of the mountain State that is almost heaven. The Senator will be heard. The sound of his voice will reverberate through those mountains and valleys down there for 10 minutes.

This is not going to be a gag rule. Once the 100 hours are up, the Senator who has been denied recognition during the course of that time or during whatever the total time is—30 hours, 40 hours, 50 hours, in the wisdom of the Senate—that Senator, if he has not been recognized, would be assured that he will have at least a total overall of 10 minutes.

If he has already spoken for 15 minutes, he is not guaranteed any more time. If he has spoken 11 minutes he is not guaranteed any more time. If that Senator has spoken for 4 minutes or if he has yielded 4 minutes to another Senator, and the 100-hour curtain goes down, he can be guaranteed an additional 6 minutes to speak, but only for his personal use and only for a speech.

What could be fairer than that? What could be more considerate? What could be more magnanimous? But he must use it to speak only. He cannot at that point offer amendments or make motions or points of order. He has had his chance because the Chair has gone all around the Chamber time and time again and asked, "Does some other Senator seek recognition to offer an amendment?"

So he could use it just to speak—that is all—just to speak, but not to yield to another Senator.

I send the amendment to the desk, Mr. President, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 9.

At the end of the resolution, add a new paragraph as follows:

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only."

The PRESIDING OFFICER. Does the Senator from North Carolina seek recognition?

Mr. HELMS. Mr. President. I am absolutely awe-struck by the magnanimity of the Senator from West Virginia. He has freedom of mobility to be generous and he certainly is, after the question of a cap has been established in postcloture. Certainly, I have no objection to his amendment to this resolution. He is a generous man and I thank him.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I have three or four stylistic amendments, and I say to the distinguished Senator that they are only stylistic. He may prefer his wording, but he may recall my reference to Miss Annie Lee, my English teacher.

Mr. ROBERT C. BYRD. I should like to hear the story again.

Mr. HELMS. When I was in high school, oh, she was death on split infinitives and things of that sort. I guess it is in memory of Miss Annie that I offer these stylistic amendments. If the majority leader has any serious objection to them, I shall withdraw any or all of them.

UP AMENDMENT NO. 10

On page 2, if the distinguished majority leader will follow me, line 16 strike the comma at the end of the line. One line 17, strike the words "specified above," and insert 'offered in accordance with the procedure described above."

I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes unprinted amendment No. 10.

Mr. HELMS. Inasmuch as I have just read it, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. ROBERT C. BYRD. I should like to hear the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 16, strike the comma at the end, and on line 17 strike "specified above" and insert: "Offered in accordance with the procedure described above".

Mr. ROBERT C. BYRD. No; the Senator and I are talking about two different things. The words "specified above," in my language, refer to the word, "time." The Senator's language goes to the word, "motion." So there is quite a difference.

Mr. HELMS. The Senator is correct.

Mr. President, inasmuch as the distinguished majority leader has made that distinction, I withdraw the amendment.

The amendment was withdrawn.

Mr. HELMS. I should like to offer a second amendment. If he will follow me, on page 2, line 19, strike the words, "If, for any reason," and insert in lieu thereof the following: "if for whatsoever reason."

It may be a distinction without a difference, but it seems to me "whatsoever" might be a little more appropriate.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. HELMS. I will, but I shall withhold asking the clerk to state it until the majority leader has had time to think about it.

Mr. ROBERT C. BYRD. Of course, the Senator can only offer that by unanimous consent because he attempts to amend language that has already been amended.

Mr. HELMS. Going further than that, if the majority leader has any objection, I shall withdraw it, of course.

Mr. SARBANES. Will the Senator yield for a moment?

Mr. HELMS. Certainly.

Mr. SARBANES. I am at a loss to understand the reason for the word change.

Mr. HELMS. I said at the outset it was purely stylistic. I do not prefer one word over the other. The Senator may prefer the other. There is a possibility that it is a distinction without any difference.

Mr. SARBANES. Does the Senator see any difference in meaning between "whatsoever" and "any"?

Mr. HELMS. It is a little broader.

Mr. SARBANES. I guess we had different English teachers, I might say to the Senator.

Mr. HELMS. I did not hear the Senator's comments.

Mr. SARBANES. I say to the Senator, I guess we had different English teachers, because I must say the phraseology "for whatsoever reason" would have sent my English teacher up the wall.

What was the name of that English teacher of the Senator's, that he referred to?

Mr. HELMS. Miss Annie Lee. The Senator will restrain himself from saying anything critical about the lady.

Mr. SARBANES. No, no, I do not want to do that.

Mr. HELMS. I will say to the Senator in all good humor that my friend, the majority leader, has looked around this Chamber today when, for most of the day, only he and I have been present. He has said, "Does any Senator have any amendment?"

There I was, that poor little old recreant North Carolina Senator, and I did not have an amendment. I wanted him not to be able to say on Monday: "I stood in this Chamber and I looked around at Senators and said, 'Does anybody have an amendment?' "

So I do have an amendment. I would not say it is substantive.

I withdraw that amendment, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. HELMS. I thank the Chair from the bottom of my heart.

If the majority leader will look on page 2, line 23, and strike the word "the" and insert the word, "such," that is another stylistic suggestion.

Mr. ROBERT C. BYRD. I really see nothing wrong with that change, but the Senator will have to have unanimous consent to amend that which has already been amended.

Mr. HELMS. I shall say again that if the Senator has any objection at all, I shall gladly withdraw it.

Mr. ROBERT C. BYRD. I believe that the simpler we can keep this resolution, the better. It is a little like the Constitution. If the founders had attempted to write in too much detail, it would not have been a living document for all ages and for all times. I do not see any purpose in the amendment. Consequently, I

do not think the Senator would want to press a meaningless amendment.

Mr. HELMS. It is not entirely meaningless, but I shall withdraw the amendment.

I thank the Senator.

Mr. ROBERT C. BYRD. I think it is meaningless in this context. Perhaps not meaningless, but it serves no purpose.

Mr. HELMS. I think that borders on being absolutely correct.

Mr. President, at least the RECORD will show that the distinguished majority leader did not look around the Chamber all afternoon long and plead for amendments and find none.

The PRESIDING OFFICER. The RECORD will so show.

Mr. HELMS. I thank the Chair.

Mr. President, I yield the floor.

ORDER TO REPRINT SENATE RESOLUTION 61

Mr. STEVENS. Mr. President, because of a prior commitment, I had to be out of Washington during most of the day. I note that the majority leader has had Senate Resolution 61 reprinted as amended following the amendments of yesterday. I wonder if my good friend would make the same request now that the amendments that have been adopted today also be incorporated in another printing, to be dated today?

Mr. ROBERT C. BYRD. Yes, Mr. President. In answer to the suggestion by the distinguished acting Republican leader, I ask unanimous consent that there be a reprint of Senate Resolution 61 to show all amendments that have been made to the original; that new language be shown in italics; and that language deleted be indicated by stricken-through type.

I further ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the reprinting of Senate Resolution 61 as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 11

Mr. STEVENS. Mr. President, if I may ask the distinguished majority leader, I note that on page 2, line 19, the reference is to a bill being reprinted after cloture. In the version that we had previously discussed informally, we had talked about a measure which would have included the executive calendar. I wonder if that is an intentional limitation as to the reprinting of the amendment.

Mr. ROBERT C. BYRD. I think the Senator has justifiably called attention to a flaw in the resolution.

Mr. STEVENS. I think if the majority leader wishes to consider that——

Mr. ROBERT C. BYRD. I will, by unanimous consent, modify the amendment in that particular if the Senator wishes me to do it.

Mr. STEVENS. Yes, I urge the Senator to do so, and the same amendment would be——

The PRESIDING OFFICER. The Chair will make this inquiry. Is the Senator proposing to change the word "bill" to "measure" wherever the word "bill" appears?

Mr. ROBERT C. BYRD. Mr. President, I want to make the correction, but I do not want to specify at this moment precisely the language that should go in.

But the Senator is correct, it should not be left with the word "bill" only as it appears twice.

Mr. STEVENS. Measure or matter, I think that was the phrase I used in my amendment.

But I am pleased the majority leader will take cognizance of that.

I might ask my good friend from West Virginia about one other item, I understand in my absence there has been an amendment adopted which does deal with the yielding of time to the managers of the bill or to the majority and minority leaders.

It has been my hope we would have some time that could be yielded to those who were not the managers, taking into account that often cloture is, in fact, voted against those who are seeking to amend a bill.

We have a very, very controversial subject that affects my State that is going to be coming before the Senate. I doubt seriously that either Senator from Alaska will be the manager of that bill. Therefore, I am concerned that it would not be possible after cloture to be yielded time unless the Senator was, in fact, either one of the managers of the bill or the majority or minority leader.

I do not have an amendment to offer. I know it would not be in order, anyway. But I urge my good friend to consider that problem to see whether there is not some way that some time could be added to the time of an individual Senator or Senators who are not in, we might say, the establishment role pertaining to any particular measure.

I would urge him over this nice period we have coming up to think about this because I think it will be a very difficult problem for the Senate if time can be yielded only to those of us who have responsibilities of managing the Senate as opposed to those who are critical of the process.

Mr. SARBANES. If the Senator will yield for a question, Did the amendment that was adopted contain the further provision that those four named persons to whom time might be yielded could, in turn, yield it to others?

Mr. ROBERT C. BYRD. That is the intent.

Mr. SARBANES. I thought the amendment said they could, in turn. In other words, I could yield time to the—well, let us leave the managers of the bill one side to deal with the hypothetical on the assumption they would be opposed to some minority position.

But I could yield it to the leader and he could yield it to some Senator who is in opposition, I take it?

Mr. ROBERT C. BYRD. May I say to my friend from Alaska, the distinguished Senator from Maryland has ably stated the scenario that would occur, which would guarantee that any other Senator who needed additional time, could be yielded that time either by the majority or minority leader.

I hesitated to go beyond that to say "designees" because when we start going beyond that, where do we draw the line?

I did make legislative history in answer to a question from Senator HELMS today to the effect that if the minority leader, let us say, is not present, then the acting minority leader would stand in his stead and could be yielded that time.

So, if the two leaders are yielded a maximum of 2 hours each, and the two managers are yielded a maximum of 2 hours each, any one of those four Senators, or more than one of those four Senators, all four of them for that matter could yield additional time in order to meet the needs that might exist for such time by other Senators.

Mr. STEVENS. As the Senator knows, I have taken a position, as long as there is a cap, the yielding of time within that cap will really facilitate the conclusion of the matter before the Senate, and it seems to me again that we have witnessed the occasions when those who have led the filibuster find they have lost at the time of cloture and then have legitimate substantive issues they wish to raise. They have put on a battle and they have lost, yet they have substantive issues they wish to raise.

I would think they ought to be involved in this as in a situation where they are under a normal time agreement if we have an amendment, if we present the amendment we have time, and the majority leader has the opposition, unless he is in agreement, in that case the time shifts across the aisle.

This time agreement, voted in by cloture, in effect, does not take into consideration the time a Member must have if he is going to raise the amendment, but the yielding of time was meant to get that potential still within the cap.

I would urge my friend over the recess to consider the problem with regard to those people who really might need substantial amounts of time to pursue their cause on legitimate substantive issues within the time cap.

Mr. ROBERT C. BYRD. Well, I feel that the amendment which I have offered will adequately take care of any necessities that might arise.

Up to this time, we have always seen the majority and minority leaders both acting in a very fair way to yield time to the opposition, if need be, and the managers of the bill will do likewise, and by allowing the additional 2 hours to be yielded to each of those four Senators, each of them will then have under his control, if there is the 100-hour cap, they would each have up to 3 hours, and I think they would yield that time to meet those conditions.

But if we allow time to be yielded to any Senator by another Senator, and even under Senate Resolution 6, that can still be done by unanimous consent, but without unanimous consent there would be additional flexible time that could be utilized by the four Senators who in all instances I am sure are going to be fair with their colleagues, and that ought to meet the needs of any Senator, as far as I can foresee.

But I do agree with the Senator on his first point and I ask unanimous consent, Mr. President, to strike on page 2 the word "bill" on line 19, and on page 2 the word "bill" on line 21, and insert in lieu thereof in both instances the words "measure or matter."

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

The amendment (UP No. 11) is as follows:

On page 2, lines 5, 19 and 21, strike out "bill" and insert in lieu thereof "measure or matter"

Mr. STEVENS. Mr. President, I thank the Senator from West Virginia.

Over the recess, we will try even further to bring the proposed substitute I offered for myself and the Senator from Utah yesterday so that it will meet the amendments that have been brought forward by the distinguished majority leader.

I think we are coming closer together, and I hope the matter will be resolved soon after we return.

Mr. ROBERT C. BYRD. Mr. President, let me make sure that this last amendment has been correctly added. It will now read:

If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order.

And so forth. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair, and I thank the distinguished Senator from Alaska.

Mr. President, I have no other perfecting amendments to offer today.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SARBANES. Mr. President, I simply want to say that I believe this matter of rules changes now pending before the Senate is of the utmost importance. I particularly appreciate the efforts the majority leader has made over the last 2 days to respond to concerns that have been raised with respect to the provisions contained in Senate Resolution 61.

I must say that I think many of the concerns were really theoretical and would not actually have occurred in practice. On the other hand, I can understand that Members, as they face the question of changing the rules and how we are to proceed, are giving thought to every sort of hypothetical situation. I believe that the amendments which the majority leader has now made to Senate Resolution 61 are very forthcoming in responding to those concerns.

It is imperative that the Senate address this matter of rules changes if we are to function in a reasonable way as an institution. The impediments we have experienced in the recent past to the Senate's effort to conduct its business, make it clear that we run the very high risk that we will not be able to function as an institution. We have seen it happen, and we know that it can and will occur again and again.

In addition, the threat of the post-cloture, and I emphasize post-cloture, filibuster even if it does not actually take place, impacts negatively on our ability as a Senate. I take a great deal of pride in the concept of the Senate as a thoughtful collective body but it will be increasingly difficult, if not impossible, for us to function in this manner if we do not have sensible rules.

As I understand it, we are dealing only with post-cloture situations. In other words we are dealing only with situations in which 60 Members of the Senate, an extraordinary majority, three-fifths of the entire membership of the Senate, have reached the decision that the cloture rule should be invoked.

In such instances, once cloture has been invoked, the proposal before us guarantees, at the very minimum, an additional 30 hours on the measure or matter—10 hours before you could even make a motion to reduce down the 100 hours; and then that motion would have to provide at the minimum at least an additional 20 hours, and could of course provide more. So there is an absolute guarantee of 30 hours, and that reduction could only come about by another extraordinary majority—namely, three-fifths.

Of course, coupled with that is the possibility that three-fifths of the Senate could add on more time above the 100 hours, if they thought the measure or matter before the Senate justified doing that. So it seems to me that that is a very reasonable accommodation.

I see further protection for individual Senators in a combination of amendments: First, the amendment that says no Senator shall call up more than two amendments until each other Senator has had an opportunity to do likewise. This well insures every Member of the Senate of the opportunity to call up an amendment. It means that a small number of Senators or even one Senator cannot proceed to call up amendment after amendment after amendment and therefore block out other Members from the opportunity to call up their amendments.

Second, the amendment that was just added provides that, regardless of the 100 hours cap, if a Member has not either used or yielded to another Senator at least 10 minutes of time—he or she is guaranteed, over and above the 100-hour limitation, 10 minutes in which to debate the measure, in which to speak to the measure. That is time, over and above the hundred hours, if it becomes necessary to do that.

All those measures seem to me to be an effort to meet questions that have been raised; to insure that each Member of the Senate, in the postcloture period—this is not precloture; this is after cloture has been voted—is going to be protected in terms of being able, on the one hand, to offer amendments or, on the other hand, to engage in some debate, if he or she wishes to do so.

I commend the majority leader for his efforts to respond to concerns that have been raised and to shape Senate Resolution 61, which is now before the Senate.

Of course, the fact that Senate Resolution 61 is before us instead of Senate Resolution 9, in itself represents an effort to move forward with respect to the rules changes. We are dealing now only with the postcloture aspect of the rules.

The unanimous-consent agreement that was reached a few days ago provided that the Senate would consider only post-cloture aspects of the rules. As I understand it, that agreement made germane only amendments that deal with that aspect of the rules—namely, postcloture aspects of the rules.

So all we are dealing with now are postcloture aspects of the rules, what provision will apply once 60 Members of the Senate have voted to invoke cloture. So it is only what follows after you have obtained that extraordinary majority of 60 votes required to invoke cloture provisions.

I regret, Mr. President, that this is an extraordinarily important matter to which the Senate will be addressing itself when it returns from the recess. What is at issue is whether the Senate is going to be able to fashion rules that will enable this body to function as an institution and to meet the problems that come before us. If we are able to proceed in a sensible way, and I believe the majority leader has chartered a reasonable course, then the country and every one of the 100 Members of this body will benefit.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Maryland for his very lucid explanation of the changes, and the impact of those changes, that have been made by way of the amendments adopted yesterday and today to Senate Resolution 61. He has performed a service in so doing. There is nothing I can add to what he has said, insofar as the portent of the amendments is concerned.

Mr. President, I ask unanimous consent that Senate Resolution 61, as amended, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Senate Resolution 61, as amended, reads as follows:

S. RES. 61

Resolved, That paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof new paragraphs as follow:

"After no more than one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased, or at any time after ten hours of consideration, the remaining time may be decreased, but to not less than twenty hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two

amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators. A Senator may also yield back all or part of his one hour, in which event the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.

Mr. ROBERT C. BYRD. Mr. President, I also ask unanimous consent that beginning with the paragraph numbered 2 of rule XXII, the remainder of that rule be printed in the RECORD, with the insertion at the appropriate place therewith of Senate Resolution 61 as amended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The material is as follows:

RULE XXII

* * * * *

"After *no more than* one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased, or at any time after ten hours of consideration, the remaining time may be decreased, but to not less than twenty hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators. A Senator may also yield back all or part of his one hour, in which event the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.".

2.[1] Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate,[2] at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the Secretary call the roll, and upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"Is it the sense of the Senate that the debate shall be brought to a close?"

And if that question shall be decided in the affirmative by three-fifths of the Senators duly chosen and sworn—except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators present and voting[3]—then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

Thereafter no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless the same has been submitted in writing to the Journal Clerk prior to the end of the vote.[4] No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

3. The provisions of the last paragraph[5] or rule VIII (prohibiting debate on motions made before 2 o'clock)[3] shall not apply to any motion to proceed to the consideration of any motion, resolution, or proposal to change any of the Standing Rules of the Senate.

Mr. ROBERT C. BYRD. This will enable Senators who read the RECORD to see precisely what Senate rule XXII beginning with the paragraph numbered 2 would contain if Senate Resolution 61, as amended to date, were to be adopted and incorporated therein as of the close of business today.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Thank you, Mr. President.

Mr. President, I have watched and listened for many days to the efforts being made here, and as a freshman Senator I must say I am very, very delighted and impressed with the care, consideration, and concern that is given to each of the Members of this Senate.

I have watched the majority leader bend over backwards to be fair and considerate to the minority and to all of the Members of the Senate, and I cannot tell you how proud I am, prouder than ever, to be a Member of the U.S. Senate.

And I, in particular, have been treated very well by the majority leader as has the entire freshman class.

Before I came to the Senate, I watched the Senate tied up by dilatory motions, or miniscule amendments, not able to do its work, even though 60 Senators or two-thirds of the Senators at an earlier time in our history, wanted to invoke cloture. And I always felt as an outsider how sad that was, that a body of this greatness, which is unique in the world, could not, even with that kind of a consensus, finally work its will, and how one Senator, or a very small number of Senators, could, at the end of a session particularly, tie up this Senate; how just a few Senators, through the use of dilatory motions, could stop this Senate from ultimately acting and carrying out the will of the people of this country. I join the majority leader in his effort to stop the postcloture filibuster.

I believe there should be a cap, as the majority leader has proposed and, as a matter of fact, I could support that cap even if it were shorter than 100 hours. I have no problem with the length of the cap. For that matter I would support and will support the majority leader on other portions of Senate Resolution 9. I do not think there ought to be a filibuster allowed on the motion to proceed. One filibuster is enough and protects the rights of everyone sufficiently. One cloture motion, if passed, should finally allow this Senate, in the words of the majority leader, to work its will.

I have but one concern and I think the majority leader has tried to address it. I know others have expressed this same kind of concern. The concern that I have expressed has to do with what happens if at the end of the cap, whatever it is—whether it is 20 hours or 50 hours, or 100 hours—what happens if at the end of that cap a Senator wishes to make motions, which the Senator has not been able to make, because that time period has been totally consumed, strategically or otherwise, by other Senators. One effort which the majority leader has made, and I fully support him on, to correct this problem, is his two-motion limitation amendment. I think that is an effort in the right direction and it is intended to try to stop the problem I describe from occurring. But I read the rule and without the benefit of the experience that the other Members of this body have, it still seems to me that through the use of the same kind of strategy which was used last year it would be possible for a few Senators to totally use up that cap through the making of dilatory motions. I am not talking about amendments. I am not talking about two amendments. I am talking about the use of dilatory motions. This Senate was tied up for I do not know how many days in previous years through the use of dilatory motions because the votes thereon are not considered a part of a Senator's 1 hour time limit. I presume that dilatory motions could be used to use up the 100 hours or the 30 hours in the proposed cap. I think that history indicates that it can be used up quite

[1] As amended, S. Jour. 173, 81–1, Mar. 17, 1949.

[2] As amended, S. Jour. 37, 86–1, Jan. 12, 1959.

[3] As amended, S. Res. 4, 94–1, Mar. 7, 1975.

[4] As amended, S. Res. 268, 94–2, Apr. 6, 1976.

[5] Refers to second paragraph of rule VIII, which rule has since been amended by the addition of a third paragraph.

easily and that would leave or could leave one or more Senators, with amendments to call up on the pending matter, unable to call those amendments up even though he or they may have been here every day seeking to be recognized.

I am not talking here, Mr. President, about a majority which seeks to stop a few people from talking. I am talking, for instance, about the use of dilatory actions as part of strategic effort to use up that 100-hour cap, which would prevent serious amendments from being called up from someone who has been waiting to call up those amendments.

As the majority leader said on February 8, there is a possibility that at the end of 100 hours there may be a Senator who has been seeking recognition all this time who would be denied recognition, because the clock will have run its course.

That is the fear and the only fear I may say that I now have. It is something that I want to look at, more closely over the recess, with the help of the majority leader and the staff and others.

Again, it is not the fact of the cap. I support it. I could support a lower cap. My concern is what happens if that 100 hours is used up for purely strategic reasons, legitimate reasons, leaving serious motions to call up amendments before the Senate, which as I understand the 10-minute speaking amendment which has been added today by the majority leader, could not be called up during that 10-minute time.

Thank you very much, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

I also wish to say for the record here that the Senator has already made a fine contribution to the debate and to the action on the matter that is pending. Mr. LEVIN wrote to me a letter some days ago expressing his concern that at the end of the 100 hours it conceivably could be that a Senator who had been seeking recognition would not have an opportunity to speak and he would, therefore, be shut out. So because of that concern expressed in that letter, and the concerns of others who have expressed themselves likewise—but I think that is the only letter I have received from any Senator expressing that concern and laying it out very clearly—because of these legitimate concerns I offered the amendment guaranteeing that any Senator would have at least 10 minutes in which to speak.

So the Senator has expressed his concern. He has done it effectively, and he has done it in a way that brings credit to himself, because he made a contribution which resulted in the amendment that was offered.

Now, as to the Senator's fears with respect to dilatory amendments, dilatory motions and so on, they are already prohibited under the rule, and no change is being made in that part of the rule. It was for that reason that I asked that there be printed in the RECORD the entire rule XXII with the exception of paragraph No. 1—which merely states the precedence of motions—so that all Senators would have before them the complete rule. I myself sometimes have a tendency to lose sight of what is in the rest of the rule, which is not being touched at all by Senate Resolution 61, and it is well that we view Senate Resolution 61 in the context of the entire rule.

That being the case, then we can be assured that—and I am reading from the rule—"No dilatory motion, or dilatory amendment, or amendment not germane shall be in order."

That phraseology has been played around with a little bit by some Senators from time to time. But some very strong precedents have been established recently, within the past Congress, which will help to deal very effectively with those dilatory motions and dilatory amendments.

So, now we have added the two amendments which the distinguished Senator from Maryland (Mr. SARBANES) has just very succinctly and cogently explained—the one dealing with the 10-minute guaranteed time, and the other guaranteeing that other Senators will have an opportunity to offer their amendments before a Senator who has already offered two amendments can be recognized again.

With those two amendments, and with the verbiage of the existing rule—which will not be touched—and the precedents which are very strong, I believe that we have laid down ample guarantees that all Senators will have their day in a fair, equitable way once cloture has been invoked and before the final vote comes.

I congratulate the Senator and I welcome his kind words and his support.

SENATE RESOLUTION 72—SUBMISSION OF A RESOLUTION TO PERMIT THE WITHDRAWAL AND RELEASE OF CERTAIN DOCUMENTS, PAPERS, OR OTHER INFORMATION PERTAINING TO POSSIBLE CRIMINAL ACTIVITIES

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. NUNN, I send a resolution to the desk. This resolution, as I understand it, has been cleared on both sides of the aisle, and I find that to be the case.

The resolution releases documents from the Committee on Governmental Affairs to the Department of Justice.

I ask unanimous consent that the Senate proceed to the consideration of the resolution.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The first assistant legislative clerk read as follows:

To permit the withdrawal and release of certain documents, papers or other information pertaining to possible criminal activities.

Mr. ROBERT C. BYRD. Mr. President, before the resolution is agreed to, I submit a statement on behalf of Mr. NUNN in explanation of the resolution and I ask that it be printed in the RECORD prior to the vote.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD prior to the adoption of the resolution.

● Mr. NUNN. Mr. President, this resolution permits the withdrawal and release of documents, testimony and other information obtained by, and in the possession of, the permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

By letter of January 15, 1979, the U.S. Attorney's Office, northern district of Georgia, requested that the subcommittee supply copies of statements and materials received by subcommittee staff during the course of a subcommittee investigation into personnel corruption at the U.S. penitentiary at Atlanta, Ga., which matters were focused upon as part of an authorized inquiry into the U.S. penitentiary-Atlanta. The U.S. Attorney's Office is pursuing the criminal prosecution of certain employees at the penitentiary. These employees, and their activities, were the subject of subcommittee hearings in Atlanta, Ga., on September 28, 1978 and October 2, 1978.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, such information, documentation, statements and testimony may not be released without a resolution of the Senate.●

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 72), together with its preamble, was agreed to as follows:

Resolved,

Whereas, United States Department of Justice, through the Office of the United States Attorney for the Northern District of Georgia, is carrying out an investigation of alleged criminal activities of certain individuals employed at the United States Penitentiary-Atlanta; and

Whereas, the Office of the United States Attorney for the Northern District of Georgia has formally requested by letter dated January 15, 1979, that the Subcommittee transmit to the United States Attorney for the Northern District of Georgia certain statements, materials, and other pertinent documents in the possession of the Subcommittee; and

Whereas, certain of the requested information relevant to the inquiry of the United States Attorney was obtained by the Subcommittee in executive session testimony and certain of the information was obtained by Subcommittee staff in the course of their duties as employees of the Permanent Subcommittee on Investigations; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, executive session testimony and information secured by staff employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate: Therefore, be it

Resolved that the Permanent Subcommittee on Investigations is authorized, in the discretion of and at the direction of its Chairman, to provide the United States Attorney for the Northern District of Georgia, with all or portions of copies of executive session testimony transcripts, statements and such other documents as shall be pertinent to alleged illegal activities of certain individuals currently under investigation by that office.

SEC. 2. The Secretary of the Senate shall transmit a copy of this Resolution to the United States Attorney for the Northern District of Georgia, attention Julie E. Carnes, Assistant United States Attorney.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE J, 96TH CONGRESS, 1ST SESSION; AND EXECUTIVE K, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the convention with the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances and gifts, signed at Washington, November 24, 1978—executive J, 96th Congress, 1st session; and a protocol to the convention with the French Republic with respect to taxes on income and property of July 28, 1967, as amended by the protocol of October 12, 1970, together with a related exchange of notes, signed at Washington on November 24, 1978—executive K, 96th Congress, 1st session; both of which were transmitted to the Senate today by the President of the United States.

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, Signed at Washington, November 24, 1978. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention would replace the estate tax convention between the United States and France which entered into force on October 17, 1949.

The Convention is the second such convention negotiated since the Foreign Investors Tax Act of 1966. The first such convention was signed with the Netherlands and entered into force in 1971. Others are under negotiation.

A principal feature of this Convention is a rule under which a citizen of one State residing in the other State is not considered domiciled in that other State for purposes of its estate or inheritance tax jurisdiction unless he has lived there for five or the prior seven years. This provision is beneficial to U.S. businessmen living in France.

Another provision exempts, reciprocally, stock and debt obligations of portfolio investors domiciled in the other State. This provision benefits especially French portfolio investors in the United States.

I recommend that the Senate give early and favorable consideration to the Convention and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *February 9, 1979.*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, a Protocol to the Convention between the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocol of October 12, 1970. The Protocol, together with a related exchange of notes, was signed at Washington on November 24, 1978. For the information of the Senate, I also transmit the related exchange of notes and the report of the Department of State with respect to the Protocol.

The Protocol breaks new ground by providing for the first time that the country of residence (France) and the country of citizenship (United States) share the responsibility to avoid double taxation of expatriate U.S. citizens.

Early ratification of the Protocol is essential as a new French law which takes effect on January 1, 1979, may otherwise subject U.S. citizens living in France to double taxation. The Protocol provides for retroactive effect, upon entry into force, to January 1, 1979.

The accompanying exchange of notes clarifies the treatment by France of certain income and expenses of U.S. citizens resident in France. It also points out certain issues of continuing concern for which no current solution could be found.

I recommend that the Senate give early and favorable consideration to this Protocol and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *February 9, 1979.*

AUTHORIZATION FOR THE COMMITTEE ON THE BUDGET TO HAVE UNTIL 7 P.M. TODAY TO FILE A RESOLUTION AND REPORT THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Budget may have until 7 p.m. today to file a resolution and a report thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of section 4(a), Public Law 92-484, the Speaker has appointed Mr. UDALL, Mr. BROWN of California, Mr. DINGELL, Mr. WINN, Mr. MILLER of Ohio, and Mr. WYDLER as members of the Technology Assessment Board, on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NELSON, from the Select Committee on Small Business, without amendment:

S. Res. 69. An original resolution authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 37. A bill to repeal a section of Public Law 95-630 (Rept. No. 96-5).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 73. An original resolution authorizing additional expenditures by the Committee on the Budget for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration:

Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission.

John Warren McGarry, of Massachusetts, to be a member of the Federal Election Commission.

(The above nominations from the Committee on Rules and Administration were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States to the People's Republic of China.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Leonard Woodcock.

Post, Peking.

Nominated January 16, 1979.

Contributions, amount, date, and donee:

1. Self, $76, 1977, Citizens for Good Government; $100, 1977, Century Fund, Michigan Democratic Party; $100, 1977, Committee for Canadian Treaties; $100, 1977 Democratic Party, President's Club; $100, 1978, Democratic National Committee; $100, 1978, Michigan Democratic Party; $10, 1978, UAW-CAP; $100, 1978, Democratic National Committee, President's Club.

ORDER FOR STAR PRINT—S. 315

Mr. HART. Mr. President, I ask unanimous consent to make certain technical corrections in S. 315, which will be sub-

mitted for the RECORD. I ask unanimous consent that the bill be star printed with these corrections.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The corrections are as follows:

In the title: strike "To amend the Internal Revenue Code of 1954 to reduce for a 5-year period the taxes on transportation of persons and property by air" and insert "To amend the Internal Revenue Code of 1954 to reduce the taxes on transportation of persons and property by air."

On page 2, line 3 strike "beginning on July 1, 1980 and ending on June 30, 1981" and insert "beginning on October 1, 1979 and ending on July 1, 1980".

On page 2, line 10 strike "beginning on July 1, 1980 and ending on June 30, 1981" and insert "beginning on October 1, 1979 and ending on July 1, 1980".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. CANNON (by request):

S. 411. A bill to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; to the Committee on Commerce, Science, and Transportation.

By Mr. CANNON:

S. 412. A bill to amend the Internal Revenue Code of 1954 to provide a reduction in the taxes imposed on the transportation of persons and property by air; to the Committee on Finance.

By Mr. CANNON (for himself, Mr. INOUYE, Mr. EXON, and Mr. GOLDWATER):

S. 413. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAYH (for himself, Mr. DOLE, Mr. BELLMON, Mr. COCHRAN, Mr. DECONCINI, Mr. GARN, Mr. HATCH, Mr. HATFIELD, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. SCHMITT, and Mr. THURMOND):

S. 414. A bill to amend title 35 of the United States Code, to establish a uniform Federal patent procedure for small businesses and nonprofit organizations, to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance, and for other purposes; to the Committee on the Judiciary.

By Mr. PELL:

S. 415. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs, in order to require certain provisions in such programs to discourage driving while under the influence of alcohol; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 416. A bill to make uniform with the general requirements of the Federal Food, Drug, and Cosmetic Act certain provisions relating to the labeling and notification of colored margarine and colored oleomargarine; to the Committee on Human Resources.

By Mr. DOLE:

S. 417. A bill to amend the Trade Act of 1974 to prohibit the extension of nondiscriminatory treatment to the products of any country not a party to certain treaties relating to the control and non-proliferation of nuclear weapons; to the Committee on Finance.

By Mrs. KASSEBAUM (for herself and Mr. SCHMITT):

S. 418. A bill to provide wheat and feed grain producers the opportunity to receive parity prices for the 1979 and 1980 crops, and to provide cotton producers the opportunity to receive parity prices for the 1979 crop; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SCHMITT (for himself and Mr. DOMENICI):

S. 419. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for investment in small corporations doing research in the area of energy development and conservation; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 420. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Human Resources.

By Mr. INOUYE (for Mr. TALMADGE (for himself, Mr. INOUYE, Mr. NUNN, and Mr. MATSUNAGA)):

S. 421. A bill to provide for demonstration projects for training and employment of recipients of benefits, under programs of Aid to Families with Dependent Children, as homemakers and home health aides; to the Committee on Finance.

By Mr. INOUYE:

S. 422. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Governmental Affairs.

By Mr. FORD (for himself, Mr. KENNEDY, Mr. DANFORTH, Mr. BAYH, and Mr. METZENBAUM):

S. 423. A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; placed on the calendar.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 424. A bill to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. PELL):

S. 425. A bill to end the use of steel-jaw, leghold traps; to the Committee on Environment and Public Works.

By Mr. MCGOVERN:

S. 426. A bill to name a certain Federal building in Huron, South Dakota, the Hubert H. Humphrey Building; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 427. A bill to require a health warning on the labels of bottles containing certain alcoholic beverages; to the Committee on Commerce, Science, and Transportation.

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 428. A bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

S. 429. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. INOUYE:

S. 430. A bill for the relief of Kimiko Tengan Watanabe and Richard Kiyoshi Uyehara; to the Committee on the Judiciary.

S. 431. A bill for the relief of Mrs. Bernice Gouveia White and Mrs. Mildred Gouveia Castagno; to the Committee on the Judiciary.

S. 432. A bill for the relief of Mr. Andres B. Pasion; to the Committee on the Judiciary.

S. 433. A bill for the relief of Mrs. Araceli Geroso Gushiken; to the Committee on the Judiciary.

S. 434. A bill for the relief of Peter Francis Berdzar; to the Committee on Armed Services.

S. 435. A bill for the relief of George Kiyotaka Oga; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON (by request):

S. 411. A bill to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; to the Committee on Commerce, Science, and Transportation.

PIPELINE SAFETY ACT OF 1979

Mr. CANNON. Mr. President, today (at the request of the administration) I introduce a bill, the Pipeline Safety Act of 1979, which addresses many of the concerns that have been raised over the adequacy of Federal regulation of the safety of liquefied natural gas (LNG) and liquefied petroleum gas (LPG). This legislation was prepared by the Department of Transportation in response to concerns expressed by the Commerce Committee and our House counterparts that public safety was not adequately protected and that the Department should take a more active role to assure the safe transportation and storage of these fuels. At a Commerce Committee hearing which I chaired this morning, Transportation Secretary Brock Adams explained the provisions of the bill and its effects on the existing regulatory framework. He also reviewed a long-awaited set of proposed regulations relating to LNG facility siting and safety.

Last year, the committee held 3 days of hearings to receive public testimony from representatives of the affected industries, State and local government, and concerned citizens' groups concerning the inadequacies of the current regulatory system and to solicit legislative recommendations for the improvement of that system. In addition, within the last year and a half, the Office of Technology Assessment and the General Accounting Office have both published reports indicating the need for regulatory improvement. In the closing days of the 95th Congress the House passed a bill which dealt with LNG and LPG safety issues, but that bill was not accepted by the Senate.

In response to these expressions of congressional concern, the Department of Transportation has prepared this legislation. The bill consists of two titles: Title I, which amends the Natural Gas Pipeline Safety Act (NGPSA), clarifies and expands DOT's authority over LNG and natural gas transportation safety; title II, entitled the "Hazardous Liquids Pipeline Safety Act," replaces the antiquated Transportation of Explosives Act (TEA) and establishes a statutory framework similar to the NGPSA to regulate the transportation of hazardous liquids, such as petroleum and its by-products (including LPG).

Title I amends the Natural Gas Pipeline Safety Act to:

First, clarify DOT's authority to regulate the safety of LNG facilities before they begin operation;

Second, expressly provide the Secretary with pre-construction approval authority for pipeline facilities;

Third, clarify that safety standards applicable only to new pipeline facilities (e.g., those relating to design and construction) can be made applicable to existing facilities that are considered hazardous to life and property;

Fourth, leave in place the existing policies on pre-emption, criteria for establishing standards, and procedures for granting waivers. Any state may adopt more stringent safety standards for intrastate pipeline transportation if those standards are compatible with the Federal standards issued under NGPSA;

Fifth, strengthen and expand the enforcement powers of the Secretary;

Sixth, authorize such sums as may be necessary for the fiscal years ending September 30, 1980 and 1981.

Title II would:

First, repeal the Transportation of Explosives Act (18 U.S.C. 831–835);

Second, establish regulatory authority over the transportation and storage of hazardous liquids which move by pipeline;

Third, give the Secretary authority to promulgate safety standards and to assure compliance of covered facilities with these standards. (This bill applies to new and existing facilities to the same extent as the NGPSA.)

Fourth, establish a State enforcement program so that the appropriate agency within a State would be certified to enforce the Federal standards (similar program to NGPSA's); and

Fifth, provide the same inspection, record-keeping, administrative and judicial remedies as NGPSA.

Mr. President, I commend the Department of Transportation for their efforts in drafting this bill to deal with this important matter of public policy. I, along with my colleagues on the Commerce Committee, will hold additional hearings on this bill expeditiously, so that the full Senate can have the benefit of a complete hearing record when considering the legislation. I can assure interested persons that they will have ample opportunity to comment.

I ask unanimous consent that the text of the bill, the letter of transmittal, and the section-by-section analysis be printed in the RECORD.

Also, Mr. President, I mentioned earlier in my statement that the Department of Transportation would be publishing in the Federal Register a notice of Proposed Rulemaking on New Federal Safety Standards for Liquefied Natural Gas Facilities. That notice appears on page 8142 of the Federal Register dated Thursday, February 8, 1979 (vol. 44—No. 28). I ask unanimous consent that a Department of Transportation summary of that proposed rulemaking be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pipeline Safety Act of 1979".

TITLE I—NATURAL GAS

SHORT TITLE

SEC. 101. This title may be cited as the "Natural Gas Pipeline Safety Act Amendments of 1979".

DECLARATION OF POLICY

SEC. 102. The Congress finds that more effective realization of the purposes of the Natural Gas Pipeline Safety Act of 1968, especially as it relates to the transportation of liquefied natural gas, requires that Act to be amended to expressly provide the Secretary of Transportation with pre-construction design approval authority for pipeline facilities, to improve the investigation and enforcement powers of the Secretary, and to clarify and update existing provisions of the Act.

REFERENCES TO NATURAL GAS PIPELINE SAFETY ACT OF 1968

SEC. 103. Except as otherwise expressly provided, whenever in this title any reference, amendment, or repeal is expressed in terms of a reference or amendment to, or repeal of, a section or other provision, it shall be considered to be made to a section or other provision of the Natural Gas Pipeline Safety Act of 1968, as amended, 49 U.S.C. 1671 et seq.

DEFINITIONS

SEC. 104. (a) Section 2(2) is amended by inserting "(including liquefied natural gas)" immediately after "natural gas".

(b) Section 2(4) is amended to read as follows:

(4) "Pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way and any equipment, facility, or building used or intended for use in the transportation of gas or the treatment of gas during the course of transportation, but rights-of-way as used in this Act does not authorize the Secretary to prescribe the location or routing of any pipeline facility;".

(c) Section 2(8) and 2(9) are amended by striking out "Federal Power Commission" and inserting in lieu thereof "Federal Energy Regulatory Commission".

STANDARDS

SEC. 105. (a) Section 3 is amended to read as follows:

"REGULATIONS GOVERNING TRANSPORTATION OF GAS AND PIPELINE FACILITIES

SEC. 3. (a) GENERAL. The Secretary shall issue, in accordance with the provisions of section 553 of Title 5, United States Code, including an opportunity for informal oral presentation, Federal safety standards for the transportation of gas and pipeline facilities. The standards shall apply to each person who engages in the transportation of gas or who owns or operates pipeline facilities. The standards shall be practicable and designed to meet the need for safe transportation of gas and may govern any safety aspect of that transportation and of pipeline facilities which the Secretary considers necessary or appropriate.

(b) CRITERIA. In prescribing standards under this section, the Secretary shall consider—

(1) relevant available pipeline data;

(2) whether the standards are appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of any proposed standards; and

(4) the extent to which the standards will contribute to public safety.

(c) PRE-CONSTRUCTION APPROVAL. In prescribing standards under this section, the Secretary may require, in his discretion, that any construction associated with a new or existing pipeline facility not begin until he approves that construction, and then only to the extent that the construction is in accordance with the applicable standards prescribed under this section and such other terms and conditions as the Secretary determines are appropriate to assure that the facility will be constructed and operated in compliance with those standards.

(d) EXISTING FACILITIES. Except as provided under section 10(b) of this Act, any standard issued under this section affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date it is adopted.

(e) PREEMPTION. Any State agency may adopt additional or more stringent safety standards for intrastate pipeline transportation if those standards are compatible with the Federal standards issued under this Act. No State agency may adopt or continue in force any safety standards applicable to interstate transmission facilities.

(f) WAIVERS. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the Secretary may, by order, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standard compliance with any standard established under this Act, if he determines that waiver of compliance with such standard is not inconsistent with gas pipeline safety. The Secretary shall state his reasons for any such waiver. A State agency, with respect to which there is in effect a certification pursuant to section 5(a) or an agreement pursuant to section 5(b), may waive compliance with a safety standard in the same manner and under the same conditions as the Secretary, provided such State agency gives the Secretary written notice at least sixty days prior to the effective date of the waiver. If, before the effective date of a waiver to be granted by a State agency, the Secretary objects in writing to the granting of the waiver, any State agency action granting the waiver will be stayed. After notifying such State agency of his objection, the Secretary shall afford such agency a prompt opportunity to present its waiver, with opportunity for hearing, and the Secretary shall determine finally whether the requested waiver may be granted.

(g) COOPERATION AND CONSULTATION. (1) Whenever the establishment of a standard or action upon application for waiver under the provisions of this Act, would affect continuity of any gas services, the Secretary shall consult with and advise the Federal Energy Regulatory Commission or State commission having jurisdiction over the affected pipeline facility before establishing the standard or acting on the waiver application and shall defer the effective date until the Federal Energy Regulatory Commission or any such commission has had reasonable opportunity to grant the authorizations it deems necessary.

(2) In any proceedings under section 7 of the Natural Gas Act (15 U.S.C. 717f) for authority to establish, construct, operate, or extend a gas pipeline which is or will be subject to Federal or other applicable safety standards, any applicant shall certify that it will design, install, inspect, test, construct, operate, replace, and maintain the pipeline facilities in accordance with Federal and other applicable safety standards and plans for maintenance and inspection. Such certification shall be binding and conclusive upon the Federal Energy Regulatory Commission unless the relevant enforcement agency has timely advised the Commission in writing that the applicant has violated safety standards established pursuant to this Act.

(3) Upon request, the Secretary shall furnish to the Federal Energy Regulatory Commission any information he has concerning the safety of any materials, operations, devices, or processes relating to the transportation of gas or the operation of pipeline facilities.

(4) The Secretary is authorized to advise, assist, and cooperate with other Federal departments and agencies and State and other interested public and private agencies and persons, in the planning and developing of (1) Federal safety standards, and (2) methods for inspecting and testing to determine compliance with Federal safety standards.

(5) The Secretary is authorized to consult with, and make recommendations to, other Federal departments and agencies, State and local governments, and other public and private agencies or persons, for the purpose of developing and encouraging activities, including the enactment of legislation, to assist in the implementation of this Act and to improve State and local pipeline safety programs.".

(b) The Act is amended by striking out sections 7 and 13.

ADVISORY COMMITTEE

SEC. 106. The Act is amended by striking out section 4. Section 4 is reserved.

STATE SAFETY PROGRAMS

SEC. 107. (a) Section 5(a) is amended—

(1) by striking out "Except for the fourth sentence of section 3(b), section 12(b), and except as otherwise provided in this section, the provisions of this Act" and inserting in lieu thereof "Except for section 10(b) and except as otherwise provided in this section, the authority of the Secretary under this Act to prescribe safety standards and enforce compliance with such standards".

(2) by striking out "excavation" in clause (4) and inserting in lieu thereof "demolition, excavation, tunneling, or construction";

(3) by striking out, in clause (5), "sections 9 and 10" and inserting in lieu thereof "sections 8(a) and 10(a)".

(4) by striking out, in clause (5), "; except that a State agency may file a certification under this subsection without regard to the requirement of injunctive and monetary sanctions under State law for a period not to exceed five years after the date of enactment of this Act".

(5) by amending clause 5(ii) to read as follows: "all accidents or incidents reported during the preceding twelve months by each such person involving personal injury requiring hospitalization, fatality, property damage exceeding $5,000 (whether or not sustained by a person subject to the safety jurisdiction of the State agency) and any other accident which the State agency considers significant."

(b) Section 5(b) is amended by striking out paragraphs (3) and (4).

(c) Section 5 is further amended by striking out subsection (f); redesignating subsections (c), (d), and (e) as (d), (e), and (f) respectively; and adding a new subsection (c) to read as follows: "(c) The Secretary is authorized to conduct whatever monitoring may be necessary of any State program established by certification or agreement under this section to assure that such programs are being carried out in compliance with such certification or agreement. State agencies shall cooperate fully in a system of Federal monitoring of their programs".

ENFORCEMENT POWERS

SEC. 108. (a) The Act is amended by redesignating section 8 as section 7; by striking out sections 9 and 10; and by adding new sections 8, 9, and 10 to read as follows:

"PENALTIES

SEC. 8. (a) ASSESSMENT OF CIVIL PENALTIES.—Any person who is determined by the Secretary of Transportation to have violated any provisions of this Act or any regulation or order issued thereunder including any order issued under sections 9 or 10(b) of this Act, shall be liable to the United States for a civil penalty of not more than $1,000 for each violation for each day that violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The amount of the penalty shall be assessed by the Secretary by written notice. In determining the amount of the penalty, the Secretary shall consider the nature, circumstances, and gravity of the violation and, with respect to the person found to have committed the violation, the degree of cupability, any history of prior violations, the effect on ability to continue to do business, any good faith in attempting to achieve compliance, and such other matters as the Secretary believes justice may require.

(b) COLLECTION OF CIVIL PENALTIES.—Except as provided by subsection (c), a civil penalty assessed under subsection (a) may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, it may be compromised by the Secretary. The amount of the penalty, when finally determined (or agreed upon in compromise), may be deducted from all sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) When a civil penalty of not more than $1,500 has been assessed under subsection (a), the matter may be referred for collection of the penalty directly to the Federal Magistrate of the jurisdiction wherein the person liable may be found, for institution of collection procedures under supervision of the district court, if the court has issued an order delegating such authority under section 636 (b) of Title 28, United States Code.

(d) CRIMINAL PENALTIES (1) Any person who willfully violates a provision of this Act or a regulation or order issued thereunder including any order issued under sections 9 or 10(b) of this Act, shall, upon conviction be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

(2) Any person who willfully injures or destroys, or attempts to injure or destroy any interstate transmission facility, shall, upon conviction, be subject for each offense, to a fine of not more than $15,000 or imprisonment for a term not to exceed 15 years, or both."

COMPLIANCE ORDERS

SEC. 9. The Secretary may issue orders directing compliance with this Act or any regulation issued thereunder. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce such orders by appropriate means.

SPECIFIC RELIEF

SEC. 10. (a) GENERAL. (1) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress or restrain a violation by any person of a provision of this Act or a regulation issued thereunder. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(2) In any proceeding for criminal contempt for violation of a mandatory or prohibitive injunction issued under this subsection, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

(b) HAZARDOUS PIPELINE FACILITIES. (1) If the Secretary finds after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce orders issued under this subsection by appropriate means.

(2) The Secretary may waive the requirements for notice and hearing under this subsection and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property. (b) Section 6 is amended by striking out the existing heading and inserting in lieu thereof "JUDICIAL REVIEW OF STANDARDS AND ORDERS" and by inserting the words "standard or" immediately before the word "order" wherever it appears in subsections (a), (b) and (c).

ADMINISTRATION

SEC. 109. Section 12 is amended to read as follows:

"POWERS AND DUTIES OF THE SECRETARY

SEC. 12. (a) GENERAL. The Secretary is authorized, to the extent necessary to carry out his responsibilities under this Act, to conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct, directly or indirectly, research, testing, development, demonstration, and training activities.

(b) RECORDS. Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require, and shall submit such reports and shall make such records and information available as the Secretary may request, to enable him to determine whether such person has acted or is acting in compliance with this Act and the standards or orders issued under this Act.

(c) INSPECTION. Officers, employees, or agents authorized by the Secretary, upon presenting appropriate credentials to the person in charge, are authorized to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties are relevant to determining whether such persons have acted or are acting in compliance with this Act and the standards or orders issued under this Act.

(d) PUBLIC AVAILABILITY OF ACCIDENT REPORTS. Accident reports made by any officer, employee, or agent of the Department of Transportation shall be available for use in any civil, criminal, or other judicial proceding arising out of such accident. Any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in such investigations. Any such report shall be made available to the public in a manner which need not identify individuals. All reports on research projects, demonstration projects, and other related activities shall be public information.

(e) PROTECTION OF TRADE SECRETS. All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a), (b), or (c) which information contains or relates to a trade secret referred to in section 1905 of Title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this Act or when relevant in any proceeding under this Act. Nothing in this section shall authorize the withholding of information by the Secretary or any officer, employee, or agent under his control, from the duly authorized committees of the Congress.".

APPROPRIATIONS AUTHORIZATION

SEC. 110. Section 15 is amended by redesignating it as section 14 to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 14 (a) There are authorized to be appropriated $4,206,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out the provisions of this Act and the Hazardous Liquid Pipeline Safety Act of 1979, except that the funds appropriated pursuant to this subsection shall not be used for Federal grants-in-aid.

"(b) There are authorized to be appropriated $2,820,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act".

CLERICAL AND CONFORMING AMENDMENTS

SEC. 111. (a) Section 14 is amended by redesignating it as section 13; by striking out "March 17" and inserting in lieu thereof "June 15" and; by striking out "3(e)" in paragraph a(13) and inserting in lieu thereof "3(f)".

(b) Sections 16 and 17 are amended by redesignating them as sections 15 and 16 respectively.

(c) Section 16(f), as redesignated, is amended by striking out "minimum".

(d) The Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) is amended by striking out sections 28(w)(3) and 28(w)(4).

TITLE II—LIQUID PIPELINE SAFETY

SHORT TITLE

SEC. 201. This title may be cited as the "Hazardous Liquid Pipeline Safety Act of 1979".

DECLARATION OF POLICY

SEC. 202. It is declared to be the policy of Congress in this title to improve the ability of the Secretary of Transportation to protect the Nation adequately against the risks to life and property which are inherent in the transportation of hazardous liquids by pipeline in or affecting interstate or foreign commerce.

DEFINITIONS

SEC. 203. As used in this title,

(1) "Person" means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and includes any trustee, receiver, assignee, or personal representative thereof;

(2) "Hazardous liquid" means a substance or material which is in liquid form (excluding liquefied natural gas) when transported by pipeline facilities and which, as determined by the Secretary, may pose an unreasonable risk to life or property when transported by pipeline facilities. For the purpose of this title "hazardous liquid" includes but is not limited to, petroleum, petroleum products, and any other liquid that is flammable, corrosive, or toxic;

(3) "Transportation of hazardous liquids" means the movement of hazardous liquid by pipeline or its storage in or affecting interstate or foreign commerce;

(4) "Pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way and any equipment, facility, or building used or intended for use in the transportation of hazardous liquids or the treatment of hazardous liquids during the course of transportation, but rights-of-way as used in this title does not authorize the Secretary to prescribe the location or the routing of any pipeline facility;

(5) "Interstate pipeline facilities" include pipeline facilities that, either on their own or by connection with other pipeline facilities, are used to move hazardous liquids in interstate or foreign commerce.

(6) "Intrastate pipeline facilities" means pipeline facilities which are not interstate pipeline facilities.

(7) "Interstate or foreign commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State, but through any place outside thereof.

(8) "State" includes each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(9) "Secretary" means the Secretary of Transportation.

REGULATIONS GOVERNING TRANSPORTATION OF HAZARDOUS LIQUIDS AND PIPELINE FACILITIES

SEC. 204. (a) GENERAL. The Secretary shall issue, in accordance with the provisions of section 553 of Title 5, United States Code, including an opportunity for informal oral presentation, Federal safety standards for the transportation of hazardous liquids and pipeline facilities. The standards shall apply to each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities. The standards shall be practicable and designed to meet the need for safe transportation of hazardous liquids and may govern any safety aspect of that transportation which the Secretary considers necessary or appropriate.

(b) CRITERIA. In prescribing standards under this section, the Secretary shall consider—

(1) relevant available pipeline data;

(2) whether the standards are appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of any proposed standards; and

(4) the extent to which the standards will contribute to public safety.

(c) PRE-CONSTRUCTION APPROVAL. In prescribing standards under this section, the Secretary may require, in his discretion, that any construction associated with a new or existing pipeline facility not begin until he approves that construction, and then only to the extent that the construction is in accordance with the applicable standards prescribed under this section and such other terms and conditions as the Secretary determines are appropriate to assure that the facility will be constructed and operated in compliance with those standards.

(d) EXISTING FACILITIES. Except as provided under section 210(b) of this title, any standard issued under this section affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date it is adopted.

(e) PREEMPTION. Any State agency may adopt additional or more stringent safety standards for intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities, if those standards are compatible with the Federal standards issued under this title. No State agency may adopt or continue in force any safety standards applicable to interstate pipeline facilities or the transportation of hazardous liquids associated with those facilities.

(f) WAIVERS. Upon application by any person engaged in the transportation of hazardous liquids or the operation of pipeline facilities, the Secretary may, by order, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standard established under this title, if he determines that a waiver of compliance with such standard is not inconsistent with pipeline safety. The Secretary shall state his reasons for any such waiver. A State agency, with respect to which there is in effect a certification pursuant to section 205(a) or an agreement pursuant to section 205(b) may waive compliance with a safety standard in the same manner and under the same conditions as the Secretary, provided such State agency gives the Secretary written notice at least sixty days prior to the effective date of the waiver. If, before the effective date of a waiver to be granted by a State agency, the Secretary objects in writing to the granting of the waiver, any State agency action granting the waiver will be stayed. After notifying such State agency of his objection, the Secretary shall afford such agency a prompt opportunity to present its request for waiver, with opportunity for hearing, and the Secretary shall determine finally whether the requested waiver may be granted.

(g) COOPERATION AND CONSULTATION. (1) The Secretary is authorized to advise, assist, and cooperate with other Federal agencies and State and other interested public and private agencies and persons, in the planning and developing of (1) Federal safety standards, and (2) methods for inspecting and testing to determine compliance with Federal safety standards.

(2) The Secretary is authorized to consult with, and make recommendations to, other Federal agencies, State and local governments, and other public and private agencies or persons, for the purpose of developing and encouraging activities, including the enactment of legislation, to assist in the implementation of this title and to improve State and local pipeline safety programs.

STATE CERTIFICATIONS AND AGREEMENTS

SEC. 205. (a) Except for section 210(b) and except as otherwise provided in this section, the authority of the Secretary under this title to prescribe safety standards and enforce compliance with those standards shall not apply to intrastate pipeline facilities or the transportation of hazardous liquids associated with those facilities, when the safety standards and practices applicable to same are regulated by a State agency which submits to the Secretary an annual certification that such State agency—

(1) has regulatory jurisdiction over the safety standards and practices of intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities;

(2) has adopted, as of the date of the certification, each Federal safety standard established under this title which is applicable to intrastate pipeline facilities and the transportation of hazardous liquids associated

with those facilities or, with respect to each such Federal safety standard established within one hundred and twenty days before the date of certification, is taking steps pursuant to State law to adopt such standard;

(3) is enforcing each such standard;

(4) is encouraging and promoting programs designed to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunnelling or construction activity;

(5) has the authority to require record maintenance, reporting, and inspection substantially the same as are provided under section 212 and the filing for approval of plans of inspection and maintenance described in section 211 and that the law of the State makes provision for the enforcement of the safety standards of such State agency by way of injunctive and monetary sanctions substantially the same as are provided under sections 208(a) and 210(b). Each annual certification shall include a report, in such form as the Secretary may by regulation provide, showing (i) name and address of each person subject to the safety jurisdiction of the State agency; (ii) all accidents or incidents reported during the preceding twelve months by each such person involving personal injury requiring hospitalization, fatality, or property damage exceeding $10,000 (whether or not sustained by a person subject to the safety jurisdiction of the State agency), together with a summary of the State agency's investigation as to the cause and circumstances surrounding such accident or incident; (iii) the record maintenance, reporting, and inspection practiced by the State agency to enforce compliance with such Federal safety standards, including a detail of the number of inspections made of pipeline facilities by the State agency during the preceding twelve months; and (iv) such other information as the Secretary may require. The report included with the first annual certification need not show information unavailable at that time.

(b) With respect to any intrastate pipeline facilities or transportation of hazardous liquids associated with those facilities for which the Secretary does not receive an annual certification under subsection (a), the Secretary may, by agreement with a State agency authorize such agency to assume responsibility for, and carry out on behalf of the Secretary as it relates to those facilities or associated transportation, the necessary actions to—

(1) establish an adequate program for record maintenance, reporting, and inspection designed to assist compliance with Federal safety standards; and

(2) establish procedures for approval of plans and inspection and maintenance substantially the same as are required under section 211.

Any agreement executed pursuant to this subsection shall require the State agency promptly to notify the Secretary of any violation or probable violation of a Federal safety standard which it discovers as a result of its program.

(c) A certification which is in effect under subsection (a) shall not apply with respect to any new or amended Federal safety standard established for intrastate pipeline facilities or transportation of hazardous liquids associated with those facilities pursuant to this title after the date of such certification. The provisions of this title shall apply to any such new or amended Federal safety standard until the State agency has adopted such standard and has submitted an appropriate certification in accordance with provisions of subsection (a).

(d) If after receipt of annual certification under subsection (a), the Secretary determines that the State agency is not satisfactorily enforcing compliance with Federal safety standards, he may, on reasonable notice and after opportunity for hearing, reject the certification or take such other action as he deems appropriate to achieve adequate enforcement including the assertion of Federal jurisdiction. When such notice is given by the Secretary, the burden of proof shall be upon the State agency to show that it is satisfactorily enforcing compliance with Federal safety standards.

(e) Any agreement under subsection (b) may be terminated by the Secretary, if after notice and opportunity for a hearing, he finds that the State agency has failed to comply with any provision of such agreement. Such finding and termination shall be published in the Federal Register and shall become effective no sooner than fifteen days after the date of publication.

(f) The Secretary is authorized to conduct whatever monitoring may be necessary of any State program established by certification or agreement under this section to assure that such programs are being carried out in compliance with such certification or agreement. State agencies shall cooperate fully in a system of Federal monitoring of their programs.

JUDICIAL REVIEW OF STANDARDS AND ORDERS

SEC. 206. (a) Any person who is or will be adversely affected or aggrieved by any standard or order issued under this title may at any time prior to the sixtieth day after such standard or order is issued file a petition for a judicial review with the United States Court of Appeals for the District of Columbia or for the circuit wherein such petitioner is located or has his principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose.

(b) Upon the filing of the petition referred to in subsection (a), the court shall have jurisdiction to review the standard or order in accordance with Chapter 7 of Title 5 of the United States Code and to grant appropriate relief as provided in such chapter.

(c) The judgment of the court affirming or setting aside, in whole or in part, any such standard or order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of Title 28 of the United States Code.

(d) Any action instituted under this section shall survive, notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office.

(e) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law.

COMPLIANCE

SEC. 207. (a) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall—

(1) at all times after the date an applicable safety standard established under this title takes effect comply with the requirements of such standard;

(2) file and comply with a plan of inspection and maintenance required by section 211; and

(3) permit access to or copying of records, and make reports or provide information, and permit entry or inspection, as required under section 212.

(b) Nothing in this title shall affect the common law or statutory liability of any person.

PENALTIES

SEC. 208. (a) ASSESSMENT OF CIVIL PENALTIES.—Any person who is determined by the Secretary to have violated any provisions of this title or any regulation or order issued thereunder including any order issued under sections 209 or 210(b) of this title, shall be liable to the United States for a civil penalty of not more than $1,000 for each violation for each day the violation continues, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The amount of the penalty shall be assessed by the Secretary by written notice. In determining the amount of the penalty, the Secretary shall consider the nature, circumstances, and gravity of the violation and with respect to the person found to have committed the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, any good faith in attempting to achieve compliance, and such other matters as the Secretary believes justice may require.

(b) COLLECTION OF CIVIL PENALTIES.—Except as provided by subsection (c), a civil penalty assessed under subsection (a) may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, it may be compromised by the Secretary. The amount of the penalty, when finally determined (or agreed upon in compromise), may be deducted from all sums owed by the United States to the person charged. All penalties collected under this Subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) When a civil penalty of not more than $1,500 has been assessed under subsection (a), the matter may be referred for collection of the penalty directly to the Federal Magistrate of the jurisdiction wherein the person liable may be found, for institution of collection procedures under supervision of the district court, if the court has issued an order delegating such authority under section 636(b) of Title 28, United States Code.

(d) CRIMINAL PENALTIES.—(1) Any person who willfully violates a provision of this title or a regulation or order issued thereunder including any order issued under sections 209 or 210(b) of this title, shall, upon conviction be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

(2) Any person who willfully injures or destroys, or attempts to injure or destroy any interstate pipeline facility, shall, upon conviction, be subject for each offense, to a fine of not more than $15,000 or imprisonment for a term not to exceed 15 years, or both.

COMPLIANCE ORDERS

SEC. 209. The Secretary may issue orders directing compliance with this title or any regulation issued thereunder. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce such orders by appropriate means.

SPECIFIC RELIEF

SEC. 210. (a) GENERAL.—(1) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress or restrain a violation by any person of a provision of this title or a regulation issued thereunder. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(2) In any proceeding for criminal contempt for violation of a mandatory or prohibitive injunction issued under this subsection, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

(b) HAZARDOUS PIPELINE FACILITIES. (1) If the Secretary finds after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce orders issued under this subsection by appropriate means.

(2) The Secretary may waive the requirements for notice and hearing under this subsection and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property.

INSPECTION AND MAINTENANCE

SEC. 211. (a) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilites shall file with the Secretary or, where a certification or an agreement pursuant to section 205 of this title is in effect, with the State agency, a plan for inspection and maintenance of each facility used in that transportation and owned or operated by that person, and any changes in that plan, in accordance with regulations prescribed by the Secretary or appropriate State agency. A plan required by this subsection shall be practicable and designed to meet the need for pipeline safety.

(b) If the Secretary or appropriate State agency finds that a plan filed under this section is inadequate to achieve safe operation of pipeline facilities, the Secretary or appropriate State agency shall, after notice and opportunity for a hearing, require the plan to be revised. In determining the adequacy of a plan filed under this section, the Secretary or appropriate State agency shall consider—

(1) relevant available pipeline safety data;

(2) whether the plan is appropriate for the particular type of pipeline transportation;

(3) the reasonableness of the plan; and

(4) the extent to which such plan will contribute to public safety.

POWERS AND DUTIES OF THE SECRETARY

SEC. 212. (a) GENERAL. The Secretary is authorized, to the extent necessary to carry out his responsibilities under this title, to conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct, directly or indirectly, research, testing, development, demonstration, and training activities.

(b) RECORDS. Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require, and shall submit such reports and shall make such records and information available as the Secretary may request, to enable him to determine whether such person has acted or is acting in compliance with this title and the standards or orders issued under this title.

(c) INSPECTION. Officers, employees, or agents authorized by the Secretary, upon presenting appropriate credentials to the person in charge, are authorized to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties are relevant to determining whether such persons have acted or are acting in compliance with this title and the standards or orders issued under this title.

(d) PUBLIC AVAILABILITY OF ACCIDENT REPORTS. Hazardous liquid pipeline accident reports made by any officer, employee, or agent of the Department of Transportation shall be available for use in any civil, criminal, or other judicial proceeding arising out of such accident. Any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in accident investigations. Any hazardous liquid pipeline accident report shall be made available to the public in a manner which need not identify individuals. All reports on research projects, demonstration projects, and other related activities shall be public information.

(e) PROTECTION OF TRADE SECRETS. All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsections (a), (b), or (c), which information contains or relates to a trade secret referred to in section 1905 of Title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer, employee, or agent under his control, from the duly authorized committees of the Congress.

ANNUAL REPORT

SEC. 213. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on June 15 of each year a comprehensive report on the administration of this title for the preceding calendar year. Such report shall include—

(1) a thorough compilation of the leak repairs, accidents, and casualties occurring in such year with a statement of cause whenever investigated and determined by the National Transportation Safety Board;

(2) a list of Federal hazardous liquid pipeline safety standards established or in effect in such year with identification of standards newly established during such year;

(3) a summary of the reasons for each waiver granted under section 204(f) during such year;

(4) an evaluation of the degree of observance of applicable safety standards for the transportation of hazardous liquids and pipeline facilities including a list of enforcement actions, and compromises of alleged violations by location and company name;

(5) a summary of outstanding problems confronting the administration of this title in order of priority;

6) an analysis and evaluation of research activities, including the policy implications thereof, completed as a result of Government and private sponsorship and technological progress for safety achieved during such year;

(7) a list, with a brief statement of the issues, of completed or pending judicial actions under the title;

(8) the extent to which technical information was disseminated to the scientific community and consumer-oriented information was made available to the public;

(9) a compilation of—

(A) certifications filed by State agencies under section 205(a) which were in effect during the preceding calendar year, and

(B) certifications filed under section 205 (a) which were rejected by the Secretary during the preceding calendar year, together with a summary of the reasons for such rejection; and

(10) a compilation of—

(A) agreements entered into with State agencies under section 205(b) which were in effect during the preceding calendar year, and

(B) agreements entered into under section 205(b) which were terminated by the Secretary during the preceding calendar year, together with a summary of the reasons for each such termination.

(b) The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to promote cooperation among the several States in the improvement of hazardous liquid pipeline safety programs.

(c) The Secretary is authorized to submit one annual report in satisfaction of the report requirements of this section and of section 13 under the Natural Gas Pipeline Safety Act of 1968, as amended.

CITIZENS CIVIL ACTION

SEC. 214. (a) Except as provided in subsection (b), any person may commence a civil action for mandatory or prohibitive injunctive relief, including interim equitable relief, against any other person (including any State, municipality, or other governmental entity to the extent permitted by the eleventh amendment to the Constitution, and the United States) who is alleged to be in violation of this title or of any order or regulation issued under this title. The district courts of the United States shall have jurisdiction over actions brought under this section, without regard to the amount in controversy or the citizenship of the parties.

(b) No civil action may be commenced under subsection (a) with respect to any alleged violation of this title or any order or regulation issued under this title—

(1) prior to the expiration of 60 days after the plaintiff has given notice of such alleged violation to the Secretary (or to the applicable State agency in the case of a State which has been certified under section 205(a) and in which the violation is alleged to have occurred), and to any person who is alleged to have committed such violation; or

(2) if the Secretary (or such State agency) has commenced and is diligently pursuing administrative proceedings or the Attorney General of the United States (or the chief law enforcement officer of such State) has commenced and is diligently pursuing judicial proceedings with respect to such alleged violation.

Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(c) In any action under subsection (a), the Secretary (with the concurrence of the Attorney General) or the Attorney General may intervene as a matter of right.

(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or at common law to seek enforcement of this title or any order or regulation under this title or to seek any other relief.

(e) In any action under this section the court may, in the interest of justice, award the costs of suit, including reasonable attorney's fees and reasonable expert witnesses fees, to a prevailing plaintiff. Such court may, in the interest of justice, award such costs to a prevailing defendant whenever such action is unreasonable, frivolous, or meritless. For purposes of this subsection, a reasonable attorney's fee is a fee (1) which is based upon (A) the actual time expended by an attorney in providing advice and other legal services in connection with representing a person in an action brought under this section, and (B) such reasonable expenses as may be incurred by the attorney in the provision of such services, and (2) which is computed at the rate prevailing for the provision of similar services with respect to actions brought in the court which is awarding such fee.

(f) For purposes of this section, a violation of any safety standard or practice of any State shall be deemed to be a violation of this title or of any order or regulation under this title only to the extent that such standard or practice is not more stringent than the comparable Federal safety standard.

CONFORMING AMENDMENTS

SEC. 215. (a) Section 112(c) of the Hazardous Materials Transportation Act (49 U.S.C. 1811(c)) is amended by striking out "Chapter 39 of Title 18, United States Code" and inserting in lieu thereof "the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. ——— et. seq.)

(b) Sections 831–835 of Chapter 39 of Title 18, United States Code are repealed.

EFFECTIVE DATE

SEC. 216. The provisions of this title shall take effect on the date of enactment.

SAVINGS PROVISIONS

SEC. 217. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective under the provisions of Chapter 39 of Title 18, United States Code repealed by this title and which are in effect at the time this title takes effect, shall continue in effect as though issued, made, granted, or allowed to become effective under the authority of this title, according to their terms until modified; terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) Suits, actions, or other proceedings pending upon the date of enactment of this title shall not be affected by the provisions of this title and shall be completed as if this title had not been enacted, unless the Secretary makes a determination that the public safety otherwise require.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a bill:

"To improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline."

The bill contains two titles, one which amends the Natural Gas Pipeline Safety Act of 1968, and one which proposes new law for the safety regulation of hazardous liquid pipeline transportation.

TITLE I

The Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. 1671 et seq.) (NGPSA) provides the authority for the Department's current gas pipeline safety programs. We believe, after a decade of experience, that a more effective realization of the purposes of the NGPSA requires that Act to be amended as proposed in Title I of the enclosed bill.

Title I not only clarifies and updates existing provisions of the NGPSA (including authorizing appropriations to carry out the Department's pipeline safety programs during fiscal years 1980 and 1981), but also provides needed improvements in the Department's ability to assure that gas pipeline facilities are constructed and operated in a manner that minimizes the risks to life and property. The more important amendments will accomplish the following:

1. Clarify that pipeline facilities intended to be used for the transportation of gas are subject to the jurisdiction of the NGPSA. The NGPSA authorizes the Secretary to prescribe safety standards for, among other things, the design, installation, construction, initial inspection, and initial testing of pipeline facilities. However, some may question whether the Secretary can enforce (by civil penalty or otherwise) those standards prior to a facility being put into service. By broadening the definition of "pipeline facilities" in the NGPSA to include facilities "intended for use", the bill clarifies the Secretary's authority to ameliorate safety hazards associated with a nonoperating gas pipeline facility or one that is still under construction before it becomes operational and creates the potential for actual hazards.

2. Expressly provide the Secretary, in prescribing standards under the NGPSA, with discretionary authority to require that any construction associated with a new or existing pipeline facility not begin until he approves that construction. Approval would be contingent on compliance with applicable safety standards and such other terms and conditions as the Secretary determines are appropriate to assure compliance with such standards.

It has not been the practice of the Department to pass on whether facility design standards issued under the NGPSA are being complied with before construction of a facility begins. In recent years however, the environmental and safety concerns associated with the location, construction (including extension and replacement), and operation of certain major pipeline facilities, especially those used or intended for use in the import and export of liquefied natural gas, have led the Department to conclude that approval of facility design before construction begins is warranted in specific cases. Because some may question whether the NGPSA currently provides the Secretary with authority to delay construction pending his review and approval of facility design, it is proposed under Title I to expressly provide that authority.

Under the proposed amendment, the Secretary is given discretion in exercising this authority because of the realization that relatively few pipeline facilities warrant this kind of close scrutiny and the need to assure that commensurate safety benefits will be derived from the exercise of this authority. It is intended that the Secretary, in exercising this approval authority, will follow guidelines and procedures established through the rulemaking process, and do so expeditiously in order not to delay the construction of any badly needed energy facility.

3. Improve the enforcement and investigative powers of the Secretary by:

Amending the civil penalty collection procedure to permit the Secretary to go directly to a Federal Magistrate for collection of penalties up to $1,500.

Adding criminal penalties as a sanction against willful violation of the NGPSA or regulation or orders issued thereunder, and for willful destruction or attempted destruction of interstate gas transmission facilities.

Providing the Secretary with authority to issue orders directing compliance with the NGPSA or regulations issued thereunder.

Expressly providing the Secretary with authority to issue subpoenas and require production of property. The absence of such authority has frustrated, on several occasions, the Secretary's responsibility to expeditiously and effectively carry out gas pipeline compliance and accident investigations. For example, the Department has experienced operator reluctance and refusal to release property (usually a pipe segment) that the Department considers relevant to determining the cause of pipeline accidents.

4. Terminate, as unnecessary, the inspection and annual report requirements of sections 28(w)(3) and 28(w)(4) of the Mineral Leasing Act regarding pipeline facilities on Federal lands.

TITLE II

Title II of the enclosed bill proposes new law to provide the Department with improved tools to adequately carry out its safety regulatory responsibilities relating to the transportation of hazardous liquids by pipelines.

The Department currently regulates hazardous liquid pipelines under the Transportation of Explosives Act (18 U.S.C. 831–835) (TOEA). Unlike the NGPSA for gas pipelines, the TOEA was developed before the need for Federal pipeline safety law became evident. The TOEA was not written with pipeline safety in mind and in fact does not even use the word pipeline in its provisions, although it applies to pipelines because of its general applicability to hazardous materials transportation. The Department believes that effective improvement of the Secretary's liquid pipeline safety programs requires the enactment of legislation specifically pertaining to such programs.

The Department further believes that the safety regulation of hazardous liquid pipeline transportation would be best carried out within the same administrative and legal framework as the safety regulation of gas pipeline transportation. However, at present there are substantial differences between the framework under the TOEA for regulating hazardous liquid pipelines and that provided for by the NGPSA for gas pipelines. For example, the Department lacks jurisdiction under the TOEA to:

Regulate storage of hazardous liquids;

Regulate intrastate pipeline transportation of hazardous liquids; or

Impose civil penalties for violation of hazardous liquid pipeline safety standards.

Such administrative impediments do not exist for gas pipelines under the NGPSA.

Because the Department considers the NGPSA (as it is proposed to be amended under Title I) to be a comprehensive piece of legislation and believes that the same administrative and legal framework should be established for the safety regulation of both gas and hazardous liquid pipeline transportation, the new safety law for hazardous liquid pipeline transportation proposed in Title II is patterned very closely after the NGPSA as it is proposed to be amended under Title I of the bill.

It is the opinion of the Department that enactment of the proposed legislation would have no significant environmental or economic impact.

The Office of Management and Budget has advised that the enactment of the proposed legislation is consistent with the President's program.

Sincerely,

BROCK ADAMS.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED "PIPELINE SAFETY ACT OF 1979"

TITLE I

Section 101. Section 101 of the bill provides that Title I of the proposed Act (hereinafter referred to as Title I) shall be cited as the "Natural Gas Pipeline Safety Act Amendments of 1979".

Section 102. Section 102 provides that the purpose of Title I is to amend the Natural Gas Pipeline Safety Act of 1968 (hereinafter referred to as the NGPSA) to more effectively realize the purposes of the NGPSA, especially as it relates to liquefied natural gas.

Section 103. Section 103 provides that, except as otherwise expressly provided, any references, or amendments made under Title I shall be considered references or/and amendments to provisions of the NGPSA.

Section 104. Section 104 amends several definitions in section 2 of the NGPSA.

While the applicability of the NGPSA has always extended to liquefied natural gas (LNG), the definition of "Gas" in section 2(2) does not expressly include LNG. For clarification only, section 2(2) is amended to expressly include LNG.

The term 'Pipeline facilities" is now defined in section 2(4) in terms of facilities "used in the transportation or treatment of gas". Section 104(b) will amend that definition to include facilities "intended for use" in the transportation or treatment of gas.

The NGPSA and existing liquid pipeline

safety legislation authorizes the Secretary to prescribe safety standards for, among other things, the design, installation, construction, initial inspection, and initial testing of pipeline facilities. However, as pointed up during construction of the Trans Alaska Pipeline, some initially questioned whether the Secretary can enforce (by civil penalty or otherwise) those standards prior to a facility being used in transportation. By broadening the definition of "pipeline facilities" in the NGPSA to include facilities "intended for use", the Secretary's authority to ameliorate safety hazards associated with a non-operating gas pipeline facility or one that is still under construction before it becomes operational and creates the potential for actual hazards, is clarified. The need for this clarification with regard to liquid pipeline facilities is addressed in Title II of the proposed Act. As under the present Act, nothing in this revised definition is intended to affect the authority of any other agency, derived from any other statute, with regard to the location of pipeline facilities.

Sections 2(8) and 2(9) are amended to reference the Federal Energy Regulatory Commission rather than the Federal Power Commission. This reflects organizational changes made by the Department of Energy Organization Act.

Section 105. Section 105(a) completely rewrites section 3 of the NGPSA in a manner that—

Deletes mandates under sections 3(a) and 3(b) that have expired by their own terms.

The mandates of sections 3(a) and 3(b) regarding establishment of interim and minimum standards within three and twenty-four months respectively, after enactment of the NGPSA are no longer applicable, in that the Secretary has long since complied with the mandates by publication of such standards in 49 CFR Parts 191 and 192.

Deletes, as unnecessary, the provisions under sections 3(c) and 3(d).

By requiring compliance with section 553 of Title 5, United States Code, including an opportunity for informal oral presentations, when issuing standards and granting waivers to standards under proposed sections 3(a) and 3(f), the rulemaking procedures required by existing sections 3 (c) and (d) are fully addressed.

Expressly provides the Secretary with preconstruction approval authority for pipeline facilities.

Proposed section 3(c) would expressly provide the Secretary, in prescribing standards under section 3, with discretionary authority to require that any construction associated with a new or existing pipeline facility not begin until he approves that construction. Approval would be contingent on compliance with applicable safety standards and such other terms and conditions as the Secretary determines are appropriate to assure compliance with such standards.

In implementing the NGPSA, the Secretary has promulgated standards for, among other things, the design of pipeline facilities. However, it has not been the practice of the Secretary to pass on whether these standards are being complied with before construction of a facility begins. In fact, some may question whether the NGPSA currently provides the Secretary with authority to delay construction pending his review of facility design. In recognition that the environmental and safety concerns associated with the location, construction (including extension and replacement), and operation of certain major pipeline facilities, especially those used or intended for use in the import and export of liquefied natural gas, may be shown to warrant specific approval of the facility design before construction of the facility begins, proposed section 3(c) expressly provides the Secretary with authority to require such approval.

The Secretary is given discretion in exercising this authority, as he has under the present Act, because of the need to assure that commensurate safety benefits will be derived from its exercise and because relatively few pipeline facilities warrant this kind of close scrutiny. It is expected that the Secretary, in exercising this approval authority, will follow guidelines and procedures established through the rulemaking process.

It should be noted that this amendment to the present law (to expressly provide DOT with this pre-construction authority) as well as all other amendments proposed by this legislation, will not prevent the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC) from exercising all of its authority pursuant to the Natural Gas Act or other pertinent legislation.

Also, this amendment is not intended to create delays for the pipeline industry. As under the present Act, DOT will work to complete its pre-construction activities prior to the conclusion, if not the advent, of any DOE/FERC proceeding regarding a particular pipeline facility. Also, to further assure expeditious Federal review of pipeline facilities, DOT will work closely with DOE and FERC and will participate in DOE and FERC proceedings whenever appropriate. Lastly, DOT intends to take all steps to promote the development of cooperative agreements with DOE/FERC to assure the coordination of Federal pipeline safety activities.

Clarifies that safety standards generally applicable to new pipeline facilities, can be made applicable to existing facilities that are considered hazardous to life or property—

Existing section 3(b) provides, in part, that standards for design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date it is adopted.

Proposed section 3(d) leaves this prohibition intact except when the Secretary, under the authority of proposed section 10(b), determines that an existing facility is hazardous to life or property (proposed section 10(b) incorporates the principal now addressed in the fourth sentence of existing section 3(b)).

While it can be argued that existing section 3(b), read as a whole, already provides this exception, it is appropriate that the issue be clarified at this time.

Retains, in proposed subsections 3(a), 3(b), and 3(f), the existing section 3 provisions dealing with preemption, criteria for establishing standards, and procedures for granting waivers. An editorial change made to the procedures for granting waivers is worth mentioning. By expressly requiring that waivers be issued by order (this requirement is consistent with the intent of existing subsection 3(d) which this bill proposes to delete), it is made clear that operators who violate waiver conditions are subject to the enforcement provisions of the NGPSA. This change also makes clear that any person adversely affected or aggrieved by waiver issued under section 3(f) can take advantage of the judicial review provided for under section 6.

Incorporates without change the provisions of certain other NGPSA sections under section 3—

Sections 7, 13(b), 13(c), and 13(d) of the NGPSA, dealing with cooperation needed between the Secretary and other Federal agencies, State and local governments, and other public and private agencies or persons to carry out the purposes of the NGPSA, especially as it relates to development of and compliance with pipeline safety standards, are more appropriately addressed in section 3.

Section 105(b) amends the NGPSA by striking out sections 7 and 13. However, as stated above, the provisions of sections 7, 13(b), 13(c), and 13(d) are incorporated in proposed section 3. The redesignation of these sections is not intended to result in any change in the construction of their substantive language, or to in any way affect the authority of DOE and FERC under the National Gas Act or other pertinent legislation. The authorities of the Secretary regarding research, development, testing, and training, that are currently addressed in section 13(a) are incorporated in proposed section 12 entitled Powers and Duties of the Secretary.

Section 106. Section 106 repeals section 4 of the NGPSA, abolishing the Technical Pipeline Safety Standards Committee.

In March of 1977, the Department of Transportation conducted an extensive review of all of its 30 then existing advisory committees. The review was done as part of a government-wide zero-based analysis of advisory committees required by the President. The Department of Transportation concluded that the technical pipeline safety advisory committee should be abolished for the following reasons:

1. That the advisory committee's responsibilities and membership permitted certain industry representatives to have an advantage in shaping DOT regulations. It was felt that this "preemptive" ability to influence government decisions on sensitive safety regulations was improper;

2. It was determined that DOT had the in-house expertise to be able to write safety regulations without having to call upon members of the pipeline industry at an early drafting stage. However, it was recognized that at the time the advisory committee was established DOT may not have had this expertise and, therefore, the advisory committees' technical assistance was needed; and

3. There are appropriate public procedures through the regulatory process (NPRMs, public hearings, conferences, Federal Register notices) which permit industry representatives to fully express their views and concerns about safety regulations.

Section 107. Section 107 amends section 5 of the NGPSA in several ways. Section 107(a)(1) amends the opening language of section 5(a) to more accurately reflect the intent of the NGPSA that, with certain exceptions, pipeline facilities subject to a section 5(a) State jurisdiction are not subject to Federal regulation and enforcement.

Section 107(a)(2) amends section 5(a)(4) to require State agencies certified under section 5 to encourage and promote programs to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activities. The existing language only addresses damages resulting from excavation activity.

Section 107(a)(3) makes editorial changes to section numbers in section 5(a)(5).

Section 107(a)(4) deletes language in section 5(a)(5) which has expired by its own terms.

Section 107(a)(5) proposes to amend the reporting and investigation requirements imposed on State agencies certified under section 5 of the NGPSA. Currently, under section 5(a)(5)(ii), State agencies investigate and report on accidents or incidents involving personal injury resulting in hospitalization, fatality, or property damage exceeding $1,000. The proposed amendment increases the level of property damage required to trigger the State reporting requirement to $5,000 (whether or not such damage was sustained by a person subject to the safety jurisdiction of the State agency). In addition, the State agency would be required, notwithstanding the extent of in-

jury to persons or property, to investigate and report on any accident which the agency considers significant.

The increase to $5,000 more accurately reflects the extent of property damage considered serious enough to require the commitment of limited State agency resources to completing required investigations and reports. The added parenthetical clarifies that State agencies are to accurately report the full extent of property damage as opposed to only that damage suffered by a pipeline operator. The added requirement that State agencies investigate and report any accident which the agency considers significant assures that the Department will not fail to receive useful data on significant accidents that do not result in serious person injury, fatality, or extensive property damage.

Section 107(b) deletes sections 5(b)(3) and 5(b)(4) of the NGPSA. Deleting paragraph (3) is proposed to reflect the fact that State agencies working with the Secretary under a section 5(b) agreement are not involved in a compliance program beyond carrying out inspection activities. The closing sentence in existing section 5(b), which is retained here, expressly provides that if a violation or probable violation of Federal standards is discovered by such inspection, the 5(b) State agency is to notify the Secretary who will then pursue the appropriate compliance action. Because of that mandated procedure and because existing section 5(b)(1) already requires the establishment of an inspection program, paragraph (3) need not be retained.

While paragraph (4), dealing with Federal monitoring of State programs, is deleted from section 5(b), the authority for such monitoring is addressed in proposed new section 5(c).

Section 107(c) proposes to add a new section 5(c) dealing with the Secretary's authority to monitor State programs. This new section incorporates the provisions of existing section 5(b)(4) and appropriate portions of existing section 12(b). Existing sections 5(c)–5(e) are redesignated to reflect the addition of new section 5(c). Also, existing section 5(f) has expired by its own terms and has been deleted.

Section 108. Section 108(a) amends the NGPSA by redesignating section 8 as section 7; by deleting sections 9 and 10; and by adding new sections 8, 9, and 10.

The redesignation of section 8 reflects the incorporation of section 7 provisions in proposed section 3(g).

The enforcement authorities under proposed new sections 8, 9, and 10 are not to suggest that the authorities under existing sections 9 and 10 are wholly inadequate, but rather that existing authorities need to be simplified in their presentation, clarified, and expanded upon.

Proposed section 8(a), except for certain editorial changes, provides for assessment of civil penalties in the same manner as existing section 9(a).

Proposed sections 8(b) and 8(c) establish procedures for the collection of civil penalties. If the Secretary is unable to collect a civil penalty through compromise, the Secretary may refer the matter for collection of the penalty, depending on the amount, either to the Attorney General for district court action or directly to a Federal Magistrate. Authority for the Secretary to go directly to the Federal Magistrate for collection of relatively small penalties (up to $1,500) is proposed in recognition of the already strained resources of the Department of Justice and the understandable reluctance by Justice to commit those resources to cases that, when viewed individually, are not considered significant in nature.

Proposed section 8(d) provides new criminal penalties for willful violation of the NGPSA or regulations or orders issued thereunder, and for willful destruction or attempted destruction of interstate gas transmission facilities. For the former offense, a person would be subject to a fine of not more than $25,000 or imprisonment for not more than 5 years, or both. For the latter offense, a person would be subject to a fine of not more than $15,000 or imprisonment for not more than 15 years, or both. The addition of criminal penalties gives recognition to those situations that require more onerous sanctions than civil penalties.

Proposed new section 9 authorizes the Secretary to issue orders directing compliance with the NGPSA or regulations issued thereunder. Upon petition by the Attorney General, the United States district courts can enforce such orders by appropriate means.

It is recognized that in certain situations the issuance of a compliance order would be more effective than the assessment of monetary penalties in ultimately achieving compliance with the NGPSA or regulations issued thereunder. The following are examples of such situations.

When an otherwise appropriate civil penalty may be too burdensome on the alleged violator. The burden may be created when the violator must pay both the penalty and the cost necessary to achieve compliance, which may result in a substantial risk that he may be put out of business. Most typically, this situation arises with gas distribution systems owned and operated by small municipalities located in the south and southwestern U.S.

In cases where the evidence does not warrant or fully support a civil penalty, issuance of a compliance order permits the formal establishment of a precise description of the noncompliance or violation and provides the evidentiary framework for follow-up inspections. Failure to meet the terms of the compliance order could lead to a more supportable civil penalty assessment or Government action to seek court enforcement of the terms.

As a method of closing out old cases, which because of their age may take them unacceptable to the U.S. Attorney's office for prosecution, the compliance order enables the Government to recognize violations and impose formal sanctions of record thereon.

Section 107 also proposes a new section 10. Proposed section 10(a) provides the means by which the Secretary can seek equitable relief to redress or restrain a violation by any person of a provision of the NGPSA or a regulation issued thereunder. The Attorney General, at the request of the Secretary, may bring such an action in an appropriate United States district court, with such courts having jurisdiction to determine the action and grant whatever relief is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages. This goes beyond the existing specific relief provision (section 10(a)) of the NGPSA that only provides for injunctive relief to restrain violations of the Act or regulations issued under the Act. Like existing section 10(b), proposed section 10(a) assures any person charged with criminal contempt for violation of a mandatory or prohibitive injunction to demand a trial by jury. The matters addressed in existing sections 10(c) and (d) are provided for by the Federal Rules of Civil Procedure and are therefore not included in proposed section 10(a).

Proposed section 10(b) provides that if the Secretary finds after reasonable notice and an opportunity for hearing that any pipeline facility is hazardous to life or property he shall by order, require the person operating the facility to take necessary corrective action, including suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The Secretary may waive notice and opportunity for hearing and provide for expeditious issuance of an order in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property.

"However, consistent with practice under the present Act, the Secretary would, when time permits, consult with other affected agencies before issuing an order."

Currently, the authority of the Secretary to remedy hazardous facilities is found in section 3(b) of the NGPSA. Proposed section 10(b) expands the current language by adding the requirement for notice and hearing, by spelling out the kinds of corrective action the Secretary may require, and by providing district courts with the jurisdiction, upon petition by the Attorney General, to enforce orders requiring corrective action.

Section 108(b) of Title I amends section 6 of the NGPSA to clarify that the opportunity for judicial review made to persons adversely affected or aggrieved by an order issued under the NGPSA is also available to persons adversely affected or aggrieved by a standard issued under the NGPSA.

Section 109. Section 109 amends section 12 of the NGPSA by rearranging, clarifying and expanding on the current administrative powers and duties of the Secretary under sections 12 and 13(a).

Proposed section 12(a) auhorizes the Secretary, to the extent necessary to carry out his responsibilities, to conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct directly or indirectly, research, testing, development, demonstration, and training activities. The addition of authority to issue subpoenas and require production of property is in recognition that such authority is needed to effectively carry out compliance and accident investigation activities. The authority to conduct, research, testing, development and training activities is currently addressed in section 13(a) of the NGPSA.

Proposed section 12(b) incorporates, with minor changes, the language in existing section 12(a) pertaining to the obligation of persons engaged in the transportation of gas or who own or operate pipeline facilities to establish, maintain, and make available, records, reports, and other information that the Secretary considers necessary to determine whether such persons have acted or are acting in compliance with the NGPSA and the standards or orders issued under the NGPSA.

Proposed section 12(c) combines, in one section, the current authority of the Secretary under existing sections 12(a) and 12(b) to inspect records and facilities.

Section 12 is further amended by redesignating existing sections 12(c) and 12(d) as sections 12(d) and 12(e) respectively.

Section 110. Section 110 amends section 15 of the NGPSA by redesignating it as section 14 and by authorizing appropriations for fiscal years ending September 30 1980 and September 30, 1981, such sums as may be necessary to carry out the provisions of both the NGPSA and the Hazardous Liquid Pipeline Safety Act of 1979 (Title II of the enclosed bill). This is consistent with past practice whereby the Department uses the authorization authority of the NGPSA to support both the gas and liquids pipeline safety programs. A separate appropriation is authorized to carry out the Federal grants-in-aid provisions of section 5(d) (as redesignated) of the NGPSA.

Section 111. Section 111 contains amendments of a clerical and conforming nature. Two are of some significance:

The date for submittal of the Annual Report under section 14 (redesignated as section 13) of the NGPSA is changed from March 17 to June 15 to permit sufficient time for the collection and development of data and the processing coordination, and printing of the Report.

The Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) is amended by striking out sections 28(w)(3) and 28(w)(4). Sections 28(w)(3) and (4) read as follows:

"(3) Periodically, but at least once a year, the Secretary of the Department of Transportation shall cause the examination of all pipelines and associated facilities on Federal lands and shall cause the prompt reporting of any potential leaks or safety problems.

(4) The Secretary of the Department of Transportation shall report annually to the President, the Congress, the Secretary of the Interior, and the Interstate Commerce Commission any potential dangers of or actual explosions, or potential or actual spillage on Federal lands and shall include in such report a statement of corrective action taken to prevent such explosion or spillage."

Under these provisions, the responsibility of the Secretary runs to all pipelines on Federal lands whether they be owned or operated by private operators or by Federal agencies.

For pipeline facilities on Federal lands owned or operated by private operators or carriers, the examination and reporting required by section 28(w)(3) and the information sought by the report required by section 28(w)(4) is already carried out or provided for under the mandates of other Federal law and regulation. Federal gas and liquid pipeline safety regulations (contained in 49 CFR Parts 191, 192, and 195), which are applicable to private operators or carriers but not Federal agencies, require the annual examination of and reporting on all privately owned or operated pipeline facilities, including those on Federal lands. In addition, the regulations require prompt reporting and correction of significant failures associated with such facilities. While required reports do not presently differentiate between facilities on Federal and non-Federal lands, the Department of Transportation has already instituted rulemaking to require such a differentiation. It is expected that this rulemaking will become final in April of this year.

Information from the above reports and from other sources is used to develop the Annual Report for gas pipelines required by section 14 of the NGPSA. This report has, since 1974, included relevant data on liquid pipelines regulated under the authority of the Transportation of Explosives Act (18 U.S.C. 831–835).

By viewing the inspection and reporting required by regulation together with the Annual Report required by the NGPSA, it becomes apparent that the matters currently or soon to be addressed by these requirements are substantially the same matters addressed by sections 28(w)(3) and 28(w)(4) of the Mineral Leasing Act, to the extent those sections relate to privately owned or operated pipeline facilities.

Neither the NGPSA or the Transportation of Explosives Act, or the regulations issued those Acts apply to pipeline facilities owned or operated by Federal agencies. However, after submitting four annual reports regarding Federally-owned or operated facilities under the requirement of section 28(w)(4), the Department of Transportation believes that the commitment of Federal resources necessary to develop such annual reports is not justified by the safety benefits derived from such reports.

The only Federal agencies that own and operate pipeline facilities on Federal lands are the General Services Administration and the Department of Defense (DOD). The pipelines owned or operated by these agencies total approximately 5,500 miles of which approximately 5,000 miles is under the control of DOD. Information received from these agencies over the past four years indicate that there is little or no safety problem with these pipelines. Furthermore, the DOD estimated in 1975 that it would cost them approximately $400,000 annually to gather and report the information on these pipelines in support of DOT's obligation to meet the requirements of sections 28(w)(3) and 28(w)(4).

The 5,500 miles of Federally controlled pipeline on Federal lands are insignificant when compared with approximately 1,750,000 miles of privately owned or operated hazardous gas and liquid pipelines in this country over which DOT has safety jurisdiction. Because of the insignificant amount of Federally owned or operated pipelines, and the absence of any significant safety problems on those pipelines, DOT believes that the considerable costs associated with complying with sections 28(w)(3) and 28(w)(4) of the Mineral Leasing Act are not commensurate with the safety benefits derived from that exercise.

TITLE II

Section 201. Section 201 of the bill provides that Title II of the proposed Act (hereinafter referred to as Title II) shall be cited as the "Hazardous Liquid Pipeline Safety Act of 1979".

Section 202. Section 202 provides that the purpose of Title II is to improve the ability of the Secretary of Transportation to protect the Nation adequately against the risks to life and property which are inherent in the transportation of hazardous liquids by pipeline in or affecting interstate or foreign commerce. The Secretary presently regulates hazardous liquid pipelines under the Transportation of Explosives Act (18 U.S.C. 831–835) (TOEA) which was developed before the need for pipeline safety became evident. The TOEA was not written with pipeline safety in mind and in fact does not even use the word pipeline in its provisions.

Title II section:	Section of NGPSA, as amended by title I
204 parallels	3
206 parallels	6
207 parallels	7
208 parallels	8
209 parallels	9
210 parallels	10
211 parallels	11
212 parallels	12
213 parallels	13
214 parallels	16

The analysis of sections 204 and 206–214 will correspond to the analysis of those NGPSA sections, and therefore, need not be repeated here. The remaining sections under Title II (sections 203, 205, 215, 216, and 217) are discussed below.

Section 203. Section 203 contains definitions which describe the persons, hazardous liquids, transportation, and facilities covered.

Persons covered

Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities comes within the jurisdiction of Title II. The jurisdiction extends to operations of public bodies, but it is not intended that the provisions apply to Federally operated facilities, including the military.

Hazardous liquids covered

Hazardous liquid is defined as meaning a substance or material in liquid form (excluding liquefied natural gas) which may pose an unreasonable risk to life or property when transported by pipeline facilities. While hazardous liquid is defined to expressly include petroleum, petroleum products, and any other liquid that is flammable, corrosive, or toxic, it is intended that the Secretary have the authority to classify, by regulation, other liquids as hazardous if it meets the risk criteria stated above. This definition is consistent with current authority under the TOEA and regulations issued thereunder.

Transportation covered

The term "transportation of hazardous liquids" is defined as the movement of hazardous liquid by pipeline or its storage in or affecting interstate or foreign commerce.

In the NGPSA, the "transportation of gas" is defined in terms of the gathering, transmission or distribution of gas by pipeline or its storage. However, those terms are not fully applicable to hazardous liquid transportation. For instance, there are no pipeline distribution systems for hazardous liquids. The phrase "movement . . . by pipeline", in proposed section 203 is intended to mean all aspects of any pipeline transportation in or affecting interstate commerce. It should be noted that storage of hazardous liquid in or affecting interstate commerce is included in the coverage of Title II. However, as under the NGPSA, it is not intended that safety authority over storage facilities extend to storage in marine vessels.

Pipeline facilities covered

The term "pipeline facilities" is defined to include any new or existing pipe, rights-of-way, and equipment, facilities, or buildings used or intended to be used in the transportation of hazardous liquids or the treatment of hazardous liquids during the course of transportation. There is a qualification contained in this definition which provides that the term "rights-of-way" does not authorize the Secretary to prescribe the location or routing of any pipeline facility.

The term "interstate pipeline facility" is defined to include pipeline facilities that, either on their own or by connection with other pipeline facilities, are used to move hazardous liquids in interstate or foreign commerce. It is intended that an intrastate pipeline facility be classed as an interstate pipeline facility if it is physically part of a pipeline system that moves hazardous liquids in interstate or foreign commerce.

The term "intrastate pipeline facility" is defined to mean those facilities which are not "interstate pipeline facilities".

Other definitions

Other definitions are included in this section covering what is meant by "interstate or foreign commerce"; "State" (includes District of Columbia and the Commonwealth of Puerto Rico); and "Secretary".

Section 205. In the belief that States could effectively assist the Department in carrying out its hazardous liquid pipeline safety responsibilities, section 205 provides States with the opportunity to exercise safety authority over intrastate hazardous liquid pipeline facilities similar to that which currently exists under the NGPSA for intrastate gas pipeline facilities. However, unlike the NGPSA, section 205 does not establish a Federal grant-in-aid program to assist the States in carrying out those safety activities.

Section 215. Section 215 provides for conforming amendments to other laws.

If Title II of this bill becomes law, the Transportation of Explosives Act (18 U.S.C. 831–835), which currently authorizes the Secretary's hazardous liquid pipeline safety programs, will no longer be utilized. Because of that and because hazardous liquid pipelines are the only mode of transportation still regulated under the TOEA, section 215 proposes the repeal of sections 831–835 of Chapter 39 of Title 18, United States Code.

Section 215 also proposes to amend section 112(c) of the Hazardous Materials Transportation Act (49 U.S.C. 1811(c)) (HMTA) to reflect the repeal of the TOEA. Section 112(c) excepts pipelines regulated under the TOEA from the provisions of the HMTA. Because hazardous liquid pipelines are proposed to be regulated under the pro-

visions of Title II, it is proposed to replace the reference to the TOEA in section 112(c) with a reference to Title II.

Section 216. Section 216 provides that Title II shall take effect on the date of enactment.

Section 217. While section 215 of Title II proposes to repeal sections 831–835 of Chapter 39 of Title 18, U.S.C., it is necessary to provide continuity for the hazardous liquid pipeline safety programs being carried out under the authority of those sections. Section 217(a) provides that all orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective under sections 831–835, which are in effect at the time Title II takes effect, shall continue in effect as though issued, made, granted, or allowed to become effective under the authority of Title II, according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

Section 217(b) provides that judicial and quasi-judicial proceedings pending upon the date of enactment of Title II be completed as if Title II had not been enacted, unless the Secretary makes a determination that the public safety otherwise require.

NOTICE OF PROPOSED RULEMAKING ON NEW FEDERAL SAFETY STANDARDS FOR LIQUEFIED NATURAL GAS FACILITIES

The NPRM (Docket OPSO-46, Notice 4), issued February 5, 1979, proposes establishment of a set of comprehensive Federal safety standards governing siting, design, and construction of new LNG facilities and parts of existing facilities that are replaced, relocated, or significantly altered.

Standards for operation, maintenance, and security of new and existing LNG facilities will be proposed in a separate NPRM to be issued in March 1979.

Current DOT standards for LNG facilities consist of an incorporation by reference of the 1972 edition of National Fire Protection Association Standards No. 59A.

The NPRM proposes a number of significant changes to the current standards. The new standards would require:

Use of greater land area to protect nearby populations against heat radiating from a fire at the facility site.

Use of greater land area or an ignition system to protect surrounding populations against the hazards of a gas cloud traveling downwind from an LNG spill.

More detailed geological investigation of a proposed site (based on Nuclear Regulatory Commission standards.)

Stronger design of storage tanks, dikes, and other critical components to guard against the effects of earthquakes, flooding, and high winds. Facilities would be prohibited in active seismic areas.

Better design of impounding systems (diked areas) to contain a major spill of LNG.

More stringent storage tank design and testing to minimize the possibility of a catastrophic failure.

New construction procedures, qualification of construction personnel, and testing control systems.

Annualized costs projected over the next 20 years, based on existing facility designs and sites, range from $29 million to $54 million per year, depending on the number of facilities to be built (between 6 and 64 facilities.) Costs could be reduced below these levels by using available design and siting options, and would be significantly lower ($6 million per year for minimum case) if an operator does not purchase or lease land to provide a safe vapor dispersion zone. (A zone could be provided by local government land controls, or alternatively where a zone is impractical, safety may be provided by an approved ignition system.)

By Mr. CANNON:

S. 412. A bill to amend the Internal Revenue Code of 1954 to provide a reduction in the taxes imposed on the transportation of persons and property by air; to the Committee on Finance.

AIR TRANSPORTATION TAX REDUCTION ACT OF 1979

Mr. CANNON. Mr. President, today I have the extreme pleasure of introducing a tax reduction bill which will provide air travelers with lower fares without any concomitant belt tightening of needed aviation improvements. This luxury is possible because of the over $2 billion surplus in the airport and airway trust fund.

I am hopeful that the Committee on Finance will give expeditious consideration to this tax relief measure.

By Mr. CANNON (for himself, Mr. INOUYE, Mr. EXON, and Mr. GOLDWATER):

S. 413. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

Mr. CANNON. Mr. President, I am pleased today to introduce on behalf of Senators INOUYE, EXON, GOLDWATER, and myself the Aviation Safety and Noise Abatement Act of 1979. As I told my colleagues last week this bill is a sorely needed piece of legislation from two perspectives. First we must move to improve the level of aviation safety at both major airports and the smaller fields which feed traffic to major hubs. Second we must begin a Federal effort to provide meaningful relief to the 7 million Americans who are severly impacted by aircraft noise.

This bill attacks the aviation safety problems with modest funding increases for airport development and navigational aids. Last year's tragedy in San Diego underscored the need to improve reliever airports for general aviation aircraft and the need to accelerate the introduction of more sophisticated navaids at major terminal airports.

I remind my colleagues concerned with the budget impact of any program that the funds being spent in this bill come from the airport and airway trust fund. This fund is fed by user taxes; has always enjoyed a surplus of revenues over expenditures; and currently enjoys an unobligated surplus of over $2 billion. Inflation, in fact, is fueled by the existence of this surplus due to the interest (over $100 million per year) which the General Treasury is required to pay the fund.

To go one step further, I stand ready to reduce the budget impact of this bill to zero by adding a provision authorizing the use of trust fund moneys for FAA's agency's draw on General Treasury funds. However, in return for such an amendment I seek an assurance from the administration that it will support this bill and its safety improvements. Too often in the past administrations have sought to fund operation of FAA at the expense of needed safety improvements. I am willing to meet both goals, but not one at the expense of the other.

The second important purpose of this bill is to begin addressing the noise problem which exists around many of our major and small airports. The bill provides a two-pronged attack on the problem by assisting airport operators on land acquisition, and by improving the level of aircraft noise relief established under the FAR 36. Title I in the bill provides planning and acquisition funds for airport operators willing to implement landside compatibility programs. Title III of the bill makes improvements on the current noise regulation by encouraging replacement with newest, quietest technology aircraft in lieu of retrofitting existing aircraft to achieve a meaningless noise reduction. While the current noise regulation has a number of glaring deficiencies perhaps the most absurd is that one jet aircraft which does not meet FAR–36 can be replaced with a new jet which does, and yet the new jet can be noisier than the older airplane. Therefore, a reasonable man might ask, Why not permit the older aircraft to continue operating rather than forcing inefficient and meaningless retrofit of the aircraft?

Title III of this bill seeks to bring some rationality to the noise rule. This title also provides standby authority for the CAB to impose a ticket surcharge in the unlikely event that airline profits nosedive to the point that the airlines cannot meet the noise regulation. Implementation and adjustment of the charge are left up to the CAB. This section is an insurance policy for compliance with the noise rule, whatever its final form.

This bill is a needed piece of legislation which will improve safety, reduce aircraft noise impact, improve the noise rule, and provide an assurance that a rational noise rule will be met. And, of equal importance in these economic times, these meritorious improvements will be made at no cost to the general taxpayer or the traveling public.

In conclusion, I wish to note the cooperation of the House Public Works Committee in developing this legislation. We have worked closely with the House committee during the recess so that we may hopefully introduce compatible legislation. This bill addresses two problems which cannot wait for leisurely resolution. I thank the House Public Works for their cooperation and constructive input.

Mr. President, I thank the Senator for yielding to me.

I thank the Senator from Pennsylvania.

By Mr. BAYH (for himself, Mr. DOLE, Mr. BELLMON, Mr. COCHRAN, Mr. DECONCINI, Mr. GARN, Mr. HATCH, Mr. HATFIELD, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. SCHMITT, and Mr. THURMOND):

S. 414. A bill to amend title 35 of the United States Code, to establish a uniform Federal patent procedure for small businesses and nonprofit organizations, to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance, and for other purposes; to the Committee on the Judiciary.

UNIVERSITY AND SMALL BUSINESS PATENT PROCEDURES ACT

● Mr. BAYH. Mr. President, today I am pleased to be reintroducing, along with my very able colleague from Kansas, Senator BOB DOLE, the University and Small Business Patent Procedures Act. As my colleagues know, we introduced similar legislation late last year which received substantial bipartisan support in the last Congress. I am pleased that our colleagues Senators BELLMON, DECONCINI, GARN, HATCH, HATFIELD, LUGAR, MATHIAS, MATSUNAGA, MCGOVERN, METZENBAUM, SCHMITT, and THURMOND have joined as cosponsors of this bill.

Lately there has been a great deal of evidence that America is falling behind in its traditional role of international leadership in technological innovation. Some examples of this disturbing trend are the facts that—

Importation of foreign manufactured goods are second only to foreign oil imports as the biggest drain on U.S. dollars. In the first half of 1978 we suffered a $14.9 billion deficit on this importation;

The number of patents issued each year has steadily declined since 1971;

The number of U.S. patents granted to foreigners has risen since 1973 and now accounts for 35 percent of all patents filed in the United States;

Investment in research and development over the past 10 years, in constant dollars, has failed to increase;

American productivity is growing at a much slower rate than that of our free world competitors;

Small businesses, which have compiled a very impressive record in technological innovation, are receiving a distressingly low percentage of Federal research and development money;

The number of patentable inventions made under federally supported research has been in a steady decline.

There are a number of theories on the cause of this trend, but one area where progress could be made immediately is with inventions arising from federally supported university and small business research.

The bill that we are introducing strikes a careful balance between the rights of the Federal Government to use for itself and the public good inventions arising out of research that the Federal Government helps to support, and the equally important rights of the inventor and the public to see that the inventions receive their full potential in the marketplace and reach the people they may benefit. This bill will allow universities, nonprofit organizations, and small businesses to obtain limited patent protection on discoveries they have made under Government-supported research, if they spend the additional private resources necessary to bring their discoveries to the public. Experience has shown that unless inventors, universities, small businesses, and the private sector generally are given sufficient incentives to work together and bring inventions to the public, new technology is likely to languish.

The problem is substantial in HEW, the Department of Energy, the Department of Agriculture, and the National Science Foundation. But this problem is especially serious in the field of biomedical research programs where delays by the agencies in granting patent waivers for new drugs and processes have condemned many people to needless suffering. Unless universities and small businesses receive the rights to retain patent rights on these inventions, valuable discoveries wind up wasting away on the funding agency's shelves benefiting no one.

The Departments of Energy and HEW frequently take months, and in some cases even years, to review these petitions for patent rights. Many inventions could make singificant contributions to the health and welfare needs of our country if they were utilized. When the Government decides to retain patent rights on these inventions there is a very great chance that they will never be developed. Of the 30,000 patents that the Government presently holds, less than 4 percent are ever successfully licensed. This is very little return on the billions of dollars that we spend every year on research and development.

Another problem that this legislation addresses is the distressingly low percentage of Federal research money that goes to small businesses. The Office of Management and Budget released a study which said that firms with 1,000 employees or less are credited with almost half of the industrial innovations made between 1953 and 1973. This same study estimated that 16 small technology firms created 25,558 jobs for American workers during this 20-year period. In light of these facts it is very disturbing to me that small business receives less than 4 percent of the Federal research and development expenditure. One major reason that many of these innovative small companies have avoided Federal grants is the uncertainty over whether or not they will be allowed to retain patent rights on resulting inventions. The University and Small Business Patent Procedures Act would end this uncertainty.

I hope that my colleagues in the Senate will give this bill very serious consideration and will join us in supporting this important legislation. I would also like publicly to thank the many patent experts and organizations who submitted suggested improvements in the bill during the recess and who have enabled us to introduce a much improved piece of legislation this year.

I would like to ask for unanimous consent to include in the RECORD the text of the bill, along with the following materials at the conclusion of my remarks:

A section-by-section analysis of the bill.

An editorial which appeared in the November 17, 1978, Science magazine entitled "Science in the Political Economy."

My letter to the editor of Science which appeared in the January 12, 1979, issue.

An editorial which appeared in the June 30, 1978, Science magazine entitled "Patent Policy Versus Innovation."

An article by Mr. Sheldon E. Steinbach, "Establishing an Equitable Patent Policy," which explains the unique problems of university research.

A report to the Office of Management and Budget entitled "Small Firms and Federal Research and Development" which details the contributions that small businesses could make to innovation and suggestions for getting more small businesses involved in federally supported research.

And finally, two articles from the Washington Post, "Waning of Innovation Is Seen" which appeared on November 11, 1978, and "U.S. Seen Losing Technological Edge in Some Industries," which appeared on November 24, 1978.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 414

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "University and Small Business Patent Procedures Act".

SEC. 2. AMENDMENTS OF TITLE 35, UNITED STATES CODE, PATENTS.—Title 35 of the United States Code is amended by adding after chapter 17, a new chapter as follows:

"Chapter. 18.—PATENTABILITY OF INVENTIONS MADE WITH FEDERAL ASSISTANCE

"Sec.
"200. Policy and objective.
"201. Definitions.
"202. Disposition of rights.
"203. March-in rights.
"204. Return of Government investment.
"205. Preference for United States industry.
"206. Confidentially.
"207. Uniform clauses.
"208. Domestic and foreign protection of federally owned inventions.
"209. Regulations governing Federal licensing.
"210. Coordination of Federal licensing practices.
"211. Restrictions on licensing of federally owned inventions.
"212. Precedence of chapter.
"213. Relationship to antitrust laws.

"SEC. 200. POLICY AND OBJECTIVE.—It is the policy and objective of the Congress to use the patent system to promote the utilization of inventions arising from federally supported research or development; to encourage maximum participation of small business firms in federally supported research and development efforts; to promote collaboration between commercial concerns and nonprofit organizations, including universities; to ensure that inventions made by non-profit organizations and small business firms are used in a manner to promote free competition and enter-

prise; to promote the commercialization and public availability of inventions made in the United States by United States industry and labor; to ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and to minimize the costs of administering policies in this area.

"SEC. 201. DEFINITIONS.—As used in this chapter—

"(a) The term 'Federal agency' means any executive agency as defined in section 105 of title 5, United States Code, and the military departments as defined by section 102 of title 5, United States Code.

"(b) The term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any person for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as herein defined.

"(c) The term 'contractor' means any person that is a party to funding agreement.

"(d) The term 'invention' means any invention or discovery which is or may be patentable or otherwise protectable under this title.

"(e) The term 'subject invention' means any invention of the contractor conceived or first actually reduced to practice in the performance of work under a funding agreement.

"(f) The term 'practical application' means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or Government regulations available to the public on reasonable terms.

"(g) The term 'made' when used in relation to any invention means the conception or first actual reduction to practice of such invention.

"(h) The term 'small business firm' means a small business concern as defined at section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration.

"(i) The term 'nonprofit organization' means universities and other institutions of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)).

"SEC. 202. DISPOSITION OF RIGHTS.—(a) Each nonprofit organization or small business firm may, within a reasonable time after disclosure as required by paragraph (c)(1) of this section, elect to retain title to any subject invention: *Provided, however,* That a funding agreement may provide otherwise (i) when the subject invention is made under a contract for the operation of a Government-owned research or production facility, or (ii) in exceptional circumstances when it is determined by the agency that restriction or elimination of the right to retain title to any subject invention will better promote the policy and objectives of this chapter. The rights of the nonprofit organization or small business firm shall be subject to the provisions of paragraph (c) of this section and the other provisions of this chapter.

"(b)(1) Any determination under (ii) of paragraph (a) of this section shall be in writing and accompanied by a written statement of facts justifying the determination. A copy of each such determination and justification shall be sent to the Comptroller General of the United States within thirty days after the award of the applicable funding agreement. In the case of determinations applicable to funding agreements with small business firms copies shall also be sent to the Chief Counsel for Advocacy of the Small Business Administration.

"(2) If the Comptroller General believes that any pattern of determinations by a Federal agency is contrary to the policy and objectives of this chapter or that an agency's policies or practices are otherwise not in conformance with this chapter, the Comptroller General shall so advise the head of the agency. The head of the agency shall advise the Comptroller General in writing within one hundred twenty days of what action, if any, the agency has taken or plans to take with respect to the matters raised by the Comptroller General.

"(3) At least once each year, the Comptroller General shall transmit a report to the Committees on Judiciary of the Senate and House of Representatives on the manner in which this chapter is being implemented by the agencies and on such other aspects of Government patent policies and practices with respect to federally funded inventions as the Comptroller General believes appropriate.

"(c) Each funding agreement with a small business firm or nonprofit organization shall contain appropriate provisions to effectuate the following:

"(1) A requirement that the contractor disclose each subject invention to the Federal agency within a reasonable time after it is made and that the Federal Government may receive title to any subject invention not reported to it within such time.

"(2) A requirement that the contractor make an election to retain title to any subject invention within a reasonable time after disclosure and that the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such time.

"(3) A requirement that a contractor electing rights file patent applications within reasonable times and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world, and may, if provided in the funding agreement, have additional rights to sublicense any foreign government pursuant to any existing or future treaty or agreement.

"(5) The right of the Federal agency to require periodic reporting on the utilization or efforts at obtaining utilization that are being made by the contractor or his licensees or assignees: *Provided,* That any such information may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under the Freedom of Information Act.

"(6) An obligation on the part of the contractor, in the event a United States patent application is filed by or on its behalf or by any assignee of the contractor, to include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention.

"(7) In the case of a nonprofit organization, (a) a prohibition upon the assignment of rights to a subject invention in the United States without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not have a substantial proprietary interest in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention (provided that such assignee shall be subject to the same provisions as the contractor) (b) a prohibition against the granting of exclusive licenses under United States Patents or Patent Applications in a subject invention by the contractor for a period in excess of the earlier of five years from first commercial sale or use of the invention or eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance unless, on a case-by-case basis, the Federal agency approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use shall not be deemed commercial sale or use as to other fields of use; (c) a requirement that the contractor share royalties with the inventor; and (d) a requirement that the balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, be utilized for the support of scientific research or education.

"(8) The requirements of sections 203, 204, and 205 of this chapter.

"(d) If a contractor does not elect to retain title to a subject invention in cases subject to this section, the Federal agency may consider and after consultation with the contractor grant requests for retention of rights by the inventor subject to the provisions of this Act and regulations promulgated hereunder.

"(e) In any case when a Federal employee is a coinventor of any invention made under a funding agreement with a nonprofit organization or small business firm, the Federal agency employing such coinventor is authorized to transfer or assign whatever rights it may acquire in the subject invention from its employee to the contractor subject to the conditions set forth in this chapter.

"SEC. 203. MARCH-IN RIGHTS.—With respect to any subject invention in which a small business firm or nonprofit organization has acquired title under this chapter, the Federal agency under whose funding agreement the subject invention was made shall have the right, in accordance with such procedures as are provided in regulations promulgated hereunder to require the subject inventor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonabe under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such request, to grant such a license itself, if the Federal agency determines either—

"(a) that such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use; or

"(b) that such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the contractor, assignee, or their licensees; or

"(c) that such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the contractor, assignee, or licensees; or

"(d) that such action is necessary because

the agreement required by section 205 has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of its agreement obtained pursuant to section 205.

"SEC. 204. RETURN OF GOVERNMENT INVESTMENT.—(a) If a nonprofit organization or small business firm receives $250,000 in after tax profits from the licensing of any subject invention within a period of ten years following disclosure of the invention, the United States shall be entitled to a share, to be negotiated, of up to 50 per centum of all net income during said period from licensing received by the contractor above $250,000: *Provided, however,* That in no event shall the United States be entitled to an amount greater than that portion of the Federal funding under the funding agreement under which the subject invention was made which was expended on activities related to the making of the invention.

"(b) In addition, if a nonprofit organization or small business firm receives after tax profits in excess of $2,000,000 on sales of products embodying or manufactured by a process employing a subject invention, during a period of ten years commencing with commercial exploitation of the subject invention, the Government shall be entitled to a share, to be negotiated, of all additional income accruing from such sales up to the amount of the portion of the Government funding under the funding agreement under which the invention was made which was expended on activities related to the making of the invention less any amounts received by the Government in accordance with paragraph (a) of this section 204.

"(c) The Director of the Office of Federal Procurement Policy is authorized and directed to revise the figures of $250,000 and $2,000,000 in paragraphs (a) and (b) of this section at least every three years in light of changes to the Consumer Price Index or other indices which he considers reasonable to use.

"SEC. 205. PREFERENCE FOR UNITED STATES INDUSTRY.—Notwithstanding any other provision of this chapter, no small business firm or nonprofit organization which receives title to any subject invention and no assignee of any such nonprofit organization shall grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency under whose funding agreement the invention was made upon a showing by the small business firm, nonprofit organization, or assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States.

"SEC. 206. CONFIDENTIALITY.—Federal agencies are authorized to withhold from disclosure to the public information disclosing any invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for a patent application to be filed. Furthermore, Federal agencies shall not be required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

"SEC. 207. UNIFORM CLAUSES.—The Office of Federal Procurement Policy, after receiving recommendations of the Office of Science and Technology Policy, may issue regulations which may be made applicable to Federal agencies establishing standard funding agreement provisions required under this chapter.

"SEC. 208. DOMESTIC AND FOREIGN PROTECTION OF FEDERALLY OWNED INVENTIONS.—Each Federal agency is authorized to—

"(1) apply for, obtain, and maintain patents or other forms of protection in the United States and in foreign countries on inventions in which the Federal Government owns a right, title, or interest;

"(2) promote the licensing of inventions covered by federally owned patent applications, patents, or other forms of protection obtained with the objective of maximizing utilization by the public of the inventions covered thereby;

"(3) grant nonexclusive, exclusive, or partially exclusive licenses under federally owned patent applications, patents, or other forms of protection obtained, royalty-free or for royalties or other consideration, and on such terms and conditions, including the grant to the licensee of the right of enforcement pursuant to the provisions of chapter 28 of this title as determined appropriate in the public interest;

"(4) make market surveys and other investigations for determining the potential of federally owned inventions for domestic and foreign licensing and other forms of utilization, acquire technical information, and engage in negotiations and other activities for promoting the licensing and for the purpose of enhancing their marketability and public utilization;

"(5) undertake all other suitable and necessary steps to protect and administer rights to federally owned inventions on behalf of the Federal Government either directly or through contract;

"(6) transfer custody and administration, in whole or in part, to the Department of Commerce or to another Federal agency, of the right, title, or interest in any federally owned invention for the purpose of carrying out the provisions of paragraphs (1) through (4), without regard to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

"(7) designate the Department of Commerce as recipient of any or all funds received from fees, royalties, or other management of federally owned inventions authorized under this chapter.

"SEC. 209. REGULATIONS GOVERNING FEDERAL LICENSING. — The Administrator of General Services is authorized to promulgate regulations specifying the terms and conditions upon which any federally owned invention may be licensed on a nonexclusive, partially exclusive, or exclusive basis.

"SEC. 210. COORDINATION OF FEDERAL LICENSING PRACTICES.—The Secretary of Commerce is authorized in cooperation with other Federal agencies to—

"(1) coordinate a program for assisting all Federal agencies in carrying out the authority set forth in section 208;

"(2) publish notification of all federally owned inventions that are available for licensing;

"(3) evaluate inventions referred by Federal agencies, and patent applications filed thereon, in order to identify those inventions with the greatest commercial potential and to insure promotion and utilization by the public of inventions so identified;

"(4) assist the Federal agencies in seeking and maintaining protection on inventions in the United States and in foreign countries, including the payment of fees and costs connected therewith;

"(5) accept custody and administration, in whole or in part, of the right, title, and interest in any invention for the purposes set forth in paragraphs (1) through (4) of section 208, with the approval of the Federal agency concerned and without regard to the provisions of the Federal Property and Administrative Service Act of 1949 (40 U.S.C. 471);

"(6) receive funds from fees, royalties, or other management of federally owned inventions authorised under this chapter, but such fund shall be used only for the purposes of this chapter; and

"(7) undertake such other functions directly or through such contracts as are necessary and appropriate to accomplish the purposes of this title.

"SEC. 211. RESTRICTIONS ON LICENSING OF FEDERALLY OWNED INVENTIONS.—(a) No Federal agency shall grant any license under a patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention.

"(b) A Federal agency shall normally grant any license under a patent or patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention.

"(b) A Federal agency shall normally grant the right to use or sell any federally owned invention in the United States only to a licensee that agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

"(c)(1) Each Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a federally owned domestic patent or patent application only if, after public notice and opportunity for filing written objections, it is determined that—

"(A) the interests of the Federal Government and the public will best be served by the proposed license, in view of the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public;

"(B) the desired practical application has not been achieved, or is not likely expeditiously to be achieved, under any nonexclusive license which has been granted, or which may be granted, on the invention;

"(C) exclusive or partially exclusive licensing is a reasonable and necessary incentive to call forth the investment of risk capital and expenditures to bring the invention to practical application or otherwise promote the invention's utilization by the public; and

"(D) the proposed terms and scope of exclusivity are not greater than reasonably necessary to provide the incentive for bringing the invention to practical application or otherwise promote the invention's utilization by the public.

"(2) A Federal agency shall not grant such exclusive or partially exclusive license under paragraph (1) of this subsection if it determines that the grant of such license will tend substantially to lessen competition or result in undue concentration in any section of the country in any line of commerce to which the technology to be licensed relates, or to create or maintain other situations inconsistent with the antitrust laws.

"(3) First preference in the exclusive or partially exclusive licensing of federally owned inventions shall go to small business firms submitting plans that are determined by the agency to be within the capabilities of the firms and as likely, if executed, to bring the invention to practical application as any plans submitted by applicants that are not small business firms.

"(d) After consideration of whether the interests of the Federal Government or United States industry in foreign commerce will be enhanced, any Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a foreign patent application or patent, after public notice and opportunity for filing written objections, except that a Federal agency shall not grant such exclusive or partially exclusive license if it determines that the grant of such li-

cense will tend substantially to lessen competition or result in undue concentration in any section of the country in any line of commerce to which the technology to be licensed relates, or to create or maintain other situations inconsistent with the antitrust laws.

"(e) The Federal agency shall maintain a record of determinations to grant exclusive or partially exclusive licenses.

"(f) Any grant of a license shall contain such terms and conditions as the Federal agency determines appropriate for the protection of the interests of the Federal Government and the public, including provisions for the following:

"(1) periodic reporting on the utilization or efforts at obtaining utilization that are being made by the licensee with particular reference to the plan submitted: *Provided*, That any such information may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under the Freedom of Information Act;

"(2) the right of the Federal agency to terminate such license in whole or in part if it determines that the licensee is not executing the plan submitted with its request for a license and the licensee cannot otherwise demonstrate to the satisfaction of the Federal Agency that it has taken or can be expected to take within a reasonable time, effective steps to achieve practical application of the invention;

"(3) the right of the Federal agency to terminate such license in whole or in part if the licensee is in breach of an agreement obtained pursuant to paragraph (b) of this section; and

"(4) the right of the Federal agency to terminate the license in whole or in part if the agency determines that such action is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license and such requirements are not reasonably satisfied by the licensee.

"SEC. 212. PRECEDENCE OF ACT.—(a) This chapter shall take precedence over any other Act which would require a disposition of rights in subject inventions of small business firms or nonprofit organizations contractors in a manner that is inconsistent with this chapter, including but not necessarily limited to the following:

"(1) section 10(a) of the Act of June 29, 1935, as added by title 1 of the Act of August 14, 1946 (7 U.S.C. 427l(a); 60 Stat. 1085);

"(2) section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a); 60 Stat. 1090);

"(3) section 501(c) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 951(c); 83 Stat. 742);

"(4) section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1935(c); 80 Stat. 721);

"(5) section 12 of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a); 82 Stat. 360);

"(6) section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182; 68 Stat. 943);

"(7) section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457);

"(8) section 6 of the Coal Research Development Act of 1960 (30 U.S.C. 666; 74 Stat. 337);

"(9) section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167b; 74 Stat. 920);

"(10) section 32 of the Arms Control and Disarmament Act of 1961 (22 U.S.C. 2572; 75 Stat. 634);

"(11) subsection (e) of section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e); 79 Stat. 5);

"(12) subsection (a)(2) of section 216 of title 23, United States Code;

"(13) section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901; 88 Stat. 1878);

"(14) section 3 of the Act of June 22, 1976 (42 U.S.C. 1869d, note; 90 Stat. 694);

"(15) subsection (d) of section 6 of the Saline Water Conversion Act of 1971 (42 U.S.C. 1959(d); 85 Stat. 161);

"(16) section 303 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c-3; 78 Stat. 332);

"(17) section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d); 88 Stat. 1211);

"(18) section 3 of the Act of April 5, 1944 (30 U.S.C. 323; 58 Stat. 191); and

"(19) section 8001 of the Solid Waste Disposal Act (42 U.S.C. 6981; 90 Stat. 2829).

The Act creating this chapter shall be construed to take precedence over any future Act unless that Act specifically cites this Act and provides that it shall take precedence over this Act.

"(b) Nothing in this chapter is intended to alter the effect of the laws cited in paragraph (a) of this section or any other laws with respect to the disposition of rights in inventions made in the performance of funding agreements with persons other than nonprofit organizations or small business firms.

"(c) Nothing in this chapter is intended to limit the authority of agencies to agree to the distribution of rights in inventions made in the performance of work under funding agreements with persons other than nonprofit organizations or small business firms in accordance with the Statement of Government Patent Policy issued by the President on August 23, 1971 (36 Fed. Reg. 16887), agency regulations, or other applicable regulations or to otherwise limit the authority of agencies to agree to allow such persons to retain ownership of such inventions.

"SEC. 213. RELATIONSHIP TO ANTITRUST LAWS.—Nothing in this chapter shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defenses to actions, under any antitrust law.".

SEC. 3. AMENDMENTS TO OTHER ACTS.—The following Acts are amended as follows:

(a) Section 156 of the Atomic Energy Act of 1954 (42 U.S.C. 2186; Stat. 947) is amended by deleting the words "held by the Commission or".

(b) The National Aeronautics and Space Act of 1958 is amended by repealing paragraph (g) of section 305 (42 U.S.C. 2457(g); 72 Stat. 426).

(c) The Federal Nonnuclear Energy Research and Development Act of 1974 is amended by repealing paragraphs (g), (h), and (i) of section 9 (42 U.S.C. 5908 (g), (h), and (i); 88 Stat. 1889–1891).

SEC. 4. EFFECTIVE DATE.—This Act shall take effect one hundred and eighty days after the date of its enactment, except that the regulations referred to in section 2, or other implementing regulations, may be issued prior to that time.

SECTION-BY-SECTION ANALYSIS OF THE UNIVERSITY AND SMALL BUSINESS PATENT PROCEDURES ACT

Outlined below are the most important features of the bill:

Section 202: Provides that each nonprofit organization (defined in the bill to include universities) and small business shall have a reasonable amount of time to elect to retain title to subject inventions. The federal agency may retain title if the invention is made under a contract for operation of a government owned research or production facility, or in exceptional circumstances when it is determined that restriction or elimination of the right of the contractor to retain title to a subject invention would better promote the policy and objectives of this bill.

Section 202(b): Provides that whenever the funding agency determines that it should retain title to a subject invention a copy of this decision shall be sent to the Comptroller General. The Comptroller General will then review this decision and inform the head of the agency of his determination as to whether or not this retention of title is justified. The Comptroller General will also submit an annual report to the House and Senate Committees on the Judiciary on agency implementation of this bill.

Section 202(c): Provides that each funding agreement shall contain provisions to: (1) insure the right of the federal government to receive title to any subject invention not reported to it within a reasonable time; (2) insure the government's right to receive title to inventions when the inventor does not intend to file for patent rights; (3) guarantee that the agency shall have a nonexclusive, nontransferable, paid-up license to use the invention; and (4) insure the right of the funding agency to require periodic reports on the utilization or efforts at obtaining utilization of the subject invention.

Section 202(c)(7): Prohibits nonprofit organizations from assigning rights without the approval of the federal agency; prohibits granting such rights in excess of the earlier of 5 years from the date of first commercial use, or 8 years from the date of invention, whichever comes first; requires that the organization have some sort of royalty sharing agreement with the inventor; and says that all proceeds shall be used to support scientific research or education.

Section 203: Gives the federal agency the right to require the subject inventor or his assignee to grant additional licenses if the agency feels that sufficient steps are not being taken to achieve commercialization. Additional licensing may also be required to alleviate health and safety needs, or under provisions for public use as specified by federal regulations.

Section 204: Provides that if the patent holder receives $250,000 in after-tax profits from licensing any subject invention during a ten-year period, or receives in excess of $2,000,000 on the sale of products embodying of manufactured by a process employing the subject invention within the ten year period, that the government shall be entitled to collect up to 50 percent of all net income above these figures until such time as the amount of government research money has been repaid.

Section 205: Specifies that any title holder to a subject invention or his assignee shall not grant to any person the exclusive right to use or sell any subject invention in the United States unless that person agrees that any products embodying the subject invention or produced through its use shall be manufactured substantially within the U.S. unless this provision is waived by the funding agency.

Section 206: Will allow federal agencies to grant exclusive, partially exclusive, or nonexclusive licenses on government owned patents to achieve commercialization; the Department of Commerce is authorized to receive patents held by other agencies and to make the necessary steps to determine the market potential of the patent and to receive any fees or royalties due to the government.

Section 211: Says that after public notification of the government patents available for licensing the agency will then require that potential licensees submit plans outlining how the invention will be developed and marketed. If the agency determines that the granting of an exclusive or partially exclusive license will not lessen competition it will give first preference in its licensing to qualified small businesses.

Section 212: States that all contractors not covered under this bill will continue to operate under the existing agency programs.

SCIENCE IN THE POLITICAL ECONOMY

Although scientific research in the United States is not planned and managed after the

fashion of controlled economies, it is still highly sensitive to ups and downs in the political economy. For one thing, government provides half of all the financial outlays that go into research and development. This makes for both stability and instability, for good times and lean times, and we will be reminded of the facts of life as the government plods toward its war on inflation in an environment of rising taxpayers resistance to public spending. Science, politics, and economics all shade into one another in a score of ways.

One problem is that science is still perceived in government as a discretionary activity buried in a vast and relatively uncontrollable budget. The concept of research as investment gained respectability only this year in President Carter's 1979 Budget Message, and an idea like this has a burdensome prehistory to overcome. Although there are good reasons to believe that the President's Science Adviser and the Office of Management and Budget will continue to view scientific research in this light, the going will get rough when research must compete with powerful client-oriented categories of the budget under the stresses of rationing.

Another problem is the battered state of the political economy itself. Considering the worsening of inflation coupled with low economic growth and lagging productivity, economic logic strongly argues for budgetary restraint and a reduced deficit. If double-digit inflation materializes by the time the 1980 budget is locked up, it will take very heavy doses of appropriations to make up for inflation and allow real budget increases for R&D. Science might be fortunate to escape with a cost of living increase. In short, hard days lie ahead and the scientific community may be in for a refresher on the linkage between resources for science and the capacity limits of the larger political economy.

Given all this, it needs to be said again that more money is not the only strategy by which government can advance science and innovation. There has been an unwise and unthinking tendency to look solely at the curve of federal R&D funding as a kind of Dow-Jones clue to the health of science. Other factors are just as important to the vitality and productivity of R&D. If budget dollars are to be scarce, government can help to the utilization of the R&D it has funded by overhauling its static patent policies. It can make existing research dollars stretch farther by simplifying rather than adding to the dog's breakfast of methods, procedures, and controls that are now imposed on university research at such formidable costs to productivity. Government can apply the brakes to the profusion of regulations that retard risk-taking and innovation in industrial R&D. In doing these things, government would reduce inflationary pressure and free budget dollars that are being drawn off from research into defensive administration. The view from this quarter is that genuine progress in these directions would go a long way toward making austere R&D budgets more acceptable.

For the longer run, the function of science and innovation in the performance of the political economy calls for closer examination. As far as the indicative evidence takes us, it appears that industrial growth and competitiveness owe a great deal to scientific and technological vitality. That lesson has not been lost on the developing countries, and the People's Republic of China is the latest and largest of the world's political economies to stake its future on the promises of science and technology. Closer to home, the celebrations of General Electric's centennial and AT&T's three-quarters of a century tell us a great deal about the convergence of scientific creativity, managerial skill, and entrepreneurship in generating growth with productivity. What matters in the end is not so much the quantity of R&D as the conditions and the environment that stimulate or constrain discovery and use. There is a message here for the architects of the political economy.

TECHNOLOGICAL INNOVATION

I was extremely interested in William D. Carey's editorial "Science in the political economy" (17 Nov. 1978, p. 703). I agree with the assessment that the budget restraints we are facing make it critical that the money spent by the federal government for research and development bring the greatest possible return. Not only should we be selective in our research funding, but we must also create the best climate for bringing the fruits of federal research to the people in the form of new products and technology. Unfortunately, the present policy of federal government retention of patent rights on inventions arising out of federally supported research has resulted in many promising inventions being left to gather dust on the shelves of government agencies. Less than 4 percent of the patents held by the government are ever successfully licensed. This is not a very good return for the billions of dollars we spend on R. & D.

There is another trend that has been commented upon in the past in *Science* and is succinctly expressed by this headline, which appeared in the Washington *Post* on 24 November 1978: "U.S. Seen Losing Technological Edge in Some Industries." Because the government provides such a large percentage of all the R & D expenditures in the United States, an inefficient policy which stifles inventiveness hurts our companies who need new technological ideas to compete successfully with increasingly tough foreign businesses.

In the last Congress, I joined a bipartisan group of senators in introducing a bill we feel will answer at least part of these problems. This legislation, the University and Small Business Patent Procedures Act, will allow universities, small businesses, and nonprofit institutions in most cases to retain patent, rights for those inventions and processes if they are willing to spend the necessary private funds to develop and market a final product. At the same time, the bill will protect the legitimate rights of the government to enjoy the fruits of the research it helped to fund.

There are now 20 statutes and regulations in effect that give contradictory instructions to the agencies about their ability to grant patent petitions. Sometimes, even within the same agency, there can be different policies among various divisions. The result has been that researchers face a costly maze of confusing rules, many of which require the agency that helped fund the research to also retain the patent rights for any inventions arising from it.

Early in the next Congress, Senator Robert Dole (R-Kan.) and I again will lead the bipartisan effort to pass this legislation. I realize that getting the most out of our R & D money and the problem of our slumping rate of technological innovation are extremely complex areas. This bill would be an important first step in turning this situation around.

PATENT POLICY VERSUS INNOVATION

The United States is engaged in a massive research and development effort which, measured in current dollars, is edging close to the level of $50 billion annually, counting outlays in both the federal and the private sector. The budget for R & D in government calls for more than $28 billion in the next fiscal year. There is no doubt that the R & D input is strong. The *output* side may be a very different story.

We support R & D to learn something that we do not know, and to make use of what we learn. Like any other type of investment, R & D is expected to yield returns. In the case of government-financed R & D the question arises. Are the investors getting full and timely return? Are the results of federally funded R & D finding their way into the market?

The evidence, as usual, seems mixed. About 6,000 inventions are said to be generated each year from government-financed R & D many of which are patentable. Not enough of these apparently reach the market. Some 30,000 government-owned patents are piled up awaiting takers. To that extent, the national economy is not being enriched and utilization is forestalled. It is a baffling situation until one realizes that the blockage occurs largely in the government's patent policy.

The government operates on the proposition that the economic rewards from federally funded R & D should be captured by the government, or shared only grudgingly with others, since public funds were used. The view prevails that if rights to the discovery were released to private developers on an exclusive basis unreasonable private enrichment could occur. There is scant evidence to support these apprehensions, but the doctrine is riveted into government's thinking. The effect is that the market incentive to develop government-financed discoveries is circumscribed and inventions are isolated from normal risk-taking and pursuit.

It is not hard to see how this can inhibit the prospects for pass-through of discoveries from biomedical research or energy-related R & D. We see a prodigious R & D enterprise, fueled by tax dollars, constrained from diffusing its results because of a public policy barrier. Throughout the enterprise, discoveries sit stranded and aging. Meanwhile, we search for clues as to what is wrong with U.S. technological innovation, and how it is that foreign industry can undercut American competitiveness and employment.

As usual, public policies are muddled, conflicting more often than complementing one another. In the new study ordered by President Carter of the problems assailing industrial innovation, a fresh opportunity is provided to reexamine both the premises and the consequences of government patent policies. There is ample evidence that the costs of producing and marketing an invention are many times as great as the outlays on the R & D that led to the invention. Not many developers will take these risks with inventions resulting from federal R & D, in the absence of clear ownership.

It begins to appear that we have thought of "science policy" too much in terms of stimulating R & D and too little in terms of liberating its results. The benefits of federally funded R & D are hard enough to realize without the added drag of a dubious policy on patents. A public which is regularly lectured on the promise and performance of science may not be grateful to learn that government's rules are blocking research applications. That could be far more harmful to science than the Golden Fleece awards.

Public policy, if wisely designed, can stimulate economic pursuit of government-financed inventions while at the same time minimizing the risk of abuses. What is clear is that the present patent policies will not get us innovation, nor health and energy benefits, nor economic growth, nor trade competitiveness. We can hardly make the case that R & D contributes significantly to the nation's economy if, at the same time, we isolate its results from utilization. Here is a notable "Catch 22" in federal R & D policy, and it is time to bring it into the open.

ESTABLISHING AN EQUITABLE PATENT POLICY

(By Sheldon E. Steinbach)

Inventions resulting from federally funded research constitute a valuable national resource. The large amount of federal funds

supporting research dictates the necessity of examining the government's patent policy in order to ensure that inventions are delivered to the public and that the equities of all parties are protected. Because of their special mission, colleges and universities have unique patent concerns that warrant detailed exploration, particularly with regard to ownership of patent rights on inventions developed on campus under federal contracts and grants.

The federal government sponsors research in universities to expand the boundaries of existing knowledge in areas or on problems deemed to be in the public interest or to be related to national goals. Universities are free to publish research results, which are generally made available to all. The right to publish is normally preserved in the negotiation of grants and contracts, as is the sponsoring agency's right to receive certain reports.

Generating inventions is almost never the main objective of research conducted with federal funds; rather, an invention is generally an incidental by-product of the research activity, largely attributable to serendipity, to the personal creativity of the investigator backed by his years of professional training and experience, and to the scholarly environment and research resources provided by the university. When patentable discoveries are made, the equities to be considered include those of the inventor, the university, and, very properly, the financial sponsors.

When a patentable invention is made by an investigator in an academic institution with the help of federal funds, rarely are the federal funds the sole or even the major element contributing to the invention. Beyond the critical contribution of the investigator, the university itself virtually always helps to finance the laboratories, equipment, and personnel contributing to an invention. It also provides a scholarly atmosphere and often the infusion of funds obtained from nongovernment sources. Accordingly, each of the parties has a claim in equity.

A policy that assigns patent rights to the government for all federally supported research, however large or small the federal contribution, eliminates the universities' ability to recognize the equities of other sponsors and contributions of the institutions themselves. Because inventions resulting from federally sponsored research involve equities of the government, the contractor (on his own behalf or as the result of intermingled funds derived from other than federal agency sources), and the inventor, many factors must be considered in making a decision about where the primary right in such inventions should be vested. In making that decision, however, only one consideration should be paramount—that being in whose hands will the vestiture of primary rights serve to transfer most quickly and economically the invention technology to the public for its use and benefit.

Educational institutions are, of course, not organized to manufacture, produce, or market a patentable invention. Accordingly, if university-generated inventions are to be used, such institutions must interest those in the industrial world who have the commercial capability for invention and marked development, which the university lacks. Interesting the right parties is often a difficult task because few inventions coming out of university research offer readily recognizable prospects of a large market or a high return on investment. University-based inventions, because they most often correlate with the results of basic research, tend to be at best in the early stages of development, and therefore they require a substantial capital in order to develop the invention enough to be marketable.

At the same time, universities are in a unique position objectively to seek the best qualified industrial developer and, under appropriate licensing arrangements, to monitor the diligence of the developmental efforts. If universities cannot furnish, if appropriate, an exclusive license to developers for a limited period and thereby secure the investment of necessary capital, inventions resulting from government contracts are less likely to be developed to the point of marketability, and thus the public is less likely to receive the benefits from such inventions, or at least may not receive them as quickly as otherwise would be the case.

WHAT HAPPENS WHEN DELAYS ARE ENCOUNTERED?

When the right to seek patents resides in universities, appropriate patent applications can be filed promptly and negotiations can be begun immediately with prospective developer/licensees with the assistance of the inventor. When this right does not exist at the time of contracting, but must await a determination after the invention has been identified, substantial time is usually required to prepare the necessary documentation for the sponsoring agency and for the agency in turn to make a determination. While awaiting the outcome of such administrative process, the invention lies dormant, with the attendant risks that the inventor's interest in assisting in the development becomes attenuated and that intervening rights of others may foreclose successful transfer of the invention to the public.

Because deadlines for domestic and foreign patent applications are affected by publication of patentable ideas in scientific journals, delays in determining the disposition of rights to an invention can result either in delay of publication of research results or risk of expiration of the time limit in which patent applications can be filed. Neither choice is beneficial to the public interest.

Although the university's primary motivation in filing and prosecuting applications for patents is the timely promotion of actual availability of new products or processes to the general public, if, in the course of such transfer, income to support further research at the institution can be generated, the public benefits a second time.

The public benefits from university-generated patents through the efforts of agencies that offer inducement to those who can recast the fruits of basic research into a useful form. Mere exclusivity in patent rights does not automatically create artificially high prices for related products, and royalties usually represent only a very small fraction of the retail price of marketed goods. Moreover, one must face the inescapable conclusion that the development of inventions under a reasonable government patent policy will benefit the public by making available products that would otherwise not have been available at any price.

Without some degree of exclusivity, private sources are unlikely to have sufficient incentive to develop a product or process. Indeed, the investment required to make a product or process marketable and actually to market it is almost always far greater than the investment in the original research.

To bring an invention to public use, further development or engineering is usually required, such as testing or screening a prototype of the new product or process. Before the efforts and expenses incident to testing or screening are undertaken, investors want to know who has the title to or ownership of the invention (that is, the right secured to inventors and their assignees or licensees, for limited times, as provided in the Constitution). Sometimes, prospective licensees have refused to undertake the testing, screening, or development of inventions unless the licensor granted an exclusive license for commercial sale or use. In some cases, no alternative has been available, and, in the absence of an exclusive license, the use of the product, process, or machine has been denied to the public. Universities usually do not possess the resources, critical facilities, or controls necessary to bring drug products, for example, through the clinical testing stages to marketability. Thus, it is imperative that universities be able to interest through appropriate licensing arrangements those organizations which have these facilities and control capabilities.

Because government personnel would not be as intimately familiar with an invention as those who have developed it in a university, they would be in a much less favorable position to ascertain or pursue the commercial marketability of an invention. The time that would have to be invested in such activity could well cause a significant reduction in invention disclosures from university researchers, with a consequent reduction in public access to potential fruits of research. Thus, the primary result of the economic stimuli afforded by a realistic licensing policy is a public benefit—the production and introduction of a goods or service that otherwise might not become available in the context of our free enterprise system

Under the policies of some government agencies, the agency, on behalf of the government, normally asserts its rights to ownership of any inventions and patents generated in the course of research sponsored and funded by the agency. But regulations do exist under which such right can be waived to the contractor or grantee. If an institution desires to acquire title to a particular invention, it must request a waiver in accordance with the regulations of such agency. Granting a waiver generally depends on a determination by the agency, based on evidence submitted by the contractor or grantee, that the invention will be more adequately and quickly developed in the public interest if title to the invention is waived to the contractor of grantee. Such waivers are given with a reservation of a license to the government to practice the invention for governmental purposes and with other provisions which adequately protect the public interest.

An alternative to the "waiver" approach is the "Institution Patent Agreement" approach, available since 1968.[1] This approach, endorsed by a 1968 GAO Report,[2] permits the grantee institution to retain title and to administer the principal ownership rights in inventions made under department grants and awards, clearly defines the rights of the parties with respect to such inventions, and sets forth general guidelines governing the licensing of inventions. It includes limitations on the duration of exclusive licenses to be granted; it reserves a royalty-free license to the government for governmental use; and it provides other appropriate safeguards to protect the public interest. These latter safeguards include a reservation to the government of the right to require the granting of additional licenses on a royalty-free basis or on other terms that are reasonable under the circumstances, where such licenses are necessary to fulfill public health, welfare, or safety requirements.

With the assistance of inventors, the universities are in a better position than the federal government to transfer technology to

[1] Institutions Patent Agreement Governing Grants and Awards from the Department of Health, Education, and Welfare," HEW Standard Form Rev. August 26, 1968.

[2] See Report to the Congress, Comptroller General of the United States, Problem Areas Affecting Usefulness of Results of Government-Sponsored Research in Medicinal Chemistry (Washington: Government Printing Office, 1968).

the public through the economy. A government "title" policy, however, would preclude the university from recognizing the equities of others, including inventors and nongovernmental sponsors, and would fail to acknowledge the benefits that now accrue to the tax-paying public for its contribution to the institutions' research efforts.

Consequently, qualified universities that have developed a technology transfer capability should be given, with the award of a contract or grant, a first option to title in inventions generated with federal funds on their respective campuses with appropriate safeguards to prevent abuse of patent rights retained by any such institution and to minimize any anticompetitive effects.

SMALL FIRMS AND FEDERAL RESEARCH AND DEVELOPMENT

INTRODUCTION

There is increasing concern that the capability of the United States to continue its historic successes in technology is in a serious decline. While astonishing achievements have occurred since World War II, there is now considerable evidence that product innovation has either leveled off or declined in many industries. Predictions of a weakened military posture and a less favorable economic position in world trade are associated with analyses showing that the U.S. is losing a significant part of its capability to invent new products essential for the country's defense and for its international sales market.

Analysis of technological capability is an exceptionally complex matter affected by many diverse factors involving individual and organizational motivations, economics, and governmental actions. Since the Federal Government is the biggest source of research and development (R&D) ($26.3 billion proposed for expenditure in 1978), Government acquisition procedures have a large impact on the country's utilization of its best technical and management talents.[1] One part of this problem—the role and difficulties of the small firm in selling R&D to the Government—was given particular attention by an ad hoc interagency panel under Mr. Jacob Rabinow, nationally known inventor, lecturer and writer, in 1976. The Panel was composed of representatives from the National Science Foundation, Department of Defense, National Space and Aeronautics Administration, Energy Research and Development Administration, Small Business Administration, and the Office of Federal Procurement Policy.

To assist the Rabinow Panel in its inquiry, the services of Mr. William K. Scheirer, an economist, were obtained to perform a literature search and analysis of the role of small firms in fulfilling Government contractual requirements for research and development. Significant findings of Mr. Scheirer are summarized below. His report, with an extensive bibliography, is available for inspection at the National Technical Information Service, Department of Commerce, as Report Number OMB/OFPP/CA-77/1 and in the Office of Federal Procurement Policy.

SUMMARY OF REPORT OF WILLIAM K. SCHEIRER

Importance of small R&D firms

Many analysts believe that small firms have a better record for innovation than large firms. Richard Morse recently wrote that "a disproportionate number of innovative ideas emanate from our smaller technically based companies."[3] The reasons for this phenomenon are varied. Some believe that managers of small R&D firms have a greater incentive to innovate while conversely, in some cases, the marketing plans of large firms dictate that technical improvements to their products be held to a minimum. There also is a possibility that researchers in large firms tend to overspecialize to a greater extent than researchers in small firms. Mr. Rabinow has observed that, "when one narrows his specialization, he probably comes up with fewer ideas. If one loads the dice in favor of a certain art, one cuts off analogous arts, which I think are important. The more an inventor can pull out of related and unrelated arts, the more original his ideas are likely to be."

Empirical evidence indicates that in a comparison of firms with less than 1,000 employees and those with over 1,000 employees:

Firms with less than 1,000 employees accounted for almost one-half of major U.S. innovations during 1953–73.

The ratio of innovations to sales is about one-third greater in firms with less than 1,000 employees.

Firms of less than 1,000 employees have a ratio of innovations to R&D employment which is approximately four times greater.

The cost per R&D scientist or engineer is almost twice as great in firms of over 1,000 employees.

Federal Government utilization of small firm capabilities

A striking disparity appears to exist between the capabilities of small technology based firms and their utilization by Federal agencies. Data collected by the National Science Foundation and supplemented by the Office of Federal Procurement Policy shows that only eight percent of Federal R&D contract awards to industry and only about three and one-half percent of obligations to all R&D performers[3] were made to small firms in FY 1975; that Government R&D obligations to industrial firms vary from less than one-half of one percent for the Department of Agriculture to 62 percent for the Department of Defense; and that reliance on industry for Federal R&D has declined from 59.6% in 1966 to 50.7% in 1976 in current dollars.

The overwhelming percentage of the dollars in Federal R&D goes to development as opposed to research (basic and applied). Although the industry share of development is substantial, most of this goes to large businesses capable of performing very large development contracts. On the other hand, in the research area where its capability is high, small firms lose awards to colleges and universities, federally funded research and development centers (FFRDCs), as well as to large firms.

Summary conclusions reached are that (i) Federal agencies tend to use sources other than industrial firms for basic and applied research; (ii) a significant portion (64%) of Government R&D is for development normally involving large industrial firms; and (iii) the percentages of both total expenditures for R&D and R&D contract awards to small firms are very low.

Small firm impediments

As indicated above, large firms are favored in the award of development contracts on the basis that they are essential for the production phase of the program. However, this is not the only restriction to a greater use of small firms. Mr. Scheirer found that policies and procedures followed by Federal buying activities also restrict the use of small technology based firms. Following are some of the more significant impediments encountered by small companies:

It is difficult to identify and respond to Government R&D requirements. On a competitive basis, large firms have a greater capability to determine what the Government is interested in researching and to unravel the complexities of "Requests for Proposals" for R&D work.

Preparation of proposals is expensive and time-consuming to a point frequently exceeding the capabilities of small firms.

A bias in favor of large firms can exist when awarding R&D contracts. The tendency is to consider awards to large well-established firms "safer" than to small firms.

Funding for Federal R&D work frequently lacks stability. This condition strains the financial capabilities of small firms.

Submittal of unsolicited proposals is frequently discouraged.

Burdensome administrative requirements for contract solicitation, evaluation, award, and performance impair the ability and desire of small firms to compete for R&D contracts.

Conclusions

Though the responsibility for retention of a high technology capability in the United States is shared by both the private and public sectors, the large annual Federal expenditures for R&D places a unique responsibility on Federal agencies. New techniques must be devised to encourage innovation by all sources, with particular emphasis on small R&D firms. In the placement of R&D work, Government managers should carefully consider the ultimate beneficial effect of using small firms and not give undue consideration the immediate security that may appear to exist by awarding R&D contracts to large firms.

RECOMMENDATIONS OF AD HOC INTERAGENCY PANEL

The interagency panel chaired by Mr. Rabinow developed the following recommendations based on its analysis of this problem:

1. Federal agencies should develop formal programs which encourage the increase of Federal R&D awards to small technology based firms.

2. Large research and technology programs should be divided where feasible into discrete parts to permit solicitation of proposals, and award of contracts to small technology based firms in lieu of making a limited number of awards with consolidated requirements that only large firms can accomplish.

3. Subcontracting to small firms should be encouraged in contract solicitations, source selection criteria, and negotiations for R&D work. A prime contractor's record in subcontracting to small technology based firms should be a factor in fee awarded in award fee and incentive type contracts.

4. Intensive efforts should be made by Federal agencies to reduce or compensate for impediments experienced by small technology based firms. These efforts may include but not be limited to the following:

a. Early identification and publication of agency R&D requirements.

b. Coordination of R&D requirements with Small Business representatives early in the acquisition process.

c. Use of the Commerce Business Daily to provide advance information on anticipated contractual requirements for R&D.

d. Providing methods for small technology based firms to obtain an understanding of requirements which may not be possible through the written solicitation. For example, some buying activities currently provide research and technology libraries, catalogs for technical requirements, and special briefings to explain their research and technology needs.

e. Providing sufficient time for firms to prepare and submit proposals.

f. Reducing to the extent feasible the time and supplemental data required between receipt of proposals and award of contracts.

g. Providing agency R&D points of contact for small firms.

5. Agency policies and procedures should

[1] Op Cit.

[2] "A Government Takeover of R. and D.?" Richard Morse, Pres., MIT Development Foundation, N.Y. Times, Dec. 19, 1976.

[3] Industry, in-house laboratories, educational institutions, and federally financed R&D centers.

encourage unsolicited proposals. Contracts should be awarded for research and technology efforts based upon the merit of such proposals without converting the requirements to competitive solicitations.

6. The agencies, including the Small Business Administration, should use more technically trained personnel to serve as advocates for and advisors to small technology based firms. Special emphasis should be given by such persons to the advance procurement planning process for R&D requirements.

7. Profit-making firms should not be excluded from making proposals or receiving awards on R&D work that is not assigned to in-house laboratories.

8. Agencies should consider allowing greater amounts of independent research and development and bid and proposal costs than currently authorized when negotiating contracts with small technology based firms.

9. Methods should be developed for collecting and reporting data on small business share of R&D contract awards.

10. Establish small business set-aside programs (similar to those existing for supplies).

[From the Washington Post, Nov. 16, 1978]

WANING OF INNOVATION IS SEEN

(By Bradley Graham)

It is hardly a matter of doubt anymore: America's ability to innovate just isn't what it used to be. And a panel of distinguished researchers and professionals says America herself is to blame.

In a somber forum Tuesday night sponsored by the National Academy of Sciences, six representatives of business, government and academia added their concern to that expressed by others in recent months over the disturbing realization that something's happened to Yankee ingenuity.

Signs of America's innovative spirit on the wane are everywhere, the panelists noted. Among the evidence cited was:

The declining growth rate of the U.S. economy and only minimal gains in productivity.

The worsening U.S. balance of trade caused in part by increasing imports of foreign-manufactured goods.

The decreasing number of U.S. patents issued to U.S. inventors and an increase in patents issued to foreign inventors.

The declining amount of real dollars being spent on research and development by industry and the high degree of concentration of the R&D that is done in a few industries and a few companies.

"These indicators are distressing", said Elmer B. Staats, U.S. comptroller general. Stressing the historical importance of technological innovation in powering America's economic growth, Staats warned that unless specific steps are taken to stimulate innovation, Americans can expect their standard of living to stagnate and their competitive ranking in the world to weaken.

How has the U.S., which once placed a premium on inventiveness and made national heroes out of its pioneers, reached this state of affairs? Although no one could offer a complete explanation, the panelists generally agreed that government actions were largely to blame—specifically, restrictive tax and regulatory policies, along with complex and confused antitrust and patent laws, that together have eliminated financial incentives for industrial innovation and have discouraged investment in R&D.

"Innovations affect the economy, but the reverse is also true," declared Ivar Giaever, a Nobel Laureate who supervises R&D for General Electric and the panel moderator. "The economic climate affects the amount of innovation, and the climate recently has not been encouraging."

In addition to legal impediments and financial disincentives, the waning of U.S. innovation also has been attributed to business managers' defeatist attitude and lessened inclination to take risks.

Business leaders on the panel conceded that U.S. companies are focusing more on short-term results in their planning, preferring to concentrate on innovations that will improve existing processes and reduce costs rather than yield a major breakthrough. But they said this is simply the result of having to cope with a more uncertain marketplace.

"As much as anything, it is uncertainty that affects industry's inclination to invest in innovations," stated N. Bruce Hanay, vice president of Bell Telephone Laboratories.

President Carter appointed a 28-agency task force last spring to spend a year studying the innovation dilemma, and a spokesman for the National Academy said a report on Tuesday's panel would be forwarded to the study group. The panel left no doubt what its major recommendation would be.

"We must restore incentives, or remove disincentives, for entrepeneurs to take risks," concluded Ralph Landau, chairman of Halcon International. "Our industry is good at invention and entrepreneurship if you give it a chance."

UNITED STATES SEEN LOSING TECHNOLOGICAL EDGE IN SOME INDUSTRIES

(By Thomas O'Toole)

The United States has lost its world leadership role to Japan in optics, electron microscopes and stainless steels. Korea and Taiwan threaten U.S. leadership in man-made fibers, long the private province of the American chemical industry. American domination of the world's nuclear power industry has ended. Sweden, France, West Germany and Canada are now major forces in this high-technology business.

Is the United States losing its edge in technology? Is it suffering what some call an "innovation recession?" While there are signs that the U.S. has never been stronger technologically, there are other signs that the United States is lagging badly behind the rest of the world.

"There are trends that are worrisome," White House science adviser Frank Press said in an interview. "The research investments of American industry are up . . . but what are they spending it on? They are not developing the kinds of new products they were famous for."

One of the most striking examples of lagging U.S. technology lies in home video tape recorders business, where sales this year have doubled and are on the way to reaching $1 billion. Not one of the 12 machines sold in America today was made in America, even though the U.S. broadcast industry pioneered the device. They are produced in Japan, even those trademarked RCA, GE, Zenith, Magnavox and Sylvania.

"The Japanese brought the machine down in size and price so the consumer could afford it," and an RCA executive who asked not to be named. "Sony and Panasonic focused all their technology on this machine and they now own the hottest market there is in the television industry today."

There are other signs to cause concern. The three largest chemical companies in West Germany last year introduced more new products than the five largest chemical companies in the United States. This is the first time that has happened since World War II. Japan now casts the largest steel ingots in the world, surpassing what American steel companies could do five years ago.

"The SST is French and British, the fast breeder [reactor] is French and Russian and the cameras we carry, the TV sets we watch and the cassettes we listen to are Japanese," says General Electric Co.'s Dr. Ivar Giaever, a Nobel laureate in physics. "It's no wonder we're all worried."

So worried is the White House that it has split 100 technological leaders into six task forces to assess where the United States stands among the world's innovators. Their conclusions will be passed on for review to 28 federal agencies and then to universities and other interested groups for comment.

"If we're losing our edge, we want to know where we're losing it and why we're losing it," said Press. "What I think this study will show is that we're strong in high technologies like aircraft and computers and not so strong in middle-level technologies like chemicals and electrical machinery."

Statistics tell a confusing tale. Fewer patents were granted by the U.S. Patent Office to Americans last year than at any time in the past 15 years, but in the field of electronics, where invention is commonplace, fewer scientists are applying for patents.

"An invention in electronics can be obsolete in the two or so years it takes to be patented," said Science magazine this week. "By that time, the company filing the patent can have lost whatever edge it had by developing the thing in the first place."

The Commerce Department points out that American exports of products requiring a low or middle level of technology grew from $14 billion in 1968 to $36 billion in 1974. But Japanese exports of similar products grew from $9 billion to $35 billion while Germany raised its export total from $16 billion to $54 billion in the same period.

At the same time, the United States came out well in the battle for exports labeled "technology intensive." The U.S. total was $9.6 billion in 1968 and $26.6 billion in 1974. Japan's total in 1974 was $13.2 billion and West Germany's was $22 billion.

The National Science Foundation points out that the United States dominates the worldwide electronics industry despite Japan's take over of the radio and television markets. The pocket calculator is an American invention. So is the digital watch, whose sales last year were almost $2 billion worldwide. Digital watches now make up one third of the $2.8 billion U.S. watch market.

"A lot of people fussed when the European airbus made inroads into the jetliner market the United States once had to itself," the NSF's Dr. Alton Bean said. "But don't forget the engines on that airbus are American and don't forget that the airbus is a twin-engined wide-body jet designed for the European market. The tri-jet the United States makes still has most of the wide-body market."

Nevertheless, there are still disquieting signs of a U.S. innovation recession. The question is why. Massachusetts Institute of Technology President Jerome B. Wiesner blames it on the thaw in the Cold War and a new skepticism in the Congress about spiraling research budgets, especially in the field of medicine and health.

"There were two things that made research grow in this coutnry in the 1950s and 1960s—"The Cold War and Congressional support of national health research," Wiesner said.

The end of the Apollo program that put 12 men on the moon is also a cause of research decline, as is the end of the Vietnam war, where American weaponry was often inspired by Pentagon research. Some scientists believe the antinuclear movement and increasing hostility toward technology are also behind the innovation recession.

Many blame an outdated patent policy that does not provide enough protection to inventors and federal regulation that slows new product development.

More subtle reasons include impatience to wait the 5 to 10 years for a new product to develop from research. N. Bruce Hannay, vice president of research for Bell Telephone Laboratories explained: "I see on the research scene a greatly shortened time

horizon. As a result, there is a decline in the effort on major innovation that produces an entirely new class of technology or a new class of service." ●

● Mr. DOLE. Mr. President, today, Senator BIRCH BAYH, myself, and several of our colleagues are introducing the University and Small Business Patent Procedures Act. This bill aims at facilitating the transfer to the private sector of technology from the federally funded innovation stage. More specifically, it allows universities, nonprofit organizations, and industry to obtain limited patent protection on discoveries they have made under Government-supported research. It also establishes a uniform policy to replace the multiplicity of statutes that now regulate the granting of patent rights throughout governmental agencies.

PROBLEM

Under the present Federal patent policy, the Government generally retains the rights to inventions it has neither the financial resources nor the expertise to develop into marketable products. The taxpayers invest in research without receiving dividends in the form of products available to them. The problem is particularly serious at agencies such as HEW where inventions for potential cures of cancer, arthritis, and hepatitis sit on the shelves unused, while millions of Americans are subjected to needless suffering.

EFFECTS OF GOVERNMENT PATENT POLICY

The Government's policy of retaining ownership of invention rights has hindered collaboration with the private sector. Nonexclusive licensing is clearly anticompetitive in that it discourages the promotion of inventions. The Government research grants represent only a small fraction of the product development cost which exceeds the funds contributed by the Government toward the initial research by a factor of at least 10 to 1.

The development process is risky as well as expensive. Is it any question, then, that industry is reluctant to engage in development and marketing unless provided with a modicum of protection through the granting of patent rights for a limited period of time? Particularly vulnerable are small businesses, which lack the financial resources and market power to engage in the development process of Government-supported inventions, without the protection of short-term exclusive rights. Traditionally, innovative and creative programs have emanated from small businesses and companies which, in turn, have engendered job creation and promotion. Xerox and Polaroid were small concerns when they developed xerography and the Polaroid camera. By deemphasizing the needs of smaller firms, the present policy has a negative impact on this process and the economy at large.

ECONOMIC FACTORS

The deterrent factor that the Government places in the path of American business—the refusal to grant patent rights—is removed in the case of foreign firms whose government policies, by establishing a strong collaboration with the private sector, guarantee the development of inventions to which equal access is insured through our Freedom of Information Act. As a result, American research is made available to foreign and domestic firms alike.

That we have lost our leadership role to Japan in the fields of electronics and shipbuilding is no accident. Our trade deficit with Japan amounts to $13 billion. Annual growth is 3 percent in the United States, 8 percent in Japan. Our newly established ties with China make the People's Republic a candidate for emulation of the Japanese example. With a population of 900 million people, China could become, through the potential development of U.S. technology, a most formidable competitor.

It is essential that the U.S. Government make available to U.S. firms the same incentives enjoyed by foreign industry. The answer to foreign competition lies, not in an increase of export subsidies, but in an increase in productivity. And only through a genuine partnership of Government and the private sector can productivity be raised.

Such is the objective of our bill. Patents are crucial in the development of technology. More technology means more business and more business translates into more jobs, a decrease in inflation and a strengthening of the dollar.

IN SUPPORT OF EXCLUSIVE RIGHTS

The time has come to abandon our outdated patent policy. What is at stake is insuring dissemination of technology while reducing the amount of redtape and bureaucracy for maximum benefit to the public. We must use all possible incentives, including exclusive rights, in order to increase the flow of technology from the Government R. & D. programs into the commercial sector and the consumer. The uncertainty now fostered by a multiplicity of statutes and incoherent regulations must be replaced by certainty in the form of a uniform policy providing incentives and guaranteeing protection to contractors. A committee appointed by President Carter to study the problems of U.S. industry has recently released the results of its study. Their recommendation is that title be with the contractor. Their conclusion concurs with an earlier study conducted by the Federal Council for Science and Technology, the Harbridge House Report, which indicated that the enforcement of exclusive patent rights stimulates research.

AIM OF THE BILL

The bill that we are introducing today goes a long way in meeting President Carter's objectives, as spelled out in his state of the Union address to this Congress, that "we reduce Government interference and give (the American economic system) a chance to work" so that we can "reassert our Nation's technological leadership." If we have lost that leadership role, it is not because American genius has suddenly dried up. It is, in fact, alive and well, if languishing on the bureaucratic shelves of Government agencies. A patent policy that will provide incentives and encouragement to industry could be a turning point in our ability to compete. That is what we propose today.●

Mr. MATSUNAGA. Mr. President, I am very pleased to join Senator BAYH, Senator DOLE and others in introducing the University and Small Business Patent Procedures Act.

As noted earlier by my distinguished colleagues on both sides of the aisle, the purpose of this bipartisan measure is to encourage the maximum utilization of inventions arising from Government-supported university and small business research.

In a nutshell, the bill addresses a serious and growing problem. Recently, it has been brought to the attention of Congress that literally hundreds of valuable medical, energy, and other technological discoveries are sitting unused under Government control. The reasons for this sad circumstance are twofold. First, the Government lacks the resources necessary for development and marketing of new technologies derived from Government funded research. And second, the Government has been adamantly unwilling to relinquish patent rights that would encourage and stimulate private industry to develop these discoveries and make them widely available to the public.

At first glance, I suspect that many hardworking American taxpayers may react negatively to this proposal, harboring the thought that it is just another Government giveaway at the taxpayers' expense. After all, one might reason, why should the Government use my money to fund costly research and then make the resulting technologies available for private profit?

Upon closer examination, however, the inevitable conclusion one reaches is that this is a remarkably good bill, that it makes a lot of sense, and that its passage will eminently serve a public purpose and the common good.

The key to this conclusion is found in the little-known fact that product development and marketing of new-found technologies is 10 times more expensive than the actual cost incurred for the initial research. This bill recognizes that fact and provides what I believe are both adequate safeguards to protect the Government's own investment, as well as necessary incentives to encourage universities and small businesses to proceed with marketing and development.

Mr. President, the University and Small Business Patent Procedures Act is, in my judgment, a good bill and it deserves to be passed.

Mr. SCHMITT. Mr. President, my distinguished colleagues, Senators BAYH and DOLE, today introduced the University and Small Business Patent Procedures Act. As a cosponsor of this bill, I wish to commend my colleagues for their effort and offer my support for this legislative initiative.

The United States has recently experienced a disturbing decline in the rate of technological innovation and economic productivity. Integrally related to this decline is the failure of the Federal Government to formulate a consistent policy and procedure concerning the patentability of inventions made with

Federal assistance. Too often, Federal patent policies are ineffective, conflicting, counterproductive, and operate to discourage innovation and commercial development. The scope of this problem is particularly acute when the Federal contractor is a small business firm or nonprofit organization.

The University and Small Business Patent Procedures Act would address this critical national problem by encouraging maximum participation of small business firms in federally supported research and development efforts and by promoting greater collaboration between commercial concepts and nonprofit organizations.

Mr. President, prior to the conclusion of the 95th Congress I introduced a bill, the Science and Technology Research and Development Utilization Policy Act, which shares many of the goals and objectives of the bill introduced today although more broadly focused. I have since circulated my bill for comment and I will shortly introduce a revised version incorporating many of the thoughtful comments and suggestions.

Again, I commend my Senate colleagues, Senators BAYH and DOLE, for their leadership in this area and I look forward to working with them toward the establishment of a Federal patent policy which promotes the commercialization and public availability of inventions made in the United States by domestic industry and labor.

By Mr. PELL:

S. 415. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs, in order to require certain provisions in such programs to discourage driving while under the influence of alcohol; to the Committee on Commerce, Science, and Transportation.

THE ALCOHOL-IMPAIRED DRIVER ACT OF 1979

● Mr. PELL. Mr. President, "If you drink, don't drive!" How many times has each of us heard those words in our life? Actually, the slogan first appeared in 1933 when the National Safety Council mounted a highway safety campaign in anticipation of repeal of prohibition.

Unfortunately, 35 years of concern over drinking and driving have produced little or nothing in terms of positive results.

The cold facts remain the same: every year more than 50,000 people die in traffic accidents and at least half of these accidents are related to alcohol. Until a few years ago most of us blamed these highway deaths on the casual drinker who had done too much celebrating at a party or on the way home from work. Now, however, recent studies indicate that alcoholics are involved in two-thirds of the deaths due to alcohol-related crashes. A survey of the Department of Transportation on alcohol safety action projects indicates that alcoholics constitute as much as 5 percent of the driving population.

Even more disturbing is the increase of alcohol-abuse among our young people and the stark rise in alcohol-related traffic deaths in the 18 to 21 age group.

We also must consider the fact that there are more than 10 million unlicensed drivers on America's highways—untold numbers of them problem drinkers who are time bombs waiting to explode on the highway.

We could have the safest vehicles and the safest highway construction, yet unnecessary tragedy would continue. The reason is that the safety of even the most cautious driver depends upon the sobriety and caution of other drivers. Highway safety is much like a chain—it is only as strong as the weakest link.

Unfortunately, the record indicates that efforts to identify and rehabilitate the drinking driver have failed. The chances of arrest and punishment are too slight for the social drinker to serve as a deterrent. Not enough drivers realize that only a small amount of alcohol produces impairment.

Driving is only one of the many areas in the lives of alcoholics where their lives are out of control. Present efforts have failed to stop alcoholics from driving.

According to a recent Baylor College of Medicine article, the United States has a rate of alcohol-related traffic fatalities as high as any country in the world, even though the overall fatality rate based on vehicle mileage—is the lowest of any country.

After 35 years of slogans reminding drinkers not to drive, we need to impose stiffer penalties for drunken driving. I am aware of the reluctance of many of my colleagues to impose national standards on the States, however, this is a situation which cries out for the Federal Government to set minimum standards for the States to follow in handling drunken drivers.

The bill I am introducing today, the Alcohol-Impaired Driver Act, attacks the drunk driving problem in two ways: It requires States to enact stricter laws for those convicted of driving while intoxicated, and to establish comprehensive treatment programs for those referred by the courts or other authorities.

This means that a State's Federal highway safety funds would be cut off if that State did not enact laws providing for a jail sentence of at least 10 days or a comparable term of acceptable alternative service for those convicted of driving while under the influence of alcohol.

Under my bill, judges would have the choice of meting out jail sentences in appropriate instances; or ordering comparable alternative sentences—for example, working in hospitals, work camps, public service jobs—and requiring attendance at alcohol safety classes.

These are minimum standards. There can be no suspended sentences, no probation in lieu of jail. Of course, a State can add on other sanctions such as fines, license suspensions, or can extend jail terms to comport with local standards. However, each State will be required to have the minimum standards called for in the bill.

The other aspect of the bill requires States to provide for participation in an alcohol safety program by convicted drunken drivers and other chronic problem drinkers referred by the courts and other authorities.

I believe this approach is simple yet effective. While mandating deterrent criminal statutes and alcohol safety programs, the bill takes into account local views on the question by permitting State flexibility in the sentencing process.

This combination of strong punishment to deter social drinkers and treatment to deal with problem drinkers is what we need to attack the drunken driving menace. In the same way, we are protecting all highway users—drivers, passengers, pedestrians, cyclists and others—who are threatened by the drunken driver.

I first introduced this proposal late in the 94th Congress, shortly after two members of my own staff suddenly and tragically were slain in separate accidents by drunken drivers in other cars. The memory of Elizabeth Powell and Stephen Wexler is a constant reminder to me of the senseless waste of human life that goes on day in day out on our highways.

Congressional action in this area is long overdue. My proposal has generated considerable public interest and support since it was first introduced, and I ask each of you to consider the need for this type of legislation and the merits of my proposal. Too often our response to the cold facts of carnage on the highways is to reassure ourselves that since we do not drink and drive, we have nothing to worry about. As I learned through the painful loss of valued staff members, nothing could be further from the truth. Let us resolve to enact strong deterrent legislation and protect the innocent driver and passenger from senseless loss of life simply because he or she is in the wrong place at the wrong time.●

By Mr. HOLLINGS:

S. 416. A bill to make uniform with the general requirements of the Federal Food, Drug, and Cosmetic Act certain provisions relating to the labeling and notification of colored margarine and colored oleomargarine; to the Committee on Human Resources.

● Mr. HOLLINGS. Mr. President, today, I am introducing a proposal to simplify the Food, Drug, and Cosmetic Act by improving its requirements for the labeling and notification of margarine. This proposal is a technical adjustment in the act that would bring section 407 of the Food, Drug, and Cosmetic Act into line with the policies developed by the Food and Drug Administration in recent years, and to make the enforcement and compliance with the notification requirement easier.

This legislation is not going to promote margarine, to mandate the use of margarine, or to cause any decrease in consumer protection. Instead, it will enhance consumer protection by modernizing the overly complicated and special requirements for margarine in section 407 of the act.

Present law requires that an eating place do two things to notify patrons when it is serving margarine. It must post a sign on the wall or make a statement in the menu, and it must identify each serving by appropriate labeling or by a triangular shape. My bill would continue to require notice, but only suitable

notice that is prominently and conspicuously displayed or labeled in such a manner as to render it likely to be read and understood by the ordinary individual being served. This change was heard in 1971 by the Subcommittee on Health of the Committee on Labor and Public Welfare. No objection was made then nor has one been made since. There has been ample time to consider it. The agencies concerned have all approved it. The National Restaurant Association had no objection. The American Heart Association and a number of farm and processor organizations approved.

Also, this bill would continue for margarine the act's requirement that foods label their name conspicuously, but would remove the unnecessary and special requirement on margarine, that the letters be as large as any other on the label. Thus, it brings margarine in this respect into line with other foods.

Finally, the bill would remove the requirement, also obsolete and nonuniform, that margarine inner wrappers bear the product name in a 20-point type—which under FDA rules triggers other labeling that becomes burdensome. Instead my bill would put margarine where other foods are under FDA's rules on inner unit labeling.

All of the above provisions in my bill have been approved by the Senate as part of the Federal Food Inspection Act of 1973 and the Consumer Food Act of 1975. While the House did not act on these bills, the notification in eating places proposal has been passed by the House on two occasions.

In summary this bill is a simple technical change which has two objectives: First, to provide better consumer protection by making the law easier to comply with and to enforce; and second, to simplify in one respect the burden of regulations on our expanding and important eating-out industry.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 407 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 347) is amended by—

(1) deleting "in type or lettering at least as large as any other type or letter on such label" in subsection (b)(3) thereof,

(2) deleting "in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than twenty-point type" in subsection (b)(4) thereof, and inserting in lieu thereof "in a separate wrapper", and

(3) amending subsection (c) thereof to read as follows:

"(c) No person shall serve colored margarine or colored oleomargarine at a public eating place, whether or not any charge is made therefor, unless a suitable notice or identification that such colored margarine or colored oleomargarine is served is prominently and conspicuously displayed or labeled in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place.".●

By Mr. DOLE:

S. 417. A bill to amend the Trade Act of 1974 to prohibit the extension of nondiscriminatory treatment to the products of any country not a party to certain treaties relating to the control and nonproliferation of nuclear weapons; to the Committee on Finance.

RESTRICTING CHINA'S MOST FAVORED NATION ELIGIBILITY

● Mr. DOLE. Mr. President, on January 1, the United States officially recognized the People's Republic of China. The Chinese people have much to gain, just as we do, through our new relationship. But with full membership in the world community also comes full responsibility. The Chinese were able to obtain normalization without any preconditions and now the talks begin for expanded trade in which the People's Republic of China will greatly benefit. Before they begin to reap the benefits of normalization, I think we should make clear our position concerning the responsibilities we would like to see the Chinese undertake. I am speaking about the necessity of the Chinese to become a signatory of the Limited Test Ban Treaty of 1963 and the Nuclear Nonproliferation Treaty. Today, I am introducing a bill that requires such initiative by the Chinese before their products can be eligible for most-favored-nation status.

CONCERNING THE TEST BAN TREATY

Since the People's Republic of China entered the "nuclear club" by detonating their first nuclear device in 1964, there have been 25 subsequent explosions. Ranging in yield between 20 kilotons and 20 megatons these nuclear explosions create enormous radioactive clouds that are carried within a few days across the North American Continent. Radioactive particles suspended in these clouds eventually reach the farmlands of this country endangering the health of all Americans.

A report released after the September 26, 1976 detonation urged the dairy farmers of Connecticut not to allow their cows to graze on the land because dangerous levels of radioactive 131-iodine were found in the milk. This was the result of a relatively small-yield nuclear detonation. How much radioactivity can be expected from the larger explosions? Depending on weather conditions a strong storm occurring soon after a powerful explosion could be expected to cause high levels of radioactive materials.

China continues as the only nation in the world that engages in atmospheric explosions since France stopped in 1974 We in Congress have an excellent opportunity to express to China and the world our firm resolve and sincere belief in the international efforts toward arms control and nuclear nonproliferation. The Chinese people stand to gain substantially through trade with the United States. However, we cannot be so overwhelmingly helpful and conciliatory to a country which periodically showers our country with radioactive materials.

NUCLEAR NON-PROLIFERATION

In statements prior to and following nuclear detonations the Chinese have consistently ridiculed our efforts along with those of the Soviet Union toward disarmament and arms control. In Huang Hua's speech before the U.N. Assembly for disarmament he denounced both the Nonproliferation Treaty and the Test Ban Treaty as hampering the development of nuclear technology in other countries. The signing and adherence to the Nonproliferation Treaty is not a hollow act, but rather another one of the many responsibilities that nations must respect in order to create a safer, more secure world. All other nonmarket countries to whom we have extended most favored nation status have realized their obligations and are signatories to both treaties.

FAIR AND EQUAL TREATMENT

Although China's immigration policy may qualify for most-favored-nation status under the Jackson-Vanik amendment, should the United States treat China more favorably than we treat the Soviet Union at this time? The administration has expressed the desire to treat both countries equally and this legislation provides substantial support for such a policy. Already in the House of Representatives, 50 Congressmen have signed a letter urging China to sign these treaties. I urge the Congress to look seriously toward this measure and see the importance of this legislation to the health of Americans and the stability of the world.●

By Mrs. KASSEBAUM (for herself and Mr. SCHMITT):

S. 418. A bill to provide wheat and feed grain producers the opportunity to receive parity prices for the 1979 and 1980 crops, and to provide cotton producers the opportunity to receive parity prices for the 1979 crop; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL PARITY EQUITY ACT OF 1979

● Mrs. KASSEBAUM. Mr. President, during the past few days, this Nation has witnessed American farmers taking serious action to dramatize a serious problem. We cannot dispute the fact that their message is an important one and that their problems must be resolved.

Grain farmers are experiencing an economic crunch and the farm programs we have now do not meet their need.

Farm families are being caught in a serious price-cost squeeze. When we look at economic figures from the U.S. Department of Agriculture, we find that farmers continue to be paying higher prices while receiving inadequate income. From 1974 to 1977, the USDA index of prices received by farmers declined by 9 index points. In that same period, USDA figures showed the index of prices paid by farmers, including interest, taxes, and wage rates, increased by 38 index points. The past year has seen a moderate increase in prices received, but still inflation drives farmers' costs higher and higher.

Mr. President, this economic crunch is why I am introducing today legislation that is realistic and should be given serious consideration by this body. My legislation is a revision of the flexible parity concept endorsed by the Senate last year.

My flexible parity concept allows producers the opportunity to receive parity prices for farm commodities, while managing the supply so that excess stocks would not be acquired by the Government.

This legislation provides a schedule of established target prices for wheat, feed grains, and upland cotton which increases with the amount of cropland set-aside from production. As a higher percent of a farmer's acres are diverted, the higher the target price the farmer is eligible for.

The decison is where it belongs—in the hands of the farmer. There is a great variance in costs of production among farmers and no two farms will have exactly the same input costs. With this legislation, the farmer can select the target price and corresponding set-aside that will provide him his production costs and a fair return on investment.

A set-aside is needed so that there will not be an imbalance between crops produced and demand. Through the target price, farmers receive the increased income that is needed but the Government does not acquire large stocks of grain. A Government-held stockpile would be costly to the taxpayer and could be used against the producer in the marketplace.

Using parity prices for January of 1979, if the set-aside was 20 percent, a farmer would qualify for $3.74 on wheat. If he elected to set-aside 40 percent, he would be eligible for a $4.48 target price. This is 66⅔ and 80 percent parity, respectively. A target price of 100 percent parity could be attained by setting aside 50 percent of planted acres.

The flexible parity price schedule is a 2-year program that should provide short-term economic benefits to farmers. The legislation also establishes an agricultural cost of production board so that future price support levels can be based on actual costs as supplied by working farmers.

USDA needs direct farmer input into the agricultural policymaking process. This legislation creates that through a framework of a 16-member board composed of agricultural producers who will annually report to the Secretary of Agriculture. In this manner, we can obtain accurate, reliable figures from those who know them best. This will allow us to set future target price levels so that a fair return on investment is obtainable, which will maintain a viable food production industry and sustain the family farm.

I have been openly criticized for not wholeheartedly endorsing legislation that would guarantee the farmer 90 percent of parity for the price of his crops.

I did not support this legislation because I feel it is unfair to the farmer to promise something that will not happen. I could have supported this legislation and after it was scuttled in committee or beaten on the floor of the Senate, I could turn to the farmer and say, "I did all I could." But, I think that is a dishonest way to approach my job. I am interested in more than good intentions. I am interested in results.

It is the responsibility of our elected officials to provide an honest, deliberative discussion of the issues. The new focus in agricultural policy is going to have to be one of long-term stability. No one cares for the health of the farming economy more than I. And I believe that the legislation I have introduced today is a good beginning toward a more equitable farming program. I very much look forward to working with the farmers that fill our town today. I look forward to working with the farming community in my State of Kansas, and I look forward to working with the Members of this body in forging legislation that will provide our farming community a fairer price for their products.●

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 420. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Human Resources.

NATIONAL WORKERS' COMPENSATION STANDARDS ACT OF 1979

Mr. WILLIAMS. Mr. President, I am today introducing the Federal Workers' Compensation Standards Act of 1979. I am pleased that the Senator from New York (Mr. JAVITS) has joined with me in sponsoring this important legislation.

Compensating those workers who are injured, killed, or diseased on the job traditionally has been the subject of the laws of the States. These laws were enacted in each of our States between 1910 and 1948, and reflected a compassionate concern for those working men and women who are disabled as a result of their employment.

While these laws were born in the spirit of compassion, they have regrettably fallen woefully behind the times. In many cases, they now constitute a cruel hoax on America's workers.

The need to revise our workers' compensation laws was recognized in 1970, when the Congress established the National Commission on State Workmen's Compensation Laws. The National Commission was charged with the responsibility of studying the current status of the compensation system "to determine if such laws provide an adequate, prompt, and equitable system of compensation."

The members of the National Commission were appointed from among our Nation's outstanding experts in the field of workers' compensation, and represented labor, employers, the insurance industry, the legal profession, Government, and the academic community.

The Commission's thorough and well reasoned report was issued in 1972, and was a complete and comprehensive analysis of the status of our workers' compensation laws. The report highlighted the deficiencies of the workers' compensation system and drew up a series of 84 recommendations for needed improvements; 19 of these recommendations were deemed by the Commission to be "essential."

The Commission's report urged that the States move promptly to modernize their laws, by adopting at the very least the 19 "essential" recommendations. Further, the Commission suggested that if the States were substantially unsuccessful in reforming their laws by June 30, 1975, Federal legislation would be in order.

The States have, indeed, made significant improvements in their compensation laws, but, when the National Commission's June 30, 1975 deadline was reached, no State had met the 19 "essential" recommendations. And, even today, 3 years later, the same situation still exists.

Most States are far short of this modest goal. As of January 1, 1979, on the average—State laws complied with only 11.96 of the 19 "essential" recommendations.

Mr. President, this is more than a scorekeeping exercise. The deficiencies of State laws translate themselves into real hardship for our injured, maimed, and diseased workers.

In 20 of our States a worker who is permanently and totally disabled can receive benefits of as little as $25 per week or less.

In several other States, a permanently and totally disabled worker can only receive benefits for a fixed period of time—in some instances, less than 7 years. This means that a worker who is permanently and totally disabled, at age 20, may receive no workers' compensation benefits beyond his 27th birthday.

In some States, if a worker is killed on the job, his widow can receive no more than $90 per week, no matter how many children she must support and irrespective of her ability to find work.

In some States, the widow of a worker who was making $250 per week and is killed on the job, can receive no more than $25,000 in death benefits—less than 2 years gross pay of the deceased worker.

Some States have limitations on the amount of medical benefits which will be paid by workers' compensation—in one instance, as low as $1,000.

In some States, whole classes of workers are totally excluded from workers' compensation benefits.

Mr. President, these are the facts—facts that demonstrate just how far we as a nation have fallen behind in providing fair and compassionate treatment for those who suffer from work-related disabilities.

During the past several years, the Committee on Human Resources has carefully studied our workers' compensation system. And the bill which I am introducing today is the result of our careful evaluation of these problems.

This bill is the product of an evolution in approaches toward establishing a fair and equitable workers' compensation system for our Nation. It represents a reasonable and effective means of remedying the weaknesses in current law, and restoring elementary fairness to disabled workers and their families. It is based on the recommendations which the National Commission made nearly 7 years ago. However, it is not a mere recitation of those recommendations since it does not reflect all 84 recommendations of the National Commission. Indeed, my bill does not even adopt all 19 "essential" recommendations. Rather, it addresses only those weaknesses of our current compensation system which are in the greatest need of reform; and only those weaknesses which lend themselves to correction through the use of Federal standards.

In sum, this bill deals with only those reforms which are absolutely necessary to bring elemental justice to the victims of industrial tragedies and to bring reform where the need has been amply demonstrated.

My legislation is clearly a Federal standards bill and does not call for Federal interference with the administration and implementation of the basic workers' compensation laws of the States. Indeed, the States, under my proposal, will continue to administer their own workers' compensation laws.

Mr. President, the legislation which I am introducing today would insure a basic benefit for death or total disability of not less than two-thirds of the employee's average weekly wage. This is the figure that the National Commission, the majority of the States, and most commentators have agreed is a fair and equitable benefit to enable the victims of industrial injury and their survivors to adequately provide for themselves and their families.

My bill provides a minimum benefit for death or total disability of 50 percent of the statewide average weekly wage, and a maximum benefit of 150 percent of the statewide average weekly wage. These provisions, based on the National Commission's recommendations, will insure adequate, but not extravagant compensation of all victims.

This bill insures that adequate benefits are paid to survivors of those who die as a result of an industrial accident or disease.

The bill requires that workers' compensation pay for all medical expenses resulting from work-related injury or disease. This provision eliminates those unreasonable limitations which currently apply to medical payments, and which sometimes require medical costs to be paid by employer's medical plans, medicare or out of workers' savings.

My bill provides that workers' compensation pay for the costs of physical rehabilitation. In this way, injured workers can be returned promptly to the job roles and taken off the compensation roles.

My bill eliminates the artificial restraints on compensation of occupational disease, so that all claimants would have the opportunity to prove that such a disease is job related so that they may be eligible for compensation benefits.

Mr. President, this bill contains numerous other provisions to improve the benefits and the administration of our workers' compensation system in order to insure basic fairness to disabled workers and their families. I will not detail them at this time, but I ask unanimous consent that the text of this bill be printed in the RECORD, together with a section-by-section analysis of the bill, at the conclusion of our remarks on this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibits 1 and 2.)

Mr. WILLIAMS. Mr. President, one of the most serious problems that has confronted us in drafting Federal workers' compensation standards legislation is how such standards are to be enforced. Workers' compensation has traditionally been the province of the States and it is my belief that the administration and enforcement of these laws should remain with the States.

Earlier workers' compensation bill introduced during the 93d and the 94th Congresses were criticized as going beyond the mere setting of Federal standards, and as being an actual usurpation of State prerogatives by the Federal Government. This criticism has given me great concern. I, for one, believe that a compensation law that is administered and enforced at the State level, where it can be responsive to the needs of the people will best serve all parties affected.

For that reason, the enforcement mechanism in S. 3060, which I introduced during the last Congress, established an enforcement scheme that left the States free to administer their own compensation laws. The adjudication of claims and the development of decisional law was solely within the jurisdiction of the existing State systems, and the decisional law, as it developed in the States was to be in all but exceptional cases, dispositive of the basic questions presented in any compensation case. In short, under last year's bill, there was to be no Federal law of workers' compensation.

This statutory scheme won the endorsement of our Nation's outstanding academic experts on workers' compensation and we have retained the same enforcement mechanism in the bill which I have introduced today. This provision is one which is reasonable, realistic, and workable, and which secures the basic rights of claimants while at the same time constitutes the least possible interference with our State workers' compensation programs. It is important to note that this bill creates no Federal workers' compensation agency and no Federal interference with the rights of the States to develop and enforce their own laws.

Mr. President, workers' compensation legislation will be expensive. This is because workers' compensation benefits have fallen so far behind the needs of today's workers. However, I have carefully reviewed previous bills and the recommendations of the National Commission, and I believe that I have succeeded in paring down this legislative proposal to only those elements which are absolutely necessary to insure fairness and justice to disabled workers and their families.

And, while there will be additional costs to employers as a result of my bill, I believe that these costs are modest in comparison with those of previous proposals, and that they are costs which our economy can well afford to bear.

Indeed, our economy now bears the costs of industrial accidents and diseases. When workers' compensation does not adequately provide for disabled workers, then our other social systems must take up the slack. Where benefits or coverage is inadequate, our workers and their families must dig into their own savings to pay those costs, and as a last resort, they are paid for by our already underfunded welfare programs.

The results of this bill will be to shift some of the current costs of industrial accidents and diseases to our workers' compensation system, and away from the social security system, the welfare system, the medicare system, the employer health benefits plan system, and from the private savings of the victims of industrial accidents and diseases.

Mr. President, our national system of State workers' compensation laws was inadequate in 1970 when the National Commission was established. It was inadequate in 1972 when the Commission issued its report. It was inadequate in 1975 when the National Commission's deadline for State improvements was passed, and, it is inadequate now.

As long as our workers' compensation laws are inadequate, workers and their families will suffer. It is saddening that so many of our working citizens are disabled every year due to industrially related causes. It is even more saddening that, in addition to bearing the terrible tragedy of maimed limbs, missing fingers, and debilitating disease, these workers must bear the further hardship of a compensation system which is inadequate to meet their medical and living expenses.

The deficiencies of our workers' compensation laws are a national tragedy. We cannot let this tragedy continue. This bill is not a rich man's bill. It is not a bill which will provide benefits that will make disabled workers wealthy. It only provides elementary justice and equity for the maimed and diseased workers of our Nation. It is a bill which our Nation can and must afford.

Mr. JAVITS. Mr. President, once again I am pleased to join with Senator WILLIAMS, chairman of the Labor and Human Resources Committee, in introducing legislation to establish Federal minimum standards for State workers' compensation laws. Today's bill is a further step in a process which began almost 10 years ago with the establishment of the National Commission on State Workmen's Compensation Laws pursuant to an amendment to the Occupational Safety and Health Act which I authored. Senator WILLIAMS and I arrive at this point in essential agreement on the basic features of an effective minimum standards bill, although one important aspect to which I will address myself later in my comments today requires an amendment by me.

The National Commission's 1972 report has served as the basic framework for the consideration of workers' compensation reform efforts since that time. The Commission was comprised of 18 members drawn from business, labor, insurance, Federal and State agencies, and

members of the public. Those 18 members unanimously concluded that—

State workmen's compensation laws are in general neither adequate nor equitable. While several states have good programs, and while medical care and some other aspects of workmen's compensation are commendable, strong points too often are matched by weak.

The National Commission made 84 recommendations for minimum standards for all State workers' compensation programs. It deemed 19 of those standards as essential, and its report recommended that if the States did not meet those 19 essential recommendations by July 1, 1975, the Congress should promptly act to adopt Federal legislation embodying the 19 essential recommendations in the form of a Federal minimum standards law.

Unquestionably, since the issuance of the National Commission's report, and under the threat of proposed Federal legislation, the States have made significant improvements in their workers' compensation laws. However, with each passing year it has become more certain that the States will not voluntarily act to improve their laws up to the point where all States meet substantially the 19 essential recommendations of the National Commission.

According to information compiled by the Department of Labor, the general compliance ratio with the 19 essential recommendations of the National Commission was approximately 55 percent as of April 1975. According to the latest figures furnished by the Department of Labor, the compliance ratio on January 1, 1979, was approximately 63 percent. Given the fact that the Commission was composed of a broad spectrum of members representing labor, business, insurance, and the public, and that the Commission's views with respect to the 19 essential recommendations were unanimous, this overall record of compliance is, at the very least, disappointing. In my view it is utterly dismal.

Furthermore, the record of State compliance with the Commission's key recommendations in the benefit area is even worse than the overall compliance record. Thus, only 26 States have complied with recommendation 3.8 calling for a maximum weekly benefit on temporary total disability to be at least 100 percent of the State's average weekly wage by July 1, 1975; and only 20 States comply with recommendation 3.23 calling for the maximum weekly benefits for permanent total disability to be at least 100 percent of the State's average weekly wage by July 1, 1975; and 20 States comply with recommendation 3.23 calling for the maximum weekly benefits for death to be at least 100 percent of the State's average weekly wage by July 1, 1975. That means that a substantial number of workers or their families in most States will not receive decent income replacement of two-thirds of their lost wages, even if they are totally disabled or killed from work-related causes.

Mr. President, I ask unanimous consent that the tables prepared by the Department of Labor be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 3.)

Mr. JAVITS. Another development which has underscored the need for improvement in existing State laws is the developing body of knowledge concerning the prevalence and severity of occupationally caused diseases. The failure of State workers' compensation laws to recognize the existence of coal workers' pneumoconiosis—black lung as it is more commonly known—and to provide reasonable compensation for its unfortunate victims, has already led to one massive Federal program, costing billions of dollars, to provide compensation for the victims of that terrible disease. We also know that despite published estimates that hundreds of thousands of American workers are the victims of occupational disease, relatively few occupational disease cases are actually handled through the workers' compensation system. Partly this is due to arbitrary exclusions or other irrational requirements embodied in some State laws as to duration of exposure and recency of employment, but it is also in large part attributable to the lack of a defined, cohesive standard or set of standards by which the compensability of occupational disease can be determined. More often than not, occupational disease cases are determined with reference to what particular physicians may say in individual cases, rather than to any generalized body of knowledge or standards.

This situation has led to a number of legislative proposals for special treatment similar to the Federal black lung program for the victims of such diseases as byssinosis and asbestosis. Also, some commentators, including a former Republican Assistant Secretary of Labor for Employment Standards, John Read, have called for serious study of the possibility of splitting off occupational disease from the existing State workers' compensation system and the establishment of a separate Federal compensation system to deal with the occupational disease problem.

My own approach to the occupational disease problem, as well as to the general problem of the inadequacy of State workers' compensation laws in other areas, is to resist any Federal takeover of all or part of the existing State system. Rather, the approach used in previous bills cosponsored by myself and Senator WILLIAMS is in line with the National Commission's recommendations of establishing Federal minimum standards for State laws, with an enforcement mechanism providing the least possible Federal intrusion into the State system, and then only when the State law fails to meet established Federal standards.

As this legislation has evolved, the approach to enforcement of the Federal standards has been considerably modified in order better to accomplish the objective of minimizing any possible Federal intrusion into the traditional role of the States in administering the workers' compensation system.

The current bill embodies the same approach used in S. 3060 introduced in the last Congress under which it would be absolutely impossible for the Federal Government ever to "take over" any State workers' compensation system. Under the bill, if a State did not meet Federal minimum standards, and a worker was deprived of compensation due under Federal standards, the worker could file a claim for supplemental compensation with the Benefits Review Board in the U.S. Department of Labor after exhausting all remedies at the State level. Such a claim could only be filed where the State law has previously been determined by the Secretary of Labor not to meet Federal standards.

The major point of the legislation is, of course, the Federal minimum standards themselves. The standards embodied in the current bill follow closely the 19 "essential" recommendations of the National Commission on State Workmen's Compensation Laws. They thus can hardly be characterized as too idealistic or visionary. Virtually all the witnesses who have testified before the Labor and Human Resources Committee on predecessor bills have agreed that the 19 "essential" recommendations should be met by all State laws. The following is a brief summary of the more important standards:

First. No maximum limitations on total benefits for death or temporary or permanent total disability;

Second. No maximum limitation on the type or extent of medical care or rehabilitation services;

Third. Totally disabled workers must be paid not less than 66⅔ percent of the average weekly wage, or 80 percent of their spending earnings, subject to a maximum of no less than 100 percent of the statewide average weekly wage;

Fourth. Full coverage of occupational disease, with no arbitrary exclusions or limitation based on duration or recency of exposure;

Fifth. Subject to approval and direction of the State agency, free choice of physicians by the injured worker;

Sixth. Supervision and direction by the State agency of medical and rehabilitation services with the proviso that benefits may be denied to an injured worker who refuses to undergo available and appropriate rehabilitation;

Seventh. Death benefits at the same rate as total disability benefits, but subject to a limited permissible offset against widows benefits payable under social security law;

Eighth. A waiting period of not more than 3 days with retroactive benefits paid after 14 days; and;

Ninth. In the area of occupational disease, the bill also provides for the development of advisory standards for determining occupational causation of disease based on the recommendations of special committees which must be set up to study each disease. Annual certification of State laws by the Secretary of Labor will not depend on compliance with the advisory occupational disease standards, but will include an evaluation of the extent to which the States

have complied with them. Moreover, the Secretary will make periodic reports to the Congress on compliance with these advisory standards and will make legislative recommendations as to their being enacted on a mandatory basis. Finally, the bill also eliminates certain arbitrary barriers to compensation in occupational disease cases which have in many cases barred meritorious claims.

Those who are familiar with the development of this legislation since Senator WILLIAMS and I introduced our first bill on this subject in 1973 will note there are three major differences between the standards embodied in the current bill and those embodied in S. 3060 introduced last year.

First, we have agreed to eliminate from this bill the provision requiring that benefits be adjusted automatically to reflect annual changes in the average weekly wage in the State. Although benefit escalation would provide an important protection for workers' compensation beneficiaries against the chronic inflation that this Nation has suffered for too many years, we recognize that the current Federal efforts to combat the inflationary spiral may make it difficult to index federally mandated benefits in an area heretofore untouched by Federal law.

Instead we call for a study of the desirability and feasibility of providing automatic benefit adjustments and an annual report of the economic effect of the failure to provide adjustments. This, of course, in no way prevents those States which have adopted automatic benefit increases from continuing to do so, nor does it prevent other States from voluntarily adopting this protection for workers disabled by industrial accidents and disease and the survivors of those who have died from them.

Second, we have reduced somewhat the ceiling on benefits in total disability and death cases from 200 percent of the applicable State average weekly wage to 150 percent of the average wage. In doing so, however, I wish to point out that this issue should be reviewed by succeeding Congresses in light of the desirability of fully replacing at least two-thirds of a totally disabled worker's prior wages. Workers' compensation benefits, after all, are not intended to be a welfare program, or even to be needs tested. Workers' compensation is intended, rather, to replace income on the basis of the expectancy of the injured or ill worker, or the survivors, for income at the career level reached by that worker.

Third, the bill in which I have joined with Senator WILLIAMS provides for advisory, rather than mandatory occupational disease standards. It is in this connection that I am submitting an amendment to the bill which will provide authority for mandatory occupational disease standards.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 4.)

Mr. JAVITS. From the inception of this legislation, nearly 6 years ago, I have stated my strong belief that one of its most important provisions is the authority to establish occupational disease standards by which claims in every State can be determined on an equitable and uniform basis. The record of the Labor and Human Resources Committee is filled with evidence that the State workers' compensation system has simply not adjusted to the realities of the dangers created by exposure to carcinogenic and other hazardous substances in the workplace. These hazards all too often produce serious and often fatal diseases which sometimes manifest themselves only many years after initial exposure.

I am well aware that objections have been lodged to this aspect of the bill on the grounds that it grants excessive discretion to the Secretary of Labor to promulgate occupational disease standards and that it might ultimately be too costly for the workers' compensation system to bear. The standard-setting procedures set forth in my amendment have been carefully drawn to assure not only due process for affected parties but a systematic procedure to produce the most sound and equitable standards possible. This process will clearly require a number of years to produce any significant number of standards in light of the fact that so much remains to be learned about causation and other relevant factors in determining compensability in occupational disease cases. But, I firmly believe that we must begin the process in earnest now.

Mr. President, I am well aware that this bill will be scrutinized more than ever in terms of its cost. Yet, in my view, we must also recognize that this legislation cannot be finally evaluated in money terms alone. What is ultimately involved is the moral responsibility of Government to see to it that the tragic victims of occupational injury and disease receive reasonable compensation in the basic no-fault system which workers' compensation embodies.

I emphasize, in this connection, that workers' compensation is a replacement for a tort system, which provided unlimited recovery, based on fault. While I would not wish to go back to the tort system, certainly if the Government is to take away an unlimited right of recovery, it has a responsibility to substitute for it a decent and humane system which will not require the victims of industrial accidents and exposure to toxic chemicals in the workplace to go on welfare in order to survive. I believe that we must enact legislation which embodies the absolutely essential ingredients of any decent State workers' compensation law, which have been agreed to by virtually everyone who has any connection with the workers' compensation system, as exemplified in the National Commission's unanimous report.

I wish to emphasize that enactment of this legislation should be a very high priority for the Labor and Human Resources Committee during this session of Congress, and that we are quite serious about advancing this bill ahead in the very near future. In previous years, this legislation has taken a back seat to other bills involving such important matters as increases in the minimum wage and labor law reform.

I have every reason to believe that starting today this bill will finally receive the priority attention it has deserved all along and that hundreds of thousands of workers and their families who are victims of industrial accidents, deaths and disease will not have too much longer to wait before receiving the Federal guarantee which is rightfully theirs of decent and human treatment through the workers' compensation system.

EXHIBIT 1

S. 420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Workers' Compensation Standards Act of 1979".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) many thousands of American workers are killed or permanently disabled and millions more are incapacitated from injuries and disease arising out of and in the course of their employment;

(2) injuries, diseases, and deaths arising out of and in the course of employment, constitute a burden upon interstate commerce and have a substantial adverse effect upon the general welfare;

(3) work-related injuries and diseases frequently occur during the worker's most productive years which often results in hardship for dependents and families;

(4) the vast majority of these injured and ill workers, and their families, are dependent on State workers' compensation systems for economic security, medical treatment, rehabilitation, and reemployment assistance when they suffer an injury, disease, or death arising out of and in the course of their employment;

(5) American workers and the national interest are best served by an adequate, prompt, and equitable workers' compensation system;

(6) many existing State workers' compensation laws do not provide an adequate prompt and equitable system of compensation for injuries, diseases, or deaths arising out of and in the course of employment;

(7) the basic national objectives for a comprehensive workers' compensation system include (A) broad coverage of employees and work-related injuries and diseases; (B) substantial protection against interruption of income; (C) provision of prompt and adequate medical care and rehabilitation services in order to correct work-related injuries and to restore such injured workers to gainful employment; (D) encouragement of safety and health protection; and (E) an effective system for delivery of benefits and services;

(8) the National Commission on State Workmen's Compensation Laws, in its 1972 report, found that existing State workers' compensation laws did not meet minimum standards of adequacy and fairness;

(9) although in recent years there have been improvements in many State workers' compensation laws, to a great extent existing State workers' compensation laws still fail to meet the minimum standards recommended by the National Commission on State Workmen's Compensation Laws; and

(10) the improvements that are necessary to insure that a prompt, adequate, and equitable system of workers' compensation is available to all American workers can

and should be achieved without delay, and there is a need for the Federal Government to encourage and assist the States in meeting this responsibility and to establish Federal minimum standards for State workers' compensation programs which assure adequacy, promptness, and fairness, while at the same time maintaining the primary responsibility and authority for workers' compensation in the States

(b) It is the purpose of this Act through the exercise of the power of Congress to regulate commerce among the several States and with foreign nations, and to provide for the general welfare, to—

(1) establish minimum standards for workers' compensation programs for employees throughout the Nation;

(2) establish appropriate procedures for providing employees with workers' compensation benefits in accordance with such standards in a State which does not meet such standards;

(3) encourage and provide technical and financial assistance to the States to make improvements in existing workers' compensation systems—

(A) to provide all workers and their families an adequate, prompt, and equitable system of workers' compensation;

(B) to restore disabled workers through medical and vocational rehabilitation services to the fullest possible physical, mental, and economic usefulness; and

(4) accomplish the foregoing objectives in such a way as to maintain the primary authority and responsibility for workers' compensation in the States.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of Labor;

(2) the term "Advisory Commission" means the National Workers' Compensation Advisory Commission established under this Act;

(3) the term "employer" means any person engaged in commerce or an industry affecting commerce, but shall not include the United States, or any State or political subdivision thereof;

(4) the term "person" includes one or more individuals, labor unions, partnerships, associations, firms, insurance funds, mutual companies, corporations, companies, joint-stock companies, trusts, unincorporated organizations, societies, trustees, trustees in bankruptcy, or receivers;

(5) the term "employee" means any individual employed by his or her employer or any individual who is treated as an employee for purposes of the workers' compensation law of any State, except that such term does not include—

(a) any individual who does not receive wages as defined in section 3121(a) of the Internal Revenue Code (26 U.S.C. 3121);

(b) any individual employed in domestic service in or around a private home by any employer who did not during any calendar quarter in the same or previous calendar year, employ one or more household domestic workers for compensation of $1,000 or more; or

(c) any individual employed as an agricultural laborer by any employer who did not during any calendar quarter during the preceeding calendar year employ more than thirty work-days of agricultural labor. For the purposes of this subsection, "work-day" means any day during which an employee performs any agricultural labor for not less than one hour. The person who operates a farm shall be deemed to be the "employer" of agricultural workers employed on that farm for the purposes of this Act, except where another person within the definition of "employer" in subsection (3) of this section has agreed in writing with the operator to accept workers' compensation responsibility and has informed the Secretary of his intention to accept such responsibility when applying for a Registration Certificate under the Farm Labor Contractor Registration Act of 1963, as amended; or

(d) any individual whose employment is covered by (i) subchapters I and II of chapter 81 of title 5, United States Code, (ii) the Act entitled "An Act relating to the liability of common carriers by railroad to their employees in certain cases", approved April 22, 1908 (35 Stat. 65, 45 U.S.C. 51–60), (iii) the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901–950) and extensions thereof, or (iv) section 20 of the Act entitled "An Act to remove certain burdens on the American merchant marine and encourage the American foreign carrying trade, and for other purposes", approved June 26, 1884 (46 U.S.C. 688);

(6) the term "physician" means a person licensed to provide health care services, and includes but is not limited to surgeons, podiatrists, dentists, clinical psychologists, optometrists, chiropractors to the extent specified in the Federal Employees' Compensation Act (5 U.S.C. 8101(2)), and osteopathic practitioners within the scope of their practice as defined by State law, and any other individual licensed to provide health care services reimbursable without referral from a physician under the workers' compensation law of any State;

(7) the term "compensation" means benefits made available under the applicable State workers' compensation law or pursuant to entitlements created by this Act, to the disabled employee or to the survivors of a deceased employee, and shall include, but not be limited to—

(a) "monetary benefits" paid to disabled employees or their survivors;

(b) "medical benefits" including payments for or provision of services of physicians, hospital care, nursing care, ambulance, prosthetic devices, and other related services, drugs, medicines;

(c) "rehabilitation benefits" including payment for or provision of medical and vocational services to reduce disability and to restore the physical, mental, and vocational functioning of a disabled worker;

(8) the term "statewide average weekly wage" means the average weekly earnings of workers on private payrolls within the State, as determined under the Federal Unemployment Tax Act (26 U.S.C. 3304);

(9) the term "State workers' compensation agency" means that agency, court, or official designated in each State as responsible for the administration or enforcement of the workers' compensation program within such State;

(10) the term "State workers' compensation law" means the law or laws of a State which provide compensation for death or disability resulting from injuries (including diseases) arising out of and in the course of employment or other similar test of work relatedness applicable under such law.

STANDARDS FOR WORKERS' COMPENSATION BENEFITS

SEC. 4. The minimum standards for State workers' compensation laws shall be as follows:

(a) All employers and employees as defined in this Act shall be covered, and coverage shall be compulsory, rather than elective.

(b)(1) Monetary benefits payable for total disability or for death shall be not less than 66⅔ per centum of the employee's average weekly wage subject to the following limitations:

(A) During the one-year period commencing January 1, 1982, with respect to disability or death occurring during such year, the maximum weekly benefits payable shall not be less than 100 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1, 1982.

(B) During the one-year period commencing January 1, 1984, and for every year thereafter, the maximum weekly benefits payable with respect to disability or death shall be not less than 150 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of the year in which the death or disability occurs.

(C) Minimum weekly monetary benefits for permanent total disability and death during any one-year period shall be at a rate not less than 50 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of such year or the employee's actual weekly wage, whichever is less.

(D) The maximum and minimum weekly benefits provided herein which are in effect on the date of the occurrence of the disability or death shall be applicable for the full period for which benefits are payable with respect to such disability or death.

(2) For the purpose of paragraph (1) of this subsection, payment of benefits at the rate of 80 per centum of the spendable earnings of a totally disabled or deceased employee shall be deemed to be not less than 66⅔ per centum of such employee's average weekly wage if spendable earnings are not less than the employee's gross average weekly wage reduced by an amount determined to reflect amounts which would be withheld from such wage under Federal and State income tax laws and under subchapter A of chapter 21 of the Internal Revenue Code of 1954 (relating to social security taxes) if the amount withheld were determined on the basis of the reasonably anticipated liability of such employee for tax for the taxable year in which such payments are made without regard to any itemized deductions but taking into account the maximum number of personal exemption deductions allowable.

(c)(1) Monetary benefits in the case of death at not less than the rate specified in subsection (b) of this section (including the maximum limits specified therein) shall be payable to the deceased employee's surviving spouse for life or until remarriage, with at least two years' benefits payable upon remarriage, except that if there is one or more surviving child, at least 50 per centum of the benefits payable under this paragraph shall be payable to such surviving children (share and share alike), such benefits to be payable to each child until at least age eighteen (or age twenty-five if the surviving child is a full-time student in an accredited educational institution), or for life if any such surviving child is physically or mentally incapable of self-support at the time of the death of the employee provided the compensation need not continue if such child becomes capable of self-support. If there is no surviving spouse, the amount of benefits payable to any surviving children shall include the amount which would otherwise have been payable to such surviving spouse.

(2) State law may provide an offset of death benefits against the survivor's insurance benefit payable under the Social Security Act, but only to the extent that such death benefits are reduced by no more than 5 per centum of the surviving spouse's share of the survivor's insurance benefits under the Social Security Act for each $10 of the deceased employee's average weekly wage in excess of $100; and further provided that in no case shall the reduction exceed 50 per centum of the surviving spouse's share of the survivor's insurance benefits under the Social Security Act.

(d) There shall be no time or dollar maximum limitation on the total amount of compensation payable in case of death or total disability.

(e) There shall be no time or dollar maximum limitation on the type or extent of medical benefits determined to be necessary by the State workers' compensation agency in any case.

(f) There shall be no exclusion of any disease and compensation due to disease shall not be denied on the basis that a disease (1) is not peculiar to or characteristic of a particular occupation or employment; (2) is not the result of an accident, or the onset of such disease was unrelated to any accident or accidental occurrence; (3) does not appear on a list of compensable diseases where exclusion from the list renders a disease conclusively noncompensable, or appears on a list of diseases which are conclusively noncompensable if such disease might, under some circumstances, arise out of and in the course of employment; or (4) is an ordinary disease of life or is a communicable disease, if the risk of contracting such a disease is increased by the nature of the employment. Nothing in this section shall preclude any State from including in its law, rebuttable presumptions concerning the circumstances under which particular diseases may be found to have arisen or not to have arisen out of and in the course of employment.

(g) A disabled employee shall be entitled to prompt rehabilitation services subject to the supervision and approval of the State workers' compensation agency. The State workers' compensation agency shall determine the appropriate rehabilitation services in each case to accomplish to the extent possible the objectives of restoring the physical, mental, and vocational functioning of the disabled employee, and his or her return to employment, consistent with the nature of the disability incurred. The State law may permit a maximum time limit on rehabilitation of not less than two years. Expenses incident to rehabilitation shall be considered a part of the rehabilitation benefits and shall not be borne by the disabled employee. Rehabilitation benefits are additional benefits and shall not reduce or replace any other available compensation.

(h) At such time as a disabled employee is able to resume work, the employer shall take reasonable steps to reemploy such employee in the same position or occupation such employee held prior to the disability, or if the employee is unable to perform the duties of his or her former position or occupation, to any other available position for which such employee is qualified, unless taking into consideration all the relevant circumstances, requiring such reemployment would constitute an undue hardship on the employer.

(i) Subject to the approval, direction, control and supervision of the State workers' compensation agency, a disabled employee shall be entitled to select a physician for diagnosis and treatment from among all physicians licensed by the State, or from a group or panel of physicians designated previously by the State workers' compensation agency.

(j) Compensation may be denied by reason of an injured worker's refusal to accept medical or rehabilitation service ordered by the State worker's compensation agency, except where such refusal is based on a choice, made in good faith, of treatment through prayer or spiritual means.

(k) Whenever employment requires travel travel between States or between the United States and, any other country, an injured or ill employee or the eligible survivors of such employee may claim benefits under the worker's compensation law of a State if the employment was principally localized in that State; or the employee was hired or appointed in that State; or the injury, disease, or death for which benefits are claimed occurred in that State. This section shall not be construed as authorizing recovery of compensation under more than one States' law.

(l) The waiting period for monetary benefits shall be not longer than three days and the period for qualifying for retroactive benefits during such waiting period shall be not longer than fourteen days.

(m) An original claim for compensation for disability or death may be filed within two years after the onset of disability or death. The time for filing a claim or notifying the employer of the injury (or disease) shall not begin to run until the employee has a compensable disability and is aware, or by the exercise of reasonable diligence should have been aware, of the causal relationship of the compensable disability to the employment. There shall be no time limitation on the filing of a claim based on recency of employment, unless the Secretary promulgates a standard under section 5 which includes such a time limit.

(n)(1) No compromise or release of any compensation shall be effective unless approved by the State workers' compensation agency, based on a determination by such agency that such compromise or release is in the best interest of the claimant, and will not adversely affect any program of rehabilitation.

(2) No compromise or release of medical or rehabilitation benefits shall be effective unless approved by the State workers' compensation agency, based on the evaluation of a physician designated by that agency that the compromise and release will sufficiently provide for future medical and rehabilitation care necessitated by the employees' injury or disease, and a determination by the agency that such compromise and release is otherwise in the best interest of the employee.

(3) No waiver, release, or similar instrument relating to future coverage or compensation under any State workers' compensation law that is executed prior to the occurrence of any injury or death shall be effective under any circumstances. Any waiver, release or similar instrument which does not comply with the provisions of this paragraph shall be void.

PROPOSALS FOR THE COMPENSATION OF OCCUPATIONAL DISEASE

SEC. 5. (a) The Secretary of Health, Education, and Welfare is authorized and directed to undertake studies of employment-related diseases for the purpose of developing and recommending proposals for appropriate standards for (i) determining whether particular diseases arise out of and in the course of employment; (ii) establishing criteria for diagnosing diseases; and (iii) establishingg criteria for determining whether death or disability is due to such diseases. In determining subjects for and design of studies pursuant to this section, the Secretary of Health, Education, and Welfare shall give priority to the recommendations of the Secretary of Labor and the National Workers' Compensation Advisory Commission established under section 17 of this Act (hereinafter called the "Advisory Commission"). In carrying out the studies required by this section, the Secretary of Health, Education, and Welfare shall consult with the Director of the National Institute of Occupational Safety and Health and such other public and private organizations as are appropriate with respect to employment related diseases. The results of such studies shall be published and distributed to the States, and shall be furnished to the Secretary of Labor.

(b) The Secretary may develop recommended standards for (i) determining whether diseases arise out of and in the course of employment; (ii) establishing the criteria for diagnosing such diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases or for modifying or revoking such standards. Such recommendations may include reasonable rebuttable presumptions wherever appropriate.

(c)(1) Such recommended standards shall be developed in accordance with the following paragraphs:

(2)(A)(i) When the Secretary receives a recommended standard from the Secretary of Health, Education and Welfare pursuant to subsection (a), and determines not to propose a recommended standard based on that recommendation, the Secretary shall within sixty days after receipt thereof, publish in the Federal Register his determination not to do so and his reasons therefore.

(ii) Whenever the Secretary, upon the basis of studies or recommended standards published under subsection (a) or other information or studies submitted to him by an interested person or by a State or on the basis of information developed by the Secretary, determines that a standard should be proposed to establish minimum standards relating to occupational disease compensation, the Secretary shall prepare a recommended standard and shall appoint an advisory committee composed of not less than three medical, scientific, or other experts of suitable experience, training, or education related to the subject matter of the proposal.

(B) When the Secretary has determined to propose a recommendation for consideration by an advisory committee, the Secretary shall forward it to the advisory committee established to consider each proposal, and shall provide the committee all pertinent information developed by the Secretary or the Secretary of Health, Education and Welfare, or otherwise available to the Secretary, including the results of research, demonstrations, and experiments. The advisory committee shall consider such proposal and shall determine (i) whether in the advisory committee's opinion the standard is consistent with available scientific and medical knowledge concerning the subject matter of the proposal and (ii) the advisory committee's recommendations for modifications of such proposal to make it consistent with available scientific and medical knowledge concerning the subject matter of the proposal or otherwise to improve the proposal. The advisory commitee shall submit a report of its consideration of such proposal to the Secretary within one hundred and eighty days of the date of its appointment or within each shorter period as may be prescribed by the Secretary, but in no event may such period be less than ninety days.

(3) Within sixty days of the receipt of the report of the advisory committee, the Secretary shall determine whether to solicit public comment on the recommended standard. If the Secretary determines to do so, he shall publish that determination and the recommended standard in the Federal Register. If he determines not to recommend said standard, he shall publish that determination in the Federal Register, and his reasons therefor. In either event, the Secretary shall at the same time forward a copy of the advisory committee's report to the Advisory Commission.

After publication of a recommended standard in the Federal Register, the Secretary shall afford interested persons a period of thirty days after such publication in the Federal Register to submit written data or comments on the proposal. Such comment period may be extended by the Secretary upon finding of good cause, which the Secretary shall publish in the Federal Register.

(4) On or before the last day of the period provided for the submission of written data or comments under subparagraph (4)(A), any interested person may file with the Sec-

retary written objections to the recommended standard, stating the grounds therefor and requesting a public hearing on such objections. If the Secretary determines that a public hearing on such proposal would assist in developing pertinent information about such proposal and its subject, the Secretary shall, within sixty days after the last day for filing such objections, publish in the Federal Register a notice specifying the proposal to which objections have been filed and a hearing requested and specifying a time and place for such hearing. Any hearing under this subsection for the purpose of hearing relevant information shall commence within sixty days after the date of publication of the notice of hearing. Hearings shall be conducted by the Secretary, who may prescribe rules and make rulings concerning procedures in such hearings to avoid unnecessary costs or delay. A verbatim transcript shall be taken of any such hearing and shall be available to the public.

(5) Within one hundred and eighty days after the closing of the record of any such hearing, or, in the case of a recommended standard concerning which a public hearing was not held, within one hundred and eighty days after the period for filing such objections has expired, the Secretary shall publish such proposed standard in its original or modified form in the Federal Register as an advisory standard for compensation of death or disability due to disease arising out of and in the course of employment, or shall publish in the Federal Register the determination not to do so and the reasons therefor.

(6) Any advisory standard published pursuant to this section shall be based on and shall be consistent with available scientific and medical knowledge.

(7) The Secretary may require by subpoena the attendance of witnesses and the production of evidence in connection with any proceeding initiated under this section. If a person refuses to obey a subpoena under this subsection, a United States district court within the jurisdiction of which a proceeding under this subsection is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpoena.

(d)(1) Any such advisory standard published in the Federal Register pursuant to this section shall immediately upon publication become applicable as an advisory standard which may be considered by each State workers' compensation agency with respect to determining the compensation of death or disability due to disease arising out of and in the course of employment. In any subsequent review of the workers' compensation law of a State made by the Secretary of Labor pursuant to section 7 of this Act, the Secretary shall evaluate and note the extent to which the law of such State complies with the advisory standard; however, the Secretary shall not make any certification of State compliance or non-compliance with any such advisory standard by a State. In determining the extent of compliance with any such advisory standard by the State, the Secretary shall evaluate the statutory law of the States, and the administrative and judicial interpretation of the law by the State workers' compensation agency and the courts of such State.

(2) The Secretary's annual report filed pursuant to section 16 of this Act shall note the extent of State compliance with any advisory standard published pursuant to this section.

(3) Three years after the publication of the first such advisory standard, and at least every three years thereafter, the Secretary shall evaluate the compliance by the States with all published advisory standards, and shall forward to the Congress a report of the degree of such compliance and the Secretary's recommendation with respect to any of the published advisory standards which should be considered by the Congress as mandatory federal standards for the compensation of death or disability due to diseases arising out of and in the course of employment. The Secretary shall at that time forward to the Congress the report of the advisory committees which considered any such standards and the record of any public hearings which may have been held in connection with the Secretary's consideration of any such advisory standard, and any medical, scientific or other data relevant to such standards. The Secretary may, in addition, recommend to the Congress alternative means of establishing mandatory occupational disease standards, including the delegation of comprehensive standard-setting authority.

(e) In developing and considering any recommended standard for compensation of death or disability due to disease, the Secretary shall determine the estimated number of individuals who are employed or formerly employed and who may be affected by the disease or diseases which are the subject of the recommended standard, and the estimated cost of providing compensation pursuant to such recommended standard. The Secretary shall also consider the adequacy and effectiveness of the workers' compensation system to compensate the victims of such disease or diseases, and shall consider alternative methods of providing such compensation which may be more effective in providing fair and adequate compensation. The Secretary shall include such information in the report to the Congress made pursuant to paragraph (d)(3) and may propose alternative methods of providing such compensation in lieu of or in addition to any proposal to provide such compensation through the workers' compensation system of the states.

STUDY OF COMPENSATION OF PARTIAL DISABILITIES AND OF BENEFIT ADEQUACY

SEC. 6. (a) The Secretary shall conduct a study of the compensation of partial disabilities arising out of and in the course of employment. In conducting such study, the Secretary shall compare the efficiency, effectiveness, and adequacy of the means by which the several States compensate partial disabilities arising out of and in the course of employment. In connection with such studies, the Secretary may enter into contractual arrangements with one or more States or political subdivisions thereof, other Federal agencies, or private agencies; and may establish experimental programs to test the efficiency, effectiveness, and adequacy of various means of compensating partial disability arising out of and in the course of employment. Not later than three years following the date of enactment of this Act, the Secretary shall make a written report to the Congress on his study of the compensation of partial disability. Such report shall contain recommendations for legislation to amend this Act to provide minimum Federal standards for State workers' compensation laws relating to the compensation of partial disabilities due to injury or disease arising out of and in the course of employment.

(b) The Secretary shall conduct a study of the desirability and feasibility of a federal minimum standard requiring periodic adjustment of benefits for death or total disability to reflect changes in the statewide average weekly wage. In considering this matter, the Secretary shall evaluate the adequacy of workers' compensation benefits, the availability of other sources of compensation for those receiving death or total disability benefits as a result of work related causes, and shall consider the effect of inadequate workers' compensation benefits on other compensation programs. Such study shall also include an estimate of the cost of providing periodic benefits adjustment for those receiving death or total disability benefits, and shall evaluate the feasibility of alternative procedures for providing such adjustment of benefits. Not later than three years following the enactment of this Act, the Secretary shall make a written report to the Congress on the results of this study, including recommendations for legislation to amend this Act to provide such adjustments. The Secretary's annual report filed pursuant to Section 16 shall include a report on the economic effect of the failure to require adjusting benefits to reflect changes in the statewide average weekly wage.

(c) The Secretary shall consult with the Advisory Commission concerning the studies and reports required by this section.

CERTIFICATION AND SUPPLEMENTAL COMPENSATION

SEC. 7. (a) On or before the effective date of section 4 of the Act, the Secretary of Labor shall review the workers' compensation law of each State to determine whether such law meets the applicable standards for State workers' compensation programs contained in section 4 of this Act. If the Secretary determines that State law meets all of the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period covered by such certification.

(b) If the Secretary finds that the law of any State fails to meet one or more of the standards of section 4 of this Act, the Secretary shall certify the State law only to the extent that it meets such standards, and the Secretary shall specify those standards which the State law fails to meet. During any period in which the State law has not been fully certified, any employee shall be entitled to receive from his or her employer, with regard to any inquiry or disease arising out of and in the course of employment with such employer, compensation in accordance with the provisions of this Act with which the State is not in compliance (hereinafter referred to as "supplemental compensation").

(c) After initial review provided by subsection (a), the Secretary shall annually review the workers' compensation law of each State, including the judicial and administrative interpretations of the law, to determine whether it meets the requirements of section 4 of this Act. Pursuant to such reviews, the Secretary shall modify the certifications previously issued under subsection (a) as appropriate.

(d) Except with respect to section 4(f), in certifying a law of a State as meeting the requirements of section 4, the status of any individual as an employee or independent contractor, whether death of injury has been suffered, whether an injury or death arose out of and in the course of employment, and the degree of disability, if any, shall be determined solely by State law.

ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

SEC. 8. (a)(1) Any claimant who is aggrieved by an order or award of a State workers' compensation agency, insofar as it fails to award compensation at least equivalent to supplemental compensation may within ninety days after such order or award becomes final file a petition for review of the State workers' compensation agency's order or award, insofar as it fails to award such compensation, with the Benefits Review Board (hereinafter referred to in this section as the "Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, as amended or as it may be amended from time to time (Act of March 4, 1927) (hereinafter referred to as the "Longshore Act").

(2) For the purpose of this section, the order or award of a State workers' compensation agency shall become final for the purpose of paragraph (1) on the date on which no appeal or review of such order or award shall be available to any party subject to such order or award or any further appeal or review would be futile.

(b) State law shall govern the determination of the status of any individual as an employee or an independent contractor, and the determination of whether death or injury (including disease) has been suffered, wheather an injury (including disease) or death arose out of and in the course of employment, and the degree of disability, if any.

(c)(1) In review proceedings under this section, the decision of the Board shall be based upon the evidence in the record before the State workers' compensation agency except that the Board, in its discretion, may (i) in any case in which the State workers' compensation agency has refused to assert jurisdiction over the claim, refer the case to the Office of Workers Compensation Programs of the Department of Labor for processing in accordance with the provisions of the Longshore Act, or (ii) in any case where the State agency has refused to assert jurisdiction over the claim or has otherwise precluded the introduction of such evidence permit the parties to submit additional relevant evidence in a hearing before an administrative law judge in accordance with sections 19 and 21 of the Longshore Act.

(2) Where new evidence is not submitted, the findings of fact by the State workers' compensation agency, insofar as they involve eligibility for supplemental compensation shall be conclusive if supported by substantial evidence on the record as a whole. Findings of fact and conclusions of law in the determination of the State workers' compensation agency on issues covered solely by State law shall be conclusive, and not subject to review in any proceeding under this section.

(3) Where the Board finds that the employer has failed to provide supplemental compensation to which the petitioner is entitled, the petitioner shall be awarded such compensation together with the reasonable costs and expenses of litigation, including reasonable attorney's fees.

(4) Any order issued by the Board shall be enforceable and reviewable in accordance with section 21 of the Longshore Act.

(5) Any award of the Board shall be automatically modified to take into account subsequent orders or awards of the State workers' compensation agencies with respect to issues solely covered by State law. With respect to issues not solely covered by State law, procedures for the modification of Board awards or orders shall be in accordance with section 22 of the Longshore Act, except that references in that section to "the deputy commissioner" shall mean "the Board" and the word "his" in the first sentence of that section shall be read "its" and shall refer to the Board.

(6) Sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 38, and 39 (a) and (c) of the Longshore Act shall be applicable with respect to claims for supplemental compensation payable under this Act during any period in which the workers' compensation law of that State is not fully certified. The Secretary shall by regulation modify the provisions of section 16 of the Longshore Act to conform the payment of supplemental compensation to the payment schedule of the applicable State's law, and may by regulation modify the applicability of any other of the foregoing provisions as appropriate to carry out the purposes of this Act.

EMPLOYMENT DISCRIMINATION

SEC. 9. No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceeding or because of the exercise by any employee on behalf of himself or others of any right afforded by this Act. Any employer who violates this section shall be liable to a penalty of not less than $100 or more than $1,000, as may be determined by the Secretary. All such penalties shall be paid to the Secretary for deposit in the special fund as described in section 44 of the Longshore Act, and if not paid may be recovered in a civil action brought in the appropriate United States district court. Any employee so discriminated against shall be restored to his employment and shall be compensated by his employer for any loss of wages (including fringe benefits) arising out of such discrimination: *Provided*, That if such employee shall cease to be qualified to perform the duties of his employment, he shall not be entitled to such restoration and compensation. The employer alone and not his carrier shall be liable for such penalties and payments. Any provision in an insurance policy undertaking to relieve the employer from liability for such penalties and payments shall be void.

EXCLUSIVITY AND THIRD PARTY LIABILITY

SEC. 10. (a) The compensation to which an employee is entitled under the applicable State workers' compensation laws and the supplemental compensation, if any, to which he or she may be entitled under this Act, shall constitute the employee's exclusive remedy against the employer, the employer's insurer or any collective-bargaining agent of the employer's employees and any employee, officer, director, or agent of such employer, insurer, or collective-bargaining agent (while acting within the scope of his or her employment) for any illness, injury, or death arising out of and in the course of his or her employment.

(b)(1) Notwithstanding any other provision of this law, or any other law, in any liability action against a third party brought as result of illness, injury or death arising out of and in the course of employment, this section shall govern the rights of the employee (or his or her representative or survivors) and the employer or insurance carrier, the collective bargaining agent, and the third party.

(2) For the purpose of this section, liability actions against third parties shall include but not be limited to all actions brought for or on account of personal injury, disease, physical or mental impairment, disability, or death caused by or resulting from the manufacture, construction, design, formula, preparation, assembly, testing, warning, instruction, marketing, packaging, or labeling of any product. It shall include, but not be limited to, all actions for damages based upon the following theories: strict products liability; negligence; breach of warranty, express or implied; breach of or failure to discharge a duty to warn or instruct, whether deliberate, negligent, or innocent; misrepresentation, concealment, or nondisclosure, whether fraudulent, negligent, or innocent.

(3) Any judgment against a third party in a liability action described in this section shall be reduced by an amount equal to the amount paid to the injured employee or his or her survivors as compensation pursuant to any State workers' compensation law and any supplemental compensation paid pursuant to this Act and the present value of all future compensation and supplemental compensation payable.

(4) No employer, or insurer of such employer shall have any lien upon any judgment rendered in any such third party liability action brought as a result of any illness, injury or death arising out of or in the course of employment with such employer, nor any right of subrogation in connection with any such third party liability action.

(5) No third party may maintain any action for indemnity, contribution or other monetary damages against any party immune from suit by the employee by subsection (a) based on the liability of such third party to any employee of such employer as a result of any action described in this Section.

EMPLOYER RESPONSIBILITY FOR ELECTIONS AND INSURANCE

SEC. 11. (a) Every employer shall be responsible for payment of all supplemental compensation which may be payable to its employees under section 8 of this Act.

(b) Every employer shall secure the payment of supplemental compensation payable under section 8 of this Act—

(1) by insuring and keeping insured the payment of such supplemental compensation with any stock company or mutual company or association, or with any other person or fund, while such person or fund is authorized to insure workers' compensation or supplemental compensation under the laws of the United States or of any State, or by the Secretary, to insure payment of supplemental compensation under this Act; or

(2) by qualifying as a self-insurer under the law of each State with respect to which the employer has not satisfied the requirements of paragraph (1) of this subsection, except that the Secretary may, by regulation, impose additional or alternative conditions on qualification for self-insurance in the event that the Secretary finds that the qualification requirements in a State are insufficient to assure the payment of supplemental compensation provided by this Act.

(c)(1) Any employer not subject to a State workers' compensation law because such law fails to comply with section 4(a) of this Act shall, where permitted, elect coverage under such law so as to provide coverage under the State law to each individual who is an employee of such employer.

(2) If the Secretary has not certified under section 7 that a State law is in compliance with section 4(a), employers in the State who are permitted to elect such coverage under the State law but who have not done so, shall be subject to a civil penalty not to exceed $25 per employee for each day of noncompliance in a suit brought by the Secretary.

(d) Each contract of insurance under which workers' compensation benefits are provided to or for the employees of any employer shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act. The Secretary may by regulation provide for exceptions to or exemptions from this subsection consistent with the purposes of this Act.

(e) Each contract of insurance which provides coverage for comprehensive personal liability, either alone or as part of a homeowner's or tenant's policy, shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act with respect to domestic employees to the extent that such employees are entitled to workers' compensation under this Act, unless the employer has otherwise secured payment of such compensation pursuant to this section.

GRANTS TO STATES

SEC. 12. (a) The Secretary is authorized during the fiscal year of enactment of this Act, and the two succeeding fiscal years, to make grants to any State to assist such State—

(1) in identifying needs and responsibilities in the area of workers' compensation.

(2) in developing programs for meeting the requirements of section 4,

(3) developing and publishing a guide to the evaluation of disability,

(4) establishing one or more disability evaluation units to assist in the determination of the degree of disability,

(5) utilizing the services of impartial physicians in the evaluation of impairment and the degree of impaired workers,

(6) establishing systems for the collection of information concerning workers' compensation as provided in section 13 of this Act,

(7) increasing the expertise and enforcement capabilities of personnel engaged in workers' compensation programs, or

(8) otherwise improving the administration and enforcement of State workers' compensation laws consistent with the objectives of this Act.

(b) The Governor of the State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(c) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary.

(d) The Secretary shall review the application, and shall approve or reject such application, and, if the application is rejected, shall promptly inform the Governor and the applicant of the reason for the rejection.

(e) The Federal grant shall not exceed 66⅔ per centum of the total cost of the projects described in the application. In the event the Federal share for all States under such subsection is not the same, the difference among the States shall be established on the basis of objective criteria.

(f) There is hereby authorized to be appropriated for the fiscal year of enactment, the sum of seventy-five million dollars, to be available without fiscal year limitation; and for each of the following four fiscal years such sums as are necessary for the purpose of carrying out the provisions of this section.

STATISTICS

SEC. 13. (a) The Secretary shall develop and maintain a program of collection, compilation, and analysis of workers' compensation data in order to carry out the purposes of this Act.

(b)(1) The Secretary shall, by regulation, require that the following reports be submitted to the State workers' compensation agencies with respect to claims for injuries or illnesses arising out of and in the course of employment except with respect to claims for medical benefits only in each State—

(A) A report by the employer within a reasonable time of the injury or illness which identifies the employer and the employee; states the date, time, and place of the accident or the exposure; gives a brief explanation of the occurrence of the injury or exposure; describes the injury or illness dates of diagnosis and initial treatment, dates of lost time and return to work; identifies physicians and hospitals involved in treatment and the insurance carrier, if any; and provides such additional information required by the Secretary's regulations.

(B) A prompt report by the employer or the employer's insurance carrier, after the first compensation payment or denial of the claim, which identifies the employee, the employer, the carrier, if any; the dates of injury or illness and diagnosis; the amount of the compensation paid, specifying the date and amount of the first compensation payment; the employee's average weekly wage if less than the applicable maximum; the nature and extent of the disability; the medical payments to date; and, if the case has been closed or the claim denied, the total compensation, and the reason for closing the case or denying the claim.

(C) A prompt report by the employer or the employer's insurance carrier, after the last compensation payment, which identifies the employer, the employee, the carrier, if any; provides pertinent data concerning the compensation specifying monetary, medical, and rehabilitation benefits paid; provides information concerning the nature and duration of the impairment and disability; and states the reason for the termination of benefits and closing of the case. The Secretary may by regulation require the filing of periodic reports with respect to claims continuing two years after the first compensation payment.

(2) In promulgating regulations with respect to reports required under this section, the Secretary shall consider and evaluate the reporting requirements of the several States with the objective of developing and encouraging the adoption of a uniform data collection and reporting system under this Act.

(3)(A) The Secretary's regulations shall require that all reports required by paragraph (1) of this subsection be filed with the State workers' compensation agencies. The Secretary shall further require, as a condition of any grant made for the purpose of assisting the State to improve their data collection processing, that such agencies shall periodically, but no less frequently than annually, submit to the Secretary a report analyzing workers' compensation cases in such States, based on the data contained in the reports required by the Secretary's regulations issued pursuant to paragraph (1) of this subsection. The analyses of the State workers' compensation agencies shall contain such information as the Secretary shall prescribe by regulation.

(B) With respect to any State which does not agree to collect data and provide analyses of workers' compensation cases as provided in this section, the Secretary's regulations shall require that all reports required by paragraph (1) of this subsection be filed directly with the Secretary.

(c) The Secretary shall annually file with the Congress and make available to the public, a report and evaluation of workers' compensation information compiled pursuant to this section.

(d) The Secretary may make grants to States as provided in section 12 to assist them in developing programs for the collection and evaluation of data and reports required by regulations of the Secretary issued pursuant to this section.

RESEARCH

SEC. 14. (a) The Secretary is authorized to engage in research and to engage in such pilot projects and demonstration programs as the Secretary shall deem warranted, for the purpose of—

(1) developing recommendations for improving the workers' compensation programs of the several States and the compensation program under this Act;

(2) developing recommendations for means of more economically assuring that workers will have the benefits described in section 4; and

(3) monitoring and promoting academic study of workers' compensation and the development of improvements to the workers' compensation program of the several States and the workers' compensation program under this Act.

(b) The Secretary shall conduct a study of the adequacy of the workers' compensation system for compensating individuals for disability or death due to occupational diseases, including the availability and cost of providing such coverage through traditional insurance or self-insurance. Such study shall also include particular attention to work-related diseases characterized by long latency periods between exposure to toxic substances or other harmful physical agents and the onset of disability or death, including the feasibility and desirability of providing such coverage through reinsurance pools, trust funds, or other means of apportioning liability. The Secretary shall submit his report, together with his recommendations to the Congress no later than two years after enactment of this Act.

(c) In carrying out his functions under this Act, the Secretary, with the consent of any State or political subdivision thereof, accept and use the services, facilities, and employees of the agencies of such State or political subdivision thereof, with or without reimbursement.

AUDITS

SEC. 15. (a) Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate the administration of such grants.

(b) The Secretary and the Comptroller General of the United States, or any of their fully authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of any grant under this Act which are pertinent to such grant.

ANNUAL REPORT

SEC. 16. Within one hundred and twenty days following the convening of each regular session of each Congress, the Secretary shall prepare and submit to the President for transmittal to the Congress a report upon the subject matter of this Act, the progress toward achievement of the purpose of this Act, and the needs and requirements in the field of workers' compensation.

ADVISORY COMMISSION

SEC. 17. (a) There is hereby established a National Workers' Compensation Advisory Commission (hereafter in this section referred to as the "Advisory Commission") to be composed of nine members appointed by the Secretary from among persons who by reason of training, education or experience are qualified to carry out the functions of the Advisory Commission. Three members shall be appointed from among representatives of employees; three members shall be appointed from among representatives of employers, one of whom shall be a representative of insurers; and three members shall be representatives of the general public, one of whom shall be a representative of State governments. The Secretary shall designate one of the public members to serve as Chairman or Chairwoman. Five members of the Commission shall constitute a quorum. The terms of office of the members of the Commission shall be three years, except that of the members first appointed, three members shall be appointed for a term of one year, three members shall be appointed for a term of two years, three members shall be appointed for a term of three years.

(b) The Commission shall—

(1) monitor the progress of the States in making improvements in their workers' compensation laws and in meeting the standards provided in section 4;

(2) monitor the administration of the workers' compensation programs in the States;

(3) provide technical and other assistance to the Secretary in improving the implementation of this law and the administration of the workers' compensation program, including recommendations to the Secretary of administrative or legislative action necessary to improve workers' compensation programs.

(c)(1) The Commission or any authorized subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any members authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(2) Each department, agency, and instrumentality of the executive branch of the Government, including any independent agency, is authorized to furnish to the Commission, upon request made by the Chairman or Chairwoman, such information and assistance as the Commission deems necessary to carry out its function under this section.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman or Chairwoman shall have the power to appoint and fix the compensation of an executive director, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title, and procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code. The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) Members of the Commission shall receive compensation for each day they are engaged in the performance of their duties as members of the Commission at the daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

SEPARABILITY

SEC. 18. If any provisions of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

EFFECTIVE DATE

SEC. 19. (a) The provisions of section 4 of this Act shall take effect two years after the date of enactment of this Act, and shall apply to deaths or disabilities occurring thereafter.

(b) Except as otherwise provided, all other provisions of this Act shall take effect immediately upon enactment.

EXHIBIT 2

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

This section provides that the Act may be cited as the National Workers' Compensation Standards Act of 1979.

SECTION 2—FINDINGS AND DECLARATIONS OF PURPOSE

Section 2(a) provides that the Congress finds and declares that—

(1) many thousands of American workers are killed or permanently disabled and millions more are incapacitated as a result of job-related injuries and diseases;

(2) job related injuries and diseases are a burden on interstate commerce and have an adverse impact on the general welfare:

(3) job-related injuries or diseases often occur during a worker's most productive years, and cause hardships for the worker's dependents and family;

(4) a vast majority of workers who are killed, or suffer job-related injuries or illness, depend on State workers' compensation systems for economic assistance to themselves and their families, and for medical benefits, rehabilitation and reemployment assistance;

(5) American workers and the national interest are best served by an adequate, prompt and equitable workers' compensation system;

(6) many existing State workers' compensation systems do not provide an adequate, prompt equitable system for compensation of job-related injuries, diseases or deaths;

(7) the basic national objectives for a comprehensive workers' compensation system include (a) broad coverage of employees and job-related injuries and illnesses; (b) substantial protection against interruption of income; (c) delivery of prompt and adequate medical care and rehabilitation services to injured or ill workers; (d) encouragement of safety and health protection; and (e) an effective delivery system for benefits and services;

(8) the 1972 Report of the National Commission on State Workmen's Compensation Laws found that many State workers' compensation laws did not meet minimum standards of fairness and adequacy;

(9) despite recent improvements in State workers' compensation laws, State laws still fail, to a great extent, to meet the minimum standards recommended by the National Commission; and

(10) the improvements necessary to establish prompt, adequate and equitable systems of workers' compensation for all American workers can and should be achieved without delay; and Federal legislation establishing minimum standards of workers' compensation programs is needed to encourage and assist the States in meeting this responsibility while at the same time maintaining the primary responsibility and authority for workers' compensation in the States.

Section 2(b) provides that it is the purpose of this Act, through the exercise of the power of Congress to regulate interstate commerce and to provide for the general welfare, to—

(1) establish minimum standards for workers' compensation throughout the nation;

(2) ensure that workers compensation benefits in accordance with such standards will be provided in States which do not provide such benefits under State law;

(3) encourage and assist the States to make improvements in their compensation laws—

(a) to provide workers and their families with adequate, prompt and equitable workers' compensation;

(b) to restore disabled workers, through medical and vocational rehabilitation to the fullest possible physical, mental and economic usefulness; and

(4) accomplish the foregoing in a manner which will maintain the primary authority and responsibility for workers' compensation in the States.

SECTION 3—DEFINITIONS

This section defines the following terms which are used in this Act:

(1) Secretary.
(2) Advisory Commission.
(3) employer.
(4) person.
(5) employee.
(6) physician.
(7) compensation.
(8) statewide average weekly wage.
(9) State workers' compensation agency.
(10) State workers' compensation law.

SECTION 4—STANDARDS FOR WORKERS' COMPENSATION BENEFITS

Section 4 establishes the following minimum standards for programs of compensation for job-related death or disability—

(a) Coverage of all employers and employees must be compulsory.

(b)(1) This paragraph establishes minimum monetary benefits for death or total disability of not less than 66⅔ percentum of the employee's average weekly wage but permits the establishment of limitations on this minimum benefit, as stated in subparagraphs (A) and (B). However, these limitations may not reduce benefits below the floor established in subparagraph (C).

(A) During the year commencing January 1, 1982, maximum weekly benefits for deaths or disabilities occurring during that year may be set as low as 100 percentum of the statewide average weekly wage for the first four of the eight calendar quarters preceding January 1, 1982.

(B) During the year commencing January 1, 1984, and for every calendar year thereafter, maximum weekly benefits for deaths or disabilities occurring during any calendar year eshall be no less than 150 per centum of the statewide average weekly wage during the first four of the eight calendar quarters preceding January 1 of that year.

(C) Notwithstanding the maximums permitted by subparagraphs (A) and (B), minimum weekly monetary benefits in any calendar year shall be at least 50 percentum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of such year, or 100 percentum of the employee's actual weekly wage, whichever is less.

(2) This paragraph provides that, as an alternative to the maximum limitation on benefits permitted under paragraph (1), a maximum limitation on monetary benefits of 80 percentum of the employee's spendable earnings may be provided. Spendable earnings are the employee's gross average weekly wage less applicable Federal and State income and social security taxes the employee would pay if he or she claimed the maximum possible number of exemptions.

(c)(I) In cases brought on account of a job related death, this section provides that monetary benefits at the rate provided in subsection (b) must be paid to the surviving spouse for life, unless the spouse remarries. In the event the surviving spouse remarries, two year's benefits are payable upon remarriage and benefits to the spouse may be terminated. However, 50 per centum o fthe benefits must be paid to surviving children, until they are 18 years old (25 years old if the child is a full-time student in an accredited educational institution), or for the child's life in the case of a child who is incapable of self-support. If there is no surviving spouse, the surviving children shall receive monetary benefits at the rate provided in subsection (b) for the period of their eligibility.

(2) State law may provide for the reduction of death benefits paid to survivors who also receive survivor's benefits under the Social Security Act, but any reduction under this subsection must be limited to 5 percentum of the survivor's Social Security benefit for each $10 of the deceased employee's average weekly wage which exceeds $100, and in no event will the reduction exceed 50 percentum of the survivor's social security benefit.

(d) There is to be no time for total dollar limitation on the compensation payable for death or total disability.

(e) There shall be no time or total dollar limitation on the type or amount of medical benefits determined to be necessary by the State workers' compensation agency.

(f) No disease shall be excluded from coverage (1) because it does not typically occur as a result of a particular employment; (2) is not connected with an accidental occurrence; (3) is on a list of conclusively non-compensable diseases or is not on a list of conclusively compensable diseases; or (4) is an ordinary disease of life or is a communicable

disease if the risk of contracting such diseases was increased by the nature of the employment. In addition, the determination of compensability of any disease covered by a section 5 standard shall be determined in accordance with that standard. State law may establish rebuttable presumptions concerning the compensability of diseases as long as the presumptions do not conflict with section 5 of this Act.

(g) Disabled employees are entitled to prompt rehabilitation services subject to the supervision and approval of the State workers' compensation agency. The State workers' compensation agency shall determine appropriate rehabilitation in each case, with the purpose of restoring the physical, mental and vocational functioning of employees and their return to employment consistent with the nature of their disabilities. Rehabilitation benefits, including expenses incident to rehabilitation, are additional benefits and may not reduce other available compensation. State law may permit a maximum time limitation on rehabilitation services, but the maximum limit may not be less than two years.

(h) Employers are required to take reasonable steps to return their employees to their former positions when they are able to return to work. When an employee is unable to perform the duties of his or her previous position, their employer is required to provide employment in another position for which they are qualified, unless under all relevant circumstances, reemployment would constitute an undue hardship on the employer.

(i) A disabled employee is entitled to select a physician for diagnosis and treatment from among all licensed physicians or when a group or panel has previously been designated by the State workers' compensation agency, from that group or panel.

(j) Compensation may be denied by reason of a disabled employee's refusal to accept medical or rehabilitation services ordered by the State workers' compensation agency, except where such refusal is based on a good faith choice of treatment through prayer or spiritual means.

(k) Where employment requires travel between States, or outside the United States, an injured or ill employee or survivor may claim benefits under the laws of the State in which the employment was principally located, where the employee was hired, or where the injury, disease or death occurred; but compensation may not be recovered more than once for any one occurrence.

(l) The waiting period for benefits shall be no more than three days, and the period for qualifying for retroactive benefits shall be no more than 14 days.

(m) A claim for compensation may be filed within two years of the death or disability; however, the time for filing a claim or notifying the employer of an injury or disease shall not begin to run until the employee has a compensable disability and is aware, or through the exercise of reasonable diligence should have been aware, of the casual relationship between the disability and the employment. There shall be no time limitation on the filing of a claim based on recency of employment, except where the Secretary includes such a limitation in a standard under section 5.

(n)(1) Compromises, waivers or releases of compensation, shall be effective only if approved by the State workers' compensation agency, upon a determination that such is in the best interest of the claimant and will not adversely affect any program of rehabilitation.

(2) Requires that compromises or releases of medical or rehabilitation benefits may be effective only if they are approved by the State workers' compensation agency. The agency's approval is to be based on the evaluation of a physician designated by the agency, and its determination that the compromise or release adequately provides for future medical and rehabilitation case and is otherwise in the employee's best interest.

(3) Waivers, releases or similar instruments relating to future coverage or compensation executed prior to the occurrence of any death or disability will not be effective under any circumstances. Any compromise, waiver or release which does not comply with the provisions of this paragraph shall be void.

SECTION 5—OCCUPATIONAL DISEASE STANDARDS

Section 5(a) authorizes and directs the Secretary of HEW to undertake studies of employment-related diseases for the purpose of recommending appropriate standards for determining (1) whether a disease arose out of and in the course of employment; (2) whether an employee has a particular disease; and (3) whether death or disability was due to a particular disease. In determining subjects for and the design of such studies, the Secretary of HEW is required to give priority to the recommendations of the Secretary of Labor and the Advisory Commission. The Secretary of HEW is also required to consult with the Director of the National Institute for Occupational Safety and Health and with appropriate organizations of employees and employers. The studies shall be published and furnished to the States and to the Secretary of Labor.

Section 5(b) authorizes the Secretary to recommend standards for determining (1) whether a particular disease arises out of and in the course of employment; (2) whether an employee has a particular disease; and (3) whether death or disability is due to a particular disease. Recommendations may include reasonable rebuttable presumptions.

Section 5(c)(1) provides that such recommendations shall be developed in accordance with the following provisions:

Section 5(c)(2)(A)(i) provides that when the Secretary has received a recommendation from the Secretary of HEW under subsection (a) but determines not to prepare a proposal, he is required to publish his reasons in the Federal Register within 60 days after receiving the recommendation. (ii) When the Secretary, on the basis of studies or information submitted to him in writing or developed by himself, determines that a proposal should be made establishing minimum standards for occupational disease compensation, the Secretary shall prepare a proposal and shall appoint an advisory committee composed of at least three persons with medical, scientific or other expertise related to the subject matter of the proposed rule.

Section 5(c)(2)(B) The Secretary shall provide the advisory committee with the proposal and with all pertinent information from the Secretary of HEW or otherwise available to the Secretary. The advisory committee is required to submit a report to the Secretary giving its recommendations and stating its determination whether or not the proposal is consistent with available scientific and medical knowledge which is related to the subject of the proposal and its recommendations to make it consistent with available scientific and medical knowledge or to otherwise improve the proposal. The committee is required to submit its report to the Secretary within 180 days, but the *Secretary* may require the report to be submitted earlier, as long as the committee is given at least 90 days.

Section 5(c)(3) The Secretary may publish the proposal in the Federal Register either in its original form or as modified upon the recommendation of the advisory committee. If, on the basis of the Advisory Committee's report, the Secretary determines that the proposal should not be promulgated, he is required to publish that determination in the Federal Register. The Secretary must make this determination within 60 days of receipt of the advisory committee's report. When the Secretary publishes a proposal in the Federal Register, interested persons must be given 30 days to submit written data or comments; and the Secretary may extend this period for good cause with notice in the Federal Register.

Section 5(c)(4) provides that during the period for public comment, an interested person may file written objections, stating the grounds therefore, and requesting a public hearing and that the Secretary shall, within sixty days following the close of the public comment period, publish in the Federal Register the standard to which objection has been filed, and the time and place for any such hearing. Any hearing shall commence within sixty days of the publication of the notice, and shall be conducted by the Secretary who may prescribe rules and procedures for the hearing, to avoid unnecessary costs and delay. A verbatim transcript shall be taken of the hearing, and shall be made available to the public.

Section 5(c)(5) provides that within 180 days after the closing of the record of any such hearing, or if no hearing was held, within 180 days after the close of the public comment period, the Secretary shall publish in either its original or modified form in the Federal Register, such proposal as an Advisory Standard for the compensation of death or disability due to occupational disease; or shall publish his reasons for not publishing such advisory standard.

Section 5(c)(6) requires that any advisory standard so published be based on and consistent with available scientific and medical knowledge.

Section 5(c)(7) authorizes the Secretary to require attendance of witnesses and production of evidence by subpoena; and authorizes the appropriate U.S. District Court to issue an order requiring comoliance with such subpoena upon petition of the Secretary.

Section 5(d)(1) provides that any such advisory standard shall immediately upon publication in the Federal Register be applicable as an advisory standard for the compensation of death or disability due to disease arising out of and in the course of employment. In any subsequent review of the state workers' compensation laws made by the Secretary pursuant to section 7, the Secretary shall note the degree of state compliance with the advisory standards based on the statutory law of the state and the judicial or administrative interpretation of that law, but the Secretary shall make no certification of state compliance or non-compliance with the advisory standards.

Section 5(d)(2) requires the Secretary, in his annual report to the Congress pursuant to section 16, to note the extent of state compliance with the advisory standards.

Section 5(d)(3) provides that three years after publication of the first such advisory standard pursuant to this section, and at intervals of at least three years thereafter, the Secretary shall evaluate the compliance by the States with all advisory standards theretofore published, and shall forward a report to the Congress on the degree of such compliance. At the same time, the Secretary is to recommend to the Congress, which, if any, of the advisory standards should be considered by the Congress for enactment as mandatory standards for the compensation of death or disability due to occupational diseases. Simultaneously with such report, the Secretary shall forward to the Congress the reports of the advisory committees which considered such standards, and any other pertinent information which the Secretary may have which would be helpful to the Congress in considering such proposals. The Secretary may also recommend alternative means of setting mandatory occupational disease standards to the Congress, including the delegation of comprehensive standard setting authority.

Section 5(e) provides that in considering any recommended standard for compensation of death or disability due to occupational disease, the Secretary shall determine the estimated number of individuals who are employed or formerly employed and who may be affected by such disease and the estimated cost of providing compensation pursuant to such recommended standard, and shall consider alternative methods of providing fair and adequate compensation to such individuals which would be more effective. The Secretary is required to forward such information to the Congress in connection with any recommendation for legislative enactment of such proposals as mandatory standards, and may propose alternative methods of providing such compensation.

SECTION 6—STUDY OF COMPENSATION OF PARTIAL DISABILITIES

Section 6(a) directs the Secretary to conduct a study of the compensation of partial disabilities arising out of and in the course of employment, and to compare State programs of compensation for partial disabilities. The Secretary is authorized to contract with States or political subdivisions thereof, with other Federal agencies, and with private groups, and may establish experimental programs, to test various means of compensating partial disabilities. This provision also requires the Secretary to submit a written report to the Congress on the study of compensation of partial disabilities within three years. The report must include recommendations for legislation to amend this Act to provide minimum standards for compensation of partial disabilities.

Section 6(b) requires the Secretary to conduct a study of the effect of not periodically adjusting benefits to reflect changes in the statewide average weekly wage. The Secretary is to evaluate the adequacy of workers' compensation benefits and the availability of other sources of compensation, and is to consider the effect of inadequate workers' compensation benefits on other compensation programs. Any such study shall also include the estimated cost of periodically adjusting compensation benefits, and shall consider alternative means of providing such benefits adjustments. The Secretary shall make his report including legislative recommendations to the Congress three years after the enactment of this Act, and shall also include in his annual report to the Congress, pursuant to section 16, a report on the economic effect of not automatically adjusting such benefits.

Section 6(c) requires the Secretary to consult the Advisory Commission concerning these studies and reports.

SECTION 7—CERTIFICATION AND SUPPLEMENTAL COMPENSATION

Section 7(a) provides that on or before the effective date of section 4, the Secretary shall review the workers' compensation law of each State to determine whether they meet the applicable standards of section 4. If a State's law meets all the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period of such certification.

Section 7(b) states that if the Secretary finds that the law of a State fails to meet one or more of the standards in section 4, the Secretary shall certify the State law only to the extent that it meets these, and the Secretary shall specify the standards which the State law fails to meet. During any period in which the State law is not fully certified, employees shall be entitled to receive supplemental compensation from their employers in accordance with this Act under any standard with which the State law is not in compliance.

Section 7(c) requires the Secretary to review the workers' compensation laws of the States annually, including judicial and administrative interpretations of those laws, to determine whether they meet the requirements of section 4, and to modify previous certifications, as appropriate.

Section 7(d) provides that, when the Secretary certifies whether or not a State law meets the requirements of section 4, determinations of the status of a person as an employee or independent contractor, whether death or injury has been suffered, whether an injury or death arose out of and in the course of employment, and the degree of disability, if any, shall be made solely by State law, except as provided by section 4(f).

SECTION 8—ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

Section 8(a)(1) gives any claimant who is aggrieved by a final order or award of a State workers' compensation agency 90 days to file a petition for review with the Benefits Review Board (herein called "the Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, seeking review of the order or award insofar as it fails to award compensation at least equivalent to supplemental compensation.

Section 8(a)(2) states that for the purpose of this section, an order or award of a State workers' compensation agency shall become final, and appealable to the Board under this subsection, on the date on which no State appeal or review of such award shall be available to any party, or upon a showing that pursuit of a State appeal would be futile.

Section 8(b) provides that State law shall govern the determination of the status of any individual as an employer or independent contractor, and shall govern the determination whether an injury, death or disease arose out of and in the course of employment, and the determination of the degree of disability.

Section 8(c)(1) provides that in review proceedings, the decision of the Board shall be based on the evidence in the record before the State workers' compensation agency, except that, in cases where the State agency has refused to assert jurisdiction, the Board has discretion to refer the case for processing in accordance with the Longshore Act; and, in any case, the Board may permit the parties to submit additional relevant evidence in a hearing before an Administrative Law Judge under sections 19 and 21 of the Longshore Act where the State workers' compensation agency has precluded the introduction of such evidence.

Section 8(c)(2) provides that where new evidence is not submitted, the findings of fact by the State workers' compensation agency with respect to eligibility for supplemental compensation shall be binding upon the Board if supported by substantial evidence on the record as a whole; and that the State agency's findings of fact and conclusions of law with respect to issues covered solely by State law shall be binding upon the Board and shall not be subject to review in any proceeding under this section.

Section 8(c)(3) provides that where the Board has found that the employer has failed to provide supplemental compensation to which the petitioner is entitled, the petitioner shall be awarded such compensation together with any other relief to which he or she may be entitled, plus reasonable litigation costs and expenses and reasonable attorney's fees.

Section 8(c)(4) provides that orders of the Board shall be enforceable and reviewable in accordance with the provisions of section 21 of the Longshore Act.

Section 8(c)(5) provides that awards of the Board shall be modified automatically in accordance with subsequent orders or awards of State agencies with respect to issues solely covered by State law. Board orders may be modified in accordance with the provisions of section 22 of the Longshore Act.

Section 8(c)(6) makes sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 36, and 39(a) & (c) of the Longshore Act applicable with respect to claims for supplemental compensation during any period in which the workers' compensation law of such State is not fully certified; requires the Secretary to promulgate regulations modifying the applicability of section 14 to conform the payment schedule for supplemental compensation to the schedule of compensation payments under applicable State laws; and permits the Secretary to modify the applicability of any of the foregoing provisions by regulation in order to carry out the purposes of the Act.

SECTION 9—EMPLOYMENT DISCRIMINATION

Section 9 prohibits employment discrimination against any employee because he or she has filed a complaint or instituted or participated in any proceeding under this Act or related to this Act. The section provides a civil penalty as determined by the Secretary, of not less than $100 or more than $1,000. Such penalties are enforceable by civil action in the appropriate U.S. District Court and are to be paid into the special fund established by Section 44 of the Longshore Act. The Section further provides that discriminates shall be restored to their former employment and compensated for any loss of wages, or fringe benefits, with the proviso, however, that employers are not obligated to reinstate discriminates who are no longer qualified to perform the duties of their employment. The section makes void any provision of an insurance policy which undertakes to relieve the employer from liability for payments and penalties under this section.

SECTION 10—EXCLUSIVITY AND THIRD PARTY LIABILITY

Section 10(a) provides that workers' compensation, including supplemental compensation, shall constitute an employee's exclusive remedy against his or her employer. The employer's insurer and any collective bargaining representative of the employer's employees, and any employee, officer, director or agency of such employer, insurer or collective bargaining representative (while acting within the scope of their employment) for any injury, illness or death arising out of and in the course of employment.

Section 10(b)(1) provides that, notwithstanding the provisions of this or any other law, in any liability action brought against a third party as a result of work-related illness, injury or death, the rights of employees or their representatives, the employer, or insurance carrier, any collective bargaining agent, and the third party, shall be governed by the provisions of this section.

Section 10(b)(2) defines liability actions for the purpose of this section to include all actions brought for or on account of personal injury, disease, physical or mental impairment, disability, or death caused by or resulting from the manufacture, construction, design, formula preparation, assembly, testing, warning, instruction, marketing, packaging or labeling of any product. Such actions include actions based on the theories of strict product liability negligence, breach of warranty (either express or implied), breach of or failure to discharge a duty to warn or instruct (whether deliberate, negligent or innocent), misrepresentation, concealment, or nondisclosure (whether fraudulent, negligent or innocent).

Section 10(b)(3) requires that any judgment against a third party in an action described in this section shall be reduced by the amount of compensation and supplemental compensation received by the plaintiff, or survivors and the present value

of all future compensation payments awarded.

Section 10(b)(4) prohibits employers and their insurers from obtaining liens against any judgment rendered in an action described in this section brought by employees of the employer; and prohibits employers and their insurers from obtaining subrogation in connection with any such third party action.

Section 10(b)(5) prohibits third parties from maintaining any action for indemnification, contribution or other monetary damages against any party immune from suit under section 10(a), in any action described in this section.

SECTION 11—EMPLOYER RESPONSIBILITY FOR ELECTION AND INSURANCE

Section 11(a) establishes the responsibility of every employer to provide payment of supplemental compensation which may be payable to its employees under section 8.

Section 11(b) requires every employer to secure payment of supplemental compensation by:

(1) insuring and keeping insured the payment of such supplemental compensation with any insurance company, association, person or fund who is authorized to issue such insurance by the United States or any State or by the Secretary; or

(2) qualifying as a self-insurer under the law of each State with respect to which the employer has not satisfied the insurance requirements, except that the Secretary may, by regulation, impose additional self-insurance requirements if the Secretary finds that the qualification requirements of a State are insufficient to assure payment of supplemental compensation.

Section 11(c)(1) requires employers who are not subject to the workers' compensation law of any State because that State's law does not comply with the standard for coverage of employees and employers to elect, where permitted, coverage under the State law.

Section 11(c)(2) provides that if the Secretary has not certified a State workers' compensation law as complying with the standard for coverage of employees and employers, employers in such State who are permitted to elect coverage under the State law and have not done so shall be subject to a civil penalty not to exceed $25 per employee for each day of noncompliance in a suit brought by the Secretary.

Section 11(d) provides that each contract for insurance providing workers' compensation benefits shall be deemed to provide benefits in accordance with the minimum standards of section 4; and permits the Secretary to by regulation provide for exceptions and exemptions consistent with the purposes of the Act.

Section 11(e) provides that each contract of insurance providing coverage for comprehensive liability shall be deemed to provide benefits in accordance with the minimum standards of section 4 with respect to domestic employees of the insured, unless the insured employer has otherwise secured payment of such benefits.

SECTION 12—GRANTS TO STATES

Section 12(a) authorizes the Secretary, during the year of enactment and the two succeeding fiscal years, to make grants to States to assist them in identifying needs and responsibilities in the area of workers' compensation; developing programs for meeting the requirements of section 4; developing and publishing a guide to the evaluation of disability, establishing disability evaluation units; utilizing the services of impartial physicians in evaluating impairment and the degree of impairment; establishing systems for the collection of data; increasing the expertise and enforcement capabilities of personnel; or otherwise improving the administration and enforcement of the workers' compensation laws of the State consistent with the objectives of this Act.

Section 12(b) provides that the governor of each State shall designate the appropriate State agency for receipt of any grant under this section.

Section 12(c) provides that any designated State agency which desires such a grant must submit an application to the Secretary.

Section 12(d) requires the Secretary to review applications for grants and approve or reject them; if a grant is denied the Secretary is required to inform the applicant and the Governor of the State of the reasons for the denial.

Section 12(e) limits the Federal share of each project funded by a State grant to 66⅔ per centum of the cost of the project described in the application, and provides that, if the Federal share for all States is not the same, the differences among the States must be established by objective criteria.

Section 12(f) authorizes an appropriation of $75 million for the fiscal year of enactment, to be available without fiscal year limitation, and such sums as are necessary in succeeding fiscal years for the purposes of this section.

SECTION 13—STATISTICS

Section 13(a) directs the Secretary to develop and maintain a program for the collection, compilation and analysis of workers' compensation data in order to carry out the purposes of this Act.

Section 13(b)(1) directs the Secretary to issue regulations requiring that the following reports be submitted to the State workers' compensation agencies with respect to benefit claims for job-related injuries or illnesses, except with respect to claims which are for medical benefits only:

(A) a report by the employer within a reasonable time of the injury or illness which identifies the employer and the employee, states the date, time and place of accident or exposure, briefly explains the occurrence, describes the injury or illness, dates of diagnosis and initial treatment, dates of lost time and return to work, identifies the treating physicians and hospitals, identifies the insured, and provides additional information required by the Secretary;

(B) a prompt report by the employer or insurer after the first compensation payment or denial of the compensation claim; identifying the employee, employer, and carrier; the dates of injury or illness and diagnosis; the amount of compensation paid, indicates the date and amount of the first compensation payment; states the employee's average weekly wage if less than the applicable maximum and the nature and extent of the disability; the medical payments to date; and, if the case has been closed or denied, the total compensation and the reason for closing the case or denial of the claim;

(C) a prompt report by the employer or carrier after the last compensation payment which identifies the employer, employee and carrier; provides pertinent data concerning the compensation, specifying monetary, medical and rehabilitation benefits paid; provides information concerning the nature and duration of the impairment or disability; and states the reason for terminating benefits or closing the case. The Secretary is authorized to require by regulation, the filing of periodic reports with respect to claims continuing 2 years after the first compensation payment.

Section 13(b)(2) requires the Secretary, in promulgating regulations concerning reports, to consider and evaluate the reporting requirements of the several States with the objective of developing and encouraging the adoption of a uniform data collection and reporting system.

Section 13(b)(3)(A) states that the Secretary's regulations shall require that the reports be filed with the State workers' compensation agencies; and further requires the Secretary, as a condition of any grant to assist States in improving their data systems, to require that the State periodically, but no less frequently than once annually, submit reports to the Secretary, containing such information as the Secretary shall require by regulation, analyzing the workers' compensation cases based on the data contained in the reports filed with the State.

Section 13(b)(B) states that in any State which does not agree to collect data and provide periodic analysis of workers' compensation cases, the Secretary's regulations shall require that all reports required by paragraph (1) shall be submitted directly to the Secretary.

Section 13(c) requires the Secretary to file an annual report with Congress evaluating information compiled under this section, and to make the report available to the public.

Section 13(d) authorizes the Secretary to make grants to States pursuant to section 12 to assist them in developing programs for the collection and evaluation of data and reports required by the Secretary's regulations pursuant to this section.

SECTION 14—RESEARCH

Section 14(a) authorizes the Secretary to engage in research, pilot projects and demonstrations, as warranted for the purpose of—

(1) developing recommendations for improving the States' workers' compensation programs;

(2) developing recommendations for means of more economically assuring that workers will receive the benefits described in section 4; and

(3) monitoring and promoting academic study of workers' compensation and the development of improvements to the workers' compensation programs of the States and the program under this Act.

Section 14(b) requires the Secretary to conduct a study of the adequacy of the workers' compensation system, including the availability and cost of insurance or self-insurance for workers' compensation. The study must include, in particular, consideration of compensation for work-related diseases characterized by long latency periods and the feasibility and desirability of providing insurance coverage for them through reinsurance pools, trust funds or other means of apportioning liability. The Secretary is required to submit his report to the Congress no later than 2 years after enactment of this law.

SECTION 15—AUDITS

Section 15(a) requires that recipients of grants under this Act keep records, as prescribed by the Secretary, concerning the use of the granted funds, the cost of the project, and the amount and sources of other funds used.

Section 15(b) requires that the Secretary, the Comptroller General of the United States, and their representatives be given access to the records of grant recipients for the purpose of auditing the use of funds granted under this Act.

SECTION 16—ANNUAL REPORT

Section 16 requires the Secretary to submit an annual report to Congress, within 120 days following the convening of each regular session of Congress, concerning the progress made toward achievement of the purposes of this Act and any additional need or requirement in the field of workers' compensation.

SECTION 17—ADVISORY COMMISSION

Section 17(a) establishes a National Workers' Compensation Advisory Commission (the Commission) which is to be composed of nine members appointed by the Secretary from among persons qualified to carry out the functions of the Commission. The members are to serve terms of 3 years, except that three of the initially appointed members shall be appointed for a term of 1 year, three shall be appointed for a term of 2 years, and three shall be appointed for a term of 3 years. Three members shall be appointed from among representatives of employers, one of whom shall be a representative of insurers; and three from among representatives of the general public, one of whom shall be a representative of State governments. The Secretary is required to designate the Chair of the Commission from among the public members. Five members of the Commission shall constitute a quorum.

Section 17(b) requires the Commission to monitor the progress of the States in complying with this law; to monitor the administration of workers' compensation programs in the States; and to provide assistance and advice to the Secretary in improving the operation of workers' compensation programs.

Section 17(c)(1) authorizes the Commission, or a Subcommittee authorized by the Commission, to meet, hold hearings, and take testimony at such times and places as the Commission deems advisable. Witnesses appearing before the Commission may be required to testify under oath or affirmation administered by the Commission.

Section 17(c)(2) authorizes Departments, Agencies and instrumentalities of the Executive Branch of the government including independent agencies to give the Commission information and assistance as the Commission finds necessary in carrying out its responsibilities under this section.

Section 17(d) authorizes the Commission acting through its Chair, to appoint and fix the compensation of an executive director and such additional staff personnel as it deems necessary, without regard to the provisions of Title 5, U.S. Code, governing appointments in the competitive service, and without regard to the provisions of Chapter 51 and Subchapter III of Chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum for GS-18 of the General Schedule under Section 5332 of such title, and to procure temporary and intermittent services to the same extent as authorized by section 3109 of Title 5, U.S. Code. The Commission is also authorized to enter into contracts for the conduct of research or surveys and the preparation of reports, and for other activities necessary to the performance of its responsibilities.

Section 17(e) provides for compensation of members of the Commission, on a daily basis, at the rate prescribed for GS-18 employees under Section 5332 of Title 5, U.S. Code. Members of the Commission are also entitled to reimbursement for travel, subsistence and other necessary expenses.

SECTION 18—SEPARABILITY

Section 18 provides that, if any provision of this Act, or its application shall be held invalid, the remainder of the Act, or its application in other circumstances, shall not be affected.

SECTION 19—EFFECTIVE DATE

Section 19(a) provides that the provisions of Section 4 of this Act shall take effect 2 years after the date of enactment and shall apply to deaths or disabilities occurring thereafter.

Section 19(b) provides that, except as provided in Section 19(a), all provisions of this Act shall take effect immediately upon enactment.

EXHIBIT 3

TABLE 1.—EIGHT RECOMMENDATIONS RELATING TO COVERAGE

State	Recommendation No. 2.1(a)	2.1(b)	2.2	2.4	2.5	2.6	2.7	2.11	2.13
Total States meeting	49	34	37	14	1	31	24	26	52
Alabama	X	X					X	X	X
Alaska	X		X					X	X
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona	X		X	X		X	X	X	X
Arkansas	X	X				X			X
California	X	X	X	X		X	X		X
Colorado	X		X	X		X		X	X
Connecticut	X		X	X					X
Delaware	X	X	X						X
District of Columbia	X	X	X			X	X		X
Florida	X					X		X	X
Georgia	X							X	X
Guam	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hawaii	X	X	X	X		X		X	X
Idaho	X	X	X			X		X	X
Illinois	X	X	X					X	X
Indiana	X	X	X			X		X	X
Iowa	X		X			X		X	X
Kansas	X					X	X	X	X
Kentucky	X		X			X	X	X	X
Louisiana	X	X	X	X				X	X
Maine	X		X			X	X		X
Maryland	X		X			X	X		X
Massachusetts	X	X	X	X					X
Michigan	X	X		X		X	X		X
Minnesota	X	X	X				X		X
Mississippi	X	X							X
Missouri	X	X				X	X	X	X
Montana	X	X	X	X		X			X
Nebraska	X	X	X			X	X	X	X
Nevada	X	X	X			X			X
New Hampshire	X	X		X	X	X	X	X	X
New Jersey		X	X	X		X	X	X	X
New Mexico	X	X				X		X	X
New York	X	X	X						X
North Carolina	X							X	X
North Dakota	X	X	X			X			X
Ohio	X		X	X		X	X		X
Oklahoma	X	X	X			X	X		X
Oregon	X	X	X	X		X			X
Pennsylvania	X	X	X					X	X
Puerto Rico	X	X	X	X		X	X		X
Rhode Island	X	X					X		X
South Carolina								X	X
South Dakota	X		X						X
Tennessee	X						X		X
Texas		X	X						X
Utah	X	X	X			X	X		X
Vermont	X		X				X	X	X
Virginia	X								X
Virgin Islands	NA	NA	NA	NA	NA	NA	NA	NA	NA
Washington	X	X	X			X	X	X	X
West Virginia	X	X	X			X	X		X
Wisconsin	X	X				X	X	X	X
Wyoming	X	X	X						X

TABLE 2.—NINE RECOMMENDATIONS RELATING TO INCOME BENEFITS

State	Recommendation No.											
	3.7	3.8	3.11	3.12	3.15	3.17	3.21	3.23	3.25(a)	3.25(b)	3.25(c)	3.25(d)
Total States meeting	48	26	51	47	24	36	32	20	17	12	19	7
Alabama	X		X	X		X						
Alaska	X	X	X	X	X	X	X	X		X	X	
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona	X		X	X		X						
Arkansas	X		X	X		X						
California	X		X	X			X					
Colorado	X		X	X			X					
Connecticut	X		X	X		X	X		X			
Delaware	X		X	X		X	X					
District of Columbia	X	X	X	X	X	X		X				
Florida			X			X						
Georgia	X		X	X		X	X					
Guam	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hawaii	X	X	X	X	X	X			X	X	X	
Idaho			X			X						
Illinois	X	X	X	X	X	X	X	X				
Indiana	X		X	X			X					
Iowa	X	X	X	X	X	X	X	X				
Kansas	X		X	X			X					
Kentucky	X		X	X		X						
Louisiana	X		X	X		X			X	X	X	
Maine	X	X	X	X	X	X	X	X				
Maryland	X	X	X	X	X	X	X	X	X	X	X	
Massachusetts	X	X	X	X	X						X	X
Michigan	X			X		X	X					
Minnesota	X	X	X	X	X	X		X	X		X	
Mississippi	X		X	X								
Missouri	X		X	X			X		X	X	X	
Montana	X	X	X	X	X	X	X	X	X	X	X	X
Nebraska	X		X	X		X	X		X	X	X	X
Nevada	X	X	X	X	X	X	X	X				
New Hampshire	X	X	X	X	X	X	X	X			X	X
New Jersey	X		X	X								
New Mexico	X	X	X	X	X		X	X				
New York	X		X	X		X	X					
North Carolina	X	X	X	X	X	X	X	X				
North Dakota	X	X	X	X	X	X	X		X	X	X	
Ohio	X	X	X	X	X	X	X	X	X	X	X	X
Oklahoma	X		X	X					X	X	X	
Oregon	X	X	X	X	X	X			X		X	
Pennsylvania	X	X	X	X	X	X		X				
Puerto Rico			X						X		X	
Rhode Island	X	X	X	X	X	X	X	X	X		X	
South Carolina	X	X	X	X	X		X	X				
South Dakota	X		X	X		X	X		X	X	X	
Tennessee	X		X	X								
Texas	X		X	X			X		X	X	X	X
Utah	X	X	X	X		X	X					
Vermont	X	X	X	X	X		X	X				
Virginia	X	X	X	X	X		X	X				
Virgin Islands	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Washington			X			X						
West Virginia	X	X	X	X	X		X	X	X		X	X
Wisconsin	X	X	X	X	X	X	X	X				
Wyoming	X	X	X			X						

TABLE 3.—TWO RECOMMENDATIONS RELATING TO MEDICAL BENEFITS

State	Recommendation No.	
	4.2	4.4
Total States meeting	52	46
Alabama	X	X
Alaska	X	X
American Samoa	NA	NA
Arizona	X	X
Arkansas	X	X
California	X	
Colorado	X	X
Connecticut	X	X
Delaware	X	X
District of Columbia	X	X
Florida	X	
Georgia	X	X
Guam	NA	NA
Hawaii	X	X
Idaho	X	X
Illinois	X	X
Indiana	X	X
Iowa	X	X
Kansas	X	
Kentucky	X	X
Louisiana	X	X
Maine	X	
Maryland	X	X
Massachusetts	X	X
Michigan	X	X
Minnesota	X	X
Mississipp	X	X
Missouri	X	X
Montana	X	X
Nebraska	X	X
Nevada	X	X
New Hampshire	X	X
New Jersey	X	
New Mexico	X	X
New York	X	X
North Carolina	X	X
North Dakota	X	X
Ohio	X	X
Oklahoma	X	X
Oregon	X	X
Pennsylvania	X	X
Puerto Rico	X	X
Rhode Island	X	X
South Carolina	X	X
South Dakota	X	X
Tennessee	X	X
Texas	X	X
Utah	X	X
Vermont	X	X
Virginia	X	X
Virgin Islands	NA	NA
Washington	X	X
West Virginia	X	X
Wisconsin	X	X
Wyoming	X	X

SUPPLEMENT: PENDING CHANGES

[The following changes in State laws, affecting accordance with the 19 essential recommendations of the National Commission, were enacted and approved on or before Jan. 1, 1979, to become effective after that date.]

State	Effective date	Maximum weekly compensation for total disability and death will equal—
Alaska	Jan. 1, 1979	166.6 percent of State average weekly wage.
	Jan. 1, 1981	200 percent of State average weekly wage.
Iowa	July 1, 1979	166⅔ percent of State average weekly wage.
	July 1, 1981	200 percent of State average weekly wage.
Oklahoma [1]	Jan. 1, 1980	$110.
	Jan. 1, 1981	66⅔ percent of State average weekly wage.
South Dakota	July 1, 1979	100 percent of State average weekly wage.

[1] Compensation shown for Oklahoma pertains only to permanent total disability and death, not to temporary total disability.

ESSENTIAL RECOMMENDATIONS OF THE NATIONAL COMMISSION ON STATE WORKMEN'S COMPENSATION LAWS

R2.1 Coverage by workmen's compensation laws be compulsory and that no waivers be permitted.

R2.1(a) Coverage is compulsory for private employments generally.

R2.1(b) No waivers are permitted.

R2.2 Employers not be exempted from workmen's compensation coverage because of the number of their employees.

R2.4 A two-stage approach to the coverage of farmworkers. First, as of July 1, 1973, each agriculture employer who has an annual payroll that in total exceeds $1,000 be required to provide workmen's compensation coverage to all of his employees. As a second stage, as of July 1, 1975, farmworkers be covered on the same basis as all other employees.

R2.5 As of July 1, 1975, household workers and all casual workers be covered under workmen's compensation at least to the extent they are covered by Social Security.

R2.6 Workmen's compensation coverage be mandatory for all government employees.

R2.7 There be no exemptions for any class of employees, such as professional athletes or employees of charitable organizations.

R2.11 An employee or his survivor be given the choice of filing a workmen's compensation claim in the State where the injury or death occurred, or where the employment was principally localized, or where the employee was hired.

R2.13 All States provide full coverage for work-related diseases.

R3.7 Subject to the State's maximum weekly benefit, temporary total disability benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.8 As of July 1, 1973, the maximum benefit for temporary total disability be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.11 The definition of permanent total disability used in most States be retained. However, in those few States which permit the payment of permanent total disability benefits to workers who retain substantial earning capacity, the benefit proposals be applicable only to those cases which meet the test of permanent total disability used in most States.

R3.12 Subject to the State's maximum weekly benefit, permanent total disability benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.15 As of July 1, 1973, the maximum weekly benefit for permanent total disability be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.17 Total disability benefits be paid for the duration of the worker's disability, or for life, without any limitations as to dollar amount or time.

R3.21 Subject to the State's maximum weekly benefit, death benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.23 As of July 1, 1973, the maximum weekly death benefit be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.25(a) Death benefits be paid to a widow or widower for life or until remarriage, and (b) in the event of remarriage two years' benefits be paid in a lump sum to the widow or widower (c) Benefits for a dependent child be continued at least until the child reaches 18, or beyond such age if actually dependent, or (d) at least until age 26 if enrolled as a fulltime student in any accredited educational institution.

R4.2 There be no statutory limits of time or dollar amount for medical care or physical rehabilitation services for any work-related impairment.

R4.4 The right to medical and physical rehabilitation benefits not terminate by the mere passage of time.

Source: *Report of the National Commission on State Workmen's Compensation Laws*, U.S. Government Printing Office, 1972.

EXHIBIT 4

AMENDMENT NO. 59

Strike Sec. 5 and insert the following:

OCCUPATIONAL DISEASE STANDARDS

SEC. 5. (a) The Secretary of Health, Education, and Welfare is authorized and directed to undertake studies of diseases which are or may be employment-related for the purpose of recommending appropriate standards for (i) determining whether particular diseases arise out of and in the course of employment; (ii) establishing criteria for diagnosing diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases. In determining subjects for and design of studies pursuant to this section, the Secretary of Health, Education, and Welfare shall give priority to the recommendations of the Secretary of Labor and the National Workers' Compensation Advisory Commission established under section 17 of this Act (hereinafter called the "Advisory Commission"). In carrying out the studies required by this section the Secretary of Health, Education, and Welfare shall consult with the Director of the National Institute of Occupational Safety and Health and such other public and private organizations as are appropriate with respect to diseases that may be employment related. The results of such studies shall be published and distributed to the States, and shall be furnished to the Secretary of Labor.

(b) The Secretary may by rule promulgate, modify, or revoke standards for (i) determining whether diseases arise out of and the course of employment; (ii) establishing the criteria for diagnosing such diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases. Such standards may include reasonable rebuttable presumptions wherever appropriate.

(c)(1) Such standards shall be promulgated, modified, or revoked in accordance with section 553 or title 5, United States Code (without regard to any reference in such section to sections 556 and 557 of such title), and in accordance with the provisions of the following paragraphs:

(2)(A)(i) Whenever the Secretary, upon the basis of studies published under subsection (a) or other information or studies submitted to him by an interested person or by a State or on the basis of information developed by the Secretary, determines that a rule should be promulgated to establish a minimum standard with regard to an occupational disease consistent with the purposes of this Act, the Secretary shall prepare a proposed rule, and shall appoint an advisory committee composed of not less than three medical, scientific, or other experts with suitable experience, training, or education related to the subject matter of the proposed rule.

(ii) When the Secretary receives a recommendation from the Secretary of Health, Education, and Welfare pursuant to subsection (a), and determines not to propose a rule based on that recommendation, the Secretary shall, within sixty days after receipt thereof, publish in the Federal Register his determination not to do so, and his reasons therefor.

(B) The Secretary shall forward the proposed rule to the advisory committee established to consider such rule, and shall provide the committee all pertinent information developed by the Secretary or the Secretary of Health, Education, and Welfare, or otherwise available to the Secretary, including the results of research, demonstrations, and experiments and shall publish notification of such action in the Federal Register. The advisory committee shall submit to the Secretary its report which shall state (i) whether in the advisory committee's opinion the proposed rule is consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule, and (ii) its recommendations for modifications of such rule to make it consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule or to otherwise improve the proposed rule. The advisory committee shall submit its report to the Secretary within one hundred and eighty days from the date of its appointment or within such shorter period as may be prescribed by the Secretary, but in no event may such period be less than ninety days.

(3) The Secretary may publish in the Federal Register, any proposed rule, in either its original or modified form which has been determined by the advisory committee to be consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule. If on the basis of the advisory committee's report, the Secretary determines that a proposed rule should not be promulgated, the Secretary shall publish his determination to that effect in the Federal Register. In either event, the Secretary shall at the same time, forward a copy of the advisory committee's report to the Advisory Commission.

(4)(A) In the event that the Secretary publishes a proposed rule in the Federal Register, the Secretary shall afford interested person a period of thirty days after any such publication to submit written data or comments on the proposed rule. Such comment period may be extended by the Secretary upon a finding of good cause, which the Secretary shall publish in the Federal Register.

(B) On or before the last day of the period provided for the submission of written data or comments under paragraph (3), any interested person may file with the Secretary written objections to the proposed standard, stating the grounds therefor and requesting a public hearing on such objections. Within sixty days after the last day for filing such objections, the Secretary shall publish in the Federal Register a notice specifying the standard to which objections have been filed and a hearing requested, and specifying a time and place for such hearing. Any hearing under this subsection for the purpose of hearing relevant information shall commence within sixty days after the date of publication of the notice of hearing. Hearings required by this subsection shall be conducted by the Secretary, who may prescribe rules and make rulings concerning procedures in such hearings to avoid unnecessary costs or delay. A verbatim transcript shall be taken of any such hearing and shall be available to the public.

(5)(A) Within one hundred and eighty days after the closing of the record of such hearing, the Secretary shall promulgate and publish in the Federal Register such rule or his determination not to promulgate a rule together with his reasons therefor as he deems appropriate.

(B) In the case of a proposed rule of which objections requesting a public hearing have not been filed, the Secretary, within one hundred and eighty days after the period for filing such objections has expired, shall promulgate and publish in the Federal Register the rule as proposed or in modified form, or his determination not to promulgate a rule together with his reasons therefor.

(C) Any rule promulgated pursuant to this section shall be based on and shall be consistent with available scientific and medical knowledge concerning the subject matter of the rule.

(6) The Secretary may require by subpena the attendance of witnesses and the production of evidence in connection with any proceeding initiated under this section. If a per-

son refuses to obey a subpena under this subsection, a United States district court within the jurisdiction of which a proceeding under this subsection is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpena.

(d)(1) Any standard promulgated under this section shall be effective as a minimum standard for State workers' compensation laws pursuant to section 4 of this Act two years after its final promulgation, and shall govern the determination of compensation due to deaths or disabilities occurring thereafter.

(e) Any person or State adversely affected by a standard promulgated under this section may, at any time prior to the sixtieth day after the promulgation of such standard, file a petition challenging the validity of such standard with the United States Court of Appeals for the District of Columbia Circuit or the circuit wherein such person resides or maintains his principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused for good cause shown. The validity of any standard shall not be subject to challenge on the grounds that the time limitations in this section have been exceeded.

(f) Concurrently with the development of any proposed standard pursuant to this section, the Secretary of Labor shall conduct a study to determine the extent to which there are individuals who are employed or formerly employed who may suffer from the disease covered by the proposed standard, but whose claims would not be covered by such standard because their disability occurred prior to the effective date of the standard, and who as a result may not receive fair and adequate compensation. Any such study shall include an estimate of the number of such individuals, and recommendations with respect to appropriate means of compensating such individuals. The Secretary shall submit his report, together with his recommendations, to the Congress no later than one year after the final promulgation of any standard pursuant to subsection (c)(5) of this section.

Strike the last sentence of Sec. 4(f) and insert the following: "In addition, the determination of compensability of any disease covered by a standard promulgated pursuant to section 5 shall be determined in accordance with such standard. Unless contrary to a standard issued pursuant to section 5 of this Act, nothing in this section shall preclude any State from including in its law, rebuttable presumptions concerning the circumstances under which particular diseases may be found to have arisen or not to have arisen out of and in the course of employment."

Strike Sec. 7(d) and insert the following:

"(d) For the purpose of determining whether a state law complies with the minimum standards contained in section 4 or standards promulgated pursuant to section 5, such standards shall not be deemed to impose minimum requirements with respect to matters which are merely subsidiary or related to the primary subject matter of the standard, including, without limitation, the determination of the status of any individual as an employee or an independent contractor, the average weekly wage of any individual, the degree of disability, if any, and the determination of whether death or injury (including disease) has been suffered and whether such death or injury arose out of and in the course of employment."

Strike Sec. 8(b) and insert the following:

"(b) State law shall govern the determination of all issues in the case except for matters specifically covered by the particular standards in section 4 with respect to which the state law has not been certified, and on which the petition for review is based. Such issues include, without limitation, the determination of the status of any individual as an employee or an independent contractor, the average weekly wage of any individual, the degree of disability, if any, and the determination of whether death or injury (including disease) has been suffered and whether such death or injury arose out of and in the course of employment."●

By Mr. INOUYE (for Mr. TALMADGE (for himself, Mr. INOUYE, Mr. NUNN, and Mr. MATSUNAGA)):

S. 421. A bill to provide for demonstration projects for training and employment of recipients of benefits, under programs of Aid to Families with Dependent Children, as homemakers and home health aides; to the Committee on Finance.

DEMONSTRATION PROJECTS FOR TRAINING AND EMPLOYMENT OF AFDC RECIPIENTS AS HOMEMAKERS AND HOME HEALTH AIDES

● Mr. INOUYE. Mr. President, on behalf of Senator TALMADGE, myself, and Senators NUNN and MATSUNAGA, I am introducing today legislation which should have significant and beneficial effects in dealing with three major problems in our health and welfare programs.

I ask unanimous consent that Senator TALMADGE's introductory statement appear at this point, and that the text of the amendment appear at the conclusion of my remarks:

SENATOR TALMADGE'S STATEMENT

The bill is virtually identical with that approved by the Committee on Finance in the last Congress. Unfortunately, we were unable at the time to complete Congressional action because of the closeness of adjournment.

The merits of the proposal are clear. First, the bill establishes a means whereby many thousands of older and disabled people will be assisted in remaining at home rather than being moved into high-cost nursing home and intermediate care facilities.

Second, it establishes a program whereby many thousands of women now on the welfare rolls can be formally trained as homemakers and home health aides to provide supportive services to maintain the independent living capacity of thousands of other people who would otherwise require Medicaid paid for institutional care.

And, if experience elsewhere becomes the pattern here, the large majority of these trained people will ultimately be removed from the welfare rolls because they will have become gainfully and usefully employed self-respecting members of the health professions.

Finally, properly implemented, enormous savings in Medicaid and welfare costs should result as people leave the welfare rolls and others are kept out of high-cost nursing homes.

The Federal and State Governments who fill in the amounts on the checks—and, most importantly, the taxpayers who sign those checks—should all have their burdens reduced.

Let us put the problem—and the opportunities—in perspective.

Long-term institutional care costs for Medicaid are greater than those for hospital care.

In fiscal 1979, upwards of an estimated $8 billion will be spent for skilled nursing home and intermediate care facility services.

It is estimated that as many as 40 percent of those in institutions do not necessarily have to be there—and would not be there if proper alternative supportive services were available.

The legislation we propose would encourage the availability of those services by means of taking people off the welfare rolls—training them—and then using these new homemakers and home health aides to meet what has been a largely unmet need.

Basically, the amendment would authorize demonstration programs in twelve States for up to five years.

Interested States would apply to and be selected by the Secretary of HEW.

It is expected that priority would be given to States, such as Georgia and my own State of Hawaii which have demonstrated active interest and effort in supporting the concept and in developing and encouraging this proposal.

The States of Florida, Michigan, New Jersey and New Mexico have also indicated strong desire to participate in a program which would take people off the welfare rolls and also keep people out of costly nursing homes.

Full responsibility for the program would be given to the State health services agency designated by the Governor.

That agency could subcontract for various aspects of its program where appropriate, but complete responsibility for training and operation would reside in the one agency.

Individuals eligible for training and employment would be only those coming from the AFDC rolls or who were on AFDC within six months of application for the program.

The people would be trained in a formal program of some 10 or 12 weeks duration and paid reasonable allowances during such training.

The program would be established by the State and be utilized unless the Secretary found it inadequate or inappropriate.

The Secretary would be expected, where requested, to assist a State in developing its training program.

Following completion of training, they would be employed by public and nonprofit agencies and organizations—such as State or local health departments—to provide supportive services to the aged, disabled, retarded and others who might reasonably be expected to require institutional care in the absence of those services.

A Veterans Administration facility could, at its option, apply for participation in the program so as to enhance services to our veterans.

Services would be provided to those for whom the care was not reasonably and actually otherwise available.

These people could not be employed under this program to provide care in hospitals or similar institutions.

They are not intended to be a reservoir of subsidized labor for hospitals.

However, public and nonprofit hospitals might well employ these people as outreach workers to facilitate timely discharge of hospitalized patients.

However, subsequently, they might well leave this program and be employed on a nonsubsidized regular basis, as was the case in New Mexico which pioneered this type of program.

The numbers of people in a State eligible for training and employment would be limited only by their ability to be trained and employed and the number of those in need of home health and homemaker services.

The Secretary is expected to establish safeguards to assure that the program, as well as those trained and employed, are not improperly exploited.

Those eligible to receive the care and services would include all individuals whose income was within 200 percent of the State's standard of need and who might reasonably be expected to require institutional care without the supportive service.

It should also be understood that the large majority of Medicare beneficiaries would, because of this income standard, be potentially eligible for these homemaker and home health services.

However, while Medicare program costs should be moderated as a result, these services, unless otherwise qualified for reimbursement, would not be a regular Medicare benefit.

The reason for establishing the eligibility level above the State's needs standard is because of the high probability that an individual, even with income somewhat above the needs standard, would become a Medicaid recipient when he required skilled nursing home or intermediate care.

States might also make the services of these home health aides and homemakers available to individuals above these income limits with a sliding scale of fees charged.

States would be eligible for 90 percent Federal matching for the program costs.

Such amounts would be paid from funds authorized from Medicaid.

No net cost is assumed inasmuch as the reduction in Medicaid costs resulting from the prevention or postponement of expensive care in institutions should more than offset the costs of training and provision of home health and homemaker services.

It is anticipated that hospital stays may also be shortened—or even avoided—because of the availability of these services.

And, to the extent that those trained ultimately find regular employment in the health care field—outside of this program—we will have relieved the welfare burden.

Mr. President, we have a unique opportunity here to reduce the welfare rolls, enhance the self-respect and income of those providing necessary care and to keep many thousands of Americans out of high-cost institutions."

Mr. INOUYE. Mr. President, the legislation we are introducing today will aid a group of people whose contribution to the Nation's economic stability has been overlooked for far too long. I refer to the American homemaker, who traditionally has provided the foundation on which our economy is built. Although she receives no monetary reward for her services, the woman who stays home to care for her husband and their children is invaluable to our national labor force. Yet, when she becomes displaced because of the death of a spouse or because of divorce or separation, her past service to her family and her country go unrecognized. Because of her prolonged absence from the labor force, she is at a disadvantage when circumstances force her to compete in the job market with younger, more experienced men and women.

Mr. President, an increasing number of homemakers are displaced in their middle years from their family role and left without any source of financial security. These displaced homemakers are often subject to discrimination in employment because of age, sex and lack of recent paid work experience. To make matters worse, many of these women are ineligible for social security benefits or welfare assistance and desperately need to find work. I believe we owe a tremendous debt to this Nation's displaced homemakers and this bill would be one step toward repaying that debt.

This bill would give displaced homemakers a boost in their efforts to reenter the work force or to enter it for the first time by offering a tax credit to employers who hire them. It would amend the Internal Revenue Code of 1954 to add displaced homemakers to the list of people already targeted to benefit from this program, such as economically disadvantaged youth, welfare recipients, Vietnam-era veterans from economically disadvantaged families and economically disadvantaged ex-convicts. The current law provides employers with $3,000 credit per trainee for the first year and $1,500 for the second.

Mr. President, we ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Health, Education, and Welfare is authorized to enter into agreements with States, selected at his discretion, for the purpose of conducting demonstration projects for the training and employment of eligible participants as homemakers or home health aides, who shall provide authorized services to elderly or disabled individuals, or other individuals in need of such services, and to whom such services are not otherwise reasonably and actually available or provided, who would, without the availability of such services, be reasonably anticipated to require institutional care.

(b) For purposes of this section the term "eligible participant" means an individual who has voluntarily applied for participation and who, at the time such individual enters the project established under this section, has been certified by the appropriate agency of State or local government as being eligible for financial assistance under a State plan approved under part A of title IV of the Social Security Act and as having continuously received such financial assistance during the ninety-day period which immediately precedes the date on which such individual enters such project and who, within such ninety-day period, had not been employed as a homemaker or home health aide.

(c)(1) The Secretary shall enter into agreements under this section with no more than twelve States. Priority shall be given to States which have demonstrated interest in providing services of the type authorized under this section.

(2) A State may apply to enter into an agreement under this section in such manner and at such time as the Secretary may in his judgment prescribe through formal regulatory process or by other appropriate and expeditious means.

(3) Any State entering to an agreement with the Secretary under this section must—

(A) provide that the demonstration project shall be administered by a State health services agency designated for this purpose by the Governor (which may be the State agency administering or responsible for the administration of the State plan for medical assistance under title XIX of the Social Security Act);

(B) provide that the agency designated pursuant to subparagraph (A) shall, to the maximum extent feasible, arrange for coordinating its activities under the agreement with activities of other State agencies having related responsibilities;

(C) establish a formal training program, which meets such standards as the Secretary may establish to assure the adequacy of such program, to prepare eligible participants to provide part-time and intermittent homemaker services or home health aide services to individuals who are elderly, disabled, or otherwise in need of such services, be reasonably anticipated to require institutional care;

(D) provide for the full-time employment of those eligible participants who successfully complete the training program with one or more public agencies (or, by contract, with private bona fide nonprofit agencies) as homemakers or home health aides, rendering authorized services, under the supervision of persons determined by the State to be qualified to supervise the performance of such services, to individuals who are elderly, disabled, or otherwise in need of such services, who would, without the availability of such services, be reasonably anticipated to require institutional care, at wage levels comparable to the prevailing wage levels in the area for similar work;

(E) provide that such services provided under subparagraph (D) shall be made available without regard to income of the individual requiring such services, but that a reasonable fee will be charged (on a sliding scale basis) for such services provided to individuals who have income in excess of 200 percent of the needs standard in such State under the State plan approved under part A of title IV of the Social Security Act for a household of the same size as such individual's household;

(F) provide for a system of continuing independent professional review by an appropriate panel, which is not affiliated with the entity providing the services involved, to assure that services are provided only to individuals reasonably determined in need of such supportive services;

(G) provide for evaluation of the project and review of all agencies providing services under the project;

(H) Submit periodic reports to the Secretary as he may require; and

(I) meet such other requirements as the Secretary may establish for the proper and efficient implementation of the project.

(4) The number of participants in any project shall not exceed that number which the Secretary determines to be reasonable, based upon the capability of the agencies involved to train, employ, and properly utilize eligible participants. Such number may be appropriately modified, subsequently, with the approval of the Secretary.

(5) Any contract with a private bona fide nonprofit agency entered into pursuant to paragraph (3)(D) shall provide for reasonable reimbursement of such agencies for services on a basis proportionate to the amount of time allocated to individuals eligible to receive such services under this section (and, in case such agency is an institution, the amount of the reimbursement shall not exceed the amount of reimbursement which would have been payable if the services involved had been provided by a free-standing agency).

(6) For purposes of this section, a facility of the Veterans' Administration shall, at the request of the Administrator of Veterans' Affairs, be considered to be a public agency. In the case of any such facility which is so considered to be a public agency, of the costs determined under this section which are attributable to such facility, 90 percent shall be paid by the State and 10 percent by the Veterans' Administration.

(d)(1) For purposes of this section, authorized homemaker and home health aid services include part-time or intermittent—

(A) personal care, such as bathing, grooming, and toilet care;

(B) assisting patients having limited mobility;

(C) feeding and diet assistance;

(D) home management, housekeeping, and shopping;

(E) health-oriented record keeping;

(F) family planning services; and

(G) simple procedures for identifying potential health problems.

(3) Such authorized services do not include any services performed in an institution, or any services provided under circumstances where institutionalization would be substantially more efficient as a means of providing such services.

(e)(1) Agreements shall be entered into under this section between the Secretary and the State agency designated by the Governor. Under such agreement the Secretary shall pay to the State, as an additional payment under section 1903 of such Act for each quarter, an amount equal to 90 percent of the reasonable costs incurred (less the Federal share of any related fees collected) by such State during such quarter in carrying out a demonstration project under this section, including reasonable wages and other employment costs of eligible participants employed full time under such project (and, for purposes of determining the amount of such additional payment, the 10 percent referred to in subsection (c)(6), paid by the Veterans' Administration, shall be deemed to be a cost incurred by the State in carrying out such a project).

(2) Demonstration projects under this section shall be of a maximum duration of four years, plus an additional time period of up to six months for planning and development, and up to six months for final evaluation and reporting. Federal funding under this subsection shall not be available for the employment of any eligible participant under the project after such participant has been employed for a period of three years.

(f) For purposes of title IV of the Social Security Act, any eligible participant taking part in a training program under a project authorized under this section shall be deemed to be participating in a work incentive program established by part C of such title.

(g) For the first year (and such additional immediately succeeding period as the State may specify) during which an eligible participant is employed under the project established under this section, such participant shall, notwithstanding any other provision of law, retain any eligibility for medical assistance under a State plan approved under title XIX of the Social Security Act, and any eligibility for social and supportive services provided under the State plan approved under part A of title IV of such Act, which such participant had at the time such participant entered the training program established under this section.

(h) The Secretary shall submit annual reports to the Congress evaluating the demonstration projects carried out under this section, and shall submit a final report to the Congress not less than six months after he has received the final reports from all States participating in such projects.

(i) The Secretary shall, and is hereby authorized to, waive such requirements, including formal solicitation and approval requirements; as will further expedite and effect the implementation of this act.●

By Mr. INOUYE:

S. 422. A bill to authorise reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Governmental Affairs.

MAIL MATTER SENT TO MEMBERS OF CONGRESS

● Mr. INOUYE. Mr. President, I rise today to introduce a bill to provide for the issuance of a special 1-cent postage stamp to be used for correspondence with Members of Congress.

Mr. President, ours is a democratic Government—a representative Government and thus, by definition, one dependent on the continuing operation of a two-way communication system between the people of this country and their elected Representatives.

Each Member of the Congress is directly responsible to those people in his State or district whom he represents. He must not only keep communication channels open but, more importantly, he must be responsive to the concerns he receives through these channels. The most practical means of transmitting these constituent concerns is through the mail. It is most difficult for many of us to imagine ourselves in a situation where the desire to express an opinion is frustrated because we must think twice about spending money on a postage stamp. Unfortunately, we must face the fact that many of our Nation's citizens are forced to consider the purchase of a 15 cent postage stamp for the purpose of expressing a grievance, an opinion or idea, as something beyond their means.

The issuance of a 1-cent stamp for this purpose would effectively remove this prohibition and allow all citizens to apprise their Representatives and Senators of their individual thoughts and position on the issues facing our Nation. This measure would amend the Postal Reform Act of 1970 to provide for the issuance of these 1-cent stamps to be sold at U.S. Post Offices. The bill also authorizes appropriations necessary to account for the difference in postal revenue resulting from the sale of 1-cent stamps as opposed to prevailing postage rates for mail matter addressed to Congressmen which does not exceed 4 ounces in weight.

Recognizing the necessity of open communication between elected officials and the people, Congress adopted the franking system allowing congressional communication between elected officials to constituents. We have neglected, however, to provide our constituents with a convenient and affordable means of access to their Senators and Congressmen. It is difficult to overstate the importance of this concept of indivdual expression. Each and every citizen has the right and the responsibility to participate in the democratic system, through both the ballot box and through correspondence with their representatives between elections.

Because the effective operation of our political system is dependent upon open communication, I am hopeful that this bill will receive the early approval of the Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill I have introduced today.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 422

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3219. Mail matter sent to Members of Congress

"(a) Any person may send any piece of mail matter, not exceeding four ounces in weight, for postage of 1 cent to (1) any Member of the Senate representing the State, and (2) the Member of the House of Representatives representing the district, in which such person resides, if that person uses a special stamp issued by the Postal Service for any such matter. The Postal Service shall issue special 1-cent stamps to be used in sending such matter, and such stamps shall only be sold at post offices.

"(b) For the purposes of this section—

"(1) 'district' includes Puerto Rico and the District of Columbia;

"(2) 'Member of the House of Representatives' includes a Representative, Delegate, and Resident Commissioner; and

"(3) a Member of the House of Representatives elected at large from a State having more than one district shall be considered a Member elected from each district of that State."

(b) The analysis of such chapter is amended by adding immediately below item 3218 the following new item:

"3219 Mail matter sent to Members of Congress.".

(c) Section 2401(c) of such title is amended by inserting after "3217" a comma and "3219".

(d) This Act is effective January 1, 1980.●

By Mr. FORD (for himself, Mr. KENNEDY, Mr. DANFORTH, Mr. BAYH, and Mr. METZENBAUM):

S. 423. A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, expensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; placed on the calendar.

(The remarks of Mr. FORD when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 424. A bill to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii; to the Committee on Finence.

CANADA-FRANCE-HAWAII TELESCOPE PROJECT

Mr. MATSUNAGA. Mr. President, today I am introducing a bill with my senior colleague (Mr. INOUYE) to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

A recent article in the New York Times acclaimed the island of Hawaii as a developing world astronomy center. The article reported that American astronomers as well as astronomers from foreign nations are developing one of the world's most important observation sites on Mauna Kea on the big island of Hawaii. The observation conditions in Hawaii are unsurpassed anywhere in the Northern Hemisphere, and three great telescopes are being erected on the summit of Mauna Kea—meaning "White Mountain," because, believe it or not, in sunny Hawaii, the top of Mauna Kea is nearly always covered with snow—to develop the site's observing facility.

One of these instruments is an optical telescope with a 144-inch mirror being built as a joint project by Canada, France, and the United States. The project is a nonprofit international cooperative undertaking by the Centre National de la Recherche Scientifique of France, the National Research Council of Canada, and the University of Hawaii. The memorandum of understanding among the three parties establishes the Canada-France-Hawaii Telescope Corp.—a nonprofit organization incorporated under Hawaiian law—to assume responsibility for the construction and operation of the telescope.

In 1974, the National Science Foundation and the National Aeronautics and Space Administration both reported that the project would benefit the U.S. scientific community as well as provide astronomers in France and Canada with a unique site for an optical telescope. The Department of State also expressed support for the project, stating that it would be a valuable international cooperative undertaking conferring real benefit to U.S. scientists.

Import duties would have added unnecessary cost and complications to this project. To relieve the project of this burden, the Congress in Public Law 93-630 permitted the duty-free entry of the 3.60-meter telescope and the laboratories, equipment, and installations, necessary for its operation, imported into the United States by June 30, 1980.

In 1973, this project was estimated to cost $18 million. Today, because of rising cost, the project will amount to $29 million. France and Canada will provide the amount equally. Of the $26 million already committed as of October 1, 1978, about $7.5 million has been committed in the United States. Thus, our country has already received a substantial economic return from the project. Moreover the completion of the project in several years will thrust Hawaii into the forefront of astronomical study.

At the date of the second status report by the Canada-France-Hawaii Telescope Corp. in 1978, the dome and dome equipment was near completion, the telescope mechanical parts and control system had already reached Hawaii, and the primary and secondary mirrors were near completion and ready for shipment in the present year. However, the need to design and construct the instrumentation during a period of fast changing technology has delayed completion of the instrumentation package. It is likely that the instrumentation package will not be completed for shipment before the expiration of June 30, 1980, deadline established by Public Law 93-630 for duty-free entry.

Back in 1974, the Congress provided duty-free entry of the telescope and associated articles for the project so as to benefit the American scientific community and facilitate this international scientific venture. I believe that the same reasons compel us now to extend the date for duty-free entry of these items to June 30, 1982.

The reasons are all the more compelling now since most of the telescope has been designed, constructed, and assembled, and will be in full operation within a couple of years. I therefore urge my colleagues to approve this bill.

By Mr. WILLIAMS (for himself and Mr. PELL):

S. 425. A bill to end the use of steel-jaw, leghold traps; to the Committee on Environment and Public Works.

END THE USE OF STEEL-JAW, LEGHOLD TRAPS

● Mr. WILLIAMS. Mr. President, millions of animals are trapped in the United States every year. Most of them are caught in the inhumane and unnecessary steel-jaw, leghold trap.

This device is designed to snap shut upon the paw or leg of an animal that steps into it. The closing force of the trap often causes immediate injury, which is compounded as the animal struggles to escape. The trapper may not return for hours, or even days, during which time the animal may die from starvation, exposure, or predation. Occasionally, the animal may even chew off its own paw to escape, only to die from blood loss or gangrene.

Since an animal's nervous system is very similar to that of humans, there is no doubt that animals feel pain. The pain they suffer in the jaws of the steel trap is severe, and it should not be tolerated by our society.

Furbearing animals and predators are the primary targets of this trap. However, the number of "non-target" animals that fall victim to it may well exceed the number of target animals trapped. Endangered species are sometimes included in this tragic waste of wildlife. Thomas J. Harper, a U.S. Game Management agent, reported that some 2,500 eagles were accidentally trapped in northwestern Nevada during a recent winter. Between 700 and 1,000 hawks, owls, and other birds of prey met the same fate. In addition, there are hundreds of well-documented cases of household pets being caught in steel traps. Children, too, have been injured in them.

Proponents of commercial trapping contend that steel traps are needed to control wildlife populations. In fact, animals have their own population control mechanisms, even in the absence of natural predators. The rates of birth, mortality, and movement of wildlife vary naturally according to the availability of food and space. Indeed, the wildlife management goal of "maximum sustainable yield" is designed to exploit these natural phenomena. According to proponents of maximum sustainable yield, trapping stimulates the birthrate of a "harvestable" species, thus producing an annual "surplus" of animals which may be trapped without affecting the base population. Similarly, if trapping is discontinued, compensating changes in the birthrate and other natural factors will keep the population in check.

But while on the one hand trappers claim they only take "surplus" animals, they contend on the other hand that they help to control wildlife diseases by reducing wildlife populations. The inconsistency between the two claims is obvious. It is, therefore, not surprising that trapping has been ineffective in controlling rabies or any other disease. Furthermore, primary carriers of rabies—bats and skunks—are rarely or never trapped. Several authorities state categorically that trapping is unnecessary in the control of wildlife diseases. For example, the Council on Environmental Quality has declared:

> The contention that rabies increases dramatically when steel leghold traps are banned seems entirely without merit.

And the National Research Council Subcommittee on Rabies recommended:

> Persistent trapping or poisoning campaigns as a means to rabies control should be abolished.

In any case, the purpose of commercial trapping has little to do with disease control or wildlife management. Rather, its purpose is to catch the animal whose pelt commands the highest price in the marketplace. Unfortunately, the fur in fashion may belong to the scarcest species, not the one that is overpopulated or disease ridden. Any correlation between fur fashions and wildlife management goals is purely coincidental.

In response to the growing public awareness of the needless cruelty of the steel-jaw, leghold trap, several States and a number of other nations have restricted or banned its use. My own State of New Jersey has banned it in urbanized counties, because of the danger it poses to pets and children. I believe it is time that this inhumane device was banned throughout the United States.

For this reason, I am introducing a bill to prohibit the interstate shipment or importation of steel-jaw, leghold traps. It would also prohibit the shipment of animal furs or other products from States or countries which have not banned these traps.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. (a) It is hereby declared to be the public policy of the United States to discourage the needless maiming and suffering inflicted upon wild animals by the use of steel-jaw, leghold traps; and

(b) In furtherance of this general policy, it shall also be the public policy of the United States to prohibit, among other things, the manufacture, sale, interstate shipment, and use of steel-jaw, leghold traps in the United States.

SEC. 2. (a) No fur, leather, or other byproducts, whether raw or in finished form, shall be shipped into interstate or foreign commerce if such fur, leather, or other byproducts come from animals trapped in any State or foreign country which has not banned the manufacture, sale, and use of steel-jaw, leghold traps.

(b) The Secretary of State shall ban all imports of fur, leather, or other byproducts from animals from any and all foreign

countries which have not banned the manufacture, sale, and use of such steel-jaw, leghold traps.

CURRENT LIST

SEC. 3. The Secretray of State shall compile, publish, and keep current a list of foreign countries which have not banned the manufacture, sale, and use of steel-jaw, leghold traps.

PENALTIES

SEC. 4. Anyone shipping or receiving fur, leather, or other byproducts in contravention of section 2 of this Act shall, for the first offense, be fined not more than $1,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than two years.

SHIPMENT OF TRAPS

SEC. 5. Whoever delivers, carries, transports, or ships by any means whatever, in interstate or foreign commerce, any steel-jaw, leghold trap or whoever receives, acquires, or purchases, knowingly, any such trap so delivered, carried, transported, or shipped, shall for the first offense, be fined not more than $1,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than two years.

DEFINITIONS

SEC. 6. As used in this Act, the term—

(1) "State" includes each of the several States of the United States, the District of Columbia, and the territories and possessions of the United States; and

(2) "interstate or foreign commerce" shall have the same meaning as that provided by section 10 of title 18, United States Code.

EFFECTIVE DATE

SEC. 7. The provisions of this Act shall become effective one year after the date of its enactment.●

By Mr. McGOVERN:

S. 426. A bill to name a certain Federal building in Huron, S. Dak., the Hubert H. Humphrey Building; to the Committee on Environment and Public Works.

HUBERT H. HUMPHREY FEDERAL BUILDING

● Mr. McGOVERN. Mr. President, today I am introducing legislation to name the Federal building in Huron, S. Dak., the Hubert H. Humphrey Building, in honor of my distinguished friend, Senator Humphrey, who lived and worked in the city of Huron for many years.

This bill was introduced in the last session of Congress, shortly after the death of our good friend and colleague, and shortly after the dedication of the Federal building. I would very much like to see quick action taken by the Environment and Public Works Committee to report this particular bill in tribute to a great American. The city of Huron has expressed strong support for this action, which is seen as appropriate and bipartisan. It commemorates a national leader who learned his love and loyalty for this country as he lived through those terrible years of the Dust Bowl in South Dakota.

I know that Hubert remembered those times in Huron as being difficult, because he recounted them that way in his autobiography. But his natural exuberance overcame the depression caused by seeing the dust storms crush the economies of rural States and lead him into battle against the damage that was done.

As he moved from mayor of Minneapolis, to Senator, Vice President, and Presidential candidate, Hubert Humphrey worked with and for every group that needed a friend in politics—the old, the young, the disadvantaged, the farmers, and the business people. Huron, S. Dak., like almost every other community in this country, includes in its population representatives of each of those groups, so I see no more fitting honor than to name the Federal building, in a city where he lived and worked, for a man who never forgot that city or those people.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 426

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Office Building located at 200 Fourth Southwest, in Huron, South Dakota, shall hereinafter be known as, and is hereby designated as, the "Hubert H. Humphrey Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such a building shall be considered to be a reference to the Hubert H. Humphrey Building.●

By Mr. THURMOND:

S. 427. A bill to require a health warning on the labels of bottles containing certain alcoholic beverages; to the Committee on Commerce, Science, and Transportation.

● Mr. THURMOND. Mr. President, I rise today to introduce legislation that will require a health warning label for all bottles of alcoholic beverages containing more than 24 percent alcohol by volume. The warning would read as follows:

Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit-forming, and may cause serious birth defects when consumed during pregnancy.

Alcoholism and alcohol abuse are recognized as one of the Nation's most serious health problems. Alcohol has become a much-abused drug just as cocaine, heroin, barbiturates, and amphetamines. The consequences of alcohol abuse is today a serious national problem in terms of the number of individuals affected, cost to society, and damage to the body.

There are an estimated 9.3 to 10 million problem drinkers in the adult population. This figure represents 7 percent of the 145 million adults 18 years of age or older now living in the United States.

The problems related to misuse of alcohol are increasing and have reached major proportions. The economic cost to our society alone is estimated by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) at $43 billion annually, with $19.6 billion attributable to lost productivity; $12.7 billion to alcohol-related health care costs; $5.1 billion to motor vehicle accidents; $0.43 billion to fire losses; $2.8 billion to violent crime; and $1.9 billion to social response programs to alcohol abuse.

Alcoholism is a disease that can strike at any social or economic level, and the result is tragic. No one really knows how many lives it has ruined, or how many homes it has broken, or how many healthy people it has adversely affected. According to a recent study by NIAAA, each alcohol abuser affects approximately four members of society either directly or indirectly. The abuser's behavior often harms not only himself, but also his family, employer, and society at large.

Alcohol has a profound effect on the quality of life of those persons with a drinking problem. Many illnesses can be related to excessive alcohol consumption. Among these are emotional disorders and chronic progressive diseases of the nervous system, liver, heart, gastrointestinal tract, and other bodily organs and tissues. In 1975, liver cirrhosis caused by alcohol abuse ranked as the sixth most common cause of deaths in the United States. Life expectancies of persons whose alcohol abuse is not successfully treated are as much as 10 to 12 years shorter than those of the general public. Clinical studies consistently show that various types of alcohol problems in males are associated with mortality rates two to six times higher than rates in the general population. It is estimated that alcohol related deaths may run as high as 205,000 per year. This figure represents 11 percent of the 1.9 million deaths in 1975.

Alcohol abusers are also subject to a disproportionate number of violent deaths. From 10,000 to 15,000—40 to 70 percent—of all homicides are alcohol related. Also, more than one-third of suicides involve alcohol, and disproportionately high numbers of people with drinking problems commit suicide. In 1975, as many as 10,000 suicides were related to alcohol use and up to 8,400 alcoholics committed suicide. The latest data on police arrests show that 38 percent of all arrests were alcohol related. further emphasizing the violent conduct caused by alcohol consumption.

Mr. President, the people of our Nation deserve to be warned of the addictive nature of alcohol and the risks to health and life created by excessive drinking. All of us are aware of the dangers of drinking and driving. Thirty to 50 percent of annual motor vehicle fatalities are associated with alcohol. In a report to Congress last year by the Department of Transportation, it was stated that more than 23,000 individuals died in automobile crashes in which the driver had been drinking. The mixing of alcohol and automobiles has become a killer of major proportions, and it is high time that we warn drinkers of the hazards which result from the use of alcohol.

Mr. President, alcohol problems are no longer limited to adults. Seventy-four percent of in-school teens are drinkers. There are an estimated 3.3 million problem drinkers among youth in the 14 to 17 age range—19 percent of the 17 million persons in this age group. A recent study by NIAAA found that the proportion of teenage problem drinkers increases steadily with each successive grade in school. While 5 percent of seventh grade boys and 4.5 percent of seventh grade girls are problem drinkers, nearly 40 percent of 12th grade boys and 20 percent of 12th grade girls are problem drinkers. The concern over increased alcohol consumption by our youth is heightened by the observation that early drinking behavior predicts drinking habits in later life. A recent study showed that those who were problem drinkers in college were most likely to be problem drinkers and least likely to be abstainers 25 years later. Mr. President, the youth of our Nation need to be warned of the addictive nature of alcohol before it is too late.

An even more disturbing problem was recently documented in the NIAAA report which revealed that use of alcohol by women during pregnancy may result in a pattern of abnormalities in the children. These birth defects are termed "the fetal alcohol syndrone (FAS)." Mr. President, the expectant mothers of our Nation need to be warned of this danger to their unborn child.

Children also feel the effects of alcohol abuse by the acts of their intoxicated parents. A recent report to the Congress on alcohol and health by the Department of Health, Education, and Welfare noted that a large number of child-abusing parents have histories of drinking problems. Excessive drinking has been implicated in child abuse, child molesting, and marital violence.

Mr. President, there are now over 10 million alcoholics and problem drinkers in the United States. Doing something about this growing problem is what this bill is all about. If such a warning label deters a potential alcoholic from taking his first drink, or prevents a casual drinker who drives from having "one for the road," or prevents a pregnant woman from drinking an alcoholic beverage, then this legislation will be effective and worthwhile.

Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(e) of the Federal Alcohol Administration Act (49 Stat. 983, as amended; 27 U.S.C. 205(e)), is amended by inserting the following new paragraph immediately before the last full paragraph of such section:

"It shall be unlawful to sell or ship or deliver for sale or shipment, or otherwise introduce in interstate commerce or foreign commerce, or receive therein, or to remove from customs custody for consumption, any bottle containing a beverage having more than 24 per centum of alcohol by volume, unless the label of such bottle contains the following statement: 'Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious birth defects when consumed during pregnancy.' Such statement shall be located in a conspicuous good legible type in contrast by typography, layout, or color with other printed matter on the label."●

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 428. A bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selective Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1980

● Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Appropriation Authorization Act, 1980".

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $946,400,000; for the Navy and the Marine Corps, $3,987,900,000; for the Air Force, $7,931,200,000, of which $250,200,000 is authorized to be appropriated for the United States contribution of its fiscal year 1980 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS).

Missiles

For missiles: for the Army, $1,250,500,000; for the Navy, $1,548,300,000; for the Marine Corps, $20,500,000; for the Air Force, $2,288,600,000.

Naval Vessels

For naval vessels: for the Navy, $6,173,800,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $1,692,500,000; for the Marine Corps, $13,000,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $267,200,000.

Other weapons

For other weapons: for the Army, $196,400,000; for the Navy, $158,000,000; for the Marine Corps, $18,700,000;

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,927,000,000;

For the Navy (including the Marine Corps), $4,489,341,000;

For the Air Force, $5,005,100,000;

For the Defense Agencies, $1,120,000,000, of which $33,400,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For fiscal year 1980, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 774,000;
(2) The Navy, 528,000;
(3) The Marine Corps, 189,000;
(4) The Air Force, 559,000.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year 1980, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 355,700;
(2) The Army Reserve, 197,400;
(3) The Naval Reserve, 48,900;
(4) The Marine Corps Reserve, 33,600;
(5) The Air National Guard of the United States, 92,500;
(6) The Air Force Reserve, 57,300;
(7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths authorized in subsection (a) each component of the Armed Forces is authorized, as of September 30, 1980, no more than the following numbers of Reserve component members serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve forces.

(1) The Army National Guard of the United States, 6,244;
(2) The Army Reserve, 4,288;
(3) The Naval Reserve, 207;
(4) The Marine Corps Reserve, 67;
(5) The Air National Guard of the United States, 1,560;
(6) The Air Force Reserve, 681.

(c) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For fiscal year 1980, the Department of Defense is authorized an end strength for civilian personnel of 985,146.

(b) The end strength for civilian personnel prescribed in subsection (a) of this Department of the Army, the Department of the Navy, (including the Marine Corps), the Department of the Air Force, and the

agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of enactment for this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For fiscal year 1980, each component of the armed forces is authorized an average military training student load as follows:

(1) The Army, 74,468;
(2) The Navy, 61,913;
(3) The Marine Corps, 22,618;
(4) The Air Force, 43,249;
(5) The Army National Guard of the United States, 14,616;
(6) The Army Reserve, 6,328;
(7) The Naval Reserve, 906;
(8) The Marine Corps Reserve, 3,156;
(9) The Air National Guard of the United States, 1,958;
(10) The Air Force Reserve, 1,276.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106, 89 Stat. 531) is amended to read as follows:

"(a) Beginning with the quarter ending December 31, 1979, the Secretary of Defense shall submit to the Congress quarterly written selected acquisition reports for those major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of $75,000,000 or a cumulative production investment in excess of $300,000,000. The report for the quarter ending December 31 shall be submitted within 20 days after the President transmits the Budget to Congress for the ensuing fiscal year; the other three reports shall be submitted within 30 days after the end of each fiscal year quarter. If preliminary reports are submitted, then final reports shall be submitted to Congress within 15 days after the submission of the preliminary reports."

SEC. 702. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (Public Law 95-79, 91 Stat. 323) is repealed.

SEC. 703. There is authorized to be appropriated to the Department of Defense for fiscal year 1980 an amount not to exceed $10,000,000 for the purpose of providing assistance for the 1980 Olympic winter games as authorized by section 816(a) of the Department of Defense Appropriation Authorization Act, 1979 (Public Law 95-485, 92 Stat. 1611); *Provided*, That the costs for pay and non-travel related allowances of members of the Armed Forces of the United States shall not be charged to appropriations made pursuant to this authorization. Except for funds used for pay and non-travel related allowances of members of the Armed Forces of the United States, no funds may be obligated or expended for such purpose unless specifically appropriated for such purpose.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., January 26, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation "To authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes."

In accordance with the Congressional Budget Act of 1974, we are also submitting herewith, as separate legislation, a similar request for authorization of appropriations for fiscal year 1981.

These proposals are part of the Department of Defense legislative program for the 96th Congress and the Office of Management and Budget has advised that enactment of the proposals would be in accordance with the program of the President. These proposals are being sent to the Speaker of the House of Representatives.

Title I provides procurement authorization for the military departments and Defense agencies and for the United States share of the cost of the acquisition of the Airborne Early Warning and Control System by the North Atlantic Treaty Organization in amounts equal to the budget authority included in the President's budget for fiscal year 1980.

Title II provides for the authorization of each of the research, development, test and evaluation appropriations for the military departments and the Defense agencies in amounts equal to the budget authority included in the President's budget for fiscal year 1980.

Title III prescribes the end strengths for active duty personnel in each component of the Armed Forces as required by section 138 (c)(1) of title 10, United States Code, in the numbers provided for by the budget authority and appropriations requested in these components in the President's budget for fiscal year 1980.

Title IV provides for average strengths of the Selected Reserves of each Reserve component of the Armed Forces as required by section 138(b) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1980. Within the average strengths of the Selected Reserve, title IV also prescribes end strengths for Reserve component members on full-time active duty for the purpose of administering the Reserve forces.

Title V provides for civilian personnel end strengths for each component of the Department of Defense as required by section 138 (c)(2) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1980.

Title VI provides for the average military training student loads as required by section 138(d)(1) of title 10, United States Code, in the numbers provided for this purpose in the President's budget for fiscal year 1980.

Title VII of the fiscal year 1980 proposal requests three general provisions that would: (1) amend the requirement for the submission of selected acquisition reports for major defense systems required by section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 by increasing the dollar levels above which reports must be submitted and changing the reporting date for the first report each calendar year, (2) repeal the ceilings on the numbers of high ranking military and civilian personnel established by section 811(a) of the Department of Defense Appropriation Authorization Act, 1978, and (3) provide authorization for appropriations to support for 1980 Olympic winter games.

Sincerely,

DEANNE C. SIEMER.●

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 429. A bill to authorize appropriations for fiscal year 1979, in addition to amount previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1979

● Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1979".

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and other weapons, as authorized by law, in amounts as follows:

(1) For aircraft: for the Air Force, $259,500,000, of which $85,100,000 is authorized to be appropriated for the United States contribution of its fiscal year 1979 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS), as specified in the Multilateral Memorandum of Understanding Between North Atlantic Treaty Organization Ministers of Defense on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978.

(2) For missiles: for the Army, $27,800,000.

(3) For Naval vessels: for the Navy, $834,700,000.

(4) For other weapons: for the Navy, $24,000,000.

SEC. 102. The Department of Defense is authorized to implement until concluded the Multilateral Memorandum of Understanding Between NATO Ministers of Defense on the NATO E-3A Cooperative Programme, signed on December 6, 1978 by the Secretary of Defense, in accordance with the provisions of the text thereof and the reservations of the parties thereto. In addition, the Department of Defense may make a commitment to the North Atlantic Treaty Organization for the United States share of estimated termination liability.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

(1) For the Army, $73,600,000.
(2) For the Navy, $38,000,000.
(3) For the Air Force, $386,600,000.
(4) For the Defense Agencies, $24,500,000.

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., January 26, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation, "To authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes."

This legislation is being submitted in order to authorize additional appropriations for strategic and readiness programs of the Department of Defense and to permit the United States to participate in the cooperative North Atlantic Treaty Organization program for the acquisition of an Airborne Early Warning and Control System (AWACS).

This proposal is part of the Department of Defense Legislative program for the 96th Congress and the Office of Management and Budget has advised that enactment of the proposal would be in accord with the program of the President. Identical legislation is being sent to the Speaker of the House of Representatives.

Title I provides additional fund authorization for the Army, Navy and Air Force for items that will increase the readiness of the Armed Forces. A major element of this request is authorization of funds for the Navy for a fleet guided missile frigate and a guided missile destroyer, a new ship type that has been designated as the DDG-993. These ships will maintain the Navy's anti-air warfare capability. Also, the Aircraft procurement authorization authorizes the appropriation of funds for the fiscal year 1979 incremental United States share of the cost of the acquisition of an AWACS by the North Atlantic Treaty Organization. Authorization for the fiscal year 1980 and 1981 contributions is being transmitted by separate legislation.

Section 102 of the proposal authorizes the Department of Defense to implement the NATO "Multilateral Memorandum of Understanding between North Atlantic Treaty Organization Ministers of Defense on the NATO E-3A Programme". This Memorandum has been signed by all NATO participants other than Belgium which is expected to sign in the near future. The Memorandum will govern the cooperative program that is designed to give NATO an enhanced warning and detection capability and improved maritime surveillance capability. United States participation in this program will require the United States to waive or absorb, on a reciprocal basis, some of the charges for services rendered, such as the 3% administrative surcharge, normally associated with foreign military sales cases and gives the Department authority to waive these charges and to assume certain contingent liabilities specified in the Memorandum. Section 102 also authorizes the Department of Defense to make a commitment to NATO for the United States share of estimated termination liability under contracts for the program.

Title II of the bill authorizes the appropriation of Research, Development, Test and Evaluation appropriations for strategic and readiness programs as indicated in the budget for fiscal year 1980 transmitted to Congress by the President. The largest item in this title is for the M-X missile program. These funds will be used to initiate full-scale engineering development of the M-X missile program, to explore alternative basing modes for the M-X missile, and to accelerate the acquisition of tooling and missile subsystems for the flight test program.

In accordance with usual practice, the Committee on Armed Services will be furnished with additional information that it may require in connection with this request.

Sincerely,

DEANNE C. SIEMER.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 2, a bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for the review of Government programs every 10 years and for other purposes.

S. 3

At the request of Mr. HELMS, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Nebraska (Mr. ZORINSKY), the Senator from North Carolina (Mr. MORGAN), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 3, a bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution.

S. 12

At the request of Mr. DOLE, the Senator from Nevada (Mr. LAXALT), the Senator from Arizona (Mr. DECONCINI), the Senator from Alaska (Mr. STEVENS), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 12, a bill to provide for cost of living adjustments.

S. 15

At the request of Mr. LEVIN, the Senator from New York (Mr. JAVITS) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 15, a bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards.

S. 29

At the request of Mr. HATCH, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 29, a bill to repeal the Davis-Bacon Act.

S. 43

At the request of Mr. HATCH, the Senator from Arizona (Mr. DECONCINI) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 43, the Natural Ski Patrol System Recognition Act.

S. 93

At the request of Mr. NELSON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 93, a bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

S. 104

At the request of Mr. SCHMITT, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 104, the Regulation Reduction and Congressional Control Act.

S. 110

At the request of Mr. NELSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 110, a bill to provide for depreciation simplification and reform for small business.

S. 123

At the request of Mr. INOUYE, the Senator from Mississippi (Mr. COCHRAN), the Senator from Arizona (Mr. DECONCINI), the Senator from Montana (Mr. MELCHER), the Senator from Maryland (Mr. SARBANES), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 123, a bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists.

S. 233

At the request of Mr. CANNON, the Senator from Louisiana (Mr. LONG), the Senator from Kentucky (Mr. FORD), the Senator from Virginia (Mr. WARNER), the Senator from New York (Mr. JAVITS), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 233, a bill to amend the International

Travel Act of 1961 to authorize additional appropriations, and for other purposes.

S. 299

At the request of Mr. CULVER, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. DECONCINI), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Mississippi (Mr. COCHRAN), the Senator from North Dakota (Mr. BURDICK), the Senator from Indiana (Mr. LUGAR), the Senator from New York (Mr. MOYNIHAN), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Alabama (Mr. STEWART) were added as cosponsors of S. 299, a bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes.

SENATE JOINT RESOLUTION 1

At the request of Mr. BAYH, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of Senate Joint Resolution 1, to provide for the direct election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE JOINT RESOLUTION 22

At the request of Mr. GARN, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Joint Resolution 22, proposing an amendment to the Constitution for the protection of unborn children and other persons.

SENATE RESOLUTION 69—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON, from the Select Committee on Small Business, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 69

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) of the Legislative Reorganization Act of 1946, as amended, and S. Res. 56, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1979, through February 29, 1980; in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to procure the temporary services (not in excess of one year) or intermittent services of individuals, consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(1) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. The expenses of the Select Committee under this resolution shall not exceed $327,000, of which amount not to exceed $7,000 may be expended for the procurement of the services of individual consultants, or organizations thereof.

SEC. 3. The Select Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the Select Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Select Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 70—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. MELCHER submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 70

Resolved, That in carrying out the duties and functions imposed on it by section 105 of Senate Resolution 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended, and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund to the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $622,949.00, of which amount not to exceed $12,000.00 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 71—SUBMISSION OF A RESOLUTION RELATING TO THE IMPORTANCE OF A STRONG AND INDEPENDENT DEPARTMENT OF AGRICULTURE

Mr. MCGOVERN (for himself, Mr. TALMADGE, Mr. HUDDLESTON, Mr. STONE, Mr. ZORINSKY, Mr. MELCHER, Mr. STEWART, Mr. BOREN, Mr. HELMS, Mr. YOUNG, Mr. BELLMON, Mr. DOLE, Mr. LUGAR, Mr. COCHRAN, Mr. JEPSEN, Mr. MORGAN, Mr. EXON, Mr. HAYAKAWA, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. PRYOR, Mr. BAUCUS, and Mr. PRESSLER) submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. RES. 71

Whereas a strong and vigorous agricultural economy, as well as an abundance of food and fiber at reasonable prices, is essential to the welfare of the Nation;

Whereas the President is considering various reorganization proposals that would affect the U.S. Department of Agriculture;

Whereas the Department of Agriculture administers an integrated and comprehensive system of programs designed to protect American agriculture and the economic viability of rural America;

Whereas the Nation's renewable natural resources on both public and private lands have been enhanced and protected by the Department of Agriculture;

Whereas the Department of Agriculture is the lead agency in the development of a sound food and nutrition policy;

Whereas the Department of Agriculture performs a number of vital functions and services for the Nation's farmers and consumers, including programs that provide price and income protection for farmers, conserve and enhance the soil and water for forestry and food production, protect the safety and wholesomeness of the Nation's food supply, promote economic stability in rural communities, and enhance the nutritional well-being of all Americans through research, education, and food distribution;

Whereas farmers and consumers rely on a strong and independent Department of Agriculture: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that in any governmental reorganization, the Department of Agriculture should not be changed in any way that would diminish its ability to perform any of its vital functions.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of Agriculture.

ANY GOVERNMENT REORGANIZATION SHOULD PROVIDE FOR A STRONG USDA

● Mr. MCGOVERN. Mr. President, I rise to submit Senate Resolution 71, on behalf of myself and Mr. TALMADGE and 20 other Members of the Senate.

The resolution concludes that in any reorganization of the Federal Government, it is essential that the Department of Agriculture not be changed in any way that would diminish its ability to perform any of its vital functions.

The resolution points out that a strong and vigorous agricultural economy, as well as an abundance of food and fiber at reasonable prices, is essential to the welfare of the Nation.

It says that USDA administers an integrated array of programs designed to protect American agriculture and the viability of rural America, and that natural resources on both public and private lands have been enhanced and protected by the Department. And it adds that the Department is the lead agency in the development of a sound food and nutrition policy.

These governmental functions have been performed well by USDA since the administration of Abraham Lincoln.

At present, the White House is considering at least two reorganization plans which could have serious impacts on the U.S. Department of Agriculture, possibly impairing its ability to carry out its mission. The sponsors of the resolutions sincerely hope that the implications of these changes will be seriously considered.

The signers of the resolution are not alone. Last week a number of concerned

organizations, calling themselves the friends of USDA, jointly signed a resolution on behalf of USDA. I ask unanimous consent that that resolution be included in the RECORD at this point.

Mr. President, as viewed by many of us on Capitol Hill, the President's reorganization project has spent a great deal of money and manpower, but has paid the President back with proposals which the Congress defeated with a bipartisan effort during the Nixon administration. It would be wasteful to send the PRP recommendations to Congress, and I hope that the President can be convinced not to do so.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF FRIENDS OF USDA ON USDA REORGANIZATION

We are opposed to any action on the part of the Administration that would weaken the Department of Agriculture as the primary deliverer of services to rural America.

While we agree with the Administration that there should be increased efficiency in government, we do not believe that the reorganization plans relating to the U.S. Department of Agriculture that have been proposed, would achieve this objective.

On the contrary, it is our opinion that if these proposals were implemented they would have the opposite effect, and, as a result, seriously impair the Federal government's capability to serve the interests of rural America, both farm and non-farm.

Therefore, we oppose transferring major functions of the USDA to other departments and agencies whose orientation and sympathies make them much less qualified than the Department of Agriculture to implement these programs in rural areas.

If the renewable nature resources, conservation, food and rural development components of USDA were removed, we believe the Department would lose its cabinet-level status, which in turn, would be a major setback not only for rural people, but for the nation as a whole.

Recent history demonstrates that while agriculture is still the mainstay of the rural economy, it no longer provides sufficient employment opportunities required to stabilize the populations of rural communities. Thus, we have seen the migration of millions of displaced farmers and rural residents to urban centers contributing to the problems of the cities and severely weakening the viability of smaller communities.

In 1972, Congress added the mission for rural development to the USDA's responsibilities which we believe was a logical complement to its agricultural mission in view of the need to strengthen all segments of rural America.

Doubtlessly, USDA could and should improve its efficiency and effectiveness in discharging its program responsibilities. This can be accomplished without demembering the department. And, we believe, that it is a much sounder course of action for the Administration to undertake than reassigning these programs to other departments, which experience has shown have never been able to serve the needs of rural areas as effectively as has USDA.

We therefore urge the Administration and the Congress to keep intact and strengthen the Department of Agriculture as an alternative to reorganization proposals that would destroy it.

Signature organizations:
Center for Community Change.
National Limestone Institute, Inc.
Housing Assistance Council.
The National Grange.
National Council of Farmer Cooperatives.
Cooperative League of the USA.
Rural America.
National Farmers Union.
Public Lands Council.
National Association of the State Departments of Agriculture.
Food Research and Action Center.
National Rural Electric Cooperative Association.
The American Forestry Association.
The Children's Foundation.
Green Thumb, Inc.
National Cattlemen's Association.
National Rural Water Association.
National Association of Counties.
Associated General Contractors of America.
Mid-Continent Farmers Association.
Independent Bankers Association of America.
National Milk Producers Federation.
National Association of Towns and Townships.
National Association of Wheat Growers.
U.S. Beet Sugar Association.
National Farmers Organization.
National Rural Housing Coalition.
National Association of Home Builders.
Community Nutrition Institute.
National Association of Conservation Districts.
Poultry & Egg Institute of America.
National Turkey Federation.
National Agricultural Aviation Association. ●

REORGANIZATION OF USDA

● Mr. HELMS. Mr. President, if the family farm is to remain a going concern we must have a Department of Agriculture that is strong, full of vitality, and absolutely dedicated to the interests of farming, of farmers themselves, and of agriculture in general.

USDA cannot do the job the Congress intends if it participates in a game of bureaucratic musical chairs.

It is my understanding that the various proposals would remove the vital functions of the Soil Conservation Service, the Soil, Snow and River Basin surveys to place them into a new Department of the Interior. The Forest Service would be removed from USDA in its entirety and transferred to a new Department of Natural Resources.

And, the rural development functions of the Farmers Home Administration would be transferred to a renamed Department of Housing and Urban Development, with the eventual abolishment of the Farmers Home Administration all together.

Such proposals are not practical—or reasonable. They will place the farmer at an even greater disadvantage than he now enjoys, and is entirely unacceptable.

I certainly support the resolution and commend Senator MCGOVERN for bringing it before us.●

SENATE RESOLUTION 73—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

Mr. MUSKIE, from the Committee on the Budget, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 73

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,295,100, of which amount not to exceed $30,500 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE CONCURRENT RESOLUTION 7—SUBMISSION OF A CONCURRENT RESOLUTION LIFTING SANCTIONS AGAINST ZIMBABWE-RHODESIA

Mr. SCHWEIKER (for himself and Mr. DECONCINI) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON RES. 7

Whereas Section 27 of Public Law 95-384, the International Security Assistance Act of 1978, provides for the lifting of sanctions against Zimbabwe-Rhodesia contingent upon a Presidential determination that the interim Executive Council of Rhodesia has demonstrated its willingness to participate in, and negotiate in good faith at, an all-parties conference and that a government has been installed chosen by free elections, and

Whereas the Executive Council has unanimously agreed to participate in, and negotiate in good faith at, an all-parties conference held under international auspices, on all relevant issues, and

Whereas the leaders of the Patriotic Front have rejected all invitations extended by the United States and Great Britain to participate in said conference, and

Whereas the Executive Council of Rhodesia has scheduled for April 20, 1979, the conduct of free elections in which all political and population groups will be allowed to participate freely, and has invited the presence of impartial outside observers to monitor said elections, and

Whereas pursuant to the scheduled conduct of said elections and consistent with the objective of black majority rule, a referendum was held on January 30, 1979, on the proposed constitution for a black majority government in Zimbabwe after April 20, 1979, said referendum being approved overwhelmingly, and

Whereas the leaders of the Patriotic Front have publicly denounced both the constitutional referendum and the scheduled elections and have vowed to disrupt the latter by intimidation, terrorism, or military attack: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), that it is the sense of the Congress of the United States that—

(1) the President of the United States should make a finding of Rhodesian compliance with that provision of Section 27 of Public Law 95–384, the International Security Assistance Act of 1978, which calls for a demonstrated willingness on the part of the Executive Council to participate in, and negotiate in good faith at, an all-parties conference held under international auspices, on all relevant issues;

(2) the President should likewise find that approval for the Constitution which will effectuate the transfer of power to a black majority government installed through free elections on April 20, 1979, has been secured;

(3) the President should, contingent upon the completion of the transition process to a black majority government installed by free elections held on April 20, 1979, and attended by impartial outside observers, revoke sanctions against Zimbabwe within ten days of said elections.

Mr. SCHWEIKER. Mr. President, the goal of a government in Zimbabwe-Rhodesia based on black majority rule has long commanded the interest of the international community. Despite past frustrations in attempts to achieve this objective, as well as complications in the current transition process, installation of a black majority government chosen by free elections is nearing realization. These elections are scheduled to be conducted April 20 in accordance with the mandate of the Salisbury agreement to transfer power to the black majority within a constitutional framework. Moreover, the Constitution under which the new leaders will govern was approved overwhelmingly in a referendum held January 30. With a 75-percent turnout of all registered voters, the Constitution was endorsed by 85 percent of the vote.

It would be especially tragic if the United States were to give less than full support to a fledgling experiment in constitutional democracy on a continent where individual national governments are predominantly autocratic, and where tribal rivalries and the difficult adjustments of post-colonial societies make fertile ground for exploitation by anti-democratic forces.

The United States originally imposed sanctions against Rhodesia to symbolize our aversion to the practices of the white minority government. The lifting of these same sanctions has been made conditional upon the transition to a black majority government, steps toward which have already successfully been taken and whose culmination awaits the April 20 balloting.

Section 27 of the International Security Assistance Act of 1978 specifies that sanctions against Zimbabwe-Rhodesia shall not be enforced upon a Presidential determination that (a) the Interim Executive Council of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference held under international auspices on all relevant issues, and (b) a government has been installed in Zimbabwe chosen by free elections in which all political and population groups have been allowed to participate freely.

The Executive Council has clearly fulfilled the first precondition, although its efforts to enlist the participation of the patriotic front leaders in an all-parties conference were uncompromisingly rebuffed. Vowing to disrupt the scheduled elections by whatever means possible, the patriotic front has committed itself to the destruction of the democratic government which will emerge from the constitutional processes now unfolding.

Under such circumstances (which unfortunately have been influenced in part by the diplomatic initiatives of the Anglo-American powers), the survival of a democratic Zimbabwe depends in no small measure on an expression of support from the United States which likewise affects Zimbabwe's future economic viability.

Given the unyielding opposition of the Patriotic Front to any solution not based on its own terms, the present formula offers the best hope for the development and survival of constitutional democracy in Zimbabwe. It is the most efficacious means for justly achieving majority rule while protecting and promoting minority rights.

The resolution I am submitting today, cosponsored by Senator DECONCINI, is intended to facilitate the successful completion of the transition process to black majority rule. Besides directing the President to make a finding of Rhodesian compliance with the first precondition set forth in section 27, it calls upon the President to make a determination of full Rhodesian compliance with all preconditions no later than 10 days after the elections and to revoke sanctions within that time period.

Prompt passage of the resolution is intended to convey to all parties concerned our continued abiding interest in the development of a democratic Zimbabwe and to reassure the members of the Executive Council that the efforts they have made (and must still make) and the risks accepted are fully justified.

The survival of a democratic Zimbabwe is both morally compelling and politically imperative in a volatile part of the world notable for the absence of regimes which reflect democratic values and respect basic human rights.

If efforts to achieve a constitutional democracy incorporating black majority rule fail now, or are permitted to flounder because the United States did not actively support this settlement with the timely lifting of sanctions after all preconditions had been met, the probability is strong that Zimbabwe would ultimately be ruled by forces hostile to the West and to the concept of democratic government.

Strategically, such a development would be adverse to our interests. Politically and morally, it would be contrary to the principles and values we believe in most deeply.

For these reasons, I believe the resolution being introduced merits the support of the Congress of the United States and the attention of the President in our mutual quest to promote a Zimbabwe consistent with our values and compatible with our interests.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL WORKERS' COMPENSATION STANDARDS ACT OF 1979—S. 420

AMENDMENT NO. 59

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. JAVITS submitted an amendment intended to be proposed by him to S. 420, a bill to strengthen State workers' compensation programs, and for other purposes.

(See Mr. JAVITS' remarks earlier in the RECORD when S. 420 was introduced.)

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold 2 days of hearings, February 20 and 23, 1979, to consider the intended monetary policies for 1979 by the Federal Reserve Board.

These hearings will be the first held pursuant to the requirements of the Humphrey-Hawkins Act. The Federal Reserve will be submitting to the Congress a written report on its monetary policy plans and objectives for 1979. For the first time the Federal Reserve Board will be required to explain the relationship between its intended policies and the short-term economic goals of the President. Those economic goals for employment, unemployment, production, real income, productivity, and prices appear in the Economic Report, as required by the Humphrey-Hawkins Act. In explaining the relationship of its intended policies to the short-term economic goals, the Board is expected to provide the Congress with a full discussion concerning the extent to which the Federal Reserve's intended policies would help to achieve those goals.

On February 20, Chairman Miller will be the sole witness before the committee. On February 23, the committee will have four witnesses: Prof. Franco Modigliani, economics department, Sloan School of Management, Massachusetts Institute of Technology; Dr. Allen Sinai, director, financial economics, Data Resources, Inc.; Mr. H. Erich Heinemann, vice president, Morgan Stanley & Co., Inc.; and Prof. Edward J. Kane, Everett D. Reese professor of banking and monetary economics, Ohio State University.

The hearings will begin each day at 10 a.m. and will be held in room 5302 of the Dirksen Building. Anyone desiring additional information about the hearings should contact Steven M. Roberts of the committee staff at 224–7391.

COMMITTEE ON THE JUDICIARY

● Mr. KENNEDY. Mr. President, on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Tuesday, February 27, 1979, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations:

Robert E. Keeton, of Massachusetts, to be U.S. district judge for the District of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978;

Phyllis A. Kravitch, of Georgia, to be U.S. circuit judge for the fifth circuit vice Lewis R. Morgan, retired;

John Joseph McNaught, of Massachusetts, to be U.S. district judge for the District of Massachusetts vice a new position created by Public Law 95–486, approved October 20, 1978;

David Nelson Sutherland, of Massachusetts, to be U.S. district judge for the District of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978;

John G. Penn, of Maryland, to be U.S. district judge for the District of Columbia, vice Joseph G. Waddy, retired;

Abraham D. Sofaer, of New York, to be U.S. district judge for the Southern District of New York, vice Marvin E. Frankel, resigned;

Rya W. Zobel, of Massachusetts, to be U.S. district judge for the District of Massachusetts, vice new position created by Public Law 95–486, approved October 20, 1978.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 48 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICE

● Mr. GLENN. Mr. President, I wish to announce that the Governmental Affair's Subcommittee on Energy, Nuclear Proliferation, and Federal Services will hold oversight hearings on the subject of the 1980 census. The hearings will begin at 10 a.m. on February 20 in room 1318 of the Dirksen Senate Office Building and will continue on February 21 at 10 a.m. in room 1114 Dirksen Senate Office Building.●

ADDITIONAL STATEMENTS

CREDIT RATINGS AND RIGHTS

● Mr. LEVIN. Mr. President, I invite the attention of Senators to yet another, more recent, indictment of the use of geographical location in determining a person's credit worthiness.

I have in my possession three articles which I would like to share with the Members at this time.

This is also a message, Mr. President, to those who persist in preserving the clearly erroneous notion that credit scoring systems, in which one's neighborhood is a determinant factor, are fair and accurate methods of assessing a person's acceptability for credit.

Mr. President, discrimination due to geographic area is one of the major complaints about the credit card point score system. Last year, the Federal Trade Commission received thousands of complaints alleging credit discrimination. The percentage of persons claiming geographic location is not yet known. But the FTC is examining allegations that geographic location has been the primary reason for denying credit even when the applicant is told that other factors are paramount.

The following articles were written by individuals who have spent a good deal of their time looking into the practice of credit card redlining. Noel Capon is a visiting lecturer at the Graduate School of Business Administration at Harvard University and an associate professor of management at the Graduate School of Management at UCLA. Professor Capon has given several speeches on the subject of credit scoring and has written articles on discrimination in the screening of credit card applicants. I am submitting for the RECORD two of Professor Capon's articles: "Discrimination in Screening Credit Applicants," written for the May-June, 1978, Harvard Business Review and "Credit Ratings and Rights" in the December 17, 1977, edition of the Washington Post. In these two articles, Professor Capon points out other evils that arise out of discrimination on the basis of where the applicant's home is located.

Miranda Spivack, Washington correspondent for Newhouse News Service and former reporter and editor for the Portland, Maine, newspapers, has done an informative piece that cites examples of geographic discrimination. Ms. Spivack reveals the results of her investigation in a January 21, 1979, New Orleans Times Picayune article.

Mr. President, I submit these articles for printing in the RECORD:

The articles are as follows:

CREDIT RATINGS AND RIGHTS

(By Noel Capon)

It was reported a few months ago that a Detroit couple with a combined yearly income of over $50,000 had been refused a credit card because of their Zip Code. They are two of a growing number of Americans who are daily being denied credit by major retailers, banks and credit-card companies on the basis of such arbitrary factors as their occupation, the age of their automobile, whether they have a telephone and whether they rent or own their home.

Such criteria are used in point-scoring systems that have been developed by taking a sample of applicants who have been awarded credit and, through computer analysis, identifying those characteristics that discriminate statistically betwen good and poor credit risks. Points are allocated for each characteristic. For example, a home phone may be worth 10 points, no phone 2 points; owning or purchasing a home 20 points, renting 8 points; living in one part of town 25 points; living in another part of town 8 points, and so on.

An applicant for credit supplies the required demographic data on an application form. If his total point score is less than a preset target, credit is automatically denied, regardless of his prior payment performance. A score greater than the target score may earn credit automatically, or additional credit performance data may be sought before a decision is made.

Point-scoring systems were legitimized by the Equal Credit Opportunity Act (ECOA). In prohibiting discrimination on the basis of race, color, religion, national origin, sex, marital status and age, Congress prescribed use of "demonstrably and statistically sound, empirically derived" point-scoring systems to eliminate subjective judgments by credit managers. Such "objective" systems, however, may be as problem-ridden as the subjective systems they were intended to replace.

First, point-scoring systems may discriminate on illegal bases if the characteristics utilized act as surrogates for others that are illegal. Thus, Zip Code and the own/rent criteria may discriminate against minorities because of the tendency of minority groups to live in close geographic proximity and as a result of historical illegal discrimination in the granting of mortgage loans. Occupation and length of employment may discriminate against women, since they have historically been barred from certain occupations and because of their lower employment stability than men as a result of pregnancy and child-rearing. Furthermore, while sex and race are immutable and thus illegal discriminators, residence and occupation, it can be argued, are equally central to an individual's life. A person may be unable to better qualify for credit. Thus, use of such group classifications may well violate the constitutional guarantees of equal protection and due process.

Second, point-scoring systems typically are developed on the basis of biased samples. The pool of "goods" and "bads" used in designing the system is not the applicant pool but merely a sample of those previously granted credit on a subjective basis. Applicants rejected for credit, perhaps illegally if the system predates ECOA, can never figure in the system's parameters. Although statistical-augumentation procedures are employed by creditors, their goal is to infer the payment habits that previously rejected applicants would have had if they had been granted credit. This is an impossible task and thus bias and possibly illegal discrimination are built directly into the point-scoring systems themselves.

Further many point-scoring systems are *not* all that objective. Restrictions on the point values for the various characteristics are frequently inserted to incorporate the biases of those who are granting credit. For example, management might specify that a person renting a home cannot score more points than a person owning a home, irrespective of the data. Also, many creditors permit overriding the system and granting credit at management's discretion if a rejected applicant complains, a practice that implicitly invalidates the system.

Some point systems, while "objective," are characterized by counterintuitive point assignments. For instance, the relationship between the time the applicant has been at his current address and points assigned may be curvilinear, very short or very long times get more points than medium ones. Thus, if an individual has recently, moved, the greater residence stability he achieves with the passage of time, the less credit worthy he becomes! Further, an applicant with moderate residence and employment stability, who has been denied credit, might be advised to move his residence to become more credit worthy, a prescription that appears counter to the objective of ECOA that such systems serve an educational function for denied applicants.

The root issue is that point-scoring systems are statistically predictive but lacking in explanatory power. An individual may change his residence, but his credit worthiness does not really change. Point scoring is equivalent to basing college admissions on some statistically predictive characteristic, such as father's occupation, rather than such accepted explanatory characteristics as grades and aptitude scores. If the denied applicant's father changed his job, the applicant would be no more suited for college than before; however, an improvement in high school grades would be important.

Research has shown that some proportion of applicants who have been denied credit on the basis of point-scoring systems in fact have good credit records. In denying credit to such persons, creditors unjustly injure the applicants' reputations. Further, their good performance record, which can be viewed as an earned property right, is of no use to them.

Use of point scoring systems may be efficient for creditors, but in making credit decisions on the basis of demographic characteristics creditors are employing factors that really have nothing to do with an individual's credit worthiness. There is an issue here of an individual's right to be treated on the basis of his own performance. Specifically, we must ask whether the costs that creditors

save by using point-scoring systems are balanced by the cost to society of abridging the individuals right to be evaluated in the credit decision, on the basis of his own performance in meeting financial obligations.

DISCRIMINATION IN SCREENING CREDIT APPLICANTS

(By Noel Capon)

Not long ago it was reported that a Detroit couple having a combined annual income of more than $50,000 had been refused a credit card on the basis of the zip code of the area where they lived.

That is one instance of a credit decision made by use of a point-scoring system (usually administered through a computer). Use of these systems by banks, retailers, and other large creditors is widespread.

Although this example is extreme, it is typical of a practice that rejects applicants in spite of any history they may have of paying their bills on time. This practice subjugates a decision based on individual performance to a decision made on the basis of assignment to groups that are determined on characteristics not directly related to credit performance. This practice abridges a fundamental right: the right to be treated as an individual.

The use of point scoring has been growing since it was legitimized by Congress in passing the Equal Credit Opportunity Act of 1974 (ECOA), and the amendments to it in 1976. By embracing an objective approach, the legislators sought to eliminate subjective judgments by credit managers that discriminated on the basis of race and other characteristics.

As a result, they accepted a procedure that, it turns out, enables a creditor to discriminate arbitrarily against individuals.

HOW IT WORKS

Credit managers differ little from managers in other fundamental areas in their efforts to devise efficient and cost-effective techniques to improve performance. The point-scoring approach is faster and much cheaper than any other.

The point-scoring system is developed by taking a sample of persons who have previously been awarded credit and, through computer analysis, identifying those characteristics that discriminate statistically between good and bad risks. The creditor allocates points to levels of each characteristic.

Having a home phone may be worth, say, 10 points, and no phone, 2 points; owning or purchasing a home, 20 points, and renting, 8 points; living in one part of town, 25 points, and in another part, 8 points. Other characteristics typically employed are occupation, age of automobile, years on the job, and years at present residence.

A credit applicant supplies the required data on an application form. If his or her total point score falls below a present target score, the person is automatically denied credit irrespective of the payment history. A score greater than the target score may earn credit automatically or the creditor may seek payment data before making a decision.

A main problem with this procedure pertains to the manner in which it is developed. Rather than taking a representative sample of applicants, granting them credit, and developing the system based on their payment behavior companies typically use as the pool of "goods" and "bads" a sample of persons previously granted credit on some subjective basis. Applicants rejected for credit, perhaps illegally if the system predates ECOA, do not figure in the calculations.

Devisers of scoring systems, aware of the problem of biased samples, have developed statistical augmentation procedures designed to infer the payment habits of previously rejected applicants, had they been granted credit. But this exercise can only be conjecture. So bias and possibly illegal discrimination are built into the scores.

Furthermore, such scoring is not totally objective. In most systems, for instance, the occupational category consists of crude aggregates of groups. "Production worker" may be an umbrella phrase for vocations ranging from lathe operator to dressmaker to TV repairer. In some systems, the definitions of occupations seem awry. In one system I studied, the occuptional group "teamsters" was given the lowest possible point value.

To incorporate their attitudes toward risks, credit grantors often distort objectivity by imposing restrictions on the point values of applicants' characteristics. Management may specify, for example, that under no circumstances can a person renting his home ever score higher than a person owning or purchasing his home, or that young applicants can never score more points than old applicants, irrespective of the data. This weighting insulates the credit grantors' biases from change and raises them to an institutional level, concealed under the banner of scientific objectivity.

A retailer's value allocation for two consumer characteristics

Time at present address	*Points*
Less than 6 months	39
6 months to 1 year, 5 months	30
1 year, 6 months to 3 years, 5 months	27
3 years, 6 months to 7 years, 5 months	30
7 years, 6 months to 12 years, 5 months	39
12 years, 6 months or longer	50
Not answered	36
Time with employer	
Less than 6 months	31
6 months to 5 years, 5 months	24
5 years, 6 months to 8 years, 5 months	26
8 years, 6 months to 15 years, 5 months	31
15 years, 6 months or longer	39
Homemakers	39
Unemployed	29
Not answered	29

In addition, many creditors permit overriding of the system and granting of credit at management's discretion if a rejected applicant complains. This practice obviously invalidates the system and discriminates against those who meekly accept denial of credit.

In purely objective systems where the point values are "free floating" (subject to no weight restrictions), assignment of points can also establish unreasonable standards. The *Exhibit* shows part of the point assignment list actually employed by a major retailer.

Periods of very short or very long duration receive more points than those of medium duration. Thus the more stability an applicant gains in terms of residence and employment (up to a point), the less creditworthy he becomes. A person, with moderate residence or employment stability who is denied credit might be advised to change his domicile or job in order to improve his credit standing.

WHO IS CREDITWORTHY?

That such relationships might be established probably did not occur to the legislators of ECOA or the drafters of Regulation B, which implements the act. The regulation's suggestions for notification of rejected applicants are framed in terms of a positive relationship between creditworthiness and stability.

While ECOA proscribes the use of race, color, religion, national origin, sex, and marital status as characteristics in credit decision making, if the characteristics actually employed act as surrogate variables for those that are illegal, then the system is discriminating illegally. Consider these examples:

Zip code criteria may discriminate against minorities because of the tendency of members of those groups to live in proximity to one another.

An own/rent living accommodation value may similarly discriminate as a result of decades of bias in the granting of mortgage loans.

Women may receive illegally unfair treatment through use of the occupation characteristic, since they have historically been barred from certain occupations, as well as through use of "time with employer," since as a group they have less employment stability than men because of pregnancy and child rearing.

Point-scoring systems are statistically predictive but lacking in explanatory power. A person may change his job or residence, but his creditworthiness does not change. The situation is analogous to that of a college making admissions decisions on the basis of a statistically predictive characteristic like a father's occupation rather than on explanatory characteristics such as grades and aptitude scores. If the denied applicant's father changed his job, the applicant would be no more suited for college than before. An improvement in high school grades, however, would be important.

Furthermore, the criteria for selection of characteristics for point-scoring systems are unclear. If statistical predicton is the sole criterion, should blondes be more favorably treated than brunettes, or golfers more favorably treated than tennis players, if the data turn out that way?

Research has shown that of the applicants denied credit on the basis of point scores, a proportion in fact have good payment records. Denial of credit to persons who have responsibly handled their financial affairs unfairly injures their reputations. Furthermore, their good payment records, which can be viewed as an earned property right, are of no use to them.

The characteristics emploved in point-scoring systems have very little to do with an individual's creditworthiness. The fundamental issue is whether the savings that creditors achieve in using these systems are balanced by the costs to society of abridging the individual's right to be treated on the basis of his performance in meeting his financial obligations.

GEOGRAPHIC CREDIT CHECK BATTLED

(By Miranda Spivack)

WASHINGTON.—A white Atlanta woman living in a predominantly black neighborhood recently applied for an Amoco gasoline credit card and was turned down, in part because of the company's "adverse credit experience in your immediate geographic area." The woman, Claire Cherry—a divorced $13,000-a-year typesetter—is suing.

A black Washington couple with a combined income of $28,000 and already possessing American Express and Carte Blanche credit cards also was denied an Amoco card. In its rejection letter, the oil company noted bad credit experience in their neighborhood.

The practice, known as "credit card redlining," may soon be illegal if legislation to be introduced recently by two Michigan congressmen becomes law.

Sen. Carl Levin and Rep. Bill Brodhead, both Democrats, will ask their colleagues to amend the Equal Credit Opportunity Act to outlaw the use of geographic location in assessing creditworthiness. The law already bans the use of sex, race, color and national origin.

The practice came to their attention two years ago when an inner city Detroit couple was denied a Mobil credit card despite a combined income of $50,000. Levin, then president of the Detroit City Council, was unsuccessful in getting the Michigan Legislature to prohibit credit redlining.

Claire Cherry's case hasn't gone to trial, but her lawyer, Robert Schwind, said he discovered in pretrial proceedings that Amoco had "redlined" several areas in Atlanta which are predominantly black or have a significant black majority.

"Only those areas that are almost exclusively white" were excluded from the zip code list of neighborhoods whose residents the oil company says have been poor credit risks.

Levin says geographic location of a credit applicant should be irrelevant.

And a spokesman for Brodhead says the decision to grant credit should be "based on the ability to manage financial affairs and nothing else."

An Amoco spokesman, Carl Meyerdirk, said the oil company believes it is valuable to use geographic location of a credit applicant in analyzing creditworthiness.

No one is rejected just because of their geographic location, but it is one of the negative factors used in deciding whether to issue a credit card. The Federal Trade Commission has been investigating credit practices since 1976, focusing on mortgages, credit cards and insurance. Redlining of entire sections of a city or town is a very significant aspect of the investigation, an FTC spokeswoman says.

The Equal Credit Opportunity Act, while not mentioning geographic location as an illegal criterion, could be applied through provisions barring the use of race if the effect of redlining is to deny credit to residents of whole, racially-homogeneous sections of a city, according to Levin.

Jean Newman, one of about 15 FTC lawyers working on the credit investigation, said the commission received about 11,000 complaints last year alleging credit discrimination. There are no precise figures available on how many of those complaints involved geographic criteria.

She said investigators also are examining allegations that creditors use geographic location of an applicant as the primary reason for rejection but tell applicants that other factors were paramount.

There are no statistics available on the frequency of credit card "redlining" according to the Justice Department, the FTC and the congressional offices drafting the legislation.

The practice is alleged to be widespread, involving utility companies, retailers, banks and the oil companies.

Bill Moroney, a spokesman for the American Bankers Association—which represents 14,000 banks, 90 percent of them involved in issuance of VISA and Master Charge cards—says he doesn't think redlining occurs with those two cards. "It is unnecessary, it doesn't make sense, and it would be too costly for the banks to screen applicants by their zip codes," Moroney said.

The Community Reinvestment Act, which went into effect last November, discourages banks and savings and loans from "redlining" in all of their services, but it doesn't forbid the practice flatly.

Maryland is the only state which has passed a law against credit card redlining. It forbids financial institutions and retailers from using the applicant's home address as the "sole reason" for rejecting a credit application. But the Maryland law doesn't forbid the use of geographic location entirely.

Robert Schwind, the Atlanta lawyer representing Claire Cherry, says: "Perhaps there are a number of deadbeats who don't pay their bills. But a credit applicant shouldn't be judged on the failure of their neighbors."

Redlining, Schwind notes, "could have the effect of discouraging people from living in racially integrated neighborhoods." ●

THE ADMINISTRATION'S REORGANIZATION PROPOSALS

● Mr. DOLE. Mr. President, many Kansans are very concerned about the administration's reorganization proposals. The Kansas congressional delegation has received many inquiries and letters of concern.

Many of these letters have been about the proposals to remove some of the rural economic development programs from the U.S. Department of Agriculture.

The Kansas congressional delegation feels very strongly about this issue and have sent a letter to the President expressing our feelings ont his subject.

I wish to bring this letter to the attention of my colleagues. I submit the full text of the letter signed by the five Congressmen and two Senators from Kansas for the RECORD.

The letter follows:

U. S. SENATE,
Washington, D.C. January 25, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The seven members of the Kansas congressional delegation are writing to express our views and concerns about the administration's reorganization proposals which seek substantial modification in economic development programs.

We are particularly concerned that executive reorganization of the U.S. Department of Agriculture's economic assistance programs, as recently proposed by the Office of Management and Budget, will be detrimental to continued rural development.

Our principle objection is to the transfer of the Farmers Home Administration's (FmHA) programs to an expanded and renamed Department of Housing and Urban Development. This move would result in a diminution of attention, efficiency, and effectiveness in an already inadequate national commitment to encourage rural development.

Rural America contains a quarter of the nation's people and 87 percent of its land. On this land the food for 215 million people is grown and harvested. Its land and people will produce the energy, the timber, and the minerals that sustain the rest of America. Economic development for rural America is quite clearly economic security for all Americans.

The Rural Development Act of 1972 mandated that the Department of Agriculture give direction and assistance to rural development. The impetus that gave rise to that mandate has not diminished and we see no rationale to reduce or obscure the commitment to fulfill that mandate.

Rural America finally has an agency, FmHA, able to work with rural citizens and take the leadership in rural economic development. Kansans vehemently object to losing this visible and effective system.

Congress gave the USDA the lead in rural development because HUD and other agencies were not responsive to rural needs. Congress expanded FmHA (with strengthened housing programs, water and sewer credit authority and related business credit resources) because of its continued successes in rural development. FmHA may require internal improvement or additional resources but there is nothing to support a proposal for radical reorganization.

Through its rural development programs the FmHA has been playing a vital role in the development of rural Kansas. Almost $200 million a year is now being pumped into the Kansas economy through these programs. The FmHA is well known by Kansas citizens and its services are accessible through 40 local county offices and six district offices.

This network brings FmHA close to the local people. There is no other agency of government that makes development loans that can match this delivery system. With the broad range of programs now offered by FmHA, rural citizens have a one-stop office that can deliver farm loans, community loans, housing loans and business and industry loans.

The FmHA has financed some 130 rural water districts in Kansas. This type of development would not have taken place if the water program had been under the jurisdiction of HUD. The transfer of the water and sewer program to HUD at this time would be detrimental to the interests of Kansas.

If you believe that the entire national rural development effort must be concentrated in a single department, then we recommend that that department be a strengthened U.S. Department of Agriculture.

As members of Congress we applaud your administration's intention to make government more efficient and responsive. We do not believe the OMB's proposal as it relates to rural development will make government any better or any more efficient. The proposal will not save tax dollars. It will not improve services for rural citizens and it is not acceptable to the rural leaders of Kansas. We urge that you reject this proposal.

Respectfully,

BOB DOLE, *U.S. Senator.*
NANCY KASSEBAUM, *U.S. Senator.*
LARRY WINN, *Third District.*
KEITH SEBELIUS, *First District.*
DAN GLICKMAN, *Fourth District.*
JAMES JEFFRIES, *Second District.*
BOB WHITTAKER, *Fifth District.* ●

PROPOSED REGULATIONS REDUCING MEAT IN THE SCHOOL LUNCH PROGRAM

● Mr. EXON. Mr. President, I invite the attention of the Senate to a matter which is of great concern to the welfare of our children. The U.S. Department of Agriculture's Food and Consumer Services, under the direction of Assistant Secretary of Agriculture Carol Tucker Foreman, has initiated regulations allowing for the substitution of 50 percent of the protein which is provided our children through the school lunch program to come from plant sources.

Mr. President, this is of great consternation to me as a father and a grandfather, to think that the school age children of this Nation could be denied meat in their school diets which is so essential to their health and growth during these formative years. Although I am no expert in the area of nutrition, I do know that meat is the only source of protein which provides all of the nine essential amino acids required by the human body which our children have the greatest need for in order to grow and mature into healthy adults.

Nutritionists have noted that B vitamins essential to the human nervous system are found in animal food sources. One of these B vitamins, B-12, is only found in animal food sources. Mr. President, if meat is reduced or removed from our school lunch programs, deficiencies could occur restricting the the normal growth of our children.

Along with these complete amino acids, zinc and iron are also found in meat.

Should school lunch menus reduce or delete animal food sources, zinc and iron deficiencies could result, especially in those children from low-income families who may not receive adequate amounts of meat at home. After all, Mr. President, one of the primary purposes behind the school lunch program was to insure these children from poor backgrounds at least one well-balanced and highly nutritional meal a day. Under these proposed regulations, this purpose would be lost.

It is confusing to me, Mr. President, that the Food and Consumer Service, which is full of experts on child nutrition, could promulgate such regulations knowing full well that no vegetable food source can supply the essential amino acids, zinc and iron, which meat can. Furthermore our schools would be required to add skilled dietitians well versed in vegetable proteins to see that meals prepared under these proposed guidelines met all the nutritional needs of our children. In my State, and I am quite sure in every State, there exist small school systems which do not now have, nor could they obtain in the future, this type of individual to handle this highly technical matter; whereas, now our school personnel who prepare food are fully aware of the nutritional value of meat in the diets of our children.

Mr. President, we have all been exposed to the studies by noted experts in the field of human nutrition and have eye-witnessed accounts of young people who suffer from malnutrition. These accounts are shocking as they point to the results that inadequate diets produce. Not only are the undernourished children physically deformed, but also, their resistance to disease is nearly nonexistant. This could happen to our school children if these nonsensical regulations take effect.

I am asking that every Member of the U.S. Senate contact Assistant Secretary Foreman today, expressing their outrage with these proposed regulations and insisting that they be withdrawn from consideration. No Member of this body will regret their actions knowing that they will have assured the continuation of school lunch programs which meet the nutritional needs of our school children.

Furthermore, I am requesting that the attached letter to Ms. Foreman be printed in the RECORD.

The letter is as follows:

UNITED STATES SENATE,
Washington, D.C., February 9, 1979.

Hon. CAROL TUCKER FOREMAN,
Assistant Secretary for Food and Consumer Services, U.S. Department of Agriculture, Washington, D.C.

DEAR MS. FOREMAN: I am writing to express my outrage with the proposed regulations to allow for the substitution of 50 percent of the protein which is provided our children through the school lunch program to come from plant sources.

It is of great concern to me that your division could promulgate regulations which have the potential of reducing the amount of meat in our school children's diets which are so essential to their health and growth during these all-important formative years. Without the nutritional elements found in animal food sources, our children face the possibility of malnutrition and disease. I find this totally unacceptable in this day and age of high quality and abundant animal food sources.

I am sure you know that meat contains all nine essential amino acids which cannot be derived from plant substitutes. B vitamins, especially B-12, are also contained in this food source and are critical to the healthy growth and development of the nervous system. Necessary elements of zinc and iron are found as well in these highly nutritious animal food sources. Reducing by 50 percent the intake of this food jeopardizes the health of all our children let alone those who come from low income families and are forced to rely on this well balanced school lunch to supplement what they are unable to get at home.

I must strongly oppose these proposed regulations and insist that at the close of the public comment period on February 15th, you withdraw them from further consideration.

Sincerely,

J. JAMES EXON, *United States Senator.*●

SENATE STEEL CAUCUS

● Mr. HEINZ. Mr. President, on Wednesday, February 8, the Senate Steel Caucus met with chief executives of several major steel companies to hear testimony on current industry problems. This meeting followed a session Tuesday with Treasury Under Secretary Solomon discussing the current state of the industry from the administration's point of view.

The meeting was well attended both by Senators and members of the public, and I would like to bring the statements of the industry executives to the attention of my colleagues. The Steel Caucus in the Senate is planning an active year, under the leadership of Senators RANDOLPH, BAYH, GLENN, and myself, and I hope these statements will help senators acquaint themselves with the current state of the industry and encourage them to involve themselves in future caucus activities.

Mr. President, I ask that an agenda of the February 8 meeting and the statements by steel executives be printed in the RECORD.

The material follows:

AGENDA FOR SENATE STEEL CAUCUS MEETING

Meeting called to order by Senator Jennings Randolph, Chairman.

Remarks and presentations by the following chief operating officers of major U.S. steel companies:

Mr. Lewis W. Foy, chairman, Bethlehem Steel Corp., Bethlehem, Pa., general overview, transportation, trade situation.

Mr. Foy is also Chairman of the American Steel and Iron Institute (AISI).

Mr. George A. Stinson, president and chief executive officer, National Steel Corp., Pittsburgh, Pa., environment.

Mr. Thomas C. Graham, president and chief executive officer, Jones & Laughlin Steel Corp., Pittsburgh, Pa., raw materials.

Mr. David M. Roderick, president, United States Steel Corp., Pittsburgh, Pa., capital formation.

Mr. W. J. De Lancey, president and chief executive, Republic Steel Corp., Cleveland, Ohio, energy.

Mr. M. T. Anthony, president and chief executive officer, Kaiser Steel Corp., Oakland, Calif., West Coast problems.

Mr. William H. Enoell, president and chief executive officer, Cyclops Corporation, Pittsburgh, Pa., speciality steel.

OPENING STATEMENT OF LEWIS W. FOY

My colleagues and I are very grateful for this opportunity to discuss the present state of the steel industry and some of the key issues that are confronting us: capital formation; environment; energy; raw materials; freight transportation; the impact of West Coast steel imports; specialty steel trade policy; and the MTN.

I'd like to start off with an overview of the industry's economic position and the import situation.

INDUSTRY ECONOMIC POSITION

Judging by recent newspaper headlines, one might assume that last year was a "bonanza" for the steel industry, and happy days are here again.

Preliminary figures indicate that steel industry net income for 1978 will be about $1.4 billion. That's a big improvement over 1977's dismal showing, but what does it mean? It would represent returns of about three cents on a sales dollar and about 8 percent on equity. Similar returns back in 1968 created enough concern to convince the Administration to negotiate the VRAs that reduced steel imports from 18 million tons in 1968 to 14 million tons the following year.

We estimate that retained earnings, depreciation, and depletion produced an industry net cash flow last year of about $2.5 billion. But capital expenditures were about $3 billion. The balance came from borrowings, and industry debt remains at or near peak levels.

Please note that the industry's capital spending last year fell $1 billion short of the judgment in the Solomon Report that we should be investing about $4 billion annually just to modernize and update present facilities, without any provision for expansion of capacity.

So much for the "bonanza" year of 1978. We're still at or near the bottom of the Citibank list of 40 major industries in terms of return on shareholders' equity. We have a long way to go.

STEEL IMPORTS

Imports have had a lot to do with our problems. The steel industry is extremely sensitive to changes in volume. That's why other nations have benefitted from exports; that's why we've been harmed by imports.

In spite of TPM, imports rose 9.5 percent in 1978 over 1977, to an all-time record of 21.1 million tons. This means that imports averaged 20 million tons a year for the last two years after averaging about 14 million tons over the previous four years. If imports have indeed moved to a higher plateau, there are profound implications for the industry and its workers, as well as for the international economic position of the United States.

Our nation's steel trade deficit last year was about $6 billion. That's shocking, but the worst is yet to come. By 1985, unless we soon start expanding our domestic steelmaking capacity, 25 to 30 million tons of steel imports could be entering the U.S. market annually. That would mean an outflow of $12 to $15 billion a year, and a huge increase in our steel trade deficit.

As an industry, we're dismayed by the massive invasion of our domestic market during 1977 and 1978, essentially because of the lack of an effective national response to unfair trade practices in steel. In view of our continuing national trade and balance of payments problems, I don't believe that the Congress or the Executive Branch of our Government can afford to be indifferent to this situation.

Last year, in spite of the TPM, and while imports from Japan declined 17 percent, imports from the EEC rose more than 9 percent, Canadian imports increased 25 percent, and "All Other" imports rose 75 percent.

In vivid contrast to American policies, the EEC effectively restricted imports and promoted exports. The EEC exported an estimated 26.5 million net tons of steel mill products in 1978, while importing only 9.7 million net tons, thereby creating a net favorable steel trade balance of more than $5 billion. As we've often said, the TPM has given the Europeans a "license to dump," and they've taken full advantage of it.

Granted that the import figures for December were encouraging, I see no justification for complacency. The trade outlook has to be viewed realistically, and without positive steps by the government, we can't expect imports to decline much from last year. The fact is that the big U.S. market, with its virtually unfettered access, acts like a magnet to the world steel industry.

The less-developed countries are steadily expanding their steelmaking capacity, displacing imports from the industrial nations, including the EEC and Japan. Since EEC domestic demand is not expected to increase very much this year, and they're losing many of their traditional export markets, we can expect EEC producers to try very hard to increase, or at least maintain their present export level to this country.

These developments are very disturbing to the Japanese, who are limping along at a capacity utilization rate that's below 70 percent, and are threatening to abandon restraint.

These factors give us little justification for expecting a substantial decline in imports this year, unless a concerted effort is made by the Administration and the Congress.

STATEMENT ON STEEL TRADE POLICY BY MR. L. W. FOY

We come to the final and perhaps the most important item on our agenda today: the steel industry's positions on current steel trade policy and the results of the multilateral trade negotiations.

Current steel trade policy

Two Administration programs specifically address steel trade problems. These are the TPM and the OECD Steel Committee.

TPM

Summarizing the AISI position, we still hope the TPM can be made to work effectively. If properly administered, we think the TPM should substantially reduce imports from their high levels of the past year. On January 30, the AISI submitted a paper to the Treasury Department urging the Department to implement certain changes in the TPM. That statement is available for your review. We very much hope that the Caucus will support our recommendations.

OECD steel committee

In October, 1975, our industry presented to the Special Trade Representative a detailed proposal for conducting steel sector negotiations in the MTN.

Essentially, the AISI proposal called for the creation of a standing Steel Committee within the GATT framework, and establishment of an international safeguard system for steel that would permit countries to obtain prompt and effective relief from market disruption by imports.

This proposal was ultimately rejected by STR on the grounds that our trading partners were adamantly opposed to steel sector negotiations as part of the MTN.

Subsequently, the U.S. Government moved successfully to establish an International Steel Committee within the OECD as an alternative to sector negotiations in the MTN. The Committee's mandate authorizes consultations on steel trade matters, and establishes guidelines for actions by governments to deal with crisis conditions in their steel industries. Particularly important is a commitment that such actions should not shift the burden of adjustment to other countries.

Although not what we had originally sought, the industry fully supports the Steel Committee as a significant step toward resolution of the long-standing problems in steel trade among countries.

The AISI hopes this new International Steel Committee will not bog down in endless and pointless research, but instead will address urgent steel trade problems. Our industry has pledged to work closely and cooperatively with the Government in achieving positive results from the OECD Steel Committee. We urge you to request that the Administration keep the Caucus fully informed on the activities of the OECD Steel Committee through the domestic advisory process which is to be established. We hope you will support our objectives through the work of the Committee.

Results of the multilateral trade negotiations

The trade negotiations cover two areas of concern to us: tariff cuts and the non-tariff codes.

Tariff cuts

Our current information is that the U.S. steel tariff cut offer is now in the range of 25 percent to 30 percent, which would result in an estimated average U.S. steel tariff after the negotiations of about 4.3 percent. We are advised Japan has offered only a 12 percent reduction in its applied tariff rate, which would result in an average Japanese tariff of 5.1 percent. Reportedly, the EEC is offering a 30 percent reduction, which would give them a 4.8 percent average tariff following the negotiations. It appears the U.S. would end up with lower tariffs on steel products than any of its major steel trading partners.

Ironically, the same countries that have engaged in bilateral quota and price agreements protecting their home markets, while flooding the U.S. market with imported steel, are not even willing to reduce their steel tariffs to the same level that the U.S. has offered. This situation is totally incomprehensible to us. We do not understand why the United States has offered larger cuts on steel tariffs than our trading partners.

Accordingly, in concluding the U.S. negotiation on tariff cuts, we hope you will urge the Administration to take the following positions:

Proposed U.S. reductions in steel tariffs shall not be greater than the reductions being offered by our major trading partners;

At the conclusion of negotiations, average steel tariffs of the U.S., EEC, and Japan will be comparable. Certainly, U.S. tariffs should not be lower than those of the EEC and Japan.

Negotiation of non-tariff codes

This is the most important aspect of the multilateral trade negotiations. After reviewing preliminary results of the Code negotiations, the steel industry fears that they will result in a weakening of U.S. domestic laws designed to deal with unfair trade practices. We do not believe these Codes will eliminate the wholesale dumping, subsidization, and other unfair trade practices that characterize world steel trade.

We'll now comment briefly on the more significant Codes:

SUBSIDY (COUNTERVAILING DUTY) CODE

This Code explicitly prohibits the use of export subsidies but these are not the steel industry's main problem. We're much more deeply concerned about domestic or internal subsidies that distort trade.

The Code obligation against internal subsidies is weak (signatories shall "seek to avoid" causing serious prejudice through their use and should take their "possible adverse effect" into account in formulating policies and practices).

Several serious shortcomings of the Code: *The Illustrative List of Export Subsidies* appears to sanction the European system of rebating value-added taxes on exports;

The definitions of such critical terms as "material injury", "serious prejudice", "adverse effects", are broadly defined in the Code and one can only speculate how these terms will be defined in domestic legislation.

Reportedly, the "material injury" test may be inserted in the U.S. Antidumping statute, making its injury test a much tougher one than exists today.

SAFEGUARD CODE

Under the provisions of this Code we are concerned that imports would have to be the "principal cause" of injury. This is a much tougher causal test than is contained in section 201 of the Trade Act, the U. S. safeguard provision. We are also advised that the "principal cause" test may be inserted into the U. S. Antidumping Act, significantly weakening it. In addition, there is no provision in the Code for regional injury.

GOVERNMENT PROCUREMENT CODE

The Code would require substantial federal Buy American provisions to be phased out. Clearly, the United States should not open its doors without assurance that other countries will do the same. We are concerned that most of our federal procurement would be open to foreign suppliers on a non-restricted basis, while vast blocs of purchasing through companies owned by foreign governments would not be, since many of them are excluded under the Code's entity coverage definitions.

RECOMMENDATIONS

1. The Antidumping Act must not be amended in any way that would weaken its substance or enforcement producers, or would require domestic complainants to meet a greater burden of proof than exists today with respect to causality, injury, or definition of industry.

2. Under the Subsidy/Countervailing Duty Code.

"Material injury" must be defined in domestic implementing legislation to mean any injury greater than *de minimis*.

"Causation" must be defined in domestic implementing legislation to make clear that subsidized imports need not be a *principal* cause of injury.

Internal subsides must be reachable under the Code.

INDUSTRY LEGISLATIVE PROGRAM

Our government and the steel industry face critical times ahead as pressures mount to weaken U.S. unfair trade statutes by bending them into conformity with the Codes. Moreover, the Codes' language and implementing legislation could create major uncertainties of both substance and administration.

It is essential that American industry have clear and fair recourse against unfair import practices under U.S. trade statutes. With this in mind, we have developed detailed legislative proposals for improvement of our unfair trade statutes. We understand that these proposals will shortly be issued as a Committee print by the Trade Subcommittee of the House Ways and Means Committee. More than 30 industries, the AFL-CIO, and several major national unions have endorsed a Congressional review of these proposals.

In addition, Senator Danforth and several co-sponsors have recently introduced a bill that contains many of the improvements that we support. Moreover, other proposals relating to trade matters have been or will be introduced in the House and Senate.

As the MTN and implementing legislation are addressed by the Congress this session, we hope you will support our proposals and the bills in which they will be incorporated. We are at a critical juncture in U.S. trade policy. We need and hope for the full support of this Caucus in the months ahead.

STATEMENT ON TRANSPORTATION POLICY BY MR. L. W. FOY

One of the subjects you'll be dealing with during this session is freight transportation. I want to assure you that this a matter of profound importance to the steel industry. Transportation is a big factor in the cost of producing steel, and it's also a very significant part of the delivered cost of steel products to our customers, frequently as much as 10 percent on large-volume products.

An important segment of the trucking industry exists primarily to serve the steel industry, and as much as 85 percent of the regulated traffic on our inland waterways is for the steel industry.

But today I want to concentrate on the interdependence of the steel industry and the railroads. Virtually all of the raw materials that come in by land come in by *rail*, and somewhere between one-third and one-half of the total tonnage of finished products is shipped by rail. On the other side of the coin, the railroads depend on the steel industry for about 25 percent of their tonnage in the northeastern part of the country, and nearly 20 percent nationally.

The legislative proposals being recommended by the Administration and other interest will have far-reaching effects. For the most part, they're essential in order to strengthen the railroad industry which we depend on so heavily.

However, any and all measures designed to bolster the nation's railroads should be founded on two basic principles. First, those measures should enable the railroads to survive as viable private entities. And second, they should treat commodity flows that are captive to their service in a manner that's both nonprejudicial and nondiscriminatory.

Any such measures are bound to cost money, and my industry will pay its share. But at the same time we have to be mindful that financing a healthy railroad system mustn't put an undue burden on those who are already contributing a fair share of total revenues. Steel industry traffic is generally quite profitable to the railroads.

Most of us tend to take our freight transportation system pretty much for granted, but the fact is that it's absolutely vital to our national economy. Tremendous investments, both human and financial, have been made in reliance on our existing transportation system. But the interests of the railroads have, by regulation, been subordinated to other considerations.

Any legislation that suddenly removes commodity and geographic subsidies that have resulted from past practice, if not carefully drawn, has the potential for severe disruption or injury, and could cost jobs. I urge you to proceed with care, and I hope you'll never hesitate to call on our industry experts for counsel, advice, and support.

CAPITAL FORMATION OUTLINE

I. Steel manufacturing capital intensive.

II. Recent reliance on internal cash flow plus debt—new equity not feasible.

III. Industry has had to continue to spend heavily in the face of declining earnings.

A. AISI estimates industry spent $2 billion in 1978 with internal cash flow of $2.5 billion and borrowing of $.5 billion.

B. Results of 1978 were better than 1977 but still a subpar return and insufficient capital generated.

C. Value of depreciation ravaged by inflation—long depreciable life assigned to steel—still has not been reduced.

D. Sharp increase in debt/equity ratio (45 percent)—borrowing power approaching limit without expansion of equity.

IV. Industry capital needs cannot be covered by cash generation and new debt.

A. AISI study and Solomon report indicate a short fall of $1 billion per year.

B. Steel capability has declined and will continue until profitability improves.

V. Capital formation requires government action which will:

A. Permit good earnings when markets are strong—no more de facto controls.

B. Effectively administer trade laws to prevent dumping—must face European problem.

C. Weigh the economic impact of environmental and other regulations against benefits sought.

D. Adopt tax policy which will encourage investment in productive facilities—must recover our investment as quickly as our foreign competitors.

VI. Survival of the steel industry is at stake.

CAPITAL FORMATION AND THE STEEL INDUSTRY

Steel manufacturing is one of our country's most capital intensive industries. The replacement or rebuilding of steelmaking facilities requires greater expenditures than that required in most other manufacturing operations. In recent years, the industry has had to rely upon retained earnings, depreciation, and depletion, and new borowings to provide its necessary capital. The sale of equity as a source of new capital has been virtually ruled out because of the industry's relatively low profitability over an extended period of years.

In 1977, the industry just about broke even; total earnings of AISI companies was only $23 million, about one-sixth that of the largest hamburger chain. Earnings in 1978 recovered from this low point but still represent a substandard return on equity. We estimate the 1978 return on equity will be about half that earned by the average manufacturing company. Depreciation as a source of capital has been particularly ravaged by inflation. Our own estimates indicate that by the time we have recovered one dollar in tax depreciation, replacement cost has risen by three dollars. I'm sure you are all aware that the Treasury has assigned to our industry one of the longest depreciable lives in use, and despite the recommendation made in the Solomon report issued over a year ago, has failed to shorten it.

The industry has continued to borrow heavily in order to raise capital, and debt to equity ratios have risen in recent years to a point where debt expansion may no longer be a viable source of additional capital. As recent as 1975 debt was 33 percent of equity, by the end of 1977 it had climbed to 45 percent.

An AISI study indicates, and the Solomon report confirms, that the capital generated by the steel industry will fall short of industry requirements by over $1 billion per year during the next six years.

Improved profits are the key to our industry's ability to raise the capital it needs. U.S. steel industry capability has actually declined the past few years; and until returns in the steel business become considerably more attractive, this trend will continue.

Adequate capital formation must be provided if our industry is to meet the steel needs of our economy and provide employment opportunities to our growing labor force. In order to avoid encumbering our industry in its pursuit of capital, certain government policies of the past must be avoided in the future. First, the industry must be permitted to earn good profits when market conditions permit. This means an end to the informal price controls imposed on the industry since the early 1960's. Second, the government must promptly and effectively address the questionable trade practices of foreign steel producers and their home governments. Our domestic market is the most lucrative and least restricted steel market in the world, and it has been abused by foreign producers for a long time. The problem of European dumping, in particular, must be squarely faced. Third, we need sound and consistent environmental policies which weigh the benefits being sought with their economic impact. And fourth, we must have a federal tax policy that promotes capital formation by increasing the incentive to invest in productive facilities. Our industry should be permitted to recover its capital investments at least as quickly as the foreign producers with whom we compete in world markets.

In the future, our industry faces a substantial task in efficiently producing its products and providing the employment opportunities expected of it. The industry must earn the profits, which in turn will make available the capital necessary for its survival.

[In millions of dollars]

	1977	1976	1975	1974	1973
1. Industry income	23.2	1,337.4	1,594.9	2,475.2	1,272.2
2. Industry capital expenditures	2,858.0	3,253.0	3,179.0	2,115.0	1,400.0
3. Environmental capital expenditures	535.0	489.0	453.0	NA	NA
Conclusion: While industry profits declined sharply since 1974, capital spending rose dramatically, exceeding $3,000,000,000 in 1975 and 1976, a 50-percent increase over 1974. Environmental expenditures took about 20 percent of total capital expenditures in 1977.					

	1977	1976	1974	1970	1968	1965
4. Industry percent debt to equity	45.0	38.6	28.5	39.6	36.5	25.9
Conclusion: Expansion of debt has far outpaced equity growth in the past 10 yr.						

STATEMENT BY FRED TUCKER FOR GEORGE A. STINSON

At our last appearance before you in September and on numerous other occasions we have mentioned the tremendous economic impact of environmental control regulations. We have also discussed the threat that these regulations offer to the operation of limited life facilities and new construction. These problems have not abated in any way. They have, in fact, accelerated upon implementation of the Clean Air Act Amendments passed by the 95th Congress. If the Trigger Price System worked and effectively reduced imports to an acceptable level, I quite frankly don't know if we could expand to meet domestic market needs under present and anticipated environmental regulations.

Our immediate problem, which also affects all other industry, public works projects and support grants for States and local governments, is embodied in the 1977 amendments to the Clean Air Act. The Act places an embargo on all new construction in non-attainment areas as of June 30, 1979, where State Implementation Plans have not been approved by the EPA. These new plans were to be submitted to EPA for approval on January 1, 1979. To date seven States have complied with this legal date. Of the so-called steel states, only Colorado and Utah are among the seven. There is every reason to believe that several steel states will fail to meet the EPA approval deadline of June 30, 1979. This is an urgent, but by no means the only, problem in the Clean Air Act that needs to be corrected early in the 96th Congress.

We have been urging the appropriate Congressional Committees to hold oversight hearings on air and water quality legislation early in this new session. We want these Committees to look at the existing laws and regulations, not with the objective of changing environmental goals, but instead to unscramble the regulatory maze that has resulted in delay, harassment by no-growth environmental groups in the courts and, in some cases, wasteful utilization of limited economic resources resulting in little or no environmental improvement. Where lower cost solutions exist to meet environmental objectives, state and local officials should be instructed to permit implementation of these solutions. We appear to have a situation wherein the majority of Congress, industry and the public have agreed upon the objectives but the laws, regulations and court rulings stifle accomplishment of those objectives.

The following are examples of air and water issues which we believe the Congress should investigate in oversight:

(1) *The bubble concept.*—On January 18, 1979, EPA published a proposed guidance document to the States on total plant compliance permits in air. We believe the Congress should explore this cost-saving technique in both air and water and endorse and expand its application.

(2) *Limited life facility.*—Congress should consider and give guidance to EPA on the application of air and water regulations to old limited life facilities. Our trading partners throughout the world provide special enforcement strategies for these plant operations and we believe the U.S. should do the same.

(3) *Air quality standards.*—The recent amendments to the Air Act require Air Quality Standards Revisions by the end of 1980. The Congress should determine how these revisions will affect State Implementation Plans.

(4) *Replacement in kind.*—Congress should examine whether EPA Regulations are stifling technological improvements in basic industry by requiring overly stringent control for replacement facilities.

(5) *Water quality.*—Congress should reconsider the economic advisability of requiring all streams, regardless of their use, to meet fishable/swimmable water quality.

These are a few of the more important issues that need Congressional oversight. There are ways to meet national objectives at lower cost. We have had numerous meetings with EPA to discuss these alternatives and find that, in many cases, EPA believes it is prohibited by law or court opinion from implementing these cost effective measures. Congress should examine these options and determine whether legislative remedies are needed.

STATEMENT BY THOMAS C. GRAHAM ON RAW MATERIALS

The ability to produce steel depends in part on the ability to purchase and process a large number of raw materials. The industry is presently concerned with developments in two important markets, scrap and molybdenum.

I. SCRAP

Recycled iron and steel scrap is an essential ingredient used in steelmaking. In the Basic Oxygen Furnace scrap is combined with hot metal (molten pig iron) on roughly a 30–70 percent basis. Close to 25 percent of the 137 million tons of raw steel poured in 1978, however, was produced in electric furnaces, which require a 100 percent scrap charge.

As domestic and world steel production improved over the second half of 1978, so did demand for scrap generally and U.S. scrap in particular. Exports in 1978 were 46 percent higher than those of 1977, and rising. Much of the increase can be attributed to a tripling of exports to Japan, by far the largest importer in 1978.

As scrap exports increased, so did scrap prices in the United States. Currently the price for the most common grade used by the industry is 41% higher than that in effect in the third quarter of 1978.

An increase in steelmaking costs of this magnitude poses great difficulties for steel products, as you might imagine. If current prices hold, without rising further in 1979, the steel industry and other scrap consuming industries will have sustained an additional cost impact of $1.4 billion by year-end.

This problem requires the immediate attention of the U.S. Government. We have already petitioned the Commerce Department and requested that export controls be imposed, as stipulated under the Export Administration Act of 1969. The Act states that it is the policy of the United States, ". . . to use export controls . . . to protect the domestic economy from the excessive drain of scarce materials and to reduce the seriously inflationary impact of foreign demand." In our view this criteria has been met. Exports in the fourth quarter of 1978 ran at an annual rate exceeding that of the record year of 1973, when controls were last imposed.

It is ironic that in the U.S., the world's largest scrap exporter, would allow itself to fall into a position whereby a domestic shortage developed even as exports increased. With inventories at a three-year low, prices rising, and exports increasing, we feel some actions must be taken to safeguard U.S. interests.

Export controls are even more compelling in view of the country's focus on energy problems. The 17 million BTU's of energy contained in every ton of scrap should, when economically feasible, benefit this country. We note with alarm that foreign scrap shipments in the fourth quarter alone were equal to 8.4 million barrels of oil. If a portion of that scrap can be used in the U.S., it should be the policy of the U.S. to insure that it is available, but not at prices which are escalating 41 percent in four months.

II. MOLYBDENUM

In addition to problems experienced in the scrap market, the industry is concerned over developments in the molybdenum market. Molybdenum is used, primarily by the steel industry, in the production of high strength, heat resistant steel alloys and stainless steels.

The U.S., which accounts for approximately 70 percent of world production, exports over half of what it mines. A world shortage of this material has led domestic producers to allocate existing supplies to foreign and domestic customers, even as demand for the material has increased.

Why should the U.S., the most important supplier to the world, experience a severe domestic shortage as a consequence of molybdenum producer policies? At the very least, exports should be monitored to detect changing patterns in foreign and domestic shipments, in the event export controls become necessary.

Thank you. We hope the Caucus will support our efforts to have scrap exports controlled and molybdenum exports monitored.

REMARKS OF MARK T. ANTHONY TO CONGRESSIONAL STEEL CAUCUSES, FEBRUARY 7, 1979

Thank you. I am Mark T. Anthony, President and Chief Executive Officer of Kaiser Steel Corporation.

I will confine my remarks to the impact of imports on the Western steel industry. The Western steel market comprises seven states* and consumes about 9 percent of all the steel used in the United States. Steel consumption in the Western market has grown from 6.3 million tons in 1959 to about 9.9 million tons in 1978. In the same 20 years, annual imports have increased exactly the same amount, 3.6 million tons, and thus have taken all of the growth in our market.

As most of you know, import penetration on the West Coast historically has been about double the national level. This penetration actually accelerated in 1978 to 44 percent, up from 38 percent in 1977. The volume of imported steel to our market went from a record level of 3.3 million tons in 1977 to 4.4 million tons in 1978. This increase of 1 million tons to our seven states' market compares with an increase of 800,000 tons to the rest of the United States. And yet our market is only 9 percent of the national market. Eighty percent of this increased tonnage hit our market in the first four months of the year in a rush to beat the TPM effective date. Since May, monthly imports have been up and down, without a discernible pattern.

There are two alarming features about the 1978 increase. First, the volume alone has a severe impact on western producers when added to the cumulative effects of import growth in recent years. Steel mills are particularly volume sensitive and at a certain level, a relatively small volume shift can have dramatic effects on earnings. Second, none of the 1978 increase came from Japan, our natural competitor. Instead, it came from European and other non-Japanese steelmakers. Because of high production and transportation costs, these producers have no comparative advantage in the Western market and are not natural suppliers to it.

Because of this intolerable additional volume coming from non-Japanese sources in early 1978 our company was very critical of the TPM last year. The TPM permits European steel to be sold at trigger prices even though those prices are below European home market prices. If this dumping were stopped, the volume would go down, and we would be injured less.

Notwithstanding that fundamental criticism, we are beginning to see some improvements. The first quarter 1979 trigger prices are at a level that enabled us to mount a regional program of price discounts to meet import competition on certain products. Our bookings are strong and we are quite encouraged that the program will succeed in regaining market share this quarter. However, the 7 percent trigger price increase for first quarter was calculated entirely on currency adjustments. As the dollar continues to strengthen against the yen, the old TPM problems will re-emerge. I will mention only one. Because of the way the TPM calculates freight, European steel sells for less in

*Washington, Oregon, California, Arizona, Nevada, Utah, Idaho.

Los Angeles than it does in New York. We have requested the Treasury Department to correct this inequity.

Legislatively, we favor strengthening and streamlining the antidumping law. The Antidumping Act must not be amended in any way that would weaken its enforcement or require domestic complainants to sustain greater burdens of proof.

ATTACHMENT TO REMARKS OF MARK T. ANTHONY TO CONGRESSIONAL STEEL CAUCUSES, FEB. 7, 1979

WEST COAST IMPORTS—DECEMBER 1978

Product	West coast imports—December 1978 (thousands of net tons)				Year-to-date change, 1978–1977	
	December		Year-to-date			
	1978	1977	1978	1977	Tons	Percent
Plate	17.2	31.7	468.1	288.6	+179.5	+62
Structural shapes	30.2	32.7	412.3	345.3	+67.0	+19
H.R. bars	17.8	18.4	210.7	194.4	+16.3	+8
Reinforcing bars	1.1	3.9	34.5	31.3	+3.2	+10
Semifinished	1.1	.7	7.5	6.5	+1.0	+15
Hot rolled sheet	24.7	44.3	659.1	85.9	+273.2	+71
Hot rolled strip	.4	1.5	15.5	14.7	+.8	+5
Cold rolled sheet	33.3	31.9	572.3	444.0	+128.3	+29
Cold rolled strip	.1	.3	2.4	2.9	−.5	−17
Galvanized sheet	34.8	31.7	565.2	383.5	+181.7	+47
Tin and black plate	2.6	5.0	139.8	142.9	−3.1	−2
Chrome plate	.6	.9	24.0	30.1	−6.1	−20
Stl. and line pipe	52.8	31.2	512.7	383.5	+129.2	+34
Total KSC products	216.7	234.2	3,624.1	2,653.6	+970.5	+37
Non-KSC products	29.6	62.[illegible]	695.4	657.2	+38.2	+6
Total steel mill products	246.3	296.9	4,319.5	3,310.8	+1,008.7	+30
Imports share of estimated 7 Western States (percent)	37	44	44	38		
Percent west coast national	18	14	20	17		
National imports	1,372.0	2,086.5	21,138.0	19,306.7	+1,831.4	+9
Imports share of estimated U.S. market (percent)	15	23	18	18		

Note: West coast imports in December were 246,000 net tons, the 2d lowest month of the year. The year total however, was 4,320,000 net tons, a new record in absolute tons, and market penetration at 44 percent was also a new record. As has been the pattern for most of the year Kaiser Steel's products, with the exception of tin plate, have shown the greatest increases.

PRESENTATION BY W. H. KNOELL

Late last fall, the United Steelworkers and some 23 specialty steel companies—generally the smaller companies in the industry, although the group does include a number of the major steel producers that have specialty products—petitioned the International Trade Commission for a three-year extension of the quantitative restraints on imports of specialty steels. The issue is currently before the ITC and hearings will be held in March. We are hopeful it will find its way to the President in late spring. We are and will be soliciting your support.

On the first chart, you can see the rapid increase in penetration of imports in the domestic specialty steel market over a period of years. Imports dropped off in 1974 and then started up at an even more dramatic rate in 1975. After hearings three years ago the limitation program, indicated by the step line on the same chart, was put into place. At that time, the President conditioned removal upon a successful international agreement to moderate steel trade. As we all know, there is no such agreement—either successful or unsuccessful.

Over the past thirty months there has been a partial recovery in specialty steel. Employment has increased. Production and productivity have increased. Companies have once again been committing capital dollars to specialty steel. Profits are up, although they still remain well below the average for all manufacturing industries. And, contrary to the predictions of many, prices have been stable. The restraints have not been inflationary.

There have been several studies on this point, but let me refer you to the one issued last year by the Department of Labor. It concludes that the domestic industry has expanded, improved its plants, increased productivity and employment, and obtained a larger market share without significant increases in prices. Indeed, specialty steel has been ANTIinflationary over the period.

The quantitative restraint program has worked exactly as was contemplated by Congress in 1974 when the Legislation was passed. That it HAS worked is the argument which will be used by those urging removal of the limitations. We feel this is illogical in that the results which have flowed were the results which were intended.

Look at the second chart and you can see what has happened in 1976, 1977, and 1978 to the specialty products NOT covered by quotas. Look at the rate of increase and compare it with the products covered by the restraint program. This is what will happen to the industry again if the limits are removed.

The underlying problem in specialty steel is exactly the same as it is in carbon steel and in so many other industries: UNFAIR TRADE PRACTICES—government ownership and subsidies—foreign steel companies which do not have to meet the free marketplace test of profitability in order to survive.

Next on the Agenda, Lew Foy will review the overall steel trade problem and present to you our recommendations for change in our unfair trade laws to make it possible for ANY industry—carbon steel, specialty steel, or ANY type of manufacturer—to effectively deal with unfair foreign trade.

To remove the quantitative restrictions on specialty steel before any viable alternative is in place to deal with unfair trade would be wrong. And, it would be the wrong signal to our world trading partners at a time when we are trying to come to grips with the fundamental issue of how different economic systems—ours based on free competition and most of the rest of the world's based on political and social issues—are of interface in trade across international boundaries.

STATEMENT OF WILLIAM J. DELANCEY

ENERGY COMMENTS

I want to make a brief status report on matters of Congressional interest with respect to the ability of the steel industry to continue effectively with its efforts to conserve energy.

Energy conservation is not, of course, something new to the steel industry which, as the consumer of some 5 to 6 percent of all energy used in the U.S., has for many years had a strong interest in reducing this cost component as much as possible. The National interest in energy conservation is superimposed on this background, and in the middle of 1977 the Department of Energy set a target for the industry of a 9 percent reduction by 1980 in total energy consumed per ton of steel shipped, as compared with the base year of 1972.

I am pleased to report that a preliminary survey at this time indicates that goal was reached by the end of 1978, a year ahead of schedule. We want to continue to show improvement in this important area, but progress is dependent on several factors which I would like to identify for you:

First. Substantial reductions in energy consumption can be accomplished only by making major capital expenditures such as are involved in the expanded use of continuous casting or in the increased use of electric steelmaking furnaces. Meaningful energy savings can also be realized by the installation of waste heat boilers and converting to more efficient recuperators. A steel company cannot make investments of this magnitude, however, unless it has adequate profitability. Our profitability in turn has been and will be significantly affected by developments within the purview of the Congress, such as—

The extent to which our profitability is adversely affected by dumped imports,

The cost penalties of environmental and OSHA mandates in excess of what is reasonably required for health purposes and,

The extent to which the tax laws encourage the installation of energy-saving facilities.

In short, whether the industry has the financial capability to make the investments resulting in further energy conservation will depend on the operation of factors which are quite germane to the Congressional oversight.

Second. We are becoming increasingly aware of the significance of the role of the Department of Energy in drafting regulations which will increase our costs without any commensurate gains in energy conservation. We continue to be concerned about incremental pricing of natural gas. We can see that in the steel industry incremental pricing will not achieve an intended objective of forcing conversion from gas to alternate fuels in those parts of the operations where there is no substitute economically or technologically available. In these instances, the only result will be increased costs.

I respectfully suggest that Congress is entitled to know whether the laws it has passed recently in the energy area will be achieving in practice the desired results in terms of equity, efficiency, and conservation.

Third. Environmental control facilities are often large consumers of energy. I also respectfully suggest that Congress would be entitled to review the question of whether the health benefits capable of being actually realized from environmental standards and timetables warrant the energy drain which is involved.

In summary, the steel industry wants to be as efficient as possible in its use of energy, recognizing that in so doing it can improve its costs and competitive position vis-a-vis overseas competitors. To this end, we ask your aid in assessing the manner in which the various governmental functions are being performed in relation to this objective, and as future developments dictate we would like the opportunity to present more definitive statements on selected subjects.●

SPEAK, MR. SPEAKER

● Mr. MUSKIE. Mr. President, the Sam Rayburn Library in Bonham, Tex., has compiled and made available in printed form a substantial portion of the writings and talks of Sam Rayburn. The book, titled "Speak, Mr. Speaker," is arranged as an autobiography.

The editors, H. G. Dulaney, Edward Hake Phillips, and MacPhelan Reese, set out to present the most important and timeless statements made by this great statesman in his many, many letters, interviews and speeches. The result is what one reviewer described a "living history."

Included are reflections on the business of politics and American life during the half-century Sam Rayburn served his country, analyses of the events and ideas which shaped him and his country.

I commend the book to the attention of my colleagues. Mr. President, I ask that two reviews of the book be printed in the RECORD.

The reviews are as follows:

MR. SAM: A "FUR" PIECE FROM FLAG SPRINGS

(By William D. Bedell)

On Dec. 24, 1933, in the hard days of the Great Depression, Rep. Sam Rayburn wrote to W. P. Hobby, then president of The Houston Post:

"You are correct, I think when you say that it is the hope of some elements in our society to break down the faith of the people in the President. Some of our people want everything static and always preach that any movement that goes forward is socialistic and destructive . . ."

In the hard, early days of World War II, Rayburn said:

"The Members of Congress are today under attack, and it seems that in some quarters there is a studied effort to destroy the faith and confidence of the American people in their elected Representatives. There has never been a dictatorship built up in any land until the faith and confidence of the people had been destroyed in the legislative branch."

Three associates at the Sam Rayburn Library in Bonham have here put together a big book that is in many places timely, that breathes with humanity, and that exudes the irresistible charm of politics.

It consists predominantly of the written and spoken words of Sam Rayburn, Democrat of Texas—member of the State Legislature, 1907–1913; member of Congress, 1913–1961 (48 years); Speaker of the House, 1940–1961 (with two two-year timeouts as Minority Leader).

Public awareness of Mr. Sam was highest in the brief, urgent times when he served in 1948, 1952 and 1956 as permanent chairman of the Democratic National Convention. He appeared then as a stern man, scowling a lot, impatient, his eyes peering into the lights, his bald dome shining. He was aware of the harsh image he cast.

"When I am transacting any kind of business," he said, "I am serious and cannot help looking and acting so. I am not a bad humored man, and have gotten so much out of life that I am happy every day."

This book shows most of the time the happy side of Mr. Sam, the positive side. It shows him as a compassionate man, a man concerned with the verities. In 1950, when he was 68 years old, he said:

"When I was a boy around Flag Springs, we thought that we had all the good people, and especially the pretty girls. Our radius span was about three miles on horseback, in a wagon or in a buggy. But when there was a meeting, we talked to the boys and girls over in Nubbin Ridge or Brawley's Pond, pretty good boys and girls. When our horizon was widened we thought the people over the county were pretty good folks, too. Then our vision broadened more and then we believed the people over the state were pretty good. The boys and girls in that community found out also that we did not have a monopoly on identity, on patriotism, or on love of country. They have found out, as I have found out, that in every nook and cranny of America there are good men and women who are fixing their faces in thought, planting their feet in the right direction, teaching the good lessons of life and citizenship."

Mr. Sam, who learned farm life first hand in the back land of Fannin County and "just missed being a tenant farmer by a gnat's whisker," was constantly concerned with the plight of the farmer and other underdogs.

He also was constantly concerned (and in this the book reaches its heights) in the Congress of the United States. Listen:

". . . You shouldn't tie yourself to just one district . . . you should try to vote . . . the greatest good to the greatest number . . ."

"It appears I cannot live without this life for it is my very self . . ."

". . . It (Washington, D.C.) is a selfish, sourbellied place . . . Remember, I am not tired of this . . . for it is my life, my whole life."

"I still can't realize I'm speaker. It's a 'fur' piece from Flag Springs."

"I have always wanted responsibility because I want the power responsibility brings. I hate like hell to be licked. It almost kills me."

"You can't really say how you lead. You feel your way, receptive to those rolling waves of sentiment. And if a man can't see and hear and feel, why then, of course, he's lost."

Mr. Sam could see and hear and feel. Mr. Sam could lead. He could also teach. (He still can, 17 years after his death in 1961 at age 79.) Anyone who reads this book will get a magnificent lesson from a master teacher in what it is to be an American in the 20th century.

GREATEST OF GREAT SPEAKERS

(By Margaret W. Reid)

"This is not a Biography—it is an Autobiography," the editors tell us on the title page of this impressive, well-organized, inspirational book of over 400 oversized pages. For several years these editors have worked in the Sam Rayburn Library in Bonham, selecting "the most important and timeless statements made by this great statesman in his many, many letters, interviews, and speeches."

Mature readers, especially Democrats, well remember that Sam Rayburn (1882–1961) served as Speaker of the House of Representatives longer than any other person—almost 17 years. And for 49 consecutive years he was a member of the House, sometimes as minority leader. Mr. Sam, as he was called, never had time and was too modest—to write an autobiography, but the editors have arranged his letters and talks (his own and those to and about him chronologically, to give readers his life story from childhood and youth in Texas to his apprenticeship in state and national politics on to the realization of his long-time ambition—to be Speaker of the U.S. House of Representatives. Details of his effective leadership in times of war, depression, and reconstruction make up the greater part of the volume. Photographs of the Rayburn home and the Sam Rayburn Library, both in Bonham, and reproductions of newspaper cartoons add vividness.

Rayburn was one of eleven children and was five when his farming family moved to Texas from Tennessee. "I just missed being a tenant farmer by a gnat's whisker," he once said, displaying his sense of humor and wit. He went to a one-room, one-teacher, country school, and he credits Joseph Weldon Bailey with inspiring him to choose politics as a career. One rainy day young Sam walked to town "over a gummy road to hear Bailey's magnificent speech, which he delivered in a covered 'tabernacle' of the Evangelical Church . . . When I saw all those rich townfolk in storebought clothes, I decided to stay outside. I found an open flap and listened attentively for two hours. I can still feel the water dripping down my neck. . . . It must have been under the spell of Bailey's oratory that I decided to become some day Speaker."

Sam went to East Normal College, got a job ringing bells, moping floors. He dropped out, taught school, but always went back to Commerce, due to the influence of Professor W. L. Mayo, "one of the greatest benefactors to humankind that I have ever known."

When he was 24, Rayburn voted for the first time and ran for election to the Texas House. He was elected three times, eventually became Speaker. "I muddled through that first session as Speaker of the Texas House of Representatives by God, by desperation, and by ignorance." While in Austin, Rayburn attended classes at the Law School of the University of Texas.

In 1912, Rayburn was thirty and ran for U.S. Congress from the 4th District. His five months of campaigning paid off, and he was sworn in by Champ Clark at the beginning of the Wilson Administration.

The new Congressman called himself a conservative, and he went to work "cleaning up the mess in the Nation's front yard." Some of the laws he drafted and pushed through Congress in the second and third decades of this century included The Truth in Securities Law, The Securities Exchange Act, and the Utility Holding Company Act. In 1937 he was made majority leader, and in 1940 he was elected Speaker, "a place second only to the Presidency."

Headings of some of the 28 chapters which describe Rayburn's colorful career include Baptism of Fire (his first term as Speaker); The Truman Miracle; Kortan Conflict, Cap'n Ike and Mr. Sam; Johnson and Kennedy. One of Mr. Sam's most important acts was his saving go to the Selective Service Act just before WWII. It passed by a single vote—203 to 202. The Houston Post commented: "Before any member could change his mind, the Speaker banged his gavel and declared the result. Had the measure lost, a million men would have been discharged from the U.S. Army whose strength then was 1,400,000. The Japanese struck four months later."

"Speak, Mr. Speaker" is living history,

packed with significant quotations by and about this nation's leaders, enriched with editorial comments from newspapers. This review can only suggest content. The editors have done a superlative job. The Speaker emerges as the great person he really was.

H. G. Dulaney is director of the Sam Rayburn Library, Dr. Edward H. Phillips is professor of history at Austin College, and MacPhelan Reese, whose introductions to each chapter provide continuity and stimulate interest, is a member of the Library Staff.

THE SAM RAYBURN LIBRARY,
Bonham, Tex., October 2, 1978.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUSKIE: I hope that you have received your copy of the book, "Speak, Mr. Speaker."

If you think it merits it, I would appreciate it if you will mention this in the Senate. The book sells for $12.50 and to libraries and colleges for $11.25, postage paid. Any profit made from the sale of this book goes into the Sam Rayburn Library Fund.

By the way, the book has received good reviews over the country and I am enclosing two of them.

With kindest regards.

Sincerely,

H. G. DULANEY.●

EDUCATION-WORK LINKAGES IN YOUTH EMPLOYMENT PROGRAMS

● Mr. JAVITS. Mr. President, next year the Congress will reconsider the programs authorized under the Youth Employment and Demonstration Projects Act (YEDPA) enacted originally in 1977 as Public Law 95–93 and recently extended in Public Law 95–524—the CETA amendments—through fiscal year 1980.

There are, as my colleagues know, many important provisions included in YEDPA, all aimed at developing new approaches to preparing unemployed and disadvantaged young people for work. YEDPA was the product of a strong bipartisan effort of the 95th Congress, which included, in the Senate, Senator WILLIAMS and myself, respectively the chairman and then ranking minority member of the Human Resources Committee—I was and continue to be also the ranking minority member of the Subcommittee on Employment, Poverty and Migratory Labor—Senator NELSON, as chairman of that subcommittee; the late Senator Hubert Humphrey; Senator RANDOLPH and Senator STAFFORD, respectively the chairman and the ranking minority member of the Public Works Committee, and Senators BAKER and BELLMON, DOMENICI, MCCLURE, and others. And in the House, we had the benefit of great contributions from among others, Representative HAWKINS, Representative PERKINS, Representative Quie, now Governor of Minnesota, and Representative SARASIN. We had the benefit of very close cooperation between the White House and the Congress in formulating the YEDPA bill and most agreed that the result, an amalgam of different ideas and approaches, represented our then-current best thinking on the employability development of low-income youth.

Among other matters, I focused my attention on drafting provisions that would encourage greater collaborative efforts between local CETA officials and local education agencies. For some time I have believed that we need to provide incentives for manpower and education to work together to design programs that would facilitate the transition of young people from school to work.

Accordingly I proposed that a percentage of the allocated youth employment and training program (YETP) funds be setaside by prime sponsors, to be earmarked for programs for in-school youth. Programs under this authority were to be operated jointly by local education agencies and CETA prime sponsors, thereby combining the best of both institutions in preparing youth for the world of work. I hoped we could have an expansion in locally initiated education/work programs for disadvantaged youth as a result of this idea, perhaps along the lines of work/study/training for secondary school youth.

In the President's budget for fiscal year 1980, the administration has requested increased budget authority of some $300 million, or about 60 percent, for the YETP programs, of which the so-called Javits 22 percent set-aside is an integral part. This means that significant new funding will be available in fiscal year 1980 for the jointly administered in-school youth work/study programs.

In my judgment, reported experience under this program since 1977 demonstrates that the greater budget authority is fully justified by the effectiveness of these programs. The National Council on Employment Policy, which has been reviewing the implementation of YEDPA since its inception, published a report on the CETA-LEA agreements late last year which is most instructive on the subject. In addition, the Labor Department's Office of Youth Programs, which is ably headed by Robert Taggart, has looked at the experience with CETA-education agency relationships under YEDPA.

Mr. President, since both of these reports are so helpful in gaining a greater understanding of both the need for improving the linkages between education and work and of our experience under YEDPA, I ask that appropriate excerpts be printed in today's RECORD.

The material follows:

IMPROVING JOB OPPORTUNITIES FOR YOUTH: A REVIEW OF PRIME SPONSOR EXPERIENCE IN IMPLEMENTING THE YOUTH EMPLOYMENT AND DEMONSTRATION PROJECTS ACT

(By Gregory Wurzburg)

"Improving Job Opportunities for Youth" is taken from The Unfolding Youth Initiatives: Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act. That report consists of case studies, prepared by 10 Field Associates under subcontract to the National Council on Employment Policy, and an overview prepared by Gregory Wurzburg, Project Director for the evaluation.

The Unfolding Youth Initiatives is the second in a series prepared for the National Council on Employment Policy, under contract with the Employment and Training Administration, U.S. Department of Labor. The Field Associates and Project Director are encouraged to express their judgments freely. The observations and analysis in that report are their own.

Preparation and dissemination of "Improving Job Opportunities for Youth" was also supported, in part, by an ongoing grant from the Ford Foundation to the National Council on Employment Policy. The observations and analysis, while based on the case study findings, are those of the author.

For readers interested in referring to the individual case studies, a limited number of copies of the full report is available from the Office of Policy, Evaluation and Research in the Employment and Training Administration, U.S. Department of Labor. The Report code is MEL 78–13.

The National Council on Employment Policy is a private nonprofit organization of academic who have a special interest and expertise in the area of manpower. The Council is primarily concerned with furthering research on employment and training problems and assessing related policy issues.

This evaluation was reviewed by the Youth Evaluation Committee of the Council, but does not necessarily represent the views of the Committee members or the Council members.

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SUMMARY AND RECOMMENDATIONS

The experience of prime sponsors so far suggests, on balance a significant record of success in implementing YEDPA and achieving its goals. Local experiences also suggest some measures that might be pursued at the federal and local levels in order to improve performance even more.

(1) *Knowledge Development.* YEDPA marked a new emphasis on prime sponsor involvement in evaluation, research, and demonstration activities. The stress on creating a new prime sponsor role in these areas naturally brought with it a need for a great deal of guidance. It also brought with it the realization that in the first year accomplishments would be limited. On the positive side, it appears that many prime sponsors did increase evaluation activities. A minority tried out new approaches, directly in response to the call for knowledge development. A handful attempted structured local experiments. It is almost certain that these types of activities were far more prevalent than they would have been in the absence of the emphasis on local knowledge development. These developments may help prepare a base for absorbing the lessons of nationally directed discretionary knowledge development activities. They may also lead to improvements locally.

It is doubtful, however, that local knowledge development activities will substantially improve overall understanding of youth problems and programs. There is uneven capacity among prime sponsors to undertake this function. There continues to be a good deal of confusion about the substance and form that knowledge development should take. The Department of Labor provided too little guidance about how prime sponsors might approach knowledge development. In the face of the ambiguous, open-ended knowledge development requirements, many prime sponsors did very little, or tried only to respond to what local officials thought that DOL officials wanted. Others attempted to set up excessively sophisticated research projects that, by attempting to do too much, probably will accomplish very little.

The Department could remedy this situation by providing more technical assistance, directly to prime sponsors, or indirectly, by facilitating communication among prime sponsors. The Department should also assure that there is some minimum degree of agreement among the regional offices, with respect to what knowledge development is, and what is allowable in the name of knowledge development. Further guidance on knowledge development should encourage a link between what is being labeled as "knowledge development," and other evaluation/monitoring activities.

(2) The site reports suggest that supervision and job enrichment have been given heavy emphasis by CETA prime sponsors; to the extent that these factors affect the impact of work experience, the new youth programs have produced major improvements. YCCIP, which was designed as a well-supervised work experience with limited enrichment, has been linked with other programs to provide more than work experience alone.

Under YCCIP and YETP, prime sponsors are giving much attention to career exploration for youth through actual work experience and through more structured occupational information channels. The accent on placing youth in career-related jobs is proving to be impractical. Some youths have not thought about career plans. Others have either, what might be considered unrealistic plans, or plans for jobs that do not fit in with the youth jobs that are available. The emphasis on career-related jobs is also premature for many youths, in the sense that they have only the vaguest notions about the world of work. Before they can appreciate the differentiating details of different kinds of jobs, they need to understand the common requirements of all jobs.

On the other hand, vocational exploration classes and counseling seem to be more effective mechanisms for providing exposure to different career options. To the extent that career exploration is emphasized, prime sponsors should be encouraged to provide it through counseling and classroom experience. The highest priority in any job development campaign should be on work experience that teaches, at a minimum, basic work habits, and the importance of those habits.

While prime sponsors have increased emphasis on private sector linkages, and while their efforts have had positive effects in few cases, continued emphasis is needed. Prime sponsors should be encouraged, more than they are already, to attempt to establish a strong bond with private sector interests. More practically, they should be encouraged to evaluate job slot development plans with reference to how much of what is learned in a certain job is transferrable to private sector employment.

(3) Prime sponsors have followed the regulations requiring youth membership on youth advisory councils. However, the advisory council appears to be a poor vehicle for increasing youth participation in prime sponsor affairs. The councils themselves are often mere figureheads, and youths on the councils are not participating very much. Some sponsors are experimenting with alternative modes of participation, and are enjoying some degree of success.

Although Departmental guidance on increasing youth participation is not limited to youth advisory councils, there should be more emphasis on prime sponsors experimenting with other forms of participation.

(4) The YEDPA legislation provides prime sponsors with a degree of latitude in choosing who to enroll in youth programs. However, the Employment and Training Administration has gone beyond the legislation in emphasizing targeting on youth most in need. Prime sponsors have responded positively, by consistently aiming services for economically disadvantaged youths. There may be some force of habit in effect, but local pressures for serving those most in need are also persuasive. Enrollments should be monitored to see whether prime sponsors continue to concentrate on serving economically disadvantaged youth. If/when there is a shift in targeting, further monitoring should be undertaken to determine whether there is a reasonable basis for such shifts.

Prime sponsors are seriously underenrolling females in YCCIP projects. It is not clear whether this is due to relatively few females in the YCCIP applicant pool or to discrimination in job placements. In either case, prime sponsors should be encouraged to undertake more outreach activity, so that female enrollments in YCCIP can be raised.

(5) Substitution of YEDPA resources for Title I resources is not proving to be a serious problem. In fact, there has been a remarkable degree of utilization of other services and programs to enrich the youth initiatives. However, substitution of YEDPA resources for non-CETA resources could prove to seriously diminish the impact of the new funds. There is little that can be done, legally, to control that kind of substitution. But where legal recourse is limited, moral suasion might be more effective.

One way to increase the interests of local sponsors and non-CETA institutions in minimizing substitution is to give them a stake in the action. This, unfortunately, is easier said than done. Sponsors are already being encouraged to build links with other agencies and private sector interests. But this should be pushed even more, on the grounds that a broader local base of participation will better assure a broader constituency interested in stretching YEDPA resources to the maximum. It would be naive to assume that a coherent sense of purpose among many players could be developed, or that this alone will prevent substitution. But since the substitution phenomenon is so nebulous and difficult to control at times, more effective solutions may not be feasible.

(6) Community based organizations are thoroughly involved in the youth program delivery matrix. Although performance differentials are hard to detect, the CBOs do broaden the base of local participation. The current provisions giving them special consideration in the selection of program delivery agents, and including them in the planning process should be retained.

(7) YEDPA shows promise for altering institutional roles and relationships at the local level. The role of local schools is central to this effort. In spite of the rushed implementation, CETA–LEA agreements have been negotiated and programs are in place. Even in areas with little history of CETA–LEA cooperation, the separate CETA and LEA communities are talking with one another, and joint efforts are underway. Nevertheless, there are some obvious limitations on how much change the Department of Labor can leverage in LEAs, by using prime sponsors. LEAs are not accustomed to receiving guidance from CETA prime sponsors. Under the best of conditions, prime sponsors can hope to affect local education policy only marginally. In some of the worst cases, LEAs and sponsors do not speak at all.

For these reasons, the Department of Labor should explore alternate channels for affecting education decisionmaking at the local level. Until those other channels for communication are identified and utilized, many schools will fail to meet the needs of youths who could otherwise be served under cooperative arrangements with LEAs and prime sponsors, even through the LEAs alone.

One of the significant patterns that seems to be emerging is the presence of LEAs where CETA-private sector links exist. It is possible that LEAs may provide the missing piece necessary to complete productive relationships between public sector CETA agencies and private sector employers. The Department of Labor should examine CETA activities that involve private sector ties, to see whether LEAs play an integral role. The Department should also study some of its exemplary CETA–LEA projects to evaluate their private sector links where they exist, and to estimate the feasibility of such links where they do not exist.

THE NATIONAL PICTURE

The Youth Employment and Demonstration Projects Act was enacted to serve a number of ambitious goals, including institutional change and sound experimentation. But perhaps the most persuasive reason for passing YEDPA was the interest in reducing unemployment among youth, among minority youth in particular. Once YEDPA became law, there was a strong national pressure for creating a great number of employment and training opportunities over a relatively brief period of time.

Given the scale and complexity of the new youth programs, the pace of YEDPA implementation represents a major accomplishment. Between December 1977 and June 1978, 225,000 employment and training positions have been created for youth under YEDPA; 20,700 under the Young Adult Conservation Corps, 19,200 under the Youth Incentive Entitlement Pilot Projects, 163,900 under the Youth Employment and Training Programs' formula funded efforts, 17,400 under Youth Conservation and Improvement Projects' regular programs, and an estimated 4,000 with discretionary YETP and YCCIP money. The job creation effort already comes close to equalling in numbers, and will soon exceed the two and one-half year build up of in-school and out-of-school Neighborhood Youth Corps activities in the 1960s.

This rapid expansion was not achieved without a great deal of stress, particularly for prime sponsors trying to complete the public service employment expansion. The internal complexity of YETP and YCCIP, and the interfaces that they mandate between prime sponsors and other local institutions, exacerbated the inherent difficulties of program implementation. Prime sponsors experienced delays in getting local plans completed and approved. The process of negotiating agreements with local education agencies was frequently a protracted one.

TABLE 1.—END OF MONTH ENROLLMENTS FOR YEDPA (DOES NOT INCLUDE ENROLLMENTS IN PROJECTS FUNDED WITH YCCIP AND YETP DISCRETIONARY FUNDS)

	Month (1978)					
	January	February	March	April	May	June
YETP	18,917	50,014	88,771	122,928	154,635	163,900
YCCIP	1,807	5,569	10,645	12,073	15,251	17,400
YIEPP	INA	INA	8,712	15,566	22,000	19,200
YACC	8,159	9,598	11,409	12,851	16,540	20,700
Total	INA	INA	119,537	163,418	208,426	221,200

Some prime sponsors met the December start up date originally set by the Department of Labor. But although overall program enrollment has lagged by those early ambitious standards, enrollment should be considered good by any other standards. It might be considered ideal, in light of recent shifts in national policy which deemphasize spending on employment and training programs for youth.

Because many prime sponsors did not begin implementation until late winter, end of quarter enrollments recorded on March 31st were low, for YETP especially. They were 69 percent of plan for YCCIP and 53 percent of plan for YETP. But the apparent poor showing is mitigated when the basis for the planned enrollments is considered.

YEDPA was authorized for one year when it was enacted in August, 1977. It was funded initially for $1 billion, as part of President Carter's economic stimulus package. A supplemental appropriation of $500 million was anticipated, and so enrollment projections were based on spending a total of $1.5 billion by the end of fiscal 1978, which could then be maintained in fiscal 1979.

However, in the face of national unemployment edging downwards, prime sponsor delays in implementing YEDPA, and the almost certain extension of the Youth programs beyond September, the $500 million supplemental appropriation was never made. But prime sponsors were instructed to retain their enrollment plans, using money saved by slow implementation to build enrollments in the latter part of the year.

In the period from March 31st to April 30th, prime sponsors continued their buildup. By the end of April, they were 71 percent of plan for both YCCIP and YETP. But by then, many prime sponsors were expressing concern over funding beyond September 30, 1978.

Late in the spring, the Department of Labor, reacting to budget revisions for fiscal 1979, reversed its emphasis on pushing prime sponsors to spend all their funds in fiscal 1978. Since then, the Office of Youth Programs has advised the Department of Labor regional offices to revise downward overall prime sponsor spending to 73 percent of the fiscal 1978 allocations. Enrollment targets reflecting this recent development have not been formulated yet. But, although actual enrollments were far short of planned enrollments, prime sponsors reacted quickly. In June, the YCCIP and YETP enrollment increases were less than a fifth of the May increases.

Field work for this interim report was cut off before prime sponsors had reacted to the mandate for a lower spending level. Consequently, the material that follows does not report on the adjustments individual sponsors made. It is impossible to say whether the sudden drop in enrollment growth is due to policy changes or to a natural leveling off process that occurred as prime sponsors approached their targets. In fact, it appears that the impacts of this on-again, off-again approach were probably minimized because enrollments in most prime sponsor areas were below plan. Early pressure was needed to get them to the 73 percent spending level. Certainly, however, the mixed signals have not contributed to orderly planning. The case studies do report on how particular prime sponsors reacted to earlier DOL directives, and the shape that local activities have taken so far.

CHANGES IN INSTITUTIONAL RELATIONSHIPS

The isolation theme is persistent in elements of youth employment problems: isolation of schools from employers, isolation of youths from school, isolation of the CETA system from schools, and isolation of youths from work. The toll of this isolation is high. Schools and employers have faulty perceptions about what each other does, and have unrealistic expectations about what each other might do for students. Youths too frequently have unrealistic career goals, have few ideas about how to fulfill the realistic ones, and have distorted views of employment and the world of work. Economically disadvantaged youth suffer the effects of isolation even more. Frequently concentrated in substandard schools and in labor surplus areas, an education leaves them with nothing more than a diploma, and little prospects for decent employment.

The isolation theme is significant for what it implies about the real impact that schools, employers, and youth themselves can have on the problems of youth employment, when they act alone. Singly, they can do very little. CETA can have little luck with job development and placement programs for persons who cannot read. The most civic minded employer will go bankrupt hiring unskilled and uneducated workers for jobs demanding persons skilled in crafts. The most advanced high school is bound to perform poorly in placing youths in jobs if it does not heed the needs of employers.

Recognising the gulf separating important players with a role in solving youth employment problems, the Congress and the Department of Labor have fashioned YEDPA as a tool for institutional change. Provisions in YETP and YCCIP were designed, not just to improve the capabilities of schools and the CETA establishment to provide more support *within* their systems, but to encourage the kinds of institutional interaction necessary to facilitate the transition for youth between educational institutions and employment and training establishments, and employers and the world of work. Furthermore, prime sponsors are encouraged to establish linkages with unions and private businesses for providing services and for providing jobs. Plans for these linkages are supposed to be included in prime sponsor youth plans.

The biggest emphasis on institutional linkages, though, is between local education agencies (LEAs) and CETA prime sponsors. Although YEDPA sponsors did not presume a total absence of CETA-LEA cooperation, they did presume that in most areas, linkages were incomplete. To foster institutional ties, a minimum of 22 percent of each sponsor's YETP allocation is reserved for programs operated under the authority of agreements between prime sponsors and LEAs. Sponsors are additionally encouraged to gain cooperation of LEAs in arranging for academic credit for YETP and YCCIP work experience.

In the first report on YEDPA experience at the local level, prime sponsors, almost universally, were found to be interested in, and in the process of arranging CETA-LEA agreements. By mid-spring, details of most of the agreements had been resolved, programs were in place and they were operating. However, all has not been smooth sailing from there. Developing and implementing the LEA agreements has raised many problems. There are question marks about next year. Much stands in the way of a fully productive relationship between local CETA agents and the LEAs, although some significant first steps have been made.

MAKING THE CONNECTION BETWEEN CETA AND LOCAL SCHOOLS

Cooperation between prime sponsors and local schools is not an untried concept. In many areas, there is a history of joint efforts that pre-dates CETA. CETA sponsors in Chicago and Cook County have been talking and working with educators there for years. The school system in both areas has acted as program agent many times. The same is true in Atlanta, Marin County, San Francisco and Oakland to name a few. Some schools are as tuned into CETA as the prime sponsors. In Detroit, one CETA official noted "[t]he Board of Education knew how much YEDPA money we were getting before we did." (Peter Kobrak, Page C-40).

Most prime sponsors, however, started with no established links. They and their respective local schools had operated in relative isolation, in spite of their supposed common interest: preparing youths for adulthood. A few primes started with strikes against them: a history of bad feelings between prime sponsors and LEAs. School districts in Sonoma have been hostile towards CETA for years and have shown little inclination to serve some of the prime YEDPA targets: dropouts, potential dropouts, and other problem youths. There were bad feelings between LEAs and the CETA office in Charlotte arising from a scandal over the misuse by a few individuals of CETA summer funds.

In cases where there have been few precedents for CETA-LEA cooperation, the substance of the agreements is still at a very tentative stage. Policy seems to have taken a backseat for the moment, to more pressing operational matters of hammering out the framework for LEA agreements, appointing persons to administer programs and identifying and enrolling program participants. As the programs encompassed by the agreements are established, there is certain to be more attention to the large policy issues. Then changes may be made. This is not to say that joint CETA-LEA activities are devoid of substance. Some have been carefully considered. But some of the policy issues behind the interest in institutional change have not been very well articulated by local planners, and change appears to be, to some extent, the product of chance.

In a few areas, officials seem to have a grasp for the significance of strong links between the manpower establishment and the education establishment. In North Carolina, the full State Board of Education and the North Carolina Employment and Training Council sat down together for the first time ever. Governor James Hunt took part in the meeting, urging cooperation "to help coordinate a state-wide effort to forge an unbroken link for youths between school and work." (R. C. Smith, Page H-19). Schools in North Carolina Balance of State are receiving approximately 60 percent of the sponsorship's YETP allocation. The Balance of State prime sponsor is also closely monitoring LEA activities and is pushing joint program activities and services tied to other CETA programs. The state has also gone so far as to include a provision explicitly prohibiting LEAs from supplanting YEDPA funds for state or local funds.

Sensitivity to the need or to the potential for closer CETA-LEA ties is not universal, however. The first reaction of the Oregon State Department of Education to one county's proposal for augmenting its CETA-LEA project was discouraging. The State Department of Education objected to a proposal for a career exploration and experience component. As a departmental committee put it, the objection was based ". . . not so much on the proposal itself as on the involvement of CETA in the project." The feeling was that such a connection "endangered the possibility of program success, and greatly limited its transportability." (Bonnie Snedeker, Page I-18). After some strong reaction to the committee report, a new letter was issued, retracting the earlier statement and affirming the belief of the department and the committee that "such linkages to various segments of the community are vital to vocational education in the state." (Bonnie Snedeker, Page I-18).

For the most part, there was an absence of a persuasive state role either encouraging or hindering LEA connections with CETA. The forum for establishing the CETA-LEA contact was usually at the local level, or between local (or county schools) and balance of state CETA offices.

Keeping in mind the usual cautions against generalizing about anything as decentralized and decategorized as CETA and the educational system, some patterns do emerge from the CETA-LEA experience so far. CETA-LEA agreements fall into two general groups. Those that set up LEAs as relatively autonomous program agents, and those that set up the LEAs as integral cogs in a coordinated system attempting to ease the transition of youths from school to work. The implications for institutional change vary between the two groups.

One characteristic of the autonomous LEA program agents, is the lack of concern for dropouts or graduates who lack even basic reading and math skills. Many of these persons find themselves getting little out of CETA job training, because of their poor education history. A hope of YEDPA sponsors was that CETA-LEA agreements would be instrumental in providing this population with a second shot at basic education opportunities. Frequently, this is not happening within the independent LEA programs. They are limited to expanding services or providing new services to students already within the school system. Marin County schools, receiving 40 percent of the county's YEDPA allocation, is focusing entirely on students, because both the LEA and CETA officials feel in-school youth have been shortchanged. Part of the rationale, however, in concentrating on in-schoolers is to prevent dropouts. Schools in the Grand Rapids consortium, receiving nearly half of the YETP allocation, are serving only current students. Dropouts go through a different channel and are served by community based organizations. A similar approach is followed in Kalamazoo. The comments of one Kalamazoo CBO staffer imply that the schools will continue the pattern: "Once he's out of the system, the schools feel that he's not their problem anymore." (Peter Kobrak, Page C-46)

By concentrating on students still in the system, it is not clear that the LEAs running autonomous programs are contributing in any substantial way to achieving the broad goal of encouraging change in institutional relationships, or the more specific objective of bringing youth back to school. They do not appear to be doing much to change the nature of the institutional linkage between schools and employers, nor are they systematically complementing the service capability of prime sponsors.

However, even where schools are running relatively autonomous and isolated programs, there is solid evidence that there is at least one internal institutional change: the emphasis on bringing economically disadvantaged students into the mainstream of ongoing programs. The YETP-targeted youths are being included in career exploration, vocational training, and cooperative/distributive education programs in which they had not been participating before. The danger—and this will bear watching—is that schools will just go through the motions of enrolling them without taking the effort to provide the extra services these youths may need. If the schools have the capability and the interest in providing extra support, the newly enrolled youths may succeed. Some schools do show signs of taking this commitment seriously. Many schools are first providing youths with counseling and guidance services, and some work experience before they place them in more demanding cooperative education programs. But for the schools lacking the capacity to handle the special needs of some underachievers, the isolation from the extensive CETA support services may prove fatal to the effort.

In some areas, prime sponsors and schools are working out agreements that reflect a team approach. The implications for institutional change in those cases seem much more promising. Sometimes this strategy is deliberate. The Muskegon consortium requires all its contractors to enroll a proportion of dropouts, with the idea that they can be brought back into the educational system. The larger CBO contractor there is placing enrollees in a summer school program. One of the schools is enrolling dropouts in its Adult Education program. One of the consortium goals is to start dropouts in high school completion programs in September. The careful attention of the consortium's administrators to the role of LEAs as more than autonomous contractors provides promise for a comprehensive education-employment-training network for youth.

In other areas, that kind of network appears to be developing, but it appears to be more as a function of chance. In Sonoma County, there is a history of hostility between the school districts and CETA. Furthermore, the schools have not served potential dropouts well, and have ignored the plight of dropouts and problem students. This is showing signs of changing. Sonoma has a new CETA administrator, and the LEA agreement appears to be bringing schools and the CETA establishment together. The Coos County Intermediate Education District in the Oregon Balance of State prime sponsorship is developing a new program model linking high school occupational curricula to a program of career employment opportunities. The program, designed for high school dropouts and other non-students, consists of two components: enrolling youths in high school, GED programs, or community colleges, and placing them in individualized work experience slots. Portland school districts are running a work experience program for in-schoolers and out-of-schoolers, that steers dropouts towards reenrolling. Drawing on a history of earlier cooperation with the prime sponsor, the schools are also offering extensive career development assistance services.

In areas like Portland, it appears that the kind of CETA-LEA linkages that national policymakers are hoping for, are already well on the way to being forged. In other areas, prime sponsors and LEAs seem a little further back in a process that could lead to substantially new relationships between the two. But a blueprint for change is lacking. In Cook County, for example, it appears that the prime sponsor is not succeeding in developing a jointly sponsored comprehensive system of service delivery. Despite prime sponsor encouragement to have the schools serve dropouts, only 1 out of the 5 agreements available for study provided for any services to dropouts. Only 1 of the other 4 was geared to provide remedial education. Neither prime sponsors nor LEAs are providing much leadership for strategic planning. Where leadership is present, the LEAs and/or prime sponsors are experiencing little success in steering other players towards building a system of complementary services. This syndrome—so prevalent among the prime sponsors included in this study—appears to be characteristic of first year operations. The notion of a blueprint for overall strategy may be premature. In the press to implement a large and complex program, prime sponsors and LEAs alike were swamped with a host of administrative demands. The development of LEA agreements consumed a great deal of time, and some prime sponsors used up the reservoir of good will just getting their feet in the door. They were not in the position to pursue some of the larger policy objectives that entailed complicating the already confusing administrative maze. In short, some of the goals national policymakers have attached to CETA-LEA agreements will have to wait. But with schools and CETA officials at least on talking terms, further refinements in the specific provisions of CETA-LEA agreement seem much more feasible now then they did a year ago.

Although progress to date, and the potential for further progress, is encouraging, prime sponsors and LEAs have encountered some common problems in negotiating CETA-LEA agreements: distrust, differences in standards, differences in perspective, and differences in organizational objectives. They are the kinds of differences inherent in the nature of changing institutional relationships. Short of changing human nature, there is little that can be done about many of these difficulties. They are part of the "ordeal of change."

There were also the inevitable time pressures that prime sponsors find themselves working with whenever a new CETA program is established. The planning process was telescoped into a few weeks and prime sponsors had to advertise for program contracts, review bids, and select performers, in a short period of time. Adding to the misery of prime sponsors were other CETA mandates, such as expanding public service employment quickly. Many also found it politically dangerous to ignore opportunities to apply for YEDPA discretionary money and YIEPP grants. Nearly all prime sponsors passed their deadlines for negotiating LEA agreements, with nothing on paper. The sponsors themselves were too busy, and the LEAs were not accustomed to moving quickly. Yet in spite of the difficulties and delays, the agreements have been completed for the programs ending September 30, 1978.

Negotiating details for the following year should prove easier in many respects. Prime sponsors will be contending with ongoing programs, and some basic formats for LEA-CETA cooperation have been established. The first year's experience, however, has highlighted some basic problems. They all trace back to the incompatibility between the prime sponsors' federally-linked program year and the LEAs' school year.

CETA runs on a fiscal year beginning October 1st. Schools usually operate on a fiscal year starting January 1st or July 1st. They also have an academic year that runs from September to June. The differences in the calendar have led to a number of problems. First, schools have difficulty hiring qualified persons they would otherwise be able to pick if the planning years were compatible. As it stands now, a school employee working in a YEDPA job must risk being out of work from October through December (or June, depending on the school's fiscal year) if YEDPA funding does not come through in October. Some schools are gambling, hiring persons, with commitments to keep them at least into January. This approach gives them more programming flexibility and permits greater program expansion. But any interruption in funding would be very disruptive, forcing layoffs and effectively isolating the new programs.

Other schools are not risking those hazards, and are instead, simply adding the YEDPA load to current teaching, counseling, and administrative loads. By using the same persons in the YEDPA activities as are in regular school programs, the latter strategy sometimes assures better integration of employment and education programs. But in the schools where employees already have heavy workloads, the extra burdens represent a hardship for teachers, counselors and administrators, and force them to give too little attention to YEDPA enrollees. Local decisionmakers have to balance the strengths and weaknesses of the minimal change approach, with the high costs of errors that are inherent in the former strategy.

Another problem arises from the lengthy lead-time that schools take for programming and budgeting. For example, schools in Muskegon and Kalamazoo traditionally complete planning in early spring—just as YEDPA planning for fiscal year 1979 was starting. This is leaving little time for careful program development.

Schools are also encountering difficulty in

coordinating class schedules for in-schoolers participating in YEDPA. Schedules for the fall semester are made up in the summer or spring, before YEDPA work and service schedules can be established. The summer vacation schedules for school personnel complicate the problem. This means that schedules must be juggled after the semester starts, a difficult and time consuming task.

In many areas the difficulty of synchronizing YEDPA activities to the school year is not expected to be a serious problem. In some areas, though, it is dimming the prospects of any joint efforts by prime sponsors and the schools. One CETA official noted emphatically: "It could be the difference in the long run between YEDPA's success and failure." (R. C. Smith, Page H-20).

CETA AND THE PRIVATE SECTOR

CETA has been criticized frequently for its emphasis on the public sector: training enrollees for public sector jobs and placing jobless persons in public service employment. With five of every six jobs being in the private sector, there is merit to the criticism. In fact, no one has deliberately stood in the way of CETA-private sector cooperation. There is great sentiment among CETA supporters at the national and local levels, favoring a closer prime sponsor tie to the private sector—businesses and unions. But neither labor market conditions nor the institutional orientation of CETA, on one hand, or private employers, on the other hand, have fostered much cooperation.

YEDPA was written to encourage prime sponsors to change their orientation, making them more attractive, and receptive, to private sector interests. The first interim report of YEDPA at the local level demonstrated that prime sponsors are taking the initiative; but that private sector interests for the most part, are not responding. There has been no dramatic change since that time. Neither does there seem to be much promise for any breakthrough, similar to the breakthrough with LEAs that now seems possible.

However, there is scattered evidence of some genuine contact, dialogue, and action. The progress is hardly a quantum leap, but it could presage the kind of modest, undramatic breakthrough that will mark change on this front. In Durham-Orange, local employers and other private sector representatives are cooperating with the prime sponsor and the local schools, in putting together a resource directory of experts to be used for career planning. In Cobb County, the training contractor, Industrial Technology Career Center, is associated with Lockheed. It is hoped that the connection may improve private sector placements in general. The City of Portland is contemplating buying training for CETA participants from major firms in the area. The Mayor of Portland is actively involved, trying to persuade corporate executives to back the youth programs. Two projects in Oregon have had substantial success with private businesses. In one project, half the YETP enrollees are in private sector OJT slots, thanks to an ambitious selling job by the project counselor. A YCCIP solar heating project has had the effect of stimulating private investment in the solar heating business. The new commercial activity should be able to absorb the YCCIP enrollees ready for placement in unsubsidized employment. In Lane County, LEA staff are expecting to be able to develop OJT contracts and to place YETA enrollees in private sector jobs. The feeling among LEA staffers is that they will have more success than the CETA system alone, ". . . because they represent a stable mainstream institution." (Bonnie Snedeker, Page I-19).

There may be a degree of bias in the judgment of the Lane County educators. But, it seems significant that so many of the cases of private sector links involve schools. This may be one more spillover from progress on the CETA-LEA front.

With a few notable exceptions, unions remain only peripherally involved with YEDPA. San Francisco's largest YCCIP project was union initiated and is union supported. It is a Painters' Apprenticeship program which would appear to have potential as a model, were it not for the fact that the conditions there, especially the union interest, seem to be more the ideal than the norm. In Oakland, after some initial union resistance, there is union support for its YCCIP programs. The unions plan to submit proposals for their own YCCIP project in FY 1979. However, unions, for the most part, continue to provide little affirmative support for YEDPA at the local level. More often than not, they make themselves heard only when their interests seem to be threatened.

The connections of YEDPA-related programs to private sector interests still have a long way to go. Private employers are frequently suspicious of CETA red tape. Child labor laws and insurance regulations frequently make it more difficult to hire youths, and put a damper on the willingness of private employers to get involved. Of course, the effects of a sluggish economy are critical. One attempt in Clark County to develop ten on-the-job training positions failed because no commitments could be made. But some basic institutional prejudices persist and also stand in the way of progress. An LEA project in Cook County that was going to rotate youths through private sector jobs was rejected by the DOL regional office. An industrial representative who was chairman of one youth planning council, resigned when state and federal officials told him that the youth programs were intended only to provide economic relief and assure constructive use of enrollees' time. The officials were not interested in his thoughts, as a representative of that area's largest employer, about what youths need to prepare themselves for employment.

Where biases like these persist in the CETA establishment, the youth initiatives can have only limited impact as tools for forging closer private sector links.

IMPACTS OF YEDPA ON EDUCATION/CETA RELATIONSHIPS AT THE LOCAL LEVEL: FIVE CASE STUDIES

AN OVERVIEW

The Youth Employment and Demonstration Projects Act (YEDPA) seeks to improve cooperation and coordination between the education and employment and training systems in order to better integrate work and education, to improve the quality of in-school programs, to encourage school completion and to ease the transition from school to work.

Under the Youth Employment and Training Programs (YETP) section of YEDPA, which provides funds to Comprehensive Employment and Training Act (CETA) prime sponsors throughout the country to provide comprehensive services for youth, specific linkages are mandated. Not less than 22 percent of the funds allocated under YETP to each prime sponsors is to be used for programs for in-school youth under the terms of agreements between prime sponsors and local education agencies. Further, the law states that no program of work experience for in-school youth shall be supported under YETP unless there is an agreement which shall "set forth assurances that participating youths will be provided meaningful work experience, which will improve their ability to make career decisions and which will provide them with basic work skills needed for regular employment."

The regulations further delineate this mandate by defining LEA's and outlining broad parameters for these agreements. The local education agency is defined as "a public board of education or other public authority legally constituted within a State for either administrative control over, direction of, or service to public elementary or secondary schools in a city, county, township, school district or other potential subdivision of a State."

Since these agreements are a new institutional feature and the format is not specified in the law, the regulations leave considerable flexibility. Prime sponsors with more than one LEA have the responsibility for allocating funds among them. The prime may work with only one, or several LEA's independently, or a consortium. The agreements may be financial or nonfinancial.

The format for the agreements is relatively open-ended. They are to describe activities, services, and delivery approaches, to guarantee that there will be no substitution for existing funding, to assure that job information, counseling, guidance and placement services are provided with any work experience activity, and where possible, to provide a policy framework for the awarding of academic credit for competencies derived from work experience. A technical assistance guide was prepared to suggest some possible considerations and elements for CETA/LEA agreements. This was the result of extensive consultation with educators and officials in HEW. To provide an incentive for cooperation, $15 million of YETP discretionary funds were also set aside for competitive grants to prime sponsors for exemplary in-school programs.

The effectiveness of YETP in promoting coordination and cooperation at the local level between the education and employment and training systems, as well as YETP's impact on in-school programs, are being assessed from a number of perspectives:

1. YETP and YCCIP programs are being studied in a sample of prime sponsor areas on a continuing basis. LEA/CETA relationships are a major focus of the case studies. These provide descriptive and analytic information covering a range of local conditions.

2. A stratified sample of fiscal 1978 LEA/CETA agreements are being assessed to determine their content and to develop a model agreement format.

3. LEA/CETA relations are being analyzed under studies being contracted by HEW in coordination with DOL.

4. Linkage problems will be assessed by the National Association of State Boards of Education under YEDPA funding.

To supplement these assessments and to provide detailed information in a timely fashion, the Department of Labor's Office of Youth Programs and the Department of Health, Education and Welfare's Office of Education participated in onsite reviews of CETA/LEA programs in five locations. Site visits were conducted in April 1977, 8 months after the signing of YEDPA and approximately 4 months after program start-up. Sites of varying program quality were selected to look at what happened with respect to development and implementation of youth programs pursuant to CETA/LEA agreements. The major question was why some communities were successful and others were not in promoting institutional change.

Based on the very limited reviews, global comments cannot be made with validity, and the following summary of impressions and findings must be considered very tentative:

1. In the five areas studied, YEDPA has contributed to improved CETA communication with the public schools. In some cases, YEDPA has provided the impetus for the communication. Even in cases where relationships were already well established, linkages have been intensified. Four months after program startup, many of the initial apprehensions about the leverage, role and impact of prime sponsors on school programs had subsided.

2. YEDPA provides a great opportunity for the education and employment/training communities to have substantial impact on the quality of education and training for youth. In the small sample reviewed, several prime sponsors had made or at least initiated significant improvements in program quality, based on cooperation and coordination.

3. As might be expected, the cooperativeness of previous relationships, the size of the community, and the degree of prior preparation contributed to what happened in the development of CETA/LEA programs. It appears that smaller communities where staff on both sides were familiar with each other and where new program ideas had been developed but not implemented, generated the more innovative programs.

4. The lack of time for comprehensive planning and program development affected most sites. Haste affected the quality of agreements and programs. There were delays in the implementation of efforts which departed from traditional policies. There has been an evolutionary process in the months since YEDPA's implementation.

5. YETP is reaching students who would not otherwise be served. The case studies suggest that existing in-school programs linking education and work would sometimes screen out all disadvantaged youth and certainly do not reach the universe of need. The ability to hire additional school counselors and staff has contributed to the ability of schools to offer services to additional youth, particularly transitional services for students who are not college-bound. Of course, the overall number of disadvantaged youth being served in in-school programs has increased with the advent of YETP. Most school officials would like to see even broader coverage of these students.

6. Program regulations hinder the broad exposure of youth to private sector job opportunities. Most schools offer some vocational training and work experience programs for students. Some states even require that schools train students in a skill before graduation. Many of these existing programs utilize the private sector, but if they do, they frequently "cream" from the eligible population to find youth most likely to be accepted by private employers. The private sector usually offers greater opportunities for placement after graduation. If work experience is to continue for in-school participants, more consideration should be given to opening up private sector work experience opportunities under YETP.

7. The areas of academic credit, scheduling, extended school day, vacation and graduation requirements deserve much more attention. Many opportunities for youth are missed because of administrative restraints. Because of the wide variation in State and local laws, school administrators and principals, it is difficult to generalize except to suggest that much more could be accomplished if school regulations were relaxed. In many instances, it appears that school principals and staff are not certain about legal requirements, particularly academic credit for work experience and can do more to encourage and institute changes which would benefit all students.

8. Generally, most school and prime sponsor officials felt that more money was required to meet the needs of all deserving youth. Local education agencies felt that the 22 percent setaside limited their ability to negotiate for funds. Other prime sponsors wanted greater flexibility in use of funds. While a setaside of some amount appears to be useful in facilitating cooperation and coordination of programs, it has some limitations. It seems that LEA's must demonstrate effectiveness in program implementation to be in a position of greater bargaining leverage with prime sponsors.

The case studies which follow provide insights into the types of changes which are occurring at the local level. They represent the results of 2-day site visits by a two member team—one from the Department of Health, Education and Welfare and one from the Office of Youth Programs, Department of Labor. In all the sites, a standard interview instrument was used. There were interviews with CETA and LEA staff at all levels, particularly school officials involved in career information, alternate education programs and occupational training, as well as vocational educators. Worksite supervisors and participants were also interviewed. The aim was to distill a variety of perspectives on local developments and to assess them from an interagency viewpoint. Not surprisingly, there is a great deal of variability within and between sites. However, there is no question that change is occurring, that it is substantial in some cases, and that it is in the directions desired by the authors of YETP.●

ELECTORAL IRREGULARITIES IN SIKKIM

● Mr. PELL. Mr. President, this coming spring elections will be held in Sikkim, the small Himalayan kingdom that was absorbed by India in 1975.

The incorporation of Sikkim took place under highly dubious circumstances, and it now appears that the pro-New Delhi Party that controls the Sikkimese Legislature will be returned to power under circumstances as dubious as those surrounding Sikkim's loss of independence. Last fall, new electoral rolls were prepared and posted for public information. I understand close examination of those rolls reveals that the names of many eligible Sikkimese are missing while large numbers of Indians who settled in Sikkim after annexation are recorded along with family members, many of whom have never been in Sikkim.

The Indian Government is always quick to respond to critics, such as me, that the annexation of Sikkim was accomplished with the support of the Sikkimese people through a referendum. I have always disputed the fairness of that referendum, but if India wishes to have any credibility at all about the willingness of the Sikkimese people to be part of India, then it is important for India to be very scrupulous about how elections in Sikkim are conducted.

It is my hope that the Government of India will examine carefully how the Sikkimese election is being conducted and take the necessary action to insure that those irregularities that have occurred are corrected. As the world's most populous democracy, it is important for India to demonstrate that even a tiny corner of that vast nation will have a fair opportunity to choose a local government that truly reflects the will of the Sikkimese people.●

A MIDDLE EAST ALTERNATIVE

● Mr. HEINZ. Mr. President, I have recently read Steven Spiegel's article in the January issue of Commentary, entitled "Toward a Middle East Alternative," and I believe a careful reading of it will prove most useful in understanding the global implications of recent Middle Eastern events.

Mr. Spiegel in his article advocates the development of a cooperative system of those nations in the Middle East that are both closely alined with the United States and share similar interests. These countries, which would include Egypt, Israel, Saudi Arabia, and Jordan, are most concerned with the maintenance of political and economic stability within their region. Their fear of Soviet encroachment is strong and has been recently fueled by the events in Afghanistan, Iran, Turkey, and South Yemen.

Mr. Spiegel's article is most thought provoking in that it views the Middle Eastern conflict between Israel and her neighbors as only one of many issues in that troubled region that must be resolved. This article is worthy of Senators' attention and I ask this to be printed in the RECORD.

The article follows:

TOWARD A MIDDLE EAST ALTERNATIVE

(By Steven L. Spiegel)

A peculiarity of the Camp David accords is that they lend themselves to two opposing visions of the future of the Middle East. In the first vision, held by the Carter administration, the accords are a critical vehicle, but the core of the conflict in the area is the Palestinian issue and therefore an Egyptian-Israeli peace must be linked to a resolution of the future of the West Bank and Gaza. In the second vision, held by many of the administration's critics, an Egyptian-Israeli peace can stand by itself and the Palestinian issue is only one of a host of problems in the area that American policy should confront in the immediate future. To the proponents of the latter vision, a Cairo-Jerusalem rapprochement opens new opportunities for American policy and should be pursued as the basis for developing a new strategy.

In this sense the two documents which make up the Camp David accords are contradictory and coexist uneasily, for they suggest competing strategies. To the administration, Camp David presented the opportunity to produce a comprehensive settlement. When Jordan, Saudi Arabia, and the West Bankers demurred, the accords themselves became less useful and the primary aim became to protect Washington's position among pro-American Arabs and to convince them that Camp David constituted the kind of approach in which their interests could be satisfied. To the critics, Egyptian-Israeli relations were always central, not merely a step toward the resolution of other issues. The most important aim, for these observers, was to achieve a Cairo-Jerusalem peace treaty and then move to the structuring of a different order in the region.

These two positions are thus divergent in philosophy, outlook, and the policies they prescribe. They have been, and are likely to remain, at the heart of the national debate over American Middle East policy. The direction of American policy in the area, the fate of American interests, and perhaps the next American election will be determined by the outcome of the national discussion which is currently proceeding. The stakes are thus very high and rhetorical confrontation has been and will continue to be fierce.

Both sides agree as to the nature of the problems the United States faces in the Middle East: energy, Soviet encroachment, the vulnerability of pro-American and oil-rich regimes to radical assault, the Arab-Israeli conflict, the Palestinian issue, Lebanon, Iran. But each side places these issues in a differ-

ent context, with a resulting difference in priorities and emphasis.

To the administration, East-West (or Soviet-American) issues are giving way to North-South (or have vs. have-not) questions in international affairs. Economic matters (both among the Western allies and between the West and the developing nations) are becoming more interdependent. The Third World's claims against the West for a greater share of wealth must be taken seriously and accommodated. As the President put it at the 1977 Notre Dame commencement, in his most significant foreign-policy address thus far: "We know that a peaceful world cannot long exist one-third rich and two-thirds hungry."

The administration's Middle East policy follows from this view of the world. The emphasis on economic factors and Third World ideology leads to a diminished focus on the Soviet threat and a heightened concern that anti-American regimes or movements may undermine pro-American oil producers. For the first time since World War II, an American administration sees energy and not Moscow as the central global challenge facing the United States in the Middle East.

Given Saudi Arabia's crucial world role in energy and finances, this perspective leads to a strong reliance on Riyadh as the linchpin of American policy. Saudi Arabia is closely associated with the United States, but the common view is that Washington's failure to resolve the Arab-Israeli conflict will lessen Saudi interest in the American connection and also unleash radical forces (particularly Palestinian) against the regime in Riyadh. The way, then, to keep the Saudis satisfied and safe (and therefore to keep the energy problem manageable) is to resolve the Arab-Israeli conflict. Such a settlement must, in this view, include a major resolution of the Palestinian question. As Zbigniew Brzezinski wrote in 1975: "It is impossible to seek a resolution to the energy problem without tackling head-on—and doing so in an urgent fashion—the Arab-Israeli conflict. Without a settlement of that issue in the near future, any stable arrangement in the energy area is simply not possible." And since the Palestinians have become a rallying cry for "progressive" Third World forces at the UN and elsewhere, this orientation fits neatly into the general conception of world affairs prevalent among the Carter team.

This Weltanschauung explains why the administration at first favored the "Geneva" approach involving a conference of all parties to the conflict under the joint chairmanship of the United States and the Soviet Union. Syria was wooed because of its connection with both moderates and radicals. Including the PLO would have protected the Saudis from accusations of having deserted the Arab cause if they supported American policy. And involving Moscow would have made it easier to arrive at the kind of comprehensive settlement which, it was thought, would protect pro-American clients even at the price of increased Soviet influence in the area.

It was the failure of these efforts that prompted the Sadat visit to Jerusalem. Given its ideological blinders, it is not surprising that the administration initially responded with coldness and bewilderment to the visit. Only after the debate unleashed in this country over the sale of advanced jets to Egypt and Saudi Arabia did the administration come to terms with the reality that no other option than the Sadat initiative existed for promoting peace in the area. Out of the fear that the failure of this initiative would result in a new war—with the dreaded cycle of Israeli victory, Arab oil embargo, energy-supply disruption, gas-station lines—the Camp David strategy was conceived. But Camp David was undertaken as a desperate means not only or even primarily of keeping the Egyptian-Israeli negotiations alive; it was seen as a way of saving the original comprehensive approach.

Thus President Carter said plainly in his speech to Congress at the conclusion of the summit: "I have already invited the other leaders of the Arab world to help sustain progress toward a comprehensive peace." A few days later Carter suggested what that comprehensive peace was about:

There are three elements that no Arab leader would ignore, nor on which they would yield, including Sadat. One is Israeli withdrawal from the West Bank-Gaza Strip territory; secondly, a return of eastern Jerusalem to Arab sovereignty, possibly excluding the Hebrew University area, and probably excluding the Jewish holy places, particularly the Wailing Wall. And the third one is a resolution of the Palestinian question, "in all its aspects."

On these three points, over which the Israelis were just as unlikely to yield, the President thus indicated where his influence was to be exerted. And in case anyone had any doubt, the Assistant Secretary of State for Near East and South Asian Affairs, Harold Saunders, was soon sent to Amman with replies to King Hussein's questions about the accords. The answers he brought with him were rumored to contain assurances that Israeli settlements on the West Bank would be withdrawn as part of any future peace agreement—a report which gained substance when Saunders met with Arab notables in Jerusalem and commented that the United States regarded the eastern half of the city as "occupied territory." Reports also circulated in Washington that American officials would like to revise the September 1975 agreement with Israel in which—among other promises—the then Secretary of State, Henry Kissinger, had agreed not to deal with the PLO unless it recognized Security Council Resolution 242 and the right of Israel to exist. This rumor, too, seemed confirmed in an obscure report (never denied) which appeared in the *Jordan Times* of Amman in mid-October, based on what the reporter claimed was a series of interviews with "senior American Mideast experts." According to one such official, "We can get some PLO people into the negotiations, but not the big names."

It was clear by now that U.S. officials feared that once an Egyptian-Israeli peace treaty was signed, the chances of moving on toward a comprehensive settlement would be lost. They were therefore trying to set up a series of preconditions which would force continued Israeli concessions over the West Bank. One official told the Jordan Times:

"What we want to do is start an irreversible process in the West Bank which would be tantamount to ending the Israeli military occupation in most of its visible forms. We are trying to create a new reality on the ground in the Middle East to which all people would have to react." As part of this process, commitments made to Israel at Camp David were being interpreted in their weakest light and the United States was remaining tough on aid to Israel for the removal of heavy equipment from the Sinai to the Negev and the building of two new air bases there.

Many critics in Congress and elsewhere have found these administration efforts perplexing and misguided. To these critics, American policy in the Middle East should be designed to contain the Soviet Union, not Israel. They are concerned about Soviet encroachments in Afghanistan, Ethiopia, and South Yemen, and about radical anti-Western nationalists like Libya's Qaddafi, who are willing to cooperate with the spread of Soviet power in the Persian Gulf. This seems to them a greater threat to the energy supplies of the West than a future oil embargo. They are thus more prone to emphasize strategic and geopolitical factors (such as who will maintain control of the critical Straits of Hormus, gateway to the oilfields) than to ask who has how many dollars in Swiss banks.

In this light, Israel is seen as an asset because of its political stability, its unswerving opposition to Soviet power, and the utility of its intelligence sources throughout the area. Iran is also viewed as essential to American interests, less for its oil production and reserves (surpassed by Saudi Arabia) than because of its pivotal strategic location, its protective military role in the Persian Gulf. If Iran were to be radicalized, either cooperation or competition with Iraq would arise. Either way, pressures would increase on the Saudis for more hawkish policies on questions of international finance within OPEC and the regime in Riyadh would be threatened by radical forces within and without its borders. Already, moves toward the Soviet Union in Ethiopia, Afghanistan, and South Yemen have cast a shadow over the politics of the Gulf. "It can happen here," becomes a prominent whisper among political elites.

From this perspective, the administration's ideological preoccupation with the Palestinian question has clouded its perception of, and damaged its ability to deal effectively with, the more serious threat to American interests in the Middle East. Iran, where the only alternatives being considered seem to be all-out military intervention or occasional verbal outbursts by the President in favor of the Shah, is one example. Lebanon is another.

In Lebanon, a Syrian hegemony would lead to a future confrontation with Israel and would increase tension on the "eastern front"—especially if an Iraqui-Syrian rapprochement should proceed. Yet in Lebanon a counterbalance exists in the form of the Christian forces seeking, with Israeli assistance, to maintain their identity and continued independence. If the Christians hold out and force the Syrians out of Lebanon, which has become Syria's Vietnam, then the basis for a resolution of the conflict founded on the stalemate among existing forces will have been established. But if this occurs, it will be in spite of rather than because of American policy. The Carter administration tends to see the Christians as an aristocracy fighting to maintain its position and wealth in the country, and little concern has therefore been expressed about the consequences if the Soviet-armed Syrians and their Muslim allies within the country emerge victorious. Thus at a critical moment in late September, when the Syrian "peacekeepers" were bombing Christian neighborhoods in Beirut, the White House exerted the full weight of its political influence in Congress behind $90 million in economic aid for Syria. Simultaneously, it allowed discussions to proceed on the sale to Damascus of four L-100 jets—which is the civilian equivalent of the much vaunted C-130 of Entebbe fame. As also in the case of the potential threat to the Persian Gulf, American actions convey signals, and here Washington's willingness to countenance a major Syrian role in Lebanon was a conclusion that key regional leaders were bound to draw. The Russians were having their revenge for Camp David, with American assistance.

Again, from this perspective, the Palestinian issue was another arena where the wrong signals were being conveyed. The Palestinian question is certainly important and must be confronted by American policy, but critics of the administration argue that this problem should be placed in the context of other, more pressing Middle East issues. Even if the West Bank/Gaza entity which the administration advocates does comes into existence, the problems will remain—energy, Iran, the future of the Persian Gulf, Lebanon, a growing Soviet presence, the fragility of oil-rich pro-American regimes. As Elie Kedourie has written:

"It by no means follows that a settlement—even a pro-Arab settlement—of the Arab-Israeli conflict will necessarily safeguard American interests in Saudi Arabia. Such a settlement will not do away with radicalism and instability in the Arab world, and will thus by no means lessen the threat to the present Saudi regime. It may even, conceivably, increase it. . . ."

The critics of the administration have an alternative approach of their own: it is more activist, less defeatist, and paradoxically more comprehensive in its approach to the Middle East as a whole. Because it is propounded by individuals who are out of power and disparate in motive and ideology, it often appears less coherent. But that appearance is deceptive.

So far as the Arab-Israeli conflict is concerned, this alternative strategy would first have been designed to encourage the rapid signing of an Egyptian-Israeli peace treaty and then to encourage the Jordanians and the West Bankers to negotiate with Israel on the basis of the first model. Thus, Egypt would have been pressed to leave the West Bank/Gaza issues until later while proceeding with plans for positive acts of normalization with Jerusalem. Israel would have been rewarded for its Sinai concessions with ample aid to cover the expensive move to the Negev and would have been encouraged to adopt the Egyptian-Israeli normalization as a model for the future resolution of issues on other fronts. The Jordanians, the West Bankers, and the Saudis would have been informed, in no uncertain terms, that the United States expected them to participate in negotiations with Israel on precisely this basis.

The second element of this strategy envisions the promotion of Egyptian-Israeli normalization as a top priority. Some advocates of this approach have gone so far as to recommend that the United States set up a kind of Marshall Plan for the Middle East based on those countries willing to cooperate in moves toward regional integration and therefore beginning, if necessary, only with Cairo and Jerusalem. At the heart of these suggestions is the realization that a stable relationship between Egypt and Israel cannot develop without positive and concrete steps that create an irreversible process which will withstand political differences and changes in leadership. The advocates of this strategy also recognize that unless Egyptian-Israeli contacts succeed, the Middle East peace process is likely to end abruptly because the Israelis will be disillusioned with contacts with their Arab neighbors and the moderate Arabs will have no model on which to base future dealings with Israel except support for terrorism and war.

But for this alternative strategy the Arab-Israeli conflict is only one element of a wider geopolitical context, and it addresses itself to the other elements as well. Thus it would involve a new approach toward Lebanon aimed at achieving a stalemate through support for Christian self-sufficiency followed by a negotiated reconciliation. In Iran, it would mean greater emphasis on the pivotal strategic role of the country, a higher priority given to preserving a pro-American regime. In the Persian Gulf as a whole, it would mean recognition of the strategic dangers inherent in the Soviet role in such peripheral countries as Ethiopia and Afghanistan, and it would mean plans devised for countering the negative momentum created by these Russian gains. These plans would be pursued short of military intervention but in a manner that could check the political and psychological defeatism which promotes unfavorable political adjustments by local regimes and movements. For even if current Soviet objectives are limited and circumscribed, Moscow is bound to gain from a tide of local anti-Western nationalism (as, for example, it has done in Libya despite the anti-Communism of Qaddafi's regime).

The main instrument would be to develop a "cooperative system" among countries of the area willing to align themselves with the United States—Iran, Turkey, Israel, Egypt, Saudi Arabia, Jordan, Oman, Morocco, Tunisia, the Sudan. Several proponents of this strategy have suggested a multilateral alliance, but a formal mechanism reminds participants too much of Dulles' pactomania and may be politically provocative to countries associated with the USSR. Instead, American diplomacy could simply encourage contacts and informal coordination among friends of Washington. There are precedents. For example, in 1971 Sadat saved the current Sudanese regime from a pro-Communist coup by flying home loyal Sudanese troops stationed along the Suez Canal. In the summer of 1977, Israel passed Sadat information on a planned Libyan-sponsored coup in both Egypt and Saudi Arabia.

A "cooperative system" would serve several purposes. First, it would place new Arab-Israeli contacts in a wider context which could well deepen and solidify them. Second, it would demonstrate an American determination to exercise a newly-regained activist role in defense of American security interests in the entire area. Third, it would serve as a warning to radical movements and regimes that those countries which stand with the United States would be prepared to resist, as a group, assaults on their integrity and security. Fourth, it would create a framework in which interested countries in the area could help each other as they saw fit to withstand mutually perceived dangers. (Sadat's fear of Soviet-Cuban encroachments in Africa—a fear Begin could comprehend—seems to have been one of the factors leading to his Jerusalem visit.) Fifth, a cooperative system would avoid the pattern of the Nixon era when individual states were singled out for "proxy status," thereby exposing them to charges of subservience to Washington without the countervailing protection of regional cooperation.

Most important, a cooperative system would allow Washington to make detailed plans with local participants to withstand what must be recognized as an inevitable onslaught on the Persian Gulf regional structure. Much as NATO was organized to provide stability in the key world crisis a generation ago, so too even a more informal Middle East regional system could strengthen local leaders sufficiently to deter assaults against them.

At Notre Dame, President Carter told us:

"It is a new world, but America should not fear it. It is a new world, and we should help to shape it. It is a new world that calls for a new American foreign policy—a policy based on constant decency in its values and on optimism in its historical vision."

Ironically, however, the President's policies in the Middle East are based on pessimism and a historical vision rooted in the old world we have known since 1948. The actions of his administration reflect an inability to perceive the implications of the dramatic changes which are occurring as a result of Sadat's visit to Jerusalem or to adjust to the challenges posed by the political vulnerability of the Persian Gulf.

Ironically, too, it is the critics of Carter's administration who have heeded the President's words. They have correctly sensed the opportunity which the new Egyptian-Israeli connection provides for addressing the Arab-Israeli problem in particular and the Middle East structure as a whole. But they have also understood that a mixture of impatience over the Palestinian question, pessimism over American power, and passivity in the face of threats to critical American concerns will only result in lost opportunities and a deteriorating American position.●

A STRONG DOSE OF REALITY ON AMERICA'S STRATEGIC CAPABILITY

● Mr. HART. Mr. President, in the discussion about a SALT II agreement, there has been considerable rhetoric about the allegedly diminishing strategic capability of the United States to inflict sufficient "post-strike" damage to the Soviet Union. In the welter of statistics comparing "throw-weight," "MIRVability" and war-head stockpiles, we may forget the awesome destruction which can be inflicted by a single ballistic missile.

The article "A Submarine That Can Destroy Russia," which appeared in the February 12 issue of U.S. News & World Report, serves as a sobering reminder of both the immense power of our diversified nuclear arsenal and the rationale for seeking limitations on unrestrained production and deployment of nuclear weapons.

I submit the article for printing in the RECORD and urge my colleagues to read it.

The article follows:

A SUBMARINE THAT CAN DESTROY RUSSIA

As Russia and the U.S. move toward a new strategic-arms-limitation agreement, President Carter is intent on delivering this reassuring message to the nation:

Whatever the final terms of a SALT II accord, America has more than enough power to deal with any nuclear threat that the Russians could conceivably pose in the years ahead.

Even if a Soviet attack succeeded in destroying all 1,054 of America's land-based intercontinental missiles—a theoretical capability by 1985 despite a SALT II treaty—Carter maintains that U.S. nuclear might at sea is capable of destroying Russia many times over.

President Carter made this specific point in his state-of-the-union message to Congress—

The destructive power now carried by a single missile-launching submarine is enough to devastate every large and medium-sized city in Russia.

SPELLING IT OUT

This claim was no exaggeration. Experts point out that each of the nation's Poseidon submarines carries 16 missiles and each missile can carry up to 14 warheads, every one of them twice as powerful as the 20-kiloton bomb (equivalent to 20,000 tons of TNT) that leveled Hiroshima. Thus each Poseidon submarine carries enough firepower to wreak havoc in more than 200 Soviet cities.

To reach all the target cities, one submarine would have to sail long distances between shots. But with one submarine in the Pacific and one in the Mediterranean, even using the normal loading of only 10 warheads to a missile, there would be more than enough weapons to strike, with one blow, every city of more than 100,000 population, with extras left over for the bigger cities, such as Moscow.

At this time, the U.S. has 31 Poseidon submarines that operate from Atlantic ports at Charleston, S.C.; Holy Loch, Scotland, and Rota, Spain, and 10 older Polaris submarines that operate in the Pacific out of Guam. Roughly half the subs are at sea at any one time, moving slowly and quietly on patrol or remaining silently on station at sea. Each has two 140-man crews, a blue crew and a gold crew, and they take turns on two-month undersea patrols.

As a practical matter, American nuclear weapons are aimed at Soviet military and industrial targets rather than at cities as such. But a hypothetical, if unrealistic, attack on Russia's major cities provides a vivid illustration of the power of nuclear weapons.

The order to attack would probably come from the President's flying command post. It would be passed through a fleet of Navy communications planes to one sub on station in the eastern Mediterranean and another dis-

patched to the northwestern Pacific, off Japan.

A scenario for such an attack: Seconds after the presidential order has been decoded and checked for accuracy, a small rocket is ignited and boils a pool of cooling water at the bottom of the first missile canister. The steam hurls the missile upward to the surface. At that point, the first-stage-rocket motor ignites, propelling the 65,000-pound missile on its way, with a range of up to 2,880 miles. Other missiles follow at intervals of about 20 seconds.

As each missile reaches the top of its trajectory and begins to drop down toward Russia, the nose cone points at the first target in its computerized memory and gives the first nuclear warhead a tiny push. One after the other, the warheads are sent toward their targets. They can be dispersed over hundreds of miles. To illustrate: If an attack on the U.S. were mounted from a Poseidon submarine, a single missile could put a warhead on Independence Hall in Philadelphia, another on the Empire State Building in New York and hit eight other targets as well.

The Poseidon warheads, the smallest weapon in the U.S. strategic arsenal, carry the equivalent of only 40,000 to 50,000 tons of TNT. Yet here's what each of those "small" weapons can do:

Exploded between 1,000 and 2,000 feet above the ground, it would create a huge fireball. Blast and fire would destroy all the buildings and kill everyone within a radius of 1½ miles—an area of 7 square miles. Winds of 400 miles an hour, stronger than any hurricane, would rush away from the point of explosion, stripping trees of their branches and bark, crushing buildings, hurling people and automobiles through the air.

Then as a mushroom cloud rose into the sky, the winds would rush back in again, adding to the damage. Everything within 3 miles of ground zero—a total of 28 square miles—would be severely damaged, if not destroyed.

DEVASTATING SPEED

Allowing for the flight time of the 32 missiles fired by the two submarines, all this destruction would occur within about half an hour after the order fire had been issued. Nearly 9,000 square miles of urban area—bigger than the entire state of Massachusetts—would lie in ruins. A quarter of all the buildings would be destroyed and two thirds of them severely damaged. One quarter to one third of all the people in these densely populated cities would lie dead. In ensuing days, many more would die of radiation sickness.

The two missile-launching submarines capable of destroying every medium and large Soviet city constitute only a fraction of America's strategic nuclear power. In addition, the U.S. has 39 other submarines, 376 bombers and 1,054 land-based missiles—carrying a total of 9,200 warheads.

There seems little doubt that this U.S. nuclear arsenal will, in Carter's word, remain "overwhelming," whatever the Russians do to expand further their own military attack force.●

WETEYE BOMB TRANSFER

● Mr. GARN. Mr. President, the proposed transfer of Weteye bombs, chemical nerve-agent weapons, from Rocky Mountain Arsenal in Denver, Colo., to the Tooele Army Depot in Utah, is an issue of particular concern to my constituents in Utah.

In a recent article published in Clubwoman magazine (December 1978), this issue was discussed at some length. I believe it especially important to make part of the public record the views of several women who live and work in the Tooele area and are members of the Utah's Federation of Women's Club. Before I ask to have their remarks printed in the RECORD, however, I would like to state my position on this contentious issue.

A primary consideration to the Army in any move of lethal chemical munitions is the safety of all persons involved. The Army has successfully moved lethal chemical munitions since they were first introduced in 1917. Most moves of any significance were made between 1948 and 1969. During that period, the Army relocated approximately 26,000 tons of chemical munitions by rail and truck without incident or accident. An effort to upgrade storage and provide better security for chemical munitions has been underway for several years. In conjunction with this effort, the Army has conducted four major chemical munitions movements involving rail, truck and air. There have been no accidents, incidents, or exposures of any participants or citizens during relocation activities. I am confident that the Army's fine record in these matters will be maintained, and that the transfer and storage of the Weteye bombs will be conducted at the highest levels of public health and safety.

Mr. President, I ask unanimous consent that the Clubwoman article, "Weteye Bomb: Hometown Issue for Tooele Clubwomen," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD.

WETEYE BOMB: HOMETOWN ISSUE FOR TOOELE CLUBWOMEN

What if the six o'clock news carried a controversial plan to move chemical nerve-agent bombs near you for storage? How would you react? The clubwomen of Tooele, Utah, and their community face just such a situation.

Weteye bombs contain a chemical, GB, which acts on the central nervous system. Whether or not they should be moved by the U.S. Army from their present storage site at the Rocky Mountain Arsenal in Denver, Colorado, to the Tooele (Utah) Army Depot is a subject of national controversy. The issues are environmental safety and national defense preparedness. The GFWC has no position on the Weteye bomb decision. However, it has, over the years, passed resolutions supporting efforts both to insure a clean environment and to maintain a strong national defense.

But how does the decision to move the Weteye bombs and the resulting controversy affect clubmembers who live with it directly and daily? Before the clubwomen speak, here is the background.

BACKGROUND

The Weteye bomb was developed in the late 60's by the U.S. Navy. The Army, however, is responsible for the storage and handling of chemical weapons. In 1973, the Secretary of the Army decided to destroy the Weteye bombs, planning to replace them with safer, more easily handled binary weapons.

In the binary system, individually safe chemicals are kept separate and mixed into deadly combinations after they are fired. However, while the United States has the necessary technology, a facility to produce binary weapons has not been built.

Therefore, in 1976, the Army reversed its position. It decided that the Weteye bombs, as necessary deterrents, should be retained, and be moved from their storage place at the Rocky Mountain Arsenal on the edge of Denver to the Tooele Army Depot. The Tooele facility, unlike Rocky Mountain, has adequate storage space, is in a less densely populated area, has a chemical agents munitions destruction system (CAMDS), and has personnel trained primarily to handle chemical arms.

Plans for the move, for which environmental impact studies were made, call for the 896 bombs to be flown by C141 from Denver to Dugway Proving Ground in Utah and transported from there to Tooele by truck.

In May, 1977, the Governor of Utah, the Hon. Scott M. Matheson, voiced his concern over the move. He was joined by the Governor of Colorado and others. They believe that the bombs should not be moved because of the danger of accident; and that, because they are unnecessary, they should be detoxified and eliminated. Leakage of the chemicals is of particular concern.

As a result, the move, scheduled for last summer, has been delayed. All the bombs have been checked, discovered leakages have been taken care of, and assessment has been made of the possibility of further leakage.

Both the Army and the Department of Health, Education and Welfare have conducted separate tests. They feel the move can be made in safety. The Defense Department is expected to decide shortly if and when the bombs should be moved.

But the controversy continues nonetheless.

THE POLITICIANS SPEAK OUT

The Hon. Scott M. Matheson, Governor of Utah: "My concerns are for the health and safety of the people along the route of operation. The slightest error could translate into enormous loss and that chance of error, no matter how minute, argues convincingly against the transfer.

"I remain, as always, unalterably opposed to that move and will at this point examine my remaining options, and, if I can find any that are feasible, practical and achievable, I'm going to continue to fight it. That includes the possibility of court action."

Senator Orrin G. Hatch, R. Utah: "I do not share the Governor's opposition to the move. I share the concern of lack of information from the Army. If the Weteye bombs need to be stored, Tooele is the best place for them. I would rather have them detoxified, destroyed and replaced with a newer more up-to-date arsenal."

Senator E. J. Garn, R. Utah: "While I feel a special sensitivity to the safety involved, I must be guided by the results of the scientific evaluation group . . . I am entirely confident that the shipment will be conducted safely and that the storage can be maintained at the highest requirements of public health and safety."

HOW UTAH CLUBWOMEN FEEL

Through GFWC Visual Arts Chairman, Ruth Barker, who lives in Ogden, Utah, the Clubwoman has asked Tooele clubwomen how they personally feel:

La Dean J. Long (Mrs. John D.) Supervisory Administrative Clerk, Tooele Army Depot; UFWC President, 1970–1972: "Since December 1950, I have been employed by the Civil Service Commission in Tooele, Utah. I began my career as an administrative clerk at Deseret Chemical Depot in St. John, Utah, now the South Area of Tooele Army Depot.

"Our country was involved in the Korean war and Deseret Chemical was shipping and storing combat ammunition and chemicals. Only employees working directly with them knew the types and the risk involved. They were well trained and very skilled in the storage and handling of materials.

"All these years, small arms, combat vehicles, missiles and items of chemical warfare have been received, demilitarized, remodeled, stored, and shipped to combat zones without incident. Just recently, this area because of its remoteness, was selected as the site to receive, store and eventually demilitarize Weteye bombs and others. More than three billion dollars have been spent by our government to build facilities required for this mission. Every precaution has been exercised and every employee has been trained in everything concerning their own safety and security as well as that of others.

"I think it is all right for the Governor of Utah to be concerned about the situation. But I also think he should be equally concerned about other matters in the state, such as creating new jobs, and let those trained for many years in chemical warfare storage and demilitarization operations take care of these matters. These people are the best. Safety is their number one concern.

"It would be safer to move, store, and demilitarize these bombs in the desert in Tooele County than to demilitarize them in or near the city limits of Denver. We, the employees of Tooele Army Depot, have lived and worked with this for more than twenty-five years and will continue to as long as safety is the number one concern."

Betty J. Smith, UFWC clubwoman: "I feel we have the largest storage area in the Western United States here at Tooele Army Depot. This move could assure the future of the Depot. As far as being safe, it has been so far. As long as security precautions are taken, it should remain so."

Mrs. Andrew T. Roberts, UFWC Third Vice President: "I support the United States Army policy of retaining the Weteye missiles in this nation's arsenal. I also firmly believe the safest, most economical storage site is the Tooele Army Depot. My reason for this position is that it was originally created for the storage of chemical munitions . . . . I do not approve the actions of Utah Governor Matheson and feel these munitions should be moved from Denver to the Tooele Army Depot as rapidly as possible."

Beverly White, State Representative, Past President, Tooele Women's Club, UFWC: "I say bring it . . . Once a woman asked me how I could sleep nights with all that practically in my backyard. I told her that I haven't lost one night's sleep worrying about it."

Pam Roberts, Tooele Civic League, UFWC Home Life Chairman: "I feel like so many other women in Tooele that the Weteye bomb should be moved here. It is one of several jobs the depot is highly qualified for. We should let the people trained to do these jobs do them."

Mrs. Thomas G. Baker, UFWC Visual Arts Chairman: "These comments mirror the general feeling of the women who live in the Tooele area. Men and women who live and raise their families there are most dedicated to the responsibility placed upon the employees and other trained personnel responsible for our country's munitions in the Western part of the United States. It is hoped that the intense loyalty to this responsibility shows through on the printed page."●

WILDLIFE ORGANIZATION POINTS OUT FLAWS IN REORGANIZATION PLAN

● Mr. McGOVERN. Mr. President, for more than a year the Committee on Agriculture, Nutrition, and Forestry has attempted to work with the staff of the President's reorganization project with respect to a proposed reorganization of the natural resources functions of the Federal Government.

This work, unfortunately has fallen on deaf ears. It appears the PRP staff decided at the outset—notwithstanding public opinion or any other consideration—that they would propose the creation of a department of natural resources built around the Department of the Interior.

By and large the nearly 2,000 comments received by the White House were opposed to the creation of a department of natural resources.

The committee has attempted to work with the PRP staff in a positive manner. During the course of this work, the committee sought out the opinions of many respected persons with regard to the possible impact of natural resources reorganization

Among the responses received was one from the Wildlife Management Institute, one of the Nation's oldest and most respected conservation organizations. The thoughtful comments of Mr. Daniel Poole, the president of the Wildlife Management Institute, reflect the lack of critical detail that flawed the work done by the PRP staff.

Mr. President, I ask unanimous consent that Mr. Poole's letter be included in the RECORD at this point.

The letter follows:

WILDLIFE MANAGEMENT INSTITUTE,
Washington, D.C., January 31, 1979.

This letter responds to your request in behalf of the Committee for comments on how the President's Staff Proposal for Natural Resources Reorganization may affect fish and wildlife programs of the several agencies covered by that groups analysis. Our reaction is based on the staff paper, dated 16 December 1978, that has been distributed widely.

Our evaluation is hampered by the reports lack of detail, as well as by its unsubstantiated findings and generalized conclusions. On balance, the reorganization suggestion would appear to create as many or more problems as the staff analysis suggests would be resolved. Some could be substantial, including in the subject area of fish and wildlife.

Our reaction should not be construed as suggesting that some realignment of federal natural resources agencies is unnecessary or undesirable. Rather, some adjustments could be beneficial, particularly in water resources and public lands areas, and in strengthening fish and wildlife programs within the agencies themselves. Also, some of the duplications and contradictions many acknowledge to exist can be eased without injury to the basic mission and integrity of the agencies involved. A number simply require stronger Administration commitment and direction.

It is our understanding that a submitted reorganization plan would be cleared to proceed unless the House or Senate adopts a resolution of disapproval. While neither body may amend the reorganization proposal, the Administration, should it desire, can amend the plan within the first 30 days following submission. Should that happen, such amendment likely would reflect compromises that are being made to gain support for reorganization. In such a situation, the public and the several committees having jurisdiction over certain programs of the agencies involved would be dealing with a moving target inasmuch as the time for examination of the revised proposal would be limited. This would be a poor substitute for structured committee hearings on specific legislation to address identified shortcomings.

Under the proposal, one of the five contemplated administrations in the renamed Department of the Interior would be Parks, Recreation, Heritage and Wildlife (page 5). The Fish and Wildlife Service has many responsibilities, but the agency does not and, for valid reasons, should not have responsibility for fish and wildlife habitat on the millions of acres administered by the Forest Service and the Bureau of Land Management, which would be grouped in a Land Resources Administration. And, the latter two agencies should have no role in the National Wildlife Refuges, which could be regarded as Land Resources under the proposal inasmuch as the refuge system could include 75–80 million acres after the Alaska d–2 issue is resolved. The proposal offers no assurance on this point, however. It refers instead to "cross-cutting" administrative responsibility, which raises the specter of general chaos.

Our concern is heightened by the language of the report (page 5): "As the Department of Natural Resources' internal organization and the many policies, methods and procedures are developed following its initial formation the field structure elements will become more evident" (emphasis supplied). We believe that the framework of the internal organization, etc., should be well understood beforehand in order to avoid future aggravation and controversy, particularly at the field level. This issue is clouded further by the frequent public reference of Administration officials to functionalised resources management, and by the impending politicization of resources agencies brought on by the Civil Service Reform Act.

Note also, on page 8, the thought of sharing "staff and services in functions that are common to all four land-managing agencies—BLM, FS, Fish and Wildlife Service and National Park Service." What does this mean? The best resources programs are those where agency responsibilities run with the land. Chaos would result from parcelling functional responsibilities for resources on the same unit of land. Wildlife enhancement is a function of vegetative management (timber and forage), and cannot be separated without problems and loss of priority.

Again, on pages 5 and 6, Overall Improvements Made Possible by the Proposal, the following benefits are claimed:

A. "Policy and case decisions that are balanced and in the overall public interest." The suggestion is that an enlarged resources department "will benefit from a wide range of public constituencies which should enable the Department to balance special interest biases in the overall public interest."

If this is true, then we ask why the present Department of the Interior has not been able to resolve the following controversies, all of which involve fish and wildlife and all of which fall solely within responsibilities of the Departments' agencies: impending destruction of substantial acreage of fish and wildlife habitat by the Garrison Diversion Project; obstruction of the Fish and Wildlife Service's management programs for migratory wildlife in North Dakota; inability to mount a satisfactory Animal Damage Control Program; failure to promulgate regulations to implement the Fish and Wildlife Coordination Act of 1958; inability to use the Departments' scientific expertise in the U.S. Geological Survey to identify hydrological data and relationships in proposed projects—such as Cache River in Arkansas or the Atchafalaya Basin in Louisiana—as a basis for balancing ecological values, including fish and wildlife, and physical developments; the Departments' failure to obtain staffing and appropriations to bring the fish and wildlife habitat program of the Bureau of Land Management up to even minimum levels; overgrazing on certain wildlife refuges; and overgrazing (as documented) on 80 percent of public domain rangelands.

B. "A Cabinet level spokesman for natural resources." There now are two Cabinet-level spokesmen—the Secretaries of Interior and Agriculture. One would be lost under the proposal.

On page 7, Public Land Resources, it can be argued that the Fish and Wildlife Service also is a "multiple-purpose land management agency" along with the Bureau of Land Management and the Forest Service. Under regulation, timber harvesting is permitted on some refuges, as are grazing, haying, mineral leasing, agriculture, recreation and other uses. And, as with refuges and national parks, the Bureau of Land Management and the Forest Service administer special limited-use areas such as primitive, natural and wilderness areas.

On page 8, cited "problems" are that "Planning and implementation are split" and "Duplicative staffs are required, *especially in wildlife and recreation*" (emphasis supplied). These charges come as a surprise. Many conservation and environmental organizations, with encouragement from the present and previous Administrations, have sought (1) increased funding and manpower ceilings for the Forest Service and the Bureau of Land Management for these programs, and (2) improved resources planning authority (and capability) for each agency.

In terms of funding for the Forest Service's fish and wildlife habitat program on 187 million acres, the Administration requested the following:

FY 1978. 46 percent of Resources Planning Act Goals (Congress provided 71 percent).

FY 1979. 54 percent of Resources Planning Act Goals (Congress provided 62 percent).

FY 1980. 60 percent of Resources Planning Act Goals.

In terms of staffing, the Forest Service has one professional fish and/or wildlife biologist for every 534,000 acres of land and water.

The Bureau of Land Management, with about 470 million acres, has this record of Administration requests for its fish and wildlife habitat programs:

FY 1978. Administration requested $6.4 million (Congress provided $6.4 million).

FY 1979. Administration requested $8.1 million (Congress provided $12.1 million).

FY 1980. Administration requested $13.5 million.

As professional staff, the Bureau of Land Management has one wildlife biologist for every 2 million acres of land, and one fisheries biologist for every 83,000 acres of lakes and 12,000 miles of streams.

In our view, wildlife staffs of the two agencies are not "duplicative." They are practically nonexistent and appear headed for extinction under the proposal. No recent Administration has supported these programs anywhere near the extent required. In fact, one national conservation organization has brought suit against the Administration on this point as it relates to the Resources Planning Act. If those who already have the authority to offer such support fail to do it, how will reorganization help bring it about?

Page 9. Ocean and Atmospheric Resources:

The National Oceanic and Atmospheric Administration and the Fish and Wildlife Service each have legal responsibilities, as noted, for reviewing dredge and fill permits, marine mammals, threatened and endangered species and anadromous fisheries. It is not clear how this "duplication" would be eliminated, or how research, fish stock assessments, stocking, environmental studies and fish hatchery management would be handled.

Page 14. Natural Resources Sciences:

Research essential to fish and wildlife and their habitats now is being done by the Fish and Wildlife Service, the National Park Service, the Forest Service, and the Bureau of Land Management. Some is mission-oriented while other has a much broader application. It is impossible to determine what is contemplated under the proposal. The absence of such understanding makes the proposal all the more questionable.

Finally, the Fish and Wildlife Service, the Bureau of Land Management and the Forest Service have many long-standing cooperative agreements with state fish and wildlife agencies. These involve data collection, planning, program implementation, law enforcement, habitat development and protection, and other necessary activities. These agreements have evolved over the years, and the relationships of federal and state interests generally are well understood. It is not possible to evaluate the effect of the reorganization proposal on them. Additionally, it is impossible to conceive how the suggested reorganization would integrate with existing organic acts.

Some of these questions may be answered in time. But, based on years of experience, we see no reason, in the absence of detailed explanation, to presume that the public's interest in fish and wildlife automatically will be safeguarded.

Sincerely,

DANIEL A. POOLE,
President.

Mr. McGOVERN. Mr. Poole is not the only person expressing deep reservations over any attempt to create a Department of Natural Resources.

Others who have indicated to us that they will strongly oppose such a move include:

The American Farm Bureau Federation.

The National Grange.

The National Farmers Union.

The National Association of Conservation Districts.

Six former Secretaries of Agriculture, representing both political parties, including Earl Butz, Orville Freeman, and Charles Brannon.

The National Association of State Foresters.

The National Forest Products Association.

The National Cattlemen Association.

The American Forestry Association.

The Forest Farmers Association.

The American Motorcyclists Association.

The National Association of Counties.

The National Association of Manufacturers.

The National Waterways Conference.

The Association of State College and University Research Organizations.

The International Snowmobile Industry Association.

The American Horse Council.

The National Rural Electric Cooperative Association.

The National Rural Housing Coalition.

The National Ski Areas Association.

The National Lumber and Building Materials Dealers Association.

The American Institute of Timber Construction.

The National Agricultural Chemicals Association.

The National Association of State Departments of Agriculture.

The Industrial Forestry Association.

The Northwest Timber Association.

The Western Timber Association.

The Western Forest and Conservation Association.

The Cousteu Society.

The American Plywood Association.

The Public Lands Council.

The Southern Forest Products Association.

The Federal Timber Purchasers Association.

The Lumbermen's Club of Memphis.

The Virginia Forestry Association.

The Texas Forestry Association.

The Alaska Loggers Association.

The Inland Forest Resource Council.

The Southern Forest Service Retirees Association.

The Western Environmental Trade Association.

The South West Idaho Chapter of the Society of American Foresters.

The Idaho Legislature.

The Colorado Legislature.

The Texas Forest Service.

The Alabama Forestry Commission.

The Southeastern Lumber Manufacturers Association.

The Florida Agricultural Advisory Council.

The Department of Natural Resources, State of Washington.

The Appalachian Hardwood Manufacturers, Inc.

Southern Forest Industries.

The Missouri School of Forestry, Fisheries and Wildlife.

The Auburn University School of Agriculture.

The Vermont Department of Agriculture.

The Florida Department of Agriculture and Consumer Services.

Mr. President, added to this impressive list are dozens of major corporations and distinguished individuals, such as Mr. Paul M. Dunn, former president of both the American Forestry Association and the Society of American Foresters; Mr. Henry Clepper, former executive secretary of the Society of American Foresters; Wildred R. Woods, former president of the American Forestry Association; Mr. Sam Broadbent, retired forestry analyst for the Office of Management and Budget; Mr. Gordon D. Fox, an international renewable resources consultant; Mr. Richard McArdle, former Chief of the Forest Service; Mr. Ed Crafts, formerly Deputy Chief of the Forest Service and Director of the Bureau of Outdoor Recreation; and Mr. Boyd Rasmussen, formerly Deputy Chief of the Forest Service and Director of the Bureau of Land Management.

Mr. President, when one examines this enormous body of opposition to the creation of a department of natural resources, one is forced to question the openmindedness of the President's reorganization project. Surely they can see and hear that there is little support for what they want to do.●

TRIBUTE TO NELSON ROCKEFELLER

● Mr. PERCY. Mr. President, I am deeply saddened by the death of my longtime friend and political ally, Nelson A. Rockefeller.

I wish to express my heartfelt sympathy to his wife, Happy, and their children and the entire Rockefeller family. He was truly a remarkable man who

championed many causes, both in public and private life.

As we pause to pay tribute to this political legend, one fact stands out above all others: There was no man in America who would have had to give so little of himself to succeed, yet there was no man among us in public life who gave more of himself for the benefit of us all. His lineage was a gift, but he accepted it with grace, nurtured it with commitment, and shared it with dignity.

Nelson Rockefeller always looked to the individual and the potential of the individual as the great hope of America. This was exemplified time and again through courageous stands to support minorities who wanted equal rights and help workers fight to obtain fair wages.

Even when some people in his own party opposed his points of view, he came forward without hesitation or concern for personal gain. He spoke out for what he believed in without reluctance. History has proven him right on many scores, including his judgments about his political party. He learned the value of this principle from his grandfather and his father, and he passed it on to the next generation.

It is often said that timing is everything in public life. There was a time when it appeared that Nelson Rockefeller would be President of the United States, and I was proud to work to make this possible. Although he never achieved this goal, his leadership, strength, and innovation have benefited our country in countless ways.

He had worked for every President since Franklin Roosevelt. He served as Governor of New York for 15 years, and he capped his public career as Vice President. His collective contribution in service to his fellow citizens was spectacular.

I, personally, owe him a special debt of gratitude. There are few men who had greater influence on my political career. In 1957 he appointed me to the Rockefeller brothers' study project. The proposed 6-month project, which was conducted under the extraordinary direction of Henry Kissinger, was subsequently extended and completed 3 years later resulting in a remarkable document, "Prospects for America."

This opportunity and exposure eventually lead to my appointment as platform chairman of the Republican Party in 1960. Service on these projects fostered a long association and friendship with Nelson Rockefeller which I deeply value. That relationship was laid in concrete over 11 years ago, too, when my daughter, Sharon, married his nephew, Jay Rockefeller.

As Abraham Lincoln once said about the death of a close friend and national statesman:

His long and eventful life is closed. Our country is prosperous and powerful; but could it have been quite all it has been, and is, and is to be, without him?

When applying that quote to describe Nelson Rockefeller, the answer is "no."

Because of his character, compassion, energy, and enthusiasm, Nelson Rockefeller has touched the lives of millions of people from all walks of life, including the neglected and the weak as well as those more capable of making their own way.

We are a better nation and a better people, because of Nelson Rockefeller. He will be sorely missed.●

UNEMPLOYMENT AND CRIME

● Mr. WILLIAMS. Mr. President, the past decade has brought some of the most serious economic fluctuations in our history and, in recent recession, produced some of the highest unemployment rates since the Depression era of the 1930's. These circumstances have given increasing importance to the connection between unemployment and steadily rising crime rates during the same period.

Two studies conducted in the mid-1970's demonstrated a striking statistical relationship between the level of unemployment and prison populations. One study was commissioned by the Federal Bureau of Prisons in March 1975; the other was conducted by the Congressional Research Service in April 1974. Although neither study established a definite causal relationship between unemployment and crime, the data clearly showed that, during periods of sustained high unemployment, the number of property-related crimes, and subsequent convictions increased substantially.

In addition, the studies showed that the impact of unemployment is felt most severely in urban areas and poverty neighborhoods where jobs are scarce, economic opportunities dissolve quickly, and those with marginal skills are left behind. For the poor in these areas, a hope in the future is most often tied to a hope for economic opportunity. The individuals without that hope are caught in a predicament of economic despair, and they are the ones who dominate the statistics of violence and crime.

Now, more recent studies have begun to examine head-on the effect of high unemployment as a factor in forcing individuals to criminal acts as economic alternatives.

Jobs play a crucial role in everyone's life. They provide security, self-respect, and self-identity. Our work-oriented society most often defines an individual by what he or she does for a living. When so few jobs are available, an individual can maintain the basic motivations to persist in a job search for only so long before discouragement and hopelessness win out, and an income from crime seems to be an increasingly attractive alternative.

We have seen a clear picture of the human toll exacted from the jobless in this country during the recent recession in terms of financial ruin, broken families, the alienation of youth from the work force, lost opportunities, and the wreckage of individual lives. The recession strained our national Treasury with substantial increases in Federal unemployment and welfare assistance. Then, the fundamental decision on the part of the President and the Congress to provide a stimulus to the economy through direct job creation and employer tax incentives brought a measure of stability to the economic recovery over the last 2 years.

The President now has projected an unemployment rate of 6.2 percent in fiscal 1980 as a basic economic assumption in his budget proposals. This forecast of continued high unemployment lays a profound responsibility on the 96th Congress to create jobs and increase economic opportunities for the unemployed. The availability of jobs for those who need them is perhaps our best barometer of social health and an indispensable factor for restoring confidence in the Nation's economy.

The wide-ranging effects of unemployment have been acknowledged in numerous publications by business organizations, government, labor organizations, civil rights groups, and religious groups alike. The November 1978 issue of the AFL-CIO Federationist contains a timely article on the relationship between crime and unemployment in America.

I urge my colleagues to review the article written by Barbara Becnel, an economist in the AFL-CIO Department of Urban Affairs, which, I believe, makes an important contribution to our understanding of the effects of unemployment on the lives of the urban poor, in particular, and jobless Americans everywhere. It makes a strong case for continued efforts on the part of Federal policymakers to create more jobs.

I ask unanimous consent that the article be printed in the RECORD.

The article follows:

THE CRIME-UNEMPLOYMENT CYCLE

(By Barbara Becnel)

A segment of the U.S. society lives on the edge of the economy, where legitimate opportunities practically don't exist.

This fringe of society is found, for the most part, in the nation's urban areas. They make up an army of unemployed persons—where private sector jobs are simply not available and where there are not enough public sector jobs to go around. In addition, they are young. For many, the search for economic survival leads to a life of crime. In effect, crime becomes their employment. There are few alternatives.

These young people are victims; victims of an economy that is failing to provide the most basic of needs—jobs at decent wages for all those who are able and willing to work.

Further, they are without the economic and social support systems which their middle-class counterparts have for many years beyond high school. They are able to return home several times while preparing for a career, and before becoming independent. During the years of their education they may also be able to obtain part-time jobs and, therefore, work experience that will prove beneficial in years to come.

Such is not the case for many of the urban youth residing in high unemployment areas. Frequently, their families are experiencing severe economic hardship and are thus unable to help their offspring. Moreover, it is not unusual for the young unemployed person to be viewed by the family as an economic burden. Hence, these young people must be able to survive on their own. Unfortunately, jobs are scarce in most urban centers, and where there are jobs it is highly likely that the skills required will not match those of the inner city residents. The result is that many young people are entering adulthood without ever having had the op-

portunity to obtain valuable work experience and skills.

One result of long periods of joblessness has been high crime rates, particularly in the number of property crimes—robbery, burglary, larceny or auto theft—committed by youthful offenders. In addition, across the country, inner city youths are between 10 and 20 times more likely than other young people to be arrested for violent criminal offenses. Sustained unemployment breeds frustration, anger and despair. It promotes an explosive environment.

And a youth caught committing an offense is often stigmatized and further estranged from the labor market. Employability drops another notch.

Thus the link between crime and unemployment is critical. Unemployment contributes to crime; crime contributes to unemployment—the cycle is vicious.

This vicious cycle is reflected by an analysis undertaken in 1974 by two economists, Harold Votey and Liad Phillips. They found many youth crimes are committed in response to a lack of economic opportunities, and that youth crime rates varied not only with unemployment rates but with labor force participation rates as well. When there is a drop in labor force participation rates—the proportion of the civilian non-institutional population that is employed or actively seeking work and therefore officially counted as part of the labor force—it means that the ranks of the discouraged workers have increased. In other words, youths have given up their job search in frustration because of one job turndown after another.

This is particularly alarming in light of the low labor force participation rates of black youths. By 1976, their participation rates had reached the point where only two of every five even made an effort to obtain a job. Even when participation rates reached record highs for all young men and women, black youths in the inner city were still maintaining significantly lower participation rates than their white counterparts. To illustrate, in July 1978, the labor force participation rate for white persons 16–21 years of age was 76.8 percent. For minorities the rate was only 63.8—a gap of 13 percentage points.

Numerous other studies confirm the relationship between crime and unemployment. One, commissioned by the congressional Joint Economic Committee, shows the cumulative impact of a rise in unemployment that occurred during 1970.

That year, unemployment rose by 1.4 percentage points to 4.9 percent. The study shows that the 1.4 percent increase was associated with a 5.6 percent increase in state prison admissions and an 8 percent increase in homicides from the period 1970 through 1975. Worse, these percentages are subject to a multiplier effect in subsequent years because the statistics cited reflect only the impact of the 1970 increase in unemployment. The subsequent years' increase in unemployment is expected to approximately triple the above quoted percentage increase in state prison admissions and homicides.

Records from an organization called the Pennsylvania Program for Women and Girl Offenders (PPWGO) provide additional statistics:

96 percent of the women offenders that are provided services by PPWGO are unemployed at the time of their arrest, and

during the period 1971–73, approximately 45 percent of women in the Pennsylvania state prison or on state probation had been convicted of economic crimes such as theft, larceny and forgery;

almost half were first convictions.

An analysis of many variables that affect the size of the federal prison population has been conducted by the Federal Bureau of Prisons. And of all the variables examined this study shows unemployment was related the most positively to the federal prison population. The analysis noted that when the unemployment rate for men 20 years old or over moved—either up or down—the federal prison population increased or decreased respectively. However, the change in prison population was not immediate, with an approximate 15-month lag between the arrest, conviction and actual confinement in a federal penitentiary.

Another study, by Duke University's Center for Justice Policy, also established the clear link between crime and unemployment. This study found that parolees who were able to obtain employment were less inclined to continue in criminal pursuits than parolees who remained unemployed. This finding has significant policy implications since research shows that the unemployment rate for ex-offenders is nearly three times the overall rate of employment.

A job plays a crucial part in everyone's life. Having a job determines not only the type of life, but to a large extent how a person is seen or defined by the outside world. Indeed, a job frequently determines how a person sees or defines him or herself.

A former U.S. Commissioner of Education, Terrel H. Bell, succinctly outlined the meaning of employment in the following statement:

"Work in America is the means whereby a person is tested as well as identified. It is the way a youngster becomes an adult. Work shapes the thoughts and life of the worker. A change in atmosphere and lifestyle can be effected by an individual by simply changing the way he or she makes a living. For the most of us in adult life, being without work just is not living," Bell said.

Employment is particularly critical to the 16–24 year old. It is during this period that career patterns will be established—legitimate or illegitimate.

Yet precisely that age range is experiencing the highest rates of unemployment, and is engaging in a disproportionate number of criminal acts, particularly property offenses.

Public policy has too often been left dependent on "the law" to change anti-social behavior that is caused by economic deprivation. In other words, society has too often opted to cure crime by dealing with the results and ignoring the causes.

When people are denied the chance to grow and prosper because of inadequate economic opportunities they can be expected to suffer and to therefore react to the stress in a way that is abnormal and unacceptable in the general social framework. Crime is only one of many outcomes. Suicide, alcoholism and drug addiction are others.

Thus, age is a key factor with regard to both crime and unemployment. To illustrate, during the first seven months of this year the unemployment rate for youths between the ages of 16 to 19 averaged 16.4 percent. For young people in the 20 to 24 age category, the unemployment rate was 9.9 percent. The national average for all age groups, however, was 6.1 percent.

Further, the most recent data from the Justice Department shows that arrests for the 16 to 19 age group accounts for approximately 50 percent of all property crimes—offenses of burglary, larceny-theft and automobile theft—even though they made up only 43 percent of those charged with criminal offenses. Further, this age group represents only 17 percent of the total population.

Race is also an important factor to be considered when analyzing both the potential and accused offender populations. Blacks have always recorded unemployment rates that far exceeded the national average and, therefore, the average of their white counterparts. For example, in 1977 the unemployment rate for black males and females 20 years and older was 10.9 percent. The unemployment rate for whites in that same age category was 5.4 percent.

The rate for black youths is appalling—approximately 2.75 times the rate for whites the same age. The unemployment rate for blacks in the 16 to 19 year age group was 41.1 percent in 1977. For whites that same age the rate was 15.4 percent.

In addition, blacks are overrepresented in the number of arrests for both violent and property crimes. A little more than 47 percent of the arrests for violent criminal acts—murder, forcible rape, robbery and aggravated assault—were of black people. For property crime arrests the percentage is lower, approximately 31 percent. Whites were underrepresented in both criminal categories—averaging 50 percent of those arrested for violent crimes and 67 percent of those arrested for crimes against property, although whites make up 72 percent of the persons charged with all criminal offenses.

Offenders also come from marginal occupations, where higher levels of unemployment are common.

Nonfarm laborers, for example, averaged a 12 percent unemployment level during 1977 and a 13.7 percent level in 1976. The national average was 7 and 7.7 percent, respectively. For operatives (except transport) the rate was 9.5 percent in 1977 and 10.8 in 1976. Service workers, another high unemployment occupation experienced a 1977 rate of 8.2 percent, having recorded 8.7 percent in the previous year. Not surprisingly, releasees from federal prisons were heavily represented in these same occupations. Approximately 50 percent of the releasees from federal prisons held unskilled or service jobs prior to incarceration. Additionally, federal prisons have an over-representation of inmates whose previous occupation have been that of a laborer. In general, incoming prison populations can be characterized by their unemployment status, their irregular work history, low income levels and marginal—in and out of the labor force—work patterns.

Additionally, both potential and accused offenders have disproportionately high inner city residences. High rates of unemployment, low skill levels, large concentrations of youth and high crime rates are in abundance in urban areas. In fact, nowhere can this link between crime and unemployment be seen more clearly than in inner cities, and nowhere has the effect been more devastating.

The unemployment rate of central cities has increased precipitously in recent years, moving from 4.8 percent in 1970 to 8.9 percent in 1976. These high rates can in part be attributed to the large concentration of unemployed blacks that are housed in inner cities. Indeed, nearly 60 percent of unemployed blacks live in central cities as compared to 27 percent of unemployed whites.

Justice Department data show that the rate of arrests per 100,000 inhabitants is quite high for cities with populations over 250,000. For example, in the violent crime category the arrest rate per 100,000 was 882. In other words, for every 100,000 residents in a city with a population of over 250,000, 882 were arrested for committing violent crimes. The corresponding arrest rate for suburban areas was 137 per 100,000 inhabitants; and for rural areas 128 as of 1976, the most recent year available.

Arrest rates for property crimes were much higher, registering 1,100 per 100,000 for cities with a population of 250,000 or more; 753 for suburban areas; and 407 for rural areas.

Certainly, the concentration in urban areas of distressing, high-crime conditions has played a major role in the decision of many firms to leave urban areas, which in turn, further exacerbates the job shortage and feeds the appalling conditions that prompted the firms' flight.

Accompanying this flight has been a loss in annual personal income for cities. In the two-year period 1976–77, alone, central cities lost

$18.1 billion in aggregate annual personal income. In general, those that are leaving the city have higher incomes than those that are left in central cities.

Thus, the unemployed, low income, unskilled urban dweller who is a potential, if not already accused offender, must be provided meaningful economic alternatives to crime. On the whole, however, existing policy and programs have yet to provide those alternatives.

Basically, current programs can be broken down into two major categories:

Programs that make crime more costly to the offender; and

Programs that provide employment and training for the offender.

With few exceptions, there is very little emphasis being placed on programs designed to deter the potential offender.

It's a popular concept that making punishment severe and swift is a sure-fire way of eliminating high crime rates. Many economists have translated this concept into a cost-benefit analysis which suggests that by increasing the cost of crime—making sentences more harsh and swift—to the criminal, it will reduce crime rates.

But this approach only gets at those persons that commit crimes and are apprehended and convicted. So a measurable reduction in the crime rate will come about only if a small number of crimes go unsolved. Also, this approach has the critical flaw of not dealing with the person outside of the mainstream economy—the fringe person, or potential offender. If anything, the swift and sure punishment approach will probably succeed at making the potential offender improve his or her defenses against getting caught, since the root reason for committing the crime—lack of economic alternatives—will still exist.

The experience with employment and training programs for offenders has been numerous and varied. Nonetheless, this approach recognizes the need for an offender to be provided with economic stability. However, these programs also have problems—such as training that provides no employment or only marginal and low paying employment with limited, if any, upward mobility.

Successful employment and training programs must provide not only jobs for ex-offenders, but also potential for advancement to jobs of some quality. In fact, reducing recidivism may hinge on the issue of the kind of jobs made available.

In a study conducted by George Pownall and Daniel Glaser, parolees were observed to be considerably selective in the type of employment they were willing to accept. This held true even though the labor market held out few, if any, quality jobs to parolees. Still, parolees were loath to accept low-quality, deadend jobs. These observations were reconfirmed by research undertaken by economist Philip Cook of Duke University.

In Cook's 1973 study of parolees from Massachusetts penitentiaries, it was observed that parolees over the age of 25 tended to remain on a job longer if the pay was relatively high. Further, Cook discovered that parolees stayed on the job one month longer for every extra $7 per week they were paid.

The AFL–CIO Human Resources Development Institute (HRDI) has taken note of the direct link between recidivism and the quality of jobs—and is thus one of the exceptions to the rule. HRDI—the manpower arm of the AFL–CIO—offers a wide range of employment assistance programs for ex-offenders. Further, HRDI's programs acknowledge the ex-offenders need for a decent, well paying job. One such program—Job Development and Placement—places more than a thousand ex-offenders a year in jobs. Moreover, the jobs are primarily with companies that have union collective bargaining agreements. And studies have shown that union jobs pay higher wages than comparable non-union jobs. Moreover, union jobs offer stability and potential.

HRDI has representatives in more than 50 cities that work with employers on job development for offenders. These representatives also work with employers to revise employment practices that bar ex-offenders from being able to obtain employment. In New York state alone, ex-offenders are barred from more than 40 occupations. Such policies restrict even further the already limited employment opportunities of ex-offenders.

In addition, HRDI has established an offender job counselling program that enables HRDI representatives to work with prisoners and the courts in assessing an ex-offenders future employment plans. Ex-offenders are helped in determining their skill level and are assisted in locating training if needed.

HRDI also provides a job referral service to newly released inmates throughout the nation. Prior to an inmate's release, HRDI staff in the city where the penal institution is located contacts an HRDI representative in the city where the released inmate is returning. The HRDI staff in that city, upon the release of the prisoner, helps the former inmate obtain a job.

Additionally, HRDI serves as an innovative program developer for labor groups and companies interployment and earnings for the program participants.

Thus solutions based on the opening up of economic opportunities are successful because they deal with the cause of crime, instead of the crime itself. The alternative to this type of approach—doing nothing—carries a cost that is far too high, a cost this nation cannot afford to bear.

Yet, this truism has to a large extent been ignored. The argument used to defend a do-nothing policy is best described by the following excerpt from Edward Banfield's book, The Unheavenly City:

"So long as the city contains a sizable lower class, nothing can be done about its most serious problems. Good jobs may be offered to all, but some will remain chronically unemployed. Slums may be demolished, but if the housing that replaces them is occupied by the lower class it will shortly be turned into new slums. . . . If, however, the lower class were to disappear . . . the most serious and intractable problems of the city would disappear with it."

Thus Banfield and his followers view class status, in and of itself, as the cause of crime and other socially deviant behavior. By taking such a position, society is let off the hook. Clearly, solutions based on Banfield's premise ignore the necessity of an economy that provides adequate opportunities for all Americans.

However, Banfield's lowerclassness theory should not be dismissed, insofar as it does represent the thinking of many policy makers. The oft-repeated accusation says that the poor and less fortunate are that way because they want to be and because they are lazy and immoral and don't really want a job.

These arguments can be countered by observing facts. A recent event in New York City provides an excellent example of how desperately the poor and jobless want and need to be employed, and how they want to better themselves.

The International Brotherhood of Electrical Workers announced that it was accepting applications for 500 apprentice openings. Over 1,000 men and women showed up, standing in line for as long as four days, literally camping out on the sidewalks for less than a 50–50 chance that they would obtain employment. One of the applicants was a mother of six children who had been on welfare for 16 years.

Another illustration can be found in New York City's handling of its summer jobs program funded under the federal Comprehensive Employment and Training Act (CETA). The demand for jobs by minority poor was so high that New York Mayor Edward Koch was forced to institute a lottery. There are many such examples that could be cited.

Thus the evidence shows an army of unemployed and discouraged workers not only able, but willing to better themselves if only the opportunity presented itself. But, in fact, the jobs, the opportunities are not there.

Furthermore, to make matters even worse, an August 1977 report issued by the Long Island Consumer Action Organization found that the poor and the jobless could expect to be thwarted in the most common of job search methods—that of looking in the "Help Wanted" section of the newspaper.

The report showed that 80 percent of the "Help Wanted" ads in four New York newspapers were deceptive, misleading, or the jobs were not available. Discrepancies included the "bait-and-switch" tactic—come-on ads that lure people in for jobs that are different from those that are advertised.

Much is lost by the lack of a comprehensive jobs policy that attacks the root cause for socially deviant behavior. The cost of the alternative—that of doing nothing—is immense both in economic terms and in human deprivation.

In purely economic terms, the cost of maintaining a high level of unemployment, thereby limiting economic opportunity, is staggering. Dr. M. Harvey Brenner of Johns Hopkins University has gathered data on the topic, and estimates that the 1.4 percent increase in unemployment sustained from 1970–75 alone has cost the nation $210 million from the increase in imprisonment in state institutions; and has cost $434 million resulting from the increase in homicides.

These cost estimates were calculated by including foregone incomes of deceased or incarcerated workers, as well as direct money outlays for prison maintenance.

And this does not take into account the other social pathologies caused by lack of economic opportunity—suicides, state mental hospital admissions and heart disease. When these are tallied the economic loss to the nation is an additional $1.5 billion. And again, the situation is really much worse than the numbers reveal since there is a multiplier effect, and the figures just quoted only relate to the 1.4 percent sustained increase in unemployment that occurred during 1970. Since then, the unemployment rate has sustained many additional increases; thus, these dollar figures would be significantly higher if the calculations were brought up to date.

However, the human tragedy reflected by the social ills that were measured to determine monetary value is the most important cost for maintaining an economy that does not provide opportunities for all. It is the high crime rate, the increase in drug and alcohol addiction, the breaking down of the family, the frustration and the despair that are immeasurable, yet is the most serious cross to bear.

Which brings us full circle. Again, the key ingredient needed to reduce the level of crime, to rebuild the nation's urban economic base, and to restore the nation's confidence is jobs. Jobs that reduce unemployment and increase purchasing power are essential to a national environment in which crime rates are low, and in which people and communities thrive and prosper. Providing economic opportunities for all Americans is, in fact, the only answer.●

THE YEAR OF REGULATION

● Mr. PERCY. Mr. President, I want to call the attention of my colleagues to an

excellent column which recently appeared in the National Journal and subsequently in the Washington Post on the subject of regulation and regulatory reform.

The article, by regulatory specialist, Timothy B. Clark, notes that in the midst of all the protests and publicity about the administration's new budget, the press has generally overlooked the fast growth of sentiment in the country, and I believe here in Congress as well, for cutting down on burdensome Government regulation. We must exercise fiscal responsibility; we must practice austerity on the budget side during the coming session of Congress. But, equally important, we must assure that our efforts to cut back on Federal spending, and to balance the Federal budget, are not frustrated by actions we take—or fail to take—in the area of regulation. Federal regulation now costs at least $100 billion a year, and new regulations are issued by the dozens every day. We must begin to get control of the process.

Senator RIBICOFF and I, and several of our colleagues, have introduced legislation to carry out the recommendations made in the final volume of the Governmental Affairs Committee report on Federal regulation. We intend to give it expeditious action. In addition, I, along with Senate Majority Leader BYRD and Senator RIBICOFF, will soon reintroduce the Regulatory Reform Act of 1979. This measure, which I first introduced in the 94th Congress, provides a specific mechanism for review and "sunset" of regulatory agencies by Congress. It passed the Senate in modified version as an amendment to S. 2—Sunset Act—last fall and will be considered this year in conjunction with other regulatory reform proposals under the jurisdiction of the Governmental Affairs Committee.

I commend Mr. Clark and the National Journal for providing an incisive look at what should truly be the year of regulation, and want to make note of the fact that the Journal, in conjunction with the American Enterprise Institute, will sponsor a major conference on Federal regulation on May 21 and 22 in Washington, D.C.

I ask unanimous consent that the article be printed at this point in the RECORD.

The article follows:

THE YEAR OF REGULATION

To the Chinese, 1979 is the year of the sheep. To domestic liberals, it will be the year of the budget. To a small but growing number of people in and outside the federal government, however, 1979 promises to be the year of regulation.

On the front pages of the nation's newspapers, news of the freshly fashionable Chinese and of hot disputes over President Carter's austerity budget for fiscal 1980 will predominate. But regulatory issues, usually relegated to the business pages, will be found increasingly in the main news sections—even occasionally on the front page, if only below the fold.

This prediction is prompted, at least in part, by a report released in mid-January by the Senate Governmental Affairs Committee, the sixth and final volume in a two-year study of federal regulation.

If 1979 is to be the year of regulation, or more specifically, of regulatory reform, it will be the result of congressional and Administration perceptions of the public mood. Proposition 13, said the Senate report, is an important "indicator of a groundswell of public uneasiness with the present course of goverment and the consequent burdens that are imposed on citizens." Coincidental events within a few weeks of the June 6 passage of the California tax reduction initiative could not help but reinforce the public's worries about "the cost and efficiency of government," the report continued. It cited headline-making events like these:

On June 15, the U.S. Supreme Court ruled that the Endangered Species Act required abandonment of the Tellico Dam project, at a cost of $53 million, to protect a three-inch fish known as the snail darter.

On June 16, the government announced that 13 federal agencies spent $36 million in three years to comply with provisions of the Freedom of Information and Privacy Acts.

On June 22, The New York Times reported that the efforts of the Occupational Safety and Health Administration (OSHA) to protect workers were largely a failure, and that losses attributable to sickness and injury continue to skyrocket, costing the economy an estimated $5 billion a year.

There were other examples, and "with news such as that appearing day after day," said the report, "it is little wonder that there is a deepening public concern about the effectiveness of government programs, particularly those which attempt to regulate business activities."

In 1978, that concern began to filter into the consciousness of policy makers in the White House, in Congress, in think tanks and in academic groves and, to an ever-increasing degree, in leading business groups. A short recital of the highlights makes the point.

Just about a year ago, President Carter appointed a Regulatory Analysis Review Group, led by his economic and budget advisers, to recommend cost-cutting steps in forthcoming major regulations. He followed that in March by issuing an executive order requiring all agencies to prepare detailed "regulatory analyses" of contemplated major actions, assessing alternatives, including dropping the proposal. In early summer, he personally intervened to reduce the costs of an OSHA regulation to protect textile workers from disease caused by cotton dust. And in October, he appointed the heads of major regulatory agencies to a new U.S. Regulatory Council, whose job it is to achieve better coordination and cut costs.

And the Administration, first on its own and then by successfully pressing for legislation, deregulated the airlines to a significant degree—cutting costs for travelers and boosting profits for the airlines.

The Commerce Department, meanwhile, commissioned a number of studies of new approaches to regulation—including the development of a "regulatory budget" whose aim would be to give Administration officials control over the inflationary impact of costly regulations.

In academic circles, Murry L. Weidenbaum of Washington University in St. Louis updated his study of the costs of federal regulation, predicting that the private and public sectors would spend at least $100 billion on compliance in 1979. The American Enterprise Institute for Public Policy Research got rolling with its new bimonthly magazine, *Regulation*, which is now required reading among regulatory specialists.

Business, which complains more loudly than anyone else about the costs of regulation, began to get organized. The Business Roundtable commissioned a year-long study by Arthur Andersen & Co. of the costs to 40 companies of complying with the regulations of six federal agencies. And the Ford Motor Co. issued a comprehensive study of the effects of regulation on its operations.

We can look for more in 1979. On Feb. 1, the Regulatory Council will complete its first major task, publishing a "calendar" of major upcoming regulations. About two weeks later, the Commerce Department will publish the results of its own study of regulatory costs, putting public and private expenditures this year at $150 billion to $200 billion. In the near future, too, the Business Roundtable will make a splash with its cost study. And the Administration will push for regulation of the trucking and railroad industries.

But if 1979 is to be the year of regulation, it will be because Congress makes it so.

The issuance of the Senate committee report was one important sign. By a unanimous vote, the committee recommended that each regulatory agency publish estimates of costs, benefits and other impacts of all of its proposed rules, in effect expanding upon and giving a statutory base to Carter's executive order.

"Today, people are questioning what government can and should do," said committee chairman Abraham Ribicoff, D-Conn., "That questioning, combined with persistent high inflation, has increased our awareness of the need to carefully reexamine federal regulation."

So if 1979 is the year of regulatory reform, it will be because Congress, which has the last word, perceives a popular message to pass legislation to reduce, not increase, the burden of regulation.●

ADDRESS BY SENATOR STEVENSON AT THE ANNUAL CONFERENCE OF THE INSTITUTE FOR SOCIOECONOMIC STUDIES

● Mr. MOYNIHAN. Mr. President, on December 13, our esteemed colleague, the distinguished junior Senator from Illinois delivered an address of the foremost importance on "Economic Interdependence—the World at a Crossroads" at the annual conference of the Institute for Socioeconomic Studies. His learned and provocative observations on the world economy and on the place of the United States in that economy should command our attention. To that end, and so that they may also have the wider audience that they deserve, I request that the text of his remarks be printed in the RECORD.

The address follows:

ECONOMIC INTERDEPENDENCE—THE WORLD AT A CROSSROADS

(By ADLAI E. STEVENSON)

In the 70's fundamental change occurred in the U.S. economy, and its relation to the world, which is still unrecognized, let alone acted upon. Food prices rose with wheat sales to the Soviet Union. Energy price increases rippled out to inflate the price of every commodity and service at every stage in its production and distribution. The monetary systems forged at Bretton Woods collapsed. In the 70's international liquidity increased at five fold the rate of the 60's. And the nation suffered double digit inflation, recession and high unemployment. This phenomenon of simultaneous inflation and economic stagnation is significant in itself—but more so as a symptom of change to which other nations, more disciplined and pragmatic, are adjusting more readily than we. This is a highly competitive interdependent world for which the appropriate policies and institutions are not devised.

Bismarck once said "God holds His hand quite particularly over fools, drunkards and the United States of America." If not withdrawn, God's hand now shelters others. The development of the United States was fueled

by something more than the genius proclaimed by orators each fourth of July. It was fueled by labor from Africa and Europe, by abundant raw materials, including oil, and seemingly endless frontiers. For a time recently the United States virtually controlled the world's capital. Its technology was preeminent. All that is abruptly changed.

Now economic interdependence is more than a cliche. We are left to compete in a highly competitive world with many of our natural advantages, if not God's hand, withdrawn. Nations are each dependent on others for food and energy, for markets and supplies, for technology and capital—and this nation is no exception. The U.S. must scramble for its share of the world's resources and markets. And it is left to do so with a government intimidated by new ideas and the public reaction to the grossness of recent years. The dollar has declined like a barometer of world confidence in our ability to discipline ourselves and compete. A few weeks ago, the world was close to the brink of financial panic, only to be pulled back by emergency measures to rescue the dollar.

The dollar's value will continue to be buoyed by self-fulfilling expectations of its continued use against major currencies. And next year the American balance of payments deficit may be somewhat reduced by gold sales and lower growth rates in the U.S. than in some nations abroad. But our measures are reflective and anachronistic. They deal with symptoms and rarely address the phenomena which gave rise to the necessity for them. High interest rates and indiscriminate budget cuts will retard investment, add costs to the production of goods and services and force recession which will be followed by more budget deficits.

Without some attention to increased productivity and the institutions of world commerce, these measures offer a high risk of inflation, recession and political instability. The economic and political imponderables of an undisciplined world increase the risk of failure for policies modeled on abstractions from the 18th century.

I sense that the contest of ideas in America is between those improbable bedfellows who would return to the stand pattism of the 50's and those activists who would enlarge upon the welfare statism of the 60's—and that both are wrong or premature. Some attention ought to be paid the foundations of the economic system or it will not sustain social progress or national defense.

In the late 60's the United States acted with vision, as it had not twenty years earlier. It led the rebirth of the free world. More than any other nation, the United States created the institutions of trade and finance which brought the world a measure of sustained peace and prosperity.

Now the world is again at a crossroads. World population may increase by fifty percent before the end of the century. Already much of mankind is living close to the margins of existence, as sources of food and fuel are depleted or priced out of reach. Nations, dependent on each other, are moved by economic expediencies and animosities spawned by history and ideology to seek independence. The invisible hand of Adam Smith has become the visible hand of government subsidizing exports and restricting imports. Cartels in the U.S. and other interests stand the law of supply and demand on their head. Much of the world acknowledges no such thing as a free market. And where the price mechanism is relied upon to allocate goods and resources, other factors are at work. The price mechanism does not automatically redress a balance of payments deficit, as was confidently predicted by the theoreticians when the dollar was unlinked from gold.

Western Europe had a two percent growth rate last year. Growth rates will not be high enough to prevent unemployment from rising in nearly every market country next year. Inflation rages the world trade is stagnant. International debt has quintupled since the oil price hikes in 1973. The credit requirements of nations and industries exceed the resources of official and commercial credit facilities. Consumer debt at home has reached $300 billion, much of it incurred in anticipation of inflation. Investment in productive enterprise and innovation is flagging the world over. And payments deficits are aggravated by the continued failure of nations to conserve energy and expand energy supplies. This is not a condition which will be improved by twelve percent interest rates and indiscriminate budget cuts for everything except defense.

In the 20's the United States failed to offer the world economic leadership and invited world depression—and depression with all the inadequacies of the first war's settlement, led to the next war.

We could acquiesce in the economic and political turbulence of which Iran is a portent—We could act to restore U.S. authority in the world—not with irrelevant and debilitating response systems. The U.S. could act to renew the institutions of world finance and trade, and broaden the framework for global cooperation. We could gear up to meet the foreign economic competition abroad and at home and win.

Reform of the international monetary systems began with American leadership at Bretton Woods. That leadership needs to be renewed. International exchange uncertainties are depressing world commerce. Facilities for the financing of payments deficits are limited. American leadership could develop a universal monetary system which included the OPEC surplus countries and the nonmarket countries. It would bring down artificial barriers between East and West, bring in OPEC surpluses and move the world toward freely convertible currencies and a universal medium of exchange. Over reliance on the dollar or any other national currency exposes world commerce to excessive fluctuations and uncertainty. What is more, policies appropriate to the reserve status of the dollar can conflict with our domestic objectives of growth and employment. The impact of twelve percent interest rates on capital formation, consumer spending and housing may soon make this point clearer than it is today.

We could realize this objective of a reformed global monetary system more easily than our limited vision permits us to understand.

An enlightened American would once again lead an effort to assure capital for the production of raw materials, manufactures and other goods and services in the world. The World Bank's program to stimulate energy research and production in the developing countries is a step in the right direction. The United States could join with other nations in new institutional means of investing capital and technology world-wide in the production of energy. It is, however, still preoccupied with an illusory notion of energy independence.

Sweden and Canada have established foundations which facilitate the application of technology to the development of the least developed nations. The United States could join that effort. Better yet, it could lead it.

We might with more vision implement the demand management policies of the past with global supply management policies for the future and come to grips with the dominant causes of inflation—and the dangers of depression. Contrary to the logic of demand management, inflation accompanies unemployment in this era. With some imagination, growth might be associated with stable prices. Investment in the production of essential goods and services is an altogether more promising means of controlling inflation than decreasing demand for them. It also is the key to practical stability and the nation's security. Iran should remind us that the instability of a critical regime is rooted more so in the indigenous sources of discontent than the external sources of subversion which exploit them.

In 1953 Japan had two percent of international exports. Today it has seven percent. In the same period the U.S. share of exports declined from twenty percent to twelve percent. And now a new wave of competition looms from LDCs and non-market countries combining high technology, low labor costs and priorities that rank social welfare benefits and environmental protection behind development. China is moving to harness its natural resources and 800 million disciplined, industrious people to its economic development.

The U.S. is reacting to foreign economic competition—but perversely.

This year the Congress passed legislation to undermine the trade negotiations by taking textiles out of them. Congress is pressured to follow the British course of protecting and subsidizing failing industries at the expense of all industry, dragging the country down instead of moving ahead, as do the Japanese, to develop new markets, new products and new industries.

A forty percent tariff cut would generate about $125 billion in additional trade for the industrial countries alone. The United States would net a gain of about 120,000 jobs. Reductions in barriers to agricultural trade and a reduction of non-tariff barriers would add hundreds of billions of dollars more in economic benefits for all participating countries. But we may go the other way. And even if the Tokyo Round is completed and approved, it will be time for another. This battle of reciprocal advantage versus reciprocal disadvantage never ends. An enlightened America will seek to bring more nations into the negotiations and more items of commerce, and develop the institutional means of disciplining the world through the review of complaints about unfair trade practices, disclosure of such practices and means of enforcing codes of fair trade.

Instead of protecting ourselves from foreign competition we could set out to meet it and benefit from it. Competition rewards efficiency and stimulates innovation. In this age of administered prices, foreign competition is sometimes the only effective competition. It is deflationary.

Conventional wisdom attributes the trade deficit to oil imports. Obviously an oil bill of $40 billion is a major cause of that deficit. But other nations more dependent on foreign sources of raw materials, including fuels, run trade surpluses. And if you eliminate the U.S.-OPEC trade deficit, you find that the United States trade is still in deficit. Dependence on more expensive foreign oil will grow. And so will foreign competition. In 1976 the United States ran a $17 billion trade surplus in manufactured goods; now it is running a trade deficit in manufactured goods. The United States can't compete with cheap labor or raw materials anymore—or by controlling the world's supply of capital. It can compete by retaining its capacity for technological innovation, developing and producing competitive products and marketing them aggressively.

The opportunities are large, but the vision and the will are short. Labor seeks protection. Business seeks more export subsidies. The Administration seeks to take them away. And only the farmers seem aware of the global dimension of the market—and they would price themselves out of it.

The U.S. is asleep. You might ponder what it could do if it awoke. It would be a more credible negotiator in trade talks if it demonstrated that it was not only prepared to protect its own markets from unfair trade—

but also prepared to penetrate foreign markets with its exports.

Exports are the province of the largest American corporations, though the benefits trickle down. Small corporations are left out, except as suppliers to the large. Already there is scarcely an American product that is any longer unique in the world. The quality of American products is sometimes inferior. Our global marketing is often weak, especially when compared to the Japanese trading companies and German chambers of commerce. American productivity is weighed down by unnecessary transactional and societal costs. Our rate of productivity gain is lower than in any other industrialized country except Britain. Between 1975 and 1978, productivity increased by over twenty percent in Japan—by two percent a year in the U.S. Foreign governments go all out to pay the oil bill and beat us with barriers to our imports, subsidies for their exports and support for development of export industries. In the United States the effort to develop a comprehensive export policy is only now beginning.

This effort is hindered by the consuming notion that every affliction of mankind can be cured by another law or the withholding of American patrimony from errant nations. The Congress has difficulty resisting the temptation to legislate the conduct of foreign policy for which it is neither competent nor intended by the Constitution. Thus, U.S. participation in the World Bank and regional development banks is subject to well-intentioned but mischievous human rights restrictions. The IMF has been similarly threatened, as is the Exim Bank. MFN and credits for non-market countries are linked to assurances with respect to their emigration policy. Now environmentalists are seeking to subject Exim-supported exports to environmental impact statement requirements. Thirty years ago we led the effort to create the economic institutions of the world. Now, like others, we seek to politicize them.

The efforts to condition U.S. participation in world commerce upon the extraterritorial reach of U.S. laws and social priorities and the opposition of business to them imply that the economic, political and moral purposes of the U.S. do not coincide. A more hopeful and ultimately more humane basis from which to proceed is to recognize that such interests can converge. The anti-boycott law effectively reconciled the protection of American sovereignty with a recognition of its economic interests in the Middle East. Instead of conditioning trade with non-market countries on their emigration policies, MFN and credits could be subjected to periodic review in Congress and the Executive branch implying that the continued availability of both would depend on Soviet conduct and a broader range of U.S. interests. Both political and economic objectives could be served by a process which normalized the commercial relationship while making it clear that the extent of that relationship depends upon a continuing accommodation of political interests in the world. It is imprudent for one side, be it business, the environmentalists, or the Jewish community, to go all out to beat the other. One side and, therefore, at least one interest of the United States is likely to be defeated unnecessarily. A more accommodating and pragmatic outlook is necessary if we are to stop inflicting damage to our inseparable economic and strategic interests.

The competitiveness of the United States in this competitive world will require a good deal more than Exim Bank and Commodity Credit Corporation credits and the tax incentives which are most commonly mentioned.

In the name of competition, anti-trust laws sometimes prevent effective competition by the U.S. in the global marketplace. We ought to permit trading companies which could represent small as well as large American businesses throughout the world, absorbing exchange rate fluctuations as a day-to-day basis and meeting foreign competition everywhere. The commercial banks could be involved in a major effort to educate businesses, especially the small businesses, to the opportunities and methods of exporting, servicing and facilitating their export transactions. The United States could package large export transactions including everything from nuclear power plants to Catepillar tractors. Trading companies with government cooperation facilitated by a new Department of Trade could help put such package together. And such a Department, consolidating international trade and investment responsibilities, would help centralize accountability and elevate the job to one of prominence and authority in the United States, as in other nations.

Agricultural policy should be reviewed. Instead of paying farmers to decrease the production of food, while supporting food prices at artificial levels, farmers could be encouraged to produce food at price levels determined by the market. As it is, we react to last year's surplus, instead of tomorrow's hunger and price food out of world markets. Farmers could be supported with cash payments while food prices were allowed to find a market level with deflationary consequences at home, as well as enlarged market opportunities for meat and grain producers abroad.

Technology is the basis of our ability to compete. The most technology-oriented industries, aerospace for example, are the most competitive and export-oriented. Instead of subsidizing non-competitive industries along the British line the government might with more wisdom assist in the development of new industries, new products and new manufacturing processes as do more aggressive nations. U.S. investment in R & D is declining in relations to the other countries, and U.S. industry has been shifting investment from innovation to product improvement with an eye to next month's profit and loss statement instead of the next decade's. In the 1960's hundreds of small technology oriented companies were formed each year in the U.S. By 1977, the number had reached zero. To retain our technological preeminance requires tax incentives for capital formation and R & D and institutes to combine the research efforts of government, academia and industry.

A recommitment by government to basic science and industrial innovation, including the commercialization of new technology, is essential if the United States is to compete and benefit mankind where best it can. Next year the space shuttle will be launched—but in our doldrums we do not know what to do with it. With no more money, but with more imagination, space could be routinely utilized for the benefit of earth. Or else we give it over to the Russians.

The adversarial relationship between industry, labor and government could be put behind us as in other countries. While the Japanese government is combining and subsidizing its electronic data processing industry, the United States is trying to break up IBM—which next year will encounter the fourth generation of Japanese computers.

It is time the U.S. awoke, puts its house in order and gave itself and the world the leadership of which it is capable. We have wandered like Gulliver into the land of Lilliputia and are tied down by strands of minutiae, reorganization plans, webs of regulation and zero base budgets. The growth industries of America are the law and accounting firms and gambling businesses and government itself. We are not exalted to high levels of endeavor by zero base budgets and Propositions 13. We would with more imagination restore the old entrepreneurial spirit now under assault from impersonalized forces of government, labor and business and the animating Jeffersonian ideals of excellence and individual freedom now threatened by an egalitarian ethic. We seek to redistribute profit at some risk of no longer making it.

The capacity of democratic governments everywhere to act decisively is in doubt. The governments of most industrialized nations are weak. In the third world they are often unstable and susceptible to forces of internal dissatisfaction and sometimes external subversion. And we are preoccupied with unproductive and unuseable weapons systems and economic and political orthodoxies better suited to the past than the turbulent and interdependent world in which we live.

The nation is presented with choices not unlike those if faced in the 20's and 40's. It could choose to protect itself from foreign economic competition. That choice in the 20's was the proximate cause of world depression which led to the disarray of the democracies and the next war. Or it could move to meet the competition of food, adapt anti-trust laws to a global market. It could recommit itself to basic science and technological innovation. New frontiers in space could be pushed back with the American space shuttle and that benign environment utilized routinely for the benefit of mankind. It could move as it did in the late 40's to build world institutions of trade and money and development. It could recognize that it is ultimately more hopeful for mankind to increase the production of essential commodities and services than to decrease the demand for them. There is no limit to what the U.S. could do with ingenuity and entrepreneurship—and an emboldened government.●

ENERGY CONSERVATION GUIDE

● Mr. HART. Mr. President, one of the questions I frequently get from constituents is, "Where can I get more information about energy conservation?" The question comes from homeowners interested in upgrading insulation, local officials looking for financial and technical assistance, small businessmen trying to get into the burgeoning conservation and many others.

The answers to such a seemingly simple question can be hard to come by, but now the task may be a little easier—thanks to an easy-to-use guide to Federal energy conservation programs prepared by the Environmental Study Conference.

As Cochairman of ESC and on behalf of House Cochairman JIM JEFFORDS, I submit a newly updated guide to be printed in the RECORD.

GUIDE TO FEDERAL ENERGY CONSERVATION

(By Tee Cowperthwaite and Ken Murphy)

The goal of this Fact Sheet is to help congressional offices help their constituents—average citizens, businessmen, local officials and others—sort through the maze of federal programs aimed at promoting energy conservation.

The programs described here range from education and technical assistance to grants, loans and tax credits. It does not deal extensively with research and development. Solar energy programs are covered in a separate ESC Fact Sheet.

The contacts listed are the key officials congressional offices should call for assistance. All telephone numbers are area code 202 unless otherwise noted.

USER INDEX

This index lists programs according to the specific groups or individuals who may

benefit. Many programs are listed more than once.

Homeowners

Internal Revenue Service, Residential conservation tax credits.

Department of Energy, Energy Extension Service, Residential Conservation Service, appropriate technology grants, technology and information dissemination, and, energy education.

Housing and Urban Development community development block grants, and section 312 loans.

Community Services Administration.

Veterans Administration

Department of Agriculture, Farmers Home Administration, and Extension Service.

Tennessee Valley Authority, home insulation loans and certified heat pump installation.

Consumer Product Safety Commission.

Federal Trade Commission.

Renters

Internal Revenue Service, Residential conservation tax credits.

Department of Energy, Energy Extension Service, Residential Conservation Service, Energy education.

Community Services Administration,

Department of Agriculture, Farmers Home Administration, Extension Service.

Tennessee Valley Authority Home insulation loans.

Low-income/elderly handicapped

Department of Energy, Energy Extension Service, weatherization grants, residential Conservation Service, and consumer impact/citizen participation.

Housing and Urban Development, community development block grants, and section 312 loans.

Community Services Administration.

Department of Agriculture, Farmers Home Administration, and Extension Service.

Health, Education, and Welfare, grants for programs on aging.

Schools/hospitals/nursing homes

Department of Energy, schools, hospitals, public buildings grants, faculty development, educational materials development, and workshops/seminars.

Health, Education, and Welfare, energy conservation in health care, energy and education, and environmental education.

Business/industry

Internal Revenue Service, Business energy tax credits.

Department of Energy, Energy Extension Service, Residential Conservation Service, appropriate technology grants, Federal energy center, energy conservation in transportation, industrial conservation, industrial energy reporting, energy analysis and diagnostic centers, small business energy cost reduction, and workshops/seminars.

Housing and Urban Development, product research dissemination, and loan insurance for multi-unit housing.

Department of Commerce, energy conservation, professional services grants, energy conservation outreach/promotion, and maritime industry conservation.

Small Business Administration, energy loans and small business training.

Department of Agriculture, Food Safety and and Quality Service.

General Services Administration.

Tennessee Valley Authority, waste heat utilization and cogeneration.

State/local governments

Department of Energy, State energy conservation, supplemental state program, Energy Extension Service, weatherization grants, schools, hospitals, public buildings grants, appropriate technology grants, energy conservation in transportation, Project Conserve, and local government energy conservation.

Housing and Urban Development, community development block grants and product research dissemination.

Community Services Administration.

Department of Commerce, energy conservation and professional services grants.

General Services Administration.

ACTION.

Rural/agricultural users

Department of Energy, Energy Extension Service and appropriate tchnology grants.

Community Services Administration.

Department of Agriculture, Office of Energy, Farmers Home Administration, Extension Service, Rural Electrification Administration, Forest Service, Agricultural Stabilization Service, and Soil Conservation Service.

Tennessee Valley Authority, waste heat utilization.

Builders/architects/engineers

Department of Energy, Energy Extension Service, Residential Conservation Service, appropriate technology grants, technology and information dissemination, and Workshops/seminars.

Housing and Urban Development, loan insurance for multi-unit housing.

Department of Commerce, energy conservation.

Tennessee Valley Authority, super saver electric homes and certified heat pump installation.

General Services Administration.

INTERNAL REVENUE SERVICE

Residential insulation and conservation tax credit

Homeowners and renters are eligible for a non-refundable tax credit of 15 percent of the first $2000 spent on purchasing and installing conservation equipment, for a maximum $300 credit.

Qualifying equipment includes insulation, caulking and weatherstripping, modified flue openings, storm doors and windows, automatic furnace ignition systems and clock thermostats.

Property claimed for credit must be installed between April 20, 1977, and December 31, 1985, in the taxpayer's principal residence already in existence on April 20, 1977. New homes do not qualify. Condominiums and cooperatives are eligible when they are the principal residence. Vacation homes are not included.

If the authorized credit exceeds the tax owed, it may be carried forward on future tax returns through 1987.

The appropriate form (No. 5695) and a booklet explaining the credits are available from regional IRS offices.

Congressional contact: Walter Woo, Legislation and Regulation Division, Office of the Chief Counsel, Room 4311, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. 566-3734.

Business energy tax credits

Businesses can qualify for a 10 percent investment tax credit for new equipment that uses a fuel or feedstock other than oil or gas or that increases efficient fuel use. This credit may be claimed in addition to the current 10 percent credit allowed for investments in business property. The credit is not available to utilities. Except for solar equipment, the credits are non-refundable and cannot be carried forward.

Qualifying equipment includes:

Boilers and other combustors that use coal or an alternative fuel.

Modifications to permit existing equipment to burn a fuel that is less than 75 percent oil or gas.

Equipment for producing synthetic liquid, gaseous or solid fuels.

Pollution control equipment required for the above equipment.

Solar or wind equipment to provide heat, cooling or electricity for an existing or new building or industrial or commercial process.

Equipment that recovers or reduces waste industrial heat, recycles solid waste, or produces oil from shale rock or methane gas from geopressurized brine.

To discourage industrial use of oil and gas, the National Energy Act denies the existing 10 percent investment credit and accelerated depreciation to businesses that install oil or gas boilers, except where required by air pollution rules.

Rapid depreciation would be permitted for oil and gas boilers that are retired before the end of their useful life to be replaced by boilers using other sources of energy.

Contact: Bob Bley, Legislation and Regulation Division, Office of the Chief Counsel, Internal Revenue Service, Room 4108, 1111 Constitution Avenue, N.W., 20224. 566-3378.

DEPARTMENT OF ENERGY

State energy conservation

One of the Department of Energy's major conservation efforts is called the State Energy Conservation Program and was established on December 22, 1975, by the Energy Policy and Conservation Act and amended in 1976, by the Energy Conservation and Production Act.

The aim of the so-called SECP program is to reduce energy consumption projected for 1980 by 5 percent. All 50 states, the District of Columbia, Puerto Rico, Guam, American Samoa and the Virgin Islands are participating. They received a total of $112.5 million in federal grants through fiscal year 1978, and $58 million in appropriations will be available in FY 1979.

The main eligibility requirement is preparation of a base plan and a supplemental plan, each with certain required measures.

The base plan must include five elements:

Mandatory lighting efficiency standards for non-federal public buildings. The minimum standards are the so-called 90-75 standards established by the American Society of Heating, Refrigeration and Airconditioning Engineers (ASHRAE).

Mandatory thermal efficiency standards for new and existing residential and non-residential buildings. They are based on the ASHRAE 90-75 levels.

Mandatory programs to promote the availability and use of carpools, van pools and public transportation.

Mandatory energy efficiency standards governing the procurement practices of a state and its political subdivisions.

Mandatory regulations, which, to the maximum extent practicable and consistent with safety, permit motor vehicles to turn right at a red light after stopping.

The supplemental plan must include procedures for:

A continuing public education effort on implementing energy conservation measures.

Insuring effective intergovernmental coordination.

Encouraging and carrying out energy audits or inspections of energy systems in buildings and industrial plants.

In addition, a state may initiate other appropriate measures to conserve energy, such as oil and gas burner inspections, utility audits of homes, bans on master metering in new multi-unit dwellings, comprehensive state/local government energy management plans, driver education programs, truck fleet efficiency programs and colocation, which involves placing industrial plants needing heat near power generating plants so that steam can be shared through cogeneration.

Program administration is largely decentralized, with plan review, approval and funding authorities delegated to the 10 DOE regional offices. These offices serve as the primary liaison with state personnel. Overall coordination, clearinghouse functions, preparation of technical assistance materials, workshops, etc., have remained at national headquarters. Contact: John Rivera, Direc-

tor of State Grant Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6433, Washington, D.C. 20461. 633-8650.

Supplemental State programs

Other DOE programs to help state and local governments include assistance in developing energy purchasing strategies that will save energy. The Office of State Specific Programs provides information and technical help. Contact: Michael Willingham, Acting Director, Office of State Specific Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6454, Washington, D.C. 20461. 633-8641.

Another program encourages the recovery, refining and re-use or acceptable disposal of discarded used oil. Technical assistance is provided to states, local governments, civic and community groups and public interest groups through such organizations as the Conference of Mayors and National Association of Counties.

The program is funded through the SECP and contributions from state and independent organizations. Contact: Doris Ellerbe, Office of State Specific Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6454, Washington, D.C. 20461. 633-8656.

Energy extension service

This DOE program provides energy saving advice and information to individuals, small private firms, local governments, architects, savings and loan officers, farmers, tenants and homeowners. The EES was established by the National Extension Service Act of 1977. Ten states have received pilot grants of about $1.1 million each and have started providing services. Grants of $30,000 have been awarded to the remaining states to prepare for participation in a nationwide program.

The Extension Service aims to reduce the impact of fuel shortages and price increases on small consumers through such services as building audits, specialized training, workshops and an energy hotline. The states design and operate the program, while DOE provides guidance and technical assistance. There is no funding available for an activity if it duplicates other state energy conservation programs. Funds may be used to create new programs or to supplement existing programs.

The program takes its impetus from the Agricultural Extension Service, but rather than relying on land grant universities and federal extension agents, EES works through governors' offices and existing state and local organizations.

Another objective of the program is to provide feedback to DOE and other decision makers regarding institutional and technological barriers to the adoption of energy-saving measures.

The Carter administration requested $25 million for FY 1979 to extend this program to all 50 states, but Congress provided only $15 million in appropriations to continue the pilot effort for another year. Contact: Judith M. Liersch, Director, Energy Extension Service, Intergovernmental and Institutional Relations, SG-031 Forrestal Building, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252-5348.

Proposed consolidation

The Carter administration has proposed consolidating and changing the major federal energy conservation program administered by the states under the Energy Policy and Conservation, Energy Conservation and Production, and Energy Extension Service Acts. The administration plans to send Congress early this year a state energy management and planning bill to carry out the consolidation. Contact: Michael Powers, Acting Director, or Robert A. Plunkett, Office of Planning and Policy, Office of the Assistance Secretary for Conservation and Solar Applications, Mail Stop 2221-C, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-9041.

Weatherization grants

Starting in FY 1979, DOE will be totally responsible for the federal weatherization grant program to help low-income people, particularly the elderly and handicapped, make home repairs and energy conserving improvements. The maximum grant expenditure per dwelling is $800. A total of $199 million is appropriated for FY 1979.

States subgrant the fund to community-based organizations, particularly community action agencies, to carry out the program at the local level. DOE estimates that over 390,000 low-income dwellings were weatherized by the end of the FY 1978 program year. Contact: Mary M. Bell, Director, Weatherization Assistance Program, Conservation and Solar Applications, Room 6445, 12th and Pennsylvania Ave., N.W., Washington, D.C., 20461. 633-8683.

Schools, hospitals and public buildings grants

A total of $300 million in appropriations is available in FY 1979 to help schools and hospitals pay for energy conservation and solar equipment. These grants can cover up to 50 percent of costs. Eligible schools include public and private, non-profit elementary and secondary schools, colleges and universities.

A separate grant program finances energy audits for public buildings, including units of local governments and non-profit nursing homes, community health centers, neighborhood health centers and orphanages. A total of $32.5 million in appropriations is available in FY 1979. Contact: Michael Willingham, Acting Director, Office of State Specific Programs, Conservation and Solar Applications, Room 6454, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20461. 633-8641.

Residential conservation service

Created by the National Energy Act, this program requires electric and gas utilities to inform customers of potential conservation and solar improvements and provide cost estimates.

Upon request, utilities must inspect customers' residences to determine which improvements would be cost-effective. They must provide a list of lenders, suppliers and contractors and must offer to act as a "project manager," arranging installation and financing. Utilities may bill the customer on his monthly statement and offer to make financing arrangements so that the customer can spread out repayment.

Utilities generally are barred from installing or financing conservation measures themselves, with two exemptions: First, utilities may finance and install three particularly cost-effective improvements: furnace efficiency modifications, electrical or mechanical furnace ignition systems that replace standing gas pilot lights, and local management devices—primarily meters which measure energy consumption at different times during the day so that customers can get reduced rates for off-peak power use. Second, utilities may make loans not exceeding $300 for purchase or installation of other specified conservation measures.

States may extend the provisions of this program to cover home heating suppliers, primarily oil dealers. They also may apply to DOE for a three-year exemption from the act's general prohibition on installation and financing by utilities. Contact: Bill Methea, Residential Conservation Service, Division of Community Systems, Office of the Assistant Secretary for Conservation and Solar Applications, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-1964. Or Jim Tanck, same address. 376-4708.

Appropriate technology grants

This program encourages the development and demonstration of small-scale, decentralized energy systems that use local, renewable resources. It is administered out of the 10 DOE regional offices.

Individuals, local non-profit organizations and institutions, state and local agencies, Indian tribes and small businesses are eligible for support.

Grants of up to $50,000 are available for support of a broad variety of technologies, including solar heating and cooling, energy conservation, biomass, wind and small hydroelectric power generation.

Contact: Ann Hegnauer, Conservation and Solar Applications, Division of Buildings and Community Systems, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-4711.

Conservation education

Energy conservation is promoted through public service announcements, pamphlets and booklets, citizen training workshops and public opinion surveys. Documents produced by this program are available upon request through DOE regional offices, state energy offices and chief state school officials. Contact: D. Robert Jordan, Acting Director of Marketing and Education, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20461. 633-8616.

Federal Energy Center

This is a multi-agency project that promotes energy conservation in the business sector by demonstrations, distribution from publications, films and exhibits of energy conservation materials ranging from "promotional" to direct technical assistance. DOE manages the program with participation from the National Bureau of Standards, Environmental Protection Agency and others. Contact: Joseph Cooper, Conservation and Solar Applications, Office of Business Assistance Programs, Room 1050, 666 11th Street, N.W., Washington, D.C. 20001. 724-3452.

Energy conservation in transportation

DOE has a collection of programs focused on improving transportation systems efficiency and vehicle performance. One program promotes commuter ridesharing. Other programs are designed to improve the energy efficiency of intercity and urban passenger and freight transport and provide technical assistance on various transportation alternatives to states implementing energy conservation plans. Vehicle performance programs distribute vehicle gas mileage ratings, promote improved fuel utilization by commercial trucks and buses and educate motorists on conservation techniques for automobiles.

The DOE regional office is the first point of contact for assistance. Headquarters contact: Sidney Berwager, Acting Associate Assistant Administrator for Transportation, Office of Assistant Secretary for Conservation and Solar Applications, Room 6517, Pennsylvania Ave., N.W., Washington, D.C. 20461. 633-9041.

In addition, DOE manages an electric vehicle demonstration program involving the private sector and federal, state and local governments. Awaiting appropriations is a loan guarantee program for the electric vehicle industry. Contact: Tom Calhoun, Financial Incentive Specialist, Transportation Energy Conservation Division, Mail Stop 2221C, Department of Energy, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-4747.

Technology and information dissemination

The objective here is to provide a communication link between the Division of Buildings and Community Systems and end-user groups, such as builders, architects, engineers, code officials and residential consumers. This is achieved by the development and dissemination of information in the form of technical, non-technical and "how-to" publications, exhibits and other visual material, educational and pilot outreach programs, and workshops and seminars. Contact: Mary-Lynn M. Wrabel, Division of

Buildings and Community Systems, DOE, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-4669.

Project conserve

DOE has available to anyone a model questionnaire for residential energy audits and a computer program for processing responses. Participants, primarily states, local governments and utilities, send out mass mailings of the questionnaires to single-family dwellers to help them calculate cost-effective energy conserving investments. Contact: Carol Norris, Buildings and Community Systems, Conservation and Solar Applications, 20 Massachusetts Ave., N.W., Washington, D.C. 20461. 633-9266.

Industrial conservation

DOE's industry energy conservation office has assumed programs from the former Energy Research and Development Administration, the Federal Energy Administration and the Department of Commerce. Functions of this office include:

Development and demonstration of new, more energy-efficient industrial technologies, procedures and processes. Development work is both industry-specific and cross-industry in nature.

Promoting commercialization of existing underutilized conservation technologies and procedures, through publications, technical assistance, workshops, energy audits and other means. Contact: Tom Gross, Industrial Programs, Office of Assistant Secretary for Conservation and Solar Applications, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-4115.

Industrial energy reporting program

Corporations report energy efficiency improvement to trade associations or directly to the federal government. Some are required to report by the Energy Policy & Conservation Act, while others report strictly on a voluntary basis. Contact: Tyler Williams, Office of Business Assistance Programs, Trade and Industries Division, Conservation and Solar Applications, 666 11th Street, N.W., Room 1050, Washington, D.C. 20001. 724-3448.

Energy analysis and diagnostic centers

This program primarily helps small and medium-sized industrial firms improve energy efficiency through audits and technical assistance. Under contract with DOE, three universities provide the audits and analyses. They are Georgia Institute of Technology, University of Pittsburgh and University of Tennessee. Contact: Erik Haldane, Business Awareness and Outreach Programs, Office of Business Assistance Programs, Conservation and Solar Applications, 666 11th Street, N.W., Washington, D.C. 20545. 724-3455.

Faculty development

Grants and contracts are awarded to colleges and universities to support energy-related training for college, high school and elementary school teachers. Contact: Chris Kjeldsen, Program Manager, Education Program Division, Intergovernmental and Institutional Relations, 400 1st Street, N.W., Room 307-RB, Washington, D.C. 20545. 376-6211.

Energy education

This program provides information to the public through organized groups such as the League of Women Voters, Steelworkers Union, National Council of Churches and Alliance to Save Energy. The information deals with energy conservation for the homeowner and renter, national energy problems and options and the role of the public in energy policy development. A grant program helps nonprofit membership organizations promote public awareness of energy-related matters. A total of $600,000 will be available for FY 1979. Contact: Richard Stone, Public Education Specialist, Education Programs Division, Intergovernmental and Institutional Relations, Room SG031, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252-5464.

Small business energy cost reduction

This program provides technical assistance to help small businesses reduce both energy costs and consumption. This primary technical assistance tool is in the form of guidebooks.

Guidebooks have been completed for eight sectors: laundry and dry cleaning, commercial printing, automobile dealers, apartment building operations, gasoline service stations, automotive repair, retailing and florists (both retail and greenhouse operations). Cost reduction recommendations, based on representative energy audits of actual firms, are now being prepared in four additional sectors: furniture manufacturing, wholesaling, baking (wholesale and retail) and dairies.

Trade associations, which co-sponsor the program, publish and distribute the guidebooks, and many have sponsored energy cost-reduction workshops through their state and local affiliates. Additional outreach efforts have begun in conjunction with State Energy Offices and the Energy Extension Services. Contact: Jane L. Miller, Program Manager, Office of Small Business, Conservation and Solar Applications, DOE, Room 3128, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 367-4020.

Educational materials development

Energy education materials and activities are developed for schools and youth groups, and an energy education newsletter is published for educators. DOE's Technical Information Center and educational associations are the delivery mechanisms. Contact: Don Duggan, Education Programs Division, Intergovernmental and Institutional Relations, Room SG031, 1000 Independence Ave., S.W.,

Consumer impact and citizen participation

These two divisions in the Office of Consumer Affairs try to get the public, particularly the poor, elderly, minorities and handicapped, involved in federal energy programs. The citizen participation division sponsors public meetings and briefings and publishes a consumer briefing summary on DOE activities.

The consumer division tries to get the consumer point of view across with the department. Contact: Richard Moorer, Intergovernmental and Institutional Relations, Office of Consumer Affairs, Room SG031, Independence Ave., S.W., Washington, D.C. 20585. 252-5877/252-5866.

Workshops/seminars

DOE cooperates with universities, trade associations and government agencies to disseminate conservation information to local audiences of engineers and business managers through workshops, seminars and conferences. Contact: David Hoexter, Office of Business Awareness and Outreach Programs, Conservation and Solar Applications, 20 Mass. Ave., N.W., Washington, D.C. 20545. 724-3454. Washington, D.C. 20585. 252-6484.

Local government energy conservation

This program provides technical assistance and information upon request to local government officials, state energy offices and DOE regional offices. In addition, the office conducts workshops and provides workshop materials. Contact: Faith Lambert, Office of State Specific Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6454, Washington, D.C. 20461. 633-9492.

Publications branch

This program develops non-technical publications reflecting both DOE programs and scientific concepts in the energy field for the general public. Contact: John Sullivan, DOE, Intergovernmental and Institutional Relations, Office of Public Affairs, Room 7303, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-6992.

Exhibits branch

This office coordinates the development, design, construction and operation of exhibits for general and special audiences.

About 350 programs a year reach around 10 million people in fairs, shopping centers and special symposiums. Contact: John Bradbourne, Jr., Chief of Exhibits Branch, Office of Public Affairs, Room A1-5094, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 353-5441.

Audiovisual branch

This program produces and distributes DOE audiovisual material to the public. Contact: John Moser, Room A1-5017, Office of Public Affairs, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 353-5365.

DOE regional offices

Region I: Harold Keohane, Analex Building, Room 700, 150 Causeway St., Boston, Mass., 02114. 617-223-3701. Covers Connecticut, Maine, New Hampshire, Massachusetts, Rhode Island, Vermont.

Region II: Robert Low, 26 Federal Plaza, Room 3206, New York, N.Y., 10007. 212-264-1021. New York, New Jersey, Puerto Rico, Virgin Islands.

Region III: Bernard Snyder, 1421 Cherry St., 10th Floor, Philadelphia, Pa., 19102. 215-597-3890. Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia.

Region IV: Roy Pettit, 1655 Peachtree St., N.E., 8th Floor, Atlanta, Ga., 30309. 404-881-2838. Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.

Region V: Robert Bauer, 175 West Jackson Blvd., Room A-333, Chicago, Ill., 60604. 312-353-0540. Illinois, Indiana, Minnesota, Michigan, Wisconsin, Ohio.

Region VI: Curtis Carlson, Jr., P.O. Box 35228, 2626 W. Mockingbird Lane, Dallas, Tex., 75235. 214-749-7845. Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

Region VII: Mary O'Halloran, 324 East 11th St., Kansas City, Mo., 64106. 816-374-2061. Iowa, Kansas, Missouri, Nebraska.

Region VIII: Charles Metager, P.O. Box 26247 Belmar Branch, 1075 South Yukon St., Lakewood, Colo. 80226. 303-234-2420. Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Region IX: William Arntz, 111 Pine St., Third Floor, San Francisco, Calif., 94111. 415-556-7216. Arizona, California, Hawaii, Guam, American Samoa, Nevada.

Region X: Jack Robertson, 1992 Federal Building, 915 Second Ave., Seattle, Wash., 98174. 206-442-7280. Alaska, Idaho, Oregon, Washington.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community development block grants

This program channels funds to units of local government to help low- and moderate-income people improve their homes, including weatherization projects. Any city over 50,000 people has an automatic entitlement to funds. Smaller communities must apply to the HUD area offices. The community's mayor or the chief executive is the contact for individuals or neighborhood groups. Contact: Jim Broughman, Entitlement Cities Division, Assistant Secretary for Community Planning and Development, Room 7276, 451 7th St., S.W., Washington, D.C. 20410. 755-6300. Jim Forsberg, Director, Small Cities Program, same address. 755-6306.

Section 312 loans

Director federal loans are available for home rehabilitation at 3 percent interest for 20 years, with a maximum of $27,000 per unit. The cost of insulation, storm doors and win-

dows, heat pumps, among other energy saving items, can be financed by Section 312 loans. Eligible applicants should live in urban renewal areas, code enforcement areas or areas designated for rehabilitation under the Community Development Block Grant Program, as well as Urban Homesteading areas under Section 810. The local office administering community development programs is the first point of contact.

Contact: Robert I. Dodge, III, Director, Office of Urban Rehabilitation and Community Reinvestment, Room 7262, 451 7th St., Washington, D.C. 20410. 755-6322.

Product research dissemination and transfer

This program is designed to disseminate HUD-sponsored research results in energy conservation to industry, state and local government and the public through publications, workshops, exhibits and other means. Contact: Heather Avelihe, Program Analyst, Office of Policy Development and Research, 451 7th St., S.W., Room 8126, Washington, D.C. 20410. 755-5844.

Loan insurance for multi-family housing

Under the National Energy Act, the Federal Housing Administration has the authority to insure loans to owners of private multi-family housing to make energy saving improvements. Government loan insurance is available for loans to install energy conservation equipment or solar energy systems or to convert an apartment building from a master electric meter to individual meters, which measure the electricity use of each apartment separately. Many multi-family property owners find it difficult to get this type of financing, and government insurance is expected to make it easier to obtain.

The interest rates on such loans are to be set by HUD at a level no higher than necessary to meet market demands.

This program expands HUD's existing authority to insure loans to multi-family property owners for general improvements under Section 241 of the National Housing Act by adding energy saving measures to the list of eligible improvements. Contact: Michael C. Wells, Program Analyst, Office of Housing, Room 9160, HUD 451 7th Street, S.W., Washington, D.C. 20410. 755-7320.

Other HUD programs

Three additional HUD programs authorized by the National Energy Act must await supplemental appropriations before going into operation. The authorized, but unfunded, programs are:

$25 million in grants for federally assisted (rent subsidised) private multi-family housing and co-ops to improve energy efficiency. These grants are aimed at housing for elderly, handicapped and moderate-income residents.

$10 million in grants for energy-conserving improvements in low-income public housing. For both of the above, contact: Michael C. Wells, Program Analyst, Office of Housing, Room 9160, HUD Building, 451 7th St., S.W., Washington, D.C. 20410. 755-7320.

$3 billion in federally subsidized loans to help low- and moderate-income homeowners make energy conservation improvements. The loans, at $2500 maximum per home, would be available at reduced interest rates through the Government National Mortgage Association (GNMA) to families whose incomes fall beneath the median family income in their area. An additional $2 billion in un-subsidized loans would be made available to all income brackets if HUD determined that credit was otherwise unavailable to meet the president's energy conservation goals. Contact: James Kossuch, Government National Mortgage Association, Room 6204, HUD Building, 7th and D Sts., S.W., Washington, D.C. 20410. 755-5593.

COMMUNITY SERVICES ADMINISTRATION

The Community Services Administration, formerly the Office of Economic Opportunity, has several special programs to help the millions of households at poverty levels who suffer special hardship due to increased fuel or electrical costs.

CSA's energy conservation services include:

Crisis intervention assistance to prevent hardship or danger to health due to fuel shut-offs, through grants, loans, fuel vouchers or stamp programs, payment guarantees, mediation with utility companies or fuel suppliers, financial counseling, maintenance of emergency fuel supplies, warm clothing, blankets and temporary quarters. In addition to normal funding, $200 million a year was added to this program for a special crisis intervention program to help the poor through the cold winters in 1977 and 1978. This funding will continue at the same level in FY 1979.

Dissemination of energy conservation information and education programs and representing the poor's interests in public proceedings.

Transportation projects to help the poor get to essential services and jobs.

Energy and agriculture projects that include research and demonstration activities designed to lower the energy intensiveness of agriculture with special emphasis on helping low-income small farmers stay in business and helping low-income consumers choose less expensive food products.

Alternative energy resource development that emphasizes non-fossil fuels or renewable energy sources like wind, solar and methane digesters and improved conservation equipment and practices. As part of the alternative energy resource development, the National Center for Appropriate Technology develops and supports locally oriented technologies geared to the needs and resources of low-income people and communities. Its research and small grants program supports community experiments and demonstrations. NCAT regionally based field representatives are the point of contact for communities. Contact: Edwin Kepler, NCAT, P.O. Box 3838, Butte, Mont. 59701. 406-723-6533 or 723-5474.

A consulting role in the federal weatherization grant program. CSA helped run the program up until the beginning of FY 1979, when Congress transferred it totally to DOE.

In addition, CSA offers weatherization and emergency utility payments for migrant farmworkers through such organizations as the National Association of Farm Organizations. Weatherization assistance is also available to Indians through the Administration on Native Americans, a part of HEW.

CSA's programs generally are carried out by the community action agencies, which have 90 local programs covering 90 percent of the nation's low-income people. Other grantee organizations include the State Economic Opportunity Offices and the Administration on Aging local agencies. Funding goes through the CSA regional offices, where an energy coordinator is responsible for program guidance, reporting and quality control and for developing regionally funded training and technical assistance programs. CSA's budget for FY 1979 for all programs except crisis intervention totals $65 million. OMB, however, is reviewing this funding level and may recommend a reduction. In any case, OMB's decision will not affect the $200 million crisis intervention fund. Contact: Dick Saul, Chief, Energy Programs, CSA, 1200 19th Street, NW., Washington, D.C. 20506. 632-6503.

VETERANS ADMINISTRATION

The Veterans Administration's direct and guaranteed home loan program can be used to finance a variety of conservation improvements, including insulation, caulking, weatherstripping, storm doors and windows, and furnace modifications. Direct loans are available in housing credit shortage areas at an interest rate established by the administrator and an amortization period generally of 25 years.

The maximum direct loan amount, established by statute, is currently $33,000. The VA loan guarantee benefits may be used for guaranteed or direct loans to eligible veterans for the purchase of either new or existing homes and for completing home improvements. Contact: R. C. Coon, Director, Loan Guarantee Service, Department of Veterans Benefits, Washington, D.C. 20420. 389-2332.

DEPARTMENT OF COMMERCE

Energy Conservation

NBS provides technical information on reducing energy waste to industry; federal, state and local governments; trade and standard organizations; technical, engineering and professional societies; and consumer and public interest groups. The program, supported by other federal agencies, including CSA, DOE and HUD, publishes technical reports, data, laboratory and field demonstration evaluation guidelines, handbooks and general information publications. Contact: Jack Snell, Director, Office of Energy Programs, National Engineering Laboratories, NBS, Washington, D.C. 20234. 921-3275.

Professional services grants

Run by the Economic Development Administration, this program helps local governments develop energy conservation programs and use alternative energy sources, as well as assists local industry in retrofitting for energy conservation and conversion to other fuels. These services are available through the 210 Economic Development Districts covering about two-thirds of the nation's counties. To be eligible, districts must have developed an overall economic plan. A maximum $20,000 grant is available to each district. The total budget is limited. Contract: Bernard Richert, Acting Chief of Program Development Division, EDA, Office of Development Organizations, Room 6815, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. 377-5103.

Energy conservation outreach and promotion

This Commerce Department program promotes energy conservation as good business practice and provides information to businesses at their request to help energy management planning. Contact: J. Raymond DePaulo, Deputy Assistant Secretary for Field Operations, Industry and Trade Administration, Room 4808, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. 377-3641

Maritime industry conservation

These Maritime Administration programs help exchange energy conservation methods within industry and conduct on-site discussions and forums to increase industry awareness of the need for energy conservation. Contact: James Rosapepe, Fuels and Energy Specialist, Room 3723, Code M3702, Maritime Administration, 14th and E Streets, N.W., Washington, D.C. 20230. 373-5213.

SMALL BUSINESS ADMINISTRATION

Energy loans

The Small Business Administration can make direct loans, or guarantee bank loans, to small energy-oriented businesses under the new solar and renewable energy sources loan program created by PL 95-315, enacted July 4, 1978.

The loans will be available to designers, manufacturers, distributors, marketers, installers or servicers of energy conservation and renewable resources equipment using solar energy, wind, biomass, hydroelectricity or industrial cogeneration. Energy conservation equipment will be defined by DOE and is expected to include insulation, individual utility meters, storm windows, improved heating ventilation and air-conditioning controls. The loans will be available through local SBA offices for plant construction, conversion, expansion or start-ups as well as acquisition of equipment and facilities.

Although the law authorized $30 million in direct loans for FY 1979, only $5 million was appropriated. SBA therefore will stress maximum bank participation in each loan under its guarantee program. The maximum loan available under the guarantee program is $500,000 at interest rates negotiated between the borrower and lender, subject to an SBA maximum (11.25 percent as of November 1, 1978). If unable to obtain a guaranteed loan, an applicant may apply for a direct loan which is limited to $350,000 at an interest rate based upon the cost of money to the Federal Government (7⅝ percent for FY 1979).

SBA has authority to make similar loans under an interagency agreement signed with DOE's predecessor, the Energy Research and Development Administration. For FY 1978, SBA allocated $2 million for energy-related loans. Contact: Evelyn Cherry, Chief, Special Project Division, Office of Financing, SBA, 1441 L Street, N.W., Washington, D.C. 20416 653-6696.

Small business training

This program assists small business owners and managers in reducing energy costs by providing training and counseling. Seminars and individual counseling by the Service Corps of Retired Executives are available through the SBA district field offices working with DOE. Contact: Johnnie Albertson, Chief of Business Management Training, SBA, 1441 L Street, N.W., Washington, D.C. 20416. 653-6337.

DEPARTMENT OF AGRICULTURE

Office of Energy

This office serves as a focal point for all USDA energy and energy-related matters. Contact: Weldon Barton, Director, Office of Energy, Office of the Secretary, USDA, Room 226-E, Administration Building, Washington, D.C. 20250. 447-3455.

Farmers Home Administration

The Farmers Home Administration provides a variety of energy conservation-related loans and grants targeted for rural areas:

Home weatherization loan guarantees of up to $1,500 through rural electric cooperatives and public utilities for low- and moderate-income families that are members of a rural electric co-op, in good credit standing and need FmHA credit to pay for home weatherization improvements.

Home improvement repair loans and grants through FmHA county offices, up to a maximum of $5,000, with a 1 percent interest rate. Full grants are offered to persons 62 years or older with no repayment ability.

Home ownership loans to buy, build, repair, improve or rehabilitate rural homes and rural rental housing to build, purchase or repair apartment-style housing through county offices.

A $25 million weatherization grant program was authorized in the recently passed National Energy Act. It is targeted at low-income rural families, both owners and renters. No appropriation has been approved, but one may be included in a supplemental appropriations bill.

FmHA has just started a program to set insulation standards for all the homes and rental housing units it finances.

Contact: Gordon Cavanaugh, Administrator, Farmers Home Administration, USDA, Room 5014, South Agriculture Building, Washington, D.C. 20250. 447-7967.

Extension Service

This program, linked administratively with the Science and Education Administration and the 71 land-grant colleges, has offices in every county in the U.S., providing information and assistance emphasizing energy conservation in homes, on farms and related businesses, farm families, non-farm rural residents, communities, urban residents, and farm commodity and related agribusiness organizations. Contact: Charles W. McDougall, Assistant to the Deputy for Extension, Science and Education Administration, USDA, Room 332 Administration Building, Washington, D.C. 20250. 477-3304.

Rural Electrification Administration

REA has issued two policies requiring certain energy conserving activities by its electric distribution borrowers as a condition for future loans.

One would require the board of directors of electric distribution cooperatives to adopt official policies on energy conservation. They would be required to submit with loan applications reports on the efforts of the cooperative to conserve energy in operation of its own facilities and to assist its members to use electric energy efficiently.

As a part of power requirement studies, the other policy would require more exact data on the energy requirements of previously unserved members.

REA is preparing an energy conservation manual for its electric distribution borrowers to assist them in planning and developing conservation programs. Contact: Harlan M. Severson, Assistant to the Administrator, Rural Electrification Administration, USDA, Room 4324, South Agriculture Building, Washington, D.C. 20250. 447-4246.

Forest Service

Conservation activities of the Forest Service are aimed at improved wood frame house construction; more efficient harvesting, management and transportation; improved forest products processing; weatherization in housing; and substitution of wood and treated wood for more energy-intensive material. Contact: John R. McGuire, Chief, Forest Service, USDA, Room 3008, South Agriculture Building, Washington, D.C. 20250. 447-6661.

Agriculture Stabilization and Conservation Service

The agricultural conservation program helps finance two farming practices with substantial energy conservation benefits: conservation tillage, which yields savings in labor, fuel and machinery, and windbreaks for reducing fuel and animal feed bills.

ASCS also has a pilot energy-saving loan program in 35 counties in 9 states to encourage wet storage and acid treatment for corn and sorghum, as well as facilities for solar grain drying systems. Contact: Stewart Smith, Associate Administrator, Agricultural Stabilization and Conservation Service, USDA, Room 207-W, Administration Building, P.O. Box 2415, Washington, D.C. 20013. 447-6215.

Soil Conservation Service

SCS provides technical assistance on several soil and water conservation practices that contribute to energy conservation. They include minimum tillage, conversion of marginal cropland to pasture and hay, use of windbreaks and shelterbelts, proper irrigation water management, crop rotations with legumes, organic waste and crop residue management, improved drainage, terracing and contour farming and proper management of grazing lands. Contact: William M. Johnson, Deputy Administrator for Technical Services, USDA, Soil Conservation Service, P.O. Box 2890, Washington, D.C. 20013. 447-3905.

Food and Nutrition Service

In connection with FNS nutrition programs, energy education materials and conservation techniques and advice are disseminated to the public. Contact: Frank Gearde, Jr., Director, Administrative Division, Food and Nutrition Service, USDA, Room 792, 500 12th Street, S.W., Washington, D.C. 20250. 447-8974.

Food Safety and Quality Service

This office encourages industry to save energy through its regulatory programs and works to get industry to use efficient food processing equipment. Contact: Sydney J. Butler, Acting Administrator, Food Safety and Quality Service, USDA, Room 332-E, Administration Building, Washington, D.C. 447-7025.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Energy conservation in health care

HEW's Division of Energy Policy and Programs helps develop, stimulate and implement energy management principles in health care services delivery. Contact: Burt Kline, Director, Division of Energy Policy and Programs, Bureau of Health Facilities, Compliance and Conversion, Health Resources Administration, Public Health Service, DHEW, Hyattsville, Md. 20782. 436-7263.

Energy and Education Action Center

This program provides information about sources of federal education funds for energy-related activities, prepares a data base for conservation-focused curricula and helps educators develop increased awareness of energy problems in schools and colleges. The delivery mechanisms include technical assistance, teacher and administrator in-service training, clearinghouse capacities, an information hotline and others. Contact: Edward Stephan, Office of Education, Reporter Building, Room 514, 300 7th Street, S.W., Washington, D.C. 20202. 472-7777.

Environmental education

This program offers financial assistance through competitive grants for the development of educational resources that increase public understanding of problems of environmental quality in the context of quality of life. Energy problems are frequently selected as the focal issue for projects. Grants are available for resource material development, personnel development, elementary and secondary programs and community education. Budget: FY 1979, $3.5 million. Contact: Walter Bogan, Director, Office of Environmental Education, Room 2025, 400 Maryland Avenue, S.W., Washington, D.C. 20202. 245-9231.

Grants for State and community programs on aging

As one of several missions, this program helps older low- and moderate-income consumers reduce their energy expenses through grants, loans and technical information offered by HEW, CSA, DOE and other agencies.

There are 56 state units on aging, 590 area agencies on aging, and 1200 nutrition projects at the local level through which these services are channeled.

Contact: Dr. Eric West, Chairman, Ad Hoc Interagency Energy Task Force, Administration on Aging, 330 Independence Avenue, S.W., Room 4751, Washington, D.C. 20201. 472-3045.

GENERAL SERVICES ADMINISTRATION

GSA has developed several programs to reduce the amount of energy consumed by GSA buildings, vehicles and equipment and has promulgated regulations to encourage energy-efficient procurement practices. Among GSA's efforts are:

Design, construction, operation and retrofit of federally owned buildings to increase their energy efficiency.

Applying federal policies to the operation of GSA-leased buildings and to new buildings designed specifically for lease to GSA.

Demonstrating use of solar energy for hot water, heating and cooling in federal buildings.

Publishing energy conservation booklets.

Acquiring fuel efficient passenger automobiles and light trucks for use in the Interagency Motor Pool system (IMPS) and for other federal agencies.

Cooperating with the Department of Energy in testing certain fuel economy devices and electric vehicles within the IMPS.

Using a "life-cycle costing" procurement policy, which emphasizes energy-efficient products and equipment.

GSA achieved an overall federal passenger motor vehicle fleet average of 19.3 miles per gallon (MPG) for FY 1977, compared with the nationwide 18 mpg standard. Also, GSA has achieved a 22 percent reduction in energy use in GSA-owned buildings since 1973. GSA is responsible for 215,000,000 square feet of space in 2500 federally owned buildings and about 94,000,000 square feet of leased space in 7500 separate buildings. Contacts: Buildings—Ray Whitley, Acting Director, Energy Conservation Division, Public Buildings Service, 18th & F Streets, N.W., Washington, D.C. 20405. 566-1735; Overall Federal Supply Service Activities—Loance E. Gaiter, Confidential Assistant to the Commissioner, (FG), Federal Supply Service, Room 1138, Crystal Mall Building 4, Washington, D.C. 20406. 577-0393; Motor Vehicles—I. W. Rhodes, Director, Motor Equipment Services Division (FZM), Room 314, Crystal Mall address, 577-8565; Appliances and Equipment—Arnold H. Brogan, Director, Value Management Division (FCV), Management Planning and Program Analysis Office, Room 1123, Crystal Mall address. 557-8616.

TENNESSEE VALLEY AUTHORITY

TVA has initiated a number of innovative energy conservation programs. The states in the TVA service area are Tennessee, Virginia, North Carolina, Alabama, Georgia, Kentucky and Mississippi. Among the programs are:

Home insulation loans

TVA offers free home energy surveys to any residential consumer who requests them. Customers heating electrically may obtain interest-free loans of up to $2,000 with a seven-year repayment for attic insulation, floor insulation, storm windows, weatherstripping and caulking, and insulated doors. For those who only cool electrically, loans are available for the above except for floor insulation and storm windows.

After insulation and weatherization, consumers can receive a low-interest loan for the purchase and installation of a heat pump, with a repayment period of up to 10 years.

Super saver electric homes

This program is designed to upgrade the energy efficiency of new all-electric homes. TVA staff works with the 160 local distributors of TVA generated power in encouraging builders, contractors and consumers to meet Super Saver standards when building new homes. TVA is considering an expansion of this activity into a certification program, including inspection of new homes.

Certified heat pump installation

TVA offers training courses to insure knowledgeable installation and quality servicing of heat pumps—"the most cost-effective form of solar heating now available for TVA's climate," according to TVA. Participating dealers and contractors can be certified. Heat pump installations are inspected.

Waste heat utilization

This program is aimed at turning waste heat into industrial process steam and using it in agricultural applications. The agricultural uses include heated greenhouse soil, which results in doubled yields; biorecycling, which combines waste heat and manure to produce aquatic organisms valuable for livestock feed; improving sludge digestion by producing high rates of organic solid destruction; and controlling temperatures in feeding confined animals. Contact: Bary Goss, Manager of Biology Projects, Energy Research, TVA, Chattanooga, Tenn. 37401.

Cogeneration

Cogeneration involves sharing steam between a power generating plant and other uses, such as providing heat or industrial process steam. TVA is planning a survey of industries in the region to determine the possibility for industry/utility cogeneration. Contact: Jim Ward, Assistant Director, Load Management and Energy Conservation, Office of Power, TVA, Chattanooga, Tenn. 37401. (615) 755-3691.

ACTION

A small number of Volunteers in Service to America are assigned to communities to initiate weatherization and other conservation activities. Volunteers also are assigned to energy conservation projects, such as construction and maintenance of solar greenhouses and reform of utility rate structures. Contact: Nora Manning, Legislative Research Specialist, Room M401, 806 Connecticut Avenue, N.W., Washington, D.C. 20525. 254-8070.

CONSUMER PRODUCT SAFETY COMMISSION

The commission is developing a cellulose home insulation safety rule to protect against the dangers of fire, cancer, irritation and poisoning. The commission also supplies consumer tips and hazard information in the form of fact sheets and news releases. Contact: Mike Finstein, Media Relations, 1111 18th Street, N.W., Washington, D.C. 20207. 634-7780.

FEDERAL TRADE COMMISSION

This spring, the commission will issue a rule requiring disclosure of the R-values (resistance to heat flow) of various types of insulation materials. This will help consumers make informed decisions on purchasing and installing insulation through specific labeling and advertising requirements and through test requirements set by the American Society of Testing and Materials, to which each manufacturer must adhere. Contact: Bill Rothbard, Staff Attorney, Bureau of Consumer Protection, Room 6716, Federal Trade Commission, 1101 Pennsylvania Avenue, N.W., Washington, D.C. 20580. 724-1524.

ESC will update this Fact Sheet as appropriate. If you have any suggestions for improvement or know of other programs not mentioned here, please let us know.

In addition, FSC would like to expand this to include major non-federal conservation programs aimed at helping states, local governments, individuals, small businessmen and industry save energy.●

YANKTON, S. DAK.'S NEW LIVESTOCK AUCTION

● Mr. McGOVERN. Mr. President, for several decades the Yankton, S. Dak., livestock auction was an integral part of the active community of Yankton, a medium-sized town in southeastern South Dakota. Several years ago the heavy hand of the Environmental Protection Agency issued an ultimatum to either move out of town or close up.

This livestock auction was currently operated by an oldtime South Dakota family, Mark Ryken and his son Larry, friends of mine all during my public life. The Rykens are of sturdy stock and were not inclined to buckle under because of the EPA. So they moved out of town and constructed one of the most modern and up-to-date facilities in the Nation. The January 1979 issue of the Farm Journal recognized the uniqueness of this new facility and featured it under title of "Slick for Cattle, Easy on Buyers." The first sale day handled over 5,000 animals in a 5-hour period. Mr. Ryken says that in his old facility, it would have taken 10 to 12 hours to handle these numbers.

Mr. President, in recognition of the Rykens' efforts, I ask that the article to which I have referred be printed in the RECORD following my remarks.

The article follows:

NEW AUCTION: SLICK FOR CATTLE, EASY ON BUYERS

(Pictures not printed in RECORD)

Once upon a time a town grew around a livestock auction. But then the Environmental Protection Agency got "wind" of a problem and gave the auction's owner an ultimatum: "Either move out of town or close." The owner moved. Today the town boasts of having one of the country's finest new auction facilities just three miles outside the city limits.

A fairy tale beginning, but nevertheless the true story of Yankton, S.D.'s new livestock auction. Owner Larry Ryken remembers well the 1974 run-in with EPA which forced him to close the old Yankton auction barn and build a bigger, better facility north of town. And big it is—40 acres of auction to be exact. Seven and a half acres under one roof. But there's more to this auction than size. Acres of covered pens can keep 10,000 cattle, 6,000 slaughter hogs and 4,000 feeder pigs shielded from extreme weather at the same time (below). It means less stress on livestock and that benefits both buyer and seller. The new building, 640'x480', also includes a sales arena which seats 450. A 20'x50' computerized scale acts as the sales ring. Its 100,000-lb. capacity lets cattle be sold in larger bunches (above left).

Other features include "spook-proof," solid steel unloading chutes (above right) arranged so two trucks can unload at the same dock.

No need to wait in long rows at the docks, either. There are 20; two especially designed for pickups and trailers; two designed for double deck unloading; eight for trucks and semis.

The entire enclosed area has a concrete floor. Its 700 pens and 1,358 gates are constructed of pipe and steel rods. The gate system is designed for smooth flow of livestock from unloading docks to receiving pens, through the sales ring and back into holding pens after they're sold. The first sale saw 5,432 cattle sell in just over five hours. "That would have required a 10 to 12 hour sale in the old facility," says Ryken.●

ANTHONY LORI ELECTED DEPARTMENT COMMANDER OF THE AMERICAN LEGION, NEW JERSEY

● Mr. WILLIAMS. Mr. President, I would like to take a moment to call my colleagues' attention to the achievements of one of my constituents, Mr. Anthony Lori.

This outstanding citizen, recently elected department commander of the American Legion for the State of New Jersey, has dedicated the past 26 years of his life to the American Legion. He has held every post from houseman and booking agent to commander and has been active at the local, county, and national level.

In addition, Mr. Lori has contributed many hours of his time to civic and fraternal groups including the fire department, the battleship *New Jersey* Historical Society, the New Jersey Civil Service Association, and New Jersey Weights and Measures Association.

A Korean war veteran, Mr. Lori has dedicated his life to serving his community and his country, and well deserves the confidence and admiration of the 76,000 veterans in New Jersey which he now represents. I want to applaud his hard work and efforts on behalf of veterans and the citizens of New Jersey.●

MENDING FENCES WITH MEXICO

● Mr. CHURCH. Mr. President, I was pleased to see in Monday's Washington Post of January 15, that the senior Senator from Maryland has authored a very thoughtful and perceptive article on U.S. relations with Mexico.

In this article, Senator MATHIAS discusses several bilateral issues, including two recent incidents which have had a dramatic but disheartening impact on our relations with the people and Government of Mexico. First, he draws attention to the decision to lengthen and strengthen the fence along a portion of the Texas-Mexican border. Then he focuses attention on the Energy Department's ruling, recently reiterated by Secretary Schlesinger, to halt the sale of Mexican natural gas in the United States.

Mr. President, as Senator MATHIAS makes clear, the foreign policy ramifications of these decisions will continue to be felt for a long time to come, unless remedial action is quickly forthcoming. The central problem is obviously one of policy coordination. And with respect to Mexico, the long and the short of it is—there is no overall policy; there is no coordination. Underscoring the danger of the situation, the distinguished Senator from Maryland points out:

The time has long passed when each separate department of the U.S. government could afford the luxury of its own individual uncoordinated Mexican foreign policy. When the Department of Energy rejects a gas deal with Mexico the negative repercussions across the range of our relations with Mexico could hobble us for years to come.

Mr. President, on the more positive side, I want to join with Senator MATHIAS in welcoming the administration's decision to undertake a complete review of United States-Mexican relations. This review is in the final stages of preparation. Hopefully, it will arm President Carter with those recommendations that are necessary for both a successful visit to Mexico and the establishment of a meaningful dialog and relationship between our two countries long after his return.

Finally, in the months ahead I hope the Committee on Foreign Relations will have an opportunity to undertake its own review of U.S. policy toward Mexico. I believe such a review would be helpful not only to the Senate and the Congress as a whole, but to the entire Nation as well.

Mr. President, I ask that Senator MATHIAS' article "Mending Fences with Mexico" be printed in the RECORD.

The article follows:

MENDING FENCES WITH MEXICO

Robert Frost's neighbor stubbornly maintained that "good fences make good neighbors." But Frost wasn't convinced. And neither am I. Some fences make bad blood, and we are building that kind of fence along the Rio Grande.

It is symptomatic of the way U.S. policy toward Mexico is managed that the contract for the lengthening and strengthening of the fence on the Texas-Mexican border was announced by the U.S. Immigration and Naturalization Service without any advance notice to our ambassador in Mexico City. What proved to be a traumatic blow to neighborly feelings, one which dominated the Mexican news for many days, was tossed into the diplomatic thicket as carelessly as a child might toss a match into a pile of leaves.

Similarly, a year ago the Department of Energy intervened at the last minute to put a bureaucratic roadblock in the way of the purchase of Mexican natural gas by U.S. energy companies. The gas deal had been negotiated at length between Pemex, the official Mexican petroleum agency, and private U.S. companies. The Mexican government's long-range energy plan had been based on the sale and export of natural gas and the alternative consumption of more oil at home. Economic and other considerations had been calculated and the construction of the pipeline to the U.S. border had begun. The whole fabric of this agreement was rent when an abrupt, unilateral ruling was issued by the Department of Energy in Washington on the stated ground of objection to price. In that one decision, years of a positive, mutually beneficial relationship with the Mexicans were jeopardized. The president of Mexico, one of the friendliest in recent history, was left, by his own description, "hanging by his paint brush" when we knocked over the ladder. And Mexicans generally have been given reason to wonder whether our vaunted "free-enterprise" system is a reality or a myth.

So whether it is building fences on the Rio Grande, or buying gas or oil from south of the border, it is time to get our act together.

In the first place we have to ask whether building fences is an effective answer to the problem of illegal immigration from Latin America into the United States. It may be easier and cheaper to help by giving would-be migrants a reason to stay home.

It is estimated that about 800,000 Mexican workers move silently and invisibly across the border every year. Some work a while and return to their homes and families. Some remain in the United States. The facts are not well known and are hard to prove. No one knows what the cumulative illegal immigration now amounts to, but it is surely many millions.

The U.S. government's response to the situation has been feeble and ineffective. We have neither welcomed these visitors as a supplement to our work force and tried to regularize their activities nor have we been able to deny them entry or jobs.

Government indecision is reinforced by the attitude of organized labor. The unions are fearful that any move to regulate and control the alien workers will also legalize them, so they have opposed any move in that direction. At the same time, labor has taken no interest in developing other solutions.

The subject is a painful one for the Mexican government, which does not discuss it very freely. The government exposes its sensitivity quietly for several reasons. Any brutal action to expel resident aliens and to repel migrant workers would be an ethnic insult with serious political impact. On the practical side, the Mexicans working in the United States are a significant source of dollars and one that Mexico cannot afford to lose just now. So governmental enthusiasm for keeping people home cannot be counted on as a deterrent.

In the past, problems such as these have been allowed to fester because the effort and cost of finding solutions was greater than the potential benefit. Now that is all changed as Mexico's population tops 65 million, as her economy grows and as she discovers some of the earth's largest reservoirs of energy—both gas and oil.

Let us look at the changes. The ties that bind Mexico and the United States are becoming increasingly important; we must not ignore them. Oil is only one of the more obvious. As Mexico adds to its oil production, it could become a secure source of energy for the United States. At present, we take the bulk of Mexico's 500,000 barrels per day in oil exports. As these exports increase, Mexican oil will pose a very attractive alternative to our dependence on imported Middle East oil. Events in Iran only underscore the dangers of this dependence on distant sources of energy.

It is estimated that Mexico could provide as much as 30 percent of our import needs by 1985. Even if Mexican oil does not flow directly to the United States, the very existence of a major new petroleum source entering the market cannot help but have a positive effect on world energy supplies and prices.

Oil is not, however, the only issue that binds our two nations together.

Mexico is the fifth largest trading partner of the United States. In 1977, $9 billion in goods and services were exchanged by our two countries. The Mexican government is attempting to stimulate and diversify Mexico's export capabilities. The U.C. market is an important factor in this effort. Problems arise, however, to the extent that Mexican exports compete with U.S. domestic production. But these are problems that can be worked on and eased.

I do not have answers to all the questions pending between our two nations. But answers must be found, and to find them the United States must devote far more attention in the future to its critical Mexican relationship than it has in the past.

I welcome the administration's current review of U.S./Mexican relations. I believe it vital, however, that we develop a mechanism for coordinating our government's dealings with Mexico. The time has long passed when each separate department of the U.S. government could afford the luxury of its own individual, uncoordinated Mexican foreign policy. When the Department of Energy rejects a gas deal with Mexico, the negative repercussions across the range of our relations with Mexico could hobble us for years to come.

On the question of illegal immigration, I want to reiterate what I said following my visit to Mexico in 1977. Rather than simply applying unilateral regulations designed only to stem and reverse the tide of illegal immigrants, the United States should consider ways to encourage the government of Mexico to initiate large-scale labor-intensive development programs in Mexico's rural areas, where most of the migrants originate. It seems clear that the government of Mexico will need significant outside help if it is to address the task of absorption and resettlement without incurring massive social and political unrest. Relief measures that could be considered include the exemption of the

products of a Mexican rural development-resettlement plan, from U.S. tariffs or other trade restrictions for a given period. While this idea could become unwieldy in practice (how to discriminate between "new development" products and others for example), efforts should be made to find and establish concrete economic incentives for Mexicans to remain within their own development areas.

On this increasingly difficult issue, Mexican/U.S. relations are at a threshold. There are no easy solutions, indeed there may be only partial solutions. But one thing is certain: The problem cannot be satisfactorily resolved by unilateral measures. Legislation, not reinforced by strong and effective programs to provide relief for persons who may be returned across the border, will create a grave threat to the stability of Mexico—a stability that is of vital concern to our own country.●

HAWAII'S SUGAR PRODUCTION

● Mr. INOUYE. Mr. President, since the demise of the Sugar Act in 1974, it has become increasingly evident that many of Hawaii's sugar growers have been drastically affected by the lack of a new sugar bill. This is especially so for the small independent growers of sugar.

A Hilo coast sugar processing cooperative was established in 1971 and 400 independent growers became members. In cooperation with C. Brewer & Co., Ltd., these independent growers cultivated 8,000 acres of sugar land and shared in the returns.

However, by 1976, 36 independent growers had dropped out of the sugar business. Since then an additional 17 growers have dropped out. This has been accompanied by a reduction of almost 800 acres in land devoted to sugarcane.

Given the continued low price of sugar, it is estimated that in 1979 another 20 growers comprising 10 farms will drop out of the sugar business. This decrease in independent growers has occurred just at the Hilo Coast Processing Co. alone. Small independent cane growers have also significantly diminished in Hawaii's other sugar plantation areas.

In almost every case economic hardship has been the experience of independent growers and sugar companies that remain in the sugar business. This is particularly true for the small sugarcane farmer. For example, in 1978, a small farmer with 10 acres of land which produced 100 tons of sugar incurred losses on their sugarcane of $4,000 on the average. The per ton of sugar loss in 1978 was $40. In one particular instance an independent grower with the Hilo Coast Processing Co. who harvested 200 acres of sugarcane in 1978, or some 1,600 tons of sugar, incurred a staggering loss of $222,200.

These high losses for the small independent growers at Hilo Coast Processing come at a most difficult time. It has come at a time when the United Caneplanters Cooperative at Hilo Coast Processing was forced to obtain a loan from Hawaii's State government for $1,200,000 to meet payments on renovation of the Hilo Coast Processing sugar mill. Now with independent farmers dropping out of the cooperative a smaller group of farmers has to carry an increasing amount of the debt. The tragic thing is that those farmers who could best afford the loss because of supplemental sources of income have turned over their fields either to growers or to Mauna Kea Sugar Co. Those farmers of Hilo Coast Processing with less flexibility incur an additional burden and have to hang on in the hope that the price of sugar will increase in the next crop year. For many, a very real alternative is bankruptcy in the near future.

The world sugar surplus still hangs over the market. Effective Federal action to protect our domestic growers from being forced out of sugar still awaits us. The failure to find an acceptable compromise in the closing hours of the 95th Congress cannot be permitted to stand as an excuse for delay.

Sugarcane in Hawaii is a 2-year crop or longer. It is 6 years between new plantings. Our growers must have an early decision so that they can make long-term commitments. Their alternatives are few.

When the news reporters write about Hawaii's sugar, they tend to think of big, sometimes multinational corporations with broadly distributing interests. But what happens to sugar is of importance not just to them but to the 12,000 workers in Hawaii directly or indirectly dependent upon sugar employment, to the almost 400 sugar growers of Hilo Coast Processing and to other small growers in my State.

Mr. President, I request permission to have printed in the RECORD two editorials which appeared in Hawaii's leading newspapers last week. The common theme running through both editorials is that the sugar producers along the Hilo coast are in extreme economic trouble and that their economic viability relies on their obtaining a fair market price for their sugar. The alternative is a major economic failure on the Hilo coast either this year or next with all the social costs that would entail.

The editorials referred to follow:

HILO COAST DILEMMA

The plight of Hilo coast sugar operations and proposals by C. Brewer & Co. and independent growers for state aid there pose another problem for the Legislature.

It involves perhaps 3,000 jobs in the Big Island area, questions about the health of the sugar industry, and even memories of Kohala, the last big plantation to die and the site of a costly state-county failure to find alternatives.

First of all, there is no doubt the Hilo coast situation presents a critical problem. A high-cost production area due to weather and other factors, it has been in growing trouble since sugar prices started dropping from the world highs of a few years ago.

Where there were four plantations, there is now one. The number of independent cane growers has dropped from 400 to around 300. Brewer, which operates its own Mauna Kea Sugar Co. plantation, and the other growers are losing $7 million a year.

The ultimate fate of all sugar here depends largely on factors away from Hawaii. They include the price of sugar (which may go up if predicted world shortages develop in a few years), hopes for an international agreement to regulate production, and what steps the Carter administration and Congress take to protect the U.S. industry from low-priced imports.

But for now the fate of the Hilo coast operations depends on cutting costs and riding out the rough time in hope of better days ahead. The alternative is a major economic failure on the Hilo coast either this year or next with all the social costs that would entail.

Brewer and the growers went to the Legislature this week with the message their cost-cutting measures will not be enough. They plan to ask the state for help in getting costly federal environmental requirements eased, for more low-interest loans to growers, and for financial aid for the electricity-generating plant fueled partly by sugarcane waste and thus an alternate-energy resource.

At one point, the figure of $5 million was advanced as the total which state assistance in all forms might cover of the $7 million annual losses.

Remarks by legislators indicate the Kohala experience comes up in two ways. One is an unpleasant memory of an after-the-failure salvage operation that costs more than $6 million in taxpayer money. Nobody wants "another Kohala," especially one that might call for funds year after year.

But the second such consideration is that this is an effort to do something before a failure, to hold on and give it the best try possible for survival if conditions brighten.

The situation is complicated now because the sugar industry is in negotiations with the ILWU and wants special consideration for troubled plantations, including Mauna Kea.

Still, it's obvious the Hilo coast situation offers another challenge with a pricetag for the Legislature in a year when fiscal conservatism is everybody's watchword.

INFLATION THREATENS ISLE SUGAR INDUSTRY

As if to underline the inflation-fighting theme of the president's State of the Union address, the Labor Department reports that consumer prices rose 9 percent in 1978. That is a grim figure, the worst since 1974, when we had the oil embargo followed by soaring oil prices.

The figure for Hawaii is even worse—9.4 percent.

Nobody can be happy with that news, but it may please our sugar producers least of all. The worse inflation gets, the less likely Congress is to give them the price supports they need to stay out of the red.

The plight of the industry has been described to state legislators, and it is serious. Growers on the east coast of the Big Island are losing as much as $7 million a year and say they may not survive.

To complicate matters, the industry is facing demands for new increases in negotiations with the ILWU. The union has called for a raise of 60 cents per hour for all workers, including employees of distressed companies. The ILWU says it will ignore the 7 percent ceiling for wage increases in the president's voluntary guidelines.

Low sugar prices, inadequate government protection from foreign competition, and high union contract demands add up to a difficult situation. As Hawaii has learned, talk about closing sugar plantations is sometimes no idle threat. It could happen again, creating the same sort of problems that we saw most recently in Kohala—maybe worse.

The sugar growers have asked the Legislature for help, but nothing the state can do is likely to relieve the problems resulting from Congress' failure to act and the union contract demands, with the high rate of inflation worsening the pressure.

If anybody here needs a reason to fight inflation, the fate of the sugar industry is a good one.

JAY SOLOMON

● Mr. PELL. Mr. President, one of the signs of vitality in our system of Government has been the influx of citizens from private life who come to Washington and bring fresh thinking and new leadership—much in the way Cincinnatus served as the ideal citizen-soldier in ancient Rome. President Carter recognized the wisdom of this idea in staffing his administration, bringing in many new faces who have lent creativity and strength to the Federal Government.

Of particular importance have been those appointees who have brought to their new jobs the knowledge and virtues of our private enterprise system. They have gained success in the private sector and now they are applying those same sound principles to government service. I can think of no finer example of such an individual than GSA Administrator Jay Solomon.

What Jay Solomon has done in his brief tenure here in Washington is startling. He has attacked the roots of a scandal that many people thought impossible to fight—corruption and waste within the General Services Administration. In doing so, he has done in a short period what others work a lifetime for—restoring public confidence in the ability of Government to function openly, efficiently, and honestly.

This sizable accomplishment stems from the application of the principles Jay Solomon mastered in his years as a successful businessman. He has demanded cost-savings and efficiencies for taxpayers just as surely as he sought them for shareholders. He has required strict accountability, he has found people to work with him who appreciate and understand sound business principles, and he has made the massive agency work.

I have personally seen an improved responsiveness within GSA since Jay Solomon took office. For example, long-standing impediments to the transfer of Rhode Island's former Navy lands to the State were removed shortly after the new administration began. Money was freed up to complete long-postponed environmental impact statements and the way was cleared to return these valuable lands to productive use.

I am sure other States have experienced similar efficiencies from GSA under Jay Solomon's leadership. But he is to be most highly commended for tackling the serious problem of corruption and dealing with it openly and frankly. This openness has won him the respect and gratitude of the American people, because it has been essential to exposing the deep-seated problems that have so long festered within the GSA.

Mr. President, Jay Solomon has set an example which I hope will be followed by others in the private sector—that an individual can make a difference in Government; that he or she can apply the principles learned in the private sector to Government managerial problems; and that fresh leadership can bring inspiration to a nation, just as Cincinnatus did for Rome years ago.●

DEFENSE SPENDING—A PERSPECTIVE

● Mr. NUNN. Mr. President, in recent weeks, much has been written and said about the aggregate level of the upcoming fiscal year 1980 Federal budget and especially that portion for our national security. Even before the President's budget was submitted to Congress, we heard complaints that defense spending will command too large a portion of the budget at the expense of other programs. Now the President has submitted a fiscal year 1980 budget request of $135 billion for the Department of Defense. At the outset, I believe it is important to frame this issue in the proper perspective. Before Congress decides the appropriate level of defense spending, we need to know where defense spending has been and where we are now compared to our major potential adversary. Any objective evaluation should start from an established baseline and should address the threats we face, our resources and our proposed responses.

DEFENSE SPENDING—REDUCED BURDEN ON U.S. TAXPAYERS

Certainly decisions about allocations of overall Government spending must include defense which represents a significant portion of the budget. Within the total framework of Government spending, however, major changes have occurred.

Net public spending by all levels of government—Federal, State, and local—has absorbed an increased share of our total economy. Since 1965, the proportion of our gross national product devoted to Federal, State, and local governmental spending has increased from 28 to 34 percent. That 6-percent increase has been financed by tax increases at every governmental level and a dramatic rise in the Federal deficit. I believe that deficit spending feeds inflation and must be reduced. I believe the tax level is too much of a drain on the average taxpayer and the level of Government is too large. That is why I support reductions in the tax burden associated with the reductions in Federal spending.

There is much more to governmental spending than the defense budget. Since 1965, spending on domestic and social programs has increased from 17 percent of the Federal budget to 26 percent—or a 9-percent increase of the GNP. Defense spending has decreased from 7 percent of the GNP to 5 percent. Thus, that increase of 9 percent of the GNP for domestic and social programs has been financed by reducing defense spending by 2 percent of the GNP, by increasing the Federal deficit by 3 percent of the GNP and by increasing taxes by 4 percent of the GNP.

Over the same period, Government employment patterns have also shifted away from defense. There has been an increase in Government employment but there has been a large decrease in relative defense employment to offset these other Government activities. In 1965, 17 percent of the American labor force was employed by Federal, State, and local government. Now the Government employs about 18 percent of the labor force. However, in 1965 some 29 percent of all Government workers were employed by defense whereas now only 17 percent of Government workers are in the defense sector.

This shift in Government employment is continuing. In the fiscal year 1978 Federal budget, defense employment was to decline by 15,000 and other agency employment was to increase by 59,000 for a net increase of 44,000. The new Civil Service Reform Act requires that Federal employment be reduced to the level of September 30, 1977. That will be accomplished according to the new budget submission by an overall reduction since September 30, 1977 of 27,000 jobs in DOD and an identical increase of 27,000 jobs in other agencies.

In comparing strictly levels of Federal spending, defense represented about 40 percent of Federal expenditures in 1965 and about 26 percent of all Federal, State, and local governmental spending. Now defense represents less than 25 percent of the Federal budget and less than 16 percent of all governmental spending.

It is also important to take a close look at how our Federal spending practices have changed since 1965 with the advent of a tremendous increase in social programs. There is no question that Federal spending has increased in all areas, including national defense; however, as social and domestic programs have proliferated, the percentage increases in spending in these areas offer some shocking statistics. For example, in 1965, Federal budget outlays for health were $1.7 billion; however, by 1978, expenditures for health had risen to $43 billion, a percentage increase of 2,463.15 percent. Likewise, our Federal expenditures for housing programs during the same period rose from $288 million to $8 billion, an increase of 2,813.19 percent. Similarly, our expenditures for social service programs increased by 1,918.88 percent; welfare by 750.30 percent, and jobs programs by 1,665.62 percent. Defense spending, however, in the same 1965–78 period rose from $49,578,000,000 to $105,186,000,000, a percentage increase of only 112.16 percent.

I certainly am not advocating that any program should be entitled to a fixed proportion of our GNP or labor force, or be sacrosanct from careful budgetary scrutiny. I have never been a proponent of the theory that the best way to solve a problem is by throwing money at it. Unfortunately, the Federal Government has often adhered to this philosophy, and our budget deficit has ballooned to a dangerously inflationary level in our efforts to accommodate all of these programs, many of which are duplicative, outdated, poorly administered and easily subject to fraud and abuse.

In his first annual report, the HEW inspector general found over $6 billion that was actually wasted in HEW. Although I do not believe it is possible to merely slash that much money off the top of the HEW budget to account for this waste, I do believe that such figures should prompt a careful congressional review of actual programs, their need, efficacy and efficiency. With the President's budget as a guide, I hope that Congress will begin a careful and indepth review of our Federal programs in an effort to weed out the unnecessary and duplicative, as well as the fraud and abuse. If Congress demonstrates this

type of fiscal responsibility, we can move toward a balanced budget while improving the important and effectual services to our citizens.

My main point is that current defense programs represent a much lower burden on American taxpayers than is commonly recognized. Concomitantly, this reduction in defense spending has facilitated increased funding of other Government programs. I believe those who advocate reducing defense spending to allow for increases in other programs have overlooked the shift in Government spending and employment patterns that have already taken place.

However, these numerical comparisons and statistical data should not be the determinant of how we allocate for defense spending. The defense budget represents the foundation of our national security policy, and arguments over total dollar amounts or a particular percentage of growth mask the real issues that must be addressed.

As the budgetary debate begins, one of the primary issues that must be faced in the defense area, is the relentless expansion of Soviet military power and how we in America choose to respond to it.

EXPANDING SOVIET POWER

Over the past 15 years, the Soviet Union has expanded its military capability, both qualitatively and quantitatively. It has transformed itself from a regional into a global military power which could be used directly against the citizens of our country. While I do not believe the Soviet Union has achieved military superiority over the United States, if present trends in the military balance are permitted to continue unchecked, the prospect of Soviet military superiority will become a real one.

The most prominent aspect of the Soviet military buildup has been the elimination of our strategic nuclear superiority which, since 1945, formed the linchpin of American security. In 1965, the United States enjoyed a decisive strategic nuclear advantage over the U.S.S.R. This advantage allowed us to offset Soviet preponderance in other kinds of military forces.

Since 1965, however, in a largely successful drive to "catch up" with the United States—if not to achieve superiority themselves—the Soviets have built and deployed entirely new families of highly destructive and increasingly accurate strategic nuclear missiles capable of devastating the United States. Aided by a strategic force budget twice as large as ours (despite a gross national product only half that of the United States), the Soviets have introduced no fewer than eight new strategic ballistic missiles, compared to only two for the United States during the same period.

In numerical terms, a United States 4-to-1 advantage in 1965 in land-based intercontinental ballistic missiles has shifted to a 1.3-to-1 Soviet advantage; similarly, the dramatic American advantage in submarine-launched ballistic missiles has disappeared and is today a Soviet advantage of approximately 37 percent. Our strategic bomber advantage has declined from 5-to-1 in 1965 to 3.5-to-1. Our 4-to-1 advantage in nuclear megatonnage in 1965 has reversed to a Soviet 2-to-1 advantage, although our continuing lead in deliverable warheads and in delivery accuracy to some extent offsets Soviet superiority in throw-weight. However, this lead is rapidly diminishing.

In short, the attainment of a rough parity with the United States in strategic armaments is the principal fruit of the Soviet program. This means that the capacity of our strategic nuclear forces to deter potential Soviet aggression has been sharply reduced, and that we can no longer rely on these forces to make up for our deficiencies in other segments of the military balance.

Interestingly enough, strategic programs are often the principal focus of congressional debate on the defense budget although this budget category contains only about 8 percent of the total defense budget.

CONVENTIONAL FORCES

In the realm of conventional forces, whose importance has increased in an era of strategic nuclear stand-off, Soviet expansion has been no less spectacular. Manpower trends since the mid-1960's have been no less adverse to the United States than trends in strategic forces.

The Soviet Union and their Warsaw Pact allies have always maintained substantially larger ground forces than those of the United States and NATO. Since 1965, the Soviet Army has been dramatically expanded and modernized. Some 30 divisions (1 million men) have been added for a total of 170 divisions (4.4 million men) compared to a drop in active U.S. manpower from 2.7 million to 2.1 million organized into 19 divisions. Although the bulk of these additional divisions have been deployed in the Far East, the Soviets have not been idle in the European theater.

Indeed, the Soviets have fundamentally redesigned their army with a focus on a blitzkrieg strategy which is evident in an enormous expansion in firepower and in the complete mechanization of all but a few specialized divisions. As Secretary of Defense Harold Brown stated recently:

> For some years, the Soviets have stressed in their military doctrine the advantages of short preparation times, tactical surprise (preceded by cover and deception), mass, concentrated firepower and shock to break through the enemy's defenses, and rapid movement to exploit the breakthroughs. With each passing year, their capability to conduct this modern form of blitzkrieg has come closer to matching their doctrine. Large quantities of self-propelled artillery and tanks, the BMP armored fighting vehicle, river-bridging equipment, organic and mobile air defenses, and their newer aircraft with a deep-strike mission give them much of the capability for rapid offensive action. In addition, their ability to move their forces speedily into position for an attack is now estimated to be greater than we had previously thought. As a consequence, we now characterize the Warsaw Pact as having three major levels of attack.

To be more specific, since 1965, the Soviets have deployed two new tanks and a new infantry fighting vehicle into their army; in contrast, the U.S. Army today continues to rely on tanks and armored personnel carriers whose basic designs were developed in the early 1960's. The Soviets have also built and deployed artillery and air defense weapons which are widely regarded as superior, in both numbers and quality, to those available to the United States. Against deployed NATO forces, the Soviets and their Warsaw Pact allies maintain a 3-to-1 advantage in artillery and a better than 2-to-1 advantage in tanks.

SOVIET NAVAL EXPANSION

In 1965, the oceans of the world were for the most part still an "American lake." The United States had a clear margin of some 200 to 300 major surface combatant ships, but today there are approximately 230 Soviet major combatants compared to 180 for the United States.

The Soviet Navy was, in 1965, also primarily a defensive force. Today, by virtue of a heavy investment in submarine and antiship cruise missiles, it poses a grave threat to our major warships. Although U.S. ships are larger and more capable than Soviet vessels, the Soviets numerical advantage could, in time of war, permit greater dispersion and therefore enhance survivability. To do so, however, the Soviets would be compelled to get their more numerous ships out of the Baltic and Black Seas and the Sea of Japan before hostilities erupted; no Soviet shipbuilding program can surmount Russia's age-old geographical obstacles to easy access to the high seas. There are indications that Soviet activities in Southeast Asia and the Middle East may lead to military bases which would reduce this disadvantage.

The Soviet Air Force has also been fundamentally restructured with the apparent aim of acquiring a powerful offensive force capable of carrying the air war deep into Western territory. The rapid introduction on a large scale of a host of longer range, heavier payload aircraft—such as the Backfire bomber—has greatly reduced the traditional advantage in tactical air power enjoyed by the United States and its allies. The technologically superior and combat-experienced U.S. tactical air forces continue to possess greater staying power than those of the Soviet Union.

In sum, it is readily apparent that if present trends in the United States-Soviet military balance continue and the traditional U.S. military advantages over the Soviet Union continue to erode, the security of the United States and its allies will be increasingly jeopardized.

No one can predict Soviet intentions, but it is clear that the Russians are doggedly and steadily increasing their military capabilities year after year to a point that far exceeds legitimate requirements for the defense of their country.

U.S. RESPONSE

It is against this background and the recognition of the shift in defense spending patterns that this year's defense debate should be conducted. This debate must address fundamental issues: The missions we expect our Armed Forces to carry out; the forces that are needed for those missions; the support needed for those forces; the efficiency with which the Defense Department manages those forces and their support; and the resources required to pay for it all.

For fiscal year 1979, the defense budget now stands at over $125 billion. This is a large sum of money, but it is less in real dollars than the defense budget of 1965, after inflation is taken into account.

In 1965, we allocated 7 percent of our gross national product to defense; this year we are devoting about 5 percent.

As a result, we now have smaller forces in being and we are buying fewer weapons. The previous comparisons dramatically illustrate the U.S. decline in numbers of personnel, ships, aircraft, and strategic forces while the Soviets have persistently increased their defense expenditures and military forces.

In weapons procurement, the fiscal year 1979 defense budget included 436 fighter/attack aircraft, compared with 583 in 1965—a 25-percent reduction. Since 1965, the number of new ships or conversions in the annual budget has decreased from 49 to 13—a 73-percent reduction. There are similar reductions in attack submarines, helicopters, tactical transports.

Using the same 1965 comparison, Soviet defense spending has grown at an average annual rate of approximately 4 to 5 percent and has consumed between 11 to 13 percent of the Soviet GNP.

The most startling comparison between the United States and Soviet spending is the enormous difference in levels of capital investment. Any defense budget must provide, on the one hand, for pay and operating expenses of the forces in being and, on the other hand, for investment for weapons modernization and replacement. Over 70 percent of Soviet defense spending is devoted to capital investment; that is for the purchase of new weapons and for research and development. The other 30 percent is for operating expenses. In stark contrast, the cost of operating existing U.S. forces gobbles up a staggering 61 percent of the defense budget, leaving only 39 percent for investment to buy equipment and facilities for the future.

The framework of our response to the increased Soviet threat must be a sharp increase in our capital investment and in research and development. To provide for this increase in investment, we need to increase the defense budget and to increase the military capability we get from the dollars we spend.

Inflation, growing manpower costs, and the rising unit costs of equipment have increased defense spending substantially in recent years while denying us the payoff of larger military forces or additional quantities of equipment. For example, the 1979 budget is about 2½ times higher than that for 1965, but it supports 500,000 fewer men and women in uniform, 149,000 fewer civilians, 483 fewer ships, and 6,500 fewer aircraft. About 57 percent of the current defense budget is required for manpower costs.

We must take steps to turn part of these costs into financing more investment and increased military capability, but much of this is necessarily a long-term proposition.

In summary, as we begin to debate the President's fiscal year 1980 budget request, we are faced with fundamental issues concerning our national security and arguing over a particular number or abstract percentage will not address those issues. The Soviets are not impressed by statistical analysis. Our response must be an increased effort for defense, in partnership with our allies, with priority to investment in needed procurement and improvements.

We can and should improve the efficiency of our military forces but we cannot expect these efficiencies alone to meet the increases necessary for the needed level of defense spending. We can and should take steps to decrease Federal spending and to control inflation, but we must recognize that we have already reduced the burden on taxpayers for defense and must tell the American people what our realistic needs are in light of the Soviet capabilities.

There are those who clearly feel that our social programs should assume priority over our legitimate defense needs. I reject this argument.

The first priority of our Nation must be our own national security and survival.●

UTILITY LIFELINE RATES

● Mr. HART. Mr. President, in the fall of 1977, the Senate adopted an amendment I sponsored to assist the elderly in meeting the spiraling cost of home energy by requiring utilities to provide a basic amount of electricity to senior citizens at the lower rates that it affords its large industrial consumers.

Unfortunately, this provision of the Senate utility rate reform bill was weakened in conference to merely say that State and local utility regulators must consider the implementation of lifeline rates.

The problems surrounding the increasing cost of home energy are particularly acute for senior citizens. The vast majority of America's elderly must exist on low, fixed incomes. They are particularly susceptible to hypothermia—the inability to maintain normal body temperature. And a number of other medical conditions related to the aging process are exacerbated by lowered room temperatures.

Recent studies indicate that many senior citizens now spend more than 30 percent of their disposable income on home energy needs—often at the expense of food and other necessities.

In my own State of Colorado, overall heating costs for homeowners using natural gas have risen 26.3 percent since the winter of 1978. At the same time, social security benefits—the principal source of income for many senior citizens—rose only 6.5 percent.

This problem was underscored in a particularly poignant way in a letter I recently received from a constituent, Mr. Herbert Whitfield.

Mr. President, I ask that Mr. Whitfield's moving letter be printed in the RECORD at this point.

The letter follows:

DENVER, COLO.

DEAR SENATOR: I sure hope you can get a bill thru Congress to help us elderly folks on our Utility Bills.

I'm 79 yrs of age, yesterday I Paid a Gas & Light Bill of $89.27 for 2 weeks in December and 2 weeks in January. My rent is $150.00 a month. My Social Security Check each month is $255.00 so the Gas & Light Bill of $89.27 & my $150.00 Rent left me with $15.73 for groceries for a month. I had to draw money out of my Savings for food.

Hope you read this to members of the Senate.

Thanking you.

Respectfully,

HERBERT WHITFIELD.

Mr. HART. Mr. President, the Senate recognized the glaring need for implementation of a lifeline rate 2 years ago when it first adopted the lifeline concept. In the interim, conditions have worsened and the need for this legislation has grown more urgent.

In the coming weeks, I will be introducing a bill to establish a comprehensive national lifeline rate, which will include both natural gas and electricity. I hope my colleagues will join me in this effort to provide both adequate and affordable home energy for the Nation's senior citizens.●

EULOGIES FOR FORMER VICE PRESIDENT ROCKEFELLER

● Mr. PERCY. Mr. President, I ask unanimous consent that excerpts from eulogies at the Memorial Service for former Vice President Rockefeller, as published in the New York Times, on February 3, 1979, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM EULOGIES AT MEMORIAL FOR ROCKEFELLER

(By Ann Rockefeller Roberts)

He was what he was—exuberant, energetic, extravagant. He was all these things and more without hesitation, without regret, with conviction at home as well as in the public eye.

To be his children was not always easy. But he filled our lives with excitement, and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art with us by spending hours together hanging pictures, and his wanting us to help build a chicken coop or garden wall so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To father, life was meant to be lived. As we leave this church today he would want us to get on with it, to go forward, to take our lives in our hands fully and joyfully as he did.

BY ROBMAN C. ROCKEFELLER

My brother, Nelson Jr., told us in his moving talk at the graveside that the spirit of our father, Nelson, will be with us always.

For 70 years his family, his country and the world lived with, enjoyed, and were benefited with that spirit.

He was born into a period of revolutionary change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teen-aged years, and he graduated into adulthood with the Depression.

Into that world, came Nelson Rockefeller, a man of power, of wealth, and equipped with the confidence born of that power and wealth. He loved people and the hurly-burly of the political campaign.

We share the image of his first statewide campaign, from Nathan's on Coney Island to Niagara Falls, as he charged into cheering crowds with "Hiya, fella" for everyone he could reach.

An eternal optimist

To understand the warmth and the depth of my father's spirit, one must turn to the role that appreciation and collecting of art played in his life. As he said at the opening of the Family of Man Exhibition: "I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way, for the artist sees with an eye that the vision of ordinary perception cannot see."

The life of a whole man has unfolded before us, strong, even arrogant, impatient, yet wise and foreseeing, integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government, he saw the function of his drives and ambitions in the solving of problems.

BY DAVID ROCKEFELLER

I speak to you this morning as Nelson's youngest brother and as a member of a large family, which he loved and from which he drew strength: a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the Democratic process, in the American enterprise system and in the responsibility of each citizen to revere God and to help his fellow man.

He loved beauty and nature and the arts. He loved the companionship of people. He loved life.

In the family, this is a day of mourning—but it's also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave to every area that he touched.

His departure leaves a gap that will never be filled. But his spirit, his patriotism his determination and his optimism will remain a vibrant force in our lives.

BY HENRY A. KISSINGER

That Nelson Rockefeller is dead is both shattering and nearly inconceivable. One thought him indestructible, so overpowering was his energy and his deep faith in man's inherent goodness.

For 25 years, he had been my friend, my older brother, my inspiration and my teacher.

I first met Nelson Rockefeller when, as an assistant to the President, he called me, a graduate student, to join one of the panels of experts he was forever setting up to ponder the nation's future.

He entered the room, slapping backs, calling each of us by the best approximation to our first name that he could remember, at once outgoing and remote.

Intoxicated by the proximity of power, all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished, the smile left his face and his eyes assumed the hooded look which showed that we were now turning to things that mattered.

"What I want you to tell me," he said, "is now how to maneuver, I want you to tell me what is right." And what is right for Nelson Rockefeller, this was the quintessential question, both naive and profound at once shaming and uplifting. It was a definition of his integrity.

Quintessentially American

Nelson Rockefeller was a man of contrasting qualities, ebullient and yet withdrawn, gregarious and lonely, joyful and driven, full of the moment, yet somehow marked by eternity. He could be pugnacious in asserting his beliefs, but he respected those who differed with him. He could be hard but never petty, single-minded but never malicious. His enemies were the slipshod and the second-rate. Nelson always had a marvelous time. Nothing was too trivial for his attention.

He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and he loved hot dogs. He loved parties, and travel and meeting people.

Nelson was truly his brother's keeper. Nelson could not express in flip words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated the meanings of the nudges, the winks and mumbles by which he conveyed his infinite caring.

He was an artist with sudden, unexpected flashes of insight that startled and sometimes astounded one.

Nelson Rockefeller was quintessentially American. To other nations, Utopia is a blessed past never to be recovered. For Americans, it is just beyond the horizon. One has to work with Americans, not listen to them, to experience their faith.

An ambition to serve

Skeptics might scoff at his belief in America's moral mission, but then cynics do not build cathedrals.

He revered his Presidents, whether or not he agreed with them. As a patriot, he sought to ease their burden. He winced when associates made unworthy comments about those who, in his view, had been entrusted with our future and, therefore, the hopes of mankind.

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter, who found time amidst the care of his duties for several gestures to ease the family's bereavement and then to extend the one solace that would have stirred Nelson the most—that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved and whom he served with unselfish dedication as Vice President. He refuted the cynics who expected him to chafe at the limitations of the office, then stepped aside in midterm without slackening in his devotion to his responsibility. Nelson's ambition was to serve, not to be.

A tragedy for the country

Much has been said or written about the frustration Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was, in my view, a tragedy for the country. What a great President he would have been! How he would have enobled it! What an extraordinary combination of strength and humanity, decisiveness and vision!

Yet, I never heard him express even one word of disappointment. As with everything, he sought the office with zest. But, when it eluded him, he went on to new challenges, undaunted, resilient, inexhaustible. In a sense, there was something inevitable and even noble in his gallant failure to win the nation's highest office. And, here again, the myths are wrong.

He never succeeded, not despite the fact that he was a Rockefeller, but because of it. His entire upbringing made him recoil before appearing to the people he wanted to serve as if he were pursuing a personal goal. Having been already so privileged, he felt that he had no right to ask anything for himself as an individual. And so this superb campaigner, who genuinely loved people, eschewed the personal pursuit of delegates.

He sought the office by trying to present to the nation the most sweeping vision of its future and the best blueprints to attain it. He had a touching faith in the power of ideas. It is not quite the way our boisterous political process works, more geared, as it is, to personalities than to programs.

In recent years, he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more, but he understood better. And, as the statutes on the lawn glowed in the dimming light, Nelson Rockefeller would occasionally get that squint in his eyes, which betokened a far horizon, and he would say, because I needed it, but, above all, because he deeply felt it, "Never forget that the most profound force in the world is love."

BY MARTIN LUTHER KING SR.

So God, our Father, we lift up our hearts and souls to Thee in prayer. Grant, oh God, that we shall now come to see that our friend has fallen on a sleep; it isn't a dream, it's real. Grant that the family and all of us will come to grips with this and face it.

We thank Thee that we're not home yet. We tarry for a while here, but one day we shall all get home. Thou has given us a beautiful world. It may well be that we have not been good attendants as we might have been, but we thank Thee for the beauty of this world. We thank Thee for the life that was so beautifully lived among us, as has been said by each speaker.

Now God, now God, we will wait, we will wait. We will keep faith. We will keep on looking up despite what we meet. Sometimes, we feel our portion is more than it ought to be, but Thou does know what is best for all of us.●

PRESERVING THE 55 MPH SPEED LIMIT

● Mr. PERCY. Mr. President, I would like to draw the attention of my colleagues to an editorial which appeared in the Washington Post on February 3, 1979. This editorial, entitled "55 mph Saves Lives", underscores the importance of this law as an energy conserving and safety measure. A particularly compelling statistic brought forth in the editorial is the fact that approximately

36,000 lives have been saved in the last 5 years as a result of the lower speed limit. Energy conservation aside, this should be sufficient reason for the Congress to stand fast in its commitment to the 55 mph speed limit.

Mr. President, I ask that the Washington Post editorial be printed in the RECORD.

The editorial follows:

55 MPH SAVES LIVES

On those long stretches of open highway in the West, the difference between driving at 55 mph and 65 mph is substantial. It cuts the length of time needed to travel 100 miles by about 17 minutes, no small saving when you consider the distance from Cheyenne to Rock Springs or from Casper to Jackson. So it is not surprising that a majority of the members of Wyoming's Senate has grown tired of the federally imposed 55-mph speed limit. It is boring, as well as difficult, to hold a high-powered car down to that speed when you are going to be driving all afternoon or all day, across that state.

What is surprising is that the Wyoming senators seem prepared to give up $51 million in federal funds to raise the state's speed limit to 65. It may be, of course, that they think Congress will back down and repeal the law cutting off highway funds from states that permit speeds higher than 55. That might happen—although it should not—if enough other states reject the higher limit. Several other legislatures have proposals like the Wyoming bill before them.

Congress imposed the 55-mph limit in 1974 as a fuel-conservation measure, which it is; federal officials estimate it conserves about 9 million gallons of gasoline a day. But the speed limit has also turned out to be a major public health measure, perhaps the most effective life-saver ever passed by Congress. The best estimate is that it has helped save the lives of about 36,000 people in the last five years.

That reduction in highway fatalities has come about despite the reluctance of some states to enforce the 55-mph limit and despite the refusal of many drivers to abide by it. Proponents of raising the speed limit claim most of the reduction is due to things like seat belts and safer cars. But the facts are that accidents happen at 65 mph that would not happen at 55 mph, and that the odds of surviving a crash are many times better when you are driving within the legal limit than when you are exceeding it by any significant margin.

On that basis alone—never mind the continuing energy crisis—repeal of the existing limit by Congress or by any state, would be foolhardy. The polls show 70 percent of the public think 55 is a reasonable limit. The evidence is that it keeps people alive and well who would otherwise be killed. Seventeen minutes per 100 miles is not a high price to pay for those lives.●

JOHN SPARKMAN ON UNITED STATES-SOVIET RELATIONS

● Mr. CHURCH. Mr. President, when John Sparkman announced last year that he planned to retire from public office, it was difficult, if not impossible, to accept that decision without regret or sorrow. He was after all as much a part of the Senate as any man could have been or hoped to be. For more than 40 years, holding national office first in the House and then in the Senate, John Sparkman convincingly served the people of Alabama, the Congress and the Nation. His gentlemanly dedication to honesty, fair play, and commonsense will forever stand as an inspiration and a reminder to all of us.

Yes, there can be no doubt that the Honorable John Sparkman paid his dues and he paid them in the only way he knew how—by serving the public interest and by serving it well, 24 hours a day, day-in and day-out, for more than 4 decades.

Mr. President, just prior to Senator Sparkman's retirement and return to private life and the practice of law, he sought to focus increased public attention on the whole complex issue of U.S. relations with the Soviet Union. This effort, under his guidance while serving as Chairman of the Foreign Relations Committee, comprised a broad, wide-ranging study of the Soviet Union and United States-Soviet relations. Some 80 recognized experts and scholars participated in the study and their views and insights on Soviet intentions and capabilities and U.S. policy responses are contained in the committee print entitled, Perceptions: Relations Between the United States and the Soviet Union. Chairman Sparkman, on behalf of the committee, released this document on January 1.

I earnestly commend this publication to my colleagues and to the American people at large. Its primary purpose was to draw attention to intricacies of the Soviet Union and the complexities of United States-Soviet relations—without losing sight of the competitive, adversary nature of this relationship. This was a tall order, but I believe the committee and its former chairman can be genuinely proud of a job well done.

Mr. President, of special interest in this volume are the introductory remarks of John Sparkman himself. I wish to call particular attention to them because I believe they focus on certain facets of the United States-Soviet issue which are all too frequently overlooked. For example, in an effort to provide Americans with a more balanced view of Soviet society and Soviet capabilities, the distinguished Alabama statesman observes:

In judging Soviet achievements, we must guard against perceiving more than is there. It is true that militarily the Soviet Union is exceptionally strong. But it is also true that politically, economically and socially it exhibits many of the characteristics of a developing country.

Continuing on from his vantage point of 43 years in public life, Senator Sparkman notes:

Aside from its military might, the Soviet Union has a long way to go to achieve the standard of living enjoyed throughout the non-communist industrial world. The Soviet leadership knows this. The Soviet people know it, too.

Finally, John Sparkman—the citizen, the patriot, the statesman—offers this advice and counsel:

With a more accurate perception of the Soviet Union, Americans may demand of their Presidents that they be as willing to "sit down" with the Russians as they have been to "stand up" to them. This is a policy option that makes common sense. The American people should insist upon it.

Mr. President, I request that the full text of Senator Sparkman's introductory remarks to the study mentioned above be printed in the RECORD.

The remarks follow:

INTRODUCTION

As Chairman of the Senate Committee on Foreign Relations, a position I have been honored and privileged to hold since 1974, I strongly support the Committee's decision to undertake a broad review of United States relations with the Soviet Union. It comes at a critical juncture, a time when relations between our two countries are seesawing up and down; a time when the future course of a relationship is as murky as it is unsettling; and a time when both countries are endeavoring in earnest to put the finishing touches on a new Strategic Arms Limitation Agreement.

Despite the irritating delays in the birth of a SALT II accord, I am as confident as I am hopeful that such an accord will be reached and forwarded to the new Congress early in the next session. As the most controversial issue of recent years, its consideration will consume a great deal of time and effort by both the Committee and the Senate.

The decision that is rendered on SALT II will be momentous. Its significance will go far beyond the issue of arms control and nuclear restraint. For better or worse, it will serve to chart the course of United States-Soviet relations for the foreseeable future. Its impact will be felt in Europe, among NATO and Warsaw Pact countries alike, in the Middle East, in Africa, and in China and the Far East.

Because of the global significance of the SALT issue, I am strongly persuaded that, just as war is too important to be left to the generals, SALT is too important to be considered exclusively in an arms control context.

Congress' decision on SALT will be based primarily upon perceptions of the Soviet Union, its leaders and the future course of United States-Soviet relations. Thus, the purpose of this compendium of essays is to help sharpen our perceptions and achieve a greater measure of accuracy. As the SALT issue gains momentum next year, I hope the Committee, the Congress and the public will use this collection of essays as a foundation for reaching a more informed judgment about the Soviet Union and United States-Soviet relations.

ORIGIN OF THE PROJECT

On June 9, 1978, the Foreign Relations Committee met in executive session with CIA Director Stansfield Turner for the purpose of reviewing intelligence data and evidence relating to Administration charges about Cuba's role in the so-called Shaba II incident. Despite the lack of conclusive evidence on the nature and degree of Cuban involvement, the meeting prompted the Committee to focus on the larger issues of Soviet interests and activities in Africa and of United States-Soviet relations in general. As a result of the Committee's discussion of these issues and the prospect of considering a SALT II agreement in early 1979, the staff was asked to develop a study that would encompass a broad review of United States-Soviet relations. The Committee staff prepared a study outline which was distributed to Members and subsequently approved by the Committee August 15, 1978.

This volume is the product of that decision. It contains 79 concise essays on fifteen topics designed to explore Soviet interests, attitudes, objectives and capabilities and U.S. policy responses. These essays range from economic conditions and cultural forces in the Soviet Union to Soviet conduct in multilateral institutions; from the Soviet

Union's civilian and military bureaucracies to its influence in the Third World; and from the accuracy of U.S. perceptions about the Soviet Union to the soundness of U.S. policy-making procedure.

Each essay in this volume was prepared by a recognized expert in the field. Moreover, every effort was made to bring together a balanced group of contributors on each topic in order to ensure a fair and equitable presentation of views. To underscore the efforts that were made in this regard, 121 experts were initially contacted and invited to participate. Of these, 79 accepted the Committee's invitation and their contributions comprise the bulk of this volume.

In addition to the essays, there is included at the outset a staff summary. The summary follows the outline of the study, (which also serves as the basic table of contents appearing on page IX), and includes, prior to each separate topic, an essay-type question which each contributor was asked to use for guidance purposes in the preparation of the essay itself. The summary is not intended as a comprehensive review or statement of the experts' views. Rather, it is intended as a reference or guide.

Indeed, the essays constitute the real significance of this volume. For the most part they are brief and purposefully so; the goal was to obtain expert and scholarly insight, not verbiage and rhetoric.

On behalf of the Foreign Relations Committee, I want to thank each of the experts and scholars who contributed to this project. They have done their work exceptionally well and performed an important public service.

Finally, I express my appreciation to the members of the Committee staff who assisted on this project and, at the Committee's direction, made it a priority matter. Robert H. Dockery served as project coordinator for the staff group who included George W. Ashworth, Pauline H. Baker, Janice O'Connell, Ralph Nurnberger, and John Ritch.

REFLECTIONS ON THE SOVIET UNION AND UNITED STATES-SOVIET RELATIONS

In reflecting on United States-Soviet relations and my service in the United States Congress, I am struck by the fact that my tenure on Capitol Hill coincides in large part with the period since the restoration of normal diplomatic relations between the United States and the Soviet Union. Diplomatic relations were resumed 45 years ago, in 1933, I was elected to the House of Representatives 3 years later.

This juxtaposition provides a framework for my own thoughts and views. My perspective, like that of many Americans, has changed from time to time depending on the course of events during this period. Indeed to many, myself included, the hallmark of the United States-Soviet relationship has been its changing nature and its increasing intensity.

After the Bolshevik Revolution, there were no formal relations between our two countries for sixteen years. When the stalemate was broken in 1933, the residue of hostility toward Soviet Marxism-Leninism made the relationship tenuous at best. This situation changed considerably with Hitler's decision to open a second front in World War II. Out of necessity, the United States and the Soviet Union developed a working relationship for the purpose of defeating a common enemy. Once the enemy had been defeated, however, the new relationship disintegrated almost as quickly as it had been established. Cooperation, necessitated by the war, gave way to the suspicion and mistrust that had been held in check during the war years. The uneasy alliance soon gave birth to the Cold War.

Looking back over the Cold War, it is obvious that many mistakes—compounded by misunderstandings, misconceptions and plain bad luck—were made on both sides. Finding the way back has not been easy. The road to genuine détente is strewn with the debris of the past. As psychologists say, there is much "excess baggage" on both sides of the relationship.

The Soviet Union, the largest nation in the world, encompasses one-sixth of the planet's land mass. It incorporates fifteen republics stretching from western Europe to Alaska. It houses 260 million people. It is multi-racial and multi-lingual. It lives with 1000 years of history, a history highlighted by authoritarian rule, mass suffering, invasion and conflict. The Soviet Union is a military superpower with a troubled past and an uncertain future.

On the other hand, the United States is concentrated in an area less than half the size of the Soviet Union. Its 220 million people constitute a relatively cohesive population, drawn primarily from western Europe. Its historical experience encompassing 350 years is marked by a pioneering spirit, individualism, political democracy and geographic security. By contrast, the United States is a full-fledged superpower in every respect, with a settled past and a bright future.

Despite the historical and ideological gulf that separates our two nations, there is an obvious commonality of interests, in a word, survival. Having gone to the brink of war during the Cuban missile crisis, the United States and the Soviet Union have found ways to work together in some areas of mutual concern, the control of nuclear weapons being the most prominent and highlighted by the Limited Nuclear Test Ban Treaty, 1963; the Nuclear Non-Proliferation Treaty, 1970; the ABM Treaty and SALT I agreement, 1972; and waiting in the wings, SALT II and perhaps a Comprehensive Test Ban Treaty.

The overall value of these achievements, each modest of itself, is significant. But to a very large extent, these military arrangements distort the image of each nation. Both societies possess far more than military power, although this aspect tends to be the focal point of attention on each side. Nevertheless, any citizen of the United States would be offended by a description of America couched in militaristic terms. Reversing the situation, it is not difficult to imagine that any citizen of the Soviet Union, confronted with a similar description of his country, would be similarily offended. This is another way of saying that efforts by "us" or by "them" to depict the other as a nation dedicated to military conquest have seldom, if ever, served the interests of either.

The lesson to be learned here should be self-evident. It is the need for a measure of empathy in our relationship—a willingness to put ourselves in the other man's shoes. Unless American policy-makers and Soviet leaders both have this capacity, there can be no lasting basis for understanding.

First and foremost, it is a matter of perceptions—let us hope, of changing perceptions. Experience has proven all too often that there is a vast discrepancy between perceptions and reality. The perceptions most Americans held of the Vietnam conflict changed dramatically between the mid-1960's and the early 1970's. Similarly, perceptions of the People's Republic of China and of Africa have changed considerably in recent years. Perceptions of the Panama Canal have also undergone substantial change in a relatively short period of time.

The essays contained in this volume provide individual perceptions or distinct impressions of various aspects of the Soviet Union and United States-Soviet relations. Separately, they tell but one part of the story, reminiscent of the blind men asked to describe the elephant. Collectively, they tell quite a different story, more complex, thorough and accurate.

With respect to the Soviet Union, this is not an easy task. And for reasons known best to themselves, the Soviets make the task infinitely more difficult than it need be. Aside from the secretive nature of the society, there is the added difficulty of distilling reality from rhetoric, a chore made even more arduous by the news media's proclivity to dramatize the one and downplay the other.

For example, many Americans will recall Nikita Khrushchev's warnings in 1956: "Whether you like it or not, history is on our side. We will bury you." That remark was spread over the front page of major newspapers throughout the country. It also served as the basis for a number of "commentaries" and "news analyses" in many of our leading magazines and journals. Contrast this "incident" and the widespread attention it received with the following news agency story which appeared on page 20 of the November 1, 1978 edition of the *Washington Post*. This brief report, with a Moscow dateline, told the story of a button shortage in Siberia: "Trousers without fly buttons have been issued to workers on the new trans-Siberian railway because of a button shortage, the Soviet party newspaper Pravda said here yesterday." The report went on to note, "Last month, Pravda reported that toothbrushes were unobtainable in certain parts of Siberia."

While most Americans will long remember Khrushchev's bellicose remarks, it is unlikely that many ever saw the other story. Rhetoric vs. Reality—underscoring the seemingly ridiculous contradictions which the Soviet Union often exhibits as if plagued by some congenital defect. In this instance, there is the bombastic pledge: "We will bury you," from a country that is unable to produce enough trouser buttons or toothbrushes. Or, there is the contradiction between the Soviet Union's great achievements in space, beginning with the Sputnik launching of 1957, and its recognized failure in meeting basic human needs—food and shelter. Or, there is the contradiction between its highly advanced military technology and its relatively underdeveloped industrial capability. Or, on another level, there is the boast about Moscow's having the largest hotel facility in the world, but visitors routinely report that trying to get a meal there turns out to be a bureaucratic, cumbersome and laborious task. Similarly, there is the pride of the Soviet Union in hosting the 1980 Olympics, co-existing with the traditional suspicion of foreigners and a less than enthusiastic welcome for them.

Summarizing the contradictory nature of the Soviet Union, James Billington of the Wilson Center noted recently, "The basic contradiction in the Soviet Union is the relatively simple contrast between outward power and inner weaknesses." By way of explanation, Billington observed, "Outwardly it is the last, the largest and the most powerful of the great multinational empires of the pre-modern era. Inwardly it is a land of disturbed emotions—born of suffering, impacted by silence, uncleansed by sunlight."

Unfortunately, too many Americans for too long have focused exclusively on the strength of the Soviet Union—its military prowess and outward strength. And from this they have demanded of one President after another that the United States be prepared militarily to "stand up" to the Soviets. More properly, Americans should focus on *both*—the strengths of the Soviet Union as *well as its weaknesses*. To the extent we do not, we suffer from myopia and help perpetuate the myth of the Soviet Union as a superpower equal in status to our own. Looking at the complete picture—strength vs. Weakness—it is obvious the Soviets are not ten feet tall.

In judging Soviet achievements, we must guard against perceiving more than is there.

It is true that militarily the Soviet Union is exceptionally strong. But it is also true that politically, economically and socially it exhibits many of the characteristics of a developing country. Aside from its military might, the Soviet Union has a long way to go to achieve the standard of living enjoyed throughout the non-communist industrial world. The Soviet leadership knows this. The Soviet people know it, too. Americans should also.

With a more accurate perception of the Soviet Union, Americans may demand of their Presidents that they be as willing to "sit down" with the Russians as they have been to "stand up" to them. This is a policy option that makes common sense. The American people should insist upon it.●

THE RIGHTS OF THE MINORITY

● Mr. SCHMITT. Mr. President, yesterday's Wall Street Journal contained an editorial concerning Senate Resolution 9. The editorial sounded a warning to all Senators particularly those Senators in the minority—be it a partisan or ideological minority about the proposed changes. As the article pointed out, what may seem as "a few technical sounding rule changes" are in fact significant changes in the rules which have protected the rights of the minority for so long.

Mr. President, the American political system is based on majority rule but has numerous safeguards for the protection of minority rights. We are being asked to dismantle a section of the network which protects minorities.

The argument has been made that a minority of Senators as little as one or two can thwart the will of the Senate and of the Nation. This is simply not the case. Virtually all legislation which did have popular support did eventually become law. It may have taken a little longer and may have changed somewhat, but there is safety in time. Often legislators need additional time to study a bill and its effects. On the other hand, extended debate is a safeguard against special interest legislation which may have the support of a majority of the Congress but is opposed by an overwhelming majority of the country.

Mr. President, if the intent of the proponents of Senate Resolution 9 is to democratize our legislative system, then I suggest that the problem is more serious than rule 22 of the Senate rules.

Consider this example. A bill is introduced in the Senate which passes it by a vote of 100 to 0. The House then votes for its passage unanimously 435 to 0. The legislation is signed into law by the President. This bill has the unanimous support of every federally elected official, clearly the voice of the people. Yet, 5 members of the Supreme Court can invalidate this law and void the will of the Nation. Should this be allowed to happen? Perhaps we should also change this aspect of our constitutional system. And while we are at it, why should the President, one man, be allowed to veto a bill which has the support of the majority of the Senate and the House.

Mr. President, I do not advocate changing the system which has worked so well for almost 200 years. There are times when it is frustrating to me that one or a small handful of individuals, whether in the courts, or the White House, or the Senate, can delay or even prevent the passage of a bill which I favor. At the same time, I understand that if the bill is important and if it is for the good of the people, it will stand the test of time. Perhaps, Mr. President, I have a great deal of confidence in reason, discussion, and the will of the American people.

Mr. President, I ask that the editorial "A Senate Power Play" which appeared in The Wall Street Journal of February 6, 1979, be printed in the RECORD.

The editorial follows:

A SENATE POWER PLAY

As a new and unpredictable Congress jockeys to organize itself, we find ourselves interested in a dubious bit of maneuvering by Senate Majority Leader Robert Byrd.

Senator Byrd this week will try to get action on a few technical sounding rule changes of a type that could produce significant changes in the quality of the Senate's legislative output. Not surprisingly, the technical changes Mr. Byrd has in mind would give more power to the Senate majority leader. While there is something to be said for orderly legislative processes, there is a great deal more to be said, in our view, for Senate resistance to the majority leader's proposals. We see little point, particularly in the light of the legislative experiences of the last two years, in weakening the independence of the Senate in assessing the legislative initiatives coming out of the White House and Tip O'Neill's House of Representatives.

Mr. Byrd would do just that with Senate Resolution 9, a proposal to change Senate rules "to expedite the work of the Senate." Fundamentally, the resolution would reduce the amount of time Senators have to consider each piece of legislation, meaning of course, that they would become more dependent upon the interpretations of the leadership. The resolution would put new limitations on debate, make more matters non-debatable and reduce the ability of individual Senators to offer amendments and force compromises.

Proposals to "streamline" the Senate's rules have arisen in the past when a President couldn't get his way, powerful special interest groups were stymied, or an ambitious majority leader saw an opportunity. But they have been hard to get past the Senate. Two years ago, Mr. Byrd made a proposal similar to Resolution 9, but had to withdraw it for lack of support. We suspect the new attempt stems both from the usual political instincts and from the frustrations the White House and the Democratic congressional leadership have experienced in getting legislation past the Senate. The fact that the Senate has often in these cases protected the country against legislative blunders and excesses does not enter into their calculations. As Senator Byrd in effect told his colleagues last September, he would like to have the powers of the Speaker of the House.

Strangely enough, his chances may have been improved by the last election, despite the diminished confidence in congressional leadership expressed by the public. He might, for example, get support from Senate liberals, who see their position weakening in the Senate as a whole. The liberals may figure their legislative chances are better with the leadership than the full Senate, particularly when they can enlist enough outside pressure groups to also bring the White House into their camp.

The liberals are, however, in something of a quandary. If they are an emerging minority as some people suspect, they may be helping to set up a system that can run over them in the future.

As to the Republican minority, its leadership seems to be more interested in compromises than in protecting the prerogatives of the minority and individual Senators.

If Mr. Byrd succeeds in changing the rules, it will result in more laws being passed. But as Mr. Byrd said back in 1970 when he was just a Senator from West Virginia and his perspective was different, "We should not measure the contribution of a Congress by the number of bills and resolutions that have been enacted into law by that Congress. As Voltaire said: 'A multitude of laws in a country, like a great number of physicians, is a sign of weakness and malady.'"

Considering the legislative proposals this administration has come up with, we don't welcome the prospect of a Speaker of the Senate spinning the crank on a legislative mill. We encourage the Senate to remain a deliberative body.●

ORDER OF PROCEDURE ON MONDAY, FEBRUARY 19, 1979

Mr. ROBERT C. BYRD. Mr. President, on Monday, when the Senate returns on the 19th, George Washington's Farewell Address will be read by Mr. WARNER. Following that, I ask unanimous consent that there be a period for the transaction of routine morning business for a period not to exceed 1 hour with statements limited therein to 15 minutes each; that Mr. PROXMIRE be accorded the first 15 minutes in that morning business period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It would then be automatic, as I understand it, Mr. President, that the Senate would at that time resume consideration of Senate Resolution 61, as amended.

The PRESIDING OFFICER. At the end of morning business, the Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I want to reiterate, as I stated in my letter on yesterday, and as I said on the floor previous to this moment, it has been the custom of the Senate, certainly in recent years, to conduct business and to conduct rollcall votes, if necessary, following the reading of Washington's Farewell Address, and that will be the case in this instance.

Senators are alerted to the possibility, and even the likelihood, of rollcall votes on Monday, February 19.

As the Senator from Maryland (Mr. SARBANES) pointed out, we have Monday, Tuesday, and Wednesday, and no later than 6 p.m. on Thursday the 22d, hopefully, in which to debate Senate Resolution 61, amend it and adopt it.

I would certainly hope that, by the hour of 6 p.m. on Thursday of that week, the Senate will vote up or down on Senate Resolution 61, as amended.

I believe if that is done the Senate will have done itself credit by working its will on the resolution.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, am I to understand that Senate Resolution 61, as amended, will be available to

Senators tomorrow, showing the amendments that have been made to date in that resolution?

The PRESIDING OFFICER. By previous order of the Senate, the Senator is correct.

Mr. ROBERT C. BYRD. All right, I thank the Chair.

And Senate Resolution 61, as amended to date, will appear in the RECORD separately, and will also appear in the RECORD in the context of rule XXII, beginning with paragraph numbered 2?

The PRESIDING OFFICER. The Senator is correct. Under the previous order it has been so designated.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL MONDAY, FEBRUARY 19, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 42, that the Senate stand in recess until 12 o'clock meridian on Monday, February 19, 1979.

The motion was agreed to; and at 5:59 p.m., the Senate recessed until Monday, February 19, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 9, 1979:

THE JUDICIARY

Martin F. Loughlin, of New Hampshire, to be U.S. district judge for the district of New Hampshire, vice a new position created by Public Law 95-486, approved October 20, 1978.

David O. Belew, Jr., of Texas, to be U.S. district judge for the northern district of Texas, vice a new position created by Public Law 95-486, approved October 20, 1978.

NATIONAL COUNCIL ON THE HUMANITIES

A. D. Frazier, Jr., of Georgia, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1982, vice John Hope Franklin, resigning.

DEPARTMENT OF STATE

The following-named persons for reappointment in the Foreign Service as Foreign Service officers of class 3, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Arthur H. Brunetti, of California.
Garrett Courtney Burke, of Washington.
Peter Walter Coim, of the District of Columbia.

For appointment as a Foreign Service officer of class 3, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Harvey A. Buffalo, Jr., of Arkansas.

For reappointment in the Foreign Service as a Foreign Service officer of class 4, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

John Michael McIntyre, of Illinois.

For appointment as a Foreign Service officer of class 4, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Donald Gene Johnson, of Virginia.

For promotion from a Foreign Service officer of class 6 to class 5:

Frank S. Parker, of Colorado.

For appointment as Foreign Service officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Charles Bonin Angulo, of Virginia.
Elizabeth Bowen, of West Virginia.
Barbara Hemingway, of Connecticut.

For promotion from Foreign Service officers of class 7 to class 6:

Gary Roy Alexander, of California.
Phyllis Sachiko Anderson, of California.
John H. Andre II, of Michigan.
John H. Bargeron, Jr., of Pennsylvania.
Catherine Barry, of Illinois.
William M. Bellamy, of California.
Marsha-Lynn Bellavance, of Utah.
Anthony Benesch, of Maryland.
Richard A. Boucher, of Maryland.
Paul Michael Bunge, of the District of Columbia.
Stuart Z. Chiron, of the District of Columbia.
Donald Barry Coleman, of California.
Francis Marion Davenport III, of New Hampshire.
Carl E. Dorris, of Oklahoma.
John Francis Fogarty, of California.
Thomas Frank Foulger, of California.
Marc I. Grossman, of California.
Douglas Alan Hartwick, of Washington.
Carolyn I. Heskin, of North Dakota.
John Martin Hoover, of Virginia.
Robert Steven Hyams, of New York.
Kevin Lawrence Kearns, of New York.
John Louis Klekas, of Utah.
Jimmy J. Kolker, of South Dakota.
Michael A. Leu, of Missouri.
Lee R. Lohman, of Pennsylvania.
Donald Roy Lyman, of Florida.
Robert M. Marshall, of New Jersey.
William Vincent McLeese, of Louisiana.
Martha McLogan Morrow, of Michigan.
Gregory David Miller, of Connecticut.
Geoffrey Henry Moore, of Georgia.
Roger Christopher Nottingham, of Indiana.
Allen E. Nugent, of New Jersey.
Thomas M. Okada, of California.
John O'Leary, of Illinois.
Keith Powell II, of Oregon.
T. Dennis Reece, of Indiana.
Nicholas James Ricciuti, Jr., of Massachusetts.
Vladimir Peter Sambaiew, of New Jersey.
Emil M. Skodon, of Illinois.
Timothy Einar Skud, of Washington.
Robert J. Smolik, of California.
Joseph A. L. St. John, Jr., of Florida.
Karen Brevard Stewart, of Florida.
Curtis A. Stone, of Washington.
Thomas David Sutton, of Pennsylvania.
James Webb Swigert, of Vermont.
A. Gregory Thielmann, of Iowa.
Donald Paul Trader, of Georgia.
Donald Royal Tyson, of California.
Joseph Lacy Warner, of Florida.
Mark W. Willis, of Massachusetts.
David Thomas Wolfson, of Maryland.
William Braucher Wood, of New York.
Ronnie D. Woody, of Virginia.

For appointment as Foreign Service officers of class 6, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Francis Edward Matthews, of Pennsylvania.
Bernice Ann Powell, of Michigan.

For appointment as a Foreign Service information officer of class 6, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

John Eric Lundin, of New Jersey.

For promotion from Foreign Service officers of class 6 to class 7:

John Charles Boehm, Jr., of Texas.
Lawrence James Goodrich, of Michigan.
Laurie A. Johnston, of Virginia.
Eileen Ann Riley, of the District of Columbia.
Tanya M. Russ, of Florida.
Michael James Senko, of Maryland.
Stuart Lee Spoede II, of Texas.
Laurence D. Wohlers, of Washington.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Martin E. Adler, of the District of Columbia.
Mark L. Asquino, of Rhode Island.
Kenneth E. Bader, of Florida.
Joseph J. Brennig, of Pennsylvania.
David N. Cohen, of Ohio.
Carol Doerflein, of New Jersey.
Jack Glenn Feldman, of the District of Columbia.
Mary Jo Furgal, of Illinois.
Richard C. Lundberg, of New York.
Howard Stephen Shapiro, of Texas.
Francis B. Ward III, of New York.

For appointment as Foreign Service information officers of class 8, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Alan D. Schroeder, of Kansas.
Stephen A. Seche, of Massachusetts.
Holly Stewart, of the District of Columbia.
Charles H. Walsh, Jr., of New York.

Foreign Service Reserve officers to be consular officers of the United States of America:

Monroe E. Aderhold, of Florida.
John Richard Stevenson, of Ohio.
James E. Taylor, of Tennessee.

Foreign Service Reserve officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Robert George Anders, of Virginia.
Robert C. Bergin, of Virginia.
Donna M. Blair, of Louisiana.
Paul F. Clarke, of Virginia.
Bruce W. Farcau, of Virginia.
William Lee Fitzgerald, of Maryland.
Antoinette S. Marwitz, of Virginia.
Donald J. Musch, of Virginia.
Louis L. Ollivier, of Virginia.
Robert R. Phillipson, of Virginia.
Addison E. Richmond, Jr., of Virginia.
Earle St. Aubin Scarlett, of California.
Gary B. Spitzel, of Virginia.

Foreign Service Reserve officers who are candidates for appointment as Junior Foreign Service officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Edward M. Alford, of Virginia.
Jonathan Frederick Anderson, of Colorado.
Janet Stoddard Andres, of Virginia.
Christine Elaine Arquit, of New York.
Cynthia Saylor Banerjee, of Arizona.
William Rivington Brownfield, of Texas.
Matthew James Burns III, of Massachusetts.
James Philip Callahan, of Florida.
John Albert Cloud, Jr., of Virginia.
Donald J. Cooke, of Ohio.
Clark Harris Crook-Castan, of New Hampshire.
James Gray Davis, of Virginia.
Peter Richards de Castro, of Illinois.
David B. Dunn, of California.
Michael A. Goldschmidt, of Illinois.
Andrew Lewis Allen Goodman, of Illinois.
June Elizabeth Heil, of Missouri.
Willis E. Hume, of Ohio.
James George Jatras, of Pennsylvania.
Alan L. Keyes, of Massachusetts.
Daniel Kiang, of New York.
Bonnie J. Knoll, of Pennsylvania.
Susan Johnson Lamanna, of the District of Columbia.
Mark Joseph Lijek, of California.
Gerald J. Loftus, of Pennsylvania.
John Rosato Maiorino, of New Jersey.
Jack Richard McCreary, of California.
Ronald Sol Miotek, of Ohio.
John Mohanco, of Pennsylvania.
Elizabeth A. Molinar, of Virginia.
Patrick S. Moon, of Oklahoma.

Richard I. Queen, of Michigan.
Kevin L. Richardson, of New Jersey.
John Robert Riddle, of Texas.
Francis T. Scanlan, Jr., of Louisiana.
David Miner Sloan, of California.
Richard Henry Smyth, of Alabama.
Bernarr L. Stadius, of Hawaii.
Joseph D. Stafford III, of Florida.
Leslie Sternberg, of Maryland.
Steven J. Valdez, of Wisconsin.
Philip R. Wall, of Washington.
Thomas Evans Wallin, of New York.
Richard Hamilton Weeks, of New York.
Howard C. Wiener III, of Ohio.
Herbert Yarvin, of California.

Foreign Service Reserve officers to be secretaries in the Diplomatic Service of the United States of America:

Richard Lee Corbin, of Virginia.
George Woody Cunningham, of Tennessee.
Remo Ray Garufi, of New Jersey.
George C. Jenkins, of Montana.

Foreign Service staff officer to be a consular officer of the United States of America:

Raymond A. Bonaski, of New Jersey.

IN THE COAST GUARD

The following-named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of Commander:

David Bernstein	Phillip C. Johnson
Lewis A. Lassetter, Jr.	Robert C. Sanderson, Jr.
Gary R. Werberger	
Albert A. Wickley, Jr.	Robert E. Myers
Wallace S. Pawley	Clifton C. Demartini
Vincent G. Dipasqua	Robert B. Martin
Everett C. Merritt	Norman W. Lemley
Charles T. Burlingame	Lawrence J. Porter
Daniel M. Pecoraro	Robert E. Sloncen
Frederick A. Smith	John L. Pults
Henry D. Casey	James E. Tasker
John S. Williams, Jr.	Ras R. Friend
Jesse D. Turnbaugh	William F. Hampton
Alan R. Young	Paul W. Faulhaber
Bernard C. Taylor	Foster S. Buchtel
Donald O. Hagler	Robert E. Waters
Carl E. Kunkel	Cameron Ervin
Joseph F. Pinarchick	Evlan B. Harris
Phillip M. Levi, Jr.	Sumner L. Thompson
Gary D. Liming	Harvey S. Hawn
James O. Poole	Michael T. Brock
Brian C. Thomas	Ernest A. Parada
Lynn W. Hall	David E. Buerle
Harry W. Brown	Donald C. Mossochi
Richard J. Kiessel	Michael V. Leahy
Jon P. Ryan	Carl M. Trovato
William C. Heming	Donald L. Pulket
John T. Mason	Robert L. Girvin
Robert D. Markoff	Richard L. Skok
Herbert M. Hurst	William H. Maddox, Jr.
George H. Geller	John F. Bichner
Martin E. Johanson	Jack S. Wilder

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be commanders

Robert C. Roush	Steward McGee, Jr.
Ronald L. Sellers	Ronald J. Smolowitz
Albert E. Theberge, Jr.	Andrew N. Bodnar, Jr.
Arthur N. Flior	Dean R. Seidel
Lloyd K. Thomas	Nicholas A. Prahl
Robert E. Hunt, Jr.	Gerald B. Mills
Richard K. Muller	Dennis Pepe
Donald L. Suloff	Frederick J. Jones
Roger P. Hewitt	Lewis A. Lapine
Thomas W. Richards	

To be lieutenant commanders

Terry M. Laydon	David M. McConaghy
David Pasciuti	Edward B. Christman
Dennis J. Sigrist	Douglas G. Hennick
Thomas L. Meyer	Craig P. Berg
John B. Nelson	Charles D. Mason
Robert J. Pawlowski	Joanne Parker
George D. Vose	Kenneth W. Perrin
Bryan K. Menger	Francesca M. Cava
Dennis M. Kuhl	Richard W. Ellis
Robert G. Williscroft	Cheryl A. Cavin
Terrance D. Jackson	Constantine E. Mericas
Edward D. Gullekson	Gary M. Albertson
Christine S. Carty	Evelyn J. Fields
James D. Sarb	Donald A. Dreves
David H. Peterson	John A. Withrow
Duane C. Simpson	William D. Otto

To be lieutenants

Howard A. Jemison III	Stephen C. Jameson
David H. Minkel	E. Scott Varney
John P. Rubino	Gary M. Barone
Walter P. Latimer	Gary A. Van Den Berg
Susan J. Ludwig	

To be lieutenants (junior grade)

Lewis D. Consiglieri	Michael McCluskey
Robert B. Crowell	Marianne Molchan
Charles B. Greenawalt	Douglas G. Brockhouse
John F. Novaro	Paul M. Daugherty
Michael E. Henderson	John W. Blackwell
Karen L. Cox	Steven P. DeBow, Jr.
Steven E. Tullis	Steven M. Miller
Steven S. Snyder	Timothy D. Rulon
John C. Bortniak	Michael F. Matta
William L. Hiscox	Lyle B. Fox, Jr.
John T. Moakley	Robert M. Mandzi
Derek C. Sutton	Paul L. McGrath
John D. Wilder	Robert E. King

To be ensigns

Richard R. Behn	Robert W. Maxson
Erik N. Birk	Cythnia McFee
Ronald K. Dutton, Jr.	Kevin P. McNeill
James C. Gardner, Jr.	Gary D. Petrae
Judith Gray	Eric Secretan
Eleanor S. Hotton	Michael J. Willis
James L. Long	

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general under the provisions of title 10, United States Code, sections 5769 and 5780:

Kenneth L. Robinson	William H. Fitch
Robert E. Haebel	Alfred M. Gray, Jr.
Lawrence F. Sullivan	Leo J. Leblanc, Jr.
Francis X. Quinn	

The following-named officer of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, United States Code, sections 5769 and 5780:

Keith A. Smith

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be major

Magnuson, Arthur W., 361-20-1975.

To be captain

Cramer, Frederick S., 061-30-3004.
Lainof, Kerry W., 224-58-7431.
Riddle, Forrest H., Jr., 274-42-9463.

DENTAL CORPS

To be captain

Lachat, Jerry D., 291-40-6709.

To be first lieutenant

Beck, Brian W., 422-64-0950.
Golden, Gary J., 511-46-6822.
Kretzschmar, Samuel L., 458-82-5744.
Seifert, John H., 542-64-8385.
Weichel, Erwin, 544-50-1294.

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Capellan, Teresa T., 073-34-7578.
Carroll, Mark G., 279-26-2887.
Conner, Robert A., 563-38-6782.
Cramer, Earl H., 015-22-9488.
Falcone, Italo J., 135-36-2029.
Giles, Forrest D., 466-34-9557.
Harned, Bert W., 486-26-2188.
Jerofke, Alfred M., 468-42-1008.
MacPhail, Albert A., 263-32-0012.
Oliver, Richard T., 330-26-9587.
Pagaduan, Dominador C., 278-40-5894.
Parrot, Donald J., 266-16-9057.
Pena-Cornielle, Severina, 062-34-5148.
Pevey, Willard J., 252-44-4427.
Pizarro-Lago, Jose M., 581-34-5223.
Ralph, James W., 441-34-6050.
Rawers, Robert K., 721-07-0612.
Schulhoff, Diane I., 034-24-6097.
Simpson, Charles L., 225-50-3791.
Suver, Phillip J., 536-18-4880.
Thomann, Ariel J., 462-56-1607.
Thomas, Robert G., 525-50-5843.
Tyson, John T., 196-28-6603.
Vinoski, Bernard B., 193-16-6329.
Wellepp, George W., 144-22-6315.

DENTAL CORPS

To be lieutenant colonel

Anselmo, Joseph A., 535-38-4050.
Colburn, James F., 563-58-8403.
Hecht, Arnold, 262-52-7224.
Hickory, John E., 049-32-0518.

The following officer for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Flynn, Samuel F., 463-16-0654.

The following officer for appointment as a Reserve of the Air Force (ANGUS), in the grade indicated, under the provisions of sections 593, 8351, and 8392, title 10, United States Code.

LINE OF THE AIR FORCE

To be colonel

Stapp, Roy E., 529-07-6243.

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

Lieutenant colonel to colonel

MEDICAL CORPS

Bass, Dwight R., 507-38-9518.

Major to lieutenant colonel

LINE OF THE AIR FORCE

Augustyniak, Daniel A., 021-30-1739.
Baber, Jerry W., 429-74-1164.
Cain, David E., 312-38-3258.
Dwyer, Denis J., 001-30-5038.
Fisher, Darell R., 526-54-2510.
Flowers, Robert E., 231-44-4347.
Gregg, Hugh D., 250-54-7776.
Hamada, Richard K., 576-34-8429.
Higbie, Richard M., 579-50-5986.
Hoffman, Peter V., 138-32-6645.
Ibsch, William H., 563-50-7079.
Kamper, William A., 492-40-3984.
Koles, Wayne, 032-28-2139.
Logan, Edward C., 094-32-1016.
Masek, Edward V., 056-32-4585.
McCarty, Michael L., 543-42-4809.

Mitchell, Timothy L., 539-34-1299.
Murphy, Thomas D., 007-32-0339.
Norman, Charles M., 255-60-2194.
Remley, Carl R., 500-44-4010.
Svoboda, Leroy E., 506-50-0274.
Taggart, Edmund J. O., 149-28-7591.
Wesselhoeft, Adolf J., 116-32-3474.
Wilcox, Robert J., 373-36-0070.

CHAPLAIN CORPS

Keane, Thomas P., 022-22-0638.

MEDICAL CORPS

Davis, William M., 460-70-7467.
Herrera, Christian Y., 017-36-9255.
Pardo, Jorge M., 126-36-7747.
Restituto, Norberto R., 091-44-0123.

Major to lieutenant colonel

NURSE CORPS

Beavers, Barbara J., 306-36-7841.
Harnit, Joanne M., 502-46-4966.
King, Maureen A., 067-36-2521.
Sheeley, Juanita K., 113-38-5214.

BIOMEDICAL SCIENCES CORPS

Benson, Edward H., 213-30-3687.

The following named Air Force officer for reappointment to the Active List of the Regular Air Force, in the grade of colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of temporary major general, in accordance with sections 8442 and 8447, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

Steel, Maxwell W., Jr., 193-14-6185.

The following Air Force officer for appointment as permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code.

Monroe, Joseph, 244-52-7446.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10, of the United States Code, as amended:

To be lieutenant colonel

LINE OF THE AIR FORCE

Maj. Richard N. Allen, 273-34-7906.
Maj. Jerry E. Beck, 111-30-3002.
Maj. Robert L. Bowers, 419-40-6198.
Maj. Jeffrey W. Boyken, 481-50-6608.
Maj. Jacob J. Braig, 517-40-1108.
Maj. Charles M. Butler, 412-62-5488.
Maj. Stewart R. Byrne, 404-48-3818.
Maj. Walter G. Cawein, 094-36-2982.
Maj. David N. Chalk, 572-36-4478.
Maj. Kenneth H. Christgen, Jr., 497-38-3863.
Maj. John A. Cloyd, 249-62-1359.
Maj. Lester W. Cory, 022-30-0119.
Maj. Charles N. Dawson, 577-56-5037.
Maj. Karl E. Doll, 076-30-1390.
Maj. Yeadon D. Dorn, Jr., 250-48-3130.
Maj. James A. Dougherty, 403-44-2508.
Maj. Nelson E. Durgin, 006-34-3416.
Maj. John J. Elsner, 403-40-1918.
Maj. Frederick D. Feinstein, 426-80-3008.
Maj. Buddy D. Frye, 509-34-0547.
Maj. Kenneth E. Gathright, 230-36-6977.
Maj. Bernard D. Giere, 332-32-9060.
Maj. Richard W. Godfrey, 520-38-4057.
Maj. Edward R. Goyette, 008-36-3021.
Maj. Robert W. Gruenhagen, 516-32-3212.
Maj. Harold E. Guerry, 248-32-8061.
Maj. Edward J. Haerter, 398-22-3080.
Maj. David J. Haslam, Jr., 528-22-0810.
Maj. Roger L. Hatton, 290-26-0985.
Maj. Robert L. Healy, 133-30-6307.
Maj. Harold L. Hoffman, 532-32-0348.
Maj. Leonard W. Houston, 457-52-4014.
Maj. Peter G. Hoyt, 056-32-3715.
Maj. James N. Hudgins, 234-50-3792.
Maj. Thomas L. Jackson, 356-16-8640.
Maj. James E. Johnson, 301-34-6372.
Maj. James H. Johnson, 535-30-9041.
Maj. Troy G. Judd, 413-44-1501.
Maj. John B. Kalka, 445-30-1533.
Maj. Terrance J. Kane, 261-46-7707.
Maj. Gene A. Katke, 540-36-2377.
Maj. George W. Keefe, 033-28-3692.
Maj. Philip G. Killey, Jr., 360-30-6901.
Maj. Alfred S. Kilpatrick, 490-38-3460.
Maj. Robert L. Kohles, 213-32-0689.
Maj. Larry M. Lemke, 485-44-2723.
Maj. Michael R. Mangano, 154-28-0452.
Maj. John J. McDermott, Jr., 028-26-6760.
Maj. James R. McKinney, 444-36-9876.
Maj. Joseph L. McLaughlin, Jr., 213-32-0955.
Maj. Michael J. Meehan, 336-32-1328.
Maj. Marshall H. Messimer, Jr., 161-32-3595.
Maj. Henry L. Miller, 244-60-7896.
Maj. Joseph K. Morton, 413-54-7484.
Maj. Richard M. Pierce, 307-34-4214.
Maj. Ray A. Pilcher, 484-38-5723.
Maj. Darwin M. Puls, 505-52-7682.
Maj. Robert J. Rahill, 038-20-4370.
Maj. Norman H. Rahn, Jr., 423-26-7317.
Maj. John B. Riederich, 043-32-4598.
Maj. Donald E. Ryan, 284-26-5246.
Maj. Jack R. Sanford, 271-34-0318.
Maj. Richard R. Sawyer, 033-28-2184.
Maj. Ronald T. Schmitt, 486-40-3898.
Maj. Harold C. Sheads, Jr., 172-32-1742.
Maj. Billy C. Shermer, 447-26-6348.
Maj. Clarence V. Smith, 267-36-5652.
Maj. Harold L. Stolkes, 396-26-1413.
Maj. Willard D. Stutz, 522-54-0354.
Maj. Gerald W. Swartzbaugh, 482-50-1009.
Maj. William F. Troy, 323-32-6383.
Maj. Kurt J. Ulrich, 329-30-5008.
Maj. Guadalupe Villarreal, 463-56-7518.
Maj. Sidney I. Wells, 420-46-7681.
Maj. William R. Weeks, 432-50-1611.
Maj. Fred D. Womack, 413-52-9750.

JUDGE ADVOCATE

Maj. Drennan A. Clark, 530-20-4245.
Maj. Reese L. Harrison, Jr., 461-60-4689.

CHAPLAIN

Maj. John H. Hebl, 397-32-0061.
Maj. Gerald H. Maddox, 416-46-6292.
Maj. Joe D. Sergeant, 235-50-2476.

MEDICAL CORPS

Maj. Richard R. Constant, 456-60-1816.
Maj. Stephen C. Gladwin, III, 285-38-8269.
Maj. John D. Harrah, 234-56-7328.
Maj. Donald G. McMillan, Jr., 477-36-4865.
Maj. Thomas W. Messervy, 249-64-0101.
Maj. Milton G. Mutchnick, 369-44-9935.
Maj. Philip R. Reid, 290-36-5450.
Maj. Jon A. Shiesl, 279-34-4893.
Maj. Ralph S. Smith, Jr., 276-38-2016.
Maj. Clifton K. Thigpen, 253-50-7944.
Maj. Richard B. Yules, 045-30-0144.

MEDICAL SERVICE CORPS

Maj. Henry H. Hays, 464-54-3423.
Maj. Edward R. Hommel, 391-32-2530.
Maj. Jack A. King, 552-38-6257.
Maj. Stanley Stewart, 005-34-7168.

IN THE NAVY

The following-named commanders of the U.S. Navy for temporary promotion to the grade of commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

LINE

Beck, Melvin D.*
Burck, Clarence W.*
Cameron, John F.*
Holden, Harry F., Jr.*
Horn, Maurice D., Jr.*
Martin, Michael L.*
Norrell, Billy E.*
Tow, James D.*

SUPPLY CORPS

Deane, Thomas J., Jr.*

CIVIL ENGINEER CORPS

Bare, James C.*

The following-named lieutenant commanders of the U.S. Navy for temporary promotion to the grade of lieutent commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

LINE

Culberson, Jerome J.*
Frame, Daniel A.*
Payton, John D.*
Hennessy, Raymond M.*
Wolfe, Albert G.*

SUPPLY CORPS

Verbic, Alan R.*

CIVIL ENGINEER CORPS

Davis, William L.*

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Carson, Theodore M.

The following-named lieutenants of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade) and temporary lieutenants, pursuant to title 10, United States Code, sections 5582(b) (Supply Corps), 5578(a) (Judge Advocate General's Corps), and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Berg, Roland D.
Domoslay, Steven D.
Horrigan, Thomas R.

JUDGE ADVOCATE GENERAL'S CORPS

Carlson, Raymond H.
Davidson, Bruce B.
Horne, Martin W.
Horton, Steven W.
Oliver, John T.
Thomas, Robert B., Jr.
Vienna, Kevin R.
Wynne, Larry D.

The following-named lieutenant (junior grade) of the line of the U.S. Navy for appointment in the Civil Engineer Corps, of the U.S. Navy, as a permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Brown, Paul M.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy for appointment in the Judge Advocate General's Corps, as permanent lieutenants (junior grade), pursuant to title 10, United States Code, sections 5578(a) and 5791, subject to qualification therefor as provided by law:

Lord, Michael W.
Sacoccio, Louis J.

The following-named ensign of the line, of the U.S. Navy for appointment in the Civil Engineer Corps, of the U.S. Navy, as a permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Raney, Carl D.

*Ad interim.

EXTENSIONS OF REMARKS

HANDICAPPED AND HARD TO REACH YOUTH

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mrs. CHISHOLM. Mr. Speaker, I am pleased to have the opportunity to participate in this forum today to discuss a topic which has served as the central focus of my professional and political career—the future of our youth. My remarks this afternoon summarize a more detailed written statement which covers both handicapped and hard-to-reach, unemployed young people.

As I understand the function of today's forum, panelists and witnesses will help surface priorities which may be taken into consideration during the allocation of a $9 million Department of Labor demonstration grant program to service handicapped and hard-to-reach unemployed teenagers. The Department of Labor program is funded under YEDPA, the Youth Employment and Demonstration Project Act. The primary goals of the YEDPA program are "to employ and increase the future employability of young persons, to help coordinate and improve existing career development, employment and training programs and to test different approaches to solving the employment problems of youth."

The YEDPA programs represent an important shift in the Federal youth employment effort. This legislation recognizes that the problems of jobless teenagers, particularly minority and poor teenagers, cannot be viewed in isolation from other aspects of economic and social development. The YEDPA approach stresses linkages between education, job training, planning, experimentation, as well as local and private training initiatives. Therefore, the thrust of my testimony today will emphasize the extent to which these linkages exist and require reinforcement to form an improved combined collective impact; I will also pinpoint gaps in this system which need to be bridged.

Because of the constraints caused by current economic conditions, it is essential to focus on what is most worth doing in job training, and how best to achieve these objectives. I believe that the two forums scheduled over the next several days will underscore the absolute necessity for closer cooperation among educational institutions, labor and public employment agencies, and stronger connections with forces outside of the traditional job training community. Let me outline several factors which may present special opportunities for YEDPA financed projects to work cooperatively with other sectors of our society to help stimulate new approaches to the serious youth unemployment problem confronting this Nation.

In the decade that I have served in the Congress, 6 of those years as a member of the House Education and Labor Committee, I have observed that the gap between education and work is largely the result of social, cultural, and economic changes which are altering both the way we treat youth and our perception of them. Perhaps to a greater extent than any of our other social institutions, this Nation's schools are being drastically altered by these changes. Today we are engaged in an intense debate and reexamination of the goals and effectiveness of our educational institutions. We know full well that millions of children leave our schools each year unable to cope with the realities of today's highly competitive labor market.

Sadly though, the most important policy matters affecting these educational institutions, in my opinion, too frequently involve politics, power, and protection of turf. This Nation's classrooms have become the new battleground—not so much of a war against illiteracy and unemployment—but a struggle to enforce the civil rights revolution of the 1960's and 1970's. We must understand that the struggle for equity in educational and employment opportunities continues for black and brown children and has now been expanded to include exceptional children with physical or learning disabilities.

MINORITY STUDENTS IN SPECIAL EDUCATION

For too long, the most vulnerable children in our public institutions, poor minority children with special educational needs have had no advocate at the national level to voice their concerns. Today I want to speak forcefully and vociferously on behalf of the millions of children included in this silent constituency. We have recognized for a long time that the subtle interplay between racial discrimination and discrimination against the disabled has worked in a most insidious manner to produce a significant overrepresentation of minority children in classes for the educable mentally retarded.

Some experts have suggested that special education provides a new vehicle for discrimination against children on the basis of race and language. For example, recent evaluations have shown that assessment procedures and testers are frequently culturally biased. Other studies demonstrate that black and hispanic students may be disproportionately enrolled in the most restructive special education school programs in some local districts. Yet, I have only recently begun to detect a sensitivity and interest in the concerns of poor and minority youngsters among the predominately white, middle income exceptional children's lobby which functions here in Washington.

While I support the goal of this forum to guarantee the employability of handicapped youth, we cannot allow this laudable concern to obscure our responsibility to protect black and brown children from misclassification as special education students.

On the other hand, to the extent that handicapping conditions result from birth defects associated with poor prenatal health care, inadequate nutrition or other factors closely related to low economic status, minorities have a legitimate stake in efforts to expand education and employment opportunities for exceptional children.

THE IMPACT OF HANDICAPPED LEGISLATION ON THE WORKPLACE

The real impact of the legal mandates written into section 504 of the Rehabilitation Act of 1973 and the Education for All Handicapped Children Act of 1975 (Public Law 94-142) are just now beginning to be felt at the local level. Predictably, the media and some school officials have overreacted out of fear and ignorance to what they term the "considerable burdens" imposed by the mainstreaming concept. Just yesterday I saw on a headline in the Washington Post which read "Mainstreaming of Handicapped Squeezes Budget."

Nevertheless, the national commitment to implement the promise of these Federal laws insuring access to an appropriate education for all children cannot be ignored. The issue for this panel today is how to build upon the current mainstreaming and accessibility activities of school systems in order to better prepare the workplace for the future job-seeking clientele now matriculating in grade school.

The potential role for youthwork and other similar organizations in the effort to eliminate barriers to participation in the labor market is virtually unlimited. Significantly, accessibility to federally assisted programs is one of the prominent features of section 504, and there are a variety of options available to youthwork to fulfill this legal command. For instance, funding could be channeled to publicly supported training facilities or facilities were federally funded programs are located to modify and retrofit employment sites to remove architectural barriers and render these buildings accessible to disabled people.

I believe, however, that a more profitable allocation of YEDPA funds might involve development of model employment training projects which would increase the knowledge base about work and education transition programs for exceptional children. Successful models could then be replicated in other locals. A peer counseling project employing handicapped youth, for example, would foster implementation of section 504, while also creating meaningful job opportunities for disabled youngsters. Project employees would also generate valuable informa-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

tion about the specific types of supportive services required to retain disabled youth in entry-level jobs. A YEDPA-sponsored clearinghouse to collect information about employment opportunities and model job programs for handicapped young people should also be examined.

To encourage use of the new targeted jobs credit provision which includes a specific eligibility category for disabled persons, guidelines could be drafted to require all participating employers to match YEDPA-funded training slots with an equal number of positions drawn from the target groups listed in the tax law.

In my brief remarks about disabled youth this afternoon, I have attempted to stimulate thought about challenges open to job-training sponsors who are willing to creatively confront new situations. Through YEDPA and other federally funded programs, we have a unique opportunity to expand the horizons of the handicapped young adults and build new relationships among various institutions in our society to serve disabled people as they integrate in the work force. I hope this opportunity is explored.

YOUTH UNEMPLOYMENT

Let me now turn to another aspect of the youth unemployment problem which I find particularly disturbing. Over the last several years the labor force participation rate, which is a measure of those who are both unemployed and looking for work, has been increasing for white youth but progressively declining for black teenagers. The unemployment rates of white youth tend to more closely correspond with fluctuations in the economy at large. But for black youngsters, unemployment and labor force participation cannot be explained merely by changes in the state of the economy.

Information which I have received indicates that at no time in the last 20 years has the unemployment level for white teens risen higher than 17 percent, while unemployment among black teenagers has remained at 25 percent or more since 1958.

My friends, we run the danger of permanently excluding a generation of black youngsters from participation in the job market. Where are these youth who are no longer in school, looking for work, or receiving public assistance? They are in our streets creating record levels of violent crimes; they are crowding our juvenile penal institutions as multiple offenders; they are young mothers trying to raise infants and at the same time complete maturation themselves; and they are drug addicts and alcoholics who have used these substances to escape the hopelessness and drudgery of their daily lives. We must all share responsibility for the shortcomings of these youth, and together we must work to develop meaningful employment options for these teenagers.

There is much which could be said on the subject of youth unemployment. My comments this afternoon highlight only a few areas which should be considered in establishing priorities to address this massive problem.

THE 1980 BUDGET

By reducing the so-called momentum in Federal spending so that the Federal deficit is reduced to $30 billion or less, President Carter hopes to use his proposed 1980 budget to make a significant dent in the inflationary trend of this Nation. Although there are divergent points of view regarding what impact a reduction in the Federal deficit will have on slowing inflation, considering the Jarvis-Gann tax revolt mentality that is sweeping the Nation, the President's response is at least popular. The idea is that there is too much fat in the Federal budget and the taxpayer is not getting his money's worth. Although I recognize the difficult choices facing the administration, and the problem high inflation presents to the American people, I do not believe the President's approach solves America's economic woes.

Implicit in the administration's 1980 budget is the assumption that inflation is more of a serious threat to the economy than is unemployment. Absent from the President's discussion of his proposed budget is an honest, in-depth analysis of the kind of unemployment this Nation is experiencing. The pockets of high unemployment, especially among youth, has created disparities which resemble an economic caste system. To allow this disparity to persist, the President, in effect, supports the trade-off theory of unemployment and inflation; that a certain level of unemployment must be tolerated in order to fight inflation.

Although the American people have witnessed a high rate of unemployment and an increase in inflation in the last 10 years, the President insists on using this discredited trade-off theory in an attempt to stabilize the economy. The President's willingness to employ this approach shows a basic disregard for the fundamental message of the Humphrey-Hawkins Act. This law states that a truly healthy economy will both produce jobs and limit inflation for all segments of our society.

One factor in the President's decreased emphasis on reducing unemployment is the growing public perception that unemployment does not hurt as much as it use to. In May 1978, the Gallup poll found that three times as many Americans thought inflation was the Nation's most serious problem, than a year before. Over half, 54 percent, cited inflation as the No. 1 problem, while 18 percent pointed to unemployment. The 18 percent represented a substantial drop from 24 percent who gave unemployment as the most pressing problem in October 1977.

Although the Labor Department estimates that the 1977 overall unemployment rate in the Nation dropped 1.4 percentage points in 1978, we must be conscious that the unemployment rate is a national average which conceals vast differences among sub groups of the population. Teenagers face the worst unemployment problems of all. The unemployment rate for those aged 16 to 19 is 14.2 percent, as against a 4.8 percent rate for the population 20 years and older.

In May, 16.5 percent of youths were jobless, but the decline from 16.5 to 14.2 percent, is attributed to the success in providing temporary summer jobs. In New York City alone, only 1 in 5 of the half million jobseekers between the ages of 16 and 19 were employed in 1976; among black teenagers, the figure was 1 in 10, according to jobs for youth's annual report.

Concentration of unemployment among minorities and young people, and in certain communities has helped to lower the profile of unemployment in the public consciousness. When the unemployed person is black and a teenager from the central city, the problem is less immediate to a middle-class suburbanite. These sometimes hidden pockets of the structurally unemployed, compounded with the public perception that unemployment is getting better, produced a willing market receptive to the President's sales pitch on the budget.

Unfortunately, the President's 1980 budget emphasizes income assistance over job training. It is generally acknowledged by such experts as the Congressional Budget Office that training can increase marketable skills, alleviate structural problems in the labor market, contribute to enhanced productivity, and if targeted to minorities, could reduce the unemployment differential between whites and nonwhites.

Yet, in the CETA program, the Government's primary training mechanism, the President has proposed to reduce title VI public service employment jobs by at least one-seventh. Prime sponsors under title VI will be cut aproximately 24 percent in fiscal year 1980. In fiscal year 1976, 45 percent of CETA public service employees enrollees were low income, 40 percent were minorities, and 22 percent were under 22-years-old.

The training provided by PSE employment help to equalize the opportunities available to youth, minorities, and low income. It also reduces the cost of uncontrollable transfer payments and entitlement programs such as welfare, medicaid, and unemployment compensation, which comprise the bulk of the Federal budget. Nevertheless, the President claims to be saving the taxpayer's money through cutting these job training programs. I contend that the tax cost will be greater if those who could once benefit from PSE jobs are unemployed.

In anticipation of stfong liberal and minority groups opposition to the administration's fiscal conservatism as it impacts upon the structurally unemployed, the President has supposedly redirected more money toward the economically disadvantaged and long termed unemployed. In actuality, the President has not recommended any increases in the YEDPA program under CETA; he has decided to cut the Young Adult Conservation Corps and use the remaining supplemental 1979 summer youth jobs authority to increase the youth employment and training program under YEDPA.

The President has also recommended that 250,000 jobs be cut from the summer

youth job program for fiscal year 1980. One of the methods that the administration has chosen to reduce the demand for these jobs is to prohibit program eligibility for 14-year-olds. If Congress snould decide not to go along with cuts in funding and eligibility for the youth programs, the youth unemployment and training segment of YEDPA which funds youth work may not get any increase over fiscal 1979 funding.

In summary, the President's 1980 budget as it relates to youth unemployment gives at best, superficial treatment to this structural problem.

All of the administration's hocus pocus with columns of figures on a tally sheet cannot disguise the administration's attempt to balance the budget in the backs of the poor.

I should also point out that the administration has attempted to justify reductions in CETA youth employment jobs by relying on the employment tax credit enacted last year. While I am optimistic about the potential for private sector employment initiatives, I must also emphasize voluntary nature and broader eligibility categories of the tax credit provision. We must closely monitor the implementations of this tax credit to determine if the legislation is sufficiently targeted on needy disadvantaged youth.

KAISER AGAINST WEBER

This case, which is currently pending in the Supreme Court, involves the question of whether an employer and union in the absence of proof of past employment discrimination may adopt a race conscious affirmative action program to increase the preparation of black workers in skilled craft jobs. Of course, the implications of this lawsuit extends far beyond the facts of the case, since the result could jeopardize affirmative action efforts which have recently allowed young black and Hispanic workers to obtain access to unions and jobs which formerly excluded them. While no one can predict the result to be reached by the Court in this case, we must be mindful that job training alone cannot overcome the legacy of years of discrimination which still pervades many of our industries and unions.

INADEQUACY OF EDUCATION

A recent article in the New York Times pointed out that—

> In many ways the most powerful force in higher education in recent years has been the job market.

I believe this observation applies to many elementary and secondary school programs as well. As many of you are aware, the quality of public school education is closely related to the employment training program. The soaring jobless rate among teenagers is a strong indication that many schools are failing to prepare students for employment before they drop out or are graduated from high school. Those of us concerned about the employment opportunities available for minorities especially are beginning to demand that school systems transmit marketable employability skills to our students. I am convinced that vocational education is pivotal to the development of these specific employment skills.

VOCATIONAL OR CAREER EDUCATION

Because of the rise in unemployment today, something called "career education" is beginning to take hold. Whereas many once viewed vocational schools as second rate institutions or "dumping grounds" for students who did not quite measure up to the rigors of an academic program, a number of colleges now allow credit for occupational skills. This developing trend in the popularity of vocational education may produce closer cooperation between formal education and the workplace. For example, I am aware that many young job trainees are discovering after completing their programs that they are only prepared to seek employment in fields where job opportunities are shrinking or even nonexistent. Interaction between employers and educational personnel has convinced some institutions that more collaboration counseling would benefit students particularly females and minorities.

I want to share some statistics from New York City with you which show that over a tenth of the 300,000 high school students in the city are enrolled in full time vocational instruction, with nearly 20,000 more students participating in vocational classes. I should point out that these vocational schools consistently have better attendance rates than academic high schools, and almost 50 percent of the graduates go on to post secondary education.

We must also recognize that vocational education amounts to more than just teaching job skills. For some students from poor families, vocational education provides an opportunity for these youth to learn first-hand the nature of work and good work habits such as punctuality and cooperation. Often poverty and unemployment deny poor parents an opportunity to serve as role models for their children and thereby transmit information about desirable work habits. Thus vocational training is especially useful to low income youngsters. Cooperative education programs in schools allow students a chance to test ecademic and vocational skills in the real marketplace. On-the-job experience should make these students more attractive to prospective employers and increase the likelihood of these students obtaining and keeping permanent jobs.

COMPETENCY TESTING

Let me shift this discussion for a moment to the topic of competency based education. A growing number of States are including mandates for minimum competency testing in their education programs. While we all support the concept of quality in education, we must also recognize that there is evidence that disproportionate percentage of black and Hispanic students may be adversely affected by competency test requirements. For example, prior effects of unequal educational opportunities and the discriminatory tests may cause black and Hispanic to score lower than their white counterparts.

Since failure to pass competency tests often means retention at grade level or denial of a diploma, these examinations could serve as an additional screening device to disqualify minority youth for employment opportunities.

JOB SITE LOCATION

As many of you probably know, the 12th Congressional District is probably the most blighted urban area represented in the U.S. Congress. I represent a diverse community which is predominantly black and Puerto Rican, but also includes strong Polish, Hassidic, Italian, and West Indian enclaves. Sections of my district in areas such as Brownsville and East New York literally appear to be war ravaged. Once proud communities such as Bushwick, where neat wooden frame houses stood, have fallen victim to arson. It is tragic to see how block after block has been razed by arson.

The deteriorating housing stock is but a symptom of the general economic decay which affects so much of urban America. Businesses have largely closed down, and sections once bustling with manufacturing and other industries have closed down. Unemployment of young people has risen above 40 percent in my district, and juvenile crime has increased accordingly.

I am concerned that the youthwork initiatives be relevant and applicable to the problems which these young people face, and suited to the communities which they are attempting to serve. It is important that job application sites be located strategically in the communities that are to be served. Last year riots nearly occurred as a result of too many desperate youth converged upon sites that were not equipped to handle the heavy demand. Many youths began lining up outside the center's door at 2 or 3 o'clock in the morning, several hours before they were scheduled to open. These situations promote more havoc than help.

It is equally important that programs be coordinated with the community action agencies, schools, and churches in the area.

CONCLUSION

There are many other important issues which time does not permit me to discuss such as the need to emphasize development of marketable skills rather than make work assignments for teenagers, and the need to develop more accurate and localize job inventories. But I hope I have conveyed the importance of combining school and the workplace to bring general and vocational education into harmony and devise new forms of education/training for those youth who are now unemployed.●

THE NIXON DOCTRINE IN ITS PUREST FORM: WILLIAM SHAWCROSS ON THE "LOSS" OF CAMBODIA

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Ms. HOLTZMAN. Mr. Speaker, the op-ed page of Tuesday's New York Times (February 6) contained an interesting analysis of the political history of Cambodia during the last decade. The author, William Shawcross, is the author of a soon to be published volume entitled "Side Show: Kissinger, Nixon and the Destruction of Cambodia."

Shawcross points out the significant role of Mr. Nixon and Mr. Kissinger in creating the climate which fostered political instability, and facilitated the suffering of hundreds of thousands of Cambodians who were caught in the military and political crossfire.

I would like to share this article with my colleagues:

WHO "LOST" CAMBODIA?

(By William Shawcross)

LONDON.—Prince Norodom Sihanouk, the former ruler of Cambodia, said recently: "There are only two men responsible for the tragedy in Cambodia. Mr. Nixon and Dr. Kissinger." This seems a provocative analysis but it requires examination. First because the Cambodians themselves deserve an explanation of the wasteland their country has become. Second because there is a popular belief, which Richard M. Nixon and Henry A. Kissinger naturally encourage, that their management of foreign policy was remarkably more successful than that of the Carter Administration.

Through the 60's, Prince Sihanouk kept his weak country out of the Vietnam war by compromise; he allowed Hanoi base camps inside his border with South Vietnam and also ignored many small-scale American attacks on them. In March 1969 Mr. Nixon began large-scale secret B-52 bombing of the base camps. The Communists spread further into Cambodia, clashing with the Sihanouk army, whose generals became more and more disaffected with his compromises. In March 1970 his Prime Minister, Gen. Lon Nol, overthrew him.

Mr. Kissinger maintains that the coup was an unwelcome surprise. In fact, the Central Intelligence Agency (which I do not believe arranged the coup and which reported very well from Cambodia from 1970–75) had detected its preparation. After the coup, Washington made no attempt to have Mr. Sihanouk returned; he allied himself with Hanoi and his former enemies, the Cambodian Communists or Khmer Rouge. A few weeks later, the United States invaded Cambodia, spreading the war across the country. Then Hanoi began to build up the Khmer Rouge for the first time, while Washington gave unremitting support to Lon Nol, a dreamy incompetent who tolerated official corruption.

As early as August 1970, the C.I.A. station chief in Phnom Penh warned that Lon Nol was incompetent and that complaints were not widespread that the generals ran the war "from their Mercedes cars and restaurants while the young people, civilians and soldiers, are dying each day." Nonetheless, the White House underwrote Lon Nol while traditional Khmer society disintegrated and about half the population (3.5 million) became refugees.

Prince Sihanouk asserts that American policy forced Cambodians into the Khmer Rouge. This argument ignores the enormous importance to the Khmer Rouge of the Prince's own alliance with them. But it is true that in March 1970 the Khmer Rouge were insignificant, numbering only some 2,000 or 3,000, and were subsequently formed in the crucible of the war. In January 1971, the Defense Intelligence Agency warned that "the Communist infrastructure will probably continue to grow."

During the war, Mr. Nixon and Mr. Kissinger consistently disregarded Prince Sihanouk in Peking and argued that Hanoi controlled the Khmer Rouge. In fact, the C.I.A. reported from the start that there were serious frictions between the two allies. One station report in the summer of 1972 related that one Khmer Rouge slogan was "We all agree to die together in order to get the VC/NVA [Vietcong/North Vietnamese Army] out of Cambodia." But Mr. Kissinger insisted in 1973 that Hanoi could deliver the Khmer Rouge to the negotiating table, and to encourage them, the White House conducted—until Congress ended it in August 1973—a huge bombing campaign against Cambodia. It destroyed the agricultural system and hardened the Khmer Rouge.

Throughout the second half of 1974, Ambassador John Gunther Dean kept warning Mr. Kissinger of the Khmer Rouge's increasing violence and pleaded for a "control solution" to avoid outright Communist takeover. Mr. Kissinger paid inadequate attention, arguing that he could not "negotiate from weakness." In April 1975, Mr. Dean's worst fears were realised: The Khmer Rouge, about 70,000 now, won uncontrolled victory.

The problems any government would then have faced were noted by the United States Agency for International Development team from Phnom Penh: "Cambodia slipped in less than five years from a significant exporter of rice . . . to the brink of starvation . . . if ever a country needed to beat its swords into plowshares in a race to save itself from hunger, it is Cambodia . . . prospects that it can do so are poor . . . slave labor and starvation rations for half the nation's people . . . will be a cruel necessity for this year, and general deprivation and suffering will stretch over the next two or three years."

Faced with such difficulties and menaced by Cambodia's ancient enemy Vietnam, the Khmer Rouge—a callow xenophobic group without real experience of government—refused international food aid and began to rule by terror. Mr. Kissinger often called them "murderous." True, but whose policies nurtured the murderers and finally allowed them to win control of a desolated country? Those who cast nostalgic glances back toward the Nixon-Kissinger stewardship might remember that Mr. Nixon called his Cambodia policy "The Nixon Doctrine in its purest form." ●

FINANCIAL REPORT OF THE CONGRESSIONAL STEEL CAUCUS: QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE FOR PERIOD ENDING DECEMBER 31, 1978

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BENJAMIN. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion in to the RECORD. The report is as follows:

QUARTERLY REPORT—FUND BALANCE STATEMENT, U.S. HOUSE OF REPRESENTATIVES, CONGRESSIONAL STEEL CAUCUS

Fund balance statement

Total revenues (clerk hire and membership dues)	$40,416.09
Less expenses:	
January	----------
February	2,000.00
March	3,574.20
April	3,287.25
May	3,312.75
June	3,057.15
July	3,006.34
August	3,240.95
September	3,060.16
October	3,788.23
November	3,403.22
December	7,051.41
Total caucus expenses	38,781.66
Unexpended revenues	1,634.43
Interest deposit	+114.64
Total unexpended revenues as of Dec. 31, 1978	1,749.07

QUARTERLY REPORT—STATEMENT OF EXPENSES, U.S. HOUSE OF REPRESENTATIVES, CONGRESSIONAL STEEL CAUCUS

Salaries	$31,250.28
Travel	----------
Stationery	608.80
Printing	660.95
Postage	56.00
Telephone	343.34
Publications	238.53
Equipment	2,375.01
Miscellaneous	3,248.75
Total expenses for 1978	38,781.66

CONGRESSIONAL STEEL CAUCUS MEMBERS WHO HAVE PAID DUES AS OF DECEMBER 31, 1978

Joseph Gaydos, John Seiberling, Tom Bevill, Douglas Walgren, W. C. Daniel, Bill Young, Thomas Kindness, Robert Walker, Gus Yatron, Edward Pattison, Robert Duncan, Ralph Metcalfe, Barbara Mikulski, Charles Carney, Allen Ertel, Frank Evans, Benjamin Gilman, Donald Mitchell, Robert Mollohan, Donald Pease, Thomas Railsback, Robert Roe, Clarence Long, William Walsh, Jim Weaver, David Evans, Jo"n Dent, Michael Myers, John Cavanaugh, E. Thomas Coleman, Philip Ruppe, E. G. Shuster, Morgan Murphy, James Oberstar, Henry Nowak, Edward Patten, Frank Annunzio, Morris Udall, Austin Murphy, John Murtha, John Jenrette, Gary Myers, James Hanley, Ralph Regula, Stanley Lundine, Martin Russo, Robert Michel, Joseph Addabbo.

Samuel Stratton, George Brown, John Buchanan, Leo Zeferett, James Mann, Robert McClory, Robert McEwen, Gunn McKay, Marc Marks, John Murphy, Thomas Luken, Douglas Applegate, Carl Pursell, Mary Rose Oakar, William Moorhead, George O'Brien, Fred Rooney, Clarence Miller, Elwood Hillis, Joseph Le Fante, Ronald Mottl, William Harsha, Adam Benjamin, Ted Risenhoover.

Shirley Pettis, David Cornwell, Kenneth Holland, Joseph Ammerman, John Dingell, Tom Corcoran, Jim Lloyd, Richard Ichord, Floyd Fithian, Bob Gammage, William Ford, Daniel Flood, Peter Kostmayer, Raymond Lederer, Walter Flowers, Clarence Brown, Nick Joe Rahall. ●

HOUSE OF REPRESENTATIVES—*Tuesday, February 13, 1979*

The House met at 12 o'clock noon.

Mr. John V. Stevens, Sr., president, Church State Council of Seventh-day Adventists, Westlake Village, Calif., offered the following prayer:

Higher than the highest human thought can reach, Father, is Your ideal for us, Your children. So lift us above besieging selfish interests and pressures, changing mores and movements, unprecedented fiscal and social unrests. In this calm moment, may we see beyond our desperation and become like You. Over the clamorings and crises and change, help us remember that the world's greatest want is the want of men and women who will not be bought or sold; who in their inmost souls are true and honest; who do not fear to call sin by its right name; whose conscience is as true to duty as the needle to the pole; who will stand for the right though the heavens fall. Help us be those men, those women. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 37. An act to repeal a section of Public Law 95–630.

The message also announced that pursuant to section 8002 of the Internal Revenue Code of 1954, the following members of the Committee on Finance have been chosen by such committee to serve as members of the Joint Committee on Taxation for the 96th Congress: Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. DOLE, and Mr. PACKWOOD.

And that the Vice President, pursuant to Public Law 92–484, appointed Mr. MATHIAS to the Technology Assessment Board, in lieu of Mr. Case, retired.

□ 1205

INTRODUCTION OF BILL TO REMOVE CAP ON SHELTER DEDUCTIONS UNDER FOOD STAMPS FOR SENIOR CITIZENS AND DISABLED

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, unless the Congress acts immediately, there are going to be tens of thousands of senior citizens and disabled people in our country who will be drastically hurt, and I know it is not the intent of the Congress to let this happen.

What is happening, Mr. Speaker, is that on March 1, 1979, the regulations governing food stamps are being changed under the 1977 farm bill, and the effect is going to be that senior citizens and disabled people will no longer be able to deduct the full amount of their rent in order to qualify for food stamps. The maximum under the law is now going to be an $80 deduction.

In my own area in Metropolitan New York, nearly 14 percent of our senior citizens are going to be dropped from the eligibility list; 55 percent are going to be drastically reduced.

Mr. Speaker, these are people who are now receiving $45 and $50 in food stamps and who have incomes totaling $200 and $210 a month. They are in desperate need.

I have introduced a bill this noon, Mr. Speaker, that will remove that cap. All it will do is remove the cap on the housing requirement, and, fortunately, if we do that, we will be able to restore the amount of food stamps these poor senior citizens and disabled people throughout the United States need.

MAJORITY LEADER'S REMARKS AT F-16 DELIVERY CEREMONY IN BRUSSELS

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, recently I had the great honor of accompanying our majority leader, the gentleman from Texas, JIM WRIGHT, to Brussels, Belgium, for the delivery of the first F-16 fighter plane to the NATO armed forces. I am proud to say that the prime contractor of this wonderful airplane is the General Dynamics Co., of Fort Worth, Tex. It is also a cooperative effort between the NATO countries and American enterprise.

Our distinguished majority leader made the principal speech at the ceremonies, and I know that my colleagues would like to read the speech that he made. I, therefore, include it herewith as part of my statement.

REMARKS OF CONGRESSMAN JIM WRIGHT

F-16 DELIVERY CEREMONY

JANUARY 26, 1979.

My feelings today are like those of a doting uncle as he gazes through the maternity ward window at his infant niece. He knows in his mind that he really had nothing to do with her birth, but he feels in his veins a tingle of vicarious paternity.

Surely among this crowd I am not alone in that sensation. Success has many parents; failure is an orphan. And the F-16 has many self-confessed uncles and aunts.

Never before in history has the handiwork of so many people, employed by so many companies dispersed throughout so many nations been drawn together to perfect one common product to serve their common security.

Literally tens of thousands of people in Western Europe and the United States have pooled their labors to produce the F-16. The 9,400 skilled workmen at the Fort Worth plant of General Dynamics, in the congressional district that I serve, are linked in a chain of common effort with other Americans employed by 4,700 secarate subcontractors in 48 states and the District of Columbia.

These in turn have placed more than $1.5 billion in major subcontracts with no fewer than 30 European coproducer firms which perform by virtue of an educated and productive working force of thousands of western Europeans.

Very soon, as production rates increase, it will be common to see all F-16s comprised of some indispensable components produced in each of the five partner countries—Belgium, Denmark, The Netherlands, Norway and the United States.

And so this sophisticated model of modern technology which we have come here to witness is profoundly symbolic of several basic truths of modern society.

The relatively small F-16, with one engine and one pilot, can carry 15,000 pounds of bombs—quite considerably more than the B-17, with its four engines and crew of 10, which flew over Europe in World War II.

Its compact size reminds us that the fate of western civilization depends less upon the size than upon the ability of our military establishments, less upon the quantity than upon the quality of our arms—and less upon the number than upon the skill and dedication of our people.

The impressive technological advances which this aircraft embodies should remind us of the ever-accelerating pace of scientific progress, and of the impelling need to keep our free human and social institutions responsive enough to stay abreast of that progress and its sometimes unavoidable dislocations.

The F-16 is a less expensive aircraft than its recent predecessors. The superb cost-effectiveness which it achieves, after decades of staggering unit-cost growth, may mean we have seen there's a limit to wealth. Resources are finite. The future belongs to those who can learn to do better with less.

More important than these is the lesson it tells of the inescapable interdependence of our community of the free. What we could not do singly we increasingly must do together. The planet Earth has shrunk in a fantastic compression of time. For purposes of either transportation or rapid communication, the Texas city in which I live is closer today to Brussels or Paris—or even Moscow or Peking—than it was to our own state capitol when this century began.

In the American frontier of that earlier era, the prevalance of raw physical danger bred a code of conduct and a vocabulary all its own. There was a word that a man would apply to a good and dependable friend. It bespoke a condition of equality. That word was never used lightly but reserved as an expression of a kind of rough endearment

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

for one on whose friendship a man could rely. The word was "partner," spelled with a "t" and pronounced with a "d."

In this F-16 enterprise, our NATO relationship has grown and matured. No longer one of seller and buyer, of customer and supplier, the relationship is that of partner.

And so it must be in the defense of our freedoms and in the promotion and protection of peace on earth.

MRS. TRUMAN CELEBRATES 94TH BIRTHDAY TODAY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, today, there is a lady in Independence, Mo., who is spending a quiet day at home. It is her birthday, but she refuses to celebrate with pomp and ostentation.

Today, Mrs. Harry S Truman is 94 years of age. This fine American lady is observing her birthday as she is living her life, with quiet dignity.

I know that all of my colleagues join me in wishing Mrs. Truman all the best today and in the days ahead.

FURTHER DUPLICITY BY THE ADMINISTRATION ON THE TAIWAN ISSUE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, administration officials have now admitted that U.S. negotiators never even tried to obtain assurances from Communist China that the mainland Communists would not attempt to take Taiwan by force.

This is despite repeated public statements by the President that such assurances were sought—statements that he must have known to be untrue.

Moreover, it has now been revealed that the Chinese Communists informed our negotiators that they should not proceed on diplomatic relations with Peking under the assumption that force would not be used against Taiwan.

They are quoted as stating—

They are a bunch of reactionaries on Taiwan and we might have to take Taiwan by force.

This news has further lessened the credibility of the United States throughout the world, and undermined trust in the word of our leaders.

Mr. Speaker, this is just additional evidence of the imperative need for Congress to require continued U.S. arms sales and military protection for the Republic of China.

I would like to include in the RECORD at this point Friday's front-page story outlining the facts about the administration's untrue statements on the Taiwan matter:

[From the Washington Post, Feb. 9, 1979]

U.S. DID NOT PRESS THE TAIWAN ISSUE

(By Martin Schram)

Q. Mr. President . . . did you at any point ask the Chinese to provide a binding, written pledge that they would not try to seize Taiwan by force? And if you did request that, why didn't you get it? And if you didn't, why didn't you ask for it?

A. Yes. One of our goals in the negotiation was to get a public commitment on the part of China that the differences with Taiwan would be resolved peacefully. This was not possible to achieve. . . .

JAN. 17 NEWS CONFERENCE

The answer should have been no, officials now concede.

The Carter administration never asked the mainland Chinese for a formal assurance that they would not try to take Taiwan by force, according to informed officials at the White House and the State Department.

The officials stressed in private conversations that it was always an "implicit" objective of the United States to obtain a formal commitment from the People's Republic of China not to use force against Taiwan once the United States recognized China and severed diplomatic ties with Taiwan. And thus, they said, they believe Carter was technically correct to state that this was "one of our goals" and that it proved "not possible to achieve."

But even if it was technically accurate, the president's carefully worded answer left an impression that had little to do with the truth. He had been asked if his administration pressed China specifically on this issue. And the truth, as disclosed by these informed officials, is that Carter administration negotiators did not.

Neither presidential national security affairs adviser Zbigniew Brzezinski, nor Secretary of State Cyrus R. Vance, nor Ambassador to China Leonard Woodcock—nor Carter himself—ever specifically pressed for a formal assurance from the Chinese, the officials said in interviews.

The Chinese historically maintained that they could never give an assurance of refraining from the use of force against Taiwan because they considered the question a matter of "sovereignty," the Carter officials said. "This was the officially stated Chinese position from 1955 on," one official said. "They had made this clear publicly many times."

In April 1977, a National Security Council document known as Presidential Review Memorandum 24 set a goal for the normalization of relations the obtaining of a specific commitment from Peking that there would be no use of force against Taiwan. This was to be in exchange for the United States ending its defense treaty with Taiwan.

But PRM-24 was reviewed again in June and July by the president and his top advisers, one official said. And they decided then that it was unrealistic to expect that China would give a public assurance on this

When Vance went to Peking in August 1977, his instructions called for him to obtain "tacit or explicit" assurance from the Chinese about Taiwan, the official said. "Vance did discuss the matter with the Chinese" according to this official, "but he did not ask them for a specific statement on it."

And, it has not been specifically raised since.

Instead, according to the officials, the U.S. negotiators—Brzezinski, Vance, Woodcock, and, in an Oval Office session Sept. 19, the president—spoke in terms of American expectations and assumptions.

As one official explained, "We would say to the Chinese: 'We have our expectations . . . We are proceeding on the assumption that Taiwan will be dealt with peacefully. Do you understand that?' "

The official said that there were times in the negotiations when the Chinese would respond that the U.S. negotiators "should not proceed on that assumption."

According to the official, the Chinese would say, "They are a bunch of reactionaries on Taiwan and we might have to take Taiwan by force."

At all times the Chinese stressed in the negotiations that Taiwan is a matter of Chinese sovereignty. "So for us," said one official," the question became what would they say after making that statement?

"Would they continue to say, ' . . . and we may have to take Taiwan by force'? Or would they say, 'We expect that we will be able to reunite Taiwan with the mainland peacefully. That is what we want.' "

Eventually, the officials said, the Chinese incorporated into their response this latter statement of a desire to handle reunification peacefully.

And that became the basis upon which the United States pressed for the completion of the normalization process.

"The final outcome of that," as Carter went on to say in his Jan. 17 press conference reply, "was that we would make a unilateral statement that we expect any differences between Taiwan and China to be resolved peacefully, and the agreement was that the leaders in China would not contradict that statement."

And that is precisely what came to pass.

Brzezinski, who was the dominant force in wrapping up the normalization agreement for Carter, defends the decision. To Brzezinski it is a matter of foreign policy, not domestic politics. And, as he sees it the decision makes sense because Peking had maintained for years it would never give such an assurance; it really makes no difference anyway because China is not now militarily capable of militarily taking Taiwan, and will not be able to for some time without the greatest military risk to its own forces.

"What do you think—that the Chinese are going to come across the water to attack in thousands of junks?" Brzezinski asked a reporter at one point, after being questioned on the matter.

As Brzezinski sees it, the normalization of U.S.–Chinese relations was one of the most important events in modern global affairs. And it was, he believes, far too significant to risk jeopardizing over a concern about an invitation of Taiwan that he feels realistically cannot and will not take place.

Thus, when the Chinese came back to the United States and said they accepted the latest American terms for normalization, the Carter administration raced to get the matter completed before the end of last year. They did not consider reopening the matter of Taiwan.

□ 1210

CONSUMER OPPOSITION TO ALASKAN OIL EXPORT

(Mr. CLAUSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CLAUSEN. Mr. Speaker, during the 95th Congress, I participated in several hearings addressing the possible exchange or export of Alaskan oil. Based on those hearings, I concluded such action would be unwise and most unwanted by the American people. A temporary export or exchange would have a negative effect upon proposed domestic oil pipelines, the American maritime industry, the U.S. taxpayer supported Panama Canal Company, and the American consumer. An export or exchange would appear to waiver from an independent energy policy.

I believe the Iranian oil situation has sent those of us in Congress a strong

message. It is time the United States develops a domestic energy base with a viable energy distribution system. An effective domestic energy distribution network, including pipelines, railroads, and tankers is the vital part needed for an overall energy program throughout our Nation to address domestic energy requirements. The only solution to our present dependence on foreign oil cartels is American energy independence.

Mr. Speaker, this past Saturday the Consumer Federation of America adopted a policy statement opposing the export or swap of Alaskan oil. This consumer group at its annual meeting addressed our foreign dependence within the policy statement on Energy and Natural Resources. As to Alaskan oil, the group specifically stated:

. . . The Consumer Federation of America opposes the export or swap of Alaskan oil unless it can be shown that such an export or swap would be in the national interest and would not jeopardize national security . . .

Mr. Speaker, a temporary export or exchange of Alaska North Slope crude oil prior to the completion of at least one major west to east domestic pipeline system would be against our best national, economic, and security interests.

I am submitting for the RECORD the Consumer Federation of America policy statement opposing the export or swap of Alaska oil.

The statement follows:

The United States' gross dependence on OPEC oil forces consumers to pay artificially high prices for energy, fuels inflation and the decline of the dollar by contributing to a massive persistent trade deficit, and leaves the nation vulnerable to supply disruptions instigated by the OPEC nations for political or economic purposes. Yet national energy policy has neither been as forceful nor as expeditious as possible in reducing this dependence; indeed many policies reinforce our dependence. United States policy should be directed toward increasing domestic supplies of energy for domestic use. The national energy transportation system should be improved to make possible a more efficient and equitable distribution of domestic fuel supplies. The Consumer Federation of America opposes the export or swap of Alaskan oil unless it can be shown that such an export or swap would be in the consumers' interest and would not jeopardize national security. In addition to the creation and development of national alternatives to foreign oil, the following immediate initiatives should be taken:

A. Creation of a Federal oil importing agency which would purchase the nation's import needs by securing sealed bids from oil producing nations . . .

C. Encouragement of greater productions of oil from non-OPEC oil producing nations . . .

RESERVE REQUIREMENT SIMPLIFICATION ACT OF 1979

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

• Mr. STANTON. Mr. Speaker, today I am introducing a bill entitled the "Reserve Requirement Simplification Act of 1979." This action reflects my continued concern with the decline in Federal Reserve membership and the ability of the Fed to control monetary policy. I am offering this proposal to ensure that the Congress will consider the full range of alternative solutions to this problem.

Chairman William Miller was kind enough to furnish me a copy of a letter he wrote to the President of the American Bankers Association on January 12, 1979. The Chairman started the letter with the following sentence:

Consideration of legislation designed to improve monetary policy and to promote greater competitive equality among financial institutions will be the first priority of the House and Senate Banking Committees this year, and proposed bills have already been made public by Senator Proxmire and Congressman Reuss.

The Chairman, as usual, was correct. Our committee, for the last month, has been in the process of listening to proposals from the chairman of our committee and suggested improvements to this legislation by the Federal Reserve Board.

Mr. Speaker, I am convinced that the legislation that has been already presented to the committee would accomplish the desired goal, as stated by Chairman Miller in the above paragraph. However, I was under the impression that the main purpose of considering legislation was to improve the Federal Reserve Board's ability to conduct monetary policy. At the same time it was almost universally agreed that the way to improve monetary policy was to stop the outflow of membership from the Federal Reserve System that has been accelerating in recent years. This is the main cause of the continuing decline in the proportion of deposits subject to Federal Reserve requirements. I, personally, never felt that it was the purpose of this legislation to equally "promote greater competitive equality among financial institutions." My solution directs itself to the first goal. The later goal of the legislation, I am willing to leave for another day.

During the last few months, I have come to the conclusion that mandatory universal reserves for all deposit categories could disrupt the competitive balance between financial institutions, the dual banking system, and the structure of bank regulatory agencies. Therefore, my bill seeks to relieve the burden of membership by reducing the existing level of reserve requirements and paying interest on a portion of reserves for current members only. Also, it seeks to improve monetary control by establishing uniform requirements for each deposit category.

If this were 1913, and we were establishing a new Federal Reserve System, mandatory universal reserves for all deposit categories might be the most logical approach for achieving monetary control. However, given today's financial structure and the present role of reserves as a monetary policy tool, such a requirement could create more problems than it would solve. Additionally, I do not favor the exemption provision incorporated in H.R. 7. By treating large and small banks differently, H.R. 7 builds needless inequities into the financial system.

The major difference between my proposal and H.R. 7 is that since my bill affects only existing member banks, it offers a simpler solution to this complex problem. Virtually every member bank will benefit from the reserve reduction and interest payment provisions in my bill. These provisions will greatly relieve the current burden of membership and should stop the growing attrition of member banks.

The significant features of my Reserve Requirement Simplification Act of 1979 are as follows:

First. A reduction in the existing level of reserve requirements for existing member banks;

Second. An authorization for the Fed to pay interest at the portfolio rate on the first $6 million in reserve balances held at the Fed;

Third. The establishment of uniform reserve requirements for each deposit category;

Fourth. A provision requiring the Fed to prepare and publish a fee schedule for Federal Reserve Bank services;

Fifth. A provision for additional reporting on monetary data by all financial institutions; and

Sixth. An authorization for the Fed to increase the amount of interest paid provided that any increase is subject to a one House veto.

This new approach would address the problem of membership attrition along the following lines. First, large banks receive a significant though not excessive reduction in their reserve burden. Banks over $100 million now hold reserves against demand deposits from 12¾ to 16¼ percent. The new proposal would levy a 10 percent reserve requirement on demand deposits and transaction accounts. Second, banks under $100 million currently hold reserves against demand deposits from 7 to 11¾ percent. The new proposal of 10 percent would reduce the burden for the larger of these banks. In addition, payment of interest on the first $6 million of reserves (approximately equivalent to reserves held for a $50 to $60 million bank, as in the Fed's proposal) would provide an additional incentive for all banks, especially small ones to remain in the Fed. Finally, paying the Fed portfolio rate of return to small banks is the best, riskless investment available to them. Fed studies indicate that while in the short run (as is the case now) the Fed funds rate may exceed the Fed's portfolio rate. However, over the long run business cycle, these two rates are very close with the Fed portfolio rate often exceeding the Fed funds rate. Thus, for a long run riskless investment, the Fed portfolio rate provides an attractive rate of return.

The cost of this approach is well within the range established by the Treasury Department. Treasury has stated that it would accept a cost of only $200 million or less per year. The cost of the reserve reduction and interest payment associated with my bill has been calculated to be under $200 million.

There follows a section-by-section analysis of the Reserve Requirement Simplification Act of 1979 and cost impact statements.

SECTION-BY-SECTION ANALYSIS OF THE RESERVE REQUIREMENT SIMPLIFICATION ACT OF 1979

SHORT TITLE: THE RESERVE REQUIREMENT SIMPLIFICATION ACT OF 1979

Section 2—Reporting requirements

This section authorizes the Federal Reserve to collect through appropriate regulatory and supervisory agencies current liability and asset data needed for monetary control purposes from all depository institutions.

Section 3—Reserve requirements

This section provides for (1) a reduction in reserve requirements for member banks; and (2) uniform reserve requirements for each category of deposits.

A uniform reserve requirement structure would simplify the Fed's ability to control monetary policy. Lower reserve requirements would help to alleviate the cost burden of Federal Reserve membership.

Demand deposits: Present, 7–16¼; H.R. 7, 8–10* (9 initially); Stanton, 5–10* (10 initially).

Short-term time (less than 180 days): Present, 3–6; H.R. 7, 3–6 (6 initially); Stanton, 3–6 (7 initially).

Long-term time (over 179 days): Present, 1–4½; H.R. 7, 1–3 (1 initially); Stanton, 0–3 (1 initially 3).

Savings deposits: Present, 3; H.R. 7, 1–3 (3 initially); Stanton, 1–3 (3 initially).

These reserve requirements imposed by this section are to be phased in over a 4-year period.

Section 4—Pricing of services

This section requires the Board to prepare and publish for public comment a set of pricing principles and proposed fees for Federal Reserve Bank services. Those are to be formulated in accordance with a general policy that requires recovery of all costs, including imputed taxes and return on capital.

Section 5—Interest on reserves

This section authorizes the Fed to pay interest on the first $6 million of reserve balances held at the Fed. The rate of interest is equivalent to the rate of return on the Fed's portfolio (current 6.5%). Additionally, the Fed is granted the authority to adjust the amount of interest paid provided that any increase in the amount of interest paid is subject to a one-House veto.●

PERMISSION TO PUBLISH IN THE RECORD WRITTEN RULES GOVERNING COMMITTEE PROCEDURE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that, notwithstanding the provisions of clause 2(a), rule XI, all committees may have until March 1, 1979, to publish in the RECORD the written rules governing committee procedure.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. BRADEMAS. Mr. Speaker, I ask uanimous consent that on Monday, February 19, 1979, George Washington's farewell address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

*Includes automatic transfer and NOW Accounts

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1894, DEBT LIMIT TEMPORARY INCREASE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, Tuesday, February 13, 1979, to file its report, along with any separate or minority views, on the bill H.R. 1894, to provide for a temporary increase in the public debt limit, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was n oobjection.

ADJOURNMENT TO THURSDAY, FEBRUARY 15, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that wher. the House adjourns today it adjourn to meet at 11 a.m. on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DESIGNATING MR. COURTER TO READ GEORGE WASHINGTON'S FAREWELL ADDRESS ON FEBRUARY 19, 1979

The SPEAKER. Pursuant to a special order agreed to on Tuesday, February 13, 1979, the Chair designates the gentleman from New Jersey, Mr. COURTER, to read George Washington's Farewell Address immediately following the approval of the Journal on February 19, 1979.

APPOINTMENT AS MEMBERS OF JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 U.S.C. 1024(a), the Chair appoints as members of the Joint Economic Committee the following Members on the part of the House:

Mr. BOLLING of Missouri;
Mr. REUSS of Wisconsin;
Mr. MOORHEAD of Pennsylvania;
Mr. HAMILTON of Indiana;
Mr. LONG of Louisiana;
Mr. MITCHELL of Maryland;
Mr. BROWN of Ohio;
Mrs. HECKLER of Massachusetts;
Mr. ROUSSELOT of California; and
Mr. WYLIE of Ohio.

REPORT OF MEMBERSHIP IN INTERNATIONAL WHALING COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

On December 14, 1978, Secretary of Commerce Kreps certified to me, pursuant to the Pelly Amendment to the Fishermen's Protective Act of 1967, that nationals of Peru, Chile and the Republic of Korea were conducting whaling operations in a manner that diminishes the effectiveness of the International Whaling Commission conservation programs.

Under the Pelly Amendment, such a certification must be followed by a report to the Congress. I am pleased to transmit the attached report which indicates that all three of these nations are becoming members of the International Whaling Commission and will therefore voluntarily become subject to its conservation programs. Thus, I am not at this time imposing sanctions against these nations.

JIMMY CARTER.

THE WHITE HOUSE, *February 13, 1979.*

PROPOSAL TO ESTABLISH A DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–52)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I am sending to the Congress today my proposal to establish a Department of Education.

There is a compelling need for the increased national attention a separate Cabinet department will bring to education issues. Our Nation's pluralistic education system, considered the most competent and open in the world, faces many problems and challenges: a decline in public confidence in the quality of education; unacceptably high rates of high school dropouts and of young people who lack basic educational tools and specific skills for productive employment; and increasing demands for retraining and learning opportunities.

The primary responsibility for education in our Nation lies with State and local government. The Federal government has a limited, but critical responsibility to help public and private institutions meet these challenges: to ensure equal educational opportunities; to increase access to postsecondary education by low and middle income students; to generate research and provide information to help our educational systems meet special needs; prepare students for employment; and encourage improvements in the quality of our education. The achievement of each of these goals will be enhanced by a new Department of Education.

Through our legislative and budget initiatives of the past two years, this Administration has given high priority to meeting these educational commitments. My budget for FY 1980 provides for $13.3 billion in education outlays, about a 45 percent increase above the level when I came into office. Last year, we established a legislative framework, the Middle Income Student Assistance program, to help solve one of our major

education problems—the growing cost of a college education. The establishment of a Cabinet Department of Education will reflect the continued high priority my Administration places on education.

A Department of Education will bring our Nation's educational challenges and the Federal government's role in meeting them to the forefront of domestic policy discussion. Such discussion is vital to an activity that directly affects 60 million students, teachers and educational employees and constitutes a $120 billion public and private enterprise.

Establishing a separate Department will create, for the first time, a Cabinet-level advocate for education with direct access to the President, the Congress, and the public.

Second, it will give Federal education programs the full-time, high-level leadership and management that they cannot receive in a structure so large and complex as the Department of Health, Education, and Welfare. This will allow the Federal government to fulfill its responsibilities in education more effectively. It will eliminate duplication in the administrative and staff support activities within the Office of the HEW Secretary and the Education Division. It will allow improved financial management and more efficient administration of education programs. Separation of the education functions from HEW will also promote improved management of its closely-related health and welfare responsibilities.

Third, it will provide greater accountability. Submerged beneath HEW's dominant functions of health and welfare, Federal education programs lack full-time accountability at the Cabinet level. With a separate Department of Education, one Cabinet member will report directly to the President and be accountable to the Congress and the American people for the conduct of Federal education policies.

Fourth, it will provide simpler, more reliable, and more responsive support to states, localities, public and private institutions, giving them a direct line of Cabinet-level contact with the Federal government.

Fifth, the new Department will allow better coordination of education programs with related Federal activities, such as employment programs and research. It will also allow high-level consideration of the impact of other Federal policies, such as tax and energy, on education institutions and students.

Under the proposal I am submitting today, the Department of Education will include more than 150 programs and 16,200 employees. With a budget of more than $13 billion, this Department will be larger than five other Departments including Energy, Commerce, Justice, Interior and State.

In addition to the 140 programs in the Education Division of the Department of Health, Education, and Welfare, the new Department of Education will handle educational activities now carried out by several other departments. These include: the U.S. Department of Agriculture School, certain science education programs of the National Science Foundation, the overseas dependents' schools of the Department of Defense, the college housing loan program of the Department of Housing and Urban Development, the Law Enforcement Education and the Law Enforcement Internship Program of the Department of Justice, and the Migrant Education programs of the Department of Labor.

The proposed legislation establishes within the Department of Education separate Offices for Civil Rights, Elementary and Secondary Education, Postsecondary Education and Educational Research and Improvement, each headed by an Assistant Secretary. It establishes an office to administer functions related to the education of overseas dependents of Department of Defense personnel, an Inspector General, and a 20-member Intergovernmental Advisory Council on Education, appointed by the President, to promote better relations with the various levels of government and private institutions.

I urge the Senate and the House of Representatives to act promptly on this important proposal.

JIMMY CARTER.

THE WHITE HOUSE, *February 13, 1979.*

□ 1215

CARSON CITY SILVER DOLLARS

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1902) to amend the Bank Holding Company Act Amendments of 1970.

The Clerk read as follows:

H.R. 1902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(a) of the Bank Holding Company Act Amendments of 1970 (84 Stat. 1769; 31 U.S.C. 317e note) is amended by deleting the second sentence thereof and substituting the following: "The Administrator is authorized to sell such coins as may remain by negotiations at such prices, including fixed prices, in such manner, and upon such terms and conditions as may be deemed proper by the Administrator.".

SEC. 2. The amendment made by the first section of this Act shall take effect upon the date of its enactment.

The SPEAKER. Is a second demanded?

Mr. EVANS of Delaware. Mr. Speaker, I demand a second.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Under clause 2 of rule XXVII, as amended by the Democratic Caucus and the House on the first day, the pending measure has not been available to the House for 1 full legislative day. I only ask this for future reference.

Precisely how long does a measure have to be available in order to remove the right to have a vote on the second, and would a vote on the second be in order today, for instance?

The SPEAKER. This bill has not been available for 1 legislative day, but the rule requires availability for 1 legislative day.

Mr. BAUMAN. So that a vote on the second could be demanded by tellers?

The SPEAKER. The gentleman is correct.

Mr. BAUMAN. Could I also ask the Speaker whether or not copies of the report on the bill must be available for 1 legislative day under this rule?

The SPEAKER. Only the measure to be voted on must be available.

Mr. BAUMAN. As reported by the committee?

The SPEAKER. Available in the form as proposed to be passed. If reported and called up by the committee with amendments then available in that form. Otherwise, available as introduced.

Mr. BAUMAN. I thank the Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. EVANS) will be recognized for 20 mintues.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield whatever time he may consume to the distinguished chairman of the full Committee on Banking, Finance, and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, H.R. 1902 amends legislation passed in 1970 (Public Law 91–607) to permit the sale, under flexible terms, of nearly 1 million rare silver dollars. According to the Congressional Budget Office this sale will result in receipts to the Government of approximately $20 million. This legislation is necessary because the original law which provided for the sale of these coins placed severe restrictions on the terms of the sale. These restrictions made it impossible to sell all the coins in an economical manner.

These silver dollars were produced at the Carson City Mint in Nevada in the 1800's and it was thought they had been melted down during World War I for their silver content. However, a General Accounting Office audit in 1964 found that nearly 3 million of the Carson City silver dollars had not been melted down, and had never been circulated.

Public Law 91–607 provided that the coins be sold in accordance with a sales plan which would make it possible for many individuals to buy the coins directly from the Government. An elaborate bidding procedure was established, and an individual could buy only one coin per category. To market these coins GSA received an appropriation of $10 million.

Nearly 2 million of the original 3 million coins were sold from 1972 through 1974. These sales generated net revenues of $55.3 million after accounting for a sales cost of $8 million.

Sales were discontinued in 1974 because of their high costs and diminishing returns. These declines indicated that the market had become temporarily saturated and that the sales method was unduly cumbersome.

Without a change in the law GSA will need a sizable appropriation to sell the remaining coins under the required terms and conditions. H.R. 1902 will eliminate the need for this additional appropriation.

The bill is drafted to provide the flexibility to allow various methods of sale in order to respond to changing market conditions. GSA believes that these methods will meet the goals of the Joint Commission on the Coinage without the expense of the complex procedures of earlier sales.

The bill is supported by the administration, GSA, and the Office of Management and Budget.

Mr. ANNUNZIO. Mr. Speaker, I thank the distinguished chairman of the full committee for his very significant and important statement, and I now yield myself such time as I may consume.

□ 1220

Mr. Speaker, I hope it is significant that the first bill to come before the House of Representatives this year is not a bill that will cost the taxpayer money but rather one that will not only save money, but may well provide $20 million of income to the U.S. Treasury. I realize that every bill that we will be dealing with this year cannot offer such benefits, but I hope that this legislation represents a good starting point for cutting Government spending.

Mr. Speaker, H.R. 1902 represents two types of savings. This legislation would allow the General Services Administration to sell approximately 978,000 rare silver dollars minted in Carson City, Nev., in the late 1800's. Previously, the GSA has sold some 2 million of these dollars and the sales have generated some $55 million to the taxpayers. However, the conditions under which the previous dollars were sold are not adequate for disposing of the remaining stock. For example, the legislation establishing the earlier sales limited buyers to purchasing only one coin. The earlier sales also were conducted on a bid basis.

Under the legislation before us today the General Services Administration will be able to dispose of the coins without the restrictions set by earlier legislation. The coins will be sold at predetermined prices and for the most part there will be no limit on the number of coins that an individual purchaser may buy. In addition, the legislation will allow the GSA to sell the coins to Federal organizations such as the Smithsonian and to State and local museums for public display. It is anticipated that through this legislation the General Services Administration will receive approximately $20 million which will be turned over to the Treasury Department.

Legislation identical to H.R. 1902 was passed in late September of last year by unanimous votes in both the House and Senate. In this body the legislation was sponsored by the gentleman from the District of Columbia, Mr. FAUNTROY, who at that time was chairman of the Subcommittee on Coinage and Historic Preservation.

When the legislation was before the Senate a nongermane amendment dealing with imports of textiles was added and consequently President Carter vetoed the bill. The veto was directed solely at the tariff provision and had nothing to do with the Carson City silver dollar portion of the legislation.

I know of no opposition to this legislation either within the executive branch, the legislative branch, or among coin collectors. I have received letters from both the Treasury Department and the General Services Administration supporting H.R. 1902.

Mr. Speaker, the second savings to the taxpayers generated by H.R. 1902 is in the method under which it is being brought to the floor.

Since hearings were held only a few months ago on an identical bill and it was passed by both the House and Senate unanimously, new hearings would have resulted in an additional cost to the taxpayers. It would have been necessary to print those hearings and to file a printed report all of which would have cost thousands of dollars more, not to mention the man-hours that would have been necessary to produce the hearings and the accompanied documents.

Instead, we are using the report from the previous Congress on the legislation since there have been no changes in any positions on the legislation.

I realize that this is an unusual procedure. However, if it will result in saving thousands of dollars of taxpayers' money as is being demonstrated here today, then I am in favor of using more unusual procedures.

Mr. Speaker, I urge passage of H.R. 1902.

Mr. EVANS of Delaware. Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member of the full committee, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I thank the distinguished gentleman from Delaware for yielding.

Mr. Speaker, the Carson City silver dollar is part of our American heritage. It has numismatic appeal and inherent value, and therefore should be made available to everyone to buy.

Under the existing sales plan laid down by the Joint Commission on Coinage, it would not be economically prudent to sell the remaining silver dollars. Furthermore, it would be a mistake to melt down the coins as some have suggested. This bill simply gives the Administrator of the General Services Administration the authority to sell the remaining coins as he sees fit. Nevertheless, the value of previously purchased Carson City silver dollars should be protected, inasmuch as GSA stated in previous sales that these silver dollars were "good investments." So the Administrator should stay within certain general guidelines when he exercises his discretion.

I urge my colleagues to vote for H.R. 1902.

□ 1225

Mr. EVANS of Delaware. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would first like to congratulate the distinguished subcommittee chairman, the gentleman from Illinois (Mr. ANNUNZIO), for the fine work that he has done on this bill and to tell him that I look forward to working with him over the next several years on the Subcommittee on Consumer Affairs.

Mr. Speaker, we have no objections on this side of the aisle to this bill. I think we should move with dispatch on this matter. There is no question about the fact that the Treasury needs some help, and anything we can do along those lines we should certainly proceed with rather swiftly. This legislation will not cost the taxpayer 1 cent. In fact, the Government could earn as much as $20 million in sales from these coins.

This bill is a good way to begin the 96th Congress, Mr. Speaker, and I urge the House to give its approval to the measure.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. Of course, I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman from Delaware (Mr. EVANS) for yielding.

I want to commend him for his help and assistance on this legislation; and I, too, look forward to working with him during the 96th Congress on legislation coming before the Subcommittee on Consumer Affairs.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman from Illinois (Mr. ANNUNZIO).

Mr. STANTON. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's yielding.

I asked for this time just to pose a question as to a little legislative intent here.

Is it the understanding of the subcommittee and is it the subcommittee's intention that while we are giving a lot of authority here to the General Services Administration with regard to the sale of these coins, we do expect them to follow pretty well the outline as set forth by J. Solomon before our subcommittee, in which statement he set up five specific steps which they will follow? Is that the chairman's understanding?

Mr. ANNUNZIO. Mr. Speaker, if the gentleman will yield, I want to assure the ranking member of the full committee, the gentleman from Ohio (Mr. STANTON), that we will follow the guidelines as set out not only by the Coinage Commission, but by GSA and Mr. Solomon himself.

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's response.

Mr. EVANS of Delaware. Mr. Speaker, I was rather impressed with Mr. Solomon's sales program with respect to the Carson City dollars, not only in giving more discretion and flexibility with regard to sales so that we might maximize the dollars to the Treasury, but also in protecting those who had previously purchased the Carson City dollars. Numismatists need that protection, particularly in light of the fact that the GSA said that the coins were a good investment. However, I think it is important to establish these minimum guidelines because one never knows when administrators are going to change, whether it be in GSA or anywhere else.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill H.R. 1902.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1902, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE TRUE BACKGROUND OF THE KOREAN WITHDRAWAL DECISION

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, the House is well aware that I have frequently spoken out, here on the floor as well as elsewhere, in opposition to the decision of the Carter administration to withdraw troops from Korea. Like General Singlaub, and virtually every other expert on Asian affairs, civilian as well as military, I strongly believe that this decision is a serious mistake and could increase the chance of war in Korea.

Moreover, the House Armed Services Committee has gone on record strongly to put congressional restrictions on troop withdrawals from Korea in the light of our constitutional obligations insofar as declarations of war are concerned. Unfortunately, the House never fully accepted this suggestion, but did agree to a "sense of Congress" expression that such withdrawals involved military risks and should not be continued until prior consultation with Congress had been undertaken.

In addition, Mr. Speaker, the Investigations Subcommittee of the Armed Services Committee, which I serve as chairman, issued a detailed report last April setting forth these views in fuller detail and especially calling attention to the fact that this important and hazardous military decision was never "staffed out" by the Joint Chiefs of Staff, as any serious military decision should be handled. After all, the law provides that the Joint Chiefs are the President's "principal military advisers"—which means that their advice should at least be sought. Instead, the President made his decision before he was inaugurated, and the only role his top military advisers were allowed to play was to comment on the timetable for implementing that decision.

General Singlaub, a dedicated military professional, tried to blow the whistle on this serious error, and got canned for his efforts. Apparently it is OK for other Government employees, like Mr. Fitzgerald, to blow the whistle; the new civil service reform bill protects them. But that protection does not somehow extend to whistle blowers in uniform when national security is involved. They are still second-class citizens.

In any event, Mr. Speaker, I want to call the attention of the House today to an amazing article that appears in the March 1979 issue of Harper's magazine, not a publication that is generally regarded as a shill for the military-industrial complex. This article, written by Michael A. Ledeen and entitled "Trumping Asian Allies," takes the same view of the Korean withdrawal decision as our committee took. But in addition it makes several other grave charges, which I believe deserve to be examined carefully by this House, especially since we have just learned that the intelligence used by the State Department and the administration over the past 2 years to justify the Korean troop withdrawals has been seriously deficient—underestimated by about 33⅓ percent.

The first of these charges is that the Korean decision was part of "a secret plan designed to bypass consultation within the Government and the military, and with Congress and allied governments. Like the Nixon administration that preceded it, the new regime was prepared to resort to secret and unilateral decisions when its convictions were at stake. The South Korean decision was prepared by a small transition team, most of whose members moved into the second echelon of the Carter administration after January 20 * * * ."

The second charge is even more ominous; namely, that in concert with the withdrawal of ground troops from Korea the Carter administration was also planning "the withdrawal of American nuclear weapons" from South Korea. Mr. Ledeen goes on to say:

> This group, along with a few other people, formulated the secret replacement of American tactical nuclear weapons in South Korea with dummy warheads and the withdrawal of all ground forces as soon as possible.

Mr. Speaker, this is the first public reference I have seen to the planned withdrawal of American nuclear weapons from South Korea.

I believe these charges, both of them, deserve to be answered fully and candidly by the Carter administration. We simply cannot afford to play Russian roulette with our national security in Asia under the mistaken notion that as long as we maintain deterrence in NATO we are safe.

And most assuredly, we cannot countenance any strategic plan that could increase the risk of war, being carried out deliberately in a way that would bypass the Congress and the constitutional requirements of our Government.

Under leave to extend my remarks I include the article from Harper's by Mr. Ledeen and urge its careful perusal by my colleagues:

TRUMPING ASIAN ALLIES—WHILE DEALING FROM THE BOTTOM OF THE DECK

(By Michael A. Ledeen)

Jimmy Carter's decision to open diplomatic relations with the People's Republic of China on terms favorable to the PRC was consistent with his previous venture into Asian diplomacy. Even before his inauguration, Carter was planning a dramatic step in keeping with his advisers' ideological predilections: the withdrawal of American nuclear weapons and military personnel from South Korea. Like the China decision, the move in South Korea was taken by a small group of "experts" who were determined to act in secrecy and in defiance of public and Congressional opinion. Like the China decision, the move in South Korea was determined without consultation with our allies, and without serious consideration of the action's effect on the strategic balance. And like the China decision, the move in South Korea increased the chances of war even though it was portrayed as a step toward peace.

As a candidate, Carter promised an "open administration," yet while the country awaited his inauguration, the President-elect prepared a secret plan designed to bypass consultation within the government and the military, and with Congress and allied governments. Like the Nixon Administration that preceded it, the new regime was prepared to resort to secret and unilateral decisions when its convictions were at stake. The South Korea decision was prepared by a small transition team, most of whose members moved into the second echelon of the Carter Administration after January 20: Richard Holbrooke, managing editor of *Foreign Policy*, who became Assistant Secretary of State for Pacific and East Asian Affairs; Ed Deagle, who hoped to be Secretary of the Army, but actually went to the Rockefeller Foundation; Les Gelb of the *New York Times*, now director of Political-Military Affairs at the State Department; and Dr. Peter Bourne, the former head of the White House drug program. This group, along with a few other people, formulated the secret replacement of American tactical nuclear weapons in South Korea with dummy warheads, and the withdrawal of all ground forces as soon as possible. The President approved the plan before Inauguration Day. By the time the new Administration assumed office, an order was on its way to the Joint Chiefs of Staff to act on the decision.

In the months following, South Korea was the subject of intense debates in Washington, ranging from accusations of cash payments to Congressmen to the issues raised by the Administration's attempt to withdraw troops. But the clandestine plan to remove American nuclear warheads from South Korea, which has yet to come to public attention, pressaged both the style and the substance of Carter's Asian policy. It showed that the President and his staff were so definite in their analysis of the world, so set in their ideological ways, that they felt it unnecessary to discuss their decisions with those who had spent a lifetime studying the problems in question, or with those allies—above all, Japan—directly affected by the American action. As a result, when public and international support was lacking for the programs of the new government, Carter and his aides simply took matters into their own hands. Far from initiating a new era of American policy, the government has continued the secrecy and arrogance that candidate Jimmy Carter roundly denounced in the campaign of 1976. The announcement of "normalization" in late December was simply the most recent demonstration of how Carter makes decisions.

The commitment to withdraw from South Korea emerged not only in the attempt to

replace nuclear warheads with dummies, but also in the National Security Council's Presidential Review Memorandum No. 13 (known as PRM-13), which circulated in mid-March, 1977. Most PRMs solicit opinions from the various branches of the government on major policy questions, so that the President can have the broadest possible spectrum of expert opinion. But PRM-13 began with a declaration of intent: the President had decided to withdraw American troops. The PRM requested only recommendations for the best and speediest implementation of the decision. No discussion of the basic issue was invited.

The decision to withdraw from South Korea was probably made two years before Carter was even elected. In meetings at the Trilateral Commission and at the Brookings Institution, Carter heard that the presence of American forces in South Korea was a risk and might lead the United States into another Asian war. People like Gelb, Holbrooke, Bourne, and Barry Blechman—formerly of Brookings, now in the Pentagon—encouraged the candidate in his conviction that if American troops were withdrawn, the United States could avoid fighting in Asia, neatly avoiding the crucial issue that American forces were required to deter aggression and that alliances required a willingness to fight a war if challenged. Thus, although the President or his aides have never provided motivation for Carter's decision, it appears that the overriding concern was the urge to avoid another Vietnam-type war by withdrawing United States forces and weapons. If these actions triggered a new war in Korea by upsetting the balance of power, that would be acceptable, provided that American soldiers were not involved.

Thus, within two-and-a-half months of taking office, Carter had instructed the military to remove American nuclear weapons and requested plans for the withdrawal of American troops from South Korea. These decisions were made unilaterally, and without consultation with American military, diplomatic, and strategic experts, or with Asian and other allies. No effort was made to negotiate matching reductions from North Korea, or even to obtain promises of nonbelligerency from the government of Kim Il Sung.

The China decision bears the same trademark as the Korea plan. When the President had learned that there was considerable Congressional opposition to normalization with the People's Republic unless Taiwan was given strong security guarantees, he switched to covert negotiations with the PRC, and the discussion of the terms of normalization was restricted to a handful of people, all of whom shared the President's bias on the matter. The Department of Defense, which is responsible for Taiwan's security as long as the mutual-defense pact exists, was not—even in a general way—consulted on withdrawal. And leading State Department officers were in the dark as late as the afternoon of December 15, the day of the President's announcement. Indeed, that day a group of them told a high-ranking representative of an allied country that it would be unthinkable for the President to recognize the People's Republic without an extended national debate.

Just as the President wished to withdraw from South Korea without obtaining anything in return from the North, so the normalization with the PRC was achieved without extracting any concessions for Taiwan. Not only did the representatives of the PRC refuse to make any statement about their peaceful intentions in that dispute, but the United States privately guaranteed the PRC that it would not make new arms sales to Taiwan in the twelve months following normalization. Hence, in a single stroke the United States removed its own deterrence, in the form of a mutual-defense treaty, and gravely compromised Taiwan's ability to defend itself, by promising to end the arms-sales program. The significance of the defense treaty with Taiwan was the ability of the heirs of Chiang Kai-shek to buy arms from the United States, and whatever the legal status of the treaty in the next year, it becomes a scrap of paper if we refuse to sell new weapons to Taiwan.

The Administration failed to negotiate an arrangement that would have been more satisfactory to our allies and to domestic critics. And the normalization decision—like the Korea plan—was reached in a way designed to provoke heated reaction at home and abroad. The President's decision to proceed in this manner indicates an unwillingness to learn from the past in light of the reaction to the Korea plan a year and a half before.

The Korea plan consisted of the covert elimination of American nuclear weapons and the parallel withdrawal of American ground forces. The nuclear initiative collapsed rather quickly. The Joint Chiefs were so appalled by the instructions to sneak the nuclear warheads out of South Korea that they mustered a counterattack, even though the military is notoriously timid and inept at bureaucratic infighting. The generals made it clear that if the President persisted, they would spread the decision all over Washington, with catastrophic effects for the new Administration. The weapons remained.

The scheme to remove American troops was more successful. In the first place, Carter's advisers rightly judged that it would be difficult for opponents of the policy to fight a decision that appeared to be sanctioned by the responses to PRM-13. The pressure tactic of asking for advice on implementation rather than for opinions on the soundness of the Presidential decision itself effectively thwarted opponents in the Pentagon and the Department of State. Nonetheless, some opposition did emerge, most notably from Carter's Director of the Central Intelligence Agency, Stansfield Turner. On at least two occasions, Admiral Turner expressed reservations about the withdrawal: in testimony before the Senate Foreign Relations Committee in June, 1977, and in a personal memorandum to the President during the discussions of PRM-13. Turner was the only senior member of the Administration to try to get Carter to face the question: Could U.S. forces be withdrawn from South Korea without risking war in the area? The other senior official to express reservations about the President's ideas on Korea was National Security Adviser Zbigniew Brzezinski, who sent a note to Carter suggesting a delay in the withdrawal of the nuclear warheads, but the memo came back with a brusque note from the President: "Get them out . . . quickly."

For the most part, Carter's appointees accepted his decision and concentrated on implementation. But they did not feel inclined to "go public." There was no attempt to justify the move to either the Congress or the two allies most immediately involved: South Korea and Japan. From February through June there were efforts by civil servants, military men, and civilians to dissuade the Administration from its course, but these efforts merely slowed implementation. The policy was unaltered. The President was intent on convincing the government to go along with his view, although at no stage did Carter or his aides explain precisely why they wanted to withdraw. This pattern was repeated in the case of normalization with China: when the decision was announced there was general bafflement. In each decision, the motivation remained puzzling.

The lack of justification fatally weakened the Korea policy. Since no coherent rationale was ever offered, both Congress and the allies became concerned, prompting the Administration to adopt a masquerade of consultation. The parody began with Vice-President Mondale's spring, 1977, trip to Japan, where he asserted that American forces could be withdrawn without any ill effects. Badly equipped to discuss strategy, the Vice-President did not make a persuasive case. The "consultations" continued with the June missions to South Korea of General George Brown, chairman of the Joint Chiefs of Staff, and State Department Undersecretary Phillip Habib to Seoul. But by then the troop withdrawals envisaged had been scaled down and stretched out.

The Japanese were the first of our allies to comprehend Carter's Asian policy. It is no accident that steps have recently been taken in Tokyo to build a Japanese defense force big enough to protect the country without depending on American help. Prior to the Carter decisions, such a step would have been unlikely for a country that has been resolutely opposed to large military expenditures since the end of the second world war.

Despite Japanese dismay and the certainty that powerful members of Congress would be angry about sudden troop reductions in South Korea, the plan was formulated in detail by April. It called for the withdrawal, by 1983, of between 25,000 and 30,000 American soldiers. Then there would be token American ground forces in Korea, aside from some 6,000 men in Panmunjom Joint Security Area to run communications, installations, and various intelligence units. When the South Koreans objected—and their protests were supported by some Americans, including Major General John K. Singlaub in South Korea, whose complaints about Administration policies led to his dismissal—the government first announced that it would leave the combat troops of the Second Division untouched until 1982 (instead of taking out the Second Brigade in 1980), and in late April, 1978, the Pentagon announced that only one combat battalion, and not a full brigade, would be taken out of the Second Division.

Thus, the entire hullabaloo had produced the withdrawal of a combat unit of a mere 1,000 men. Yet in order to withdraw those men the Carter Administration had compromised the fragile sense of security in Northeast Asia that had been slowly pieced together after the American defeat in Vietnam. For our Asian allies had learned that Jimmy Carter's government was capable of withdrawing from at least part of the area without warning, without consultation, and without seeking anything in return from our rivals.

Discussions with those involved in the Korea decision, as well as the evidence that has surfaced thus far about the normalization with the People's Republic, suggest that the President does not realize that his decisions entail the potential for war. In the Korean case, American nuclear weapons were designed for three major roles: to deter an attack from North Korea; to enhance the safety of American troops throughout the Orient by guaranteeing that no enemy attack could overrun allied positions before American troops had the chance to fight; and to contribute to America's overall nuclear deterrent. Although the American nuclear weapons in South Korea have small payloads and relatively short ranges, they can still destroy some Soviet targets east of Lake Baikal.

At a time when the strategic balance is shifting perceptibly in favor of the Soviet Union, a sudden American retreat sends the world a political message. It demonstrates that the United States is disengaging from another area of potential conflict and abandoning another ally. Against the backdrop of events in Ethiopia, Afghanistan, Yemen, and Iran, the decisions in Korea may have actually increased the risk of a new Korean war. In fact, both the withdrawal from Korea and the one-sided accommodation with Peking were viewed with profound concern by the military in Tokyo and Washington

(and almost certainly in Peking and Western Europe as well), because of the likelihood that potential aggressors would be encouraged to invade unprotected areas.

In spring, 1975, American military intelligence discovered that the North Koreans had drilled a tunnel under South Korean lines. The tunnel extended 173 feet and was hacked out of solid granite, and its internal dimensions were two yards high by two yards wide. It was designed for infiltration by enemy forces, and testified to the preparations for war by North Korean dictator Kim Il Sung. Most analysts believed that the presence of American forces was an effective deterrent precisely because the North Koreans knew that any attack against the South would automatically bring the Americans into the conflict; however, the President evidently wished to remove the possibility that Americans would fight in Korea. These signals can only encourage the North.

Subsequent events have demonstrated the accuracy of this appraisal. A few months ago a new North Korean tunnel was discovered (the third such tunnel found since the end of the Korean war), and the latest estimates of North Korean military strength have increased two- to threefold over those of a year or two ago. Under the circumstances, many Administration members are questioning the wisdom of Carter's decision to withdraw.

But even if war does not break out, the Carter decisions on Korea and on China mean that South Korea and Taiwan will probably "go nuclear." If these two countries are convinced that the United States will not fight for and with them, they will have to provide their own defense. Taiwan knows that the mutual-defense treaty will end in a year, and that arms shipments from the United States will be curtailed. South Korea knows that the President gave orders to eliminate American nuclear weapons from its soil, and that the plan was limited with reluctance. Both countries have every reason to push ahead with crash nuclear programs. Indeed, it would be folly for them to hope for a reprieve in Washington. Thus, decisions that the American President conceived as steps toward peace paradoxically point toward war.

Like so many of Carter's unilateral initiatives, those to withdraw from South Korea and to expand relations with the People's Republic have caused confusion in world politics. In the Orient, where the United States is trying to convince the People's Republic that its interests are in an alliance with the West, this shift—paradoxically—could drive the Chinese back into the Soviet bloc. If a change in the balance of power imperiled the Chinese, prudent leadership might be compelled to make accommodations with the Russians. The United States should not be so foolish as to believe that recognition of Peking will blind Chinese leaders to geopolitical realities. But Carter's policies are not part of an overall strategic design, nor are they linked to other developments. Each is considered a sacred goal.

To avoid U.S. involvement in an Asian war was also significant in the plan to secretly remove American nuclear weapons from South Korea. Former Arms Control chief Paul Warnke opposed the presence of atomic weapons in Korea, and the President shared the fear that they might lead the U.S. into a Korean conflict. Carter's visceral aversion to atomic arms surfaced in his decisions to delay full-scale development of the neutron bomb, to cancel the B-1 bomber, and to postpone the M-X missile system. Similarly, the plan to sneak American nuclear weapons out of Korea was designed without considering the importance of the arms as a deterrent. The decision was based on an overriding goal: to eliminate nuclear weapons.

The decision to send an ambassador to Peking was equally narrow-minded. Given the strategic shift in favor of the Soviet Union, nobody can dispute the wisdom of turning to the People's Republic to help contain Soviet expansion. By forging a diplomatic alliance with China, the West can deflect at least a portion of Soviet military might to the eastern boundaries of Russia, thus lessening the military and political pressure on Western Europe and the danger of a land war in the West. But the United States has not "played the China card"; the People's Republic of China has played the American card. China is not a military threat to the Soviet Union. If the Russians attacked China tomorrow, there would be little doubt about the outcome. The only unknown would be how much damage the Soviets inflicted. Thus, the Chinese hope to obtain aid from the West for defense against the Soviets. Thus, the Chinese need American aid—something they stress in private conversation—whatever the state of formal diplomatic relations between the two nations.

Shock diplomacy of the Carter ilk, secretly arrived at, jeopardizes our alliances. At a moment when Carter is presumably trying to convince moderates in Iran to take grave risks based on American promises, the precedents of South Korea and Taiwan must scare the Iranians. The same applies to Messrs. Sadat and Begin, who are similarly being asked to believe U.S. guarantees for their safety.

In addition, the Korean and Chinese decisions demonstrate an arrogance of power that recalls the worst of the Nixon years. Jimmy Carter promised an open Administration, yet two of his important decisions were veiled in secrecy and intrigue, and designed to bypass public debate and full consultation with involved parties. One democratic safeguard is that Presidential impulses are tempered by the wisdom and experience of those who have spent years studying specific problems. And one fundamental ingredient of an alliance is that decisions affecting all are, at a minimum, discussed before enactment. Yet both the Korean and Chinese decisions were taken without the benefit of such consultation, and bore the imprint of ideologically structured amateurishness. As a Turkish general recently remarked, "The trouble with having the United States as an ally is that you never know when the Americans are going to stab themselves in the back."

WHY DEFICIT FINANCING CAN BE A MAJOR CAUSE OF INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, there is a never-ending debate here in Congress over the causes of inflation, and what we in Congress can do to end the wage-price spiral that has engulfed the Nation. During the past several Congresses, I have introduced and reintroduced a balanced-budget resolution because I have maintained that the Federal Government's deficit spending can be a major cause of inflation. It is gratifying to see that the call of necessity for a balanced Federal budget is gaining momentum across the Nation and that even leaders of the Democratic Party are being awakened by the taxpayers' protest to see the link between rising prices and rising deficits. Notably, Governor Brown of my own State of California is calling for a constitutional convention to draft a constitutional amendment requiring a balanced budget.

The fact is that the U.S. Congress now has the power to restrain increases in Federal spending, reduce deficits, and balance the budget. But, the majority in Congress apparently need this mandate from the people in order to perform more responsibly. If such a convention were convened, and I am not opposed to this action, I sincerely hope that the amendment would include a provision to restrict the Federal Government's ability to balance the budget by raising taxes. It is not and it has not been our intention to balance the budget by raising taxes, but it has been our intention to stem the growth in the size of the Federal Government because as we have seen a burgeoning Federal Government inevitably leads to burgeoning Federal deficits.

There are two main reasons for opposing Federal deficits. First, deficit financing can be a major contributor to inflation if the deficit is financed by the Federal Reserve Bank's printing presses. When this occurs the money supply increases, but the supply of goods and services in the economy does not. As a consequence, the price level rises because there is too much money circulating in the system compared to the number of goods and services available for sale.

Said in another way, consumers, with more freshly printed paper money in their pockets, are willing to pay more for the products they desire in the marketplace, and producers, knowing of this willingness, charge more. Producers charge more, but do not produce more, because as each and every consumer tries to buy extra products with their extra cash, prices will rise as producers try to get as high a price as possible for each individual item that is already available for sale. This is the way supply and demand works in the marketplace. Therefore, it should be evident that deficit financing does not increase economic activity, although Keynesian economists believe this to be true. Rather, the creation of extra paper dollars, in excess of the amount needed to conduct the normal transactions required in the economic marketplace, merely drives up prices.

The second reason for opposing deficit financing is that if the Federal Reserve Bank did not finance the Government's borrowing, then the deficit would have to be financed with funds borrowed from the private sector. These are funds that would otherwise be used to promote economic expansion in the private economy. Such funds are vital to the creation of new capital and new jobs on our society, but unfortunately, very often these funds are used to finance Government programs of dubious repute. Our economy has been suffering from a capital shortage as a result. The decline in our Nation's productivity is testimony to this fact.

The effect deficit financing has specifically on inflation was discussed in an excellent article which appeared in the January 1979 edition of Reader's Digest entitled "What Really Causes Inflation." The article, authored by Ralph Kinney Bennet points out that controlling the

money supply and the size of the Federal deficit is a necessity if we are to be successful on controlling inflation in our economy.

It is a myth, Mr. Bennet points out in his article, to believe that rising wages cause inflation, or that OPEC causes inflation, or that we can control wages and prices, while we continue to wantonly print money. We must recognize, as Mr. Bennet has recognized, that "prices and wages are primarily signals of the changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace." In other words, when the price of one item rises faster than other items this is a natural reflection of changing supply and demand conditions in the marketplace.

For example, if the OPEC oil cartel were to increase the price of oil, then the price of oil would rise relative to the prices of all other goods and services in the economy. We would all be poorer to the extent that we could no longer purchase as much oil and all the items we were accustomed to purchasing before the price increase. But the price increase, by itself, should not be considered inflationary. Inflation means that all prices are increasing, not due to changing conditions in the marketplace, but rather because the exchange rate between the common denominator, paper money, and "all" the other goods and services available in the economy has changed for the worse. There is more money in circulation, but not more goods and services. All prices must rise when this happens, but oil prices will rise even faster because of OPEC's price raising actions.

Unfortunately we have been suffering from the worst of both worlds in recent years. The oil cartel has been increasing prices; this has meant a decrease in the purchasing power of American salaries and wages. Simultaneously the Federal Government has run huge deficits which has resulted in excess money creation. So we have became poorer in two ways. We are poorer because of the oil price increase, and we are poorer because of the depreciation of the dollar. The depreciation of the dollar has meant that all prices in the economy have risen and as prices have risen, wages and salaries have risen, and as wages and salaries have risen, taxes have risen because of our steeply progressive tax code. Now we are on a treadmill of rising deficits and rising deficits and rising taxes, a treadmill that can only be halted by cutting the growth in Federal spending. If we fail to curtail Federal spending then surely we will deficit-finance and tax ourselves into economic oblivion.

There is however an alternative course of action for us to follow. If we index the tax code and restrict the Congress ability to finance a deficit or to raise taxes by requiring, say, a three-fifths majority in favor of such actions, then we can balance the budget and actually reduce many of the spending programs which are now heavily influenced by competing special interest groups. If we follow this course of action, one which I am sure many will agree is a wise course, then we can restore fiscal integrity to the Government, and gain respect from the people. We would also find ourselves in a much better position to cut the heavy burden of taxes that is destroying economic incentive and productivity in our society. Mr. Speaker, I am inserting the Reader's Digest article into the CONGRESSIONAL RECORD and call it to the attention of my colleagues as pertinent to their decisions as Members of that legislative body of Government that is charged with the power to conrtol our Nation's purse-strings.

The article follows:

WHAT REALLY CAUSES INFLATION?

(By Ralph Kinney Bennet)

How did the three-bedroom house that sold for $33,000 back in 1969 become a $96,000 house today? How could a family sedan that cost $3110 a decade ago now come in a smaller size costing $6474? How is it that the man who retired in 1969 with a $9000 annual pension and maximum Social Security benefits (benefits up 118 percent over the past ten years) now has 36 percent less buying power than he had then?

Inflation is the answer, of course. But what exactly is inflation? What causes the phenomenon that silently robs us of our living, that in the past 40 years has shrunk the value of the dollar to 20 cents?

To understand inflation, one must first understand what is being "inflated." It isn't prices (although they certainly are rising) and it isn't wages (also rising). It is the supply of money—currency and bank credit. The real wealth of the nation is the goods and services produced by its people. Money—coined or printed by the government—is merely a convenient symbol of that wealth. We give part of our wealth to the government in taxes. But the government has been spending vastly more wealth than we give it—to date, over $766 billion more. In addition, it has run up future financial commitments (Social Security, pensions, loan guarantees) in excess of $7 trillion—more than $71,000 per taxpayer.

How can government spend more than we give it? Usually by "monetizing" its debts, by printing more symbols than there is real wealth. That basic law of economics—the more there is of something, the cheaper it becomes—applies to dollars, too. As former Secretary of the Treasury William E. Simon puts it, "The American dollar is being debased by its own government. The real problem with the dollar is that we're printing too many of them."

This is the root cause of inflation—more money poured into the economy than the economy is worth.

Only when we accept this basic truth can we deal intelligently as citizens with the myths about inflation put abroad daily in press, classroom and government. Here are three of the most pernicious:

Myth 1. Rising wages and prices "cause" inflation. Secretary of the Treasury W. Michael Blumenthal perpetuated this myth when he listed among the factors causing inflation "wage settlements that substantially exceed the productivity and real growth of the economy, [and] price increases that bring unjustified excess profits."

In our competitive system, prices and wages are primarily signals of the ever-changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace. If there is only so much money (and credit) in the system, a business cannot ignore supply and demand by arbitrarily raising its prices or by giving in to excessive wage demands. If its prices are too high, people will buy elsewhere. If wage demands are too high, business must refuse to pay them or hire fewer workers at the new rate. Competition itself, then, is supposed to keep a rein on prices.

But this real discipline of the marketplace has been circumvented by government. To pay its bills and finance a broad list of social goals, including "full employment," government generally inflates the money supply. It thereby abets higher wages and prices by fostering the notion that it will always create enough money to pay for them.

And once the money supply has been increasing rapidly for some time, prices seem to have an upward life of their own. Instead of saving, people "buy now," hoping to beat future price raises. Unions seek contracts with cost-of-living clauses. Banks lending money to be paid back in steadily cheapening dollars insist on higher interest rates.

If rising wages, in and of themselves, were inflationary, then West Germany should have one of the most inflationary economies. German workers' wages increased 236 percent in the decade 1967–77, but the inflation rate averaged about four percent annually because the government kept the money supply in balance with the real productive wealth of the economy. U.S. workers during the same period saw their wages increase 101 percent, a rise nearly outpaced by inflation averaging over six percent a year. The fact is, wages for the most part are reacting (in some cases over-reacting) to government-caused inflation.

What about rising prices? It is still popular to characterize the cataclysmic rise in oil prices since the oil embargo of 1973 as a major cause of inflation. But this is simply not true. The high oil prices added to our financial burdens. But they were clearly not the author of inflation.

Consider the experience of Japan and West Germany during the embargo. Unlike the United Statts, both countries were almost entirely dependent on foreign oil. But during the embargo, both pursued prudent fiscal policies, holding down budget deficits and keeping a tight rein on the money supply. Result: inflation in both nations declined, while soaring to 12.2 percent in the United States as politicians cranked out printing-press money to finance continued deficits ($130.9 billion from 1973 through (1976). This, is not an Arab hand on the oil spigot, was the reason for the rising American inflation.

Myth 2. Wage and price controls will "cure" inflation. This popular delusion feeds on the first myth. "Price controls have been imposed repeatedly for more than 2000 years," notes Nobel Prize-winning economist Milton Friedman. "They have always failed." Roman emperor Diocletian used capital punishment in a futile effort to enforce controls in A.D. 301. Thousands died, and the economy was nearly wrecked.

In 1775, the Continental Congress sought to finance our infant government's debt by authorizing the issue of an almost worthless paper money. A disastrous inflation followed. The Pennsylvania legislature sought to stem it with price controls. Many farmers and businessmen refused to sell at the controlled prices Shortages developed. The army wintering at Valley Forge in 1777–78 could not get badly needed supplies. The army's misery, wrote John Adams, was due largely to "that improvident Act for limiting prices . . . [which] if not repealed will ruin the state and introduce a civil war."

Historical experiences like these underscore the well-known deficiencies of wage and price controls. Such controls . . .

Create shortages. Many businesses cannot or will not produce at the artificially set prices.

Result in a lowering of quality. Former "standard" features on a product become costly extras.

Are consistently circumvented. Black markets spring up.

Require a large and expensive bureaucracy to administer them. During World War II—our longest flirtation with controls—the Office of Price Administration (OPA) employed 65,000 bureaucrats who directed an additional 325,000 "price-control volunteers."

But, worst of all, while controls may create an illusion of being effective, they only temporarily hold down wages and prices, while the tremendous pressure of inflation continues to build up. Once the controls are lifted, the market spurts to find its natural level, and a more pronounced and damaging inflation is usually the result.

This country's most recent attempt at controls—the Nixon Administration's "Phase I, II, III and IV" program begun in August 1971—built up pressure for one of the worst inflationary explosions in U.S. history. The rate of growth of consumer prices had been in decline at the time the controls were instituted. This was the result of a cutback in money supply in the waning days of the Johnson Administration. But during the period of controls the Consumer Price Index began a steep climb, reaching almost 13 percent by mid-1974. The disaster was compounded by a harrowing confluence of events—a worldwide crop failure and the Arab oil embargo. Some people still entertain the idea that these factors caused the inflation of 1973 –74. The fact is that the Nixon controls were a facade behind which government spending increased sharply.

Why then do governments return to wage and price controls, frequently with popular support? (A recent Gallup poll showed about half the respondents in favor of some form of controls.) The outcry for controls, contends Friedman, "is based on neither experience nor analysis but simply on the 'for God's sake let's do something' syndrome." However, controls are not the answer when they are imposed by a government that at the same time goes deeper into debt while printing more money to pay the bills.

Myth 3. Inflation is "everybody's business." According to President Carter, "It's a myth that government itself can stop inflation. Success or failure in this overall effort will largely be determined by the actions of the private sector."

While the President's assertion coincides with some theories of inflation, it contravenes the clear evidence of economic history and practical experience. As Friedman points out, "Government has an effective printing press on which it can turn out green pieces of paper, and as a result government and government alone is the source of inflation." The steady downward trend of the dollar since 1940, notes economic writer Henry Hazlitt, has been accompanied by an awesome growth of American money supply. At the beginning of 1940, U.S. currency and bank deposits totaled $52.7 billion. By January 1978, currency and bank deposits totaled $815.9 billion, an increase of 1448 percent.

Inflation in Western European countries has been routinely running high with two dramatic exceptions—West Germany and Switzerland. West Germany has kept its inflation rate around four percent; Switzerland, below two percent in recent years. Both countries have displayed the political courage and citizen discipline to keep a tight rein on their budgets and on the growth of their money supply.

In the postwar era there have been three major instances of inflation being brought under control. West Germany did it in 1948—refusing to "spend" its way to prosperity by running up huge deficits. The United States did it in 1953, under President Dwight D. Eisenhower, whose prudent fiscal policies led to an inflation rate during his Administration of 1.4 percent a year. France accomplished the feat in 1958, when Charles de Gaulle halved the government's budget deficit. In each case, control was achieved by dramatic cuts in government spending and a concomitant dialing down of the money machine.

Unfortunately, neither France nor the United States stuck to its guns. That old predilection of politicians—to give (social benefits) without taking (taxing)—asserted itself. Americans now face a $500-billion-plus budget (more than $60 billion of which the government can pay for only by turning out more phony money) and surging inflation that reached an annual rate of almost ten percent last summer.

The anti-inflation plan unveiled by President Carter last October imposes wage and price guidelines on business and labor as if they were the cause of the problem. "The President did recognize the role of the budget deficit," comments Hazlitt. "But he did not promise to eliminate it—he promised only to reduce it over a period of years. This was practically an assurance that our inflation will be continued."

Clear away the myths and one discovers that the way to stop inflation is to literally stop inflation—stop inflation of the money supply beyond the real ability of this country to produce; stop pretending that we have more money than we really do; stop running huge deficits that can be financed only with fiat dollars.

The United States cannot expect a painless extrication from the inflation in which it has found itself for almost 40 years. A broad range of programs will have to be cut back; unemployment is likely to increase temporarily. But, as economic historian and monetary expert Donald Kemmerer warns, "a nation that does not stop an inflation simply because it is politically painful to do so is essentially declaring bankruptcy."

HOW MONEY IS "CREATED" OUT OF NOTHING

On the third Tuesday of every month, the Federal Open Market Committee meets in Washington, D.C., for what may be the world's most exhaustive economic briefing.

The committee, composed of the seven members of the Federal Reserve Board and five of the presidents of the nation's 12 regional Federal Reserve Banks, sifts data on major aspects of the economy. (Federal spending, accounting for nearly a quarter of the Gross National Product, must weigh heavily in these data.) The committee then seeks to estimate how much growth of money and credit—or restraint of growth—the economy needs.

If the committee estimates that the money supply should grow, it gives the Open Market Desk of the New York Federal Reserve Bank "target ranges" for the creation of new money. Here, much simplified, is what happens.

The seeds from which this new money will grow are "bank reserves"—mere digits on the books of the New York Fed—and a stack of federal securities. The securities are not backed by gold bullion or fresh bills in a vault somewhere. They are fancy sheets of paper representing faith in the U.S. government.

The New York Fed buys, say, $100 million of these securities from a dealer in the "open market." A private purchaser would pay for such securities with real funds already in the economy. But the Fed merely credits $100 million in new "reserves" to the account of the securities dealer's bank—Bank A. The bank must leave 16 percent of this in its reserve account at the New York Fed (the percentage could be as low as seven, depending on the size of the bank). It lends out the remaining $84 million—perhaps to a business building a new plant.

The $84 million loaned out began as nothing but figures on paper. In the process of being loaned, it has become money. The $84 million finds its way into other banks, which return a required portion of it to their reserve accounts and lend out the rest. Each loan is in fact the creation of new money, and the initial $100 million grows and grows: Bank A lends out $84 million, which finds its way into . . . Bank B, which lends out $71 million, which finds its way into . . Bank C, which lends out $60 million, which finds its way into . . . Bank D, which lends out $50 million. . . .

In the end, the initial $100 million of reserves will have been returned to the Fed as security for the commercial bank loans. But by that time more than $600 million in new money will have been put into the economy.●

CANCEL THAT AMBULANCE CALL—I THINK I'LL WALK

● Mr. GOLDWATER. Mr. Speaker, a few days ago I happened to stumble across an editorial cartoon by the very talented Art MacNelly of the Richmond News Leader. In this brilliant commentary on the proposals to institute national health insurance, the victim of a traffic accident is depicted summoning an ambulance from a roadside telephone booth. Just outside the phone booth two ambulances have collided head on—one driven by Jimmy Carter, the other by TED KENNEDY. The victim, with an expression of exasperation, is quoted as saying, "Cancel that ambulance call * * * I think I'll walk."

It seems to me, Mr. Speaker, that our constituents share the same attitude as the poor accident victim in the telephone booth. They do not want Government to come to their rescue when they need medical attention. They have seen Government try time and again to provide the solutions to their problems. For Uncle Sam to don a surgical gown will certainly not provide the solution to our health care needs.

The battlelines are now being drawn here in Congress on the issue of a national health insurance program. While all of us know the importance of making an effort to stem the high cost of health services, we also know that Washington is not the place to start looking for answers.

Recently, a widely read newspaper in my congressional district, the Valley News, published a series of articles on the hospital industry in the San Fernando Valley. This thoroughly researched report made a good case for implementing changes through the private sector in the way our hospitals are administered. At the same time, the team of writers who put this series together, Mike Castro and David Walker, make the point that Government is probably doing more harm than good in trying to hold down hospital costs. Inflationary policies formulated at this end of the spectrum actually make it more expensive for patients to receive quality health care. For Government to venture even farther in this direction is wrong, and this is why I cannot lend my support to a comprehensive national health insurance plan.

This is not to say, Mr. Speaker, that Government does not have an appropriate role in trying to stem the high cost of health care. Proposals on the order of the Long-Talmadge catastrophic plan are more reasonable than the grandiose schemes being pushed by the

White House, HEW, and Senator KENNEDY.

While Art MacNelly's cartoon is quite humorous, there is a sad dimension to it. If Congress is of the unsound judgment to pass a national health insurance proposal, I think there will be a lot of us in phone booths telling the operator to, "Cancel that ambulance call • • • we'll walk." ●

ARTS AND HUMANITIES TAX REFORM ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Arts and Humanities Tax Reform Act of 1979. The bill amends the Internal Revenue Code to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his or her life, any amount which would have been ordinary income if such item had been sold by the decedent at its fair market value; to allow a charitable deduction based on the fair market value of such items; and to establish new guidelines for deducting the business use of a residence.

ARTS AND HUMANITIES TAX REFORM ACT OF 1979

SECTION 2—VALUATION OF CREATIVE PROPERTY FOR ESTATE TAX PURPOSES

Section 2 of the Arts and Humanities Tax Reform Act provides that when an artist dies, his or her work will be valued for estate tax purposes at the cost of the materials in the work, rather than at fair market value. The "work" or creative property includes any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property which was held by the decedent at the time of his or her death, and which was created by the personal efforts of the decedent.

This section is similar to H.R. 12004 (H.R. 7896), which I cosponsored with Congressman FRED RICHMOND in the 95th Congress. Presently, artists' heirs are faced with estate taxes which are assessed on the full fair market value of the inherited work of art or other creative property. As my colleague from New York (Mr. RICHMOND) has brought to the attention of the House of Representatives, America is losing thousands of valuable works of art each year as artists destroy their unsold works to protect their heirs from disastrous financial obligations. Section 2 of the Arts and Humanities Tax Reform Act rectifies this situation by valuing the creative property for estate tax purposes at the cost of the materials in the creative work. The provisions of section 2 would apply to the estates of decedents dying on or after January 1, 1979.

I want to point out that "qualified creative property" does not include any property which was held by a decedent who was at any time an officer or employee of the United States or of any State or political subdivision of a State, and which was created by the decedent in carrying out his or her official duties.

SECTION 3—VALUATION OF CREATIVE PROPERTY FOR CHARITABLE DEDUCTION PURPOSES

The curious "flip side" of present law is that while creative property is valued for estate tax purposes at fair market value, it is valued for charitable deduction purposes at the cost of the materials in the work. Section 3 of the Arts and Humanities Tax Reform Act allows artists to take a charitable deduction based on the fair market value of the creative work.

The objective of this change in the tax law is to stimulate artistic creativity and to encourage the sharing of that creativity with the public. It would provide a tax incentive for the donation of more works of art to nonprofit, tax exempt art centers, museums, libraries, and other organizations.

Creative works should be exhibited—not locked up in studio closets. I believe that permitting charitable deductions of art at fair market value will encourage our national resources of creativity to be tapped, instead of capped.

The fair market value charitable deduction would not be available for property contributed by any officer or employee of the United States or of any State or political subdivision of a State whose personal efforts created the property while he or she was carrying out official duties. Thus, public officials would not be able to take advantage of this charitable deduction for gifts of their papers or other historical memorabilia.

SECTION 4—BUSINESS USE OF HOME

Under current law, a taxpayer is not entitled to deduct any expenses attributable to the use of his or her residence for business purposes unless the expenses are attributable to a portion of the home or structure used exclusively and on a regular basis as: First, the taxpayer's principle place of business; or second, a place of business used by patients, clients, or customers in meeting or dealing with the taxpayer in the normal course of business.

This has worked a hardship on artists, writers, freelancers, and others involved in creative endeavors who seek to deduct the "business" use of their homes, apartments, and lofts. Accounts have been brought to my attention of Internal Revenue Service officials requiring partitions to be built through apartments so that work areas could be separated from areas for personal activities. In the case of a small residence, it often is impossible to designate a portion that is used exclusively as a principal place of business.

Section 4 of the Arts and Humanities Tax Reform Act strikes out "exclusively," and replaces it with "used to a substantial extent." The new "substantial extent" test is intended to permit the residential business deduction to be available to those who perform most of their work at the place where they also live.

Since it is difficult to make provision by statute for the variety of possible working and living arrangements involving the business use of a residence, section 4 requires the Secretary of the Treasury to prescribe regulations to implement the "substantial extent" test within 90 days of enactment of the Arts and Humanities Tax Reform Act.

In addition, within 120 days after enactment of this act, the Secretary of the Treasury is to submit to the House Committee on Ways and Means and to the Senate Finance Committee recommendations for legislation which provide objective statutory standards which the Secretary believes should apply in lieu of the "substantial extent" test. This would permit Congress and the Treasury Department to work together to fashion a new standard if the "substantial extent" guideline cannot be implemented satisfactorily.

The Arts ad Humanities Tax Reform Act of 1979 is designed to change those provisions of the tax laws which burden the American creative community and impede the development of our cultural resources. I believe that public policy should foster the arts and humanities and provide encouragement for creative achievement. My bill seeks both to remove current tax disincentives to creativity and to provide new tax incentives for artistic accomplishment.

I commend to my colleagues' attention the following editorial from the Wall Street Journal of November 11, 1977. Unfortunately, the need for tax reforms cited in this editorial still is timely.

In addition, the text of the Arts and Humanities Tax Reform Act of 1979 follows for the benefit of my colleagues:

THAT MONA LISA FROWN

It makes us shudder every time we're reminded that Arizona artist Ted DeGrazia last year burned paintings of his valued at $1.5 million rather than bankrupt his family through death taxes. We're shuddering again because the New York Post reminded us of that hideous event in a report on attempts to get the tax laws changed.

Since 1969, when Congress changed the law to its present form to prevent politicians from taking tax deductions for gifts of historical memorabilia, artists have been getting slammed posthumously by Internal Revenue. New York cartoonist Charles Saxon has advised his family to destroy everything he's done and left behind after his death. Selby Kelly, widow of Pogo creator Walt Kelly, was almost wiped out after he died and IRS swooped down.

The problem is that the tax collectors can put an estimate on all the paintings left in the attic and demand estate taxes on the spot. Because of the 1969 law, an artist can't take a tax deduction by gifting some of the paintings to a museum. If you sold a painting for $5,000 and have 100 more in the attic, IRS can tack $500,000 to your estate and demand greenbacks. Your widow might have to sell everything and the house too, as Mrs. Kelly did, just to pay the tax bill.

Various bills have been introduced in Congress to relieve artists' heirs. But they are all puny. Our lawmakers are only good at protecting the estates of lawyers. The law should require IRS, once it has valued every canvas and sketch, to collect its taxes in kind and auction off the work the widow gives it. Either that, or go back to the pre-1969 law. Or it will not only be Mr. DeGrazia giving us the creeps.

H.R. 2113

A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would have been ordinary income if such item had been sold by the decedent at its fair market value, to allow a charitable deduction based on the fair market value of such items, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Arts and Humanities Tax Reform Act of 1979".

SEC. 2. VALUATION OF CREATIVE PROPERTY FOR ESTATE TAX PURPOSES.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT.

"(a) GENERAL RULE.—If the decedent was (at the time of his death) a citizen or resident of the United States, then, for purposes of this chapter, the value of qualified creative property shall be determined under subsection (b).

"(b) VALUE OF QUALIFIED CREATIVE PROPERTY.—For purposes of subsection (a), the value of qualified creative property of the decedent shall not include any amount which would have been ordinary income if such property had been sold by the decedent at its fair market value (determined at the time of the valuation of such property).

"(c) QUALIFIED CREATIVE PROPERTY DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified creative property' means any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property—

"(A) which was held by the decedent at the time of his death, and

"(B) which was created by the personal efforts of the decedent.

"(2) CERTAIN PROPERTY EXCLUDED.—The term 'qualified creative property' does not include any property—

"(A) which was held by a decedent who was at any time an officer or employee of the United States or of any State or political subdivision of such State, and

"(B) which was created by the decedent in carrying out his official duties as such an officer or employee."

(b) QUALIFIED CREATIVE PROPERTY NOT TREATED AS PERSONAL OR HOUSEHOLD EFFECT FOR CARRYOVER BASIS RULES.—Subsection (f) of section 1023 of such Code (relating to special rules and definitions) is amended by adding at the end thereof the following new paragraph:

"(6) PERSONAL OR HOUSEHOLD EFFECT.—For purposes of this section, the term 'personal or household effect' does not include any qualified creative property (as defined in section 2032B(c))."

(c) CLERICAL AMENDMENT.—The table of sections for such part III is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Valuation of certain items created by the decedent."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying on or after January 1, 1979.

SEC. 3. VALUATION OF CREATIVE PROPERTY FOR CHARITABLE DEDUCTION PURPOSES.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN PROPERTY CREATED BY THE TAXPAYER.—

"(A) IN GENERAL.—The reduction under paragraph (1)(A) shall not apply to any charitable contribution of property—

"(i) which is a copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property, and

"(ii) which is contributed by a taxpayer whose personal efforts created such property.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any property—

"(i) which is contributed by any officer or employee of the United States or of any State or political subdivision of such State whose personal efforts created such property, and

"(ii) which was so created by such officer or employee in carrying out his official duties."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1978.

SEC. 4. BUSINESS USE OF HOME.

(a) IN GENERAL.—Paragraph (1) of section 280A(c) of the Internal Revenue Code of 1954 (relating to exceptions for certain business or rental use; limitations on deductions for such use) is amended by striking out "exclusively used" and inserting in lieu thereof "used to a substantial extent and".

(b) REGULATIONS.—The Secretary of the Treasury or his delegate shall, not later than 90 days after the date of the enactment of this Act, prescribe regulations to carry out the amendment made by subsection (a).

(c) RECOMMENDATIONS FOR LEGISLATION.—The Secretary of the Treasury or his delegate shall, not later than 120 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate recommendations for legislation which provide objective statutory standards, which the Secretary believes should apply in lieu of the standard added by the amendment made by subsection (a), for not disallowing under section 280A(c)(1) of the Internal Revenue Code of 1954 a deduction in cases where a portion of a dwelling unit is used for business purposes on other than an exclusive basis.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1978. ●

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 15 minutes.

● Mr. AUCOIN. Mr. Speaker, I introduced on February 8 a bill which is a small but important first step toward reshaping our system of Federal assistance to local governments. I am joined in this effort by my colleague from Indiana, Mr. HAMILTON.

Our Federal grant system has become a confusing maze of conflicting requirements, burdensome paperwork, and poor interagency coordination. The time has come to streamline grant administration, cut away at wasteful and duplicative red-tape and force Federal agencies to cooperate with each other and with local governments.

No longer can we afford to have an ineffective system of assistance to local governments. They need help today more than ever before. And in a time of budget austerity, it is doubly important to make what we have work better.

To achieve that goal the Congress must not only change the structure of the Federal grant system. We must also change the Federal Government's approach to local assistance. We need to rediscover confidence in individuals, private enterprise and public bodies to act in the public interest without Federal hand holding. I am confident that local governments can utilize Federal assistance to carry out activities which help to achieve Federal goals—and do it without the paternal oversight of the Federal Government. All local governments need is a chance to do what they know best how to do.

This bill puts us on the road to some needed reforms. It requires the executive branch to establish uniform procedures for complying with the myriad of Federal grant requirements such as equal opportunity, environmental protection, and so forth. At the present time each agency has its own procedures for meeting those requirements. Too often the requirements of one agency come into conflict with those of another. Almost always, the differences among agencies cause needless headaches and massive paperwork for local officials.

The bill also establishes the framework for advance appropriations for Federal assistance programs. One of the biggest problems for local governments, especially for small communities, is that funding availability changes from year to year. Comprehensive development programs—the kinds of programs that are most effective—require long-range planning. That kind of planning is impossible without some knowledge of future fund availability.

This legislation will also facilitate joint funding of projects and require greater coordination by Federal agencies with State governments for grants to local governments.

Mr. Speaker, in the weeks to come I will be introducing other legislation to improve Federal programs for local governments. These bills will improve assistance to small rural communities and reshape some housing programs in rural areas to better meet their unique needs. The bill that I introduced last week will lay the foundation for these future efforts.

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

Mr. HAMILTON. Mr. Speaker, I joined Mr. AUCOIN February 8 in introducing a bill which I believe will be an important first step in simplifying the fragmented Federal grant system, a system whose paperwork requirements and general complexity have so confused, discouraged, and burdened the local officials and community leaders who seek to participate in it.

This bill was introduced in the Senate last year by Mr. ROTH, Mr. MUSKIE, and Mr. DANFORTH. It was strongly supported by the Advisory Commission on Intergovernmental Relations, the National Governors Association, and the National Association of Counties. Although brief hearings were held on the bill in July, the press of legislative business at the end of the session prevented it from getting the attention it deserved. I hope that both House and Senate will give more study to this proposal early in this session.

During the last few years Federal grants-in-aid programs have grown increasingly complex. There has been a fourfold increase in the amounts of grants provided to State

and local governments, while the number of categorical programs has increased by 20 percent to 481. An increasing number of requirements have been added to many assistance programs, such as affirmative action, environmental quality, maintenance of effort, public participation, et cetera, all of which require documentation of compliance. The development of new programs has increased duplication and complexity by addressing the same problem area from several different angles—targeting different population groups or types of jurisdictions, varying methods of service delivery, or limiting funding to only one aspect of the problem's solution, such as planning. Variation in program requirements and procedures has increased as each agency independently tries to make its programs efficient and effective.

Numerous efforts have been made over the past few years to improve the grant system—well-known examples being the A-95 review process and the computerised grant information retrieval system "PAFRS"—but they have had only limited success in making the system more understandable and efficient. Local governments still come to me lost in a labyrinth of programs which might possibly fit their needs. Local officials still complain about the cost of preparing applications and administering the program after receiving funds. Many of my constituents, especially those from the smaller communities which have no fulltime or professional staff, are asking themselves the question: Is it worth it?

The Federal Assistance Paperwork Reduction Act addresses some of the most pressing management inefficiencies in the grants-in-aid system and provides a response to some of the problems that have so plagued local and State officials involved with Federal aid. In brief, it would:

Provide for a standardization of generally applicable requirements, such as wage and hour rates, equal employment opportunity, and so forth, so that these standards and their implementation will not vary from agency to agency and application to application.

Provide a waiver system under which States and local governments may be exempted from repeatedly documenting compliance with such standards after demonstrating that State or local laws and standards are equivalent to the Federal.

Provide for a study of the benefits of 1-year-in-advance appropriations and 5-year budget projections so that grant recipients could plan more comprehensive programs with greater assurance that they would be funded to completion.

Provide for expeditious handling of applications involving more than one grant, as well as incentives for State and local governments to submit applications utilizing more than one grant program.

Entitle State and local governments to receive upon request information about Federal grants made in their jurisdictions, so that they are more aware of programs for which they are eligible and which are suitable to their area's needs.

Provide for a reduction in the time between award of grant funds and their disbursement by the U.S. Treasury.

The Federal Assistance Paperwork Reduction Act does not have all the answers, but it is a sound first step. I urge that the proposals in this bill be given serious consideration, and that a real effort be made during this Congress to develop additional ideas to make the Federal grant system more efficient and more accessible.

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT—SECTION-BY-SECTION ANALYSIS

TITLE I—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

Sec. 101. Amends the Intergovernmental Cooperation Act of 1968 by adding a new Title VII—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS.

Sec. 701. Statement of Purpose indicates that it is the intention of this title to encourage simplification, standardization and more uniform compliance in the administration of national policy requirements which have become generally applicable to federal assistance programs.

Sec. 702. The Definitions cover (a) "generally applicable requirements," (b) "assistance recipient," and (c) "assistant recipient."

Sec. 703. Assignment of Designated Agencies lists nine types of generally applicable requirements, and directs the President to designate a single rule-making agency to establish standard rules and regulations in each of the nine areas. Provides for the designation of rule-making agencies in new subject areas, either through authorizing legislation or presidential assignment.

Sec. 704. Promulgation of Standard Rules and Regulations establishes procedures and timing for issuance of standard rules and regulations by the designated agencies. Directs each such agency to prepare amendments to its rules and regulations to reflect new legislation and changing conditions.

Sec. 705. Role Of The Federal Departments And Agencies In Achieving Compliance assigns the federal department administering assistance programs cited by the approved rules and regulations the responsibility for securing compliance with the respective rules and regulations. Permits the designated agencies to render assistance to the administering agencies as they carry out their compliance responsibilities. Establishes a process by which recipient governments may certify that they are in compliance with State and local requirements that are equivalent to the standard rules and regulations.

Sec. 706. Congressional Consideraiton provides a procedure somewhat similar to by which Congress may expeditiously approve or disapprove legislation designed to remove impediments to the formulation of standard rules and regulations.

Sec. 707. Reports And General Oversight provides for biennial reports by the designated agencies to the President and Congress concerning the fulfillment of their responsibilities under this title; provides for OMB or other agency designated by the President to oversee and facilitate administration of the Title.

Sec. 708. Effective Date upon enactment.

TITLE II—ADVANCE APPROPRIATIONS

Sec. 201. Amends Title IV of the Congressional Budget Act of 1974 by requiring the Congressional Appropriations Committee to consider whether spending authority for Federal financial assistance, as defined in the Intergovernmental Cooperation Act of 1968, should be provided at least one fiscal year in advance of the fiscal year in progress, and by requiring that such Committees should periodically report to their respective Houses their recommendations concerning changes in the provisions governing spending authority or budget authority.

Sec. 202. Amends Section 201 of the Budget and Accounting Act of 1921 by providing that the budget may include requests for new budget authority for advance appropriation programs and their estimated outlays for the next succeeding year. Also, if new budget authority is authorized for an advanced appropriation program for any following year, it may include a request for new budget authority for advance appropriation programs and their estimated outlays for any such following year.

Sec. 203. Amends Section 301(d)(7) of the Congressional Budget Act of 1974 to include three year projections of new budget authority and outlays and a statement of any signincant changes in the proposed levels of Federal financial assistance, as defined in the Intergovernmental Cooperation Act of 1968.

Sec. 204. Clarifies the relationship of Sections 201 and 203 with respect to the rules of the House and Senate.

TITLE III—JOINT FUNDING SIMPLIFICATION

Sec. 301. Amends the Joint Funding Simplification Act of 1974 to direct and encourage federal agency participation in identifying potential uses of joint funding and implementing these arrangements, and to facilitate assistance recipient use of joint funding by establishing joint management funds which will account for funds as though derived from a single federal assistance program or appropriation.

TITLE IV—MISCELLANEOUS

Sec. 401. Amends Section 201 of Title II of the Intergovernmental Cooperation Act of 1968 by authorizing pertinent officials of recipient local governments to request information on grant funds coming into their respective jurisdictions. OMB is required to oversee compliance with this provision.

Sec. 402. Amends Section 202 of the Intergovernmental Cooperation Act of 1968 by extending its authorization permitting the deposit of grant funds in other than a separate bank account to local grant recipients.

Sec. 403. Amends Section 203 of the Intergovernmental Cooperation Act of 1968 by providing for expeditious transfer of grant funds to local as well as State recipients. It also relieves local governments as well as States of accountability for interest earned on grants pending their disbursement.

Sec. 404. Amends Section 204 of the Intergovernmental Cooperation Act of 1968 to extend its single department or agency waiver authorization to any single State or local government department, agency, multimember board or commission, or a single bureau, division, other organizational unit, or specific officer within a department, agency, or multimember board or commission of State or local government; appropriate local as well as State officials are authorized to request such a waiver.

Sec. 405. Amends Title II of the Intergovernmental Cooperation Act of 1968 by adding a new section which standardizes statutory maintenance of effort provision: the State and local recipient's expenditures will be no less than the average spent for the previous two years for the aided activities; this minimum may be waived by the federal agency head in certain hardship cases; and the minimum requirement may be reduced proportionate to any general reduction in the recipient's expenditures ordered by the recipient government's chief executive or legislative body.

Sec. 406. Amends Title II of the Intergovernmental Cooperation Act of 1968 by adding a new section which makes Federal assistance funds subject to regular State and local government budgeting and appropriations processes.●

IN COMMEMORATION OF GEN. THADDEUS KOSCIUSZKO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, February 12 marked the 233d anniversary of the birth of Gen. Thaddeus Kosciuszko, Polish patriot and soldier, who made great and noble contributions to the cause of American independence. Although he was not a native American, General Kosciuszko's heroic and selfless actions during America's struggle for independence were held in such great esteem that he was given the rights and privileges of an American citizen and the rank of brigadier general.

In recognition of Kosciuszko's invaluable assistance to our Nation during its first years as an independent country, I cosponsored House Concurrent Resolution 359 last year, which authorized the Secretary of the Interior to accept donations of markers to be placed at sites of his service to our country. This legislation passed both the House and the Senate, and at no cost to the taxpayers, the historical markers will be provided by individuals and organizations interested in perpetuating the memory of this great man.

Thaddeus Kosciuszko was born in Merecszowczyzna, Poland, in 1746 and studied in the Corps of Cadets in Warsaw for 4 years. In 1769 he entered the French Higher Military School where he studied military strategy and engineering. In 1776 he offered the abilities he had acquired to the Continental Congress, in the hope that he could contribute to America's quest for independence.

Kosciuszko's first important service as a military engineer occurred at the Battle of Saratoga. The British plan was to isolate New England from the other colonies. By helping to defeat this strategy and force the surrender of Britain's General, "Gentleman Johnny" Burgoyne, he helped bring France and Spain into the struggle, because they felt that the colonies now had the potential to win.

General Kosciuszko's talent lay in his ability to make use of an area's terrain for defense purposes, and this led him to recommend that fortifications be built in the area of West Point. The British were forced to change their plans, because the fortifications were obviously impregnable. Kosciuszko was the victor because the British had to abandon the North and the Hudson Valley, and attempt their defeat of the colonies from the South.

General Kosciuszko, whose next assignment was in the South, continued to use the same tactics that had been successful at the Battle of Saratoga, and again the British forces were routed. They retreated to Yorktown to wait for reinforcements from the sea. The British Navy, meanwhile, was being defeated by the French Indies fleet at the Battle of Chesapeake Capes, and this sealed the fate of the British forces at Yorktown. The French Fleet and Continental Army surrounded and forced the surrender of the British general, Charles Cornwallis.

The brave and resourceful actions of General Kosciuszko were not overlooked by America's Founding Fathers. He became a true friend of Thomas Jefferson, whom he made executor of his will. George Washington said of him, "there is one in Philadelphia whom I am told is clever, but him I have never seen. I would take the liberty to mention that I have been informed that the Engineer of the Northern Army is a gentleman of science and merit. From the character I have of him, he is deserving of notice."

Perhaps the highest compliment paid to Kosciuszko was by his commanding officer, Gen. Horatio Gates, who said, "let us be honest, the military skill of General Kosciuszko is as responsible for the victory of the revolutionary war as it was at the battle of Saratoga."

After returning to his homeland of Poland to contribute to his countrymen's courageous but tragically futile attempt to remain independent, General Kosciuszko returned to America, where he landed at Philadelphia on August 18, 1797. His health had been broken by his continuous fight for freedom, and he was crippled. The American people, in deep appreciation of his gallant efforts in their cause for independence, showered General Kosciuszko with such love and affection, that before long he had regained his ability to walk.

As a final act of gratitude and respect, Gen. George Washington himself nominated General Kosciuszko for membership in the Order of the Cincinnati, which had been formed by the officers of the Continental Army. His induction into the Order was the highest compliment the Continental Army could award.

I am proud to join Polish-Americans in the 11th District of Illinois whom I am honored to represent, and all over this Nation, who are commemorating the birth of Thaddeus Kosciuszko, a great and true friend of the United States. His name will forever remain a symbol of courage for Americans, and people all over the world, who are dedicated to the cause of freedom.●

GAO'S POSITIVE RESPONSE TO SELECT COMMITTEE RECOMMENDATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS), is recognized for 15 minutes.

● Mr. BROOKS. Mr. Speaker, during the 95th Congress, the select committee conducted an extensive study of the General Accounting Office's services to the Members and committees of the House. In House Report 95-1317, the committee identified a number of areas in which GAO analytical and evaluative functions could be improved. Select committee recommendations were designed to: Increase the timeliness of GAO reports, improve agency relationships with Congress, develop its capacity to provide both "quick response" assistance and more comprehensive evaluations of interdepartmental programs and agencywide operations, encourage closer collaboration with other congressional support agencies, broaden the distribution of GAO reports, improve staff training, and others.

The Comptroller General's response to the select committee's recommendations has been both prompt and constructive. For this reason, GAO—which is the Congress primary source of oversight support—has set an exemplary example for other governmental organizations in responding to oversight evaluations.

The Comptroller General of the United States has informed me of the numerous actions which have been taken, and which are underway, within the General Accounting Office in response to the recommendations of the Select Committee on Congressional Operations. I believe our colleagues will find General Staats' letter of considerable interest.

As a part of my remarks, Mr. Speaker, I include the Comptroller General's letter, and commend it to the attention of our colleagues.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., January 12, 1979.

HON. JACK BROOKS,
Chairman, Select Committee on Congressional Operations, House of Representatives.

DEAR MR. CHAIRMAN: I want to bring you up to date on activities within the General Accounting Office which are responsive to the recommendations contained in your Committee's report (No. 95-1317) on the assessment of our services to the Congress. The report focused primarily on GAO work responding to specific congressional requests but parts of it are applicable to GAO self-initiated work as well. The attachment details the actions completed or underway in this regard.

The generally high marks given to GAO services are gratifying. By the same token, we are aware that improvements in our operations can enhance the quality of our services to the Congress, its committees, and Members. The Committee's report provides useful guidance on how this can be done and our annual report for fiscal year 1978 acknowledges the benefits we obtained from your Committee's assessment.

I would also like to highlight that our Task Force on Improving GAO's Effectiveness took a comprehensive look at GAO's policies and practices to identify ways to eliminate or reduce barriers to timely completion of our work. Based on the Task Force's findings, a number of actions have been taken to improve the timeliness and relevance of our efforts. These actions involve—

Improving working relationships with the Congress;

Adopting a project team approach for carrying out assignments;

Using the most effective and least costly reporting medium in satisfying the needs of intended users;

Allowing greater flexibility in the quality control process governing GAO reports;

Developing a more meaningful accountability system; and

Providing for greater recognition of staff contributions.

Of special significance is a renewed emphasis in our program planning process calling for periodic consultation with cognizant congressional committees so that their concerns and priorities are given adequate recognition in our work plans.

Action has also been taken on another matter of special interest to you. I refer to changes made in our policy on obtaining agency comments. Our policy now (1) provides operating divisions more flexibility in deciding whether formal written comments are needed, (2) directs that a tougher stance be taken regarding the time allowed agencies to respond to a draft report, and (3) calls for a more vigorous followup when there are indications that an agency is not going to adhere to our specified time frame for receipt of its comments. I have also written the Director, OMB, seeking a change in Circular A-50 that would require the agencies to improve their cooperation with us in this matter.

In summary, we are making a number of changes which we feel will address the concerns expressed by your Committee. Change in any organization requires persistent staff effort and management attention; I assure you that this attention will not be lacking.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. Speaker, I include at this point in the RECORD my remarks and extraneous material:

MONTHLY LIST OF GAO REPORTS

The monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The December 1978 list includes:

NATIONAL DEFENSE

The Navy's Submarine Launched Ballistic Missile Force is Highly Ready. LCD-78-429A, December 21.

Millions of Dollars Can Be Saved By Improved Management of Aircraft Carrier Inventories. LCD-78-221, December 22.

The Navy Overhaul Policy—A Costly Means of Insuring Readiness For Support Ships. LCD-78-434, December 27.

U.S. Military Equipment Prepositioned in Europe—Significant Improvements Made But Some Problems Remain. LCD-78-431A, December 5.

What Are The Capabilities of the Selective Service System? FPCD-79-4, December 14.

The Key to Improving Maintenance of Army Equipment: Commanders Must Motivate Their Personnel. LCD-78-426, December 22.

Army's Requirements For War Reserve Materiel Can Be Reduced Without Impairing Combat Effectiveness. LCD-78-422A, December 14.

Letter reports

Some overseas nonappropriated fund employees are denied cost-of-living allowances. FPCD-79-6, November 29.

Newport News Shipbuilding and Drydock Company disagrees with GAO's "Statement of Facts" concerning the company's financing claims. PSAD-78-137, October 6.

Problems in contractors' systems of estimating and billing costs to the Navy. LCD-79-300, December 13.

Results of a questionnaire survey evaluating procedures and controls over revenue and expenditure transactions at Army finance and accounting stations in Europe. FGMSD-79-8, December 20.

Air Force screening practices to identify special educational and medical problems for dependents going overseas are more effective than the Army's. HRD-79-22, December 28.

INTERNATIONAL AFFAIRS

State Department's Office of Inspector General, Foreign Service, Needs to Improve Its Internal Evaluation Process. ID-78-19, December 6.

ENERGY

The United States And International Energy Issues. EMD-78-106, December 18.

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More time and evaluation are needed for appropriate decisions on future use and management of the National Petroleum Reserve in Alaska. EMD-79-13, December 5.

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How To Dispose of Hazardous Waste—A Serious Question That Needs To Be Resolved. CED-79-13, December 19.

Projected Timber Scarcities In The Pacific Northwest: A Critique Of 11 Studies. EMD-79-6, December 12.

Water Quality Management Planning Is Not Comprehensive And May Not Be Effective For Many Years. CED-78-167, December 11.

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Formulated Grain-Fruit Products: Proposed Restrictions On Use In School Breakfast Program Should Be Reevaluated. CED-79-12, December 26.

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Adjustment Assistance To Firms Under The Trade Act of 1974—Income Maintenance Or Successful Adjustment? ID-78-53, December 21.

Letter reports

The Postal Service's Area Mail Processing Program may not be maximizing its savings. GGD-79-20, December 22.

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Need For Uniform Security Measures In Transporting Arms, Ammunition, And Explosives. LCD-78-237, December 21.

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Effective cost estimating procedures and guidelines should be developed for METRO. PSAD-78-141, December 22.

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New policies and plans to provide better statistics on the Nation's Spanish origin population. GGD-79-5, December 7.

EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

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Did the Department of Labor use improper practices to favor a certain contractor for Indian programs? HRD-79-28, December 8.

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A Federal Strategy Is Needed To Help Improve Medical and Dental Care In Prisons And Jails. GGD-78-96, December 22.

More Protection From Microwave Radiation Hazards Needed. HRD-79-7, November 30.

Labor Needs To Manage Its Workplace Consultation Program Better. HRD-78-155, December 18.

Recommended Dietary Allowances: More Research and Better Food Guides Needed. CED-78-169, November 30.

Savings To Champus From Requirement To Use Uniformed Services Hospitals. HRD-79-24, December 29.

INCOME SECURITY

Liberal Deposit Requirements of States' Social Security Contributions Adversely Affected Trust Funds. HRD-79-14, December 18.

The Federal Government's Severance Pay Programs Need Reform. FPCD-78-68, December 7.

Letter reports

In fiscal year 1977 the Social Security Administration made overpayments of about $75 million. HRD-79-26, December 11.

Duplicate payments for dependent children and improper application of the earnings test under the student benefits program of the Social Security Administration. HRD-79-27, December 22, 1978.

VETERANS BENEFITS AND SERVICES

Much More Could Be Done For Veterans In Employment And Training Programs. HRD-78-166, December 29.

Improvements Needed In Implementation Of The Veterans' Educational Assistance Program. HRD-78-148, November 30.

ADMINISTRATION OF JUSTICE

Privacy Act of 1974 Has Little Impact on Federal Contractors. LCD-78-124, November 27.

GENERAL GOVERNMENT

State And Local Government Productivity Improvement: What Is The Federal Role? GGD-78-104, December 6.

Development Of A National Productivity Clearinghouse. FGMSD-79-4, December 12.

The Labor Department Should Reconsider Its Approach To Employment Security Automation. HRD-78-169, December 28.

Audit Of The United States Capitol Historical Society For The Year Ended January 31, 1978. GGD-79-2, December 5.

Examination Of The Financial Statements Of The Panama Canal Company And The Canal Zone Government For Fiscal Period 1977, Transition Quarter, And 1976. ID-78-61, November 30.

Letter reports

The 1980 census—estimated to cost $1 billion—will not yield better data. GGD-79-7, November 9.

Improvements in the management of the Navy's ADP program have been slow. LCD-78-107, December 1.

Major objectives of activities financed by the Civil Service Commission's revolving fund have not been achieved. FPCD-78-93, December 12.

Comments on proposed impoundments of FY 1979 budget funds. OGC-79-4, December 21.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

COST SAVINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, traditionally the Committee on Veterans' Affairs has routinely requested reports from the department or agency of jurisdiction on all bills introduced and referred to the committee. Many of the proposals are similar in purpose. The man-hours required in submitting these reports and the handling and printing of such reports are costly.

In our efforts to reduce Federal spending in both the executive and legislative branches, we have taken a hard look at our current practice. So that cost-savings may be realized immediately, I have decided to only request agency and departmental reports on bills when the subject matter is scheduled for subcommittee or full committee consideration or when specifically requested by the author or a cosponsor of the bill introduced.

I am sure such procedure meets with the approval of all Members of the House.●

DECISIONS ABOUT THE FUTURE OF SOCIAL SECURITY SHOULD NOT BE MADE IN THE BUDGET PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, controlling Federal spending is a nearly unassailable proposition. The President has called for a "policy of restraint" in Federal spending which is reflected in his "austere and lean" fiscal 1980 budget. The administration's goal is admirable as long as the

burden of austerity is fairly distributed and the proposed reductions are appropriate to the budget process. One of the most controversial and confusing aspects of the administration's budget is the proposal for changes in the social security program.

I, like other Members of Congress, have already received hundreds of letters protesting the changes. These proposals have engendered a good deal of misunderstanding and alarm.

The administration, in its budget request, has called for elimination of the $255 lump-sum death payment, the $122 minimum benefit paid workers with low earnings, the student's benefit paid to children of deceased workers and termination of a parent's benefit when a child reaches age 16 rather than at the present age of 18. It is estimated by the administration that these and proposed changes in the disability program, if enacted, would save the social security system $500 million in fiscal 1980.

PROPOSED SOCIAL SECURITY CUTS WILL NOT REDUCE FEDERAL SPENDING

Any contention that these changes will alter inflation or reduce Federal spending is open to question. If enacted into law, the changes would mean a savings to the social security trust funds but not in general revenues. Furthermore the propsals would not even insure a reduction in the payroll tax, which is the financing mechanism for the social security program. To understand why social security funds are included in the Federal budget at all, we must go back to 1969 when the social security trust funds were included as a part of the united Federal budget. This was done for the sake of macroeconomic analysis and because surpluses in the trust funds could give the appearance of a reduced operating deficit in the Federal budget. Even in this 1980 unified Federal budget, inclusion of trust funds holds to $29 billion a deficit that would otherwise total $49 billion.

The inclusion of the social security trust funds in the budget figures has led to some misunderstanding that social security funds are in fact intermingled with general revenues. They are not. In scrutinizing the validity of the proposed changes as budget cuts, it should be kept in mind that social security benefits are not a magnanimous expenditure by the Federal Government for the aged and disabled, but are instead an entitlement from the social security trust funds based on contributions to the system. To avoid misunderstandings in the future, Congress should act to separate the social security trust funds from the unified Federal budget.

PROPOSED REDUCTIONS HAVE NOT BEEN JUSTIFIED

Last week the Select Committee on Aging, on which I serve held a day of hearings on the proposed changes in social security benefits. In the course of our committee's hearing, Social Security Commissioner, Stanford Ross, attempted to allay our fears about the hardships and concern these changes would cause widows, children, low-paid beneficiaries and all of us who have a stake in the social security program.

We were told that many of those receiving the benefits slated in the budget for termination really did not need them. One example given was the increased participation of women in the work force which it was argued has diminished the justification for paying a parent's benefit through age 18. I cannot accept the implied assumption that women are therefore better off financially. Increased participation of women in the work force may be due to economic necessity and we know that salaries for women are still far below those paid men.

Curtailments were justified, in the Commissioner's words, "because of the relatively low social priority involved in each of them in today's world." It was pointed out that programs like supplemental security income and the basic educational opportunity grant obviate the need for maintaining a death benefit, minimum benefit and students' benefit in the social security program since such needs could be met by these programs. This rationale gives rise to two questions: Should social security benefits be based on need and why did not Congress consider dispensing with the death benefit, minimum benefit and student benefit when enacting subsequent programs if these later programs were intended to respond to the same need as social security?

PROPOSALS DO DAMAGE TO THE INTEGRITY OF THE SOCIAL SECURITY SYSTEM

Proposing changes in social security benefits as a part of budgetary reductions is an unfortunate and unwise policy. The 1971 Advisory Council on Social Security cautioned against just such action when it said:

> The Council urges that policy decisions relating to social security benefit payments and financing be governed by program purposes rather than by overall federal budget objectives. . . .

A little over a year ago Congress called for a National Commission on Social Security to undertake a comprehensive review of the social security program objectives, the fiscal status of the trust funds, possible inequities and alternatives to the current program and method of financing. The Commission's recommendations are due in 1981. We should wait for the report mandated by Congress, before proceeding to change the benefit structure.

Most importantly, the proposed changes would mean a break from what most of us accept as the philosophy of social security. Since its inception, the cornerstone of social security has been a trust by the worker that his or her contributions, via the payroll tax, were buying certain protections. This generation of workers like generations in the past, assume the program will keep faith with its promise of certain benefits.

Commissioner Ross stated that the changes are necessary to preserve the financial integrity of the system. Yet in fiscal 1980 the savings from these cuts would amount to only one-half of 1 percent of the estimated total social security program cost. For the last couple of years Congress has been enmeshed in a debate over how to best preserve the financial integrity of the system through ways other than increasing the payroll tax. The Democratic Caucus recently voted for a resolution which requests the Ways and Means Committee to come up with a plan whereby the payroll tax can be rolled back. Changes in the benefit structure are neither the first nor best option.

We will not enhance trust in social security if we act at this time out of questionable economic expediency to make certain changes in benefits which the Social Security Administration has unilaterally decided are of "relatively low social priority." What assurance could we give the American worker that in future years another Administration in formulating its budget, won't decide certain other benefits are of low social priority and thus dispensable?

Nelson H. Cruikshank who is Counsellor to the President on Aging and Chairman of the Federal Council on Aging expressed to our committee his great concern over the proposed changes in social security. Former Secretary of Health, Education, and Welfare, Wilbur J. Cohen, who is a member of the National Commission on Social Security, strongly criticized the Administration's proposals as did former Social Security Commissioner, Robert M. Ball. These distinguished experts on social security were unanimous in their view that the proposed changes in social security benefits are ill-advised and will undermine faith in the program.

I hope that Congress will heed their concerns and act quickly to reject the administration's proposals.●

EAST-WEST TRADE: A POSITIVE DEVELOPMENT IN WORLD AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, last fall the Brookings Institution published another in its series of tripartite reports by experts from the European Community, Japan, and North America. This report was entitled "Economic Relations between East and West: Problems and Prospects." Because of the timeliness of the topic and the quality of the analysis, I want to share part of this report with my colleagues.

The report covers developments and prospects in East-West trade, technology transfer, financing and the debt problem, and institutional issues arising from the fact that the nonmarket economics participate in few multilateral financial institutions. The authors' conclusion is upbeat, and, I think, sound:

> We consider that the broadening and deepening of East-West economic relations since the 1950's is a positive development in world affairs. Trade is a normal aspect of international life. Although it should not be expected to reduce, much less to eliminate, the wide political divergences between East and West, it is a useful and gainful link between differing political and economic systems.

As chairman of the Subcommittee on International Economic Policy and Trade, which has spent a good deal of time dealing with the issue of East-West

technology transfer, I was particularly interested in the chapter on that subject. In contrast to those who raise all kinds of fears about the dire consequences of transferring technology to the East, the authors make the following salient points:

First, imported technology constitutes too small a fraction of total machinery investment in the Eastern countries to make a significant difference for the growth of their economies.

Second, several factors diminish the impact of imported technology on the rate of growth. Scarce resources must be expended to pay for the technology. Domestic factors must be combined with the technology and are thus taken away from other areas of the economy. The returns from imported technology are reduced by the rigidities imposed by the economic systems in the Eastern countries. And, since imported technology has been designed for use in Western economies, it cannot be readily adapted to the nonmarket economies.

Third, technology transfers to the East are likely to increase, not reduce, Western product markets in the East, and are unlikely by themselves to hurt Western competitiveness in third markets, as is often feared.

Fourth, the Soviet Union already has or is capable of producing pretty much anything it needs in the military and aerospace areas. The West can delay or increase the cost of Soviet acquisition of militarily significant technology, but cannot deny it to the Soviet Union altogether.

The authors also make the point that withholding technology exports is unlikely to increase the bargaining power of the West in noneconomic issues. This is so principally because imported technology is not as important to the Soviets as are their political objectives, and in any case is available from so many sources and through so many channels that it cannot be readily controlled for political purposes.

I urge my colleagues' careful attention to the entire report, and I include the chapter on technology transfer at this point:

3. Technology Transfer

Technology—the knowledge and techniques applied to production—can be transferred from one country to another in various ways or combinations of ways. One simple way is through the supply of information and knowledge—publications and personnel, technical assistance, and so forth. A second is through the licensing for a fee of production processes or advanced techniques. A third is through the sale of machinery and equipment embodying advanced technology. A fourth is through the sale of advanced production processes such as the construction of turnkey plants. A fifth is the transfer not only of production processes and equipment but also of the related systems of management and marketing as well as technical personnel. This is frequently done in the form of joint ventures.

The export of technology is commonly seen as having implications different from those stemming from the export of commodities generally. A machine embodying advanced technical development (or the blueprints for such a machine) is thus seen as giving the buyer greater potential returns than can be had from the import of other goods. Having already realized on their investment in research and development, companies may be ready to sell (or license) their technology for fees that are much less than the benefits in productivity gains accruing to the buyer, particularly to one located in a technologically less advanced economy. If the imported technology can be copied and spread widely through the economy, the gains to the importing country may conceivably be multiplied manyfold. This may be especially important when the initial holder of the technology cannot establish his own production facilities in the buyer's market, as is largely true in the case of Eastern countries.

The flow of technology is primarily from West to East. The West's advantage in technology arises in part from its consisting of a large pool of nations, which are also more industrially advanced. But the major factor is that the organization and systems of incentives in the centrally planned economies are less suited to invention, innovation, and the diffusion of technology than in private enterprise economies. Typically, central planning has been preoccupied with quantity rather than quality or cost targets; the tendency is to avoid the disruptions associated with introducing new methods; lack of competitive pressure and poor communication and cooperation between research and development organizations and the users of technology are additional hindrances to technological change. The result is a lag in the development and spread of technology, a lag that persists despite the capability for doing better. That such a capability exists is shown by the USSR's performance in the military and aerospace industries, where organizational and incentive arrangements are clearly more conducive to technological innovation and advance.

Eastern European interests in imports of technology has been enhanced by the desire to raise rates of economic growth. The purchase of technology is seen as a way of introducing new products and processes developed in the West, some of which could further the process of modernizing Eastern economies. The growth slowdown of the late 1960s probably heightened this interest, particularly in the USSR, which, unlike its neighbors, has experienced a continuing decline in its growth rate, as shown by the following official Soviet data.[1]

Change in real national income

(Percent)

1950–55	11.4
1955–60	9.1
1960–65	6.5
1965–70	7.7
1970–75	5.7
1975–80 (projected)	4.7

Concern about economic growth led to attempts at economic reform by all the Eastern nations, but in most instances the aim of reform was merely to make central planning less cumbersome. More fundamental changes being introduced in Czechoslovakia were cut short by the Warsaw Pact invasion in 1968. Hungarian reform measures appear to have fallen short of goals and constitute an uneasy "middle way" between centralized and decentralized planning.

Many Western observers view the present Eastern interest, especially that of the Soviet Union, in importing technology as reflecting the failure of the economic reforms as well as the need to compensate for the slowdown in the growth of the labor force. This may well be the case, although the Soviet Union unquestionably would be importing technology even if its system had been effectively reformed. Trade in technology is worldwide—even the United States imports many kinds of technology, some from the USSR.

To what extent is the import of technology likely to affect the future rate of growth in the Eastern economies? Not very much for the Soviet Union; perhaps somewhat more for some of the small CMEA countries like Poland. Imported technology makes up a very small fraction of total annual investment outlays, a situation that seems unlikely to change in the foreseeable future. Soviet imports of machines have amounted to less than 2 percent of total machinery investment. Even if one assumes that the productivity of such imports is two or three times as great as the productivity of new domestic machinery, the effect on the rate of growth would only be marginal. In the case of Poland, where imported machinery investment is said to have amounted to almost a quarter of total machinery investment in 1971–75, the effect on the rate of growth may have been materially greater.[2]

Even when the volume of imports is relatively large, the potential impact of imported technology on the rate of growth may be grossly overstated. First, even if imports are obtained at favorable prices, the resources that must be used to pay for them offset the putative gains. Second, imported machinery or techniques must be combined with domestic factors—labor, materials, management skills—to be useful. It is thus inappropriate to attribute the full gain in productivity to imported technology. Third, the same factors that tend to hamper domestic innovation and technical advance in the domestic economy also affect the returns from imported technology. Finally, technology imported from abroad usually has been adapted to the organizational systems and management skills of Western economies, not to the quite different environment of nonmarket economies. For example, a student of Soviet manpower problems cites the instance of imported chemical plants that were originally designed to require 91 auxiliary workers for maintenance and repair work. This requirement was revised upward in the USSR, first to 430 auxiliaries and then, after the equipment was put into operation, to 732.[3]

A further consequence of the rigidity that characterizes centrally planned economies is their inability to spread technology effectively through the economy. This rigidity has also limited the updating and improvement of imported technology, which has been done, for example, in Japan. The developers of a new technique or item of equipment commonly seek to reap the benefits for themselves until a further technical advance takes place. An importing nation thus gets products or processes that are already outdated in the originating country. In itself, this built-in lag may be of smaller consequence if the import is succeeded by local adaptations and improvements. This, however, has not been the case in the Eastern countries.

Is there reason to believe that imported technology will affect the internal organization of the Eastern economies? In our view, very little. In fact, a primary reason for importing technology may have been to avoid making more fundamental changes to improve the efficient organization of the economy. Any substantial organizational change would involve changes in the political power structure, as evidenced by the abortive Czechoslovakian reform in 1968.

So far, the effect of technology transfers on the importing countries has been discussed. The other side of the issue is the effect on the exporting countries. A major concern in some quarters in the West is that by exporting technology to the East, the West is not only reducing its product markets in the East but also is creating competition for itself in third markets as well as in its domestic markets. Such concern seems to be largely unwarranted. In a trillion dollar trading world, entailing many dynamic changes over time, the disturbances emanating from this source are unlikely to be significant in the foreseeable future, especially in the light of the difficulties that nonmarket economies have in exporting to market economies. Finally, to the extent that imported technology does increase exports of goods and services from the East, the Eastern countries will be better able to pay for additional imports. The effect will be to increase trade in both directions, and any loss of markets through Eastern competition is apt to be offset by the expenditure of increased export earnings in the West.

The foregoing conclusions about both the importers and the exporters of technology are conditioned by the methods available for technology transfer. If these can be made more efficient, the benefits for both sides may increase. In recent years, for example, industrial cooperation agreements have been developed with a number of Eastern countries. In a few cases these are joint ventures with Western producers. But experience suggests that politically motivated rigidity in the nonmarket economies will limit further developments such as these, particularly in the USSR.

When everything is taken into account, the basis for special concern about the export of technology to the East, as contrasted with exports of the general range of goods and services, appears to be quite narrow. There remains, however, the possibility that withholding technology exports might increase the bargaining power of the West in noneconomic issues. This seems doubtful for several reasons. First, the technology in demand in the East is usually available from many nations and through a variety of channels, varying from technical publications to turnkey plants. Thus, the feasibility of gaining the cooperation of suppliers of technology, which are competing with each other, to organize an effective monopoly is low. At best such an attempt, for most types of technology, would only delay, rather than deny, access. Further, such arrangements would not only run up against antitrust laws in many Western countries; they might also have adverse repercussions by monopolizing markets in Western economies if they were organized. Given the relatively modest gains accruing to the East, particularly the Soviet Union, from imported technology and its strong commitment to political objectives, its seems unlikely that significant concessions on noneconomic issues could be gained by using technology as a bargaining chip.

From the standpoint of bargaining power, the West probably has more powerful instruments. For example, if the aim were to exert maximum economic and political pressure on Eastern countries, controls on the export of wheat and other grains offer the best prospects. The Soviet Union in particular is subject to periodic crop failures that must be compensated for by importing grain or reducing livestock herds. Of these alternatives the second is clearly the worse, for it will eventually require an unpopular and perhaps politically risky cut in meat consumption. Soviet authorities acted accordingly in choosing to spend scarce foreign exchange on grain imports when crops were bad in 1972 and again in 1975. If grain could be withheld by Western exporting countries, the USSR would have no choice but to accept the risk of living with a serious shortage of meat.

Technology closely related to military capabilities presents the most sensitive issues. Weapons, or equipment suitable only for the production or operation of weapons generally, are not exported to the Eastern countries. But there is a wide range of goods—it is difficult to think of exceptions—that bear in greater or lesser degree on the ability of a nation to build up its military strength. To single out the exports that are directly and substantially related to Western security interests calls for highly sophisticated assessments, with emphasis on economic as well as technical considerations. (Conspicuously unmilitary products like feed grains may be very high among Eastern European imports when ranked in order of essentiality.) In the USSR, military research and development and production have the highest priority in the use of scientific workers, skilled manpower, materials, and equipment and must meet the highest quality standards—all this in contrast to the civilian economy. With a far less developed economy than those of the advanced industrial states, the USSR has shown that it can keep up with, and even surpass, the West in some of the critical dimensions of military and aerospace performance. The implication is that there is not much in these areas that the USSR does not have or could not produce if it was considered necessary. In effect the West can delay the acquisition or increase the cost to the USSR of some items by prohibiting exports; but to "deny" anything of high and direct military importance is not likely to be feasible for very long.

Data processing is a military-related field that has attracted much attention on this score. Computers of course play an important role in military technology. Restrictions on their export would appear to have considerable justification on strictly defense or security grounds. But when a group of experts in computer and military technology (command-control, logistics, research and development, guidance, intelligence, avionics, and antiballistic missile systems) considered this issue, agreement was unanimous that except for the ABM systems, on which opinions differed, the USSR's computer capability was adequate to its tasks (the ABM in this context may be seen as typical of the next generation of highly sophisticated weapons). To the extent that the best Soviet computer, the BESM-6, fell short of meeting needs, greater use of time, labor, and other resources enabled the Russians to produce "achievements comparable to those of the West's more computer-intensive defense policy." Furthermore, "the U.S. military seldom uses large computers more sophisticated than the Soviet BESM-6; when it does, there is little evidence of substantial difference in capabilities from those the Soviets obtain or would desire, given their defense policies."[4] In short, a sufficiently strict export control system might deny to the USSR least-cost solutions to military data-processing problems, but it probably could not prevent the Soviet military from achieving satisfactory solutions. If this is so in the case of advanced computer technology, it seems likely that the same judgment applies in other fields.

Much of what has already been said about trade in technology with Eastern Europe is applicable to China as well. Compared with the Soviet Union or most of Eastern Europe, to be sure, China is technologically backward—not so backward, however, that it has not been able, largely unaided, to build and test a nuclear weapon and to achieve the capability to deliver it by missile.

It is undoubtedly true that access to Western technology will help China overcome some of the obstacles to economic advance. At the same time, China has the handicaps common to centrally planned economic systems. Also, shortages of technically skilled manpower and of other requirements for facilitating the installation and operation of advanced equipment are likely to hamper China. These limitations were seriously aggravated by the cultural revolution. If, under its new leadership, China were to place greater emphasis on incentives and organizational efficiency, the effect of imported technology could be made greater than now seems likely.

The most acute technological deficiencies, from the Chinese point of view, probably are in military items such as aircraft, where the existing stock consists overwhelmingly of outdated Soviet equipment. To correct these deficiencies quickly would require large purchases of end products, and is likely to be foreclosed in the short run by current balance-of-payments policy, so long at least as China chooses to limit its borrowing abroad to medium-term credits for industrial plants.●

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[1] Abram Bergson, "The Soviet Economic Slowdown," *Challenge* (January-February 1978). These official figures are well above Western estimates of Soviet GNP growth rates.

[2] Stanislaw Gomulka, "Growth and the Import of Technology: Poland, 1971–1980," *Cambridge Journal of Economics*, vol. 2 (March 1978), pp. 1–16.

[3] Murray Feshbach and Stephen Rapaway, "Labor Constraints in the Five-Year Plan," in *Soviet Economic Prospects for the Seventies: A Compendium of Papers Submitted to the Joint Economic Committee*, 93 Cong. 1 sess. (Government Printing Office, 1973), p. 488.

[4] Robert Klitgaard, *National Security and Export Controls* (Santa Monica, Calif.: Rand Corp., 1974), pp. 46–47.

RULES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT OF THE 96TH CONGRESS

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, pursuant to the provisions of rule XI 2(a) of the Rules of the House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules adopted on February 7, 1979, by the Committee on Standards of Official Conduct for the 96th Congress:

RULES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, 96TH CONGRESS

Rule 1. Scope and Authority.—These rules govern the procedures to be followed by the Committee on Standards of Official Conduct, and are adopted under the authority of Rule XI 2.(a) of the Rules of the House of Representatives, 96th Congress.

GENERAL PROCEDURES

Rule 2. Meetings.—(a) The regular meeting of the Committee shall be the second Wednesday of each month, except when the House is not meeting on that day. When the Chairman determines that there is sufficient reason, he may call a meeting on additional days. A regularly scheduled meeting need not be held when the Chairman determines there is no business to be considered.

(b) Insofar as practicable, notice will be provided seven days in advance of meetings. However, the Chairman is authorized to waive such time period at his discretion, for good cause.

Rule 3. Quorums.—(a) A quorum for the purpose of taking Committee action consists of seven Members of the Committee. Except as provided in Rule X 4. (e) (2) (A) of the House of Representatives and Rules 8(a), 9(c), and 13 of these Rules of Procedure, action may be taken by the Committee by a simple majority, a quorum being present.

(b) Two members of the Committee shall constitute a quorum for taking testimony and receiving evidence.

Rule 4. Subcommittees.—(a) The Chairman may establish subcommittees and may assign to them such functions as he may deem advisable. The membership of each subcommittee shall provide equal representation for the majority and minority parties. The Chairman may refer any bill, resolution, or other matter before the Committee to an appropriate subcommittee for consideration

or investigation and may recall any such bill, resolution, or other matter from the subcommittee to which it was referred.

(b) The Chairman and the ranking minority member of the Committee shall be ex officio members of each subcommittee and may vote on any subcommittee action.

(c) Any member of the Committee may sit with any subcommittee, but only regular members of the subcommittee, the Chairman and the ranking minority member of the Committee may vote on any matter before the subcommittee.

(d) So far as applicable, the Rules of the House of Representatives and the Rules of the Committee on Standards of Official Conduct shall be the rules of each subcommittee, but each subcommittee may prescribe additional rules not inconsistent therewith.

COMPLAINTS FROM OUTSIDE THE COMMITTEE

Rule 5. Complaints.—(a) A complaint filed under Rule X 4.(e)(2)(B) of the Rules of the House of Representatives shall be in writing and under oath, setting forth in simple, concise and direct statements:

(1) the name and legal address of the party filing the complaint (henceforth, the complainant);

(2) the name and position or title of the Member, officer, or employee of the House of Representatives alleged to be in violation of the Code of Official Conduct or any other law, rule, regulation, or standard of conduct (henceforth, the respondent);

(3) the nature of the alleged violation, including, if possible, the specific section of the Code of Official Conduct or any other law, rule, regulation, or standard of conduct alleged to have been violated;

(4) the facts alleged to give rise to the violation.

Where facts are alleged upon the information and belief of the complainant, the complaint shall so state, and set forth the basis for such information and belief.

(b) All documents in the possession of the complainant that are relevant to and in support of the allegations shall be appended to the complaint.

(c) A complaint by a Member of the House of Representatives may be transmitted directly to the Committee. A complaint by an individual not a Member of the House may be in writing, to accept it for that purpose. If a complaint by an individual not a Member of the House is submitted to three Members of the House who refuse, in writing, to transmit the complaint, the complainant may transmit the complaint directly to the Committee, provided an affidavit is attached, stating under oath, the names of the Members to whom the complaint was submitted and by whom it was rejected.

Rule 6. Complaint Processing.—(a)(1) The staff shall examine each complaint for compliance with Rule X 4.(e)(2)(B) of the Rules of the House of Representatives and Rule 5 of these Rules of Procedure.

(2) Complaints determined to be in compliance shall be transmitted to all Committee members and the respondent by the staff within 5 days. The transmittal shall include the date upon which the complaint was received, a statement that the complaint conforms to House and Committee Rules, and a statement that the complaint has been placed on the Committee's agenda for consideration not later than at its next regularly scheduled meeting.

(3) Complaints determined not to be in compliance with House and Committee rules shall be returned immediately to the complainant with a general statement that the complaint is not in compliance and a copy of the appropriate rules for filing complaints. The complainant may resubmit the complaint in the proper form. The respondent shall be notified of the action taken.

(b) At the first scheduled meeting after a complaint has been placed on the Committee agenda, the Committee shall determine whether the alleged violation is within the Committee's jurisdiction, and, if so, whether the allegations merit further inquiry. The complainant, and the respondent, shall be notified, in writing, of the action taken by the Committee.

Rule 7. Answer, Motions, and Preliminary Staff Inquiry.—(a)(1) If the Committee determines that the allegations merit further inquiry, a copy of the complaint and these Rules of Procedure shall be sent to the respondent with notice that he has 21 days to respond to the complaint, either by way of answer or motion. Any answer or motion shall be in writing, signed by the respondent or his counsel, and shall be limited to the following:

(A) An admission or denial, under oath, of the allegations set forth in the complaint, including negative and affirmative defenses thereto, and any other relevant information, including supporting evidence which the respondent may desire to submit;

(B) An objection to the complaint on the grounds of improper form or failure to state facts constituting a violation of the Code of Official Conduct or other applicable law, rule, regulation, or standard of conduct;

(C) An objection to the jurisdiction of the Committee to investigate the complaint;

(D) An objection to the participation of any member of the Committee in an investigation of the complaint on the grounds that the Member cannot render an impartial and unbiased decision in the case. (The Committee member against whom the objection is made shall be the sole judge of his qualifications.) A motion under this subparagraph (D) is not in lieu of an answer.

Any motion submitted pursuant to this Rule shall be accompanied by a memorandum of points and authorities. Except for good cause shown, no other pleadings or motions will be considered by the Committee, nor will answers or motions not submitted within such 21-day period be considered.

(2) The staff shall submit a written response to the Committee with respect to any motions submitted pursuant to clauses (a)(1)(B) and (a)(1)(C) of this Rule, and a copy of such response shall be furnished to the respondent and the complainant. The Committee shall pass upon such motions as soon as practicable and notice of the decision shall be furnished to the respondent and the complainant. If the motions are denied, the respondent will have 14 days to answer the complaint.

(b) Within 30 days after receipt of the answer, or of its due date if no answer is submitted, the staff shall conduct a preliminary inquiry and prepare a report of its findings and recommendations. For this purpose, the staff may serve written interrogatories on the respondent or his counsel. The interrogatories shall be answered within 14 days. Failure of the respondent to answer shall be cited in the report.

(c) Time limitations imposed by clauses (a) and (b) of this Rule may be extended when in the discretion of the Chairman such extension would facilitate a fair and complete inquiry, and may be shortened when the Chairman determines that there are special circumstances compelling expedition.

Rule 8. *Decision Whether To Undertake Investigation.*—(a) As soon as practicable following completion of the preliminary inquiry report, the Committee shall act, by the vote of a majority of the members of the Committee, either to:

(1) undertake an investigation through an investigative hearing;

(2) defer action pending completion of any judicial proceeding; or

(3) dismiss the complaint.

(b) In determining whether to undertake an investigation relating to the official conduct of the respondent, the Committee shall consider, among other matters, whether:

(1) there is credible evidence of his violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to him in his official capacity;

(2) the suspected violation is of the type that might warrant administrative or disciplinary action by the House; and

(3) there are not other circumstances, such as the pendency of a related criminal investigation or judicial proceeding that may justify deferring or declining action by the Committee.

(c) The complainant and respondent shall be notified in writing of the action taken.

COMMITTEE INITIATIVE

Rule 9. Investigations on the Committee's Initiative.—(a) Notwithstanding the absence of a complaint filed in accordance with Rule X4.(e)(2)(B) of the House of Representatives, the staff shall present to the Committee any evidence available to it reasonably indicating that any Member, officer, or employee of the House may have committed a violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to him in his official capacity. Evidence developed during any study conducted by or on behalf of the Committee, including evidence obtained in connection with legislative or general oversight hearings, may be used for this purpose. Any other probative evidence may also be used. The staff shall specify the section of the Code or of any other law, rule, regulation or standard of conduct that was apparently violated.

(b) If the Committee determines, on the basis of evidence submitted to it under clause (a) of this Rule, that there is reason to believe that a violation has taken place, the Committee may direct the staff to transmit to the Member, officer, or employee (henceforth, the respondent) a plain and concise statement of the alleged facts and a reference to the provisions which may have been violated. The respondent shall have 21 days to respond. The response shall be in the form provided for by Rule 7(a)(1), except that the denial of any alleged fact in the statement of alleged violation which is not supported by sworn testimony need not be submitted under oath.

(c) Further proceedings shall conform to the procedures specified in Rule 7(a)(2), (b), and (c) and Rule 8 of these Rules of Procedure.

INVESTIGATIVE HEARING PROCEDURES

Rule 10. Investigative Hearings.—(a) An investigative hearing shall be held to receive evidence upon which to base findings of fact and recommendations, if any, to the House. The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Depositions, interrogatories and sworn statements taken under Committee direction may be accepted into the Committee record. The procedures set forth in Rule XI 2.(k) of the Rules of the House of Representatives shall apply to hearings under this Rule.

(b) Prior to setting a hearing date and issuing subpoenas for witnesses, the Committee shall resolve the scope and purpose of the hearings. A copy of this statement of scope and purpose shall be furnished to all witnesses. During the course of the hearings the Committee may expand or contract the scope in light of evidence received.

(c)(1) The order of the investigative hearing shall be as follows:

(A) The Chairman shall open the hearing by stating the Committee's authority to conduct the investigation, the purpose of the investigation and its scope. The Committee shall then determine in accordance with Rule XI 2.(g) or 2.(k)(5) of the Rules of the House of Representatives whether to receive the testimony of specific witnesses in executive session.

(B) Testimony from witnesses and other evidence pertinent to the matter under investigation shall be received in the following order whenever possible: (i) witnesses and other evidence offered by the Committee staff or the complainant, (ii) witnesses and other evidence offered by the respondent, (iii) rebuttal witnesses.

(C) The Committee counsel or authorized staff member shall examine each witness. The Committee members may then question the witness under the five-minute rule. The respondent or his counsel may then cross-examine the witness. Redirect and recross may be permitted in the Chairman's discretion With respect to witnesses offered by the respondent, a witness shall be examined first by the respondent or his counsel, and then may be cross-examined by Committee counsel or authorized staff member, Committee members may then question the witness under the five-minute rule. Redirect and recross may be permitted in the Chairman's discretion.

(2) Testimony of all witnesses shall be taken under oath. The form of the oath shall be: "Do you solemnly swear (or affirm) that the testimony you will give before this Committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?" The oath shall be administered by the Chairman or Committee member designated by him to administer oaths.

(d) The investigative hearing shall consist of two phases, unless the Committee determines that a single phase is more appropriate. The first phase shall be for the purpose of obtaining probative evidence upon which the Committee can base its findings and conclusions. The second phase shall be for the purpose of making recommendations for action. Evidence offered solely as a reflection of the respondent's character or which tends to mitigate the charges against the respondent shall be received only during the second phase.

(e) The Committee may adopt by resolution any special investigative procedures deemed necessary to a particular investigation. Copies of such supplemental procedures shall be furnished to the respondent and all witnesses.

Rule 11. Admissibility of Evidence.—(a) The object of the hearing shall be to ascertain the truth. Any evidence that is relevant and probative shall be admissible, unless privileged or unless the Constitution otherwise requires its exclusion. Objections going only to the weight that should be given to evidence will not justify its exclusion.

(b) The Chairman or other Member presiding shall rule upon any question of admissibility of testimony or evidence presented to the Committee. The Chairman or other Member presiding may limit the presentation of repetitious evidence. Rulings shall be final unless reversed or modified by a majority vote of the Committee members present.

Rule 12. Witnesses.—(a) A subpoena to a witness shall be served sufficiently in advance of his scheduled appearance to allow him a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel should he so desire.

(b) Except as otherwise specifically authorized by the Chairman, no member of the Committee or staff shall make public the name of any witness subpoenaed by the Committee before the date of his scheduled appearance.

(c) Witnesses at investigative hearings may be accompanied by their counsel for the purpose of advising them concerning their constitutional rights and to raise objections to procedures or to the admissibility of testimony and evidence. Counsel for a witness other than the respondent shall not be permitted to engage in oral argument with the committee. After a witness has testified, his counsel may submit to the committee, in writing, any questions he wishes propounded to his client and any request for additional witnesses or other evidence. Such request may be granted at the committee's discretion.

(d) The respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his behalf. The application shall be granted upon a concise showing by the respondent that the proposed testimony or evidence, is relevant and not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(e) Each witness subpoenaed by the Committee may sign appropriate vouchers for travel allowances and attendance fees, which may be obtained from the Committee staff.

(f) Each witness appearing before the Committee shall be furnished a printed copy of the Rules of the Committee and the pertinent provisions of the Rules of the House applicable to the rights of witnesses.

Rule 13. *Findings, Conclusions, and Recommendations.*—After completion of the investigative hearings, the Committee, by the affirmative vote of a majority of its members, shall adopt an appropriate resolution, report, or recommendation, which shall be made public and furnished to the complainant, if any, unless a majority of the members of the Committee determines that there is good cause not to do so.

OTHER RULES

Rule 14. Broadcasting of Committee Proceedings.—(a) Whenever any hearing or meeting by the Committee is open to the public the Committee may permit, by majority vote of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, under the following rules prescribed in Rule XI 3. (f) of the House of Representatives:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to Rule XI 2. (k)(5) of the House of Representatives relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed position, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 15. Confidentiality of Certain Committee Records.—(a) The Chairman of the Committee shall, with the approval of the Committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any information or testimony received by the Committee or its staff.

(b) Unless otherwise authorized by the Committee, the contents of a complaint and the fact of its filing shall not be disclosed publicly by any Member of the Committee or by the staff unless or until the Committee directs service of a copy of the complaint on the respondent under Rule 7(a)(1) for the purpose of obtaining a formal response or directs transmission of a statement of alleged facts and violation under Rule 9(b) for that purpose.

Rule 16. Changes in Rules.—The Rules of the Committee on Standards of Official Conduct may be modified, amended, or repealed, by a majority vote of the Committee, provided that prior written notice of the proposed change has been provided each member of the Committee.

PRINTING OF RULES OF THE COMMITTEE ON ARMED SERVICES

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for printing in the

CONGRESSIONAL RECORD the rules of the Committee on Armed Services which were adopted by the committee in open session on Friday, January 26, 1979:

COMMITTEE RULES

RULE 1. MEETING DATE

(a) The Committee on Armed Services will meet every Tuesday at 10 a.m., and at such other times as may be fixed by the chairman or by the written request of members of the committee, pursuant to House rule XI, clause 2(c).

(b) A Tuesday meeting of the committee may be dispensed with by the chairman, but such action may be reversed by a written request of a majority of the members.

RULE 2. SUBCOMMITTEE MEETING DATE

Insofar as possible, meetings of the committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the chairman with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

RULE 3. SUBCOMMITTEES

The Committee on Armed Services of the House of Representatives shall be organized to consist of the following standing subcommittees:

The Procurement and Military Nuclear Systems Subcommittee which shall have legislative jurisdiction over the annual authorization for procurement of aircraft, missiles, tracked combat vehicles, and the procurement category, other weapons; military application of nuclear energy, including research and development related thereto; intelligence matters related to national security; and related legislative oversight. The subcommittee also has oversight responsibilities with regard to international arms control and disarmament.

The Seapower and Strategic and Critical Materials Subcommittee which shall have legislative jurisdiction over procurement and construction of naval vessels; sealift; antisubmarine warfare; disposal of naval vessels; strategic and critical materials necessary for the national defense; and related legislative oversight.

The Investigations Subcommittee which shall have legislative jurisdiction over Armed Services Procurement Regulations and related procurement matters; organization of the Department of Defense, including proposed reorganizations; commissaries and exchanges, clubs and related nonappropriated funds activities of the Armed Forces; naval petroleum reserves; and related legislative oversight; and investigative authority in relation to the committee's general oversight responsibilities.

The Research and Development Subcommittee which shall have legislative jurisdiction over annual authorization for research and development; airlift; and related oversight.

The Military Installations and Facilities Subcommittee which shall have legislative jurisdiction over military construction; real estate acquisitions and disposals; housing and support facilities; base closures; real estate generally; civil defense; and related legislative oversight.

The Military Personnel Subcommittee which shall have legislative jurisdiction over authorized strengths; active-duty and reserve training; recruiting; Reserve Officers' Training Corps; Selective Service; military justice; enlistments and separations; awards; academies; human relations; medical care; and related legislative oversight.

The Military Compensation Subcommittee which shall have legislative jurisdiction over pay and allowances; promotion; retirement; and related legislative oversight.

RULE 4. PRECEDENCE

Chairmen of standing subcommittees who sit on a second subcommittee shall rank behind other members serving on that subcommittee as their primary subcommittee assignment.

RULE 5. PANELS OF THE FULL COMMITTEE AND SUBCOMMITTEES

(a) The chairman may designate a panel of the committee drawn from members of more than one subcommittee to inquire into and take testimony on a matter or matters that fall within the jurisdiction of more than one subcommittee and to report to the full committee.

(b) The chairman of a standing subcommittee may designate a panel of such subcommittee to inquire into and take testimony on a specific matter within the jurisdiction of that subcommittee and to report to the subcommittee for further reference to the full committee as may be appropriate.

(c) No panels so appointed shall have legislative jurisdiction.

RULE 6. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORTS

(a) The chairman shall refer legislation and other matters to the subcommittee of appropriate jurisdiction within 2 weeks unless, by a majority vote of the members of the full committee, consideration is to be by the full committee.

(b) Bills shall be taken up for hearing only when called by the chairman of the full committee or subcommittee, or by a majority vote of a quorum of the full committee or a subcommittee.

(c) The chairman of the full committee, with approval of a majority of the members voting, a majority of the committee being present, shall have authority to discharge a subcommittee from consideration of any bill, resolution, or other matter referred thereto and have such measure or matter considered by the full committee.

(d) Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of 3 calendar days from the time the report is approved by the subcommittee and printed hearings thereon are available to the members, except that this rule may be waived by a majority vote of a quorum of the committee.

RULE 7. PUBLIC ANNOUNCEMENT OF HEARINGS AND MEETINGS

The full committee and each subcommittee shall make public announcement of the date, place and subject matter of the full committee or subcommittee hearing at least 1 week before the commencement of the hearing. However, if the full committee or subcommittee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this rule shall be promptly published in the Daily Digest.

RULE 8. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) Each committee or subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the committee or subcommittee, in open session and with a majority being present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and/or subcommittee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public.

(b) Each hearing conducted by the full committee or subcommittee shall be open to the public except when the full committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance no less than two members of the committee or subcommittee, may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, or would tend to defame, degrade, or incriminate any person. If the decision is to close for national security reasons, the vote must be by rollcall vote and in open session, there being a majority of the committee or subcommittee present. Otherwise, if the decision is to close because the testimony may tend to defame, degrade, or incriminate any person, the vote may be by a majority of those present, there being in attendance no less than two members of the committee or subcommittee. However, if the committee or subcommittee elects to receive such testimony in open session, it may do so only if a majority of the members of the committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. No member may be excluded from nonparticipatory attendance at any hearing of the full committee or subcommittee, unless the House of Representatives shall by majority vote authorize the full committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedures designated in this rule for closing hearings to the public: *Provided, however,* That the full committee or the subcommittee may by the same procedure vote to close one subsequent day of hearing.

RULE 9. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

(a) In accordance with the provision of rule XI, clause 3, Rules of the House of Representatives, it is the purpose of this rule to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee or subcommittee hearings or meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage. In that regard, the provisions of rule XI, clause 3(a)–(d) are specifically incorporated herein by reference.

(b) The chairman of the full committee or the chairmen of the subcommittees are authorized to determine on behalf of the full committee or its subcommittees respectively whether hearings or meetings which are open may be broadcast, unless the committee or its subcommittees respectively by majority vote determine otherwise.

(c) In accordance with rule XI, clause 3(f), the following provisions shall apply to the broadcasting of committee or subcommittee hearings or meetings which are open to the public:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) No more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the executive committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or its subcommittees or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee or subcommittee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee or its subcommittees.

(10) Photographers shall not place themselves in position which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstructive manner.

RULE 10. QUORUM

A majority of the full committee or subcommittee shall constitute a quorum for reporting or tabling a measure or recommendation. A quorum for the purpose of taking testimony and receiving evidence by either the full committee or any subcommittee shall be not less than two. A quorum for taking any other action shall be not less than one-third of the members of the full committee or subcommittee, unless otherwise indicated in the committee rules.

RULE 11. THE FIVE-MINUTE RULE

(a) The time any one member may address the committee or subcommittee on any bill, motion or other matter under consideration by the committee shall not exceed 5 minutes and then only when the member has been recognized by the chairman, except that this time limit may be exceeded by unanimous consent. Any member, upon request, shall be recognized for not to exceed 5 minutes to address the committee or subcommittee on behalf of an amendment which the member has offered to any pending bill or resolution.

(b) When a meeting is originally convened the members present will be recognized by the chairman in the order of seniority. Those members arriving subsequently will be recognized in the order of their arrival. In any case, when members are recognized, a 2 to 1 party ratio will be observed by the chairman.

RULE 12. SUBPENA AUTHORITY

The full committee, and all subcommittees, may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Any such subpena may be authorized and issued by the committee, or subcommittee, in the conduct of any investigation or a series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under this rule may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or any member designated by the committee.

RULE 13. WITNESS STATEMENT

(a) Any prepared statement to be presented by a witness to the committee or a subcommittee shall be submitted to the committee at least 48 hours in advance of presentation and shall be distributed to all members of the committee or subcommittee at least 24 hours in advance of delivery. If a prepared statement contains security information bearing a classification of secret or higher, the statement shall be made available in the committee room to all members of the committee at least 24 hours in advance of delivery; however, no such statement shall be removed from the committee offices. The requirement of this rule may be waived upon a majority of the full committee or any subcommittee a quorum being present.

(b) The full committee and each subcommittee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

RULE 14. ADMINISTERING OATHS TO WITNESSES

The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

RULE 15. QUESTIONING OF WITNESSES

(a) When a witness is before the committee or subcommittee, members of the committee or subcommittee may put questions to the witness only when they have been recognized by the chairman for that purpose.

(b) Members of the committee or subcommittee who so desire shall have not to exceed 5 minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness; thereafter, additional time for questioning witnesses by members is discretionary with the chairman.

(c) Questions put to witnesses before the committee or subcommittee shall be pertinent to the bill or other subject matter that may be before the committee or subcommittee for consideration.

RULE 16. VOTING AND ROLLCALLS

(a) Except as otherwise provided in these rules, voting on a measure or matter may be by record vote, voice vote, or unanimous consent.

(b) Voting on reporting annual authorization bills shall be by record vote.

(c) A rollcall of the members may be had upon the request of five or more members present, in the case of subcommittees, on the request of one-fifth of a majority.

RULE 17. PROXY VOTE

A member may vote by special proxy, which must be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. A proxy may be used in subcommittee or full committee. All proxies must be filed with the staff director and be available for inspection at any time.

RULE 18. PRIVATE BILLS

No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the Congress.

RULE 19. SUPPLEMENTAL, MINORITY, ADDITIONAL OR DISSENTING VIEWS

If, at the time of approval of any measure or matter by the committee, any member of the committee gives timely notice of intention to file supplemental, minority, additional or dissenting views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the staff director of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter.

RULE 20. POINTS OF ORDER

No point of order shall lie with respect to any measure reported by the full committee or any subcommittee on the ground that hearings on such measure were not conducted in accordance with the provisions of the committee rules; except that a point of order on that ground may be made by any member of the full committee or subcommittee which reported the measure if, in the full committee or subcommittee, such point of order was (a) timely made and (b) improperly overruled or not properly considered.

RULE 21. PUBLIC INSPECTION OF COMMITTEE ROLLCALLS

(a) The result of each rollcall in any meeting of the committee shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. With respect to each record vote by the committee on each motion to report any bill or resolution of public character, the total number of votes cast for, and

the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(b) In the event of such a rollcall vote or votes, when a member is in attendance at any other committee, subcommittee, or conference committee meeting during that time, that circumstance shall be so recorded in the rollcall record, upon timely notification to the chairman from that member.

RULE 22. PROTECTION OF NATIONAL SECURITY INFORMATION

(a) All national security information bearing a classification of secret or higher which has been received by the committee or a subcommittee of the Committee on Armed Services shall be deemed to have been received by the committee in executive session and shall be given appropriate safekeeping.

(b) The chairman of the full committee shall, with the approval of the full committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any national security information received by the committee classified as secret or higher. Such procedures shall, however, insure access to this information by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

RULE 23. COMMITTEE STAFFING

The staffing of the full committee and the standing subcommittees shall be subject to the appropriate rules of the House of Representatives, including, among other things, the provisions of rule XI, clause 5(d).

RULES OF COMMITTEE ON FOREIGN AFFAIRS SUBMITTED FOR PRINTING

(Mr. ZABLOCKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, pursuant to rule XI, clause 2 of the rules of the House, I submit the rules of the Committee on Foreign Affairs adopted January 31, 1979, for printing in the RECORD:

RULES OF THE COMMITTEE ON FOREIGN AFFAIRS, 96TH CONGRESS

(Adopted January 31, 1979)

1. GENERAL PROVISIONS

The Rules of the House, and in particular the committee rules enumerated in Clause 2 of Rule XI, are the rules of the Committee on Foreign Affairs, to the extent applicable. Each subcommittee of the Committee on Foreign Affairs (hereinafter referred to as the "Committee") is a part of the Committee and is subject to the authority and direction of the Committee, and to its rules to the extent applicable.

2. DATE OF MEETING

The regular meeting date of the Committee shall be the first Tuesday of every month when the House is in session pursuant to Clause 2(b) of Rule XI of the House. Additional meetings may be called by the Chairman as he may deem necessary or at the request of a majority of the Members of the Committee in accordance with Clause 2(c) of Rule XI of the House of Representatives.

The determination of the business to be considered at each meeting shall be made by the Chairman subject to Clause 2(c) of Rule XI of the House of Representatives.

A regularly scheduled meeting need not be held if there is no business to be considered.

3. QUORUM

For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

One-third of the Members of the Committee shall constitute a quorum for taking any action, with the following exceptions: (1) reporting a measure or recommendation, (2) closing Committee meetings and hearings to the public, and (3) authorizing the issuance of subpenas.

No measure or recommendation shall be reported to the House unless a majority of the Committee is actually present.

4. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) Each meeting for the transaction of business, including the markup of legislation, of the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This subsection does not apply to open Committee hearings which are provided for by subsection (b) of this rule or any meeting that relates solely to internal budget or personnel matters.

(b)(1) Each hearing conducted by the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony—

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate paragraph (2) of this subsection; or

(B) may vote to close the hearing, as provided in paragraph (2) of this subsection.

Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person—

(A) such testimony or evidence shall be presented in an executive session, notwithstanding the provisions of paragraph (1) of this subsection, if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the Committee or subcommittee shall proceed to receive such testimony in open session only if a majority of the Members, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

(3) No Member of the House may be excluded from nonparticipatory attendance at any hearing of the Committee or a subcommittee unless the House of Representatives by majority vote authorized the Committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subsection for closing hearings to the public.

(4) The Committee or a subcommittee may by the procedure designated in this subsection vote to close one subsequent day of hearing.

5. ANNOUNCEMENT OF HEARINGS AND MARKUPS

Public announcement shall be made of the date, place, and subject matter of any hearing or markup to be conducted by the Committee or a subcommittee at least 1 week before the commencement of that hearing or markup, unless the Committee or subcommittee determines that there is good cause to begin such meeting at an earlier date. Such determination shall be made with respect to any hearing or markup by the Chairman or subcommittee chairman, unless the Committee or subcommittee, by majority vote, shall determine otherwise.

Public announcement of all hearings and markups shall be made at the earliest possible date and shall be published in the Daily Digest portion of the Congressional Record.

Members shall be notified by the Chief of Staff, whenever it is practicable, 1 week in advance of all meetings (including markups and hearings) and briefings of subcommittees and of the full Committee.

The agenda for each Committee and subcommittee meeting, setting out all items of business to be considered, including a copy of any bill or other document scheduled for markup, shall be furnished to each Committee or subcommittee Member by delivery to the Member's office at least 2 full calendar days (excluding Saturdays, Sundays, and legal holidays) before the meeting. The requirement of this paragraph may be waived by a majority vote of the Members of the Committee or subcommittee voting, a quorum being present.

6. WITNESSES

A. Interrogation of witnesses

Insofar as practicable, witnesses shall be permitted to present their oral statements without interruption, questioning by the Committee Members taking place afterward. After completing his questioning, the Chairman shall recognize the ranking majority and then the ranking minority Member, and thereafter in recognizing Members present, he may recognize two majority Members and one minority Member alternating in that order, giving preference to the Members on the basis of their arrival at the hearing, and taking into consideration the ratio of Members actually present. A Member desiring to speak or ask a question shall address the Chairman and not the witness in order to insure orderly procedure.

Each Member may interrogate the witness for 5 minutes, the reply of the witness being included in the 5-minute period. After all Members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

The Chairman shall take note of Members who are in their chairs when each day's hearing begins and, insofar as practicable, when the time occurs for interrogation, shall recognize each such Member ahead of all others.

B. Statements of witnesses

So far as practicable, each witness shall file with the Committee, 48 hours in advance of his appearance, a written statement of his proposed testimony and shall make a brief oral summary of his views.

7. PREPARATION AND MAINTENANCE OF COMMITTEE RECORDS

An accurate stenographic record shall be made of all hearings and markup sessions. Members of the Committee and any witness may examine the transcript of his or her own remarks and may make any grammatical or technical changes that do not substantially alter the record. Any such Member or witness shall return the transcript to the Committee offices within 5 calendar days (not including Saturdays, Sundays, and legal holidays) after receipt of the transcript, or as soon thereafter as is practicable.

Any information supplied for the record

at the request of a Member of the Committee shall be provided to the Member when received by the Committee.

Transcripts of hearings and markup sessions (except for the record of a meeting or hearing which is closed to the public) shall be printed as soon as is practicable after receipt of the corrected versions, except that the Chairman may order the transcript of a hearing to be printed without the corrections of a Member or witness if the Chairman determines that such Member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

8. EXTRANEOUS MATERIAL IN COMMITTEE HEARINGS

No extraneous material shall be printed in either the body or appendixes to any Committee or subcommittee hearing, except matter which has been accepted for inclusion in the record during the hearing. Copies of bills and other legislation under consideration and responses to written questions submitted by Members shall not be considered extraneous material.

Extraneous material in either the body or appendixes to any hearing to be printed which would be in excess of eight printed pages (for any one submission) shall be accompanied by a written request to the Chairman, such written request to contain an estimate in writing from the Public Printer of the probable cost of publishing such material.

9. PUBLIC ANNOUNCEMENT OF COMMITTEE VOTES

The result of each rollcall vote in any meeting of the Committee shall be made available for inspection by the public at reasonable times at the Committee offices, including a description of the amendment, motion, order or other proposition; the name of each Member voting for and against, and whether by proxy or in person, and the Members present but not voting.

A rollcall vote shall be ordered on any question at the request of 20 percent of those present.

10. PROXIES

Proxy voting is permitted in the Committee only under the following conditions:

The proxy authorization—

(a) Shall be in writing;

(b) Shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the Committee; and

(c) Shall be limited to a motion to report a bill or a resolution.

Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies are not counted for a quorum.

11. PRIOR APPROVAL OF REPORTS

No Committee, subcommittee, or staff report, study, or other document which purports to express publicly the views, findings, conclusions, or recommendations of the Committee or the subcommittee may be released to the public or filed with the Clerk of the House unless approved by a majority of the Members of the Committee or subcommittee, as appropriate. In any case in which Clause 2(l)(5) of House Rule XI does not apply, each Member of the Committee or subcommittee shall be given an opportunity to have views or a disclaimer included as part of the material filed or released, as the case may be.

12. STAFF SERVICES

The Committee staff shall be selected and organized so that it can provide a comprehensive range of professional services in the field of foreign affairs to the Committee, the subcommittees, and all its Members.

The staff shall include persons with training and experience in foreign affairs who have a variety of backgrounds and skills so as to make available to the Committee services of individuals who have a firsthand acquaintance with major countries and areas and with major aspects of U.S. overseas programs and operations.

It is intended that the skills and experience of all members of the Committee staff shall be available to all Members of the Committee.

(a) The professional and clerical employees of the Committee, except those assigned to the minority or to a subcommittee as provided below, shall be appointed, and may be removed, by the Chairman with the approval of the majority of the Members of the Committee. Their remuneration shall be fixed by the Chairman within the ceilings set in Clause 6(c) of Rule XI, and they shall be under the general supervision and direction of the Chairman. Staff assignments are to be authorized by the Chairman or by the Chief of Staff under the direction of the Chairman.

(b) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined as the minority Members of the Committee shall determine within the general ceiling in Clause 6(c) of Rule XI: *Provided, however,* That no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart. Such staff shall be under the general supervision and direction of the ranking minority Member with the approval or consultation of the minority Members of the Committee.

(c) In the matter of subcommittee staffing:

(1) The chairman of each standing subcommittee of this Committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority Member of each six standing subcommittees on this Committee is authorized to appoint one staff person who shall serve at the pleasure of said ranking minority Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in Paragraph (c) of Clause 6 of Rule XI of the Rules of the House or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) No member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the ranking minority party members pursuant to subparagraph (2) of this paragraph shall be made available from the staff positions provided under Clause 6 of Rule XI of the Rules of the House.

13. NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) The full Committee will handle the markup and reporting of general legislation relating to foreign assistance (including development assistance, security-related aid, and Public Law 480 programs abroad) or relating to the Peace Corps. Regional subcommittees will have responsibility with respect to foreign assistance as follows:

(1) The annual legislative programs of foreign assistance for each region shall be referred to the appropriate subcommittee for review and legislative recommendations, within a time frame to be set by the Committee.

(2) Those subcommittees shall be responsible for ongoing oversight of all foreign assistance activities affecting their region.

(3) Those subcommittees shall have the responsibility of annually reporting to the full Committee, on a timely basis, the findings and conclusions of their oversight, including specific recommendations for legislation relating to foreign assistance.

(b) There shall be eight standing subcommittees. The names and jurisdiction of those subcommittees shall be as follows:

A. Functional subcommittees

There shall be four subcommittees with functional jurisdiction:

Subcommittee on International Security and Scientific Affairs.—To deal with national security and scientific developments affecting foreign policy; strategic planning and agreements; war powers and executive agreements legislation; Arms Control and Disarmament Agency; security aspects of nuclear technology and materials; oversight of military aspects of foreign policy and foreign intelligence; and oversight of State and Defense Department activities involving arms transfers, arms export licenses, administration of security assistance, arms sales, foreign military training and advisory programs, and conventional arms control.

Subcommittee on International Operations.—To deal with Department of State and International Communication Agency operations and legislation; the diplomatic service; international education and cultural affairs; foreign buildings; parliamentary conferences and exchanges; protection of American citizens abroad; and international broadcasting.

Subcommittee on International Economic Policy and Trade.—To deal with measures relating to international economic and trade policy; measures to foster commercial intercourse with foreign countries; export administration; international investment policy; trade and economic aspects of nuclear technology and materials; legislation pertaining to and oversight of the Overseas Private Investment Corporation; commodity agreements; and special oversight of international financial and monetary institutions, the Export-Import Bank, and customs.

Subcommittee on International Organizations.—To deal with oversight of, and legislation pertaining to, the United Nations, its related agencies, and other international organizations; implementation of the Universal Declaration of Human Rights and other matters relating to internationally recognized human rights generally; the American Red Cross; international environmental policy; and oversight of international fishing agreements.

B. Regional subcommittees

There shall be four subcommittees with regional jurisdiction: Subcommittee on Europe and the Middle East; Subcommittee on Asian and Pacific Affairs (including South Asia); Subcommittee on Inter-American Affairs; and the Subcommittee on Africa.

In addition to the responsibilities provided by subsection (a) of this rule, the regional subcommittees shall have jurisdiction over the following:

(1) Matters affecting the political relations between the United States and other countries and regions, including resolutions or other legislative measures directed to such relations.

(2) Legislation with respect to disaster assistance outside the Foreign Assistance Act, boundary issues, and international claims.

(3) Legislation with respect to region- or country-specific loans or other financial relations outside the Foreign Assistance Act.

(4) Resolutions of disapproval under section 36(b) of the Arms Export Control Act, with respect to foreign military sales.

(5) Oversight of regional lending institutions.

(6) Identification and development of options for meeting future problems and issues relating to U.S. interests in the region.

(7) Environmental, population, and energy affairs affecting the region.

(8) Base agreements and regional security pacts.

(9) Oversight of matters relating to parliamentary conferences and exchanges involving the region.

(10) Concurrent oversight jurisdiction with respect to matters assigned to the functional subcommittees insofar as they may affect the region.

14. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the Chairman of the full Committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of Committee or subcommittee meetings or hearings whenever possible. It shall be the practice of the Committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full Committee.

In order to insure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the Chairman through the Chief of Staff of the Committee.

The Chairman and the ranking minority Member of the full Committee may attend the meetings and participate in the activities of all subcommittees, except for voting and being counted for a quorum.

15. REFERRAL OF BILLS BY CHAIRMAN

All legislation and other matters referred to the Committee shall be referred by the Chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the majority party Members of the full Committee, consideration is to be otherwise effected. The Chairman may designate a subcommittee chairman or other Member to take responsibility as "floor manager" of a bill during its consideration in the House.

16. PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

The majority party caucus of the Committee shall determine an appropriate ratio of majority to minority party Members for each subcommittee: Provided, however, That party representation on each subcommittee or conference committee shall be no less favorable to the majority party than the ratio for the full Committee. The Chairman of the full Committee and the ranking minority Member are authorized to negotiate matters affecting such ratios including the size of subcommittees and conference committees.

17. SUBCOMMITTEE BUDGETS AND RECORDS

(a) Each subcommittee shall have an adequate budget to discharge its responsibility for legislation and oversight.

(b) In order to facilitate Committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be promptly made available to the full Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

All subcommittee hearings, records, data, charts, and files shall be kept distinct from the congressional office records of the Member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full Committee, shall be the property of the House, and all Members of the House shall have access thereto.

18. MEETINGS OF SUBCOMMITTEE CHAIRMAN

The subcommittee chairman shall meet on a regularly scheduled basis to be determined by the subcommittee chairmen, but in any event not less frequently than once a month. It shall be the practice at such meetings to review the current agenda and activities of each of the subcommittees. Each majority party Member of the Committee shall have the right to attend such meetings.

19. ACCESS TO CLASSIFIED INFORMATION

It shall be the policy of the Committee to afford access to classified information under its control for its own Members and other Members of the House of Representatives.

Authorized persons.—In accordance with the stipulations of the House Rules, all Members of the House shall be construed to be persons authorized to have access to classified information within the possession of the Committee.

Members of the Committee staff shall be construed to be authorized access to classified information within the possession of the Committee (1) when they have the proper clearances, and (2) when they have a demonstrable "need to know". The decision on whether a given staff member has a "need to know" will be made on the following basis:

(a) In the case of the full Committee majority staff, by the Chairman, acting through the Chief of Staff;

(b) In the case of the full Committee minority staff, by the ranking minority Member of the Committee, acting through the Minority Staff Director;

(c) In the case of subcommittee majority staff, by the Chairman of the subcommittee;

(d) In the case of the subcommittee minority staff, by the ranking minority Member of the subcommittee.

No other individual shall be considered authorized persons, unless so designated by the Committee Chairman.

Designated persons.—Each Committee Member is permitted to designate one member of his or her staff as having the right of access to classified information in the "confidential" category. Such designated persons must have the proper security clearance and a "need to know" as determined by his or her principal. Upon request of a Committee Member in specific instances, a designated person also shall be permitted access to information classified "secret" which has been furnished to the Committee pursuant to section 36(b) of the Arms Export Control Act, as amended. Designation of a staff person shall be by letter from the Committee Member to the Committee Chairman.

Location.—Classified information will be kept in secure safes in the Committee rooms. All materials bearing the designation "top secret" must be kept in the main Committee offices, 2170 Rayburn House Office Building. "Top Secret" materials may not be taken from that location for any purpose.

Materials bearing designations "confidential" or "secret" may be taken from Committee offices to other Committee offices and hearing rooms by Members of the Committee and authorized Committee staff in connection with hearings and briefings of the Committee or its sub-units for which such information is deemed to be essential. Removal of such information from the Committee offices shall be only with the permission of the Chairman of the full Committee, under procedure designed to insure the safe handling and storage of such information at all times.

Notice.—Notice of the receipt of classified documents received by the Committee from the Executive will be sent promptly to Committee Members. The notice will contain information on the level of classification.

Access.—Except as provided for above, access to classified materials held by the Committee will be in the main Committee offices in a designated "reading room". The following procedures will be observed:

(a) Authorized or designated persons will be admitted to the reading room after inquiring of the Chief of Staff or an assigned staff member. The reading room will be open during regular Committee hours.

(b) Authorized or designated persons will be required to identify themselves, to identify the documents or information they wish to view, and to sign the Classified Materials Log, which is kept with the classified information.

(c) No photocopying or other exact reproduction, oral recording, or reading by telephone, of such classified information is permitted.

(d) The assigned staff member will be present in the reading room at the option of the authorized person. Such staff member will be responsible for maintaining a log which identifies (1) authorized and designated persons seeking access, (2) the classified information requested, and (3) the time of arrival and departure of such persons. The assigned staff member will also assure that the classified materials are returned to the proper location.

(e) The Classified Material Log will contain a statement acknowledged by the signature of the authorized or designated person that he or she has read the Committee rules and will abide by them.

Divulgence.—Any classified information to which access has been gained through the Committee may not be divulged to any unauthorized person in any way, shape, form, or manner. Apparent violations of this rule should be reported to the Chairman of the full Committee at once, and by him to the full Committee as promptly as possible.

Other regulations.—So long as they do not conflict with any of the rules herein set down, the Chairman of the full Committee may establish other regulations and procedures as in his judgment may be necessary to safeguard classified information under the control of the Committee. Members of the Committee will be given notice of any such regulations and procedures promptly. They may be modified or waived in any or all particulars by a majority vote of the full Committee. Furthermore, any additional regulations and procedures should be incorporated into the written rules of the Committee at the earliest opportunity.

20. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

When requested by the Superintendent of the House Radio and Television Gallery and upon approval by the Committee or its subcommittees, all Committee and subcommittee hearings which are open to the public may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage; *Provided*, That such request is submitted to the Committee or its subcommittees not later than 4 p.m. of the day preceding such hearings.

The Chairman of the full Committee or the chairman of the subcommittees are authorized to determine on behalf of the full Committee or its subcommittees respectively whether hearings which are open may be broadcast, unless the Committee or its subcommittees respectively by majority vote determine otherwise.

Such coverage shall be in accordance with the following requirements (Section 116(b) of the Legislative Reorganization Act of 1970; Clause 3(f) of Rule XI of the Rules of the House of Representatives):

(a) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(b) No witness served with a subpena by the Committee shall be required against his will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to Clause 2(k)(5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(c) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(d) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or its subcommittees or the visibility of that witness and that Member to each other.

(e) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(f) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee or subcommittee is in session.

(g) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage to the hearing or meeting at the then current state of the art of television coverage.

(h) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(i) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee or its subcommittees.

(j) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(k) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(l) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(m) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

21. SUBPENA POWERS

A subpena may be authorized and issued by the Committee or its subcommittees, in accord with House Rule XI; Clause 2(m), in the conduct of any investigation or series of investigations, only when authorized by a majority of the Members voting, a majority of the Committee or subcommittee being present. Pursuant to House Rules and under such limitations as the Committee may prescribe, the Chairman may be delegated the power to authorize and issue subpenas in the conduct of any investigation or series of investigations. Authorized subpenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

22. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever the Speaker is to appoint a conference committee, the Chairman shall recommend to the Speaker as conferees those Members of the Committee who are primarily responsible for the legislation (including to the fullest extent feasible the principal proponents of the major provisions of the bill as it passed the House), who have actively participated in the Committee or subcommittee consideration of the legislation, and who agree to attend the meetings of the conference.

23. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee. Any additional procedures or regulations may be modified or rescinded in any or all particulars by a majority vote of the full Committee.

RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the House of Representatives, herewith are submitted for publication in the CONGRESSIONAL RECORD the Rules of the Committee on Government Operations, which were adopted on February 1, 1979:

RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS

U.S. HOUSE OF REPRESENTATIVES

96th Congress

Rule 1.—Application of Rules

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Government Operations and its subcommittees as well as to the respective chairmen.

[See House Rule XI, 1.]

Rule 2.—Meetings

The regular meetings of the full committee shall be held on the second Tuesday each month at 10 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c)(2). Subcommittees shall meet at the call of the subcommittee chairmen. Every member of the committee or the appropriate subcommittee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority may request.

[See House Rule XI, 2(b).]

Rule 3.—Quorums

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence and one-third of the members shall constitute a quorum for taking any action other than the reporting of a measure or recommendation. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

Rule 4.—Committee Reports

Bills and resolutions approved by the committee shall be reported by the chairman in accordance with House Rule XI, 2(l).

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(l)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

Rule 5.—Proxy Votes

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to that measure or matter.

[See House Rule XI, 2(f).]

Rule 6.—Roll Calls

A roll call of the members may be had upon the request of any member.

[See House Rule XI, 2(e).]

Rule 7.—Record of Committee Actions

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

Rule 8.—Subcommittees; Referrals

There shall be seven subcommittees with appropriate party ratios which shall have fixed jurisdictions. Bills, resolutions, and other matters shall be referred by the chairman to subcommittees within two weeks for consideration or investigation in accordance with their fixed jurisdictions. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdiction, the chairman shall refer

the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when, in his judgment, the subcommittee is not able to complete its work or cannot reach agreement thereon.

[See House Rule XI, 1(a)(3).]

Rule 9.—Ex Officio Members

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

Rule 10.—Staff

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

Rule 11.—Staff Direction

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

Rule 12.—Hearing Dates and Witnesses

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least two weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours in advance of their appearance.

[See House Rule XI, 2(g)(3), (g)(4), (j), and (k).]

Rule 13.—Open Meetings

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

[See House Rule XI, 2(g) and (k)].

Rule 14.—Five-Minute Rule

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

Rule 15.—Investigative Hearings; Procedure

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

Rule 16.—Stenographic Record

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

Rule 17.—TV, Radio, and Photographs

When approved by a majority vote, an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

Rule 18.—Additional Duties of Chairman

The chairman of the full committee shall:

(a) Make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as required by House Rule X, 4(c)(2);

(b) Arrange such meetings, designate participants and submit such reports to the House as may be necessary to carry out the coordination of oversight activities and reporting requirements under House Rule X, 2(c);

(c) *Direct such review and studies on the* impact or probable impact of tax policies affecting subjects within the committee's jurisdiction as required by House Rule X, 2(d);

(d) Submit to the Committee on the Budget views and estimates required by House Rule X, 4(g), and to file reports with the House as required by the Congressional Budget Act;

(e) Authorize and issue subpenas as provided in House Rule XI, clause (2)(m)(1), in the conduct of any investigation or activity or series of investigations or activities within the jurisdiction of the committee; and

(f) Prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities.

ILLINOIS SENATE SUPPORTS SNOW EMERGENCY AMENDMENT

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McCLORY. Mr. Speaker, during the last half of January, northern Illinois experienced one of the worst blizzards in recorded history.

Millions of Illinois residents gallantly battled fierce winds, subzero temperatures, and waist-high snow drifts. Conditions were so severe, in fact, that on January 16, 1979, President Carter declared a snow emergency for 22 counties (later 24 counties) in northern Illinois. This entitled local units of government and the State to two-thirds Federal assistance to pay for clearing roads for emergency access in order to save lives and to protect public safety and health.

Mr. Speaker, unfortunately the supplemental assistance was not effective until 12:01 a.m. on January 16, 1979, or almost 3½ days after the blizzard conditions developed.

Illinois communities that raced around the clock to clean off the snow from highways and major streets will be denied their fair share of this Federal assistance, while those communities that were not as zealous will proportionally receive more in the Federal assistance because a disproportionate share of their clean-up efforts occurred after the day of declaration went into effect.

The amendment to the Federal Disaster Relief Act of 1974 recently introduced in the Senate by my Illinois colleagues, Senator CHARLES H. PERCY and Senator ADLAI E. STEVENSON III would resolve that inequity. I have introduced similar legislation in the House, as have my Illinois colleagues, Congressmen JOHN ANDERSON, PHIL CRANE, GEORGE O'BRIEN, MORGAN MURPHY, MARTIN RUSSO, ED DERWINSKI, HENRY HYDE, SIDNEY YATES, ABNER MIKVA, JOHN ERLENBORN, TOM CORCORAN, BOB MICHEL, TOM RAILSBACK, CARDISS COLLINS, and DAN ROSTENKOWSKI, as well as Congressmen DELLUMS of California, BOB YOUNG of Missouri, VENTO of Minnesota, MARLENEE of Montana, STANGELAND of Minnesota, ERTEL of Pennsylvania, MAVROULES of Massachusetts, AKAKA of Hawaii, BEVILL of Alabama, HAMILTON of Indiana, CORRADA of Puerto Rico, BEARD of Rhode Island, SAM HALL of Texas, RAHALL of West Virginia, LEACH, KINDNESS of Ohio, FORSYTHE of New Jersey, SOLARZ of New York, COLEMAN of Missouri, TAUKE of Iowa, MOAKLEY of Massachusetts, AUSTIN MURPHY of Pennsylvania, NATCHER of Kentucky, and BENJAMIN of Indiana.

As you can see, there is widespread support for this amendment. At this time I am pleased to introduce a resolution passed by the Illinois Senate on January 31, 1979, supporting this amendment and commending our Illinois Senators:

SENATE RESOLUTION No. 7

Whereas, Twenty-two northern counties of the State of Illinois experienced an extreme snow emergency in January of 1979; and

Whereas, The President of the United States invoked Section 301 of the Disaster Relief Act of 1974 at 12:01 a.m. on Tuesday, January 16, 1979; and

Whereas, Many communities in Illinois incurred substantial snow removal costs on the 13th, 14th, and 15th of January 1979; and

Whereas, Section 301 of the Disaster Relief Act of 1974 as currently written cannot cover snow removal costs for those days; and

Whereas, The two United States Senators from Illinois, Senator Adlai E. Stevenson III and Senator Charles H. Percy, along with Senator Richard G. Lugar and Senator Birch Bayh have introduced S. 188 in the Ninety-Sixth Congress which would provide for retroactive financial assistance for snow removal by the federal government in those twenty-two counties of Illinois dating from January 1, 1979; therefore be it

Resolved, by the Senate of the Eighty-First General Assembly of the State of Illinois, that we commend Senators Stevenson and Percy for their sponsorship of S. 188 and efforts to relieve the unusual financial burden imposed on Illinois communities by snow emergency; and be it further

Resolved, That the Senate of the Eighty-First General Assembly express our support for the passage of S. 188 by the Congress of the United States and that a suitable copy of this resolution be transmitted to each member of Congress from the State of Illinois.●

SPORTS ANTITRUST REFORM ACT OF 1979

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I am today introducing the Sports Antitrust Reform Act of 1979 (H.R. 2129). The bill has two principal objectives: To repeal baseball's antitrust exemption and to make it illegal for any pro sports team in a large metropolitan area to refuse to permit other teams to play in that area.

In 1922, the Supreme Court ruled that baseball was not an interstate business and, therefore, was exempt from the antitrust laws. Since then, other sports have sought similar antitrust immunity, but the courts have recognized that these sports are obviously engaged in interstate commerce and are subject to the antitrust laws. Nonetheless, as recently as 1972, the Supreme Court—while admitting that baseball's antitrust exemption is "an aberration"—refused to overturn its 1922 decision which judicially created baseball's antitrust exemption. Repeal of baseball's exemption, the Court held, must come from Congress.

I introduced a bill in 1976 to repeal the baseball exemption, and the Justice Department quickly endorsed that bill. In January 1977, the House Select Committee on Professional Sports concluded that—

Adequate justification does not exist for baseball's special exemption from the antitrust laws and that its exemption should be removed in the context of overall sports antitrust reform. H. Rept. 94–1786 at p. 60.

My bill would accept the invitations for congressional action which have been made by the Supreme Court and the House Select Committee on Professional Sports.

In addition, the Sports Antitrust Reform Act of 1979 would address the issue of a teams' having "exclusive territorial rights" entitling it to prevent other teams from playing that sport within a specified distance from its city. Two actual cases should suffice to explain the nature of the problem. First, the owners of the Baltimore Orioles have the "right"—pursuant to an agreement with all the other owners of American League baseball teams—to prevent any other American League owner from locating a team and playing in Washington, D.C. Second, the owners of the Los Angeles Rams are moving their National Football League team to Anaheim and they have indicated that they will exercise their "right" to prevent any other NFL team from playing in the Los Angeles area.

City officials and residents of Washington and Los Angeles are justifiably outraged over the refusal by the Baltimore Orioles and soon-to-be Anaheim Rams to permit new teams to play in R. F. Kennedy Stadium in Washington or in the Coliseum or other excellent facilities in the Los Angeles area. Because of the unjustified territorial restrictions—monopoly rights—asserted by teams like the Orioles and Rams, cities like Washington and Los Angeles stand to lose millions of dollars annually in taxes and revenues.

Historically, professional sports leagues have sought to justify these territorial restrictions by arguing that a geographic area cannot support more than one team in any sport. In a study prepared for the Brookings Institute, however, the distinguished economist Roger Noll refuted these arguments and established the fact that metropolitan areas with population in excess of 2 million can readily support at least two teams in particular sports, with both teams making healthy profits.

The Sports Antitrust Reform Act of 1979, therefore, would prohibit any exclusive territorial rights by sports owners except where the population of the "home territory" is less than 2 million. Under the bill, therefore, the cities of Washington and Los Angeles could actively seek professional sports franchises despite the objections of teams which operate in nearby cities. In that regard, the bill would strip professional sports owners of some of their unfair monopoly power. The bill would have the effect of requiring franchise location decisions to be based on real economics, not greed. Many cities with the capability of supporting professional teams are unfairly stymied by leaguewide monopoly agreements granting each team certain exclusive territorial rights. My bill would—and Congress should—remove those artificial restrictions which deprive many fans of the opportunity to enjoy their favorite sports and which deprive many cities of the opportunity to collect revenues and taxes.

Mr. Speaker, the text of the Sports Antitrust Reform Act of 1979 follows these remarks:

H.R. 2129

A bill to repeal baseball's antitrust exemption, to prohibit certain territorial restrictions in professional sports, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sports Antitrust Reform Act of 1979".

SEC. 2. The Clayton Act (15 U.S.C. 12 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 27. (a) As used in the antitrust laws, the words 'trade or commerce' shall be deemed to include the interstate business of any organized professional sport, including baseball.

"(b)(1) It shall be unlawful for any person engaging in or conducting an organized professional team sport of baseball, football, basketball, hockey or soccer, directly or indirectly to grant, possess or exercise an exclusive right to engage in, conduct or exhibit games of such organized professional team sport in any geographic area except in a home territory in which there are less than 2 million residents.

"(2) As used in this subsection—

"(A) The term 'person' includes any individual, partnership, corporation or unincorporated association or any combination or association thereof, or any professional sports league.

"(B) The term 'home territory' means the city or county or other geographic jurisdiction in which an organized professional sports team is located and plays its home games, and such term includes the area within 75 miles in every direction from the boundary or corporate limits of such city, county or jurisdiction."●

SOVIET MILITARY DOCTRINE AND SALT II

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the United States and the Soviet Union appear to be on the verge of reaching a SALT II agreement. There is little doubt that the treaty will be subject to intense scrutiny in Congress. Much of the debate will concern the technical characteristics and capabilities of weapons systems, but a key feature must also be an analysis of the military doctrines which provide the decisionmaking foundation for the development, procurement, deployment, and operations of these weapons systems.

Unfortunately, the level of the public debate on Soviet military doctrine has been inadequate. We will need to improve our understanding of the substance and process of Soviet military decisionmaking in order to appraise realistically the impact of the SALT II treaty on American national security. A major part of this effort must be to understand the factors which Soviet planners must take into consideration. An obvious example is the Sino-Soviet conflict. What role does China play in Soviet military thinking? How does it influence Soviet force structure decisions? Deployment decisions? Procurement decisions? There is always a danger that Soviet forces deployed against China could be shifted to the European front. But this does not automatically mean that Soviet troops deployed against China are as threatening to Western Europe as are Warsaw Pact forces.

An equally important question concerns Soviet attitudes toward deterrence and so-called war fighting capability. These are very different doctrines in theory. But in practice could they both be defensive doctrines? This will be an important issue in the coming SALT debate.

The Brookings Institution is currently engaged in a study of Soviet strategic doctrine which will include a perceptive analysis of the Soviet view of deterrence. The study, authored by Robert Berman and John Baker, will move us away from simplistic notions about "war fighting" and instead move us into the real world of military decisionmaking.

A portion of this study has been released in the recent Arms Control Association newsletter in an article on the role of the Soviet Backfire bomber in Soviet strategic and theater modernization doctrines. I believe it is a significant contribution to improving our understanding of the relation between Soviet weapon characteristics and military doctrine. It should help Congress debate the impact of SALT II on American national security with a realistic assessment of the Backfire instead of relying on "worst case" scenarios which no military planner would endorse.

The authors argue that:

First. Most analyses of the Backfire are inaccurate because they fail to examine overall Soviet military strategy, which is quite different than ours, reflecting their different geopolitical situation;

Second. Soviet strategic nuclear strategy is not that of "war fighting," but of denial; that is, the Soviets seek to

neutralize or disrupt an adversary's capability of attacking.

Third. Given this analysis of Soviet nuclear strategy, the most useful weapon to fulfill such a mission is still the land-based ICBM. Manned bombers are too slow for such a time-critical mission; and

Fourth. The Backfire, therefore, is designed principally for regional tactical missions—not for intercontinental strikes against the U.S. mainland.

The authors also point out that misunderstanding Backfire could result in diversion of air defense dollars from defense of NATO and U.S. naval forces in order to build air defenses in the United States.

The full text of the article follows these remarks:

BACKFIRE PLAGUES SALT

(By Robert P. Berman and John C. Baker)

(One of the final points of controversy in the SALT II negotiations has been the role of the Soviet Backfire bomber: is it a long-range bomber which threatens the U.S. or merely a theater weapon deployed against Western Europe and China? The U.S. delegation has contended that Backfires could be used for intercontinental strikes, thus should be counted as delivery vehicles for nuclear warheads. The Soviets say no. The impasse may be solved by a special letter from Soviet party leader Leonid Brezhnev guaranteeing against deployment of the bomber in an intercontinental configuration.

(Robert P. Berman and John C. Baker are researchers at the Brookings Institution in Washington, D.C., where both are involved in a study of Soviet strategic forces. In this article, Berman and Baker warn against simple comparisons of the Backfire with U.S. bomber forces, and place the aircraft in the appropriate contexts of Soviet strategic doctrine and the modernization of Soviet theater forces.)

Judging the role and mission of the Soviet bomber NATO authorities call Backfire has been a nagging issue for Western defense analysts and SALT negotiators in recent years. Western intelligence first noticed plans for Backfire in 1969, and the plane entered operational service with the Soviet Long-Range (LRA) and Naval Aviation (SNA) units in 1974. Since then, Backfire has been replacing TU-15 Badger and TU-22 Blinder aircraft. For every two Backfires that enter service, about three Badgers or Blinders are retired. Presently some 115 Backfire bombers are divided about equally between Long Range and Naval Aviation. Production is now estimated at about 30 per year, but could rise slightly in the future. Eventually some 450 Backfires could be in service; split either 100/350 or 190/260 between the SNA and the LRA.

A simple comparison of Backfire to the U.S. bomber force and its capabilities cannot properly evaluate the military significance of the aircraft. Backfire's importance must be weighed in the context of overall Soviet military strategy.

REGION WORRIES SOVIETS

Certain fundamental influences have shaped the distinctive development of Soviet military policy in general, and Soviet strategic forces in particular. The most basic of these influences stems from Russia's position as a large continental nation separated from powerful neighbors by long and relatively accessible borders. The geopolitical position of the Soviets accounts for their continuing preoccupation with developments in areas contiguous to their eastern and western boundaries. Potential threats from both China and Western Europe have given the Soviet government, like Imperial Russia, an ingrained fear of the possibility of a two-front war. Various historical experiences, particularly World War II, have fostered visceral Soviet apprehensions of military action by West Germany or Japan. Today the Soviets have the added worry of continuing hostility from China.

One result of this situation has been the development of a Soviet regional strategic perspective that reflects a great deal of sensitivity toward political developments and military threats along the periphery of the U.S.S.R.

Not surprisingly, this orientation is more analogous to that of other continental states than to the peculiar strategies developed by a transoceanic nation like the United States. The Soviets do not, like the United States, limit their strategic weapons systems or operations to those needed for deep-strike capabilities. The Soviets have a broader conception than the U.S. of what weapons are strategically important.

Soviet military planning assumes that strategic operations in wartime would be carried out in many theaters. The theaters might be on the ground, maritime or intercontinental, and the Soviets rank various theaters as primary or secondary according to their military, political and economic significance. The Soviet definition of an intercontinental theater of operations includes not only the continents on which the warring countries are located, but the open ocean in between.

The proximity of potentially hostile states to the U.S.S.R. may explain the relatively high threat perceptions held by the Soviet political and military leadership. While it is uncertain how this factor actually affects Soviet strategic force levels and targeting requirements, the geographical proximity of the U.S.S.R. to its potential adversaries probably increases the level of forces it maintains and assigns against local areas. America's remoteness from its enemies relieves U.S. military leaders of planning to counter local threats.

DOCTRINE OF DENIAL

An approach to modern warfare rooted in traditional military concepts also helps explain the distinctive Soviet strategic doctrine. Many analysts have characterized U.S. doctrine as one designed for deterrence, while Soviet strategy is based upon warfighting. Such an overdrawn distinction hinders more than helps to understand Soviet military doctrine, however, since both sides actually seek deterrence and maintain forces that could be brought to bear in case of a failure of deterrence.

The real difference between U.S. and Soviet doctrines is not deterrence versus warfighting, but rather between different approaches to both deterrence and hedging against its lapse. The two concepts differ mainly by implying distinct types of capabilities necessary for each country to establish a credible deterrent.

American strategic doctrine seeks deterrence through the threat of punishment, while Soviet strategy emphasizes deterrence through a denial capability. By deterrence through punishment, the U.S. seeks to deter an attacker from launching a first strike by maintaining a capability guaranteeing the attacker that he will suffer unacceptable damage in a retaliatory strike. By comparison, Soviet deterrence through denial doctrine seeks to deter an attacker by convincing him that he could not carry out a successful attack, and therefore would gain no advantage by striking first. While the U.S. punishment doctrine places priority upon a capability to inflict heavy destruction on the adversary's society, the Soviet denial doctrine requires the best capability possible for neutralizing and disrupting an adversary's attack.

DISTINCTIVE WEAPONS

Since the strategic doctrines of punishment and denial imply different means to achieve a credible deterrent, they have differing target priorities, requiring distinctive weapons. Strategic forces supporting a punishment doctrine must be able to inflict inevitable and unacceptable retaliation upon the enemy, especially upon his urban areas and industrial capability. A wide range of strategic forces is necessary to provide a high degree of confidence that sufficient retaliation upon the enemy's society can be achieved. Bombers, submarine- and ground-launched intercontinental ballistic missiles are therefore virtually interchangeable for a punishment targeting doctrine. Thus the United States relies upon a mutually supporting triad of ICBMs, SLBMs and bombers.

By contrast, the primary mission of forces in a denial strategy is to prevent the enemy's strategic forces from successfully carrying out their missions. Weapons that can rapidly and effectively neutralize or degrade the enemy's primary attack forces are thus of first importance. Currently, the most effective type of weapons for deep strikes against time-urgent enemy offensive force targets are land-based ballistic missiles. Long-range bombers and sea-based ballistic missiles are less suitable to the Soviets for attacking offensive targets in the U.S., primarily due to the long flight time of bombers and the submarine-launched missiles' currently lower accuracy.

BOMBERS: LOCAL MISSIONS

While long flight times preclude bombers from flying deep-strike missions against the United States under the Soviet denial doctrine, the same doctrine gives bombers a well-defined role to play in the land and sea regions surrounding the U.S.S.R.

Soviet bombers are found in both Long Range Aviation, under Air Force control, and Naval Aviation units. Long Range Aviation has over 600 bomber aircraft. Some 80 percent of these are earmarked for regional missions and the remainder for long-range functions. Naval Aviation has about 350 medium-range strike aircraft. In addition, numerous bomber-support aircraft serve electronic warfare, reconnaissance, and air-to-air refueling missions. In the case of Naval Aviation, additional aircraft perform conventional naval duties like anti-submarine warfare.

Interestingly enough, the number of tanker aircraft is quite small compared to U.S. Strategic Air Command stocks, again highlighting the Soviet emphasis upon regional operations. Tankers compose almost 60 percent of the SAC force, while tankers make up only 7 percent of the Soviet Long Range Aviation force.

MODERNIZATION IS CONTINUOUS

The Soviet bomber force has been modernized continuously since the mid-1950s. Both the LRA and SNA utilized the TU-4 *Bull*, a look-alike to the U.S. B-29, for long-range bombing in the early 1950s. LRA *Bulls* no doubt provided an attack capability against military targets in Europe as well as the Far East. Probably equipped with only conventional capabilities, SNA *Bulls* were assigned to attack harbor installations in these same areas.

The TU-16 *Badger*, replacing the *Bull*, became operational with LRA in 1954 and SNA in 1959. Faster, and carrying a larger payload than the *Bull*, the *Badger's* denial mission for the LRA involved striking at airbases and other military targets in NATO and the Far East that might hinder a Soviet offensive. The *Badger* also took on a new mission for the SNA. In addition to the threat posed by SAC bombers, by 1956 the Soviet Union was also vulnerable to attacks from nuclear-armed aircraft aboard carriers in the Mediterranean Sea and Sea of Japan. To combat this threat and deny the U.S. its advantage in wartime, *Badger* aircraft were programmed to strike these high-value targets at the onset of a global war.

A supersonic replacement for the *Badger*, the TU-22 *Blinder*, appeared in 1959. Despite a high dash speed, the *Blinder's* small combat load and a shift of defense resources in the Soviet Union to missile-building limited its introduction into both LRA and SNA.

BOMBER ROLES DWINDLING

The numbers of TU-20 *Bear* and MYA-4 *Bison* bombers that entered service in 1956 were similarly limited in their strike versions. The reasons for the limitation are relevant to understanding *Backfire* today. As Soviet planners have integrated new technologies into military strategy, the role of bombers in strikes against the U.S. has been reduced. The total number of *Bears* and *Bisons* has remained at about 200 since the early 1960s, despite earlier forecasts of a force of over 500 bombers. *Bears* are still produced today, but only for anti-submarine warfare.

The Soviet Air Force, concerned perhaps about its future in competition with the ground-force dominated Strategic Missile Troops, has sought ways to improve its capabilities. One such effort was developing stand-off missiles, attempting to evade enemy air defenses and, incidentally, allowing the Air Force to get on the missile bandwagon. In another attempt to carve out a strategic mission, in 1962 air force bombers began overflying U.S. aircraft carriers, a function eventually shared with Navy bombers.

LRA has also played an expanded role in building land-based forces. Medium-range ballistic missiles are useful for the Soviets to strike targets as deep as Britain or Spain. But, if a war in Europe were to be fought successfully, the Soviets would have to effectively neutralize numerous nuclear-capable strike aircraft at airbases in Central Europe, as well as mobile tactical missiles in Germany. Manned aircraft are the only weapon system currently capable of the precision needed for such strikes.

Thus, by the early 1960s, the Soviet military had deployed a large medium-range bomber force for use by LRA and SNA. Over 1600 *Badgers* and 200 *Blinders* were built in that period. Through accidents and obsolescence less than half that total number remain today.

DECADE OF NEGLECT

But in the interim decade between 1959 (when the *Blinder* first flew) and 1969 (when *Backfire* was noticed) the theater forces did not modernize as might have been expected. In the decade following the regional theater buildup which emphasized bombers, Soviet military procurement centered on ICBMs for delivering deep nuclear strikes. The investment in missiles is traceable in part to a shift in threats to the U.S.S.R. between the mid-1950s and early 1960s, and Soviet methods of dealing with the changing threat.

Indeed, limited production of the *Blinder* and the inadequacies of the never-deployed SS-14 and SS-15 medium-range missiles left the regional theater forces with large numbers of elderly bomber and missile systems. The medium-range, soft sited SS-4 and SS-5 missiles were vulnerable to preemption, while the high-flying TU-16s and TU-22s equipped with marginal electronic countermeasures were open to interception.

Clearly, given the importance of the regional theaters to the Soviet military, by 1969 it appeared that modernization programs would be needed to increase force capabilities. The bomber of the 1970s would have to be capable of attacking aircraft carrier task forces, air bases in Europe and the Far East, pre-positioned equipment stocks in Germany and mobile missiles such as the Pershing. Given the age of the *Badger* force, the *Backfire* was a logical replacement designed to meet the high-intensity combat environments a Soviet military planner must face today.

The *Backfire* bomber has been developed and deployed to fill regional Soviet military strike requirements. Fitting it out to fly intercontinental missions would compromise the excellent performance characteristics of the aircraft at medium ranges and low altitudes, and would threaten the interbureaucratic eminence in Soviet military policy of ballistic missiles for deep strikes against the United States. No technological barrier prevents the Soviet Union from building a deep-strike heavy bomber. They have made a choice not to build such a bomber, and have invested instead in modernizing the medium-bomber force, a process which has been an important element of Soviet military procurement since the mid-1950s.

DANGERS OF MISCONSTRUAL

Viewing *Backfire* as a deep-strike bomber rather than a regional weapon incorrectly assumes that the Soviets have military requirements similar to those of the United States, therefore threats from Europe or the Far East assume minor importance. Misunderstanding *Backfire* could result in a diversion of air defense dollars now allocated for the defense of NATO and U.S. naval forces in order to build air defenses against the plane for the continental United States. More seriously, pressure to include *Backfire* in SALT II tradeoffs, while promising little effect on real military capabilities, has nonetheless risked U.S. concessions on issues like forward-based systems which might not otherwise have been raised.

SALT III may include negotiations on regional weapons—the U.S. forward-based systems in Europe, U.S. Pershing missiles, and Soviet SS-20 missiles. Discussions about limiting the Soviet *Backfire* bomber properly belong in that context.●

THE DANGERS AND FALLACIES IN THE ALARMIST APPROACH TO SALT II AND SOVIET STRATEGIC WEAPONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the opponents of a new SALT II Treaty have in recent weeks been waging a compaign based on misinformation and deliberate falsification. Articles have appeared in the Economist of London, Newsweek, and the CONGRESSIONAL RECORD which purport to show that by the early 1980's, under a SALT II Treaty the Soviet Union will have gained "strategic superiority" over the United States. Specifically, it has been repeatedly charged that the Soviets will be able to destroy the U.S. land-based ICBM force and therefore will be able to back the United States down in some new political crisis.

Even if one gave full credence to the alleged "Minuteman vulnerability" problem, it is obvious to me that no Soviet leader in his right mind would attack U.S. ICBM's unless he was sure he could destroy not only all of our Minuteman but also all or nearly all of our strategic submarine and bomber forces as well. The fact is that the Soviets could not do it now, or in 1985, or at any other time in the foreseeable future.

For the foreseeable future, both the United States and the Soviet Union would be destroyed as functioning industrial societies in the event of all-out thermonuclear war. There is no way under the SALT I Treaty or the proposed SALT II Treaty, that the Russians can gain "strategic superiority" over us, nor we over them.

Mr. Speaker, I ask unanimous consent to have the attached article by Walter Pincus, "The Soviet Strategic 'Advantage,'" from the Washington Post of February 5, 1979, printed in the RECORD. This article skillfully points out the dangers and fallacies in the alarmist approach to SALT II and Soviet strategic weapons.

[From the Washington Post, Feb. 5, 1979]

THE SOVIET STRATEGIC "ADVANTAGE"

(By Walter Pincus)

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen good examples of this in two recent critical analyses of the pending SALT agreement. Or perhaps I should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warhead SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expect that SS18s may eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8-10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor, the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S. advanced technology permitted small, more accurate warheads to be built.

As U.S. missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—diminishes to almost zero. A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States,

deriving from it advantages such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 300 of which are always on 15-minute alert at the end of run-ways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the Mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation, The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using The Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-'60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60's, announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Sovet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missile, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keep us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry: he and The Economist are playing the same game, but with the formidable U.S. force.●

□ 1230

GENERAL LEAVE

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. JEFFORDS).

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. SABO. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and include therein extraneous material on the subject of the special order today by the gentleman from Oregon (Mr. AUCOIN).

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BROOMFIELD (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. RAILSBACK (at the request of Mr. RHODES), for the week of February 12, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STRATTON, for 5 minutes, and to include extraneous matter.

Mr. WHITE, for 60 minutes, on February 15, 1979.

(The following Members (at the request of Mr. CLINGER) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. ROUSSELOT, for 10 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. GREEN, for 5 minutes, today.

(The following Members (at the request of Mr. SABO) and to revise and extend their remarks and include extraneous matter:)

Mr. AUCOIN, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROOKS, for 15 minutes, today.

Mr. ROBERTS, for 5 minutes, today.

Mr. ALEXANDER, for 60 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. BINGHAM, for 15 minutes, today.

Mr. ANNUNZIO, for 60 minutes, on February 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CLINGER) and to include extraneous matter:)

Mr. MOORHEAD of California.

Mr. STANGELAND.

Mr. CARTER in two instances.

Mr. LAGOMARSINO in two instances.

Mr. ABDNOR in two instances.

Mr. SEBELIUS.

Mr. WYDLER.

Mr. COLLINS of Texas in two instances.

Mr. SPENCE.

Mr. ROUSSELOT.

Mr. FISH.

(The following Members (at the request of Mr. SABO) and to include extraneous material:)

Mr. PEASE.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. MINISH.

Mr. HAMILTON in two instances.

Mr. ROSENTHAL.

Mr. NATCHER.

Mr. WAXMAN in two instances.

Mr. ROBERTS.

Mr. BENJAMIN.

Mr. DINGELL.

Ms. MIKULSKI.

Mr. FARY.

Mr. LEHMAN.

Mr. PERKINS.

Mr. CONYERS.

Mr. BROOMFIELD.

Mr. PATTEN.

Mr. NEDZI.

Mr. AMBRO.

Mr. RATCHFORD.

Mr. FLIPPO.

Mr. BIAGGI.

Mr. SMITH of Iowa.

ADJOURNMENT

Mr. SABO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until Thursday, February 15, 1979, at 11 o'clock a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees and interparliamentary groups concerning the foreign currencies and U.S. dollars utilized by them during January 1 and September 26, 1978, in connection with foreign travel are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. David R. Bowen	3/26	[3] 3/25	Portugal				698.00				698.00
Hon. Floyd J. Fithian	3/27	3/30	Italy		225.00						225.00
	3/30	3/31	Tunisia		63.07						63.07
	3/31	4/2	Switzerland		150.00		70.03				220.03
Transportation provided by Department of Defense.							765.59				765.59
Hon. James P. Johnson	3/27	3/31	Italy		300.00						300.00
	3/31	4/2	Switzerland		150.00		70.03				220.03
Transportation provided by Department of Defense.							662.35				662.35
Hon. Edward R. Madigan	3/18	3/20	Japan		150.00						150.00
	3/20	4/1	People's Republic of China.		975.00						975.00
	4/1	4/2	Hong Kong		75.00						75.00
Eugene Moos	6/5	6/10	United Kingdom		450.00						450.00
	6/11	6/15	Switzerland		375.00						375.00
	6/16	6/23	United Kingdom		600.00						600.00
Hon. Richard Nolan	6/11	6/13	Mexico		225.00		347.00				572.00
Hon. Frederick W. Richmond	1/3	1/4	Japan		51.81		2.66				54.47
	1/4	1/16	People's Republic of China		975.00						975.00
Transportation provided by Department of Defense.							2,897.40				2,897.40
Hon. James Weaver	1/3	1/4	Japan		45.51		2.66				48.17
	1/4	1/16	People's Republic of China		975.00						975.00
Transportation provided by Department of Defense.							2,897.40				2,897.40
Committee total					5,785.39		10,419.20				16,204.59

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Departure from Washington for Portugal after completion of committee business to meet delegation.

THOMAS S. FOLEY,
Chairman, Committee on Agriculture.

Dec. 8, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Joseph P. Addabbo	1/4	1/5	Sweden		75.00		28.29				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. Joseph P. Addabbo	2/15	2/18	Israel		225.00		2,033.00				2,258.00
Hon. Bill Alexander	1/4	1/5	Sweden		75.00		28.90				
	1/5	1/12	U.S.S.R.		525.00		158.80				
	1/12	1/18	Israel		375.00		[3] 2,310.00				
Total					975.00		2,479.79				3,472.79
Hon. Bill Alexander	8/20	8/22	West Germany		225.00						
	8/22	8/28	Switzerland		150.00		1,515.00				
Total					375.00		1,515.00				1,890.00
Hon. Mark Andrews	1/4	1/5	Sweden		75.00		28.90				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. Max Baucus	4/12	4/13	Canada		150.00		136.00				286.00
Hon. Tom Bevill	1/4	1/5	Sweden		75.00		28.90				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	France		150.00						
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		2,986.02				4,036.02
Hon. Robert Duncan	6/30	7/2	Egypt		150.00						
	7/2	7/5	Saudi Arabia		225.00						
	7/5	7/9	Somalia		203.86		36.25				
	7/9	7/11	Italy		150.00		40.41				
Transportation							2,867.00				
Total					728.86		2,904.66				3,323.52

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

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Hon. John J. Flynt	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. John J. Flynt		8/16	United States		50.00						
	8/17	8/18	Switzerland		75.00						
	8/18	8/19	Belgium		75.00						
	8/19	8/20	Iraq		75.00						
	8/20	8/21	Saudi Arabia		75.00						
	8/21	8/22	North Yemen		75.00						
	8/22	8/23	Saudi Arabia		75.00						
	8/23	8/27	England		300.00		1,686.40				
	8/27		United States		50.00		[3] 365.45				
Total					850.00		2,051.85				2,901.85
Hon. Jack Kemp	5/25	5/28	Switzerland		300.00		1,736.05				2,036.05
Hon. Clarence Long	1/2	1/3	United States		50.00						
	1/3	1/6	Haiti		165.00						
	1/6	1/9	Guatemala		165.00						
	1/9	1/11	Honduras		165.00						
	1/11	1/13	El Salvador		105.00		840.00				
Total					650.00		840.00				1,490.00
Hon. Joseph McDade	3/9	3/13	England		150.00		1,393.00				1,543.00
Hon. Gunn McKay	1/1	1/4	Scotland		300.00		501.48				
	1/4	1/5	England		75.00		[3] 271.00				
	1/5	1/6	Spain		75.00		[3] 206.40				
	1/6	1/9	Germany		125.00		1,729.00				
Total					575.00		2,707.88				3,282.88
Hon. Robert H. Michel	3/24	3/25	Japan		75.00		15.00				
	3/25	4/5	People's Republic of China		825.00		[3] 2,897.40				
Total					900.00		2,912.40				3,812.40
Hon. Clarence Miller	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.08				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. John Myers	1/3	1/4	Japan		75.00						
	1/4	1/7	Philippines		225.00						
	1/7	1/9	New Guinea		150.00						
	1/9	1/12	Australia		300.00						
	1/12	1/15	Singapore		225.00						
	1/15	1/17	Malaysia		75.00						
	1/17	1/20	India		300.00						
	1/20	1/22	England		150.00						
Total					1,500.00		4,036.00				5,536.00
Hon. George O'Brien	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		221.00		53.85				
Transportation							[3] 2,310.00				
Total					971.00		3,078.76				4,049.76
Hon. Ralph Regula	1/3	1/5	United Kingdom		225.00		[3] 271.00				
	1/5	1/6	Spain		75.00		[3] 206.40				
	1/6	1/9	Germany		140.00		1,514.00				
Total					440.00		1,991.40				2,431.40
Hon. Robert L. F. Sikes	1/8	1/10	Panama		225.00						
	1/10	1/11	Colombia		75.00						
	1/11	1/14	Nicaragua		225.00		435.00				
Transportation							[3] 413.00				
Total					525.00		848.00				1,373.00
Hon. Robert L. F. Sikes		8/16	United States		50.00						
	8/17	8/18	Switzerland		150.00						
	8/18	8/19	Belgium		75.00						
	8/19	8/20	Iraq		75.00						
	8/20	8/21	Saudi Arabia		75.00						
	8/21	8/22	North Yemen		75.00						
	8/22	8/23	Saudi Arabia		75.00						
	8/23	8/24	Egypt		75.00						
	8/24	8/25	Libya		75.00						
	8/25	8/27	Italy		150.00						
	8/27	8/29	South Africa		150.00						
	8/29	8/30	Rhodesia		75.00						
	8/30	8/31	South Africa		75.00						
	9/1		United States		50.00		4,732.25				

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

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Transportation							[3] 365.45				
Total					1,225.00		5,097.70				6,322.70
Hon. Neal Smith	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,118.76
Hon. Louis Stokes	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.74				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/16	Morocco		225.00		53.85				
Transportation							[3] 2,310.00				
Total					975.00		3,078.76				4,053.76
Hon. Charles Wilson	Information not yet received.										
George Allen	1/3	1/5	United Kingdom		200.00		[3] 271.41				
	1/5	1/6	Spain		75.00		[3] 206.40				
	1/6	1/11	Germany		300.00		1,454.00				
Total					575.00		1,931.40				2,506.40
George Allen	3/22	3/24	Turkey		225.00						
	3/25	3/26	Greece		150.00						
	3/27	3/29	Italy		225.00		[3] 640.00				
	3/30	4/2	Spain		300.00		1,685.00				
Total					900.00		2,325.00				3,225.00
George Allen	7/4	7/8	Panama		300.00		339.00				639.00
George Allen	8/19	8/23	Japan		375.00		[3] 300.00				
	8/23	8/29	Korea		450.00						
	8/29	8/30	Guam		75.00						
	8/30	9/2	Hawaii		225.00		2,338.00				
Total					1,125.00		2,638.00				3,763.00
Donna Brother	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	France		150.00						
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		2,986.02				4,036.02
Donald L. Denton	8/20	8/23	Colombia		225.00						
	8/23	8/27	Peru		375.00						
	8/27	8/31	Bolivia		300.00						
	8/31	9/4	Chile		300.00		1,162.40				
Total					1,200.00		1,162.40				2,362.40
Jimmy R. Fairchild	3/22	3/24	Turkey		225.00						
	3/25	3/26	Greece		150.00						
	3/27	3/29	Italy		225.00						
	3/30	4/2	Spain		300.00		1,685.00				
							[3] 640.00				
Total					900.00		2,325.00				3,225.00
Jimmy R. Fairchild	7/4	7/8	Panama		300.00		339.00				639.00
Merwyn C. Greer	1/7	1/10	Austria		225.00		382.72				
	1/10	1/13	France		300.00		282.63				
	1/13	1/19	England		375.00		397.81				
							1,517.64				
Total					900.00		2,580.80				3,480.80
Aubrey Gunnels	1/5	1/8	Bahamas		225.00		291.60				516.60
Richard Malow	8/20	8/24	Austria		281.25						
	8/24	8/28	Netherlands		375.00						
	8/28	8/29	Germany		75.00						
	8/29	8/31	France		150.00		1,330.16				
Total					881.25		1,330.16				2,211.41
Dempsey B. Mizelle	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
John Outhaus	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Edwin Powers	Information not yet received.										
Donald E. Richbourg	1/4	1/6	Haiti		100.00						
	1/6	1/9	Guatemala		150.00						
	1/9	1/11	Honduras		150.00						
	1/11	1/13	El Salvador		100.00		783.00				
Total					500.00		783.00				1,283.00
Austin Smith	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Austin Smith	2/15	2/18	Israel		225.00		2,111.00				2,336.00
Donald Smith	1/1	1/4	Scotland		225.00		501.48				
	1/4	1/5	England		75.00		[3] 271.00				
	1/5	1/6	Spain		75.00		[3] 206.40				
	1/6	1/11	Germany		325.00		[3] 128.50				
	1/11	1/13	Belgium		100.00		1,454.00				
Total					800.00		2,561.38				3,361.38
Donald Smith	7/18	7/21	Panama		300.00		509.00				809.00
Charles Snodgrass	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hunter L. Spillan		8/20	United States		75.00						
	8/21	8/24	Austria		225.00						
	8/24	8/28	Netherlands		375.00						
	8/28	8/29	Germany		75.00						
	8/21	9/1	France		225.00						
	9/1	9/5	England		300.00		1,304.10				
Total					1,275.00		1,304.10				2,579.10
George Urian	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/13	France		300.00						
	1/13	1/19	England		375.00		185.02				
							[3] 2,310.00				
Total					1,125.00		3,049.45				4,174.45
Committee total					34,596.11		97,809.50				132,405.61

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Travel by military aircraft. Costs shown are comparable 1st class commercial rates.

Jan. 23, 1979.

JAMIE WHITTEN,
Chairman, Committee on Appropriations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SURVEYS AND INVESTIGATIONS STAFF, HOUSE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Victor Antioman	9/9	9/16	West Germany		600.00		1,488.00				2,088.00
Richard Atwell	9/9	9/16	West Germany		600.00		1,515.00				2,115.00
George C. Baird	3/12	3/22	West Germany		806.25		1,515.00				2,321.25
Charles Botz	3/18	3/31	West Germany		1,050.00		1,515.00				2,565.00
James B. Denny	8/5	8/13	England		637.50						
	8/13	8/16	Spain		243.75						
	8/16	8/18	Italy		150.00						
	8/18	8/22	West Germany		300.00		1,895.80				3,227.05
Edwin C. Eads	5/25	6/3	Columbia		712.50		793.00				1,505.50
	6/26	7/8	Philippines		937.50						
	7/8	7/10	Malaysia		150.00						
	7/10	7/15	Indonesia		431.25						
	7/15	7/17	Thailand		112.50						
	7/17	7/18	Hong Kong		112.50		3,173.13				4,916.88
	8/20	8/31	Ivory Coast		900.00		1,769.00				2,669.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SURVEYS AND INVESTIGATIONS STAFF, HOUSE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Louis E. Eisenwine	3/12	3/22	West Germany		806.25		1,515.00				2,321.25
Donald J. Fitzgerald	3/11	3/14	Italy		262.50						
	3/14	3/18	Turkey		318.75						
	3/18	3/26	West Germany		581.25						
	3/26	4/2	England		543.57		1,798.00				3,584.25
Anthony J. Gabriel	3/12	3/18	West Germany		543.75		1,515.00				2,058.75
Michael O. Glynn	3/11	3/14	Italy		262.50						
	3/14	3/18	Turkey		318.75						
	3/18	3/26	West Germany		581.25						
	3/26	4/2	England		543.75		1,798.00				3,584.25
John G. Goedtel	8/5	8/13	England		637.50						
	8/13	8/16	Spain		243.75						
	8/16	8/18	Italy		150.00						
	8/18	8/22	West Germany		300.00		1,895.80				3,227.05
Ramon E. Gonzalez	5/21	5/29	Honduras		656.25						
	5/30	6/3	Bolivia		525.00		1,944.41				3,215.66
	6/25	7/8	Philippines		1,012.50						
	7/8	7/17	Malaysia		712.50						
	7/17	7/19	Hong Kong		150.00		2,962.93				4,827.93
Don L. Hubbard	3/18	3/24	England		487.50						
	3/24	4/4	West Germany		768.75		1,515.00				2,771.75
J. Brian Hyland	6/25	7/8	Philippines		1,012.50						
	7/8	7/10	Malaysia		150.00						
	7/10	7/15	Indonesia		431.25						
	7/15	7/17	Thailand		112.50						
	7/17	7/18	Hong Kong		112.50		3,131.00				4,968.75
Lawrence R. Keller	3/18	3/29	West Germany		881.25						
	3/29	3/31	Belgium		187.50		1,482.00				2,550.75
William A. Kish	3/18	3/24	England		487.50						
	3/24	4/4	West Germany		768.75		1,515.00				2,771.25
John C. Layton	5/21	5/29	Honduras		656.25						
	5/30	6/3	Bolivia		525.00		1,944.41				3,125.66
	6/26	7/1	Pakistan		431.25						
	7/1	7/9	India		600.00						
	7/9	7/10	Malaysia		75.00						
	7/10	7/16	Indonesia		431.25						
	7/16	7/17	Thailand		75.00						
	7/17	7/18	Hong Kong		75.00		3,268.10				4,955.60
	8/19	8/20	England		75.00						
	8/20	8/30	Malawi		825.00						
	8/31	9/1	England		112.50		1,699.00				2,711.50
Charles T. McCormas	3/18	3/31	West Germany		1,031.25		1,515.00				2,546.25
Richard F. McEliece	3/18	3/29	West Germany		881.25						
	3/29	3/31	Belgium		187.50		1,482.00				2,550.75
John J. Radican	9/9	9/16	West Germany		600.00						
	9/16	9/20	England		281.25		1,515.00				2,396.25
David A. Schmidt	3/11	3/14	Italy		262.50						
	3/14	3/18	Turkey		318.75						
	3/18	3/22	West Germany		200.00		1,798.00				2,579.25
William B. Soyars, Jr.	3/18	3/19	England		112.50						
	3/19	3/21	Italy		150.00						
	3/21	4/4	West Germany		1,050.00		1,669.00				2,981.50
Joe C. Sparks	5/21	5/28	Honduras		525.00						
	5/28	6/3	Colombia		468.75		1,162.70				2,156.54
	6/26	7/1	Pakistan		431.25						
	7/1	7/9	India		600.00						
	7/9	7/10	Malaysia		75.00						
	7/10	7/16	Indonesia		431.25						
	7/16	7/17	Thailand		75.00						
	7/17	7/18	Hong Kong		75.00		3,268.10				4,955.60
	8/19	8/20	England		75.00						
	8/20	8/30	Malawi		825.00						
	8/31	9/1	England		112.50		1,699.00				2,771.50
Raymond E. Talley	9/9	9/16	West Germany		600.00						
	9/16	9/20	England		281.25		1,515.00				2,396.25
Edward F. Tennant	6/26	7/8	Philippines		937.50						
	7/8	7/17	Malaysia		712.50						
	7/17	7/19	Hong Kong		150.00		3,138.00				4,938.00
	8/20	8/31	Ivory Coast		900.00		1,769.00				2,669.00
Leonard M. Walters	5/21	5/26	Honduras		375.00		607.67				982.67
	6/25	6/30	Philippines		525.00		2,733.00				3,258.00
R. W. Vandergrift	3/18	3/19	England		112.50						
	3/19	3/21	Italy		150.00						
	3/21	4/4	West Germany		1,050.00		1,669.00				2,981.50
James S. VanWagenen	8/5	8/13	England		637.50						
	8/13	8/16	Spain		243.75						
	8/16	8/18	Italy		150.00						
	8/18	8/22	West Germany		300.00		1,895.80				3,227.05
Committee total					42,068.75		69,073.85				111,142.60

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 23, 1979.

JAMIE WHITTEN,
Chairman, Committee on Appropriations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 197

MASTER COMPILATION JANUARY-SEPTEMBER, 1978 FOREIGN TRAVEL

Name of Member or employee	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Visit to Spain and Germany to investigate military construction matters		1,663.53		4,994.10		409.49		7,067.12
Delegation to examine policy decision to withdraw U.S. forces from Korea		4,972.46		13,783.87		1,951.19		20,707.52

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND SEPT. 26, 1978

MASTER COMPILATION JANUARY–SEPTEMBER, 1978 FOREIGN TRAVEL—Continued

Name of Member or employee	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Study mission to Asia sponsored by International Relations Committee		3, 590. 93		9, 332. 52		776. 52		13, 699. 97
Visit to Geneva to observe SALT negotiations		750. 00		1, 934. 00		293. 22		2, 977. 22
Delegation to Russia		15, 825. 00		58, 364. 07		3, 909. 85		78, 098. 92
Delegation to Switzerland to participate in SALT and CTB talks		4, 500. 00		35, 715. 49		3, 462. 82		43, 678. 31
Delegation to Europe to review NATO standardization and interoperability and readiness		5, 282. 87		22, 011. 23		2, 606. 51		29, 900. 61
Military Compensation Subcommittee visit to review financial plight of enlisted personnel in Europe		1, 220. 02		6, 570. 97		373. 70		8, 164. 69
Individual members and staff travel		1, 200. 00		4, 328. 40				5, 528. 40
Visit to Puerto Rico, Panama, and Colombia for onsight briefings in preparation for fiscal year 1980 military construction hearings		900. 00		9, 694. 08				10, 594. 08
Committee total		39, 904. 81		166, 728. 73		13, 783. 30		220, 46. 84

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

VISIT TO SPAIN AND GERMANY TO INVESTIGATE MILITARY CONSTRUCTION MATTERS, JAN. 3–11, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent, or U.S. currency [2]
Whitehurst, G. William	1/3	1/4	England								
	1/4	1/5	Spain	7, 104	88. 03						88. 03
	1/5	1/11	Germany	660	225. 50		1, 664. 70				1, 890. 20
Scrivner, Peter C	1/3	1/4	England								
	1/4	1/5	Spain	12, 104	150. 00						150. 00
	1/5	1/11	Germany	1, 081. 50	525. 00		1, 664. 70				2, 189. 70
Tsempanas, Paul L	1/3	1/4	England								
	1/4	1/5	Spain	12, 104	150. 00						150. 00
	1/5	1/11	Germany	1, 081. 50	525. 00		1, 664. 70				2, 189. 70
									409. 49		409. 49
Committee total					[3] 1, 663. 53		[4] 4, 994. 10		[5] 409. 49		7, 067. 12

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.
[4] Transportation paid by Army.
[5] Official expenses paid by Army for group.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

DELEGATION TO EXAMINE POLICY DECISION TO WITHDRAW U.S. FORCES FROM KOREA, JAN. 3–13, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Beard, Robin L	1/3	1/4	Japan	18, 052. 67	75. 00						75. 00
	1/4	1/8	Korea	121, 930	300. 00						300. 00
	1/8	1/9	Japan	18, 052. 67	75. 00		1, 889. 12				1, 964. 12
Daniel, Robert W., Jr	1/3	1/4	Japan	18, 052. 67	75. 00						75. 00
	1/4	1/8	Korea	121, 930	300. 00						300. 00
	1/8	1/10	Japan	36, 105. 34	150. 00						150. 00
	1/10	1/11	Taiwan	5, 692. 55	150. 00						150. 00
	1/11	1/13	Philippines	1, 106. 25	150. 00		2, 328. 66				2, 478. 66
Stratton, Samuel S	1/3	1/4	Japan	51, 158	212. 54						212. 54
	1/4	1/8	Korea	88, 100	185. 00						185. 00
	1/8	1/10	Japan								
	1/10	1/11	Taiwan	3, 892. 55	102. 66						102. 66
	1/11	1/13	Philippines	706. 55	95. 76		2, 328. 66				2, 424. 42
Won Pat, Antonio B	1/3	1/5	Japan	54, 158	225. 00						225. 00
	1/10	1/12	Taiwan	5, 692. 55	150. 00						150. 00
	1/12	1/14	Philippines	553. 13	75. 00		215. 33				290. 33
Hughes, Peter C	1/1	1/4	Japan	54, 157. 50	225. 00						225. 00
	1/4	1/8	Korea	144, 000	300. 00						300. 00
	1/8	1/10	Japan	54, 157. 50	225. 00						225. 00
	1/10	1/11	Taiwan	5, 692. 55	150. 00						150. 00
	1/11	1/13	Philippines	1, 106. 25	150. 00		2, 364. 78				2, 514. 78
Lally, John F	1/3	1/4	Japan	18, 052. 67	75. 00						75. 00
	1/4	1/8	Korea		253. 00						253. 00
	1/8	1/10	Japan	36, 105. 34	150. 00						150. 00
	1/10	1/11	Taiwan		148. 50						148. 50
	1/11	1/13	Philippines	1, 106. 25	150. 00		2, 328. 66				2, 478. 66

See footnotes at end of table.

DELEGATION TO EXAMINE POLICY DECISION TO WITHDRAW U.S. FORCES FROM KOREA, JAN. 3–13, 1978—Continued

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Dempsey, Shirley B., official House reporter.	1/3	1/4	Japan	18, 052. 67	75. 00						75. 00
	1/4	1/8	Korea	144, 000	300. 00						300. 00
	1/8	1/10	Japan	36, 105. 34	150. 00						150. 00
	1/10	1/11	Taiwan	5, 692. 55	150. 00						150. 00
	1/11	1/13	Philippines	1, 106. 25	150. 00		2, 328. 66				2, 478. 66
									[3] 1, 874. 82		1, 874. 82
									[4] 76. 37		76. 37

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Official expenses paid by Army for group.
[4] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.
[5] Transportation paid by Army.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

STUDY MISSION TO ASIA SPONSORED BY INTERNATIONAL RELATIONS COMMITTEE, JAN. 3–22, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivilent or U.S. currency [2]
Badham, Robert E	1/3	1/4	Japan	17, 875	75. 00						75. 00
	1/4	1/7	Philippines	1, 659. 38	225. 00						225. 00
	1/7	1/9	New Guinea	108. 32	140. 93						140. 93
	1/9	1/12	Australia	263. 02	300. 00						300. 00
	1/12	1/15	Singapore	524. 25	225. 00						225. 00
	1/15	1/17	Malaysia	172. 50	75. 00						75. 00
	1/17	1/20	India	2, 415	300. 00						300. 00
	1/20	1/22	England	77. 12	150. 00		3, 584. 87				3, 734. 87
Mitchell, Donald J	1/3	1/4	Japan	17, 875	75. 00						75. 00
	1/4	1/7	Philippines	1, 659. 38	225. 00						225. 00
	1/7	1/9	New Guinea	115. 32	150. 00						150. 00
	1/9	1/12	Australia	263. 02	300. 00						300. 00
	1/12	1/15	Singapore	524. 25	225. 00						225. 00
	1/15	1/17	Malaysia	172. 50	75. 00						75. 00
	1/17	1/20	India	2, 415	300. 00						300. 00
	1/20	1/22	England	77. 12	150. 00		3, 584. 87				3, 734. 87
Won Pat, Antonio B	1/12	1/14	Singapore	349. 50	150. 00						150. 00
	1/17	1/20	India	2, 415	300. 00						300. 00
	1/20	1/22	England	77. 12	150. 00		[3] 2, 162. 78				2, 312. 78
									[4] 776. 52		776. 52
Committee total					[5] 3, 590. 93		[3] 9, 332. 52		776. 52		13, 699. 97

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by Army.
[4] Official expenses paid by Army for group.
[5] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

VISIT TO GENEVA TO OBSERVE SALT NEGOTIATIONS, JAN. 23–30, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Hillis, Elwood H	1/13	1/26	Switzerland	451. 60	225. 00						225. 00
	1/26	1/30	Germany	630. 00	300. 00		422. 00				722. 00
Klein, Adam J	1/23	1/25	Switzerland	451. 60	225. 00		1, 512. 00		293. 22		1, 737. 00
Committee totals					[3] 750. 00		[4] 1, 934. 00		[3] 293. 22		2, 977. 22

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.
[4] Transportation paid by Navy.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

DELEGATION TO RUSSIA, MAR. 23–APR. 3, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S currency [2]
Breckinridge, John B	3/23	3/25	Denmark	843. 50	150. 00						150. 00
	3/25	4/1	Russia	2, 952. 35	525. 00						525. 00
	4/1	4/2	Switzerland	141. 55	75. 00						75. 00
	4/2	4/3	Ireland	40. 28	75. 00		[3] 2, 582. 01				2, 657. 01

See footnotes at end of table.

DELEGATION TO RUSSIA, MAR. 23-APR. 3, 1978—Continued

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Carr, Bob	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	3/29	Russia	1,687.05	300.00		[3] 1,452.43				1,752.43
	3/29	4/1	Switzerland	564.00	300.00		[3] 2,438.08				2,738.08
Hillis, Elwood H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Holt, Marjorie S	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Ichord, Richard H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Leggett, Robert L	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Mollohan, Robert H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Montgomery, Gillespie V	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	3/30	Russia	2,108.85	375.00		[3] 2,224.83				2,599.83
Price, Melvin	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	40.28	150.00		[3] 2,727.80				2,877.80
Schroeder, Patricia	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	3/30	Russia	2,108.85	375.00		[3] 1,775.73				2,150.73
Spence, Floyd D	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Stratton, Samuel S	3/25	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Stump, Bob	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Whitehurst, G. William	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Wilson, Bob	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Wilson, Charles H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Won Pat, Antonio B	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Ford, John J	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,528.01				2,657.01
Klein, Adam J	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Shwiller, Seymour	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
In country transportation for the entire group.							[5] 5,558.30				5,558.30
Miscellaneous expenses for the entire group.									[5] 3,909.78		3,909.85
Committee total					[5] 15,825.00		58,364.07		3,909.85		78,098.92

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by Air Force.
[4] Transportation paid by Army.
[5] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

DELEGATION TO SWITZERLAND TO PARTICIPATE IN SALT AND CTB TALKS, MAY 25-31, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Bedham, Robert E	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Beard, Robin	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Breckinridge, John B	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Dickinson, William L	5/25	5/31	Switzerland	886.30	450.00		3,478.21				3,928.21
Treen, David L	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Wilson, Chas H	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Cooper, Thomas E	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Hughes, Peter C	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Klein, Adam J	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Mills, Alvin E., House reporter	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Miscellaneous expenses incurred by entire group									3,462.82		3,462.82
Committee totals					[3] 4,500.00		[4] 35,715.49		[3] 3,462.82		43,678.31

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d Sess.
[4] Transportation paid by Air Force.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

DELEGATION TO EUROPE TO REVIEW NATO STANDARDIZATION, INTEROPERABILITY AND READINESS, JULY 2-8, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Breckinridge, John B	7/2	7/3	France		74.75						74.75
	7/3	7/4	England		74.00						74.00
	7/4	7/6	Germany	305	148.00						148.00
	7/6	7/7	Switzerland	162.05	73.43						73.43
	7/7	7/8	Belgium	2,375	74.72		[3] 2,052.73				2,127.40
Carr, Bob	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/5	Germany	155.25	75.00						75.00
	7/5	7/6	Switzerland	279.90	75.00						75.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.75
Daniel, W. C	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.70
Stump, Bob	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
White, Richard C	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
Whitehurst, G. William	7/2	7/3	France	301	70.62						70.62
	7/3	7/4	England	39.14	74.09						74.09
	7/4	7/6	Germany	212.00	104.36						104.36
	7/6	7/7	Netherlands	107.55	48.90						48.90
	7/7	7/8	Belgium	2,425	38.95		[3] 2,052.73				2,091.68
Cofer, Williston B., Jr	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00						75.00
	7/8	7/12	Germany	618	300.00						300.00
	7/12	7/14	Spain	11,610	150.00		[3] 3,312.84				3,462.84
Hahn, Thomas S	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00						2,127.73
West, Michael A	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
White, Justus P., Jr	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
Mills, Alvin E., official House reporter.	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425.00	75.00		[3] 2,052.73				2,127.73
									[4] 2,606.51		2,606.51
							[5] 223.82				223.82
Committee total					[5] 5,282.87		22,011.23		2,606.51		29,900.61

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by Army.
[4] Official expenses paid by Army for group.
[5] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

MILITARY COMPENSATION SUBCOMMITTEE VISIT TO REVIEW FINANCIAL PLIGHT OF ENLISTED PERSONNEL IN EUROPE, JULY 2-8, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Davis, Mendel	7/6	7/7	Germany		150.00						150.00
	7/7	7/8	Belgium	2,245	75.00		[3] 1,535.00				1,610.00
Nichols, Bill	7/6	7/7	Germany	112.34	54.80						54.80
	7/7	7/8	Belgium	1,300	40.22	[3] 1,535.00					1,575.22
Emmerichs, Robert M	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/7	Germany	768.75	300.00						300.00
	7/7	7/8	Belgium	2,425	75.00		[3] 1,594.50				1,669.50
Spence, LeRoy J	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/7	Germany	768.75	300.00						300.00
	7/7	7/8	Belgium	2,425	75.00		[3] 1,594.50				1,669.50
									373.70		373.70
							[4] 311.97				311.97
Committee total					[4] 1,220.02		6,570.97		[5] 373.70		8,164.69

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by Army.
[4] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d Sess.
[5] Official expenses paid by Army for group.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

INDIVIDUAL MEMBERS AND STAFF TRAVEL—OFFICIAL COMMITTEE BUSINESS JANUARY-SEPTEMBER 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Downey, Thomas J.	7/8	7/8	Switzerland		225.00		881.00				1,106.00
Shumate, James F., Jr.	8/28	9/1	Germany	600	300.00		3,405.00				3,705.00
	9/1	9/5	England	152.47	300.00						300.00
Tsompanas, Paul L.	7/24	7/28	Greece	1,3762.50	375.00		42.40				417.40
Committee total					[3] 1,200.00		[4] 4,328.40				5,528.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong. 2d sess.
[4] Transportation paid by Air Force.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

VISIT TO PUERTO RICO, PANAMA, AND COLOMBIA FOR ONSIGHT BRIEFINGS IN PREPARATION FOR FISCAL YEAR 1980 MILCON HEARINGS, SEPT. 4-6, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Dickinson, Wm. L.	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Cofer, Willison B., Jr.	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Marshall, Ralph	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Tsompanas, Paul L.	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Committee total					900.00		9,694.08				10,594.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Thomas L. Ashley	3/24		Switzerland				720.00				720.00
Hon. Gary Brown	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Silvio Conte	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Theodore Deremes	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Michael Flaherty	12/26/77	1/1/78	Cuba	407.89	525.00		327.63			407.89	852.63
	1/1	1/3	Costa Rica	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Harold Hollenbeck	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	392.65
	1/1	1/4	Colombia	8,541	225.00	1,730.48	45.59			10,271.48	665.59
Hon. Henry Hyde	12/29/77	1/1/78	Cuba	233.08	300.00		395.00				
	1/1	1/3	Colombia	5,694	150.00	1,730.48	62.95			233.08	362.95
	1/3	1/6	Argentina	134,550	225.00	57,900	45.59			7,424.48	195.59
	1/6	1/8	Chile	4,215	150.00	811.87	96.82			192,450	321.82
	1/8	1/12	Brazil	4,785	300.00		28.59			5,026.87	178.59
	1/12	1/15	Costa Rica	2,562	300.00		186.93			4,785	486.93
Hon. John LaFalce	12/29/77	1/1/78	Cuba	233.08	300.00		334.94			2,562	634.94
	1/1	1/3	Colombia	5,694	150.00	1,730.48	62.95			233.08	362.95
	1/3	1/6	Argentina	134,550	225.00	57,900	45.59			7,424.48	195.59
	1/6	1/8	Chile	4,215	150.00	811.87	96.82			192,450	321.82
	1/8	1/12	Brazil	4,785	300.00		28.59			5,026.87	178.59
	1/12	1/15	Costa Rica	2,562	300.00		186.93			4,785	486.93
Gerald McMurray	12/29/77	1/1/78	Cuba	233.08	300.00		142.94			2,562	442.94
	1/1	1/3	Colombia	5,694	150.00	1,730.48	62.95			233.08	362.95
	1/3	1/6	Argentina	134,550	225.00	57,900	45.59			7,424.48	195.59
	1/6	1/8	Chile	4,215	150.00	811.87	96.82			192,450	321.82
	1/8	1/12	Brazil	4,785	300.00		28.59			5,026.87	178.59
	1/12	1/15	Costa Rica	2,562	300.00		186.93			4,785	486.93
Hon. Joseph Minish	12/29/77	1/1/78	Cube	233.08	300.00		142.94			2,562	442.94
	1/1	1/3	Colombia	5,684	150.00	1,730.48	62.95			233.08	362.95
							45.59			7,424.48	195.59

See footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.92			2,562	442.94
Hon. William S. Moorhead	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/8	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Stephen L. Neal	1/3	1/4	Japan	15,113	62.58	642	2.66			15,755	65.24
	1/4	1/16	People's Republic of China		900.00						900.00
Paul Nelson	12/26/77	1/1/78	Cuba	407.89	525.00		327.63			407.89	852.63
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/21	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Graham Northup	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/2	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
James Orr	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		763.26			4,785	1063.26
Hon. Henry Reuss	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/2	1/12	Colombia	29,872	786.93	2,000	347.31			31,872	1134.24
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
	3/24	3/25	Japan	17,182	75.00					17,182	75.00
	3/25	4/5	People's Republic of China.		825.00						825.00
David Secrest	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. J. William Stanton	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
John Stark	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	255.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
David Weil	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon Charles Wilson (Texas)	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.89
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.53
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.92
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Committee total					28,149.51		12,519.09				40,668.60

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Nov. 29, 1978.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance, and Urban Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
William Lehman, MC	3/24	3/25	Japan	17,182	75.00	3,436	15.00				90.00
	3/25	4/5	Peoples' Republic of China		825.00		[3] 2,897.40				3,722.40
Wendell Belew, staff	6/30	7/2	Egypt	105	150.00	3,585	2,507.00				2,657.00
	7/2	7/5	Saudi Arabia	776.05	225.00						225.00
	7/5	7/9	Somalia	824.90	133.18	237.50	38.25				171.34
	7/9	7/11	Italy	1,275	150.00	420	87.66				237.66

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
John F. Cove, staff	6/30	7/2	Egypt	150	150.00	3,585	2,507.00				2,657.00
	7/2	7/5	Saudia Arabia	776.05	225.00						225.00
	7/5	7/9	Somalia	1,783	288.20	237.50	38.25				326.45
	7/9	7/11	Italy	1,275	150.00	420	49.41				199.41
Robert Leggett, MC	6/30	7/2	Egypt	105	150.00	3,585	2,507.00				2,657.00
	7/2	7/5	Saudia Arabia	776.0o	225.00						225.00
	7/5	7/9	Somalia	1,856	300.00	237.50	38.25				338.25
	7/9	7/11	Italy	1,275	150.00	420	49.41				199.41
Committee total					3,196.38		10,734.63				13,931.01

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation to and from China was by U.S. Air Force aircraft. Cost shown would be equivalent to commercial rate.

Nov. 29, 1978.

Signed: ROBERT N. GIAIMO,
Chairman, Committee on the Budget.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR (SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES, SUBCOMMITTEE ON LABOR STANDARDS, SUBCOMMITTEE ON ECONOMIC OPPORTUNITY), U.S. HOUSE OF REPRESENTATIVES, JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Augustus F. Hawkins	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Edward Beard	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Joseph LeFante	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Carl Pursell	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Susan Grayson	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Carole Schanzer	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Ike Andrews	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Gordon Raley	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Pat Sullivan	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Julie Domenick	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Hugh Duffy	8/21	8/23	England	75–75	150.00						
	8/23	8/27	F ance	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Chris Cross	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Nat Sample	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Committee total					13,650.00						
JAN. 3 AND SEPT. 25, 1978											
Hon. John Ashbrook	6/19	6/24	Switzerland	843	450.00		865.06				
Transatlantic airfare and ground transportation							967.00				2,282.06
Donald Baker	6/16	6/29	Switzerland	1,987.65	1,050.00	23.20	12.30				
			Plus (U.S. dollars)		75.00						
Transatlantic airfare and ground transportation							1,528.92				2,666.22
James H. Stephens	6/17	6/29	Switzerland	1,852.50	975.00	85.5	45.00				
Transatlantic airfare and ground transportation							723.40				1,743.40
Committee total					16,200.00						20,341.68

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: At the time the report was filed, the Treasury Department had not yet submitted to the committee the local transportation and per diem costs incurred during this trip. This report is compiled from receipts provided to the Member or staff member, but is incomplete. The overseas transportation costs were not available at the time of this report.

Jan. 24, 1979.

CARL D. PERKINS,
Chairman, Committee on Education and Labor.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Hon. Ted Weiss	1/7	1/11	Hungary	7,818.75	375.00		552.40		28.20	7,818.75	955.60
Hon. John W. Jenrette, Jr.	1/3	1/4	Japan	17,875	75.00					17,875	75.00
	1/4	1/7	Manila	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	225.00					263.02	225.00
	1/12	1/15	Singapore	524.25	225.00					524.25	225.00
	1/15	1/17	Malaysia		150.00						150.00
	1/17	1/20	India	2,415	300.00					2,415	300.00
	1/20	1/22	England	77.12	150.00					77.12	150.00
Transportation provided by U.S. military.											
James E. Lewin	1/30	2/3	Mexico	8,475	375.00		347.00			8,475	722.00
Total					2,250.00		899.40		28.20		3,177.60
Earl F. Rieger	2/12	2/16	Ecuador	7,833	300.00		[3] 1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Richard C. Barnes	2/12	2/16	Ecuador	7,833	300.00		[3] 1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Craig J. Gehring	2/12	2/16	Ecuador	7,833	300.00		[3] 1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Guadalupe R. Flores	2/12	2/16	Ecuador	7,833	300.00		[3] 1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Total					5,100.00		4,935.20				10,035.20
Hon. Jack Brooks	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Hon. John W. Jenrette, Jr.	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00		[5] 391.00			29,250	616.00
Hon. John N. Erlenborn	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
John E. Moore	3/26	3/28	Ecuador	3,916.50	150.00			[6] 2,871.50	109.98	[6] 6,788	259.98
	3/28	3/31	Peru	29,250	225.00			14,278	110.60	[6] 43,528	335.60
	3/31	4/2	Brazil	3,790.10	225.00			1,592.80	94.56	[6] 5,382.90	319.56
Elmer W. Henderson	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Total					2,775.00		391.00		315.14		3,481.14
Lynne Higginbotham	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Craig J. Gehring	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Guadalupe R. Flores	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Earl F. Rieger	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Total					2,400.00						2,400.00
Shirley B. Dempsey	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
James L. George	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
James L. McInerney	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Richard C. Barnes	3/30	4/2	Brazil	5,053.50	300.00		[4] [5] 510.00			5,053.50	810.00
Total					2,100.00		39,702.00				41,802.00
James E. Lewin	4/5	4/7	Canada	225.26	225.00		134.78			225.26	359.78
Benjamin L. Palumbo	4/12	4/16	Canada	412.50	375.00		141.13			412.50	516.13
Bruce R. Butterworth	4/12	4/16	Canada	412.50	375.00		141.13			412.50	516.13
Rachel Halterman	4/12	4/16	Canada	412.50	375.00		141.13			412.50	516.13
Hon. Clarence Brown	6/23	6/24	Switzerland	98.10	49.40		[7] 593.72			98.10	643.12
	6/24	6/25	Belgium	2,369.00	75.68					2,369.00	75.68
	6/25	6/29	Germany	6.00	.30					6.00	.30
	6/29	7/1	England	80.10	150.00					80.10	150.00
Total					1,625.38		1,151.89				2,777.27
Total for Committee on Government Operations					16,250.38		47,079.49		343.34		63,673.21

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation cost provided by U.S. military for entire trip.
[4] Transportation provided by U.S. military airlift: Total cost delegation travel $39,192 (cost per seat $1,781.45).
[5] Transportation provided by U.S. military.
[6] Embassy delegation control room.
[7] Transportation provided by military airlift space available and commercial aircraft (District of Columbia to New York to Frankfurt, to London, to District of Columbia).

Dec. 8, 1978.

JACK BROOKS,
Chairman, Committee on Government Operations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Hon. Frank Thompson	2/23	2/26	Canada				38.88				38.88
Hon. Mendel Davis	2/23	2/26	Canada				38.88				38.88
Owen Goldfarb	2/23	2/24	Canada		25.00		168.00				193.00
Hon. Charles Rose	7/23	7/25	Canada		225.00		134.91				359.91
Neal Gregory	7/23	7/25	Canada		225.00		132.16				357.16
Jean Teague	7/23	7/25	Canada		225.00		132.16		2.75		359.91
Owen Goldfarb	8/20	8/23	Canada		112.50		338.88				251.38
Committee total					812.50		783.87		2.75		1,599.12

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 4, 1978.

FRANK THOMPSON, Jr.,
Chairman, Committee on House Administration.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U S HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S currency [2]
T. Glidden	2,27	3/2	Panama		255.00		322.40				547.40
J. Rogers	3/2	3/6	Guatemala		225.00		351.55				576.55
	2/26	3/2	Panama		300.00		265.50				565.50
	3/2	3/6	Guatemala		225.00		323.17				548.17
C. Kish	3/27	4/1	Switzerland		375.00		779.00				1,154.00
J. Santini	7/2	7/6	Austria		300.00		1,003.00				1,303.00
W. Shafer	7/2	7/6	Austria		300.00		1,003.00				1,303.00
Committee total					1,950.00		4,047.62				5,997.62

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 13, 1978.

Signed: MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Bellenson, A. C.	6/10	6/13	Cuba	9,320.85	165.00		206.00			9,320.85	371.00
Commercial transportation							259.84				259.84
Belknap, P.	7/10	7/14	England	198.15	375.00					198.15	375.00
Barden, G.	1/2	1/4	Tunisia	61.200	150.00		47.24			61.200	197.24
	1/4	1/6	Syria	877.50	225.00					877.50	225.00
	1/6	1/9	Egypt	144.180	205.00					144.180	205.00
	1/9	1/11	Saudi Arabia	337	97.40					337	97.40
	1/11	1/13	Jordan	47.250	150.00					47.250	150.00
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Total					1,967.40		1,741.36				3,708.76
Bierman, E.	1/2	1/4	Tunisia	59.200	145.10		47.24			59.200	192.34
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	129	184.29					129.00	184.29
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	44.900	142.60					44.900	142.60
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Bingham, J.	1/2	1/4	Tunisia	41.200	125.48		47.24			41.200	172.73
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	519	150.00					519	150.00
	1/11	1/13	Jordan	47.250	150.00					47.250	150.00
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
Total					2,087.48		1,331.61				4,029.00
DOD							1,219.43				1,219.43
Brady, J.	1/2	1/4	Tunisia	48.57	119.05		47.24			48.57	166.29
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Brennan, K.	9/9	9/16	Ivory Coast	116.800	535.78					116.800	535.78
	9/16	9/17	Kenya	102.946	136.72					102.946	136.72

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
	9/23	9/24	Kenya								
	9/17	9/23	Seychelles	3,060	450.00					3,060	450.00
	9/24	9/27	Zambia	231.41	287.68					231.41	287.68
Commercial transportation							2,583.00				2,583.00
Total					2,729.23		5,087.95				7,817.18
Brenner, A.	3/27	3/31	Italy	187,300	218.81					187,300	218.81
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
DOD							682.35				682.35
Broomfield, W.	1/2	1/4	Tunisia	61.200	150.00		47.24			61.200	197.24
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	44.25	135.66					44.25	135.66
	1/13	1/15	Iran	10,533	150.00		8.85			10,533	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Buchanan, J.	3/7	3/11	Switzerland	554.10	300.00		523.85			554.10	823.85
Commercial transportation							1,515.00				1,515.00
Total					1,929.47		4,066.95				5,996.22
Burke, J. H.	1/2	1/4	Tunisia	40	98.04		47.24			40	145.28
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	135.50	39.16					135.50	39.16
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523	225.00					3,523	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Burke, J. H.	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Total					2,162.20		2,916.39				5,078.59
Cavanaugh, J.	1/2	1/4	Tunisia	25.76	63.14		47.24			25.76	110.38
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	57	81.43					57	81.43
	1/9	1/11	Saudi Arabia	51	14.75					51	14.75
	1/11	1/13	Jordan	45.05	140.78					45.05	140.78
	1/13	1/15	Iran	10,003	142.19		8.85			10,003	151.04
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Challenor, H.	3/21	3/21	England								
	3/22	3/22	Tanzania	367.25	46.91					367.25	46.91
	3/22	3/25	Mozambique	5,137.50	159.10	3.60	112.06			5,141.10	271.16
	3/25	3/28	Zambia	184	225.00					184	225.00
	3/28	3/29	Kenya	587	75.00					587	75.00
	3/29	3/30	Zaire	60	75.00					60	75.00
	3/30	4/2	Nigeria	146.21	225.00					146.21	225.00
	4/2	4/2	Germany	152.25	75.00					152.25	75.00
Total					1,923.30		1,387.58				3,310.88
	4/3	4/4	Cuba	56.89	75.00	67	80.00			123.89	155.00
	4/4	4/5	Jamaica	101.11	75.00		222.56			101.11	297.56
Commercial transportation							2,782.70				2,782.70
Chester, J. C.	3/27	3/30	Italy	192,600	225.00					192,600	225.00
	3/30	3/31	Tunisia	30.97	75.00					30.97	75.00
	3/31	4/2	Switzerland	282	150.00		70.03			282	220.03
DOD							765.59				765.59
Clawson, D.[3]	1/2	1/4	Tunisia	44.67	109.50		47.24			44.67	156.74
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47,250	150.00					47,250	150.00
	1/13	1/15	Iran	10,533	150.00		8.85			10,533	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Total					1,909.50		5,196.40				7,105.9
Collins, C.	7/24	7/26	Gambia								
	7/26	7/28	Senegal	33,000	150.00					33,000	150.00
	7/28	7/30	Upper Volta	29,730	134.51					29,730	134.51
	7/30	8/2	Mali	72,600	165.00					72,600	165.00
	8/2	8/3	France	326.25	75.00					326.25	75.00
Commercial transportation							1,514				1,514.00
Danielson, G.	1/3	1/4	Japan	17,873	75.00		19.15			17,873	94.15
	1/4	1/7	Philippines	1,659.38	225.00		83.35			1,659.38	308.35
	1/7	1/9	Papua, New Guinea	115.32	150.00		69.07			115.32	219.07
	1/9	1/12	Australia	263.02	300.00		43.54			263.02	343.54
	1/12	1/15	Singapore	524.25	225.00		55.84			524.25	280.84
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	2,415	300.00		53.37			2,415	353.37
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
	1/20	1/20	Iran[4]				4.59				4.59
DOD							1,553.44				1,553.44
Total					2,024.51		3,445.11				5,469.62
de la Garza, E.	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Diggs, C. C.	3/21	3/21	England								
	3/22	3/22	Tanzania	587.25	75.00					587.25	75.00
	3/22	3/25	Mozambique	9,687.50	300.00	3.60	112.06			9,691.10	412.06
	3/25	3/28	Zambia	184.80	225.00					184.50	225.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	3/28	3/29	Kenya	587	75.00					587	75.00
	3/29	3/30	Zaire	60	75.00					60	75.00
	3/30	4/2	Nigeria	146.21	225.00					146.21	225.00
	4/2	4/2	Germany	152.25	75.00					152.25	75.00
	4/3	4/4	Cuba	56.89	75.00	67	80.00			123.89	155.00
	4/4	4/5	Jamaica	101.11	75.00		167.00			101.11	242.00
Commercial transportation							2,782.70				2,782.70
Diggs, C. C.	8/25	8/25	Belgium	2,375	75.00					2,375	75.00
	8/25	8/28	Guinea	1,250	62.50					1,250	62.50
	8/29	9/1	Kenya								
Commercial transportation							2,820.00				2,820.00
Total					2,237.50		7,602.63				9,840.13
Dodd, C. J.[3]	1/2	1/4	Tunisia	13.20	76.47		47.24			31.20	123.71
	1/4	1/6	Syria	504.47	129.35					504.47	129.35
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	519	150.00					519	150.00
	1/11	1/13	Jordan	44.75	140.96					44.75	140.96
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Fascell, D.	1/2	1/4	Tunisia	41.92	102.76		47.24			41.92	150.00
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	15,750	225.00					15,750	225.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	9,929	141.15		8.85			9,929	150.00
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	81.08	150.00					81.08	150.00
Total					2,465.69		1,331.61				3,797.30
DOD							1,219.43				1,219.43
Findley, P.	1/2	1/4	Tunisia	61.20	150.00		47.24			61.20	197.24
	1/4	1/5	Syria								
	1/6	1/9	Egypt	146.25	208.93					146.25	208.93
	1/9	1/11	Saudi Arabia	65	18.79					65	18.79
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Jordan	735.36	191.50					735.36	191.50
	1/15	1/18	Israel	2,270	145.00					2,270	145.00
	1/18	1/20	Ireland	79.04	152.00					79.04	152.00
DOD							1,219.43				1,219.43
Findley, P.	3/18	3/20	Japan	27,524	83.32					27,524	83.32
	3/20	4/1	People's Republic of China		975.00		208.61				1,183.61
	4/1	4/2	Hong Kong	345.75	75.00					345.75	75.00
Commercial transportation							1,296.08				1,296.08
Fortier, D.	2/1	2/3	France	920.50	195.85					920.50	195.85
Commercial transportation							1,449				1,449.00
Fortier, D.	3/27	3/31	Italy	198,700	232.13					198,700	232.13
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
Total					2,727.52		5,509.82				8,237.34
DOD							682.35				682.35
Fountain, L. H.	7/3	7/13	People's Republic of China.	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Friedman, G.	5/1	5/5	El Salvador	319.35	127.72					319.35	127.72
	5/5	5/9	Honduras	200	100.00					200	100.00
	5/9	5/13	Colombia	10,034	260.08	2,280	60.00			12,314	320.08
Commercial transportation							540.00				540.00
Galey, M. E.	5/13	5/21	Switzerland	1,039.50	525.00					1,039.50	525.00
Commercial transportation							1,133.00				1,133.00
Gilman, B. A.	1/2	1/4	Tunisia	57.90	141.92		47.24			57.90	189.16
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	142.24	203.21					142.24	203.21
	1/9	1/11	Saudi Arabia	219.50	63.44					219.50	63.44
	1/1	1/13	Jordan	42.25	134.15					42.25	134.15
	1/13	1/15	Iran	9,553	135.79		8.85			9,554	144.64
	1/15	1/18	Israel	3,210.30	205.00					3,210.30	205.00
	1/18	1/20	Ireland	110.88	214.00					110.88	214.00
Total					3,160.31		4,112.31				7,272.62
DOD							1,219.43				1,219.43
Gilman, B. A.	4/21	4/23	South Africa		150.00						150.00
Commercial transportation							2,507.00				2,507.00
Guyer, T.	1/3	1/4	Japan	17,873.00	75.00		19.15			17,873.00	94.15
	1/4	1/7	Philippines	1,658.38	192.50		83.35			1,658.38	275.85
	1/7	1/9	Papua New Guinea	115.32	128.14		69.07			115.32	197.21
	1/9	1/12	Australia	263.02	225.00		43.54			263.02	268.54
	1/12	1/15	Singapore	524.25	195.54		55.84			524.25	251.38
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	2,415.00	300.00		53.37			2,415.00	353.37
	1/20	1/20	Iran [4]				4.59				4.59
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
DOD							1,553.44				1,553.44
Guyer, T.	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696.00	150.00					696.00	150.00
DOD							1,640.87				1,640.87
Total					2,391.18		7,298.41				9,689.59
Harding, K.[5]	1/2	1/4	Tunisia	30.60	75.00		47.24			30.60	122.24
	1/4	1/6	Syria	487.50	125.00					487.50	125.00
	1/6	1/9	Egypt	105.00	150.00					105.00	150.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	44.80	140.00					44.80	140.00
	1/13	1/15	Iran	5,276.25	75.00		8.85			5,276.25	83.58
	1/15	1/18	Israel	1,957.50	125.00					1,957.50	125.00
	1/18	1/20	Ireland	241.25	125.00					241.25	125.00

See footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
DOD							1,219.43				1,219.43
Holstine, J. D.	1/3	1/4	Japan	17,873	75.00		19.15			17,873	94.15
	1/4	1/7	Philippines	1,659.38	225.00		83.35			1,659.38	308.35
	1/7	1/9	Papua New Guinea	115.32	150.00		69.07			115.32	219.07
	1/9	1/12	Australia	187.02	212.60		43.54			187.02	256.14
	1/12	1/15	Singapore	365.25	156.63		55.84			365.25	212.47
	1/15	1/17	Malaysia	345.00	150.00		35.43			345.00	185.43
Total					1,784.23		1,581.90				3,366.13
	1/17	1/20	India	2,365	233.79		53.37			2,365	347.16
	1/20	1/20	Iran [4]				4.59				4.59
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
DOD							1,553.44				1,553.44
Holstine, J. D.	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/15	Hong Kong	1,736.25	375.00					1,736.25	375.00
DOD							2,307.89				2,307.89
Hyndman, P. V.	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/15	Hong Kong	1,653.25	357.07					1,653.25	357.07
DOD							2,307.89				2,307.89
Jewell, K.[5]	1/2	1/4	Tunisia	32.20	81.37		47.24			32.20	128.61
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
Total					2,757.23		6,296.60				9,053.83
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Johnson, V. C.	1/4	1/10	France	1,701.25	365.96					1,701.25	365.96
	1/12	1/13	France								
	1/10	1/11	Sweden	707.65	150.00					707.65	150.00
	1/11	1/12	Norway	391.70	75.00					391.70	75.00
Commercial transportation							1,645.00				1,645.00
Jones, E.	2/19	2/25	Switzerland	970.40	429.84					970.40	429.84
Commercial transportation							751.00				751.00
Majak, R.	1/4	1/10	France								
	1/12	1/13	France	2,401.25	514.90					2,401.25	514.90
	1/10	1/11	Sweden	707.65	150.00					707.65	150.00
	1/11	1/12	England	38.41	75.00					38.41	75.00
Commercial transportation							1,645.00				1,645.00
Majak, R.	5/3	5/6	Germany	465.75	225.00	132.83	64.80			598.58	289.80
	5/6	5/8	Czechoslovakia	300	27.93					300	27.93
	5/8	5/10	Hungary	1,615	85.45	3,793.04	200.69			5,408.04	286.14
Total					2,549.08		5,525.92				8,075.00
	5/10	5/12	Poland	4,950	150.00	1,020.98	30.66			4,980.66	180.66
Commercial transportation							1,151.00				1,151.00
Mann, J. L.	4/3	3/11	Switzerland	966.80	525.00					966.80	525.00
Commercial transportation							1,515.00				1,515.00
Mann, J. L.	9/9	9/16	Ivory Coast	107,800	489.91					107,800	489.91
	9/16	9/17	Kenya	735.10	97.60					735.10	97.60
	9/23	9/24	Kenya								
	9/17	9/23	Seychelles	2,830	438.00					2,830	438.00
	9/24	9/27	Zambia	196.10	160.73					196.10	160.73
Commercial transportation							2,593.00				2,593.00
Mattas, H.	1/2	1/4	Tunisia	30.70	75.25		47.24			30.70	122.49
	1/4	1/6	Syria	452.50	116.03					452.50	116.03
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	79.58	153.59					79.58	153.59
Total					2,956.11		5,345.75				8,301.86
DOD transportation							1,219.43				1,219.43
Meyner, H.[5]	1/2	1/4	Tunisia				47.24				47.24
	1/4	1/6	Syria								
	1/6	1/9	Egypt								
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan								
	1/13	1/15	Iran				8.85				8.85
	1/15	1/18	Israel								
	1/18	1/20	Ireland								
DOD							1,219.43				1,219.43
Nelson, C. D.	1/3	1/4	Japan	14,970.15	65.24		19.15			14,970.15	84.39
	1/4	1/7	Philippines	755.91	102.15		83.35			755.91	185.50
	1/7	1/9	Papua New Guinea	109.62	142.36		69.07			109.62	211.43
	1/9	1/12	Australia	504.98	216.73		43.54			504.98	260.27
Total					526.48		2,710.06				3,236.54
	1/12	1/15	Singapore	439.72	188.72		55.84			439.72	244.56
	1/15	1/17	Malaysia	274	119.13		35.43			274	154.56
	1/17	1/20	India	1,579.97	196.27		53.37			1,579.97	249.64
	1/20	1/22	England	106.61	103.50		13.33			106.61	116.83
	1/20	1/20	Iran [4]				4.59				4.59
DOD							1,553.44				1,553.44
Nelson, C. D.	7/3	7/13	People's Republic of China	1,719	750.00					1,719	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Palmer, E. J.	1/3	1/4	Japan	17,875	75.00		19.15			17,875	94.15
	1/4	1/7	Philippines	749.38	101.27		83.35			749.38	184.62
	1/7	1/9	Papua New Guinea	88.32	116.62		69.07			88.32	185.69
	1/9	1/12	Australia	263.02	300.00		43.54			263.02	343.54
	1/12	1/15	Singapore	482.25	206.97		55.84			482.25	262.81
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
Total					2,382.48		3,663.25				6,045.73

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	1/17	1/20	India	1,329	154.53		53.37			1,329	207.90
	1/20	1/20	Iran [4]				4.59				4.59
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
DOD							1,553.44				1,553.44
Palmer, E. J.	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Pease, D. J.	1/3	1/4	Tunisia	30.14	73.87		47.24			30.14	121.11
	1/4	1/6	Syria	415.50	108.54					415.50	108.54
	1/6	1/9	Egypt	107.64	153.77					107.64	153.77
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	39.11	122.22					39.11	122.22
	1/13	1/15	Iran	8,935	127.01		8.85			8,935	135.86
	1/15	1/18	Israel	1,821.15	116.29					1,821.15	116.29
	1/18	1/20	Ireland	45.82	88.12					45.82	88.12
DOD							1,219.43				1,219.43
Total					1,992.35		4,541.12				6,533.47
Pettis, S. N.	1/2	1/4	Tunisia	49.65	121.71		47.24			49.65	168.95
	1/4	1/6	Syria	441.52	113.21					441.52	113.21
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD					1,219.43						1,219.43
Pettis, S. N.	3/27	3/31	Italy	256.800	300.00					256.800	300.00
	3/31	4/2	Switzerland	282	150.00		70.03			282	220.03
DOD							682.35				682.35
Popovich, T.	1/2	1/6	Switzerland	551.90	275.20	33.80	40.88			585.70	316.08
	1/7	1/10	France								
	1/12	1/13	France	1,395	300.00	672	144.52			2,067	444.52
	1/10	1/11	Germany	61.20	28.37					61.20	28.37
	1/11	1/12	Netherlands	172.07	75.00					172.07	75.00
Total					3,632.92		983.87				4,626.79
	3/28	4/2	Senegal	22,240	96.03					22,240	96.03
Commercial transportation							1,831.80				1,831.80
Przystup, J.	1/3	1/4	Japan	4,250	17.83		19.15			4,250	36.98
	1/4	1/7	Philippines	860.38	117.03		83.35			860.38	200.38
	1/7	1/9	Papua New Guinea	75.32	58.00		69.07			75.32	127.07
	1/9	1/12	Australia	183.02	208.75		43.54			183.02	252.29
	1/12	1/15	Singapore	290.25	124.57		55.84			290.25	180.41
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	1,198	148.82		53.37			1,198	202.19
	1,20	1/20	Iran [4]				4.59				4.59
	1/20	1/22	England	68	66.02		13.33			68	79.35
DOD							1,553.44				1,553.44
Ryan, L. J.	1/2	1/4	Tunisia	61.20	150.00		47.24			61.20	197.24
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	519	150.00					519	150.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
Total					1,737.05		3,810.15				5,547.20
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Ryan, L. J.	3/27	3/30	Italy [7]	192,600	225.00			662.10		192,600	887.10
	3/30	3/31	Tunisia [7]	30.975	75.00			35.49		30.975	110.49
	3/31	4/2	Switzerland [8]	282	150.00		70.03	385.95		282	605.98
DOD							765.59				765.59
Salvia, J. M.	3/27	3/30	Italy	125.500	146.61					125,900	146.61
	3/30	3/31	Tunisia	25.930	62.79					25.930	62.79
	3/31	4/2	Switzerland	282	150.00		70.03			282	220.03
DOD							765.59				765.59
Salzberg, J.	2/19	2/24	Switzerland	685.75	363.50					685.75	363.50
Commercial transportation							751.00				751.00
Total					1,772.90		3,650.52		1,083.54		6,506.96
Selarz, S. J.	1/3	1/4	Japan	12,813	53.06	642	2.66			770.13	55.72
	1/4	1/16	People's Republic of China.		975.00						975.00
Commercial transportation [10]							2,897.40				2,897.40
Selarz, S. J.	3/24	3/26	Tanzania	580.90	74.19	1,497	184.81			2,077.90	259.00
	3/26	3/26	Mozambique (few hrs)								
	3/27	3/29	Zambia	168.50	225.00					168.50	225.00
	3/29	4/1	South Africa	260.37	300.00		42.00			260.37	342.00
	4/2	4/3	Greece	715.50	19.39	1,200	32.52			1,915.50	51.91
	4/3	4/3	Cyprus	17	42.00					17	42.00
	4/3	4/5	Turkey	1,850	74.00					1,850	74.00
Commercial transportation [9]							2,375.90				2,375.90
Selarz, S. J.	6/10	6/13	Cuba	169.47	225.00		206.00			169.47	431.00
Charter plane							258.84				258.84
Selarz, S. J.	7/5	7/6	England	118.73	75.00					118.73	75.00
	7/6	7/9	Ireland	120.06	225.00					120.06	225.00
	7/9	7/10	England	118.73	75.00					118.73	75.00
Commercial transportation							206.00				206.00
Total					2,362.64		6,207.13				8,569.77

See footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Soriano, R. L.	3/27	3/30	Italy	116.398	135.98					116.398	135.98
	3/30	3/31	Tunisia	30.975	75.00					30.975	75.00
	3/31	4/2	Switzerland	282	190.00	131.66	70.03			413.66	228.03
DOD							765.59				765.59
Spalatin, I. J.	1/2	1/4	Tunisia	61.200	158.00		47.24			61.200	197.24
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	237	68.50					237	68.50
	1/11	1/13	Jordan	37.68	117.75					37.68	117.75
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Ward, J.	8/25	8/25	Belgium	2,028	64.64					2,028	64.64
	8/25	8/26	Guinea	600	30.00					600	30.00
	8/29	9/1	Kenya	1,063.50	140.00					1,063.50	140.00
Commercial transportation							2,820.00				2,820.00
Total					1,986.57		4,931.14				6,837.41
Whalen, C. W.	1/3	1/4	Japan	10,991	45.51	643	2.66			11,634	48.17
	1/4	1/16	People's Republic of China.		975.00						975.00
DOD							2,897.40				2,897.40
Whalen, C. W.	3/28	4/2	Senegal	20,740	89.55					20,740	89.55
Commercial transportation							1,831.80				1,831.80
Whalen, C. W.	7/24	7/26	Gambia								
	7/26	7/28	Senegal	33,000	150.00					33,000	150.00
	7/28	7/30	Upper Volta	17,500	79.19					17,500	79.19
	7/30	8/2	Mali	60,000	136.36					60,000	136.36
	8/2	8/3	France	278.75	64.08					278.75	64.08
Commercial transportation							1,514.00				1,514.00
Wien, L. Jr	1/2	1/4	Tunisia	35.70	87.50		47.24			35.70	134.74
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	352.00	101.76					352.00	101.76
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
Total					2,403.95		6,301.95				8,705.90
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Winn, L. Jr.	3/27	3/31	Italy	256,800	300.00					256,800	300.00
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
DOD							682.35				682.35
Winn, L. Jr.	7/3	7/13	People's Republic of China.	1,286	750.00					1,286	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Wolff, L. L.	1/3	1/4	Japan	17,875	75.00		19.15			17,875	94.15
	1/4	1/7	Philippines	1,658.38	225.00		83.35			1,658.38	308.35
	1/7	1/9	Papua, New Guinea	115.32	150.00		69.07			115.32	219.07
	1/9	1/12	Australia	263.02	300.00		43.54			263.02	343.54
	1/12	1/15	Singapore	524.25	225.00		55.84			524.25	280.84
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	2,415	300.00		53.37			2,415	353.37
	1/20	1/20	Iran [4]				4.59				4.59
Total					3,150.00		3,977.02				7,127.02
	1/20	1/22	England [10]	77.12	150.00		13.33	841.73	1,628.57	918.85	1,791.90
DOD							1,553.44				1,553.44
Wolff, L.L.	7/3	7/13	People's Republic of China.	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Zablocki, C. J.	1/2	1/4	Tunisia [11]	61.200	150.00		47.24		261.62	61.200	458.86
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523	225.00					3,523	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Total					2,400.00		4,483.16		1,890.19		8,773.35

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent: If U.S. currency is used, enter amount expended.
[3] Traveled under the auspices of the Committee on International Relations.
[4] Bus Transportation to residence of Prime Minister while plane was refueling.
[5] Traveled under the auspices of MIRC.
[6] Did not accept any per diem, only transportation expenses.
[7] Control room expenses for entire delegation of 15.
[8] Control room expenses for entire delegation of 6.
[9] White House provided military transportation to and from PRC.
[10] Total control room and miscellaneous expenses for delegation of 17 in England:
[11] Total control room and miscellaneous expenses for delegation of 22 in Tunisia.

Dec. 8, 1978.

CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Henry A. Waxman	3/23	3/25	Denmark	84,350	150.00						150.00
	3/26	4/1	U.S.S.R.	2,952.35	525.00						525.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	4/2	4/3	Ireland		75.00						75.00
Total											750.00
Brian E. Muir	7/15	7/23	England	312.90	600.00		1,383.00				1,983.00
Ronald D. Coleman	7/15	7/23	England	312.90	600.00		1,383.00				1,983.00
Committee total											4,736.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 5, 1978.

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
John Conyers, Jr	7/30	8/3	Costa Rica	2,562	309.00		519.00			2,562	819.00
Joshua Eilberg	8/27	9/1	Great Britain	189	375.00	85.76	166.49			274.75	541.49
	9/1	9/2	Ireland	77.25	150.00	30.80	60.00			108.05	210.00
							1,383.00				1,383.00
Total					525.00		1,619.49				2,144.49
Hon. Hamilton Fish, Jr	8/27	9/1	Great Britain	183	375.00	71	166.50				541.50
	9/1	9/3	Ireland	115.68	225.00	46.50	90.00				315.00
							1,115.00				1,115.00
Total					600.00		1,371.50				1,971.50
James R. Mann	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/15	Malaysia	524.25	225.00					524.25	225.00
	1/15	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India	1,813.50	225.00					1,813.50	225.00
	1/20	1/22	England	77.12	150.00					77.12	150.00
Estimated cost of military transportation, $5,080.											
Total					1,425.00						1,425.00
James R. Mann	3/23	3/25	Denmark	843.50	150.00					843.50	150.00
	3/25	4/1	Russia	2,952.35	525.00					2,952.35	525.00
	4/1	4/2	Switzerland	141.55	75.00					141.55	75.00
	4/2	4/3	Ireland	80.56	150.00					80.56	150.00
Estimated cost of military transportation $2,247.54.											
Total					900.00						900.00
James R. Mann	8/24	8/28	Mexico	8,475	375.00		318.00			8,475	693.00
Charles Wiggins		9/9	Germany			602	305.58			602	305.58
		9/9	England			114.35	222.41			114.35	222.41
	9/12	9/14	Ireland	115.53	225.00					115.53	225.00
Total					225.00		527.99				752.99
Garner J. Cline	7/6	7/9	Thailand	6,090.00	300.00					6,090.00	300.00
	7/9	7/12	Malaysia	525.50	225.00					525.50	225.00
	7/12	7/15	Hong Kong	1,044.00	225.00					1,044.00	225.00
Estimated cost of military transportation, $257.28.							495.10				495.10
Total					750.00		495.10				1,245.10
Garner J. Cline	8/27	9/1									
	9/2	9/5	Great Britain	307.69	600.00	163.00	316.49			470.69	916.49
	9/1	9/2	Ireland	77.25	150.00	30.80	60.00			108.05	210.00
							1,383.00				1,383.00
Total					750.00		1,769.49				2,519.49
Arthur Endres	7/6	7/9	Thailand	6,090.00	300.00					6,090.00	300.00
	7/9	7/12	Malaysia	525.50	225.00					525.50	225.00
	7/12	7/15	Hong Kong	1,044.00	225.00					1,044.00	225.00
Estimated cost of military transportation, $257.28.							495.10				495.10
Total					750.00		495.10				1,245.10

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Con.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hayden Gregory	7/30	8/4	Costa Rica	3,202.50	375.00		613.00			3,202.50	988.00
Steven Raikin	7/31	8/5	Costa Rica	3,843.00	450.00		572.00			3,843.00	1,022.00
Peter Regis	8/2	9/1									
	9/2	9/5	Great Britain	207.69	600.00	163	316.49			470.69	916.49
	9/1	9/2	Ireland	77.25	150.00	30.80	60.00			108.05	210.00
							1,393.00				1,383.00
Total					750.00		1,769.49				2,519.49
Committee total					8,175.00		10,070.16				18,245.16

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expende d.

PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MERCHANT MARINE AND FISHERIES COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Baffa, Susan	7/1	7/7	England		525.00		1,459.00				1,984.00
Batey, Gregory	5/8	5/10	Switzerland	437.62	225.00		751.00				976.00
Bauman, Robert	1/5	1/11	Panama		490.00		719.00				1,209.00
Biaggi, Mario	3/29	3/30	Switzerland		150.00		1,437.00				1,587.00
Cassani, Rudolph	6/14	7/8	England		1,125.00		821.00				1,946.00
	2/3	2/17	England		1,275.00		588.00				1,863.00
Corrado, Ernest	1/5	1/11	Panama		490.00		719.00				1,209.00
	6/12	6/17	Italy	323.250	375.00		1,742.00				2,117.00
	6/17	6/22	Germany	940.50	450.00						450.00
	6/22	6/30	England	323.45	600.00						600.00
Dornan, Robert	8/20	8/21	Finland		75.00						75.00
	8/21	9/3	U.S.S.R		[3] 731.00		1,046.00				1,777.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Everett, Ned	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R		[3] 624.00		1,046.00				1,670.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Heyward, Francis	2/4	2/12	England		675.00		683.00				1,358.00
Howell, Martin	5/31	6/2	New Guinea		150.00						150.00
Total					8,391.86		11,011.00				19,402.86
	6/2	6/4	Australia	132.06	150.00						150.00
	6/4	6/10	Fiji Islands		450.00						450.00
	6/10	6/13	New Zealand	219.81	225.00						225.00
	6/13	6/16	Australia	198.01	225.00						225.00
	6/16	6/19	Indonesia	93,265.00	225.00						225.00
	6/19	6/20	Singapore	174.75	[4] 75.00						75.00
	8/7	8/10	Mexico	6,680.00	300.00		347.00				647.00
	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R		[3] 731.00		1,032.00				1,762.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Leggett, Robert	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R		[3] 731.00		1,046.00				1,777.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Losh, Ronald	5/8	5/13	Switzerland	875.25	450.00		751.00				1,201.00
Mallon, Lawrence	3/25	4/1	Switzerland		525.00		711.00				1,236.00
	4/1	4/4	England		225.00						225.00
Mannina, George	8/21	9/3	U.S.S.R		[3] 624.00		1,153.30				1,777.30
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Total					5,658.79		5,039.30				10,698.09
McCloskey, Paul	6/24	6/30	England		450.00		821.00				1,271.00
	3/31	4/1	Switzerland		150.00		422.32				572.32
Morris, W. Patrick	6/23	7/1	England		600.00		1,104.00				1,704.00
	2/9	2/18	England	307.29	600.00		1,365.00				1,965.00
Murphy, John M	2/10	2/16	England		450.00		1,376.00				1,826.00
Norling, Richard	6/28	7/6	England	320.42	600.00		418.00				1,018.00
Perian, Carl	2/10	2/17	England		525.00		1,393.00				1,918.00
Perian, Julia	2/10	2/17	England								
Pollock, Howard	4/22	5/6	Switzerland		750.00		427.00				1,177.00
Ruppe, Philip	6/26	6/29	England		300.00		1,449.00				1,749.00
Still, Frances	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R		[3] 624.00		1,513.00				2,137.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Wescott, Jackie	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R		[3] 624.00		1,046.00				1,670.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Total					6,254.86		11,334.32				17,589.18

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Committee trip to Finland and the U.S.S.R./Astrakhan from Aug. 20 through Sept. 3, 1978. In connection with this trip, actual expenses prepaid to Intourist by committee. No per diem allowed. For Astrakhan portion, U.S. Embassy, Moscow, paid direct to airline as Astrakhan is not a regular stopover for tourists. The payment includes hotels and meals from Astrakhan and return.
[4] Traveler was not provided counterpart funds in Singapore.

Dec. 18, 1978.

JOHN M. MURPHY,
Chairman, Committee on Merchant Marine and Fisheries.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Gail E. Weiss [3]	8/21	8/23	England	75	150.00			0	0	75	150.00
	8/23	8/27	France	1,305	300.00			0	0	1,305	300.00
	8/27	8/29	Sweden	667.50	150.00			0	0	667.50	150.00
	8/29	9/3	Germany	909	450.00			0	0	909	450.00
Norman G. Thompson	8/21	8/23	England	75	150.00			0	0	75	150.00
	8/23	8/27	France	1,305	300.00			0	0	1,305	300.00
	8/27	8/29	Sweden	667.50	150.00			0	0	667.50	150.00
	8/29	9/3	Germany	909	450.00			0	0	909	450.00
Hon. William L. Clay [3]	8/21	8/23	England	75	150.00			0	0	75	150.00
	8/23	8/27	France	1,305	300.00			0	0	1,305	300.00
	8/27	8/29	Sweden	667.50	150.00			0	0	667.50	150.00
	8/29	9/3	Germany	909	450.00			0	0	909	450.00
E. David Minton	8/28	8/31	England	150	300.00			0	0	150	300.00
Transatlantic transportation						584	1,168.00			584	1,168.00
Michael J. Ferrell [4]	9/3	9/10	England	266.47	525.00			0	0	266.47	525.00
	9/10	9/13	Germany	447.75	225.00			0	0	447.75	225.00
Hon. William Lehman [3]	9/7	9/10	England	152.47	300.00			0	0	152.47	300.00
Committee total					4,500.00		1,168.00		0		5,668.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transatlantic and intercountry transportation provided by Department of Defense. DOD has not furnished transportation costs to committee as yet. Local transportation costs have not yet been furnished to committee.
[4] Transatlantic and intercountry transportation costs have not yet been furnished to committee. Local transportation costs have not been furnished to committee.
[5] Transportation costs from Bonn, Germany, to London, England, and return to Bonn, Germany, have not yet been furnished to committee. Local transportation costs have not yet been furnished to committee.

Dec. 21, 1978.

ROBERT N. C. NIX,
Chairman, Committee on Post Office and Civil Service.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Howard, James J.	1/4	1/8	Japan	88,597	375.00		3,094.10				3,469.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
Roe, Robert A.	1/4	1/8	Japan	88,597	375.00		3,094.10				3,469.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
Shuster, Bud	1/4	1/8	Japan	88,597	375.00		3,094.10				3,469.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
D'Amico, Salvatore	1/4	1/8	Japan	88,597	375.00		3,014.10				3,389.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
	1/14	1/16	Hungary	4,473	225.00	1,887.50	94.94				319.94
Esca, Ron K.	1/4	1/8	Japan	88,597	375.00		3,014.10				3,389.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
	1/14	1/16	Hungary	4,473	225.00	1,887.50	94.94				319.94
Mahan, David	8/30	9/1	Canada	225	191.25		199.80				391.05
Ziegler, Charles	8/30	9/1	Canada	225	191.25		199.80				391.05
Committee total					4,582.50		16,534.93				21,117.43

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 8, 1978.

HAROLD T. JOHNSON,
Chairman, Committee on Public Works and Transportation.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

NOTE: There was no travel by Members or staff of the committee outside the United States to be reported to the Committee on House Administration by the Committee on Rules during this period.

JAMES J. DELANEY,
Chairman, Committee on Rules.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Mr. Doran paid his own airfare		12/30/77	United States								
	12/31/77	1/1	Ireland								
	1/1	1/2	France								
	1/2	1/2	Belgium								
	1/2	1/4	Germany								
	1/4	1/4	Italy								
	1/5	1/9	Israel [3]	2,310	150.00				20.00	2,310	170.00

See footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	1/10	1/13	South Africa	172.50	150.00				30.00	172.50	180.00
	1/13	1/15	Rhodesia								
	1/15	1/16	South Africa								
	1/16	1/19	Kenya								
	1/19	1/21	England								
	1/21		United States								
Wydler		1/6	United States			[4] 768.00			8.50		776.50
	1/7	1/10	Austria	3,467.80	[4] 225.00			(5)	366.64	3,467.80	591.64
	1/10	1/12	Yugoslavia	2,731.50	[4] 150.00			(5)	92.74	2,731.50	242.74
	1/12	1/14	Spain	12.120	[4] 150.00			(5)	67.74	12,120	217.74
	1/14	1/17	Morocco	956.25	[4] 225.00			(5)	53.85	956.25	278.85
	1/17		United States			[4] 768.00					768.00
Wells		1/25	United States			1,515.00			30.40		1,545.40
	1/26	2/4	Switzerland	1,483.15	750.00				254.44	1,483.15	1,004.44
	2/4		United States								
Wydler		3/28	United States			916.00					916.00
	3/28	4/1	U.S.S.R.	324.00	225.00	[6] 123.02				324.00	348.02
	4/1	4/2	Switzerland	141.55	75.00	[6] 276.80		50.34	47.60	141.55	449.74
	4/2	4/3	Ireland	80.56	150.00	[6] 334.46				80.56	484.46
	4/3		United States			[6] 727.87					727.87
Dugan		3/28	United States			955.00			18.00		973.00
	3/28	4/1	U.S.S.R.	324.00	225.00	[6] 123.02			6.70	324.00	354.72
	4/1	4/2	Switzerland	141.55	75.00	[6] 276.80			129.50	141.55	481.30
	4/2	4/3	Ireland	80.56	150.00	[6] 334.46				80.56	484.46
	4/3		United States			[6] 727.87					727.87
Shacknai		4/13	United States								
	4/13	4/16	Canada		225.00	141.13			31.25		397.38
	4/16		United States								
Dornan		5/25	United States			[6] 911.90					911.90
	5/25	5/27	Switzerland	295.45	150.00					295.45	150.00
	5/27		United States			[6] 829.00					829.00
Mifford		6/20	United States			224.72					224.72
	6/20	6/21	Canada		75.00				37.85		112.85
	6/21		United States						17.00		17.00
Wells		6/23	United States [4]								
	6/24	7/4	Austria						68.50		68.50
	7/4		United States						53.00		53.00
Committee total					3,150.00		9,953.05		1,384.05		14,487.10

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Counterpart funds.
[4] U.S. State Department funds.
[5] DOD (military transportation) funds.
[6] Transportation/per diem paid for by symposium sponsor.

Oct. 31, 1978.

OLIN E. TEAGUE,
Chairman, Committee on Science and Technology.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Thomas Ewing	1/10	1/15	Asia, Hong Kong		450.00		[3] 2,671.00		39.80		3,160.80
Jeffrey Harris	1/10	1/15	Asia, Hong Kong		450.00		[3] 2,671.00		83.60		3,204.60
Robert A. Bermingham	6/5	6/8	Greece		225.00		[3] 1,112.00		22.62		1,359.62
	6/8	6/9	Switzerland		75.00				12.48		87.48
Harry Gossett	6/5	6/8	Greece		225.00		[3] 1,112.00		5.43		1,342.43
	6/8	6/9	Switzerland		75.00				23.10		98.10
James E. Coleman, Jr.	8/28	9/2	France		375.00		[3] 973.00		65.26		1,413.26
Committee total					1,875.00		8,539.00				10,666.29

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Round trip.

Oct. 13, 1978.

JOHN J. FLYNT, Jr.,
Chairman, Committee on Standards of Official Conduct.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
David E. Satterfield III, MC	1/7	1/11	Philippines	2,212.50	300.00					2,212.50	300.00
	1/11	1/13	Republic of China	7,053.10	150.00					7,053.10	150.00
	1/13	1/14	Japan	17,948	75.00					17,948	75.00
							2,519.60				2,519.60
John Paul Hammerschmidt, MC	1/7	1/11	Philippines	2,212.50	300.00					2,212.50	300.00
	1/11	1/13	Republic of China	5,638.80	150.00					5,638.80	150.00
	1/13	1/14	Japan	17,948	75.00					17,948	75.00
							2,490.50				2,490.50
Francis Stover, staff	1/7	1/11	Philippines	2,212.50	300.00					2,212.50	300.00
	1/11	1/13	Republic of China	8,538.80	225.00					8,538.80	225.00
	1/13	1/14	Japan	17,948	75.00					17,948	75.00
							2,519.60				2,519.60
Total					1,650.00		7,529.80				9,179.80
David E. Satterfield III, MC	8/20	8/22	France	967.50	225.00					967.50	225.00
	8/23	8/24	Belgium	4,725	150.00					4,725	150.00
	8/25	8/26	Luxembourg	2,400	75.00					2,400	75.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency
	8/28	8/30	Germany	301.50	150.00					301.50	150.00
							1,486.00				1,486.00
Total					600.00		1,486.00				2,086.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 8, 1978.

RAY ROBERTS,
Chairman, Committee on Veterans' Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Hon. Barber B. Conable	7/5	7/7	Switzerland	276	150.00		947.00				1,097.00
Refund				82	43.40						43.40
Hon. James C. Corman	3/27	3/30	Italy	192,600	225.00		44.14				269.14
	3/30	3/31	Tunisia	30,975	75.00		5.92				80.92
	3/31	4/2	Switzerland	282	150.00		95.77				245.77
									70.91		70.91
Transportation by Department of Defense							765.59				765.59
	8/21	8/28	England	265.14	525.00		290.10				815.10
	8/28	9/3	Germany	1,055.25	525.00		378.26				903.26
Hon. Bill Frenzel	6/13	6/15	France	690	150.00		624.57				774.57
	6/15	6/17	England	80.65	150.00						150.00
Hon. Sam M. Gibbons	3/27	3/31	Italy	256,800	300.00		44.14				344.14
	3/31	4/2	Switzerland	282	150.00	131.68	95.77				245.77
									35.42		35.42
Transportation by Department of Defense							682.35				682.35
Hon. James R. Jones	1/9	1/9	Japan	107,240	450.00		140.00				590.00
							263.00				263.00
Transportation by Department of Defense							1,448.70				1,448.70
Hon. James G. Martin	3/27	3/31	Italy	256,800	300.00		44.14				344.14
	3/31	4/2	Switzerland	282	150.00	131.68	95.77				245.77
									35.42		35.42
Transportation by Department of Defense							682.35				682.35
Hon. Richard T. Schulze	7/1	7/5	Switzerland	558.30	300.00		935.00				1,235.00
Hon. Fortney H. Stark	12/31	1/2	England	38.85	75.00		92.17				167.17
	1/2	1/5	Austria								
	1/5	1/8	Hungary	1,491	75.00		122.48				197.48
	1/8	1/12	Romania	3,564	300.00		44.75				344.75
Refund					150.50						150.50
	1/12	1/20	Switzerland	456.55	225.00						225.00
	1/20	1/22	France								
							1,885.00				1,885.00
	8/21	8/24	England	75.75	150.00		51.10				201.10
	8/24	8/28	Norway	1,585.95	300.00						300.00
	8/28	9/3	Sweden	1,335	300.00						300.00
							1,643.40				1,643.70
Hon. William A. Steiger	4/3	4/4	Switzerland	141.55	75.00						75.00
	4/4	4/6	Belgium	6,930	225.00		8.00				233.20
	4/6	4/7	France	675	150.00						150.00
Refund					75.00						75.00
							751.00				751.00
Hon. William A. Steiger	6/29	7/1	Switzerland	280.03	150.00		935.00				1,085.00
Hon. Charles A. Vanik	4/2	4/4	Switzerland	283.05	150.00						150.00
	4/4	4/5	Belgium	4,620	150.00						150.00
							584.60				584.60
M. Kenneth Bowler	8/21	8/28	England	265.14	525.00		290.10				815.10
	8/23	9/3	Germany	1,055.25	525.00		378.26				903.26
Michael J. Calhoun	3/30	4/2	England	157.69	300.00						300.00
	4/2	4/4	Switzerland	283.05	150.00						150.00
	4/4	4/6	Belgium	6,930	225.00		8.00				233.00
	4/6	4/7	France	337.50	75.00						75.00
Refund					75.00						75.00
							719.20				719.20
Loren C. Coy	6/1	7/31	Switzerland	8,578.45	4,575.00		935.00				5,510.00
Allen C. Jensen	1/3	1/11	Japan	142,986	600.00		1,365.00		27.95		1,992.95
	8/21	8/28	England	265.14	525.00		290.10				815.10
	8/28	9/3	Germany	1,055.25	525.00		378.26				903.26
Harold T. Lamer	3/30	3/31	England	79.84	150.00						150.00
	3/31	4/4	Switzerland	566.10	300.00						300.00
	4/4	4/5	Belgium	6,930	225.00						225.00
Refund					150.00						150.00
							751.00				751.00
Harold T. Lamer	6/11	6/16	Belgium	14,670	450.00		879.00		16.00		1,345.00
John K. Meagher	1/3	1/10	Japan	142,986	600.00		1,379.38		51.00		1,030.28
	3/29	4/3	Switzerland	705.55	375.00		184.00		75.35		634.35
							751.00				751.00
	7/1	7/9	Switzerland	1,116.6	600.00		493.68		24.50		1,118.18
							935.00				935.00
David B. Rohr	1/22	1/25	Switzerland	602.10	300.00		19.00		51.00		370.00
							751.00				751.00
David B. Rohr	3/30	3/31	England	78.84	150.00						150.00
	3/31	4/4	Switzerland	566.10	300.00						300.00
	4/4	4/6	Belgium	6,930	225.00		8.00				233.00
	4/6	4/7	France	675	150.00						150.00
Refund					75.00				31.65		31.65
											75.00
							846.40				846.40
	4/30	5/3	Switzerland	441	225.00						225.00

See footnotes at end of table.

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
	5/3	5/6	Germany	465.75	225.00						225.00
							751.00		68.20		819.20
	6/1	8/11	Switzerland	8,578.45	4,575.00		845.00		30.00		5,449.00
Nancy A. Shalett	6/1	7/28	Switzerland	8,578.45	4,575.00		843.00		49.00		5,467.00
Refund					254.30						254.30
Mary Jane Wignot	3/6	3/19	Switzerland	1,698.20	900.00		751.00				1,651.00
Refund				281.70	150.00						150.00
Committee total					27,301.80		28,248.65		567.29		56,118.74

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: The above report is based on available information.

AL ULLMAN,
Chairman, Committee on Ways and Means.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON AGING, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

None.

Jan. 19, 1979.

CLAUDE PEPPER,
Chairman, Committee on Select Committee on Aging.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON ASSASSINATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
W. Brown	1/11	1/13	Jamaica		187.50		337.00		14.35		538.85
H. Leap	1/11	1/13	Jamaica		187.50		337.00				524.50
E. Evans	3/24	3/31	Portugal		600.00		683.00		12.50		1,295.50
A. Hausman	3/24	3/31	Portugal		600.00		683.00		15.00		1,298.00
G. Cornwell	3/30	4/4	Cuba		450.00		438.33		4.25		892.58
G. Blakey	3/30	4/4	Cuba		450.00		438.33				888.33
C. Dodd	3/30	4/4	Cuba		450.00		433.33		5.00		888.33
E. Lopez	3/30	4/4	Cuba		450.00		438.33		2.25		890.58
R. Preyer	1/31	4/4	Cuba		220.00		719.93		3.00		1,942.93
L. Stokes	3/30	4/4	Cuba		450.00		438.00		11.53		899.53
R. Edgar	4/13	4/14	Canada		75.00		168.00				243.00
E. Evans	4/13	4/14	Canada		93.75		171.36		29.08		294.19
A. Hausman	4/13	4/14	Canada		93.75		171.36		29.83		294.94
M. Kreidman	4/13	4/14	Canada		93.75		171.36		1.50		266.61
E. Evans	5/7	5/16	Canada		693.75		636.30		67.00		1,397.05
A. Hausman	5/7	5/16	Canada		693.75		474.91		98.30		1,226.96
M. Kreidman	5/7	5/16	Canada		693.75		554.85		67.87		1,316.47
A. Hack	5/7	5/17	Canada		693.75		446.70		6.60		1,147.05
G. Cornwell	5/30	6/7	Mexico		618.75		242.00		83.85		944.60
D. Hardway	5/30	6/7	Mexico		637.50		344.00		5.00		986.50
H. Leap	5/30	6/7	Mexico		618.75		242.00		21.00		882.75
E. Lopez	5/30	6/7	Mexico		637.50		344.00		14.00		995.50
J. Collings	5/31	6/11	Mexico		956.25		579.04		114.98		1,651.67
G. Hamilton	5/31	6/11	Mexico		881.25		381.65		145.42		1,408.32
A. Hausman	5/31	6/10	Mexico		787.50		437.00		122.53		1,347.03
L. Parisi	5/31	6/11	Mexico		918.75		567.56		162.05		1,648.36
G. Fonzi	6/1	6/8	Venezuela								
			Puerto Rico		562.50		419.00		18.00		999.50
A. Gonzales	6/1	6/8	Venezuela								
			Puerto Rico		562.50		419.00		56.73		1,038.23
A. Hausman	6/24	6/28	Portugal		300.00		821.00		69.50		1,190.50
E. Evans	7/29	8/5	England		525.00		418.00		105.50		1,048.50
R. Lindley	7/29	8/11	England		1,012.50		539.28		19.00		1,570.78
C. Rogovin	7/29	8/12	England		1,050.00		894.43		84.94		2,029.37
H. Leap	8/7	8/12	Mexico		412.50		407.00		71.55		891.05
E. Lopez	8/7	8/12	Mexico		412.50		407.00		69.25		888.75
S. Brady	8/16	8/17	France		112.50		283.45		33.77		429.72
R. Preyer	8/24	8/29	Cuba		412.50		635.14				1,047.64
G. Blakey	8/24	8/29	Cuba		412.50		669.14		5.00		1,086.64
E. Lopez	8/24	8/29	Cuba		412.50		669.14				1,081.64
E. Evans	9/24	9/26	Canada		175.00		132.16		14.50		321.66
A. Hausman	9/24	10/5	Canada		806.25		233.66		48.79		1,088.70
A. Hack	9/24	10/5	Canada		806.25		233.66		35.79		1,075.70
Committee total					21,267.50		17,970.53		1,630.61		40,868.64

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 13, 1978.

LOUIS STOKES,
Chairman, Select Committee on Assassinations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Les Aspin, Member of Congress	3/27	3/28	United Kingdom	38.91	75.00					38.91	75.00
	3/28	3/30	Denmark	843.50	150.00					843.50	150.00
	3/30	4/1	Italy	191,700	225.00	130,740	285.63			322,440	438.00
	4/2	4/7	Yugoslavia	976.20	54.03					976.20	54.03
Loch Johnson, staff	3/27	3/28	United Kingdom	38.91	75.00		825.00			38.91	900.00
	3/28	3/29	Denmark	843.50	150.00					843.50	150.00
	3/29	3/31	Norway	869.25	150.00					869.25	150.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	3/31	4/4	Germany	609.00	300.00					609.00	300.00
	4/5	4/7	Spain	11,940	150.00					11,940	150.00
Diane La Voy, staff	8/6	8/15	Germany	1,522.50	750.00					1,522.50	750.00
	8/16	8/23	United Kingdom	336.23	600.00					336.23	600.00
Total					2,679.03		1,031.43				3,710.46
Lee Aspin, Member of Congress			Europe		504.03		205.63				709.66
Loch Johnson, staff			Europe		825.00		825.80				1,650.80
Diane La Voy, staff			Europe		1,350.00						1,350.00
Total					2,679.03		1,031.43				3,710.46

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Nov. 29, 1978.

EDWARD P. BOLAND,
Chairman, Committee on Intelligence.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON CONGRESSIONAL OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 3 AND SEPT. 26, 1978

Pursuant to H. Res. 420 of the 95th Cong., Members or staff of the Select Committee on Congressional Operations have no authority to travel outside the continental United States.

Oct. 13, 1978.

JACK BROOKS,
Chairman, Select Committee on Congressional Operations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, AD HOC COMMITTEE ON ENERGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
John Anderson	7/4	7/9	Italy	320.625	375.00			35.937	42.58	356.562	417.58
	7/9	7/16	Greece	14,469.45	450.00						450.00
							946.80				946.80
Committee total					825.00		946.80		42.58		1,814.38

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollars equivalent; if U.S. currency is used, enter amount expended.

Note: A bill has not been received from the Treasury Department for the per diem allowance for Congressman Anderson during his official stay in Greece. A bill for miscellaneous expenses has not been received; $450 is an estimated amount.

Dec. 4, 1978.

THOMAS L. ASHLEY,
Chairman, Ad Hoc Committee on Energy.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Charles Rangel	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	Papua, New Guinea	115.32	150.00					115.32	150.00
	1/9	1,12	Australia	263.02	300.00					263.02	300.00
	1/12	1/14	Singapore	524.25	225.00					524.25	225.00
	1/14	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India		225.00						225.00
	1/20	1/22	England	77-12	150.00					77-12	150.00
Thomas Vogel	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	Papua, New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/14	Singapore	524.25	225.00					524.25	225.00
	1/14	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India		225.00						225.00
	1/20	1/22	England	77-12	150.00					77-12	150.00
Joseph Nellis	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	Papua, New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/14	Singapore	524.25	225.00					524.25	225.00
	1/14	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India		225.00						225.00
	1/20	1/22	England	77-12	150.00					77-12	150.00
J. Herbert Burke	2/17	2/21	The Netherlands	835	375.00					835	375.00
	2/21	2/23	Germany	306	150.00					306	150.00
	2/23	2/26	England	114.50	225.00					114-50	225.00
William Lawrence	2/17	2/21	The Netherlands	835	375.00	505.44	258.00			1,350.44	633.00
	2/21	2/23	Germany	306	150.00					306	150.00
	2/23	2/26	England	114.50	225.00	22.96	41.59			137-45	266.59
Daniel Stein	2/22	2/23	Germany	306	150.00					306	150.00
	2/23	2/27	Spain	612	300.00					612	300.00
Charles Rangel	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
James Mann	7/7	7/11	Thailand	6,090	300.00					6,090	300.00
	7/11	7/16	Hong Kong	1,736.25	375.00					1,736.25	375.00
Billy L. Evans	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/16	Hong Kong	1,736.25	375.00					1,736.25	275.00
Joseph Nellis	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	7/11	7/16	Hong Kong	1,736.25	375.00					1,736.25	375.00
William Lawrence	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/16	Hong Kong	1,736.25	375.00	9,260	[3] 2,000.00			10,996.25	2,375.00
Committee total					10,050.00		2,299.59				12,349.59

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Indicates estimate, proper documentation not returned by staff member.

Dec. 8, 1978.

LESTER L. WOLFF,
Chairman, Committee on Narcotics Abuse and Control.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF, U.S. HOUSE OF REPRESENTATIVES, EXTENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Terris, Bruce	1/9	1/11	Japan		225.00		1,801.32				
	1/16	1/18	Jakarta		187.50						
Belsky, Martin	1/12	1/16	Nassau		540.45		181.00				
Committee total					952.95		1,982.32				

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 19, 1978.

JOHN M. MURPHY,
Chairman, Ad Hoc Select Committee on OCS.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON POPULATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Michael Teitelbaum, staff	4/1	4/15	United Kingdom					26.92	49.53	26.92	49.53
	5/16	5/23	United Kingdom			141	255.18			141	255.18
	5/17	5/19	France		225.00	254	53.73			245	278.73
James H. Scheuer, Member of Congress	5/17	5/19	France		225.00						225.00
Michael Teitelbaum, staff	8/30	9/8	United Kingdom	15	29.10	13.38	25.96	5.60	10.86	33.98	65.92
Committee total					479.10		334.87		60.39		874.36

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 7, 1978.

JAMES H. SCHEUER,
Chairman, Committee on Population (Select).

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPECIAL COMMITTEE ON SOUTHEAST ASIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
G. V. Montgomery	8/20	8/21	Philippines	552.38	75.00					552.38	75.00
	8/21	8/25	Vietnam		375.00						375.00
	8/25	8/26	Laos		30.29						30.29
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
J. T. Broyhill	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		239.86						239.86
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
G. E. Danielson	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		375.00						375.00
	8/25	8/26	Laos		19.84						19.84
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
J. P. Murtha	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		202.14						202.14
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
W. H. Moore	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		67.24						67.24
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
S. B. Hall	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		294.31						294.31
	8/25	8/26	Laos		75.00						75.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPECIAL COMMITTEE ON SOUTHEAST ASIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
I. Shelton	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		204.40						204.40
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
A. B. Wen Pat	8/20	8/21	Philippines		75.00						75.07
	8/21	8/25	Vietnam		201.74						201.74
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					5,292.39				5,292.39
H. R. Vance	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		252.22						252.22
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
F. Burnett	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		366.02						366.02
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
B. G. Larson	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		375.00						375.00
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
Committee total					4,503.12		85,460.09				89,963.21

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Nov. 12, 1978.

G. V. MONTGOMERY,
Chairman, Special Committee on Southeast Asia.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, MEETING ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, VIENNA, AUSTRIA, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Del Clawson	5/3	5/9	Austria		600.00		2,601.20				3,201.20
Joe Skubitz	5/3	5/9	Austria		600.00		3,350.00				3,950.00
Guy Cordon	5/3	5/9	Austria		600.00						600.00
Delegation expenses							35.12		472.64		507.76
Committee total					1,800.00		5,986.32		472.64		8,258.96

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LEE H. HAMILTON,
Cochairman, U.S. Group, Interparliamentary Union.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, SPRING CONFERENCE, LISBON, PORTUGAL, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency [1]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [1]	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency [1]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
David R. Bowen:									
Portugal	U.S. dollars		160.54						160.54
M. Caldwell Butler:									
England	do		228.84		998.62				1,227.46
France	do		513.62						513.62
Portugal	do		483.14						483.14
Lawrence Coughlin:									
England	do		200.17		1,003.90				1,204.07
France	do		578.72		8.28		.98		587.98
Portugal	do		426.70		7.42		14.57		448.69
E. de la Garza:									
England	do		173.22		998.62				1,171.84
France	do		629.30						629.30
Portugal	do		520.00						520.00
Edward Derwinski:									
England	do		180.67		998.62				1,179.29
Luxembourg	do		127.60		135.00				262.60
France	do		441.61						441.61
Portugal	do		615.33				56.37		671.70
Joseph Fisher:									
England	do		128.21		998.62				1,126.83
France	do		277.03						277.03
Portugal	do		185.64						185.64
Robert McClory:									
England	do		175.26		1,003.62				1,178.88
France	do		409.15				6.14		415.29
Portugal	do		368.25		4.25		13.00		382.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, SPRING CONFERENCE, LISBON, PORTUGAL, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency [1]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [1]	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency [1]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [1]
J. J. Pickle:									
England	do		169.02		998.62				1,167.64
France	do		475.88						475.88
Portugal	do		247.62						247.62
Richardson Preyer:									
England	do		172.98		499.31				672.29
France	do		624.70				44.15		668.85
Portugal	do		246.94				5.19		252.13
Lionel Van Deerlin:									
England	do		383.78		998.62		2.05		1,384.45
France	do		526.38				55.48		581.86
Portugal	do		404.57						404.57
Edmund Henshaw:									
England	do		280.33		998.62				1,278.95
France	do		479.15				17.85		497.00
Portugal	do		479.75						479.75
Vance Hyndman:									
England	do		130.63		998.62				1,129.25
Luxembourg	do		107.61		127.93				235.54
France	do		162.96						162.96
Portugal	do		308.46						308.46
Diane Stoner:									
England	do		142.06		998.62				1,140.68
France	do		201.08				69.19		270.27
Portugal	do		154.44						154.44
David Schiele:									
England	do		137.71		998.62				1,136.33
France	do		251.31						251.31
Portugal	do		241.73				31.98		273.71
Subtotal			13,149.09		12,775.91		317.04		26,242.04
Transportation:									
England	do				705.49				705.49
France	do				447.38				447.38
Switzerland	do				184.00				184.00
Portugal	do				2,422.88				2,422.88
Gratuities:									
France	do						40.64		40.64
Portugal	do						200.00		200.00
Overtime (Embassy personnel):									
England	do						143.88		143.88
Portugal	do						482.32		482.32
Xerox: Portugal	do						85.00		85.00
Official calls: Portugal	do						9.90		9.90
Wireless file: Portugal	do						150.00		150.00
Miscellaneous: Portugal	do						34.72		34.72
Total			18,611.75		16,535.66		1,463.50		36,610.91
Delegation expenses:									
Official meals:									
England	do		355.42						355.42
France	do		555.49						555.49
Switzerland	do		196.50						196.50
Portugal	do		711.40						711.40
Inflight	do		1,957.26						1,957.26
Control room:									
England	do		719.59						719.59
France	do		357.61						357.61
Portugal	do		609.39						609.39

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LEE H. HAMILTON,
Cochairman, U.S. Group, Interparliamentary Union.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY DELEGATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [2]: Foreign currency	Per diem [2]: U.S. dollar equivalent or U.S. currency [3]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [3]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [3]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Jack Brooks	1/25	1/26	France	705	150.00		1,449.00				
	1/26	1/27	United Kingdom	37-97	75.00						
Andy Ireland	1/25	1/26	France	705	150.00		1,449.00				
	1/26	1/27	United Kingdom	37-97	75.00						
Peter Abbruzzese	1/25	1/26	France	705	150.00		1,449.00				
	1/26	1/27	United Kingdom	37-97	75.00						
Delegation expenses									41.62		
Total					675.00		4,347.00		41.62		
Phillip Burton	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Robert Garcia	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Del Clawson	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Baltasar Corrada	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Peter Abbruzzese	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,300	300.00						
Wanda Yamane	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY DELEGATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Bob Wilson	5/26	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Chris Dodd	5/25	5/26	Belgium	7,312	225.00		1,302.00				
William Goodling	5/25	5/27	Belgium	7,312	225.00		1,361.00				
Charles Ross	5/25	5/27	Belgium	7,312	225.00		1,361.00				
Delegation expenses (control room, telephone and local overtime)									1,383.72		
Committee total					4,358.00		14,468.76		1,383.72		20,202.48
Committee total					5,025.00		18,815.76		1,425.34		

Dec. 8, 1978.

PHILLIP BURTON,
House Delegation, North Atlantic Assembly.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS—INVESTIGATION OF KOREAN-AMERICAN RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Freedman, G. I.	7/21	7/22	Hong Kong	348	75.00					348	75.00
	7/23	7/24	Singapore	343.54	150.00					343.54	150.00
	7/24	7/25	Philippines	544.75	75.00					544.75	75.00
Commercial transportation							2,158.73				2,158.73
Sulc, L. B.	7/21	7/22	Hong Kong	348	75.00					348	75.00
	7/23	7/24	Singapore	343.54	150.00					343.54	150.00
	7/24	7/25	Philippines	550.75	75.00					550.75	75.00
Commercial transportation							2,222.32				2,222.32
Committee total					600.00		4,381.05				4,981.05

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 8, 1978.

CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

597. A communication from the President of the United States, transmitting a report on his decision to modify the recommendation of the U.S. International Trade Commission for import relief for the wooden and plastic spring clothespin industry, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–53); to the Committee on Ways and Means and ordered to be printed.

598. A communication from the President of the United States, transmitting requests for supplemental appropriations and appropriations language for fiscal year 1979 and an amendment to the request for appropriations for fiscal year 1980 (H. Doc. No. 96–54); to the Committee on Appropriations and ordered to be printed.

599. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of February 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–55); to the Committee on Appropriations and ordered to be printed.

600. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

601. A letter from the Deputy Secretary of Defense, transmitting the annual report of the Reserve Forces Policy Board for fiscal year 1978, pursuant to 10 U.S.C. 133(c)(3); to the Committee on Armed Services.

602. A letter from the Deputy Secretary of Defense, transmitting notice of the approval of annual compensation for certain officers and employees of various Federal contract research centers in excess of $45,000, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

603. A letter from the Secretary of Housing and Urban Development, transmitting an interim report on housing displacement, in partial response to the requirement of section 902 of Public Law 95–557; to the Committee on Banking, Finance and Urban Affairs.

604. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting the first annual report on activities under the Education for All Handicapped Children Act of 1975, pursuant to section 618(d)(1) of the Education of the Handicapped Act, as amended (89 Stat. 792); to the Committee on Education and Labor.

605. A letter from the Secretary of State, transmitting a report on the viability of the planned withdrawal of certain U.S. ground combat forces from the Republic of Korea, pursuant to section 23(d) of Public Law 95–384; to the Committee on Foreign Affairs.

606. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the arms control impact statements on the fiscal year 1980 weapons programs, pursuant to section 36 of the Arms Control and Disarmament Act, as amended (80 Stat. 758); to the Committee on Foreign Affairs.

607. A letter from the Administrator, Agency for International Development, Department of State, transmitting a determination that it would further the foreign policy interests of the United States to provide a commodity import program loan to Zambia from funds of the Southern Africa Program of the Economic Support Fund, together with a waiver of the prohibition against such use of the funds, pursuant to section 533(b) of the Foreign Assistance Act of 1961, as amended (92 Stat. 735); to the Committee on Foreign Affairs.

608. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of license for the export of certain defense articles sold commercially to the Federal Republic of Germany (Transmittal No. MC–9–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

609. A letter from the Assistant Secretary of State for Congressional Relations; transmitting notice of the proposed issuance of a license for the export of certain defense articles sold commercially to the Federal Republic of Germany (Transmittal No. MC–10–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

610. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Leonard Woodcock, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

611. A letter from the Director, Defense Security Assistance Agency, transmitting a report estimating the number of officers and employees of U.S. Government and U.S. civilian contract personnel in foreign countries for assignment in implementation of sales and commercial exports under the Arms Export Control Act as of September 30, 1978, pursuant to section 36(a)(7) of the act; to the Committee on Foreign Affairs.

612. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112 b(a); to the Committee on Foreign Affairs.

613. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new records system for the Fish and Wildlife Service, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

614. A letter from the Public Printer, transmitting his annual report for fiscal year 1978; to the Committee on House Administration.

615. A letter from the Secretary of the Interior, transmitting the biennial report on continuing studies of the quality of water of the Colorado River Basin, pursuant to section 15 of the Act of April 11, 1956, section 15 of Public Law 87–483, section 6 of Public Law 87–590, and section 206 of Public Law 93–320; to the Committee on Interior and Insular Affairs.

616. A letter from the Secretary of the Interior, transmitting a report on activities carried out by the Geological Survey during calendar year 1978 in areas outside the national domain, pursuant to section 2 of Public Law 87–626, as amended (88 Stat. 1971); to the Committee on Interior and Insular Affairs.

617. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and disposition of the Bois Forte Band of Chippewa Indian judgment funds awarded in docket No. 18–D before the Indian Claims Commission, pursuant to section 2(a) of Public Law 93–134; to the Committee on Interior and Insular Affairs.

618. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980, 1981 and 1982; to the Committee on Interstate and Foreign Commerce.

619. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 with respect to the computation of certain annuity amounts; to the Committee on Interstate and Foreign Commerce.

620. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide survivor benefits to certain dependent children; to the Committee on Post Office and Civil Service.

621. A letter from the Administrator, Environmental Protection Agency, transmitting the biennial report on the costs of construction of publicly-owned wastewater treatment facilities needed to carry out the provisions of the Federal Water Pollution Control Act, and estimates of those costs on a State-by-State basis, pursuant to section 516(b)(1) of the act; to the Committee on Public Works and Transportation.

622. A letter from the Director, National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal years 1980 and 1981; to the Committee on Science and Technology.

623. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Act of June 18, 1934, regarding the submission by the Foreign-Trade Zones Board of annual reports to Congress; to the Committee on Ways and Means.

624. A letter from the Comptroller General of the United States, transmitting a report on the readiness of conventional U.S. air forces in Europe (LCD–78–430, February 12, 1979); jointly, to the Committees on Government Operations, and Armed Services.

625. A letter from the Comptroller General of the United States, transmitting a report on the antisatellite weapon system being developed by the Defense Department (PSAD–79–12, February 7, 1979); jointly, to the Committees on Government Operations, and Armed Services.

626. A letter from the Comptroller General of the United States, transmitting a report on the Trident and SSN–688 submarine construction programs (PSAD–79–18, February 9, 1979); jointly, to the Committees on Government Operations, and Armed Services.

627. A letter from the Comptroller General of the United States, transmitting a report on the air- sea-, and ground-launched cruise missiles program (PSAD–79–19, February 12, 1979; jointly, to the Committees on Government Operations and Armed Services.

628. A letter from the Comptroller General of the United States; transmitting a report on the Army's General Support Rocket System program (PSAD–79–31, February 13, 1979); jointly, to the Committees on Government Operations, and Armed Services.

629. A letter from the Comptroller General of the United States; transmitting a report on the advanced intercontinental ballistic missile weapon system (PSAD–79–40, February 8, 1979); jointly, to the Committees on Government Operations, and Armed Services.

630. A letter from the Comptroller General of the United States; transmitting a report discussing how effective early childhood and family development programs can improve the quality of life for low-income families and children (HRD–79–40, Feb. 6, 1979); jointly, to the Committees on Government Operations, Education and Labor, Interstate and Foreign Commerce, and Ways and Means.

631. A letter from the Comptroller General of the United States, transmitting a report on U.S. Wetlands policy and an evaluation of the Department of Agriculture's Water Bank Program (PAD–79–101, Feb. 8, 1979); jointly, to the Committees on Government Operations and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Oct. 15, 1978, the following report was filed on Jan. 2, 1979*]

Mr. BROOKS: Select Committee on Congressional Operations. Report on Survey of Activities of the Select Committee on Congressional Operations during the 95th Congress, 1977–78 (Rept. No. 95–1843). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1894. A bill to provide for a temporary increase in the public debt limit, and for other purposes. (Rept. No. 96–2.) Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 2100. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. ANDREWS of North Dakota:

H.R. 2101. A bill to authorize the Three Affiliated Tribes of the Fort Berthold Reservation to file in the Court of Claims any claims against the United States for damages for delay in payment for lands claimed to be taken in violation of the U.S. Constitution, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2102. A bill pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. ARCHER:

H.R. 2103. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2104. A bill to amend the Shipping Act, 1916, to promote trade stability and independent action in foreign oceanborne commerce of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. BRINKLEY:

H.R. 2105. A bill to amend title 38, United States Code, to establish a program of education assistance for certain members of the Selected Reserve of the Ready Reserve of any of the Armed Forces to be funded in part through contributions by participants in the program; to the Committee on Veterans' Affairs.

By Mr. CARTER:

H.R. 2106. A bill to establish a program for the inspection of schools for the presence of asbestos materials, to provide funds for the testing and evaluation of potential hazards, to create a loan program to assist in the containment or removal of imminent hazards to health and safety, and for other purposes; to the Committee on Education and Labor.

By Mr. CLAUSEN:

H.R. 2107. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. CONYERS:

H.R. 2108. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to improve the Federal system of assistance to the criminal justice system, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. COTTER:

H.R. 2109. A bill to amend the Internal Revenue Code of 1954 to delay the provision which increases the unemployment tax to States which have not repaid unemployment compensation loans under title XII of the Social Security Act; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. ARCHER, Mr. LELAND, and Mr. PAUL):

H.R. 2110. A bill to modify the project for navigation at Houston Ship Channel (Greens Bayou), Tex., to maintain a 40-foot project depth in Greens Bayou; to the Committee on Public Works and Transportation.

By Mr. FAZIO:

H.R. 2111. A bill to extend the service area for the Sacramento Valley Canals, Central Vallejo project, California, and other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLIPPO (for himself, Mr. BEVILL, Mr. BUCHANAN, Mr. DICKINSON, Mr. EDWARDS of Alabama, Mr. SHELBY, and Mr. NICHOLS):

H.R. 2112. A bill to authorize the Secretary of the Army to convey additional real property of the United States to the Alabama Space Science Exhibit Commission for use as a permanent site for the Alabama Space Science Exhibit; to the Committee on Armed Services.

By Mr. GREEN:

H.R. 2113. A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would have been ordinary income if such item had been sold by the decedent at its fair market value, to allow a charitable deduction based on the fair market value of such items, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Tennessee:

H.R. 2114. A bill to authorize the Secretary of Agriculture to establish a program to use volunteers for soil and water conservation, and for other purposes; to the Committee on Agriculture.

By Mr. KILDEE (for himself, Mr. EDWARDS of California, Mr. GUYER, Mr. BONIOR of Michigan, Mr. CONTE, Mr. GLICKMAN, Mr. FORD of Michigan, Mr. CORRADA, Mr. LEDERER, Mr. DORNAN, Mr. MITCHELL of Maryland, Mr. WEISS, Mr. MURPHY of Pennsylvania, Mr. WOLPE, Mr. MURTHA, Mrs. SPELLMAN, and Mr. SOLARZ):

H.R. 2115. A bill to protect the privacy of medical records maintained by the United States, programs assisted by the United States, or insurance companies engaged in business in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LLOYD:

H.R. 2116. A bill to amend the Occupational Safety and Health Act of 1970 to exempt employers of 10 or fewer regular employees, to require the issuance of warnings to employers of 25 or fewer regular employees for the first instance violations, and to bar the assessment of penalties where fewer than 10 violations are cited; to the Committee on Education and Labor.

By Mr. MINETA:

H.R. 2117. A bill to amend the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

H.R. 2118. A bill to provide for bicycle facilities in public buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MOORHEAD of California:

H.R. 2119. A bill to amend title 18, U.S. Code, to revise the scope and applicability of the post-employment conflict of interest provisions with respect to officers and employees of the executive branch; to the Committee on the Judiciary.

H.R. 2120. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. NEDZI (for himself and Mr. WHITEHURST) (by request):

H.R. 2121. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

H.R. 2122. A bill to authorize construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. PATTEN:

H.R. 2123. A bill to grant a Federal charter to the National Opportunity Camps; to the Committee on the Judiciary.

H.R. 2124. A bill authorizing the removal of a rock ledge and certain other material in the Arthur Kill at Perth Amboy, N.J.; to the Committee on Public Works and Transportation.

H.R. 2125. A bill to amend title XVIII of the Social Security Act with respect to the types of transportation for patients which may be included in the definition of medical and other health services under such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce, Means, and Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 2126. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 65 or older or who are recipients of benefits under title XVI of the Social Security Act; to the Committee on Agriculture.

By Mr. PRITCHARD:

H.R. 2127. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $300 of interest received by an individual during any taxable year; to the Committee on Ways and Means.

By Mr. PRITCHARD (for himself and Mr. BLANCHARD):

H.R. 2128. A bill to authorize the Secretary of Housing and Urban Development to undertake, on an experimental basis, programs providing neighborhood self-help development funds; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEIBERLING:

H.R. 2129. A bill to repeal baseball's antitrust exemption, to prohibit certain territorial restrictions in professional sports, and for other purposes; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.R. 2130. A bill to provide for the establishment of a National Agricultural Production Cost and Statistical Standards Board for the purpose of imolementing and standardizing cost of production information as it relates to agricultural production; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 2131. A bill to amend the Agricultural Act of 1949 as amended by Public Law 95–113 to provide a target price for feed grains which more fairly represents their average market value compared to wheat; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 2132. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. STANTON:

H.R. 2133. A bill to amend the Federal Reserve Act to reduce certain reserve requirements in order to facilitate the implementation of monetary policy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2134. A bill to modify the project for Ashtabula Harbor, Ohio, to authorize the enlargement of a turning basin; to the Committee on Public Works and Transportation.

By Mr. TRAXLER:

H.R. 2135. A bill to amend title 18 of the United States Code to increase the sentences for certain gun-related offenses and to extend the mandatory nature of such sentences to certain additional gun-related offenses; to the Committee on the Judiciary.

H.R. 2136. A bill to amend title 38, United States Code, to treat individuals who were serving as cadets or midshipmen at one of the service academies on December 31, 1976, as veterans of the Vietnam era for purposes of entitlement to educational assistance under chapter 34 of such title; to the Committee on Veterans' Affairs.

H.R. 2137. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly, and to eliminate the adjusted gross income limitation applicable to such credit; to the Committee on Ways and Means.

H.R. 2138. A bill to provide for the monthly publication of a Consumer Price Index for the aged and other social security beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 2139. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. WYLIE:

H.R. 2140. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. CLAUSEN (for himself and Mr. LAGOMARSINO):

H.J. Res. 200. Joint resolution requiring studies of certain grants; to the Committee on Government Operations.

By Mr. EVANS of Georgia:

H.J. Res. 201. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 per centum of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mrs. HOLT:

H.J. Res. 202. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax or increase the public debt; to the Committee on the Judiciary.

By Mr. LAGOMARSINO (for himself and Mr CLAUSEN):

H.J. Res. 203. Joint resolution requiring studies of certain grants; to the Committee on Government Operations.

By Mr. MOTTL:

H.J. Res. 204. Joint resolution proposing an amendment to the Constitution of the United States to provide that the total expenditures of the Government of the United States may not exceed the total revenues received by such Government in any fiscal year except in time of war or economic emergency declared by the Congress; to the Committee on the Judiciary.

By Mr. RANGEL (for himself, Mr. AKAKA, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. CONTE, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. DELLUMS, Mr. DIGGS, Mr. DIXON, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mrs. FENWICK, Mr. GUARINI, Mr. GREEN, Mr. HAWKINS, Mr. HEFTEL, Ms. HOLTZMAN, Mr. KILDEE, Mr. KOGOVSEK, Mr. LEHMAN, Mr. LONG of Louisiana, Mr. MCHUGH, Mr. MARTIN, Mr. MIKVA, Mr. MITCHELL of Maryland, Mr. MURPHY of Illinois, Mr. PANETTA, Mr. PEPPER, Mr. PRICE, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SIMON, Mr. STARK, Mr. STOKES, Mr. WEISS, Mr. VAN DEERLIN, Mr. FLOOD, and Mr. GARCIA):

H.J. Res. 205. Joint resolution authorizing the appropriation of funds for the acquisition of a monument to Dr. Ralph J. Bunche and its erection in United Nations Plaza Park in New York City; to the Committee on House Administration.

By Mr. CLAUSEN:

H. Con. Res. 48. Concurrent resolution expressing the sense of Congress that the new regulations of the Department of Labor with respect to the health and safety training of miners places an undue burden on small operators; to the Committee on Education and Labor.

By Mr. BENNETT:

H. Res. 111. Resolution providing funds for the expenses of the Committee on Standards of Official Conduct; to the Committee on House Administration.

By Mr. DELLUMS:

H. Res. 112. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia; to the Committee on House Administration.

By Mr. KEMP:

H. Res. 113. Resolution designating May 3 as "Polish Constitution Day"; to the Committee on Post Office and Civil Service.

By Mr. PERKINS (for himself, Mr. THOMPSON, Mr. ASHBROOK, and Mr. ERLENBORN):

H. Res. 114. Resolution providing funds for the expenses of a welfare and pension plans task force under the jurisdiction of the Committee on Education and Labor; to the Committee on House Administration.

By Mr. PRITCHARD:

H. Res. 115. Resolution amending the Rules of the House of Representatives to prohibit Members of the House from using official congressional stationery to raise funds if such funds are to be used to influence governmental policy or affect governmental elections; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII.

29. The SPEAKER presented a memorial of the Legislature of the State of Idaho, relative to preventing proposed Internal Revenue Service regulations regarding the elimination of tax exempt status of private schools from becoming effective; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LLOYD:

H.R. 2141. A bill for the relief of Dolores Hernandez Macapiniac; to the Committee on the Judiciary.

H.R. 2142. A bill for the relief of Roberto Ang Castillo and Hermenigilda Turla Castillo; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 2143. A bill for the relief of Edward S. Wiley; to the Committee on the Judiciary.

By Mr. MCCLORY:

H.R. 2144. A bill for the relief of Linnie Harris; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland:

H.R. 2145. A bill for the relief of Florette Ivoree Gayle; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 2146. A bill for the relief of Sidney G. Kanouse; to the Committee on the Judiciary.

By Mr. SENSENBRENNER:

H.R. 2147. A bill for the relief of Lt. Col. Kenneth J. Sawyer; to the Committee on the Judiciary.

By Mr. STANTON:

H.R. 2148. A bill for the relief of Col. (Doctor) Paul A. Kelly; to the Committee on the Judiciary.

By Mr. WHITE:

H.R. 2149. A bill for the relief of Horizon Corp. and Horizon Properties Corp.; to the Committee on the Judiciary.

H.R. 2150. A bill for the relief of Harding C. Hays and Imogene D. Hays; to the Committee on the Judiciary.

H.R. 2151. A bill for the relief of Frank C. Koper; to the Committee on the Judiciary.

By Mr. PEASE:

H. Res. 116. A resolution to refer the bill (H.R. 2146) for the relief of Sidney G. Kanouse to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 90: Mr. ANNUNZIO, Mr. BARNARD, Mr. BIAGGI, Mrs. BOGGS, Mr. BOWEN, Mr. CLEVELAND, Mr. CORRADA, Mr. COUGHLIN, Mr. DASCHLE, Mr. DIXON, Mr. DONNELLY, Mr. ENGLISH, Mr. ERDAHL, Mr. FAZIO, Ms. FERRARO, Mr. FITHIAN, Mr. FLOOD, Mr. FOWLER, Mr. GAYDOS, Mr. GLICKMAN, Mr. GRAY, Mr. GUYER, Mr. HALL of Ohio, Mr. HEFNER, Mr. HOWARD, Mr. JOHNSON of Colorado, Mr. LEACH of Iowa, Mr. LLOYD, Mr. MAGUIRE, Mr. MATHIS, Mr. MAVROULES, Mr. MONTGOMERY, Mr. NOWAK, Mr. OBERSTAR, Mr. PATTEN, Mr. PATTERSON, Mr. REGULA, Mr. RINALDO, Mrs. SPELLMAN, Mr. STOKES, Mr. STRATTON, Mr. TAUKE, Mr. TRAXLER, Mr. TRIBLE, Mr. UDALL, Mr. WATKINS, Mr. WHITTEN, Mr. CHARLES WILSON of Texas, Mr. WOLFF, and Mr. YOUNG of Florida.

H.R. 96: Mr. ZEFERETTI, Mr. WHITEHURST, Mr. STOCKMAN, Mr. HUCKABY, Mr. HARSHA, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. ABDNOR, Mr. JENKINS, Mr. FLORIO, Mr. NICHOLS, Mr. LAGOMARSINO, Mr. BURGENER, Mr. MOTTL, Mrs. BOUQUARD, Mr. GUYER, Mr. GINN, Mr. TAYLOR, Mr. SYMMS, Mr. MONTGOMERY, Mr. DORNAN, Mr. LOTT, Mr. BEVILL, Mr. HILLIS, Mr. ADDABBO, Mr. BROYHILL, Mr. HYDE, Mr. YOUNG of Alaska, Mr. HALL of Texas, Mr. WALKER, Mr. IRELAND, Mr. HUGHES, Mr. JEFFRIES, Mr. BUCHANAN, Mr. KRAMER, Mr. CARTER, Mr. PASHAYAN, Mr. HAGEDORN, Mr. MCKAY, Mr. DANNEMEYER, Mr. ERLENBORN, Mr. BEARD of Tennessee, Mr. FLOOD, Mr. ROBINSON, Mr. SHUMWAY, Mr. ROBERT W. DANIEL, Jr., Mr. SAWYER, Mr. GRASSLEY, Mr. GINGRICH, Mr. RUDD, Mr. SNYDER, and Mr. EVANS of Delaware.

H.R. 114: Mr. RUDD and Mr. LEACH of Louisiana.

H.R. 204: Mr. DERWINSKI, Mr. GRAMM, Mr. BEVILL, Mr. FRENZEL, Mr. MCDONALD, Mr. CONTE, Mr. DEVINE, Mr. YOUNG of Alaska, Mr. ICHORD, Mr. ARCHER, Mr. ROBINSON, Mr. NEAL, Mr. HOLLENBECK, Mr. SNYDER, Mr. PEPPER, Mr. EVANS of Georgia, Mr. LOTT, Mr. SOLOMON, Mr. DAN DANIEL, Mr. JOHN L. BURTON, Mr. LUKEN, Mrs. BOUQUARD, Mr. CARR, Mr. FAZIO, Mr. CHARLES WILSON of Texas, Mr. KILDEE, Mr. SYMMS, Mr. LOEFFLER, Mr. GUYER, Mr. GINGRICH, Mr. GILMAN, Mr. ROSE, Mr. STOKES, Mr. HANSEN, and Mr. ROUSSELOT.

H.R. 276: Mr. RICHMOND, Mr. EDWARDS of California, Mr. OTTINGER, Mr. WEAVER, Mr. MARKEY, Mr. WOLFF, Mr. CORMAN, Mr. SCHEUER, Mr. MCHUGH, Mr. CARR, Mr. VENTO, Mr. WEISS, Mr. GREEN, Ms. HOLTZMAN, Mr. SEIBERLING, Mr. RANGEL, and Mr. KILDEE.

H.R. 283: Mr. KILDEE, Mr. BONIOR of Michigan, Mr. MARKEY, Mr. UDALL, Mr. STEWART, Mr. DIXON, Mr. YOUNG of Missouri, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. MARLENEE, Mr. MATSUI, Mr. HANLEY, Mr. CONYERS, Mr. KOGOVSEK, Mr. WAXMAN, Mr. MOFFETT, Mr. CONTE, Mr. FROST, Mr. VAN DEERLIN, Mr. SEIBERLING, Mr. WOLPE, Mr. TRAXLER, Mr. STARK, Mr. LEDERER, Mr. WEAVER, Mr. GRAY, Mr. SHANNON, Mr. BUCHANAN, and Ms. FERRARO.

H.R. 290: Mr. OTTINGER, Mr. DOWNEY, Mr. ADDABBO, Mr. AKAKA, Mr. BEDELL, Mr. BONIOR of Michigan, Mr. BONKER, Mr. CORRADA, Mr. D'AMOURS, Mr. EDWARDS of California, Mr. FASCELL, Mrs. FENWICK, Mr. FORD of Tennessee, Mr. GEPHARDT, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. LAFALCE, Mr. MCHUGH, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. NOWAK, Mr. PURSELL, Mr. RICHMOND, Mr. SEIBERLING, Mr. SOLARZ, Mrs. SPELLMAN, Mr. VENTO, Mr. WEISS, and Mr. WOLFF.

H.R. 365: Mr. LIVINGSTON, Mr. JOHN L. BURTON, Mr. ABDNOR, Mr. DAVIS of Michigan, Mr. FAZIO, Mr. GINGRICH, Mr. HAGEDORN, Mr. MOORHEAD of California, Mr. MOORHEAD of Pennsylvania, Mr. SHUMWAY, and Mr. TRIBLE.

H.R. 601: Mr. RHODES, Mr. BUTLER, Mr. HYDE, Mr. HUGHES, Mr. BROWN of Ohio, Mr. ROBINSON, Mrs. HOLT, Mr. DEVINE, Mr. MILLER of Ohio, Mr. GOLDWATER, Mr. COLLINS of Texas, Mr. DORNAN, Mr. BURGENER, Mr. LAGOMARSINO, Mr. LEWIS, Mr. MOORE, Mr. SOLOMON, Mr. BADHAM, Mr. SYMMS, Mr. LIVINGSTON, Mr. ROBERT W. DANIEL, JR., Mr. LEE, Mr. CORCORAN, Mr. APPLEGATE, Mr. CHARLES WILSON of Texas, Mr. RUDD, Mr. GILMAN, Mr. WHITEHURST, Mr. SPENCE, Mr. GUYER, Mr. BUCHANAN, Mr. STANGELAND, Mr. MURPHY of Pennsylvania, Mr. DICKINSON, Mr. SNYDER, Mr. LEATH of Texas, Mr. WINN, Mr. GOODLING, Mr. HILLIS, Mr. SERELIUS, Mr. DOUGHERTY, Mr. WHITTAKER, Mr. ROUSSELOT, and Mr. YOUNG of Alaska.

H.R. 742: Mr. CONTE, Mr. OTTINGER, Mr. FORD of Tennessee, Mr. DIGGS, Mr. MURPHY of Pennsylvania, Mr. RODINO, Mr. SOLARZ, Mr. MOAKLEY, Mr. HAGEDORN, Mr. RICHMOND, Mr. EMERY, Mr. FROST, Mr. EDWARDS of California, Mr. DOWNEY, Mr. BENJAMIN, Mr. FLOOD, Mr. HUGHES, Mr. AUCOIN, Mr. WEAVER, Mr. BUCHANAN, Mr. CORRADA, Mr. BONIOR of Michigan, Mr. WOLFF, Mr. MITCHELL of Maryland, Mr. PRICE, Mr. JEFFORDS, Mr. AKAKA, Mr. SKELTON, Mr. EDGAR, Mr. MARKEY, Mr. DELLUMS, Mr. PRITCHARD, Mr. VENTO, Mr. BINGHAM, Mr. PEASE, Mr. GONZALEZ, Mr. LEHMAN, Mr. KILDEE, Mr. WEISS, Mr. WAXMAN, Ms. HOLTZMAN, Mr. ANDERSON of California, and Mr. CONYERS.

H.R. 743: Mr. CONTE, Mr. OTTINGER, Mr. FORD of Tennessee, Mr. DIGGS, Mr. MURPHY of Pennsylvania, Mr. RODINO, Mr. SOLARZ, Mr. MOAKLEY, Mr. HAGEDORN, Mr. RICHMOND, Mr. LONG of Maryland, Mr. FROST, Mr. EDWARDS of California, Mr. DOWNEY, Mr. BENJAMIN, Mr. FLOOD, Mr. HUGHES, Mr. AUCOIN, Mr. WEAVER, Mr. BUCHANAN, Mr. CORRADA, Mr. BONIOR of Michigan, Mr. WOLFF, Mr. MITCHELL of Maryland, Mr. PRICE, Mr. JEFFORDS, Mr. AKAKA, Mr. SKELTON, Mr. EDGAR, Mr. MARKEY, Mr. DELLUMS, Mr. PRITCHARD, Mr. VENTO, Mr. BINGHAM, Ms. HOLTZMAN, Mr. GONZALEZ, Mr. LEHMAN, Mr. KILDEE, Mr. WEISS, Mr. WAXMAN, Mr. ANDERSON of California, Mr. EMERY, and Mr. CONYERS.

H.R. 744: Mr. CONTE, Mr. OTTINGER, Mr. FORD of Tennessee, Mr. DIGGS, Mr. MURPHY of Pennsylvania, Mr. RODINO, Mr. SOLARZ, Mr. MOAKLEY, Mr. HAGEDORN, Mr. RICHMOND, Mr. LONG of Maryland, Mr. FROST, Mr. EDWARDS of California, Mr. DOWNEY, Mr. BENJAMIN, Mr. FLOOD, Mr. HUGHES, Mr. AUCOIN, Mr. WEAVER, Mr. BUCHANAN, Mr. CORRADA, Mr. BONIOR of Michigan, Mr. WOLFF, Mr. MITCHELL of Maryland, Mr. PRICE, Mr. JEFFORDS, Mr. AKAKA, Mr. SKELTON, Mr. EDGAR, Mr. MARKEY, Mr. DELLUMS, Mr. PRITCHARD, Mr. VENTO, Mr. BINGHAM, Ms. HOLTZMAN, Mr. GONZALEZ, Mr. LEHMAN, Mr. KILDEE, Mr. WEISS, Mr. WAXMAN, Mr. ANDERSON of California, Mr. EMERY, Mr. PEASE, and Mr. CONYERS.

H.R. 758: Mr. ALEXANDER and Mr. OBERSTAR.

H.R. 1320: Mr. MARKEY, Mr. LUNDINE, Mr. WOLPE, Mr. HORTON, Mr. PEASE, Mr. ZEFERETTI, Mr. LUKEN, Mr. FLOOD, Mr. DAVIS of Michigan, Mr. SKELTON, Mr. DINGELL, Mr. CLEVELAND, Mr. ROE, and Mr. KOGOVSEK.

H.R. 1435: Mr. KILDEE, Mr. CORRADA, Mr. BUCHANAN, Mr. RICHMOND, Mr. STUDDS, and Mr. CARTER.

H.R. 1460: Mr. BINGHAM, Mr. LAGOMARSINO, Mr. CORRADA, Mr. VENTO, Mr. ADDABBO, Mr. RAHALL, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. OTTINGER, Mrs. BOUQUARD, Mr. GUYER, Mr. RANGEL, Mr. MCHUGH, Mr. LEH-

MAN, Ms. HOLTZMAN, Mr. PEPPER, Mr. GEPHARDT, Mr. HOWARD, Mr. STARK, Mr. DORNAN, Mr. LUKEN, Mr. CHARLES WILSON of Texas, Mr. LEDERER, Mr. LONG of Maryland, Mr. LUNDINE, Mr. AKAKA, Mr. RODINO, Mr. CLEVELAND, Mr. DUNCAN of Tennessee, and Mr. ROSE.

H.R. 1600: Mr. WHITEHURST, Mr. LAGOMARSINO, Mr. RAHALL, Mr. WALKER, Mr. DANNEMEYER, Mr. ASHBROOK, Mr. CONTE, Mr. HYDE, Mr. ERTEL, Mr. SENSENBRENNER, Mr. HOWARD, Mr. SEBELIUS, Mr. LLOYD, Mr. LOTT, Mr. KINDNESS, Mr. MURPHY of Pennsylvania, Mr. BURGENER, Mr. ROBINSON, Mr. WATKINS, Mr. CHAPPELL, Mr. MCCLORY, Mr. DAVIS of Michigan, Mr. LEDERER, Mr. BADHAM, Mr. SOLOMON, Mr. WINN, Mr. ROSE, Mr. GUYER, Mr. WAMPLER, Mr. COLLINS of Texas, Mr. MATHIS, Mr. GARCIA, Mr. YOUNG of Alaska, Mr. EDWARDS of Oklahoma, Mr. ZEFERETTI, Mr. GUDGER, Mr. STANGELAND, Mr. WALGREN, Mr. ANDREWS of North Dakota, and Mr. HAGEDORN.

H.R. 1735: Mr. MOAKLEY, Mr. BONIOR of Michigan, Mr. LEDERER, Mr. WHITEHURST, Mr. BINGHAM, Mr. SOLARZ, Mr. ADDABBO, Mr. RICHMOND, Mr. LAFALCE, Mr. BEARD of Rhode Island, Mr. DAINAN, Mr. COTTER, Mr. SCHEUER, Mr. OTTINGER, and Mr. MOFFETT.

H.R. 1739: Mr. CHARLES WILSON of Texas.

H.R. 1986: Mr. FISHER.

H.R. 2086: Mr. MITCHELL of Maryland; Mr. HYDE, Mr. CONTE, Mr. MOAKLEY, Mr. AKAKA, Mr. MILLER of California, Mr. LAFALCE, Mr. EDGAR, Mr. CORRADA, Mr. FORSYTHE, Mrs. FENWICK, Mr. KILDEE, Mr. WOLFF, Mr. YOUNG of Missouri, Mr. RICHMOND, Mr. BONIOR of Michigan, Mr. BURGENER, Mr. LEHMAN, Mr. MURPHY of Pennsylvania, Mr. BEVILL, Mr. MADIGAN, Mr. VENTO, Mr. HOLLENBECK, Mr. LAGOMARSINO, Mr. DIGGS, Mr. WILLIAMS of Montana, Mr. PEPPER, Mr. FORD of Michigan, Mr. MITCHELL of New York, Mr. GUYER, Mr. MCCLOSKEY, Mr. RANGEL, Mr. WEISS, Mr. SIMON, Mr. FLOOD, Mr. LUKEN, Mr. GREEN, Mr. OTTINGER, Mr. MOFFETT, Mr. DAVIS of Michigan, Mr. HUGHES, Mrs. SPELLMAN, Mr. CARR, Mr. WINN, Mr. BLANCHARD, Mr. SCHEUER, Mr. SEIBERLING, Mr. BUCHANAN, Mr. DOWNEY, and Mr. RAHALL.

H.J. Res 167: Mr. AKAKA, Mr ANDERSON of California, Mr. BINGHAM, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BREAUX, Mr. CHAPPELL, Mr. CLEVELAND, Mr. CONTE, Mr. DODD, Mr. DORNAN, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. FAZIO, Mr. FOLEY, Mr. GLICKMAN, Mr. GOODLING, Mr. GRAY, Mr. JENRETTE, Mr. MADIGAN, Mr. MAGUIRE, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MINETA, Mr. MITCHELL of New York, Mr. MYERS of Indiana, Mr. OBERSTAR, Mr. PANETTA, Mr. PRICE, Mr. RANGEL, Mr. ROBERTS, Mr. ROSE, Mr. SHANNON, Mr. SOLARZ, Mr. STOKES, Mr. VAN DEERLIN, Mr. WAXMAN, and Mr. ZEFERETTI.

H.J. Res. 74: Mr. APPLEGATE, Mr. BADHAM, Mr. BAFALIS, Mr. BURGENER, Mr. CHAPPELL, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. DEVINE, Mr. DONNELLY, Mr. DORNAN, Mr. DOUGHERTY, Mr. GOLDWATER, Mr. GRISHAM, Mr. GUYER, Mr. HALL of Texas, Mr. HYDE, Mr. LOTT, Mr. LUKEN, Mr. MARTIN, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. ROBERTS, Mr. RUSSO, Mr. ROUSSELOT, Mr. SHUMWAY, Mrs. SPELLMAN, Mr. STOCKMAN, Mr. SYMMS, Mr. WALKER, Mr. WHITEHURST, Mr. WYLIE, and Mr. ZEFERETTI.

H. Res. 34: Mr. BUCHANAN, Mr. CAVANAUGH, Mr. CLINGER, Mr. CONTE, Mr. DIXON, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. FINDLEY, Mr. GUARINI, Mr. HOLLENBECK, Mr. HUGHES, Mr. JOHNSON of Colorado, Mr. KOGOVSEK, Mr. LENT, Mr. LUKEN, Mr. MATSUI, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, Mr. RAHALL, Mr. RATCHFORD, Mr. ROE, Mr. SANTINI, Mr. SIMON, Mr. SPENCE, Mr. WHITEHURST, Mr. WOLFE, and Mr. MCCORMACK.

H. Res. 107: Mr. BUCHANAN, Mr. CONTE, Mr. FOWLER, Mr. GORE, Mr. MARLENEE, Mr. RAHALL, and Mr. STANGELAND.

PETITIONS, ETC.

Under clause 1 of rule XXII,

53. The SPEAKER presented a petition of the city council, Boston, Mass., relative to the allocation from the 1979–80 Community Development Block Grant Funds for a new Federal building in the city of Boston, which was referred to the Committee on Government Operations.

EXTENSIONS OF REMARKS

THADDEUS KOSCIUSZKO

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, today is the 233d anniversary of the birthday of a Polish patriot who fought for liberty in America, Thaddeus Kosciuszko. His commitment to the ideals of freedom and liberty brought him to this country. The enthusiasm he found here for those same ideals, inspired him to return to Poland where he led an uprising against the partitioning of his own country by Russia, Prussia, and Austria.

Kosciuszko was born on February 12, 1746. He graduated from the Royal Military School in Warsaw with a degree in military engineering having specialized in fortifications. After continuing his studies in Paris, he heard of the beginning of the Revolutionary War and decided to join the Americans. To the cause of American Independence, he contributed both his talents as a military engineer and his enthusiasm for liberty for all men.

As an engineer, Kosciuszko helped to fortify Philadelphia and, when his talents were recognized by the American generals, built fortifications along the Hudson River, at Saratoga, and at West Point. The latter stands as a lasting memorial to his genius. He was also a valiant soldier and, after the war, was made a brigadier general by Congress, given a large piece of land in Ohio and his back pay, which amounted to about $12,000. This, and the funds from the sale of his land, he used to help found a school for freed black people that was one of the first of its kind.

Kosciuszko used the experience he had gained in America when he returned to Poland in 1784. He worked for reform in his homeland which resulted in the constitution of May 3d, 1791. With some similarities to the American Constitution, Poland's established a constitutional monarchy, granted tradespeople equal rights with the nobility, and improved the condition of the serfs. However, in 1793, Poland was partitioned by Russia, Prussia, and Austria.

With his mind, as always, full of the ideas of freedom and equality for all men, Thaddeus Kosciuszko initiated a revolt against Russian domination on March 24, 1794, with the following words:

> In the presence of God, and in the presence of the whole of mankind, and more particularly before you, Nations, in which freedom is treasured above all earthly goods, I declare that, exerting our indisputable right to resist tyranny and armed oppression, we join our forces as brothers and fellow citizens, inhabitants of one country, sons of one Motherland and swearing to one another to spare no sacrifices and to use every means with which only the holy love of freedom can supply those who rise in despair to defend her. . . . The liberation of Poland from the army of oppression, the restoration and security of her whole boundaries, the suppression of all tyranny and usurpation, foreign and domestic, the establishment of national liberty and the independence of the Republic—that is the sacred aim of our uprising.

Kosciuszko was imprisoned by the Russians and subsequently released but was never allowed to return to his homeland.

Today, Thaddeus Kosciuszko lies buried in Krakow among Polish kings and heroes. Because he loved freedom for all regardless of class or race, his heart is buried where he spent the last days of his life, in free Switzerland. We can remember him with respect and allow that memory, of Thaddeus Kosciuszko and of our American Founding Fathers, to inspire us to work toward and pray for liberty for all men.●

THE 61ST ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BRODHEAD. Mr. Speaker, on February 16, we commemorate an important day for all freedom-loving people: The 61st anniversary of the Declaration of Independence of Lithuania. I am happy to join with those of Lithuanian origin in celebrating this significant occasion.

The struggle for Lithuanian freedom has been long and difficult. Years after declaring its independence and taking its place among the nations of the world, Lithuania was invaded in 1940 by the Soviet Union, an ally of Nazi Germany at the time. After World War II, the Soviets refused to restore independence to Lithuania and the other Baltic States.

In spite of these setbacks, courageous Lithuanians continue their quest for freedom. The Nobel prize-winning human rights organization, Amnesty International, reports that Lithuanian citizens are currently being imprisoned for such so-called "crimes" as expressing nationalist sentiments in books and leaflets. The Soviet Union has blatantly and consistently disregarded its obligations to the people of Lithuania under international agreements it has approved, including the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki Final Act.

The people of Lithuania and other captive nations have, in a sense, been bearing a burden for those of us fortunate enough to live in the free world. By their courage, perseverance and great sacrifices, they have helped all of us to understand how precious freedom is. They have earned our lasting gratitude as well as our prayers and support.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

OMNIBUS SMALL BUSINESS BILL

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. SMITH of Iowa. Mr. Speaker, this morning I have submitted a list of an additional 50 Members of the House who are cosponsoring H.R. 90, the 1979 omnibus small business bill. This brings the total number of cosponsors of this measure to 136.

For the benefit of my colleagues who have not had an opportunity to examine this bill in detail, I am attaching a summary of its major provisions. The committee will be acting upon the bill this month and I urge all of my colleagues to examine it and to support it and to show their support by cosponsoring this major small business bill.

The summary of the bill follows:

HIGHLIGHTS OF H.R. 90, OMNIBUS SMALL BUSINESS BILL AND AUTHORIZATIONS THROUGH FISCAL YEAR 1982

TITLE I. PROGRAM FUNDING AND AMENDMENTS

1. (Sections 101 and 102) Authorizes funds and sets maximum program levels for all SBA programs, including the new solar loan program, through Fiscal Year 1982:

[In millions of dollars]

	1979 [1]	1980	1981	1982
Direct loans	657	695	764	840
Guaranteed loans	3,754	4,114	4,530	4,978
Nonphysical disaster loans	330	220	242	267
Surety bond guarantees	2,200	2,700	3,500	4,000
Pollution control bonds	300	100	110	125

[1] Existing law and basically unchanged in this bill.

2. SBA Salaries and expenses (Sections 101 and 102).

Authorizes salary and expense amounts through Fiscal Year 1982 and "earmarks" certain of these amounts:

[In millions of dollars]

	1979	1980	1981	1982
Procurement	17.0	18.7	20.6	22.6
Management and technical assistance	25.6	29.4	33.0	36.1
Research and advocacy	2.3	2.5	2.8	3.1
Minority enterprise	17.0	17.2	17.4	17.6
Data management	4.5	7.4	8.0	9.2
Small business development centers	8.0	18.0	20.0	22.0
Other	125.6	138.8	152.2	167.4
Total	200.0	232.0	254.0	278.0

3. Authorizations.

To support these SBA activities, the following amounts are authorized to be appropriated: 1979 $1.635 billion, 1980 $1.616 billion, 1981 $1.789 billion, 1982 $1.943 billion.

4. Disaster loan interest rates (Section 113). For disasters occurring between October 1, 1978 and October 1, 1982

A. Homeowner, 3% for first $55,000. Average cost of money to government (currently 7⅝%) on amounts above $55,000.

B. Other, 5% on first $250,000. Average cost of money to government on amounts above $250,000.

5. Small Business Indicative Data Base (Sections 101–102).

Direct SBA to compile a listing of small businesses so that SBA can inform them of possible sources of Federal assistance or exporting opportunities.

TITLE II—SMALL BUSINESS DEVELOPMENT CENTERS

The bill extends through fiscal year 1982 the pilot program authorizing comprehensive small business development centers to provide management and technical assistance to small business. The program is patterned after the successful agricultural extension service and when fully implemented in the mid-1980's is expected to be funded at $75 million. State plans for the centers are to be developed, but are not limited to university participation. Grants will be on a matching 50/50, Federal/private funding formula based on the percentage of population served by each center. Grants may be made directly to each applicant. Each applicant must qualify under the SBA approved State plan. A National Small Business Development Center Advisory Board will be appointed by the Administrator of SBA to evaluate the CBDC program. The bill authorizes $8.65 million for fiscal year 1979, $18.65 million for fiscal 1980, $20.65 million for fiscal year 1981 and $22.65 million for fiscal year 1982.

TITLE III—WHITE HOUSE CONFERENCE ON SMALL BUSINESS

Sets up a framework for a White House Conference on Small Business to be held by June, 1980. The White House Conference will be preceded by state and regional small business meetings to include all interested small business concerns. $5 million is authorized for the Conference.●

WYDLER SPONSORS SENIOR CITIZEN INTERN PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. WYDLER. Mr. Speaker, once again, I am sponsoring my senior citizen intern program for older Americans in our fabulous Fifth Congressional District.

Anyone involved in senior citizen affairs is painfully aware of the impact of Federal policies and legislation on the lives of our older Americans. Because of constant changes in these policies and laws, I have found it extremely helpful—to me and to the senior citizens of our area—to provide this senior citizen intern program as an open line of communication between the Federal Government and our senior citizens.

My senior citizen intern program is designed to enable two residents from within the fabulous fifth, who are 65 years of age or older and are nominated by their senior citizen organization, to spend 2 weeks in Washington. While in Washington, the two seniors from our area will join other senior interns from around the country, learning about Federal programs and policies affecting all older Americans. The program also enables me to work closely with our senior citizen representatives and gain from them an even deeper awareness of their special concerns.

Every senior citizen club in the Fifth Congressional District is invited to nominate one or two persons, regardless of sex, who have been active members of their group and who would be interested in serving as senior citizen interns representing our district. All members of senior citizen clubs and organizations are eligible to be nominated.

The recommendations of the senior citizen organizations will be referred to an impartial panel of judges consisting of active senior citizen leaders in our area, which will select the two senior citizen interns. Those selected will spend 2 weeks in Washington, D.C., from May 7 through May 18. They must be prepared to pay their own room and board while in Washington, as well as their transportation expenses, as checks will not be issued to them until sometime in early June.

While in Washington, the senior citizen interns will maintain an active schedule of morning and afternoon sessions with White House, departmental, agency, and congressional leaders, learning the "nuts and bolts" of Federal programs affecting the elderly. I will benefit from their insight into the effectiveness of these programs and, after their internship, the interns will return to the fabulous fifth to share their newly acquired knowledge with members of their own, and other, senior citizen groups.

Nomination forms for the senior citizen intern program have been distributed to all senior citizen clubs and organizations in the fabulous fifth. All nominations must be in my office at 150 Old Country Road, Mineola, N.Y., by Thursday, March 22, as the judges are scheduled to make their selections shortly thereafter.

The senior citizen intern program has proven to be of real value to our congressional district and I hope that every senior citizen organization in the district will participate in this very worthwhile program.●

FUTURE FARMERS OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. NATCHER. Mr. Speaker, the week of February 17 through 24 will be celebrated as National Future Farmers of America Week. The theme of this celebration is "FFA—A Golden Past—A Brighter Future," a well chosen and timely theme.

The future of farming became a na-

tional issue last year, and rightly so. Agriculture is basic to the stability of our economy, and the Future Farmers of America program provides, not only the encouragement, but the training and expertise so vital to the continuance of this great industry.

There are over one-half million members enrolled in Future Farmers of America, and, I am happy to say, my home State of Kentucky enjoyed a record membership last year.

Members of this organization are students studying vocational agriculture guided by alumni who are willing to give their time and energies in an advisory capacity. The students learn not only the rudiments of successful farming but new concepts and technological advances that enables our agriculture industry to meet todays demands.

Future Farmers of America concerns itself with community needs. Chapters are involved in activities which are designed to improve and enhance local communities and promote a better understanding of agriculture.

To the Future Farmers of America, thank you for your industry and seriousness of purpose and congratulations—it is through organizations such as yours that America will indeed share in your brighter future.●

TRIBUTE TO HON. WILEY P. GORDON

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. FLIPPO. Mr. Speaker, the death of Wiley P. Gordon has deprived the senior citizens of Alabama with the servvice of one of the finest leaders and spokesmen for the Alabama League of Aging Citizens. As president of the Alabama Pension Foundation, Mr. Gordon provided outstanding leadership within the senior citizens' community in the battle for better health programs, better mental health facilities, adequate housing, and recreational programs to serve the elderly in Alabama. His prominent role in improving the health, welfare, and lives of senior citizens will serve as a lasting memorial to his life's work. The contributions of Mr. Gordon have been summarized succinctly and concisely in the following poem entitled, "An Everlasting Tribute," written by Mr. Rubin Morris Hanan.

Mr. Speaker, I include the tribute to Wiley P. Gordon with my remarks:

AN EVERLASTING TRIBUTE, HON. WILEY P. GORDON, OWEONTA, ALA.

Did someone say 'new beginning'?
And should it end in the first inning
For one so devoted, so loyal, so true
Who seemed always to know when and just what to do;
One who arduously worked most unceasingly
For his beloved State of Alabama
And the sick, the maimed and the poor elderly?
Did this slogan we heard represent a new era
That we were expected to toast with Champagne and Madeira,
Then before we get down to the big task ahead
Find indispensable loved ones, dispensable and dead?
Sure there must be a reason we can't see right now.
Let's praise God in His wisdom; He'll show us somehow.
The challenge now greater, the task has begun;
Without the Honorable Wiley P. Gordon
The job must be done.
We all can take pride in the roles he has played in the Legislature and the League,
As we recall knowingly the contribution he's made to
Alleviate human suffering, pain and hunger.
The unending assignments which he undertook has earned
Him a page in that Golden Book,
He so cherished it.
In tribute let's show courage; he would wish to be strong—
Let a better Alabama forever be our favorite song.
May God grant eternal rest to you in your sojourn on His Closer side.
Relatives, friends, mourners, well-wishers all remember,
God plays a good hand we throw the ball.
We mourn his passing and pay tribute to his greatness that
Is rooted in goodness,
Life that reflects its Creator.●

THE HERITAGE AND HERB BRIN

HON. HENRY A. WAXMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. WAXMAN. Mr. Speaker, it is a signal honor to be the means of calling to your attention a most noteworthy event: the silver anniversary celebration of the Los Angeles regional edition of Heritage (Southwest Jewish Press) published and edited by Herb Brin. This happy anniversary will also be celebrated by the paper's three sister editions which serve San Diego, Orange County, and central California.

Inscribed above the masthead of Heritage are the words "Justice, Justice Shalt Thou Pursue * * *." In following this Biblical injunction, Heritage harks back to earlier and tougher American journalism when an editor imprinted his personality on every page of his journal. The personality and character of Heritage is that of Herb Brin, who graduated from the rough and tumble school of Chicago journalism to become one of the most honored Jewish newspapermen in our country. Under his guidance, Heritage has ranged the world to cover the triumphs and tragedies of the Jewish people, from Israel and behind the Iron Curtain, from Tehran and from Madrid.

While Heritage's first responsibility is to the Jewish community, it is not an ethnocentric journal. Herb Brin's burning sense of justice extends to persecuted and disadvantaged people of any origin in America and in the rest of the world.

Heritage may well boast of its quality, having won many awards for journalistic excellence, which include the coveted Smolar Award (three citations), Anti-Defamation League's Communication Award, and Sigma Delta Chi (two citations) among many others.●

SHORTER WORKWEEK LEGISLATION INTRODUCED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. CONYERS. Mr. Speaker, one of the chief methods for keeping unemployment in check during the Depression was the adoption of the 40-hour workweek. This was accomplished by the Fair Labor Standards Act of 1938, which reduced the standard workweek from 48 to 40 hours, a cut of 35 percent. During the past 30 years, however, the workweek has remained substantially unchanged, despite the frequency of massive unemployment, large-scale technological displacement of human labor, and considerable gains in productivity. We ought to look at reducing the working week and spreading employment among a greater number of workers, once again, as a means to reducing joblessness without sacrificing productivity.

The conventional methods of coping with unemployment and inflation by tinkering with fiscal, monetary, and budgetary policies and of offsetting price increases by adding to unemployment have proved to be greatly inadequate. The same worn-out, ineffectual policies that did not work in the past are now being applied to current problems. The upshot of these policies has been both higher rates of unemployment and higher inflation rates. We have to find other ways that are both more efficient and more equitable.

On February 1, 1979, I reintroduced the Fair Labor Standards Amendments of 1979. This bill—

Raises the premium rate for work in excess of 40 hours, or overtime work, from time-and-a-half to double-time;

Requires employers to obtain the consent of employees in scheduling overtime;

Reduces by stages the standard workweek from 40 to 35 hours over a 4-year period;

Maintains in force for their duration existing collective bargaining agreements, and provides for adjustments in income standards through the bargaining process; and

Empowers the Secretary of Labor to waive the overtime consent provision in cases of demonstrable economic emergency.

More than 40 years have passed since the Fair Labor Standards Act of 1938, which established the 40-hour week and the overtime rate of pay. Though the major rationale of the overtime provision was to spur new employment, the provision has proved ineffectual, as the costs to employers of hiring, training, and paying the fringe benefits of new workers have overtaken the cost of paying out premium rates for overtime. In the last several years as many as 20 million wage and salary workers have been employed in excess of 40 hours a week.

During the past few decades, moreover, production employment has decreased significantly, as a result of technology and productivity gains. It is estimated, for example, that 13.6 million production workers today are producing a few hundred percent more than roughly the same number produced back in 1955. Yet these productivity gains have not been accompanied by commensurate gains in production-related employment: that is, in the 30-year period (1947–77), the total number of wage and salaried industrial workers rose 27 percent; and the work force on the production line increased a mere 9 percent. Productivity gains have permitted a sharing of the dividends mainly in the form of increased income; yet there is growing evidence of a public preference for increased leisure time as well, which makes possible the spreading of work through the reduction in the workweek.

There is, to be sure, no single, all-embracing solution to cyclical and structural unemployment. These amendments to the Fair Labor Standards Act offer the good prospect of checking unemployment, without sacrificing productivity. They can form an important part of the Humphrey-Hawkins Full Employment and Balanced Growth Act, as we move toward implementation of this law.

In order to provide more background information on shorter work week legislation and of its economic and social advantages, I recommend for reading the following statement entitled, "Facts and Figures on Unemployment and the Shorter Work Week," prepared by Nathan Spero, a distinguished economist with the United Electrical, Radio & Machine Workers of America. The statement follows:

FACTS AND FIGURES ON UNEMPLOYMENT AND THE SHORTER WORK WEEK

(By Nathan Spero)

INTRODUCTION

After nearly four years of so-called recovery, unemployment still remains at high levels, machines remain idle and factories are closed for good for want of demand.

The Administration and employers are unwilling or unable to cope with this situation. They flounder around in their use of fiscal, monetary, budgetary, and tax policies, seeking to balance higher unemployment against lower inflation, the net result of which is both higher unemployment and higher inflation.

In the first 40 years of this century, unemployment was kept in check by shortening the work week 35 percent. One of the major instruments in overcoming the great depression of the 1930's was shortening the work week from 48 to 40 hours.

For the past 30 years the work week has remained substantially unchanged. In view of the inability of government and industry to cope with unemployment, working people must once again begin to look to the shorter work week, and with no reduction in pay, as an instrument for putting America back to work.

The employers are far wealthier today, their profits are enormously greater, than during the first half of the century when sharp cuts in the work week were won.

THE UNEMPLOYMENT SITUATION

The current situation

As of January, 1979, after 46 months of recovery from recession, the official government unemployment rate stood at 5.8% of the labor force, with at least 5,883,000 jobless. It has stayed at about this level since August, 1978. Despite the large size of the problem described by the official figures, the real problem of unemployment is dramatically understated by the government.

The true unemployment rate is 8%, or more—40% higher than the official rate. This includes persons not counted by the government as unemployed, who have given up an active job search because they don't see any prospect of immediate employment; and the part-time joblessness of persons working in part-time jobs because they can't find full-time work.

Unemployment worsening in post-war world

The inability of the economy to provide jobs has grown worse in the past 30 years, even when measured during periods of relative prosperity. The present official unemployment rate is far higher during the current recovery from the previous recession, than during expansion peaks in the period since World War II. For example, at the end of the long economic expansion that lasted from February, 1961 through December, 1969, the official jobless rate was 3.5%. At the end of the last expansionary period, running from November 1970 through November, 1973, the unemployment rate registered 4.8%. Today, after a much longer recovery period, the rate stands at 5.8%. Comparison of the six previous expansionary periods since World War II shows that the economy is less and less able to create an adequate supply of jobs, as a function of upturns during normal business cycles.

The structural unemployment problem has also worsened. The monthly average unemployment statistics, as of January 1979, illustrate the problem:

[In percent]

January 1979:	
Overall average	5.8
White adult	5.1
Black adult	11.2
White teenage	13.7
Black teenage	32.7

In the past 10 years the disparity in jobless rates between black and white Americans has worsened, not improved. Ten years ago the ratio was 2 to 1; today it is 2.3:1. Since 1968 the black teenage jobless rate has increased 12%.

HOW THE EMPLOYERS AND POLITICIANS COVER-UP THEIR FAILURE TO PROVIDE JOBS

How do the employers and government explain their inability to put America to work?

1. *The official government unemployment statistics radically understate the true unemployment situation.* As we have seen, the true unemployment rate is 40 percent higher than the official government figures, while the true number of unemployed is 30 percent higher.

2. *They say that unemployment is not really that serious because so much of the unemployment is among teenagers and women who are only secondary earners in a family.* This attitude condemns to poverty and despair millions of young Americans who should be our hope for the future. It ignores the census statistics which show that women must work to support themselves or to supplement low family incomes.

The claim that new young and women workers are not employable because they lack skills does not wash. During World War II millions of such unskilled workers were trained almost overnight to acquire skills, such as machine tool operators, etc.

3. *They claim that it would be inflationary to undertake program that would provide full employment.* But despite the high unemployment, there has also been inflation.

The government goes along with company propaganda that so-called union's greed in seeking higher wages causes inflation and union wage drives can be cooled by a large dose of unemployment. This theory hasn't worked out because it is wrong. Since 1965, the increase in the real purchasing power of the average worker's wages has been pitifully small. Between 1965 and June 1977, a twelve-year period, the purchasing power of the average worker's weekly wage has gone up just 4.5 percent, hardly a cause for inflation.

One must, therefore, look elsewhere to find the reason for inflation. A major factor in inflation has been monopoly pricing in basic industries like auto, steel, and oil, where companies raise prices even during periods of falling demand, in order to maintain profit margins.

4. *As unemployment continues to mount, companies and the government keep raising the rate of unemployment at which they say "full employment" will be achieved.* During the early 1950's, when the rate of unemployment was 2.9 percent, it was generally agreed that the full employment rate was 2.5 percent. As unemployment kept rising, the companies and government, and this included Democratic and Republican parties, also raised their full employment goals to 4 percent and then to 5 percent. The Nixon-Ford administration set the full employment rate at 5 percent, and President Carter's goal four years from now in 1981 is 4.75 percent, just a shade under Nixon-Ford.

5. *They say that the vitality of the economy should be judged by the large number of employed, rather than the relatively small number of unemployed.* This is the newest wrinkle to cover up the miserable jobless situation. But no sleight of hand manipulation of the statistics can cover up the grim truth that one in every ten American workers is unemployed.

Working people will no longer be satisfied with excuses for doing nothing about the horrendous job situation. This is a message that union, black and other minority leaders have brought to Carter.

THE JOB-CREATING POTENTIAL OF THE SHORTER WORK WEEK

As of August 1977, there were over 34,500,000 full-time workers who worked 40 hours. There were over 20,500,000 workers on longer work weeks. There were also 5,500,000 full-time workers working 35–39 hours a week. (U.S. BLS, Employment and Earnings, September 1977).

If the work week of the 55,000,000 working 40 hours or more was cut by one hour, 1,400,000 new jobs would be added.

If the work week of these 55,000,000 workers was reduced by 5 hours, establishing the 35- to the 32-hour, 4-day week, then 13,750,000 jobs would be created.

If the work week were reduced by 8 hours to the 32-hour 4-day week, then 13,750,000 new jobs would be added.

A cut of 10 hours a week per worker establishing the 30-hour week would result in 18,300,000 new jobs.

Of the various reductions in the work week described above the 35 hour week with its creation of 7,850,000 jobs seems to meet the urgent need of quickly providing work for the 8,850,000 jobless workers. The 1,000,000 jobless slots left unfilled would represent the so-called "frictional" unemployment of workers between jobs.

However, it is clear that additional reductions in the work week will be necessary in the future to provide jobs each year for 1,800,000 new young and women workers and for the approximately 2,400,000 workers displaced by technological developments.

Holiday and vacations no substitute for the shorter work week. Every union member considers it important to fight for and win improvements in holidays, vacations and paid leaves of absence. But as the experience of postwar negotiations has demonstrated, these holiday and vacation improvements have added few jobs and are not a substitute for the shorter work week.

A study published in the August 1976 issue of the U.S. Dept. of Labor's *Monthly Labor Review* states that there was "a decline from 50.4 hours a week in 1901 to 42.0 hours in 1948, and little or no change since." After adjustments in average weekly hours for the growth in vacations and holidays, the work week declined to 0.7 hours, from 41.6 hours in 1948 to 40.9 hours in 1975, creating few jobs.[1]

Some unions, of course, will do better than the average. The UAW-Auto "Scheduled Paid Personal Holiday Plan" calls for a total of 12 additional paid holidays off distributed during the second and third years of the contract UAW leaders say that when effective, it will increase the auto work force 2.5 percent the first year plus 3.5 percent the second year. The increase in jobs of over 6 percent is still considerably less than the 14.5 percent job increase resulting from the 35-hour week.

THE ECONOMIC COSTS OF UNEMPLOYMENT

High unemployment levies heavy costs, but some of the heaviest cost of all, the suffering and mental anguish of jobless workers cannot even be measured. What cost can one assess to the hopelessness of millions of young workers who despair of finding a job at a living wage; or to the desperation of jobless workers and their families forced to live on government welfare handouts in rat-infested slums, their children handicapped educationally by inferior slum schools.

But dollars-and-cents costs can be ascribed to the lost production arising from unemployment, the loss to the government in tax revenues and added unemployment compensation and welfare payments, and to the unemployment-related increase in deaths, physical and mental illnesses, alcoholism and drug addiction and crime.

Unemployment-related production losses

According to the Joint Economic Committee of Congress:

"Over the period 1970–1976, inclusive, the total of annual unemployment shows that the economy lost about 38 million man years of potential employment. That figure does not count the additional mi...ons of discouraged workers who dropped out of the labor force because of the absence of job opportunities. The production loss is equally staggering, coming to a cumulative total of about $600 billion in 1972 prices. Simple arithmetic shows that the typical family of four has lost about $12,000 to under-utilization of resources in the seven years prior to 1977. This waste continues in 1977 as the economy stumbles along below its potential." (*The 1977 Midyear Review of the Economy*)

The $600 billion loss of production in 1972 prices amounts to $803 billion in mid-1977 prices. It comes to $21,000 for each man-year of unemployment during the seven-year period 1970–76. Thus, the production losses per unemployed worker per year are far greater than the cost of paying the $11,700 a year in wages to each unemployed worker who is brought back to work as a result of the shorter work week.

Unemployment-related revenue losses to the government

In addition, unemployment is a major drain on the federal budget, causing huge budget deficits.

According to the Joint Economic Committee of Congress, "Every percentage point in the unemployment costs the U.S. Treasury an estimated $17 billion—$12 billion in lost tax revenues and $5 billion in food stamps, unemployment insurance, and other support programs." (*1976 Joint Economic Report*)

This cost per unemployed worker amounts to $18,279 dollars. Again far more than the cost of putting an unemployed worker back to work as a result of the shorter work week.

The "human" costs of unemployment

The cost of unemployment extends beyond the financial loss to the unemployed, the loss to the nation as a whole measured in terms of a diminished output of goods and services. Unemployment also creates stressful situations for laid-off workers and their families—and stress has long been known as a major contributor to a variety of physical and mental illnesses.

A study prepared for the Joint Economic Committee of Congress analyzed medical data covering a 35 year period in order to isolate the incidence of stress-caused physical and mental illness attributable to unemployment.[2]

From this medical data the study works up the "human" costs of unemployment. The following table shows the increase in illness and social pathology arising from a one percent increase in unemployment.

Physical and mental illness or indicators of mental illness and increase resulting from a one percent change in unemployment

[In percent]

Suicide	4.1
State Mental Hospital Admissions	3.4
Males	4.3
Females	2.3
Homicide	5.7
State Prison Admissions	4.0
Death from Cirrhosis of the Liver	1.9
Death from Cardiovascular Renal Disease	1.9
Total Death	1.9

The author of the study notes that the findings merely scratched the surface because of the limited data. For example, he had no way of determining the increase in cases of cirrhosis and cardiovascular disease that did not result in deaths. In addition, many other maladies are equally stress-related but insufficient data prevents calculation of how unemployment effects them.

A momentary value can be attached to the "human costs" of this aspect of unemployment. Illness and death reduce the ability of our nation to produce goods and services. There are costs associated with mental hospital and state prison admissions, and the treatment of illnesses. During the period from 1970 to 1975, these costs attributable to the 1.4% increase in employment that began in 1970 and that remained through 1975 amounted to $6.6 billion.

ECONOMIC ADVANTAGES OF SHORTER WORK WEEK

The expansion of workers' purchasing power, as a result of a shorter work week and full employment, could cause firms to operate at close to full capacity instead of at the present 86% of full capacity level. Increased sales, and the more efficient operations that result when the economy is in high gear, would together strongly stimulate profits.

Nor would government revenues suffer in the long run. The increased demand has a multiplier effect on other industries, producing an even larger increase in demand and sales, thus stimulating the lagging capital goods industries and helping rescue industries such as steel. As pointed out earlier, every one percent in the unemployment rate costs the federal government roughly $17 billion in lost taxes and extra costs associated with unemployment benefits and welfare spending.

The greatest benefit would be to the unemployed—blacks, other minorities and whites, teenagers and women who would be salvaged from the dust heap to which the employers have consigned them. Employment at union wages would reduce alcoholism, and drug addiction, prevent premature deaths, help overcome the crime wave, slash the prison population, thus freeing the billions of dollars the government spends coping with these social evils for badly underfunded housing, education, health and mass transit programs.

The shorter work week is good for the employed. Full employment is good for organizing, it gives workers the spirit to fight against employer excesses such as speedup and rate cutting.

It is good for family life. At one time the work of one breadwinner in a family was expected to support the family. Now the husband and wife must work to keep the family going. Where 40 hours a week was needed in a family, 80 hours a week is now necessary. Counting the time travelling to and from work, about an hour per day for each, brings the family work week to 100 hours. Shortening the work week enables parents to spend more time with their children, provides additional time for shopping, cooking, and other household chores, therefore strengthening family life.●

[1] The study uses hours of non-student men in nonagricultural industries as the "most reliable indicator" of hours.

[2] Dr. M. Harvey Brenner, *Estimating the Social Costs of National Economic Policy: Implications for Mental and Physical Health, and Criminal Aggression*, Vol. No. 1, Paper No. 5, 94th Cong., 2nd Sess., October 26, 1976.

LINER SHIPPING IMPROVEMENT ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BIAGGI. Mr. Speaker, I introduce today the "Liner Shipping Improvement Act of 1979." This bill is designed to create more equitable competitive conditions in our Nation's liner shipping industry, by increasing the responsiveness of all carriers.

There is wide recognition of the need to modernize the maritime policy governing the transport of our liner imports and exports. This bill will achieve three fundamental improvements in that policy.

First, it will obligate both U.S. flag and foreign flag ocean carriers who provide frequent service in the U.S. foreign trades to participate in Federal Maritime Commission-approved agreements, with attendant neutral-body policing requirements to attack malpractices. Thus, this amendment will provide for even-handed treatment as between foreign and U.S. flag carriers. At the same time, such participation will curtail the costly "dumping" of excess foreign ships into the U.S. liner trades—a practice that has inflated transport charges. Such uniformity of treatment will also correct the "skimming" of our trades by opportunistic cross-traders.

Second, the bill will require a given independent liner operator of any size in our trades to submit to a review of his activities by a nongovernmental neutral body of his choice. It would anomalous, indeed, to require neutral-body enforcement by all members to agreements—which include virtually all U.S. flag carriers—and not extend this neutral-

body enforcement requirement to operators entering our trade on a less frequent service basis.

Finally, but an equally significant advantage, is a requirement of the bill that all agreements must allow their members the ability to set their own rates and tariff rules independently through the orderly mechanism of due notice to the other agreement members whenever a proposal for a change in the tariff rate or rule is not acceptable to the membership as a whole. Such flexibility and responsiveness will assure our exporters and importers that reasonable and innovative ocean transport competition will not be stifled.

I have introduced this bill early in this session in order that these urgently needed reforms can move forward independent of a needed overall review of the provisions of the Shipping Act, in the context of the current liner ocean-shipping environment.●

NATIONAL INVENTORS DAY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. PATTEN. Mr. Speaker, in paying tribute on February 11, 1979, to the millions of inventors on National Inventors Day, we pay particular tribute to Thomas Alva Edison. His birthday was well chosen as the date to honor inventors. The name Edison and the term inventor are virtually synonymous.

Edison's most memorable invention was the first practical incandescent light bulb in 1879. However, 10 years earlier, he invented the stock ticker and in 1877, the phonograph. The development of his phonograph has brought everything from Bach to the Beatles to your living room. During this time he was actively working in his industrial research laboratory—an approach toward research which Edison perfected. This approach is recognized by many as his greatest contribution. Researchers engaged in technical studies have used Edison's method since its development. Scientists in today's high technology continue to use this method.

This impressive scientist received more than 1,000 patents, the most awarded any individual. With the incandescent electric lamp as his most valuable discovery and by perfecting electric generation, distribution, and measurement systems, Edison turned the world of modern science around. His genius led us into the modern technological era as we know it today. Edison's inventions were boundless. Many of the power and communication capabilities existing today are a reflection of the work and dedication of Edison. His inventions have also included the electric railway, the motion picture camera, talking motion pictures, the storage battery, and the miner's lamp.

The career of Thomas Alva Edison has enhanced the lives of U.S. citizens and millions of people throughout the world. It is only fitting that we Americans pay tribute to a man who brought light into darkness by his inventions at research labs around the country and in particular at Menlo Park, N.J.●

ANOTHER ARGUMENT AGAINST COURT-ORDERED BUSING

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. MOTTL. Mr. Speaker, I would like to share with my colleagues an editorial on magnet schools and court-ordered busing which appeared in the Cleveland Plain Dealer on February 12.

As you know, I have introduced House Joint Resolution 74 which seeks a constitutional amendment to ban court-ordered busing and would preserve the neighborhood school concept.

In the editorial, no less an authority than Dr. James Coleman—the architect of court-ordered busing—says flat out that such busing does not work.

The editorial follows:

SCHOOLS' OPPORTUNITY

Through the failure to open four magnet schools on time this month must be viewed as a setback, the Cleveland Board of Education should continue to press forward with the concept. Voluntary desegregation using such schools is the best thing that could happen to Cleveland while the system is under a stay order by the U.S. Court of Appeals (6th Circuit).

It would appear from the stay order that the school system has no legal requirement to attempt to desegregate the schools while the stay is in effect. But as Supt. Peter P. Carlin has stated, the system does have both a moral and a legal obligation to provide pupils with quality, integrated education. No lawsuit, such as the one by the NAACP, changed that. The obligation has been there all along.

So the board is correct in its moves toward "magnet" schools, which deserve a chance to succeed. The response by thousands of Cleveland parents is an indication that they too welcome the chance to have some choice over where their children go to school.

One of the champions of the magnet school approach—schools designed to offer specialized programs and theoretically to attract pupils of both races voluntarily from througout the system—is James S. Coleman, a University of Chicago professor who is considered a turncoat by many advocates of large-scale busing to achieve racial balance in the schools.

Coleman was author of a 1966 report often cited as justification for busing children to integrated schools. He is one of the nation's experts on the effects of attempts to desegregate large systems like Cleveland's.

Since his initial findings on the merits of racial balance, whatever the costs, Coleman has been convinced from his research that busing on a forced basis is not working. He has said new incentives, such as magnet schools, must be found to make desegregation work.

There are two key points to Coleman's position:

Instead of eliminating segregation, busing has driven whites away, leaving central cities with a proportionately larger black population. Integration, he says, has not automatically improved the achievement levels of disadvantaged black children.

Instead of forcing parents to send their children to other schools, systems should be desegregated by offering incentives to the parents and by letting them choose their children's schools. Coleman says both blacks and whites should have that choice. He pointed out that many black parents, at great expense, are sending their children to Catholic and other privately run schools. And he says that there is nothing inherently wrong with an all-black school as long as its pupils attend the school by choice.

Coleman contends desegregation should be fostered by offering magnet schools, and by allowing children to go to any school they want, even those outside the school district; the district would be paid by state vouchers for education.

Because of the federal stay order, Cleveland's school system has an opportunity to try at least part of Coleman's plan. It is an opportunity that should be used to fullest. Magnet schools could eventually play a major role both in the desegregation of the system and in improving the quality of education.●

DR. DAVID LIEBER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. WAXMAN. Mr. Speaker, on Sunday, January 28, 1979, the University of Judaism offered a tribute dinner to Dr. David Lieber of Los Angeles. The event celebrated the establishment of the David Lieber School of Graduate Studies and was held in conjunction with the 79th International Convention of the Rabbinical Assembly.

Dr. Lieber, a vice chancellor of the Jewish Theological Seminary of America, is the president of the University of Judaism, the seminary's west coast branch in Los Angeles, and also holds the title of "Samuel A. Fryer Professor of Bible." Dr. Lieber is a member of the Near Eastern Language Department of UCLA.

David Lieber received his B.A. degree (magna cum laude) from the College of the City of New York in 1944, where he was elected to Phi Beta Kappa. He earned a B.H.L. degree from the Jewish Theological Seminary of America in 1944, and was ordained a rabbi in 1948. Columbia University awarded him a M.A. degree in 1947, and he obtained the degree of doctor of Hebrew literature in 1951 at the Jewish Theological Seminary of America. Dr. Lieber pursued graduate studies at Columbia University, the University of Washington at Seattle, and at UCLA.

A spiritual leader of Sinai Temple in Los Angeles from 1950 to 1954, Dr. Lieber also served as a chaplain in the U.S. Air Force and was university chaplain for the B'nai B'rith Hillel Foundation at the University of Washington and at Harvard University. In 1956 he was appointed dean of students at the University of Judaism, a position he held until he assumed the presidency of the university in 1963.

A former member of the board of directors of the Association of Professors of Jewish Studies, Dr. Lieber also served on the executive council of the Rabbinical Assembly. He has written many articles, which have been published in "Commentary," "The Christian Century," "The Reconstructionist," "Conservative Judaism," "The Torch," and "Jewish

Education." He is listed in both "Who's Who in America" and "Who's Who in Israel."

Dr. David Lieber does his community and his faith honor. His many years of dedicated service have enlightened and enriched all of those fortunate enough to have studied with him. I know that my colleagues will wish to join with me in offering our tribute to this distinguished scholar, community leader, and spiritual guide.●

TAX LIST FOR OLDER AMERICANS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ABDNOR. Mr. Speaker, the annual chore of filing our annual income tax return is now upon us. Young or old, we must cope with the ever-changing tax requirements, including provisions of the 1978 tax law which included a number of tax relief sections.

Many of these new provisions are of particular interest to older Americans who have been severely victimized by skyrocketing inflation. Living on fixed incomes, they must make every penny count and take advantage of every opportunity to save.

In the interest of helping them save on their tax bills, I commend to their attention the newly revised list of itemized income tax deductions recently prepared by the Senate Special Committee on Aging.

The list follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1978)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

Drugs and medicines

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchases of the following items: automobiles, trucks, motorcycles airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.
Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).
Penalty for prepayment of a mortgage—deductible as interest.
Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

	Required to file a tax return if gross income is at least—
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses. Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040 line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information see instructions for Form 1040 or 1040A.

Energy Tax Act

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation properly installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for

the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solor, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditures in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

THOMAS ALVA EDISON

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. MINISH. Mr. Speaker, Sunday marked the 132d anniversary of the birth of Thomas Alva Edison. Adding to the occasion's significance is the fact that 1979 has been designated International Centennial of Light, in honor of the 100th anniversary of Edison's invention of the incandescent light bulb.

Mr. Speaker, we in New Jersey take a certain extra pride in the fact that Edison performed most of his important experiments in our State. Additionally, his home and main laboratories were located in the town of West Orange, which is in the district I have the honor of representing.

Since 1973, National Inventors Day also has been celebrated on February 11. This is fitting since the name Edison and the term "inventor" are almost synonomous. In his lifetime, Thomas Edison received 1,093 patents, the most awarded to any individual by the U.S. Patent Office. In 1882—his most prolific year—Edison was awarded an average of two patents per week.

Among his principal inventions are the electrical vote recorder; the stock ticker; wax paper; the microphone; the phonograph; the incandescent electric light; the electric railway; the motion picture camera; the alkaline storage battery, and the talking motion picture. In addition, Edison is credited with developing the industrial research laboratory—the team approach to solving scientific and technological problems. This method is still used by today's industrial, academic, and Government researchers in their technological studies.●

CONGRESSIONAL VETO ACT

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BONER of Tennessee. Mr. Speaker, today, I rise to cosponsor a major piece of legislation, the Administrative Rule Making Reform Act, H.R. 1776, introduced by Hon. ELLIOTT LEVITAS of Georgia, which will improve agency rulemaking by expanding the opportunities for public participation; by creating procedures for congressional review of agency rules; and by expanding judicial review of the process. The bill that I have cosponsored today will give the Congress the right to review, and, if necessary, veto in advance, any rule or regulation promulgated by unelected bureaucrats.

Congressional veto of administrative rules and regulations is not a new idea. This body has in the past particularly shown strong support for this concept. In the 94th Congress, the House Judiciary Committee reported to the House a bill applying a congressional veto of administrative rules and regulations for all Federal departments. This bill was debated on the floor, however failed by two votes, 265 to 135, to receive the necessary two-thirds for passage. That support was bipartisan in nature, with 165 Democrats and 100 Republicans joining in voting for the bill.

In the 95th Congress, no comprehensive bill was reported for consideration by the House. However, 186 Members of the House cosponsored a bill providing for a congressional veto of administrative rules and regulations.

On at least five separate occasions, congressional veto amendments, patterned after the comprehensive bill, were approved on the House floor relating to various agencies, such as HUD or FTC. In addition, similar amendments were offered during committee and subcommittee consideration of legislation, such as the Department of Education Organization Act and the Surface Transportation Assistance Act.

The most noteworthy votes on this issue were taken on the FTC conference report. Although the House passed an amendment providing for congressional veto of FTC regulations by a 2 to 1 majority, 272 to 139, the Senate refused to accept this provision in conference. On two separate occasions, the House voted to reject the FTC conference report because it did not contain the congressional veto of FTC regulations. The first vote was 145 to 255; the second was 175 to 214. That two-time rejection of the conference report constituted an unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform.

The procedure set forth in the bill I am cosponsoring provides that when a regulation or rule is adopted under the Administrative Procedures Act, it will be referred to the Congress for 60 days before it becomes effective. If, during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed.

While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses could participate in the process, the principle of bicameralism is respected.

This proposal contains a retroactive provision which will permit either House of Congress to review regulations previously adopted and, if necessary, refer them back to the administrative agency for reconsideration under the procedures of congressional veto.

Congressional veto of administrative rules and regulations addresses a central and most serious question: Who makes the laws of this country? Is it the elected officials or the unelected bureaucrats who rule by administrative fiat?

Time and time again, the administrative agencies have usurped the authority of Congress through their quasi-legislative process of rulemaking. We have seen our legislative efforts frustrated and distorted when the implementing rules and regulations are published. The administrative agencies have oftentimes promulgated rules and regulations which are oppressive, arbitrary, or go clearly beyond the intent of Congress in passing the enabling act. Once past that little phrase, "The Secretary shall have the power to promulgate regulations * * *," it is anyone's guess how far the administrative agency will go or, indeed, how lenient it will be.

This legislation will force Congress to draft proposed bills more carefully and to spell out its intent more clearly.

Congress is far too lax in delegating authority broadly and without guidelines to administrative agencies. When hard decisions have to be made, we pass the buck with vaguely worded statutes. Who can, or should, vote against clean air, or safe cars, or nondiscrimination? But when the implementing regulations are published requiring cars to be equipped with expensive equipment; or EPA imposes a parking ban on cities; or EEOC refuses to let a police department ask potential employees if they have a criminal record, one wonders whether the value of these stringent regulations outweighs the actual benefits. We must realize that the Congress has the ultimate responsibility for administrative rules that flow from enabling acts, and that they in turn are responsible to the people who elected them.

Moreover, the public will have a larger voice in the rulemaking process. Access to Members of Congress, and even to Senators, is far easier than access to anonymous, faceless bureaucrats. I will readily admit that most Federal administrators are hardworking, dedicated people who do their job and serve the citizens faithfully and well. Some few, however, are zealots who in some elitist way think they—not the people and the elected Congress—run the country.

This legislation is not primarily a liberal or conservative issue—it crosses ideological lines. The support for this type of legislation should come from every political spectrum. It is just—the time is right—let us not delay further.●

BILL CLEMENTS—GOVERNOR OF TEXAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. COLLINS of Texas. Mr. Speaker, this year marks a great step forward for the State of Texas. For the first time since the Civil War, Texas has a Republican Governor. Everyone appreciates the opportunities inherent in the competition of a two-party system.

With the election of Bill Clements as Governor, Texas is now a viable two-party State. The Texas Legislature got underway in January, and Clements set the pace with his inspirational inaugural address.

I want to share with you this historical message which was delivered on the Texas Capitol steps in Austin:

THE INAUGURAL ADDRESS OF THE HONORABLE WILLIAM P. CLEMENTS, JR.

Lieutenant Governor Hobby, Mr. Speaker, members of the Sixty-Sixth Texas Legislature, distinguished officials and guests, my fellow Texans:

An Inauguration traditionally marks the beginning of a new administration, and any beginning requires an awareness and an understanding of the past.

So, an Inauguration is a time when we must pause to reflect on our past before embarking on the future.

An Inauguration also is a time to offer thanks and I would like to begin by thanking our Divine Leader who is the fountainhead of our very existence.

The first Governor of the State of Texas, the Honorable J. Pinckney Henderson, said in his Inaugural Address of 1846:

"Who can look back upon our history, and not be fully and deeply impressed with the consideration that the arm of Deity has shielded our nation, and His justice and wisdom guided us in our path? It is therefore our duty, in deep humility, to make our acknowledgements for His many favors."

As your public servant, I want to thank you for the trust you have placed in me and for the opportunity you have given me to represent you.

This being the first time I have ever taken the oath of public office as an elected official, I take it with extreme seriousness and with a keen awareness of its meaning and obligations.

To take this oath is an honor because to be your Governor is to be the leader of the most exceptional state in the union, a state made great by its people.

This Inauguration would be incomplete if we do not stop to publicly thank our outgoing elected leaders for their contributions to this state.

As a citizen, I want to thank Governor Dolph Briscoe for his six years of distinguished and unselfish service to this state.

He will be remembered as the Governor who successfully fought the creation of any new state taxes.

And, he will be remembered as the Governor who took the first steps toward returning the tax-generated surplus in our state treasury back to its rightful owners.

This is Governor Briscoe's legacy to Texas, and it's one he can be proud of and one this state will always appreciate.

As your Governor, I too have goals for Texas and I am committed to making our state government accountable to the taxpayers.

I want to conduct government in a business-like manner, with elected officials and government leaders responsible to the taxpayers just as a board of directors and company officials are responsible to the stockholders.

You will hear voices during my administration expressing doubts about some of my proposals. But, I will persist, we will prevail.

I will persist because I believe that you, the people, have made clear your desire for better government and for less government.

I will persist with my plans to return to you, the taxpayers, one billion dollars of the state's surplus. I will persist with my plans to give you long-term, constitutional safeguards—including the right of initiative and referendum—to protect against excessive taxation and wasteful government spending.

I will persist with my plans to reduce the size of our state bureaucracy.

And, I will persist with my plans to improve the quality of our education system so that we can give our children the basic building blocks they need to develop meaningful careers.

I will persist with these and many other priorities because I believe you have clearly stated that we must persist, together.

I believe we will be successful because these are issues and concerns that cut across partisan lines. These are not just Republican issues or Democrat issues. These are Texas issues and the people of Texas are the ultimate beneficiaries.

I believe we will be successful because Texans have elected a unique leadership team to address these issues and concerns.

This Inauguration, where a Republican governor takes office with a Democratic lieutenant governor, stands as living proof of the independent thinking of the people of this state.

I am uplifted and encouraged by that kind of spirit, and in that expression from the people of Texas, I see the clear message that I must be a governor who puts quality, excellence, achievement, and the best interests of this state, above partisan loyalties.

We have a healthy blend of leaders, who like myself, are assuming the responsibilities and challenges of elective office for the first time; and, we have leaders like Lieutenant Governor Bill Hobby and House Speaker Bill Clayton who have dedicated many years of their lives to public service.

This leadership team is one of enthusiasm and experience, but foremost, it is one of dedication and unity of purpose.

As public servants, we all were elected by the people of Texas and we must be responsive to the needs and concerns of the same electorate.

The challenge to government is to help people deal with their needs and concerns. I believe our founding fathers provided us with the framework for doing this.

I believe this framework is often overlooked and that we often forget the words upon which our state and our nation were founded.

These are not the words of demagogues for demagogues are quickly forgotten. History has proven the value and meaning of these words and they bear repeating.

For Texans, these words are found in the first three sections of Article One, the Bill of Rights, in the State Constitution.

The first section states: "Texas is a free and independent state, subject only to the Constitution of the United States, and the maintenance of our free institutions and the perpetuity of the union depends upon the preservation of the right of local self-government, unimpaired to all the states."

This Bill of Rights is saying that while we must work with other states and with the federal government for the betterment of the entire nation, we must be vigilant and protect our independence as a sovereign state.

For when the federal government weakens the power and independence of the states, the union itself is weakened.

In recent years, we have seen a disturbing trend toward the creation of a new branch of the federal government, the regulatory branch, a branch that doesn't include you and me among its constituency.

It is not elected by anyone and, in fact, is accountable to no one.

By an excessive and improper transfer of authority to these regulatory agencies, the congress and the president have further removed government from the reach of the people and further weakened the power of the states.

This must not be condoned by Texans. We must assert our rights and our spirit at every opportunity.

And, at the same time, we must take steps to ensure that our state government does not usurp the rights of individuals or of local governments within our boundaries.

The best government is that government which is closest to the people. The second section of the Bill of Rights in our state constitution speaks to that relationship between the people and their government.

It states, "All political power is inherent in the people and all free governments are founded on their authority, and instituted for their benefit, the faith of the people of Texas stands pledged to the preservation of a Republican form of government, and, subject to this limitation only. They have at all times the inalienable right to alter, reform or abolish their government in such manner as they may think expedient."

Those are potent words and they create a straightforward message. That message is this: Power in this state and in this nation rests not with political parties, not with governmental institutions, not with elected leaders, but with the people.

Like many other citizens, I have seen the governmental bureaucracy and some politicians trying to infringe on our rights as individuals.

We have seen the consequences of such infringement by government in other parts of the United States. When excessive intrusion by government into the lives of individuals is permitted, government becomes an economic master and the people become its slaves.

Texas, though, has had the benefit of more enlightened leaders through the years. We are still in the position of being able to control our state government, but warning signs are present and we must be aware of them.

Now is the time for us to set firm limits on our government. Now is the time for us to emphatically state that we want our government to serve us, not to dominate us.

In controlling government, in making it our servant, we must proceed without diminishing the rights of any citizen.

Section three of the Bill of Rights in our state constitution says: "All free men, when they form a social compact, have equal rights, and no man, or set of men, is entitled

to exclusive separate emoluments, or privileges, but in consideration of public services."

That same section also says: "Equality under the law shall not be denied or abridged because of sex, race, color, creed, or national origin."

The greatest strength of Texas long has been the vitality and diversity of its people. They came to this land as Indians, as Spaniards, as Frenchmen, as Englishmen, as Germans, as blacks, as browns, as whites, as people from many different backgrounds. And, they are still coming.

Yet when they arrive, they become Texans, people bound together by a common quest for a better life for themselves and for their children and grandchildren.

We must respect the rights of all Texans. Regardless of their cultural background. And, we must continually work to safeguard those rights. We must see that equal opportunity is a reality for all of our citizens.

People came here because this was the land of opportunity. It still is today.

Texas was a frontier then and it is today. It is a frontier in the sense of unparalleled economic opportunity. It is a place where people can realize their dreams and aspirations—and a place where free enterprise can flourish—without laboring under the yoke of a burdensome government.

It's not difficult to explain these vast opportunities, but it is becoming increasingly difficult to protect them and extend them to all Texans.

By being ever mindful of these three sections in the Bill of Rights—by stepping back to that firm foundation of government outlined in our state constitution—our steps forward in the future will be steadier and longer.

These three sections in our state constitution help form what will be a guiding philosophy of my administration.

Condensed to its most basic form, my philosophy is this: The proper function of government is not to guarantee prosperity for its citizens; rather, it is to guarantee them the opportunity to achieve prosperity.

Putting our government into its proper perspective is a job too large for me, or Lieutenant Governor Hobby, or Speaker Clayton, or the members of the legislature, or for any public official, without the direct involvement of the citizens of Texas.

You, too, have a responsibility to help achieve good government, and that responsibility goes beyond voting on election day.

When we as individuals, and as a state are silent—when we let others make decisions for us without stating our beliefs—we forfeit some of our freedom.

When we stand up and speak out, when we express our desires and concerns, then and only then, will we have effective government.

I am confident we can achieve that kind of effective government because the people of Texas are the state's most outstanding natural resource.

I am confident, too, that we can achieve the abundant potential with which our state has been endowed.

Now is the time for us to begin. I ask all of you to join with me, to put the best interests of Texas at the forefront of your thoughts.

We must be diligent, we must be bold, we must be energetic.

All of us, all Texans, must lock arms and work together. We must shape a new alliance of greatness, an alliance that will perpetuate and enhance the blessings our Almighty God has bestowed on our state.●

THE BUSINESS OF AGRICULTURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 20, 1978, into the CONGRESSIONAL RECORD:

THE BUSINESS OF AGRICULTURE

The face of American agriculture is changing. Farms are becoming fewer in number, larger in size, and more specialized and efficient in production. Agriculture is now a capital-intensive, high-technology, mass-production enterprise.

These are the outstanding facts of agriculture today:

Farm population. In 1945 there were 5.9 million farms and a farm labor force of nearly 11 million people, but today there are 2.7 million farms and about four million farm workers. In 1977 only one in every 28 Americans lived on a farm, compared with one of 21 in 1970 and one of three at the turn of the century. Small farmers who have not kept up with the sweeping changes in agriculture are continuing to leave the land, and big farmers who skillfully use credit and agricultural science are gaining an ever larger share of the market.

Farm size and sales. The agricultural sector of the American economy still includes many sizes and types of farms, many different marketing practices and arrangements, and substantial variations in level, source, and stability of sales. Although 70% of all farms yield up to $20,000 in products each year, the remaining 30% take in no less than 90% of all cash receipts from agriculture. In fact, farms grossing $100,000 or more each year take in 53% of all cash receipts from agriculture even though they constitute a mere 6% of all farms.

Family farms. An estimated 90% of all farms today are family farms, and they play a leading role in the production of food and fiber. Fears that the family farm would be wiped out by agri-business have proven to be unfounded. Corporations with more than ten stockholders account for less than 2% of all farm sales. Even farms large enough to be incorporated are generally operated by families.

Farm income. Net farm income will hit $26 billion this year, the third highest figure on record. However, the purchasing power of those dollars is about what it was ten years ago. Inflation has doubled the price of American farmland since 1972, and a tractor that cost $16,000 in 1974 may cost twice that now.

Farm productivity. The high productivity of the American farmer is reflected in the fact that, on the average, he feeds 59 people. By comparison, the average Western European farmer feeds 20 people. In the world at large, the average farmer feeds five people.

The typical modern farm demands sophisticated managerial skills and a capital investment of a half-million dollars or more. It requires the farmer to make intricate decisions as he vigorously competes with others for a limited amount of arable land. High interest rates, soaring property values, complex machinery, new fertilizers and pesticides, and the logistics of large-scale operations are among the factors the farmer must consider if he wishes to improve his farm's profits and productivity. These factors also make it difficult for the small operator to expand and even more difficult for the new farmer to make a go of it. The successful farmer must be a specialist who knows his way through the complicated maze of commodity laws and private markets. He must also know about the major advances that are part of the technological revolution in agricultural science. Far from being a pampered ward of the government, the farmer is a high-risk entrepreneur. A mistake or two, such as rapid expansion when crop prices are falling, can easily ruin him.

Keeping up with the many skills of the trade—and, of course, watching the weather—are not the only tasks confronting the farmer. He encounters many other kinds of uncertainties, not the least of which are the uncertainties of government farm policy. In recent years that policy has encouraged the creation of big farms. Commodity programs, which have been used to support and stabilize farm prices and income, have prompted the expansion of farms. So too have government-subsidized credit increases. Federal tax laws have attracted capital into farming and have brought about rapid mechanization and capital-intensive agriculture with high land values and fewer farms. Research and extension services have tended to direct more attention to the problems of large farms, putting a lesser emphasis on the problems of small operators.

A basic question for policy makers is whether to accelerate, continue, or decelerate the shift toward consolidation and specialization in the agricultural sector. A number of tools are available to policy makers to implement their choices and control the consequences that those choices have. The tools include commodity programs, export initiatives, farm credit, tax laws, and agricultural research. Beyond the actions of policymakers, however, there are economic factors to be considered. My own view is that the fundamental trends in agriculture are determined in large measure by economic factors, and that government policy should not be aimed at reversing the trends. Rather, the government should work to ensure a fair income for farmers, economic prosperity for rural communities, and ample food at reasonable prices for consumers. The government should also work to keep federal expenditures for agriculture at acceptable levels.●

ROCKEFELLER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WYDLER. Mr. Speaker, I include with the tributes to the late Honorable Nelson Aldrich Rockefeller the statement of Caspar W. Weinberger, former Secretary of Health, Education, and Welfare:

STATEMENT OF CASPAR W. WEINBERGER, FORMER SECRETARY OF HEALTH, EDUCATION, AND WELFARE

With the death of Nelson Rockefeller, the Nation lost part of its great heritage.

Despite the wealth to which he was born, he scorned the leisure and the purposeless activity that sometimes accompanies wealth into the third generation.

Nelson Rockefeller worked ceaselessly for the benefit, the improvement, and the progress of his fellow men.

In both his public and private activities, he always ran as hard as the newest youth on the job. But his was not the dour work

ethic. He approached all tasks with joyousness, energy, and great vitality and enormous effectiveness. But what struck one most was the joyousness he brought to all his tasks. He knew and relished every detail—he was better prepared and knew more than any of his skilled staffs—and he loved every minute of it.

He had great warmth and humanity. He was a hard fighter, a great winner, and, although he hated to lose, he lost with grace and generosity. Indeed, grace and charm characterized all his actions.

He was an American, looked up to and admired around the world and, in an era when there are sadly so few of whom that can be said, he will be missed almost as greatly abroad as he is at home.

It is particularly sad that he had to go when he and his unique talents were most needed. But we were lucky indeed that Nelson Rockefeller so enriched the country for so long by his public service, the generosity that is inbred in his family, and by his happy spirit.

His inspiration and his examples may well be his greatest gifts to his country and to the world.●

TRIBUTE TO LT. COMDR. ROBERT G. HUGHES

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LONG of Louisiana. Mr. Speaker, I wanted to take this opportunity to share with my distinguished colleagues a few remarks in memory of Lt. Comdr. Robert Garfield Hughes. Commander Hughes was the son of a close friend of mine, known also to many of you, Rear Adm. William C. Hughes. Bill Hughes has had a distinguished career in the Navy and his son, Bob, was carrying on the highest standards of the family tradition.

Bob Hughes was a graduate of the U.S. Naval Academy and was commissioned an ensign in June 1967. A year later he completed his flight training. Between September 1969 and December 1972 he flew numerous combat missions. He was such a proficient pilot, that he was designated an air combat maneuvering instructor.

Lt. Comdr. Hughes has been awarded the Silver Star and the Navy Commendation Medal, as well as numerous other commendations for gallantry and outstanding performance of duty.

Late in January, his jet was involved in a mid-air collision over the ocean off the coast of California, and Lt. Comdr. Hughes was killed at the age of 33. Thirty-three years is very young to have received the honors this young man had bestowed on him. I have no doubt that he was slated for the highest leadership positions in the Navy.

The worth of a life is best measured, not in years, but in commitment, and courage, and integrity and service. Bob's life was very valuable indeed, but I think we all mourn most the loss of potential when young people are denied the completion of a full life span. This is a tribute really, not only to Bob, but to all young people who do their very best for the time given to them. We are truly grateful.●

REVENUE SHARING

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mrs. SNOWE. Mr. Speaker, as a member of the Subcommittee on Intergovernmental Relations and Human Resources of the House Government Operations Committee which will be considering reauthorization of the revenue-sharing program, I found the following editorial in the Washington Star noteworthy, and I commend it to my colleagues' attention:

KEEP REVENUE SHARING

It may seem hypocritical for states to urge that the federal government balance its budget while their governors work to keep the federal "revenue sharing" program going.

And to a certain extent it is. The federal budget would be more than balanced if the flow of U.S. treasury funds to state and local governments were cut off. This flow will amount to some $80 billion for fiscal 1979, more than twice the anticipated $37 billion federal deficit.

But as a practical matter all federal aid isn't going to be eliminated, so the question comes down to where savings might best be made. We agree with the governors that the "revenue sharing" program is not the appropriate place to look first for cuts.

The revenue sharing program—which provides about $6 billion a year to state and local governments—is, in our opinion, one of the more successful fiscal ventures of the federal government. The money comes with few strings attached and therefore doesn't require a large cadre of Washington bureaucrats and social planners to tell state and local officials in minute detail how they can spend it and to lay down an ever bigger maze of red tape before the checks can be disbursed.

Yet Sen. Lloyd Bentsen, D-Tex., introduced legislation last week to eliminate $2.28 billion that would go to state governments under revenue sharing in fiscal 1980. He would continue that portion of funding that goes to county and municipal governments.

Senator Bentsen reasons that since the federal government is running a deficit and states collectively are showing a surplus for the current fiscal year, the federal government is justified in discontinuing their share of the revenue sharing program.

Predictably, governors are upset. Vermont Gov. Richard Snelling, an official of the National Governors' Association, claims that Senator Bentsen's argument is misleading. He points out that most of the states are required by law to have balanced operating budgets, which means that they must budget for a small year-end balance to protect against contingencies. He also notes that, unlike the federal government, most states have separate capital budgets and that they *do* go into debt for capital expenditures.

What no doubt also hurts governors is that Senator Bentsen's proposal seems to presuppose that city and county officials are more efficient than state officials at getting more bang out of the federal buck, a highly questionable assumption considering what's happened in Cleveland, New York City and other cities on the edge of bankruptcy.

The governors take the position that the proper way to save money in federal aid programs is to eliminate programs that produce little or no good, and to cut down on red tape and unnecessary administrative costs of the ones remaining.

Governor Snelling, in a letter to Senator Bentsen, said that the federal government's fiscal problems are not caused by the $2 billion a year that has gone to the states over the past eight years through the revenue-sharing program but rather "by the inability of Congress, with its more than 300 committees and subcommittees, to control hundreds of billions of dollars in narrow, categorical grant programs, each supported by special interest groups and federal bureaucracies."

The governors are on the right track. But instead of consolidating federal aid programs, as the governors suggest, Congress keeps creating more categorical grant programs. Since 1975, the number has increased from 442 to 492, each with its own lobbying groups inside and outside the federal government and each with its own congressional committee and subcommittee protectors.

If Senator Bentsen is serious about cutting down on federal aid costs to balance the budget, he ought to try taking on some of those special interests and congressional power sources who allow wasteful categorical grant programs to continue.●

THE HONORABLE PAUL NITZE—THE RELATIONSHIP OF THE STRATEGIC NUCLEAR BALANCE TO THE GENERAL MILITARY AND POWER BALANCE

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. SPENCE. Mr. Speaker, the limitation of strategic arms is a public policy issue that is at once complicated and of overriding importance to the Nation's security. I am inserting in the RECORD an address by the Honorable Paul Nitze delivered February 8, 1979, at a seminar dealing with strategic and regional security issues. Mr. Nitze, a former Deputy Secretary of Defense, Secretary of the Navy, and SALT negotiator succinctly states the concerns shared by many who have followed developments in the SALT II negotiations. I believe his statement to be a useful examination of the differences between the goal of strategic weapons limitation, which we all share, and the specifics of the SALT II provisions, about which many, including myself, have grave doubts.

THE RELATIONSHIP OF THE STRATEGIC NUCLEAR BALANCE TO THE GENERAL MILITARY AND POWER BALANCE

At all times since World War II the Soviet Union has had superior conventional nonnuclear forces on the European Central front and on its northern and southern flanks. This has been due, in part, to geography, the USSR enjoying the central position and interior lines, and, in part, to the greater effort they and the Warsaw Pact have made than has NATO.

In the years up to the early 1960s this Soviet conventional superiority was offset by

the U.S. nuclear monopoly. Later the conventional deficiency was in large measure offset by U.S. theater nuclear weapons. Today the U.S. theater nuclear superiority has disappeared, and it has proved necessary to assign a number of our POSEIDON submarines to cover targets of interest to NATO. As the Soviets deploy increasing numbers of SS-20 MIRVed missiles, BACKFIRE, and other high performance theater bombers, more and more of our surviving strategic nuclear forces will be called upon for assignment to the theater mission.

For most of the post-World War II era the U.S. Navy has enjoyed unchallenged control of the seas. This assured that we could project our power, wherever needed, on the periphery of the Eurasian landmass. The Soviet Union had no comparable power-projection capability. Today they, together with their associates in the so-called "camp of peace and freedom," are on the way to developing such a capability. Even now their intermediate-range nuclear weapons, such as the SS-20s and the BACKFIRES, provide an umbrella arching out some two to three thousand miles from the Soviet borders over Europe, the Middle East, South Asia, and China.

The willingness of either side to use conventional or theater nuclear weapons in a confrontation not involving the territory of the other is importantly affected by the confidence it has in the quality of its strategic forces relative to those of the other side.

The Soviet leaders have a full understanding of the potential destructiveness of nuclear weapons. If this were not so they would not have demanded such enormous sacrifices from their population to create the forces they are creating. Nor would they have persisted year after year in a civil defense program some ten times as elaborate and costly as the civil defense program the Executive Branch is now considering. They do not want a nuclear war. The best way to avoid a nuclear war is to have overwhelming superiority. As Clausewitz put it, the aggressor never wants war, he would prefer to enter your country unopposed.

But the Soviet Union does propose that no important decisions be made in the world without its aims and ambitions being taken fully into account. And beyond that, much of what they do, and what they say to internal audiences within Russia, is consistent with the hypothesis that they aspire to world hegemony.

The Chinese Communists, who know the Kremlin well, tell us that the current focus of Soviet strategy is on Western Europe, that they aim to outflank Europe by achieving dominance over the Middle East, that they propose to outflank the Middle East by achieving controlling positions in Afghanistan, Iran, and Iraq on one side, South Yemen, Eritrea, Ethiopia, and Mozambique on the other, and by achieving the neutrality of Turkey to the north. Concurrently, they are attempting to encircle China by pressure on Pakistan and India, by alliance with Vietnam and dominance over North Korea. Even in Cuba they are putting their finger in our eye.

In pursuing their global strategy they use, in connection with each specific objective, the lowest level of pressure or of violence necessary to achieve that objective. The purpose of their capabilities at the higher levels of potential violence, all the way up to all-out nuclear war, is to deter, and if necessary control, escalation by us to such higher levels.

The significance of the SALT II negotiations, which have been going on for more than six years, is that through them we have been attempting to put a cap on both sides' capabilities at those higher levels.

THE ORIGINAL U.S. OBJECTIVES FOR SALT II

Enough is now known about what has already been agreed in SALT II to judge the extent to which the original objectives of the U.S. side for SALT II have been achieved.

Specifically, our aim, when we began the negotiations six years ago, was a treaty of indefinite duration, to parallel the ABM Treaty. This treaty was to provide:

Limits on offensive nuclear capabilities equal for both sides.

Terms assuring "crisis stability," that is, a situation where, in a crisis threatening war, there would be no significant advantage to the side striking first, preempting, or launching from under indications of attack.

Limits calling for, consistent with, true reduction in offensive nuclear armaments and their capabilities and in related expenditures.

The limits should be verifiable, meet the legitimate concerns of our allies, and be low enough to be economically and politically feasible for the United States to attain.

In sum, the agreements should be such as to redume the risks of nuclear war and the weight of nuclear armaments on world politics.

Finally, for there to be a valid agreement, the terms must be acceptable both to the Soviet leadership and to two-thirds of the United States Senate.

For reasons to be considered in a minute, the terms, now all but finally agreed, meet none of these original objectives, except perhaps the last.

THE SUBSEQUENT NEGOTIATING CASUALTIES

The first casualty, abandoned in 1974, was the hope for a treaty of indefinite duration paralleling the ABM Treaty. We settled in 1974 for a short term pact to end in 1985; a time when the strategic relationship between the two sides is likely to be least favorable to the United States.

The second casualty was equality. Notwithstanding the equal limits to 2,400—and later 2,250—on strategic nuclear delivery vehicles, and to 820 on MIRVed ICBM launchers, neither the actuality of equality nor the appearance, if one takes a second look, is preserved. To illustrate:

Within the permitted number of ICBM launchers, the Soviet Union is permitted more than 300 very large ICBMs of the latest type. Our side—none.

It will be impossible for the U.S. to have more than 550 MIRVed ICBM launchers at the time the treaty lapses; probably fewer. The Soviet side almost certainly will have deployed its full 820.

We are permitted to have no more than three warheads on each of our MIRVed ICBMs. The Soviet Union is permitted and is expected to have deployed four, six, and ten warheads on each of its SS-17s, -19s, and -18s, respectively. The U.S. will be permitted to test a new ICBM missile with up to ten warheads during the period of the treaty. However, we will almost certainly not be able to deploy such a missile within that time period.

The Soviet BACKFIRE bombers, and comparable U.S. bombers, will be exempt from the count of strategic launchers. The USSR will have 300 to 400 BACKFIRE bombers by 1985. Our side will have no similar planes by 1985 beyond its presently less proficient and much less numerous FB-111s.

The third casualty, and the most worrisome, is "crisis stability." Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBMs by the attacking side than the attack could have destroyed. By the early 1980s that situation will have changed. By that time, the Soviet Union will be in a position to destroy 90 percent of our ICBMs with an expenditure of a fifth to a third of its ICBMs. Even if one assumes the survival of most of our bombers on alert and our submarines at-sea the residue at our command after a Soviet initial counterforce attack would be strategically out-matched by the Soviet Union's retained war-making capability.

The fourth casualty has been true reductions. Although the number of Soviet launchers will decline from around 2,500 to 2,250 during the term of the treaty, the more significant indices of nuclear power will rise dramatically; particularly on the Soviet side, but on our side as well. The number of Soviet warheads will have increased some threefold; ours by a half. The area destructive capabilities of Soviet weapons will have increased by a half; ours by a quarter. The capability of their weapons to knock out hardened targets, such as missile solos, will have increased ten-fold; if our cruise missiles, still under development, fulfill present expectations, ours will have increased four-fold. The sponsors of SALT II do not anticipate that SALT II will warrant a reduction in our expenditures on nuclear forces, nor that the Soviets will reduce theirs.

By 1985, under the limits of SALT II and taking into account the current programs of the two sides, it will be virtually impossible for the United States to avoid a situation in which our prompt counterforce capability against hardened military targets (silos; command, control and communication centers; storage depots; and shelters for leadership personnel; etc.) will be less than an eighth that of the Soviet Union. This will be compounded by the fact that they will have double the number of hard targets, each, on the average, twice as hard as ours.

A bad agreement, even if wholly verifiable, is still a bad agreement. In addition, however, the extent to which the strategically significant terms of SALT II will be vertifiable remains very much in doubt.

In sum, I believe SALT II, as now envisaged, will not reduce the risks of war. I believe it will dramatically increase the risks of war, particularly if it reinforces a judgment that we are militarily stronger than the USSR at a time when we are not. War and defeat arise from just such gross misjudgments of relative military capabilities by the weaker of two opposed powers. On the other hand, a subsequent, more realistic reevaluation of the balance at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union.●

NELSON A. ROCKEFELLER

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. PASHAYAN. Mr. Speaker, much has been said and written about the many achievements of Nelson A. Rockefeller. After a very full and productive life the list seems endless. In my mind, however, I will always remember him in his service to the Nation as Vice President.

He once said that he never wanted to be No. 2 of anything. He had fought long and hard on several occasions to win nomination to the Nation's highest office, yet he had always declined the role of running as the second man on a party ticket.

That all changed, however, during a very critical period in our history.

Through the wise foresight of President Gerald Ford, Nelson Rockefeller was appointed Vice President under the provisions of the 25th amendment to the Constitution. By placing duty to country above all else, Vice President Rockefeller assumed office with unquestioned integrity and with great vigor. Although he served for only a matter of months, he has firmly secured a place in American history.●

DISTORTIONS OF POLITICAL LANGUAGE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LAGOMARSINO. Mr. Speaker, my colleague in the Senate, the Honorable DANIEL PATRICK MOYNIHAN, recently authored an article concerning the distortion of political language. I think it succintly states a growing problem of the characterization of various political entities by journalists in today's press.

The article follows:

[From the Washington Post, Nov. 21, 1978]

DISTORTIONS OF POLITICAL LANGUAGE

On Sunday, Oct. 1, an American newspaper began its report on a battle in Lebanon as follows: "Syrian peacekeeping troops pounded rightwing Christian militias in and around Beirut yesterday . . . in the worst explosion of fighting since the Lebanese civil war . . . " supposedly ended two years ago. This is at once a startling and a familiar sentence.

The terms have no relation to reality, yet they have become commonplace. The invasion of Lebanon by Syrian and PLO forces becomes a Lebanese "civil war." The Syrian invasion forces become "peacekeeping troops." The people defending Lebanon's constitutional arrangements become "rightwing Christians."

This is but one unhappy example of a dangerous trend in the way we discuss political developments, especially in international affairs. Fred C. Ikle has coined the term "semantic infiltration" to describe it.

Simply put, semantic infiltration is the process whereby we come to adopt the language of our adversaries in describing political reality. The most brutal totalitarian regimes in the world call themselves "liberation movements"; it is perfecty predictable that they would misuse words to conceal their real nature. But must we aid them in that effort by repeating those words? Worse, do we begin to influence our own preceptions by using them?

In recent months, the foreign policy of the Carter administration has been bedevilled by a seeming inability to distinguish the proper meaning of political words.

During the summer, State Department spokesmen took to calling the pro-Soviet military organizations in southern Africa "liberation forces." Even as the State Department proclaimed its neutrality in the conflicts there, its very choice of words—its use of the vocabulary of groups opposed to our values—undermined the legitimacy of the pro-Western political forces in the area.

We pay for small concessions at the level of language with large setbacks at the level of practical politics.

There is no better illustration than the current controversy over the support the United Nations has been providing for the grotesquely misnamed Palestine Liberation Organization. The PLO operates at the United Nations under a "cover" voted for it back in 1975—the "Committee on the Exercise of the Inalienable Rights of the Palestine People."

On June 26, the Senate, without a single objection, adopted an amendment I had proposed to reduce the American contribution to the United Nations by our proportionate share of the Palestinian committee's budget. The United States pays about a fourth of U.N. expenditures, so we were, in effect, contributing about $300,000 to a PLO organization whose principal purpose is the dissemination of vicious antidemocratic, anti-Israeli, anti-American propaganda. Just this month, 27 of my colleagues in the Senate joined me in a letter to the president urging, over again, that the funds be withheld.

To understand the committee, simply remember it was created by the General Assembly on Nov. 10, 1975, the same day of the notorious resolution declaring Zionism to be a form of racism.

That venomous episode, of course, was the most brazen and ominous instance of the perversion of language in recent memory. And so it was necessary to warn at the time that this was but the beginning, that the totalitarian states were succeeding in destroying the language of human and political rights, that the very states that were enthusiastic supporters of the Soviet-inspired resolution on Zionism would inevitably find themselves victims of the same tactic.

With repressing predictability, the U.S. Department of State chose not to see an issue where one was clearly present. Apparently, there is no inclination to raise this matter at the United Nations directly, and a wholly misleading calm thus settles over the organization.

What else happens during this supposed era of good feelings? One example: Just last month, on Sept. 12, the "Decolonization Committee" of the U.N.'s General Assembly voted 10 to 0 (with 12 abstentions) to condemn the relationship between the United States and Puerto Rico. The Cuban resolution declared the United States was guilty of colonialism in Puerto Rico, of stifling political expression, of holding political prisoners.

Now the 10 states who voted to condemn us were, without exception, dictatorial regimes—the Soviet Union, Iraq, Syria, Cuba, China, Bulgaria, Tanzania, Afghanistan, Chile, Czechoslovakia. All are guilty of what they falsely accuse the United States. Since when, for example, does the Soviet Union believe in the "inalienable right to self-determination and independence"?

For several years, I have maintained that we need to become far more sensitive to those distortions of political language that are everywhere around us.

The costs of inattention seem to escape even those among us who pride themselves on their "hardheadedness" in matters of geopolitics and military strategy. Surely, Soviet gains in Afghanistan or in Ethiopia or in some other place are visible. Their gains in the realm of political discourse may be less obvious, but nonetheless important over the long term. Consider: When the question of Puerto Rico was before a committee of the United Nations, not one country concluded that its interests could be served by identification with the United States.

These episodes are not isolated events. Rather, they are inseparable from a larger process under way since totalitarian power became a major factor in world politics. The totalitarians seek to supplant the West's political culture with their own system. In order to do it, they understand they must seize the symbols and the vocabulary of progress.

The irony is that, while democratic symbols are far the most powerful in the world, the antidemocratic forces are somehow able to seize them, much as George Orwell described in his fable "1984."

Along about 1950, for example, Stalin's Russia had come almost to own the word "peace" in international debate. The more receptive the world becomes to Soviet linguistic imperialism the more will the nations of the world begin to accommodate themselves to Soviet strategic aspirations. In this way, the process of strategic accommodation can be effectively hidden—mostly from the future victims of Soviet imperial advance.

There was a time when the isolation of the Soviets and their sympathizers in the world body was one of the central facts of international politics. But precisely because of a peculiar American insensitivity to the problem of "semantic infiltration" these past years, the situation is now reversed. International politics seems, increasingly, to be a realm where totalitarian concepts of politics and economics are prominent, if not dominant.

That the Soviets will seek to seize control of the language of politics is obvious; that our own foreign affairs establishment should remain blind to what is happening is dangerous.

We think of the U.N. Charter as a protection for us against possible aggressors. But the real value of the system is not so much to a great power like the United States, rich in resources and military potential, but to the small nations of the world that must ultimately rely on the protections the world community affords them.

I recall very well that, in Nov., 1975, the poor African country of Somalia sponsored the anti-Zionism resolution. Its co-sponsors were Cuba and Libya, and all acted on the behest of Russia. The government of Somalia was carefree, even arrogant, in the way it was willing to allow the United Nations to destroy the language of political rights.

But, in late 1977, Somalia itself became a victim of Soviet ambition—and thereby a victim of its own willingness to distort the U.N. Charter. Indeed, when Somalia was bombed by the Soviet-made airplanes of neighboring Ethiopia in the name of "national liberation," no one seemed interested in Somalia's plight. And so it goes.

Yet there are opportunities for a reversal of these trends, but surely they require a willingness to recognize the problem.

It happens that tomorrow, the U.N. Educational, Scientific and Cultural Organization meeting in Paris, may well have the critical vote about the U.N.'s position on the "mass media." What is this about? For several years, the Soviets and their adherents have been attempting to secure passage of a U.N. declaration that would declare that governments have primacy in the matter of news reporting and news gathering.

Moreover, the draft declaration they originally prepared made it plain that the mass media have no true purpose save to advance the foreign policy objectives of the totalitarian states. It is, indeed, an outstanding instance of the process of "semantic infiltration"; the totalitarians seek to destroy freedom of the press by invoking the principle of freedom of the press. That draft declaration thus became a threat to every news-gathering and and news-disseminating organization in the free world. Efforts are under way to defang it, and tomorrow's scheduled vote may well determine their fate.

Meanwhile, the leaders of our communications industry remain far in advance of our government on these points. It is encouraging, for instance, that the five-person U.S. delegation to the UNESCO meeting includes a journalist, William Attwood, News-

day's board chairman. Publishers and editors from around the world increasingly have come to sense their common danger. There is, above all, in the American press, a fighting tradition that the totalitarian states will soon discover if they persist in provoking us.●

THE NEED TO AMEND THE ETHICS LAW

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. MOORHEAD of California. Mr. Speaker, I am most encouraged about the recent concern reflected in the Washington Post and elsewhere, over the adverse effects of the conflict of interest provisions in the new "Ethics in Government Act." Specifically, in a February 5 editorial, the Post described the new restrictions on postgovernment employment as "punitive and misguided to a degree almost bound to cause an exodus of decent and valuable people from office." The Post concludes: "bad law is bad law," and urges rectifying amendments. Today I am introducing legislation to repeal the 1-year- no-contract provision and to modify the overly restrictive provision dealing with a former official's association with a particular matter. At this time, I want to take this opportunity to insert the full text of the Post's fine editorial into the RECORD, and urge my colleagues consideration.

THOU SHALT NOT—WHAT?

The good news is that people in Congress and the executive branch have, over the past several years, got rid of the defective notion that conflict-of-interest is something a person might be afflicted with on the way *into* government, but not on the way out. For it used to be that almost no mind was paid to what a person did by way of exploiting his government connection once he had gone on to the private afterlife, just as long as he had been more or less stripped of relevant assets—and dignity and privacy—before taking federal office. Now that is different. A great deal of attention is paid to the manner in which people depart government service and how they behave once gone. And that brings us to the bad news: As seems to be the American way in these matters, the nation has evidently once again overdone it, crafting a statute governing the post-governmental life of federal officials that is punitive and misguided to a degree almost bound to cause an exodus of decent and valuable people from office.

We are not using the word "punitive" metaphorically here. Three punishable crimes are established in the statute (the Ethics in Government Act of 1978) whose labryrinthine terms are only now beginning to become clear to the wide variety of individuals who will come under its jurisdiction. Roughly, these involve: 1) a strengthening of the terms of a lifetime ban (already in effect) against almost any federal employee's representing outside interests in cases before government concerning matters with which he had had a substantial personal connection while in office; 2) a sort of year-long limbo for top-level executive-branch officials and military officers who will be barred from having any professional dealings with their former agencies or place of work for the first 12 months after they have left office; and, 3) a provision that these same top officials may not, for two years after leaving office, "aid, assist, counsel, advise or assist in representing" anyone before the government on a matter for which he had responsibility, even indirectly.

This last one is the big potential troublemaker. It does not just require that a person avoid fishy or even remotely questionable contact with government himself after leaving office. Practically speaking, for many people this could also cut off for two years the opportunity to work for almost anyone who had almost anything to do with their former employer. Hale Champion, the undersecretary of HEW, observed the other day that this would pretty much cut him off from any reasonable employment opportunities when he leaves office, and the same is probably true for countless others—especially scientists, educators and technicians.

The big furor in government about this now concerns the fact that unless individuals have left office by July 1 of this year, they will come under the new act's terms. So there is considerable heaving and hoing about what to do to tame the trouble. Naturally, by way of making the thing "reasonable"—this is always what happens—the legislators put in certain explanations and refinements and exceptions which, as always, only have made matters more complicated. What is it exactly that thou shalt not do, if thou happens to be an affected GS-17? No one can be entirely sure. An Office of Government Ethics (Orwell would surely have called it the Ministry of Virtue) has been established to sort matters out. Presumably in the regulations it is scheduled to issue, the ethics office can in some measure modify the harshness of the law. But felonies—two years and $10,000—are felonies. And bad law is bad law. We think the administration and Congress should start urging a rational and generous interpretation of the "regs" on this law as an immediate step—and that Congress, with administration support, should start cranking out some amendments to undo the over-reactive and under-intelligent aspects of the law itself—and fast.●

A CALL FOR A BILATERAL COMMISSION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BROWN of California. Mr. Speaker. I would like to call to the attention of my colleagues an article that recently appeared in the Washington Post by a distinguished Mexican author Carlos Fuentes. Sr. Fuentes, whose many novels have been prosaic of the past and prophetic of the future, echoes to this Nation on the eve of our Mexican encounter, a message of heed. "Listen Yankee, Mexico is a Nation, Not an Oil Well."

The message, a call for mutual respect and understanding is not a new one, for the history of our relations with Mexico is one fraught with paternalism and misunderstanding. But the context is changed now that it is known that Mexico is poised on a sea of oil. The potential for Mexican production and export of oil and natural gas raises untold possibilities of Mexico as the new Saudi Arabia, of a Mexico unburdened by unemployment of balance-of-payments problems, and, more important to us, of a United States free from the tyranny of the OPEC producers. Or, conversely, the potentials exist for a Mexico as another Iran. The key to the Mexican success is their ability to develop their oil potential in a way that is supportive and complementary to their overall economy. The key to our "success" is in our ability to understand their dilemma and to assist them in overcoming the major impediments to their growth.

This can be accomplished through an ongoing discussion and a cooperative effort between the two nations. Sr. Fuentes' proposal for a bilateral commission is one suggestion that has raised the most potential for such mutuality of effort. I join with Sr. Fuentes, as I believe many of my colleagues do, in calling for such a commission.

LISTEN YANKEE, MEXICO IS A NATION, NOT AN OIL WELL

(by Carlos Fuentes)

MEXICO CITY.—On St. Valentine's Day, Presidents Jimmy Carter and José López Portillo will meet on this "high metaphysical valley," as the writer Alfonso Reyes once called it. The American president will be sandwiched between the visits of Pope John Paul II and the president of France, Valery Giscard d'Estaing. This is a bit like playing the Phyllis Diller role, following Sophia Loren and preceding Brigitte Bardot.

John Paul was welcomed by millions of people; in an era of resurgent spiritual movements, he has shown (to the horror of Mexico's official but minority Jacobinism) that the southern neighbor of the United States might be as swayable as Iran by its deep and ancient religious commitments. And Giscard represents the nation most admired by Mexicans for its intellectual and cultural achievements. Besides, he has proven to be both a practical and respectful economic partner and one of the few statesmen of world stature in today's barren landscape.

Giscard's message has been, in effect, that progress is no longer what it used to be. An era of exceptional growth ended in 1973; oil prices, demography and, "perhaps, even more, spiritual evolution," will temper the excesses of the splashy and splurgy brand of progress the West and its dependent oligarchies in the Third World knew between Bretton Woods and the Arab oil embargo. Behind Giscard's wise observations and pragmatic policies looms a new reality: that of combining future growth with the reappearance of cultural factors as a determining force in national and world affairs.

Against all hopes and forecasts, the rediscovery of the cultural facts of life has been embodied by nationalism. Marx would turn in his grave; more than one multinational executive swivels in his chair. But from Algeria to Tanzania to China to Canada, the national aspiration, the need to embody the culture in a national state and a national society, is still the strongest moving force as the world plunges towards the 21st century. Culture has triumphed over economic determinism and national interests have overcome ideology.

The presidents of Mexico and the United States will discuss less than metaphysical realities when they meet on the same stage where Montezuma once received Cortés for the merging of the New and the Old Worlds. Mr. Carter would do well to dwell not only on energy, trade and immigration, but on the larger issues at hand. These have to do, in reality, with the cultural substance and the national identity of Mexico, with the viability of the Mexican state and the respect due to the design for the future which is universally known in Mexico as the "national project."

Mexico is heir to ancient civilizations. The Indian world is as alive as the rich strains

of Renaissance, Enlightenment and modern industrial culture. Carter, in fact, will be visiting one of the truly polycultural nations of today's world. Mexico's existence since 1810, when the parish priest Miguel Hidalgo declared independence from Spain, has been one long struggle for identity and integrity; for territorial integrity in the 19th cenutry, against American "Manifest Destiny" and European imperial ambitions; and for national identity through the revolutionary movement of the first 40 years of this century.

The United States, as both the hegemonic power within the Hemisphere and Mexico's immediate neighbor to the north, has played the leading role in Mexican foreign relations. Half our national territory was lost to the armies of Zachary Taylor and Winfield Scott in 1848—against the protests of a lone congressman, Abraham Lincoln, and a stubborn philosopher, Henry David Thoreau, who, like Edmund Wilson a century later, refused to pay taxes that would finance an unjust war. The Mexican Revolution was misunderstood, harassed, menaced and undermined by the United States in an attack of the provincial blindness which seems to afflict American foreign policy when it encounters (as encounter it must) what it had ignored.

Down Graham Greene's "lawless roads" traveled the thundering denunciations of Secretary of State Kellogg, Sen. Albert Fall (before his name became his destiny: He was convicted in the aftermath of Teapot Dome) and the dusty hoofs of Pershing's punitive-expedition fruitlessly searching for Pancho Villa in the land and among the people who invented modern guerrilla warfare, having decided, after the defeats at Churubusco and Chapultepec, never to wage academic war again. Although Engels urged the United States to take over all of Mexican territory in the name of industrial progress, Winfield Scott knew better: He had seen the lurking eyes of ambush and the dark suction of protracted occupation on heavily populated, emotionally hostile and culturally alien territory.

THE IMPORTANCE OF OIL

No Marxist, certainly, is today advising the United States to consider a Mexican takeover. Yet, for the first time since the 1830s, Mexico has become strategically important to the United States. Then, it meant achieving, at the expense of Mexican territorial integrity, the continental unity which would prepare the emergence of the United States as a world power. Today, it means assuring an uninterrupted supply of oil and gas from a nearby source. Energy from Mexico can even be transported overland, and drawn from a friendly, stable nation. No more fears of Middle East flareups, Arab blackmail, OPEC boycotts or unforeseen holy men toppling the amiable, if somewhat brutal, shah of Iran.

Mexico is there and Mexico has 40.1 billion barrels of proven oil reserves, 44.6 billion barrels of probable reserves and 200 billion barrels of potential reserves. Mexico, furthermore, is not a member of OPEC. And the United States, by 1985, will be facing a daily internal demand of 22.5 million barrels a day. It will only be producing about half that amount. Thus, it will be forced to import 50 percent of its needs. And Mexico is so near to the United States, no matter how far from God . . .

John Paul II may have shortened the traditional distance between Mexico and God, but many Mexicans feel that, in the case of a real crisis, the United States would perfunctorily abolish the space between themselves and Mexico. Did not Secretary Kissinger, in 1974, menace the Arab states with military intervention if U.S. energy requirements were not met? This saber-rattling never fooled anybody. You don't send in the Marines to rape the Seven Sisters. The difference between the halls of Montezuma and the shores of Tripoli is that Mexico owns its oil resources totally and manages all the elements of its industry, from exploration to exportation. It would take the Marines to divert Mexico from its national energy policies in order to become the servile supplier of American needs dictated by American gluttony and American whim.

The American public should recall that, in 1938, President Lázaro Cárdenas nationalized all the holdings of American, British and Dutch oil companies in Mexico, in compliance with Article 27 of the Mexican Constitution. London and The Hague broke off diplomatic relations with Mexico City. In spite of the thunder from the right, Franklin D. Roosevelt refused to follow suit. Ably counseled by two exceptional American statesmen, Undersecretary of State Summer Welles and Ambassador Josephus Daniels; FDR decided to face the challenge and respect Mexico's sovereign decision. In so doing, he prompted the American and Mexican publics to digest one hundred years of adversary relationship and placed the American national interest where it truly lay: in Mexican partnership during World War II, when the Avila Camacho government, without yielding an inch in the matter of oil nationalization, provided the Roosevelt war administration with anti-Fascist militancy, strategic raw materials and that same cheap labor force which comes in so handy in times of needs and is so easily dismissed when the local police forces of Texas or California decide to sneer at Carter's human rights campaign inside his own corral. Also, thanks to the Roosevelt-Cardenas policies, Mexico became the United States' fourth trading partner in the world and the first in the Western Hemisphere.

A QUESTION OF RESPECT

As Carter and López Portillo prepare to meet, a challenge as great as the one faced by their predecessors 40 years ago looms before them. This challenge is not composed solely of the material factors of the problem—energy, trade and immigration. It also surpasses the supposed choice among three approaches to U.S.-Mexico's policy: an ad hoc, issue-by-issue stance; a resurrection of the so-called "special relationship," which never existed in reality; or a frankly protectionist or even punitive.

What is at stake is not a negotiating procedure or even this or that component of a hypothetical negotiation, important as any of the three issues in question indisputably are. In his now classic "Diplomacy for a Crowded World," George Ball warned the U.S. that, "The problems one can predict between the United States and Mexico foreshadow those we will face with many other countries. They are problems for which we are not prepared—psychologically, emotionally, or in terms of concrete plans and programs."

As in 1938, the challenge consists in knowing whether the United States will respect Mexico's "national project." Mexico is a proud nation which does not accept paternalistic solutions recommended, much less imposed, from abroad.

Furthermore, the national project now taking shape in Mexico does not depend on oil. Rather, oil depends on the national project. In 1982, Mexico hopes to expand its present production of 1.4 million daily barrels to 2.5 million, of which 1.5 would be reserved for internal consumption, following the unwritten rule set down by the 1938 nationalization: that oil is a nonrenewable resource and must be used primarily for internal development. Another 1 million barrels a day would be left over for exportation. Half of that amount already has been committed through long-term contracts with France, Spain, Japan and Israel—all actively negotiating with Mexico while Energy Secretary James Schlesinger was playing the arrogant bully and Sen. Adlai Stevenson III stupidly blocked credits for the sale of Mexican natural gas to the United States.

Mexico would be happy to sell the remaining 500,000 daily barrels to the United States, considered, in López Portillo's words, "a natural but not a privileged client." But will American hunger for oil be content with what amounts to 5 percent of its foreseeable oil imports for 1985? Why shouldn't Mexico go whole hog and raise its production to Persian Gulf levels of 5, 7, even 10 million barrels a day?

Simply because, answers Mexico's able young minister for industrial developement José Andrés de Oteyza, by setting a ceiling on production at 2.5 million barrels per day, and limiting exports to 1 million a day, Mexico will achieve a spectacular but healthy growth of 10 percent a year. The Mexican state will double its income (this is the argument against rabid Mexican conservationists who would not export a single barrel of oil) and be able to invest heavily in four essential growth sectors (oil, steel, electricity and fertilizers) which will act as engines for an overall plan to decentralize industry, banish new factories from Mexico City, attract development toward the border and coastal areas and stimulate the reallocation of population near food-producing zones and in labor-intensive agro-industrial projects.

The conservationists' attitude would deprive the state of the resources for this policy. But uncontrolled production would trigger uncontrollable inflation, an abnormal development of up to 15 percent where a booming oil industry would deform an otherwise enfeebled economy, create the temptation to subsidize mendacity and assure the prompt exhaustion of the wells. Mexico would soon sacrifice both its potential riches and its very important advantage over most oil-producing countries of the Third World: Mexico, since 1920, has been establishing an infrastructure capable of absorbing oil revenue and using it wisely for both social and productive goals.

Beyond that limit lies the Abudabization of Mexico.

A NEW RELATIONSHIP

If the national project is respected by the United States and well administered by Mexico, many of the irritants in the relations between the two countries will be modified, notably the amount and nature of Mexican immigration to the United States.

Both countries coexist under the mixed system of modern capitalism. As is true between the south and the north of Europe, the free flow of the labor market is natural and sound: Mexican labor represents a collective aid to the American economy; it takes jobs from no one and pays its own way through taxes considerably higher than the social services it receives. Conversely, Mexico allows the free flow of capital. The vast U.S. investment in Mexico ($5.5 billion in 1978) is not hampered by hand-slicing fences, brutal cops or other measures applied by the United States to the flow of labor. In fact, an American investor is even free to decapitalize the Mexican economy by repatriating all of his earnings, which are usually gained in the most dyanmic and quickly profitable sectors of the Mexican economy.

If the United States cannot be patient enough with Mexico's labor problem, Mexico can also lose patience with the problem of American capital. The Mexican government, under the Constitution, has the authority to apply to private property the modalities dictated by the public interest. Exclusion of foreign investment from certain sectors, a ban on repatriation of profits, can be among them. Two can tango.

But this would lead us directly to confrontation politics. Mexicans do not believe in a sudden change of heart in American policy. Superpowers behave cynically, but they should not behave stupidly. Relations with Mexico are a challenge to the imagina-

tion of U.S. policymakers because the world will judge and forecast Washington's attitudes toward the vast majority of the human race by its dealings with its southern neighbor.

The 2,000-mile frontier between the two countries, it should be recalled, is also the boundary between the United States and Latin America as a whole, and between the world's strongest economic and military power and the Third World. The United States has no closer contact with what is alien, different and challenging to its assumptions. Cuba is separated by those famous 90 miles. In 1979, the Latin American countries nearest to, yet most alienated from, the United States will be negotiating the nature of their relations with the United States into the coming century. If Cuba, because of its close association with Soviet bloc, gets more respect and understanding from the United States than Mexico, which has remained a close American trade, labor and financial partner, the lesson will not be lost on the rest of Latin America or the vast reaches of the Third World.

While on a visit furthering diversified economic relations and political support in Japan and China last year, López Portillo declared that Mexico stood very low in the lists of U.S. "priorities" or respect. Since the Mexican president uttered these words, U.S. public opinion and, presumably, the White House, have become aware of the Mexican priority.

Jorge Diaz Serrano, the dynamic and efficient head of Petróleos Mexicanos (Pemex), the state oil enterprise, is aware of how far too much "priority" can go. He recently warned the audience of the CBS Evening News that the Mexican people would not tolerate foreign interference in decisions affecting the nation's oil and gas resources. In conversation with this writer, he added that American officials had grossly underestimated Mexican resilience to pressure during the ill-fated negotiations in Washington last year, when Schlesinger and Stevenson, in what was certainly not their finest hour, blocked gas sales and pipeline credit. Now the United States must approach Mexico under less favorable conditions and in a more bitter atmosphere.

The American tendency to blackmail through tradeoffs on issues that only become confused and debased in the process does not enhance understanding. The economic, social and humane need for an open border cannot be linked to oil and gas supply.

A BINATIONAL COMMISSION?

Misunderstanding in these matters should be avoided. Perhaps the time is ripe for some kind of permanent high-level commission on Mexican-American relations, designed to negotiate further where negotiation is called for and eliminate friction points. I wonder how much Presidents Carter and López Portillo can truly negotiate in Mexico City come Valentine's Day without hurting each other's national pride or interests. Given the itchy nature of the relationship, a fully empowered commission could negotiate without going public, while retaining direct and immediate access to both the American and the Mexican chief executives.

Neither country lacks men of calibre to head such a commission. I think, on the American side, of George Ball, or Elliot Richardson, who has shown a remarkable rapport with his Mexican colleague, Jorge Castaneda, at the Law of the Sea Conference, or the quiet, flexible and infinitely knowledgeable attorney, William D. Rogers, the former Undersecretary of State. Mexico could field any of the richly experienced men of its senior diplomatic tradition, not to speak of its three most brilliant young statesmen: Porfirio Muñoz Ledo, former secretary of labor and education; Carlos Tello, former secretary of the budget; and Mario Moya Palencia, former secretary of the interior.

If, as Ball says, the Mexican problem foreshadows all others, it is imperative that there exist a body capable of giving the appropriate danger signals when unreflective and even brutal attitudes emerge uncontrolled. Mexico has a sorry experience in the matter: Operation Intercept, commercial restrictions, cotton dumping, last October's Tortilla Wall for Berlin-on-the-Rio-Grande) were all sprung as surprises on a deteriorating, and far from "special," relationship.

President López Portillo will try to make President Carter realize that Mexico is a nation, not an oil well. It is up to Mexico to determine its nationhood. Its big pluses are there: the strong development of its public sector in general and its oil industry in particular; the capacity of its administrative cadres; the diversification of its economy; its sound infrastructure; the catholicity of its intellectual debate on the history and destiny of the nation; its justifiable cultural pride. But there are also its flagrant minuses: corruption; a disruptively unjust pattern of distribution of wealth; a voraciously antisocial entrepreneurial class; a seemingly uncontrollable demography; a lack of sufficient channels for public debate.

The great catastrophes of U.S. foreign policy have come about through a mixture of cultural ignorance and political impatience. The isolation of the U.S.S.R. greatly abetted Stalinism. Ambassador Spruille Braden, by opposing him, virtually put Juan Perón in power in Argentina. Three decades were lost before the Middle Kingdom and its "celestial bureaucracy" were perceived as cultural structures of an ancient civilization, and not the result of Marxist conspiracy. Tens of Thousands died before it was understood that Vietnam's historical mission has been to contain Chinese expansionism. Nixon's blind intervention in Cambodia destroyed that nation's fabric for years to come.

Let not these mistakes take place in Mexico. The price would be far higher. Mexico must sort out its own national priorities without external pressures; otherwise, it could go down the drain of explosion or repression and the United States could end up with a Cuba, an India or a Chile on its doorstep.

Carter can be sure of a warm welcome in Mexico; my countrymen are past masters at colorful receptions for foreign visitors. Less overwhelming than the pope's, less glamorous than Giscard's, the American president's visit will be translated into an appropriate media event. But it would be sad if all Carter picked up in Mexico was the 1.5 percent of the vote which Hispanics could grant him in the 1980 election.

The Mexican Valentine, if thorny, holds a challenge for statesmanship. It is the same challenge Franklin Roosevelt rose to: the recognition that the national interest of the United States lies in respect for and recognition of Mexico's national project, complex culture and historical identity. If this was true in 1938, it has become urgent in 1979.●

SMALL BUSINESS TAX RELIEF ACT OF 1979

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ABDNOR. Mr. Speaker, I would like to commend my colleague, Mr. SCHULZE on his authorship of the Small Business Tax Relief Act of 1979. I supported this legislation in the 95th Congress and have again joined in sponsoring this vital measure.

In my State of South Dakota, virtually all firms can be classified as "small businesses." The men and women who operate these businesses are truly among the hardest working people in America, they have become part of the Nation's "forgotten middleclass."

In recent years the Federal Government has burdened our small businesses with unnecessary and costly regulations. They have constantly been asked to make sacrifices under the guise of controlling inflation. Despite doing more than most for their country, these enterprising people do not ask for special treatment or Federal handouts. They only ask to be treated responsibly and be allowed to operate their businesses in a competitive market, free from Government intervention.

I believe the Small Business Tax Relief Act of 1979 addresses the problems of our business community and am happy to lend my support to it. It is not a "free lunch," but rather provides for many reasonable and long-overdue reforms.

Mr. SCHULZE has previously provided a detailed analysis of this proposal which can be found in the CONGRESSIONAL RECORD of January 29. Therefore, I will only briefly highlight the main points of this bill today. Again, I thank Mr. SCHULZE for his sponsorship of this bill and urge my colleagues to join me in lending our support to it.

In brief, the Small Business Tax Relief Act would—

First. Provide for a tax free "rollover" of a small business if all profits from the sale of said business are reinvested in another small business within 18 months;

Second. Increase the amount of additional first-year depreciation which may be deducted from the present $10,000 to $25,000;

Third. Provide for the rapid amortization (36 months) of certain changes or improvements to plant and equipment which are required by Federal law or regulations;

Fourth. Increase the dollar limit for qualifying small Domestic International Savings Corporations (DISC's);

Fifth. Permit the sole proprietor to choose the cash or accrual method of reporting income for tax purposes;

Sixth. Require the IRS to credit or refund to employers their proportionate share of social security overpayment for employees who have been employed by two or more employers during the year; and

Seventh. Grant a $5 tax credit for each form or document which a small business is required to file under Federal law.●

WORLD WAR I VETERANS PENSION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ANDERSON of California. Mr. Speaker, I have introduced H.R. 1918,

to provide a pension for veterans of the First World War and their widows.

Almost 5 million American soldiers fought in World War I. Only half a million of them are still alive. We have never honored our historical responsibility to these veterans.

From the beginning of this Nation, through the Spanish-American War, our Government provided an old-age pension to all wartime veterans in just recognition of their service in defending our freedoms.

After World War II, we realized a need to compensate soldiers much sooner after their service, and established home loans, educational benefits, and a variety of other programs.

The veterans of World War I have been left empty handed in the middle of this transition. We in Congress are to blame.

In the last session, 219 Members cosponsored a World War I pension bill. We altered the budget to allow funds for such a program. Fifty Members testified before the Veterans Committee favoring this pension. I believe our support led to the changes in the overall pension program which we voted last year, and which became law.

But still, more than 60 percent of our World War I veterans are eligible for no benefits from the Veterans' Administration, because their incomes are too high. Too high at $4,800 per year. How many people do you know who can survive on $4,800? Would their lifestyle make you proud knowing that you were responsible for it?

Do not these veterans deserve better? Each day we postpone this legislation, 200 of these valiant men will die, in need and forgotten—forgotten by the country which they did not forget in its time of need. I submit that this country owes these veterans not just a pension, but its very existence.

My bill would provide $150 a month, with a $10,000 annual limit on outside income, to these veterans and widows It is hardly a magnificent sum. But, it will make a substantial difference to most of these veterans. It will make a moral difference to all of them whether they receive it or not.

The Veterans of World War I organization, and the Veterans of Foreign Wars have long struggled for this proposal. We welcome the organized support for the first time this year, of the American Legion.

We would also welcome the cosponsorship and efforts of Members of the 96th Congress. This pension is long overdue and time is running out.●

THE 61ST ANNIVERSARY OF REPUBLIC OF LITHUANIA

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BENJAMIN. Mr. Speaker, for the past 2 years, I have risen before this body to commemorate the anniversary of the independent Republic of Lithuania. Tomorrow we celebrate the 61st anniversary of this Republic and the 728th anniversary of the formation of the Lithuanian state.

From the time of the unification of Lithuania in 1251 by King Mindaugas, the country has distinguished itself with the development of a unique cultural and ethnic identity steeped in the ideals of freedom. After the third partition of Lithuania in 1795 until the early 20th century, the citizens of this country suffered through the attempts of the czarist government to totally eradicate the language and culture of the Lithuanians. When the republic was finally established on February 16, 1918, the struggle against oppression had been won and the freedom-loving spirit and culture of the Lithuanians had endured.

For the next two decades, this sweet freedom was enjoyed and the country flourished under a new constitution and progressive reforms.

Then, tragically, on August 3, 1940, 300,000 Soviet troops ended what had been the hope and dream of every Lithuanian — a free and independent republic. The oppression which began on that fateful day only intensified with time. New and old forms of oppression appeared — deportation, repopulation, torture, censure, and psychiatric treatment.

The Soviets speak of freedom and progress. Where is there room for such ideals in a country that only 6 months past sentenced dissident Viktoras Petkus to 15 years for daring to join a group to monitor the Helsinki accords? The list of victims of the Soviet's disregard for justice and human rights is seemingly endless and embodies many groups, but the repression in Lithuania is especially poignant and a source of consternation to the Soviet Government.

While the Soviet's repression is extended to all aspects of individual rights, it also encompasses the squelching of all religious influence in a state which professes unfettered freedom of religion. The vast majority of the Lithuanian people have clung fiercely to the Catholic faith and their children have absorbed this tradition in spite of continual harassment. In addition, new hope has been given to this most important institution with the election last October of the first Pope from a Communist country.

Pope John Paul II announced that there would no longer be a silent church because it would begin to speak with the voice of the Pope. These words inspired the Lithuanian Catholic Church to a new movement pledged to defend the rights of believers within the Soviet Union. The goal of the Catholic Committee for the Defense of the Rights of Believers is to establish legal and practical equality between believers and atheists. The establishment of the committee is the first independent church reaction in the Soviet Union to the election of the new Pope.

In addition, the Pope is seeking to restore the five ancient Lithuanian dioceses with bishops and increased numbers of clergy to administer the faithful.

Perhaps one of the most remarkable aspects of the dissident movement in the U.S.S.R. today is the way in which it has united Orthodox Christian, Jew, Catholic and agnostic in the common cause of human rights. This combining of forces has caused a renewed hope—hope that through these efforts Lithuania will once again cast off the yoke of oppression and enjoy true freedom; hope that Americans of Lithuanian descent will once again be allowed to visit and enjoy the richness of their homeland.

Not to be forgotten are the heroic efforts of the Lake County Lithuanian American Council—a group to which I have had the privilege of speaking on previous occasions. This group, under the leadership of its president, Albert G. Vinick, has served as an important unifying force for all Lithuanian Americans. In addition, and in cooperation with other chapters, the council has successfully smuggled and published underground materials from the U.S.S.R. so that citizens of our country may be aware of the true nature of Soviet oppression.

I invite my colleagues to read a publication of the Lithuanian American Community which is edited by Dr. Thomas Remeikis from Calumet College in Hammond, Ind. The Violations of Human Rights in Soviet Occupied Lithuania is an annual report—now in its eighth year—which consists mainly of underground materials, selected from the rather voluminous samizdat press and other underground sources. The reports contain not only documentation of specific Soviet violations of human rights, but also underground materials pertaining to the struggle for democratic, national, and religious rights in general, as well as essays and articles on selected problems of national and religious life under the Soviet regime.

These efforts, combined with an annual celebration of the Lithuanian Independence Day, have served to symbolize hope for all nations dominated by a foreign power.

I implore my colleagues to unite in opposition to the Soviet violation of the Lithuanian peoples' human rights and I ask that they join me today to honor these people for their perseverance in their continued struggle.●

STATE SENATOR EDWARD T. HALL OF MARYLAND

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BAUMAN. Mr. Speaker, during the recent congressional recess, the State of Maryland lost a respected and articulate leader. State Senator Edward T. Hall of Calvert County, the minority leader in the Maryland Senate where I served from 1970 to 1973, passed away last November. At his death, he had just been reelected to his sixth 4-year term.

Ed Hall was a firm believer in the right of individuals to run their own lives without government interference. He served 20 years in the Maryland Senate as an

effective, determined advocate of the interests of his people. He was known by all for his concern, warmth, and good will to friend and foe alike. His marvelous booming voice did credit to the art of oratory, and he literally became a legend in the statehouse in Annapolis and throughout the State.

Ed Hall was a personal friend of mine. I shall miss him, as will all who knew and respected him. I extend my sincere sympathies to his wife, Irma, his family, and the people of Maryland's 30th District.

Mr. Speaker, I would like to insert in the RECORD the following article from the Baltimore Sun dealing with Senator Hall's career in public service.

CALVERT'S SENATOR HALL, EX-GOP LEADER, DIES

State Senator Edward T. Hall, a former Senate minority leader who was known as "Mr. Republican" in Calvert county, died yesterday evening at the Johns Hopkins Hospital, less than a week after he suffered a heart attack following his re-election to a sixth term in office.

The 62-year-old Republican whose booming voice became his trademark in the Senate chambers was initially hospitalized at Calvert Memorial Hospital in Prince Frederick, Md.

He was transferred Sunday to the medical intensive care unit at the Johns Hopkins Hospital when his condition worsened, according to a hospital spokeswoman. He died at 5:01 P.M.

Aris T. Allen, the Annapolis physician and state Republican chairman who has been mentioned as one of Mr. Hall's possible successors, last night called Mr. Hall "a man with a big voice and a big heart."

"He had a tremendous voice. He rarely needed an amplifying system," added Mr. Allen. He said he had "no thought at all" to the possibility that he might be a successor to Mr. Hall.

Senator Hall had a history of heart trouble.

"We can fill the vacancy, but we can never replace Ed Hall," David M. King, chairman of the Republican State Central Committee for Calvert County, said last night. "He was an institution down here."

Senator Hall, of Huntingtown in Calvert county, who had served in the Senate longer than any of his colleagues except Frederick C. Malkus, Jr. (D., Middle Shore), collapsed in the early morning hours last Wednesday as he was shaking hands at a victory party following the election.

Mr. Hall had been elected to his sixth term in the state's 30th district Senate race over George M. Nutwell, the Democratic candidate. Mr. Hall's last victory was his closest since he was elected to the Senate in 1958.

The senator, known for his staunchly conservative views and his close ties to his home county's strong tobacco and utility interests, was Senate minority leader from 1963 to 1974.

Mr. Hall's critical condition throughout the last week prompted speculation on possible successors in the district that covers all of Calvert county, Annapolis and southeastern Anne Arundel county.

Mr. Hall, who often spoke of his belief in an "Eisenhower doctrine" of limiting governmental control over citizens, was first elected to the Senate without any prior political service.

Over the next 20 years, he acquired a reputation as a powerful spokesman for the industries that dominated rural Calvert county. First it was tobacco and, later, the utilities that tremendously increased the tax base of the county.

Mr. Hall was born August 15, 1916, in Huntingtown. He attended local public schools and the Ottmar Mergenthaler School of Printing in Baltimore.

After working briefly on his family's tobacco farm, Mr. Hall started the Calvert Independent in 1940 with a partner whom he later bought out. The weekly paper, which now has circulation of 6,200, carried a story of his re-election in its current edition.

Ellen R. Gauthier, the newspaper's editor, said Mr. Hall helped prepare the paper's election coverage before leaving for the party in St. Leonard, where he collapsed last week.

In the Senate, Mr. Hall was an early champion of slot machines, which helped generate the income that Calvert county needed to supplement its small scale agricultural and Bay-related business. He staunchly resisted legislation that eventually outlawed slots in the 1960's.

Politically, Mr. Hall survived repeated attempts by Anne Arundel county Democrats to dislodge him from a district in which they were numerically superior by his ability to win the Calvert county vote from both Democrats and Republicans.

Mr. Hall was a former chairman of the board of directors of Calvert Memorial Hospital and of the Calvert County Nursing Center.

The senator was a former member of the Calvert County Chamber of Commerce. He belonged to the county's Board of Trade and the Lions Club.

He is survived by his wife, Irma, and a step-son, Roger McConkey, both of Huntingtown; a sister, Amanda Sweney, of Forest Heights, Md., and two brothers, Dorman Hall and Beverly Hall, both of Huntingtown.●

VOCATIONAL EDUCATION WEEK

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. PERKINS. Mr. Speaker, the second week in February is traditionally observed in schools throughout the Nation as Vocational Education Week. Vocational education is our longest standing federally supported education program, having started with the Smith-Hughes Act of 1917.

Vocational education has gained new prominence and recognition in the past decade, as a result of the Vocational Education amendments of 1968 and the recent amendments of 1976. Today, over 15 million students are being served in vocational programs at the secondary, postsecondary, and adult levels. This is more than double the enrollment of 1968. Federal expenditures under the Vocational Education Act have increased from $262 million in 1968 to $674 million for 1980. By 1976, State and local dollars were matching the Federal dollar nearly 10 to 1, for a total Federal/State/local expenditure of $5.1 billion.

The Vocational Education Amendments of 1976 provided for greater involvement of vocational education in the planning and operation of CETA programs. The new CETA legislation provides for even greater coordination between vocational education and CETA training programs to meet the needs of disadvantaged youth. This spring, the Subcommittee on Elementary, Secondary, and Vocational Education, and the Subcommittee on Employment Opportunities, chaired by Mr. HAWKINS, will begin joint oversight hearings focusing on the coordination between vocational education and CETA prime sponsors, and the impact of this relationship in dealing with the problem of youth unemployment.

Meanwhile, with more than one-third of the Nation's high school students taking vocational subjects, and more than 50 percent of community college enrollment in occupational programs, there can be no doubt that vocational education is having a tremendous impact on the lives of millions of students.

I ask unanimous consent to have printed at this point in the RECORD a resolution by the National Advisory Council on Vocational Education commemorating the observance of Vocational Education Week.

RESOLUTION ON VOCATIONAL EDUCATION WEEK

Whereas, February 1 through February 17, 1979 is observed as Vocational Education Week; and

Whereas, Federal support of vocational education has continued uninterrupted since 1917; and

Whereas, Congress has repeatedly reemphasized the commitment to vocational education in the Vocational Education Act of 1963, and the Amedments of 1968 and 1976; and

Whereas, Business, industry, and labor have demonstrated strong support for, encouragement of, and cooperation with vocational education at secondary, postsecondary, and adult levels; and

Whereas, the American public, through the support at the state and local levels, has demonstrated its desire for expanded and improved programs of vocational education; and

Whereas, as a result, more than one-third of the nation's high school students take vocational subjects, and more than fifty percent of the nation's community college enrollment is in occupational programs, for a total enrollment of over 15 million students;

Therefore be it resolved, that the National Advisory Council on Vocational Education urges that appropriate action be taken by the Administration and the Congress in continued support and recognition of the accomplishments of vocational education in America, during this week, and throughout the year.●

ASBESTOS IN SCHOOL BUILDINGS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. CARTER. Mr. Speaker, I am today introducing legislation to help alleviate the health risks created by the presence of asbestos in school buildings.

Asbestos was used extensively in schools built between 1946 and 1973 for insulation, fireproofing, acoustical, and even decorative purposes. This material, especially in a sprayed form, is easily damaged and the fibers are thus released into the air. Inhalation of asbestos fibers, even in very small amounts, has been statistically linked to increased incidence of lung cancer, mesothelioma, asbestosis, and various gastrointestinal cancers.

Asbestos is presently regulated in the workplace, but nonworkplace environments such as schools are not regulated. Given the long latency period (up to 40 years) for development of asbestos-related diseases, however, it is our school-aged children who face the greatest risk from exposure.

In my district, more than 50 percent of the school districts which responded to a State survey indicate preliminary evidence of the presence of asbestos in their buildings. This preliminary evidence is based primarily on visual examination of ceiling types, for asbestos-containing ceiling materials are fairly easily identified.

The existence of asbestos in schools is by no means limited to Kentucky however; reports from several other States indicate that this is a widespread phenomenon.

To their credit, several Members of Congress recognized this problem early and have proposed varying solutions. I have reviewed these alternatives carefully, and I submit that the legislation I am introducing today represents the best means by which the Federal Government can assist schools to deal with the asbestos problem.

By this legislation I am proposing that the Government pay half the cost of surveying and testing buildings and that it set up an asbestos hazards control loan program from which school districts could borrow, at no interest, up to one-half the cost of the mitigation or removal of asbestos which poses an imminent hazard to the health and safety of children or employees of the schools.

I commend to my esteemed colleagues the approach taken in this legislation to help schools with an asbestos problem. I believe that it is the best approach and hope that we can obtain swift action by the Congress on it.

Asbestos presents a very serious health hazard. Eliminating the hazard from school buildings would reduce the occurrence of several fatal diseases. There is no need for panic about the existence of asbestos in schools, but there is need for decisive action. This legislation is the first step in a process which would insure a healthier and safer environment for our school children.●

OUR FORMER COLLEAGUE, MAX McCARTHY, FORESAW IRANIAN CRISIS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. NEDZI. Mr. Speaker, we are frequently told these days that events in Iran caught the United States and everyone else by surprise. That assertion, while substantially true, also serves as a convenient excuse for our policymakers and intelligence community.

The fact remains, however, that what passes for an "intelligence assessment" is nothing more mysterious than simply a political judgment.

A small group of American professors, specialists on Iran, did indeed warn against the U.S. embrace of the Shah. So did a former colleague of ours, Max McCarthy, a three-term Democratic Congressman—1965–70—from Buffalo.

Mr. McCarthy served as press attaché at the U.S. Embassy in Tehran in 1975–76. He is presently with the Washington bureau of the Buffalo Evening News.

The July 9, 1978, Washington Post, Outlook section carried a perceptive piece by Mr. McCarthy entitled, "Iran's Rising Opposition." It foresaw the crisis and is worth rereading today.

Under leave to extend my remarks in the RECORD, the article follows:

[From the Washington Post, July 9, 1978]

IRAN'S RISING OPPOSITION—MUST U.S. CHOOSE BETWEEN THE SHAH AND THE SOVIETS?

(By Max McCarthy)

The Shah of Iran, in an interview in the June 26 issue of U.S. News & World Report, concedes that protests against his regime have increased but defiantly boasts: "Nobody can overthrow me. I have the support of 700,000 troops, all the workers and most of the people . . . I have the power."

Some well-informed Iranians here in Washington, others in Iran and a number of Americans familiar with the internal situation there think the shah may be whistling in the dark. They seriously question his assessment of the degree of support he enjoys. Should they, rather than the monarch, prove correct, there is a possibility that U.S. troops would be required to save his throne for him.

By personally approving the promotion of all officers from the rank of major or its equivalent on up, by paying handsome salaries to all officers and by providing them with the latest and most sophisticated weapons and equipment, the shah until recently was able to maintain almost total control over his burgeoning military establishment and internal security forces.

But a number of recent events have raised doubts about just how firm his control over his forces is at this time.

Late last year, for instance, Maj. Gen. Ahmed Mogharebi was charged with having spied for the Soviet Union. Sources with ties to the palace report that the shah was so depressed over the treason of a trusted and high-ranking officer that he secluded himself for several days. When he emerged, he ordered that the general be executed immediately. As a result, Mogharebi was killed before torture could extract from him the names of his fellow plotters.

"The regime never discovered the identities of Gen. Mogharebi's co-conspirators," Nasser G. Afshar, Washington-based publisher of the anti-Communist and anti-shah Iran Free Press, recently told me. "They still are in their key posts within the Iranian military. It is only a matter of time before they attempt to carry out Mogharebi's plan for a pro-Soviet coup d'etat."

Early this year, a high-ranking official of Savak (the Iranian secret police), Ali Naqi Rabbani, was condemned to death by a military court for spying for the Soviet Union. The investigation that led to Rabbani's arrest, according to Afshar, disclosed that approximately 18 other high officials of Savak and other sections of the government of Iran were working for the KGB (the Soviet secret police).

Another severe jolt involving Savak, on which the Shah relies heavily to deal with the political problems of one-party rule, came in early June when, following a general strike that shut down Tehran and three other cities, the shah fired the head of Savak, his friend and long-time confidant, Gen. Nematollah Naseeri.

An Iranian who formerly lived in the northern city of Tabriz told me that Iranian police "turned their backs" on rioters and that insurgent elements actually controlled that city for "five or six hours" during a mid-February uprising there.

COMPLAINTS AND HARASSMENT

The Shah's claim that he enjoys the support of "all the workers and most of the people" is also subject to question.

During a trip to Iran last April I heard widespread complaints about "guns rather than butter" priorities, political corruption, traffic congestion, pollution, poor sanitation, inflation, the decline in Iranian agriculture and industrial production as well as shortages or erratic supplies of water, roads, communications and electric power.

Education is scarce: The number of Iranians of high school age actually in high school declined from 30 percent in 1976 to 20 percent this year. The country has a severe housing shortage, with 6.7 million families but only 5.3 million urban and rural housing units, less than half of which have piped water. A common sight is families living in tents pitched in holes in the ground.

Despite talk of "human rights" which most observers ascribe to President Carter's influence, opposition leaders are harassed. On April 19 I visited the home of Rahmatoollah Moghaddam-Maragheh, a member of the Iranian Committee for the Defense of Freedom and Human Rights, and saw a crater and other evidence of a bomb thrown into his property 10 days earlier. The homes of three of his colleagues on the committee, which includes prominent academic and professional figures, also were bombed. Another member sustained an explosion at his law office. Still another was forcibly taken from his dental clinic, a sack placed over his head, and severely beaten. Their explanation for these acts of violence was that they had sent a telegram to the government in behalf of some 200 political prisoners who staged a hunger strike to demand improved prison conditions.

Dariush Foruhar, a lawyer who heads the Union of the National Front Forces, a coalition of opposition parties, recalled how Iran's dissident elements were united and galvanized into action after police invaded Tehran's Qasr Prison on March 15. The police officers, not the prison guards, beat up the fasting prisoners, Foruhar said, adding that mothers, sisters and other relatives of the inmates also were beaten when they showed up outside the prison, the nearby military tribunal and Tehran University.

Foruhar said the regime surrendered to the prisoners' initial demands four weeks after the strike began when it was faced with nationwide protests, sympathetic hunger strikes by young people, pleas from clergy and intellectuals and the threat of the striking prisoners to abstain from water as well as food. The regime gave in, he explained, because it feared that the prisoners' deaths might have provided the spark to set off the Iranian political powder keg.

An Iranian employe of the American Embasy, Reza Amini, told of tape cassettes containing recorded sermons by Moslem clergymen being secretly circulated throughout the country. He said the messages were being listened to by thousands of persons and their content relayed to thousands of others. The basic message of one of the sermons by exiled clergyman Ayatollah Ruhollia Khomeini calls for a "religious crusade" to topple the shah.

THE OVERLOOKED MIDDLE GROUND

Most of the opposition leaders I spoke with emphasized that they are willing to see the monarchy retained but under the terms of the 72-year-old Iranian constitution which is still technically in effect. It provides for a largely ceremonial constitutional monarch; an independent judiciary; free press, assembly, political activity and elections. Under the provisions of the 1906 document, decisionmaking is vested in a freely elected parliament, from whose members would be chosen a prime minister with executive power.

One opposition leader told me:

"The average Iranian cannot forget the

fact that the dictator responsible for most—if not all—of his miseries was put on the throne by the United States in 1953. But despite this universal sentiment, America and its democratic traditions are admired by Iranians.

"Whatever legitimacy the shah might pretend to have comes from abroad, principally the United States. Iranians of all descriptions, even the shah's supporters, attach to the U.S. word an importance far beyond the true leverage Washington can apply in Tehran.

"Thus, President Carter is in the unique position of being able to save Iranians from the claws of a CIA-imposed despot by practically empty words.

"A single statement from the White House, to the effect that the United States will not intervene in internal Iranian affairs, where peoples' right to choose their government is concerned, is enough to put the shah to flight."

Most Iranians are reluctant to speak so openly with Americans out of fear that their true feelings will find their way to Savak. In Tehran this year I found U.S. diplomats more remote from Iranians than ever. One embassy official did not know that the huge Qasr Prison—focal point of the hunger strike by political prisoners which was one of the most dramatic opposition moves in recent years—is located in the heart of Tehran, just a short distance from his home. Off the job, he said, he and his fellow diplomats play tennis and poker and have picnics with each other, their spouses and children. No Iranians are invited.

This increasing isolation of the official American community may well affect the accuracy of its reports to Washington on the current state of Iranian public opinion and its estimates of the degree of support the shah enjoys. Two U.S. officials told me that our current ambassador, William Sullivan, who served as ambassador to Laos during the Vietnam war, is continuing to urge the Carter administration to maintain its all-out support for the shah.

If that support is continued and if the intensifying hatred of the shah among Iran's Moslem clergymen, professional classes, former politicians and students produces armed rebellion against the Peacock Throne, we will be faced again with the prospect of the shah's overthrow. Secretary of Defense Harold Brown already has been discussing the possible "dispatch of appropriate U.S. forces to the scene [the Persian Gulf] in support of friends," and 100,000 U.S. troops are being trained for possible intervention in the Gulf.

President Carter also has talked about having "quickly deployable forces—air, land and sea" available for this and other contingencies.

But the Carter administration is overlooking a fundamental distinction and a third option. While Iran and its oil are vital to the United States and its allies, Iran and the shah are not synonymous. For the United States to have to choose between the shah and the Soviets would be the worst kind of choice.

Responsible, non-Communist opposition leaders such as Moghaddam told me they see no difficulty in achieving a reconciliation of Iranian democratic aspirations and the United States' national interest. They stress that their program calls for nothing more than what the United States now enjoys: a freely elected democratic government based on a constitution.

They believe that they can head off pressures which otherwise might lead to a Communist coup d'etat or a revolution and that they and their program represent a middle ground between the shah and the Soviets, a third choice for the United States in Iran.●

NAZI WAR CRIMES NOT SUBJECT TO STATUTE OF LIMITATIONS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LEHMAN. Mr. Speaker, the West German statute of limitations for Nazi war crimes is due to expire on December 31, 1979. Unless the Federal Republic of Germany can be urged to extend its deadline, only one generation will have barely passed since the systematic murder of millions of people.

Should perpetrators of the most brutal crimes against humanity be allowed to go scot free because these Nazi war criminals have managed to hide from prosecution? Such an out should not be permitted by law until every Nazi war criminal is apprehended and held responsible for the crimes committed under the Nazi regime.

Representatives HOLTZMAN and FISH have introduced a House resolution to express the sense of Congress that the West German Government extend the statute of limitations. I am pleased to join with many of my colleagues cosponsoring this resolution and will work for its speedy passage.

The time to forget these crimes has not yet come if it is to come at all. We cannot afford to relax our awareness or to ignore our knowledge of the truth as long as humanity continues to commit crimes against humanity.

I would like to bring my colleagues' attention to an informative article about the statute of limitations written by David Geller of the American Jewish Committee which appeared in the February 9, 1979 issue of the Jewish Floridian.

[From the Jewish Floridian, Feb. 9, 1979]

STATUTE OF LIMITATIONS: WHAT'S IT ALL ABOUT?

(By David Geller)

Existing West German legislation under which Nazi war criminals are prosecuted is due to expire at the end of 1979.

The original West German law for prosecution of Nazi war criminals envisaged a halt to such prosecution in 1965, twenty years after the end of World War II. Protests then—including a meeting between Morris B. Abram, the president of the American Jewish Committee who had served on the prosecuting staff of the Nuremberg Trials, and the then West German Federal Minister of Justice—resulted in a Bonn decision to start the twenty-year count not from 1945 but 1949, when the Federal Republic was established, making 1969 the new cut-off date. In 1968, the UN General Assembly adopted a Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity.

The wording, however, was unacceptable to West Germany and to most European and American countries. In 1969, further meetings with Jewish leadership as well as world pressure resulted in an additional ten-year extension of the Statute of Limitations, making the deadline December 31, 1979.

At the same time, as a trade-off to internal pressure which opposed the extension, a new amendment to the German Penal Code was adopted which, in effect, categorized the so-called "desk murders" that is, those who had signed death certificates or brought about murder without actually committing murder itself, as accessories only. This meant that only Nazis charged with premeditated murder, who comprised about 5 percent of the known war criminals, would be subject to prosecution.

There is considerable sympathy among West German government and church leaders for an extension of the Statute of Limitations. They feel that Germany can never close the books on the terrible crimes committed during the Nazi period. There is also concern that East European countries may be withholding evidence with the aim of releasing it after the 1979 cut-off date for propaganda purposes.

On the other hand, there are those today in Germany who have serious reservations about extending the Statute of Limitations for a variety of reasons including: 1) an unwillingness to change an old German legal tradition; 2) an unwillingness to continue what they feel is self-flagellation imposed by foreign pressure.

The chief spokesman for this point of view is Franz Josef Strauss, a leader of the ultra-conservative Bavarian Christian Socialist Union, who, in effect, has called for a general amnesty; 3) the conviction rate has dropped and will continue to drop drastically because, after 35 years, it is extremely difficult to prove that a crime was committed beyond a shadow of a doubt; 4) wherever some judicial action has been taken on an individual case, the prosecution of that case will continue in any event after Dec. 31, 1979. At the present time, there are about 4,700 West Germans awaiting sentencing or under investigation for war crimes.

Official West German sources have released the following statistics for the investigation and prosecution of genocidal crimes in the Federal Republic (excluding Allied adjudications) for the period May, 1945, to January 1, 1978:

Investigations: 82,667. Trials ending in sentences: 6,425. Presently pending investigations: approximately 600.

A further analysis indicates that from 1945 to 1964, 9.9 percent of all alleged Nazi criminals were found guilty. From 1965 to 1976, the figure was only 1.5 percent.

In an effort to resolve the political and legal questions being raised, Herbert Wehner, the leader of the Social Democratic Caucus in the German Parliament, has suggested that the basic German law be changed to abolish the statute of limitations on all murder. This would make German law consistent with that of the U.S. and most West European countries. When the Parliament will take up the Statute of Limitations issue, Wehner's proposition will be an important element of the debate.

In the meantime, the Israeli Knesset on November 21, 1978, made a strong appeal to the West German government not to permit the Statute of Limitations to apply to Nazi war crimes. A massive post card campaign bearing the statement by Simon Wiesenthal—"Moral obligation has no time limit"—has been in effect for several months, coordinated by the Simon Wiesenthal Center for Holocaust Studies at Yeshiva University in Los Angeles. The cards are addressed to West German Chancellor Helmut Schmidt.

Survivor groups and virtually all other Jewish organizations will be carrying on a vigorous and public campaign urging the West German government to extend the Statute. While acknowledging the West German government's firm adherence to democratic tradition, they assert that to allow the Statute of Limitations to expire would constitute a grave injury to the memory of the millions of victims of the Nazi terror.

They warn that the expiration of the Statute would have a morally corrosive effect on the youth of the world as well as the youth of Germany.

They agree with Chancellor Helmut Schmidt who, in his speech at a Crystal Night ceremony November 9, 1978, asserted that while two-thirds of the present German population were either born after the war or were children during the war, "Germans have to carry the political inheritance of the guilty and draw the consequences; that is our responsibility."●

THE PRIDE OF FARMINGDALE, N.Y.

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. AMBRO. Mr. Speaker, a senior high school in my congressional district on Long Island last fall performed an athletic feat of extraordinary achievement. I would like to bring it to the attention of this Chamber. In particular, I would like to draw the attention of our colleagues to that which occurred last season at Long Island's Farmingdale High.

Their football team marched to an undefeated, untied and unscored upon season. The Dalers—as they are called—set Nassau County and New York State records while becoming county and State champions and being ranked No. 3 in the Northeast. The team's achievement is a first in the history of Nassau County—and, may very well be a first in the history of New York State.

Head Coach Don Snyder and Assistant Coaches Bob Mulligan and Irv Apgar have molded a truly awesome football power. Always a contender for county and State honors, Farmingdale High this season has probably produced the greatest football team in New York high school history.

I am proud to represent such an outstanding group of young athletes. There were simply too many individual super stars and too much extraordinary personal achievement to single out individual players. So, it is fitting that we congratulate each of them. Such recognition of individual players may be viewed as inconsistent with the accomplishment—for in every respect, the record compiled by this group was a team effort. But a team is, after all, made up of people. To be unscored upon is something which the entire defensive unit—not any single player or handful of players—achieves. And to compile this record requires the commitment of all members of a team:

Rich Abshire, Rick Bartlett, Rich Bayer, Chris Beatrice, John Brown, Tony Callendo, captain Anthony DeTrola, Stu Fast, Ray Flood, Ron Heller, Len Insalaco, Steve Kirk, Andy Kramer, Phil Lonigro, Steve Makely, Tom McCaffrey, Joe McConville, and Mike Mormino.

Brian Murphy, Bill Nasionaki, Jim O'Brien, Cocaptain John O'Sullivan, Cosmo Parella, Jody Peck, Bill Proefriedt, Tom Quinn, Cocaptain Joe Ryan, Art Seeberger, Bill Selock, Bruce Sharp, Buddy Sichler, Tom Soluri, Tony Tardalo, John Vatter, and Cocaptain Jim Vella.

This team would have no trouble meeting those terms laid down by a great football coach—Vince Lombardi:

All I demand is total commitment to excellence and victory, for that is what life is all about.

The 1978 Farmingdale High School football team understands completely "what life is all about." I would ask every Member of this House of Representatives to join me in saluting these fine athletes—most of whom still have their glory days in front of them at schools many of you represent.●

HAMILTON FISH AT 90—STILL A CIVIL RIGHTS ACTIVIST

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. FISH. Mr. Speaker, at the conclusion of my remarks appears the text of a resolution adopted by the New York Republican State Committee appealing to all Republicans to work for the return of black voters to the party of Abraham Lincoln and Theodore Roosevelt.

The significance of this resolution is that its author, my father, Hamilton Fish, was in his 90th year at the time. His call for his party to assure for minorities "equal rights, opportunities, justice, and a square deal" is but the latest manifestation of a guiding principle of a long lifetime. His is a straight forward belief that all Americans regardless of race have the same rights and liberties without reservations of any kind.

Fifty members of our family heard this articulated again together with his passion for freedom, in my father's remarks at his 90th birthday celebrated at a dinner in New York on December 7, 1978.

My father grew up aware of and proud that his grandfather as Secretary of State had promulgated the ratification of the 15th amendment to the U.S. Constitution, despite the fact that his own home State of New York had attempted to rescind its prior ratification.

During World War I, he served as an officer in the 369th Infantry Regiment composed of black volunteers. Overseas by the end of 1917, his unit was attached to the Fourth French Army with headquarters at Challon. Armed with French rifles, machineguns, and helmets, it served on the frontlines longer than any other American regiment incurring heavy casualties. The regiment flag was decorated with the French Croix de Guerre. My father also was awarded America's Silver Star.

The exploits of the 369th are the subject of a documentary film "Men of Bronze" which appeared on the Public Broadcasting Network last year across the Nation.

On the occasion of my father's 90th birthday, W. Montague Cobb, president of the NAACP, wrote him:

It is my recollection that when you served in France in the A.E.F. as an officer in the 369th Infantry, you acquired deeper perceptions of civil rights problems and henceforth were always an advocate of equal justice for all in our great country.

It is no wonder that when he entered the Congress in 1920, the first bill he introduced authorized the return of the body of an unknown soldier for burial at Arlington Cemetery. This was the last bill signed into law by Woodrow Wilson on March 4, 1921. At the burial service of the Unknown Soldier on November 11, 1921, my father was delegated by the War Department to represent all our Armed Forces and placed the only wreath on this national shrine.

Chairman of the Committee of Three that wrote the preamble to the American Legion constitution, he incorporated his creed of equality and justice in its text.

Hamilton Fish served in Congress from New York, 1920–45. In a career that found him in the forefront of great and controversial issues of the time, he was an outspoken advocate of civil rights. Generations before the term "human rights" was broadly known, he called for anti-lynching legislation and was successful in broadening opportunities for blacks to serve in all branches of our Armed Forces. Clarence Mitchell, for many years the NAACP's Washington representative, recalls that at the outset of World War II, he turned to my father for help in desegregating the Armed Forces.

On September 6, 1940, in the House debate on the draft bill, Hamilton Fish introduced an amendment that—

There shall be no discrimination against any person on account of race, creed or color.

The text of the resolution adopted unanimously by the Republican State Committee in Albany, N.Y., on September 22, 1978, follows:

Resolved by the Republican State Committee of New York, that we urge all Republican office holders in the State from the lowest to the highest, to use their outspoken and determined influence to welcome the Black men and women voters of New York State back into the Republican Party and assure them of equal rights, opportunities, justice and a square deal.

Further Resolved that the Republican Party of New York State will welcome Blacks into our ranks as equals in the fight for a better economic America with drastic curbs on our ruinous inflation that is harmful to the Black people. And we also invite them to help us restore confidence, employment, prosperity, progress and peace in the United States regardless of race, color or creed.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 1894, THE PUBLIC DEBT LIMITATION AND DEBT MANAGEMENT BILL

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ULLMAN. Mr. Speaker, on February 13, 1979, the Committee on Ways and Means ordered favorably reported to the House, H.R. 1894, to provide for a

temporary increase in the public debt limit, and for other purposes.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 1894 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified closed rule with respect to H.R. 1894.

It is our intention to request that the portion of the bill dealing with the amount of the temporary debt increase and the date with respect to the increase will be an open rule; the portion of the bill dealing with the interest rate on savings bonds will be closed, except for one alternative proposal to be presented by Mr. VANIK of Ohio; and the portion of the bill dealing with long-term bond authority will be closed.

We further expect to request 1 hour of general debate, equally divided, one-half hour on Mr. VANIK's motion, if offered, equally divided, and pro forma amendments on the amounts and date of the debt.

It is my hope to go to the Rules Committee as soon as possible as it is important that this bill be brought up at an early date.●

TRIP TO IRELAND—NOVEMBER 14-17, 1978—PART I

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to report to my colleagues on the results of a trip which I took to Northern Ireland as chairman of the Ad Hoc Congressional Committee for Irish Affairs during the week of November 12, 1978. I was accompanied on the trip by an able and valuable member of the ad hoc committee, my colleague BEN GILMAN. Also traveling with us were my legislative assistant, Robert Blancato, Robert Bateman, national historian for the Ancient Order of Hibernians, and Dr. Fred Burns-O'Brien, deputy national director of the Irish National Caucus.

The trip was taken for one basic reason: to assess the sentiments in Ireland for a peace forum which the ad hoc committee would sponsor. The idea originated in the summer and was warmly endorsed by a number of leading Irish-American organizations. The proposed forum would be a first-time opportunity for all parties to the dispute in Ireland to meet and discuss lasting solutions for a peaceful Ireland. The ad hoc committee as the sponsor would be totally neutral, neither favoring groups nor positions. We entered the trip with the never-changing position that the final solution in Ireland must come directly from the Irish people.

The trip commenced in Belfast on the morning of November 14. Before that day was over, we had consumed some 14 hours in meetings with at least 12 groups. Our meetings were conducted with leading political parties, paramilitary groups, church, peace, and labor leaders. One of the most important things we learned was of the growing sentiment among all levels in the North in favor of a British declaration of intent to withdraw its presence from the North. Some groups felt decidedly stronger about it and have been advocating it much longer. However for a number of other groups, it constituted a major "rethink." In the past, such a development was viewed with great fear by groups, especially the Protestants. The conventional belief was that the British presence, especially the military presence, was necessary to protect the Protestant population from civil war with the Catholics. Yet we learned that the level of sectarian-based violence had diminished dramatically in the previous 18 months to the point that the fear of a "bloodbath" were the British to leave seemed remote. What this "rethink" has done is establish the British presence as an objectionable common denominator on both sides, thus the impetus for a declaration of intent. It is the contention of the ad hoc committee that the peace forum could provide the basis for a united front to pressure Great Britain to declare its future intentions in Northern Ireland. We knew before we left and our beliefs were confirmed by the trip—peace would be impossible in Ireland until the British presence had been removed in a phased and orderly fashion.

During our first day, we met with leaders and representatives of major Protestant political groups: The Official Unionist Party, the Ulster Independent Association, and the two major Catholic political parties, the Social Democratic Labor Party and the Irish Independence Party. Also that same day we met with an important figure from the clergy, the Rev. Bill Arlow of the Irish Council of Churches. Finally in this same day, we met with the largest of the Protestant paramilitary organizations. The peace forum was the main point of discussion with all of these groups. We found considerable interest and support. It was by no means unanimous. Several of the parties expressed their disagreement with any forum where paramilitaries would be permitted to attend. Other reservations were expressed, especially concerning the issue of representation by Great Britain. We assured all those we met that the peace forum would invite all parties to the dispute in Ireland and would seek to hear all shades of political thought. We also stressed again that the ad hoc committee as the sponsor of the forum would remain totally neutral in its work, favoring neither positions nor groups. We concluded the first day with a sense of strong optimism that the peace forum was a sound idea that could evoke considerable support from a cross section of groups.

Perhaps the most dramatic moment of the entire trip also occurred on the first day when we met with approximately 75 relatives of prisoners incarcerated in various prisons in Northern Ireland. These relatives, whose emotions ran the gamut from anger to fear to resignation, crowded into our hotel room to present us with their individual stories. The meeting was organized by Father Raymond Murray of Armagh, a leading human rights figure in Northern Ireland and a man who had addressed the ad hoc committee at its October 12, 1978, meeting. Father Murray, in conjunction with Father Dennis Faul, comprise the Association for Legal Justice, a respected human rights organization whose recent publication, "The Castlereagh File," provided much of the background for the report written by Amnesty International last year about the same Castlereagh prison.

The cases presented by these relatives were most shocking and seemed more befitting of a totalitarian nation, not of one which has long prided itself as a vanguard of democracy and liberty; namely, Great Britain. Many of these people at the meetings had young sons in prison, others had husbands, still others had fathers. Common to many of these prisoners was the fact that they had not seen their families for some time. Also common to all was their tragic physical state which had deteriorated terribly since their incarcerations. We were advised that the spirits of the prisoners were high, and their relatives told us that our work here in America was a source of great inspiration to them. At this same meeting, Father Murray also presented us with an additional 100 other written cases of human rights abuses in the prisons which we brought back with us and presented along with our impression of this meeting at a December 3 conference with Assistant Secretary of State Patricia Derian, President Carter's Assistant Secretary for Human Rights and Humanitarian Affairs.

I have stated repeatedly that human rights violations are the root cause of much of the violence which occurs in Northern Ireland. I have also stated that there can be no peace until the restoration of human and civil rights is completed. The members of the ad hoc committee feel that if our administration were merely to apply the same standard to Great Britain that they do to other nations where human rights violations occur, the problem could be remedied in short order. Unfortunately, silence has been the cornerstone of the administration's human rights policy in Ireland. The peace forum would most certainly focus appropriate attention on these conditions in Ireland with an eye toward improving the status quo.

The other main development during our first day was the sudden and dramatic renewal of violence. Remarks made earlier in the week by Secretary of State Roy Mason were given as the justification for the renewal. By the end of the day, some 39 bombs had exploded making it the single most concentrated violence in Northern Ireland in the past 10 years. We deplore all forms of violence whether it be institutionally or civilian induced. We also deplore the provocations which generate violence. Violence impedes progress, promotes polarization, and prolongs suffering. Restraint is needed by all sides.

In subsequent issues of the RECORD the following days of the trip will be discussed as well as the activities of the ad hoc committee since the trip. At this point, I do wish to advise my colleagues that on February 1, 1979, the executive committee of the ad hoc committee voted unanimously to sponsor the peace forum based in large degree on the results of this trip and a later one taken in January 1979.●

DEFENSE SECRETARY'S ARMS SALES PROMISES VIOLATE THE LAW

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ROSENTHAL. Mr. Speaker, Defense Secretary Harold Brown's promise to sell U.S. jet fighters, tanks, and other arms to North Yemen and Sudan appears to violate the intent and the spirit of the Arms Export Control Act as passed by the Congress.

All too often, U.S. administrations have attempted to box in the Congress by making prior unauthorized commitments and then presenting the Congress with a choice of approving an arms sale it may oppose or forcing the Government to go back on its word and renege on a commitment.

Commitments to sell such arms can only be made in accordance with section 36(b) of the Arms Export Control Act. Under this law, requests are submitted by the administration to the Congress and no commitments may be made by our Government until the period of congressional review has expired.

I have today written to the President expressing my deep dismay over Secretary Brown's action, which I consider unacceptable.

The Secretary's announcement is all the more disturbing, because of its context. He was in Saudi Arabia in an effort to assure that government and other Persian Gulf allies that we would help them prevent the same upheavals that have shaken Iran.

We saw all to clearly in Iran that the world's most sophisticated arms cannot prevent—and may, indeed, encourage—the type of threat that brought down the shah and which Saudi Arabia fears most. A better solution must be found.

My letter to the President follows:

WASHINGTON, D.C.,
February 12, 1979.

Hon. JIMMY CARTER,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Published reports today of American commitments to sell nearly half a billion dollars worth of jet fighters, tanks and other arms to North Yemen and Sudan are most alarming. Such public commitments as the Secretary of Defense has reportedly made during his visit to Saudi Arabia violate the intent and the spirit of the Arms Export Control Act as passed by Congress. Under Section 36(b) of that law, all such requests must be submitted to the Congress for consideration and no commitments may be made by the U.S. government until the period of Congressional review has expired.

All too often, U.S. administrations have attempted to box in the Congress by making prior unauthorized commitments and then presenting the Congress with a choice of approving a sale it may oppose or forcing the government to go back on its word and renege on a commitment. This practice is not acceptable.

When the Secretary of Defense or any other American official discusses the sale of weapons and weapons technology, he must make it clear that all such sales are subject to Congressional review. This policy must also be made clear to those "unnamed defense officials" who travel with the Secretary and anonymously brief the press on promised U.S. arms sales.

These latest developments are disturbing not only because they are in conflict with the Arms Export Control Act and because they do not appear to be in accord with your own longstanding policy of arms transfer restraint, but they appear to contradict the lessons learned so tragically in Iran.

The Defense Secretary's commitments were made in the context of assuring Saudi Arabian and Persian Gulf allies that we would help them prevent the same upheavals that have shaken Iran. Yet we saw all too clearly in Iran that the world's most sophisticated arms cannot prevent—and may indeed encourage—the type of threat that brought down the Shah and which Saudi Arabia fears most.

Sophisticated arms are not the solution to the ills which beset a feudal kingdom and spark revolution. We saw that in Iran and we do not need a replay on the other side of the Persian Gulf.

If we truly wish to retain the friendship and the resources of the Saudis, as I agree we should, then better and more effective means must be found.

With best personal regards.

Sincerely,

BENJAMIN S. ROSENTHAL,
Member of Congress.●

VA HOSPITAL SYSTEM, AN ENDANGERED SPECIES

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ROBERTS. Mr. Speaker, the major veterans organizations, whose members serve as volunteers in Veterans' Administration hospitals across the Nation, are becoming increasingly alarmed about the quality of medical care being provided to eligible veterans.

The most recent expression of that concern appeared in the January 31, 1979, issue of the American Legion's National Legislative News Bulletin. I ask that the article be reprinted in the RECORD.

The article follows:

VA HOSPITAL SYSTEM, AN ENDANGERED SPECIES

What numbers 172, is visited by millions of people every year, and is on the endangered species list? Snail darter . . . bald eagle . . . wrong—its the VA hospital system.

As reported last month, the House Committee on Veterans Affairs sent a questionnaire to all VA hospital and clinic directors to determine how they perceived their mission and the impact budget and personnel cuts are having on their respective facilities.

From what we can gather through informal conversations with HCVA staff, the responses portray a disorganized and demoralized system. Many of the directors feel they are "rudderless", without sources for direction and assigned a job ridiculously impossible of accomplishment with the resources allocated to them. Some are threatening to quit if things are not turned around at an early date while others are telling the Committee that geography often dictates the quality of care a veteran can expect to receive.

PRIMARY PROBLEMS

Staff shortages;

Breakdown in communications between VA Central Office and the field stations;

Inability to plan under the present organizational arrangement;

A consensus that arbitrary decisons are being made by anonymous Central Office Department of Medicine and Surgery operations and budget employees with little, if any, practical knowledge of the various medical facilities' real needs.

VA medical system braces for personnel, funding cuts

The Legion has learned through nationwide telephone calls to 98 medical districts that VA medical care programs could lose up to 7,000 employees and still face subsequent budget cuts for patient care.

In the January edition of "U.S. Medicine", the VA's Chief Medical Director, Dr. James Crutcher, was quoted as saying, "I have the responsibility to make sure whatever reductions take place do not adversely affect the missions of the Department."

Crutcher also indicated that he plans to carry out "the President's guidance on inflation" and the FY '80 budget will have "no adverse affects on DM & S".

The American Legion and many Members of Congress disagree with Dr. Crutcher's assessment. Immediately following President Carter's submittal of the FY '80 budget to Congress, National Commander Jack Carey urged the President to "reverse the VA decision" eliminating staff personnel. Carey also cautioned the President that elimination of full funding for veteran medical care programs "would adversely affect the VA's ability to care for the more than 75,000 veterans currently being treated in hospitals operated by the VA".

For years the Office of Management and Budget has slowly but surely been chipping away at the VA's medical program. A little over 20 years ago the VA had over 120,000 operating beds. The President's 1980 budget will reduce the operating beds to 86,700. The construction of new and replacement hospitals has not kept pace with bed closures. While the bed closures have taken place, the average daily number of patients in VA hospitals have dropped from approximately 112,000 per day to an estimated 72,500 in Fiscal Year 1980.

The Legion is well aware of the rationale behind certain bed closings based on privacy standards, health and safety requirements, and increased patient turnover rate, but as stated before we cannot understand or justify the reasoning behind the magnitude of these bed closings. If this trend continues, how long will a separate VA hospital system be justified? There is speculation that some type of National Health Insurance could be enacted during the 96th Congress. Should the reduction of VA hospital beds, patients, and staff cutbacks continue, the VA medical program could, as recommended by the recent National Academy of Sciences' study, be phased in the general delivery of health services in communities across the country.

What does the future hold?

Dr. Crutcher said he has made it clear to VA physicians that it is up to their professional judgment to decide who should be referred to other sources of care and who

should be kept in VA facilities. Crutcher went on to say, "We have a limit on the number of patients we can afford."

The Legion believes that a proper mix of service-connected and nonservice-connected patients must exist in our VA hospitals in order to attract qualified physicians and other health services personnel. Without this "mix" we feel the affiliation the VA hospital system currently enjoys with community hospitals will be destroyed.

Hopefully, regional congressional hearings will be held this year to focus attention on a number of issues relating to funding, declining average daily patients, and apparent breakdowns in communication between VACO and hospital directors. Local veteran organization leaders, former hospital patients and certain VA directors should be invited to "tell it like it is" when the proposed congressional hearings are held.

As one VA director told us, "Thank God we have the veterans' organizations carrying our concerns to Congress."

The American Legion has pointed out many times that the easiest way to reduce the demand for care, bed occupancy, and operating beds is to reduce "the flow of dollars" into the VA medical program.

We strongly recommend that readers share this message with their Senators and Congressmen. The American Legion is not crying wolf . . . time is short. Unless this greatly reduced money flow is reversed, the medical system will eventually become extinct.●

TAIWAN HEADACHE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following article by Ferdinand Mendenhall, "Carter is Facing Taiwan 'Headache,'" discusses the reaction of the American people to President Carter's decision to recognize the People's Republic of China and abrogate the 1954 defense treaty with the Republic of China (Taiwan):

SHAFTS BY THE LAMPLIGHTER—CARTER IS FACING TAIWAN "HEADACHE"

(Chuang-Tsu: "Everyone knows the usefulness of the useful, but no one knows the usefulness of the useless.")

To judge from the mood of the American public—and among members of Congress as well—President Carter's abrogation of our treaty with the Province of Taiwan which is the Republic of China, is in for some real tough sledding. This, in connection with his decision to set up formal relationship with the People's Republic of China, as we know.

Those of you who have visited Taiwan, and/or have followed the course of our Taiwan relationship, know that the Nationalist Chinese have built their province on the principle and practice of a democratic government and a system of free enterprise paralleling the life style of the U.S. Concurrently, they have relied fully on the friendship and cooperation of the U.S. in building up and maintaining their stature in that wise.

Supplementing the reaction in Taiwan following Mr. Carter's pronouncement, we have received a letter from friends in the China External Trade Development Council, giving their views and that of their countrymen, sent from the capital city of Taipei just last week, which reads:

"We are confident that you who are our true friends and who have been associated with us for a long time, share our shock, dismay and outrage over the perfidious actions of the Carter administration in recognizing the Communist regime on the Chinese mainland and severing diplomatic relations with the Republic of China as of January 1, 1979.

"This misguided decision of Mr. Carter, who was known as the champion of human rights, not only jeopardizes the human rights of more than 17 million free Chinese in Taiwan but also betrays a long time true and tested ally and a major trade partner with a bilateral volume of more than seven billion U.S. dollars in 1978, an amount which is more than the total of America's trade with the Soviet Union and the Chinese Communists put together.

"To ensure the continuous growth of our bilateral trade which is, of course, beneficial to both of our two peoples, we sincerely hope that you will support our cases and convey our feelings by writing to your business associates, congressmen and other influential persons in the United States voicing that the United States must provide concrete and specific measures to ensure that our trade routes will remain open.

"We also hope that appropriate legislation will be passed by your Congress to ensure the continuation of the existing treaties and agreements and negotiation of new commercial relationship between our two countries and, above all, continuous supply of necessary modern weaponry for our defense as well as maintaining security and prosperity in this area, which are very essential to the business interest of our two countries.

"We would also like to express our appreciation for everything you have done for us in the past and extend our hope for your continuous efforts and cooperation for the never-ceasing expansion of our mutual trade as well as our mutual welfare.

"Anticipating your understanding and timely support to our righteous cause, we remain very sincerely yours ....."

This letter bears the personal signatures of K. H. Wu, secretary general; Stanley S. T. Wang, deputy secretary general; Robert H. C. Yang, director, Market Development Dept.; Y. C. Dunn, director, Manufacturers-Traders Services Dept.; Paul Lee, director, Exhibition and Publicity Dept.; Yu-Tien Hsu, director, Trade Information Dept.; Liu Cheng-Chi, director, Publications Dept.; Y. S. Yu, director, General Administration Dept.; S. A. Ring, director, Office of the Comptroller, and Yung Tsu-Hu, executive secretary, Overseas Marketing Research Dept.

Following Mr. Carter's announced "decision," we stated we had no objection to U.S. trade, cultural and athletic exchanges with the People's Republic of China (mainland China), even as we deal with the Soviet Union—BUT that we disagree completely with any endeavor to alter our long relationship with Nationalist China. We don't vary from that stand one whit. And we find that our fellow Americans on every side hold to that belief.

Further, some time ago, the U.S. helped shuffle Taiwan out of the United Nations as way was made for the People's Republic to take a seat in the international tribunal. Since the Soviets are members, there is no reason why Communist China should not belong—but NOT at the expense of ditching Taiwan, which is an independent state in its own right. So our nation was willing to commit the faux pas of all modern diplomacy by letting go a friend which always stood with us and voted with us, although we have been privy to the admission of a gaggle of pint-size, newfound outfits which, on being admitted with our cooperating nod, have consistently turned around and voted against us time after time. How stupid can we be?

This writer feels there is going to be a real donnybrook over the matter once Congress gets into action. After criticising other nations for shelving treaties and other pacts of trust, we are doing nothing more or less than destroying our credence among other countries of the world if we fail to stand by Taiwan's side. We can do this and still trade with the People's Republic.

Mr. Carter is quite an embattled man on several fronts at this time. If he is using this as a means to strengthening his presidential stature (and looking forward to the 1980 national convention), we'd say he is choosing a very poor way to invite voters into his corner of the ring.—Mendenhall.●

A CREATIVE APPROACH TO PEACE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BROWN of California. Mr. Speaker, as we enter into the work of the 96th Congress, it is useful to consider the broader goals of our Nation. First and foremost among these goals must be world peace. The type of world peace we can all endorse is a peace which is more than the absence of war; it is a situation where the conditions which breed war are also absent. This timeless goal of the world's people may not occur in this century, but its active pursuit should be a major part of our own agenda.

There are immediate steps which can be taken which can contribute to world peace. One such step, and the focus of my comments today, is the utilization of our satellite technology to create an unclassified global information system. Just such a system was proposed by President Valery Giscard d'Estaing of France in his address to the United Nations Special Session on Disarmament. France has since returned to the negotiating table on disarmament, specifically pursuing its proposal to establish an "international satellite monitoring agency."

The French proposal has been discussed in the United States for many years before there was a "French" proposal. While this discussion has had no official endorsement, it has had considerable unofficial encouragement; much of it from Government and former Government officials. One of the most recent publicized statements on this subject was by Dr. Edward Teller, the "Father" of the U.S. H-bomb.

The main spokesman for the American proposal has been Howard Kurtz, who long ago recognized the creative potential of satellites to encourage peace. Since the mid-1960's, Howard has been patiently trying to get the President of the United States and his national security advisers to share his vision. In my own discussions with many of these same advisers, I find much sympathy, but little interest in having the United States lead in this field.

Mr. Speaker, at this time I would like to place in the RECORD two items from the winter 1978–79 issue of the CoEvolution Quarterly. The first item is a letter by former Apollo astronaut, and presently Gov. Jerry Brown's science adviser, Russell Schweikart to the editor

of the CoEvolution Quarterly, reflecting on the views of Howard Kurtz, and the relevance of these views to the present world situation. The second item is an unsolicited draft speech that Howard and his late wife Harriet wrote for the President of the United States to use some day.

I highly commend both of these items to my colleagues attention. The articles follow:

WINTER 1978–79 COMMENTARY BY RUSSELL SCHWEICKART

DEAR STEWART: I am delighted that you have chosen this issue of *CQ* to highlight Howard Kurtz's vision of space as an instrument of world peace. It is most timely.

In the last six months a series of events has occurred triggering within me disappointment, frustration and concern bordering on alarm. I see a red warning light flashing on the control panel signaling trouble ahead unless immediate attention is given to the situation.

What concerns me is the growing militarization of space, and concomitant blurring of the heretofore clear distinction between the civil and military space programs. Subtly related to this concern is the astounding omission of an operational civil remote sensing satellite system (or even a commitment to one in principle) in President Carter's just-announced space policy.

Without going into detail, let me simply refer those interested to the rapidly increasing number of technical articles and papers on anti-satellite weapons, particle beam and laser space weapons, etc. in the technical trade journals. The appearance of articles such as these historically reflect official though not always publicly announced) interest or policy. The first evidence of this shift appeared as the classified Presidential Review Memorandum (PRM) 23 back in May of 1978. It is not available to the public, the press or even the Congress (except in unclassified briefing form) because of its security classification but it raised wide concern among many of those who became aware of its contents and implications. The most recent evidence of the reshaping of space policy is the President's carefully-worded, heavily-caveated space policy statement which, while not actually applying the scalpel, sets up the civil space program for cutback while calling for the potential merging of civil weather satellites, etc., with the military. All in the name of economy, of course.

I believe this shift of national policy in the way the U.S. will develop and utilize the space environment should be of concern to everyone, but it is of special concern to me. I became a NASA astronaut in 1963 with the words of John F. Kennedy ringing in my ears, "We set sail on this new sea because there is new knowledge to be gained and new rights to be won, and they must be won and used for the progress of all people. For space science, like nuclear science and all technology, has no conscience of its own. Whether it will become a force of good or ill depends on us, and only if the United States occupies a position of preeminence can we help decide whether this new ocean will be a sea of peace or a new, terrifying theater of war . . . Space can be explored and mastered without feeding the fires of war, without repeating the mistake that man has made in extending his writ around this globe of ours."

My ten days in orbit around the Earth on Apollo 9 converted that hopeful challenge of JFK's into a life-long commitment to see that the development of this new ocean of space proceeds in a life-enhancing and ennobling manner. The exciting and challenging opportunities in space exploration and development should call forth the best in us as intelligent and loving beings—not the worst as fearful and suspicious animals.

But lest I be branded a wildly idealistic anti-militarist, let me move back toward the (co-evolutionary) middle. I do not believe for a moment that the military will not be or even should not be in space. In fact, global stability has been enhanced if not preserved in recent years by the "spy" satellites of both the U.S. and USSR which has substituted (in part) real information for fearful or self-serving speculation. And although it seemed almost trivial to many, I believe President Carter significantly opened the door to forthright discussion of global security when he acknowledged publicly the use of and benefits derived from intelligence-gathering satellites.

What bothers me and what dominated the total life of Howard and Harriet Kurtz (Harriet died in 1977) is the unbelievable opportunity which the federal government has ignored which could save billions of tax dollars, enhance national security and global stability, provide valuable information on global resources and environment conditions, and stimulate a vital but sadly declining U.S. industry.

I refer not to some airy-fairy futuristic concept but to the NASA Landsat satellites which have produced hundreds of thousands of earth images since 1972 which have been utilized by hundreds of nations around the world for environmental monitoring, crop production forecasting, forest and crop disease monitoring, resource surveying and many other beneficial uses.

The opportunity available is to unilaterally establish a global environmental monitoring and information system which would make high-quality, dependable, timely data available at a very low cost to anyone who wanted it. The groundwork for this capability has been well laid by the experimental Landsat satellites, especially such stickey issues as the policy of open data availability. More than 100 nations, including Russia and China, have bought Landsat images from the EROS Data Center, Sioux Falls, South Dakota, the principal U.S. archiving and distribution center. In addition, Brazil, Argentina, Italy, Zaire and others have built or begun to build their own satellite receiving stations and obtain (or will be obtaining) data directly from the satellites.

But the satellites are still maintained on an experimental basis with no commitment to continuation and very little improvement permitted in resolution (ability to see small objects) or timely delivery of data. Despite the recommendations of innumerable councils, interagency committees, study groups, commissions and panels to the contrary, President Carter declined to commit to an operational system, relegating it once again to an experimental limbo and establishing yet another interagency task form.

Howard Kurtz has argued for years that a global system of this kind would not only benefit all nations in terms of resource management and environmental monitoring, but would also enhance global security and mutual trust in a way no weapon system (offensive or defensive) could ever hope to do. If the resolution were improved slightly and all nations were given direct access to the satellite data, speculation about the action or perceived or real enemies would be replaced by knowledge, not just by the two contending parties, but by all, thereby enhancing everyone's security.

The technology exists for such a venture though the data handling and processing requirements would stretch our inventiveness (another benefit). But how about the cost? Less, I would venture, by an order of magnitude, than the same increment in national security available by adding additional life-destroying weapons to our already substantial arsenal. For example, the whole system could be designed and put into operation for less than one-tenth the cost of the nuclear aircraft carrier which was the subject of a recent confrontation between the President and the Congress. Would another aircraft carrier, in addition to the twelve we already have, enhance our security more than a global information cooperative which would cost one-tenth as much? I can't find any absolute yardstick to measure by but I seriously doubt it.

More important—the information system is life-enhancing, benefits all people, reduces international tensions, would be used continuously to serve people, and emphasizes our planetary interdependence. The defense system is life-threatening, benefits only us, increases tensions, would hopefully never be used and emphasizes national differences and distrust.

This is the vision Howard Kurtz has carried into the offices of government officials and dignitaries, into editorial rooms and onto occasional interview shows. He and Harriet totally dedicated themselves to this single goal. They had and still have no organization to fund their efforts. For years they spent their personal savings, they attended every Congressional hearing on NASA's programs, they gathered information incessantly and wrote and talked to all who would listen, and Howard now continues the effort alone.

I am awed and inspired by this dedicated man of vision whom I came to know during my work with NASA in Washington, D.C. And I thank you, Stewart, for bringing to the *CQ* family a man who has given himself fully to JFK's vision of a vast new ocean which must be mastered by us for the benefit of all people.

Sincerely,

RUSSELL L. SCHWEICKART,
Assistant to the Governor for Science and Technology.

SACRAMENTO, CALIFORNIA.

DRAFT OF A PROPOSED SPEECH BY THE PRESIDENT OF THE UNITED STATES

I am addressing mankind tonight. I will use every means at my command to have this message brought home to every man, woman and child in every country on Earth. What I have to say may be a matter of life or death for every human being. I hope they listen carefully. This is a message of hope.

In 1945 when the United Nations was chartered in San Francisco, many people believed that war had ended and mankind had entered a new era of peace. This was a tragic delusion. History's endless parade of war after war has continued. The potential horror of war has grown worse, not better. We are living in a new historic age of anxiety.

In 1945, that same year, the first atomic bomb was exploded. This signalled the dawn of an era of exploding research and development and escalating progress in science and technology, in hundreds or thousands of new and different fields. Civilization has been projected into the Nuclear Age, and now into the Space Age, and now into even newer technological ages.

As a result, the strategic power under the command of the Head of State of a modern major nation is beyond easy vision or description. There hardly are words to explain. But I can tell you this: It used to be thought that only God could command the power to destroy mankind in the twinkling of an eye. But today the leaders of several nations command the power to launch the war that could annihilate world civilizations.

Yet the great rivers of new knowledge coming from the research and development centers cannot be dammed up within the boundaries of any one nation. Within ten years perhaps thirty nations will command this power of death for mankind. By that time the weapons of total annihilation will be so cheap that criminal elements may ob-

tain this power to hold mankind for ransom. Breakthroughs in chemical and biological and nuclear warfare will magnify and compound the forces of destruction.

This is a new historic time of dread. In this new age no nation ever again will find positive national security and political independence by use of its power to destroy human life. In this new age an attempt to destroy an enemy can destroy mankind. All nations have moved into a common chamber of danger. The world is like a room filled with gas, in which men who strike matches endanger the lives of everyone in the room.

WE MUST CREATE NEW HISTORY

We must create new history. It no longer is safe to merely relive old history.

From all we can learn from old history there will always be an impulse toward war and aggression between nations. The challenge of the future is to remove the danger from that impulse . . . to prevent this impulse of hostility from expressing itself in war . . . to make war impossible between nations.

There will always be war and aggression between nations until there is created a global safety authority of some kind, with the strength and the authority to maintain the common good of national security and political independence for all nations.

Historians and political scientists find no precedent for such a Global Safety Authority. But before 1940 there was no precedent for atomic bombs . . . and before recent times there was no precedent for many of the miracles of modern medical science.

We live in an age that breaks precedents. We need not be enslaved by historical precedents of war and catastrophe.

Scientists and engineers tell us that we have within reach the means to produce the food, clothing, housing, warmth, health, education and welfare for more than the six billion human beings predicted as world population by the 2000. But nations are not producing to meet these human needs, because today the world spends nearly $200 billion a year on an escalating arms race, producing anti-human forces of destruction.

Nations have learned the secrets of the Power of Death for mankind because they have invested their human and natural resources in massive mobilizations for the specific purpose of learning these secrets.

I say to every man, woman and child in every nation, that the time has now come for a massive mobilization of human and natural resources for the purpose of learning the secrets of the power of safety and well-being for the people of all nations. If we believe that the intention of creation is toward greater life for the family of mankind, then let us begin to direct the forward march of science and technology toward such a greater purpose. I believe in the future of mankind.

The Heads of State of more than one hundred and twenty sovereign nations on earth now have it within their power to begin to create a Global Safety Authority, within a revised and more effective United Nations. The function of this Authority will be to guard the national security and political independence of all nations, freeing the productivity of nations to meet the human needs of their citizens.

I hold before the world the long range vision of a stronger United Nations. At the base of this future United Nations will be a Global Safety Authority. The purpose of this Authority will be to maintain positive control over all power of destruction. It will have power to maintain public inventory of all war material and personnel. It will have authority to act to stop unauthorized war production. It will have power to maintain public inventory of all movement toward mobilization for war. It will have authority to stop such mobilization. It will have power and authority to prevent violation of one nation's borders by the forces of any other nation, large or small. It will have authority to divert any inter-nation conflict to proper courts of inter-nation conflict law.

I hold before the world the long-range vision of a stronger United Nations in which man will maintain dominion over the forces of destruction. Instead of living in ever-increasing fear of the anti-human force of advancing science and technology, man's increasing knowledge will be redirected to feed the hungry, clothe the naked, heal the sick, educate the illiterate, and free the patrotic people of every nation to work toward their own national goal in their own national way, free from the dread of war or domination by any foreign power.

THE SEARCH FOR ANSWERS

Will it ever be possible to trust the national security and political independence of the United States to a stronger United Nations with monopoly control over global armed forces management? Will it ever be possible for all nations to trust their national security and political independence to such a remodeled United Nations? Will the American people ever find reason to believe that this global United Nations power will not come under the control of communists, or any other group with intentions to dominate the world? Will the people of all other countries ever find reason to believe that global United Nations power will not come under the control of American political power?

I do not know that answer to these questions. I am proposing that a long period of serious research and exploration begin today, in search for the answers to these questions of the future safety and well-being of mankind.

To the rising generation of young men and women in every nation we declare open for exploration and pioneering a new generation of creativity and invention to dwarf any era in past history.

This will be the most complex and difficult problem governments ever have faced and determined to master. Making the Earth safe from war will be a far more challenging task than making outer space safe for human transit. I hereby make a personal commitment, and a commitment of my administration, to the task of providing world leadership toward the long-range goal of developing the global safety systems, and the new political checks and balances and restraints required to transform the present United Nations into a more effective instrument of safety and prosperity for all nations.

We propose an initial ten-year program to develop and operate a demonstration model, or prototype experiment of a Global Safety Authority, so that all governments can begin to learn the real problems of defending their citizens from enemy threat or attack in the new historic age of total danger.

I say, let the national security leadership of all nations begin thinking and experimenting beyond the strategy of defense, and beyond the strategy of deterrence, to explore a new future strategy of prevention more appropriate to the age of global danger. Let us create new history more in keeping with the danger man has created.

WHAT WE CAN DO

We propose a long-range program of development and experiment and testing to find the ways that such a protective war prevention system can be made to work.

Black and terrifying, the escalating danger of global war today looms above mankind like a thunderstorm of death. But beyond that dark horror, I see a white light of hope. I believe that man can create global safety systems in time.

I propose four giant strides forward on the road to the permanent end of war between nations. I propose four giant strides forward on the road to lasting peace and prosperity. I propose four giant strides forward in the creation of a demonstration model of a Global Safety Authority. These will be four giant strides forward toward a stronger, more effective, and greater United Nations of the future. One day, when and if our efforts succeed, the present United Nations will evolve into a world security organization capable of guarding the national security and political independence of every nation.

I am preparing to issue directives to the appropriate departments of my government, and preparing to seek the full support of the Congress and of the American people, for four large-scale development projects:

FIRST

First Stride: All-Nation Space Stations. I propose construction of a new series of reconnaissance satellites. The use of these surveillance space stations will be made available to all nations. All nations will be invited to develop surveillance systems for experimental installation in these orbiting laboratories. All nations will be given full access to all information inputs and outputs from these global surveillance systems, that all national defense establishments, all regional defense establishments, and the United Nations Military Staff Committee can gain protracted experience in working together to test the effectiveness, and to establish the future requirements for a Global Safety Authority intelligence capability. Through these satellites we may begin to find answers to the question: Can a future United Nations Safety Force be made dependable and effective?

SECOND

Second Stride: All-Nation War Alarm System. I propose the construction of an advanced global command and control headquarters, near the United Nations Headquarters, with duplicate synchronous display centers in the capitals of all cooperating nations, and in the headquarters of all regional defense organizations. This center will be open to the public of all nations and to the governments of all nations. The large illuminated display walls in this prototype global command center will be connected by direct communications lines to the national command center in the Pentagon in Washington. The people of the world can begin to see the global surveillance and intelligence capabilities the United States already possesses, to be able to exert command and control today over military forces spread across more than half the earth. No information which would be detrimental to the security of the United States will be passed to these public exhibitions, but the world can begin to see the emerging reality of global command and control systems to bring armed forces management for the world eventually to the new United Nations Global Safety Authority. Every other nation will be invited to connect its national command center to this world display. No other nation will be expected to divulge information to jeopardize its own security. But all nations will gain practical experience in the interface problems of the successful operation of a future war safety control system of world dimension. The people of all nations will begin to see the open experiments which may one day lead to the development of the systems of security which will mean no more war for mankind.

THIRD

Third Stride: War Prevention Conferences. I propose a continuing series of multinational War Prevention Conferences. Military and political leaders of all participating nations can begin to hammer out the requirements and force structures for the future Global Safety Authority. They can analyze and experiment with unprecedented new political checks and balances which will be required to make certain that this all-nation safety constabulary cannot become a tyrant over the minds of men, or the governments of independent nations, and that it cannot be captured by any one political power clique to be used to conquer the world. These War Prevention Conferences will be held on many levels, outside of official channels of the United Nations. They will be held with individual nations, or with groups of individual nations, or with regional defense organizations. Free discussion will be encouraged from every source where new ideas may emerge to help solve this problem which has been insoluble throughout the ages. Can a Global Safety Authority be made effective, and safe to the point that the people of all nations will trust their national safety to this mobilization for the prevention of war? The world will be waiting for answers to this question.

FOURTH

Fourth Stride: All-Nation War Prevention Games. I propose a continuous series of multinational war prevention games. Where war games are used to develop military proficiency in waging war, these war prevention games will be utilized to develop and test the increasing proficiency in preventing war throughout the world in the new historic era. A purpose of these games will be to allow the public and press of all nations to see that nations are making serious efforts to solve the problem of war, and what progress is being made toward this great and grave objective.

I repeat that all nations are invited to cooperate in these four giant strides forward toward peace and prosperity for all nations.

But the United States offers to lead in this ten year demonstration model experiment no matter what nation or nations hold back at this point. We expect nations to be suspicious of our motives. We invite nations to work with us to satisfy these suspicions. We will earn their confidence.

We will use every means at our command to see that the people of all nations are kept fully informed as to the progress being made toward the global protective systems which one day will bring peace and prosperity to all nations.

No nation will be expected to weaken its present defense force or posture during these experiments. No patriotic people will be asked to give us their pride in their own native land, or swear allegiance to a massive single world government. National governments once again will concentrate on the prosperity of their citizens, instead of on preparations to kill and be killed in war with their neighbors. There will be a common defense force for all.

TOWARD DEVELOPMENT AND RENEWAL

Man now has gained the knowledge and skill to feed the hungry of the world, to heal the diseased of the world, to educate the illiterate of the world, to provide housing for those with inadequate shelter, if only he can learn how to bring the plague of war under positive control.

These four giant strides forward toward a more effective United Nations will allow the people of the world to hope once again. There will be hope that history's endless parade of wars eventually will be brought under control. There will be hope that the world's resources today committed to production of anti-human power of death, can be redirected toward production of pro-human goods and services. There will be hope that increasing nuclear power will be controlled and harnessed to peaceful purposes, instead of to the chain-reaction of terror. There will be hope for peace in the space age instead of dread of war.

I believe that man can gain dominion over the man-made dangers of modern technology, and that man does not have to live in fear of the new products of science and technology.

I believe that every people on earth can find security and prosperity in a revised and strengthened United Nations, in time. I believe man now has the inventiveness and creativity to begin to transform the United Nations into an effective world security organization, bringing safe prosperity within reach of all nations.

Each nation can work out its own independent path toward its own independent vision of a Great Society. This can become a Great Planet. I hope that every man, woman and child around the world who hears this message will tell his neighbors, and his friends, that the time now has come to take giant strides forward toward peace and prosperity for all nations.●

INTRODUCTION OF THE NATIONAL FUEL ALCOHOL AND FARM COMMODITY PRODUCTION PROGRAM OF 1979

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BEDELL. Mr. Speaker, two of the most dominant items in the news in recent days have been the political chaos in Iran, along with the cutoff of oil flow from that country, and the presence of thousands of disgruntled farmers in Washington protesting their economic dilemma. These two seemingly disparate issues share a common thread, and it is this bond of commonality that forms the foundation of a measure I am introducing today entitled "the National Fuel Alcohol and Farm Commodity Production Act of 1979."

The situation in Iran underlines the folly, both in national security and economic terms, of the U.S. dependence upon foreign sources for nearly half of its petroleum supplies. The fact that current agricultural policy depends upon the outlay of hundreds of millions of taxpayer dollars simply to induce the most efficient producers in the world to idle acreage underlines the need for the development of additional outlets for the production from American croplands.

Mr. Speaker, the National Fuel Alcohol and Farm Commodity Production Act addresses both of these issues in a way that acknowledges the interdependence that exists between them. It would, if enacted, take a giant stride toward getting a handle on both of these critical problems by promoting farm income improvement and by stimulating the development of a viable domestic alcohol fuels industry.

First, the proposal would promote the construction and operation of privately owned alcohol fuels plants by, among other things, making available federally guaranteed loans and secure, reasonably priced supplies of feed stocks for at least the initial startup period. It is designed in a way that would facilitate the disengagement of the Federal Government from the support function within a reasonably short period of time.

Second, the proposal would improve farm sector income by creating a significant outlet for agricultural commodities that are now in such surplus that market prices for these commodities are way below the farmer's cost of production. The measure would provide for the disengagement of the Federal Government from its present "production adjustment" activities, characterized primarily by the current set-aside program. There is a possibility that the program I am proposing would initially necessitate slightly higher Federal outlays in comparison to what is now spent annually on the feed grain program.

However, it would be very shortsighted not to look beyond these first few years to the budgetary and fiscal benefits that would be sure to result from implementation of the program. Clearly, it makes a great deal more sense to shift Government spending to productive applications, such as establishing a viable private sector alcohol fuels industry, than to spend hundreds of millions of dollars annually to do nothing more than pay farmers not to produce. Such a shift would be more an investment that would generate substantial dividends in the long run. Within a relatively short period of time, this "investment" would generate returns in the form of significantly reduced oil imports (along with a reduction in inflation that they generate); increased domestic employment; a more stable and healthy agricultural economy; and important national security gains in the form of reduced dependence on foreign sources of supply.

Mr. Speaker, while my proposal is not necessarily complicated, it requires more space and time than we have here to explain its elements in full detail. In testimony I prepared for the Agriculture Committee hearings held this week dealing with the farm program, I went into the detail that is necessary to explain the scope of the measure. I would be more than happy to make copies of that presentation available to anyone who desires further information on my proposal. In this statement, however, I will merely sketch the general parameters of the legislation.

The National Fuel Alcohol and Farm Commodity Protection Act is directed exclusively at the feed grain provisions of the current farm program. There is little doubt that the concept underlying my proposal can, and should be expanded to include other agricultural commodities. In fact, it is my intention to work with any of my colleagues who might be interested in expanding the legislation to commodities like wheat, sugar, sugar beets, and others that can be used as feedstocks for alcohol fuels production.

Basically, my proposal would abolish the existing feed grain program. The current set-aside/land diversion controls would be eliminated. Each producer would be guaranteed $2.50 per bushel for every bushel of corn he produced, with a $2.10 loan. The established price of $2.50 per bushel would be adjusted each year in relation to the cost of production index contained in current law.

To be eligible for the income protection, each producer would be required to meet two conditions. First, he must adhere to certain basic soil conservation and best management practices put forth by the Secretary. This provision is designed to prevent the plowing up of

marginal land, and to deal with the alarming soil and water degradation of our Nation's resources base. Second, each participating producer must agree to make available to the Secretary a full 10 percent of his total production. On this portion of his production, the producer will receive the established price; on the remaining 90 percent of his production, however, he is free to take advantage of the market price or the established price, whichever is higher.

The legislation would direct the Secretary to utilize this 10-percent takeover of corn for one purpose, and one purpose only—as feed stock for private alcohol fuels plants that produce ethanol primarily for use as an extender for unleaded gasoline (gasohol). The Secretary would be authorized to charge plants no more than 50 percent of the established price for this takeover corn. This subsidized price virtually guarantees the ethanol plants of being able to sell their product at a profit. The Secretary is authorized to enter into contracts with these plants, not to exceed 5 years. This will provide the incentive needed to establish a private alcohol fuels industry by reducing the uncertainty on the supply side.

Further incentive for ethanol plant construction would be afforded by a provision which would authorize the Secretary to make available federally guaranteed loans to qualified applicants; $600 million would be authorized to establish a seed fund for this purpose. Included in the language is the requirement that a 1-cent tax must be paid on every gallon of ethanol produced from any plant that has either received a loan guarantee or the Federal Government-subsidized feed stock. The receipts from this tax are to go back into the seed fund to be used for reducing the need for Government outlays for further guarantees, as well as to cover any defaults that might arise.

Mr. Speaker, my proposal has been careful to address the potential distortion of the existing protein supplement market that could arise from an unregulated marketing of the byproduct from the ethanol production process called DDG's (dried distiller's grains). It also recognizes the fact that the technology exists that can transform, by way of a "front-end" fracturization unit, the feed stock into a high protein concentrate that can be made suitable for human consumption, without compromising the fuel production output. In this way, the program would not interfere with, but enhance, the U.S. role as a reliable food aid supplier.

In summary, Mr. Speaker, I believe that the National Fuel Alcohol and Farm Commodity Production Act of 1979 is worthy of serious consideration as a new direction in agricultural policy. It takes the holistic approach that is needed if this country is to meet the new challenges that confront it by recognizing, and taking advantage of, the interdependencies that exist between agriculture and energy. Several crucial objectives are met: Stable and improved agricultural commodity prices; improved natural resource conservation practices; the establishment of a foundation for a noninterruptible, environmentally benign, and renewable liquid fuel supply; and Federal Government disengagement from its historical agricultural production adjustment and price support activities. Admittedly, the leadtimes required for total implementation of this proposal, even after enactment, mean that any meaningful contribution to the solution of our national agricultural and energy problems is at least 2 to 3 years away. Consequently, I would urge my colleagues to support this measure so that its consideration and refinement can be expeditiously completed.●

NATIONAL AGRICULTURAL COST OF PRODUCTION BOARD

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. SEBELIUS. Mr. Speaker, I do not think I need remind anyone that the American farmer is still experiencing price problems. Today, nothing could be more true than the old adage:

The farmer buys retail, sells wholesale, and pays the freight both ways.

We need only to look back to 1974. Using 1967 as a base year, the index of prices farmers received was 191. The prices farmers paid was 164. By November of last year, the prices received had increased by 12 percent to 214. However, the prices paid increased by 41 percent or 231 on the 1967 index.

What this means is that grain farmers in particular are simply going further into debt. The price for the three staple grains produced in my district—wheat, milo and corn—has been below the cost of production for 2½ years. Farmers have had to rely on modest target price deficiency payments for additional income to stay in business.

Mr. Speaker, I was a supporter of the target price concept when it was first enacted into law. I am in favor of its market-oriented approach. However, its value hinges on accurate cost of production figures. It is this area where we are experiencing problems. Nearly every farmer's cost of production is different. Furthermore, the USDA and agricultural economists at various universities compute the cost of production differently.

The U.S. Department of Agriculture has been diligently computing the cost of production for various crops since 1974. Nevertheless, agricultural enterprise accounting is one of the most neglected and underdeveloped areas existing in the field of cost accounting. The neglect exists because it is obvious that the average farmer does not have enough time to devote to administrative detail in his farming operation. As a result, there is a shortage of cost analysis in the farming industry.

The provisions in the 1973 and 1977 agricultural acts mandated the Secretary of Agriculture to conduct cost of production studies, but the directions and methodology were sketchy as to the standards to be used. Consequently, some of the resulting cost figures have been questioned, especially by individual farmers.

In the case of wheat, the first survey occurred in 1975 when about 4,000 farmers were asked what their costs were for the 1974 crop. For the next 4 years, 1975 through 1978, USDA economists and statisticians have been updating the cost of production according to price changes in machinery and variable expenses.

However, the USDA has not checked the cost of production changes with farmers except for informal visits. Mr. Speaker, I submit a farmer survey every 4 years is not enough. In addition, the 1978 survey of some 6,000 farmers will be shortchanged by the Office of Management and Budget's directive that the USDA interviews be limited to 1 hour per farmer.

In view of the obvious need for better production cost analysis, I am introducing this bill today to provide for the establishment of a National Agricultural Production Cost and Statistical Standards Board for the purpose of implementing and standardizing cost of production information as it relates to production of the major food grains, feed grains, sugar cane and beets, cotton, tobacco, and livestock and livestock products such as hogs and milk.

A board of this type, manned by 16 qualified people, could detect inconsistencies which develop during the refining of data into viable cost figures for the major commodities that rely on USDA figures for price supports. This board would also address the problem of standardization of cost of production methodologies among the USDA, land grant universities, and farm organizations.

In my view, a lack of coordination and uniformity among these groups has impaired the credibility of much of the current cost data. There is a feeling in farm country that many of these studies are biased in terms of proving a political point rather than presenting a true cost picture for a particular commodity. This is one reason why my bill designates that no more than half of the 16 members of the board be of the same political party.

Mr. Speaker, in my view, we cannot wait for accurate cost of production figures until 1981 when we are writing another farm bill. We need this information now for more precision and accuracy in agricultural statistics and in determining agricultural policy.●

TRIBUTE TO BOBBI FIEDLER

HON. ROBERT K. DORNAN

OF CALIFORNIA

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. DORNAN, Mr. GOLDWATER, and Mr. MOORHEAD of California. Mr. Speaker, on March 2, 1979, a community

dinner is being planned to honor Los Angeles School Board Member, Bobbi Fiedler. We wish to take this opportunity to extend special thanks to this very dedicated woman who has done so much to improve the quality of education in the Los Angeles School District. The following outlines some of Bobbi Fiedler's many accomplishments on behalf of the people of Los Angeles and especially the young people of that community.

Mr. Speaker, we, as Representatives from the Los Angeles area, would like to take this opportunity to bring to our colleagues' attention a dynamic woman whose quiet dedication and unfailing willingness to get involved have made a positive contribution to her community and the educational system in the Los Angeles area.

Bobbi Fiedler is currently a member of the Los Angeles Board of Education, and while she has often worked in the limelight, she has also willingly accepted the responsibility for countless hours of hard work at those volunteer jobs which are often thankless and unglamorous. Bobbi Fiedler typifies that grand and unique American institution, "the volunteer." Without the Bobbi Fiedler's of this country, there would be no community spirit; no community activities; no cohesive society—there would be only people living in the same vicinity, but no "community." It is to this very issue that Bobbi has dedicated herself in the last several years.

Bobbi has managed a home and family and multiple careers. She has served as PTA Drug Abuse Chairman; PTA Parent Education Chairman and as a member of the Valley Interfaith Council—Drug Abuse Committee. She has been a leader for the Cub Scouts, Brownie Scouts and Girl Scouts, and has been active with the Mid-Valley Girls Softball League and the Encino Little League. Through all these activities, Bobbi learned and recognized the importance of the community as an extension of the home. She understands that adults working with children create a better environment for character development than children left to their own devices, and she understands that community involvement creates not only a feeling of belonging, but an acceptance of responsibility and concern for those around us.

In a society that has become more and more transient, Bobbi realizes how much more important those institutions which represent stability have become, and that the hub of a stable community is its school system. It was for these reasons that Bobbi became a driving force in establishing BUSTOP, and later became the organization's executive director. While there has been much controversy surrounding the busing issue in Los Angeles, BUSTOP has been in the forefront in trying to find acceptable alternatives to massive busing and to fighting the court order which needlessly places children on buses for over 3 hours a day.

BUSTOP has worked within the system and on an issue in which feelings run high; it has led a nonviolent opposition to the court orders. In our judgment, this is, indeed, a high tribute to those who have organized and worked on this effort. BUSTOP has, and is, waging a hard fight against Los Angeles' court ordered busing, but it has resisted the temptation to drag the issue into the muck of violence which has plagued other cities in the same quandry. For this, we all owe Bobbi Fiedler a special thanks.

Bobbi's friends and neighbors are hosting a special dinner in her honor on March 2, and we would like to join her well-wishers in paying tribute to a lifetime of giving, helping, and involvement.●

HOUSE OF REPRESENTATIVES—*Thursday, February 15, 1979*

The House met at 11 a.m.

The Reverend Tomas Ziuraitis, Dominican priest, Dominican Monastery, Lithuanian American Community of Metropolitan Washington, Washington, D.C., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

God bless America, this great country of human rights, and all who are commemorating the 728th anniversary of the formation of Lithuanian principalities into one kingdom and who are now commemorating the 61st anniversary of the reestablishment of the Republic of Lithuania in the year 1918.

Almighty God, eternal justice and love, Your Son came to bring freedom to all peoples, we now ask You to bestow freedom and independence upon Lithuania and all captive nations.

Graciously grant this hope and plea through Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. TOMAS ZIURAITIS

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, it is a genuine pleasure to welcome to our Nation's Capitol Rev. Tomas Ziuraitis, who offered the opening prayer today. He was born in Lithuania and studied in France, Germany, Belgium, and Austria, and earned his doctor of philosophy degree at the Catholic university in Salzburg. During the postwar years he was chaplain of Lithuanian refugees in Austria and Germany.

Father Ziuraitis came to the United States in 1949, where he taught at various colleges and served as chaplain at two convents in New Jersey. In 1962, Father Ziuraitis was transferred to the Dominican Monastery in Washington, D.C., where he conducts missions and retreats and pursues scholarly studies.

Dr. Ziuraitis is a member of the Lithuanian Roman Catholic Academy of Arts and Sciences, the Joint Baltic American Committee, and the National Advisory Board of the American Security Council.

SENATOR MUSKIE SPEAKS ON PROPOSALS TO BALANCE THE BUDGET BY CONSTITUTIONAL AMENDMENT

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, one of the wisest, most experienced and highly respected persons in American life is the distinguished senior Senator from Maine, the Honorable EDMUND S. MUSKIE.

Senator MUSKIE, who is chairman of the Senate Budget Committee, delivered an address this week at the National Press Club in Washington, D.C., on proposals to balance the budget through amending the Constitution of the United States.

Because I believe all Members of the House and Senate will want to read Senator MUSKIE's address on this occasion, I include the text of his address, delivered on February 13, 1979, at this point in the RECORD:

REMARKS OF SENATOR EDMUND S. MUSKIE

In 1930—Franklin Delano Roosevelt confided to a friend—"It's becoming harder and harder for an honest fellow with a wife and children and nineteen servants to make a decent living."

In 1979, for families and governments alike, it is still often difficult to make ends meet. And the rush is on for a quick-fix approach to the government's fiscal dilemma.

Mathematicians have a saying—solutions can't be found until problems are stated correctly.

This afternoon, I don't expect to find the solution to the difficulties we face in balancing the budget. I do hope to state the problem correctly. I hope to raise some serious questions. I hope to start some serious people thinking—particularly about the growing demand for a new constitutional convention.

That movement has attracted much attention—but little careful thought. It is considered too casually by proponent and foe alike.

To be sure, some legislatures have reviewed this proposal with appropriate deliberation. But in many statehouses, prudence has given

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□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

way to panic. Resolutions to change the Constitution of the United States are introduced at noon and adopted before dinner. Sometimes without a single hearing—without a review of alternatives—without as much debate as a new state song would engender—they endorse a substantial revision of the fundamental law of the land.

They have lost their grip on the enormity of what they are doing. And they have taken the wrong way out of a troublesome dilemma.

A VERY POOR SOLUTION

I am convinced that a constitutional amendment is a very poor solution to our current fiscal difficulties. It is unworkable, counterproductive, and even harmful. But it is not the caricature some critics suggest. It is a very serious proposal indeed. It deserves very serious review.

A mandated balance is not the only issue. There are many variations on the theme. Some propose a balanced budget statute. Others invent formulas to limit federal spending. Still others hope that Congress will produce an amendment for ratification by the states. All of these proposals are dangerous and poorly thought through. But the most alarming prospect of all is a new constitutional convention.

It's an uncharted course to an unknown destination. A balanced budget amendment is only one potential result. There are other popular crusades—to outlaw guns—to outlaw gun control—to make abortion a right—to make abortion a crime—to ban forced busing—to endow forced busing with a specific constitutional sanction.

Many passionate causes are deeply rooted in our nation. Many are well supported. Many are well financed. Many are eager to readjust the underpinnings of the United States of America.

A CONSTITUTIONAL CONVENTION?

At a constitutional convention, could the readjustments be limited? No one really knows. The Attorney General thinks so. The American Bar Association agrees. But there is only one precedent. And it is not a comforting one.

The only convention we've ever had was called to revise the Articles of Confederation. But the delegates didn't stop at the revision. They scrapped the system. They built a new one. And what would prevent a wholesale recasting of the document they devised? Not the Constitution itself—it simply says that Congress "Shall call a convention for proposing amendments." And depriving the states of Senate representation is the only amendment specifically ruled out. Hopefully, the agenda would be limited.

If a runaway convention exceeded the limits thought to be imposed by those who convene it and three-fourths of the legislatures, responding to the kinds of popular pressures now being generated, were to ratify the result, who could say no?

How many of us are willing to gamble that our national compass would not be disoriented? How many even perceive the risk?

There are too many questions here—and not enough answers.

We should not expose our Constitution to the prospect of substantial revision when there are other, less imposing alternatives. Neither should we trivialize it with money management schemes—particularly those which can do no good and a great deal of harm.

THE BUDGET AND THE ECONOMY

A mandated federal budget balance is just such an ill-considered contrivance. And it is largely the product of a basic misperception. The relationship between the deficit and the economy is a very close one indeed. But it is not a one-way affair. A bad budget can unbalance the economy. But a bad economy can also unbalance the budget. And no amendment could possibly cope with that.

When unemployment goes up only one percentage point—the deficit swells by some 20 billion dollars—20 billion dollars in lost tax revenues and increased social welfare costs—20 billion dollars drained from the federal purse without a single spending spree.

In times of severe recession, the impact on the budget can be devastating. We've had some recent experience.

In October, 1974, President Ford unwrapped his "Whip Inflation Now" Program. He pledged to hold the deficit to 9 billion dollars in fiscal 1975. But fate and recession intervened. Just 3 months later, the President revised that estimate to 35 billion dollars, and sent the Congress a fiscal 1976 recommendation for a 52 billion dollar deficit.

The men who made the WIN buttons lost their jobs—along with 2 million other Americans.

A year ago January, President Carter proposed a budget with a 60 billion dollar deficit. We worked hard to trim it—and by September, we had cut that deficit to 36 billion. But interest rates went up. Inflation pushed higher. And from September to January, the deficit increased by 5 billion dollars—when Congress wasn't even in session.

Constitutional amendments can't balance the economy. Resolutions passed in Richmond or Topeka can't dictate policy in Riyadh or Tehran. Decisions made in Washington's caucus rooms aren't always supported in the board rooms of New York.

PRUDENT FISCAL MANAGEMENT

Are we helpless then? Certainly not. Prudent fiscal management can work through the economy and lead us back to a steadier course. We are doing that job right now. But a suddenly imposed requirement for an immediate balance—or for one to be forged in the unknowable future—would have some very regrettable consequences.

Over the years, economists of nearly every persuasion have testified before our Committee. They have agreed on little more than this—you can't always catch a deficit with radical spending cuts and tax increases. That may only make it run faster.

For fiscal 1980, the President projects a 29 billion dollar deficit. But a 29 billion dollar spending cut would not bring the budget into balance. It would ripple through the economy with a tax revenue loss of many billions of dollars.

It would take a cut of at least 45 billion to put the books in balance. And that would cost more than a million American jobs. It might have an impact on inflation, but it would leave the economy far weaker than before. And where would we look for a cut of that magnitude?

Of course, a budget can be balanced by raising taxes as well as by cutting expenses. And some insist that closing loopholes would match our debits with credits.

In 1932, Herbert Hoover tried that. He rushed to balance the budget with a drastic hike in taxes. The rest is tragic history. Things got very much worse. Purchasing power had been drained from the economy exactly when it should have been injected.

1932 was not a good year for the economy. 1932 was not a good year for Herbert Hoover.

But there is a third option. When the economy is growing, taxes rise faster than spending. And unless you enact a tax cut, increased spending never catches up with revenues. So you juice up spending. You stimulate inflation. You push people into higher brackets. Your tax revenues go up. And you point with pride at a balanced budget.

That is the stuff of conservatives' nightmares. And that is yet another way to meet a balanced budget mandate.

All of these potential consequences are unattractive indeed. But perhaps the very worst result would be a failure of flexibility in times of economic downturn. Economists of every respected school agree that increased federal spending or tax cuts producing a deficit may well be the only way to boost employment, generate investment, stimulate demand, accumulate capital, and prevent a downturn from deepening into a depression.

A mandated balance would blunt our sharpest fiscal tool. And that is why thoughtful advocates are quick to point to escape clauses.

But no escape clause could be framed quite cleverly enough. How would recession be defined? Who would announce its arrival? Who would be willing to lead the escape when the signs of a trend appeared. Would two-thirds of the Senate vote to abandon a constitutionally mandated balanced budget for a deficit unless the roof was caving in? Would we have time to pop the parachute before we hit the ground?

QUESTIONS WITHOUT ANSWERS

There are too many questions with no good answers—too many holes in the theory.

And so—some map a more sophisticated route to balance. They suggest that spending should be limited to a fixed percentage of GNP, or that growth in spending should be tied to GNP growth. But have they asked the right questions?

Our Constitution does only two things. It blueprints the structures by which we govern ourselves. And it defines the human rights we respect. Do we really want to devalue that currency with algebra and bar graphs?

We wouldn't even know where to begin the equation. Which magic number would we pick? To whose projections would we tie it? The President predicts a 3.2-percent GNP growth rate for 1980. But the Congressional Budget Office says 3.9 percent. This difference of seven-tenths percent in the growth of federal spending represents three and a half billion dollars.

Perhaps we should go to a prominent private sector forecaster. But Wharton Econometrics says 1.3 percent and Chase says 4.1.

It is sometimes proposed that the number be tied to last year's growth. But like generals preparing to fight the last war, politicians preparing to deal with last year's realities are poorly prepared indeed.

Should we be writing a guessing game into the Federal Constitution? Should we bind tomorrow's needs to yesterday's performance? How can we make good practical sense out of bad theoretical blueprints?

Too many questions with no good answers—too many holes in the theory.

THE CITIES AND STATES

Perhaps the most ironic twist is the role of the states in the budget balancing controversy. 25 of them are leading us into a serious mistake. And they will pay the biggest price. If Congress must suddenly chop the deficit, it will land in the laps of the states. That is not a threat. It's a matter of arithmetic.

Where would the cuts be made? Where would we find that 45 billion dollars this year? Let me refer you to the charts we've prepared.

Our cities and states are drawing on Washington for every conceivable need—from the health and education of their children to the wages of the men who trim the statehouse lawn.

Over the last thirty years, federal grants-in-aid to state and local governments have grown five times faster than the gross national product.

In fiscal 1980, the average state expects to receive one billion, six hundred and fifty-nine million dollars from Washington. The legislatures seem to be unaware of the consequences an overnight balance would bring.

During its 1975–76 session, the Pennsylvania legislature passed its call for a balanced federal budget. That was Resolution 236. Resolution 235 demanded a renewal of revenue sharing.

When the Oregon legislature passed its amendment resolution, a "whereas" clause suggested that "a balanced budget would lessen the need for increased state and local taxes." That's an odd theory—particularly in view of the fact that Oregon got one billion, seventy-five million dollars from Washington in fiscal 1978.

We could save 31 billion—2 billion more than the President's projected deficit—merely by killing revenue sharing, education grants, EPA sewage construction, community development block grants, and the CETA program.

Is that what they want in the legislatures? Do they think the Congress would slash its own perception of national needs before it touched the states? And if we did exempt the states from surgery, what would be left to cut? Social security? National defense?

There is 82.9 billion dollars in the President's budget for grants to state and local governments. In 1978, the states ran a combined surplus of 29 billion—a figure that matches the President's deficit for fiscal 1980. An appealing solution to the balance dilemma leaps very quickly to mind.

It would be easy to ask, "Who's deficit is this?" and the states would not be pleased with the answer.

Of course, if we look to the states' example, we needn't make cuts at all. We can get into balance merely by following their long-standing and well accepted method of accounting. If we put capital investments in a separate accounting category, we'd have a much smaller deficit today. And it wouldn't make a lot of difference to our income, our outflow, or the state of the economy.

That is what the states do. That's what General Motors does. That is accepted practice.

It would also be easy to balance the budget by removing various programs from it. The federal government already spends some 12 billion dollars through agencies that are not counted in the budget totals. More programs could be moved into the dark. Or, more use could be made of federal guarantees and similar devices.

The Budget Committee is determined to bring such programs under the budget's umbrella. Only then will we have a full honest picture of real federal government activity. A balanced budget requirement would surely tempt the Congress to go the other way.

Creative accounting could provide us a meaningless paper balance, but is there any point in one? Is there any good reason for attaching a charade to the Constitution of our country?

The answers are clear. So are the holes in the theory.

THE NEW CONGRESSIONAL BUDGET PROCESS

We've been perfecting a different theory since 1975—a new Congressional budget process. It was forged in reaction to 37 years of deficit spending in the 54 years between 1920 and 1974. It was established because that record was flatly unacceptable. And for the first time in its history, Congress took explicit steps to reverse that record of deficits.

For the first time in its history, Congress established a standing committee with one exclusive mission—to set a fiscal plan—to hold the Congress to it—to pull us back from those irresponsible deficits.

Contrary to the popular rhetoric, we have made tremendous progress. And ours is no simple task.

In the popular imagination, the budget resembles an hourglass, with assets and liabilities neatly stacked at opposite ends. If an imbalance develops, what could be simpler than tilting the glass until the sands even out?

But the budget is better compared to a watch. When it runs too fast or slow, a violent jolt may relieve frustration. But it will not repair a delicate mechanism. One has to determine which moving parts to lubricate—which gears to tighten—which counterweights to adjust.

We've been making those judgments. And the record is more impressive than rhetoric.

In our first year of 1975, recession prevailed—and George Meany demanded a hundred billion dollar deficit. We held it to 66 billion. And five years later, we are keeping the pressure on.

In 1975, the deficit was 3 percent of GNP. But in 1980, it is projected at 1.2 percent.

In 1980, the level of Federal spending will be 30 billion dollars lower than it would have been if Washington took the same percentage of GNP as it did in 1975.

And during the four years of the Congressional budget process, our spring budget resolutions have called for spending targets at an average of 28 billion dollars below the requests submitted by the authorizing committees.

WE CAN DO BETTER STILL

That's not good enough. We can do better still. We intend to. And we already have all the statutes, formulas and amendments we need to get the job done. We are asking the right questions. We are sealing the holes in a workable, flexible theory. Why scrap a proven system for one that defies a working diagram? Why graft an irresponsible scheme to the fundamental law of the land?

As one Supreme Court justice said, our Constitution is not a rubber ball to be tossed about and played with by each succeeding child. It embodies the essence of our system. There is no room in it for yesterday's whim or tomorrow's fancy.

In the long run, that is the centrally important concern. But in the near term, there is nothing attractive about the federal deficit. This is not a pro-deficit Congress. I am not a pro-deficit Budget Chairman. This is not a pro-deficit speech. But we don't need fiscal handcuffs to wipe the deficit out. We need fiscal discipline. We need to make informed, prudent judgments about hundreds of separate spending choices. We need the will to make those judgments stick. If we have that will, no formula is necessary. If we don't, no formula will work.

AN ANALYSIS OF PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET

Mr. Speaker, at this point in the RECORD, I insert an appendix to Senator MUSKIE's address, an analysis of President Carter's proposed budget for fiscal year 1980:

An analysis of President Carter's fiscal year 1980 budget

[In billions of dollars]

	Fiscal year 1980 outlays
Contributory insurance and retirement programs:	
Social security	115.2
Railroad retirement	4.5
Federal employee retirement and insurance	14.0
Unemployment assistance	11.4
Medicare	32.1
	177.2
Defense and veterans programs	146.2
Net interest payments	46.1
Grants to State and local governments:	
Sewage treatment plant construction	3.6
Federal-aid highways	6.8
Urban mass transit	2.4
Community development block grants	3.3
Elementary and secondary education	3.4
Other education programs	3.7
Social services	3.0
Employment and training assistance	6.3
Temporary employment assistance	2.6
Youth, aging, and vocational rehabilitation programs	1.6
Medicaid	12.4
Other health programs	2.2
Unemployment assistance	1.8
Public assistance (primarily AFDC)	6.7
Child nutrition and special milk programs	2.6
Subsidized housing programs	3.4
General revenue sharing	6.9
All other programs	10.4
	82.9
Welfare costs in the States assumed by the Federal Government:	
Food stamps	6.5
Supplemental security income program	6.3
Earned income credits in excess of tax liability	1.7
Black lung benefits	1.5
Subsidized housing programs	1.7
All other programs	0.6
	18.3
Other Federal activities:	
Foreign affairs	8.2
Space and scientific research	5.5
Energy	7.3
Environmental cleanup and development	6.9
Farm price supports and research	3.9
Transportation	7.3
Education and training	7.9
Health care, research, and training	6.8
Administration of justice	3.9
All other programs, net	3.3
	60.9
Total fiscal year 1980 outlays	531.6

NOTE.—Details may not add to totals because of rounding.

INTRODUCTION OF BILL LIMITING PROPERTY AND CASUALTY AND LIFE INSURANCE ACTIVITIES OF BANK HOLDING COMPANIES

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, it was on the night of October 5 last year that this House had the opportunity to record its will on an issue in so overwhelming a way as to leave no one in doubt as to the desire and intent of its Members on the matter of restricting the activities of bank holding companies in certain insurance related pursuits. By a 252 to 72 vote, this House said "no" to expanded bank holding company insurance activities.

Unfortunately, a quirk of legislative necessity prevented this mandate from taking the form of law. At the last moment, title XIII of FIRA was cut from the compromise package of banking reforms which ultimately passed. However, the record shows and loudly echoes today the sentiments of those in the House who strongly supported the cause of bank separation from nonbank related commerce, particularly property and casualty insurance.

At that time and on that occasion late on the Saturday evening prior to adjournment, a bond was made, a promise was given that this issue was not to go unredressed. Today, Mr. Speaker, with the enthusiastic cosponsorship of Mr. ST GERMAIN, I am starting the process by which that pledge will be redeemed. The text of a bill follows—a bill seasoned by the passage of time, aged to its prime in the coolness of objective regard. It picks up where we left off last fall, only with a more refined and sharply honed precision, to get done the job which needs doing.

This effort bridges the time gap since last October and provides a continuity on this issue which should expedite its consideration by the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance and by the full Banking Committee. The forceful backing of a majority of those committees and the sense of purposeful commitment of their respective chairmen give me hope that we can have a bill such as I offer today back before the House in this session at an early date.

For many years in the courts and last year in Congress it has been argued persuasively that, because of a bank's ability to tie, directly or indirectly, the sale of insurance to an extension of credit, bank holding company insurance activities are not in the public's interest. Furthermore, the power of financial institutions which control enormous amounts of depositor's capital places special responsibilities on the banks' use of that capital, and places most competing small businesses at an immediate, usually noncompensable, disadvantage.

Congress, of course, has long recognized this problem, and the consequent need for a separation between banking and other forms of commerce. Most recently, primarily because of the insurance agents cases, Congress has also become more sensitive to the vulnerability of a variety of other businesses which face the possibility of unrestricted bank entry.

It should not go unsaid, Mr. Speaker, that some of these other enterprises have as good a case and as strong a need as do the insurance agencies for a legislated protection from the intrusive conduct of large bank holding company expansionism. I would not be at all surprised, therefore, to find that others would seek solace and find sympathy for a relief similar to the insurance prohibition contemplated by my bill.

It should come as no news that Congress already has deliberately and wisely constructed a restrictive regulatory framework within which banks must operate. That framework, enunciated in the Bank Holding Company Act of 1956, and in the 1970 amendments to that act, explicitly contemplates restrictions on bank holding company nonbanking activities. Those restrictions have been steadily eroded, not by Congress' desire to see an expansion of bank holding company nonbanking activities, but because of the Federal Reserve Board's overgenerous interpretation of existing law.

If Congress intended its legislated control over banks' unique financial power to mean anything, they can begin to restore that meaning by supporting this bill. And if Congress believes, as I do, that the public interest would not be served by the elimination of large portions of a thriving and competitive insurance agency small business, they will act quickly to have this legislation signed into law.

Sensing the urgency of this cause would not be hard for any of our colleagues who have heard from the insurance companies, agents, and interested private parties already on this matter. To our other colleagues I want to communicate that same enthusiasm for deliberate but expeditious consideration and adoption of this needed legislation. A relief provided too late would be an injustice, a victory awarded posthumously would be a mockery.

In the months since the 95th Congress adjourned, circumstances have conspired to increase the danger to insurance agents of bank entry into the business. In addition to a Supreme Court decision in 1978 not to hear the insurance agents cases, and since the short-circuited effort to obtain legislative relief in the 95th Congress, the Federal Reserve Board announced in December the scheduled expiration next year of a limited grandfather clause. This will require bank holding companies to submit applications to continue in, or to divest nonbanking activities, including insurance, already engaged in when current law took effect 10 years ago. Moreover, the Federal Reserve Board rejected a House and Senate Banking Committee request in October to impose a moratorium on processing bank applications to engage in insurance activities.

These events make the swift, unhampered consideration of this bill crucial to the survival of many thousands of small business men and women who make their living as insurance agents. Furthermore, decisive action on this bill will lay the groundwork for more comprehensive, also urgently needed, bank holding company reform legislation.

I urge my colleagues to waste no time in completing legislation most supported by record vote only 4 months ago.

Mr. Speaker, I include the full text of my bill and the accompanying explanation be included in the RECORD:

H.R. 2255

A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking the period at the end of the first sentence thereof and adding the following: ", but for purposes of this subsection it is not closely related to banking or managing or controlling banks for a bank holding company to provide insurance as a principal, agent or broker except (i) where the insurance is limited to assuring repayment of the outstanding balance due on a specific extension of credit by a bank holding company or its subsidiary in the event of the death or disability of the debtor; or (ii) any insurance agency activity in a place that (A) has a population not exceeding 5,000 (as shown by the last preceding decennial census), or (B) the bank holding company, after notice and opportunity for a hearing, demonstrates has inadequate insurance agency facilities; or (iii) any insurance activity engaged in by a bank holding company or any of its subsidiaries pursuant to an application which was approved prior to June 6, 1978; or (iv) any insurance agency activity engaged in by a bank holding company, or any of its subsidiaries which bank holding company has total assets of $50 million or less, provided, however, such bank holding company and its subsidiaries may not engage in the sale of life insurance or annuities except as provided in (i) or (ii) above."

EXPLANATION OF BANK HOLDING COMPANY INSURANCE PROHIBITION

During the 95th Congress, both the House of Representatives and the Senate voted overwhelmingly to amend the Bank Holding Company Act of 1956 ("BHC Act") specifically to prohibit bank holding companies from engaging in certain insurance activities. The House vote came in connection with the Financial Institutions Regulatory Act of 1978 (H.R. 13471); the Senate vote came in connection with H.R. 8380.

The accompanying bill is almost identical to that which was overwhelmingly approved just a few months ago. It contains a technical amendment in the grandfather clause which states more clearly the intent of the legislation.

The legislation would amend Section 4(c)(8) of the BHC Act to prohibit bank holding companies from engaging as principal, agent, or broker in insurance activities with certain exceptions.

Exception (i) would permit bank holding companies to continue to underwrite and sell credit life and credit accident and health insurance, lines of insurance which have historically been offered by lenders. This exception (i) is identical to that previously adopted by the 95th Congress.

Exception (ii) would permit bank holding companies and their subsidiaries to sell insurance in communities having a population not exceeding 5,000. The purpose of this exception is to confer upon bank holding companies the same authority currently available to national banking associations under the National Bank Act. *See* U.S.C.A. § 92 (1970). In addition, exception (ii) would permit bank holding companies to sell insurance in other communities upon demonstration, after notice and opportunity for a hearing on the record, that the community has no adequate insurance agency facilities. This exception (ii) also is identical to that adopted by the 95th Congress.

Exception (iii) is the bill's grandfather provision. It would permit bank holding companies to continue to engage in those insurance activities for which they received Federal Reserve Board approval prior to June 6, 1978.[1] The provision does not, however, contemplate any expansion of insurance authority received prior to June 6, 1978 after that date. Exception (iii) contains minor technical changes from the language adopted by the 95th Congress making it clear that insurance activities engaged in by bank holding companies after the 1970 Amendments pursuant to the limited grandfather provision contained in Section 4(a)(2) of the BHC Act are not covered by the exception. As such, such activities are subject to the general prohibition of the bill, unless Federal Reserve Board approval to retain the activities was obtained prior to the grandfather date.

[1] June 6, 1978 is the date on which the Financial Institutions Subcommittee of the House first voted favorably upon a bank holding company insurance prohibition, thereby placing bank holding companies on notice of possible prohibitive legislation.

Exception (iv) would exempt from the insurance prohibition bank holding companies with total assets of $50 million or less. This exception, however, would not permit such holding companies to sell or underwrite life insurance or annuities except as provided in exceptions (i) or (ii). Exception (iv) is identical to that adopted by the 95th Congress except for addition of the word "total" for absolute clarity.●

□ 1105

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, today with my colleagues STANLEY LUNDINE and MATTHEW MCHUGH of New York I am introducing the Voluntary Job Preservation and Community Stabilization Act of 1979. This bill is identical to legislation we introduced March 1, 1978, and which received the support of some 70 Members of the House.

The bill was the subject of a field hearing under the auspices of the Economic Stabilization Subcommittee in Jamestown, N.Y., last November. The subcommittee has scheduled a second hearing on employee-owned firms for February 27 in Washington.

We authored this legislation in response to the problems of plant shutdowns which in the past decade have hurt increasing numbers of Americans and threatened the economic stability of their communities. When a firm closes, employees often lose more than their jobs. The economic hardship and uncertainty can wreck families, affect mental health, and cause extended personal suffering. Idleness may last for months and many workers require substantial retraining before they are again employable. The costs to society are staggering.

We see examples of this phenomenon time and time again. In my own State of Pennsylvania, Philadelphia has lost at least 40,000 manufacturing jobs in the last 10 years, and Pittsburgh and other cities in Pennsylvania have suffered similar losses. New England's manufacturing employment has declined 9 percent in the last 10 years and that of the Midwest declined 14 percent between 1960 and 1975. New Jersey has lost 115,000 factory jobs since 1969 and heavily industrialized regions like Michigan and Ohio lost nearly 200,000 each in plant shutdowns in relatively the same period.

Plant shutdowns affect smaller towns and rural areas just as much as cities, and contrary to popular opinion, the so-called Sunbelt States are not the major beneficiaries of the new jobs by attracting runaway plants with generally lower wages and nonunionized workforces. Our research shows, for example, that between 1971 and 1976 only about 9 percent of plant relocations were to the Sunbelt. Many jobs go overseas. The South is also losing jobs overseas, and it is clear that net gains in total employment in the South are masking the effects of many plant shutdowns taking place there. Plant shutdowns are truly a national problem and job preservation should be a common concern to all regions.

Plant closings take place with painful abruptness. Generally, the law does not require a firm to give notice to its employees or the community and very often there is insufficient time to consider alternatives or plan for the consequences. The Federal and State government response is limited. The Government can spend money on unemployment compensation, welfare or expensive job training programs, but these are only short-term solutions, however, and do not combat the basic problem—preserving jobs. When a plant closes, a ripple effect goes through the business community, the tax base disappears, and an area's economy can be devastated for years.

We believe one alternative to plant closings is ownership by the employees or the residents of the affected community. Where plants would otherwise be abandoned, our bill would help interested groups of employees and community residents purchase the firms and try to run them profitably. Recognizing that such ownership arrangements will not always be feasible, we believe the approach can help blunt the impact of plant shutdowns in many areas.

The bill has four purposes:

First. To preserve jobs.

Second. To encourage employee and community participation in ownership of firms that would otherwise have closed.

Third. To support and strengthen the local economy that would be seriously damaged by the plant shutdown.

Fourth. To develop and test the value of a new strategy for the preservation of jobs.

The act builds on successful experiences with employee and employee-community ownership concepts. In a number of areas, these arrangements have saved jobs, maintained viable economic enterprises, and strengthened local economic conditions.

The legislation would facilitate this process by making loans to organizations of employees and community residents that plan to purchase plants in danger of closing down or moving elsewhere. The loans would be used to arrange the purchase, to cover start-up and initial operating costs, and to allow the employees to acquire stock in the new firm.

The act authorizes the expenditure of $100 million in the first year with appropriations rising gradually to $177 for the seventh year. Toward the end of this period, the Secretary of Commerce is directed to make a study and to report to Congress on the cost effectiveness of this program in comparison with other measures designed to deal with the problems of unemployment.

The act establishes no new bureaucracy. Implementation of the program is assigned to the Economic Development Administration, the Federal agency which has had the greatest experience in preserving jobs through assisting transfers to employee ownership, but which now lacks sufficient loan authority and legislative direction to undertake the type of program we are proposing.

This is not a giveaway program. It is just one example of an alternative legislative solution which recognizes that the big government approach is no longer feasible or realistic for handling every complex economic and social problem. The threat of long-term inflation, deficit budgets, and burdensome taxation requires that we enable and encourage the most efficient and sensible nongovernmental solutions. We must begin to phase in as much as is possible citizen, cooperative, and local solutions involving minimal Government resources. In utilizing this approach, the bill authorizes two kinds of loans; to the newly constituted firm and to individual employees for the purpose of enabling them to buy stock in their own enterprise. The company itself would be responsible to the Federal Government for collecting principal and interest payments on the loans granted employees. In order to qualify for such loans, employees are required to agree to payroll deductions under terms and conditions to be established by the Secretary of Commerce.

The Economic Development Administration is to be responsible for furnishing technical assistance to the group forming the new company on financial, legal, engineering, and organizational problems. No loans are to be authorized except when a feasibility study indicates that there is a reasonable chance that the company can become a viable economic enterprise.

Finally, Mr. Speaker, I might note that this legislation counters the major problem facing our country today—inflation. Economists seem to agree that inflation has been fueled by a disturbing nationwide downward trend in productivity. The United States now trails other Western industrial democracies and its trading partners in productivity. In the past decade, productivity—generally defined as output per hour worked—has advanced at a snail's pace: about 1.6 percent annually against 3.2 percent between 1947 and 1967. Experience shows that employee ownership can increase productivity.

This point was acknowledged by the President's former anti-inflation adviser Robert Strauss in hearings before the Senate Finance Committee last year. Mr. Strauss correctly pointed out that:

Employee ownership can be a meaningful long-term measure to dampen inflation since "people perform better if they have a piece of the action."

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, at our subcommittee hearing in Jamestown last November, we learned about the experiences of several employee-owned firms. We heard new evidence of how this approach, by increasing worker participa-

tion and changing the structure of decisionmaking, can dramatically improve industrial performance.

One panel of witnesses described the purchase of a specialty steel plant in Dunkirk, N.Y., by a group of management employee investors in 1976. After 15 years of heavy losses, the previous owner—Allegheny Ludlum—was ready to close down the operation. Nearly 2,000 workers would have lost their jobs.

In this case, employee ownership was really the only alternative to liquidation. The group negotiated with Allegheny Ludlum for a year, eventually agreeing on a purchase price of $26 million. While the new owners obtained sufficient credit from local sources to finance initial operating expenses, they could not get a longer term loan to cover the purchase. A company witness testified:

With no past history of our own and an extremely poor past history under the prior owners, it was absolutely impossible to obtain any long-term financing.

Ultimately, the Dunkirk group was able to meet its financing requirements with the help of a $10 million loan from the Commerce Department's Economic Development Administration. The new company, Al Tech Specialty Steel Corp., significantly increased its operating capacity and hired several hundred additional workers. Productivity increased by 9 percent a year. Despite considerable pressure from imports and other difficulties, Al Tech made profits in each of its first 2 years in business.

What was different about employee ownership, that enabled Al Tech to revitalize an enterprise that Allegheny Ludlum was about to abandon? A major factor, apparently, was the ability to make decisions quickly and "call the shots" for the benefit of Al Tech alone. Extensive capital improvements undertaken by the new firm would never have occurred under Allegheny Ludlum, the Al Tech witnesses testified. Even relatively simple changes—such as installing a national Watts line for the sales office to replace a cumbersome teletype system—would never have been made.

In Al Tech's case, EDA's investment in employee ownership will have substantial payoffs. Over the life of its $10 million loan, the company is expected to pay principal and interest totaling $18 million. Al Tech employees have already paid more than $10 million in Federal income taxes in the last 2 years, and the company estimates it will pay over $1 billion in wages during the 25-year term of the loan.

Another panel discussed the case of the Mohawk Valley Community Corp., an employee-community-owned manufacturer of library furniture in Herkimer, N.Y. Recounting their efforts to purchase the company from Sperry Rand in 1976, the Herkimer witnesses stressed the need for technical as well as financial assistance.

The key hurdles in this case involved stock registration requirements. After failing to obtain a clearance from the Securities and Exchange Commission, the group turned to registration under New York State laws and was eventually able to raise the $1.8 million in equity it needed through a State approved stock offering. The State also enabled the purchasers to meet their downpayment by permitting the issuance of promissory notes to employees that could later be redeemed in stock.

Despite the difficulties of arranging the purchase, the new firm is encouraged by its prospects. In 1977, the Mohawk Valley Community Corp. made a profit of $340,000 on sales of $11.8 million. While sales slumped somewhat last year, the company is actively developing new markets and considers the setback a temporary one.

We also heard from the Jamestown Metal Products Co., which became an employee-owned firm in 1973. The former owner—a conglomerate called AVM—was about to close the plant, forcing employees to mobilize resources fast. Within a month, however, the purchase plan was drawn up, and nearly three quarters of the company's 120 employees participated in the acquisition.

Company officials recalled their initial struggles to stay in business. Right away, the new firm was faced with a steel shortage and unrealistic pricing arrangements inherited from AVM. About $3 million of its orders, for example, had been contracted before the severe inflation of 1973. But the company weathered the unprofitable years without layoffs and began developing new product lines. Gradually business revived: sales have expanded by 55 percent since 1973 and the book value of Jamestown Metal Products stock has more than tripled.

Nationally, one of the most stunning success stories involved the South Bend Lathe Co. in South Bend, Ind. After 5 years of losing money on the plant, the conglomerate owner—Amsted Industries—was prepared to shut down. Four hundred and twenty jobs were at stake.

With the help of a low interest loan from the Commerce Department and credit from private lending institutions, the shutdown was prevented and a new 100 percent employee-owned corporation took control of South Bend Lathe in 1975. Business rebounded quickly: waste was cut, absenteeism and turnover rates declined, morale was higher than ever. In its first year, the company showed pre-tax profits of 9 percent on sales of $18 to $20 million. And profits have stayed high ever since.

In each of these cases, transition to a form of employee or employee-community ownership proved a constructive way to cope with impending plant shutdowns and save jobs. But the approach need not be limited to cases of economic emergency, and can be viewed as one aspect of a broader effort to encourage worker investment and participation in decisionmaking.

Recent research on employee-owned firms offers additional evidence of their potential to improve business performance. In a major study completed last year for the Economic Development Administration, researchers at the University of Michigan's Survey Research Center concluded that employee ownership enhances profitability by strengthening workers' motivation to do a good job. With a new financial stake in their enterprise, both workers and managers are encouraged to explore ways to increase productivity and make the business run better. In many of the cases I am familiar with, cooperative labor-management efforts to restructure the workplace, develop skills, and generally improve the quality of working life contributed heavily to success.

Significant obstacles to employee ownership remain, despite the promise of the concept. Among our witnesses at the Jamestown hearing was a panel from North Tonawanda, N.Y., which described an unsuccessful attempt by employees to purchase the International Paper Company in 1976. A key factor in this case was the willingness of the seller to negotiate seriously with the prospective employee purchasers. More often, however, the buyers simply cannot make the necessary financial arrangements in time. Technical and legal requirements may pose further complications, which employee groups cannot handle without professional assistance.

The Federal Government can clearly play a more active role. Our bill would begin on a small scale, with $100 million in loan authority. But it should establish a Federal commitment to help interested groups pursue this alternative, and provide new evidence that these ownership arrangements are good practical investments for employees and their communities.

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, as Congressmen KOSTMAYER and LUNDINE have pointed out, employee and employee-community ownership of firms that would otherwise close down is becoming increasingly popular. In many cases it is a practical alternative for coping with a very real problem that many communities face in these times of economic stress, and for that reason I am pleased to join with them in reintroducing our bill.

Some may ask why this legislation is necessary. If employee and employee-community ownership has been emerging as a response to corporate divestitures in recent years, why do we need new legislation?

The answer is that employee and employee-community groups often face numerous obstacles when they seek to purchase firms that corporate managers are planning to close down or transfer. At the same time, there is no single agency within the Federal Government to which they can turn to obtain the help necessary to overcome these obstacles.

This legislation is designed to provide employees and residents of a community with the assistance they need, and to provide that assistance in a timely manner.

Mr. Speaker, transfers of ownership to

an employee or employee community group are not easily managed. As we have examined those cases where such a transfer has occurred, we have found that it took extraordinary efforts and exceptional leadership to keep the firm in operation and thus save jobs.

Moreover, for every successful case, we have found many others where employees and residents of a community have tried and failed, not because the firm could not be operated profitably but because there was no technical assistance available at the critical time or because the prospective purchasers lacked sufficient capital to purchase it.

In 1977, for example, the New York based owners of Kasanof's bakery in Boston decided to close the firm down. Although the employees were interested in purchasing the bakery and keeping it in operation, the efforts failed for a variety of reasons, including their inability to raise funds quickly enough to keep their buying option open. As a result, one of the largest employers in Boston's Roxbury section was forced to close down. Both the community and the workers were the losers.

To be sure, the Economic Development Administration has done some work in this field. However, even in those cases in which EDA loans were extended, this help was provided only as a last resort and only under special circumstances.

The fact is that EDA cannot now provide very much help to employee and employee-community groups. While it is authorized in certain cases to help the existing owners of a firm who are seeking to avoid shutting their firm down, it lacks both the mandate and the funds to help workers and community residents purchase a firm if the current owners have decided to give up. And, as my colleagues have pointed out, corporate managers often base their decisions on factors other than whether the firm could continue to operate profitably.

Our bill would offer employees and residents of a community assistance similar to that which is now provided to the existing owners in certain circumstances. As I have already suggested, that assistance is desperately needed.

For example, EDA officials have told us that they have received hundreds of inquiries regarding the possibility of its providing financial and technical support for transfers to employee and employee community groups. However, these same officials have been very frank to say that most of these inquiries have never moved beyond this initial stage because the agency lacks the mandate and the funds.

That is likely to remain the case without the enactment of this legislation. Because it has no formal mandate to do so, and lacks sufficient funds even if the mandate did exist, EDA has no plans to provide the help which employee-community groups need. This bill would enable that agency to provide basis.

By establishing a pilot program designed to provide loans and technical assistance to employee and employee-community groups, we would be helping to solve the two most serious obstacles these groups now face, namely, the need for technical assistance on how to manage such a transfer and the need for capital to purchase the plant. If not a complete answer to all of the problems these groups face, our bill provides a good starting point.

Mr. Speaker, we believe that our bill is in the best tradition of American free enterprise. It would not impose decisions from Washington upon local communities. Rather, it is designed to encourage and support voluntary local initiatives.

Our bill would not require a local community to pursue this alternative when a firm closes down. It would provide employees and residents with necessary assistance if they would like to pursue this alternative.

Our bill would not require employees and residents of a community to adopt a particular form of ownership and control. It would only aid them in making an informed choice among all of the options available to them under the laws of their State.

Finally, this bill would not require the Secretary of Commerce to provide help in cases where a transfer of ownership is not likely to be successful. It would merely give the Secretary the tools to provide such help in situations with reasonable prospects of success.

Mr. Speaker, there is increasing evidence that we cannot look to our largest corporations to provide significant numbers of new jobs for our economy. As the House Small Business Subcommittee on Antitrust, Consumers, and Employment reported last year, less than 1 percent of the new jobs created between 1969 and 1976 were generated by the 1,000 largest U.S. corporations. That is why this bill is so important. As Prof. William F. Whyte of Cornell has suggested: "It is just as important to preserve existing jobs as to create new jobs."

Given the economic impact a plant closing can have on a community and on the lives of the employees directly affected, we believe that the Federal Government has a responsibility to actively search for new approaches to preserving jobs that already exist. The achievements which my colleagues have documented suggest that this is one promising new strategy.

That is why I am so pleased that the Economic Stabilization Subcommittee of the House Banking, Finance and Urban Affairs Committee has agreed to hold hearings on our bill. Its interest, and the support of the members who have cosponsored our bill in the past, is very encouraging.

At this point, Mr. Speaker, I would like to insert into the RECORD a section-by-section analysis of our bill.

The section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1

Short title: "Voluntary Job Preservation and Community Stabilization Act."

SECTION 2

Declaration

(1) Unemployment is a serious problem that causes grave economic loss and social suffering to individuals, their families, communities, and the nation.

(2) Federal initiatives to reduce unemployment should be multi-faceted, not limited to temporary compensation nor to expensive job training programs.

(3) Experience and research have shown that in some cases employee or employee-community purchase of industrial, manufacturing, business, and agricultural concerns that would otherwise close down can save jobs, maintain viable economic enterprises, and strengthen the local economy.

(4) However, these groups face numerous obstacles in purchasing such concerns at the present time.

SECTION 3

Purposes

(1) To save jobs and stabilize communities by facilitating employee or employee-community purchase of concerns that would otherwise close down or relocate.

(2) To support the local tax base by maintaining viable concerns through federal loans and technical assistance.

(3) To test an alternative to unemployment insurance (and other methods of dealing with unemployment).

SECTION 4

Definitions

(Self-explanatory for the most part.)

SECTION 5

Federal assistance

(a) Existing EDA regional offices, working in cooperation with appropriate state and local agencies, will identify firms in danger of closing down or relocating.

(b) In those cases where firms may be able to be kept in operation profitably, EDA will furnish information about this program to employees and the local community.

(c)(1) Loans for technical assistance, start-up and operating costs will be provided to employee or employee-community organizations that have had an application for funds approved (as provided for under Section 6).

(c)(2) An organization made up of employees and community residents who wish to apply for a loan to purchase a plant that is about to shut down must meet the following requirements:

(A) Incorporate under the laws of the State in which the plant is located.

(B) Certify that a form of ownership has been adopted by the members of the organization after full consideration of their alternatives under state law.

(C) Certify that the organization allows for the inclusion of new employees in ownership and participation, and provides a method of disposing of stock if there is no longer an association with the concern, guaranteeing the organization the right of first refusal.

(D) Agree to serve as the administrative agent of the federal government for collecting loans and interest payments from employee members of the organization through a system of wage deductions acceptable to the Secretary.

(d) EDA will make loans to the employees of the organization that has an application approved so that they can acquire stock in the concern. First, employees must make a good-faith effort to secure the loan from financial institutions in the community and must agree in writing to allow the organization to serve as administrative agent of the federal government for collecting the loans through a system of wage deductions. No loan to an employee shall be for longer than ten years or for more than $15,000, and no loan will be forgiven.

SECTION 6

Applications

(1) An employee or employee-community organization that wishes to purchase a concern that would otherwise close down may

apply to the Secretary of Commerce for loans and technical assistance provided for under this Act.

(2) The Secretary, acting through EDA, will conduct a feasibility study within 60 days after receiving an application to determine whether reasonable grounds exist to expect that the proposed transfer would be successful.

(3) If the feasibility study is positive, the Secretary may make loans for technical assistance, start-up and operating costs to the organization. The rate of interest to be charged on such loans shall be no greater than the prevailing rate within the community, and there shall be no forgiveness on such loans.

(4) Loans to employee members of employee or employee-community organizations to allow them to purchase stock in the new concern (as provided for under Section 5) shall also be made at this time.

SECTION 7

Waiver of Securities Act of 1933

This section allows the Secretary of Commerce to exempt employee or employee-community organizations from select provisions of the Securities Act of 1933 to facilitate the purchase of the plant.

SECTION 8

Coordination of Federal programs

This section provides that the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development shall give priority in making loans to organizations receiving assistance under the Act.

SECTION 9

Report

EDA will evaluate the success or failure of the program and report to Congress at the end of three years and again after seven years.

SECTION 10

Authorization for appropriations

Appropriations are authorized for seven years. For the first year the authorization level will be approximately $100 million. Each succeeding year the amount may be increased by ten percent over the previous year.

FOOD STAMP PROGRAM

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, this past Tuesday I mentioned and brought out to the House the problem facing our senior citizens and our disabled people in this country under the food stamp program. This program on March 1 is going to be radically altered to a point that is going to make it nearly impossible for many of our seniors to survive in this year ahead.

I am going to give another example today of a senior citizen who happens to be a diabetic 79 years old. Her total income is $250 a month. Out of that income, she pays $156 rent, $34 for utilities and $10 for phone bills. She has been receiving $34 a month in food stamps, which is certainly not a tremendous amount. Starting on March 1 her food stamps will be reduced to $10 a month.

Mr. Speaker, we can address this problem by eliminating the $80 ceiling on rent that can be deducted and keep the deduction at the same level it is today. We are going to have well over 1 million people in this country badly affected by the change on March 1.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that, pursuant to the provisions of clause 9(a), rule I, closed circuit viewing of House floor proceedings will resume effective Monday, February 19, 1979.

The Chair would stress that under clause 9, rule I, the closed circuit system to Members' offices is for viewing purposes in Members' offices only, and is not to be utilized for commercial or political purposes. The Chair requests the cooperation of all persons concerned to assure that the dignity and integrity of the proceedings of the House are upheld.

The Chair's Informal Advisory Committee has informed the Chair that a system for complete and unedited audio and visual broadcasting and recording of House proceedings will be available beginning in early March. The Chair will announce his full implementation of that system in the near future.

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House:

Mr. BONIOR of Michigan and Mr. BUCHANAN of Alabama.

APPOINTMENT AS MEMBERS OF THE FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 372, 84th Congress, as amended, the Chair appoints as members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House:

Mr. MURPHY of New York;
Mr. HOWARD of New Jersey;
Mr. FISH of New York; and
Mr. GREEN of New York.

ALL-VOLUNTEER FORCE

(Mr. BOB WILSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOB WILSON. Mr. Speaker, during our initial deliberations on the 1980 budget, one concern which has already come to the fore in the defense arena is the all-volunteer force—its costs, success to date, and prospects for the critical years ahead. Like many other Members, I am still in the process of digesting the Defense Department's massive tome on the AVF issued at the end of 1978 and of analyzing the many conflicting reports and predictions currently being generated with respect to the future of our Nation's military manpower. We are again approaching a crossroads in terms of a volunteer or conscripted military force, as well as some type of required "national" service, and I feel it is important that we air and debate a wide variety of alternatives.

Aside from the obvious question of how we will obtain a sufficient quantity and quality of young men and women to meet the requirements of our Armed Forces in the 1980's, 1990's, and the 21st century, there is an even more immediate question—how do we retain those high-caliber personnel already on board who, for a variety of reasons, are abandoning military careers.

In his January 5, 1979, report to the House Armed Services Committee, the Secretary of the Navy advised that the Navy is currently short about 17,000 skilled petty officers with 9 to 16 years of service. Aside from the critical gap in leadership this causes, these petty officers are also the backbone of the Navy's technical proficiency. Unfortunately, the Navy is by no means the only service which has been faced with a substantial downturn in reenlistments—both first-term and subsequent.

Those we are losing are often the individuals in the most highly skilled occupations in whom we have invested months and generally years of training. Obviously, the reasons are myriad. One primary factor is the competition from the civilian job market. The problem, however, transcends just the opportunity for a better-paying job.

From my conversations with young men and women in the services, I find considerable skepticism relative to the Government's ability and determination to meet its commitments to them in terms of pay, retirement, medical care, and so forth. My purpose today is not to discuss at length the "benefits erosion question," but rather to indicate the general malaise which seems to pervade much of the force, with a predictable impact on retention.

I also find that personnel leaving the service cite—with increasing frequency—the fact that they face a cutoff of their Vietnam-era GI bill educational benefits in the not too distant future. They want to assure they have at least the opportunity of using the educational entitlement provided for their battlefield colleagues who did not choose to make a career in the military service of their country.

My feedback from conversation and correspondence is apparently not an isolated observation. In her report to the Senate Armed Services Committee, incorporated in the Defense Department's AVF report, Assistant Secretary of the Air Force Antonia Chayes noted:

> The 31 December 1989 termination date for the old G.I. Bill works at cross-purposes with our retention goals which will, in turn, generate increased recruiting requirements.

In expressing Department of the Navy views on AVF alternatives, Bernard Rostker, Principal Deputy to the Assistant Secretary for Manpower and Reserve Affairs, cited the need to eliminate "legislative incentives to separate," specifically the December 31, 1989, cutoff date for use of Vietnam-era educational benefits:

> This legislation [P.L. 94-502] provides a strong incentive for experienced careerists to leave the service in order to take advantage of previously earned educational benefits.

> This "negative bonus" can be eliminated at minimal costs by extending eligibility for benefits for a minimum five years from the member's date of separation from active duty.

I am, therefore, today introducing legislation which would give military personnel entitled to educational benefits under the pre-1976 GI bill a period of 6 years from their release from active duty in which to use their educational benefits entitlement, even if they leave the service after the December 31, 1989, termination of the Vietnam-era program. With 6 years, the individual will have an opportunity to use his or her full 45-months of education and will have approximately a year's "grace period" in which to get relocated, attend to family problems, establish or shore up finances, and so forth. The 6-year time limitation does not extend the program for an inordinate period of time for the Government, but it does give the individual some degree of flexibility for unanticipated crises and financial obligations.

Why extend the program now—1989 is a decade away? As previously noted, rates for both first-term and subsequent reenlistments are already plummeting. As we enter the early 1980's, that trend can be expected to escalate rapidly. If Congress waits until 1988 or 1989, it will, frankly, be too late. Ironically, those individuals who will leave in order to use their educational benefits will be the most highly motivated and the best trained—in other words, the cream of our midcareer force.

I urge my congressional colleagues to look at this retention disincentive in 1979, while there is still time to correct a major part of the damage. A decade from now will be too little, too late, and we will all be the losers for it.

□ 1110

THE PRESIDENT'S FAILURE IN IRAN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on the last day of 1977, President Carter toasted the Shah of Iran at a New Year's Eve celebration. The President praised the Shah's "great leadership," called Iran "an island of stability," and referred to the "respect and admiration and love which our people give to you."

Little more than 13 months have passed since the President spoke those words. The Shah has fled from Iran and a new, anti-American government is now in power. Everywhere I go the questions come fast and furiously. What gives—where is this administration taking us?

The administration's handling of foreign affairs is so inept, so incompetent, so totally lacking in consistency or direction that it has now become dangerous to our national security.

CRISIS IN IRAN

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I feel a deep sense of outrage at the events which took place at the American Embassy in Iran yesterday. The inept handling of this situation from the first rumblings of revolution to the sacking of our Embassy is a severe, personal blow to the American people.

Congress and the American people are experiencing a combination of consternation and outrage over this latest indignity. We have every right to know why this situation has been permitted to deteriorate, and why our Government failed to prepare itself for these contingencies. I ask Mr. Speaker:

Why was our Embassy in Iran not more heavily guarded, in view of the threat which has obviously existed for several months?

Where were our Marine reinforcements?

What was happened to our expensive intelligence-gathering apparatus?

This "Valentines Day Massacre" touches me, personally, with the cold-blooded wounding of Sergeant Kraus of Lansdale, Pa., after being ordered to surrender by the Ambassador, Sergeant Kraus was disarmed, knocked to the ground, and shot at point-blank range with his own weapon.

How can we ask young Americans, like Sergeant Kraus, to serve our country without support and with indecisive leadership? How many more young men, like Sergeant Kraus, will be sacrificed on the altar of the administration's inept foreign policy?

INFLATION—THE OVERRIDING CONCERN OF ALL AMERICANS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, today the overriding concern of all Americans is the inflation with which they have been forced to live. In recent years concern about inflation has been transformed into fear. If we, as their representatives, do not do something quickly to stop this destructive process, this fear will turn to panic.

Not one Member of this House publicly endorses inflation as a proper economic policy. We all denounce the evil that it brings, and yet the inflation continues at an unprecedented rate.

If all our colleagues are well intended, as I sincerely believe, why are we so unsuccessful in providing an economy with falling or stable prices?

I would like to suggest to you and to my colleagues that perhaps the conventional definition of inflation is incorrect. If it could be shown that our basic assumption about the cause of inflation is wrong, it would help us to understand why the concerted efforts of Republicans, Democrats, liberals, and conservatives, have failed so miserably in the past 10 years, in accomplishing anything whatsoever in restraining the destructive forces of inflation.

THE 61ST ANNIVERSARY OF DECLARATION OF INDEPENDENCE OF LITHUANIA

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I want to join my colleague from Illinois (Mr. ANNUNZIO) in welcoming here today as the Chaplain of the House Father Ziuraitis, and to indicate that I intend to participate in the special order which the gentleman from Illinois has taken today in commemorating the 61st anniversary of the Declaration of Independence of the nation of Lithuania.

We all know that the Lithuanians, Latvians, and Estonians, have been suppressed and oppressed—by the Soviet Union. It is heartening that these people continue to preserve their great heritage and culture, and to express their aspirations, hopes and prayers for a restoration of freedom and independence for their beloved Lithuania and for the other Baltic nations of Lithuania, Latvia, and Estonia.

SIXTY-FIRST ANNIVERSARY OF INDEPENDENT LITHUANIA

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, tomorrow, February 16, 1979, is the 61st anniversary of the establishment of an independent state of Lithuania. Lithuanians throughout the world—including a large number of Lithuanian-Americans—remember this date as a milestone in their nation's struggle for independence and self-determination. The democratic state of Lithuania, which adopted a constitution preserving freedom of the individual, was short-lived, however, for in 1940 it was invaded by the Soviet Union and declared a constituent republic of the U.S.S.R. This was carried out despite the explicit provisions of the 1920 peace treaty signed by the Soviets recognizing Lithuania as a free and independent state, and renouncing any rights of sovereignty over it.

The past 39 years of Soviet domination have not wiped out the spirit of the freedom-loving people of Lithuania. The Helsinki accord of 1975, signed by the Soviet Union, guaranteed them certain rights, and on this 61st anniversary of the founding of their republic we must renew our faith that these rights and pledges will some day be honored.

A CONTINENTAL DOLLAR

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, when I was a boy, I frequently heard the expression "as sound as a dollar." If you were in good health, they would say you were "sound as a dollar."

Today we all know the dollar is sick, but America and Congress seem to lack the courage to face the facts.

I recently read an interesting speech made by Ira E. Corn, Jr., of Dallas who is a noted American historian, economist, and successful businessman. He spoke concerning the similarities between 1978 and 1778 with particular reference to the experience of the Continental dollar.

Do you remember how the Continental dollar dropped to where it was eventually redeemed for only 1 penny on a bond to take care of a dollar of paper money? The dollar dropped from 100 to 1.

Corn's conclusion is the country must face up to its responsibility of taxation to have a balanced economy. I agree completely with the balanced budget and sound economy with Government spending. However, the answer is to reduce spending, as we have too much excessive taxation already on our backs. Back in 1961 we were spending less than $100 billion. This year we will probably see Congress spend $500 billion.

The courage and perseverance of our forefathers in winning our battle for independence is an inspiration. But at that same time they learned a lesson about a loosely handled dollar. The U.S. experience with the dollar is a factual history of 1778. Now as we look at 1978 we see where we stand, and we are heading into 1979 and 1980.

With 42 cents out of every dollar going to taxes today, the way to strengthen the dollar is not to raise taxes. We need to cut down on excessive Government spending that is going beyond the 42 cents expenditure.

Let me give you some of the highlights of the Continental dollar experience that Corn discovered as he compared 1778 to 1978.

NOT THE FIRST TIME—1778 vs. 1978

In 1778, General George Washington faced an invading army to his front while behind him an impotent and fractured government staggered from crisis to crisis, refusing to face up to realities and putting off the inevitable day of fiscal and monetary reckoning. Facing his own realities as well as incredible obstacles forced George Washington to become the greatest fund-raiser in history.

And the results—rampant inflation—almost destroyed Washington's army and the new nation it represented.

We tend to think that only in the Sixties and Seventies of *this* century have Americans "lost their way," discovered self-doubt and found their government unable to cope with economic, political and military dilemmas. Events each day provide educational—and chilling—parallels to the struggles unfolding 200 years ago when our infant American Republic fought to be born and to survive. And today, our central government exercises powers that the Continental Congress of 1778 would hardly have dreamed of, nor even considered seeking.

Yet, today's government, likewise seems to stagger from crisis to crisis, unable to deal with political, economic and military dilemmas facing us at home and around the world, unwilling to face realities, and incapable of coping with its own inabilities. Let's look at some of the events of 1775–1781 and look for today's parallels.

It was in 1778 that the Continental Congress began to wake up to the disaster caused by unsupported paper money and the attempts to control price rises. Sheer knowledge by the public of the facts—in both 1778 and in 1978—explains the results.

The First Continental Congress has dissolved itself after a brief session ending October 22, 1774, without taking any practical steps to prosecute the approaching American Revolution. Congress had issued its "Declarations and Resolves" setting forth rights claimed by the Colonists and petitioning for their inherent rights as English subjects of the British Crown and also for redress of grievances listed. Most hoped for reconciliation.

Instead, hopes faded as Parliament refused even to receive Colonial emissaries. British troops increased military activities in New England, and on April 19, 1775, General Gage sent his Redcoats from Boston to seize the Colonists' munitions at Concord, leading to the "shot heard 'round the world" and the Battles of Lexington and Concord.

Some of the delegates to the Second Continental Congress already were en route to Philadelphia. Officially, that new body opened its deliberations there on May 10, 1775. Most members of the First Congress returned. Noteworthy additions included Benjamin Franklin and Thomas Jefferson.

The Second Congress also had no authority to levy taxes and even refused to debate whether Congress should seek powers to tax in support of the national defense effort. Its delegates knew that the 13 colonies' legislatures were strongly against giving taxing authority to the Continental Congress.

While the British occupation tightened in New England, the Second Continental Congress unanimously named George Washington as Commander-in-Chief on June 15, 1775. Although most of the initial military action involved the New England militia, Washington, a Virginian, was elected without opposition.

Washington proved to be the right man at the right time for the job. He retained the trust and confidence of his soldiers throughout their ordeals, which he shared with them. He effectively exhorted, cajoled, and otherwise inspired and pressured both his troops and the Congress to achieve the essentials for victory. He became almost a "beggar"—if a brilliant one—on behalf of his troops and the cause of independence.

Washington also wrote to John Hancock, then President of the Congress, seeking aid for the troops:

"Being only provided for a summer's campaign, their clothes, shoes, and blankets will soon be unfit for the change of weather which we every day feel. At present we have no tents for more than two-thirds—many of them old and worn-out; but if we had a plentiful supply, the season will not admit of continuing in them long. The case of our sick is also worthy of much consideration. Their number, in the returns, forms at least one forth of the army. Policy and humanity require they should be as comfortable as possible."

Congress knew it had to act, taking the only practical measure open—one for which it had no authority whatever: It began to issue paper currency.

Congress' initial issue of "Continentals" was to have been for $2 million, but another $1 million was authorized even before it had been accomplished.

Estimates of the sums issued by years:

1775	6,000,000
1776	19,000,000
1777	13,000,000
1778	63,500,300
1779	90,052,380

Wiser heads attempted to stop the escalation. Benjamin Franklin said, "After the first emission I proposed that we should stop, strike no more, but borrow on interest those we had issued. This was not then approved of and more bills were issued."

Pork rose from 4 cents to 8 cents per pound. By November, 1777, commodity prices were 480 percent above the pre-war average. The Pennsylvania Legislature decided to try a "period of price control, limited to domestic commodities essential for the use of the Army."

Quickly, the controlled items, the most essential, became unavailable; prices for uncontrolled goods shot sky high. Congress recommended that regional conventions be held to set prices for particular areas. New England and the middle states held such conventions, but the states south of Maryland did not.

States passed laws to counteract growing refusal to accept Continentals in payment at controlled prices. The same goods would sell when paid for in specie (hard money). Pennsylvania provided penalties—up to banishment—for refusal to accept Continentals.

In February, 1778, the Pennsylvania Assembly appointed commissioners "in every city of the state with full power to purchase or to seize, at stated prices, all provisions necessary for the army." But appeals to patriotism, accompanied by increasing threats of more force, failed to bring out the necessary provisions. The farmers would not trade the fruits of their hard labors for paper money which bought less and less.

As the market broke down under refusals to give up goods for paper of ever-declining acceptance, military forces had to intensify impressment from the surrounding populace.

The self-defeating policy of attempting price controls was abandoned. By June of 1778, the act of "regulating the several articles on the price lists" was wholly suspended. After that date the military commissary agents were instructed "to give the current price . . . let it be what it may, rather than the army should suffer . . . and the intended expedition be retarded for want of it."

Of course, the end of price regulations did not halt inflation. Neither had the regulations. And Congress continued to refuse to consider the only effective action: acquiring—and using—the power to tax.

Each year that passed with Congress refusing to seek authority to collect taxes resulted in further sharp declines in the value of its paper currency.

While the Declaration of Independence was adopted early in July, 1776, the Articles of Confederation proposed at the same time were not adopted by Congress until November 15, 1777, and not ratified by the States until later (March 1, 1781).

While confidence and morale had been rising as a result of early skirmishes, such as Lexington, Concord, Bunker Hill, and others, plus the Declaration of Independence, Congress could do nothing to sustain the euphoria. The smashing victory over Burgoyne in late 1777 had no effect on the declining value of the Continental. And the states would not permit effective action.

The troops in the field suffered most of the consequences. The poverty suffered by Washington's troops should not be attributed to any general conditions in the American colonies during this period of relative prosperity, of no droughts, and no crop failures. More than 80 percent of the economy was agrarian. Industry, though small, was booming with the population growing rapidly.

All the fighting took place along the sea coasts, affecting less than 15 percent of the inhabitants. The other 85 percent, in effect, got a free ride. They paid no national taxes and few local ones. The cost was borne by the soldiers and those citizens forced to take the paper currency, which turned out to be "not worth a Continental"—a term used for 150 years thereafter to describe a person or object considered worthless.

By January, 1777, the Continental's value in relation to specie was down 33 percent; in January 1778 it was down 75 percent, and in January 1779 it had dropped to 90 percent below face value. Then it went down

"like a collapsed balloon," as historian George Trevelyan wrote.

"In June of that year $50 were paid in Philadelphia for two pairs of shoes, and $60 for two silk handkerchiefs. Fish-hooks, in that piscatorial city, cost half a dollar apiece. In October 1780 beef sold in Boston for $10 a pound, and butter for $12. Samuel Adams, who was not a dressy man, paid $2,000 for a hat and a suit of clothes."

Despite partial redemption and retirement after 1779, and despite efforts to enforce laws on the acceptance of the currency at par value, Continental currency collapsed in May, 1781; two months later, only hard money was used in the market. Under the funding act of 1790 the old Continental issues were accepted at the rate of 100 to 1 in U.S. bonds.

Today's similarities become obvious. Congress, although possessing the power to tax to fully support the dollar, refuses to do so. Although the American people lost the right to own gold for use as money in 1933, the nominal backing of the dollar with gold owned by the government was continued, at least on a percentage basis.

In 1968 Congress eliminated the final requirement of 25 percent gold backing on March 19, 1968. On March 17, 1968, a two-tier price system was established, by which the U.S. and six western European nations agreed in Washington to stop buying and selling gold in the international markets, retaining an "official" monetary price of $35 per ounce but leaving the private market price to fluctuate according to supply and demand.

The dollar printed today by the U.S. Government has finally become the same kind of dollar that was printed by the Continental Congress, purely paper currency. As a result, we have dollars thought to be not so good chasing tremendous numbers of goods—goods with well-recognized value.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. PANETTA) laid before the House the following communication from the Clerk of the House of Representatives:

FEBRUARY 14, 1979.

HON. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:22 p.m. on Wednesday, February 14, 1979, and said to contain a message from the President wherein he transmits the Sixth Special Message for Fiscal Year 1979 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

SIXTH SPECIAL MESSAGE FOR FISCAL YEAR 1979 UNDER THE IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–56)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report revisions to three previously transmitted deferrals increasing the amount deferred by $33.8 million. These revisions to existing deferrals involve programs in the Departments of Transportation and the Treasury and the International Communication Agency.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *February 14, 1979.*

LEGISLATIVE PROGRAM FOR WEEK OF FEBRUARY 19, 1979

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have taken this time for the purpose of inquiring of the distinguished majority whip the program for the balance of this week and next week.

Mr. BRADEMAS. If my friend the gentleman from Illinois, the distinguished minority whip (Mr. MICHEL) will yield, the program for the week of February 19, 1979, is as follows:

On Monday, the House meets at noon. There is no legislative business but there will be the reading of Washington's Farewell Address.

On Tuesday, the House is not in session.

On Wednesday the House meets at 3 p.m. to consider a series of 10 House administration funding resolutions for House committees.

On Thursday, February 22, the House meets at 11 a.m. to consider House Concurrent Resolution 3, our Merchant Marine March.

On Friday, February 23, the House is not in session.

The House will adjourn by 5:30 p.m. on Thursday.

Any further program will be announced later.

□ 1120

Mr. MICHEL. Might I make this inquiry: I see no reference to the debt ceiling legislation which will have to be considered here quite soon.

Can the gentleman enlighten me on that subject?

Mr. BRADEMAS. If the gentleman will yield further, that measure will be taken up either Tuesday, February 27, or Wednesday, February 28, under the present plan of the leadership.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman from Illinois, Mr. Speaker.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON FOREIGN AFFAIRS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–12) on the resolution (H. Res. 98) to provide for the expenses of investigations and studies to be conducted by the committee on Foreign Affairs, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON ARMED SERVICES

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–5) on the resolution (H. Res. 60) to provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–11) on the resolution (H. Res. 96) to provide for the expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON VETERANS' AFFAIRS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–3) on the resolution (H. Res. 35) to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON EDUCATION AND LABOR

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–10) on the resolution (H. Res. 92) to provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–6) on the resolution (H. Res. 85) to provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR FUTHER EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON SMALL BUSINESS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–4) on the resolution (H. Res. 45) to provide funds for the further expenses of the investigation and studies of the Committee on Small Business, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON WAYS AND MEANS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–8) on the resolution (H. Res. 88) to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON HOUSE ADMINISTRATION

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–7) on the resolution (H. Res. 87) to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–9) on the resolution (H. Res. 91) to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, which was referred to the House Calendar and ordered to be printed.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT TO MONDAY, FEBRUARY 19, 1979, AND ADJOURNMENT FROM MONDAY NEXT TO WEDNESDAY, FEBRUARY 21, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next, and that when the House adjourns on Monday next, it adjourn to meet at 3 p.m. on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1125

CONGRATULATIONS TO PEOPLE OF LITHUANIA ON THEIR 61ST ANNIVERSARY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, once again I am delighted to join today with my colleagues and with people throughout the world to commemorate tomorrow February 16 as the anniversary of the Independence Day of Lithuania.

Since 1940, this small Baltic nation has been dominated by the Soviet Union, after Hitler and Stalin struck a pact that sold into bondage the free nations of Lithuania, Latvia, and Estonia, to say nothing of the people of Poland.

To move for Lithuanian independence from Russia actually began back in the 1880's. Finally, after years of struggle and with the defeat of Tsarist Russia, Lithuania declared her independence on February 16, 1918.

The next 20 years saw a great cultural revival in Lithuania. Literature, music, and dancing flourished throughout the nation. But this free and good life for Lithuania was not long to be, and cannot really come again until Soviet control over this separate country has been relinquished.

As a point of law, the Soviet Union really has no right to control Lithuania. The Soviets actually signed a treaty with Lithuania on July 12, 1920, and in that treaty renounced all claims to Lithuania. To quote from the treaty, the Soviet Union agreed without any reservation the sovereignty and independence of the state of Lithuania, were recognized and, furthermore, all territorial claims to Lithuania were "voluntarily and forever renounced." Another promise broken.

Free people everywhere should always remember the sacrifices Lithuania has made that she might secure liberty. In the years 1940 to 1952 more than 30,000 freedom fighters lost their lives on the plain of battle with Soviet warlords. All these brave people sought was that they and their children's children might be able to live in a land of freedom and not a land of serfdom.

Reminiscent of the Nazi persecution of the Jewish people, some 350,000 Lithuanians, we are told, have been sent to labor camps in Siberia, because of their desire for freedom and independence.

Yet even today the struggle for Lithuanian independence continues. It continues in large part, because Lithuania is a nation whose belief in God Almighty has never been shaken.

In 1972 more than 17,000 Lithuanians petitioned the United Nations for the restoration of religious freedom. The people of Lithuania continue to attend their churches despite all the obstacles the Russians have placed in the path of simple worship.

Despite Soviet rules forbidding religious instruction, religious publications, charity work, the ordination of new clerics to replace the old, and discouraging church attendance, Lithuania is still clearly a Christian nation.

I am proud that last August I was honored for my efforts on behalf of the cause of Lithuanian freedom, by being given the Father John C. Jutt Friend of Lithuania Award by the Knights of Lithuania. So once again I reaffirm my dedication to the cause of Lithuanian freedom, and call upon my colleagues in the House, and on all Americans, to reaffirm their own commitments to hasten the day when the land and people of Lithuania shall once again bask in the sunshine of liberty.

LITHUANIAN INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. PANETTA). Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 60 minutes.

Mr. WEISS. Mr. Speaker, at this time I would like to yield to my distinguished colleague, the gentleman from Illinois (Mr. ANNUNZIO).

□ 1130

A TRIBUTE TO ARCHBISHOP OSCAR ROMERO OF EL SALVADOR AS A NOMINEE FOR THE NOBEL PEACE PRIZE

The SPEAKER pro tempore (Mr. PANETTA). Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 60 minutes.

Mr. WEISS. Mr. Speaker, I would like to commend and applaud my distinguished colleague, Mr. DRINAN, for the leadership he has taken in bringing the work of Archbishop Oscar Arnulfo Romero y Galdames—or as he is simply known Archbishop Oscar Romero—of El Salvador to the attention of the Congress. Congressman DRINAN ventured into El Salvador in 1977 as part of a fact finding mission on the human rights practices of El Salvador. Through the work of Congressman DRINAN, 21 of our colleagues joined us in signing a letter to the Nobel Peace Prize Committee nominating the archbishop for the Nobel's cherished prize for peace activism. I am delighted to be given this special time on the House floor to discuss this important nomination for the 1979 prize awards.

Archbishop Oscar Romero, a telegraph operator's son, has risen from the anonymity of an obscure diocese in the interior of El Salvador to worldwide renown. The 60-year-old Catholic leader has stood up in the face of some 40 years of repression and violence in El Salvador to rally nonviolent peasant revolt.

The year 1931 was when the last free election occurred in this tiny Latin American country. At that time a liberal reform oriented leader came to power and promised to share the land with the people. This was too much for the powerful elite—now only 1.9 percent of the population; but owning almost 60 percent of all the lands—and they enlisted the support of the military to oust the reformists and institute the repressive practices which have come to dominate El Salvador today.

In 1968 the Catholic Church began publicly to ally itself with the rural peasants and developed what is becoming known today as "liberation theology"—wedding the moral power of the church to the social goals of the populous. From 1974 to 1976 Luis Chavez was archbishop and attempted to follow liberation theological practice by issuing a number of pastoral letters protesting violations of human rights within El Salvador. But as a reaction to this progressive move the wealthy elite again summoned the repressive force of the military and Archbishop Chavez was ousted. At this point the mild-mannered Oscar Romero, who many regarded as a spiritualist rather than an activist, was appointed in hopes that the church would be seen and not heard.

But immediately Archbishop Romero sent a signal that this would not be the case. He began a campaign for the welfare of the peasants. He refused to attend the inauguration of President Humberto Romero (no relation to him) who was installed as the new dictator in July 1978.

Soon after Archbishop Romero's appointment in February 1977, two grotesque executions took place. First Father Rutilo Grande, a popular priest, along with two of his parishioners were mercilessly submachine-gunned down. He was on his way to support a protest by workers of the unfair contracts which bound them to the rich private landowners. Then in May 1977, Father Alfonso Navarro and a teenaged boy were shot while talking in a parish house in San Salvador.

Archbishop Romero's reaction was swift and decisive to these horrendous murders—he closed all Catholic schools and colleges for 3 days and held a special mass in front of the National Cathedral in the major city of San Salvador. One hundred thousand people attended this important mass. For the peasants the Catholic Church, under Archbishop Romero's leadership, was a vehicle to express their opposition to the repressive Romero regime.

In order to negate the impact of the Catholic Church the Romero regime has resorted to the most deplorable tactics. President Romero and the national press has labled members of the activist church subversives or Communists. The current government has tacitly if not openly given support to right wing paramilitary or vigilante groups—most notably ORDEN—which carry out the horrible executions like those I just described as well as abducted peasants who express discontent with Romero and his regime.

In the face of this violence and terrorism Archbishop Romero has always counseled his followers to be nonviolent. He rejects violence and refuses to endorse armed revolt. He has risked his own life in criticizing the Romero regime and protesting to the world the regime's heavy-handed tactics. He set up his own permanent human rights monitoring committee and prompted the Organization of American States (OAS) to make two onsite inspections of human rights conditions. The report of OAS is anticipated very soon.

The conditions that prevail in El Salvador are not too different than other Latin American governments where the wealthy elites are teamed up with a repressive military junta. Guatemala, Chile, Argentina are three countries that come to mind. I wrote President Carter last year protesting the conditions in Guatemala where a violent assassination squad much like ORDEN has free reign—the ruling junta refusing to take decisive action.

The struggle of the people of El Salvador and the courageous determination of Archbishop Oscar Romero has not received enough attention in our country, or for that matter the world. This inattention in itself may facilitate the kind of radical abuse of human rights which we see today. Inhumanity and terror predominate the social atmosphere as a result.

Amnesty International, the Nobel Peace Prize winning human rights monitoring group, reports that the wealthy ruling elite of El Salvador exports cash crops abroad while 73 percent of Salvadorean children under 5 years old suffer from malnutrition.

This is totally unacceptable and we must encourage and promote respect in El Salvador with all our diplomatic and economic resources for human rights.

Archbishop Romero deserves global recognition for his responsible leadership. Similar to Martin Luther King—as the Times of London stated—Archbishop Romero has stood for peace and justice through nonviolence. That is why 118 Members of the British Parliament and 23 Members of the House have nominated him for the Nobel Peace Prize in 1979.

The material follows:

[From the Washington Post Magazine, Sept. 10, 1978]

FROM HERE TO ETERNITY—HOW A PRIEST-CONGRESSMAN AND THE PRESIDENT OF GEORGETOWN UNIVERSITY HAVE TRIED TO STOP MURDER, BUT NOT NECESSARILY REVOLUTION, IN TINY EL SALVADOR

(By Georgie Anne Geyer)

On Feb. 14, 1977, a scene as strange as any from the 12th century was acted out in the cathedral of San Salvador in Central America.

The cathedral, a vast and empty barn of a place with none of the gilt and marble of the Old World, was jammed with nearly 10,000 crying, singing, chanting, stricken people. The building, thrusting sight empty but vigorous stories toward heaven, had been left deliberately unfinished to symbolize the church's dedication not to its own glory but to the suffering of the people.

The seething masses seemed to sense that. Intently and passionately, they clung from balconies, from stairways and from rafters.

In the minds of many were the killings—the murders of two priests, the killing of so many peasants in the countryside. And in many minds, there were thoughts of all those who had been exiled.

As he was about to award a great honor to Salvador's unimposing Archbishop Oscar Romero, Georgetown University's President Timothy Healy that day had other thoughts.

"The wonder of it is that the archbishop survives," Father Healy remembered thinking afterwards. "Against him is arrayed every force in Salvador. There is literally nothing that prevents the blow of the fool who would strike him down."

That was why Healy, a glib, robust priest with an amiable, cultured face, had come to El Salvador's capital city to give the little, dark-skinned archbishop an honorary degree from Georgetown. He was trying to prevent the "blow of the fool." He was trying to focus the center of power in the world, Washington, D.C., and the power of one of the greatest Jesuit universities of the world, to help a simple parish priest who, to be honest about it, had attracted no attention at all before being named archbishop of the Latin nation's 4.2 million people.

The ceremony was as simple as it was imposing. In his praise of the middle-aged man who is a hero to many Salvadoreans and as likely a candidate for martyrdom as Thomas Becket in the 12th century, Father Healy began, "It is seldom easy for us to understand what God 'needs,' what he asks of those men and women on whose shoulders he lays the weight of His Church. He gives us hints, and probably the principal hints are the time and place where he puts us.

"In North America," Healy went on, "the nation precedes the church in time and in our people's consciousness. For us, the greater risk is that civil religion blocks out revelation. But in both our nations, balance is everything. Ideally, the claims of politics and faith are complementary. In the practical world of limited men, with limited vision and limited resources, faith and politics can frequently collide."

The audience was noiseless in face of the honor being bestowed upon all of them as Healy ended with a quote from Thomas More: "God made plants for their simplicity, animals for their innocence, but he made him man to serve him wittily in the tangle of his mind."

The archbishop then spoke of "the cause of Christian humanism" which had been developing in the church, and the important new emphasis of "beginning with the realities of this world" where we must implant His kingdom *now*. He spoke of how the honorary degree showed solidarity with the sufferings of Salavadorean peasants. Then he pleased everyone by taking off his cape and putting on his honorary robe.

As they walked out of the cathedral, the American and Salvadorean priests were alternately stopped by the passionate mob of humans and carried along by it. The Rev. Robert Mitchell of Georgetown University recalled later with an irony touched by awe that "the scene . . . had little resemblance to more traditional ceremonies for honorary degrees."

But Father Healy, a robust Irish Catholic whose hearty, puckish face contains the wisdom and freshness of all the vales of Ireland, had the last word. "We are 1978," he mused

later, sitting in his elegant university office, "and we're right back to 1170. And we wonder how we got there."

At precisely 6 p.m. last Jan. 10, the Rev. Robert Drinan, Democratic congressman from Massachusetts, called upon another important but unrelated Romero—one President-General Carlos Humberto-Romero. They met in Romero's office at the presidential mansion in San Salvador. The meeting was not friendly, despite the beauty of the old colonial building and its vast courtyard.

At one point the president arose in a rage and stalked across the large office to his desk. From a top drawer he withdrew a picture of the murdered Father Rutilio Grande. The peasants who loved Father Grande had, in a reproduction of the picture, put a crown around his head, as though he were already officially sanctified. But the words underneath read, "Our Government Has Done This to Us."

"How can they do this to me?" President Romero demanded, livid with anger.

And, he must have wondered, how could yet another Washington priest be "interfering"? Father Drinan, already an alumnus of an Amnesty International investigation in Argentina and a tall, dark man with the piercing eyes of a Shakespearean devil, had gone to Salvador at the request of the archbishop to investigate.

The drama between the two men takes form:

Drinan: I have talked with dozens of people in the countryside, and they tell me a grim tale of intimidation and harassment by forces responsible to the government. As a matter of fact, it is intimidation against the Catholic Church. The National Guard and the ORDEN [a right-wing group] tell people not to attend mass or go near the priests because they are Communists.

Romero: If you have gone . . . and heard these things, I think you should go to other places and other churches where the people of ORDEN themselves have suffered and where FECCAS and UTC [church-related peasant groups] commit degradations and intimidate the people. Some people have even been killed.

Drinan: I recognize that there has been violence by the other side, but I am speaking of something different. The government of El Salvador . . . is making it difficult or impossible for masses of the people to participate in religious services. This is the denial of a basic human right. The government is trying to divide the church. That is what you are trying to do right now. You are harassing the archbishop.

Romero: [with growing impatience] I have tried to seek an understanding with the clergy. I have talked to Father Jeres of the Jesuit Order and others. I provided security when they were threatened. I have gone and talked with priests . . . I have invited the archbishop. He came here, and we talked. He asked for the return of all the exiled priests. I said I could not do this because my colleagues and associates listen to the priests' broadcasts over radio stations and would put pressure on me not to allow them to return. I invited the archbishop to fill any vacancies with priests from abroad. I said to give me a list of the vacancies and of the candidates to fill them. We would investigate and decide who can come.

Drinan: [angrily] That is interference in the Church. It is not for a president to say who is a good priest and who is a bad priest.

Romero: [slowly, with impatience] Yes it is, if they interfere in the business of the government!

It is a typically busy day at the big, white, tropical-style American embassy in Salvador. Surrounded by lush gardens and a high fence, watched over by armed guards, the embassy foyer nevertheless is filled with Salvadoreans passively waiting for visas to leave their population and violence-doomed country.

Inside, an officer is upset. The ambassador, Frank Devine, must wear a bulletproof vest this day because a veiled bit of intelligence has come that "someone" might attack him that day. Who?

He shakes his head.

It could be so many people. Almost like a child's chant, he says it could be the right, it could be the left, it could be the government, it could be the guerrillas, it could be the "ins," it could be the "outs," it could be the Marxists, it could be the Catholics.

Perhaps the strangest part of the violence in this country is that it is all so frighteningly anonymous. In sprawling hot San Salvador, with its dialetic of shanty slums and elegant walled houses, nobody really knows who the murderous, rightist White Warriors or the leftist guerillas or the BPR (Popular Revolutinary Block) or the others really are. Unlike many revolutionary or prerevolutionary situations, the Salvadorean groups rarely take credit for their terrorism or attempt to explain their actions.

An American embassy officer in San Salvador finds it puzzling. "It is singularly disorganized," he said. "The country is in the process of breakdown, and it has about run its course. The mysteriousness is a function of breakdown. Nobody knows what's going on. I've never seen a country harder to know."

The problems of El Salvador in 1978 began in 1931. That year, the only free elections in the entire history of this little mestizo country were held and the liberal reformer Arturo Araujo came to power, frightening the "14 families" who had always ruled.

The military "solved" that problem by immediately taking over for the wealthy, only to be met by a massive peasant uprising in the coffee-growing region in the west. The upper-class Salvadorean "memory," therefore, is haunted by machete-wielding peasants arising like fearful shadows out of the land.

Hundreds died before the revolt was over. And that revolt was the first in the Western Hemisphere in which Communists played a significant role.

In the years following the revolt, the rest of Latin America went through change after change. Salvador stagnated and abnormal extremes of wealth and poverty became the status quo. Even today, the average per capita income is estimated at $440 a year, and 2 percent of the population owns 60 percent of the land. And there is another problem: Salvador, the smallest nation in Latin America, is also the most densely populated, with 550 persons per square mile.

The Catholic Church, not blind to such social conditions in Latin America, held an extraordinary conference in Medellin, Colombia, in 1968. Historically, one of the three pillars of the Establishment in Latin America, along with the military and the aristocracy, the church suddenly aligned itself with the poor and even with revolution. A "theology of liberation" and even a "theology of violence," hung from the church's tattered edges, catching even the most fervid radicals within its web.

With an unusually high number of foreign—especially European—priests, Salvador became a testing ground for the Medellin documents. And so, through the church, groups such as FECCAS (the peasant organization) and the umbrella group BPR and others were formed. All were illegal, because Salvadorean law prohibits such organizing.

The government, fearing all attempts at change equally, hated them quite as much and perhaps even more than the true Marxist groups—the Soviet-line ERP (Revolutionary Army of the People) and the Maoist-Castroite FPL (Farabundo Marti Brigade). By 1977, the country was in flames.

Marxist groups assassinated Foreign Minister Mauricio Borgonovo Pohl, a former president and the rector of the National University. The government's paramilitary groups—the White Warriors and ORDEN, a group numbering in the 60,000s—retaliated. Activist priests Rutilio Grande and Alfonso Navarro were murdered last year. Several score more priests were exiled.

Throughout the violence was the eerie specter of anonymity. The rector was assassinated in front of 200 eyewitnesses. When the investigation came, there were no witnesses.

Then, in July last year, the mysterious White Warriors told the Jesuits, who comprise the largest order in Salvador, that 33 Jesuits would be systematically murdered unless they left the country immediately. At that point the archbishop and the American priests, along with many American Protestant clergymen, decided to act.

The passion with which they acted suggests a spiritual and a psychological dimension that is even more fascinating than the actual situation. Why should these two Irish-American priests, settled so comfortably in the lap of world power, become so obsessed with primitive, unimportant Salvador?

For Drinan, tall and dark and gaunt, the motivations seem to be two: a concern for human rights and the camaraderie he felt for his old Jesuit colleagues. Born in Boston, he had always been concerned with human rights and his Amnesty trip to Argentina two years ago had filled him with compassion for the people of Latin America and anger at injustices there. In addition, there were his Jesuit missions in Brazil, Jamaica and Honduras where some of his former classmates are among the approximately 850 clergy and nuns who have been harassed, tortured or murdered in the last 15 years.

For Healy, who sits atop the bluff in Georgetown in one of the most beautiful offices in Washington—a French Gothic room circa 1890 with cherry wood paneling and exquisite stained glass windows—the motivations are more complicated. The son of an Australian father and a Texan mother (with a lot of Irish blood mixed all through), he went to Woodstock College before getting his doctor of philosophy degree at Oxford.

He is also a Renaissance man of sorts. He trap-shoots. He loves good jazz and is known to tipple a few. He teaches poetry to medical students to bring body and spirit together.

When you talk to him about Salvador, he talks with a passion about the "underground church," or the "original church" or the "church of the catacombs." One has the feeling Father Healy has found in Salvador and the archbishop a deeper dimension to his faith.

Then there is, as one of Healy's top aides put it, "the Jesuit in him coming out." The Jesuits have been, after all, in the forefront of action and change within the church. They founded schools, missions and churches and moved on to leave the dull, day-to-day administration of their structured flocks to others less involved in adventure.

Last spring, in response to the threats of Jesuits being murdered, Healy, along with Protestant churchmen, urgently requested a meeting with Secretary of State Cyrus Vance to ask that the U.S. make the strongest possible protest to the Salvadorean government.

Vance responded immediately. The plea was precisely in line with the new human rights policy and passion of the Carter administration.

Personal meetings between State Department officials and Salvadorean officials here and in El Salvador led to the threats being called off. The U.S. responded to apparent improvement by finally granting a held-back $90 million loan. But the violence in the countryside and in the city continued.

By February 1978 with spurious elections in the offing, the opposition political coalition had called a rally for their candidate, Col. Ernesto Claramount. Into the massive throng on Feb. 28 went security forces and ORDEN thugs. Five deaths were officially reported, but eyewitness observers say that more than 100 were slaughtered.

An American journalist who was there said, "I was kept out of the plaza, so I could only hear the screaming and the shooting. Then, when it was over, I got in and found it literally covered with blood, although the bodies had been removed. But perhaps the most horrible thing was when I returned again an hour after that to find they had hosed down the plaza and there was a chill as though nothing had happened at all."

The massacres continued. Villages were attacked. Individual peasants simply "disappeared," never to return. The State Department's human rights division named El Salvador one of the worst human rights violators in the hemisphere, if not the world.

The struggle in El Salvador is not simply one of violence and human rights. The conflict has overtones of some of the most complicated ideological and theological problems of our time.

A leading Jesuit in San Salvador, for instance, tried to explain the difficult path facing an activist church in the midst of Marxist politics and revolution.

"Our Christian faith has in part the concern for justice of the old prophets," he said. "It is the same as Jesus Christ in front of the social problems of his times. This goes back to the sources of the Bible. It is not only the pragmatism of the faith but justice. And the cost is very high.

"I distinguish politics in terms of parties, and that is not particularly Christian. But a Christian who works at the front of social problems is another thing. Here, we enter the area of justice, and that is really biblical."

Could a system be "sinful," as many of the Jesuits who lean toward a Marxist interpretation of history say? The priest paused. "In our work it is very important to distinguish a personal sin from a structural sin. The system is of such a type that it can form a person in sin. Sure, there is a little of Marxism in this, but we believe that this idea of sin is what Christ meant when he talked about the world as sin.

"Here, the idea of a system and the structure as sinful means . . . that the system can make one sinful, too."

Such thoughts bring up the question of whether a Christian can also be a Marxist. Or whether some of the Salvadorean priests are already Marxists.

Father Mitchell, a theologian, does not find those questions altogether relevant. The archbishop, he said, works "from clear facts and clear injustices. Although there is a liberal theology in the background, he is not working explicitly out of it. He is aware of the Marxist and the liberal analysis, but he is not using it. The injustices and discrepancies are so obvious. The theology he's in is quite faithful to [the pope], Vatican II and Medellin."

Then he added thoughtfully, "If you take the whole idea that there can be 'sinful' structures, then that opens up the possibilities of there also being 'graced' structures. Perhaps it is not sin in the same sense in which we know it, but you can see where selfishness, greed and pride can become encased in cultures and in laws and in economic systems so the thing is positively unjust. It is original sin extended to society. Therefore, the whole idea of grace and redemption is extended to it. Structures can share in grace and redemption. Structures which help people to live a just life have grace."

And Father Healy said, "Didn't the early attitudes toward the Roman Empire treat the system as evil?"

Heady stuff for a primitive country that never distinguished itself in the world for its intellectual, cultural or moral excellence. But then, the priests would add mystically that God always chose the poorest in whom to make his messages known.

Napoleon Duarte, the enormously popular former Christian Democratic mayor of San Salvador who was elected president in 1977 and immediately deposed by the military, said there are three political "fronts" that have emerged: 1.) the priests and Marxists who work together, 2.) the Christians who believe violence is the only solution but not Marxists, and 3.) those looking for a solution somewhere "between humiliation and violence."

"They all go to meetings and provoke the police," Duarte said. "People are ready to kill, and they want people to be killed. At the moment the Marxist ideology is not important to them. What is important is how to get the rich scared. The leaders, however, are the products of the Marxist mind, and the priests have much the same concerns. I would say they're all frustrated and confused but feel there is no other means to solve the people's condition."

Which might cause one to wonder if the priests and the Protestant clergy raising their voices in Washington have done any good.

They have.

With the help of the State Department and others, they have certainly stopped the killing of the priests, although there still are bitter complaints that American officials haven't put enough pressure on the Salvadorean government about the continued "disappearances" of poor peasants. The priests also believe that American Embassy officials in San Salvador haven't done enough. Embassy staff, on the other hand, think they have gone very far, such as holding up that $90 million loan until the government reigned in the rightist terrorists.

So the tension between the churchmen and the U.S. government continues, though both want the same thing. The differences are a matter of degree and tactics.

Meanwhile, however, the government and church positions have made Western democracy and Christianity respectable among the Salvadoreans.

As to outside forces, Cuban policy there seems to be, as in neighboring Nicaragua, to support guerrilla morale and to provide advice, but not to give money or military help. The Cubans seem to want guerrillas in Central America to support moderate, coalition candidates to decrease the likelihood of "Yanqui" intervention.

The Vatican, meanwhile, is another question. The priests say the apostolic nuncio in Salvador is against the archbishop. He purposely did not attend the honorary ceremony for the archbishop and has spoken out against the Jesuits in ways that many feel is historically untenable. The Vatican itself, however, has not acted—the Jesuits in Salvador feel they have fed enough of their own information back to Rome to balance the nuncio's negative reports.

American priests, in addition to sincere concern for their brethren, have found inspiration, perhaps even salvation, in the situation.

"It is in Latin America these days that it is a tremendously exciting thing to be a priest," Healy said, sitting in the so-different splendor of his Georgetown office overlooking the meandering Potomac. "It is not in North America. It is still true that those of us of intellectual words do not know the front line. Those pastors, like Romero, remind us that the church is the people of God first. Here is the reality, and it is a good reminder to me. I've been hearing these footsteps all my life."

Drinan had a similar reminder. The usually dry and outspoken churchman speaks with awe about going out one night to the countryside where Father Grande had been killed. The peasant families had chosen an isolated plot to hold the eucharist, a place where the police could not find them in a vast sugar plantation.

"Like the early Christians in the catacombs and the Catholics in the Reformation period in England, we celebrated the eucharist," he said. "Simple peasants came up to embrace me, while others watched on the lookout. They told me, 'My husband disappeared, my brother disappeared . . .' It is a torment, but it is so beautiful."

The tragedy Healy sees in El Salvador is one that should speak with particular poignancy to U.S. Catholics reared on the memories of suffering Ireland. In a speech last St. Patrick's Day, he said, "The echoes of Ireland are too numerous to deny. We are talking of an agricultural people [in El Salvador] who starve to death on rich land while they farm it. We are talking of distant and absentee landlords who suck the land dry, return nothing to it or the people, and live a safe and protected distance from their oppressed peasants. The only ally they lack is famine—since you can't blight cotton. We are talking of a government tied totally to the power structure and quite content to let the peasants starve if it keeps the rich happy.

"Finally, we see what we have seen so often in Ireland and among the Irish outside of Ireland. When the government looks the other way and the police and the army and the rich and the powerful are all against the little people, the only voice left is that of the church. It has made martyrs before. It may, God help us, make more in El Salvador. If it does, the church and her crown of thorns will be recognizable to every Irishman any place on the face of the earth."

House of Commons,
London SW1A OAA, October 1978.

Stortingets Nobel Committee,
Drammencveien 19,
Oslo, Norway:

We would like to strongly recommend Archbishop Oscar Arnulfo Romero y Galdames, Archbishop of San Salvador, El Salvador for the Nobel Peace Prize.

There is growing international awareness and concern over the increasing and widespread violations of human rights in so many countries throughout the world. Those who have the courage to speak out against abuses of human rights often run very grave risks. Archbishop Romero is an inspiring example of such a person. Since his appointment as Archbishop, he has consistently and uncompromisingly denounced the numerous arbitrary arrests, detentions, tortures, disappearances and killings taking place in El Salvador today. As a committed man of peace, he has rejected violence from whatever quarter and has advocated social and economic reforms to remove the injustices of El Salvador's poverty-ridden feudal society. Almost alone he has become the champion of the poor and the defenceless. As a result he is subject to daily vilification in the press and elsewhere as insane, subversive, as a man who "sells his soul to the Devil".

On the thirtieth anniversary of the UN Declaration of Human Rights, we feel that Archbishop Romero is a particularly suitable candidate for the Nobel Peace Prize and we hope that the Committee will take his candidature into serious consideration.

Yours sincerely,

The 1979 Nobel Peace Prize Nomination

A letter signed by 118 Members of Parliament and Peers of all parties was sent today to the Nobel Committee in Oslo nominating Archbishop Oscar Arnulfo Romero, Arch-

bishop of San Salvador in Central America for the 1979 Nobel Peace Prize.

Archbishop Romero has been nominated because of his courageous stand in defence of human rights. Since his appointment as Archbishop he has consistently and uncompromisingly denounced the numerous arbitrary arrests, detentions, tortures, disappearances and killings taking place in El Salvador today. Almost alone he has become the champion of the poor and the defenceless. As a result he is subject to regular vilification in the press and elsewhere as insane, subversive, as a man who "sells his soul to the Devil".

He is a committed man of peace and has rejected violence from whatever quarter and has advocated social and economic reforms to remove the injustices of El Salvador's poverty-ridden feudal society. In recognition of his stand for human rights, he was awarded an honorary doctorate earlier this year by the University of Georgetown, Washington.

The 118 signatories to the nomination (77 Labour, 27 Conservative, 11 Liberal and 3 others) include from the Labour Party, Deputy Party Leader Mr. Michael Foot, Mrs. Shirley Williams, Minister for Education, Mr. Eric Varley, Minister for Industry, Mr. Tony Benn, Minister for Energy, Mr. Stan Orme, Minister of Social Security, Mr. Roy Hattersley, Minister for Prices and Consumers Affairs, Mrs. Judith Hart, Minister for Overseas Development, Mr. Peter Archer, Solicitor-General, Mr. Frank Allaun, current Chairman of the Labour Party. The Conservative signatories include Mr. Norman St. John-Stevas, Shadow Leader of the House, Mr. Mark Carlisle, Shadow spokesman on Education, Mr. John Moore, Vice-Chairman of the Conservative Party and Mr. Peter Walker and Lord Carr of Hadley, former Cabinet Ministers in the Heath administration. The Liberal signatories include the Party Leader, Mr. David Steel and Deputy Leader John Pardoe. 13 signatories are Privy Councillors.

The nomination has been supported by Trade Union Leaders Mr. Joe Gormley (NUM), Mr. Alex Kitson (TGWU), Mr. Jim Slater (NUS), Mr. Sam McCluskey (NUS), Mr. Danny Crawford (UCATT) and Mr. Ray Buckton (ASLEF).

A full list of signatories, together with a copy of the letter to the Nobel Committee is attached. Also enclosed is a background article on Archbishop Romero which appeared in Time magazine of July this year.

For further information contact: Mr. Kevin McNamara M.P., House of Commons; Mr. Gerry Wade, Tory Reform Group; and Mr. Julian Filochowski, 01-935-5260.

WASHINGTON, D.C.,
January 26, 1979.

NOBEL PEACE PRIZE COMMITTEE,
Drammensveien 19,
Oslo, Norway.

DEAR MEMBERS OF THE COMMITTEE: We write to you to nominate Archbishop Oscar Arnulfo Romero y Galdames, Archbishop of San Salvador, El Salvador for the Nobel Peace Prize.

In a nation notorious for its disregard of basic human rights, Archbishop Romero stands out as an eloquent and unshakable opponent of oppression and violence. In calling for social and economic reform and in condemning government sanctioned violence that has taken the form of widespread "disappearances", arbitrary arrests, murder and torture, Archbishop Romero has become the most prominent spokesman in El Salvador for peace and justice.

He has persevered in pursuit of these noble ends despite the ongoing vilification campaign that has been waged against him. An individual of unsurpassed courage and integrity, Archbishop Romero has not allowed government persecutors to frighten him into silence or submission. He has remained a forthright and compelling advocate of human rights, nonviolence, and social progress—setting a standard in defense of human liberty which can be applied not only in Latin America, but throughout the world.

Because we believe that Archbishop Romero's conduct is an inspiring example for men and women everywhere who cherish freedom, we are proud to join with many people from various nations in asking that you give serious consideration to awarding Archbishop Oscar Arnulfo Romero y Galdames the Nobel Peace Prize.

Sincerely,

Members of Congress: Robert F. Drinan, Walter E. Fauntroy, Richard L. Ottinger, William S. Moorhead, William J. Stanton, Berkeley Bedell, Thomas J. Downey, Millicent Fenwick, Frederick W. Richmond, Stanley N. Lundine, Baltasar Corrada, William S. Green, Frank J. Guarini, Nicholas Mavroules, Don Edwards, William M. Brodhead, Robert W. Edgar, Tom Harkin, Stephen J. Solarz, Edward J. Markey, Ted Weiss, Vic Fazio, and Michael E. Lowry.

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Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Massachusetts.

Mr. DRINAN. I thank the gentleman for yielding.

Mr. Speaker, my colleagues from New York (Mr. WEISS) and I have called this special tribute to the El Salvador Archbishop, Oscar Romero, at a particularly timely moment in the history of this Central American nation. Recent events in El Salvador, and at the Conference of Latin American Bishops in Puebla, Mexico, have brought into focus the continuing polarization between the dictatorial regime in San Salvador, and the people of El Salvador.

The current crisis in El Salvador has only begun to be fully understood by the American people. Yet the continued need for a resolution to the grave human rights violations in that country goes on. El Salvador's human rights record is one of the worst in this hemisphere, with the outlook for improvement—bleak. In the "Report on Human Rights Practices in Countries Receiving U.S. Foreign Aid," recently released by the Department of State, numerous types of violations were cited. Detailed accounts of torture of prisoners by security guards, degrading treatment of prisoners, arbitrary arrests and imprisonments, frequent judicial delays, unwarranted searches of homes and religious sanctuaries, restricted freedom of speech, restricted freedom of the press, and restricted freedom of the right of assembly are cited in the report. Further, untold numbers of administrative improprieties, manipulation, and fraud have impaired the political process. In light of the fact that the El Salvador Government is a signator to the American Convention on Human Rights ratified in June 1978, clearly the human rights situation in El Salvador in nothing more than deplorable.

During the summer of 1978, the national guard detained two priests, and two church workers; one disappeared for a time and the other three were badly beaten. In July 1978, heavily armed security forces searched an urban Jesuit household for evidence of subversion and then invaded a rural parish house in an attempt to arrest a local priest. And only very recently, on January 20, a fourth priest was murdered when a band of armed militia units stormed a peaceful, nonviolent, nonpolitical meeting in a parish hall. Through a completely reliable source, and with the assistance of the Washington Office on Latin America, an eyewitness account of this deplorable event has been recorded. I have inserted the report into the RECORD on January 25, 1979, on page 1079. And in an article which appeared in the February 10, 1979, issue of America, Father James R. Brockman, S.J., explores the events in El Salvador firsthand. I am inserting this article into the RECORD at this time:

PERSECUTION IN EL SALVADOR

(By James R. Brockman)

Four parish priests have been murdered in less than two years in the San Salvador archdiocese. In March 12, 1977, Father Rutilio Grande, S.J., died in an ambush between the towns of Aguilares and El Paisnal, along with an old man and a boy. On May 11, 1977, Father Alfonso Navarro and a teen-aged boy were shot while talking in a parish house in San Salvador. Last November 17, security forces killed Father Ernesto Barreda and reported that he died in a shoot out with urban guerrillas in his parish on the outskirts of San Salvador. The archdiocese suggests, however, that he was killed elsewhere and his body taken to the scene of the battle. After the shoot out, an extremist captured with a wound in his throat appeared on television answering questions in writing for the police and journalists. The police later declared that he died of a bullet in the head during the skirmish, and so the only witness to Father Barreda's death disappeared.

Two days ago, Father Octavio Ortis, pastor of San Francisco Parish, was with a group of teen-aged youths in a retreat house owned by the archdiocese next to the rectory of San Antonio Parish. They were making a "Christian initiation course" with the help of a nun and a laywoman. At about 6 A.M., while all were still sleeping, security forces surrounded the building and sealed off the neighborhood. With an armored car, they broke down the door of the retreat house, named El Despertar, "The Awakening," and entered in a hail of gunfire. Father Ortis and four of the boys died, the priest of a crushed skull (perhaps the armored car ran over him), the boys of causes that I have not yet learned. Today's newspapers show two bodies on the roof of the building, where the boys may have fled from the bullets or where the police may have placed them.

For the police suggest that the boys were on the roof to shoot at the police. No guns are visible in the photos, however, and the police story is part of an amazing tale told by the security forces of a police patrol peacefully investigating a report of "something strange" going on in the retreat house and meeting gunfire from the building, of returning the fire and entering to find a terrorist training center, complete with a store of firearms and a mimeograph for turning out subversive literature.

The archdiocese immediately denied the Government version of the killings, and yesterday, in a funeral Mass concelebrated at the Cathedral of San Salvador, the Archbishop called it "a lie from beginning to end." He went on to contradict flatly President Carlos Humberto Romero, who a few days before had told Mexican journalists that there is no persecution of the church in El Salvador. "There is persecution of the church," said the Archbishop. The presence of the bodies on the cathedral steps, he said, "shows how untruthful that is." His words could also be translated: "Shows what a liar he is," referring to the President. However, I hesitate to interpret his words so strongly. Either way, once again battle lines seem to be drawn between the two Romeros. The softspoken Archbishop seems an unlikely man for such a role. Two years ago, the Government and the ruling class fought for his appointment, and priests and others committed to a pastoral approach of identification with the poor fought against it. But a few weeks after his installation, high-powered bullets cut down Rutilio Grande on the road to El Paisnal, and for Oscar Romero the shots were like the bolt that struck on the road to Damascus. Now he is clearly the moral leader of the church in El Salvador, loved by countless thousands of the ordinary people, for whom he speaks and who listen to his words each week on the Catholic radio, YSAX, and supported by his clergy, who know that any of them could be the next victim.

In his homily at yesterday's Mass, he summed up the state of things when he said: "The conflict is not between the Government and the church. The conflict is between the Government and the people. The church is with the people, and the people are with the church, thanks be to God." The Government and the ruling class it represents persist, however, in seeing themselves as beseiged by an army of terrorists, whom "Marxist" priests abet. Several groups of extremists who presently hold four kidnapped men has frustrated efforts to find them. The Archbishop and the clergy, however, never cease to condemn such tactics and appeal for the release of the captives and against violence. But their appeals for the release of political prisoners, for an end to killing of peasants, for a more equitable social order, are "subversive" and "Communist" to the rulers and to the newspapers that support them. The newspapers, while mentioning the archdiocese's version of the killings and printing pictures of yesterday's concelebration (in two of which America's correspondent appears), nevertheless give greater prominence to the Government's version and carry such banner headlines as "Five Killed in Confrontation" (today's La Prensa Grafica), and "Four Dead in Armed Clash" (yesterday's El Diario de Hoy). Today's El Diario de Hoy places next to the photo of the concelebration an unrelated story headed: "John Paul II Attacks Marxism Again."

Among El Salvador's five other bishops, Archbishop Romero can count on support only from Bishop Arturo Rivera of Santiago de Maria. His own auxiliary, Marco Rene Revelo, opposes him and was pointedly absent from yesterday's concelebration. It is Bishop Revelo that the bishops have elected to attend the Puebla conference. But Archbishop Romero will also be there, albeit without a vote, as a member of the papal commission for Latin America. In his homily yesterday, he asked his people permission to go to Puebla. Those of us who saw their faces and heard their applause do not doubt that he takes with him their support and their hopes.

In January 1978, I accompanied Prof. Thomas Anderson, one of the foremost scholars in North America on El Salvador, and John McAward, director of the international programs of the Unitarian-Universalist Service Committee, on an investigatory mission to El Salvador. During that trip I had the honor of meeting the Archbishop Oscar Romero. I was deeply impressed with this leader by his tremendous strength and commitment to a more righteous, egalitarian society in his country. Since my visit, I remain convinced that the United States must become fully aware of the events in that nation, and of the remarkable efforts of the archbishop in cultivating human rights.

To honor this special archbishop, who has remained vigilant in the face of great odds, over 20 Members of this body have joined me in nominating the archbishop for the Nobel Peace Prize. This nomination serves as a symbol to the people of El Salvador that the world has not forgotten, nor forsaken their efforts to achieve their rights of fundamental political expression. This nomination will serve as a sign of our gratitude to Archbishop Romero for his lead role in the struggle to secure these rights. I call on my colleagues at this time to join in praise of Archbishop Romero, and to wish him every success in his future endeavors.

Mr. WEISS. Mr. Speaker, again I want to commend our distinguished colleague for the tremendous leadership role he has asserted in this, as well as numerous other human rights efforts in this country and other parts of the world.

□ 1145

Mr. CORRADA. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I will be delighted to yield to the gentleman from Puerto Rico.

Mr. CORRADA. Mr. Speaker, I wish to join my colleagues today in bringing to the attention of all the Members of the House of Representatives the work that is being done by Archbishop Oscar Romero of El Salvador. As a cosigner of a letter nominating Archbishop Romero for the Nobel Peace Prize, I praise his commitment to the cause of human rights and a decent living for the people of El Salvador and all people throughout Latin America and the world.

The continued polarization which exists between the poor and the rich in that country has led to violence; just last January 20, another priest was killed and the violence shows no sign of abating. As the recently concluded Third Conference of Latin American Bishops held at Puebla, Mexico, continues to make clear, the job of a priest in Latin America is multidimensional, for they often have to deal not only with the spiritual well-being of their parishioners, but also with the day-to-day problems of subsisting which they face.

Archbishop Romero is an example of a priest who has been able to balance both obligations in order to lead his people toward a better life and I urge my colleagues to join me in recognizing his efforts.

Mr. WEISS. Mr. Speaker, I want to thank my distinguished colleague from Puerto Rico for the excellent comments he has made.

□ 1145

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the distinguished gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I commend the gentleman from New York upon one of the finest statements, if not the finest statement I have ever heard about the deplorable situation in El Salvador. As a person who has been very familiar with the plight of this tragic country, I commend my friend, the gentleman from New York (Mr. WEISS).

I know that he is going to continue in his crusade to do all that we can, all within our power, to bring about freedom and liberty in that country.

Mr. WEISS. I thank the distinguished gentleman from Massachusetts.

I am honored to be associated with him in this endeavor.

● Mr. LEHMAN. Mr. Speaker, I wish to join my colleagues in endorsing the nomination of Archbishop Oscar Arnulfo Romero of El Salvador for the Nobel Peace Prize.

El Salvador has one of the poorest human rights records in the Western Hemisphere, and Archbishop Romero has demonstrated remarkable courage in standing up to its brutal regime and defending the rights of the poor.

In the face of countless acts of violence committed against the peasants and the priests who have tried to help them, the Archbishop has responded as a true man of peace. He seeks a nonviolent solution to the enormous political and economic problems of El Salvador. His call for social and economic reforms, however, have met with charges of Communist subversion. His condemnation of tortures and unjust arrests have met with increased persecution of his church.

The Government of El Salvador has attempted in vain to discredit him. The increased international recognition of Archbishop Romero's moral courage and integrity will strengthen his efforts to achieve greater social justice for the people of El Salvador.

He is truly deserving of the prestigious Nobel Peace Prize and merits our support and admiration.●

● Mr. ROYBAL. Mr. Speaker, I would like to take this opportunity to add my words of support for Archbishop Oscar Romero and his nomination for the Nobel Peace Prize. As Archbishop of San Salvador, he has been an outspoken critic of government repression against the peasantry of his country—El Salvador.

El Salvador is Central America's smallest, most crowded country and is typified by a polarization of the rich and poor, the military and civilian. A resulting series of battles has caused the death or disappearance of hundreds of peasants, a number of wealthy businessmen, a government minister and at least two priests. Violations of human rights have been rampant and Archbishop Romero has surfaced as one of the few voices calling for social reform and an end to repression.

Until more just economic and social structures are created, the violence can be expected to continue. And despite the increasing threat of personal danger, Archbishop Romero has continued to speak out against injustice and to aid peasants in need. He has taken a clear stand against violence in expressing his concern for social justice.

Archbishop Romero's efforts to assist the impoverished people of El Salvador

regain "their inherent human dignity" are, indeed, worthy of recognition. He is a champion of the poor and the defenseless and is, in my opinion, an excellent candidate for the Nobel Peace Prize.●

CONGRESSMAN WHITE COSPONSORING HOUSE JOINT RESOLUTION TO AMEND U.S. CONSTITUTION TO ESTABLISH BALANCED FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 60 minutes.

● Mr. WHITE. Mr. Speaker, today I address the House both as Congressman RICHARD C. WHITE of the 16th Congressional District of Texas and as chairman of DRO, the Democratic Research Organization. I am joined here by several of my DRO colleagues to announce that I have introduced today, on behalf of myself and 44 other cosponsoring Democratic Members of the House who are members of DRO, a House joint resolution to amend the U.S. Constitution to establish a balanced Federal budget as the norm for managing the Federal Government's fiscal affairs, while providing the flexibility to handle situations when a balanced budget is not feasible.

After long, careful and thorough review of our budgetary situation together with the remedies available, the cosponsors of this proposed amendment and I have reached the conclusion that a constitutional amendment is the only effective way to make a balanced Federal budget the norm. Let me explain how we arrived at this view.

In late 1975 and 1976 the DRO Committee To Investigate a Balanced Federal Budget conducted hearings on this matter. Approximately 40 witnesses were heard from the President's Cabinet, Congress, academia, the Federal Government, and the business world. We studied these 1,600 pages of testimony carefully. Then, in mid-1978, I, as chairman of DRO, again contacted those witnesses who had appeared before the committee to get the further benefit and updating of their views. Only at the culmination of this lengthy process did we reach the conclusion that a constitutional amendment was the only effective remedy. On August 16 and 17, 1978, the committee report on these DRO hearings was published in the RECORD.

Let us look again at the record. Since 1961 the Federal budget has been in deficit every year except one. Conventional economic wisdom holds that budget deficits are beneficial to stimulate the economy in bad economic times, and that, correspondingly, good economic times should produce surplus budgets. Yet, a continuous chain of large budget deficits both in good times and bad has become the general rule since 1971.

We all know that large budget deficits fuel the fires of inflation and that the interest costs of the debt are staggering. The relationship between the deficits and inflation is unmistakable. Since the mid-1960's the U.S. economy appears to have suffered a permanent shift toward higher rates of inflation. Price increases averaged less than 2 percent a year from 1950 through 1964, but this average yearly rate of inflation almost tripled to 5.5 percent in the next 12 years. In 1978, it was about 9 percent. During the 1950-65 period, the Federal deficit averaged only $2.6 billion a year. Large deficits occurred during recessions, but the budget moved back toward balance or even to small surplus in periods of prosperity and rapid growth.

After the mid-1960's, all that changed. Federal deficits became much larger, and the budget usually did not move back to balance or surplus during upswings in the economy. Federal deficits averaged $23 billion a year from 1965 to 1978, which is almost nine times the average deficit for the previous 15 years. During the current fiscal year, when the economy is more than 3 years into a strong recovery, a $39 billion budget deficit is contemplated. The real problem is the lack of a responsible and disciplined fiscal policy.

Speaking of the need for fiscal responsibility, former Federal Reserve Board Chairman Arthur Burns made the following comment in an interview in the July/August 1978 issue of Public Opinion magazine:

> I think we need to introduce some firm discipline into the management of fiscal affairs. Simple majority government has led us into the position in which we now find ourselves—with deficits persisting year in and year out, with inflation itself accelerating in this country at a time when the rate of inflation is diminishing in most other parts of the world. The legislating of deficits by simple majority rule has led to a depreciation of the dollar in foreign exchange as well as in domestic markets. It has led to great uncertainties about the future of free enterprise in our country. It has led also to a lowering of our national prestige.

Whether the rule should be a two-thirds majority in order to run a deficit, or a 60 percent majority, I don't much care. But in view of the experience that we have gone through, something more than a bare majority is needed to regain responsibility in financial and economic management.

Faced with this situation, we have no alternative but to make balanced Federal budgets the norm.●

● Mr. NELSON. Mr. Speaker, it is truly an honor for me, as a new member of this body, to rise to indicate my support for and sponsorship of the House joint resolution requiring a balanced Federal budget introduced by my distinguished colleague, RICHARD C. WHITE of Texas. With the passage of this resolution, the Congress will be taking the next logical step in its effort to build a budgetary process which is manageable, effective, and most importantly, credible to the men and women paying the bills, the American taxpayer.

This amendment, supported by 45 Members of this body, would require a balanced Federal budget, except when we declare a national emergency because of war or economic disaster.

With the creation of the Congressional Budget Office, and the establishment of the Senate Budget Committee and the House Budget Committee, on which I am privileged to serve, the Congress has provided a method for obtaining the information on which budgetary decisions should be made. That process, although still in its infancy, seems to be working well. No longer must we solely rely on information supplied by the executive branch—information which in the past has so often been self-serving. We must now commit ourselves to taking the next step toward fiscal responsibility. The Federal deficit is, in my view, a major cause of the inflation which is gripping our Nation. It must be stopped in all but the most dire circumstances.

We must no longer ask ourselves only if the people of this country want a program, we must now ask if they can afford a program.

The history of this country over the past 40 years has amply demonstrated that the temptation for legislators not to say "No" to groups continually asking for more funding is simply too great to be overcome through the exercise of self-discipline and self-restraint.

We talk a lot about balancing the Federal budget, but when the time comes to cut spending, we do not respond. I have, therefore, come to the conclusion that the only way to bring spending under control and to balance the budget as soon as possible is to impose the discipline this Congress needs by way of a constitutional amendment.

Mr. Speaker, this resolution will force the United States to live within its means. Yet it preserves the ability of the Congress to respond in times of war or economic disaster when unusual measures are necessary to assure the stability of our free market economy.

The country is demanding restraint in spending. Only with the restrictions provided in this amendment can the people be assured of that restraint.●

● Mr. DE LA GARZA. Mr. Speaker, today's special order for the resolution proposing a constitutionally balanced Federal budget is an event worth celebrating. Only a prior, personal commitment prevents my being in Washington to share in the historic occasion—but this statement is a reminder that I am with you in spirit, if not in body.

It is said that all good things come to those who wait. Well, I and all who share my deep concern for the fiscal integrity of our beloved Nation have waited a long time indeed. After working toward this end for so long, now our time has come.

Recent events have indicated that the people have had enough of local and State government spending programs and taxes with ever-upward spiraling costs that are driving up inflation to where it is oppressive to everyone who works for a living—and even those who do not. The same would apply to the Federal Government.

Although I have never been a big spender, neither have I been an irresponsible budget cutter for publicity's sake. I believe, as a Member of the House, that I have used a discerning eye and exercised considerable prudence in reaching final judgment on every program, proposal, or appropriations measure which came before me. So as I applaud the actions of so many I also caution them in their rush to judgment. The scalpel, not the meat ax, should be employed with skill.

But the sentiment to which the people themselves are now giving expression throughout the country was very much on my own mind way back in 1965, when, on January 4—my very first day in Congress—I introduced the first of eight joint resolutions—spanning a period of 15 years—that called for the balancing of the Government's books. I could not get cosponsors, or hearings, many of my colleagues laughed, but we continued our efforts. And look where we are today.

Though then a lonely voice in the wilderness, I had determined that only an amendment to the Constitution, mandating pay-as-you-go Government—such as we have in the State of Texas—would serve to bring Federal spending under control. And so I introduced in the House a resolution proposing a constitutional amendment to provide that Government appropriations should not exceed Government revenues, except in time of war or national emergency.

In the years that followed, other voices were raised, and in each succeeding Congress, they grew louder in their plea for national fiscal sanity. Now dozens of similar congressional resolutions stand beside mine—and I am pleased to add my name to this one, as well as my support.

Mr. Speaker, I urge that this Congress now consider a proposal whose time has clearly come. The cosponsors of this measure come from both sides of the aisle, and from all over the country. In the present climate, three-fourths of the States should have no trouble at all in transforming an income-outgo resolution into the next amendment to the Constitution of the United States. It is not so lonely any more.●

● Mrs. HOLT. Mr. Speaker, when I first came to Congress more than 6 years ago, among the first bills I introduced was a proposed constitutional amendment to require a balanced Federal budget except in times of national emergency. I have continued to sponsor and cosponsor such legislation until this very day, and I am pleased that many States of the Union are demanding such action.

Placing constitutional limits on the power of the Federal Government to incur debt is an extremely important goal. Immense Federal borrowing in the capital markets is an inflationary force.

However, there are difficulties in addressing this problem in terms of balancing the budget. First, there is the issue of off-budget borrowing that will run to $12 billion in 1979. Secondly, there is the question of how to prepare a balanced budget when the desired result depends on estimates of revenues and outlays affected by changing economic conditions. We also face the issue of how to define a national emergency. And I am constantly aware that a budget can be balanced by increasing the tax burden, a prospect which alarms me.

It is doubtful whether these concerns can be adequately resolved in a constitutional amendment to require a balanced Federal budget, but we can achieve our goals by other means in a constitutional mandate. I have prepared an amendment which I believe solves some of the major difficulties inherent in the balanced-budget approach, but would bring us to that same result. My amendment says:

> Congress shall not make any change in tax law that would increase the revenue of the Federal Government, or take any action that would have the effect of increasing the public debt, except by affirmative vote of not less than two-thirds of all Members elected to each House of Congress.

This amendment would cover off-budget borrowing. It controls congressional action on taxes and debt without relying on estimates based upon economic variables. The condition of national emergency is defined by the requirement for a two-thirds vote, which would be extremely difficult to obtain except under conditions of true national emergency.

I have asked for cosponsors on this constitutional amendment. I hope that many Members who have sponsored or cosponsored balanced budget amendments will join me in cosponsoring this formulation that would bring us to the same result.●

● Mr. ICHORD. Mr. Speaker, the legislation which the members of DRO have introduced today is the product of 3 years of intense research on the part of myself and my colleagues in the Democratic Research Organization. In 1975, DRO established an Ad Hoc Committee To Investigate a Balanced Federal Budget at my request. As its chairman, I took testimony from 39 expert witnesses including William E. Simon, then-Secretary of the Treasury; Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System; Dr. Alan Greenspan, Chairman of the President's Economic Advisers; Elliot Richardson, Secretary of Commerce; Carla Hills, Secretary of Housing and Urban Development; Roderick Hills, Chairman of the Securities and Exchange Commission; James J. Needham, chairman of the board of directors of the New York Stock Exchange; Alice Rivlin of the Congressional Budget Office; Elmer Staats, Comptroller General; Dr. Leon W. Taub, vice president of Chase Econometric Associates; and numerous other representatives of government, academia, and business. Consistently and convincingly, the testimony of these witnesses advocated one step toward a health economy: a balanced Federal budget.

And then came 1978. An inflation rate of 9 percent, an unemployment rate of 6 percent, and an fiscal year 1978 budget deficit of $48.8 billion combined to burden the American public with one of the financially toughest years in recent memory. And, symbolized by proposition 13, the public mandate has also been consistent and convincing: a balanced Federal budget.

In response to urging from both the experts and the public, as well as a growing number of State legislatures (currently the number is 27), DRO established a second committee to develop language for a constitutional amendment, which I also chaired. Again with the guidance of respected economists, we devised an amendment which would require a balanced Federal budget except in times when a deficit would be necessary or desirable. We defined the areas of Federal expenditures which would be affected by the amendment, and we set forth a process through which any deficit—anticipated or unanticipated—would be swiftly reduced. It is this legislation which nearly 50 DRO members proudly introduce today.

Mr. Speaker, the Nation now has a national debt of $781.1 billion with an interest charge of $57 billion for the next fiscal year. We are currently considering a fiscal year 1980 deficit of $29 billion which, together with off-budget items, could swell to twice this size. The experts tell us that deficits lead to inflation and to unemployment and to lowered productivity and investment. And the public tells us that these figures which we juggle so casually translate into human costs as well.

It is high time that we face reality. We can no longer labor under the illusion that Government spending can solve every problem—that deficit spending will continue to gallop to the rescue and support us forever in this manner to which we have become so accustomed. Deficits are a cause, not a cure, of inflation. And if inflation is allowed to continue, the one dream which we want to sustain—that of competition for every citizen in a climate of freedom and opportunity—will be eroded slowly but surely.

Mr. Speaker, our wants exceed our resources. A budget staffed to the brim with goodies for specified constituencies may pacify some folks, but a budget trimmed down to the necessities promises to take the edge off inflation and higher taxation for us all. And until we prove that we have learned this economic lesson, we will continue to spawn hundreds of special interest groups that stamp their feet like spoiled children when they do not get a large enough piece of the Federal pie.

After 3 years of study of the problem of achieving a balanced budget, I can well understand the reluctance of certain economists to mandate fiscal constraints which in their view would tie the hands of the Congress and the Executive, making it more difficult to respond to emergencies; to prime the pump when the economy is slow; or to take the opposite steps when the economy is too hot. They are merely stating the ideal and we all know what the ideal is. The political reality is that the Congress and the President have only balanced the budget one time in the last 19 years and the politically sophisticated know that the chances of doing so in the future are almost impossible without some kind of mandatory fiscal restraint. Everyone knows that what we are doing is wrong but those who would correct our misdeeds do not want to reduce spending for their own favorite projects. The result is we continue on an economic merry-go-round year after year.

My district, like yours, is full of frustrated taxpayers who see their hard-earned and sorely needed dollars being spent for exactly what they need the least—bigger, greedier, inflationary Government. As they struggle once again

this year to balance their own personal budgets against the cruel odds of high taxes, high costs, and decreasing purchasing power, let us take steps to pass legislation which will make a balanced Federal budget and a healthier economy a norm, not a luxury. Then, and only then, will we regain our distinction as a Union made of ideals—not appetites.●

LITHUANIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, it was a privilege to reserve this special order in commemoration of Lithuanian Independence Day and I want to thank all of the Members who are joining me today to help focus attention on the plight of the Lithuanian people who continue to struggle, to pray, and to work for the day when Lithuania can once again enjoy liberty.

Sixty-one years ago, on February 16, 1918, a courageous people proclaimed to the world its right to stand proudly among free countries. The very brief time—less than a quarter of a century—that the Lithuanian people enjoyed the privilege of living in independence has left an important impression on the Lithuanian people, and the years of Communist domination and Nazi occupation have made their love of freedom all the more keen.

Lithuania has been known to history for almost a 1,000 years. During the Middle Ages, education and religious toleration were encouraged, and as a result, the people of Lithuania enjoyed more freedom than their neighbors in adjoining areas. Her people have been strong in faith and spirit surviving as a cultural and political entity during long periods of foreign domination.

One of the first duties of the representatives of the Lithuanian people after they signed the Declaration of Independence of Lithuania on February 16 was the adoption of a national flag for the new state. The new national flag of three horizontal bars symbolized the natural beauty of the Lithuanian countryside as well as the courage of its people. At the top was a bar of deep yellow, symbolic of the golden rye fields and agricultural wealth of the land. In the middle came a rich green stripe, a reminder of the abundant forests and natural resources of Lithuania. The deep red bar at the bottom of the flag symbolized the blood shed by Lithuania's sons in the defense of freedom.

Mr. Speaker, the text of the national anthem of Lithuania follows as published in a booklet entitled, "Lithuania," published by the Lithuanian American Council of Chicago, Ill.:

NATIONAL ANTHEM OF LITHUANIA

Lithuania, our country,
Land of might you'll ever be;
Through the ages your fond sons
Have gathered strength from thee.
Lithuania, your children
Paths of righteousness shall tread;
For their native land they'll labor
Earth's aspiring aims they've bred.
Fount of light, may your bright sun
Pierce all that's in darkened sheen,
Show us Truth's noble way,
And we'll follow in your gleam.
In our hearts, Lithuania,
Love for you will dwell fore'er
Spirit of the world is soaring
Caught in your exalted glare.

Under the brutal domination of Soviet communism, the Lithuanian people have been under intense pressure to forsake their history and traditions, and to this day, Lithuanians have proudly resisted outside pressures and remain faithful to their language, culture, and religion.

Mr. Speaker, excerpts on the lack of religious freedom in Lithuania from a publication by the Lithuanian Roman Catholic Religious Aid entitled, "In Defense of Human Rights" follows, as well as an excerpt on cultural freedom from a publication by the Lithuanian American Community entitled, "The Violations of Human Rights in Soviet Occupied Lithuania:"

EXCERPT FROM "IN DEFENSE OF HUMAN RIGHTS"

In 1940, when the Soviet Union occupied Lithuania by force, 85.5% of the country's more than 3 million inhabitants were Roman Catholic, 4.5% Protestant, 7.3% Jewish, 2.5% Orthodox, and 0.2% of other persuasions.

In the two archdioceses and four dioceses were: 706 churches, 314 chapels, 73 monasteries, 85 convents, three archbishops, nine bishops, 1271 diocesan priests, 580 monks, of whom 168 were priests. Four seminaries had 470 students. There were 950 nuns.

Nuns cared for 35 kindergartens, 10 orphanages, 25 homes for the aged, two hospitals, a youth center, and an institute for the deaf-mute.

There were 18 Catholic primary schools, and the same number of Catholic high schools. Religion was taught in all public schools.

Catholic organizations numbered about 800,000 members. In 1935, there were 28 Catholic magazines and newspapers, with a total circulation of 7,000,000.

On June 15, 1940, the Red Army marched into Lithuania; the independent government was replaced by a puppet regime.

On July 14–15, rigged elections were staged. On July 21, with the Red Army surrounding the assembly house, the new People's Diet "unanimously" declared Lithuania a Soviet Socialist Republic.

On June 25, 1940, the Church was declared separate from the state, and the representative of the Holy See was expelled.

Parish lands were confiscated, clergy salaries and pensions were cut off, and their savings confiscated. Churches were deprived of support. Catholic printing plants were confiscated, and religious books destroyed.

On June 28, 1940, the teaching of religion and recitation of prayers in schools was forbidden. The University's Department of Theology and Philosophy was abolished, and all private schools were nationalized. The seminaries at Vilkaviskis and Telsiai were closed, and the seminary at Kaunas was permitted to operate on a very limited scale. The clergy were spied upon constantly.

On June 15, 1941, 34,260 Lithuanians were packed off in cattle-cars to undisclosed points in the Soviet Union. After World War II, the mass deportations resumed and continued until 1953.

Relaxation of pressure on religious believers soon revealed that the Lithuanian people were still deeply religious. It was decided in the mid-fifties to resume the attack. The principal means of attack would be unlimited moral pressure, since physical terror seemed only to strengthen and unify the faithful.

In 1972, the *Chronicle of the Catholic Church in Lithuania*, clandestinely published in that country, began to reach the free world at irregular intervals. Primarily intended to keep Catholics in Lithuania informed of the situation of the Church there, these Lithuanian *samizdat* also serve as a constant appeal to the free world not to forget the plight of a people struggling against overwhelming odds to defend their religious beliefs and to regain their basic human rights.

EXCERPT FROM "THE VIOLATIONS OF HUMAN RIGHT IN SOVIET OCCUPIED LITHUANIA"

The situation of the Lithuanian language is difficult. Five times as many Russians are living in Lithuania today than prior to World War II, especially in Vilnius and Klaipeda. Therefore, in some offices it is impossible to make oneself understood in Lithuanian, for instance, in the Vilnius railway station in some post offices, on the street with the policemen on duty, etc. In Latvia, where on the eve of the war there were eighteen Lithuanian schools, they have all been closed. Many lands, recognized as part of Lithuania by the peace treaty between Lithuania and the Soviet Union, signed on July 12, 1920, today are under the Belorussian administration. Lithuanians are autochthonous in those lands. They have no Lithuanian schools, while in Apsas and Vydsiai the churches have been closed; the church of Pelesa, built by Lithuanians after World War I, has been transformed into a warehouse, its towers have been razed, while Rector Vienazindis was imprisoned in 1950. Consequently, Lithuanians in Belorussia have no schools, no churches, and Lithuanian priests are not allowed to take up residence there.

The census data indicate that the number of Russians and of Poles in Lithuania is about equal, but various advertisements, slogans, posters, booklets, etc. in Vilnius are in two languages—Lithuanian and Russian—only. There is a Russian drama theatre in Vilnius, Russian-language classes are set up in Lithuania's higher education establishments, while the Polish language is allowed only in the Vilnius Pedagogical Institute.

The smaller national minorities are faring even worse. During the war, the Jews suffered more than any other inhabitants in Lithuania. Prior to World War II, they had 122 primary schools, three grammar schools, and 14 high schools. At present, the Jews do not have a single school, or a press of their own, although, according to the 1970 census data, there were 16,000 of them in Vilnius alone, and 4,000 in Kaunas. Twenty-four thousand declared themselves as Belorussians in Vilnius, but they do not have their own school and the Belorussian religious services were also abolished in churches in the postwar years. When private schools were forbidden after the war, the Karaites suffered a special loss, because the *Keness* (Karaite place of worship. Ed.) of Trakai had a parochial school attached to it; the Tatars also suffered a wrong with the closing of their mosques and schools.

The Lithuanians in Latvia are given the explanation that, if they want to study in Lithuanian, they must go to Lithuania, but the Russians are not told that their children should go to Russian to learn Russian. The Ministry of Education has specified that the curriculum of the senior class in Lithuanian high schools contain only four weekly hours of Lithuanian language and five hours of the Russian language. The same Ministry manages to demand and obtain a fluency in Russian from all Lithuanian graduates, but the same Ministry is helpless to make the same Russian graduates to learn at least a little Lithuanian. The publishing houses have even gone further: in some Lithuanian books Russian texts are now being printed without a Lithuanian translation. Various administrative officials and the press have begun talking about the bilingualism of Lithuanians—the Lithuanians are alleged to like Lenin's language. But what is to be done if in Lithuania itself it is impossible to communicate in Lithuanian?

Today, only old maps of Europe show Lithuania as a distinct entity, but the newer ones display her territory as part of the Soviet Union. However, the U.S. Government and other great Western powers have steadfastly maintained a policy of nonrecognition of the forcible annexation of Lithuania. All Americans must continue to encourage the heroic Lithuanian people in the continuing struggle for freedom and must speak out against the Soviet policies of Russification and their brutal attempts to absorb the Baltic States and destroy them as peoples.

It is for this reason that I introduced a House concurrent resolution, the text of which follows:

HOUSE CONCURRENT RESOLUTION

Expressing the sense of the Congress with respect to the illegal annexation by the Soviet Union of Estonia, Latvia, and Lithuania.

Whereas the United States does not recognize the illegal annexation by the Soviet Union of the Baltic nations of Estonia, Latvia, and Lithuania;

Whereas the United States as a member of the United Nations has pledged, in article 55 and 56 of the United Nations Charter, ". . . to take joint and separate action . . ." to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion";

Whereas the House of Representatives Select Committee to Investigate Communist Aggression of the 83rd Congress thoroughly investigated the seizure of the Baltic nations by the Soviet Union and, in its Third Interim Report, concluded, "The evidence is overwhelming and conclusive that Estonia, Latvia and Lithuania were forcibly occupied and illegally annexed by the U.S.S.R.";

Whereas the United States, as a signatory to the Final Act of the Conference on Security and Cooperation in Europe, endorsed Principle VIII, relating to equal rights and self-determination of peoples, which states, ". . . all people always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development. . ." and, "The participating States . . . also recall the importance of the elimination of any form of violation of this principle."; and

Whereas the House of Representatives in the 94th Congress, by adopting H. Res. 864 reaffirmed the United States policy with respect to the Baltic nations (and thereby urged positive actions): Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the President should enter into negotiations with the Soviet Union to secure the withdrawal from Estonia, Latvia, and Lithuania of all military forces and political, administrative, and police personnel not under the auspices of those respective countries;

(2) another purpose of such negotiations should be to secure the release of political prisoners of Estonian, Latvian, and Lithuanian nationality from prisons, labor camps, psychiatric institutions, and other detention centers within the Soviet Union and their return to the countries of Estonia, Latvia, or Lithuania, as the case may be;

(3) the President should instruct the United States delegation to the preparatory meeting of the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe to present as specific agenda items—

(A) the illegal seizure and annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and

(B) the denial by the Soviet Union of self-determination and territorial integrity to Estonia, Latvia, and Lithuania by the Soviet Union; and

(4) the President should make every effort to gain the support and cooperation of all nations in achieving the objectives of the negotiations set forth in paragraphs (1) and (2) and in securing the agenda items set forth in paragraph (3).

Mr. Speaker, I proudly join with Americans of Lithuanian descent in my own 11th district, which I am honored to represent, in the city of Chicago, and all over this country as they share with Lithuanians everywhere the fervent prayer that their bravery and strength of character will soon be rewarded, that right will triumph over injustice, and that Lithuania will be free once more.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I would be happy to yield to my colleague, the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate what our friend, the gentleman from Illinois (Mr. ANNUNZIO) has done to bring to the attention of the House of Representatives, as he has done in such a constructive way, the desires of the people in Lithuania to be free. The gentleman from Illinois has always been a strong supporter of the concepts of freedom for those who presently find themselves behind the Iron Curtain. My colleague has been a champion of the many people who are literally in chains under oppressive dictatorships and further, he knows that the people in Lithuania look to America for the concepts of freedom and liberty and for support in the hope that some day they will again be a free people and live under true independence.

Mr. Speaker, I would like to join my colleagues and the Lithuanian-American community in commemorating the 61st anniversary of Lithuanian Independence Day. It is my wish that one day Lithuania will again be a free and autonomous nation and that her heritage of heroism, bravery, and dedication to the right of freedom will continue to be a source of inspiration for all of the oppressed peoples of the world.

It was after World War I that an independent Lithuania emerged as a free nation and declared her independence from a long history of Russian and German rule. The small country's declaration marked the beginning of a fight for freedom and resulted in an independent nation, truly capable of achieving tremendous social and economic strides.

Today, no flags of independence are flying. The country's independence was seized in 1940 by the Soviet Union and she has remained under Communist dominance for the past 39 years without any opportunity for the self-government she once enjoyed and prospered under. Miraculously, Lithuanians still remember their freedom and they have continually resisted Soviet attempts to destroy their strong unity and identity. An ardent desire for autonomy survives in Lithuania today which is reflected in the way the people steadfastly adhere to their cultural heritage which embraced the value of freedom. It is deplorable that the Soviet Union continues to deny Lithuanian citizens the right to exercise the principle of self-determination and continues to suppress their human rights. As Lithuanians struggle to practice the freedom their declaration of independence once gave them—their culture, literature, customs, and religion, they live in constant fear of Soviet retaliation for these efforts.

As our Nation champions the cause of freedom and human rights throughout the world, let all Americans, Mr. Speaker, show compassion to Lithuanians and hope that some day they will be allowed to realize their God-given rights we enjoy and they once declared.

I thank my colleague for taking this time to bring to the attention of the House a recognition of this important day and what it means as a symbol for freedom.

Mr. McCLORY. Mr. Speaker, will the gentleman yield to me?

Mr. ANNUNZIO. I would be pleased to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I am pleased to participate in the special order.

On the occasion of the 61st anniversary of the Declaration of Lithuanian Independence, I wish to give assurances of my continuing support of the efforts of the citizens of Lithuania and of all Lithuanian Americans. Their ongoing struggle to help their homeland of Lithuania once again to regain her freedom and independence from Russia is an example to us all of unquestioning commitment to a worthy goal.

I am proud of the Lithuanians who reside within the 13th District of Illinois, including my friend, Ed Skalisius and my District Administrative Assistant, Dee Kweder Griesheimer. They not only persist in their efforts to keep alive the great traditions and culture of their country, but also earnestly strive to assist their fellow countrymen to regain that valued privilege of liberty which we in this country hold so dear.

I have read the resolution which the Joint Baltic American National Committee has proposed with respect to the feelings of and the efforts by the United States to assist these courageous and freedom-loving people. It is my understanding that Congressman ED DERWINSKI is planning to introduce a similar resolution soon, and I plan to support

and be an original cosponsor of that resolution.

Mr. Speaker, it seems as if the hardships the Lithuanians have undergone in the past 61 years have only strengthened their determination to be free from Russian oppression. As the Lithuanians in my district and throughout the world commemorate this great occasion, I urge them to continue their valiant and dedicated efforts in behalf of the great citizens of this small but important Baltic country.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the contributions of my good friends, the gentleman from California (Mr. ROUSSELOT) and the gentleman from Illinois (Mr. MCCLORY). I am sure that the Lithuanians throughout the entire world will be grateful for their encouraging remarks.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I am pleased to yield to my distinguished colleague, the gentleman from Ohio.

TAIWAN—A BIPARTISAN ISSUE FOR THE 1980 ELECTIONS

● Mr. ASHBROOK. Mr. Speaker, some idea of the severe and intensive opposition which followed the sellout of Taiwan by this administration can be gleaned from recent remarks of National Commander in Chief Eric Sandstrom of the Veterans of Foreign Wars. Recalling President Franklin Roosevelt's observation when Benito Mussolini invaded helpless France in 1940 that the hand that held the dagger plunged it into the back of its neighbor, Commander Sandstrom stated:

The Republic of China has been accorded the diplomatic equivalent of Mussolini's 1940 action.

Fortunately, the VFW does not intend to indulge in handwriting and commiserating over this tragic action but is looking to the 96th Congress for corrective action on a bipartisan basis. The use of the 7th Fleet "as a shield and guarantor of the Republic's safety" is one specific recommendation by the VFW national commander.

A bipartisan approach to the Taiwan question is, of course, the only way to go as the responsibility for Free China's present tragic state must also be shared on a bipartisan basis. A Democrat administration presided over the fall of Chiang Kai-shek and the mainland in 1949; Republican leaders softened up free world opposition to Red China by visits to Peking; and it remained for the present administration to effect a Jekyll-Hyde transformation of a barbarian regime into one of respectability by diplomatic recognition, while at the same time rendering our longtime friend and ally a geopolitical nonentity.

In true bipartisan fashion Congressman John F. Kennedy in 1949 criticized his own Democratic administration when the Nationalist government fell:

This is the tragic story of China whose freedom we once fought to preserve. What our young men had saved, our diplomats and our President have frittered away.

Present-day "diplomats and our President" have again further crippled our Taiwan ally and the present home of the free Chinese by helping to remove Taiwan as a recognized state among the family of free nations.

There are almost 30 million veterans in the United States, many of whom were the "young men" cited by John Kennedy in the above-mentioned quote. Concerned veterans, and concerned voters in general, would do well by adopting Commander Sandstrom's directive for the future and getting their message through to Congress:

We will work in a bipartisan way with members in the 96th Congress who share our sense of outrage and betrayal.

I insert at this point the VFW press release of December 18, 1978, along with the exchange of letters between Commander Sandstrom and Secretary of State Cyrus Vance.

V.F.W. LEADER: "THE HAND THAT HELD THE DAGGER . . ."

WASHINGTON, D.C.—Mr. Eric Sandstrom, decorated Marine Corps veteran who serves as National Commander-in-Chief of the Veterans of Foreign Wars of the United States, today recalled, as applying to President Carter's betrayal of Free China, some words spoken in 1940 by President Franklin D. Roosevelt on the occasion of Benito Mussolini's invasion of prostrate France: "The hand that held the dagger plunged it into the back of its neighbor."

"The Republic of China," Mr. Sandstrom continued, "has been accorded the diplomatic equivalent of Mussolini's 1940 action.

"The President chose a weekend during the Christmas season with Congress out of session to announce his cave-in to all three Communist Chinese pre-conditions for recognition. His almost covert message, of necessity, spared us any mention of 'human rights' on the Communist Mainland.

"As far as the V.F.W. is concerned:

"We will work in a bi-partisan way with members in the 96th Congres who share our sense of outrage and betrayal.

"We will seek to initiate prompt and practical military steps to assure the security of Free China; for but one example, using the U.S. Seventh Fleet as a shield and guarantor of the Republic's safety."

Mr. Sandstrom concluded by noting:

"I attach hereto copies of recent correspondence, initiated by me, on this matter with Secretary Vance. I note with sadness Mr. Vance's now hollow assurance that 'it is not the intention of the U.S. government to abandon Taiwan.'

"If the English language has any use as a conveyor of meaning, that is *exactly* what President Carter has done.

"Finally, the England of the 19th century earned the description of being 'Perfidious Albion' because of the mechanical way in which allies were either sought or shed. We Americans, to this point, have stood by our pledged word. Our people, unlike this Administration, are not cynical.

"I close with a question for the so-called 'realists' who abandoned Free China: how do you think Menachem Begin views American assurances today? And, can you 'realistically' blame him?"

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
October 5, 1978.

Hon. CYRUS VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: There has developed a pattern of U.S. conduct towards our friends and allies from the Republic of China that may not have been brought to your official attention.

My Washington staff, at my request, has investigated the range of U.S.-Republic of China official contacts and reported to me the following chronology:

(a) ROC Ambassador Shen, among other envoys, met with President Carter at a White House reception which was held for the Diplomatic Corps immediately after the President's inauguration. Since that formal occasion, Ambassador Shen has not had a private audience with the President.

(b) On September 10, 1977, you received Ambassador Shen at the State Department after your August visit to Mainland China. Since then, we have no evidence of any further contact between you and the ROC Ambassador.

(c) Prior to Mr. Brzezinski's visit to Mainland China (May 20–25, 1978), Ambassador Shen tried several times (through Michael Oksenburg of the NSC) to meet with Mr. Brzezinski, but our ally was told that Mr. Brzezinski had no time to spare before his trip. Instead, I understand that Mr. Oksenburg promised Mr. Brzezinski would see Ambassador Shen soon after Mr. Brzezinski returned. Nothing has happened.

(d) Incredibly, no Senior American military official has seen fit to visit the U.S. Taiwan Defense Command since Admiral McCain's period as CINCPAC, some years back.

This pattern apparently pre-dates the current Administration. For but one example, it was only following vigorous V.F.W. objections that former Vice President Rockefeller was added to the U. S. delegation that journeyed to the Republic of China to attend the funeral of President Chiang Kai-Shek.

I understand the geo-strategic imperatives that undergird our emerging relationship with Mainland China—principally the 45 Soviet Divisions along the Sino-Soviet frontier which, I suspect, caused the Mainland Chinese to approach us in the first instance.

Two things strike me as being certain:

(1) The Mainland Chinese will develop not respect, but contempt, for an America that does not meet its obligations; and,

(2) We will never make new friends by betraying old allies.

Throughout this period I have been deeply impressed by the magnificent display of correctness and good manners provided by our friends from the Republic of China. We are losing by not listening to them.

I regret that our members and posture have not been equally admirable.

I urge you to:

(a) Meet with Ambassador Shen;

(b) Arrange an appropriate meeting between the Ambassador and President Carter; and,

(c) Permit and encourage the U. S. Military—notably CINCPAC—to visit the Republics of China on Taiwan as a matter of high importance to the command.

I look forward to hearing from you on this matter of central importance.

Sincerely,

ERIC SANDSTROM,
National Commander-in-Chief.

THE SECRETARY OF STATE,
Washington, D.C., October 27, 1978.

Mr. ERIC SANDSTROM,
National Commander-in-Chief, Veterans of Foreign Wars of the United States, Washington, D.C.

DEAR MR. SANDSTROM: Thank you for your letter about the United States Government's China policy and our relations with the Republic of China. Let me respond to the points you raised.

Ambassadors do not meet with the President as a matter of course. Nonetheless, Ambassador Shen has had access to a number

of senior Department of State officials. I have met with him, as have the Under Secretary for Political Affairs and the Assistant Secretary for East Asia and Pacific Affairs. Because the State Department is in close and frequent contact with the Embassy of the Republic of China, I do not believe its representatives have encountered any obstacles to the conduct of business with our Government.

Concerning your assertion that "no Senior American military official has seen fit to visit the US Taiwan Defense Command since Admiral McCain's period as CINCPAC," it is a fact that a number of flag and general rank officers have recently visited Taiwan. For example, Vice Admiral Foley (Commander, Seventh Fleet) was there in September, Major General Poston (Commander, 13th Air Force) visited in January and August of this year, and Brigadier General Schwarzkopf (CINCPAC Deputy Director for Plans) was there this month.

Finally, I want to assure you unequivocally that it is not the intention of the US Government to "abandon" Taiwan. The President and I believe that it is most important for peace in East Asia and in the world that the United States achieve a normal relationship with the People's Republic of China.

However, as we have both said many times, in pursuing improved relations with Peking, the Administration has no intention of ignoring the wide range of mutually beneficial relations we maintain with Taiwan or jeopardising the prospect that the people on Taiwan will continue to live peacefully and prosperously.

Sincerely,

CYRUS VANCE.●

Mr. ANNUNZIO. Mr. Speaker, I thank my colleague, the gentleman from Ohio (Mr. ASHBROOK), the ranking minority member of the Committee on Foreign Affairs, for his very excellent statement, and I deeply appreciate his joining all of us today in paying tribute to the Lithuanian people.

● Mr. BUCHANAN. Mr. Speaker, today we commemorate the 61st anniversary of the declaration of independence of Lithuania as we have commemorated it for too many years—with deep sorrow.

In Lithuania today, there is no independence, except in the hearts and minds of the people who seek to be free. There is no independence from the tyranny of Moscow which seeks to eradicate the cultural heritage of a proud people. Nor is there independence from a government in Moscow which has used its might to stifle religious expression.

Daily, Lithuanian citizens seek the rights guaranteed them by the Soviet Constitution and by the Final Act of the Conference on Security and Cooperation in Europe. Daily these rights are blatantly violated. The people of Lithuania are denied their basic rights while in their country. At the same time, they are often prohibited from exercising their right to emigrate.

Mr. Speaker, it is my prayer that one day we can truly celebrate a Lithuanian independence day on which the people of Lithuania will be free not only in mind and in spirit but in fact.

This is a goal to which we ought to commit ourselves and our Nation.

For too long in too many nations strong and proud peoples have been subjugated—peoples whose contributions to the future of the world would be tremendously enhanced by their freedom. Lithuania is such a nation.

Perhaps one day the light which did shine 61 years ago today will truly shine again. If that is the case, the world will truly be a brighter place.●

● Mr. FORSYTHE. Mr. Speaker, as Americans, we live in a country where we have the right to live and express ourselves freely, without fear of government reprisal. Our freedom is so much a part of our lives that we sometimes take it for granted, forgetting that it was won as a result of our forefather's steadfast refusal to accept the rule of an unfair government.

We also sometimes forget that in other countries of the world the rights which we enjoy are denied. We are free to celebrate our Independence Day with patriotic speeches, fireworks, parades, and picnics, but tomorrow Lithuanians will not be able to celebrate the 61st anniversary of their Declaration of Independence from the Soviet Russian Empire on February 16, 1918. Their freedom is only a memory and a dream of the future.

Lithuanians enjoyed just 22 years of freedom from Soviet domination before the Soviet Army invaded and again annexed their country in 1940. Since the Soviet takeover, this once proud and free people have endured an oppressive and tyrannical government. In an effort to destroy the Lithuanians' sense of unity and identity, the Soviets have removed many Lithuanians from the country. Yet the drive and determination of the Lithuanian people to reestablish a free and independent state where they may preserve their historic, religious, cultural, and linguistic heritage lives on.

Lithuanians are a brave people who serve as a source of inspiration for all the world's oppressed peoples. I salute their valiant struggle to regain their freedom and hope that they may soon be freed from oppression. Their plight also serves as an example of what the loss of freedom represents and a warning that those of us who are fortunate enough to live in a free state must continually guard against the loss of freedom and also work to uphold the rights of all peoples who suffer from tyranny.●

● Mr. LENT. Mr. Speaker, I am proud to join my distinguished colleagues today in observing the 61st anniversary of Lithuania's Declaration of Independence.

In this day of extensive public concern over basic human rights, we must never forget that national peoples also have basic rights. Preeminent among these is the right to self-determination and self-governance, free from foreign oppression. In the last 60 years, however, Lithuania has enjoyed but two decades of independence. Caught between Nazi Germany and Stalinist Russia, Lithuania's independence, though courageously defended, was finally ground into oblivion by the Soviet Union's onslaught.

Not content with the forcible annexation of Lithuania, the Soviet Union embarked on an even more brutal policy of subjugation. In case after case, helpless people whose one desire was to live in peace under their own government, were torn from their families and shipped to the Soviet Union's bleak gulag archipelago. There, many would vanish in the trackless wastelands of Siberia, victims of numerous incidents of gross inhumanity.

Yet despite this blatant oppression, which surely would have broken less resolute people, the Lithuanians have struggled to maintain their national character and their hopes for the day when, once again, the light of freedom will shine throughout their land.

Though the circumstances prompting our observance today are tragic, the courage of the Lithuanian people should serve as a reminder that as long as freedom-loving peoples suffer the mantle of aggression, the struggle for human rights, both national and individual, must continue. Let us hope that liberty, the very essence of democracy, will one day soon prevail in Lithuania.●

● Mr. ZABLOCKI. Mr. Speaker, I wish to join my colleagues and my friends throughout the Lithuanian-American community and commend them for their laudable efforts in commemorating the 61st anniversary of their independence.

It has been 61 years since the Lithuanian people displayed their high degree of respect for human dignity and fundamental freedoms by declaring their independence from Soviet Russia.

In the years between 1918 and 1940, Lithuania attempted to develop its economic and social sectors while keeping its basic respect for man in the forefront. Lithuania's adherence to the principles of individual freedom, however, failed to impress its neighbor. The tragic historical domination of Lithuania by Russia was reimposed by the Soviets in an action designed to forestall an attack by Nazi Germany.

Despite continued Soviet dominance in recent decades, Mr. Speaker, the commitment to individual freedom and national sovereignty continues in Lithuania today. Human rights activitists including Balys Gajauskas, Viktorus Petkus, Jonas Petkevicius, and countless others courageously express the Lithuanian yearning for democratic freedoms. The samizdat publications, including Ausra, the Chronicle of the Lithuanian Catholic Church, Varpas, and others provide an unofficial alternative to the monotonous, Soviet-controlled media, which stifles free speech and debate and alters accurate reporting of internal conditions in Lithuania.

This continued commitment to individual rights and fundamental freedom reflects the remarkable spirit of the Lithuanian people, who continue undaunted in this commitment even in the face of continued Soviet domination. I offer my personal and sincere commendation for this commitment, and hope that the yearning of all Lithuanians for a restoration of human rights will soon be fulfilled.●

● Mr. LUNGREN. Mr. Speaker, I would like to join my colleagues today in commemorating the 61st anniversary of the founding of the Republic of Lithuania.

This tiny Baltic State enjoyed freedom in this century for only a short time.

The independent Republic of Lithuania was established on February 16, 1918 and was extinguished when 300,000

Soviet troops overran the country in 1940.

Lithuania never again enjoyed republican freedoms, or its own autonomous government.

Today, that short lived period of independence is still a bright memory for many Americans of Lithuanian descent, who will not let the world forget that their country is one of the Captive Nations of Eastern Europe.

The Captive Nations—Latvia, Lithuania, and Estonia, were all taken over by the Soviets, who depopulated these countries of their native inhabitants in order to quell dissent.

Once a people experience the beginnings of free government, however, not even violence and terror will subdue that memory.

Hopefully, the stubborn refusal of the Lithuanian people to give up hope of freedom will serve as a beacon to others in the world, and help us appreciate here in the United States the precious freedoms we enjoy.●

● Mr. HALL of Ohio. Mr. Speaker, February 16 will commemorate 61 years since Lithuanian declared her independence. Unfortunately, only for a brief period since that time has she actually been free. As we pay tribute to this courageous state, we are reminded of our own country's struggle for independence.

During the 20 years since 1918 in which Lithuania was a democratic state, the nation experienced great cultural and intellectual growth. This golden era brought advancements in the areas of agriculture, literature, and opera.

Unfortunately, since the Soviet takeover in 1940, the brave Lithuanians have experienced severe oppression. But the determination of these great people have enabled them to continuously persist in their goal of freedom. Their spirit is uncrushable. Recognizing the persistence of this attitude, we can anticipate Lithuania's ultimate victory.●

● Mr. GOLDWATER. Mr. Speaker, it is with pleasure that I join my colleagues in extending warmest regards to the Lithuanian people on the eve of their 61st independence day.

In 1918, Lithuania proclaimed independence from Russia and Germany, and established a democratic government. Shortly thereafter, a peace treaty was signed with the Soviet Union under which the Soviets recognized "without any reservation the sovereignty and independence of the State of Lithuania" and "voluntarily and forever renounced" any rights over the Lithuanian people and territory. This treaty, however, was disregarded following the Hitler-Stalin pact, and by 1940 Lithuania was once again under Soviet control. Since that time, the Soviet Government has consistently oppressed traditional Lithuanian customs and culture, and sought to stifle dissent from established party policies. I am happy to report, however, that the spirit of Lithuania could not be dominated, and that increasing protest has yielded some measure of relief from this oppression.

Mr. Speaker, the Soviet Union, the United States, and many other nations signed the 1975 Helsinki accords seeking a new recognition of human and national rights. The Soviets have dishonored this agreement through the continuing suppression of these rights in Lithuania and the other Baltic States. Now it is our duty to encourage fulfillment of the ideals embodying the "spirit of Helsinki." Accordingly, I applaud the determination of the Lithuanian people to reclaim their national heritage. The strength and perseverance of their spirit should be an inspiration to our own.●

● Mr. THOMPSON. Mr. Speaker, in the past I have addressed this Chamber commemorating the anniversaries of Lithuanian Independence Day and expressing the sense of outrage felt worldwide concerning Soviet violations of human rights in that country. We all hoped that the 1975 signing of the Helsinki accords would finally force the Soviet Union to bestow upon its citizenry the basic and fundamental rights enumerated in its constitution. Sadly, this has not been the case.

On February 16, 1979, Americans of Lithuanian origin and descent will celebrate the 61st anniversary of Lithuanian independence, and once again I come before this Chamber to extend my very best wishes to the people of Lithuanian and to all Americans of Lithuanian descent. I wish that I could report some major progress of human rights in that and other Eastern European countries under the domination of the Soviet Union. While the Helsinki accords have increasingly focused world attention upon the violation of human rights made by the Soviet Union, it has only encouraged Moscow to crack down upon dissidents demanding compliance to the treaty.

Lithuanian dissidents have helped spearhead this movement and at the same time have suffered the consequences of their brave actions. Political and religious persecution continues unbated today. Dissidents have increasingly been harrassed and interrogated by the Soviet KGB. If they are arrested, their trials become a mockery of justice.

The people of Lithuanian have struggled long and hard to maintain their sense of cultural identity and independence in the face of continued Soviet pressure to do otherwise. Americans of all backgrounds support this struggle of the Lithuanians and will continue to demand that the Soviet Union comply with the Helsinki accords.●

● Mr. GUARINI. Mr. Speaker, Americans of every national origin today reflect on the 61st anniversary of the reestablishment of an independent Lithuania. The American-Lithuanian community can be especially proud that despite the adversities of cultural, political and economic oppression, Lithuania remains a distinct and vibrant political community. The Lithuanian people continue to resist the suffocation of Soviet assimilation despite all official efforts to suppress Lithuanian national identity and self-expression.

Today is a time for reflection, but it is even more a time for hope. Hope that Lithuanians around the world will continue to call attention to this important day in human freedom. Hope that Lithuanians will continue to resist the illegal occupation of their territory and interference in their lives by an imperial power. And, above all, hope that Lithuania will once again be free to decide its own national welfare and destiny.

The United States has never recognised Lithuania and her sisters Estonia and Latvia as Soviet entities, and Americs should continue this policy of self-determination in Eastern Europe. Our own Nation was born in self-determination, and we must never forget our revolutionary heritage. Let our example, both painful and glorious, stand as a monument to freedom of national choice. Let us plot own own course and, yes, make our own mistakes. We demand no less for ourselves and we should demand no less for others. May Lithuania again enjoy those freedoms which many in America have come to regard as routine, and may the Lithuanian people keep that spirit which will make those freedoms a reality.●

● Mrs. HOLT. Mr. Speaker, I am proud to participate in this observance of Lithuanian Independence Day, which is a day of mourning for freedom lost.

We think today of the great and ancient civilizations of Eastern Europe which have been conquered by the Russian Empire and endure the tyranny imposed by the Kremlin.

Some, like Poland, Czechoslovakia, and Hungary, retain the legal status of independence while they are held by threat of overwhelming military power in the grasp of the Soviet despotism.

Others, such as Lithuania, Latvia, and Estonia, have literally been swallowed into the Soviet Union, which brutally attempts to stamp out any spirit of national independence.

We honor Lithuania today. We honor those Lithuanians who keep the flickering hope of independence alive in their suffering land. We honor those who have given their lives for Lithuanian independence.

But we also remember the patriots of the other captive nations and their unceasing quest for independence, and we should be thankful for the freedom we enjoy and strengthen our determination to defend it.●

● Mr. DOUGHERTY. Mr. Speaker, today is the 61st anniversary of Lithuanian independence. We mark that independence best by sharing one of the goals of Ausra, one of the remaining journals of Lithuanian culture, and look to the future of this and other Captive Nations. That future depends upon the continued and expanded exercise of Lithuanians' basic human rights—the right to their language, their religious heritage, their literature, their music—rights essential to the maintenance of an independent national character.

Despite the crushing weight of Soviet domination for over 40 years, Lithuanians have struggled to maintain their national character. Ethnically distinct from their oppressors, many Lithuanians have been deported from their homeland to even the eastern parts of Soviet Asia, splitting families in the process. One of the last peoples to convert to Catholicism in Europe, Lithuanians' close affiliation

with the Catholic faith endures in the face of outright elimination of their religious institutions. Possessed of one of the oldest Indo-European languages to survive upheavals in European migrations, and foreign occupations, Lithuanians must tolerate continuing pressures to abolish the use of their native tongue.

Testimony to Lithuanians' persistence and desire to maintain their cultural identity is the high rate of listening in Lithuanian to broadcasts of overseas radio stations. Statistics indicate that especially frequent listeners are those under 30 years of age, and the better educated segments of the population. And all Lithuanians constitute a larger than normal population of those preferring broadcasts in their native language rather than Russian, the so-called official language.

Most disappointing is the complete subjugation of Lithuanian political institutions, and discouragement of learning in studies of Lithuanian history and literature. Lithuania, historically an important independent state in Eastern Europe, in modern times has known only a brief flourishing of political liberty and self-determination. Nonetheless, Lithuanians have kept alive and intact their national character even today. The restoration of the rights of national existence, and of other basic human rights, must be accorded a high place in Western policy toward Lithuania. Lithuanians have earned it because, as Father Svarinskas has said: "In Lithuania, everybody is a dissident."

The expansion of these basic human rights necessary to the identity of the Lithuanian national character must be supported by the United States. We have never recognized the bloody takeover of that nation by the Red Army in 1940. We have pursued the development of human rights in Lithuania through the vehicle of the Helsinki agreements. We must now take steps to further aid Lithuanian liberty.

This can best be accomplished by heeding the advice of expatriate Lithuanian Tomas Venclova:

> If the Soviet leaders are convinced that protests about persecutions in Lithuania are not merely a temporary expedient of the West, but will lead to a consistent and steadfast policy on the part of the West, they will have no choice but to recognise this. * * *

Americans everywhere share the sentiments of Tomas Venclova. Congress has repeatedly expressed its ongoing dedication to the struggle for Lithuanian freedoms. We in Congress will lead a "consistent and steadfast policy" of opposition to the suppression of the Lithuaian national character. We will encourage all Lithuanians and Lithuanian-Americans to keep the torch of liberty burning brightly by the courageous examples modern Lithuanians offer us.●

● Mr. COUGHLIN. Mr. Speaker, I am pleased to join my colleagues in recognition of the 61 anniversary of Lithuanian independence, celebrated to commemorate the brief flicker of independence in 1918, so quickly and sadly extinguished in 1940. But we can take heart at this time with the spirit of the Lithuanians and all the Baltic peoples in their resistance to Soviet domination. These people wish only to pursue their customs without being forced to lose their distinctive character to the ways of the Soviet Union—to carve out a meaningful existence, free of Soviet constraints and restrictions.

The Lithuanian people have struggled valiantly, provoking revolts in the late 1800's and the early 1900's, and regaining their freedom. The proud spirit of these people has never succumbed, and their dream of independence continues to flourish. Their spirit and their desire for freedom will not be easily diminished. Today, we renew our support and encouragement to them in their struggle for self-determination.

It is particularly important that we understand the significance of the Baltic nations and the importance of the maintenance of their distinctive cultural and ethnic identies. The Soviet Union has forced numbers of Baltic peoples to move into central Russia, and forced emigration of Russian peoples into the Baltic States, thereby lessening their national cohesiveness and cultural uniqueness. Despite these attempts to dilute the language, religion and culture of the Baltic people, they continue to speak in their own tongues, worship in their own way, and maintain their own distinctive customs. In light of the many obstacles before them, the efforts of these people are truly remarkable.

The free exercise of human rights has always been the example set by the United States. We should reach beyond example setting, however, and see to it that the theme of human rights is felt around the world. The support of people, like ourselves, in the free countries of the West is imperative to the spirit and high hopes of the Baltic people who yearn for their freedom. We must affirm continuing support for Lithuanian independence and the independence of her sister states. As a people who cherish liberty as much as we, the gallant Lithuanians have suffered hardship and loss in their struggle to determine their own destiny. Their cause must not be abandoned. Today, we pause to remind ourselves of our good fortune to be able to live in this free land, and hope that some day, the people of Lithuania may also be able to enjoy these same freedoms.●

● Mr. WALGREN. Mr. Speaker, tomorrow, February 16, marks the 61st anniversary of the declaration of independence of Lithuania. On this day, I wish to commend the bravery and determination of the Lithuanian people. After 123 years of Russian domination, at the close of World War I, Lithuania became a sovereign and independent state.

They adopted a republican form of government based on strong democratic principles. In 1920, Russia recognized Lithuania as an independent nation, dissolving any rights of sovereignty over her. However, their independence was short lived. After only two decades of freedom, Lithuania was again taken over by the Red army during the Second World War.

The people suffered greatly under Soviet occupation. Many were deported to Siberia; others who were political prisoners were executed. Following Soviet occupation, Nazi Germany moved in and overtook Lithuania. Almost all Lithuanian Jews were executed by the Nazis. When the Nazis lost control, Lithuania was retaken by the Soviet Union and all of Lithuania was occupied.

Since then the Lithuanian people have been subjected to immense cruelties. All who practice religion are persecuted for their beliefs. Human rights are virtually nonexistent.

Through all of this, the people of Lithuania have continued in their quest for independence. They have not given up hope that they will again someday be a free nation. On this day, let us reaffirm our stand that basic human rights be the inherent right of all people. Let us remember today that the rights we so often take for granted are the same rights that other people struggle all their lives to obtain. Today we commemorate such people, those of Lithuania who have never given up and have maintained their freedom loving spirit in their battle for independence. We offer them our support and blessings.●

● Mr. HOLLENBECK. Mr. Speaker, it is an honor for me to take this opportunity and join my colleagues in commemorating the 61st anniversary of Lithuanian independence. On this day in 1918, the Lithuanian people broke a long period of Soviet domination and declared themselves an independent nation.

Oppressed for centuries because of their geographical location, Lithuanians have suffered invasions from the East by the Russians and from the West by Teutonic knights. They have demonstrated incredible spiritual and ethnic strength by surviving these continued attacks.

Ever since this gallant Baltic country was incorporated into the Soviet Union by the Russians, the Lithuanians have struggled to throw off the chains of their conquerors. Thousands of these freedom fighters have sacrificed their lives in an attempt to secure independence for their beloved country. From 1944 to 1952 alone, approximately 50,000 Lithuanian freedom fighters gave their lives as part of an organized resistance movement. However, the cessation of armed guerrilla warfare has not resulted in the end of resistance against Soviet domination. Rather it has created the impetus for the introduction of passive protest.

Even today, Lithuanians are risking and sacrificing their lives in defiance of the Communist regime. The protests of the Lithuanian people against the denial of their right to national self-determination, and religious and political freedom continues despite Soviet oppression. With this in mind we must attempt to match the courage of Lithuania by reaffirming our dedication to the principles of self-determination and human rights.

As a nation, it is our obligation to confront the Soviet Government with the fact that despite being cosigners of the Helsinki Accords, they have blatantly ignored many of the provisions guaranteeing human rights. We must continue to speak out against the denial of human rights and not succumb to any temptations which permit us to neglect the inhumane treatment of those less fortu-

nate throughout the world. Instead, we should continue to fight vigorously for those rights to which all people are entitled.

On this day as all others, we should extend whatever support we can to the people of Lithuania and their dreams for freedom. Let us all hope for the day in the future when our Lithuanian friends can celebrate their renewed independence as a nation free from outside domination and oppression.●

● Mr. PEYSER. Mr. Speaker, it is a privilege to be here today to commemorate Lithuanian Independence Day. During the past two decades we have heard much talk of civil and human rights; but it is sometimes forgotten that national rights are an integral part if not the basis of all other rights.

National rights define the right of a people to retain its ethnic, cultural, religious and linguistic identity. It is the very basis from which a nation can begin to address the problem of granting to its citizens the human and civil liberties they absolutely deserve.

The Lithuanian people enjoyed this national right from 1918 until 1940 when they were forcibly occupied and illegally annexed to the U.S.S.R.

During their 22 years of independence Lithuania made considerable progress in its social, cultural and economic life. A constituent assembly was elected in 1920 and a democratic constitution was adopted. Lithuania was also the first post-World War I European country to institute a radical land reform program. As a result, 717,968 hectares were redistributed to the farm population; about 89 percent of the rural population became landowners.

In 1940 the Soviet Union invaded Lithuania ending its brief modern nationhood. There followed a new colonial era for this proud people. Mass deportation of thousands of dissidents was reported by the Lithuanian Red Cross. Western books and publications were forbidden, land was nationalized and many churches were either closed down or converted for other uses.

Despite the drastic measures taken by the Soviet Union in its efforts at domination and Russification, the proud nationalism and uniqueness of Lithuania survives today.

The United States supports the Lithuanians in their drive for national self-determination by refusing to recognize the illegal Sovit invasion. Our country continues to recognize the diplomatic missions from the last independent Lithuanian Republic, along with the Latvian and Estonian missions.

For our part we are here today to offer our support for this small but vital country and to recognize its continuing struggle for nationhood. A right which is basic to all other rights.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, it is perhaps less difficult to be courageous and expressive in a society which encourages its people to vocalize and indicate the extent to which they cherish freedom and liberty.

Although even in a free society, its people must be always alert and watchful in safeguarding those freedoms, it takes a very special sense of courage to continue the struggle for human and religious freedom when none exists.

And, so it is with the people of Lithuania, whose independence as a nation became nonexistent in 1940, when the Soviet Union invaded and absorbed the Baltic States of Estonia, Latvia, and Lithuania.

February 16 marks the 726th anniversary of the coronation of Mindaugas as the first Christian King of Lithuania. It is an anniversary of considerable significance. It reminds us that, for two centuries following that coronation, Lithuania was a powerful force for freedom throughout Eastern Europe. Not only did Lithuania enjoy broad political, cultural, and commercial relations with her neighbors, but in her belief in independence through strength, she also kept in check the German drive to the east, and the assaults of the Mongols and Tartars against the west.

Through subsequent subjugation, born of the duplicity of the Czarist Russia of the 18th and early 19th centuries, the people of Lithuania never lost their Christian faith nor their burning desire to again be free. That moment came, appropriately enough, on February 16, 1918. For the next 2 years, Lithuania again made marked progress in economic, social, and scientific fields. Then, in the World War II year 1939, the great people of Lithuania again fell victim to international greed and duplicity, this time through the signing of the infamous Molotov-Ribbentrop Pact with which Hilter-ruled Nazi Germany and the Stalin-ruled Soviet Union drew their blueprint for the division of Eastern Europe between them.

Little more than a year later the famous Lithuanian flames of faith and freedom were dimmed anew. Supported by armor and air power, a Saviet Red Army force of 300,000 rolled into, and over, that essentially agrarian land. Yet, to keep these people in check, it became necessary for the Kremlin to station 1 armed soldier there for every 10 or 12 inhabitants, as Lithuania was ruthlessly absorbed into the Soviet Union.

But, again, the incredible character of the Lithuanian people, with their tremendous faith, and their undying dedication to freedom showed itself. This was documented no better than in the 1954 report to the Select Congressional Committee on Communist Aggression, chaired with such great distinction by the late Honorable Charles J. Kersten of Wisconsin.

That chilling report contained a document which, drafted and executed by Soviet General Ivan Serov, listed more than 100 categories of people as subject to arrest, deportation, and mass human extermination. Carried to the extreme, that heinous Red plan provided for the elimination of virtually every man, woman, and child except a member of the Communist Party of unquestioned reliability.

By the time the Kersten report was issued, Soviet occupation of Lithuania was in its 14th year. Her people had been submitted to one of the most brutal occupations in modern history. One-sixth of the population had been shipped, in chains, to Russia or Siberia. Others had been killed outright. The Catholic Church, to which 85 or 90 percent of the Lithuanian people belonged, had been severely persecuted. Armed guerrilla resistance had ended. Passive resistance had taken over. It continues today, driven by devoted religious feeling, fierce national pride, and that equally fierce Lithuanian desire for freedom.

In 1975, preceding the European Security Conference in Helsinki, several of my colleagues joined with me in introducing a resolution that it be U.S. policy that the Soviet annexation of Lithuania (as well as Latvia and Estonia) should in no way be honored with U.S. recognition.

As my colleagues know, of course, this resolution was passed unanimously by this body and, in turn, by the Senate. Then, both before and after the Helsinki Conference, then-President Ford reaffirmed that policy. Consequently, the non-Communist Chargé d'Affaires of the Lithuanian Legation here in Washington, like his Latvian counterpart here, and Estonian counterpart in New York, remains recognized by our Government as the true representative of his people.

Together with his Latvian and Estonian colleagues in freedom, the Lithuanian Chargé d'Affaires continues to provide us with valuable insights with which we can compare the Soviet promise at Helsinki with the Soviet performance in Lithuania and in her Baltic sister states.

Monitoring that performance, officially, for our Government, of course, is our Commission on Security and Cooperation in Europe. Established by the Congress, the Commission is, as my colleagues know, composed of six Members of the House, and six Members of the Senate, with one member each from the Departments of State, Defense, and Commerce.

The Commission has advised us that, in the Soviet Union, the initiatives of some citizens, in particular the brave actions of Viktoras Petkus, "in support of (Helsinki) Final Act compliance have been answered by acts of repression," and that such acts "are jeopardizing progress toward the overall goals of the Final Act."

Sadly, that information, coupled with information from the Lithuanian American Council, the Lithuanian Human Rights Commission, and the Joint Baltic Committee, leaves no doubt that much remains to be done before the Soviet promise of freedom is matched by Soviet performance.

The undaunted spirit and the determination of the people of Lithuania have somehow filtered through the iron wall of Soviet domination. By commemorating the occasion of their former independence as a nation, hopefully, the support and encouragement of the American people will permeate that iron wall and will clearly indicate to the Lithuanian people that they are being seen and heard, clearly and loudly, by a nation which remembers.

I know that on this meaningful 726th anniversary of the Mindaugas coronation, my colleagues join me in the hope and prayer of the Lithuanian people that freedom—true freedom—will, one day, be

returned to that great and noble country, as well as to her Baltic sister states.●

● Mr. ROYBAL. Mr. Speaker, February 16, 1979, marks the 61st anniversary of Lithuania's establishment as a modern Republic. Established in 1918, the modern Republic of Lithuania was overrun by Nazis 22 years later when Lithuania was declared a constituent republic of the U.S.S.R.

The Lithuanian people, while under Communist domination, continue to actively work for the restoration of individual human liberties which they enjoyed between 1918 and 1940. While the dedication to human freedom symbolized by the brief existence of the Republic of Lithuania has been suppressed, it should serve to remind us just how important the intangible freedom really is.

Even those Lithuanians who have left their homeland, continue the quest for Lithuania's freedom. The pride and peace-loving nature of these people has become part of their national heritage and I want to commend Lithuanians throughout the world for their strength and determination as they continue their course toward freedom and independence.●

● Mr. BROOMFIELD. Mr. Speaker, superior force may hold a people prisoner, but it cannot capture their dreams, hopes, and aspirations. This fact is reaffirmed every day as the people of Lithuania reject Soviet efforts at Russification and continue to maintain their religion, their culture, their identity, and their dream of once again being free.

This month, we in the Congress join with Lithuanian Americans across the country, and with the people of Lithuania in observing February 16 as the anniversary of their independence.

The commemoration of Lithuania's independence, however, is markedly different from our Fourth of July celebration. For unlike our country, the sovereign nation of Lithuania presently exists only in the hearts and the minds of her people, and of people, everywhere, who cherish freedom.

Sixty-one years ago, the people of Lithuania, along with their Baltic neighbors, Latvia and Estonia, fought and won their independence from Russia to reestablish themselves as sovereign nations. Under this independence, Lithuania flourished and experienced progress in all areas—land reform was instituted, industries reestablished, transportation facilities expanded, social legislation enacted, and educational institutions enlarged.

Yet this new independence was to last for only 22 years. In a swift and brutal move, Soviet forces rolled over these nations and imposed their tyrannical yoke in 1940.

Only the people of these Baltic nations know the true cost of these 39 years of subjugation. We have seen glimpses of the cost in terms of the lives lost through the Soviet's extermination practices and the exile of the people to Siberia. We were reminded of the tyranny being experienced when we saw the unsuccessful escape attempt of the Lithuanian sailor, Simas Kudirka, and the self-immolation of Romas Kalanta. Most recently, we witnessed the charade of a "fair" trial as Lithuanian dissident, Viktoras Petkus, was sentenced to a prison term of 15 years. His crime was that he was a member of a Lithuanian group which tried to oversee compliance by the Soviet Union to its human rights commitments made under the Helsinki accords.

Mr. Speaker, if the people of Lithuania, Latvia, and Estonia were really part of the Union of Soviet Socialist Republics, the evidence clearly shows that the Soviet Union is not living up to its pledge, under the Helsinki accords, to guarantee human rights to her people. However, by its continued subjugation of these sovereign Baltic nations, an even greater injustice than the breaking of her pledge is being perpetrated—the Soviet Union is denying the most basic principle of self-determination to these people.

During these past 19 years ,we have never recognized these nations as part of the Soviet Union, and we must never do so. The people of Lithuania and the other Baltic States have clung to their hope of freedom. As we commemorate their brief independence, let us once again reaffirm our support of their aspirations and express our hope that they may celebrate the next independence day as free and independent nations.●

● Mr. ROE. Mr. Speaker, on February 16, 1979, Americans of Lithuanian origin and descent throughout the United States will commemorate the 61st anniversary of the reestablishment of an independent Lithuania and the 726th anniversary of the founding of the Lithuanian State. I wish to join my colleagues and the Lithuanian American community in commemorating this anniversary observance of Lithuanian Independence Day and salute the people of Lithuania who steadfastly cling to the richness of their cultural heritage and seek freedom of expression, religion and basic individual human rights in the country of their birth.

As we reflect on the history of the Lithuanian, we look to the country of Lithuania situated at the southern end of the eastern coast of the Baltic Sea, right at the European continent's geographic center. Historians tell us it emerged as a unified state in the early decades of the 13th century and became internationally recognized as the Kingdom of Lithuania in A.D. 1251.

After centuries of vast expansion eastward and southward, in 1569 Lithuania became a partner in the Polish-Lithuanian Commonwealth, which lasted till 1795 when it was partitioned between Austria, Prussia, and Russia. Lithuania fell under the Russian rule.

Lithuania succeeded in reestablishing its independence in 1918, at the end of World War I but was occupied again in 1940 by the armed forces of Russia, now known as the Soviet Union.

In the past the Congress was instrumental in establishing the Commission on Security and Cooperation in Europe (Public Law 94-304) to monitor international compliance with the Helsinki agreements. We also reaffirmed our Nation's policy of nonrecognition of the legality of the 1940 incorporation into the Soviet Union of the independent states of Lithuania, Latvia, and Estonia. I was pleased to sponsor and vigorously support these congressional resolutions.

Mr. Speaker, we are all agreed that there is a continuing need for concerted action in mustering world opinion as a viable force in achieving universal understanding and agreement on basic human rights principles to eliminate government controls that dominate the personal freedoms of the individual to live and worship in the land of his or her choice and stifle the independence and sovereignty of a nation of people.

Mr. Speaker, on behalf of the people of my congressional district and the State of New Jersey, I join in the annual observance of our Lithuanian heritage and trust that through our mutual endeavors and responsibilities that we will strive to continue to achieve international understanding and agreement that will eliminate the oppression of people and restore "human rights" and the rights of self-determination by the people of Lithuania and other captive nations of the world.●

● Mr. SENSENBRENNER. Mr. Speaker, thank you for allowing me this opportunity to speak on the anniversary of the Lithuanian Independence Day.

It was February 16, 1918, that the Baltic State of Lithuania declared its autonomy from the long period of Russian hegemony and German occupation it had suffered during World War I. This tiny state was again destined to fall under Soviet domination; Lithuania was declared a constituent republic of the U.S.S.R. in 1940. Having fallen into Nazi hands, Lithuania was reoccupied by the Soviet Union in 1944, and has been considered a component republic by the Soviet Union ever since. The United States never recognized the incorporation of Lithuania or any other Baltic States into the Soviet Union.

Soviet policy implementation during the Stalin years forced a dramatic change in the composition of the Lithuanian population. Some 80,000 Lithuanians fled to West Germany when the Soviets took over the Baltic region in 1944. An additional 60,000 were found in East Germany and deported during 1945 and 1946. Their passive resistance to the collectivization of agriculture brought the deportation of some 60,000 Lithuanians in 1949. The death of Stalin eased these displaced people, and about one-third of those who had been deported were permitted to return to their homeland. Yet, this cannot erase past cruelties committed by the U.S.S.R., nor the continuing effort by the Soviets to destroy the Lithuanian national spirit.

The Soviet constitution supposedly guarantees freedom of religion. Yet in the past 3 years, the Soviets have greatly increased terrorist tactics perpetrated against the faithful and all readers of religious publications. The most vitriolic attacks have been leveled against readers of chronicles of the Catholic Church. The Lithuanian population is 90 percent Catholic, and this group has lost their jobs, or worse, because of their religious tenents.

Lithuania is a travesty of international

justice. The U.S.S.R. signed the Helsinki agreement, yet Lithuania has yet to be granted any human rights that were called for in the agreement. Soviet authorities prohibit the speaking of Lithuanian in public. Reading materials are controlled and censored by the Government. The citizens of Lithuania are subject to unexplained and unwarranted searches. In late 1977, reports leaked out of the Soviet Union telling of thousands of Lithuanians rampaging the streets of Vilnius, shouting anti-Soviet and nationalist slogans. Police cars were set on fire, windows were smashed, and Soviet propaganda banners were torn down. Soviet troops patrolled the streets to restore order.

It is good to be reminded today that this noble country, which was once free, is not the subject of the violent repression of the Soviet Union. The 1 million Lithuanians living in this country have certainly not forgotten this fact. For it is only by remembering their repression that we can strive to alleviate the conditions of this satellite of Soviet hegemony that we can prevent further encroachment of this hegemony. And, perhaps, one day it will be possible for us to be commemorating another day of Lithuanian independence from the U.S.S.R.●

● Mr. PANETTA. Mr. Speaker, I would like to join my colleagues in commemorating the 61st anniversary of Lithuanian independence.

The restoration of the Republic of Lithuania is a high point in Lithuanian history, and it is painful for us to realize the suffering that has occurred there under foreign domination over the past four decades. The Lithuanians are a brave people who yearn for freedom, and the massive violation of human rights that occurs simply by this denial of political freedom is an outrageous indignity.

This is a day to remember past independence and to look forward to and work for the day when the Lithuanian people will be free to form their own, independent government. Only then will this annual event be the real celebration it ought to be.●

● Mr. CONABLE. Mr. Speaker, the 61st anniversary of Lithuanian independence on February 16 again reminds us of the pursuit of independence not realized in Lithuania for nearly 40 years. At a time when the cause of human rights has been raised as a guiding principle of American foreign policy, it is appropriate that we once again call to the attention of all the sad plight of the people of Lithuania, a nation occupied by the Soviet Union in 1940 and still held under the yoke of Soviet domination.

Because the Lithuanian people have been unwilling to abandon the ideal of national integrity which illuminated their national integrity which illuminated their existence for a brief 22 years, they have been systematically uprooted and dispersed from their homeland in an attempt to destroy their identity. More than one-fourth of the population has been relocated, many dying in the process. The continued dedication of Lithuanians and other Baltic peoples to the struggle for freedom must command the respect and admiration of freedom-loving people everywhere.

To further the hopes and efforts of these courageous people, I sincerely hope that we will implement the provisions of House Concurrent Resolution 416 and reaffirm our commitment to Lithuanians who continue to strive toward the realization of liberty, independence and human dignity in the face of totalitarian oppression.●

● Mr. LEDERER. Mr. Speaker, I would like to take this opportunity to ask my colleagues to rise and join with me in accordance with the special order to commemorate Lithuanian Independence Day.

Mr. Speaker, for 22 years, Lithuania was a free and independent state which made great strides in modernization, raising the standard of living, and so forth. For 22 years, the people of Lithuania were able to live their lives as they saw fit, under their laws, their customs and in their culture. Much of this progress and heritage has either been destroyed or repressed by the Soviet Government.

Mr. Speaker, the United States does not recognize the unlawful occupation of Lithuania or any of the Baltic States by the Soviet Union. This action is in clear violation of the wartime agreements among the allies. Furthermore, the so called "plebiscite" to incorporate Lithuania into the Soviet Union was a farce, supported solely by the rifles of the Red Army.

Mr. Speaker, on this day, the 60th anniversary of the restoration of independence to the Republic of Lithuania, I feel that we, as members of an institution which epitomizes the belief in freedom, should rise and commemorate this great day, and pray for the time when a free Lithuanian nation will again be a reality.●

● Mr. BLANCHARD. Mr. Speaker, Friday, February 16, marks the 61st anniversary of Lithuanian independence. This day serves as another reminder of the need for Congress and all people of the free world to support the cause of bringing freedom back to the people of Lithuania and the entire Baltic region.

The Lithuanian people today long to recapture two very basic rights: The right to independence and self-determination as a nation, and the right to open and freely-chosen religious worship. We in the free world almost take these rights for granted. Yet they are valued as the single most important goal by those people who have had these freedoms taken away.

The people of Lithuania have not enjoyed those freedoms for 61 years. They have been subjected to forceful domination by the Soviet Union since 1940. Even the Lithuanian language, which is one of the oldest known to man, is subjected to Russification efforts by the Soviet Union.

Yet, these people have continued to demonstrate a strength of spirit and commitment to their goal of a free and independent Lithuania. Men and women like Viktoras Petkus, Balys Gajauskas, and Nijole Sadunas to name only a few, continue to speak out for their national and religious rights, even though they have faced unjust persecution as a result of their bravery.

We must show our support for these brave individuals and others like them who continue to strive so valiantly for their rights. We cannot forget those who seek only to reestablish their national rights within a free and independent country where their religious practices are not subect to government control.

I will be hosting a reception on Friday, February 16, at 2 p.m. in room 2128 of the Rayburn Building to commemorate Lithuanian Independence Day. All of my colleagues are invited to attend. A number of Americans of Lithuanian heritage will be present to participate with Members of Congress in a flag exchanging ceremony to signify our strong support in the struggle to bring self-determination back to the Baltic States. I urge all of my colleagues to continue with renewed efforts to lend their support for the goal of a free and independent Lithuania and Baltic region.●

● Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the 61st anniversary of the proclamation of independence by the Republic of Lithuania to be observed on February 16. Lithuania was once a proud nation which now suffers under the yoke of the Soviet Union. Lithuania's sad history should serve to remind us that there are still many people in various parts of the world who cannot call themselves free.

The Lithuanian nation attained its hard won independence in 1918 only to lose this independence in 1940 when it was seized by the Soviet Union and renamed the Lithuanian Soviet Socialist Republic. This Soviet domination may sound the death knell for the ethnic identity of an entire people. The Lithuanian culture and language is so severely restricted and repressed as to be in danger of being finally extinguished. This type of political and cultural sublimation represents an incalculable loss to people everywhere.

While we certainly must continue to seek an easing of tensions with the Soviet Union, we must not forget the many people who suffer under this type of severe repression. The recent final document of the Belgrade conference on the Helsinki accords, which made no mention whatsoever of human rights, illustrates the lack of seriousness with which the Soviets approach basic human freedoms. We must not forget that there are many in the world who do not enjoy the fruits of freedom and are not accorded basic human rights and civil liberties.

I call upon my colleagues to join me in commemorating the Lithuanian proclamation of independence. Let us not forget these proud people.●

● Mr. HANLEY. Mr. Speaker, I rise to join my distinguished colleagues in observing the 61st anniversary of the independence of Lithuania, a time to pay tribute to the endeavors of a courageous people.

The Lithuanian quest for independence is the story of a dauntless peoples' continuous fight for freedom from the powerful Russian Empire. In 1940, a mere two decades after their declaration of independence, the Lithuanian Republic lost its precious freedom. Soviet troops overran Lithuania, and Lithuania was absorbed into the Soviet Union. Thousands of Lithuanians were forced to flee their beloved homeland to seek refuge in foreign havens while others were incarcerated in Siberian prison camps.

Nonetheless, the efforts of the Soviets to obliterate the identity of the Lithuanians were futile. The Lithuanians will never forget who they are, and will always demand that their descendants share in so proud a heritage.

Sixty years after their independence was first announced, in 1978 the Lithuanian populace throughout the world observed for the first time the anniversary of the Declaration of Lithuanian Independence. This annual celebration exists as a bright symbol of hope for all Lithuanian-Americans and is especially encouraging to the oppressed native masses still seeking freedom from tyranny.

In empathy for a cause close to the core of American democratic sentiment we salute the noble efforts of the Lithuanian people toward human rights and their inalienable right to self-determination.●

● Mr. RODINO. Mr. Speaker, Friday, February 16 marks the anniversary of the reestablishment of an independent Lithuania and the 728th anniversary of the founding of the Lithuanian state. The proud history of Lithuania reveals a people who have been devoted to individual liberties and national self-determination. However, their fundamental right to national independence has been denied since 1940.

As the world's leader in the call for human rights, America cannot ignore the denial of basic personal and political freedoms which Lithuanians endure.

Mr. Speaker, I am proud to join my fellow Americans of Lithuanian descent in commemorating Lithuanian Independence Day and to call attention to the Lithuanian struggle.●

● Mr. PRICE. Mr. Speaker, I rise today to join my colleagues in commemorating the 61st anniversary of Lithuania's Declaration of Independence.

On February 16, 1918, the people of Lithuania declared their land free of the tyranny of the Russian czars. Now, 61 years later, these people still labor under a harsh regime not of their own choosing. For some nations so long a period of domination by foreign rulers would ultimately cause the people to lose their own identity as a nation and take on the character of the dominating power. Lithuanians and Lithuanian-Americans are proud to say that this is not the case in their country. For despite years of hardship, years of poverty and even of forcible displacement, Lithuania is still a nation in its own right. In the hearts and minds of those within and without the borders of Lithuania, the land still lives free.

Today I would like to join with all those of Lithuanian ancestry in voicing my hope that the day will soon come when their nation will be free in word and deed as well as in spirit. I say that I hope the day is coming soon, but even if it is not, let me give warning to those people and nations who grow in strength and territory by seeking to enslave smaller nations that the people of Lithuania will not give up. They have fought for their freedom for 61 years and they will fight for another 61 or 161 years until that goal is reached. For freedom knows no time limit.●

● Mr. HUGHES. Mr. Speaker, February 16, 1979, marks the 61st anniversary of Lithuanian independence from foreign domination. For over a century, from 1795 to 1915, the people of Lithuania courageously withstood subjugation and political domination by the Russians. Then, during World War I, this Soviet oppression was succeeded by the devastation of German occupation.

But in 1918, the Lithuanian fervor for freedom was forever affirmed. The brave people of this struggling nation cast off their yoke of oppression, and declared their homeland to be a sovereign state. International recognition of the Republic of Lithuania was formally granted when nations around the world, including the Soviet Union, signed the Peace Treaty of 1920.

Each year, we Americans joyfully recall our nation's independence day, the Fourth of July, with fireworks and festivities; for the brave people of Lithuania, however, there will be no national celebrations. The Lithuanians mark the recognition of their anniversary of independence with silent contemplation and tears. For, in 1979, Lithuanian independence remains little more than a vivid memory for some, and a dream for others.

In 1940, after only 22 years of freedom, the promise of Lithuanian autonomy was inexorably broken by the Soviet Union. During World War II, Soviet forces again invaded Lithuania, their troops occupied Lithuanian territory, and the Lithuanian homeland was forcibly incorporated into Soviet boundaries. Soviet suppression called an abrupt halt to the great strides which Republic of Lithuania had made both economically and culturally in this short time.

The people of Lithuania cannot be denied their national identity. Despite the Russification process, the steadfast Lithuanians continue to retain their own language, their religious preferences, and their unique culture and heritage. In an effort to support the Lithuanian struggle for freedom, the United States refuses to acknowledge a permanent incorporation of the Republic of Lithuania into the U.S.S.R. While the Russians continue to maintain control over Lithuanian territory, the people of this courageous nation remain free in spirit.

On the 61st anniversary of Lithuanian independence, let the United States again affirm its national commitment to the inalienability of basic human rights for all. The strength of the Lithuanian dissidents may serve as a beacon to oppressed individuals throughout the world.

I urge the Soviet Union, and all of the signatory nations, to comply with the Helsinki Accords, which set forth the principles of individual liberty and basic human rights. I salute the courageous people of Lithuania, and share their hope that once again they will be granted the right to self-determination and individual freedom that we in the United States so dearly love.●

● Mr. BAILEY. Mr. Speaker, the basic freedoms enjoyed by Americans, the right to worship as we see fit, to choose our governmental representatives, to speak out on public issues, and many others are denied to the courageous people of Lithuania.

Therefore, it is entirely fitting that on this day, February 15, 1979, the U.S. Congress, representing the American people, commemorate Lithuanian Independence Day. This is a symbol of hope for all Lithuanian-Americans and especially for those struggling to gain independence for Lithuania.

As freedom loving Americans, we condemn the continued oppression of the Lithuanian people, the callous disregard for their human rights. We sincerely hope that the will of the Lithuanian people is heard so that they can again enjoy the benefits of freedom and self-determination.●

● Mr. PEPPER. Mr. Speaker, as we pause in our great body's day-to-day business to remember the fate of a small nation on the Baltic Sea, called Lithuania, I would like to caution ourselves that, in our time of modern changes and proliferating political priorities, those unable to learn from history may, more than ever, be prone to its repetition.

When Joseph Stalin's armies invaded Lithuania during the Second World War, they were in the process of rolling back Hitler's invasion of the Soviet Union. When Hitler was finally beaten with our help Lithuania remained under the yoke of Russian Communist occupation, ending an era of distinctive culture and independence for the Lithuanian people.

For hundreds of years, the Russian Tsars had relentlessly enlarged their territory to establish predominance over the Eurasian continent and gain valued access to the oceans of the world. At the expense of China, of Poland, of Austria, of Rumania, of Turkey, of Iran, of the Tartar and Mongol peoples, and others, was this process accomplished. Lithuania remembered is evidence of those nations totally submerged by Russia until a real respect for other people, other ways of life may make itself felt in the U.S.S.R. and be translated into policy. In our time, following Lithuania's capture, Russian imperialism has been seen to involve itself in Cuba, in Africa, in Somalia, then Ethiopia, in Afghanistan, in Czechoslovakia, and in most of the other farflung troublespots of the world, most recently Indochina.

The Soviet Union's continuance of Tsarist territorial opportunism and utter lack of respect for individual desires of the world's nations and their striving for independence have kept the Baltic nations imprisoned and made them a symbol of the Russian empire's intemperance and greedy traditions. Let us hope that we may learn this lesson from the past and thus avoid panic as well as ruin in our future dealings with the Soviet

Union. May we command the wisdom and experience to help alleviate the fate of Lithuania's people and aid in the hopeful creation of a peaceful and plentiful future for all the nations willing to live together in a constructive, more tolerant world, yet in the distant future.●

● Mr. HOWARD. Mr. Speaker, on February 16, 1979, Lithuanians around the world commemorate the 61st anniversary of the declaration of independence of Lithuania.

Today, in honor of this anniversary, I would like to reiterate my support of the position of the United States in regard to national sovereignty and human rights. Military occupation and broad scale ravaging may well be buried in the Lithuanian past, but so, too, are the freedoms of thought, speech, and national self-determination. It is with hope that the Lithuanian people may again enjoy those human rights that the 61st anniversary of their independence is hereby commemorated.

Lithuanians across the globe have maintained the heritage, culture, and faith of their forefathers. Lithuanian nationalism has found a variety of expressions, especially in recent years. More and more, overt assertions of identity have come to the fore in that area, proving again that ethnicity and nationalism are perhaps the most powerful forces at work in the world today.

The rulers of the Soviet Union would do well to note that truth, and accept it. In the history of the world, there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the control of a foreign ruler. But that is exactly what the Kremlin is trying to tell the world, claiming that the Baltic States joined the Soviet Union voluntarily. How ridiculous such a claim sounds when we observe scores of nations emerging from colonial rule and insisting on their right to self-determination and independence.

The ideas of individual liberty and representative government are no more distinctly illustrated than in the efforts of Lithuanians to preserve the heritage established in their once-free Baltic State. However, denationalization continues today as great numbers of non-Baltic peoples are by Soviet Government direction moved into the Baltic States—severely altering the national, cultural, and economic life of those non-Russian areas.

And so, on this 61st anniversary of Lithuanian independence, I condemn the Soviet Union's suppression of human rights in Lithuania, as well as the denial of the principle of self-determination for Baltic peoples. I hope that Lithuanians will have freedom, self-government, and release from Soviet domination in the near future. Then, they may attain their national goal, independence—this time permanently.●

● Mr. CAVANAUGH. Mr. Speaker, we are commemorating today that date in 1918 when the people of Lithuania proclaimed the reestablishment of Lithuanian independence after 123 years of oppression under the Czars of Russia. Less than 2 years later even the Soviet Union recognized the Lithuanian Republic and voluntarily relinquished all sovereignty claims formerly possessed against this tiny nation. That noble existence ended 22 years later when on January 15, 1940, the Soviet Union under force of arms reoccupied Lithuania under the guise of the Mutual Assistance Treaty of 1939. When World War II ended, Lithuania as well as its Baltic neighbors of Latvia and Estonia—with Western acquiescence—became the Soviet spoils of war.

Even though the Lithuanian people have little in common with their Slavic neighbors, the Soviet Union since reoccupation has forced assimilation upon these Baltic people by eradicating all elements of their separate national identity as well as their independent nation state. The Soviets have killed, imprisoned, or deported tens of thousands of Lithuanians and have totally repressed all political dissent. The Lithuanian language is one of the primary targets of this eradication of identity. Lithuanian is an ancient language with its roots in the proto-Indo-European family of languages and should never be confused with the Russian language with its Slavic origins.

Finally, religion, especially Roman Catholicism, has become a special target of Soviet attack. In 1940 when the Soviet Union occupied Lithuania 85.5 percent of the country's more than 3 million inhabitants were Roman Catholic. Despite nearly 40 years of Soviet oppression of religious expression, Lithuania today still has the greatest number of Roman Catholics in the Soviet Union and the only remaining seminary for training priests in the Latin Rite, even though they have not had a bishop since 1947.

The Lithuanian people have remained faithful to their language, their religious beliefs, and their national identity. Though world attention is presently focused on other troubled areas, the Lithuanian flame of nationality still burns. We honor today not only that date in 1940 when Lithuanian independence was declared, but that continuing goal of a free and independent Lithuania. The silent struggle continues.●

● Mr. YATRON. Mr. Speaker, I would like to join my colleagues and the Lithuanian American community in commemorating the 61st anniversary of Lithuanian Independence Day which will fall on February 16. It is most fitting that the U.S. Congress pay tribute to the people of Lithuania who steadfastly cling to a cultural heritage which reflects the values of bravery, heroism, and dedication to the cause of freedom that is a source of inspiration for all the oppressed peoples of the world.

Sixty-one years ago, after World War I, the proud people of Lithuania valiantly proclaimed their right to stand among the free people of the world. Lithuania had emerged from the ruins to begin rebuilding her land, establishing her own government, and in essence determining her own destiny. This progression was halted by the Stalinist Soviets who ruthlessly seized Lithuania in 1940.

While under Soviet domination for the past 39 years, Lithuania has not been given the opportunity to govern itself. However, the people of this country have resisted persistent Soviet attempts to destroy their unity and identity and a strong desire for individual freedoms and self-determination survives in Lithuania today.

Today the Soviets believe that the Helsinki Accord of 1975 legitimizes their sovereignty over Lithuania. While tanks and missiles may give them physical control, the Russians cannot rule the minds and spirits of the Lithuanian people.

On this day, let us condemn Soviet domination of a land that reminds us of how essential and how precious freedom truly is, and what its loss can signify. And let us remember that as long as there are free Lithuanians—like the millions of Lithuanian-Americans—there will always be a free Lithuania.●

● Mr. FARY. Mr. Speaker, distinguished colleagues, the association between Poland and Lithuania has been a long and, for the most part, a happy one. Today, the association of the two nations continues and so does the friendship between Lithuanian-Americans and Polish-Americans in this country. So, it is appropriate that Poles all over the world commemorate this 61st anniversary of Lithuanian independence with their Lithuanian neighbors.

The Polish and Lithuanian nations have shared much in the past. In 1386, Poland's Queen Jadwiga married the Grand Duke of Lithuania, Jagiello, converting him and his countrymen to Roman Catholicism. In 1569, the two countries were legally united under one ruler. This harmonious union lasted until the late 18th century when Russia, Prussia, and Austria took it upon themselves to partition Poland, removing her from the map of Europe. With the last partition, in 1795, Lithuania was engulfed by Russia. Just as the two countries had shared a period of expansion and well-being, they shared captivity, Russification, and suppression of their unique cultures.

With the First World War came the end of Russian influence and, on February 16, 1918, a congress of 200 Lithuanian delegates proclaimed their country an independent, sovereign state. Under Marshal Joseph Pilsudski, the Polish army helped to maintain that status by driving out the Red Army which took over Vilnius, the capital city, in 1919. Once again, Poland's situation paralleled her neighbor's and both enjoyed a short period of freedom that lives in the memories of both peoples.

Unfortunately, the divorce of Lithuania from Poland caused disagreement over Vilnius. Lithuanians considered it their capital city even though the population was predominantly Polish. However, this was the only blot on an otherwise longstanding friendship.

The Second World War brought with it the end of that short period of freedom from domination that had been marked by a renaissance in the arts and by social reform. Because Lithuania was forcibly annexed by Russia, the United States continues to recognize only the independent Lithuanian Government. Poland's path has diverged from Lithuania's in that, since World War II, Poland is no longer an independent state.

Nevertheless, Poles and Lithuanians still maintain close ties. Because the printing of religious books is forbidden in Lithuania, Polish Bibles and religious books are imported into Lithuania for use by the persecuted church there. So, just as the two nations were once joined by the marriage of Jagiello to Jadwiga and subsequent Christianization, they are connected once again today by their common religion.

The continuing friendship between these nations is reflected by the Lithuanian-American and Polish-American communities in this country. In Chicago, which has the largest Lithuanian population outside Lithuania, the Poles and Lithuanians are neighbors, carrying on the long association of the two peoples.

Therefore, it is fitting that Polish-Americans observe Lithuanian Independence Day with the neighboring Lithuanian-Americans, because the two nations have a common history. Unlike the Poles, Lithuanians both in their native country and outside it can hope for independence once again. We can only hope that one day, they will be able to celebrate Lithuanian Independence Day with true joy and thanksgiving for the realization of their dream of an independent, free homeland.●

● Mr. LAGOMARSINO. Mr. Speaker, I would like to take this time to express my gratitude to Representative ANNUNZIO for taking the time to commemorate Lithuanian Independence Day.

It is important that we in Congress and in this Nation continue to express our strong support for the freedom of Lithuania, and of the other Eastern European nations that remain under the domination of the U.S.S.R. The United States must continue to stand by Principle VIII of the Final Act of the Conference on Security and Cooperation in Europe, which states that—

> . . . all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development . . .

I continue to endorse and support legislation which would call upon the President to do all that he can to see that Lithuania, and other Eastern European countries which were forcibly occupied by the Soviet Union after World War II, are again given the right to self-determination and territorial integrity.●

● Mr. MOAKLEY. Mr. Speaker, today I would like to share with my colleagues a few words commemorating Lithuanian Independence Day.

The peoples of Lithuania have been in a constant struggle. They yearn to regain the independence that was granted in 1918 and taken away by the Soviet Union in 1940.

We, in the United States, may have a hard time relating to their struggle. For the basic freedoms, which are taken for granted here, are forbidden in Soviet-dominated Lithuania.

The rights to speak and gather freely are denied. The opportunity to elect their own leaders is not granted and those who exercise their right to worship are harassed.

I think it is important for us to pause and reflect upon the repression and persecution that is part of everyday life in the Soviet's Lithuania.

But we must also do more. We must speak out against these injustices and work to gather support to bring change about in Lithuania. We must work to help preserve Lithuanian identities, language, and culture.

Our Nation must be the leader and champion the cause of oppressed peoples throughout the world. We should advocate the principles of liberty and democracy incorporated in our Constitution and the Declaration of Independence for all captive nations.

Lithuanian Independence Day serves as a perfect opportunity to express our support for the freedom-loving people of this Baltic nation. Let it be known that America stands by all those who still seek to be free.●

● Mr. DINGELL. Mr. Speaker, I join with my colleagues in the House in observing the commemoration of Lithuanian Independence Day.

The struggle for human rights continues in Lithuania. It is a bitter struggle recorded in a sacrifice of a courageous people.

Against crushing miseries of war and foreign domination, the Lithuanian people have remained steadfast in their commitment to those principles of national self-determination and individual freedom which were proclaimed in their homeland over a half century ago. Neither the military might of the Red Army nor the cruel Communist oppression that followed has dimmed the spirit of freedom living in the hearts of these proud people. Through endurance and unity they have preserved their national identity and perpetuated the traditions of a rich cultural heritage.

In Congress, let us today join with voices raised across the land calling for the liberty of all mankind, and let us give strength to the living hope of independence in Lithuania.●

● Mr. ANDERSON of California. Mr. Speaker, we are here today to commemorate a memorable date in a long struggle, a struggle that continues even as we speak.

Sixty-one years ago tomorrow, on February 16, 1918, independence was restored in Lithuania; a proud land that had been suffering under foreign occupation and oppression for the previous 120 years. That reclaimed freedom, which we are celebrating today, was not long-lasting. It could not withstand the tyrannical might of 300,000 Soviet troops that stormed the country in August of 1940.

But even this was not sufficient to crush the spirit of the brave Lithuanian people. In June 1941, Lithuanian patriots rose up and overthrew their Soviet oppressors, establishing a provisional government. This represents the last period that Lithuania was free. Six weeks later, the Nazi troops of Germany crushed out that freedom.

Today, the Soviet Union claims Lithuania as one of its "Republics." So the struggle goes on. And so long as it does, those of us who are free to speak our minds can not be quiet. Only through reminding the world of this continued oppression, can we hasten the day when there will be a new Lithuanian Independence Day for us to celebrate.●

● Mr. MINISH. Mr. Speaker, February 16, 1979, is a date commemorated around the world by persons of Lithuanian descent as the 61st anniversary of an independent Lithuania. It is also the 728th anniversary of the founding of the Lithuanian state.

It is fitting that we pause for a few moments to ponder the fate of these freedom-loving people.

At one time, Lithuania was the largest

At one time, Lithuania was the largest

nation in Europe. Hundreds of years ago the Lithuanian people gave birth to, and nourished, a body of cultural excellence that mankind still can cherish.

As we all know, the people and state of Lithuania were illegally annexed by the Soviets after World War II. It is one of the tragedies of our times that more than 3 million Lithuanians live today in bondage to the Soviets. Even so, the Lithuanian people have remained independent in spirit. But the cost of their fight has been high. Repression of those who speak out for human rights and independence is the toll exacted by the Russian communists. Freedom to practice their Catholic religion is denied the Lithuanians, although more than half the population strives to attend regular mass.

Finally, we in America, who often take our freedom for granted, must strongly and loudly condemn the Soviet Union's suppression of human rights and freedom of self-determination for all under its iron rule.●

● Mr. RUSSO. Mr. Speaker, no country stands free of problems and we certainly have our share. Problems can be rated according to degree, however, and we in America sometimes become so inundated with our own worries that we forget about other countries having far more serious ones. One such country is Lithuania where, unlike our own, liberty remains only a hope and free expression a dream.

In the United States, the Statue of Liberty stands tall as a symbolic reminder of our cherished ideas of life, liberty, and the pursuit of happiness. Lithuania also has a Statue of Liberty in its capital city, but it stands for a short-lived freedom whose final flicker was extinguished 39 years ago. After having been subject to Russian oppression for more than 120 years, Lithuanians finally rid themselves on November 18, 1918, from this power-thirsty nation, only to be overcome by her again 22 years later.

It is the anniversary of this short-lived yet dearly held freedom that we, in the House of Representatives, celebrate today in honor of all Lithuanians. The United States formally declared in 1940 that it refused to recognize the forced incorporation of Lithuania and its two neighbors, Estonia and Latvia, into the Soviet Union.

Historically, the Lithuanian polity and economy have been interrupted, discouraged and ruined many times from on-

slaughts of invading armies fighting for dominance of Northeast Europe. Despite this, however, the Lithuanian people have survived, managed to retain their particular way of living, and done it with a pride and a dignity we in America understand intimately. To keep a culture alive is a most formidable exercise, one which Lithuanians keep striving to do. For their courage and fortitude they are to be praised and appreciated.

On August 1, 1975, the United States, Russia, and 33 other nations signed the Final Act of Helsinki. If I may for a moment, I would like to cite a passage from that accord:

> The participating states will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, without distinction as to race, sex, language, or religion.

This passage may sound familiar to my colleagues, because of its similarity to our forefather's pledge to human rights made over 200 years ago. We must not forget the importance of that pledge and the positive affects it may have on individual expression. We must continue to condemn any nation that suppresses such free expression in countries such as Lithuania and work to encourage Lithuania's self-determination as a national entity.

I ask all of my colleagues here today to continue to support Lithuania's Declaration of Independence as we remain firm in our recognition of Lithuania, its people, and their culture.●

● Mr. DODD. Mr. Speaker, too often we, in America, take for granted our autonomy as a nation. In Lithuania, freedom is a memory that is being kept alive through the conviction and dedication of that country's citizens whose patriotic spirit has not diminished despite continued Soviet oppression.

Friday, February 16, marks the 61st anniversary of Lithuanian independence but, unlike our enduring heritage of self-determination, Lithuania's independence was cut short by a Soviet takeover in 1940.

For the past 39 years the Lithuanian people have struggled against political, religious, and cultural repression by the Soviets who have persisted in carrying out an ethnocentric policy that has as its aim the complete eradication of Lithuanian traditions and political beliefs.

Untold numbers of Lithuanian and Russian protesters have been arrested and imprisoned for voicing their opposition to Soviet domination of Lithuania and violations of human rights that are consistently committed against Lithuanians who refuse to deny their heritage.

In celebrating Lithuanian Independence Day, we would do well to recall the principles of the Helsinki agreements that were designed to insure that the elemental human rights of all people are protected.

Article VII of the Helsinki Act states that—

> They will promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms all of which derive from the inherent dignity of a human person and are essential for his free and full development.

Twenty-four years have passed since the Helsinki articles were agreed to by the Soviet Union, and it is painfully obvious to Lithuania and other Baltic nations that their "inherent dignity" has been vilified by the Soviet Union for nearly a quarter of a century.

This month, Americans celebrate the birth of two of their Nation's most illustrious Presidents. One, George Washington, was the commander of our revolution for freedom from colonialization. The other, Abraham Lincoln, was the proponent of a national ethic of equal rights and free-thinking that has shaped our political, social, and cultural standards for scores of years.

Now, more than ever, we must not forget that liberty, justice, and equality are not just constitutional criteria that are endemic to our country. They are universal rights that the people of Lithuania adhere to and believe in as a nation.

February 16 will not be a true independence day for Lithuania until the voices of all sovereign nations join together in support of a free Lithuania and an end to the violations of human rights that are being perpetrated by the Soviets there.

We must make a concerted effort to see that the covenants of the Helsinki accord are complied with as they were originally intended, so that this will be a year of new hope for the people of Lithuania.●

● Mr. RATCHFORD. Mr. Speaker, I rise today to join my colleagues and those who cherish freedom worldwide in observing the 61st anniversary of Lithuanian independence.

To serve the needs and interest of our people in these great halls is surely a uniquely American experience, but one which we all must be proud of. However, it is with great sorrow that we must remember the peoples still behind the Iron Curtain unable to enjoy the same freedoms that are so much a part of our own heritage.

Many times have I shared with my Lithuanian-American friends the rich language and customs of a great people. On this occasion we must recall the many relatives and friends of American citizens who continue to carry the torch of freedom despite continuing Soviet repression and persecution.

The litany of this valiant country is one from which we can all learn. It was on February 16, 1918, that the Lithuanian people declared themselves an independent nation after 110 years of Russian domination, and a short period of German rule. It was only 21 years later that Lithuania again fell prey to Soviet domination, and on August 3, 1940, they occupied the country and declared it a Soviet republic with a Communist government.

Lithuania was briefly occupied by Nazi troops during World War II, only to be reoccupied by the Soviets and the Red Army to this day. This little country and its great people have for so long now experienced Soviet oppression, but we should remember our own American experience. Through our forefathes declared their independence in 1776, it was not until 1783 that we were actually free from the British and our country began to take on its own form.

Lithuania has long struggled to be a free and independent nation in the world community, while enslaved by the Soviets with no self-government, religious freedoms, and no human rights. Thousands were killed in guerrilla fighting and today still countless thousands more have been sent to Siberian labor camps for their political/religious beliefs, or as punishment for resisting Soviet rule.

No longer, Mr. Speaker, can we ignore the sacrifices these people have made that embrace the very same ideals of freedom and justice that are so very dear to all Americans. So on this the eve of the 61st anniversary of Lithuanian independence, I implore all that seek peace and justice throughout the world not only to learn from the Lithuanian experience, but to work stridently toward freedom and true independence for all peoples in the Baltic region who must live their lives as prisoners of conscience for ideals they have fought for with all their energies for so long.●

● Mr. DERWINSKI. Mr. Speaker, today, we salute the indomitable spirit of a proud people who have struggled to preserve their cultural heritage, national language, and their historic religious faith against the attacks of Soviet totalitarianism. It is especially fitting for us to pay tribute to the brace people of Lithuania and to the many contributions made to our country by Lithuanian-Americans.

The Republic of Lithuania was established as an independent nation on February 16, 1918. These freedom-loving people enjoyed their independence from the Soviet Russian Empire for only 22 years. In June 1940, the Soviet Union invaded and occupied the Baltic States and Lithuania was forcefully annexed into the Union of Soviet Socialist Republics. Earlier in its history, Lithuania had suffered under Czarist Russian rule.

However, no amount of repression has succeeded in stifling the Lithuanians' yearning to reestablish their nation as a free and sovereign state. Their heroic and inspiring struggle, despite massive persecution and suppression of their human rights, has proved their undaunted determination to overcome Soviet domination.

As we are painfully aware, the Soviet Union has denied religious freedom, and there is no indication that persecution of religious suppression in Lithuania is abating. It is compounded by official Kremlin interference against the Roman Catholic Church, which has played a major role in Lithuanian history and is symbolic of Lithuanian nationhood. Periodically stories of religious persecution and suppression of human rights break through the Soviet curtain, appearing in articles in the Catholic Chronicle, but we may be sure that there are many such violations which do not become known publicly.

When we as a nation consider the plight of various peoples around the world who face a deprivation of basic human rights, too often we neglect to emphasize the struggle for freedom in Lithuania and her sister Baltic States as

well as the other non-Russian nations within the U.S.S.R. Yet, the United States has consistently refused to sanction the forcible occupation of Lithuania and its Baltic neighbors. We must continue to be vocal in our objections to all Soviet violations of human rights in Lithuania and in the other captive nations. We must strive to focus world attention on these constant transgressions.

Although the oppressive Soviet occupation denies Lithuanians their political rights as well as their religious freedom and restricts their economic and cultural development, they have continued to preserve their unity and strong sense of national consciousness. It is appropriate on this occasion of the 61st anniversary of their declaration of independence, that we pay tribute to the devotion by the Lithuanian people to the reestablishment of an independent and free nation.

As we pause to mark this anniversary, we must also recognize the many contributions made to the development of the United States and the preservation of its ideals of freedom and liberty by the more than 1 million Americans of Lithuanian descent.

Here in the United States, Lithuanians are a well organized and a hard working ethnic group who are deeply interested in maintaining their cultural background. When the time comes for the restoration of freedom for their homeland, they will be in a position to make a positive contribution to the progress of that nation.

The United States must continue to support the aspirations for freedom, independence, and national self-determination of all captive peoples. To this end, we remain committed and we must not waiver from our responsibility.●

● Mr. HYDE. Mr. Speaker, tomorrow is the occasion of the 61st anniversary of the declaration of independence of Lithuania.

Russia signed a peace treaty with Lithuania on July 12, 1920, recognizing it as an independent nation and pledging itself to renounce forever all rights of sovereignty. The treaty stated:

> In conformity with the right declared by the Russian Soviet Federated Socialist Republic that all peoples have the right to free self-determination, including the right of full secession from the State of which they were a part, Russia recognises without any reserve the sovereignty and independence of the State of Lithuania with all juridical consequences resulting from such recognition, and voluntarily and forever renounces all sovereign rights possessed by Russia over the Lithuanian people and territory. The fact that Lithuania was ever under Russian sovereignty does not place the Lithuanian people and their territory under any obligation to Russia.

Centuries of Russian imperialism and attempts at domination came briefly to an end for Lithuania with World War I. With the defeat of Germany and the turmoil of revolution in Russia a 20-member national council proclaimed her independence on February 16, 1918. It is this anniversary we celebrate today. Although a Red Army tried to enforce a Communist government, they were driven back and signed the solemn pledge I have quoted above.

Tragically, after only two decades of independence, Lithuania again fell under Russian domination during World War II, and was declared a constituent republic of the U.S.S.R. in August 1940. Following the German attack on the Soviet Union 10 months later, Lithuania was in Nazi hands until reoccupied by the Soviet Army in 1944. When the tide of the war turned against Germany, Lithuania returned not to independence, but to Soviet domination.

The United States has never and will never recognize the forcible Soviet annexation of this great nation. We must continue to protest in the strongest possible terms the oppressive measures of the Soviet Union against the Lithuanian nation.

Today I salute my constituents of Lithuanian descent, and Lithuanian-Americans throughout our country who have contributed to our American dream. We pray that their own dream and the dream of those they left behind in their motherland for a free and independent Lithuania may soon become a reality.

America, as the leader of the free world, must not and will not forget the plight of the Lithuanian people who have had their sovereignty violated and their freedom suppressed. The legitimate goals and aspiration of the Lithuanian people to win back their freedom as an independent state are shared by us all.●

● Mr. ADDABBO. Mr. Speaker, just 2 months ago we commemorated the 30th anniversary of the Universal Declaration of Human Rights. Tomorrow, February 16, Lithuanians throughout the world will celebrate the 61st anniversary of the Declaration of Independence of Lithuania. Yet despite the brave and courageous struggles of these people and others of the Baltic States, Lithuania is not now free, nor are her people afforded the basic rights of human dignity that we in this country have enjoyed for over 200 years.

In 1918, Lithuania rejected the specter of Communist oppression, declared herself free, and set out to establish and follow her own culture, literature, customs, and religious beliefs. Despite Russian control and repeated Soviet attempts at armed subjugation her citizens have persisted in proclaiming their own heritage. For this strength of will they are saluted.

It is relatively easy to let the matter rest there, but I have spent some time reading the latest report on the violation of human rights in Lithuania, and know that we must do more than help Lithuanians celebrate. We must encourage their search for self-determination and condemn their oppressors for unlawful aggression against the sovereign and individual rights of a free people.

Consider the abolishment of Catholic parishes, and the suppression of religious texts. Consider the cases of the Jurgutiene family, separated since 1974, because the Soviets will not allow Marija and her daughter to emigrate to the United States to join their husband and father, the Vasilyev family that is constantly harassed by the KGB, because they belong to a Christian community, and many others who are denied visitation and reunification rights. Consider, too, the long list of dissenters who have been incarcerated for exercising freedom of thought or conscience.

I urge my colleagues to take this opportunity to renew our country's pledge to exercise responsible leadership in the human rights field. And personally, I offer my hopes and prayers to the Lithuanian people that their next Declaration Day will find them free once again.●

● Mr. RINALDO. Mr. Speaker, I am pleased to take this opportunity today to join my colleagues in commemorating the 61st anniversary of the independence of Lithuania.

Sixty-one years ago this month, the people of Lithuania proclaimed their independence and established their own government at the close of World War I. Lithuania became a free, independent, and peaceful nation.

This freedom, however, was to be shortlived. Twenty years later, the Second World War began and the Soviet Union aggressively began its intimidation of this tiny Baltic nation by concentrating its troops along the Lithuanian-Soviet border. On June 15, 1940, all pretense was shattered when the Red Army invaded Lithuania and began an occupation which continues to this day. During the past 39 years, Lithuanian patriots have been executed, imprisoned, or deported. Mock elections have also been held with candidates whose only loyalty is to the Communist dictators in Moscow.

Despite its adoption of the Helsinki Accords and numerous other international agreements which call upon the Soviet Union to respect the civil, religious, and political rights of all peoples, the Communist government in Moscow persists in suppressing the rights of Lithuanians.

But it is a symbol of their strength as a people that they have not been broken. Their struggle to regain their freedom deserves our respect and our support, and I am especially pleased that, each year, my colleagues and I have the opportunity to register our unity with the Lithuanian people.

Mr. Speaker, the valiant and courageous struggle which continues in Lithuania should serve notice to us all that our freedoms are not to be taken lightly, and no people is more deserving of a new birth of freedom than the citizens of Lithuania.●

● Mr. ASHBROOK. Mr. Speaker, as one who has for years watched successive administrations, both Democrat and Republican, ignore for the most part the plight of the peoples living today under Communist tyranny, I am glad for this opportunity to remind the citizens of our free land that there are forms of modern slavery existing today in foreign lands. The celebration of Lithuanian Independence Day is an excellent case in point.

It was in June 1941, that mass deportations of Lithuanians, along with thousands of their Baltic neighbors in Latvia and Estonia, were shipped to Siberia in one of the grossest violations of human rights by the Soviets at that time. In the

following years still more guiltless people of Lithuania were sent eastward to Northern Russia, Western and Eastern Siberia, and Kazakhstan. One can hardly imagine the suffering of these people as they labored in the slave labor camps, in the mines, and in the forests. Starvation, disease, and the brutally cold weather accounted for the deaths of many slated to die far from their native land. It has been estimated that the Communists either murdered or deported 350,000 people from Lithuania—approximately 10 percent of the population of that tragic nation.

As I have done in the past, I will introduce legislation asking that our Ambassador to the U.N. take steps to have placed on the agenda the issue of self-determination for Lithuania, Latvia, and Estonia. These three of the captive nations are especially significant as the United States has—at least up to the present time—refused to recognize the incorporation by the Soviets of these Baltic States. It is not likely to happen since Andrew Young is a cream puff when it comes to dealing with his friends, the Communists. Lithuanians cannot agree with our Ambassador who maintains that Communists never were a threat to them. Lithuanians know better. He might brand them as "Fascists" if they resist communism too vociferously.

Like the thrilling escape of Simas Kudirka several years ago and his eventual return to the United States, all measures and activities which publicize the plight of the captive nations serve to keep hope alive in those living under tyranny. This legislation, unsuccessful in the past, helps to say to the people of Lithuania that we have not forgotten them.●

● Mr. MURPHY of Illinois. Mr. Speaker, today we are commemorating Lithuanian Independence Day, the day on which an independent Lithuanian Republic was established some 71 years ago. Tragically, Lithuania has been denied its freedom and independence by the Soviet Union for the last 39 years. This deprivation of human rights began with the Soviet Union's invasion and occupation of that country in June 1940. Today, even after the Helsinki and Belgrade Conferences, Soviet repression continues. Lithuanians who attempt to exercise their basic human rights are still thrown into Soviet prisons. While these prisoners of conscience number in the thousands, only a few of their names ever reach the West.

Mr. Speaker, as we observe Lithuanian Independence Day, our hearts go out to the Lithuanians who yearn for the same freedoms we in America are so privileged to enjoy. Perhaps our sympathy stems from the belief that "No one can be perfectly free till all are free," as Herbert Spencer once said.

Perhaps someday the Soviet Union will realize that what truly cements human beings to one another is not Marxism, but their common desire to enjoy life, liberty, and the pursuit of happiness. Until that day comes, we will lend our support to all Lithuanians in the hope that they can eventually live in freedom and independence.●

● Mr. BIAGGI. Mr. Speaker, I rise today in honor of the 61st anniversary of the Declaration of Independence of Lithuania. This day is remembered by myself and the entire Congress as a tribute to the millions of freedom-loving people in Lithuania and captive nations throughout the world. Hopefully, our words today will offer encouragement to the captive nations and reaffirm our commitment to human rights for all people.

On February 16, 1918, the date which we are commemorating today, the Republic of Lithuania declared its independence from Russian enslavement. Tragically, this freedom was to be short-lived. In June 1940, the Soviet army invaded and regained control of Lithuania. Since that time, the proud people of Lithuania have been forced to endure severe repression. Families have been disbanded and deported, an unknown number have been executed, and the industrial wealth of the nation has been exploited.

Yet, despite the suffering they have endured for almost four decades, the spirit of Lithuanian freedom fighters has never faltered, and I am confident that with a renewed commitment on our part, they will triumph in the end.

Despite our continued expressions of support for the peoples of Lithuania and other captive nations, very little has been done to improve the plight of these oppressed people. The message appears clear—we must go beyond mere expressions. We must take more definitive actions. The results of our human rights policy will not be measured by the number of speeches delivered, but instead by our ability to advance the cause of freedom in the captive nations.

Mr. Speaker, today we stand in honor of a courageous people who have long sought the opportunity which we have been blessed to enjoy for more than two centuries. I am hopeful that tomorrow, these words will be reinforced by effective action.

Let me add Mr. Speaker that while the world is so supportive of improved relations between the United States and its main Communist adversaries, we must be ever vigilant about expansionist tendencies by both the Soviet Union and the People's Republic of China. Perhaps the most important United States-Soviet issue in 1979 will be the SALT II talks. We must recognize that this issue transcends more than just discussion about weaponry and strategic balances. It should be used by the United States to force additional concessions from the Soviets about releasing their stranglehold on its captive nations. This would make this a humane agreement.

Mr. Speaker, at this time I would like to insert a statement which appeared in a report published by the Lithuanian-American Community of 1978, entitled "The Violations of Human Rights in Soviet Occupied Lithuania." This statement details just one of the many tragic human rights violations against Lithuanian citizens:

THE CASE OF MARIJA JURGUTIENE

To all people of good will in the free world.

To the President of the United States of America, Mr. Jimmy Carter.[1]

From Marija Jurgutiene, residing in the Lithuanian Republic of the USSR, in the city of Vilnius, Zirmūnai Street, No. 75, Apt. 100.

A STATEMENT

I, Marija Jurgutiene, together with my thirteen-year old daughter Daina have consistently, since December 16, 1974, requested permission to come to the United States of America, the permanent residence of my husband and the father of my daughter, Aloyzas Jurgutis (6542 S. Fairfield Ave., Chicago, Ill. 60629, USA).

My husband, Aloyzas Jurgutis, was a senior lecturer at the State Conservatory of the Lithuanian Republic of the USSR, in the Department of Choral Conducting. On May 9, 1974, my husband went to Yugoslavia as a tourist, where he decided to change his permanent place of residence. Since 1974 he has been residing in the United States of America.

I have requested the Lithuanian SSR OVIR three times for an exit visa, by filling out all the necessary forms, but have received only the following unreasonable replies:

1. In March of 1975—treason;

2. April 21, 1976—we do not have the means;

3. December 24, 1976—rejection (of the request).

I then addressed myself to:

1. The Central Committee of the Communist Party of the USSR on February 12, 1977, on October 26, 1976, on June 2, 1976, and on May 8, 1976;

2. The General Secretary of the Central Committee of the Communist Party of the USSR L. I. Breshnev on December 12, 1976, on January 17, 1976, and on September 1, 1975;

3. The Chairman of the Presidium of the Supreme Soviet Nikolai V. Podgorny on November 12, 1976, May 10, 1975, April 17, 1975, and September 29, 1974;

4. The First Secretary of the Lithuanian Communist Party P. Griskevicius on June 15, 1976;

5. The 25th Congress of the Communist Party on February 8, 1976 (I wish to note that until now I have not received any replies to my requests);

6. OVIR (Visa) Division of the Soviet Union's Ministry of Internal Affairs on February 12, 1977, and March 9, 1977;

7. The Human-Rights Committee on Geneva on November 17, 1976, on May 10, 1976, on January 20, 1976, and on October 20, 1975.

My request to reside together with my lawful husband, and of my daughter with her true father, is considered a crime by my national government.

I am constantly threatened by word and in writing that I will be sent to prison, my apartment will be confiscated, and my daughter will be expelled from school because she has no right to be in a Soviet school. On May 30, 1974, my apartment was searched. On September 23, 1974 I was discharged from my librarian position at the society "Znanie". From May 30, 1974, to February 1, 1975, I was constantly called by the KBG for interrogations. In June of 1974 my 11-year old daughter, Daina, was also interrogated. All correspondence with my husband was, and still is, prohibited. On March 30, 1975, without any warning, my telephone was disconnected. I was called several times by the police to explain why I am not working. On July 29, 1976 my apartment was searched again. I have been under constant surveillance throughout this time.

What can be more natural than the union of a family? This is a vitally important question for our family. I wish to live together with the man to whom I have promised my destiny. I ask only that which is an undeniable right of every human.

Since the indicated facts are a denial of human rights and is a violation of the Helsinki Accords. I feel I have a right to inform you of these violations. Since I have exhausted all possibilities in my country, I appeal to you to help me in search of my human rights.

MARIJA JURGUTIENE.

VILNIUS, *March 10, 1977.*●

[1] Text of the statement received through private sources. In a subsequent statement to the Presidium of the Supreme Soviet of the USSR, dated May 24, 1977, M. Jurgutiene renounced her Soviet citizenship and demanded permission to leave the Soviet Union. Text of the latter statement will be found in *Aušra*, No. 9 (1977). The intransigence of the Soviet regime appears to be due to the defection of Aloyzas Jurgutis, for which his wife and daughter are being punished.

● Mr. CLEVELAND. Mr. Speaker, today we pause to commemorate Lithuanian Independence Day. This proud people has been subjugated by the Communist leadership of the Soviet Union since 1940.

Frequently, we hear about Communist-inspired harassment, censorship, interference with religious practice, and the denial of many other basic human rights. Such inhuman treatment has been inflicted upon the Soviet people themselves and, even more so, upon those populations subjected to that totalitarian regime. The people of Lithuania have suffered greatly in this regard.

Despite such great personal suffering, Lithuanians continue to persevere courageously in the hope that self-determination and freedom will soon be theirs. Such courage should spur us to confirm our solidarity with this noble struggle. We must commit ourselves anew to the goal of a peaceful world, a world in which self-determination for all peoples becomes a delightful reality.

Further, the plight of the captive Lithuanian nation should prompt us to pause and to refresh our memories concerning the many blessings which this great Nation of ours affords. Having been so refreshed, we can then rededicate our energies and our minds to fostering a new world order, one in which human dignity is recognized and human freedom no longer shackled.

Mr. Speaker, our forefathers gave us the gift of liberty. Dare we do anything less than to share this great gift? ●

● Ms. FERRARO. Mr. Speaker, I rise today to commemorate Lithuanian Independence Day. Although an independent nation for a brief 22-year period, the Lithuanian people have through their efforts to regain their freedom been an inspiration to the freedom-loving peoples of the world. Since 1940, the Lithuanian people have lived under the occupation of the Soviets, Nazis, and most recently the Soviets again. Despite these hardships the Lithuanian people have never given up the hope that they will one day regain that which is rightfully theirs, a free and independent nation.

The Soviet Union's illegal annexation of Lithuania along with the other two Baltic Republics of Estonia and Latvia in 1944, was an act that has never been recognized either by our Nation or much of Western Europe. Of course, it is an act that has never been accepted by the Lithuanian people themselves. The spirit of freedom is alive in Lithuania, it lives despite all attempts by the Soviet Union to repress and extinguish it. I join my colleagues in celebrating the Lithuanian spirit, and in drawing inspiration from the determination of the people of Lithuania.●

● Mr. McHUGH. Mr. Speaker, it is a privilege for me to salute the Lithuanian people on the anniversary of their declaration of independence. Their history, full of great accomplishments and great sorrows, is a paradigm of the human spirit's resilient longings to be free and nurtured in a beloved homeland.

Since ancient times, the Lithuanians have inhabited the same Baltic region; they were mentioned by the Roman historian Tacitus in the first century A.D. Their language is the oldest in its forms of the world's living languages, a fact which has made them keenly aware of their individuality. In the middle ages, they controlled land from the Baltic to the Black Sea, and played an important part in the shaping of modern Europe. Their rich cultural heritage, their strong religious faith, and their willingess to fight for national self-determination were among the characteristics which motivated them to declare an independent state in 1918, at the conclusion of the First World War.

The period of independent national life that ensued from 1918 to 1940 should never be regarded as some kind of historical accident that was tragically cut short. Rather, Lithuania's modern political independence was the culmination of centuries of strong national consciousness, a consciousness intensified still further by the Czarist domination of 125 years that immediately preceded the 1918 Declaration of Independence. During that period of Czarist oppression, the occupying Russian forces attempted to weaken the Lithuanians' sense of national identity by forbidding use of the Lithuanian language in the schools, as well as the printing of books in the Lithuanian language. But that kind of attempt to obliterate Lithuania's culture only made the Lithuanians more determined to retain their identity and achieve conditions under which it could flourish. They kept their language, culture and religious traditions alive under great duress. Despite all the Czarist attempts at conditioning in the schools, their children continued to learn to know and love the ancient and enduring ways of their motherland right in their own homes.

Just as the Lithuanians perservered in cherishing their heritage throughout the 19th century Czarist occupation, they have—predictably—been heroic since 1940 in nurturing their national identity, their language, culture, and religion, their intense national pride, and above all their determination to be free again. The Soviet forces that overran Lithuania in 1940 and have ruled there since then have never been able to subdue the people's will. This was demonstrated through long years of partisan fighting in the 1940's and early 1950's. It has been evident in demonstrations within the Soviet-managed factories, the appearance of underground newspapers and dissident journals, the brash unwillingness of Lithuanian youth to be "sovietized." And there are always special people in recent years to remind us that Lithuania is still, in the ancient phrase, a "land of heroes." Remember the student, Romas Kalanta, who immolated himself so that the world would remember Lithuania's longing to be free. Remember the sailor, Simas Kudirka, whom no prison bars could contain. Remember the prisoner, Victoras Petkus, whose spirit no Soviet court can ever convict.

Mr. Speaker, the story of Lithuania covers some two millenia of human history, and it is consistently a story of a people who have amply proven their right to be free and self-determining. The United States has never recognized the forcible incorporation of Lithuania and her sister Baltic countries, Estonia and Latvia, into the Soviet Union. Through our consistent policy in support of the Baltic countries' legitimate claim to independence and self-determination, we demonstrate that our concern for human rights is paralleled by our commitment to national rights as well.

I rejoice at the vitality, courage, and perseverance of the Lithuanian people, who continue to inspire freedom-loving people everywhere. I am confident that the essential history of Lithuania—a history of freedom—will repeat itself yet again.●

VIETNAMESE PAYMENT FOR LEGITIMATE AMERICAN CLAIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, today I am introducing legislation with Congressman BINGHAM which will allow American citizens who have had their property and businesses expropriated by the Government of Vietnam to file claims with the U.S. Government's Foreign Settlement Claims Commission. The claims will then be adjudicated by the Commission, and, when and if normal diplomatic relations are reestablished, the Vietnamese Government will be obliged to pay the claims in a formula agreed to as part of the normalization process.

As the situation now stands, Americans who have had property expropriated by the Socialist Republic of Vietnam cannot even file claims because the Foreign Settlement Claims Commission lacks authority to accept and adjudicate them. The amendments we are proposing to the International Claims Settlement Act of 1949 will remedy this situation.

The Commission will then have legal authority to determine the validity of claims as it has already done in relation to Yugoslavia, Poland, Bulgaria, Romania, Hungary, Czechoslovakia, China, East Germany, and Cuba.

Final agreements which have resulted in significant payments to the American claimants by the countries involved have been signed by the Governments of Yugoslavia, Poland, Bulgaria, Romania, and Hungary. Negotiations are currently underway with Czechoslovakia and initial contacts have been made with the East German Government. Though the Commission has finished adjudicating claims against Cuba, no negotiations with the Cuban Government on this issue have taken place.

Perhaps the most striking example of the value of the Claims Settlement program will become visible later this month when Treasury Secretary Blumenthal will travel to China to continue negotiations and hopefully conclude an agreement which will be beneficial to the American claimants.

The Chinese example is illustrative because many of the claims which will soon be settled were filed a decade ago. I do not see any immediate improvement in our relations with Vietnam on the horizon, but it would be foolhardy to predict what our relationship might be in 10 or 20 years. It is important to give Americans the opportunity now to file their claims before personal memories and corporate records become further dispersed.

In closing, there are three points which I wish to stress. First, this bill specifically does not commit the U.S. Government to pay any claims which may be filed. To the contrary, the claims will ultimately be paid by the Vietnamese Government. The American taxpayers will not be presented with a bill for payment. Second, this bill is not designed to pave the way for rapid normalization of relations with Vietnam. What might happen in terms of diplomatic relations is another matter which will be determined by a variety of factors. Congress must have an important role to play in making that decision. Simply, this is a bill to aid American citizens with legitimate claims.

Third, we should understand that while many large corporations will probably file claims, American businessmen who had relatively small businesses in Vietnam will also benefit from this legislation.

In fact, my interest in this matter was stimulated by a Vermont constituent who first began a machinery sales business in Saigon in 1963 and had to abandon it as Saigon fell to the North Vietnamese in 1975.

A full survey of blocked Vietnamese assets in this country has never been conducted, but initial Treasury Department estimates put the figure at nearly $100 million. The amendment we are proposing today will open the way for a full cataloging of these blocked assets. At some point in the future, should no agreement be reached with the Vietnamese, Congress will have the opportunity to determine whether the blocked assets should be liquidated to pay the claims. This would be a drastic step and one which I am not prepared to recommend at this time. I would prefer to see the assets distributed as part of ultimate agreement negotiated with the Vietnamese authorities. However, we should prepare ourselves for the future.

I urge your support for this legislation.●

● Mr. BINGHAM. Mr. Speaker, I am pleased to join with my colleague from Vermont (Mr. JEFFORDS) in introducing legislation which represents the first step toward obtaining the fullest possible restitution for Americans whose private property was taken by the Government of the Socialist Republic of Vietnam when the Government of South Vietnam fell.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has legislative jurisdiction over U.S. claims against foreign governments for nationalized or expropriated property, and it is my intention to give active consideration to this proposal in the near future.

Mr. Speaker, many obstacles remain in the path toward obtaining payment from the Government of Vietnam for private American property that government now controls. We currently have no diplomatic relations with Vietnam, and indeed we unilaterally embargo all trade and financial transactions with Vietnam. Furthermore, of course, the recent invasion of Cambodia by Vietnamese military forces has complicated and severely dampened for the time being any progress that might have been made toward restoring diplomatic relations with Vietnam so that negotiations of concrete issues such as U.S. claims could get underway.

It is none too soon, however, to get our own records in order as to just what American property was lost to the Vietnamese and how much that property was worth. Such records will become the basis of the total claim which the U.S. Government will someday present to the Vietnamese Government as a basis for negotiation and settlement.

The difficult task of reviewing and validating such claims is vested by existing statutes in the Foreign Claims Settlement Commission—a Commission, appointed by the President, which has had extensive experience in establishing U.S. private property claims against foreign governments and assisting in the payment of restitution to claimants when settlements are reached. In the past 35 years, the Foreign Claims Settlement Commission and its predecessor agencies have adjudicated and validated such claims against virtually all of the countries of Eastern Europe, as well as against China and Cuba. Settlements have actually been reached with Yugoslavia, Poland, Bulgaria, Romania, and Hungary. Our claims against the Peoples' Republic of China, which are now under negotiation, are based upon the work of the Foreign Claims Settlement Commission.

There are widely differing views in the Congress, about when and how fast we should move toward normalization of relations with Vietnam. I personally feel that we should be prepared to lift our embargo of Vietnam as soon as the Vietnamese are willing to reestablish diplomatic relations. One reason I have felt that this should be done promptly is to avoid a long delay in gaining restitution for Americans—both corporations and individuals—who suffered losses of private property in Vietnam.

Whatever one's position on normalizing relations with Vietnam, however, I believe we can all agree that we expect restitution from Vietnam for private American property it has nationalized or expropriated. The legislation we are introducing today reaffirms our commitment to the principle of restitution for American private property, and would start the process of obtaining compensation for Americans who lost property in Vietnam by specifically authorizing the Foreign Claims Settlement Commission to examine all claims by Americans against Vietnam and to determine the validity and exact amount of those claims.

This legislation is clearly in our self-interest. It makes no concession to Vietnam, nor does it place any burden on U.S. taxpayers to pay for private U.S. losses in Vietnam. On the contrary, it reaffirms our expectation that the Vietnamese Government will have to pay for American property it has taken.

I want to congratulate the diligent work of my colleague, Mr. JEFFORDS, in helping to prepare this proposed legislation, and I urge my colleagues in the House to support it after full and careful consideration has been given to it by the Committee on International Relations.●

LITHUANIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 5 minutes.

● Mr. YOUNG of Florida. Mr. Speaker, on February 16, Lithuanians throughout the world commemorate the 61st anniversary of the declaration of independence of Lithuania. It is important that Americans take time to memorialize the plight of the Baltic people who have been overcome by the ruthless tyranny of the Soviet Union.

Lithuania, Latvia, and Estonia exemplify the true meaning of human rights. In fact, no part of the world represents a more serious denial of human rights, including the right of self-determination, than the imprisoning of the Baltic people.

Soviet repression has been consistent and harsh. Human rights have been violated in numerous ways and these violations are continuing. This ongoing repression makes it incumbent upon us to uphold our heritage of a free and open society and we must champion the cause of self-determination for the Baltic people. The United States must continue to support the aspirations for freedom, independence, and national self-determination of all peoples. We cannot accept foreign domination by any nation over another nation. To this end we remain committed and we must not waiver from our responsibility.●

ARCHBISHOP OSCAR ROMERO OF EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. FENWICK) is recognized for 5 minutes.

● Mrs. FENWICK. Mr. Speaker, the citizens of El Salvador are living every day in a system which flagrantly violates their civil and human rights. The injustices they are forced to endure make a dark picture of governmental persecution, but one figure rises above all this suffering as an advocate of the poor and the defenseless. Archbishop Oscar Arnulfo Romero y Galdames, the Roman Catholic archbishop of El Salvador, has been steadfast in his defense of the rights of his people, and in his criticism of the military government which has waged a campaign against the exercise of those rights. Arbitrary arrests, detentions, torture, and mysterious disappearances have become the order of the day—gross violations of human rights documented by such impartial international watch groups as Amnesty International, the Inter-American Human Rights Commission, the Geneva-based Commission of Jurists, and the Washington Office on Latin America.

Last month I joined 22 other Members of Congress in nominating Archbishop Romero for the Nobel Peace Prize. Despite attempts from many quarters to vilify and discredit him, he has demonstrated uncomprising courage, tenacity and forthrightness in continuing to speak out for his people. He has earned the support of freedom-loving people everywhere, and deserves consideration for the Nobel Prize.●

CRIME SUBCOMMITTEE SCHEDULES HEARINGS ON LEAA AND WHITE-COLLAR CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will continue its hearings, which began during the latter part of the 95th Congress, on proposals to reauthorize and reorganize the Law Enforcement Assistance Administration. To this end, we will hold a hearing on this subject on February 20, 1979, at 9:30 a.m., in room 2237, Rayburn House Office Building.

The subcommittee in its attempt to comprehensively evaluate the operations of the LEAA program has also scheduled field hearings for February 22 in Detroit, Mich.; February 23 in Chicago, Ill.; and February 26 and 27 in San Francisco, Calif. While in San Francisco, the subcommittee will also take testimony from a number of witnesses on the subject of white-collar crime.

Individuals wishing to testify or submit a statement for the record should address their request to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515.●

OIL IMPORT PURCHASING AUTHORITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 30 minutes.

● Mr. BINGHAM. Mr. Speaker, the victory of the Khomeini forces in Iran, the continuing cutoff of Iranian oil, and the coming 14.5-percent hike in OPEC oil prices, all serve to remind us that the "energy crisis" is still with us. Last month the subject of energy warranted no more than 12 words in the President's state of the Union message. Today administration figures speak of gasoline rationing, bans on Sunday driving, and a situation "prospectively more serious" than the 1973–74 oil embargo. We are warned that gasoline could soon be costing us $1 per gallon at the pump. Oil shortages (either real or contrived) and higher prices (always real) seem to be our destiny. It is a destiny we seem to accept with entirely too much equanimity. I propose that we begin to fight back.

I am introducing legislation which would begin to put the United States in control of its own energy fate. The Oil Import Purchasing Authority Act of 1979 would authorize the U.S. Government (through the Department of Energy) to act as the sole purchasing agent for all petroleum and petroleum products imported into the United States. In this capacity, the Department of Energy could maximize the U.S. bargaining position by soliciting sealed bids from those oil-producing nations seeking access to the U.S. market. Such competitive bidding, by OPEC and non-OPEC states, might well have a divisive impact on the OPEC cartel and could lead to a reduction in the price of imported oil.

Legislation similar to this was considered in 1975 (Public Law 94–163). At that time Congress did enact a proposal authorizing the President to submit to Congress a plan granting the Federal Government the exclusive right to purchase foreign oil. I would delete this discretionary authority and mandate establishment of an import authority.

This legislation would help break the OPEC stranglehold. The importing of oil to this country would no longer be the special province of multinational oil companies, themselves captives of the OPEC cartel. Today energy decisions vitally affecting the United States, are made, not by the U.S. Government, but by Gulf, Texaco, Mobil, Socal, and their sister companies. They decide (following OPEC) to raise prices and they decide when to restrict sales. It need hardly be said that the 70 to 90 cents we are now paying for a gallon of gasoline is not a price dictated by market conditions but rather by the oil companies which import the oil, then refine it, and finally sell it to us. The companies' price and supply decisions are not made on the basis of our national interest but out of concern for corporate profits and the companies' interests in the oil states. Despite their American sounding names and their familiar corporate logos, the major oil companies have long been under the inevitable domination of the oil states. The OPEC cartel has fixed the price of oil and the oil companies have carried out the OPEC price policy. The most flagrant example of the oil companies' servitude to the OPEC states—or, to be more polite, their identity of interests—came during the 1973 Yom Kippur war and the ensuing oil embargo. According to the Senate Foreign Relations Subcommittee on Multinational Corporations, the oil companies enforced the Arab oil embargo of the United States and our allies. Not surprisingly, the oil companies tried to block the U.S. arms airlift to Israel. When the boycott finally was lifted, the oil companies joined in the decision to quadruple the prices of oil. Clearly the oil companies have interests which conflict with those of the United States.

The importation of oil is, simply, too important to be left to multinational companies. Oil supply and pricing decisions are crucial questions of public policy and should be made by our Government and not by corporate chieftains. OPEC is a coalition of governments and only a strong central government authority can stand up to it. Those who argue that a government importing authority would deal a blow to free enterprise are not realistic. There is no free enterprise in imported oil. What we have is a cartel of producing nations and a friendly coalition of oil companies. I would prefer having our key energy decisions made by our Government.

One more point must be made. This bill would not add to the taxpayers' burden, and it would not create any large new bureaucracy. Funds from the U.S. Treasury would be used to pay for the oil but would be paid back by refiners who purchase the oil. The Department of Energy would not take possession of any oil. Its role would be to insure a fair bidding procedure and an equitable allocation of oil.●

COSPONSORS OF TAX EQUITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

● Mr. CORMAN. Mr. Speaker, on January 15, I introduced H.R. 1040, the Tax Equity Act of 1979. Twenty-three Members of the House have now joined me as cosponsors. They are: Mr. ANDERSON of California, Mr. BOLLING, Mr. CONTE, Mr. CONYERS, Mr. CORRADA, Mr. DANIELSON, Mr. DELLUMS, Mr. DIXON, Mr. DRINAN, Mr. EDWARDS of California, Mr. JOHNSON of California, Mr. MAGUIRE, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mrs. SPELLMAN, Mr. STUDDS, Mr. SEIBERLING, Mr. WEAVER, and Mr. WON PAT.●

CONCERN FOR SAFETY OF AMERICANS STILL IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, during the current unrest and upheaval in Iran, all Americans were deeply concerned for the safety and well-being of our fellow countrymen who are still in Iran on assignment for our Government or as representatives of the business community or for other purposes.

Our concern for these individuals is not based on any misplaced sense of nationalism or militarism, but rather, on a universal humanitarian concern for people whose lives or safety may be seriously endangered by turmoil within another nation.

I was deeply disturbed to learn, therefore, that our NATO ally and military partner, Turkey, refused our request to station a small force of 69 marines and 6 helicopters in Turkey in case they were needed to protect the lives and safety of Americans in Iran, or to facilitate the evacuation of Americans.

Mr. Speaker, this small force could not possibly be regarded as a threat to Iran or anyone else. Such a group, by its very nature, could serve only humanitarian purposes and not represent a hostile or aggressive force. One would think that Turkey would readily open its doors in friendship to this small force. Instead, we were forced to locate these marines at other stations.

Of course, no nation has an obligation to accept our Armed Forces, regardless of the size or purpose of such forces. By the same token, however, this occurrence raises the broader question of the strength of our ties with Turkey, and the good intentions of the Turkish Government toward our Nation. I also recall the intensity of the effort made last year to win congressional approval of lifting the arms embargo to Turkey, much of which was based on the essential and irreplaceable nature of our bases in Turkey.

It is deeply disturbing to me that these bases were not even available for our use in a mission that could not conceivably be regarded in any way other than humanitarian.●

TAIWAN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, 2 months ago today the President announced his decision to recognize the People's Republic of China as the Government of China, and to derecognize the Republic of China on Taiwan. He stated that the United States-People's Republic of China "normalization" would take effect January 1, 1979, that Embassies would be established March 1, 1979, and that the Mutual Defense Treaty between the United States and the Republic of China would be terminated as of the end of this year.

Mr. Speaker, I voiced at the time of the President's announcement my dismay at the President's failure to consult meaningfully with the Congress in advance of his decision. I also stated my concern about giving in to Peking's demands on conditions for recognition and about the lack of strong assurance about the future security of Taiwan, our longtime friend and ally.

We in the Congress are now faced with a most difficult task. The President has asked for legislation which would implement the President's decision with respect to continuing relations with Taiwan, by carrying these forward on a nongovernmental basis. We have been asked to act on this legislation promptly. The Foreign Affairs Committee accordingly has been holding hearings at the full and subcommittee level over the past 2 weeks.

It is apparent that the President's action has put us in Congress under the gun, legislatively speaking. We need to act to protect America's interests in Taiwan and to assure the Taiwanese people that we are not pulling the rug out from under them in the haste to "normalize" with Peking. We have to do this in a way which will not run against the President's understanding with the People's Republic of China, we are told; and at the same time we are pushed to get the implementing legislation to the White House by March 1 if possible so there will not be a damaging hiatus in our relations with Taiwan following the closing of our Embassy there.

It has been increasingly obvious as the committee hearings proceeded that the administration's proposed legislation was deficient in many respects. We need assurances for the future security, peace, and freedom of the 18 million people of Taiwan that the legislation does not provide. We need greater provision for the uninterrupted continuation of the multibillion-dollar business and commerce between the United States and Taiwan which is so important to both sides. We need to have a stronger framework for carrying on the everyday dealings between the citizens of the United States and Taiwan.

Because of these shortcomings in the administration's proposed bill, draft legislation which is designed to meet the needs cited above is being prepared by the Foreign Affairs Committee staff and myself. This committee print will be offered to the members of the Foreign Affairs Committee for consideration in markup next week. It is my hope that such a bill will meet the approval of the Members. In my opinion it will fully provide for the authorities requested by the President, and at the same time will be a constructive embodiment of the policy we must now adopt toward our friend, Taiwan.●

□ 1150

THE 100TH ANNIVERSARY OF THE SAN LUIS OBISPO AREA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to extend my congratulations to all of the people associated with a very important institution in my district—the San Luis Obispo General Hospital. Yesterday was the 100th anniversary of the admittance of the hospital's first patient, and in those 100 years, the residents of the San Luis Obispo area have enjoyed superior medical care.

Of course, the anniversary coincides with Valentine's Day, and everyone likes to think of the hospital as the "Hospital With a Heart." All of the hospital's employees—doctors, nurses, technicians, aides—are responsible for this attitude, and it makes for a great source of comfort and care for people in my district.

At a time when we must look very hard at every Government program to eliminate waste, I think it is very important that we remember those public institutions that do serve the public interest. Quality health care is one of the most basic services Government can provide to people, and places like the San Luis Obispo General Hospital make a high level of health care for all a reachable goal.

Again, my congratulations to the hospital and all its employees. Let us all hope that the "Hospital With a Heart" continues to provide care to the residents of the San Luis Obispo area for yet another century.●

SUGAR STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 5 minutes.

● Mr. FOLEY. Mr. Speaker, I am privileged to be joining with the gentleman from Oregon, Mr. ULLMAN, chairman of the Committee on Ways and Means, the gentleman from Texas, Mr. DE LA GARZA, newly elected vice chairman of the Committee on Agriculture, and a number of our distinguished colleagues in the House in introducing the International Sugar Stabilization Act of 1979. We do so in the very firm belief that this legislation does not recognize the needs of only one segment of our society to the detriment of others but, rather, that it will serve to the advantage of each of us in this Chamber and those not present who send us here to speak for them.

As one of the world's largest and most important sugar consuming and importing nations, the continued survival and viability of the U.S. sugar industry and the stability of the global market are clearly in our best interest. Recognizing this and the fact that efforts to date have been unsuccessful in meeting this dual objective, those of us who have been working together on this problem believe that legislation mandating a comprehensive sugar policy and program is sorely needed.

For too long, we as a nation have sat calmly by and watched our domestic production base, our safety net against future hard times and escalating world sugar prices, if you will, fall into serious jeopardy while other sugar producing countries enrich themselves at our expense.

The legislation we offer today proposes to rectify this situation by providing long-overdue authority for U.S. participation in the cooperative International Sugar Agreement as a means of fostering the stability of global sugar supplies and prices, which impact directly on U.S. consumers and producers alike; by providing modest protection for sugar producers consistent with the International Sugar Agreement; and by insuring that those who labor in the production of sugar share equally in the benefits to be derived in terms of improved wages and working conditions.

The International Sugar Stabilization Act of 1979 builds on agreements arrived at after months of discussion in 1978 and offers some changes in the 1978 sugar bill designed to insure equitable treatment of producers and consumers of sugar as well as favorable consideration by the House. Specifically, our bill—

Provides for U.S. implementation of its rights and obligations under the International Sugar Agreement;

Establishes a complementary domestic program providing an assured return to producers of 15.75 cents per pound for 1978 crop raw sugar. This assured return is made up of two elements: A price objective of 15.25 cents per pound to be achieved by raising the price of imported sugar (and, thus, the domestic price) through import duties and, if necessary, quotas. Producers would then receive up to one-half cent per pound in supplemental payments. If for any reason a limitation were ever imposed on the direct payments program, payments would be abolished; and the market price objective would be enhanced by one-half cent to maintain the assured return.

Allows for adjustments in the price objective each year to reflect changes in the cost of production, with an absolute ceiling of 7 percent in any year, consistent with the President's anti-inflation guidelines, and a supplemental payment of up to one-half cent;

Leaves the Secretary of Agriculture discretionary authority to operate a price support loan program; and

Mandates minimum wage levels and other protections for sugar cane and sugar beet workers.

We are pleased to note that this bill has been drafted jointly by members of both the Committee on Agriculture and the Committee on Ways and Means in an effort to minimize any differences of approach between the two and to expedite its consideration. We sincerely believe that the situation is critical and that actions such as those we collectively recommend must be forthcoming.●

INTRODUCTION OF H.R. 2155

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MINETA) is recognized for 5 minutes.

● Mr. MINETA. Mr. Speaker, during the past year I have become aware that the General Services Administration has interpreted the 1972 amendments to the 1959 Public Buildings Act in such a way as to allow them to exceed in certain instances the $500,000 limit in that act without seeking congressional approval. I believe the Congress must exercise its responsibility for this program to the fullest and that GSA must be directed in the most unambiguous terms possible to submit these projects to the Congress. The legislation I am introducing today would accomplish exactly that.

There are two issues here, both involving buildings leased by the GSA. The 1972 amendments provided that leases over $500,000 annually must be submitted to the Congress for approval (40 U.S.C. 606). The GSA interpretation has been that leases entered into at less than $500,000 can subsequently be added to, so that they provide more space and at more than $500,000, all without seeking prospectus approval from the Congress. We end up with a case like the one in San Francisco, where GSA is now leasing space in one building at a gross annual rent of $1.38 million (which would put the net annual rent at about $1 million) and yet has never sought congressional approval.

It is true that the GSA sought an opinion of the GAO in this matter, and in his response (B-176843) the Comptroller General stated that "we are aware of no legal basis on which to object to the proposed treatment of amendments to existing leases." This opinion was predicated on the additional space lease rather than as an amendment to the existing lease, and on GSA seeking such additional space on a good faith basis and taking "whatever precautions are necessary to prevent the splitting of a space requirement for purposes of evading the requirements (to submit a prospectus)." The distinction between lease amendments and separate supplemental lease agreements may have been lost in practice. But apart from the issues of lease amendments versus supplemental leases and good faith versus bad faith, the main point is that we should not have major commitments of Federal resources to one lease without some kind of congressional control and accountability. The bill I am introducing today would specify that a prospectus must be submitted for congressional approval under the 1959 act at whatever point the lease for all federally leased space in a building exceeds $500,000.

The second issue involves the GSA interpretation of the 1972 amendments to the effect that repair and alterations projects to leased buildings do not require congressional prospectus approval no matter how much the cost. Aside from the fact that this legal interpretation has at best a tenuous connection to the statute, it is clearly absurd that we would have greater control over Federal spending for repairs and alterations in federally owned buildings than we do in privately owned buildings. In fact, it should be just the opposite. The bill I am introducing today would, therefore, require repair and alteration projects over $250,000 in leased buildings to be submitted for congressional approval. This would be in addition to the present practice of submitting prospectuses for repair and alteration projects over $500,000 in federally owned buildings.●

TAX EQUITY FOR TENANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today I am introducing the tenant's tax justice bill which allows tenants to claim their share of local and State property tax payments for Federal income tax purposes.

Tenants rent single family homes, townhouses, garden apartments, and high rises and, through their rent, they pay property taxes on their dwelling units. However, unlike homeowners who may deduct their property taxes, tenants are not afforded the same opportunity. The tax laws discriminate against the taxpayer who rents and this inequity will be corrected by the passage of this bill.

Under the bill, a tenant may claim a credit of 25 percent of the proportionate share of the property taxes paid. This share is determined by multiplying the total property taxes paid on the building by the ratio of the floor space rented by the tenant to the total rental floor space in the building, excluding common areas. For example, if someone rented for 1 year an apartment with 5,000 square feet of floor space and there was a total of 50,000 square feet of floor space in the building, the proportionate share would be 10 percent of the building's property tax. If the total property tax paid by the owner was $6,000 then the tenant's share is $600, and the credit which the tenant can claim is 25 percent of $600, or $150. A tenant is allowed to claim the credit for only the portion of the year during which he actually rents the apartment. In the example above, if the tenant had only rented the apartment for 6 months then his share of the property tax is $300 and his credit is $75.

In past Congresses, the concept of allowing tenants to claim their property tax payments received widespread attention from the national news media and several organizations. Among those who expressed favorable interest in the concept included the National Tenants Association, the American Association of Retired Persons, Apartment Life magazine, the National Apartment Association, the National Council of Senior Citizens, and the National Federation of Retired Federal Employees. At the moment, the California State Legislature is conducting hearings on a similar proposal.

The benefits of the passage of this bill are many:

Property tax relief for tenants would make the income tax system more progressive in that it would lessen the tax burden on low income taxpayers. According to a Congressional Research Service study, over 79 percent of household rental units were occupied by families with incomes under $15,000 in 1976;

A tax credit for tenants would encourage individuals to live in rental units and help reverse the suburban flight which is partially responsible for the deterioration of our center cities. Revitalization of our center cities is an important national priority, and the tax system should not be allowed to exacerbate the problem as it currently does;

A tax credit is both a more equitable and more progressive way of providing property tax relief than is an itemized deduction. Over 85 percent of income

tax returns filed by individuals with incomes under $10,000 in 1974 claimed the standard deduction, hence, most would have been ineligible for an itemized deduction. The deduction ignores the nonitemizing low-income taxpayer while a credit can be claimed by nonitemizers as well as itemizers;

A tax incentive for rental housing would spur apartment unit construction and help bring down the high unemployment rates experienced in the construction industry;

The bill discourages "instant condominiums" by removing an artificial tax stimulus to apartment conversion—simply, those who rent will no longer lose the right to claim their property tax payment;

The bill makes partners of property owners and tenants in keeping local property taxes under control. Many landlords support this concept because in addition to enhancing rental markets, the bill makes the tenants realize what portion of the rent is not "rent" at all, but a property tax payment. The landlord is currently caught in the middle—the local government raises taxes, but because the landlord collects the tax in the rent, he is "blamed" for increasing rents. Under this bill, it is clear that the landlord is merely acting as a collection agent for the local government.

The opportunities and demands of American life have made us a more mobile society. At the same time escalating costs and rising mortgage rates have priced many citizens out of the "home ownership" market. This fact is documented by the National Home Builders Association's somber prediction that new housing starts will decline by approximately 20 percent in 1979. According to the Congressional Research Service, 36 percent of all American families rent their homes and there is no doubt that that figure will continue to escalate.

Public policy has discriminated against tenants for too long; genuine tax reform requires that we treat the Nation's tenants with fairness and equity. It is for that reason that I am introducing the tenant's tax justice bill.●

CONSUMERS' ENERGY HEARINGS ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, each day brings more frustration to Americans who are being asked to accept and pay for energy cost decisions made in Washington, many miles away from home. To begin with, it is bad enough to know that, for the most part, oil prices are being set by a foreign cartel with little concern for the American consumer. However, I think it is inexcusable when our own Government does not actively encourage the participation of citizens in making major electric and gas rate decisions over which it does have some control. I am speaking about multimillion dollar wholesale and interstate price decisions on electric power and natural gas.

The way the Federal Energy Regulatory Commission (FERC) is set up and operates in the Department of Energy does not encourage or facilitate participation by the people at home who pay the bills, or by the local rural electric cooperatives, the power and light company and the local gas company that are forced to pass on these charges. It is unfair to ask citizens to be inconvenienced and to pay for the cost of traveling to Washington to have their voices heard, assuming they would be invited to attend the hearings.

For that reason, and to change this situation, I have introduced the Consumers' Energy Hearings Act of 1979 (H.R. 1977) to require that these Washington hearings be moved to the areas of the country affected by the increases. It calls for no new hearings where no hearings were required before. What it does say is that if FERC is going to hold hearings which could result in a significant rate increase, a person who is going to be affected by it can petition FERC to have the hearing moved to that area. It would then become an open proceeding with interested consumers being able to attend and participate and have their views heard directly by the people making the decisions.

This legislation attempts to facilitate consumer involvement in these Washington-based decisions which are then binding on the States and localities. Even the elected State public serivce commissions can do nothing more than accept these Federal decisions because wholesale and interstate increases are within Federal jurisdiction, and public service commissions deal only with the intrastate rates. I know of State public service commissions that simply, automatically pass on these Federal-level increases to consumers in the State. When the homeowner receives his or her utility bill, he or she will at least know what is behind the euphemisms "surcharge" or "adjustment" that appear on these bills and really mean Washington decides, you abide. This bill will give consumers a chance to be heard on these important pocketbook decisions.●

RULES OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, pursuant to rule XI, clause 2 (a), of the Rules of the House of Representatives, the Rules of the Committee on Public Works and Transportation are submitted for publication in the CONGRESSIONAL RECORD.

RULES FOR THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, 96TH CONGRESS (1979–80)

(Adopted February 7, 1979)

RULE NO. I.—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rule X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. II.—REGULAR AND SPECIAL MEETINGS; OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committee shall be held on the first Tuesday of every month to transact its business unless such day is a holiday, or Congress is in recess or is adjourned, in which case the Chairman shall determine the regular meeting day of the committee for that month. The Chairman shall give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice of such meeting. If the Chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, the meeting may be cancelled, delayed or deferred until such times as, in the judgment of the Chairman, there may be such matters which require the committee's consideration. This paragraph shall not apply to meetings of any subcommittee.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the Chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however*, that no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives.

Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause (g)(5) of Rule VII, or

(B) may vote to close the hearing, as provided in clause (g)(5) of Rule VII.

No member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or a particular subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedure designated in this subparagraph for closing hearings to the public; Provided, however, that the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

RULE NO. III.—RECORDS AND ROLL CALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

RULE NO. IV.—PROXIES

(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motion pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. _____,
House of Representatives,
Washington, D.C.

Dear _____: Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of _____ and any amendments or motions pertaining thereto.

_____,
Member of Congress

Executed this the _____ day of _____, 19____, at the time of _____ p.m./a.m.

RULE NO. V.—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within or without the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such books, witnesses and the production of such records, correspondence, memorandums, papers, and documents

as it deems necessary. The Chairman of the committee, or any member designated by the Chairman, may administer oaths to any witness.

(b)(1) A subpoena may be issued by the committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Such authorized subpoenas shall be signed by the Chairman of the committee or by any member designated by the committee. If a specific request for a subpoena has not been previously rejected by either the committee or a subcommittee, the Chairman of the committee, after consultation with the ranking minority members, may authorize and issue a subpoena under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, and such subpoena shall for all purposes be deemed a subpoena issued by the committee. Whenever a subpoena is issued under this subparagraph, as soon as practicable thereafter, the Chairman shall notify all members of the committee of such action.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpoenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representative, prior to leaving the hearing room.

RULE NO. VI.—QUORUMS

(a) One-third of the members of the committee or a subcommittee shall constitute a quorum for taking any action other than the closing of a meeting pursuant to subparagraph (f) of committee Rule II, the authorizing of a subpoena pursuant to subparagraph (b) of committee Rule V, the reporting of a measure or recommendation pursuant to subparagraph (b)(1) of committee Rule VIII, and the actions described in subparagraph (b), (c) and (d) of this Rule.

(b) A majority of the members of the committee or a subcommittee shall constitute a quorum for the reporting of a measure or recommendation.

(c) A majority of the members of the committee or a subcommittee shall constitute a quorum for approval of any of the following actions:

(1) Construction, alteration, purchase or acquisition of a public building involving an expenditure in excess of $500,000 and lease of space at an average annual rental in excess of $500,000 (section 2 of P.L. 92–313, 40 U.S.C. 606).

(2) Survey investigation of a proposed project for navigation, flood control, and other purposes by the Corps of Engineers (section 4 of the Rivers and Harbors Act of March 4, 1913, 33 U.S.C. 542).

(3) Construction of a water resources development project by the Corps of Engineers with an estimated Federal cost not exceeding $15,000,000 (section 201 of the Flood Control Act of 1965, as amended).

(4) Continuation of the authorization of a water resources development project to be constructed by the Corps of Engineers where such project has been recommended for deauthorization pursuant to the provisions of section 12 of the Water Resources Development Act of 1974.

(5) Deletion of water quality storage in a Federal reservoir project where the benefits attributable to water quality are 15 percent or more but not greater than 25 percent of the total project benefits (section 65 of the Water Resources Development Act of 1974).

(6) Authorization of a Soil Conservation Service watershed project involving any single structure of more than 4,000 acre feet of total capacity (section 2 of P.L. 566, 83rd Congress, as amended).

(d) Two members of the committee or subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE NO. VII.—HEARING PROCEDURES

(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 2 working days before

the day of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, to the extent practicable the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the Chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority nor the members of the minority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(g) The following additional rules shall apply to investigative hearings:

(1) The Chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause (f) (2) of Rule No. II, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, or incriminate any person.

In either case the committee shall afford such person an opportunity to voluntarily to appear as a witness; and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), Chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions witout the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

(10) No major investigation by a subcommittee shall be initiated without approval of a majority of such subcommittee.

RULE NO. VIII.—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the Chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the Chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) the statement required by section 308 (a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c) are included as part of the report.

This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f)(1) All committee and subcommittee prints, reports, documents, or other materials, not otherwise provided for under Rule VIII, that purport to express publicly views of the committee or any of its subcommittees or members of the committee or its subcommittee shall be approved by the committee or the subcommittee prior to printing and distribution and any member shall be given an opportunity to have views included as part of such material prior to printing, release and distribution in accordance with subparagraph (e) of this rule.

(2) No committee or subcommittee document containing views other than those of members of the committee or subcommittee shall be published without approval of the committee or subcommittee.

RULE NO. IX.—OVERSIGHT

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be in conformity with Rule XV a Subcommittee on Oversight and Review.

(b) The Subcommittee on Oversight and Review and the appropriate subcommittee with legislative authority shall cooperatively review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Subcommittee on Oversight and Review and the appropriate subcommittee with legislative authority shall cooperatively review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Subcommittee on Oversight and Review shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Subcommittee on Oversight and Review and the appropriate subcommittee with legislative authority shall cooperatively review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE NO. X.—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committees shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such programs could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committees on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. XI.—BROADCASTING OF COMMITTEE HEARINGS

(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearings or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any member or bring the House, the committee, or any member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f)(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to subparagraph (g)(5) of Rule VII, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level necessary to provide adequate television coverage of the hearing or the meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

RULE NO. XI.—COMMITTEE AND SUBCOMMITTEE BUDGETS

(a) The Chairman, in consultation with the chairman of each subcommittee, the majority members of the committee and the minority membership of the committee, shall, for each session of the Congress, prepare a consolidated committee budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee and its subcommittees.

(b) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions

processed in the same manner as set out herein.

(c) The Chairman or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of the consolidated budget as approved by the House and the Chairman may execute necessary vouchers thereof.

(d) Once monthly, the Chairman shall submit to the Committee on House Administration, in writing, a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the full committee. Such report shall show the amount and purpose of such expenditure and the budget to which such expenditure is attributed. A copy of such monthly report shall be available in the committee office for review by members of the committee.

RULE NO. XIII.—COMMITTEE AND SUBCOMMITTEE STAFF

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes; Provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may by removed, and their remuneration determined by the Chairman.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the ranking minority party member of the full committee who may delegate such authority as he determines appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff shall be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of House Rule XI: Provided, however, a staff person apponted by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (1), (2), and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made availalbe from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of the chairman.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

RULE NO. XIV.—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the Chairman, or, in the case of a subcommittee from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommitte (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel, when requested by the Chairman.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. XV.—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be 6 standing subcommittees. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively:

(1) Subcommittee on Aviation

(2) Subcommittee on Economic Development

(3) Subcommittee on Oversight and Review

(4) Subcommittee on Public Buildings and Grounds

(5) Subcommittee on Surface Transportation

(6) Subcommittee on Water Resources

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

RULE NO. XVI.—POWERS AND DUTIES OF SUBCOMMITTEES

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and where practicable shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct. No bill reported by a subcommittee shall be considered by the full committee unless it has been delivered to the offices of all members at least 48 hours prior to the meeting, unless the chairman determines that such bill is of such urgency that it should be given early consideration. Where practicable, such bills, resolutions, or other matters shall be accompanied by a comparison with present law and a section-by-section analysis of the proposed change.

RULE NO. XVII.—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred by the Chairman to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the Chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under his rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) In carrying out Rule XVII with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter to a special ad hoc subcommittee appointed by the Chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

RULE NO. XVIII.—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments; Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee; and provided further, that the majority party members may limit the number of subcommittee assignments of the Chairman and the subcommittee chairman in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full committee. In calculating the ratio of majority party members to minority party members, there shall be included all *ex officio* voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Aviation: (26 members) (17 majority; 9 minority).

(2) Subcommittee on Economic Development: (23 members) (15 majority; 8 minority).

(3) Subcommittee on Oversight and Review: (23 members) (15 majority; 8 minority).

(4) Subcommittee on Public Buildings ings and Grounds: (23 members) (15 majority; 8 minority).

(5) Subcommittee on Surface Transportation: (27 members) (18 majority; 9 minority).

(6) Subcommittee on Water Resources: (27 members) (18 majority; 9 minority).

(d) The full committee Chairman shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full committee.

RULES OF THE COMMITTEE ON EDUCATION AND LABOR

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the rules of the House, and at the request of the chairman, I submit the rules of the Committee on Education and Labor for printing in the RECORD:

COMMITTEE ON EDUCATION AND LABOR, 96TH CONGRESS, RULES OF THE COMMITTEE ON EDUCATION AND LABOR

INTRODUCTION

The rules of the Education and Labor Committee of the U.S. House of Representatives have been promulgated and adopted in conformity with House Resolution 5 of the Ninety-sixth Congress, and are consistent with the rules adopted by the Democratic Caucus of the Members of the U.S. House of Representatives for the Ninety-fifth Congress and in other respects preserve those provisions of the rules and reforms governing the Committee for the previous Congress.

Paragraph (k)(2) of clause 2 of rule XI, Rules of the House of Representatives, provides that a copy of the committee rules and clause 2 of rule XI shall be made available to witnesses before the committee.

This print is furnished in accordance with that requirement.

RULE 1. REGULAR AND SPECIAL MEETINGS.—(a) Regular meetings of the committee shall be held on the second and fourth Tuesdays of each month at 9:45 a.m., while the Congress is in session. When the Chairman believes that the committee will not be considering any bill or resolution before the committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) All legislative meetings of the committee and its subcommittees shall be open. No business meeting of the committee, other than regularly scheduled meetings, may be held without each member being given reasonable notice. Such meeting shall be called to order and presided over by the Chairman, or in the absence of the Chairman, by the ranking majority party member of the committee present.

RULE 2. QUESTIONING OF WITNESSES.—Committee members may question witnesses only when they have been recognized by the Chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority party member and all other members alternating between the majority and minority party. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority party members present and shall establish the order of recognition for questioning in such a manner as not to place the members of the majority party in a disadvantageous position. The Chairman may accomplish this by recognizing two majority party members for each minority party member recognized.

RULE 3. RECORDS AND ROLLCALLS.—Written records shall be kept of the proceedings of

the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee or subcommittee for inspection by the public at reasonable times in the offices of the committee or subcommittee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member.

RULE 4. STANDING SUBCOMMITTEES, SIZE, RATIO AND JURISDICTION.—(a) There shall be eight standing subcommittees with the following jurisdictions:

(1) Subcommittee on Elementary, Secondary and Vocational Education.—Education from preschool through the high school level and vocational education.

Including, but not limited to: Elementary and secondary education generally, vocational education, school lunch and child nutrition, adult basic education, migrant and agricultural labor education, and overseas dependent schools.

The Subcommittee on Elementary, Secondary and Vocational Education shall consist of 15 Members, 10 from the Majority and five from the Minority.

(2) Subcommittee on Labor-Management Relations.—Relationship between employer and employee and their representatives.

Including, but not limited to: Labor-management relations generally, Bureau of Labor Statistics, pension reform (ERISA), and Service Contract Act.

The Subcommittee on Labor-Management Relations shall consist of 18 Members, 12 from the Majority and six from the Minority.

(3) Subcommittee on Employment Opportunities.—Comprehensive employment and training, work incentive and equal employment opportunities.

Including, but not limited to: Comprehensive Employment and Training Act, equal employment opportunities, Humphrey-Hawkins, displaced homemakers, Wagner-Peyser (employment services), Youth Conservation Corps, Young Adult Conservation Corps, import trade impact, plant relocation impact, Farm Labor Contractor Registration Act, and WIN.

The Subcommittee on Employment Opportunities shall consist of 10 Members, seven from the Majority and three from the Minority.

(4) Subcommittee on Postsecondary Education.—Education beyond the high school level.

Including, but not limited to: Higher education generally, education professions development, postsecondary student assistance, arts and humanities, museums, and library services and construction.

The Subcommittee on Potsecondary Education shall consist of 16 Members, 11 from the Majority and five from the Minority.

(5) Subcommittee on Health and Safety.—Workers' health and safety.

Including, but not limited to: Occupational safety and health, mine health and safety, youth camp safety, and migrant and agricultural labor health and safety.

The Subcommittee on Health and Safety shall consist of nine Members, six from the Majority and three from the Minority.

(6) Subcommittee on Select Education.—Special education programs.

Including, but not limited to: Alcohol and drug abuse, education of the handicapped, rehabilitation, environmental education, National Institute of Education, migrant and agricultural labor day care, child adoption, child abuse, domestic violence, domestic volunteers, ACTION (excluding volunteer older Americans programs).

The Subcommittee on Select Education shall consist of 12 Members, eight from the Majority and four from the Minority.

(7) Subcommittee on Labor Standards.—Wages and hours of labor.

Including, but not limited to: Davis-Bacon Act, Walsh-Healey Act, Fair Labor Standards Act (including child labor), workers' compensation generally, Longshoremen and Harbor Workers' Compensation Act, Federal employees compensation.

The Subcommittee on Labor Standards shall consist of nine Members, six from the Majority and three from the Minority.

(8) Subcommittee on Human Resources.—All matters dealing with programs and services for the elderly, for the elimination of poverty and for the care and treatment of children, exclusive of education programs.

Including, but not limited to: Economic Opportunity and Community Services Acts (Headstart, Community Services, etc.), Juvenile Justice and Delinquency Prevention, Runaway Youth Act, early childhood services, nutrition programs for the elderly, and older Americans.

The Subcommittee on Human Resources shall consist of eight Members, five from the Majority and three from the Minority.

(b) The Majority party Members of the Committee may provide for such special and select subcommittees as determined to be appropriate.

RULE 5. EX OFFICIO MEMBERSHIP.—The Chairman of the Committee and the ranking Minority party Member of the Committee shall be ex officio members of each Subcommittee established pursuant to Rule 4."

RULE 6. SPECIAL ASSIGNMENT OF MEMBERS.—To facilitate the oversight and other legislative and investigative activities of the committee, the Chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington. Any member of the committee may attend public hearings of any subcommittee and shall be afforded an opportunity by the subcommittee chairman to question witnesses.

RULE 7. SUBCOMMITTEE CHAIRMANSHIP.—The majority party members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any such request shall be subject to approval by a majority of those present and voting in the majority party caucus of the committee. Members so elected shall be chairman of their respective subcommittees.

RULE 8. SUBCOMMITTEE SCHEDULING.—Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Available dates for subcommittee meetings during the session shall be assigned by the Chairman to the subcommittees as nearly as practicable in rotation and in accordance with their workloads.

RULE 9. SUBCOMMITTEE RULES.—The rules of the committee shall be the rules of its subcommittees.

RULE 10. COMMITTEE STAFFS.—Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the House Committee on Education and Labor shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of the majority party members of the subcommittee within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the Chairman in consultation with and with the approval of the majority party members of the committee within the budget approved for such purposes by the committee.

RULE 11. SUPERVISION, DUTIES OF COMMITTEE STAFFS.—The staff of a subcommittee shall be under the general supervision and direction of the chairman of that subcommittee. The staff assigned to the minority shall be under the general supervision and direction of the minority party members of the committee who may delegate such authority as they determine appropriate. The staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as he determines appropriate.

Staff members shall be assigned to committee business and no other duties may be assigned to them.

RULE 12. HEARINGS PROCEDURE.—(a) The Chairman in the case of hearings to be conducted by the committee and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee or subcommittee determines that there is a good cause to begin such hearing at an earlier date. In the latter event the Chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority party members before the completion of such hearing, to all witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

RULE 13. MEETINGS—HEARINGS—QUORUMS.—(a) Subcommittees are authorized to hold hearings, receive exhibits, hear witnesses, and report to the committee for final action, together with such recommendations as may be agreed upon by the subcommittee. No such meetings or hearings, however, shall be held outside of Washington or during a recess or adjournment of the House without the prior authorization of the committee Chairman or a majority of a quorum of the subcommittee: *Provided*, That where feasible and practicable, 14 days notice will be given of such meeting or hearing.

(b) One-third of the members of the committee or subcommittee shall constitute a quorum for taking any action other than amending committee rules, closing a meeting from the public, reporting a measure or recommendations, or in the case of the committee authorizing a subpoena. For the enumerated actions a majority of the committee or subcommittee shall constitute a quorum. Any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(c) In the absence of the chairman of the committee or a subcommittee, the ranking majority party member present shall preside.

RULE 14. SUBPOENAS.—A subpoena may be authorized and issued by the Committee or subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the Members of the full Committee voting, a majority being present. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

RULE 15. REPORTS OF SUBCOMMITTEES.—(a) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(b) In any event, the report, described in the proviso in paragraph (*d*) of this rule, of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(c) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on Education and Labor (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(d) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct: *Provided*, That no bill reported by a subcommittee shall be considered by the full committee unless it has been in the hands of all members at least 48 hours prior to the meeting, together with a comparison with present law and a section-by-section analysis of the proposed change.

RULE 16. PROXIES.—(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which they are to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the members assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. _____

House of Representatives,
Washington, D.C.

DEAR _____: Anticipating that I will be absent on official business/or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of _____ and any amendments or motions pertaining thereto.

_____,
Member of Congress.

Executed this the _____ day of _____, 19__, at the time of _____ p.m./a.m.

RULE 17. AUTHORIZATION FOR TRAVEL.—(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee.

Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the appropriate chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), and (4) of paragraph (*a*) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule 12 of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittees prior authorization must be obtained from the Chairman, or, in the case of a subcommittee, from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) The Chairman shall not approve a request involving travel outside the United States while the House is in session (except in the case of attendance at meetings and conferences or where circumstances warrant an exception).

(4) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities of the subcommittee and containing the results of these activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel, including rules, procedures and limitations prescribed by the Committee on House Administration with respect to domestic and foreign expense allowance.

(e) Prior to the Chairman's authorization for any travel the ranking minority party member shall be given a copy of the written request therefor.

RULE 18. OVERSIGHT—(a) In order to enable the Committee to carry out its responsibilities under Rule X, clause (2) of the Rules of the House of Representatives, each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(b) The Chairman of the committee, consistent with Rule 4, from time to time in order to fulfill the committee's responsibility under Rule X, clause (3)(c) of the Rules of the House of Representatives, shall assign matters to subcommittees for reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(c) The Chairman of the committee, consistent with Rule X, clause (2)(d) of the

Rules of the House of Representatives, shall from time to time assign matters to subcommittees for reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE 19. REFERRAL OF BILLS, RESOLUTIONS, AND OTHER MATTERS.—(a) Each bill, resolution, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule 4 referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority party members of the committee, consideration is to be by the full committee.

(b) In carrying out paragraph (a) with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule 4, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter, pursuant to Rule 4, to a special ad hoc subcommittee, appointed by the Chairman (from the members of the subcommittees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the committee thereon, or make such other provisions as may be considered appropriate.

(c) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

RULE 20. COMMITTEE REPORTS.—(a) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule X of the Rules of the House of Representatives.

(b) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior. No material change shall be made in the report distributed to members unless agreed to by majority vote: *Provided*, That any member or members of the committee may file, as part of the printed report, individual, minority, or dissenting views, without reference to the preceding provisions of this rule.

RULE 12. BUDGET AND EXPENSES.—The Chairman, in consultation with the majority party members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee and after consultation with the minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The chairman of each standing subcommittee, in consultation with the majority party members thereof, shall prepare a supplemental budget to include funds for each additional staff, and for such travel, investigations, etc., as may be required for the work of such subcommittee. Thereafter, the Chairman shall combine such proposals into a consolidated committee budget, and shall present the same to the committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. After said budget shall have been adopted, no change shall be made in such budget unless approved by the committee. The Chairman or the chairman of any standing subcommittee may initiate necessary travel requests as provided in Rule 16 within the limits of their portion of the consolidated budget as approved by the House, and the Chairman may execute necessary vouchers therefor.

Once monthly, the Chairman shall notify the committee, in writing, that a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the committee is available to every Member in the office of the Clerk of the Committee. Such report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed.

RULE 22. RECOMMENDATION OF RULE FOR APPOINTMENT OF CONFEREES.—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees the Chairman shall consult with the ranking minority party member of the committee.

RULE 23. BROADCASTING OF COMMITTEE HEARINGS.—(a) When any hearing or meeting of the committee or a subcommittee is open to the public, that hearing or meeting may be covered in whole or in part by television broadcast, radio broadcast, and still photography, or by other such methods of coverage. Such coverage of hearings and meetings is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions and requirements of clause 3 of Rule XI of the rules of the House of Representatives.

(b) The general conduct of each hearing or meeting covered under authority of this clause and the personal behavior of committee members, staff, other government officials and personnel, witnesses, television, radio and press media personnel, and the general public at the hearing or other meeting, shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House.

(c) Persons undertaking to cover committee hearings or meetings under authority of this rule shall be governed by the following limitations:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

RULE 24. CHANGES IN COMMITTEE RULES.—A proposed change in these Rules shall not be considered by the committee unless the text of such change has been in the hands of all Members at least 48 hours prior to the meeting in which the matter is considered.

RULES OF THE COMMITTEE ON VETERANS' AFFAIRS

(Mr. ROBERTS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a) of the rules of the House of Representatives, I submit herewith the rules of the Committee on Veterans' Affairs for the 96th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on February 8, 1979:

COMMITTEE ON VETERANS' AFFAIRS, RULES OF PROCEDURE, 96TH CONGRESS

RULES OF PROCEDURE

Rule I—General Provisions

The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

Rule II—Meetings

(a) The regular meeting day for the full committee shall be at 10 a.m. on the second Tuesday of each month, and at such other times and in such places as the chairman may designate; however, a regular Tuesday meeting of the committee may be dispensed with by the chairman.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to the call of the chairman.

(c)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereto shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however:* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however:* That the committee or subcommittee may be the same procedure vote to close one subsequent day of hearing.

Rule III—Records and Roll Calls

There shall be kept in writing a record of the proceedings of the committee and of each subcommittee including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or such resolution shall be included in the committee report.

Rule IV—Quorums

A majority of the members of the committee shall constitute a quorum of the committee for business and a majority of the members of any subcommittee shall constitute a quorum thereof for business: *Provided*, That any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule V—Hearing Procedures

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event, the chairman or the subcommittee chairman, whichever the case may be, shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his or her appearance, a written statement of his or her proposed testimony and shall limit his or her oral presentation to a summary of the statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman of a majority of those minority members before the completion of such hearing, to call such witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

Rule VI—Oversight

(a) In order to assist the House in:

(1) Its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, the various subcommittees, consistent with their jurisdiction as set forth in Rule VIII, shall have oversight responsibilities as provided in paragraph (b).

(b) Each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated.

In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(c) Each subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdictions.

Rule VII—Broadcasting of Committee Hearings

Broadcasting, either by radio or TV of all open committee hearings and meetings shall be permitted when, in the judgment of the chairman, in consultation with the ranking minority member, such action is warranted. Photographs shall be permitted during hearings of the full committee and subcommittees as the chairman decides.

All coverage shall be subject to the following provisions:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed

in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule VIII—Number and Jurisdiction of Subcommittees

(a) There shall be five standing subcommittees as follows: Compensation, Pension, Insurance, and Memorial Affairs; Education, Training and Employment; Medical Facilities and Benefits; Housing; and Special Investigations. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively:

Compensation, Pension, Insurance and Memorial Affairs: Compensation, pensions of all the wars of the United States, general and special, and life insurance issued by the Government on account of service in the Armed Forces; cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior, and burial benefits.

Education, Training and Employment: Education of veterans, vocational rehabilitation, and readjustment of servicemen to civilian life.

Medical Facilities and Benefits: Veterans' hospitals, medical care, and treatment of veterans.

Housing: Veterans' housing programs.

Special Investigations: Investigative authority over matters that come within the jurisdiction of more than one legislative subcommittee, and that are referred to the subcommittee by the chairman for investigation and appropriate recommendations.

(b) The chairman and the ranking minority member shall serve as ex-officio members of all subcommittees and shall have the right to vote on all matters before the subcommittee.

Rule IX—Powers and Duties of Subcommittees

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

RULES OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

(Mr. REUSS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. REUSS. Mr. Speaker, as chairman of the Committee on Banking, Finance and Urban Affairs, I submit herewith for printing in the CONGRESSIONAL RECORD the rules of the Committee on Banking, Finance and Urban Affairs, which were adopted on January 31, 1979, in accordance with clause 2(a) of House rule XI:

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, COMMITTEE RULES, 96TH CONGRESS, 1979–80

RULES FOR THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Rule No. I.—General provisions

(a) The Rules of the House are the rules of the committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under rule X of House Rules and (subject to the adoption of expense resolutions as required by rule XI, clause 5 of the House Rules) to incure expenses (including travel expenses) in connection herewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

Rule No. II.—Regular and special meetings: Open committee meetings

(a) Regular meetings of the committee shall be held on the first Tuesday of each month while the Congress is in session. When the chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day be closed to the public: *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed

to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(3) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(g) No person other than a Member of Congress, committee staff, or a person from a Member's staff when that Member has an amendment under consideration, may walk in or be seated at the rostrum area of the committee unless the chairman, the chairman of the subcommittee, or a majority of the committee determines otherwise.

Rule No. III.—Records and rollcalls

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by any three of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

Rule No. IV.—Proxies

(a) No vote by any member of the committee or any of its subcommittees with respect to any measure or matter may be cast by proxy unless a proxy authorization is given in writing by the member desiring to cast a proxy, which authorization shall assert that the member is absent on official business or is absent due to personal illness and is thus unable to be present at the meeting of the committee or subcommittee and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the member assigning his/her vote and shall contain the date and time of the day that the proxy is signed. No proxy shall be voted on a motion to adjourn or shall be counted to make a quorum or be voted unless a quorum is present.

(b) Proxies shall be in the following form:

Hon._____,
House of Representatives,
Washington, D.C.

Dear_____: I will be absent on official business/due to personal illness and thus unable to be present at the meeting of the committee or subcommittee. I hereby authorize you to vote in my place and stead in the consideration of _____ and any amendments or motions pertaining thereto. The official business that necessitates my absence is_____.

_____
Member of Congress.

Executed this the _____ day of _____, 19__, at the time of _____ p.m./a.m.

Rule No. V.—Power to sit and act; subpena power

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings.

(2) In the case of such hearings which are to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary, such hearings must be authorized by a vote of a majority of the members of the full committee, a majority being present. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpena may be authorized and issued by the committee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpena issued by the committee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representatives prior to leaving the hearing room.

Rule No. VI.—Quorums

A majority of the members of the full committee or subcommittees shall constitute a quorum of the full committee or subcommittees for the reporting of a measure or recommendation: Provided, that the number of members constituting a quorum for the taking of any action other than the reporting of a measure or recommendation shall be one-third of the members of the committee or subcommittee, and any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule No. VII.—Hearing procedures

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify all members of the committee and the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, 100 copies of his proposed testimony and may be required to limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations after members of the subcommittee have been given an opportunity to participate, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shal. be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

(g) The following additional rules shall apply to investigative hearings:

(1) The chairman at any investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hear-

ing may tend to defame, degrade, or incriminate any person it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may review and photostat a copy of his or her testimony given at a public session or, if given at an executive session, when authorized by the committee.

Rule No. VIII.—Procedures for reporting bills and resolutions

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include—

(1) the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of rule X of the House separately set out and clearly identified;

(2) the statement required by section 308 (a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee;

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure, matter or any report or submission to be made to the House or to the Committee on the Budget under subclauses (g), (h), and (i) of clause 4 of Rule X of the Rules of the House of Representatives by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. No report shall be filed until the chairman has consulted with the ranking minority member of the committee and the chairman of the subcommittee from which the legislation emanated or would have emanated. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

Rule No. IX.—Oversight Subcommittee

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modification or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be established in conformity with rule XV an Oversight Subcommittee.

(b) The Oversight Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities which have responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Oversight Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Oversight Subcommittee shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Oversight Subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

Rule No. X.—Review of continuing programs; Budget Act provisions

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amount of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget in accordance with the Congressional Budget Act of 1974.

Rule No. XI.—Broadcasting of committee hearings

Any meeting or hearing that is open to the public may be covered in whole or in part

by radio or television or still photography, subject to the requirements of Rule XI, clause 3 of the Rules of the House of Representatives. At all such meetings or proceedings, coverage by radio, television or still photography will be allowed unless specifically forbidden by a record vote of the committee or subcommittee. The coverage of any hearing or other proceeding of the committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the committee presiding at such hearing or other proceeding and, for good cause, may be terminated by him/her.

Rule No. XII.—Committee and subcommittee budgets

(a) The chairman, in consultation with the majority members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee, and after consultation with the minority membership, the chairman shall include amounts budgeted to the minority members for staff personnel to be under the direction and supervision of the minority, travel expenses of minority members and staff, and minority office expenses. All travel expenses of minority members and staff shall be paid for out of the amounts so set aside and budgeted.

(b)(1) The chairman of each subcommittee, in consultation with the majority members thereof, shall prepare a budget to include funds for staff, travel, investigations, and miscellaneous expenses as may be required for the work of the subcommittee.

(2) The chairman of each subcommittee shall control the funds provided for in the subcommittee budget.

(c) The chairman shall combine the proposals of each subcommittee with the preliminary budget of the full committee into a consolidated committee budget, and shall present the same to the committee for its approval. The chairman shall then take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(d) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) The chairman, the ranking minority member of the full committee, or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of their portion of the consolidated budget as approved by the House, and the chairman may execute necessary vouchers thereof.

Rule No. XIII.—Committee and subcommittee staff

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes by the committee; provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the chairman in consultation with and with the approval of the majority members of the committee within the budget approved for such purposes by the committee.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the minority members of the committee who may delegate such authority as they determine appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of the House Rule XI; provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (7) and (2) and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of a majority of the majority members of the full committee, wihin the budget approved for the subcommittee.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

Rule No. XIV.—Travel of members and staff

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel:

(2) The dates during which the travel is to be made and the date or dates of the events for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman, the ranking minority member of the full committee whenever minority staff is involved, and the chairman of the full committee. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman or, in the case of a subcommittee from the subcommittee chairman and the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the chairman or the chairman of a subcommittee may be initiated by the chairman or the chairman of a subcommittee (except that individuals may submit a request to the chairman for the purpose of attending a conference or meeting).

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and the Committee on House Administration pertaining to such travel.

Rule No. XV.—Number and jurisdiction of subcommittees

(a) There shall be nine standing subcommittees as follows: Subcommittee on Domestic Monetary Policy; Subcommittee on Housing and Community Development; Subcommittee on Economic Stabilization; Subcommittee on Consumer Affairs; Subcommittee on International Development Institutions and Finance; Subcommittee on Financial In-

stitutions Supervision, Regulation and Insurance; Subcommittee on International Trade, Investment and Monetary Policy; Subcommittee on General Oversight and Renegotiation; and Subcommittee on the City. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees respectively.

Subcommittee on Domestic Monetary Policy

The jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all matters relating to monetary policy and agencies which directly or indirectly affect monetary policy, including the effect of such policy and other financial actions on interest rates, allocation of credit, and the structure and functioning of domestic and foreign financial institutions.

Further, the jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all private foundations and charitable trusts.

Subcommittee on Housing and Community Development

The jurisdiction of the Subcommittee on Housing and Community Development extends to all matters relating to housing and mortgage credit (except programs administered by the Veterans' Administration), including mortgage and loan insurance pursuant to the National Housing Act; FHA mortgage interest rates; rural housing; housing assistance programs, secondary mortgage market programs and all other activities of FNMA, GNMA, and FHLMC; private mortgage insurance; housing construction and design standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; counseling and technical assistance; regulation of the housing industry (including landlord-tenant relations); real estate lending powers of financial institutions (including regulation of settlement costs); and interest charges for members of the Federal Home Loan Bank System.

The jurisdiction of the subcommittee further extends to matters relating to community development and community planning, training and research, including community development block grants; urban renewal; model cities; rehabilitation loans and grants; neighborhood facilities grants; open space land and urban beautification grants; water and sewer facilities grants; public facilities loans; national, urban or community development banks; advance acquisition of land programs; new communities assistance programs; national urban growth policies; comprehensive planning (including land use and areawide programs); community development training and fellowships; and urban research and technologies.

Further, jurisdiction of the subcommittee extends to flood insurance and related land use controls, urban property protection and reinsurance, crime insurance, and regulation of interstate land sales.

Also, the jurisdiction of the subcommittee includes FHA property improvement loans under title I of the National Housing Act which can be used to finance the preservation of historic structures; community development block grant funds authorized under title I of the 1974 Housing Act which can be used to finance the acquisition and preservation of historic properties; and section 701 comprehensive planning grants to public bodies which can be used to finance surveys of historic sites and structures.

Subcommittee on Economic Stabilization

The jurisdiction of the Subcommittee on Economic Stabilization shall extend to all matters relating to financial aid to all sectors and elements within the economy, all matters relating to economic stabilization, and all defense production matters as contained in the Defense Production Act of 1950, as amended, and all related matters thereto.

Subcommittee on Consumer Affairs

The jurisdiction of the Subcommittee on Consumer Affairs shall include all matters relating to consumer credit, including those matters in the Consumer Credit Protection Act dealing with truth-in-lending, extortionate credit transactions, restrictions on garnishments, reports of the National Commission on Consumer Finance, and fair credit reporting. The jurisdiction shall further include collection practices, discrimination in the extension of consumer credit, creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, and credit cards.

The jurisdiction of the subcommittee shall further extend to matters relating to the price of consumer goods, services, and commodities; the rationing of consumer products; and hoarding.

Further, the subcommittee's jurisdiction extends to all matters relating to coins, coinage, currency and medals, including commemorative coins, commemorative medals, proof and mint sets and other special coins, Coinage Act of 1965, gold and silver, including coinage thereof (but not the par value of gold), gold medals, counterfeiting, and currency denominations and designs.

Subcommittee on International Development Institutions and Finance

The jurisdiction of the Subcommittee on International Development Institutions and Finance extends to all matters relating to all multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto; and monetary and financial developments as they relate to the activities and objectives of such institutions.

Subcommittee on Financial Institutions Supervision, Regulation and Insurance

The jurisdiction of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance extends to all agencies which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit or other insurance for financial or other institutions, the establishment of interest rate ceilings on deposits, and all auxiliary matters affecting or arising in connection with the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Share Insurance Fund, the Federal Home Loan Bank Board, the Federal Reserve Board and System, the National Credit Union Administration, and the Comptroller of the Currency, together with those activities and operations of any other agency or department which relate to both domestic or foreign financial institutions.

Further, jurisdiction extends to and includes, with respect to financial institutions and the department and agencies which regulate or supervise them, all activities relating to and arising in connection with the matters of chartering, branching, mergers and acquisitions, consolidations, and conversions.

Subcommittee on International Trade, Investment and Montary Policy

The Subcommittee on International Trade, Investment and Monetary Policy shall have jurisdiction over all matters within the jurisdiction of the committee relating to international trade, including but not limited to the activities of the Export-Import Bank.

Further, the jurisdiction of the subcommittee shall extend to international investment policies, both as they relate to U.S. investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

Further, the subcommittee shall have jurisdiction over the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto.

Subcommittee on General Oversight and Renegotiation

The Subcommittee on General Oversight and Renegotiation shall assist the House Committee on Banking, Finance and Urban Affairs in appraising the administration of the laws and regulations under the jurisdiction of the committee and present such recommendations as deemed necessary to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall exercise continuing oversight of the execution by the administrative agencies concerning any of the laws the subject matter of which reside within the jurisdiction of the committee and shall study all pertinent reports, documents and data pertinent to the jurisdiction of the committee and make the necessary recommendations or reports thereon to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall have full jurisdiction over the Renegotiation Act of 1951, as amended.

Subcommittee on the City

The Subcommittee on the City shall be a non-legislative subcommittee to study, investigate, report on and make recommendations concerning the problems of the cities.

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

(c) A member serving as chairman of any subcommittee on this committee shall not also serve as the chairman of a subcommittee on any other standing committee; Provided, however, that this provision shall not apply to members serving as subcommittee chairman on the Budget Committee; House Administration Committee; Joint Committees; or on the Small Business Committee who served as a subcommittee chairman on the Select Committee on Small Business as of October 8, 1974.

Rule No. XVI—Powers and duties of subcommittees

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen and with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings whenever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) No bill or joint resolution approved by a subcommittee shall be considered by the committee unless such measure, as approved, has been made available to all members at least two calendar days prior to the meeting, accompanied by a section-by-section analysis of such measure. The provisions of this

paragraph may be suspended by the committee by a two-thirds vote or by the chairman, with the concurrence of the ranking minority member of the full committee.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report.

"This report has not been officially adopted by the Committee on Banking, Finance and Urban Affairs (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed on the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the chairman, after consultation with the ranking minority member and appropriate subcommittee chairman, otherwise directs: Provided, that no bill reported by a subcommittee shall be considered by the full committee unless each member has been provided with reasonable time prior to the meeting to analyze such bill, together with a comparison with present law and section-by-section analysis of the proposed change, and a section-by-section justification.

Rule No. XVII.—Referral of legislation to subcommittees

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred to the subcommittee of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until 3 days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) Committee reports shall be filed at such time as the committee shall determine with reasonable time allowed for members to file supplemental, individual, dissenting or other views.

(d) In carrying out Rule XVII with respect to any matter, the chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter pursuant to Rule X to a special ad hoc committee appointed by the chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

Rule No. XVIII.—Sizes and party ratios on subcommittees and conference committees

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments: Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee: and provided further, that the majority party members may limit the number of subcommittee assignments of the chairman and the subcommittee chairmen and the minority party members may limit the number of subcommittee assignments of ranking minority party members in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of at least two majority party members for each minority party member. In calculating the ratio of majority party members to minority party members, there shall be included all ex officio voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Domestic Monetary Policy: total—9. Majority—6. Minority—3.

(2) Subcommittee on Housing and Community Development: total—27. Majority—18. Minority—9.

(3) Subcommittee on Economic Stabilization: total—18. Majority—12. Minority—6.

(4) Subcommittee on Consumer Affairs: total—9. Majority—6. Minority—3.

(5) Subcommittee on International Development Institutions and Finance: total—15. Majority—10. Minority—5.

(6) Subcommittee on Financial Institutions Supervision, Regulation and Insurance: total—18. Majority—12. Minority—6.

(7) Subcommittee on International Trade, Investment and Monetary Policy: total—18. Majority—12. Minority—6.

(8) Subcommittee on General Oversight and Renegotiation: Total—12. Majority—8. Minority—4.

(9) Subcommittee on the City; Total—9. Majority—6. Minority—3.

(d) The full committee chairman, or a member designated by a majority of the majority members on the committee, shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority party members of the committee in a manner determined by them. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of at least two majority party members for each minority party member.

SALES REPRESENTATIVES PROTECTION ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, today I am introducing the Sales Representatives Protection Act together with Congressman CHARLES ROSE and Congressman BILL BRODHEAD. The bill is designed to protect sales representatives from unjustifiable termination by the business firms they represent. Sales representatives are an independent businessmen and women who do not have the benefits of workman's compensation, unemployment compensation, company sponsored retirement or pension plans, and are not eligible to bargain collectively.

The vast majority of salesmen and women work long, hard hours attracting and maintaining customers for the business firms they represent. However, they are not protected from wrongful termination from their accounts by their principals, nor are they protected from a reduction in their sales territories, which cuts their income. Finally, they are not protected from such other inequities as the conversion of their accounts to accounts serviced directly by the principal.

The bill establishes certain minimum standards to protect sales representatives from unfair conduct by their principals. The bill does not establish any regulations of any kind, nor does it interfere with the right of principal and sales representative to enter into a mutually agreeable contract. Rather, the bill permits sales representatives to bring an action in court to obtain an indemnity when they are terminated unfairly, or when they have their territories or commission rates cut without good cause.

The commissioned sales representatives serve as important assets to the American economy. They fulfill the American competitive spirit, bringing lower prices for the consumer, and adding strength and substance to our economy. It is clear that many businesses derive their profits from the hard work, and sacrifices of their commissioned representatives. We think fair and equitable public policy requires that these men and women be protected from arbitrary and unfair termination of their accounts, reductions in their sales territories without compensation, or reductions in their commission rates.●

INTRODUCING LEGISLATION TO AMEND THE TRADE FAIR ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, today I am introducing legislation to amend the Trade Fair Act. This act allows the Secretary of Commerce to request the Secretary of the Treasury to waive duties and import taxes on goods coming into this country, if those goods are for display at fairs that the Secretary of Commerce deems to be "in the public interest." Trade fairs are excellent forums for merchants from this country and other countries to show off their expertise, display their technical prowess and foster an increase in trade. The Trade Fair Act was enacted to encourage such activities and I support that purpose.

I am troubled, however, that this act embraces a kind of trade fair that I do not support and that I do not believe, in any way, serves "the public interest." That is a trade fair to promote the sale of arms. We ought not allow this act to provide an incentive for the arms trade. We ought to rewrite the act to demonstrate our commitment to arms reduction. Therefore, the amendment I offer today would disallow the Secretary of

Commerce to request a waiver for any military goods or other related hardware.

I am troubled also, that such an arms fair is planned for Rosemont, Ill., on February 18–22. Its name, "Defense Technology '79," disguises its purpose. Its sole purpose is to promote and encourage the sale of military goods and other related hardware. This is totally antithetical to the stated goal of the administration for arms reduction. It is totally contrary to the views of a majority of Americans. And it is totally contrary to the moral imperative that arms reduction, not arms sales, is the philosophy that the Congress should encourage.

Let me emphasize that this legislation is not parochial in its nature. Certainly part of my intention is to discourage the fair in Rosemont, Ill., but this legislation would discourage such a fair anywhere else in this country. We can ill afford to provide incentive for arms proliferation. We must, instead, provide incentives for arms reduction. We must make it clear that trade fairs that seek to promote arms sales do not have the blessing of this or any other Congress.●

THE FOREIGN INTELLIGENCE INFORMATION PROTECTION ACT OF 1979 H.R. 1068

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McCLORY. Mr. Speaker, the United States is today suffering from a problem which seriously affects our Nation's security. The disclosure of sensitive, classified information—be it through espionage or the so-called leak—is undermining the vitally important mission of the departments and agencies of our government engaged in foreign intelligence and counterintelligence activities.

The state of the law allows those who steal or leak classified information to believe that their crime cannot be prosecuted—that they will go unpunished. Unfortunately, in many cases this is the all too real, sad truth. In most cases the law requires that sensitive intelligence information—in addition to that which the defendant is charged with disclosing—be disclosed in open court. As more and more culprits get away with their underhandedness, others feel safe to pursue the same course. The law is actually engendering abuse of our national security classification system.

Mr. Speaker, in order to help solve this problem, I have introduced the Foreign Intelligence Information Protection Act of 1979, H.R. 1068.

My bill would simplify the prosecution of those who commit espionage—that is, clandestine communication of classified information to a foreign power. No longer would sensitive national security information have to be publicly disclosed in order to bring a foreign spy to justice.

Mr. Speaker, the bill would also establish a new system for handling classified information dealing with our most sensitive secrets involving so-called intelligence "sources and methods". Any unauthorized disclosure of this information by a person with lawful access would likewise be punishable without necessitating further public disclosure of classified information.

Finally, the bill would establish special protection for those brave men and women who work for the United States covertly in foreign countries, often at great risk to their personal safety. Any disclosure of information which could lead to the identity of such a person—when the disclosure could prejudice that person's life or physical safety—would be subject to criminal penalties.

Mr. Speaker, this is essential legislation which I hope will be favorably acted upon during the 96th Congress. The Subcommittee on Legislation of the Permanent Select Committee on Intelligence, of which I am a member, has already held seven hearings to generally inquire into the problems in prosecuting espionage and "leaks". After listening to the testimony of those both within and without the government, I strongly believe that we must act to provide statutory solutions. Therefore, I am hopeful that the Intelligence Committee will schedule early hearings on H.R. 1068 and that it may be promptly enacted into law for the protection of our Nation and for the strengthening of our intelligence capabilities.

A section-by-section analysis of this bill follows:

SECTION-BY-SECTION ANALYSIS OF THE "FOREIGN INTELLIGENCE INFORMATION PROTECTION ACT OF 1979"

INTRODUCTION

This bill is designed to simplify existing law regarding disclosure of classified information, and, in specific, highly sensitive areas, expand existing law. The bill covers classic espionage (i.e. covert transmission of classified information to a foreign power), unauthorized disclosure of so-called "sources and methods" information by a person with authorized access to the information, and disclosure of information which could lead to the identity of an individual who has a secret relationship with one of our intelligence agencies where such disclosure could put the individual's life in danger.

Section 1

This section sets out the short title of the bill—the "Foreign Intelligence Information Protection Act of 1979".

Section 2

Statement of findings.—This section sets out the need for the legislation. While recognising the public's interest in access to government information, new laws must be enacted to better protect from disclosure to foreign powers extremely sensitive information which directly relates to our national security.

Section 3

Title V—Protection of foreign intelligence information.—This section amends the National Security Act of 1947 by adding to it an additional title. The title contains eight sections.

Definitions.—Section 506 includes eight definitions: "Authority" means at the direction of the President or pursuant to a statute or an Executive order, or pursuant to a lawful demand of a congressional committee.

"Classified information" means information that is designated and clearly marked or represented pursuant to statute or Executive order as requiring a specific degree of protection against unauthorized disclosure for reasons of national security, or information derived therefrom.

"Communicate" means to impart, transfer, convey or otherwise make available to another.

"Disclose" means to communicate (as defined above) or to release by publication.

"Foreign power" includes foreign governments, factions of foreign nations, international terrorist groups, foreign based political organizations, entities directed and controlled by foreign governments, and anyone acting on behalf of the above.

"Knowingly acts" means to act with knowledge or reason to know of all of the elements of the criminal offense involved.

"Lawful access" means to have access to classified information as a result of a contractual arrangement with the government (e.g. as an employee) or otherwise pursuant to a statute or an Executive order.

"Sensitive intelligence information" means classified information which is designated and clearly marked or represented as sensitive intelligence information because it relates to: particularly sensitive or sophisticated methods of collecting foreign intelligence; a source of foreign intelligence; a particularly sensitive or sophisticated method of analysis of foreign intelligence; a method of defense against the intelligence activities of foreign powers; or the identity of an individual or entity which has a secret relationship with a government intelligence agency.

Designation of sensitive intelligence information.—Section 501 empowers the Director of Central Intelligence (DCI) to designate certain information as "sensitive intelligence information" (see definition above) and, as appropriate, remove such designation. Further, the DCI shall delegate this authority to other appropriate officials, and, in consultation with interested government agencies, develop and issue regulations for the implementation of the authority. This section also provides that the designation of "sensitive intelligence information" may only be removed by the DCI, by those to whom the DCI has delegated such authority, or by action taken pursuant to the Rules of the Senate or the House.

Espionage.—Section 502 establishes as an offense: (1) communication of classified information to a foreign power; and (2) collection of classified information on behalf of a foreign power. The government is not required to prove that the classification was proper, but section 506 requires that the Attorney General and the Director of Central Intelligence certify that the information was properly classified. This offense is punishable by a fine up to $20,000 or imprisonment for up to the defendant's life, or both.

Unauthorized disclosure of sensitive intelligence information.—Section 503 establishes as an offense the unauthorized disclosure of "sensitive intelligence information" by a person having or having had lawful access to the information. The government must prove that the defendant had lawful access to the information, that the information was designated as "sensitive intelligence information"—without going oehind the designation—and that the defendant knowingly disclosed the information without authority. Section 506 requires that before prosecution, the Attorney General and the Director of Central Intelligence must certify to the correctness of the designation. Punishment for the offense ranges up to $10,000 or imprisonment for 20 years, or both.

Unauthorized disclosure of classified information.—Section 504 establishes as an offense disclosure of information which has been properly designated as classified information by a person having or having had lawful access to it. The government must prove that the individual had lawful access, that the information was, in fact, subject to classification and was properly designated as classified information, and that the defendant knowingly disclosed such information without authority. The penalty for this offense ranges up to $10,000 or imprisonment for 10 years, or both.

Unauthorized disclosure of the identities of certain individuals.—Section 505 establishes as an offense the unauthorized disclosure of the identity of any individual or entity as being or having been secretly associated with a U.S. intelligence agency where such disclosure could prejudice the life or physical safety of the individual or entity identified. The penalty for such an offense ranges up to $5,000 or imprisonment for 5 years, or both.

Prosecution.—Section 506 requires in a prosecution brought under section 502 that both the Attorney General and the Director of Central Intelligence (DCI) certify in writing to the court that at the time of the commission of the offense the information the defendant is charged with disclosing was properly designated as "classified information". Likewise, in a prosecution brought under section 503, the Attorney General and the DCI must both certify in writing to the court that at the time of the commission of the offense the information the defendant is charged with disclosing was properly designated as "sensitive intelligence information".

Jurisdiction.—Section 507 establishes federal jurisdiction over an offense established by this title if the offense is committed in the United States or if the person who committed the offense is a citizen or a permanent resident alien.●

FEDERAL SENTENCING LAWS REQUIRE MODERNIZATION

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McCLORY. Mr. Speaker, much has been written on the subject of sentencing. We have been told over the years that judges are often too lenient, that they give probation or short-term confinement too easily. We have been told that Federal and State correctional facilities are too often inadequate to cope with the problems of today's criminal community, that rehabilitation has become a joke. We have also been told that wealth and influence play too great a role in creating a different brand of justice for those who have ready access to it. In the end, we are told that, whatever we do, the crime rate continues to escalate with no end in sight.

I do not presume to be an expert on sentencing, but I have read a good deal about it. One problem constantly surfaces: there rarely seems to be any consistency to sentencing. For example, in 1974 an interesting experiment was conducted in New York's Second Judicial Circuit, one of the most respected in the country. Fifty different judges were given specific facts from actual cases and asked to recommend sentences applying the discretionary ranges available under current Federal law. As a result, the recommendations of these 50 Federal judges varied widely for the same crime. In fact, they ranged from 20 years imprisonment and a $65,000 fine to 3 years imprisonment with no fine. I find this situation intolerable, but unavoidable if current discretionary ranges continue to exist.

As many of you know, "judge-shopping" has become a fine art in the Federal and State courthouses around the country. Lawyers hope against hope that they will get Judge A, the reasonable or lenient judge, rather than Judge B, the "hangin' judge." Some judges have a bias against drug offenders and, therefore, apply harsh sentences while, in the case of white collar offenders, their anger turns to forgiveness if only partial restitution is made. Please understand that my comments are not meant as criticism of the judiciary. On the contrary, judges are simply human beings operating within the wide range of discretion we in the Congress have seen fit to give them. In the final analysis, we have made it inevitable that society has once again became the victim of our inclination to farm out our decisions to others. I cannot understand how society can be expected to maintain its faith in the criminal justice system when the punishment it metes out often defies logic and reason. It is our responsibility to remedy that disparity.

The bill I will introduce today takes a giant step in that direction. Its principal purpose would be to set up a U.S. Commission on Sentencing within the judicial branch. Its membership would include not only judges but practicing attorneys and other criminal justice personnel. Its purpose would be to promulgate and distribute very specific sentencing guidelines for use by the sentencing court in determining its sentence, including probation. My bill requires that, in setting these guidelines, the Commission consider a defendant's age, mental and emotional condition, physical condition, role in the offense, prior criminal history and the degree of his dependence upon criminal activity for a livelihood. My bill also contains a sunset provision which would result in the abolition of the Commission within 6 years of its creation.

Once the Commission's recommendations are generated, the other portions of my legislation would apply. A Federal court, in deciding to impose a term of imprisonment within the range determined as fair by the Commission, must consider not only the Commission's guidelines but also such factors as the community's need to be protected from any future criminal offenses committed by the accused and his need for educational or recreational training. In any case in which the court imposes a penalty, whether it is a term of imprisonment or a fine, it must state, in open court and on the record, the reasons and rationale underlying its decision. Under current law no reasons need be stated; a defendant can be sentenced to prison for a month or the rest of his life and never know precisely why.

My bill, for the first time, also provides for appellate review of sentences issues by the trial court. Under current law sentences are virtually nonreviewable because of the level of discretion practiced by the trial court. My bill would provide for potential review by the Court of Appeals with harsher standards applied for sentences issued outside the Commission's guidelines. In time, case law will develop which will assist judges in giving similar sentences for similar crimes.

My hope is that we in the Congress make the sentencing procedures utilized by the Federal courts more uniform and therefore more fair. I believe it is imperative that those who must face punishment under our criminal justice system be treated fairly and predictably. They should know what penalties they will face for what offense. Their future freedom and, conversely, society's safety, should not depend upon the luck of the draw.●

BILL TO REVERSE THE ILLINOIS BRICK SUPREME COURT DECISION

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, today, I am introducing a bill to reverse the Supreme Court decision in Illinois Brick Co. against Illinois, a decision which greatly impaired the ability of consumers, businesses and governments to collect damages resulting from antitrust violations.

I am offering this measure so that it will be before the Judiciary Subcommittee on Monopolies and Commercial Law for consideration by members and witnesses at the hearing expected later this month. Representative PETER RODINO, the chairman of the Judiciary Committee on which I serve as ranking member, has already introduced an Illinois Brick bill, H.R. 2060, which differs in significant respects from the bill which I am introducing today. H.R. 2060 is identical with S. 300, introduced in the other body by the chairman of its Judiciary Committee, Senator EDWARD KENNEDY.

With one exception my bill is precisely the same as H.R. 11942, the Illinois Brick bill which was ordered reported by a 21 to 12 vote of the Judiciary Committee on June 20, 1978, but which was not considered by the House before the end of the 95th Congress. I have deleted the so-called Pfizer amendment, because it deals with a subject significantly different from the issues raised by the Illinois Brick decision.

A most important difference between last year's committee bill and this year's Rodino-Kennedy bill is in the provison on assessment of aggregate damages, and I believe that the former deals with this critical mater with much greater precision and in a more responsible manner.

In the committee bill it is stated that, except as provided for parens patriae actions, "damages shall not be assessed in the aggregate against the defendant but shall be assessed only on behalf of any person who makes a valid damage claim." This is squarely in accord with the rationale and justification for the the rationale and justification for the reversal of the Illinois Brick decision—the need to compensate victims of antitrust violations for their injuries. The intent and clear meaning of the committee bill is to provide that damages may be assessed only to satisfy real claims of real victims (and then only to the extent that

the purchases are satisfactorily proven to the court or a master). While this language expressly repudiates the concept of aggregate assessment, the language in the Rodino-Kennedy bill is much more obscure and deficient on this subject. The Rodino-Kennedy bill states that, except as provided in parens patriae cases, "a defendant shall not be required to pay damages except to persons on whose behalf a valid claim is presented to the court." Not only does this provision lack the express repudiation of aggregate damage assessment, but it conceivably could be read to authorize precisely such action. In the committee bill, it is clear that the individual valid damage claim precipitates the assessment; in the Rodino-Kennedy bill the assessment is precipitated by the presentation of valid claims which arguably could be aggregated.

Two other significant provisions which were in the committe bill but which were deleted in the Rodino-Kennedy bills are sections providing for the discretionary award of a reasonable attorney's fee to a prevailing defendant upon a finding by the court that the plaintiff purchaser or seller or his attorney acted in bad faith, vexatiously, wantonly, or for oppressive reasons and providing that the court, before approving a settlement in a Clayton section 4 class action, shall determine attorneys fees acting as a fiduciary for those persons on whose behalf action was brought.

Both of these provisions are important to deter suits brought by irresponsible plaintiffs or attorneys attracted by the "deep pocket" of the defendant.

Another deletion in the Rodino-Kennedy bill is of the "cap" provision which specified that an indirect purchaser may recover damages only with respect to the amount of initial overcharge proved to be passed on to him. Changing this admits the unwelcome possibility that an indirect purchaser could recover from the defendant for the additions to the initial overcharge which were added by intermediate purchasers after the price-fixed product was sold by the defendant and passed from its control. Little can be said for being ambiguous on this point to the possible detriment of the defendant.

In addition to the above deletions of important provisions in the committee bill, the Rodino-Kennedy bill advances some mischief on its own. Whereas the committee bill conferred on defendants the right to prove that the plaintiff did not himself absorb the injury but instead passed it on to others in the chain of manufacture, production, or distribution, the Rodino-Kennedy bill limits this right significantly yet incomprehensibly. Under this new provision, defendants are allowed to speak the truth about plaintiff's injury only "in the discretion of the court, in order to avoid duplicative liability."

This is such a sharp departure from the committee's approach last year that I must confess some puzzlement. I am troubled by the necessary implied result that plaintiffs can recover for injuries they did not suffer. Was it not to overturn that principle that the committee reported its bill last year? I am also troubled by the idea that the decision to allow the defense—which in some cases may dictate where millions of dollars will flow—is expressly laid to the "discretion" of a judge. One might ask what it would mean to limit the defense to cases where it is needed to avoid duplicative liability without injecting judicial discretion and then ask what change is effectuated by the grant of such discretion. According to canons of construction, the addition of "discretion" must give some new meaning to the provision. While many possibilities abound, none appear salutary to me.

Last year, the committee position was quite clear. It opposed aggregation of damages both horizontally and vertically. Horizontal aggregation occurs when a plaintiff collects the damages that ought to be paid to another at the same level in the chain. Vertical aggregation occurs when a plaintiff collects the damages that ought to be paid to another below the plaintiff in the chain. Vertical aggregation was mandated by the Supreme Court in Illinois Brick as a simplifying device. Horizontal aggregation has been espoused by consumer groups for similar reasons. The business community has generally denounced horizontal aggregation while vigorously defending vertical aggregation.

The committee bill rejected aggregation in either mode. Conceivably, the Rodino-Kennedy bill accepts aggregation both horizontally and vertically.

I look forward to the comments of scholars and antitrust practitioners when the Subcommittee on Monopolies and Commercial Law begins its hearings at the end of this month.

GENERAL LEAVE

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. JEFFORDS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CLINGER) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. ROUSSELOT, for 60 minutes, today.

Mr. ASHBROOK, for 10 minutes, today.

Mr. YOUNG of Florida, for 5 minutes, today.

Mrs. FENWICK, for 5 minutes, today.

(The following Members (at the request of Mr. STACK) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. VOLKMER, for 5 minutes, today.
Mr. BINGHAM, for 30 minutes, today.
Mr. CORMAN, for 5 minutes, today.
Mr. HUGHES, for 5 minutes, today.
Mr. ZABLOCKI, for 5 minutes, today.
Mr. CAVANAUGH, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. WEAVER, on February 21, 22, 26, and 27 for 10 minutes each.

(The following Members (at the request of Mr. STACK), to revise and extend their remarks, and to include extraneous matter:)

Mr. FOLEY, today, for 5 minutes.
Mr. MINETA, today, for 5 minutes.
Mr. HARRIS, today, for 5 minutes.
Mr. LEVITAS, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CLINGER) and to include extraneous matter:)

Mr. FORSYTHE.
Mr. SAWYER.
Mr. CLAUSEN.
Mr. LEWIS.
Mr. SOLOMON.
Mr. RINALDO.
Mr. WYDLER in two instances.
Mr. ROUSSELOT in two instances.
Mr. BOB WILSON.
Mr. PAUL in two instances.
Mr. RUDD.
Mr. MICHEL in three instances.
Mr. MCCLOSKEY.
Mr. CARTER in four instances.
Mr. DERWINSKI in two instances.
Mr. FRENZEL in three instances.
Mr. SYMMS.

(The following Members (at the request of Mr. STACK) and to include extraneous matter:)

Mr. PEPPER.

Mr. MURPHY of Illinois.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.
Mr. IRELAND.
Mr. BEDELL.
Mr. PEASE.
Mr. PEYSER.
Mr. HAMILTON.
Mr. RAHALL.
Mr. VOLKMER.
Mr. BAILEY.
Mr. FARY.
Mr. ROE in three instances.
Mr. NOWAK in five instances.
Mr. ERTEL.
Mr. DRINAN in 10 instances.
Mr. KOSTMAYER.
Mr. AUCOIN.
Mr. WOLFF.
Mr. ZABLOCKI.
Mr. OTTINGER.
Mr. CONYERS in two instances.
Mr. SIMON.
Mr. LONG of Maryland in three instances.

Mr. GRAY.

(The following Members (at the request of Mr. STACK) and to include extraneous matter:)

Mr. HARRIS.
Mr. GEPHARDT.
Mr. LEVITAS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 37. An act to repeal a section of Public Law 95–630; to the Committee on Banking, Finance and Urban Affairs.

ADJOURNMENT

Mr. STACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 51 minutes a.m.), under its previous order, the House adjourned until Monday, February 19, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

632. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended December 31, 1978, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

633. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a final environmental impact statement for the disposal of surplus Federal military properties at the Quonset Point Naval Air Station, Davisville Construction Battalion Center and Newport Naval Base, Rhode Island, pursuant to section 610 of Public Law 94–431; to the Committee on Armed Services.

634. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting the Base Structure Annex to the Defense manpower requirements report for fiscal year 1980, pursuant to section 302 of Public Law 94–361; to the Committee on Armed Services.

635. A letter from the Associate Director of Legislative Liaison, Department of the Air Force, transmitting the semiannual report covering the period July 1 through December 31, 1978, on Air Force experimental, developmental and research contracts of $50,000 or more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

636. A letter from the Secretary of the Treasury, transmitting the report of the International Bank for Reconstruction and Development/International Monetary Fund Joint Committee on Staff Compensation Issues, pursuant to section 2 of Public Law 95–435; to the Committee on Banking, Finance and Urban Affairs.

637. A letter from the Secretary of Commerce, transmitting the first annual report on the review of export control country policy, pursuant to section 4(b)(2)(A) of the Export Administration Act of 1969, as amended (91 Stat. 235); to the Committee on Foreign Affairs.

638. A letter from the Chairman, Advisory Commission on Intergovernmental Relations; transmitting the 20th annual report of the Commission, pursuant to section 5(3) of Public Law 86–380; to the Committee on Government Operations.

639. A letter from the Acting Secretary of the Interior, transmitting a report on appropriate Federal actions to mitigate the economic impacts of expansion of the Redwood National Park, and the annual report on the management of additions to the park, pursuant to sections 102(a) and 104(a), respectively, of Public Law 95–250; to the Committee on Interior and Insular Affairs.

640. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting a report on the status of school desegregation across the Nation, pursuant to section 104(c) of Public Law 85–315, as amended; to the Committee on the Judiciary.

641. A letter from the Secretary-Treasurer, Congressional Medal of Honor Society of the U.S.A., transmitting the annual audit report of the Society for calendar year 1978, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

642. A letter from the Secretary of Transportation, transmitting the annual report for calendar year 1978 on the Coast Guard's use of authority to designate and rent inadequate quarters, lease housing and hire quarters, pursuant to 14 U.S.C. 475(e); to the Committee on Merchant Marine and Fisheries.

643. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Potomac River streams draining the Alexandria area, Virginia, in response to a resolution of the House Committee on Public Works adopted October 5, 1966; to the Committee on Public Works and Transportation.

644. A letter from the Administrator of General Services, transmitting an amendment to the approved prospectus for the Post Office and Courthouse, New Haven, Conn., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

645. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Interstate Commerce Commission, Customs, and Connecting Wing, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

646. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Everett McKinley Dirksen Federal Building, Chicago, Ill., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

647. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office and Courthouse, Scranton, Pa., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

648. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Post Office and Courthouse, 8th Avenue and 9th Street, Huntington, W. Va., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

649. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the Agency's annual 5-year plan for research, development, and demonstration, pursuant to section 5 of Public Law 94–475; to the Committee on Science and Technology.

650. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes; jointly, to the Committees on Armed Services, Education and Labor, Post Office and Civil Service, and Ways and Means.

651. A letter from the Comptroller General of the United States, transmitting a report on the sale of unfit and misbranded food to the public by the food salvage industry (HRD–79–32, February 14, 1979); jointly, to the Committees on Government Operations, Agriculture, and Interstate and Foreign Commerce.

652. A letter from the Comptroller General of the United States, transmitting a report on the Navy's Surveillance Towed Array Sensor program (PSAD–79–35, February 14, 1979); jointly, to the Committee on Government Operations, and Armed Services.

653. A letter from the Comptroller General of the United States, transmitting a report on the Army's Roland Missile program (PSAD–79–28, February 14, 1979); jointly, to the Committees on Government Operations, and Armed Services.

654. A letter from the Comptroller General of the United States, transmitting a report on the Office of Education's program for strengthening developing institutions of higher education (HRD–78–170, February 13, 1979); jointly, to the Committees on Government Operations, and Education and Labor.

655. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's annual report on domestic safeguards for fiscal year 1978, pursuant to section 209(d) of Public Law 93–438, as amended (92 Stat. 2949); jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

656. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Foreign Affairs.

657. A letter from the Secretary of Transportation, transmitting the fourth annual report on activities under the Deepwater Port Act of 1974, pursuant to section 20 of the act; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 35. To provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs with an amendment (Rept. No. 96–3). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 45. To provide for the further expenses of the investigations and studies of the Committee on Small Business with an amendment (Rept. No. 96–4). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 60. To provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services with an amendment (Rept. No. 96–5). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 85. To provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs. with an amendment (Rept. No. 96–6). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 87. To provide for the expenses of investigations and studies to be conducted by the Committee on

House Administration with an amendment (Rept. No. 96–7). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 88. To provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means with an amendment (Rept. No. 96–8). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 91. To provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation with an amendment (Rept. No. 96–9). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 92. To provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor with an amendment (Rept. No. 96–10). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 96. To provide for the expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, with an amendment (Rept. No. 96–11). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 98. To provide for the expenses of investigations and studies to be conducted by the Committee on Foreign Affairs, with an amendment (Rept. No. 96–12). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 2152. A bill to amend the Internal Revenue Code of 1954 to allow a charitable deduction for certain crops furnished by farmers to certain tax-exempt organizations; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 2153. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of fuel alcohol plants, to provide for a secure supply of feedstocks for the operation of such plants, to amend the Agricultural Act of 1949 with respect to the set-aside program for feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. BENNETT (for himself, Mr. BRINKLEY, Mr. MOLLOHAN, Mr. SPENCE, Mrs. BYRON, Mr. FASCO, Mr. EMERY, Mr. TREBLE, and Mr. DOUGHERTY):

H.R. 2154. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for the acquisition of strategic and critical materials be authorized by law, to establish a national defense stockpile transaction fund, and for other purposes; to the Committee on Armed Services.

By Mr. MINETA:

H.R. 2155. A bill to amend the Public Buildings Act of 1959 relating to leased space; to the Committee on Public Works and Transportation.

By Mr. BINGHAM:

H.R. 2156. A bill to provide that all petroleum imported into the United States after September 1, 1979, shall not be available for purchase other than by the Government of the United States; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. BRINKLEY (for himself, Mr. BUCHANAN, Mr. GINN, Mr. GINGRICH, Mr. LOTT, Mr. NICHOLS, and Mr. SKELTON):

H.R. 2157. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 2158. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

By Mr. CARTER:

H.R. 2159. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER (for himself, Mr. CONTE, Mr. WEISS, Mr. MURPHY of Pennsylvania, Mr. YATRON, Mr. OBERSTAR, Mr. LEDERER, Mr. LAFALCE, Mr. BOLAND, Mr. SMITH of Iowa, Mr. QUILLEN, Mr. RICHMOND, Mr. ZEFERETTI, Mr. SIMON, Mr. STOCKMAN, Mr. CORRADA, Mr. WHITEHURST, Mr. STUDDS, Mr. RODINO, Mr. LOTT, and Mr. THOMPSON):

H.R. 2160. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE:

H.R. 2161. A bill to amend title II of the Social Security Act to provide that payments of aid to families with dependent children which are made to an individual during any period while he is awaiting a determination of disability for social security purposes shall be recovered from the amount of any disability benefits subsequently awarded to the extent that such benefits are paid on a retroactive basis for months in that period; to the Committee on Ways and Means.

By Mr. CONABLE (for himself and Mr. RANGEL):

H.R. 2162. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain employees' trusts organized to invest in real estate; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 2163. A bill to authorize the Secretary of Health, Education, and Welfare to establish a grant program designed to develop methods of prevention and treatment relating to domestic violence, and for other purposes; jointly to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 2164. A bill to terminate the authorization for a portion of the Norfolk Harbor and Thimble Shoal Channel, Virginia, improvement project; to the Committee on Public Works and Transportation.

By Mr. DEVINE:

H.R. 2165. A bill to repeal the Metric Conversion Act of 1975 and to amend the declaration of purposes of the Metric Education Act of 1978; to the Committee on Science and Technology.

By Mr. DICKINSON:

H.R. 2166. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DRINAN:

H.R. 2167. A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to extend relocation assistance to persons displaced as the result of real property acquisitions by private persons for federally assisted programs or pro,ects, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ERDAHL:

H.R. 2168. A bill to modify the project for flood protection at Winona, Minn.; to the Committee on Public Works and Transportation.

By Mr. FASCELL:

H.R. 2169. A bill to amend section 8c of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 2170. A bill to provide for the reimbursement of legal expenses incurred by the city of Fairfax with respect to a 1971 entry and search by employees of the Federal Government; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.R. 2171. A bill to deauthorize the Lafayette Dam and Reservoir, Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Mr. FOLEY (for himself, Mr. ULLMAN, Mr. DE LA GARZA, Mr. ROSTENKOWSKI, Mr. AKAKA, Mr. BAFALIS, Mrs. BOGGS, Mr. BREAUX, Mr. BROWN of California, Mr. COELHO, Mr. CORRADA, Mr. FUQUA, Mr. HEFTEL, Mr. HOLLAND, Mr. HUCKABY, Mr. JENRETTE, Mr. JONES of North Carolina, Mr. LEACH of Louisiana, Mr. LONG of Louisiana, Mr. MATHIS, Mr. McCORMACK, Mr. MOORE, Mr. STENHOLM, Mr. TRAXLER, and Mr. TREEN):

H.R. 2172. A bill to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. FRENZEL:

H.R. 2173. A bill to extend for an additional period the existing tax treatment of certain activities of certain private foundations; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 2174. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2175. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

H.R. 2176. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 2177. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 2178. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GEPHARDT:

H.R. 2179. A bill to amend the Internal Revenue Code of 1954 to treat as public charities certain organizations which operate libraries; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 2180. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Docket 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2181. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2182. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2183. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2184. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2185. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2186. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2187. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2188. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2189. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96–46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. GONZALEZ:

H.R. 2190. A bill to amend title 5, United States Code, to provide for the reclassification of positions of U.S. Border Patrol agents; to the Committee on Post Office and Civil Service.

By Mr. HARRIS (for himself, Mr. ADDABBO, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BROOKHEAD, Mr. CARR, Mr. CLAY, Mr. CONYERS, Mr. COUGHLIN, Mr. DIGGS, Mr. FASCELL, Ms. FERRARO, Mr. FLORIO, Mr. GREEN, Mr. GUDGER, Mr. GUYER, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. HORTON, Mr. HUGHES, Mr. HYDE, Mr. KILDEE, Mr. LAFALCE, Mr. LEHMAN, Mr. MAGUIRE, Ms. MIKULSKI, Mr. MIKVA, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOTTL, Mr. NOLAN, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. PRICE, Mr. RANGEL, Mr. RICHMOND, Mr. RINALDO, Mr. ROSENTHAL, Mrs. SPELLMAN, Mr. VENTO, Mr. WALGREN, Mr. WALKER, Mr. WAXMAN, Mr. WEISS, Mr. CHARLES H. WILSON of California, Mr. WINN, Mr. YOUNG of Missouri, Mr. ZEFERETTI, Mr. PATTERSON, and Mr. PANETTA):

H.R. 2191. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

By Mrs. HECKLER:

H.R. 2192. A bill to amend the Safe Drinking Water Act to authorize grants for the purchase, construction, and modification of certain drinking water treatment facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIS:

H.R. 2193. A bill to amend the Internal Revenue Code of 1954 to repeal the changes made by the Tax Reform Act of 1976 in the sick pay exclusion; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 2194. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself and Mr. JENKINS):

H.R. 2195. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. HOWARD (for himself, Mr. DUNCAN of Tennessee, Mr. LAFALCE, Mr. GUYER, Mr. CORCORAN, Mr. ROE, Mr. BEVILL, Mr. VENTO, Mr. MURPHY of Illinois, Mr. CORRADA, Mr. PRICE, Mr. PATTEN, Mr. GINN, Mr. SHANNON, Mr. DONNELLY, Mr. CHENEY, Mr. PEPPER, Mr. RAHALL, Mr. DE LA GARZA, Mr. COELHO, Mr. WILLIAMS of Montana, Mr. ERDAHL, Mr. SCHEUER, Mr. DIGGS, Mr. YOUNG of Missouri, Mr. FLORIO, Mr. PREYER, Mr. ZEFERETTI, Mr. WEISS, and Mr. ADDABBO):

H.R. 2196. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. HOWARD (for himself and Mr. BINGHAM):

H.R. 2197. A bill to amend the Clean Air Act to authorize assistance to States for purposes of reducing asbestos levels in the interior of school buildings; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 2198. A bill to amend the Internal Revenue Code of 1954 to increase the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. HUCKABY:

H.R. 2199. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. JEFFORDS (for himself and Mr. BINGHAM):

H.R. 2200. A bill to amend the International Claims Settlement Act of 1949 to allow recovery by U.S. nationals for losses incurred in Vietnam; to the Committee on Foreign Affairs.

By Mr. KASTENMEIER:

H.R. 2201. A bill to amend title 28, United States Code, to make clear that State or Federal prisoners who are otherwise eligible for Federal habeas corpus relief may not be denied such relief on the ground that such State or Federal Government provided an opportunity for a full and fair litigation of a constitutional claim, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. BROOKS, Mr. EDWARDS of California, Mr. DANIELSON, Mr. DRINAN, Mr. HUGHES, Mr. GUDGER, Mr. SANTINI, Mr. BEILENSON, Mr. BENNETT, Mr. JACOBS, Mr. AKAKA, Mr. McCLORY, Mr. RAILSBACK, Mr. BUTLER, and Mr. SAWYER):

H.R. 2202. A bill to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount in controversy requirement in Federal question cases, and for other purposes; to the Committee on the Judiciary.

By Mr. KOSTMAYER (for himself, Mr. LUNDINE, and Mr. McHUGH):

H.R. 2203. A bill to preserve jobs and stabilize communities by facilitating employee, or employee-community, ownership of concerns that would otherwise close down or move out of the community, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCLORY:

H.R. 2204. A bill to restore effective enforcement of the antitrust laws; to the Committee on the Judiciary.

H.R. 2205. A bill to amend title 18, United States Code, so as to establish certain guidelines for sentencing, establish a U.S. Commission on Sentencing, and for other purposes; to the Committee on the Judiciary.

By Mr. McCLOSKEY (for himself, Mr. BONIOR of Michigan, Mr. BINGHAM, Mr. LOTT, Mr. BEARD of Tennessee, Mrs. FENWICK, Mr. CHARLES WILSON of Texas, Mr. SIMON, Mrs. SCHROEDER, Mr. ADDABBO, and Mr. COELHO):

H.R. 2206. A bill to establish a National Service System under which the young people of the United States shall have the choice of either entering voluntary military or civilian service or being subject to induction into military service by random selection; jointly, to the Committees on Armed Services, Education and Labor, and Veterans' Affairs.

By Mr. MARKEY (by request):

H.R. 2207. A bill to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. MIKVA:

H.R. 2208. A bill to exempt certain defense-related articles from the preferential tariff treatment accorded to articles imported for exhibition at trade fairs; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. ROSE, and Mr. BROOKHEAD):

H.R. 2209. A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MINISH:

H.R. 2210. A bill to revise the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOAKLEY:

H.R. 2211. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes;

jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. MOLLOHAN:

H.R. 2213. A bill to amend the Public Health Service Act to revise and extend title XII of that act relating to emergency medical services; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD of California:

H.R. 2213. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, and for other purposes; to the Committee on the Judiciary.

H.R. 2214. A bill to amend the Internal Revenue Code of 1954 to prevent tax deductions for the salary of aliens illegally employed in the United States and to amend the Social Security Act to limit benefits under the aid to families with dependent children program and under the medicaid program to citizens and lawfully admitted aliens; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 2215. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 2216. A bill to amend section 1625 of the Public Health Service Act to authorize grants under that section to be made to nonprofit private hospitals; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself and Mr. DAVIS of South Carolina):

H.R. 2217. A bill to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. MCCLOSKEY, Mr. FORSYTHE, Mr. BOWEN, Mr. AUCOIN, Mr. EMERY, Mr. AKAKA, Mr. DINGELL, Mr. STUDDS, Mr. PRITCHARD, and Mr. DORNAN):

H.R. 2218. A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal year 1980, 1981, and 1982; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. MCCLOSKEY, Mr. FORSYTHE, Mr. HUGHES, and Mr. EMERY):

H.R. 2219. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committee on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. PEASE:

H.R. 2220. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for political contributions to candidates for Congress which is more limited than the existing tax credit for such contributions; to the Committee on Ways and Means.

H.R. 2221. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives, and to amend the Internal Revenue Code of 1954 to provide a tax credit for political contributions to candidates for Congress which is more limited than the existing tax credit for such contributions; jointly to the Committees on House Administration and Ways and Means.

By Mr. THOMPSON (for himself and Mr. ASHBROOK):

H.R. 2222. A bill to amend the National Labor Relations Act to clarify the scope of its coverage; to the Committee on Education and Labor.

By Mr. PEPPER (for himself and Mr. WINN):

H.R. 2223. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widows of certain railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 2224. A bill to amend the Military Selective Service Act to provide greater flexibility for the Armed Forces in training Reserve officers ordered to active duty for training for not more than 6 months by removing requirement that they be ordered to active duty for not less than 3 months; to the Committee on Armed Services.

By Mr. ROBERTS (by request):

H.R. 2225. A bill to amend title 38 of the United States Code in order to make benefits under chapter 41 of such title (relating to job counseling, training, and placement services) available, in the case of veterans, only to those who served during a period of war, the Korean conflict or the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 2226. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H.R. 2227. A bill to establish the Veterans' Administration as an executive department to be known as the "Department of Veterans' Affairs"; to the Committee on Government Operations.

By Mr. ST GERMAIN:

H.R. 2228. A bill to amend the Food Stamp Act of 1977 to waive the limitation on the amount of the excess shelter expense deduction for households which are composed entirely of persons who are age 65 or older or who receive benefits under title XVI of the Social Security Act; to the Committee on Agriculture.

H.R. 2229. A bill to amend the National Bank Act, to refund to the Comptroller of the Currency funds held as successor to closed national bank receiverships, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SATTERFIELD (by request):

H.R. 2230. A bill to amend title 38, United States Code, to extend eligibility for medical care benefits under the Veterans' Administration CHAMPVA program to dependents and survivors of any veteran having a permanent service-connected disability rated at 80 per centum or 90 per centum; to the Committee on Veterans' Affairs.

H.R. 2231. A bill to amend section 612(b) of title 38, United States Code, to authorize outpatient dental treatment for those veterans otherwise eligible for medical services; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 2232. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency; to the Committee on Veterans' Affairs.

H.R. 2233. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected; to the Committee on Veterans' Affairs.

H.R. 2234. A bill to amend title 38, United States Code, to extend the authorization for certain expiring health care program of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself and Mr. HAMMERSCHMIDT) (by request):

H.R. 2235. A bill to amend section 612(e) of title 38, United States Code, so as to provide that any disability of a veteran of World War I shall be, for the purposes of medical treatment, considered a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 2236. A bill to amend title 38, U.S. Code, so as to provide that the term "veteran" as used in section 613 shall include a person who died in the active military, naval, or air service; to the Committee on Veterans' Affairs.

H.R. 2237. A bill to amend title 38, U.S. Code, to eliminate a disincentive to certain disabled veterans to continue their educations; to the Committee on Veterans' Affairs.

H.R. 2238. A bill to amend title 38, U.S. Code, to provide medical services and hospital care abroad for certain catastrophically disabled veterans; to the Committee on Veterans' Affairs.

H.R. 2239. A bill to amend title 38, U.S. Code, to authorize the Administrator of Veterans' Affairs to provide medical services to any veteran with a service-connected disability who is 80 years old or older; to the Committee on Veterans' Affairs.

H.R. 2240. A bill to amend title 38, U.S. Code, to provide medical care for parents of a deceased veteran who are in receipt of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 2241. A bill to amend title 38, U.S. Code, to extend eligibility for medical care benefits for survivors and dependents of veterans under the Veterans' Administration CHAMPVA program to survivors and dependents who are eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act; to the Committee on Veterans' Affairs.

H.R. 2242. A bill to amend title 38, U.S. Code, to provide outpatient dental treatment for veterans with permanent and total service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2243. A bill to amend title 38, U.S. Code, to provide for an increase in the benefits payable for certain home improvements and structural alterations which are necessary or appropriate for the home health care of certain veterans with service-connected disabilities, and for an addition to the types of improvements and alterations for which those benefits are payable; to the Committee on Veterans' Affairs.

H.R. 2244. A bill to amend title 38, U.S. Code, to provide dental services in Veterans' Administration facilities to any veterans who was a prisoner of war for more than 180 days; to the Committee on Veterans' Affairs.

By Mr. SAWYER:

H.R. 2245. A bill to require the Federal Bureau of Investigation to classify the offense of arson as a part I offense for purposes of the uniform crime reporting program and the uniform crime reports for the United States; to the Committee on the Judiciary.

H.R. 2246. A bill to amend title 39, United States Code, relating to local governments mailing matters of public interest at reduced rates; to the Committee on Post Office and Civil Service.

By Mr. SIMON:

H.R. 2247. A bill to amend title 39, United States Code, for the purpose of reorganizing the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIMON (for himself, Mr. JONES of Oklahoma, Mr. MITCHELL of Maryland, Mr. BROWN of Ohio, Mr. DERRICK, Mr. PATTERSON, Mr. CORMAN, Mr. MCCLOSKEY, Mr. ST GERMAIN, Mr. PREYER, Mr. WHITEHURST, Mr. BEARD of Rhode Island, Mr. RAHALL, Mr. JENRETTE, Mr. GREEN, Mr. BUCHANAN, Mr. LEDERER, Mr. DORNAN, Mr. WILLIAMS of Montana, Mr. CARTER, Mr. LEACH of Iowa, Mr. YOUNG of Missouri, Mr. LUKEN, Mr. FLOOD, Mrs. SPELLMAN, and Mr. SCHEUER):

H.R. 2248. A bill to authorize funds for the Robert A. Taft Institute of Government; to the Committee on Education and Labor.

By Mrs. SNOWE:

H.R. 2249. A bill to terminate the authorization of the Dickey-Lincoln School project, Saint John River, Maine; to the Committee on Public Works and Transportation.

By Mr. TRAXLER (for himself, Mr. BRODHEAD, Mr. NEDZI, Mr. FORD of Michigan, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. ALBOSTA, Mr. DINGELL, Mr. DIGGS, Mr. WOLPE, Mr. CONYERS, and Mr. CARR):

H.R. 2250. A bill to amend the Internal Revenue Code of 1954 to make permanent certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 2251. A bill establishing a National Domestic Development Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BOB WILSON:

H.R. 2252. A bill to amend title 38 of the U.S. Code to allow eligible veterans to receive certain educational assistance during the 6-year period following their last discharge or release from active duty even if such period extends beyond December 31, 1989; to the Committee on Veterans' Affairs.

By Mr. CHARLES H. WILSON of California (for himself, Mr. ADDABBO, Mr. BEVILL, Mr. BURGENER, Mr. HOLLAND, Mr. HOLLENBECK, Mr. LONG of Maryland, Mr. LOTT, Mr. MARTIN, Mr. MURPHY of Pennsylvania, Mr. PRICE, Mr. SIMON, Mr. WHITEHURST, Mr. WHITLEY, Mr. CHARLES WILSON of Texas, Mr. WINN, and Mr. WON PAT):

H.R. 2253. A bill to amend the Immigration and Nationality Act and the Social Security Act to require that specific alien and citizenship information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating the provisions of the act and for other purposes; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. WYDLER:

H.R. 2254. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of expenses incurred by an individual for transportation to and from work; to the Committee on Ways and Means.

By Mr. HANLEY (for himself and Mr. ST GERMAIN):

H.R. 2255. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. BRINKLEY:

H.J. Res. 206. Joint resolution proposing an amendment to title I of the Agriculture Act of 1949, as amended, to raise the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. CONABLE:

H.J. Res. 207. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.J. Res. 208. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FORSYTHE:

H.J. Res. 209. Joint resolution designating the week of May 14 through May 20, 1979, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. THOMPSON, Mr. FISH, Mr. HOWARD, and Mr. GREEN):

H.J. Res. 210. Joint resolution to authorize and direct the Franklin Delano Roosevelt Memorial Commission to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on House Administration.

By Mr. RUSSO:

H.J. Res. 211. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. WEISS (for himself and Mr. OTTINGER):

H.J. Res. 212. Joint resolution to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons; to the Committee on Foreign Affairs.

By Mr. WHITE (for himself, Mr. APPLEGATE, Mr. BARNARD, Mr. BENNETT, Mr. BEVILL, Mrs. BOUQUARD, Mr. BREAUX, Mr. BYRON, Mr. CHAPPELL, Mr. DAN DANIEL, Mr. DE LA GARZA, Mr. FOUNTAIN, Mr. FUQUA, Mr. GINN, Mr. GRAMM, Mr. HALL of Texas, Mr. HANCE, Mr. HEFNER, Mr. HOLLAND, Mr. HUBBARD, Mr. HUCKABY, Mr. ICHORD, Mr. IRELAND, Mr. JENRETTE, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. LEACH of Louisiana, Mr. LEATH of Texas, Mr. MCDONALD, Mr. MATHIS, Mr. MONTGOMERY, Mr. MOTTL, Mr. NEAL, Mr. NELSON, Mr. NICHOLS, Mr. PICKLE, Mr. ROSE, Mr. RUNNELS, Mr. SATTERFIELD, Mr. SIMON, Mr. SKELTON, Mr. STUMP, Mr. WATKINS, Mr. WHITLEY, and Mr. WYATT):

H.J. Res 213. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.J. Res. 214. Joint resolution proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Con. Res. 49. Concurrent resolution expressing the sense of the Congress with respect to the illegal annexation by the Soviet Union of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. COUGHLIN:

H. Con Res. 50. Concurrent resolution expressing the sense of the House with respect to the Baltic States; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H. Con. Res. 51. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churces in Ukraine; to the Committee on Foreign Affairs.

By Mr. FOLEY (for himself and Mr. WAMPLER):

H. Res. 117. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Agriculture; to the Committee on House Administration.

By Mr. FOLEY (for himself and Mr. MIKVA):

H. Res. 118. Resolution to establish a Select Committee on Committees; to the Committee on Rules.

By Mr. GIAIMO:

H. Res. 119. Resolution disapproving the deferral of budget authority relating to uranium enrichment services (deferral numbered D79-48) which was proposed by the President in his special message of January 31, 1979, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 120. Resolution disapproving the deferral of budget authority relating to summer youth employment assistance (deferral numbered D79-50) which was proposed by the President in his special message of January 31, 1979, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 121. Resolution disapproving the deferral of budget authority relating to interstate transfer grants (deferral numbered D79-51) which was proposed by the President in his special message of January 31, 1979, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. GOLDWATER:

H. Res. 122. Resolution to amend the rules of the House to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANLEY:

H. Res. 123. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service; to the Committee on House Administration.

By Mr. MINISH:

H. Res. 124. Resolution requesting the President not to propose to the Congress the exemption of motor gasoline from petroleum price control regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H. Res. 125. Resolution creating a select committee to conduct an investigation of the nationalization of the oil industry; to the Committee on Rules.

By Mr. VANDER JAGT:

H. Res. 126. Resolution expressing the sense of the House of Representatives that the major television networks should take such steps as may be necessary to use line 21 of the television vertical blanking interval to provide captioning of programs for hearing impaired individuals; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

30. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to full funding of all programs under the Older Americans Act; to the Committee on Appropriations.

31. Also, memorial of the Legislature of the State of Mississippi, relative to the public service of the Hon. Jamie L. Whitten; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GEPHARDT:

H.R. 2256. A bill for the relief of the Jewish Employment Vocational Service, St. Louis, Mo.; to the Committee on the Judiciary.

H.R. 2257. A bill for the relief of Ebinger Electronics, Inc., to the Committee on the Judiciary.

By Mr. HILLIS:

H.R. 2258. A bill for the relief of Gaudioso M. Etulle; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.R. 2259. A bill for the relief of Jean Pierre Baer; to the Committee on the Judiciary.

By Mr. BAILEY:

H.R. 2260. A bill for the relief of Eleftherios Pistentis; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mr. PANETTA, Mr. STARK, Mr. ROE, and Mr. SCHEUER.

H.R. 42: Mr. ANNUNZIO, Mr. ROE, Mr. SCHEUER, Mr. SEIBERLING, Mr. WOLFF, Mr. ANDERSON of California, and Mr. MARKEY.

H.R. 43: Mr. BARNES, Mr. BLANCHARD, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mr. CARR, Mr. CORCORAN, Mr. CORRADA, Mr. CORMAN, Mr. DORNAN, Mr. EDWARDS of California, Mr. HOLLENBECK, Mr. LELAND, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. MOAKLEY, Mr. MOTTL, Mr. PRICE, Mr. RANGEL, Mr. RODINO, Mr. SCHEUER, Mr. STARK, Mr. VENTO, Mr. WEAVER, Mr. WEISS, Mr. ZEFERETTI, Mr. WAXMAN, Mr. ANDERSON of California, and Mr. LONG of Maryland.

H.R. 44: Mr. BEDELL, Mr. BLANCHARD, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mr. CARR, Mr. CORCORAN, Mr. CORRADA, Mr. CORMAN, Mr. DORNAN, Mr. EDWARDS of California, Ms. FERRARO, Mr. LELAND, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. MOAKLEY, Mr. MOTTL, Mr. PRICE, Mr. RANGEL, Mr. RODINO, Mr. SCHEUER, Mr. STARK, Mr. VENTO, Mr. WEAVER, Mr. WEISS, Mr. ZEFERETTI, Mr. WAXMAN, Mr. ANDERSON of California, and Mr. LONG of Maryland.

H.R. 45: Mr. BARNES, Mr. BEDELL, Mr. BLANCHARD, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. (PHILLIP) BURTON, Mr. CARR, Mr. CORCORAN, Mr. CORRADA, Mr. CORMAN, Mr. DORNAN, Mr. EDWARDS of California, Mr. HOLLENBECK, Mr. LELAND, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. MOAKLEY, Mr. MOTTL, Mr. PRICE, Mr. RANGEL, Mr. RODINO, Mr. SABO, Mr. SCHEUER, Mr. STARK, Mr. VENTO, Mr. WEAVER, Mr. WEISS, Mr. ZEFERETTI, Mr. WAXMAN, Mr. LONG of Maryland, and Mr. ANDERSON of California.

H.R. 46: Mr. BLANCHARD, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mr. CORCORAN, Mr. CORRADA, Mr. CORMAN, Mr. DORNAN, Mr. EDWARDS of California, Mr. LELAND, Mr. MCCLOSKEY, Mr. MOAKLEY, Mr. MOTTL, Mr. PRICE, Mr. RANGEL, Mr. RODINO, Mr. SCHEUER, Mr. STARK, Mr. VENTO, Mr. WEAVER, Mr. WEISS, Mr. ZEFERETTI, Mr. LONG of Maryland, and Mr. ANDERSON of California.

H.R. 54: Mr. GOLDWATER, Mr. FRENZEL, Mr. ASHBROOK, and Mr. RUDD.

H.R. 81: Mr. NELSON.

H.R. 85: Mr. STACK, Mr. BREAUX, Mr. ADDABBO, Mr. WOLFF, Mr. HOWARD, Ms. HOLTZMAN, Mr. SEIBERLING, Mr. MINETA, Mr. SCHEUER, Mr. RAHALL, Mr. WEISS, and Mr. DOWNEY.

H.R. 120: Mr. UDALL.

H.R. 506: Mr. ANTHONY, Mr. LEHMAN, and Mr. STOKES.

H.R. 623: Mr. BENJAMIN, Mr. LAFALCE, Mr. SABO, Mr. HOLLENBECK, Mr. LONG of Maryland, Mr. CLINGER, and Mr. DORNAN.

H.R. 628: Mr. ASPIN, Mrs. FENWICK, Mr. FISHER, and Mr. MCHUGH.

H.R. 656: Mr. EDWARDS of California, Mr. MOAKLEY, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. RODINO, Mr. AKAKA, Mr. MINETA, Mr. KILDEE, Mr. BONIOR of Michigan, Mr. PERKINS, Mr. YOUNG of Missouri, Mr. WEISS, Mr. ROE, Mr. MURPHY of Pennsylvania, Mr. STARK, Mr. MARKEY, Mrs. SPELLMAN, Mr. STUDDS, Mr. HOLLENBECK, Mr. DOWNEY, and Mr. WAXMAN.

H.R. 953: Mr. MURPHY of New York, Mr. BLANCHARD, Mr. PURSELL, and Mr. WINN.

H.R. 1008: Mr. BUCHANAN.

H.R. 1040: Mr. CONTE, Mr. CORRADA, Mr. DIXON, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mrs. SPELLMAN, and Mr. WEAVER.

H.R. 1071: Ms. HOLTZMAN, Mr. PATTERSON, Mr. STARK, Mr. GARCIA, Mr. MATHIS, Mr. CHARLES H. WILSON of California, Mr. FLOOD, Mr. RANGEL, Mr. BONIOR of Michigan, Mr. PURSELL, Mr. SHANNON, Mr. DONNELLY, Mr. FORD of Tennessee, Mr. NEAL, Mr. RAHALL, Mr. HANCE, Mr. THOMPSON, and Mr. D'AMOURS.

H.R. 1104: Mr. WEISS.

H.R. 1114: Mr. APPLEGATE, Mr. BALDUS, Mr. BIAGGI, Mr. BOWEN, Mr. CORRADA, Mr. DIGGS, Mr. FISH, Mr. FLOOD, Mr. GILMAN, Mr. GINN, Mr. HARRIS, Mr. HEFNER, Mr. HILLIS, Mr. HOWARD, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. LEDERER, Mr. LEHMAN, Mr. LONG of Louisiana, Mr. LUNDINE, Mr. MARKEY, Mr. MATHIS, Mr. MATTOX, Mr. MAVROULES, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOFFETT, Mr. MYERS of Pennsylvania, Mr. NATCHER, Mr. PREYER, Mr. RAILSBACK, Mr. RANGEL, Mr. ROUSSELOT, Mr. ROYBAL, Mr. SHANNON, Mr. STARK, Mr. STRATTON, Mr. VENTO, Mr. WALGREN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. WINN, Mr. WIRTH, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZEFERETTI.

H.R. 1297: Mr. VAN DEERLIN, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. JOHN L. BURTON, Mr. CORRADA, Mr. COTTER, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mrs. FENWICK, Mr. GIBBONS, Mr. HOLLENBECK, Mr. SOLARZ, Mr. VENTO, Mr. WAXMAN, Mr. YATES Mr. JACOBS, Mr. KASTENMEIER, Mr. LLOYD, Mr. MARKEY, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of Illinois, Mr. OTTINGER, Mr. PEPPER, Mr. PURSELL, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ST GERMAIN, Mr. SCHEUER, Mr. WHITEHURST, Mr. ZEFERETTI, Mr. KOSTMAYER, Mr. RUSSO, Mr. WEISS, Mr. CONYERS, Mrs. SPELLMAN, Mr. ROE, Mr. DELLUMS, Mr. PATTEN, Mr. HORTON, Mr. FLOOD, Mr. STARK, Mr. FORD of Tennessee, Mr. BUCHANAN, Mr. WINN, and Mr. FLORIO.

H.R. 1460: Mr. FORSYTHE, Mr. WEISS, Mr. HOLLENBECK, Mr. GUDGER, Mr. KILDEE, Mr. MCKINNEY, and Mr. MINETA.

H.R. 1461: Mr. SEIBERLING and Mr. LONG of Maryland.

H.R. 1516: Mr. DRINAN; Mr. BUCHANAN; Mr. AUCOIN; Mr. COLLINS of Texas; Mr. LAFALCE; Mr. FASCELL; Mr. MCCLOSKEY; Mr. WHITEHURST; Mr. FORSYTHE; Mr. ESTES; Mr. GUYER; Mr. WEAVER; Mr. HOLLENBECK; Mr. KOGOVSEK; Mr. MICA; Mr. SEIBERLING; Mr. RANGEL, and Mr. GRISHAM.

H.R. 1522: Mr. AKAKA; Mr. BRODHEAD; Mr. DOWNEY; Mr. HUGHES; Mr. ICHORD; Mr. JEFFORDS; Mr. MITCHELL of Maryland; Mr. MURPHY of Pennsylvania; Mr. RANGEL; Mr. SOLARZ; Mr. STARK, and Mr. WHITEHURST.

H.R. 1523: Mr. AKAKA; Mr. BEDELL; Mr. BRODHEAD; Mr. BURGENER; Mr. JOHN L. BURTON; Mr. CARR; Mr. CORRADA; Mr. DIXON; Mr. DOWNEY; Mr. DRINAN; Mr. EDWARDS of California; Mr. FORSYTHE; Mr. GORE; Mr. GUARINI; Ms. HOLTZMAN; Mr. HUGHES; Mr. HYDE; Mr. JACOBS; Mr. MCHUGH; Ms. MIKULSKI; Mr. MIKVA; Mr. MINETA; Mr. MITCHELL of Maryland; Mr. MOAKLEY; Mr. MOFFETT; Mr. MURPHY of Pennsylvania; Mr. OTTINGER; Mr. RANGEL; Mr. RICHMOND; Mr. SEIBERLING; Mr. SOLARZ; Mr. STARK; Mr. STUDDS; Mr. VENTO; Mr. WEISS, and Mr. ZEFERETTI.

H.R. 1524: Mr. BARNES; Mr. BONIOR of Michigan; Mr. DORNAN; Mr. DOWNEY; Mr. EDWARDS of California; Mr. FORD of Michigan; Mr. GEPHARDT; Mr. GUYER; Mr. HOLLENBECK; Ms. HOLTZMAN; Mr. HOWARD; Mr. HUGHES; Mr. MARKEY; Mr. MINETA; Mr. MITCHELL of Maryland; Mr. OTTINGER; Mr. RANGEL; Mr. RODINO; Mr. SCHEUER; Mr. SEIBERLING; Mr. STARK; Mr. STUDDS; Mr. VENTO; Mr. WAXMAN, and Mr. ZEFERETTI.

H.R. 1597: Mr. WHITEHURST, Mr. SOLOMON, Mr. MCDONALD, Mr. LAGOMARSINO, Mr. LEWIS, Mr. SAWYER, Mr. RAILSBACK, Mr. MICHEL, Mr. TREIBLE, Mr. STUMP, and Mr. GRASSLEY.

H.R. 1598: Mr. WHITEHURST, Mr. SOLOMON, Mr. MCDONALD, Mr. LAGOMARSINO, Mr. LEWIS, Mr. SAWYER, Mr. RAILSBACK, Mr. MICHEL, Mr. TREIBLE, and Mr. STUMP.

H.R. 1605: Mr. PATTEN, Mr. GOODLING, Mr. GUYER, Mr. PEASE, Mr. MITCHELL of New York, Mr. LUKEN, Mr. CHARLES WILSON of Texas, Mr. WOLFF, Mr. HEFNER, Mr. ROE, Mr. SCHEUER, Mr. WEISS, and Ms. FERRARO.

H.R. 1612: Mr. AMBRO, Mr. CLAY, Mr. CORRADA, Mr. DONNELLY, Mr. DORNAN, Mr. DOWNEY, Mr. GARCIA, Mr. GOODLING, Mr. HOLLENBECK, Mr. LEHMAN, Mr. OTTINGER, Mr. PATTERSON, Mr. PEASE, Mr. RANGEL, Mr. VENTO, and Mr. YOUNG of Florida.

H.R. 1613: Mr. AMBRO, Mr. CLAY, Mr. CORRADA, Mr. DONNELLY, Mr. DORNAN, Mr. DOWNEY, Mr. GARCIA, Mr. GOODLING, Mr. HOLLENBECK, Mr. KINDNESS, Mr. LEHMAN, Mr. OTTINGER, Mr. PATTERSON, Mr. PEASE, Mr. RANGEL, Mr. VENTO, and Mr. YOUNG of Florida.

H.R. 1643: Mr. MURPHY of Pennsylvania and Mr. DAVIS of Michigan.

H.R. 1644: Mr. SCHEUER, Mr. MCCORMACK, Mr. BROWN of Ohio, Mr. HOWARD, Mr. WEAVER, Mr. SWIFT, Mr. MCKINNEY, and Mr. WILLIAMS of Montana.

H.R. 1711: Mr. BARNES, Mr. BONIOR of Michigan, Mr. CONYERS, Mr. DOWNEY, Mr. EDWARDS of California, Mrs. FENWICK, Mr. FORSYTHE, Mr. FRENZEL, Mr. HUGHES, Mr. KILDEE, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. LUNDINE, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. NOLAN, Mr. OTTINGER, Mr. PEASE, Mr. PEPPER, Mr. RANGEL, Mr. RICHMOND, Mr. SABO, Mr. SCHEUER, Mr. WALGREN, and Mr. WEISS.

H.R. 1741: Mr. BEILENSON, Mr. MOAKLEY, Mr. CONTE, Mr. DRINAN, Mr. WHITEHURST, Mr. JOHN L. BURTON, Mr. FASCELL, Mr. DORNAN, Mr. HUGHES, Mr. RODINO, Mr. YOUNG of Missouri, Mr. SCHEUER, Ms. FERRARO, Ms. HOLTZMAN, Mr. PETTIS, Mr. WEISS, and Mr. DICKS.

H.R. 1852: Mr. MATHIS, Mr. HYDE, Mr. BADHAM, Mr. LAGOMARSINO, Mr. STRATTON, and Mr. BURGENER.

H.J. Res. 100: Mr. MURTHA, Mr. PEPPER, Mr. MAVROULES, Mr. DRINAN, Mr. CORRADA, Mr. JENKINS, Mr. SIMON, Mr. AUCOIN, Mr. DIXON, Mr. CHENEY, Mr. WAXMAN, Mr. BONIOR of Michigan, Mr. LAFALCE, Mr. AKAKA, Mr. ADDABBO, Mr. WEISS, Mr. FAZIO, Mr. MURPHY of New York, Mr. LONG of Maryland, Mr. RICHMOND, Mr. HOPKINS, Mr. FLOOD, Mr. EVANS of Delaware, Mr. SCHEUER, Mr. WALGREN, Mr. JENRETTE, Mr. KILDEE, Mr. BEARD of Rhode Island, Mr. STARK, Mr. GILMAN, Mr. STOKES, and Mr. PANETTA.

H.J. Res. 122: Mr. WEISS.

H.J. Res. 145: Mr. ADDABBO, Mr. BEARD of Tennessee, Mr. CORRADA, Mr. COTTER, Mr. DORNAN, Mr. FLOOD, Mr. FROST, Mr. HIGHTOWER, Mrs. HOLT, Mr. LEE, Mr. LUKEN, Mr. LUNGREN, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. PEPPER, Mr. ROUSSELOT, Mr. ST GERMAIN, Mr. SCHEUER, Mr. STARK, Mr. SYMMS, Mr. VENTO, Mr. WAXMAN, and Mr. WEISS.

H. Con. Res. 34: Mr. BAILEY, Mr. LOTT, Mr. RAHALL, Mr. NICHOLS, Mr. LUKEN, Mr. HEFTEL, Mr. FAZIO, Mr. SWIFT, Mr. LEE, Mr. EDGAR, Mr. CAMPBELL, Mr. JENKINS, Mr. GLICKMAN, Mr. DANIEL B. CRANE, Mr. WOLPE, Mr. GRADISON, Mr. CLEVELAND, Mr. ROE, Ms. MIKULSKI, Mr. STOKES, Mr. BROWN of California, Mr. VENTO, Mr. BLANCHARD, Mr. SYMMS, and Mr. RUDD.

H. Res. 84: Mr. AKAKA, Mr. BEARD of Rhode Island, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BREAUX, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CARR, Mr. CAVANAUGH, Mr. CLEVELAND, Mr. COELHO, Mr. DORNAN, Mr. DOWNEY, Mr. FITHIAN, Mr. FORSYTHE, Mr. FRENZEL, Mr. GUYER, Mr. HUGHES, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEDERER, Mr. LONG of Maryland, Mr. LUKEN, Mr. LUNDINE, Mr. LUNGREN, Mr. MARKEY, Mr. MATHIS, Ms. MIKULSKI, Mr. PATTERSON, Mr. RANGEL, Mr. RICHMOND, Mr. ROSE, Mr. SCHEUER, Mr. STARK, and Mr. WAXMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

54. The SPEAKER presented a Petition of the City Council, New Bedford, Mass., relative to the ban on catching yellowtail flounder west of 69 degrees west; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

NORTHERN TIER PIPELINE MAY HARM WILDLIFE REFUGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BONKER. Mr. Speaker, the Dungeness National Wildlife Refuge in Washington State is the latest entry on a long list of key natural resource areas that may be adversely affected by the proposed Northern Tier crude oil pipeline.

"May" be affected could seem scant cause for alarm. However, the Northern Tier consortium has not been noted for firmness of plans or precision of detail since it first made public plans to construct a supertanker oil port at Port Angeles, Wash., to serve a major new pipeline to Clearbrook, Minn.

Members of the House may recall, for example, the sense of urgency that Northern Tier proclaimed in 1977 and 1978 to justify expedited Federal review of its plans. Members may not know that shortly thereafter the pipeline sponsors revised 60 percent of the project's 1,557-mile route, thereby throwing the ongoing review process into shambles. Those who have closely followed the development of the Northern Tier proposal have come to expect the unexpected and to suspect each aspect of the project that is not defined and assessed in firm and specific terms.

The Dungeness National Wildlife Refuge protects a fragile, narrow sandspit that supports 246 bird species and provides outstanding recreation opportunities for many people. The Northern Tier project includes a tank farm that would require stabilization of the base of a nearby shoreline bluff. Recent studies suggest that the erosion of the bluff may be a major source of sand and gravel that replenishes and sustains the spit as wave and tidal action continually remove material from it.

Nearby Port Angeles demonstrates the folly of idle tampering with the dynamics of such a sandspit. The excellent deep-water harbor that attracted Northern Tier to Port Angeles is protected by Ediz Hook, a natural spit created and formerly maintained by adjacent river and shoreline erosion. River dams and a shoreline bulkhead disrupted this process, forcing the Corps of Engineers to assume nature's role and stabilize the Hook at a recent cost of $6 million.

Eric Pryne, a staff reporter for the Seattle Times, discussed the threat to Dunegess Spit in a series of articles, which follow:

A SPAT OVER DUNGENESS SPIT

(By Eric Pryne)

SEQUIM, CLALLAM COUNTY.—When Polly Ball and her husband, Claude, retired in 1965, they chose this area because it reminded her of the Northern California Coast where she grew up.

Mrs. Ball soon discovered a feature on the Olympic Peninsula that the California Coast doesn't offer—Dungeness Spit.

"What a bonus," she said. "I fell in love with the place."

Dungeness Spit has become important to others who have retired in Clallam County. Homer Frasier lives on the bluff overlooking it.

"At night when it's quiet, I can hear the waves hitting the shore," he said. "It's probably as loud as a freeway, but I tell people it's not the same at all."

Every month Karl Greubel walks the spit, keeping track of the kinds of ducks, gulls, geese, songbirds, loons, herons, eagles, falcons—246 species in all—that frequent Dungeness.

Others fish, or dig clams, or just sit on a log and watch the surf thunder ashore. And, when they aren't on the spit, they fight what they perceive to be threats to its geological and biological balance.

First a housing development, then a resort, then a marina. Now they're fighting the Northern Tier Pipeline Co.

Northern Tier wants to build a 1,500-mile oil pipeline from Washington to Minnesota, using crude oil which would be unloaded and stored at Port Angeles, 15 miles west of Sequim.

Local environmentalists have been asking questions about oil spills and air pollution since the proposal first surfaced three years ago. Lately they've started to ask questions about Dungeness Spit, too.

Some government officials share their concern. The issue is a complicated one, which focuses on the geological process that shaped the spit, and how Northern Tier's plans might affect that process.

Dungeness Spit owes its existence to erosion of the high, steep cliffs along the Strait of Juan de Fuca to the west. Waves slap into the cliffs, tear away tiny particles of dirt and eventually wash them ashore at Dungeness.

The Spit took thousands of years to form. Vern Wray, resident supervisor of the wildlife refuge at Dungeness, said it's still growing. And the continuous flow of sediment from the west helps the spit "heal" itself when it is breached by a storm.

The bluffs that provide that sediment haven't been disturbed much by man. The Northern Tier project would be the first major alteration.

The company plans to unload incoming oil tankers at Ediz Hook in Port Angeles, then pump the crude oil through two parallel pipelines, under the floor of the strait, six miles east to a tank farm on a promontory called Green Point.

To get from the beach to the tanks at Green Point, the pipelines must climb a 120-foot cliff.

To accomplish that, Northern Tier's plans call for excavating 120,000 cubic yards of dirt from the cliff face. This would form a sloping "notch"—40 feet wide at the bottom, 325 feet wide on top—for the pipes. The cut would be filled later.

(A Northern Tier engineer, Ken Berryman, said a consultant is examining whether a narrower notch is feasible.)

The notch is what most concerns environmentalists and some federal officials.

"We're concerned that it could destroy Dungeness Spit," said Rex van Wormer of the Fish and Wildlife Service. "They're going to have to stabilize that bluff to keep it from eroding. And if they keep material from the cliff from getting into the water, it's going to alter the natural patterns."

Van Wormer, the federal Geological Survey and environmentalists like Polly Ball contend there simply isn't enough data to predict exactly what's likely to happen to Dungeness Spit if Northern Tier's project goes ahead.

"We've been studying this a long time," Berryman said. "We can't foresee any adverse impacts."

In its application to the State Energy Facility Site Evaluation Council last year, Northern Tier conceded its project could have some effect. But the company, using consultant studies, made these points:

A comparison of maps drawn in 1863 and 1961 indicates the cliff the notch would cut through is regressing only about 3 inches a year.

Because the erosion rate is so slow, a 400-foot barrier of boulders at the base of the cliff will be the only erosion protection needed.

The Green Point bluff doesn't contribute much material to Dungeness Spit anyway. Aerial photographs show the spit gets most of its sediment from cliffs farther east.

But Ralph Keuler, shorelines specialist for the Geological Survey, said bluffs as far west as Morse Creek, west of Green Point, contribute material to Dungeness. No one is certain exactly which segments of cliff contribute how much sediment to Dungeness, he said.

Keuler also said he would be "very surprised" if the Green Point cliff erodes only 3 inches a year. The average for bluffs in the area is 20 to 40 inches, he said.

The Bureau of Land Management's draft environmental-impact statement on the Northern Tier proposal, published last month, doesn't say much about Dungeness Spit.

But it does note that Northern Tier's statement that the bluff is "relatively stable" conflicts with State Department of Ecology reports that geologic deposits in the bluff are "unstable and susceptible to slumping or sliding."

More studies are needed, the impact statement adds. That theme is echoed by others.

"They (Northern Tier) damn well better know what's going to happen before they do something that drastic," said Bruce Fox-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

worthy of the Geological Survey. "And we don't think they do."

"There's no solid data," Van Wormer agreed. "We understand the principles, but not the specifics."

Both agencies are preparing responses to the draft environment-impact statement. Van Wormer said his office may suggest that Northern Tier build its tank farm at another site.

If Dungeness Spit does begin to erode, he said, one of the first impacts will be destruction of eelgrass beds in the protected inner bay. Waterfowl depend on eelgrass for food. Clam and oyster beds also could be affected.

"There are too many natural values (at Dungeness) to take a chance," Van Wormer said.

DUNGENESS SPIT: PIPELINE FIRM'S PLAN UPSETS RESIDENTS

SEQUIM, CLALLAM COUNTY.—Local residents fighting the Northern Tier Pipeline Co.'s plans for an oil port and tank farm at nearby Port Angeles now have another battle cry:

"Save the Spit!"

They aren't sure Dungeness Spit is in danger. But they aren't taking any chances.

The spit, a few miles northwest of Sequim, is the longest natural sandspit in the world. It curves into the Strait of Juan de Fuca like a barbed fishhook, stretching five miles to a Coast Guard lighthouse at its tip.

It's been a national wildlife refuge since the time of President Wilson, and it's also a popular recreation area. Last year 80,000 people visited the spit to hike, picnic and watch the birds through their binoculars.

Northern Tier's oil port at Port Angeles would be more than 10 miles west of the spit. The company's proposed tank farm, while closer, still is five miles from Dungeness. So what's the threat?

Not oil spills or air pollution or any of the concerns usually associated with petroleum, opponents say.

Their biggest worry is that the Northern Tier project could reduce the flow of waterborne sediment that constantly replenishes Dungeness. The "nourishment" keeps the strait from eroding the spit and, eventually, washing it under.

The opponents admit they don't have much solid information. But at the same time, they contend, Northen Tier doesn't have much evidence to reassure them, either.

"They're changing something that man has never messed with before—and no one knows what's really going to happen," said Polly Ball, a director of the Washington Environmental Council and Olympic Peninsula Audubon Society. She lives in Sequim.

Northern Tier disagrees. Ken Berryman, an engineer, is convinced the project's impact on Dungeness Spit will be negligible.

"We've had consultants study the situation, and we think sufficient information is available," he said.

But two government agencies also are concerned about Northern Tier's impact on the spit, and are preparing responses to the federal environmental-impact statement on the project which probably will express those concerns.

"The delicate balance the spit depends on has been there for hundreds of years, as far back as you want to go," said Rex Van Wormer, a wildlife biologist with the federal Fish and Wildlife Service.

"A change in that balance could have an impact on the spit—no one is really sure. And, with us, Dungeness Spit is not negotiable."

A LESSON LEARNED FROM EDIS HOOK

When opponents of the Northern Tier Pipeline Co. worry about the effects the proposed oil port could have on Dungeness Spit, they point to nearby Edis Hook as an example of how man can inadvertently destroy a sandpit.

Edis Hook, like Dungeness, is a natural spit. It protects Port Angeles' deepwater harbor.

For millenia the hook was fed by sediment from the west—some carried down the Elwha River, most from seaside cliffs eroding under constant pressure from the Strait of Juan de Fuca.

Then two dams were built on the Elwha and a bulkhead was built to protect a water-supply pipeline along the shore between the river and Port Angeles.

The result? The natural flow of materials to Edis Hook was cut off, and the hook started to erode. In 1937, Port Angeles began a continuing battle to keep it from washing away.

Five winters ago a storm breached Edis Hook, destroying part of the road and temporarily isolating the Coast Guard Station at the tip.

Last year, the Army Corps of Engineers completed a $6 million project to stabilize Edis Hook and protect the harbor which the Corps said is "essential to commerce and industry in Clallam and Jefferson Counties."

"So you can see why we're a little gun-shy about Dungeness," said former Clallam County Commissioner Rosemary Cockrill. "Edis Hook will never be the same." ●

TRAGEDY ON THE CHESAPEAKE BAY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BAUMAN. Mr. Speaker, last weekend the residents of Tilghman Island, on the Chesapeake Bay, experienced a profoundly tragic loss. Five watermen, all members of one family, were lost in the icy bay waters. They were all aboard one of the most modern fishing boats on the bay, captained by Garland Phillips. Mr. Phillips was one of the best known, and most beloved, of the bay's hardy watermen.

The watermen of the Chesapeake Bay are a rapidly disappearing breed, literally risking their lives almost every day to harvest our seafood and reveling in the freedom of being as one with nature. This particularly sad loss serves to underscore the perils and hardships of the watermen's lives. But it also demonstrates their great love of life on the water, a devotion to their way of life that overcomes the dangers of unforgiving seas.

Mr. Speaker, at this time I would like to insert in the RECORD an article that appeared in the Washington Post dealing with this tragedy.

ICY DEATH FOR BAY STALWARTS

Maryland Marine Police Coast Guardsmen and private searchers gathered in three boats off Tilghman Island in the Chesapeake Bay yesterday. Shortly after noon they sent divers through the ice and into the frigid water.

Sixty feet down the divers found the sunken wreckage of the Hay Russ IV, Garland Phillips' 50-foot workboat. They didn't have time to look for bodies. According to Larry Simns, head of the Maryland Watermen's Association, the boat was ringed with fishing nets that had broken loose when it went down. The divers dared not penetrate it with ice reforming on the surface.

There still is no confirmation of death, but mourners on Tilghman Island have about given up hope that they will see Garland Phillips, 46, and his crew of four again.

The boat went down Friday evening in high winds. The five men are lost and presumed drowned. On Tilghman, where all five lived all their lives, the mood is somber.

"We lost a good bunch of people," said Russell Dize. "It's the most tragic thing that's ever happened here."

Phillips had been a waterman all his life, as had the four family relatives that were with him Friday—George Cummings, 65, his uncle; Muir Cummings, 30; Rusty Cummings, 26, and T. R. Cummings, 19, all Phillips' first cousins.

The loss of Phillips will be felt beyond the waterman's haven of Tilghman, which is on the Eastern Shore about 20 miles south of the Bay Bridge.

Phillips was among the last and best of a declining breed. He was a Chesapeake drift fisherman. For about six months each year, starting at the end of November, he was a waterborne nomad, following the fish as far north as Chesapeake City at the head of the bay and as far south as Crisfield at the bottom end of Maryland waters.

Drift fishermen fight a ceaseless battle with the weather. "It's probably the hardest and most dangerous job on the bay," said Simns, who has done it. "You have to travel so far and carry so much net, and you catch the most fish when the conditions are worst."

Drift fishermen call whatever port is nearest the fish home. They sometimes sleep aboard their boats for days and even weeks at a stretch. Each cold morning they wake before dawn and watch to see if ice will lock them in port.

If they can get out, they go.

Once there were many more drift netters. As many as 50 boats cruised the winter bay in pursuit of rockfish 10 or 15 years ago. But declining stocks of the prized table fish have turned drifting into work for only the most dedicated. Only 15 or 20 drift boats are working now.

Phillips ran the queen of the fleet. His 50-foot fiberglass Hay Russ IV was the sturdiest, most powerful, best equipped of the winter fishing boats, according to colleagues.

The boat was well known and so was Phillips. "There isn't a place in the bay that he hasn't fished," said Rock Hall waterman Ronnie Pithian. "He was the type of fellow, he'd never get up in the morning with the idea he had to hide anything from anybody. Some people think they've got to keep it a secret when they find the fish, or they won't get their share. Garland wasn't like that. He would tell you what he was catching.

"He's helped me a half-dozen times. If you were in trouble, you called Garland. If he was on the way he'd give you help."

Said waterman Wayne Brady, "He was a gung ho fisherman. He'd spend $1,000 to make a dollar. Here he had a $90,000 boat running up and down the bay, but he was always willing to help anybody. Garland was the kind of guy who was willing to jeopardize his own life to help somebody else."

Phillips was within a few miles of home port in Knapps Narrows when the accident occurred Friday. Other fishermen say he was in an area that he had set net, and apparently he was taking those nets up. He reportedly called his wife by radio before sunset to tell her he'd be back within an hour.

There were unconfirmed reports that he stayed later to help another fisherman pull in some troublesome nets.

There were hard northwest winds that evening and ice was forming near all the boats, according to Dize.

"There was a lot of activity on the radio. There was ice making all over. Everybody was having trouble. We had one boat taking water right here in the channel. Some of the boys remembered hearing someone saying over the radio they were taking water and bailing with buckets.

"But they figured it was the boat that was in trouble in the channel. They asked those boys later and they said they never said anything like that on the radio."

"Now we think it could have been Garland."

The Coast Guard and Marine Police intended to resume diving operations today. ●

RESOLUTION AUTHORIZING THE CONSTRUCTION OF THE FRANKLIN DELANO ROOSEVELT MEMORIAL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, this resolution authorizes the construction of the Franklin Delano Roosevelt Memorial. The F.D.R. Memorial Commission, which I am honored to serve as Secretary, was established by the Congress on August 11, 1955, and charged with the responsibility of overseeing the creation of a memorial to one of this country's greatest Presidents, Franklin Delano Roosevelt.

In the 24 years since the Commission received this charge, a great many designs, over 700, have been considered by its members. Of this number only three have been adopted by the Commission for serious development and presentation.

The first design resulted from a competition sponsored by the Commission in 1960. The winning design was a rather large structure which was quickly dubbed "Stonehenge." The design was subsequently dropped after opposition from city groups and the Federal Commission on Fine Arts which felt that its size would distract from the landscape and compete with the existing Jefferson and Lincoln Memorials and the Washington Monument.

In 1955 the Commission contacted 55 noted architects to determine their interest in participating in the project. Mr. Marcel Breuer was selected and presented a design composed of seven granite "darts" soaring to a height of 60 feet from a granite base. The Commission on Fine Arts rejected this design the following year.

The design we have now, created by Mr. Lawrence Halprin, an internationally acclaimed landscape architect, has received the approval of the F.D.R. Commission as well as the support of the Federal Commission on Fine Arts and the National Capital Planning Commission. The proposed memorial is unlike any other in this city. It will be essentially an open, landscaped, walk-through garden which will feature bronze sculptures and carved quotations inspired by President Roosevelt's life. The sculptures and inscriptions will be placed in several locations along a granite wall which will run the length of the memorial. The sculptures will be the work of four prominent American artists: George Segal, Neil Estern, Leonard Baskin, and Robert Graham. These four gentlemen were selected from recommendations sought from respected authorities in the art world and after an extensive review process undertaken by Mr. Halprin and the F.D.R. Memorial Commission.

Throughout the public discussion of this project, both in and out of Congress, I have never heard one person express the belief that we should not have a memorial to President Roosevelt. The concerns most often voiced are over the cost of the memorial, approximately $46 million, and the fact that President Roosevelt himself preferred a simple remembrance.

Forty-six million dollars is a large sum of money. However, the National Park Service has estimated that if the three existing Presidential memorials were constructed today, costs would run to $59,860,000 for the Lincoln Memorial, $37,960,000 for the Jefferson Memorial, and $45,260,000 for the Washington Monument. It has been suggested that short cuts could be taken in the construction of the memorial to decrease its cost. Very careful calculations have been made as to the type of materials needed for the project and the cost of each. To require the use of inferior materials, to encourage short cuts in the construction of the memorial, or to delete parts would do serious damage to the integrity of its appearance and its carefully integrated components. After 23 years this design has not been hastily arrived at. Serious thought and consideration has been given to each and every element that contribute to the total memorial. To arbitrarily cut the project would undermine its very base.

The second concern I have heard is that President Roosevelt preferred a memorial of lesser proportions; a simple plaque that is already in place across from the National Archives. I know I do not have to remind any Member of this body that when you enter public life and become a public official, your personal wishes are many times subordinate to the wishes of those you serve.

President Roosevelt was not simply an outstanding leader in this country, but was internationally respected. He became a source of personal inspiration to those who witnessed the sheer force of will that helped him. overcome the obstacles he faced when stricken with polio. While his achievements in and out of public office are documented in history books and remembered by those of us who had the opportunity to share his life, a memorial of this type will evoke a more complete understanding of the man and his times. This memorial will allow his contributions to this country and to the world to live on for all who visit the site.

I urge the swift approval of this resolution so that work can begin on the memorial in the near future. It would be most fitting to dedicate this memorial to our 32d President on the centennial of his birthday in 1982. This will be possible only if we act quickly. ●

CONGRESSIONAL SALUTE TO THE HONORABLE LOUIS (BUD) HESSELBROCK OF NEW JERSEY—1979 "PAUL HARRIS FELLOW," ROTARY CLUB OF WAYNE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROE. Mr. Speaker, may I request that you and our colleagues here in the Congress join with me in heartiest congratulations and best wishes to my good friend, outstanding community leader, and distinguished citizen, the Honorable Louis (Bud) Hesselbrock of New Jersey, whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the 1979 Paul Harris Fellow of the Rotary Club of Wayne—the highest award that Rotary can bestow upon any of its members.

The Rotary Club of Wayne is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get . . . we make a life by what we give"—"Service above Self"—and their good deeds in helping others, young and adults alike have served to inspire all of us. Bud Hesselbrock has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people. The Paul Harris Fellow Award will be presented to him at the Rotary meeting to be held in Wayne on Wednesday, February 21.

Mr. Speaker, Bud's personal commitment to the economic, social, and cultural enhancement of our communtiy has been a way of life for him. He was born in 1910 in Evanston, Ill., the home of Rotary International, and for the past 60 years has been a highly respected citizen of the State of New Jersey. He attended the University of Pennsylvania and graduated from the Wharton School of Business and Finance in 1934. Following graduation and during the depression years he immediately commenced his career pursuits in the business world. In 1939 he became associated with the Mack Molding Co., which at the time was among the largest and most prominent business firms in town and was encouraged by the company's management to become involved in community affairs. Between 1945 and 1950 Mack Molding Co. supported the organizing of the first little league and the establishment of the Wayne first aid squad.

Mr. Hesselbrock has been a leading and active participant in the business community throughout Wayne and the State of New Jersey. In 1951 he was among the founders of the chamber of commerce of Wayne, was named the first vice president and within the first few months of its organization was elected to the presidency of this most esteemed chamber of commerce.

He has been a member of the board of directors of the Rotary Club of Wayne since 1966 and during his tenure has

served as director of club services (1966–1967), secretary (1968–1969) and president (1969–1970).

Mr. Speaker, Bud has attained the greatest respect and deepest appreciation from a grateful community for his compassion, dedication, and untiring efforts in service to his fellow man. Among his many achievements we particularly commend him for his outstanding public service as a longstanding member of the board of trustees of the Foundation for the Handicapped.

All of us who have the good fortune to know Bud are especially proud of his accomplishments. He was in the vanguard in helping to bring new industry into our region and we particularly applaud his teamwork efforts in the U.S. Rubber Co.'s decision to locate their research laboratory in Wayne in 1954 and the establishment of a modern and efficient postal system for Wayne. Bud Hesselbrock's expertise in his professional career and civic endeavors has truly enriched our community, State and Nation.

Mr. Speaker, as we reflect upon the history of our great country and the good deeds of our people who have made our representative democracy second to none among all nations throughout the world, I appreciate the opportunity to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Wayne, N.J., in honoring our good friend Bud as an outstanding citizen and great American. We do indeed salute the Wayne Rotary Club's "Paul Harris Fellow"—the Honorable Louis Hesselbrock.●

ROBERT STACK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, actor Robert Stack will be the recipient of the "May Mann Award," to be presented at the Golden Anniversary Ball of the Ida Mayer Cummings Auxiliary of the Jewish Home for the Aged of Los Angeles on Sunday, February 25, 1979. Mr. Stack is known around the world for his acting talents, but the May Mann Award is given to honor those individuals in show business who serve humanitarian causes. Bob Stack deserves our honor and respect for his unfailing responses to the auxiliary's requests for help. With his wife Rosemarie, he has given unstintingly of his time and effort to many community causes.

Suspending his acting career to join the Navy in 1942, Bob was commissioned and assigned to the naval base at Pensacola for basic training, graduating top man in his class. He became an aerial gunnery instructor and served for 4 years, including a year of overseas duty. Returning to acting after the war, Bob Stack very quickly attained the eminent place in the movie and television industry which he continues to hold.

It is a pleasure to bring Robert Stack to your attention as a fine and generous citizen, and I know the Members will wish to join me in honoring him.●

WE DO NOT NEED A DEPARTMENT OF EDUCATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MICHEL. Mr. Speaker, rarely does one come across an issue on which the Washington Post and the Wall Street Journal agree. But both of these prestigious newspapers recently published editorials condemning the proposed Department of Education.

The Post states that such a department would be a "gigantic single-minded lobbying outfit." The Wall Street Journal says that if the department remains small "it will be a colossal waste of money" and that if it grows it "will present serious dangers" to our educational system.

I want to take this opportunity once more to state my opposition to the creation of such a department. There is overwhelming documentation about the sorry role the Federal Government has played in education in recent years. There is also the obvious fact that powerful lobbying groups would actually control such a department. In the face of such facts what possible argument can be given to support the creation of a new Department of Education?

At this time I wish to insert in the RECORD, "Education Shell Game," from the Wall Street Journal, February 12, 1979, and "The Education Department—Again" from the Washington Post, February 11, 1979.

The articles follow:

[From the Wall Street Journal, Feb. 12, 1979]

EDUCATION SHELL GAME

Officials in the Carter administration say they're making a good faith effort to run the federal government more efficiently. We think this is so, and we're happy to praise them for it. But it's going to be hard to believe they really care much about making government work if they keep up their current campaign for a Department of Education.

As we and many of our fellow journalists have said by now, the proposal to create a Department of Education is one of the most inane policy ideas to come down the pike in a long time. It would take the education part out of the present HEW, add some of the educational enterprises now run by other government departments from Defense to Interior, and put them together in a new organization with a $14 billion budget and some 16,000 employees.

The National Education Association, the country's biggest teacher's union and the chief supporter of the new department, says the consolidation would give a "clear expression, from the national viewpoint, about what we should do for education in this country." Perhaps it would; if so, it's hard to imagine a less cheering prospect than a unified national education policy set by the NEA. The thought seems to be upsetting lots of other people as well. Most of the bureaucracies and constituencies that the NEA wants to fold into the new department have been energetically lobbying to keep themselves out. And, needless to say, it would cost a bundle to carry out the changes necessary to neaten up the organization charts.

The NEA has members everywhere in the country. During the 1976 election campaign Jimmy Carter promised he would support their new department. The NEA responded by endorsing Mr. Carter for the presidency. President Carter introduced a bill to create the department and now, with the re-election fight coming, has reintroduced it into this Congress. Moreover, his effort hasn't been pro forma: We hear that high administration officials have been, to put it indelicately, calling in the markers. They've been meeting with educational groups that have expressed reservations about the bill, reminding them of Mr. Carter's generosity to educators, and trying to persuade them to keep quiet.

The bill as it now stands would include in the new department mainly the organizations now in HEW and overseas schools run by the Department of Defense. But once a new department is created, a President could reorganize other agencies into it without congressional approval. If the new department stays small, it will be mostly a colossal waste of money. If it grows, it will not only waste even more money but begin to present the more serious dangers inherent in educational centralization. We hope more people will begin to speak out and say so.

[From the Washington Post, Feb. 11, 1979]

THE EDUCATION DEPARTMENT—AGAIN

Never underestimate the power of a bad idea to generate bad arguments. Vice President Mondale's remarks the other day in favor of the creation of a Cabinet-level Department of Education were an example. The vice president, in a briefing, made the point that the United States "is the only major industrial democracy in the world that does not have a department or a ministry of education," although, to our certain knowledge, this is neither a symptom nor a source of what is wrong with American education. Mr. Mondale, according to the news story, also suggested that education "suffers because its highest official 'is not at that Cabinet table speaking directly to the president.'"

You would hardly judge from any of this that the United States is also the only major industrial democracy (or any sort of country) in the world in which three-quarters of the children graduate from high school, and half of those graduates go on to college. And we also question whether, despite the proponents' assurances, a new federal department would not subtly and unwisely enlarge the federal jurisdiction in the schools. In theory anyway, education remains a primary function of the states and localities, which is surely one reason this country has not had a national ministry of education as part of its political tradition. We think it is a tradition worth holding on to.

It is, of course, true that much of the money for our public schools now comes from general revenues and that there has been a vast increase of federal involvement in public education over the past couple of decades. But both the money and the involvement can be managed by government instrumentalities now available to do so. It is argued by those who favor the new department that it would work pretty much as a harmless conduit of federal funds and coordinator of federal programs, all the while respecting the primacy of the states and localities in school affairs, and that it would do all this much more efficiently than is done under the present slovenly dispensation. Consulting ancient and modern bureaucratic precedent and looking around us at the evidence of our senses, we discover no reason at all to believe this is how things will turn out. They never do. Look at the Labor Department. Look at Commerce. A Department of Education, if such unfortunately is enacted into law, will become a gigantic single-minded lobbying outfit. It will be the NEA writ large.

Anyone who observed last year's congressional proceedings on this subject—the hearings, committee debates and so forth—should understand that what we really have here is a fight over turf: who gets which hunk of jurisdiction over whom and what and how much money. Evidently the administration, in coming back with its Education Department legislation in this Congress, has carved up the turf in a new and politically more persuasive way, so that the proposal is likely to have a smoother time this year. We hope it does not. The purpose of the federal government—as we keep harping when this proposal comes up—should be to fit federal education programs into a system of priorities and values *larger* than the education industry's perspective permits it to see, not to break off those programs into a client- and constituent-run principality of its own.

The best thing that could happen to President Carter's proposal for a department of education, from his point of view and everyone else's, would be for Congress to bury it.●

FRANK J. CIGNETTI—OVER 32 YEARS OF DEDICATED SERVICE

HON. DONALD A. BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BAILEY. Mr. Speaker, today I wish to recognize an outstanding citizen who has devoted his life to the welfare of others. Mr. Frank J. Cignetti, of Jeannette, is a humanitarian, civic leader, and former police officer whose reputation for good works has long been appreciated by his community.

Frank J. Cignetti, the only child of Madaline Monstrola Cignetti and Domenico Cignetti, was born on May 15, 1920 in Hermanie, Pa.

As a lifelong resident of the city of Jeannette since the age of 2, Frank has made a lasting impression on the city and its people that is well-known throughout the community.

Upon graduation from Jeannette High School in 1938, Frank entered the private sector for employment for a brief period which was followed by his stint in the U.S. Army Air Force in 1940.

Receiving his honorable discharge in 1946, Frank joined the Jeannette Police Force as a patrolman later in the same year. It was the beginning of over 32 years of dedicated service that saw Frank rise from the rank of patrolman to the Acting Chief of Police in 1972.

His accomplishments and projects were many and varied, from establishing the Jeannette Auxiliary Police Department, initiating the Jeannette police photographic section, becoming president of the Jeannette Police Benefit Association, to designing the sleeve emblem for uniforms of Jeannette's policemen.

The common element through all of these achievements was Frank's dedication and commitment to helping the residents of Jeannette live in a better and safer community.

Frank's wife, Anna, and his two children can be as proud of him as the city of Jeannette is thankful to him for the 32 years of dedicated service of Frank J. Cignetti.

I believe that we in this U.S. House of Representatives should recognize the accomplishments and unselfish devotion of this talented human being. Therefore it gives me a great deal of personal satisfaction to pay tribute to Mr. Cignetti for all that he has done for the betterment of his community.●

CROSS COUNTRY KINETIC SCULPTURE RACE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CLAUSEN. Mr. Speaker, the attention of the Nation every Memorial Day is focused on the running of the Indianapolis 500. However, in these days of increased energy awareness and with a strong national movement toward energy conservation, it is fitting to become aware of other races which practice the conservation goals toward which we strive.

The westernmost incorporated city in the United States, Ferndale, Calif., is the scene of an annual kinetic sculpture race. Based on the in-depth and historical research effort of William A. Beers, official scribe of the Ferndale Kinetic Sculpture Race, I, in my position as official starter, delivered the principal address for the occasion.

So that my colleagues and people across the Nation may become aware of this event, I am placing into the RECORD the remarks I made at the fifth annual running of this exciting and fun-filled race.

The remarks follow:

Gentlemen, dignitaries, members of the working press, intrepid racers . . . ladies. It is an honor indeed for me to address such an august body of sportsmen and racing enthusiasts on this momentous occasion—the fifth annual running of the great Arcada to Ferndale cross country kinetic sculpture race!

We are all gathered here amid the pomp and circumstance of this great day to witness the second chapter of an incredible odyssey, a new chapter in man's eternal struggle against the elements played out as these brave contestants try their mettle against that cold and unforgiving enemy—the sea!

But this is not the first test for these great racers, this new challenge comes on the very heels of yesterday's harrowing competition that saw these courageous crews pitted against the trackless wastes that lie so ominously betwen Arcada and Eureka. Surely, these valiant competitors have given their all, braving the ferocious onslaught of wild beasts in the sand dunes, the spying eyes of legions of photographers, alas—even the prying eyes of a million tourists!

And now—after a long cold night of barbaric deprivation in Eureka, these fearless crews stand ready once again to make the supreme sacrifice as they brave a terrifying bay crossing.

It is a crossing fraught with blood curdling dangers! Now they face ferociously fanged sharks, man eating clams, indeed, all manner of monsters from the ocean's depths wait in hideous array below the sinister surface of this seemingly peaceful body of water.

And what faces the survivors of this perilous voyage? What new danger lies on the far shore, that far flung and mysterious strip of land, the south spit? It stretches like some threatening phantom's arm, northward, from the dark and frightening walls of Table Bluff to meet these brave men and women who would best the incredible forces of nature.

When these intrepid sportsmen land on the farshore they first do battle with a sea of mud before crossing to the ocean side of the spit where crashing waves and shifting sands threaten their very lives as they press southward past doomful crags to finish the day, exhausted, on yet another sandy waste opposite Crab Park.

Here, our brave competitors enjoy an all too brief overnight respite with food, drink, merriment, and the happy blaze of a communal campfire. But when morning comes, they again face the deadly serious business of the Great Arcata to Ferndale Cross Country Kinetic Sculpture Race!

This, the third morning of the Great Race brings our heroic crews and their ingenious machines yet another supreme test—the terrifying journey across the treacherous waters of crab slough!

Then, those who have not foundered at Neptune's hands make their way in comparative safety along colorful country lanes to Cock Robin Island where they face yet another trial—the storm swollen torrents of the raging Eel River!

Once our fearless competitors have negotiated this last and most frightening hazard they proceed through peaceful dairy country to the victorian village, Ferndale. There, dogged by the everpresent spectre of sheer physical exhaustion these marvellous men and women marshal their remaining strength for a grand dash down main street to the finish at Fireman's Park. Then, in a gala award ceremony the intrepid racers receive a kaleidoscope of prizes and pay tribute to those who have perished along the way.

So now, as thousand watch, these brave crews stand ready to fling themselves headlong across the inky depths of Humboldt Bay at the boom of the starting cannon! They stand ready to risk life and limb for the spirit of this—The Great Arcata to Ferndale Cross Country Kinetic Sculpture Race! These valiant racers indeed deserve the very best—let us cheer them on I say! Let us give them three rousing cheers!

Hip, hip, hooray!
Hip, hip, hooray!
Hip, hip, hooray!

Thank you ladies and gentlemen. Thank you.●

ALFRED S. GAINSLEY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, Alfred S. Gainsley will receive its Man of the Year Award from the Ida Mayer Cummings Auxiliary of the Jewish Home for the Aged of Los Angeles at a golden anniversary ball on Sunday, February 25, 1979. Departing from tradition to honor a president of the home while he is still in office, the auxiliary follows its theme "Golden Years/Golden Deeds" to commemorate Mr. Gainsley's long-time affiliation with the home. His father and mother set an example of devotion during their lifetimes. His father, Nat Gainsley, was a founder, 40 years ago, of the Guardians, the men's group of the home, which was started in 1938. His mother, Rahle Gainsley Hornwood, was

president in 1939 of the junior auxiliary, now the Cummings auxiliary, and then served as the auxiliary's chaplain until her passing. Alfred's wife Jean is a member of the auxiliary's advisory board, and their daughters Carol Glover and Barbara Scheineman, are life members. Thus, from the time of his birth in 1912 in the shadow of the original home in the Boyle Heights section of Los Angeles, Alfred Gainsley inherited this tradition of care for the aged, and has not only contributed his time and concern for his own generation, but has preserved his parents' heritage and passed it on to his children.

My fellow Members will, I know, wish to join me in this well-deserved tribute to Alfred Gainsley, whose commitment to his community has been lifelong.●

USE OF THE CONGRESSIONAL FRANK

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. UDALL. Mr. Speaker, I would like to bring to the attention of my colleagues the fact that the House Commission on Congressional Mailing Standards has revised and updated its publication entitled "Use of the Congressional Frank by Members of the House of Representatives and Rules of Practice in Proceedings Before the House Commission on Congressional Mailing Standards." Two copies of the publication will be distributed to every office within the next 3 days. Additional copies will be available upon request through the Commission for your district offices.

The purpose of the publication is to set forth the laws, Rules of the House, and regulations established thereunder, governing the proper use of the congressional frank.

Additionally the Commission will conduct a seminar for staff members on use of the congressional frank on Wednesday, February 21, 1979, at 9:30 a.m. until noon in the Caucus Room, 345 Cannon.

My friend and colleague ED DERWINSKI, ranking minority member of the Commission, as well as all other members of the Commission, join me in urging that each Member and committee be represented by staff at the seminar.

Often the actual determination of whether or not to send a particular piece of mail under the frank probably will be made by staff who prepare mail for delivery. An improper use of the frank by a staff member, whether an inadvertent mistake or a willful abuse on a single letter or a mass mailing, will be imputed to the Member, under most circumstances. To help avoid these violations of the franking law, with all of their resultant possible penalties, a Member should reasonably assure that his staff knows what kinds of mail are frankable by providing for their familiarization with these regulations.●

HARDBALL I

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. STARK. Mr. Speaker, yesterday I received a message from the administration. I was told that the administration was going to hold firm on its budget proposals. I want to thank them for giving me "the word." Now, just for a moment I want to make clear where I am coming from in this Congress and on this budget.

The President wants to balance the budget. The chairman of the full committee is looking for balance in 1981. Most of the colleagues I receive these days seem to deal with balancing the budget. A much quoted Gallup poll says that a majority of the American people want a constitutional amendment requiring a balanced budget. Let me say that I too want to balance the budget.

However, before somebody calls Sacramento, I should explain that I mean more than balancing dollars received and dollars expended. I mean that every American born in this third decade—our "receipts"—should have a job, an education, complete medical and dental protection, a chance to realize his and her potential as an individual, and a guarantee that they will not be abandoned in their later years, I mean that in a country as rich as ours in both natural and human resources our expenditures should indeed, equal our receipts.

Let me talk about dollars and sense. The administration has come up here ready to cut spending. I am ready to play ball. I do not believe that we should waste a single tax dollar. If there are programs that do not benefit anyone—"I will cut them." If there is waste and inefficiency in existing programs—"I will support, strongly, all efforts to shake things out right." However, if the administration comes up here and wants to cut programs that do, in fact, benefit the poor and the disadvantaged—then I want my innings. And I will fight you on that as hard as I can. Still I do not really believe that a Democratic administration and a Democratic Congress should really have much to fight about here.

This country can afford to maintain and where necessary increase its level of public assistance. It cannot afford not to. The cost, the real cost and even the dollar cost of not doing so would give us a deficit that might indeed destroy us.

The budget is an ordering of priorities. The administration is telling us that we cannot afford not to increase defense spending by three percent. Is it telling us with the budget that it has sent this subcommittee that we can afford not to increase our human resource programs? If we loose the battle in the streets, no new mobile missile system, no new warplane, no new tank is going to be any protection at all.

I do not believe that it is simply a question of guns or butter. I believe that there are lower priority programs, like a chunk of the approximately $150 billion in tax expenditures now set for fiscal year 1980. The administration has come forth with no proposals to cut there. Does that mean that they are all priority programs—all programs that we cannot afford not to continue?

Mr. Speaker, I am deeply disturbed by the sense of ennui that seems to pervade the halls of the 96th Congress before we have even fairly sat down to business. There is a feeling that we are not going to get much done in the next 2 years—that this is not the time for new ideas, new programs to deal with the problems that few will deny exist any more than they deny the Gallup poll results on the question of a balanced budget. There is a feeling that we should just try and hold the line.

Mr. Speaker, I believe that if we just try and hold the line we are going to lose the whole ball game.●

AMERICAN SOKOL ANNIVERSARY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ANNUNZIO. Mr. Speaker, the first American Sokol unit was founded on February 15, 1865, by a group of Czech immigrants in St. Louis, Mo. In my own city of Chicago on October 30, 1892, the first Slovak Sokol Society was formed, and its heritage is similar to that of the American Sokol organization. Sokol USA shares the goal of physical and moral strength, as do the Catholic Sokols.

Sokol, which is a Czechoslovak word meaning falcon, symbolizes well the ideals of the Sokol organizations, because the falcon is a bird that has a love of freedom as well as strength, courage, and agility. The Sokol organization was founded in Czechoslovakia in 1862 by Dr. Miroslav Tyrs (1832–84), a professor of history and esthetics at Charles University in Prague, and by Jindrich Fuegner (1822–65), who was a businessman and a lover of the arts and music. These two men perfected a system of physical fitness through a series of calisthenics and other activities, based on the idea that each individual is important and could and should progress to the ultimate peak of physical fitness. Their motto was "A sound mind in a healthy body."

The Sokol movement, which includes men, women, and children of all ages, increases physical fitness while teaching the virtues of individual responsibility, emphasizing high moral principles, and developing the ability to work successfully with others. The physical education program stresses individual initiative, creativity, as well as self-discipline, which is a basic requirement for personal achievement enabling the gymnast to become a cohesive and cooperative member of American society. In uniting Czechoslovak culture, the American heritage, and Sokol ideals, the organization contributes greatly to the welfare, safety, and freedom of the United States.

Mr. Speaker, I am proud to join with

Sokol members in the 11th Congressional District of Illinois I am honored to represent, in the city of Chicago, and all over our country as they celebrate this anniversary.●

A PROPHECY THAT (UNFORTUNATELY) CAME TRUE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BAUMAN. Mr. Speaker, the House Assassinations Committee has, I am sad to report, fulfilled my every expectation. After spending $5 million of the taxpayers' money, and perpetuating the sensationalism that has dogged the two tragic murders it investigated, it has failed to answer a single question about either assassination. It has, in fact, only raised more theories, doubts, and qualified each of its findings. The committee's sad record was succinctly appraised by columnist James J. Kilpatrick, and at this time I insert his column on the subject in the CONGRESSIONAL RECORD:

HOUSE ASSASSINATION REPORT WAS A DUD

(By James J. Kilpatrick)

It might have seemed impossible for any body of men to convert one of the most dramatic events of the 20th Century into an exercise in boredom, but the House Select Committee on Assassinations brought it off. The committee's preliminary report is a dud.

The committee was created in September 1976 with a mission to make a definitive investigation and report on the assassinations of John F. Kennedy in 1963 and Martin Luther King in 1968. Some of us asked at the time: Why? What was to be gained by hashing and rehashing the findings of the original Warren Commission? Some of us prophesied, on the record, that no report ever would satisfy the assassination buffs who get their ghoulish jollies from the spattered brains of a slain President.

So it has turned but. A very considerable body of money has been spent; thousands of pages of notes and testimony have been filed; by the end of March, we are to have a multi-volume final report that no one but the buffs will ever read. The taxpayers who financed this investment in futility have wound up with a very poor return.

None of the questions that were left dangling 15 years ago has been settled. It was clear then, and it is just as clear now, that Lee Harvey Oswald killed the President. It was not clear then, and it is no clearer now, whether Oswald acted in conspiracy with others. The committee says it was "probably" a conspiracy. But the committee has not the foggiest idea who the conspirators, if any, might have been.

Two years of labor have produced but one positive conclusion on this point: "The Secret Service, Federal Bureau of Investigation and Central Intelligence Agency were not involved in the assassination of President Kennedy." And bully for them!

Everything else is qualified. The committee believes, "on the basis of the evidence available to it," that the Soviet government was not involved. Neither was the Cuban government involved. Neither were anti-Castro groups as such, though individual members may have been involved. Similarly, no evidence points to organized crime, as such, but it might possibly have been some maverick mobster, acting on his own, who fired a shot from the famous grassy knoll.

The tentative conclusion that a conspiracy "probably" was afoot derives from expert acoustical evidence. If this evidence ever were offered as testimony in a court of law and subjected to cross-examination by a skilled defense attorney, the evidence would be reduced to unconvincing conjecture.

The evidence in question is a taped recording drawn from an open microphone on the motorcycle of a Dallas police officer, but the officer, testifying the other morning on NBC's "Today" show, said it couldn't have been his microphone. Speaking merely as one of 50 million jurors in the court of public opinion, I found the cop more believable than the experts.

The committee's summary as to the assassination of Dr. King is almost as unsatisfactory. This, too, was "probably" a conspiracy, but the "probably" results largely from a stale charge made by a fellow from Missouri a long time ago. Ten years after the fact, perhaps a federal case might be made against two other fellows from Missouri who reportedly boasted they would pay $50,000 to anyone who would kill Dr. King. The prospect seems remote.

Otherwise, such are the benefits of hindsight, we are informed that the Secret Service and the FBI performed "with varying degrees of competency" in the Kennedy assassination. Secret Service agents "were inadequately prepared to protect the President from a sniper." In its final report, perhaps the committee will advise us how a President may be protected from a sniper when the President insists upon traveling in an open limousine through the streets of a major city.

The final report, due in March, will include a string of recommendations for laws, guidelines, regulations, procedures and, alas, "implementing mechanisms that would permit inter-agency tasking of particular functions." By this the committee apparently means that law enforcement agencies should get together on their intelligence-gathering efforts. It is sound advice, but we might have had it for less than five million bucks.●

JACK BORMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, on Sunday, February 25, 1979, the Ida Mayer Cummings Auxiliary of the Jewish Home for the Aged of Los Angeles will hold a golden anniversary ball. In accordance with its theme "Golden Years/Golden Deeds," the auxiliary has created a special "Golden Years" Award for presentation to Mr. Jack Borman. The longtime support of the home by this insurance executive has been a special interest of his, but not his only community commitment. He is currently commissioner of the fire and police pension system in Los Angeles, and is involved with many civic, cultural, religious, and Jewish causes. Among them are Founders of the Music Center, Sinai Temple, B'nai B'rith, the county museum, UCLA Alumni Association, and the Jewish War Veterans. He is also a founder of Haifa University in Israel and a member of the Prime Ministers' Club, State of Israel Bonds.

It is because of the generosity of Jack Borman and those who, like him, care about the elderly in our community that the Cummings Auxiliary can approach its golden anniversary with the surety of being able to maintain this fine Jewish home for the aged. I ask the Members to join with me in honoring this man who has a keen awareness of the needs of others and who has contributed so generously toward them.●

WORK INCENTIVES FOR WELFARE RECIPIENTS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LEVITAS. Mr. Speaker, I have long supported the idea of work incentives for our welfare system. The fact that welfare recipients cannot easily get themselves off the public dole is contrary to the Americans ethic of paying one's own way when one is able to do so.

Recently, some newspapers have printed articles about people who tried to "save" their way off the welfare rolls and the subsequent court actions which they faced. I would like to share another recent article from UPI which tells the story of a woman who elected to work as a trash hauler rather than accept public assistance. Perhaps it can serve as an example for others and as motivation for Congress to improve work incentives provisions in existing welfare regulations.

The article follows:

SHE'D RATHER HAUL GARBAGE CANS THAN LIVE ON WELFARE

MIAMI.—Alma Sumpter would rather lug garbage cans than live on welfare.

When Mrs. Sumpter, 40, had trouble finding work seven weeks ago, she persuaded the State Employment Service to contact the city of Miami on her behalf about collecting garbage.

"We told her about the rats and the roaches and the worms," said Bill Smith, a garbage department superintendent. "But she wanted to get off welfare. She wanted to earn her own living. She talked like she could do the work."

It wouldn't be half as hard as picking tomatoes or nursing mental patients, as she had done in the past, Mrs. Sumpter said. "Just put me on the truck and tell the men to keep up."

The worst part of the job is rising at 4:30 a.m. to be at work before 6 a.m., she says. Snarling dogs used to be a problem. Now she warns, "Get away or I'll put my boot in your mouth," and the animals retreat.

Mrs. Sumpter's supervisor says the 115-pound woman can handle most loads alone. "I get a lot of help from the guys on the crew," she said. She may be the only woman collecting garbage in Florida, according to Clarence Patterson, who heads Miami's sanitation department. Patterson said he would hire more women "if they're as good as this one."

And her son is supportive.

"At first my son was proud of me," Mrs. Sumpter said. "He hasn't said anything lately, except that he thinks I should make more money."

The best part of the job, she says, is the $5.40 an hour that she earns.

"I wouldn't be married to anything except those cans," she said. "And it beats being on welfare. I hope a lot of other women get the hint . . . and get off welfare."●

LACK OF U.S. INNOVATION CONTINUES TO BOOST COSTS TO CONSUMERS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SYMMS. Mr. Speaker, I think it is fair to say that one of the primary causes of the rising cost of consumer goods is excessive Government regulation. Manufacturers from the west coast to the East roundly decry the heavy Federal burden of regulation and attendant paperwork, and have placed the burden of guilt of rising costs where it belongs, at the feet of the Federal Government.

Excessive regulation of the health care industry cannot only be costly, but downright dangerous to the health and welfare of American citizens. One of the worst Federal offenders, in my opinion, is the Food and Drug Administration. The drug lag and the lack of innovative new drug research in the United States reflect this bureaucratic regulatory disease, Mr. Speaker.

The New York Times published an opinion piece entitled "Whatever Happened to U.S. Innovation?" on February 4, 1979. Written by Leo-Arthur Kelmenson, chief executive officer of Kenyon & Eckhardt, Inc., this article accurately describes the unhealthy state of U.S. innovation. I find it to be an insightful point of view and recommend it to my colleagues.

The article follows:

WHATEVER HAPPENED TO U.S. INNOVATION?

(By Leo-Arthur Kelmenson)

The Carter Administration has launched a major study to find out why innovation by private industry is in the doldrums. Set at the Cabinet level, this Government project will feature a committee drawn from 15 Federal departments, agencies and offices, and headed by Secretary of Commerce Juanita M. Kreps. Input will also be sought from private industry, advisory panels in labor, "public interest groups" and academe.

Secretary Kreps has already formulated a "work plan" and Mr. Carter has set this June as the deadline for learning the results of his "search for clues on what changes should be recommended to the President in order to reverse the declining trend in new-product innovation."

Any number of corporate executives could quickly supply those "clues." Asking for them from a committee heavily loaded with people who represent Government regulatory bodies is like asking a mosquito to discover the cause of malaria.

The President's concern is, of course, justified. Innovations do more than keep us ahead of foreign competition in terms of prestige and our marketing position. Our inability to compete on an international scale in high-technology advances and product superiority contributes substantially to the country's unfavorable balance of payments, to the dollar's devaluation and to inflation and unemployment here at home.

There was a time in the 1940's and 1950's when it would have been laughable to suggest that this country would soon suffer a technology gap with Germany and Japan, our two vanquished enemies. No more. While Japan and West Germany enjoy huge, multimillion dollar surpluses in their trade balances, the United States deficit soars.

The pioneering characteristic that once made America the most highly advanced industrial nation in the world has shown alarming signs of evaporating. When appropriate rewards for innovation all but disappear, when regulatory burdens and the Federal paperwork accompanying them threaten to drown the corporation, when "total disclosure" edicts turn a successful research and development company into a patsy for competitors, it is small wonder that some businesses find the simplest solution to be the cop-out.

Perhaps the biggest deterrent to researching, developing and marketing new products—even beyond the high cost, high risk, and long-term payout involved in such innovative activities—is the accelerating effect of regulatory requirements. There are more than 80 Federal agencies that regulate private activity, and the bible of these agencies, the Code of Federal Regulation, now runs to some 70,000 pages. In the steel industry, companies must comply with more than 5,000 regulations issued by 27 different Federal agencies.

Not only is the price tag on such Government involvement in the market-place staggering (more than $100 billion this fiscal year), but the new bureaucracy made up of the regulatory agencies—which has become a powerful fourth branch of Government not provided for in the Constitution—generates a nightmare of Federal paperwork.

In some industries, heads of research and development report they spend more man hours filling out Government requests and reports than in doing the research itself, and that these requirements are smothering the very initiative and innovation whose decline the President laments.

While reasonable Government "watchdogs" have their place, too many of these agencies are taking on functions they were never meant to have. Bureaucracy lays its heavy hands on almost every aspect of research and development, as well as on the marketing process. In some industries even the nature of the proposed research must be Government-approved. From there the agencies go on to regulate, specify and assess manufacturing techniques and procedures, factory construction, environmental impact, employment practices, promotional tools, package size and material content, advertising copy, media use, the language of warranties and pricing—all that before the Government even gets around to tax policies.

But it is the hard-line attitude toward business that the regulatory agencies employ that has such a devastating effect on innovation. As any creative person knows, true innovation calls for unfettered freedom; its success depends upon the ability to move away from the norm, into uncharted waters; upon the ability to deviate from routine procedures and thinking, with a minimum of restraints. Since it is in the very nature of regulatory bodies to be non-creative themselves (one could even go so far as to say they are parasitic, thriving only as long as there is an industrial body on which to feed), the distance between the regulator and the regulated is enormous, and the two appear to each other as hostile forces on opposite sides of an unbridgeable chasm.

Not only the regulatory agencies, but the Government itself seems to take joy in putting down big companies. While Washington cries "divestiture" in the name of freer competition, Japan offers inducements to business to grow large, recognizing what we do not: The splintered corporation is in danger of being unable to compete on an international scale.

Not without reason, one of the few products this country seems to be exporting with great success is research itself. Growth of research and development abroad, by American companies, continues to outpace growth of domestic research and development. In addition to Japan, other countries, including Canada, offer extraordinary incentives, including outright subsidies, cash grants and long-term, low-interest loans to companies willing to do their innovating away from home. In England, the Queen has introduced corporate awards for innovation.

Given the hostile climate here and our overly restrictive regulatory philosophies, can United States companies find happiness by establishing research facilities abroad? Obviously so.

In the last few years, there has also been a dearth of risk capital. When the maximum tax on capital gains was raised from 25 percent to 49 percent, that ended the era of ready venture-money. The potential gain became too small for investors to chance their money on such an uncertain thing as new-gains tax has been cut back, there is bound product development. Although the capital to be a long gap before venture-capital flows freely once again. Meanwhile, many small companies with high-technology capabilities have dried up. With their demise went the jobs and corporate taxes they delivered—and, as Mr. Carter's committee will find out, their innovativeness as well.●

THOMAS ALVA EDISON

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, this year marks the 100th anniversary of the invention of the incandescent light. February 11 is the birthdate of Thomas Alva Edison, its inventor.

Born in Ohio in 1847, Thomas Edison spent only 3 months in school before his education was undertaken by his mother. As a youth, he sold fruit, candy and papers on the "Grand Trunk Railroad." Eventually, with the aid of a small handpress, he printed the Grand Trunk Herald and distributed it among the railroad's 400 employees. At age 15, he became a tramp telegrapher, and at 17, he developed an automatic telegraph repeater, his first invention.

Though he is most famous for inventing the incandescent lamp and a dynamo to light it, Edison also held hundreds of other patents. Many of his inventions are still being used today, only slightly improved from his original patents. Other of his inventions provided the groundwork on which several modern American industries are built. Western Union bought his telegraph transmitter. Remington bought his typing machine. A. B. Dick bought his "electric pen" for making stencils. The Victor Co. used his phonograph patents. Firestone used his latex patents. The list can be continued.

By organizing the research efforts of his 80 scientists and technicians, Edison fostered a technological revolution. His inventions changed the course of history. The legacy of ingenuity and perseverance he left has been imprinted on the minds of the thousands of young scientists who have labored in research labs throughout America.

Mr. Speaker, distinguished colleagues, this year, in these times of trouble to our economy and to the industry which keeps it moving, we need to rededicate ourselves to the American spirit Thomas Alva Edison embodies. It is time to rekindle the spirit of the American pioneers in those whose job it will be to lead the country along the road to technological achievement.●

ARSON AND THE UNIFORM CRIME REPORTS

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SAWYER. Mr. Speaker, being deeply concerned about the need for public awareness of the tragic effects and widespread crime of arson, I am introducing legislation that will permanently make arson a part I offense for purposes of the uniform crime reporting system, as compiled by the Federal Bureau of Investigation. As you may remember, Congressman JOHN SEIBERLING and I introduced an amendment to the 1979 Justice Department authorization bill which required the FBI to begin collecting arson data as a part I offense in the 1979 fiscal year beginning October 1, 1978, for a period of 1 year. The FBI has, in accordance with this mandate, prepared a procedure to collect arson statistics nationwide for the first time. An information packet will be sent to the 45 State agencies that collect crime statistics and report them for contribution to the Uniform Crime Reports. The goal of this program is, obviously, the collection of accurate arson statistics. Such data has never been collected and it is high time this situation was corrected, as arson is believed to be the Nation's costliest property crime and one which accounts for 10,000 injuries and 1,000 deaths annually. Until last year, arson was classified as a part II offense for purposes of the Uniform Crime Reports sharing that category with public drunkenness, disorderly conduct, and forgery.

The public has not had the advantage of complete reporting and news and media coverage of this crime, public apathy and indifference has resulted. It is hoped that the collection of accurate arson data and the full reporting of them through the Uniform Crime Reports will bring about more involvement in arson detection and prevention and that the public will become more aware of the costly nature of arson. I believe that this legislation will go far in correcting this long neglected offense and I urge your support of this measure to achieve that result.●

CONGRESSMAN PAUL SIMON COMMENDED FOR LEADERSHIP

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BEDELL. Mr. Speaker, it has been my profound pleasure to serve with the gentleman from Illinois (Mr. SIMON) since we first came to Congress in 1975. I have had the opportunity to develop a sincere respect for his leadership abilities which time after time have resulted in legislative victories for the public good.

PAUL's contribution has not gone unnoticed. Recently, two respected national columnists, Robert Walters and Martha Angle of the Newspaper Enterprise Association, wrote a piece concerning the responsibilities each Member has to concern himself above all with the interests of the Nation as a whole as opposed to the more parochial concerns of our individual districts and States.

It is fitting that they focused on PAUL SIMON. No better example could be found of a Member dedicated to the common good of our country at a time when we as a people seem as fragmented as ever by geographic, partisan and economic divisions. I believe that the people of Illinois' 24th District also deserve a measure of appreciation for sending us a Representative with his clear vision and outstanding capabilities.

The column has an important message for all of us, and I commend it to every Member of the House:

[From the Alton Evening Telegraph, Feb. 2, 1979]

PAUL SIMON PICKED AS ONE OF BEST IN DISTRICT SERVICE

(By Robert Walters and Martha Angle)

WASHINGTON (NEA).—Members of Congress, like retail sales personnel, are expected to pretend the constituent-customer is always right. But it ain't necessarily so.

All too often, John Q. Public is likely to be passionate in his opinions but parochial in his outlook. His interests and his perspective are shaped by his own experience.

He may acknowledge the possibility people elsewhere in the country—not to mention the world—have problems different from his own, but he doesn't much care.

His one question for his congressman is "What have you done for me?" Most spend the bulk of their time trying to answer the question to the satisfaction of enough constituents to insure a return ticket to Washington at the next election.

They use most if not all their official allowance to hire "caseworkers" to track down constituent Social Security checks, or staff aides to birddog sewer grants, water projects and other "pork" for the folks back home.

Every time a controversial issue looms, they whip off a questionnaire soliciting constituent opinions on how they should vote. They scour the mail, race home every weekend and "vote the district."

They become, in other words, "Mr. Fix-its" for the people in the districts, not national legislators balancing the interests of all Americans, as the Founding Fathers originally intended.

"I'm afraid we're getting too many people in Congress whose sole aim is to get re-elected," conceded Rep. Paul Simon, D-Carbondale, one of the most effective and conscientious members of the House.

Simon, now serving his third term from the 24th District in Southern Illinois, has felt the pressures so many of his colleagues succumb to. But he has quietly resisted them.

Last fall, for instance, one newspaper in his district endorsed Simon for re-election but grumped about his "straying towards world politics," suggesting his average constituent "believes there are more than enough problems in Southern Illinois to keep a legislator busy."

Instead of apologizing for his service as a U.S. delegate to the United Nations, or for his work on problems of world hunger, Simon carefully and patiently wrote a column for all the newspapers in his district explaining why the rest of the world matters to Southern Illinois.

He reminded his constituents, many of whom live in rural areas, one out of two acres under cultivation in Illinois produces food for export to other countries; in the southern third of the state, some 15,600 jobs are directly related to manufacturing export goods; inflation is affected by the unfavorable U.S. balance of trade with other countries; world hunger contributes to international tensions.

It wasn't the first such column that Simon, a former newspaper publisher, has written for his constituents. And it won't be the last. He is one congressman who takes his leadership responsibilities seriously, including the responsibility to educate his constituents.

Nor is Simon alone. There are other members of the House and Senate equally disturbed by the tide of parochialism, single-interest politics and "me-first" rhetoric now washing over Capitol Hill.

They are by no means indifferent to the needs and wishes of their own constituents. On the contrary, most are assiduous in performing casework and pursuing federal largesse for their districts. But they do not stop there.

The best members of Congress acknowledge their responsibility to look beyond the borders of their own districts, their own states, to the problems and needs of the nation as a whole.●

SADIE AND LEW ZUCKERMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, married on February 28, 1909, Sadie and Lew Zuckerman will be celebrating their 70th wedding anniversary coincidentally with the Golden Anniversary Ball which will be held on February 25, 1979 by the Ida

Mayer Cummings Auxiliary of the Jewish Home for the Aged in Los Angeles. Sadie is honorary life president of the auxiliary, and Lew is honorary life president of the home. The Zuckermans, a young and spry 93 each, were married at Congregation Beth Israel at Olive and Temple Streets in Los Angeles. Sadie's father, Louis Goldberg, was the president of this prominent Orthodox synagogue. Their wedding was an important social event of the Jewish community, and they entertained over 700 guests.

Soon after their marriage, Sadie and Lew helped found the home in 1912, and in the decades since then they both have served it unstintingly and with complete devotion.

It gives me special pleasure to ask the Members to join with me in extending warm congratulations and good wishes to Mr. and Mrs. Zuckerman, who have used their years so very well.●

AMTRAK

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. RAHALL. Mr. Speaker, I would like my fellow colleagues to have the opportunity to see a side of Amtrak which is very seldom heard nor put into print. I commend Mr. Whitaker for bringing forth facts which shed a different light on the Amtrack dilemma.

AMTRAK, THE CABOOSE

(By Rogers E. M. Whitaker)

Amtrak, which has—surprisingly—attained the age of eight, is an institution unique among the multitudinous enterprises established by our Federal Government: It was deliberately designed by its proponents to be non self-perpetuating but self-destructing.

The day the Amtrak bill became law, one of my eldest friends in the railway fraternity—a lawyer cerebrated for his skills at persuading the Interstate Commerce Commission to permit the discontinuance of one passenger train after another—burst into my office to announce, tritely (and, I fear, truthfully), that "President Nixon has signed the death warrant of the long-distance American passenger train." His point was well taken: Only a tiny fraction of that service had survived into 1971, and 70 percent of that remnant was now to be expunged.

Amtrak was to contract and pay for this service, all of which was unprofitable (in large part because of Government subsidies to competing modes of transport), and make it, by magic, profitable. Yet the traveler by train from New York to Detroit must now travel 600 additional miles, at twice the cost and twice the time; for a long time, cities as important as Cleveland, Toledo, Salt Lake City and Dallas (population over a million) were to have no service at all.

The railways had hastily sold several hundred of their best passenger cars to railways in Mexico and Canada; some railways would not permit Amtrak to run trains on the most useful routes; wage negotiations with unions were conducted without Amtrak participation, and the cost was levied upon Amtrak.

The perfect model for Amtrak would have been the original United States Post Office. It had the power to order railways to carry mail on whatever trains it wanted, to set the price it would pay, and to levy fines for dilatory performance. Amtrak was given no such regulatory powers. In return for relieving the railways of the cost of running passenger service, it was rewarded with slower trains, delays because of poor track and freight-train wrecks, arbitrary changes (on no notice at all) of route. The costs of all this were assessed against Amtrak. None of the Amtrak services were of Amtrak's choosing; for some years the law specified that the Department of Transportation would design the network of routes, and some of its choices served vastly underpopulated territory.

Among the early members of Amtrak's board of directors were Louis Menk, the head of the Burlington Northern Railroad, who in print and on the television program "60 Minutes" denounced Amtrak as a concept as archaic as the stagecoach; Thomas Gilhooley, the head of Transportation of New Jersey, a large bus company in direct competition with Amtrak; and William Moore, the head of Penn Central, whose downgrading of passenger service had been assailed by several public-service commissions.

The law stated that there were to be public-interest members of the board, but they were not appointed for more than two years after Amtrak was set up. The board voted, against the opposition of these members, to permit the railways serving Chicago to stop holding connecting trains for passengers going through, and thousands of customers had to be sent by bus and by plane on the rest of their journeys, or housed and fed overnight, all at Amtrak's expense.

James MacDonald, the leading public-interest member, said he would disclose this secret deal, and Congress mandated a new head for Amtrak. Paul Reistrup, a well-known and experienced passenger man was chosen, but the board refused to seat him until Congress ordered that he be seated. This man had to face up to an increasingly poor performance by the railways under contract, a vast overstaffing of a headquarters that was well-laced with officers transferred from the discredited Penn Central; the aforesaid hostile board; and a group of employees openly defiant of him and yet—because of long-term contracts and/or political influence—impossible to dislodge. The new man resigned last spring.

His successor, Alan Boyd, much more knowledgeable about Capitol Hill politics, has had some of the rebels removed, and is getting to work on reducing the overpopulated staff.

All of this constitutes what Brock Adams, the Secretary of the Department of Transportation, terms giving Amtrak a "fair chance" to succeed, and he has now proposed an enormous reduction in the service it provides. Unless Congress objects to his proposal before the end of April, it becomes irrevocable.

Mr. Boyd counters with the proposal that Congress, mindful of the wishes of its constituents, tells Amtrak precisely what service should be provided.

The Secretary replies that he does not want Congress to meddle. That leaves the issue squarely up to us constituents who believe that Congress still possesses the constitutional right to legislate.●

BROTHER, CAN YOU SPARE A TREE?

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BONKER. Mr. Speaker, while Japan is keeping busy its 26,000 mills cutting up our logs, our own mills are closing down everywhere in the Northwest. The latest victim is the Pope and Talbot Plywood Mill in Kalama. The 340 lost jobs represent a severe social and economic impact in that area.

While we continue to ship large volumes of our prime old growth timber to the Orient (3 billion board feet in 1978), the U.S. manufacturers are importing dimension lumber from Canada. Increasingly we are buying more finished products from our northern neighbor which now supplies 25 percent of our lumber and paper market.

Traditionally the Northwest has been heavily dependent on timber and commodity production as its economic base, but that is seriously threatened because of a projected timber-supply shortage in the early 1980's. In a number of recent studies, the U.S. Forest Service has consistently warned of the dwindling supplies in the Pacific Northwest industrial lands and the concomitant loss of employment in timber-related businesses.

This decline could be corrected by a combination of intensified forest management, particularly on public lands, and revised harvest levels set by the Federal Government.

There is also a considerable effort underway to open up more public land for harvesting as Congress debates RARE II legislation this year.

While I support such initiatives we can ill-afford to ignore the most formidable threat to the timber supply problem—the export of unprocessed logs. It is not a good resource policy to send our valuable logs to Japan at a time when our timber supply is dwindling; it is also poor economic policy to deny ourselves the mill capacity and tens of thousands of related jobs when most countries are taking steps to maximize the full economic benefit of their resources.

A respected columnist for the Seattle Post-Intelligencer, Mr. Shelby Scates, ably describes what is confronting the wood products industry in the Northwest. It is a regional problem but with national implications. Because Congress may be faced with acting on the log export issue this session, I am inserting in the CONGRESSIONAL RECORD the article which appeared in the Seattle Post-Intelligencer:

[From the Seattle Post-Intelligencer, Feb. 11, 1979]

BROTHER, CAN YOU SPARE A TREE?

(By Shelby Scates)

KALAMA, WASH.—A plywood mill closed here last week, another victim of log exports, leaving 340 persons without jobs in this small Columbia River community. Poignant, but only a hint of the trouble in the nation's timber supply.

The shame of the Northwest economy, this shipping of unprocessed logs from our forests to the insatiable Far East markets, is a factor in what is about to become a knotty problem in the national economy.

It's spelled out in startling detail inside a study of the nation's timber situation ordered last April by President Carter, prepared by the Department of Agriculture, but as yet unpublicized.

"These figures confirm what we have strongly suspected for five years—the country is running out of timber," said U.S. Rep. Don Bonker, D-Wash. He was shown a portion of the report.

"The U.S. Forest Service knows this. So does the industry. But we keep on exporting logs. Like junkies, we can't kick the export habit."

From sources with access to the study, these are the most telling forecasts:

U.S. consumption of softwood timber will increase from 210 billion board feet (bbf) in 1978 to 240 bbf in 1985. This includes our exports.

To meet this demand, timber sales from private and state lands must increase from 155 bbf to 165 bbf. Sales from federal lands must go up from 45 bbf to 55 bbf.

Net imports, mostly from Canada, must double from 10 bbf to 20 bbf if the 1985 demand is to be met.

Sources who've seen the study say these figures translate into fast rising lumber prices and the equivalent jump in pressure for an increased harvest off federal land.

Lumber prices, a major cost in construction from Port Angeles to Key West, have doubled in the last four years. Everett Towle, director of policy analysis for the Forest Service, admits that they will probably double again by 1985.

"This will be equaled by pressure for cutting timber on federal lands," said Towle, who favors a public release of the timber study by the administration.

Other sources question Canada's ability to double its exports by 1985. The study itself says it will be "very difficult" to achieve the increase in timber harvest from state and private lands needed to meet the demand.

"We've got another OPEC situation," said one source familiar with the study. "Instead of oil, it's timber. The result is the same. We're going to wind up depending on a foreign country for critical supply. And this will dictate the price."

The administration's Towle disagrees. He says other factors mitigate the supply crisis, especially technological developments in wood substitute materials.

This is little consolation in Kalama where the Pope and Talbot mill provided basic employment. Log exports weren't the only factor in the closure. It was an old mill, not highly efficient.

But exports take the blame. The feeling here is that an absence of competition from exporters for purchase of raw logs off federal, state and private lands would have saved the mill.

"It just doesn't make sense," said Bonker, whose district includes Kalama, the forests of the Cascade and Olympic mountains and the log ports of Olympia and Grays Harbor.

He continued:

"In the face of this timber shortfall, we're exporting 3 billion board feet of raw logs a year. You couldn't offset that timber loss if we opened up all of the wilderness areas in the State of Washington to loggers—and don't think some timber guys wouldn't like to do it.

"The economics are crazy. Take 1,000 board feet of timber. To ship that amount overseas requires four man hours of labor. But to process it into a two-by-four gives 12.5 man hours of labor. Turn it into plywood and you've created 16 man hours of labor."

Attempts to curb log exports, a la British Columbia, have met the irresistible opposition of the big timber companies who own private forests, particularly the Weyerhaeuser Co.

Weyerhaeuser's good friend in Olympia, Bert Cole, the state land commissioner, has consistently battled export bans.

Cole's reason is the same as big timber's to maximize the immediate return on investment. Hard to argue with a private company's profit mission. But as trustee of lands owned by the state, Cole's unabashed attitude favoring log exports seems narrow indeed.

The people of the state might be better served by getting less money for their logs, but saving their local mills and jobs.

Weyerhaeuser argues the question would be moot with an adequate reforestation program, such as their own model. Re-forestation would leave the nation with timber to spare.

Unfortunately, Weyerhaeuser's practices have never been implemented on federal or state lands. Never enough, money in public budgets.

Small mills dependent on public lands for their timber supply can't meet the anything goes export competition when they bid on the stump. So they fade away, like Pope and Talbot here.

The situation is so acute for small mills they have raised a war fund in Washington state, hired a top lobbyist, Thomas Owens, and are set to start a legislative fight to halt exports of logs from state lands.

Their strategy is step by step. In 1968 they tried and failed to get a total export restriction. This year in Olympia, they'll attempt to ban the export of red cedar, a species which is likely to disappear from the market within 20 years unless this effort succeeds.

Next step would be a ban on all exports from state lands. It will follow, next session, if the cedar ban succeeds.

Bonker has bills in Congress to ban cedar exports and to prevent a timber company from bidding on federal timber if it engages in any exporting of raw logs. None of this legislation is likely to restore those 340 jobs in Kalama. But it might save the next mill down the river. And it will help hold down the price of lumber in Peoria.●

THE PRESIDENTIAL MESSAGES: THE STATE OF THE UNION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for February 14, 1979, into the CONGRESSIONAL RECORD:

THE PRESIDENTIAL MESSAGES: THE STATE OF THE UNION

President Carter's 1979 State of the Union address will rank as one of the more important documents of his presidency.

As has been the practice of Presidents in recent years, Mr. Carter used the State of the Union message as more than a description and forecast of the nation's progress. He certainly gave us his analysis of where he thinks we are, what direction he thinks we ought to be going, and how he thinks we should get there, but he also set forth the underlying theme of his administration. His attempt to define his presidency in terms of a theme came in response to those who have criticized him for not having a clear vision of his role. This criticism is one that I have made, and my impression is that virtually all Mr. Carter's closest advisors agreed that a theme had been lacking. I do not know whether the President succeeded in giving the people a better idea of his vision for America, but I have the feeling that his address is as good a place as any to begin to understand his presidency.

The President talked about the nature of the problems we face today. They are "more subtle, more complex, and more interrelated" than the problems of earlier times. Solving them, he claimed, will require changes in attitudes on the part of the public. Mr. Carter said that the nation confronts not only military dangers abroad, but also domestic dangers such as cynicism, apathy, and selfishness. Warning against simplistic and extreme solutions to our difficulties, he appealed for a "New Foundation" on which to base a sound economy, a more effective government, and a stable peace. In speaking of this "New Foundation," the theme of his administration, Mr. Carter evoked the "New Freedoms" of Woodrow Wilson, the "New Deal" of Franklin Roosevelt, and the "New Frontier" of John Kennedy. By that phrase the President hopes to symbolize his efforts to realign the nation's economic priorities and foreign policy. He is trying to re-establish the feeling that the nation has the capacity to meet problems at home and abroad.

The scope of the speech was an indication that the President has deliberately thinned out his "wish list" of legislation and narrowed his goals of previous years. In the spare, sharply focussed message he placed greatest emphasis on two issues: inflation and national defense. Mr. Carter's concern for these issues is not really new, but the central place he has given them in his overall program is new. The plea for fiscal responsibility and less government interference in the private sector came through loud and clear.

The President urged everyone to recognize the limits of government action on the domestic front. He said, for example, that we cannot live beyond our means or create new programs that we can neither finance nor manage. The plea for approval of the strategic arms limitation treaty (SALT) was also very prominent. The President did not dwell on the negative consequences of rejecting SALT, but concentrated instead on the advantages that ratification would have for the United States and the Soviet Union, both of whom have an overriding interest in reducing the threat of nuclear war. To quiet the fears of those who are already uneasy about the terms of SALT, he said that any treaty would be verifiable and would not undercut America's nuclear deterrent.

In addition to expressing his views on these matters, the President went on record in favor of the first steps toward a national health insurance plan. He also called for a new Department of Education, a restructuring of economic development and natural resources programs, limited public financing of congressional campaigns, deregulation of bus, truck, and rail transportation, an initiative to contain hospital costs, approval of the multinational trade agreements, implementation of the Panama Canal treaties, and formation of a new framework for relations with Taiwan.

The speech had few surprises and little rhetorical flourish, and it was criticized by some for its many omissions. One Senator remarked that the President failed to mention many of the things, such as energy policy, which worry members of Congress. Mr. Carter's words were applauded frequently, but they were not received with enthusiasm. They neither inspired nor excited the Congress. The concern on Capitol Hill, at least as I read it, has not so much to do with the President's priorities. Rather, members of Congress want to know whether Mr. Carter will remain firm in his commitment to fight inflation, and whether he will continue to pursue other goals he has set.

Mr. Carter's address was interesting from a political point of view. In the speech he was preparing himself for the 1980 presidential race by seeking a position in the center of the political spectrum, with Governor Jerry Brown of California to his right and Senator Edward Kennedy of Massachusetts to his left in the Democratic Party. The President avoided provocative statements throughout as he steered a middle course between inflation and recession at home, and between confrontation and capitulation

abroad. Sounding a theme he is sure to use in the presidential campaign, Mr. Carter noted that "no American has died in combat anywhere in the world" during his term in office. He added that America's ambition was not to become the world's policeman, but the world's peacemaker.●

NEW UNITED STATES-PEKING RELATIONS DIPLOMATIC COUP FOR CHINA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. McDONALD. Mr. Speaker, Gen. John K. Singlaub, USA, retired, in addition to being a very outspoken person on behalf of America and a much decorated combat veteran, is a very astute observer of world events. Last June, after he voluntarily retired, the Atlanta Journal ran a series of excellent articles by him about our withdrawal from Korea. These appeared in the CONGRESSIONAL RECORD of June 8, (p. 16907), June 6, (p. 16436), June 5, (p. 16344 and 16331), and June 2 (p. 16107). On this topic, I believe he is proving to be correct, for the withdrawal has been slowed down and many persons are having second thoughts on the issue. The article I am placing in the CONGRESSIONAL RECORD today, which appeared in the Atlanta Sunday Journal and Constitution, is particularly good for its highlighting of the economic aspects of our recognition of Red China. General Singlaub points out the harsh realities of the situation which the Carter administration and the press have tended to gloss over. I commend it to the attention of my colleagues:

NEW UNITED STATES-PEKING RELATIONS DIPLOMATIC COUP FOR CHINA

(By John K. Singlaub)

The United States' recognition of the People's Republic of China, our de-recognition of Taiwan and the abrogation of our defense treaty with that island republic represent the crown of the Chinese diplomatic victories over the U.S.S.R. and the U.S. in 1978.

The issues involved have become very confused and I feel some clarification is necessary.

There are numerous assumptions that are being accepted at face value, and several complex issues that should be examined more closely concerning our relations with the People's Republic of China. Completely separate from this, one must investigate the manner in which this diplomatic "game" was conducted. Finally, the implications of the U.S. nullification of the treaty with Taiwan must be analysed.

There would be little to say about the recognition of China as *an isolated event*, except that it seems to break with an American tradiiton of using recognition as an instrument to show approval of a government.

However, there are several questionable premises—as well as some complex problems—that seem to have been swept under the rug. These complicated issues are deemed either exclusively beneficial to our side or they have been written off as representing no real problem whatsoever.

The first of these assumptions is the idea of potential large-scale economic benefits arising from our recognition of China. The real question here is whose benefit and whose cost? This cost aspect seemingly has been ignored.

The Chinese have strongly emphasized their desire to modernise, to encourage foreign investments, and to enter into joint ventures with U.S. firms. This appears to promise a continuous flow of goods to China, which, of course, would greatly improve U.S. exports and thereby our balance of payments situation, as well as reduce the unemployment problem. Nothing less than a wonder cure! However, there is a lot more to this than meets the eye.

If the Chinese desire to modernize is as strong as they claim it to be, it is expected that they will import primarily machinery and modern technology on a large scale and only a few consumer items beyond Coca-Cola and agricultural products. This kind of shopping list raises several interrelated problems. How are they going to pay for such imports? Where are they going to sell their products?

The apparent answer is that China would export its oil to pay for its imports and use its increased manufacturing capacity only for domestic purposes. Again, nothing less than a miracle: We obtain the oil we need and do not have to take any cheap imports we do not want. This solution is based on an oversimplified assumption that China has enough oil.

First of all, we have no idea how much oil China really has. (I will comment on this later.) Secondly, the development of Chinese oil fields will take a long time and will require huge investments. The third point is that a country that wishes fast modernization will rapidly require more oil to cover its own needs, comparable to OPEC countries' exponential growth of domestic oil consumption.

The more oil China needs domestically, the less there will remain for export. So when we view the Chinese oil aspect, we will have to be happy and content if they do not appear as a competitor for oil internationally and thereby help force up oil prices. After all, to modernize a quarter of the world's population will necessitate no small amount of oil and investments.

Therefore, China will, no doubt, be forced to borrow extensively from the U.S. It has even been mentioned that if Congress permits, China could receive tariff cuts as well as U.S. government loans and economic aid. Before this is possible, however, it is assumed that China will be required to improve its position on human rights in the same way that other countries have been required to improve theirs in recent past.

It is well known that several friendly countries do not receive U.S. economic benefits because of their disregard for human rights. Congress has a record that clearly shows that they have a strong stand on human rights—above and beyond the rhetoric of President Carter. But before the human rights issue can be settled, China will have to borrow on the open market. (There are further complications, and I will touch upon them later.)

Money that is borrowed must be paid back, we assume. The only way China can do this is by export of goods. What kind of goods? Probably consumer items involving low and middle range technology that is labor intensive. It is here we have to face the other side of the problem of a quarter of the world's consumers, which is a quarter of the world's labor force—the lowest paid at that. How will American industry, especially in the areas of low and middle technology such as the textile industry, be able to meet this challenge?

What does the administration think about this problem which they have so carefully avoided? Will the government use the funds repaid by the Chinese to subsidize U.S. industry or to pay for unemployment created by cheap imports? After all, not everyone can produce computers. The alternative is to raise tariffs to keep out imports and thus make the Chinese unable to repay their loans.

When assessing the large-scale economic benefits we might receive from selling to one quarter of the world's potential consumers, we must remember they have the same share of the labor force. The big question I would pose to the advocates of large-scale economic benefits is: How do we plan to compete with this cheap labor? And how will the third world countries who have borrowed extensively on the international market for their modernization be able to compete?

By today's standards, Third World labor is cheap; it cannot, however, be compared to wages paid in China which are estimated to be between 7 cents and 14 cents per hour. How will this affect the Third World's struggle to develop or their ability to repay their debts to the international banking system—not to mention their prospects for future loans?

The second major assumption is implicit in the idea of the "China Card." That is, we can use China to bring a new leverage against the U.S.S.R. This could be true for a certain length of time, but for just how long? No one can possibly know. The only safe assumption we can make is that the Chinese will remain our "China Card" only as long as it suits their interests.

Teng Hsiao-ping appears to be the strongest of the leaders in China. He also is presumed to be the major force behind the idea of modernization. How strong is this commitment without his support? We really cannot know, since China is still very much a closed society. Only vague estimates based on uncertain indicators can be made. Teng has already been purged twice.

When one considers the apparent lack of stability in China's policies and the potential disruptive effects a modernization campaign may have on a society, as it has on Iran, we must not discard the possibility of Teng being purged a third time. Additionally, he is already 74 years old—so, even if he is not purged a third time, how long can he remain the dominant actor in China's foreign policy? If his ideas do not have strong support, a reversal in the drive for pragmatism and modernization could occur.

Further, we have to be aware that there are irreconcilable differences between the U.S. and China in terms of social systems, the structure of society and accepted values. How can we know whether, after the initial wave of U.S. investments and the guaranteeing of enormous credits to China, that the Chinese will not turn against us in alliance with their fellow socialists in the U.S.S.R.? After all, the split between the Soviets and China widened and grew to the surprise of most; so, too, it may close to everyone's surprise. This is a process that may be accelerated by dissolution of the traditional society that may be brought about by increased industrialization.

I am well aware that neither politicians nor anyone else, including generals, have perfect foresight, and therefore they must act with a certain amount of uncertainty at times. But this should serve to increase the need to examine alternative courses of action. To ignore totally the possible negative aspects of a problem seems to reveal either a dangerous naivete or an equally dangerous amount of deception on the part of our leadership.

One complex issue with some possible negative aspects is the settlement of the confiscated funds—that is, American-owned funds con"scated in and by China at the time of the communist takeover and Chinese funds confiscated in the U.S. at the same time. This has been mentioned by some newspapers, but only marginally alluded to by the administration. There are several interesting aspects

concerning the settlement itself, but primarily it will serve as an indicator of how this administration will handle future settlements in the event the president decides to recognize another "simple reality," namely Cuba.

The funds confiscated in Cuba are significantly larger, Cuba's ability to pay presumably lower, and the economic benefits of a recognition there are surely estimated very low, even by our professionally optimistic experts in selling "new realities." I am confident that the settlement of the Chinese confiscated funds issue will be watched very closely as it will create a precedent for settlements that may follow.

It will be of particular interest to see who receives the funds the U.S. confiscated. It seems to me that it would be difficult to build a case that these funds belong to China. I suspect that they belonged to individuals already executed as capitalist enemies of the state or to firms that no longer exist. Who will receive these funds—China, as a premium for efficient execution of the bourgeoisie?

Monday in the Journal: Broken Promises and Broken Treaties.●

DENVER SCHOOL EXEMPLIFIES SPIRIT OF YEAR OF THE CHILD

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mrs. SCHROEDER. Mr. Speaker, a beautiful letter which eloquently conveys much of the hope of what the Year of the Child is all about recently appeared in the Denver Post. I would like to share the letter with my colleagues:

PARENTS "TEST" SCHOOL BUSING

To the Denver Post:

Last summer my company purchased approximately 500 acres of land for a new home community in Southwest Denver at Wadsworth and Belleview. A major concern of ours was that the junior high school students would be bused downtown to Morey Junior High School. To learn for ourselves the quality of this school, three of us spent the day of Jan. 25 at Morey.

We were excited to find a superbly managed, highly disciplined school in a "landmark" building across the street from St. John's Cathedral.

Some highlights of our day: We picked up the bus at 7 a.m., joining 17 attractive, nicely dressed suburban Denver students. The drive only took us 30 minutes, and that in rush hour with a light snow coming down. It was fun to drive along Hamden, Sheridan, 6th Avenue, and among the older tree lined streets of downtown. The interior of the school is immaculate, the hallways scrubbed, the walls painted white with blue and gold graphics. Much of the beautiful original woodwork and high ceilings remain.

We found classrooms with usually fewer than 20 students, which meant that each teacher knew those kids. Lots of reading, writing and arithmetic. Yet we were impressed with electives such as a fine jazz band, graphic arts and woodworking. There is a beautiful tiled indoor swimming pool, two gymnasiums a running track and an auditorium which can seat the 900 students at one time.

The principal, Mr. Tilford Cole, is a man of principle and sound philosophy who points with understandable pride to a strict and fair discipline program. The students are orderly in the halls, they call their teachers "Mr., Miss, or Mrs.," there is no hanging around.

The students don't leave school until the very end of the day, and most of them take a bus home; which I, as a parent, feel is much safer than my 14-year-old daughter walking a mile with her young friends in the suburbs.

These young people at Morey are getting a very superior education in an atmosphere of structure versus the more unstructured concept of the suburbs. Mr. Cole told me of 20 students who this year switched from private schools into Morey Junior High School.

Are there some success stories about busing? Can it be fun to attend an older, well maintained "landmark" school? Can our children make some new friends with students of other races and backgrounds without a single major racial incident in six years? Does the Denver Public School System have something to be proud of in Morey? I am pleased to tell you that the answer to all this is a definite YES!

NICHOLAS M. SCHMIDT,

Vice President—Marketing, Sanford Homes.●

TRIBUTE TO DELOS WRIGHT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SOLOMON. Mr. Speaker, on February 16, 1909, a richly deserved tribute will be paid to an outstanding citizen and public servant, Mr. Delos Wright, as he retires from his position as highway superintendent for the town of Schodack.

I wish to congratulate and commend Mr. Wright for his many contributions to the Schodack area and the Nation's business community.

Born on August 8, 1979, in Rutland, Pa., he grew up and worked on his family's dairy farm. After graduating from Elmira High School in 1927, he started to work for the Montgomery Ward Co. His enthusiasm, dedication, and plain hard work earned him a place in the management of that company, and at the conclusion of his service 25 years later, he was responsible for all of the Ward's farm and garden stores on the east coast. Mr. Wright then joined the W. R. Grace Co., where he served for 13 years as executive assistant to the vice president. Again his industry and ability were rewarded by being placed in charge of South American imports and distribution operations for W. R. Grace in Lima, Peru.

Del returned to the United States in 1963 and after concluding his outstanding service for W. R. Grace Co., in the true entrepreneurial spirit, opened his own highly successful business known as "Dell's" located in the Delmar shopping plaza which he ran for 10 years. In 1973 he became highway superintendent for Schodack and the people of the town have been fortunate indeed to have had the services of this enterprising and gifted man.

It is entirely fitting that Del Wright be recognized not only for his services to his community, but for his unrelenting efforts and accomplishments within our American economic system. I join with Del's many friends and neighbors in the wish that his retirement years will be graced with good health, the richness of many friendships, the warmth of memories, and the deep satisfaction that comes from many jobs well done.●

NATIONAL DIABETES WEEK

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FORSYTHE. Mr. Speaker, today I am introducting a resolution providing for the establishment of a commemorative week in May as National Diabetes Week.

Diabetes is a chronic, metabolic disorder which adversely affects the body's ability to manufacture and/or utilize insulin, a chemical needed for the conversion of carbohydrates into energy.

The information that has been compiled in the past several years about diabetes presents a frightening picture. Ten million Americans suffer from this disease for which there is no known cure. Diabetes is the third leading cause of death by disease in the United States today, right after cancer and cardiovascular disease. We do not know what causes diabetes, but we do know that its prevalence is increasing by 6 percent a year and that diabetes reduces life expectancy by approximately 30 percent. Women are 50 percent more likely to have diabetes than men, nonwhites are 20 percent more likely to have it than white and low-income persons (with incomes under $5,000 a year) are three times more likely to have it than middle- and upper-income persons. Diabetics also often suffer such incapacitating side effects as blindness, kidney failure, heart attack, stroke, gangrene in the extremities, and nervous system problems.

There are two clinical types of diabetes: Juvenile-onset and maturity-onset diabetes. Juvenile diabetes is the most severe form of the disease and can occur at any age, though it commonly appears from infancy to the late thirties. Those who suffer from juvenile-onset diabetes must take daily injections of insulin to stay alive. Maturity-onset diabetes usually begins in the middle or later years and usually progresses more slowly. This form of diabetes is generally treated by controlling diet and body weight and sometimes with oral medication. Insulin is not usually required, at least during the early years. Children can be stricken quickly and suffer a rapid advance of the disease. Presently, 50 percent of the children who contract diabetes die from kidney disease within an average of 25 years after the disease is diagnosed. The only known treatment for juvenile-onset diabetes is insulin therapy in combination with a controlled diet and exercise.

The costs of this disease in terms of human suffering are obvious. However, the economic impact is equally great. We spend approximately $5.3 billion each

year for health care, disability payments and lost wages.

Because insulin treats the overt symptoms of diabetes, its discovery in 1921 was heralded as a cure. Today we know better. We know that it is only a treatment. Unfortunately, for 50 years after the discovery of insulin, little progress was made in research efforts to find a cause or cure. We are now funding diabetes research and there are promising fields for research in immunology, virology and epidemiologic aspects of the disease.

Still, the public is often unaware of how pervasive a disease diabetes is, its impact on its victims and their families and how much work remains to be done. I believe that it is vitally important that we establish a commemorative week to help focus attention on this disease. It is my hope that by increasing public awareness an additional impetus will be provided to encourage further research so that eventually a cure will be found.●

DEMOCRATIC RESEARCH ORGANIZATION

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FOUNTAIN. Mr. Speaker, I am pleased to join today with other members of the Democratic Research Organization in introducing legislation to amend the Constitution to provide for a balanced Federal budget.

In this Congress, I have already sponsored similar legislation of my own, House Joint Resolution 143, introduced on January 23. I think we desperately need to do something on this subject.

I want to pay particular tribute to my colleagues, DRO Chairman DICK WHITE, and DICK ICHORD, Chairman of the DRO Committee To Investigate A Balanced Federal Budget, as well as others on the DRO Committee, for the hard work and effort put into our balanced budget hearings and report.

Thus far this year, we have heard a great deal about this being the so-called "austerity Congress"—concerned more with expanded oversight of existing Federal programs and tightening outlays where possible, than with mandating new or enlarged programs. Along with those who are cosponsoring this bill, and I am sure many others, I welcome this development and this new mood.

The proposition 13 message is strong throughout the country. Taxpayers in every State—our constitutents—are frankly and rightfully saying enough deficit spending, enough waste and fraud, enough extravagance and mismanagement. Truth is, of course, that many of us have shared those same sentiments all along and have worked unceasingly toward those ends. I for one am pleased and encouraged that more of our colleagues in this House are apparently joining in the demand for reduced spending and for a balanced budget.

Hopefully, this Congress will be responsive to the calls of the American people for greater fiscal responsibility and sounder fiscal management.●

THE BEST WAY TO HELP THE POOR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MICHEL. Mr. Speaker, the New York Times recently told of the successful efforts of many businesses to help alleviate poverty and build jobs for those in need.

It seems to me that this is the best way to fight poverty. Too often government anti-poverty programs become tools for ideological zealots, intent upon spreading their own twisted notion of progress instead of really helping the poor.

I think the best way to help the poor is to have private enterprise—which, after all, is the only institution we have with experience in creating jobs—help the needy.

At this time I want to insert in the RECORD, "Businesses Are Stepping Up Their Roles in Social Problems of Cities", from the New York Times, February 4, 1979:

[From the New York Times, Feb. 4, 1979]

BUSINESSES ARE STEPPING UP THEIR ROLES IN SOCIAL PROBLEMS OF CITIES

(By Maryann Bird)

If the business of America is business, as Calvin Coolidge said, the business of business is, increasingly, America's social problems.

A spot check of cities around the country, including New York, Dallas, Baltimore, Detroit and Boston, shows that the private sector, spurred largely by the social upheaval of the 1960's, is taking greater interest in such public areas as job training, health, education and housing.

But many business spokesmen are quick to note that their commitments of money and manpower are motivated by what Dallas businessmen see as "enlightened self-interest."

"The days of the bleeding hearts have passed," said Hilda Heglund, vice president of special projects for the Milwaukee Association of Commerce. "Getting involved is not just social responsibility. It is economic and good business."

SPURRED BY RIOTING

Business involvement in social problems began in earnest after urban rioting in the summer of 1967. The National Urban Coalition was formed, stirring hope that for the first time the labor movement, the business community and civil rights groups could work together to reduce poverty, improve education and fight racial discrimination.

Corporate leaders, at the behest of President Johnson, created the National Alliance of Businessmen to administer a nationwide project in which Federal subsidies were provided to companies willing to hire and train the disadvantaged.

Many programs eventually faded away, often succumbing to inflation, but in other places, projects prospered and corporate involvement grew.

In Baltimore, the Chesapeake and Potomac Telephone Company has "adopted" an elementary school and initiated programs to improve student reading levels.

BETTER COMMUNITY RESPONSE

"When the company has a human face in the community, the community responds better to the company's presence," said Champe McCulloh, the company's public information supervisor.

For the last three years, the Commercial Credit Company has had a full-time manager of public affairs working in such areas as public education, housing and illiteracy among adults.

In Boston, business involvement increased after riots in the 60's and school desegregation problems that began in September 1974.

William F. Chouinard, executive vice president of the Greater Boston Chamber of Commerce, said, "The civil rights movement required business to reach out and deal with community groups."

In the 60's, he said, "there were a lot of companies that had to be kind of coaxed along in terms of their civil rights involvements. Today," he continued, "they have community responsibility. Many firms have gone through what I'd call a social audit."

Emory N. Jackson, executive director of the Urban League of Eastern Massachusetts, cited the expanded role of business in such areas as fair housing. "The relationship of the social problems and the business community has been far better recently than ever before in history, but we have not reached the millennium yet," he said.

Throughout New York City, industry is involved in strengthening neighborhoods, providing job training, sponsoring health fairs and stepping up efforts against crime.

Citibank's programs include a pilot project for community improvement in the Flatbush section of Brooklyn. A civilian radio motor patrol program, begun by the bank to alert the police to crimes and other emergencies, includes taxi and bus drivers, home-heating oil deliveries and Macy's truck drivers.

CON ED HEALTH CARE

The Consolidated Edison Company has provided a van and driver to health-care agencies to test city residents for hearing deficiencies, sickle-cell anemia and hypertension.

The New York Telephone Company helps inmates at Rikers Island to prepare for the job market by providing counseling, grooming tips and practice in filling out job application forms.

In Atlanta, greater corporate involvement in the city has been laid to a new generation of business leadership and the election in December 1977 of Jesse Hill as president of the Atlanta Chamber of Commerce.

"I say to the leaders of the black community that they should not take the chamber's goal of economic development lightly, because that's where we're creating jobs," said Mr. Hill, president of Atlanta Life Insurance Company, one of the largest black-owned companies in the country.

LIMIT TO SOCIAL PROGRAMS

"You back us into a corner and we have to admit that only 10 percent of our budget goes for social programs," Mr. Hill continued, "but that figure cannot begin to reflect the number of man-hours we have contributed, the planning and contributions the chamber has made."

John W. Mack, president of the National Urban League's chapter in Los Angeles, noted that his group had contracts with General Dynamics, the International Telephone and Telegraph Corporation and other corporations that provide for recruitment, training and job referrals. In partnership with the Bank of America and I.T.T., the league has trained about 1,500 people for jobs in the computer industry.

The Dallas Chamber of Commerce has played a key role in the city's so-called magnet schools, seven centrally located, career-oriented facilities that draw students across

neighborhood lines. Growing out of an experiment begun after 1971 and 1976 Federal desegregation orders, the program provides specialized education in a wide range of subjects.

Dallas' largest banks, Republic National and First National, were among the businesses that "loaned" executives to establish magnet programs in predominantly black and Mexican-American high schools.

New Detroit Inc., an affiliate of the National Urban Coalition, has given $4.5 million in grants to help stabilize Detroit neighborhoods. Last year, the organization, with a $2.2 million budget contributed by 90 corporations and foundations, including the big three auto makers, donated $30,000 toward a campaign for passage of a school-tax increase and another $30,000 for a school-tax renewal measure.

And an alliance of big business and city government has produced, with no small amount of arm-twisting by Henry Ford 2d, a $327 million Renaissance Center in an effort to revive the city.

SAVINGS PUT AT $5 MILLION

Project Business Aid in Philadelphia has surveyed costs in hospitals and recommended ways to reduce them. The program, headed by William L. Rafsky, director of the Center for Philadelphia Area Development, part of the Chamber of Commerce of Greater Philadelphia, is similar to a cost-cutting project three years ago in the city school system.

In the school program, businessmen came up with suggestions that saved the school system $5 million, Mr. Rafsky said, and identified a potential savings of $50 million.

The Milwaukee Association of Commerce's vice president for urban affairs, Paul Juhnke, said that business involvement stepped up in Milwaukee in 1967, after urban riots and 200 consecutive days of marching for open housing.

One of the association's projects is the Commandos, a group that began as part of the youth organization of the National Association for the Advancement of Colored People. The Commandos, now autonomous, receive accounting services, management advice and about $30,000 a year from the Association of Commerce.

The group operates an alternative high school with a work-study program; a work program for parolees; a job placement service for former offenders; two half-way houses; a youth employment program; a children's health clinic, and a summer camp.

According to Jules Modlinski, special assistant to the Commando's director, "If it weren't for the business community I'm not sure we would have survived 10 years."

TRIBUTE TO NELSON A. ROCKEFELLER

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. ROYBAL. Mr. Speaker, I wish to add my words of tribute to the memory of Nelson A. Rockefeller, one of our Nation's outstanding statesmen. In addition to serving as our 41st Vice President and as four-term Governor of New York State, Nelson Rockefeller distinguished himself in capacities of considerable importance under both Democratic and Republican Presidents.

Blessed with both wealth and intelligence, he gave generously of both to the American people. Throughout his almost 40 years of public service he contributed greatly as a dedicated and dynamic public servant. Much of his personal fortune was channeled into education, health, the arts and the humanities, thereby enriching the lives of all Americans.

He was clearly a major force in the political arena of this Nation, maintaining his indomitable spirit and zest for new experience throughout both victory and defeat. And his capacity to view as challenges what others saw as problems was one of his major strengths.

A legend in his own time, Nelson Rockefeller has earned a prominent place in American history. My deepest sympathy is now extended to his widow, Happy, and to his entire family.●

JOSE MARTI: MAN OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PEPPER. Mr. Speaker, as we approach the birthday of George Washington, who won freedom and a future for this beloved Nation, our homeland, let the House and our distinguished colleagues consider, for a moment, one of the great men of freedom of a later era in history, the period of emancipation of the Spanish empire.

Jose Marti, kindled by the fire of liberal ideas, toughened in exile, educated by political oppression and refusals, made kind and considerate by his own sorrows, ennobled by their worthy and unselfish cause and finally, destined for martyrdom by the course of history, was instrumental in winning independence for his country, our near neighbor, Cuba.

Exiled in the United States from his youth until he returned to Cuba, soon to die in an early battle for the republic, Jose Marti became a thinker and writer, an example and a teacher of men who value moral rectitude and integrity of mind. He made himself into an outstanding historical figure in the struggle between colonialism and liberty, which marked our hemisphere's emergence from the shadow of the European mother countries.

Because of Jose Marti's contribution to American culture and his close affiliation as a sojourner in our land, a just fugitive and then an heroic martyr, I recommend to you the following speech by one of Miami's proud exiled Cuban community and urge your support for House Joint Resolution 121 to honor Jose Marti in a day of national respect:

THE LEGACY OF JOSE MARTI

(Speech delivered at the steps of the Court House, in Miami, Florida, on January 26, 1979, by Uva A. Clavijo)

It seems proper and poignant that we should gather here today in the anniversary of the birthdate of Jose Marti, at the steps of this court house, for Marti, who was a lawyer, even though he never had an opportunity to practice, was a man who loved and admired law, justice and the principles of democracy which this very building symbolizes. And it is also appropriate that we should honor Marti here, in the state of Florida, for he often travelled to this State; more specifically to Key West and Tampa, to talk to the Cuban exiles of that century, about the need of a Revolution to free the Fatherland, and also about tomorrow's Cuba, a nation he envisioned "por todos y para el bien de todos", "for all and for the good of all."

One cannot keep from wondering what is the source of Marti's love for freedom? Where did this frail man of humble origin learn that man's most precious prerogative is his power to choose his spiritual freedom? It is true that as a youngster Marti attended a school run by a man of great distinction, Rafal Maria Mendive, who had a decisive influence in the child's mind and character and instilled in him those courageous elements which marked in the boy the man he was to become.

When the Ten Year War of Emancipation broke out in 1868, Marti, only 15 years old, was too young to join the "mambises" in the battlefields. He and his classmates contributed as best they could to the cause of Cuban independence by publishing clandestine periodicals. He soon was arrested and jailed. After months of forced labor under inhuman conditions, Marti was deported to Spain. From then on until his death he was to visit his beloved Cuba on only two brief occasions. His long exile had begun. He was only seventeen.

During his long years in the United States Marti matured intellectually, spiritually and politically. Startled and stimulated by his contact with the great city of New York, he studied every aspect of the young democracy he saw blossoming forth all around him, but not without pitfalls and growing pains.

Marti arrived in the United States in 1880, at the end of Hayes' presidential term. He witnessed the inaugurals of Chester Arthur, Cleveland, Benjamin Harrison, and, again, Cleveland. The electoral process and the ritual of inauguration itself fascinated him and inspired many of his chronicles.

But he observed more than the political climate of the United States. Under his watchful eye, every day events became serious studies of the different aspects of American life. New York City under the merciless snow storm of March 1888; the boldness of Jesse James; the frontier spirit of the "Oklahoma Land Rush" or a Sunday walk through then-fashionable Coney Island, were some of the North American scenes he introduced to Latin American readers. Many American men awakened his admiration and moved his pen. Of General Grant, Emerson and Walt Whitman he wrote with reverence.

Much has been said about Marti's anti-imperialism. It is true he suffered a constant, throbbing preoccupation that the nations from Mexico to Brasil, underdeveloped, parochial and still asleep might, someday, be devoured by the colossal neighbor from the North. In one of his first articles written in the United States, Marti says: "I have arrived, at last, to a nation where every man is his own master. One can breathe freely here, for freedom is the basis, the safeguard, the essence of life." He wanted that same spirit for "los pueblos del sur" he so deeply loved, and he feared and attacked the United States only when its foreign policy did not allow smaller countries to achieve for themselves the same independence Americans had wrested from England.

I believe Marti would have been pleased with this commemorative ceremony, I think he would be pleased that a woman—a Cuban woman—is here at this microphone talking to you, for Marti loved women. It is true he expressed many tender, beautiful, romantic thoughts about woman, but it is also true he valued a woman's contribution to society. If his vision of women might at times appear idealistic, this is tempered by the

many occasions in which it is a woman's character and not her physical attributes, which awakened his admiration.

Marti also loved children. He was a very busy man, who took upon himself many responsibilities. A man who had the mission of bringing freedom to his country; a man who was a teacher, a writer, a poet. He had a family. He had to work to earn money for his wife and child. And yet, this genial, occupied man found the time to write and edit a magazine for the children of America, which spawned that beautiful book, I hope you all know, "La Edad de Oro". It is through this book first and through other writings of Marti later on, that I hope you will learn to know and love him, for you will find in him a friend and a teacher. His stories, his poems are ever-flowing with tenderness, imagination and wisdom. One will learn from him in a very painless way. He had a great faith in the children of America. I hope you allow him to enter your world, for you will find he will enrich yours.

The story of Marti's groundwork activity in preparation for the Cuban revolution was characterized by the ups and downs of exile politics: free lance actions in Cuba, meetings among the leaders, exhaustive travelling and speech making. It is often said that Marti was a dreamer, a visionary, a poet; but if one studies his work carefully, he emerges as a level-headed realist who, not without pains, became the mouthpiece of the Cuban people. He defended the cause of Cuban independence in every forum, and often even encountered persecution from American authorities.

And yet, he was more than a great Cuban patriot; he was a man of the Americas, who wanted to see all the nations of the continent working together as friends and helping each other.

A man like Marti, who loved all men, even his adversaries, who made the humble, the poor, the ignorant, the Negro, the Indian, feel they were his equal, this angelic man who played tenderly with his "little king", who wrote stories for the children of America, had to spend half his life calling men to war.

Marti knew that war, no matter how hateful, is sometimes made unavoidable. He never held a weapon in the small, delicate hands which had held a smaller, but more powerful arm—a pen, (for many hours.) But he had one more call to answer.

Against the better judgment of those who knew the value of his work as coordinator in New York, in May, 1895, he landed in Cuba in a frail rowboat. Like a child he rejoiced when he saw again the countryside, the Royal Palm trees that to him symbolized the Fatherland. Of military tactics he knew nothing. But he had not come to command armies. Others much better fitted than him were to take on that responsibility. He had only come to die. A few days later he charged against a small detachment of Spanish troops at Dos Rios and died of a single bullet in his chest, "de cara al sol", "facing the sun", as he had hoped in his poetry. On the eve of his death he had written "Para mi ya es hora". "My hour has struck". He was 42.

More than a century has elasped since Jose Marti was born—in 1853—in the humble two-story house of Paula Street in Havana. With his birth began a life dedicated to the pursuit of freedom and the accomplishment of one dream: the independence of Cuba and the unity of Latin America.

One cannot help wondering, whether Marti's preachings, his writings, his example have been of any influence in the development of Cuba and of Americas? One cannot help but ask if Jose Marti lived—and died—in vain. Stark reality seems to indicate so. Today, more than a million of his countrymen live in exile. Today, the island he so defended is dominated by a foreign power. Autocratic regimes—whether they are rightist or leftist dictatorships—sprout from the Caribbean through the Andes. Freedom, in any real sense, often seems an illusion.

And yet, concurrent with this apparent victory of totalitarianism, there is a rebirth of man's conscience in his own destiny. Marti once wrote "tyranny is one and the same in its various forms, even when it adorns itself with great deeds and beautiful phrases."

The jails of Cuba are still full of political prisoners. The jails of the Americas still hold men who believe in dignity, in democracy, in human rights. As long as there is one man on our continent who understands, believes and defends those principles which make freedom "the essence of life", Jose Marti will not not have lived—and died—in vain.

Thank you.●

THE LEGACY OF NELSON ROCKEFELLER

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, Nelson Rockefeller will be remembered as an outstanding public servant, patriot, diplomat, philanthropist, patron of the arts, Governor of New York, and Vice President of the United States.

As the grandson of the Nation's first billionaire, Nelson acquired all the advantages accompanying enormous wealth. But in the tradition of his family he rejected a life of leisure and luxury, and regarded his fortune as a public trust. He became a formidable contender for public office in an effort to solve people's problems. In more ways than one, Nelson Rockefeller started at the top and remained there all his life. He sought the highest office in our land, but enthusiastically performed whatever duties were demanded by his country.

Throughout the State of Arkansas, the Rockefeller name has long evoked great respect and is synonomous with philanthropy. Nelson's father, John D. Rockefeller, before he died in 1960, gave uncounted millions of dollars for medical research and other charitable humanitarian endeavors.

I became acquainted with Nelson during his brother, Winthrop's, tenure as two-term Governor of the State of Arkansas. Winthrop Rockefeller's contributions to our State stretch back for many years and he is remembered as a beloved figure who was instrumental in bringing about monumental improvements in the quality of life for citizens throughout the State. Thus, the people of Arkansas are still proud that Winthrop Paul Rockefeller still makes Arkansas his home and continues the philanthropies of his father.

Raised in a staunch Baptist atmosphere, Nelson was instilled with the notions of service to God, home and country very early in his life. His commitment to people no doubt stems from these early years and the traditions of his philanthropic father. The Rockefeller family nurtured the unique aspects of Nelson's character that prepared him for his major role in our Government.

Nelson made many trips to Arkansas during his brother's service as Governor, and it was during this time frame that I came to recognize his magnetic grin, and to appreciate the full force of his personality. At official and social gatherings at Win Rock Farms, I was able to witness the special flair and vitality that brought this man to the forefront of the American political scene. I became enchanted with Nelson Rockefeller's hearty, good-natured ease, his great ability, his unfailing good humor and selfless dedication to public service. It was then that I learned how high his expectations were for the American people and for our Nation as a world leader. I doubt that we will see his unique brand of leadership again in the near future.

Rockefeller began his Government career in 1940, when he became coordinator of inter-American Affairs under President Franklin D. Roosevelt. He helped develop the good neighbor policy and later served as Assistant Secretary of State for Latin America. Under Truman, Rockefeller helped formulate the point four program of aid to underdeveloped countries. Furthermore, he chaired a commission that recommended the formation of the Department of Health, Education, and Welfare in the Eisenhower administration and was Under Secretary of that Department.

His early years as Governor of New York were marked by massive programs for education. He expanded the State university system from 28 campuses with 38,000 students to 71 campuses with 346,000 students. He began innovative drug rehabilitation programs, reorganized the New York transportation system, and started many public works projects.

His immense fortune did not make him myopic to the disadvantaged segments of our society, for he was a man of great compassion. He understood the everyday problems and perspectives of the average citizen and in every office he held his actions reflected that posture, for he vigorously tried to improve the working man's lot.

By the time he departed from Albany, an entire generation of citizens had reached voting age and could not recall a time in their lives when Nelson Rockefeller was not the chief executive of the State. It was well known that Rockefeller had made substantive improvements in the economic, political and cultural life of New Yorkers.

His contributions to New York architecture alone were noted in a very special way by Alan Sagner, chairman of the Port Authority of New York and New Jersey, "his vision, enthusiasm, and his love for his city and State remain etched not only in our memories but also in the great constructive landmarks which stand in his tribute, including the New York World Trade Center."

Although he was once quoted as stating that he did not wish to be vice president of anything, he graciously accepted President Ford's nomination because he believed that the newly appointed President and his country needed unity, and that it was his duty to fill that need and serve as asked. Vice President Rockefeller helped ease our Nation's wounds from the tragedy of Watergate.

Among the long list of Nelson's impressive activities was his personal involvement in the National Commission on Critical Choices. This was his attempt to gather the best minds in the country to study our most baffling problems before our Nation would make decisions on how to solve these difficulties.

He lived his life to the fullest whether he was pushing a particular bill through the State legislature or launching his latest business of merchandising reproductions of his art treasures.

I was most fortunate to have been in attendance at the memorial tribute to Mr. Rockefeller with family members, associates, close personal friends, and national and international dignitaries which was held last Friday at 11 a.m. in the Riverside Church in Manhattan. It was most fitting that this service was held at the Riverside Church since it was founded and built with Rockefeller support. In its entirety, the service was an intensely moving experience. The eloquent eulogies of his two children, Ann and Rodman, his brother, David, and Dr. Kissinger, most appropriately expressed the feelings of a nation in mourning for one of its greatest statesmen.

The musical selections played a special part in setting the tone of the memorial and included the outstanding choir of the Riverside Church, a brilliant solo by Roberta Peters of the Metropolitan Opera, and Lionel Hampton, who expressed through their musical notes the very essence of Nelson Rockefeller. Personally, I departed the church with a renewed sense of spirit invigorated to move on with the tasks at hand.

Nelson Rockefeller will be memorialized through the annals of history for his firm commitment to a better life for all Americans and for buttressing our Nation's standing in the world.

My wife and I join in extending our heartfelt sympathy to Happy Rockefeller and the entire Rockefeller family. We realize just how deeply he will be missed.●

INDEPENDENCE DAY IN SRI LANKA

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ZABLOCKI. Mr. Speaker, on Sunday, February 4, Sri Lanka observed its National Day and the 31st anniversary of its independence from Great Britain. Sri Lanka has made remarkable strides, in economic, and political development, in recent years that are worthy of attention by the Members of this body. Particularly for those here who despair over the worldwide prospects for governmental policies that protect civil liberties and promote human rights and public welfare, Sri Lanka stands as a model for emulation.

The human rights report just transmitted to Congress by the Department of State offers testimony on many of the achievements for which Sri Lankans can be proud. It highlights the government commitment and the national accomplishments in increasing literacy and educational levels, improving health and nutrition, and providing for income benefits to the poorest of the population. Constitutional guarantees protect freedom of thought, speech, publication, religion, and assembly.

As many here join in condemning questionable human rights practices in many countries in the world, it is my hope there will also be many who will join in praising practices and accomplishments in countries such as Sri Lanka that deserve proper acknowledgement.

As in our own society, all the problems of Sri Lanka have not been solved. As an ethnically mixed country and as a developing country Sri Lanka faces many challenges that will require patience and hard work. As the Sri Lankans work together to carry on the impressive record of the past we congratulate them.●

A FINE MODEL FOR AN INTELLIGENCE CHARTER

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, one of the most significant tasks facing the 96th Congress will be the drafting of a legislative charter for our Nation's intelligence agencies. Such a charter must protect U.S. citizens from unwarranted invasions of their privacy without hampering the ability of our intelligence agencies to safeguard the national security.

Mr. Speaker, I believe the wiretap control bill passed by Congress last year can serve as a fine model for future reforms of intelligence gathering practices. For that reason, I would like to draw my colleagues' attention to an article I have written on this subject, which was published by the Chicago Sun-Times on February 2.

The article follows:

WIRETAP BILL A FINE MODEL

(By Rep. MORGAN F. MURPHY)

As Congress convenes this month, it will be grappling with major proposals to reform U.S. intelligence agencies. The push for such legislation is an outgrowth of disclosures in recent years that the FBI and CIA have violated the privacy of American citizens with wiretaps, mail openings and surreptitious entries.

The bills deal with a number of issues that have surfaced since certain intelligence "horror stories" first came to light in 1974. Those issues include:

What activities, if any, should be prohibited in the conduct of covert operations abroad? An executive order issued in January 1978 by President Carter places no restrictions on those operations. (Carter's order currently governs the activities of our intelligence agencies.) A bill sponsored by Sen. Walter Huddleston (D–Ky.) would prohibit assassinations of foreign officials, the torturing of individuals and the use of chemical or biological weapons that violate U.S. treaties. A House proposal, first introduced by former Rep. Herman Badillo (D–N.Y.), would forbid all covert operations except in time of war.

Should intelligence agencies, as revealed in testimony before the Church and Pike Committees in 1975, be allowed to use clergy, journalists or academics in espionage and covert activities? Carter's executive order leaves this matter to the intelligence community. The Senate bill would permit such individuals to volunteer their cooperation; last year's House proposal, by forbidding covert operations in peacetime, would prohibit these arrangements altogether.

Should surreptitious entries (those for which no warrant is obtained) be authorized for intelligence purposes? President Carter's order allows such entries within and outside the U.S., and Huddleston's bill would also authorize them. The House bill would permit physical searches only under a criminal warrant procedure.

These are the kinds of questions, then, that the Senate and House intelligence committees will be looking into as they examine various proposals and draft legislation overseeing the activities of our intelligence agencies.

Shortly before adjourning last October, Congress took a major step forward in curbing intelligence abuses when it passed a bill requiring search warrants for most national security wiretaps. Until this legislation was signed into law, Presidents were able to order electronic surveillance without a warrant in "national security" cases. The new law requires the government to get a search warrant so that Americans are protected from unreasonable searches and seisures, as guaranteed under the Fourth Amendment.

The bill had the support of the Carter Administration, the American Bar Association, the American Civil Liberties Union and the intelligence agencies themselves, which argued that a new law would protect their agents from civil suits and other repercussions. (Recently, Director William H. Webster announced that he plans to fire two FBI supervisors, demote another and suspend a fourth for carrying out illegal surveillance during a search for radical fugitives in the early 1970s.)

As passed by Congress, the bill requires the government to obtain a search warrant before wiretapping American citizens suspected of spying in the U.S. for foreign governments. In those situations, the government must get a warrant based on standards similar to those in ordinary criminal cases. When wiretaps are aimed at employees or agents of foreign countries, the standards would be less strict. No warrant would be required for monitoring communications exclusively between foreign powers, such as an embassy and its home country. (The attorney general, however, would have to certify that there is little or no likelihood that the conversations of Americans would be picked up.)

To ensure that the intelligence agencies are not prevented from acting effectively when the need arises, the bill allows "emergency surveillances" for a 24-hour period, after which a warrant would have to be obtained.

In my view, the wiretap control bill will protect U.S. citizens from unwarranted invasions of their privacy without hampering the ability of our intelligence agencies to safeguard the national security. Moreover, it will protect FBI and CIA agents from being sued for conducting surveillance that might later be judged illegal. The upshot of this is that intelligence gathering will actually improve, as agents can now carry out monitoring activities without fear of legal or administrative consequences.

Passage of the wiretap bill suggests that

Congress can strike a prudent balance between gathering and protecting citizens' civil liberties. In that spirit, Congress should proceed to develop legislative charters for the CIA and FBI, to ensure that abuses of these agencies never occur again.●

LEGISLATION TO EQUALIZE THE ASSISTANCE OFFERED TO PUBLIC AND NONPROFIT HOSPITALS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, the legislation I am introducing today will extend to nonprofit hospitals the same financial assistance available to public medical institutions for the necessary modernization of their facilities.

Currently, the U.S. Department of Health, Education, and Welfare administers a grant program for public hospitals authorized under section 1625 of the Public Health Service Act. This is an extremely important program providing funds for the modernization of existing hospitals when these facilities are faced with safety hazards or noncompliance with licensing or accreditation standards. My bill very simply enlarges the eligibility limits for this program to include nonprofit facilities.

A similar, companion program to section 1625, section 1610, providing assistance to nonprofits existed up until last year. At that time the authority for this program was deleted because regulations to implement its provisions were never promulgated by HEW. The 1610 program was established as a system of formula grants to the States, while the program for public facilities is run centrally out of the national office of the Health Facility Planning Bureau of the Health Resources Administration. The latter approach has proven successful and is why I propose to add nonprofits to this program rather than resurrect the old formula grant program. For the very reasons that we provide assistance to public facilities we must offer it to nonprofits; both types of hospitals have the same problems.

It is important to note that this grant program is not designed to construct new hospitals but rather to provide financial aid to existing hospitals to aid in the renovation and modernization required to make the facility safe. The Public Health Service Act states, and I quote:

> The Secretary may make grants for construction or modernization projects designed to (A) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (B) avoid noncompliance with State or voluntary licensure or accreditation standards.

This type of program is even more vital in light of the nationwide surplus of hospital beds and our efforts to limit new hospital construction. While we must cut back on new construction, we must also recognize that the hospitals already in existence will require renovation and modernization to continue as safe and efficient facilities. The Federal Government can and must help in this assuring the adequacy of our health care institutions, be they public or nonprofit.

This legislation creates neither a new bureaucracy nor a new program. It merely reconfirms the congressional intent behind a previously authorized program and puts it in a setting which will allow funds to be dispersed from a central coordinating office. This will facilitate the determination of where the requirements of an individual institution fit into the national priorities thereby extending aid to those facilities with the greatest need.

The enactment of this legislation will end the inequities of the current program by making these vital project grants available to both public and nonprofit entities. As there is no valid reason to discriminate against nonprofits, I urge my colleagues to support this proposal.●

TRIBUTE TO NATIONAL PUBLIC RADIO

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CARTER. Mr. Speaker, it seems sometimes that praise is the rarest of commodities. Yet in a recent editorial in a newspaper in my district, the Madison County Newsweek, both Congress and National Public Radio drew plaudits for handling of the Select Committee on Assassinations' public hearings.

I believe that this editorial fairly sums up the contributions of that committee and of National Public Radio and its affiliates like WBKY, and I include it for the RECORD so that others might know of this useful comment:

UK EDUCATIONAL RADIO COMMENDED

WBKY, the educational radio station at the University of Kentucky, should be commended for airing the U.S. House of Representatives Assassinations Committee hearings.

These hearings, like the earlier Watergate hearings, permitted each listener to arrive at their own conclusions about the nature of the crimes, the individuals involved, the likelihood of a conspiracy, and the quality of the investigation and law enforcement.

One cannot listen to these deliberations without coming away strongly appreciating our Congress at work. The avid listener also recognized the value of strong legal representation, and the many protections afforded the witnesses.

Ultimately, the listener became cognizant of the fine balance between the rights of the state and the rights of the individual; a balance provided by our democratic system.

Phrases like "first amendment rights," "Fifth amendment rights," "Immunity," and "contempt of congress," were phrases repeatedly used during the hearings that gave breath to this delicate balance. They also provided the listener with a refresher course in Civics.

In short, one could not listen at length to these hearings without considering how many other political systems would provide its citizens with as much protection.

Thanks WBKY and National Public Radio for making it possible for us to develop a new respect for our political system.●

SENATOR HATFIELD ON SALT II

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BONKER. Mr. Speaker, since the House of Representatives does not ratify treaties there has been a little debate in this body on SALT II. But as the Senate takes up this controversial subject it would be advisable for all Members of Congress to seriously contemplate the full implications of strategic arms limitations proposals.

Those who are anxious to end the arms race are generally supportive of SALT II because it allegedly places a ceiling on arms development and production, but Senator MARK HATFIELD warns us that this may not be the case. According to Senator HATFIELD, the administration has made enough concessions among hostile Senators that the agreement may result in an escalation, not a reduction, of weapons systems in both the U.S.S.R. and the United States.

The interview also reveals Senator HATFIELD's grave concern about the moral implications of the arms race. His experience in observing the devastation at Hiroshima and clear perspective as a Christian leader often have led him to question our national commitment to a program of self-destruction.

Mr. Speaker, it is a privilege for me to have placed in the CONGRESSIONAL RECORD, Senator HATFIELD's comments on SALT II which appeared in the February 1979 issue of Sojourners.

THE ILLUSION

SOJOURNERS. You were at Hiroshima after the atomic bomb was dropped. What did you see, and what was your reaction?

HATFIELD. I had seen a great deal of destruction in the war. But the magnitude of devastation at Hiroshima was the most shocking. One could see, even at a distance from the point of explosion, how the searing heat had imprinted itself on concrete and steel. We were far on the periphery. Yet there were unburied bodies in the rubble, blackened from the heat.

I had some ambivalent feelings, for I realized that I was probably alive because of the bomb. I was in the Navy, and we were preparing for what would have been the invasion of Japan.

But in retrospect, even if my life had been involved, I question now whether the atomic bomb had to be dropped on people. First, it could have been dropped at sea. Second, it unleashed nuclear power for military purposes. This triggered the spiraling nuclear arms race, leading us to where we are today.

SOJOURNERS. What are the chief concerns you have now about the nuclear arms race?

HATFIELD. We have today the equivalent of more than 638,000 bombs in our arsenal that are the size of the one dropped on Hiroshima. As this enormous storehouse of nuclear arms has increased, there has been a direct ratio of decrease in the sense of security, both in this nation and in the world.

Second, there is an enormous increase in the technological sophistication of weapons systems today.

Everything seems to be an escalation of madness, an insanity of self-destruction. The ability to create these things has become the master of our circumstances. We are now, it seems, victimized by our own knowledge and technology. Jacques Ellul has pointed out that simple technological ability does not necessarily justify creating whatever we can. But we seem to have a compulsion to produce the fruits of our experimentation with the technology of nuclear arms.

So we are caught in a sequence. It is not as though we can create a weapon which has no relation to any other weapon or to the next stage of destruction. There is an increasing, ever-accelerating ability to destroy more and more, and in ever more sphisticated ways.

SOJOURNERS. In your thinking, does the proposed SALT II treaty offer the opportunity to reverse this trend?

HATFIELD. I see SALT II as part of this long series of events that has neither stabilized nor leveled off our nuclear arsenals, but has acted to stimulate production in order to reach those new agreed-upon levels and ceilings.

When we hear all the talk about limitation of armaments, I don't think people are really being honest. I think it's deceptive.

I view SALT II with a great deal of suspicion. I suspect it is another one of those escalating steps in the nuclear arms race, rather than a truly constricting effort.

SOJOURNERS. Would you specify how this is so?

HATFIELD. There are two categories of things I would point to that prompt my concern about SALT II. First are those weapons systems now in place or being developed which, according to press reports, will be exempt from the proposed treaty. In large part this is because of trade-offs and compromises made by President Carter to various individuals in attempts to win support for SALT II.

For instance, certain members of Congress raised concerns about the size of Soviet missiles. So the administration is pushing for both land and sea deployment of the massive Trident II missile. Then there were those who have raised concerns about the Soviet civil defense program. So the president announced that we are going to increase the U.S. civil defense budget by 48 percent, to a total cost of between $1 and $2 billion, even though we know that ultimately civil defense against a nuclear holocaust is impossible.

Another area of escalation specifically allowed under SALT II is development of the M-X mobile missile, eventually costing between $20 and $40 billion. The M-X would be about four times as powerful as our existing missiles, possess three times as many warheads, and would be mobile, able to move continually from one point to another.

The M-X missile is particularly worrisome because its increased accuracy would give the U.S. the potential, by the 1980s, to destroy Soviet land-based missiles. You see, this increases Soviet anxiety about what is called a U.S. first strike capability—meaning that the U.S. could launch its missiles first, attempting to destroy the Soviets' missile force. Naturally this threat would prompt the Soviets to take countermeasures, escalating the arms race to still more dangerous levels.

A related recent proposal is the Multiple Aim Point System (MAPS) which would allow the M-X missile to be rotated randomly, and secretly, from one silo to another, or even to be placed on launching pads that could be carried by moving trucks or planes. This would pose serious future problems for verifying the true size of the U.S. missile force, making the mutual trust necessary for arms control more difficult.

One final example of a current weapons system under development, and effectively allowed by SALT II, is the cruise missile. Because it is small, easily hidden, and can be launched from airplanes, torpedo tubes, or even jeeps, it poses unique problems for arms control and limitation in the future.

Now the administration points out that deployment of mobile missiles and cruise missiles—based either on sea or land—is banned by mutual agreement until 1982. But what the administration does not say is that there has never been a plan to deploy those weapons prior to 1982.

These are all contemporary programs which, largely because of political pressures, will be exempt from the SALT II treaty. Their development, which will entail an enormous expansion of our nuclear arsenals is virtually assured by SALT II.

SOJOURNERS. And you have another category of concerns as well?

HATFIELD. Yes. The second category is those prospective, future weapons systems of even greater sophistication which are not at all addressed by SALT II. These include the terminal guidance warhead, which if developed would give U.S. missiles absolute accuracy—and this is needed only for a first strike capability.

Another example is the hunter-killer satellites being developed by both the U.S. and the Soviets. These are intended to destroy those satellites used by the opponent to verify the number of enemy missiles, and to guide its own missiles to their targets.

There has been speculation about both sides' development of what are called particle beam weapons. These would throw a "field" of particles into space which would disable or explode incoming missiles while they were still in the upper atmosphere.

Finally, there have been recent and dramatic advances reported in the U.S. anti-submarine warfare system. This may eventually make it possible for the U.S. to destroy the entire Soviet missile-firing submarine fleet. Again, this sort of development heightens Soviet anxiety over U.S. intentions, and makes the possibility of future arms control far more complex.

We have to understand the total effect of many of these programs, and how they are seen by the Soviets. These proposed nuclear weapons will trigger Soviet responses, which then alarm us into taking countermeasures, and the arms race escalates further.

The combination of these existing and projected new weapons systems will give the U.S. a first strike capability, according to most experts. Supposedly, until this point our strategic nuclear posture has been built on deterrence. But moving more and more toward weapons which give us a first-strike capability destroys the very image we have tried to create of possessing nuclear weapons only as a means of deterring nuclear war.

SOJOURNERS. What then do you feel that SALT II ultimately does?

HATFIELD. First, I think it confuses matters. It confuses a public which believes we are getting some kind of real constriction or stabilization of our nuclear arsenals. And that's misleading. Because of this confusion, some real and valid arms control program—one that could be built on a clear determination that we're going to limit and reduce military expenditures and nuclear weapons systems—is made impossible.

What we have to do is to be honest. If we don't address the emerging developments in the nuclear arms race, and actually constrain the growth of nuclear weapons systems, then we aren't really getting much of anything except the political, ceremonial event of signing a document.

That's why I feel very strongly that at this point we ought to be about the business of SALT III—making a commitment to achieve a real limit and reduction of these ongoing programs, and addressing ourselves to the forthcoming weapons. Getting public understanding and support for such an approach to arms control now would be a far more significant development than misleading the public into thinking that we have achieved something which is actually illusory.

SOJOURNERS. And you believe that SALT II would actually prevent such an agreement rather than be a step towards it?

HATFIELD. Yes. Rather than blindly fall into a SALT II treaty—based upon what has been disclosed about it in the press at this time—it seems to me we had better let SALT II fade out. And then commit ourselves to an approach that truly would be a move in reversing the arms race.

SOJOURNERS. Have you decided then to definitely oppose SALT II when it is voted on by the Senate?

HATFIELD. Well, I don't want to be presumptuous about a treaty which has not yet been formally completed. I cannot be honest with myself and assure you that I know exactly how I will vote until we have actually seen all the documents of the treaty. But I am certainly leaning more negatively than positively on the whole issue.

I'm raising now, publicly, these questions and reservations to signal that here is one liberal who cannot be taken for granted in terms of my vote on SALT II. The administration is counting up the votes now and making compromises, thinking that it can pick up those vote or that vote by making concessions to conservative forces. I think that the administration ought to know about some of the reservations that I have.

Further, there is such a thing as going back to the drafting board. I don't accept the proposition that if SALT II cannot be passed, everyone is going to throw in the towel and say that it is impossible to achieve real arms reductions, even though a whole new approach leading to a SALT III treaty. I think that, frankly, rejecting SALT II might give us a better treaty in the end, one more in line with the objectives that I am seeking. Passing SALT II, and guaranteeing development of a whole new generation of nuclear weapons, would seriously jeopardize the possibility of any meaningful SALT III agreement in the future.

There is a kind of arrogance which assumes that SALT II must be passed now as the only hope for arms control. But there are others besides myself on the so-called liberal wing of the political spectrum who are increasingly concerned about some of these same questions. I don't think that they can be taken for granted either.

SOJOURNERS. It is being argued by the liberal church lobby that even a poor SALT II treaty is better than none at all—that we have to settle for "half a loaf" to be politically realistic rather than holding out for unattainable goals. Much of the liberal arms control community, including many who have been allies with you in the past, agrees. How do you respond to the criticism which will come your way from these circles as you raise these strong reservations?

HATFIELD. Well, number one, the unfortunate thing is that our society is living more and more by code words, labels, and symbols. If this sort of treaty had been proposed under a Nixon administration, there would have been immediate suspicion of it. It happens under a Democratic president, who has the support of some of the liberal Democratic establishment, and it immediately gains acceptance. It must be good.

But all of this comes without careful review and study of the proposal on its own. This is just part of our fast culture, of getting flashes and images of things to which we react positively or negatively.

The second factor is the idea that some-

how, as long as we call something a "strategic arms limitation treaty" enough times, it must be that. You know, say it enough times and you convince yourself that it really is so. No matter what it is, as long as the label is there, being constantly conveyed and communicated to the public, it must be acceptable.

Also, as you say, there is the idea that something is better than nothing, that half a loaf is better than none. Well, I don't accept that as being the case in the situation.

I remember that during the Vietnam war some people thought that we shouldn't bring a particular proposal up for a vote because we might not win. In other words, don't fight for a position unless you know that you can succeed.

I am not one of those who believes that you have to have a guarantee of achieving a truly effective measure to reduce nuclear arms before launching an effort. In fact, I think that when you fail to try, you create an environment in which these phony programs can come along and gain acceptance. Until people have something to rally around, and have a clearly understood and meaningful focus in the cause of arms control and arms reduction, they are vulnerable to buying anything which comes under an attractive label. So I think that some of our liberal church friends are buying a false package, a false hope.

All we're talking about now are ceilings on the numbers of missiles and warheads to be produced. I would much rather have us say, "Look, our effort initially is to limit nuclear arms, but our objective is to actually reduce them." But there is nothing in the picture that I have seen which would even give the impression that reducing the number of our nuclear arms is in anyone's thoughts.

SOJOURNERS. Do you see a relationship between the arms race and the development of nuclear energy?

HATFIELD. We really can't separate the discussion of nuclear weapons from the use of nuclear power for other objectives. In the military budget presented to the Senate Appropriations Committee, of which I am a member, there is not a separate figure for funds going to the actual research and development of nuclear warheads. That figure is found, instead, in the appropriation for the Department of Energy. The federal budget for energy is going in large part for the development of nuclear energy by fission as the answer to our energy problems. But the development of nuclear weapons, also funded by the Department of Energy, becomes the propelling power behind our nuclear energy program. And it is becoming increasingly difficult to forestall the options of the fast breeder and reprocessing.

Ultimately, the Christian community, as well as the whole of society, has to face this question: How far are we going to commit this nation to a plutonium economy as a means of meeting energy needs while refusing to recognize the relationship of such an economy to nuclear weapons development and potential nuclear proliferation? These are interlocking forces, dovetailing with one another.

These questions are profoundly connected to assumptions of our culture and the depths of our corporate life in this country today.

SOJOURNERS. How does your own Christian commitment relate to your convictions about the nuclear arms race?

HATFIELD. As a Christian to begin with, I believe in the biblical view of creation. There is a Creator, and there is a creation. I do not believe that we have the right to destroy a part of the creation, because we have not created it. It is still in the hands and control of the Creator.

We must realize that we do not own anything. We are only stewards. In that stewardship role we must recognize that all of the world was created for the inhabitants thereof. That's not for just any one segment of humanity, but for all inhabitants. Anything which threatens to destroy any part of that creation—its natural resources or its human resources—is wrong, just basically wrong. And I cannot be a part of that. I must stand and speak against the kind of program or power that leads to such destruction.

Second, the Christian gospel is very clear about calling us to the specific mission of reconciliation. Christ was reconciling the fallen world unto God. And if we are to follow as imitators of Christ, we ought to be reconciling rather than polarizing. The more armaments you build which separate people, threaten people, and cause fear both at home and throughout the world, the more you deny the Christian commission of reconciliation.

Third, there is a Christian doctrine of sharing, of giving. Christ gave his life, literally. I feel that we have a responsibility, as stewards of great resources and power in this nation, to use them not just for the selfish internal use of our own people, but to share them with all people.

There is a massive imbalance caused by those systems and programs designed to destroy life and consume the resources which otherwise could be used to sustain life. This is totally contrary to my understanding of Christian convictions.

SOJOURNERS.—How do you regard the churches' response to the nuclear question, and what would you hope for?

HATFIELD.—The discouraging thing is that much of the church and its leadership has reflected the cultural values and the political priorities of society rather than heeding the call to become a subculture. I think that the Christian community in this secular, materialistic age is increasingly going to have to be seen and understood as a subculture, or a counterculture.

As we look at the arms race, and all these things that are totally contrary to the Christian doctrine, the question is, where is the Christian resistance? Where is the Christian counteraction? It is very spotty. And that is because the Christian community has been caught up in the thought patterns, values, and ways or living dominant in the secular culture.

I don't really have much confidence in the church councils which pass resolutions supporting arms control, and then have nothing to say about the lifestyle of the church in this society. Christ and his way must be made real to the parishioners of those churches. We've had too many resolutions passed, by church boards and councils who don't speak, I'm afraid, for many more than themselves. They often don't even speak for their constituents. And they feel that passing a resolution has discharged their responsibility. I'm weary of resolutions.

I would much rather see the life of the church demonstrate the strong evidence of their values as Christians, and their confidence in God as the object of their trust and the source of their security. That would do far more to influence the political institutions than passing a resolution.

We must exemplify in our lives the Christian gospel, and see ourselves as the light, the salt, and the leaven of society. We must act as lambs being sent into a world of wolves. On the surface, that seems like idiocy. But there is in this approach the power of God, and that grants credibility.

So the question becomes, can the church simply be the church? Can we be those people who place their security in God? Can our lives be motivated by reconciliation rather than hatred and fear? Where will we place our trust? In our nation's armaments, or in our Lord?

Until the church is willing to assume a truly countercultural role in proclaiming an alternative basis of security and trust in its own life—a life marked by love and reconciliation—I don't think it will have much of an effective role in the question of disarmament.●

LIBRARIES SEEK TAX GUIDELINES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GEPHARDT. Mr. Speaker, today I am introducing a bill to provide that any tax-exempt organization that operates a bona fide library as a permanent and principal part of its tax-exempt activities, that was organized by a public act of the United States, of any State, of the District of Columbia, or of any possession of the United States, or was in existence prior to 1789, be treated for tax purposes as a public charity in the same manner as other educational organizations such as schools and universities. The bill is limited to only those libraries described above to insure that only such libraries that are clearly organized to serve the public will benefit from this legislation.

Because of the investment income from their endowments, some tax-exempt organizations that operate a library as described above, run the annual risk that they will fail to meet the Internal Revenue Service guidelines to qualify as a "publicly supported" organization and that, therefore, they will be classified as a private foundation. Under existing law, unless a library meets the "publicly supported" financial tests, it will not qualify as a public charity even though such library clearly serves a public purpose. Such libraries spend significant amounts in legal and accounting fees on an annual basis, funds that would otherwise go to the exempt purpose, for example, to purchase books, et cetera, to determine and insure that they meet the Internal Revenue Service guidelines. A library that does not meet these tests is usually classified as a private operating foundation and is required to pay a 2-percent excise tax on their net investment income. The purpose of the excise tax, as set out in the legislative history, is not to raise revenue for the Government, but to cover the Internal Revenue Service expense in monitoring private foundations, principally to insure that such organizations are promptly and properly using their funds for charitable purposes. The purpose behind the excise tax does not appear to be applicable to the class of libraries described in the bill.

A library that is classified as a private foundation also has a more difficult task than an organization classified as a public charity in soliciting funds from potential contributors. For example, a private foundation that is not an operating foundation may make contributions to public charities and private operating foundations, but generally may not make qualifying contributions to other private foundations that are not operating foundations. Because of the uncertainty as to whether a private operating foundation continues to qualify as an operating foundation (there are complex tests that must be satisfied annually) many individual contributors and other private foundations that are not operating foundations are hesitant to contribute funds to such an organization even though it clearly serves a public purpose. As a result, funds that would otherwise go to a library described in the bill are diverted to other charitable organizations.

Although most libraries within the class of libraries described in the bill are able to satisfy the "publicly supported" test and qualify as a public charity, there is one library within that class that I am aware of, the St. Louis Mercantile Library located in St. Louis, Mo., which, because of its endowment fund, is unable to satisfy these tests, and therefore is classified as a private operating foundation. Because this library is classified as a private operating foundation, it must pay an excise tax on its net investment income. For taxable years after 1977, this will amount to $2,000 to $4,000 per year. In addition, this library must incur annual legal and accounting expenses to make sure that it falls within the private operating foundation guidelines.

I am not aware of any other similar library in the particular situation being faced by the St. Louis Mercantile Library. It is anticipated that the annual loss in revenue if this bill is enacted would be less than $5,000 per year. The bill indirectly affects many other libraries because the passage of the bill will also relieve them of the necessity of continually insuring that they meet the "publicly supported" tests, and this is why the bill is supported by, among others, The Independent Research Libraries Association, whose members include the New York Public Library, the Henry E. Huntington Library, American Antiquarian Society, and the Library Company of Philadelphia.

The St. Louis Mercantile Library Association was established in 1846 to form a well-rounded collection of books for the information and convenience of St. Louis. The formation of the library was authorized and approved by a public act of the General Assembly of the State of Missouri. The library is maintained in its own building in downtown St. Louis.

Over the past 132 years, the library has assembled a notable collection of books, now over 213,000 volumes, comprising a general collection in the liberal arts area, with emphasis on history, biography, travel, philosophy, religion, and the arts. The library maintains one of the country's distinguished and most comprehensive collections of regional history pertaining to St. Louis and Western Americana.

The Western Americana Collection, with approximately 55,000 rare books, is probably the most comprehensive collection in that field in existence. The collection is frequently consulted and referred to by many students and historians in this field.

In addition, the Library has one of the most complete files available in the St. Louis area for six local papers, including some 500 bound volumes of St. Louis newspapers beginning with 1812 (a few of these cannot be obtained in any other library).

The Library has also been the recipient of many valuable gifts during its existence. These gifts include the fragmentary journal of Pierre Laclede's stepson, Auguste Chouteau, describing the founding of St. Louis, and the original manuscript "Journal of the Proceedings of the First Legislative Council of the Territory of Louisiana, from June 3, 1806 to October 9, 1811." For individuals researching the organization of the territorial government of the Louisiana Purchase or about Missouri's first steps toward statehood, these documents are of extreme importance. Another notable possession is the four-volume elephant folio of Audubon's "Birds of America."

The library is open to the public and currently maintains a broad based membership of over 2,000. While membership is necessary to check out materials (membership dues are currently a nominal $10 per year), anyone can use the books and collection on the premises of the library. The library is also made available to students from Washington University to observe the library's unique cataloging systems, reference department and rare book room.

The St. Louis Mercantile Library should not be penalized by the private foundation rules and applicable excise taxes. These provisions were not intended to penalize organizations that clearly provide a public benefit such as this library does. Further, other libraries of a similar nature likewise should not be burdened with the additional legal and accounting expenses to insure that they continue to satisfy the "publicly supported" financial tests.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. OTTINGER. Mr. Speaker, the Senate Special Committee on Aging has published a checklist of itemized deductions to protect older Americans against overpayment of Federal income tax. According to the committee, this summary is not intended to be an all-inclusive checklist for every conceivable circumstance. Instead it is designed for more typical situations to help assist the majority of taxpayers claim every legitimate deduction, exemption, and credit to which they are entitled.

If you have already filed your tax return but overlooked allowable deductions, you may still claim items initially omitted by filing an amended return—form 1040X. But, it must be filed within 3 years after the original return was due or filed, or within 2 years from the time the tax was paid, whichever is later.

Several important tax relief measures became law in 1978, including a 15 percent credit on up to $2,000 in qualified expenditures for energy conservation devices and a one-time, up to $100,000, exclusion from capital gains tax for persons 55 or older who sell their homes. This checklist is a valuable source of information for senior citizens and I would like to share this with my constituents:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral survery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.

Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuties, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental, units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.)
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemisers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% cred't for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition sytem which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

DEALING WITH MEXICO

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PEASE. Mr. Speaker, congressional support for forging a new partnership with Mexico is growing. Last month, I introduced House Concurrent Resolution 34 which calls upon President Carter during his state visit to Mexico to reach agreement with Mexican President Portillo on a framework for United States-Mexican cooperation on a variety of common concerns, including terms for mutually-beneficial development of Mexico's oil and gas reserves. Sixty-five of my colleagues have joined me in communicating this message to the White House.

It is becoming increasingly apparent that one of the keys to increased Mexican oil production is profitable gas use. If Mexico does not export gas, cannot use all of it domestically, and refuses to waste it, then projected oil production will have to be cut back—reduced by as much as 400,000 barrels of oil per day by 1988. The following editorials from the New York Times and the Washington Post underscore the growing public demand for new approaches in our bilateral relations with Mexico.

[From the New York Times, Feb. 5, 1979]

MAKING A DEAL WITH MEXICO

As everyone knows by now, Mexico sits on a pool of oil and gas second only to the reserves of Saudi Arabia. Its leaders intend to raise oil production at a measured pace, selling enough crude in world markets (at world prices) to finance a long period of industrialization. What will happen to the natural gas has yet to be determined. Its sole potential foreign buyer is the United States. Last year, after months of haggling over price, the two countries broke off negotiations and the Mexican Government vowed to develop the gas for domestic use. But we doubt that will be the Mexicans' last word.

Both Governments understand the powerful arguments for exports to the United States. And if an agreement could be worked out that did not appear to compromise the Mexican Government's strong public commitment to a price of $2.60 per thousand cubic feet, Mexico would be satisfied. That is why the issue ranks high on the agenda of President Carter's talks with President López Portillo later this month.

Mexico chose $2.60 because it was equivalent at the time to the price of home heating oil. Natural gas is a clean, versatile energy resource easily substitutable for the distilled oil used for home heat. Moreover, the Mexican Government proposed to cover most of the investment for a pipeline to bring the gas from wellhead to consumers. The deal was acceptable to private American pipeline companies.

But the Carter Administration objected to both the economics and the politics of the offer. The President's energy plan, then stalled in Congress, called for a maximum price on domestic gas well below $2.60. And no one wanted to explain to an already balky Congress why a premium should be paid to Mexico. Then, too, there was the problem of Canadian gas, which was selling in the United States for only $2.18. Had Mexico gotten $2.60, the Canadians would have demanded parity.

In the year since President Cartef refused to initial the Mexican agreement, Congress has finally passed legislation that will eventually let domestic producers sell gas for more than $2.60. But the Canadian problem remains, and the Carter Administration is divided over how much to offer the Mexicans.

Energy Secretary James Schlesinger opposes paying much more than the value of the gas to Mexico's domestic industry—about four-fifth's the asking price. Mr. Schlesinger is plainly worried that the Mexican connection would further delay gas production in Alaska. Owing to the enormous costs of pipeline construction, Alaskan gas will never be a bargain. But it would

reduce American dependence on foreign energy. A subtler view, focusing on other aspects of the Mexican energy connection, seems more farsighted. Even if Mexican gas is, strictly speaking, slightly overpriced, the gas issue should not be allowed to sour future United States negotiations with Mexico over energy.

If President Carter managed to persuade the Mexican Government to accept a lower price, the savings would not necessarily serve the national interest. The loss of face for President López Portillo would undoubtedly strengthen chauvinist political forces, making it more difficult for any Mexican leader to accomodate the United States on oil development or on increased flows of gas when circumstances demand.

The Carter Administration should aim for a compromise that Mexicans can reasonably view as a victory. We might, for example, yield to the $2.60 demand in return for an option to buy more gas in the future at the same price, or for a price formula that would become more favorable as energy prices rise in the mid-1980's. However the agreement is reached, the future of Mexican-American energy relations is too important to be left to the price hawks at the Department of Energy.

[From the Washington Post, Jan. 8, 1979]

BUYING GAS FROM MEXICO

The Mexican gas negotiations are, at the moment, hanging in midair. That's a bad place for them. President Carter is going to Mexico City next month, and agreement on the gas is now urgently in the interest of both countries. It's not only that the amounts of gas for sale are enormous. Mexico's future policy on oil production will be influenced by its ability to dispose of the gas. The turmoil in Iran, and the abrupt cessation of its oil exports, suggests once again the peril in the United States' present over-dependence on Middle Eastern supplies. Anything that encourages new oil and gas production anywhere else in the world is good for the United States. That's why the Carter administration needs to get the gas talks going again—rapidly.

These gas negotiations have an unfortunate history. The pipeline to carry the gas from the wells up to the U.S. border is already under construction. Last year Pemex, the Mexican oil and gas monopoly, had arrived at an agreement with a consortium of six American gas transmission companies. But then the U.S. government suddenly intervened and suspended the whole sale. The reasons are still not entirely clear, but the American buyers were offering a price significantly higher than the regulated ceiling price for domestic gas. Perhaps the administration feared that approval of that higher price might upset the fragile compromise in Congress on the gas-pricing bill that was then inching its way, excruciatingly slowly, toward enactment.

This abrupt and unexplained veto by the Carter administration has deeply irritated the Mexicans. It suggests a lack of concern for the Mexican position when it might conflict with the political exigencies of the moment here. To the Mexicans, the whole affair seemed to cast doubt on the reliability and constancy of American purposes.

The issue is essentially the price. The Mexicans wanted to sell the gas for the price that Americans would pay for the equivalent energy in imported heating oil. The Carter administration had two objections to that. First, it is understandably reluctant to let the price of other fuels get tied automatically to a standard—the price of imported oil—that OPEC can raise at will. Second, it argues that this gas will not compete with heating oil but rather with the grades of heavy industrial fuel oil that are considerably cheaper. Both of these objections are reasonable. But the first one, involving the link to world oil prices, has already been eroded a bit. Both belong to the category of issues that reasonable people ought to be able to work out amicably. It would probably serve this country best to give a little on the initial price, in order to get more assurance of predictability for the future.

But there are compelling reasons on both sides of the border to get an agreement. The Mexican gas is produced in association with the oil—which is to say that they come up the pipe mixed together. At present the gas is being flared off in the Mexican fields merely to get rid of it. Those flares are a dismaying symbol of waste. If the Mexican government cannot sell its gas in the American market, it may well feel a responsibility to hold down the development of both oil and gas production until its own economy can absorb the gas. Mexico can sell her oil anywhere. But for the gas there is, as a practical matter, only one possible market of any great significance.

The Mexican gas negotiations constitute a test of the Carter administration's attitudes toward Mexico's resources generally, and the relationship that this country would like to strike with the owners. Mexico is a peaceful and stable country. Peace, stability and proximity of the producing country ought to be worth quite a lot to the customer. That, unhappily, is the lesson of Iran.●

AARON HENRY AND NELSON CRUIKSHANK OPPOSE PROPOSED CUTS IN SOCIAL SECURITY PROGRAM

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CONYERS. Mr. Speaker, President Carter urged Congress in his 1980 budget request to cut certain unnecessary social security benefits. If this is approved, roughly $600 million in such benefits would be eliminated during the budget year. These proposed social security cuts would be one of several casualties in the fight against inflation. Others are the steep cuts in public service employment, subsidized housing, summer jobs for youth, and child nutrition programs. Unfortunately, as has happened in a great many other previous Presidential battles against a variety of public enemies, this battle against inflation could well result in a great number of unnecessary casualties. The fact of the matter is, according to the Congressional Budget Office, the President's budget by the fourth quarter of 1980 will only lessen inflation by a mere one-tenth of 1 percent. Controlling inflation is an important goal; but surely there must be more effective methods, and methods that also spare the most vulnerable individuals, such as disabled and retired persons.

If the President's proposed cuts in social security disability benefits take place, nearly 5 million disabled persons and their dependents will be affected. Other cuts will affect equally large numbers of individuals who are recipients of social security, of whom there are nearly 34.5 million. Out of curiosity, I obtained statistics on the numbers of older Americans who are living in or at the edge of poverty. If the measure of poverty is the official poverty line of $2.895 for a single individual, there are at least 4.1 million, 60 years and older, who are poor by official standards (as of 1977). If the poverty line were raised to $5,000 for individuals, certainly a realistic level, there are at least 16.7 million Americans, 60 years and older, who are poor, having incomes of only $5,000 a year. The point is that older Americans are a highly vulnerable group, whose incomes generally just allow them to get by. If we have to cut Federal spending, why does it always have to be taken out on the weakest?

I know that both Houses of Congress will examine very closely the President's social security proposals before any action is taken. For this reason, I recommend to my colleagues two recent articles that offer a good background on the issues involved. The first is a statement by Dr. Aaron Henry, chairman of the National Caucus on Black Aged, which he delivered on January 25, 1979 to the Coalition to Save the Social Security Program. The second is an article that appeared in the Washington Post, February 8, 1979, which examines the position of Nelson H. Cruikshank, the President's own counselor on aging, who opposes the social security cuts.

STATEMENT OF AARON HENRY

We are witnessing a sad time in our society. A time when, for the purpose of balancing the federal budget, those members of the American population who can least afford it are having taken from them the few dollars in Social Security benefits that they, themselves, contributed toward, and, which mean so much to them. I speak of the elderly and the poor. The minority elderly—the Blacks, the Pacific Islanders, the Asian American, the Hispanics—who always suffer the most in the name of budget reductions.

Elimination of the $225 lump sum death benefit, as proposed by the Administration, though sorely inadequate to meet today's extraordinary expenses at the time of death, could leave a spouse without any money at a time of great grief and stress. That sum, though small, will permit a poor widow one last bit of dignity—to make funeral arrangements for her departed husband. Are we really so callous as to deny her this?

Elimination of the minimum of $122, though a pittance, would deal a crushing blow to the minority elderly and disabled. As a result of forced lay-offs, irregular work and non-covered jobs, they have been unable to earn substantial earnings benefits. By cutting these persons off from their Social Security benefits, the government would, supposedly save $65 million in 1980, $140 million in 1981 and $230 million in 1984. Unbelievably, the Administration says, "Let them go on welfare." That's incredible! We are trying to reduce the welfare rolls, not add to them. All of the cuts proposed by the administration come to about $600 million in fiscal 1979, and $1 billion in 1980. However, if the cuts are implemented, it will amount to a loss of $6.5 billion in benefit protection by 1984. That purported saving is infinitesimal compared to the $531 billion budget for fiscal year 1979, $123 billion of which has been allocated for the military.

If the Administration is serious about reducing the Federal deficit, there are far more lucrative areas. Minimizing the numerous income tax breaks allowed to corporations would be one such area. Cutting human programs should be a last resort! We are already seeing the effects of the reduction or "hold the line" syndrome where human service programs are concerned. Since no funding has been provided for many of the programs under the 1978 amendments to the older Americans act many services are being cut back. Rather than gearing up for urgently needed increases in services this year, state and city aging offices and area agencies on aging throughout the country are preparing

for reductions in services—some as much as 25 percent.

Unless governmental neglect of the urgent needs in this area, as well as reductions in other social programs, is halted the crucial needs of the minority elderly, widowed and disabled, will never be met.

The irony is that if benefits under Social Security are reduced, the need for services which are provided under the older Americans act and other federally funded programs, such as Title XX of the Social Security Act, will dramatically increase.

As I mentioned, 25 percent of the budget goes for defense spending. The administration's bid for a conservative fiscal policy, in this manner, makes the poor, the minorities, the elderly, the widowed and the disabled, give up, once again, more than they can afford. They will bear the brunt of this oppressive action while the economic system designed to protect the existing contracts between the government and big business remains intact. The cut will come neither from that part of the budget nor from military spending.

The $600 million taken from social programs will affect the rate of inflation less than .3 percent of 1 percent. But, it will catastrophically affect the lives of the poor and minority recipients. I stand before you as a true long time friend of President Carter, Joe Califano of HEW and of Social Security Administrator, Stanford Ross, I remain so today. And we believe that President Carter will hear our voices and can be convinced by us that the Social Security cutbacks recommended in the budget to Congress will be cancelled by the Administration and that the national leaders of Social Security and HEW, and of the United States Congress including Congressman Al Ullman, who really are our friends, will come around to supporting our position in opposing these cuts. We are hoping that we can depend upon them and you. We will work with them, and you, if possible but we will work around them, and you if necessary.

The following organizations have joined us in this determination to prevent these Social Security cutbacks: The NAACP, National Urban League, National Urban Coalition, National Dental Association, National Association of Black Women Attorneys, National Task Force on Senior Citizens, Black Child Development Institute, Inc., Delta Sigma Theta Sorority, Delta Housing Corporation, National Pharmaceutical Association, D.C. Coalition for the Aopointment of Women, National Black Veterans Organization, Rural America, D. C. Mental Health Association, National Association of Social Workers and the Congressional Black Caucus. (This is a partial list.)

CARTER AIDE HITS PROPOSED SLASH IN SOCIAL SECURITY

(By Spencer Rich)

Nelson H. Cruikshank, President Carter's counselor on aging, assailed the administration yesterday for its proposed cuts in Social Security benefits.

While Cruikshank was blasting the cuts, the House Ways and Means Social Security subcommittee, headed by Rep. J. J. Pickle (D-Tex.), concluded that even if it eventually approved some of the cuts, the action almost certainly will not come in time to take effect during fiscal 1980 as Carter has proposed.

In a virtually unprecedented performance for a sitting adviser to a president, Cruikshank told the House Committee on Aging that the proposed cuts are "ill-advised," "at the very least disingenuous," and "trumped up" to grab credit for a quick budget reduction.

He said they reflect "lack of understanding" of "the very nature" of Social Security and of benefit promises made to persons who have paid in all their lives. Cruikshank's views were in tune with those of a huge coalition of organizations, headed by former Health, Education and Welfare Secretary Wilbur J. Cohen, who also testified and said he will battle the cuts to the end.

Cruikshank said he was speaking for himself, not the administration, and he had been informed by the White House "that I am free to express (my) disagreement as long as I make clear the distinction between what are my own views and what are the administration's positions."

As proposed by the administration, the cuts—which include phasing out the student benefit for orphans aged 18 to 21, eliminating the $122-a-month floor on benefits, reducing disability benefit levels and eliminating the $255 burial benefit—would have saved $609 billion in fiscal 1980.

Stanford Ross, the current Social Security Commissioner, defended the proposed cuts in later testimony. "None of our proposals affects the central elements of the Social Security program" or hurts current beneficiaries, he said, adding that the proposals seek only to keep program costs within reasonable limits by cutting elements of "relatively low social priority" or "random largess."

Pickle, at an organizational meeting of the Ways and Means subcommittee, said some of the cuts are so controversial that it is "neither realistic or practical" to expect passage in time for any savings in the fiscal 1980 budget, if ever.

He and the subcommittee made an exception for disability insurance provisions, which the subcommittee acted on last year. Pickle said disability cuts—among a host of Social Security issues like coverage for federal employees and a hope-for postponement of the Social Security tax rate increase scheduled for 1981—are the only element likely to pass Congress in time to have any impact on the fiscal 1980 budget. Fiscal 1980 begins Oct. 1.

Therefore, the subcommittee agreed to inform the full Ways and Means and Budget committees that, of the $609 million proposed savings, the most that can actually be expected in 1980 would be $50 million to $75 million, by reduction of disability benefit levels.

Pickle said that in view of the coalition headed by Cohen and other factors, it simply is not practical to think of making any other major cuts soon.

But he said the subcommittee will study all major Social Security financing and benefit issues and perhaps might come up with a comprehensive bill of some type around the end of this year or early in 1980.

He said that as the scheduled tax increase—from the present 6.13 percent rate to 6.65 percent in 1981—approaches, members may be more willing to consider changes in the system to reduce the tax increase.

Cohen, former Social Security Commissioner Robert Ball, former Social Security Chief Actuary Robert J. Myers (1947–70) and other witnesses all joined Cruikshank in attacking the proposed cuts.●

SOVIET JEWS URGE CONGRESS NOT TO MODIFY JACKSON-VANIK AMENDMENT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DRINAN. Mr. Speaker, it was recently reported in the New York Times that a group of 68 Soviet Jews from eight cities had appealed to the U.S. Congress not to change legislation that bars favorable trade terms for Moscow, because of its restrictions on emigration. In clear reference to moves in the House and the Senate to modify and weaken the Jackson-Vanik amendment to the Trade Act of 1974, these prominent Soviet "refusniks" urge the U.S. Congress to remain firm in its commitment to Soviet Jewish emigration. This goal cannot be achieved, they believe, through a change in existing U.S. laws.

This appeal was received by telephone from Moscow and translated into English by the London correspondent to the Union of Councils for Soviet Jews, Mr. Michael Sherbourne. The text of the appeal follows:

To Members of the United States Congress:

We are addressing ourselves to you inasmuch as the situation in the field of emigration from the USSR remains far from satisfactory, although the Soviet Union is a signatory to and has ratified five international agreements that stipulate freedom of emigration; and although this freedom is granted to citizens of the USSR by its laws, nevertheless today, as previously in this sphere, tyranny continues to prevail.

The Soviet authorities decide as they see fit and without reference to any laws. They grant permission to emigrate to some and refuse it to others. Some of those deciding to emigrate are forcibly kept back in this country under various pretexts, and some without any sort of reason being put forward. While many are deprived of all means of existence and suffer repression and harassment, a number of activists of the Jewish emigration movement have been brought to trial by courts on fabricated charges, which have demonstrated to the whole world their contempt for the elementary norms of legal justice, a process which culminated in the notorious trial of Anatoly Sharansky.

Under these circumstances, the only legislative enactment which to some extent at least acts as an obstacle to the unbridled tyranny of the Soviet authorities in their emigration policies, is the Jackson-Vanik Amendment to the Foreign Trade Bill accepted by the Congress (1972–74). On the general human level, the Jackson-Vanik Amendment is an act of historic significance in the spirit of the finest democratic humanitarian traditions of the American people. This aspect of the Amendment is reviewed by Academician Andrei Sakharov in his work, "My Country and the World."

During the discussions of the Amendment and after its acceptance, there was both an increase and a reduction in the number of exit permits granted as well as a lessening and a reduction in the number of exit permits granted as well as a lessening and a hardening of the repressive acts. But we who have been living in this country all our lives, and who for many years have been feeling on our backs every change in the political wind of the leaders of this country, are deeply convinced that the Jackson-Vanik Amendment has played, is playing and we hope will continue to play, a great significant and positive role in restraining the Soviet authorities from committing the severest of repressive acts.

The Jackson-Vanik Amendment compelled the Soviet government to refrain from demanding the tax on education and is the only real stimulus to them to bring about a liberalization of their emigration policies. We believe that in the long run, this amendment will eventually lead to the liberalization of Soviet emigration policies when the leaders of the USSR come to the realization that the U.S. Congress will stand firm in its position of defending freedom of emigration as one of the fundamental rights of man.

During our recent meetings with delegates of the United States Congress, representatives of all trends in the Jewish emigration movement unanimously expressed their support for the retention of the basic concept

of the Jackson-Vanik Amendment. We are convinced that the United States Congress has done much to preserve legality in its support for freedom of emigration by offering the USSR trade preferential treatment in return for that freedom. This now appears to be the only means of bringing about a real limitation of tyranny and abuse of authority in this sphere, which is of such importance for all humanity.

Moscow: Alexander Lerner, Judith Perlman, Boris Chernobilsky, Yelena Chernobilskaya, Yakov Rakhlenko, Vinya Belkina, Victor Yelistratov, Bataheva Yelistratova, Yevgenny Tsirlin, Galina Tsirlina, Arkady Mai, Helen Seidel, Ida Milgram, Mikhail Kremen, Galina Kremen, Leonid Shabashov, Olga Shabashova, Alla Drugova, Yakov Shmayevich, Igor Guds, Lev Blitshtein, Vladimir Chepkassy, Ludmilla Cherkasskaya, Yakov Alber, Aba Stolyar, Gita Rosovskaya.

Leningrad: Y. Kogan, Alexander Genusov, Lev Furman, Vladimir Knokh, Yuri Speisman, Nelly Speisman, Lev Israelev.

Minsk: Lev Ovaischer.

Kharkov: Alexander Paritsky.

Tibilisi: Isai Goldstein, Elizabeta Bykova.

Vilnius: Eitan Finkelshtein.

Odessa: Lev Roitburd.

Lvov: David Shvartz.

Kiev: Sergei Rotshtein, Elna Oleni, Dimitri Raizman, Yefim Primmerman.

The above list of 44 signatures is a partial list as of February 11. Since then, the list has totalled 68, according to the New York Times of February 13, 1979.●

CECIL MOORE, A GREAT LEADER

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GRAY. Mr. Speaker, this week the city of Philadelphia mourns the death of a man who was a great leader in every sense of the word—City Councilman Cecil B. Moore.

It would be impossible to exaggerate the importance of Cecil Moore's role in the civil rights movement in Philadelphia, Mr. Speaker. Throughout the 1950's and 1960's, he was the driving force responsible for bringing equality and dignity to the people of our city.

At the time of his death, he represented the people of the Fifth Councilmatic District. He brought to the chamber of City Council the same outrage at inequality; anger at substandard living conditions; and intolerance for government inaction which marked his entire career.

He was a brilliant lawyer. Time after time, he represented the cases of those who were poor and disadvantaged. He developed what was reported to be one of the largest criminal practices in the Nation, and was generally acknowledged to have few peers in the legal profession in our city.

But, Mr. Speaker, it was in the field of civil rights that Mr. Moore scored his greatest accomplishments.

As President of the Philadelphia Chapter of the National Association for the Advancement of Colored People, he was responsible, more than any other person in the city, for the integration of blacks into Government and industry jobs.

He took over the presidency of the NAACP in 1962, and increased its membership from 7,000 persons to more than 30,000. During his terms in office, the Philadelphia NAACP was considered to be the strongest and largest branch in the United States. Mr. Moore led a volunteer army of thousands of people who would picket businesses which discriminated against blacks.

Perhaps his most noted accomplishment was the campaign against Girard College.

According to the will of Stephen Girard, Mr. Speaker, this school for fatherless boys was prohibited from accepting black students. But for 7 months in 1965, Mr. Moore led picket lines around the walls of the school in North Philadelphia, mounting a publicity and legal campaign which resulted in the 1968 decision of the U.S. Supreme Court to rule that the school could not exclude blacks.

Mr. Speaker, the people of Philadelphia will miss this giant of a man who made his contributions to our city and country in so many ways—as a 9-year veteran of the U.S. Marine Corps, as a lawyer, as a civil rights leader, as a City Councilman, and as a consistent and effective voice against inequality.

I know that my colleagues, Mr. Speaker, join me in expressing sincerest sympathies to his wife, Helen Golden Boyer, and his daughters, Mrs. Ceciley Banks, Mrs. Alexis Love, and Melba Moore.●

ASBESTOS HEALTH HAZARD IN SCHOOLS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MILLER of California. Mr. Speaker, the Subcommittee on Elementary, Secondary and Vocational Education will hold hearings on February 21 on legislation which I have introduced, together with over 30 of my colleagues, which would reduce the asbestos health hazards in potentially thousands of schools across the United States. H.R. 1524 is an effort to involve the United States in a limited fashion in the identification and mitigation of severe asbestos hazards where they exist. That effort, according to my bill, would be shared with parties which are actually far more responsible for the current situation than the Federal Government, namely State and local government and manufacturers of asbestos materials.

Last month, this subcommittee held 2 days of hearings in which nationally recognized experts testified that there is no established threshold of asbestos exposure which is "safe." We also heard that we should restrict our removal or containment activities to those situations which pose an imminent danger to the health of schoolchildren or employees. Through this kind of reasoned and limited approach, which is reflected in H.R. 1524, we will avert any public panic while responsibly addressing a potentially serious problem.

A recent article in the Journal of the National School Boards Association (November 1978) discussed the extent of the present problem and the need for a coordinated effort to identify and remove the danger. I would like to submit this brief article to the RECORD.

The article follows:

ASBESTOS IN SCHOOLS: WALLS AND HALLS OF TROUBLE

(By Dan Levin)

D. That's right. The answer to the multiple-choice question on the front cover of this month's Journal is that asbestos in schools may cause a rare, incurable cancer, can be extremely dangerous and expensive to remove and is a problem that can be solved by astute school boards.

If exposure to asbestos can cause cancer and if the walls and ceilings of your schools are covered with asbestos, does this mean that your students and employes face a health danger just from being inside your school buildings? That question can't be answered with a simple Yes or No; it requires replies containing "maybe" and "possibly" and "it all depends." Your responsibility in this matter, however, is clear-cut: to begin asking some key questions. Do your schools contain asbestos? To what extent is that asbestos a health hazard to students and employes? How can the health danger be eliminated? What's it all going to cost? This article is a starting point from which you can collect answers to the foregoing questions. One more thing to keep in mind:. Some of the latest and best research information about asbestos in the schools (that information prompted this article and will be referred to later) may negate advice you've had in the past about asbestos in your schools. So now you have to look at the problem again; start looking here:

In schools built between 1946 and 1973, the use of asbestos, especially sprayed asbestos, was not uncommon. Builders considered it effective for fireproofing, insulation, acoustical and even decorative purposes. Because it is durable, strong, flexible and resistant to wear, asbestos has been used for an estimated 3,000 purposes in commercial, public and industrial applications. But in 1973, after research concluded that some shipyard workers who had handled asbestos during World War II were dying of cancer as a result of asbestos exposure, the U.S. Environmental Protection Agency (E.P.A.) banned its use in most sprayed applications.

Asbestos workers, according to a study published last March, were dying of cancer at rates higher than those in the general population. Lung, stomach, esophageal, intestinal and rectal cancers all occurred more often among asbestos workers than normally would be expected. These findings strongly influenced recent National Cancer Institute estimates that in the next 30 years, 17 percent of all cancers will be asbestos related. But one truly significant finding of the asbestos workers study showed that seven percent of the 17,800 workers studied had died from mesothelioma—an extremely rare form of cancer in the general population that, until 1976, had not even been listed in the cancer registry. Mesothelioma affects the pleura, a membrane lining in the chest cavity, or the peritoneum, a similar lining in the abdominal cavity.

What does all this mean for students in school buildings with walls and halls of asbestos? No one is able to answer that question—not yet. Virtually all of the 4.5 million World War II shipyard workers received much higher exposures to asbestos than do students whose schools contain asbestos on the ceilings, for example. But what complicates the picture is that no air samplings

were taken in World War II shipyards, so we don't know the contamination level of the air those workers were breathing. Further clouding the issue are reports that people with no history of direct exposure to asbestos—those who lived near an asbestos-producing plant or families with an asbestos worker in the household—also have contracted asbestos-associated cancers. (Predictably, smokers run an exhorbitantly higher risk of contracting asbestos-associated lung cancer than do nonsmokers who have had the same exposure to asbestos; mesothelioma, however, is not associated with cigarette smoking.) Wide disagreement exists on the matter of what constitutes a "safe" level of exposure to asbestos. And, a lack of decisive research findings has led one prominent scientist to conclude that linking low-level, nonoccupational exposure to asbestos (such as that present in school buildings containing asbestos) to cancer is "uncertain and difficult."

However: After exposure to asbestos—for as short a period as one month or two—asbestos-related cancers can take from 15 to 35 years to appear. Current studies of asbestos-related cancer reflect exposures of decades gone by. Who can say what scientists will find 20 or 50 years from now as a result of research on people exposed even to "low" levels of asbestos from 1946 until today?

No wonder there's been so much misunderstanding about schools and asbestos—misunderstanding such as that in Howell Township, New Jersey, where six elementary schools were closed in the middle of the 1976–1977 school year to remove asbestos ceilings. A parent who worked as a supervisor in the state Department of Environmental Protection, and who obviously knew something about asbestos, had a sample tested, then came to a school board meeting and declared the stuff was dangerous.

Fueling the fear in cancer-conscious New Jersey, which has the highest cancer mortality rate in the nation, was a report that at least one Howell Township child had had severely swollen glands since the start of the 1976 school year. (The malady later turned out to be mononucleosis.) Other parents were complaining that their kids were suffering from a variety of respiratory ailments; everyone was blaming asbestos. Threatened with a boycott of classes, the board of education, after an emergency meeting, ordered the schools temporarily closed in January 1977.

The president of the board agreed with the alarmed parents and said that he, too, would keep his kids out of school until the staff was removed. He said the older kids in one school had loosened the asbestos material with yardsticks and were throwing it in other kids' faces. Superintendent Sidney Zaslavsky tried in vain to salve the situation, futilely urging the board to wait until the summer to remove the asbestos. But the state Department of Education applied pressure, according to Zaslavsky, and the job of removal began. In the end, it cost the Howell Township schools about $180,000 to remove the asbestos from the schools: elementary school students lost four weeks of classes.

Because some school officials panicked and because the testing for and removal of the asbestos may have been sloppy, several observers say the Howell Township case was mishandled from an educational as well as from a scientific standpoint. But it did spur action. In February 1977, the Massachusetts Public Interest Research Group, a Ralph Nader-inspired consumer organization, surveyed the 50 states to find out what was being done about asbestos in schools. Although the findings now may be a bit outdated, seven of the 24 states that replied were found to be only minimally aware of the potential hazards of asbestos in school buildings. Thirteen of the states reported taking some action to determine the extent of the problem, but in several cases the "action" was testing the air for asbestos—an extraordinarily unreliable method for determining danger from asbestos exposure. Unfortunately, too many administrators have been duped into believing that low readings in air samples let them off the hook.

Massachusetts, it turns out, now appears to be in the vanguard among the states that are attacking the problem. Late in 1975, two years after one city, Newton, spent a whopping $275,000 to solve the asbestos problem in a newly completed high school, the state established a legislative commission to determine the extent of the problem in the commonwealth. The state's Division of Occupational Hygiene, armed with a staff of three and funded with $50,000, sent letters to the 1,418 schools in the state that were built between 1946 and 1972 to find out if they had *any* sprayed material; 849 did. Then, borrowing 40 inspectors from the Division of Industrial Safety, occupational hygiene director Harold Bavely sent these people out to take samples from the schools. By last August, lab tests were completed in 60 percent of the 849 schools; 91 contained asbestos.

The Massachusetts State Asbestos Commission also has information that asbestos in one school may be implicated in the death of one man. William Wigmore, head maintenance man at the Hull schools from 1957 to 1966, died of mesothelioma on August 8, 1977. Wigmore had covered pipes with asbestos insulation and had used asbestos fibers to clean liquid spills.

So far, no public school in Massachusetts has removed asbestos ceilings. Newton North didn't remove its asbestos ceilings because of the extreme danger involved. Instead, according to the Newton system's Director of Support Services Roy Cornelius, some ceilings were coated (the trade term is "encapsulated"), while drop ceilings were placed beneath other areas. The school still conducts bimonthly air sampling tests with help from Harvard University scientists; the school's custodial crew has been apprised of the situation and regularly inspects ceilings for damage.

Does encapsulating asbestos or installing drop ceilings put a school in the clear? Several experts would say no.

First of all, the asbestos is still in the school. If the school has to be remodeled or demolished, or if there is an accident of some sort, authorities will have to deal with the problem of potential exposure. Furthermore, the sealant used to encapsulate the asbestos may be of questionable value, depending on several factors. Certain kinds of sealants applied to certain kinds of asbestos can crack when struck and this can release fibers into the air. Currently, no list of effective sealants exist. Battelle Laboratories of Columbus, Ohio, is working on an E.P.A. contract to determine the effectiveness of 70 sealants and the results should be published shortly.

Second, air sampling is an expensive complicated process that may yield deceiving results. One reason for this is changing standards. Occupational Safety and Health Administration standards for asbestos levels in the air have changed over the last few years—"safe" levels of asbestos exposure in 1972 may, in 1978, be considered "dangerous" occupational levels.

Thus, says Dr. Robert N. Sawyer of Yale University, "Application of the OSHA standard is inappropriate and irrelevant in school buildings." Sawyer is perhaps the country's leading expert on the asbestos problem. He is coauthor, along with Charles M. Spooner of the GCA Corp. of Bedford, Mass., of an E.P.A. guidance document, published just last March, entitled "Hazard Abatement from Sprayed Asbestos-Containing Materials in Buildings." E.P.A., as well as other scientists, consider it the definitive work in the field. (It is available for $4.50 from the National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22151. Cite document No. EPA-450/2-78-014.)

You should not be led into thinking that you're getting a clean bill of health when air samples of your schools show low levels of asbestos fibers in the air. Monitoring air samples to determine risk of exposure is misleading and unreliable for reasons aside from the dubious OSHA standard.

The E.P.A. guidance document describes two air sampling techniques: phase contrast microscopy and electron microscopy. The first is an optical technique not used necessarily or exclusively for asbestos; it costs $30 to $50 to perform. It simply counts the *number of fibers of a certain size and shape*. Therefore, many hazardous asbestos fibers may not even be counted using this method because they may be too small.

"Electron microscopy," says the guidance document, "is presently the definitive method for fiber counting and exposure estimation." But electron microscopy has its drawbacks, too, according to Sawyer. "There is presently no standard electron microscopy technique," the guidance document observes. "A provisional optimum procedure is under development by E.P.A. and is intended to increase uniformity and enhance interlaboratory agreement."

For air sampling to be truly effective, Sawyer says, a competent lab must perform several tests with several samples while normal school activity takes place—that is, while the kids walk through the halls or while the janitor sweeps up.

Electron microscopy costs $300–$500 *per sample*.

Sawyer stresses that air sampling should be used as a monitoring device before, during and after an asbestos removal or encapsulation operation. But the only effective way to determine the risk of asbestos in a school, he argues, is to take and test bulk samples of the suspected material wherever it exists. (See accompanying story on page 30.)

This, unfortunately, is easier said than done. Competent commercial laboratories are difficult to find and Sawyer hastens to add that state laboratories often are deficient, too. A horror story from an E.P.A. source, and corroborated by Sawyer, recounts how a Connecticut state lab told one school system near Hartford that it had asbestos in one school and that the ceilings should be removed. To the dismay of the schools, the "asbestos" turned out to be cellulose. But the discovery wasn't made until *after* the ceilings were removed.

The situation in New Haven was worse. Officials there were told by a state lab that certain samples contained no asbestos. But city engineer Len Smith was doubtful about the results. The city sent samples to the Mount Sinai School of Medicine in New York, which reported some samples contained as much as 35 percent to 75 percent asbestos. Smith reports two New Haven schools spent about $10,000 for small removal operations, while a larger job in Lee High School, in which the auditorium and gym required attention, cost about $20,000.

Sawyer and associates currently are at work developing an accurate technique for labs to use in analyzing asbestos samples. He's also putting the finishing touches on a condensed version of the guidance document so school board members will be able to recognize the problem and know how to deal with it rationally. According to E.P.A. Deputy Assistant Administrator for Chemical Control John De Kany, Sawyer's condensed guidance document will receive wide distribution not only among school board members but in various state and municipal offices as well.

Only two months ago, De Kany's office was in the planning stages of a project that aims to take samples from schools across the country. Personnel in the ten E.P.A. re-

gional offices will be trained in the technical aspects of asbestos detection and will educate certain key contact people in states, municipalities and schools. De Kany hopes the voluntary survey will be completed by early next year and says that the degree to which schools cooperate will determine whether E.P.A. recommends mandatory federal regulations. De Kany says he hopes he doesn't have to recommend the regulatory approach.

While Sawyer works on the condensed guidance document for school board members and on a reliable bulk testing system, De Kany's right-hand man, Larry Dorsey, is devising a system by which commercial laboratories can become informally "accredited" in asbestos detection. It'll work like this: A central reference lab, probably Mount Sinai, will be charged with testing the samples commercial labs receive. Any lab that wants to be listed as "competent" by E.P.A. will have to split every sample it receives and send half to the reference lab, according to Dorsey.

Dorsey also has been responding to phone calls spurred by a mid-August press release by H.E.W. Secretary Joseph Califano. The release actually was a letter (to the 50 state governors) expressing concern over the asbestos problem. It also contained a report conducted by Mount Sinai's William Nicholson—"Control of Sprayed Asbestos in School Buildings: A Feasibility Study." The report, commissioned by New Jersey Rep. Andrew Maguire as a result of the Howell Township fiasco, largely reflects information in the more complete E.P.A. guidance document.

School boards will be faced with some tough "asbestos decisions" in the near future. Budgets are tight enough without the added burden of allocating funds for asbestos removal. Federal dollars are not forthcoming and it's doubtful that Congress will authorize financial assistance. A bill to grant schools 90 percent of the money needed to remove asbestos was introduced by New Jersey Rep. John Howard, who represents Howell Township, but it languished last term in the overburdened House Commerce Committee and eventually died. So: The financial consequences of removing asbestos, if your schools contain it, will be considerable. The consequences of not removing it, however, may be devastating. No one knows for sure.

One can only sympathize with plaintiff Howell Township Superintendent Sidney Zaslavsky, who says, "I feel sorry for anybody who has to go through this."●

THE HICKOX SCHOOL CELEBRATES ITS CENTENNIAL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DRINAN. Mr. Speaker, I would like to bring to my colleagues' attention the fact that the Hickox School of Boston, Mass., is celebrating the 100th anniversary of its founding. Over the past century, the Hickox School has prepared students from all over the world to enter the business community. Indeed, as the oldest secretarial school in the Nation, it has always been a leader in this field of education. Its founder, William Hickox, was one of the first business educators to introduce touch typing in the United States.

Long before individualized instruction became fashionable, Hickox was teaching by the individual advancement method. For generations, Hickox students have known the powerful effects of encouragement, reinforcement, and achievement. At the Hickox School, individual capability is motivated by trained instructors, and students are challenged by their teachers to improve their performance every day. In addition, special programs for the handicapped have been developed that will open up unique opportunities for these students.

In a era largely influenced by automation and characterized by impersonalism, the Hickox School continues to pioneer methods developing individual worth and individual ability. The ultimate objective of this institution is to prepare students not only to meet the performance standards required by the business community, but also to become responsible and contributing members of our society.

Located in downtown Boston, the Hickox School occupies modern facilities at the corner of Boylston and Tremont Streets, on the site of the former home of John Quincy Adams. Easily accessible by public transportation, the Hickox School draws many students from the greater metropolitan area. Its student body, however, is as varied as the community it serves. Recent high school and college graduates, people returning to the work force, and those already employed seeking to improve their skills, study and work together in a congenial atmosphere.

Actual on-the-job experience is available to students in all Hickox diploma programs. Student secretaries learn to deal with everyday problems while working in the administrative offices of the school, thereby increasing their self-confidence.

Although the uniqueness of its students and instructors has been the key element which has made the Hickox School successful, the foresight and leadership of its administrators has also been essential. The president, Alan C. Fagan, and the dean-director, Mary L. Beaudry, have—along with their colleagues in administration—contributed immeasurably to the high standard of excellence for which the Hickox School is so well known.

On their 100th anniversary, I am pleased to congratulate the Hickox School, and its alumni, for their proud record of dedicated service to the business community.●

ISRAEL'S STRATEGIC IMPORTANCE MUST BE RECOGNIZED

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LEHMAN. Mr. Speaker, while events in the Middle East have received considerable press coverage lately, one item not selected for public viewing was President Carter's statement concerning the strategic importance of Israel to the United States. The President made this statement when the new Israeli Ambassador Efriam Evron was greeted at the White House.

Israel's strategic importance to our country must be recognized not only in light of the revolution in Iran but as a strategic asset based on Israel's internal stability. As a democracy, Israel's policies are not totally dependent on one leader's rise or fall from power. The nation has a life of its own, outliving the transiency of one or another ruling party or leader.

At this very moment our experience with Iran is teaching us that we cannot afford to ignore the factor of internal instability of the Arab nations in the Middle East. To treat Israel as if it is a liability rather than a strategic asset will destine our efforts in the Middle East to mirror our failure in Iran. Secretary of Defense Harold Brown's visit to the Middle East must not result in an alliance between our country and Saudi Arabia, Jordan, and Egypt unless Israel is fully included in this equation. Any such agreement should require a quid pro quo from Saudi Arabia and Jordan to join in the peace efforts of Egypt and Israel.

For the benefit of my colleagues, I am inserting in the RECORD a January 28, 1979, Jerusalem Post article reporting on the President's statement of Israel's strategic importance to the United States.

AFTER THE IRAN UPHEAVAL: WHAT ROLE FOR ISRAEL NOW?

WASHINGTON.—With the collapse of the Shah of Iran, the U.S. has been taking another look at its fundamental strategic interests in the Middle East.

Accompanying this major reappraisal is a hotly contested debate among key officials at the White House, the State Department, the Pentagon and the Central Intelligence Agency.

Simply put, the question is this: Does Israel represent a strategic asset or liability to the U.S.? The foreign policy bureaucrats here are in a behind-the-scenes, barely visible debate, and President Jimmy Carter has been thrown right into the middle of it.

Those arguing that Israel is indeed a strategic ally appeared to have won the battle on January 11 when Carter, during a routine ceremonial presentation of Israeli Ambassador Ephraim Evron's diplomatic credentials, stated: "This is Ambassador Evron, the newly-arrived representative of the great nation of Israel. I think all of you know the importance of this country to us. Strategically, they mean a great deal to the security of our nation and to stability in the Middle East. They are friends and allies in the best sense of the word."

But Carter's first-ever public reference to Israel as a strategic asset raised some ripples at the State Department, the National Security Council and certain other circles in the U.S. government. It seems that some of the President's advisers disagreed with him, and were upset.

This may partly explain why Carter's description of Israel as strategically important "to the security of our nation and to stability in the Middle East" was almost totally ignored in the American news media. "The White House simply didn't push the story as newsworthy or important," one key insider said.

At a meeting with American Jewish leaders at the White House on January 19, however, several top U.S. officials denied that there was anything sinister about the lack of coverage of the President's remarks.

Assistant Secretary of State Harold Saunders acknowledged the scanty exposure given to the statement but maintained that this was inadvertent. He told the group, according to participants, that what the President had said was "self-evident."

But others, including some of the Jewish leaders who attended the session, remained skeptical. They wanted to hear Carter repeat the statement, and to see it win wide publicity.

Basically, there are two schools of thought. Some officials, especially at the National Security Council and the State Department, see U.S. support for Israel as resulting from purely political, historic or moral considerations. They dismiss the strategic argument. They see America's strategic interests in the Middle East lying with Saudi Arabia and even Egypt more than with Israel. In fact, some of these officials would argue privately that Israel is a "burden" to the U.S., a concept articulated two years ago by the late Gen. George Brown when he was Chief of Staff.

Other officials, including several influential generals at the Pentagon, value Israel as a reliable, democratic militarily-powerful friend in a basically unstable part of the world. This view was advanced last month when a group of retired generals and admirals wrote to Carter urging him to recognize that Israel plays a critical role in the Middle East. Among those signing the letter were Adm. Elmo Zumwalt, Jr., former Chief of Naval Operations; Gen. Paul Freeman, Jr., former U.S. Army Commander in Europe; Gen. T. W. Parker, former Chief of Staff in Europe; Maj. Gen. John Singlaub, former Chief of Staff of U.S. Forces in Korea, and Maj. Gen. George Keegan, Jr., former Chief of Air Force Intelligence.

With the collapse of the Shah and with the nearly-concluded Israel-Egyptian peace treaty, the Middle East is at a potential crossroads. Washington consequently is taking a closer look at both positions. New position papers are being drafted. These papers will colour U.S. policy toward the Middle East in the months and years ahead. Because the two camps are arguing the merits of the respective cases, Carter's January 11 remarks were significant.

The stakes involved are very real. Will Israel, for example, be called upon by the U.S. to fill some of the role played by Iran in protecting U.S. national interests if, as now seems likely, the new regime in Teheran moves away from the American camp? Or will Washington begin to rely more on Saudi Arabia and Egypt to meet these responsibilities out of fear that a much closer alliance with Israel would antagonize the Arab world?

Those policy-makers who regard Israel as a strategic asset begun using Carter's remarks as ammunition in fighting for a closer relationship—on the strategic level—with Israel. It's not easy for any U.S. official to take issue with what the President has stated publicly.

But their opponents nevertheless resisted the argument. What they were trying to do, in effect, was to erase Carter's remarks from the public record. They met with some success. The statement was not included in the official weekly report of the President's public utterances.

The explanation given by the White House was that Carter was speaking only "informally" at a "photo opportunity" and an official stenographer was not present.

Indeed, except for the fact that this reporter and a handful of other Israeli and American Jewish journalists who were in the Oval Office at the time wrote stories about the statement, there would have been practically no public awareness whatsoever about it.

Why the President had decided to make the statement in the first place remains unclear. Everyone recognizes that he was not speaking casually. Someone had briefed him before Evron arrived to refer to Israel's strategic importance. Maybe the President wanted to defuse his brother Billy's remarks about Libya. Perhaps he wanted to "soften" Israel to make some more concessions in the treaty negotiations with Egypt, knowing that his remarks would receive front-page coverage in the Israeli press (it did). Then again, Carter may really have believed what he said.

With this as background, the President's brief passage to the Middle East in his annual State of the Union address before Congress on Tuesday evening was revealing. There were only four sentences devoted to the Middle East—three of them general statements concerning the American hope for a peaceful settlement.

But the President also said: Our firm commitment to Israel's survival and security is rooted in our deepest convictions and in our knowledge of the strategic importance to our nation of a stable Middle East.

Clearly, it was not the unequivocal reference to Israel's strategic importance he had made earlier. Here, in this latest statement, he referred to the strategic importance of "a stable Middle East," not simply Israel. Yet at the same time, Carter's words could be interpreted by some as meaning that Israel was strategically important.

My own assessment is that those officials supporting the doctrine of Israel's strategic importance managed to insert another reference to it in an early draft of the speech, but others resisting this approach later diluted it. What emerged was a compromise.

Thus, the battle continues, with the final outcome still in doubt.●

"NO" TO CHINA-UNITED STATES AXIS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MICHEL. Mr. Speaker, Marvin Stone, editor of the U.S. News & World Report always provides readers with informative and balanced views of complicated situations. His editorial, " 'No' to a China-U.S. Axis," discusses the attempts of the mainland Chinese to have us, in Mr. Stone's words, "draw a common dagger with China against Russia."

At this time I wish to insert in the RECORD " 'No' to a China-U.S. Axis," U.S. News & World Report, February 12, 1979:

"NO" TO A CHINA-U.S. AXIS

(By Marvin Stone)

Once again this country is being asked to draw a common dagger with China against Russia. The Chinese make no secret of their fear of their predatory neighbor—the "polar bear." It is a fear that approaches paranoia.

The latest appeal for united action came from Vice Premier Teng Hsiao-ping during his Washington visit. It is nothing new. I heard the same appeal from the same man in December of 1975 when I accompanied President Ford on his fruitless trip to Peking.

At that time, I reported that "China would like nothing less than for the U.S. to . . . revive the cold war in its most virulent form." I left Peking with the impression that China would, in effect, like to be brought under the same nuclear umbrella that now provides Japan with assurance of support in the event of an attack by Russia.

Now, as in 1975, the United States must respond to Peking's appeal with extreme caution and with a firm grasp of its own interests in dealing with Russia. These interests sometimes parallel those of China, but by no means do the interests of the two countries coincide on all counts.

We agree with those in the administration, Security Adviser Brzezinski among them, who believe it is useful to add a little to Soviet anxieties. In this way, we give the Kremlin a greater incentive to avoid actions that might encourage us to move closer to China in its anti-Soviet vendetta.

But this is a potentially dangerous game—extremely dangerous—if it is not played with skill and, yes, even selfishness. It would be a disastrous blunder for the United States to allow itself to be drawn into confrontation—perhaps even conflict—with the Soviet Union to serve the interests of China. That is what Teng Hsiao-ping and his colleagues in Peking have in mind when they speak of "unity" against Russia.

Teng spelled out China's basic long-range strategy in 1977 in these words: "Nixon, Ford, Carter and future American imperialistic leaders all fall into this category [enemies]. They want to use the split between us and the U.S.S.R. to destroy the world socialist system in order to manipulate and lessen the Soviet threat toward themselves.

"Why can't we take advantage of the contradiction and grudge that exists between them and initiate actions that would be favorable to our national policy? We must control others and cannot allow others to control us."

While cooperation with Peking on specific issues may serve American interests, there is no reason for this country to attempt to "control" China. By the same token, the U.S. must beware that it does not allow itself to fall under Peking's influence.

Inevitably, the U.S. in the future, as in the past, will be called upon to take risks to counter the continuing challenge of Moscow's policy of opportunism around the world. But those risks must be weighed strictly in terms of our interests, not China's.

Teng, during his visit, implied that the U.S. is too timid to face up to the Soviet threat. On this score, the U.S. needs no lectures from the Chinese. After all, these are the same men who reviled the United States as a dangerous, imperialistic power during the years we were spending blood and treasure to curb the Kremlin's expansionism in Europe and Asia. They are the same men who sent their troops against ours in Korea, and sent their arms to be used against us in Vietnam.

Normalization of relations with China may change many things, but it has not changed the basic realities of world power. Those realities dictate a policy of balanced relations with the two Communist giants—recognizing the hazards of embracing Peking blindly in an anti-Soviet alliance as much as the dangers of ignoring Moscow's unremitting drive to expand. We would be wise to look out for ourselves.●

RESTORE EXCESSIVE SHELTER COST DEDUCTIONS FOR ELDERLY AND DISABLED FOOD STAMP RECIPIENTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PEYSER. Mr. Speaker, I am today introducing legislation to restore the unlimited shelter cost deduction under food stamps for elderly and disabled individuals.

The 1977 farm bill in an effort to tighten income requirements for food stamp eligibility eliminated most of the previously allowed deductions and substituted a $65 standard deduction per household with allowances for dependent care and earned income costs. The bill placed an $80 cap on shelter deductions which becomes effective March 1, 1979. Previously, all shelter costs (rent and mortgage) were allowed as deductions.

Two years ago, 81 percent of the food stamp population's income was under poverty level guidelines. The Agriculture Committee concerned that some of those remaining 19 percent had incomes far above that intended by the food program eliminated a number of deductions for medical costs, child care fees, alimony payments, taxes, and mandatory payroll withholding, work related expenses to $30 a month and other similar costs.

The purpose of those deductions was to determine as accurately as possible the amount of income a food stamp recipient had available to spend on food.

One of the most far-reaching changes effected by the new revisions was to eliminate automatic food stamp eligibility for those receiving aid to families with dependent children allotments.

Last week, notices of reductions and terminations effective March 1 were mailed to food stamp recipients in my district. Roughly speaking, some 14,000 persons in my district alone are expected to be affected not counting the Bronx portion for which figures are not yet available.

Ninety-five percent of those who called my office concerning these cuts were disabled elderly people.

A preliminary analysis by the Congressional Research Service of my constituent case studies shows that the cap on shelter deductions is the single most contributing factor in the reduction of food stamp allotments.

For instance, one of my constituents, a 77 year old woman with a severe cardiac condition receives $280 in supplemental security income and social security and pays rent of $200 a month. Under the old law before the 1977 farm bill revisions, this woman received $37 a month in food stamp benefits. Under the new law effective March 1, her benefit will be cut to $18. Under my proposal, the cap on shelter deductions would be removed and her benefit would be brought back to the $37 level.

Thus elderly and disabled food stamp recipients under my proposal would receive 30 cents in food stamps for every $1 worth of shelter deductions over the $80.

It is important to note that my proposal does not restore all of the original cuts in food stamp deductions made by the 1977 farm bill.

My bill affects only the 10 percent of food stamp recipients who are elderly and disabled. It is limited in scope to those who need it the most and therefore fiscally responsive to the expected rise in Federal food stamp appropriations that will be necessary to compensate for food price increases.

Certainly, consideration of excessive shelter costs for the elderly and disabled is in keeping with the 1977 food stamp changes designed to see that the neediest in our society have enough money to eat.●

WHY DEFICIT FINANCING CAN BE A MAJOR CAUSE OF INFLATION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROUSSELOT. Mr. Speaker, there is a never ending debate here in Congress over the causes on inflation, and what we in Congress can do to end the wage-price spiral that has engulfed the Nation. During the past several Congresses, I have introduced, and reintroduced, a balanced-budget resolution because I have maintained that the Federal Government's intentional policy of deficit spending can be a major cause of inflation.

Now, as the call-of-necessity for a balanced Federal budget is gaining momentum across the Nation, it is gratifying to see that even leaders of the Democratic Party are being awakened by the Nation's protest against rising taxes, rising deficits, and rising prices. Notably, Governor Brown, of my own State of California is calling for a Constitutional Convention to draft an amendment requiring a balanced budget in reponse to this protest. The fact is, however, that the U.S. Congress now has the power to restrain increases in Federal spending, to reduce deficits, and to balance the budget. But the majority in Congress apparently needs a mandate from the people in order to perform in a more fiscally repsonsible manner.

I am not opposed to the convening of a Constitutional Convention to draft a balanced-budget amendment, but I sincerely hope that if such a convention were convened, that the amendment adopted would include a provision to restrict the Federal Government's ability to balance the budget by raising taxes. It is not, and it has not been our intention to balance the budget by raising taxes, but it has been our intention to stem the growth in the size of the Federal Government, because, as we have seen, a burgeoning Federal Government inevitably leads to burgeoning Federal deficits.

There are two main reasons for opposing Federal deficits. First, deficit financing can be a major contributor to inflation if the deficit is financed by the Federal Reserve Bank's printing presses. When this occurs the money supply increases, but the supply of goods and services in the economy does not. As a consequence, the price level rises because there is too much money circulating in the system compared to the number of goods and services available for sale.

Said in another way, consumers, with more freshly printed paper money in their pockets, are willing to pay more for the products they desire in the marketplace, and producers, knowing of this willingness, charge more. Producers charge more, but do not produce more, because as each and every consumer tries to buy extra products with their extra cash, prices will rise as producers try to get as high a price as possible for each individual item that is already available for sale. This is the way supply and demand works in the marketplace. Therefore, it should be evident that deficit financing does not increase economic activity, although Keynesian economists believe this to be true. Rather, the creation of extra paper dollars, in excess of the amount needed to conduct the normal transactions required in the economic marketplace, merely drives up prices.

The second reason for opposing deficit financing is that if the Federal Reserve Bank did not finance the Government's borrowing, then the deficit would have to be financed with funds borrowed from the private sector. These are funds that would otherwise be used to promote economic expansion in the private economy. Such funds are vital to the creation of new capital and new jobs on our society, but unfortunately, very often these funds are used to finance Government programs of dubious repute. Our economy has been suffering from a capital shortage as a result. The decline in our Nation's productivity is testimony to this fact.

The effect deficit financing has specifically on inflation was discussed in an excellent article which appeared in the January 1979 edition of Reader's Digest entitled "What Really Causes Inflation." The article, authored by Ralph Kinney Bennett points out that controlling the money supply and the size of the Federal deficit is a necessity if we are to be successful in controlling inflation in our economy.

It is a myth, Mr. Bennett points out in his article, to believe that rising wages cause inflation, or that OPEC causes inflation, or that we can control wages and prices, while we continue to want only print money. We must recognize, as Mr. Bennett has recognized, that—

> Prices and wages are primarily signals of the changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace.

In other words, when the price of one item rises faster than other items this is a natural reflection of changing supply and demand conditions in the marketplace.

For example, if the OPEC oil cartel were to increase the price of oil, then the price of oil would rise relative to the prices of all other goods and services in the economy. We would all be poorer to the extent that we could no longer purchase as much oil and all the other items we were accustomed to purchasing before the oil price increase. But the price increase, by itself, should not be considered inflationary. Inflation means that all prices are rising, not due to changing conditions in the marketplace, but rather because the exchange rate between the common denominator, paper money, and "all" the other goods and services available in the economy has changed for the worse. There is more money in circulation, but not more goods and services. All prices must rise when this happens, but oil prices will rise even faster because of OPEC's price raising actions.

Unfortunately we have been suffering from the worst of both worlds in recent years. The oil cartel has been increasing prices; this has meant a decrease in the purchasing power of American salaries and wages. Simultaneously the Federal Government has run huge deficits which has resulted in excess money creation. So we have become poorer in two ways. We are poorer because of the oil price increase, and we are poorer because of the depreciation of the dollar. The depreciation of the dollar has meant that all prices in the economy have risen, and as prices have risen, wages and salaries have risen, and as wages and salaries have risen, taxes have risen because of our steeply progressive tax code. Now we are on a treadmill of rising deficits, rising prices, and rising taxes, a treadmill that can only be halted by cutting the growth in Federal spending. If we fail to curtail Federal spending, then surely we will deficit-finance and tax ourselves into economic oblivion.

There is, however, an alternative course of action that we can follow. If we index the tax code and restrict the Congress' ability to spend more than the amount it collects after indexing, by requiring say a three-fifths majority vote of both House of Congress in favor of such an action, then we can balance the budget and actually reduce many of the spending programs which are now heavily influenced by competing special interest groups. I would add to this rule that proposed tax increases also be subject to the three-fifths majority requirement, but that tax cuts, only require, as they do at present, a simple majority of both Houses of Congress.

In this way we will be telling the people that it is the sense of Congress that tax cuts do far more to promote economic growth, than spending increases and tax increases. For this reason we have made it easier for ourselves to enact tax cuts than spending increases, and tax increases. Spurring economic growth, and in the process, expanding the tax base, is a far better way to increase tax revenues, than by raising taxes from a shrinking tax base.

This course of action which I am proposing is a novel one, but I am sure that many will agree that it is a wise one. It will enable us to increase spending, but it will make it more difficult to do so. It enables us to decrease taxes, but still requires that the economic justifications for such tax cuts be readily apparent to a majority of both Houses of Congress.

By limiting spending, this plan enables all Members of Congress to feel more comfortable in voting in favor of cutting the heavy burden of taxes that is destroying economic incentive and productivity in our society. It also gets to the heart of the fears many of my colleagues and my constituents are expressing over rising deficits. These fears are justified. Congress has been known in the past to legislate spending programs that are wasteful, tax increases which are economically counter-productive, and tax rebates that do not improve work incentives in the marketplace. It is for this reason that we need a plan to guard against any such proposals, which although well-intentioned, can lead to the kinds of deficits that are ultimately financed by the Federal Reserve Bank's freshly printed dollars, instead of from an expanding tax base.

Mr. Speaker, I would like to review with my colleagues in Congress Mr. Bennett's article in Reader's Digest, because it lucidly describes how Federal deficits can lead to inflation, by inserting it in the RECORD. I call it to the attention of my colleagues as being pertinent to their decisions as Members of that legislative body which is charged with the power to control our Nation's purse strings.

The article follows:

WHAT REALLY CAUSES INFLATION?

(By Ralph Kinney Bennett)

How did the three-bedroom house that sold for $33,000 back in 1969 become a $96,000 house today? How could a family sedan that cost $3110 a decade ago now come in a smaller size costing $6474? How is it that the man who retired in 1969 with a $9000 annual pension and maximum Social Security benefits (benefits up 118 percent over the past ten years) now has 36 percent *less* buying power than he had then?

Inflation is the answer, of course, but what exactly is inflation? What causes the phenomenon that silently robs us of our living, that in the past 40 years has shrunk the value of the dollar to 20 cents?

To understand inflation, one must first understand what is being "inflated." It isn't prices (although they certainly are rising) and it isn't wages (also rising). It is the *supply of money*—currency and bank credit. The real wealth of the nation is the goods and services produced by its people. Money—coined or printed by the government—is merely a convenient symbol of that wealth. We give part of our wealth to the government in taxes. But the government has been spending vastly more wealth than we give it—to date, over $766 billion more. In addition, it has run up future financial commitments (Social Security, pensions, loan guarantees) in excess of *$7 trillion*—more than $71,000 per taxpayer.

How can government spend more than we give it? Usually by "monetizing" its debts, by printing more symbols than there is real wealth. That basic law of economics—the more there is of something, the cheaper it becomes—applies to dollars, too. As former Secretary of the Treasury William E. Simon puts it, "The American dollar is being debased by its own government. The real problem with the dollar is that we're printing too many of them."

This is the root cause of inflation—more money poured into the economy than the economy is worth.

Only when we accept this basic truth can we deal intelligently as citizens with the myths about inflation put abroad daily in press, classroom and government. Here are three of the most pernicious:

MYTH 1. RISING WAGES AND PRICES "CAUSE" INFLATION

Secretary of the Treasury W. Michael Blumenthal perpetuated this myth when he listed among the factors causing inflation "wage settlements that substantially exceed the productivity and real growth of the economy, [and] price increases that bring unjustified excess profits."

In our competitive system, prices and wages are primarily signals of the ever-changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace. If there is only so much money (and credit) in the system, a business cannot ignore supply and demand by arbitrarily raising its prices or by giving in to excessive wage demands. If its prices are too high, people will buy elsewhere. If wage demands are too high, business must refuse to pay them or hire fewer workers at the new rate. Competition itself, then, is supposed to keep a rein on prices.

But this real discipline of the marketplace has been circumvented by government. To pay its bills and finance a broad list of social goals, including "full employment," government generally inflates the money supply. It thereby abets higher wages and prices by fostering the notion that it will always create enough money to pay for them.

And once the money supply has been increasing rapidly for some time, prices seem to have an upward life of their own. Instead of saving, people "buy now," hoping to beat future price raises. Unions seek contracts with cost-of-living clauses. Banks lending money to be paid back in steadily cheapening dollars insist on higher interest rates.

If rising wages, in and of themselves, were inflationary, then West Germany should have one of the most inflationary economies. German workers' wages increased 236 percent in the decade 1967–77, but the inflation rate averaged about four percent annually because the government kept the money supply in balance with the real productive wealth of the economy. U.S. workers during the same period saw their wages increase 101 percent, a rise nearly outpaced by inflation averaging over six percent a year. The fact is, wages for the most part are *reacting* (in some cases over-reacting) to government-caused inflation.

What about rising prices? It is still popular to characterize the cataclysmic rise in oil prices since the oil embargo of 1973 as a major cause of inflation. But this is simply not true. The high oil prices added to our financial burdens. But they were clearly not the author of inflation.

Consider the experience of Japan and West Germany during the embargo. Unlike the United States, both countries were almost entirely dependent on foreign oil. But during the embargo, both pursued prudent fiscal policies, holding down budget deficits and keeping a tight rein on the money suoply. Result: inflation in both nations *declined*, while soaring to 12.2 percent in the United States as politicians cranked out printing-press money to finance continued deficits ($130.9 billion from 1973 through 1976). This, not an Arab hand on the oil spigot, was the reason for the rising American inflation.

MYTH 2. WAGE AND PRICE CONTROLS WILL "CURE" INFLATION

This popular delusion feeds on the first myth. "Price controls have been imposed repeatedly for more than 2000 years," notes Nobel Prize-winning economist Milton Friedman. "They have always failed." Roman emperor Diocletian used capital punishment in a futile effort to enforce controls in A.D. 301. Thousands died, and the economy was nearly wrecked.

In 1775, the Continental Congress sought to finance our infant government's debt by authorizing the issue of an almost worthless paper money. A disastrous inflation followed. The Pennsylvania legislature sought to stem it with price controls. Many farmers and businessmen refused to sell at the controlled prices. Shortages developed. The army wintering at Valley Forge in 1777–78 could not get badly needed supplies. The

army's misery, wrote John Adams, was due largely to "that improvident Act for limiting prices . . . [which] if not repealed will ruin the state and introduce a civil war."

Historical experiences like these underscore the well-known deficiencies of wage and price controls. Such controls . . .

Create shortages

Many businesses cannot or will not produce at the artificially set prices.

Result in a lowering of quality

Former "standard" features on a product becomes costly extras.

Are consistently circumvented. Black markets spring up.

Require a large and expensive bureaucracy to administer them

During World War II—our longest flirtation with controls—the Office of Price Administration (OPA) employed 65,000 bureaucrats who directed an additional 325,000 "price-control volunteers."

But, worst of all, while controls may create an illusion of being effective, they only temporarily hold down wages and prices, while the tremendous pressure of inflation continues to build up. Once the controls are lifted, the market spurts to find its natural level, and a more pronounced and damaging inflation is usually the result.

This country's most recent attempt at controls—the Nixon Administration's "Phase I, II, III and IV" program begun in August 1971—built up pressure for one of the worst inflationary explosions in U.S. history. The rate of growth of consumer prices had been in decline at the time the controls were instituted. This was the result of a cutback in money supply in the waning days of the Johnson Administration. But during the period of controls the Consumer Price Index began a steep climb, reaching almost 13 percent by mid-1974. The disaster was compounded by a harrowing confluence of events—a worldwide crop failure and the Arab oil embargo. Some people still entertain the idea that these factors caused the inflation of 1973–74. The fact is that the Nixon controls were a facade behind which government spending increased sharply.

Why then do governments return to wage and price controls, frequently with popular support? (A recent Gallup poll showed about half the respondents in favor of some form of controls.) The outcry for controls, contends Friedman, "is based on neither experience nor analysis but simply on the 'for God's sake let's do something' syndrome." However, controls are not the answer when they are imposed by a government that at the same time goes deeper into debt while printing more money to pay the bills.

MYTH 3. INFLATION IS "EVERYBODY'S BUSINESS"

According to President Carter, "It's a myth that government itself can stop inflation. Success or failure in this overall effort will largely be determined by the actions of the private sector."

While the President's assertion coincides with some theories of inflation, it contravenes the clear evidence of economic history and practical experience. As Friedman points out, "Government has an effective printing press on which it can turn out green pieces of paper, and as a result government and government alone is the source of inflation." The steady downward trend of the dollar since 1940, notes economic writer Henry Hazlitt, has been accompanied by an awesome growth of American money supply. At the beginning of 1940, U.S. currency and bank deposits totaled $52.7 billion. By January 1978, currency and bank deposits totaled $815.9 billion, an increase of 1448 percent.

Inflation in Western European countries has been routinely running high with two dramatic exceptions—West Germany and Switzerland. West Germany has kept its inflation rate around four percent; Switzerland below two percent in recent years. Both countries have displayed the political courage and citizen discipline to keep a tight rein on their budgets and on the growth of their money supply.

In the postwar era there have been three major instances of inflation being brought under control. West Germany did it in 1948—refusing to "spend" its way to prosperity by running up huge deficits. The United States did it in 1953, under President Dwight D. Eisenhower, whose prudent fiscal policies led to an inflation rate during his Administration of 1.4 percent a year. France accomplished the feat in 1958, when Charles de Gaulle halved the government's budget deficit. In each case, control was achieved by dramatic cuts in government spending and a concomitant dialing down of the money machine.

Unfortunately, neither France nor the United States stuck to its guns. That old predilection of politicians—to give (social benefits) without taking (taxing)—asserted itself. Americans now face a $500-billion-plus budget (more than $60 billion of which the government can pay for only by turning out more phony money) and surging inflation that reached an annual rate of almost ten percent last summer.

The anti-inflation plan unveiled by President Carter last October imposes wage and price guidelines on business and labor as if they were the cause of the problem. "The President did recognize the role of the budget deficit," comments Hazlitt. "But he did not promise to eliminate it—he promised only to reduce it over a period of years. This was practically an assurance that our inflation will be continued."

Clear away the myths and one discovers that the way to stop inflation is to literally *stop inflation*—stop inflation of the money supply beyond the real ability of this country to produce; stop pretending that we have more money than we really do; stop running huge deficits that can be financed only with flat dollars.

The United States cannot expect a painless extrication from the inflation in which it has found itself for almost 40 years. A broad range of programs will have to be cut back; unemployment is likely to increase temporarily. But, as economic historian and monetary expert Donald Kemmerer warns, "a nation that does not stop an inflation simply because it is politically painful to do so is essentially declaring bankruptcy." ●

OKUN POINTS TO POLARIZATION DANGER

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, an unusually fine observation about where we are and the dangers of polarization appeared in the Washington Post recently. It is an article by Arthur M. Okun, senior fellow at the Brookings Institution and an economic adviser to several Presidents.

The article was taken from a lecture he gave at Columbia University on business and society.

I am inserting his article in the RECORD at this point because I know that many of my colleagues were not in Washington shortly after the election when the article appeared in the Washington Post.

The article follows:

"THE POLARIZERS ARE HARD AT WORK"

(By Arthur M. Okun)

In establishing a capitalistic democracy, the United States has built a society on two differing foundations. The capitalistic foundation attaches top priority to efficiency—operating through market incentives for getting the economic job done in the way that obtains the most useful output from our labor, capital and natural resources. The democratic foundation, in contrast, emphasizes egalitarian and humanitarian values of cooperation, compassion and fraternity.

Because our society rests on both of those foundations, we encounter creative tensions and uneasy compromises. As individuals, we attach different weights to the two sets of values, and we reach different conclusions on particular policy issues that define the scope of the marketplace and the scope of the political process. So inevitably we disagree and we debate. And the debates are often constructive. In the broad light of history, our nation has displayed remarkable ability to hammer out the needed compromises to balance the two value systems. We have generally avoided big polarizing ideological debates that might have rocked our institutional structure off its democratic and capitalistic foundations. Yet the threat of polarization has always lurked in the background, and at times has become a clear and present danger.

The polarizers seem particularly hard at work today. By grasping at either the market or democratic value system and ignoring the other, one can readily indict our society for grave defects and grievious crimes.

Those who march under the banner of democracy point to the ugly features of capitalism. Our economic contests are motivated by greed and allow the winners to ride roughshod over the losers. There is less nutrition on the tables of many of our poor than in the garbage pails of our rich. Our egalitarian political rights are sometimes contaminated by the power bought by money.

Those who wave the banner of market efficiency see a different set of specters: high tax rates that choke off initiatives, expensive government programs that fail to accomplish their goals, a maze of regulations that impose large economic costs and that constrain individual liberty.

There is some truth in both of these diagnoses, but both are distorted and partial views that lead to fundamentally wrong and dangerous perscriptions. One would set laudable humanitarian targets and cripple the productive capability essential to hit those targets. The other would probably strengthen our productive capability, but in a manner that could destroy our social cohesion. Despite the appeals of the polarizers, the vital center in American political and social attitudes typically prevails on Election Day. These centripetal forces stem from the appreciation of the favorable features of both our capitalistic and egalitarian foundations, and from the recognition of their mutual limitations.

At bottom, most Americans know that our government and our private economy depend on each other. Many of the government's functions in promoting and regulating activity in the marketplace are not controversial; indeed, some are conducted so routinely that they tend to be taken for granted. And the same general, implicit acceptance applies to many of the contributions that our private economy makes to the vitality of our democracy. The best antidote to polarization is the joint recognition that the pursuit of our human values depends on harnessing materialism and "greed," and that the conduct of our market activity relies on the restrictive legal powers of the state and its "bureaucracy."

In my judgment, polarization is a threat to our system. And the character of that threat has changed. A decade ago, it came mainly from the left—typified by the middle-class youths who emerged from their sports cars to condemn our society for its materialism and greed, for oppressing the masses and for plundering the planet. Today, in my view, the main threat comes from the extreme right—from those who issue a blanket indictment against all government regulation and intervention, who redefine poverty as the "freedom to fail," and who basically ignore the values of democracy. The worst enemies of U.S. capitalism are a handful of its ardent proponents, who prescribe fiscal-monetary policies that would produce mass unemployment, regulatory policies that would flagrantly violate the legitimate interests of third parties, and "reforms" of government programs that would put vivid pictures of economic misery back on the front pages.

The consequences of their program would swing the pendulum of public opinion far to the left. Because I do not believe that we will adopt their program, I expect capitalism to survive and thrive in the United States. And I expect us to continue to pursue the goals of democratic capitalism, striving to make the verdict of the market more humane and the operation of our government more efficient.●

A HEALTHY DIET FOR THE NEEDY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. AuCOIN. Mr. Speaker, today I am introducing a bill which will make a significant contribution to providing a healthy diet for low income, elderly, and disabled individuals in this country. Since I first introduced this bill last year, I have received support from a wide variety of hunger and nutrition groups throughout the country.

The United States boasts a high standard of living but ironically, most of us do not have to look much beyond our own back yards to see the signs of malnutrition and hunger.

This bill is not a spending bill. My proposal amends the Internal Revenue Code of 1954 to allow a charitable deduction for the farmer who donates gleaned crops to non-profit organizations.

Legislation similar to this has already been adopted by Oregon and several other States. Its aim, and its result, has been the creation of gleaning and food bank redistribution programs throughout the country. Gleaning programs exist or will soon exist in the following States: California, Colorado, Illinois, Connecticut, Louisiana, Massachusetts, Michigan, Missouri, North Dakota, Ohio, Oregon, Texas, Utah, and Washington.

Gleaning is the process of hand harvesting crops left behind after mechanized harvest or which remains unharvested because of adverse marketing conditions. A large quantity of this food now rots in fields and orchards when it could be taken and distributed to needy individuals. The granting of this tax exemption will give farmers an added incentive to cooperate with gleaning organizations and foster the development of greater numbers of cooperative food distribution organizations in this country.

Gleaning programs are run on a self-help basis. Needy individuals are organized to go into the fields and orchards of donating farmers and hand harvest what remains. In many cases, they are then asked to share a portion of the crop with those who are physically unable to glean. Crops which can be readily gleaned include all fruits, vegetables, berries, and nuts.

How successful are these redistribution programs? Has this excess crop reached the needy?

Oregon pioneered this approach to feeding the poor, elderly, and disabled 6 years ago. Last year, 338,727 pounds of produce were gleaned in Oregon alone. The wholesale or farm produce value would have been $38,350. In Oregon, 276 farmers participated in the donor program last year and food reached 1,834 households representing 5,439 individual clients.

Gleaning is going on all over the country. Although no national figures are available for last year's harvest, I believe the Oregon gleaning statistics accurately reflect the enormous food contributions which resulted from well-organized gleaning efforts last year—contributions which would not otherwise be made.

And finally, this bill provides some welcome news to our Nation's farmers who are caught in a debilitating cost-price squeeze and have come to Washington again this year to dramatize their problems—an opportunity to help themselves a bit while helping the hungry a lot.

The spirit of self-help, cooperation, and generosity evident in gleaning programs in Oregon attest to the eagerness of people to participate in this kind of effort if given the opportunity. My bill offers them this opportunity. I urge my colleagues in the House to support this legislation.●

A RENEWAL OF FAITH ON FLIGHT 37

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. IRELAND. Mr. Speaker, at a time, when we hear so many complaints about doctors, particularly that they do not get involved in emergency situations because of their fear of malpractice suits, I would like to bring the following newspaper article from the St. Petersburg Times to your attention.

This article is, in part, about my good friend and constituent Dr. Robert Windom, of Sarasota, Fla. Dr. Windom's efforts to help a fellow passenger, who had collapsed in an airplane, demonstrate quite clearly that the vast majority of physicians take the hippocratic oath seriously, and do come to the aid of those who need them, when they need them, whatever the circumstances.

The article follows:

A RENEWAL OF FAITH ON FLIGHT 37

(By Eugene Patterson)

Roughly nine-tenths of letters to the editor are devoted to bellyaching about something or other (one of the unhappiest denunciations is: You idiot, why don't you print some happy news?).

The fact is, most editors prefer a hero story to just another report of villainy. They feel as warm inside as any reader when they can present a tale of brave astronauts landing on the moon, or of Joe Montana coming off his sickbed to quarterback Notre Dame to victory in the Cotton Bowl, or of John and Greta Rideout reconciling.

Unfortunately the bad seems to predominate in the news of this imperfect world, as well as in the mail from readers commenting on it. Surely, then, we can pause this Sunday to consider the letter Clifford E. Burt of Belleair mailed off last week to newspapers in the Tampa Bay area.

Why the wholesale mailing? "I really enjoyed writing it," he said.

"Before retirement 18 years ago," his letter began, "I enjoyed ... a decades-old cartoon, with a little old guy crouched, glowering out at the world, from the confines of a small box, over the caption, 'people are no damn good.'

"It was ... good for lots of laughs. Little did I realize, then, that the transition from somebody to nobody, during the retirement process, would cause me to react somewhat like the little old guy in the cartoon.

"But ..." — and here Mr. Burt underlined his finding for emphasis — "*the caption is not true.*"

He explained:

"Returning from a Christmas visit with daughters and grandchildren in Dallas, I collapsed on the Jan. 3 Braniff Flight 37 from Dallas to Tampa.

"In minutes, the flight's crew decided that oxygen alone would not be enough, so they asked (with my wife's permission) 'Is there a doctor on board?'

"There was—a darned good one, Dr. Robert Windom of Sarasota, who must have instantly decided 'Damn the malpractice-suit dangers! Full speed ahead!' He and the crew got me on the floor, and with lots of oxygen, some chest thumping (I assume) and lots of encouragement from nearby fellow passengers, I made it to a normal landing in Tampa.

"Now to the real point of this letter to the editor," Mr. Burt wrote: "Most people, I'm convinced, are truly interested and concerned about their fellow beings.

"Witness the reaction of my seat neighbors on that completely full Flight 37 loaded with weather-delayed, tired and frustrated holiday travelers.

"Friendly faces, asking how I felt, assuring me that my color was coming back, even treks down the aisle for reassuring pats on the shoulder.

"In such an atmosphere of kindness and concern, I didn't even think about how ridiculous I must have appeared stretched out on the floor in the aisle of the airplane.

"I wish I could reach all those good people with this letter, but of course I can't, even if you decide to print it. Maybe they have already felt some inner satisfaction from helping a fellow man with a rather severe problem.

"As for Dr. Windom, if there is a St. Peter (and I'm a firm believer in the judgment principle), he has a very bright star awaiting him.

"The Braniff flight crew were, I suppose, just doing their jobs, (but) bless their hearts. They were great.

"As for me," Mr. Burt concluded, "I'll be around."

And, he added, "If I can just avoid hearing or reading about that bunch of political yahoos in Washington, D.C., I may be able to stay out of that damn little box."

Now there, friends, is a letter that sorts out some priorities.

The asperity of that last paragraph makes it plain that Clifford R. Burt of Belleair is no Pollyanna, searching for ways to be nice and charitable to the burdened bureaucrats spending his tax money in our nation's capital.

On the contrary, one gathers he would readily take his cane, if he has a cane, to the skulls of those yahoos, the lot of them, whose misfeasances, idiocies and waste we report to him daily in the unsettling columns of this newspaper.

No, there's nothing tame about Mr. Burt, as that flare of impatience makes plain. He clearly has not been successful in making that retirement "transition from somebody to nobody," and his fellow passengers on Flight 87 didn't buy that, either.

Yet for all his efforts to crawl in the little box and regard people—not just politicians—as being "no damn good," our crusty correspondent has failed, utterly.

So he's made a public confession, out of first-hand experience, that "Most people, I'm convinced, are truly interested and concerned about their fellow beings."

And that, as far as this editor is concerned, is the news of the day.●

NEED FOR A NEW APPROACH TO THE PROBLEMS OF REGULATIONS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ERTEL. Mr. Speaker, the growth in the number of Federal regulations and their increasing impact on the private sector of our economy is increasingly becoming a source of major concern in this country.

We are all aware that many of these regulations have had major beneficial impacts on the quality of life in this country. Other regulations, however, pursue dubious goals, often at exorbitant costs. We have encountered more and more regulations which are excessive, duplicative, anticompetitive, and inflationary. A reappraisal of the entire Federal regulatory process is urgently needed to insure that regulations are appropriate and serve a real need.

Mr. Speaker, under the current committee structure of the House, every standing committee has some oversight responsibilities. While this is both appropriate and essential to the conduct of committee business, it also leads to a piecemeal approach to the problems of regulations. This growth phenomenon in the Federal regulatory process has been experienced across-the-board, and many of the issues and problems associated with this growth cut across committee jurisdictions.

Mr. Speaker, for this reason I have introduced legislation to create a Select Committee on Regulatory Affairs and Oversight. This select committee would address the broad range of questions pertaining to the regulatory process as a whole, its impact, possible means of reorganization, and congressional oversight procedures in general.

Mr. Speaker, this select committee will not have legislative authority. It is designed to study the regulatory process and its implications in order to make legislative recommendations to the appropriate standing committees. I do not believe that we can effectively deal with the problems created by Federal regulations in a piecemeal fashion. An assessment of the overall situation is a necessary precondition for effective solutions to the questions that cut across standing committee jurisdictions.

Mr. Speaker, I urge my colleagues to support this initiative in addressing these serious problems and hope that early consideration of this resolution will be forthcoming.●

MEXICAN ILLEGAL IMMIGRATION QUESTION: A BALANCED APPROACH

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, one of the most vexing problems this Nation has is the problem of illegal immigration.

Those who have simple solutions have not studied the problem in any depth.

Obviously the long range answer is to lift the standard of living of the people in Mexico. Then the incentive to come to the United States would diminish. To a great extent that is what has happened with residents of the Commonwealth of Puerto Rico. Their standard of living has improved and now there is a net outmigration back to Puerto Rico rather than to the mainland of the United States.

The New York Times recently reprinted a column by Jackie Dewey of the Star News of Chula Vista, Calif., a biweekly newspaper there.

Its sentiment and sensitivity I applaud.

The column follows:

COLD EYES—MEXICANS—WET EYES

(By Jackie Dewey)

IMPERIAL BEACH, CALIF.—It's a persistent, ratcheting, clatter—a noise that bores in and bothers and won't stop. Like the fly you can't flap away at a picnic.

You pull the warm covers over your ears, but they won't muffle the mind-picture. Because you know: Outside, a helicopter hovers, its searchlight spearing through the 4 A.M. cold and damp. Because you live on the edge of the Pacific and close to the Mexican border you know that somewhere out there are hunted human beings.

You no longer get up, put on your bathrobe, go outside and watch. You know too well how they'll look. Like bundles of limp laundry. They'll huddle and crouch till they are flushed from hiding and herded into pale green vans. They won't cry or scream or struggle. Some may run, but not far. Their faces will be blank, with no trace of dangers past, of terror now, or despair for tomorrow.

And you wonder how you came to be part of a system where it seems proper to roll over and go back to sleep, safe, warm, well-fed, in a world where there's no room for people willing to face so much danger and hardship only for a chance to work for a living.

We can't let them in, you are told; they'll lower our standard of living. What a strange thing for a country whose last Christmas spending spree was the greatest in its history. Among the more popular items bought: expensive gadgets to turn television sets into games of skill, power-driven shoeshiners, electric can openers.

And you wonder, how standard should these things be when next door it's not necessarily standard to seat three meals a day?

You make no judgments about the men who fly helicopters and drive the pale green vans and cars. Their job is hard and sad and often dangerous.

They must feel that they are standing at the bottom of an avalanche. That now and then they throw a handful of pebbles back toward the top.

Is it all an exercise in cynicism? Does anybody really think there is money or manpower enough, or walls so high, or ditches so deep as to stop a human from somehow struggling his way to a place where he will find food and warmth and hope?

As these hunted people move along the beach in their never-ending parade, you can't help but hope they'll get a break somewhere along the line.

They try so hard to blend in, but they stand out so pathetically. Sometimes they come by, evenly spaced, about 50 feet apart. How can they rush, without warning, to be at a pickup spot on time? How can they look like casual, carefree gringo sunbathers, when their suntan stops at their shirt collar and at the cuffs of their sleeves? When their haircuts are all wrong?

How can they saunter casually, when they're really running for their lives? How to hide their desperation as they try not to glance back too often to see if someone they love is keeping pace?

And then the man with the green van gathers them up, one by one. And another man with cold eyes who watches from a street end by the beach shrugs his shoulders, starts up his engine, and drives away. His camper is empty—this time.

No. When you hear the helicopter, you don't go back to sleep. And as you lie there and hurt for them, you ask yourself, isn't there, somewhere, a more human answer?●

NO TAX DEDUCTIONS FOR ALCOHOLIC BEVERAGE ADVERTISING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BROWN of California. Mr. Speaker, I recently introduced a bill which will disallow tax deductions for alcoholic beverage advertising.

The fact that the alcohol industry spends $500 million a year to advertise its products, and the total cost to the United States of alcoholism in terms of job time lost, decreased productivity, health care costs, et cetera, is $44 billion, suggests to me a pressing need to reduce the ranks of the more than 10 million Americans who are problem drinkers.

But problem drinkers are made, not born. An individual's attitudes are generally shaped by an influential adult, peers, and increasingly the mass media. We must become much more concerned about how alcohol media advertising is perceived by young people.

Psychology Today magazine, in an effort to boost its alcohol industry advertising revenue, placed its own advertisement aimed at liquor marketers in the 1978 Wine Marketing Handbook. The ad stressed the magazine's youthful audience, and said:

They're 18 to 34 years old. And they've got the new power. You can see it in the way they live. Young and successful, they're the kind of people who are first to make new drinks popular. And start new trends.

If we could be certain that alcohol manufacturers would exercise conscientious discretion, there would be little need for my bill. The liquor industry should be capable of making intelligent decisions about what aspects of their advertising campaigns affect the consumer in a negative fashion. However, the possibility of oversight is ever-present.

For example, several years ago, Hublein Inc. had to scrap its advertising campaign for "Kickers," a 30 proof pop-flavored product being marketed in 6.8 ounce milk bottle-shaped containers. The campaign depicted teenagers in the advertisements as well as used knee patches, pop art posters, and T-shirts as promotional gimmicks.

The product itself was advertised as:

The new drink that's putting cocktails out to pasture.

Drink variations included the Strawberry Sparkler, the Banana Blitz, and the Mocha Kicker.

Members of a special committee of the board of the Alcohol and Drug Problems Association registered a formal complaint to the Distilled Spirits Council of the United States and Hublein voluntarily agreed to withdraw the entire "Kickers" campaign.

The ADPA committee report said:

The campaign in our view appealed to an illegal underage market.

The committee's concern was justified by the fact that over the past 10 years the average age at which young people have their first drink has decreased from 13.6 years to 12.9 years of age.

It is a common belief that the moderate use of alcohol by very young people will help them to develop a responsible attitude toward liquor. However, there is an immediate danger if this belief is extended to include pre-teens.

"Alcohol is a special danger to children because it tends to cause hypoglycemia, which is a drop in blood sugar," said Dr. William Altemeier, director of pediatrics services at General Hospital in Nashville, Tenn. If the brain does not get enough blood sugar, brain damage or retardation could result, he said.

"We're seeing a growing number of kids who are alienated and using alcohol to escape from other problems," said Loran Archer, acting director of the National Institute on Alcohol Abuse and Alcoholism.

What is particularly frightening is the fact that even the unborn can be seriously affected by alcohol consumption. The Bureau of Alcohol, Tobacco and Firearms recently made public a report on "The Fetal Alcohol Syndrome."

This relates to alcohol's potential to cause birth defects when it is consumed by an expectant mother. A summary by Dr. Sergio Fabro, one of the project's researchers follows:

Dr. Fabro concludes in this report that the fetal alcohol syndrome does exist. He states that some alternation in brain function, growth, and facial appearance are essential for the diagnosis of the full blown syndrome. He believes that evidence so far indicates that, to produce the full blown syndrome, the level of alcohol consumption must be sufficiently high to cause easily recognisable chronic alcoholism in the mother. He also states that, while evidence indicates that with lower levels of alcohol the full blown syndrome is unlikely, "some other poor pregnancy outcome (e.g. low birthweight, stillbirth) appears possible."

As the fatal accident rate for cars, boats, and drownings involving teenagers increases, we must become more alert to which situations are inappropriate for the presentation of alcohol use in the media. The link between youth alcoholism and advertising has not been firmly established, but the Federal Trade Commission is suspicious enough of the possible connection to cosponsor research being conducted at Michigan State University.

A survey conducted at the University of Wisconsin showed that students drink more each year they go to college in order to have fun, and avoid stress. In addition, many show the symptoms of alcoholism without admitting the disease.

As the Psychology Today advertisement said, the under-35's are the trendsetters. I think it would be a terrible mistake to permit this group to become the primary practitioners of a habit which leads inevitably to a decline in physical, mental, and emotional health.●

CRUELTY OF THE STEEL-JAW TRAP

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LONG of Maryland. Mr. Speaker, I recently reintroduced legislation which would outlaw interstate commerce of pelts which originate in States that allow the steel-jaw trap. Today I am submitting 54 cosponsors to this bill.

Mr. John B. Oakes, former senior editor of the New York Times, in a recent article brought to public attention the "abominable cruelty of the leg-hold trap and the needless suffering it entails." I would like to share this article with my colleagues:

The men and women who carelessly toss the furry skin of a wild animal across their shoulder—just as their ancestors did in the forests of Northern Europe and Asia several thousand years ago—may not know it, and if they do, surely prefer not to think about it, but with few exceptions what they're really doing is flaunting evidence of many hours or even days of torture suffered by each wild animal whose pelt they wear.

There is no escape from this ugly fact, nor can it be hidden either by ridicule of the "do-gooders" who are trying to put a stop to this anachronistic form of cruelty or by the false claim that abolition of the steel leg-hold trap will destroy the fur industry.

For those who prefer facts to emotion on this touchy subject, a look at the facts will show that:

The steel leg-hold trap, as normally used on land throughout the United States and Canada, is a monstrously brutal method of capturing wild animals.

The overwhelming preponderance of wild (as distinct from ranch-raised) animals whose pelts are used in the American fur industry are caught by the steel leg-hold trap although more humane, if more expensive, alternatives are available.

Use of this trap has already been outlawed or restricted in a number of fur-producing countries and in a few American states.

The recent shift in fashion toward "fun" furs has raised the demand (and prices) for pelts of relatively common wild animals, usually taken by this barbaric device.

When the steel trap is sprung on an animal's leg, the traumatic effect has been compared to that of a car door smashing a human finger caught between the hinges. But (unless the trap has been set underwater in which case the animal fairly quickly drowns) the agony does not end there; it only begins.

The trapped animal will almost certainly thrash wildly about in terror, rage, pain and panic, breaking its teeth on the steel trap or the chain that holds it in place. Occasionally the victim will succeed in gaining freedom, after hours of struggle, by wrenching or biting off its own foot at the point where the steel jaws have already dug into the bone. This is known in the trade as "wring-off" and the animals that thus leave one paw behind them are the lucky ones.

The others—the vast majority of the millions trapped on land each year—are eventually worn out by the struggle and lie inert and exhausted, without food or water, until the trap line is visited, which may easily be two, three, or more days later. At that point, the victim at last is put out of its misery, usually by clubbing or strangulation—provided it has not already starved or frozen to death. It has been estimated by Government trappers (and the United States Government is the biggest single trapper of all with its indefensibly wasteful predator-control program) that about 75 percent of the unwanted animals caught in traps set for other species are so badly injured that they have to be destroyed.

More than six and one-half million muskrats and three million raccoons were trapped and killed in the United States in 1976–77; nearly 175,000 coyotes; 21,000 badger, (sic.) etc. etc.—to a total of more than 16 million wild animals in that year alone, taken by an estimated two million trappers, licensed and unlicensed.

Various substitutes for, or modification of, the leg-hold trap have been tried but are not in general use in this country, except perhaps for an "instant kill" trap that has its own dangers and defects.

Nearly a dozen countries, including Denmark, Norway, Sweden, and the United Kingdom, forbid use of the steel leg-hold trap. So, to a limited degree, do a few American states, including New Jersey, where a battle is going on right now to extend the prohibition to all countries in the state. Senators Harrison A. Williams of New Jersey and Birch Bayh of Indiana have introduced comparable legislation at the Federal level.

The fur industry itself has been enjoying an economic revival in the last few years, sparked in part by the new emphasis on "fun" furs trapped in the wild. The rise and use of wild-animal furs (80 percent of which

in the United States are caught in the steel leg-hold trap) accounts for a significant part of what today has become a $700 million business.

That's why it's becoming more urgent than ever that the abominable cruelty of the leg-hold trap and the needless suffering it entails be brought to the attention of otherwise sensitive men and women who through ignorance or indifference don't hesitate to wrap themselves in the skin of an animal that probably died under frightful torture.●

PAUL DOUGLAS INCIDENT CONTAINS LESSONS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, recently the Chicago Tribune had an excellent editorial commenting on the fact that the Federal Bureau of Investigation kept a file on the most distinguished, late Senator from Illinois Paul H. Douglas. In fact at one period the FBI had selected Senator Douglas as one of the persons to be jailed in time of crisis.

That becomes even more unbelievable when you view the evidence that was compiled by the FBI.

For example, one piece of evidence was the fact that a man who subscribed to a Communist paper had, as the FBI report says, "white and colored guests to his home", and he listed Paul Douglas as a reference on an employment form.

In any event the Chicago Tribune has a reasoned, sound editorial response to what took place and I hope my colleagues will take the time to read this editorial.

THE DOUGLAS FILES

For several years there has been a continuous flow of information from Federal Bureau of Investigation files about that agency's investigations of political and other public figures. During the congressional investigations of the FBI, the revelations came in a torrent. The FBI and the public relived decades of history in a short period of time, and it was not a pleasant experience. Now the flood has diminished to a trickle.

The latest former FBI target revealed from the files is the late Sen. Paul Douglas, who came to the attention of the Bureau in 1941 and remained a subject of scrutiny until 1964. In fact, at one point the FBI included Sen. Douglas' name on a list of people targeted for jailing in time of crisis.

In hindsight, the information that piqued the Bureau's interest seems innocuous. His exploratory interest in Communist activities before World War II—and that is about as serious a charge as the information warrants, even assuming its accuracy—was hardly out of line in that day's academic world. Though we at The Tribune often differed with him on economic matters, his reuptation for integrity in public service remains unblemished.

The questions these revelations raise do not concern Sen. Douglas at all. And they are not new. They concern the proper standards for government investigation of political figures, for the retention of material which has outlived its usefulness, and for the public release of material that is retained. The FBI and Department of Justice have learned from the excesses of the past. Because of the important civil liberties issues raised whenever police investigate political groups or their members, Department of Justice guidelines now set strict standards for opening and continuing such cases. Because of the danger of error inherent in lists of persons targeted for detention in times of crisis, such lists have been abolished.

These and other reforms, coupled by the emergence of a new generation of leadership in the FBI, make the revelation about the Bureau's investigation of Sen. Douglas a matter more of historical interest than current significance. It may be that a lesson from history can never be relearned too often, but it is unfortunate that the process dredges up old and salacious gossip about decent citizens like Sen. Douglas. For a person whose reputation was less well established, the excavation and publication of such material might be far more damaging.●

THE RIGHT TO LIFE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ZABLOCKI. Mr. Speaker, I am introducing today a resolution which calls for a constitutional amendment to preserve and safeguard man's basic right to life, including the life of the unborn. It is with a sense of responsibility and concern that I offer this resolution.

Mr. Speaker, I am in no way pretending to be in a position to dictate to any family the number of children they should have. I do raise the question, however, of whether any human being has the right to decide upon the death of another. The right to life is the most basic of all human rights, and it must be preserved.

Unfortunately, since the January 22, 1973 Supreme Court decision which made restrictive State abortion laws unconstitutional, legal abortions have risen at a rate of 10 percent annually. The most recent figures indicate that over 1.4 million abortions were performed last year, and abortion is rapidly becoming one of the most frequently performed surgical procedures.

Mr. Speaker, a fundamental tenet of our society and form of Government is that the State protect each of our lives until natural death occurs. Our very own Declaration of Independence, written and approved nearly 200 years ago, affirmed every individual's basic right to life:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life . . .

Yet, Mr. Speaker, on January 22, 1973, the Supreme Court made a mockery of the right to life in the Declaration of Independence. It failed to offer the protection of the laws to this God-given and most basic human right. Subsequently, we find ourselves in a society where abortion is becoming a common, everyday experience and where physicians and intellectuals freely discuss taking the lives of those whom they judge to be of no use to society.

Mr. Speaker, I, along with millions of our fellow Americans, am greatly distressed with this downward thrust of this interpretation of American laws protecting the sanctity of life. It is already clear that the Supreme Court decision of January 22 has led to excesses and abuses never intended or envisioned by proponents and supporters of the decision.

Supreme Court Justice White astutely foresaw this development in his disagreement with the Supreme Court arbitrary decision on the value of life which makes the worth of a potential human being dependent upon being wanted by his or her mother. In his dissenting opinion, Justice White argued:

At the heart of this controversy are those recurring pregnancies that pose no danger whatsoever to the life or health of the mother but are nevertheless unwanted for any one or more of a variety of reasons—convenience, family planning, economic, dislike of children, the embarrassment of illegitimacy, etc. . . .

The fact is, human life irrespective of age, health, function or condition of dependency, guaranteed under our Constitution, must be preserved and protected. The unborn have long been held to have legal rights under the law. They have property rights. They may inherit property, family names, and in some societies, family titles. The rights to property have long been affirmed by the courts of this country. As such, they deserve to be safeguarded just as an adult is protected under existing laws governing homicide.

There is, of course, the difficult moral question which arises when the mother's life is seriously endangered by the continuation of pregnancy. In this case, it is clear that abortion may be permissible. This adheres to self-defense principles long established within our body of laws. We must remember, however, that abortion statutes are written to protect the unborn child—not to serve the whims of one or both parents, social planners, or popular faddists. Furthermore, the responsibility of saving the child should be equal to the responsibility of saving the mother in those cases where abortion is necessary.

The right to life, especially for the unborn, must be reaffirmed and protected. In that spirit, Mr. Speaker, I offer the following resolution to restore this most basic human right and to insure that this right is recognized and safeguarded under the Constitution of the United States:

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. With respect to the right of life, the word 'person' as used in this article and in the fifth and fourteenth articles of amendment to the Constitution of the United States, applies to all human beings, including their unborn offspring, at every stage of their biological development, irrespective of age, health, function, or condition of dependency.

"SEC. 2. No unborn person shall be deprived of life by any person: *Provided, however*, That nothing in this article shall prohibit a law permitting those medical procedures required to save the life of the mother when a reasonable medical certainty exists that continuation of pregnancy will cause the death of the mother, and requiring that person to make every reasonable effort, in keeping with good medical practice, to preserve the life of her unborn offspring.

"SEC. 3. Congress and the several States shall have power to enforce this article by appropriate legislation within their respective jurisdictions." ●

CHILD HEALTH ASSURANCE ACT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CARTER. Mr. Speaker, I am introducing today legislation to increase the availability of quality health care for children in low-income families and for low-income pregnant women.

This legislation, the Child Health Assurance Act of 1979, is essentially the bill which the Committee on Interstate and Foreign Commerce reported to the full House last fall. As you will recall, that bill failed to be brought up before adjournment.

This Child Health Assurance Act was the product of many hearings and much consideration by Members of the 95th Congress. I believe it remains a good and a sensible approach and that it deserves the consideration of the 96th Congress. I believe that it would be very helpful in remedying the difficulties persons in need have encountered in obtaining preventive medical care.

The need for this Child Health Assurance Act is clear.

According to Health, Education, and Welfare Department estimates, 35 percent or more of all children under 15 are not fully vaccinated. That includes 19 million children who are unprotected against polio, 15 million unprotected against diphtheria, and 12 million unprotected against measles and rubella.

In addition, 10 million children in the United States never see a doctor and 5 million receive no dental care. Among low-income children, what medical treatment is received often is sporadic and occurs only after complications have set in from an illness.

In contrast to this poor record of preventive care for youngsters is the knowledge that we have the means to prevent most, if not all, of the worst effects of infant and childhood diseases and disabilities. In addition to immunizations, we have the means to treat vision problems and hearing loss, dental problems and emotional disturbances so that these major handicaps to a productive life can be overcome.

The Child Health Assurance Act, as it is formulated in the bill I am introducing, has two purposes, basically.

The first is to expand medicaid eligibility to children under 18 years of age from families whose incomes fall below the $4,200 per year per family of four standard. These youngsters would be eligible for medicaid services included in the State plan, including assessment under the existing early and periodic screening, diagnosis and treatment program (EPSDT). The CHAP legislation also allows States the option of providing medicaid coverage to children who are hard to place for adoption because of a handicapping or medical condition.

As its second aim, this CHAP bill seeks to improve the services now being offered by EPSDT.

The legislation provides for increasing the Federal share of matching rates for health assessment by 25 percentage points, to a maximum of 90 percent for the Federal share. An increase in the Federal matching rate for costs of outreach and followup administrative efforts also is proposed as an incentive for reaching as many eligible children and mothers as possible. As a third part of improving EPSDT efforts, a variety of qualified health-care providers, including private physicians, public health departments, community health centers, Head Start agencies and school systems, would be encouraged to contract with the States to perform health assessments and such followup care as their facilities permit.

To those in this Congress who are concerned about expanding services at Federal expense, let me point out that the preventive care which is being furthered through this legislation ultimately is the most cost-effective health care we can provide. I urge the Members of this body to take a long-range view of the health of our Nation's children. Routine preventive care now helps reduce serious and costly medical problems later. But more important, dollars spent now contribute to the healthy development of our Nation's youngsters. Our children are truly our future, and I urge my colleagues to carefully weigh this investment in that future.●

CARTER FOREIGN POLICY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DERWINSKI. Mr. Speaker, frustration, more than any other sentiment, expresses my opinion on the Carter administration's foreign policy, which at this point is in a state of near chaos. An example of this is the situation in Rhodesia which is the subject of an editorial in the February 1, Chicago Tribune. I insert it for the Member's attention:

RHODESIA'S VOTE, CARTER'S PROBLEM

As expected, the white voters of Rhodesia have overwhelmingly approved a constitutional change providing for the election of a black-led government in a one-man, one-vote election on April 20.

There could hardly have been any other outcome. To have rejected the biracial government's plan would have been to assure civil war and the destruction of the country. Besides, the approved plan includes some safeguards designed to protect whites at least until a new government has had a chance to prove that a biracial society can work in Rhodesia as well as it has worked in Kenya and the Ivory Coast.

This isn't to say that peace is now assured; far from it. What the vote does do, though, is to force the United States and Britain to reexamine the remains of their Rhodesia policy.

They can persist in their vindictive attitude that the Ian Smith government is "illegal" and continue to refuse to do anything to help it—a policy which has already brought the country to the brink of civil war.

Or they can acknowledge that the Smith government has gone a long way toward meeting the conditions once laid down for Anglo-American support. These include a willingness to meet with the guerrilla leaders (it is the guerrillas who refuse) and the scheduling of a free election in which all blacks can take part (the guerrillas refuse to take part in an election).

To acknowledge this would mean to give up the Carter administration's insistence that the guerrillas be included in an all-party conference and in any new government, and to reconsider the United Nations' economic sanctions against Rhodesia which the United States (and very few other western countries) observes.

Last summer the Senate agreed to continue the sanctions only after a compromise provision was added (the Case-Javits amendment) authorizing President Carter to end the sanctions unilaterally if the Smith government held free elections and committed itself to negotiate with the guerrilla leaders, Joshua Nkomo and Robert Mugabe.

These conditions are being met, however reluctantly, by Mr. Smith and his black partners. To persist in the Carter administration's policy is in effect to give the guerrillas veto power over any change in this policy, simply by refusing to talk to the Smith government. And, in the process, it will assure a civil war which the guerrillas, with arms from the Soviet Union and troops from Cuba, expect to win. Without a change in Anglo-American policy, time is clearly on their side.

Matters have deteriorated so far already that even an abrupt change in our policy may come too late. Former Sen. Dick Clark of Iowa, a formulator and champion of our present nonpolicy [along with U.N. Ambassador Andrew Young], undertakes to defend it on the Op-Ed page of Tuesday's New York Times by saying that even if the sanctions are lifted, "it will have little or no impact on the outcome. . . . It would come at the 11th hour, when the prospects of peace in Rhodesia and the influence of the U.S. government will be at their lowest point ever."

Better, in Mr. Clark's view, to stick aboard the ship as it plunges toward the rocks than to admit that maybe we've been on the wrong course and a change is in order. Even Britain's Prime Minister Callaghan has sadly accepted the report of his latest mission to Rhodesia that Anglo-American policy is at a dead end.

Having thus bungled the defense, Mr. Clark proceeds to bungle the offense. "Few members of Congress," he says, "are familiar with the complexities of the Rhodesian war." How true. And they include people like Mr. Clark who persist in viewing African politics purely as a black vs. white issue in terms of the U.S. experience. They are suspicious of any blacks who try to work with whites toward a biracial solution that might save their country from destruction.

The truth is that African blacks are them-

selves badly divided by tribal rivalries. This is clear even in countries such as Nigeria and Zaire, that have been independent for nearly 20 years. And if Rhodesia plunges into a full-scale civil war, the fighting will not be between blacks and whites so much as between members of the aggressive but minority Matabele tribe, which generally represents the guerrillas, and the more passive, majority Shona tribe, represented by the black partners in Ian Smith's government.

Is this the goal of American foreign policy?●

KEY ISSUE OF VERIFICATION STUDIED CAREFULLY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, by far the finest article I have seen on the key question of verification on the SALT II agreement appeared in the Scientific American of February 19, 1979, offered by our colleague from Wisconsin, LES ASPIN.

It is a lengthy article and there may be those who are discouraged from reading it by its length. I hope that barrier will be overcome by many of my colleagues and their staffs. Obviously the SALT II agreement is a major decision for this Nation and while the Members of the House will not be voting on it, we will frequently be asked our opinion and we will help shape public opinion.

This thorough analysis by LES ASPIN is a great public service and I commend him and the magazine for its publication:

THE VERIFICATION OF THE SALT II AGREEMENT

(By LES ASPIN)

[Graphs and map not printed in RECORD.]

The keystone of any international arms-control agreement is the ability of each side to make sure the other side abides by it. Without adequate verification of compliance agreements such as the bilateral strategic-arms pacts between the U.S. and the U.S.S.R. are bound to collapse. As the Senate prepares to debate the ratification of the new treaty emerging from the second round of strategic-arms-limitation talks (SALT II) between the two superpowers, charges that the Russians will seek to evade its provisions are beginning to be heard. The charges raise several fundamental questions of verification: How could the U.S.S.R. go about cheating? How could the U.S. discover such violations? What would the U.S.S.R. stand to gain and what would the U.S. stand to lose if the Russians were to violate the SALT II treaty? Let us examine each of these questions in turn to ascertain just what the real problems of verification are.

The SALT II agreement will apparently consist of two basic parts: a treaty lasting through 1985 and a protocol lasting through 1982. A summary of the various provisions included under these two headings is given in the illustration on the opposite page.

The new SALT treaty will provide in the first instance for a gradual reduction in the total number of strategic offensive-weapons launchers allowed on each side, from 2,400 at the time of ratification to 2,250 by 1982. For the purpose of the treaty strategic launchers are defined in such a way as to include land-based intercontinental ballistic missiles (ICBM's), submarine-launched ballistic missiles (SLBM's) and long-range heavy bombers.

The U.S.S.R. could try to evade the ceiling on the total number of strategic launchers in three ways: by deploying new types of strategic weapons, by deploying more weapons of the existing types or by converting nonstrategic, tactical weapons into strategic ones (for example by increasing their range).

The first of these cheating methods—deploying new types of strategic weapons—is perhaps the least feasible and most easily detectable way in which the U.S.S.R. could violate the SALT II total-launcher ceiling. The introduction of a new strategic weapon involves at least five stages: research, development, testing, production and deployment. At any one of these stages the present ability of the U.S. to detect clandestine activity on the part of the U.S.S.R. ranges from fair to excellent. The key point, however, is that the Russians would have to disguise all five stages and the odds against their successfully doing so are extremely high.

Consider the ways in which the U.S. is currently able to monitor just one of these stages: the testing of strategic launchers. U.S. line-of-sight radars can identify the distinctive "signature of reflected microwaves associated with each major type of Russian missile. In addition over-the-horizon radars can penetrate deep into the interior of the U.S.S.R. and recognize the characteristic pattern each type of missile makes when it disturbs the earth's ionosphere. Early-warning satellites, originally designed to detect a Russian ICBM attack, can also serve to monitor missile tests; the infrared sensors on these satellites can identify the rocket-exhaust plume of a missile as it is being test-fired. Finally, the U.S. has a complex array of sensors, including assorted photographic gear, on ships and planes that routinely monitor missile-test impact areas on the periphery of the U.S.S.R. and in the Pacific. The information gathered from these sources can be used to distinguish new types of missiles from old ones.

In short, the "national technical means" of surveillance available to this country for observing Russian missile tests are multiple, redundant and complementary. They enable the U.S. to detect all long-range missiles fired from test sites in the U.S.S.R. They are, in fact, far more reliable than most human intelligence gathering (that is, spying), which may yield second-hand, dated information or even false, planted information.

To repeat, testing is only one of the five steps that must be taken before a new weapon is ready to be introduced to the strategic arena. Other means of detection could uncover a Russian attempt to evade this particular treaty provision either before testing (during the research and development stages) or after testing (during the production and deployment stages).

The second method potentially available to the U.S.S.R. for cheating on the overall strategic-launcher ceiling—deploying additional weapons of existing types—is more difficult to monitor than the first cheating method, but here the detection capabilities of the U.S. are still very good indeed. The national technical means of surveillance adopted by this country are particularly effective in detecting the production and deployment of additional missile-carrying submarines and heavy bombers.

Strategic submarines are large ships, displacing between 8,000 and 9,000 tons and measuring more than the length of a football field. They are hard to hide. Moreover, there are only two shipyards in the U.S.S.R. that currently build submarines of this type. Both these two sites and other potential sites for constructing submarines are constantly watched. Even if a new missile-carrying submarine were to be built under impenetrable cover (assuming the simultaneous successful disguising of all support activities), the new submarine must eventually leave its shipbuilding ways. From that point on there would be innumerable opportunities for observing it. The deployment of additional missiles on Russian submarines also cannot go undetected.

Similarly, the detection of any increase in the number of heavy bombers in the Russian air force is a fairly straightforward task. The production lines for the two existing types of heavy bomber, referred to by U.S. military analysts as the Bear and the Bison, have long been closed. Renewed production of these two aircraft could be detected by the U.S. with a high degree of confidence, as is evident from the demonstrated ability of this country to monitor the production of much smaller pieces of Russian military equipment, such as tanks. The additional deployment of heavy bombers would also be hard to hide. There are no more than 10 heavy-bomber airfields in the U.S.S.R., and all of them are closely watched by U.S. surveillance satellites. If the Russians were to decide to build new airfields equipped to handle such planes, their detection would be easy; runways cannot be hidden underground. If, as some strategic planners expect, the U.S.S.R. were to deploy a new type of heavy bomber by the early 1980's, it too would be readily detectable.

Detecting the deployment of additional land-based strategic missiles would be only a little more difficult. Given the current Russian practice in such matters, the U.S. can reliably identify by means of satellite photography such telltale activities in the U.S.S.R. as the construction of new ICBM silos and the transport of missiles to new deployment sites. The emplacement of command-and-control systems and associated support equipment can also be detected.

If the Russians were to attempt to hide these activities, they would probably have somewhat more luck than they would with strategic submarines. After all, land-based ICBM launchers are smaller than submarines, and there are vast interior areas of the U.S.S.R. in which they could be built or based. Even in the case of additional ICBM's, however, the likelihood of successful large-scale deception is very small. The Russians might try to build more ICBM launchers in the open, on the assumption that the vastness of their country would hide the violation, but that would be a mistake. U.S. surveillance satellites currently provide complete photographic coverage of the U.S.S.R. at frequent intervals. If suspicions are aroused by the regular large-area survey photographs, "close look" cameras can be ordered to rephotograph the area in question, providing more detailed information. The present generation of high-resolution cameras on U.S. surveillance satellites are theoretically capable of making a clear photograph of an object one foot across from an altitude of 100 miles. Photographs at this resolution would leave little doubt about the nature of the activities in question.

Alternatively the Russians could attempt to deploy additional ICBM's under camouflage or at night. U.S. satellites, however, are now equipped with multispectral sensors that can penetrate camouflage and can also observe nighttime activity. Infrared sensors are particularly good at detecting underground missile silos and silos that have been camouflaged. As long as the ground in the immediate vicinity of the suspicious object is at a different temperature from that of the surrounding terrain (or has different infrared-emission characteristics) an underground or camouflaged missile silo will stand out in the infrared image.

Primarily because of the time it takes for U.S. photoanalysts to process the data contained in such satellite pictures, small-scale violations might be hard to identify. Any sizable effort to cheat (say a clandestine addition of 100 ICBM's), however, would surely be detected.

The third method of cheating on the overall strategic-launcher ceiling—converting nonstrategic weapons into strategic ones—presents a more challenging problem of verification. Two notable examples of Russian intermediate-range weapons that could be made long-range (and therefore strategic) weapons are the Backfire bomber and the SS-20 intermediate-range ballistic missile (IRBM).

There is little disagreement within the U.S. intelligence community that the primary purpose of the Backfire is to carry out missions in areas peripheral to the U.S.S.R. (such as Europe and China). Roughly half of the Backfires deployed so far have been assigned to naval-aviation missions, and the rest are part of the U.S.S.R.'s medium-bomber force. There is also little question, however, that the Backfire has some intercontinental capability, specifically for one-way missions with recovery in a third country, for round-trip attacks against the western U.S. and, provided the bombers are refueled in flight, for even longer round-trip missions.

Although the SALT II treaty will exclude Backfires from the overall count of strategic launchers, the treaty will be accompanied by a variety of assurances (some in the form of unilateral statements) that will limit the strategic value of the aircraft. These assurances could include limits on the production and deployment of the Backfire, restrictions on the employment of the bomber in conjunction with tanker aircraft capable of in-flight refueling and limits on the bomber's range and payload. Of these assurances the easiest to verify would be the limits on production and deployment (even assuming deception), simply because of the size and complexity of these activities. These constraints are as applicable to the Backfire as they are to the strategic Bear and Bison bombers discussed above.

Verifying tanker restrictions would be a little harder, U.S. Air Force pilots testify to the difficulty of midair refueling. It is extremely doubtful that the Russians would actually try to refuel Backfires during a war without having attempted some practice runs, and practice runs can be monitored by a variety of means, including listening in on aircraft communications. If the Russians wanted to take their chances and attempt wartime refuelings without rehearsals, however, there is no guaranteed means of verifying any such restrictions on tanker employment.

The most difficult of the SALT II Backfire assurances to verify involve the plane's characteristics, specifically its range and payload. Even with unhindered surveillance there has already been some dispute among U.S. analysts over the range of the Backfire. Assuming skillful and determined cheating on the part of the U.S.S.R., both the range and the payload of the Backfire could probably be disguised.

The other intermediate-range weapon that could be converted into a strategic weapon is the SS-20 IRBM. The SS-20 is not covered by the SALT II treaty, since its present range (3,000 kilometers) is less than the 5,500-kilometer lower limit used to define ICBM's. The potential problem stems from the fact that the SS-20 comprises the first two stages of the advanced three-stage SS-16 ICBM; moreover, the mobile launcher for the SS-20 is identical with that for the SS-16. By surreptitiously stockpiling SS-16 third stages and payloads the Russians could at some point in the future be in a position to upgrade SS-20's into SS-16's on short notice. This course of action could provide them with a significant numerical increase in their ICBM force with very little warning.

The SALT II agreement, however, will specifically ban the further production, testing and deployment of the SS-16 ICBM and will further require that existing SS-16's be dismantled. Thus if the Russians were to try to augment their ICBM force by adding a third stage and a different payload to the SS-20's, in effect making them SS-16's, they would be doing so without any opportunity for testing the new system. The existing prototype models of the SS-16 have not been tested in almost two years, and the last test was apparently a failure.

In short, the issue of upgraded SS-20's turns out to be another testing issue. To have any confidence in upgraded SS-20's, particularly enough confidence to satisfy traditionally conservative Russian military planners, the U.S.S.R. would have to test some of them, and as was pointed out above surreptitious testing of new strategic missiles by the U.S.S.R. is a practical impossibility.

The problem of preventing the Russians from converting nonstrategic weapons into strategic ones is complicated by one other factor: the existence of between 90 and 100 "reconfigured" heavy bombers in their arsenal. These aircraft have been modified to serve in reconnaissance and antisubmarine-warfare roles, but they still retain their bomb bays. Any further permanent change in the configuration of most of these aircraft could be detected in time. Nevertheless, about a dozen of these planes were originally built in such a way that they could be rapidly converted into heavy bombers at their airfields, making prompt verification of their nonstrategic roles extremely difficult.

Besides limits on the number of launchers, the SALT II treaty will contain numerical limits on missiles equipped with multiple independently targetable reentry vehicles (MIRV's) and on bombers equipped with strategic air-launched cruise missiles (ALCM's). According to the treaty, the sum of these two types of systems will not be allowed to exceed 1,320. Furthermore, no more than 1,200 MIRVed missiles will be allowed on each side, and MIRVed ICBM's will be limited to 820.

Strategic weapons launchers	Launchers deployed	Warheads per launcher	Total warheads
MIRVed:			
Minuteman III ICBM	550	3	1,650
Poseidon C-3 SLBM	496	10	4,960
Subtotal	1,046		6,610
Not MIRVed:			
Titan II ICBM	54	1	54
Minuteman II ICBM	450	1	450
Polaris A-3 SLBM	160	[1] 1	160
B-52D Bomber	79	4	316
B-52G, B-52H bombers	269	4	[2] 1,076
Subtotal	1,012		3,556
Total	2,058		10,166

[1] 3 MRV's.
[2] Plus 1,500 SRAM's.

Note.—U.S. strategic arsenal is broken down in this table into 2 broad categories: weapons launchers that carry multiple independently targetable reentry vehicles and those that do not. The number of nuclear warheads indicated for the Poseidon C-3 SLBM is believed to be an average figure. The number of B-52's available for strategic missions is an estimate. The number of warheads per strategic B-52 listed represents the standard loading; the B-52H and B-52G aircraft carry an additional complement of nuclear-armed short-range attack missiles (SRAM's). The 3 reentry vehicles on the Polaris A-3 SLBM are not independently targetable and hence are not counted as MIRV's. Cruise missiles and FB-111 bombers are omitted.

Strategic-weapons launchers	Launchers deployed	Warheads per launcher	Total warheads
MIRVed:			
SS-17 ICBM	100	1 or 4	
SS-18 ICBM	170	1 or 8	~2,500
SS-19 ICBM	320	1 or 6	
Subtotal	590		~2,500
Not MIRVed:			
SS-9 ICBM	130	1	130
SS-11 ICBM	620	[1] 1	620
SS-13 ICBM	40	1	40
SS-16 ICBM	20	1	20
SS-N-6 SLBM	528	[2] 1	528
SS-N-8 SLBM	286	1	286
SS-N-17 SLBM	16	1	16
SS-N-18 SLBM	96	1	96
Bear bomber	100	2	200
Bison bomber	40	2	80
Subtotal	1,876		2,016
Total	2,466		~4,500

[1] 3 MRV's.
[2] 2 MRV's.

Note.—Russian strategic arsenal is estimated in this table on a similar basis. In accordance with the new SALT II "counting rules" the MIRV subtotals shown here include some 135 ICBM's that have not yet been MIRVed and hence still carry single warheads. In addition the intermediate-range bomber referred to by U.S. military analysts as the Backfire is omitted. In general numerical tallies of this kind fail to reflect substantial U.S. advantages over the U.S.S.R. in terms of missile accuracy and reliability. Moreover, such tables do not include the fact that the U.S. has thousands of tactical nuclear weapons capable of reaching targets in the U.S.S.R., where the U.S.S.R. has none in a comparable position to reach targets in the United States.

There are four ways the Russians might try to increase their combined MIRV/ALCM total beyond the treaty limits: by constructing new ICBM silos and SLBM submarines for the additional MIRVed missiles; by substituting MIRVed missiles for unMIRVed ones in existing missile silos or submarines; by deploying MIRVed payloads on unMIRVed missiles in existing silos or submarines, and by placing strategic ALCM's on additional bombers.

The first way the U.S.S.R. might try to evade the MIRV/ALCM ceiling—constructing new silos and submarines for MIRVed missiles—would clearly be unfeasible, since (as was pointed out above) any cheating on the total number of such strategic launchers can be detected by the U.S. with a very high degree of confidence.

The second way the Russians could exceed the MIRV/ALCM ceiling would be by substituting MIRVed missiles for unMIRVed ones in existing silos or submarines. The U.S.S.R. currently has a number of silos and submarines containing unMIRVed missiles. Detecting their surreptitious replacement with MIRVed missiles requires that the U.S. know which Russian missiles are MIRVed and which silos and submarines contain which missiles.

In the SALT II negotiations both sides have agreed that all missiles of a type that has been tested in a MIRVed mode or has

been fired from a launcher with a MIRVed warhead would be counted against the MIRV ceiling. The U.S. proposed this counting rule precisely because it facilitates verification. U.S. analysts already know from extensive observation which of today's Russian missiles are "MIRV-capable," and future MIRV-capable ICBM's and SLBM's can be detected at the test stage.

Although the U.S. knows which Russian missiles are MIRVed, another question remains: Is it possible to tell which silos and which submarines contain which missiles? The answer is again provided by the known differences among missile systems. First, Russian silos that contain MIRV-capable missiles are significantly different in appearance from those that contain unMIRVed missiles. Second, MIRVed launchers require different command-and-control systems, support equipment and other facilities, all of which are observable with existing U.S. satellites.

The various types of missile-launching tubes on strategic submarines can also be identified by U.S. surveillance satellites. Any attempt by the Russians to install existing MIRVed SLBM's on submarines with unMIRVed missiles would require the alteration of the launching tubes, the replacement of fire-control systems and other extensive modifications. These would take time; even a routine overhaul of a nuclear submarine takes from 30 to 36 months. Under the circumstances the changes would certainly be detectable.

Another method of evading the MIRVed-missile limits would be to take an unMIRVed missile and replace just its warhead. If the Russians were to deploy MIRVed payloads onto unMIRVed missiles in existing silos or submarines, that would be very hard to detect. Fortunately no such transferable payloads exist now, and the current generation of Russian missiles have design characteristics that make it virtually impossible to transfer MIRV payloads from the new MIRVed missiles onto the old unMIRVed ones.

A final method of evading the MIRV ceiling would involve placing strategic cruise missiles on additional bombers. The treaty places a ceiling of 1,220 on the total number of MIRVed missiles plus bombers equipped with ALCM's. Could the Russians exceed that ceiling by producing more than the allowed number of ALCMed bombers?

For the foreseeable future the U.S. will be able to tell which Russian bombers are equipped with cruise missiles, since Russian cruise missiles are externally mounted and therefore visible. Internal mountings would present a problem, but so far the Russians have none. Internally mounted cruise missiles would be detected most readily at the time of their introduction, because the aircraft involved would presumably have to be sent to some central facility to be modified, and the U.S. follows the activities at such facilities quite closely.

The verification of the limit on internally mounted cruise missiles will be eased considerably by the adoption in the SALT II accord of a "type" rule, which states simply that if one bomber of a given type carries ALCM's, all bombers of that design would be counted as ALCMed bombers. Counting which bombers have cruise missiles, however, is not the same as verifying which bombers are strategic. Bombers might be fitted with cruise missiles that had short ranges, which would not qualify them as bombers armed with strategic cruise missiles. Bombers might also be fitted with long-range cruise missiles carrying non-nuclear payloads. Hence a separate and far more complicated problem is determining whether cruise missiles on bombers have strategic ranges (in this case more than 600 kilometers) and strategic payloads.

Under normal conditions the U.S. can obtain adequate if rough estimates of these characteristics, but there is no systematic way of verifying the range of deployed cruise missiles. Significant differences would be revealed neither by the missile's exterior nor by its flight test. Unlike ballistic missiles, cruise missiles do not have to be tested at full range or even near it for the military to have confidence in their performance. Like aircraft, they can be flown for a limited time under cruise conditions, and their range can be estimated on the basis of the amount of fuel consumed. As it happens, the U.S. Joint Chiefs of Staff do have good estimates of the range of existing Russian cruise missiles, and the U.S.S.R. does not yet have air-to-surface cruise missiles capable of strategic ranges. Moreover, the Russians are not expected to have many long-range ALCM's for a number of years, and so it is unlikely that they could exceed the numerical restrictions in the SALT II treaty before it expires in 1985.

As for the payloads of cruise missiles, there is no way at present to distinguish a nuclear-armed cruise missile from a non-nuclear one by external observation. Once again, however, the Russians are not expected to have long-range ALCM's with either nuclear or conventional warheads for a number of years, so that violations of this provision before the treaty expires are unlikely.

Assuming that the Russians do perfect strategic ALCM's, the U.S. would still not be at a loss. If the Russians were to begin refitting existing aircraft with new ALCM's, suspicions would be aroused and the U.S. would be aware of the potential for cheating. Even if a new Russian bomber were equipped with ALCM's but the U.S.S.R. falsely asserted it was not strategic and the U.S. was not able to contradict the assertion, it is doubtful that more than about 130 bombers would be available before the expiration date of the treaty.

The SALT II treaty will also contain a sublimit on the number of modern large ballistic missiles (MLBM's) allowed on each side. Any missile larger than the Russians' SS-19 (which has a "throw weight" of about 8,000 pounds) will count as an MLBM; any missile larger than the largest ICBM currently in the Russian inventory (the SS-18, with a throw weight of roughly 16,000 pounds) will be prohibited. The debate over the substitution of SS-19's for SS-11's after the signing of SALT I provides ample evidence of the sophistication of U.S. monitoring techniques. The dispute turned on the question of whether the installation of SS-19's in SS-11 silos violated the SALT I provisions covering the substitution of "heavy" missiles for "light" ones. The consensus following the debate was that the substitution by the Russians did not violate the letter of the SALT I treaty but that it was inconsistent with one of the unilateral statements made at the time by the U.S. The main point here, however, is what the discussion revealed, namely that the U.S. knew precisely how much larger the SS-19 was than the SS-11.

The SALT II treaty will also prohibit "rapid reload" systems. The purpose of this provision is to protect against the possibility that the U.S.S.R. would stockpile extra ICBM's and fit them into existing launchers once a first salvo had been fired. Loading a 50-ton missile into a silo is considerably more complicated than putting a cartridge into a rifle. The elaborate equipment around existing silos necessary for such a system to work, to say nothing of the storage sites for extra missiles, would certainly be detectable with existing satellites. The Russians could scatter the equipment and extra missiles far from the silos and probably avoid detection in that way as long as they did not test the resulting system; they would then, however, not have a rapid-reload capability, and so there would be no violation of this particular provision.

In addition to the treaty lasting until 1985 the SALT II agreement will contain a protocol lasting until 1982, and there will be verification issues in the protocol too. One part of the protocol will ban the deployment and testing of mobile ICBM launchers. The potential for violation of this section lies in the possible deployment of the existing SS-16 ICBM in a mobile mode; no other mobile ICBM is expected before the protocol expires. There is no question of the ability of the U.S. to ascertain that the Russians have deployed a mobile land-based system. Nevertheless, under certain deceptive basing schemes such as the multiple-aim point, or "shell game," options discussed recently (which involve the construction of hundreds or even thousands of shelters, only a fraction of which contain missiles), verifying the actual number of missiles deployed would be very difficult.

The SALT II protocol will also ban the flight testing and deployment of ground- and sea-launched cruise missiles capable of ranges in excess of 600 kilometers. Since the ranges of cruise missiles cannot be determined accurately in the event of conscious deception, such a ban will not be verifiable.

The flight testing of U.S. cruise missiles has only recently begun, however, and these weapons are not scheduled to be deployed in militarily significant numbers until after the SALT II protocol expires. Current Russian cruise missiles are primitive technologically. The U.S. is far more advanced in the development of compact warheads, computer-guidance systems and small turbofan engines, the technologies that are the key to small but long-range cruise missiles. The U.S. Department of Defense has stated that in cruise-missile technology the U.S. is "10 years ahead of the Russians" and that U.S. cruise missiles now under development are "two or three generations" ahead of current Russian weapons.

There are nevertheless some existing Russian sea-launched cruise missiles that exceed the 600-kilometer limit by as much as 250 kilometers. Because of their primitive design, however, they are very large. Since any attempt to begin new deployments is observable, and since the Russians have no capability for deploying new, long-range ground- and sea-launched cruise missiles until after 1982, there is virtually no potential here for violations by the U.S.S.R.

The SALT II protocol will include certain limitations on the flight testing and deployment of new types of ballistic missile. Although a full assessment of the associated verification problems depends on a detailed analysis of these limitations, there is reason for optimism. New ballistic missiles can be detected at the test stage, and added deployments of new missiles would be one of the easiest violations to detect.

The ability of the U.S. to detect potential violations of the SALT II agreement by the U.S.S.R. can be summarized in terms of three broad levels of confidence. First, there are the numerous cheating methods for which the verification capabilities of the U.S. are excellent, and the possibility of successful evasion on the part of the U.S.S.R. is remote. These contingencies include all the areas in which major violations by the U.S.S.R. could upset the present strategic "balance of terror": the deployment of new strategic weapons, the addition of even small numbers of bombers and SLBM's, the deployment of additional ICBM's on either a large scale or a moderate scale, the upgrading of the SS-20 missile to the status of a strategic weapon (unless it is upgraded without ever being tested), the deployment of additional MIRVed missiles or ALCMed bombers (in the absence of radically different systems), the upgrading of smaller missiles into modern large missiles and the introduction of rapid-reload systems.

Second, there are several areas in which the verification capabilities of the U.S. are at present quite weak. In all these cases, however, the possible cheating is not militarily significant. The problems of verification include detecting the small-scale deployment of additional ICBM's, monitoring the operational characteristics of the Backfire bomber, verifying that an untested SS-20 upgrade system does not exist and verifying the status of a limited number of heavy-bomber variants.

Third, there are a few areas, mainly those involving cruise missiles and transferable MIRV payloads, in which the U.S. may face serious verification problems at the next stage of the SALT negotiations. Although the Russian cruise missiles of today are primitive, at some point in the future it will be virtually impossible to determine whether the range of a given Russian cruise missile is long enough to be considered strategic. The U.S. will also not be able to determine whether the payload of a given Russian cruise missile consists of conventional explosives or nuclear explosives. Furthermore, counting cruise missiles accurately will never be easy.

At present the payloads of the MIRVed Russian missiles are so different from their single-warhead payloads that the MIRV's cannot be installed on the old missiles. If the Russians eventually develop a transferable warhead, the U.S. could then face a serious verification problem.

The issues of strategic cruise missiles and transferable payloads are not problems of any great magnitude for the duration of the SALT II agreement. Looking forward to a SALT III pact in the mid-1980's, however, the verification problems are certain to be much more difficult.

In general the surveillance capabilities of the U.S. cited in this article are almost certainly underestimated. The reason is that the assessment considers only those methods of intelligence gathering that can be firmly relied on, such as satellite photography. Actually there is a great deal of other information the U.S. intelligence community receives that cannot be guaranteed in advance. For example, U.S. monitoring of internal communications and signals within the U.S.S.R. might pick up evidence of some activity that is not detectable by satellite photography. An undetected violation might even be revealed by a defector, whose defection could never be assumed in advance. Data obtained under such fortuitous circumstances would undoubtedly reduce even further the chances for successful violations.

The potential for violations is also overstated here because inordinately skillful cheating by the U.S.S.R. has been assumed throughout, a routine assumption in assessing one's own verification capabilities. It may not necessarily be a realistic assumption, however, because even the best-laid plans of a nation attempting to cheat can go awry.

Take, for example, the one known case in which the U.S.S.R. attempted a significant covert strategic-arms buildup: in Cuba before the missile crisis of October, 1962. Although the Russians clearly wanted to hide the emplacement of offensive missiles in Cuba, they were quite inept at doing so. On several occasions standard operational procedures and routines, which are necessary for the functioning of any large organization and are notoriously inflexible, betrayed their plans. For cheating to be successful everything must work perfectly. In the real world, however, unforeseen events upset plans. To be sure, one cannot count on any particular scheme's going awry, but any nation would be foolish to count on its not happening.

There has already been a heated debate in the U.S. concerning possible Russian violations of the SALT I agreement. That experience has raised a number of questions about the intentions of the Russians regarding their compliance with existing treaties, but it has not raised any questions about the ability of the U.S. to monitor what the Russians are doing. Indeed, the very basis for the allegations that violations have taken place is the detailed information the U.S. intelligence services have gathered on Russian actions since the SALT I pact was signed. The debate has centered not on what the Russians' actions have been but rather on what their actions mean. If the U.S.S.R. had engaged in illegal behavior that had gone unnoticed, this would obviously raise doubts about the detection capabilities of the U.S., but no one has even hinted that this might be the case.

So far only the potential for undetected violations has been considered here. An equally important issue is whether the Russians would attempt to cheat if they felt they could get away with it. The potential for violations is small; the likelihood of violations seems even smaller.

First, the SALT II framework provides enormous leeway for both sides to pursue strategic programs without cheating. Although the Russians would be able to build substantially larger forces without SALT II, they can still do much under the terms of the treaty. They can scrap existing missiles and replace them with more reliable and more accurate models. They can greatly increase their inventories of multiple-warhead missiles. They can direct a greater effort into areas not prohibited by SALT II, such as antisubmarine warfare, that could be perceived in the U.S. as threatening.

Second, even if the Russians became dissatisfied with the SALT II agreement after signing and ratifying it, they still would not necessarily cheat. Several alternatives might seem at least as attractive, if not more so: seeking the renegotiation of certain provisions, seeking to modify the terms of the SALT II pact in the SALT III negotiations, reneging on a part of the treaty (or even withdrawing from the treaty altogether), partly modifying their programs to comply with the treaty and so on.

Third, there is the question of what benefits would accrue to the U.S.S.R. from cheating. There could be no political gain unless the Russians made their transgressions public. No one is intimidated by weapons that are not known to exist. Yet if the Russians did make public the fact of their creating, there would be enormous political repercussions. The U.S. Government, for example, might find itself pursuing an unprecedented arms buildup in response to the expressed demands of an aroused American public.

The real dangers stemming from Russian violations of SALT II would arise only if there were a significant military advantage to be gained by cheating, for example, if the Russians, after cheating for a few years, could then unveil a devastating superiority that would force the immediate surrender of the U.S. That, however, is impossible. Under the term of the SALT II agreement the U.S. will still have a formidable strategic arsenal: almost 2,000 launchers and roughly 10,000 independently targetable warheads. To upset the strategic "balance of terror" the Russians would require much larger numbers of weapons than they are now allowed, and it would be impossible for them to acquire enough additional weapons without cheating on such a massive and pervasive scale that it would be detectable with certainty.

It helps to consider a number of plausible "worst cases" in which the U.S.S.R. could actually cheat on certain SALT II provisions and evade detection. The Russians might, for example, add as many as 100 ICBM launchers to their strategic arsenal clandestinely, but that would amount to an increase of less than 5 percent in their launcher force and would yield no discernible advantage. The Russians now have almost 2,500 missiles and bombers. Under the terms of the SALT II pact this total would drop to at most 2,250, a cut of about 250. Hence cheating would be more than outweighed by the reduction in forces required by the treaty.

The Russians might also be able to divert some Backfires to strategic missions in case of war. This substitution would add marginally to their second-strike forces but would correspondingly diminish their antiship capability and undercut their capability against enemies on their borders, which would hardly be a fair trade from their point of view.

The Russians might already have an untested SS-20 upgrade potential. Even if this potential were realized, the resulting SS-16 missiles would be the least accurate and least powerful ICBM's of the current generation. The diversion of SS-20's to intercontinental attack missions would also substantially reduce the threat to Western Europe and to China.

The Russians might convert some of their naval aircraft into long-range bombers. Again, this would marginally increase their strategic retaliatory strength while substantially diminishing the threat to the U.S. Navy.

The Russians might also develop an untested, nonrapid-reload capability. The benefit from having a launcher reloaded (at the optimum) 12 hours after a first firing is questionable; the silo could be destroyed in the interim and by that time the reload missile is likely to be no more than a potential "rubble-bouncer" anyway.

In other words, even if the Russians were to cheat in every way that might evade detection, they would add little to their strategic power, and they might actually reduce their military strength in other areas.

To sum up, the ability of the U.S. to verify Russian compliance with the SALT II accord is clearly essential to a successful outcome of the agreement. On close consideration, however, it becomes evident that the much-touted problems of verification are more imagined than real. The multiple and duplicative methods of detection at the disposal of the U.S. are sufficient to reveal any cheating on a scale adequate to threaten this country militarily. Certain small violations of the treaty could be achieved by the Russians without detection, but a handful of additional missiles or bombers would add too little to their arsenal to be militarily significant. In the political realm the Russians would stand to lose more than they would gain by violating the single most important treaty they would have with a foreign power.

It is in the future that verification problems might become critical. Technological advances, particularly those involving cruise missiles and transferable MIRV payloads, will stretch the monitoring capabilities of both sides once the SALT II protocol and treaty expire. Dealing with these systems under a SALT II agreement may well require a substantial lowering of the present standards of confidence for detecting violations. At that point a renewed examination of the entire verification issue will be in order.●

TRIBUTE TO DR. NICHOLAS P. KRIKES

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LEWIS. Mr. Speaker, on March 11, 1979, Doctor Nicholas P. Krikes will be stepping down as president of the California Medical Association.

Doctor Krikes' contributions to the medical profession and to the community have been many and far reaching.

Since graduating from the University of Southern California, Doctor Krikes has had a family practice in San Bernardino for over two decades. As a member of the San Bernardino County Medical Society and the American and California Medical Associations, he has given of himself in a way that few have.

Doctor Krikes' service to the California Medical Association has been most extraordinary. He has served on the Board of Directors of the California Medical Education and Research Foundation, as well as the Audio-Digest Foundation, on which he also served on the Executive Committee. He has chaired the committees on Medi-Cal and Finance. On March 11, his service will not end, but merely culminate as he steps down from the association's highest office.

Doctor Krikes has served with distinction on many community organizational boards. He has brought honor to the San Bernardino County Medical Society through his leadership as a dedicated physician who gives his time without question, and he is held in the highest esteem by his peers.

Therefore, on behalf of the entire California delegation I would like to commend and thank my good friend Doctor Nicholas P. Krikes for his many years of faithful service to the people of San Bernardino and the State of California.●

BORDER PATROL AGENTS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GONZALEZ. Mr. Speaker, illegal entry into the United States has received much attention in recent years and we all recognize that it is not a simple matter to deal with. However, little consideration has been given to the needs of the Federal personnel who patrol the Nation's borders and have the difficult and often controversial job of enforcing the immigration laws. I am speaking of the border patrol agents of the Immigration and Naturalization Service within the Department of Justice who, under hazardous and trying conditions, are charged with the responsibility for stemming the tide of undocumented workers.

Today I am introducing legislation which provides for the upgrading of the positions of certain Border Patrol agents. This legislation provides that such personnel who spend no less than 25 percent but not more than 50 percent of their time in investigative duties, as opposed to routine border patrol activities, shall be immediately upgraded to grade GS-11 within the general schedule. In addition, such personnel who meet this requirement, and in addition have program or supervisory responsibilities in a single geographic area, would be entitled the grade GS-12. Furthermore, Border Patrol agents that spend less than 25 percent of their time in investigative duties, but who have program responsibilities in more than one geographic area, would also be entitled to the grade of GS-12.

This legislation would correct the inequitable and outmoded single agency standard now utilized by the Department of Justice for these personnel, and, if enacted into law, would adequately reward them in amounts commensurate with the degree of danger and stress incident to their responsibilities.

I realize that Congress has been reluctant to consider the issue of upgrading civil service positions, but I hope that the Post Office and Civil Service Committee would look into the particular problem surrounding the Border Patrol agents.

I also plan to write to Mr. Alan Campbell, Chairman of the Office of Personnel Management, in hopes that enough attention will be focused on the Border Patrol situation to receive some action this year.●

HOLE IN AMERICA'S POLITICAL SPECTRUM

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MARTIN. Mr. Speaker, Nelson Rockefeller was a controversial man. He was born to it and could not possibly have escaped it, not even if he had opted for the life of a hermit. His death leaves a gaping hole in America's political spectrum as well as a hurt in the hearts of a family which has lost two brothers in rather rapid succession and without warning.

In remembering Nelson Rockefeller, we must remember the controversy that accompanied his life in politics and government. "Born to great wealth" is a phrase much repeated today as if it were important in and of itself. Well, it is not irrelevant. But, in what way is it relevant? In the case of Nelson Rockefeller, it provided an opportunity for and a reason for public service. First, it enabled a man to be able to throw his entire life and every effort into endeavors which were not financially rewarding. There was no way he could expect to gain financially from political and philanthropic activities. Coming from a family tradition holding that great wealth meant great responsibility, he saw the effort to build a more humane society whose citizens could lead a more fulfilling life as a reason for being.

Nelson Rockefeller's vision—in reality, a family's vision—was a cause of trouble and controversy. His early championship of racial equality—the brotherhood of man under the fatherhood of God—did not sit well with some in an earlier day and was, I believe, the cause for the undying characterization of the man as a political liberal, even by those in a later day who shared his view on such matters; a label can outlive the reason for labeling.

It is difficult to separate the contribution of Nelson Rockefeller from the contribution of his family. While he concentrated in the hurly-burly of elective politics, he—like others of the clan—played a dynamic role in improving health care, advancing education, and fostering the development of the arts.

In fact, it is hard to imagine what the state of the arts and medicine would be today had it not been for the philanthropy of the Rockefeller family in general and Nelson Rockefeller in particular. A man with a great zest for life made a more zestful life for all.

Our late Vice President, four times the Governor of New York, active public servant under six presidencies has left the political and cultural arenas much richer for his having been in them. A class act has ended. But the Republic has been improved by a lifetime of service to an ideal in the fulfillment of one's responsibility.●

U.S. POLICY SEEN WOOING DISASTER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BOB WILSON. Mr. Speaker, I would like to call my colleagues' attention to an article in the San Diego Union of February 5, 1979 concerning the security of the United States. The article follows:

U.S. POLICY SEEN WOOING DISASTER

(By Paul Cour)

The security of the United States today is "seriously at hazard," says retired Navy Adm. U.S. Grant Sharp, a former commander in chief of American forces in the Pacific.

"The American people are not being informed, indeed they have been misled," said Sharp at Saturday's defense seminar of the San Diego Council of the Navy League at San Diego City College theater.

"When Americans do understand and when they become aroused, I believe they will force a change in the disastrous policy that we are pursuing."

Retired Adm. Horacio Rivero said that under the first Strategic Arms Limitation Treaty "the Soviets gained numerical superiority of 40 percent in land- and sea-based ballistic missiles" and that the signing of another arms treaty with the Russians would engender a "false sense of security" in America.

Rivero said that nuclear superiority which the United States used "to force the Soviets out of Iran in 1948 and out of Cuba in 1962" has vanished, "and the shoe is now, or about to be, on the other foot."

Retired Marine Lt. Gen. Victor H. Krulak questioned the new U.S. policy toward the People's Republic of China.

"Would we industrialize the PRC and make them a competitor in world markets of the United States?" he asked. "That doesn't seem to be the royal road to success with respect to the Soviet Union."

Krulak suggested that the United States should sell arms to China, a policy which, he said, "would give the Soviet Union pause in its activities in Western Europe and tie down the Soviets more effectively on its border with China. . . .

"Wouldn't it be better, for hard cash, to sell them those things—surface-to-air missiles and short-range surface-to-surface rockets—that will give the Soviet Union pause? It would seem to me that this is a strategic decision confronting the United States today."●

THE HOLY LAND CHRISTIAN MISSION AND MOUNT OF DAVID CRIPPLED CHILDREN'S AND ORTHOPEDIC HOSPITAL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. KOSTMAYER. Mr. Speaker, when an organization has long been engaged in improving the quality of life for the poor, the homeless, and the afflicted, it is fitting that we pay tribute to this organization, its unselfish and humanitarian efforts, and its thousands of generous supporters. Such is the case for the Holy Land Christian Mission and Mount of David Crippled Children's and Orthopedic Hospital, which has American headquarters in Kansas City, Mo. The mission established in 1936, is located in Bethelehem on the west bank of the Jordan, now under military control of Israel, and is in the midst of camps containing over 300,000 Arab refugees.

Since so many Pennsylvania residents contribute to the mission, I am particularly honored to bring to the attention of my House colleagues the outstanding work and achievements of this nonprofit, nondenominational organization.

Like a miniature city, the mission maintains its hospitals, orphanage, school, and support facilities to meet the total needs of its large family of orphans and crippled children—and reaches out "beyond its walls" to provide care and monthly assistance to hundreds of widows and refugees and other people of the Holy Land. One outreach service provided to these destitute people is a program of child care centers which the mission operates in refugee camps for preschool-age children.

The 18-building complex includes trade workshops for teaching manual skills to the orphans. The mission is self-sufficient, making its own clothing, shoes, linens, and other materials. Its trade shops manufacture all of the special shoes and braces for the crippled children. The mission school, staffed with a highly qualified faculty, offers grades one through nine.

More than just a clinic or welfare station, the mission offers a good education and counseling—and lots of "tender loving care." The large staff employed by the mission includes a number of former orphans who are now dedicated to providing the children with the same important care they once received.

Following a serious outbreak of polio in 1952, the mission opened a new rehabilitation center to care for the crippled children in Bethlehem and surrounding areas. In 1971, the current hospital, the only free children's orthopedic facility in the Middle East, was opened in newly remodeled facilities under the direction of Dr. A. F. Zuaiter, who brought together an expanded staff of fine physicians, physiotherapists, nurses, and medical technicians.

Today, the hospital ranks as one of the largest and certainly the most progressive orthopedic hospital in the entire Middle East. Equipped with two modern operating theaters, a topnotch physiotherapy department, and an outpatient department, its expert staff ministers to thousands of patients a month—including those with cases of congenital hip dislocation and club foot problems, birth defects, polio, and other crippling diseases.

At the present time, over 2,300 severely crippled children are waiting to be admitted to the hospital. The demand for its services is so great that an expansion is now underway, with completion of the new facilities scheduled to the availability of funds.

Furthermore, the hospital continues to conduct specialized orthopedic research and plans are now underway, with the support of the Agency for International Development, to make its highly successful and advanced surgical techniques available to American medical personnel.

I am indeed proud to commend the Holy Land Christian Mission to the attention of my colleagues and I know that they join me in conveying our appreciation and commendation for the outstanding efforts of this unique organization.●

SAN LUIS DRAIN PROPOSAL IS UNACCEPTABLE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MILLER of California. Mr. Speaker, for several years both State and Federal agencies have been studying the possibility of constructing a large canal to dispose of waste water accumulated from irrigated agriculture in the Central Valley of California. Residents of much of the northern portion of the State have long watched as billions of gallons of their fresh water have been drained to irrigated lands of questionable benefit, to the severe detriment of the areas in which the water had originated.

The plan for this drainage canal is to exacerbate these northern California problems by dumping heavily polluted waste water into that area of origin. A draft report outlining how this would be done has recently been released by the interagency drainage program, and has been the subject of intensive criticism at public hearings. I testified on this plan in Concord, Calif., last Thursday, and would like to share that testimony with my colleagues. I should point out that it would behoove Members to read this testimony, because the San Luis drain is one of those projects of questionable wisdom which I have no doubt we will be asked to appropriate several hundred million dollars to construct by special interests in the not-too-distant future.

The testimony follows:

STATEMENT ON THE SAN JOAQUIN VALLEY INTERAGENCY DRAINAGE PROGRAM INTERIM REPORT

The concept of a master drain discharging Valley waste water into the Sacramento-San Joaquin Delta is perhaps the most serious threat confronting the water quality of northern California in the near future. It is an apologia for past excesses, illegalities and indifference masquerading as a "future solution." At its very outset, the Report suggests that there are high environmental, economic and political costs associated with any of the potential solutions. As usual, northern California, and particularly the millions of residents of the Bay-Delta region, will be forced to bear the greatest burdens.

Many of my basic reservations about this report are due to some inherent assumptions upon which it is predicated. The Report assumes that we must construct a Drain to serve the entire Valley. The Report appears to assume the construction and operation of the Peripheral Canal. The Report minimizes the efficacy of water conservation, and appears to take a view of newly developed water in the Central Valley. Once again, we are confronted with high cost, high impact construction plans as the "solution" to severe environmental problems which have been created by past blunders. The policy recommended by this Report would, in my opinion, compound those past errors.

Let me also suggest that these recommendations do not reflect the mood of the federal government. After years of effort, we have secured a pledge from the Department of Interior to operate its Central Valley Project in conformity with state water quality standards for the Delta in about the same manner as the state has operated the State Water Project. In return, this Report and recent legislative proposals of the Brown Administration would, in my view, subject the Delta region to new dangers through the construction and operation of unwise projects such as the Master Drain and the Peripheral Canal.

I do not believe that there will be significant support for these proposals in Washington, and for good reasons. Less than one week ago, I had the opportunity to discuss the entire Delta and Valley issue with Secretary of the Interior Andrus, Reclamation Commissioner Higginson, Assistant Secretary Guy Martin and other departmental officials. We discussed not only this Report, but the recently negotiated repayment contract of the Westlands Water District (for which the present San Luis Drain is under partial construction) and last year's study by the San Luis Unit Task Force. On the basis of that conversation, I can state emphatically that there is at present no intention by the federal government to participate in the construction of the kind of Drain envisioned in this Report. Participation would be dependent upon the project's economic and environmental feasibility; your own report strongly suggests that it meets neither test. The Department's lack of enthusiasm, I must tell you frankly, is likely dwarfed by the degree of support in Congress for so costly a project.

I also should point out that the federal government's qualms about the drainage program are not only speculative. The recently negotiated repayment contract between the Westlands Water District and the United States provides for a termination of construction on the San Luis Drain at Kesterson Reservoir after the expenditure of $46,000,000. The amount of drainage which can be handled by this degree of construction is just 45,000 acres. Several additional conditions, including environmental safety, fiscal reasonableness, and repayment ability constrain further construction. The contract further states that compliance with these provisions—

Shall not be construed as a commitment on the part of the United States to seek such authorization or appropriation of funds unless the secretary has made an affirmative finding that in consideration of all factors, including federal budget limitations and national priorities, provision by the United

States of drainage service to the additional lands is in the national interest.

This contract, recently agreed to by the Westlands Water District and the Department of Interior, is the most recent statement of federal policy on the question of drainage programs in the Central Valley. It should also be noted that President Carter has not included new funds for construction in his FY 1980 budget.

Let me discuss briefly some of the major flaws and questions left unanswered in this Report. Foremost is the assumption that this Drain should be designed and operated to drain the entire Valley. Failure to do so, we are told, will jeopardize productivity on thousands of acres of land. But it is critical to note that not all this land is currently under irrigation. Nor have there been built drainage facilities on all of this land, or even on much of it. Your own report notes that subsurface drains have been built on just 1,500 of 300,000 acres targeted as requiring drainage, or one-half of one per cent! Within the service area, the collector drains are less than five per cent complete.

At this point, I think it is very important to note the findings of the San Luis Task Force on the matter of lands scheduled for irrigation in the Valley. Within the San Luis Unit, the Task Force found that nearly 125,000 acres which, in the words of the Definite Plan Report for the project, "Are marginal in their suitability for irrigated agriculture . . . because of highly saline, permeable soils with anticipated or present drainage problems." (See page 32 of the DPR) The Task Force concluded—

Not only does this expansion into the area requiring drainage create additional burdens on the system to remove the drainage water, but the poor quality of the soils have financial implications for farm operations in the area as well . . . although detailed data are not available, the task force suggests that these poor quality soils may also yield a poorer quality of drainage water. (Page 163).

These conclusions concerning San Luis are highly relevant, for that single project is estimated to ultimately provide one-quarter of the flow and one-half of the "pollutant loadings" of the Drain. Moreover, much of the land in the Valley which ultimately would be put into production may not be of any better quality than the marginal lands illegally added onto the San Luis Unit, which are now causing drainage problems. Lastly, these poorer quality lands which would use the Drain have limited productivity, and thus have a lower capacity to repay a portion of the Drain itself, a financial burden which will instead be passed along to utility rate customers and taxpayers.

This discussion touches on the central premise of your Report, that being the continued expansion of agricultural water service in the Central Valley, which is used as the basic justification for the construction of this Drain. You foresee doubling the amount of water currently used in the Valley, while increasing the amount of polluted water drained off that land by over 11 times between 1980 and 2080. Your figure of 667,813 acre feet of drainage annually compares with 150,000 acre feet estimated for the Drain if used by the San Luis Unit. The acreage to be drained would increase from 56,000 acres in 1980 to nearly one million acres, as compared to the 230,000 acres estimated by the Task Force for San Luis. The original feasibility study for the San Luis Unit, which was to be the primary user of the Drain, estimated 96,000 acres of drainage area.

Plans have continually changed in recent years. The State was first willing, then unwilling, and is now willing again to help construct a Drain. A facility which was to cost about $7 million now has a price tag of $185 million, and perhaps twice that amount. A small amount of drainage water has escalated into hundreds of thousands of acre feet, and a drain intended to serve one district has grown to a Valley wide channel.

Nor will the growth in problems end here. Your own report indicates that the availability of additional surface water will compound the groundwater use problem, and will encourage the irrigating of marginal, high salt, lower productivity lands "with drainage problems." (18.1) Your proposal flies in the face of fiscal and water planning reforms which stress more efficient use and conservation, since you admit that such techniques are not well suited to lands which need to be leached to purge out contaminants. Lastly, you acknowledge that by maintaining agricultural productivity on marginal lands and compounding the overdraft problem, "adverse impacts" could be suffered by the Delta and in Northern California." (16.1)

It is evident that your Report contains some provisions designed to appease Delta interests who rightly view this proposal with alarm. One of the proposed uses for the drainage water is to repel salt water intrusion from San Francisco Bay on the theory that this could be effectively achieved with drainage rather than with salt water. As an added attraction, you have noted that time releases from the yet-to-be-authorized Peripheral Canal could be used to flush out any reverse flows which brought the drainage effluent too close to the Federal pumps.

There are numerous fallacies in this concept, not the least of which is its reliance on the Peripheral Canal as a corrective device. The purpose of the Canal, in the first place, is to significantly increase diversions from the Delta, thereby contributing to the drainage and waste disposal problem. Operation of the Canal for water quality purposes, when irrigation is heavy and normal outflow is light, is a dubious promise, given the fact that Valley farmers would also seek any water in the canal for irrigation purposes.

Your recommendation further minimizes the complexities associated with this proposal. You do not seem to have followed the recommendation of the report from the Environmental Impact Planning Corporation which assessed for you various issues relating to Valley agriculture:

The IDP should acknowledge that the discharge of drain water to the Delta does not provide a good rationale for subtracting an equivalent volume of fresh water from delta outflow requirements. (San Luis Report, 172).

It should be noted that even at the highest projected level of drainage discharges, current plans would remove from the Delta far more via the Peripheral Canal than would be substituted in the form of polluted drainage waters.

In your own Report, you note that salinity repulsion would be "significant" only under highly selected criteria such as those which occurred in 1976 and 1977. These "favorable conditions," as you refer to them, were the worst drought years since the pro'ects have been in operation, and it is not difficult to imagine why dumping just about anything into the Delta during those years might have improved the situation. Such conditions occur perhaps once every 40 years, and it is therefore unrealistic to base planning on this standard. Moreover, you note that under "less favorable (i.e., less catastrophic) conditions," the salinity decreases due to the drain would "probably be more than outweighed by salinity increases." (8.5) The benefits to the Delta of this Drain proposal are therefore non-existent, and attempts to portray it otherwise are merely rationalizations for policies which have nothing whatever to do with Delta protection or the needs of northern California.

Given these serious concerns, I must conclude that you have not made a sufficient case for the Drain to justify the expenditure of funds and the endangering of future water quality for northern California. The net result would be to place the Delta and Bay areas again at the mercy of interests which have long shown little if any serious concern for the industrial, municipal, agricultural, recreational and environmental needs of millions of Californians. I believe that the solution must better reflect the interests and needs of all Californians than does the course of action which you have recommended.●

MEDICARE REIMBURSEMENT OF TEACHING PHYSICIANS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CARTER. Mr. Speaker, during the 95th Congress I introduced legislation to repeal section 22 of the Social Security Amendments of 1972 (Public Law 92–603), on behalf of myself and 40 cosponsors. We took this step at that time, because of our grave concern that the implementation of section 227 through regulations proposed by HEW's Health Care Financing Administration would have meant dedicated physicians who are responsible for training the next generation of doctors would receive less than fair compensation for their services. Although final action was not taken by the 95th Congress on this issue, the desire to seek an equitable solution to the problems surrounding reimbursement of teaching physicians remains.

Section 227 was included in Public Law 92–603 as a result of a GAO study conducted in the late 1960's which reviewed medicare payments to physicians in six major teaching hospitals. The study found that in certain cases medicare was being billed for physician services on behalf of doctors who had not themselves provided services to patients; instead the physicians had only supervised the work of interns and residents. It should be kept in mind that billing medicare on behalf of these "public patients" (patients whose care is provided by the house staff) constitutes double billing for the same service, since medicare already provides reimbursement for the costs of house staff salaries. While the hospitals GAO studied represented all geographic sections of the Nation, five of the six were large, urban municipal hospitals and as such were not a proper sample of the more than 1,200 non-Federal teaching hospitals in this country. Nevertheless, the findings from that limited study were used in drafting section 227 to apply to all 1,200 teaching hospitals.

Section 227, when added to the law in 1972 was intended to deal with the problem of double billing. The section was supposed to insure that all payment for physican services for public patients in a teaching hospital would be determined based upon the reasonable cost of providing those services by house staff under the supervision of the teaching physicians. In the legislative committee reports associated with section 227, Congress made clear, however, that fee-for-service payment was to remain available for private patients.

The problem which arose first in implementing these directives was how to determine which patients were public patients, being cared for by the house staff, and which were private patients, receiving the bulk of their care from their personal physicians (in this case, a teaching physician).

It should be kept in mind that house staff may assist in the care of private patients while under the direct personal supervision of a private physician. In other words, the distinction between private patients and public patients is a matter of degree, and distinguishing between the two categories is frequently difficult.

Medicare officials have expended a great deal of effort and time in attempting to prepare regulations for carrying out section 227. The delay has been caused largely by the inherent difficulty in distinguishing between public and private patients. In 1973 Congress deferred implementation for 6 years and a similar deferral bill was passed in 1977. Last year, 6 years after enactment, HEW proposed regulations that failed to accomplish what Congress mandated and instead presented difficulties which ultimately would have crippled these institutions.

Because of the outpouring of criticism of those proposed regulations, HEW Secretary Califano announced late in 1978 that HEW would accept an additional delay in the implementation of section 227 so that the Department and the medical education community could study the implementation of the law and, if necessary, recommend changes in the law to the Congress. Since that time representatives of teaching hospitals have met with officials of the Health Care Financing Administration, and have reported to me that it is their strong belief that the Department is sincere in its desire to seek an equitable solution to the problems surrounding reimbursement of teaching physicians.

Because of the willingness of HEW and the medical education community to seek a negotiated solution to the problems surrounding reimbursement of teaching physicians, I am today introducing legislation to provide for the necessary delay in the implementation of section 227. I am hopeful that this extra time will be used productively to insure that an equitable resolution of this problem is found, and that the critical interests of medical education are met fully by this process. I would ask that my colleagues join me in seeking speedy enactment of this legislation.

A draft of the bill I am introducing follows:

H.R. —

A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15(d) of Public Law 93–233 (as amended by section 7(c) of Public Law 93–368, the first section of Public Law 94–368, and section 7 of Public Law 95–292) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

SEC. 2. The amendment made by the first section of this Act shall be effective from October 1, 1978, except that nothing in this Act shall be deemed to render improper any determination of payment under title XVIII of the Social Security Act made prior to the date of the enactment of this Act for any service provided during a cost accounting period which began on or after October 1, 1978.

NATIONAL YOUTH SERVICE ACT

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. McCLOSKEY. Mr. Speaker, increasingly over the past several years we have seen evidence that the All-Volunteer Force concept is not working. Reserve force levels in particular are deteriorating rapidly, and it is clear that in the event of a major war, the Selective Service System could not be reactivated quickly enough to deliver the additional 650,000 personnel required.

In December, for the first time, the Air Force was unable to meet its enlistment quotas with reasonably qualified applicants, a problem which has plagued the Army and Marine Corps for some time. For the last quarter of 1978, the percentage of qualified recruits for all of the four armed services dropped below established goals. The Air Force met only 95 percent of their quota, the Army 93 percent, the Marines 86 percent, and the Navy 85 percent.

The Army has just asked for standby reinstitution of the Selective Service System, and a recent GAO report recommends this action as well.

These problems threaten our constitutional responsibility for the national defense. We are sorely in need of a system of military recruitment that can provide essential manpower. At the same time, we are failing to utilize a vast reservoir of the Nation's youth to meet social, economic, and environmental needs.

Today a number of us are introducing the National Youth Service Act, a bill designed to join the abilities and idealism of our young people with our need for combat-ready Armed Forces and the fulfillment of a number of other goals of the Federal, State, and local governments. This bill does not require universal conscription or military service, and hopefully it might serve to remove the need for any conscription.

The national service concept is not new. Mentioned by Prof. William James at Stanford University in 1906 as "the moral equivalent of war," the legislation was originally conceived by Don Eberly in 1966, shaped by the nonprofit national service secretariat and first introduced in the House by our colleague JONATHAN BINGHAM in 1970.

Both Senator SAM NUNN and Representative RICHARD WHITE, chairmen of the Senate and House Armed Services Manpower Subcommittee have agreed to hold hearings on the bill early this spring.

It is our feeling that today's youth are not opposed to national service; they may well oppose the use of conscription to support undeclared wars such as Vietnam, but the young idealists who opposed Vietnam in 1969 were the same type of individuals who volunteered to serve in the Canadian Armed Forces in 1939, before the United States entered the war against Germany.

Duty, honor, country, and a sense of obligation to serve the Nation and mankind are very much a part of the ethic of today's youth.

That sense of obligation can hopefully be implemented under the basic provisions of our proposed bills. The basic elements of the plan are as follows:

1. The Selective Service System will be replaced by the National Service System and all persons, men *and* women, will be required to register within 10 days after their 17th birthday.

2. Information on service opportunities will be made available to all persons between their 17th and 18th birthdays.

3. All registrants will have the option of serving in a civilian capacity for one year or in the military service for two years or more, and will be allowed to defer such service until the age of 23.

4. At the age of 18, persons will have the right to elect:

(a) Two years of military service, which will entitle them to four years of educational and training benefits paid at the base monthly rate provided to Viet Nam-era veterans (those enlisting prior to January 1, 1977; 38 U.S.C. 1651), but adjusted to account for cost-of-living increases since that time;

(b) Six months of active duty, followed by five and one-half years of Reserve obligation;

(c) One year of service in a civilian capacity; or

(d) None of the above, in which case they will be placed in a military lottery pool for six years of draft liability. If military manpower requirements are not filled during this period, these individuals might be required to serve two years of active duty and would also incur a four-year Reserve obligation. They would be entitled to two years of educational and training benefits.

5. If voluntary enlistments are not adequate, then and then only would one be subject to possible conscription.

6. The Civilian Services Corps will be operated by a National Youth Service Foundation as outlined below:

(a) A National Youth Service Foundation will be established by law. This will be a quasi-public organization and will receive appropriations from Congress.

(b) The Foundation will be operated by a 19-member Board of Trustees with 12 of its members to be appointed by the President, with the advice and consent of the Senate, and the following persons to serve as ex-officio members: the U.S. Commissioner of Education, the Administrator of the Office of Youth Development, the Assistant Secretary of Labor for Employment and Training, the Director of ACTION, the Chief of the U.S. Forest Service, the Director of the National Youth Service Foundation, who will also be appointed by the President.

(c) An Advisory Council will be created to advise the Board of Trustees on broad policy matters. It will have 24 members with at least eight under 27 years of age at the time of appointment.

(d) Present federal programs providing opportunities for youth service will remain in effect. These include the Peace Corps, VISTA,

Teacher Corps, College Work Study Program, Job Corps, and the various youth programs funded by CETA.

(e) The Foundation will invite units of state, regional, and local governments to submit applications, outlining plans for the employment of individuals in National Youth Service activities within specified guidelines. The Foundation will support such applications on the basis of merit.

(f) The Civilian Service Corps will have two major options: community service and environmental service. Community service applicants will interview for a wide range of local community service projects sponsored by public agencies or private non-profit organizations. Those who wish to travel in search of community service projects will do so at their own expense and will register with the local National Service System agency, and no special provisions will be made for them.

(g) Most sponsors of the environmental service option will be federal, state or local agencies. Most environmental projects will require travel costs as well as expenditures for supplies and equipment. Such costs will be the responsibility of the sponsor, not of the Foundation. When lodging and food are provided by the sponsor, it will be entitled to reimbursement by the grantee from whose jurisdiction the participant was recruited.

(h) Military pay for junior enlisted personnel (those with less than two years of service) will be reduced to a subsistence level.

(i) The Civilian Service Program will ideally be phased in gradually over a three-year period.

Present cosponsors of the bill are DAVE BONIOR, Democrat of Michigan; PAUL SIMON, Democrat of Illinois; TRENT LOTT, Republican of Mississippi; JONATHAN BINGHAM, Democrat of New York; MILLICENT FENWICK, Republican of New Jersey; PAT SCHROEDER, Democrat of Colorado; CHARLES WILSON, Democrat of Texas; JOSEPH ADDABBO, Democrat of New York; TONY COELHO, Democrat of California; and ROBIN BEARD, Republican of Tennessee. We are hopeful that we will be joined by a majority of our colleagues when they have had the opportunity to study this concept.●

IF TENG LEVELS WITH SCHLESINGER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DERWINSKI. Mr. Speaker, now that Vice Premier Teng Hsiao-ping has returned home, the news headlines are devoted to the developments in Iran and the impending energy shortages. I wish to insert an editorial which appeared in the January 31 Chicago Tribune which I believe is still very pertinent. I hope that it will receive the attention of Secretary Schlesinger and company:

IF TENG LEVELS WITH SCHLESINGER

On learning that Energy Secretary James Schlesinger is helping to show Vice Premier Teng around, we imagined the following exchange:

Mr. Teng: Call me a capitalist roader, but I think your free-market economy does one bang-up job.

Mr. Schlesinger: Yes, we're quite proud of it—except for energy. Can't seem to produce enough. Everywhere it makes problems. Take the Mexicans. They got angry when I told Congress we shouldn't buy their natural gas. They want $3 for a thousand cubic feet, which is highway robbery. Canada charges us only $2. If we let the Mexicans in our market at $3, won't the Canadians want $3, too?

Mr. Teng: What do I know about markets? But if you ask me, letting Mexican as well as Canadian gas in will drive up the supply. So won't Canada and Mexico end up bidding their own prices down toward your domestic level?

Mr. Schlesinger: Can't happen. Already Canada charges more than we let our own domestic natural gas producers make. We won't let them get the world market price until 1985—and then only maybe.

Mr. Teng: You mean you don't permit free markets for your own natural gas producers? And you also tell your own private-sector suppliers how much they can pay for imported natural gas?

Mr. Schlesinger: Sure. Otherwise American consumers would have to pay more. And American gas producers would make bigger profits—obscene profits, as my President says.

Mr. Teng: Yes, I've heard the phrase before, from my late Chairman. But if your consumers pay more, they would use less—and you wouldn't have to import so much gas. And if your producers could get the world—you'll excuse the expression—market price, they'd have more profits to invest in finding and producing more gas. And if you didn't have periodic shortages, your prices wouldn't rise so fast.

Mr. Schlesinger: Really?

Mr. Teng: For sure. And meantime if you stop telling your—again, you'll pardon the expression—private sector how much it can pay foreigners for natural gas, you won't make your neighbors like Mexico and Canada angry. They'll compete to sell at what your market demand brings—and if Mexico prices itself out of your market, it won't be able to blame your government.

Mr. Schlesinger: Very interesting—but we can't do it. At least not right away.

Mr. Teng: Why not?

Mr. Schlesinger: Because for years we've been telling the American people that government control is good and necessary and that they should hate and fear free markets in energy. How would we look if suddenly we said we were all wrong? Besides, if you're so crazy over free markets, how come you don't have any?

Mr. Teng: Because for years we've been telling the Chinese people that government control of everything is good and necessary and that they should hate and fear free markets in anything.●

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CONYERS. Mr. Speaker, a month ago the 50th anniversary of the birthday of Martin Luther King, Jr., took place. The passing of time ordinarily has a way of tarnishing the memory of even the greatest of leaders. Such has not been the case with Dr. King. In the history of the American Nation he is one of the few leaders for whom affection, respect, and admiration have grown with the passage of time.

DR. KING'S LEGACY

Martin Luther King's stature rests upon many qualities: a steadiness of character and self-discipline; single-minded commitment to assisting the disadvantaged and the oppressed; his dream of a future when human beings would work together for the common justice of all; his unforgettable and inspiring speech; and his unshakable faith in the basic goodness of human beings. He was a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. A precocious student in Atlanta's public schools and lifelong student of theology at Morehouse College, the University of Pennsylvania, and Harvard University, he completed his formal education as a Doctor of Philosophy at Boston University. He was also, needless to say, an exceptional political leader, whose moral force was harnessed to a practical politics, in the Birmingham movement of 1963 to end legal segregation, which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; and in numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome housing discrimination, and win a better life for the poor. In 1964 he was awarded the Nobel Peace Prize, only the third black person, 12th American, and the youngest person ever to achieve it.

The combination of a few of these qualities would entitle an individual to a large measure of respect. Yet his greatness exceeded their sum-total. The quality that above the rest touched the hearts of an entire world was his sense of hope, and his courage to act on that hope, whatever the obstacles. In this he reached out to hundreds of millions of people, whose lives were filled, instead, with apathy and despair. "This is our hope," he spoke on the steps of Lincoln Memorial in 1963,

This is the faith that I go back to the South with. With this faith we will be able to hew out of the mountain of despair a stone of hope (and) transform the jangling discords of our nation into a beautiful symphony of brotherhood.

VIETNAM AND GOING BEYOND BEING A BLACK SPOKESMAN

In the last years of his life, Martin Luther King, Jr., spoke out increasingly against the Vietnam war. Many, including some close supporters, questioned his judgment in addressing the most controversial issue of the day, which seemed so far removed from the struggles for civil rights and justice at home. They thought he should leave international issues to the so-called "best and the brightest" in Washington. "Over the past 2 years, as I have moved to break the betrayal of my own silences, as I have called for radical departures from the destruction in Vietnam," Dr. King said:

Many persons have questioned me about the wisdom of my path . . . Peace and Civil Rights don't mix, they say . . . I am greatly saddened, for such questions mean that the inquirers have not really known me, my commitment or my calling.

Martin Luther King was an opponent of the Vietnam war because of its terrible

cost in human lives, because it threatened to destroy the world through great-power nuclear war, and because it also destroyed the promise of the great society and "war against poverty" which had been held out to the poor and the disadvantaged. Is it foolish to suggest that as Dr. King moved toward a fundamental analysis of the relationship between injustice at home and militarism overseas, he became an even more potent threat to the establishment than he was earlier? Through this analysis he not only challenged the basic assumptions of the highest leadership in the Nation, but he also succeeded in breaking through race divisions and reaching the hearts of all Americans.

A few months before his assassination, Dr. King stated:

I am still convinced that the struggle for peace and the struggle for civil rights as we call it in America happened to be tied together . . . These two issues are tied inextricably together and I feel that the people who are working for civil rights are working for peace; I feel that the people working for peace are working for civil rights and justice.

CIVIL RIGHTS, JUSTICE, AND PEACE

Martin Luther King's view of the connection between justice and peace is as relevant today as it was in the 1960's. Civil rights and legal justice embraces full employment and economic justice; and peace means, of course, an end to the arms race, the frantic military buildup, and the spiraling military budget.

"National security" has been the most expensive and least examined concept in American history. More than $2 trillion has been spent on weaponry and defense since 1946. In the name of "national security" all manner of official illegality and deception has taken place. "I am very sad to say it: we live in a Nation that is the greatest purveyor of violence in the world today," Dr. King said in February 1968.

Any nation that spends almost $80 billion of its annual budget for defense and hands out a pittance here and there for social uplift is moving toward its own spiritual doom. . . It is no longer a choice between violence and non-violence. It is either non-violence or non-existence, and the alternative to disarmament . . . will be a civilization plunged into the abyss of annihilation.

The military buildup continues unabated today; for fiscal year 1980 the administration has requested $125.8 billion for defense, up 10 percent over last year, the second consecutive year in a row of increases at that level. Why such increases when we are not at war abroad and already have enough killing power in our missiles to destroy the world many times over? Why such increases at a time when the Department of Defense will have by September 1980 a surplus of $99 billion, DOD funds that have either been contracted for, but not spent, or else not even yet contracted for? What is the weaponry for, anyway? It clearly is of no use to people since you cannot eat, or obtain health care, or find shelter through weapons. It is not even of use in fighting wars or controlling events in the Third World, as the examples of Vietnam and more recently Iran dramatically demonstrate. Certainly, the strategic nuclear weapons, especially, are not to be used for great-power confrontations, which would spell the end of the world. Then what are they to be used for, except to feed on some madcap notion of security, or illusory notion of national insurance against adversaries, or, of course, to protect the status and livelihood of defense contractors and generals.

Three statistics illustrate that the same misguided priorities exist today as existed in Martin Luther King's day. While the administration has called for a 10-percent increase in defense spending, its fiscal year 1980 budget also requests a 14-percent decrease in budget authority for CETA public service jobs (a cut of $1.5 billion for a request of $9.2 billion). Incidentally, this year roughly $4.5 billion will be spent on new prison construction, one half of what is spent on the only major Federal employment and training program in the country. Why are these public job reductions taking place at a time when joblessness in minority communities remains at an all-time high and when the overall official unemployment rate hovers at 6 percent, nearly twice the rate in Dr. King's day?

The third statistic casts an even more dramatic light on our lopsided national priorities. America's prison population is increasing each year by roughly 10 percent, and already we have the largest prison population per capita in the industrialized world, with the possible exception of South Africa. Is it merely a matter of chance that criminal behavior rises as economic opportunity measured by jobs and income drops? Is it a matter of coincidence that our prisons are filled with a vastly disproportionate number of black and brown Americans, whose opportunities for employment are the most restricted in society? Is the close parallel in the rise in defense spending and in the rise in the prison population (and expenditures for crime control activities in general) without any meaning? "We would think about the fact today," Dr. King said in February 1968—

That our government spends about $500,000 to kill every Vietcong soldier while we spend at the same time about $53 a year per person for everybody that is characterized as poverty stricken in the so-called war against poverty . . . I would like to say that there is a restlessness in the land, because the land doesn't seem to have a sense of purpose, a proper sense of policy, and a proper sense of priority.

Dr. King was well aware that, historically, spending on "national security" meant a turning away from addressing human and social concerns at home. In his recent budget message to Congress, the President stated that his first commitment was to the Nation's defense and that as a result of his meeting with NATO leaders in May 1977, he committed the Nation to a 10 percent increase in the defense budget in 1980. Why should a pledge to European leaders take precedence over the oath in taking office to "promote the general welfare" and "establish justice"?

DR. KING, CIVIL RIGHTS, AND ECONOMIC JUSTICE

Martin Luther King, Jr. refused to allow others to define the issues and the struggles that he engaged in. He refused to be typecast as a civil rights leader who had no business to question the government on foreign policy. Similarly, he refused to permit others to define the nature of the civil rights struggle as only involving legal issues, and the legal life of black Americans only. As he pointed out increasingly toward the end of his life, the struggle for civil rights was inevitably being transformed into a struggle for full employment and economic justice, and an end to militarism as well, without which justice could not arise. Just as the civil rights revolution that he led was not only a black struggle, but a struggle for human dignity and freedom for all people, today the struggle for economic justice (and to fully implement the goals of the Humphrey-Hawkins Full Employment Act as its major vehicle) is not for a single group, but for all Americans.

The social and economic reality today is not very different from what it was during Dr. King's time. The incomes and economic opportunities of the working and middle classes are no better, and in many cases are worse, than they were in the late 1960's. Real income has not changed in the past decade. On the other hand, the extent of middle-class debt poverty has increased considerably. For low-income Americans the economic picture today is absolutely bleak. If the official poverty line currently pegged at the grossly unrealistic level of under $6,500 for an urban family of 4 is brought up to the more realistic level of $12,000 annually, there exist in the country an estimated 70 million individuals (nearly one-third of the population) who are living in or on the edge of poverty.

Among black Americans, as one example, a comparison between 1968 and 1978 shows that:

The average jobless rate for blacks has nearly doubled from 6.7% to 12.3%;

The jobless rate for black teenagers is at least 12% higher than 10 years ago (37%), and as bad as it was 4 years ago at the height of the '75 recession;

The average black income today is 57% of white income, roughly at the same level as a decade ago and 5% less than the average black income during the 1975 recession; and

The proportion of black families living in poverty has grown to 28% (1.637 million families), whereas in 1968 it was 29.4%.

What has been the Government's response to the frozen economic situation of the American people during the past decade and, for some groups, a worsened condition? Its response, unfortunately, has been indifference or else one of calling on the most vulnerable groups to assume the largest share of the economic burden. At a time when real income is eroding, unemployment levels remain critically high, and a growing number of families have become impoverished, the administration has called for substantial cuts in Federal programs, which, historically, have been the major instrument since the New Deal of improving the lives of the disadvantaged. In the past 2 years alone, there has been a reduction of roughly $25 billion in Federal spending as a proportion of the gross national product. The 1980 budget calls for:

A cut of more than 300,000 jobs in public service employment from the 1976 level;

A cut of over 300,000 summer youth jobs next year from this year's level;

A 12.5% drop in housing assistance for low-income persons which it is estimated translates into a cut in about 60,000 subsidised housing units;

Cuts of $500 million from child nutrition programs;

Cuts in disability insurance and other benefits under Social Security, amounting to about $600 million; and

A rise in Social Security payroll taxes, which in the absence of genuine tax reform, leaves working and middle class families with less disposable income.

"We have developed an underclass in this nation," Dr. King said in 1968, "and unless this underclass is made a working class, we are going to continue to have problems. The bitterness is very deep as a result of these problems."

His warning of 10 years ago that we are on the path toward "spiritual doom" so long as we attach higher priority to military security than to human needs rings as true today as in his day. America's military build-up and growing preoccupation with military security once again is destroying the few hopeful efforts at social and economic improvement today, as the Vietnam war made a mockery of the "great society" in Dr. King's day. His fundamental insight of the link between peace, jobs, and justice challenges Government and citizens today as much, if not more, as it did a decade ago.

MARTIN LUTHER KING, JR.'S VISION OF ECONOMIC AND SOCIAL JUSTICE

The administration's economic policies, especially the effort against inflation, reflect the same flawed assumptions that operated during the Nixon and Ford era: Namely, economic growth, full employment, and an equitable distribution of income are seen as the major causes of inflation, and any movement toward these goals as aggravating economic distress. The President's remedy is cutbacks and contraction. If these policies continue to operate, surely we as a Nation will reap an increasing harvest of public bitterness, despair, and antagonism. The gains that have been made in affirmative action and equal opportunity will erode (Bakke and Weber are only the initial signs), as competition for the remaining pieces of a shrinking economic pie intensifies.

This Nation has the resources with which to create full employment; it is lacking the determination and the leadership to accomplish it. The Humphrey-Hawkins Full Employment and Balanced Growth Act is the law of the land, the vehicle for bringing us closer to a just society. Toward the end of his life, Martin Luther King, Jr. posed the central question, if peace and justice can only come with a willingness to change, will that change be nonviolent? He tried to answer that question:

We must forever conduct our struggle on the high place of dignity and discipline. We must not allow our creative protests to degenerate into physical violence . . . many of our white brothers, as evidenced by their presence here today, have come to realize that their destiny is tied up with our destiny. They have come to realize that their freedom is inextricably bound to our freedom. We cannot walk alone. We cannot turn back . . . No, no, we are not satisfied, and we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream. (*At the Lincoln Memorial in Washington, August 28, 1963.*) ●

A CLOSE WATCH ON FEDERAL ACTIVITY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. HARRIS. Mr. Speaker, I have been elected chairman of the newly created Subcommittee on Human Resources of the House Post Office and Civil Service Committee. The subcommittee's jurisdiction will include the oversight of personnel staffing policies, ethics, and the practice of the Federal Government contracting out to private industry.

I believe that by closely monitoring the activities of Federal agencies, we can succeed not only in reducing the massive growth of Government, but in decreasing the deficit in the Federal budget as well.

I would like to share with my colleagues the Federal Diary column by Mike Causey, which was published in the Washington Post on February 5; and an article by Bun Bray, Executive Director of the National Association of Supervisors of the Federal Government, which was published in the Federal Times on January 9. These articles clearly illustrate the urgent attention that these issues deserve by the Subcommittee on Human Resources:

[From the Washington Post, Feb. 5, 1979]

THE OUTSIDE CONSULTANTS

(By Mike Causey)

Is a small, growing army of well-connected consultants taking control of some government goliath agencies? Is it possible that thousands of outside experts and think-tank inhabitants have more power and influence than 2.8 million professional bureaucrats?

Does an outfit like the federal government, which pays salaries of $4.3 billion a month and hires 153,000 people each year need any outside help? If it does, is government getting the right sort of help and advice, or is it hearing what the people and firms it tries to regulate want to hear? Some people wonder.

Suppose the Department of Energy hired an outside consulting firm for $500 thousand (peanuts at the DOE) to advise it on holding down rates charged the public by gas and electric utilities?

And suppose you heard that the head of the firm DOE hired was also the largest stockholder in a major utility, a utility that just asked for a 25 percent rate increase?

And suppose nearly 50 of the consulting firm's top brass were ex-officials (and current stockholders) in various utilities?

And suppose the firm DOE was paying half a million dollars too, for advice, gets 20 times that much money each year from various utilities, for similar consulting work?

At some point, you might wonder just what sort of "impartial" expert advice on utility rate regulation DOE would be purchasing with its—rather, with your—half a million bucks. If true, it does make for some head-scratching.

Rep. Herbert Harris (D-Va.) has heard that horror story. In the months ahead he will be hearing a lot more. Harris is the new chairman of the Human Resources Subcommittee. Despite that rather vague, unsexy title, the unit of the Post Office-Civil Service Committee has a mandate, money and time to look into contracting out by government agencies, and the use of outside consultants. Harris plans to make that sort of oversight one of the main thrusts of his new assignment.

Representing, as he does, about one-eighth of the total federal work force, Harris is concerned about outside contractors replacing legitimate government workers. As agencies cut personnel (but not dollar) ceilings, more and more are contracting out to get work done.

More federal agencies are hiring outsiders to do cleanup, security and "thinking" chores all the time. Despite denials from the White House, the Carter administration appears on the verge of expanding rules and allowing agencies to contract out more work while the federal work force is cut.

Harris doesn't know how many consultants and outside experts the government has. But that doesn't make him either a dummy, or unfit to chair the contracting-out oversight committee. Jimmy Carter doesn't know, either. Nor does Tip O'Neill, nor Barry Goldwater, nor Ralph Nader.

Nobody knows for sure how many people the government hires for daily, weekly or monthly chores because it cannot find somebody in its 2.8 million member work force that can do the job.

Harris may not know this time next year, either. But he hopes to get a handle on the numbers, and reasons for consultants. And their price tag.

He also is especially interested in the Department of Energy, a mammoth bureaucracy that is getting more mammoth all the time. Harris says he will look into DOE's consulting operations to find out if it is using the same people who consult for the oil companies who keep coming up with reams of material to show why the price of gas keeps going up.

Movie Review: Federal executives, supervisors and other ranks are being shown special movies—along with briefings—about the new civil service reform law. This is what the AFGE union reviewer wrote after viewing the presentation at the Labor Department:

"The session for nonsupervisory workers consisted of a 30-minute videotape featuring Carter's teeth and a dog and pony show with Civil Service Commission Chairman Alan Campbell and several complaint agency personnel heads . . ." Maybe the book was better.

[From the Federal Times, Jan. 8, 1979]

INCONSISTENCIES IN MANPOWER MANAGEMENT

(By Bun B. Bray, Jr.)

We all realize that tens of thousands of federal employees, certainly including supervisors and managers, are frustrated, disturbed, and dismayed by several current manpower policies and actions as well as proposed changes in the federal government's manpower programs. There are many reasons for this feeling and not the least are the many obvious inconsistencies currently noted in the administration of the manpower function, including civil service matters, in the federal government.

What are some of these inconsistencies?

Personnel hiring freezes.

Personnel ceilings.

Model employer versus cheapest contractor.

Inadequate control of supply and demand—civilian personnel.

Military personnel in civilian-type jobs.

Quota versus merit system.

Management decisions and high pay.

Numbers game.

Moves to improve employee productivity.

Let's review each of these and thereby note reasons for the frustration.

Personnel hiring freezes—With much fanfare, President Carter recently announced a personnel freeze in the federal government. This freeze had to be politically motivated since the same approach has been tried dozens of times in the past—by both Democratic and Republican presidents—and without any long range advantage to the efficiency or economy of the government.

One high-level manpower expert made the following comment when this latest personnel freeze was announced:

"A personnel freeze by management is an admission that they have failed to manage by a system which management itself had established."

Specific cases of increased managerial costs and of decreased services to the American people are legion from the recent Carter freeze. They have come from many different departments and agencies.

Thus we predict the politically motivated manpower freeze will melt by mid January 1979.

Personnel ceilings—At any given time any agency, the Civil Service Commission (or its replacement, the Office of Personnel Management) and the Office of Management and Budget can give the exact number of people directly employed, repeat directly employed, by the federal government.

But there is no one in the government, from the White House down, who has specific data on man days bought by the government from contractors. For years the Defense Department has attempted to get man days purchased from contractors.

We have within the government varying degrees of personnel ceilings. Congress sets ceilings for the Defense Department, based on elaborate committee hearings. But we have other large departments with little or no ceilings restraints.

On top of that, OMB takes the congressional ceiling and sets its own figures. We call this bureaucratic versus democratic government. Through the legislative process, Congress decides the manpower needs, and in turn a group in OMB, far removed from the electorate, makes its own pontifical decisions as to personnel requirements.

For many years now, many of us who follow the ceiling control process have felt the OMB restraints were cleverly devised to throw more work to government contractors. There is just no doubt that the biggest reason contractors are used is due to personnel ceilings.

The personnel ceilings used by the federal government merely fool the U.S. taxpayer. He thinks his government is using less manpower when actually his government is paying much more for the total labor requirements, direct hire and contractor personnel.

Model employer versus contractor—The personnel ceiling requires government management to go out on contract for labor. Thus we find the government in the paradoxical situation of giving up the role of model employer—with appropriate training, compensation, hours of work, upward mobility, retirement, insurance, etc.—for the lowest contractor bid to furnish labor. Of course, many contractors can and do equal the federal government's model employer role. But to get the job of furnishing labor the majority of the profit-motive companies bid as low as possible, they pay the minimum wages, hold fringe benefits to a minimum, and leave training up to the government.

There are many places in your government today where civil service people, well trained and qualified, are being rifed to be replaced at the same work benches with lower paid, less qualified people furnished by flesh merchants.

Then we wonder about Civil Service employee morale!

Inadequate control of supply and demand—It is almost impossible to believe that in this computer age the free world's largest and most sophisticated employer has no central control point on supply and demand of personnel.

We have seen over the years many instances where one agency will have recruiting teams spread across the country looking for people with certain specific skills and another agency in the same geographic area laying off civil service employees with many of those same skills.

For years the Defense Department has operated a central clearing point on supply and demand within its department. But do you think the civilian agencies joined and/or worked with the DOD program You are jolly well right: They did not.

Now with the Civil Service Reform Act and more power delegated to the agencies, you can assuredly expect even less coordination of supply and demand of our government employees.

Military in civilian-type jobs—We have often visited an Army or Navy military base and noted no more than three or four military personnel in a major functional organization such as transportation, supply, fire department, base maintenance. A visit to an Air Force base would be most revealing in contrast.

The Air Force will have from 40 percent to 60 percent military, including both officers and enlisted men, working side-by-side with civil service personnel. And very often, the first-level supervisor of a work group, which could be an all-civilian group, will be an enlisted man.

The question has been asked of top managers in the Pentagon many times for this difference in staffing between the military departments. And we have received many different answers. None are fully responsive.

The typical federal civilian employee has nothing against his military friend. It is just the fact that military manpower, all costs considered, is more expensive than civilian personnel. And many taxpayers wonder why we must recruit military personnel to lay brick or to package goods.

Quota vs. Merit System—Recently a civilian personnel officer in a federal agency said "the Federal government is actually not a fair employment agency. It is a discriminating agency hiring certain types of people to look good."

In fact this civil service employee of over 30 years in the government went on to add the federal government was more interested in meeting quotas than in hiring the best qualified people. From this, one begins to wonder how many high-level management officials in the U.S. government truly believe in many of the personnel actions that are being popularized and forced to carry out.

Frequently we hear of a "goal to have a designated percent of employees of a specific race or ethnic origin or sex in a specific category of jobs."

So, what is a goal and what is a quota?

A goal, says a CSC official, is when an agency indicates that by the end of a certain date a specific number of jobs hopefully will be filled by specified types of people.

A quota, says the same CSC official, is when an agency determines that at the end of a certain time period there will be a designated number of employees of a particular race, religion or sex in a specific category of jobs.

A long standing and irritating problem arises from the confusion of the two terms "quota" and "goal." Ambitious and eager personnel types often confuse the terms. They are thinking of their top managers and the publicity.

There are today many popular programs tailored to emphasize certain segments of our work force. They are called affirmative action, upward mobility, and NOW.

No one questions equal consideration for qualified applicants for civil service jobs regardless of race, religion, color, sex, age or national origin. But when selections are made of only those qualified applicants who are of a particular sex or skin pigment then one begins to wonder if there are any differences between such selective processes and the selection of only those qualified applicants of a particular political membership or religious faith.

In light of the Carter administration promises to various minority groups, civil service commissioners, led by vice chairman Jule Sugarman, in November, 1977 proposed a plan to expedite the placing of more specific groups of employees in the federal government. This plan became well known as the "Sugarman Plan."

Under the Sugarman Plan CSC would allow departments and agencies to use different and lower entry standards to hire minorities, women and handicapped people.

Public hearings on the proposal brought a flood of cabinet-level sponsors of the plan and a few brave souls who disapproved.

Maybe for several reasons, the Sugarman Plan, also known officially as the Special Emphasis Program, has been on the "back burner." The reason could be the zeal of getting the Civil Service Reform Act passed and/or the fear that the Sugarman Plan might alienate too many members of Congress.

Then, too, there was the impact of Rep. George Mahon, House Appropriations Committee chairman, who in early 1978, spoke out in reference to a quota system of hiring:

"I believe that civil service jobs should be awarded on the basis of merit. Without merit then no targets in any form have a proper place in hiring of governmental personnel."

The House Appropriations Committee in its report for the Department of Defense Appropriations Bill, 1979, i.e. Report No. 95-1398, made the categorical statement that "the Special Emphasis Program or any other new program of a similar nature without adequate non-discrimination and merit safeguards not be implemented or tested within the Department of Defense."

We continue to need qualified people in the government. We need improved employee morale. The hiring of more people, regardless of merit, to meet quotas tends not only to lower quality but also most certainly destroys the morale of employees who were hired and/or promoted through the merit system.

Responsible government managers know that you can not have both the merit system and the quota system. But too many of these same managers are quite willing to continue to play the cute cat and mouse game of politics in the use of our human resources.

Management decisions and high pay grades—Numerous studies have been and/or are being made to suggest that large numbers of federal employees are overgraded, overpaid. In fact, in 1958 the House Post Office and Civil Service Committee issued a report showing terrific inflation in the grade structure of white collar employees in the federal government. The House report recommended an aggressive control of pay grades by the Civil Service Commission.

Twenty years later things are worse than they were then in 1958. Why?

Many reasons have been advocated, some not nearly so controllable as one, namely "management decisions." By that term we mean the approval of top managers to raise the grades of air controllers, or firefighters, or hard-to-find scientists. And too many bosses placate and please for their own personal advancement.

Numbers game—Several years ago, Rep.

Jim Davis of Georgia, chairman of the House Manpower Subcommittee, made the succinct observation that thousands of wage board supervisors had no incentive to improve production. If they did, then they cut their own pay.

The reason for this situation arises from the fact that the pay of a wage board supervisor is based on the number of employees working for the supervisor. Thus a WS-11 supervisor with 80 employees institutes a new operating procedure and eliminates 10 employees and also increases the amount of work accomplished. But by cutting his work force from 80 to 70 employees, the supervisor also reduced his own pay grade to WS-10.

Hard to believe, but this CSC policy is still with us.

Increasing productivity—The big thrust of 1979, so we hear in Washington, will be to increase productivity. This will be a major gain for the American people and undoubtedly a way to put brakes on spiraling inflation.

We consider employee desire, willingness, to be a major factor in the improvement of productivity in the government. And due to this factor, the administration faces the uphill task of reselling our 2.8 million federal employees on the idea that they are appreciated, that they have ability, and that they are effective and efficient.

We say "re-sell" simply because a large segment of our federal work force has resented the negative picture painted during 1978 by many top managers in the Executive Branch and echoed by members of Congress.

You can hardly expect a "gung-ho approach" in 1979 by federal employees when they have been described as overpaid, underworked and too numerous in 1978.

The sad note in government is the lack of recognition by top management of the importance of these lower level managers. All too often these supervisors are made an integral part of the management team only when it is politic. The remainder of the time they are in never-never land—between union leaders and top management.

The recent Civil Service Reform Act is supposed to delegate more responsibility and more authority. If this happens, with adequate managerial training, we can expect major improvements, both as to improved personnel management and increased employee productivity.

Conclusion—Any program that relates to more than 2.8 million employees, watched over by our millions of citizens, with a 535-member board of directors, Congress, is bound to be complicated, ever-changing and with inconsistencies. But, the inconsistencies, as detailed above, can be corrected, improved or eliminated. It is the task of federal employees, individually and/or in united action, to show top management in the Executive Branch and congressmen the inconsistencies in our federal personnel system.

However, in conclusion, these inconsistencies will continue until we have in the federal government several hard-nosed, practical manpower managers with both a comprehensive knowledge of the problems and the authority to make corrections.●

GOLD SCORES A RECOVERY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PAUL. Mr. Speaker, gold is exciting more interest not only in the United States but all over the world, despite the best efforts of politicians.

That is why I would like to bring the following article, by the eloquent editor of Barron's, to my colleagues' attention:

SOME BARBAROUS RELIC—IN THE GLOBAL MONETARY SYSTEM, GOLD SCORES A RECOVERY

Over on page 11, Peter George, remarkably outspoken member of the South African brokerage firm of Saunder & Taylor, offers his unhedged predictions on the price of gold. From current levels, he looks for bullion to reach $300 per ounce by August, plunge to $190 sometime thereafter and then surge to $640 by 1981. (He may be right or wrong, but he's never in doubt; no wonder his partners in Johannesburg are willing to let George do it.) Forty-eight hours after we taped his observations in New York City, Walter Frey, a general manager of Swiss Bank Corp. and an "acknowledged expert" in the field, told AP-DJ that gold has risen to "unreasonably high levels" and faces a sharp decline. The right price, he added, should range somewhere between $200 and $220 an ounce.

By the same token, according to the January issue of Gold Newsletter, a number of other authorities on the precious metal lately have issued unusually precise forecasts, both bullish and bearish. The bulls include James Dines (*Barron's*, Sept. 18, 1978, and Jan. 1, 1979), Lawrence Heim, Eliot Janeway and Paul Sarnoff of ContiCommodity Services, all of whom look for $300 or so by the end of the year. Among the bears: R. E. McMaster, editor of *The Reaper*, who "believes gold has peaked and will break $200, perhaps going as low as $150 in 1979," and John McFalls, who, "if gold breaks $193, looks for $150–60 this year. . . ." One money manager, who shall be nameless, not long ago literally turned on a dime, covered his shorts and went along.

That's what makes markets, and we freely concede that bull and bear alike have a persuasive case. As to the latter, Mr. Frey, whose employer happens to be a major element in the global trade in gold, puts it well (if a bit shrilly). Gold traditionally mirrors weakness in the dollar; yet at present, as the Swiss Bank spokesman observed, the greenback has been firm and, at least so long as the recently negotiated international lines of credit and swap agreements hold out, promises to remain so. "Benign neglect," he added, is over. "Let us say I am an optimist at this time. . . . I have been convinced." Frey also had harsh words for the bullion trading centers of London, New York City and Zurich, where, in effect, he charged dealers with buying and selling merely "to make commissions on the business." And he warned that the Russians, who for months had been inactive, are coming. "Who," he cried, "is going to buy all this gold?"

On the constructive side, bulls point to persistent heavy demand from industry and the jewelry trade, which, they indicate, in the absence of official gold sales, far exceeds new production of the precious metal. They go on to suggest that the International Monetary Fund, which during the past few years has been a major source of supply, sooner or later may opt for merely distributing what's left of its holdings to its members. As to the U.S., which has also done its share of liquidating, they cite the legislation enacted last fall under which the Treasury, effective next fiscal year, will be striking half-ounce and one-ounce medallions for sale to the American people. Confronted by heavy demand from this quarter, claim the bulls, the powers-that-be may back away from taking double dips out of the dwindling (though admittedly still huge) official U.S. gold reserves. Their clincher, of course, is the perennial decline in the value of paper money, which this year, notably in Europe, they view as more widespread and virulent than ever.

You pays your money and you takes your choice. Ups and downs aside, however, the big development in this realm strikes us as not economic but political (or perhaps the right word is geopolitical). Despite the best (or worst) efforts of the chrysophobes in Washington and elsewhere to phase out the precious metal from the international monetary system—to transform bullion, by a perverse alchemy, into just another commodity like pork bellies—gold is in the process of making a comeback. In the past few years, a number of countries have revalued their holdings to a market-related price, thereby acquiring a valuable—in the case of Italy and Portugal—a literally priceless asset. Since early 1978, when IMF-inspired constraints expired, central banks have been free to buy and sell bullion, a mint-quality prerogative which one after another quietly and discreetly (by and large through private agents) has begun to exploit. Now comes the impending European Monetary System, which, as the centerpiece of its activities, aims to draw upon its members' holdings and to issue currency backed in part by gold. Extravagances and absurdities like floating exchange rates and Special Drawing Rights come and go. Gold endures.

And what a lot it has had to put up with. After insisting for decades—over-optimistically, in the event—that the dollar was as good as gold the U.S. monetary authorities, by fiat, so to speak, desperately sought to prove that in global financial affairs it was better. First they closed the gold window reneging on a generation of solemn pledges to the contrary. They threw their weight behind the Special Drawing Right, a bastard form of what John Exter has aptly termed the "I-Owe-You Nothing." Several years ago, as hundreds cheered, gold was officially drummed out of the international monetary system and the IMF launched on a series of sales aimed at disposing of the barbarous relic forever. In turn, the Treasury, beset by a plunging dollar, has stepped up its own liquidation from 300,000 ounces per month to the current rate of 1.5 million. The National Committee for Monetary Reform, in company with Jim Dines and his readers, have valiantly marched on Washington in vain.

Gold may have lost a battle or two, but while few apparently have noticed, it has been winning the war. Early signs of its inevitable triumph surfaced a few years ago even as the fiat money forces seemed to be moving from strength to strength. In mid-1974, Italy, hard pressed to meet the huge deficits in its balance of payments, revalued to the market price its holdings of the precious metal, which it proceeded to use as collateral against a loan from West Germany. France, which didn't really need the money, promptly followed suit. Since then, Australia, The Netherlands and, in recent weeks, Austria, have embraced some form of market-related price (the last-named, ironically, to compensate for the loss of reserves caused by the drop in the worth of its dollar holdings).

Preference for gold has shown up in other ways. In the past half decade or so, the number of countries minting legal tender gold coins has surged from a handful to nearly 50. Early last year, as noted, the temporary ban on central bank dealings in the precious metal expired. Since then, according to the Gold Newsletter, 11 countries, including Colombia, Cyprus, India, Kenya, Malaysia, Mauritania, Mexico, Nepal, the Philippines and South Korea, have opted to receive their share of the IMF auctions in gold rather than currency, while another 28 have reserved the right to bid noncompetitively at future sales. At the IMF auction on Jan. 3, the central bank of Paraguay acquired 16,400 ounces.

The newsletter suggests that Japan, the vast reserves of which consist very largely of dollars, in coming months may shift to gold. "The conventional wisdom has long been that the Japanese are not really interested in gold and prefer platinum. This may be true of jewelry, but as *Wolfe/Wire* pointed out in their Jan. 10 report, total Japanese gold demand in 1978 was close to 150 tons and is expected to be higher in 1979. Gold ownership had long been controlled by the government with strict importation restrictions. Now Japan has an almost completely free gold market and 10 major Japanese world-trading companies have set up a joint study committee to review prospects for a major gold market in Japan to rival Hong Kong, Europe and the United States. All this is at the encouragement of the Japanese government. . . . With the defeat of Prime Minister Takeo Fukuda and his replacement, Mr. Masayoshi Ohira, the tendency of Japan to follow U.S. Treasury's wishes on gold will probably come to an end."

Far and away the most dramatic change will occur when the leading Western powers launch the European Monetary System, under which the high contracting parties agree to pledge 20 percent of their dollar holdings, plus 20 percent of their gold, in return for a new currency known as the ecu. As *The London Economist* recently observed: "The ecu, which many hope would become new reserve asset for the world, will therefore be backed by gold. Only in part, to be sure, and the gold will not be valued at full market prices (75 percent of the past three months' average price is almost certain to be the formula adopted). But the key point is that the EMS will help convert hitherto 'unusable' gold reserves into very usable liquidity." And, as Thomas W. Wolfe, one of the leading U.S. authorities in the field, recently observed: "This new and flexible 'official price' for the EMS members will gradually be accepted by governments throughout the world in valuing gold in their reserves and as a standard for transactions between governments." Some barbarous relic.

ROBERT M. BLEIBERG.●

CONGRESSIONAL SALUTE TO THE HONORABLE CHESTER J. KRULAN OF NEW JERSEY, DISTINGUISHED AGRICULTURIST, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROE. Mr. Speaker, on Saturday, February 3, the people of my congressional district, State of New Jersey joined together at the 52d annual dinner of the Passaic County Board of Agriculture in testimony to the lifetime of good works of an esteemed agriculturist, community leader, and good friend, the Honorable Chester J. Krulan of Clifton, N.J., whose standards of excellence in conserving, preserving, and enhancing our natural resources have truly enriched our community, State and Nation. I know you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Chester Krulan, his good wife Greta and their three daughters and two sons as they celebrate his outstanding achievements as an active participant in New Jersey's agricultural endeavors including 43 years of distinguished service with the Passaic County Board of Agriculture.

Mr. Speaker, since the beginning of time here in America our country's soil has been nurtured and nourished by people like Chet Krulan whose contribution to the wealth and richness of our Nation's land resources has achieved a quality of excellence second to none among all nations throughout the world. The Passaic County Board of Agriculture is a sponsoring agency for cooperative extension service in the State of New Jersey, formulating agricultural policy and programs for our young people and adults alike in many vitally important areas including 4-H Youth Club work and home economics.

During his term as president of the Passaic County Board of Agriculture, Chet's progressive attitude and far-reaching vision was in the vanguard of efforts which were instrumental in realizing the interdependence of farmers and industrialists and expanding membership on the board to include nonfarm branches of the total economy. He served as board secretary for 16 years and his tenure of 43 years of active service on the board is one of the longest and best in the entire State.

Mr. Speaker, Chet will long be remembered for his ability and success on the Passaic County Board of Agriculture in providing an industrial landscape beautification program, organizing a "Farm Labor Brigade" to harvest crops during the manpower shortage of World War II and the spearheading of the campaign in Passaic County to gain voter support for the Farmland Tax Assessment Act referendum.

Among his leadership endeavors Chet is well known as an articulate spokesman of agriculture in seeking the enactment of laws through legislative representatives for the benefit of our farmers and horticulturists and has served time and again as a delegate to the State agricultural convention on their behalf. He was appointed and served for 7 years as a member of the board of managers of Rutgers the State University's College of Agriculture and Environmental Sciences—now Cook College—and was at the helm of this distinguished board as president in 1969.

Mr. Speaker all of us in Passaic County and throughout our State are proud of Chester Krulan's achievements in guiding the Agricultural Cooperative Extension Service's programs in Passaic County and applaud the richness of his wisdom and expertise in New Jersey agriculture. His indepth knowledge and know-how in the agricultural field began at the early age of 12 years when he was first employed by a plant grower and retailer in Paterson, N.J., and has spent 53 years of continuing dedication and hard work ever seeking to make Passaic County and the State of New Jersey a better place to live through the production of plantlife. For the past three decades, he has been associated with Pilken's Inc. of Clifton, N.J., a large wholesale florist firm, where he served as a vice president and general manager. Today, in retirement, he continues to make a major contribution to the beauty and wonders of ornamental plants as a consultant to this corporation.

Mr. Speaker, it is a pleasure for me to seek this national recognition of Chet Krulan and his lifetime of dedication, devotion and personal commitment to our Nation's natural resources—all contributing substantively to the quality of our environment and way of life here in America. We do indeed salute a good friend, respected community leader, distinguished agriculturist and great American, the Honorable Chester J. Krulan.●

UNION STRIFE: LEARNING FROM EXPERIENCE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. RUDD. Mr. Speaker, an outstanding American once gave advice which we in the Congress would do well to remember in 1979. Patrick Henry observed:

I have but one lamp by which my feet are guided, and that is the lamp of experience.

Mr. Speaker, I believe that our Nation should learn a lesson in economics from our friends across the sea in Great Britain. That nation has suffered many difficulties in recent years, but none more serious than those caused directly or indirectly by powerful labor union officials.

One problem which our own Nation has thus far managed to avoid is the secondary boycott. Nevertheless, union officials have been lobbying the Congress diligently in recent years urging us to legalize the secondary boycott by permitting common situs picketing at construction sites. The Congress wisely rejected this concept last year, and I would sincerely hope that the issue will remain deservedly dead. Should it be resurrected, however, I would urge my colleagues to reject it once again. Common situs picketing is a concept which has been tried in Britain and proven to cause serious economic problems which we would be well advised not to transplant to the United States.

Mr. Speaker, I ask unanimous consent that the editorial "Lesson From Britain" from the Arizona Republic be printed at this point in the RECORD.

LESSON FROM BRITAIN

Britain is plunging down the road to chaos.

Strikes have completely disrupted the economy, paralyzing the nation's transportation system, shutting down factories, leaving stores without goods to sell, schools without teachers, hospitals without ambulance drivers, farmers without feed for livestock, drying up supplies of gasoline and heating oil in the midst of the bitterest British winter in many years.

And the end is not yet in sight.

The strikes are for higher wages.

Prime Minister James Callaghan's Labor government set a 5 percent guideline for wage increases, but the unions are not content with that. Railroadmen are demanding raises of 20 percent, ambulance drivers 69 percent. Some civil service workers are holding out for nearly 100 percent and a cut in their work-week from 40 hours to 35.

Britain is a frightening example of what can happen when labor unions become too powerful.

In Britain, about 50 percent of the workers are unionized, compared to roughly 20 percent in the United States. But equally important, Britain has no laws against strikes by government employees and no laws against secondary boycotts.

The railroads are owned by the government. Railroadmen are civil service workers, yet they can strike with impunity.

It's also perfectly legal for a union to declare a secondary boycott and to picket companies with which it has no grievance.

This, it will be remembered, is a right for which the building trades unions have been fighting in this country. Fortunately, the 95th Congress rejected a bill that would have permitted a construction workers' union with a grievance against one contractor on a project to picket every other contractor, and shut the entire project down.

Callaghan has the power to declare a national emergency, and call out the army to move raw materials.

Until now, the prime minister has desisted from doing so for political reasons.

Britain is holding a general election this year. One of the Labor Party's big campaign points has always been that it can get along with the unions. Callaghan doesn't want to admit the obvious—that it can't.

It's conceivable that Callaghan will finally call out the army because chaos will leave no alternative. It's equally conceivable that he will abandon the 5 percent guideline.

In the latter event, if Callaghan continues to keep a tight rein on the money supply, the result will be a recession. On the other hand, if Callaghan loosens the money supply, Britain will return to 30 percent inflation.

Either outcome would be a disaster, for which the unions would have to shoulder the blame.

The United States could well take a lesson from Britain.●

NUCLEAR AND ALTERNATIVE ENERGY SOURCES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WYDLER. Mr. Speaker, recently my colleague on the Committee on Science and Technology, BARRY GOLDWATER, JR., addressed the American Nuclear Society on nuclear and alternative energy sources. His speech gives an excellent perspective on our various energy options and what directions the 96th Congress must take on energy. I include the speech here for the benefit of my colleagues:

NUCLEAR POLICY AND ISSUES IN THE 96TH CONGRESS

Thank you, Mr. Chairman, for that very kind introduction and good evening, ladies and gentlemen. Its a pleasure for me to appear before this dinner meeting of the Washington section of the American Nuclear Society, and especially to follow in the footsteps of your most recent speaker, Miss Kitty Schirmer of the Domestic Policy Council. I hope you will give me as warm a reception as you gave her last month.

Although the topic of my talk is to be nuclear policy and issues in the 96th Congress, I think I can best set the stage for discussing nuclear matters by putting them in context with other energy sources. As some of you know, in the last Congress I was the Ranking Minority Member on the House Science Committee's Subcommittee that dealt with solar energy and geothermal energy. I would like to say a few words about those energy sources, as they are often presented as alternatives to the continued development of nuclear power. Let's take geothermal energy first.

Geothermal energy is very important in my home state of California, as we have some of the Nation's major geothermal resource areas in our backyard. The Geysers field in Northern California provides about one-half the electricity needs of the city of San Francisco, and does so at a cost cheaper than that from any other available energy resource. In the Southern part of our state, we have the Imperial Valley, with a resource potential of several thousand megawatts. We've made some important strides in geothermal energy development in the last few years, with the cost of well drilling having come down by a moderate amount thanks, in part, to the research and development program we have established within the Department of Energy. We've also seen increased private interest in the construction of geothermal plants, with a 10MW totally privately financed plant about to come on line in the next few months, and a 50MW demonstration plant project now in the formative stages as a cooperative venture between the Department of Energy and a New Mexico utility.

However, despite this promise, geothermal energy, like all other energy technologies, is not without its problems. We have been bringing geothermal energy plants on stream Nation-wide at the rate of only about 25–50 megawats per year. That's a fairly significant rate when you consider that geothermal is a relatively new technology, but it is small, of course, when compared to the size of a large nuclear or coal-fired power plant at 1,000 megawatts each. Also, several problems stand in the way of accelerating geothermal development, such as objections to the gases released, uncertainty over reservoir life-time, leasing delays, and possible need for additional government development incentives. All these factors combine to leave some question as to what the ultimate contribution of geothermal energy will be. The resource base does seem to be there, but it is now clear that we are not going to have the 3 or 4 thousand megawatts on line by 1985 that had been predicted only a year or two ago. The statement by Governor Brown that nuclear power is not needed in California as geothermal energy can meet most of the state's future energy requirements is, in my opinion, not supported by fact, and totally irresponsible. Nor is it agreed to by almost all knowledgeable observers. Nevertheless, geothermal energy is a real resource, is providing some electricity now, and also is being used for direct heat applications. We need to continue the resource development and demonstration programs currently underway, but must not forget that any new energy technology takes a long time to break into a market place. Hopefully, the tax incentives provided under the National Energy Act, such as investment tax credits, and deductions for intangible drilling expenses and depletion allowances, all of which I supported, will help accelerate geothermal energy's entry into the market.

Solar energy receives much more attention than geothermal energy and is currently the energy source in vogue. The solar R&D budget is up to about $600 million in fiscal 1980, and when you count tax incentives and activities in departments other than the Department of Energy, you find that the Federal solar effort is up around the $800 million level, and still growing. Earlier in this decade solar funding was almost non-existent.

Solar energy, as you all know, is actually a number of different technologies—photovoltaics, wind power, ocean thermal energy conversion, power towers, heating and cooling, and biomass, each with their own prospects and problems. The real questions are what contribution will solar energy as a whole make to our future energy requirements, when will this be obtained, and at what cost. Projections of solar's contribution by the year 2000 range from 5 percent to 25 percent. While I naturally hope that the result is towards the higher end of this range, we have to be realistic. Solar has a long way to go. One must not forget, for example, that if we were to convert 20 percent of all the residences in the United States to solar heating and cooling, this would be equivalent to saving about 1 million barrels of oil per day, or 6 percent of the daily oil requirements. This 20 percent conversion would involve about $15 million residences, which at about $10,000 per residence would cost $150 billion. Are we ready for that?

Also, it would take about 500 of the largest sized windmills being developed today to provide the same energy capacity as one large coal or nuclear fired power plant. These windmills would require a land area of over 100 square miles.

Another solar technology, photovoltaics, is very promising, but it would take 25,000 times our present photovoltaic production capacity of about 750 peak kilowatts per year to produce electricity equivalent to that from 200,000 barrels of oil per day. That would be only about 1 percent of our current oil requirements. The present cost of photovoltaic devices, also, is so high as to presently rule this technology out for all but the most limited applications.

I could say similar things about the other solar options such as power towers, OTEC, or biomass. I don't want to be overly negative, as I feel we should be developing these solar options, but the point is that we have a very long way to go, and experience tells us that developing a new technology is not an easy or rapid task. The public must not be misled into believing that the sun is an energy cure-all.

Nevertheless, we do see signs of that happening, in a manner reminiscent of the "too cheap to meter" earlier promises about nuclear energy. Just this past weekend, it was reported that 115 Members of the Solar Caucus in Congress wrote the President requesting additional funding for solar energy, and new initiatives in line with the "technically achievable" proposal of the Domestic Policy Review of the solar energy. I suspect that new funding will be held down due to the Congress' and the Administration's current mood of fiscal restraint, but some "grandstanding" or White House announcement of new solar goals cannot be ruled out.

Now that I've reviewed where we stand on solar energy and geothermal energy, and some of their problems, let me say a few words about what we have accomplished in the last Congress in the overall alternative energy field. I can point with some pride to the following:

a. passage of the Automotive Propulsion Research and Development Act of 1977, expanding and accelerating research and development on more efficient automotive propulsion engines;

b. modification of the Geothermal Energy Research, Development and Demonstration Act of 1974, facilitating use of the geothermal loan guarantee program;

c. establishment of a financial support program for converting municipal wastes into energy;

d. authorization of loan guarantees for biomass demonstration facilities;

e. establishment of a program for greater utilization of our low-head hydroelectric resources;

f. modification of the Electric and Hybrid Research, Development and Demonstration Act of 1976, so as to better phase the electric vehicle demonstration program in with technology development;

g. House passage of the Solar Power Satellite Research, Development and Demonstration Act, which would accelerate a determination of feasibility for this potential energy source; and

h. passage into law of the Solar Photovoltaic Energy Research, Development and Demonstration Act of 1978, which established a more centralized goal oriented program for this very promising technology.

This last bill was the only major piece of energy R&D legislation that was passed by the 95th Congress.

In addition to these activities, Congress in its last session successfully shaped the course of ongoing research, development and demonstration programs in other aspects of solar energy, geothermal energy, and energy conservation through selective changes to the funding levels proposed by the Administration, and has partly corrected the lack of emphasis we found on a broad front of energy production activities.

So much for the previous Congress. Let's take a look at what's ahead for the new one. First of all, on my own Committee, Science and Technology, we've had a major change, both in the jurisdiction of our energy subcommittees and in their Chairmen. As many of you probably know by now, Don Fuqua of Florida has assumed the Chairmanship of the Full Committee, taking over for Tiger Teague of Texas, who retired. Jack Wydler of New York remains as Ranking Minority Member. Mike McCormick of Washington has become the Chairman of our new Energy Research and Production Subcommittee, which has jurisdiction over all fission and fusion programs, that is, all nuclear activities under the auspices of the Science and Technology Committee. I don't think I need to tell you where Mike stands on nuclear issues. In addition to the Chairman, however, there is quite a variety of Democrats on this Subcommittee, ranging from those who look favorably upon the nuclear option and those who do not. Other Democrats in addition to Mike McCormack are Bob Roe of New Jersey, Marilyn Lloyd Bouquard of Tennessee, and Dick Ottinger of New York. We have a total of 12 Democrats on that Subcommittee. On the Minority side John W Wydler has been selected as Ranking Minority Member. This, of course, is the Subcommittee that will consider the Clinch River Breeder Reactor issue in the 96th Congress, and I know its going to be a busy year.

As to our Senate counterpart, namely the Energy Research and Development Subcommittee of the Senate Energy Committee, Frank Church of Idaho remains the Chairman, and Senator James McClure, also of Idaho, now becomes Ranking Minority Member, replacing Senator Hatfield. While I think you are all familiar with the favorable position of both Senators Church and McClure on the breeder situation, you should recognize that the Committee as a whole is less conservative than last year. Among the new Democrats appointed to this Subcommittee are Senators Thongas and Bradley.

As far as jurisdiction over the Nuclear Regulatory Commission is concerned, in the House that still resides with the Interior Committee, which is chaired by Congressman Udall. In the Senate, NRC jurisdiction remains with the Nuclear Regulatory Subcommittee of the Committee on Environment and Public Works. This Subcommittee is under Gary Hart of Colorado and has a new Ranking Minority Member, Senator Simpson of Wyoming. Along with Senator Simpson on the Minority side of that Subcommittee are Senators Domenici and Baker. Senator Simpson replaces Senator McClure, who, while remaining on the Energy Committee in the Senate, also moves to the Appropriations Committee.

By now you are all aware that nuclear jurisdiction has shifted substantially from what it was several years ago, when it resided with the Joint Committee on Atomic Energy. In the House, the Science and Technology Committee now has jurisdiction over civilian nuclear power research and development, but several other Committees have part or feel they have part of that turf. Both the Interior and Commerce Committees, for example, are quite interested in the subject of radioactive waste disposal, and Interior has already held hearings on that subject this year. The Armed Services Committee is concerned about the disposal of those radioactive wastes generated in military programs. The International Relations Committee monitors nuclear exports and nonproliferation matters, and the Appropriations Committee is concerned with funding for all of the Federal Government's nuclear activities. The Government Operations Committee is concerned about how the various Federal agencies organize their nuclear responsibilities. I hope I didn't leave anybody out.

In the Senate, again several Committees are involved in nuclear matters, primarily Environment and Public Works, the Energy Committee and Government Affairs. What we have in both Houses of Congress is a classic situation where an issue has generated broad public interest and controversy, but the Congress has not adequately defined the jurisdictional boundaries are to how this subject should be handled. I wish I could say that the matter will soon be resolved, but in the House, unless the Speaker, the Rules Committee, or a Committee on Committees steps in, I do not anticipate a quick or easy resolution of this matter.

One factor that has made the whole situation somewhat difficult and confused has been the late passage, indeed this year the lack of passage, of an authorization bill for the Department of Energy. The House passed one, but the Senate did not. As a result, it has been the Appropriations Committees that have provided the funds and the direction for the nuclear programs.

As many of you know, the usual role of the Appropriations Committees is to decide the actual funding levels for energy programs, after following the policy directions set by the authorizing committees. However, because the appropriations committees have moved ahead of authorizations in energy legislation in recent years, they sometimes take an independent course in areas where their members have strong views. The recent situation with fiscal year 1979 funding for the Clinch River Breeder, for example, while probably one that this audience would not oppose, is a case in point.

It is probably too soon to say whether this year will prove different. I know the authorizing committees are aware of the weakening of their roles, and will do what they can to arrest this shift in authority. However, at this time it is questionable that we will see a fiscal year 1979 authorization bill become law, as the Senate Energy Committee appears inclined to skip that over and wage the Clinch River battle on the 1980 bill. As a first step, however, a fiscal year 1979 bill has been introduced jointly in the House by the Science, Commerce and Interior Committees. Just what priority and action this bill will receive remains to be seen.

As to the nuclear issues that will come up this session, the list is a long one, and I suspect very familiar to most of you. Another one laying over from the previous year is the licensing bill. We don't know yet whether the Administration will resubmit this bill, the purpose of which is to cut the present 12 year lead time for building a new nuclear plant in half. At the moment, bills are being prepared by both the Administration and the Nuclear Regulatory Commission, the latter at the request of the House Interior Committee. The situation is uncertain as the Administration has not decided whether it wants to send its own bill up or not. Experience shows that when a situation gets this murkey, little gets done. I have serious doubts that we will see a licensing bill enacted into law.

One area where, unfortunately, I think we will see some interest if not legislative action is in the Price Anderson Act. As you know, the Nuclear Regulatory Commission's repudiation of some of the conclusions of the Rassmusen Report have opened the door, in the minds of some people, to reexamination of the link between the Rassmusen Report and the Price Anderson Act. If consideration of this insurance program is reopened, as it might be, the most likely result would be a retention of the Price Anderson system itself, but removal of the limits on liability. When one considers that some of the other provisions of the Act are meritorious only when connected to a limit on liability, the prospect of reopening the Price Anderson matter is not encouraging.

It is somewhat encouraging, however, to see that the Administration has finally recognized the seriousness of the spent fuel problem and that a bill will soon be sent up to provide away-from-reactor storage capacity. On the other hand, I am concerned by the reported statement of a DOE official that the fees for storing spent fuel will be structured so as to give utilities an "overwhelming" financial incentive to store their spent fuel at reactor sites. I hope this bill helps more than it hinders. I also hope that those opposed to the nuclear option will act responsibly towards this legislation, as the forced shutdown of any nuclear plants, should it come to that, due to lack of fuel storage space would not be in anybody's best interests.

This whole problem could be solved, of course, by recognition of the need for reprocessing. I believe we will see that recognition in the final results of the International Nuclear Fuel Cycle Evaluation, to be completed next year, but whether the current Administration will accept these results is anybody's guess.

The major nuclear issue this year, as last year and the year before, will be the Clinch River Breeder Reactor. I don't think any of us have been convinced by the Administration's arguments concerning the lack of need for this plant, despite the fact that they talk about obsolescence, high cost, reduced energy demand, possible availability of alternative fuel cycles, and other smoke screen issues. Their concern is and always has been that of proliferation. Those of you who were at the last meeting of this section and heard Kitty Schirner speak can draw your own conclusions about the validity of the Administration's concern over proliferation. I, for one, think it is a misplaced concern and that the Nation will suffer if we deny ourselves breeder technology. We already see other countries moving ahead of us in breeder development, and we will soon be relegated to second class status among the nuclear power nations.

The Clinch River debate has been at somewhat of a standstill over the last few months with Capitol Hill attention focused partly on the McClure compromise. The President's budget for fiscal year 1980 contains no funds for Clinch River, and it is still his intention that the project be terminated. There is some confusion over the meaning of the word discontinue as used in the compromise, but I understand that Secretary Schlesinger has recently said that the Administration will still go along with a discontinuation of the project, as opposed to its absolute termination. For the moment, we see a breeder base program at around the $500 million level, which is sufficient to maintain at least part of our technical capability, but far short of the effort needed if we're really serious about developing the breeder.

I believe we have to be serious about breeder development. Nothing has changed

in the last year or two that provides any further support for the Administration's arguments. This Nation needs the breeder program and it needs a plant, a real plant, as the focal point of that program. As is the situation with nuclear waste management, we must not go back and restudy our options. The time to build a plant is now. We already have fabricated a number of Clinch River components, and it would be an irresponsible waste of taxpayer's money not to get the maximum benefit from the work that has been put into that plant. The ball is now in Congress's court, and despite the fact that we have an inflation-minded Congress that fully intends to maintain a tight budget, we need to do something to keep the Clinch River project going. Authorization hearings start this week with markup sessions likely to be held toward the end of this month or in early March. As an industry, you need to maintain the same presence and vigorous support of this project that you have displayed over the last two years.

Saving the best for last, I would now like to talk about the subject of nuclear waste management. We had hoped to see the final Interagency Review Group report completed by the President's deadline of February 1st, but it looks as if it will now be delayed for at least a month. In the absence of Administration action on this subject, I introduced yesterday the Nuclear Waste Management Research, Development and Demonstration Act of 1979. This bill provides for the construction of a permanent Federal repository for nuclear wastes and spent nuclear fuel assemblies generated in the operation of civilian nuclear power plants. It requires the Secretaries of Energy to construct a repository to be in operation no later than September 30, 1988.

The bill will help us avoid the frightening prospect of an energy shortage, which a nuclear slowdown would surely entail. While the problems surrounding the construction and operation of nuclear waste facilities are substantial, recent evidence leads me to conclude that the technology has reached the stage where we should proceed with a demonstration facility. This bill directs the Secretary of Energy to construct and operate a permanent repository for the disposal of nuclear wastes and the storage of spent fuel assemblies, and its key element is that it sets a strict timetable for the completion of this job, recognizing the urgency of the problem. Site selection is to be based on the many studies conducted *to date* on nuclear waste disposal, as well as on specific site evaluations yet to be completed. The demonstration facility must become operational, as I have indicated, by September 30, 1988.

The issue of nuclear wastes is of considerable importance to the Nation and is a problem which has been neglected for too long a period of time. We have already been forced to limit construction of the new nuclear plants in some areas of the country due to the public's perception of the nuclear waste problem. We must act now to insure that this situation gets better, not worse.

My motivation for introducing this bill was in part the realization that we have studied the subject of nuclear wastes and studied it again. As I have stated in a letter to the Secretary of Energy on this matter last year, I cannot help but note that we have seen a seemingly unending series of studies, reviews and evaluation of this subject within the last several years, each ending with several laudible recommendations or goals that somehow get sidetracked before they are achieved. Endless paper studies do not seem to me to be the solution to the nuclear waste disposal problem. What we need instead is to establish a research, development and demonstration program that will get this job done, and to my mind that includes construction and operation of a repository in a timely manner. The bill does exactly that, and for this reason, it is imperative that we act on this legislation during this session of Congress.

When I was out at Hanford this past summer, it was impressed upon me that during World War II, we built our first plutonium production reactors in a period of about 13 months, but now I find that we cannot dig a hole in the ground to handle the waste from those reactors for 13 years. That is an intolerable situation, and my bill proposes to correct it. In addition to mandating the construction of a repository, the bill requires this facility to go through a licensing process and designates both the Department of Energy and the Nuclear Regulatory Commission as joint lead agencies for preparing the necessary environmental impact statements. The bill also provides for a meaningful State role in commenting on the construction and operation of the repository and encourages public participation in the project. Finally, the bill establishes a nuclear waste advisory committee and extends the licensing authority of the Nuclear Regulatory Commission to cover spent fuel assemblies and transuranic elements.

One thing the bill does not do is establish a new Federal agency to regulate nuclear wastes. We don't need a new agency, as some of my colleagues in the Congress have suggested. We have the necessary mechanisms in place. What we really need is the initiative to get on with the job and get it done.

The bill also does not provide a legislative veto for the States. I don't believe this is necessary, as there are ample mechanisms under the bill for the many industrial, scientific and environmental organizations interested in this project and the public at large to provide their views for consideration during the siting, design, and construction of the repository. States and other parties must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the states and gives them an opportunity to comment on and influence any action taken by the Secretary under this bill. It specifically provides for state input at early stages of the decision-making process for the facility, thereby protecting the rights of the states involved while providing for the construction and operation of a facility that is in the Nation's best interests.

Strong congressional action must be taken in the 96th Congress to focus on the need for a permanent, operational nuclear waste facility. The Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern, and I therefore will be pressing for its enactment.

I could go on further but I think that by now you've got the message. Nuclear power faces problems, but other energy technologies do as well. In fact, if there is one thing we have learned from nuclear power it is the difficulty of bringing any new energy source from the laboratory, through several development and demonstration stages, and into the marketplace. There is no reason to believe that the road will be easier for solar or geothermal energy, or for any other energy source.

The government's role must be one of encouragement, moral support, and funding of needed research, development and demonstration activities that the private sector alone will not accomplish. We see this approach being employed for the politically popular energy sources, but only the third item applies to nuclear power these days. It would be extremely beneficial, and cost very little, if the Administration would come out with a statement of support for the nuclear option. If they were to do so, a number of the current uncertainties facing the industry would disappear, and it may not be beyond the bounds of reason, someday, to see the solar lobby and a "nuclear caucus" working in Congress for a common goal—a narrowing of the energy supply-demand gap, and a reduction in oil imports.

Thank you.●

"OTHER" KENTUCKY CONGRESSMEN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROUSSELOT. Mr. Speaker, a column in the Cincinnati Enquirer recently described one of the "other" Kentucky Congressmen for readers in the greater Cincinnati area.

I believe this column by Jack Hicks rather aptly summed up some of the highlights in the career of my good friend from the Fifth District, Dr. TIM LEE CARTER. I thought others might enjoy it also, so I am including this article for the RECORD:

"OTHER" KENTUCKY CONGRESSMEN

(By Jack Hicks)

WASHINGTON.—Tim Lee Carter isn't the only medical doctor in the U.S. Congress, but when someone recently shouted, "Is there a doctor in the house," the Fifth District representative was there to respond.

That incident occurred in a Washington restaurant rather than inside the Capitol Building, but Carter sometimes can't divorce himself from practicing medicine there either. Once an Ohio colleague complained of a stomach pain, and Carter's immediate diagnosis was a "hot" appendix about to rupture.

The Buckeye Congressman went to a hospital where Carter's finding was sloughed off, but before many more hours passed the hospital called back to correct itself and an appendectomy followed.

In the restaurant incident, a woman was choking on a piece of beef and was fortunate that Carter was at the scene. He utilized the "Heimlich hug," a maneuver developed by a Cincinnati doctor, and the woman gained immediate relief, Carter explained.

It was the second time within a few weeks that the congressman from Tompkinsville was called on for emergency medical treatment. At an airport ticket window a man suffered an attack, and "fell like a tree," Carter related. The doctor recognized symptoms of a stroke and performed cardiac massage until the victim began breathing. The man turned out to be an Army colonel who is now recovering.

When going about his business on the floor of the House, the subject of medicine often comes up. Carter said, both as chit-chat and in connection with the many medical-oriented bills in which he has an interest. Among those the Congressman intends to be involved in this session are medical-facilities construction, health planning, nurses' training, emergency medical services, safe drinking water and cost containment of medical services.

Carter has a particular interest in health planning. Proper co-ordination can allow the sharing of equipment and save money, he pointed out, and the lack of planning has resulted in 100,000 more hospital beds than we need, at a cost of $20,000 per bed per year.

He believes in containing the cost of medical care, he said, "but we just can't concentrate on this and let other segments of the economy fly high."

Carter isn't a man who weighs his words when expressing an opinion. Although he has only the testimony of others as proof, he calls the state administration of Gov. Julian Carroll one of the most corrupt in history. He'll be backing former Gov. Louie Nunn in this year's gubernatorial race because, he said, Nunn is the best qualified to put an end to corruption.

In national politics, Carter supported fellow Republican Gerald Ford for President in 1976, but is presently leaning toward Sen. Howard Baker of Tennessee as the GOP's presidential nominee in 1980.

Baker, whose home in Tennessee is only a few miles from Carter's in Kentucky, is a good middle-of-the-road choice who could rally elements on both the left and right, Carter said. "I want to see a winner," he declared.

Carter is also a close friend of former President Nixon, and was instrumental in arranging Nixon's appearance last summer in Hyden, Ky. Nixon and he talk regularly on the phone, the congressman said.

Carter has also been a faithful friend of America's military establishment. "I'm very much in favor of a strong defense, so strong no one dare attack us," said the World War II combat medic.

Until last year Carter had a penchant for handing out little red roses to be attached to suit lapels. Wearing a rose to express belief in defense of the country goes back to the Revolutionary War—"for those who love their country enough to stand up and defend it," Carter explained.

Beset with personal grief two years ago when his 22-year-old son died of leukemia, Carter has stopped giving out the roses. He still loves his country and is as solid for strong defense as before, he said, and chose not to elaborate further.

Dr. Tim Lee Carter doesn't get to Northern Kentucky often, and like other congressmen from far-away parts of the commonwealth, isn't so familiar to people here. But like Reps. M. Gene Snyder, Larry Hopkins and Carl Perkins, who do have parts of Northern Kentucky in their districts, Carter does represent some 450,000 Kentuckyians in Washington. He's part of that group of nine men (seven representatives and two senators) who are the state's congressional delegation, who to one degree or another are our voice in the nation's capital.

Others whose names aren't exactly household words hereabouts are Reps. Carroll Hubbard, William Natcher and Romano Mazzoli, of the First, Second and Third Districts respectively.

Hubbard is a Democratic candidate for governor and will become better known here, at least until the May primary. He hails from Mayfield and his district is in the westernmost part of the state.

Natcher of Bowling Green is a veteran congressman who boasts a nearly perfect record of answering House roll calls. Mazzoli is, like Natcher, a Democrat and represents Kentucky's only real urban area, Louisville.

The term "Kentucky congressman," then can mean a Tompkinsville physician or a Mayfield attorney, and not just Gene Snyder, Larry Hopkins and Sens. Walter (Dee) Huddleston and Wendell Ford.●

INVESTMENT PRIORITIES AND OBJECTIVES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DODD. Mr. Speaker, on November 29, 1978, I was invited to give testimony before the California Senate Select Committee on Investment Priorities and Objectives in Los Angeles.

My testimony concerned the need for the United States to pursue an active program of economic conversion and economic diversification of communities which are heavily dependent on military spending for their economic well-being. Both my own State of Connecticut and the State of California are heavily dependent on defense contracts for employing their citizens. While the United States obviously needs to maintain a strong defense, the "feast or famine" nature of defense spending can often have disastrous economic effects on communities which are especially vulnerable to shifts in military procurement. If nothing else, the example of the economic trauma many Californian communities went through after the cancellation of the B-1 bomber program illustrates the need for defense-dependent communities to broaden their economic bases.

In the near future I will be introducing legislation designed to assist defense-dependent communities diversify their economies away from their present dependence on military procurement.

Today, Mr. Speaker, I would like to enter my remarks before the California Senate Select Committee on Investment Priorities and Objectives into the RECORD in order to allow my colleagues the opportunity to discover the reasons I feel economic diversification legislation is so necessary.

The remarks follow:

TESTIMONY OF CONGRESSMAN CHRISTOPHER J. DODD

Mr. Chairman, members of the committee, I would first of all like to thank you for giving me this opportunity to testify before you today on a subject of particularly great importance to both the people of Connecticut and to you here in California. The dependence both of our states have on defense contracts for employing our citizens, while bringing many benefits, also brings substantial problems and economic risks.

While the defense industry in California employs more people and attracts larger contracts than in Connecticut, for its size, Connecticut is the most defense dependent state in the country. In a recent study by the Council of Economic Priorities, it was found that 27.7% of the workforce in Connecticut is employed in deefnse-oriented industries. Connecticut also has more defense contracts per capita than any other state. In my own congressional district, in the Groton-New London-Norwich area, a study conducted several years ago by the Arms Control and Disarmament Agency concluded that over 71% of the workforce was engaged in defense-related production.

Connecticut's great dependence on defense spending stems in large part from the influence of just two major corporations: United Technologies and General Dynamics. United Technologies employs over 48,000 people in Connecticut. Two of its subsidiaries, Sikorsky and Pratt & Whitney, perform defense work for the most part. However, both Sikorsky and Pratt & Whitney, and United Technologies overall, also have large civilian contracts. That is not the case of the second major defense firm in Connecticut: The Electric Boat Company, which is a division of General Dynamics. Its name notwithstanding, Electric Boat, builds nuclear-powered submarines.

Presently, both the new Trident nuclear missile-firing submarine and the new Los Angeles class fast attack sub are constructed in EB's yard in my district. While United Technologies's 48,000 workers are divided between eight different divisions in the state, almost all of EB's 24,000 employees work at the shipyard in Groton, and all of them do defense work, as EB has no other customer but the U.S. Navy. It is this concentration of defense workers in one small area of the state that leaves the community so vulnerable to defense-related economic disruption.

Of course, in the event of a contract termination or cutback at the shipyard, far more than the 24,000 EB workers would suffer. In my district alone, there are over 250 businesses with whom EB subcontracts. Most of these businesses and the people who work there would suffer if there was a major cutback at EB. The ripple effect from United Technologies would be even greater.

Obviously, then, the potential economic effects of major defense cutbacks in Connecticut concern me greatly. During the four years I have served in Congress, Electric Boat has experienced a five month strike, and the layoff of 3000 workers at one time. More recently, 8000 EB workers were handed pink slips which were later withdrawn.

Yet, despite these clear warnings, one of the greatest challenges I have faced is trying to convince the people in my district that our economic dependence on defense is potentially disasterous. My constituents see the 24,000 jobs at EB as an economic resource, and they wonder why I spend time attempting to point out the economic pitfalls of our defense dependence.

This past August, I sponsored a conference in Hartford titled "Defense Dependency and New England." I was pleased to have Connecticut's governor, Ella Grasso, and Senator Charles Mathias of Maryland participate in the conference and address themselves to this important issue. We were also fortunate to have representatives from the Pentagon's Office of Economic Adjustment, the Economic Development Administration, State and local government, and, most importantly, business and labor groups. We of course were not able to solve all of New England's defense-related economic problems at that conference, but I believe that it was a great success in bringing together many of the people in government, business and labor who have a direct stake in the problem. We were also successful in bringing the issue to the public's attention for what may have been the first time in Connecticut. If nothing else was accomplished, I believe that informing the public that there are serious economic problems associated with defense dependency, was well worth the effort.

I applaud this committee's work in providing the same service to the people of California who should be just as vitally concerned as the people of Connecticut.

However, I think we must recognize that many people looking at the number of workers the defense industry employs in California and Connecticut would ask us why we see our good fortune as a potential problem. There is a widespread belief that defense spending and the resulting employment is automatically a boon to any community.

One of the primary reasons the general public perceives defense spending as unambiguously beneficial to an area's economy is the vigor with which public officials fight to insure that military bases or defense plants are not shut down in their communities. A situation can thus develop where basic decisions affecting our national defense can be made for parochial economic reasons rather than for a true assessment of what is needed for our national defense. But defense spending is not necessarily beneficial to a local economy or even to our national economy.

In fact, a number of thoughtful economists have long been telling us that defense spending does more economic harm than good. Defense industries, after all, pro-

duce goods which consumers cannot buy. No new civilian jobs are created once a tank rolls off the production line. Its economic usefulness ends once it has been produced. Military spending also fuels the inflationary cycle because bringing down the cost of military hardware has never been one of the Pentagon's greatest concerns. Defense industries are able to bid up the price of materials and skills, thus making them more expensive to the civilian economy. The best technological talent in this country also seems to end up in the service of the military. Military technology has become the cutting edge of much of our most sophisticated technology. Some of our best scientists and technicians work for the defense industry, denying their skills to the civilian sector. Some economists contend that our present inability to successfully compete on the international market in stereos, televisions, automobiles, and other areas is a result of our best engineers and scientists leaving civilian work or never joining it in the first place.

So far from being a boon to the national economy, defense spending can actually seriously weaken our whole economic system. Communities which are heavily dependent on only one source of employment are naturally vulnerable to economic dislocations. This vulnerability is exacerbated if that one industry is defense oriented. The defense industry knows no market force but that exerted by the Federal Government. As we are all aware, decisions on defense spending can vary substantially from administration to administration, from Congress to Congress, and because of international conditions over which we may have no control.

When layoffs occur, defense workers are often laid off enmasse. California's experience with the B-1 is ample proof of that. The point is, however, that the layoffs which hit the workers at Rockwell International could just as easily have struck thousands of workers in Connecticut, New York, Washington, or any other defense dependent state. It unfortunately takes the cancellation of a contract as large as the B-1 before the dangers of overreliance on defense spending hits home. When I saw the TV reports of hundreds of B-1 workers walk out the factory gates for the last time, I could not help but think that the same thing could happen in my district.

At the present time, the Electric Boat Company in my district has plenty of contracts and will for years to come. When a community like mine is in the feast stage of the feast or famine cycle of defense spending, there are few complaints, and unfortunately few thoughts of what might happen if the nearby military base closes or the local defense plant has its contracts cut back. However, it is precisely during the times of plenty that the temptation of sitting back and congratulating ourselves for our good fortune must be avoided. It is then that a community should start seriously planning for the contingency of reduced defense spending in the future.

I realize that these hearings have been convened to address the issue of "Defense Dependency and Economic Conversion". However, I would like to bring to the committee's attention an alternative to economic conversion as a method for reducing a community's defense dependence. That alternative is the economic diversification of an area. This is not a substitute of Economic Conversion but rather a supplement to that approach, and practically a more achievable goal than some of the Economic Conversion proposals.

Let me briefly discuss economic conversion and the economic diversification proposals. First of all, as public officials we must take into account public perceptions of what reducing our economic dependence on the defense industry is supposed to accomplish. To me, reducing defense dependence simply makes good economic sense because it reduces a community's economic vulnerability to severe economic disruption. I do not approach the issue from a disarmament viewpoint although I do not disagree with this approach.

Unfortunately I do not believe the conversion of defense industries to civilian production will be necessitated by our current negotiations with the Soviet Union to limit Strategic Arms. For example, in 1972, SALT I placed upper limits on the number of strategic delivery vehicles each side maintains, but required no actual reduction. The Vladivostok agreement of 1974 limited both the U.S. and the U.S.S.R. to 2400 strategic delivery vehicles, again necessitating no actual cutbacks. As much as I would hope that the SALT II treaty currently being negotiated will result in substantial reductions in both sides strategic stockpiles, I think that there is now no question that it will not. In fact, it appears that President Carter may well give his approval to new strategic systems in order to appease potential SALT critics in the Senate.

The economic conversion of a military base or most of the larger defense plants can only occur if the facility is completely shut down. Alternative use planning may be the key to economic conversion. If every military base and defense plant were required to maintain a plan for the conversion to civilian use in the event of a shutdown, the pressure to keep the facility operating at any cost would not be so severe. And of course, the resulting economic dislocation would pass more quickly as workers would be retrained to operate the converted facility.

Planning for the possible shutdown of defense facilities through alternative use planning is obviously a prudent measure which must be encouraged. However, it has been my own experience that incremental cutbacks in defense production are more common than outright shutdowns. Your experience here in California, especially after the B-1 cancellation, may be substantially different.

It is a result of Connecticut's experience that I have stressed economic diversification, rather than conversion, as the primary vehicle to reduce overreliance on defense spending. Diversification is an old concept. The desirability of economic diversification has long been recognized by the business community. I would be hard pressed to name one major corporation which has not sought to reduce its vulnerability to market fluctuations by diversifying its operations. Simply stated, diversification makes good economic sense. While a corporation may be relatively well protected against the loss of a major defense contract, the same will probably not hold true of the local community. It is in the local community that diversification is most important.

Legislation I will be introducing in the next session of Congress will seek to aid defense dependent communities diversify their economies. I will propose the establishment of an office of economic diversification within the economic development administration. The office will assist local diversification committees draw up long-term diversification plans, and strategies for implementing them. Naturally, if a community is happy with its heavy dependence on defense contracts, then it would certainly not be required to participate in a diversification program. The basic decision-making should be left in the hands of the local government, and not mandated by the state or federal governments. The lack of local input over many government programs, by the way, is one of the causes, I believe, of Proposition 13 fever. For economic diversification strategies and economic conversion plans to work, we need to build a political base with grass roots support.

The diversification assistance I envision will be targeted on a priority basis to the communities with the highest levels of economic dependence on defense spending. The decision of what kind of diversification strategy a community should pursue will be left largely in the hands of the local committee. An office of economic diversification will be able to provide the technical assistance necessary to form an appropriate strategy and it will be able to provide a community with a broad range of options. Once a diversification committee has identified the resources available in the area and the types of industries best suited to take advantage of these resources, they can then seek assistance from existing federal agencies for those projects they feel are most necessary to expand their economic base and the commercial desirability of their area in order to attract new industry.

If a diversification committee is unable to obtain the federal funding it seeks, it could appeal to the office of economic diversification. If the office, on the basis of a community's level of defense dependency and the strength of its diversification plan, determines that the requested funds are necessary to implement the community's diversification plan, the office would then make the funds available to the appropriate federal agency. In this way, defense dependent communities would have a "second chance" at obtaining economic diversification assistance. This concept of "second chance funding", I believe, will provide many defense dependent areas with the long-term economic aid they need to successfully diversify.

Long-range diversification strategies, drawn up at the local level with the aid of an office of economic diversification, are the surest way to avoid the potentially catastrophic consequences which can befall any community too dependent on defense spending.

We must face the fact that high level of reliance on defense spending is economically unhealthy in any state or local community. Drawing up alternative use plans to deal with the possibility of base and plant shutdowns, coupled with a program of economic diversification, is the way to move towards a more stable and less vulnerable economy.

Mr. Chairman, members of the committee, thank you for your indulgence. If you have any questions, I would be pleased to try to answer them.●

NELSON ROCKEFELLER EULOGIES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WYDLER. Mr. Speaker, I would like to include in the RECORD additional newspaper articles eulogizing the late Nelson A. Rockefeller. As these articles show, tributes to this great American echoed throughout the world.

The articles follow:

[From the Tulsa World, Jan. 29, 1979]

NELSON ROCKEFELLER

Nelson Rockefeller, the scion of the Rockefeller dynasty who channeled his immense wealth and abilities into politics, is dead at 70.

While he was unsuccessful in three tries at the Presidency, he nevertheless was a power in Republican politics, serving three terms as Governor of New York, and a hitch as an appointed Vice President under Gerald Ford.

Rockefeller's death leaves only Laurance and David alive of the five grandsons of John D. Rockefeller, who founded the Rockefeller financial empire.

John D. Rockefeller III died in an automobile accident last July. Winthrop, who had served as Governor of Arkansas, died in 1973. A sister, Abby, died in 1967.

Nelson Rockefeller was the leader of the liberal faction of the GOP which lost out to the forces of Richard Nixon in 1960 and 1968 and Conservative Barry Goldwater in 1964.

All of the Rockefeller brothers, backed by the virtually unlimited resources of the family fortune, have proven to be good stewards of that legacy. The family's philantropic efforts have been considerable and each brother has contributed to society in his own way.

For Nelson, the attraction was service in public life. His record as Governor of New York was good and most observers think he would have made a strong and capable President.

He was a loser in Presidential politics but the judgment here is that the American public was perhaps the greater loser for his having failed to attain the job.

[From the St. Louis Post-Dispatch, Jan. 29, 1979]

NELSON ROCKEFELLER'S LEGACY

Years after the sudden death of Nelson A. Rockefeller, history may set him down alongside Henry Clay and William Jennings Bryan and other men who diligently sought the presidency, never won it, yet left an imprint on the American political system.

Nelson Rockefeller did not come very close to being chief executive, despite a background of family prestige a brilliant record as governor of New York and personal charm. Indeed it is ironical that despite making overtures for the Republican presidential nomination in 1960 and openly seeking it in 1964 and 1968 the closest he did come was as an appointed vice president for a non-elected president Gerald Ford.

Yet Mr. Rockefeller served his state and his nation well officially and otherwise. He was employed by two administrations to seek better relations with Latin America a particular field of his expertise and served as coordinator of Inter-American Affairs. His unofficial influence on public issues was extended through sponsorship of the Council on Foreign Relations and chairmanship of the Commission on Critical Choices for Americans.

From all this the public got the impression, not just of an Eastern Establishment spokesman, but of a liberal, at least in the British sense of the word. He believed in free enterprise and government that was freely representative of all elements in the nation, and as to foreign policy, the world was far too small, and his interests far too broad, for him to concede anything to isolationism. But a liberal Republican? That was the trouble.

He could easily have been a Democrat, it has been said, but he was a Republican, and the right wing of his party denied him the presidential nomination. The struggle of the Old Guard to maintain party control at all costs, even at the cost of losing elections, is an old one. It was seen when Taft supporters tried to deny the nomination to President Eisenhower, and again when the right championed Goldwater candidacy to disaster. But Nelson Rockefeller's challenge to the GOP was to keep closer to the middle ground of America, the only basis either for victory or effective government.

Mr. Rockefeller himself said it well at the 1976 Republican National Convention in Kansas City: "The nation needs a strong and vigorous two-party system. Frankly, this Republican party of ours has been shrinking . . . We know we can have a broad appeal. We've won four out of the last seven presidential elections. But we did it with candidates and campaigns that appealed to the broad spectrum of the American populace—not a narrow few."

The party to which Nelson Rockefeller devoted his political career and best instincts, and which rejected him, is still caught in a struggle between factions and still seeks its direction. But if he had not been on the political scene, constantly urging that broader appeal to America, the two-party system might now be weaker. That is part of his legacy to the nation.

[From the Kansas City Times, Jan. 29, 1979]

NELSON A. ROCKEFELLER

Playing the game of what-might-have-been can go on and on. In the case of Nelson A. Rockefeller, the possibilities are infinite. What if Rockefeller had succeeded in derailing Richard M. Nixon somewhere along the line? What if he had succeeded in securing one of the Republican nominations he sought? Win or lose, the effect on the United States and the GOP would have been immense.

Rockefeller rates much more than a footnote in the books, and we would guess that in the years ahead historians will uncover the Rockefeller factor in political and economic equations not now known. The uses of the Rockefeller fortune permeate American life. His role as governor of New York and his influence since the days of World War II in the federal government went far beyond that state or any particular job he held in Washington. Sometimes it seemed as if he were conducting his own state department or shadow government that often complemented, and sometimes conflicted with, official policy.

Great sections of the Republican Party never accepted Rockefeller, yet he had a profound impact on the Grand Old Party. The ravening delegates at the 1964 Goldwater convention focusing their hatred on Rockefeller showed an element of the party naked and at its worst. It seared a lot of people, including other Republicans.

Rockefeller's name and wealth were forces that worked against a clear run at the White House on his own. Gerald Ford made him Vice President at a time when the fragility of the executive branch had been painfully demonstrated. The country sighed with relief. Whatever happened Nelson Rockefeller was a man who knew what to do. People wondered how such a man ever could put himself in the place of a commoner with unpaid bills. But in New York, and in the party, he was a voice of compassion for the poor. Sometimes it seemed that Republican fat cats, men who had made it on their own and who couldn't understand why everyone else couldn't overcome poverty, were the ones who disliked him most.

Attica, intraparty throat-cutting, the frustrations of the vice presidency and a boredom that came with being a Rockefeller ("after that what else is left except the White House?" he once said) were other parts of the story. It was a drama that somehow had an unsatisfactory ending.

[From the St. Louis Post-Dispatch, Jan. 29, 1979]

ART PATRON ROCKEFELLER ACQUISITIVE, CONTROVERSIAL

(By Robert W. Duffy)

Nelson Rockefeller pursued art collecting with the same vigorous intensity with which he pursued the presidency of the United States.

By the time he died Friday night in his study at 13 West 54th Street—a stone's throw from the Museum of Modern Art in New York, an institution he and his family have served and supported since its birth—Rockefeller had gathered a Medicean collection of works of art—everything from the work of the greatest of the modern masters and classics of primitive art to exquisite china, rugs and furniture. In all, it has been reported that Nelson Rockefeller owned in his lifetime as many as 16,000 pieces of art.

He bought his first object when he was on a round-the-world honeymoon with his first wife, the former Mary Todhunter Clark of Philadelphia, in 1929. The object was a knife handle in the shape of a shrunken head, purchased in Sumatra. That purchase was to be prophetic: As the years went by, Rockefeller was to amass a splendid collection of Oceanic, African and pre-Columbian objects.

The first in a series of books on Rockefeller's collection was devoted to his collection of primitive art. Called "Masterpieces of Primitive Art," the book, with an introduction written by Rockefeller, was published by Alfred Knopf in October 1978.

In 1957, Rockefeller founded the Museum of Primitive Art in New York to house his collection. The work is now in the Metropolitan Museum in New York, housed in the Michael C. Rockefeller Memorial Wing. The wing was named for Rockefeller's son, an anthropologist, who was killed in New Guinea in 1961.

Nelson Rockefeller was at work on the second volume of books on his collection, which was concerned with modern art, at the time of his death.

In 1932, when he was only 24, he took a seat on the board of the Museum of Modern Art. In 1935 he became treasurer; by 1939 he was its president.

(His taste for the moderns would, at times, cause him problems. For example, when Rockefeller Center was being completed, he commissioned Mexican artist Diego Rivera to paint the central murals for the massive complex. What Rivera painted—a picture quite critical of capitalism, complete with a portrait of Lenin—was unacceptable. Rockefeller tried to bargain with the artist, who refused to compromise. The mural was effaced.)

Rockefeller filled his residences in New York City, in Pocantico Hills, N.Y., and in Maine, with works he bought and works he commissioned. In the 1930s, for his lavish New York apartment, Henri Matisse and Fernand Leger were commissioned to paint murals; Alberto and Diego Giacometti supplied lamps and fireplace andirons.

When Rockefeller was named vice president by former President Gerald R. Ford, the Rockefellers took to the vice presidential mansion in Washington a number of the modern works they owned and gave to the nation a bed made by the surrealist artist Max Ernst.

Rockefeller probably would have been revered forever as a patron, connoisseur and benefactor of the arts had he not embarked on a curious enterprise last year.

Rockefeller went into the art business. And the area of art commerce he went into is one that is increasingly the subject of much criticism, that is, art reproduction.

Doing business as the "Nelson Rockefeller Collection," Rockefeller arranged to have reproduced works of art and decorative objects that he owned.

Offered for sale in a glossy catalog mass-mailed from Labor Day on and in a showroom at 48 East 57th Street in Manhattan were reproductions of the Giacometti andirons and lamps; a repro-Rodin bronze for $7,500; works by Degas, Nadelman, Bonnard, Cezanne and Toulouse-Lautrec; as well as primitive pieces, furniture and china.

The list goes on and on—a list of copies of precious things collected by Rockefeller over the years, now offered to the public like highly-priced gimcracks.

Friends and acquaintances of the Rockefellers were heard to say, "Can you imagine Nelson opening a store!" A recent New Yorker magazine cartoon portrayed a couple showing off their living room to visitors. The gag line reads something like, "We've re-

done the room completely in Nelson Rockefeller."

There is a more serious side, however. Some critics have called the Rockefeller venture artistic profanity. The works are not represented as mere copies, but as reproductions of enduring merit. Critics like Hilton Kramer of the New York Times have judged them, however, "glossy but shoddy."

The reproduction business, as practiced by Rockefeller as well as former Metropolitan Museum director Thomas P.F. Hoving (who set up shop last year), has been condemned by the American Art Dealers Association. The position of the association is that the high-priced reproductions business dilutes and diminishes the market for original works of art.

The association's condemnation, in the opinion of many critics, curators and practicing artists, is not self-serving. For the price one pays for a Rockefeller reproduction of a Picasso, say, one can buy an original produced by an artist of merit.

Viewing a reproduction, as Hilton Kramer correctly observed, "bears little relation to the experience of the original object . . . It demeans the artist's work—all in the name of bringing it closer to us."

Nelson Rockefeller, a grand acquisitor, a man of great taste, was, however, following in the footsteps of his progenitors, men who were never hesitant to make a buck. And apparently, the Nelson Rockefeller Collection is successful.

One can be sure, however—and this is to his credit—that Nelson Rockefeller never, ever would have considered buying one of the objects that, late in life, he offered for sale.

[From the Los Angeles Times, Jan. 30, 1979]

ROCKEFELLER EULOGIZED BY SON AT GRAVESIDE SERVICES

TARRYTOWN, N.Y.—The ashes of Nelson A. Rockefeller were buried Monday in a family cemetery here after a eulogy by his 15-year-old son.

None of the public clamor that punctuated Rockefeller's life was evident at the graveside rites.

"Dad, we know how much you love us and we want you to know how much we love you and how much we will miss you," Nelson Jr., one of two sons by Rockefeller's second marriage, said.

"Your spirit will live on with us forever. We'll try to live up to the example you've set as a father, as a husband, as a brother, as a statesman and as a friend.

"Dad, we're not saying goodby, but until we meet again."

After the eulogy, Laurance Rockefeller, one of two surviving brothers, told his nephew: "Nelson, you've spoken for all of us."

The former Vice President and four-time New York governor, who died of a heart attack Friday night, was cremated Sunday at the Ferncliff Crematory near the family's 250-acre Pocantico Hills estate.

President and Mrs. Carter will attend nondenominational memorial services for Rockefeller on Friday morning at New York's Riverside Church, the White House announced Monday.

Only family members were present Monday for the 70-year-old Rockefeller's 30-minute graveside rites.

Attending the ceremonies were his widow, Margaretta (Happy) Rockefeller, by whom he had two children, and Mary Todhunter Clark, who had borne him five children before their 1963 divorce.

The grave was just to the right of the plot where John D. Rockefeller Jr., Nelson's father, and his mother, Abby Aldrich Rockefeller, are buried. The patriarch and founder of the family fortune, John D. Rockefeller Sr., is buried in Cleveland.

Estimates of Nelson Rockefeller's personal fortune ran as high as $200 million to $250 million. Included, however, was a $37.4 million art collection, which he reportedly willed to Manhattan's Museum of Modern Art.

[From the Chicago Tribune, Jan. 30, 1979]

NELSON A. ROCKEFELLER

Strong political leaders—indeed, leaders in any field—have a quality in common: They tend to be so uniquely themselves, so all-of-a-piece, that even their deaths bear the same individual stamp and character as their lives. Perhaps that is what's meant by "integrity." It is certainly a quality that Nelson Aldrich Rockefeller had in full measure.

Mr. Rockefeller's death at 70 Friday was in itself almost a monument to his life. He was stricken at 10:15 p.m. while working in his midtown Manhattan office, after having spent a typically long working day; it had included a speech introducing former Secretary of State Henry Kissinger, a long-time friend and associate, in an appearance at a private school attended by two of Mr. Rockefeller's sons. When he collapsed of a heart attack, he was working on a forthcoming volume about modern art, one of many projects associated with his own vast art collection.

The great themes of Nelson Rockefeller's life—business, statecraft, art, zest for hard work, and a tireless drive to share his advantages with others—came together at his death.

Mr. Rockefeller was one of the richest men in the world, member of a financial dynasty and heir to the incalculable oil and real estate fortune founded by his grandfather, John D. Rockefeller Sr. He could have lived a life of uninterrupted luxury and ease. Instead, he plunged into the management of an industrial empire, broadened its philanthropic scope, and became a powerful force in the nation's political life—adviser and administrator to every President since Franklin Roosevelt, four times governor of New York state, founder and head of a panel designed to solve the nation's economic and social problems, Vice President under President Gerald Ford. The one goal he never reached was the Presidency itself; he repeatedly sought but never won the Republican nomination.

Nelson Rockefeller summed up his own life in the brief speech he gave on taking office as Vice President. "I feel a great sense of gratitude," he said, "for the privilege of serving the country I love." The services can never be returned; the gratitude can be, and is.

[From the Chicago Tribune, Jan. 29, 1979]

NATION'S LEADERS EXPRESS SORROW

Former President Gerald R. Ford, the man who appointed Nelson A. Rockefeller Vice President, said Saturday that Rockefeller's death was a tragic loss personally and politically.

"One cannot adequately express one's sadness when a tragic death occurs," Ford said in a statement from King Hussein's guest palace in Amman, Jordan. "I have lost one of my closest friends, both personally and politically."

Ford appointed Rockefeller his Vice President upon succeeding Richard Nixon in the White House. He learned of Rockefeller's death shortly after breakfast on the next-to-last day of his two-week Middle East tour.

"The nation loses a truly great leader who unselfishly devoted his lifetime to helping his country and its people.

"The world has lost a statesman with vision, understanding, and wisdom. Betty [Mrs. Ford] and I extend our deepest condolences to Mrs. Rockefeller, their children, and the Rockefeller family," Ford said.

Nixon, in a statement issued at his San Clemente, Cal., office, said:

"Nelson Rockefeller inherited great wealth. But to his eternal credit, instead of sitting on the sidelines, living it up, he plunged into the political arena, where he enjoyed great victories and suffered disappointing defeats.

"His great ability, enormous energy, unfailing good humor, and selfless dedication to public service left an indelible mark for good on the American political scene.

"Mrs. Nixon joins me in expressing our deepest sympathy to Mrs. Rockefeller and his family."

NEW YORK Gov. Hugh Carey ordered the flags at all state office buildings lowered to half-staff and praised the four-time Republican governor as "a man of wisdom and courage, energy, and vision."

"With the passing of Nelson Rockefeller, we have lost our great governor and our beloved Vice President," he said.

Ronald Reagan, former California governor and presidential candidate, awakened at his home in a Los Angeles suburb, said: "I've known him for years, and we had many dealings as governors. He was a longtime public servant. We had our political differences, but we had a cordial relationship. I'm deeply shocked, as I'm sure everyone is, and I have the deepest sympathy for his family."

Sen. Percy [R., Ill.], whose liberal political philosophy was considered akin to Rockefeller's, said: "Nelson Rockefeller's influence on American politics was considerable, just as his influence on many lives was great.

"Throughout his lifetime, he was in the forefront of human rights, but he always stood for a strong national defense and a dynamic foreign policy.

"It was characteristic of Nelson Rockefeller that, as he closed the political chapter of his life, he immersed himself in the next phase, his modern art collection, with the same enthusiasm and energy that he had shown in all other aspects of his life."

Gov. Thompson Saturday directed that all Illinois state officers fly the American flag at half-staff next week through sundown Friday.

Thompson said of Rockefeller: "He was a personal friend, but more than that, he was one of the best friends this nation ever had.

"He was always a part of our country's courage and integrity, and we will all miss him. I feel deep sympathy for his family."

Former Illinois Gov. Richard Ogilvie characterized Rockefeller as "a fine, decent guy."

"He was my choice for Vice President when Ford was running for President, and I believe if Ford had picked Rockefeller rather than Bob Dole, he would have continued to be President."

Ogilvie recalled that when he was elected governor in 1968, "I sent members of my transition team to visit then-Gov. Rockefeller in New York, and he gave them excellent advice on how to organize our administration. We got to be close friends as fellow governors."

When Rockefeller made his belated entry into the 1968 presidential campaign, his third unsuccessful attempt for his party's nomination for the office, Elroy Sandquist was his Illinois campaign chairman.

Sandquist, now a Republican state representative from Chicago, said:

"I am deeply shocked by his death. I got to know him very well, and I found him to be a warm and understanding human being. I was very disappointed that we didn't get him nominated in 1968."

In Charleston, West Virginia Gov. Jay Rockefeller, Nelson Rockefeller's nephew, said he was saddened to learn of his uncle's death.

"Sharon and I grieve over the loss of Uncle Nelson, not only from our family's standpoint but also that of the state and nation," the governor said. "His energy, zest, and determination for a stronger, wiser America came from a total devotion to this country and its way of life."

Mrs. Rockefeller is the former Sharon Percy, daughter of Sen. Percy.

Sen. Jacob Javits [R., N.Y.] said Rockefeller had "a big vision and a big concept of what the American people were capable of achieving in peace and prosperity for themselves and the world. His extraordinary public service to New York State, to our nation, and to his political party are the material of history and will mark him as one of America's most distinguished sons.

"We will do well to remember his ideas, his teachings, and his personal warmth and dynamism. It will help us as individuals and as a people. We have all lost a good friend."

Former Sen. Hiram Fong of Hawaii said Rockefeller "always appeared in good health. It was surprising. He was a fine man. I knew him quite well and liked him very much."

Fong said Rockefeller was twice "within reach of the presidency," when he was asked by Nixon to run against John Kennedy and when he was Ford's Vice President.

"Had he run with Nixon against Kennedy, both would have won, and the history of the world would have changed," Fong said.

James Farmer, founder of the Congress of Racial Equality [CORE], said: "It is with great sadness and grief that I learned of the passing of an old friend, Nelson Rockefeller. Nelson was a friend whose wealth did not blind him to human misery, suffering, and poverty. He was a man of passion for all people—rich and poor."

[From the Chicago Tribune, Jan. 28, 1979]

STUNNED FAMILY PREPARES ROCKEFELLER'S LAST RITES

NEW YORK.—The stunned family of Nelson A. Rockefeller gathered Saturday morning to make funeral arrangements for the former Vice President who died late Friday night of an apparent heart attack at the age of 70.

Laurance Rockefeller, Nelson's brother, emerged into Fifth Avenue with his wife, Mary French Rockefeller, both in tears after a morning telephone conference with family members far and wide.

Laurance Rockefeller spoke in a weak voice as he and his wife came out into the wind.

He said he wanted to try to "say a few words about my brother.

"I have always loved and admired Nelson as a brother and friend for as long as I can remember."

Rockefeller clutched a small plaque of the well-known prayer of St. Francis of Assisi. He said he is finding "great solace" in it and asked Hugh Morrow, a Rockefeller spokesman to read it. Morrow read the last paragraph:

"O Divine Master, grant that we may not so much seek to be consoled as to console, to be understood as to understand, to be loved as to love. For it is in giving that we receive, it is in pardoning that we are pardoned, and it in dying that we are born to eternal life."

Morrow, also weeping as he stood in an icy wind on the sidewalk, said the family would be reunited in a few hours and funeral services would be worked out.

Former Secretary of State Henry Kissinger was with Rockefeller's youngest son, Mark, at the Pocantico Hills estate in Westchester County. It was Mark's 12th birthday Friday and no one knew if Kissinger had informed him yet.

The late governor's wife, Margaretta—known as "Happy"—accompanied by a doctor, gave the news to their other son Nelson Jr., after returning from Lenox Hill Hospital in early morning. Morrow said she was grief-stricken, but composed.

"We will miss him very much," the boy is reported to have said.

Spokesman Morrow said Rockefeller died while working at his desk in Rockefeller Center, the midtown Manhattan business and entertainment complex that bears the family name.

Morrow said Rockefeller collapsed at about 9:15 p.m., Chicago time, as he worked on a book featuring his extensive modern art collection.

Security personnel tried in vain to revive him. He was taken to Lenox Hill Hospital, where he was pronounced dead.

Dr. Anthony Mustalish, chief of emergency services at the hospital, said Rockefeller arrived at about 10 p.m. Chicago time, and was not breathing. Mustalish said a team of doctors tried for an hour without success to revive him.

The body was taken to a funeral parlor in Tarrytown, N.Y., where the family's estate is located.

Rockefeller, a Republican who served as New York's governor for 15 years, spent a "normal day at his office" before the incident, Morrow said.

"Rockefeller was enjoying life since leaving politics and had not suffered any illnesses," Morrow said.

He said the former Vice President always had been considered in excellent health and apparently died of "instantaneous heart seizure."

Morrow said that at about 5 p.m., Rockefeller had accompanied his wife and their two sons to young Nelson's private school for a speech by Kissinger, Kissinger, a long-time friend, had been an adviser to Rockefeller during his years as New York's governor.

The family then returned to their Fifth Avenue apartment for dinner, after which Rockefeller went back to his office to work on his art book.

Since leaving the vice presidency and politics in 1976, Rockefeller had energetically devoted his time to retail sale of reproductions of works in his art collection. He printed a catalog before Christmas offering the high-priced and high-quality works.

He had been scheduled to speak Saturday to the Fifth World Antiques Market Conference here, where he was to announce plans to make his retail store on 57th Street a permanent operation.

Nelson was the oldest surviving brother of the sons of John D. Rockefeller Jr. His brother John D. III, eldest of the third generation of the financial dynasty started by John D. Rockefeller, died last July in an automobile accident on the family estate. He was 72.

Another brother, Winthrop, died in 1973 after serving as governor of Arkansas for two terms.

Two other brothers, Laurance and David, and a sister, Abby, survive. Laurance, 68, has made his career in philanthropies, especially conservation efforts. David is a giant in American financial circles; he is president and chairman of the Chase Manhattan Bank.

Rockefeller had been elected to four terms as governor of New York State, served in an array of appointive posts in government during World War II and after, and managed the family's many business enterprises.

Rockefeller was born July 8, 1908, in Bar Harbor, Me. His grandfather, John D. Rockefeller, was the country's first billionaire and the founder of the Standard Oil Co.

In 1930, Rockefeller graduated from Dartmouth College, received a $2,500 bonus from his father for not smoking or drinking, married Mary Todhunter Clark, the daughter of a socially prominent Philadelphia family, and immediately began supervising the family businesses.

Recalling his youth, Rockefeller said his Baptist religion played a major role in his family. "We had family prayers every morning before breakfast and on Sunday attended Sunday school and church," he said.

"We were raised strictly, as was my father and his father before him. The surroundings were obviously different but the principles and the discipline were the same."

During World War II, Rockefeller served under Franklin Delano Roosevelt as coordinator of inter-American affairs, and also as assistant Secretary of State. He was under-secretary of the Department of Health, Education, and Welfare in 1953–54; special assistant to the President in 1954–55; and chairman of the President's committee on government organization in 1953–58.

In 1958, in his first try for elective office, he scored a political upset by defeating Democrat Averell Harriman for New York governor by 573,000 votes.

His original and somewhat stiff "Call Me Nelson" approach soon gave way to the familiar "Hiya, fella!" wink-and-grin "Rocky" that proved a delight to political cartoonists and headline writers. He was elected governor four times.

Two years later, he made a belated try for the Republican presidential nomination but was defeated by Richard Nixon, who became a bitter personal political enemy and long-time foe of Rockefeller's liberal tradition.

In 1964, he let the GOP nomination slip away again, this time to Sen. Barry M. Goldwater of Arizona. In 1968 he lost to Nixon a second time.

Rockefeller's years as New York governor are best remembered for his stand during the Attica prison rebellion in 1971, during which 43 people died. His refusal to go to the prison in western New York and negotiate with the inmates stirred liberals to charge the governor with a lack of compassion.

In 1963 he shocked the political world by marrying Margaretta Fitler Murphy, a Bryn Mawr graduate and debutante whose family had made a fortune in the rope business.

Rockefeller and his first wife had separated Nov. 17, 1961, after a 31-year marriage. They were divorced in Reno, Nev., on March 17, 1962.

Some politicians believe his divorce, and remarriage to Happy, cost him the 1964 presidential nomination. As Rockefeller campaigned throughout the country, he often was greeted by criticism of his divorce and remarriage.

An authority on modern and primitive art, Rockefeller served as a trustee of the Museum of Modern Art in New York City. He also was a founder of the Museum of Primitive Art.

Rockefeller faced personal tragedy often during his life.

In 1961, one of his sons by his first marriage, Michael, was swept out to sea while on an exploration near New Guinea in 1961. His body was never found.

In 1974, while he was undergoing congressional confirmation hearings on his appointment as Vice President, Rockefeller called a surprise news conference in his Manhattan office. Many of the reporters present expected him to withdraw his name from contention.

Instead, he announced that his wife, Happy, had just undergone a radical mastectomy for breast cancer.

[From the Chicago Tribune, Jan. 29, 1979]

CARTER'S TRIBUTE

WASHINGTON.—President Carter's statement on the death of Nelson Rockefeller:

"Today the nation mourns one of its most distinguished public men, Nelson Rockefeller. Rosalynn and I extend our deepest sympathy to Mrs. Rockefeller and his family.

Nelson Rockefeller was born to privilege and accepted his privilege as an obligation to serve his state and nation. He sought the highest service, but willingly and ably performed whatever tasks were asked of him by his country. He was a strong and popular governor. He served unstintingly under many Presidents of both parties whenever there was a special task to be done.

"At a time when our people's trust in their government had been deeply shaken he ac-

cepted appointment to the vice presidency, helping to reassure the nation with his own integrity and vigorous optimism.

"But Nelson Rockefeller did not limit himself to tasks others assigned him. He had special concern for the less fortunate, for the arts, for the processes of government itself, and, most of all, for the vision that guided this nation. When he saw a need, he marshalled the necessary resources and talent to set about meeting it.

"A warm and generous friend, he knew how to lose with grace and win with enthusiasm. He drank deeply of life from a full cup.

"We knew him by his good works."

[From the Los Angeles Times, Feb. 7, 1979]

ROCKEFELLER CREMATED; ASHES TO BE BURIED TODAY

TARRYTOWN, N.Y.—The body of former Vice President Nelson A. Rockefeller was cremated Sunday, a family spokesman said, a day before a private memorial service scheduled at the Rockefeller estate overlooking the Hudson River.

Rockefeller's ashes will be buried today at the family cemetery at Pocantico Hills. He and his brothers and sister spent much of their childhood at the family estate there.

Rockefeller, who died Friday night at the age of 70, was cremated in Westchester County, the spokesman, who asked not to be identified, said.

Hugh Morrow, another family spokesman, said most of the family, including Rockefeller's brother David, had joined his widow, Happy, and his children at Pocantico Hills by Sunday.

David Rockefeller, chairman of Chase Manhattan Bank, had been in Oman in the Middle East when he received word of Nelson's death, and immediately headed for home.

A separate memorial service for family, friends and national and international leaders was scheduled for 11 a.m. Friday at Riverside Church on Manhattan's Upper West Side. The church was financed with the help of donations by Rockefeller's father, John D. Rockefeller Jr.

New York Gov. Hugh L. Carey said he intended to hold a tribute to Rockefeller in Albany at a future date.

Rockefeller served 15 years as governor of New York and two years as Vice President under Gerald R. Ford.

[From the Los Angeles Times, Jan. 29, 1979]

NELSON A. ROCKEFELLER

He should have been President. To say that of Nelson A. Rockefeller is not to say definitively that he would have been a great President, certainly not that he would not have made mistakes of judgment. It is rather to say that more than most public men of his time he was equipped by experience, character and outlook to hold the office he so energetically went after, but which his own party firmly and at times vindictively denied him the chance for.

He was out of phase with the Republican Party of his day, as indeed by the time of his death his approach to public policy seemed out of tune with the currently fashionable political mood. "Era of limits," "lowered expectations" were phrases without meaning for Nelson Rockefeller; he seemed to have been born with a temperament of boundless optimism (and why shouldn't a Rockefeller be optimistic?); for him there were no problems without solutions, no obstacles that could not be overcome by hard work and good will. His evident belief in the inevitability and rightness of progress was in a way more of his grandfather's century than of his own.

After so many years of public life his record was, as they say, mixed; his death will not go unmarked by controversy about this judgment, that decision—but his views were consistent. From the beginning of his service in Franklin D. Roosevelt's administration, he was an internationalist; he knew that the United States was, like it or not, the main actor on the world stage, and he thought that the role should be played with both firmness and generosity. The beneficiary of democratic capitalism himself, he saw both its uses and its limitations, and he believed in employing government both to promote enterprise and assertively to provide for the common good.

From his public posts and his private philanthropies he encouraged improvements in education, medicine and science with the same gusto he applied to government, but it was art that enthralled him. "In a mechanistic world," he once said, "it is the great refresher, the source of inspiration, the renewer." It is hard to overestimate his influence on modern taste. He was one of those collectors who do not follow public taste but lead it; he did more than any person in America to bring primitive art into the public eye.

No stranger to private trouble and great grief, he was cheerful, even jaunty, in the face of public disappointment, and when you heard that gravelly New York voice you knew he thought that things—however they looked at the moment—were going to get better.

Vastly ambitious for himself, denied the prize he wanted most, Nelson Rockefeller nevertheless was what the phrase public servant is all about.

[From the New York Post, Feb. 1, 1979]

ROCKEFELLER REMEMBERED: THE ELUSIVE NOMINATION

(By William F. Buckley)

Some years ago—it was during the period of indecision in 1967–68 over whether to contest Richard Nixon for the Republican nomination for the presidency—Henry Kissinger called to advise me that Gov. Rockefeller would like to meet me. Meeting me is terribly easy to arrange, so not long after, HK and I rode up the elevator to the Fifth Avenue apartment, and Happy opened the door. What would I like to eat, drink, smoke, etc., and in a few minutes—powerful men, it is my experience, generally let a visitor cool for a moment or two to heighten the suspense: but it was easy to pause there, because within eyesight lay several million dollars of nicely distracting art treasures—he strode in. We exchanged pleasantries while I wondered what was the purpose of the meeting.

In due course I found myself listening to an hour-long recitation of his early career on the Latin American desk, at the Chapultepec Conference, and at San Francisco, where he had labored continually to counter Soviet machinations. All this was done quietly in the tones, I gradually perceived, of a postulant. Nelson Rockefeller wished to convince me that he was profoundly anti-Communist.

I always believed this true of him, but notwithstanding his consistency on the question—marred by an ambiguity on Vietnam when, briefly, Adviser Emmet Hughes prevailed over Adviser Henry Kissinger, respectively the dove and the hawk in the inner circle—Nelson Rockefeller permanently alienated the right wing in America. He did this in 1963 when he was induced to denounce in extravagant terms the whole of the conservative movement as though it were a branch of the John Birch Society. His reward was the distasteful episode in San Francisco when delegates who went there grimly determined to nominate Barry Goldwater gave Rockefeller the Bronx cheer—as if to say: "If that is what you think of US, this is what we think of YOU."

But Nelson Rockefeller never gave up. And so now, in 1968, he made a gesture to representatives of the right wing. During the convention itself, against the forlorn possibility that he might actually be nominated over Nixon and Reagan, a special representative of Rockefeller kept me regular company, his mission to guard against the preemptive denunciation of Rockefeller by certain quarters, which denunciation would have had on Rockefeller's candidacy the same effect that the virtual denunciation of him by the labor leaders had on George McGovern in '72.

Then, too, there was the image of Rockefeller the Big Spender. He was unquestionably the central figure in the progressive decline of the economy of New York and New York City. But he came gradually to recognize that there were limits to all of this. And so he quarreled with John Lindsay, who finally joined the Democratic Party, where he had always belonged. And on one occasion, with several dozen persons present, Nelson Rockefeller rose to toast Gov. Ronald Reagan at the other end of the room:

"I feel the urge to confess," said Gov. Rockefeller, "that I tried a different approach to state welfare than Gov. Reagan. And his has proved more successful than mine."

In 1970 we met to discuss the senatorial race in which my brother James competed, and won. The incumbent, Sen. Charles Goodell, having been appointed by Gov. Rockefeller upon the death of Robert Kennedy, had switched radically to the left, proving an embarrassment to Rockefeller. On that occasion he told me he would give only formalistic support to Goodell, to whom as a fellow Republican he was organizationally committed. "I really am a conservative, you know." And then, winking, "I've got a lot to conserve."

Classically, Nelson Rockefeller is another example of the man who, having nothing left to animate him, dies; like Napoleon at Elba, or Robert Taft after Eisenhower's nomination. He was a very strong man, persuasive in conversation, dogged in his pursuit of his goals, unsentimental, yet generous.

Henry Kissinger believes he would have been a great President. I think it altogether possible that this is true. He had the strength of character to profit from his own mistakes. If he had been kinder to Nixon during the years of exile, Nixon might have appointed him to replace Agnew. If that had happened, Rockefeller would almost surely have been President last week—in which event, almost surely, he would still be alive.●

BUDGET BALANCING

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PAUL. Mr. Speaker, balancing the Federal budget has been a goal of some politicians—or at least a plank in their platforms—for decades. To listen to some, one might be persuaded to believe that balancing the Federal budget will end inflation, reduce taxes and the size of Government, and usher in an age of national prosperity. Unfortunately, a balanced budget, in itself, will do none of these things.

Inflation, for example, is caused by the Federal Reserve System and the fractional reserve banking system it oversees. Inflation is not caused by unbalanced budgets, and balancing the Federal budget will have little or no effect on inflation as long as our present banking system remains unaltered. The year the stock market crashed, 1929, the Federal

Government had a stupendous surplus in its budget, $1.2 billion. A surplus of comparable size today would be $80 billion. Despite this large surplus (and surpluses in other years during the decade of the twenties), the Fed was still able to inflate the money supply sufficiently to cause the crash and subsequent depression.

Neither will a balanced budget reduce taxes or the size of Government. Budgets might be balanced by raising taxes as well as by reducing expenditures. Agencies, prohibited from spending more money, might promulgate regulations that shift costs from the Federal budget to the budgets of consumers and businesses. Balancing the budget, in short, will not result in any of the consequences desired by the proponents of a balanced budget. Inflation will end only when honest money—which is gold—becomes our national currency. Taxes will be reduced only when this body cuts taxes. The unconstitutional powers of the bureaucracy will be curbed only when this body summons the courage to curb them.

I ask that an article by Bruce Bartlett, an economist on the staff of Senator ROGER JEPSEN of Iowa, entitled "Budget Balancing" appear in the RECORD at this point. The article originally was published in the January 24, 1979 edition of the New York Times:

BUDGET BALANCING

(By Bruce Bartlett)

ARLINGTON, VA.—President Carter's proposed fiscal 1980 budget, which would contain a $29 billion deficit—down from the 1979 deficit of $37 billion—shows his concern for reducing the Federal deficit and moving toward a balanced budget for 1981. Gov. Edmund G. Brown Jr. of California also seeks a balanced Federal budget, but wants to mandate it by a constitutional amendment.

Although conservatives are widely applauding these actions, the economic rationale for a balanced budget is extremely weak and there may be unforseen consequences, both political and economic.

If one looks at the economic problem, there are really only two good arguments for a balanced budget: to hold down the growth of Government spending and to control inflation. Unfortunately, a balanced budget guarantees neither.

On the surface it would appear that an amendment requiring a balanced budget would reduce Government spending to the level of budget receipts.

But the Congress could just as easily decide to maintain the same high level of spending and raise taxes instead.

If you don't think the Congress will raise taxes if necessary to keep from cutting spending, remember that the last Congress raised Social Security taxes by $227 billion despite a so-called tax revolt.

Furthermore, every state in the Union has a provision in its constitution requiring a balanced state budget, yet this has had no effect on the states' ability to increase spending.

Indeed, for many years the fastest growth of government has been in the state and local sectors, not the Federal. Consequently, it is just wishful thinking to believe that Federal spending will be reduced by a balanced-budget requirement.

Nor can we expect a balanced-budget amendment to reduce inflation, because inflation is primarily caused by an expansionary monetary policy.

A budget deficit in and of itself has no inflationary impact. The only thing that matters is how that deficit is financed.

If it is monetized—that is, financed by creating more money—then there will be an inflationary impact, just as there would be from any increase in the quantity of money with or without a deficit.

But if the deficit is financed by borrowing from real savings, then there is no inflationary impact. Capital merely becomes diverted from market-directed purposes to Government-directed purposes. This may or may not be desirable on other grounds, but there won't be any inflation as a result.

Considering these facts, one wonders why conservatives are so adamant in their devotion to a balanced budget, especially when it has brought them so much political harm.

Because conservatives hate budget deficits so much, they became the liberals' tax collectors.

The liberals would win election by promising the people something for nothing via the miracle of deficit spending, and then they would let the conservatives oppose such spending or raise taxes to pay for it.

Consequently, conservatives have become associated negatively in the public's mind with those who take away their benefits without offering anything in return except the virtues of a balanced budget.

It is ironic that just when conservations have finally begun to shake off their hopeless quest for a balanced budget and adopt the more fruitful tax-reduction approach of Proposition 13, a liberal Democrat like Governor Brown should pick up the idea and breathe new life into it.

Eventually, conservatives must understand that "deficit" is only a code word without economic significance. They must be prepared to say that it is better to have a $400 billion Federal budget with a $100 billion deficit than a $500 billion budget that is balanced. Reducing taxes and reducing spending are the proper goals.

Pursuit of a balanced budget is not the way to achieve them.●

TRIBUTE TO TOM MACK, SKILLED ATHLETE AND GREAT COMPETITOR

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROUSSELOT. Mr. Speaker, Americans have always paid great tribute to our Nation's outstanding athletes primarily, I believe, because these individuals express competitive strength and give their best for the performance of their skills to bring honor to their sport. It is, therefore, with justifiable pride that I tell my colleagues in the U.S. House of Representatives that one of our country's better-known professional football players is a constituent of the congressional district which I represent, California's 26th. Tom Mack, offensive guard for the Los Angeles Rams, is a resident of San Marino, my hometown. To be more accurate, Mr. Speaker, I must say that Tom Mack is a former offensive guard for the Los Angeles Rams, because Tom recently announced that he has retired from his career in professional football. While Tom's friends know that hanging up his jersey will mean the beginning of another outstanding career, they are, nonetheless, sad to lose him to the sport in which he has performed with excellence and through which he has afforded so much pleasure for those of us who have watched him play his sport to our ultimate expectations. Tom Mack has represented everything that is sportsmanlike—skill, agility, stamina, fairplay, and team spirit. On Monday night, January 29, in the Los Angeles Coliseum, Tom Mack played his last professional football game. Although his team lost out on the big one—Super Bowl—Tom Mack gave his all for an NFC win and went out in style with cheers and standing ovations from his fans and Ram's teammates.

None question that Tom Mack will have a highly successful career in his new profession as an engineering salesman for Bechtel Corp., but he will certainly be missed in the sport of football where he provided great entertainment, recreation, and diversion for those of us who are spectators. So, the San Marino Tribune called this "The End of an Era" in their Thursday, February 1 edition where Jeff Weir wrote an article about the night Tom Mack "hung up his cleats and shoulder pads for the last time." Without seeking public attention, Tom Mack played as he always had—giving his greatest effort to the team he had played with for 13 seasons, the Los Angeles Rams. I would now like to share Jeff Weir's article with my colleagues, because he was there on the night of Tom Mack's "retirement" and because Tom's friends expect to see even greater things emerge from Tom's new business career:

THE END OF AN ERA: TOM MACK

(By Jeff Weir)

Tom Mack hung up his cleats and shoulder pads for the last time Monday night after shivering through a lackluster Pro Bowl game in the cavernous Coliseum. The scene had all the touches of a storybook finish—and a little drama, and nostalgia, to boot, for it represented the end of an era.

Like his neighbor and friend, Merlin Olsen, Mack probably played more years for the Rams than he wanted to in hopes of getting to the Super Bowl. Sadly, neither Mack nor Merlin saw their Super Bowl wishes come true.

Still, Mack went out in style Monday, with standing ovations, hugs from his teammates and a Coliseum full of admirers, not to mention a national television audience.

The game had Mack written all over it.

Fittingly, he was the last man introduced to the sparse crowd. And, despite the fact that he was surrounded by the household names of pro football—the best in the world—Mack, just an offensive guard (not a glory position), drew the most attention.

It had to be a humbling experience, even for a man who'd become used to cheers.

The game itself was incidental. Even so, whenever Mack went into the game, things happened.

He made his first appearance midway through the first quarter to block for Frank Corral's field goal. Corral missed and Mack trotted back to the bench.

He started the second quarter, alongside several Ram teammates, and the NFC All Stars, behind Archie Manning, promptly moved downfield to the first touchdown of the game. After the kick, Mack trotted back to that familiar seat on the bench where he'd spent 13 seasons with the Rams. Now and then he'd reminisce with Coach Bob Holloway, the NFL defensive coordinator who just happened to be Mack's coach at Michigan 14 blurred years ago.

Mack returned to the field in the third quarter and, yup, the NFC again marched to a touchdown, the team's second and the game's final one.

The rest of the game was anticlimax. Nothing stirred the crowd until late in the game when, with the NFC running out the clock, coach Bud Grant sent Mack back into the huddle.

For the last time. The crowd knew it, the players knew it. Everything stopped while the players congratulated Mack with head slaps and bear hugs and the crowd rose to its feet. It was the stuff that shivers are made of, going right up the spine.

Then it was over.

Afterwards, standing naked before a battery of reporters, Mack tugged for the last time at the tape encasing his knuckles and ankles. He'd done countless interviews before, so this avalanche of newspapermen was nothing new. And he knew they were all looking for him to utter that one word or phrase that could turn a basic "retirement" story into a fasting piece of human drama.

As always, Mack accommodated every "How do you feel?" question with a sincere answer. He shook hands, joked, got serious, then joked again. And laughed—a great open faced laugh that is eminently believable.

His laughter, no doubt, was laced with sadness. "The hardest thing is walking away. It's overpowering. This whole week has been unreal for me, with people asking me not to retire. But there's no chance. I knew this was coming as far back as October.

"Football's been wonderful to me. But now I have to go out and start over. But it's hard to say goodbye."

Bending down, Mack tore the last bit of tape off his ankle and stuffed it into the bag holding his helmet, pads and shoes. Then, with a grunt, he lifted the bag and threw it toward the equipment man. With finality.

Asked again about retirement, for the umpteenth time, Mack replies with a grin, "People were so nice to me when I retired that I may retire again." Then, serious, he says, "I really don't know what to say, after all the years and interviews. . .

"The neatest part was Sunday afternoon, when you play. I know I'll miss it when everybody starts going to training camp next summer."

The reporters started drifting away, save for one who kiddingly asked Mack why the team scored every time he went into the game.

"Don't tell, but I was the secret weapon."

He was more than that. But he was gone, off to the shower where, very probably, he would have to endure a round of ribbing from his teammates. In the shower, football players act just like kids.

Later, dressed and ready for the next step in his life, Mack walked outside to another throng of young and old admirers, well wishers, autograph seekers, people who wanted to see what a football player looks like—up close.

And then he was really gone, off to the night, and later to San Marino, where he'll tackle his next career on the front lines of the Bechtel Corporation as an engineering salesman.

Mack, the personable, likable giant, will be missed. Football not only lost an aging offensive guard Monday but a veteran sportsman. Tom Mack was an ambassador of good will. Seeing him walk away from it all was, well, the kind of experience that shivers are made of, going right up the spine.●

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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, February 19, 1979*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. GIAIMO).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GIAIMO) laid before the House the following communication from the Speaker:

Washington, D.C., February 15, 1979.

I hereby designate the Honorable ROBERT GIAIMO to act as Speaker pro tempore on Monday, February 19, 1979.

THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives.

PRAYER

The SPEAKER pro tempore. Prayer will be offered by the gentleman from Tennessee (Mr. BONER).

Mr. BONER of Tennessee offered the following prayer:

GEORGE WASHINGTON'S PRAYER FOR OUR COUNTRY

"Almighty God: We make our earnest prayer that Thou wilt keep the United States in Thy holy protection; That Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; to entertain a brotherly affection and love for one another and for their fellow citizens in the United States at large. And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy, to demean ourselves with charity, humility, and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without an humble imitation of whose example in these things we can never hope to be a happy nation. Grant our supplication, we beseech Thee, through Jesus Christ our Lord." Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1 of rule I, the Journal stands approved.

GEORGE WASHINGTON'S FAREWELL ADDRESS

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, February 13, 1979, and without objection, the Chair recognizes the gentleman from Tennessee (Mr. BONER) to read Washington's Farewell Address.

Mr. BONER of Tennessee. Thank you, Mr. Speaker.

It is an honor for me to give this address, realizing the circumstances under which I have been called upon by my fellow Members of this body to do so.

Mr. BONER of Tennessee read the Farewell Address as follows:

To the People of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite movement, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish, a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with

Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reigns of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alternations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of fraction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in

permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties), ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temparary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachment for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to vell and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce; but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism: this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, preseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

Mr. BONER of Tennessee. Mr. Speaker, I request unanimous consent to revise and extend my remarks to include the entire composition of Washington's Farewell Address.

The SPEAKER pro tempore. Without objection, it is so ordered, and the Chair would like to thank the gentleman from Tennessee for his presentation of the farewell speech of President George Washington.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 60 minutes.

Mr. HANSEN. Mr. Speaker, I appreciate very much the opportunity to testify before you and this subcommittee regarding the planned assault on the Nation's private schools by the Internal Revenue Service (IRS).

Mr. Speaker, I am the congressional "whistle blower" who exposed the presumptuous and secretive move by the IRS to broaden its control over, as well as "discriminate" against, private schools which has become a national outrage.

Hidden among the "Notices" section of the August 22, 1978, Federal Register—sandwiched between routine announcements instead of appearing in the section on Proposed Rules and Regulations—was an IRS proposal that all private schools formed or expanded at or after the implementation of desegregation plans in the respective communities, will be presumed guilty of systematic racial discrimination and their tax-exempt status will be revoked retroactively.

The IRS long ago seems to have lost its sense of mission as a tax-collection agency and with all the grace of the hobnailed gestapo has embarked on a course of implementing and enforcing social reform with the view that Americans are basically dishonest, uncharitable, bigoted, criminal-minded and even violent to deal with.

These may seem like strong words, Mr. Speaker, but the shocking story on IRS behavior that I will reveal to you today will prove my point.

For years we have become progressively inured to the routine contempt the IRS has chronically demonstrated for accepted civilized standards of fairness, something which has its roots in the regrettable presumtion that in tax matters the citizen is guilty until proven innocent, an innocence that has to be proven at the expense of the taxpayer, no matter how groundless or frivolous the charge.

To demonstrate that this is not taxpayer paranoia, I submit for the record a shocking paragraph from a recently acquired IRS memo dated November 19, 1976, which clearly states that taxpayers should be intimidated with expensive unwarranted lawsuits. The communication addressed to the Regional Counsel, Salt Lake City office, from Group Manager, 1004, Boise District Office, declares:

> It is stated you do not wish to litigate a case you may lose. However, failure to attempt litigation will foster their program far more than a loss in court. At least by litigating, the Taxpayer is forced to produce the necessary substantiation. In addition, the Taxpayer is committed to spend time and money defending his position. Perhaps the inconvenience alone will inspire future compliance.

Now Mr. Speaker, with this attitude the IRS has been creeping into the social reform enforcement business for many years and began in 1975 requiring schools to state that they are nondiscriminatory in order to keep their tax-exempt status. The Washington Post of October 14, 1978, confirms this reality in reporting that Virginia's "Prince Edward School Tax-Exempt Status is Revoked by IRS."

The regulation proposed in August for IRS to become a big-time civil rights enforcer was a further extension of a malignant spread that has taken them from the confinement of simple tax collection to impact on many sensitive areas of the body politic.

In its usual sweeping manner the IRS proposed to make a blanket finding of racial discrimination and automatically harass all private schools, putting on its victims the onerous burden of proving their innocence. At the same time the IRS pointed out how it would be practically impossible to refute the charge unless there is an affirmative action program operating.

This serious constitutionally questionable IRS action was brazenly taken without congressional authorization in circumstances that dwarf all their previous efforts at trickery. To cover up their attempt to "hide" the Federal Register notice, the IRS had the astonishing gall to say that this is an insignificant regulation, a mere procedural change which does not merit public hearing.

Frankly, the position of the IRS is not only absurd and dishonest, but it is dangerous. This is not merely a procedural matter, but a substantive proposition that calls into question the tax liabilities, supposedly long past settled, of hundreds of thousands of citizens for many years past. IRS auditors will have a field day. It obviously has the gravest conceivable implications for the survival of private schools, and certainly gives the IRS wide scope for abuse and harassment.

Having watched the IRS swoop down on the hapless victims of the Teton Dam disaster of 1976 and scoop up capital gains taxes arbitrarily imposed on flood claims reimbursements, I am not surprised to see them again gleefully anticipating the financial squeeze they can put on those private schools identified as discriminatory and the taxpayers who have supported them.

And lest we believe the IRS has any conscience about forcing private schools or anyone else out of business by taking their last farthing, let me cite to you an alarming memo dated March 2, 1973, to the chief, Collection and Taxpayer Service, from a group supervisor in Boise entitled, "How Can We Prevent Delinquency?"

Marginal taxpayers in inefficient, non-profitable businesses are probably responsible for a larger percentage of delinquencies than any other segment of the tax paying public. The most apparent characteristic of these enterprises is the ability to start business with an absolute minimum in capital equipment, cash reserves and other assets, e.g. service stations, restaurants, and construction trades.

The Collection Division has been faced with a two-pronged problem for many years:

First. Prevent delinquencies by stern, prompt enforcement action which forces the taxpayer to discontinue business.

Second. Accomplish the above without undue pressure from the public and the elected officials.

In my opinion, this cannot be done and we must realize that complaints will be an integral part and result of such measures. We must not be oversensitive to these complaints and requests for leniency.

Law addition and other approvals that would help in other areas:

1. Require known prior delinquents to post a cash bond before commencing business (as does the State).
2. Require farmers to withhold income taxes.
3. In collaboration with the State, require license applicants to prove filing and paying HUT and liquor and beer stamps before a license is issued.
4. Provide more man hours for cold canvass operation.
5. A more religious and systemic use of Public Law 85–321.

What is involved in the proposed IRS regulation regarding private schools is not actually a matter of racial discrimination, nor is it really a tax matter. Since the regulation explicitly includes church-related schools, and since there is nothing in the regulation that could not later be applied to churches themselves, what is involved is a very deep first amendment question.

It is a patent evasion to label this regulation "procedural" and claim that it is of no significance and this remains true despite the recent softening of the IRS under public and congressional pressure to get out of the business of enforcing social reform where private schools are concerned.

The fact that the new proposal still retains the questionable percentage requirements subject to arbitrary interpretation by IRS leaves the "tiger in the tank" with broad latitude and virtually unlimited areas to prowl as regulations are adjusted and expanded in the future.

Mr. Speaker, I must warn you. The IRS is the last agency which should be entrusted with any responsibility for legal judgment regarding civil and religious rights.

If the two IRS memos quoted earlier have not sufficiently disturbed you, let me now inform you of an attempt by IRS officials in the highest positions to literally terrorize a small community in my congressional district by staging a massive armed door-to-door search and then cover up not only this particular incident but other equally shocking atrocities being committed against citizens of this Nation.

In November 1975 some 25 specially selected IRS personnel were directed to participate in a project calling for a confrontation and armed shakedown of 167 citizens in Fremont County, Idaho—citizens who, beyond belief, found themselves on an IRS "hit list" largely because of the size of their church donations, because of time devoted to church service, because of extended serious illness or death, and because of assorted other similar reasons.

A neurotic IRS, suffering apparent paranoia over the tax resistors movement in the Nation, decided the percentage of returns in the St. Anthony area was too low and initiated the "Fremont County Returns Compliance Program (RCP)" to educate the public about tax laws.

The word "educate" has very ominous meaning when civic and business leaders, clergymen, elderly female church organists, young men just back from serving 2-year missions for their church with no income, and people in extended hospital confinement or on social security disability pensions are included on IRS lists of citizens considered dangerous to contact or who may advocate violence—citizens slated for contact by armed Federal agents who would be asking them to produce their tax returns.

The project, which was to last a week, was canceled only 4 days before it was scheduled to begin because certain less militant IRS employees balked and complained to their union which finally forced a decision in the Washington office of the IRS Assistant Commissioner for Inspections.

It has taken over 2 years to get to the bottom of this story and in the process I find that the tactics used in dealing with the citizens of Fremont County, Idaho, are not unusual in IRS operations across the Nation, and this can now be documented.

The Nixon enemy list is tame compared to the IRS violence lists and the identified abuses and coverups of the CIA and FBI in recent years also exist in the IRS, perhaps to an even greater degree.

Commissioner Jerome Kurtz and other officials have repeatedly provided false and misleading information apparently designed to obscure or justify the heavy-handed mtehods of the IRS, information which is readily refuted by IRS documents.

I was told the armed confrontation was planned to deal with a list of tax resisters provided by the FBI but can prove that such a list (which itself can be challenged) was not prepared until nearly 2 months after the Fremont project was canceled and that list had no residents of Fremont County included.

In other words, Mr. Kurtz justified the planning and approval of an armed search with a list that was not applicable to the area involved and did not even exist during the period of the operation. This is an intolerable abuse of facts.

Furthermore, I was told the Fremont project was to protect IRS personnel and that the hit list was to include only men over age 20. However, I find that the IRS included women on their list contrary to instructions and violated their own rules in creating a confrontation which could have caused violence rather than prevent it.

Although there is documentation to prove that the search was only canceled because of employee complaints, a letter from Mr. Kurtz would have us believe that the canvass was canceled because, of all things, it might provoke the very confrontations the mission was originally set up to create.

A long list of examples of such duplicity could be provided, and is evident in the attached narrative of the Fremont County project which I submit for the

RECORD at the end of my remarks. However, if there is any question as to the acceptability of this type of operation among IRS officials, let it now be laid to rest.

Just 7 days after the project was scrubbed on November 14, 1975, the coordinator of this project was given a memorandum of appreciation by an IRS group manager who stated:

I was very impressed with the Plan of Action which you originated.

And on January 30, 1979 the Idaho district director announced the selection of this same IRS employee for a GS–12 position as disclosure officer.

In the meantime, the Idaho district director, who supervised the planning of the Fremont project, has now been promoted to national director of the Disclosure Division of IRS, where ironically he is responsible for administration of the Freedom of Information Act, the Privacy Act and the new disclosure laws.

Mr. Speaker, the Fremont project was planned, canceled and covered up at State, regional, and national levels so there is no way this activity can be discounted as an isolated incident. The blundering, bullish manner in which IRS handled civil and religious rights in the Fremont project can be rehearsed many times over in other situations in Idaho and across the Nation with substantial documentation.

I have cited many valid constitutional objections to the IRS having any role in the interpretation and enforcement of social reform programs.

These objections are bolstered with a practical concern for allowing an agency with such a poor track record to have broad license in sensitive decisions regarding matters of religious and civil rights.

IRS has demonstrated that it is neither mentally nor mechanically flexible enough to deal with religious and personal differences and this is true even down to the very decision we currently face. Even in backing off from the original August pronouncement IRS has, in reality, reserved the right to make selective judgment regarding private schools which gives them broad latitude for arbitrariness and harassment.

For instance, in singling out certain denominational academies as possible exceptions, IRS is opening a pandora's box where other exceptions are demanded and where those rejected can be expected to pose costly time-consuming challenges to the Government.

It is absolutely absurd to continue to allow the IRS to run like a rampant bull in a shop stocked with the fragile porcelain of human rights. It is time to confine IRS to the tax-collection mission for which it was instituted.

I urge this Congress to take all necessary action to stop the implementation of the proposed IRS rules regarding private schools. I further strongly urge appropriate congressional committees to hold oversight hearings on the abuse of taxpayers by the IRS such as I have outlined today.

And finally, I urge Congress to consider legislation I have introduced, and any other of like nature, which will reform or restrict the mission of the Internal Revenue Service before it does significantly more damage.

Mr. Speaker, in closing I submit for the record House Joint Memorial No. 2 from the Idaho State Legislature transmitted to me on February 6, 1979, "which urges the U.S. Congress to prevent proposed Internal Revenue Service regulations from becoming effective that eliminate the tax exempt status of private schools that do not conform to certain rules and regulations regarding minority membership."

A JOINT MEMORIAL

We, Your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the First Regular Session of the Forty-fifth Idaho Legislature, do hereby respectfully represent that:

Whereas, the Internal Revenue Service, Department of the Treasury, has announced a proposed revenue procedure relating to private school tax exemptions; and

Whereas, the proposed revenue procedure will, in effect, establish quotas for minority participation in tax exempt private schools; and

Whereas, such quotas have been held discriminatory in a recent United States Supreme Court opinion; and

Whereas, the use of private schools should be encouraged in order to help take the burden from public schools.

Now, Therefore, Be It Resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we are deeply concerned with such a proposed procedure and strongly urge that the Congress take such immediate action as necessary to prevent such proposed procedure from becoming effective.

Be It Further Resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States.

AN ARMED IRS SHAKEDOWN

I have recently discovered official Internal Revenue Service documents which show, in some detail, an attempt by the IRS to literally terrorize a small community in my congressional district by staging a massive armed door-to-door search. These same documents have also helped me prove that there has been and still is an extensive and ongoing attempt by IRS officials in the highest positions to coverup not only this particular incident but other equally shocking atrocities being committed against the citizens of this Nation.

What I am about to present is a real-life horror story, one chapter in a whole book of outrageous IRS violations of the basic rights of American citizens, which I will continue to expose.

On October 2, 1975 a meeting of IRS division chiefs and the Idaho district director was held in Boise, Idaho, apparently with the knowledge and approval of national headquarters, to discuss coordination of what was later termed a "planned armed, door-to-door search" in St. Anthony, Fremont County, Idaho.

Howard Martin, then district director of the IRS, authorized what was to be known as the Fremont County returns compliance program (RCP) on October 16, 1975. The purpose of the program was ostensibly "to determine the degree of voluntary compliance, to secure any delinquent returns and to educate the public about tax laws."

The IRS, under the direction of Revenue Officer Sherrill Ohman, began immediately to gather data on the citizens of St. Anthony and to cross reference driver's license receipts with existing IRS files. From this effort, the IRS developed a list of 167 taxpayers to be confronted.

The criteria for being placed on the list was simple enough—a male licensed driver from Fremont County between the ages of 21 and 65 with any irregularities in his tax history for any of the years 1972, 1973, and 1974 appeared to automatically qualify, even if there was obviously no illegality involved.

These tax irregularities or aberrations, which would likely be picked out on the microscreening of taxpayer returns used for the selecting process, seemed to include such things as, first, reporting unusually high church contributions; second, not filing because of physical or mental handicap; third, not filing because of no income such as students and missionaries; fourth, not appearing to file because of change of name or address; fifth, not filing because of death; sixth, being previously audited whether for good cause or because of clerical error or IRS error, or substantiable large deductions; seventh, filing an improper return; eighth, not filing a return; ninth, delinquency in tax payments, and so forth. Given this large number of determining factors, the final list grew to 167 names, a number approximately equal to one-fourth of the heads of households in the small city of St. Anthony, the Fremont county seat.

The people involved, though not necessarily, and probably not, illegal or improper in their tax filings, still were listed on forms entitled "Delinquent Return Information and Returns Compliance Records" and handled under a covering letter or memorandum which suggested ominously that these randomly selected people may be dangerous to contact.

Not only was the list wrongly suggestive of taxpayer status and temperament, but it was so sloppily and erroneously assembled as to present further complications to an already inflammable project. It will be noted on the list I hereby submit that women were included when only men were intended to be and the spelling of many of the names is so inaccurate as to make the list almost useless. I have supplied what I believe to be the proper spelling of names in parentheses where possible:

Brent Powell, Charles Wesley Rash, Ronald G. Remington, Clayton Reum, Brent Crofts Rhodehouse, Theril B. Ricks, James Jean Rumsey, T. J. Ryan, William Renton Siddoway, Robert Smith, Terry Lynn Hobles, Harry K. Horrell, Grant I. Howard, Mark Hale Howard, and Gean Jackson.

Jerri Lee Jenkins, Jack Douglas Kapor, Robert E. Kohlenger, Eugene LeCheminer (Le Cheminant) Lillis Burbank Michelsen, . . . ward Garvis (?), Gary Hobbs, Mont Carlos Howard, Glen Lyman Jackson, Gerald Vernon J . . ., and Richard F. Jergensen.

Russell Kay Johnson, . . . Dee Angell, Kenny Leo Beddes, Randall Bergeson, Jim Birch, Richard Reynolds Blake, Robert Lynn Carraway, Roy Graude (Grende), Bruce Kay Crapo, Clyde Raymond Garrett, Montie Jo Jackson, and Lillis Birch Johnson.

James Kim Kirkham, Cecie D. Mason, Dennis D. Maynard, Charles D. McMinn, Morris Gordon Nielson, Douglas C. Peck, Jimmie Remington, Hal Andrew Rumsey, Lance Stoddard, Roger Willete, and William Edward Woceika.

Dale Larson, Don Coy Larson, Thomas Steven Robison, Monte E. Rydalch, Lynn Wesley Schulties (Schuldies), Brian D. Schuldies, John R. Seely, Cecil E. Shitmore (Whitmore), Torger J. Skalet, Thomas R. Stilley, Charles Alonzo Stoddard, George Kino Sutterfield, Randall K. Abbegern, Solomon E. Angell, Solomon E. Angell, Jr., and William Arndt.

Paulo Brassanini, Kenny L. Beddes, Rodney G. Chandler, Damaris L. Clark, Randell D. Cogburn, Douglas L. Curr, Lester Ricardo Daniel, George E. Davis, Marvin Duane Thompson, Frederick Leo Wahl, Edward H. Weaver, Jean Chandler Worrell, Louis R. Bergeson (Bergeson), and Alton Birch.

Johnathan Blain, Ramiro Cadena, David Barry Canier, David Dean Clark, Samuel Richard Davis, Steven Hawkes, Otis W. Jefferson, Curtis M. Kary, Edwin L. Larson, Willis Clark Mason, William Rody McAndrews, Michael Lee Nielsen, Curtis Alex Orgill, Steve Bacon Packer, and Rial Palmer.

Floyd R. Parker, Edward Horace Weaver, Don Winegar, Russell Arthur Severyn, Dale Lamar Swensen, Merrill J. Walker, Van Ranav Weaker (Weaver), Chari Lee Worrell Winters (Charles), Evan Arthur Blanchard, Richard Dee Burbank, William Craig Cashing, and Burke Clark.

J. Howard Clark, Carrie Thomas Cox, David Alan Dennis, Samuie Rodney Fife (Samuel), Merrill Jean Grunbalgh (Greenhalgh), Franklin Albert Miller, Michael R. Miller, Terry R. Miller, Robert Alan Murdoch, and Wallace Pierce Murdoch.

Merle Parker, Afton Owens Toone, Joel T. Young, Wayne E. Welker, Dennis Allen, Randall Bergeson, Dennis Sinclair Birch, Lowell Edgar Birch, Rhea Mecham Blake, . . . J. Collette, Grant Arthur Hathaway, Alvin Gayle Hathory (Hathaway), Dan R. Hill, John Ho, Morris Lincoln Nielson, Alex D. Orgill, Lionel Ray Parker, Jerry Raymond Parkett, and Donald Andrew Peck.

My findings show that this list contains several local clergymen, L.D.S. (Mormon) missionaries (away from home for 2-year periods without an income), people incapacitated in hospitals, people on disability pensions, prominent businessmen and farmers and even a 61-year-old lady church organist.

However, to the best of my knowledge, none of the people listed, with the possible exception of one known to have been involved in a tavern scuffle, I have every reason to believe that most, if not all of them, were properly filing and paying their taxes.

The list was sent, on October 30, 1975, to inspector in charge, Don DeBoer, "to enable screening by the Inspection Division: Identification of those individual taxpayers which may be dangerous to contact." Mr. DeBoer was and is chief of inspection for the Ogden region and his immediate supervisors are the Assistant Commissioner and the Commissioner of the Internal Revenue Service.

On November 3, 1975, Howard Martin approved staffpower for this project of approximately 25 IRS agents, more than one-third of which were to be armed. The following IRS personnel, none stationed in the project area, were involved:

Don DeBoer, Bob Higgins, Gerd Hattwig, Sherrill Ohman, Monte Hobson, Diane Medina, Gene Bryan, Jim Quam, Hugh Pierce, Rick Owens, Ray Boone, Gary Hellekson, Keith Farrar, Stan Leake, Shirley Sterling, Shirley Sisson, Bob Hanmer, Kathy Corrigan, Jim Welty, Peggy Newcomb, John Eastham, Warren Packard, and Larry Kimbrell.

The Freemont County RCP program "plan of action," written in October 1975, reads like a military invasion strategy. It includes terms such as "protecting personnel,"; "report of threat or assault,"; "summons preparation,"; and calls for the installation of telephone lines to "first, headquarters; second, inspection; third, intelligence; fourth, St. Anthony Police; fifth, sheriff's office, and sixth, operations base. The technical procedure descriptions of the program included: First, extensive discussion of anticipated situations and how to react; second, briefing on intelligence; third, briefing on assaults or threats; fourth, briefing on protection.

Some local IRS agents, when informed of this strategy, questioned the advisability of this operation which was contrary to basic procedure and vigorously pointed out that this type of unusually aggressive action on the part of the IRS could result in serious misunderstandings and even intimidation of innocent citizens into hostile and perhaps violent confrontation with IRS personnel.

One IRS employee described the operation as a naked attempt to grab power:

> They can bring in enough agents to have an army of their own. The important thing is * * * their policies are creating a situation here that is harming not only the citizens, but it is harming the IRS.

Because of pressure from concerned agents within the IRS, the project was cancelled only 4 days before its proposed inception. The memorandum, dated November 7, 1975, which canceled the program states:

To: All participating personnel, Fremont County RCP.

From: Acting Chief, CTS, Boise district.

Subject: Total cancellation of entire project.

The decision has been made to cancel all plans for this RCP program. Those individuals previously notified to attend an orientation meeting on November 11, 1975, and to be present in Idaho Falls during the week of November 17, 1975 should cancel their plans and resume normal activities. All reservations and transportation plans are also being cancelled as of this date.

RALPH HUTCHINSON.

This cancellation in no way indicated that the upper levels of the IRS objected to the project. As a matter of fact, the project coordinator received a group manager's "memorandum of appreciation" dated November 14, 1975 just 1 week after the project was terminated. Note the sentences stating, "I was very impressed with the plan of action which you originated" and "I sincerely appreciate your enthusiasm and dedication in this project." The memo follows:

SHERRILL OHMAN,
Revenue Officer,

MONTE HOBSON,
Group Manager.

MEMORANDUM OF APPRECIATION

I would like to compliment you on your performance in coordinating the proposed Returns Compliance Program in Southeastern Idaho. I was very impressed with the Plan of Action which you originated.

You have demonstrated that you are fully capable of organizing and implementing a complex assignment. I have complete confidence in your ability to handle any project assigned to you, and I look forward to working with you on future projects.

I sincerely appreciate your enthusiasm and dedication in this project.

MONTE HOBSON.

Furthermore, shortly after this incident, Howard Martin, the Idaho State Director of IRS who approved these projects, was promoted to National Director of the Disclosure Division of IRS—the agency responsible for administering the Freedom of Information Act, the Privacy Act, and the new disclosure laws.

The fact that a small town full of innocent people nearly suffered a full scale armed invasion is certainly in itself a terrifying story—but the tale does not end here.

A few months after the above abortive attempt to "educate" the citizens of St. Anthony, the waters from the faulty Teton Dam swept through this same area turning many of the small towns into so many piles of rubble and mud.

My office, along with other members of Idaho's congressional delegation and departments of the Federal Government, moved quickly to assist in rehabilitation efforts and to insure that the victims were properly reimbursed by the Federal Government for their losses. And just as quickly the IRS moved in and attempted to retrieve as much money as possible for the U.S. Treasury in the form of capital gains taxes.

Beginning during this period of the summer of 1976, I came to really see a mentality and driving force behind the IRS, that caused me grave concern. Not only was I appalled at the callous attempted application of capital gains taxes, but I began to see a similar pattern of overkill in other matters concerning taxpayers. Only through congressional pressure did IRS give some ground on an item-for-item application of capital gains procedure regarding replacement of household goods of flood victims, and it was during this hassle that I discovered that the IRS had recently composed a "violence list" on citizens in the Teton disaster area—names of a number of Idahoans considered prone to "advocate violence toward Western region (IRS) personnel."

The list consisting of 25 people and dated December 31, 1975, is as follows:

District Director, Boise.

Regional Inspector, Western Region.

Taxpayers Who May Advocate Violence Toward Western Region Personnel.

We are transmitting a list of individuals in your District who may advocate violence toward government officials including Revenue employees.

The list was compiled from a system of records dealing with criminal law enforcement was exempted from disclosure under 5 U.S.C. 522a(j)(2) by the Commissioner. You are not to make this list a part of your system of records or associate it with any individual's record which you have. Any requests for access to the list under the Freedom of Information Act or Privacy Act should be directed to the Inspection Service.

Kenneth A. Anderson, Rexburg, Ivan Barney, Rathdrum, Wayne Beck, Thorton, Leonard Brasham, Kootenai County, Roy E. Cliff, Priest River, Robert W. Dixon, Sandpoint, Ron K. Fairchild, Rupert, Del Ray Holm, Bonneville County, Charles H. Miller, Coeur d'Alene, Joseph E. Nielsen, Sugar City, Herman L. Shyping, Hayden Lake, and Jack A. William, Priest River.

Richard W. Bevan, Rexburg, Henry Joseph Blake, Jr., Sandpoint, Clair E. Blaser, Rexburg, Richard G. Butler, Hayden Lake, L. D. Harold Crawford, Priest River, Robert Eddy, Sandpoint, Glenn P. Glissner, Coeur d'Alene, William Matt Junttila, Priest River, S. M. Nelson, Hayden Lake, Detsel A. Parkinson, Rexburg, John D. Strode, Sandpoint, Jack H. Wright, Rexburg, and Roy G. Harn, Rathdrum.

We are currently in the process of identifying other individuals in your District who may have a propensity toward violence. Additional information will be forwarded periodically. Specific inquires should be forwarded to this office as the need arises for additional information concerning any of the individuals listed above.

F. R. ROWE,
Regional Inspector.

Recognizing that some of the 25 persons on this second so-called violence list were responsible civic, political and religious leaders, I checked with local law enforcement officers to determine if any of these men had criminal records—particularly a record which would lead the IRS to consider them as being dangerous to contact. I found that, regardless of their individual attitudes toward filing and paying taxes or how their tax money was spent, there was no real evidence to justify the inclusion of their names by the IRS on a list of persons prone to violence other than the fact that they may belong to an organized tax-protest group.

Certainly, the IRS should be able to distinguish between a nonviolent tax-complainer and an aggressive activist tax-resister. No one can condone the nonpayment of taxes due by an individual, but the first amendment of the U.S. Constitution guarantees a person's right to complain as long as he does not violate the law. I suspect the only violence some of the people listed might have is the feeling they experience in being arbitrarily and even haphazardly placed on a roster of protestors prone to violence when they have properly filed and paid their taxes. It is a crime for some IRS bureaucrat, who is too lazy to do his homework, to prepare a list which can place the lives and honor of people in jeopardy.

When I learned that the IRS had intended to use a "violence list" in conjunction with an armed door to door search in eastern Idaho, I submitted the approximate date and general location of the project to IRS Assistant Commissioner Warren Bates with serious questions regarding IRS operations in my congressional district. In December 1977, under the Freedom of Information Act, Mr. Bates was requested to provide my office with specific documents related to my concerns, and I specifically asked for copies of inspection reports of an investigation of the armed search which I learned had been conducted. After considerable double-talk, vacillation and delay, I was to finally receive nothing of substance.

In the meantime, on December 13, 1977, I sent a detailed letter to IRS Commissioner Jerome Kurtz which stated in part:

> Why would an IRS "violence list" be periodically circulated containing the names of Idaho citizens having no record of violence?
>
> Why would IRS agents go to conservative meetings to make lists of license plate numbers which were then expanded to watch lists of names, addresses, business addresses and poitions in the Mormon Church—and why were no liberal group similarly monitored, if extremists were the target?
>
> Why would IRS agents anonymously contact individuals who politically complained of high taxes in letters to the Editor and place them under automatic investigation? The right of speech seems to have its liabilities.
>
> Why should IRS have planned an armed door-to-door search by some 30 to 40 agents in communities north of Idaho Falls to demand the showing of tax returns, an operation finally halted at the Washington level when collection officers complained that someone might be hurt or killed?
>
> Why would IRS agents maintain a full-scale clipping file from the newspapers on taxpayers regarding vacation trips and other activities? I'm not sure the taxpayers realize the extent to which individual privacy has been invaded by big government.

Over 2 months later on February 24, 1978, a reply was received from Mr. Kurtz, which included the following statements:

> Your letter questions why the Internal Revenue Service maintained a so-called violence list and kept lists of license plate numbers of those attending certain meetings which you characterize as "conservative meetings". You also stated that the Internal Revenue Service had planned "armed searches" of taxpayers' homes in the Snake River area.
>
> Based on the information then available, each of these questions seems to relate to certain actions undertaken to protect our personnel against tax protesters advocating violence. High level Internal Revenue Service managers were seriously concerned that certain tax protestors belonging to organizations which advocated the violent disruption of tax administration posed a threat to the physical safety of our enforcement personnel. This concern was shared by the Federal Bureau of Investigation (FBI). The principal group advocating violent interference with the administration of the tax laws was the Sheriff's Posse Comitatus (SPC). This group's activity initiated in the western part of the United States within the boundaries of our Western Region. Accordingly, most actions undertaken by the Service in response to those threats also occurred in the Western Region.
>
> On December 5, 1975, the Deputy Commissioner issued guidelines to the Regional Commissioners and Regional Inspectors. The guidelines included: (1) the maintaining of liaison with other law enforcement agencies including the FBI by our Intelligence Division and Inspection Service; (2) authorization to solicit information concerning the SPC and similar organizations restricting that authorization to information that concerned individuals involved in efforts to disrupt tax administration, or to information directly tax related, or involving potential assaults or threats against Service employees. On July 26, 1976, the Deputy Commissioner issued a Manual Supplement (93G-171, renumbered 9G-35) on the same subject. Copies of the December 5, 1975 memorandum and the July 26, 1976 Manual Supplement, respectively, appear as Attachments 7 and 8 to this letter.
>
> Pursuant to these directives, our Inspection Service began to gather information on various tax protester groups which, in their organizational documents or other pronouncements, advocated violent interference with the administration of the tax laws. During December, 1975, our Inspection Service in the Western-Region furnished a list of names of 25 individuals who were reportedly members of groups advocating violence to the District Director, Boise, Idaho. The agencies which furnished the information to Inspection were the FBI, Idaho State Police and our own Intelligence Division. The Idaho State Police named two individuals as known members of the SPC. Of the other 23 names (all furnished to us by the FBI), all but two were listed on charter petitions of the SPC on file in various counties in Idaho. Of the remaining two, one individual was a reported member of the SPC who had been arrested on an assault charge by local police.* The other individual was reported to be a member of the Vigilant Committee of 10,000 by a local Idaho newspaper. According to local police sources in the Rexburg, Idaho, area, the Vigilant Committee of 10,000 also advocated the violent disruption of tax administration.
>
> Some of the information obtained by Inspection from the sources described above did include license plate numbers of individuals who were attending or were parked in the vicinity of SPC meetings. However, the license plate information was never used as the sole basis for placing an individual's name on the list furnished to the District Director. Generally, no name was included on the list unless the person was also identified from some other source as being a member of the SPC or another organization advocating violence.
>
> The purpose of the list was to provide management with some indication of those individuals who presented some threat to our personnel, so that our personnel, forwarned of the possibility of violence, could take appropriate precautions in carrying out their duties. This list was to be used for no other purpose, and we would appreciate being informed of any allegations of its use for other than its intended purpose. We have an obligation to protect the safety of our own personnel and I believe we would have been negligent to do less than we did in the face of the express goals of these groups.
>
> The planned activities to which you refer in your letter as an "armed search" were also a reaction to concerns for the safety of our personnel in view of the activities of SPC and similar organizations. Among the compliance techniques occasionally used by the Service are canvassings of areas by revenue officers who knock on doors and ask occupants to produce a copy of their tax return as evidence of their compliance with the tax laws. Such canvassing techniques are usually performed in areas where compari-

* Known members of the SPC attempted to serve a summons on the county Sheriff to have the charge against that individual dismissed.

sons with other publicly available information shows an abnormally low percentage of return filings. The revenue officer conducting the canvassing does not search the houses in question; rather, he or she asks the occupant to produce a return and, if no return is produced, simply notes this fact. These revenue officers are not armed.

Such a canvassing was planned for a community in the Snake River Valley. In view of the high number of identified SPC members in the area, however, local personnel considered having our unarmed revenue officers accompanied by special agents or by our Inspection personnel, who were to act as escorts, available to assist only in the event of violence against our unarmed personnel. In view of the possible confrontations which might have resulted, this proposed canvassing program was cancelled after review by appropriate management officials at the district, regional and national levels.

The response I received from Mr. Kurtz was both disturbing and puzzling—disturbing because his description and justification of the so-called planned activities—that is the armed search—did not square with IRS information in my possession and did not comply even to established IRS guidelines for employee safety which I herewith submit from an IRS memorandum dated April 25, 1977:

Protestors accounts (TDAs, TDIs, OIs, RCPs) are currently assigned directly to the Revenue Officer having responsibility for a particular area. Unless the assignment is preidentified as a protestor case (3949 TDI, correspondence, etc.), the Revenue Officer generally has no advance knowledge of a potential protestor problem.

Once the assignment has been identified as a "Protestor": the following precautions and instructions prevail:

1. Do not make an appointment with a known protestor outside of IRS facilities. This instruction is to promote an impromtu meeting with the protestor, so that he cannot gather his accomplices for any confrontations.

2. Whenever possible, two Revenue Service employees should be present when dealing with protestors.

3. Secure as much information as possible on first contact (e.i. books, records, bank accounts, history, financial statements, etc.)

4. Revenue Officers should not engage in a verbal exchange on constitutionality of the Revenue laws or valuation of currency philosophy.

5. If protestor or situation appears to be out of hand, withdraw immediately.

The puzzling part of the Kurtz reply was in how much he was willing to say about the proposed armed operation on one hand while on the other his assistant, Mr. Bates, was telling me that he could not provide any information regarding that project and, in fact, specifically denying the existence of any report on the operation described by Mr. Kurtz.

Shortly after I received these conflicting denials and descriptions from top IRS officials, I was able to obtain from other sources key portions of the so-called "nonexistent material" which, I have since learned, was apparently in the possession of Mr. Bates all the time he was making denials. The total picture of the armed confrontation is now available despite the Bates denials and considerable misinformation in the Kurtz letter.

The disjointed and unresponsive nature of the workings of the leadership of the Internal Revenue Service has demonstrated well the same weaknesses that cause the agency to continue to be hated and feared by a vast number of Americans who daily feel its unnecessarily arbitrary and heavy hand and too often receive only deceit and coverup instead of fair redress for grievances.

Mr. Kurtz states that the December 1975 list identified a high number of SPC members in the area in which the "canvassing activity" was to have taken place. This is patently untrue. First, the December list is plainly after the fact, since the IRS armed "canvassing activity" had already been planned, approved and then aborted over a month before the December list came into existence. Second, the December list does not even contain one name of a resident of Fremont County, where the armed Government agents planned to invade the homes of unwary taxpayers.

In other words, Mr. Kurtz justifies the planning and approval of an armed search with a list that was not applicable to the area involved and did not exist during the period of the operation. This is an intolerable abuse of the truth.

Mr. Kurtz claims that "the actions taken by the IRS were necessary to protect our personnel against tax protestors advocating violence." If Mr. Kurtz believes this—he lives in a pipedream. The IRS action as described by its own employees was geared to expose IRS agents to danger in an attempt to intimidate and terrorize people into tax compliance (even though most, if not all, of them were already in compliance).

Mr. Kurtz further states that the purpose of the list was to "provide management with some indication of those individuals who presented some threat to our personnel, so that our personnel forewarned of the possibility of violence, could take appropriate precautions in carrying out their duties. This list was to be used for no other purpose . . .". This is absolutely untrue. Mr. Kurtz obviously knew of the Fremont County RCP program since he describes it in his letter. This being the case, it is outrageous for him to claim that the list was not abused since it was to be used to precipitate a confrontation. In fact, the very idea of such a list is abusive, despotic and poses a serious threat to the lives, honor and constitutional rights of any citizen whose name appears thereon.

These illegal and immoral practices of the IRS have not ceased; instead they are spreading and becoming more flagrant. I have proof that the production and promulgation of these lists continues. The harassment, embarrassment, and legal and financial pressures applied by the IRS relentlessly even though some corrections are made from time to time. The civil and constitutional rights of taxpayer and employee are not in safe hands when an agency creates so-called violence lists to protect its agents from senior citizens, invalids and clergymen, and then goes to extravagant lengths to obscure the very existence of such lists.

An IRS employee recently expressed such concern when he stated:

My reason for asking to see someone outside the IRS system is that I do not trust IRS management because of prior scandals that have been covered up.

To finally drive home the fact that the IRS seems to view American taxpayers as basically dishonest, uncharitable, bigoted, criminal-minded and even violent to deal with, one only has to point out the fact that they recently (1978) changed the name of the division handling possible tax fraud cases from the Intelligence Division to Criminal Investigations Division. Considering the small fraction of those investigated who are indicted or convicted, this is an ugly choice of names, especially when one considers the onus it puts on that poor innocent taxpayer whose friends and business associates are contacted by the IRS criminal investigator.

A canvass was planned to solicit evidence from an area which was suspected of having a high percentage of violence-prone people who did not pay their taxes. The reason for the canvass was precisely that the IRS had already decided that its target group was hostile, in other words that confrontations were to be expected; in anticipation of these expected confrontations the service determined to provide armed escorts for its men.

Mr. Kuntz then turns 180 degrees and would have us believe that the canvass was canceled because, of all things, it might provoke confrontations. This means we are expected to believe that the reason for planning the raid was the reason for calling it off. The difficult job of the tax collector demands more responsible direction from its leaders.

In addition, Mr. Kuntz tells us that such canvasses are common and only the presence of armed agents makes this one different that IRS agents regularly go door to door asking people to produce their own copies of their tax returns as evidence of filing.

Any first year law student could tell Mr. Kurtz that production of a copy of a tax return is not evidence of anything, and particularly not evidence of having filed the original. On the other hand, failure to produce the tax report copy is not evidence of failure to file.

In addition to all this, that same first year law student could tell Mr. Kurtz that failure to file is not necessarily a crime and that a mere failure to file without much more information about the situation would tell his canvassing agent absolutely nothing. But remember who was to be canvassed in this situation, 167 people whom Mr. Kurtz erroneously passed off as a list of tax resisters. What did he expect such people to do?

Beyond even this comic opera aspect of collection enforcement, there is a much more serious question. Do IRS agents, at the direction of the Service, go about entrapping citizens on tax laws? Do they warn these citizens of their basic rights, that they have no duty to provide the agent anything? Do the canvassers tell their victims that consequences could follow from discussing

their taxes with the Service without legal assistance?

They are, after all, seeking evidence of crime; that is, failure to file a tax return properly. Taken at it's face value, Mr. Kurtz' explanation for an armed foray upon citizens against whom no charges had been filed, gives the picture of incompetent Government administration, armed with computers, legal process, and all awesome array of IRS fact-gathering, collection expertise and coercive brilliance, deciding instead, with or without guns, to send agents door to door to gather facts and enforce collection.

Knowing the background and experience of Mr. Kurtz, it is difficult, if not impossible, to take his explanation seriously. Rather it would seem obvious that the IRS had decided deliberately to create a confrontation in hopes of forcing an incident from which the IRS could massively react with public acceptance to be rid of those who protest and resist taxes. The IRS, after a shooting incident, could assert their need for even more guns, for even greater authority and to be exempt from respecting the "Bill of Rights."

All totalitarian governments have at least one agency which, in the name of protecting the regime, claims the right of total control of the citizens. We can do without an American Gestapo or KGB.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. HANSEN) to revise and extend his remarks and include extraneous matter:)

Mr. HANSEN, for 60 minutes today, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,304.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HANSEN) and to include extraneous matter:)

Mr. CARNEY.

ADJOURNMENT

Mr. WILLIAMS of Montana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 7 minutes p.m.), under its previous order, the House adjourned until Wednesday, February 21, 1979, at 3 p.m.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the third calendar quarter 1978:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 14

A. Ad Hoc Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 2002.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Claude D. Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

A. American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Va. 22046.

A. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.

A. Virginia Andary, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.
B. Catholics for a Free Choice, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.

A. Stanton D. Anderson, 1156 15th Street NW., Suite 1200, Washington, D.C. 20005.
B. Surrey Karasik and Morse, 1156 15th Street NW., No. 1200, Washington, D.C. 20003 (for Westway Trading Corp., 464 Hudson Terrace, Englewood Cliffs, N.J. 07632).

A. Tobias Anthony, 1800 K Street NW., Suite 720, Washington, D.C. 20006.
B. Research-Cottrell, Inc., P.O. Box 1500, Somerville, N.J. 08876.

A. Richard J. Asplund, 4012 Calvert Street NW., Washington, D.C. 20007.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.

A. Baker & Daniels, 1800 M Street, NW., Washington, D.C. 20036.
B. Indiana Toll Road Commission, P.O. Box 748, South Bend, Ind. 46624.

A. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60619.

A. Sheila MacDonald Bamberger, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Suite 850, Washington, D.C. 20006.

A. Lynne D. Battle, College Placement Council, Inc., Suite 705, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. College Placement Council, Inc., P.O. Box 2263, Bethlehem, Pa. 18001.

A. Edwin L. Behrens, 1801 K Street NW., No. 230, Washington, D.C. 20006.
B. The Proctor & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Max J. Beilke, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

A. Stephen M. Belkoff, 2500 DeKalb Pike, Norristown, Pa. 19404.
B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002; and Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

A. Rebecca J. Berg, 1730 Rhode Island Avenue, NW., No. 213, Washington, D.C. 20036.
B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., No. 213, Washington, D.C. 20036.

A. Ellen Berman, Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.
B. Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

A. Gerda V. Bikales, 6711 Pine Creek Court, McLean, Va. 22101.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Aleutian-Pribilof Island Association, Inc., 430 C Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Sealaska Corp., One Sealaska Plaza, Juneau, Alaska 99801.

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B. Irving Trust Co., One Wall Street, New York, N.Y. 10015.

A. M. Warren Bolton, 2500 DeKalb Pike, Norristown, Pa. 19404.
B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. G. Stewart Boswell, Apparel Political Education Committee, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.
B. Apparel Political Education Committee, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

A. Bill Brier, 1629 K Street NW., Suite 701, Washington, D.C. 20006.
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B. U.S. Student Association, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

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B. Joint Maritime Congress, 444 North Capitol, Washington, D.C. 20001.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
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B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

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B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.

A. Thomas D. Campbell, Suite 500, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. of Indiana, 200 East Randolph Drive, Chicago, Ill., 60680.

A. Daniel J. Cassidy, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Joseph E. Cavanaugh, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
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A. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.

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B. Dealer Bank Association, 1800 K Street N.W., Washington, D.C.

A. Coan & Couture, 1707 L Street NW., Suite 446, Washington, D.C.
B. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C.

A. William J. Colley, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Association of Truck Stop Operators, P.O. Box 1285, Alexandria, Va. 22313.

A. Geri Colombaro, 316 Pennsylvania Avenue Avenue SE., Washington, D.C. 20003.
B. American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Conference of State Bank Supervisors, 1015 18th Street, NW., Washington, D.C. 20036.

A. Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. St. George Tanaq Corp., c/o Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

A. Samuel C. Corey, 2500 DeKalb Pike, Norristown, Pa. 19404.
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A. Richard B. L. Creecy, 3804 Blackthorn Street, Chevy Chase, Md. 20015.
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A. M. Josephine Crewe, 4601 North Park Avenue, Chevy Chase, Md. 20015.
B. Americans for SALT, 324 Fourth Street NE., Washington, D.C. 20002.

A. James H. Cromwell, Sr., 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Curtis, Mallet-Prevost, Colt & Mosle, 888 17th Street NW., Washington, D.C. 20006.
B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022.

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B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter, Center East, Atlanta, Ga. 30346).

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A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.

A. Rita del Lupo, Chicago, Rock Island & Pacific RR. Co., 3350 Huntley Square Drive T-2., Temple Hills, Md. 20032.
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B. Ad Hoc Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.

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B. Iowa Beef Processors, Inc., Dakota City, Nebr.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pesticide Producers Association, Washington, D.C.

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A. C. Allen Foster, Turner, Enochs, Foster & Burnley, P.O. Drawer D, Greensboro, N.C. 27402.
B. Safari Club International, 5151 East Broadway, Suite 1680, Tucson, Ariz. 85711.

A. John A. Friel, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.
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A. Jeffrey A. Fritzlen, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
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A. Gailor, Elias & Matz, 700 E Street SE., Washington, D.C. 20003.
B. North Carolina Guaranty Savings Corp., Suite 504, Washovia Building, Box 2612, Raleigh, N.C. 27602.

A. Bob Garcia, Winner/Wagner & Associates, Inc., 1024 10th Street, Suite 310, Sacramento, Calif. 95814.
B. Southwest Flight Crew Association, 6160 Mission Gorge Road, Suite 100, San Diego, Calif. 92120.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, 1150 17th Street NW., Washington, D.C. 20036.

A. James A. Gavin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Robert D. Gordon, P.O. Box 162, Bryans Road, Md. 20616.

A. Sanford Gottlieb, 11102 Brandywine Street, Kensington, Md. 20795.

B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.

A. Maria Ann Graham, National Audubon Society, 1301 20th Street NW., Apt. 501, Washington, D.C. 20036.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

A. Alison E. Greene, 1707 H Street NW., Washington, D.C. 20006.
B. National Foundation-March of Dimes, 1275 Mamaroneck Avenue, White Plains, N.Y. 10605.

A. Robert M. Greening, Jr., Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.

A. David R. Griffin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
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A. Jack Grimes, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Aetna Life and Casualty, 151 Farmington Road, Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Baxter Travenol Laboratories, Inc., One Baxter Parkway, Deerfield, Ill. 60015.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Connecticut General Insurance Co., Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Eli Lilly and Co., 307 East McCarty, Indianapolis, Ind. 46206.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.

A. Barbara Gross, 3319 16th Street NW., Washington, D.C. 20010.

B. Consumer Action Now, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

A. Maria Faller Gwaltney, 1730 K Street NW., Washington, D.C. 20006.
B. American Hellenic Institute Public Affairs Committee, Inc., 1730 K Street NW., Suite 903, Washington, D.C. 20006.

A. James L. Hamilton III, U.S. Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. U.S. Steel Corp., 600 Grant Street, Pittsburg, Pa., 15230.

A. Thomas A. Hammer, Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. Jerry M. Hamovit, Melrod, Redman & Gartlan, 1801 K Street NW., Washington, D.C. 20006.
B. O.P.M. Leasing Services, Inc., Lehman Brothers Kuhn Loeb, Inc., One William Street, New York, N.Y. 10004.

A. Lewis R. Hardy, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. U.S. Student Association, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

A. Harshe-Rotman & Druck, Inc., 1010 Wisconsin Avenue NW., Suite 640, Washington, D.C. 20007.

A. Alison Heath, Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
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A. Richard L. Hellwege, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
B. Lear Siegler, Inc., 4141 Eastern Avenue SE., Grand Rapids, Mich. 49508.

A. John C. Hooper, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Robert R. Hurt, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck and Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

A. Deborah A. Insley, General Motors Corp., 1660 L Street NW., Washington, D.C.
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A. Frank Jackalone, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. United States Student Association, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF, 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. Al Jones, Northwest Energy Options, 1022 Northeast 88th, Seattle, Wash. 98115.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

A. De Soto Jordan, Advisors Inc., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Advisors Inc., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

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B. American Academy of Actuaries, 1835 K Street NW., Suite 515, Washington, D.C. 20006.

A. John V. Kenny, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. Southern Pacific Co., 1801 K Street NW., No. 221, Washington, D.C. 20006.

A. Edward J. Kiernan, 27 Bluebird Drive, Congers, N.Y. 10920.

A. Edward H. King, Walgreens, 200 Wilmot Road, Deerfield, Ill. 60015.
B. Walgreens, 200 Wilmot Road, Deerfield, Ill., 60015.

A. Francis L. Kinney, 76 Pheasant Run, Newington, Conn. 06111.
B. Northeast Utilities Services Co., Selden Street, Berlin, Conn.

A. Joann Klimschot, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. James H. Lake, Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
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B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

A. Kevin R. Leary, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol, Washington, D.C. 20001.

A. Robert B. Lefiar, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bulova Watch Co., Inc., Bulova Park, Flushing, N.Y. 11370.

A. David Levine, Sierra Club, 545 East Fourth Avenue No. 5, Anchorage, Alaska 99501.
B. Sierra Club, 545 East Fourth Avenue No. 5, Anchorage, Alaska 99501.

A. B. P. Lewallen, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

A. Wayne E. Lewis, 6301 Stevenson Avenue, Alexandria, Va. 22304.

A. Maritime Legislative Association, 923 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Ernest C. Marty, 1/40 Waters Road, Cremorne, Australia 2090.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, P.O. Box 3769, Washington, D.C. 20007.
B. National Association of Federal Credit Unions, P.O. Box 3769, Washington, D.C. 20007.

A. Patrick W. McElhoes, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

A. Francis X. Meaney, One Center Plaza, Boston, Mass. 02108; and 2700 Virginia Avenue NW., Washington, D.C. 20037.
B. Mintz, Levin, Cahn, Glovsky, & Popeo, One Center Plaza, Boston, Mass. 02108 (for Goldman Sachs and Co., 55 Broad Street, New York, N.Y.).

A. Carson Miller, 6185 Franktown Road, Carson City, Nev. 89701.
B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20002.

A. Stella L. Miller, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

A. Wayne L. Millsap, Millsap, Eyerman and Heitmann, Suite 2300, Clayton Inn Center, 7777 Bonhomme Avenue, St. Louis, Mo. 63105.
B. Seven-Up Bottling Co., 555 Brown Road, St. Louis, Mo.

A. Michael S. Moe, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Joy E. Moore, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street, NW., Washington, D.C. 20005.

A. Roger Owen Moore, 9333 Angelina Circle, Columbia, Md. 21045.

A. James A. Morrill, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Victor G. Morris, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Moss, Frank & Franklin, Watergate Six Hundred, Suite 480, Washington, D.C. 20037.
B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Suite 901, Washington, D.C. 20006.

A. National Citizens Communications Lobby, P.O. 19101, Washington, D.C.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Association of Independent Medical Equipment Suppliers, 3164 Oakcliff Industrial Street, Doraville, Ga. 30340.

A. National Potato Council, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Michael C. Nave, National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.

A. Northeast Utilities Service Co., Seldon Street, Berlin, Conn.
B. Northwest Energy Options, 1022 Northeast 68th, Seattle, Wash. 98115.

A. Rosemary L. O'Brien, 1620 K Street NW., Suite 701, Washington, D.C. 20006.
B. CP Industries, Inc. and Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.

A. Robert Todd Oldham, Oldham Landscape Contractor, P.O. Box 143, Cincinnati, Ohio 45229.

A. Townes Osborn, National Citizens Communications Lobby, 1028 Connecticut Avenue, Suite 918, Washington, D.C. 20036.
B. National Citizens Communications Lobby, 1028 Connecticut Avenue, Suite 918, Washington, D.C. 20036.

A. Joel Packer, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. United States Student Association, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., No. 800, Washington, D.C. 20037.
B. Bixby Ranch Co., 523 West Sixth Street, Los Angeles, Calif. 90014.

A. Michael J. Petrina, Jr., 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Rena S. Pies, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

A. David E. Piper, Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.
B. Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.

A. Robert Plett Associates, Ltd., 1200 18th Street NW., Suite 700, Washington, D.C. 20036.

A. Robert F. Pontzer, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. James B. Potter, Jr., The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

A. John Michael Powderly, United Steelworkers of America, 815 Sixteenth Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

A. M. Elizabeth Powell, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

A. Marilyn J. Prasinos, American Hellenic Institute Public Affairs Committee, 1730 K Street NW., Washington, D.C. 20006.
B. American Hellenic Institute Public Affairs Committee, 1730 K Street NW., Washington, D.C. 20006.

A. Preston, Thorgrimson, Ellis, Holman, and Fletcher, 1776 F Street NW., Washington, D.C. 20006.
B. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.

A. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Ragan & Mason, 900 17th Street NW., The Farragut Building, Washington, D.C.
B. Princess Realty, Ltd., P.O. Box F684, Freeport, Grand Bahamas Island, Bahamas.

A. Ragan & Mason, 900 17th Street NW., The Farragut Building, Washington, D.C.
B. Sugar Users Group, 1660 L Street NW., Washington, D.C.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Research-Cottrell, Inc., P.O. Box 1500, Somerville, N.J. 08876.

A. Robert Roach, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. James E. Rooks, Jr., Speiser, Krause and Madole, 1216 16th Street NW., Washington, D.C. 20036.
B. Speiser, Krause and Madole, 1216 16th Street NW., Washington, D.C. 20036.

A. Joseph P. Saba, 1156 15th Street NW., Suite 1200, Washington, D.C. 20005.
B. Surrey Karasik and Morse, 1156 15th Street NW., Suite 1200, Washington, D.C. 20005 (for Westway Trading Corp., 464 Hudson Terrace, Englewood Cliffs, N.J. 07632).

A. Charles J. Sabatier, Jr., Paralyzed Veterans of America, Inc., 4330 East-West Highway, Suite 300, Washington, D.C. 20014.
B. Paralyzed Veterans of America, Inc., 4330 East-West Highway, Washington, D.C. 20014.

A. Robert P. St. Louis, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Robert Scowcroft, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Pamela Sederholm, Sheet Metal and Air Conditioning Contractors' National Association, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal and Air Conditioning Contractors' National Association, 8224 Old Courthouse Road, Vienna, Va. 22180.

A. H. Richard Seibert, Jr., 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Seven-Up Bottling Co., 555 Brown Road, Hazelwood, Mo. 63042.

A. Dean T. Sharp, Suite 408, 1015 Eighteenth Street NW., Washington, D.C. 20036.
B. Independent Health Insurance Institute, Inc., Suite 408, 1015 Eighteenth Street NW., Washington, D.C. 20036.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Belco Petroleum Corp., 1 Dag Hammarskjold Plaza, New York, N.Y.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. New Zealand Wool Board, 139–141 Featherstone Street, Wellington, New Zealand.

A. David Shiah, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Joan Shorey, 1028 Connecticut Avenue, NW., No. 1100, Washington, D.C. 20036.
B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

A. Althea T. L. Simmons, NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

A. Frank Slover, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga., 30346. (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).

A. Smathers, Symington & Herlong, 1700 K Street NW., Washington, D.C. 20006.
B. Association of Insular Manufacturers, 400 South Jefferson Street, Chicago, Ill. 60607.

A. Smathers, Symington & Herlong, 1700 K Street NW., Washington, D.C. 20006.
B. Goldman-Sachs, 55 Broad Street, New York, N.Y. 10004.

A. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

A. Michael L. Solomon, 1850 Columbia Pike, Apt. 619, Arlington, Va., 22204.
B. National Apartment Association, 1825 K Street NW., No. 604, Washington, D.C. 20006.

A. Speiser, Krause and Madole, 1216 16th Street NW., Washington, D.C. 20036.

A. Joe A. Stamm, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. John H. Stroh, Suite 3400, One Mercantile Center, St. Louis, Mo. 63101.
B. Seven-Up Bottling Co., 555 Brown Road, Hazelwood, Mo. 63042.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., No. 706, Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for

Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif. 90068).

A. Tanaka Walders & Ritger, 1819 H Street NW., Washington, D.C. 20006.
B. Electronic Industries Association of Japan, 2–2, Marunouchi, 3–Chome, Chiyoda-ku, Tokyo, Japan.

A. Daniel Tandy, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Richard L. Thompson, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.

A. James L. Thorne, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Karin Tilberg, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Robert C. Troup, 400 Madison Avenue, New York, N.Y. 10017.

A. W. Glenn Tussey, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. Americal Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

A. John C. Uehlinger, 501 North Quaker Lane, Alexandria, Va. 22304.
B. American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Va. 22046.

A. United States Student Association, 1028 Connecticut Avenue, Suite 300, Washington, D.C. 20036.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Yellowstone Park Co., Yellowstone National Park, Wyo. 82190.

A. Frank Viggiano, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. United States Student Association, 1028 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

A. Howard A. Vine, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Ethan Wagner, Winner/Wagner & Associates, Inc., 1024 10th Street, Suite 310 Sacramento, Calif. 95814.
B. Southwest Fight Crew Association, 6160 Mission Gorge Road, Suite 100, San Diego, Calif. 92120.

A. Charles W. Walker, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.

A. Don Wallace Associates, Inc., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. Delta & Pine Land Co. of Mississippi, Scot, Miss. 38772.

A. Don Wallace Associates, Inc., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. Diversion Communications, Inc., 60 East 42d Street, New York, N.Y. 10017.

A. Arnold H. Weiss, Arent, Fax, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.

B. Constructora Nacional de Carros de Ferrocarril, S.A., Paseo de la Reforma, 369, Mexico 5, O.F., Mexico.

A. Michael A. Weiss, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Elizabeth D. Whitley, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. Williams & Jensen, 1101 Connecticut Avenue, Washington, D.C. 20036.
B. North American Game Breeders & Shooting Preserve Association, Gooselake, Iowa.

A. F. Lorraine Woehrle, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

A. Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., Suite 1000, Washington, D.C. 20036.
B. Consolidation Coal Co., Consol Plaza, Pittsburgh, Pa. 15241.

A. Stephen Young, National Audubon Society, 1425 17th Street NW., Apartment 504, Washington, D.C. 20036.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Michael D. Zagata, National Audubon Society, 11601 Rockville Pike, Apartment 914, Rockville, Md. 20852.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the first calendar quarter 1973:

(NOTE.—The form used for registration is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter.
5. $_____Received for services (e.g., salary, fee, etc.)

6. $_____TOTAL for this Quarter (Add items "1" through "5")
7. $_____Received during previous Quarters of calendar year

8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter

12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": _____

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* ("*Period*" from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures

9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year

11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Robert J. Aagre, Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C. 20062.
E. (9) $8.25.

A. Bruce Adams, Common Cause, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,524.97.

A. Adams, Duque & Hazeltine, 523 West Sixth Street, Los Angeles, Calif. 90014.
B. GATX Corp., 120 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $19,596.37. E. (9) $2,123.24.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $11,736.07. E. (9) $11,736.07.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,450. E. (9) $3,529.54.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; for Aerospatiale, 37 Boulevard de Montmorency, 75016, Paris, France.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street, NW., Washington, D.C. 20036; (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa., 18105.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $350. E. (9) $133.26.

A. G. Colburn Aker, 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $2,000.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. The John Akridge Co., 1627 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street, NW., Washington, D.C. 20005.
B. American Collectors Association, Inc., 4040 West 70th Street, Minneapolis, Minn. 55435.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. American Para Transit Institute, P.O. Box 340276, Coral Gables, Fla. 33134.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Coastal States Gas Producing Co. 9 Greenway Plaza, Houston, Tex., 77046.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. E & J Gallo Winery, P.O. Box 1130, Modesto, Calif. 95353.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Suite 901, Washington, D.C. 20006.
D. (6) $10,000.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19103.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Vickers Petroleum Corp., P.O. Box 2240, Wichita, Kans. 67201.
D. (6) $250.

A. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $29,134.53. E. (9) $40,620.54.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Air Sunshine, 1129 Simonton Street, Key West, Fla.
D. (6) $500.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 32302.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Association of Local Transport Airlines, 1801 K Street NW., Suite 803, Washington, D.C. 20006.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Brunswick Corp., One Brunswick Plaza, Skokie, Ill. 60076.
D. (6) $2,500.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Computer Sciences Corp., 1616 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Continental Group, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alcalde, Henderson, O'Bannon & Kline, 1901 North Fort Meyer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.
D. (6) $3,000.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.
D. (6) $7,321. E. (9) $1,021.83.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
D. (6) $1,875. E. (9) $19.82.

A. Maxton M. Allcox, 400 First Street NW., Room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $9,458.48.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,025.

A. Joseph C. Allwarden, Rural Delivery No. 3 Nathan Lord Road, Amherst, N.H. 03031.
B. Kollsman Instrument Co., Daniel Webster Highway South, Merrimack, N.H. 03054.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $1,840. E. (9) $664.76.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $900.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) 1,163.77. E. (9) $1,163.77.

A. American Arts Alliance, 424 C Street NE., Washington, D.C. 20002.
D. (6) $48,113.21. (E) (9) $56,959.52.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $562.76.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $22,507.33 E. (9) $22,507.33.

A. American Council for Capital Formation, 1425 K Street NW., Suite 1007, Washington, D.C. 20005.
D. (6) $2,475. E. (9) $2,113.60.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $1,030. E. (9) $17.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $11,353.79. E. (9) $11,353.79.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; 425 13th Street NW., Washington, D.C. 20004.
D. (6) $57,428. E. (9) $57,428.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $131,614.65.

A. American Federation of State, County and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C.
E. (9) $27,431.26.

A. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22101.
D. (6) $112,216.88. E. (9) $550.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $1,850. E. (9) $4,799.23.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $9,044.88. E. (9) $7,126.68.

A. The American Humane Association, P.O. Box 1266, Denver, Colo., 80201.
E. (9) $1,800.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $57,815.25. E. (9) $57,815.25.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $5,058.

A. American League for International Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $6,000. E. (9) $6,000.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004; 1612 K Street, NW., Washington, D.C. 20006.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,678.75. E. (9) $26,523.07.

A. American Nuclear Energy Council, 1750 K Street, NW., Suite 300, Washington, D.C.
D. (6) $3,828.23. E. (9) $7,943.33.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo.
D. (6) $10,584.57. E. (9) $10,584.57.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $80.25.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $49,296. E. (9) $135,628.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $6,677.17. E. (9) $6,677.17.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
E. (9) $12,635.01.

A. American Postal Workers Union, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $2,549,351.13. E. (9) $123,701.17.

A. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $3,200. E. (9) $9,000.35.

A. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,091.70. E. (9) $1,441.68.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $287.50. E. (9) $143.09.

A. American Textile Manufacturers Institute, Inc., Wachovia Center, 400 South Tryon Street, Charlotte, N.C. 28285.
D. (6) $37,135.86. E. (9) $37,135.86.

A. American Trucking Assns., Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $50,429.45.

A. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $50. E. (9) $60.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.
E. (9) $734.46.

A. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.
D. (6) $41,022. E. (9) $22,427.

A. Morris J. Amitay, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $7,083.32.

A. Virginia Andary, 201 Massachusetts Avenue NW., No. 105, Washington, D.C. 20002.
B. Catholics for a Free Choice, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.
D. (6) $2,312.76. E. (9) $268.70.

A. Anthony L. Anderson, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $3,460. E. (9) $5,167.

A. Gwen A. Anderson, American Sign and Indicator Corp., 1220 19th Street NW., Washington, D.C. 20036.
B. American Sign and Indicator Corp., 2310 Fancher Way, P.O. Drawer 2727, Spokane, Wash. 99220.
D. (6) $1,500. E. (9) $837.55.

A. Anderson, Pendleton, McMahon, Peet & Donovan, Suite 701, 1000 16th Street NW., Washington, D.C. 20036.
B. Embassy of Chile, 1732 Massachusetts Ave. NW., Washington, D.C. 20036.
D. (6) $6,249. E. (9) $139.23.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline, Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Scott G. Anderson, Burlington Northern Inc., Suite 506, 2000 L St. NW., Washington, D.C. 20036.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,900. E. (9) $1,791.79.

A. Wayne C. Anderson, 1629 K St. NW., Washington, D.C. 20006.
B. Nabisco, Inc., East Hanover, N.J. 07936.
D. (6) $2,500. E. (9) $1,995.40.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $5.

A. Emmet Andrews, American Postal Workers Union, AFL-CIO, 817 14th St. NW., Washington, D.C. 20037.
B. American Postal Workers Union, AFL-CIO, 817 14th St. NW., Washington, D.C. 20037.
D. (6) $7,502.72.

A. Laureen E. Andrews, 1720 M St. NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M St. NW., Washington, D.C. 20036.
D. (6) $675. E. (9) $13.

A. Robert C. Angel, 1000 Connecticut Ave. NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Ave. NW., Washington, D.C. 20036.
D. (6) $300.

A. Jack R. Angell, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
D. (6) $220. E. (9) $10.50.

A. C. Stephen Angle, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $103.95.

A. J. Donald Annett, 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $300.

A. Linda M. Anzalone, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.
E. (9) $25.

A. APA Co., 400 First Street NW., Washington, D.C. 20001.
B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.
D. (6) $137.50.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The London Commodity Exchange Co. Ltd., Cereal House, 58 Mark Lane, London EC3R 7NE, England; International Commodities Clearing House, Ltd., Roman Wall House, 1-2 Crutched Friars, London EC3N 2AN, England.
D. (6) $1,725.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
D. (6) $10,600. E. (9) 174.48.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.
D. (6) $7,585.85 E. (9) $30.47.

A. Maureen Aspin, Common Cause, 2030 M Street, NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,250. E (9) $70.65.

A. Richard J. Asplund, 4012 Calvert Street NW., Washington, D.C. 20007.
B. Americans for SALT, 324 Fourth Street NE., Washington, D.C. 20002.
D. (6) $5,250. E. (9) $904.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. Associated Third Class Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $600.

A. Association for the Advancement of Invention & Innovation, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $25. E. (9) $1,643.97.

A. Association for the Improvement of the Mississippi River, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $2,213.75.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,286.37. E. (9) $5,286.37.

A. Association of American Railroads, American Railroads Building (211), 1920 L Street NW., Washington, D.C. 20036.
D. (6) $31,068.40. E. (9) $31,068.40.

A. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 282, Washington, D.C. 20005.
D. (6) $50.

A. Association of Data Processing, 1925 North Lynn Street, No. 1100, Arlington, Va. 22209.
D. (6) $8,493.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $4,835.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $4,441.25. E. (9) $4,441.25.

A. Association of Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $500.

A. George J. Aste, United Airlines, 1825 K Street NW., Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,500.

A. Aviation Consumer Action Project, 1346 Connecticut Avenue NW., Suite 717, Washington, D.C. 20036.
E. (9) $60.

A. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $1,635.71.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $600. E. (9) $50.

A. Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
E. (9) $1,214.

A. Charles W. Bailey, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

A. George E. Bailey, Jr., Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
D. (6) $138.40. E. (9) $40.57.

A. William W. Bailey, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $6,000. E. (9) $128.90.

A. Baker & Boots, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting and Power Co., P.O. Box 1700, Houston, Tex. 77001.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. Baker & Daniels, 1800 M Street NW., Washington, D.C. 20036.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $80.58.

A. Baker & Daniels, 1800 M Street NW., Washington, D.C. 20036.
B. Indiana Toll Road Commission, P.O. Box 748, South Bend, Ind. 46624.
D. (6) $150.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cambridge Research and Development Group, 21 Bridge Square, Westport, Conn. 06880.
D. (6) $9,269.89.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Magnatex Corp., One Marienfeld Place, Midland, Tex. 79701.
D. (6) $6,099.50. E. (9) $7.10.

A. Donald Baldwin, Donald Baldwin Associates, Suite 804, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20006.
D. (6) $3,600.

A. Jacqueline Balk-Tusa, 1625 Eye Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 Eye Street NW., No. 809, Washington, D.C. 20006.
D. (6) $9,123.

A. Will G. Barber, 1300 American Bank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. American College of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $92.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Teachers of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $46.

A. Wayne B. Bardsley, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Robert O. Barker, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $18.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,150. E. (9) $160.86.

A. Thomas J. Barlow, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street NW., Washington, D.C. 20005.
D. (6) $86.82.

A. Roger H Barnard, National Association of Federal Credit Unions, P.O. Box 3769, Washington, D.C. 20007.
B. National Association of Federal Credit Unions, P.O. Box 3769, Washington, D.C. 20007.

A. Barnett, Alagia & Carey, 1627 K Street NW., No. 900, Washington, D.C. 20006.
B. Dairymen, Inc., 200 West Broadway, Louisville, Ky. 40202.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Fruit and Vegetable Association, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $2,500.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. New York Cocoa Exchange, Inc.; and New York Cocoa Cearing Association, Inc.; 127 John Street, New York, N.Y. 10038.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. New York Coffee and Sugar Exchange, Inc.; and New York Coffee and Sugar, Clearing Association, Inc.; Four World Trade Center, New York, N.Y. 10048.
D. (6) $1,180. E. (9) $106.40.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. The New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $2,300. E. (9) $150.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $1,192.

A. David S. Barrows, 1201 Southwest 12th, Suite 300, Portland, Ore. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. Richard A. Barton, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, New York, N.Y. 10017.
D. (6) $3,125. E. (9) $100.

A. Robert E. Bates, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $900.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,818.75.

A. Lucius D. Battle, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $50.

A. Batzell, Nunn & Bode, 1523 L Street Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,376.50.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. JOC Oil, Inc., Olympic Tower, 645 Fifth Avenue, New York, N.Y. 10022.
D. (6) $12,336.25.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Mt. Airy Refining Co., International Energy Building, 256 North Belt East, Suite 150, Houston, Tex. 77060.
D. (6) $3,640.

A. Gary L. Bauer, Direct Mail/Marketing Association, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, 6 East 43d Street, New York, N.Y. 10017.
D. (6) $1,000. E. (9) $125.

A. Richard H. Bauer, 1899 L Street NW., 11th Floor, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $406.37.

A. Sadie R. Baulch, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Marvella Bayh, American Cancer Society, Inc., 1875 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20009.
B American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017.
D. (6) $84. E. (9) $626.

A. Tina Marie Beach, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $25.

A. Bruce A. Beam, American Electric Power Service Corp., 1629 K Street NW., Washington, D.C 20006.
B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.
D. (6) $11,250. E. (9) $212.12.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.
B. GPU Service Corp., 260 Cherry Hill Road, Parsippany, N.J. 07054.
D. (6) $514.04. E. (9) $569.15.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,441.08.

A. Christine T. Beatty, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $2,410. E. (9) $74.29.

A. Robert J. Becker, Joint Council of Allergy and Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056; North 229 Hammes Avenue, Joliet, Ill. 60435.
B. Joint Council of Allergy and Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20903.
B. United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $37,750. E. (9) $181.64.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. C. Thomas Bendorf, 1620 Eye Street NW., Washington, D.C. 20006.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) $100.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., American Medical Association, 1776 K Street NW., Washington, D.C. 20906.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $49.98.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. Association of Executive Recruiting Consultants, Inc., 30 Rockefeller Plaza, New York, N.Y. 10020.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. National Restaurant Association, Suite 850, 1850 K Street NW., Washington, D.C. 20006.
D. (6) $4,000. E. (9) $125.34.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. Pepsi-Co., Inc., Purchase, N.Y.
D. (6) $4,590. E. (9) $2.57.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.
B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20003; and Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $3,000.

A. Kenneth W. Bergen, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $270.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C.
D. (6) $402.50. E. (9) $229.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. CNA, CNA Plaza, Chicago, Ill. 60685.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
D. (6) $2,000.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Loews Corp., 666 Fifth Avenue, New York, N.Y.
D. (6) $4,500.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
D. (6) $3,750.

A. Berman and Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y.
D. (6) $12,000.

A. Arthur S. Berner, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. George K. Bernstein, 1730 K Street NW., Washington, D.C. 20006.
B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,650. E. (9) $1,650.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessionel De L'Economie Laitere, 8, Rue Danielle Casanova 75002 Paris, France.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Constructora Nacional de Carros de Ferrocarril, S.A., Av. Universidad Y Miguel Laurent, Mexico 12, D.F.
D. (6) $26,312.50. E. (9) $1,093.81.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., No. 670, Washington, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,400.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Energy Consumers and Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.
D. (6) $2,502.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.
D. (6) $6,487.50. E. (9) $234.30.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Max N. Berry, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $150.99.

A. Robert A. Best, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. American League for International Security Assistance, Inc., 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
D. (6) $1,500. E. (9) $800.

A. Robert A. Best, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1625 Eye Street NW., Washington, D.C. 20006; and Archer Daniels Midland Co., Decatur, Ill. 62525.
D. (6) $600. E. (9) $500.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $12.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. New England Power Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,150.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. SoGen Swiss International Corp., 20 Broad Street, New York, N.Y.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. Union Mines, 9 West 57th Street, New York, N.Y. 10019.
D. (6) $800.

A. Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.
B. Union Seas, c/o The Corporation Trust, Inc., 25 South Charles Street, Baltimore, Md. 21201.

A. Andrew J. Biemiller, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 816 16th Street N.W., Washington, D.C. 20006.
D. (6) $13,034. E. (9) $219.45.

A. Eileen M. Biermann, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $550.

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Thomas E. Biery, Mid-Continent Oil and Gas Association, 1800 K Street NW., Suite 620, Washington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $966. E. (9) $9.50.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Aleutian-Pribilof Island Association, Inc., 430 C Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. American Kitchen Foods, Inc., 99 Powerhouse Road, Roslyn, N.Y. 11577.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Coastal States Gas Corp., Nine Greenway Plaza, Houston, Tex. 77046.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Potlatch Corp., Two Embarcadero Center, 20th Floor, San Francisco, Calif. 94120.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Sealaska Corp., One Sealaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Steering Council for Alaska Lands, 1016 West Sixth Avenue, Suite B, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Moore, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20015.

A. John L. Birkinbine, Jr., National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. C. Thomason Bishop III, National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Neal R. Bjornson, National Milk Producers, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,125. E. (9) $77.78.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,150.

A. Steven H. Blackwell, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $90.

A. Richard W. Blake, 1776 K Street NW., No. 900, Washington, D.C. 20006.
B. American Sugarbeet Growers Association, 1776 K Street NW., No. 900, Washington, D.C. 20006.
D. (6) $190.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $17,727.50. E. (9) $2,181.57.

A. Michael K. Blevins, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $400. E. (9) $93.

A. Mark Bloomfield, American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
D. (6) $875.

A. Mark Andrew Bloomfield, 1661 Crescent Place NW., No. 309, Washington, D.C. 20009.
B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,300.

A. Jack A. Blum, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Independent Gasoline Marketers Council, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
D. (6) $10,000. E. (9) $10,010.

A. Jared O. Blum, 1730 M Street NW., Suite 610, Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., No. 408, Washington, D.C. 20036.
D. (6) $1,000. E. (9) $177.46.

A. Blum, Parker & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Association of Independent Corrugated Converters, 2530 Crawford Avenue, Evanston, Ill. 60201.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer and Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.

A. Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. National Union Electric Corp., 575 Adams Avenue, Philadelphia, Pa. 19120.

A. Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.

A. Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Blum, Parker & Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.

A. Wayne F. Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. Seth M. Bodner, 1101 15th Street NW., Suite 803, Washington, D.C. 20005.
B. Lead-Zinc Producers Committee, 1101 15th Street NW., Suite 803, Washington, D.C. 20005.
D. (6) $2,250.

A. Becky Bogard, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $260.50.

A. Theodore D. Bogue, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $50.

A. Christie K. Bohner, 900 17th Street NW., No. 1016, Washington, D.C. 20006.
B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
B. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
D. (6) $1,650.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1600 Wilson Boulevard, Arlington, Va.)
D. (6) $500.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $2,400. E. (9) $350.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $450. E. (9) $29.75.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Bonsib, Inc., P.O. Box 1807, Washington, D.C. 20013.

A. Edward T. Borda, 1625 I Street NW., Suite 1023, Washington D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Suite 1023, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $520.

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.
E. (9) $1,200.

A. A. D. Bourland, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $2,322.46.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 2006.
D. (6) $1,000.

A. Edward L. Bowley, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $10,892.23. E. (9) $2,839.80.

A. Randal Bowman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $8.25.

A. Francis J. Boyd, Jr., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. John G. Boyd, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $334.80. E. (9) $55.14.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $667.

A. Frank W. Bradley, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $375.

A. Wayne W. Bradley, American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $400. E. (9) $10.93.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $857.50. E. (9) $13.31.

A. Raymond F. Bragg, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $150.

A. David C. Branand, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $15.87.

A. Robert M. Brandon, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $667.50

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Jerome J. Breiter, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Edward J. Brenner, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention & Innovation, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

A. Miles H. Bresee, Jr., 170 Altura Way, Greenbrae, Calif. 94904.
B. Bechtel Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.
D. (6) $878.40. E. $823.26.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. $200.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. $1,406.25. E. (9) $237.57.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.
D. (6) $500.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $4,500.

A. Dale E. Brooks, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $25.

A. Brotherhod of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $24,481. E. (9) $24,481.10.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $8,000.

A. David S. J. Brown, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $450. E. (9) $68.73.

A. Howard Brown, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $131.24.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $350.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Michael F. Brown, American Frozen Food Institute, 919 18th Street NW., Washington, D.C.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
D. (6) $200.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $340. E. (9) $90.85.

A. Stanley R. Browne, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $65. E. (9) $4.50.

A. John E. Bruch, P.O. Box 5000, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.

A. Michael E. Brunner, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1600 Wilson Boulevard, Arlington, Va.).
D. (6) $3,000. E. (9) $193.10.

A. John S. Brunson, 1700 Transco Tower, Houston, Tex. 77056.
B. Bob Perry, 11930 South Belt, Houston, Tex.
D. (6) $7,500.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $2,000. E. (9) $142.45.

A. Michael W. Buckner, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $483.88.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. Norman D. Burch, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60077.
D. (6) $3,375. E. (9) $56.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. Thomas G. Burke, 1625 I Street NW., Suite 1023, Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Suite 1023, Washington, D.C. 20006.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $46,836.45. E. (9) $850.02.

A. Phillip C. Burnett, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $276.92. E. (9) $32.25.

A. Charles S. Burns, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200.

A. Gerrie Bjornson Burns, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $100.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.
B. Opera America, 1010 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $685.06. E. (9) $1,014.86.

A. B. Kent Burton, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $18,000. E. (9) $83.29.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. The Bureau of National Affairs, Inc., 1231 25th Street NW., Washington, D.C. 20037.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Magazine Publishers Association, Inc., Magazine Center, 575 Lexington Avenue, New York, N.Y. 10022.
E. (9) $167.96.

A. Nicholas J. Bush, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $312.

A. Gary Bushell, 780 Bank and Trust Tower, P.O. Box 173, Corpus Christi, Tex. 78477.
B. Atlantic Richfield Co., 1601 Bryan Street, Dallas, Tex. 75221.
D. (6) $12,501. E. (9) $1,375.54.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $2,500. E. (9) $1,068.42.

A. James J. Butera, 1709 New York Avenue N.W., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $236.44.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Inexco Oil Co., Suite 1900, 1100 Milam Building, Houston, Tex. 77002.

A. Kenneth W. Butler, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $622.50.

A. John R. Butz, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A., P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $1,500. E. (9) $130.85.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for American Family Mutual Insurance Co.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Cabot Corp.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Fort Howard Paper Co.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Insurance Association of Connecticut), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Johnson Controls, Inc.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Republic of the Philippines), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cadwalader, Wickersham & Taft, Eleven Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Amex Commodities Exchange, Inc., 86 Trinity Place, New York, N.Y. 10006.

A. Cadwalader, Wickersham & Taft, Eleven Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Associated Metals & Minerals Corp., 30 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $1,043. E. (9) $10.

A. Cadwalader, Wickersham & Taft, Eleven Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Mocatta Metals Corp., 25 Broad Street, New York, N.Y. 10004.

A. Morrison G. Cain, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
D. (6) $5,000.

A. Alan Caldwell, 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., One Market Plaza, San Francisco, Calif. 94119.
D. (6) $1,000. E. (9) $50.

A. Frank W. Calhoun, 500 Gulf Building, Houston, Tex. 77002.
B. El Paso Natural Gas Co., P.O. Box 2165, Houston, Tex. 77001.
E. (9) $2,920.38.

A. F. Patricia Callahan, 1211 Connecticut Avenue NW., 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $80. E. (9) $41.59.

A. Peter E. Callanan, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.
D. (6) $100. E. (9) $110.

A. James R. Calloway, Suite 500, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $13,000.

A. Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
E. (9) $7,806.

A. Donald L. Calvin, New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.

A. C. R. Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone & Electronics Corp., One Stamford Forum, Stamford, Conn. 06904.
D. (6) $500. E. (9) $9.08.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $317.69.

A. Alyce D. Canaday, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $400. E. (9) $768.70.

A. David A. Caney, American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,337.50. E. (9) $3,251.02.

A. W. Dean Cannon, Jr., 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
D. (6) $2,000. E. (9) $1,785.42.

A. Marvin H. Caplan, Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,222.75. E. (9) $95.77.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Association of American Publishers, Mass Market Paperback Book Division, One Park Avenue, New York, N.Y. 10016.
E. (9) $106.44.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Clark Oil & Refining Corp., 8530 West National Avenue, Milwaukee, Wis. 53227; and American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $40,863. E. (9) $803.74

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Council on Foundations, Inc., 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $5,734.60

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Salomon Brothers, One New York Plaza, New York, N.Y. 10004.
D. (6) $3,031.69

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Council of European & Japanese National Shipowners' Association, 17/18 Bury Street, London, EC3A 5AH England.
D. (6) $15,400. E. (9) $575.80.

A. Charles E. Capron, 2401 Calvert Street NW., Suite 905, Washington, D.C. 20008.
E. (9) $112.

A. Norval E. Carey, 2021 K Street NW., Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif., 92138.
D. (6) $1,000. E. (9) $375.

A. Charles R. Carlisle, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $9,360. E. (9) $336.49.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500.

A. Chapin Carpenter, Jr., Magazine Publishers Association, 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Jack Carpenter, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.
D. (6) $48.06. E. (9) $3.85.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $8,000.

A. Harlon, B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,625.

A. Joseph L. Carter, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $271.87. E. (9) $80.38.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $385.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
D. (6) $82.20. E. (9) $448.89.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Independent Gas Producers Committee, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
D. (6) $2,338.75. E. (9) $691.15.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Kansas Delaware Tribe of Indians, Inc., 1909 Aladdin, Norman, Okla. 73609.
E. (9) $119.58.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Slurry Transport Association, 490 L'Enfant Plaza East, Suite 320, Washington, D.C. 20024.
D. (6) $15.50. E. (9) $60.43

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Texas Oil & Gas Corp., 2700 Union Fidelity Tower, Dallas, Tex. 75201.
D. (6) $1,935. E. (9) $267.05.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Wabanex Energy Corporation, Ltd., 759 Victoria Square, Montreal, Quebec H2Y 2K4 Canada.
D. (6) $6,526.25. E. (9) $620.97.

A. James B. Cash, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $127.80.

A. Allen R. Caskie, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $174.50. E. (9) $28.

A. Catholics for a Free Choice, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.
D. (6) $8,456.03. E. (9) $3579.42.

A. Philip T. Cavanagh, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
D. (6) $100.

A. Dorothy D. Cecelski, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,312.47. E. (9) $6.65.

A. Central Lincoln People's Utility District, 255 South West Coast Highway, Newport, Oreg. 97365.
E. (9) $2,395.99.

A. Chain Saw Manufacturers Association, 1015 18th Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $340. E. (9) $340.

A. Jerry L. Chambers, National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.
B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa.
E. (9) $31.30.

A. William C. Chapman, General Motors Corp., 1660 L Street NW., Suite 805, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. (E) $4,972.84.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002).
D. (6) $5,465. E. (9) $595.33.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Lone Star Steel Co., P.O. Box 35888, Dallas, Tex. 75235).
D. (6) $110. E. (9) $3.35.

A. Leslie Cheek, III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.
B. Crum & Forster Corp., Madison Avenue at Canfield Road, P.O. Box 2387, Morristown, N.J. 07960.
D. (6) $12,500. E. (9) $1,134.48.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $127. E. (9) $398.54.

A. Phillip R. Chisholm, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
B. National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $6,125. E. (9) $21.30.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Chugach Electric Association, Inc., P.O. Box 3578, Anchorage, Alaska 99501.
E. (9) $4,021.47.

A. Julia Churchman, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
D. (6) $1,856.72. E. (9) $58.49.

A. James W. Ciarrocki, Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $637.50. E. (9) $127.80.

A. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE, Suite 151, Bellevue, Wash. 98004.
D. (6) $243,757.55. E. (9) $108,487.05.

A. Citizens For Government Fairness, P.O. Box 1336, Brawley, Calif. 92227.
D. (6) $51,231. E. (9) $16,914.62.

A. Citizens for Tax Reform in 1978, Inc., 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
D. (6) $189.12. E. (9) $15.

A. Bob Clark & Associates, Suite 1908, 400 Madison Street, Alexandria, Va. 22314.
B. Ryder System Inc., P.O. Box 520816, Miami, Fla.
D. (6) $1,000. E. (9) $95.

A. Earl W. Clark, 100 Indiana Avenue, NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) $81.47.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $151.92. E. (9) $350.75.

A. Kimball Clark, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $105.70. E. (9) $75.13.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,750.01.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $54.41.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $550. E. (9) $531.

A. Donald M. Clarke, Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Wade P. Clarke, Jr., Deere & Co., John Deere Road, Moline, Ill. 61265
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,480.76.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Time Critical Shipment Committee.
D. (6) $11,532.22. E. (9) $37.96.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $170. E. (9) $170.

A. Franklin Clements, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D (6) $1,697.93. E. (9) $1,919.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. Edison Electric Institute, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $65.

A. Clifford Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York N.Y. 10017.

A. Clifford Glass, McIlwain & Finney, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $900. E. (9) $270.

A. Clifford Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. New York Cocoa Exchange, Inc. and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y.; New York Coffee & Sugar Exchange, Inc., Four World Trade Center, New York, N.Y.
D. (6) $2,920. E. (9) $730.

A. Clifford Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Charles M. Clusen, 330 Pennsylvania Avenue SE., Washington, D.C., 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $7,500. E. (9) $15.

A. CNA, CNA Plaza, Chicago, Ill. 60685.

A. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. Coalition of Concerned Charities, c/o Annette Gnospelius, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $800.

A. Coalition on American Rivers, P.O. Box 2667 Station A, Champaign, Ill. 61820.
D. (6) $10,629. E. (9) $3,444.78.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga., 30301.
E. (9) $1,212.05.

A. John J. Coffey, Suite 638, 2101 L Street NW., Washington, D.C. 20037.
B. Western Oil and Gas Association, Roosevelt Building, 727 West Seventh Street, Suite 850, Los Angeles, Calif. 90017.
D. (6) $825.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $11,749.96. E. (9) $548.34.

A. Thomas Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,999.99.

A. Marcus Cohn, Cohn & Marks, 1920 L Street NW., Washington, D.C. 20036.
B. Womsteo Enterprises, Inc., P.O. Box 2440, Miami, Fla. 33128.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.
D. (6) $2,037.71. E.(9) $2.09.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. The Chase Manhattan Bank, N.A., 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $1,232.50. E.(9) $0.11.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. International Six, Ltd., c/o William Gulley, 7831 Welch Court, Alexandria, Va. 22310.

A. E. William Cole, Jr., Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $600. E. (9) $200.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
D. (6) $1,000.

A. Ken W. Cole, Security Life Building, Denver, Colo. 80202.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,750.02. E. (9) $433.63.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $2,063.04.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Cardio Pulmonary Contractors Association, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $6,000.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. National Pharmaceutical Alliance, P.O. Box 13547, St. Petersburg, Fla. 33733.
D. (6) $7,500.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Ad Hoc 602 Committee), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Air Products & Chemical Co.), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for American Guild of Authors and Composers), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for American Imported Automobile Dealers Association), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for American Maritime Association), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for American Retail Federation), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for American Society of Association Executives), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Boating Industry Association), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Business Roundtable), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Chicago Board Options Exchange), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Committee Concerned with Safe Banking Act,) 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Computer Sciences Corp.), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Council of State Chambers of Commerce), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Energy Advances), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Independent U.S. Tanker Owners), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Machinery Dealers National Association), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Marathon Oil), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Mars, Inc.), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Mocatta Metals), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. Patton, Boggs & Blow (for National Association of Engine & Boat Manufacturers), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Ocean Minerals Co.), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Jack Philip & Son, Inc.), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Pyrotechnic Signal Manufacturers Association), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Reading Co.), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Redwood Industry Park Committee), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for State of Louisiana), 2550 M Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Patton, Boggs & Blow (for Uncle Ben's Foods), 2550 M Street NW., Washington, D.C. 20037.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $210.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $333.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. National Broiler Council, 1155 Fifteenth Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Tool and Stainless Steel Industry Committee, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $1,250. E. (9) $525.

A. Bruce Collins, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,562. E. (9) $109.

A. Robert B. Collyer, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C., 20036.
D. (6) $1,000.

A. Committee for Consumers No-Fault, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $365. E. (9) $105,888.13.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037 and 11 West 60th Street New York, N.Y. 10023.
D. (6) $63,430.23. E. (9) $21,424.41.

A. Committee of Americans For The Canal Treaties, Inc., 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $260. E. (9) $12,951.01.

A. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $16,500. E. (9) $7,801.74.

A. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $2,500.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,524,770. E. (9) $363,824.69.

A. Lance Compa, 917 15th Street NW., Washington, D.C. 20005.
B. United Electrical, Radio & Machine Workers of America, 11 East 51 Street, New York, N.Y. 10022.
D. (6) $9,744. E. (9) $97.50.

A. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $108,742. E. (9) $13,202.

A. Stephen R. Conafay, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $360. E. (9) $160.

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $609.

A. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $37,581.53. E. (9) $37,581.53.

A. Raymond F. Conklin, 1050 17th Street NW, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $150.

A. James T. Conner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobay Chemical Corp., P.O. Box 4913, Hawthorn Road, Kansas City, Mo. 64120.

A. Robert J. Conner, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $500. E. (9) $1,422.26.

A. David R. Conrad, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $279.64.

A. Consolidated Natural Gas Service Co., Inc., 4 Gateway Center, Pittsburgh, Pa. 15222.

A. Consolidated Office Building, Inc., 115 North Pennsylvania Street, Indianapolis, Ind. 46204.
D. (6) $4,250.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
E. (9) $20,297.

A. Constructora Nacional de Carros de Ferrocarril, S.A., Av. Universidad y Miguel Laurent, Mexico 12, D.F.
E. (9) $27,313.23.

A. Contract Carrier Conference of American Trucking Associations, Inc., 1730 Rhode Island Avenue NW., Suite 801, Washington, D.C. 20036.
D. (6) $500.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. John T. Conway, American Nuclear Energy Council, 1750 K Street NW., No. 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $525. E. (9) $17.72.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $51.11. E. (9) $7.75.

A. Frederick N. Cook, c/o Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $300.

A. K. Richard Cook, General Electric Co., 777 14th Street, NW., Suite 700, Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $300.

A. Robert M. Cook, Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.
B. Livestock Marketing Association, 3900 Oak Street, Kansas City, Mo. 64112.
D. (6) $3,500. E. (9) $19.31.

A. Charles E. Cooke, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $50. E. (9) $15.

A. Eileen D. Cooke, American Library Association, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $885.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Jesse D. Cooper, North Dakota Petroleum Council, P.O. Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $2,500. E. (9) $692.21.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000. E. (9) $7.55.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $10,500. E. (9) $11.75.

A. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,700. E. (9) $768.

A. Darrell Coover, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $306.

A. Carl B. Cordes and Thomas V. Glynn, Battle, Fowler, Jaffin, Pierce & Kheel, 280 Park Avenue, New York, N.Y. 10017.
B. State Troopers Fraternal Association of New Jersey, Inc., 30 Newport Drive, Howell, N.J. 07731.
D. (6) $1,250. E. (9) $14.13.

A. Richard L. Corrigan, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $875.

A. Allan D. Cors, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.
D. (6) $300.

A. R. H. Cory, 1510 American Bank Tower, Austin, Tex. 78701.
B. Central & South West Services, Inc., 1 Maine Place, Suite 2700, Dallas, Tex. 75250.
D. (6) $1,008. E. (9) $125.65.

A. John E. Cosgrove, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,669.60.

A. David Cosson, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $96.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $210.91.

A. Carol Coston, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
E. (9) $13.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.
D. (6) $249.33. E. (9) $622.98.

A. Douglas Couttee, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $8,706.23. E. (9) $2,740.01.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Association of Oral and Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $9,600. E. (9) $13.20.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Watch Association, 10 East 40th Street, New York, N.Y. 10016.
D. (6) $1,500. E. (9) $734.73.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Anchor National Life Insurance Co., Camelback at 22d Street, Phoenix, Ariz. 85016.
D. (6) $12,500.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Delmarva Poultry Industry, Inc., Rural Delivery No. 2, Box 47, Georgetown, Del. 19947.
D. (6) $10,000. E. (9) $29.83.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $25,000. E. (9) $40.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $13,750. E. (9) $173.41.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Lydall, Inc., 615 Parker Street, Manchester, Conn. 06040.
D. (6) $2,171.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Hugo Neu, 380 Madison Avenue, New York, N.Y. 10017 and Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10017.
E. (9) $68.06.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Perdue Farms, Inc., P.O. Box 1537, Salisbury, Md. 21801.
D. (6) $3,500.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Pyramid Ventures Group, Inc., P.O. Box 1671, Morgan City, La. 70380.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. Standard Brands, Inc., 625 Madison Avenue, New York, N.Y. 10022.
E. (9) $115.42.

A. Covington & Burling, 888 16th Street NW., Washington, D.C.
B. The Superior Oil Co., P.O. Box 1521, Houston, Tex. 77001.

A. Eugene S. Cowen, 2759 Unicorn Lane, Washington, D.C. 20015.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $90.

A. Carol A. Cowgill, American Academy of Family Physicians, 475 L'Enfant Plaza West SW., Suite 2970, Washington, D.C. 20024.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $757.35. E. (9) $69.71.

A. William J. Cox, National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $9,237.06. E. (9) $3,461.14.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo. 64117.
D. (6) $1,470.

A. Josephine Crewe, Americans for SALT, Inc., 4601 North Park Avenue, Chevy Chase, Md. 20015.
B. Americans for SALT, 324 Fourth Street NE., Washington, D.C. 20002.
D. (6) $3,500. E. (9) $1,403.

A. Richard E. Cristol, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co. for Calorie Control Council), 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $210.

A. Bobby E. Crow, P.O. Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., P.O. Box 683, Houston, Tex. 77001.
D. (6) $393.75. E. (9) $699.09.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $742.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 400 South Tryon Street, Suite 2124, Charlotte, N.C. 28285.
D. (6) $2,000. E. (9) $71.40.

A. James M. Cubie, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $6,250.02.

A. Richard D. Cudahy, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
B. Central & South West Corp., P.O. Box 1631, Wilmington, Del. 19899.
D. (6) $100. E. (9) $6.

A. Barry M. Cullen, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $125.

A. Frank Cummings, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Institute of Electrical & Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.
D. (6) $7,050.

A. John T. Curran, Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $10,977.27. E. (9) $375.55.

A. Curtis, Mallet-Prevost, Colt & Mosle, 100 Wall Street, New York, N.Y. 10005.
B. United States Trust Company of New York, 45 Wall Street, New York, N.Y. 10005.
D. (6) $1,472. E. (9) $287.47.

A. Mimi Cutler, 1346 Connecticut Avenue NW., Suite 717, Washington, D.C. 20036.
B. Aviation Consumer Action Project, P.O. Box 19029, Washington, D.C. 20036.
D. (6) $60.

A. Everett E. Cutter, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. William K. Dabaghi, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $345. E. (9) $263.09.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $150. E. (9) $8.50.

A. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.

A. Joan E. Dannebaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $100.

A. William H. Darden, 1620 Eye Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $750. E (9) $30.

A. Philip J. Daugherty, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,222.75. E. (9) $130.90.

A. John B. Davenport, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $82.50.

A. Larry C. Davenport, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.

B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $360.

A. Daniel I. Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051; and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompac, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member, Plumas-Sierra Rural Electric Cooperative.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, One First National Plaza, Chicago, Ill. 60670.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.
D. (6) $150.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $7,100.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.
D. (6) $150.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $1,850. E. (9) $31.14.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
E. (9) $31.15.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $200.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $184.85. E. (9) $98.26.

A. Edward M. Davis, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $750. E. (9) $20.98.

A. Kenneth E. Davis, 1025 Connecticut Avenue NW., Suite 202, Washington, D.C. 20036.
B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $48.99.

A. R. Milton Davis, Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $2,600. E (9) $975.

A. Walter L. Davis, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. P. M. Davison, Jr., North Dakota Railway Lines, 48 Eight Rosser Avenue, P.O. 938, Bismarck, N. Dak. 58501.
B. North Dakota Railway Lines.
E. (9) $682.83.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif., 91731.

A. Deaver & Hannaford, Inc., 2030 M Street NW., Suite 403, Washington, D.C. 20036.
B. National Venture Capital Association, 2030 M Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $3,500. E. (9) $1,058.21.

A. Tony T. Dechant, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Education and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $5,000. E. (9) $259.49.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $40.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Catharine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $906. E. (9) $40.15.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.
D. (6) $825. E. (9) $52.15.

A. deKieffer and Associates, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Bureau of National and International Communications, Private Bag X152, Pretoria, 0001, Republic of South Africa.
E. (9) $653.51.

A. DeLaney & Patrick, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Cargill, Inc., P.O. Box 9330, Minneapolis, Minn. 55440.
D. (6) $1,292.17.

A. DeLaney & Patrick, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Dynamic Instrument Corp., 933 Long Island Parkway, Hauppauge, N.Y. 11787.
D. (6) $27.30.

A. DeLaney & Patrick, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Trade Adjustment Assistance Coordinating Committee.
D. (6) $3,500.

A. John L. Delano, Montana Railroad Association, Box 1172, Helena, Mont. 59601.
B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.
E. (9) $715.91.

A. Myra J. DeLapp, 1901 L Street NW., Suite 702, Washington, D.C. 20036.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.
D. (6) $621.50. E. (9) $60.20.

A. Ray Denison, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,487. E. (9) $320.78.

A. John H. Denman, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $149. E. (9) $21.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $300. E. (9) $12.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $50. E. (9) $2.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Flavor and Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. 10006.
D. (6) $2,000.

A. Dennis Devaney, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $320.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 140 Broadway, New York, N.Y. 10005.
B. Needham, Harper & Steers, Inc., 909 Third Avenue, New York, N.Y. 10022.
D. (6) $161.20. E. (9) $91.93.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.
E. (9) $12,161.11.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Government of Morocco, Rabat, Morocco.
D. (6) $5,032.50. E. (9) $3,594.42.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, Federal Republic of Germany.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Societe Nationale Industrielle Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France.
D. (6) $402.50. E. (9) $991.91.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Thomson-CSF, Division Equipements Avioniques, 178 Boulevard Gabriel Péri, 92240 Malakoff, France.
D. (6) $280.50. E. (9) $666.14.

A. John M. Dickerman, John Dickerman and Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber and Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $6,333.34. E. (9) $392.90.

A. John R. Dierker, 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $18.75.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillon, 1850 K Street NW., Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $3,906.33. E. (9) $156.33.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Ave. SE., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $1,800.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C.
D. (6) $56,500. E. (9) $62,199.18.

A. Harley M. Dirks, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $80.89.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky. 41076.
D. (6) $59,395.40. E. (9) $59,395.40.

A. Norman L. Dobyns, Cutler-Hammer, Inc., 1660 L Street NW., No. 912, Washington, D.C. 20036.
B. Cutler-Hammer, Inc., 4201 North 27th Street, Milwaukee, Wis. 53216.
E. (9) $175.

A. Doctors for the Equal Rights Amendment, P.O. Box 19531, Dallas, Tex. 75219.
D. (6) $176.91. E. (9) $990.32.

A. H. A. Doersam, 517 Powell Drive, Annapolis, Md. 21401.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $1,561.50. E. (9) $1,212.19.

A. Robert C. Dolan, Governmental Affairs Division of Edison Electric Institute, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. Edison Electric Institute, Governmental Affairs Division, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $140. E. (9) $41.

A. David P. Dolgen, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIWD, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $406.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
E. (9) $36,885.42.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.
B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. $2,500. E. (9) $175.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Indianapolis Water Co., Indianapolis, Ind.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Agricultural Chemicals Association, Washington, D.C.

A. H. Eugene Douglas, Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $5,124. E. (9) $350.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chicago Metropolitan Higher Education Council, Douglas Library, Chicago State University, 95th Street at King Drive, Chicago, Ill. 60628.
D. (6) $1,100. E. (9) $1,629.03.

A. Richard Morgan Downey, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
E. $35.

A. John C. Doyle, Jr., Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $900. E. (9) $170.10.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Society of Military Widows, P.O. Box 254, Coronada, Calif., 92118.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.
D. (6) $750.

A. Nancy Drabble, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,250.

A. James E. Drake, American Medical Association, 1776 K Street, Chicago, Ill. 60610. D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,984.85.

A. Andrew Drance, Room 402, 2020 North 14th Street, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.
D. (6) $207.50. E. (9) $11.50.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C. 20037.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $1,575.

A. Franklin B. Dryden, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $100.

A. Lawrence M. Dubin, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $1,850. E. (9) $31.14.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $6,695. E. (9) $3,953.93.

A. Morgan D. Dubrow, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $130.

A. Francis J. Duggan, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $414.41. E. (9) $530.13.

A. Mervin E. Dullum, 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $200. E. (9) $37.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska.
D. (6) $35.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Western Fuels Association, Inc., 1635 K Street NW., Suite 412, Washington, D.C. 20006.
D. (6) $762.50. E. (9) $7.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $250.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,500.

A. Dunnells, Duvall, Bennett & Porter, 1220 19th Street NW., Washington, D.C. 20036.
B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y.
D. (6) $22.50.

A. David F. Dunning, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga., 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,200.

A. Dunnington, Bartholow & Miller, 161 East 42d Street, New York, N.Y. 10017.
B. Bessemer Securities Corp., 245 Park Avenue, New York, N.Y. 10017.
D. (6) $880.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $1,625. E. (9) $474.49.

A. Joseph L. Duran, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $252.36. E. (9) $190.46.

A. Dutcher Industries, 7617 Convoy Court, San Diego, Calif. 92111.
E. (9) $2,000.

A. L. L. Duxbury, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $2,000. E. (9) $3,721.89.

A. R. Ken Dyar, 1620 Southeast, 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.
D. (6) $1,350. E. (9) $1,870.99.

A. Joan F. Dye, National Congress of Parents and Teachers, 12700 Lake Avenue, Lakewood, Ohio 44107; 700 North Rush Street, Chicago, Ill. 60611.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $912.45.

A. Jack D. Early, The Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association, 1155 15th Street NW., Suite 514, Washington, D.C. 20005.
D. (6) $12.50. E. (9) $4.50.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $15,600.

A. Patricia S. Ebaugh, St. Joe Minerals Corps., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $1,125.

A. Joan Eazarsky, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $150.

A. Donald R. Ebe, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,500.

A. Robert E. Ebel, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $1,450. E. (9) $716.50.

A. N. Boyd Ecker, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $1.85.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. American Seat Belt Council, 481 Main Street, New Rochelle, N.Y. 10801.
D. (6) $14,000. E. (9) $5.50.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
D. (6) $500. E. (9) $107.66.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75781 Paris, France).
E. (9) $114.93.

A. Edelman Internatalonal Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac (Toulouse) France).
D. (6) $12,060. E. (9) $101.11.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Government of Turkey/Embassy of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $17,200. E. (9) $12,140.72.

A. Arthur B. Edgeworth, Jr., U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,312.50.

A. Edison Electric Institute, Governmental Affairs Division, 1140 Connecticut Avenue, Suite 1010, Washington, D.C. 20036.
D. (6) $1,477. E. (9) $3,982.

A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $5,655.

A. Clifford E. Edwards, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $3. E. (9) $3.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Blue Ribbon Sports, Inc., 8285 SW. Nimbus Avenue, Suite 115, Beaverton, Oreg. 97005.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Confederated Tribes of Warm Spring, Warm Springs, Oreg. 97761.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Portland General Electric, 121 Southwest Salmon Street, Portland, Oreg. 97204.

A. Macon T. Edwards, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $120. E. (9) $155.63.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
E. (9) $200.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $320. E. (9) $570.

A. J. Burton Eller, Jr., 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $50.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $562.50.

A. Law Offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Associated Electric Cooperative, Inc., Springfield, Mo. 65801.
D. (6) $506.25.

A. Law Offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Ocean Mining Associates, Gloucester Point, Va. 23062.
D. (6) $6,000.

A. Carl F. Emde, Air Products & Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

A. Emerson Electric Co., c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
E. (9) $8,633.77.

A. William Emerson, TRW Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $235.

A. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,020. E. (9) $1,892.90.

A. Energy Consumers & Producers Association, P.O. Box 1726, Petroleum Plaza, Seminole, Okla. 74868.
D. (6) $10,000. E. (9) $10,008.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. Bob Hoffman, York Barbell Co., York, Pa. 17405.
D. (6) $1,950. E. (9) $408.92.

A. Patricia Hanahan Engman, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
E. (9) $655.05.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $28,105.30. E. (9) $49,339.73.

A. James R. Enyant, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $50.95.

A. Vicki Erickson, Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $150.

A. John M. Erskine, Jr., P.O. Box 3092, Houston, Tex. 77001.
B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.

A. Thomas E. Esterly, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $57.70.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $150. E. (9) $128.

A. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $900.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Fawn K. Evenson, 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $400. E. (9) $46.85.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., 12th Floor, Washington, D.C. 20036.
B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $2,500. E. (9) $18.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $4,250. E. (9) $90.25.

A. The Farmers' Educational & Co-operative Union of America, Denver, Colo., 80251: 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $73,974.83. E. (9) $52,977.54.

A. John W. Farquhar, Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street NW., Washington, D.C.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,503. E. (9) $229.71.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Il. 60062.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Il. 60062.

A. R. Roy Fausset, 1050 17th Street NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $300.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $1,027.38. E. (9) $1,027.38.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $7,650. E. (9) $7,650.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $1,975.

A. Arthur S. Fefferson, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Andrew Feinstein, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,788.46.

A. John W. Feist, 900 17th Street NW., No. 1016, Washington, D.C. 20006.
B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
D. (6) $200.

A. Lois M. Felder, Retail Clerks International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $7,342.27. E. (9) $2,754.59.

A. Fellowship Square Foundation, Inc., 11450 North Shore Drive, Reston, Va. 22090.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Edward T. Fergus, c/o Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
B. Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
D. (6) $700.

A. Vincent J. Ferri, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.

A. Manuel D. Fierro, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. Council of Forest Industries of B.C., 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.
D. (6) $9,999.99. E. (9) $325.

A. Matthew P. Fink, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $290. E. (9) $398.49.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $159.93.

A. Firearms Lobby of America, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $18,915.16.

A. First Pro-Life Congressional District Action Committee, Six Maxfield Court, Barrington, R.I.
D. (6) $495. E. (9) $355.99.

A. Michael D. Fischer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Richard L. Fischer, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil of Indiana, 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $218. E. (9) $31.

A. T. E. Fitzgerald, 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $1,340. E. (9) $783.13.

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,843.75.

A. Hilliard J. Fjord, 602 Main Street, Cincinnati, Ohio 45202.

B. The Ohio River Co., 580 Walnut Street, Cincinnati, Ohio 45202.
D. (6) $1,500. E. (9) $337.03.

A. Susan G. Flack, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006
D. (6) $2,000. E. (9) $58.75.

A. James J. Flanagan, 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
E. (6) $521.28. E. (9) $348.44.

A. Ronald L. Floor, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 2124, 400 South Tryon Street, Charlotte, N.C. 28285.
D. (6) $650. E. (9) $20.60.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,186.26.

A. Robert P. Fogarty, 3499 Ridgewood Drive, Columbus, Ohio 43220.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wis. 53707.
D. (6) $9,670. E. (9) $68.53.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. and Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $3,725. E. (9) $12.40.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fort Howard Paper Co., 1919 South Broadway, Green Bay, Wis. 54305.
D. (6) $325. E. (9) $3.87.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.
D. (6) $5,010. E. (9) $20.99.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Johnson Controls, Inc., 507 East Michigan Street, P.O. Box 423, Milwaukee, Wis. 53201.
D. (6) $2,825. E. (9) $41.35.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Republic of the Philippines.
D. (6) $13,850. E. (9) $62.90.

A. Food and Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,837.92. E. (9) $6,837.92.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $3,050. E. (9) $3,050.

A. John S. Forsythe, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $225.

A. David H. Foster, Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,775.01. E. (9) $599.05.

A. Albert A. Fox, Jr., Suite 700, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.

A. John G. Fox, American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C. 20036; 195 Broadway, New York, N.Y. 10007.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Joe H. Foy, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. William C. France, National Motorsports Committee of ACCUS, Suite 302, 1735 K Street NW., Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, Suite 302, 1735 K Street NW., Washington, D..C 20006.

A. William H. G. France, National Motorsports Committee of ACCUS, Suite 302, 1735 K Street NW., Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, Suit 302, 1735 K Street NW., Washington, D.C. 20006.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, 1717 K Street NW., Washington, D.C. 20006.
D. (6) $937.50. E. (9) $83.80.

A. Harry L. Freeman, American Express Co., 1700 K Street NW, Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,265. E (9) $44.50.

A. Paul A. Freeman, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Associations, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $220.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York N.Y. 10019.
D. (6) $4,199. E. (9) $162.45.

A. David T. French, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York N.Y. 10001.
D. (6) $1,500. E. (9) $40.

A. Burton D. Fretz, 806 15th Street NW., Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $2,752.76. E. (9) $12.85.

A. Gregory Friberg, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $3,750. E. (9) $225.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,170. E. (9) $45.60.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak.
D. (6) $2,158. E. (9) $9.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.
E. (9) $6.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Nez Perce Tribe, Lapwai, Idaho.
D. (6) $400. E. (9) $9.20.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.
E. (9) $8.80.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna, N. Mex.
E. (9) $9.80.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Rosebud Sioux Tribe, Rosebud, S. Dak.
E. (9) $4.20.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Seneca Nation of Indians, Box 231, Salamanca, N.Y. 14779.
D. (6) $8,717. E. (9) $8.65.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $750.

A. Joseph B. Friedman, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lucas, Friedman & Mann (for Republic of the Philippines), 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Gay H. Friedmann, 1150 Connecticut Avenue, Suite 717, Washington, D.C. 20036.
B. Southern California Gas Co., 720 West Eighth Street, M.L. 1208, Los Angeles, Calif. 90017.
D. (6) $2,187.50. E. (9) $132.75.

A. John A. Friel, American Nurses' Association, 1230 15th Street NW., Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,132. E. (9) $224.07.

A. Marie Louise P. Friendly, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
D. (6) $1,161.23. E. (9) $259.76.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $125,476.39. E. (9) $18,006.53.

A. Owen V. Frisby, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, One Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $605.83. E. (9) 96.71.

A. Robert D. Fritz, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, Three Research Place, Rockville, Md. 20850.
D. (6) $1,560. E. (9) $1,767.

A. Charles H. Fritzel, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,500. E. (9) $220.

A. Jeffery A. Fritzlen, Clark Oil and Refining Corp., Washington, D.C. 20036.
B. Clark Oil and Refining Corp., P.O. Box 1994, Milwaukee, Wis. 53221.

A. Cornelius F. Froeb, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

A. Gordon H. Fry, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. David C. Fullarton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue N.W., Washington, D.C. 20037.
D. (6) $150.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.
D. (6) $200.

A. Terry Gabrielson, 490 L'Enfant Plaza, SW., Suite 3202, Washington, D.C. 20024.
B. Transcontinental Gas Pipe Line Corp., 490 L'Enfant Plaza SW., Suite 3202, Washington, D.C. 20024.
D. (6) $450.

A. James E. Gaffigan, American Hotel & Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $735.

A. Gallor, Elias & Matz, 700 E Street SE., Washington, D.C. 20003.
B. Maryland Savings Share Insurance Corp., 901 North Howard Street, Baltimore Life Building, Baltimore, Md. 21201.
D. (6) $925. E. (9) $10.

A. Gallor, Elias & Matz, 700 E Street SE., Washington, D.C. 20003.
B. National Association of State Savings and Loan Supervisors, 100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20023.

A. Gallor, Elias & Matz, 700 E Street SE., Washington, D.C. 20003.
B. North Carolina Savings Guaranty Corp., Post Office Box 2612, Raleigh, N.C. 27602.
D. (6) $925. E. (9) $20.

A. Mark J. Gallagher, National Committee for a Human Life Amendment, 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $8,052.17. E. (9) $651.22.

A. Robert M. Gants, National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $27.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., 6th Floor, Washington, D.C. 20037.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,000.02. E. (9) $127.31.

A. Wendell P. Gardner, Jr., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Philip Gasteyer, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,600.

A. Margaret L. Gehres, Chamber of Commerce of the United States, 1615 H Street NW, Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $26.10.

A. Robert C. Gelardi, Calorie Control 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346; (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,400.

A. Morton A. Geller, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $459. E. (9) $244.03.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
E. (9) $477.88.

A. Joseph G. Gerard, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $900. E. (9) $936.47.

A. Louis Gerber, CWA, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $3,635.49. E. (9) $29.

A. Donald H. Gerrish, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. William T. Gibb III, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $480. E. (9) $17.

A. Wayne Gibbens, Mid-Continent Oil & Gas Association, 1800 K Street NW., Suite 620, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,920. E. (9) $43.

A. Anne Marie Gibbons, American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $400.

A. William L. Gifford, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. Michael Gildea, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,373.

A. John E. Giles, 1600 Eye Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 Eye Street NW., Washington, D.C. 20006.

A. Mark W. Gillaspie, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. James T. Gillice, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
D. (6) $250. E. (9) $50.

A. Michael J. Giuffrida, 1469 Quail Hollow Road, Harrisburg, Pa. 17112.
B. National Frozen Food Association, Inc., One Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.

A. Dave Givens, Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.
B. Class 1 Railroads in Tennessee.
E. (9) $294.50.

A. George L. Gleason, American Nuclear Energy Council, 1750 K Street NW., No. 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $875. E. (9) $21.88.

A. John P. Gleason, Jr., Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Godfrey Association, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
E. (9) $29.50.

A. Godfrey Association, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20006.
E. (9) $15.50

A. Horace D. Godfrey, 918 16th Street NW., S-501, Washington, D.C. 20006.
B. Godfrey Association, Inc., 918 16th Street N.W., S-501, Washington, D.C. 20006.
D. (6) $1,800. E. (9) $45.

A. J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.
B. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
D. (6) $16.

A. Patrick L. Godfrey, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,400.

A. Harvey S. Gold, Velsicol Chemical Corp., 910 17th Street NW., Suite 1000, Washington, D.C. 20006.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).
D. (6) $57.23. E. (9) $21.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Carl Goldfield, American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $500.

A. Ruth Gonse, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

A. Don A. Goodall, 1625 Eye Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $330. E. (9) $69.77.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; (for Government of Morocco, Rabat, Morocco).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, FRG).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
D. (6) $8,081.25.

A. Vivian Goodier, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $425. E(9) $51.

A. Bruce G. Goodman, 115 Fourth Avenue, Needham Heights, Mass. 02194.
B. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 2006.
D. (6) $40. E. (9) $27.50.

A. Frederick D. Goss, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $120.

A. Sanford Gottlieb, 11102 Brandywine Street, Kensington, Md. 20795.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.

A. Gould, Reichert & Strauss, 2613-20 Carew Tower, Cincinnati, Ohio 45202.
B. Francis J. Rorke, Box 1336, Cristobal, Canal Zone, et al.

A. Carl F. Graham, Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.
B. Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.

A. Lawrence T. Graham, American Hotel & Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $735.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $1,583. E. (9) $2.

A. Wm. W. Grant, Utah International, Inc., 1150 Connecticut Avenue NW., Suite 710, Washington, D.C. 20036.
B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $1,030.90.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $1,200. E. (9) $25.

A. Kirk L. Gray, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,375.

A. Mark E. Grayson, National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $500. E. (9) $10.

A. Samuel A. Grayson, Union Pacific Railroad Co., 611 Idaho Building, 216 North 8th, Boise, Idaho 83702.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr. 68179.
E. (9) $6,964.14.

A. Donald R. Greeley, 1101 17th Street NW., Suite 603, Washington, D.C. 20036.
B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $625. E. (9) $90.

A. Mark Green, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $4,250.

A. Howard Greenberg, 7426 Arrowwood Road, Bethesda, Md. 20034.
B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 87204.
D. (6) $4,500.

A. Margit S. Greenspon, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $475.

A. Dale W. Greenwood, Washington Railroad Association, 612 Hoge Building, Seattle, Wash. 98104.
B. Washington Railroad Association, 612 Hoge Building, Seattle, Wash. 98104.
E. (9) $720.16.

A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.
B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

A. William G. Grief, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $9,000.

A. Lori Gribbin, 1025 Connecticut Avenue NW., No. 202, Washington, D.C. 20036.
B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $31.69.

A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
B. Family Health Program, 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.
D. (6) $2,625. E. (9) $337.55.

A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aetna Life & Casualty, 151 Farmington Road, Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Baxter Travenol Laboratories, Inc., One Baxter Parkway, Deerfield, Ill. 60015.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.
E. (9) $50.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Connecticut General Insurance Co., Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $50.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
E. (9) $250.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Eli Lilly and Co., 307 East McCarty, Indianapolis, Ind. 46206.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.
E. (9) $300.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
E. (9) $200.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,500. E. (9) $300.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $900.

A. Gun Owners of America, Inc., 101 South Whiting Street, Alexandria, Va. 22304.
B. Gun Owners of America, Inc., 101 South Whiting Street, Alexandria, Va. 22304.
D. (6) $2,926. E. (9) $22,119.28.

A. Craig Hackler, Rural Route 1, Box 177-S, Kearneysville, W. Va. 25430.
B. Independent Consultants, Inc., 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
D. (6) $100.

A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington D.C. 20006.
D. (6) $2,000. E. (9) $137.

A. Paul R. Haerle, Thelen, Marrin, Johnson & Bridges, 2 Embarcadero Center, Room 2200, San Francisco, Calif. 94111.
B. Energy Transportation Systems, Inc., P.O. Box 3965, San Francisco, Calif. 94119.

A. Charles T. Hagel, Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.

B. Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $3,750. E. (9) $360.

A. Thomas F. Hairston, Union Oil of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $175.31.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. Williams Cos., 1 Williams Center, Tulsa, Okla. 74101.

A. Floyd D. Hall, International Air Transport Association, 277 Park Avenue, New York, N.Y. 10017.
B. International Air Transport Association, 1000 Sherbrooke Street West, Montreal, Quebec, Canada H3A 2R4.
E. (9) $325.77.

A. Harry L. Hall, National Multiple Sclerosis Society, 6845 Elm Street, McLean, Va. 22101.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,750.

A. Joseph Halow, North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
B. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries, Ltd., Belize City, Belize, Central America.
E. (9) $57.30.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estella, S.A. and Azucarera Nacional, S.A., Panama City, Panama.
E. (9) $147.92.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $3,000. E. (9) $15.36.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
E. (9) $199.77.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Philip W. Hamilton, 1901 L Street NW., Suite 711, Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 1901 L Street NW., Washington, D.C. 20036 (for the National Labor-Management Foundation, Louisville, Ky.)
E. (9) $15.50.

A. Jerry M. Hamovit, c/o Melrod, Redman & Gartlan, 1801 K Street NW., Washington, D.C. 20006.

B. O.P.M. Leasing Services, Inc., c/o Lehman Bros., Kuhn, Loeb, Inc., 1 William Street, New York, N.Y. 10004.
D. (6) $8,250. E. (9) $78.75.

A. Christopher G. Hankin, National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Peter J. Hapworth, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; 1 IBM Plaza, Suite 2600, Chicago, Ill. 60611.
D. (6) $775. E. (9) $188.

A. William E. Hardman, National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Andrew E. Hare, National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $150. E. (9) $127.

A. Bryce L. Harlow, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $10.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Michael T. Harrigan, Suite 700, 2033 M Street NW., Washington, D.C. 20036.
B. United States Olympic Committee, Colorado Springs, Colo.
D. (6) $3,750. E. (9) $125.60.

A. Jim Harrison, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, 20036.
D. (6) $5,116. E. (9) $201.47.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
E. (9) $7,100.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $13,447.

A. Walter A. Hasty, Jr., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Mary W. Haught, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $1,150. E. (9) $179.25.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, Mead Corp., 1000 Connecticut Avenue NW., Suite 715, Washington, D.C. 20036.
B. Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.
D. (6) $400.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $8,814. E. (9) $7,165.37.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.
D. (6) $281.15. E. (9) $281.15.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.
D. (6) $71.39. E. (9) $71.39.

A. Patrick B. Healy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $487.50.

A. William H. Hecht, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
B. Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $1,610. E. (9) $690.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Citizens for Management of Alaska Lands (CMAL), Anchorage, Alaska.
D. (6) $6,000.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $9,424. E. (9) $191.31.

A. Harry V. Helton, Reynolds Metal Co., 1600 Southwest First, Suite 520, Portland, Oreg. 97201.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
E. (9) $123.75.

A. Carol C. Henderson, American Library Association, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $489.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.
E. (9) $40.

A. Henkel & Lamon, 229 Peachtree Street NE., Suite 2500, Atlanta, Ga. 30303.
B. National Association of Pension Consultants & Administrators, Inc., 151 Ellis Street NE., Atlanta, Ga. 30303.
D. (6) $3,262. E. (9) $234.29.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. George F. Hennrikus, Jr., Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $3,578.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
E. (9) $2,031.

A. Jack E. Herington, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $500.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $3,055. E. (9) $1,878.06.

A. Ted A. Heydinger, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $200.53.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $17,449.26. E. (9) $559.04.

A. Frederic W. Hickman, 1 First National Plaza, Chicago, Ill. 60603.
B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $7,100.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.
D. (6) $150.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $1,850. E. (9) $31.14.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $200.

A. Janet E. Hieber, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,000. E. (9) $45.25.

A. J. Thomas Higginbotham, Mellon Bank, N.A., Pittsburgh, Pa. 15230.
B. Mellon Bank, N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $690.47.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Investment Counsel Association of America, c/o John L. Casey, Scudder, Stevens & Clark, 345 Park Avenue, New York, N.Y. 10022.
D. (6) $2,531.05.

A. Gerald (Jerry) Hill, 6 Executive Park Drive, Atlanta, Ga. 30329.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
D. (6) $2,000.

A. Richard E. Hill, Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northwest Alaskan Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84110.
D. (6) $5,700.

A. Kathryn Hilton, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,687.

A. Joe Hinson, National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $600. E. (9) $60.

A. Sheila K. Hixson, American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Lawrence S. Hobart, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $200.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,200. E. (9) $520.

A. Ralph D. Hodges, Jr., National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $407.60.

A. Lawrence S. Hoffheimer, 6845 Elm Street, Suite 511, McLean, Va. 22101.
B. American Group Practice Association, 20 South Quaker Lane, Alexandria, Va. 22314.
D. (6) $5,000. E. (9) $850.

A. Lawrence S. Hoffheimer, National Multiple Sclerosis Society, 6845 Elm Street, Suite 511, McLean, Va. 22101.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,750. E. (9) $1,910.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund of the Washington Research Project, Inc., 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $373.88. E. (9) $10.20.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bessemer Securities Corp., 245 Park Avenue, New York, N.Y. 10017.
D. (6) $9,043.20.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 17/18 Bury Street, London EC3A 5AH, England.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $48,507.32.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Schrader Stoves, Inc., Energy Alternatives, Inc., JNJ Enterprises, Inc., c/o Fisher Stoves International, Inc., P.O. Box 10605, Eugene, Oreg. 97440.
D. (6) $500.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue, NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $2,240.40. E. (9) $939.32.

A. Eric Holmes, Jr., Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Lee B. Holmes, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $725.

A. Peter E. Holmes, G.E. Co., 777 14th Street NW., Washington, D.C. 20005.
B. G.E. Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $500.

A. John W. Holton, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Ave. NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Linwood Holton, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $100.

A. Hormel Foundation, Austin, Minn. 55912.
E. (9) $6,242.83.

A. Michael L. Horn, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

A. Robert Jack Horn, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.
D. (6) $344.

A. Michael E. Horrell, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $341.25. E. (9) $4.46

A. John F. Horty, National Council of Community Hospital, 815 Connecticut Avenue, Suite 206, Washington, D.C. 20006.
B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Suite 206, Washington, D.C. 20006.
E. (9) $1,251.17.

A. Houger, Garvey & Schubert, 1725 K Street NW., Suite 303, Washington, D.C. 20006.
B. American Pyrotechnics Association, 407 Campus Avenue, Chestertown, Md. 21620.
D. (6) $199.50. E. (9) $220.64.

A. Thomas B. House, American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
D. (6) $250.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $11,489.45.

A. Thomas Howarth, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County, & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $4,875. E. (9) $79.28.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.
B. ASARCO Inc., 120 Broadway, New York, N.Y. 10005.
D. (6) $1,500.

A. Gary E. Hughes, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Royston C. Hughes, Florida Transmission Co., 1711 Venetian Way, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park Fla. 32790.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $84.

A. David C. Hull, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $905. E. (9) $3.77.

A. William J. Hull, Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio.
B. Ohio Valley Improvement Association, Inc.

A. Keith R. Hundley, 1625 I Street NW., Suite 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $200.

A. Burt H. Hunley, Chevron U.S.A., Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron U.S.A., Inc., a subsidiary of the Standard Oil Co. of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $75.

A. Acacia Graham Hunt, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $27.60. E. (9) $1.50.

A. Richard M. Hunt, NL Industries, Inc., Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,000.

A. Robert C. Hunt, 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Milton F. Huntington, c/o Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $100.

A. James L. Huntley, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $11,234.48. E. (9) $1,008.42.

A. Joan L. Huntley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $66.35. E. (9) $3.35.

A. Benjamin Melvin Hurwitz, Coastal States Gas Corp., 1015 18th Street NW., Suite 610, Washington, D.C. 20036.
B. Coastal States Gas Corp., Nine Greenway Plaza, Houston, Tex. 77046.
D. (6) $1,200. E. (9) $65.

A. John F. Hussey, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $113.64.

A. Dewey M. Hutchins, Eastman Kodak Co., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $375. E. (9) $85.

A. Philip A. Hutchinson, Jr., Volkswagen of America, 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $250.

A. Randy Huwa, Common Cause, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,600.

A. Lee M. Hydeman, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Continental Air Lines, Inc., Los Angeles International Airport, Los Angeles, Calif. 90009.

A. Frank N. Ikard, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,750.

A. Atilla S. Ilkson, National Association of Realtors®, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors ®, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $113.82.

A. Independent Consultants, Inc., 1120 Connecticut Avenue, NW., No. 1128, Washington, D.C. 20036.
D. (6) $100.

A. Independent Data Communications Manufacturers Association Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $384. E. (9) $384.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $15,712.49.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $14,272.81. E. (9) $14,272.81.

A. G. Conley Ingram, Citizens & Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,290.

A. Deborah A. Insley, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp.
D. (6) $2,500. E. (9) $106.95.

A. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
E. (9) $1,501.27.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $24,546.24.

A. International Services Corp., 1776 K Street NW., Suite 605, Washington, D.C. 20006.
B. U.S. Merchant Marine Academy Alumni Association, Inc. (Kings Point Fund, Inc.), Kings Point, Long Island, N.Y. 11024.
D. (6) $1,250. E. (9) $1,250.

A. International Union of Electrical, Radio and Machine Workers, AFL-CIO, 1126 16th Street NW., Washington, D.C. 20036.
B. IUE-AFL-CIO-CLC, 1126th 16th Street NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $300.

A. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $2,137.11.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $3,867.49. E. (9) $8,318.50.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $600.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $132.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric, Water & Sewer Utilities, Sebring Utilities Commission, Cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

A. Mary Jo Jacobi, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $258.

A. Walter K. Jaenicke, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $2,775. E. (9) $50.

A. E. A. Jaenke & Associates, Inc., 1735 Eye Street NW., Washington, D.C. 20006.
B. The Cooperative League of the USA, 1828 L Street NW., Washington, D.C. 20036.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $85.34.

A. Evie Jarvis, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $31.

A. T. Destry Jarvis, 529 Tennessee Avenue, Alexandria, Va. 22305.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $922.50.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $274.70.

A. Linda Jenckes, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.
D. (6) $270. E. (9) $11.15.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.
D. (6) $100.

A. W. Pat Jennings, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $500.

A. A. W. Jessup, 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $253.75.

A. Guy E. Jester (J. S. Alberici Construction Co.), 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $6,283.

A. Ronald P. Johnsen, Columbia Gas System Service Corp., 1625 Eye Street NW., Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $237.50.

A. Bob Johnson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,234. E. (9) $115.68.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.

A. Johnson, Hoar & Co., Inc., 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. Allstate Insurance Co., c/o Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

A. Johnson, Hoar & Company, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. Committee for Consumers No-Fault, c/o Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John Paul Johnson, Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $350. E. (9) $80.70.

A. Reuben L. Johnson, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 15th Street NW., Washington, D.C. 20005.
D. (6) $7,753.87. E. (9) $207.12.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the USA, P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $2,281.55. E. (9) $230.28.

A. Spencer A. Johnson, Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.
B. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C.
D. (6) $150.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $100.

A. William Johnson, Consumers Power Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $600.

A. James D. Johnston, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $1,697.49.

A. Joint Corporate Committee on Cuban claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $1,200. E. (9) $1,170.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $182.04.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
D. (6) $950. E. (9) $20.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
E. (9) $5.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Control Data Corp., 6003 Executive Boulevard, Rockville, Md.
D. (6) $1,822.50. E. (9) $3.65.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. Gerald Jones, Paralyzed Veterans of America, Inc., 4330 East-West Highway, Suite 300, Washington, D.C. 20014.
B. Paralyzed Veterans of America, Inc., 4330 East-West Highway, Washington, D.C. 20014.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

A. James E. Jones, Jr., 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
D. (6) $75. E. (9) $55.

A. Phillip W. Jones, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $487.50.

A. Randall T. Jones, 1030 15th Street NW., Suite 700, Washington, D.C.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $50.

A. De Soto Jordan, Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Donald L. Jordan, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Jeffrey H. Joseph, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Robert E. Juliano, Hotel and Restaurant Employees and Bartenders International Union, 1666 K Street NW., Washington, D.C. 20006.
B. Hotel and Restaurant Employees and Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.
D. (6) $9,999.96. E. (9) $471.44.

A. H. Richard Kahler, 1850 K Street NW., Suite 925, Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $2,422.06.

A. Ann P. Kahn, National Congress of Parents and Teachers, 9202 Ponce Place, Fairfax, Va. 22030.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $28.40.

A. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
E. (9) $1,462.69.

A. Irving K. Kaler, Kaler, Lefkoff, Pike & Fox, Suite 2101, 100 Colony Square, 1175 Peachtree Street NE., Atlanta, Ga. 30361.
B. Outdoor Advertising Association of America, Inc., 1660 L Street NW., Suite 215-16, Washington, D.C. 20036.
D. (6) $2,172.59. E. (9) $422.59.

A. Donald J. Kaniewski, Laborers' International Union of N.A., AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers International Union of N.A., AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $4,749.99. E. (9) $167.40.

A. Richard T. Kaplar, Motor Vehicle Manufacturers Association of the United States Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $30. E. (9) $28.

A. Charles W. Karcher, 1780 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,750.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. American League for International Security Assistance, Inc., 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
D. (6) $4,500.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $3,100. E. (9) $2,313.50.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. Special Committee for U.S. Exports, 1666 K Street NW., Washington, D.C. 20005.

A. Joseph E. Karth, 475 L'Enfant Plaza SW., Suite 4400, Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; and Archer Daniels Midland, Decatur, Ill. 62525.
D. (6) $3,000.

A. Linda Eileen Katz, 3350 Huntley Square Drive, T-2, Temple Hills, Md. 20031.
B. Chicago, Rock Island & Pacific Railroad Co., 332 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $5,000. E. (9) $534.12.

A. Kathryn Kavanagh, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Keck, Cushman, Mahin & Cate, 8300 Sears Tower, 233 South Wacker Drive, Chicago, Ill. 60606.
B. Schwinn Bicycle Co., 1856 North Kostner Avenue, Chicago, Ill. 60639.
D. (6) $77. E. (9) $2.39.

A. Howard B. Keck, The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,200.01. E. (9) $140.26.

A. David C. Keehn, Air Products and Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

A. Robert H. Kellen, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 for (Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,950.

A. John B. Kelley, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.

B. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
D. (6) $1,500.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 2124, 400 South Tryon Street, Charlotte, N.C. 28285.
D. (6) $3,850.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John T. Kelly, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, Washington, D.C. 20005.

A. Thomas J. Kenan, 1000 Fidelity Plaza, Oklahoma City, Okla. 73102.
B. Coquina Oil Corp., P.O. Box 2690, Midland, Tex.
D. (6) $50,000. E. (9) $6.78.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, No. 3 Research Place, Rockville, Md. 20850.
D. (6) $5,000. E. (9) $1,100.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $385.74.

A. Robert T. Kenney, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. William S. Kiss, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Richard H. Kimberly, Kimberly-Clark Corp., Executive Suite, 3390 Peachtree Road NE., Atlanta, Ga. 30326.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $10. E. (9) $199.16.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D. C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $125.

A. Dean King, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $15. E. (9) $15.

A. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $1,000. E. (9) $9.50.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $13,380. E. (9) $437.06.

A. Kirkland & Ellis, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,084.61.

A. Catherine B. Klarfeld, 1775 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for the Republic of the Philippines).

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., No. 460, Washington, D.C. 20036.
B. Association of American Publishers, Inc., No. 460, 1707 L Street NW., Washington, D.C. 20036.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $46.46. E. (9) $2.65.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,375.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $3,876.98. E. (9) $216.27.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D. C. 20036.
D. (6) $126.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
D. (6) $3.30.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $3.50.

A. Law Offices of Tony Korioth, P.O. Box 12901, Capital Station, Austin, Tex. 78711.
B. Texas Municipal League Workers' Compensation Joint Insurance Fund, 1020 Southwest Tower Building, 211 East Seventh, Austin, Tex. 78701.
D. (6) $2,280.

A. Horace R. Kornegay, Suite 1200, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006
D. (6) $500. E. (9) $150.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,164.56. E. (9) $2,833.40.

A. Michael J. Kowalsky, Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
B. Cigar Association of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
D. (6) $9,253.80.

A. Mylio S. Kraja, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $7,881. E. (9) $798.33.

A. Edward DeW. Kratovil, American Can Co., American Lane, Greenwich, Conn. 06830.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $936.40.

A. Stephen W. Kraus, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Raymond R. Krause, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $150.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. M. J. Kuehne, American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.
B. American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $10,500. E. (9) $1,097.62.

A. Thomas R. Kuhn, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $570. E. (9) $23.87.

A. Daniel M. Kush, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.
D. (6) $300.

A. Kutak Rock & Huie, 1101 Connecticut Avenue NW., 11th floor, Washington, D.C. 20036.
B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10043.
D. (6) $1,500. E. (9) $45.54.

A. Kutak Rock & Huie, 1650 Farnam Street, Omaha, Nebr. 68102.
B. E. F. Hutton & Co., Inc., One Battery Park Plaza, New York, N.Y. 10004.
D. (6) $2,500. E. (9) $587.74.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 2005; 11 South La Salle Street, Chicago, Ill. 60603.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,979. E. (9) $5,296.

A. Laborers' Int'l Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $18,145.13.

A. Walter B. Lassig, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $1,250.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,186. E. (9) $22.20.

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Avenue NW., Suite 704, Washington, D.C. 20001.
E. (9) $65.

A. John L. Lancaster, Paralyzed Veterans of America, Inc., 4330 East-West Highway, Suite 300, Washington, D.C. 20014.
B. Paralyzed Veterans of America, Inc., 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

A. David W. Landsidle, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.
B. Geothermal Resources International, Inc., Suite 503, 4676 Admiralty Way, Marina del Rey, Calif. 90291.
D. (6) $750.

A. Lane and Edson, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $63.03.

A. Lucille Larkin, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $62.50.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

A. Latham, Watkins & Hills, 1625 K Street NW., Suite 500, Washington, D.C. 20006.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $3,475. E. (9) $23.54.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Kenneth L. Lay, 641 Via Lugano, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Lead-Zinc Producers Committee, 1101 15th Street NW., Suite 803, Washington, D.C. 20005.
D. (6) $3,255. E. (9) $12,938.20.

A. Alice V. Leaderman, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $7.50.

A. LeBoeuf, Lamb, Leiby & MacRae, 1757 N Street NW., Washington, D.C. 20036.
B. Neratoom. B.V., P.O. Box 93244, 2509 AE Den Haag, The Hague, Holland.
E. (9) $26.80.

A. Robert Leibner, American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22101.
D. (6) $150.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $100. E. (9) $25.

A. Lynette B. Lenard, 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $333.34. E. (9) $78.74.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $342. E. (9) $870.05.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $840. E. (9) $30.65.

A. Will E. Leonard, 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Universal Leaf Tobacco Co., Inc., Hamilton Street at Broad, Richmond, Va. 23260.

A. Steven H. Lesnik, Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $300.

A. Gilbert B. Lessenco, Wilner & Scheiner, 2021 L Street NW., Washington, D.C. 20036.
B. General Mills, Inc., 9200 Wayzata Boulevard, Minneapolis, Minn. 55440.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Consolidated Edison Co. of New York, Inc., Four Irving Place, New York, N.Y. 10003.
D. (6) $56.25.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $332.50.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue N.W., Washington, D.C. 20006.
B. National Association for Hospital Development, 1700 K Street NW., Suite 605, Washington, D.C. 20006.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $1,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 240, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. David Levine, Sierra Club, 545 East Fourth Avenue, No. 5, Anchorage, Alaska 99501.
B. Sierra Club, 545 East Fourth Avenue, No. 5, Anchorage, Alaska 99501.
D. (6) $2,812.50 E. (9) 251.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $110. E. (9) $225.

A. Robert G. Lewis, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $2,153.84. E. (9) $54.66.

A. Stuart A. Lewis, 1800 M Street NW., Suite 1010, Washington, D.C. 20036.
B. Association of Reserve City Bankers, 1800 H Street NW., Suite 1010, Washington, D.C. 20036.
D. (6) $200.

A. Susan Paris Lewis, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Walter R. Lewis, Jr., National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Ronald L. Leymeister, American Bankers Associations, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $83.74.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington. D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. William C. Lienesch, 238 10th Street SE., Washington, D.C. 20003.

B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $541.86. E. (9) $11.

A. Andrew Litaky, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,169. (E) (9) $46.75.

A. Thierry J. Liverman, Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Time Corp., 3500 North Greenfield Road, Mesa, Ariz. 85201.
D. (6) $1,000. E. (9) $50.

A. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.
E. (9) $3,532.12.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $41.50.

A. James T. Lloyd, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Continental Air Lines, Inc., Los Angeles International Airport, Los Angeles, Calif. 90009.

A. Harold D. Loden, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.

A. Robert H. Loeffler, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
B. State of Alaska, Department of Natural Resources, Pouch M, State Capitol Building, Juneau, Alaska 99811.
D. (6) $1,080.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
E. (9) $4,500.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Linen Supply Association of America, 1260 East Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue N.W., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Edward J. Lord, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,043. E. (9) $277.59.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Robert E. Losch, McNutt, Dudley, Easterwood & Losch, 910 17th Street N.W., Washington, D.C. 20006.
B. American Dredging Co. et al., P.O. Box 328, Fort Washington, Pa. 19034.
D. (6) $24,500. E. (9) $2,010.38.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $500. E. (9) $200.

A. Robert C. Lower, 1200 Citizens & Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $157.50.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Gerald M. Lowrie, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Mrs. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $1,045.93.

A. Lucas, Friedman & Mann, 1026 Connecticut Avenue NW., Washington, D.C. 20036.
B. Republic of the Philippines.
D. (6) $1,406.48.

A. John S. Lucas, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $335.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $3,579.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $10,000. E. (9) $41.60.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $600. E. (9) $12.38.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, Box 11111, Cincinnati, Ohio 45211.
D. (6) $250. E. (9) $5.56.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., Two North Ninth Street, Allentown, Pa. 18101.
D. (6) $750. E. (9) $156.65.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $120.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1600 Wilson Boulevard, Arlington, Va.).
D. (6) $500.

A. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Douglas E. MacArthur, Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.
B. Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $667. E. (9) $1,022.22.

A. Alan G. Macdonald, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $2,400.

A. Kathleen Clifford MacDonough, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.
B. Burson-Marsteller, 1800 M Street NW., 750 South, Washington, D.C. 20036.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $18,375. E. (9) $3,755.35.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $872. E. (9) $500.

A. Duncan H. Mackenzie, 3015 Goat Hill Road, Bel Air, Md. 21014.
D. (6) $130. E. (9) $139.77.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.
D. (6) $5,900.72. E. (9) $2,768.20.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,650. E. (9) $64.

A. W. Terry Maguire, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $1,800. E. (9) $25.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,610.44. E. (9) $225.59.

A. Andre Maisonpierre, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 1776 F Street NW., Washington, D.C.

A. Leonard W. Mali, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 12th Street SW, Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $210. E. (9) $11.50.

A. Dennis Maloney, Wien Air Alaska, 4100 International Airport Road, Anchorage, Alaska 99502.
D. (6) $600. E. (9) $150.95.

A. The Management Group, 1211 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. United States Industrial Council, P.O. Box 2686, Nashville, Tenn. 37219.
D. (6) $1,500.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $9,000. E. (9) $46.40.

A. Mike Manatos, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $30.

A. James Mann, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lucas, Friedman & Mann, 1028 Connecticut Avenue NW., Washington, D.C. 20036 (for Republic of the Philippines).

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,050. E. (9) $34.25.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $15,276.96. E. (9) $16,918.88.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washingon, D.C. 20036.
D. (6) $2,000. E. (9) $301.35.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.
B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
D. (6) $1,794.32. E. (9) $2,227.15.

A. John C. Marlin, 309 West Nevada, Urbana, Ill. 61801.
B. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $2,505.

A. Jack D. Maroney, 1300 American Bank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. (E) $80.

A. J. Paull Marshall, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $103.50. E. (9) $421.55.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $75. E. (9) $301.76.

A. Katherine E. Martin, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $227.04. E. (9) $185.84.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $225.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Mike M. Masaoka, Masaoka-Ishikawa and Associates, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $1,500.

A. Paul J. Mason, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. William F. Massmann, Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.
B. Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

A. Charles D. Matthews, National Ocean Industries Association, 1100 17th Street NW., Suite 410 Washington, D.C. 20036.
B. National Ocean Industries Association, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
D. (6) $191.68. E. (9) $108.45.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $487.50.

A. Joanne E. Mattiace, 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $150. E. (9) $22.

A. Robert B. Mattson, Standard Oil Co. (Indiana), 200 East Randolph Drive, Mail Code 6123, Chicago, Ill. 60601.
B. Standard Oil Co., 200 East Randolph Drive, Chicago, Ill. 60601.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $463. E. (9) $30.

A. Harold B. Mayberry, Jr., Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Arnold Mayer, Amalgamated Meat Cutters and Butcher Workmen of North America (AFL–CIO), 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.
B. Amalgamated Meat Cutters and Butcher Workmen of North America (AFL–CIO), 2800 North Sheridan Road, Chicago, Ill. 60657.
D. (6) $10,289. E. (9) $140.

A. Mayer, Brown & Platt, c/o James L. Mitchell, 888 17th Street NW., Washington, D.C.
B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Brunswick Corp., 1 Brunswick Plaza, Skokie, Ill. 60076.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. The ERISA Industry Committee, Suite 1201, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.
B. J. G. Boswell Co., 333 South Hope Street, Los Angeles, Calif. 90017.
D. (6) $1,050. E. (9) 656.50.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.
B. California Planting Cotton Seed Distributors, P.O. Box 1281, Bakersfield, Calif. 93302.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.
B. Salyer Land Co., P.O. Box 486, Corcoran, Calif. 93212.
D. (6) $1,050. E. (9) $656.50.

A. Richard F. McAdoo, 1901 L Street NW., Suite 702, Washington, D.C. 20036.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.
D. (6) $904. E. (9) $313.66.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco Inc., 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $450.

A. William J. McAuliffe, Jr., American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,750. E. (9) $44.

A. John A. McCahill, 2033 M Street NW., Suite 700, Washington, D.C. 20036.
B. United States Olympic Committee, P.O. Box 4009, Colorado Springs, Colo. 80930.
D. (6) $3,750. E. (9) $241.72.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,176.72.

A. McClure & Trotter, 1100 Connecticut Avenue, NW., Suite 600, Washington, D.C. 20036.
B. Allied Capital Corp., 1625 I Street NW., Suite 306, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $2.52.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Avon Products, Inc., Nine West 57th Street, New York, N.Y. 10019.
D. (6) $618.75. E. (9) $84.27.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Cities Service Co., Box 300, Tulsa, Okla. 74102.
D. (6) $23,114.38. E. (9) $247.93.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.
D. (6) $734.25. E. (9) $79.29.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Estate of Chester H. Roth, Parker, Chapin, Flattau & Klimpl, 530 Fifth Avenue, New York, N.Y. 10036.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, N.Y. 10023.
D. (6) $1,567.63. E. (9) $319.53.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Mobil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $4,717.50 E. (9) $86.02.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Tidewater Marine Service, Inc., 3308 Tulane Avenue, New Orleans, La.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.

A. Robert S. McConnaughey, American Council of Life Insurance, Inc., 1850 K Street N.W., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Massachusettes Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.
D. (6) $5,000. E. (9) $1,000.

A. Bruce A. McCrodden, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.
D. (6) $142.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 819 Railway Labor Building, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E. (9) $85.20.

A. D. McCurrach, 1500 Wilson Boulevard, No. 609, Arlington, Va. 22209.
B. National School Supply & Equipment Association, 1500 Wilson Boulvard, No. 609, Arlington, Va. 22209.

A. Albert L. McDermott, American Hotel & Motel Association, Suite 1006, 1101 Connecticut Avenue, NW., Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,481.22.

A. E. T. McDonald, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes; No. 3 Research Place, Rockville, Md. 20850.
D. (6) $1,300. E. (9) $2,100.

A. Jack McDonald Associates, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Northrop Corp., 1800 Century Park East, Los Angeles. Calif. 90067.
D. (6) $4,500. E. (9) $2,450.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. Montana Power Co., Butte, Mont. 59701.
E. (9) $180.85.

A. Ruth Gordon McGill, 5437 Druid Lane, Dallas, Tx. 75209.
B. Doctors for the Equal Rights Amendment, P.O. Box 19531, Dallas, Tex. 75219.
E. (9) $990.32.

A. Robert M. McGlotten, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street, NW., Washington, D.C. 20006.
D. (6) $11,487. E. (9) $172.50.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street, N.W., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW, Washington, D.C. 20036.
D. (6) $500.

A. Joseph B. McGrath, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $7,875. E. (9) $3,256.45.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $12,307.50. E. (9) $302.25.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired & Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106, Hotel & Restaurant Employees & Bartenders International Union, 1666 K Street NW., Washington, D.C.; International Conference of Police Associations, 1239 Pennsylvania Avenue NW., Washington, D.C. 20003.
D. (6) $900. E. (9) $316.41.

A. John J. McHale, Jr., 1817 Biltmore Street NW., Apt. A, Washington, D.C. 20009.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,500.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $1,045.39.

A. Lyn R. McIntosh, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $300. E. (9) $31.56.

A. Robert S. McIntyre, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $937.50.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Marine Corps League, 933 North Monroe Street, Suite 321, Arlington, Va. 22201.
E. (9) $23.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non Commissioned Officers Association of the U.S.A., P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $5,358.11. E. (9) $10,730.44.

A. John S. McLees, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $300.

A. William F. McManus, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $475. E. (9) $220.25.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,500.

A. Craig L. McNeese, P.O. Box 1700, Houston, Tex. 77001.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.
D. (6) $875. E. (9) $455.

A. George G. Mead, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., Suite 1160, Washington, D.C. 20036.
B. Interlake, Inc., Commerce Plaza, 2015 Spring Road, Oak Brook, Ill. 60521.
D. (6) $7,020. E. (9) $16.09.

A. David O. Meeker, the American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,487. E. (9) $568.05.

A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036:.
B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washintgon, D.C. 20036.
D. (6) $6,803. E. (9) $51.50.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $350. E. (9) $67.80.

A. R. Otto Meletzke, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $8,124. E. (9) $400.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va., 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
E. (9) $27.89.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $6,250. E. (9) $116.49.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Holly Corp., 3327–2001 Bryan Tower, Dallas, Tex. 75201.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Kline man Associates, Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $10,000. E. (9) $177.62.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20006.
D. (6) $12,650. E. (9) $29.20.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. John Tudor, 18 East 53d Street, New York, N.Y. 10022.
E. (9) $45.45.

A. Harold E. Mesirow, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C.
B. Stencel Aero Engineering Corp., P.O. Box 5836, Asheville, N.C. 28803.

A. Marc Messing, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,400. E. (9) $236.79.

A. Tanya K. Metaksa, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $750.

A. James G. Michaux, 1801 K Street NW., Suite 903, Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald A. Michiell, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000.

A. Charles J. Micoleau, Curtis Thaxter Corey Lipez & Stevens, One Canal Plaza, Portland, Maine 04112.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $653. E. (9) $6.60.

A. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $867.28. E. (9) $3,228.35.

A. Joy Midman, National Association of Private Psyche. Hospitals, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Private Psyche. Hospitals, 1701 K Street NW., Washington, D.C. 20006.

A. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
E. (9) $5,363.25.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $56.75.

A. A. Stanley Miller, 910 16th Street, Room 302, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Miller & Chevalier, 1700 Pennsylvania Avenue, Washington, D.C. 20006.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $15,011.25. E. (9) $9.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $910.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. IDS Life Insurance Co., IDS Tower, Minneapolis, Minn. 55403.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. (6) $262.50. E. (9) $27.85.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texasgulf, Inc., Stamford, Conn..
D. (6) $450. E. (9) $419.13.

A. Luman G. Miller, Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
E. (9) $584.77.

A. Stella L. Miller, Nanatiol Paint and Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint and Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $18.69.

A. Millman Broder and Curtis, 1730 M Street NW., Suite 908, Washington, D.C. 20036.
B. National Council of Senior Citizens, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $4,500. E. (9) $49.96.

A. John F. Mills, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Linda F. Mills, 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $10.

A. Edward J. Milne, Edison Electric Institute, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $75.

A. Stephan M. Minikes, Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C.
B. Seatrain Lines, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.
D. (6) $1,250. E. (9) $22.

A. Charles W. Mitchell, 7915 Sherwood Road, Ruxton, Md. 21204.
B. Americans for Alaska, P.O. Box 50, Riderwood, Md. 21139.
D. (6) $84.84. E. (9) $22.51.

A. Clarence Mitchell, NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street N.W., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
E. (9) $560.

A. Wayne L. Millsap, Millsap, Eyerman and Heitmann, Clayton Inn Center, 7777 Bonhomme, Suite 2300, St. Louis, Mo. 63105.
B. Seven-Up Bottling Co., 555 Brown Road, St. Louis, Mo.
D. (6) $999.

A. Richard Mizrack, 270 Madison Avenue, New York, N.Y. 10016.

B. Wolf Haldenstein Adler Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016 (for Failek-Lankro Corp., Tuscaloosa, Ala.).
D. (6) $999.

A. Marian E. Moe, 821 15th Street NW., Suite 638, Washington, D.C. 20005.
B. Center on Social Welfare Policy and Law, 821 15th Street NW., Washington, D.C. 20005.
D. (6) $2,125. E. (9) $80.

A. Phillip W. Moery, 1230 Kensington Road, McLean, Va. 22101.
B. Surrey, Karasik and Morse, 1156 15th Street NW., Washington, D.C. 20005 (for Westway Trading Corp., 464 Hudson Terrace, Englewood Cliffs, N.J. 07632).
D. (6) $100. E. (9) $15.

A. Robert M. Moliter, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $192.

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $60.

A. John S. Monagan, 1730 Pennsylvania Avenue NW., Suite 1010, Washington, D.C. 20006.
B. United States Olympic Committee, 57 Park Avenue, New York, N.Y. 10016.

A. Michael Monroney, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $100.

A. G. Merrill Moody, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $177.37. E. (9) $50.85.

A. John M. Mooney, Suite 2200, Two Embarcadero Center, San Francisco, Calif. 94111.
B. Bechtel Corp., 50 Beale Street, San Francisco, Calif. 94105.
D. (6) $2,000.

A. Alan J. Moore, The Atchison, Topeka & Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,000.

A. April D. Moore, 1867 California Street NW., Washington, D.C. 20009.
B. National Consumers League, 1028 Connecticut Avenue NW., No. 822, Washington, D.C. 20036.

A. Joy E. Moore, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,750. E. (9) $87.37.

A. L. Calvin Moore Oil, Chemical, and Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical, and Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $3,575.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Mondakota Gas Co., P.O. Box 224, Billings, Mont. 59103.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $747.50.

A. Jo V. Morgan, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $588. E. (9) $38.68.

A. Stephen C. Morrisette, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.
B. Crown Kellerbach, One Bush Street, San Francisco, Calif. 94119.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $719.30. E. (9) $719.30.

A. David Moulton, Congress Watch, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20005.
D. (6) $2,750.

A. William G. Mullen, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
E. (9) $25.

A. Robert M. Mulligan, 910 17th Street NW., Washington, D.C. 20006.
B. International Asociation of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $517.88.

A. Mullin, Connor and Rhyne, 1000 Connecticut Avenue, Washington, D.C. 20036.
B. Alberto de la Vega-Ripol, Flemingstrase 46 8000 Munich 81, West Germany.
E. (9) $13.72.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $200. E. (9) $10.

A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $3,876.08. E. (9) $15.42.

A. Anne G. Murphy, PBS, 8415 Stafford Street, Arlington, Va. 22206.
B. Public Broadcasting Service, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $9,490. E. (9) $42.10.

A. Daniel Patrick Murphy II, Scientific Apparatus Makers Association, 1140 Connecticut Avenue, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $480. E. (9) $26.

A. Richard E. Murphy, 2020 K Street NW., No. 200, Washington, D.C. 20006.
B. Service Employees International Union, AFL–CIO, 2020 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $200.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $173.50.

A. Thomas H. Mutchler, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300.

A. Fred J. Mutz, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $38.25.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $479.42.

A. Gerald P. Nagy, National Home Furnishing Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $560.

A. John J. Nangle, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.

A. Bernard Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Association of Independent Corrugated Converts, 2530 Crawford Avenue, Evanston, Ill. 60201.

A Bernard Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.

A. Bernard Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. National Union Electric Corp., 575 Adams Avenue, Philadelphia, Pa. 19120.

A. Bernard Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Bernard Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.

A. Raymond Nathan, 5025 Garfield Street NW., Washington, D.C. 20016.
B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.
D. (6) $555. E. (9) $449.40.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $17. E. (9) $17.

A. National Association for Humane Legislation, Inc., 675 Pinellas Point Drive South, St. Petersburg, Fla. 33705.
D. (6) $36.

A. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, Suite 504, Arlington, Va. 22202.
E. (9) $530.

A. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $216.15.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Manufacturers, 1776 F Street NW., Washington, D.C.
D. (6) $58,142.36. E. (9) $58,142.36.

A. National Association of Mutual Savings Bank, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $11,058.93. E. (9) $11,058.93.

A. National Association of Pension Consultants & Administrators, Inc., Three Piedmont Center, Suite 300, Atlanta, Ga. 30305.
D. (6) $13,600. E. (9) $3,701.24.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $1,400.

A. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611, 925 15th Street NW., Washington, D.C. 20005.
E. (9) $27,204.57.

A. National Association of Wheat Growers, 1020 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,146.61. E. (9) $1,002.86.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $8,663. E. (9) $5,980.18.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $525. E. (9) $525.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $8,381.50. E. (9) $8,799.93.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
E. (9) $4,190.

A. National Committee Against Repressive Legislation, 1256 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $633.75. E. (9) $4,379.04.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $22,799.44. E. (9) $31,341.81.

A. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $22,378.18. E. (9) $23,761.17.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $7,208.19. E. (9) $7,208.19.

A. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $884.24.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $11,133.29. E. (9) $9,850.73.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $2,403.75. E. (9) $2,403.75.

A. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $17,580.05. E. (9) $17,580.05.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $157,585.70. E. (9) $961.55.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $37,303.92. E. (9) $41,992.92.

A. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $1,921.80.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
D. (6) $3,092.66 E. (9) $3,092.66.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $6,024.54. E. (9) $6,024.54.

A. National Motorsports Committee of ACCUS, Suite 302, 1735 K Street NW., Washington, D.C. 20005.
E. (9) $76.59.

A. National Newspaper Association, Suite 400, 1627 K Street NW., Washington, D.C. 20006.
D. (6) $4,300. E. (9) $4,300.

A. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $127,641.77. E. (9) $23,857.60.

A. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $6,300.

A. National Product Liability Council, Box 11111, Cincinnati, Ohio 45211.
D. (6) $1,891. E. (9) $3,114.38.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $2,065.

A. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $2,422. E. (9) $2,422.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue, Washington, D.C. 20036.
E. (9) $4,496.84.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $4,650. E. (9) $7,170.

A. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $701,424.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $14,950.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $242,375. E. (9) $268.15.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue, Suite 930, Washington, D.C. 20036.

A. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
E. (9) $1151.

A. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $1,660. E. (9) $1,660.

A. National Turkey Federation, Reston International Center, Suite 302, Reston, Va. 22091.
D. (6) $1,000. E. (9) $1,000.

A. National Water Resources Association, 955 L'Enfant Plaza SW., Suite 1202, Washington, D.C. 20024.
D. (6) $2,630.38. E. (9) $10,490.70.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.
B. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.
D. (6) $1,237. E. (9) $1,822.70.

A. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $278,500. E. (9) $8,024.07.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $563. E. (9) $56.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $75. E. (9) $25.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $2,655.41.

A. J. T. Nelson, Suite 704, 1000 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $2,475. E. (9) $1,092.40.

A. L. James Nelson, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $925.

A. Lloyd A. Nelson, 12200 Brookhaven Drive, Silver Spring, Md. 20902.
B. Fellowship Square Foundation, Inc., 11450 North Shore Drive, Reston, Va. 22090.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $160.

A. Michael A. Nemeroff, Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. De Kalb AgResearch, Inc., Sycamore Road, De Kalb, Ill. 60115.
D. (6) $10,000.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C.
B. Brazilian Sugar & Alcohol Institute, Rio de Janeiro, Brazil.
D. (6) $35,700. E. (9) $544.94.

A. Network, 1029 Vermont Avenue NW., No. 650, Washington, D.C. 20005.
D. (6) $16,378.96. E. (9) $17,202.81.

A. E. John Neumann, Baltimore Gas & Electric Co., 1523 L Street NW., No. 500, Washington, D.C. 20005.
B. Baltimore Gas & Electric Co., Gas & Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
D. (6) $153.35. E. (9) $67.66.

A. Robert B. Neville, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C.; One IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $6,500. E. (9) $1,630.35.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $3,593.75. E. (9) $985.71.

A. Bill Newbold, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Bill Newbold & Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $4,800.

A. Kathryn L. Newman, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, Two Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F. Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Janet G. Newport, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $3,875. E. (9) $22.50.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005.
B. American Bankers Insurance Co. of Florida, 600 Brickell Avenue, Miami, Fla. 33131.
D. (6) $1,000. E. (9) $29.60.

A. Charles E. Nichols, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,425. E. (9) $643.40.

A. John B. Nicholson, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $150.

A. Melissa A. Nielson, 1775 K Street N.W., Washington, D.C. 20006.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $450. E. (9) $125.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $125. E. (9) $280.12.

A. Patrick J. Nilan, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $9,950.23. E. (9) $4,477.80.

A. Nan Fielding Nixon, 309 Fourth Street SE., Apartment 7, Washington, D.C. 20003.
B. Office of Government and Community Affairs, et al., Grays Hall 16, Harvard University, Cambridge, Mass.
D. (6) $6,600. E. (9) $351.83.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $2,000.

A. H. Christopher Nolde, Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Richard B. Norment IV, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $600.

A. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
E. (9) $3,000.

A. North American Telephone Association, 1030 15th Street NW., Washington, D.C. 20036.
D. (6) $33,989.06. E. (9) $33,989.06.

A. Frank Northcutt, Southwest Homefurnishings Association, 7139 Hunters Ridge Drive, Dallas, Tex. 75248.
B. Southwest Homefurnishings Association, 4313 North Central Expressway, Dallas, Tex. 75205.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
E. (9) $372.34.

A. Northwest Energy Options, 1022 Northeast 68th, Seattle, Wash. 98115.
D. (6) $144.51. E. (9) $144.51.

A. N.O.S.I. ("Not One Square Inch!"), 4082 Howard Avenue, Los Alamitos, Calif. 90720.

A. Franklin W. Nutter, 1025 Connecticut Avenue N.W., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $850.

A. Mary E. Oakes, 1800 K Street NW,. Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $333. E. (9) $50.

A. Hubert K. O'Bannon, 1532 34th Street NW., Washington, D.C. 20067.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,200.

A. Coleman C. O'Brien, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,125. E. (9) $71.94.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $60. E. (9) $20.

A. W. Brice O'Brien, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $109.05. E. (9) $30.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $1,072.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $1,450. E. (9) $279.80.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $3,500.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DeKalb AgResearch, Inc., Sycamore Road, DeKalb, Ill.
D. (6) $9,868.78.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Association of Independent Lumbermen, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pioneer Hi-Bred International, Inc., 1206 Mulberry Street, Des Moines, Iowa 50306.
D. (6) $9,868.78.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $100.

A. Patrick E. O'Donnell, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $75.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., 900 17th Street NW., Suite 508, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3,400. E. (9) $441.98.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $10,423. E. (9) $160.86.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,667.

A. James Grant O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $125.

A. Matthew D. O'Hara, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. W. J. Olwell, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $13,500.11. E. (9) $2,942.52.

A. Olwine, Connelly, Chase, O'Donnell & Weyher, 299 Park Avenue, New York, N.Y. 10017.
B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $1,728. E. (9) $27.81.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. B. E. Omohundro, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $96.

A. Law Offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.
B. Commodity Exchange, Inc., 4 World Trade Center, Southeast Plaza Building, New York, N.Y. 10048.
D. (6) $2,301.

A. John F. O'Neal, Law Offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.
B. International Precious Metals Corp., 6451 North Federal Highway No. 1101, Fort Lauderdale, Fla. 33308.
D. (6) $500.

A. O'Neill & Forgotson, 1220 19th Street NW., Washington, D.C. 20036.
B. Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.

A. O'Neill & Forgotson, 1220 19th Street NW., Washington, D.C. 20036.
B. Texas Utilities, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,246.31. E. (9) $3,489.85.

A. J. Denis O'Toole, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $660.

A. Roland A. Ouellette, 1660 L Street NW., Suite 501, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,600. E. (9) $3,932.31.

A. Outdoor Power Equipment Institute, Inc., 1901 L Street NW., Suite No. 700, Washington, D.C. 20036.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Henry S. Palau, The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $565.

A. Fred Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $520. E. (9) $310.

A. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.
E. (9) $246.75.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $425.

A. Nicholas D. Pasco, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

A. Howard G. Paster, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $11,223.64. E. (9) $1,071.49.

A. Richard M. Patterson, 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $500. E. (9) $239.50.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $2,512. E. (9) $20.10.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $875.

A. Patton, Boggs & Blow, 2550 M. Street NW., Washington, D.C. 20037.
B. Ad Hoc Committee of Zonal Electric Heating Manufacturers, 150 Avenue L, Newark, N.J. 07101.
D. (6) $174.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ad Hoc Committee on Section 602, 1101 16th Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $600.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $230.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Alyeska Pipeline Service Corp., P.O. Box 576, Bellevue, Wa. 98004.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Maritime Association 17 Battery Place, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,465.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $400.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.
D. (6) $600.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of General Merchandise Chains, 1625 I Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass. 02138.
D. (6) $600.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine, 04530.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; and National Association of Engine & Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $200.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chicago Board Options Exchange, La Salle at Jackson, Chicago, Ill. 60604.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chippewa-Cree Tribe, Rocky Boy Reservation, Box Elder, Mont. 59521.

A. Patton, Boggs & Blow, 2550 M Street N.W., Washington, D.C. 20037.
B. City of Birmingham, City Hall, Birmingham, Ala. 35203.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee Concerned With the Safe Banking Act, 5500 Veterans Memorial Boulevard, Metairie, La. 70003.

A. Patton, Boggs & Blow, 2550 M Street N.W., Washington, D.C. 20037.
B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Federal Pacific Electric Co., 150 Avenue L, Newark, N.J. 07101.
D. (6) $174.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Frontier Spar Corp., P.O. Box 235, Salem, Ky. 42078.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. General Mills Corp., 9200 Wayzata Boulevard, Minneapolis, Minn. 55426.
D. (6) $1,260.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Electrical & Electronics Engineers, 2029 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Scrap Iron & Steel, Inc 1627 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Lane, Powell, Moss & Miller, 1700 Washington Building, Seattle, Wash. 98101.
D. (6) $115.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. LOOP, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Louisiana Pacific Corp., 1300 SW., Fifth Avenue, Portland, Oreg. 97201.
D. (6) $750.

A. Patton, Boggs, & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Machinery Dealers National Association, 1400 20th Street NW., Washington, D.C. 20036.
D. (6) $400.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Marathon Oil Co., 539 South Main Street, Findlay, Ohio 45840.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mocatta Metals Corp., 35 Broad Street, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Medical Care, Inc., 560 Sylvan Avenue, Englewood Cliff, N.J. 07632.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. New Process Co., 220 Hickory Street, Warren, Pa. 16366.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Northwest Pipeline Corp., 315 East 200 Sough, Salt Lake City, Utah 84111.
D. (6) $9,200.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
D. (6) $3,400.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pepsico, Inc., Purchase, N.Y. 10577.
D. (6) $115.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Jack Philip & Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pillsbury Corp., 608 Second Avenue South, Minneapolis, Minn. 55402.
D. (6) $1,260.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street NW., Suite 1300 Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Radiation Imaging Products Division, National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washintgon, D.C. 20037.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $2,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94205.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
D. (6) $62.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Todd Shipyards Corp., One State Street Plaza, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. United Plant Guard Workers of America, 25510 Kelly Road, Roseville, Mich. 48066.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Virgin Islands Manufacturers & Importers Association, Inc., c/o Thomas Travis, 1290 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $687.50.

A. Barbara Jo Pease, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Pennsylvania Power & Light Co., Two North Ninth Street, Allentown, Pa. 18101.
E. (9) $906.65.

A. Dominic V. Pensabene, Chevron U.S.A. Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A. Inc. (Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Gregory M. Pensabene, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fee Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,000.

A. Barbara Peguet, 2926 Upton Street NW., Washington, D.C. 20008.
B. National Consumers League, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $200.

A. Perito, Duerk & Carlson, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif. 94100.
E. (9) $1,830.

A. Perito, Duerk & Carlson, Suite 1200, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. National District Attorneys Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $381.

A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Susan Perry, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $2,100. E. (9) $180.35.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Kenneth Peterson, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,487. E. (9) $253.36.

A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,621.90.

A. Paul F. Petrus, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. Barbara F. Phillips, 1620 I Street NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., P.O. Box 7598, San Francisco, Calif. 94120.

A. Ilbert Phillips, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Suite 308, Washington, D.C. 20005.
E. (9) $600.

A. Sam Pickard, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $86.59.

A. Ace Pickens, 1300 American Bank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Wilhelm Pickens, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $40.30.

A. Pierce, Atwood, Scribner, Allen, Smith & Lancaster, One Monument Square, Portland, Maine 04101.
B. Greater Northern Paper Co., Dead River Co., Baskahegan Co.
D. (6) $530. E. (9) $16.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $40. E. (9) $2.47.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Edgington Oil Co., 2400 East Artesia Boulevard, Long Beach, Calif. 90805.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Independent Refiners' Association of California, 900 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Rena S. Pies, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
D. (6) $250. E. (9) $9.50.

A. David E. Piper, Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
D. (6) $8,499.

A. E. Rogers Pleasants, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. Francis A. Pollak, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,000.

A. Judith A. Pond, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis Mo. 63188.
D. (6) $200. E. (9) $104.

A. S. J. Poray-Tucholski, P.O. Box 1681, Whittier, Calif. 90609.
B. Bermejo River Project Development Association.

A. Everett O. Post, National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $14.05.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,500.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $5,000.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $3,000.

A. Ramsay D. Potts, Shaw Pittman, Potts & Trowbridge, 1800 M Street, NW., Washington, D.C. 20036.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $1,125. E. (9) $15.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $92.50.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $5,200. E. (9) $489.40.

A. Graydon R. Powers, Jr., Scientific Apparatus Makers Association, 1140 Connecticut Avenue, Suite 610, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue, Suite 610, Washington, D.C. 20036.
D. (6) $200.

A. William C. Prather, U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $678.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International Inc., 1225 19th Street NW., Washington, D.C. (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Citronelle-Mobile Gathering, Inc., 717 First Southern Federal Tower, Mobile, Ala. 36616.
D. (6) $1,822.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $2,408.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. The 13th Regional Corp., P.O. Box 24764, Seattle, Wash. 98109.
D. (6) $80.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Transportation Institute, 923 15th Street NW., Washington, D.C.
D. (6) $337.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 1776 F Street NW., Suite 201, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.
D. (6) $2,370.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $625.

A. Patricia Pride, Financial Accounting Standards Board, 1100 17th Street NW., Washington, D.C. 20036.
B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.
D. (6) $229.92. E. (9) $158.95.

A. Arnold J. Prima, Jr., the American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Pro Life/Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070.
D. (6) $81.40.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $6,128.90.

A. Gerald R. Prout, Burson-Marsteller, 1800 M Street NW., No. 750S, Washington, D.C. 20036.
B. Gould, Inc., 1831 Chestnut Street, St. Louis, Mo. 63160.

A. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $4,314.27. E. (9) $4,314.27.

A. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $25,739.04. E. (9) $28,114.14.

A. Philip N. Pulizzi, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.
D. (6) $3,000.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $57.88.

A. Richard W. Rahn, American Council for Capital Formation, 1425 K Street NW., Washington,, D.C. 20005.
B. American Council for Capital Formation, 1425 K Street NW., Washington, D.C. 20005.
D. (6) $687.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $28,800. E. (9) $28,800.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Gretchen P. Ralph, 303 Kimry Moor, Fayetteville, N.Y. 13066.
B. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $10,500. E. (9) $391.62.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.
D. (6) $6,000. E. (9) $2,800.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $650.

A. R. Ray Randlett, Allied Chemical Corp., 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $276. E. (9) $6.50.

A. Arthur G. Randol III, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $916.75. E. (9) $20.18.

A. Jerry Rapp, 1155 15th Street NW., Suite 502, Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $1,000.

A. D. Michael Rappoport, Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $2,405.15 E. (9) $2,751.08.

A. G. J. Rauschenbach, COMSAT, 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $750. E. (9) $333.

A. B. P. Rauwerda, Neratoom, B.V., P.O. Box 93244, 2509 AE Den Haag, Holland.
B. Neratoom, B.V., P.O. Box 93244, 2509 AE Den Haag, Holland.
D. (6) $1,790. E. (9) $1,790.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $505. E. (9) $30.32.

A. G. G. Reckley Associates, 2737 Devonshire Place No. 9 NW., Washington, D.C. 20008.
B. Kootznoowoo Inc., P.O. Box 116, Angoon, Alaska 99820.
D. (6) $3,862.84. E. (9) $667.04.

A. John H. Reed, 444 North Capital Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $7,500. E. (9) $300.

A. Jerry Rees, National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $257.22.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. American Constituency Overseas, George E. Fisher Associates, 2152 DuPont Drive, 106 Irvine, Calif. 92715.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations. Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $4,085.62.

A. Thomas J. Reese, 1225 Otis Street NE., Washington, D.C. 20017.
B. Taxation with Representation, 6830 North Fairfax Drive, Arlington, Va. 22213.

A. Don Reeves, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $3,146.

A. J. Ronald Reeves, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $2,000. E. (9) $131.88.

A. Frank D. Register, National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
D. (6) $100. E. (9) $34.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. Governmental Affairs Division of the Edison Electric Institute, 1140 Connecticut Avenue NW., Suite 1010 Washington, D.C. 20036.
D. (6) $38.

A. W. W. Renfroe, 69 Fountain Place, Wilkinson Street, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 69 Fountain Place, Wilkinson Street, Frankfort, Ky. 40601.
E. (9) $373.65.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $950. E. (9) $152.71.

A. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $5,320.

A. Kent Rhodes, The Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
B. The Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $2,500.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C 20044; 3046 Roosevelt, Detroit, Mich. 48216.
E. (9) $164.93.

A. Theron J. Rice, Continental Oil Co., 1130 17th Street NW., No. 400, Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $300.

A. K. O. Richardson, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, No. 3 Research Place, Rockville, Md. 20850.
D. (6) $1,320. E. (9) $1,405.

A. Russell C. Richardson, Jr., 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $425.

A. Russell W. Richardson, Lear Siegler, Inc., Suite 1002, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. Sheffield C. Richey, Jr., 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $125. E. (9) $85.

A. E. Philip Riggin, The American Legion, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $4,569. E. (9) $82.33.

A. Douglas V. Rigler, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006; (for Republic of the Philippines).

A. Morris A. Riley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,200.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies 730 15th Street NW., Washington, D.C. 20005.
D. (6) $562.50. E. (9) $36.90.

A. Carol A. Risher, Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $1,000. E. (9) $500.

A. Nancy J. Risque, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. George W. Ritter, 3914 King Arthur Road, Annandale, Va. 22003.
B. Alton Box Board Co., Alton, Ill. 62002.
D. (6) $6,250. E. (9) $1,458.

A. Paul H. Robbins, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Perry A. Roberts, Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $364.27.

A. William S. Roberts, National Rural Electric Cooperative Association, 800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $60.

A. Charles A. Robinson, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $245.90.

A. John K. Robinson, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.
E. (9) $25.

A. Howard W. Robison, 3903 Franklin Street, Kensington, Md. 20795.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $2,250.

A. Antoinette K. Roche, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. Betty P. Rocker, Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $69.44.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Robert Rodriguez, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,600.

A. Mitchell Rofsky, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,750.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,000. E. (9) $1,505.86.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,187.50.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $6,171.20. E. (9) $17,302.03.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. Central American Pipeline Co., P.O. Box 86, Hambro House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. Tax Equity for Americans Abroad, c/o Connie K. Borken-Hagen, BCM Box 4700, London WC1V 6XX, England.
D. (6) $160.

A. Richard A. Rohrbach, 1625 Eye Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 Eye Street NW., No. 809, Washington, D.C. 20006.
D. (6) $15,000.

A. John F. Rolph III, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Tatiana Roodkowsky, Chamber of Commerce of the United States, 1615, H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $25.

A. Nicholas Roomy, Jr., Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327.

B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327; a subsidiary of the American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004.

A. Kevin M. Rooney, Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.
B. Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.
D. (6) $1,125. E. (9) $489.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
B. National Public Radio, 2025 M Street NW., Washington, D.C.
D. (6) $10,000. E. (9) $100.85.

A. Albert B. Rosenbaum III, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Seymour N. Ross, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036; (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).
D. (6) $26.87. E. (9) $2.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Florida, et al.
D. (6) $120.

A. Edwin Rothschild, 1615 Anderson Road, McLean, Va. 22101.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.

A. William C. Rountree, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Rouse & O'Rourke, Lawyers Building, 231 E. Vermijo, Colorado Springs, Colo. 80903; 1614 20th Street NW., Washington, D.C. 20009.
B. Union Nacional de Productores de Azucar, S.A. de C.V. (UNPASA), Balderas 36, Mexico, D.F., Mexico.
D. (6) $2,400. E. (9) $3,522.68.

A. Eugene F. Rowan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $505.

A. Donald M. Rubel, 3889 North 30th Street, Arlington, Va. 22207.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. James S. Rubin, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.

A. Steven J. Rukavina, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, Box 12285, Memphis, Tenn. 38112.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $75.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $100.

A. John F. Ryan, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Russell Jay Ryan, Jr., Room 1900, One Indiana Square, Indianapolis, Ind. 46204.
B. Consolidated Office Building, Inc., 115 North Pennsylvania Street, Indianapolis, Ind. 46204.
D. (6) $4,250.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 17/18 Bury Street, London EC3A 5AH, England.
D. (6) $300.

A. Carroll J. Savage, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $1,500.

A. Carroll J. Savage, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $2,500.

A. Carroll J. Savage, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Xero Corp., Stamford, Conn. 06904.
D. (6) $1,500.

A. Thomas T. Scambos, DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei, Krauss-Maffei-Strasse 2, 8000 Munich, FRG).

A. Thomas T. Scambos, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).
D. (6) $86.54.

A. Henry Schacht, California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
B. California Canners and Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
D. (6) $3,600. E. (9) $966.04.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $900. E. (9) $483.59.

A. Lois M. Schell, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $170.

A. Allan D. Schimmel, 639 South Carolina Avenue SW., Washington, D.C. 20003.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $3,625.

A. Allan D. Schlosser, 1000 Connecticut Avenue, Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. $400.

A. Richard M. Schmidt, Jr., 1920 L Street NW., Suite 700, Washington, D.C.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Robert L. Schmidt, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $227.

A. Anthony Schopp, Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.
B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Kathy Schroeher, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,235.61.

A. Donald H. Schwab, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,750. E. (9) $277.40.

A. Carl F. Schwensen, 1030 15th Street NW., Suite 1030 Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $218.67.

A. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., No. 610, Washington, D.C. 20036.
D. (6) $3,949.60. E. (9) $4,016.10.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $421.88. E. (9) $5.73.

A. Ronald C. Seeley, 701 Fairview, Milford, Mich. 48042.

B. Estate of Bert N. Adams, et al., 1461 West 16th Place, Yuma, Ariz. 85364.
E. (9) $265.75.

A. David Seldner, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $400.

A. Stanton P. Sender, Sears, Roebuck and Co., 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $250. E. (9) $7.75.

A. Seven Months Session for Congress, 7201 Wood Hollow Drive, No. 337, Austin, Tex. 78731.
E. (9) $442.

A. J. Richard Sewell, Florida Power and Light Co., 1701 K Street NW., Suite 503, Washington, D.C. 20006.
B. Florida Power and Light Co., P.O. Box 529100, Miami, Fla. 33152.
D. (6) $489. E. (9) $277.48.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $100. E. (9) $20.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
E. (9) $125.

A. Shamrock Foods Co., 2228 North Black Canyon, Phoenix, Ariz. 85009.
E. (9) $105.

A. Lloyd D. Shand, Monsanto Co., 1101 17th Street NW., Washington, D.C.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $200.

A. John J. Sharkey, Delta Air Lines, Inc., 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $986.50. E. (9) $26.70.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. American Children's Citizenship Rights League, 157 Route du Grand-Lancy, 1213 ONEX, Geneva, Switzerland; Samuel Cummings, P.O. Box 88, Monte Carlo, Monaco.
D. (6) $8,000. E. (9) $277.05.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
D. (6) $2,202.50. E. (9) $11.26.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Atlas Minerals Division, Atlas Corp., 2506 Prudential Plaza, Denver, Colo. 80202.
D. (6) $1,612.50. E. (9) $5.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $8,192.50. E. (9) $77.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Institute of Foreign Bankers, c/o Elizabeth Tobon, 200 Park Avenue, Suite 303, Room 23, New York, N.Y. 10017.
D. (6) $16,942.08.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $4,344.57.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Norfolk and Western Railway, 8 North Jefferson Street, Roanoke, Va. 24011.
D. (6) $3,480. E. (9) $50.45.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill., 60604.
D. (6) $2,480. E. (9) $50.45.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Teleprompter Corp., 50 West 44th Street, New York, N.Y.
D. (6) $480. E. (9) $35.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $1,760. E. (9) $175.28.

A. Spencer C. Sheldon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $125. E. (9) $23.17.

A. Jowanda Shelton, 2101 L Street NW., Washington, D.C. 20037.
B. Committee for Humane Legislation, 11 West 60th Street, New York, N.Y. 10023.
D. (6) $5,100.

A. Morris Shipley, Delta Air Lines, Inc., 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $864. E. (9) $24.25.

A. Harvey A. Shipman, 2021 K Street NW., Suite 700, Washington, D.C. 20006.
B. Penn Central Transportation Co., 1700 Market Street, Philadelphia, Pa. 19103.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 400 South Tryon Street, No. 2124, Charlotte, N.C. 28285.
D. (6) $2,550. E. (9) $66.77.

A. Scott Shotwell, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $2,475.

A. Candice J. Shy, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Enserch Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $550. E. (9) $686.50.

A. Lawrence E. Siegel, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $3,300.

A. Mark A. Siegel, Mark A. Siegel and Associates, 734 15th Street NW., Suite 403, Washington, D.C. 20005.
B. Michigan State Democratic Party, c/o Morley Winograd, 606 Townsend Street, Lansing, Mich. 48933.
D. (6) $1,804.88. E. (9) $21.92.

A. Mark A. Siegel, Mark A. Siegel and Associates, 734 15th Street NW., Suite 403, Washington, D.C. 20005.
B. Tadco Enterprises, 1625 Eye Street NW., Suite 1009, Washington, D.C. 20006.
D. (6) $4,000.

A. Richard H. Siemsen, Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. David Silver, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $57.57.

A. Silver Users Association, 1717 K Street NW., Washington, D.C. 20006.
D. (6) $5,422.50. E. (9) $1,685.47.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $160. E. (9) $199.26.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) $72.07.

A. Richard L. Sinnott and Co., 888 17th Street NW., Suite 212, Washington, D.C. 20006.
B. Port of Oakland, Oakland, Calif. 94607.
D. (6) $1,250.

A Richard L. Sinnott & Co., 888 17th Street NW., Suite 212, Washington, D.C. 20006.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.
D. (6) $1,500.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005.
B. United States Pharmacopeial Convention, Inc., 12601 Twinbrook Parkway, Rockville, Md. 20852.
D. (6) $713.63. E. (9) $25.92.

A. Barney J. Skladany, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek and Associates, Inc., 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714; United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005; General Dynamics Corp., Pierre LacLede Center, St. Louis, Mo. 63105.
D. (6) $550.

A. Frank Slover, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $480.

A. Slurry Transport Association, 490 L' Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L' Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $99,000. E. (9) $650.

A. Small Producers for Energy Independence, 1000 Sutton Place Building, Wichita, Kans. 67202.
D. $88,952.06.

A. Stephan K. Small, Suite 3212, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L' Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $80.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $1,657.

A. Elizabeth Smith, Amalgamated Clothing and Textile Workers Union, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing and Textile Workers Union, 770 Broadway, New York, N.Y. 10003.
D. (6) $2,216. E. (9) $35.25.

A. J. Kenneth Smith, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $4,060. E. (9) $4,732.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $750. E. (9) $831.

A. P. Daniel Smith, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $22.10.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Robert Wm. Smith, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 Fairfax Street, Alexandria, Va. 22314.

A. Talbott C. Smith, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $25.

A. Wayne H. Smithey Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $1,375. E. (9) $416.25.

A. Arthur V. Smyth, 1625 Eye Street NW., No. 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $3,300. E. (9) $26.50.

A. Frank B. Snodgrass, Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $850.02.

A. John M. Snow, National Association of Furniture Manufacturers, 8401 Connecticut Avenue NW., No. 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $4,322.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $100.

A. John M. Snyder, 600 Pennsylvania Avenue SE, Suite 205, Washington, D.C. 20003.
B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $5,100.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $24,751.62. E. (9) $9,894.89.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $110.

A. S. L. Sommer and Associates, Inc., 1800 North Kent Street, Suite 1104, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $15,000. E. (9) $13,905.29.

A. Leland R. Sorteberg, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,700. E. (9) $768.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. American Greyhound Track Operators Association, 139 Southeast 14th Lane, Miami, Fla. 33131.
E. (9) $8.11.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C.
E. (9) $289.46.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
D. (6) $11,372.50. E. (9) $11.72.

A. Southwest Homefurnishings Association, 4313 North Central Expressway, Dallas, Tex. 75205.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif. 91731.

A. William C. Spence, P.O. Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., P.O. Box 682, Houston, Tex. 77001.
D. (6) $1,000. E. (9) $968.64.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif., 95051; cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif.; and Plumas-Sierra Rural Electric Cooperative.
D. (6) $97.50.

A. Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al., 770 Kiely Boulevard, Santa Clara, Calif. 95050.

A. Larry N. Spiller, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $1,850.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200.

A. Earl C. Spurrier, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $226.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.
B. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $401.50. E. (9) $168.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
D. (6) $3,130.75 E. (9) $7.50.

A. Lynn E. Stalbaum, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,000. E. (9) $118.66.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $1,642.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. J. Ray McDermott & Co., Inc., 1010 Common Street, New Orleans, La. 70160.
D. (6) $387.45.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. National Ocean Industries Association, 1100 17th Street NW., Washington, D.C.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.

A. David P. Stang, Suite 601, 1629 K Street NW., Washington, D.C. 20006.
B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 90054.

A. M. B. Stanley, Ford Motor Co., Room 900, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $488.34. E. (9) $280.51.

A. Melvin L. Stark, 1707 L Street NW., Suite 321, Washington, D.C. 20036.
B. Hartford Fire Insurance Co.
D. (6) $6,000.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $1,800. E. (9) $1,945.65.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
B. National Association of Convenience Stores, 5205 Leesburg Pike, Suite 311, Falls Church, Va. 22041.
D. (6) $2,360.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
B. Potato Chip/Snack Food Association, 5205 Leesburg Pike, Baileys Crossroads, Va. 22041.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $5,400. E. (9) $54.63.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,375.

A. David J. Steinberg, National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Karen L. Stevens, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 512 Washington Building, Washington, D.C. 20006.
D. (6) $500.

A. Margaret Stewart, RFD 5, Box 109, Piedmont, Ala. 36272.

A. Kenneth F. Stinger, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $316.57.

A. Stephen A. Stitle, Eli Lilly and Co., 1901 L Street NW., Washington, D.C. 20036.
B. Eli Lilly and Co., 307 East McCarty Street, Indianapolis, Ind. 46206.
D. (6) $3,000. E. (9) $235.

A. William M. Stover, Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,000.

A. Richard B. Straus, 444 North Capitol Street, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $8,099.94.

A. John D. Stringer, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
D. (6) $375. E. (9) $65.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $4,117. E. (9) $219.35.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill., 60601.
B. United States League of Saving Associations, 111 East Wacker Drive, Chicago Ill. 60601.
D. (6) $1,687.50.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $4,000.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
D. (6) $179.54. E. (9) $192.80.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Market Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Aiea, Hawaii 96701.
E. (9) $19.80.

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $4,350. E. (9) $18.49.

A. Duward F. Sumner, Jr., Professional Insurance Agent, 400 North Washington Street, Alexandria Va. 22314.
B. Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.
D. (6) $100. E. (9) $250.

A. Surrey, Karasik & Morse, 1156 15th Street NW., Suite 1200, Washington, D.C. 20005.
B. Westway Trading Corp., 464 Hudson Terrace, Englewood Cliffs, N.J. 07632.
D. (6) $115. E. (9) $115.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006; 3100 First National Bank Tower, Atlanta, Ga. 30303.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

A. Irving W. Swanson, 11212 Farmland Drive, Rockville, Md. 20852.
B. Harris Corp., 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $5,615.07. E. (9) $240.06.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $11,250.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $6,000.

A. Rosemarie Sweeney, 1659 32d Street NW., Washington, D.C. 20007.
B. American Osteopathic Association, 1611 North Kent Street, Suite 803A, Arlington, Va. 22209.
D. (6) $1,542. E. (9) $49.15.

A. Richard Preston Swigart, 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $325.95.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.
B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.
D. (6) $455.88. E. (9) $434.73.

A. Michael T. Swinehart, National Association of Manufacturers, 1422 West Peachtree Street NW., Suite 612, Atlanta, Ga. 30309.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Howard Symons, Congress Watch, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $500. E. (9) $11.27.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; Family Leisure Centers, Inc., 1906 Highland Avenue, Cincinnati, Ohio 45219.
D. (6) $100.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; Special Committee for Workplace Product Liability Reform, 1150 Connecticut Avenue NW., No. 504, Washington, D.C. 20036.
D. (6) $12,000. E. (9) $361.05.

A. Robert Taft, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; Taft Broadcasting Co., 1906 Highland Avenue, Cincinnati, Ohio 45219.
D. (6) $3,800.

A. Susan Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,250.02. E. (9) $101.15.

A. Norman Wilson Tanner, Jr., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $112. E. (9) $21.

A. William M. Tartikoff, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $76.50. E. (9) $74.55.

A. David K. Taylor, Jr., 1100 Connecticut Avenue NW., No. 620, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $375.

A. Sid Taylor, National Taxpayers Union (NTU), 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,200. E. (9) $374.

A. William K. Tell, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $75.

A. Paul Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates, 2020 K Street NW., Suite 420, Washington, D.C. 20006 (for National Federation of Licensed Practical Nurses).
D. (6) $1,600. E. (9) $250.

A. Bruce D. Thevenot, 1155 15th Street NW., Suite 424, Washington, D.C. 20005.
B. American Health Care Association, 1200 15th Street NW., Washington, D.C. 20005.
D. (6) $3,000. E. (9) $65.43.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Swaziland Sugar Association, Mbabane, Swaziland.
D. (6) $3,000.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. 13th Congressional District Action Committee, 7370 Pegasus Way, San Jose, Calif. 95139.
D. (6) $250. E. (9) $17.50.

A. 38th Pro-Life Congressional District Action Committee, 8654 Bonview Terrace, Williamsville, N.Y. 14221.
E. (9) $30.

A. 39th Congressional District Action Committee, Rural Delivery 2, Allegany, N.Y. 14706.
D. (6) $122.50. E. (9) $1.50.

A. John W. Thomas, 1522 K Street NW. No. 828, Washington, D.C. 20005.
B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington D.C. 20005.
D. (6) $20.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Robert L. Thomas, National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Kathleen O'Flaherty Thompson, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Roger G. Thompson, Kentucky Power Co., 1701 Central Avenue Ashland, Ky., 41101.
B. Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.
D. (6) $3,000. E. (9) $31.07.

A. Gil Thurm, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Street, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $262.33.

A. Cyrus C. Tichenor III, 1050 17th Street NW., Washington, D.C. 20036.
B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.
D. (6) $6,000. E. (9) $7,830.31.

A. Wallace F. Tillman, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $170.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $200.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $563.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $425.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Baxter Travenol Laboratories, Inc., 1 Baxter Parkway, Deerfield, Ill. 60015.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.
D. (6) $1,425.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $500.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.
D. (6) $400.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $175.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $300.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.
D. (6) $325.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $450.

A. Michael L. Tiner, Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $6,454.76. E. (9) $940.77.

A. Tobacco Associates, Inc., 1101 17th Street NW., Suite 912, Washington, D.C. 20036.
E. (9) $2,526.

A. James R. Tobin, Becton Dickinson & Co., Mack Centre Drive II, Paramus, N.J. 07652.
B. Becton Dickinson & Co., Mack Centre Drive II, Paramus, N.J. 07652.
D. (6) $2,000. E. (9) $200.

A. Mary A. Tobin, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $165.

A. David G. Todd, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $19.89.

A. William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.
B. Harris Corp., Melbourne, Fla. 32919.
E. (9) $61.

A. Howard A. Topel, 1000 Connecticut Avenue, Washington, D.C. 20036.
B. Mullin, Connor & Rhyne, 1000 Connecticut Avenue, Washington, D.C. 20036 (for Alberto de la Vega-Ripol, Flemingstrasse 46, 8000 Munich 81, West Germany.
D. (6) $8.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International.
D. (6) $32.25. E. (9) $171.20.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $6,750. E. (9) $1,579.10.

A. Paula C. Treat, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $375.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $250.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $4,250. E. (9) $78.

A. George G. Troutman, GE Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $400.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $972.17.

A. Bruce H. Turnbull, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $300. E. (9) $15.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Sheila Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,200. E. (9) $28.06.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,100.

A. Joan E. Twiggs, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. Jerry G. Udell, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $50.

A. Joseph Uehlein, Industrial Union Department, AFL–CIO 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,607.36. E. (9) $42.50.

A. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
E. (9) $3,750.

A. United Action for Animals Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,337.83. E. (9) $3,337.83.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $5,680.40.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $408.50.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $7,630.51.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
E. (9) $7,301.96.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $920. E. (9) $920.

A. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
E. (9) $82,003.25.

A. U.S. Maritime Committee, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $5,281.25. E. (9) $42,137.41.

A. United States and Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $32,000. E. (9) $27,967.03.

A. Lynn Kay Utzinger, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 22036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $44.

A. Jack J. Valenti, 1600 Eye Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 Eye Street NW., Washington, D.C. 20006.

A. Francis R. Valeo, 818 18th Street NW., Washington, D.C. 20006.
B. United Nations University, D.C. 1180 U.N., New York, N.Y.
D. (6) $4,500. E. (9) $1,339.11.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allstate Insurance, Allstate Plaza, Northbrook, Ill. 60062.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 Eye Street NW., Washington, D.C. 20006.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska.
D. (6) $1,020. E. (9) $126.75.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.
D. (6) $1,610. E. (9) $57.80.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Central & South West Corp., P.O. Box 1631, Wilmington, Del. 19899.
D. (6) $180. E. (9) $22.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Delaware & Hudson Railway Co., Albany, N.Y. 12207.
D. (6) $1,690. E. (9) $47.25.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.
D. (6) $170. E. (9) $64.85.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., P.O. Box 5568, 1776 Lincoln Street, Denver, Colo. 80217.
D. (6) $800. E. (9) $68.95.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton Beach, Fla. 33435.
D. (6) $135. E. (9) $3.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite 1, Santa Fe Springs, Calif. 90670.
D. (6) $405. E. (9) $19.10.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B.B., Homestead, Fla. 33030.
D. (6) $135. E. (9) $3.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C., 20036.
B. South West Winter Vegetable Growers Association, P.O. Box 1670, Immokalee, Fla. 33934.
D. (6) $135. E. (9) $2.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye Inc., Liberty Lane, Hampton, N.H. 03842.
D. (6) $650. E. (9) $24.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Yellowstone Park Co., Yellowstone National Park, Wyo. 82190.
E. (9) $5.

A. Lois W. Van Valkenburgh, 3512 Halcyon Drive, Alexandria, Va. 22305.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $238. E. (9) $42.05.

A. John A. Vance, Pacific Gas & Electric Co., 1050 17th Street NW., No. 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $113.55. E. (9) $1,433.92.

A. Richard F. Vander Veen, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. American Seating Co.
D. (6) $29,050. E. (9) $1,113.99.

A. Richard F. Vander Veen, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Consumers Power Co.
D. (6) $2,700.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Jerry T. Verkler, P.O. Box 2521, Houston, Tex. 77001.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

A. C. John Vermilye, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1000, Washington, D.C. 20036.
B. Hellenic Republic of Greece, 2221 Massachusetts Avenue NW., Washington, D.C. 20008.
D. (6) $10,319.04. E. (9) $374.91.

A. Verner, Liipfert, Bernhard & McPherson. 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Suite 1000, Washington, D.C. 20036.
B. Texas International Airlines, P.O. Box 12788, Houston, Tex. 77017.
D. (6) $2,206.25. E. (9) $169.58.

A. Richard E. Vernor, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036; (for Houston Natural Gas Corp.).
D. (6) $4,312.50. E. (9) $143.74.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036; (for Texas Eastern Transmission Corp.).
D. (6) $1,225.

A. Brenda R. Viehe-Naess, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $50. E. (9) $10.

A. R. Eric Vige', Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

A. Rudolph A. Vignone, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $2,500.

A. Walter D. Vinyard, Jr., American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,000. E. (9) $288.

A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092; c/o P. A. Hutchinson, Jr., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
E. (9) $250.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $3,680.35. E. (9) $143.09.

A. Vorys Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.
B. Ohio Medical Indemnity, 6740 North High Street, Worthington, Ohio 43085.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.
B. University of Hawaii at Manoa, College of Tropical Agriculture, Honolulu, Hawaii 96822.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $381.25. E. (9) $3.25.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $1,000. E. (9) $1,900.36.

A. Robert E. Waldron, c/o Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $488.75.

A. E. F. Waldrop, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $679.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allen Products Co., Inc., P.O. Box 2187, R. D. No. 3, Allentown, Pa. 18001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc., AMAX Center, Greenwich, Conn. 06830, et al.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, 1100 Connecticut Avenue NW., Room 310, Washington, D.C. 20036.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., Wilmington, Del. 19898.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fluor Engineers and Constructors, Inc., 3333 Michelson Drive, Irvine, Calif. 92730.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Washington, D.C. 20005.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hughes Airwest, San Francisco International Airport, San Francisco, Calif. 94128.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75215.
D. (6) $1,667.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Magma Power Co., 631 South Witmer Street, Los Angeles, California 90017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. McCulloch Oil Corp., 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Bankers Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., Owens-Illinois Building, P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Piedmont Airlines, Smith Reynolds Airport, Winston-Salem, N.C. 27102.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Proctor and Gamble, Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Kellogg, Division of Pullman, Inc., 1300 Three Greenway Plaza East, Houston, Tex. 77046.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $200.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide, 270 Park Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Oil Co., 461 South Boylston, Los Angeles, Calif., 90017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $200.

A. Warren W. Walkley, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street, NW., Washington, D.C. 20005.
D. (6) $12.

A. B. Duffy Wall, 1050 17th Street NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $93.40.

A. Don Wallace Associates, Inc., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. American Sugar Cane League of the U.S.A., Inc., 416 Whitney Building, New Orleans, La. 70130.
D. (6) $7,500 E. (9) $11,520.10.

A. Don Wallace Associates, Inc., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. American Textile Machinery Association, 1730 M Street NW., Suite 804, Washington, D.C. 20036.
D. (6) $1,800. E. (9) $2,236.34.

A. Don Wallace Associates, Inc., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. Cotton Warehouse Association of America, 1707 L Street NW., Suite 540, Washington, D.C. 20036.
D. (6) $9,375. E. (9) $10,110.01.

A. Linda Walker-Hill, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Charles S. Walsh, Fleischman & Walsh, 1725 N Street NW., Washington, D.C. 20036.
B. National Cable Television Association, 918 16th Street NW., Washington, D.C. 20006.

A. J. W. Walsh, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $350.

A. John F. Wanamaker, The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $1,177.

A. Jack Ware, American Petroleum Institute, 2101 L Street, Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street, Washington, D.C. 20037.
D. (6) $5,180. E. (9) $72.40.

A. Michael O. Ware, Continental Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.
D. (6) $800.

A. Peter F. Warker, TRW Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $2,101.94. E. (9) $2,773.58.

A. Michael G. Wasserman, 1200 Citizens and Southern National Bank Building, 35 Broad Street, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street, Washington, D.C. 20036.
D. (6) $5,250. E. (9) $540.46.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. George B. Watts, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20006.
D. (6) $300.

A. James L. Watts, 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 512 Washington Building, Washington, D.C. 20005.
D. (6) $3,400.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $1,110.84.

A. William H. Weatherspoon, N. C. Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Douglas M. Webb, 1899 L Street NW., 11th Floor, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $52.22.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Club Association, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $2,360.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Building, Tulsa, Okla.
D. (6) $2,700.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020; 1750 New York Avenue NW., Washington, D.C. 20006.
B. City of Northglen, Colo. 80234, 10701 Melody Drive, Suite 313.
D. (6) $5,000.

A. Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $967.29.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $1,657. E. (9) $473.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 57211.
D. (6) $146.08. E. (9) $245.57.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 317, Washington, D.C. 20036.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 317, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Dennis W. Weissman, 1725 DeSales Street NW., Suite 403, Washington, D.C. 20036.
B. American Society for Medical Technology, 1725 DeSales Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $1,350. E. (9) $150.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

A. William B. Welsh, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $12,716. E. (9) $98.22.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $10,500. E. (9) $993.75.

A. West Mexico Vegetable Distributors, Inc., P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Harry H. Westbay III, 1625 Eye Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42nd Street, New York, N.Y. 10017.
D. (6) $1,200. E. (9) $600.

A. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
E. (9) $182.70.

A. Harvey J. Wexler, Continental Airlines, Inc., 1050 17th Street NW., No. 1060, Washington, D.C. 20036.
B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.
D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,250. E. (9) $29.16.

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co. Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $11,212. E. (9) $10,184.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Presbyterian Hospital in the city of New York, 622 West 168th Street, New York, N.Y.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y. 10022.
D. (6) $300.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.
E. (9) $20.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $387.50.

A. Alton W. Whitehouse, Jr., 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Allegheny Airlines, National Airport, Washington, D.C. 20001.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. American Airlines, 633 3d Avenue, New York, N.Y. 10017.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Committee for a Uniform Investment Tax Credit, 1050 17th Street NW., Suite 1112, Washington, D.C. 20036.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 821, Chicago, Ill. 60606.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Eastern Air Lines, Miami International Airport, Miami, Fla. 33148.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Hughes Air West, San Francisco International Airport, San Francisco, Calif. 44128.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.

A. Wickham Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Piedmont Airlines, Smith Reynolds Airport, Winston Salem, N.C. 27102.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Ryder System, Inc., 3600 Northwest 82d Avenue, Miami, Fla. 33166.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Trans World Airlines, 605 Third Avenue, New York, N.Y. 10016.

A. Wickham, Craft & Cihlar, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. United Airlines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

A. Leonard M. Wickliffe, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. California Railroad Association, 1127 Eleventh Street, Suite 242, Sacramento, Calif. 95814.
D. (6) $11,000.01. E. (9) $6,370.35.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
D. (6) $650. E. (9) $203.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.
E. (9) $1,012.62.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $109.72.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J., 07645.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.
E. (9) $583.42.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.
E. (9) $13.44.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter-Day Saints, 10 East North Temple, Salt Lake City, Utah.
E. (9) $39.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 Elizabeth Street, Bethlehem, Pa.
E. (9) $147.48.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $147.45.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $64.52.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $375. E. (9) $9.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $4,251.50. E. (9) $60.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.
E. (9) $20.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $180.33.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C.
B. National Consumers League, 1026 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $325.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $80. E. (9) $82.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. CBS, Inc., 1800 M Street NW., Washington, D.C. 20036.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.
D. (6) $25,704.75. E. (9) $144.09.

A. Harry D. Williams, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Lee Williams, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,600.

A. Lucinda L. Williams, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $3,150.

A. Williams, Myers and Quiggle, 888 17th Street NW., Washington, D.C. 20006.
B. Church Alliance for Clarification of ERISA, c/o Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.
D. (6) $20,737.50 E. (9) $94.87.

A. Robert E. Williams, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $1,500.

A. Wade S. Williams, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $600.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $50. E. (9) $8.

A. Allen W. Wills, Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $3,000. E. (9) $50.

A. George S. Wills, 7914 Sherwood Road, Ruxton, Md. 21204.
B. Americans for Alaska, P.O. Box 50, Riderwood, Md. 21139.
E. (9) $118.25.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. The State of Alaska, Department of Revenue, Pouch SB, Juneau, Alaska 99981.
E. (9) $1,850.66.

A. Henry T. Wilson, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters and Allied Trades, AFL–CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $913.50.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark. 72335.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $5,200. E. (9) $2,943.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,375.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $711.97.

A. Mark E. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $3,800.

A. Karen T. J. Winterbottom, American Osteopathic Association, 1611 North Kent Street, Suite 803–A, Arlington, Va. 22209.
B. American Osteopathic Association, 1611 North Kent Street, Suite 803–A, Arlington, Va. 22209.
D. (6) $1,500. E. (9) $1,546.11.

A. Jane Wishner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,799.99.

A. Witkowski, Weiner, McCaffrey and Brodsky, 1750 K Street NW., Suite 1130, Washington, D.C. 20006.
B. Ad Hoc Mobile Home Finance Group, 1750 K Street NW., Suite 1130, Washington, D.C. 20006.
D. (6) $320.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Suite 501, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $1,408.48.

A. Erving Wolf, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Wolf Haldenstein Adler Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016.
B. Fallek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala.
D. (6) $1,445. E. (9) $668.29.

A. Kenneth Wollack, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $8,749.92.

A. Don Womack, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.
B. Texas Utilities Services Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $1,687. E. (9) $63.75.

A. Wilbur S. Wood, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Diane Woodruff, Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
B. Committee of Urban Program Universities, Suite 802, 11 Dupont Circle, Washington, D.C. 20036.
D. (6) $1,875.

A. M. Alan Woods, DGA Internatonal, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thompson-CSF (AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,000. E. (9) $210.

A. Paige Wooldridge, Box 1006, Bluefield, W. Va. 24701.
B. National Council of Coal Lessors, Inc., 1130 17th Street NW., Suite 230, Washington, D.C. 20036.
D. (6) $7,500.

A. Ronald L. Wooten, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C.

A. W. Robert Worley, 1546 Farnell Court, Apt. 3, Decatur, Ga. 30033.
B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30302.
D. (6) $3,261. E. (9) $2,846.65.

A. Edward E. Wright, 1819 H Street NW., Suite 1175, Washington, D.C. 20006.
B. G-4 Childrens' Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $331.25. E. (9) $3.14.

A. Franklin L. Wright, Jr., National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,250. E. (9) $78.80.

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $85.63.

A. Kenneth Young, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $11,844. E. (9) $89.15.

A. Pamela K. Young, National Association of Manufacturers, 7250 York Avenue South, No. 516, Edina, Minn. 55435.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $70.

A. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,100. E. (9) $562.98.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Donald Zahn, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $85. E. (9) $60.

A. Lynn Zakupowsky, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $250.

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610
D. (6) $3,870. E. (9) $373.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $250.

A. Paul G. Zurkowski, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.
B. Information Industry Association, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.
D. (6) $500.

A. Charles O. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $94.93.

A. Frances Zwenig, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,583.33.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the third calendar quarter of 1978 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.
2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Albert E. Abrahams, National Association of Realtors®, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors®, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $3,875. E. (9) $142.

A. Ad Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.
D. (6) $15,003.22. E. (9) $17,123.33.

A. Ad Hoc Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $876. E. (9) $2,091.45.

A. Air-Conditioning and Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $925.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Anne Genevieve Allen, Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
B. Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
D. (6) $118.70. E. (9) $302.66.

A. Marjorie D. Allen, Community Service Society, 105 East 22d Street, New York, N.Y. 10010.
B. Community Service Society, 105 East 22d Street, New York, N.Y. 10010.
D. (6) $54. E. (9) $110.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $9,738.40.

A. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C.
E. (9) $29,156.38.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $19,186.78. E. (9) $19,186.78.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $29,976. E. (9) $41,683.36.

A. The American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $7,600. E. (9) $3,180.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $2,122.60. E. (9) $3,510.34.

A. American Optometric Association, % Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $300.71. E. (9) $300.71.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $2,626.54.

A. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $5,690.82. E. (9) $3,845.50.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $50,351.77.

A. Virginia Andary, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.
B. Catholics for a Free Choice, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.
D. (6) $2,287.78. E. (9) $42.63.

A. J. L. Anderson, Time Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.
D. (6) $2,500. E. (9) $280.18.

A. Scott G. Anderson, Burlington Northern Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,500. E. (9) $841.33.

A. Linda M. Anzalone, Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C.
E. (9) $25.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.
D. (6) $27,000. E. (9) $27.90.

A. Joseph Ashooh, 1957 E Street, NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77074.
B. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77074.
E. (9) $133.80.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.
D. (6) $1,755.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $5,195.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $175. E. (9) $507.

A. Atlantic Container Line, 80 Pine Street, New York, N.Y. 10005.
E. (9) $992.

A. Emil F. Baker, 1303 New Hampshire Avenue, NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue, NW., Washington, D.C. 20036.

A. Baker & McKenzie, 815 Connecticut Avenue N.W., Washington, D.C. 20006.
C. Cambridge Research and Development Group, 21 Bridge Square, Westport, Conn., 06880.

A. Baker & McKenzie, 815 Connecticut Avenue N.W., Washington, D.C. 20006.
B. Magnatex Corp., One Marienfeld Place, Midland, Tex. 79701.
D. (6) $3,900.50. E. (9) $36.72.

A. Robert D. Bannister, National Association of Home Builders, of the United States, 15th and M Streets N.W., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $10,781.46. E. (9) $1,631.81.

A. Thomas J. Barlow, 917 15th Street NW., Washington, D.C. 20005.
B. Natural Resources Defense Council, 917 15th Street NW., Washington, D.C. 20005.
D. (6) $166.41. E. (9) $6.

A. Eileen Barthelmy, The American League of Anglers, Inc., 810, 18th Street NW., Washington, D.C. 20006.
B. The American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $230.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C.
D. (6) $975. E. (9) $35.

A. Davis M. Batson, 1155 15th Street, N.W., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $1,000.

A. Richard H. Bauer, 1949 L Street N.W., 11th Floor, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002; Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $1,590.91.

A. John C. Bennison, 818 18th Street NW., Washington, D.C.
B. American Society of Travel Agents, 711 Fifth Avenue, New York, N.Y. 10022.

A. Nancy C. Benson, 1625 I Street, NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $54. E. (9) $28.55.

A. Randolph C. Berkeley, National Association for Uniformed Services, 6200 Lakeview Drive, Falls Church, Va. 22041.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $790.

A. Charles Bernhardt, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $255. E. (9) $2.50.

A. George K. Bernstein, 1730 K Street N.W., Washington, D.C. 20006.
B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $12,600. E. (9) $12,600.

A. Andrew J. Biemiller, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006 .
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,103. E. (9) $392.

A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago Ill. 60611.
D. (6) $416.67.

A. Robert Bird, 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $50.

A. Tom G. Black, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Helen Blank, American Parents Committee, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Parents Committee, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $14,300.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Association of Independent Corrugated Converters, 2530 Crawford Avenue, Evanston, Ill. 60201.
D. (6) $4,075.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $393.75. E. (9) $5.50.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. National Union Electric Corporation, 575 Adams Avenue, Philadelphia, Pa. 19120.
D. (6) $2,100. E. (9) $93.33

A. Blum, Parker & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.
D. (6) $700. E. (9) $5.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Blum, Parker & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.
D. (6) $10,200. E. (9) $545.42.

A. Bonsib, Inc., P.O. Box 1807, Washington, D.C. 20013.

A. Thomas C. Borzilleri, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $290.77.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 Fifteenth Street NW., Washington, D.C. 20005.
D. (6) $412.32. E. (9) $29.60.

A. A. D. Bourland, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $1,991.92.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Boyden, Kennedy, Romney & Howard, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. The Zuni Indian Tribe, Zuni, New Mex.
D. (6) $100.

A. Melvin J. Boyle, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,500.

A. Gene M. Bradley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $268. E. (9) $294.

A. S. Gail Bramblett, National Education Association, 1201 16th Street, NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,152.60. E. (9) $255.13.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20036.
D. (6) $800.

A. Bergman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Car Rental Association, 1201 K Street NW., Washington, D.C.
D. (6) $1,500.

A. Bergman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $300.

A. Bergman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

A. Bergman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Truck Renting & Leasing Association, 1201 K Street NW., Washington, D.C.
D. (6) $900.

A. Bergman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C.
D. (6) $500.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.
B. Cities Service Co., Box 100, Miami, Ariz. 85539.
E. (9) $265.87.

A. Donald K. Brown, 1127 11th Street, Suite 616, Sacramento, Calif 95814.
B. Summa Corp., P.O. Box 14000, Las Vegas, Nev. 89156.

A. Howard Brown, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $874.67.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passaic Avenue, Fairfield, N.J. 07006.
A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Sciences, 9200 Leesburg Turnpike, Vienna, Va. 22180.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. Quentin L. Burgess, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $227.63. E. (9) $14.35.

A. Duane V. Burke, P.O. Box 1724, Rockville, Md. 20850.
B. National Association of State Lotteries, 1290 Silas Deane Highway, Wethersfield, Conn. 06109.
D. (6) $1,800. E. (9) $1,379.21.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $14.

A. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C.
D. (6) $2,600.91. E. (9) $840.51.

A. David G. Burney, United States Tuna Foundation, 2040 Harbor Island Drive, No. 208, San Diego, Calif. 92101.
B. United States Tuna Foundation, 2040 Harbor Island Drive, No. 208, San Diego, Calif. 92101.
D. (6) $6,000. E. (9) $3,000.

A. Gerrie Bjornson Burns, 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $100.

A. B. Kent Burton, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) 607.50.

A. James R. Calloway, Suite 500, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $13,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154; Eagle Signal Corp., 8004 Cameron Road, Austin, Tex. 78753; Safetran Systems Corp., 7721 National Turnpike, Louisville, Ky. 40214.
D. (6) $5,625.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal Corp, et al.
D. (6) $5,499.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $238.61.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Association of American Publishers, Mass Market Paperback Book Division, One Park Avenue, New York, N.Y. 10016.
D. (6) $24,033. E. (9) $35.55.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,235.60. E. (9) $199.50.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $200.

A. Eugene I. Casraise, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $7,778.47. E. (9) $575.45.

A. Catholics for a Free Choice, 201 Massachusetts Avenue NE., No. 105, Washington, D.C. 20002.
D. (6) $2,732.50. E. (9) $4,061.64.

A. R. S. Chamberlin, Dow Chemical, U.S.A., 1800 M Street NW., Suite 700, South Lobby, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $1,150. E. (9) $910.

A. Steven M. Champlin, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Vietnam Veterans, Inc., Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,875.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Ave. NW., Washington, D.C. 20036.
D. (6) $115.21. E. (9) $115.21.

A. Julia Churchman, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
D. (6) $1,485.84. E. (9) $7.52.

A. James Ciarrocki, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $912.50. E. (9) $305.94.

A. Citronelle-Mobile Gathering, Inc., 717 First Southern Federal Tower, Mobile, Ala. 36616.
E. (9) $3,944.45.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Anne Harrison Clark, Population Resource Center, 110 Maryland Avenue NE., Room 208, Washington, D.C. 20002.
B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.
D. (6) $357. E. (9) $188.

A. Charles M. Clusen, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $6,500. E. (9) $77.90.

A. Coalition for New York, Inc., 230 Park Avenue, New York, N.Y. 10017.
D. (6) $750. E. (9) $750.

A. Coan & Couture, 1707 L Street NW., Suite 446, Washington, D.C.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C.
D. (6) $8,769. E. (9) $1,329.96.

A. Coan & Couture, 1707 L Street NW., Suite 446, Washington, D.C.
B. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C.
D. (6) $1,287. E. (9) $300.20.

A. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
E. (9) $609.49.

A. Timothy A. Colcord, Visa U.S.A. Inc., 1620 I Street NW., Washington, D.C. 20006.
B. Visa U.S.A. Inc., P.O. Box 8999, San Francisco, Calif. 94128.
D. (6) $6,875. E. (9) $2,725.89.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $7,800. E. (9) $2,182.96.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Ad Hoc Committee for a Fair Natural Gas Policy, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
E. (9) $18.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., No. 308, Washington, D.C. 20007.
B. Tanners' Council of America, Inc., 411 Fifth Avenue, New York, N.Y. 10016.
D. (6) $267.94. E. (9) $47.54.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
D. (6) $6,500. E. (9) $9,214.48.

A. David R. Conrad, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,600.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
E. (9) $20,447.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Allegheny Airlines, Washington National Airport, Washington, D.C. 20001.
D. (6) $4,500. E. (9) $84.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Business & Professional Women's Clubs, Inc., 2011 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $5.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $4,250. E. (9) $47.37.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D C. 20006.
B. Food Distributors Task Force, 1750 K Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $9,325. E. (9) $104.56.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Saint George Tanaq Corp., c/o Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.
D. (6) $2,507.50.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $3,750. E. (9) $40.26.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $7,546. E. (9) $63.55.

A. Charles E. Cooke, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $175. E. (9) $50.

A. Edward Cooney, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $1,004.54.

A. Janet Cooper, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Glen S. Corso, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,625. E. (9) $424.82.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $5,930.

A. Clark R. Cossé, III, 5644 Hawthorne Place, New Orleans, La. 70124.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $6,650. E. (9) $2,182.97.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
E. (9) $4,552.14.

A. Eric Cox, 3133 Connecticut Avenue NW., Washington, D.C. 20008.
B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $566.66.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $2,896.39.

A. William J. Cox, National Committee for a Human Life Amendment, 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $7,917.48. E. (9) $1,484.31.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C 20006.
D. (6) $4,000. E. (9) $200.

A. Joseph M. Cribben, 6900 Valley Brook Drive, Falls Church, Va. 22042.
B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $1,750. E. (9) $30.

A. James H. Cromwell, Sr., 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $200.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $6,300.

A. Douglas A. Crowley, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James M. Cubie, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $6,250.02.

A. Barry M. Cullen, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $100.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $550. E. (9) $1,806.

A. Robert J. Cushman, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $3,254.34. E. (9) $633.68.

A. Jay B. Cutler, American Psychiatric Association, Suite 802, 2033 M Street NW., Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $3,278. E. (9) $836.16.

A. Eugene B. Dalton, 1600 South Eads Street, Apt. 1010 N., Arlington, Va. 22202.
B. National League of Postmasters, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
E. (9) $393.89.

A. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.
E. (9) $250.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. American Jmporters Association, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $3,000. E. (9) $234.13.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $250.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $5,625.

A. Dennis N. Davis, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. P. M. Davison, Jr., North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.
B. North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.
E. (9) $1,087.74.

A. Dealer Bank Association, 1800 K Street NW., Suite 1014, Washington, D.C. 20006.
E. (9) $8,906.43.

A. Debevoise & Liberman, Suite 700, 806 15th Street NW., Washington, D.C. 20005.
B. Aetna Life & Casualty, 151 Farmington Avenue, Hartford, Conn. 06156.
D. (6) $3,400.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $550. E. (9) $53.01.

A. Ray Denison, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $10,348. E. (9) $540.20.

A. Daniel B. Denning, 1025 Connecticut Avenue NW, No. 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $625. E. (9) $86.50.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Jefferson/Young & Associates, 1600 Kapiolani Boulevard, Honolulu, Hawaii 96814.
E. (9) $508.48.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $33,000. E. (9) $27,541.02.

A. Discover America Travel Organizations, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $14,954. E. (9) $14,954.

A. Cushing N. Dolbeare, 215 Eighth Street NE., Washington, D.C. 20002.
B. Ad Hoc Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $1,500. E. (9) $497.73.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $6,695. E. (9) $3,986.05.

A. William DuChessi, 815 16th Street NW., Washington, D.C.
B. Amalgamated Clothing & Textile Workers Union, 99 University Place, New York, N.Y. 10003.
D. (6) $4,717.31. E. (9) $100.

A. Jeffrey M. Duke, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $100.

A. William E. Dutcher, Independent Gas Producers Committee, 2601 Northwest Expressway, Suite 300, Oklahoma City, Okla. 73112.
B. Independent Gas Producers Committee, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
D. (6) $7,021.20 E. (9) $4,433.87.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $2,478.59

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $170.52

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $578. E. (9) $30.

A. Kimberly A. Elliott, 444 North Capitol Street NW., Suite 409, Washington, D.C.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Washington, D.C. 20006.
D. (6) $3,260. E. (9) $300.

A. John Ellis, 1057 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Robert J. Enclehart, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Cecilia D. Esquer, 200 State Capitol, 1700 West Washington, Phoenix, Ariz. 85007.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $60. E. (9) $53.04.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $155.59.

A. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $1,000.

A. Robbie Exlev, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.
E. (9) $32,140.33.

A. Joseph D. Feeney, 222 South Riverside Plaza, Chicago, Ill. 60606.
B. Western Railroad Association, 222 South Riverside Plaza, Suite 1200, Chicago, Ill. 60606.
D. (6) $416.66.

A. Stuart F. Feldman, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Vietnam Veterans, Inc., Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $2,442.99.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $6,000. E. (9) $908.41.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $3,000. E. (9) $630.48.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,481. E. (9) $40.10.

A. Theodora Fine, American Psychiatric Association, Suite 802, 2033 M Street NW., Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street, NW., Washington, D.C. 20009.
D. (6) $1,438. E. (9) $644.67.

A. Laurie A. Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $289.42. E. (9) 154.75.

A. First Pro-Life Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I.
D. (6) $500. E. (9) $684.39.

A. Mark Fitzgerald, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $4,687.56. E. (9) $1,440.96.

A. Mary Clare Fitzgerald, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $403.80. E. (9) $439.20.

A. James H. Fitzpatrick, Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y.
D. (6) $170. E. (9) $133.97.

A. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $23,375. E. (9) $12,189.53.

A. David H. Foster, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,775.01. E. (9) $367.32.

A. J. Dee Frankfourth, P.O. Box 403, Eagle River, Alaska 99577.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003; Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $437.46.

A. Frank C. Frantz, 3917 Livingston Street NW., Washington, D.C. 20015.
B. Greater Southeast Community Hospital, 1310 Southern Avenue SE., Washington, D.C. 20032.
D. (6) $3,750.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $8,305.89.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $4,199. E. (9) $392.57.

A. Burton D. Fretz, 806 15th Street NW., Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $3,404.94. E. (9) $10.40.

A. Gregory Friberg, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders & Contractors, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $3,750. E. (9) $225.

A. Fried, Frank, Harris, Shriver & Kampelman, Suite 1000, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.
E. (9) $18.20.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $5,500.54.

A. Marie Louise Friendly, Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
D. (6) $442.34. E. (9) $99.27.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $55,723. E. (9) $63,385.

A. Sharon Frink, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $213.

A. Full Employment Action Council, 815 15th Street NW., Washington, D.C. 20005.
D. (6) $21,345.59. E. (9) $31,881.15.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $1,550.

A. Terry D. Garcia, New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washintgon, D.C. 20002.
D. (6) $4,445.15.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Hospital Assocation, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,031.53. E. (6) $171.

A. Thomas G. Geller, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Nation Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Irving Geller, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Claire M. Geoghegan, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $7,942.34.

A. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
E. (9) $12,269.87.

A. Norma J. Gilbert, 1776 K Street NW., Suit 200, Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C 20006.
D. (6) $1,200. E. (9) $101.83.

A. Michael Gildea, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,433.50.

A. Ginsburg, Feldman and Bress, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. P. & O. Falco, Inc., Shreveport, La.; True Oil Purchasing Co., Casper, Wyo.; Western Crude Oil, Inc., Denver, Colo.

A. Vernie R. Glasson, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Toughy Avenue, Park Ridge, Ill.
D. (6) $3,875.

A. Robert Glavin, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $747.89.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $1,300.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $6,241.41. E. (9) $995.12.

A. Bruce G. Goodman, 115 Fourth Avenue, Needham Heights, Mass. 02194.
B. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.
D. (6) $100. E. (9) $150.

A. Sara Gordon, Bill Newbold and Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Bill Newbold and Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,000.

A. John K. Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $2,127. E. (9) $627.

A. Ruth P. Graves, RIF, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
B. Reading Is Fundamental, 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,989.80. E. (9) $525.04.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,067.28. E. (9) $51.84.

A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
B. Family Health Program, 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.
D. (6) $2,625. E. (9) $244.15.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $32,601.32. E. (9) $32,601.32.

A. Gun Owners of America, Inc., 101 South Whiting Street, Alexandria, Va. 22304.
D. (6) $4,290. E. (9) $28,330.27.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $430.77. E. (9) $155.10.

A. Charles T. Hagel, Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $3,750. E. (9) $360.

A. Harry L. Hall, National Multiple Sclerosis Society, 6845 Elm Street, McLean, Va. 22101.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,750.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries, Ltd., Belize City, Belize.
E. (9) $142.50.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.
D. (6) $12,229.04. E. (9) $726.81.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $6,013.06. E. (9) $12.98.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
D. (6) $8,750. E. (9) $2,178.40.

A. Thomas A. Hammer, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,077. E. (9) $10.

A. Jerry M. Hamovit, c/o Melrod, Redman & Gartlan, 1801 K Street NW., Washington, D.C. 20006.
B. Lehman Bros., Kuhn, Loeb, Inc., 1 William Street, New York, N.Y. 10005.
E. (9) $28.

A. Kay Harrold, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $210.

A. Rita M. Harts, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $966.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,615.37. E. (9) $136.05.

A. Lewis B. Hastings, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $500. E. (9) $100.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 S. Michigan Avenue, Chicago, Ill.

A. Bruce R. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,500. E. (9) $15.50.

A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.
D. (6) $935.10. E. (9) $935.10.

A. William H. Hecht, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $1,590. E. (9) $670.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Cast Iron Pipe Research Association, Oak Brook, Ill.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Citizens for Management of Alaska Lands, Anchorage, Alaska.
D. (6) $6,000.

A. John Helm, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Daniel R. Helmick, 1625 I Street NW., Room 301, Washington, D.C. 20006.
B. Columbia Gas Distribution Cos., 99 North Front Street, Columbus, Ohio 43215.
D. (6) $7,125. E. (9) $127.39.

A. C. Dayle Henington, Chicago Mercantile Exchange, 1101 Connecticut Avenue, Suite 801, Washington, D.C. 20036.
B. Chicago Mercantile Exchange, 444 West Jackson Boulevard, Chicago, Ill. 60606.
D. (6) $2,000. E. (9) $1,050.

A. Thomas M. Hennessy, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $4,254. E. (9) $859.49.

A. Jack E. Herington, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $500.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Frank E. Basil, Inc. of Delaware, 1101 15th Street NW., Suite 507, Washington, D.C. 20005.
D. (6) $2,463.50.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Investment Counsel Association of America, c/o John L. Casey, Esq., Scudder, Stevens & Clark, 345 Park Avenue, New York, N.Y. 10022.
D. (6) $10,434.45. E. (9) $2,220.83.

A. Dave Hill, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,500. E. (9) $81.34.

A. Arthur F. Hintze, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.
B. Vought Corp., P.O. Box 5907, Dallas, Tex.
D. (6) $4,500. E. (9) $5,500.54.

A. Robert Hitzhusen, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

A. Sheila K. Hixson, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Hogan & Hartson, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Cravens Wanlass Corp., 1442 Irvine Boulevard, Suite 101, Tustin, Calif. 92680.
D. (6) $1,645. E. (9) $70.25.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Holt International Children's Services, Inc., Holt Adoption Program, Inc., P.O. Box 2420, Eugene, Oreg. 97402.
E. (9) $100.

A. Michael L. Horn, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

A. Douglass C. Horstman, 1612 K Street NW., Suite 906, Washington, D.C. 20006.
B. Maytag Co., Newton, Iowa 50208.
D. (6) $660. E. (9) $227.77.

A. Douglass C. Horstman, 1612 K Street NW., Suite 906, Washington, D.C. 20006.
B. Northern Textile Association, 211 Congress Street, Boston, Mass. 02110.
D. (6) $660. E. (9) $227.77.

A. John F. Horty, National Council of Community Hospitals, 815 Connecticut Avenue, Suite 206, Washington, D.C. 20006.
B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Suite 206, Washington, D.C. 20006.
E. (9) $611.90.

A. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y.
D. (6) $2,065.95. E. (9) $2,065.95.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20060.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20060.
D. (6) $726.84. E. (9) $58.20.

A. Thomas Howarth, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $4,625. E. (9) $90.55.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,211.75.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $782.11. E. (9) $149.76.

A. Gregory A. Humphrey, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $8,188.50. E. (9) $201.90.

A. David J. Humphreys, Paulson & Humphreys, 5272 River Road, Suite 400, Washington, D.C. 20016.
B. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
D. (6) $19,800.

A. Lawrence H. Hunt, Jr., Sidley & Austin, 1 First National Plaza, Chicago, Ill. 60603.
B. Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, Ill. 60603; Conti-Commodity Services, Inc., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $6,088. E. (9) $314.49.

A. Joan L. Huntley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $126. E. (9) $32.85.

A. Raymond D. Hurley, 1828 L Street NW., Suite 405, Washington, D.C. 20036.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $250.

A. Independent Gas Producers Committee, Suite 300, 2601 Northwest Expressway, Oklahoma City, Okla. 73112.
E. (9) $18,053.43.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Institute of Foreign Bankers, c/o Mrs. Elizabeth Tobon, 200 Park Avenue, Suite 303, Room 23, New York, N.Y. 10017.
D. (6) $2,238.32.

A. Interlake, Inc., 2015 Spring Road, Oak Brook, Ill. 60521.
E. (9) $11,745.33.

A. International Service Corp., 1776 K Street NW., Suite 605, Washington, D.C. 20006.
B. U.S. Merchant Marine Academy Alumni Association, Inc., Kings Point, L.I., N.Y. 11024.
D. (6) $1,250. E. (9) $1,250.

A. Investment Annuities Institute, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,055.

A. John D. Isaac, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,287.24. E. (9) $264.90.

A. David L. Ivey, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Herbert N. Jasper, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.
D. (6) $16,576.96.

A. Linda Jenckes, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
D. (6) $207. E. (9) $5.70.

A. Bruce T. Johnson, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $4,206. E. (9) $4,910.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.
A. Stuart H. Johnson, Jr., 910 17th Street NW., Washington, D.C. 20006.
B. New York Dock Railway, 334 Furman Street, Brooklyn, N.Y.
E. (9) $1.67.

A. Stuart H. Johnson, Jr., 910 17th Street NW., Washington, D.C. 20006.
B. U.S. Lines, One Broadway, New York, N.Y. 10004.
E. (9) $1.67.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $237.38.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Jeffrey H. Joseph, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Thomas M. Joyce, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10036.
E. (9) $18,137.64.

A. Robert E. Juliano, Hotel and Restaurant Employees and Bartenders International Union, 1666 K Street NW., Washington, D.C. 20006.
B. Hotel and Restaurant Employees and Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.
D. (6) $9,999.96. E. (9) $1,345.60.

A. Gary Paul Kane, National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.
D. (6) $6,562.49. E. (9) $549.30.

A. W. Thomas Kelly, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Investment Annuities Institute, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $7,746.95.

A. Daniel J. Kerrigan, Atlantic Container Line, 80 Pine Street, New York, N.Y. 10005.
B. Atlantic Container Line, 80 Pine Street, New York, N.Y. 10005.
D. (6) $240. E. (9) $317.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $360. E. (9) $279.96.

A. Roberta D. Kimball, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
D. (6) $7,100. E. (9) $1,617.32.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 22036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $278.34.

A. Sally Ann Kirkpatrick, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
D. (6) $4,896. E. (9) $1,679.24.

A. Jeff Kirsch, Food Research and Action Center, 2011 Eye Street NW., Suite No. 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 Eye Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $236. E. (9) $0.80.

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 46378.
D. (6) $7,000. E. (9) $1,500.

A. Keith LeVern Kline, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $500.

A. John S. Knox, Jr., 166 16th Street N.W., Atlanta, Ga. 30318.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
D. (6) $304.

A. Koch Refining Co., P.O. Box 2302, Wichita, Kans. 67201.

A. Ann Kolker, National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.
B. National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.
D. (6) $2,043.10.

A. Edward DeW. Kratovil, American Can Co., American Lane, Greenwich, Conn. 06830.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $141.32.

A. Joseph A. Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,126.33. E. (9) $31.47.

A. Dan Kuykendall, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
D. (6) $14,000. E. (9) $1,492.41.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800 Washington, D.C. 20036.
B. Chicago Mercantile Exchange, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
D. (6) $600.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. National Potato Council, Montebello Building, 45th and Peoria, Denver, Colo. 80239.
D. (6) $500. E. (9) $146.03.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. J. Stephen Larkin, International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $54.85.

A. Robert B. Laurents, National Association for Uniformed Services, 7205 Reservoir Road, Springfield, Va. 22150.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,475.

A. Alice V. Leaderman, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $900. E. (9) $48.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,235.60. E. (9) $191.95.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Bulova Watch Co., Inc., Bulova Park, Flushing, N.Y. 11370.
E. (9) $21.32.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Commonwealth Edison Co., 1 First National Plaza, Chicago, Ill.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $1,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 240, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. David Levine, Sierra Club, 545 East Fourth Avenue, No. 5, Anchorage, Alaska 99501.
B. Sierra Club, 545 East Fourth Avenue, No. 5, Anchorage, Alaska 99501.
D. (6) $3,000. E. (9) $150.

A. Roger N. Levy, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y.
E. (9) $18,137.64.

A. Liberty Lobby, Inc., 130 3rd Street SE., Washington, D.C. 20003.
D. (6) $65,765.78. E. (9) $73,841.61.

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $1,200.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $1,419.34.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.
D. (6) $312.28.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.
D. (6) $693.94.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.
D. (6) $936.37.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Superior Water, Light & Power Co., 1230 Tower Avenue, Superior, Wis. 54880.
D. (6) $187.72.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.
D. (6) $3,038.23. E. (9) $11.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Power & Light Co., Madison, Wis. 53701.
D. (6) $1,300.32.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.
D. (6) $1,256.86.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $4,925. E. (9) $28.19.

A. Pamela Lippe, Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,396.25.

A. F. P. Longeway, Jr., National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $379.05.

A. James P. Low, American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $891.64.

A. C. Lance Lujan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,235.60. E. (9) $125.

A. Douglas E. MacArthur, Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.
B. Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $2,004. E. (9) $3,236.70.

A. Leonard W. Mall, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. Chalmers Marquis, 3430 Blair Road, Falls Church, Va. 22041.
B. Agency for Instructional Television, Box A, Bloomington, Ind. 47401.
D. (6) $1,700. E. (9) $78.10.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $676.31. E. (9) $20.55.

A. Charles D. Matthews, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
B. National Ocean Industries Association, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
D. (6) $1,277. E. (9) $157.71.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco, Inc., 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $480.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $540. E. (9) $11.77.

A. Nancy Fifield McConnell, American Parents Committee, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,700.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 819 Railway Labor Building, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60 E. (9) $85.20.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C.
B. Balcor Co., 10024 Skokie Boulevard, Skokie, Ill. 60077.
D. (6) $900.

A. Francis O. McDermott, 1750 K Street NW, Suite 1110, Washington, D.C. 20006.
B. Big Prairie Farms, Inc., c/o J. J. White, 100 State Street, Beardstown, Ill. 62618.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.
E. (9) $6.46.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. JMB Realty Corp., 875 North Michigan Avenue, Suite 3804, Chicago, Ill. 60611.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,060.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $3,450.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
E. (9) $245.59.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $1,400.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trustees Under Will of Warren Wright, c/o First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60603.

A. Stanley J. McFarland, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $6,525. E. (9) $134.95.

A. Robert M. McGlotten, AFL–CIO, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,571.50 E. (9) $1,050.05.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organzations, 815 16th Street NW., Washington, D.C.
D. (6) $10,348. E. (9) $405.97.

A. John J. McHale, Jr., 1817 Biltmore Street NW., Apt. A, Washington, D.C. 20009.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,500.

A. Walter McHugh, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $633.34. E. (9) 106.18.

A. Phil A. McKeaney, American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, 11 DuPont Circle NW., Washington, D.C. 20036.
D. (6) $6,094.98.

A. Paula V. McMartin, Physicians National Housestaff Association, 1029 Vermont Avenue NW., Washington, D.C. 20005.
B. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $1,400.

A. Mrs. Robert S. McNamara, c/o RIF, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
B. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.

A. Ronald E. McWilliams, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $181.78. E. (9) $6,571.02.

A. George G. Mead, American Trucking Associations, Inc., 1616 P. Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $42.48.

A. Carl J. Megel, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $8,135. E. (9) $59.40.

A. Kenneth A. Meiklejohn, 815 16 Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,348. E. (9) $765.75.

A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $8,803. E. (9) $141.05.

A. Men for ERA, 200 Park Avenue, Suite 303 East, New York, N.Y. 10017.
D. (6) $5,505. E. (9) $3,858.14.

A. Faye L. Mench, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $181.73. E. (9) $184.49.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
E. (9) $28.58.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $3,009.

A. Ralph J. Merigliano, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,797.53.

A. Charles L. Merin, National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $950.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $6,250. E. (9) $93.25.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Dirilyte Co. of America, Inc., 320 West Jefferson Road, Kokomo, Ind.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Holly Corp., 3327 2007 Bryan Tower, Dallas, Tex. 75201.
D. (6) $6,250. E. (9) $374.54.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Klineman Associates, Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $271.49.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $8,333. E. (9) $196.31.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20006.
D. (6) $2,150. E. (9) $22.80.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. John Tudor, 18 East 53d Street, New York, N.Y. 10022.
D. (6) $2,000. E. (9) $264.39.

A. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
E. (9) $6,931.14.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DECQ Committee, P.O. Box 5551, Beverly Hills, Calif. 90210.
D. (6) $23,062.52. E. (9) $969.24.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lockheed Corp., Burbank, Calif. 91520.
D. (6) $4,115.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Medical Area Service Corp., c/o Michael Brewer, Holyoke Center, Cambridge, Mass. 02138.
D. (6) $275. E. (9) $66.75.

A. Clinton R. Miller, National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
D. (6) $209. E. (9) $432.

A. Deborah Imle Miller, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $1,875. E. (9) $268.65.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20035.
D. (6) $4,500. E. (9) $845.50.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $3,000. E. (9) $855.50.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.
D. (6) $3,750. E. (9) $610.50.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. O & C Counties Association, Box 1530, Route 3, Roseburg, Oreg. 97470.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland Oreg. 97208.
D. (6) $1,200.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street, Washington, D.C. 20001.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oreg. 97205.
D. (6) $3,000. E. (9) $485.

A. Kirk Miller, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,375. E. (9) $45.10.

A. Linda F. Mills, 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

A. Marian E. Moe, 821 15th Street NW., Suite 638, Washington, D.C. 20005.
B. Center on Social Welfare Policy and Law, 821 15th Street NW., Washington, D.C. 20005.
D. (6) $2,125. E. (9) $80.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. April D. Moore, 1867 California Street NW., Washington, D.C. 20009.
B. National Consumers League, 1028 Connecticut Avenue NW., No. 522, Washington, D.C. 20036.

A. L. Calvin Moore Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $3,575.

A. Moore McCormack Resources, Inc., 1 Landmark Square, Stamford, Conn.
E. (9) $1,530.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $588. E. (9) $38.11.

A. Sol Mosher, Crown Zollerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.
B. Crown Zollerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. District of Columbia Federation of Musicians Local 161–710, 5020 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. KUTV, Inc., 179 Social Hall Avenue, Salt Lake City, Utah 84111.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Ogden Standard-Examiner, P.O. Box 951, Ogden, Utah 84402.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Steering Council for Alaska Lands, 1016 West Sixth Avenue, Suite B, Anchorage, Alaska 99501.
D. (6) $350. E. (9) $4.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Sunsat Energy Council, Watergate 600, Suite 480, Washington, D.C. 20037.
D. (6) $50.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Thiokol Corp., P.O. Box 1000, Newtown, Pa. 18940.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. United Parcel Service of America, Inc., Greenwich Office Park 5, Greenwich, Conn. 06830.
D. (6) $5,600.

A. Moss, Frink & Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. Utah Power & Light Co., 1407 West North Temple Street, Salt Lake City, Utah 84101.

A. Daniel Patrick Murphy II, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., No. 610, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., No. 610, Washington, D.C. 20036.
D. (6) $400. E. (9) $43.73.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Association of Independent Corrugated Converters, 2530 Crawford Avenue, Evanston, Ill. 60201.
D. (6) $4,075.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer and Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $393.75. E. (9) $5.50.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. National Union Electric Corp., 575 Adams Avenue, Philadelphia, Pa. 19120.
D. (6) $2,100. E. (9) $93.33.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.
D. (6) $10,200. E. (9) $545.42.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $194,575.25. E. (9) $13,745.70.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,074.82. E. (9) $1,218.74.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $24,312. E. (9) $24,699.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $40,183.60. E. (9) $7,115.28.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $241,214.66. E. (9) $111,663.82.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D C. 20001.
D. (6) $1,646,154.57. E. (9) $90,985.55.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $5,833.77. E. (9) $5,833.77.

A. National Association of State Lotteries, 1290 Silas Deane Highway, Wethersfield, Conn. 06109.
D. (6) $1,800. E. (9) $3,179.21.

A. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $11,111.06. E. (9) $11,111.06.

A. National Citizens Communications Lobby, P.O. Box 19101, Washington, D.C.
D. (6) $1,250. E. (9) $706.40.

A. National Coalition to Ban Handguns, Inc., 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $160,866.50. E. (9) $124,990.21.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $20,391. E. (9) $17,651.98.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. American Paratransit Institute, Inc., 1747 Pennsylvania Avenue, Suite 1000, Washington, D.C. 20006.
D. (6) $6,900. E. (9) $511.96.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Association of Independent Medical Equipment Suppliers, 3164 Oakcliff Industrial Street, Doraville, Ga. 30340.
D. (6) $9,200. E. (9) $932.99.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Belco Petroleum Corp., 1 Dag Hammarskjold Plaza, New York, N.Y. 10017.
D. (6) $15,000.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Cenco Instruments, 2600 South Kostner Avenue, Chicago, Ill.
D. (6) $8,250.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Domestic Wildcatters Association, 900 First National Bank Building, Houston, Tex. 77002.
D. (6) $6,000. E. (9) $243.37.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. International Rectifier, 9220 Sunset Boulevard, Los Angeles, Calif. 90069.
D. (6) $7,500. E. (9) $234.57.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Southern Railway System, P.O. Box 1808, Washington, D.C. 20013.
D. (6) $7,150. E. (9) $368.58.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Trailways, Inc., 1500 Jackson Street, Dallas, Tex. 75201.
D. (6) $8,000. E. (9) $1,217.34.

A. The National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $475,007.44. E. (9) $4,271.30.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $16,813.14. E. (9) $16,813.14.

A. National Federation of Licensed Practical Nurses, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,785. E. (9) $1,785.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $116,332.89. E. (9) $19,180.89.

A. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.
D. (6) $65,588. E. (9) $111,860.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $3,877.52.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $5,000.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $75,140. E. (9) $55,640.

A. National School Transportation Association, 9001 West Braddock Road, Room 310, Springfield, Va. 22151.
D. (6) $547.19. E. (9) $547.19.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $5,192.99. E. (9) $5,776.43.

A. National Taxpayers Union, 153 E Street SE., Washington, D.C. 20003.
D. (6) $64,261.41. E. (9) $651.30.

A. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $40,750. E. (9) $8,716.87.

A. Nazario & Ortiz-Daliot, 1522 K Street NW., Suite 410, Washington, D.C. 20005.
B. The Puerto Rico Mayors Association, 1510 Ponce de Leon Avenue, Santurce, P.R. 00909.
E. (9) $110.25.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $250. E. (9) $70.

A. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20003.
D. (6) $50,601.94. E. (9) $8,717.34.

A. Harold Frank Newman, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $8,562.01. E. (9) $1,500.

A. Melissa A. Nielson, 1775 K Street NW., Washington, D.C. 20006.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $450. E. (9) $40.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Charles M. Noone, 490 L'Enfant Plaza East, No. 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Co's., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $199.11.

A. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
E. (9) $1,285.96.

A. Julia J. Norrell, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,437.49. E. (9) $1,593.52.

A. North American Telephone Association, 1030 15th Street NW., Washington, D.C. 20036.
D. (6) $39,720.33. E. (9) $39,720.33.

A. Hubert K. O'Bannon, 1532 34th Street NW., Washington, D.C. 20007.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,200.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3,400. E. (9) $362.07.

A. Therese S. Ogle, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $3,500.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,386. E. (9) $328.19.

A. John F. O'Neal, Law Offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.
B. Commodity Exchange, Inc., Four World Trade Center, Southeast Plaza Building, New York, N.Y. 10048.
D. (6) $6,450. E. (9) $1,635.28.

A. John F. O'Neal, Law Offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.
B. International Precious Metals Corp., 6451 North Federal Highway No. 1101, Ft. Lauderdale, Fla. 33308.
D. (6) $4,331.25. E. (9) $490.86.

A. Charles Orasin, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $2,800. E. (9) $5.

A. F. J. O'Rourke, Ad Hoc Committee of Concerned Parents, 75 Federal Street, Suite 600, Boston, Mass. 02110.
B. Ad Hoc Committee of Concerned Parents, P.O. Box 343, Lexington, Mass. 02173.
E. (9) $448.49.

A. Pacific Seafood Processors Association, 1600 South Jackson Street, Seattle, Wash. 98144.
E. (6) $2,350.44.

A. Gerard Paul Panaro, 6525 Belcrest Road, Hyattsville, Md. 20782.
B. Retail Bakers of America, 6525 Belcrest Road, Hyattsville, Md. 20782.
D. (6) $490. E. (9) $89.

A. Fred Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $500. E. (9) $330.

A. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $343.01. E. (9) $263.95.

A. Carl A. Parker, 449 Stadium Road, Port Arthur, Tex.
B. Government of Republic of Liberia, Monrovia, Liberia.
D. (6) $3,572.63.

A. Lynn Parker, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $2,321.84. E. (9) $23.50.

A. Howard G. Paster, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $13,115.96. E. (9) $558.09.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.

A. James M. Peirce, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,186.

A. Perito, Duerk & Carlson, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif. 94100.
E. (9) $3,718.

A. Perito, Duerk & Carlson, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. National District Attorneys Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $413.

A. Edmund J. Perret II, American Psychiatric Association, Suite 802, 2033 M Street NW., Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $913. E. (9) $649.90.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $5,333.37. E. (9) $2,527.27.

A. Geoffrey G. Peterson, American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
D. (6) $13,250. E. (9) $4,062.39.

A. Kenneth Peterson, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,348. E. (9) $200.21.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Suite 308, Washington, D.C. 20005.
E. (9) $1,400.

A. Paul E. Pierce, National Association of Truck Stop Operators, 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $3,129.

A. Grant C. Pinney, 113 Felspar, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 113 Felspar, Ridgecrest, Calif. 93555.

A. Ronald Pollack, Food Research and Action Center, 2011 I Street NW., Suite No. 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $3,270.03. E. (9) $37.90.

A. Nathaniel Polster, 2128 Wyoming Avenue NW., Washington, D.C. 20008.
B. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017; Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10021.
D. (6) $1,740. E. (9) $1,815.52.

A. Judith A. Pond, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. Population Resource Center, Inc., 622 Third Avenue, New York, N.Y. 10017.
D. (6) $917. E. (9) $475.

A. Garry C. Porter, 11356 Southeast Black Road, Olalla, Wash. 98359.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $328. E. (9) $88.

A. A. Frank Portmann III, Amax Coal Co., 105 South Meridian Street, Indianapolis, Ind. 46225.
B. Amax Coal Co., 105 South Meridian Street, Indianapolis, Ind. 46225.
D. (6) $2,250. E. (9) $310.

A. John Post, 1801 K Street NW., Suite 821, Washington, D.C. 20006.
B. The Business Roundtable, Lexington Avenue, New York, N.Y., and 1801 K Street NW., No. 821, Washington, D.C.
D. (6) $200. E. (9) $40.

A. Janet Power, VISA-U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.
B. VISA-U.S.A., Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $3,000.

A. Graydon E. Powers, Jr., Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $200.

A. Paul F. Preston, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,125. E. (9) $78.97.

A. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $27,975.90. E. (9) $7,944.75.

A. Purcell & Nelson, 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, No. 2222, New York, N.Y. 10017.

A. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $23,286.88. E. (9) $23,286.88.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.
D. (6) $6,000. E. (9) $2,700.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Suite 1206, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $650.

A. Magda Ratajski, Norfolk & Western Railway Co., P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $468. E. (9) $178.

A. J. Gene Raymond, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $724.

A. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
D. (6) $757,967.55.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $128,050. E. (9) $66,206.35.

A. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
E. (9) $19,800.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John H. Reed, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $7,500. E. (9) $300.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,805.05.

A. Don T. Reeves, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $3,522.

A. J. E. Reinke, 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.
E. (9) $605.

A. Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
E. (9) $712.52.

A. Reserve Officers Association of U.S., 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) $1,564.32. E. (9) $6,139.25.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,243.84. E. (9) $68.06.

A. Grace Ellen Rice, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,604. E. (9) $18.90.

A. Peter S. Ridley, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $525.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $1,875. E. (9) $67.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. Kenneth Roberson, 193 Stuart Road, Valley Stream, N.Y. 11581.
B. Meat Importers Council of America, Inc., 1 Penn Plaza, New York, N.Y. 10001.
D. (6) $112. E. (9) $335.34.

A. Howard W. Robison, 3903 Franklin Street, Kensington, Md. 20795.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $2,250.

A. Harry N. Rosenfield, 1735 DeSales Street NW., Washington, D.C. 20036.
B. American Chiropractic Association, 2200 Grand Avenue, Des Moines, Iowa 50312.
D. (6) $1,500. E. (9) $203.32.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
D. (6) $624.68. E. (9) $113.12.

A. Michael Sandifer, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $426.71.

A. Jennifer Sauve, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,046.88. E. (9) $483.78.

A. Henry Schacht, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
D. (6) $3,600. E. (9) $783.78.

A. Jerome D. Schaller, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $2,622.

A. Fred E. Schilireff, International Association of Fire Fighters, AFL–CIO, 1750 New York Avenue NW., Third Floor, Washington, D.C. 20006.
B. International Association of Fire Fighters, AFL–CIO, 1750 New York Avenue NW., Third Floor, Washington, D.C. 20006.
D. (6) $973.36.

A. Allan D. Schimmel, 639 South Carolina Avenue SW., Washington, D.C. 20024.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $3,625.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Roger Schwartz, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $270.45.

A. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $5,646.83. E. (9) $5,646.83.

A. Donald A. Scott, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John W. Scott, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,875.

A. Seatrain Lines, Inc., One Chase, Manhattan Plaza, New York, N.Y. 10005.
E. (9) $750.

A. Andrea I. Semmes, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Seven Months Session for Congress, 7201 Wood Hollow Drive, No. 337, Austin, Tex. 78731.
E. (9) $400.

A. Shea, Gould, Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Belco Petroleum Corp., One Dag Hammarskjold Plaza, New York, N.Y.
D. (6) $1,920. E. (9) $354.03.

A. Shea, Gould, Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Committee for a Uniform Investment Tax Credit, 1050 17th Street NW., Suite 1112, Washington, D.C. 20036.
D. (6) $2,160. E. (9) $495.43.

A. Shea, Gould, Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $640. E. (9) $128.75.

A. John P. Sheffey, National Association for Uniformed Services, 956 North Monroe Streeet, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,125.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, V. 22209.

A. Mark S. Sigurski, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $410.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers, Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Champion International Corp., One Landmark Square, Stamford, Conn. 06921.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.
E. (9) $35.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam Willemstad, Curacao, Netherlands Antilles.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.

B. Music Corp. of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.
E. (9) $70.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Savings & Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Ogden Transportation Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce and Industry, Apartado 5181, Caracas 101, Venezuela.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $1,800. E. (9) $81.80.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. American Horse Council, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $5,500. E. (9) $993.07.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.
D. (6) $3,750. E. (9) $78.85.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. The Arthritis Foundation, 422 C Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $4.15.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. Burlington Northern, 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,500. E. (9) $44.22.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. National Hockey League, Two Pennsylvania Plaza, New York, N.Y. 10001.
D. (6) $8,500. E. (9) $583.30.

A. Smathers, Symington & Herlong, 1700 K Street NW., No. 400, Washington, D.C. 20006.
B. Pennzoil Co., Houston, Tex. 77001.
D. (6) $6,000. E. (9) $14.05.

A. John G. Smillie, 900 17th Street NW., Washington, D.C. 20006.
B. Permanente Medical Group.
D. (6) $19,710. E. (9) $844.86.

A. Elizabeth M. Smith, 815 16th Street NW., Room 310, Washington, D.C. 20006.
B. Amalgamated Clothing & Textile Workers Union, 15 Union Square, New York, N.Y. 10003.
D. (6) $6,250. E. (9) $97.85.

A. Talbott C. Smith, Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C. 20062.
E. (9) $25.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $4,322.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $32,716.15. E. (9) $32,716.15.

A. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150. E. (9) $150.

A. Wilbur D. Sparks, 1815 North Fort Myer Drive, Arlington, Va. 22209.
B. Air-Conditioning and Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $700. E. (9) $225.

A. Frederick C. Spreyer, Pacific Resources, Inc., 1990 M Street NW., Suite 560, Washington, D.C. 20036.
B. Pacific Resources, Inc., 1060 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96842.
D. (6) $166.67.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. David E. Stahl, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $2,647.50. E. (9) $112.33.

A. Robert B. Stewart, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $2,005. E. (9) $159.86.

A. Sarah Jane Stewart, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $367.

A. Travis P. Stewart, Hoffmann-La Roche Inc., 1775 K Street NW., Washington, D.C. 20006.
B. Hoffmann-La Roche Inc., 340 Kingsland Street, Nutley, N.J. 07110.
D. (6) $1,000. E. (9) $250.

A. Kenneth F. Stinger, American Trucking Associations, Inc. 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $325.23.

A. George Stockton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America. 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Stroock, Stroock & Lavan, 1150 17th Street NW., Washington, D.C 20036.
B. J Aron & Co., Inc., 160 Water Street, New York, N.Y.
E. (9) $2,799.59.

A. Stroock, Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Commonwealth of Puerto Rico, Office of Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,950. E. (9) $1.90.

A. Stroock, Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Patsy Perry, 70 Glen Cove Road, Roslyn Heights, N.Y.
E. (9) $307.73.

A. Stroock, Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Tris Indemnity Corporate Group, 1150 17th Street NW., No. 600, Washington, D.C. 20036.
E. (9) $632.23.

A. R. Keith Stroup, 2317 M Street NW., Washington, D.C. 20037.
B. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.
D. (6) $5,522.79.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004.
B. Financial Accounting Foundation, High Ridge Park, Stamford, Conn.; and Financial Accounting Standards Board, High Ridge Park, Stamford, Conn.
D. (6) $1,000.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C.
B. International Nickel Co. of Canada, Ltd., Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1E3.
E. (9) $7.50.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $95.32.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Carnegie Corp., of New York, 437 Madison Avenue, New York, N.Y. 10022.
E. (9) $10.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006; and 3100 First National Bank Tower, Atlanta, Ga. 30303.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax Inc., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $5,000. E. (9) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Estate of Cartter Lupton, c/o Miller & Martin, Volunteer State Life Building, Chattanooga, Tenn. 37402.
D. (6) $500. E. (9) $20.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Lincoln National Life Insurance Co., 1300 South Clinton Street, Fort Wayne, Ind. 46801.
D. (6) $1,000. E. (9) $20.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co.; 1295 State Street, Springfield, Mass. 01111.
D. (6) $1,000. E. (9) $20.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual of Omaha Insurance Co., Dodge at 33rd Street, Omaha, Nebr. 68131.
D. (6) $2,500. E. (9) $850.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.
D. (6) $1,000. E. (9) $20.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $6,000.

A. Swerdloff Associates, Inc., 18 West 10th Street, New York, N.Y. 10011.
B. Coalition for New York, Inc., 230 Park Avenue, New York, N.Y. 10017.
D. (6) $750.

A. Robert D. Swezey, Jr., 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $3,419.64. E. (9) $73.06.

A. Clayton C. Taylor, McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill., 60521.
D. (6) $95.29.

A. Frank A. Taylor, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. 10th Pro-life Congressional District Action Committee, c/o Dr. George Ramsey, 1338 Lafayette Street, Cape Coral, Fla. 33904.
D. (6) $87.54. E. (9) $286.45.

A. Stephen M. Thomas, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.

A. Gil Thurm, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Street, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $239.58.

A. Drew V. Tidwell, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
B. Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $3,789.18.

A. George Tilton, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $9,051.

A. Patrick Tobin, International Longshoremen's & Warehousemen's Union, 417 Fourth Street SW., Washington, D.C. 20001.
B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,810.02.

A. William D. Toohey, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Discover America Travel Organizations, Inc., 1100 Connecticut Ave NW., Washington, D.C. 20036.
D. (6) $1,942.

A. Thomas J. Trabucco, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $4,657.68.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D (6) $1,000.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $533.48.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) 7,703.47. E. (9) 1,673.34.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association (SAMA) 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $2,100.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

A. U.S. Merchant Marine Academy Alumni Association, Inc. (Kings Point Fund, Inc.), Kings Point, L.I., N.Y. 11024.
E. (9) $1,250.

A. J. Joseph Vacca, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,870.84.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $780. E. (9) $84.65.

A. C. John Vermilye, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $14.28.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Hellenic Republic of Greece, 2221 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.
D. (6) $3,874.99. E. (9) $7,277.18.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Texas International Airlines, P.O. Box 12788, Houston, Tex. 77017.
D. (6) $1,797.50. E. (9) $84.27.

A. Walter D. Vinyard, Jr., American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500.

A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092, c/o P. A. Hutchinson, Jr., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
E. (9) $250.

A. Ingrid A. Voorhees, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $200.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 De Sales Street NW., Washington, D.C. 20036.
D. (6) $1,200. E. (9) $765.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800 South, Washington, D.C. 20036.
B. Kenneth D. Beck & C. C. Pruitt, Jr., Co., 52 East Gay Street, Columbus, Ohio 43215.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW, Suite 800 South, Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $21.63.

A. Joseph S. Wager, Sellers, Conner & Cuneo, 1625 K Street NW., Washington, D.C. 20006.
B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $2,394. E. (9) $35.

A. Leonard F. Walentynowicz, 4970 Sentinel Drive, Apt. 301, Sumner, Md. 20016.
B. Polish American Congress, 1200 North Ashland Avenue, Chicago, Ill. 60622.
D. (6) $3,750. E. (9) $455.05.

A. James E. Wanko, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

A. Gregg Ward, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal and Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $800. E. (9) $300.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., 1 Penn Plaza, New York, N.Y. 10001.

A. Warner Communications Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $12,000.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $1,774.84.

A. George B. Watts, National Broiler Council, 1155 Fifteenth Street N.W., Washington, D.C. 20005.
B. National Broiler Council, 1155 Fifteenth Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Douglas M. Webb, 1899 L Street NW., 11th floor, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Fred W. Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $444.23.

A. Arnold H. Weiss, Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. Constructora Nacional de Carros de Ferrocarril, S.A., Paseo de la Reforma, 369, Mexico 5, D.F., Mexico.
D. (6) $1,500.

A. Frances E. Welles, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $437.50. E. (9) $5.

A. William B. Welsh, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County and Municipal Employees, AFL–CIO, 1625 L Street, NW., Washington, D.C. 20036.
D. (6) $12,716 E. (9) $100.

A. Carol Werner, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $4,208.

A. Western Railroad Association, 222 South Riverside Plaza, Room 1200, Chicago, Ill. 60606.
D. (6) $1,508.16. E. (9) $1,508.16.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Evelyn J. White, 2301 Market Street, Philadelphia, Pa. 19101.
B. Philadelphia Electric Co., 2301 Market Street, Philadelphia, Pa. 19101.
E. (9) $7,572.05.

A. Rebecca Wilcox, 900 17th Street NW., Washington, D.C. 20036.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $8,000. E. (9) $2,000.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.
B. National Consumers League, 1028 Connecticut Avenue NW., No. 522, Washington, D.C. 20036.
D. (6) $325.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Medicorp, Inc., 111 Presidential Boulevard, Bala Cynwyd, Pa.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Quasar Petroleum Co., 2500 Fort Worth National Bank Building, Fort Worth, Tex. 76102.
E. (9) $40.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
E. (9) $260.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B The Association of Family Farmers, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $160.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Blyth Eastman Dillon & Co., Inc., McGraw-Hill Building, 1221 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $600. E. (9) $60.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. C. Brewer and Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801; and IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
E. (9) $15.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Consolidated Foods Corp., 1305 South LaSalle Street, Chicago, Ill. 60603.
E. (9) $30.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Domestic Petroleum Council, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $80.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.
D. (6) $150. E. (9) $15.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.
E. (9) $15.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planters' Association, 1511 K Street NW., Washington, D.C. 20005.
E. (9) $240.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $550. E. (9) $55.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Litton Industries, 360 North Crescent Drive, Beverly Hills, Calif. 90210.
D. (6) $1,250. E. (9) $125.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.
D. (6) $450. E. (9) $45.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $500. E. (9) $50.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Water Companies, Suite 1110, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $50.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Co., 1 Nationwide Plaza, Columbus, Ohio 43216.
D. (6) $1,550. E. (9) $155.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
E. (9) $20.

A. Wade S. Williams, 1620 Eye Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.

A. Peters D. Willson, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,244. E. (9) $13.

A. Charles D. Wilson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $47.95.

A. F. Lorraine Woehrle, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $201.92.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $6,375. E. (9) $17,190.

A. Merle E. Wood, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City,
B. Ewing M. Kauffman, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $390. E. (9) $485.75.

A. Merle E. Wood, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo., 64137.
D. (6) $535. E. (9) $617.50.

A. Wyatt and Saltzstein, 1300 Wyatt Building, Washington, D.C. 20005.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,687.50. E. (9) $125.

A. Donald Yarborough, Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C.
B. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $120.

A. Edward R. Yawn, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,500. E. (9) $50.85.

A. Jack Yelverton, 1303 New Hampshire Avenue, N.W., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue, NW., Washington, D.C. 20036.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $200.

A. Kenneth Young, AFL–CIO, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street, Washington, D.C.
D. (6) $10,998. E. (9) $391.08.

A. Barry W. Zander, 6113 Amhurst Street, Metairie, La. 70003.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $5,300. E. (9) $2,182.96.

A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,800. E. (9) $9,563.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.
D. (6) $69.60.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Lummi Tribe of Indians, 2616 Kwina Road, Bellingham, Wash. 98225.
D. (6) $1,589.80. E. (9) $237.31.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $1,518.60. E. (9) $250.36.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Ark. 99926.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seatle, Wash. 98104.
B. Quileute Indian Tribe, P.O. Box 279, LaPush, Wash. 98350.
D. (6) $794.80. E. (9) $119.10.

A. Zlontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

A. John L. Zorack, Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Allegheny Airlines, Washington National Airport, Washington, D.C. 20001.
D. (6) $4,500. E. (9) $84.

A. John L. Zorack, Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Federal Express Corp., AMF, Box 30167, Memphis, Tenn. 38130.
D. (6) $6,666. E. (9) $227.57.

A. John L. Zorack, Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Frontier Airlines, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $84.

A. John L. Zorack, Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., Suite 900, Washington, D.C. 20006.
D. (6) $9,000. E. (9) $364.05.

A. John L. Zorack, Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Resource Associates of Alaska, 3230 Airport Way, Fairbanks, Alaska 99701.
D. (6) $5,600. E. (9) $1,000.

A. John L. Zorack, Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Time—Critical Shipment Committee.
D. (6) $3,216.80. E. (9) $147.20.

A. Daniel I. Zwick, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the third calendar quarter of 1979:

A Postcard May Be Used When A Registrant Has Not Incurred Reportable Receipts And Expenditures And Has Not Engaged In Any Lobbying Activity During The Quarter.

Note: The Following Information Is Being Provided For Informational Purposes Only.

The Postcard has been reproduced below:

HLF3

QUARTERLY LOBBY POSTCARD

To be submitted in lieu of a Quarterly Report when registrant has not incurred reportable receipts or expenditures and has not engaged in any lobbying activity during the quarter.

IMPORTANT: File a separate postcard for each employer or client

REGISTRANT _____

Business Address _____
(number, street/P.O. Box)

_____
(city, state, zip code)

Employer _____

(If REGISTRANT is an agent of someone OTHER THAN "EMPLOYER" state below whose interest is represented. If not applicable, state "NONE".)

CLIENT _____

For the period (check one box only): 19 ____

☐ April 10 Report (Jan. 1—Mar. 31) ☐ Oct. 10 (July 1—Sept. 30)

☐ July 10 Report (April 1—June 30) ☐ Jan. 10 (Oct. 1—Dec. 31)

I certify that the above named registrant did not engage in any lobbying activities or incur reportable receipts or expenditures in connection with previous or future lobbying activities. I am aware that the Act requires a resumption of reporting in the event that activity commences; otherwise I can continue to submit a postcard in lieu of a report.

Executed on _____ _____
(date) *(signature)*

A. John J. Adams.
B. Ethyl Corp.

A. John J. Adams.
B. Virginia Electric & Power Co.

A. V. J. Adduci.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Adfast Systems, Inc.

A. Akin, Gump, Hauer & Feld.
B. American Polygraph Association.

A. Akin, Gump, Hauer & Feld.
B. Arlington Red Top Cab Co.

A. Akin, Gump, Hauer & Feld.
B. Beacon Oil Co.

A. Akin, Gump, Hauer & Feld.
B. Northwest Exploration Co.

A. Akin, Gump, Hauer & Feld.
B. Northwest Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. Sun Pipe Line Co.

A. Akin, Gump, Hauer & Feld.
B. United Refining Co.

A. Frederick K. Alderson.
B. Edison Electric Institute.

A. Robert D. Allen.
B. Bechtel Power Corp.

A. Amalgamated Transit Union.

A. Amalgamated Transit Union, National Capital Local 689.

A. American Advertising Federation, Inc.

A. American Association of Blood Banks.

A. American Pulpwood Association.

A. American Radio Relay League, Inc.

A. Walter G. Asmus.

A. Association of Government Accountants.

A. George J. Aste.
B. United Airlines.

A. Allan E. Auger.
B. The Great Western Sugar Co.

A. Frank M. Ault.
B. Norwich-Eaton Pharmaceuticals.

A. John D. Austin, Jr.
B. American Mining Congress.

A. Walter C. Ayers.
B. American Petroleum Institute.

A. Richard L. Baldwin.
B. American Radio Relay League, Inc.

A. Dennis J. Barbour.
B. American Occupational Medical Association.

A. John H. Barnard, Jr.
B. Bechtel Corp.

A. Richard L. Barr.
B. Iowa Railway Association.

A. John F. Battles.
B. American Petroleum Institute.

A. Stephen M. Belikoff.
B. Provident Indemnity Life Insurance Co.

A. Howard H. Bell.
B. American Advertising Federation, Inc.

A. C. Robert Benedict.
B. American Osteopathic Hospital Association.

A. O. M. Berge.
B. Brotherhood of Maintenance of Way Employees.

A. Berry, Epstein, Sandstrom & Blatchford.
B. National Pest Control Association.

A. Berry, Epstein, Sandstrom & Blatchford.
B. Orkin Exterminating.

A. Beveridge, Fairbanks & Diamond.
B. Florida Power & Light Co.

A. Beveridge, Fairbanks & Diamond.
B. International Paper Inc.

A. Beveridge, Fairbanks & Diamond.
B. New England Fish Co.

A. Beveridge, Fairbanks & Diamond.
B. The Society of Plastics, Inc.

A. Robert J. Bird.
B. Occidental Life Insurance Co. of America.

A. Robert J. Bird.
B. Paul Revere Life Insurance Co. of America.

A. Robert J. Bird.
B. H. B. Zachry Co.

A. Robert W. Blanchette.
B. Agribusinessmen, Inc.

A. Robert W. Blanchette.
B. Board of Trade Clearing Corp.

A. Robert W. Blanchette.
B. IC Industries.

A. Jerald Blizin.
B. Hill and Knowlton, Inc.

A. Jeffrey W. Bolotin.
B. Electro Signal Lab, Inc.

A. M. Warren Bolton.
B. Provident Indemnity Life Insurance Co.

A. Frank J. Bowden, Jr.
B. American Petroleum Institute.

A. Robert R. Bowers.
B. American Petroleum Institute.

A. Melvin J. Boyle.
B. International Brotherhood of Electrical Workers.

A. John Henry Brebbia.
B. Electro Signal Lab, Inc.

A. Jeffrey Bricker.
B. Fallek Chemical Corp.

A. John B. Brock.
B. Quintana Refinery Co.

A. Henry W. Brook.
B. Nuclear Fuel Services, Inc.

A. Phillip W. Brooks.
B. American Petroleum Institute.

A. Albert D. Brown, Jr.
B. Associated Employers, Inc.

A. Donald K. Brown.
B. Summa Corp.

A. Vincent D. Brown.
B. American Petroleum Institute.

A. Brownstein, Zeidman and Schomer.
B. Holiday Inns, Inc.

A. Brownstein, Zeidman and Schomer.
B. International Foodservice Manufacturers Association.

A. Brownstein, Zeidman and Schomer.
B. International Franchise Association.

A. Brownstein, Zeidman and Schomer.
B. Mortgage Guaranty Insurance Corp.

A. Brownstein, Zeidman and Schomer.
B. New York State Urban Development Corp.

A. Fred J. Bruner.
B. Indiana & Michigan Electric Co.

A. Harvey F. Brush.
B. Bechtel Power Corp.

A. David J. Burch.
B. National Constructors Association.

A. Michael F. Butler.
B. Grocery Manufacturers of America, Inc.

A. C. Richard Calkins.
B. American Paper Institute, Inc.

A. Jerry L. Campbell.
B. Tennessee Valley Public Power Association.

A. Can Manufacturers Institute.

A. David L. Cantor.
B. Edison Electric Institute.

A. Charles E. Capron.

A. Issac R. Caraco.
B. Bechtel Power Corp.

A. Charles S. Carter.
B. Edison Electric Institute.

A. John L. Casey.
B. Investment Counsel Association of America, Inc.

A. Daniel J. Cassidy.
B. Chemical Specialties Manufacturers Association.

A. Rita L. Castle.
B. Caterpillar Tractor Co.

A. Frank R. Cawley.
B. Agricultural Publishers Association, Inc.

A. Henry Chajet.
B. American Mining Congress.

A. John E. Chapoton.
B. Belco Petroleum Corp.

A. John E. Chapoton.
B. Petroleum Equipment Suppliers Association.

A. John E. Chapoton.
B. Quintana Petroleum Corp.

A. Chemical Specialties Manufacturers Association.

A. Howard P. Chester.
B. Stone, Glass and Clay Coordinating Committee.

A. Vanessa Lea Chiapetta.
B. Doctors for Equal Rights Amendment.

A. James M. Christian.
B. Potomac Electric Power Co.

A. Carlton S. Clark.
B. Baltimore Gas & Electric Co.

A. Gilbert M. Clark.
B. American Association of Blood Banks.

A. Clay Pipe Industry Depletion Committee.

A. Cleary, Gottlieb, Steen & Hamilton.
B. Synthetic Organic Chemical Manufacturers Association.

A. Thomas B. Coates.
B. American Petroleum Institute.

A. Calvin J. Collier.
B. Pfizer, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Allegheny Ludlum Industries, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Can Manufacturers Institute.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Republic of China.

A. Charles P. Collins.
B. ICX Aviation, Inc.

A. Richard Colvin.
B. Prisoners of the State of Indiana, et al.

A. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT).

A. Stephen N. Conner.
B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia.

A. Donald L. Connors.
B. Electro Signal Lab, Inc.

A. Cook & Franke.
B. M&I Marshall & Ilsley Bank.

A. Patrick H. Corcoran.
B. Association of Oil Pipe Lines.

A. Alfred C. Cordon.
B. Buffalo Broadcasting Co., Inc.

A. Samuel C. Corey.
B. Provident Indemnity Life Insurance Co.

A. Samuel C. Corey, Jr.
B. Provident Indemnity Life Insurance Co.

A. Bennet J. Corn.
B. New York Coffee and Sugar Exchange, Inc.

A. John A. Corry.
B. Morgan Guaranty Trust Co. of New York.

A. Cosmetic, Toiletry and Fragrance Association, Inc.

A. Raymond L. Courage.
B. Railway Progress Institute.

A. C. Bryan Cox.
B. Kansas City Life Insurance Co.

A. Donald A. Crosier.
B. American Petroleum Institute.

A. Thomas A. Daly.
B. National Soft Drink Association.

A. John E. Daniel.
B. American Paper Institute, Inc.

A. David S. Danielson.
B. American Optometric Association.

A. Stephen I. Dansansky.
B. Dansansky, Dickey, Tydings, Quint & Gordon (for Embassy of Japan).

A. Stephen I. Dansansky.
B. Dansansky, Dickey, Tydings, Quint & Gordon (for Japan Atomic Industrial Forum).

A. Thomas Roger Dart.
B. American Petroleum Institute.

A. Joseph Dauksys.
B. Rubber Manufacturers Association.

A. Clarence Davan.
B. Great Western Sugar Co.

A. George R. Davis.
B. Amalgamated Transit Union, National Capital Local 689.

A. William L. Davis.
B. Westvaco Corp.

A. J. Edward Day.
B. Associated Third Class Mail Users.

A. J. Edward Day.
B. Electronic Industries Association.

A. Stephen T. DeLaMater.
B. Halliburton Co.

A. DeLaney & Patrick.
B. Continental Grain Co.

A. William D. D'Onofrio.
B. National Association for Neighborhood Schools, Inc.

A. William D. D'Onofrio.
B. Positive Action Committee, Inc.

A. Doub, Purcell, Muntzing & Hansen.
B. American Rice, Inc.

A. Doub, Purcell, Muntzing & Hansen.
B. L. T. Barringer and Co.

A. Doub, Purcell, Muntzing & Hansen.
B. Board of Trade of Kansas City, Mo., Inc.

A. Doub, Purcell, Muntzing & Hansen.
B. Campbell Taggart, Inc.

A. Doub, Purcell, Muntzing & Hansen.
B. Clayton Brokerage Co. of St. Louis, Inc.

A. Doub, Purcell, Muntzing & Hansen.
B. CSR, Inc.

A. Doub, Purcell, Muntzing & Hansen.
B. Pioneer Corp.

A. Doub, Purcell, Muntzing & Hansen.
B. Planters Peanuts.

A. James E. Drake.
B. American Medical Association.

A. Jerome L. Dreyer.
B. Association of Data Processing Service Organizations.

A. Deborah Drudge.
B. Healthy America.

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Petroleum Corp.).

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Refinery Co.).

A. William DuCheesi.
B. Amalgamated Clothing and Textile Workers Union.

A. Jeffrey M. Duke.
B. American Paper Institute, Inc.

A. Duncan, Brown, Weinberg & Palmer.
B. Alaska Federation of Natives.

A. Duncan, Brown, Weinberg & Palmer.
B. Aloha Association, Inc.

A. Duncan, Brown, Weinberg & Palmer.
B. Clinton-Huron Metropolitan Authority.

A. Duncan, Brown, Weinberg & Palmer.
B. East Bay Regional Park District.

A. Duncan, Brown, Weinberg & Palmer.
B. Iva May Harvey.

A. Duncan, Brown, Weinberg & Palmer.
B. Paul Kellerblock.

A. Duncan, Brown, Weinberg & Palmer.
B. Kenai Native Association.

A. Duncan, Brown, Weinberg & Palmer.
B. Mid West Electric Consumers Association.

A. Duncan, Brown, Weinberg & Palmer.
B. Shee Atika, Inc.

A. Duncan, Brown, Weinberg & Palmer.
B. Western Railroad Association.

A. Mari Lee Dunn.
B. American Council for Capital Formation.

A. Henry I. Dworshak.
B. American Mining Congress.

A. Daniel J. Edelman, Inc.
B. Alaska Airlines.

A. V. Anne Edlund.
B. Motor Vehicle Manufacturers Association of the United States.

A. J. Rodney Edwards.
B. American Paper Institute, Inc.

A. Stephen R. Efros.
B. Community Antenna Television Association.

A. H. Brent Egbert.
B. BankAmerica Corp.

A. J. C. B. Ehringhaus, Jr.
B. Tobacco Institute.

A. Timothy L. Elder.
B. Caterpillar Tractor Co.

A. Carl F. Emde.
B. Air Products and Chemicals.

A. John W. Emeigh.
B. National Rural Letter Carriers' Association.

A. Employers Insurance of Wausau.

A. Ralph Engel.
B. Chemical Specialties Manufacturers Association.

A. Jerry N. Ervin.
B. Quintana Refinery Co.

A. Joseph O. Evans.

A. Robert J. Falasca.
B. American Seed Trade Association, Inc.

A. Clinton B. Fawcett.
B. Coastal States Gas Corp.

A. James H. Ferguson.
B. American Society for Personnel Administration.

A. John L. Festa.
B. American Paper Institute, Inc.

A. First National Boston Corp.

A. Mary Clare Fitzgerald.
B. BankAmerica Corp.

A. Aaron I. Fleischman.
B. Warner Cable Corp.

A. Raymond J. Foley.
B. National Candy Wholesalers Association, Inc.

A. C. Allen Foster.
B. Safari Club International.

A. Ebert E. Fournace.
B. Ohio Power Co.

A. Joseph L. Fraites.
B. New York Coffee and Sugar Exchange, Inc.

A. Annette P. Fribourg.
B. National Association of Manufacturers.

A. George L. Frick.
B. American Petroleum Institute.

A. James M. Friedman.
B. Cleveland Electric Illuminating Co.

A. Rosann Fuhrman.
B. Retail Store Employees Union, Local No. 400.

A. Terry Gabrielsen.
B. Transcontinental Gas Pipe Line Corp.

A. Edward A. Garmatz.
B. Baltimore Gas and Electric Co.

A. James J. Garry.
B. New York Coffee and Sugar Exchange, Inc.

A. Gas Appliance Manufacturers Association, Inc.

A. George W. Gephart.
B. Baltimore Gas and Electric Co.

A. Jonah Gitlitz.
B. American Advertising Federation, Inc.

A. Elmer R. Gieske.
B. FlightSafety International, Inc.

A. George T. Glover.
B. Edison Electric Institute.

A. Thos. G. Godfrey.
B. Kikkoman Foods, Inc.

A. Vance V. Goodfellow.
B. Crop Quality Council.

A. Edward Gottlieb & Associates.
B. Hecon Corp. Flextime Division.

A. Martha W. Gray.
B. Independent Petroleum Association of America.

A. Robert K. Gray.
B. Hill and Knowlton, Inc.

A. Edward M. Green.
B. American Mining Congress.

A. Michael B. Green.
B. Montgomery Ward & Co., Inc.

A. William L. Greener, Jr.
B. Railway Progress Institute.

A. Roger F. Griffin.
B. Bechtel Corp.

A. Robert J. Grimm.
B. Avon Products, Inc.

A. Chester A. Groseclose, Jr.
B. South Dakota Railroads Association.

A. Thomas M. Gunn.
B. McDonnell Douglas Corp.

A. C. James Hackett.
B. American Plywood Association.

A. Martin Ryan Haley and Associates.
B. Agri-Business, Inc.

A. Martin Ryan Haley and Associates.
B. Federal Express Corp.

A. Martin Ryan Haley and Associates.
B. M&M/Mars Division of Mars, Inc.

A. Martin Ryan Haley and Associates.
B. Tobacco Tax Council.

A. George J. Hanks, Jr.
B. Union Carbide Corp.

A. Robert L. Harris.
B. Aluminum Association.

A. Saul J. Harris.
B. Edison Electric Institute.

A. David A. Hartquist.
B. United States Fastener Manufacturing Group.

A. Edward D. Heffernan.
B. Cast Iron Pipe Research Association.

A. Spencer H. Heine.
B. Montgomery Ward and Co., Inc.

A. Paul T. Hicks.
B. American Petroleum Institute.

A. Hill and Knowlton, Inc.
B. Florists Transworld Delivery Association.

A. Janet L. Hirshberg.
B. National Telephone Cooperative Association.

A. Howard E. Hoelter.
B. American Petroleum Institute.

A. Kelly Holley.
B. American Paper Institute, Inc.

A. Henry W. Holling.
B. Caterpillar Tractor Co.

A. Richard C. Holmquist.
B. American Mining Congress.

A. David Emery Hughes.
B. Union Mutual Life Insurance Co.

A. Lawrence H. Hunt, Jr.
B. Heinold Commodities, Inc.

A. Peter C. Hunt.
B. Brooklyn Union Gas Co.

A. Robert R. Hurt.
B. Merck & Co., Inc.

A. David C. Hyer.
B. American Petroleum Institute.

A. Independent U.S. Tanker Owners' Committee.

A. E. A. Jaenke & Associates.
B. Land O'Lakes, Inc.

A. Robert L. James.
B. BankAmerica Corp.

A. Joseph S. Jenckes.
B. Abbott Laboratories.

A. James C. Jennings.
B. Hill & Knowlton, Inc.

A. Chris L. Jensen.
B. American Petroleum Institute.

A. David H. Johnson.
B. American Petroleum Institute.

A. H. Bradley Johnson.
B. American Mining Congress.

A. John B. Johnson.
B. American Petroleum Institute.

A. Jones, Day, Reavis & Pogue.
B. Asociated Gas Distributors.

A. Donald L. Jordan.
B. Alliance of American Insurers.

A. James V. Jordan III.
B. Southern Natural Gas Co.

A. Ardon B. Judd, Jr.
B. Dresser Industries, Inc.

A. James N. Juliana.
B. Braniff International.

A. Candace Sue Kasper.
B. Doctors for Equal Rights Amendment.

A. Linda Eileen Katz.
B. Chicago Rock Island & Pacific Railroad Co.

A. Everett E. Kavanaugh.
B. Cosmetic, Toiletry and Fragrance Association, Inc.

A. William J. Keating.
B. National Grain & Feed Association.

A. David C. Keehn.
B. Air Products & Chemicals Association.

A. Jefferson D. Keith.
B. National Pest Control Association.

A. Donald W. Keller.
B. Quintana Petroleum Corp.

A. Stephen S. Kellner.
B. Chemical Specialties Manufacturers.

A. John J. Kelly.
B. United Mine Workers of America.

A. Robert F. Kelly.
B. E. I du Pont de Nemours & Co., Inc.

A. Robert M. Ketchel.
B. General Electric Co.

A. Gilbert W. Keyes.
B. Boeing Aerospace Co.

A. Francis L. Kinney.
B. Northeast Utilities Service Co.

A. Alan G. Kirk II.
B. Potomac Electric Power Co.

A. Arthur E. Klauser.
B. Dow Corning Corp.

A. Richard P. Kleeman.
B. Association of American Publishers, Inc.

A. Allie C. Kleinpeter, Jr.
B. Louisiana Bankers Association.

A. Richard A. Kline.
B. Council of Active Independent Oil and Gas Producers.

A. John J. Klocko III.
B. E. I. du Pont de Nemours & Co.

A. John C. Knott.
B. Burlington Northern, Inc.

A. Charles B. Kornmann.
B. South Dakota Railroads Association.

A. Amos Kramer.
B. American Petroleum Institute.

A. L. Wayne Krug.
B. Union Oil Co. of California.

A. Philip A. Lacovara.
B. Bristol-Myers Co.

A. Philip A. Lacovara.
B. Merck & Co., Inc.

A. Philip A. Lacovara.
B. Pfizer, Inc.

A. James J. LaPenta, Jr.
B. Laborers' International Union of North America.

A. Lawrence C. Laser.
B. Cities Service Co.

A. Glenn T. Lashley.
B. American Automobile Association.

A. Louis F. Laun.
B. American Paper Institute, Inc.

A. Richard A. Leahy.
B. David L. Babson & Co., Inc. (for Investment Counsel Association of America, Inc.).

A. John I. Le Berre.
B. Kaiser Aluminum & Chemical Corp.

A. Robert J. Leigh.
B. National Telephone Cooperative Association.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. General Electric Co., Gas Turbine Division.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Glass Packaging Institute.

A. Charles W. Linderman.
B. Slurry Transport Association.

A. Robert G. Litschert.
B. Edison Electric Institute.

A. Nils A. Lofgren.
B. Motor Vehicle Manufacturers Association.

A. Robert W. Long.
B. American Mining Congress.

A. Christine A. Loupy.
B. Gardner, Carton & Douglas (for Elmer W. Kneip).

A. Christine A. Loupy.
B. Gardner, Carton & Douglas (for Sealed Power Corp.).

A. Robert C. Lower.
B. Rosenthal & Co.

A. Robert L. Maier.
B. Kaiser Aluminum and Chemical Corp.

A. Andre Maisonpierre.
B. Alliance of American Insurers.

A. Jon Massey.
B. Oil Investment Institute.

A. D. V. Maroney, Jr.
B. Amalgamated Transit Union.

A. Mike M. Masaoka.
B. Nisei Lobby.

A. C. V. & R. V. Maudlin.
B. Georgia Power Co.

A. C. V. & R. V. Maudlin.
B. Joint Government Liaison Committee.

A. Anthony F. Mauriello.
B. American Petroleum Institute.

A. Thomas H. Maxedon.
B. American Petroleum Institute.

A. Hugh A. McBride.
B. Kybe Corp.

A. Linda A. McCorkle.
B. Blum, Parker & Nash (for Independent Gasoline Marketers Council).

A. Robert E. McCoy.
B. Exxon Corp.

A. Michael D. McDonald.
B. American Petroleum Institute.

A. Thomas H. McGannon.
B. Chemtex, Inc.

A. J. Raymond McGlaughlin.
B. Brotherhood of Maintenance of Way Employes.

A. William F. McKenna.
B. Silver, Freedman, Housley & Taff.

A. L. Bradley McNally.
B. Blue Cross and Blue Shield Associations.

A. William H. Megonnell.
B. Edison Electric Institute.

A. Edward L. Merrigan.
B. Dirilyte Co. of America, Inc.

A. Metzger, Shadyac & Schwarz.
B. Melex, U.S.A., Inc.

A. M. Barry Meyer.
B. The Aluminum Association.

A. Milton E. Meyer, Jr.

A. Joy Midman.
B. National Association of Private Psychiatric Hospitals.

A. Miller, Cassidy, Larroca & Lewin.
B. American Motors Corp.

A. Miller & Chevalier.
B. H. E. Butt.

A. Paul J. Miller.
B. Investment Counsel Association of America, Inc.

A. R. Eric Miller.
B. Bechtel Corp.

A. William P. Miller, Jr.
B. American Society of Mechanical Engineering.

A. Stacey J. Mobley.
B. E. I. du Pont de Nemours & Co.

A. Mocatta Metals Corp.

A. John V. Moller.
B. Motor Vehicle Manufacturers Association of the United States.

A. John S. Monagan.
B. Connecticut Bankers Association.

A. Donald L. Mooers.
B. Coalition for New York.

A. Donald L. Mooers.
B. Facts and Comparisons, Inc.

A. E. Joyce Morgan.
B. American Mining Congress.

A. Earl J. Morgan.
B. McDonnell Douglas Corp.

A. Morison, Murphy, Abrams & Haddock.
B. Sperry & Hutchison Co.

A. Roger L. Mozingo.

A. Law offices of Timothy D. Naegele.
B. Baybanks, Inc.

A. Law offices of Timothy D. Naegele.
B. Prulease, Inc.

A. National Grain and Feed Association.

A. National Security Traders Association.

A. Mark D. Nelson.
B. E. I. du Pont de Nemours & Co.

A. Milton E. Neshek.
B. Kikkoman Foods, Inc.

A. Frank Newham.
B. National Rural Letter Carriers' Association.

A. Frank Northcutt.
B. Southwest Homefurnishings Association.

A. Nuclear Fuel Services, Inc.

A. Victor L. Nutt.
B. Gulf and Western Industries, Inc.

A. John F. O'Brien.
B. American Petroleum Institute.

A. Mary Eileen O'Brien.
B. Dow Corning Corp.

A. O'Connor & Hannan.
B. Automotive Parts and Accessories Association, Inc.

A. O'Connor & Hannan.
B. Investors Diversified Services, Inc.

A. O'Connor & Hannan.
B. Westinghouse Electric Co.

A. Ashton J. O'Donnell.
B. Betchel Power Corp.

A. John A. O'Donnell.

A. Oil Investment Institute.

A. Alvin E. Oliver.
B. National Grain and Feed Association.

A. Roy E. Olson.
B. American Paper Institute, Inc.

A. George C. P. Olsson.
B. Ocean Spray Cranberries, Inc.

A. G. Oliver Papps.
B. American Petroleum Institute.

A. Herschell E. Parent.
B. American Petroleum Institute.

A. Ben F. Peake.
B. American Association of Blood Banks.

A. Jack Pearce.
B. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT).

A. Pepper, Hamilton & Scheetz.
B. Coalition of Concerned Charities.

A. Victor J. Perini, Jr.
B. Highway Users Federation for Safety & Mobility.

A. Scott H. Phillips.
B. Howell Corp.

A. Pineapple Growers Association of Hawaii.

A. Ronald L. Platt.
B. Burger King Corp.

A. James L. Pledger.
B. National Savings and Loan League.

A. Michael M. Pocost.
B. American Petroleum Institute.

A. A. Frank Portmann III.
B. AMAX Coal Co.

A. Potter International, Inc.
B. Rohr Industries, Inc.

A. Richard M. Powell.
B. International Association of Refrigerated Warehouses.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Intalco Aluminum Co.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. OPASTCO.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Pacific Seafood Processors Association.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Seafarers International Union.

A. Earle W. Putnam.

A. William A. Quinlan.
B. Retail Bakers of America.

A. Quintana Refinery Co.

A. Clifford H. Raber.
B. McDonald's Corp.

A. G. G. Reckley Associates.
B. Ketchikan Indian Corp.

A. G. G. Reckley Associates.
B. 13th Regional Corp.

A. Dwight C. Reed.
B. National Soft Drink Association.

A. Paul Reiber.
B. International Air Leases.

A. Harry O. Reinsch.
B. Bechtel Power Corp.

A. Murray P. Reiser.
B. Edward Blankstein, Inc.

A. James Replogle.
B. Independent Petroleum Association of America.

A. William L. Reynolds.
B. National Savings and Loan League.

A. Austin T. Rhoads.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. C. B. Rhoads, Jr.
B. Bell Telephone Co. of Pennsylvania.

A. M. Lee Rice.
B. Ogden Corp.

A. Lloyd C. Richardson, Jr.
B. South Dakota Railroads Association.

A. Morris A. Riley.
B. American Medical Association.

A. Stark Ritchie.
B. American Petroleum Institute.

A. Rogers & Wells.
B. F&M Schaefer Corp.

A. Rogers & Wells.
B. A. Johnson & Co., Inc.

A. Rogers & Wells.
B. Overseas Shipholding Group, Inc.

A. Rogers & Wells.
B. Seyforth Laboratories, Inc.

A. Rogers & Wells.
B. S. Shamash & Sons, Inc.

A. Rogers & Wells.
B. Squibb Corp.

A. Rogers & Wells.
B. Teachers Insurance & Annuity Association.

A. Rogers & Wells.
B. 20th-Century Fox Film Corp.

A. Kenneth S. Rolston, Jr.
B. American Pulpwood Association.

A. William F. Ross.
B. American Petroleum Institute.

A. Donald D. Rounds.
B. American Petroleum Institute.

A. John W. Rowland.
B. Amalgamated Transit Union.

A. Leonard H. Ruppert.
B. American Petroleum Institute.

A. Perry A. Russ.
B. Society of American Florists & Ornamental Horticulturists.

A. J. T. Rutherford & Associates, Inc.
B. American Association of Bioanalysts/International Society of Clinical Laboratory Technicians.

A. J. T. Rutherford & Associates, Inc.
B. American College of Radiology.

A. J. T. Rutherford & Associates, Inc.
B. American Optometric Association.

A. J. T. Rutherford & Associates, Inc.
B. Hospital Pharmacies, Inc.

A. J. T. Rutherford & Associates, Inc.
B. Rebecca D. Shapiro & Associates.

A. Fred J. Sacco.
B. American Petroleum Institute.

A. Carl K. Sadler.
B. COFEPE/American Federation of Government Employees.

A. Herbert Y. Schandler.
B. American League for International Security Assistance, Inc.

A. Andreas George Schneider.
B. National Health Law Program.

A. Mahlon C. Schneider.
B. Green Giant Co.

A. John M. Schobel, Jr.
B. New York Coffee and Sugar Exchange, Inc.

A. N. Donald Schroeder.
B. American Petroleum Institute.

A. Stanley W. Schroeder.
B. Gas Appliance Manufacturers Association, Inc.

A. Lauren Kim Schryver.
B. American Paper Institute, Inc.

A. Robert L. Schulz.
B. American Petroleum Institute.

A. Harold B. Scoggins, Jr.
B. Independent Petroleum Association of America.

A. David A. Scott.
B. American Petroleum Institute.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Dresser Industries, Inc.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Trans-Union Corp.

A. Luther W. Shaw.
B. Paluszek & Leslie Associates.

A. Shaw, Pittman, Potts & Trowbridge.
B. Investment Counsel Association of America, Inc.

A. Shaw, Pittman, Potts & Trowbridge.
B. National Committee on Locks and Dam 26.

A. Shea, Gould, Climenko & Casey.
B. Belco Petroleum Corp.

A. Shea, Gould, Climenko & Casey.
B. Committee for a Uniform Investment Tax Credit.

A. Shea, Gould, Climenko & Casey.
B. Occidental Petroleum Corp.

A. Seymour Sheriff.
B. Man-Made Fiber Producers Association, Inc.

A. Russell L. Shipley, Jr.
B. National Candy Wholesalers Association, Inc.

A. James K. Shiver.
B. Diamond Shamrock Corp.

A. Mary Frances Shlagel.
B. Union Oil Co. of California.

A. Bernard H. Sieracki.
B. Illinois Petroleum Council.

A. Karen Sikkema.
B. Union Oil Co. of California.

A. Marcus W. Sisk, Jr.
B. American Bakers Association.

A. G. Bernard Siebos.
B. United Airlines.

A. Donald E. Smiley.
B. Exxon Corp.

A. Gordon L. Smith.
B. Hill & Knowlton, Inc. (for Florists' Transworld Delivery Association).

A. Gordon L. Smith.
B. Edward Gottlieb & Associates (for Hecon Corp., Flextime Division).

A. James Lawrence Smith.
B. Airlift International, Inc.

A. William H. Smith.
B. American Bankers Association.

A. Snyder & Ball Associates, Inc.
B. Gould, Inc.

A. South Dakota Railroads Association.

A. Southwest Homefurnishings Association.

A. Larry Speakes.
B. Hill & Knowlton, Inc.

A. Philip J. Spear.
B. National Pest Control Association.

A. John F. Speer, Jr.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Charles D. Statton.
B. Bechtel Power Corp.

A. Leon P. Stavrou.
B. American Hellenic Institute Public Affairs Committee, Inc.

A. Randolph J. Stayin.
B. Taft, Stettinius & Hollister (for American Hospital Association).

A. Randolph J. Stayin.
B. Taft, Stettinius & Hollister (for Special Committee for Workplace Product Liability Reform).

A. Eugene H. Stearns.
B. American Petroleum Institute.

A. Arthur R. Stewart.
B. Great Western Sugar Co.

A. Edward W. Stimpson.
B. General Aviation Manufacturers Association, Inc.

A. B. R. Stokes.
B. American Public Transit Association.

A. Richard B. Storey.
B. International Military Club Executive Association.

A. Robert B. Stulberg.
B. Health Research Group.

A. Sullivan & Cromwell.
B. INCO Ltd.

A. Robert Taft, Jr.
B. Taft, Stettinius & Hollister (for Grocery Manufacturers of America).

A. Robert Taft, Jr.
B. Taft, Stettinius & Hollister (for Sisters of Charity of Cincinnati, Ohio).

A. Robert Taft, Jr.
B. Taft, Stettinius & Hollister (for Werner Von Clemm).

A. Clayton C. Taylor.
B. McDonald's Corp.

A. Robert L. Thomas.
B. National Association of Private Psychiatric Hospitals.

A. Richard L. Thompson.
B. Abbott Laboratories.

A. Robert T. Thornburg.
B. American Petroleum Institute.

A. Samuel Thurm.
B. Assoc. of National Advertisers.

A. Paul J. Tierney.
B. Transportation Association of America.

A. E. Linwood Tipton.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation.

A. Charles R. Titus.
B. Society of the Plastics Industry.

A. Jay Charles Townley.
B. Schwinn Bicycle Co.

A. Transportation Association of America.

A. 12th Congressional District Pro-Life Action Committee.

A. Joseph D. Tydings.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Embassy of Japan).

A. Joseph D. Tydings.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Japan Atomic Industrial Forum).

A. Stewart L. Udall.
B. Foothills Pipelines (Yukon) Ltd.

A. Wayne R. Underwood.
B. American Seed Trade Assoication, Inc.

A. Lloyd N. Unsell.
B. Independent Petroleum Association of America.

A. Howard Useem.
B. Independent Petroleum Association of America.

A. Nicholas L. Van Nelson.
B. American Paper Institute, Inc.

A. Richard F. Vander Veen.
B. Citibank.

A. Verner, Liipfert, Bernhard & McPherson.
B. Pan American World Airways, Inc.

A. Wald, Harkrader & Ross.
B. Chemtex Fibers, Inc.

A. Elaine Nogay Walker.
B. Can Manufacturers Institute.

A. Raymond C. Wallace.
B. Amalgamated Transit Union.

A. L. L. Wallenrod.
B. American Paper Institute, Inc.

A. Bonnie B. Wan.
B. Montgomery Ward & Co., Inc.

A. The Washington Group, Inc.

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Dominica).

A. Webster & Chamberlain.
B. Associated Credit Bureaus.

A. Webster & Chamberlain.
B. National Sporting Goods Association.

A. Webster & Chamberlain.
B. Truck Body and Equipment Association.

A. Morton N. Weiss.
B. National Security Traders Association.

A. White & Case.
B. Presbyterian Hospital in the city of New York.

A. Louis M. Whitlock.
B. Beker Industries Corp.

A. Richard J. Wiechmann.
B. American Paper Institute, Inc.

A. Everett H. Wilcox, Jr.
B. Alston, Miller & Gaines (for IC Industries).

A. Harding deC. Williams.
B. National Savings and Loan League.

A. Robert E. Williams.
B. United Airlines.

A. Wilmer, Cutler & Pickering.
B. Dealer Bank Association.

A. Wilmer, Cutler & Pickering.
B. Morgan Guaranty Trust Co

A. Wilmer, Cutler & Pickering.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Wilmer, Cutler & Pickering.
B. National Corporation for Housing Partnerships.

A. Dorothy R. Wilson.
B. Coalition for Concerned Charities.

A. Ronald J. Wilson.

A. James R. Winnie.
B. Cities Service Gas Co.

A. Glenn P. Witte.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Sidney M. Wolfe.
B. Health Research Group.

A. Carl E. Zwisler.
B. International Franchise Association.

SENATE—*Monday, February 19, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, pursuant to House Concurrent Resolution 42, and was called to order by the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama.

PRAYER

The Presiding Officer, the Honorable HOWELL T. HEFLIN, offered the following prayer:

In the absence of the Chaplain, we shall pray today in the words of President George Washington's prayer for his country.

Let us pray:

"Almighty God: We make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou will incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; and entertain a brotherly affection and love for one another and for their fellow citizens of the United States at large. And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy and to demean ourselves with that charity, humility, and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without a humble imitation of whose example in these things we can never hope to be a happy nation. Grant our supplication, we beseech Thee, through Jesus Christ our Lord." Amen.

Having completed George Washington's prayer, let me add these words of prayer: May the beauty of the snow give us a serenity of mind and the weather's resulting slowness to mobility give us a determination to get on with the business of this Nation as soon as possible.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The acting legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 19, 1979.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Chair now recognizes the Senator from Montana (Mr. BAUCUS) who is the acting Senate majority leader.

THE JOURNAL

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Journal be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL WEDNESDAY, FEBRUARY 21, 1979

Mr. BAUCUS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Wednesday, February 21, 1979.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

READING OF WASHINGTON'S FAREWELL ADDRESS

The ACTING PRESIDENT pro tempore. Under the order of the Senate of January 24, 1901, as modified on February 9, 1979, the Senator from Virginia (Mr. WARNER), having been appointed by the Vice President, will now read Washington's Farewell Address.

Mr. WARNER. I thank the Chair, my colleagues, the Senate staff, who are to be commended for their fortitude in getting here today, and an assemblage of citizens of the United States and perhaps other countries who have joined us on this historic day.

It is a great honor for a freshman Senator from Virginia to give this historic address, which is done in keeping with the long traditions of the U.S. Senate.

I find, Mr. President, as I am sure the Chair does and my colleagues, that there are many thoughts in our first President's Farewell Address that the leaders of this Nation could take to heart today when our country faces so many grave decisions throughout the world.

Mr. President, I will now proceed.

Mr. WARNER, at the rostrum read the Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgement of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite movement, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets*. for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence

within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? Will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reigns of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of fraction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; forments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and

constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for through this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachment for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake, since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fully filled with perfect good faith:—Here let us stop.

Europe has a set of primary interests which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendship or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will

not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances of extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse. the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity toward other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

The ACTING PRESIDENT pro tempore. On behalf of this Senate, I thank the Senator from Virginia (Mr. WARNER) for so eloquently repeating the words of President Washington which he wrote for his Farewell Address.

May we in this day give heed to his words.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond 1 hour, with statements therein limited to 15 minutes.

Under the previous order, the Senator from Wisconsin is recognized.

WASHINGTON'S FAREWELL ADDRESS

Mr. PROXMIRE. Mr. President, I, too, commend the distinguished Senator from Virginia (Mr. WARNER) for his superlative reading of Washington's Farewell Address.

It is most appropriate that this fine, new Senator should be chosen as the person to read the address this morning. He has had a great record of service to the country as Secretary of the Navy. He is a man who, as I understand it, was head of the Bicentennial celebration.

He understands so deeply the history of our country and the majesty of our country, and to have him read the Farewell Address to us this morning is a real privilege.

Unfortunately, the weather kept the crowd down. I do wish there had been more Senators present to hear our friend from Virginia.

I join the Presiding Officer in commending him on an excellent reading. It is most appropriate that we should have this before us.

Mr. President, I would like to say a few things very briefly about the Farewell Address, because, unfortunately, we hear the reading and then we let it go. I do not think we should do that.

This is a great address by George Washington. Incidentally, it was never actually delivered. He never gave it himself. He wrote it, but it was not delivered.

There are some remarkable things about this. Obviously, it was delivered at a time, in 1796, when this was an entirely different kind of a country with a different situation; a small, agricultural country of 3.5 million people.

He talked about being involved in the controversies in Europe. We were a country far smaller than the European countries, weaker than the European countries militarily, and virtually in every

other respect. His advice, given at that time, should be viewed under those circumstances.

He said:

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

That was right in 1796. Obviously, it is not the case in 1979 when, of course, our NATO alliance with Europe is the very cornerstone of achieving peace in the world.

Mr. President, in spite of the fact that much of this address does relate to a period that is far in the past, and to a little country, I think there is a very great deal we can learn from it.

It is interesting in this year that follows proposition 13 and the concern so many have with balancing the budget, that Washington does say:

. . . avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your . . .

Of course, that is good advice. It is advice we can and should take. No matter how we try to rationalize the colossal deficits we have suffered in the last 8 or 10 years particularly, there is no way that that can be squared with the fundamental principles on which this country was founded and the good, solid advice that George Washington gave us.

CAUSES OF INFLATION

Mr. PROXMIRE. Mr. President, appropos of that, I would like to call to the attention of the Senate one of the most remarkable responses that I have heard in a long time in a Senate hearing.

The other day, the Senate Banking Committee had hearings on the Council on Wage and Price Stability. Our witnesses were Dr. Kahn and Dr. Bosworth. Dr. Bosworth, as you know, is the man who runs the Council on Wage and Price Stability. Both of these men are eminent economists.

Dr. Bosworth was asked by a member of the committee what was the anatomy, the causes, of inflation. I think at a time when we are perplexed by this, it is good to get the advice or the observations of one of the ablest men in this country in the area of inflation, and a man who has the principal responsibility for handling the details of it.

Dr. Bosworth did something most unusual. He not only discussed the causes of inflation, but he analyzed the causes in numerical terms. I would like to read part of what he said:

Number one is that there is an ongoing momentum of inflation that has come out of past inflation, the expectations of people that it will continue.

The Chairman made reference earlier to people who are seeking wage increases in order to catch up with past price increases and they fully expect those increases to recur in the future.

Businessmen who pass on those increases and adjust it a little bit because they expect them to continue in the future. That after 10 years of rapid inflation in the United States that whole process, whether you describe it simply as expectations or catch-up or wage rate relationships has become deeply embedded in the economy.

That is the first problem, to break that. I would place the magnitude of that sort of process today as basically giving us a rate of inflation of between 7 and 7.5 percent a year, just ongoing continual pressure.

Whereas, a year ago I would have put that number down around 6 percent. I think, in other words, that there has been an acceleration of the underlying rate of inflation or momentum of inflation in this country of about a percentage point or a little bit more in the last 12 months.

The reasons that inflation momentum tends to pick up, the factors responsible for them, is first fiscal and monetary policy, given some basic inflation, market shortages and some prices move up more rapidly.

When that happens, it gets built into the wages, it spreads throughout the economy and gets built in again.

The other part of it, though, is the economy's vulnerability to a large number of shocks from a variety of different sources that tend to have inflationary impacts.

The first and most dramatic in the February price index is the instability of farm prices.

Secondly, we are much more vulnerable to the international community than we are a decade ago. There is more volatility, oil is only one example of raw materials, there are others on which we are dependent to the rest of the world.

Next to that, government; government has had impact on initiating this action and speeding it up.

It's an attempt to keep up with the cost of living. Expectation of continued price inflation. Government does do it in two areas. One is direct price actions that it takes.

Earlier, there was mention of sugar. We have had farm bill legislation passed.

We have a minimum wage increase. We have had two major increases in social security taxes. In the current year, I put the magnitude of those sort of direct price increasing actions by government at between a half of a percent and three-quarters of a percent, if it goes ahead with the type of plans that seem to be anticipated for tax increases and other measures.

The second one is the regulatory. The regulatory does not show up as a wage increase. It does not show up as a profit margin increase. It shows up as a decline in productivity.

When we try to reduce air pollution and other things, we tell firms to divert more labor and other resources into reducing pollution and less to producing goods and services.

The impact of that is to reduce productivity. This country up until the middle part of the 1960s had a steady trend rate increase in productivity of about 3 percent a year. It began to drop off in the last sixties and was a cause of some concern.

We used to talk about productivity growth declining by a third of what it was, down to 2 percent a year. In the last two years, productivity has averaged less than 1 percent a year.

But I would argue that those regulations from empirical studies that exist so far say that federal regulation has probably contributed between one-half and three-quarters of a percentage point in the slow-down of productivity growth. So that is a major factor.

Second, it's difficult to get people to cooperate to restrain their own increases when in real terms they are not gaining anything.

The only way society as a whole can gain is through productivity growth. If there is no productivity growth, my wage increase comes out of your hide and your wage increase comes out of my hide.

A fundamental difficulty is that we can't promise people that by cooperating and holding down on their money price increases, that there will be an improvement in the real income because this economy is beginning to look like Great Britain in the 1960s.

In other words, momentum of inflation, shocks of inflation coming from the international market, food, and government, and third, this growing serious problem of productivity growth.

If all three of those areas could be addressed effectively, I think over the next couple of years we could very effectively try to reduce inflation.

Mr. President, I think this is such an unusual summary, I would like to conclude by pointing out how he indicates we can do this:

We know of several ways to bring that to an end.

Fiscal and monetary restraints rigorously applied to slow the rate of growth of the economy and throw some people out of work, we know would work.

People say if you would only quit printing money, inflation would come to an end, if you would only—they are right.

Slow down production, slow down—it would throw 3 million people out of work.

The problem of those policies is that they are so costly. What's happened in the past, we all get upset about inflation. We call on the Congress to balance the budget, hold down spending—it doesn't and we go into a recession.

Then everybody gets panicky about unemployment.

Before the recession has an impact on the inflation rate we switch around. I think those costs are very real costs. It is unreasonable to deal with inflation by throwing people out of work.

Instead what we try to do, hopefully were this program to succeed is slow the rate of growth of the economy, yes, relieve excess demand pressure, yes. But don't undo the progress we have made over the past three years.

Try to hold the unemployment rate roughly where it is right now. Unfortunately, we cannot reduce the overall unemployment rate more than it is right now in the next couple years without worsening inflation.

But hold it there. Don't overdo it. We know that process is slow and gradual. There is a way to speed it up. That is to ask people to voluntarily, within that kind of atmosphere where there are no shortages driving up prices and wages, to voluntarily agree to hold down and accelerate the rate of slowdown in their own wage and price increase, so we can translate fiscal and monetary restraints into a slowing rate of inflation at less cost in unemployment than would otherwise be the case.

Mr. President, he concluded by saying this:

The attempt here, we cannot promise success overnight, but we have to stick with it with a smooth and gradual policy to gradually slow down the rate of growth in the economy and recognize that no government can promise success in inflation on one month's prices.

More importantly, no government can solve this problem.

It just is not a problem that can be solved by government alone.

It's going to require a lot more contributions than just those of government.

That was an impromptu response by Dr. Bosworth, and it is one that I thought should be called to the attention of all Senators because, as I say, he is the man who is in charge of running the Council on Wage and Price Stability. It does

give a reason and a coherent basis for the attempt to hold down prices.

COLLEGE OF AGRICULTURE AND LIFE SCIENCES, UNIVERSITY OF WISCONSIN

Mr. PROXMIRE. Mr. President, I am happy, as the senior Senator from Wisconsin, to call to the attention of the Senate that some 4,000 faculty members around the Nation have ranked the College of Agriculture and Life Sciences at the University of Wisconsin in Madison as second in the Nation among agricultural colleges.

It showed Wisconsin's college was second only to Cornell University at Ithaca, N.Y. Wisconsin ranked above Iowa State, third; Michigan State, fourth; Purdue, fifth; and the campuses of the University of California at Davis and Berkeley, sixth and seventh.

The feeling at the University of Wisconsin is that we are moving ahead and that we are likely to be first in the near future, because there are as many improvements that we expect to be able to put into effect in the next few years.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Wisconsin State Journal of January 28, 1979.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF WISCONSIN'S HIGH AGRICULTURAL SCHOOL RANKING IS AN HONOR

The rank of the College of Agricultural and Life Sciences at the University of Wisconsin-Madison as second in the nation among agriculture colleges is a great achievement for the men and women who work under Dean Glenn S. Pound.

The rating was made by 4,000 faculty members around the nation. It showed Wisconsin's college was second only to Cornell University at Ithaca, N.Y. Wisconsin ranked above Iowa State third; Michigan State, fourth; Purdue, fifth; and the campuses of the University of California at Davis and Berkeley, sixth and seventh.

And this rating can only get better since the Board of Regents has moved up the priority of new College of Agricultural and Life Sciences buildings, like the new Plant Industry and Engineering building, and has renewed its endorsement of a School of Veterinary Medicine on the Madison campuses.

These new facilities, along with the North Central Regional Dairy-Forage Laboratory and plans for expansion of horticulture and improvement of soil science buildings, will aid in recruiting top faculty members who will add to the strength Wisconsin has traditionally had in agriculture.

It is only right that the College of Agricultural and Life Sciences be nationally recognized. It is an honor, too, for the people of Wisconsin whose resources have created and supported the college programs.

JAPANESE WINDOW DRESSING

Mr. PROXMIRE. Mr. President, the trade imbalance between Japan and the United States reflects basic structural differences in the two economies and requires significant policy adjustments in both countries. Japan must open her markets to U.S. goods and the United States must make a greater effort to promote exports to Japan. Such measures combined with the higher exchange rates the yen has attained recently will gradually reduce the imbalance.

Unfortunately Japan is showing a preference for "window dressing" the balance-of-payments statistics at a time when basic corrective measures are needed. The Export–Import Bank of Japan has hatched a scheme to provide funds for foreign, and perhaps even United States, commercial airlines, and have the full value of the aircraft recorded as a U.S. export to Japan. Of course, the airplanes would never even fly over Japan; they would go directly to the third-country or U.S. airline.

But the Japanese get more than an artificial adjustment in their balance of payments; they earn interest and charges on the leases and build up trade relations with airlines which will eventually be used to promote Japanese, not American, exports. In addition, when the leases are paid, and ownership transferred to third country airlines, Japan will record the transactions as exports—the window dressing will be reversed to benefit the Japanese trade balance in 1989 and beyond.

Such gimmicks will not remedy the fundamental problems in United States-Japanese trade and should be firmly rejected in both countries. Leasing transactions which do not involve true U.S. exports to Japan must be excluded from calculations of the United States-Japan trade balance. I have asked the staff of the Committee on Banking, Housing, and Urban Affairs to investigate the accounting treatment of international leasing in the balance of payments and to draft legislation, if necessary, to insure that window dressing transactions do not obscure the unpleasant truth about trade imbalances.

Mr. President, I ask unanimous consent that an item on this subject by A. E. Cullison which appeared in the Journal of Commerce of February 5, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAPAN JET-LEASING PLAN PROBED TO AVOID POSSIBLE CRITICISM

(By A. E. Cullison)

TOKYO.—Purchase and leasing of foreign commercial jetliners under Japan's "emergency import" program has come under scrutiny by the Finance Ministry out of fears that possible questionable arrangements may result in criticism by Japanese taxpayers that they are benefiting a specific industry at public expense.

The system calls for a group of private leasing firms in Japan to use low-interest, foreign-currency loans from the governmental Export-Import Bank of Japan in the purchase of American and European aircraft for leasing to commercial airlines abroad.

It is based upon the concept that by so doing the purchase price of the commercial jets can be added to Japan's imports and thus reduce the country's large trade surpluses with the nations manufacturing the planes.

But Finance Ministry officials have taken note of growing skepticism in Japan concerning the aircraft business, mainly due to the recent lockheed bribery scandal and claims that the Grumman Corp. may have been guilty of illegal payoffs as well.

The ministry also is aware that circles in the United States government are starting to complain that the program really does not lead to increasing Japan's imports to any meaningful degree and might actually be ruining normal markets for the same aircraft overseas and inside the U.S.

Critics in Washington for example, contend that calling the leased aircraft "imports" ignores the fact that the Japanese companies involved are earning interest and rental charges similar to an outright re-exporting arrangement.

Although the Japanese government adds the "imports" to its statistics as a result of the leasing arrangements, the argument goes, the American manufacturers could sell the aircraft to the same buyers without Japan's "window dressing."

Apparently, Finance Ministry authorities already have asked those of the country's private banking institutions which have become involved in such leasing programs to use their utmost discretion.

It is expected that the ministry will now make much more thorough inspections of each leasing project which makes use of Exim Bank funding. Ministery officials, it is understood, also intend to reject applications from leasing firms for the purchase of American commercial jetliners for the purpose of leasing them to airlines in the U.S.

There had been reports in Tokyo that some of the leasing companies had approached United, Pam Am and TWA Airlines, for instance, with a plan to purchase $300 million worth of U.S. aircraft for leasing to them.

Under the administration of former Prime Minister Takeo Fukuda it has been planned to use Exim Bank easy-term loans for the purchase of $745 million worth of leasing aircraft.

Now, however, with the Finance Ministry considering a considerable increase in the 6 percent interest rate per annum, the entire program could be greatly reduced in scope. Opposing such a decision is the Ministry of International Trade and Industry (MITI).

Finance Ministry officials have explained that one of the most questionable cases in recent days involves a leasing contract concluded with British Airways. Apparently, the British firm in 1976 had concluded a contract with Boeing company for purchase of a 747 jetliner.

This contract was canceled in favor of leasing from a consortium of Japanese firms, although British Airways already had made a down payment to Boeing.

If the Finance Ministry finally decides to go ahead with the aircraft purchase and leasing program, even with tightened supervision, it is expected that much of the $2 billion in emergency imports scheduled for fiscal 1979, a term beginning in April, will involve such leasing projects.

IMPACT OF "HOLOCAUST" WORLDWIDE

Mr. PROXMIRE. Mr. President, I have spoken on this floor previously about the reactions of the West German audience to that country's recent showing of the American filmed docudrama "Holocaust." The West German public had its eyes reopened to the cool and calculated atrocities of the Nazi decade, and public response to this controversial showing was overwhelmingly positive.

Mr. President, this response has not been limited to West Germany. The New York Times on January 28, 1979, reported that West German television officials have been receiving calls from Communist East Germany, the vast majority of which have also been in favor of the program.

The response to this program abroad only confirms the response that many of

us had when this program was broadcast in this country. It renews in us the sense of urgency to take concrete action to insure that such a tragedy never repeats itself.

What, then can we do? There are three main areas where our efforts should be concentrated.

First, documentaries and docudramas like "Holocaust" must continue to be produced and aired. These programs can only serve as necessary reminders of the brute factuality of what happens when a group of people such as the Jews are systematically exterminated.

Second, our educational institutions must continue to keep ourselves and our children informed about the historical reality of occurences like the holocaust.

Third, we must make concerted effort on the international level to prevent any future possibility of such a tragedy from reoccuring.

Mr. President, this body has an opportunity to act on this third option. The Genocide Convention, more than any other proposal to come before the Senate, addresses the problem of genocide which the holocaust program so vividly reminds us of.

Mr. President, we must prevent future holocausts. We must ratify the Genocide Convention.

Mr. President, what we can do, the concrete action that only the U.S. Senate can take, is to ratify the Genocide Convention that has been waiting for our ratification for 30 long years. We have been called upon by every President, Democrat and Republican, every Secretary of State, every Attorney General, by the bar association, by virtually every religious denomination, to ratify the Genocide Convention, but this body has somehow not been able to find it in its heart to take this humane, humanitarian action.

I do hope the Senate will find a way to act, and act within the next few months. After 30 long years, it is about time.

Mr. President, I ask unanimous consent that an article appearing in the New York Times of January 29, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EFFECTS OF "HOLOCAUST" ON WEST GERMAN TV CROSS BORDER INTO EAST

(By Ellen Lentz)

WEST BERLIN, January 27.—An intense public debate in West Germany about Nazi policies of genocide against the Jews of Europe, a debate aroused by showing this week of the American television series "Holocaust," is reaching across the border into East Germany. Many people there who live beyond normal West German broadcasting range are demanding that they be given an opportunity to see the series.

Peter Kroeger, a spokesman for West Berlin television, said he was receiving many telephone calls from East Berlin and other parts of East Germany, with callers commenting on the series or complaining of being unable to pick up the programs.

Audience reaction in West Germany has been "overwhelming," Mr. Kroeger said, taking the form of 20,000 telephone calls, telegrams, messages and letters received so far in West Berlin and Cologne, the main broadcasting station, since the four-part program opened Monday.

Further segments were presented Tuesday and Thursday night, with the final installment last night.

"THIS IS AN ABSOLUTE RECORD"

"We have never had this kind of reaction before," the television official said. "This is an absolute record."

An East Berlin woman told a visitor who crossed from the West that she had insisted upon seeing the series—in which the fate of a fictional Jewish family from Berlin is used to portray ordeals under the Nazis—after she had heard about it on a West German news broadcast.

"My husband was opposed at first and said we knew enough about the past already," said the woman, a 34-year old graphic artist.

"Now that I have seen two of the segments I understand that our state-run network will not show the program because they feel it is too pro-Zionist. But what I do not understand is why the West Germans are not showing it on their main national channel."

The regional television channels on which West Germany is broadcasting the series can be received in East Berlin and in areas along the boundary, but most of East Germany's viewers are beyond their range.

The main West German channel, the First Program, can be picked up by about 85 percent of the sets in East Germany.

The Communist leadership in East Germany and the party-led press have not indicated any public reaction. While there is no official ban in East Germany on watching West German television, the Communist authorities do not encourage it.

Mr. Kroeger said that among those East German callers who had seen the program, positive reaction outweighed negative comments at a rate of 6 to 2.

"We have been shown a large number of documentaries here," an East German said, "but so far we were always led to believe Nazi atrocities were a matter only for the capitalists and did not concern us, as a socialist country."

He added that a public debate about anti-Semitism "is overdue in our part of the country."

WASHINGTON'S FAREWELL ADDRESS

Mr. LEVIN. Mr. President, I commend Senator WARNER on the reading of Washington's Farewell Address this morning. It is fitting that this address was read this morning by a Senator who braved the elements to be here to carry out his duty in honor of our first President, who braved many a storm in order to make this country possible.

I think there is some important symbolism in that.

GENOCIDE CONVENTION

Mr. LEVIN. Mr. President, while I am on my feet, I wish to commend Senator PROXMIRE for his daily reminder to this Senate, which also has taken a great amount of courage and bravery, of the fact that we have not yet ratified the Genocide Convention.

I, as one Senator, wish to take this opportunity when we are talking about courage and bravery to thank the senior Senator from Wisconsin for pricking the conscience daily on something which should not rest until we finally do it.

I thank the Chair.

Mr. PROXMIRE. Will the Senator yield for just a moment?

Mr. BAUCUS. Yes.

SENATOR BAUCUS AS ACTING MAJORITY LEADER

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from Montana as acting majority leader. I believe he is one of the newest and youngest acting majority leaders we have ever had.

It is so appropriate to have a Senator from Montana. As the Senator knows, one of the most beloved men who ever served in this Senate was a predecessor, Mike Mansfield. He served as majority leader longer than any majority leader in the history of the Senate, and with great distinction.

So it is good to have Senator BAUCUS, who is a fine man, who not only represents Montana, but represented the same congressional district in the House of Representatives, as I understand it, that Mike Mansfield represented.

It seems like old home week. It seems we are back in the situation we were in for so many years when Senator Mansfield did a great job as majority leader here.

Mr. BAUCUS. I deeply thank the senior Senator from Wisconsin.

Senator Mansfield has long been a model to this Senator, to the citizens of Montana, as well as Members of the U.S. Senate and the Nation as a whole. He has been an inspiration to all of us. I thank the Senator.

Mr. WARNER. Will the Senator yield?

Mr. BAUCUS. I yield to the Senator from Virginia.

WASHINGTON'S FAREWELL ADDRESS

Mr. WARNER. Mr. President, I would like to express my appreciation to the Senator from Wisconsin for his very thoughtful remarks on my behalf. I wish to note that nothing deterred him either in his mental stamina or his physical stamina, to get here on this day.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Pursuant to the order of the Senate of February 9, 1979, sundry messages, transmitting nominations, were received by the Secretary of the Senate during the recess of the Senate, which were referred to the appropriate committees.

(The nominations received during the recess are printed at the end of today's proceedings of the Senate.)

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, U.S. SENATE DELEGATION TO NORTH ATLANTIC ASSEMBLY, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna					7,814.12	734.41	7,814.12	734.41
Romania	lei					1,164.24	98.00	1,164.24	98.00
Saudi Arabia	riyal					4,389	1,330.00	4,389	1,130.00
Israel	pound					67,878	3,610.00	67,868	3,610.00
Egypt	pound					1,133.15	1,618.78	1,133.15	1,618.78
Portugal	escudo					143,290.5	3,216.66	143,290.5	3,216.66
Total									10,407.85

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enrer amount expended.

Note: Delegation expenses including direct payments and/or reimbursements to the Embassies and Department of Defense under the authority of sec. 502B of the Mutual Security Act of 1954 as amended by sec. 22 of Public Law 95-384, and S. Res. 179, agreed to May 25, 1977, for transportation, overtime for Embassy employees, clerical supplies, control room expenses, baggage handling, travel and per diem for Embassy personnel, communications, gratuities, appropriate hospitality, and other expenses on behalf of the delegation including inflight expenses on aircraft.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$5,503.68
Appropriated funds: Reimbursement to Department of Defense	15,911.53
Total	

Jan. 4, 1979.

CLAIBORNE PELL, Chairman.
ROBERT C. BYRD, Majority Leader.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,596	150.00						150.00
Romania	lei	891	75.00						75.00
Israel	pound	1,410	75.00						75.00
Egypt	pound	92	131.43						131.43
Portugal	escudo	14,914	324.21						324.21
Total			755.64						755.64

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$755.64

Dec. 12, 1978.

JAMES A. McCLURE,
Chairman, Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	crown	789	75.00					789	75.00
Romania	lei	756	63.64					756	63.64
Israel	pound	1,410	75.00					1,410	75.00
Egypt	pound	100.390	143.41					100.390	143.41
Portugal	escudo	17,607	382.75	690	15.00			77,297	397.75
Total			739.80						754.80

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 21, 1978.

ALBERT A. LAKELAND, JR.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	crowns	789.00	75.00					789.00	75.00
Romania	lei	891.00	75.00					891.00	75.00
Israel	pounds	1,410.00	75.00					1,410.00	75.00
Egypt	pounds	105.000	150.00					105.000	150.00
Portugal	escudos	215.643	468.79					215.643	468.79
Total			843.79						843.79

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 3, 1979

JACOB K. JAVITS.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,488	139.85					1,488	139.85
Romania	lei	891	75.00					891	75.00
Israel	israel pds	1,410	75.00					1,410	75.00
Egypt	pound	105	150.00					105	150.00
Portugal	escudo	22,207.88	482.78			7,722.18	154.83	2,993.06	657.61
Total			922.63				154.83		1 077.46

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$1,077.46

Jan. 4, 1974.

CLAIBORNE PELL,
Chairman, Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 19 TO DEC. 1, 1978.

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,596	150.00						150.00
Romania	lei	891	75.00						75.00
Israel	pound	1,410	75.00						75.00
Egypt	pound	105	150.00						150.00
Portugal	escudos	16,496	358.52						358.52
Total			808.52						808.52

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$808.52

Dec. 12, 1978.

ERNEST F. HOLLINGS,
Chairman, Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 26 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Portugal, total	escudo	18,818	409.09	460	10.00				419.09

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$419.09

ROBERT MORGAN,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,393.4	130.91						130.91
Romania	lei	891	75.00						75.00
Israel	pound	1,410	75.00						75.00
Egypt	pound	105	150.00						150.00
Portugal	escudo	18,506	402.30						402.30
Total			833.21						833.21

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$833.21

Dec. 12, 1978.

TED STEVENS,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,276	119.92						119.92
Romania	lei	891	75.00						75.00
Israel	pound	1,410	75.00						75.00
Egypt	pound	75.25	107.50						107.50
Portugal	escudo	15,324.44	333.14						333.14
Total			710.56						710.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$710.56

Dec. 12, 1978.

HENRY M. JACKSON,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,038.90	97.64						97.64
Romania	lei	696	58.58						58.58
Israel	pound	785.66	41.79						41.79
Egypt	pound	105	150.00						150.00
Portugal	escudo	13,094	284.65	368	8.00	322	7.00		299.65
Total			632.66		8.00		7.00		647.66

[1] If foreign currency is used, enter U.S. equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$647.66

Dec. 7, 1978.

LAWRENCE O. THOMPSON,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	940	88.30						88.30
Romania	lei	696	58.58						58.58
Israel	pound	1,410	75.00						75.00
Egypt	pound	63	90.09						90.09
Portugal	escudo	8,309	180.63						180.63
Total			492.60						492.60

If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$492.60

Dec. 12, 1978.

SUSAN L. GOLUB,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	978	91.92						91.92
Romania	lei	744	62.62						62.62
Israel	pound	894	47.02						47.02
Egypt	pound	90	127.50						127.50
Portugal	escudo	9,100.38	197.53	460	10.00	690	15.00		222.53
Total			526.59		10.00		15.00		551.59

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$551.59

Dec. 12, 1978.

DOROTHY FOSDICK,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,223.2	114.96						114.96
Romania	lei	891	75.00						75.00
Israel	pound	1,034	55.00						55.00
Egypt	pound	94	134.42						134.42
Portugal	escudo	12,517	272.11	460	10.00				282.11
Total			651.49		10.00				661.49

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$661.49

Dec. 12, 1978.

JOANNE P. NOVINS,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,066	100.18						100.18
Romania	lei	791	66.58						66.58
Israel	pound	1,410	75.00						75.00
Egypt	pound	67.10	95.95						95.95
Portugal	escudo	11,934	259.43	92	2.00	12,070	262.43		523.86
Total			597.14		2.00		262.43		861.57

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$861.57

Dec. 12, 1978.

SUSAN ALVARADO,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	964	90.60						90.60
Romania	lei	669.3	56.34						56.34
Israel	pound	800	42.55						42.55
Egypt	pound	77.75	111.18						111.18
Portugal	escudo	11,642	253.10	230	5.00				258.10
Total			553.77		5.00				558.77

RECAPITULATION

	Amount
Appropriated funds: Total	$558.77

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 12, 1978

NANCY D. CRABB,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, OFFICE OF THE PRESIDENT OF THE SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	1,086	102.07						102.07
Romania	lei	891	75.00						75.00
Israel	pound	1,070	56.91						56.91
Egypt	pound	105	150.00						150.00
Portugal	escudo	18,201	395.67	828	18.00	276	6.00		419.67
Total			799.65		18.00		6.00		803.65

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: total	$803.65

Dec. 12, 1978.

WILLIAM C. SMITH,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Romania	lei	891	75.00						75.00
Israel	pound	1,410	75.00						75.00
Egypt	pound	105	150.00						150.00
Portugal	escudos	12,710	276.00	460	10.00				286.00
Total			576.00		10.00				586.00

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$586.00

Dec. 12, 1978.

JOHN B. RITCH III,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, NOV. 18 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Czechoslovakia	koruna	970	91.17					970	91.17
Romania	lei	759	63.87					759	63.87
Israel	pound	858	45.65					858	45.65
Egypt	pound	99	141.45	3.4	4.85			102.4	146.30
Portugal	escudo	12,837	279.06	460	10.00			13,297	289.06
Total			621.20		14.85				636.05

[1] If foreign currency is used, enter U.S. dollar equivalent. If U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$636.05

Dec. 12, 1978.

GERYLD B. CHRISTIANSON,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, SECRETARY OF THE SENATE, NOV. 23 TO DEC. 1, 1978

Country	Name of currency	Per diem		Transportation		Other Purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency
Portugal, total	dollar		374.63		346.52				721.15

[1] If foreign currency is used, enter dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Public Law 95-384, Total	$721.15

Dec. 15, 1978.

ARTHUR M. KUHL,
Delegation to North Atlantic Assembly.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, DEC. 1-19, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Japan	yen	22,176	112.00	63,761	322.00			85,937	434.00
PRC	yuan	985.71	620.33	598.54	376.68			1,584.25	997.01
Hong Kong	H.K. dollar	1,075	225.00	697.56	146.55			1,772.56	371.55
Total									1,802.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 11, 1979.

HARRISON A. WILLIAMS, JR.,
Delegation, Codel Williams-Bellmon to China.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, DEC. 1-19, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Japan	yen	22,176	112.00	63,761	322.00			85,937	434.00
PRC	yuan	985.71	620.33	598.54	376.68			1,584.25	997.01
Hong Kong	H.K. dollar	1,075	225.00	697.56	146.55			1,772.56	371.55
Total									1,802.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 11, 1979.

WALTER D. RAMSAY,
Delegation, Codel Williams-Bellmon to China.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, DEC. 1-19, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Japan	yen	22,176	112.00	63,761	322.00			85,937	434.00
PRC	yuan	985.71	620.33	598.54	476.68			1,584.25	997.01
Hong Kong	H.K. dollar	1,075	225.00	697.56	146.55			1,772.56	371.55
Total									1,802.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 16, 1979.

HOWARD W. CANNON,
Delegation, Codel Williams-Bellmon to China.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, DEC. 1-19, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Japan	yen	22,176	112.00	63,761	322.00			85,937	434.00
PRC	yuan	985.71	620.33	598.54	376.68			1,584.25	997.01
Hong Kong	H.K. dollar	1,075	225.00	697.56	146.55			1,772.56	371.55
Total									1,802.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 18, 1979.

DONALD W. RIEGLE, JR.,
Delegation, Codel Williams-Bellmon to China.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, DEC. 1-19, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Japan	yen	22,176	112.00	63,761	322.00			85,937	434.00
PRC	yuan	985.71	620.33	598.54	376.68			1,584.25	997.01
Hong Kong	H.K. dollar	1,075	225.00	697.56	146.55			1,772.56	371.55
Total									1,802.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: Equivalent First Class Commercial Air Rate for travel to China is $2,730.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$1,802.56

Jan. 19, 1979.

HENRY BELLMON,
Delegation, Codel Williams-Bellmon to China.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, DEC. 1-19, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Japan	yen	20,676	104.50	63,761	322.00			84,537	426.50
PRC	yuan	985.71	620.33	598.54	376.68			1,584.25	997.01
Hong Kong	H.K. dollar	1,075	225.00	697.56	146.55			1,772.56	371.55
Total									1,795.06

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 18, 1979.

DALE L. BUMPERS,
Delegation, Codel Williams-Bellmon to China.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
John Sparkman: Panama	Am. dollar		136.64				13.36		150.00
Clifford P. Case: Panama	Am. dollar		70.54						70.54
Frank Church:									
Panama	Am. dollar		99.64				4.00		103.64
Switzerland	franc	195.35	104.94					195.35	104.94
United Kingdom	pound	77.33	150.00	134.50	260.91				410.91
Spain	peseta	41,138	515.00			1,197	15.00	42,335	530.00
United States	dollar				1,117.11				1,117.11
Claiborne Pell:									
Panama	Am. dollar		81.74				5.00		86.74
Austria	schilling	4,618.25	328.00					4,618.25	328.00
Switzerland	franc	83.85	49.24					83.85	49.24
United States					547.17				547.17
Charles H. Percy:									
Panama	Am. dollar		96.74						96.74
Egypt	pound	104.90	150.00					104.90	150.00
Yemen	rial	520.375	114.75					520.375	114.75
Sudan	pound	300.40	602.00					300.40	602.00
United States	dollar				1,830.00				1,830.00
Paul Sarbanes:									
Panama	Am. dollar		76.49						76.49
United States					347.00				347.00
Jacob K. Javits:									
France	franc	337.5	75.00					337.5	75.00
Spain	peseta	21.420	300.00					21,420	300.00
United Kingdom	pound	128.95	255.00					128.95	255.00
United States	dollar				5,496.40				5,496.40
Turkey	pound	5,625	150.00					5,625	150.00
Israel	pound	3,196.75	194.00					3,196.75	194.00
Greece	drachma	2,517.5	68.20					2,517.5	68.20
Richard Stone:									
Japan	yen	19,002.60	102.00					19,002.60	102.00
People's Republic of China	yuan	1,463.67	900.00					1,463.67	900.00
Hong Kong	H.K. dollar	665	140.00	244.26	50.57			909.26	190.57
George W. Ashworth:									
Syria	pound	877.50	225.00					877.50	225.00
Jordan	dinar	40.350	129.32					40.350	129.32
Israel	pound	2,813.75	169.00			349.75	21.00	3,163.50	190.00
Israel	pound			1,427	85.50			1,427	85.50
U.S.S.R.	U.S. dollar		368.00		63.50		12.50		444.00
Switzerland	franc	418.85	225.00					418.85	225.00
United States	dollar				3,180.00				3,180.00
Frank C. Ballance:									
England	pound	195.82	375.00					195.82	375.00
Sweden	kroner	697.90	150.00					697.90	150.00
Germany	mark	309	150.00					309	150.00
France	franc	1,035	225.00					1,035	225.00
United States	dollar				805.00				805.00
George McGovern:									
United Kingdom	pound	119.05	225.00					119.05	225.00
Austria	schilling	2,233.50	150.00					2,233.50	150.00
Romania	lei	752	62.00					752	62.00
Czechoslovakia	crown	1,056	96.00					1,056	96.00
United States	dollar				4,683.00				4,683.00
Spain	peseta	21,509	300.00					21,509	300.00
Sudan	pound	214.57	430.00					214.57	430.00
Ethiopia	birr	154.09	75.00					154.09	75.00
Tanzania	shilling	551.25	75.00					551.25	75.00
Mozambique	escudo	2,450	75.38					2,450	75.38
Rhodesia	rand	195	225.00					195	225.00
South Africa	rand	325	375.00					325	375.00
Angola	pound	75.09	150.00					75.09	150.00
London	pound	42.55	85.00					42.55	85.00
Pauline H. Baker									
U.S.S.R.	U.S. dollar		416.28		91.30		80.22		587.80
United States					3,829.00				3,829.00
Spain	peseta	21,509	300.00					21,509	300.00
Sudan	pound	214.57	430.00					214.57	430.00
Ethiopia	birr	154.09	75.00					154.09	75.00
Tanzania	shilling	551.25	75.00					551.25	75.00
Mozambique	escudo	2,450	75.38					2,450	75.38
Rhodesia	rand	195	225.00					195	225.00
South Africa	rand	325	375.00					325	375.00
Angola	pound	75.09	150.00					75.09	150.00
London	pound	42.55	85.00					42.55	85.00
Johannes A. Binnendijk:									
United Kingdom	pound	83.79	168.00					83.79	168.00
Belgium	franc	5,689	190.00					5,689	190.00
France	franc	1,411	332.00					1,411	332.00
Germany	mark	441	237.00					441	237.00
Sweden	kroner	708	187.00					708	187.00
U.S.S.R.	U.S. dollar		300.00		15.66				315.66
United States	dollar				1,031.00				1,031.00
Stephen D. Bryen:									
Israel	pound	12,367.57	657.15	835.98	44.42	720.05	38.26	13,923.60	739.83
Egypt	pound	271.72	388.17	21.90	31.28	13.13	18.76	306.75	438.21
United States	dollar				974.00				974.00
Norman C. Clyne:									
Great Britain	pound	83.79	150.00					83.79	150.00
Belgium	franc	5,689	190.00					5,689	190.00
France	franc	1,411	332.00					1,411	332.00
U.S.S.R.	U.S. dollar				15.66				315.66
Germany	mark	440.82	237.00					440.82	237.00
Israel	pound	2,748.00	150.00					2,748.00	150.00
Italy	lira	121,500.00	150.00					121,500.00	150.00
United States	dollar				1,741.90				1,741.90

See footnote at end of table.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Robert H. Dockery:									
Balboa	U.S. dollar	75.00	75.00			21.00	21.00	96.00	96.00
U.S.S.R.	U.S. dollar		416.28		241.10		12.50		669.88
United States	dollar				1,031.00				1,031.00
Patricia J. Donovan:									
United States	dollar				1,495.00				1,495.00
Great Britain	pound	158.73	300.00					158.73	300.00
Austria	schilling	2,233.50	150.00					2,233.50	150.00
Romania	lei	652.00	54.00					652	54.00
Czechoslovakia	crown	1,116.00	101.00					1,116.00	101.00
Michael Glennon:									
Belgium	franc	6,538.00	200.00	490.00	15.00	327.00	10.00	7,312	225.00
Spain	peseta	14,000.00	175.00	800.00	10.00	800.00	10.00	15,600.00	195.00
Clifford P. Hackett:									
Italy	lira	256,800	300.00					256,800	300.00
Switzerland	franc	282	150.00			131.75	70.05	313.75	220.05
Brazil	cruziero	10,258.50	525.00					10,258.50	525.00
United States	dollar				1,124.00				1,124.0
Mexico	peso	6,175	273.23					6,175	273.20
United States	dollar				347.00				347.003
John D. Holum:									
United States	dollar				1,495.00				1,495.00
Great Britain	pound	158.73	300.00					158.73	300.00
Austria	schilling	2,233.50	150.00					2,233.50	150.00
Romania	lei	652	54.00					652	54.00
Czechoslovakia	crown	1,096	99.00					1,096	99.00
Norvill Jones:									
Panama	Am. dollar		69.84						69.84
Papua, New Guinea	kina	88	124.08			15	21.15	103	145.23
Solomon Islands	Am. dollar		73.80						73.80
Fiji	F. dollar	40	46.80					40	46.80
	Am. dollar	22.75	28.00					22.75	28.00
George M. Kroloff:									
Panama	Am. dollar		94.14				18.00		112.14
Egypt	pound	213.65	305.21	16	22.86	35	50.00	264.65	378.07
United States	dollar				1,251.00				1,251.00
Great Britain	pound	71.73	134.85	23.59	44.35	19.65	36.94	114.97	216.14
United States	dollar				812.00				821.00
Albert A. Lakeland, Jr.:									
Panama	dollar		110.00						110.00
United States	dollar				2,715.72				2,715.72
Turkey	lira	5,625	225.00						225.00
Israel	pound	2,464.50	150.00						150.00
Greece	drachma	5,535	50.00						50.00
Karin Lissakers:									
England	pound	113.91	225.00					113.91	225.00
Portugal	escudo	30,599.30	675.00					30,599.30	675.00
United States	dollar				1,007.42				1,007.42
Richard L. McCall:									
Syria	pound	877.50	225.00					877.50	225.00
Jordan	dinar	15,600	49.92					15,600	49.92
Israel	pound	2,746.25	166.50					2,746.25	166.50
Israel	pound			1,427	85.50			1,427	85.50
United States	dollar				1,214.00				1,214.00
Israel	pound	16,938	900.00					16,938	900.00
Egypt	pound	315	450.00					315	450.00
United States	dollar				1,001.00				1,001.00
Mary M. McLaughlin: Panama	Am. dollar		79.14		4.00		121.72		204.86
Angela Morris: Panama	Am. dollar		72.06				5.80		77.86
Ralph Nurnberger:									
England	pound	93.63	185.40					93.63	185.40
Portugal	escudo	30,599.30	675.00					30,599.30	675.00
United States	dollar				1,007.42				1,007.42
England	pound	77.33	150.00	134.50	260.91				410.91
Spain	peseta	244.24	435.00						435.00
John Rich:									
Belgium	franc	6,538	200.00	490	15.00	327	10.00	7,312	225.00
Spain	peseta	21,600	270.00	1,200	15.00	1,200	15.00	24,000	300.00
Stanley R. Sloan:									
United States	dollar				889.00				889.00
United Kingdom	pound	118.68	233.111	33.60	66.19			152.28	300.00
Belgium	franc	7,410	235.99	3,333	106.15	900	28.66	11,643	370.80
Germany	mark	486	241.73	52	25.90	65	32.37	603	300.00
France	franc	1,587.5	332.11	426.20	89.16	25	5.23	2,038.70	426.50
Austria	chilling	5,067.2	337.08	320	21.29	250	16.63	5,637.20	375.00
Italy	lira	241,100	281.33	12,000	14.00	4,000	4.67	257,100	300.00
L. Bruce van Voorst:									
United Kingdom	pound	83.79	150.00					83.79	150.00
Belgium	franc	5,689	190.00					5,689	190.00
France	franc	1,411	332.00					1,411	332.00
W. Germany	mark	836.82	462.00					836.82	462.00
Israel	pound	2,748	150.00					2,748	150.00
Italy	lira	121,500	150.00					121,500	150.00
Italy	lira	59,850	75.00					59,850	75.00
U.S.S.R.	U.S. dollar		300.00		15.66				315.66
United Kingdom	pound	41.34	75.00					41.34	75.00
Octa R. Watson: Panama	Am. dollar		104.14		10.00		15.86		130.00
Roy A. Werner:									
Thailand	baht	6,030	300.00		271.90	52.40	2.60		574.50
Burma	kyat		38.00		2.25				40.25
Papua, New Guinea	kina	76.41	107.85					76.41	107.85
Solomon Islands	Am. dollar		51.25						51.25
Fiji	F. dollar	67.90	82.15					67.90	82.15
Indonesia	rupiah	126,520	305.00	46,275	111.64	4,145.00	10.25	176,940	426.89
United Kingdom	pound	90.34	180.00	188.50	360.92				540.92
United States	dollar				2,124.90				2,124.90

See footnote at end of table.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Janice O'Connell:									
France	franc	1,161.45	267.00					1,161.45	267.00
Switzerland	franc	1,687.30	981.00					1,687.30	981.00
United States	dollar				889.00				889.00
Steven Emerson:									
Egypt	pound	315	450.00					315	450.00
Israel	pound	16,938	900.00					16,938	900.00
United States	dollar				1,257.00				1,257.00
Alison Rosenberg:									
Sudan	pound	183.921	368.58			10.479	21.00	194.400	389.58
United States	dollar				1,435.00				1,435.00
Jeffrey M. Smith:									
Spain	peseta	21,509	300.00					21,509	300.00
Sudan	pound	214.57	430.00					214.57	430.00
Ethiopia	birr	154.09	75.00					154.09	75.00
Tanzania	shilling	551.25	75.00					551.25	75.00
Mozambique	escudo	2,450	75.38					2,450	75.38
Rhodesia	rand	195	225.00					195	225.00
South Africa	rand	325	375.00					325	375.00
Angola	pound	75.09	150.00					75.09	150.00
London	pound	42.55	85.00					42.55	85.00
United States					2,798.00				2,798.00
Barry Schochet:									
Israel	pound	16,938	900.00					16,938	900.00
Egypt	pound	315	450.00					315	450.00
United States	dollar				1,141.00				1,141.00
Total			35,588.25		53,092.62		747.53		89,428.40

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Total foreign currency (U.S. dollar equivalent)	$89,428.40

JOHN SPARKMAN,
Chairman, Committee on Foreign Relations.

Jan. 2, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON HUMAN RESOURCES, FROM JAN. 4, TO DEC. 7, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Senator S. I. Hayakawa: Japan	yen	89,572	375.00		1,627.00			89,572	2,002.00
Eugene R. Prat: Japan	yen	89,572	375.00		1,627.00			89,572	2,002.00
Robert P. Hunter: Mexico	pesos	6,780	300.00	(2)	(2)			6,780	300.00
Senator Edward M. Kennedy: U.S.S.R.	rubles		525.00		1,156.00				1,681.00
Lawrence C. Horowitz: U.S.S.R.	rubles		525.00		1,156.00				1,681.00
Jan Kalicki: U.S.S.R.	rubles		525.00		1,156.00				1,681.00
Richard Burke: U.S.S.R.	rubles		525.00		1,505.00				2,030.00
Stephen J. Paradise: Switzerland	S. franc	989.55	570.00		1,587.00			989.55	2,157.00
Michael L. Goldberg: Switzerland	S. franc	824.65	475.00		1,587.00			824.65	2,062.00
Total			4,195.00		11,401.00				15,596.00

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [2] Air Force II.

HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Human Resources.

Jan. 25, 1979.

REPORT UNDER PELLY AMENDMENT TO FISHERMEN'S PROTECTIVE ACT OF 1967—MESSAGE FROM THE PRESIDENT—PM 25

Under authority of the order of the Senate of Friday, February 9, 1979, the Secretary of the Senate on February 13, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

On December 14, 1978, Secretary of Commerce Kreps certified to me, pursuant to the Pelly Amendment to the Fishermen's Protective Act of 1967, that nationals of Peru, Chile and the Republic of Korea were conducting whaling operations in a manner that diminishes the effectiveness of the International Whaling Commission conservation programs.

Under the Pelly Amendment, such a certification must be followed by a report to the Congress. I am pleased to transmit the attached report which indicates that all three of these nations are becoming members of the International Whaling Commission and will therefore voluntarily become subject to its conservation programs. Thus, I am not at this time imposing sanctions against these nations.

JIMMY CARTER.

THE WHITE HOUSE, *February 13, 1979.*

PROPOSED CREATION OF CABINET-LEVEL DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT—PM 26

Under authority of the order of the Senate of Friday, February 9, 1979, the Secretary of the Senate on February 13, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I am sending to the Congress today my proposal to establish a Department of Education.

There is a compelling need for the increased national attention to a separate Cabinet department will bring to education issues. Our Nation's pluralistic education system, considered the most competent and open in the world, faces many problems and challenges: a decline in public confidence in the quality of education; unacceptably high rates of high school dropouts and of young people who lack basic educational tools and specific skills for productive employ-

ment; and increasing demands for retraining and learning opportunities.

The primary responsibility for education in our Nation lies with State and local government. The Federal government has a limited, but critical responsibility to help public and private institutions meet these challenges: to ensure equal educational opportunities; to increase access to postsecondary education by low and middle income students; to generate research and provide information to help our educational systems meet special needs; prepare students for employment; and encourage improvements in the quality of our education. The achievement of each of these goals will be enhanced by a new Department of Education.

Through our legislative and budget initiatives of the past two years, this Administration has given high priority to meeting these educational commitments. My budget for FY 1980 provides for $13.3 billion in education outlays, about a 45 percent increase above the level when I came into office. Last year, we established a legislative framework, the Middle Income Student Assistance program, to help solve one of our major education problems—the growing cost of a college education. The establishment of a Cabinet Department of Education will reflect the continued high priority my Administration places on education.

A Department of Education will bring our Nation's educational challenges and the Federal government's role in meeting them to the forefront of domestic policy discussion. Such discussion is vital to an activity that directly affects 60 million students, teachers and educational employees and constitutes a $120 billion public and private enterprise.

Establishing a separate Department will create, for the first time, a Cabinet-level advocate for education with direct access to the President, the Congress, and the public.

Second, it will give Federal education programs the full-time, high-level leadership and management that they cannot receive in a structure so large and complex as the Department of Health, Education, and Welfare. This will allow the Federal government to fulfill its responsibilities in education more effectively. It will eliminate duplication in the administrative and staff support activities within the Office of the HEW Secretary and the Education Division. It will allow improved financial management and more efficient administration of education programs. Separation of the education functions from HEW will also promote improved management of its closely-related health and welfare responsibilities.

Third, it will provide greater accountability. Submerged beneath HEW's dominant functions of health and welfare, Federal education programs lack full-time accountability at the Cabinet level. With a separate Department of Education, one Cabinet member will report directly to the President and be accountable to the Congress and the American people for the conduct of Federal education policies.

Fourth, it will provide simpler, more reliable, and more responsive support to states, localities, public and private institutions, giving them a direct line of Cabinet-level contact with the Federal government.

Fifth, the new Department will allow better coordination of education programs with related Federal activities, such as employment programs and research. It will also allow high-level consideration of the impact of other Federal policies, such as tax and energy, on education institutions and students.

Under the proposal I am submitting today, the Department of Education will include more than 150 programs and 16,200 employees. With a budget of more than $13 billion, this Department will be larger than five other Departments including Energy, Commerce, Justice, Interior and State.

In addition to the 140 programs in the Education Division of the Department of Health, Education, and Welfare, the new Department of Education will handle educational activities now carried out by several other departments. These include: the U.S. Department of Agriculture School, certain science education programs of the National Science Foundation, the overseas dependents' schools of the Department of Defense, the college housing loan program of the Department of Housing and Urban Development, the Law Enforcement Education and the Law Enforcement Internship Program of the Department of Justice, and the Migrant Education programs of the Department of Labor.

The proposed legislation establishes within the Department of Education separate Offices for Civil Rights, Elementary and Secondary Education, Postsecondary Education and Educational Research and Improvement, each headed by an Assistant Secretary. It establishes an office to administer functions related to the education of overseas dependents of Department of Defense personnel, an Inspector General, and a 20-member Intergovernmental Advisory Council on Education, appointed by the President, to promote better relations with the various levels of government and private institutions.

I urge the Senate and the House of Representatives to act promptly on this important proposal.

JIMMY CARTER.

THE WHITE HOUSE, *February 13, 1979.*

SIXTH SPECIAL MESSAGE FOR FISCAL YEAR 1979 UNDER IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT—PM 27

Under authority of the order of the Senate of Friday, February 9, 1979, the Secretary of the Senate on February 14, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Finance, and the Committee on Foreign Relations, jointly, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report revisions to three previously transmitted deferrals increasing the amount deferred by $33.8 million. These revisions to existing deferrals involve programs in the Departments of Transportation and the Treasury and the International Communication Agency.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *February 14, 1979.*

QUORUM CALL

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The acting President pro tempore. The clerk will call the roll.

The acting legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ARTHUR M. KUHL

Mr. BAUCUS. Mr. President, on this fateful day, before we move to recess, I would like to personally note that one of the Senate's most faithful servants, Mr. Arthur M. Kuhl, the Assistant Secretary of the Senate, a citizen of the State of Montana, died on his quest to come to work this morning. Two hours ago, as Mr. Kuhl left his residence to come to work yet another day in the U.S. Senate, he passed away on his way to work.

I have known Art Kuhl for some time, not only as a citizen from the State of Montana, but also as a friend and an employee of the U.S. Senate.

I personally extend my deepest sympathies to his family and to his friends in this hour of bereavement, not only to his relatives and friends, but to all those who knew of his service to this body.

RECESS UNTIL WEDNESDAY, FEBRUARY, 21, 1979

Mr. BAUCUS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 noon on Wednesday.

The motion was agreed to; and at 1:24 p.m., the Senate recessed until Wednesday, February 21, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate on February 13, 1979, under authority of the order of the Senate of February 9, 1979:

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Henry S. Dogin, of New York, to be Administrator of Law Enforcement Assistance, vice Richard W. Velde, resigned.

THE JUDICIARY

George E. Cire, of Texas, to be U.S. district judge for the southern district of Texas, vice a new position created by Public Law 95-486, approved October 20, 1978.

NATIONAL MUSEUM SERVICES BOARD

The following-named persons to be Members of the National Museum Services Board for terms expiring December 6, 1983:

Douglas Dillon, of New York (reappointment).

Nell Harris, of Illinois (reappointment).

IN THE NAVY

The following-named officer having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Lee Baggett, Jr., U.S. Navy.

The following-named captain in the Nurse Corps of the Navy for appointment as the Director of the Navy Nurse Corps for a term of 4 years pursuant to title 10, United States Code, section 5140(a), and for temporary promotion to the grade of rear admiral pursuant to section 5767(c).

To be rear admiral

Capt. Frances Teresa Shea, Nurse Corps, U.S. Navy.

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

To be rear admiral

William A. Williams III
John L. Butts
William E. Ramsey
Paul T. Gillcrist
John D. Beecher
Lawrence Layman
Paul J. Mulloy
Charles B. Hunter
Albert A. Gallotta, Jr.
Austin B. Scott, Jr.
Lee E. Levenson
Paul W. Dillingham, Jr.
David L. Harlow
Jerry O. Tuttle
James R. Hogg
James W. Austin
Robert R. Fountain, Jr.
Charles R. Larson
James S. Elfelt
James K. Nunneley
David G. Ramsey
Raymond N. Winkel
Glen W. Lenox
Charles F. Horne III
Richard C. Avrit
Kleber S. Masterson, Jr.
William A. Cockell, Jr.
Henry C. Mustin
Stephen J. Hostettler
George A. Aitcheson, Jr.
Byron B. Newell, Jr.
Ralph G. Bird
Richard C. Berry
Thomas F. Brown III
Edward A. Wilkinson, Jr.

Executive nominations received by the Senate on February 14, 1979, under authority of the order of the Senate of February 9, 1979:

DEPARTMENT OF DEFENSE

Robert Burns Birle, Jr., of Maryland, to be an Assistant Secretary of Defense vice John Patrick White, resigned.

COMMUNICATIONS SATELLITE CORPORATION

Jesse Hill, Jr., of Georgia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1982 (reappointment).

EXTENSIONS OF REMARKS

LEGALLY BLIND STUDENT AIDS VISION TESTS OF RETARDED

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 19, 1979

● Ms. FERRARO. Mr. Speaker, I rise in praise of the accomplishments of an outstanding young woman who is a resident of New York's Nintn Congressional District. Laurie Koehler, a senior at Grover Cleveland High School in Ridgewood, N.Y., was recently awarded honors in the Westinghouse science talent search. Ms. Koehler, although legally blind, did research in the area of vision perception among the retarded. In this day of increased apathy among our young people, it is heartwarming to find a young woman who is involved and is trying to assist those less fortunate then she. Furthermore, I believe it is most admirable that Ms. Koehler has used the insight she has gained through her own disability to its best advantage to shed new light on the difficulties of those more disadvantaged than she.

I am inserting in the RECORD an article which appeared in the January 25, 1979, issue of the New York Times which outlines Ms. Koehler's achievement. I commend my colleagues to take a few moments to read about Ms. Koehler's outstanding accomplishments.

The article follows:

LEGALLY BLIND STUDENT AIDS VISION TESTS OF RETARDED

(By Joseph B. Treaster)

A legally blind Queens high school student has won honors in the annual Westinghouse Science Talent Search for a research project on vision tests administered to the mentally retarded.

Laurie Koehler, a senior at Grover Cleveland High School, in Ridgewood, was one of 300 students recognized in the nation's largest high school science scholarship program.

The honored students will be recommended to universities and colleges by Westinghouse, and next week 40 of them will be selected as finalists to compete in Washington for $89,500 in scholarships.

As has often been the case in the past, New York State led the country in the number of students honored. There were 80 from New York, with the majority of them from New York City. Florida was second for the third consecutive year, with 20 students.

Miss Koehler, who is 17 years old, has been legally blind since birth. The term "legally blind" is applied to those who can see only the largest letter on a standard eye chart at a distance of 20 feet. Miss Koehler, like many who are legally blind, can read ordinary printing with the aid of contact lenses. She travels on her own and enjoys photography. Both her parents, Charles and Dorothy Koehler of 1891 Stockholm Street in Ridgewood, are legally blind. She has a 19-year-old sister with normal vision.

Miss Koehler said she began her project last spring with the recognition that many vision tests do not make accurate assessments of the vision of the handicapped. Among the problems, she said, is that some of the handicapped do not know the alphabet, which is used in the most popular eye test. Some also have short attention spans, she said.

Working with about 30 normal youngsters and 30 who are retarded, she began tests with flashcards with individual symbols: a house, an apple and an umbrella. And she found she was getting markedly greater precision in her tests than with a wall chart using similar symbols.

The flashcards were devised by the Lighthouse for the Blind, she said. But the cards had not been significantly tested with the retarded in the past.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 20, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 354, proposed supplemental authorization for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.

5110 Dirksen Building

Human Resources

Child and Human Development Subcommittee

To resume hearings on S. 4, proposed Child Care Act.

4232 Dirksen Building

9:30 a.m.

Foreign Relations

To receive testimony from Deputy Secretary of State Christopher on proposed FY 1980 authorizations for foreign assistance programs.

4221 Dirksen Building

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Navajo-Hopi Relocation Commission and the Institute of Museum Services.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Thomas P. Salmon, of Vermont, to be a Member of the Board of Directors of the U.S. Railway Association, and S. Lee Kling, of Missouri, to be a Member of the Board of Directors of the National Railroad Passenger Corporation.
235 Russell Building

Finance
International Trade Subcommittee
To hold hearings on issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Rules and Administration
To continue hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

Joint Economic
To resume hearings to explore the problems of unemployment and training programs among blacks, Mexican Americans, and other groups.
6226 Dirksen Building

10:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for FY 80 for the Consumer Product Safety Commission.
1318 Dirksen Building

2:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for FY 80 for the Attending Physician of Congress, Copyright Royalty Tribunal, and the Library of Congress.
1114 Dirksen Building

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
5110 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed authorizations for the National Institute on Alcohol Abuse and Alcoholism.
1224 Dirksen Building

Veterans' Affairs
To hold hearings on S. 330, to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.

9:30 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Larry E. Meierotto, of the District of Columbia, to be an Assistant Secretary of the Interior.
3110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for FY 80 for the Consumer Product Safety Commission and the Office of Consumer Affairs.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Indian Education.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

Finance
International Trade Subcommittee
To continue hearings on issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings to examine the impact of recent oil discoveries in Mexico and on the oil production situation in Iran.
3302 Dirksen Building

Rules and Administration
To continue hearings to receive testimony on behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business
301 Russell Building

Joint Economic
To resume hearings on the President's economic report.
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for FY 80 for the Export-Import Bank and the General Accounting Office.
1114 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Labor.
S-128, Capitol

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for FY 80 for the Joint Economic Committee, Joint Committee on Printing, Office of the Senate Sergeant at Arms, Cost Accounting Standards Board, and the General Accounting Office.
S-146, Capitol

FEBRUARY 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To resume hearings on the nutritional information contained on food labels.
322 Russell Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Jesse Hill, Jr., of Georgia, and Joan Fleischmann Tobin, of the District of Columbia, each to be a Member of the Board of Directors of the Communications Satellite Corporation, and Anne P. Jones, of Massachusetts, to be a Member of the Federal Communications Commission.
235 Russell Building

Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hear Secretary Marshall on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

FEBRUARY 26

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Gordon Vickery, of Washington, to be Administrator of the U.S. Fire Administration, to be followed by hearings on proposed legislation authorizing funds for programs administered by the Federal Fire Prevention and Control Act (P.L. 93-498).
5110 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To continue hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Japan-U.S. Friendship Commission, and on supplemental appropriations for FY 79 for the International Communications Agency and Renegotiation Board.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To hear Secretary Califano on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to access Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To mark up S. 239, authorizing funds through fiscal year 1981 for ACTION programs, and S. 232, authorizing funds through fiscal year 1981 for information and counseling projects to aid families who experienced sudden infant death syndrome deaths.
4232 Dirksen Building

Judiciary
To hold hearings on the nominations of Phyllis A. Kravitch, of Georgia, to be U.S. Circuit Judge for the Fifth Circuit; John G. Penn, of Maryland, to be U.S. District Judge for the District of Columbia; Abraham D. Sofaer, of New York, to be U.S. District Judge for the Southern District of New York; and Robert E. Keeton, John J. McNaught, David N. Sutherland, and Rya W. Zobel, all of Massachusetts, each to be a U.S. District Judge.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear its Secretary.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Services Administration, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

Finance
To hold hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

Rules and Administration
To resume hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Center for Disease Control, Department of HEW.
S-128, Capitol

FEBRUARY 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
2228 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
457 Russell Building

Energy and Natural Resources
Energy Regulations Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
To continue hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.
S-146, Capitol

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Veterans' Affairs
To resume markup of S.7, to revise and improve certain health care programs of the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
To continue hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for fiscal year 1979 both for the Department of State.
S-146, Capitol

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 5

Appropriations
Interior Committee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1318 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
*Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
234 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Judiciary.
S-146 Capitol

MARCH 6

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislatvie recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S-146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to cordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Veterans' Affairs
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

2:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 12

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 13

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Indian Health Service.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Office of Human Development Services, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To resume hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee.
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Social Security Administration, Department of HEW.
S-128, Capitol

Enegry and Natural Resources
Energy Regulation Subcommittee
To continue hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee.
To continue hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Aopropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

MARCH 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the U.S. Geological Survey.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

MARCH 26

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of Labor, and related agencies.
S-128, Capitol

MARCH 27

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 28

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 5

9:30 a.m.
Veterans Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
5110 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

9:30 a.m.
Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimats for FY 1980 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

SENATE—*Wednesday, February 21, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Honorable JOHN C. DANFORTH, a Senator from the State of Missouri, offered the following prayer:

Let us pray:

Hour after hour we sat in crowded airports, waiting for planes to leave for Washington. On arrival, we dug the drifted snow away, straining shoulders and backs as we struggled to free our captive cars. Spinning, rocking forward and back, we finally gained momentum, and set ourselves on course for our destination. Warned by radio traffic advisories, alert for patches of ice, we proceeded carefully to the Capitol. At long last, we are here. We have made it. Grant us gracious God, the same patience, the same effort, the same endurance in Your service, that each day may be dedicated to the doing of Your will. Grant that we may proceed, step by step, hour by hour, meeting the challenges You have given us, so that, at the end, the purpose You have set out for us may be accomplished to Your glory. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 21, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators?

The ACTING PRESIDENT pro tempore. No, there are none.

Mr. ROBERT C. BYRD. Mr. President, is there an order for routine morning business?

The ACTING PRESIDENT pro tempore. There is no such order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 20 minutes, with statements therein limited to 2 minutes each.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session, for not to exceed 1 minute, to consider the first two nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

FEDERAL ELECTION COMMISSION

The second assistant legislative clerk read the nomination of John Warren McGarry, of Massachusetts, to be a member of the Federal Election Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President,

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission.

Mr. BAKER. Mr. President, it is my distinct pleasure to rise in support of the nomination and to support the confirmation of the appointment of Max L. Friedersdorf.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am delighted with the confirmation today of Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission. He will bring to that important position a unique blend of commonsense, talent, and experience. It should be noted that Max Friedersdorf has already performed distinguished public service for our country as the Assistant to the President for Legislative Affairs and recently as the staff director of the Republican policy committee in the U.S. Senate. It has been a genuine personal pleasure to work closely with Max in both of those capacities. I am certain that his professional presence as staff director of the Senate Republican policy committee will be sorely missed by all of us on my side of the aisle. Nonetheless, I know that my colleagues join me in saluting his confirmation to the Federal Election Commission and in extending to Max our heartiest congratulations and sincere best wishes.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

QUORUM CALL

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE GENOCIDE CONVENTION: HISTORY AND NECESSITY

Mr. PROXMIRE. Mr. President, for 13 years I have spoken in this Chamber thousands of times on the Genocide Convention and, in fact, almost every day we have been in session, on how it relates to current issues and on specific arguments pro and con. In dealing with the many and complex facets of the Genocide Convention, we must not lose sight of its original purpose and the history of its tribulations.

The Genocide Convention was proposed at the first session of the United Nations on November 2, 1946—1946—a world reeling in the aftermath of the holocaust, a world shocked by the horrifying crime which defined the word "genocide," a world determined never to let this happen again. But, Mr. President, this determination has dangerously been allowed to fade.

The United States was party to the unanimous U.N. adoption of the Genocide Convention in 1948. Soon afterward, President Truman, realizing the significance of the treaty, transmitted the Genocide Convention to the Senate. Mr. President, every President since that time has, as well, strongly endorsed the Convention.

The Foreign Relations Committee and Subcommittee have since 1950 consistently recommended the Convention favorably to the Senate.

The American Bar Association, which for many years had hesitations about the Convention, now unequivocally supports it.

Mr. President, every argument against the Genocide Convention has long since been resolved.

The Genocide Convention was the first human rights resolution of the United Nations and it is still the most important. Ratification by the U.S. Senate is essential for the treaty to have the worldwide consequence it should have. There is only one way for us to demonstrate our convictions: We must act now to ratify the Genocide Convention.

Mr. President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how much time for morning business remains?

The ACTING PRESIDENT pro tempore. Four and a half minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that there be 10 minutes in totality for routine morning business and that statements be limited therein to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, may I first thank the majority leader for his courtesy in arranging 5 minutes within which I might speak on two subjects which strike me as having some relevance.

BEHIND THE LINES

Mr. MOYNIHAN. Mr. President, I call attention to an editorial comment in the current issue of Texas Monthly called "Behind the Lines," which seems to me to be most apt with respect to the relationships between the Snow belt and Sun belt. It is a very candid comment about a Texan's view of New York and its problems.

Mr. President, in a spirit of comity and of acknowledging the validity of a good many of the things that are said, I ask unanimous consent to print in the RECORD the editorial by William Broyles in the February 1979 issue of the Texas Monthly.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BEHIND THE LINES

Not too long ago American Airlines announced it was moving its corporate headquarters from New York City to Texas. New Yorkers reacted as if the airline were trying to spirit away the Statue of Liberty. "A betrayal," Mayor Koch called it. Taxi drivers, policemen, firemen, civil servants, and a number of companies announced a boycott of American. TWA ran large ads swearing its fealty to New York. Pan Am, which supposedly had been considering moving to Houston, announced that it was in New York for good. *New York* magazine published an indignant article that all but called on New Yorkers to switch to other airlines. At the top of one page in large type was this quote: "'Why should I subsidize Dallas when I pay taxes in New York?' says one frequent passenger. 'Texas doesn't need my help.'"

Why are New Yorkers so upset? After all, we didn't complain when Texaco (the Texas Company, remember?) abandoned us for New York, when Standard Oil (which started in Cleveland) bought Humble and moved it to New York, or when American Airlines left Texas in the first place, back in the thirties. So completely has New York dominated corporate wealth and power in America that we Texans believed, as New Yorkers did, that its preeminence was ordained. That preeminence, however, was ordained less by the Almighty than by sound economics. Before telephones, computer terminals, and jet airplanes, our national economy needed a financial and corporate center. Today major companies are finding they can do quite well in the New York suburbs or even in Dallas, Texas. The other foundations of New York—its role as a manufacturing, financial, media, and cultural center—are also weakening; both money and vigor are flowing into the rest of America. In spite of what New Yorkers seem to think, there is nothing any more immoral in leaving New York than in going there in the first place. For decades the rest of the country couldn't compete with New York. Now we can.

Many of New York's problems are shared by other cities of the Northeast and Midwest. Their economies are sluggish, their tax bases are shrinking. Understandably, they don't believe that the dispersion of American industry and population is as good for the country as was its original concentration in their regions. They believe instead that their plight is the fault of the rest of the country, particularly that group of states, including Texas, they have come to call the "Sunbelt." In Congress their representatives

have formed the "Snowbelt" coalition. They don't want the federal treasury to "subsidize" Sunbelt states; instead they want to pour massive doses of tax money into the Northeast and Midwest.

Reduced to its essence, the Snowbelt's basic principle is that poverty, unemployment, and substandard housing are national problems if they occur in Snowbelt cities, but local problems if they occur in states like Texas. So successful have they been in writing federal spending formulas that Texas received less antirecession assistance than did Rhode Island and Connecticut combined, although we had more than twice as many unemployed. A rich city like Newton, Massachusetts, thanks to formulas designed to benefit older cities, will receive three times as much new federal money to upgrade housing (even though its vintage houses are inhabited by wealthy people) as a city like Brownsville, whose predominantly poverty-stricken residents have the misfortune of living in overcrowded, substandard, but newer buildings.

Let's remember that what prosperity we have in Texas is both newfound and overdue. Texas (population 12,500,000) has more poor people than the state of New York (population 18,250,000). Along our border with Mexico are the poorest countries in the nation, where almost half the families earn below the poverty line and live in substandard, overcrowded housing. Glittering Houston has more substandard housing than blighted Detroit. Hidden within Houston's city limits is a central pocket of poverty and urban decay that contains more people than Newark, New Jersey, the quintessential decaying Northeastern city. The Fifth Ward, part of this pocket of poverty, is the setting for "Only the Strong Survive," by Richard West, which begins on page 94. The formulas for targeting federal aid drawn up by the Snowbelt Congressmen are specifically designed to ignore Fifth Ward, which is not a city, and to benefit Newark, which is. The victims of the Snowbelt offensive are not wealthy Texas oilmen. The victims are the poor of Fifth Ward, of South Dallas, of West Side San Antonio, of Laredo, Fort Worth, and El Paso. They don't need their fair share of our fellow Americans' hard-earned tax dollars because they are Texans, but because they are just as poor and unemployed as their counterparts in New York, Detroit, and Philadelphia.

In a recent column in *Newsweek*, George Will wrote that "New York's coming [financial] crisis will test something newly relevant to America, the ability of representative institutions to manage decline." Will's sentiments are correct, but his history is wrong. The representative institutions of small towns and rural counties have been managing decline for three generations. More than one hundred of Texas' 254 counties lost population between 1910 and 1970, some losing more than half. New York, like most cities, profited from the economic conditions that killed the small town. But, in one of history's more poignant ironies, the abandoned hulks of housing projects in the South Bronx have become the urban equivalents of the boarded-up Main Streets in small towns throughout America.

In the cold terms of the marketplace, the best way for the rest of us to help New York and its sister cities would be to do nothing. People follow jobs and opportunities, unless they have incentives to stay where there are none. The welfare state New York created in its flush times is like an artificial life support system forestalling the inevitable. True compassion would be to subsidize New Yorkers to leave New York, since they would be better off working in North Carolina and Texas than on welfare in the Bronx, just as Texans from Cranfills Gap are better off working in Dallas or Houston than unemployed on the farm. The real barrier to any sensible approach to New York's problems is the instinctive, but mistaken, belief that the movement of people from rural America to cities like New York was progress, but the movement of people out of cities like New York is disaster.

The typical response of government, after having helped create such fundamental historical movements, is to try to forestall them—hence the spending formulas favoring the Northeast and the Alice in Wonderland attitudes of the city government of New York. But we can no more forestall the decline of the Northeast than Winston Churchill could prevent the decline of the British Empire. The sooner the Northeast recognizes its competitive disadvantages with the rest of the country, the sooner it will reach some equilibrium of jobs and population. After all, jobs and population are returning to rural areas blighted for two generations. They will probably return to the Northeast one day, particularly if Texans make as much a mess of prosperity as New Yorkers did. Dallas, for example, is already worried that its municipal pension program could bleed the city dry, forcing up tax rates, making Dallas less attractive for business and . . . did someone mention New York? New York's lesson for us is a simple one: it *can* happen here, even with American Airlines.—*William Broyles.*

Mr. MOYNIHAN. Mr. President, I particularly, acknowledge the validity of the concern which the Texas monthly expresses about the nature of Federal programs which find older cities to be qualified under set formulas for Federal aid whilst they are unable to deal with the sometimes extraordinarily dense and extraordinarily needy newer cities.

The wards of Texas cities are built up with some of the poorest, the most needy people in the Nation. They have claims, too.

I would simply like to join with my dear friend and colleague, Senator BENTSEN, in saying that there are indeed parts of Houston, Dallas, and the whole region including the cities of San Antonio, Laredo, Fort Worth, and El Paso that have claims that need to be acknowledged.

Certainly I, as a New Yorker, would want to be among those to acknowledge them, and I would like particularly to acknowledge the advocacy of Senator BENTSEN in drawing attention to them.

DECLINE OF AMERICAN MILITARY EFFORT

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to have printed in the RECORD the testimony of Secretary of Defense Harold Brown this morning before our Senate Budget Committee. In it, he outlines the decline of American military effort over 15 years in a way that seems to me extraordinary. He states that the budget forthcoming reflects, and I quote, "The President's determination to begin countering the Soviet military buildup that had been underway for over 15 years"—a proposal which, should it come about, has the largest possible strategic consequences of this political generation.

The President is saying, if we understand Secretary Brown correctly, that for 15 years the military position has been deteriorating. I asked the Secretary in questioning, "Are you saying, Mr. Secretary, that for 15 years the military position of the United States with respect to the Soviet Union has been deteriorating?" He said, in effect, "Yes."

I asked the Chairman of the Joint Chiefs of Staff, General Jones, if he would agree that this is the case—since he in fact stated it—that we now have come from a position of overwhelming preponderance to "rough parity," and if that trend continued would it be fair to assume that in 3, 4, or 5 years' time the Soviet Union would have achieved a military preponderance over the United States; and the Chairman of the Joint Chiefs of Staff said yes, that would be fair to assume.

It therefore certainly behooves us to ask two things, of ourselves: One, how did we get to a point at which, with almost no public awareness—and with the Chairman of the Joint Chiefs and the Secretary of Defense agreeing—in 3 or 4 or 5 years' time the Soviet Union is likely to be the predominant military power of the world; and, secondly, what is the real prospect of reversing a relationship of that kind in a period of 3 to 5 years? I think 5 years is the period we emphasized.

Such trends get an economy deep into an institutional bind, and reversing them is scarcely likely to be an easy thing to do.

In any event, it suggests to me that the reality of our relationship to the Soviet Union in the years ahead is going to be one of protracted crises.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Is there objection to entering Secretary Brown's statement in the RECORD?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE HAROLD BROWN

Mr. Chairman and Members of the Committee: I appreciate the chance to discuss with you the FY 1980 Defense Budget, including, specifically, a number of points that have arisen in public debate since the President's Budget was sent to you.

This year we are submitting, along with our request for FY 1980, a $2.2 billion (TOA) supplemental request for FY 1979 that will generate $595 million in outlays. If approved, this action will return the FY 1979 Defense budget authority to approximately the level originally requested in January 1978.

The planned FY 1979 Defense level of $125.8 billion in TOA reflects the President's determination to begin countering the Soviet military build-up that has been underway for over 15 years. The supplemental will permit us to:

Accelerate our efforts on the much-needed new land-based strategic missile and its mobile basing,

Provide the FY 1979 U.S. share of NATO AWACS and add to our capabilities for reinforcing NATO.

Add needed surface combatants to our Navy shipbuilding program.

Make further improvement in the readiness of our forces. Without the supplemental, real Defense authority will decline 0.6 percent in FY 1979 from the FY 1978 enacted budget.

Let me say that this supplemental is very important to us. We need it now. We need it to keep the MX program on a schedule responsive to the new estimates of Soviet ICBM capabilities in the 1980's. We need it to pay $97.7 million in ships settlement claims which, if authorization is not provided by March 31, must be renegotiated at probable added cost to the Government. We need it to provide funding for NATO-oriented equipment and readiness items and for the NATO AWACS. This will enable us to keep

NATO capabilities from falling behind in the face of Soviet actions—and to show that the U.S. intends to do its part. Moreover, the Congress urged us—through your colleagues on other committees, and some of you yourselves—to introduce this supplemental. The reason given, with which we agree, is to provide an alternate program restoring cuts Congress made to make room for a program—the nuclear carrier—that in the end itself failed of authorization. What is involved is restitution of our program, not expansion.

Let me now speak to our overall FY 1980 budget request. The President's proposed Department of Defense budget for FY 1980 is $135.5 billion in TOA, $135 billion in Budget Authority, and $122.7 billion in outlays (excluding $100 million for Civil Defense which will now be a part of the Federal Emergency Management Agency). These totals will provide:

3.1 percent real increase in spending over that now estimated for FY 1979 including the supplemental.

1.7 percent real increase in TOA, which reflects the long-term effects of the proposal.

Even with this level of funding, Defense outlays will be about:

4.9 percent of the expected Gross National Product; in constant buying power the level will be 4.6 percent, the lowest since FY 1940;

23 percent of all Federal spending—with the exception of FY 1978 the lowest level since FY 1940;

Less than 15 percent of all public spending—including State and local—again, the lowest levels since FY 1940.

In short, if both the FY 1979 supplemental and FY 1980 budget are passed as requested, U.S. Defense will, by these significant measures, still receive the lowest fraction of our resources in 40 years—that is, the lowest ever within the adult experience of most of us in this room.

Before discussing why I believe we must start to increase our real military spending, let me deal with an allegation often heard about the Department of Defense—that it has surplus funds which it cannot spend. This year, as last, the issue has been raised about the levels of funds the Department has unobligated—that is, budget authority against which we have not written contracts, and those funds we have obligated but not spent.

Defense unobligated funds have risen from $19 billion in FY 1977 to $23.2 billion in 1980. In constant 1980 dollars the level of unobligated funds has remained constant over that period. The ratio of unobligated funds to obligational authority for industry purchases (that is, TOA with military and civilian pay and allowances removed) has actually declined since FY 1977 and is lower than the average for FY 1972–76. In short, we are controlling our unobligated funds today as well or better than in the recent past.

Unobligated funds are the direct result of the Congressionally-mandated and correct, practice of full funding of major weapons systems that spend over more than one year. It should be noted that these funds are pragramatically committed. The Department does not attempt to place all contracts in the year in which the program is authorized—to do so would not be desirable. Some funds for short-term contracts are held until first long-lead contracts are shown to be on schedule.

Viewed slightly differently, the Department is obligating at a rate of $71.3 billion for industry purchases (or $133.9 billion, total) in FY 1980. It will maintain an end-year unobligated balance of $23.2 billion, or about four months of purchasing (or two months based on total expenditures). Given that many major programs (especially shipbuilding) stretch for five years or more, and given Congress' insistence on care in contracting procedures, a four month end-year working balance is surprisingly small. The figure for the rest of the Government is about 12 months, that is, about three times as large a fraction of the appropriated funds are unobligated at the end of the year—and since non-defense appropriations are about three times as large as those for defense, that means about ten times as much unobligated money in non-defense as in defense programs. Unexpended balances are about seven times as large in non-defense as in defense programs.

Each year, at budget time, the presentation of the Administration's Defense budget raises the same three rather basic questions. The questions, although essential to an orderly consideration of the budget are, as a rule answered only indirectly. Today, I propose to answer these questions directly. They follow:

Is our Defense program in reasonable balance with other federal programs and public sector spending as a whole?

Are the funds we are now proposing actually adequate to provide for our defense?

Does the Defense budget represent the intelligent selection of reasonable priorities among competing defense needs?

Does the Defense budget represent the intelligent selection of reasonable priorities among competing defense needs?

First, lets discuss defense as a part of a reasonable balance within the National Budget. Defense has not grown and is not growing at the expense of other Federal programs. Although the point seems to have been largely ignored thus far in this year's budget debate, it seems to me that for this committee—part of whose duty must be to insure that reasonable and appropriate policy choices are reflected in the National Budget and that important National needs not go unattended—this is a major consideration. For the period of twelve years from 1955 to 1967, Defense amounted to about one-half of the obligational authority of the Government annually. (You can see that on Chart 1, where Defense authority is shown in constant dollars for the past 30 years). Since that time, non-defense programs have risen over three times in constant 1980 dollars, while Defense has shrunk to about its pre-Vietnam levels. Measured in constant 1972 dollars, Defense obligational authority is today 1.1 percent below that of 1964.

Defense outlays show the same trends in obligational authority. We now project Department outlays to be 9.1 percent below their 1964 level in constant 1980 dollars, and 22 percent of the Federal total (Chart 3).

I believe these comparisons are fair although they include the outlays for Social Security and from other trust fund and "non-discretionary" accounts. After all, the taxpayer has to pay for those as well as other non-defense and defense costs. Actually, parts of our Defense effort such as the core of our strategic nuclear forces are, in fact, some of the last "discretionary" expenditures of the Government, and military retirement costs are counted in the defense account. I also believe these comparisons are fair in that they show the long-term course of the allocation of our national resources, and the implications for our budgets and programs today. In the longer run the full range of Government expenditures are controllable by Congress. Both in the long-term and the short, Defense competes for budget dollars on the margin with the full range of services the Government provides. It is this competition that forces us all with choices, to the extent that expenditures are fungible.

Another measure of the Defense claim on national resources is the fraction of the total U.S. labor force devoted to Defense activities—that is all military and civilians employed by the Department plus all civilians employed by Defense-related industries. Today, that number stands at just over five million people, the lowest in absolute terms and, at 4.9 percent, the lowest percentage of the labor force since 1941.

Perhaps a more sensive measure of priorities in the current budget is a comparison of Defense with other Departments, for example, the Department of Health, Education and Welfare. In FY 1979–80 Defense budget authority will increase 7.3 percent as compared to 10.3 percent for HEW; in outlays Defense will increase 8.8 percent compared to 9.3 percent for HEW. Because the HEW budget is now 50 percent greater than that of Defense, percentage changes do not tell the whole story. The actual marginal dollars committed to HEW's social programs, and I believe those are very necessary programs, will be about twice those committed to Defense.

This major shift in the balance of federal expenditures away from Defense is not the only impact of the trend to greater Federal emphasis on social and human services. There have been analogous shifts in the patterns of Department expenditures themselves. Today, the Department must pay proportionately more for personnel and their support than in the past. With relatively constant budgets in real dollars, this has forced reduction in manpower, force levels and new investment. Since FY 1964, the last year prior to the Vietnam buildup, the consumer price index has risen 2.36 times. The per-man cost of our military forces has risen 3.1 times, or 3 percent more than inflation. These increases have been necessary to match benefits available in the civilian sector and, to some extent, to correct inequities that existed earlier. In spite of these increases, we still have difficulty in attracting and keeping the skilled people we need. In order to maintain a reasonable balance in our Defense structure, the increasing costs of military personnel have forced reductions from the 1964 level in the strength of our Armed Forces by 630,000 active duty personnel to our current level of just over two million. At today's reduced personnel levels, combined civilian and military payroll and associated costs nevertheless constitute 52 percent of the Defense Budget, compared to 45 percent in 1964.

Part of the pattern of the changing social costs within Defense is due to the increase in retirement pay. In 1964 Defense paid $1.2 billion or 2.4 percent of its budget for retirement. In 1980 we will spend $11.5 billion or eight percent of the budget. These funds, although generally counted in Defense totals, provide no military capability. If retirement is excluded from Defense totals, Defense funds have shrunk seven percent in constant dollars since FY 1964.

The mounting costs of personnel and personnel-associated services have caused major shifts in Defense appropriations, reflecting the choices we have had to make among mission allocations since FY 1964. In constant dollars, funds:

For strategic forces have shrunk 53 percent reflecting reduced procurement, and the phasedown of bomber and air defense forces;

For intelligence and communications are down 19 percent;

For air and sealift are down 30 percent;

For all our general purpose forces are up only eight percent—over a period of 15 years in which manpower has consumed an increasing fraction of the budget.

The mounting costs of personnel and personnel-associated services have been a significant factor in the Department's efforts to substitute equipment for men, and technological sophistication for numbers. We have been able to reduce the size of our forces dramatically, while increasing our real military strength (though not nearly as much, in my judgment, as the Soviet Union has increased its strength, through

very large growth both in personnel and in after-inflation expenditures). Since 1964:

Our manpower has been reduced 24 percent.

Our total active Navy ships have been reduced 43 percent.

Our active Air Force aircraft inventories have shrunk 40 percent.

Our active Army divisions have remained constant in number at 16—but we have cut our reserve structure 72 percent—to achieve ready forces better suited to the threats we face.

Today we have better equipment—in general, still the finest in the world. We have achieved better combat readiness, training and support for all our forces. We have achieved a more efficient military establishment, and one with higher combat potential than ever before. But let there be no doubt—for its security, today the U.S. depends on fewer forces, fewer men, and fewer real resources than perhaps it has at any time since the beginning of World War II.

We are limited in the numerical reductions we can stand. We must face contingencies of a global nature, and a threat increasing both in sophistication and in size. Thus, there comes a point at which we can no longer reduce forces to save cost; I believe we have reached that point.

The second of the fundamental questions I have asked is: does the Defense budget now provide an adequate level of forces to meet our needs, and will it continue to do so in the future? The answer inevitably involves judgments—judgments about the policies of the United States, about the threats to our security, and about the role and adequacy of our military means. In trying to make such judgments it is of assistance to look where we and others have been to estimate where we are today, and where we may be going.

Today the United States is, by most measures, the strongest nation in the world. Beyond military power, the national security lies in economic strength, political and social cohesion, technology proficiency, international friendships, and national will. Only in military capability can the Soviet Union approach us. However, we now live in a world in which we are increasingly challenged. Thus, we are more than ever dependent on a sound economy at home and good international relations abroad—matters which are not by any means solely the products of our armed strength. Recent events have again shown we live neither in a benign world, nor one from which we are well insulated. In arriving at the FY 1980 Defense program we have had to balance between our needs for military strength, and the economic impacts that further expenditures would entail. I believe that balance is properly struck against the threats, both military and economic, now facing us.

One cause of our international concern is the Soviet Union's continued emphasis on expanding its military power. It is unclear why the Soviet Union has opted for military expansion. Perhaps the capability to use military threats, directly or by proxy, to substitute for their other failures to compete successfully in the international arena is important to them. I am convinced this is a major reason. Perhaps the Soviet military industrial complex is a sufficient political force to drive Soviet resource allocations. Perhaps this continuing emphasis results from Soviet fear—however misplaced—of NATO and the People's Republic of China.

Whatever the causes we know that Soviet military growth in the past two decades has been impressive indeed. Chart 4 shows both the growth in total Soviet spending and in investment in new military hardware when compared to the U.S. in constant dollars. Over a period from the early 1960's when U.S. defense spending has actually declined, Soviet expenditures have increased 75 percent or about 3 percent per year. There is some debate about the equivalent U.S. buying power of Soviet spending, but today Soviet defense budgets exceed ours by between 25 and 45 percent. If total spending of NATO and the Warsaw Pact are compared, there is today rough equivalence. But more critically, Soviet investment in new military hardware has increased twofold in the same period and is more than twice ours today.

This growth in Soviet military spending, especially the level of military investment, presents potentially grave dangers for us, particularly since the upward trend shows every sign of continuing. It is an effort that we must keep in perspective, not necessarily to imitate, but to prevent it from becoming a major Soviet advantage. Some points are clear:

We are dealing with long-term trends in total budgets and forces—not threats to one narrow region or in one type of force.

Soviet spending has shown no response to U.S. restraint—when we build they build; when we cut they build.

We are facing a challenge both to ourselves and to our allies.

The disparity of military forces that can result from disparate spending will be the accumulation of annual differences—each yearly imbalance increases the disparity, and in many measures of capability the disparity is cumulative.

In comparisons like this one we need to consider the contribution of our allies—contributions which make the balance more nearly even, though the trends remain adverse in that broader comparison as well. It is in this light that we have proposed to act in concert with the other members of NATO to increase our mutual real defense expenditures by roughly three percent annually. This mutual agreement is a way of assuring cooperative efforts in reversing an adverse trend. But we propose this budget because our national security requires the programs in it, not merely to reach some arbitrary figure.

I am pleased to say our partners have responded with action—the average real growth in non-U.S. NATO military spending was 2.9 percent in FY 1978–1979. And, in keeping with this pledge and our partners' actions, we are requesting both supplemental funds for 1979 and a three percent real growth for FY 1980 outlays.

The final question is whether the Defense budget provides a rational prioritization of competing defense needs. Our interest is to build the necessary military capability to meet our objectives. Our military problems, no matter what the challange, differ from those of the Soviet Union. Hence, our program at any given point in time should not mirror theirs.

Our strategic nuclear forces must meet a set of specific conditions—independent of whatever may be the needs of the Soviets. They must be able: to survive in adequate numbers and types after a well-executed surprise attack on them; to penetrate Soviet defenses and destroy a comprehensive set of targets in the USSR with whatever timing, and degree of deliberation and control, proves desirable; if necessary, inflict high level of damage on Soviet society—particularly those elements the Soviet leadership values—regardless of the measure the Soviets might take to limit the damage; and retain a reserve capability in the wake of a controlled exchange, if one occurs.

Although our current strategic forces meet these objectives, it is quite possible that by the mid-1980's the Soviets could, with a first strike, destroy most of our ICBMs and still have in reserve a large number of deliverable warheads. Although our increasing ICBM vulnerabilites will not be catastrophic per se, they will present an increasing problem of military asymmetry that will have major political overtones. Thus, I believe we must plan corrective measures now, in the modernizations that are included in our proposed program.

We provide with our theater nuclear forces a credible deterrent to limited nuclear attack. In addition, the Soviets must face the fact that we could commit these forces in case of a massive failure of our conventional defenses, even with the profound risks such escalation would involve. We are continuing our modernization of these forces in combination of our improvement of our general purpose capabilities.

One test, but only one, of the adequacy of our general purpose forces is that, with our allies, they can withstand a conventional Warsaw Pact assault on NATO Europe—both in the Center region and on the flanks. In addition, we are concerned about attacks by the Soviets or others in more remote regions—The Persian Gulf, the Mid-East, and Korea among the more sensitive. Further we must face the fact the war in NATO Europe—to the extent previous conflicts and current world-wide military deployments are any guide—is likely simultaneously to involve lesser military actions elsewhere. Thus, in planning our conventional forces we must consider the possible global nature of any major contingency.

The implication of these criteria is that our forces and plans must be—and are being—better integrated with those of our allies than they have been in the past. Alliance cooperation is central to our policy—and is being reflected in the standardization and interoperability of our equipment with that of our allies.

Today, the Soviets, in my opinion, cannot be confident of a rapid conventional victory in Europe. But NATO, in spite of its current strengths and increasing allied contributions, cannot have as much confidence in its non-nuclear deterrent as I consider prudent. Thus, we wish to continue our emphasis on the readiness, mobility and fighting power of our general purpose forces.

I am convinced our naval forces remain capable of maintaining the sea lines of communications to Europe, protecting our essential routes and supporting allied forces—whether in the Western Pacific or on the flanks of NATO. What is more, with our proposed program, our naval forces will be gaining capability in the next five years.

In making these assessments I do not wish to imply I am content with the current status of U.S. defenses. Any estimate of military balance involves both judgment and risk. Today, there are risks, tolerable perhaps, but not such that they will permit an increasing gap between U.S. and Soviet military expenditures. We are more ingenious than the Soviet Union—but not so much more that, without increased budgets, we can make up for the increasing disparities in our defense efforts.

The total FY 1980 Defense budget is tightly constrained even though it allows some real growth in buying power. New budget authority will allow us to make necessary improvements in our strategic programs, but will allow no real growth in general purpose force budgets.

While we intend to keep up our military guard in dealing with the Soviets, we also intend to find ways to limit the competition. Stimulating arms races serve neither nations' interests, but finding safe, equitable ways to reduce military competition is difficult and time-consuming. We are, however, making progress. We are nearing the completion of a SALT II agreement that will contribute to the security of the United States and its allies. In fact, no agreement failing that test should or would be signed by the United States. We want arms control, but must insist on arms control agreements that are verifiable and balanced.

I do not see any immediate prospect of ending the military competition between the Soviet Union and the United States. SALT will not solve all our problems. Even with SALT, we will need to—and we will be permitted to—expand our strategic nuclear efforts. But SALT will mean greater stability and predictability in the strategic challenges we face.

In summary, we are faced with challenges including but not limited to those posed by the Soviet military machine. We must balance the use of our resources, for security, indeed, depends on more than our defense posture. Nevertheless, a strong defense is key to our security. It is a measure of the confusion that sometimes attends this issue that I feel obligated to repeat the obvious: without adequate military capability we cannot preserve our security. Today our defense is not so weak as some would have us believe, nor so strong as I would wish it to be. Real defense growth is a necessity. I believe the budget we propose will allow us to do those things that are necessary now, necessary to provide our fellow citizens safety from the range of military threats to our security, and balanced against the economic and social needs of our time.

(NOTE.—Charts are not reproducible in the RECORD.)

Mr. MOYNIHAN. I thank the Chair. I have completed my statement. Once again I would like to express my appreciation to the majority leader.

The ACTING PRESIDENT pro tempore. Is there further morning business? The Senator from South Dakota.

MINORITIES IN IRAN

Mr. PRESSLER. Mr. President, I would like very briefly to say I am deeply concerned with the situation in Iran as it affects minorities. Tomorrow I shall have a more detailed statement regarding those minorities. But there are at least between 70,000 and 80,000 persons of the Jewish faith, plus other minorities, who may be very vulnerable at this point. I believe it appropriate that our Government should make very clear its concern for the protection of the lives as well as the ability to transit of those minorities.

I yield back the remainder of my time. I shall have a more detailed statement tomorrow concerning the number and location of those minorities.

LITHUANIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, today we in the Senate pause in our deliberations on the legislation before us to reflect on the tragic events of June 1940 when the Baltic States were occupied by Soviet troops and—within 40 days—forcibly incorporated into the Soviet Union.

The national sovereignties of Lithuania, Latvia, and Estonia were extinguished as a bright flame snuffed out by a chilling wind. Foreign domination was firmly implanted in these nations which had been free since the First World War. The new regimes extolled atheism, attacked religion, collectivized agriculture, nationalized private property, deported large numbers of the people, and brought in non-Baltic colonizers.

As we now commemorate Lithuanian Independence Day, it seems impossible that the domination of the Soviet Union and their puppets continues. Yet it does continue. The Lithuanians, Latvians, and Estonians have not known liberty for all these years. Those who speak out for freedom are spirited away. For most of the Baltic peoples, freedom is a subject for their prayers, not a possibility for their lives.

Nevertheless, sustained by God, they have maintained their national identities, their national cultures, their religious beliefs and their self-respect. Their indomitable will to exist is exemplified in the valor of Viktoras Petkus who languishes in a Soviet prison, and on whose behalf many of us continue to bring pressure on the Soviet authorities.

I am persuaded that those of us who live in freedom have a responsibility to speak out for the freedom of others. The deprivation of freedom is felt by hundreds of millions of our brothers and sisters in other lands, but nowhere more tragically than in the Baltic States. In Lithuania, for example, a people who had a highly developed culture and society are in effect imprisoned by forces beyond their control. This is a people who 400 years ago established a university in Vilnius. It is our responsibility to support their aspiration for a return to freedom, not only morally but also politically, and we can do that by making it clear to the Soviet authorities on every occasion that we deeply care about the plight of the people of Lithuania.

I am encouraged that so many of my colleagues share this view and let the representatives of the Soviet Government know that we have not forgotten Lithuania, that we do care, that we will never forget.

It is easier for those of us who have large Lithuanian constituencies to keep the burdens of the Lithuanian people firmly in mind, because we have many friends in these communities and we share their commitment to freedom. But today I address myself to those of my colleagues who do not have Lithuanian constituencies and therefore may not know at first hand the anxieties of Lithuanian Americans about the situation in their native country. I would hope that all my colleagues would interest themselves in the plight of the Baltic peoples and would add their voices to the appeals for Baltic freedom.

We are blessed in this country with freedom, with economic strength, with the basic rights guaranteed by our Constitution, so it is hard for Americans to understand the living hell to which peoples are condemned when they are denied these blessings. But the responsibility remains for those who live in freedom to pray and act and speak for those who have no freedom.

It is in this spirit that I join today with Lithuanian Americans and the people of Lithuania in recalling the independence of the Lithuanian nation so proudly proclaimed at the end of World War I and in committing ourselves again to the cause of freedom.

Sveiki Lietuviai.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is now closed.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

The ACTING PRESIDENT pro tempore. The pending question is on Senate Resolution 61, as amended, which the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 61) proposing to amend the standing rules of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and I will not press the request until Senator STEVENS is on the floor—that I may be able to strike from my resolution, Senate Resolution 61, the words beginning on line 11, page 3, and going through line 14 on page 3, those words reading as follows:

A Senator may also yield back all or part of his one hour, in which event, the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back.

Mr. President, this is verbiage that I put into the resolution when we were considering it. I have thought about this language over the prolonged holiday—prolonged because of the extraordinarily inclement weather—and I believe, in fairness to Senators who would not have yielded back their hour, that Senators who yield back all or part of an hour should not, by virtue of that action, be able automatically to reduce the time of other Senators.

In considering my resolution, one must keep in mind that it establishes a 100-hour cap over all of the debate and actions on or relating to a measure or matter on which cloture has been invoked. This means that time for rollcall votes and time for quorum calls all comes out of the cap. If, upon cloture having been invoked, 30 Senators were to stand and yield back their time, this would mean the overall cap is reduced to 70 hours, which would further mean that for those remaining 70 Senators, whose hours, with even the 100-hour cap, would be impinged upon by every quorum call and rollcall vote, that 100 hours which originally was going to be reduced by virtue of rollcall votes and quorum calls would automatically be reduced by almost one-third, by virtue of the yielding back of time on the part of Senators immediately upon the invoking of cloture.

So this situation would, I think, be unfair to the Senators who did not yield back their time. Therefore, I would ask unanimous consent that I be permitted to strike that sentence in the interests of protecting Senators who may wish to offer legitimate amendments and motions and make statements during debate.

I do not think it is necessary to reduce the cap by virtue of Senators yielding back their time. If they want to yield

back their time, they have that privilege, under the present rule, simply by saying nothing. By doing that, when no Senators rises to speak or to seek recognition, under the present rule, once cloture is invoked, the Chair puts the question, so any time that is not used is automatically disposed of once the Chair puts the question.

Therefore, now that the distinguished acting Republican leader is present, I do present my request and hope he will consent to it.

Mr. STEVENS. Mr. President, does the Senator ask unanimous consent to do this?

Mr. ROBERT C. BYRD. Yes; I ask unanimous consent to strike from my resolution the words, beginning on line 11 of page 3, "A Senator," and continuing to the end of the sentence on line 14, thus striking the entire sentence.

Mr. STEVENS. Reserving the right to object, and I shall not object, I would like to ask the distinguished majority leader if it would be possible to treat the language that is before us now in the reprinted version of Senate Resolution 61, the version printed on February 9, as original text for the purpose of an amendment.

I do not have any objection, and I am sure none of us do, to the Senator's deleting that portion of the current text of Senate Resolution 61. But I would hope that he would agree that we can deal with this text of Senate Resolution 61 and that we do not get into any problems about amendments. One of my amendments, as a matter of fact, deals with the question of yielding time. I would like to be able to offer it and discuss it with the Senator, the distinguished majority leader. Hopefully we may come to an agreement before the day is out, or tomorrow at least, in terms of a version of Senate Resolution 61, in which we could join with the leader.

Mr. ROBERT C. BYRD. Mr. President, I would not want at this moment to agree that all of the amendments that have been agreed to thus far be considered as original text for the purpose of further amendment. But may I say to the distinguished Senator that we will have no problem in that regard, I believe, because we may be able to get a general agreement, and I would like to be able to get a general agreement, in which case that would be part of the argeement, or we could proceed on the basis of case-by-case. If the Senator wants a certain area of my resolution which I have already amended to be open for amendment by him, I am sure there would be no problem in that regard.

The ACTING PRESIDENT pro tempore. Is there further objection?

Mr. STEVENS. I do not object.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I would hope now that Senators will come to the floor to offer amendments. My resolution is open to amendment. I would welcome Senators offering any amendments that they may have.

The ACTING PRESIDENT pro tempore. Are there any other amendments to Senate Resolution 61?

UP AMENDMENT NO. 13

(Purpose: To dispense with the reading of the Journal after cloture has been invoked)

Mr. STEVENS. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 13.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution add the following:

Paragraph 1 of rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, Rule XXII, the reading of the Journal shall be dispensed with."

Mr. STEVENS. Mr. President, it would be my intention here this afternoon, with the courtesy of my good friend from West Virginia, to see how close we might come in bringing together our two proposals by putting into Senate Resolution 61 some of the key provisions in the substitute which I offered on behalf of the committee that was appointed by our minority leader. I do this with the hope that maybe we can, as I said before this session commenced, get to the point where we can join together with the majority leader and support the passage of Senate Resolution 61 in an amended version today or maybe tomorrow.

This amendment is a very simple amendment. It deals with one of the problems we have discussed in our meetings with the majority leader and with the ad hoc committee on the majority side, which was chaired by the distinguished Senator from Wisconsin (Mr. NELSON).

What it would do is simply dispense with the reading of the Journal whenever we are in a real rule XXII postcloture period. That is a simple matter. And it deals with one of the vexatious problems which can come up in such a period. It does not change the rule with regard to the reading of the Journal.

I know that the Senator from West Virginia can make this an immaterial situation by virtue of having recessed rather than adjourned during a period that is in a postcloture mode.

The Journal would not necessarily have to be read, but as a technical amendment, I hope the Senator will consider it. I offer it for the purpose of assuring us that we start down the road toward changing the provisions of Senate Resolution 61 as they are now before us in the February 9 version.

I do not know that any controversy exists over it. I do not know of anyone on our side who wishes to address the issue.

But it is one of the provisions that is in the substitute that I have offered on behalf of our committee that is not in the current text of Senate Resolution 61.

I might add, a similar provision was in one of the earlier versions of Senate Resolution 61.

Mr. McCLURE. Will the Senator yield?

Mr. STEVENS. I am happy to yield to the Senator from Idaho.

Mr. McCLURE. I thank my colleague.

Mr. President, this amendment becomes of some importance if, as a matter of fact, there is an accommodation arrived at at all with respect to the 100-hour cap, or the availability of time for each individual Member, because any one Member might be able to use up a substantial portion of the 100 hours doing something which most of us would, under those circumstances, regard as being a useless thing to do, reading the Journal.

I think most of us have come to the conclusion that if there is to be any kind of a protection for each individual Member with respect to the use of his hour during the postcloture 100-hour period, that we have to limit things such as the reading of the Journal.

I would hope that the majority leader would agree with this procedural change in that period of time in the effort to protect the right of each individual Member to offer substantive amendments, to debate those amendments, to get rollcall votes on those amendments if he desires, and to make certain that 100 hours is not used up by someone else in an effort to prevent those amendments from being called up.

I think it is a useful amendment. It may not be the most important single one, but it certainly is a constructive step toward making sure that the 100 hours is as available to the Members as we can make it.

Mr. STEVENS. I thank the Senator from Idaho.

Mr. President, I would inquire of the distinguished majority leader what his feelings might be on this amendment. It would be my hope that an amendment of this type would be acceptable to him.

Mr. ROBERT C. BYRD. Mr. President, as the distinguished acting Republican leader has accurately predicted, I really do not see any benefit to be gained from this amendment. If the Senate recesses, as he has pointed out, there is no necessity for reading the Journal, and during the debate on a matter, once cloture has been invoked, the Senate can simply recess and go over from day to day and the reading of the Journal is automatically dispensed with.

I would like to see the reading of the Journal dispensed with on nondebatable motions at any time. That, I think, would be a distinct improvement over the present rules.

However, I am certainly not going to reject this amendment out of hand. It is a sincere attempt on the part of the acting Republican leader to bring about some improvement in the postcloture rule.

I wonder if he would be willing to

accept an amendment to his amendment which would read as follows:

Strike the period and the quotation marks and insert in lieu thereof a comma, and shall be considered approved to date."

So that what this does then, indeed, we are not only delaying the dispensing of the reading of the Journal, but we are approving automatically during that period, otherwise the Journal merely builds up over that period and, if the debate following cloture should go for several days, the Journal would have built up to the point that an objection to the dispensing of the reading thereof could result in the Senate's having to spend an additional day simply reading the Journal that had been building up for a period of 6 or 8 or 10 days.

So, if the Senator would be willing to let the Journal during that period be automatically approved, I think it would be a good amendment.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Now, if the Senator's amendment, or suggested amendment to my amendment, were agreed to, it would be my understanding that if a Member found an item in the Journal that he wished to have changed or corrected, that that correction could still be made on the basis of a motion, notwithstanding this provision that the Senator has suggested.

I have seen, rarely, but I have seen Members raise a question as to the accuracy of the Journal and I would not like to foreclose a Member's right to move to amend in order to have the Journal appear in a correct fashion.

Now, if the Senator's suggested amendment to my amendment were adopted, it would appear that it could be interpreted as foreclosing a Member's right to amend the Journal if it is considered to be approved without any further proceedings possible.

Now, would the Senator's interpretation be that a Senator could still seek to have the Journal amended, or in a postcloture period he would have to take his time, in a time cap, so there would be no potential for any dilatory tactic? For the purpose of an honest attempt to correct the Journal, I think we should not foreclose that.

Mr. ROBERT C. BYRD. I agree with the Senator.

The way I read rule III, it would seem to me that at any time a legitimate error were to be found in the Journal, a motion would be in order to amend or correct that, because it reads as follows: "and when."

It does not say that the motion has to be made on the following new legislative day. It reads as follows: "and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of."

So the Journal could be considered as approved as read, the Journal of the action on the measure on which cloture had been invoked, or 1 month thereafter, if an error were to be found in the Journal, or 1 year thereafter if an error were to be found in the Journal, and it could not be cured by unanimous consent under rule III, a motion would be in order and it would be a privileged motion because it says "when"—w-h-e-n, when.

When any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. I should like to inquire of the Members on our side of the aisle who participated in the committee deliberations we had as to whether they see any objection.

I believe that when the Record is clear as to the intent of rule III, as it has just been read by the distinguished majority leader, and the statements we have made here. This amendment does not foreclose a motion to amend or correct the Journal. It would be a privileged motion when and if presented. Our intent, in fact, was to consider the Journal for the preceding day approved to date, unless such motion to amend or correct the Journal was offered then or any other time.

I think that is an amendment we can accept, and we can modify my amendment, if my colleagues agree.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. HATFIELD. Mr. President, it is my observation that the majority leader's amendment to the amendment of the Senator from Alaska strengthens the purpose of the amendment, in the first instance, of trying not only to limit the reading of the Journal of that particular time but also to declare it as having been approved, the same action. So not only would it be acceptable, but also, I think it strengthens the purpose of the purpose of the amendment.

Mr. STEVENS. I thank the Senator from Oregon.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. McCLURE. I thank the Senator from Alaska for having asked the question which crossed my mind, with respect to whether or not the Journal could be corrected. I think that leaves us with one problem which this will not solve, and it is this: If a Member desires to seek to change a correction in the Journal within the 100-hour cap, as to whether or not that time is charged against the 100-hour cap.

However, I think that is a separate question and can be dealt with separately.

With the kind of history that has been made here with respect to the meaning of the words being added to the amendment by the Senator from West Virginia, I have no objection to it.

Mr. ROBERT C. BYRD. Mr. President, I have no objection to the distinguished Senator from Alaska adding his amendment as amended by my amendment.

Mr. STEVENS. Mr. President, I ask to modify my amendment by adding at the end of the amendment suggested by the distinguished majority leader, which strikes the last portion of the quotation marks and the period and inserts a comma and adds to my amendment the words "and shall be considered approved to date," with a period and the end of the quotation marks.

I send the amendment to the desk in written form.

I move the adoption of my amendment.

The PRESIDING OFFICER (Mr. BOREN). The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 14

(Purpose: To dispense with the reading of amendments that have been printed and available 24 hours prior to the time the amendment is called up)

Mr. STEVENS. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 14:

At the end of the Resolution add the following:

"After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.".

Mr. STEVENS. Mr. President, this amendment also is designed to try to get to the problem of the delay that can be caused under a cap by a Senator offering an amendment, including at times long amendments that are in printed form, sometimes the House amendments themselves, which have been deleted by action in a Senate committee on the floor, which the Member wishes to offer in a postcloture period. If he asked to have the reading of the amendment dispensed with, another Member could refuse to dispense with the reading of the amendment and could use up some of the time under the cap, which we think would be most disadvantageous to those people who are trying to use their time for the purpose of presenting substantive amendments.

In order to protect all Members, the intent of this amendment is that the amendment would have to be identified and available in printed form at the desks of the Members for not less than 24 hours prior to its being offered. It was the feeling of our committee that this would be an amendment that necessarily would protect those who were seeking to offer substantive amendments and at the same time would protect the cap that the majority leader seeks to place on the post-cloture procedure.

I believe it is a matter of fairness to require that this be printed, if we are going to offer a procedure whereby the reading of any amendment can be dispensed with.

I do not know whether any members of our ad hoc committee wish to address the matter. I have discussed this matter

informally, as the distinguished majority leader will recall, at some of our meetings prior to the recess. It is something about which we feel very strongly: that the offering of an amendment should not, in and of itself, use up so much time simply because of the necessity to read the amendment, when it is a very long one.

I hope the distinguished majority leader will find this amendment acceptable, also.

I am happy to yield to the Senator from Idaho.

Mr. McCLURE. I thank my colleague for yielding.

It is entirely possible that a very lengthy amendment could be called up by someone who is not opposed to the bill but is opposed to the other amendments. There is also the possibility of having one called up that would use up a considerable amount of his colleagues' time, thereby limiting the opportunity to offer substantive amendments and to debate those substantive amendments.

I think the rationale for this amendment is similar to that of the last one: that if we are going to have a 100-hour cap and it is going to be strict, it should be maintained as closely as we can to the availability of that time for the Members to offer, to debate, and to vote upon substantive amendments which they may choose.

I hope this amendment will be agreed to.

Mr. STEVENS. I thank the Senator from Idaho.

I say to the Senator from West Virginia again that, as the Senator from Idaho has just mentioned, the purpose of this amendment is to assure that the time under the cap is meaningful in the sense of being available for discussion and debate, rather than being placed in the position of being used up by the reading of printed amendments.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I think the purpose of this amendment is a good one. I would merely offer one or two modifications for the purpose of clarification.

The amendment reads as follows:

After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified. . .

I wonder whether the distinguished Senator would change the word "all" in the first line to read "any," so that it would read as follows:

After cloture is invoked, the reading of any amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed—

Right there, if it is understood that "printed form" means typed or Xeroxed, if Xeroxed form or typed form conforms with the intent of the word "printed," I have no objection to the word "printed." Otherwise, it should say "typed or Xeroxed."

I think that the general acceptance of the term "printed" around here is that it does include Xeroxed and typewritten material. I ask the Chair if that is correct.

Mr. STEVENS. That is certainly the intent of the sponsor of the amendment, I say to my good friend from West Virginia.

We know that the Printing Office at times is delayed. As a matter of fact, the Senator from West Virginia has in his hands a Xeroxed copy because of the situation we are in right now, because of the storm and what not.

I otherwise would have offered these and they would be on the desk today.

It is entirely within the intent of this amendment that it be in printed form and at the desk for 24 hours, and I am sure that the desk would have a way of logging in such an amendment when it is presented in the post-cloture period.

The PRESIDING OFFICER. The Chair will rule that if it is intended to include typewritten and Xerox materials, as has been indicated, they would be so included in the term "printed."

Mr. ROBERT C. BYRD. Very well. That is satisfactory with me, and we have the legislative history established.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. I might say it is not intended to have Xerox copies of handwritten pieces of paper that are patched together. We are talking about a typewritten or Xerox copy of a typewritten amendment that are in readable form for all to know what it is and what its purpose is and a copy of it having been placed at the desk to establish when it was available to all Members.

Mr. ROBERT C. BYRD. Yes. I would agree that we should not accept Xerox handwritten amendments in this context.

Mr. STEVENS. I certainly accept the Senator's change.

UP AMENDMENT NO. 15

(Modification of UP Amendment No. 14)

Mr. President, I send the modification to the desk and the Senator from North Carolina and his English teacher would be happy with that correction. I just modify my amendment by changing the word "all" to "any."

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk proceeded to read the modification.

Mr. ROBERT C. BYRD. Singular.

The assistant legislative clerk read the modification as follows:

At the end of the resolution add the following:

"After cloture is invoked, the reading of any amendment, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.".

Mr. STEVENS. Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment (UP amendment No. 15) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 16

(Purpose: To allow amendments in the second degree to be offered after cloture has been invoked)

Mr. STEVENS. Mr. President, I have another amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes unprinted amendment numbered 16.

At the end of the resolution add the following:

"New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered and have been printed and available at each Member's desk for at least twenty-four hours. Amendments which are otherwise in order may amend the measure or matter in more than one place, if they involve only one substantive issue."

Mr. STEVENS. Mr. President, we may be getting into an area of some controversy here.

I hope that in the spirit that we are proceeding my good friend will again try to see if we can work something out.

The times that I have seen in my 10 years in the Senate the postcloture period become most intense, has been when we have gotten into the position that it was impossible to get a change in a bill that would meet the consensus of the Senate, that accommodated those who had previously sought to delay the bill, and remain within the scope of the willingness of those who were the majority behind the bill trying. In the sense that amendments have been at the desk prior to the vote on cloture, we get locked into those amendments and we have not been able to go to amendments in the second degree.

I think one of the reasons for that in the original rule XXII was the problem of time because obviously if you could offer an amendment to amendments and amendments to amendments and they were not at the desk, this procedure could have gone on ad infinitum.

We are now looking toward a new era of a cap of 100 hours, and in that period it has been our contention that one of the best ways to get out of the tension that comes in a postcloture debate would be to permit amendments in the second degree so long as they are germane to the amendment in the first degree and have been printed and available for 24 hours.

This amendment deals with another concept, and that is the problem of the amendment amending a measure in more than one place.

In connection with the gas bill, for instance, there was a date. It appeared in many places throughout the bill. In order to get to that date it was necessary, for those who sought to change it, to offer as many as 10 or 15 amendments to deal with one simple issue, and that would be the date at which the change proposed by the gas bill would have become effective.

The amendment that I have offered would permit amendments in the first or second degree to touch the measure in more than one place so long as it involved only one substantive issue such as the changing of a date, the changing of a name, for instance, one single substantive issue that we would not face the question of the rules as far as amending a measure or matter in more than one place.

I do understand the Senator from West Virginia has expressed some question about the new amendments in the second degree. It is if I understand the distinguished majority leader that this would be a substantial variation from the present procedure. Under the present procedure of rule XXII, the amendments must be at the desk before cloture is voted. We are not changing that.

An amendment in the first degree would still have to be there at the desk. This would say that an amendment in the second degree could be offered even though it was not at the desk so long as it was germane to the amendment in the first degree and so long as it had been available for 24 hours, consistent with what we have just done with this prior amendment.

I might say we are not just talking solely about amendments in the second degree. I would be talking also about amendments in the nature of a total substitute to an amendment which was at the desk so long as it was in order otherwise under the procedures that we follow here in the Senate.

I am sure the Senator from West Virginia will recall those times when his predecessor and the distinguished Senator from Pennsylvania, who was our minority leader, on at least two occasions that I recall went though the procedure of sending a bill that was under cloture back to the committee with orders to report it back immediately in a changed version in order that we might finally get the votes to terminate the whole procedure.

It took us several days to go through that process, in order to get that concensus that would allow that procedure to take place; whereas, if this provision had been in the rules it could have been brought about by the simple mechanism of offering the amendment under the process that we suggest here.

Again we are dealing with a cap. As long as we are dealing with a time cap amendments in the second degree cannot be dilatory. It can only be a substantive attempt to resolve the dispute that has led to the cloture period.

I am hopeful that the Senator will again look at this amendment, which really has two principal objectives; and that we can work something out with regard to this amendment also.

Mr. ROBERT C. BYRD. Mr. President, I applaud the spirit and the intent behind the offering of the amendment.

Actually there are two amendments here, and both of them would change the cloture rule which has been in existence now for 62 years.

Under the cloture rule which was first established in 1917 and at all times since that cloture rule was established, no amendments in the second degree have been allowed once cloture has been invoked if they were not first offered and originally read before cloture was invoked, and under the present rule unless they are offered in writing at the desk before the vote is announced on the invoking of cloture.

So this is something entirely new.

Senators would be allowed for the first time, since the cloture rule was established in this body, to offer amendments in the second degree as long as those amendments were germane to the amendment in the first degree, even though such second degree amendments had not conformed with the letter and intent of the rule prior to the invoking of cloture.

Mr. STEVENS. Mr. President, will the Senator yield there?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I hope the distinguished Senator from West Virginia will look at the scope of the problems involved.

I am just sitting here thinking about one of the amendments that really was vexatious as far as my State was concerned in a cloture period where a Member had filed prior to the vote on cloture—that I supported—an amendment of which I had no knowledge. It was at the desk and I did not even know about it until it was here on my desk about 2 days after cloture was voted.

I suddenly discovered an amendment that would have seriously disturbed the pricing picture for natural gas coming out of my State.

It was not possible to offer an amendment to that amendment, and yet it appeared that the amendment was going to get support.

In any normal precloture period there would have been no problem of offering an amendment in the second degree in order to clarify the intent of the amendment, and protect my State which is unique in terms of location so far as gas supplies are concerned, and everyone, including the sponsor of the amendment, indicated that my position was correct so far as Alaska was concerned. Not knowing of this amendment I had no way of offering an alternative amendment prior to cloture. If I had known that other amendment was there and uncorrected, I would not have voted for cloture.

The real problem we have is the inability to protect ourselves in a time period where there is a cap from amendments that are at the desk of which we have no knowledge. When we are really trying to wind this thing down as far as the debate on a controversial matter is concerned.

I think this is a substantive improvement to this procedure. As long as we are proceeding under a cap it cannot be dilatory. It can only present the Senate with a substantive issue designed to protect an individual's State or region of the country from a particular approach that might otherwise be completely unacceptable to that region or State.

I think the first part of this amendment I have offered is the most important. Again I say that one of the reasons why I think the original rule was as it has been, that we would only have amendments in the first degree, is that it was intended that the postcloture period not provide for additional dilatory tactics.

This would not be a dilatory tactic because it is still under the cap. At least as far as the first part of the amendment is concerned I hope the Senator will give it serious consideration because I think if we cannot get it this way we are going to have to find some other way.

You will recall that one prior version of the suggested substitute that we have discussed in your office as a result of the negotiations in our committee, would have required the amendments to be at the desk 2 days before or the evening of the day of the filing of the cloture motion so that we could then have a chance to look at them and have amendments to the amendments at the desk prior to voting cloture.

You could accomplish it in the same way there. But as long as we are going to have a procedure continue that the amendment need only be at the desk 1 second before the rollcall starts on the cloture motion, there is no way for an individual Member to know what is there until it is called up or until it is printed and at the desk in the postcloture period.

I agree this amendment is a radical departure from the procedures of rule XXII, but it is timely. It is time that we really thought about the necessity to have the ability to protect those whom we were sent here to protect, even though we might be in a postcloture time frame.

I hope the Senate will give that problem serious consideration in view of some of the matters that we ran into last year in that long postcloture debate period on the gas bill.

Mr. ROBERT C. BYRD. Mr. President, I had not completed my dissertation on this amendment. I had prefaced that statement by saying that I thought the spirit and the intent of the amendment were laudable.

Let me continue now with stating what I find to be wrong with the amendment. Perhaps something can be worked out. The problem really arises, the problem that the Senator has just addressed himself to arises, from the amendment to the rules that was adopted on April 6, 1976. That change that was made at that time—previous to that date only those amendments could be called up after cloture was invoked that were germane or which had been read prior to the invoking of cloture.

In 1976 an amendment was adopted which deleted the reference to reading the amendment, which was for the purpose of alerting all Senators as to what amendments were going to be called up or going to be eligible to be called up after cloture was invoked. But the Senate did away with the requirement for the reading of the amendment and merely required that amendments be submitted in writing to the Journal clerk prior to the end of the vote, which means a Member can carry 100 amendments up there. If he has a large briefcase he can carry 1,000 or if he has 2 briefcases he can carry 2,000 up there at the time that vote is going on.

I daresay that the Members of the Senate do not have any knowledge of the substance of those amendments. They

have no opportunity to prepare amendments in the second degree, and they are caught with a bagful of amendments at the desk of which they had no knowledge, no previous notice whatsoever, and only the Member who lugged them up to the desk in the two briefcases knows what is in the amendments.

So I, for one, feel that probably was not a good amendment to the rules. But that is where the problem has arisen, the problem to which the distinguished Senator from Alaska has addressed himself.

What do I find wrong with the amendment he has just offered?

"New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered and have been printed and available at each Member's desk for at least twenty-four hours.

For the first time in the history of the cloture rule amendments in the second degree will be permitted under the amendment that is now pending, once cloture is invoked, the only requirement being, in addition to—well, the only requirement being that they be germane to the amendment in the first degree which, under the present rule, has to be germane.

It seems to me this would punish Senators who prepare and who file first degree amendments before cloture is invoked. They do not sit on their rights, they prepare their amendments before cloture is invoked. The objective of cloture, of course, is to bring the consideration of the matter to a close.

The purpose of cloture is not to open the bill up to the amending process and, generally speaking, the amending process should have advanced to a considerable degree or even be ended or be well under control when the Senate resorts to invoking cloture, because 2 days pass before the vote on cloture occurs.

So it seems to me those Senators who have laboriously prepared their amendments in the first degree are being punished, while those who want to offer amendments in the second degree are being rewarded. They have not filed any amendment at the desk before cloture. They can simply sit back and draft their amendments as second-degree amendments to first-degree amendments once the first-degree amendments are called up.

That would be one of the problems I would have. Another problem would be as to determining whether or not a Senator has an absolute right to offer amendments in the second degree.

What sort of priority does a Member have to offer amendments in the second degree? If there is an amendment pending in the first degree, can a Senator who wishes to offer an amendment in the second degree demand that he has an absolute right to offer that amendment, and consequently he has an absolute right to hold up the Senate for 24 hours before it can act on the amendment in the first degree? Or does it mean that if he does not have his amendment then ready to call up, the Senate can proceed with its consideration of the amendment in the first degree?

That is merely a rhetorical question. In any event, if he does not have an automatic right to call up an amendment in the second degree, it is perfectly within his powers and the powers of other Senators alined with him to delay the Senate's action on amendments in the first degree for 24 hours until the amendment in the second degree is available and printed.

Moreover, once the amendment in the second degree has been disposed of, it would be possible, then, for another Senator to stand and say, "I have an amendment in the second degree." Does he have an absolute right, under this amendment, to do that? If he does, then the Senate has to wait 24 hours; it has to set the amendment in the first degree aside until that amendment in the second degree can be printed and is available.

Mr. STEVENS. Mr. President, will the Senator yield there?

Mr. ROBERT C. BYRD. Not at this moment. I will yield to the Senator in just a moment. I was trying to think of a third problem that I had.

It would be possible, Mr. President, for a Senator to offer an absolute substitute, a complete substitute, and if that amendment is in the second degree, he can haul in a complete substitute that never was in writing or contemplated when cloture was invoked; and Senators who voted for cloture might not have done so had they seen that substitute. But, lo and behold, Senator X calls up a substitute that was at the desk, that did qualify for consideration in every way, and Senator Y offers a substitute to that as an amendment in the first degree, but then Senator Z, under this proposal, because the second substitute was an amendment in the first degree, along comes Senator Z—Senator ZORINSKY—and calls up a complete new substitute that only he and God knew about, and offers it as an amendment in the second degree. Nobody ever saw it, and he did not even need God's approval for it; he just simply called it up, and under this rule he could offer that amendment. He played blindman's buff; everybody in the Senate was blind to the amendment except Senator ZORINSKY, a complete new substitute in the second degree.

Under this proposal, are we going to allow him to do that to us? Is the Senate going to permit that?

As I say, the Senator from Alaska has put his finger here on a thing that from time to time needs some remedy; but it would seem to me that this may not be the best way to go about it. I do not denigrate his intent and spirit, but I do not really believe he intends to open this rule up to the kind of mischief that might follow, such as I have just envisioned.

Mr. STEVENS. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes, I yield at this point.

Mr. STEVENS. I am sure my good friends realize that I am not suggesting that we would punish those who have been diligent. The difficulty is that unless we have some way to have an amendment to an amendment, we who come from small States and distant areas, I think, are going to get to the point where we just cannot vote for cloture, ever. After what happened to me last year, I said that, as a matter of fact, from this floor: That I thought probably the day would come that I would not ever vote for cloture unless we got some of these things changed, because of what could happen in terms of an amendment that was entirely well designed, but the person who designed it had no knowledge whatsoever of circumstances in my State that needed protection in order to assure that we would not be emasculated by a national concern. I might add that when it was called to the attention of those involved with the amendment, they readily admitted they would have been willing to change it, but they were unable to, that because of the terms of the cloture rule it was not possible to change the amendment by agreement.

Somehow, we have to get to the point where we can protect our interests and still subscribe to the concept of terminating debate by the cloture process.

I suggest to the Senator from West Virginia that his first element did not seem to be of much substance, because a Senator would not even be able to offer an amendment unless it had been printed for 24 hours.

It would be possible, of course, through the cooperation of other Senators, to use the time and to go through a 24-hour period. If it was that important and a Member could get 23 other Senators to cooperate with him to use the time, admittedly still under a cap, in order to get that protection, I think that ought to be achievable.

I admit that the Senator's third objection is a rational one—not that the others were irrational, you understand—but that one bothers me. It was our intention to have a perfecting amendment to an amendment offered in the nature of an amendment in the second degree, but not to permit the offering of an amendment in the second degree as a complete substitute for the whole bill. I can see that the Senator has a legitimate worry there, that we might suddenly find Pandora's box opened by an amendment in the second degree in the postcloture situation.

I think we have to get at this problem from the matter of scope; to provide that the amendment in the second degree could not exceed the scope of the amendment which it seeks to amend.

Mr. ROBERT C. BYRD. Mr. President, the problem there is, who would bell the cat? Who, in that situation, would determine the scope?

May I say to my friend, I think we could simply amend this rule back to where it was before 1976 and require the reading of amendments.

The problem that arose in that case was we had sort of a habit of coming in here just before the cloture vote and asking unanimous consent that all amendments then at the desk be considered as having been read. We abused that. On this one occasion I did not make that request. Lo and behold, we were in cloture, the request had not been made that all amendments at the time meet the reading of the requirement, and Mr. Brooke, if I remember, was not allowed to call up his amendment.

So Mr. KENNEDY suggested the change

that so long as amendments were in writing at the desk prior to cloture they be considered as having been proper. His intention was good. It was meant to overcome and cure the evil which had arisen from the fact that Mr. Brooke was not allowed to call up his amendment.

But the fault there was we had abused the rule so many times asking unanimous consent that all amendments at the desk be considered as having been read and on this occasion nobody asked for that consent. Somehow or other I got blamed for it because I was majority whip at the time and I was usually the one who stood up and made the request. But I was under no obligation to make that request. The majority whip was not under any obligation to make that request. My recollection of the old maxim in equity is that one must not sit on his rights. Simply because the majority whip had not asked unanimous consent in that instance I got the blame because no one else did ask.

Somehow or other I was supposed to be the fellow who looked after all the gates and padlocked them or saw to it that all the shadows were lighted and everything. In that instance, however, I did not ask and Mr. Brooke was put into the position of not being able to call up his amendment. That is what happened.

If those amendments still required reading, it would only take one objection to any request that amendments at the desk meet the reading requirement. Then all Senators are on notice as to what the first degree amendments are.

What I am saying to my friend is perhaps we can find some remedy to this if we can think about it a little bit. I believe the way this amendment is written, however, would create probably more problems than he foresees.

I want to address myself to the other part of the amendment. Before that, I will yield to the Senator from Maryland.

Mr. SARBANES. I wanted to say that I think this approach might get to the problem the Senator from Alaska seeks.

I have sympathy with the argument that if an amendment is at the desk we do not know what the amendment is. You have no way of finding out. It catches you by surprise and you are then in a postcloture period and cannot do anything about it.

It seems to me the better way to address that problem is to go to the precloture period and try to work something out in that period so that once you vote cloture you are voting it on the basis of the measure before you and the amendments that are pending to that measure. In effect, Members know what the situation is and potentially what the situation can be on the basis of the pending amendments. Otherwise, diligent people prepare their amendments, put them at the desk, and get them in at the appropriate time. Someone can come along who did not pay any attention at all and devise his second-degree amendment to a first-degree amendment that someone has worked out and come in with it in a postcloture period. It seems to me that person ought to be required to do that in the precloture period.

That leaves us with the problem of how does a concerned Senator, in a situation in which the Senator from Alaska outlined, gain knowledge of what is pending so he can respond before we go into cloture. It seems to me we would be better off addressing it at that point and trying to work something out than to permit this second degree amending in the postcloture period.

I could put a first degree amendment at the desk just to give myself a vehicle and then go off and prepare my second degree amendment for the postcloture period, having gotten a vehicle in on which I can hang it, and then come in.

I do not care how you limit it in scope, its germaneness, or anything else. If I have a real substantive purpose I want to accomplish I can do it in terms of how I draw my first degree amendment so that it gives me a shelter for my second degree amendment that I am going to come in with in the postcloture period.

Mr. STEVENS. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Mr. President, may I continue to hold the floor? I want to address the second part of the amendment. I will yield to the Senator.

Mr. STEVENS. I thank the Senator.

Let me say again I am not unmindful of the problems discussed just now by the Senator from Maryland or the Senator from West Virginia previous to that. The difficulty is we tried to devise a procedure whereby amendments would be presented and would be available prior to the vote on cloture. I think that is still the best answer. But we are unable to get to that point yet. I think we will, in time, realize that the only way we can really know what we are voting cloture on is to see the bill and see the amendments, and, as a matter of fact, see the amendments to the amendments which might be in order under the rules.

We had an approach which could have accomplished that. That unfortunately was not timely yet. I think the day will come when it will be timely.

The Senator from Maryland has a good point. I do not argue with that. The only thing is I do not think that a Senator is sitting on his rights if he does not know of the amendment to be offered by another Senator and has a legitimate concern that should be expressed in the form of an amendment to that amendment prior to its being voted upon by the Senate.

Let me make this very specific. We are going to get into a fight later on this year over the Alaska lands bill. Everybody knows it. I know it. We have some people in the Senate who have areas they want to make into national parks, wildlife refuges, wild or scenic rivers, or national forests in my State. I know those areas pretty well. The people who seek to change their status in terms of the public lands status have some knowledge of them. They do not have the particular knowledge about who is living in what portion of this land, what right-of-way ought to be preserved, what rights to land on river bottoms in the summertime in order to have tourist access ought to be preserved, or the very particular items that, as the Senator from Alaska, it would be my duty to inform the Senate about.

Yet another Senator could come in here if cloture were voted on that at the very last minute and drop an amendment on the desk and say, "I want to make a national park out of all the lands in the Kenai Peninsula."

It does not mean much to other people, but the Kenai Peninsula is an area the size of New England and there are a lot of people who live there. Currently, for all intents and purposes, a considerable portion of it is known as the Kenai moose range. There are people who want to change its status and give it either a refuge or a park status.

I think I ought to have the right to come forward with a perfecting amendment to preserve the rights of the Alaskan people who are there, or preserve access for Alaskans in some way, to make suggestions for amendments to that prime amendment which has been offered, which was not available to me.

Without this amendment, there is no way I can protect my people under the existing law.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. I sympathize with the Senator's problem. As I said earlier, there must be some way we can deal with it as an additional problem.

Let us think about it, talk about it, and see if we can work something out.

It might be that three-fifths of the Senators present and voting could vote to allow that second degree amendment to come in in a situation in extremis, such as the Senator has alluded to.

I am certainly agreeable to giving some thought to this. The amendment as it is written would certainly deal with the Senator's problem, but I am afraid it would create additional ones.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I say to my good friend, I can see the problems he has raised.

I would like to suggest we go back and consider again a time factor of requiring amendments to be filed, requiring petitions for cloture to be filed prior to noon, and requiring amendments that would be considered to be filed at the desk before the close of business that day, or at least, say, before 8 o'clock that night, whatever it might be, and then allow Members to research the amendments that are at the desk, to offer their amendments to those amendments, and have them pending there before the cloture vote takes place.

I do not like to rely upon three-fifths of the Senate for the right to protect my State. I should have that right as a Senator. The rules, if they forbid that right, will get us in a position where more and more of us are going to have to absolutely oppose cloture, period, and that is not going to achieve the Senator's goal if we have more and more cloture petitions defeated.

In order to accommodate the Senator, though, and I do believe we are proceeding in a mode of really trying to be constructive in terms of our approach, let me

withdraw that amendment and proceed to a more controversial one with the hope that our collective staffs might pursue our discussion and see if we can get something we might offer here tomorrow when we convene to accomplish that purpose.

I do withdraw that amendment, Mr. President.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 17

(Purpose: To change the 100 hour limit on debate following cloture to the aggregate of the 100 one hour periods of time to which each member of the Senate would be guaranteed)

Mr. STEVENS. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) for himself and Mr. HATFIELD, proposes an unprinted amendment numbered 17:

On page 1, line 6, following the word "invoked," insert the words: "which time is the aggregate of the one hour of time to which each Member is entitled,".

On page 2, line 6, strike everything through page 3, line 18, and insert in lieu thereof the following:

"The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following:

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

"A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, and any rollcall votes and quorum calls he requests except the time consumed in one quorum call immediately prior to a vote on final passage. A Senator may yield any of his remaining time to another Senator or may yield it back to the Presiding Officer, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. No Senator may be yielded more than nine additional hours. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least ten minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, such time shall not be charged against the one hundred hours.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.".

Mr. STEVENS. Mr. President, this is the most controversial amendment we shall present. I offer it on behalf of myself and the Senator from Oregon (Mr. HATFIELD), our distinguished ranking Republican on the Rules Committee.

Let me try to explain, thought by thought, what this proposal entails.

It would substantially change the procedure of the existing rule XXII and it strikes out the balance of the first sentence of rule XXII as it appears in the majority leader's version of Senate Resolution 61. The first portion of it, if adopted, would assure that no Senator could use more than an hour in the postcloture period in any manner unless he is yielded additional time, again recognizing the total concept of a 100-hour cap.

It specifically says that a Senator will be charged for the use of all time consumed after he is recognized and until he yields the floor, including the time on rollcalls and quorums, except for the one quorum call prior to a vote on final passage, which I believe is the constitutional requirement to ascertain the seconding of a request for rollcall.

However, this would change the procedure to permit a Senator to yield his 1 hour, or any portion of it, to another Senator, or he may yield it back to the Presiding Officer, in which event the time cap would be reduced by the amount of time yielded back.

That language, incidentally, was the language deleted by the majority leader from his amendment that was adopted earlier today. At the time, I indicated that I hoped we would have the opportunity to consider portions of Senate Resolution 61 or the whole text thereof as original text for the purpose of amendment.

I do concede that is trying to deal with the same issue. However, in the context of this version, I think the Senator from West Virginia would see that the yielding back of time might be conducive to shortening the whole process of the postcloture period.

Under this proposal, a Senator could acquire a total of 10 hours, not just the majority leader, but any Senator involved in a postcloture debate could have up to 10 hours if nine other Senators would yield him an hour apiece, or, as a matter of fact, 20 other Senators could yield him a half hour, whatever it would take, but the limit would be 10 hours for any Senator.

When we consider the fact that all time consumed by the Senate after that Senator is recognized is going to be charged against that individual cap, I think the Senate would see that this is a limiting amendment rather than an amendment to expand any time after cloture. In order to protect the Senator who has a substantive issue before the Senate and seeks a quorum call for the purpose of trying to discuss it with another Member, or trying to get the attendance of an absent Member who might be assisting on the matter for any legitimate reason, a quorum call is one of our ways to seek a temporary delay. But having put the quorum call into effect, knowing under this approach that all the time would be charged against the Senator who has been recognized, another Senator who might want to force that Senator to use up his time without being able to discuss totally his proposition could object to removing the quorum call.

This approach would charge the time taken in completing a quorum call, following an objection to dispensing with the remainder of the quorum call, against the Senator who objected. It would state, further, that no Senator could object unless the Senator had 10 minutes remaining and, further, that if for any reason a quorum call proceeding went beyond the remainder of the time, if a Senator did have 10 minutes and the quorum call took 15 minutes, then the 5 minutes would not be charged against anyone but would just expire. It would not be charged against the 100 hours, either.

This amendment also deals with another question, and it therefore has two principal portions, and that is the reprinting of a measure or matter after cloture has been invoked.

Those amendments which are at the desk at the time cloture is voted could be out of order if the measure or matter is reprinted after cloture because of the page reference or the lineage reference, and therefore technically subject to a point of order.

In order to meet that situation, the proposed amendment deals, in its last paragraph, with the problem by saying that if for any reason a measure or matter is printed after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed or reprinted at the request of the sponsors of the amendments. The conforming changes must be limited to lineation and pagination.

That is simply for the purpose of protecting against the situation that developed last year, inadvertently, I believe, in terms of the reprinting of the principal substitute to which the amendment had been offered; but all those amendments were technically out of order because they referred to the original version of the bill rather than to the substitutes.

I am informed by my very competent staff member, Mr. Perles, that in the Senator from West Virginia's recent version of Senate Resolution 61, the last paragraph of this proposal is included, in substance. So I take it that we really do not have to discuss that portion, since our change there would be redundant, now that that is in the amendment. Under the circumstances, I will modify this amendment before it is finally called up, to delete the redundancy.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. STEVENS. Let me make one final comment, and then I will yield to the Senator from Oregon.

I think this amendment is the significant one, primarily because it seeks to recognize the fact that in a postcloture period, while some of us are part of the leadership on a permanent basis, through action of the Senators on our respective sides, the actual leadership on a particular bill or an amendment that has been subject to cloture may not lie with the leadership on either side but, as we saw last year, would actually be with perhaps a small number of Senators who were opposed to the leadership on both sides of the aisle.

I think that any changes that are made in the rules should protect the rights of those who seek to swim upstream and make certain that we do not get into a

situation in which the rights of those Senators are so constrained because of time or because of the technicalities of the rules that they will not be able to raise legitimately the alarm they wish to be heard throughout the country.

I did not agree with those Senators last year, as everyone knows, but I had complete admiration for their determination to stick to their point of view and to use completely their rights as Senators to bring to the attention of the country an issue which they considered to be of national importance.

The limiting features of this proposal that we have devised would depend upon the support they have in the Senate; because under this proposal, if there are just a few Senators who wish to swim upstream, the time is going to run on them very quickly. Only if they have the support of other Members who will yield them time will they be able to use even more than a fraction of a day.

Last year, I think we had probably 8 to 10 Members, at the most, who were supporting those who had disagreed with what the Senate wanted to do. Under this approach, that would have been the limit of time they could have used, because every minute consumed by the Senate would be charged against the Senator from the time he was recognized, and the hundred hours would be an absolutely firm 100 hours.

Mr. President, I yield the floor.

Mr. HATFIELD. Mr. President, I am among those Senators who believe that once cloture has been invoked, debate must draw to a close. Postcloture consideration should be a time for summation and tidying up. Postcloture filibusters are an abuse of the Senate rules, and they are an abuse against which the Senate has little protection. They erode the spirit of comity and courtesy that is a part of this institution.

Mr. President, our distinguished majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), is fond of quoting from the history of the Senate, for which he is well-known; and I note that today, on the floor of the Senate, probably the only Member who recalls the historic issue that I would like to raise at this moment is the Senator from New York (Mr. JAVITS).

I go back to the part of the history of the Senate when filibusters were particularly geared into the question of civil rights. I am reminded that one of the leaders of the cause of civil rights, the Senator from New York (Mr. JAVITS), faced a great adversary in Senator Russell of Georgia, who usually was leading the filibuster against civil rights. But there was a very interesting understanding that these distinguished gentlemen had, particularly Senator Russell, who was on the losing side, that once cloture was laid down, he understood the filibuster was at an end, and the institution of the Senate took preeminence over the individual viewpoint, for which he was well known and about which he felt very sincerely and was very dedicated.

So it is that the current rules do not necessarily invite abuse, but they permit it to happen, as we have seen in the latter days of the Senate. To prevent recurrence of the problem, the rules must be changed.

In my judgment, there is no question about that; and in that sense, the able majority leader and I proceed from the identical premise: At issue is not whether some change is desirable but what kind of change is best.

The rules amendment offered by the distinguished majority leader, I believe, goes too far. No doubt, it would cure the illness, but it excessively chips away at the rights or prerogatives of individual Senators. Fortunately for the Senate, we need not choose between the continued abuses and such a sweeping departure from our traditions.

Mr. President, the amendment now pending offered by the Senator from Alaska and myself is clearly a better solution. It guarantees that the one postcloture hour granted to each Senator shall be inviolate. Senators can do with their hour as they please. They can call up amendments, make points of order, make speeches, request quorum calls, or even ask that the Journal be read. The time they consume is charged against them. It is their right—as it should be—to parcel out that time as they see fit. When their hour expires, Senators have had their say.

Furthermore, Mr. President, if Senators wish, they can even yield their time back to the Presiding Officer, and the postcloture cap will be correspondingly reduced. In so doing, they impinge on no one's time but their own. The rules should never permit a vote of Senators to decrease postcloture time and thus strip a Senator's hour away. Thus much is basic: A Senator should not have to go hat-in-hand to the leadership to ask for time. The distribution of time should be a determination made by individual Members, not a decision exercised by the leadership.

Under the amendment, Senators can also yield their time to other Senators. No restrictions lie on these transfers, except that no Member can receive more than nine such transferred hours. Unlike Senate Resolution 61, no specified Senators act as the collectors and conduits of time. The proposal needlessly elevates the standing of a few Senators over the rest of the membership. Our amendment properly equalizes the status of all Senators.

Mr. President, there is an inherent tension between the rights of individual Members and the rights of the corporate body. Postcloture filibusters tip the balance too far in one direction. Senate Resolution 61, however well-intentioned, tips the scales too heavily in the opposite direction. Perfecting amendments offered by the majority leader prior to the recess tend to address this problem but do not relieve it. The best argument that can be made for the amendment pending before us is that it strikes the proper balance.

I, therefore, urge the amendment be adopted. If passed, it will both end postcloture filibusters and preserve the legislative prerogatives of each U.S. Senator.

Mr. ROBERT C. BYRD. Mr. President, first let me compliment the distinguished Senator from Alaska (Mr. STEVENS) on having laboriously, methodically, systematically, and dedicatedly approached this problem over a long period of time going back into last year. I have met with him on several occasions. He has in a very earnest endeavor attempted to bring about some satisfactory rule changes that will not worsen but will improve the postcloture situation. As a matter of fact he brought in what I thought was some good suggestions that would deal with precloture situations.

I also compliment the distinguished Senator from Oregon (Mr. HATFIELD) who is the ranking minority member on the Committee on Rules and Administration because he has very sincerely and conscientiously attempted to bring to bear his very considerable talents in this effort also.

Now, as to the amendment that the distinguished Senator from Alaska has offered, first of all it will require unanimous consent that it be in order to offer the amendment to my resolution. I, therefore, ask unanimous consent that the substitute may be in order, Mr. President.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the substitute.

Mr. STEVENS. Mr. President, will the Senator withhold that until I get a chance to modify the amendment?

Mr. ROBERT C. BYRD. That was why I wanted to get the yeas and nays. I did not want the Senator to modify it. But I will withhold that. I will not ask for the yeas and nays.

Mr. President, to go to the very jugular vein of this substitute, it removes any semblance of a cap. There is no cap. That is the distinguishing feature and, as a matter of fact, that is the crux of my resolution. It does establish a cap, a cap of 100 hours.

But I ask the distinguished Senator from Alaska if I am correct in saying that his substitute does not envision a cap.

Mr. STEVENS. Mr. President, if I might respond, if the Senator will yield, with his usual accuracy the Senator has zeroed in on the one problem of this amendment, and I would have to say that there is one instance in which the cap could be exceeded, but it is limited to this situation that where a Senator has at least 10 minutes, and he objects to the elimination or to the rescinding of a quorum call, all of the time taken on that quorum call would be charged against the objecting Member to the extent of his time that remains. The provision requires that he have at least 10 minutes so that we are talking about the difference between 10 minutes and in the total time taken in a quorum call which could get up to 15 or 20 minutes at times, and that would not be charged against the 100 hours to the extent that it exceeded the remaining time of the objecting Member.

So the Senator from West Virginia is right that the 100-hour cap can theoretically be lifted by that procedure, but that is the only manner. Other than that all time used by a Senator—and I might say it is my understanding that

the time under this amendment charged against a Senator would be more precise than the time under the distinguished majority leader's amendment because under the distinguished majority leader's amendment all time is charged against the cap. Under our approach every Senator is entitled to 1 hour or up to 10 hours if he has the time yielded to him, and all of the time consumed after the time that Senator is recognized, including yielding to another Senator or including the time taken in voting or the time taken on a quorum, except for the one quorum prior to the rollcall and final passage, is charged against that Senator.

We have an individual chargeability; whereas, the Senator from West Virginia has an overall Senate chargeability on the 100 hours.

I believe that I have to be precise and say "Yes," it is theoretically possible to exceed the 100-hour cap but only to the extent that a Member who had 10 minutes remaining but did not have enough for the full time of the quorum call, would be in a position of objecting to the rescinding of a quorum call.

That is a very small amount under any normal procedure. It could not account to many hours in a postcloture process.

Mr. ROBERT C. BYRD. Mr. President, I appreciate the response by the distinguished Senator, and I say what I am about to say with the utmost respect for the Senator, but I can point to a hole in this amendment that is big enough to drive a 747 through. As a matter of fact, there is a star—I do not know how it is pronounced but it is spelled, I believe, B-e-t-e-l-g-e-u-s-e—that star is so large that it could not pass between the Earth and the Sun, the distance of 93 million miles. There is a hole in this that is as large as that star.

Now, let me point it out to the distinguished Senator. He says that under his amendment it would be only that time charged against an objecting Member who opposes the calling off of a quorum once; that is, if he had as many as 10 minutes. If he did not have 10 minutes remaining, he could not object to calling off a quorum. If he did have whatever time the quorum required over and above his remaining time, then it would not come out of anything.

Well, Mr. President, I am about to take out my gold watch: "Mr. President, I call up amendment No. 123."

That time required less than 2 seconds. Let us allow for the sake of doing some mathematical computations, an average of 10 seconds for calling up an amendment.

"Mr. President, I call up amendment No. 12345."

That took 10 seconds. Every Senator here knows that it does not take 10 seconds to call up an amendment. But once a Senator calls up an amendment he loses the floor. Once a Senator makes a motion he loses the floor. Once a Senator suggests the absence of a quorum he loses the floor.

The Senator says this changes that. But what he is doing then is changing rules other than XXII, and that is not in accordance with the agreement.

Mr. STEVENS. Mr. President, will the Senator yield there?

Mr. ROBERT C. BYRD. Not right at the moment.

The Senator would change that rule. If he changes the rule, that charges to a Senator time when he does not have the floor, and I do not believe that Senators will want to vote for that resolution knowing what they are doing.

He a moment ago said to the Senate that all time would be charged against a Senator for rollcall votes and for quorum calls, et cetera, et cetera. But under the present rules, Mr. President, when a Senator suggests the absence of a quorum he gives up the floor.

"Mr. President, I suggest the absence of a quorum."

I have given up the floor. How is the Senate going to charge me with the time for that quorum when I do not hold the floor?

The same thing is going to be true with regard to rollcall votes or any motion, Mr. President.

"Mr. President, I move that the Senate stand in recess for 30 minutes."

Somebody asks for a yea-and-nay vote. That Senator gives up the floor the second he makes that motion. He gives up the floor.

Or he may say: "Mr. President, I offer Amendment No. 123."

He has given up the floor. He cannot be charged with that time.

So a Senator who has 1 hour, allowing 10 seconds per amendment, can call up 6 amendments per minute, 360 amendments per hour, and if he is allotted—if he can be yielded 9 additional hours, think of the havoc that is wreaked upon this Senate. It would make him a total of 10 hours, and he could call up 3,600 amendments, and at 15 minutes per rollcall vote that is 300 voting hours, and if he is not yielded any time he can take that 1 hour—the late Jim Allen would be delighted to see this change in the rules.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. If he could call up in 1 hour, allowing 10 seconds for calling up an amendment, allow him 10 seconds, and he could call it up in 2 seconds, allow him 10 seconds per amendment, he could call up 360 amendments, 15 minutes per vote, and that is 90 hours of rollcall votes, and all he has to do is stand up and call up an amendment and sit down.

The time for reading that amendment cannot be charged against him because he has yielded the floor. The time for debate on the amendment cannot be charged against him because he has yielded the floor. He is sitting in his chair. It would be a travesty of justice to charge that Senator with the time that is consumed.

So, Mr. President, we have not seen anything yet as far as postcloture filibusters are concerned. Once you write into this rule, the standing rule of the Senate, the language that is in this substitute, Mr. President, give me 10 hours and an unlimited amount of brass, and a thorough disregard of the feelings of other Senators, and I can call up 3,600 amendments, demand the yeas and nays on every one of them, move to reconsider them, all within 10 seconds per amendment, and we can stretch the time out ad infinitum.

So, Mr. President, we are not tightening up the rule; we are really making it possible for one or two Senators who wish to prolong the time of the Senate in carrying out action on a measure, as long as they have got the guts and they do not mind being nasty they can do it.

Let us take a look at this:

> A Senator shall be charged with the use of all time consumed after he is recognized until he yields the floor.

Mr. STEVENS. Mr. President, will the Senator yield there?

Mr. ROBERT C. BYRD. When he asks for a quorum he automatically yields the floor. If he asks for the yeas and nays and a rollcall starts he loses the floor. If he moves, makes a motion, he loses the floor. If he offers his amendment, he loses the floor. So he cannot be charged with that time because it says, "until he yields the floor."

But he yields it automatically under the present rules, and any rollcall votes and quorum calls he requests, except for the time consumed in one quorum call immediately prior to a vote on final passage—and I suppose that means final passage of the measure—any of those rollcall votes and quorum calls will be charged against him. But the poor fellow yielded the floor when he suggested the absence of a quorum, and now we are going to hang around his neck the 30 minutes that are consumed in the calling of that quorum, even though he automatically gave up the floor.

More than that, once he calls one such quorum and only has about 20 minutes left and gets a rollcall vote on something he has only 5 minutes left. Why should he care? He could not care less, Mr. President. Just charge all the time you want to him. He has only got 5 minutes left. Charge it all to him. And what does it come out of? It results in the stretching of the time so that there is no cap, and once we do away with the cap then we have done away with a remedy that will work in a postcloture situation.

Now I yield the floor.

Mr. STEVENS. Well now, my good friend has taken this concept and has demonstrated how under the existing rule it could be interpreted as being a way to avoid the cap.

I want to assure the Senator from West Virginia that this is an amendment which has been drafted by people who, I think, are fairly astute in terms of the procedures we have followed in the past and in terms of how we would like to see postcloture procedure develop for the future.

This has a new concept, and it means a Senator, after he is recognized, controls the floor. No matter what kind of a motion, rollcall or anything else, he is entitled to that floor until he says, "Mr. President, I yield the floor."

During that time, everything that takes place in the Senate, with two exceptions, is charged against the time that he has. As a Senator, he has an hour, and he could have up to 10 hours if nine others, or however many it takes, would

yield to him up to 10 hours. He could have, in effect, the control of the day. The only two exceptions would be, one, the vote on final passage of the measure itself, not an amendment but final passage, and the other is the objecting of a Senator to the removal of the rollcall.

Under this concept, a Senator who seeks to offer a series of amendments, once he is recognized, could be assured he could go through his amendments and the rollcalls required on those amendments, or any quorum calls he puts in place or yields for. He controls the time for that period, and if he wants to put in a quorum call it comes out of the time he has. If he wants to have a rollcall vote—and I will say I believe this would help one of the problems with rollcalls—I think this amendment would motivate Senators toward not having so many rollcalls in the postcloture period, because that 15 or 20 minutes will come out of the time the Senator has. I believe we will have a lot more voice votes if this procedure is followed.

Moreover, there is a philosophical difference I want to try to articulate. That is that the amendment of the Senator from West Virginia changes the existing procedure in that, while it continues the provision of rule XXII that says each Senator is entitled to an hour, that entire time can be denied if others use up the time. There is a 100-hour cap under the approach of the Senator from West Virginia, and some of the time that is used by the Senate is not charged against the person who has the floor, but that time actually comes out of some other Senator's time, and he would have no way to protect himself.

Actually, God rest his soul, I believe the late Senator from Alabama would be delighted to see the Senator from West Virginia's approach, because I am certain the Senator from Alabama could show us how to use 100 hours and charge that time completely to the Senate, and never let anybody else have a chance to speak. He was very, very competent in interpreting the rules, and he could, in effect, deny everybody else the chance to have 1 hour by virtue of having the time clock run on 100 hours. I really believe there may be some embryo Jim Allens around here, and I am looking at one (Mr. HELMS) that is not even an embryo any more. I am convinced there are people here who could use the Senator from West Virginia's approach of the cap. Again referring to the fact that existing rules entitle every Senator to an hour, those rules could be used in such a way that he could never get that hour, because those 100 hours would run.

Mr. ROBERT C. BYRD. Wait a minute; does the Senator know about the amendments that I have offered to my own resolution?

Mr. STEVENS. Yes, I think so.

Mr. ROBERT C. BYRD. Well, then his statement is not accurate.

Mr. STEVENS. The Senator still says we have a 100-hour cap, does he not?

Mr. ROBERT C. BYRD. We have a 100-hour cap.

Mr. STEVENS. And he also says we are entitled to 1 hour.

Mr. ROBERT C. BYRD. If we use it.

Mr. STEVENS. If we use it, but under the Senator's approach, if I be recognized, if I put in a quorum call, that time would not count against my hour any more, but it would count against the 100-hour cap.

Mr. ROBERT C. BYRD. Good.

Mr. STEVENS. So that would count against somebody else's time.

Mr. ROBERT C. BYRD. The Senator is exactly right.

Mr. STEVENS. So I could use the time of other Senators.

Mr. ROBERT C. BYRD. How?

Mr. STEVENS. By just using up the time under a quorum call.

Mr. ROBERT C. BYRD. You cannot do it under my amendment.

Mr. STEVENS. When I put in a quorum call, it no longer counts against my time.

Mr. ROBERT C. BYRD. We have a precedent, though, that you cannot ask for a second quorum until business has been transacted.

Mr. STEVENS. That is simple. To transact business, you just call up another amendment.

Mr. ROBERT C. BYRD. To call up an amendment does not constitute transacting business.

Mr. STEVENS. We had that precedent when Senator Allen was here, as I recall.

Mr. ROBERT C. BYRD. We are going to arrange under my amendment, my proposal, to not allow any Senator to call up and dispose of more than two amendments without another Senator's having the right to be called on.

Also, every Senator, under my proposal, would be allowed at least 10 minutes, even after the 100-hours' cap had gone by, if he had not been recognized before. If he had stood on his feet and not yielded any time, he could have up to 10 minutes. So we have provided against that contingency.

Mr. STEVENS. Will the Senator let me finish this? Why do we not make the Senate a group of responsible people and give everybody a bank account? I have a bank account of 60 minutes, and I can have up to 600 minutes.

Mr. ROBERT C. BYRD. Because that is exactly what we have now.

Mr. STEVENS. No, no, wait a minute. You have to let me finish, though.

Mr. ROBERT C. BYRD. We have an hour now. All right.

Mr. STEVENS. Under the procedure we have suggested, again, from the time I am recognized, nothing else can take place in the Senate unless I yield the time. Once I am recognized, I have an hour, or up to 10 hours, and I control anything that happens here until I notify the Chair that I yield the floor. In other words, I cut off the clock against the running of my time, the time that stands charged against me.

Mr. ROBERT C. BYRD. If a Senator stands up and offers an amendment, he loses the floor, right?

Mr. STEVENS. No, we are changing the rule.

Mr. ROBERT C. BYRD. Oh, no.

Mr. STEVENS. Until you say, "Mr. President, I yield the floor," anything that goes on in here is charged against the person who is recognized, but mind you, no one else can do anything.

Mr. ROBERT C. BYRD. Do not point your finger at me it might be misunderstood.

May I say this. Let us say you offer an amendment. Under your proposition, when you offer an amendment you do not yield the floor?

Mr. STEVENS. That is right.

Mr. ROBERT C. BYRD. All right. The clerk reads the amendment; it has not been printed 24 hours, and I demand he read it.

Mr. STEVENS. It is chargeable against my time.

Mr. ROBERT C. BYRD. Chargeable to you, all right. After he reads it, I suggest the absence of a quorum.

Mr. STEVENS. No, I offer the amendment.

Mr. ROBERT C. BYRD. But you are going to hold the floor?

Mr. STEVENS. I am going to hold the floor until I yield it.

Mr. ROBERT C. BYRD. All right. He reads the amendment, and I say, "Mr. President, a point of order; that amendment is not in order." Now who has the floor?

Mr. STEVENS. You ask me if I yield for that purpose. I say, "No, you can raise the point of order on your time after I finish." Before the amendment can come to a vote, I would have to yield the floor.

Mr. ROBERT C. BYRD. So I will not be allowed to make a point of order against the amendment?

Mr. STEVENS. Until I have used whatever time I want to use, and I yield the floor.

Mr. ROBERT C. BYRD. Let us say the majority leader wants to move to recess.

Mr. STEVENS. You would have to wait until I yield the floor.

Mr. ROBERT C. BYRD. He would have to wait until you yield the floor?

Mr. STEVENS. That would be the case today, because you cannot interrupt another Senator in order to recess the Senate.

Mr. ROBERT C. BYRD. Let us say you put in a quorum.

Mr. STEVENS. I put in a quorum; that is, again, for the purpose of my working out something in connection with my amendment. That would be attributed to me.

Mr. ROBERT C. BYRD. All right. Let us say we have a quorum call, and a quorum is not present. I say, "Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays."

Mr. STEVENS. Right.

Mr. ROBERT C. BYRD. We get the yeas and nays, and that takes 20 minutes, and no quorum.

Mr. STEVENS. That is right.

Mr. ROBERT C. BYRD. Then I say, "Mr. President, I move that the Sergeant at Arms be instructed to compel the attendance of absent Senators, and I ask for the yeas and nays." That is a rollcall vote, and again a quorum is not present.

Mr. STEVENS. That is right.

Mr. ROBERT C. BYRD. Then I say, "Mr. President, I move that the Sergeant at Arms be instructed to arrest absent Senators, and I ask for the yeas and nays." We have another 20-minute rollcall vote, and what happens to your 60 minutes?

Mr. STEVENS. Mr. President, the answer to the question of the Senator from West Virginia is that as long as I proceed on the quorum call and it is for the purpose of working out my legislative position, the time is running against me. Anything that happens there is going to run against me. From the time that the Senator from West Virginia would start a dilatory tactic, it would be chargeable against him.

I do not think he can get into it, under my approach.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. In a moment. The time is chargeable against me until I yield the floor. Any time that ensues is charged against me, and I would be a stupid Senator if I asked for a quorum call knowing that I was going to get into one of these proceedings of having the Sergeant at Arms to be compelled to have absent Senators attend the floor.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. The Senator is looking at dilatory tactics of the past to judge the tactics of the future.

Mr. ROBERT C. BYRD. All the Senator is asking about is if the Senator will yield to me at the moment. Will the Senator actually say with a straight face and a benign smile that if he puts in a quorum call and a quorum does not show up that it would be to request the attendance of absent Senators, if there were no quorum? Under the Constitution, no business can be conducted without the presence of a quorum.

Mr. STEVENS. It would be a dilatory tactic.

Mr. ROBERT C. BYRD. Would that be a dilatory tactic?

Mr. STEVENS. It would be dilatory if the Senator seeks that and I ask that the call be dispensed with. From that time on the time would be charged against him.

Mr. ROBERT C. BYRD. Let us say that the Senator asks that the call be dispensed with, and I object to it. So the time would be charged against me. But the quorum call would have to go forward and no quorum appeared. Then my friend from North Carolina (Mr. HELMS), feeling that there ought to be a quorum, would say, "Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays."

Would that be a dilatory tactic, with no quorum here?

Mr. STEVENS. It would be if I asked that the proceedings under the quorum call be dispensed with under this approach.

Mr. ROBERT C. BYRD. Of course not. The Senator from North Carolina is entitled to have a quorum here. He looks around and sees three Senators. He should object. And when he objects and that quorum call becomes live, then no business can be transacted until a quorum is established. Does the Senator mean to tell me that he is wanting a rule that will allow all that time to come out of the time of the poor little Senator from Alaska; his 1 hour?

Mr. STEVENS. I would hope the Senator would not want us to be entombed in the mistakes of the past. We are trying to provide aspects by which the future will be more promising so far as the procedures of this august body is concerned. It seems to me this is the way to do it. Again, we are saying each Senator is entitled to so much time, 1 hour. He has to be recognized in order to consume any time.

Mr. ROBERT C. BYRD. All right.

Mr. STEVENS. If he does not want to be recognized ever, he just stands up and says, "Mr. President, I yield back my time." If I did that, there would be a 99-hour cap. If 90 Senators did that, there would be a 10-hour cap. As a matter of fact, last year, if 98 Senators had done it, there would have been a 2-hour cap.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. That filibuster would have been over very fast.

The problem is that if you are going to have the concept by which 100 hours can be reduced, it seems to me that you also have to have some control for an individual Senator to be certain that once he is recognized he can pursue his rights to the utmost. We are saying once a Senator is recognized, he is entitled to hold the floor, notwithstanding anything that occurs, until he has finished his discussion on the matter before us. Admittedly, once I have finished my discussion on my amendment, if I offer an amendment, in order that it could come to a vote I would have to yield the floor. At that time, any other Senator would be entitled to use any portion of his time in connection with anything before the Senate in the postcloture procedure.

Mr. ROBERT C. BYRD. Will the Senator yield at that point?

Mr STEVENS. Yes.

Mr. ROBERT C. BYRD. But no other Senator seeks recognition. The time for the rollcall vote then will be charged against the Senator from Alaska.

Mr. STEVENS. That is right, the person who offered the amendment. That time would then be chargeable against him.

Mr. ROBERT C. BYRD. Is he going to yield to allow a motion to reconsider?

Mr. STEVENS. Any time is charged.

Mr. ROBERT C. BYRD. In other words, no Senator would be allowed even to move to reconsider unless the Senator from Alaska yielded.

Mr. STEVENS. No, the matter having come to a vote, the procedures of the Senate would allow the motion to reconsider.

Mr. ROBERT C. BYRD. But the Senator's amendment says he will be charged with all time until he yields the floor.

Mr. STEVENS. That is correct. Any time.

Mr. ROBERT C. BYRD. Suppose he refuses to yield to the Senator from North Carolina who wishes to move to reconsider.

Mr. STEVENS. The Senator from North Carolina has a right under the rules to move to reconsider.

Mr. ROBERT C. BYRD. But the Senator is going to change those rights.

Mr. STEVENS. I am only going to change the chargeability of the time in the exercise of those rights. If he wishes to reconsider my amendment, he can move to reconsider it. Incidentally, the motion to reconsider would be chargeable against him and anything he might say on that would be charged against him.

Mr. ROBERT C. BYRD. Let us see what the Senator says. "The Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor." Suppose he does not yield the floor.

Mr. STEVENS. I have yielded the floor in order for the amendment to come to a vote. It could never come to a vote until I yield the floor.

Mr. ROBERT C. BYRD. The same could be said about a quorum call.

Mr. STEVENS. No.

Mr. ROBERT C. BYRD. Once the Senator puts in a quorum call, he loses the floor, under the present rules. But the Senator is going to change that. He is going to change it, I say to my good friend from New York. The Senator from Alaska is going to change it so that he can put in the quorum call once he gets recognized and be charged with the time for the quorum call, because he is not going to be considered as having yielded the floor. But suppose he himself tries to call off that quorum and the Senator from North Carolina objects.

Mr. STEVENS. The Senator would have to go back and read the verbiage that I presented in this amendment. It says:

> A Senator shall be charged for the use of all time consumed after he is recognized and until he yields the floor, and any rollcall votes and quorum calls he requests, except the time consumed in one quorum call immediately prior to the vote on final passage.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Is the Senator yielding?

Mr. STEVENS. If it is to give a further explanation of the work product of our committee in response to the Senator from West Virginia, I hope he permits me to do that. I do yield.

Mr. McCLURE. I just want to point out the language on the second page of the amendment. It says, on that precise circumstance:

> If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member.

Mr. ROBERT C. BYRD. He can get the floor to object. If he objects——

Mr. McCLURE. The time is charged against him.

Mr. ROBERT C. BYRD. But this Senator has never yielded the floor.

Mr. McCLURE. This would be one circumstance under which the time then would not be charged against this Member but the one who objected simply by reason of the action of the rule the way it is written.

Mr. ROBERT C. BYRD. So, Mr. President, this proves my point. There is no such thing as a cap under the substitute offered by the distinguished Senator from Alaska, no cap, because any time over and above the time that the Senator

from North Carolina had remaining would be charged to nobody.

Mr. McCLURE. Will the Senator yield on that point?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. The Senator would have to have time.

Mr. ROBERT C. BYRD. He would have to have 10 minutes. But if he only had 9½ minutes——

Mr. McCLURE. That is what the Senator from Alaska said nearly an hour and a half ago, that in that event it might go over the cap. If somebody had 10 minutes remaining but not enough to complete the quorum call, it might, in that limited circumstance, go over the cap.

Mr. ROBERT C. BYRD. Yes; also, if a Senator gets recognized, calls up an amendment and sits down, who is charged with the time?

Mr. STEVENS. I might say to the Senator that it says specifically from the time that he is recognized until he yields the floor it is chargeable to him, as are any rollcall votes and quorum calls he requests. Before that amendment of mine comes to a vote I have to request a vote on it.

Mr. ROBERT C. BYRD. But will the Senator answer my question?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. He stands on his feet and says, "Mr. President, I call up amendment No. 123," and he sits down. Who is charged with what happens thereafter?

Mr. STEVENS. He is. You are.

Mr. ROBERT C. BYRD. Does the Senator mean to tell me if I sit down after having called up my amendment that I am going to be charged with the time that the Senator from North Carolina takes in debating that amendment?

Mr. STEVENS. After you yield the floor on the matter.

Mr. ROBERT C. BYRD. All right, Mr. President, I call up amendment 123; I yield the floor.

Mr. STEVENS. All right, then your time has been very quickly——

Mr. ROBERT C. BYRD. Less than 10 seconds.

Mr. STEVENS. Right.

Mr. ROBERT C. BYRD. And the debate on that amendment might take 1 hour, 2 hours, 15 minutes, but the rollcall vote on that amendment will require 15 minutes, at least.

Mr. STEVENS. And who will it be chargeable to? To the Senator.

Mr. ROBERT C. BYRD. Under the Senator's very unreasonable proposal in this regard, he is going to charge that to me. Well, that is all right, I can call up four——

Mr. STEVENS. In between, whoever is debating, or talking, asking for quorum calls, whoever makes the request, will be charged with the time if they request it.

If you have yielded the floor, you stand up, call up an amendment, this amendment 1234, sit down, if anyone wants to talk on it, you say you have yielded, if anyone wants to talk on an amendment, it is chargeable to him. If no one wants to talk, you move adoption of the amendment and the rollcall starts again, chargeable against you.

Mr. ROBERT C. BYRD. Mr. President, does the disintinguished Senator from Alaska really want, does he really want to invoke a very punitive rule on the poor little Senator from West Virginia and say, "You can only call up four amendments, a maximum of four amendments, after cloture is invoked?"

Because, we see that this is the way it would work under his proposal.

I would stand on my feet and say, "Mr. President, I call up amendment XYZ, I yield the floor," get back down in my chair, but eventually there will be a rollcall vote and I will be charged with it, 15 minutes. All right, I only have 45 minutes left.

Later I call up another amendment and I sit down. That rollcall vote, when it occurs, will be charged against me. I only have 30 minutes left.

I stand up later, call up my third amendment, sit down, the rollcall vote, when it occurs, I have 15 minutes left.

I stand up my final and last time, I have 15 other good amendments pending, but all I can do is call up one, because that rollcall vote will be charged against me. My hour is gone. I have been able to call up four amendments.

He is going to limit me to four amendments after cloture is invoked.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I hope the Senator realizes what he has done to me under his amendment. Under his version of Senate Resolution 61, there is a 100-hour cap on the Senate. But the Senator from West Virginia could stand up, call up that amendment 1234, sit down. He is entitled to 1 hour. He has used 10 seconds. But the Senate has used 20 minutes and he has used my time.

I come along and I will stand and there is no time left, because the 100 hours has run.

Mr. ROBERT C. BYRD. Oh, no, Mr. President, it would not have run.

After I called up two amendments and I sought to call up the third, the Chair would say, "I'm sorry," to the Senator from West Virginia, "Does any other Senator wish to call up an amendment?" Then Senator STEVENS arises to his feet and in stentorian tones says, "Mr. President, I call up my amendment. Now, Senator BYRD, you just sit still."

He can have his chance then.

Mr. STEVENS. Oh, no, under the Senator's resolution. I would have 10 minutes to talk. I am guaranteed 10 minutes to talk. I am not guaranteed any time to debate or to offer an amendment.

Mr. ROBERT C. BYRD. The Senator is confusing the two amendments. What he is talking about in his amendment now, which, being a timid Senator, who is very shy about seeking his rights under the Senate rules, would have sat in that chair 99 hours and 59 minutes, and without seeking recognition, and then he timidly and with great temerity rises and addresses the chair. Then he would be allowed 10 minutes in which to speak.

But most Senators are not quite that hesitant and that reluctant to seek recognition during 100 hours. Think of it, 100 hours.

May I say in all sincerity, if we are really going to get at this postcloture situation, in my judgment, there has to be a cap.

Mr. JAVITS. Will the Senator yield on the cap?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. I think the Senator has, in his own way, just shown the invalidity of his cap, and for this reason. If we have a cap of 100 hours and lose the floor whenever we ask for a rollcall vote, or ask for a quorum call, then we never give every Member an hour. It is doubtful even they would have 10 minutes left for every Member except for the guarantee, because if most any Member sat down, a quorum could be called, a rollcall could be called, and that eats up the time of somebody in this Chamber.

I think that is very worrisome and very puzzling. The Senator has pointed that out himself. It is charged against the cap. That cap can be chewed up awfully fast and many Members denied the privilege of offering amendments.

Now, if I may ask the Senator from West Virginia——

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. The difficulty, as I see it, and I am not engaging in a dialectic exercise, this has been very worrisome to me.

I have probably voted for as many cloture votes as anybody here, and I have engaged in more efforts to break filibusters than anybody here, and I have suffered through postcloture filibusters, also, just like all the rest of us.

But I am very worried about the two philosophical concepts. Frankly, I do not think we have the answer, and I wish to explain why.

Under the Senator's concept, the hours could be chewed up by quorum calls, and because those procedures are not interfered with, those quorum calls and amendments and rollcalls are not charged against anybody except the 100-hour cap, because, as I say, the minute a Member asks for them, or it is granted, he sits down. He does not have the floor. It is not charged against him.

As we all know, rollcalls do not take 15 minutes. Members indulge 20, 25, and maybe more minutes. That leaves mighty little room for many Members who will be left stranded with 10 minutes which means they will have no opportunity to bring up any amendment.

The difficulty with that is that we are, of course, dealing here with half what we started to deal with, I might say to the Senator.

When we began, we thought we would work out a procedure which would assure the amendment and refining of the measure before we came to cloture. That is what we anticipated.

This is really unanticipated. We are dealing only with a postcloture procedure, and, having been through the mill here, we know cloture can come awfully fast and awfully drastically.

I do not think it is what we want as Senators to give the whole power to 60 Members to summarily bring these debates to a close, even though there may not have been an adequate opportunity to offer amendments. If there

was, I would not argue about this, but there is not.

Now, there is nothing. We are just going to have a postcloture procedure.

If I may continue a minute, and I do not wish to intrude, but take Senator STEVENS' proposition which gives each Member the hour. It was my understanding, and I do not necessarily fully agree with the explanation he made, that having brought up an amendment, it is implicit that we are entitled to a voice vote or division, because that only takes your own request. That time is charged to you, according to his amendment. The voice vote or the division takes minutes that is charged to us.

If somebody asks for a rollcall, that time, as I understood his amendment as drawn, is charged to the man who asks for the rollcall.

So there is a limitation. A Member uses up his own time if he asks for the rollcall.

The Senator has pointed out some deficiencies in that.

The fact is that his 100-hour cap can be somewhat exceeded, but not a great deal.

The Senator said 900 hours. After all, he does have a 100-hour cap and with only these, each quorum amount which might be thrown in, really cannot be figured.

So his problem is, how do we keep to that 100-hour cap?

I do not know that I will vote with or against him. But, personally, I think that is a better proposition, frankly, than yours, because under your proposition, you do have a very strict 100-hour cap. But everybody and his grandfather can use that up and deprive some Senators, maybe a great many of them, of the right to make amendments, and on your two-amendment business, you have 59 Democratic Senators. If every Democratic Senator made two amendments, that is 100 hours or more.

So we are somewhere, not really having a meeting of the minds in order to be fair and, at the same time, try to limit the situation which we are dealing with.

I am not pretending now it is possible to go back to the precloture proposition.

I think we are over that hurdle, and I think it is pretty clear that we cannot agree on that in the time we have.

However, it seems to me that somewhere between the assurance to an individual Member that he can bring up some amendments, even if it does somewhat exceed the cap, as contrasted with the fact that the whole hundred hours can be used up and deprive many Members of bringing up any amendments—so far, that is to be preferred.

I am asking the question, and the Senator is thoroughly versed in what he wishes to do, and perhaps he can explain it to us.

Mr. ROBERT C. BYRD. Mr. President, will the Senator state the question again?

Mr. JAVITS. My question is this:

Under the 100-hour cap and the fact that the Senator from West Virginia leaves unimpaired the rule that a Member loses the floor the minute he brings up an amendment, the minute he asks for a quorum call, the minute he asks for a rollcall, why cannot Members use up time in those proceedings, which cost them nothing in time, so that you chew 40 or 50 hours, and it deprives a vast number of Members of 10 minutes?

There is no assurance, on a hotly contested bill, that cloture will not come so fast or that people will not filibuster during the precloture period, during which there are no guarantees, so that, for practical purposes, many Members can be shut off from bringing up any amendments to the measure on which cloture has been invoked.

Mr. ROBERT C. BYRD. The Senator asks a theoretical question. It could happen, I suppose.

Remember, No. 1, that there are going to be 2 days before cloture is invoked. If cloture is invoked the first time around, 2 days have gone by. There have been, say, two 8-hour days, and that is 16 hours in which Senators could have called up amendments. Cloture is not invoked on that occasion, though cloture could occur the next day.

So there is some time before cloture is invoked for Senators to be recognized and to call up amendments.

Second, in my proposal is a provision that allows for the extension of time beyond the 100 hours. So that if, indeed, we get into a situation in which additional time is needed—and, after all, we operate in this body largely on the basis of comity and courtesy and consideration for one another, as well as understanding. I cannot envision there ever coming a time when Senators are going to use up all the cap and a Senator is going to be denied the opportunity to obtain recognition in order to call up an amendment. So we can enlarge the cap

We also have precedents against dilatory quorum calls. Unless business has been transacted following the establishment of a quorum, no quorum call can be required. So the existing rule—that portion of it which would not be changed—plus the precedents we have set, plus the provisions of the resolution I have offered—I say to my friend from New York that because of those things, every Senator certainly would be guaranteed an opportunity to call up legitimate amendments.

Moreover, the Senator says that 59 Senators on the Democratic side might call up amendments. As a usual thing, it is the Members who oppose the measure who call up the amendments. It is not the Senators who invoke cloture. As a general rule, it is 1 Senator, or 2 or 3 or 4 or 5 or 8 or 10 or 15 or 20 who oppose cloture, who will call up the amendments.

So, if we are going to talk about a hypothetical situation, I do not think we should give away the fact that custom in the past and practice and experience all indicate that the amendments are not going to be called up by the Members who want to shut off debate.

I do not know that I have answered the Senator's question—perhaps in part, perhaps not.

Mr. JAVITS. If the Senator will yield one moment further, as to the first 16 hours the Senator mentioned, STROM THURMOND made a speech for 32 hours.

Mr. ROBERT C. BYRD. Thirty-two?

Mr. JAVITS. I think so. He stood right there, and his first wife sat in the balcony, overlooking his performance; and I think Wayne Morse broke that record and made a speech for 36 hours.

It does not take many Senators to chew up 36 hours, and that is the basic effect of what we are trying to do.

Considering the postcloture period, considering how tough it is to get cloture around here, I also can consider how tough it will be to get the time extended.

As to all this comity, it does not work for cloture votes, to begin with. I doubt that it is going to work for the increase of time; but it could work for the decrease of time, effectively, and that would aggravate the problem I mentioned of cutting off not 20 but 50 or 60 Members of the Senate.

Finally, Mr. President, I was in the House for 8 years, and that combined motion for the previous question, which went boom—just like a guillotine—was something which made the House a very different body from the Senate of the United States.

I have no real patience with those who say we are the greatest deliberative body in the world, so let us have no cloture at all. We have to do the business, and we have to do the people's business.

But when you get down to whether the Stevens proposition is going to add 10 hours, 12 hours, or 15 hours because of quorum calls, and whether the proposition of the Senator from West Virginia is going to deprive 30 or 40 Members of the right to make any amendment at all, with no guarantee of a precloture proceeding, I regret to say that I must choose the Stevens proposition.

Mr. ROBERT C. BYRD. I am sorry to hear the Senator say that. I do not believe that, he being a reasonable man, he is going to say that my resolution deprives 20, 30, or 40 Members of calling up their amendments. There is nothing in it that would indicate such, because once a Senator calls up two amendments, he cannot be recognized again until every other Senator has had a similar opportunity to call up two amendments.

It is likely that Senators, under these constraints, are going to call up the two amendments they think are the most important of their amendments. If they have 1,600 amendments at the desk, they are going to call up the two that they think are the most meritorious and have the best chance of being adopted.

(Mr. BAUCUS assumed the chair).

Mr. JAVITS. Mr. President, will the Senator yield to me for a correction?

Mr. ROBERT C. BYRD. I was going to say that the Senator had better correct that, lest STROM THURMOND comes to the floor——

Mr. JAVITS. STROM THURMOND spoke for 24 hours and 18 minutes, and he broke Wayne Morse's record, which was 22 hours. Either is enough to take care of the 16 hours the Senator spoke of.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SARBANES. Mr. President, the proposal of the Senator from West Virginia, as I understand it, was meant to address itself to a problem which the Senator from New York, himself, raised in some of the sessions we had.

It is my understanding that the proposal of the Senator from West Virginia of a 100-hour cap was really addressed to a problem which the Senator from New York raised with respect to the 1-hour allocation per individual, which is to say that it limits a Senator, at the maximum, to four amendments, with rollcalls, and that is assuming no debate time whatsoever.

As a practical matter, what the proposal of the Senator from West Virginia permits is with respect to a Member who is very interested in the legislation and has a number of amendments he wishes to present. It is highly likely, as a practical matter, that he is going to get the opportunity to present those amendments and get to a vote on them. It is guaranteed that he cannot do that to the exclusion of others who may want to present amendments; because after two amendments, they are going to be able to come in with their amendments and claim preferential recognition in order to offer their amendments.

However, if you get a Member or a couple of Members who have a keen interest in the matter, and they are the ones who really want to keep pressing the amendments, and there are not other Members who wish to do that, then their opportunity is going to be much greater, under the proposal offered by the Senator from West Virginia, than it is under the proposal we are now considering; because under that proposal, those Members are going to be held to the 1 hour they have been allocated, unless we get this yielding of time. That has not been discussed much here on the floor in considering this matter, but I must say to the Senator that I find great problems with that.

I say, with all respect to the Senator from Alaska, that, given the comity and cooperation around here, I think it means, in effect, that any Member who wants 10 hours is going to get 10 hours; because I believe Members are going to yield their hour to him if they do not intend to use it, even if they are on the other side of the issue.

The Member is going to come to them and is going to say: "Yes, you voted for cloture and, yes, I understand that you are going to vote against the legislation in the end; but won't you please give me your hour, because I need it in order to debate a little further? I need it to offer some amendments," and so forth.

So that yielding is going to take place. One is going to be very hard put, as a matter of fact, as a Member of the Senate not to respond to a request from a colleague, even if he is on the opposite side of the issue, who comes to you and says, "Well, you know, we have a limit here; won't you give me your hour in order to debate?" So the likelihood is, for those who seriously want to present a number of amendments, their opportunity is going to be heightened under the proposal of the Senator from West Virginia rather than this proposal if we stick to the 1-hour limitation on the Member.

Mr. GOLDWATER. Mr. President, if the Senator will yield for a correction just to further make the record straight, I wish to question him on the longevity of debates. I sat in the chair most of the 22 hours when Senator Morse made his speech which is the record, because some time preceding the establishment of the record the Senator from South Carolina obviously had to leave the Chamber, and I asked if he would yield to me and he did for sufficient time for him to visit another Chamber. So Senator Morse still holds the record.

Mr. STEVENS. Mr. President, will the Senator yield to me?

Mr. SARBANES. I yield.

Mr. STEVENS. That is a distinguished record.

I might say to the Senator from Maryland the problem is the other side as far as I am concerned in this Senate Resolution 61, and realizing the impact of what he just said I would hope he would take a look at it again. In the first place, under Senate Resolution 61, a Senator may yield his time to the majority or minority leader, not to the Senators who would be involved in the filibuster. Those Senators who were involved in filibustering of the gas bill would not have had 1 hour yielded to them in the postcloture period to call up any of the amendments they had at the desk.

We are in the situation that, under Senate Resolution 61, 60 Members can cut the time down to 20 hours but theoretically each 100 Members has 1 hour. What it means is by the vote of 60 Members the time can be reduced to 20 hours and 20 Senators have automatically lost their hour, or 40 Senators already lost their hour, but what I am saying is if the Senator really wants to reduce it down to 20 hours it ought to take 80 Senators to say "Let me give up my hour."

The answer to the Senator from Maryland is if a Senator does not want to be besieged by his colleague to ask him to yield his time, he has a simple mechanism under our approach: stand up and say: "Mr. President, I yield back my hour."

Mr. ROBERT C. BYRD addressed the Chair.

Mr. STEVENS. Wait 1 second. If I can answer the Senator from Marvland, I hope. Under our mechanism the time could be reduced to 40 hours by 60 Senators. It could be reduced to 20 hours by 80 Senators. A Senator does not have to yield any of his time to anyone. He can give it back and tell the Senate that the Senate is going to be finished with its business an hour sooner.

Mr. SARBANES. As a practical matter—let us look at its as a practical matter—I may not want to yield back my hour until we get toward the end, because I do not know whether I am going to need to use it or not as the procedure evolves. On the other hand, let us assume I am holding on to my hour, and I am on the other side of the Senators who are delaying this thing. I really want to go to a conclusion. Ordinarily, I do not want to give up my hour. I may get something involving my own State, the same analogy that the Senator from Alaska used earlier in the day, when all of a sudden having whatever time I have becomes very important to me. Along comes one of the filibusterers and he says, "You know, you have some time, and I really need to make a presentation here. Would you give me a half hour of your time?"

By and large, I think Members are going to yield their time in that instance. So allowing that it is almost going to guarantee that a Member is going to be able to get 10 hours of time, or something close to it, and makes it very difficult for Members to deny that request as a matter of comity amongst Members of the Senate.

Mr. President, I think if you really stop and think about it, you would not deny that that is likely to be the situation that will prevail here in the body.

Mr. STEVENS. Again, I say to my good friend, turn that coin over. Can he imagine 60 Senators having voted cloture who are going to be unwilling once they see what is going to happen with all the desk lined with amendments of Senators who are dissidents who want to again continue the process of alarming the country as to what is going on? And they have that right in my opinion. Can the Senator see those 60 Senators who vote cloture being unwilling to reduce after 10 hours the total time to 20 thereby denying the others their chance to have any opportunity to continue the process of trying to change the legislation that is before the Senate?

The majority leader's Senate Resolution 61 again not only goes to the concept of the Senate as a whole having time allocated of 100 hours, but it changes the rule that I am entitled to 1 hour. It still says I am entitled to 1 hour even with the reduction provision here in Senate Resolution 61, whereby the same 60 could cut the time down to a total of 20 hours after the expiration of 10. I am theoretically entitled to 1 hour but that will not be the case.

Again, let us go back to my Alaska lands measure and take a look at that necessity for yielding time.

Mr. SARBANES. Mr. President, will the Senator yield at that point?

Mr. STEVENS. I yield.

Mr. SARBANES. I wish to separate out what I think are two or three entirely separate analytical problems. I understand the point the Senator is raising about the ability of an extraordinary majority, and I underscore that it is extraordinary. The Senate needs 60 Members to reduce the time down to what it would amount to as a minimum of 30 hours, because we cannot make the motion until 10 hours have gone.

Mr. STEVENS. I stand corrected. I was corrected again on that. The Senator is correct. It is after 20 hours, 10 additional hours, so it is a total of 30.

Mr. SARBANES. The minimum. The rock minimum is 30 hours.

I can understand the Senator then

coming on saying he does not think that is enough time as compared with 100 and either he wants to stay with a full 100 or something greater than 30. But that is a different point and the Senator can deal with that point with an amendment addressed to that question only from the proposition that he has come in with in terms of this proposed—I guess it is not a substitute—lengthy amendment that is here which goes well beyond that in terms of the matters it seeks to address itself to.

First of all, it permits the yielding of up to an additional 9 hours to any one Senator.

And the point I simply make with respect to that, to repeat what I said a little earlier, is it seems to me Members are going to be hard put not to give some other time to someone who asks for it even if they are on the other side. Members will be reluctant to yield back all their time, because they will not know what is coming along later on and will not want to be, as they were, in a totally exposed position and, therefore, will tend to respond to those requests from a colleague, even though he is on the other side on the issue, because the appeal will be made in terms: "I know you have voted for cloture. I know you are going to vote against me on the issue. But will you give me a half-hour of your time so I can further develop this issue?"

So in that sense, I think allowing that kind of yielding, especially directly to those who wish to carry on the debate, is in fact going to bring it about.

The other point I was seeking to make was one that again is separate analytically from this question of whether the three-fifths can reduce down below 100 hours. It was the response to Senator JAVITS that if a Senator has an hour he can use that up on a couple of amendments. This other procedure that is in the proposal of the Senator from West Virginia does mean that if there are a handful of interested Members who want to propose amendments and the rest of the body is indifferent to offering or proposing amendments that handful of Members is going to get a much better opportunity, as a practical matter, to propose their amendments and have them considered and have them voted on under the proposal of the Senator from West Virginia than they will be under the approach of the Senator from Alaska.

Mr. STEVENS. Mr. President, if the Senator will let me respond to that——

Mr. ROBERT C. BYRD. Mr. President——

Mr. STEVENS. I believe the Senator has the floor. Will he permit me to respond to that?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Let me say again I have to go to specific issues in order for you to see my problem. Under the approach of the Senator from West Virginia of 1 hour, under the existing rule, with not being charged with all the dilatory things that can take place, I can actually use more than 20 hours of the Senate's time in 1 hour. Believe me, I am sure the Senator realizes that, I am sure he realizes that as far as the chargeability, particularly if I can get recognized.

But one of the problems I have about the Senator from West Virginia's version of Senate Resolution 61 now is the problem of recognition for dissidents.

With due respect to my good friend from West Virginia, it looks like a West Virginia train coming out of the mountains a little bit if you say 60 people can say we are going to terminate the debate and 60 people can cut down the 100 hours to 30 hours, and that you can yield time but you can only yield it to the majority and minority leaders. That means now coming from a far-distant State as I do, having this issue looming high on our horizon—with a very low silhouette here—but it is very large and it is going to take some time, I am very concerned about the Senator's proposal.

We are only going to be two people involved in that debate, and we are going to have a lot of amendments, and I think the Senate is going to get tired of that debate in time, and whatever rule we are talking about has a direct application to the subject matter, at least from my point of view, and how do I, as a Senator from one State, with a bill that affects only one State, with 98 other Senators wanting to get on with the business that affects their States or the Nation as a whole, how do I look at the change in these rules and say, "You know, you have assisted the desire to assure that the postcloture procedure is reasonable and fair, but you have just gutted yourself"?

There is no other way to look at this proposal, Senate Resolution 61, other than to say that it would probably be that on an issue that affected only one or maybe two States, the Senate would quickly determine to not only vote cloture but to limit the time to 30 hours, and in that time limit the people who are directly affected would have less opportunity to protect their interests than under the existing rules, because under Senate Resolution 61, while I am entitled to an hour, it can be eliminated by the 60 votes.

While I am entitled to an hour—and if I can get recognized I can use more than I could under our proposal, more full time. The Senator from West Virginia, I am sure, will agree that when Jim Allen used a lot of time on just several motions—as a matter of fact, I was amazed that he had used so little time when the whole postcloture procedure was over. I think he still had as much time, almost, as any other Senator, and yet he had been the mover of most of the motions and parliamentary tactics that consumed the time.

Now, that could still go on because we are not changing the rules at all. The only thing is there is a cap over that procedure. We are saying if this rule is adopted that the time will come when the postcloture time will run out. Meanwhile the rest of us who have legitimate substantive issues to raise would not be able to raise them because the cap would have expired, and the only way to get an extension of time would be to get those three-fifths of the Senators who voted cloture, voted to limit time, to give us additional time.

I do not think you can foresee that happening. I say to my good friend all I am saying is that we are looking to protect individual Senators' rights while, at the same time, agreeing to a 100-hour cap.

My good friend from West Virginia is looking to assure, in my opinion, that the 100-hour cap is sacrosanct and, at the same time, not amend existing rules other than rule XXII.

Under those circumstances, without amending other rules, and with assuring us we still have 100 hours, the approach is doomed to failure.

I really think that if you analyze it deeply enough you will see it means we are not going to vote cloture at all once this procedure is adopted and followed just once. The Senate will be so mad that it will never vote for cloture again.

If you remember after the last procedure, and I assisted and worked with the Senator from West Virginia and the Vice President and others in trying to devise a method to legitimately and honorably end that almost endless procedure. Even the way it happened there were more people disturbed about the fact that the procedure was used than were disturbed about the postcloture filibuster itself. I think the Senator from West Virginia would realize that at the time we both had people coming to us and saying, "OK, it happened this time, but don't ever let it happen again."

I believe really that this will happen here under the Senate Resolution 61 procedure. You are going to see 60 people vote cloture, and once they vote cloture, they are going to be inclined to cut it down to 30 hours, and once we cut it down to 30 hours, it is going to be practically a leadership proposition to terminate debate without regard to an individual Senator's rights or without regard to the individual Senator's responsibilities to his State and his constituents. I really think Senate Resolution 61 is going the wrong way. That is why we have had difficulty in getting a time agreement, if you really want to know, because there is no way we can see as a minority—and we are just 1 off of 60, just 1 member of the minority joins the majority today, and one would be assured that debate would be terminated, and that debate would be limited to 30 hours. There is never even a minority member in that chair any more. It would mean that only majority people would be recognized. It would mean that the rules would make us impotent as far as protecting our States is concerned.

Now, I can tell you that there are times when the minority is not a partisan minority, as you well know. It is a philosophical minority. It was on the gas bill. That was a bipartisan minority, and they were exercising their rights.

I think we ought to protect their right to protest, their right to be dissidents, but to assure an orderly procedure to bring the matter to a final resolution.

That means that we bend over backward to give the individual Senators their rights. The resolution of the Senator from West Virginia, again respectfully, bends over backward to give the Senate rights and to give the leadership rights.

Mr. SARBANES. Mr. President, will the Senator yield at that point?

Mr. STEVENS. The majority leader has the floor.

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Is the concern of the Senator from Alaska because his amendment does not accept the approach of the Senator from West Virginia, and then to argue that the 30 hours is not the right figure, and there ought to be some other figure? The Senator from Alaska's amendment goes beyond that. That is what you are focusing on and talking about it, and I can understand that point, and I think it is one we ought to address if that is conceived of as too low.

But not only do you focus on that point—in other words, you did not come in with an amendment which said, "Well, we think the approach of the cap and all that that involves is the right idea to go about this in order to deal with the postcloture filibuster, but we just think you have allowed too low a cap by a majority that is, even though extraordinary, not extraordinary enough," or whatever those arguments are, "and that is the part we want to change."

You have come in with a different approach altogether, an approach which allows the 100-hour cap, in effect, to be violated, and leaves open then the opportunity really to other means to develop a postcloture filibuster.

I was listening to the other debate and, of course, there are all kinds of problems here because you can get a three- or four-way progression in here. You may offer the amendment and not ask for a vote.

Mr. STEVENS. That is right.

Mr. SARBANES. Someone else may ask for a vote and someone else may ask for the yeas and nays and on and on it may go; the question of who allocates the time, who has the floor, and who is given the floor in order to make those motions under your proposal.

Mr. STEVENS. I hope the Senator will be fair about that. I hope he will be fair about that because the amendment specifically says that you are chargeable with the time on quorum calls or rollcalls that you request, and if you request a rollcall on my amendment, you are going to be charged with that time.

But again we are trying to remember we are 100 equal Senators and we ought to have equal rights to access as far as legislation is concerned.

The postcloture procedure should not deny me that equality. Yes, Senate Resolution 61, through the vote of 60 Members, could deny me that right because by the time I got recognized the 30 hours would be exhausted, and the Presiding Officer would say, "The time has expired and it is time for a vote."

No matter what is pending, who is recognized or anything else, under Senate Resolution 61, 100 hours is the cap, and the Senate determines it is going to vote at the end of 100 hours.

We approached it from the point of view of let us try to achieve the majority leader's objective of assuring the Senate that after the expiration of 100 hours we would vote but, at the same time, leave to each Senator the right to protect himself. If we are to reduce the time from 100 hours it would be done by each Senator yielding his time or so much of it as he wanted to, and the Senate would be on notice.

Incidentally, this is not something that is new. We did that in the first years I was here. Once cloture was voted, we would yield back our hour, so that everybody would be on notice that we were not going to use it. It was a tactic at that time; I do not know why we have gotten out of that habit, but we did it in the late 1960's and the early 1970's. We did that.

Mr. SARBANES. Mr. President, will the Senator yield for a question?

Mr. STEVENS. If I may do so without yielding the floor at this point.

Mr. SARBANES. Would you yield back your time in a postcloture situation?

Mr. STEVENS. I have.

Mr. SARBANES. Would you do it in the future, do you think?

Mr. STEVENS. Under Senate Resolution 61 I would not.

Mr. SARBANES. Would you under your proposal?

Mr. STEVENS. Yes.

Mr. SARBANES. Suppose we had the proposal you put in earlier in the day, to allow amendments in the second degree to amendments that were pending at the desk at the time cloture was voted, so that some Member could get up here in the Chamber and propose an amendment in the second degree to a pending amendment of which you were aware, but you had absolutely no awareness that this second degree amendment would come in. Would you yield back your time and place yourself in the position of not being able even to speak or respond to that second degree amendment?

Mr. STEVENS. The Senator asked me would I. He did not say when I would, but I would only do it when I was certain that there would be no amendments that would be germane that would affect my State.

That is a very simple thing to determine. Take the Consumer Product Safety Commission. All of a sudden, on that proposal, we had some anti-gun amendments that came just sneaking around the corner at us. We did not anticipate them at all, but they were up there at the desk.

We would have to have a little bit of a crystal ball, but the answer is yes, I would under circumstances that I was assured I would not be compelled to use it.

Normally, we would yield the time to a Senator we agreed with. Under normal circumstances, there is someone here, either on my side or on your side, whose position I agree with. I would yield him the time, knowing full well that if I had to make a contribution he would let me have some of it back.

But I believe the Senate, in this regard, has to decide that each Senator has the same rights after cloture that he has before cloture, equal rights. If we are to preserve that concept, I say Senate Resolution 61 has to be amended in some way. I have deep respect for my friend from West Virginia. I know what he is trying to do; I am trying to do the same thing.

I think all this procedure of live quorum calls, motions to compel the attendance of absent Senators, and so on, is a complete waste of time and makes us look like a complete bunch of fools. But the real substance of an issue has to be addressed, and we have to have our right to do that. I do not see, with due respect, how Senate Resolution 61 is going to protect me, or assure me that I can protect my State and the people of my State as I should, that I can get recognized, make the motions, and offer the amendments under any circumstances to protect my State.

Under our approach I can be assured of that. I might have to decide which of the amendments are the most important, but I am assured that I will get recognized, and I am assured that I will have time. I really hope my good friend from West Virginia will change this concept of the cap from the Senate having 100 hours to each Senator having 1 hour. If we can just cross that bridge philosophically, then I think we can get together before we are through here today or tomorrow, and have a resolution that will be overwhelmingly supported on both sides.

Mr. ROBERT C. BYRD. Mr. President, when the Senate gets away from the concept of a cap, I do not think it will have any remedy for the present ill that afflicts the Senate once cloture is invoked; and I think, with all respect to the distinguished Senator from Alaska, that his resolution would open up opportunities for prolonging the debate even beyond, in some aspects, what can be done at the present time.

He indicates that Senators can yield back their time. I do not believe that. I believe that one objection will keep a Senator from yielding back his time, because under the present cloture rule time can be yielded only by unanimous consent, and the reason why Senators have been able to yield back their time is because nobody has objected.

A Senator is not allotted an hour; he has an hour if he demands it. He does not have to use it. He only has an hour if he asks for it. If he does not ask for it, the Chair puts the question on the measure, and the ball game is over.

So this thing of standing and yielding back your time can be done without objection, but if there is objection, under the present rule no time can be yielded except by unanimous consent. He cannot yield it back to the Chair, because he has no time to yield back. He only has time if he demands recognition and demands time. Then he is yielded up to 1 hour.

Let us take the Senator's proposal. He says that 80 or 90 Senators yield back their time—by unanimous consent. All right; let us say that 90 are permitted, by unanimous consent to yield back their

time. That would leave 10 Senators with an hour each.

Now, if each Senator is going to be charged with the quorum calls that he asks for, and not one of the 90 can ask for a quorum call because, by unanimous consent, those 90 have yielded back their time, the poor Senator here is stuck with only 10 hours remaining and 10 Senators claiming those 10 hours, and he wants a quorum.

What is going to happen? He is going to have that quorum charged against him. And if he asks for a yea-or-nay vote, he is going to have that time charged against him. And after getting the yeas and nays, he is entitled to another quorum call, because that constitutes the transaction of business, and there are only three Senators on the floor and he wants a quorum to hear what he has to say before they vote. Or he asks for the yeas and nays, and the request is not seconded by a fifth, so he puts in a quorum call, and that quorum call is charged against him under the proposal by the distinguished Senator from Alaska, although he would allow Senators to yield back their time, that is not in accordance with the present rule, and he would allow Senators to yield time to other Senators, and that is not in accordance with the present rule; it has to be done by unanimous consent.

Then it would end up with those 10 Senators, perhaps, conceivably having 10 minutes or 15 minutes, because any quorum calls that are requested, they are the only persons who can do it, because they are the only persons who have time. They are the only persons who can. The other Senators could not make a point of order, they could not appeal the rulings of the Chair, they could not ask for the yeas and nays on a matter. They could not, once they had yielded their time back, get it back then, except by unanimous consent.

The Senator does not make any provision for that. The Senator exhausts all his time under his present procedure, and then, once having yielded back the time to make a point of order, he does not have any time; he is helpless. So 90 Senators have been rendered helpless because, under the new rule the distinguished Senator from Alaska would have us accept, the Senators, ipso facto, who have by unanimous consent yielded back their time, might as well leave the floor, because they cannot make points of order, they cannot ask for quorum calls, they cannot offer amendments, and they cannot make motions, because they do not have any time.

So, Mr. President, I find the following faults with the amendment by the Senator from Alaska, in summation: No. 1, it does away with the cap. There is no cap. The word cap is not included in the conceptual lexicon with respect to this amendment. There is no cap. That is the problem now under postcloture, there is no cap. There is no cloture motion that can be offered to the postcloture filibuster. So there is no cap.

The distinguished Senator would allow Senators to yield time without unanimous consent. My resolution would allow Senators to yield the majority leader, the minority leader, the two ranking managers, and, to the extent that any one of those four and/or each of those four could have only up to a total of 2 hours scheduled to him, making a total of 3 hours under his control. The majority and minority leaders and the two managers, I should think, if experience will be the lamp unto our feet, are going to be fair in their yielding of that time.

Under the Senator's proposal, nine Senators could yield up to 9 hours to an obstructive Senator, if they have 10 hours. As I say, he could offer any number of amendments and simply sit down, and he has then yielded the floor. The Senator from Alaska says that time will be charged against him for whatever ensues thereafter, until he yields the floor. Whether he likes it or not, he is going to be charged with that time after he is recognized. He cannot ask for a rollcall vote without it being charged against him. He cannot ask for a quorum call without it being charged against him. But he can have some of the other Senators ask for the rollcall votes. He can easily stretch that 10 hours, I imagine, into 100 hours.

Any Senator who wishes to use the rules under this proposal could stretch 10 hours into 100 hours by simply getting other Senators to ask for quorum calls, other Senators to move to reconsider, other Senators to move to table, other Senators to make points of order, other Senators to move to table the points of order or to appeal the points of order. It just opens up a Pandora's box.

Those who wish to obstruct would have a field day.

It is true that my proposal is going to eliminate the ability of one or two Senators, or a half dozen Senators, to kill a bill by stalling. That is what we are really talking about.

I think someone indicated a few days ago that the greatest number of Senators who had requested time after cloture was invoked was less than 30 on any measure on which cloture has been invoked in the past.

This proposal of mine would not bring on all of the ills which have been conjured up by these very genius managers here, but I can see a lot of loopholes in the Senator's proposal.

He is going to change the rules so that a Senator who suggests the absence of a quorum does not yield the floor. The Senator who moves a motion does not yield the floor. The Senator who makes the point of order does not yield the floor. All these are going to be rules changes, mind you. The Senator who offers an amendment does not yield the floor. That is a rules change.

He is going to allow Senators to yield their time to other Senators without seeking unanimous consent. It would be theoretically possible for the 36 Senators on the other side of the aisle to yield their time to four Senators, and the one Senator who was managing the bill would have 1 hour of his own. What fun could those four Senators have in postcloture.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I am certain everyone can pick up the point that we have a controversial proposal and I am sure the Senator in time will make a motion to table it. But I am still worried about the rights of the individual Senators. I would like to explore with the Senator from West Virginia some concept that would roll into Senate Resolution 61 a time agreement for an individual Senator. When we enter into a unanimous-consent agreement today the clock starts running and anything that happens is chargeable against that time.

All we are seeking is a time agreement in a postcloture procedure whereby each Senator is entitled to a 1-hour concept under a time agreement in the usual form.

The difficulty that we have with the proposal of the Senator from West Virginia is that at present there is no way an individual Senator can demand his entitlement of up to 1 hour.

Under the existing rule, it says that no Senator is entitled to speak for more than 1 hour. The Senator is correct, it does not say he is entitled absolutely to the 1 hour, but it says he cannot speak for more than 1 hour.

There is no time cap involved, though, in that concept. As we know, the procedural motions, rollcalls, and everything else lead into a process whereby that theoretical 100 hours could be extended out to almost no limit.

We want to see a limit, but we also want to see an individual Senator protected in the concept that is embodied in the existing rule XXII which says, if you read it the other way, that you are entitled to 1 hour.

Mr. ROBERT C. BYRD. The Senator does not protect the individual Senators if he is going to charge that poor Senator with the time required on the quorum call, to which he is entitled under the Constitution. He wants a quorum call to get the Members in here to hear his argument before they vote on his amendment. Yet the Senator from Alaska is going to deprive that Senator of his right to ask for a quorum call.

Mr. STEVENS. Will the Senator yield again?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. If I entered into a time agreement with the Senator from West Virginia right now on the first bill to come up and we said it was 2 hours on the bill and 1 hour on one amendment, and no other amendments would be in order, the time to be equally divided, the Senator from West Virginia would have 3 hours and when that time expired we would come to a vote. Why cannot we devise an amendment to rule XXII which would say in effect, the same thing, that every Member is entitled to a time agreement of 1 hour?

If the Senator is disturbed by the total amounts of 10 hours, let us reduce it. We can reduce it to 6.

Mr. ROBERT C. BYRD. We do not have time agreements entitling every Member to a certain amount of time.

Mr. STEVENS. I understand that, we do not. But we are seeking that. We are seeking a rule that assures everyone who demands it—he or she still have to ask for it—that there is a time agreement waiting there if they want to trigger it,

that they can get the time. It assures them that if cloture is voted they will have an opportunity in any event—and I mean in any event—to be recognized for a portion of the postcloture procedure.

Let me ask the Senator a question: Can the Senator look every Senator in the eye and say if we vote Senate Resolution 61 that under every possible contingency every Member of the Senate would be entitled to recognition, would receive recognition, and could use up to 1 hour?

Mr. ROBERT C. BYRD. Of course not. I have not said he could use it up.

Mr. STEVENS. That is the existing rule.

Mr. ROBERT C. BYRD. I have not said that.

Mr. STEVENS. But the existing rule gives us that right.

Mr. ROBERT C. BYRD. But the existing rule has been so abused it does not exist.

Mr. STEVENS. Some people have abused it, but the majority leader has not, and that is the problem.

Mr. ROBERT C. BYRD. The Senator talks about a time agreement. A time agreement can be objected to by only one Senator.

Mr. STEVENS. I understand that. But let us build into the postcloture procedure a concept of an entitlement, a right of a Senator to a specific allocation of time that cannot be taken away from him, but anything he does is chargeable against that time, and that is what we are working for.

Mr. ROBERT C. BYRD. That is the point I am making. A Senator has used all of his time, or under the proposal by the distinguished Senator from Alaska he has yielded the time back to the Chair, he has no time left. He has deprived himself of the right to suggest the absence of a quorum. He has no time. He cannot ask for the yeas and nays on a rollcall vote. He has no time. He has to get someone else to ask for the yeas and nays.

So the Senator talks about the rights of Senators. With all due respect, I feel that his proposal would deprive Senators of their rights.

Mr. SARBANES. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Could I have the attention of the Senator from Alaska, because I think we are trying to work through to something?

It is a difficult situation. Let me make this hypothetical.

Ninety-five Members of the Senate are of one persuasion and only five are of other persuasion. Now, if the 95 do not respond to the request that they yield time, or anything of that sort, the minority of 5 under the Senator's proposal is limited to 5 hours.

Is that correct?

Mr. STEVENS. That is right.

Mr. SARBANES. Under the proposal of the leader they would be limited to 30 hours at a minimum. Is that true?

Mr. STEVENS. The existing rule says that no Senator is entitled to more than 1 hour. That is not changed. One hour of debate——

Mr. SARBANES. That is 1 hour of debate time. That is not an hour that counts a rollcall or an amendment or any other procedural matter. So they have the opportunity with 1 hour of debate time to call up a number of amendments, a whole host, and easily, easily, use the 30 hours minimum that is now provided as Senate Resolution 61 is written.

Is that not correct?

Mr. STEVENS. That, technically, is correct, if we assume they get recognized and assume the time has not been reduced, they could use the 100 hours, he could use the——

Mr. SARBANES. And if the time had been reduced, they would get a minimum of 30, where, under the Senator's proposal, the most they could get is, leaving aside the yielding question for the moment, the most they could get would be 5 hours. That is most minority——

Mr. STEVENS. That is why we put in the yielding provision, of course.

Many times, I have seen the situation where they had this group which has support, but the other people are unwilling to participate in the debate.

The difficulty is, Who is leading the charge? I think that Senate Resolution 61 presumes that only those people who are in the position of leadership, who are the floor managers of the bill, are entitled to time.

The person who is offering an amendment to a bill, who is opposing the managers of the bill, opposing the leaders, has no entitlement at all.

Now, I find myself in the strange position of arguing for the rights of the people, and I cannot remember a time, really, when I have not been out of sympathy with those people who were conducting something like the gas filibuster, postcloture filibuster. But, again, I had great admiration for their determination to protect their point of view.

Now, we have to write a rule that protects their rights; but, even further than that, protects the rights of Senators in situations such as we are going to be in when the Alaska lands bill comes out.

Mr. SARBANES. Let us take the Alaska lands bill. We are trying to find something here that is reasonable.

I submit to the Senator from Alaska that his opportunity on the Alaska lands bill to offer a series of amendments to that legislation, if that is what he chose to do because of his particular keen interest in that legislation and his knowledge of the problem, that his opportunity to try and shape that legislation in the postcloture situation would be greater under Senate Resolution 61 than under the proposal which the Senator is now offering, because he could put up his amendment, explain it, take a few minutes in the course of debate, that uses up his hour under Senate Resolution 61, then get a vote on it. It does not come out of his hour, so he has an opportunity to go through a sequence of amendments with respect to his Alaska lands bill without having that counted as directly against his time, as would be the case under the proposal that he has now put before us.

Mr. ROBERT C. BYRD. The Senator from Maryland is correct.

The Senator from Alaska gives each Senator an hour, a very magnanimous gesture, and turns right around and charges that Senator with every quorum call, every rollcall vote, until he "yields the floor."

So he gives it and he takes it away.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Does the Senator from West Virginia yield the floor?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. Is the Senator from West Virginia yielding the floor completely?

Mr. ROBERT C. BYRD. I yield the floor.

The PRESIDING OFFICER. I thank the Senator.

The Senator from Idaho.

Mr. McCLURE. Mr. President, I assumed when the Senator from West Virginia took his chair that he had yielded the floor. The solicitude of the Chair is commendable, but I think hardly necessary. The Senator from West Virginia is very capable of protecting his own rights, and he usually does so without the necessity for that solicitude on the part of the Chair.

I only make that as a minor footnote to the commentary of the day.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator.

Mr. ROBERT C. BYRD. As the Senator knows, the Chair is not supposed to speak quite at length. So in deference to the Chair, may I say that I am delighted to see a new Member of this Senate, the Senator from Montana who is presiding over this Senate, with the degree of skill and efficiency and fairness that are so rare as a day in June. I venture that the day will come when the Senator from Montana who now presides over this Senate would be just as fair in protecting the rights of the distinguished Senator from Idaho who now out of fairness to me has yielded to me in order that I might say something on behalf of this.

Mr. McCLURE. Mr. President, I appreciate the comments of the Senator from West Virginia, his usual genial self.

I was only commenting that there are some Members of the Senate who from time to time are constrained to observe that the equality that is extended under every rule does not necessarily extend to all 100 Senators. But the burdens and responsibilities of the majority leader sometimes lead to a more tender solicitude of the majority leader's concerns than that of the other 99. Perhaps that may be as it should be.

I just wanted to put a little footnote in there that, indeed, it was observed here today.

I meant no criticism of the occupant of the chair at all. I am glad to know that a new Member of the Senate is that much concerned about the Senator from West Virginia, but I did want to observe that I never before noticed the necessity to protect the Senator from West Virginia

because he is so skillful in protecting himself that that really is not necessary.

But I did want to make a couple of brief comments about the concerns that have been raised both by the Senator from West Virginia and the Senator from Maryland about the pending amendment offered by the Senator from Alaska.

A real problem, it seems to me, comes down to this: If we are going to insist upon the rigidity of the cap of 100 hours, then there have to be some offsetting guarantees of individual rights within the 100 hours.

What the Senator from West Virginia is suggesting is that we must have the rigidity of the 100 hours without any protections. The Senator from Maryland said to the Senator from Alaska: "You can offer a whole series of amendments under Senate Resolution 61 as written." As a matter of fact, you cannot. You can offer two, and then you are done, unless no one else wants recognition at that point. If, as a matter of fact, no one else wants recognition at that point, you may be recognized in order to offer further amendments, but not if someone else wants to offer amendments at that point.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. SARBANES. I am trying to think about some hypothetical situations and am trying to address the problem. I think no one is insensitive to the need to protect the rights of a minority, both in the precloture and in the postcloture periods.

When we say "minority," I think it is fair to say that in most of these instances we are talking about a philosophical minority and not a party minority. It has been my experience, at least since I have been here, that in all these instances, without exception, it has been a majority that has encompassed both sides of the aisle and a minority that has encompassed both sides of the aisle.

Mr. McCLURE. I say to the Senator from Maryland that in the only two instances in which there has been what might have been called a filibuster by amendment, they were by Members of the majority party, then and now.

The first debate that came up under the 100-hour cap, as has been observed before, was met by such a tactic by Senator Ervin, who was then a Member of this body. The second and last time for a filibuster by amendment was by Senators Abourezk and METZENBAUM, on the natural gas bill. Remember, those are the only two times there has been any so-called filibuster by amendment.

Mr. SARBANES. Let us take the hypothetical——

Mr. McCLURE. Let me observe, before yielding further, that there have been only two times in the entire history of the postcloture filibuster, since the 100-hour cap was invoked, in which there was the seriatium calling up of amendments, with the minimum time being used and then the maximum time being used in some other manner. That has been done two times, the first time by Senator Ervin, when he called up amendments in the very first debate under the 100-hour cap; and the only other time was when the majority leader, the distinguished Senator from West Virginia, called up amendments in seriatim in order to get them ruled out of order. Those are the only two occasions on which that hypothetical possibility has occurred. Although we hear a great many references to the abuses of that practice, it has occurred only twice, as a matter of fact.

I yield to the Senator for a question.

(Mr. HEFLIN assumed the chair.)

Mr. SARBANES. Let me address the last point briefly and go back to the hypothetical with which I want the Senator to deal.

I do not think it is an altogether accurate painting of where we are to look back and say that we have had a postcloture filibuster by amendments in just a few instances. If that procedure is to be allowed to continue under the rules, then I think there are a great many Members of this body who, when a particular substantive issue is involved in which it could work to their advantage, will feel much freer than they have felt in the past to invoke that technique.

In other words, what I am saying to the Senator is that if we do not address it here in an effective way, it is my prediction that the use of that technique will increase greatly. In fact, Members to some extent would almost have a responsibility to use that technique, if it were sanctioned under the rules and available to them, if it were not addressed here. If some Members are going to use it effectively, it almost becomes beholden upon all Members.

Mr. McCLURE. I agree that it might invite its use further, and that is why we have been bending our best efforts to try to find a way that will set a more fair rule to protect the rights of all Members.

However, we have to recognize that every time we try to make one portion of the rule more rigid in its application and less flexible, less subject to the needs of all Members, there comes then an automatic response, first, of demanding some protections in that rule so that it will not be utilized to wipe their rights away. Second, in the past, it always had led to attempts, usually successful attempts, to find some other way to use the rules indirectly to accomplish what the rules will not now permit directly.

Mr. SARBANES. I think that is a very perceptive observation on the part of the Senator and one to which we should be very sensitive as we address this problem.

The reason why I do not think it is so simple is this: Take the Alaska lands bill, about which the Senator from Alaska spoke. Suppose that comes forward, and let us assume that perhaps only two Senators, the two from that State, have a particular keen interest in the matter and are anxious to propose amendments, and so forth.

Mr. McCLURE. Make that assumption for the sake of the argument, not because I think it is valid, but because I think it will make the point.

Mr. SARBANES. In any event, under his approach, which is the 1-hour guarantee, those two Senators can use up their 2 hours very quickly.

Mr. McCLURE. Or they could, if they wished, spread that 2 hours over a great variety of different amendments.

Mr. SARBANES. But every time an amendment comes up and they call for a rollcall, that time is going to come out of the time on their amendment.

Mr. McCLURE. They do not have to call for a rollcall. They can ask for a voice vote or a division.

Mr. SARBANES. I assume that that time will be charged against them.

Mr. McCLURE. The voice vote and the division would be, if that is all that is required.

Mr. SARBANES. You would not even need the majority. If they are fighting a minority position and the other side can bring in sufficient Senators to carry the voice vote or the division vote, they either will lose their amendment or will have to go to a rollcall vote.

Mr. McCLURE. That is correct.

Mr. SARBANES. In order to be able to get everyone here to enable them to carry their amendment.

Mr. McCLURE. That is correct.

Mr. SARBANES. Let us assume they are fighting the committee and that the committee gets its people here, along with some of their friends. It is well short of a quorum of the Senate, but it is enough, in the debate context, to carry either a voice vote or a division vote.

On the other hand, perhaps on a rollcall vote, they could prevail on at least some of those amendments. So they are going to be forced at that time, if they go to a rollcall vote in order to try to prevail, to have it come out of their time.

Mr. McCLURE. That is a very hard judgment they would have to make at that time, as to how to use their time.

Mr. SARBANES. They are doing it within a 2-hour limit, leaving aside the yielding question. Under that approach, they are doing it within a 2-hour period—everything comes out of it.

Mr. McCLURE. That is correct.

Mr. SARBANES. Under Senate Resolution 61 in its present form, the minimum is 30 hours; and if these two Senators want to propose a series of amendments, since the voting time on the amendments, under Senate Resolution 61, would not come out of the 1 hour they have been guaranteed for debate time under the rule, they would be in a position to try to shape the legislation with perhaps a series of amendments, getting their rollcall votes on them, being in the position of protecting the interests of their State, doing it within the overall cap. In effect, under that hypothetical situation, they really would get more time to assert their position than under the proposal that has been made.

Mr. McCLURE. The Senator is presuming that the remainder of the Senate desires to let them have that time.

Mr. SARBANES. Yes; I am making the assumption here that the only people really interested in amending the legislation are the two Senators from that State, who perceive what has come from the committee as being disadvantageous to their State, and therefore they are seeking to change it in order to defend State interests.

Mr. McCLURE. Let us assume that

there are within the body one or two or a half-dozen people supporting the committee position and resisting the adoption of the amendments; that they desire that the amendments not be adopted; that, therefore, the best way to assure that they not be adopted is to make sure that they never get voted on.

First of all, the two Senators from Alaska, in that instance, would have the opportunity under Senate Resolution 61 to offer their two amendments and, if the other could then get recognition in that sequence, he could then offer his two amendments, and then they are out of business. If there is anyone else who wants to offer an amendment, under Senate Resolution 61, all of the remainder of the time could be consumed utterly before they were ever again entitled to recognition to offer an amendment.

Mr. SARBANES. That is right. Senators would have to go around to see. In other words, if every other Member of the Senate came in to offer an amendment, they would not get a chance then or may not get a chance, depending on how long it took, to come back and offer more than the two.

Mr. McCLURE. That is correct.

Mr. SARBANES. But with an hour, they do not get a chance to offer much more than the two anyhow if they get rollcall votes on them. So that is not much of a difference and the likelihood of what we have just described happening under Senate Resolution 61 is quite minimal. The real likelihood is what we are going to have is a few people in this instance because of the particular State interest, in other instances because of their particular focus on the issue who are anxious to try to amend the legislation, the postcloture period in a significant way.

Mr. McCLURE. I will indicate that in this particular issue I know of other Members who have just as strong a feeling about the Alaskan lands question on the opposite side of the issue as do the two Members from Alaska. And I do not think one can at all suggest that all the rest of the Members are going to sit by quietly so that these two Senators can have their opportunity to amend the bill their way with no interference at all from the Senators who do not want it amended at all.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. McCLURE. Let me, if I may, respond to the other portion which I think is important.

Mr. SARBANES. Let me say on that point.

Mr. McCLURE. Go ahead.

Mr. SARBANES. I am not suggesting that, and all I am saying is that in thinking about it we have to perceive the two Senators with their 2 hours under one proposal and those same two Senators within the 100-hour total cap period, or if it is brought down to a minimum 30-hour total cap period, and then make some judgment under that arrangement how much of that time would they really be able to use in terms of proposing their amendments in a situation in which they can get rollcall votes that would not be charged against them on time; whereas, under the alternate proposal that has now been put forward that time would be charged against them.

Mr. McCLURE. Let me say to the Senator, however, that he is trying to make an assumption of Senate Resolution 61 with no changes as against the amendment offered by the Senator from Alaska with some changes because the amendment as offered by the Senator from Alaska allows the assignability of time.

Let us take that other hypothetical of the two Senators from Alaska carrying the time and under this proposal they would be allowed to be assigned up to 9 additional hours by other Members, and the two Senators from Alaska would then have 20 hours to offer a series of perfecting amendments which is certainly a superior opportunity to offer a series of amendments than that which is guaranteed to them under Senate Resolution 61. So I think if one looks at the totality of Senate Resolution 61 and of the totality of that which is offered by the Senator from Alaska the opportunities for Senators who desire to seek some substantive serious amendment in the pending legislation are better guaranteed under the amendment than they are under Senate Resolution 61. To separate out of that, to take away from that the right to yield time, certainly we change the nature of the amendment just as if we take away some of the rights that are guaranteed under Senate Resolution 61. We can make the rights of an individual Member or two Members look very different under Senate Resolution 61.

Mr. SARBANES. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I yield.

Mr. SARBANES. I understand the Senator was in the group that helped to formulate the proposal that was offered today by the Senator from Alaska, if I am correct.

Mr. McCLURE. The Senator is correct.

Mr. SARBANES. Once a person gains the floor under the Senator's proposal, could he then hold the floor until he has used all of his time?

Mr. McCLURE. Not necessarily. He could use as much time as he desired until he yielded the floor, but once there was a final disposition of the matter which was then pending I suspect——

Mr. SARBANES. Is it within his control if he does not choose to yield back once he gains the floor to hold it until he has used up all his time?

Mr. McCLURE. I think that once the matter that was then pending was finally disposed of the Chair would then have to recognize some Member of the body. But that gets back to the question that we have been debating here for the last hour and a half, or so, raised by the Senator from West Virginia in regard to whether or not a Senator yields the floor at the time there is a procedural motion with respect to the pending amendment. I think it lies somewhere between those two extremes.

Mr. SARBANES. It is the Senator's position that a Senator does not yield, is that correct? Otherwise there is no way to run the clock against him.

Mr. McCLURE. A Senator does not yield the floor so far as the accountability of time is concerned on the matter which is then pending, but once that matter which is then pending is disposed of it would simply be a matter of recognizing someone to offer another pending matter. So I do not think it automatically follows that if a Member has his 10 hours that he can hold the floor for 10 hours to the exclusion of every other Senator or a whole series of things, but he certainly has the opportunity to do so in a way which Senate Resolution 61 would not permit him.

I was a little intrigued earlier in the argument against the amendment by the Senator from West Virginia when he said by the extrapolation of some mathematics it might be possible to offer as many as 3,600 amendments, and he found that reason to object to the amendment of the Senator from Alaska.

Several minutes later he was arguing against the Senator from Alaska because it would limit him to four amendments at the same time that Senate Resolution 61 offered by the Senator from West Virginia would limit them to two amendments.

It seems to me that we should really try to determine what it is we are trying to do. If we are going to have a rigid cap, which the Senator from West Virginia says is most essential, if I judge his discussion here today and and the discussion we have had at various times in the past on this subject, that is the one thing about which the Senator from West Virginia feels most strongly. If we are going to have a rigid cap, then it seems to me we have to find a way by which we can guarantee to an individual Member of this body that he has some rights that he can exercise at some time during that period of time.

The Senator from Alaska has suggested a means by which that can be done even though it might have the very, very slight theoretical potential for some kind of very modest extension of the 100-hour period. That is far more theoretical in its possibility than is the theoretical possibility that the 100 hours could be used up.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, it seems to me this discussion convinces me that we are going to have to find some way to modify my amendment to meet some of the objections raised by the Senator from West Virginia and the Senator from Maryland.

Let me make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. I had unanimous consent that it would be in order to bring the amendment up. Do I need unanimous consent now to have it withdrawn?

The PRESIDING OFFICER. The Senator is correct. Unanimous consent is required.

Mr. STEVENS. Maybe we could, under that circumstance, get agreement to vote tomorrow morning on this amendment and allow it to be set aside until a time

certain tomorrow and then allow the Senator from New York, who wants to raise his amendment dealing with preferential recognition on points of order in the postcloture period, to raise his amendment this afternoon.

I do not know what the desires of the majority leader might be in that regard, but I think we are going to have to try to work something out and see if there might still be a possibility of a consensus we could reach with regard to the concept of an individual Senator having a right to time in a postcloture period. So I think we need overnight to think about that before bringing this to a vote.

It is my understanding we would be in agreement to bring this to a vote at 10 o'clock tomorrow morning.

Mr. SARBANES. Mr. President, if the Senator from Alaska will yield, before I enter into such an agreement obviously we should hear from the majority leader as to whether he wishes to schedule that at 10 a.m. Perhaps we should call a quorum, and then I will ascertain that.

Mr. STEVENS. Since it takes unanimous consent to have the amendment be in order, and I already have that, I would like to have it remain so under those circumstances, but I would like to be able to get an agreement that we could call up another amendment and have the vote on this one tomorrow. I recognize we will have to consult with the majority leader about that, but that is my feeling now that we should see if we can work on this overnight and get to the question of these other amendments tonight, if possible.

Mr. SARBANES. I understand the majority leader will be here shortly, and I suggest that either the Senator continue his discussion if he chooses to do so on this amendment or that there be a quorum call and temporarily await his arrival.

Mr. STEVENS. Mr. President, let me ask is it in order to modify my amendment now without unanimous consent?

The PRESIDING OFFICER. It would require unanimous consent to modify.

Mr. STEVENS. At the suggestion of the Parliamentarian, Mr. President, I ask unanimous consent that it be modified so that it read: "On page 2, line 6, after the word 'begins.'" It is a technical amendment modification and I ask unanimous consent that such modification be made now.

I will tomorrow morning ask for further modification of the amendment before it comes to a vote.

Mr. SARBANES. Reserving the right to object to this modification, could we find out what it is exactly? I am sorry, I was not listening.

Mr. STEVENS. It is a suggestion made by the Parliamentarian to correct a technical defect. I asked unanimous consent that that modification be made at this time. Tomorrow I will make further modifications.

Mr. ROBERT C. BYRD. What is the Parliamentarian's suggestion?

Mr. STEVENS. This amendment makes certain that the text of the amendment shows precisely where the striking commences on page 2 through page 3. It says, "On page 2, line 6, after the word 'begins' strike everything through page 3," and et cetera.

The PRESIDING OFFICER. Is there objection to the modification of the amendment? Without objection, the amendment is so modified.

Did the Senator from Maryland reserve the right to object?

Mr. SARBANES. No.

Mr. STEVENS. At this time, if I might say to my good friend from West Virginia, we are working on a modification to try to meet some of the objections raised by the Senator from West Virginia and the Senator from Maryland. I hope we will have an agreement to put this amendment aside until tomorrow, and to then vote at a time certain, that we could have a vote on it at a time certain, and to permit the Senator from New York or the Senator from Idaho to proceed with other amendments which they have at this time.

Mr. ROBERT C. BYRD. What would the Senator suggest?

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I think if we could arrange to have a vote on this in the morning at 10 o'clock, provided the majority leader intends to convene in time to accommodate that, that we probably could obtain that consent. I am not certain again but I would hope we could.

Before the majority leader responds, if he would yield further, might I inquire, it is now well into the afternoon, and might I inquire if the majority leader does intend, in fact, to come in fairly early tomorrow?

Mr. ROBERT C. BYRD. I would like to come in at 10 o'clock, may I say to the distinguished minority leader and, if possible, if we could get a time agreement today, I would like to finish the action on this measure tomorrow at a given time, in which event I would expect to go over until Monday.

Mr. BAKER. I do, too. I am sure the majority leader will confirm that he and I had conversations in the course of today looking into the possibility that we might arrange a time certain to dispose of this so-called postcloture part of this controversy and, frankly, I had hoped we would have a number of votes, rollcall votes. I see a number—I do not see them now, but during the course of the day I have seen a number—of our Members here directly as a result of my suggestion that they be here with the possibility of a rollcall vote, and hoping we could break the ice and get on with this matter. But it appears less likely that we will have a rollcall, and I understand the majority leader thinks we ought to stack any rollcalls that would be asked for until later, until tomorrow.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BAKER. I do not have the floor.

Mr. McCLURE. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Because it also deals with putting it aside and when it would be called up tomorrow.

Do I understand that we will not have the opportunity today to get votes on amendments which could be offered?

Mr. ROBERT C. BYRD. We could have voice votes or division votes or put rollcall votes over until tomorrow.

Mr. McCLURE. Is it the intention of the majority leader that we not have any rollcall votes on this matter this afternoon?

Mr. ROBERT C. BYRD. Personally I would like to have had votes, but it is now 4:30 and a good many Members have gone home because of the weather, and I would rather not have rollcall votes this afternoon.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I have no disposition to delay the solution of this, as the Senator knows. I am as anxious as anybody in this body to get this pinned down and get it behind us. It has already consumed far more time than the Senator from Idaho would have debated one single subject, but because of the weather we did not meet on Monday or Tuesday, and we have not had the opportunity to have any rollcall votes on Wednesday. I think we are beginning to get into a very difficult time constraint, at least the possibility of it. I do not think there are endless numbers of amendments, but there are some, and some variations upon it, that various Members might wish to offer.

Mr. BAKER. Mr. President, if the majority leader would yield to me in that respect for just a moment——

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I have some Members on this side, who, frankly, are not so interested in being here for the final vote on passage as they are in certain amendments that have to be disposed of before they would feel free to return to their States or keep other commitments.

So it appears now that until we can get some of these amendments out of the way—not many but a few—it is going to be very difficult for me to be able to try to arrange with the majority leader for a time certain to dispose of the postcloture part of this resolution.

I think at this point it might be well to take one bite out of the pie and see if we can arrange a time in the morning shortly after we convene to dispose of this amendment, and then after that to see where we are and how we might proceed with an arrangement to dispose of the postcloture part of this matter, either later in the day on Thursday or, if necessary, on Friday, and I know the majority leader had given some thought to going over, say, from Thursday to Monday as a possibility. But in all candor it might be necessary for me to ask for a session on Friday to accommodate some of the requirements I alluded to.

Now I think we can agree to come in in the morning and have a time to vote on this amendment, and I would suggest, if the majority leader considers 10 o'clock as a time for convening, that we consider 10:30 for a vote.

Mr. President, if the majority leader will yield, I have a very tight time problem with one Member on this side. I wonder if the majority leader would consider coming in, say, at 9:45 and permitting a vote on this amendment, then at 10 o'clock.

Mr. ROBERT C. BYRD. Yes; that would be agreeable.

Now, it is understood that we are talking about this amendment, the amendment by Mr. STEVENS.

Mr. STEVENS. Mr. President, if the majority leader will yield, I would ask unanimous consent that I have an opportunity to seek to modify the amendment just prior to the vote, but not substantially. For instance, I am going to delete the last paragraph, which is redundant to a provision already in Senate Resolution 61, and I would hope we could reduce that time that would be transferred, up to 10 hours. We have 10 hours, and we are trying to find ways to reduce that to 6. We are looking for greater accommodation areas in this same basic format of the amendment. I would like to have an opportunity for some minor changes in the amendment before the vote takes place tomorrow morning.

Mr. ROBERT C. BYRD. The Senator understands it would require unanimous consent to get those modifications.

Mr. STEVENS. I do understand that. I hope that will be no problem, but I understand.

Mr. ROBERT C. BYRD. I do not want to interpose objections if the modifications are such as I feel we can accept.

Mr. STEVENS. I may try to make them this afternoon, if we have the opportunity.

Mr. ROBERT C. BYRD. I just wanted to be sure that we all understood that in agreeing to vote on this proposed amendment tomorrow, or in relation to the amendment, having a vote at 10 o'clock, any modifications would have to be by unanimous consent, because otherwise those of us who agree to a vote on this proposal at 10 o'clock tomorrow could be buying a pig in a poke, not knowing what the modifications would be. So we are protected by the fact that it would require unanimous consent for such modifications to be made.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, two things occur to me. First, I would hope that the convening hour of the Senate would be arranged so that there was 15 minutes on this measure before we proceeded to a vote; and second, it is my understanding that one Member on this side requests that the vote occur on the amendment, and not on a motion to table.

Mr. ROBERT C. BYRD. Of course, I note a number of staff people nodding their heads in reference to that.

Mr. BAKER. The person I have reference to is here representing the State of Idaho. I will not further identify him, except to say that he stated he would prefer that, I believe on behalf of another Member.

Mr. ROBERT C. BYRD. The Senator asks that I give up my normal right to move to table?

Mr. BAKER. On behalf of Mr. HATFIELD, who does want an up or down vote on it.

Mr. ROBERT C. BYRD. Let us agree to the motion to vote on it at 10 o'clock, and let me think about it in the meanwhile. I might very well agree to an up or down vote.

Mr. McCLURE. If we might, then, reserve the right to make a motion on that subject at least eliminating the other 98 or 97 Senators from that proposition, I think that compromise might very well be agreeable.

Mr. BAKER. I do not understand. Will the Senator repeat that?

Mr. McCLURE. That there will be an up or down vote unless the majority leader exercises the right to offer a different motion with respect to the amendment.

Mr. BAKER. That sounds better than nothing, I suppose.

ORDER FOR RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE AT 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 10 o'clock a.m. tomorrow a vote occur in relation to the pending amendment by Mr. STEVENS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Does the Senator want to get the yeas and nays now, in case we vote up or down? It might be difficult to get them in the morning.

Mr. STEVENS. Yes, that is agreeable.

Mr. ROBERT C. BYRD. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Is it the majority leader's intention, then, to make any provision for the preliminary proceedings of the Senate, such as morning business, special orders, or anything that might consume any part of that 15 minutes?

Mr. ROBERT C. BYRD. I have two requests for recognition in the morning, and each wants 15 minutes.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that following the prayer tomorrow, the Senator from Missouri (Mr. EAGLETON) be recognized for 7 minutes, and that he be followed by the Senator from Wisconsin (Mr. PROXMIRE) for 7 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, we have another request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. EAGLETON, Mr. PROXMIRE, and the Senator from South Dakota (Mr. PRESSLER) each be recognized for not to exceed 5 minutes after the prayer and the approval of the Journal tomorrow.

Mr. BAKER. Mr. President, reserving the right to object, the problem I have in this respect is that Senator HATFIELD, who is the ranking minority member of the Rules Committee, simply has to have a vote on this amendment by 10 o'clock, otherwise we would have to rearrange the whole schedule; and I would hope we could have 15 minutes prior to the vote for debate. I wonder if we could move the convening time back.

ORDER FOR RECESS UNTIL 9:15 A.M. TOMORROW, WITH SPECIAL ORDERS AND DEBATE TO FOLLOW, AND A VOTE AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:15 a.m. tomorrow, which would give each of them 15 minutes.

You want 15 minutes for debate on this?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. Does the Senator suppose each of these Senators would want 15 minutes? I take it Senator EAGLETON would. Senator PROXMIRE may or may not. Could we take a chance on 10 minutes for each of the Senators, and allow 15 minutes for debate on this amendment?

Mr. BAKER. I will if you will.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate, when it completes its business today, stand in recess until the hour of 9:15 a.m. tomorrow; that after the prayer and the recognition of the majority leader to deal with the Journal, Mr. EAGLETON, Mr. PROXMIRE, and Mr. PRESSLER each be recognized for not to exceed 10 minutes; that there then follow 15 minutes of debate on the amendment by Mr. STEVENS, to be equally divided between the Senator from Alaska (Mr. STEVENS) and the junior Senator from West Virginia (Mr. ROBERT C. BYRD), and that a vote then occur in relation to the Stevens amendment; but that in any event the vote in relation to the amendment by Mr. STEVENS occur no later than 10 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that if any Senator wishes to call up an amendment to the resolution at this time, it be in order to set aside the pending amendment by Mr. STEVENS and let such Senator call up such amendment.

Mr. STEVENS. Mr. President, reserving the right to object, and I hope my good friends will not object, I would like to make the request for two modifications of that amendment, and send those

modifications to the desk, prior to setting it aside, if that meets the majority leader's desire. I would like to see the amendment changed to provide that no Senator be yielded more than 5 additional hours, and ask that the last paragraph be deleted. If the Senator will withhold his unanimous-consent request, I ask unanimous consent that the amendment be so modified at this time.

Mr. ROBERT C. BYRD. Mr. President, I object to the modification at this time. I may not object tomorrow morning.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I reserve—I withdraw that objection. I certainly have no objection to the latter part, because that part of the amendment would be redundant to the language in my own resolution.

Mr. STEVENS. I thank the majority leader. I renew the motion to modify the amendment in that manner, and I send a copy to the desk and ask that it be so done.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. The Senator is referring to——

Mr. STEVENS. To delete the last paragraph of the amendment as modified. I send it to the desk. I will renew my motion to change the word "10" to "6" in the morning.

Mr. ROBERT C. BYRD. So the Senator at the moment is merely asking for the second half which, in reality, is duplicative of the language in the resolution?

Mr. STEVENS. That is correct.

Mr. ROBERT C. BYRD. I have no objection to that portion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified further, follows:

On page 1, line 6, following the word "invoked," insert the words: "which time is the aggregate of the one hour of time to which each Member is entitled".

On page 2, line 6, after the word "begins." strike everything through page 3, line 18 and insert in lieu thereof the following:

The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following:

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

"A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, and any rollcall votes and quorum calls he requests except the time consumed in one quorum call immediately prior to a vote on final passage. A Senator may yield any of his remaining time to another Senator or may yield it back to the Presiding Officer, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. No Senator may be yielded more than nine additional hours. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least ten minutes remaining, he may not object to dispensing with the further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, such time shall not be charged against the one hundred hours.

Mr. STEVENS. May I inquire, Mr. President, as the amendment is printed and put on the desks tomorrow, it will be in the modified form?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. I thank the Senator.

Mr. ROBERT C. BYRD. I ask unanimous consent that the resolution placed on the desks tomorrow show the changes which have been made today by virtue of amendments, with language that has been deleted shown in stricken-through type and language which may have been added shown in italics, and that the clerk may be authorized to make technical and clerical corrections.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. May I inquire—reserving the right to object, I am sorry—will that be considered original text for the purpose of any further amendment?

Mr. ROBERT C. BYRD. I have not yet agreed to that request, but, as I say, I may very well do that.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Alaska will be laid aside.

UP AMENDMENT NO. 18

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina, Mr. HELMS, proposes an unprinted amendment No. 18.

On page 1, after line 3, insert the following:

"Between the invoking of cloture and the vote on final passage of the measure, motion, or other matter subject to cloture, consideration of such measure, motion, or matter shall be limited to not more than 8 hours per calendar day."

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, I shall not consume time by discussing this amendment at length. It speaks for itself.

As I mentioned to my good friend, the distinguished majority leader in one of our conferences in connection with this resolution, I believe the Senate would be well served to limit the time devoted to an issue on which cloture has been invoked to 8 hours per calendar day. A prime reason is the impact upon the health of Members, particularly the most conscientious ones. I mentioned to several of my colleagues during the course of last session that I was concerned about the severe strain on our late dear friend Jim Allen, the distinguished Senator from Alabama, during many debates in this Chamber. He was only one of four of our colleagues who are no longer with the living.

Moreover, there is the question of the younger Members of the Senate who have families and young children, and who so seldom have an opportunity to spend an evening with their families. I believe all in all that if the Senate would agree to devote no more than 8 hours in any given day to the consideration of a matter on which cloture has been invoked, comity in the Senate would be increased, more participation would result on the part of Senators, and, in general, it would be a wholesome development.

I know the argument on the other side, that this proposal, to some degree, may appear to be tying the hands of the majority leader—which is certainly not the intent of the amendment. But I think it is an entirely reasonable request, and I do hope that the Senate will approve of it.

I am not going to spend any more time in discussing the amendment because, as I said at the outset, it does speak for itself. I gather it has considerable appeal. Needless to say, I hope it has sufficient appeal to be approved tomorrow.

I do not think we have enough Senators present to obtain a sufficient second, but I would advise the Chair that I do want a rollcall vote on this amendment tomorrow.

I yield the floor.

Mr. SARBANES. Mr. President, I wish to briefly speak against this amendment. Indeed, I will only make two or three observations.

First of all, the Senate on many days spends well in excess of 8 hours considering legislation pending before this body in a precloture time. In other words, it is necessary in handling legislation to take more than 8 hours in one day in order to work at it, and that is legislation on which 60 Senators have not yet invoked cloture. Is the Senator's amendment directed to that period only, to postcloture?

Mr. HELMS. Yes. Obviously, because all that is before the Senate in Senate Resolution 61 concerns postcloture. My amendment specifically limits itself to the period "between the invoking of cloture and the vote on final passage."

Mr. SARBANES. So the Senator would limit any consideration of a measure in a postcloture period to 8 hours per day?

Mr. HELMS. Except by unanimous consent, I would say to the Senator. The proposed amendment, I say to my friend from Maryland, contemplates that there may be a need for time on other legislative matters. So I am not calling for an 8-hour day. I am saying just an 8-hour limitation per day on the matter on which cloture has been voted.

Mr. SARBANES. The matter, of course, may be a matter on which we need to move to a resolution. Do I understand the Senator's amendment? The point made is that even in a precloture period 60 Members have not voted to cut off debate. Any measure we are considering involves an amendment process after cloture has been invoked.

In order to invoke cloture we require 60 Members, three-fifths of all those duly sworn as Members of the Senate. So we are in a period when 60 Members of the Senate have said, "Well, now, we think

we ought to start limiting the time and move toward a decision."

Even in the precloture period with respect to a great deal of the legislation it is necessary to spend more than 8 hours a day in considering a matter.

In one sense it is contradictory, almost, to use an 8-hour limit in postcloture when we have an unlimited period in precloture. It really would make more sense logically, though even then there would be difficulties connected with it, to have an 8-hour limit before cloture rather than after. There is more of an argument for an extended time after cloture, because three-fifths of the Senators have voted to move ahead on the measure.

Second, 8 hours a day with a 100-hour cap is 12½ days of consideration once cloture has been voted.

Now, cloture is difficult to come by, as our experiences here have shown. To have frozen in the absolute requirement, precluding unanimous consent, I would say to the Senator, that is tantamount to the absolute requirement that we would run then for 12½ days after cloture has been invoked.

That is almost 3 weeks of the Senate's time. I think it is unreasonable. I think that the majority leader has to have flexibility in the scheduling of legislation, and that there is, really, a strong argument that once cloture has been invoked, that the Senate really ought to spend very long days, indeed, on the matter pending before us.

In any event, whether that should or should not be done is a matter that can be worked out at the particular time with respect to the specific legislation and certainly ought not be frozen into place now by the rigid requirement that postcloture no more than 8 hours per day could be spent on the measure, which would guarantee 12½ days of consideration.

Mr. HELMS. Would the Senator prefer 6 hours?

Mr. SARBANES. The Senator would prefer no absolute requirement written into the rule.

The Senator does not regard that as the sensible way to go about this matter.

Mr. HELMS. Would the Senator feel just as strongly about 10 hours?

Mr. SARBANES. The longer we make the hours, the less strongly I would feel, and if we reached 24 hours I would not have any further negative feeling with respect to the matter because we, in effect, would have precluded any sort of arbitrary rule.

Mr. HELMS. I will say this to my friend from Maryland. I believe that this whole issue is born of something less than necessity.

If we look at the statistics, Mr. President, on extended debate in the Senate, on filibusters, we will see readily that, relatively speaking, there have been few major problems.

We know, of course about the Metzenbaum-Abourezk filibuster, and there have been some references to the parliamentary skill of my dear late friend Jim Allen.

But, on balance, if Senators are fair about it, and if they look at the record, they see that the alleged need for changes in rule XXII is just a contrived frustration.

Now, one day last week there were a few of us on this floor late in the afternoon, the distinguished Senator from Maine (Mr. MUSKIE), the distinguished Senator from New York (Mr. MOYNIHAN), the distinguished majority leader, and I think that was all, save for the Presiding Officer who, if memory serves me, was the junior Senator from Michigan (Mr. LEVIN).

But I advanced the observation, Mr. President, that we got in trouble in the Senate along about 1970 when the Senate began to tamper with the rules. Prior to that time, there was comity in this Senate that took care of the situation. When cloture was voted, there was no problem to secure a fairly hasty resolution of the issue.

As I believe I stated that afternoon on the Senate floor, I may be the senior Member of this Senate in one respect, certainly among those present today, in terms of having been here in the early 1950's, not as a Senator, but as administrative assistant to two successive Senators from North Carolina, one of whom died in office, and I saw two or three filibusters. I saw the great Dick Russell of Georgia, and others, fight as hard as they could; but when cloture was voted, comity in the Senate provided that there was a vote.

But at that time there was a constitutional two-thirds requirement before debate was shut off.

Then some of the wiser Members of the Senate, in their judgment, began to tamper with that rule. They reduced the constitutional two-thirds to two-thirds of those present and voting. Then a further reduction was made to three-fifths, a constitutional three-fifths, which is the rule now in existence.

I think, Mr. President, that if anybody took the time to plot it out, it could readily be shown that the more tampering that was done to the cloture requirement, the more diminution occurred in comity and cooperation in the Senate. So, maybe we ought to go back to the constitutional two-thirds. This Senator would favor it.

I fully and sincerely believe that if it were not that we sometimes witness the appearance of a slight majority apparently having the desire to railroad things through, that comity would be restored to a degree that would amaze a lot of Senators.

Sure, there is sometimes suspicion. Sure, there is a tendency not to cooperate. There is a tendency to read into various actions by the leadership motivations which I am sure do not exist.

But I say, Mr. President, to the Chair and to my colleagues, that the more we tamper with the right of the minority—and that is what we are talking about in this matter—the more we tamper with the right of the minority in the Senate, the more we risk reaping the whirlwind.

I am in favor of no change; no change in the rules with respect to filibusters. I say that in the face of the fact that, speaking as one Senator, I really do not care what happens postcloture, because I have always felt that the ball game was over at that point and that I had had my say and that we ought to go ahead and vote.

So, I have no burning obsession about this postcloture business, except what I fear to be a certain pretense that holiness and virtue reside on one side and the black hat boys on the other.

What is at stake every time we tamper with these rules, Mr. President, is the right of the minority, and the minority takes various forms. The Senator from Maryland may well be in a minority one of these days and he may well say, "Gee whiz, why did I ever vote to make it easier to put an end"——

Mr. SARBANES. Will the Senator yield?

Mr. HELMS. I will in a minute, if the Senator will forbear—"to make it easier to shut off debate."

So what we confront here, Mr. President, is not an exercise in who best knows the ropes, or who is the best parliamentarian on this floor, or even who has the most votes.

What we confront here is the very real question of how much farther shall we go in diminishing the rights of the minority.

I do not mean the Republican minority. I do not mean the conservative minority. I mean the minority on whatever issue, at whatever time.

I say, Mr. President, the minority could well shift to the other side.

I have heard several Senators say that they rue the day—rue the day—that they voted to reduce the cloture requirement to a constitutional three-fifths, and well they should. It ought to be two-thirds again.

As I said at the outset, I fully believe that the diminishment of comity and the watering down of cooperation began at the time that this Senate began to tamper with the rules, and that is the reason this is such an important issue to me.

Now, as for the proposed 8-hour day on matters where cloture has been invoked, if any Senator wants to change that to 9 hours, or 10 hours, or whatever, that suits the Senator from North Carolina, fine. But I think there ought to be a very careful limitation placed on how far we go in reducing the participation in these debates.

It is now exactly 5 o'clock, and I count in the Chamber seven Senators, including the distinguished Presiding Officer.

In the old days, Mr. President, this Chamber was virtually filled when there was an issue of this sort. But now, in terms of what we have developed in changing the rules, tampering with the rights of the minority, the Senators are not here. They are in their offices or they are at home. They know there will be no votes. There was a calculated effort made here today—successfully, I might add—to make sure that there were no votes because certain Senators were out of town.

We had 2 days of snow in the city of Washington, and some Senators could not get in. So here we are, in almost a spectacle of rushing this thing through——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HELMS. In just a moment.

Of rushing this thing through in 2 days' time.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to his bosom friend?

Mr. HELMS. The Senator is not pointing his finger at me, is he?

Mr. ROBERT C. BYRD. No. I merely flourished my hand.

Mr. HELMS. I yield.

(Mr. LEVIN assumed the chair.)

Mr. ROBERT C. BYRD. The Senator bemoans the fact that we are here today talking about a vote tomorrow. What about the days preceding the legislative holiday? What about the days that have ensued since January 15?

Mr. HELMS. I agree with the Senator.

Mr. ROBERT C. BYRD. We have had ample time to debate this matter. I stood on the floor, I believe, on Friday——

Mr. HELMS. I stood with the Senator.

Mr. ROBERT C. BYRD. The Senator was here. That is why I marvel at this. I thought his memory slipped temporarily, because he was here with me on that Friday. He was here with me the day before, on Thursday, when the only Senator who called up an amendment was the junior Senator from West Virginia.

The Senator was going to prove a point, because he foresaw the day when the Senator from West Virginia would say what I have just said—he would be able to stand and face down the Senator from West Virginia, at high noon, in the shootout.

The Senator is correct; he did offer some amendments. But here were the Senator from North Carolina and I—we had the floor to ourselves.

Mr. HELMS. Exactly. And the Senator from North Carolina did indeed offer some amendments.

Mr. ROBERT C. BYRD. For 2 days. The Senator from Maryland was here; the Senator from Montana was here; the Senator from Virginia was here. There were other Senators. The Senator from Idaho was here, and other Senators were here. But there was no action except voice votes.

So I hope the Senator will not leave the record with the impression that here is the majority leader today, Wednesday, February 21, pressing for a vote, pressing for a vote in 2 days, when we have had all this time prior to the legislative holiday to have called up amendments and to have had votes on them.

I have pleaded with Senators. My knees are still sore from my kneeling on this carpet, and my trousers are threadbare from my kneeling here, pleading with Senators to call up amendments. Only one Senator, only one valiant Senator, responded to the call, and that was the Senator from North Carolina.

Mr. HELMS. The Senator is absolutely correct.

Mr. ROBERT C. BYRD. By the way, while the Senator is yielding, will he yield further?

Mr. HELMS. I yield to my good friend.

Mr. ROBERT C. BYRD. The Senator said a moment ago—and I have heard this before—that we are seeing these postcloture filibusters because we changed the rules; that is when we began to see all these postcloture filibusters happen, because we tampered with the rules. Well, I have a little memory about that, myself. It is my amendment that is now in the rulebook which provides for 60 Members invoking cloture.

Does the Senator not recall that that amendment was adopted by the Senate, because of the increasing number of filibusters, the spate of filibusters, that came along? They were on antitrust bills, on extending the voting rights law. You name it; we had a filibuster for it. Back in those days, if a Member wanted to filibuster something he did not like, he filibustered it. That is what brought on the rules change.

So one can say, which came first, the chicken or the egg? You take your pick.

I recall that the rules change came about because the Senate was getting its belly full of these filibusters happening over every little old bill that came along. Any Senator who wanted a filibuster could have it his way—no charge, just have a filibuster. The Senate got tired of it. So we started to amend that rule in 1977.

A few days went by, and Senator LONG stood right back there, where Senator HARRY F. BYRD, JR., sits now, and he said, "Why don't we think in terms of making it a three-fifths vote?"

So some of us went back in the cloakroom, and we came out with that amendment.

So I must say, with all respect to my friend, who has yielded to me most courteously, that the present rule grew out of the abuse of the rule that preceded that change. Senators may say, if they wish, that we are having these postcloture filibusters, because of the tampering with the rules. The Senate does not tamper with its rules lightly. I have been here 20 years; I was in the other body 6 years. The Senate does not tamper with its rules lightly. It tampered with the rules, because it was trying to remedy an ill that had become an affliction, and it is about to tamper with them again today, because we have seen this abuse of the rules.

I hope the Senator will pardon my interruption, but I thought that at least that should be said, so that Senators who read the RECORD can make their choice as to whether it is the chicken or the egg.

Mr. HELMS. I appreciate the Senator's comments. He is, as always, most gracious, and frank in stating his thoughts. I was delighted to hear his response, even though the Senator from North Carolina cannot agree with it.

I want him to know that I meant no criticism of him personally in stating some of the facts.

The arithmetic of this cloture business is that in the first half of the century of the cloture rule—52 years to be exact—cloture was voted 45 times. Since 1970, when the Senate really began to tamper, and I use the word advisedly, tamper with the rules, it has been voted 95 times. Now, that is the arithmetic of it, and the arithmetic speaks for itself.

As for my own participation in extended debates, I think the distinguished majority leader will acknowledge that I have worked with him on countless occasions to reduce the time consumed by the Senate in consideration of various measures on which cloture had been voted.

As a matter of fact, with the exception of the so-called Metzenbaum-Abourezk filibuster, we really have not had a severe problem for the simple reason that Senators do not participate, as a rule, in postcloture filibusters.

I recall a number of times when Jim Allen and I patrolled this floor, Mr. President, looking for Senators who would consume or who would use a part or all of their hour.

But the truth of the matter is that in most cases, with the exception of the extreme case to which I referred, the postcloture consumption of time has been minimal. I do no want the record to indicate that otherwise may be the case.

So we are dealing with a straw man to a great extent with the exception of that extreme case which has come to be known in the Senate as the Metzenbaum-Abourezk episode.

I firmly believe, Mr. President, that it would be the course of wisdom for Senators to support the 8-hour limitation with the understanding that the majority leader is in no way shackled about calling up other business on either side of the 8 hours.

It would not mean an 8-hour day for Senators. I am perfectly prepared to work 12, 14, 16 hours a day. I have done it before and I am perfectly willing to do it again. But I do think that the ability to concentrate on an issue for more than 8 hours becomes questionable, and that is the purpose of this amendment.

I am going to urge its adoption, and, as I indicated earlier, Mr. President, tomorrow I want the yeas and nays on the question.

I yield the floor.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HELMS. I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Without objection, it is so ordered.

ORDER TO HOLD BILL AT THE DESK—H.R. 1902

Mr. LEVIN. Mr. President, I ask unanimous consent that H.R. 1902, the Carson City silver dollar bill, be held at the desk, pending further disposition.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

REPRINTING OF THE REPORT ENTITLED "CHINA" (S. DOC. 96-4)

Mr. LEVIN. Mr. President, on behalf of Senator MUSKIE I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. Has this

request been cleared with the leadership on both sides?

Mr. LEVIN. Yes it has been.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 77

Resolved, That there be printed an additional eight hundred copies of Senate Document 96-4, entitled "China".

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. STEVENS. Mr. President, I am constrained to ask, has there been any indication of the cost of that reprinting?

The PRESIDING OFFICER. Does the distinguished Senator from Michigan care to respond?

The Chair will state that the resolution provides for the printing of an additional 800 copies.

Mr. LEVIN. There has been no report on the cost, Mr. President.

Mr. STEVENS. Eight hundred copies?

The PRESIDING OFFICER. Eight hundred copies.

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 77) was agreed to.

MESSAGES FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 1902. An act to amend the Bank Holding Company Act Amendments of 1970.

The message also announced that, pursuant to the provisions of 15 United States Code 1024(a), the Speaker has appointed Mr. BOLLING, Mr. REUSS, Mr. MOORHEAD of Pennsylvania, Mr. HAMILTON, Mr. LONG of Louisiana, Mr. MITCHELL of Maryland, Mr. BROWN of Ohio, Mrs. HECKLER, Mr. ROUSSELOT, and Mr. WYLIE as members of the Joint Economic Committee on the part of the House.

The message further announced that, pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Speaker has appointed Mr. BONIOR of Michigan and Mr. BUCHANAN as members of the board of directors of Gallaudet College on the part of the House.

The message also announced that, pursuant to the provisions of section 1, Public Law 372, 84th Congress, as amended, the Speaker has appointed Mr. MURPHY of New York, Mr. HOWARD, Mr. FISH, and Mr. GREEN as members of the Franklin Delano Roosevelt Memorial Commission on the part of the House.

At 4:43 p.m., a message from the House of Representatives announced that, pursuant to the provisions of section 170 (a)(3)(B), Public Law 95-599, the Speaker has appointed Mr. ROE, Mr. ALEXANDER, Mr. BLANCHARD, Mr. GLICKMAN, Mr. SEBELIUS, and Mr. REGULA as members of the National Alcohol Fuels Commission on the part of the House.

H.R. 1902 HELD AT DESK

By unanimous consent, the following bill was read by title and ordered held at the desk:

H.R. 1902. An act to amend the Bank Holding Company Act Amendments of 1970.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-517. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Understanding of Wetland Benefits Will Help Water Bank and Other Federal Programs Achieve Wetland Preservation Objectives," February 8, 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC-518. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, pursuant to law, a violation of Section 3679 of the Revised Statutes, as amended, for the appropriation: Migration and Refugee Assistance, State, 1978, 1981143; to the Committee on Appropriations.

EC-519. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, on annual compensation of officers or employees of a Federal Contract Research Center (FCRC) in excess of $45,000 from federal funds; to the Committee on Armed Services.

EC-520. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, the Base Structure Annex to the Defense Manpower Requirements Report for FY 1980; to the Committee on Armed Services.

EC-521. A secret communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 52 Acquisition Reports (SARs) and the SAR Summary Tables for the quarter ending December 31, 1978; to the Committee on Armed Services.

EC-522. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the air-, sea-, and ground-launched cruise missiles program; to the Committee on Armed Services.

EC-523. A communication from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a Final Environmental Impact Statement (EIS) for the Disposal of Surplus Federal Military Properties in Rhode Island: Quonset Point Naval Air Station, Davisville Construction Battalion Center and Newport Naval Base; to the Committee on Armed Services.

EC-524. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Army's General Support Rocket System program; to the Committee on Armed Services.

EC-525. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, an Annual Report of the Reserve Forces Policy Board (RFPB); to the Committee on Armed Services.

EC-526. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on major issues concerning the advanced intercontinental ballistic missile weapon system; to the Committee on Armed Services.

EC-527. A communication from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, the Defense Manpower Requirements Report for FY 1980; to the Committee on Armed Services.

EC-528. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of TRIDENT and SSN-688 submarine construction programs; to the Committee on Armed Services.

EC-529. A communication from the Associate Director, Legislative Liaison, Office of the Secretary, Department of the Air Force, transmitting, pursuant to law, a report on experimental, developmental and research contracts of $50,000 or more, by company, covering the period July 1, 1978, through December 31, 1978; to the Committee on Armed Services.

EC-530. A communication from the Assistant Attorney General, Civil Rights Division, transmitting, pursuant to law, a report of the Attorney General on the administration of the Equal Credit Opportunity Act for calendar year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-531. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on Housing Displacement; to the Committee on Banking, Housing, and Urban Affairs.

EC-532. A confidential communication from the Secretary of Commerce, transmitting, pursuant to law, the first annual report on the results of the review of export control country policy; to the Committee on Banking, Housing, and Urban Affairs.

EC-533. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980, 1981, and 1982; to the Committee on Commerce, Science, and Transportation.

EC-534. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, the Commission's decision to extend the time period for acting on an appeal pending before the Commission in Finance Docket No. 27620, Maine Central Railroad Company v. Amoskeag Company, Frederick Dumaine and Dumaines; to the Committee on Commerce, Science, and Transportation.

EC-535. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting a draft of proposed legislation to discontinue or amend certain reporting requirements of law; to the Committee on Commerce, Science and Transportation.

EC-536. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on matters contained in the Helium Act (Public Law 86-777), for fiscal year 1978; to the Committee on Energy and Natural Resources.

EC-537. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-538. A communication from the Under Secretary, Department of Energy, transmitting, pursuant to law, the Second Comprehensive Program and Plan for Federal Energy Education, Extension and Information Activities (CPP); to the Committee on Energy and Natural Resources.

EC-539. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Chicago, Illinois, Everett McKinley Dirksen Federal Building, in the amount of $6,219,000; to the Committee on Environment and Public Works.

EC-540. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, an amendment to the approved prospectus for the New Haven, Connecticut, Post Office and Courthouse, in the amount of $4,670,000; to the Committee on Environment and Public Works.

EC-541. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Post Office and Courthouse, 5th Avenue and 9th Street, Huntington, West Virginia, in the amount of $3,623,000; to the Committee on Environment and Public Works.

EC-542. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Scranton, Pennsylvania, U. S. Post Office and Courthouse, in the amount of $1,802,000; to the Committee on Environment and Public Works.

EC-543. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Washington, D.C. Interstate Commerce Commission, Customs, and Connecting Wing, in the amount of $8,370,000; to the Committee on Environment and Public Works.

EC-544. A communication from the Staff Director, Science Advisory Board, United States Environmental Protection Agency, transmitting, pursuant to law, a report on the evaluation of the health effects research in the U.S. Environmental Protection Agency; to the Committee on Environment and Public Works.

EC-545. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Research Outlook 1979"; to the Committee on Environment and Public Works.

EC-546. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on the review of 15 National Forest primitive areas; to the Committee on Environment and Public Works.

EC-547. A communication from the Director, Congressional Budget Office, U.S. Congress, transmitting, pursuant to law, a report entitled "Guidelines for A Study of Highway Cost Allocation," February 1979; to the Committee on Environment and Public Works.

EC-548. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision to provide import relief on wood and plastic clothespins in the form of a price-bracketed quota; to the Committee on Finance.

EC-549. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of June 18, 1934, regarding the submission by the Foreign-Trade Zones Board of annual reports to Congress; to the Committee on Finance.

EC-550. A communication from the Secretary of the Treasury, reporting, pursuant to law, on actions taken, upon his instructions, by the U.S. Executive Director of the International Monetary Fund, to present to the Fund's Executive Board a comprehensive set of proposals on the compensation of Fund employees; to the Committee on Foreign Relations.

EC-551. A secret communication from the Director, U.S. Arms Control and Disarmament Agency, transmitting, pursuant to law, the administration's fiscal year 1980 Arms Control Impact Statements; to the Committee on Foreign Relations.

EC-552. A communication from the Administrator, Agency for International Development, Department of State, reporting, pursuant to law, on steps taken to review proposals for an African Development Foundation (ADF); to the Committee on Foreign Relations.

EC-553. A communication from the Chairman, Development Coordination Committee, transmitting, pursuant to law, a foreign assistance report, combining a number of previous reporting requirements; to the Committee on Foreign Relations.

EC-554. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-555. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, a quarterly report covering the activities of the Office of Inspector General for the period October 1 to December 31, 1978; to the Committee on Governmental Affairs.

EC-556. A communication from the Special Counsel, Office of the Special Counsel, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-557. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on various matters affecting the readiness of conventional U.S. Air Forces in Europe and the status of some of the initiatives they are taking in response to improvements in the offensive capabilities of Soviet and Warsaw Pact Air Forces; to the Committee on Governmental Affairs.

EC-558. A communication from the Executive Director, Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, the twentieth annual report of the Commission; to the Committee on Governmental Affairs.

EC-559. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to establish the position of Deputy Secretary of Health, Education, and Welfare; to the Committee on Governmental Affairs.

EC-560. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report of the Department of the Air Force proposals for two new systems of records; to the Committee on Governmental Affairs.

EC-561. A communication from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide survivor benefits to certain dependent children; to the Committee on Governmental Affairs.

EC-562. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Food Salvage Industry Should Be Prevented From Selling Unfit and Misbranded Food to the Public," February 14, 1979; to the Committee on Human Resources.

EC-563. A communication from the Director, Agency for Volunteer Service, ACTION, transmitting a draft of proposed legislation to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes; to the Committee on Human Resources.

EC-564. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Program To Strengthen Developing Institutions of Higher Education Lacks Direction," February 13, 1979; to the Committee on Human Resources.

EC-565. A communication from the Chairman and members, U.S. Commission on Civil Rights, transmitting, pursuant to law, a report entitled "Desegregation of Nation's Public Schools: A Status Report"; to the Committee on the Judiciary.

EC-566. A communication from the Public Information Officer, Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during calendar year 1978; to the Committee on the Judiciary.

EC-567. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in the cases of certain aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-568. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation, as well as a list of persons involved; to the Committee on the Judiciary.

EC-569. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report of conditional entry activities as required by Section 203(f) of the Immigration and Nationality Act for the period covering June 1, 1978 through December 31, 1978; to the Committee on the Judiciary.

EC-570. A communication from the Public Printer, United States Government Printing Office, transmitting, pursuant to law, the annual report of the Public Printer for fiscal year 1978; to the Committee on Rules and Administration.

EC-571. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals for February 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Foreign Relations, the Committee on Finance, the Committee on Governmental Affairs, the Committee on Human Resources, the Committee on the Judiciary, and the Select Committee on Small Business, jointly, pursuant to order of January 30, 1975.

EC-572. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for national security programs for fiscal year 1980 and fiscal year 1981, and for other purposes; to the Committee on Armed Services and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

Mr. LEVIN. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of the Department of Energy, relative to authorizing appropriations for the Department of Energy's national security programs for fiscal years 1980–81, be referred jointly to the committees on Armed Services, and Energy and Natural Resources.

The PRESIDING OFFICER. Has this request been cleared with the chairmen involved?

Mr. LEVIN. Yes, it has been.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-573. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

Mr. LEVIN. Mr. President, I ask unanimous consent that a communication transmitted by the Director of the Office of Management and Budget, relative to the development of a national retirement income policy by the President's Commission on Pension Policy, be referred jointly to the committees on Finance and Human Resources.

The PRESIDING OFFICER. Has this request been cleared with the majority and minority leaders?

Mr. LEVIN. Yes; it has been.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Res. 75. An original resolution authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations (Rept. No. 96-6). Referred to the Committee on Rules and Administration.

By Mr. BAYH, from the Select Committee on Intelligence, without amendment:

S. Res. 76. An original resolution authorizing expenditures by the Select Committee on Intelligence. Referred to the Committee on Rules and Administration.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, TRAVEL AUTHORIZED BY SENATOR HOWARD W. CANNON, TRAVEL DATES: FROM JAN. 27 TO DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency
Koch, Christopher L.: England	Pounds	307.29	600.00					307.29	600.00
	U.S. dollars				680.00				680.00
Subtotal			600.00		680.00				1,280.00
Gehrig, James J.:									
Yugoslavia	Dinar	11,059.00	590.44	19,188.69	1,024.50	2,988.50	159.56	33,236.39	1,774.50
France	Franc	1,257.00	293.00	292.40	68.05	5.60	1.30	1,555.00	362.35
Germany	Mark	201.00	108.06	72.50	38.98	5.50	2.96	279.00	150.00
Subtotal			991.50		1,131.53		163.82		2,286.85
Total			1,591.50		1,811.53		163.82		3,566.85

Feb. 5, 1979.

HOWARD W. CANNON, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON ARMED SERVICES, TRAVEL AUTHORIZED BY SENATOR JOHN C. STENNIS, CHAIRMAN. TRAVEL DATES: FROM NOV. 12 TO DEC. 10, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Culver: France	Franc	1,513	356.00					1,513	356.00
	Appropriated funds				1,449.00				1,449.00
Sam Nunn: France	Franc	1,958	445.00					1,958	445.00
	Appropriated funds				449.00				449.00
Jeff Record: France	Franc	1,958	445.00					1,958	445.00
	Appropriated funds				449.00				449.00
George F. Travers: Germany	Deutsche mark	1,204.35	665.82					1,204.35	665.82
	Appropriated funds		107.87		770.88				878.75
Total			2,019.69		3,117.88				5,137.57

Jan. 3, 1979.

JOHN C. STENNIS, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, TRAVEL AUTHORIZED BY SENATOR WARREN G. MAGNUSON, TRAVEL DATES: FROM JAN. 15 TO JAN. 24, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Perles Steven R.: Japan	Yen	161,534	675.00					161,534	675.00
	U.S. dollars				1,365.00				1,365.00
Total			675.00		1,365.00				2,040.00

Feb. 5, 1979.

WARREN MAGNUSON.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, HENRY BELLMON, U.S. SENATE, TRAVEL AUTHORIZED BY HON. HOWARD BAKER, MINORITY LEADER OF THE SENATE, TRAVEL DATES: FROM NOV. 19, TO NOV. 21, 1978

Country	Name of currency	Per diem		Transportation		Other purposes		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S currency [1]
Hungary	Forints			12,047.72	644.01			12,047.72	644.01
Switzerland	Swiss franc	552.60	327.00					552.60	327.00
Germany	German marks			18.00	9.46				
				143.40	75.38			161.40	84.84
Total									1,055.85

RECAPITULATION

Foreign currency (U.S. dollar equivalent) (total)	$1,055.85

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 21, 1978.

HENRY BELLMON.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE JOINT COMMITTEE ON PRINTING, TRAVEL AUTHORIZED BY SENATOR CLAIBORNE PELL, CHAIRMAN, TRAVEL DATES: FROM OCT. 22, TO NOV. 6, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Denver Dickerson: Germany (4 days)			79.00						316.00
Denver Dickerson: Italy (3 days)			75.00		152.25	Car rental	331.71		708.96
Denver Dickerson: Spain (3 days)			75.00		117.41				342.41
Denver Dickerson: London (4 days)			90.00		266.00				626.00
Total			319.00		535.66		331.71		2,193.37

Jan. 29, 1979.

CLAIBORNE PELL,
Chairman, Joint Committee on Printing.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, ROBERT C. BYRD, VISIT TO THE MIDDLE EAST, NOV. 25 TO DEC. 11, 1978—EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency
Jeanine J. Drysdale:									
Morocco	Dirham	117.00	29.25					117.00	29.25
Egypt	E. pounds	121.570	173.81					121.570	173.81
Israel	I. pounds	2,916.76	155.31					2,916.76	155.31
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	207.00	53.08					207.00	53.08
Turkey	T. lira	3,290.00	131.60					3,290.00	131.60
England	Pounds	85.85	169.97					85.85	169.97
Robert C. Byrd:									
Morocco	Dirham	200.59	50.15					200.59	50.15
Egypt	E. pounds	115.000	164.29					115.000	164.29
Israel	I. pounds	2,875.50	153.11					2,875.50	153.11
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	192.50	49.36					192.50	49.36
Turkey	T. Lira	2,125.00	85.00					2,125.00	85.00
England	Pounds	85.85	169.97					85.85	169.97
Walter J. Stewart:									
Morocco	Dirham	117.50	29.38					117.50	29.38
Egypt	E. pounds	126.500	180.71					126.500	180.71
Israel	I. pounds	3,575.50	190.39					3,575.50	190.39
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	192.50	49.36					192.50	49.36
Turkey	T. lira	4,115.00	164.60					4,115.00	164.60
England	Pounds	85.85	169.97					85.85	169.97
Barbara Vidonieks:									
Morocco	Dirham	117.00	29.25					117.00	29.25
Egypt	E. pounds	45.420	64.89					45.420	64.89
Israel	I. pounds	4,225.50	225.00					4,225.50	225.00
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	292.50	75.00					292.50	75.00
Turkey	T. lira	1,500.00	60.00					1,500.00	60.00
England	Pounds	85.85	169.97					85.85	169.97
Hoyt H. Purvis:									
Morocco	Dirham	172.79	43.20					172.79	43.20
Egypt	E. pounds	157.500	225.00					157.500	225.00
Israel	I. pounds	2,565.50	136.61					2,565.50	136.61
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	182.50	46.79					182.50	46.79
Turkey	T. lira	2,036.00	81.44					2,036.00	81.44
England	Pounds	73.52	145.57					73.52	145.57
J. Michael Willard:									
Morocco	Dirham	120.00	30.00					120.00	30.00
Egypt	E. pounds	136.600	195.14					136.600	195.14
Israel	I. pounds	2,986.21	159.01					2,986.21	159.01
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	174.00	44.61					174.00	44.61
Turkey	T. lira	2,035.00	81.40					2,035.00	81.40
England	Pounds	75.02	148.54					75.02	148.54

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, ROBERT C. BYRD, VISIT TO THE MIDDLE EAST, NOV. 25 TO DEC. 11, 1978—EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency	Foreign currency	U.S.-dollar equivalent or U.S. currency
Mary Jane Checchi:									
Morocco	Dirham	117.00	29.25					117.00	29.95
Egypt	E. pounds	157.500	225.00					157.500	225.00
Israel	I. pounds	3,215.51	171.22					3,215.51	171.22
Jordan	Dinars	15.800	52.67					15.800	52.67
Syria	S. pounds	182.50	46.79					182.50	46.79
Turkey	T. lira	2,725.00	109.00					2,725.00	109.00
England	Pounds	79.65	157.52					79.65	157.52
Gina G. Sangster:									
Morocco	Dirham	117.00	29.25					117.00	29.25
Egypt	E. pounds	134.113	191.59					134.113	191.59
Israel	I. pounds	2,347.50	125.00					2,347.50	125.00
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	184.00	47.18					184.00	47.18
Turkey	T. lira	1,960.00	78.40					1,960.00	78.40
England	Pounds	77.35	153.14					77.35	153.14
Freeman H. Cary:									
Morocco	Dirham	300.00	75.00					300.00	75.00
Egypt	E. pounds	115.300	164.71					115.300	164.71
Israel	I. pounds	4,225.50	225.00					4,225.50	225.00
Jordan	Dinars	22.800	76.00					22.800	76.00
Syria	S. pounds	117.50	45.51					117.50	45.51
Turkey	T. lira	3,005.00	120.20					3,005.00	120.20
Saudi Arabia	Saudi riyals	17.25	5.16					17.25	5.16
England	Pounds	80.85	160.07					80.85	160.07
Total			6,950.39						6,950.39

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent) (total)	$6,950.39

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: Delegation traveled also to Iran and Saudi Arabia. In Iran no per diem funds were received by any member of the delegation. In Saudi Arabia all per diem funds were returned in full except where indicated in the breakout above.

ROBERT C. BYRD, Chairman.

Jan. 8, 1979.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. BAKER (for himself and Mr. RANDOLPH):

S. 436. A bill to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority; to the Committee on Environment and Public Works.

By Mr. EAGLETON:

S. 437. A bill to delay the date certain child support requirements became effective in the case of certain States; to the Committee on Finance.

By Mr. HELMS:

S. 438. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 439. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. WILLIAMS, and Mr. HATCH):

S. 440. A bill to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment, and Rehabilitation Act of 1970; to the Committee on Human Resources.

By Mr. DOLE (for himself, Mrs. KASSEBAUM, Mr. HATCH, Mr. MCCLURE, Mr. STEWART, Mr. COCHRAN, and Mr. YOUNG):

S. 441. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Finance.

By Mr. EAGLETON:

S. 442. A bill for the relief of Isaac N. Hulver of Kansas City, Missouri; to the Committee on the Judiciary.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 443. A bill to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the federal judicial districts in the State of Illinois, and for other purposes; to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 444. A bill for the relief of the Jewish Employment Vocational Service, Saint Louis, Missouri; to the Committee on the Judiciary.

By Mr. PERCY (for himself and Mr. ROBERT C. BYRD):

S. 445. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anti-competitive regulation, and to make regulation more effective and responsive to the public interest; to the Committee on Governmental Affairs.

By Mr. RANDOLPH:

SJ. Res. 39. A joint resolution to provide for the designation of the second full calendar week in March of each year as "National Employ the Older Worker Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAKER (for himself and Mr. RANDOLPH):

S. 436. A bill to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority; to the Committee on Environment and Public Works.

TENNESSEE VALLEY AUTHORITY

● Mr. BAKER. Mr. President, I send to the desk for introduction and appropriate referral a bill, forwarded from the administration, which will increase the authority of the Tennessee Valley Authority to incur debt in the financing of its power operations over the next 5 years.

Since 1959, the power program of TVA has been totally self-funding. Its debt obligations are neither obligations of the Federal Government nor are they guaranteed by it. However, in order to maintain periodic oversight of the progress and operation of the TVA power program, Congress has imposed a ceiling on the amount of debt which TVA may incur. Traditionally, the ceiling has been raised periodically at approximately 5-year intervals. The original ceiling was set at $750 million in the 1959 TVA Self Financing Act and has been increased in 1966 to $1.75 billion, in 1970 to $5 billion, in 1975 to $15 billion.

The President's recommendations is for an increase now to $30 billion. I attach at the end of these remarks, a copy of the transmittal letter explaining in detail the need for this measure.

I am happy to have the cosponsorship of the chairman of the Senate Environment and Public Works Committee in the introduction of this bill. He has been a powerful force over the past several years in shaping the TVA power program, the largest coal consumer in the United States. His influence has led to a more flexible attitude in planning for future capacity. The current funding request is based upon future needs for capacity planned around both coal and nuclear power. The addition will also be

used for capital improvements to keep TVA's coal-fired units in service and to provide environmental control systems to assure that their continued use is environmentally sound.

I intend to use the committee hearing process to explore the plans and analysis of demand that the current board of directors have undertaken in justification of this request. While the continued economic growth of the Valley must be assured, it must be planned so as to minimize the inflation of basic costs, such as, energy for cooking, lighting, and home heating. This additional authority must be used to enhance the efficiency of TVA, encourage conservation, and lead to the lowest practicable rates.

I ask unanimous consent that the transmittal letter accompanying the administration's bill and a brief explanation of the request be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., February 16, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to transmit to Congress proposed legislation to amend the Tennessee Valley Atuhority Act of 1933 by raising the ceiling on TVA's authority to issue revenue bonds to finance its electric power program.

In 1959 Congress amended the TVA Act by adding Section 15d, which authorized TVA to borrow up to $750 million and made the TVA power program financially self-supporting. Power program costs, capital and operating, are now paid for from power system revenues and borrowings secured solely by those revenues. Bonds issued under Section 15d are not financial obligations of or guaranteed by the United States.

Since 1959 the dollar ceiling on TVA's bond authority has been increased roughly once every five years—to $1.75 billion in 1966, to $5 billion in 1970, and to $15 billion in 1975. These increases were necessary to keep pace with the demand for more electric power generation in the Tennessee Valley region and the rising cost of new generating plants. The increase to $30 billion in the proposed legislation would maintain that 5-year historical pattern of funding.

The proposed legislation would amend Section 15d of the TVA Act to increase the ceiling on TVA's indebtedness from $15 to $30 billion. This increase is necessary to fully fund TVA's existing construction program of generating units which include the Sequoyah, Watts Bar, Bellefonte, Hartsville, Phipps Bend, and Yellow Creek Nuclear Plants; the obligations incurred for cost-effective investment in conservation facilities to reduce the need for additional generating facilities, transmission facilities, nuclear fuel investments, pollution control equipment; and other additions and improvements to the TVA power system. It would also provide the necessary resources to make fully funded commitments through 1985 for an additional 7,200 megawatts of generating facilities now anticipated to be needed to meet the electric energy requirements of the Tennessee Valley through 1995.

TVA has recently completed its forecasts of electric energy needs for the Valley to the year 2000, based on anticipated growth in the economy and an increasing emphasis on energy conservation. We have also estimated the cost of investments necessary to meet these loads in the face of continuing inflation. Obviously there is a fair amount of uncertainty with respect to future rates of growth and our estimates, therefore, reflect a range of differing assumptions. The $15 billion will provide TVA with the borrowing authority to meet its utility responsibility to the electric energy consumers in the power service area on the basis of healthy economic growth modified by aggressive conservation measures. TVA is simply seeking the authority to meet the projected increased demands for electric energy as such demands materialize. TVA will use the new authority only as carefully determined estimates of load growth justify such investments.

The importance of this amendment cannot be underestimated. Without this authority TVA cannot discharge its utility responsibility, and economic progress in the 7-state Tennessee Valley region would be seriously impeded. The ability of TVA to raise sufficient capital for its self-supporting and self-financing electric power system is the principal factor in the economic and social well-being of this region.

TVA can meet the growing demands for electric power only if it has the authority to finance expansion to meet those demands. The homeowners and businesses dependent on TVA for power are entitled to build homes and expand their industrial plants with confidence that electricity will be available. The same is true for homeowners and businesses in other areas of the country who, in power emergencies, are often directly affected by the power supply situation on the TVA system with which their own systems are interconnected.

I, therefore, respectfully urge Congress to give favorable consideration to this proposed legislation.

The Office of Management and Budget advises that as herein described it has no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

S. DAVID FREEMAN,
Chairman.

INCREASE IN TVA'S AUTHORITY TO BORROW

BACKGROUND

Since 1959 under the self-financing authority of the TVA Act, the Public Works Committees and the Congress have increased the dollar ceilings on TVA's borrowing roughly once every five years—to $1.75 billion in 1966, to $5 billion in 1970, and to $15 billion in 1975. The president's budget proposes legislation authorizing an increase in TVA's authority to borrow from $15 billion to $30 billion. The increase will require the amendment of Section 15d(a) of the TVA Act. The increase is needed to cover the cost of the generating plants currently under construction and to finance the construction of additional power system facilities that will need to be started over the next five years. Failure to obtain a borrowing authority increase would result in the deferral of decisions to start construction on new generating facilities and in fiscal year 1981 the curtailment of construction activities on plants now underway.

RELATIONSHIP OF TVA BORROWING AUTHORITY TO BUDGET AUTHORITY

TVA power program borrowings and outlays do not affect the Federal budget in the usual sense. The obligations represented by TVA bond issues do not result in the outlay of any government funds, and TVA borrowings are not guaranteed or in any way secured by the Federal Government. Interest and bond principal must be paid out of the proceeds of the power program.

TVA Act Section 15d(b) states:

"Bonds issued by the Corporation hereunder shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by the United States. Proceeds realized by the Corporation from issuance of such bonds and from power operations and the expenditures of such proceeds shall not be subject to apportionment under the provisions of Revised Statutes 3679, as amended (31 U.S.C. 665)."

Although TVA's borrowing authority is not budget authority in the conventional sense, such authority effectively serves as "no year budget authority" for the power program. New authority is entered in the *Budget of the United States* as a lump sum in the year it is enacted and is diminished over time as obligations are made against this authority.

As TVA makes contractual commitments for the construction of new plants and facilities and other capital investments, obligations, net of reinvested earnings, are made against the authority to borrow balance as if it were conventional budget authority. Proceeds from borrowing and the sale of electricity cover disbursements as contractual commitments are liquidated. Because of the long-term nature of many of these commitments a significant lag in the timing of the initial obligation and ultimate disbursement occurs. For example, at the end of fiscal year 1980 the cumulative impact of the capital investment program on the borrowing authority balance (obligations against borrowing authority) is estimated to be $14.139 billion while outstanding borrowings will be about $10.775 billion. The unobligated balance or remaining "budget authority" will be $0.861 billion. *This unobligated balance will be exhausted in 1981, making it necessary to increase the borrowing limitation before that time.*

Outlays as reported in the budget approximate borrowings and do not flow immediately or automatically from the issuance of new borrowing authority. Because of the self-financing nature of the TVA power program, such outlays do not contribute to the deficit of the United States.

RATIONALE FOR THE BORROWING AUTHORITY INCREASE

The additional $15 billion increase will finance the completion of the existing construction program of generating units; obligations incurred to carry out TVA's conservation programs, transmission facilities, nuclear fuel investments, pollution control equipment; and other additions and improvements to the TVA power system. It will also provide the financing needed for new generating plants that may be started between now and 1985.

The need for generating facilities beyond those now existing or under construction was determined by comparing the projected energy requirements of the region to the energy which can be produced by these facilities. Even with the anticipated effectiveness of TVA's conservation efforts in reducing peak demands including contemplated rate and load management actions, additional capacity will be required to meet system generating requirements in the early 1990's. The projected requirements are based upon a study of an array of load growth forecasts and alternative means of meeting load requirement. The $15 billion increase requirement is based on relatively conservative assumptions that provide a degree of flexibility for the power program.

Based on these assumptions Exhibit 1 shows how the current construction program might be augmented with additional generating facilities designed to meet the region's energy requirements through 1995. For cost estimating purposes, some 8,400 megawatts of conventional central station generating capacity has been assumed for installation by 1995.

The energy provided by these plants could, alternatively, be supplied by a variety of power supply technologies, including cogenerating or fluidized-bed combustion plants, where these options prove to be economical. The type of capacity would be determined late in the planning process. No retirement of existing facilities was considered in determining the need for new facilities even though 40 of TVA's 63 coal-fired units will have been in operation in excess of 40 years by 1995.●

By Mr. EAGLETON:

S. 437. A bill to delay the date certain child support requirements became effective in the case of certain States; to the Committee on Finance.

● Mr. EAGLETON. Mr. President, my colleagues will recall that in 1975 Congress enacted the Child Support Enforcement program (Public Law 93-647), which was primarily supported by Senators LONG, TALMADGE, and NUNN. The purpose of this program is to establish a cooperative mechanism for the State and Federal Government to enforce support obligation owed by absent parents to their children by locating absent parents, establishing paternity when necessary and obtaining child support. This, the sponsors told us, will result in savings to the taxpayers, because the Federal and State Governments would ultimately be required to pay out less in Aid to Dependent Children benefits.

At the time of the debate on this legislation, many so-called experts predicted that the program would be a failure. These experts suggested that one of the main reasons absentee fathers do not make their payments is because they are penniless, and that to try to collect from them would be like trying to squeeze blood from a rock.

The program is now 3½ years old and in those 3½ years, the record has shown us that the experts were wrong, and that Senators LONG, TALMADGE, and NUNN were right. Health, Education, and Welfare Secretary Califano has termed the program "a success," and projects that we will collect during the fourth quarter of fiscal year 1979 at a rate of over $2 billion a year. In fiscal year 1978 child support collections by State and local governments increased to $1,050 million at a cost to Government of about $300 million—in other words, more than $3 were recovered for every $1 spent. This is truly an outstanding program.

In my own State of Missouri, the child support enforcement program got off to a slow start, but now it is functioning with much success. I will return to our initial problems in a moment, but first I would like to tell my colleagues a little about the record of this program in Missouri thus far.

The program went into full operation in my State on July 1, 1977. There now are seven child support field offices in Missouri, and the statewide staff numbers 155 persons. Missouri has approximately 70,000 ADC families; we already have received more than 112,000 child support program assignments and referrals from ADC staff and after just four quarters of operation in Missouri the program has more than 86,000 open cases. Since the beginning of the program we have collected approximately $4.6 million in delinquent payments. Furthermore, after only four quarters of operation, for every $1 the State of Missouri spent on this program, we received approximately $2.67 in return. This remarkable record is bound to improve even more as the State gains in experience.

Missouri has a problem with this program, however. It is a historical problem which could end up costing my State about $5 million because we did not initiate the child support program until July 1977.

The story goes back to 1976. At that time, in his message to the State legislature in January of 1976, former Governor Bond described enactment of State enabling legislation for this program as one of his top priorities. Leaders of both the State house of representatives and the State senate echoed the Governor's sentiment on this, and it looked like the bill would win quick approval in Jefferson City. However, the bill ran afoul of parliamentary maneuvering. Two State senators—realizing that passage of the bill was crucial—decided to turn the child support legislation into a "Christmas tree bill," to use one of Senator RUSSELL LONG's favorite expressions. These two legislators encumbered the bill with so many nongermane amendments that the bill became unacceptable to the House-Senate conference. When the State house deleted the nongermane amendments and sent the bill back to the senate on the last day of the legislative session, the two State senators filibustered the bill to death.

Needless to say, our State division of family services officials were shocked by this unexpected turn of events. The division already had prepared the policy manual and the statewide staffing and organizational plan for the program, and all was ready for implementation in April of 1976. However, with the authorizing legislation dead, and with the legislature out of session until 1977, there was absolutely nothing the division could do to bring Missouri into compliance and actually get the program underway. Division officials could only spend the rest of 1976 laying ground work with prosecutors all across the State, so that the child support program could be fully implemented as soon as the necessary State legislation was enacted in the 1977 legislative session.

In January of 1977 the Legislature returned to Jefferson City and Gov. Joseph F. Teasdale repeated Governor Bond's call for speedy enactment of the child support enforcement program. Again, the leadership of each house of the general assembly included this legislation on its "must" list. This time, fortunately, agreement was reached with the two filibustering Senators of 1976, and the bill was enacted into law with an effective date of July 1, 1977.

Administrative machinery for the program had been ready to go for a year, and thus it took very little time for the Division of Family Services to get our Child Support Enforcement program operating at full speed. In fact, start up was so rapid and trouble free that by the end of the first quarter of operation, cooperative agreements had been signed with all 114 counties and the City of St. Louis. Missouri may have been late in getting this program off the ground, but once the wheels began to turn progress was very rapid. In fact, Missouri accomplished more during its first quarter of operation than some States have accomplished to this day.

The problem Missouri faces does not arise out of our operation of the program, but rather out of our delay in getting the program started. As my colleagues know, the Department of HEW must audit each State's Child Support Enforcement program for the period January 1977, through September 1977. If a State's program is found to have been deficient during this period, HEW is required to assess a 5-percent penalty against ADC Federal payments to the State. In Missouri's case such a penalty would amount to about $5 million. At this time the Federal officials have completed their audit of Missouri but have not issued their final report. However, since Missouri's enabling legislation did not allow our program to go into effect until July of 1977 it is unlikely that Missouri can successfully complete the audit.

Mr. President, the legislation I am introducing today is identical to legislation which passed the Senate last year as an amendment to H.R. 12232. Unfortunately, this legislation died because during the last minute rush in the 95th Congress a House-Senate conference committee failed to meet. Simply stated, my legislation would exempt Missouri from the requirement of a January 1977 through September 1977 audit. As I have explained today colleagues, Missouri now has in operation one of the best child support enforcement programs in the country, and I think this is the result Congress wanted when we passed the title 4(d) legislation.

In my judgment it would be unfair to penalize the people of my State for the actions of two State senators in 1976, and I think such an action would be inconsistent with the spirit of Federal/State cooperation which motivates this program.

Mr. President, since this legislation did pass the Senate during the 95th Congress, I am hopeful that the Senate Finance Committee and the Senate will see fit to act on my legislation expeditiously during the 96th Congress.●

By Mr. HELMS:

S. 438. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

THE RIGHT OF VOLUNTARY PRAYER IN PUBLIC SCHOOLS CAN BE RESTORED BY CONGRESS

● Mr. HELMS. Mr. President, earlier this morning as we joined in prayer, as we do each day the Senate is in session, the thought came to mind that while we begin our day's work by asking God's blessing on our efforts, the Supreme Court has effectively denied this right

and privilege to millions of schoolchildren across this Nation.

Mr. President, one would think that if the legislators of this country are entitled to ask for divine blessing upon their work, then so are schoolchildren. However, the Court has ruled to the contrary and in so doing has overturned more than 200 years of American custom. Indeed, the Supreme Court has ruled that schoolchildren may not read the prayer of the House or Senate Chaplain as printed in the CONGRESSIONAL RECORD as a beginning to their school day.

Mr. President, the interpretation of the first amendment used by the Supreme Court to strike down this practice of the American people, distorted the intent and language of the amendment. The Justices of the Court held that a voluntary prayer constituted a violation of the "establishment of religion" clause of the first amendment. The Court's interpretation of the first amendment indicated not only an animosity toward the effect of religion in the public life of our Nation, but also a misunderstanding of its historical role.

This week, the Senate once again assembled to listen to George Washington's Farewell Address. Washington brought the unique experiences of his service as first President of the United States, as commander of the continental forces during the War of Independence and as president of the convention which wrote and presented the Constitution to the States for ratification. He rejected the narrow opinion that religion must be excluded from the public life of the Nation. In his final counsel to the Nation, Washington warned that—

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.

Mr. President, Washington's view has, indeed, been the mainstream of the legal and social attitude of the American people and the drafters of the Constitution in regard to the religious rights preserved in the Bill of Rights. Prof. Edward Corwin, one of our most distinguished constitutional scholars, rejected any interpretation of the first amendment which would force upon Government institutions a formal agnosticism. Professor Corwin writes:

> The historical record shows beyond peradventure that the core idea of an "establishment of religion" comprises the idea of preference; and that any act of public authority favorable to religion in general cannot, without manifest falsification of history, be brought under the ban of that phrase.

THE SUPREME COURT DECISIONS

Nearly 200 years after the drafting of the Constitution, the Supreme Court for the first time ruled that prayer and Bible reading in public schools encouraged by the State constitutes an establishment of religion in violation of the first amendment. At the time of these decisions, 26 States permitted Bible reading in the public schools and 13 authorized the saying of the Lord's Prayer.

The first amendment provides that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." In *Engel* v. *Vitale*, 370 U.S. 421 (1962), the Court prohibited a requirement of the New York State Board of Regents that each class begin the school day with the following prayer:

> Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.

In *Abington School District* v. *Schempp*, 374 U.S. 203 (1963), the Court struck down a Pennsylvania statute requiring the reading of at least 10 verses from the Holy Bible without comment and the saying of the Lord's Prayer at the beginning of each school day. In a companion case, the Court invalidated a Maryland requirement concerning the reading of a chapter of the Holy Bible and/or saying the Lord's Prayer.

In each case, the Court ruled that voluntary school programs including Bible reading or prayer violate the establishment clause of the first amendment. In Engel, Justice Black wrote:

> The constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government. (370 U.S. at 425)

In Schempp, Justice Clark concluded that the Bible reading programs:

> Are religious exercises, required by the States in violation of the command of the First Amendment that the Government maintain strict neutrality, neither aiding nor opposing religion. (374 U.S. 203)

In both rulings the Court went beyond the language of the establishment clause to construct an interpretation of it which would overturn the longstanding State practices. In Engel, Justice Black asserted:

> Its first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion . . . The Establishment Clause thus stands as an expression of principle on the part of the Founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate. (370 U.S. 431–32)

Justice Clark argued in Schempp that the Court had previously "rejected unequivocally the contention that the establishment clause forbids only governmental preference of one religion over another." (374 U.S. 216) He maintained that the establishment clause must be considered together with the free exercise clause, and that they impose on Government a "wholesome neutrality" toward religion. In Justice Clark's view, the first amendment prohibits Government from any action favoring one religious sect over all others, or religion in general over nonreligion.

Justice Clark formulated a new standard by which to measure legislative action regarding the first amendment:

> The test may be stated as follows: what are the purpose and the primary effect of the enactment? If either is the advancement or inhibition or religion the enactment exceeds the scope of legislative power as circumscribed by the Constitution. That is to say that to withstand the structures of the Establishment Clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion. (374 U.S. at 222)

The Court maintained that even though the prayer and Bible reading activities were voluntary, this did not prevent them from violating the establishment clause. In Engel, the Court held that—

> The Establishment Clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion whether those laws operate directly to coerce nonobserving individuals or not. (370 U.S. 421)

COURT'S INTERPRETATION—SHEER INVENTION

Thus the Supreme Court reached a position which earlier the highest court of New York State had concluded "is so contrary to history as to be impossible of acceptance." Constitutional scholars also took issue with the Court's new interpretation. For example, Prof. Charles Rice of Notre Dame Law School found that the Court interpreted "the establishment clause in abstract and oversimplified terms, doing violence thereby to the history and informed logic of the first amendment" and Erwin Griswold, dean of Harvard University Law School, viewed the Court's holding as "sheer invention."

The Court reached its holdings in Engel and Schempp by way of a myopic and narrow view of the history of the Constitution. Only by a thorough distortion of the work of the authors of the Constitution is it possible to arrive at the sweeping condemnation of America's spiritual heritage presented in the Court's opinions.

Professor Rice, writing in the South Carolina Law Review, explains:

> It has been incorrectly asserted, by the Supreme Court and others, that the establishment clause ordained a government abstention from all matters of religion, a neutrality between those who believe in God and those who do not. An examination of the history of the Clause, however, will not sustain that analysis. Its end was neutrality, but only of a sort. It commanded impartiality on the part of government as among the various sects of theistic religions, that is, religions that profess a belief in God. But as between theistic religions and those nontheistic creeds that do not acknowledge God, the precept of neutrality under the establishment did not obtain. Government, under the establishment clause, could generate an affirmative atmosphere of hospitality toward theistic religion, so long as no substantial partiality was shown toward any particular theistic sect or combination of sects.

Justice Joseph Story, who served on the Supreme Court from 1811 to 1845 and who was a contemporary of the framers of the Constitution, maintained that at the time of the drafting of the first amendment:

> The general if not the universal sentiment in America was, that Christianity ought to receive encouragement from the state so far as was not incompatible with the private rights of conscience and the freedom of religious worship. An attempt to level all religions and to make it a matter of state policy to hold all in utter indifference, would

> have created universal disapprobation, if not universal indignation.

COURT IGNORED HISTORY

The first amendment provides that Congress shall make no law respecting an establishment of religion. Those assembled at the Constitutional Convention did not arbitrarily choose the phrase "an establishment of religion." There was much history behind the term. Not only did England and Scotland have an established church, but five of the States which later adopted the first amendment had established churches as well.

In the Engel and Schempp opinions, the Court ruled that the phrase "establishment of religion" really meant not just the creation of a national church, but any Government action dealing or touching religion. To cite Justice Clark's new test outlined in Schempp, the "primary effect" of any governmental act must not "advance religion."

Yet, it is just this view of what the first amendment should provide that the authors of the amendment specifically rejected. During the Constitutional Convention the delegation from New Hampshire proposed that the first amendment should read:

> Congress shall make no laws touching religion . . .

Needless to say, that language was rejected.

An elementary rule of statutory construction provides that when a legislative assembly rejects language which has a broad application and substitutes in lieu of it language with a specific, narrow application, that the legislative intent is to exclude the broad application. Had the proposal that Congress make no law "touching religion" been accepted, it would undoubtedly have prevented Congress from doing much more than establishing a national religion. If applied to the States, it undoubtedly would have prohibited the type of prayer at issue in the Engel and Schempp cases. However, it is equally clear that this broad language was rejected and that Congress viewed the official encouragement of voluntary prayer, even on the national level, as to be contrary to the first amendment's establishment provision.

On September 24, 1789, the first Congress passed a resolution requesting that the President "recommend to the people of the United States a day of public thanksgiving and prayer, to be observed by acknowledging, with grateful hearts, the many signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a constitution of government for their safety and happiness." Congress passed this resolution calling for a national day of prayer on the same day on which it adopted the first amendment to the Constitution. Nine days later President Washington issued the Thanksgiving proclamation. Could any action more clearly indicate the intent of the authors of the first amendment regarding its establishment clause and Government-encouraged public prayer? The framers of the Bill of Rights clearly rejected the doctrine imposed upon the Nation in their name nearly 200 years later when the Supreme Court demanded that "in the relationship between man and religion, the State is firmly committed to a position of neutrality."

A threshold issue presented in the Engel and Schempp cases was whether the establishment clause of the first amendment could be applied to the action of State governments through the 14th amendment. The Court rejected an historical analysis of the meaning of the 14th amendment and relied on unsupported assertions. Wrote Justice Clark:

> First, this Court has decisively settled (that the establishment clause) has been made wholly applicable to the States by the Fourteenth Amendment.

For proof, he cited an opinion of Justice Roberts in Cantwell against Connecticut. The difficulty here is that the Cantwell case does not deal with the establishment clause and, therefore, does not settle anything at all. Thus the fundamental issue before the Court was disposed of by hypothesis.

Here again, an open historical inquiry would lead to a result far different than that of the Court's. The framers of the 14th amendment themselves did not intend nor did they believe that the amendment would prohibit the States from encouraging prayer in public schools. How else can one understand the serious attempt by some in Congress only 7 years after the ratification of the 14th amendment to amend the Constitution once again to prohibit the State establishment of religion? If the 14th amendment was intended to do this, why would those who had just adopted it propose to do it again?

The answer is that the 14th amendment did not apply the establishment clause of the first amendment to the States. Only a distortion of both amendments and their history permit such an application.

In part, the 14th amendment provides that no State "shall deprive any person of life, liberty, or property, without due process of law." Before its decisions in the Engel and Schempp cases, the Court had applied other aspects of the Bill of Rights to the States through the 14th amendment by asserting that the word "liberty" as used in the amendment included all the liberties included in the Bill of Rights. Hence the liberties annunciated in the Bill of Rights could be protected from encroachment by the States.

But as Prof. Edward Corwin has explained, the establishment clause is not like the liberties outlined in the first nine amendments such as the right to bear arms. Rather it is like the 10th amendment which distinguishes the proper constitutional powers of the national and State governments under our Federal system.

The framers of the first amendment rejected the proposal by the delegations of Virginia and North Carolina that "no particular religious sect or society ought to be favored or established, by law, in preference to others," because this language would have allowed Congress to disestablish the established churches of five States. The Congress then rejected Madison's proposal that the first amendment not apply to Congress at all, but that it prohibit only the States from violating "the equal rights of conscience."

The authors of the first amendment sought to protect religious liberty by providing that "Congress shall make no law * * *prohibiting the free exercise" of religion. However, regarding the purpose of the establishment clause, the legislative history is clear that the framers sought to prohibit Congress from establishing a national church or interfering with the individual State's policy regarding religion. As Justice Story later wrote:

> The whole power over the subject of religion is left (by the amendment) exclusively to the State governments to be acted upon according to their own sense of Justice and the State constitutions.

The authors of the first amendment sought a division of power in which the States would retain their ability to establish or disestablish a religion, while Congress had no power in this area. There simply is no liberty contained in the establishment clause to be "incorporated" through the 14th amendment and applied to the States. To interpret both amendments in such a way as to construe such an application would amount to prohibiting a State from establishing a national religion or from interfering with its own arrangements regarding religion.

CONGRESS CAN RESTORE THE RIGHT TO SCHOOL PRAYER

Mr. President, Congress need not yield to any Justice of the Supreme Court in its respect for the words of the first amendment or for the principles or history behind them. Neither must Congress yield its responsibility under the Constitution to insure that the freedoms protected by the first amendment are not undermined by actions of other institutions. There is no more pressing duty facing Congress than to restore the true spirit of the first amendment.

In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave Congress the authority, by a simple majority of both Houses, to check the Supreme Court by means of regulation of its appellate jurisdiction. Section 2 of article III states in clear and unequivocal language that the appellate jurisdiction of the Court is subject to "such exceptions, and under such regulations as the Congress shall make."

Today, I am introducing legislation to implement the prerogative of Congress. It states simply that the Federal courts and the Supreme Court shall not have jurisdiction to enter any judgment, decree, or order denying or restricting, as unconstitutional, voluntary prayer in any public school. Implicit in this bill is the understanding that the American citizen will have recourse to a judicial settlement of his rights, but this settlement will be made in the State courts of this Nation and not in the Federal courts. This is where our religious freedoms were always safeguarded for 173 years until they were nationalized by the Supreme Court.

The limited and specific objective of this bill, then, is to restore to the American people the fundamental right of vol-

untary prayer in the public schools. I stress the word voluntary. No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the bill recognizes this important freedom. At the same time, the bill seeks to promote the free exercise by allowing those who wish to recite prayers—and they are the vast majority of our citizens—to do so, with or without the blessings of the Government.

I think the conclusion is inescapable that in the Engel decision the Supreme Court in effect gave preference to the dissenters and at the same time violated the establishment clause of the first amendment by establishing a religion—the religion of secularism.

Public school children are a captive audience. They are compelled to attend school. Their right to the free exercise of religion should not be suspended while they are in attendance. The language of the first amendment assumes that this basic freedom should be in force at all times and in all places.

Mr. President, I ask unanimous consent that my legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this chapter, the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 2. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 3. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.●

By Mr. RIEGLE:

S. 439. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

ANTOINETTE SLOVIK

● Mr. RIEGLE. Mr. President, today I am introducing a bill to correct an egregious wrong that happened 34 years ago last month. Many of us are familiar with the story of Pvt. Eddie Slovik, the only man executed by the United States for desertion since the Civil War. Over 20,000 desertions occurred in the European theater in World War II, some of these resulted in general courts-martial and convictions, 49 were sentenced to death, but only one was shot: Eddie Slovik.

His widow is still alive, though her physical condition and spiritual strength appear to be waning. Recently, Mrs. Slovik was admitted to a hospital suffering from a multitude of ailments; not the least being frustration and defeat.

Mrs. Slovik has been living as a virtual pauper for all these years, and has been fostering the hope that some relief would be forthcoming from the Government. She has filed appeals and taken the required bureaucratic steps to obtain the life insurance benefits from a Government policy in her husband's name. None of these efforts has been successful.

The circumstances surrounding the desertion, trial and execution of Eddie Slovik are by no means clear. His Army counsel has suggested that Eddie Slovik's due process was denied. These questions may never be resolved, but one fact remains; a lonely woman has suffered for many years and has but one remaining hope.

The legislation that I introduce would mandate the payment of those life insurance benefits with accrued interest to Mrs. Slovik. Congressman RANGEL has introduced a similar measure in the House and, last year, President Carter indicated his support for such measures. I believe that compassion and justice should guide using the consideration of this legislation. This is a chance to alleviate some of the suffering and indignity that Mrs. Slovik has undergone, and I urge the adoption of this bill.●

By Mr. RIEGLE (for himself, Mr. WILLIAMS, and Mr. HATCH):

S. 440. A bill to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; to the Committee on Human Resources.

COMPREHENSIVE ALCOHOL, ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AMENDMENTS OF 1979

● Mr. RIEGLE. Mr. President, today I am introducing, together with Mr. WILLIAMS and Mr. HATCH, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979. This bill, which renews and revises the authorizations for the National Institute of Alcohol Abuse and Alcoholism, will be the subject of hearings by the Subcommittee on Alcoholism and Drug Abuse of the Committee on Human Resources on the 22d and 26th of this month.

I am particularly pleased that this bill represents a bipartisan effort supported by Senators from both sides of the aisle who are known for their commitment to the prevention and treatment of alcoholism. I am honored to be jointed in introducing this bill by Mr. WILLIAMS, the chairman of the Human Resources Committee, whose longstanding interest and activities in this field are reflected in his membership on the Alcoholism and Drug Abuse Subcommittee and by Mr. HATCH, ranking minority member of the subcommittee noted for his concern for the problems faced by families dealing with alcoholism. I look forward to working with all the members of the subcommittee, the full Human Resources Committee, and other interested Members of the Senate through the hearing and markup process.

Mr. President, as the new chairman of the Subcommittee on Alcoholism and Drug Abuse, I feel very strongly that we are at a crucial point in terms of Federal involvement in the prevention and treatment of alcoholism and alcohol abuse. The Federal Government has been actively concerned with alcohol abuse for less than a decade. During this period, we have begun to coordinate Government efforts on Federal, State, and local levels in the treatment of this devastating disease. We have initiated research into the causes and effects of alcoholism. We have focused attention on the magnitude of alcohol abuse in this country—estimated at a cost to the Nation of more than $42.75 billion in 1975—and we have begun to sensitize more and more health care providers, employers, and citizens across the country to the very great need for understanding, assistance, and respect for individuals and families stricken with alcoholism.

Yet, despite these promising beginnings, the Federal role in the battle against alcoholism and alcohol abuse has not been firmly established. This year, for example, we confront suggestions that Federal assistance to States for dealing with alcoholism and alcohol abuse be diminished and diluted. Such a move could be disastrous for the more than 10 million Americans directly affected by alcoholism, as well as for many of the 40 million others indirectly affected.

Mr. President, like the other Members of this body, I am determined to work diligently for more efficient, cost-effective Government programs. In the area of alcoholism, such programs can be encouraged. Studies evaluating federally funded alcoholism service programs have generally found benefits outweighing costs by factors ranging from 2 to 1 to 5 to 1. I might add that many of these benefits accrue directly to the Federal Government in the form of reduced health and social service expenditures. Accordingly I believe it is essential to expand and improve the accountability of Federal grants to States and to individual projects in order to reduce the tremendous losses our economy suffers due to alcohol abuse.

The amendments I am introducing today to the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 are also designed to shift Federal

emphasis on programs that will help prevent the spread of this disease. Prevention and education programs are emphasized throughout the bill, including a provision requiring that at least 8 percent of funds appropriated for projects grants and contracts be awarded to prevention projects. In addition, research efforts that may result in improved and increased ability to prevent alcoholism are expanded.

The bill also focuses Federal efforts on the needs of members of groups at risk of alcoholism, including youth, women, the aged, and families of alcoholics. Furthermore, it directs NIAAA to develop model occupational programs for prevention and treatment of alcohol abuse that can be adapted for use on a cost-effective basis in different types of business and governmental entities, including small businesses. These model programs will be able to enlist both employers and employee associations in projects that hold tremendous potential for assisting alcoholic workers and their families.

Other new initiatives include a restructuring of the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism into a policy-level Interdepartmental Committee with White House participation; expansion of the prohibition on discrimination against alcoholics in health care to include other Federal social services; and expanded authority for NIAAA to offer tehnical assistance to States for coordinating data collection, program management, and similar activities between alcohol and drug abuse programs.

Finally, the bill includes a proposal for a new program of small Federal grants to States willing to conduct demonstration projects or implement, through their insurance regulatory process, procedures designed to bring treatment of alcoholism within the mainstream of public and private health insurance systems. This new program, which utilizes the funding authorization already in place for project grants and contracts, would build on existing trends toward financing alcoholism treatment through third-party health financing systems, which should be the ultimate goal for providing adequate care to all alcoholics and alcohol abusers.

I would like to point out, Mr. President, that the bill as introduced does not set specific authorization levels. These levels will be added by the subcommittee following our hearings, during which I anticipate that the administration and witnesses involved in all aspects of the alcoholism field will present their funding recommendations.

Mr. President, I ask that the section-by-section analysis and text of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE—REFERENCE TO ACT

SECTION. 1. (a) This Act may be cited as the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a Section or other provision, the reference shall be considered to be made to a section or other provision of the Comprehensive Alcohol Abuse and Alcoholism Prevention, and Rehabilitation Act of 1970.

SEC. 2. (a) Section 2 (a) is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8) and amending it to read as follows:

"(8) alcoholism is an illness requiring treatment and rehabilitation through the assistance of a broad range of community health and social services and with the cooperation of law enforcement agencies, employers, employee associations, and associations of concerned individuals."; and

(3) by inserting after paragraph (6) the following paragraph:

"(7) alcohol abuse and alcoholism, together with abuse of other legal and illegal drugs, present a need for preventing and informational programs designed to reach the general population and members of particularly vulnerable groups such as youth and families of alcohol abusers and alcoholics; and".

(b) Section 2 (b) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) the development and encouragement of prevention programs designed to combat the spread of alcoholism, alcohol abuse, and abuse of other legal and illegal drugs;

"(4) the development and encouragement of effective occupational prevention and treatment programs within government and in cooperation with the private sector; and".

SEC. 3. (a) Section 101 (b) is amended by inserting "after consultation with the Executive Director of the Domestic Council" after "Secretary".

(b) Section 101 (c) is amended by adding at the end thereof the following new sentence: "The Director, if authorized by the National Advisory Council on Alcohol Abuse and Alcoholism, may obtain (in accordance with section 3109 of title 5 of the United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than 100 experts or consultants who have scientific or professional qualifications."

SEC. 4. Section 102 is amended—

(1) by inserting "and" after the semicolon at the end of paragraph (3);

(2) by striking "; and" after paragraph (4) and substitute a period; and

(3) by striking out all that follows the "." inserted by the preceding paragraph. Paragraph (5) and all that matter following such paragraph.

SEC. 5 (a) Section 103 (a) is amended to read as follows:

"(a) The President shall establish an Interdepartmental Committee on Federal Activities for Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Committee'). The Committee shall (1) evaluate the adequacy and technical soundness of all Federal programs and activities which relate to alcoholism and alcohol abuse and provide for the communication and exchange of information necessary to increase and maintain the coordination and effectiveness of such programs and activities, (2) seek to coordinate efforts undertaken to deal with alcohol abuse and alcoholism in carrying out Federal health, welfare, rehabilitation, highway safety, law enforcement, and economic opportunity laws, and (3) monitor, in cooperation with the Institute, the establishment and operation of occupational alcoholism and alcohol abuse prevention and treatment programs among Federal contractors.".

(b) Section 103 (b) is amended to read as follows:

"(b) The Secretary, acting through the Director of the National Institute on Alcohol Abuse and Alcoholism (hereinafter referred to as the 'Director'), shall serve as Chairman of the Committee, the membership of which shall include (1) representation with policy level authority and appropriate scientific, medical, or technical expertise from the Department of Transportation, the Department of Justice, the Department of Defense, the Department of Treasury, the Veterans' Administration, and such other Federal departments, agencies, and offices as the President determines administer programs directly affecting alcoholism and alcohol abuse, and (2) five individuals from the general public appointed by the President from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Executive Director of the Domestic Council shall serve as an ex officio member. The Committee shall meet at the call of the Chairman, but not less often than four times a year.".

(c) Section 103 (e) is amended by striking out "Secretary" and substituting "President, acting through the Secretary or otherwise,".

(d) Section 103 is further amended by adding at the end thereof the following new subsection:

"(f) The President shall submit to the Congress every two years, at the end of said calendar year, beginning with the first submission no later than the end of calendar year 1980, a report on the extent to which Federal programs and departments are concerned and dealing effectively with the problems of alcohol abuse and alcoholism, and on the prevalence of occupational alcoholism and alcohol abuse prevention and treatment programs among Federal contractors. Such report shall be prepared by the Committee and under the general supervision of the Chairman.

(e) The Interagency Committee on Federal activities for Alcohol Abuse and Alcoholism is hereby dissolved.

SEC. 6. Such Act is amended by inserting following section 103 the following new section:

"INTRADEPARTMENTAL COMMITTEE

"SEC. 104. The Secretary shall establish an Intradepartmental Committee on Departmental Activities on Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Intradepartmental Committee'). The Intradepartmental Committee shall (1) evaluate the adequacy and technical soundness of all Departmental policies, programs, and activities which relate to alcoholism and alcohol abuse and provide for the coordination and exchange of information necessary to increase and maintain the coordination and effectiveness of such policies, programs, and activities, and (2) seek to coordinate efforts undertaken to deal with alcoholism and alcohol abuse in carrying out the provisions of law administered by the Department. The Director, acting on behalf of the Secretary, shall serve as Chairman of the Intradepartmental Committee, the membership of which shall include representation with policy level authority and appropriate scientific, medical, and technical expertise from the Office of Civil Rights, Office of the General Counsel, Office of Assistant Secretary for Management and Budget, Office of Assistant Secretary for Personnel Administration, Office of Assistant Secretary for Planning and Evaluation, Office of Human Development, Office of Education, Health Care Financing Administration, Social Security Administration, Public Health

Service and its appropriate component agencies, and such other offices as the Secretary determines administer responsibilities directly affecting the Department's response to alcoholism and alcohol abuse problems. The Intradepartmental Committee shall meet at the call of the Chairman, but not less often than four times a year. The Secretary, acting through the Director or otherwise, shall make available to the Intradepartmental Committee such staff, information, and other assistance as it may require to carry out its activities effectively.".

SEC. 7. (a) Section 201 (a) is amended—

(1) by striking out "Civil Service Commission" and substituting "Office of Personnel Management";

(2) by inserting "and in accordance with the provisions of subpart F of part III of title 5, United States Code, as amended by the Civil Service Reform Act of 1978" following "other Federal agencies and departments"; and

(3) by inserting "and their families" after "Federal civilian employees".

(b) Section 201 (b) is amended to read as follows:

"(b) (1) The Secretary, acting through the Institute, shall be responsible for fostering and encouraging similar alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs and services in State and local governments and in private industry.

"(2) Consistent with such responsibility, the Secretary, acting through the Institute, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities, taking into account the number of employees, geographical location, proximity to other concerns and entities, and availability of existing services from public agencies and private organizations. With respect to small business concerns, the Secretary, acting through the Institute, shall consult with the Small Business Administrator in the development of model programs affecting such concerns.

"(3) With respect to business concerns and governmental entities which employ individuals represented by labor organizations, such model programs shall be designed to operate through the collective bargaining process.

"(4) The Secretary, acting through the Institute, shall disseminate information and materials relative to such model programs to single State agencies designated pursuant to section 303 of this Act, and shall provide technical assistance to such agencies as requested.".

SEC. 8. Section 301 is amended—

(1) by striking out "and" following "September 30, 1978,"; and

(2) by inserting "and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982," after "September 30, 1979,".

SEC. 9. Section 302 of such Act is amended by adding at the end thereof the following new subsection:

"(e) On the request of any State, the Secretary shall make available technical assistance for the purposes of developing and improving systems for data collection; program management, accountability, and evaluation; certification, accreditation, or licensure of treatment facilities and personnel; monitoring compliance to Federal requirements of hospitals and other facilities; and implementing the provisions of the Uniform Alcoholism and Intoxification Treatment Act through model education and training packages for personnel at State and community levels. Insofar as practicable, such technical assistance shall be provided in such a manner as to improve coordination between activities funded under this Act and under the Drug Abuse Office and Treatment Act of 1972, as amended. The fair market value of such technical assistance shall be deducted from such State's allotment under section 302 of this Act and from such State's allotment under section 1176 of title 21, United States Code, in such apportionment as the Secretary may prescribe. The amount by which such State's payment under section 301 of this Act is reduced pursuant to this subsection shall be available for payment of the costs of providing such technical assistance, but shall for purposes of determining the allotment under section 302 (a), be deemed to have been paid to the State.".

SEC. 10. (a) Section 203 (a) is amended—

(1) by inserting "women, youth, families of alcoholics and alcohol abusers," after "minority and poverty groups," in paragraph (3);

(2) by inserting after subparagraph (4) (B) the following new subparagraph:

"(C) provide assurances satisfactory to the Secretary that, insofar as practicable, the survey conducted pursuant to subparagraph (A) is coordinated with and not duplicative of the drug abuse and dependence survey conducted pursuant to section 1176 of title 21, United States Code;";

(3) by inserting ", with State and local drug abuse planning agencies," after "alcoholism and alcohol abuse planning agencies," after "alcoholism and alcohol abuse planning agencies" in paragraph (12);

(4) by striking out "and" at the end of paragraph (15);

(5) by redesignating paragraph (16) as paragraph (17); and

(6) by inserting following paragraph (15) the following new paragraph:

"(16) provide assurance that the State agency—

"(A) will foster and encourage the development of alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs and services in State and local governments and in private businesses and industry;

"(B) will make available to all business concerns and governmental entities within such State information and materials concerning such model programs suitable for replication on a cost-effective basis as are developed pursuant to section 201 (b) of this Act; and

"(C) will furnish technical assistance as requested to such business concerns and governmental entities; and".

(b) Section 303 (b) is amended by inserting at the end thereof the following new sentence "To the extent feasible, the Secretary shall assist States in coordinating data collection required by this Act with that required by section 1176 of title 21, United States Code.".

(c) Section 303 (c) of such Act is amended by inserting "and an evaluation of the extent to which other State programs and political subdivisions throughout the State are concerned and dealing effectively with the problems related to alcohol abuse and alcoholism" after "implementation of its State plan".

SEC. 11. Section 310 (a) is amended by striking out "1979" and inserting in lieu thereof "1982".

SEC. 12. (a) Section 311 (a) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as (2), (3), (4), and (5), respectively;

(2) by inserting before the newly designated paragraph (2) the following new paragraph:

"(1) to conduct demonstration and evaluation projects, with a high priority on prevention and early intervention projects in occupational and educational settings and on modified community living and work-care arrangements such as halfway houses, recovery homes, and supervised home care,";

(3) by striking out "conduct demonstration and evaluation projects, including projects designed to develop" and substituting "support projects of a demonstrable value in developing" in the newly designated paragraph (2); and

(4) by inserting after "and alcohol abusers, families of alcoholics and alcohol abusers" after "female alcoholics" in the newly designated paragraph (3).

(b) Section 311(b) is amended by inserting "(in the case of prevention and treatment services)" preceding "to insure care of good quality".

(c) Section 311(c)(4) is amended to read as follows:

"(4) The Secretary shall give special consideration to applications under this section for programs and projects for prevention and treatment of alcohol abuse and alcoholism and their consequences among women and youth.".

SEC. 14. (a) Section 312 is amended—

(1) by striking out "and" following "September 30, 1979,"; and

(2) by inserting "and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982, not less than 8 percent of which shall be devoted to programs intended wholly or in part to prevent the occurrence, recurrence, or spread of alcoholism or alcohol abuse," after "September 30, 1979".

SEC. 14. (a) Section 312 is amended—

(1) by redesignating such section as section 313;

(2) by striking out "sections 310 and 311" and inserting in place thereof, "sections 310, 311, and 312";

(3) by striking out "and" following "September 30, 1979,"; and

(4) by inserting "and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982, not less than 8 percent of which shall be devoted to programs intended wholly or in part to prevent the occurrence, recurrence, or spread of alcoholism or alcohol abuse.".

(b) Such Act is further amended by inserting the following new section following section 311:

"SEC. 312. (a) To assist States which are taking steps through their insurance regulatory systems to treat alcoholism and alcohol abuse equivalently with other chronic health conditions, the Secretary, acting through the Institute, shall, during the period beginning October 1, 1979, and ending September 30, 1982, make grants to such States for demonstration and implementation of programs designed to achieve such equivalence. A grant under this section to any State may be made for such costs (as determined in accordance with regulations promulgated by the Secretary) as may be incurred by such State, political subdivisions thereof, medical facilities, or public or private organizations involved in such demonstration or implementation.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve an application of a State unless he determines the following:

"(1) The State, through its insurance regulatory system, is committed to eventual coverage of alcoholism and alcohol abuse equivalently with other chronic health conditions under all comprehensive public and private health insurance systems operating within the State.

"(2) Each public or private health insurance plan provided by the State or any political subdivision thereof to its own employees has set forth a plan for coverage of alcoholism and alcohol abuse equivalently with other chronic health conditions.

"(3) The State proposes to conduct a demonstration project or to implement a requirement through its insurance regulatory process that will constitute significant progress towards its goal of coverage of alcoholism and alcohol abuse equivalently with other chronic health conditions.

"(c) The amount of any grant under this section to any State for any fiscal year may not exceed the sum of $150,000 and an amount equal to 20 percent of the allotment of such State for such fiscal year under section 302 of this Act. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary."

SEC. 15. Such Act is further amended by inserting after section 321 the following new section:

"SEC. 322. (a) Alcoholic abusers and alcoholics who are suffering from personal, emotional, or social conditions shall not be discriminated against in admission or care, solely because of their alcohol abuse or alcoholism, by any private or public social service, mental health, intermediate care, rehabilitation, or other service-related facility which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b) The Secretary shall issue regulations not later than 12 months after the enactment of this section for the enforcement of the policy of subsection (a) with respect to the admission and care of alcohol abusers and alcoholics in facilities covered by this section. Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a facility which receives support of any kind from any program administered by the Secretary and subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all on part of any support of any kind received by such facility from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which a facility covered by subsection (a) receives support of any kind, with respect to the suspension or revocation of Federal support for such facility found to violate such subsection.".

SEC. 16. (a) Section 217(a) of the Public Health Service Act is amended, in the fourth sentence thereof, by inserting "Appointed members may serve after the expiration of their terms until their successors have taken office." at the end of clause (3).

(b) Section 217(d) of the Public Health Service Act is amended by inserting "and to evaluate the results of such projects or programs," preceding "and (2) to collect information".

SEC. 17. (a) Section 501(a)(1) is amended to read as follows:

"(1) the social, behavioral, and biomedical etiology of,".

(b) Section 501(b) is amended—

(1) in paragraph (3), by inserting ", with particular emphasis on understanding the relationship between alcohol abuse and domestic violence, the effects of alcohol use during pregnancy, and the relationship between the abuse of alcohol and other drugs" before the ";";

(2) in paragraph (5)—

(A) by inserting ", to the extent practicable to further the purposes of this Act," following "promote";

(B) by inserting "the National Institute of Drug Abuse and by" following "similar programs conducted by"; and

(C) by inserting "departments," preceding "agencies";

(3) in paragraph (6), by striking out "biomedical and behavioral" and substituting "biomedical, behavioral, epidemiological, and social"; and

(4) in paragraph (8), by inserting "and other scientific research" following "statistical".

SEC. 18. Section 502 is amended—

(1) by striking out "and" following "treatment,"; and

(2) by inserting ", and evaluation" following "prevention".

SEC. 19. Section 503 is amended—

(1) by striking out "and" following "September 30, 1978"; and

(2) by inserting ", and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982," following "September 30, 1979".

SEC. 20. (a) Section 504(a) is amended—

(1) by striking out "alcohol problems" and inserting in lieu thereof "biomedical, behavioral, and social issues related to alcoholism and alcohol abuse";

(2) by inserting "or constortium of entities" following "entity";

(3) in subparagraph (1) (B), by striking out "laboratory facilities and reference services (including reference services that will afford access to scientific alcohol literature," and inserting in place thereof "facilities (including laboratory, reference, and data analysis facilities) to carry out the research plan proposed to be conducted under this section;";

(4) in subparagraph (1) (D), by striking out "and" at the end thereof;

(5) in subparagraph (1) (E), by striking out "medical and osteopathic students and physicians;" and inserting in lieu thereof "medical, nursing, social work, osteopathic, and other specialized graduate students;"; and

(6) by inserting following subparagraph (1) (E) the following:

"(F) the applicant has the capacity to conduct programs of continuing education in such medical, legal, or social service fields as the Secretary may require; and

"(G) the Secretary finds that designating such Center will not dilute funds available for existing Centers in such a manner as to hamper their ability to carry out the provisions of the research plans submitted under subsection (a) (2);".

(b) Section 504(b) is amended—

(1) in the first sentence thereof, by inserting "or contracts" after "grants";

(2) in the second sentence thereof, by inserting "or contract" after "grant"; and

(3) in the third sentence thereof by inserting "or contract" after "grant".

(c) Section 504(c) is amended by striking out the "." at the end thereof and substituting ", and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982.".

COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AMENDMENTS OF 1979

SECTION-BY-SECTION ANALYSIS

Sec. 1. Short Title.

Sec. 2. Findings and Purpose.

Amends section 2 to emphasize need of cooperation with employers, employee associations, and other groups; to highlight prevention programs aimed at the general population and vulnerable groups including youth and families of alcoholics; and to emphasize both prevention and occupational programs as primary concerns.

Sec. 3. NIAAA.

In light of the proposed role of the NIAAA Director in acting for the Secretary in chairing the Interdepartmental Committee established under Sec. 5 of these amendments, calls for Secretary to consult with Executive Director of Domestic Council in appointing Director; clarifies NIAAA authority to hire scientists and other professionals as consultants, if approved by NIAAA Advisory Council.

Sec. 4. Reports by the Secretary.

Deletes requirement of report by Interagency Committee abolished under Sec. 5 of these amendments.

Sec. 5. Interdepartmental Committee.

Replaces Interagency Committee with Interdepartmental Committee on Federal Activities for Alcohol Abuse and Alcoholism, chaired by the Secretary acting through the NIAAA Director; requires policy level representation of appropriate Departments on such Committee; makes Executive Director of Domestic Council an ex officio member; and requires biennial report on Federal activities and the prevalence of occupational programs among Federal contractors.

Sec. 6. Intradepartmental Committee.

To enable Director to coordinate HEW activities at a lower level than through the Interdepartmental Committee; establishes Intradepartmental Committee within HEW.

Sec. 7. Federal Civilian Employees.

Reconciles Act with Civil Service Reform Act by recognizing Office of Personnel Management and requiring compliance with statutory collective bargaining procedures; makes families of Federal employees eligible for services. Instructs Secretary to develop model occupational programs.

Sec. 8. Authorization for Formula Grants.

Authorizes (pending hearings) such sums as may be necessary for the next three years.

Sec. 9. Technical Assistance.

Authorizes provision of technical assistance to States, emphasizing coordination of data collection; program management and evaluation; certification, accreditation, or licensing; and related areas where NIAAA and NIDA activities may be parallel.

Sec. 10. State Plans.

Emphasizes women, youth, families of alcoholics along with minority and poverty groups on State advisory councils; requires coordination with NIDA drug abuse and dependence survey and planning; and requires evaluation by States of effectiveness of other State programs and political subdivisions in dealing with alcohol-related problems. Requires States to encourage and assist occupational programs.

Sec. 11. Uniform Act Grants.

Extends authorization for special grants to implement Uniform Alcoholism and Intoxication Treatment Act.

Sec. 12. Project Grants and Contracts.

Gives priority to demonstration and evaluation projects concerned with prevention and early intervention in occupational and educational settings and to modified community living and work-care arrangements; authorizes continued support of effective projects; adds emphasis on families of alcoholics along with ethnic minorities, native Americans, youth and women.

Sec. 13. Insurance Incentive Grants.

Establishes new grant program for demonstration and implementation of insurance regulations to treat alcoholism and alcohol abuse equivalently with other chronic health conditions.

Sec. 14. Authorization for Project Grants.

Authorizes (pending hearings) such sums as may be necessary for next three years; requires that at least 8 per cent of appropriations be devoted to prevention activities.

Sec. 15. Service-related Facilities.

Prohibits discrimination, solely because of alcohol abuse and alcoholism, by social service, mental health, intermediate care, rehabilitation, or other service-related facilities supported wholly or in part by Federal funds.

Sec. 16. NIAAA Advisory Council.

Authorizes appointed members to serve until their replacements take office; instructs Council to evaluate results of projects.

Sec. 17. Encouragement of Research.

Includes social consequences of alcohol abuse as subject of research; emphasizes relationship with domestic violence, effects of alcohol use during pregnancy, and relationship with abuse of other drugs; emphasizes coordination with NIDA programs.

Sec. 18. Peer Review.

Includes evaluation in peer review process.

Sec. 19. Research Authorizations.

Authorizes (pending hearings) such sums as may be necessary for next three years.

Sec. 20. National Alcohol Research Centers.

Specifies research on biomedical, behavioral, and social issues; authorizes designation of consortia as Centers; requires laboratory, reference and data analysis facilities suited to research plan; requires capacity to provide both graduate medical, nursing, social work, and osteopathic education and continuing education for practicing professionals in legal, medical, or social service (in addition to undergraduate programs); restricts Secretary in designating new Centers unless they will not dilute progress under research plans of existing Centers; authorizes grants as well as contracts; and authorizes (pending hearings) such sums as may be necessary for next three years.

Report Language will cover a number of additional issues, including coordination of NIAAA activities with funds available from other sources (including community education, CETA, ACTION, and similar authorizations); relationship of States to administration of continuing project grants; congressional intent regarding purposes of National Centers; role of Executive Director of Domestic Council in assisting Interdepartmental Committee; compliance with employment protections under the Rehabilitation Act and its coordination with NIAAA; etc.●

By Mr. DOLE (for himself, Mrs. KASSEBAUM, Mr. HATCH, Mr. MCCLURE, Mr. STEWART, Mr. COCHRAN, and Mr. YOUNG):

S. 441. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Finance.

MEAT IMPORT ACT OF 1979

● Mr. DOLE. Mr. President, in the closing days of the last session of Congress, a Beef Import Act was passed by an overwhelming margin in the House of Representatives and with corresponding support here in the Senate. Senators BENTSEN, Curtis, Bartlett, and many others, including this Senator, spent countless hours working on beef import legislation, and we were convinced that the bill which finally passed Congress was a piece of legislation that would serve both the consumer and producer in a rational and economically effective manner. Unfortunately, the President vetoed the legislation. In so doing, he took a rather dogmatic approach to the bill—trying to protect his own authority rather than the interests of the millions of people in this country involved in beef production and consumption.

History has dictated the need for a revision of the current Meat Import Act—enacted in 1964. We have learned since that date that without a countercyclical formula on which import levels are based, our cattle producers, related industries, and consumers suffer from irregular supplies and fluctuating prices. In fact, even the President admits that the countercyclical formula is necessary.

The bill I am introducing today is simply a reaffirmation of what we in the Congress recognized last session. It incorporates the same formula which will permit more beef imports—about 1.7 billion pounds more to be exact—to enter our country over the next 10 years than if the current law is maintained. It will dampen the drastic price fluctuations that have such a crippling impact on producers and consumers. The formula, in effect, will promote a balance between supply and demand, taking into account the role imports must play in supplying the domestic market.

In his memorandum justifying the veto of the last session's bill, the President really raised two arguments—both of which had nothing to do with U.S. consumers or producers. First, he disapproved the bill because it did not provide a big enough guarantee to foreign interests for access to our market. It should be pointed out to the President that in the past, there has been no guarantee of minimum access, that any guarantee is pure and simple charity on our part. I also think that this minimum access argument was an attempt to disguise the real reason for the veto.

The real reason for the President's veto was that Congress was attempting to restrict the authority it had originally bestowed upon him in 1964. The restriction of that authority would not be detrimental to anyone interested in beef prices. The restriction would simply require that in order to step outside the import quota formula, it will have to be done for economic, rather than political, reasons.

The bill I am introducing attempts to find a compromise that will mollify the President's need for authority and yet still recognizes the basic economic interests of producers and consumers. I am proposing that the President may suspend or increase quotas only in times of a national emergency or when, for two consecutive calendar quarters, the ratio of cattle prices to beef and veal prices is greater than or equal to 1.10. The President could take action based on this ratio for up to two calendar quarters and then would have to fulfill strict criteria in order to renew his action. He would also have to give 30-day notice to allow public comment before he acts.

The result of this formula will be less restrictive than the approach adopted in last year's legislation. It will, however, be tight enough that the president could not act under market conditions such as those that existed in the summer of 1978. At that time, the President had acted to increase beef import quotas by 200 million pounds. His action had been motivated by a number of political factors. It was not taken on sound economic reasoning nor with recognition of how the action would prejudice the cattle industry which was just beginning to climb out of 4 years worth of financial disaster. My formula would protect the industry from such untimely and ill-advised actions.

I think it is time that we put the beef situation in its proper perspective. We are fooling ourselves if we think that we can continue to obtain quality beef products at prices we experienced a few years ago. Those prices were rockbottom because the cattle-producing sector was at rockbottom. When prices are low, the majority of people in the country are pleased because they can buy more beef. But, low prices also mean that U.S. producers suffer to the point of going out of business. We witnessed a definite erosion of our cattle-producing sector during the low point of the last cattle cycle. Unless the situation changes and prices are balanced to benefit both consumers and producers, the erosion of the sector will continue in the next inevitable low point of the cattle cycle. Let this happen too many times and the consumers will be complaining about the high cost of imported beef—because that will be the basic source of supply.

I have withheld introducing or cosponsoring any meat import legislation until I could judge what the balance was between the positions of the administration and the cattle industry. It is fairly clear what the administration wants. It also is fairly clear, now, that the cattle ranchers do want to pursue meat import legislation in this session of Congress. They will be supporting the concepts of the vetoed bill but will be willing to rethink the extent to which the President's authority should be limited. My bill attempts to establish a compromise position from which we can work.

It is clear that some legislation correcting the current provisions in the law is necessary; Congress and even the President agree on that point. The bill I am placing before you will establish an equilibrium in our market that must be attained if we are to protect a vital sector of our agricultural economy. Without a new meat import program, we can only look forward to another 10 years of huge price swings, ranchers going out of business, and consumers suffering the consequences.●

By Mr. EAGLETON:

S. 442. A bill for the relief of Isaac N. Hulver of Kansas City, Mo.; to the Committee on the Judiciary.

ISAAC N. HULVER

● Mr. EAGLETON. Mr. President, I am reintroducing a private claims bill for the relief of a wounded World War II veteran. Mr. Isaac "Ike" N. Hulver of Kansas City, Mo. Last year I introduced this identical legislation late in the session and unfortunately, the Judiciary Committee was not able to act on this matter prior to the end of the session.

In 1976, the U.S. district court in Kansas City awarded Mr. Hulver $202,298.12 in damages because of negligent medical treatment he received from a doctor at a Veterans' Administration hospital. Because of this negligence, Mr. Hulver can no longer work, he can barely walk. Even though the U.S. circuit court of appeals in St. Louis was silent on the issue of negligence it reversed a district court's ruling in favor of Mr. Hulver because of

a legal technicality. Recently, the U.S. Supreme Court has announced it will not review this case.

Mr. President, following my remarks I will include in the RECORD a summary of Mr. Hulver's situation as reported by the Kansas City Star. I will also include an editorial that appeared in the April 10, 1978, issue of the Kansas City Star, regarding this same matter. After reading these two articles I think my colleagues will agree that Mr. Hulver has suffered immeasurably because of negligence on the part of the doctor at the Veterans' Administration hospital. The ultimate responsibility for this malpractice must be borne by the Federal Government. Therefore, I am proposing that Mr. Hulver receive payment from general revenues in the amount he was awarded in damages by the district court judge. In my years in the Senate I have never before introduced a private claims bill, but, in this unique situation, action of this type is justified.

Mr. President, I ask unanimous consent that the articles to which I have referred be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Kansas City Star]

SAD END TO EX-GI'S "OVERSIGHT"

(By Harry Jones, Jr.)

The U.S. Supreme Court already has written an unhappy ending to this story—unhappy, anyway, for Isaac "Ike" Hulver, who is 65.

He was Private Hulver, a 33-year-old draftee, the morning of Dec. 1, 1944, the day this story began.

Ike had felt himself lucky when he awoke that morning. It had been the first night's sleep in several that he had spent under a roof. The roof was on a barn, true, and Ike was outside Saarbrucken, Germany, fighting World War II at the time. But a roof is a roof and Ike appreciated that one.

It was cold outside and foggy. A road lay ahead. Ike's lieutenant ordered him and another GI to advance to it and scout the area. Germans were nearby but they did not know how near.

The two soldiers advanced to the road, saw nothing threatening in view and signaled to the lieutenant that the rest of his squad could advance.

Ike had signaled by raising his M-1 rifle over his head with both hands, then had relaxed and lit a cigarette.

Suddenly he saw movement from behind a railroad embankment. It was a German soldier. He fired twice at the soldier and, although an expert marksman, missed both times. The German retaliated with a long burst from his machine gun.

One bullet caught Ike's buddy between the eyes and he fell forward, dead. Five other bullets hit Ike—one in the right knee, three in the abdomen, one in the chest, puncturing a lung.

Ike managed to crawl back to his outfit but 45 minutes later, as he was lying on his back, an 88-millimeter shell burst in a tree above him and riddled his body wth shell fragments.

That was the end of World War II for Ike Hulver, who now lives at 2808 N.E. 45th. He spent the next seven months in military hospitals where he underwent 15 operations. In July 1945 he was discharged with a 100 per cent disability rating.

A year later that was reduced to 70 per cent disability and a little later was raised to 80 per cent. It has remained at that level since. He now receives a government check of $410 a month.

Ike worked as a monotype operator for The Star from 1953 until 1971. The job required him to do a great deal of lifting all day—35-pound, hot metal "pigs" and 25-pound galleys made from the "pigs," between 200 and 300 of them each day.

It had taken Ike three years to learn how to walk. His right leg, because of one bullet wound, would bend in either direction at the knee instead of just back. Until he learned to walk, he found himself falling frequently whenever the leg bent in the wrong direction.

After consulting with his private physician, he went to the Veteran Hospital here in 1968 complaining of pain and numbness in his right hip and leg. It was determined that he needed a bilateral aortoiliac endarterectomy—removal of mineral deposits in the artery leading to his right leg to improve his circulation.

As Ike related it in an interview at his home earlier this week—and as he testified in federal court in 1976—when told by the surgeon at the VA hospital that X-rays had shown a small mineral deposit in the artery leading to his left leg, he specifically told the doctor not to touch his left leg—this was the leg he had favored since the war and he wanted nothing done to it.

He said the surgeon was from Argentina and spoke poor English. He thought the doctor understood him, however, he said.

After undergoing surgery Oct. 17, 1968, he awoke the next day to find his left leg numb. His right leg, however, was improved.

As described in a ruling by the 8th U.S. Circuit Court of Appeals in St. Louis: "As a result of the operation, plaintiff's (Ike's) left leg, which had previously caused him no pain or trouble, was disabled by a clot that formed in the left branch of the arterial tree in the weeks following the operation. In addition, his sexual function was seriously impaired."

He returned to the hospital in December 1968 for corrective surgery by the same surgeon. The surgeon's attempt to remove the clot, however, was unsuccessful.

He underwent surgery a third time on March 10, 1969, this time by a different surgeon, who inserted a plastic tube for part of the artery in a bypass operation.

Friends familiar with his leg problems began urging him to sue the government over the October operation. Finally, in late 1970, he went to see William Pickett, a lawyer. Pickett investigated the case and filed notice of a lawsuit in Feb. 18, 1971—two years and four months after the first operation, one year and 11 months after the third operation.

Ike quit his job at The Star. His legs could not stand the strain.

Pending trial, he continued to go to hospitals for more operations. He underwent two at the North Kansas City Memorial Hospital in 1973 and two more at the Mayo Clinic in Rochester, Minn., in 1974 and 1975.

He was out of work. He could no longer pursue his two favorite hobbies—hunting and flying. He was sexually impotent (a nerve had been cut accidentally in the October 1968 operation). And he could barely walk.

The case went to trial before Judge William H. Becker in the U.S. District Court here in 1976. It lasted three days.

The judge ruled in his favor and awarded him $202,298 in damages.

The judge found that Ike had proved negligence in the October 1968 operation when the surgeon elected to perform work on Ike's left leg after having been told not to and in the post-operative care provided him by the VA Hospital staff.

But there was another issue before the court and it was this that led to the unhappy ending provided Monday by the Supreme Court.

The statute of limitation on this type of case is two years—in other words, Ike was required by law to file his lawsuit within two years of the time he "discovered, or in the exercise of reasonable diligence should have discovered" that he had been the victim of malpractice.

Judge Becker ruled that Ike "proved by a preponderance of the evidence that he did not discover the alleged acts of malpractice which he contends caused his sexual impairment and the impairment of the functions of his left lower extremity until after Feb. 18, 1969."

Ike had maintained he did not become aware of the actual cause of his problems with his left leg and his sexual capacity until *after* undergoing the third operation, at which time the new surgeon explained to him what had gone wrong in the first operation.

The Justice Department decided to appeal Judge Becker's ruling. It based its appeal on the statute of limitations issue solely, not arguing the negligence ruling.

The Eighth U.S. Circuit Court of Appeals in St. Louis overruled Judge Becker in October of last year. The appeals court said that while it supported the finding of negligence in the first operation, Ike should have known he had been the victim of malpractice shortly after the first operation and well before the third operation.

In other words, it ruled, Ike had filed his lawsuit a few months too late.

Pickett appealed that decision to the U.S. Supreme Court. The Supreme Court announced Monday it had decided not to hear the appeal.

[From the Kansas Cty Star, Apr. 10, 1978]

WHEN JUSTICE IS ERODED

The first reaction to the Isaac "Ike" Hulver case is a burst of emotion. How can this 65-year-old war-scarred veteran, the victim of gross medical malpractice, be turned away by the courts in his attempt to recover damages for his permanent impairments from surgery? Even on reflection it is a fair and appropriate question—one that unfortunately raises doubts about the capability of our system to deliver justice in a compassionate and equitable way.

A ruling by a federal appellate court prevented Hulver from receiving the $202,298 that he was awarded by a federal district jurist here. From the lay person's view, the appeals decision appears to hand on a technicality. Namely that the statute of limitations expired shortly before the case was filed. This was a reversal of the district court judge who had listened to witnesses and made a determination that the case had indeed been filed before the deadline.

The U.S. Supreme Court has refused to consider the case, which leaves standing the ruling against Hulver. That means the damages, unless there is further legal action or an administrative ruling in the executive branch of the government, will not be paid by the federal government.

It is difficult to say where the fault in this case lies. But we are troubled deeply by the results. The ultimate responsibility for this malpractice, which occurred in a Veterans Administration hospital, must be borne by the federal government. The case was defended by federal attorneys in the line of their duty. They did not contest the ruling on negligence in their appeal; that action was based on the law that prohibits legal action being taken after a prescribed time has elapsed. Had the Justice Department not appealed the district court decision that favored Hulver, he would have received the settlement.

We submit that justice, irrespective of the

narrow interpretation of the law, has suffered in this instance. It may stand as a good legal exercise. It does not stand the test of equity under the law. Perhaps this injustice can be remedied by the Veterans Administration, further litigation or by a special appropriation by Congress. But something needs to be done—and fast.●

By Mr. PERCY (for himself and Mr. ROBERT C. BYRD):

S. 445. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anti-competitive regulation, and to make regulation more effective and responsive to the public interest; to the Committee on Governmental Affairs.

REGULATORY REFORM ACT OF 1979

Mr. PERCY. Mr. President, I am very pleased to introduce today, along with the distinguished majority leader, Senator ROBERT BYRD, the Regulatory Reform Act of 1979.

Senator BYRD and I have worked together on this legislation since we introduced the first version in December, 1975. The bill went through a careful hearing process in 1977, and we were very pleased when a modified version of it was accepted by the Senate last fall as an amendment to S. 2, the Sunset Act.

During the evolution of the legislation, the Governmental Affairs Committee has been conducting what Chairman ABE RIBICOFF described as "the most comprehensive study of the Federal regulatory agencies ever undertaken by the Congress." The study, which has produced six volumes on various aspects of Federal regulation, was authorized by Senate Resolution 71 in 1975. Several deficiencies in the regulatory process were examined, and, in volume II, the committee recommended that:

In order to enhance systematic Congressional review of regulatory agencies, Congress should require that all regulatory agencies be made subject to a periodic reauthorization process. In-depth scrutiny of the agencies should be assured by requiring a thorough review of an agency's activity before it may be reauthorized. Under a "sunset" device, agencies with similar functions should be reviewed in the same years.

We were to find that the Governmental Affairs Committee was not alone in its endorsement of sunset for regulatory agencies. During our 1977 hearings on the Regulatory Reform Act, a wide range of groups, individuals, and businesses endorsed the bill. I am attaching a list of supporters of the bill at the end of my statement, including such prominent groups as Common Cause, the American Bar Association, and the Business Roundtable.

Mr. President, during the hearings 2 years ago, several witnesses testified in support of the concept of sunset for regulatory agencies but expressed concern that it should be limited to a pilot program in the first years. I intend to explore this suggestion further in the coming months. As presently drafted, our bill would subject 32 agencies to a sunset review over an 8-year period. This is far from a complete listing of all Federal regulatory bodies. However, we will solicit the views of a wide range of interests on both the number of agencies covered and on specific additions or deletions which might be desirable.

NEED FOR REFORM

Regulatory reform has garnered much attention in the recent years as Americans have begun to realize the impact regulation has on the economy. The actual cost of regulation is difficult to ascertain. There is, of course, the estimated $5 billion we will spend in 1979 to fund the agencies themselves. This is not, however, the cost which alarms so many students of our economy. Rather, it is the cost to the economy of complying with the many regulations issued by these agencies. Estimates vary considerably, but according to Commerce Secretary Kreps, the cost of compliance by private industry is between $60 and $130 billion each year.

The following chart, excerpted from a Library of Congress study of regulatory costs, suggests where some of the greatest burden lies.

Annual cost of Federal regulation, by area—1976

[In millions of dollars]

Area	Administrative cost	Compliance cost	Total
Consumer safety and health	1,516	5,094	6,610
Job safety and working conditions	483	4,015	4,498
Energy and environment	612	7,760	8,372
Financial regulation	104	1,118	1,222
Industry specific	474	26,322	26,796
Paperwork	(1)	18,000	18,000
Total	3,189	62,309	65,498

(1) Included in other categories.

SOURCE.—DeFina, Robert. Public and Private Expenditures for Federal Regulation of Business. (Working Paper No. 22.) St. Louis, Washington University Center for the Study of American Business, 1977. p. 3.

These additional costs place enormous pressure on the domestic economy. Barry Bosworth, Director of the Council on Wage and Price Stability, noted last summer that the cost of regulation could be responsible for as much as three-quarters of a percentage point in the rate of inflation.

At the heart of inflation is our declining productivity growth rate. Between 1955 and 1965, when inflation was a mere 1.5 percent a year, labor productivity grew at over 3 percent annually. Since 1965, however, our productivity growth has slowed to less than 2 percent a year while inflation grew steadily to a peak of 11 percent in 1974.

Regulation is certainly not the sole reason for this decline, but it has had a significant impact as resources have been shifted from investment in plant and equipment to meeting government rules and regulations. Edward Denison of the Brookings Institution estimated that in 1975 the effect of private expenditures for environmental safety and health regulations and for crime prevention had cut our productivity growth by 20 to 25 percent. In addition, the regulatory burden has contributed to the shift of industry's research and development activity away from basic research and new product development, which has significantly impaired our capacity to innovate.

Regulation can also choke off competition and prevent new firms and ideas from entering the marketplace. The Interstate Commerce Commission's rules alone are estimated to cost $4 to $6 billion a year. The best example of how less regulation can benefit consumers and business alike is airline deregulation. Air fares have tumbled since the CAB began to get out of the way. At the same time, profitability of air carriers—large and small alike—has risen dramatically.

Mr. President, I am also greatly concerned about the impact of our current regulatory environment on Americans' perception of their government. I sense from my constituents and the businessmen I speak with that the Federal Government is not seen so much as a friend as it is an adversary. Regulation has often removed decisionmaking from the private sector and increasingly placed it in the hands of regulators who are immune from the ballot box and the marketplace. This is consistent with neither our democratic heritage nor our economic traditions.

APPROACH TO REFORM

It is clear that Congress can and must take steps to reduce the various costs of regulation. Substantial savings can be realized through administrative improvements in the regulatory process. The Governmental Affairs Committee's Study on Federal Regulation identified several administrative problems which contribute greatly to the overall costs of regulation such as delay, needlessly complex proceedings, and unqualified personnel. President Carter has begun to address these problems by establishing the Regulatory Council and requiring several new procedures through Executive order. Senator RIBICOFF and I have recently introduced legislation (S. 262) which will further improve the regulatory machinery in several respects.

Yet we must go beyond administrative reforms to a more fundamental review of the underlying purposes of regulation in order to determine whether we need regulation in a certain field, to what extent, and how it might best be structured. In some cases, such as the airline industry, actual deregulation is the answer. In others, the American people need and expect various forms of protection and our task is to determine whether that need is being met at the least cost.

S. 262 will make an important contribution to this process by requiring agencies to analyze the costs and benefits of major new regulations, review existing regulations, and increase opportunities for public comment. However, these procedures can only do part of the job since the regulators themselves will always be susceptible to the very human tendency to defend past mistakes and justify pet projects. What is needed to complement this process is a more objective, systematic analysis which can best be performed by Congress.

REGULATORY REFORM ACT OF 1979

The legislation we are introducing today provides such a mechanism for structured congressional oversight of Federal regulation. The bill focuses primarily on a zero-based analysis of regulation along sectoral lines. This will permit a comprehensive examination of the purpose, effectiveness, and efficiency of regulation in each major functional area. In addition, the bill calls for a review of the cumulative impact of regulation on particular industry groupings. Action-forcing provisions are included to insure congressional action in this important area.

Specifically, the Regulatory Reform Act requires the President to submit a reform plan to Congress every 2 years for an 8-year period according to the following schedule: 97th Congress (1981–82) energy, the environment, housing, occupational safety and health; 98th Congress (1983–84) transportation and communications; 99th Congress (1985–86) banking and finance, international trade, Government procurement; 100th Congress (1987–88) food, consumer health and safety; economic trade practices and labor management relations. Along with each plan, the President will report on specific industry impacts and recommend steps to improve regulatory performance.

The General Accounting Office and the Congressional Budget Office will submit reports to Congress at the same time that the President submits his plan. This should provide more thorough study and a wider perspective, and will make Congress less dependent on administration ideas. The GAO and CBO reports with assess the affected agencies with respect to:

The purposes for which each agency was established;

Significant changes which have occurred in regulated areas, the impact of such changes on agency effectiveness, and the continued appropriateness of original statutory purposes;

The net impact of the agency and the degree to which it has achieved its purposes;

The cost-efficiency of the operations of each agency; and

Practical, more efficient, alternative approaches to achieving those regulatory needs which currently must be served.

ACTION-INDUCING MEASURES

Both Congress and the Executive demonstrate a history of reluctance to take action in certain highly sensitive areas even where such action is clearly warranted. Regulatory reform is an unfortunate example. Rather than merely providing for a meaningless reform agenda, this legislation incorporates certain action-forcing measures. They are provisions requiring that:

The President must submit a reform plan to Congress by April 30 of the first year of each 2-year cycle.

The relevant committees must report a reform bill to the floor of each House by May 1 of the second year of each cycle.

If no comprehensive reform plan has been enacted by August 1 of the second year, the affected agencies lose their authority to issue any new rules except those essential for preserving public health and safety—a concurrent resolution of Congress would be needed to overturn an agency's certification to that effect.

If no comprehensive reform plan has been enacted by October 1 of the second year, enforcement of the existing rules of the affected agencies would be suspended, except those essential for preserving the public health and safety—again, a concurrent resolution of Congress would be needed to overturn an agency's certification to that effect.

If no comprehensive reform plan has been enacted by December 31 of the second year, each affected agency which has not been the subject of comprehensive reform would be terminated, unless other appropriate provision is affirmatively enacted by the Congress providing for the continuation of such agency.

The last "sunset" proposal will insure that neither the President nor Congress will duck consideration of reform. Altogether these provisions afford an incentive for affected agencies and regulated industries to cooperate in the process of reform. Due to institutional inertia or a misguided desire to preserve the status quo, certain agencies and affected industries have not been helpful in past reform efforts. Some have consistently resisted reform of any sort. Thus, the last two provisions eliminate the advantage an agency or regulated industry might otherwise expect to experience in working to kill reform legislation. If no legislation passes, agency rules—other than those essential to insuring public health and safety—would no longer have effect, and regulated industries would suddenly face unregulated competition.

Following the initial 8-year agenda from 1981 to 1988, Congress will have another 8 years to monitor the regulatory process before the comprehensive review cycle begins anew in 1997. In this way Congress will have the opportunity to review the results of its action prior to considering additional reform measures.

The American people want a responsive Government that helps them work efficiently and productively. Our present regulatory system too often does just the opposite. I believe Congress can help restore the public's faith in government and invigorate the economy by providing a disciplined agenda for reforming Federal regulation. Such reform is long overdue. Let us not pass up the opportunity.

Mr. President, I ask unanimous consent to have printed in the RECORD, the list of those who have endorsed the Regulatory Reform Act, a brief summary of the legislation and the text of the bill itself.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Reform Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that Government regulation can at times be more of a burden than a benefit to American consumers, American businesses, and to the American economy as a whole.

(1) Regulatory policies have fueled inflation through approval of rules and regulations not commensurate with the public interest, frequently without due consideration of the relative costs and benefits involved in such decisions, or without due consideration of the competitive impact of such decisions.

(2) Some regulatory policies harm both industry and consumers by denying businesses the chance to compete and, thereby, depriving consumers of the lower prices and diversity of services that greater competition would present.

(3) Too often, regulatory agencies have squandered their limited resources by focusing on trivial aspects of regulation while neglecting critical economic issues. By failing to set clear priorities or to articulate cogent policies, certain agencies have fostered a pattern of bureaucratic stagnation and waste, and consequent public frustration and confusion.

(4) The outmoded and inefficient case-by-case adjudicatory approach of most regulatory agencies has burdened business with excessive paperwork and unreasonable delays, impaired the ability of many industries to adapt to changing market conditions and beneficial new technology, and contributed to price rises, inefficiencies, and misallocations of resources.

(5) By consistently failing to take consumer and small business interests adequately into account and by arbitrarily limiting the operation of the free enterprise system, regulatory agencies have poorly served the public interest often in disregard of their congressional mandates.

(b) It is the purpose of this Act to require over a period of eight years the President to submit at least once in each Congress, and to require the Congress to act upon, a plan designed to prevent unnecessary or harmful regulation because such regulation has led to inflationary consumer prices, a reduction of competition in providing of important goods and services, and other economic inefficiencies which distort and disrupt the operation of a free enterprise system without correspondingly benefiting the health, safety, or economic welfare of the Nation.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) "agency" has the same meaning as provided in section 552(e) of title 5, United States Code; and

(2) "rule" has the same meaning as provided in section 551(4) of title 5, United States Code, and includes any rulemaking, adjudication, agency proceedings, or agency action, as defined in paragraphs (5), (7), (12), and (13), respectively, of section 551 of title 5, United States Code.

AGENCY REORGANIZATION PLANS

SEC. 4. (a) Not later than the last day of April in each of the years referred to in

paragraphs (1) through (5) of this subsection, the President shall submit a plan containing the information required to be included under subsection (c) with respect to the following areas:

(1) Regulation of energy, the environment, housing, and occupational health and safety by the Federal Government, by the last day of April 1981, for the following agencies:

(A) Environmental Protection Administration;

(B) Energy Regulatory Administration;

(C) Federal Energy Regulatory Commission;

(D) Nuclear Regulatory Commission;

(E) the relevant regulatory functions of the Department of the Interior;

(F) Federal Housing Administration, Department of Housing and Urban Development; and

(G) Occupational Safety and Health Administration, Department of Labor.

(2) Regulation of transportation and communications by the Federal Government, by the last day of April 1983, for the following agencies:

(A) Civil Aeronautics Board;

(B) Interstate Commerce Commission;

(C) Federal Maritime Commission;

(D) Department of Transportation; and

(E) Federal Communications Commission.

(3) Regulation of banking and finance, international trade, and Government procurement by the Federal Government, by the last day of April 1985, for the following agencies:

(A) Office of the Comptroller of the Currency, Department of Treasury;

(B) Federal Deposit Insurance Corporation;

(C) Federal Home Loan Bank Board;

(D) Board of Governors of the Federal Reserve System;

(E) National Credit Union Administration;

(F) Federal Savings and Loan Insurance Corporation;

(G) International Trade Commission;

(H) Commodity Futures Trading Commission;

(I) Securities and Exchange Commission;

(J) Farm Credit Administration; and

(K) General Services Administration.

(4) Regulation of food, consumer health and safety, economic trade practices, and labor-management concerns by the Federal Government, by the last day of April 1987, for the following agencies:

(A) Consumer Product Safety Commission;

(B) Federal Aviation Administration, Department of Transportation;

(C) Federal Trade Commission;

(D) Food and Drug Administration, Department of Health, Education, and Welfare;

(E) the relevant regulatory functions of the Department of Agriculture;

(F) National Highway Traffic Safety Administration, Department of Transportation;

(G) National Labor Relations Board;

(H) Federal Mediation Board; and

(I) Equal Employment Opportunity Commission.

(b) Each plan submitted under subsection (a) shall include provisions relating to such other agencies as the President elects to include, or the Speaker of the House of Representatives and the President pro tempore of the Senate may require. Notice of any additional agency to be included in such plan shall be sent to the President not later than the last day of September of the year immediately preceding the year in which such plan is required to be submitted.

(c) A plan submitted by the President pursuant to subsection (a) shall contain the following information with respect to agencies which are included in any such plan pursuant to paragraph (1) through (5) of subsection (a)—

(1) recommendations for the transfer, consolidation, modification, or elimination of functions;

(2) recommendations for organizational, structural, and procedural reforms;

(3) recommendations for the merger, modification, establishment, or abolition of Federal regulations or agencies;

(4) recommendations for eliminating or phasing out outdated, overlapping, or conflicting regulatory jurisdictions or requirements of general applicability;

(5) recommendations for eliminating agency delays; and

(6) recommendations for increasing economic competition.

(d) Along with each plan submitted by the President pursuant to subsection (a), the President shall report on the cumulative impact of all Government regulatory activity reviewed, up to that date, on specific industry groupings. The report shall include recommendations to insure that the cumulative impact of Government regulation is in the Nation's best interests. Wherever practicable, in the formulation of each plan, the President shall give explicit consideration to the particular impact of Government regulatory activity on the following relevant industry groupings.

(1) transportation and agriculture industries;

(2) mining, heavy manufacturing, and public utilities industries;

(3) construction and light manufacturing industries; and

(4) communications, finance, insurance, real estate, trade, and service industries.

(e) If by the first day of May in each of the years 1981, 1983, 1985 and 1987 the President—

(1) has failed to submit the appropriate plan as required by paragraphs (1) through (5) of subsection (a); or

(2) has submitted a plan which fails to provide such information as is required by subsection (c) of this section, the committees of Congress having primary legislative jurisdiction or oversight responsibilities with respect to any such areas, together with the Committee on Government Operations of the House or the Committee on Governmental Affairs of the Senate, shall prepare such plan(s) which shall become the pending business in the House of Representatives and the Senate not later than the first day of May of the following year. Such plan(s) shall be jointly reported if agreement between and among such committees can be made with respect to such plan(s) but otherwise shall be separately reported.

LEGISLATIVE AGENCY REVIEW

SEC. 5. The Comptroller General of the United States and the Director of the Congressional Budget Office shall submit, contemporaneously with the submission of the plans required under section 4, a report assessing each of the agencies included in the plan submitted by the President with respect to the following:

(1) the purposes for which each agency was established;

(2) any significant changes which have occurred in the areas regulated by each such agency, the impact of such changes on the effectiveness of such department or agency, and the continued appropriateness of its original purposes;

(3) the net impact of the agency and the degree to which it has accomplished its purposes;

(4) the cost-effectiveness and efficiency of the operations of each such department or agency; and

(5) practical and more efficient alternative approaches to achieving presently demonstrated regulatory needs.

CONGRESSIONAL REVIEW

SEC. 6. (a) The President shall submit each plan required under section 4 to the Congress and separately transmit such plan to the Speaker of the House of Representatives and the President pro tempore of the Senate.

(b) Each plan submitted under subsection (a) shall be referred jointly—

(1) to the Committee on Government Operations of the House of Representatives and the appropriate committee or committees of the House of Representatives having primary legislative jurisdiction or oversight responsibilities with respect to the subject matter of such plan; and

(2) to the Committee on Government Operations of the Senate and the appropriate committee or committees of the Senate having primary legislative jurisdiction or oversight responsibilities with respect to the subject matter of such plan.

(c) The committees to which a plan is referred under this section shall review such plan and report a bill approving or disapproving such plan in whole or in part, with such amendments as are deemed appropriate. Such reports shall be joint reports if agreement between or among such committees can be made with respect to any such plan(s), but otherwise shall be separate reports. The reported bill shall become the pending business in the House of Representatives and the Senate not later than the first day of May of the following year.

(d) If no comprehensive regulatory reform legislation in a designated area as described in section 4(a) and which conforms to criteria set forth in section 4(c) is enacted by August 1 of the year following the year in which a comprehensive plan has been submitted by the President then all departments and agencies affected thereby shall have no authority to issue or promulgate any new rules or regulations except those essential for preserving public health and safety. A concurrent resolution of either House of Congress stating in substance that such rule or regulation is not essential for such preservation would render such regulation null and void.

(e) If no comprehensive regulatory reform legislation in a designated area as described in section 4(a) and which conforms to criteria set forth in section 4(c) is enacted by October 1 of the year following the year in which a comprehensive plan has been submitted by the President, then all departments and agencies affected thereby shall have no authority to enforce any rule or regulation except those essential for preserving public health and safety. A concurrent resolution of either House of Congress stating in substance that such rule or regulation is not essential for such preservation, would render such regulation null and void.

(f) Within nine months after the date of enactment of this Act, the President shall, upon comprehensive review of the anticipated application and effect of this section, transmit to the Congress a detailed listing of the agency rules of general and specific applicability the enforcement of which would be suspended by the application of subsection (e).

TERMINATION OF AGENCIES

SEC. 7. (a) In the event that no comprehensive regulatory reform legislation has been enacted with respect to a designated area described in section 4(a), every agency described in each plan submitted under this Act shall be terminated after the last day of December in the calendar year next following the calendar year in which such plan is required to be submitted, unless other appropriate provision is enacted by the Congress providing for the continuation of such agency.

(b) Under the circumstances described in subsection (a), all rules or regulations of the affected agencies essential for preserving public health and safety shall remain intact and shall continue to be enforced by a designated office created for that purpose within the Department of Justice, which has funding and staff sufficient to insure effective enforcement, until such time as other appropriate provision is enacted by the Congress.

CONTINUING REVIEW

SEC. 8. The agency reorganization plans submitted pursuant to section 4 shall be submitted in the same order and for the same or succeeding departments or agencies ten years after the date of submission of the last original plan and on every succeeding tenth anniversary of the submission of the last of each such plan in each eight-year cycle, unless otherwise provided by law.

SUPPORT FOR THE REGULATORY REFORM ACT OF 1979

The legislation has gained the endorsement of the U.S. Chamber of Commerce, National Association of Manufacturers, Business Roundtable, American Bar Association, American Medical Association, National Grange, Common Cause, Prudential Insurance Company of America, Kaiser Aluminum, Coca-Cola, DuPont, Monsanto, Pepsico, The Continental Group, Inc., and Southern Pacific Company. The legislation also has been endorsed by academicians from the University of Chicago Graduate School of Business, Harvard University, Harvard Law School, UCLA Graduate School of Management, University of Rochester Graduate School of Management, Trinity College and California State Polytechnic University, Pomona.

PRINCIPAL PROVISIONS OF THE REGULATORY REFORM ACT OF 1979

Government regulation has all too often become a burden to consumers, workers, American business and to the economy as a whole. Indiscriminate regulation has fueled inflation, stifled competition, and produced mountains of paperwork and red tape. Agency functions tend to overlap. Individual regulations are frequently made without due consideration of the relative costs and benefits involved. Any case-by-case handling of matters, in the absence of broad guidelines, produces unreasonable delays and fragmented and incoherent policy, often focusing on trivia while neglecting priorities. Clearly, some regulatory agencies have poorly served the public interest in disregard of Congressional mandates.

To counter this, the Regulatory Reform Act of 1979 sets forth a discipline for action, to apply both to Congress and the President. Over a period of eight years, from 1981 through 1988, the President would submit to the Congress by April 30 of each year, comprehensive plans for reforming regulation in four specific areas of the economy, namely:

97th Congress (1981–82), energy the environment, housing, occupational health and safety.

98th Congress (1983–84), transportation and communications.

99th Congress (1985–86), banking and finance, international trade, and government procurement.

100th Congress (1987–88), food, consumer health and safety, economic trade practices and labor-management relations.

Each plan would include recommendations for increasing competition, and for procedural, functional, administrative and structural reforms. The plans would be referred to the relevant oversight committees of the Senate and the House and to the Senate Governmental Affairs Committee and the House Government Operations Committee.

To ensure that the impact of regulatory activity is in the Nation's best interest, the President will include in his plan a report on the cumulative impact of Federal regulation on the following industry groupings:

transportation and agriculture industries;

mining, heavy manufacturing, and public utilities;

construction and light manufacturing industries;

communication, finance, insurance, real estate, trade and service industries.

To provide a wider perspective on these problems, the General Accounting Office and the Congressional Office of the Budget will simultaneously submit comprehensive reports to Congress concerning:

The purposes for which each agency was established;

Significant changes which have occurred in regulated areas; the impact of such changes on the agency's effectiveness; and the continued appropriateness of original statutory purposes;

The net impact of the agency and the degree to which it has achieved its purposes;

The cost-efficiency of the operations of each agency; and

Practical, more efficient, alternative approaches to achieving those regulatory needs which currently must be served.

If the President does not submit a plan by May 1 of the first year, the relevant Congressional committees would write and report their own plan(s) in the form of a bill, to become the pending business of both Houses not later than May 1 of the second year.

Should Congress fail to approve comprehensive regulatory reform legislation in the designated area by August 1 of the second year, the affected agencies will lose their authority to make *new* rules (except those essential for preserving public health and safety).

Should Congress fail to pass comprehensive reform legislation by October 1 of the second year, enforcement of *existing* rules of the affected agencies will be suspended (except those essential for preserving public health and safety).

Should Congress fail to enact comprehensive reform legislation by December 31 of the second year, a "sunset" provision comes into play, terminating each affected agency for which Congress has not enacted reform. Responsibility for enforcing health and safety rules would pass to the Justice Department.

After an eight-year respite following the original review period (1981–88), Congress would begin the reform process again (in 1997), and continue such cycle thereafter, examining agencies in the same order unless the order is changed by law.

This timetable would not delay reform efforts already underway, or which may arise in the interim, until the designated year for that particular facet of regulation. Thus, it does not mean that transportation reform must wait until 1983, or consumer safety reform until 1987. Rather, it ensures that if no comprehensive reform has been accomplished by these dates, then the discipline imposed by the bill would come into play. If Congress wants to act sooner, all the better.

By Mr. RANDOLPH:

S.J. Res. 39. A joint resolution to provide for the designation of the second full calendar week in March of each year as "National Employ the Older Worker Week"; to the Committee on the Judiciary.

NATIONAL EMPLOY THE OLDER WORKER WEEK

● Mr. RANDOLPH. Mr. President, today I am introducing a joint resolution to designate the second full week in March of each year as "National Employ the Older Worker Week."

The resolution should be helpful as an educational tool in informing the public of the many advantages of hiring middle-aged and older persons. Additionally, such a campaign can make our Nation aware of the various attributes and meaningful capabilities of citizens 40 and above. They are now having extreme difficulty in obtaining employment because of the age barrier in spite of their vast reservoir of expertise, experience and knowledge.

For the past two decades, the American Legion, through its economic commission and employment committee, has designated a specific week during each year to make the public aware of the advantages of hiring the older worker, especially older veterans. At the beginning the Legion selected the first full week in May as "Employ the Older Worker Week." In 1973, the American Legion changed the observance of this week to the second full week in March. The principal reason for this change was to avoid any possible interference with youth employment promotional programs which are conducted during the month of May.

I join here in representing a State with one of the highest percentages of older citizens, and I have spent much of my career working with the problems of older Americans. My membership on the Labor and Human Resources Committee and the Subcommittee on Aging calls for me to devote much time in the Senate as we work to improve the working and living conditions of our older citizens.

Mr. President, at this point I ask to have printed in the RECORD the American Legion Resolution No. 533, adopted during the 60th Annual National Convention, August 22–24, 1978, New Orleans, La.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SIXTIETH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, AUGUST 22–24, 1978, NEW ORLEANS, LA.

Resolution No. 533.

Committee: Economic.

Subject: Designate the second full week in March as "National Employ the Older Worker Week."

Whereas, The American Legion for a number of years has concerned itself with the difficulty encountered by the older worker, who in many cases is forty-five years or younger, inasmuch as many of this group are veterans; and

Whereas, The practice of discrimination in employment because of age for otherwise qualified persons is not only illegal, but is contrary to the American principles of liberty and equality of opportunity for all citizens; and

Whereas, The American Legion since 1959 has promoted annually a successful program to focus public attention on the advantages of employing older people, especially veterans, under which the second full week in March is designated as "Employ the Older Worker Week," and citations are presented annually to employers who do not discriminate against older workers; and

Whereas, Department participation and interest of the Legion, employers, and the public in the program has increased each

year for the past two decades and it has been recognised throughout the Nation and by the United States Congress as a meaningful and significant program to combat age discrimination in employment; now therefore be it

Resolved, By The American Legion in National Convention assembled in New Orleans, Louisiana, August 22, 23, 24, 1978, that The American Legion petition the Congress of the United States to adopt a Joint Resolution requesting the President of the United States to issue a Proclamation (1) designating the second full week in March of each year as "National Employ the Older Worker Week;" and (2) calling upon employer and employee organizations, other organizations concerned with employment, and the citizens of the United States in general to observe such a week with appropriate ceremonies, activities, and programs designed to bring about the elimination of discrimination in employment because of age.●

ADDITIONAL COSPONSORS

S. 3

At the request of Mr. HELMS, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3, a bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution.

S. 25

At the request of Mr. BAYH, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 25, to designate the birthday of Dr. Martin Luther King, Jr., as a national holiday.

S. 55

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 55, the Meat Import Act of 1979.

S. 265

At the request of Mr. DOMENICI, the Senator from Texas (Mr. TOWER), the Senator from North Carolina (Mr. HELMS), the Senator from Indiana (Mr. LUGAR), the Senator from Arizona (Mr. GOLDWATER), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. WALLOP), the Senator from Montana (Mr. MELCHER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from South Carolina (Mr. THURMOND), the Senator from New Mexico (Mr. SCHMITT), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 265, the Equal Access to Justice Act.

S. 333

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 333, the Omnibus Antiterrorism Act of 1979.

S. 390

At the request of Mr. METZENBAUM, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 390, the Antitrust Procedural Improvements Act of 1979.

S. 414

At the request of Mr. BAYH, the Senator from New York (Mr. MOYNIHAN), and the Senator from Hawaii (Mr. INOUYE), were added as cosponsors of S. 414, the University and Small Business Patent Procedures Act.

S. 423

At the request of Mr. KENNEDY, the Senator from Kansas (Mr. DOLE) was added as a cosponsor to S. 423, the Dispute Resolution Act of 1979.

SENATE JOINT RESOLUTION 4

At the request of Mr. LUGAR, the Senator from Tennessee (Mr. BAKER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of Senate Joint Resolution 4, proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

SENATE RESOLUTION 50

At the request of Mr. KENNEDY, the Senator from Texas (Mr. BENTSEN) and the Senator from New Hampshire (Mr. DURKIN) were added as cosponsors of Senate Resolution 50, a resolution disapproving the proposed deferral of budget authority to promote and develop fishery products and research pertaining to American fisheries.

SENATE RESOLUTION 74—SUBMISSION OF A RESOLUTION CONCERNING TERRORISM IN RHODESIA

Mr. HARRY F. BYRD, JR., submitted the following resolution, which was referred to the Committee on Foreign Relations:

SENATE RESOLUTION 74

Resolved, that the Senate condemns and deplores the senseless murder of fifty-nine civilian air-passengers killed by terrorists near Kariba, Rhodesia, on February 12, 1979, and expresses its sincere regret and sorrow to the families of each victim.

SEC. 2. The Secretary of the Senate is directed to deliver this resolution to the President within twelve hours of its adoption and to request on behalf of the Senate that a copy thereof be transmitted by the President to the Government of Rhodesia in Salisbury.

SENATE RESOLUTION 75—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 75

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Foreign Relations is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,371,700 of which amount not to exceed $105,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 76—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. BAYH, from the Select Committee on Intelligence, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 76

Resolved, That the Select Committee on Intelligence, in carrying out the duties and functions prescribed by Senate Resolution 400, Ninety-fourth Congress, agreed to May 19, 1976, as amended, is authorized from March 1, 1979, through February 29, 1980, to make expenditures from the contingent fund of the Senate not to exceed $1,890,000, of which amount not to exceed $12,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Reorganization Act of 1946, as amended).

SEC. 2. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 3. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDING RULE XXII OF THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 61

AMENDMENT NO. 60

(Ordered to be printed.)

Mr. STEVENS (for himself and Mr. HATFIELD) proposed an amendment to Senate Resolution 61, a resolution amending rule XXII of the Standing Rules of the Senate.

AMENDMENT NO. 61

(Ordered to be printed.)

Mr. HELMS proposed an amendment to Senate Resolution 61, supra.

AMENDMENTS NOS. 62 THROUGH 65

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted four amendments intended to be proposed by him to Senate Resolution 61, supra.

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing and Urban Affairs is about to begin hearings on issues related to Federal Reserve membership and the ability of the Federal Reserve to effectively implement monetary policy. These issues are important to the well-being of the Nation because the Federal Reserve is the Nation's central bank and must be in a strong position to effectively implement monetary policy if we are going to eliminate our persistent and dangerous inflationary problem. Monetary policy along with fiscal policy are the most important economic tools that we have to reduce inflation. The problem is that because of the current structure of the Federal Reserve not all depository institutions fall under the Fed's direct control of the reserves held against deposits. Since 1970 the percentage of total bank deposits covered by Federal Reserve requirements has declined from 80 percent to about 70 percent as banks have given up their membership in the Federal Reserve System. Unfortunately, the trend has accelerated in the past several years and more and more banks are leaving the Fed.

The committee is very aware of the concerns of both the Federal Reserve and the administration with regard to the attrition of membership and the adverse impact it could have on monetary control and our efforts to curb inflation, sustain economic growth and maintain the value of the dollar. The committee has expressed similar concerns and has made a commitment to give high priority to finding a permanent solution to this problem. Hearings were held last fall on this subject and we are about to give our full attention to it again.

On Monday, February 26, 1979, Chairman G. William Miller of the Board of Governors of the Federal Reserve System will appear before the committee to present their views on the issues and to comment on pending legislative proposals. The hearing will be held in room 5302 of the Dirksen Senate Office Building and will begin at 10 a.m.

The committee will continue its hearings later in March and will hear at that time from the Treasury Department, the financial regulatory agencies, representatives of the banking and financial industry, and others.

Additional information about the committee's hearings can be obtained by contacting Steven M. Roberts, chief economist for the committee, at 224-7391.

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

● Mr. METZENBAUM. Mr. President, the Senate Judiciary Subcommittee on Antitrust and Monopoly will hold 2 days of hearings on S. 390, the Antitrust Procedural Improvements Act of 1979. The first hearing was held on February 19, 1979. On February 26, 1979, the second hearing will take place in room 2228 of the Dirksen Senate Office Building. The hearing will begin at 9 a.m.●

SUBCOMMITTEE ON INTERNATIONAL FINANCE

● Mr. STEVENSON. Mr. President, the International Finance Subcommittee of the Committee on Banking, Housing and Urban Affairs, which I chair, will hold hearings on April 4 and 5 on the implications of the proposed multilateral trade agreements (the Tokyo Round) for U.S. exports. The hearings will begin each day at 10 a.m. in room 5302 of the Dirksen Senate Office Building.

The International Finance Subcommittee held extensive hearings last year as part of its study of U.S. export policy and economic competitiveness, and will release shortly a report containing findings and recommendations based on the study. The subcommittee has jurisdiction over export promotion, export controls, and export financing as well as exchange rates and the international monetary system generally.

The subcommittee intends to review the proposed tariff reductions and nontariff codes in order to determine what effect implementation of the draft agreements would have on U.S. exports and export policy. Particular attention will be paid to the draft code on export subsidies and countervailing duties, and to legislation to strengthen U.S. export performance to take advantage of trade possibilities opened by the agreements.

Persons wishing to submit testimony to the subcommittee or desiring additional information on the hearings should contact Robert W. Russell, counsel to the International Finance Subcommittee, at 224-0819.●

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

● Mr. RIEGLE. Mr. President, on behalf of the Subcommittee on Alcoholism and Drug Abuse, I wish to announce hearings on renewal authorization legislation for the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA) on the following dates:

On February 22, 1979, in 1224 Dirksen Senate Office Building and February 26, 1979, in 4232 Dirksen Senate Office Building from 9 a.m. to 12 noon, the subcommittee will hear testimony on the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979, which I am introducing today.

On March 2, 1979, in 4232 Dirksen Senate Office Building, the subcommittee will hear testimony regarding the Drug Abuse Prevention, Treatment, and Rehabilitation Amendments of 1979.

This hearing will also be from 9 a.m. to 12 noon.

The subcommittee would be pleased to accept written statements from individuals or organizations who wish to comment on this legislation for the record. Typewritten statements should be submitted no later than 15 days following the hearings to the Subcommittee on Alcoholism and Drug Abuse, 119 D Street, NW., Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today, February 21, and on Thursday, February 22, to consider the committee funding resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE GREAT IMBALANCING ACT

● Mr. GOLDWATER. Mr. President, throughout our history, the root foundation of our success in the field of foreign relations has been a proper balance between American commitments and American power. Today, we are seeing an alteration of this concept and the imbalance is placing this Nation in a position of peril. One of the finest expositions of this problem was published recently in Air Force magazine. That editorial, written by Editor John L. Frisbee, states that the course of U.S. foreign/defense policy is on a declining road due to the administration's misreading of Soviet goals or to plain self-deception.

I ask that this editorial entitled "The Great Imbalancing Act" be printed in the RECORD.

The editorial follows:

THE GREAT IMBALANCING ACT

(By John L. Frisbee, editor)

Thirty-five years ago, Walter Lippmann wrote that "in foreign relations . . . a policy has been formed only when commitments and power have been brought into balance." Those words, as true today as they were then, provide a basis for assessing where US foreign/defense policy stands and where it is going.

US commitments are less broad than they were a few years ago, but still extensive. They must be assayed on at least three levels. The first is the constant commitment to deter attack on the US itself by the only nation capable of launching such an attack—the USSR. The second relates to those areas where US and Soviet interests may clash, but where the US can expect little or no assistance from its stronger allies. The Middle East and Africa are two such areas.

The third level involves alliances headed by the US, conceived to protect allies from direct aggression and US interests from the effects of aggression. NATO is the prime example, followed by our bilateral treaties in the Pacific.

Putting the first level aside, the US commitment at the other levels is to maintain the status quo so far as domination by another power is concerned, but to a lesser—and lessening—degree relative to internal change. Advancement of human rights, while a worthy and still frequently articulated goal, has given a great deal of ground to the exigencies of economic and political life.

At all three levels, US power is falling behind commitments that we can ill afford to further reduce.

In contrast, the Soviet Union's commitment is to expansion of its direct control or hegemony on a global scale. Whether the impetus behind that commitment is ideological or nationalistic is important only to the extent that ideology helps or hinders expansion.

For the past decade, the US has attempted to balance commitments and power at a relatively low level of defense spending by seeking to persuade the USSR to reduce its base of power—its armed forces. Soviet policy, on the other hand, has sought with considerable success to balance commitments and military power by expanding the latter at the maximum rate allowed by Soviet resources. The two policies are diametrically opposed, with little if any middle ground on which to construct any sort of compromise

In the long term it may make little difference whether the Kremlin in fact agrees to a nuclear, intercontinental compromise at strategic parity (an unlikely prospect) so long as the Russians remain willing to continue their much greater investment in conventional forces, and so long as the USSR is seen by the non-Communist world as historically, hence currently, willing to spend lives at an exorbitant rate in order to reach its objectives.

The roots of the imbalance between US commitments and power do not lie in the Carter Administration. But the imbalance, which the previous Administration recognized and had set out to correct, has been exacerbated by three hallmarks of the Carter regime: consistent inconsistency, delay, and the frequent espousal of mutually exclusive goals.

A prime example of inconsistency is the President's pledge to the other NATO, heads of state that the US will increase defense spending by three percent in real terms if their countries will equal that growth. It now seems almost certain that this commitment will be hedged, on the pragmatic grounds that the US economy has suffered serious setbacks. This calls to mind Peter Viereck's comment that "pragmatism is unpragmatic; it won't work." It also brings to mind the fact that Soviet defense spending has grown by at least four percent a year for the past decade.

The foremost example of delay is the Administration's repeated postponement of a decision on production of the MX intercontinental ballistic missile. And from a gallery of mutually exclusive goals—both foreign and domestic—one could pick Mr. Carter's avowed aim of regenerating public confidence in the openness and integrity of US foreign policy formulation while concealing such adverse events as the stationing of MIG–23s in Cuba and Soviet encoding of their ICBM test transmissions in violation of SALT I understandings.

There is a subtle danger in the Carter Administration's handling of foreign relations: namely that the gap between commitments and power—in the final analysis, military power—will widen at a rate too slow to create public alarm until the US has reached a point where recovery may be impossible.

In our view, the course of US foreign/defense policy is on a declining road due to the Administration's misreading of Soviet goals, or to plain self-deception. The ultimate destination of that road is disaster. And the only way to avoid disaster is to take an uphill path that will close the gap between commitments and the military power needed to back them.●

OPEN DOORS: EMPTY HANDS

● Mr. STEVENSON. Mr. President, now that Teng has returned to China we should ask what we learned from his visit. Meg Greenfield sums it up in a recent column in the Washington Post: Teng provided none of the assurances the United States sought, but gave free advice no one needed on dealing with the Russians.

Teng's interest in buying U.S. goods and technology accompanies an apparent desire to exacerbate United States-Soviet Union tensions. It took the United States 30 years to recognize the People's Republic of China. I hope it will not take another 30 years to understand the China we now recognize.

Mr. President, I ask that Meg Greenfield's article be printed in the RECORD.

The article follows:

TENG'S VISIT: TOO MANY POLAR BEARS

(By Meg Greenfield)

By about Wednesday of China week it occurred to me that perhaps the nation had finally had one spectacular too many. Sitting there in an East Room illuminated by that now familiar blend of glaring TV lights and sparkling chandeliers, we watched Carter and Teng transmute ordinary pens into instant collectors' items by the mere act of signing agreements; there was Marine Band music; there was the constant stream of reminders that we were in the presence of something exotic, momentous, historic. There was all this—and yet there was also a sense, as there had been all week long, that something was "off" about the proceedings, not quite plausible, not quite right. It undermined the gush and gaiety of the ceremonies as well as the solemnity of the official pronouncements. What was it? What was wrong?

At the simplest level it may just have been a matter of anticlimax. Earlier excitements had made this one seem mild. For the fact is that like it or not, the truly breathtaking moment in the restoration of Sino-American relations was that famous televised landing of Richard Nixon's plane in Peking seven years ago. Teng in Washington, as theater goes, was not Nixon in Peking or Sadat in Jerusalem or even, for that matter Khrushchev in the U.S.A. And so far as wildly improbable, not to say surrealistic, Washington scenes go, there was virtually nothing Teng could have done—short of singing a duet with Brezhnev on the Kennedy Center stage—that would have touched the Begin-Sadat extravaganza of a few months back.

So chalk up part of the "offness"—the disappointment—to pre-visit hype of the event itself and to the inevitable jadedness of the audience to which the show was playing. But there was more, beginning, surely, with the way Deputy Prime Minister Teng seemed to have programmed his own computer: I thought of one of those missiles that can't be recalled or redirected once fired, but which must simply follow its preplanned trajectory. No matter what his interlocutors began with, they invariably seemed to end up with hegemony and more polar bears. He was really very impolitic, pushing his line and plying his wares in ways that verged on an affront to hospitality.

But, at least in public, he wasn't answered back; the whole thing just went forward on the American side as a kind of political love-in. Teng was no Nikita Krushchev, to be sure, hollering and threatening with stagy peasant roughness. But he did seem publicly to control events and to be beyond the reach of dialogue. And since none of this was publicly acknowledged by the American side, I think the effect was finally to make those of us who were mere spectators uneasy, suspicious that this show of rollicking amity was forced and that there were some fairly ugly realities lurking just underneath.

A Republican senator who was among those who met with Teng marveled to me about how unbending and unyielding the Chinese leader had been on the main questions. It was all very genteel, he said, but it all came down to the same thing: no. No to requests that he give some assurances against moving military on Taiwan; no to requests that he consider ending atmospheric nuclear tests; no to requests that he agree not to start something with the Vietnamese. And beyond all that there was the general, all-purpose no to requests that he cool it with the let's-you-and-him-fight anti-Soviet rhetoric. Teng may have tamed and modified some of his language on this point, but not really so you would notice.

In an interesting way, therefore, his message, as delivered to Americans, was a strange amalgam of directives that don't quite work together: Teng, roughly speaking, would have the United States be very tough and agressive and unyielding with the Soviet Union on questions of their interventions in third countries—and just the opposite with the Chinese on similar questions. Leave us alone on Taiwan and Vietnam . . . get cracking against the Russians on Afghanistan and the Horn of Africa. It is a measure of the incoherence of our own domestic politics at the moment that this curious message did not seem so much to offend or even bemuse our politicians as to attract them. Each seemed eager to pick up some single element of the Teng position—whichever appealed—and to use it to his advantage, while ignoring the rest.

And that brings us to what was certainly a main source and symptom of the oddity of the visit, especially in its five-day Washington phase. I am referring to the fact that within the American political and business worlds everyone seemed to be exploiting some single aspect of the Chinese visit for his own end—to prove a point, or further a policy or make a buck. It was a kind of festival of main-chancing.

Since the Chinese were so clearly out to "use" us, I can see no particular reason why Americans should not have responded in kind. And God knows I am beyond being surprised by the sight of that implacably anti-communist business community of ours rushing to make a deal with those equally avid anti-capitalists in Peking. That is the way it always turns out, and it is probably both good for our side and good for international stability. But I think there *was* something unseemingly and disquieting in the way some politicians and administration figures mirrored the businessman's single-minded pursuit of given particular goodies, affecting an oblivious indifference to questions that can stir them to great speechifying and anguished concern—elsewhere.

Such as, for example, good old human rights. The anti-Russian, anti-SALT right in Washington makes a very tony, high-minded big deal of these questions where Russian trespasses are concerned. But in their eagerness to exploit the Chinese anti-Sovietism, they seem to care little for the victims of Chinese internal repression or for the victims of Teng's loathsome client, the Cambodian butcher Pol Pot, or for the Taiwanese in whose behalf they seem willing to accept the flimsiest assurances that nothing bloody will probably happen.

That's what I mean by unseemly, and the effect was heightened for me by observing this part of the anti-Soviet anti-arms-control right being joined in the jovial, all-embracing celebrations by the good old liberal left, or parts of it, anyway. Which parts? For one, a lot of people who seem to think that they can only vindicate their (admirable) stand in favor of recognizing China long before it was even safe to do so, let alone fashionable, by professing the Chinese to be true and beautiful in all things. For another, those liberals who have never been particularly troubled by the high price of social and economic progress in totalitarian states.

I couldn't help wondering as the Teng show left Washington last week how much had actually been accomplished and learned from it and how much had got lost in the grabbing for narrow advantage and political self-justification. Maybe I am too hard on the spectacle. I only know it wasn't very edifying.●

ALLEN TATE, A GREAT AMERICAN

● Mr. BAKER. Mr. President, I would like to pay tribute to a great American man of letters, Allen Tate, who died February 9 at the age of 79 in Nashville, Tenn. Mr. Tate was a novelist, biographer, essayist, editor, teacher, and critic in addition to writing poetry, but he achieved perhaps his greatest renown as a poet. As a member of a writers' group at Vanderbilt University in the 1920's known as the Fugitives and as editor of the Sewanee Review, he was closely associated with my State, but his fine mind and Southern sensibility were recognized far beyond its borders. I ask that obituaries published in the Washington Post and the New York Times be printed in the RECORD to mark the loss of this distinguished American.

The articles follow:

ALLEN TATE, POET, CRITIC AND TEACHER, IS DEAD AT 79

Allen Tate, a poet and critic and one of the more distinguished figures in contemporary American literature, died yesterday. He was 79 years old.

Biographer, novelist, editor, teacher and critic, Allen Tate will most probably be remembered as a poet—a poet, to use the words of Dudley Fitts, of "aristocratic integrity." His poetry—weighed, balanced, declamatory—reflected the formal and classic virtues he defended in his criticism.

He was also one of the foremost spokesmen for the Southern tradition, not only in literature, but in values and politics.

Mr. Tate's poetry was considered "difficult" by some. It was often filled with references to Latin and Greek classics, and his tone was more intellectual than lyric. But at its best, as in his most famous poem, "Ode to the Confederate Dead," he fused his intellectuality with the Southern sensibility into a powerful philosophic statement.

MUCH SEEMED CONTRADICTORY

On the surface, much in his life seemed to be contradictory. He was a Southerner who spent much of the prime of his life in the North, a Protestant who became a Catholic, a polemicist who mellowed into a philosopher. But beneath the surface there was unity. In a book about Mr. Tate's work, Ferman Bishop described the writer as "consistently Classical, Christian and Southern in his outlook."

That outlook was molded largely by his background. John Orley Allen Tate was born Nov. 19, 1899, at Winchester, Ky., in Clark County, the heart of bluegrass country.

While still an undergraduate at Vanderbilt University, he became a member of a group called the Fugitives, who guided and influenced the Southern literary renaissance that flowed in the next decades.

The Fugitives included such other soon-to-be-famous writes as John Crowe Ransom and Robert Penn Warren and put out a magazine, The Fugitive, in which Mr. Tate's first poems appeared. They showed the influence of T. S. Eliot, whose poetry and criticism were to be a major source of inspiration to Mr. Tate throughout his career.

FLING AS BUSINESSMAN

After graduating from Vanderbilt in 1922, Mr. Tate had one brief fling as a businessman before devoting himself to letters. "My brother gave me a job in his coal office," he later recalled. "In one day I lost the company $700 by shipping some coal to Duluth that should have gone to Cleveland, and my business career was over."

Soon afterward, he came to New York, where he began his editing career on the magazine Telling Tales. Later, he was to become Southern editor of Hound and Horn, an advisory editor of The Kenyon Review and, most importantly, editor of The Sewanee Review.

While living in Paris on a Guggenheim Fellowship in 1928 and 1929, Mr. Tate published his first book: "Mr. Pope and Other Poems." It was followed by two biographies that were the result of his abiding interest in the Southern heritage: "Stonewall Jackson—The Good Soldier," and "Jefferson Davis: His Rise and Fall."

His only novel, "The Fathers," also drew on the Confederacy for its inspiration. The story of aristocrats in Virginia at the time of the Civil War, it pleased some reviewers, but puzzled others who thought it lacked the vivacity of more popularly written Civil War novels. Later critics were more sympathetic; Arthur Mizener, writing in 1947, called it "one of the most remarkable novels of our time."

A SENSE OF THE PAST

His sense of the past, of the antebellum South, led him to ally himself with the Agrarians, a group of Southerners who severely criticized the excesses of modern industrial life. In a book of essays, "I'll Take My Stand: The South and the Agrarian Tradition" and "Who Owns America?" Mr. Tate argued that by opting for industrialism, American society had invested in science and machines, an option he felt led to the decay of intellectual thought.

In his essays, he leaned increasingly to a consideration of such as Dante, Donne, Emily Dickinson and Eliot, as opposed to the poets of the Romantic school. He refused to go along with those critics who insisted that literature had to be viewed within its historic and social context. In "Tension in Poetry," one of his most ambitious works, he developed the theory that tension, the essential element in poetry, derived from the balance between connotative and denotative qualities of language.

Some of his most sensitive criticism was written about the poetry of his friend Hart Crane. "Out of the desperate conditions of his private life," Mr. Tate wrote, Crane created "the great poetic achievement of his generation".

In his own poetry, Mr. Tate continued to employ man's relationship to his past as a major theme. "Ode to the Confederate Dead," "The Mediterranean" and others considered to be his best works all focused on the past. One of his most unusual essays was "Narcissus as Narcissus," in which he examined his own "Ode to the Confederate Dead."

Mr. Tate's literary reputation, like that of the New Criticism, was at its highest in the 1940's and 50's. After that, it declined somewhat, with one reviewer, Helen Vendler, declaring in 1969 that "while Tate was trying * * * to counter what he considered a cult of rationalistic positivism, he became the high-priest of an arcane sect, an anticult."

SOUGHT RELEASE OF POUND

In the 1950's two of his actions drew public attention. Born a Protestant, he converted to Roman Catholicism in 1950, and his first book of essays published after the conversion, "The Forlorn Demon" (1953), was infused with Catholic and Thomist doctrine.

He was also among the literary figures who campaigned for the release of Ezra Pound, who had been committed to a mental institution after broadcasting for the Axis in World War II. The aging Pound was eventually freed.

Throughout his writing career, Mr. Tate worked as a teacher, lecturer and radio commentator. He taught at Southwestern College in Memphis, the University of North Carolina Women's College, New York University, the University of Rome and the University of Chicago.

From 1939 to 1942 he was poet in residence at Princeton, and he was a professor at the University of Minnesota from 1961 until his retirement in 1968.

A WITTY PUBLIC SPEAKER

Fair-haired and blue-eyed, with a high bulging forehead that gave him a scholarly appearance, he was a witty public speaker much sought after on the lecture circuit.

In the 1940's he became a regular member of the Sunday night radio show "Invitation to Learning." Each week he would discuss the classics with Mark Van Doren and Huntington Cairns; their discussions were later published in a book named after the program.

Mr. Tate received many literary honors, including the Bollingen Prize in poetry in 1956, the Brandeis University Medal Award for Poetry in 1961 and a $5,000 award from the Academy of American Poets in 1963. He served as president of the National Institute of Arts and Letters in 1968. His 75th birthday, in November 1974, was celebrated at a memorable occasion attended by literary persons from all over the United States and the British Isles.

He was married three times. His first wife was Caroline Gordon, the novelist, whom he married in 1924. She was the mother of his only daughter, Nancy Meriwether (Mrs. Percy H. Woods Jr.). His second wife was Isabella Stewart Gardner, whom he married in 1959. Both marriages ended in divorce.

SON KILLED IN ACCIDENT

In 1966, Mr. Tate married Helen Heiny. Twin sons were born to the couple in 1967, but one of them died in an accident in infancy.

The poet Robert Lowell, a friend, described the accident in graphic detail in a poem, "For Michael Tate":

gagging on your plastic telephone,
while the one night sitter drew water for your bath,
unable to hear your groans . . .

In a companion poem, "Letter From Allen Tate," Mr. Lowell quoted some of Mr. Tate's reactions: "As you must guess, We're too jittery to travel after Michael's death."

The poem concluded, however, on a note of admiration:

How sweet your life in retirement! What better than loving
a young wife and boy; without curses writing,
"I shall not live long enough to 'see him through'"

Mr. Tate reportedly was so upset by the poems that he broke with Mr. Lowell over them. Mrs. Tate bore him another son in 1969.

Among Mr. Tate's books of poetry were "Mr. Pope and Other Poems" (1928), "The Mediterranean and Other Poems" (1936), "The Winter Sea" (1944) and "Poems" (1960). His critical works included "Reactionary Essays on Poetry and Ideas" (1936), "Reason in Madness" (1941), "The Man of Letters in the Modern World" (1955), and "Essays of Four Decades" (1969). His "Collected Poems" was issued by Farrar Straus & Giroux in 1977.

ALLEN TATE, POET, CRITIC, DIES AT 79

(By Eve Zibart)

Allen Tate, 79, the southern literary renaissance's great man of letters, died early yesterday, 10 days after being admitted to Vanderbilt Hospital in Nashville, Tenn. He had been bedridden with emphysema for several years.

Although a dyed-in-the-wool southerner, Mr. Tate became the most cosmopolitan of American critics and was one of the first to espouse the modernism of T. S. Eliot and William Faulkner. He won numerous literary awards—five major prizes in the past two years—but popular success eluded him and he became, instead, the "poet's poet."

Allen John Orley Tate was born in Kentucky and spent most of his childhood and youth in Nashville and the District of Columbia area.

An alumnus of Georgetown Prep, Mr. Tate graduated magna cum laude from Van-

derbilt University in 1922. At Vanderbilt, he helped found a literary magazine called The Fugitive, through which he and his colleagues, including Robert Penn Warren, Cleanth Brooks, John Crowe Ransom and Merrill Moore, explored the intellectual and socioeconomic traditions of the South. This later grew into the "agrarian movement" that prefigured the southern renaissance.

"As a young man, as a college student, Allen single-handedly invented for himself what you would call the modern poetic style before he'd ever read Eliot or Crane," Warren recalled recently. "He was a brilliant mind . . . I was constantly amazed by him."

In his late 20s, Mr. Tate and his wife, novelist Caroline Gordon, moved to Greenwich Village in New York, and lived off his acerbic and witty freelance criticism. What was to become his best known poem, "Ode to the Confederate Dead," was first published in 1927.

The poet based the physical description of the "Ode" on the Confederate cemetery in Richmond, which he saw as a child:

Row after row with strict impunity
The headstones yield their names to the element,
The wind whirrs without recollection;
In the riven troughs the splayed leaves
Pile up, of nature the casual sacrament
To the seasonal eternity of death;
Then driven by the fierce scrutiny
Of heaven to their election in the vast breath,
They sough the rumour of mortality.
Autumn is desolation in the plot
Of a thousand acres where these memories grow
From the inexhaustible bodies that are not
Dead, but feed the grass row after rich row.
Think of the autumns that have come and gone!

In 1928 he and Gordon simultaneously were awarded Guggenheim fellowships.

Subletting Ford Maddox Ford's Paris apartment, Mr. Tate and his wife entered the expatriate circle presided over by Gertrude Stein. He thought F. Scott Fitzgerald the most attractive of the group, but spent more time with Ernest Hemingway. "We were pretty friendly," he recalled in a recent interview, "but I think if I'd been writing prose, he wouldn't have had me around."

Returning to the United States in 1930, Mr. Tate embarked upon the writers' standard academic circuit, teaching, lecturing and publishing. By 1939 he had become head of the creative writing program at Princeton University.

He was a legend among young, aspiring writers. Then Princeton student William Meredith, who now holds the poetry chair at the Library of Congress, remembers the "authority of his criticism." The young Robert Lowell, in a fit of hero worship, pitched a pup tent in Mr. Tate's yard for several weeks, relishing the propinquity.

In 1942, Mr. Tate was named to the chair of poetry at the Library of Congress. His Victorian house across the Anacostia River turned into a literary menage. Novelist Brainard Cheney and his wife, Frances, former president of the American Library Association, shared the rent, Katherine Anne Porter lived in the basement, Meredith slept on the porch, and John Peale Bishop stayed in the guest room.

Mr. Tate was at the height of his reputation in the 1940s, transforming the Sewanee Review into one of the leading literary magazines in the country. He was considered the perfect dinner companion—witty, perhaps a little acidic, and immaculately dressed—addicted to classical music and charades, a chain-smoker and a passionate fan of ice cream. He had an unshakeable composure and a southern gallantry that women found extremely attractive.

Mr. Tate and his wife, who shared a "profound psychic and spiritual relationship," according to Cheney, were divorced, remarried and divorced.

In 1959, Mr. Tate married Boston socialite and author Isabella Stewart Gardner, but the marriage quickly disintegrated, and in 1966 he married a former student, Helen Heinz, who survives. They lived in Sewanee, Tenn., moving back to Nashville two years ago.

Mr. Tate had written relatively little in the past several years, being almost blind as well as bedridden. He worked intermittently on his memoirs. In 1977 his "Collected Poems: 1919–1976" was awarded the Lenore Marshall Prize by Saturday Review.

Mr. Tate is also survived by a daughter, Nancy Wood, of Mexico, and two sons, John Allen and Benjamin Bogen Tate, of Nashville.●

NATION HONORS THOMAS EDISON

● Mr. RIBICOFF. Mr. President, 100 years ago, in a laboratory in Menlo Park, N.J., Thomas Alva Edison developed the first economically practical incandescent lamp and electrical system to power it. Edison's engineering breakthrough was the start of the electric lighting industry. To commemorate this historic development, the beginning of a Centennial of Light, the Thomas Alva Edison Foundation of Southfield, Mich., is sponsoring educational programs throughout the Nation. Information about these programs may be obtained from the Centennial of Light Information Center, P.O. Box 1310, Greenwich, Conn. 06830. The toll free telephone number is 800–243–8561.

Edison is being honored at the National Inventors Hall of Fame at the U.S. Patent and Trademark Office in Arlington, Va. A permanent exhibit was opened to the public this past February 11. Edison was born February 11, 1847. Each February 11 is observed as National Inventors Day by the National Council of Patent Law Associations. This year's commemoration has taken on a special significance now as part of the Centennial of Light observance.

The Centennial of Light observance is to honor the memory of Thomas Edison, whose scientific and technological achievements changed the face of the Earth and human history. With the support of American businesses and industries, the centennial programs are striving to upgrade scientific education and develop an environment conducive to more research and development and a resulting economic growth.

Along with the development of the incandescent lamp and electric system, Edison also invented the phonograph in 1877 and the motion picture camera in 1891. Other inventions Thomas Edison is credited with are the electrical vote recorder (1868), the stock ticker (1869), telegraph improvements, paraffin paper, carbon telephone transmitter, microphone (1872–76), electric railway (1880), portland cement processes (1900–09), alkaline storage battery (1909–10), disc phonograph (1910–14), and the talking motion picture. In his lifetime, Edison received more patents than any other person—1,093. In 1882, his most prolific year, he was issued two patents a week.

Edison was also the first to use the team approach to solving scientific and technological problems. His "invention factory" in Menlo Park, N.J., was the first of its kind, a well-equipped and ably staffed laboratory dedicated solely to testing, improving and inventing useful products. This was the forerunner of the modern industrial research laboratory. In a very real sense, this may have been Edison's most important innovation since it established the method by which even today's industrial, academic, and governmental research teams engage in technical studies.

The Nation will always be in the debt of Thomas Edison, for his work and vision helped to make the United States achieve preeminence in technical competence. It is of particular importance today that we recognize the genius, discipline, and courage of an inventor and innovator like Edison because we very much need people of his caliber.

I wish to commend the people who compose the International Committee of the Centennial of Light. It is through efforts such as this one that we may rekindle an Edison-like enthusiasm for discovery of ways to improve the quality of life throughout the world. I am pleased to note that two companies based in Connecticut are represented on the International Committee, Reginald H. Jones, chairman and chief executive officer, General Electric Co., Fairfield, Conn., and Merle W. Kremer, president, GTE Sylvania, Inc., Stamford, Conn. Along with the participation of Mr. Jones and Mr. Kremer on a national scale, in Connecticut Northeast Utilities and United Illuminating have both begun public education programs in connection with the Edison observance. General Electric, GTE Sylvania, Northeast Utilities, United Illuminating, and other businesses taking part in the Centennial of Light are embarked, on a very useful endeavor. Projects such as the Centennial of Light help to insure continued American preeminence in technology.●

WATCHING THE TENG SHOW

● Mr. GOLDWATER. Mr. President, broadcast coverage of the recent visit to the United States of Chinese Vice Premier Teng Hsiao-p'ing by the Public Broadcasting Service failed entirely to address the vital issues raised by the Carter administration's abandonment of Taiwan. Instead, the American public was presented with a superficial image of a Communist dictator. This is the same Public Broadcasting Service which will benefit from the almost billion dollars in Federal funds authorized for public broadcasting in the 95th Congress.

Frankly, I am dismayed and disappointed at the willingness of some in public broadcasting to become tools of the Carter administration on such an important foreign policy matter. But, of course, this is not the first time that PBS has sought to improve the Carter administration's image. Not many months ago, I expressed the gravest concerns about the White House's use of public

broadcasting to cover the Vladimir Horowitz concert.

The President's media adviser at the time, Barry Jagoda, who was also involved in policy decisions affecting public broadcasting, reportedly advocated public broadcasting's coverage of the event as a good way of promoting the Carter cultural philosophy.

Barry Jogoda is no longer the President's media adviser. However, the lesson of the Jogoda-Horowitz affair has already been forgotten by PBS. Tom Shales' article in the February 11, 1979 issue of the Washington Post, "Watching the Teng Show" should serve as an effective reminder. As I read the article it seemed to me that PBS more appropriately stood for the Peking Broadcasting Service, rather than the Public Broadcasting Service. Many of the local public broadcasting stations, including those in my home State of Arizona, must have been greatly concerned about the coverage of this event.

I am sure my colleagues will agree that PBS should strive to promote a higher degree of journalistic excellence in reporting future national and international events.

Mr. President, I ask that Mr. Shales' article be printed in the RECORD.

The article follows:

[From the Washington Post, Feb. 11, 1979]

WATCHING THE TENG SHOW

(By Tom Shales)

We were bored. We were lonely. We lusted for a new superstar, and the media, especially television, were ready to supply one.

Teng went the strings of our hearts.

Now that the vice premier of China has gone home, it can't hurt to wonder if what we saw of Teng Hsiao-ping's visit to America on American television was reportage or the sale of a bill of goods. Network coverage of the visit—wags have dubbed it "The Teng Show"—secmed delicately deferential for the most part and unquestioning in a way that must have pleased the White House far too much.

More disturbing, in a subtler but perhaps more insidious way, was the treatment given Teng by federally funded public television on "America Entertains Vice Chairman Teng," a live special from the Kennedy Center that gave new meaning to the cliche "all smiles." Host Dick Cavett was all smiles, Jimmy Carter was of course all smiles, and public television was smiling itself into a dither.

George Stevens Jr., who produced the after-dinner entertainment, is certainly not to be faulted for the way he rushed together a presentable, warm and winningly eclectic smorgasbord of Americana—although highlights like the Joffrey Ballet and the Harlem Globetrotters were somewhat mitigated by the bumbling giggles of John Denver and the near-surgical heart-tugging of the cloyish Shirley MacLaine. But the production had both decorum and spirit, and this is certainly rare at a Kennedy Center gala, where things usually start on a level of stiff nightmarishness and get worse.

Public television's handling of the event, however, leaned toward obsequious reverence; public TV became a tool in the Carter Administration's campaign to put Teng, and normalization, over with the American people (the tool apparently needs sharpening, because a recent poll showed Americans divided over the president's decision to embrace China and foresake Taiwan).

It is true that an oil company coughed up the $500,000 to put the program on television, but there are still federal funds involved in any national public TV transmission. When we add that fact to the public-relations nature of the event, to the way public TV handled it, and to the political interests it served, the whole project takes on a distressingly propagandistic tinge.

It suggests that public television risks becoming, on such occasions of official ceremony, State Television, or Political Television, or, in this case, the People's Republic of Television. It might be healthier for the nation if the White House and public television were at each other's throats—as in Nixon days of yore—rather than have them bosom buddies scratching each other's backs.

At the opening of the broadcast, Cavett, ill-suited for such a role, narrated to fill time a taped replay of Teng's first day in the United States. Carter's repeated goofs in identifying the vice premier by title ("Mr. Prime Minister, Mr. Prime, Mr. Vice Premier . . .") were edited out of the tape and so were the appearances made by two pro-Taiwan demonstrators on the White House lawn. Nor was there any mention of the larger and noisier demonstrations that occurred on the other side of the White House and in Lafayette Park.

Instead, Cavett dismissed such events in a manner reminiscent of Marie Antoinette: "one or two inevitable hecklers were escorted away" was his only suggestion that discord had dared to intrude on nirvana. Was this because he didn't want to offend the vice premier, who could not possibly have been watching, or because he didn't want to upset the White House, which currently looks favorably on increased funding for public TV and might not look favorably on the exposure of a single wrinkle in the day's scenario?

As television, except for the lengthy translations of wordy introductions, this was not at all a bad show. Director Don Mischer caught a few privileged shots, like one of Carter escorting his guests into the presidential box of the Opera House, another of Teng, preparing to speak from the stage, removing a little piece of crumpled paper from his pocket and unfolding it as he had done earlier in the day. On it was his speech.

But then Cavett, whose eagerness to please bordered on *idee fixe*, committed his supremo blooper of the evening, identifying for the home audience a shot of "the distinguished Robert O. Anderson," president of the Atlantic Richfield Co. which had funded the broadcast. Considering the number of other dignitaries Cavett had failed to identify (including Kennedy Center Chairman Roger L. Stevens), this was an especially unfortunate mistake.

When it came to bowing and scraping before Teng and his allegedly charismatic presence, however, the commercial networks weren't exactly caught napping. Frank Reynolds ended an ABC News broadcast with a gush of flowery futurology about the wonderful new era beginning; it sounded not only premature, but also an expression less of Reynolds' awe at the grandeur of events at hand than of his desire to give TV viewers a cheerful little earful, no matter how windfilled and fanciful.

Over on the NBC Nightly News, Teng was bid farewell with a montage of happy images from the trip, while—though NBC News refused to credit the source—the Kennedy Center orchestra heard on the PBS broadcast played repeated chipper choruses of Rodgers and Hammerstein's "Getting to Know You." Again, discouraging words, or images, were verboten; none of the week's demonstrations or foul-ups were shown, nor did we see the fall, at a Houston Rodeo, of a horse whose rider carried the American flag.

It was at times as if television had decided to accept without debate precisely the symbolism that the White House wanted all the activities to have.

The American networks went out of their ways to assist the Chinese television personnel traveling with Teng. Much manpower and equipment was loaned for free. But Burton Benjamin, director of news for CBS News, said this week that the effort was not an attempt to curry favor with an eye toward future Chinese-network relations but rather reciprocity for help the Chinese gave American television when presidents Nixon and Ford visited China.

"No matter how hard we insisted, they charged us virtually nothing," Benjamin said. "So we offered to reciprocate. We supplied them a camera crew and producers. They paid for travel and living expenses and for satellite and transmission costs, by far the largest nut of the deal."

Benjamin said the CBS donation to the Chinese amounted to about $39,000.

He denied that "we gave this guy a free ride" and pointed to a piece done by correspondent Bernard Kalb on the CBS Monday Morning News telecast after Teng went home. Kalb expressed what many TV viewers may have been thinking—that there was a considerable disparity between the cuddly charming man that the correspondents kept describing and the actual figure of Teng we saw on the screen.

"Teng Hsiao-ping really is a feisty, tough, essentially ruthless political figure on the Chinese Communist scene," said Kalb. "And apparently, in some sort of hunger on the part of the media to establish an extraordinary personality, he has been endowed with attributes that I have not yet found."

Kalb didn't say it, but the thought has to arise: How much were the networks and public television used by the White House to communicate a point of view through the availability of staged events so terribly adorable that no news director would ever consider throwing them onto the cutting room floor?

"I don't think that people were really listening precisely to what Teng Hsiao-ping was saying," said Kalb. "It was a 'spectacular' that we were watching this week, but what we in fact were seeing was simply the packaging, the public packaging, for strategic self-interest."●

NATIONAL PARK SYSTEM

● Mr. JACKSON. Mr. President, section 8 of Public Law 94–458 directs the Secretary of the Interior to make several submissions to the Congress at the beginning of each fiscal year.

First, the Secretary is to transmit a listing, in generally descending order of importance or merit, of not less than 12 areas which appear to be of national significance and which may have potential for inclusion in the National Park System.

The law also requires a list of all National Natural Landmarks and all nationally significant areas on the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources, along with notations as to the nature and severity of damage or threats.

On February 1, the Department transmitted this information to the Congress. Also on February 1, I received a letter from Assistant Secretary Herbst providing additional information, not required by the statute, regarding these section 8 areas.

Mr. President, I ask that the letter of

transmittal from the Department of the Interior pursuant to section 8, as well as Mr. Herbst's letter to me regarding these areas, be printed in the RECORD.

The material follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., February 1, 1979.

Hon. WALTER F. MONDALE,
President of the United States Senate, Washington, D.C.

DEAR MR. PRESIDENT: It is my pleasure to transmit to the Congress the annual report encompassing the National Park Service new area studies, and the list of those areas included in the Registry of Natural Landmarks and areas of national significance included in the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources. This report, prepared in compliance with Section 8 of Public Law 91-383, as amended by Section 2 of the General Authorities Act (P.L. 94-458) provides the Department of the Interior an excellent opportunity to institute a methodical approach for identifying potential new areas and monitoring the welfare of National Natural and Historic Landmarks.

The law requires that at the beginning of each fiscal year, the Secretary shall transmit a listing, in generally descending order of importance or merit, of not less than twelve such areas which appear to be of national significance and which may have potential for inclusion in the National Park System. Such listing may be comprised of any areas heretofore submitted under terms of the law, and which at the time of listing are not included in the National Park System. In compliance with this provision, I am submitting ten studies. We had earlier planned to submit seventeen studies, but in the final days of the last Congress, seven of our study areas were added to the National Park System. In view of the length of time required to study an area for its feasibility/suitability as a park and our lack of a backlog of additional completed studies, we cannot submit the full twelve studies required. Of the ten studies submitted, seven are resubmissions of those in last year's report (November, 1977). Two of the new studies were completed under the requirement of P.L. 94-518, approved October 18, 1976.

In my judgment, these studies cover resources having potential for inclusion in the National Park System. Any recommendation to actually include these areas in the National Park System would, of course, be made only after a thorough study of all the potential land uses of the area. The list of areas presented, therefore, does not constitute a legislative proposal. The Administration's further views on these areas will be presented in an additional letter which you will receive shortly.

Recommendations embodied in six of the studies were accomplished by the enactment of the "National Parks and Recreation Act of 1978," which occurred during the review within the Administration of this annual report. One study area, the San Antonia Missions area, became a unit of the National Park Service by the enactment of S. 1829. In light of the enactment of these two pieces of legislation, we would question the necessity of printing these seven studies as required by section 8.

I have not included in this submission proposed additions to the National Park System for which the Administration has recommended the enactment of legislation. For example, these include the Alaskan proposals for the National Park System, and the addition to the Mississippi River. These areas are nationally significant and the Administration strongly supports legislation for them. However, I have chosen not to duplicate in this list the information contained in our legislative reports on those proposals.

The law also requires a list of all National Natural Landmarks and all nationally significant areas of the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources, along with notations as to the nature and severity of damage or threats. Separate lists of Natural and Historic Landmarks so damaged or threatened are enclosed.

Of the 44 Natural Landmarks reported as damaged or threatened last year, 14 have been deleted from the list because they are no longer considered to be endangered. As a result of the current review, an additional 25 landmarks have been included in the report for a total of 55. 41 are either entirely or partially in public ownership; Federal agencies administer, either wholly or in part, 31. The major threats to Natural Landmarks are posed by mining activities, commercial development, and water related projects.

There were 101 areas of national significance listed in the National Register of Historic Places which were reported as endangered in 1977. 40 of these are listed again in this year's report; 61 are not. For several, such as the Fox Theater in Atlanta and the John Adams and John Quincy Adams Birthplaces in Quincy, Massachusetts, resolutions to the imminent threat have been developed. For others, a year of monitoring and subsequent reevaluation of the anticipated threat or damage have caused those resources to be deleted from the report. Unlike Natural Landmarks, most of the Historic Landmarks reported this year are in private ownership. Few are directly affected by Federal projects. The primary threat to these nationally significant cultural resources is economic, either due to lack of funds for preservation and maintenance or due to commercial development pressures.

The Department of the Interior is the major, but not the sole, component in a nationwide conservation and preservation network which comprises Federal, State, and municipal agencies and the private sector. This network, however, is highly dependent upon the active participation of all its components in order to ensure the conservation of our natural and cultural resources. As expressed in my letter of transmittal last year, it is essential that the non-Federal participants continue to receive technical and financial support in their efforts. Some of this support is provided directly by the Department through the Land and Water Conservation Fund, and indirectly through the provisions of Section 2124 of the Tax Reform Act of 1976.

This past year, by Secretarial Order, I have transferred the responsibilities for the Historic and Natural Landmark Programs from the National Park Service to the Heritage Conservation and Recreation Service. The Heritage Conservation and Recreation Service will recommend to me additional natural areas and historic places to be given landmark status, monitor the welfare and integrity of all such areas and historic places, and provide information and technical and non-technical assistance to landowners of threatened resources to increase their awareness of the values of those resources. The Heritage Conservation and Recreation Service will also disseminate information on both landmark programs to State and local governments and encourage all levels of government to protect the areas by using a full array of protection and preservation techniques. With the rapid increase of land values and inflation, we must utilize every means available to ensure protection and wise stewardship of those resources.

Through section 8, the Congress has given the Department an expanded opportunity to provide more consistent direction for the growth of the National Park System and the protection of our Nation's natural and cultural heritage.

We appreciate the opportunity to provide this information.

Sincerely,

BOB HERBST,
Assistant Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C.

In Reply Refer To: L58(170)

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the authority of Section 8, of P.L. 94-548, we are submitting to you under separate cover the list of ten areas which may have potential for inclusion in the National Park System. The purpose of this letter is to inform your Committee of the Administration's further views as to whether or not these areas should be added to the System. These views depend not only upon professional evaluation of the resource encompassed by the study area, but also upon such factors as cost, management alternatives, immediacy of the threat to the resource, etc. Each of the ten study areas submitted have been placed into one of three categories:

1. areas which the Administration and the Department can support for inclusion in the System,

2. areas for which additional information must be obtained for consideration prior to a decision on whether or not to add the areas to the System,

3. areas which the Administration and the Department cannot support for inclusion in the National Park System.

The Department of the Interior is presently prepared to support the enactment of legislation to add to the System the following two areas, subject, of course, to the review and consideration of the specific legislative proposals: the City of Rocks National Monument in Cassia County, Idaho; and the Hopeton Earthworks Historic Site in Ross County, Ohio. With regard to these areas the Department will prepare and soon submit draft legislation.

With regard to six of the areas, the Department of the Interior is not yet prepared to recommend either for or against addition to the System. Although the resources of each of these areas appear to be of National Park System quality, we currently lack much of the information necessary to make a policy choice as to the disposition of each area. We recommend that congressional consideration of any of these areas await development of this information. The following is a brief description of the additional work which should be done regarding each of these study areas.

Olmsted Home and Office in Brookline, Massachusetts—We believe that some degree of Federal involvement in the preservation of the site and the collection of Olmsted's work would be appropriate. However, the statement made in the study notwithstanding, there may be some viable possibilities for non-Federal acquisition or management of the site or collection. In the near future we hope to settle on an appropriate Federal role at the site, and we expect that a legislative proposal can be ready within a couple of months.

Prairie Park in Kansas and Oklahoma—This study area will require additional work on boundaries and management concepts prior to any decision on whether or not to support addition of a prairie park to the System. We foresee being able to make this decision around mid-year of 1979.

Channel Islands in California—This study area is in the final stages of the review process, with updated land status information and costs data to be available shortly. Although acquisition cost data is currently not available, there is a likelihood that the cost will be high. We cannot yet recommend whether or not to add the area to the System.

Valle Grande in New Mexico; Potomac River in Maryland, Virginia, and West Virginia; and the Great Basin in Nevada—For these areas we are updating basic resource data and exploring various boundary configurations and management concepts, be they local, State, or Federal. We do not expect recommendations on the Potomac River or the Great Basin to be made until after 1979, while the work on Valle Grande may be completed somewhat earlier.

Finally, there are two areas which we have studied thoroughly but which we cannot recommend for inclusion in the National Park System. The Mount Mitchell area of North Carolina is a significant natural area which contains some of the highest peaks in the Eastern United States.

However, the area is being adequately managed at present and there is strong local opposition to designating the area as a unit of the National Park System. The situation is similar at the Hagerman Fossil Beds Site in Idaho. The Bureau of Land Management, the present manager of the area, has produced a formal plan to protect the resource and the strong local support necessary for effective National Park Service management of the area does not exist.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

BOB HERBST,
Assistant Secretary.●

SIXTY-FIRST ANNIVERSARY OF THE ESTABLISHMENT OF THE MODERN REPUBLIC OF LITHUANIA

● Mr. WEICKER. Mr. President, subjugation of human rights has been the existing condition in many of the Eastern European nations for almost 35 years. Lithuania, a nation of 3 million people, is one such affected nation. Our attention to this matter is of particular importance now, as this week marks the 61st anniversary of the establishment of the modern republic of Lithuania.

The American people share a deep commitment to the ideals of freedom and equality. Because of this heritage, basic U.S. foreign policy considerations are, and always have been built upon a strong commitment to the rights and self-determination of all nations around the globe. We remain committed to the basic values of human life and continue to support and defend these ideals around the world. Our efforts in this area must continue unabated.

Mr. President, we are all aware of the great injustices which have been inflicted upon the peoples of Eastern Europe at the hands of the Soviet Union, with which we are currently engaged in a range of diplomatic negotiations. It is apparent that the Soviets have disregarded previously signed and enacted unilateral accords and treaties in this area. Obviously this is a crucial point for the United States to consider when approaching subjects such as détente, economic cooperation and strategic arms negotiations.

Mr. President, if the protection of human rights is to be an effective premise of U.S. foreign policy, it is imperative that we be aware of existing violations and put that knowledge into action. We in Congress must renew our efforts to attempt to deal with these blatant human rights violations. The oppressed peoples of the world must not be overlooked in the political interaction of the major superpowers. It is our duty and special responsibility as the leader of the free world to speak up and assist, whenever possible, those nations which suffer under the yoke of oppression.●

JOHNNY LONDOFF—HUMANITARIAN

● Mr. EAGLETON. Every day, Mr. President, our newspapers are filled with stories of men and women of noteworthy achievement. Almost always, those who have achieved great things have benefited greatly from their own achievements. Self-interest is a pervasive and powerful motivator.

Only occasionally are we privileged to read who has achieved not only greatly, but also selflessly. Such a man is my friend and fellow Missourian, Johnny Londoff of St. Louis.

By trade, Johnny Londoff is an automobile dealer, and I might add that he is one of the most successful auto dealers in our State. He rose to the top of his profession on the strength of his great ability as a salesman. That same ability also has served him and his community well in his avocation, as an organizer and fund raiser for many charitable enterprises. Among these charities, Johnny Londoff is known as a "soft touch." When a charity puts the touch on Johnny Londoff, though, they do not come away with $5 or $10. They come away with hundreds, thousands, even millions, all thanks to the energy, dedication, and good-heartedness of this man.

Recently, Mr. President, the St. Louis Globe-Democrat honored Johnny Londoff as St. Louis' "Humanitarian of the Year." It was a richly deserved honor, and I ask that the Globe-Democrat article describing the good works of this distinguished Missourian be printed in the RECORD.

The article follows:

[From the St. Louis Globe Democrat, Jan. 16, 1979]

JOHNNY LONDOFF WINS HUMANITIES AWARD

(By Mary Kimbrugh)

He could sell a jar of peanut butter to Jimmy Carter and a case of beer to Billy, wheedle a Christmas turkey and a smile out of Scrooge or trade a second-hand Edsel to Henry Ford for a 1979 Lincoln Continental and pocket the change.

As a matter of record, Johnny Londoff did sell Edsels once, not to Henry Ford but to eight fellow St. Louisans and all in the space of one weekend. It may have been the super-salesman's greatest coup.

That was in 1957. John H. Londoff, the promising young North St. Louis automobile dealer, had been given the entire North Side as his exclusive territory. When the other three St. Louis Edsel dealers folded, he had the whole town to himself.

He still lost money. Every week. But it was probably the last time.

Since then, the son of a Macedonian immigrant, trim, 5 feet 10 inches tall, his dark hair and eyes reflecting his middle European heritage, has been a Chevrolet dealer. In 1960, he moved his agency to Dunn Road in Florissant and today the little boy who worked in his dad's lounges and bowling alleys and delivered heavy cases of beer in the neighborhood for a 10-cent tip, is a well-to-do business executive. He is a civic and community leader, member of industry and agency boards, a happy husband and father and, even though he ladles out credit to others, a one-man charity blitz.

He's David Harum in a three-button suit, a born salesman with a silver tongue who long ago learned to turn gab into gold, and keeps two telephones on his desk to make sure he doesn't miss any calls. When that call is about one of his favorite charities, he's a self-admitted conman. His friends warn that when Londoff is collecting funds for one of his causes, keep your hands in your pockets and your checkbook out of sight or you haven't got a prayer.

But he also dips deep into his own.

This past June, the 200th scholarship was presented through the Johnny Londoff Chevorlet College Scholarship Program, which he established 16 years ago and personally finances.

As chief barker (president) of the St. Louis Variety Club, he has raised on his own more than $1 million of the $4 million contributed through the club's annual telethon, "The Crusade for Forgotten Children," and allocated to local children's charities. He gives the bulk of his time from October to February to the cause and holds the all-time record for the sale of $100 tickets to the Dinner with the Stars that precedes the telethon.

For his volunteer work, he has been named Man of the Year by the St. Louis Variety Club and in 1977 was awarded an International Presidential Citation by Variety Clubs International during their 50th annual convention in Monte Carlo.

He sponsors 14 Khoury League teams and has been North County chairman for Friends of Scouting. He sponsored an Invitational LPGA Golf Tournament at Glen Echo Country Club as a fundraiser for six agencies serving mentally retarded children.

He is president of the board of Holy Trinity Church in Madison, Ill., first and oldest Bulgarian Eastern Orthodox parish in America. It is a post his father, the late Harry Londoff, also held.

But exclusive franchises are for cars, not for charity. In addition to his own church activity, he is a member of the board of directors of Dismas House, a committee member of the City of Hope and Bonds for Israel, on the board of directors of the Child Center of Our Lady of Grace, and has raised funds for the Department of Special Education for the Archdiocese of St. Louis.

Add them all together and you come up with a new title for the big-hearted businessman.

Humanitarian.

Johnny Londoff, executive, community leader and activist for good causes, is the recipient of The Globe-Democrat's 20th Annual Humanities Award.

Presented to "that citizen whose entire life truly reflects the universal aspiration of mankind toward the Fatherhood of God and the brotherhood of man," the 1978 award recognizes Londoff as "special friend to special children, untiring champion of the handicapped, beacon of hope for the forgotten and unfortunate."

The award will be given, along with a $1,000 check from The Globe-Democrat, at a ceremony at 11 a.m. Monday, Jan. 29, at the Breckinridge Pavillion Hotel.

With the honoree that day will be the people closest to him: his mother, Mrs. Harry Londoff; his wife, Sylvia; his daughters and son, Laura, Linda, Jackie and John Jr.; and his sister and brother, Harriet and Harry Jr. He'll remember his dad and wish he were there to share the moment and tell him when to stop talking. And when he remembers, he just may choke up.

At 54, Johnny is as sophisticated as a cummerbund and as old-fashioned as a bathrobe. He has never left the North Side, where he was born, although he has moved west of the old neighborhood. Shortly after his marriage he built a handsome, though not palatial, house just a few doors from his mother's home and he stops by to see her and Harriet every day before he goes home for dinner.

When his father died in 1968, Johnny wrote in a special tribute:

"In Macedonian, there is a word 'dobrow chovek' which means 'good man.' This word, either in his native tongue or in English was used to describe Harry Londoff all his life . . . a good man who didn't understand a word of English. He knew only one thing, hard work. . . . His first 'business' was a candy counter with Uncle Mike in an area at Jefferson and Franklin. . . : My dad had unlimited faith in the future of St. Louis and invested his hard-earned savings in real estate. But as he moved from his hole-in-the-wall candy counter to the ice cream factory to progressively larger ventures, including two bowling alleys, a theater, a succession of cocktail lounges and several automobile agencies, his work habits were the same. He spent long hours at his place of business and was never too good for any job no matter how menial."

This, then, was Johnny Londoff's inheritance: faith in the future of St. Louis, business brains and hard work.

Johnny's dad had wanted him to go to Harvard and become a lawyer, but Harry Londoff had introduced him to the business world and it was in his blood.

Even so, a graduate of Beaumont High School and Western Military Academy, he continued his education, amassing nearly three years of credits at Washington University and in studies for two West Point appointments before he chose automobiles over the army.

At Washington U., he was a member of Sigma Nu fraternity, and he and Sylvia returned to the campus to be married in Graham Chapel.

His career had begun just after World War II. Back from service with the Marines, he was so eager to get into the automobile business that his dad gave him a financial boost.

In 1947, with $30,000 capital from the senior Londoff and more spunk than know-how, he and his sister opened a Kaiser-Frazier agency at 4718 Natural Bridge Ave.

Harriet is now active in her own businesses but his brother, Harry Jr., works with him some and Laura, 24, and Linda, 22, both graduates of Southern Methodist University, are full-time employees. John Jr., who at 8 was his hard-working, pinch-hitting "porter" during a nine-month-long labor dispute, works there during vacations and probably will be the next generation Johnny Londoff, St. Louis automobile dealer. The youngest of the clan, 18-year-old Jackie, attends school in St. Louis.

Sylvia, the slim, attractive daughter of Londoff family friends, who shared the Londoffs' European heritage, worked at the agency for a brief time after their marriage more than 25 years ago. Her career, they agree with a laugh at the memory, was terminated by mutual consent and the imminent arrival of Laura.

"She would watch me leave at 7 in the morning and I wouldn't get home from work until 10 or 11 at night. She complained about not being with me so I told her to come down and work. She answered the phone and made out the bank deposits.

"One day a banker called and said 'John your checks are bouncing all over town.'

"I told him he was crazy, that we had a sizable amount of money in the company account. He said, 'John, you haven't got a dime.'

"We started checking and found that Sylvia had been depositing everything simply to John Londoff. I had $106,000 in my personal account."

Just at that time, Sylvia became pregnant and both agreed it was time for her to stop working. Since then, the auburn-haired Sylvia, as outgoing and amiable as her husband, has been a mother and homemaker.

Their romance was, if anything, unusual. Their parents thought they would make a perfect pair. John and Sylvia weren't so sure.

"We didn't like each other at first, when we were kids," says Johnny.

"Everyone called him 'Pretty Boy,'" adds Sylvia.

"I remember the first time we went dancing, he told me, 'You sure have big feet,' I walked right off the floor and left him."

At first, Sylvia was convinced he was not only a 'pretty boy' but also a confirmed playboy.

"He could go out only on Saturday nights because he worked the rest of the time and we would stay on the east side dancing and having drinks until 3 or 4 in the morning."

But once they fell in love and decided to marry, Johnny's image as a breezy, blithe playboy changed, and Sylvia learned that, if anything, he's a workaholic. Today, he neither drinks nor smokes. He quit both, along with coffee, cold turkey.

But, despite his long hours at the office and in his volunteer work, there's always time for the family.

With his children, Johnny can be as stern as a Victorian father, as generous as a doting uncle and as sentimental as a bunch of violets. Laura and Linda sophisticated and popular girls, live at home by choice, and usually the whole family vacations together.

When each of his older daughters reached her 18th birthday, while she was away at school, he wrote a letter so sentimental that everyone, including Johnny and his secretary who typed it, cried.

"You have brought us great love, tenderness, warmth and happiness and a few headaches. But a jubilation and joy I pray the good Lord give you someday as a parent."

But, with the affection, there was also some "plain fatherly advice."

"Start off on the right foot," he wrote, "keep your cool, run slow, pray for your dad, continue to work and study industriously and try to make us more proud of you than we are (if that is possible). Drive carefully. Accept your freedom in an adult manner. Be discriminating in choosing your friends. Pray for your dad! Just strive to do your best honey, and as you often heard me say to our loveable Jackie, 'Be a lady'—which I know you are and will always be. I am so very proud to have you as my daughter!"

He also has been known to ask their boyfriends so many questions that some of them have disappeared forever.

Nightly, in a long-standing ritual, Johnny goes from room to room, kneels and prays over each of his children.

"Once," remembers Linda, "he prayed over Jackie so long that she told him to hurry up and pray faster so she could get some sleep."

Linda laughs. So does her dad. In the Londoff household, they can dish it out and they can take it.

He and his family have made special gifts to St. Mary's School for Special Children, whose director, Msgr. Elmer H. Berhmann, received the 1977 Humanities Award. But Londoff's public charity is not limited to one agency or institution. He wants to help all children.

That's why, one day in his office, he got the idea of his scholarship program.

"It was really no big deal. I had had a pretty fair year in 1962 and so I called the principal of McCluer High School right across the street and offered to give $1,000 for some student to go on to college.

"He came to see me a few days later and asked if I would make that four scholarships of $250 each for the Junior College which was just then starting. He said that would give four young people a foot in the door and, if they were the right kind, they'd find a way of staying there."

It was supposed to be a one-shot deal, but Johnny just couldn't give it up. The program was expanded and today, the recipients attend schools throughout the country.

"I can't tell you the letters I have received. You would think I had given them $250,000 instead of $250—and incidentally, that has now gone up to $300. Sometimes a child will feel that he was bypassed and cheated because he never had an opportunity. But if you give him that opportunity and he finds he isn't college material at least he will know it instead of thinking all his life he could have made it with the right opportunity, and condemning parents or society or whatever."

Londoff has nothing to do with the selection. He is told what school the recipient will attend and sends the money directly there.

Often, years later, he has run into one of the winners who has told him how much the assistance meant in his life. Many are now St. Louis business people and some have gone on to become doctors or lawyers.

But Johnny is also an impulse giver, points out one associate. If his heart is touched, his billfold will be, too.

"Once he heard of a family which needed help at Thanksgiving. He pulled out $75 and sent two of us over to the supermarket to buy food."

He admits he could be taken in by a sad story. But that doesn't hold him back.

"I really feel," he said, "no one is going to ask for help who doesn't need it."

One day Londoff received a letter that was destined to change the lives of many more thousands in need of help. It was form Joe Simpkins, chairman of Tiffany Industries Inc., recipient of the 1972 Globe-Democrat Humanities Award and at that time chief barker of the Variety Club. The letter was an invitation to join.

"I accepted," says Londoff. "It probably was the best thing I ever did."

It meant that the supersalesman would give young people not only a foot in the door but a second chance at a good life.

He does much of it over the telephone and the luncheon table.

Londoff makes more calls than a houseful of teen-agers or the town gossip just back from the beauty shop. Put him up in front of a public meeting and he's as jittery as a 12-year-old on his first formal date. But hand him a telephone and he becomes the sweetheart of Ma Bell and a one-man benevolent boilerroom.

On his paper-laden desk is a yellow pad, methodically filled with names of individuals and corporations and suggested pledges. They're checked off as they promise to give—and Johnny isn't about to hang up until he hears the magic word.

He usually hears it, too.

"Most people want to help. If I could sell cars like I can sell tables and ads for the program, I'd have so much money of my own that I wouldn't have to go after pledges. I could just buy out the whole Khorassan Room and give it away."

As it is, he personally sells at least half the tables that are bought for that special extravaganza.

When the Chase-Park Plaza, for 24 hours of show time and charity, it transformed into the Palace on the Mississippi, the self-confessed ham with the heart of a hoofer is a stagedoor Johnny, as gleeful as a Broadway investor reading first-night rave reviews.

He not only signs up pledges. He signs up the stars. And his favorites of all who have appeared on the show are Monty Hall and Carol Lawrence.

"They are a special breed," he says.

Their household is a blend of discipline and easy-going cameraderie. Londoff religiously does his 75 push-ups every day and rides three miles on his stationary bicycle to keep his weight at 155. He's a meticulouous dresser, with so many suits that he may wear one of them only four times a season, and he can't stand to see anything out of place.

But he's a martinet with a marshmallow heart and his love for his family, says one good friend, is like a pebble dropped into the water.

"It just keeps on going out and out and encircling more people."

Still, when he's mad, he can turn into a bulldog. That's what happened in his church a year or so ago when a schism developed and a priest was threatened with ouster.

Johnny didn't like the odds.

"He couldn't defend himself," he says.

Londoff even went to court to help get a permanent injunction.

Now that the matter has been settled legally, Londoff is like a Macedonian Henry Kissinger, a diplomat helping to heal the painful wounds.

Come to think of it, the supersalesman of cars and charity probably could sell Kissinger an airline ticket—and give the money to one of his causes.●

SEVEN LEAN YEARS

● Mr. GOLDWATER. Mr. President, President Carter and the leaders of his administration would like the world to believe that the conclusion of a SALT II agreement and its subsequent ratification by the U.S. Senate would be a cause for rejoicing, that it would greatly enhance the prospects of peace in the world and contribute greatly to a reduction in the international arms race.

A recent article in the Economist magazine claims that there is no cause for rejoicing. It explains: "For a mixture of reasons, ranging from the nuclear weakness Mr. Jimmy Carter inherited on becoming President 2 years ago to his own failure to bargain adamantly enough since then, the SALT II treaty . . . which is designed to last until the end of 1985 could be the beginning of seven singularly dangerous years."

Mr. President, I ask that this editorial entitled "Seven Lean Years" be printed in the RECORD.

The article follows:

[From the Economist, Dec. 30, 1978]

SEVEN LEAN YEARS

An eve-of-Christmas near-agreement between Russia and America about nuclear weapons, with the last details almost certain to be wrapped up in the new year, might seem occasion for rejoicing. It is not. For a mixture of reasons, ranging from the nuclear weakness Mr. Jimmy Carter inherited on becoming president two years ago to his own failure to bargain adamantly enough since then, the Salt-2 treaty which Mr. Cyrus Vance and Mr. Andrei Gromyko carried to the verge of completion in Geneva on December 23rd, and which is designed to last until the end of 1985, could be the beginning of seven singularly dangerous years.

THE ROCKS AHEAD

The relatively minor problem the Salt-2 negotiators have been quibbling about all through 1978—the treaty was originally supposed to be ready by the time Salt-1 ended in October, 1977—seem to be coming out rather more in Russia's favour than America's (see the box overleaf). But none of these affects the core of the Salt-2 agreement. The disturbing basic shape of that agreement was settled in the first wavering year of the Carter administration. It points to three large future problems.

1. On the surface, the proposed new treaty is neatly balanced; but it conceals, just under the surface, a large imbalance in Russia's favour. The supposed superiority of the Salt-2 agreement—compared with the first Salt deal in 1972, which merely froze the Soviet lead in missile numbers at the time—is that it lays down exactly equal permitted totals for each side; 2,250 nuclear launching vehicles of all kinds, of which 1,320 can carry Mirv multiple warheads or cruise missiles, and so on down through the various sub-sections.

But in fact, whereas the current Soviet missile-building programme will have no difficulty in filling most of the permitted totals, the existing American armoury and present American building plans mean that by 1985 the United States will be behind Russia both in the overall total and in some of the most important sub-categories. (The most striking example is "modern large" missiles, where the Russians will be allowed to keep their 308 huge 10-warhead SS-18s but the Americans will have none at all.) Anyway, this deceptive equality in simple numbers also conceals a growing Russian advantage in other aspects of nuclear power. This second-level Soviet advantage is a result of the fact that the Russians are building several land-based missiles bigger than anything the Americans possess, which can carry a much larger explosive load. By 1985, the Russians could have a lead of more than 3 to 1 in the total number of megatons that can be dropped on the other side, and 7 to 1 in megatons carried in land-based missiles; in consequence, a lead of 3 to 2 in their ability to destroy protected targets, such as missile silos; and a lead of more than 2 to 1 in their ability to destroy unprotected targets, such as cities.

Even if these figures were not militarily important (and they are: see point three), they would have unpleasant political consequences. The allies of the United States have got into the habit of measuring its ability to protect them against Russia by totting up the units of American nuclear power. That is the "nuclear umbrella". If that power is seen to be getting smaller than Russia's, one spoke of the umbrella after another, public opinion in these allies will grow more nervous about the value of American protection; and nervousness could crack the alliance.

2. The most dangerous place for such mistrust to grow is western Europe. The second major criticism of Salt-2 is that it has managed to increase Europeans' doubts about America most of all.

The planned treaty, while setting limits on the number of missiles Russia can aim at America, says nothing about the growing number of missiles it points at western Europe, especially the powerful new SS-20; and the only reference to Russia's Backfire bomber will apparently be some sort of Soviet "assurance" (outside the treaty itself) that this Europe-busting nuclear-bombing aircraft will not be used to bust America too. This hardly encourages the Europeans. They are not reassured by the fact that the American-designed cruise missile, which could be one way of equaling things may be denied to them under the Salt-2 clause which says that neither side may do anything to "circumvent" the treaty. The Americans say this should not prevent them providing the Europeans with the knowhow, and maybe some of the parts, to make the cruise missile; but Russia says flatly it will prevent just that.

The Europeans also find it worrying that the kinds of cruise missiles most useful to them—the ones launched from ships or from the ground—will be limited to a feeble 375-mile range by the protocol which will regulate a few particularly tricky problems during the first two or three years of the general treaty. They suspect that when those two or three years are over Russia will try to bully Mr Carter or his successor into prolonging the protocol, and with it the range restriction, and they are not confident of Mr Carter's ability to defy Russia. All in all, Mr Carter may discover at the Guadeloupe summit next Friday that the Europeans are not comforted by the suggestion that "your problems will be dealt with in Salt-3"—after 1985.

3. But the biggest problem with Salt-2, the wobbly cornerstone which makes the whole structure tremble, is that it may leave the United States itself vulnerable to a surprise Russian attack.

By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow. (By comparison, the Americans could probably knock out only about two thirds of Russia's land-based missiles in a similar first strike of their own.) If that Russian first strike did happen, an American counter-attack against the Soviet missile system would have to depend mainly on the aircraft-carried cruise missiles permitted under Salt-2, which would take 10 hours to trundle towards their targets—and even then would destroy not much more than half of the Soviet launching silos.

This is not "parity". It is often said, quite correctly, that even with these advantages the Russians would probably not press the button for the unimaginable ghastliness of a nuclear exchange. This misses the point of nuclear mathematics. The point is that the Russians would not have to. If they know that even a theoretical exchange of Soviet first strike and American counter-strike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American president would know it too; and that he would be paralysed by his knowledge as the grisly game of bluff and counter-bluff moved closer to button-pressing point. This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left.

HOW IT WENT WRONG

It is by no means entirely Mr Carter's fault that Salt-2 is now carrying the west towards these three rocks. The first Salt agreement, in 1972, set limits on the number of missiles the Russians could build but not—the heart of the present trouble—on the size of those missiles. In the years after 1972, while the Russians were testing and then deploying their new giants, the Americans were so mesmerised by Vietnam and Watergate that they failed to spot the danger and start an adequate new missile-building programme of their own. Mr Carter went into Salt-2 with this inherited weakness. Nevertheless, he could have made things better—or less bad—if he had stuck to his original demand of March last year that the Russians should halve the number of their very biggest SS-18 missiles. Instead, the Russians shook their heads and he backed down.

SALT TILTED, EVERYTHING TILTED

The nuclear balance, or imbalance, is the starting-point of every international political calculation. But there are other factors at work, too, which could tip the balance even more steeply against the west.

There is the competition in non-nuclear military power, where Russia is also trying to establish its claim to be primus inter pares. In central Europe the Russians are already ahead of the Nato allies in several of the main things by which non-nuclear strength

is measured, and the 3%-a-year increase in Nato defence spending which was meant to restore the balance is now threatened by Mr. Carter's desire to cut the next American budget. Even if Nato's 3% is saved, it may be at the cost of cutting the "non-Nato" part of the American defence budget (if such a distinction is in fact possible), which would make America weaker in the world outside Europe. But the loss of the old American nuclear superiority makes it even more necessary for the west to match the Russians in non-nuclear forces anywhere, if it is not to find itself faced down in one local confrontation after another.

There is also the matter of what can only be called political-military will. The Russians have, among their allies, a Cuba willing to keep 40,000 or more troops in Africa and south-west Asia, a Vietnam content to have put its army across the Cambodian border, an East Germany lavish with "advisers" in foreign parts; and in Russia itself, a public opinion that is no obstacle to the generous distribution of Soviet military aid between Kabul and Luanda. The lone example of Mr. Giscard d'Estaing's France apart, can the Americans find among their allies—or in themselves—even a fraction of the countervailing political-military will that may be needed in the next seven years?

It is not possible to stop the Soviet Union from expanding its military power: guns, after all, are the one thing the Soviet economy is good at. It is estimated to prevent that Soviet expansion proceeding to the point where it controls the commanding heights, nuclear or non-nuclear. There are still things that can be done to avoid that. The American senate may insist, as the price of its ratification of Salt-2, on an acceleration of the new mobile missile the treaty allows America to build, and other measures to shorten that dangerous period of American first-strike vulnerability. The 3% increase in general Nato defence spending may be rescued, and its benefits not confined to Europe. But unless something is done to block the trend, the coming years are going to be the roughest the west has yet faced against Russia.●

APPOINTMENTS TO THE NATIONAL ALCOHOL FUELS COMMISSION

● Mr. BAYH. Mr. President, I am pleased to announce that on January 31, the congressional members of the National Alcohol Fuels Commission, which I chair, were appointed.

My bill S. 2400 establishing this Commission was incorporated into the Surface Transportation Assistance Act in the closing days of the last Congress. The Commission will have 19 members—12 from the Congress and seven public members, representing the fields of industry, labor, agriculture, small business, and consumer affairs, who will be appointed by the President shortly.

Mr. President, I am extremely optimistic about the potential of alcohol fuels in this country. They represent a way to use domestic renewable resources, such as agricultural products and even urban wastes, to lessen our dependence on fossil fuels and on foreign suppliers. Gasohol—a 90-percent gasoline/10-percent alcohol blend—is a prime example of how alcohol fuels can be used to stretch our present energy supplies. Gasohol is being used successfully in automobiles without modifications to the engine, and is being sold in more and more locations throughout the country.

I would like to emphasize, Mr. President, that the National Alcohol Fuels Commission does not represent another layer of bureaucracy which would only serve to hamper the development of this resource. Instead, the panel will make a year-long study of alcohol fuels, their potential end-uses, and ways in which the Federal Government can assist the private sector in their development. After this study is completed, the Commission will end.

Mr. President, I am hopeful that we will soon be able to get the Commission underway, and I am looking forward to working with those of my distinguished colleagues who have been appointed to serve. In accordance with the language of Public Law 95–599, two members each have been appointed from the Senate Committees on Appropriations, Agriculture, and Energy, and two each from the House Committees on Appropriations, Science and Technology, and Agriculture. The Senate members, appointed by the President pro tem, are: Myself and the Senator from Oklahoma (Mr. BELLMON) from Appropriations; the Senators from South Dakota (Mr. MCGOVERN) and Kansas (Mr. DOLE) from Agriculture; the Senators from Idaho (Mr. CHURCH) and Oregon (Mr. HATFIELD) from Energy. The House members, appointed by the Speaker, are: Congressmen ROBERT ROE from New Jersey (who will be vice chairman) and JAMES BLANCHARD from Michigan, from Science and Technology; Congressmen BILL ALEXANDER from Arkansas and ROBERT MICHEL from Illinois, from Appropriations; and Congressmen DANIEL GLICKMAN from Kansas and THOMAS HAGEDORN from Minnesota, from Agriculture.●

SECTION 504, REHABILITATION ACT, AND THE NATIONAL ENDOWMENT FOR THE ARTS

● Mr. JAVITS. Mr. President, section 504 of the Rehabilitation Act of 1973 is recognized throughout our Nation as landmark legislation which affirmed the Federal Government's commitment to equal opportunity for the handicapped. After considerable discussion over regulation, section 504, which states "No otherwise qualified handicaped individual in the United States * * * shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance," is beginning to be implemented in Federal agencies and federally supported programs.

The National Endowment for the Arts has worked diligently to insure that the arts are accessible to handicapped individuals throughout America. Livingston Biddle, Chairman of the Arts Endowment, has written me outlining the efforts made by the endowment to assist arts organizations in providing the handicapped equal opportunity for participation in the arts. I commend his letter to my colleagues and ask that it be printed in the RECORD.

The letter follows:

JANUARY 17, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: I want to take this opportunity to report to you on the National Endowment for the Arts' progress concerning nondiscrimination of the handicapped and the promulgation of new regulations to implement Section 504 of the 1973 Rehabilitation Act.

Since the passage of the 1973 legislation, the National Council on the Arts has passed two resolutions urging arts organizations to include the handicapped in their programs. Since 1974, the Endowment has had the National Arts and Handicapped Information Service provide information and conduct research on arts programs for the handicapped. Materials from the Service have been widely distributed throughout the country to individuals and organizations representing the arts and the disabled. Copies of the Service's recent materials are enclosed for your information.

In 1976, the Endowment created the new position of Coordinator of Special Constituencies with primary responsibilities for advocacy with arts organizations to encourage them to develop ways of including the handicapped, older adult and institutionalized populations in their programs. As well as initiating an advocacy program, the Coordinator has been able to provide information and direct technical assistance to many Endowment grantees seeking to serve special constituencies.

Early in 1978, the Endowment convened a task force composed of Endowment panel members and handicapped individuals to review our proposed regulations and to suggest ways the Endowment could be of most assistance to its grantees during the compliance period. In June, the proposed regulations were mailed to 8,000 arts organizations for comment. This was done to alert them to their new responsibilities for nondiscrimination of the handicapped, as well as to permit them ample opportunity to respond to the draft regulations. The Endowment's final regulations will reflect their comments.

Recognizing that the 504 issue is primarily one of communicating grantee's responsibilities and how they can comply, the Endowment has initiated a technical assistance program which was endorsed by the National Council on the Arts at its December meeting. The elements of this technical assistance are:

1. Printed technical assistance brochures will be mailed to Endowment grantees and arts organizations one month prior to the issuance of the Endowment's final 504 regulations. One brochure will be directed to visual arts organizations, the other brochure will be directed to performing arts organizations. These materials will contain practical information on how to plan for and implement compliance, visual illustrations of solutions to common architectural and program barriers, and other pertinent resource information.

2. Training seminars will be conducted by the Endowment for a) Endowment Regional Representatives; b) State Arts Agency Directors and staff; and c) art service organization directors and staff.

These seminars will be held in January and February 1979.

3. Slide shows for each of the major art discipline areas will be prepared for use by arts organizations. These slide shows will be accompanied by a tape cassette and will visually illustrate compliance planning and implementation.

4. The Endowment will make every effort to make presentations to all the annual meetings of art service organizations to communicate the substance of the regulations and how to comply.

5. The Endowment will be prepared to give telephone ("hot line") assistance to individual inquiries.

6. Materials from the National Arts and Handicapped Information Service such as information on "Technical Assistance" and "Funding Sources" will be updated. In fact, the "Technical Assistance" materials have already been updated and are available. The "Funding Sources" materials will be updated shortly.

In addition, the National Council on the Arts has set aside $200,000 to encourage arts organizations to research and implement new ways of making their programs accessible to physically, sensory and mentally impaired individuals. The first grant to be awarded for an Accessible Arts Model Project is to the Buffalo Philharmonic Orchestra to experiment with ways of amplifying its music to accommodate hearing impaired audiences. The purpose of these demonstration projects is to experiment with new ways of making existing Endowment supported programs available to the handicapped. The findings can, in turn, be shared with other grantees. I believe the results of these Accessible Arts Model Projects not only will be very exciting, but will also have direct application to other fields, such as education.

I trust this information is useful to you. If you have any questions concerning the Endowment's initiatives for ensuring that the arts are accessible to the handicapped, please do not hesitate to contact me.

Sincerely,

LIVINGSTON L. BIDDLE, Jr.,
Chairman.●

ROBERT G. VIEHMAN: A SPECIAL KIND OF VOLUNTEER

● Mr. EAGLETON. Mr. President, we read and hear so much these days about the so-called "me generation," it is refreshing to hear about those Americans who are dedicated to helping others. One such person is Robert G. Viehman, of St. Louis, Mo., who—along with his wife and 12-year-old son—spent 9 weeks last year in Thailand helping the Bank of Agriculture and Agricultural Cooperatives of Bangkok streamline some of its credit and accounting procedures.

The Viehmans traveled to Thailand as part of a program sponsored by the Volunteer Development Corps, a private, nonprofit organization established in 1970 to provide short-term technical help to cooperatives in the developing countries. Mr. Viehman was selected, because of his expertise in the field of farm credit. Mr. Viehman is the coauthor of the widely used accounting manual now in use throughout the nationwide farm credit system.

While in Thailand, Mr. Viehman introduced several new systems to the 58 branch banks of the Bank for Agriculture and Agricultural Cooperatives of Bangkok. Among these were a shortwave radio system which permits quicker and more efficient communications between the branches, and an electronic data processing system which greatly improved the efficiency of the collection of statistical data within the bank.

Mr. President, I know that the Viehman family found this a rewarding and fulfilling experience and that they made many fine friends during the 9 weeks they spent in Thailand. I know, too, that the bank officials in Bangkok are grateful for the invaluable assistance Mr. Viehman provided them. I think it is a tribute to the Viehman family that they were willing to take on this volunteer project and give so generously of their time and energies. The world is a better place for people like the Viehmans, who are so willing to reach out to others.

Mr. President, Mr. Viehman prepared two detailed reports of his accomplishments in Thailand, and I ask that they be printed in the RECORD.

The material follows:

OCTOBER 9, 1978.

DEAR MR. CHAMLONG: Since my arrival in Thailand four weeks ago, I have been privileged to visit 2 branch banks and 2 district field offices. With the able assistance of Sompop and Prim, I have observed the operation and conversed at great length with management and staff of these offices. I have learned much. Here at headquarters I have held lengthy conferences with department heads of Planning, Budgeting, Working System Development, Accounting and their Staff personnel and also EDP personnel.

The following abbreviated outline of topics is set forth, in my opinion, in the order of importance and expediency on which I will further expound in our conversation today:

A. BRANCH BANKS

1. Improve service to farmer patron. Do required recording and posting work after all farmers have departed the bank for the day.

2. Improve and develop the member relations between farmer and branch and district field office.

3. Develop a "work team" operation which will permit the branch bank to meet unusually heavy activity; e.g., when a very large number of farmers are requesting advances of funds on their loans, the extra help can be shifted from their regular routine duties to assist in processing the farmers through expeditiously.

4. Consolidate receipt records wherever possible; e.g., combine the interest receipt with loan payment receipt, etc.

5. Adopt a numerical control number on the daily activity records; i.e., deposits, withdrawals, loan advances and repayments.

6. Improve the security in the cashier's department by having constructed a cage or screening around the cashier's desk area.

7. In branches with exceptionally large number of patron loans, the use of a bookkeeping posting machine(s) could handle all the daily activities of both the banking and loan departments.

8. Report only the daily changes that occur in the trial balance accounts. The headquarters bank could update preparing new daily trial balance from these changes.

9. If short wave radio is adopted, the recording on cassette tape would be made only on the trial balance accounts that have had activity that day.

10. If a branch bank has more farmers than it can process through before noon on the average day, consideration should be given to establishing a sub-branch bank.

11. A team composed of manager, assistant manager, credit manager and chief accountant collaborate to ascertain their branch bank's reserve for bad debts, using the new reserve for bad debts form but not using the headquarters suggested percentages.

B. AUDIT OF FIELD BRANCHES

1. The role of auditor and/or credit reviewer be broadened in scope to encompass:

(a) Personnel evaluation.
(b) Security evaluation.
(c) Adequacy of branch's accounting system.
(d) Work flow and processing evaluation.
(e) Effectiveness of new innovations recommended or adopted by the branch bank.
(f) Credit quality.
(g) Adequacy of the branch's "reserve for bad debts" estimations.

2. Recommend that both the auditor and the credit reviewer assign a "scoring rate" to each of the branch banks and each of the branch bank's district field offices both as to accounting and/or credit.

C. BAAC HEADQUARTER BANK

1. Radio communications center be established to receive from and to transmit to the branch banks daily:

(a) Accounting date.
(b) Bank balances information.
(c) Any and all other necessary types of communication.

2. A Uniform chart of accounts be adopted by headquarter bank and all the branch banks. The uniform chart of accounts be assigned numerical identification numbers (account numbers) which can readily be adaptable to hand posted record keeping, machine accounting or EDP.

3. The daily short wave radio transmissions received from the branch banks on the daily accounting activities be recorded on cassette tape as well as posted on ledger sheet by the receiving operator. The cassette tape and hand posted record can be passed to accounting department for an update of the branch's trial balance accounts.

4. A pilot program be adopted in conjunction with the university wherein a program for EDP is tested for the compiling of trial balance account information.

5. Headquarter bank compile and evaluate the 58 branch banks' "reserve for bad debts" calculations to produce a consolidated report. This would be a once a year project. The adjustment—plus or minus—would be amortized over 12 months.

6. A top management study team composed of a selected representative from each of the four major departments would evaluate the confidential auditor/credit examiner report and condense said report for top management's evaluation. They will also recommend any new innovations in use by the audited branch which, in their opinion, should and/or could be adopted at all branches. Their recommendation, if approved and endorsed by top management, would become an order that would be carried out by the "regional training teams", who will see that the branches in their regions are trained and the change put into practice.

Respectfully submitted,

BOB VIEHMAN.

OCTOBER 27, 1978.

MR. CHAMLONG: As my last working day at the Bank of Agriculture and Agriculture Cooperatives, October 31, draws near, I would like to discuss with you the many new programs from the October 9th outline that are presently in process of implementation by your fine, capable staff.

For discussion purposes, the topics or programs in process are, for reference, indexed to conform with my outline of October 9.

BRANCH BANKS

Item No. 3: Develop a "work team" operation which will permit the branch bank to meet unusually heavy activity. E.g., when a very large number of farmers are requesting advances (or making payments) of funds on their loans, the extra help can be shifted from their regular routine duties to assist in processing the farmers through expeditiously.

(a) The concept of a "work team" has been fully developed and written up with flow charts and operating procedures by Mr. Sompop Panprapakorn of the Working Systems Development Division. Mr. Sompop's report now awaits upper management's review and concurrence before implementation. Present plans are that within the week personnel from the BAAC will go to Chieng Mai; and,

with the branch bank management's assistance, the "team" will be trained. This team will be utilized in the daily ongoing operation of that branch bank. It is also anticipated that the "work team" concept will be presented and thoroughly explained to all the chief accountants during their meeting at Chieng Mai. A copy of the work flow chart and operating procedures can be given to each chief accountant; and they, as a group, can witness the "work team" in action. The chief accountants, having seen the "team" in action, will be able to envision a like team at work in their own branch banks.

(b) In all probability, there are many work areas in both the BAAC and branch banks where a sporadic, unusually heavy work activity occurs and temporary additional help can be effectively utilized. The "work team" can be a satisfactory solution to this type of problem.

(c) Most clerical employees who are engaged in routine work will usually welcome a temporary change in their regular work routine. Also, being proficient in an additional area of the bank's operation makes the individual a more valued employee.

Item No. 8: Report only the daily changes that occur in the trial balance accounts. The headquarters bank could update and prepare a new daily trial balance from these changes.

(a) The operational procedures and new trial balance forms are presently being compiled by Mr. Sunan Sakulkarn, Mrs. Ngaokae and their staff. The new procedures will be thoroughly explained to the operational staffs of both the branch bank and BAAC. When they are familiar with both the operation and the routine, the change will be put into effect.

(b) The information in Item No. 8 (a) will be demonstrated at the Chieng Mai chief accountants meeting. The procedures and operating instructions, together with the new accounting forms, will be given to each chief accountant at this meeting.

(c) With the adaptation of the new accounting forms and the simplification in preparing these forms, together with a reduction in the number of items reported to the BAAC, a savings in time for the accounting department at the branch bank should be effected.

Item No. 9: If short wave radio is adopted, the recording on cassette tape would be made by the BAAC on the trial balance accounts of the branch banks that have had activity that day.

(a) Preparations are presently being made by the BAAC to demonstrate, at the chief accountants meeting in Chieng Mai, an actual transmission of accounting data from the branch bank to the BAAC accounting department using the high frequency solid state broad band radio.

(b) Future considerations should be given to the use of a cassette recording and transmission device; i.e., a small dictating machine that could be used to record the daily trial balance changes in data and replayed aloud into the radio when transmitting daily to the BAAC accounting department.

This cassette, so recorded, could be kept for short period (possibly two weeks) as a proof of transmission to the BAAC. Later this tape could be reused again and again. Daily the branch bank's accounting department could use the cassette to record information as soon as they have completed their daily trial balance work; and it would be ready, awaiting the assigned time to transmit to the BAAC accounting department.

(c) Further use of the radio receiver/transmitter would be for communications of a general type between management personnel of the branch bank to the BAAC and/or other branch banks in the system. There are certain modifications to the radio/transmitter that can be added where a conversation between two people can be a "private conversation".

The useful life of the radio equipment is conservatively estimated to be 15 years. The cost of the radio equipment should be fully recovered in 6 to 7 years by the savings realized in long distance telephone and telegraph charges.

(d) A future consideration in the use of radio receiver/transmitter would be the installation of a similar device, of a less powerful type, in the district field offices and subbranch banks.

(e) If at some future time management desires to have all the credit activity occurring that day transmitted and recorded in the BAAC's EDP computer, the use of a cassette tape recording of said data could be transmitted from the branch bank to the BAAC and re-recorded on their cassette recorder for entry into the EDP computer for updating of individual borrower's loan accounts.

BAAC HEADQUARTER BANK

Item No. 1: Radio communication center be established to receive from and to transmit to the branch banks daily:

a. Accounting data.

b. Bank balances information.

c. Any and all other necessary types of communication.

(a) Assuming that the "pilot program" with the Chieng Mai branch bank proves successful, the BAAC's departmental management staff will collaborate in preparing a report for top management's evaluation recommending establishing a "Communication Center". Their report will contain recommendations in the number and kind of radio receiver/transmitters that would be in use at headquarters. Also, in detail, the uses that can be made of said equipment and how the bank's staff will operate this equipment.

(b) The transmission of accounting data from the branch banks to BAAC, reporting only the daily changes that have occurred in the trial balance accounts, will be recorded by the operator at headquarters bank on new trial balance forms as the transmission is being received. Also, this same transmission will be recorded on a cassette tape which will be used as a further check in the accuracy of the clerk's hand recorded data. This tape will be kept for a reasonable period for proof of the prepared form, then reused again. Daily data just received from the branch bank will be processed through the BAAC's accounting department, where the new updated trial balance will be prepared on the new forms (presently being developed) and dispatched to management personnel. A machine copy of the daily changes in the branch banks' trial balance accounts will be sent to the EDP key punch department where IBM cards will be made and sent to the computer for an updating of the accounting data and records.

(c) The branch banks will report to the BAAC their bank balance information. Said information, upon being received, will be promptly given to the appropriate management personnel.

(d) The operation of the "Communication Center", a service to all management in the BAAC system, should, in my opinion, not be the direct responsibility of any one department, but should be in the "general services" activity.

(e) The "Communication Center" will make arrangements for the personal radio calls of management staff at BAAC to the management staff of the branch banks, and also transfer of personal radio calls from the management staff of the branch banks to the management staff at BAAC. All of the conversations in the personal calls will not be overheard by the radio operators or other radios.

(f) If management should, at some future time, desire to have all the credit information on the individual borrowers' accounts kept on the computer and updated daily, this could be easily accomplished through the use of your "computer center". Ref. Item #9 (e).

(g) For future considerations, there are presently on the market many devices that can be utilized with your radio receiver/transmitter. These devices can give further capabilities to this equipment; e.g., the equipment can be in use 24 hours a day. It can receive data, on tape, automatically from branch banks which could be transmitting automatically during the night information that had been pre-recorded on cassette tape.

Item No. 2: A uniform chart of accounts to be adopted by headquarter bank and all the branch banks. The uniform chart of accounts be assigned numerical identification numbers (account numbers) which can readily be adaptable to hand posted record keeping, machine accounting or EDP.

(a) The assigning of account numbers to the general ledger accounts and their related subsidiary accounts has been accomplished by Mr. Sunan Sakulkarn, Mrs. Ngaokae Sapitakm and the able assistance of their staff member, Miss Premchitra Khadee.

The assigning of identification numbers to the general ledger accounts of the BAAC's and branch banks' accounts will enable all of the system's accounting records to be recorded in identically the same manner whether the records are on a hand posted system, a machine accounting system or an EDP computerized system.

(b) The management of the accounting departments will have a report prepared for the chief accountants meeting in Chieng Mai, which gives full explanation to account numbering system and how it is to be used in their branch banks. An explanation will be given as to "why" the BAAC has adopted the account number method of identifying the general ledger accounts. Explanation will also be given to why certain accounting forms have been slightly modified, together with a demonstration of the proper use of these new forms.

Item No. 4: A "pilot program" be adopted in conjunction with the university wherein a program for EDP is tested for the compiling of trial balance account information.

(a) Since our conference of October 9, BAAC employees, Mrs. Somnung Fongsarun, Miss Premchitra Khadee and I have conferred with Miss Natchavee Kunaporn, a systems analyst at Chulalongkorn University, to ascertain the capabilities and the availability of the university's computer to accept the BAAC's entire chart of accounts together with the chart of accounts of all the 58 or more branch banks, and the daily update of each account which has an activity. Also to prepare, if requested, a consolidated (all branches) trial balance.

We were told that this could be accomplished for a very nominal costs; and also that the program had already been compiled and tested by Mrs. Somnung Fongsarun.

(b) We further explored future uses that the BAAC may choose to make of the computer; e.g., could the university's computer accept, store and update information on over a million individual borrowers' loan accounts. We were assured that with the capacity of their IBM #370 computer this would pose no problem.

(c) At the conclusion of our conference at the university we asked that with the entire accounting chart of accounts and their updated daily changes, could the computer be programmed to compile accumulation of data on each account so that meaningful management reports could be prepared on a monthly and yearly basis. We were advised that the computer could be so programmed. We further asked if programs of a similar nature could be made from the million individual loan accounts where computerized. Again, the answer was in the affirmative.

(d) A week after our conference at the university, a conference here at BAAC was conducted by a representative from the university's computer department to familiarize the BAAC's staff in the accounting and planning departments with the process and capabilities of the computer.

(e) At the present time, Mrs. Fongsarun is working on a program for the payroll department wherein certain statistical information can be compiled.

(f) It would be my personal recommendation that should the BAAC decide to embark upon any EDP program the EDP program be made a tool of the planning department to gather statistical data for reports to be used in planning, forecasting and budgeting. In conclusion, I would like to make the following recommendations:

1. When a pilot test program proves successful that it be put into operation for the entire BAAC system as quickly as possible.

2. If management should decide to embark upon an extensive EDP program, beyond the chart of accounts for the trial balance records, they contact the Washington offices of VDC, ACDI or AID to make arrangements for a BAAC management staff member to visit, say for 2 weeks, with a district Farm Credit Bank (hopefully St. Louis) to observe the computer programs in operation and to understand the capabilities of the computer.

3. When the numbered general ledger accounts have been put into effect and are operating satisfactorily, consideration should be given to compiling a complete accounting manual wherein each of the general ledger accounts in use is fully described. I have left with the accounting department a copy of my bank's old accounting manual, and have written to my superior to mail a copy of the new Farm Credit Banks accounting manual to BAAC. These manuals can be used as guides when preparing a BAAC accounting manual.

The 52 days that we have spent in Thailand will always remain in our memories as some of our most pleasant days on earth. We have come to love Thailand, its wonderful people and customs.

I do so regret that I cannot be here to witness the many new programs that the BAAC management and its capable staff will be putting into effect in the foreseeable future.

Respectfully submitted,

BOB VIEHMAN.●

LITHUANIAN INDEPENDENCE DAY

● Mr. DOLE. Mr. President, on February 16, 1918, the Lithuanian people declared themselves free of the domination of czarist Russia, ending centuries of tyranny and persecution. Today, 61 years later, this event is being celebrated by Lithuanians throughout the world.

The people of Lithuania, however, are once again laboring under the yoke of Russian tyranny. While giving lipservice to the concept of human rights, the Soviet Union has failed to follow the principles set forth in the Helsinki Agreements. Instead, it has repeatedly violated the individual rights of Lithuanian citizens, and at the same time has denied the rights of the Baltic peoples to self-determination.

While there are many outstanding examples of those who have stood up to this oppressive Soviet rule, I would like to single out two Lithuanians for their exceptional bravery.

Viktoras Petkus, who has dedicated his life to the struggle for Lithuanian self-determination, has been once again sent to jail. His crime?—Mr. Petkus was part of a committee attempting to monitor Soviet compliance with the Helsinki Agreements. Mr. Petkus now languishes in the same jail as fellow political prisoner Anatoly Shcharansky.

BALYS GAYAUSKAS

Balys Gayauskas, who has already spent 25 years in jail for his activities in support of a free Lithuania, was arrested and sentenced to 10 years in jail, followed by 5 years of exile. While in prison, Mr. Gayauskas has given further evidence of his tremendous courage by joining the Helsinki Monitoring Group.

LITHUANIA'S STRUGGLE CONTINUES

With brave citizens such as Mr. Petkus and Mr. Gayauskas leading the way, the Lithuanian people continue to struggle for liberation from Soviet tyranny. In December a committee was formed to defend the rights of Catholic believers, and the publication of underground literature continues to flourish in Lithuania.

CALL TO THE UNITED STATES

We in the United States would be remiss if we did not do what we can to aid the people of Lithuania in their quest for freedom. In order for the underground press in Lithuania to remain effective we must insure that they have access to information from Radio Free Europe, Radio Liberty, and Voice of America.

HOPE FOR THE FUTURE

I remain convinced that with the courage and determination of the Lithuanian people their freedom is inevitable. A pursuit as vigorous and unyielding as their quest for self-determination and religious and political freedom cannot be thwarted, for the power of freedom is irresistible.●

OMB REPORTS ON COMPUTERS, TELECOMMUNICATIONS

● Mr. RIBICOFF. Mr. President, the Office of Management and Budget, which sets policy and fiscal priorities for computer operations in Federal programs, issued a summary of resources in the President's fiscal year 1980 budget for general purpose data processing and telecommunications. I ask that the summary be printed in the RECORD.

The summary follows:

RESOURCES FOR DATA PROCESSING AND TELECOMMUNICATIONS IN THE FY 80 BUDGET

This document provides a summary of resources included in the President's FY 1980 Budget for general purpose data processing and telecommunications.

This summary is being issued in order to identify the extent to which the Executive Branch of the United States Government is taking advantage of the opportunities afforded by data processing and communications technology to provide better services to the American public, expand the capacity and productivity of the Federal workforce without increasing its size, improve the management of Federal agencies and programs, reduce fraud and waste in Federal programs and reduce the cost of government.

The figures presented in Table 1 are preliminary estimates of the resources devoted to general purpose data processing and telecommunications. Some minor adjustments in these figures can be expected as agencies continue to reflect the effects of program budget decisions. A more complete analysis of data processing and telecommunication resources included in the budget and trends in the distribution of these resources will be published in March 1979.

GENERAL PURPOSE DATA PROCESSING RESOURCES

Obligations for general purpose data processing activities of executive agencies are expected to increase $651.4 million (15.8%) from FY 1978 to FY 1979 and $492.4 million (10.3%) from FY 1979 to FY 1980.

The 15.8% and 10.3% growth rates for general purpose data processing activities exceed the 9.4% and 7.7% growth rates for the Federal Budget during these same years.

During the two year period covering FY 1979 and FY 1980 the largest absolute growth in these activities is expected in:

Department of Defense, $666.7 million (34.4%).

Department of HEW, $99.0 million (23.0%).

Department of Energy, $74.6 million (26.9%).

Department of the Treasury, $65.3 million (12.5%).

In addition, significant relative growth is also expected in:

Department of State, 69.4% ($8.6 million).

Department of HUD, 54.3% ($10.2 million).

Department of Transportation, 41.9% ($29.1 million).

General purpose data processing resources included in these figures are defined in Section 43.2 of OMB Circular No. A-11. While they include most of the resources for general purpose data processing activities of Federal executive agencies, they do not include Federal data processing activities funded by Federal grants, classified systems or computers which are an integral part of weapons, space or similar systems.

GENERAL PURPOSE RESOURCES
TELECOMMUNICATIONS

The figures for general purpose telecommunications provided in Table 1 represent a first step toward identifying all Federal executive agency expenditures for telecommunications.

The estimates compiled this year do not include resources for telecommunications activities related to certain command and control applications, tactical operations, intelligence operations, radar or navigation systems, operations outside the U.S. and certain other special applications. A more complete definition of resources included in this summary can be found in Section 43.3 of OMB Circular No. A-11.

This year's experience will be used as a basis for refining and expanding telecommunications resource reporting during the next year.

EFFECTIVE USE OF TECHNOLOGY

Table 1 identifies the magnitude of Executive Branch resources devoted to general purpose data processing and telecommunications. A separate document entitled "Federal Government Use of Data Processing and Telecommunications" has been prepared which provides specific examples of the benefits expected from the effective use of technology. Federal agencies are using these resources to:

Determine eligibility for benefit programs in a more cost effective and efficient manner.

Identify and reduce fraud in Federal benefit programs.

Save lives by speeding up emergency rescue operations in time of disaster.

Advance scientific knowledge.

Reduce energy consumption.

ACQUISITION PLANS

A compilation of Federal executive agency plans for major acquisitions of general purpose computer and telecommunication systems, facilities and related services during FY 1979 through FY 1984 will be published before the end of January 1979.

TABLE 1.—PRELIMINARY ESTIMATES OF DATA PROCESSING AND TELECOMMUNICATION RESOURCES IN THE FISCAL YEAR 1980 BUDGET

[In millions of dollars; fiscal years]

	General purpose data processing			General purpose telecommunications		
	1978 (estimate)	1979 (estimate)	1980 (estimate)	1978 (estimate)	1979 (estimate)	1980 (estimate)
Department of Agriculture	94.3	111.5	118.3	36.1	41.1	48.0
Department of Commerce	107.7	125.8	140.4	24.9	30.0	40.1
Department of Defense	1,936.0	2,278.6	2,602.7	474.4	495.5	503.2
Department of Energy	277.0	306.9	351.6	56.3	71.2	79.0
Department of HEW	430.0	492.2	529.0	162.7	188.4	207.7
Department of HUD	18.8	23.8	29.0	12.5	16.4	17.6
Department of the Interior	52.0	63.1	67.9	23.8	26.3	31.3
Department of Justice	39.9	47.2	50.1	44.8	52.9	50.6
Department of Labor	44.9	56.6	59.5	2.5	2.3	2.8
Department of State	12.4	18.6	12.0	5.3	6.3	7.1
Department of Transportation	69.4	85.5	98.5	29.6	30.4	34.3
Department of the Treasury	520.9	557.8	586.2	73.3	73.3	84.5
Environmental Protection Agency	35.2	38.5	40.9	9.2	9.8	10.6
General Services Administration	60.7	53.5	55.2	11.1	14.2	14.0
National Aeronautics and Space Administration	184.9	202.7	210.2	24.9	27.2	27.8
Veterans' Administration	80.5	113.4	74.9	62.9	83.0	74.9
Corps of Engineers	29.1	39.3	40.6	7.6	8.4	8.8
National Science Foundation	14.2	17.4	17.9	.1	.2	.2
Office of Personnel Management	12.5	11.9	12.0	4.6	4.7	3.9
Other agencies	95.9	123.4	154.2	16.5	20.5	21.9
Total	4,116.3	4,767.7	5,260.1	1,082.6	1,201.8	1,268.3

TRIBUTE TO THADDEUS KOSCIUSZKO

● Mr. DOMENICI. Mr. President, on February 12, our Nation observed the birthday of Abraham Lincoln. The stature of President Lincoln and his contributions to our country are as giant as a mountain and their shadow covers our entire land. But these shadows, by their magnitude, often obscure other great and noble figures.

February 12, Mr. President, is also a day of observance for the deeds of Thaddeus Kosciuszko. A Polish soldier and statesman, he entered the American Continental Army as a volunteer. He distinguished himself in the battles of New York and Yorktown and out of respect for his heroic contribution to the American Revolution, Congress, by special act, bestowed on him the rights and privileges of American citizenship and the rank of brigadier general.

His dedication and sacrifice in helping to found this great Nation should never be forgotten. Let us here in the Congress, and in the Nation, reflect and remember his deeds, his ancestry, and the role they have played in our Nation's birth.●

NOTED HISTORIAN ARTHUR BESTOR AGREES PRESIDENT CARTER USURPS LEGISLATIVE POWER BY BREAKING TAIWAN TREATY

● Mr. GOLDWATER. Mr. President, I am delighted to report that I have just received a letter from Prof. Arthur Bestor, one of the country's preeminent historians, who writes that he is "in complete agreement" with the position taken in my lawsuit against President Carter.

In referring to the President's attempted abrogation of the defense treaty with Taiwan without first obtaining legislative approval, Professor Bestor says:

I am happy that you are raising the constitutional issue in so forthright and effective a way. The termination of the Mutual Defense Treaty by the President without obtaining the advice and consent of the Senate—indeed, in flagrant disregard of the "sense of the Congress" clause in the International Security Assistance Act of 1978 (which comes close to being what the Constitution describes as the "advice" of the Senate)—represents a usurpation of power of the most dangerous sort. Like you, I believe this precedent, unless counteracted and repudiated, would permit a President to cancel any commitment whatever of ours—to Britain or France, to NATO, to Israel—even, ironically, to the People's Republic of China, should we make a purportedly binding treaty with them.

Mr. President, none could put it more clearly or succinctly. I am especially impressed with the clear-cut conclusions of Professor Bestor since he is one of a handful of academicians who have reached the pinnacle of their profession. His article entitled, "The Separation of Powers in the Domain of Foreign Affairs," in the Seaton Hall Law Review in 1974, is widely recognized as a landmark work on the original intent of the Framers based on an exhaustive review of contemporary 18th century material.

It might be mentioned that Who's Who in America notes Professor Bestor is a Democrat and Contemporary Author states that he was on a state board of directors of the American Civil Liberties Union. I give this information only to refute any false assumptions that Professor Bestor's conclusions might have been colored by his political philosophy.

Mr. President, in support of his conclusion that President Carter has usurped legislative power, Professor Bestor has generously prepared an historical note which discusses the issues fully. The paper is an important new contribution to literature on the subject of treaties and I ask that it be printed in the RECORD.

The material follows:

LOCATION OF THE CONSTITUTIONAL POWER TO ABROGATE OR TERMINATE A TREATY: THE ORIGINAL INTENT OF THE CONSTITUTION HISTORICALLY EXAMINED

(By Arthur Bestor)

The Constitution of the United States provides that the President "shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur."[1] It likewise decrees that "[t]his Constitution, and the laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land."[2]

On the 2nd of December 1954 the United States signed a Mutual Defense Treaty with the Republic of China (that is, with the government which claimed to be the legal sovereign of the whole of China but which in fact governed only the island of Taiwan and certain adjacent islands). On the 9th of February 1955 the Senate adopted by a vote of 65 yeas against 6 nays (with 25 Senators not voting) a resolution in customary form reading: "*Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of . . . the Mutual Defense Treaty between the United States . . . and the Republic of China, signed at Washington on December 2, 1954." On the 3rd of March 1955 ratifications were exchanged at Taipei and the treaty immediately entered into force. On the 1st of April 1955 the President proclaimed the treaty as part of the law of the land.

The first paragraph of the fifth article of the treaty declared: "Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes." The tenth and final article read as follows: "This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party."[4]

The International Security Assistance Act of 1978, which became law with the President's signature on the 26th of September 1978, referred to the twenty-four years of faithful performance by the Republic of China of its obligations under the treaty, and went on to make the following declaration: "It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954."[5]

Somewhat less than twelve weeks later, on the 15th of December 1978, President Jimmy Carter read to the nation a joint communiqué announcing the establishment of diplomatic relations between the United States and the People's Republic of China (often referred to as "mainland" China), recognizing the latter as "the sole legal Government of China," and announcing that the United States "acknowledges the Chinese position that there is but one China and Taiwan is part of China."[6] A simultaneous official statement was more specific: "On . . . January 1, 1979, the United States . . . will notify Taiwan that it is terminating diplomatic relations and that the Mutual Defense Treaty between the United States and the Republic of China is being terminated in accordance with the provisions of the Treaty."[7]

The President had not received, nor did he request, the formal advice and consent of the Senate to the termination of the Mutual Defense Treaty of 1954 with the Republic of China. Moreover, he had not received, nor did he request, a joint resolution by both houses of Congress authorizing or approving such termination. The constitutionality of the President's action has been challenged in the courts in a suit filed on the 22nd of December 1958 by Senator Barry Goldwater and other members of the legislative branch.

Footnotes at end of article.

The present paper will address the constitutional issues historically. An attempt will be made to ascertain, as precisely as direct and indirect evidence permits, the views of the framers of the Constitution and their contemporaries regarding the location within the constitutional system of a power to abrogate or terminate treaties previously made by the President by and with the advice and consent of two-thirds of the Senate. A particular aim will be to determine whether the procedure followed in terminating the above-mentioned Mutual Defense Treaty is consistent with the framers' intentions respecting the making of crucial decisions in the realm of foreign affairs.

Constitutional questions alone will be discussed herein. No judgment will be expressed on the wisdom of the original Mutual Defense Treaty, on the diplomatic or political justification for terminating it, on the necessity of bowing to the wishes of the People's Republic of China in the matter in order to achieve normalization, or on the danger of forfeiting the confidence of other of our allies in the reliability of American commitments to their defense.

ACTUAL PROVISIONS OF THE WRITTEN CONSTITUTION

The power to abrogate or terminate a treaty that has been completed and put into effect did not figure in the discussions of the Federal Constitutional Convention of 1787 or in the state ratifying conventions that followed. This can hardly be considered remarkable in view of the fact that the framers neither discussed nor provided for other comparable procedures—notably the repeal of a statute once enacted. The principal concern of the members of these conventions was the proper allocation of the various *positive* powers of government. The commonsense view—which the framers apparently took for granted save when they specified an exception—is that the power to rescind an action normally belongs to the same authority that is empowered to take the action in the first place. The framers recognized, however, that this principle could not be applied without qualification to all situations.[8]

Speaking generally, three important areas exist wherein it may become constitutionally important to determine who possesses the power to negate or reverse or rescind a particular exercise of some power granted in positive terms only in the Constitution. The first such area comprises alterations in the Constitution itself, including the elimination of existing provisions. The second is the repeal or abrogation of one of the two other sorts of measures that make up the supreme law of the land, namely federal statutes and treates. The third is the removal from office of an elected or appointed official. In the first and third of these areas, the Constitution makes specific provision (in certain cases but not in all) for the repeal of a measure or the dismissal of an official by an authority different from the one that was responsible for the original enactment or appointment.

These various exceptions to the commonsense rule that links together the power of enactment and the power of repeal must be examined carefully if one is to reach a valid conclusion about the intent of the framers. In particular the instances in which the Constitution empowers a body with more inclusive authority to annul the action of one possessing lesser scope, must be carefully distinguished from those other instances (if any) in which the joint action of two authorities is made reversible by only one of the two.

ALTERATION OF THE CONSTITUTION ITSELF

Future changes in the Constitution were provided for in Article V, which prescribed in detail several procedures for amending the instrument. Recognizing that amendments might be used to subtract from as well as to add to the document, the framers introduced one permanent restriction on this negative use of the amending process. No state, without its consent, was to "be deprived of its equal suffrage in the Senate."[9] With this exception (plus a temporary one relating to the importation of slaves[10]), the Constitution tacitly indicated that the repeal of one of its provisions was to be accomplished in precisely the same way as the addition to it of a new provision.

The framers, however, left completely unsettled the gravest of all the possible questions involving constitutional change. Article VII prescribed the method by which the Constitution was to be established. Could the Union be dissolved by applying the procedure in reverse? And if so, could one state, or a minority of all the states, accomplish this? Or would three fourths of the states have to approve, as with amendments? Or was the Union to be perpetual, as it had been described as being in the antecedent Articles of Confederation, now superseded by the "more perfect Union" of the Constitution?[11] These were the constitutional questions posed by secession in 1860–61, and settled—definitively, it is thought—by arms and blood.

The framers also left unsettled a relatively minor question in the same area of constitutional alteration. Can a state which has voted to ratify a proposed constitutional amendment rescind its favorable vote while the amendment is still pending? This question, unanswered by the framers, may have to receive a definitive answer in connection with the pending Equal Rights Amendment.

REPEAL OF STATUTES

So far as the repeal of a statute is concerned, there seems never to have been the slightest doubt that the Constitution (although silent on the point) requires action of precisely the same kind, by precisely the same authorities, for either the enactment or the repeal of a law. In other words, an Act of Congress can be repealed only by another Act of Congress. No authority to repeal is vested in the President alone, or in the two houses of Congress apart from him (except through the special procedure involved in overriding a presidential veto), or in one of the houses singly. It is appropriate to say that this principle has been firmly embedded in both English and American constitutionalism since, at the very latest, the so-called Glorious Revolution of 1688/9. The English Bill of Rights of 1689 declared illegal "the pretended power of suspending of laws, or the execution of laws, by regal authority, without consent of parliament." With suitable alteration of terms, this was carried over into the very first American bill of rights, prefixed to the Virginia Constitution of 1776, which condemned "all power of suspending laws, or the execution of laws, by any authority without consent of the representatives of the people." Other state constitutions followed suit, and in 1788 and 1789 two ratifying conventions urged the inclusion of a similar article in the new federal Constitution.[12] The proposal did not survive the subsequent winnowing process, presumably because the principle seemed too obvious to need reiteration. In any case, if long-established tradition forbade so much as the suspension of laws without full legislative permission, then a fortiori it forbade the repeal of laws by executive authority alone.

There is another point to consider, however. In the United States a duly enacted law can be voided by a body completely different from the one that enacted it. The Supreme Court can do so. The theory here is that the court is faced with a conflict of laws (namely, a conflict between the statute and the higher laws of the Constitution), and that it is enforcing the latter instead of the former not because the court itself is superior in authority to the legislature, but because the constitutional provision emanates from an authority which is superior to the legislature, namely the people of the United States, who have spoken through the conventions that ratified the original document or subsequently amended it.[13]

Nothing whatever in the situations examined thus far suggests that the framers of the American Constitution intended to give the President power to undo by his own unaided authority something that had been done (and had been required to be done) only in concurrence with at least some part of the legislature. Only when an authority of higher or broader scope entered the picture could any enactment (of the types thus far discussed) be voided without the consent of all the authorities that had concurred in its making.

Unless clear evidence to the contrary can be offered, it is reasonable to suppose that the framers intended the same principle to apply to the abrogation of a treaty as to the repeal of a statute, both being parts of the supreme law of the land by constitutional definition. The principal argument to the effect that an exception was intended in the case of treaties is based upon an analogy drawn from a widely different constitutional area. The validity of this analogy must next be examined.

REMOVAL FROM OFFICE

The election or appointment of an individual to office bears little resemblance to either the ratification of a treaty or the enactment of a law. Each process, however, is capable of being reversed: officials can be dismissed, treaties abrogated, and statutes repealed. Though the Constitution says nothing about the procedure for repealing a statute or abrogating a treaty, it does say something about procedures (in the plural) for removal from office. These procedures, it must be pointed out, differ markedly according to the nature of the office held.

Members of the federal judiciary are nominated by the President and appointed by and with the advice and consent of the Senate (a simple majority being sufficient). The judges are, however, guaranteed tenure during good behavior, which means that they cannot be removed by those who jointly appointed them. The only method provided by the Constitution is impeachment, commencing with charges brought by the House of Representatives and concluding with trial by the Senate, the latter's members being "on oath or affirmation" and a two-thirds majority being required for conviction.[14] The President, though crucially involved in the appointing process, is completely excluded from the impeachment proceedings.

So far as elected officials are concerned, the framers of the federal Constitution never contemplated giving the electorate a power of recall, such as several states have provided in twentieth-century amendments to their constitutions. The power to remove is thereby separated, in this instance as in the other, from the power to appoint. Instead, the Constitution grants each of the houses of Congress the power to judge and punish its own members and, by two-thirds vote, to expel them.[15] The electorate (who chose the member in the first place) has only the power to deny him another term.

Only two members of the executive branch are elected, the President and the Vice-President, and neither is removable by the electors who chose him or by the wider electorate who chose the electors. As with judges, the only procedure for removal is impeachment.

With respect to the dismissal or removal of appointed officers of the federal government, the Constitution is completely silent, except that impeachment is possible for any of them, and except that military officers can be made dischargeable by court martial if Congress exercises its power "[t]o make Rules

Footnotes at end of article.

for the Government and Regulation of the land and the naval Forces."[16]

Aside from military officers, four different types of appointed officials are mentioned in the appointing clause of the Constitution, namely (i) "Ambassadors, other public Ministers and Consuls"; (ii) "Judges of the Supreme Court"; (iii) "other Officers of the United States"; and (iv) "inferior officers," whose appointments Congress is permitted to vest "in the President alone, in the Courts of Law, or in the Heads of Departments."[17] Except for the last group, all are to be appointed in accordance with the same procedure, nomination by the President and approval by a majority of the Senate. Obviously, however, it is impossible to suppose that the procedure for dismissal was intended to be the same in all cases. Judges were to be removed only by impeachment; if this were required in the case of all officials, then the latter would in effect enjoy life tenure. This was pointed out in the great debate on the removal power that took place in 1789 in the First Congress. James Madison was most emphatic in repudiating the idea that the Constitution was designed to "establish every officer of the Government on the firm tenure of good behavior." He continued: "If the constitution means this . . ., we must submit; but I should lament it as a fatal error interwoven in the system, and one that would ultimately prove its destruction."[18]

The lumping together of appointed officials of such disparate kinds as judges and subordinate executive officers was the result of a compromise reached in the closing days of the federal Convention of 1787. On the 6th of August, ten weeks and a half after the beginning of deliberations and only six weeks before adjournment, a so-called Committee of Detail reported the first formal draft of a full-fledged constitution, bringing together and elaborating ideas that had previously taken the form only of resolutions. In this draft two classes of appointed officials—namely, ambassadors and judges—were singled out, and their appointment vested in the Senate, with no participation by the President. On the other hand, the President alone, with no reference to either house of Congress, was empowered to "appoint officers in all cases not otherwise provided for by this Constitution."[19] The logical conclusion from this document is that the President was expected to control his subordinates by wielding the power to dismiss those whom he alone had appointed, but that he would not have any such power over judges (who could only be removed by impeachment) or over ambassadors, who were to be diplomatic representatives of the Senate, a body which possessed (at this stage of the Convention's proceedings) the exclusive power to make treaties.

The arrangement proposed by the Committee of Detail was not accepted as it stood by the Convention. After discussion the provisions in question were sent back to committee, and on the 4th of September a compromise was reported. It was adopted on the 7th, ten days before the Convention ended. The new provision still distinguished from one another (in words at least) the three previously-mentioned classes of officers: ambassadors, judges, and "all other Officers." But it provided the same appointing procedure for all, thereby giving the Senate a veto over officials appointed in the executive branch, and admitting the President to a share in the process of appointing ambassadors and judges by requiring nominations to come from him.[20]

The First Congress, as has already been noted, was obliged to deal with the question of removal, the Constitution having failed to provide an explicit answer save in the case of judges. The question came up in connection with a bill establishing a Department of Foreign Affairs, later renamed the Department of State. The principal debate was in the House of Representatives, where, on the 19th of May 1789, James Madison introduced a resolution proposing the establishment of a Department of Foreign Affairs, headed by a Secretary, "who shall be appointed by the President, by and with the advice and consent of the Senate; and to be removable by the President."[21] Objection was immediately made to the concluding phrase, and the argument against removal by the president alone was succinctly stated by Madison's fellow Virginian, Theodorick Bland:

"He thought it consistent with the nature of things, that the power which appointed should remove; and would not object to a declaration in the resolution . . . that the President shall remove from office, by and with the advice and consent of the Senate. He agreed that the removal by impeachment was a supplementary aid favorable to the people; but he was clearly of opinion, that the same power that appointed had, or ought to have, the power of removal."[22]

Madison defended his resolution as follows:

"I think it absolutely necessary that the President should have the power of removing from office; it will make him, in a peculiar manner responsible for their conduct, and subject him to impeachment himself, if he suffers them to perpetrate with impunity high crimes or misdemeanors against the United States, or neglects, to superintend their conduct, so as to check their excesses."[23]

At the end of the day the House voted "by a considerable majority, in favor of declaring the power of removal to be in the President."[24]

This did not end the matter, for the vote was in Committee of the Whole and by its own terms simply expressed "the opinion of this committee." The bill that was drafted in consequence was subjected to five full days of debate between the 16th and the 22nd of June 1789.[25] Speeches on both sides reiterated the arguments outlined in May, and need not be traced in detail here. In the end a compromise was reached by striking from the bill the explicit provision making the Secretary "removable by the President," but inserting a provision recognizing such a power by indirection.[26] According to the measure finally adopted (by a vote of 29 to 22), the chief clerk (described as an "inferior officer") was to take charge of the department "whenever the . . . principal officer shall be removed from office by the President of the United States, or in any other case of vacancy."[27] The compromise meant that those who considered removal by the president alone to be unconstitutional were left free to contest any dismissal that might occur.

On the whole, therefore, the act of the 27th of July 1789 creating the Department of Foreign Affairs embodied Madison's interpretation of the Constitution as set forth on the 19th of May. In the meantime, however, on the 29th of June, Madison himself had proposed limiting the scope and applicability of the principle he had originally stated. The occasion was a bill to establish a Treasury Department, one of whose officers would be a Comptroller. The latter's duties, Madison argued, "are not purely of an executive nature." The officer would have the responsibility of "deciding upon the lawfulness and justice of the claims and accounts subsisting between the United States and particular citizens." This, continued Madison, "partakes strongly of the judicial character, and there may be strong reasons why an officer of this kind should not hold his office at the pleasure of the executive branch of the Government."[28] In the face of objections that he was "setting afloat the question which had already been carried," Madison withdrew his proposal.[29] Though the presidential power of removal continued to be challenged over the years,[30] it was only in 1935 in the Humphrey case that the Supreme Court upheld the challenge in any substantial way. The dismissed official, William E. Humphrey, had been a member of a quasi-legislative, quasi-judicial regulatory commission (the Federal Trade Commission), and the Court held that the commissioners were intended by Congress "to act in discharge of their duties independently of executive control," and were accordingly given fixed terms and made removable only "for cause."[31]

Madison's interpretation of the Constitution can thus be said to have been sustained. *The president can remove on his own authority an officer in the executive branch who has been appointed with the consent of the Senate, but this power* (according to the Supreme Court in the Humphrey case) *is "confined to purely executive officers."*[32] In other cases (so Madison had said apropos of the Comptroller), it is necessary "to consider the nature of [the] office."[33] To phrase the idea more comprehensively, it is necessary to consider the nature of the governmental activity involved.

This last consideration has an important bearing on the validity of the analogy that is sometimes drawn between the president's power to remove officials appointed by and with the advice and consent of a majority of the Senate, and an alleged power of his to abrogate treaties made by and with the advice and consent of two-thirds of the Senate. It is well to revert to the precise reason given by Madison for inferring from the Constitution a strictly limited presidential power of removal. On the 17th of June 1789, in the course of the House debate, he spoke as follows:

"I agree that if nothing more was said in the constitution than that the President, by and with the advice and consent of the Senate, should appoint to office, there would be great force in saying that the power of removal resulted by a natural implication from the power of appointing. . . . But there is another part of the constitution which inclines, in my judgment, to favor the construction I put upon it; the President is required to take care that the laws be faithfully executed. If the duty to see the laws faithfully executed be required at the hands of the Executive Magistrate, it would seem that it was generally intended he should have that species of power which is necessary to accomplish that end. Now, if the officer when once appointed is not to depend upon the President for his official existence, but upon a distinct body, (for where there are two negatives required, either can prevent the removal.) I confess I do not see how the President can take care that the laws be faithfully executed."[34]

There is a close analogy between the power to abrogate a treaty and the power to repeal a statute. It is difficult to imagine a genuine analogy between either of these powers and the power to dismiss an incompetent or corrupt official. The president's ability to take care that the laws be faithfully executed may well be said to depend on his possession of the latter power. But a power to change the law (whether established by statute or treaty) is something utterly different—a contradiction rather than a corollary of the responsibility for seeing to its faithful execution.

Indeed, if the analogy is to be appealed to at all, it is more convincing when applied the other way round, as an argument against a presidential removal power. It was so used by Roger Sherman of Connecticut in the debate in the First Congress:

"I consider it an established principle, that the power which appoints can also remove, unless there are express exceptions made. Now the power which appoints the judges cannot displace them, because there is a constitutional restriction in their favor. . . . It is a general principle in law, as well as reason, that there shall be the same authority to remove as to establish. It is so in legislation, where the several branches whose concurrence is necessary to pass a law, must concur in repealing it. Just so, I take it, to be in cases of appointment; and the President alone may remove when he alone appoints, as in the case of inferior offices to be established by law."[35]

Roger Sherman's argument did not prevail; the power to dismiss a purely executive officer was carefully distinguished from the power to repeal a law. This merely underlines the fact that the presidential removal power which the First Congress implicitly sanctioned was an exception to what was otherwise accepted as a general rule. To argue that it established a general rule of opposite character is to subvert logic itself. In interpreting the so-called "decision of 1789," one must also remember that the President's carefully circumscribed removal power does not derive directly from an explicit clause of the Constitution. It is simply an inference from that document, and an inference that a substantial and articulate minority in the First Congress considered unsound.[36]

Furthermore, the procedures for making treaties and for making appointments were by no means put on the same level by the clause that happened to deal with both. In the first place, two-thirds of the Senate must give advice and consent to a treaty, whereas a simple majority is sufficient to approve an appointment. In the second place, the president is given the exclusive power to make nominations to office, whereas in treaty-making the Constitution does not set him apart in this special way from those who advise and share responsibility with him. On both these counts, accordingly, the President's constitutional role, as compared with that of the Senate, is proportionately far less where treaties are in question than where appointments are involved.

FOOTNOTES

[1] U.S. Constitution, art. 2, sec. 2, cl. 2.

[2] *Ibid.*, art. 6, cl. 2.

[3] Senate, *Executive Journal*, vol. 97, part 1, pp. 136–137.

[4] Department of State, *United States Treaties and Other International Agreements*, vol. 6, part 1, 1955, pp. 433–438.

[5] Public Law 95–384, sec. 26(b); 92 Statutes at Large 730, at 746.

[6] *Weekly Compilation of Presidential Documents*, vol. 14, no. 50 (18 Dec. 1978), pp. 2264–2266, at 2264.

[7] *Ibid.*, p. 2266.

[8] Cf. the remark by Representative James Jackson (Georgia) in the First Congress: "He agreed with . . . the general principle, that the body who appointed ought to have the power of removal, as the body which enacts laws can repeal them; but if the power is deposited in any particular department by the constitution, it is out of the power of the House to alter it." *Annals of Congress*, 1st Cong., 1st Sess., column 389 (19 May 1789). NOTE. This compilation of debates in the first seventeen and a half congresses (1789–1824) is customarily cited (as above) by what is actually the wording on its half-title, *Annals of Congress*. Its regular title-page reads: *The Debates and Proceedings in the Congress of the United States*. And, to compound the confusion, the running-head on individual pages is *History of Congress*. The work was compiled from newspaper and other reports (the only contemporaneously published record of the early debates) and was issued in 42 volumes between 1834 and 1856. There were apparently different printings, varying slightly in pagination, which explains why there are discrepancies between citations in different historical works. The copy of vol. I utilized here is dated 1834; it ends at column 1322 in the middle of a sentence dealing with the debate of 18 Feb. 1790; and a 30-page index then follows.

[9] U.S. Constitution, art. 5, final proviso.

[10] *Ibid.*, next to last proviso.

[11] Cf. Lincoln's remark in his First Inaugural, 4 March 1861: "It is safe to assert that no government proper, ever had a provision in its organic law for its own termination." Abraham Lincoln, *Collected Works*, ed. Roy P. Basler, vol. IV (New Brunswick, 1953), pp. 262–271, at 264.

[12] Texts in Edward Dumbauld, *The Bill of Rights* (Norman, Okla., 1957), pp. 167, 171, 183, 199. The English Bill of Rights also declared illegal the royal claim to a power of "dispensing" with laws, but American draftsmen obviously felt that "suspending" covered everything.

[13] Classic statements are those of Alexander Hamilton in *The Federalist*, No. 78 (1788) [see the ed. of Clinton Rossiter (N.Y. 1961), pp. 464–472, esp. 466–469]; and Chief Justice John Marshall in Marbury *v.* Madison, 1 Cranch [5 U.S.] 137 (1803), at 176–180.

[14] U.S. Constitution, art. 1, secs. 2 and 3; art. 3, sec. 1.

[15] *Ibid.*, art. 1, sec. 5, cl. 2.

[16] *Ibid.*, art. 1, sec. 8, cl. 14 and 16.

[17] *Ibid.*, art. 2, sec. 2, cl. 2.

[18] *Annals of Congress*, 1st Cong., 1st Sess., col. 387 (19 May 1789).

[19] Report of the Committee of Detail, 6 Aug. 1787, art. 9, sec. 1, and art. 10, sec. 2; in Max Farrand, ed., *Records of the Federal Convention of 1787* (4 vols., New Haven, 1911–37), II, 183, 185.

[20] Report of the Committee of Eleven (Brearley, ch.), 4 Sept. 1787, in Farrand, II, 495; Journal, 7 Sept., *ibid.*, 533–534.

[21] *Annals of Congress*, 1st Cong., 1st Sess., col. 385 (19 May 1789).

[22] *Ibid.*, col. 389.

[23] *Ibid.*, col. 387.

[24] *Ibid.*, col. 399. The debate was in committee of the whole, and no roll-call was recorded.

[25] *Ibid.*, cols. 474–608 (16–19 and 22 June 1789).

[26] House of Representatives, Journal, vol. 1 (reprinted Washington, 1826), pp. 50–52 (22 June 1822). The House first voted, 30 to 18, to add the ambivalent phrase "whenever the said principal officer shall be removed from office by the President, . . . or in any other case of vacancy"; then voted, 31 to 19, to strike out the positive phrase "to be removable from office by the President." The meaning that both sides put upon the new language is made clear in the debate, *Annals of Congress*, 1st Cong., 1st Sess., cols. 598–599, (19 June), 600–608 (22 June).

[27] Act of 27 July 1789, chap. 4, sec. 2; 1 Statutes at Large 28, at 29. The bill passed the House on 24 June; the Senate on 20 July. *Annals of Congress*, 1st Cong., 1st Sess., cols. 51, 614.

[28] *Annals of Congress*, 1st Cong., 1st Sess., cols. 635–636 (29 June 1789)

[29] *Ibid.*, cols. 638–639.

[30] For example in the Post Office Act of 12 July 1836, chap. 179, sec. 6; 12 Statutes at Large 78, at 80, which provided that postmasters in the top three classes "shall be appointed and may be removed by the President by and with the advice and consent of the Senate." The Supreme Court held the provision unconstitutional in Myers *v.* U.S., 272 U.S. 52 (1926).

[31] Humphrey's Executor *v.* U.S., 295 U.S. 602, at 629 (1935).

[32] *Ibid.*, at 632.

[33] *Annals of Congress*, 1st Cong., *1st Sess.*, col. 635 (29 June 1789).

[34] *Ibid.*, col. 516 (17 June 1789). Theodore succinctly in the subsequent debate on the Treasury Department: "He . . . conceived that a majority of the House had decided that all officers concerned in executive business should depend upon the will of the President for their continuance in office; and with good reason, for they were the eyes and arms of the principal Magistrate, the instruments of execution." *Ibid.*, col. 637 (29 June 1789).

[35] *Ibid*, cols. 510–511 (17 June 1789). In a speech the next day Sherman challenged the other side to "produce an authority from law or history which proves, that where two branches are interested in the appointment, one of them has the power of removal." And he asked scornfully whether anyone believed that in matters of legislation, where "the concurrence of both branches is necessary to pass a law, a less authority can repeal it." *Ibid.*, col. 559 (18 June).

[36] U.S. Constitution, art. 2, sec. 2, cl. 2: "He shall have power, by and with the Advice and Consent of the Senate, to make Treaties, *provided two thirds of the Senators present concur;* and he shall *nominate*, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, . . . [etc.]." (Emphasis supplied.)●

Footnotes at end of article.

GOVERNMENT USES OF NEW TECHNOLOGY

● Mr. RIBICOFF. Mr. President, a report on how Government is making new uses of computer and telecommunications technology has been written by the Office of Management and Budget. I ask that the report be printed in the RECORD.

The report follows:

FEDERAL GOVERNMENT USE OF DATA PROCESSING AND TELECOMMUNICATIONS

INTRODUCTION

The Federal Government is the world's largest user of computers and telecommunications. Innovative use of this technology by Federal agencies has provided substantial benefit to the American taxpayer by:

Providing more, better and faster services to the public.

Expanding the capability and productivity of the Federal workforce without increasing its size.

Improving the management of Federal agencies and their programs.

Reducing fraud and waste in Federal programs.

Reducing the cost of government programs.

The purpose of this document is to:

Recognize those departments and agencies who have contributed to a more effective and efficient government through innovative use of technology.

Stimulate the transfer of ideas and applications of technology.

Requests for further information on any particular application of technology included in this document should be directed to the agency that developed the application.

We welcome suggestions on other effective applications of technology which should be included in future revisions of this document.

OBTAINING SOCIAL SECURITY BENEFITS

By using a telecommunications system called SSADARS, the Social Security Administration has significantly reduced the waiting period for beneficiaries to receive their first check. Until recently, a potential beneficiary frequently had to make at least two trips to the local Social Security Administration Office before receiving a check. After going to the office to apply for benefits, the individual had to return after his or her records arrived from the central office in Baltimore. Days and sometimes weeks elapsed between interviews as a result of delays in the mails and the manual processing of records. Essential information is now usually available the first time the individual comes to the local office. In addition to providing faster and better service to the public, this system will save $25 million between FY 1980 and FY 1984 as a result of labor cost avoidance.

REDUCTION OF FRAUD AND WASTE

Agencies are reducing fraud and waste in Government programs through the conduct of computer matching programs conducted in a manner consistent with OMB guidelines to minimize unnecessary Government intrusion into the privacy of individuals.

Improper welfare payments have been identified by the Department of Health, Education and Welfare through computer matching of welfare recipient records and Federal employee records. "Project Match" which resulted in $330,000 savings in improper expenditure of Federal welfare funds during the last quarter of FY 1978 is expected to result in $11 million per year reductions in improper Federal, State and local government welfare payments beginning in FY 1979.

The Veterans Administration has developed an automated system to aid in the recovery of benefit overpayments. The Centralized Accounts Receivable System records such overpayments, determines delinquent accounts and automatically produces the forms, letters and reports required to refer such accounts to the Department of Justice for collection. Use of this system during calendar year 1978 assisted in the recovery of $42 million of overpayments.

The Department of Health, Education and Welfare, through a computer match called "Operation Cross Check," has identified 16,700 Federal employees or former Federal employees who have defaulted on payment of student loans amounting to a total of more than $16 million. Since September 1978 some 3,200 have either paid in full or begun systematic repayment of their loans. Collection action is continuing on the remaining accounts.

The Department of Health, Education and Welfare has used computers to identify improper Medicaid payments to doctors and druggists. "Project Integrity," which was established to screen the appropriateness of 250,000 medical payments made during 1976, identified questionable charges by 2,500 doctors and druggists. Administrative and legal actions are being taken to recover improper payments amounting to millions of dollars. These actions resulted in 27 indictments during FY 1978. Over 100 additional cases have been referred for possible prosecution and administrative action is being taken on 750 other cases. In FY 1979, the program will be expanded to include an analysis of payments to dentists and clinical laboratories.

WATER SUPPLY PREDICTION FOR WESTERN FARMERS

The Soil Conservation Service of the Department of Agriculture has established a system to predict spring and summer water runoff in States west of the Mississippi River to help farmers decide which crops to plant. The system, consisting of unmanned sensors to measure snowfall and related data, utilization of "meteor burst" telemetry and computers, will be operational on a limited scale (230 out of an eventual 460 stations) during the winter of 1978/1979. When fully operational by FY 1980, the system will be operated by the Government at an annual cost of $1.6 million and is expected to save farmers from $4.4 to $4.6 million annually.

DELIVERY OF VETERANS BENEFITS

Implementation of the TARGET system by the Veterans Administration will allow faster more responsive provision of benefits to Veterans while enabling the VA to reduce staffing requirements in their regional offices by 2,100 work years over the next 12 years.

CANCER RESEARCH

The National Center for Toxicological Research is expecting to improve the quality and accuracy of cancer research and significantly reduce research costs by the installation of a network of terminals and minicomputers in FY 1979. This system will be used to assist in studies of the biological effects of toxic substances on animals to determine their potential impact on people. Cumulative net savings of $930,000 during FY 1980 through FY 1984 are expected as a result of reduced labor and equipment rental costs. After FY 1984, when the $7.5 million cost of the system is fully amortized, savings of $1.8 million per year are expected.

INCOME TAX PROCESSING

Internal Revenue Service costs for depositing tax payments and posting taxpayer credits will be significantly reduced by a new computer system which combines two previously separate processes. The new system is expected to result in a savings of 150 staff years ($1.7 million) in FY 1979 and 292 staff years ($3.4 million) in FY 1980 and subsequent years.

TRANSPORTATION REGULATION

The Interstate Commerce Commission has used technology to enhance effectiveness of the transportation regulation process and provide faster delivery of services to the public. During a recent twelve month period, average processing time for handling a regulatory action was reduced by 15%, despite a 41% increase in new case openings. Use of on-line computer systems will result in an estimated cost saving of $400,000 in FY 80 and a saving of 30 persons.

AUTOMATION OF BUSINESS REPORTS

The Securities and Exchange Commission is reducing costs for processing reports on stock offerings, financial reports, and other business reports. This system will result in estimated annual savings of $50,000 in FY 79, $125,000 in FY 80, and $353,000 per year, thereafter, as a result of reducing staff requirements by 35 clerical personnel.

EMPLOYER REPORTS ON WORKER EARNINGS

The Social Security Administration costs for processing employer reports on worker earnings and tax payments will be significantly reduced beginning January 1979 as a result of the development and installation of new optical scanning devices. Installation of the new devices and the elimination of quarterly reports are expected to save $8.8 million in salaries (635 work years) and work related costs during the calendar year 1979. Similar or larger savings are expected in subsequent years.

AUTOMATED BANKING

The Export-Import Bank has recently developed a new computer system to improve internal bank operations. The new system permitted the bank to absorb a 31 percent increase in workload during FY 78 without increasing staff and at the same time realize an estimated net annual savings of $150,000. The savings which are expected to continue at the same or higher levels in future years are as a result of faster deposit of funds in the U.S. Treasury and the reassignment of 8 to 10 employees to other duties.

ELECTRONIC FUNDS TRANSFER

The use of electronic funds transfer by the Department of the Treasury has resulted in significant interest savings. These savings result from faster processing of government receipts from the sale of gold, foreign military sales, and similar transactions. These savings totalled $18 million in FY 77, $26 million in FY 78 and are expected to save $60 million in FY 79 and at least $350 million from FY 80–FY 84.

WEAPONS PROCUREMENT CONTROL

The Department of Energy weapons production plant at Kansas City operated by Bendix Corporation has developed a Computer Aided Material Procurement System (CAMPS) which is used to control inventories, procurement, and maintain financial records for non-nuclear materials and other components used in producing nuclear weapons. The system was developed at a cost of $700,000 which will be fully amortized by FY 79 and will result in reduced operating costs of over $300,000 per year thereafter as a result of approximately 15 fewer people required to perform these functions.

ENERGY CONSERVATION

A computer model developed by the Federal Aviation Administration is saving fuel for America's airlines. The aircraft flow control model can be used to schedule landings and departures during bad weather in order to minimize fuel consumption. This is accomplished by delaying aircraft at the point of departure consistent with the rate at which aircraft can be accommodated at the arriving airport. During one 21½ hour period at O'Hare Airport in Chicago, use of this model resulted in fuel cost savings of over $640,000.

LOCATING MISSING AIRCRAFT

The Federal Aviation Administration has developed a computer program which has reduced the average time to find a missing aircraft from 174 hours to 36 hours. Since the first 48 hours after a crash are the most critical, this has immeasurable benefits in terms of human lives. Another benefit of this program is that, since 1975, the number of search incidents has increased 12.5%, but the total hours flown on search missions has decreased 32%—resulting in large savings in equipment depreciation and fuel costs.

SEARCH AND RESCUE AT SEA

Two computer models developed by the Coast Guard have reduced the time needed to locate missing ships. The use of computer models has reduced the time required to develop search plans from approximately one hour to a few minutes and absorb a 50% increase in search and rescue cases since 1972. Without these models, the Coast Guard would have needed 65 more people to respond to the increasing number of distress incidents.

OVERSEAS TRAVEL

The State Department is developing a system to use computers to issue passports which will result in more rapid processing of passports and reduce costs. Current estimates indicate that when the new system is fully implemented, in 1985, direct labor requirements will be reduced 40% and direct costs will be reduced by over 30%, a direct cost savings of approximately $2.5 million a year.

SPACE PROGRAM

Technology is critical to the success of the U.S. space program. To assure efficient use of this technology, NASA utilizes the Computer Software Management Center (COSMIC) at the University of Georgia to reduce duplication in the development of software and make maximum use of existing software. In FY 78, this program saved $6.35 million, and this savings is expected to continue or increase on an annual basis.●

TRIBUTE TO LITHUANIAN INDEPENDENCE

● Mr. DOMENICI. Mr. President, Lithuania has a tradition of independence which can be traced back to the 11th century. To Lithuanian-Americans, February 16 is a day commemorating the proclamation of independence in 1918 and also a day of vigilance remembering the forcible incorporation by the Soviet Union.

While other of my colleagues in the Senate will certainly offer tribute to Lithuanian-Americans on this day, I wish to reflect on a somber thought.

The United States has never recognized Soviet domination of Lithuania. The most explicit reminder of this policy is the recognition of Free Lithuania as a member of the diplomatic community. The legation offices are located at 2622 16th Street. Dr. Stasys A. Bachis, Chargé d'Affaires, has represented the free government here in Washington for decades. His quiet, diligent dedication to this arduous task is to be praised. Yet this symbol of hope of freedom from Lithuanians may soon be gone.

Dr. Bachis is grown old with the burden of his task. Lesser men would have long ago transferred the task to a younger shoulder. But in this case there is no one else to do the job.

By diplomatic laws, a diplomat must be a citizen of the country he represents and be appointed by that sovereign nation. Because of the Soviet domination, there is no remaining source of diplomats to replace Dr. Bachis.

What will happen to Dr. Bachis and the legation building? Funds held in trust by this country for maintenance of the residence and to pay for official expenses will soon expire. The Soviet diplomatic community gleefully awaits this day.

As the cunning fox who preys on the defenseless rabbit, so too the Soviets wait, for time is on their side.

When this day comes the statement of nonrecognition will become more rhetoric and soon thereafter will be forgotten.

To Lithuanian-Americans I say this must not happen. February 16th is the day to remember the past and rededicate to the future. Thank you, Dr. Bachis, for your example as a diplomat, and long may you serve. To the Lithuanian-American community the task of preserving his work is in your hands.●

LITHUANIA'S INDEPENDENCE DAY

● Mr. LEVIN. Mr. President, more than 700 years ago, the Lithuanian people united in a single nation whose boundaries, at the peak of its expansion, extended nearly to Moscow in the east and to the Black Sea in the south. The vicissitudes of her subsequent history included periods of domination by Russia and by Poland, but the flame of independence was never quenched in the hearts of the Lithuanian patriot. During some of the heightened episodes of foreign hegemony, many of these people emigrated to the United States and, during the late 19th and early 20th centuries, played a significant role in the growth of this country.

Although no citizens have been more loyal and devoted to their new country, the Lithuanians have never forgotten the proud traditions and culture of their ancestors. I served for several years as president of Detroit City Council which annually sponsored summer-long ethnic festivals. The participation of Lithuanian Americans has always been one of the most colorful and enlightening events.

On February 16, Lithuanians throughout the world observed the 61st anniversary of the Declaration of Independence of Lithuania when, in 1918, it announced the beginning of its most recent period of national autonomy. Lithuania flourished in her economy, polity, and culture for 20 years between two world wars until, overwhelmed by the sheer numbers, first by the Russian Army, then the invading Germans, and finally the Russians, she was made a Soviet republic.

However, resistance to Russian domination has never ceased, and the centuries-old spirit of independence still lives in the hearts of the indomitable Lithuanian patriots.

Mr. President, I am proud to salute the Lithuanian people for their achievements and for their example to the rest of the free world.●

MORMONS: TRIUMPH IN THIS WORLD

● Mr. HELMS. Mr. President, it has been said that every major question in history is a religious question. This observation has to do less with any particular church or theology than it does to the basic spirit within us all. Whether or not it is recognized, this spirit is the innate recognition of a God and a universal order.

For many Americans, religion is only a casual incident hardly affecting the day's routine. But for a growing number of Americans' religion has grown from a cavalier practice to that which is at the center of their lives.

Recently, the distinguished columnist, George F. Will, wrote a column celebrating one large group of Americans who are imbued with this spirit, the members of the Church of Latter-day Saints. As a Baptist, I commend to every American this column written by an Episcopalian about the Mormon Church and I ask unanimous consent that it be reprinted in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 21, 1979]

MORMONS: TRIUMPH IN THIS WORLD

(By George F. Will)

PROVO, UTAH.—An administrator of a private elementary school in Washington recently explained the school. "We have desks," she said, "and doors." Her listeners, parents aware of today's educational doctrines, understood perfectly. The school favors "structure" rather than "open classrooms."

I am agnostic about the desks-and-doors doctrine, but I admire schools that know their own minds. One such is Brigham Young University. Like its namesake, and like the state it adorns, BYU is pleased to be a bit different.

BYU is, broadly speaking, a desks-and-doors school. The honor code mandates "graciousness" and the dress and grooming "standards" say that beards and "bushy sideburns are "not acceptable," moustaches are "not encouraged," women's hemlines are to be of "modest length," and jeans are not acceptable women's wear for classes.

Who, you indignantly ask, do BYU's administrators think they are? The point is that they know exactly who they are and what they are about. Mormons are short on identity crises, and long on certitude. Where but among Utah's Mormons can you hear President James Buchanan denounced? That may seem like denouncing rye bread—an inherently disproportionate investment of passion—but Buchanan sent the army to break the Mormons to the saddle of federal authority. The government was slow to believe that Mormons could be a community within the national community without being a community against the national community.

"Utah," writes Daniel Boorstin, "remains even now a living monument to the scope that the West offered to the genius of the organizer." Utah's organizer was Brigham Young, who led the Mormons west.

"Rejected in one place after another," Boorstin writes, "their westward movement was a staccato series of enforced group transplantations, each more remarkable than the last as a feat of organization. . . . For the long march across Iowa, the Mormons built roads and bridges, and even planted crops to be harvested by those who came after them the next season."

Mormons make up the most singular great church to come into existence in the United States, and it is quintessentially American. It is about doing things, triumphing in this world, turning faith into works. There are no Mormon monasteries; it is hard to imagine Mormons given over to the purely contemplative life. Today, these "American Zionists" are conservative in distrusting dependence on a welfare state, but they practice the ethics of common provision through a remarkable church welfare program.

They were and, to an extent astonishing in this homogenizing nation, still are as distinctive as the first Americans, the Puritans. They, like the Mormons, considered themselves "visible saints" with a divinely ordained "errand into the wilderness." Mormons do utterly lack the Puritans' gloominess and could, perhaps, be improved by just a touch of it.

It is against the laws of nature to be as upbeat as Mormons can be over a 7 a.m. eye-opening cup of hot chocolate. But, then, one of Utah's charms for people like me (people so straight that they would not recognize marijuana if a bale of it fell on them) is that in Utah they often can feel conspicuously, thrillingly improper by just drinking coffee.

Recently, Barbara Walters interviewed Donny and Marie Osmond, the Henry Fords of show business. (They mass produce entertainment, each product indistinguishable from all the others.) Donny and Marie are Mormons who, supported by their extended family, live in Utah, and avoid the contaminations of entertainment capitals.

The interview turned, as Walters' interviews occasionally do, to the subject of sex. Would they, Walters asked, consider premarital sex? No, said he. No, said she. Not "No, except . . ." Or "No, unless . . ." Just: No. Walters waited for the qualifying clauses sought them; then surrendered to astonishment.

Walters has a veteran journalist's worldliness and could cover the general resurrection with an air of having seen it before. But she seemed never to have seen the likes of the Osmonds.

The Mormon sensibility sometimes makes Utah appear to others like an enclave surrounded on four sides by reality. Certainly a different reality is just an hour flight away, in Denver, where a nightclub advertises: "The Newest Entertainment Rage—Mud Wrestling: Beautiful Girls Fighting Topless in a Pit of Real Mud."

Some people evidently think it matters that the mud is "real." And those people probably think Mormons are peculiar.●

SUPPORT FOR CABINET DEPARTMENT OF EDUCATION

● Mr. RIBICOFF. Mr. President, on February 6, 7, and 8, the Governmental Affairs Committee held hearings on S. 210, legislation to establish a separate Cabinet Department of Education. The committee heard from 25 witnesses who dis-

cussed the importance of protecting State, local, and private control of education, the importance of insuring equal educational opportunity, the relationship between the new Department and higher education and nonpublic education and the transfer of the vocational rehabilitation programs.

The recent editorial comment by Carl Rowan in the Washington Star discusses the importance of this measure. I ask that this article be printed in the RECORD.

The article follows:

[From the Washington Star, Feb. 19, 1979]

EDUCATION NEEDS ITS OWN DEPARTMENT

(By Carl T. Rowan)

We Americans like to boast that we are "the best educated society on earth." We indulge in this rather harmless falsehood by way of paying tribute to education as the basis for a young nation's rapid rise to world pre-eminence.

But even as we boast of what learning has done for America, most of us are acutely aware of the shortcomings and failures of our system: the 21 million American adults who can't read or write well enough to cope; the army of dropouts and pushouts who swell the tragic ranks of the teen-age unemployed; the college graduates taking jobs as teachers who can't pass a test designed for 13-year-olds; the lingering warfare over racial segregation and discrimination at both the public school and college levels; the financial squeeze on many private colleges.

These problems have all grown more acute during the 55 years that Americans have been debating and studying the concept of a federal Department of Education. Unless blind opposition to change overwhelms logic, we ought to get approval of a cabinet-level Education Department out of the 96th Congress.

The Senate, prodded by President Carter and almost 100 major educational and other organizations, approved such a department last September. The bill won approval, 27 to 15, in the House Committee on Government Operations and then got crushed in the October rush to adjournment of the 95th Congress.

The House will be hard to bring to reason in this Congress, but the odds are that a majority of lawmakers now senses that there is urgent need to remove education from its semi-burial ground in the mammoth Department of Health, Education and Welfare.

The subordinate role of the "E" in HEW is only part of the problem. Federal education programs are spread out among more than 40 government agencies. In HEW alone, some programs are under the jurisdiction of the commissioner of education while others are overseen by the assistant secretary for education. Most programs are run by lower level bureaucrats who see the president only on TV.

That is why President Carter told a Pennsylvania town meeting that "less than 2 per cent of my time, or 1 per cent, is spent on education."

When our education system affects 60 million Americans so directly and deeply, and is so vital to the nation's well-being, it is time we gave it cabinet-level status, with direct access to the president and all the other advantages that go with cabinet-level rank.

A single Department of Education probably will be more effective in enforcing such things as policies forbidding racial discrimination, or the short-shrifting of the handicapped.

A cabinet-level Department of Education will never be a panacea for all our education woes, but it will be a vast improvement over the wasteful jumble that we now tolerate. The 96th Congress ought to move speedily to lift education to the high priority that it deserves.●

COMMEMORATION OF LITHUANIAN INDEPENDENCE DAY

● Mr. SCHWEIKER. Mr. President, February 16, 1979, marks the 61st anniversary of the reestablishment of Lithuanian independence and the 728th anniversary of the founding of the Lithuanian state. In publicly commemorating these events, Americans of Lithuanian descent reaffirm their commitment to the exercise of basic human rights which have so often been forcibly suppressed during Lithuania's tortured history.

In 1918, Lithuania achieved independence after 123 years of oppression by Russian czars. Nearly 40 years have passed since Lithuania was denied its right to self-determination by the Soviet Union's invasion, occupation, and annexation of the Baltic states during World War II. Although the U.S. Government has never recognized the Soviet occupation of the Baltic states of Latvia, Lithuania, and Estonia, the denial of human rights and the Soviet policy of forced assimilation have not generated the outspoken official protest they warrant.

The horrors of the Stalin era have been replaced with subtler, though no less invidious, means of repression. Although the hopes of many Eastern Europeans were raised when the Soviet Union signed the Helsinki Final Act in 1975, and again when human rights were brought before a world audience at Belgrade in 1977–78, first-hand accounts by Soviet prisoners of conscience and reports in the Western press indicate that the repressive practices have not abated. In Lithuania, the Soviets continue to arrest, imprison, exile, or harass increasing numbers of Lithuanian dissidents for alleged "crimes against the State."

In commemorating these Lithuanian anniversaries, the United States should rededicate itself to the tireless promotion of human rights in every world council so as to keep alive the aspirations of Lithuanians and all other persecuted peoples who desire the unfettered opportunity to exercise these rights.●

ETHICS IN GOVERNMENT

● Mr. RIBICOFF. Mr. President, concern has recently been expressed about the effect of a provision in the Ethics in Government Act, which was adopted last year. Specifically much of the concern has focused on the "aiding and assisting in representing" provision, which applies to certain conduct after high-ranking officials leave office.

These as well as the other provisions of the Ethics Act were carefully considered in Congress. They had the full support of the President and the Department of Justice.

However, I believe that regulations should be issued promptly by the administration in order to provide guidance and information to those who will be affected by the act. In order to assist the new Office of Government Ethics in its responsibility to issue such regulations, a memorandum was prepared by the chairmen and ranking members of the House-Senate conference on that legislation. The memorandum sets forth the legislative intent of that provision.

Thus interpreted, I believe the provision is both necessary and reasonable.

Mr. President, I ask that the covering letter and the memorandum, authored by Senator PERCY, Congressman DANIELSON, Congressman MOORHEAD of California, and myself, be printed in the RECORD.

The material follows:

U.S. SENATE,
February 16, 1979.

BERNHARDT K. WRUBLE,
Director Office of Government Ethics, Office of Personnel Management, Washington, D.C.

DEAR DIRECTOR WRUBLE: Recently there has been some misunderstanding regarding the scope of one of the provisions of the Ethics in Government Act, adopted by Congress last October. We believe clear and concise guidance by the Office of Government Ethics is essential.

As you know, the Ethics Act does not in any way prohibit forms of employment, or prevent a Federal employee from taking any position with any firm or organization which he chooses when he leaves the government. The major thrust of last year's "revolving door" provisions was to restrict contact by high-ranking officials with their former agencies for a period of one year after leaving the government.

One additional limitation was added by the Ethics Act. The additional limitation bars former high-ranking Federal officials from aiding or assisting in representing on specific matters involving their former agency.

It is this additional provision which seems to have created some misunderstanding. Both the transcript and the report of the House-Senate conference demonstrate that this provision applies only to subsequent representational activities, and applies only to those matters in which a former high-ranking official had been personally and substantially involved. The provision was addressed solely to the problem of "switching sides" on specific cases or matters after an employee leaves the government. The intent was to foreclose active, specific involvement in representation on the part of certain former government officials. It is not in any way designed to restrict involvement in general matters which may have fallen under an employee's official responsibility while he was in government service.

In connection with your responsibility to recommend regulations or guidelines under the Ethics Act, we are enclosing a memorandum which we hope will be helpful on the background and scope of this provision.

We stand ready to be of whatever assistance we can in connection with your efforts.

Sincerely,

GEORGE E. DANIELSON.
CARLOS J. MOORHEAD.
ABE RIBICOFF.
CHARLES H. PERCY.

MEMORANDUM ON THE "AIDING AND ASSISTING IN REPRESENTING" PROVISION OF 18 U.S.C. 207(b)

Title 18, section 207(b), as amended by the Ethics in Government Act, contains two distinct restrictions on post government employment of Federal employees, based upon the degree of personal knowledge and association a former employee had with a particular matter during government service.

Section 207(b)(i) is essentially a restatement of existing law. This provision applies to *all* former Executive Branch officers and employees. It provides that, for a period of two years, an employee may not knowingly act as agent or attorney on a particular matter which was pending under his "official responsibility" during his final year with the government. As amended last year, the length of the prohibition is extended from one to two years.

In contrast, 207(b)(ii) applies *only* to high-ranking former Executive Branch officers, such as Presidential appointees, and others designated by the Office of Government Ethics as having major decision-making authority. This is the "aiding and assisting in representing"[1] provision. It provides that, for a period of two years, such high-ranking officials may not knowingly represent, or aid, counsel, advise, consult, or assist in representing any other person on a particular matter, in which the former official was "personally and substantially involved" while in office. 207)b)(ii) was added by last year's legislation.

Both 207(b)(i) and (ii) have important limitations. Both include only "particular matters involving specific parties" that were pending before the official while in government service. Therefore, rule-making, formulation of general policies or standards, other similar administrative matters and legislative activities—none of which typically involve specific parties in specific cases—are *not* included in the prohibition. In addition, both 207(b)(i) and (ii) require that the proscribed conduct must occur in connection with a "formal or informal appearance" before a court or agency.

Questions have arisen concerning the scope of the 207(b) provisions. Some have asked whether the "aiding and assisting in representing" provision may not be limited just to those matters in which the former official was personally and substantially under official responsibility. Questions have also arisen about the meaning of the term "representing."

However, we believe that both the policy and legislative history of the provision demonstrate that "aiding and assisting in representing" is restricted only to matters in which the former high-ranking official was "personally and substantially involved" while in office. They also demonstrate that representational activities are limited to those where the former official is directly involved in a formal or informal appearance before an agency or court.

"PERSONAL AND SUBSTANTIAL" INVOLVEMENT

The original Senate version of the Ethics Act, S. 555, contained a provision which imposed a lifetime ban on matters in which a former official had extensive involvement while in office. The Senate report on S. 555 stated, "The more intimate and extensive the involvement of the official, the greater the restriction is on the official's later involvement on those matters * * * on behalf of private clients." Thus S. 555, as passed by the Senate, provided a subsequent consultation restriction which was part of 207(a), a lifetime ban which solely concerned particular matters in which there had been "personal and substantial" involvement.

In conference, the Senate agreed to accept the House language on "aiding and assisting in representing." Thus what had been a lifetime ban in the Senate bill was reduced to a two-year ban, as proposed in the House-passed measure. That language, which was only slightly modified in conference, was recommended by the Administration.

The House-Senate Statement of Managers on the legislation demonstrates that the two parts of 207(b) apply to different matters: 207(b)(i) applies only to matters under "official responsibility," and 207(b)(ii) applies only to matters where there had been "personal and substantial" involvement.

[1] The actual language of the provision reads: "aids, counsels, advises, consults, or assists in representing . . ." Hereafter in this memorandum, it will be referred to as the "aiding and assisting in representing" provision.

The Statement of Managers, in explaining the "aiding and assisting in representing" provision, states:

"It is the intention of the conference that this provision will prohibit a former officer or employee from subsequent consultation on a matter, *in which he was personally and substantially involved while in office*, even though he is not representing a party in that matter."

The transcript of the House-Senate Conference proceedings further supports that construction. During the conference, the "aiding and assisting in representing" provision was repeatedly linked to "personal and substantial" matters.[2]

Therefore, the legislative history indicates that the "aiding and assisting in representing" applies only to those particular matters in which the former official had "personal and substantial" involvement while in office. Thus "switching sides" on specific cases is restricted. Also that conclusion is supported on policy grounds. Matters more remotely under "official responsibility" would not involve such specialized knowledge and thus would not justify this type of restriction.

REPRESENTATIONAL ACTIVITIES

As previously mentioned, the House-Senate Conference on this legislation agreed to accept the House language on "aiding and assisting in representing." The Senate bill had provided in 207(a) that officials would not "aid, assist or represent" parties in certain matters. The Senate language thus suggested a distinction between aiding and assisting, as compared with representing.

The House language made no such distinction. Indeed, the language proposed by the House and adopted by the conference established a definite relationship between aiding and assisting, and representation. The relevant language of 207(b)(ii) as enacted is: "represents or aids, counsels, advises, consults, or assists in representing." The legislative history indicated that the words "in representing" were intended to qualify the language, "aids, counsels, advises, consults, or assists."

In its report on H.R. 1, the House Judiciary Committee stated that, "This revision [of 18 U.S.C. 207] makes it clear that subsections (a) and (b) prohibit *representational* activity . . ." In discussing this specific provision, the House report indicated that high-ranking officials would be "barred from aiding and assisting *in the representation* of any other person in any such matter before a government agency." According to that report, the conduct prohibited under the "aiding and assisting in representing" provision must occur in connection with some representational activities.

The transcript of the House-Senate conference proceedings fully supports the conclusion that aiding and assistance was linked to representation. Indeed, during the conference Congressman Stratton specifically objected to the "aids, assists or represents" approach that was contained in the Senate version:

"The guts of this [207(b)(ii)] would seem to me to be in representing some person, as an attorney or in some other way. But if an individual who had been in the government goes to work for IT&T let's say, and some other individual in the company is going to appear before . . . a regulatory agency and he writes a statement for him or prepares a graph or tells him what a particular chemical reaction would be under certain circumstances, without even leaving the IT&T office, he would be banned from doing this.

"That is not what we want to accomplish . . . So it would seem to me that if we make this simple change, knowingly represents, or aids or assists in representing any other person. *We are concerned about the aiding and assisting as it relates to the representation."*

The following exchange that took place between Congressman Stratton and Senator Ribicoff further clarified the point:

"Senator RIBICOFF. I want to know what your intentions are. Is it your intention that if a man works [in] the Antitrust Division on X case, that if he leaves and goes to work with Y law firm, he can then go and work with Y law firm on the X case when he is on the other side. You don't want that, do you?

"Mr. STRATTON. Then he would be aiding or assisting in the representation which is what we specifically prevent.

"Senator RIBICOFF. . . . What we are talking about is being involved on the other side of the case when he knew what was in the government's case.

"Mr. STRATTON. That is exactly it. So he is either representing or he is aiding or assisting in the representing."

"So the thing that each one of these paragraphs is trying to prevent is a representation, either as an agent or an attorney for.

"In this case, we would properly ban those who are aiding or assisting in that representation. That is the way it was drawn up. That is the way we understood it."

That interpretation was later accepted by the conference.[3]

In conclusion, 207(b)(ii) proscribes, for a period of two years, only aiding and assisting in connection with representation, which concerns a formal or informal appearance before a court or agency. Absent the element of representation, the provision has no application to consultation following Federal service, even in a matter in which the former official was personally and substantially involved.

One final point: It should also be noted that 207(b)(i) and (ii)—as with 207(a) and (c)—do not apply to "communications solely for the purpose of furnishing scientific or technological information." (See 18 U.S.C. 207(f).) Congressman Stratton, the author of that exception, indicated that its purpose was to ensure a free flow of technical information between government and the scientific community. As the Congressman stated during floor debate, scientists should not be "prohibited from furnishing information to their former agencies which could assist research and development programs."

Thus the "aiding and assisting in representing" provision of 207(b)(ii) applies only if all of the following conditions are met:

1. The former high-ranking official must have been "personally and substantially" involved in that matter during government service;

2. It must be a particular matter involving specific parties;

3. The "aiding and assisting in representing" must occur in connection with representation, which directly concerns a formal or informal appearance before an agency or court; and

4. The assistance or consultation must be something more than furnishing scientific or technological information, which is expressly excepted by 207(f).

EXAMPLES

A few examples may be helpful in understanding how these provisions will work.

Some situations where 207(b)(ii) applies:

a. A high-ranking Justice Department lawyer personally works on an antitrust case against ABC Company. After leaving the Department, he discusses legal strategy with lawyers representing ABC Company on that same antitrust case. Such consultation in the same case would be prohibited.

b. A high-ranking Defense Department official participated personally and substantially

[2] See Stenographic Transcript, "House-Senate Conference on S. 555," October 5, 1978, pp. 133–34.

[3] *Ibid.*, p. 138.

in an award of a government contract to XYZ Company for fighter planes. After leaving the Department, the former official goes to work for XYZ Company. Subsequently, the contractor desires to renegotiate prices on the fighter plane contract with the Defense Department. The former official could not assist the lawyers for the contractor in obtaining DOD approval of that revision.

Some situations where 207(b)(ii) would *not* apply:

a. A high-ranking Justice Department lawyer personally works on an antitrust case against ABC Company, which is represented by Y law firm. After leaving the Department, he goes to work with Y law firm, and represents DEF, Inc. in an antitrust case. Such representation would not be barred. Nor would he be prohibited from representing, or assisting the lawyers who represent, ABC Company in a separate antitrust case. The 207(b)(ii) restriction does not apply, because the "aiding and assisting" does not occur in connection with the same case.

b. A high-ranking official of the Department of Health, Education and Welfare leaves the government to take a university position. Thereafter the former official has broad responsibility for various HEW contracts which the university holds. He also advises lawyers, who represent the university, in contract matters which are pending before HEW. Those same matters were under the former officer's official responsibility while he was in government service. The 207(b)(ii) restriction does not apply because the "aiding and assisting in representing" does not concern matters in which the former official was personally and substantially involved while in office.

c. A high-ranking scientist with the Food and Drug Administration was personally and substantially involved in a licensing proceeding on a specific drug. After leaving the FDA, he is employed by the manufacturer of that drug. There he engages in research, indicating that the drug is safe and effective, which his employer later provides to FDA. The restriction does not apply because the former official is furnishing scientific information to the government. (See 18 U.S.C. 207(f).)

d. A former General Counsel of the Federal Communications Commission leaves the agency to join a law school faculty. In one of his courses, he discusses a specific licensing case in which he was personally and substantially involved while at the FCC. The restriction does not apply because the conduct does not occur in connection with any representational activities.●

THREATS TO AMERICAN SECURITY IN THE WESTERN PACIFIC AND INDIAN OCEAN

Mr. HARRY F. BYRD, JR. Mr. President, yesterday the Senate Committee on Armed Services held hearings on developments in the strategic balance in the Western Pacific and Indian Ocean region. The chief witness appearing before the committee was Adm. Maurice F. Weisner, U.S. Navy, who, as commander-in-chief, Pacific, heads all U.S. military forces in the Pacific area.

The testimony presented to the committee was extremely interesting and informative in several areas about which there is limited public knowledge.

First, contrary to many public announcements by members of the executive branch, Admiral Weisner, in response to a question I asked, stated his firm military judgment that the military and naval forces of Mainland China are at the present time fully capable of successfully attacking Taiwan. In fact, the admiral testified that Mainland China has the existing ability "to bring Taiwan to her knees." He added that he did not feel that the Republic of China has such intentions, however.

Now, Mr. President, I am concerned that the American public is inadequately informed with regard to the military capability of Mainland China and that the public may be misled as a result of statements made by the administration that Mainland China does not have such military capability to successfully attack Taiwan. I am hopeful that Admiral Weisner's informed military testimony provided to the Committee on Armed Services will set the record straight.

Second, Admiral Weisner reported to the committee that Mainland China is "working on a full range ICBM that will give them the capability to strike targets as far away as the continental United States."

I believe the American public is entitled to know when Mainland China will have the ability to attack the United States with nuclear weapons. The American public should be alerted to this ongoing work in Mainland China to develop an intercontinental ballistic missile. As Admiral Weisner pointed out in his statement, Mainland China already has the ability to hit European Russia with a limited range ICBM so certainly the American people are entitled to ask why efforts are being made to develop this new intercontinental missile capable of reaching North America.

Americans should be informed also that Mainland China has approximately 3.5 million ground troops organized in over 200 combat divisions; a 500,000-man air force with over 5,000 fighter aircraft; and the third largest Navy in the world (350,000 personnel) with more than 1,200 ships of all types, including at least 80 attack submarines. These facts Admiral Weisner provided to the committee, and he gave the further information that Mainland China is developing ballistic missile submarines.

Great care should be exercised in the coming months to guarantee that, in the Carter administration's rush to supply technology to Mainland China, no technology is supplied to Peking which would assist in these ongoing Chinese efforts to develop submarine launched ballistic missiles or ICBM's capable of hitting American cities. Let us not make the possibly fatal mistake of arming a potential adversary with advanced weapon technology dangerous to our own security.

Now, third, Mr. President, Admiral Weisner expressed grave concern over the ability of the U.S. Navy to protect the vital sea route from the Persian Gulf around the African Cape of Good Hope to Western Europe and to the United States. He pointed out that this route is used in transporting a major portion of Persian Gulf petroleum to the West.

He highlighted the danger of the growing Soviet military presence in the Horn of Africa and noted the potential threat posed to the Mozambique Channel by the pro-Soviet governments in power in Madagascar and Mozambique.

Finally, in response to a question by me, he stated his military opinion that a U.S. naval base in South Africa would be "very valuable."

Mr. President, the Senate should take account of this important testimony and should seek to assure that U.S. interests are not jeopardized by misinformation about the military capabilities of other nations, or by lack of sufficient naval strength to keep open the critical sea lanes of the world.

PROGRESS FOR PROJECT HOPE

Mr. PERCY. Mr. President, a recent edition of Newsweek magazine featured an "Update" article on Project Hope which I would like to share with my colleagues.

As some may recall, Project Hope last year celebrated the 20th anniversary of its founding. In that period of time, Hope has established a record for efficient, effective, self-help health teaching programs in developing areas of the world. A nonprofit, people-to-people organization, Hope today continues to help solve health problems on four continents.

The Newsweek article describes briefly the organization's newest undertaking, the Project Hope Health Sciences Education and Research Center in Millwood, Va. The center has been made possible by the generosity of major benefactors and is evidence of the public support Hope continues to generate.

Mr. President, I ask unanimous consent that the Newsweek article of January 15, together with a pamphlet, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW HOPE

The S.S. Hope, a floating medical center that became a symbol of U.S. aid to underdeveloped nations made its last voyage in 1974. But Project Hope, the private charitable organization that ran the ship, continues as a land-based operation and aims now to become a think tank in the public-health field.

A former World War II Navy hospital ship, the 15,000-ton S.S. Hope traveled more than 250,000 miles after being refitted for peacetime work in 1960, and its volunteer staff performed some 19,000 major operations, immunized roughly 3 million people and trained more than 7,000 doctors and nurses. But by 1974, the great white Hope was, as one volunteer puts it, "an old, leaky, squeaky rust-bucket which only God held together," and it was auctioned to a dismantling company for $379,000.

"The ship had such great emotional appeal for everyone that I predicted donations would drop off dramatically when we did away with it," says Project Hope founder and president, William B. Walsh. "Some people did stop giving, but then there were others who started—people who had steadfastly refused to give to the ship because they thought it was just a gimmick." Last year, Project Hope, based in Washington, received $6 to $7 million in private donations and another $2 million in government grants.

Finding Jobs: The money is used for a variety of public-health works in thirteen countries in Africa and Central and South America, as well as in the U.S. Stateside projects include training the entire staff of an Indian-operated hospital on Arizona's 16 million-acre Navajo reservation and developing special health-career programs for Mexican Americans in Laredo and El Paso, Texas. In Laredo, says a spokesman, all of the first

200 trainees found jobs as nurses or medical technicians—freeing them from dependence on welfare.

The organization's main project at the moment is setting up the Project Hope Health Sciences Education and Research Center. Located on a 193-acre estate in Virginia, the center is designed to be, in Walsh's words, a "health-care think tank, the Dumbarton Oaks of the health field." Project Hope spent $1.1 million for the property—which includes a twenty-room mansion known as Carter Hall, formal boxwood gardens, tennis courts and a swimming pool—and expects to spend $3 million on renovations and construction.

The center will open in April, and plans are to have at least ten scholars-in-residence who will hold conferences and seminars. Possible topics: the relationship between patient satisfaction and the quality of care, the high cost of medical equipment, and the pros and cons of government-sponsored national health care. Walsh, 58, also hopes his experts will look into the American system of medical education, which he feels stresses sciences such as chemistry and physics at the expense of what he calls "humanism."

The new center, says Walsh, "will be a much better environment in which to work than Washington. When you put people in a think-tank atmosphere, what comes out is thought that translates into action. I think it's one of the most exciting things we've ever done."

PROJECT HOPE

BACKGROUND

Project HOPE began in 1958; the S.S. HOPE, the world's first peacetime hospital ship, sailed on her maiden voyage in 1960. That trip was to Indonesia, and South Vietnam, and missions followed to Peru, Ecuador, Guinea, Nicaragua, Colombia, Ceylon, Tunisia, the West Indies, and Natal and Maceio, Brazil. These missions averaged ten months. Upon the request of a host country, HOPE selected a cadre of medical personnel to remain when the ship departed after a mission. Teams of up to 20 physicians, dentists, nurses, and allied health personnel follow up on teaching programs instituted during the original mission. Today such programs continue in Peru, Tunisia, the Caribbean, and Natal and Maceio, Brazil, and new programs were developed for Colombia, Egypt, Barbados, Guatemala, and Poland.

Project HOPE departed from its ship-oriented programs in 1969 and began employing the teaching techniques learned abroad in existing facilities in the American Southwest, in the Mexican-American community of Laredo, Texas, and at Ganado, Arizona, on the Navajo Indian reservation. A new domestic program in El Paso, Texas, opened in mid-1974.

In April 1974, the decision was made to retire the S.S. HOPE. Operating from a ship limited the Project to countries which possessed adequate harbors and docking facilities, and HOPE found it essential to respond to the repeated invitations of landlocked nations equally in need of HOPE teaching and training programs.

ACCOMPLISHMENTS

Since 1960, more than 2,500 North American medical personnel have served with the Project, and HOPE has trained over 9,000 physicians, dentists, nurses, and allied health personnel. HOPE has also pioneered new concepts in the use of allied and basic health personnel; helped establish new schools of nursing, dentistry, and physical therapy; assisted in the development of existing teaching institutions; worked in hospitals to teach and implement improved methods of patient care; and helped expand public health efforts. In the process over 191,000 were treated, more than 18,750 major operations conducted, and over three million benefited from the services involved. This work has been documented in three books: A Ship Called HOPE; Yanqui, Come Back! and HOPE in the East. Each was written by William B. Walsh, M.D., HOPE's founder and President, and was published by E. P. Dutton & Co. Also available is Words of HOPE, a history of HOPE's first 12 years.

FINANCING

Ten million dollars are needed annually to sustain the operation of Project HOPE's ongoing programs both in the United States and abroad. The Project depends primarily on private resources and receives tax-deductible contributions from thousands of individuals and groups, including support from organized labor, business, and industry. Project HOPE has received grants from the Agency for International Development to cover a limited part of the costs of HOPE's international programs.

ORGANIZATION

William B. Walsh, M.D., is founder, President and Medical Director of Project HOPE. International Headquarters are in Washington, D.C. Field offices, volunteer chapters and committees are located in major cities throughout the United States. The Foundation is incorporated under the District of Columbia code. It enjoys tax-exempt status with the Internal Revenue Service of the U.S. Government.

CONTRIBUTIONS

Americans can help HOPE give to millions around the globe by donating their talents and financial contributions. Queries and donations may be sent to local HOPE offices or to: Project HOPE, Washington, D.C. 20007.

ROGER STEVENS—A GREAT "NATIONAL ASSET"

Mr. PERCY. Mr. President, with the opening of another theater at the Kennedy Center, it is an appropriate time to reflect upon the importance of the Kennedy Center to those of us in Washington and the Nation as a whole. Since its opening in 1971, 12 million spectators have filled its auditoriums and another 20 million visitors have taken the Center's free guided tours. Millions more have enjoyed televised broadcasts from the Kennedy Center in their homes. With an average attendance level of 82 percent, the Kennedy Center can be termed an unqualified success. Producer David Merrick has hailed the Center as the "most successful cultural facility in the world;" Mikhail Baryshnikov, perhaps the world's most highly acclaimed dancer, has said that "the Kennedy Center has given ballet new life;" and others have credited the Kennedy Center with raising Washington from the "cultural Sahara."

Indeed, Washington is now not only the political capital, but a cultural capital as well, of our Nation. A great measure of the credit for this new role for Washington should go to the Kennedy Center and Roger Stevens. As the unsalaried Chairman of the Board for the Kennedy Center, it is Roger Stevens who has been responsible for the stature that the Kennedy Center has attained. Involved in its planning from the early 1960's, Roger Stevens has guided the Kennedy Center from the conceptual stages, through construction, into its first years of operation and now into an era of expansion with the addition of the Terrace Theater, a magnificent gift from the people of Japan. The theater will be the cornerstone of a new complex that will enable the Kennedy Center to greatly expand its activities in the realm of cultural education and public service. New talents and new works will have the opportunity to be exhibited here in one of the world's finest cultural facilities. Through Roger Stevens' envisioned expansion of activities in this area, the Kennedy Center will truly earn the title of our Nation's cultural center.

Roger Stevens, whom the Smithsonian recently termed as a "national asset," is a gifted individual who has been able to combine the support of the Government, artistic community, and business to create this venerable institution, the Kennedy Center. An excellent portrait of Mr. Stevens was recently given in two articles by David Richards in the Washington Star and I believe that we can benefit from this insight into one of the most dedicated and extraordinarily talented man I have ever been privileged to know.

Mr. President, I ask unanimous consent that these articles appearing in the February 5 and 6, 1979, editions of the Washington Star be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE MAN WHO RESHAPED THE CULTURAL MAP

(By David Richards)

(First of two articles)

Like most superachievers, Roger Stevens enjoys reminiscing about the scruffiness of the past, if only to emphasize the distance he has traveled since then.

He culls an illustration out of the Depression—a time, he would have you believe, when he slept on park benches, jumped freight trains and even landed in jail on occasion for talking irreverently, if not drunkenly, to assorted officers of the law.

"I've always thought that I had a first-rate negative personality," he says with a hint of chuckle.

"I remember going into a bar with this friend of mine, who was pretty outspoken," Stevens says. "He liked to spout the revolutionary language of the left and he could really get a lot of people upset. Before long, he was having a loud argument with this guy at the bar. I was so scared, I wasn't saying anything, just sitting there. Well, when it appeared that things were really going to get nasty, the guy at the bar stopped, looked at me and then turned back to my pal and asked, 'Who's your terrible friend?'"

Stevens smiles. "I've always felt that was a good example of my ability to get along."

In many ways the anecdote presents a mirror image of the man today—a man who instills foreboding in others often by saying nothing at all; a man whose most demonstrable skill over the years has been his ability to forge business and political alliances of a complexity that would be the envy of a Chinese puzzle maker, a man who can indulge in a kind of shambling modesty, knowing full well that at this stage of his life the facts will prevail.

Roger Stevens—magnate, gambler, impresario, wheeler-dealer, monument builder—is the chairman of the board of trustees of the Kennedy Center for the Performing Arts. Even his most vehement detractors—those who call him a "cold fish" or a "tight-fisted Puritan"—admit that the Center would not be there, were it not for his vision and sheer doggedness.

More than any single person, Stevens is responsible for reshaping the cultural map of Washington, transforming a Southern backwater into a major artistic crossroads, second only to New York. In the dark days

before the Kennedy Center, the world's principal arts companies avoided Washington altogether, since playing here meant playing either cavernous Constitution Hall or cramped Lisner Auditorium, neither especially attractive or well-equipped.

With its three major halls, the Center offers the latest in stage technology, near-flawless acoustics and, no small drawing card, backstage creature comforts that border on the princely. It also offers a large, cosmopolitan audience and the very real promise that the president may come calling, an event that automatically generates free nationwide publicity. As a result, the Center can and does attract some of the finest artistic talent—from La Scala to the Berlin Philharmonic, from the Grand Kabuki of Japan to the latest Broadway show.

Because Washington is the seat of influence and appropriations, Stevens' impact has been national. As early as 1964, he was arguing the case for a national cultural center before Congress (which was sometimes dubious), big business (uninterested) and the arts establishment (suspicious). That he eventually reconciled all three groups and got the Center built prompts one friend to say that Stevens could forge an alliance "among a snake, a mongoose and Eve."

Everything about the Center—from its proposed site to its rapidly escalating cost—was matter for contention. "Roger was like a dog with a bone," says a long-time Washingtonian. "He just wouldn't let go. I don't know anyone who could have carried through the way he did." The emotionally-charged opening of the Center in 1971 was as much a tribute to Stevens' negotiating skills, as it was to Kennedy's memory.

Some critics may carp about the edifice, its location, its prices and its fare. In some artistic circles, Stevens continues to be viewed as "a very successful businessman, who has no point of view in the theater, will never have a point of view and is probably incapable of having a point of view," as one observer puts it.

No matter. Stevens has success on his side. Audiences want in. (Attendance at the Center runs at an astonishingly high 82 percent of capacity). Producers, including those who snipe behind his back, want in. Even President Carter has taken to visiting the place with flattering regularity. "Whatever anyone says, the Center works," beams Stevens, always the pragmatist.

At first glance, or even second, he appears to be an utterly improbable figure to head the country's only national cultural center. If he were to act in plays, instead of produce them, he would have been type cast long ago as the absent-minded professor, preferably on a midwestern campus. Tall, bald, and still ingenuously blue-eyed at 68, he plods through the world with a look of preoccupation on his face that suggests more than a passing kinship with one of Aesop's turtles.

Oblivious to fashion, he dresses as if out of an old clothes hamper. Summers, he has been spotted in Hawaiian shirts, rivaling in violence those of the tourists who throng the Center. After he had a heart attack several years ago, his doctor counseled him to keep his head warm. Stevens immediately took to wearing a bright red knit cap, with a pompom on top. During his morning walks through Georgetown, his one regular concession to exercise, he looks startlingly like the world's oldest kid.

Often Stevens will pass friends without so much as a nod, a slight that most of them now attribute to the fact that he is invariably pondering four or five problems at the same time. ("I've never purposefully ignored a good-looking woman in my life," he jokes.) He has an admittedly rotten memory for names and faces. When Arthur Miller's "The Archbishop's Ceiling" was playing in the Eisenhower, Stevens referred to it regularly as "The Archbishop's Cathedral." Recently, he boasted that "Every Good Boy Deserves Favour" was one of the crowning achievements of the Kennedy Center, and then characteristically couldn't remember which Previn wrote the music—Andre or Dory.

Several Center staff members refer to him as "The Great Stoneface" or "The Mumbler." Indeed, so marked is his habit of talking into his chin, or one of his thin, drab ties, that some observers construe it as a conscious tactic. In the buzz of half-articulated words, Stevens slips through the net. He knows exactly what he is doing and how he's doing it, even if he gives the impression that he has just reeled out of a game of Blind Man's Buff.

"I'm supposed to be very intuitive about people, which is why I can put so many deals together," he says. "I guess I know when to push and when not to push, when to listen and when to talk. I've certainly never had any lack of confidence in my ability to make a deal. But that's really the best of it. For the rest, well, I'm not very bright. I'm a bad businessman. I have no desire to make money. I have enough and all I've seen is trouble if you have more. I get bored buying and selling and saving a dollar here and there. I am really much more of a bohemian by nature."

Not many people would describe Stevens as a man of bohemia. Instead, most find him an enigma, although what they perceive as his aloof, diffident facade is prompted as much by his natural shyness as by anything else.

"Someone once compared him to an ancient Roman," says Stevens' wife, Christine. "I think there's an element of that. In other words, stoicism is a large part of Roger's character. He actively refrains from whining and he can't abide complainers. He's a very persistent man. During the height of the Depression, Roger was working on the assembly line of the Ford Motor Company. His job was to take a gear off a belt and hold it up to a rotating wire brush to remove the burrs. This was the time of the famous speed-ups and before long the brush had rubbed his hands raw. But he was supporting his whole family then and was determined to hold onto the job. Two weeks later, he was fired in a general lay-off. He's often said the experience had a great deal to do with his changing from a Republican to a Democrat."

Playwright Arthur Kopit, who was a student at Harvard when he was first befriended by Stevens, tells this story: "Years ago, I was in New York to go to the theater and I dropped by to see Roger in his office one afternoon. He drank then and as we were going out of the building, he remembered that he had just bought a restaurant called Rubens. 'Let's go see what it's like,' he said. Once there, he announced, 'The only drinker is a prohibition drinker,' which I took to be fighting words.

"Three double-martinis later, we pushed through the revolving door somehow, weaved out onto the street and tried to hail a taxi. There were none in sight and Roger was growing visibly impatient. Finally, he turned to me and said, 'That's the trouble with Philadelphia. You can never get a taxi when you need one.' "

Richmond Crinkley, who was Stevens' assistant for three years before recently becoming the executive director of the Vivian Beaumont Theater in New York, also associates Stevens with motion. "One day, we were walking down 45th St. on our way to Sardi's when this fire truck came careening down the street. The sirens were wailing and it was weaving in and out the traffic at top speed. Roger stopped dead in his tracks and said, 'Look at that thing go, will you!' I mean, he was full of admiration.

"I really think activity is an absolute necessity for Roger. The most interesting and fruitful times I spent with him were not the times he was in his office or in a theater, but the times he was in a taxi or an airplane or walking down the street, going somewhere. Getting from A to B is really what Roger is all about."

"Roger's a mixture of two things," says Robert Whitehead, Stevens' partner in commercial producing for the past 25 years. "There's a very civilized quality that comes from a conservative upbringing. He has a deep respect for beauty and art and a strong sense of social responsibility. Along with that is this old time American gambler. Most of us feel nerve-wracked when the money dwindles. But Roger just sees money as a means to an end. He has no fear of it. In fact, he's even got a sense of humor about it that is rather marvelous. His attitude is, 'Don't worry. There's plenty lying around.' If you're an old frontier gambler, the theater is a great place to be, because it's one helluva gamble."

Stevens' gambling streak surfaced early. As a teenager, he kept himself in pocket money by taking on his friends at bridge, poker and blackjack, and winning. The aesthetic concerns didn't develop until he had dropped out of school and was discovering that the world could be a bleak place.

His life isn't so much a rags-to-riches saga, as it is a riches-to-rags-to-riches story. The son of a well-to-do real estate broker, Roger Stevens was born in Detroit in 1910 and seemed destined for the traditional Ivy League grooming. He muddled his way through Choate preparatory school and had been accepted for admission to Harvard University when the gathering Depression wiped out his father's fortune.

Instead Stevens went to the University of Michigan at Ann Arbor where the family lived. He lasted a year and quit at age 19. For the next five years, he knocked around Michigan, collecting some of the Depression stories he likes to drop into the conversation. Eventually, he found work as a real-estate broker during the day, and as a gas station attendant at night. Selling real-estate brought him nothing for the first six months; pumping gas brought him $12 a week. ("Even then," says Christine, "Roger was so preoccupied that he often forgot to put the cap back on the customer's gas tank.")

During this period, Stevens discovered books, a passion which has not deserted him and which prompts him to observe, "If I were a bit younger, I think I'd buy a publishing house. More interesting than theater. Books last." (He is a director of Farrar, Strauss & Giroux, and from 1970–75 was chairman of the advisory committee for the National Books Awards.)

He read voraciously, sometimes as many as five classics a week, discovering in the process Joyce and Proust (his favorite novelists) and Pirandello (his favorite playwright). To this day, Stevens continues to read as much as his schedule will allow. "I'll bet," he said, taking time from a recent lunch at the Sans Souci to gaze at the crowd of rich and powerful diners, "that I've read more books of all kinds in the last six months than anyone else in this room."

Stevens denies that reading has been a compensation for the university education he never had. "I just liked to read then and I like to read now," he says. Still, he lets it slip that "Eisenhower used to tell everybody to address me as Dr. Stevens. He assumed I had at least a Ph.D."

As the Depression began to abate, Stevens revealed the business acumen that would make him one of the two most powerful real estate men in the country in the mid-1950s. Trading in undervalued apartment houses and hotels, he had acquired by 1937 a nest egg of $50,000, a yearly income of $25,000 and a wife, the former Christine Gesell.

"My father was always saying when he had money how he was going to take me on trips and do this and that. And he never did," Stevens recalls. "So after Christine and I got married, we spent $10,000 for a six-month tour around the world. The world has never been the same since."

It was only after World War II that Stevens became a double threat, however—first as a real estate tycoon, then as a Broadway producer. The producer launched a variety of hits—and misses. The tycoon bought and sold hotels and office buildings and developed commercial centers, as if the whole country were his private Monopoly board. In 1951, he headed a syndicate that acquired the Empire State Building for $51.1 million, then the highest price ever paid for a building. "I developed something of a reputation as the greatest deal-closer in the country," Stevens boasts now.

Stevens' reputation as a producer developed somewhat slower than that as a real estate tycoon—although eventually he would have as many as 10 shows a season on Broadway. ("That's more than Merrick ever had," he can't help noting.) His first production was hardly a sure bet: Shakespeare's "Twelfth Night," as staged by the Ann Arbor Drama Festival. Stevens took it to New York in 1949, had the satisfaction of getting an encouraging notice from Brooks Atkinson, and then promptly lost $45,000 on the six-week run. "I didn't know that if you're going to do a revival, you have to have a big name in it," Stevens explains. He has since made the observation an iron-clad principle at the Kennedy Center.

He hit paydirt the following year with a musical version of "Peter Pan," starring Boris Karloff and Jean Arthur, with music by Leonard Bernstein, who would figure both prominently in Stevens' theatrical career ("West Side Story," "Mass") and not so prominently ("1600 Pennsylvania Avenue").

"Everything we did was wrong," Stevens recalls. "We opened in the spring and there was no air-conditioning. Our break-even point was 80 percent of our gross. The thing is, it was a helluva good show. Incidentally, it had the first integrated chorus line on Broadway. People told me it got much more applause on opening night than 'South Pacific.' You hear that kind of applause five or six times in a life. I can tell you it's quite a thrill."

For the next two decades, Stevens would pursue that thrill with a vengeance—as financial advisor to the prestigious Playwrights' Company, which, he says, gave him his theatrical education; as a board member of ANTA; and as one of the founding members (with Robert Whitehead and Robert Dowling) of the Producers' Theater. Although he has never been one to cut his partners out of a production, Stevens is also not one to put off a production if his partners demur. Hence, his multiple alliances. Today, he continues to produce independently of the Kennedy Center, both by himself and in conjunction with Whitehead. "Roger isn't happy, unless he's got five projects going all at once," remarks a friend.

Stevens is proud of his producing record during the 1950s and early 1960s and sometimes will imply that no one else contributed anything of worth during that time. He does have a list of distinguished, if not always profitable, shows. Among them: "The Fourposter," "Ondine," "The Golden Apple," "The Confidential Clerk," "Tiger at the Gates," "Separate Tables," "Bus Stop," "Waltz of the Toreadors," "Under Milkwood," "The Visit," "The Best Man," "Oh, Dad, Poor Dad," and "A Man for All Seasons."

"Of course, when you're producing as many shows as Roger did back then," says a rival producer, "you're bound to have a number of hits. It's the law of averages. But don't forget the other side: that Roger has had more flops in the theater than just about anyone else, living or dead." Lest one be overly mesmerized by the quality of his productions, Stevens is also the gentleman who brought Broadway "Under the Yum Yum Tree," "Everybody Loves Opal" and "A Hole in the Head."

As if theater and real-estate were not sufficiently time-consuming, Stevens, with his reputation as a crack money-raiser, found himself drifting into the world of politics. A political liberal, he was especially intrigued by Adlai Stevenson and for the campaign of 1956, Stevens served as chairman of the Democratic Finance Committee. "I went into politics out of curiosity," he says flatly. "I wanted to see how the inside worked . . . I found out."

Actually, Stevens was acquiring the kind of first-hand experience that would prove invaluable to him as the head of the Kennedy Center. A skilled real estate man, a successful Broadway producer and an adroit political fund-raiser—he had all the bases covered. When President Kennedy went looking for a general trouble-shooter for a proposed national cultural center, Stevens was the natural man for the job.

"I sometimes look back on the 1950s," says Stevens, "and wonder how the hell I did it all. I was making real estate deals in almost every city in the country, producing at least five plays each year on Broadway and raising money for the Democratic party. Well, I always said I could have done two out of three well, but not all three."

Stevens, whom the English press once called The Skyscraper King, would give up real estate, move to Washington, and take on what many believe was the biggest challenge of his career.

THE MAN WHO RESHAPED THE CULTURAL MAP

(By David Richards)

[Second of two articles]

"In the theater world, Roger Stevens is the great father figure," says a young New York producer. "When people are sitting around, trying to figure out how to get a play on and they have come to the end of their wits, someone is bound to ask, 'Does anyone know Roger Stevens?' "

As chairman of the board of the Kennedy Center for the Performing Arts Stevens is obviously in a position to extend a helping hand. Not only does he determine the fare for the Center's theaters—the Eisenhower, the Opera House and the just-opened Terrace Theater—but for the past four years he also has programmed the venerable National Theater, downtown. Until the Warner Theater reopened last December, a Broadway production had to meet with Stevens' approval or it just didn't play here.

And playing the Center does offer definite advantages. More than any other performing arts facility in the country, it seems to have a built-in constituency. Attendance averages 82 percent; four- to six-week runs are par for the course; and actors, who can be impossible in Philly, tend to be curiously cooperative once they get to the Center, focal point for many of the city's social and political rituals.

Stevens' power extends far beyond the building he was instrumental in getting erected, however. Through Kennedy Center Productions, Inc., the Center's non-profit investing arm, he can and does provide financial help to pre-Broadway shows that run into trouble here. (He sunk $100,000 into "Pippin," which paid off handsomely, and $125,000 into "Annie," which has turned into the most successful Broadway musical since "A Chorus Line.") Sometimes, the mere expression of interest by the Kennedy Center can be a determining factor in a show getting financed.

"Washington was always a decent two-week stand," says Philip Langner, president of the Theater Guild. "Roger and the Kennedy Center have turned it into the most desirable tryout city in the country. It's electric and alive. Every producer I know wants to start his play there."

Frequently, there is a logjam, as a result. When the Theater Guild acquired the rights to Alan Ayckbourn's "Absurd Person Singular," Langner wanted a Washington break-in. "We started asking Roger for a booking in November, 1973. He said it was an interesting play, but he held off for months. It wasn't until July 1974 that he agreed to give us a date for September of that year, and then it was only after we told him that we had signed Richard Kiley and Geraldine Page. He has so many people trying to get into the Center that he can afford to be very choosey."

Despite lots of similar examples, Stevens bristles at the notion that he exercises any more power than your average 68-year-old self-made millionaire. "One of the very reasons I wanted to get out of the business world was that I didn't like determining the fates of other people," he says, a sudden flush of pique lending color to his face, which is usually a wintry gray. "At the time I purchased the Empire State Building, I had as many as 25,000 people working for me. I didn't want to have to worry about their damn lives, about whether or not this guy's wife was sick with TB or that guy was overdrawn at the bank. So I got out. I always liked to put together a deal for the sake of a deal, absurd as that may sound. But the daily operation of business—the buying, the selling, the chiseling—I found it . . . boring. I'm always reading about this great power I have. Nonsense!"

If a producer wants to bring a play to Washington and Stevens doesn't like it? "He can take it to Boston, instead," Stevens snaps. Subject closed. The mere reference to the Center as a booking house, in fact, is guaranteed to goad Stevens into a rare, but imposing, exhibition of displeasure.

"There is no doubt that Roger is the right producer in the right theater at the right time. God knows how, but he is largely in tune with the Kennedy Center audience," says one observer, who, when prodded, characterizes that audience as conservative, middle-aged, well-to-do and less concerned with theater, perhaps, than with promenading up and down the Grand Foyer at intermission. That, of course, is an exaggeration. Stevens will invest considerable time and energy in a "Semmelweiss" or a "Wings," plays not exactly tailored for mass consumption. By the same token, he has given Washington two productions of Noel Coward's fluffy "Present Laughter," and seems to have a high tolerance for the mustier forms of the theater plays like "The Jockey Club Stakes," "The Headhunters," "Do You Turn Somersaults?," "First Monday in October," "The Last of Mrs. Cheney" and "Gracious Living."

Stevens' critics—although not as blunt as Stanley Kauffmann, who described the Center as "a big, bad kitchen" and Stevens as "the dullard chef cooking up masses of flat grub for Washington"—still tend to be dismayed by his professional tastes, which are quixotic when they are not reactionary. Stevens doesn't put on a "season" of plays, they say, which would imply intriguing connections between the various works. He simply puts on one play after another. Finding the guiding intelligence behind them is not easy.

Stevens himself has neither the inclination nor the patience to discuss his "artistic direction" of the Center. For one thing, he dislikes the term itself. "This reminds me of a conversation between Lennie Bernstein and Alvin Ailey before 'Mass' opened," he says. "Lennie is a great intellectual, and he was asking Alvin how he choreographed. 'I don't know,' Alvin said. 'I just get those people up there on the stage and I tell them to move this way and then that way.' And Lennie said, 'Yes, but the theory behind it. You must have a theory.' And Alvin said, 'Not really. All I do is get them up there and move them around so they look pretty.'

"Well, it was one of the greatest conversations I ever heard in my life. Really very funny. I certainly wouldn't want to equate myself with either of those men. They're both geniuses. My point is: That's the way

I work. I don't have any deep theories. I just mix up the plays and put them up there. I try to find the best playwrights I can, and I try to do different kinds of plays because I think Washington demands a varied diet, and basically . . . well . . . that's it."

Those who know him well say he can be prudish. He did not want a touring production of "Equus" to play the Eisenhower (it went to the National, instead), leaving some of his staff members to speculate whether it was the nudity, the language or the vaguely homosexual undertones of the work that disturbed him. And yet Stevens subsidized the young and unknown Harold Pinter, in return for which Pinter now automatically offers Stevens the first American rights to his works. If Stevens objects to such ambiguous and sexually unsettling Pinter plays as "The Homecoming," "Old Times" and "No Man's Land," he's certainly not letting on.

As a rule, he shies away from contemporary playwrighting that suggests there may be a deep flaw in mankind or rot in the system. Having pulled himself up by the bootstraps, Stevens has no patience with whiners. Yet his favorite playwright is Pirandello, whose notions of the relativity of truth and human personality constitute a cornerstone of the modern theater. He also relishes Duerrenmatt ("The Visit," "The Physicist"), whose view of humanity is black and bitter.

"Roger's tastes are stuck back in the 1950s when he was a big Broadway producer," says a rival, who insists on remaining nameless. "His loyalities lie with the performers and playwrights he worked with back then. Deborah Kerr was wonderful in 'Tea and Sympathy,' but 'The Last of Mrs. Cheney'? Come on! Poor Samuel Taylor hasn't written a decent play since 'The Pleasure of His Company,' but Roger keeps putting them on anyway. And I really think the only reason he got involved in that awful 'Odyssey' was because 'The Golden Apple' won all those awards for him in the 50s." (Both musicals were based on Homeric legend.)

This, too, however, may be only partially true. Says Richmond Crinkley, once Stevens' assistant and now executive director of the Vivian Beaumont Theater in New York: "Roger is tremendously accessible. He will talk to anyone or read anyone's script. Usually, you have to give him two, because he loses one. But he's one of the least remote producers I know."

Always on the lookout for new playwrights, Stevens seems genuinely distressed that the species is not as plentiful as it was in the 1950s, when he was financial advisor to the Playwrights' Theater. He often accompanies his wife Christine, an ardent defender of the rights of animals, to wildlife conferences around the world, using the occasion to do a little scouting himself. On a recent trip to Australia, he picked up "Players." In East Berlin, he checked out the Berliner Ensemble. He regularly shops in London and faithfully gives American productions to the plays of Tom Stoppard ("Travesties," "Jumpers," "Dirty Linen" and "Every Good Boy Deserves Favour").

According to Robert Whitehead, who has been Stevens' Broadway partner for 25 years, "Theater is really totally different for us. I tend to do only two or three plays a year, but I believe in them deeply. They're almost an extension of something I feel about life and I take a personal responsibility toward them.

"I don't think Roger necessarily sees plays as an expression of some part of himself. For one thing, he does too many. He'll be working on four or five projects at the same time. If one doesn't pay off he figures another will. I think he truly enjoys the gamble, the roll of the dice.

"I was sick over the reception 'A Texas Trilogy' got in New York. I'd lived with that one intimately and I bled profusely when it closed. Roger was more objective. His attitude was, 'Let's get on to something else.' He's not interested in wasting time on postmortems or recriminations. It's one of his best qualities." (Stevens' comment: "I just don't bleed in public.")

Stevens does have a predilection for stars and recognizes that their drawing power is crucial to his cause—filled houses. "Sometimes Roger will find a particular play more appealing than it might otherwise be, because it has a prominent star connected with it," Whitehead admits. The Kennedy Center has housed its share of star vehicles, some more rickety than others, chiefly to show off the talents of such performers as Mary Martin, Ingrid Bergman, Pearl Bailey, Elizabeth Ashley, Jason Robards, Henry Fonda, Alexis Smith, Yul Brynner or Wilfrid Hyde-White. "It seems to me that performers are just as important as writers," says Stevens. "Is there anything worse than a bad Shakespearean production or better than a good one?"

Whether this makes for a national center is open to question. Joseph Papp, producer of the New York Shakespeare Festival, doesn't think so. "You'd have to have black, Puerto Rican, Mexican and Indian representation to call it a national cultural center," he says. "That's not the case. Nor does the Center represent what's happening with young writers across the country. Here it is, located in the capital, a city that deals with life and death issues, but it doesn't reflect that at all. It is what it is—one of those institutions of a certain size that cater largely to the conservative appetites of a white, middle-class audience and confirm its views of life. Could it be something more? I don't know. A certain conservatism is implicit in those big institutions—especially one associated indirectly with the government, as the Center is. Those large houses have to be filled. And middleground wares are what fill them.

"Of course, it's very easy to pick on the Center. It does serve a function and it stimulates theatergoing in the most general sense. I don't think you should downplay that at all. Stevens is an honorable man. He's keeping that place alive, and I know how hard that is."

Stevens' intimates find him charming and scrupulously loyal. However, Stevens himself recognizes that "for most people, my charm has always been my ability to raise money. Well, that doesn't bother me."

He possesses a resolve of iron and a sturdily oldfashioned belief that if you take on a job, you see it to the end. It was President Kennedy who summoned Stevens, then one of the country's most successful real-estate magnates to Washington and charged him not only with formulating plans and policy for a national cultural center, but also raising the money for it. It was slow going. After Kennedy's assassination, President Johnson affirmed his commitment to the Center, which would become a memorial to the slain president. (He also named Stevens as the head of the National Council on the Arts, which was to stimulate the country's arts groups with what now seems a risible $10 million yearly budget.)

Stevens receives no pay as chairman of the board and until recently picked up the considerable travel and entertainment expenses that his position entails. He professes a complete disinterest in money. Since "my daughter doesn't care about a big inheritance," he claims he has been living off his capital for the past 20 years. What money he does still earn comes mostly from investments in Seattle, where he has approximately 40 percent of the downtown office buildings on a long-term lease.

He frequently works 60-hour weeks, and although he hobnobs with ambassadors and politicians, all eager to bask to the reflected glory of the Center, he remains a creature of minimal social graces. At two successive luncheon interviews, he managed to spill something down his front. "Give me a plain colored tie and I'll do it every time," he railed overlooking the fact that all the ties he wears are plain-colored.

Not too long ago, as Stevens was leaving his office at the Center, his secretary handed him a piece of paper. As is customary, it had his evening schedule written on it. "Okay," said Stevens, reading it. "I've got dinner at the White House." Then with a perfectly straight face, "What else do I have on?" This kind of unintentional blitheness can make him enormously likeable.

At an age in life, when most men of his achievements have begun to look upon themselves as park monuments, Stevens is unconcerned with the past. "The past is dead and gone and there isn't a damn thing you can do about it," he says. "Anyway, I guess I've always been too busy to think much about the success or the failure of my actions. I'd prefer to think about what I want to do, not what I've done."

What he wants to do for the Center is solve, once and for all, the nagging bond issue. The cost of building the Center eventually ran to $73 million, of which $20.4 million was in the form of Treasury bonds, used to finance the underground parking garage. The interest on those bonds, some $2.2 million, comes due this year and the Center is not in a position to pay. Stevens is willing to settle on the principle at the rate of $1 million a year, but would like to see the interest dropped. The proposal will require some vigorous lobbying.

He would like to form a theater company with the best students from the American College Theater Festival, who would use the Terrace Theater as home base and tour the country. "That'll take some money, too" he says. He envisions a summer resident opera company for the Terrace Theater, as well.

He would like to see the day when every play at the Center is a new play.

Then this least probable of showmen adds, "I think I'd also like to have a few more hits before I roll over and fold up."

And somehow you sense that's what he really wants most of all.

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the will of the Senate?

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEVIN). Without objection, it is so ordered.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF THE STANDING RULES OF THE SENATE

TIME LIMITATION AGREEMENT—ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. STEVENS tomorrow, there be a 10-minute limitation for debate on the amendment by Mr. HELMS; that time to be equally divided between Mr. HELMS and the junior Senator from West Virginia; and that a vote then occur in relation to the Helms amendment.

Mr. STEVENS. Reserving the right to object, and I shall not object, it is my understanding that the majority leader is reserving his option on that to make a motion to table. It would be our hope, of course, that would not occur.

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. But I want to make sure there is that understanding.

It is my understanding this is Senator HELMS' desire to have that type of time agreement on his amendment.

It is the amendment that deals with page 1, line 3, I might add, and to considering the measure not more than 8 hours per calendar day. That is the amendment we are talking about, No. 18.

Mr. ROBERT C. BYRD. That is true.

What it would do, it would guarantee, if Senators were so disposed, there could be a minimum of 12½ days of debate on a measure after cloture is invoked on it.

Of course, at the close of a session, an adjournment sine die at the end of a Congress, it could mean the death of a piece of legislation on which the Congress might have spent months or even years of energy.

So, just merely by providing that no more than a certain amount of hours could be spent in any one day on a measure, it automatically stretches out the time for debate after cloture.

Mr. STEVENS. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I might state that I will have an amendment tomorrow—in the event my amendment is not adopted, I hope it will be adopted, but if it is not—to remove from S. Res. 61 the provisions that would permit the decrease in time, and I would be happy to discuss with the majority leader tomorrow the limitation of time on that so we could vote on that rather promptly.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. Is there objection to the pending request?

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I will be delighted to discuss the matter with the distinguished Senator. I am sure other Senators will want to enter into that discussion.

I want to express appreciation to the Senator from Maryland (Mr. SARBANES) for his very active participation in the discussion today and his assistance.

Mr. President, may I express the hope in closing that the Senate can complete its action on Senate Resolution 61 tomorrow, and if it does that it would be my plan then to go over until Monday.

RECESS TO 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:15 a.m. tomorrow.

The motion was agreed to; and at 5:54 p.m., the Senate recessed until tomorrow, Thursday, February 22, 1979, at 9:15 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 21, 1979:

FEDERAL ELECTION COMMISSION

John Warren McGarry, of Massachusetts, to be a member of the Federal Election Commission for a term expiring April 30, 1983.

Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission for a term expiring April 30, 1983.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, February 21, 1979*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Almighty God, as citizens of a restless world, only too aware of the pressures of change and conflict, give us the sensitivity to hear your still, small voice even in the midst of the clamor of competing events.

Give us, we pray, from the depths of our being, a moment of calm, that Your word of strength and power will give us the confidence to trust in Your love, to believe in Your name, and to act for the benefit of humankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE MARCH 1 REDUCTION IN FOOD STAMPS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, the day of crisis for poor seniors and disabled citizens is rapidly approaching. On March 1 the new food stamp regulations will take effect. Let me illustrate for a moment the impact on a couple, a husband and wife.

The husband is 84 years old and blind. The wife is 77. They have total income of $380 a month. Rent and utilities take $195 a month of this. Under the present program, Mr. Speaker, they do receive $50 a month in food stamps. Starting on March 1 the $50 a month is reduced to $15.

Mr. Speaker, I once again urge my colleagues to look at the "Dear Colleague" letter they have received outlining the bill that can change this, and to contact my office and give their support to the seniors and disabled they represent.

I yield back the remainder of my time.

□ 1505

INCREASE INTEREST RATE CEILING ON SAVINGS BONDS TO 7 PERCENT

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, when the House considers the Public Debt Limitation, H.R. 1894, I hope the rule will make it in order for me to offer the following amendment:

Page 2, line 15, strike out "6½ per centum" and insert in lieu thereof "7 per centum".

This amendment would permit the Treasury to increase the interest payment on series E bonds to 7 percent. The bill would limit the increase in E bond interest to 6½ percent.

One out of every three Americans hold E bonds. More than 16 million Americans buy $8 billion in E bonds each year. As of January 1979, $80 billion in E savings bonds were outstanding.

Over the past 7 months, redemptions have consistently exceeded sales. A record was hit in January 1979 when redemptions exceeded sales by $533 million. If redemptions continue at this rate, it could cause a tremendous upheaval in handling the Federal debt.

E bonds are the average citizens participation in the national debt. It is simply unfair to deny a reasonable rate of return commensurate with the cost of all other forms of public borrowing.

□ 1510

JUST WHAT IS INFLATION?

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the other day I questioned whether a false definition of inflation might not have hobbled this House in its attempts to bring this greatest of social evils under control.

The memorable Government ads of a few years ago told us that inflation is caused by greedy business, by pushy labor unions, by piggy consumers. Come to think of it, that is pretty much what Mr. Bosworth and his hardy band of price and wage controllers at the Council on Wage and Price Stability are still telling us.

But what are the facts?

Inflation ravaged our Nation in the late 1700's, under our predecessors, the

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Continental Congress, and gave birth to the saying, "Not Worth a Continental."

During the Civil War, greenbacks flooded the North, and Confederate paper money the South, and prices in terms of both zoomed.

In the past 10 years, we have seen prices double—with some prices going up much more than that.

Just exactly what is this inflation everybody is against, but nobody seems to know how to fight? For the sake of our Nation I hope we as a Congress discover the exact nature of inflation.

VIOLATIONS OF HUMAN RIGHTS IN IRAN

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Recent events in Iran have caused many to question just what is our foreign policy.

The President has spoken a great deal about human rights, and we are all concerned about human rights. He has struck down some of our friends around the world because they have violated what at least he judged to be human rights. Now eight generals who have been murdered by the Khomeini government, murdered because they made the mistake of being allied with the wrong political faction in that country. Now we have our own Marine who has been kidnaped from a hospital. It is strange that the President has been so silent on both these issues.

I think the President should be consistent. If human rights is an issue with our friends—and they should be—then they also should be addressed to the new found friends the President has made in Iran.

Mr. Speaker, I think the President has been negligent in not addressing this very serious problem.

DESIGNATING MEMBERSHIP ON A STANDING COMMITTEE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 127) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 127

Resolution designating membership on a standing committee of the House

Resolved, That the following-named Members be, and they are hereby, elected to the following standing committee of the House of Representatives:

Committee on the District of Columbia: A TOBY MOFFETT, Connecticut and WILLIAM H. GRAY III, Pennsylvania.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1515

APPOINTMENT AS ADDITIONAL MEMBERS TO SELECT COMMITTEE ON AGING

The SPEAKER. Pursuant to clauses 6 (e) and (g), of rule X, and without objection, the Chair appoints as additional members to the Select Committee on Aging the following members on the part of the House: The gentleman from California (Mr. WAXMAN); the gentleman from Oklahoma (Mr. SYNAR); the gentleman from Pennsylvania (Mr. ATKINSON); and the gentleman from Pennsylvania (Mr. MARKS) to rank after the gentleman from New Jersey (Mr. RINALDO); and without objection, the Chair reappoints the following members to rank after the gentleman from New York (Mr. GREEN); the gentleman from Kansas (Mr. WHITTAKER); the gentleman from California (Mr. SHUMWAY); the gentleman from Kentucky (Mr. HOPKINS); the gentlewoman from Maine (Mrs. SNOWE); and the gentleman from California (Mr. LUNGREN).

There was no objection.

APPOINTMENT AS MEMBERS OF NATIONAL ALCOHOL FUELS COMMISSION

The SPEAKER. Pursuant to the provisions of section 170(a)(3)(B) Public Law 95–599, the Chair appoints as members of the National Alcohol Fuels Commission the following members on the part of the House:

Mr. ROE, of New Jersey, vice chairman;
Mr. ALEXANDER, of Arkansas;
Mr. BLANCHARD, of Michigan;
Mr. GLICKMAN, of Kansas;
Mr. SEBELIUS, of Kansas; and
Mr. REGULA, of Ohio.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5(b)(1) of rule I, the Chair announces that he will postpone further proceedings today on each question of agreeing to resolutions on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

All such rollcall votes, if postponed, will be taken on Monday, February 26, 1979.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON VETERANS' AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 35) to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 35

Resolved, That, effective January 3, 1979, the expenses of the investigations and studies to be conducted pursuant to House rule XI, by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $425,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)) of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $25,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)) and not to exceed $10,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1979, the expenses of the investigations and studies to be conducted pursuant to House rule XI, by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $400,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)) of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $25,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)) and not to exceed $10,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, in a few moments the House will begin consideration of 10 resolutions providing funds for studies and investigations to be conducted by various committees of the House.

These resolutions have been reported by the Committee on House Administration and its Subcommittee on Accounts, which I have the honor of chairing in this Congress.

Because I have this responsibility for the first time, I want to say just a word about the approach the Accounts Subcommittee has taken in reviewing these funding resolutions.

Before I do so, Mr. Speaker, I do want to pay tribute to my colleagues on the subcommittee—Mr. MINISH, Mr. DAVIS, Mr. ROSE, Mr. BURTON, Mr. PEYSER, Mr. RATCHFORD, Mr. FAZIO, and Mr. NEDZI on the majority side and Mr. DEVINE, Mr. CLEVELAND, Mr. BADHAM, Mr. LEWIS, and Mr. CAMPBELL on the minority side, I am most grateful to these Members for their dedication.

I also want to express my appreciation to the gentleman from New Jersey, Mr. THOMPSON, the chairman of the full committee who, as a former chairman of the

Accounts Subcommittee, has been of invaluable assistance to the subcommittee.

Mr. Speaker, reviewing committee expense resolutions is a serious responsibility, requiring that we exercise great care, for the public mood—but even more, our public office—means that we must make certain that the American taxpayer's dollar is wisely spent.

We must help the House of Representatives set an example for the rest of Government for the times do not permit wasteful or unnecessary spending—and I believe that the funding resolutions before us today represent the commitment of the Committee on House Administration to this principle.

These resolutions reduced the levels of authorizations for the 10 committees involved by nearly $1.5 million—10 percent—from the amounts requested and reduce the levels of authorizations by $347,000—3 percent—compared with last year.

This is a record of which we are proud but at the same time I think we must be mindful of the old caveat not to be penny wise and pound foolish. For what good does it do us unduly to restrict the oversight functions of Congress if by so doing wasteful spending by the Executive is allowed to go unchecked?

Now I am aware the many observers of Congress, including some who should know better, berate the growth of congressional staff and budgets.

But we must remember that as Congress is a branch of Government equal to the Executive under our constitutional separation of powers system, Congress must have adequate resources to insure that the laws we pass are administered in the way we intended—without waste, mismanagement, or excessive regulation.

This is a formidable task with an executive branch budget approaching $500 billion and civilian employment of nearly 2.8 million people but to do otherwise is to abrogate our duty as Members of Congress.

I do not anticipate that the 96th Congress will be writing many sweeping, major new statutes. But I do expect that this Congress will be exercising more oversight than ever before. For since the Federal dollar must be stretched further than ever before in the next 2 years, Congress must be vigilant that it is used as effectively as possible.

Therefore, Mr. Speaker, the Subcommittee on Accounts will continue to exercise its twin responsibilities of eliminating any wasteful and unnecessary congressional spending over which we have authority and of insuring that Congress has the resources to oversee the proper implementation of the programs we have authorized.

□ 1520

Mr. Speaker, I would yield for debate only to the distinguished ranking minority member of the Subcommittee on Accounts, my colleague from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding. I would like to point out to the Members here on the floor that this is the first of a series of 10 or 11 funding resolutions which are ordinary housekeeping matters that require a vote by the membership in order to be approved. They come up under the privileged resolution posture, under which unless recognized for purposes of amendment, Members are recognized for purposes of debate only. Therefore, amendments will not be in order unless the chairman of the Accounts Subcommittee recognizes for a purpose other than debate only.

I would say, Mr. Speaker, that the gentleman from Indiana, having just become the chairman of the Accounts Subcommittee, recognizes that we on the Accounts Subcommittee and we on the House Administration Committee cannot and do not act as rubber stamps for the requests of the chairmen or the ranking minority members standing committees. We find it necessary to go into these requests in depth, and take such action as we think is appropriate.

We have always maintained a posture that if we cut to a point where the committee feels that it cannot live with it, they always have the opportunity to come back to the Accounts Subcommittee and House Administration Committee at a later time and perhaps justify additional funds. We have made substantial cuts in some of the requests; we have made minor cuts or token cuts in some of them, but I would say that relative to House Resolution 35, having to do with the Veterans' Administration, we cut $25,000. We think the action appropriate, equitable, and support the resolution.

Mr. BRADEMAS. Mr. Speaker. I thank the gentleman from Ohio for his gracious remarks.

I yield to the gentleman from Ohio (Mr. ASHBROOK) for debate only.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding to me. I would raise several questions—not questions that relate to the work of this fine committee and its effort to be very tightfisted with a dollar, but rather with the procedures that are involved here.

I have read the first three resolutions, and as nearly as I can tell—I would ask my friend and colleague, the gentleman from Indiana, to respond—as near as I can tell, the only changes made in the resolution before us relate to dollar amounts. Is that correct?

Mr. BRADEMAS. The gentleman is correct, and I would say further to the gentleman that that has been the traditional way in which these kinds of resolutions are handled.

Mr. ASHBROOK. Well, that is the exact point I want to raise, if my colleague would further yield. I kind of hate to see my colleague, the gentleman from Indiana, deviate from tradition. As I understand it, we will have a vote before us which will be for the adoption of a committee amendment in the nature of a substitute, which means that the Members get no vote whatsoever on this. In the past, we could at least offer a motion to recommit, and I think the gentleman knows that for the past 3 years I have done so on the Judiciary Committee resolution.

I would ask the gentleman if the practical effect of what he is doing is not to preclude any Member, including this Member, the opportunity of making any change or giving instructions to a committee.

Mr. BRADEMAS. The gentleman is always free to offer a motion to recommit a resolution.

Mr. ASHBROOK. I thought that is what he would answer. I am rather distressed to see him start his long and successful tenure as the chairman of the Accounts Subcommittee by following a routine here which, in effect, gags the Members from encouraging the House to work its will; not to cast any aspersions on the House Administration Committee, because I think everybody knows of my respect for the chairman and ranking minority member and all the members of the committee.

□ 1525

But I merely want to make the point that I think it should be noted that the use of the rules—and the gentleman is using the rules and I have no objection to that, I would use the rules also—the use of the rules to make impossible a vote is something we ought to at least question, and I am one of those who is very sorry to see my friend so use the rules.

Mr. BRADEMAS. I appreciate the remarks of my valued friend and colleague. I would only say to the gentleman from Ohio that the gentleman from Indiana is very conservative and likes to follow the established pattern of doing things.

Mr. Speaker, I yield for such time as he may consume, for debate only, to my valued friend the distinguished chairman of the Committee on House Administration, Mr. THOMPSON.

Mr. THOMPSON. Mr. Speaker, I thank my friend the gentleman from Indiana, and by the limitation on me he is indeed exhibiting his conservatism and his following the regular order.

I would like to commend the gentleman for the work which he has done, and all of the members of the subcommittee, particularly the chairman. There are a number of new members. The distinguished gentleman, my friend from Ohio (Mr. DEVINE), has been on the committee a great many years and has expressed very clearly what the rules of the game are with respect to these. They have been very carefully looked at.

With respect to one which will come a little later relating to the interests of my great and good friend the gentleman from Ohio (Mr. ASHBROOK) as the new ranking member of the Committee on Education and Labor, I am very much aware of the depth and the length of the discussions had between the gentleman from Ohio (Mr. ASHBROOK) and the chairman of the committee, the gentleman from Kentucky (Mr. PERKINS), before the presentation of the budget and with, I am sure, the Members of the minority party.

What I am saying I suppose translates to this: Essentially any disagreements or debates take place at the negotiation stage between the chairmen and the ranking Members, all of whom appear before the Subcommittee on Accounts, and each of whom has an opportunity to express himself or herself with respect to the amounts agreed upon, and in every instance that I know of in the years of experience that I have had, I believe that I was the first Accounts Subcommittee chairman to insist upon it, we have had the presence of the minority in each and every instance as well as funding for the minority. That is a tradition which I hope will not be broken in our time.

Once again briefly I would like to thank the new chairman of the Subcommittee on Accounts, my great and valued friend the gentleman from Indiana (Mr. BRADEMAS), and the members of his subcommittee.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from New Jersey for his gracious comments.

I yield to my colleague, the gentleman from Indiana (Mr. BENJAMIN), the new chairman of the Subcommittee on Legislative Appropriations of the Committee on Appropriations, for debate only.

Mr. BENJAMIN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the distinguished gentleman, JOHN BRADEMAS of Indiana, chairman of the Accounts Subcommittee of the Committee on House Administration, for his leadership and fiscal restraint in bringing 10 funding resolutions to the floor, House Resolutions 35, 45, 60, 85, 87, 88, 91, 92 96, and 98. The amounts recommended by these funding resolutions, which supply the necessary resources for the standing committees to carry out the investigative duties and special studies, and which fund the special and select committees of the House, total $13,913,000, compared with the requests received from the committees of $15,386,000. This represents a reduction of $1,473,000, or almost 10 percent, under the amounts requested. Furthermore, the amounts reported are $347,000 or 3 percent, under the amounts authorized by this House last year in its 1978 funding resolutions for these 10 committees.

Mr. Speaker, this is the gentleman's first year as chairman of the Accounts Subcommittee and it is obvious that he is mastering his new job quickly. I know he shares my feelings that the Congress needs to maintain a very strong independent posture from the executive and judicial branches of Government and one way of insuring that independence is to support the committees of Congress in providing them with sufficient resources within which to get their work done. However, at the same time, we must set an example to the President and to the Nation that we mean to scrutinize our resource needs very closely and to make reductions whenever possible.

That is exactly what the gentleman has done, as has his Subcommittee on Accounts, and the full Committee on House Administration. There will be several more committee funding resolutions brought before this House in the next several weeks and I am confident that this pattern will continue.

I support these resolutions and urge their adoption.

□ 1530

Mr. BRADEMAS. Mr. Speaker, I thank my friend, the gentleman from Indiana (Mr. BENJAMIN), for his very fine comments.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas, for purposes of debate only.

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I oppose all the committee funding resolutions, for they appropriate far too many tax dollars to an already bloated bureaucracy.

From 1946 to 1978, appropriations for the House alone have increased $269 million, an increase of almost 2,100 percent in 32 years. Had the population of the United States kept pace, it would now be well over two billion people. At the same time as the appropriations were being increased at this astronomical rate, the committee staffs were growing from 181 in 1947 to 2,014 in 1977.

All this money and all these people have not been idle. That is not my complaint. I object to these resolutions, not because we are funding a bureaucracy that does nothing, but precisely the opposite. With these resolutions we are funding a bureaucracy that, more than any other single bureaucracy, with the possible exception of the Internal Revenue Service, is working hard and long to destroy what remains of our free society. The committee staffs are the unelected legislators of our country. Their skills have been necessary and are necessary in passing the type of legislation that has placed the heavy hand of Government on every portion of our lives. It is inconceivable that this Congress could have enacted the far-reaching legislation it has in the past few years if it had not been for the guidance and skill of the committee staffs.

Every dollar we slice from these resolutions will have a multiplier effect: It will result in several more dollars not being spent further on down the road. Every dollar we add to the committee budgets will also have a multiplier effect: It will result in several more dollars being spent further on the road. These are very high powered dollars we are spending here today. If this Congress is serious about reducing bureaucracy, cutting waste, balancing the budget, and reforming regulations, then let it begin at home by slashing funds from these resolutions. I propose an immediate 25 percent cutback this year. The results will be untold millions—perhaps billions—saved as a result of that action. Our failure to enact National Health Insurance because we do not have sufficient staff to perform the necessary background work all alone save the American taxpayers tens of billions of dollars. Multiply that result by the number of proposals now before Congress to increase spending by creating new programs and inflating old ones, and the savings we can effect here today become stupendous. If this Congress is serious—if its Members meant all their campaign promises to cut Government down to size—then we must put our own house

in order first. Bloated bureaucracy is bloated bureaucracy no matter where it may be found. Let economy in Government begin here, for if it does not, then I fear that it will never begin.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from Illinois, the minority whip.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

In view of the comments of the gentleman from Indiana (Mr. BENJAMIN), who serves as chairman of the Legislative Subcommittee of the Committee on Appropriations—and this will be the first term I will serve on that subcommittee—I must say that I was rather disturbed when we heard the request from the Congressional Research Service of the Library of Congress for additional people. Their need for an increase in staff is predicated upon the number of requests which committee staffs are making to the Library for additional in-depth reports.

One just cannot get around the feeling that the more people we put on the staffs of committees, the more this results in a pyramiding effect that even stretches over to the Library of Congress in the form of requests for additional reports. To meet these additional requests for reports the Library has stated that they will need additional staff.

Admittedly, these requests are supposed to come from the chairmen or from the members of the committees themselves, but I get the distinct impression that unless we start putting a cap on the proliferation of staff around here, we will just continue to get this pyramiding effect for staff increases all up and down the line. This has become a vicious cycle. The ever-growing staff now is requiring an ever-increasing support staff to assist them.

Mr. Speaker, this is very difficult to justify. I think my chairman would corroborate what I have said and that he has had that same kind of concern as I have.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Illinois (Mr. MICHEL) for his contribution.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentlewoman from New Jersey, for purposes of debate only.

Mrs. FENWICK. Mr. Speaker, I thank the gentleman for yielding.

I am sorry that I am not sounding a more laudatory note; but, Mr. Speaker, every single one of these funding amounts has gone up from what was expended last year, every single one of these committee funding amounts, and substantially. I do not know how it can be justified.

If I read these amounts correctly, the funding expenditure, for example, last year for the Committee on House Administration was $599,200; and now the amount for the Committee on House Administration is going to go up to $845,000, an increase of nearly $250,000.

Mr. BRADEMAS. Mr. Speaker, I may say to the gentlewoman from New Jersey (Mrs. FENWICK) that we reduced in the subcommittee the requests of every one of these committees which appeared before us. I may also say—and here I refer to what my colleague, the gentleman from New Jersey (Mr. THOMPSON), the chairman of the committee, observed, as I think it is not irrelevant to the gentlewoman's observation—that in the case of every committee, the chairman of the committee was supported in his budget request by the ranking minority member of the committee. In some cases, I must confess to the gentlewoman from New Jersey, I was rather astonished to hear that support voiced by some of the ranking minority members on the other side.

Mrs. FENWICK. Mr. Speaker, if the gentleman will yield further, appetite grows by what it feeds on. These enormous expenditures for staff have increased year after year, and the appetite is obviously growing, and the requests will grow.

I just wonder whether we should not somewhere put a stop to this practice.

□ 1535

We are costing the taxpayers of this country a billion dollars a year, and if it goes on, it is going to be one billion, three, and one billion and a half.

Mr. BRADEMAS. I may say to the gentlewoman from New Jersey it was in that spirit that the Subcommittee on Accounts of the full Committee on House Administration reduced the budget requests of all the committees, despite the militant protestations of and support by every single ranking minority member of the full committee. I hope that if the gentlewoman will do some missionary work on her side, I assure her that the gentleman from Indiana will do what he can to work some salvation on this side.

Mrs. FENWICK. If the gentleman will yield further, the noble efforts of those who resist these appetites will be commended.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield for purposes of debate only to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

In response to the gentlewoman from New Jersey (Mrs. FENWICK), I would like to comment that the Committee on Public Works received $2 million last year. They voluntarily cut their request by 5 percent.

Mr. BRADEMAS. The gentleman is correct.

Mr. SNYDER. The gentleman's committee cut another $30,000, so our request was less than last year, and the gentleman's request in the resolution is less than last year.

Mr. BRADEMAS. I thank the gentleman for his observations.

I may say that our subcommittee was very pleased to see some of the budget requests such as the one brought in by the gentleman from California (Mr. JOHNSON), the chairman of the Committee on Public Works, and said so.

Mr. SNYDER. If the gentleman will yield, with the concurrence of the minority.

Mr. BRADEMAS. That is correct.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON SMALL BUSINESS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration I call up a privileged resolution (H. Res. 45) to provide funds for the further expenses of the investigations and studies of the Committee on Small Business, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 45

Resolved, That for the further expenses of the investigations and studies to be conducted by the Committee on Small Business acting as a whole or by subcommittee, not to exceed $1,053,513 including expenditures for the employment of investigators, attorneys, and clerical and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1979, the expenses of the investigations and studies to be conducted by the Committee on Small Business acting as a whole or by subcommittee, not to exceed $752,650 including expenditures for

the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (1)); but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 45 provides $752,650 for investigations and studies to be conducted by the Committee on Small Business.

Mr. Speaker, the amount approved by the Committee on House Administration is the same as this committee received last year and is $349,000 less than the committee requested.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield for purposes of debate only to the gentleman from Iowa, the distinguished Chairman of the Committee on Small Business.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

I just wanted to ask a question with regard to the ground rules. As I understood—I will ask the gentleman from Ohio (Mr. DEVINE) if he agrees with this—if we find that this is not adequate in this off-election year when we have increased activities, we are not expected to be held to one-twelfth of the appropriation here, and it is expected that we would come back in and justify further funding.

Mr. BRADEMAS. I would say to the gentleman from Iowa that with respect to every committee that requested funds from our subcommittee of the Committee on House Administration, if any committee does not feel that the funds provided it are adequate, that committee is certainly welcome to return to our subcommittee and make its request and make its case for such funds as it believes necessary to complete its work.

Mr. SMITH of Iowa. I thank the gentleman.

□ 1540

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS) for purposes of debate only.

Mr. COLLINS of Texas. Mr. Speaker, if I could ask a question; as I understand it, what we are doing today is providing additional funds for these committees, in addition to the staff that is already furnished by the permanent standing committees; is that right?

Mr. BRADEMAS. The gentleman is correct.

Mr. COLLINS of Texas. Mr. Speaker, if the gentleman will yield further, on this particular Small Business Committee, this is a new committee that just got started a few years ago. In the first year they had 27 employees on the permanent committee. Now they are already up to 43 members. Why do they need additional staff, or why do they need 43 when they were getting by with 27? They have increased the size of their staff by 50 percent.

Mr. BRADEMAS. Well, if the gentleman from Texas will allow me to respond, it was precisely because our subcommittee did not feel that this particular committee was adequately utilizing the statutory positions allotted to it, that our subcommittee did not agree to the full request made by this committee. So it was in the spirit of the gentleman's question that our subcommittee and the full committee reduced the amount of money requested by this committee.

Mr. COLLINS of Texas. Well, a further question, if I may? They are up to 43 from the permanent standing committee staff. Just how many people will they have on the staff in addition with the funds of this bill that we are adding to the committee itself?

Mr. BRADEMAS. I can only say to the gentleman from Texas that the Committee on Small Business requested $1.1 million, of which approximately $950,000 was earmarked for salaries for 41 employees.

Under clause 6, rule X of the Rules of the House, each standing committee is entitled to 30 staff positions, the salary to be determined by the chairman.

As of January 1, this committee was utilizing only 10 of these 30 positions. The Committee on House Administration felt this committee should use these 30 positions before seeking additional funds in the funding resolution.

Mr. COLLINS of Texas. So what the gentleman from Indiana is saying is that, in addition to the 43, we are providing 30 more?

Mr. BRADEMAS. Mr. Speaker, I would be glad to yield to the gentleman from Iowa (Mr. SMITH) on that point.

Mr. SMITH of Iowa. Mr. Speaker, I want to point out, first of all, that under the rules of the House each subcommittee chairman and the ranking member are entitled to counsel. That is 12, with the minimum number of subcommittees. Of course, they have to have a secretary in order to utilize the services of counsel adequately; so now we are up to 24; so to a large extent, the extent to which the full amount of personnel is used depends on the subcommittee counsel and the ranking member. In an election year, quite properely, I think both the majority and the minority of the subcommittee did not use to the full extent the amount that they were entitled to. Because it is an election year, they did not need people in the last 3 months and many of them left the positions vacant; so to a great extent, they depend on the subcommittee chairman and the ranking committee members; so that is 24 right there.

The SPEAKER. The question is on the committee amendment. The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON ARMED SERVICES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 60) to provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 60

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Armed Services, acting as a whole or by subcommittee, not to exceed $692,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual

consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $25,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Armed Services shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Armed Services, acting as a whole or by subcommittee, not to exceed $677,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Armed Services shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, House Resolution 60 provides $677,000 for the expenses for investigations and studies to be conducted by the Committee on Armed Services. The amount approved by the Committee on House Administration is $25,000 less than the committee requested.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this resolution will be postponed.

□ 1545

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 85) to provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, and ask for its immediate consideration.

PARLIAMENTARY INQUIRY

Mr. TREEN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Louisiana (Mr. TREEN) will state his parliamentary inquiry.

Mr. TREEN. Mr. Speaker, will the Chair indicate when these votes that are being postponed will take place?

The SPEAKER. The Chair will inform the gentleman that they will take place on Monday next.

Mr. TREEN. On Monday next. I thank the Speaker.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 85

Resolved, That effective January 3, 1979 the expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, acting as a whole or by subcommittee, not to exceed, $2,504,600 including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $15,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Banking, Finance and Urban Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: strike all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, acting as a whole or by subcommittee, not to exceed, $2,444,600 including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $15,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation on the procurement of such services shall not

prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Banking, Finance and Urban Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Mr. Speaker, I am delighted to yield to the gentleman from California (Mr. JOHN L. BURTON), a distinguished and hard-working member of the subcommittee, for purposes of debate only.

Mr. JOHN L. BURTON. Mr. Speaker, I just want to propound an inquiry. Maybe some Member would know exactly what the cost will be to the taxpayers for these many rollcalls on procedural resolutions. Maybe some Member knows what those costs are going to be.

Everybody on the other side of the aisle seems so concerned about waste in Government, but they do not want to have the congressional committees investigate waste in Government to provide a savings to the taxpayers. They want to take up the time of this body and bring about more costs of printing, et cetera. I wonder if any Member here does have the cost of these rollcall votes to the taxpayers of the United States.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. Mr. Speaker, I do not have the time. I would be happy to yield if the gentleman from Indiana would yield time to me.

Mr. BRADEMAS. Mr. Speaker, I would be glad to yield to the gentleman from California (Mr. BADHAM) for purposes of debate only.

Mr. BADHAM. Mr. Speaker, I appreciate the gentleman's yielding.

Mr. JOHN L. BURTON. Mr. Speaker, if I had the time I would yield to the gentleman right off.

Mr. BADHAM. Mr. Speaker, may I suggest to my distinguished friend and colleague, the gentleman from California (Mr. JOHN L. BURTON), that perhaps what he is suggesting is that we do not have a House of Representatives at all, and that perhaps our Government should be run by unanimous consent. I think President Johnson found that that was not a true way to run a government. I think that President Carter is also finding that is perhaps not too good a way to run a government either.

Mr. JOHN L. BURTON. Mr. Speaker, if the gentleman will yield further, all I asked was a question as to how much these rollcalls would cost, and I do not know why anybody would get uptight today about finding out what it would cost the taxpayers to have these rollcall votes.

Mr. BRADEMAS. Mr. Speaker, I may say to both my friends, the gentleman from California (Mr. BADHAM) and the gentleman from California (Mr. JOHN L. BURTON), that the gentleman from Indiana does not have the answer to that question, but whatever it is, it is too much.

Mr. Speaker, I will yield to the gentleman from California (Mr. DANNEMEYER) for purposes of debate only.

Mr. DANNEMEYER. Mr. Speaker, in response to the observation as to the cost to the taxpayers of these rollcalls that some of us think are appropriate, let me say it would appear that whatever the cost is, that cost would be substantially less than the increase in what it cost the taxpayers to maintain the Congress of the United States over the last decade.

Ten years ago this Congress cost the people of this Nation $44.7 million. Last year that had gone up to $167.7 million. In the same decade, during that period of time, the staff has expanded from 4,489 to 13,276.

So it appears to me that the cost to the taxpayers of a rollcall to record how we vote on whether we are going to keep this spiral going pales to insignificance in terms of the increased cost to the taxpayers over the last decade to run this Congress and this House of Representatives.

Mr. BRADEMAS. Mr. Speaker, I may say that I am always interested in hearing contributions from the gentleman from California (Mr. DANNEMEYER), but I would have to confess a good deal of skepticism about those figures that are flying around.

Mr. Speaker, I will yield finally to the gentleman from California (Mr. JOHN L. BURTON).

□ 1550

Mr. JOHN L. BURTON. Mr. Speaker, I am just shocked to think that any Member of this body would say any waste of the taxpayers' money pales to insignificance.

I happen to know for a fact that during the time we were in the State legislature the cost of that body went up, despite our efforts to keep a tight rein on it.

Mr. Speaker, I just say that a penny saved is a penny earned.

Mr. BRADEMAS. Mr. Speaker, I hope that all Members of this body will give careful attention to the eloquent observation just made by my friend, the gentleman from California (Mr. JOHN L. BURTON).

Mr. Speaker, does the distinguished gentleman from Texas (Mr. COLLINS) wish me to yield for debate only?

Mr. COLLINS of Texas. For debate only.

Mr. BRADEMAS. Mr. Speaker, for that purpose I yield to the gentleman.

Mr. COLLINS of Texas. Mr. Speaker, I want to refer again back to this subject as to just how far we have grown in size and cost of committee staff.

I took 1977, which was the last year I had figures, to see what the total number of members of staff was on the standing committees, and I found at that time that Congress had 517, and the average salary at that time was $31,840. That means that on our standing committees we have excellent people, well qualified, well paid, and they are doing a good job.

And then I reviewed this Committee on Banking, Finance and Urban Affairs—and we are talking about the Committee on Banking, Finance and Urban Affairs right now, are we not? We are on the Committee on Banking, Finance and Urban Affairs?

Mr. BRADEMAS. The gentleman is correct.

Mr. COLLINS of Texas. The Committee on Banking, Finance and Urban Affairs, 10 years ago, had 47 members in addition on its subcommittee staff.

Ten years ago this committee was spending $475,000. Today the committee's recommendation is $2,444,000. They have gone in spending from $475,000 to $2,444,000, and we still just have one Federal Reserve System.

Mr. BRADEMAS. Mr. Speaker, if I may say to the gentleman from Texas, I appreciate his observation. I just wish to make two points before yielding to the gentleman from Wisconsin (Mr. REUSS), the chairman of the committee.

Mr. Speaker, the gentleman from Texas ought to address himself more appropriately, it seems to me, to the ranking minority member of that committee, the Committee on Banking, Finance and Urban Affairs, who came in and fully supported the request of the committee for this budget. And, second, the country has, to some extent, grown in the last 10 years.

Mr. Speaker, I yield for the purpose of debate only to the distinguished gentleman from Wisconsin (Mr. REUSS), the chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. REUSS. I thank the gentleman for yielding.

Mr. Speaker, I thank the gentleman from Texas (Mr. COLLINS) for raising what on the surface appears to be a valid point. It is true that 10 years ago the Committee on Banking and Currency, as it was called, had 30 less positions than it does today. I can explain this. Those 30 positions that it has today result from the fact that 10 years ago the minority had nothing, null, zilch, no positions. Now those 30 positions have been given to the minority, and it ill-behooves the recipients of this bounty to complain about 30 slots that they have been given.

Mr. BRADEMAS. Mr. Speaker, I think the point made by the gentleman from Wisconsin is well taken. There were many members on the majority side, as my friend, the gentleman from Texas (Mr. COLLINS), knows, who were not enthusiastic about making available all of those staff positions for the minority.

Does the gentleman from Texas seriously propose that we begin to reduce

positions made available to the minority in order to effect the savings of which he so eloquently speaks?

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. THOMPSON), who is the father of the minority staffing proposal.

Mr. THOMPSON. I thank the gentleman for yielding.

Mr. Speaker, it is a matter, of course, of choice among the members of the minority as to whether or not they want the one-third of the staff which we very carefully allocated to them.

In the event that our distinguished friend, the gentleman from Texas (Mr. COLLINS), were to answer in the affirmative; namely, that he would like to see the minority not have that one-third, I would resist that. I think that they need it. I think that they use it well. I think the employees are productive.

We are dealing with a $3 trillion economy, and Members up here asking such absurd things, or making such absurd statements, as to say that we are in a never-ending upward spiral, that we have a billion dollar Congress. Maybe it ought to be a $2 billion Congress, to operate a little bit more efficiently. We go over these things with exquisite care. I might suggest to the gentleman from Texas, and to anyone else, that they reduce the number of requests for such things, all of which costs money, and all of which, in our judgment, after we review them, are necessary.

□ 1555

Mr. BRADEMAS. No one is more fair than the gentleman from New Jersey (Mr. THOMPSON). I would like to observe, I may say—and this may not be the time to get into it—but this figure that is thrown around so easily of a billion dollar Congress is a figure that ought to be very carefully analyzed because, as I recall, that particular figure included the Botanical Gardens which, attractive as they are, make no great contribution to our work as legislators here. It also includes certain other institutions of the Government such as the Government Printing Office, which is, of course, helpful to us but is helpful to all of the rest of the Government of the United States and to the private sector as well.

I might observe as well that the Smithsonian Institution, which is a mighty empire, and of which the chairman of our committee, Mr. THOMPSON, now is a Regent and perhaps can address himself to that huge figure, is also included in the legislative budget. It does seem to me that we ought to look at the figures with somewhat greater care than we have been doing.

Mr. Speaker, I would be pleased to yield to my friend from Arizona, the distinguished minority leader (Mr. RHODES) for debate only.

Mr. RHODES. Mr. Speaker, I thank my friend for yielding. First, I want to say that what the gentleman from Wisconsin said about the previous state of the minority was absolutely true. There were very few minority staff positions in any of the committees, and I would also like to pay tribute to my friend from New Jersey, the chairman of the House Administration Committee, because he has seen for years, as we of the minority have, the justice of providing minority staff.

But, I would not like the record to indicate that the reason that the staffs of the Congress have become swollen is because of the better treatment that the minority has been accorded at the hands of the gentleman from New Jersey and the gentleman from Indiana and others on their side. As a matter of fact, I think that the gentleman from Indiana will agree with me that the total numbers involved as far as bodies are concerned, staff members of the committees, is about 10 percent minority and 90 percent majority. I am not really complaining about this. In fact, I do not know of any committee right now on which the members of the minority do not feel that they are being relatively well treated. Maybe we still remember the dark days before the gentleman from New Jersey cast the light of justice on the situation in the Congress, but nevertheless I just do not think it would be wise or fair for anybody to believe that the minority is the reason why we have seen a rather amazing increase in the staffs, both in bodies and funds.

Mr. BRADEMAS. I always appreciate the contribution of the gentleman from Arizona, the distinguished minority leader, even though I may not always agree with him.

Mr. Speaker, I am very pleased to yield to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I did not mean, I might say to my distinguished friend from Arizona, the minority leader, to imply that the sole cause or anything like the sole cause of the overall increase over the years is attributable to the mere fact of minority staffing. What I meant to emphasize is what I honestly believe, as a former minority leader who got absolutely nothing in a State legislature, the need that the minority has in order to be responsible, or in some cases even irresponsible, in the exercise of its legislative responsibility.

They cannot do that without staff. Obviously, a large portion is attributable to increased staff, the majority's increased staff as well, but on the very pragmatic as-needed basis. So, I think we are all responsible.

Now, it might look just splendid for the RECORD to rollcall everything we have here, not to recognize the fact of the absolute limitation which the distinguished chairman of the subcommittee has put on these committees and the reductions. In the final analysis, the work has to be done. You need the people to do it; we need the people to do it. We are both responsible, and let us just vote it that way.

Mr. BRADEMAS. Mr. Speaker, for a final observation only, I will yield to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. I want to add this about your chairman, the gentleman from New Jersey (Mr. THOMPSON). Mr. THOMPSON has always been as fair as any man on the floor and also in committee. But I want to tell the Members of some experiences I have had, where there was no equity.

I was on a subcommittee last year with 32 members; 2 members were given to the minority and 30 taken by the majority, which is roughly 15 to 1. The minority has worked for a ruling here that all subcommittees would be one-third, but not in our committee; they would not agree to that. This one-third is usually a matter of when you find a chairman and committee who want to do it. It is not a matter of overall procedures in our committees.

Let us cut the size of the majority committee staff. A smaller staff would be more efficient.

Mr. BRADEMAS. I may say to my friend, the gentleman from Texas, that I have even heard complaints from Members on our side that some chairmen have been excessively generous with the minority in the way in which they have staffed their committees.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman from Texas for his comment, but may I say this: In every single instance where it has been brought to the attention of the Committee on House Administration that a chairman or a ranking Member has treated anyone unfairly as to his staff, we have seen to it that that situation is rectified. If the gentleman from New York (Mr. WYDLER) were on the floor, he would agree with this, as would a number of other ranking minority Members. We have actually withheld money. In one instance, on the Committee on Merchant Marine and Fisheries, we held them up for a full quarter until they agreed—this was some years ago, not under the incumbent chairman—until they agreed to staff the minority. We did the same thing with the Committee on Veterans' Affairs a few years ago and the same thing with the Committee on Banking and Currency and the same thing with the Science and Technology Committee in the past, and we would do it again. So we require not only that our Members be treated fairly but that the minority be treated fairly. At any time if the minority has a complaint, come to us and we will rectify it.

Mr. BRADEMAS. Mr. Speaker, House Resolution 85 provides $2,444,600 for investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs.

Mr. Speaker, the amount approved by the Committee on House Administration is $169,000 less than this committee received last year and is $60,000 less than the committee requested.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5, rule I and the Chair's prior announce-

ment, further proceedings on this resolution will be postponed.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON HOUSE ADMINISTRATION

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 87) to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 87

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on House Administration, acting as a whole or by subcommittee, not to exceed $860,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $100,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on House Administration shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Strike out all after the resolving clause and insert in lieu thereof:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on House Administration, acting as a whole or by subcommittee, not to exceed $845,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $100,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on House Administration shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 87 provides $845,000 for investigations and studies to be conducted by the Committee on House Administration.

Mr. Speaker, the amount approved by the Committee on House Administration is the same as this committee received last year and is $15,000 less than the committee requested.

Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS) for debate only.

Mr. COLLINS of Texas. Mr. Speaker, I appreciate the gentleman from Indiana yielding.

I have some figures that show this committee had 9 employees 10 years ago and has 268 today. Where did they get 268? How have they grown so fast?

Mr. BRADEMAS. I do not know where the figure the gentleman from Texas has came from. I do not want to be held responsible for the figures the gentleman from Texas has adduced.

Mr. COLLINS of Texas. This report was prepared by the Committee on House Administration in 1978. It is entitled "Studies Dealing With Budgetary, Staffing and Administrative Activities of the House of Representatives."

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, did the gentleman from Indiana say "adduced" on the floor or did he say "seduced" on the floor?

□ 1605

I have been on the committee for 24 years. Based upon that experience, that figure could not possibly be right with respect to the nine employees.

Is the gentleman aware of the existence of the House Information Systems, for instance?

Mr. COLLINS of Texas. If the gentleman will yield further, this report was by his committee, the Committee on House Administration, in November of 1978. I am using that committee's figures.

Mr. THOMPSON. We had nine employees?

Mr. COLLINS of Texas. That is what it says.

I think that was in the days when the gentleman from Texas, Mr. Burleson, was chairman. The gentleman from Texas was very frugal with his money.

Mr. THOMPSON. I certainly do not want to argue that point. We had more than nine employees. At that time we had about four staff members.

How many does the gentleman from Texas have now?

Mr. COLLINS of Texas. At that time the committee had 30 staff members.

Mr. THOMPSON. I mean in the gentleman's individual office. How many employees does the gentleman have now?

Mr. COLLINS of Texas. We have 18.

Mr. THOMPSON. You have 18. Does the gentleman know how many he would have had in Mr. Burleson's day?

Mr. COLLINS of Texas. No.

Mr. THOMPSON. Does the gentleman use his 18 employees, I might ask him?

Mr. COLLINS of Texas. I use the 18, yes; 9 in my district.

Mr. THOMPSON. And the gentleman needs them?

Mr. COLLINS of Texas. I think we do need them.

Mr. THOMPSON. I am all for the gentleman. However, if he wants to save some money, why does he not fire nine of them?

Mr. BRADEMAS. If I may interrupt, Mr. Speaker, I think I ought to advise the gentleman from Texas (Mr. COLLINS) that I believe the figures to which he refers include the employees of the House Information System, which serves

all of the House of Representatives, its Members, and its committees.

Mr. COLLINS of Texas. That may be the reason for the large expansion in size of staff.

Mr. BRADEMAS. And further, that about 200 of the employees to whom he refers are employees of that system.

Mr. COLLINS of Texas. Therefore, about 51 are on the staff and the other 200 are in the House Information System; is that correct?

Mr. BRADEMAS. The gentleman is correct.

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Ohio, for purposes of debate only.

Mr. DEVINE. Mr. Speaker, in order to clarify the record, I think the gentleman from Indiana (Mr. BRADEMAS) is correct and that that figure does include the House Information System.

I think more accurate figures for the Committee on House Administration would be that there are a total of 58 employees in House Administration, 3 of whom, by the way, are minority employees, so we are talking about 5 percent for the minority and a figure of 14.6 percent of the employees.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Ohio (Mr. DEVINE).

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON WAYS AND MEANS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 88) to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 88

Resolved, That, effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,890,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)). The monetary limitation established by the preceding sentences on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House. The chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,000,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(1)). The monetary limitation established by the preceding sentence on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House. The chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 88 provides $2 million for investigations and studies to be conducted by the Committee on Ways and Means.

Mr. Speaker, the amount approved by the House Administration Committee is $115,000 less than this committee received last year and is $890,000 less than the committee requested.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I want to add this about the Committee on Ways and Means. When I looked to see how big their staff was 10 years ago, I found it was 22; and this year they are requesting a staff of 92, based on last year's staff analysis.

My objection is not based on economy particularly. It is also based on the fact that we are creating too much government. Government begins with these large staffs of committees; and they, in order to perpetuate themselves and keep themselves busy, are constantly generating more and more and more legislation.

□ 1610

When we go back home, everyone will tell us they think we have got too many committees in session and we have got too much Government. The best way to cut down on Government is to reduce committee staff. Let us just take the Committee on Ways and Means to start with and have a smaller size of committee staff. Therefore, the committee cannot generate as many laws and they cannot introduce as much new legislation. If we do reduce this back from a 92-member staff to about a 22-member staff, we would have a better balanced Government, and we would certainly have fewer tax bills coming on the floor.

Mr. BRADEMAS. I appreciate the observation of the gentleman from Texas. I might say that I do not really agree with his political theory because government, at least in the United States, begins not with a congressional committee staff but with the Constitution of the United States.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield for purposes of debate only to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

I want to point out that the volume of business that still remains within the Committee on Ways and Means is so great that, as one member of that committee, I find myself very short of information, which is very essential to come to a very important judgment. For example, next week we are going to take up the debt ceiling, and I have been feeling that we ought to increase the interest rate to the holders of E bonds. The best information I had was that $128 million of these bonds are bought and sold every year. That is the information I got out of the Treasury. I found out that it is $8 billion that are purchased every year by individuals in America.

I feel, frankly, that if we are going to come to this floor with legislation that relates to the economy and to the recovery of the country, we need staff to help us get information that is vital to our decisions. In the past we did it with a great deal less, but I was part of that system, too, and I want to point out that some of the problems of today are the direct proximate result of our failure to have adequate staffing to produce facts and information in the days when we were making those critical decisions, which help compound the problems of today.

We need work done; we need effort; we need talent. We need talent to compete with the people that we have to deal with in that committee. If anyone would come to the meetings of the committee, he would see that almost the lowest person who represents the private sector is paid five times as much as the staff people that we have to produce the work for the committee. We need some talent, and that does not come free.

I want to urge the committee to remember this fact, and I certainly hope that the committee will stand by the request in some measure made by the chairman.

Mr. BRADEMAS. I thank the gentleman very much for his constructive contribution.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended. The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this resolution will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 91) to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 91

Resolved, That (effective January 3, 1979) the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, acting as a whole or by subcommittee, not to exceed $1,900,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i); and

(3) for specialized training, pursuant to section 202(j) of such Act as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $30,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Public Works and Transportation shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, acting as a whole or by subcommittee, not to exceed $1,879,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $30,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Public Works and Transportation shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 91 provides $1,870,000 for investigations and studies to be conducted by the Committee on Public Works and Transportation.

Mr. Speaker, the amount approved by the House Administration Committee is $130,000 less than this committee received last year and is $30,000 less than the Committee requested, as the gentleman from Kentucky (Mr. SNYDER) and I observed in earlier colloquy.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the

Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

□ 1615

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON EDUCATION AND LABOR

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 92) to provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 92

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $2,290,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount, $180,000 shall be available for each of eight standing subcommittees of the Committee on Education and Labor. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $2,250,000 including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount, $175,000 shall be available for each of eight standing subcommittees of the Committee on Education and Labor. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 92 provides $2,250,000 for investigations and studies to be conducted by the Committee on Education and Labor.

Mr. Speaker, the amount approved by the Committee on House Administration is $40,000 less than the committee requested.

Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS) for purposes of debate only.

Mr. COLLINS of Texas. Mr. Speaker, I appreciate the gentleman from Indiana yielding. We have been talking about the subject of how increased committee budgets provide better staff and better opportunity to legislate. I want to call the gentleman's attention to the record of the Committee on Education and Labor. Ten years ago in 1968 they were spending $554,000. Today they are spending $2,250,000. In other words, staff committee expense is up four and a half times as much. During that period all the achievement tests in America show that education in America has been going down, down, down, from 1968 to 1978; should we continue to give them more and more legislation from Washington? It looks like there is a correlation. The more laws we give them from the Federal Government for education, the poorer the students do in learning.

As a step forward, could we not reduce the size of this committee or reduce the scope of our education bills that we send out from the Congress?

Mr. BRADEMAS. Mr. Speaker, I might say to the gentleman from Texas, I am surprised at this rather novel theory of the way education is financed in the United States. I think it is fair to say that approximately 7 percent of the cost of elementary and secondary public education in the United States comes from the Federal Government. If we were to adopt the correlation that is implicit in the observation of the gentleman from Texas, eliminating all Federal funds for elementary and secondary schools would result in an immediate increase in the achievement scores of all the schoolchildren in America. That may be the attitude of the gentleman from Texas toward this relationship, but it is not one, in all candor, that the gentleman from Indiana finds he can take seriously.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield further?

Mr. BRADEMAS. Of course.

Mr. COLLINS of Texas. Mr. Speaker, I would say to the gentleman from Indiana, whenever and wherever the Federal Government spends money, the same day they write guidelines to go with it.

Mr. BRADEMAS. They write what?

Mr. COLLINS of Texas. Guidelines; the HEW gives school boards guidelines on how to run their school systems. If all America could be rid of those HEW school guidelines, it might be only 7 percent of the money, but about 100 percent of the backward ideas have been originated with this Federal involvement in guidelines.

Mr. BRADEMAS. I am always grateful for the observations of the gentleman from Texas on this or any other issue to come before the House of Representatives.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of the rule I, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 96) to provide for the expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 96

Resolved, That for the further expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, acting as a whole or by subcommittee, not to exceed $952,401.99, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chariman of such committee, and approved by the Committee on House Administration. Not to exceed $10,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the House Permanent Select Committee on Intelligence shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 96 provides $927,401.99 for investigations and studies to be conducted by the Permanent Select Committee on Intelligence.

Mr. Speaker, the amount approved by the Committee on House Administration is $40,000 less than this committee received last year and is $25,000 less than the comittee requested.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, acting as a whole or by subcommittee, not to exceed $927,401.99, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $10,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Foreign Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Foreign Affairs, acting as a whole or by the subcommittee, not to exceed $1,745,779.90, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $55,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Foreign Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

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Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, House Resolution 98 provides $1,745,779.90 for investigations and studies to be conducted by the Committee on Foreign Affairs.

Mr. Speaker, the amount approved by the House Administration Committee is the same as this committee received last year and is $24,000 less than the committee requested.

Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this resolution will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to make a further announcement that all rollcall votes on the resolutions just considered will take place on Monday next.

WHAT IS THE FOREIGN POLICY OF THE UNITED STATES?

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, during the last week, a series of momentous world events has given rise to new questions about this Nation's role in international affairs. And, indeed, I think it is time for us to ask: What is the foreign policy of the United States?

In his address yesterday at Georgia Tech, the President termed our foreign policy as one of "noninvolvement" except when our "vital interests" are threatened or challenged.

But a policy of "noninvolvement" must not be allowed to become a policy of nonexistence—of silence or muted responses and confused reactions to world events. It must not be allowed to become a policy of nonleadership.

The danger of the last few days, it seems to me, is not that the United States has become weak or that the President acted foolishly in refusing to get involved in the hysteria of other nations; the danger is that the United States, in order to remain noninvolved, will fail to speak out with resolve and courage when principles we believe are challenged, when rights we hold basic are ignored, or when actions of a nation, no matter how internal or regional, are so horrendous as to defy all international standards of peace or justice.

Four more generals in Iran have been summarily executed by Khomeini's revolutionary committee in Iran. A number of others await a similar fate. Surely, such executions, regardless of the individuals involved, cannot be justified absent the barest elements of due process. Such excesses must be denounced clearly and unequivocably wherever they occur.

Yesterday, a U.S. marine, wounded while defending the U.S. Embassy in Tehran, was abducted by Khomeini forces from his hospital bed. Nothing must be allowed to happen to this American soldier, and we ought to say as much now—regardless of oil, regardless of Middle East politics, this abuse of power is clear.

As the President himself declared on December 6, 1978, on the 30th anniversary of the Universal Declaration of Human Rights:

> Of all human rights, the most basic is to be free of arbitrary violence—whether that violence comes from governments, from terrorists, from criminals, or from self-appointed messiahs operating under the cover of politics or religion.

Whatever our broader policy may be labeled, we must not forget that the soul of our foreign policy—our leadership role in the world—is based on our commitment to speak out clearly and strongly when fundamental rights are violated. Without that commitment, we simply have no foreign policy.

NEWLY PROPOSED IRS REGULATIONS FOR TAX EXEMPT PRIVATE SCHOOLS

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, the recently proposed Internal Revenue Service (IRS) guidelines to determine the continuation of tax exempt status for private institutions which may have racially discriminatory policies and practices have met with more than mixed emotions. At the outset, the implications, intentions, and consequences of these guidelines, which were published in the Federal Register on August 22, 1978, were questioned and adamantly opposed by many private and church schools. In writing to IRS Commissioner Jerome Kurtz, numerous groups charged the establishment with, among other things, imposing mechanical quotas on private schools; failing to properly consult private institutions with respect to assessing the impacts of the proposed regulations; and, attempting to destroy church schools.

I never questioned the legitimacy of the aforementioned concerns. In fact, in letters to several of my constituents, I informed them that the IRS would modify the proposed rule to recognize the fact that orthodox religious schools may have a difficult time recruiting minority students, and the fact that this would be taken into account was not what I opposed.

What I do oppose and will continue to fight against is the sanctioning of racial discrimination through the Tax Code. Thus, I have joined with others to express my opposition to the recently revised IRS guidelines in this area—but, I am sure, for quite different reasons.

It is no secret that a substantial number of private institutions attended exclusively by white students were established in the South in response to public school desegregation. In fact, the U.S. Commission on Civil Rights has reported that many private, segregated institutions (established to circumvent public school desegregation) are well facilitated through various forms of State assistance (for example, tuition grants, provision for textbooks, transfer of public school property to private schools). While I am aware that a substantial number of private schools do not necessarily fit into either of the aforementioned categories, I am particularly concerned that those who are presently tax exempt should be thoroughly investigated, with the use of explicit and concrete guidelines, to examine any potential discriminatory policies.

Unlike many others, my opposition to

the IRS proposed guidelines is not based on any belief that these rules threaten the foundation of private education in this country. I think that goes without saying. I do not believe that the guidelines would impose such a threat any more than they would impose the use of strict racial quotas within private institutions. However, I do not believe that the newly proposed guidelines are strong enough to clearly illustrate any real intentions to eliminate the tax exempt status of private schools who have discriminatory policies and practices.

It appears that on the one hand, the IRS has recognized the need for more intense investigations into the discriminatory practices which may exist within private schools that enjoy tax exempt status. But, on the other hand, the IRS is planning to utilize such weak criteria during its investigations, evaluation, and final determining processes, that it may defeat what was thought to be its original intent. This intent—to remove tax exemption from schools which discriminate by race—can only be lost in the use of guidelines which are just too flexible and vague.

I would like to submit a copy of the letter which I recently sent to IRS Commissioner Jerome Kurtz expressing my concern in this matter. The text of this letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 16, 1979.

Mr. JEROME KURTZ,
Commissioner, Internal Revenue Service, Washington, D.C.

DEAR COMMISSIONER KURTZ: This writing expresses my opposition to the revised Internal Revenue Service (IRS) guidelines which would afford tax exempt status to private schools without a critical assessment of possible racially discriminatory policies.

On several occasions, the Supreme Court has ruled that the existence of private, tax exempt schools whose practices and policies are racially discriminatory is contrary to public policy. The recent revision of the IRS rules eviscerates this concept along with others advanced in its initial proposal. The sanctioning of racial discrimination through the tax code is at variance with Constitutional precepts. A refusal to acknowledge and eliminate discrimination by continuing to offer private, segregated institutions the luxuries afforded through tax exempt status flies in the face of justice and equality.

The U.S. Commission on Civil Rights has reported that many private, segregated institutions (established to circumvent public school desegregation) are well facilitated through various forms of State assistance (e.g., tuition grants, provision for textbooks, transfer of public school property to private schools). While I am aware that a substantial number of private schools do not necessarily fit into either of the aforementioned categories, I am particularly concerned that those who are presently tax exempt should be investigated with regard to potential discriminatory policies.

I understand that you share my concern for investigations in this area. It is hoped that a strengthening—not a weakening—of your proposed guidelines would be in order so that a true reflection of your intentions becomes evident.

Thank you for your attention and cooperation in this matter.

Sincerely,

PARREN J. MITCHELL,
Member of Congress.

THE QUESTION OF FBI MORALE

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. DEVINE. Mr. Speaker, during these days when certain elements in our Nation are doing everything they can to destroy our intelligence agencies, it seems altogether proper to offer an article written by W. Donald Stewart, a former long-time FBI agent, relative to morale in the FBI.

The article follows:

JANUARY 26, 1979.

THE QUESTION OF FBI MORALE

How is the morale in the FBI today?

I can't speak to the morale in the FBI today because I left the Bureau in August 1965 when the morale was quite high. I can safely say that the morale can't be at an all-time high with the battering the Bureau has taken publicly in the last few years.

I liken the FBI agent's status today to that of the old tough western marshal who was hired to clean up a town which had gone completely lawless. His instructions by the town fathers were "to do whatever was necessary to restore law and order." "We will support you," they said. The "Town-taming Marshal" did just that. In short, he used what we call today "excessive force" but he got the job done—the church bells rang loud and clear and the town fathers got religion again, but slowly they questioned each other about the need for the once hero marshal now looked upon as the town "eyesore." They began to restrict his authority and to turn their backs on minor violence, because those involved spent a lot of money in town and, in a short time, decided that the marshal was the villian and he must go.

If you substitute the words "FBI agent" for "town marshal" above, change the costumes, the time period, and call the town fathers liberal politicians, one finds the once revered FBI agent underwent the same treatment. For example, in the 1930's, powerful gangster mobs were running rampant in this country, banks were being robbed by John Dillinger, Pretty Boy Floyd, Ma Barker and her sons, "Machine Gun" Kelley, Alvin Karpis, and many others. Kidnapping and Extortion became prosperous crimes. Local and State Police were unable to handle the matters as the criminals ran from State to State. The Congress called the FBI to the rescue and quickly passed laws making the above crimes "Federal" crimes and gave the FBI Agents authority to carry and use firearms. "Do whatever has to be done" was, in so many words, the direction given to Mr. J. Edgar Hoover, the man who built and headed the FBI from 1924 until his death in May 1972, and during that period made every FBI Agent proud to be called a "G-Man." The cleaning up of notorious gangsters by the FBI is now folklore history. However, shortly after their eradication the country found itself faced with a new menace called "Communism" and a little later by still another and greater menace—the emergence of the World War II spies. All during this time the public and Congressional cheerleaders could be heard to chant "Go get em FBI; go get em FBI" and "Do whatever has to be done." After WW II, the FBI pursued the general rise in crimes such as bank robberies, kidnapping, extortion, truck hijacking, Communism; Soviet Espionage, and draft dodgers and deserters associated with the Korean War. Through our development of informants and highly sophisticated techniques and, even more important, damn hard investigative work coupled with long non-paying hours of work, the FBI brought the Atomic Bomb Spies—the Rosenbergs—to justice along with officials of the Communist Party of the U.S.A. and several U.S. citizens spying for the Soviet Government. I'd be remiss if I didn't mention that FBI agents throughout the country identified and infiltrated Hate Groups, Terrorist Groups, and Anti-U.S. Groups and brought those violators to justice as well as several others for Civil Rights violations.

I guess like the old tough town marshal you can't get too good at your job. As in the case of the old town marshal, when Mr. Hoover's FBI brought the nation's problems of national security and criminal violence under control, the town fathers—now the liberal politicians—began to get their religion back. Subsequently and slowly they raised questions about FBI informants, sophisticated techniques and hinted that the rights of criminals and suspected spies were possibly being violated by FBI wiretaps. Their grumblings grew louder from 1963 to date and the former loud chant of "Go get em FBI; go get em FBI" and "Do whatever you have to do" started to fade out. Again, as the old town marshal experienced, the political liberals now sang hymns of "Curb the FBI; curb the FBI." "Do we need wiretapping?" and "Should the FBI be involved in Domestic Intelligence?"

J. Edgar Hoover did a remarkable job in keeping the FBI ship on course but on May 2, 1972, when he died, the anti-FBI liberal politicans began to emerge from the woodwork and the FBI began to see the likes of the House Intelligence Committee, with its "Judas" Congressman Michael Harrington who betrayed the CIA's trust and exposed its activities in Chile. Yes sir, open season had been declared on the CIA and the FBI. The June 17, 1972 Watergate burglary and subsequent Nixon party cover-up and scandal dealt the Bureau a severe blow and invited more liberal criticism. Why not? It was considered great political rhetoric. Senator Frank Church's Senate Select Intelligence Committee had its heyday demanding to know why the FBI and other intelligence agencies did the unspeakable things of opening mail going to and from Russia, eavesdropping on overseas communications to Russia and Soviet bloc countries, and why the FBI had the audacity to illegally break-in to the homes of relatives and close associates of the highly violent "Weathermen."

Their thinking was that it was terrible the FBI should take any action to thwart the Weathermen from another attempt to blow-up a part of the U.S. Capitol. They cried justice must be done and to this end the 1972 group of FBI officials approving the break-ins were sought out for prosecution—namely, L. Patrick Gray, then Acting Director; W. Mark Felt, then Associate Director; and Edward S. Miller, then Assistant Director for Domestic Intelligence.

As I reflected about the old town marshal, I said to myself, "You're right marshal! I guess it's time for the FBI to get out of town as we, too, have been made to believe that we are an "eyesore." The liberal politicians, one by one, were jumping on the chase wagon. As each one did, I could hear Mr. J. Edgar Hoover utter from his perch in heaven: "Et tu Senator; Et tu Congressman."

Added to the list of spoilers were some members of the Department of Justice. However, that was to be expected as the marshal didn't get along with the town council so why shouldn't the FBI agent believe that certain Justice Department officials wouldn't harbor a vengeance? This was because of their jealousy of the headlines the FBI grabbed over the years; the dynamic leadership of Mr. Hoover; and the esprit de corps of all the FBI agents. Looking back, there were few headlines for Justice Department attorneys and certainly there was a lack of dynamic leadership from their Attorney General. None in my time really had any great interest in the job other than to use it as a springboard to the U.S. Supreme Court. Most assuredly, neither John Mitchell nor Richard Kleindienst brought the Department any credit. And, finally, what about their esprit de corps? From all the in-fighting and leaks that come from within the Justice Department, one could hardly say there was great comradeship there. But then at long last came the opportunity to "stick-it-to-the-FBI" through the fanatic pursuit of indictments against Gray, Felt, and Miller, then there was the subsequent arraignment in the U.S. District Court in Washington, D.C. just about one-half a mile from where the Weathermen admittedly blew up part of the U.S. Capitol. But to add further insult to injury, the Justice Department arranged to have Gray, Felt, and Miller "mugged" (photographed and fingerprinted) like common criminals. Yet, the Justice Department didn't think it necessary to "mug" John Mitchell, Richard Kleindienst, or the Watergate Seven Conspirators after they were arraigned. Justice Department lawyers might be heard to say that their tenacious pursuit of Gray, Felt, and Miller was because it was their job responsibility, but I have cited numerous cases before where they were not so obsessed with job responsibility. No, the break-in prosecutions were a further effort to discredit the FBI.

The original question was how is the FBI morale today? I can only speak for myself and my contemporaries, most of whom are now retired, when I say that we have come to be like the old town marshal who became the "eyesore" when the town fathers—now the liberal politicians—got religion again. However, from my present day contact with FBI personnel, I will venture to say that under the direction of FBI Director William Webster that the FBI morale is now on the upswing. Hopefully, one day in the not-too-distant future the young agents will enjoy the honor of after introducing themselves "at the door of a citizen's home, having their hand shook, being promptly invited inside, hastily offered a cup of coffee, and then enthusiastically being asked 'How can I help you?'" That often happened to myself and many of my contemporaries in our days on the street. And, believe me, our morale was always sky-high.

In closing, let me observe that in the near future, this country in its continuing state of permissiveness will once again find the citizens and the liberal politicians clamoring for the FBI to clean up crime and become more aggressive in counterintelligence. Most likely, when that happens the same cries from a panicky public and Congress will be "Go get em FBI; go get em, FBI" and "Do whatever you have to do." But today's FBI agents are not likely to be as stupidly patriotic as myself and my contemporaries. The new-breed, in order to later avoid becoming a target for Justice Department prosecutors, will demand that their orders be spelled out in detail by our esteemed Capitol Hill lawmakers.

Well, Marshal, like you I'm tired. So I'll just sit back, wait, and hope for the best.

ADDENDUM

W. Donald Stewart served as an FBI Agent from July 1951 until August 1965, the last nine years as Espionage Supervisor at FBI Headquarters; from August 1965 until December 1972, he served as Chief of the Investigations Division, Office of the Secretary of Defense; and finally as Inspector General for the Defense Investigative Service from December 1972 until his retirement June 30, 1975. Since that time he founded Stewart Security Services, a consulting and investigation firm.●

FAILURE BY ADMINISTRATION TO COPE WITH IRANIAN CRISIS

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, the kidnaping of a wounded Marine from a Tehran hospital was another humiliation inflicted on a United States perceived as a paper tiger through the Carter administration's incredible lack of decisiveness, leadership, foresight, and grasp of world history.

This blatant nose-tweaking, in itself, might be considered only a minor episode in the flow of events that have turned the Middle East upside down, especially in light of the Marine's release today following the intervention of the U.S. Ambassador.

Unfortunately, the kidnaping of Sgt. Kenneth Kraus, of Upper Gwynedd Township, in my congressional district, was undoubtedly conceived and executed for the exact purpose it served—to embarrass the United States and reveal its helplessness for all to see.

"Gunboat diplomacy" may be consigned to the pages of history, but the Carter administration has gone to the other extreme. "Abject compliance" might well be the slogan of a President who prattles about a "New Foundation" while he erodes the foundations we established to aid our friends and protect ourselves from our enemies in a world where reality is the watchword and wishes the delusion.

Mr. Carter contends that the United States cannot control actions in the internal affairs of other nations. Perhaps not. But we can—to a greater or lesser degree depending on a given situation—control the consequences of certain events.

Selling billions of dollars worth of ultramodern weaponry to the Shah and placing our complete trust in him was not only foolhardy, but flys in the face of the real world. If Mr. Carter—as the Washington Post printed—grew angry when he was told that the Shah might be toppled a few days before the Revolutionaries won power, then it is little wonder that the United States is seen as a paper tiger.

Commonsense and a smattering of historical presence would have warned Mr. Carter to prepare for and be ready for the worst case possible in Iran. Not only did he fail in what I consider this elemental exercise of Presidential wisdom and foresight, but he failed to come to terms realistically with the consequences. Thus, he failed even to attempt to control the consequences.

What has happened to the United States in the victory of the Ayatollah Ruhollah Khomeini?

The jeopardy in which Carter policies placed Marines and Embassy personnel in Tehran was such that he failed to provide the troops necessary to defend the Embassy, just as he failed to alert Turkey to the fact that he wanted more Marines stationed there temporarily for transfer to Iran.

The Carter administration abandoned sophisticated E-14 jet fighters to the Ayatollah's supporters and Marxist revolutionaries who joined in the overthrow of the Shah with possible disastrous consequences to the United States and our only steadfast ally in the Middle East, Israel.

The Carter administration failed to conceive and carry out a realistic plan for evacuating American nationals and military advisers, leaving many of them to the vagaries of armed revolutionaries roaming the streets.

The Carter administration perfunctorily abandoned key bases—bases that apparently were at the heart of tender solicitude for the Shah as evidenced by our sale of vital military equipment to him.

The Iran situation was still evolving when Mr. Carter went to Mexico, took a verbal beating from the Mexican President, and further embarrassed the American people with a Milquetoast rebuttal that included an uncalled for "bathroom joke."

At this time, it is too early to assess the damage done to the United States and to our allies, both by the Iranian Revolution and the Carter administration's inept handling of everything associated with it.

One thing, we know, for sure. The Soviet Union has enhanced its own power and is stronger than we could have imagined a year ago in the Middle East. Afghanistan is in the sphere of Soviet influence with our Ambassador, Adolph Dubs, in his grave under mysterious circumstances which invite suspicions of Soviet collusion or knowledge.

Unbelievably, Mr. Carter continues to discuss SALT II as if this treaty has no relation to any other events taking place in the world today. He denies "linkage." Whether or not you believe in linkage, the facts are clear: no one event can be considered entirely separate of another. There is, in fact, linkage even if Mr. Carter denies. It is just another delusion of a President who would not know reality if he stumbled over it on the Main Street in Plains, Ga.

I believe it is more than a post-Vietnam mentality that afflicts Mr. Carter. There are many lessons to be learned from the Vietnam war—a war which I and many others opposed. But those of us who see the world in real terms know that one of these lessons is that the United States must have the will and capacity to act when its vital interests are involved.

Mr. Carter has chosen a course more dangerous than if he stood his ground when the United States is challenged on key issues. Vacillation, weakness, confusion, lack of will—these are just a few of the ingredients that eventually will lead to the military confrontation Mr. Carter wants so desperately to avoid.

If we are to retain our position as a positive force in the world—for our own safety and the sake of our allies—then Mr. Carter must recognize reality and cope with it.

□ 1625

BUDGET COLLAPSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

● Mr. CONABLE. Mr. Speaker, the Wall Street Journal of February 16 carried an editorial entitled "Budget Collapse" which provides an interesting commentary on the state of our budget process. I submit it to my colleagues as representing a thoughtful viewpoint at the outset of this year's critical budget deliberations. As one who does not view the drive for a constitutional amendment requiring a balanced budget with confidence, I hope my colleagues will acknowledge the necessity of using our potentially valuable congressional budget process to better effect this year than ever before.

The editorial follows:

BUDGET COLLAPSE

We see that Senate Budget Committee Chairman Muskie came out swinging this week against the proposed constitutional amendment to balance the federal budget. Not only did he threaten the states that the budget would be balanced by cutting their revenue-sharing, he said the proposal was an "ill-considered contrivance," a "quick fix" that would "handcuff" the government.

If Senator Muskie wants to understand why so many states are trying to find a "quick fix" for the deficit problem, he ought to look back over his own much-heralded budget process. The original idea, you may remember, was that unintended deficits resulted because spending decisions were made piece-by-piece, with no overview of the budget's economic impact. So the Budget Act provided a mechanism for setting a spending ceiling and revenue floor before any action on appropriations or taxes. Many people hoped that this would help balance the budget.

In fact, however, the combined deficits for the three years immediately following the Budget Act turned out to be three times the size of the deficit for the three years prior to the new process. This is remarkable when you consider that the deficits for 1971–73 were, at that time, the largest in our peacetime history and the source of much of the concern that led to the 1974 Budget Act.

Performance is worsening rather than improving. Comparing five years each side of the Budget Act shows more than a four-fold increase in the size of the deficit. Why has Congress's budget control process turned out to be worse than no control at all?

The reason is that the budget committees have defined budget control in terms of Keynesian fiscal policy rather than budget balance. The Congressional Budget Office provides alternative "low growth" and "high growth" budgets: the first with small deficits and high unemployment, the latter with large deficits and fast inflation. The committee then picks a middle course as a deficit "appropriate in light of the economy's need for stimulation," which happens to provide the spending totals the big spenders want.

This convenient outcome probably results because the fix is in to begin with. At least in theory, Keynesian fiscal policy is not supposed to justify deficits at every stage of the business cycle, but that is how it has turned out in practice. Deficits are justified in bad times to fight recession. They are justified in periods of recovery in order to keep the recovery going. And they are justified in good times in order to fight off the recession that is predicted to be around the corner.

House Republicans, who caught on early to the game that still escapes the Senate Budget Committee minority, have been the only threat to the big spenders' control over the purse strings. They have consistently embarrassed the spenders by pointing out that tax rate reductions are a cheaper way than spending increases of providing any deficits deemed necessary to stimulate the economy.

As we noted last month, the spenders in the House have already moved to eliminate this threat to their monopoly by changing the rules to outlaw budget amendments that would cut totals without specifying precisely where. In other words, they have outlawed the whole original idea of the budget process—that totals should be set independently of specific spending pressures.

Given this record, it should be no surprise that, for example, conservative Democrats in the House have given up all hope that the congressional budget process can be used to balance the budget. This week 43 Democrats introduced a Joint Resolution to amend the U.S. Constitution to establish a balanced budget as the norm for managing the federal government's fiscal affairs. Rep. Richard White, chairman of the Democratic Research Organization, says that he and 42 of his colleagues have reached the conclusion that a constitutional amendment is the only effective remedy.

There are of course problems with the constitutional amendment route; it would be far better if it didn't take handcuffs to keep the hands of Senator Muskie and his colleagues off the taxpayer's purse. But we can understand the urge for desperate measures when procedures sold in the name of fiscal responsibility are perverted into engines of spending and deficits.●

A NATIONAL SUPER SCHOOL BOARD NOT NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, on the 8th of this month the Carter administration resubmitted its proposal to create a Cabinet-level Department of Education. The House, in its wisdom, killed this idea in the last session of Congress, and I think we would be wise to do so again.

We hear a lot of talk these days about scaling down the Federal bureaucracy. It was preached by Jimmy Carter when he campaigned for the Presidency, and rhetorically, at least, this belief has been the theme of his administration.

Why then this proposal to enlarge the bureaucracy, to create more positions on the Federal payroll, to spend more tax dollars? Could it be that the endorsement of the Nation's largest teachers' union, the National Education Association, with a membership of nearly 2 million school personnel, is at stake, just as it was in the 1976 election?

Political considerations aside, there is a fundamental principle involved here which we should recognize. A number of us in this body were quite vocal a few months ago in pointing out the importance of local autonomy in the administration of our education policy. Have we lost sight of our commitment to sound teaching in the classroom, to an emphasis on the basic skills? How can an oversized bureaucratic institution here in Washington effectively manage the activities of a schoolhouse which, in the case of my district, is 3,000 miles away?

Should we not be concentrating our attention on making the existing system more efficient? I have heard the promises of Vice President MONDALE and Budget Director McIntyre that the centralized control of 150 education programs will actually entail less money and fewer public jobs in the long run. But I have also learned in my 10 years as a Congressman that such projections are seldom, if ever, realized. There is no need to reshuffle the deck of bureaucratic cards, especially at a cost of $10 million. All we would be doing is establishing a jumbo, national super school board, and that, Mr. Speaker, is something we do not need.●

ADMINISTRATIVE PROCEDURES REFORM ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 15 minutes.

● Mr. EDWARDS of Oklahoma. Mr. Speaker, last year I introduced H.R. 12333, the Administrative Procedures Reform Act of 1978. The purpose of that bill was to provide increased procedural safeguards for persons who must come before Federal agencies in adversary proceedings. Many individuals and national organizations, such as the American Federation of Small Business and National Associated Businessmen, Inc., have endorsed the bill.

Today, I am again introducing the Administrative Procedures Reform Act. Administrative law is the fastest growing body of law in the United States today. Yet, the constitutional protections available to all Americans in our civil and criminal courts all too often fall victim in administrative proceedings to "expediency" or one bureaucrat's interpretation of procedures that are in the "public interest," and in so doing disregard constitutional guarantees. The American people acutely feel that they are helpless before those powers we have delegated to executive branch agencies. This bill, and the procedural safeguards in it, are badly needed, and I urge my colleagues to review this bill and support my effort to guarantee constitutional protections to all persons affected by Federal agencies.

A copy of the bill and a summary of its provisions follows:

H.R. 2299

A bill to amend title 5, United States Code, to improve and reform the administrative procedures of Federal agencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) This Act may be cited as the "Administrative Procedure Reform Act of 1979".

(b) Whenever in this Act an amendment is expressed as an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

SEC. 2. Paragraph (2) of section 552(a) is amended by—

(1) striking out "and" at the end of subparagraph (B);

(2) inserting "and" at the end of subparagraph (C); and

(3) inserting after subparagraph (C), as amended by paragraph (2) of this section, the following new matter:

"(D) detailed descriptions of agency standards and principles which govern discretionary decisions;".

SEC. 3. Subsection (b) of section 553 is amended by striking out the third sentence and inserting in lieu thereof the following:

"Except when notice or hearing is required by statute, this subsection does not apply to rules of agency organization, procedure, or practice.".

SEC. 4. Subsection (c) of section 553 is amended by striking out "with or without opportunity for" in the first sentence and inserting in lieu thereof ", and through".

SEC. 5. Subsection (d) of section 553 is amended to read as follows:

"(d) The required publication or service of a substantive rule shall be made not less than 90 days before its effective date, except in the case of a substantive rule which grants or recognizes an exemption or relieves a restriction.".

SEC. 6. Paragraph (1) of section 554(c) is amended by striking out "when time, the nature of the proceeding, and the public interest permit" and inserting in lieu thereof "when the nature of the proceeding permits".

SEC. 7. Paragraph (1) of section 554(d) is amended by inserting after "party" the following: ", or the agency or a member of the body comprising the agency".

SEC. 8. Section 555(c) is amended by striking out the second sentence and inserting in lieu thereof the following new sentence: "A witness, party, or other person compelled to submit data or evidence is entitled—

"(1) to retain a copy or transcript of such data or evidence; and

"(2) on payment of lawfully prescribed costs, to procure a copy or transcript of such data or evidence and any data or evidence submitted by any other such witness, party, or person.".

SEC. 9. Section 555 is amended by adding at the end thereof the following new subsection:

"(f) No officer or employee of an agency may enter any property for purposes of inspection, search, or seizure, except upon authority of a search warrant issued by a court of competent jurisdiction. The search warrant shall—

"(1) issue only in the case of a probable cause to believe that a rule or order of the agency has been violated; and

"(2) specify the place involved, the nature of the inspection, search, or seizure to be conducted, and the time at which the inspection, search, or seizure is to be conducted.".

SEC. 10. Paragraph (3) of section 556(c) is amended by inserting after "relevant evidence" the following: "in accordance with the Federal Rules of Evidence".

SEC. 11. Subsection (b) of section 557 is amended by striking out everything after "first recommended a decision" in the last sentence and inserting in lieu thereof a period.

SEC. 12. Subsection (c) of section 557 is amended by—

(1) inserting after "part of the record" in the third sentence ", shall be consistent with prior decisions of the agency unless otherwise provided by law,";

(2) striking out the period at the end of the third sentence and inserting in lieu thereof "; and "; and

(3) adding at the end thereof the following new matter:

"(C) certification of complete review of all pertinent material including any transcript of testimony.".

SEC. 13. Subsection (b) of section 558 is amended by adding at the end thereof the following new sentence: "An agency may impose a sanction on a person only if such person has been given—

"(1) notice in writing of the factual and legal basis for the sanction; and

"(2) a period of at least 30 days (beginning on the date on which notice is given) to correct the violation on which the sanction is based.".

This subsection shall not apply when there is an imminent threat to public health or safety."

SEC. 14. Section 558 is amended by adding at the end thereof the following new subsection:

"(d) Any person charged with violation of an agency rule or order shall have an opportunity to confront and cross-examine any adverse witness and to examine and rebut all evidence considered by the agency in connection with the charge involved.".

SEC. 15. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 5 the following new chapter:

Chapter 6—CONGRESSIONAL REVIEW OF AGENCY RULE MAKING

"Sec.

"601. Definitions.
"602. Resolution of disapproval.
"603. Effect on statutory time limits.
"604. Computation of calendar days of continuous session of Congress.
"605. Procedure for consideration of resolutions.
"606. Effect on judicial review.

"§ 601. Definitions.

"The definitions set forth in section 551 of this title shall apply to this chapter except that—

"(1) those functions excluded from the definition of the term 'agency' by paragraph (1)(H) of such section are included in such definition for purposes of this chapter;

"(2) the term 'rule' shall not include—

"(A) rules of agency organization, practice, and procedure,

"(B) rules relating to agency management and personnel, or

"(C) rules granting or recognizing an exception or relieving a restriction; and

"(3) the term 'promulgate' means filing with the Office of the Federal Register for publication.

"§ 602. Resolution of disapproval

"(a)(1) Simultaneously with promulgation or repromulgation of any rule, the agency shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), rules shall not become effective, if—

"(A) within 90 calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule promulgated by dealing with the matter of _____, which rule was transmitted to Congress on _____.', the first blank being filled with the name of the agency issuing the rule, the second blank being filled with the title of the rule and such further description as may be necessary to identify it, and third being filled with the date of transmittal of the rule to Congress; or

"(B) within 60 calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of Congress after such transmittal.

"(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress after its promulgation unless disapproved as provided in paragraph (1).

"(b)(1) An agency may not promulgate a new rule identical to one disapproved pursuant to this section unless a statute is adopted affecting the agency's powers with respect to the subject matter of the rule.

"(2) If an agency proposes a new rule dealing with the same subject matter as a disapproved rule, the agency shall comply with the procedures required for the issuance of a new rule, except that if less than 12 months have passed since the date of such disapproval, such procedures may be limited to changes in the rule.

"§ 603. Effect on statutory time limits

"If a resolution of Congress disapproves a rule which was being promulgated subject to a statutory time limit for rulemaking, the adoption of the resolution shall not relieve the agency of its responsibility for adopting a rule, but any statutory time limit shall apply to such renewed rulemaking only from the date on which the resolution was adopted.

"§ 604. Computation of calendar days of continuous session of Congress

"For the purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.

"§ 605. Procedure for consideration of resolutions

"(a) The provisions of this section are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by section 602 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b)(1) Resolutions of disapproval of a rule shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or of the House of Representatives to the standing committee having oversight and legislative responsibility with respect to the promulgating agency in accordance with the rules of the respective House; and such resolutions shall not be referred to any other committee.

"(2) If a committee to which is referred a resolution which has not been adopted by the other House of Congress does not report out such resolution within 45 calendar days of continuous session of Congress after referral, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(3) If a committee to which is referred a resolution which has been adopted by the other House of Congress does not report out such resolution within 15 calendar days of continuous session of Congress after referral, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(4) Such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after the committee has reported a resolution of disapproval or for reconsideration with respect to the same rule); and debate thereon

shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(c)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(3) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to or motion to recommit, the resolution is not in order and it is not in order to move to reconsider the vote by which the resolution is agreed or disagreed to.

"§ 606. Effect on judicial review

"Congressional inaction on or rejection of a resolution of disapproval shall not be deemed an expression of approval of such rule.

(b) The table of chapters for part I of title 5 is amended by inserting immediately after

"5—Administrative Procedure..... 501"

the following:

"6—Congressional Review of Agency Rule Making..... 601".

(c) The provisions of chapter 6 of title 5, United States Code, shall, for the duration of the period during which such chapter is in effect (as provided in section 18 of this Act), supersede any other provisions of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter.

(d) This section shall become effective at the beginning of the second session of the Ninety-fifth Congress and shall cease to be effective at the adjournment sine die of the Ninety-seventh Congress, unless otherwise provided by Act of Congress.

Sec. 16. Section 704 is amended by striking out the first two sentences and inserting in lieu thereof the following: "Any party adversely affected by an agency action has a right to submit that action to judicial review. Administrative remedies need not be exhausted prior to judicial review, and no court shall refuse to exercise jurisdiction over a case on the ground that an agency with concurrent jurisdiction has not exercised such jurisdiction.".

Sec. 17. Section 706 is amended by—

(1) inserting after the first sentence the following new sentence: "The reviewing court may conduct a trial de novo."; and

(2) striking out "substantial evidence" in paragraph (2)(E) and inserting in lieu thereof "the preponderance of the evidence".

ADMINISTRATIVE PROCEDURE REFORM ACT—SECTION-BY-SECTION SUMMARY

PUBLIC INFORMATION

Sec. 3: Increases the amount of information an agency must make available to the public in the area of discretionary decisions by requiring an agency publish detailed descriptions of agency standards and principles which govern discretionary decisions.

RULEMAKING

Sec. 3: Requires Federal agencies publish in the Federal Register all interpretive rules and general statements of policy adopted by said agency, and removes the agency's option to adopt rules without publication in the Federal Register.

Sec. 4: Requires agencies to provide an opportunity for oral arguments in favor of or in opposition to proposed rule making.

Sec. 5: Provide that substantative rules be published in the Federal Register at least 90 days before their effective date, except for rules which grant or recognize an exemption or relieve a restriction.

ADJUDICATIONS

Sec. 6: Remove an agency's option to remove a party's opportunity to submit facts and arguments in adjudicatory proceedings in the interest of "time" or "the public interest".

Sec. 7: Clarifies the law to insure that a hearing examiner who takes evidence may not consult with an agency or any other member of the agency prior to rendering a recommendation or decision.

ANCILLARY MATTERS

Sec. 8: Entitles a witness, party, or other person compelled to submit data or evidence to procure a copy of any data or evidence submitted by any other witness, party, or person.

Sec. 9: Requires that no officer or employee of an agency may enter any property for purposes of inspection, search, or seizure, except upon authority of a search warrant issued by a court of competent jurisdiction.

HEARINGS

Sec. 10: Require all Federal agencies adopt the Federal Rules of Evidence to assure uniformity in procedure and admissibility of evidence in administrative hearings.

INITIAL DECISIONS

Sec. 11: Removes the option of an agency to make a decision without first receiving a recommendation from the person who presided at the hearing and heard testimony.

Sec. 12: Applies the doctrine of *stare decisis* to agencies by requiring all agency decisions be consistent with prior decisions unless otherwise provided by law.

IMPOSITION OF SANCTIONS

Sec. 13: Permits an agency to impose a sanction on a person only if that person has been given notice in writing of the factual and legal basis for the sanction and a period of at least 30 days from receipt of that notice to correct the violation on which the sanction is based. This notice period shall not apply where there is an imminent threat to public health or safety.

Sec. 14: Require any person charged with violating an agency rule or order shall have an opportunity to confront and cross-examine any adverse witness and examine and rebut all evidence considered by an agency in connection with the charge involved.

CONGRESSIONAL REVIEW OF AGENCY RULE MAKING

Sec. 15: Requires all agencies, at the time of promulgation of any rule, to deliver a copy of the rule to the Senate and the House of Representatives. The rules shall not become effective if a concurrent disapproval resolution is passed by both Houses of Congress within 90 days, or, if within 60 days, one House of Congress adopts a disapproval resolution and such resolution is not disapproved by the other House within 30 days. If, at the end of 90 days neither House of Congress has adopted a disapproval resolution, the rule may go into effect immediately.

ACTIONS REVIEWABLE

Sec. 16: Require that administrative remedies need not be exhausted prior to judicial review, and no court shall refuse to exercise jurisdiction over a case on the ground that an agency with concurrent jurisdiction has not exercised such jurisdiction.

SCOPE OF REVIEW

Sec. 17: Permits a court conducting a review of an agency action to hold a new trial on all points raised during the agency action, and require a reviewing court set aside any agency decision unsupported by the preponderance of the evidence.●

CONGRESSMAN ANNUNZIO URGES HALT TO DEFAMATION OF ETHNIC GROUPS BY MASS MEDIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, House Concurrent Resolution 4, a bill I introduced on the first day of this new 96th Congress, would put the U.S. Congress on record in opposition to films and television or radio broadcasts which defame, stereotype, demean, or degrade ethnic, racial, or religious groups.

As the author of this legislation, I was pleased to read TV-radio critic Gary Deeb's column in the February 8 Chicago Tribune, "Italian Image Again Takes It on the Chin." Gary Deeb goes right to the heart of the matter when he refers in his column to "the cultural devastation that is being systematically wreaked on their (Italian) heritage by the TV power brokers."

According to Deeb, the current run of Italian-oriented TV programs are depicting Italian Americans as "symbols of brute ignorance," and to make matters worse, "the networks refuse to paint any of their Italian characters as genteel, humane individuals who are devoted to their families." Gary Deeb points out that vicious, negative stereotypes are perfectly acceptable to the networks, but positive ones simply do not get enough laughts. He goes on to say:

Let's face it. Since its inception, television frequently has specialized in dividing the many ethnic, racial, religious, and social political groups that comprise America. Rather than celebrating the differences among us and exploring the reason for that diversity, TV mocks those differences and exploits the multiplicity that is our greatest strength.

Gary Deeb has spoken out eloquently and forthrightly on a subject that has been largely ignored heretofore by those connected with the radio and TV industry. I am heartened by Mr. Deeb's column because it is a giant first step toward helping to focus attention on a problem that has confronted ethnics in this country for too long.

As an American and the son of Italian immigrants, I am only too well acquainted with the innuendos, the sick jokes, and the countless other vicious, contemptible, and cruel methods employed by our mass media to degrade members of ethnic and minority groups.

It is a tragic commentary upon our times that those ethnic groups and minorities which have managed to retain a vestige of their original national identity—while at the same time assimilating the best concepts of a democratic society—should be made to suffer most

acutely by motion pictures, television programs, radio broadcasts, and periodicals which demean their identity.

Stereotypes as presented on television can be particularly influential to the young child. To a great degree, we become what we see, whether in life or in the media. Thus, the challenge to the media is very great indeed, since modeling implies that children will be influenced not only by being told what they should be like, but by observing what people with whom they can identify are actually like or portrayed as being.

When the media allows and encourages aspersion to be cast upon groups, portraying them as "superstitious" Catholics, "dumb pollacks," or part of the "yellow peril," or as "welfare blacks," or as "Italian criminals," or the "Jewish loanshark," then social harmony becomes a political concern. Groups that have thus been maligned cannot help but question the worth of their allegiance to a political system which seems to affirm attacks upon them.

These ethnic slurs, then, become the special concern of Congress for they strike at the heart of a healthy and wholesome political system. My resolution (H. Con. Res. 4) recognizes that the vitality of our political institutions and our values is dependent on harmonious relations among various ethnic groups. Only if mutual respect is accorded these groups can our democracy grow stronger and more dynamic.

I commend Gary Deeb for courageously focusing attention on an issue which has been almost completely disregarded by those individuals who control the mass media. By persisting to ridicule and stereotype our minority groups, the mass media has been derelict in its responsibility to help create a society in which people are proud of their country, their institutions, and their heritage.

Supporters of my resolution do not want Government censorship; they want the leaders in the media industry to exercise a social conscience in human relationships just as they want industries to exercise a social conscience in matters of employment, pollution abatement, and pricing policies.

In the past when private industries defaulted in their social responsibilities, they were subjected to governmental regulation. My resolution calls for an evaluation and an accounting by the media industry a year after congressional passage to determine the adequacy of the code of ethics or the guidelines which they develop and apply under the legislation.

Mr. Speaker, I urge the support of all of my colleagues for House Concurrent Resolution 4.

The full text of Gary Deeb's column follows:

ITALIAN IMAGE AGAIN TAKES IT ON THE CHIN

Those Italian-American organizations that are so busy defending Peter Schivarelli, the embattled head of Chicago's hysterical Snow Command, ought to direct their attention toward the *real* bogeymen that are harming the image of Italian-Americans. I'm talking about the recent flurry of stupid television programs that depict Italian people, particularly teen-agers, as a collection of single-syllable, gum-chewing idiots.

Instead of pretending that the Mafia is a creature of Mario Puzo's imagination, and that the only bad Italian is the one who thinks ricotta is the same as cottage cheese, the Italian-American antidefamation groups should open their eyes to the cultural devastation that's being systematically wrecked on their heritage by the TV power brokers.

Every time you flick on the TV these days, there's a young Italian guy or girl behaving like a moron, grinning like a dope, or uttering disjointed sentences in a Sylvester Stallone accent.

On "Happy Days," the Fonz, alias Arthur J. Fonzarelli, snaps his fingers and grunts: "Ay-y-y!" On Laverne & Shirley," Laverne DeFazio tries to cover up her overbite and her lack of upbringing by acting loud and aggressive. A new show called "Makin' It" features weak-spined Billy Manucci, who can't choose between studying and disco dancing, and older brother Tony Manucci, who postures like a jackass on the dance floor.

Then there's "Flatbush," an upcoming CBS comedy series about five crude youths from an Italian neighborhood in Brooklyn. The show is so bad that the CBS bosses have yet to summon up enough courage to preview it on a closed-circuit feed to their affiliates.

And don't forget "Welcome Back, Kotter," where Vinnie Barbarino, in the person of John Travolta, provides an Italian version of Stepin Fetchit.

Indeed, just as TV's black comedy programs have caused irreparable harm to the image of black people in this country, so do these Italian-oriented programs play a cruel joke on the reality of Italian-American family life.

Furthermore, because so many recent movie "heroes" have been blue-collar Italian types—such as Tony Manero in "Saturday Night Fever" and Rocky Balboa in "Rocky"—the latest trend in TV's copycat sweepstakes is to build a show around a working-class Italian kid. Naturally, the kid always has spaghetti for brains and struts around like a rookie pimp. The networks call it "ethnic flavor."

Please understand. This isn't a demand that the networks begin portraying all Italian-American characters as altar boys and models of nobility. Non-Italians don't have a monopoly on evil and corrupt behavior. There are plenty of Italian creeps out there.

In fact, one of the most absurd ethnic protests in recent years was the 1972 outcry by some Italian-American groups that "The Godfather" should be banned from theaters because it depicts Italians in a nasty light. A similar stupidity occurred in 1977 when many of the same people tried to prevent NBC from telecasting Francis Ford Coppola's "Godfather Saga."

The "Godfather" movies were among the finest American motion pictures of all time. They were filmed with taste, intelligence, wit, and bone-rattling horror. They also related more truth about the inner workings of the Mafia and the United States crime syndicate than all the previous popular literature combined.

But the current spate of Italian-oriented TV programs falls into a completely different arena.

To begin with, the very proliferation of these programs is socially dangerous. When the big networks start using Italian-American customs and physical characteristics as consistent symbols of brute ignorance and caveman sexuality, then they're only a half-step away from actually declaring: "Hey, look at these stupid greaseballs, will ya?"

In addition to that constant vicious stereotype, the networks refuse to paint any of their Italian characters as genteel, humane individuals who are devoted to their families and absolutely infatuated with the Work Ethnic. In other words, negative stereotypes are great; but positive ones aren't funny enough.

Thus, we're glutted with the Fonzies, Lavernes, Barbarinos, the Manucci brothers, and a bunch of other thickheaded poseurs. These dirtbags represent Italian-American life about as much as the Frankenstein monster represents Bavarians.

Let's face it. Since its inception, television frequently has specialized in dividing the many ethnic, racial, religious, and sociopolitical groups that comprise America. Rather than celebrating the differences among us and exploring the reasons for that diversity, TV mocks those differences and exploits the multiplicity that is our greatest strength.

TV deals in cardboard, one-dimensional characters. Such surface creations make it easy to grind out a cheapjack weekly series such as "Welcome Back, Kotter" or "What's Happening."

As previously mentioned, virtually all blacks on weekly TV are lamebrained jugheads who would bring a smile to the lips of George Wallace; for more than a decade, the average Southerner on TV was depicted as a rustic yahoo who keeps tripping over his boots; and until recently, every woman on TV was either a long-suffering housewife or a big-breasted hussy.

So now it's the Italians' turn to take it in the neck. That's democracy, TV-style.●

LEGISLATION TO PROVIDE FOR UPGRADING OF IMPORTED MEAT INSPECTION AND LABELING PROCEDURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which would provide for the upgrading of imported meat inspection and labeling procedures. Its language is in large part a merger of two measures I sponsored and cosponsored in the last Congress, the incorporation and refinement of which I believe has produced a bill that serves both producer and consumer interests.

In recent months we have heard considerable discussion about the potential problems for our society resulting from meat imports. There seems to be general agreement that this issue affects both producers and consumers. However, what is often overlooked is the fact that their interests are not necessarily incompatible.

In my view, producers have a right to full confidence in the promise their Government made in the 1964 Meat Import Act that foreign countries would not be allowed to dump their livestock products in American markets and to assurance that foreign meat is held accountable to the same standard of wholesomeness as its American counterpart. And consumers have a right to full information about the nature of the food products they wish to purchase at the grocery store or at a restaurant, and to assurance that such products have met strict inspection standards. These are not mutually exclusive propositions, and the Meat Labeling and Inspection Act of 1979 recognizes this fact.

I believe that the imported meat issue should be addressed in several ways.

What is needed is a combination of strict inspection standards for imported meat and meat products, effective labeling of such items, and international agreements governing the international exchange of food products. My proposal addresses the inspection and labeling aspects of this equation.

The bill can be separated into three main components. First, it would inform the consumer at the supermarket or grocery store level as to whether the meat or meat food product he is buying contains imported meat. Second, it would upgrade the inspection requirements for imported meat so that the American consumer is assured that the product he is buying has met strict qualitative standards for wholesomeness. And third, it would direct eating establishments that serve imported meat to advise their customers of this fact.

The need for this legislation is clear. The amount of meat that is imported into the United States every year is substantial—somewhere around 8 percent of U.S. domestic production. Generally, these imports are absorbed into the marketplace with little fanfare and lose their identity quickly, especially since the imports are almost always mixed with higher quality U.S. beef in hamburger or other meat products.

I believe that the American people are entitled to know all the essential facts about the product they buy, whether they be an automobile, a television, or a cut of meat. However, current labeling requirements for imported meat and meat food products are simply not adequate, where such requirements even exist.

Much of the meat imported into the United States arrives in frozen blocks. Current law and regulations do not require that these blocks of meat be labeled according to country of origin. And further, no such labeling is required at each stage of the processing chain.

The fact of the matter is that existing labeling practices are of no practical value to the American consumer. When he purchases meat in a grocery store or at a public eating establishment, he has no way of ascertaining whether that product was produced in the United States or abroad. My proposal would provide the American consumer with that information, and it would also assure him that imported meat has met the same standards of wholesomeness that are imposed on American food products.

This measure does not make unreasonable demands. For instance, the bill recognizes that meat marketers may have difficulty in keeping track of the exact proportion of imported meat in the product as it makes it way through the processing chain, as well as identifying the country of origin in all cases. Thus, leeway is given to allow the labeling to reflect several options: "imported," "imported in part," "may contain imported meat," or marked to show the country of origin. Similarly, eating establishment operators are given the option of either posting the notice in "a conspicuous place" or printing the information on the menu. Finally, the American taxpayer is not required to shoulder the burden of the stiffened inspection requirements; the bill that I am introducing would require that the exporter pay such expenses.

Mr. Speaker, I want to emphasize the fact that these labeling and inspection proposals are designed to complement, and not contravene the multilateral trade agreements which have been so painstakingly negotiated by Special Trade Representative Strauss and which will soon be presented to Congress. The importance of trade liberalization to the agricultural sector is undeniable, and I in no way wish to undercut the progress that has been made to this end.

It is my firm belief that the legislation I am proposing today is compatible with trade liberalization: there must be "fair" trade if there is to be "free" trade. Furthermore, the consumer does not benefit from trade if the products that are traded are unsafe, detrimental to his health, or are otherwise inferior in quality. He deserves to be as fully informed as possible about the product in question. This is especially true when talking about meat. I urge that my colleagues join me in calling for the consideration and enactment of the Meat Labeling and Inspection Act of 1979.●

LEGISLATION TO INCREASE COMPENSATION PAYMENTS FOR SERVICE-CONNECTED DISABLED VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, on the first day of this Congress, I introduced H.R. 47 for myself and for the Honorable RAY ROBERTS of Texas, the chairman of the Committee on Veterans' Affairs, and for the distinguished ranking minority member, the Honorable JOHN PAUL HAMMERSCHMIDT. That bill would increase by 7 percent all compensation payments for service-connected disabled veterans and dependency and indemnity compensation (DIC) payments for the surviving spouses and children of veterans who have died of service-connected causes.

At that time, I told you the 7-percent level of increase was dictated by two factors. These were the early estimate of the probable rate of increase to be expected in the Consumer Price Index by October 1, the suggested effective date of the bill, and the President's inflation guideline of 7 percent.

I told you as well, that should the proposed rate of increase prove inadequate, a more realistic proposal would be forthcoming to assure that those veterans who have suffered disability because of their service to their country and the survivors of those who died because of such service would not be unfairly disadvantaged by inflation's subtle thievery.

We now have such evidence. The President, with his budget, suggested that the veteran's service-connected benefit level be increased by 7.8 percent. This week, we received an analysis of the President's budgetary proposal for fiscal year 1980 prepared by the Congressional Budget Office. That analysis cites the President's 7.8-percent proposed increase in rates of disability compensation and DIC which he estimated would cost $498 million for 1980. The analysis continues, however, to explain that an 8.3-percent increase would be required in this program to cover the inflation anticipated during fiscal year 1979. A rate increase in that magnitude is expected by the Congressional Budget Office to cost approximately $577 million in budget authority for 1980.

Today, I am introducing another bill to provide an increase of approximately 8.3 percent. I am joined not only by the able chairman of the full committee, Mr. ROBERTS, and the distinguished ranking minority member, Mr. HAMMERSCHMIDT, but by most of the members of the full committee.

You may be sure that the committee will closely watch this situation and will address itself at an early date to action designed to protect our most deserving veterans and their survivors.●

NIAGARA FALLS' LOVE CANAL: A CONTINUING TRAGEDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, Niagara Falls, N.Y., is the site of what is perhaps the Nation's most famous tourist attraction. Yet that city also contains the Nation's most notorious abandoned landfill site, the Love Canal, where hazardous and toxic wastes which had lain dormant for a quarter of a century are now causing substantial threats to public health in the area of the canal. On February 8 the Health Commissioner of New York announced that medical studies in the neighborhood showed that families with pregnant women and with children under 2 years of age should be temporarily relocated until construction work to contain the chemical wastes was completed. This is the second time in less than 6 months that an announcement of this kind has had to be made in the Love Canal neighborhood.

The continuing tragedy at the Love Canal required a redoubling of effort on the part of all levels of government to assist the families affected by this crisis and to work to remedy such situations and prevent them from occurring in the future. In anticipation of the decisions announced on Thursday, February 8, I contacted, on February 6 and 7, Federal officials from the Federal Disaster Assistance Administration (FDAA) and the Environmental Protection Agency (EPA) to the White House, and also renewed my request to the separate subcommittees of the House of Representatives for congressional hearings early this year on the larger subject of toxic wastes control.

In speaking on Tuesday, February 6, with William Wilcox, head of the FDAA, I specifically requested the following:

FDAA agreement to reimburse the State of New York for any costs associated with the temporary relocation of additional families from the so-called wet areas;

FDAA agreement, in light of these new developments, to reconsider its initial decision, now being appealed by the State, not to assist in the construction of remedial measures in the upper two-thirds of the Love Canal; and

FDAA agreement to consider providing assistance for construction activities, if any, that might be needed in the "wet areas."

In my judgment, FDAA's position with respect to the Love Canal is not justified by reason but is, instead, based on an arbitrary limitation that has been placed on Federal participation in dealing with this emergency by the Office of Management and Budget (OMB).

Even though disagreeing with them, one can understand the reluctance of the Federal Government to reimburse the costs of the permanent relocation program undertaken by the State for 97th and 99th Streets last fall for the following reasons: First, Federal disaster funds have never before been used to pay for lost homes, even in flood, fire, tornado or other disasters where homes are completely lost; second, State officials, at the time the Federal emergency declaration was made, stated that they never anticipated Federal reimbursement for this aspect of the problem; and third, none of the homes themselves were "taken" (that is, removed or demolished) for construction purposes.

But the decision with respect to the upper two-thirds of the canal is arbitrary and ought to be reversed. Even if you remove the approximately $12 million that was involved in the permanent relocation, the Federal commitment to date (combining FDAA assistance and $4 million appropriated to the Environmental Protection Agency (EPA) last year) will only come to about 50 percent of the total costs identified to date. This is not enough for this kind of emergency.

On August 30 of 1978, only 3 weeks after the emergency was declared, the EPA wrote to the FDAA with regard to the construction program. That letter noted that a conference of EPA and State officials resulted in a consensus that:

> In order to protect property and public health from the migrating plume of chemical contaminants, and to provide for the safety of the residents, a drainage system must be dug around the entire perimeter of the site (*not just* the southern portion) . . ." (emphasis in original)

I had pushed EPA to write this letter to the FDAA at that time, specifically on the above point, and have repeatedly cited it to Mr. Wilcox and others at the FDAA prior to the January 19 rejection of the State's request for FDAA assistance for the upper two-thirds; and I raised it again in early February with both Mr. Wilcox and with Jack Watson, Assistant to the President for Intergovernmental Affairs in the White House.

The developments of February 8 make reconsideration of this issue even more imperative. I've asked Wilcox and Watson to take them into account in reviewing the situation, and I will continue to do so.

Mr. Wilcox has stated that it would be proper, under the existing emergency declaration, for the State to request FDAA consideration of funding new temporary relocation for affected families; and, he expressed sympathy toward any future State request for reimbursement of such temporary relocation costs from FDAA. He has not been so sanguine however, on the other points raised.

I also contacted EPA officials on February 6 and on Thursday, February 8 met in my Washington office with Eckhardt C. Beck, Regional Administrator of EPA's Region II office in New York; Charles Warren, Director of Legislative Affairs in EPA's headquarters; and other EPA officials. We agreed to coordinate our efforts and to work with the FDAA, OMB, and the White House for a greater Federal role. We also discussed existing law and its inadequacy, concurring that major improvements are needed, in order to provide an effective Federal response to situations of this kind.

EPA advised me that the legislation I have introduced—the Toxic Tort Act and the Hazardous Waste Control Act—provide precisely the thrust that is needed to help in these situations. The Toxic Tort Act basically calls for immediate Federal action to assist and help compensate victims of exposure of hazardous substances; while the Hazardous Waste Control Act would create a new Federal program to identify abandoned waste sites and make them safe. EPA is working on similar legislation now; we will be meeting shortly to further refine the needed changes in Federal law. We hope to have a mutually agreeable package by the end of February.

In the interim, I have contacted each Member of the House of Representatives urging them to join in sponsoring my bills, and I will do so again not only in light of the new developments at the Love Canal but also because similar situations exist in many areas of the country—Kentucky, Tennessee, New Jersey, Michigan, and others. (Incidentally, although all these other hazardous sites exist, the Love Canal site is the only one where the FDAA has declared an emergency, refusing to do so elsewhere, and it is also the only site where we have been able to get substantial EPA financial assistance, thanks to the $4 million demonstration grant we added to EPA's appropriation in Congress last year.)

Additionally, when congressional committees were being organized late in January and early this month, I wrote three new subcommittee chairmen on the day they were chosen, asking them to hold early hearings on the toxic wastes problem and on legislative solutions to it. These were: JAMES FLORIO, Democrat of New Jersey, Subcommittee on Transportation and Commerce, which has jurisdiction over hazardous wastes; BOB ECKHARDT, Democrat of Texas, Subcommittee on Oversight and Investigations of the Commerce Committee, which has shown considerable interest in the hazardous waste problem in the past; and ANTHONY MOFFETT, Democrat of Connecticut, Subcommittee on Environment, Energy and Natural Resources of the Government Operations Committee, which has general oversight jurisdiction over toxic substances and the Federal Government's role with respect to them.

In light of the February developments, I am again contacting each of these subcommittees and each and every Member of Congress renewing my request for immediate hearings, pointing out the even greater need for rapid congressional action on this matter. And I will further intensify my efforts to get OMB to lift its arbitrary limit on Federal financial participation in meeting the Love Canal emergency both now and in the future.●

AMENDMENTS TO THE INTERSTATE LAND SALES FULL DISCLOSURE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

● Mr. MINISH. Mr. Speaker, last week I introduced legislation which is designed to provide substantial new protection for consumers who purchase land from interstate developers.

This legislation, if enacted, will extensively change the Interstate Land Sales Full Disclosure Act and will go a long way toward cleaning up numerous sales abuses in the industry which sells undeveloped land.

In 1978, the House Banking Oversight Subcommittee, of which I am chairman, did an extensive investigation of sales and development practices in the interstate land sales industry. We held 3 days of hearings in April of 1978 and heard testimony from more than 30 witnesses representing Federal and State Governments, industry, public interest groups and consumers. It is clear to me after our investigation that the present Interstate Land Sales Full Disclosure Act, enacted originally in 1968, does not adequately protect land purchasers. Our subcommittee's investigation uncovered evidence of misrepresentation, abuses and fraud on the part of some land developers. Many developers sell lots at a rapid rate regardless of whether the consumer will receive fair value for his money. Thousands of land purchasers are lured by fast-talking salesmen into unfair, long-term installment contracts. Many purchasers are convinced that they are making a good investment and only later find that their lots were sold at greatly inflated prices, are completely unsuitable as home sites and have little or no resale value.

Although several Federal and State agencies have tried to clean up the land sales industry, severe problems remain. Literally millions of consumers continue to be defrauded or disappointed by land developers every year. Unfortunately, developers tend to prey on those who are least able to protect themselves. People who are elderly or unsophisticated constitute prime markets for land schemes.

I have included at the end of this statement a section-by-section summary

of the major provisions of this bill. However, I would like to mention a few of the items which I consider most important.

This bill attempts to eliminate the use of the installment contract method of financing lot purchases. Under the traditional installment contract, the purchaser agrees to pay for his lot over a period of years, usually 7 to 10, through monthly installments. There is no transfer of title to the purchaser until he has completed payments and, in many cases, purchasers who finish paying discover that the developer is unable to deliver clear title. Most installment contracts contain a "liquidated damages" clause which provides that in the case of default by the purchaser, all money paid by the purchaser is retained by the developer. Thus, the purchaser builds no equity proportional to his payments as he would under a traditional mortgage method of financing. In some cases, purchasers have paid over 90 percent of what they owe and then have been left with nothing when they cannot continue to pay.

Another problem which results from the installment contract method of financing is that developers often sell the installment contracts to third parties. The purchaser then owes his payment to the third party, but, because of the holder in due course laws, the purchaser cannot force the third party to fulfill any of the obligations of the developer. In addition to all these problems, because the purchaser does not get title until he has completed payments, he may not be able to use the property for 7 to 10 years after he signs the contract of sale. In short, consumers who buy under installment contracts are all around losers.

This legislation would prevent this abuse by insuring that developers who extend credit for the purchase of their own lots, do so under contracts that contain the protections of the more traditional mortgage or deed—deed of trust arrangements. This would insure far more protection to the consumer.

A second provision of this bill requires that developers who promise to provide basic services, such as, water, sewage disposal and electricity, must establish escrow accounts which insure completion of these services. During our investigation, we found that developers often promise all kinds of improvements as part of their sales pitch. In many cases, those developers are financially unable to keep their promises and, thus, force lot buyers to spend money which they never anticipated having to spend. A number of States already have escrow requirements, which have provided increased consumer protection without imposing excessive economic burdens on developers. We feel that escrow accounts, to insure basic services, should be a national requirement.

The third major reform which this bill provides is our "parens patriae" section. We found that many people who have civil causes of action under the present Interstate Land Sales Act are unable to bring suit because individual suits are too expensive and it is to difficult to bring class actions in Federal court. Our parens patriae section allows the attorney general of a State to bring civil actions against developers on behalf of citizens of his State who have purchased land. This provision does not create any new rights but simply makes it easier for consumers to enforce rights which they already have.

Other reforms in this bill include the elimination of the present statutory bankruptcy exemption, a 30-day absolute right of rescission for lot purchasers, a provision which allows purchasers to sue for specific performance of promises made by developers, extension of the statutes of limitations on civil suits under the Land Sales Act and new administrative remedies for the Office of Interstate Land Sales Registration.

I believe that this bill would give the people who buy land at least a fair chance of getting a good deal for their money. This is not too much to ask for our constituents. I urge my colleagues to support this legislation.●

FEDERAL PROTECTIVE SERVICE ACT OF 1979

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MITCHELL of Maryland. Mr. Speaker, as is well known, the Federal Protective Service is the security arm of the General Services Administration's Public Buildings Services. It is charged with the primary responsibility of protecting Federal property and persons under the jurisdiction of the General Services Administration.

Created in 1972 by GSA, the requirements for the Federal Protective Service positions are very similar to those of police officers. The FPS provides security in approximately 10,000 Federal Government buildings throughout the United States, to include national defense installations; the Pentagon; the Central Intelligence Agency; the Nuclear Regulatory Commission; and the Department of Justice. Still further, the Federal Protective Service is responsible for the protection of the President; Vice President; Senators and Members of Congress; and, U.S. district and appellate court judges. In addition, all foreign dignitaries, including Blair House visitors, who visit Federal facilities, are accorded protection by the Federal Protective Service. While their assigned duties are numerous, let me just finally add that further responsibilities include the assisting of other Federal enforcement agencies (for example, the Federal Bureau of Investigation), by instructing and directing visitors to Federal buildings; providing emergency first aid as necessary; and assisting in controlling and fighting fires.

Oddly enough, the aforementioned responsibilities, which are assumed by our Federal protective officers, are not matched by sufficient financial remuneration and/or benefits. It should be noted that police force benefits, including administrative leave for injuries incurred while on duty, a retirement program and protection against assault are all provided for in the United States Code. However, the Federal Protective Service is not included in the provisions of these titles.

The 1972 GSA memo which created the Federal Protective Service by stating explicitly, among other things that—

> New positions are being established called Federal protective officers which involve greater responsibilities than the present positions of guard * * * The requirements for these new positions are similar to those of police officers.

However, this explicit memo failed to address the pertinent issue of increased benefits for these officers, and thus, while the training programs has been greatly improved, the positive changes in the pay scale, retirement, and sick leave benefits have been minimal.

The measure which I am introducing today, the Federal Protective Service Act of 1979, is an attempt to rectify the aforementioned injustices. This bill basically provides that: First, Federal protective officers be considered "law enforcement" officers; second, their grades, salaries, and fringe benefits be comparable to those in the Executive Protective Service; and, third, they be covered under the standard or existing statutory benefits for early retirement, protection against assaults and survivors benefits for death in the line of duty.

The enactment of this legislation, the text of which is attached, will hopefully eliminate the gross inequities which have been borne by our Federal protective officers as they have continually sought parity with like organizations (for example, the Capitol Police; the Park Police; and, the Executive Protective Service).●

THE NEED FOR A CONSTITUTIONAL CONVENTION TO MANDATE A FEDERALLY BALANCED BUDGET

● Mr. VOLKMER. Mr. Speaker, in recent weeks there has been much discussion about the calling of a Constitutional Convention to mandate a federally balanced budget. There is some question as to the procedures that must be followed to call a Convention.

I believe that we are all aware that 27 States have passed resolutions that are considered applications for a Constitutional Convention. Many of those passed before 1979 were noticed in the CONGRESSIONAL RECORD, some were not.

For example, Nevada's resolution was not sent since it was vetoed by the Governor. This does not effect the resolution's validity—but due to Nevada law it cannot be sent.

It is not necessary that the resolutions be noted anywhere as there is no procedure to apply to the situation. The fact the resolution passed the State legislatures is enough.

Since a majority of the resolutions have been noted in the CONGRESSIONAL RECORD, I would like to have those not noted appear in extra material to the special order. I am submitting copies of the resolutions from the States of Alabama, Maryland, Nebraska, Nevada, New Mexico, North Dakota, Oregon, and Pennsylvania.

I will deliver the certified copies to the Committee on the Judiciary for their use in the hearings that Chairman RODINO has announced.

I might add that these resolutions and the research in this particular matter has been assembled by the National Taxpayers Union, a local, nonpartisan association interested in this matter.

Thank you, Mr. Speaker.

I include the following material:

ALABAMA

(House Joint Resolution: Petitioning the Congress of the United States to convene a constitutional convention for the purpose of proposing an amendment to the Constitution requiring that Federal spending not exceed estimated Federal revenues.)

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is vital to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may be proposed by the Congress; now therefore,

Be it resolved by the Legislature of Alabama, both houses thereof concurring, That the Legislature of Alabama hereby petitions the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Alabama Legislature requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Be it further resolved, That, alternatively the Alabama Legislature makes application and requests that the Congress of the United States call a constitutional convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Further resolved, That the legislatures of each of the several states comprising the United States are urged to apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such amendment to the Federal Constitution.

Further resolved, That the Clerk of the House is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislatures of each of the other States in the Union, the Clerk of the United States House of Representatives, Washington, D.C., and the Secretary of the United States Senate, Washington, D.C., and to each member of the Alabama Congressional Delegation.

MARYLAND

(Resolution No. 77: A Senate Joint Resolution concerning Budget of the United States for the purpose of requesting appropriate action by the Congress, on its own action by consent of two-thirds of both Houses or on the application of the legislatures of two-thirds of the several states, to propose an amendment to the Federal Constitution to require that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year, with certain exceptions.)

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars.

Attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress.

The annual Federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues.

The unified budget of 304.4 billion dollars for the current fiscal year does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit.

As reported by US News and World Report on February 25, 1974, of these nonbudgetary outlays in the amount of 15.6 billion dollars, the sum of 12.9 billion dollars represents funding of essentially private agencies which provide special services to the federal government.

Knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance.

Believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend.

Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments; now, therefore, be it

Resolved by the General Assembly of Maryland, That this Body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that the General Assembly of Maryland requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues, excluding any revenues derived from borrowing, for that fiscal year: and be it further

Resolved, That this Body further and alternatively requests that the Congress of the United States call a constitutional convention for the specific *and exclusive* purpose of proposing such an amendment to the Federal Constitution, to be a new article XXVII; and be it further

Resolved, That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the Federal Constitution, to be a new Article XXVII; and be it further

Resolved, That the proposed new Article XXVII (or whatever numeral may then be appropriate) read substantially as follows:

PROPOSED ARTICLE XXVII

"The total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues for that fiscal year, excluding any revenues derived from borrowing; and this prohibition extends to all Federal appropriations and all estimated Federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this Article. If the President proclaims a national emergency, suspending the requirement that the total of all Federal appropriations not exceed the total estimated Federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all Members elected to each House of the Congress so determine by Joint Resolution, the total of all Federal appropriations may exceed the total estimated Federal revenues for that fiscal year." and, be it further

Resolved, That copies of this Resolution under the Great Seal of the State of Maryland, be sent by the Secretary of State to: Honorable Gerald Ford, President of the United States, Washington, D.C.; Honorable Charles McC. Mathias, Old Senate Office Building, Washington, D.C.; Honorable J. Glenn Beall, Jr., Old Senate Office Building, Washington, D.C.; Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C.; Honorable Robert E. Bauman, Longworth Building, Washington, D.C.; Honorable Clarence D. Long, Rayburn Building, Washington, D.C.; Honorable Paul S. Sarbanes, Cannon Office Building, Washington, D.C.; Honorable Marjorie S. Holt, Longworth Building, Washington, D.C.; Honorable Gladys Spellman, House Office Building, Washington, D.C.; Honorable Goodloe E. Byron, Longworth Building, Washington, D.C.; Honorable Parren J. Mitchell, Cannon Building, Washington, D.C.; and Honorable Gilbert Gude, Cannon House Office Building, Washington, D.C.; and be it further

Resolved, That under the Great Seal of the State of Maryland, the Secretary of State is directed to send copies of this Joint Resolution to the Secretary of State and to the presiding officers of both Houses of the Legislature of each of the other State in the Union, with the request that it be circulated among leaders in the Executive and Legislative branches of the several State governments; and with the further request that each of the other States in the Union join in requiring the Congress of the United States to call a constitutional convention for the purpose of initiating a proposal to amend the Constitution of the United States in substantially the form proposed in this Joint Resolution of the General Assembly of Maryland.

NEBRASKA

(Legislative Resolution 106.)

Whereas, with each passing year this nation becomes more deeply in debt as its ex-

penditures grossly and repeatedly exceed available revenue, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenue; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action is vital.

Now, therefore, be it resolved by the members of the Eighty-Fourth Legislature of Nebraska, second session:

1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the State of Nebraska requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.

2. That, alternatively, this Legislature makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.

3. That this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the federal Constitution.

4. That the Clerk of the Legislature transmit a copy of this resolution to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each member of the Nebraska Congressional delegation, the Secretaries of State and the Legislature of each of the several states, and the Secretary of State for the State of Nebraska.

NEVADA

(Senate Joint Resolution: Requesting the Congress of the United States to call a constitutional convention for the purpose of amending the United States Constitution to limit federal appropriations for any fiscal year to federal revenues estimated for that year, except during national emergencies.)

Whereas, The national debt now amounts to hundreds of billions of dollars and is increasing enormously each year as federal expenditures grossly exceed federal revenues; and

Whereas, Payment of the increased interest on this ever-expanding debt imposes a tremendous burden on the taxpayers of this country; and

Whereas, Continuous deficit financing by the Federal Government supports inflationary conditions which adversely affect the national economy and all Americans, particularly those persons with fixed or low incomes; and

Whereas, Constantly increasing use of deficit financing has enabled the Federal Government to allocate considerable sums to programs which in many instances have proved to be wasteful and nonbeneficial to the public; and

Whereas, Limiting federal expenditures in each fiscal year to revenues available in that year, except during national emergencies, will result in greater selectivity of federal programs for the benefit of the public; and

Whereas, The annual federal budgets continually reflect the unwillingness or inability of both the legislative and executive branches of the Federal Government to balance the budget and demonstrate the necessity for a constitutional restraint upon deficit financing; and

Whereas, Under article V of the Constitution of the United States, the Congress is required to call a convention for proposing amendments to the federal Constitution on the application of the legislatures of two-thirds of the several states; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That, pursuant to article V of the Constitution of the United States, the legislature of the State of Nevada hereby makes application to the Congress of the United States to call a convention for the purpose of proposing an amendment to the United States Constitution which would require that, in the absence of a national emergency, the total of the appropriations made by the Congress for each fiscal year may not exceed the total of the estimated federal revenues for that year; and be it further

Resolved, That the legislature of the State of Nevada proposes that the legislatures of each of the several states apply to the Congress to call a constitutional convention for the exclusive purpose stated in this resolution; and be it further

Resolved, That this application by the legislature of the State of Nevada constitutes a continuing application in accordance with article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications, but if Congress proposes an amendment to the Constitution similar to that contained in this resolution before January 1, 1981, this application for a convention of the several states shall no longer be of any force; and be it further

Resolved, That a copy of this resolution be immediately transmitted by the legislative counsel to the President of the Senate and the Speaker of the House of Representatives of the United States, to each member of the Nevada congressional delegation and to the presiding officer of each house of the legislatures of the several states; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

NEW MEXICO

(A joint resolution for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the legislatures of two-thirds of the several states, calling a Constitutional Convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.)

Be it resolved by the legislature of the State of New Mexico:

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article 5 of the constitution of the United States, amendments to the federal constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the congress shall call a constitutional convention for the purpose of proposing amendments; we believe such action vital;

Now, therefore, be it resolved by the Legislature of the State of New Mexico that this body proposes to the congress of the United States that procedures be instituted in the congress to add a new article to the constitution of the United States, and that the legislature of the state of New Mexico requests the congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved that, alternatively, this body makes application and requests that the congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the federal constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved that this body also proposes that the legislatures of each of the several states comprising the United States apply to the congress requesting the enactment of an appropriate amendment to the federal constitution; or requiring the congress to call a constitutional convention for proposing such an amendment to the federal constitution; and

Be it further resolved that copies of this resolution be sent by the secretary of state to the members of New Mexico's delegation to the congress of the United States; and

Be it further resolved that the secretary of state of this state is directed to send copies of this joint resolution to the secretary of state and presiding officers of both houses of the legislature of each of the other states in the union, the clerk of the United States house of representatives, Washington, D.C. and the secretary of the United States Senate, Washington, D.C.

NORTH DAKOTA

(Senate Concurrent Resolution No. 4018: A concurrent resolution of the North Dakota Legislature calling for an amendment to the U.S. Constitution proposing to the several states the requirement of a balanced U.S. cash budget for each session of Congress except in time of war or national emergency.)

Be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That we respectfully propose an amendment to the Constitution of the United States and call upon the people of the several states for a convention for such purpose as provided by Article V of the Constitution, the proposed Article providing as follows:

ARTICLE —

Section 1. The president shall submit, at the beginning of each new Congress, an annual budget for the ensuing fiscal year setting forth in detail the total proposed expenditures and the total estimated revenue of the Federal Government from sources other than borrowing. The president may set new revenue estimates from time to time. Expenditures for each two-year period shall not exceed the estimated revenue except in time of war or a national emergency declared by the Congress. The provisions of this Article shall not apply to the refinancing of the national debt; and

Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the legislatures of the several states.

OREGON

(Senate Joint Memorial 2)

To the Honorable Members of the Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Fifty-ninth Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the level of federal expenditures demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal Government to curtail spending to conform to available revenues; and

Whereas inflation is being fought almost exclusively by monetary policy while fiscal policy could and should be employed; and

Whereas the State of Oregon by its Constitution and its laws in adopting a budget must show a balanced relation between the total proposed spending and the total anticipated revenues or provide for paying the deficiency; and

Whereas it is just and proper that the United States of America in its obligation to provide leadership for all of the states of the union should pursue the same policy; and

Whereas a balanced budget would lessen the economic burdens on its citizens; and

Whereas a balanced budget would lessen the need for increased state and local taxes; now, therefore,

Be It Resolved by the Legislative Assembly of the State of Oregon:

(1) That this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

(2) That this application by this body constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislature of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Joint Memorial before January 1, 1979, this petition for a constitutional convention shall no longer be of any force or effect.

(3) That this body propose that the legislative body of each of the several states comprising the United States apply to the Congress of the United States requiring the Congress to call a constitutional convention for proposing an appropriate amendment to the Federal Constitution or requesting the enactment of such an amendment to be submitted to the states for ratification.

(4) That a copy of this memorial shall be transmitted to the President of the United States; to each member of the Oregon Congressional Delegation; to the presiding officers of the Senate and House of Representatives of the United States of America; to each Governor of each state in the United States of America; and to the presiding officer of each legislative body in the United States of America.

PENNSYLVANIA

(Resolution No. 236: Urging the Congress of the United States to call a Constitutional Convention to propose an amendment to the Constitution to balance the public debt.)

Whereas, Requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the Legislatures of two-thirds of the several states, calling a Constitutional Convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual Federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal Government to curtail spending to conform to available revenues; and

Whereas, Unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, Knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

Whereas, Believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states the Congress shall call a Constitutional Convention for the purpose of proposing amendments. We believe some such action vital; therefore be it

Resolved, (The Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania proposes to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the General Assembly of the Commonwealth of Pennsylvania requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved, That, alternatively, the General Assembly of the Commonwealth of Pennsylvania makes application and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved, That the General Assembly of the Commonwealth of Pennsylvania also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a Constitutional Convention for proposing such an amendment to the Federal Constitution; and be it further

Resolved, That copies of this resolution be sent to the members of the Congress from Pennsylvania; and be it further

Resolved, That the Chief Clerk of the House of Representatives send copies of this joint resolution to the Secretary of State and presiding officers of both Houses of the legislature of each of the other states in the Union, the Clerk of the United States House of Representatives, Washington, D.C. and the Secretary of the United States Senate, Washington, D.C.●

RULES OF THE COMMITTEE ON THE BUDGET OF THE 96TH CONGRESS

(Mr. GIAIMO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GIAIMO. Mr. Speaker, pursuant to the provisions of rule XI, 2(a) of the Rules of the House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules adopted on January 24, 1979, by the Committee on the Budget for the 96th Congress:

RULES OF PROCEDURE OF THE COMMITTEE ON THE BUDGET

(Adopted January 24, 1979, 96th Congress, 1st session) U.S. House of Representatives

MEETINGS

1. Regular Meetings.*

The regular meeting day of the Committee shall be the 2nd Wednesday of each month at 11:00 a.m., while the House is in session.

The Chairman is authorized to dispense with a regular meeting when he determines there is no business to be considered by the Committee, provided that he gives written notice to that effect to each member of the Committee as far in advance of the regular meeting day as the circumstances permit.

Regular meetings shall be cancelled when they conflict with meetings of either party's caucus or conference.

2. Additional and Special meetings.

The Chairman may call and convene additional meetings of the Committee as he considers necessary, or special meetings at the request of a majority of the members of the Committee in accordance with House Rule XI, clause 2(c).

In the absence of exceptional circumstances, the Chairman shall provide written or verbal notice of additional meetings to the office of each member at least 24 hours in advance while Congress is in session, and at least 3 days in advance when Congress is not in session.

3. Open Business Meetings.

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*Written rule required by House Rules.

Each meeting for the transaction of Committee business, including the markup of measures, shall be open to the public except when the Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This rule shall not apply to any meeting that relates solely to matters concerning the internal administration of the Committee.

4. Quorums.

A majority of the Committee shall constitute a quorum. No business shall be transacted and no measure or recommendation shall be reported unless a quorum is actually present.

5. Recognition.

Any member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The time of such member shall be limited to 5 minutes until all members present have been afforded an opportunity to comment.

6. Consideration of Business.

Measures or matters may be placed before the Committee, for its consideration, by the Chairman or by a majority vote of the members of the Committee, a quorum being present.

7. Rollcall Votes.

A rollcall of the members may be had upon the request of at least 20% of those present.

8. Proxies.*

Any member of the Committee may vote by special proxy if the proxy authorization is in writing, asserts that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the person who is to execute the proxy authorization, and is limited to a specific measure or matter and any amendments or motions pertaining thereto: except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day the proxy is signed. Proxies may not be counted for a quorum.

HEARINGS

9. Announcement of Hearings.

The Chairman shall publicly announce the date, place, and subject matter of any Committee hearing at least one week before the commencement of that hearing, unless he determines there is good cause to begin such hearing at an earlier date, in which case public announcement shall be made at the earliest possible date.

10. Open Hearings.

Each hearing conducted by the Committee or any of its Task Forces shall be open to the public except when the Committee or Task Force, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. The Committee or Task Forces may by the same procedure vote to close one subsequent day of hearing.

11. Quorums.*

For the purpose of hearing testimony, not less than two members of the Committee shall constitute a quorum.

12. Time for Questioning Witnesses.

Committee members shall have not to exceed five minutes to interrogate each witness until such time as each member who so desires has had an opportunity to interrogate such witness.

After all members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

In questioning witnesses under the 5-minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

For the purposes of House Rule XI. 2.(g)(2) The Task Forces of the Committee are considered to be Subcommittees.

13. Subpoenas and Oaths.

In accordance with House Rule XI, clause 2(m), subpoenas authorized by a majority of the Committee may be issued over the signature of the Chairman or of any member of the Committee designated by him, and may be served by any person designated by the Chairman or such member.

The Chairman, or any member of the Committee, may administer oaths to witnesses.

14. Witnesses' Statements.

So far as practicable, any prepared statement to be presented by a witness shall be submitted to the Committee at least 24 hours in advance of presentation, and shall be distributed to all members of the Committee in advance of delivery.

15. Committee Prints.

All Committee prints and other materials prepared for public distribution shall be approved by the Committee prior to any distribution, unless such print or other material shows clearly on its face that it has not been approved by the Committee.

BROADCASTING

16. Broadcasting of Meetings and Hearings.

It shall be the policy of the Committee to give all news media access to open hearings of the Committee, subject to the requirements and limitations set forth in House Rule XI, clause 3. Whenever any Committee business meeting is open to the public, that meeting may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, in accordance with House Rule XI, clause 3. However, a majority of the Committee may decide at any time to exclude radio, television, and still camera equipment from the Committee room.

STAFF

17. Committee Staff.

(a) Subject to approval by the Committee, and to the provisions of the following paragraphs, the professional and clerical staff of the Committee shall be appointed, and may be removed, by the Chairman.

Committee staff shall not be assigned any duties other than those pertaining to Committee business, and shall be selected without regard to race, creed, sex or age, and solely on the basis of fitness to perform the duties of their respective positions.

All Committee staff shall be entitled to equitable treatment, including comparable salaries, facilities, access to official Committee records, leave, and hours of work.

(b) In addition to the staff provided in paragraph (a) each member of the Committee may select and designate an associate staff member who shall serve at the pleasure of that member. Such staff member shall be compensated at a rate, determined by the member, not to exceed 75 per centum of the maximum established in clause 6(c) of Rule XI of the House of Representatives; *provided*, that no member shall appoint more than one person pursuant to these provisions; *provided further*, that members designating a staff member under this subsection must certify by letter to the Chairman that the employee is needed and will be utilized for Committee work.

(c) In addition to the staff provided in the above paragraphs, the Chairman shall appoint three professional and two clerical staff, recommended by the minority members, who shall provide staff assistance to the minority members.

18. Staff Supervision.

Staff shall be under the general supervision and direction of the Chairman, who shall establish and assign their duties and responsibilities, delegate such authority as he deems appropriate, fix and adjust staff salaries (in accordance with House Rule XI, clause 6(c)) and job titles, and, in his discretion, arrange for their specialized training.

Staff assigned to the minority shall be under the general supervision and direction of the minority members of the Committee, who may delegate such authority as they deem appropriate.

COMMITTEE RECORDS

19. Preparation and Maintenance of Committee Records.

An accurate stenographic record shall be made of all hearings.

The proceedings of the Committee shall be recorded in a journal which shall, among other things, include a record of the votes on any question on which a record vote is demanded.

Members of the Committee shall correct and return transcripts of hearings as soon as practicable after receipt thereof.

Any witness may examine the transcript of his own testimony and make grammatical or technical changes that do not substantially alter the record of testimony.

The Chairman may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time for corrections, and that further delay would seriously impede the Committee's responsibility for meeting its deadlines under the Congressional Budget Act of 1974.

Transcripts of hearings and meetings may be printed if the Chairman decides it is appropriate, or if a majority of the members so request.

20. Access to Committee Records.

The Chairman shall promulgate regulations to provide for public inspection of roll call votes and to provide access by member to Committee records (in accordance with House Rule XI, clause 2(e)).

Access to classified testimony and information shall be limited to members of Congress and to House Budget Committee staff and stenographic reporters who have appropriate security clearance.

Notice of the receipt of such information shall be limited to members of Congress and to House Budget Committee staff and stenographic reporters who have appropriate security clearance.

Notice of the receipt of such information shall be sent to the Committee members. Such information shall be kept in the Committee safe, and shall be available to members in the Committee office.

APPLICABILITY OF HOUSE RULES

21. Applicability of House Rules.

Except as otherwise specified herein, the Rules of the House are the rules of the Committee so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

CONFEREES

22. Appointment of Conferees.

Majority party members recommended to the Speaker as conferees shall be recommended by the Chairman subject to the approval of the majority party members of the Committee. The Chairman shall recommend such minority party members as conferees as shall be determined by the minority party, provided that the recommended party representation shall be in approximately the same proportion as that in the Committee.

*Written rule required by House Rules.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GAYDOS, and to revise and extend his remarks and include extraneous matter, for 60 minutes on Monday, February 26, 1979.

Mr. BENJAMIN (at the request of Mr. GAYDOS), and to revise and extend his remarks and include extraneous matter, for 60 minutes on Monday, February 26, 1979.

(The following Members (at the request of Mr. PAUL) to revise and extend their remarks and include extraneous material:)

Mr. CONABLE, for 5 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 15 minutes, today.

Mr. COLLINS of Texas, for 20 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GIAIMO, in 12 instances, and to include extraneous matter.

Mr. MICHEL, and to include extraneous matter, in two instances.

Mr. VOLKMER, and to include extraneous matter, not withstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,158.

Mr. COLLINS of Texas.

(The following Members (at the request of Mr. PAUL) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. RINALDO.

Mr. WYDLER in two instances.

Mr. BAFALIS.

Mr. RUDD in two instances.

Mr. BOB WILSON.

Mr. TREEN.

Mr. PAUL in three instances.

Mr. MARLENEE in two instances.

Mr. GREEN.

Mr. HORTON.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. BRODHEAD.

Mr. MURPHY of New York in five instances.

Mr. WAXMAN in three instances.

Mr. LUNDINE.

Mr. VENTO.

Mr. RODINO.

Mr. WILLIAMS of Montana.

Mr. GRAY.

Mr. WOLFF.

Mr. HAMILTON.

Mr. STARK in two instances.

Mr. EDWARDS of California in two instances.

Mr. KASTENMEIER.

Mr. SOLARZ.

Mr. CONYERS.

Mr. LONG of Louisiana.

Mr. SIMON.

Mr. MCDONALD in 10 instances.

Mr. SCHEUER in two instances.

Mr. WRIGHT.

Mr. JENKINS.

Mr. FOUNTAIN.

Mr. AMBRO in two instances.

Mr. BENNETT.

Mr. UDALL.

Mr. VANIK.

ADJOURNMENT

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Thursday, February 22, 1979, at 11 a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. House Concurrent Resolution 3. Concurrent resolution expressing the sense of the Congress that "Our American Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine; with amendment (Rept. No. 96–13). Referred to the House Calendar.

Mr. PERKINS: Committee on Education and Labor. Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96–14). Referred to the Committee of the Whole House on the State of the Union.

EXECUTIVE COMMUNICATION, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

658. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification have been made of the lands in the Panoche Water District and Westlands Water District, Central Valley Project, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

659. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Health, Education, and Welfare for "Refugee Assistance," "Grants to States for Social Child Welfare Services," and "Grants to States for Medicaid" for fiscal year 1979 have been reapportioned on a basis which indicates the necessity for supplemental estimates of appropriation, pursuant to section 3679(1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

660. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to repeal section 5153(c) of title 10, United States Code; to the Committee on Armed Services.

661. A letter from the Acting Director, Defense Security Assistance Agency transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to the Federal Republic of Germany (transmittal No. 79–8), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

662. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the Defense Manpower Requirements Report for fiscal year 1980, pursuant to 10 U.S.C. 138(c)(3); to the Committee on Armed Services.

663. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin military equipment to the Government of the Federal Republic of Germany, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

664. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

665. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of September 30, 1978, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

666. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the Federal Republic of Germany (transmittal No. 79–8), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

667. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting the seventh quarterly report of his Office, covering the period October 1 through December 31, 1978, pursuant to section 204(b) of Public Law 94–505; to the Committee on Government Operations.

668. A letter from the Assistant Executive Secretary, Federal Deposit Insurance Corporation, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

669. A letter from the Chairman, Federal Election Commission, transmitting proposed

regulations governing the Presidential Primary Matching Payment Account, pursuant to section 315(c) of the Federal Election Campaign Act of 1971, as amended (H. Doc. No. 96–57); to the Committee on House Administration and ordered to be printed.

670. A letter from the Secretary of Commerce, transmitting an interim report on the planning and construction of facilities for the 1980 Winter Olympic Games, covering fiscal year 1978, pursuant to section 5 of Public Law 94–427; to the Committee on Interstate and Foreign Commerce.

671. A letter from the Secretary of Energy, transmitting the annual report on the Strategic Petroleum Reserve, pursuant to section 165 of the Energy Policy and Conservation Act of 1975; to the Committee on Interstate and Foreign Commerce.

672. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting volume I of the second annual report of the administration, covering their activities during calendar year 1978, pursuant to section 57(a)(2) of the Federal Energy Administration Act of 1974, as amended; to the Committee on Interstate and Foreign Commerce.

673. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's 64th annual report covering fiscal year 1978, pursuant to section 6(f) of the act of September 26, 1914; to the Committee on Interstate and Foreign Commerce.

674. A letter from the president, National Railroad Passenger Corporation, transmitting the Corporation's annual report for fiscal year 1978, pursuant to sections 308 and 805 of the Rail Passenger Service Act; to the Committee on Inerstate and Foreign Commerce.

675. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a report on the facts in each application for conditional entry of aliens into the United States under section 203(a)(7) of the Immigration and Nationality Act for the 6-month period ended December 31, 1978, pursuant to section 203(f) of the act; to the Committee on the Judiciary.

676. A letter from the Chairman of the Board of Directors, Tennessee Valley Authority, transmitting a draft of proposed legislation to amend the Tennessee Valley Authority Act of 1933 by raising the ceiling on TVA's authority to issue revenue bonds to finance its electric power program; to the Committee on Public Works and Transportation.

677. A letter from the Secretary of Commerce, transmitting a report on master planning for fire prevention and control, pursuant to section 10(b) of Public Law 93–498; to the Committee on Science and Technology.

678. A letter from the Staff Director, Science Advisory Board, U.S. Environmental Protection Agency, transmitting a report on the Board's evaluation of health effects research in the Environmental Protection Agency, pursuant to section 8(d) of Public Law 95–155; to the Committee on Science and Technology.

679. A letter from the Administrator of Veterans' Affairs, transmitting a followup report on the 1977 study of the relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders; to the Committee on Veterans' Affairs.

680. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the study of proposals to eliminate dependency as a factor in entitlement to social security spouse's benefits and to eliminate sex discrimination under the social security program, pursuant to section 341 of Public Law 95–216; to the Committee on Ways and Means.

681. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for national security programs for fiscal year 1980 and fiscal year 1981, and for other purposes, pursuant to section 660 of Public Law 95–91 and section 208 of Public Law 95–509; jointly, to the Committees on Armed Services, Foreign Affairs, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

682. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to establish the position of Deputy Secretary of Health, Education, and Welfare; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, Post Office and Civil Service, and Ways and Means.

683. A letter from the Comptroller General of the United States, transmitting a report on the Defense Department's Precision Location Strike System (PSAD–79–37, February 16, 1979); jointly, to the Committees on Government Operations and Armed Services.

684. A letter from the Comptroller General of the United States, transmitting a report on the readiness of U.S. Air Forces in Europe (LCD–78–430A, February 16, 1979); jointly, to the Committees on Government Operations, Armed Services, and Foreign Affairs.

685. A letter from the Comptroller General of the United States, transmitting a report on the Nuclear Regulatory Commission's use of civil penalties in enforcing its regulations governing the construction and operation of commercial nuclear facilities and the possession, use, and disposal of nuclear materials (EMD–79–9, February 16, 1979); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Interstate and Foreign Commerce.

686. A letter from the Secretary of Transportation, transmiting a draft of proposed legislation to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 2261. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

H.R. 2262. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

H.R. 2263. A bill to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts; to the Committee on Interstate and Foreign Commerce.

H.R. 2264. A bill to amend the Flammable Fabrics Act to prohibit the manufacture for sale in commerce of articles of interior furnishing intended for use in any public facility unless such articles conform with requirements established by the Consumer Product Safety Commission designed to make such articles fire resistant; to the Committee on Interstate and Foreign Commerce.

H.R. 2265. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on the Judiciary.

H.R. 2266. A bill to establish a grant program for the acquisition of medical equipment and supplies for the treatment of aircraft accident burn victims; to the Committee on Public Works and Transportation.

H.R. 2267. A bill to amend title 38 of the United States Code in order to provide outpatient dental services and treatment to any veteran who has a service-connected disability rated at 60 percent or more; to the Committee on Veterans' Affairs.

H.R. 2268. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committeee on Ways and Means.

H.R. 2269. A bill to amend the Internal Revenue Code of 1954 to partially exclude interest from savings from the gross income of certain taxpayers; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. RANGEL, Mr. MIKVA, Mr. FORD of Tennessee, Mr. BRODHEAD, Mr. BAFALIS, Mr. AKAKA, Mr. ANDERSON of California, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CARR, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. DELLUMS, Mr. DIXON, Mr. DRINAN, Mr. FASCELL, Mrs. FENWICK, Ms. FERRARO, Mr. FORSYTHE, Mr. GLICKMAN, Mr. GUDGER, Mr. GUYER, Mr. HUGHES, Mr. JOHNSON of California, Mr. LAFALCE, Mr. LONG of Louisiana, Mr. MCCORMACK, Mr. MARLENEE, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. PATTERSON, Mr. PEPPER, Mr. PRICE, Mr. PRITCHARD, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROYBAL, Mr. SCHEUER, Mrs. SPELLMAN, Mr. STOKES, Mr. VAN DEERLIN, Mr. VENTO, Mr. WEISS, Mr. WOLFF, Mr. WOLPE, and Mr. ZEFERETTI):

H.R. 2270. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ADDABBO:

H.R. 2271. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 2272. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products to be labeled "imported" at all stages of distribution until delivery to the final consumer; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products be borne by the exporters of such articles; to require certain eating establishments, which serve imported meat, to inform customers of this fact; and for other purposes; to the Committee on Agriculture.

By Mr. BRODHEAD (for himself, Mr. AKAKA, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. CONYERS, Mr. CORRADA, Mr. DAVIS of Michigan, Mr. DIGGS, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. KILDEE, Mr. MARKEY, Mr. PATTEN, Mr. PURSELL, Mr. RODINO, Mr. SCHEUER, Mr. TRAXLER, and Mr. WOLPE):

H.R. 2273. A bill to provide for reimbursement to States experiencing high rates of insured unemployment; to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 2274. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 2275. A bill to amend title 38, United States Code, to provide comprehensive mental health, psychosocial readjustment services, counseling, and other services necessary or appropriate for the effective treatment, rehabilitation, or readjustment of veterans and their dependents who are experiencing pschosocial readjustment problems resulting from military service or readjustment from military service; to the Committee on Veterans' affairs.

By Mr. FUQUA (by request):

H.R. 2276. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Science and Technology.

By Mr. FUQUA (for himself, Mr. HARKIN, Mr. LLOYD, Mr. WALGREN, Mr. GLICKMAN, Mr. VOLKMER, Mr. GOLDWATER, Mr. DORNAN, and Mr. WINN):

H.R. 2277. A bill to authorize research, development, and demonstration projects relating to aviation, and for other purposes; to the Committee on Science and Technology.

By Mr. KEMP:

H.R. 2278. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who had current connections with the railroad industry, had at least 5 years of service, and had attained the age of 65 as of the effective date of such act; to the Committee on Interstate and Foreign Commerce.

H.R. 2279. A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

By Mr. KINDNESS:

H.R. 2280. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for tuition expenses for the higher education of themselves, their spouses, or their dependents; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland:

H.R. 2281. A bill to amend the Federal Reserve Act to extend the authority of the Federal Reserve banks to buy and sell certain obligations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, Mr. HAMMERSCHMIDT, Mr. WOLFF, Mr. BRINKLEY, Mr. MOTTL, Mr. HEFNER, Mr. EDGAR, Mr. APPLEGATE, Mr. GRAMM, Mr. SHELBY, Mr. COELHO, Mrs. HECKLER, Mr. WYLIE, Mr. ASPINOR, Mr. HANSEN, Mr. SAWYER, Mr. GRISHAM, and Mr. LEE):

H.R. 2282. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 2283. A bill to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOTTL:

H.R. 2284. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain retirement benefits received by individuals to the extent that such benefits do not exceed the maximum social security benefits payable to any individual; to the Committee on Ways and Means.

By Mr. MURTHA:

H.R. 2285. A bill to provide for an alternative amortization period for pollution control facilities; to the Committee on Ways and Means.

H.R. 2286. A bill to amend title IV of the Social Security Act to provide needed reforms in the program of aid to families with dependent children with emphasis upon improving the administration of such program; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 2287. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of the portion of certain charges which is allocable to the construction and maintenance of waste treatment works; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 2288. A bill to establish a National Energy Trust Fund, and to provide for the use of such Fund by the Secretary of Energy in conducting and supporting research, development, and demonstrations designed to develop alternative energy sources; to the Committee on Science and Technology.

By Mrs. SPELLMAN (for herself, Mr. SOLARZ, and Mr. ROSENTHAL):

H.R. 2289. A bill to provide that legislation appropriating funds for payment of pay to Federal employees shall be enacted separately from other legislation; to the Committee on Rules.

By Mr. TRAXLER:

H.R. 2290. A bill to amend title 38, United States Code, to provide that a member of a Reserve component of the Armed Forces shall not be denied certain employment because of membership in such Reserve component; to the Committee on Veterans' Affairs.

By Mr. WYDLER:

H.R. 2291. A bill to extend for 4 fiscal years the authorization of appropriations for the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. CHARLES H. WILSON of California:

H.R. 2292. A bill to amend title 38 of the United States Code to require that veterans receiving hospital, nursing home, or outpatient medical care from the Veterans' Administration for nonservice connected disabilities be charged for such care to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, for other purposes; to the Committee on Veterans' Affairs.

By Mr. ADDABBO:

H.R. 2293. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BIAGGI:

H.R. 2294. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that employers shall be subject to the act without regard to the number of individuals they employ and to provide that all employees who are at least 40 years of age shall be protected by the act; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself and Mr. TREEN):

H.R. 2295. A bill to authorize appropriations for the Coast Guard for fiscal year 1980; to the Committee on Merchant Marine and Fisheries.

By Mr. CAMPBELL:

H.R. 2296. A bill for the relief of certain hospitals and health-care facilities; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 2297. A bill to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 2298. A bill to prohibit aerial spraying using chemicals containing TCDD (dioxin) in the national forests; to the Committee on Agriculture.

By Mr. EDWARDS of Oklahoma:

H.R. 2299. A bill to amend title 5, United States Code, to improve and reform the administrative procedures of Federal agencies, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

By Mr. JACOBS:

H.R. 2300. A bill to amend title II of the Social Security Act to require actual dependency as a condition of a stepchild's eligibility for child's insurance benefits, thereby preventing an insured individual's stepchildren from qualifying for such benefits on his or her wage record (and thereby reducing the benefits of his or her natural children) if they are being supported by their natural parent; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, and Mr. O'BRIEN):

H.R. 2301. A bill to amend the Federal District Court Organization Act of 1976 with respect to certain administrative matters arising from the redrawing of the Federal judicial district in the State of Illinois; to the Committee on the Judiciary.

By Mr. KINDNESS:

H.R. 2302. A bill to provide more effective disclosure to Congress and the public of certain lobbying activities to influence issues before the Congress; to the Committee on the Judiciary.

By Mr. LEDERER:

H.R. 2303. A bill to provide mandatory social security coverage for Members of Congress, for the President and Vice President, and for Federal judges; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 2304. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

By Mr. MIKVA:

H.R. 2305. A bill to correct inequities in the termination and renewal of franchises, to protect franchises from unfair practices, to protect franchisors and franchisees from actions inconsistent with the successful operation of franchises, to provide consumers with the benefits which result from a competitive and open-market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland:

H.R. 2306. A bill to amend the Federal Reserve Act respecting the positions of Chairman and Vice Chairman of the Federal Reserve Board; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2307. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings be released to the general public 3 years after the date of the meeting to which they relate; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2308. A bill to provide for the establishment of the Federal Protective Service for the protection of property under the jurisdiction of the General Services Administration, to provide for the pay and training of the members of such service, and for

other purposes; to the Committee on Public Works and Transportation.

By Mr. NOWAK:

H.R. 2309. A bill to amend the Federal Water Pollution Control Act to provide grants for the costs of operation and maintenance of waste treatment works; to the Committee on Public Works and Transportation.

By Mr. PAUL:

H.R. 2310. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 2311. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 2312. A bill to terminate the Internal Revenue Service's informer program; to the Committee on Ways and Means.

By Mr. SCHEUER:

H.R. 2313. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMON (for himself and Mr. JEFFORDS):

H.R. 2314. A bill to amend the Employment Act of 1946 to require the submission of a balanced budget, and for other purposes; to the Committee on Government Operations.

By Mr. SOLARZ:

H.R. 2315. A bill to amend title 38, United States Code, to repeal the 10-year citizenship requirement for eligibility for veterans' health care benefits for lawful permanent residents of the United States who were members of the Armed Forces of Czechoslovakia or Poland during World War I or World War II and to extend such benefits to lawful permanent residents of the United States who were members of the Armed Forces of Russia, the Union of Soviet Socialist Republic, Estonia, Latvia, or Lithuania during either such war; to the Committee on Veterans' Affairs.

By Mr. ADDABBO:

H.J. Res. 215. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

H.J. Res. 216. Joint resolution authorizing the President to proclaim the second Sunday in October of each year as National Grandparent's Day; to the Committee on Post Office and Civil Service.

H.J. Res. 217. Joint resolution to authorize and request the President to issue a proclamation designating November 30, 1979, as "National Postal Workers' Recognition Day"; to the Committee on Post Office and Civil Service.

H. Con. Res. 52. Concurrent resolution expressing the sense of the Congress that the President should convene immediately a meeting of the heads of all appropriate Federal departments and agencies for the purpose of taking such steps as may be necessary to prevent Arab discrimination against American business enterprises which have Jewish individuals serving in positions of major responsibility or which do business with Israel; to the Committee on Foreign Affairs.

By Mr. BREAUX (for himself, Mr. MURPHY of New York, Mr. MCCLOSKEY, Mr. FORSYTHE, and Mr. PRITCHARD):

H. Con Res. 53. Concurrent resolution to endorse the efforts of the U.S. delegation to the Law of the Sea Conference with respect to marine scientific research; to the Committee on Foreign Affairs.

By Mr. LONG of Maryland (for himself, Mr. EDWARDS of California, Mr. BROWN of California, Mr. DELLUMS, Mr. WILLIAMS of Montana, Mr. JEFFORDS, Mr. OTTINGER, and Mr. GORE):

H. Con. Res. 54. Concurrent resolution designating "Appropriate Technology Week"; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H. Res. 128. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Aging; to the Committee on House Administration.

By Mr. ROSE:

H. Res. 129. Resolution providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 2316. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Widow Maker* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. FISHER:

H.R. 2317. A bill for the relief of Cooley Berry; to the Committee on the Judiciary.

H.R. 2318. A bill for the relief of Casimir Jan Kray; to the Committee on the Judiciary.

H.R. 2319. A bill for the relief of Elena Schwarze-Chamier; to the Committee on the Judiciary.

H.R. 2320. A bill for the relief of George E. Miller; to the Committee on the Judiciary.

By Mr. HOLLENBECK:

H.R. 2321. A bill for the relief of Mrs. Tsin-Sing Yao Tang; to the Committee on the Judiciary.

H.R. 2322. A bill for the relief of Mr. Jack George Makari; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 2323. A bill for the relief of Isabelita Clima Portilla; to the Committee on the Judiciary.

H.R. 2324. A bill for the relief of Virgilio Cabeza and Marissa Cabeza; to the Committee on the Judiciary.

H.R. 2325. A bill for the relief of Lehi L. Pitchforth, Jr.; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 2326. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 2327. A bill for the relief of Dominic Mattiello; to the Committee on the Judiciary.

H.R. 2328. A bill for the relief of Laszlo Revesz; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

32. By the SPEAKER: Memorial of the Legislature of the State of Georgia, relative to regulation of the insurance industry; to the Committee on the Judiciary.

33. Also, memorial of the Legislature of the State of Mississippi, requesting that Congress call a convention for the sole purpose of proposing an amendment to the Constitution of the United States relative to human life; to the Committee on the Judiciary.

34. Also, memorial of the Legislature of the State of Nevada, relative to public retirement systems; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 9: Mr. DORNAN, Mr. FLOOD, Mr. FLORIO, Mr. LUKEN, Ms. MIKULSKI, Mr. MYERS of Pennsylvania, and Mr. SCHEUER.

H.R. 33: Mr. ANDERSON of California, Mr. BUCHANAN, Mr. CORRADA, Mr. DONNELLY, Mr. FLOOD, Mr. FLORIO, Mr. JENRETTE, Mr. KILDEE, Mr. MATHIS, Ms. MIKULSKI, Mr. MURPHY of Pennsylvania, Mr. MYERS of Pennsylvania, Mr. OBERSTAR, Mr. OTTINGER, Mr. PATTERSON, Mr. PERKINS, Mr. ROSE, Mrs. SCHROEDER, and Mr. WON PAT.

H.R. 154: Mr. CONTE, Mr. PRICE, Mr. MURPHY of Illinois, Mr. JENKINS, Mr. LEDERER, Mr. JOHNSON of Colorado, Mr. WINN, Mr. HANSEN, Mr. NICHOLS, Mr. MATHIS, Mr. SIMON, Mr. YOUNG of Florida, and Mr. CHAPPELL.

H.R. 566: Mr. BEILENSON, Mr. CLAY, Mr. EDWARDS of California, Mr. GARCIA, Mr. LEHMAN, Mr. MCCLOSKEY, Mr. MITCHELL of Maryland, Mr. MURPHY of Illinois, Mr. OTTINGER, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROSTENKOWSKI, Mr. SEIBERLING, Mr. STEWART, Mr. WAXMAN, and Mr. WEISS.

H.R. 654: Mr. CAMPBELL, and Mr. SNYDER.

H.R. 968: Mr. AKAKA, Mr. ANDERSON of California, Mr. AUCOIN, Mrs. BOUQUARD, Mr. D'AMOURS, Mr. DORNAN, Mr. DRINAN, Mr. ERTEL, Mr. GILMAN, Mr. HUGHES, Mr. KASTENMEIER, Mr. KILDEE, Mr. LAFALCE, Mr. LEVITAS, Mr. LUNDINE, Mr. MURPHY of Pennsylvania, Mr. PANETTA, Mr. PATTERSON, Mr. STOKES, Mr. STUDDS, Mr. UDALL, Mr. WOLFF, Mr. WOLPE, and Mr. YOUNG of Missouri.

H.R. 1150: Mr. MURPHY of Pennsylvania, Mr. ENGLISH, Mr. BEVILL, Mr. COLLINS of Texas, Mr. EVANS of Georgia, Mr. SENSENBRENNER, Mr. HILLIS, Mr. DAVIS of South Carolina, Mr. ICHORD, Mr. LEACH of Louisiana, Mr. BUCHANAN, Mr. BROYHILL, Mr. LOTT, Mr. O'BRIEN, Mr. NICHOLS, Mr. BARNARD, Mr. FLIPPO, Mr. WHITE, Mr. HANCE, Mr. STUMP, Mr. HALL of Texas, Mr. GUDGER, Mr. HUBBARD, Mr. BREAUX, Mr. HUCKABY, Mrs. BOUQUARD, Mr. ROBERTS, Mr. GINN, Mr. HEFNER, Mr. DAN DANIEL, Mr. STENHOLM, Mr. MATHIS, Mr. JONES of Tennessee, Mr. JENKINS, Mr. DE LA GARZA, Mr. WYATT, Mr. CHARLES WILSON of Texas, Mr. HIGHTOWER, Mr. VOLKMER, Mr. PATTEN, Mr. MONTGOMERY, Mr. MYERS of Indiana, Mr. AKAKA, Mr. HOLLAND, Mr. ROSTENKOWSKI, Mr. FINDLEY, Mr. LEE, Mr. SYNAR, Mr. WINN, Mr. FUQUA, Mr. DANNEMEYER, Mr. MADIGAN, Mr. GOODLING, Mr. DUNCAN of Tennessee, Mr. HORTON, Mr. YOUNG of Missouri, Mr. FOUNTAIN, Mr. TAYLOR, Mr. HYDE, Mr. GRAMM, Mr. MCCORMACK, Mr. ARCHER, Mr. MILLER of Ohio, Mr. PICKLE, Mr. MOLLOHAN, Mr. RAHALL, Mr. SHUSTER, Mr. LENT, Mr. HAGEDORN, Mr. LONG of Louisiana, Mr. BENNETT, Mr. TAUKE, Mr. KINDNESS, Mr. KAZEN, Mr. SCHEUER, Mr. APPLEGATE, Mr. ALEXANDER, Mr. PRICE, Mr. TREEN, Mr. RAILSBACK, Mr. DANIEL B. CRANE, Mr. HARSHA, Mr. MCDONALD, Mr. CORCORAN, Mr. STEED, Mr. ROBINSON, Mr. CAMPBELL, Mr. BRINKLEY, Mr. BONER of Tennessee, Mr. BOWEN, Mr. GINGRICH, Mr. MARLENEE, Mr. ANNUNZIO, and Mr. NEAL.

H.R. 1495: Mr. BENJAMIN, Mrs. BOUQUARD, Mr. BROYHILL, Mr. CLEVELAND, Mr. COELHO, Mr. COLEMAN, Mr. DANNEMEYER, Mr. DAVIS of Michigan, Mr. DERWINSKI, Mr. DORNAN, Mr. EDGAR, Mr. FAZIO, Mr. FITHIAN, Mr. GORE, Mr. GREEN, Mr. GUYER, Mr. HAGEDORN, Mr. HEFNER, Mr. HOLLENBECK, Mr. HUCKABY, Mr. JONES of Tennessee, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LEDERER, Mr. LOTT, Mr. MCCLOSKEY, Mr. MCKINNEY, Mr. MATSUI, Mr. MOLLOHAN, Mr. MOTTL, Mr. PASHAYAN, Mr. PEPPER, Mr. ROE, Mr. SEBELIUS, Mr. SENSENBRENNER, Mr. SKELTON, Mr. SOLOMON, Mr. TRIBLE, Mr. WAMPLER, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, and Mr. WOLFF.

H.R. 1603: Mr. CORCORAN, Mr. IRELAND, Mr. SHUSTER, Mr. PATTEN, Mr. HINSON, Mr. WINN, Mr. MONTGOMERY, Mr. HANLEY, Mr. DANIEL B. CRANE, Mr. EMERY, Mr. MADIGAN, and Mr. TREEN.

H.R. 1986: Mrs. HOLT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

55. By the SPEAKER: Petition of the board of supervisors, Sussex County, Va., relative to economic problems of farmers; to the Committee on Agriculture.

56. Also, petition of the Detroit Lithuanian Organizations Center, Dearborn, Mich., relative to Soviet occupation of the Baltic States; to the Committee on Foreign Affairs.

57. Also, petition of the Education and Public Works Committee of the House of Representatives of South Carolina, relative to creation of a Department of Education; to the Committee on Government Operations.

58. Also, petition of the Miami Beach Tourist Development Authority, Miami Beach, Fla., relative to fuel allocations for automotive tourism travel; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1894

By Mr. VANIK:

Page 2, line 15, strike out "6½ per centum" and insert in lieu thereof "7 per centum".

EXTENSIONS OF REMARKS

IMPROVING THE BEOG PROGRAM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. DRINAN. Mr. Speaker, on January 15, 1979, I introduced H.R. 272 which removes home value from consideration in determining a student's eligibility for a basic educational opportunity grant. At the present time the program groups a home with assets such as savings, stocks, bonds, and other investments in determining what a family can be expected to contribute toward the cost of higher education. Basic grants are the prime source of Federal financial assistance for higher education.

BEOG is an entitlement program. In order to be fair, eligibility for this program must relate to the total financial strength of the family. Obviously a family's economic position is enhanced by the possession of certain assets. However, to be truly fair, the program should make a distinction between assets which are a potential source of supplementary income as savings, stocks, and bonds, and a home, which is not a source of immediate additional income to a family.

A home is a nonliquid asset. It is a necessity intended for shelter and comfort. If converted to cash to meet educational expenses, the family still has the often increased expense incurred by refinancing or the choice of finding new housing. Over recent years housing costs have escalated dramatically. According to the Census Bureau a home that cost $32,000 in 1972 cost $52,000 5 years later in 1977.

Prices have shot up in neighborhoods across the Nation, but to homeowners this escalation has not meant a source of additional income. They are not living in better homes than what they purchased and have had little, if any, control over the appreciation of their homes. Also, just as value has increased so too has the cost of maintenance, utilities, property taxes, and insurance.

The parents who saved and bought their homes 10 to 20 years ago should not be penalized now when their children are looking for help in meeting higher education costs. Owning your own home is supposed to be the American dream and Federal policies have encouraged home ownership with considerable success. In 1940 fewer than half of American families owned their own homes; now, nearly two-thirds do.

For many middle-income families who have realized that dream, the home is their major asset. Yet, because of its appreciation over the years it can serve to disqualify their children from participation in the basic grant program. One of my constituents poignantly expressed in a letter to me what this dichotomy means. He said:

When I was younger and working it was possible for us to purchase a home at a price we could afford to pay. Now, we could never even think of purchasing a home in this town. We have managed to hold on to our home, difficult as this is, but now I feel I must in good conscience protest what I feel is a first rate fraud in which our federal government has participated.

Why does our government tell us that there are funds to help students with their college education, when, in fact, there is nothing more than words? For three years, even when I was ill, my wife tried to get help for our son. On our income we could not pay the costs of a college education for him, even in schools that were not in the high-cost category. Last Spring we tried again. The Iowa City Group (BEOG) said we were not eligible. We had equity in a house. Never mind our pension, social security, low level income; we were not eligible because we had struggled for years to keep our home.

The basic educational opportunity grant program was a major part of the Higher Education Amendments of 1972. It represented the first step in a Federal higher education assistance policy aimed at encouraging equality of opportunity. Awards would be made directly to the student based on need.

In the pamphlet which HEW sends out on how eligibility is determined for the BEOG program, it is stated on page 1 that—

Since the entitlement nature of the Basic Grant Program requires all students be treated in a consistent manner on a National basis, a formula has been developed by the Office of Education and approved by Congress which is applied to all students in the same way.

The formula provides that once total family assets are determined (home, savings, stocks, bonds, et cetera) an asset reserve is subtracted from the total. For the 1978–79 school year the asset set-off or reserve was $17,000 and it will rise to $25,000 in the upcoming school year. Of the sum remaining once the reserve is subtracted, the parents are expected to be able to contribute 5 percent toward educational costs.

For example, if the market value of a home was $50,000 and the family seeking a BEOG for the 1978–79 school year, had $10,000 remaining on their mortgage, their equity in the home is $40,000. If this is their only asset, the asset reserve of $17,000 would be subtracted from that sum leaving a total of $23,000, 5 percent of which or $1,150 is the amount the family could be expected to contribute toward their child's education. It should be kept in mind that "expected family contribution" is not an out-of-pocket requirement. In other words the family in the above example does not have to spend $1,150 toward tuition costs in order to be eligible for a BEOG. The "expected family contribution" is used in determining the "student's eligibility index" on which eligibility for the program is based.

There will be a significant variation in the amount parents are expected to contribute toward tuition costs, because of the difference in fair market home values from State to State and within States. Thus two families with similar financial profiles could live in almost identical homes in two different neighborhoods and one family might be eligible for a BEOG whereas the other would not.

Regional disparities in home value are not taken into account in the formula which determines the "Expected Family Contribution." As a result the inclusion of home value in determining eligibility can serve to hinder the objective of the BEOG program "to treat all students in a consistent manner on a national basis." Although appreciation of home value is a national phenomena, wide disparity in home value exists. In a survey of 32 metropolitan areas, the Library of Congress found a range of from minus 5.6 to 38.1 percent in the increase in costs of existing housing between 1977 and October 1978. Why should a family be penalized simply by where they live?

An additional problem is that HEW simply asks the applicant to state the fair market value of their home. Although it might be suggested that the homeowner check with a local realtor, they are not asked to provide any verification of the sum designated "fair mar-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ket value" of the home. This serves to encourage subterfuge. Whereas some families will give a realtor's appraisal, others will simply provide a figure which might understate the market value. If the program is going to be fair it should not encourage applicants to manipulate the method of determining need to their own advantage.

Some might argue that by removing home value from consideration we will be opening the program to wealthy families. It should be remembered that even without home value families are subject to the substantial test of financial strength which includes consideration of income, savings, stocks, bonds, investments, and business interest. It is unlikely that removal of home value would lead to abuse of the program.

The Carnegie Council on Policy Studies when studying Federal aid to higher education in 1975 and making their recommendations specifically called for the elimination of home value in determining eligibility for the basic grant program.

There is a precedent for such a change in the law. In 1976 Congress removed home value from consideration in determining eligibility for the supplemental security income (SSI) program. SSI is also an entitlement program. Congress recognized that a home is not a liquid asset and should not be used in determining need for purposes of SSI.

Congress will be reauthorizing the Higher Education Act this year. Just last year we expanded the BEOG program by providing for a more adequate level of funding and thus insuring the participation of more middle-income families. We are bringing the program closer to its original objectives of offering educational access in a uniform and fair manner. Removing home value will serve to further that goal.●

COLMAN McCARTHY ADDS LIGHT TO ABORTION QUESTION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. SIMON. Mr. Speaker, one of the most sensitive writers on the American scene today is Colman McCarthy and his recent column on the abortion question makes more sense than 99 percent of what I read and hear on the abortion question these days.

This column appeared in the Washington Post of February 14, appropriately Valentine's Day.

For citizens who are genuinely concerned about the abortion problem, I hope they read Colman McCarthy's column carefully:

ABORTION: TEMPERS AND DIALOGUE

(By Colman McCarthy)

Talk of murder so befouled the air that the pollution index soared. From the steps of the U.S. Capitol three weeks ago, 60,000 citizens opposed to the Supreme Court ruling on legalized abortions heard their leaders denounce "the baby killers."

A few blocks away, supporters of the ruling exhaled their fury: An amendment to the Constitution that would overturn the law would mean that "all abortions would be considered premeditated murder." That rap, they fumed, was what "the anti-abortion fanatics" would like to hang on women who terminate a pregnancy.

So passed another day of friendly Washington politics. Each side stuck it to the other, but good. Since then, tempers have cooled. Today and tomorrow, several pro- and anti-abortion groups are scheduled to risk each other's presence and meet in Washington "to establish a dialogue." Discussions are always better than diatribes, but if the meetings are to be successful, a loftier goal than just a new exchange of ideas is needed. It shouldn't be too much to ask that each side increase its sensitivity to the humane ideal that is consistently overlooked in the abortion debate: The offering of help to women who are pregnant and who desperately need financial, legal and emotional support in deciding what to do next.

Politically or intellectually, it is strainless to be either pro-life or pro-choice. Code words aside, respectable arguments can be made either way. But what about personal involvement? How many on either side have opened up their homes to the most vulnerable people in this debate: women who are young, unmarried or poor and who might want to keep their babies but will go to an abortion clinic as the grisly last resort if no options are available?

Many of the great national debates come down to that: Who is willing to pay up personally to ease the anguish of strangers? It has been well-enough documented that society, through the Supreme Court, has reached out to women who choose abortion. But this negative solution evokes only institutional care, not personal care.

At the moment, it appears that the most humanized and fruitful help to stranded pregnant women is coming from Birthright, a network of 360 centers in the United States that is staffed with an average of 25 volunteers at each location.

These are the people who have passed beyond the wild rhetoric about "baby killers." They skip the speeches, because women who seek help from Birthright don't want ideology, much less moralizing. Most have been victimized: some by a demeaning sexual relationship, some by an impoverished family life, and others by their own immaturity. Nearly all choose the positive solution of carrying out the pregnancy.

The crucial service of Birthright comes from the families connected with each center that provides shelter for young women who have no place to stay during their pregnancy. According to Denise Cocciolone, the national director of Birthright, which has headquarters in Woodbury, N.J., a family environment can be the difference between hope and despair in the mind of a young woman who is alone and pregnant.

"Both parties benefit," says Cocciolone. "A girl may be seeing for the first time a family where the members have a genuine love for each other. And for the first time the family gets to use some of its resources for caring."

I can testify, in a small way, about the latter. A while ago, when my home had a spare bedroom and the mayhem generated by the McCarthy children threatened neither the EPA noise standards nor the eardrums of guests, a pregnant teen-ager lived with us.

For myself, the ensuing friendship rendered useless the slogan that "society should do something for these people," because, at least this once, I was society and "these people" became one person across the dining-room table. The prospective mother was a remarkable woman once I came to know some of her thoughts and goals. Her baby was given up for adoption, and life has gone on smoothly.

The right-to-life movement has its political side, but it is beyond me to figure out the politics of crying out "baby killer!" on the steps of the U.S. Capitol. It is mystifying, also, to understand why the movement is letting itself become linked with the likes of Sen. Jesse Helms (R-N.C.) or Rep. Robert Bauman (R-Md.). The record of this closed-minded pair on housing for the poor, ending racism or sexism, better schools or a cleaner environment is dismal. Those are pro-life issues, too.

As for the political activity of pro-abortion groups, it isn't enough to lament the deaths of poor women who die in the illegal back-alley clinics without also attacking the bleak conditions that persist in many of the legal operations. An exposé last year by The Chicago Sun-Times documented the immense profiteering and callousness found in parts of this new "health" industry.

Groups for or against abortions would enhance themselves if they came off the barricades for a moment and joined in a common effort to enlarge the number of families with homes to share with pregnant women in their time of aloneness. They need fewer marches and speeches, and more caring.●

MRS. M. KAREL SPAK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WAXMAN. Mr. Speaker, one of the more pleasurable aspects of being a Member of the Congress is to have the privilege of recording the contributions of compassionate and generous citizens of our country. Mr. M. Karel Spak is such a person, whose long years of devotion to the elimination of a crippling and often fatal disease will be celebrated by the Myasthenia Gravis Foundation at its first founders award dinner in her honor on March 10, 1979.

Mrs. Spak's mother was a victim of this still mysterious disease, and Mathilda Karel Spak has worked unstintingly ever since to help support the research which ultimately will discover its cause and cure. Mrs. Spak's enthusiastic spirit and unflagging activity have helped to keep alive the California Chapter of Myasthenia Gravis Foundation. Her personal contact with victims of MG revives their spirits; she sees that free medication is supplied to those who cannot afford to purchase it; she donates office work so that overhead costs can be kept to a minimum; she plans fundraisers so that medical researchers can be kept supplied with needed money. In short, Mathilda Karel Spak is one of that unsung corps of people our country cannot do without—a committed volunteer.

In the 1940's in Chicago, Mrs. Spak founded the American Camp and Hospital Service, devoted to contact with veterans through parties, greeting cards, and holiday remembrances. The service was extended to New York, and both groups are still strong and healthy. She has been treasurer and is now on the Board of Directors of the Los Angeles Council of National Voluntary Health Agencies; and is secretary and life member of the Long Beach Sponsor Club of City of Hope. Last year she received the prestigious certificate of merit from the Human Relations Commission of the city of Los Angeles. Karel was a charter member of the California Chapter of the Myasthenia Gravis Foundation when it was formed 25 years ago, and has served as its president, as well as being a board member of the national foundation.

It is fitting that Mathilda Karel Spak should be honored by the Myasthenia Gravis Foundation at this year's first founders award dinner. I invite the Members to join me in recognizing this occasion and Mrs. Spak's tremendous contributions.●

DR. WINSCHE NAMED DEPUTY DIRECTOR OF BROOKHAVEN NATIONAL LABORATORY

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. AMBRO. Mr. Speaker, Long Islanders, particularly those of us involved with the scientific and technical communities, take great pride in the work being done at the Brookhaven National Laboratory on Long Island, one of the most progressive and innovative research facilities in this country's network of national laboratories.

It is therefore with great pride that I bring to the attention of this Chamber the recent appointment of Dr. Warren Winsche as deputy director of the Brookhaven Laboratory.

Dr. Winsche joins lab director Dr. George Vineyard at the helm of one of the most highly respected research laboratories in the world. Brookhaven, you may recall, is the site where the Isabelle project is underway, thanks in large part to the full support and cooperation of the Congress and in particular the House of Representatives which has approved funding of this most exciting high-energy physics research program.

Dr. Winsche has been associated with Brookhaven since 1946 when the lab was pioneering in nuclear research and technologies. He is the former chairman of the lab's nuclear engineering department and at the time of his appointment as deputy director he was the associate director for energy. Under his leadership a broad base of energy-related programs has been developed at Brookhaven, including energy systems analysis, energy storage development, reactor safety, nuclear materials safeguards, atmospheric sciences, coastal oceanography, and energy materials development.

As deputy director, Dr. Winsche will assist Director Vineyard in all phases of the general administration of the lab and assume the duties and responsibilities of the director in Dr. Vineyard's absences.

In addition to his new responsibilities, Dr. Winsche will continue to be in charge of all applied science and energy technology programs at Brookhaven, including the work of the nuclear energy department and the department of energy and environment.

Dr. Winsche combines the very best of scientific and technical expertise with keen administrative abilities and as such his most deserved appointment as deputy director should serve as a model for all national laboratories in the Nation.●

THE COST OF MILITARY CONSCRIPTION

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. KASTENMEIER. Mr. Speaker, proponents of the military draft frequently cite their concern about the costs associated with maintaining an All-Volunteer Armed Force as one of the reasons for abandoning it. In their haste to impose military conscription upon the youth of our Nation, they tend to forget that the military draft is an expensive proposal. There is a hidden tax forced upon draftees that is equivalent to the difference between the military pay of the conscript and his earning power as a civilian.

Prof. Milton Friedman has described this hidden tax in the following manner:

The real cost of conscripting a soldier who would not voluntarily serve on present terms is not his pay and the cost of his keep. It is the amount for which he would be willing to serve. He is paying the difference. This is the extra cost to him that must be added to the cost borne by the rest of us. Compare, for example, the cost to the star professional football player and to an unemployed worker. Both might have the same attitudes toward the army and like-or-dislike-a military career equally. Just because the one has so much better alternatives than the other, it would take a much higher sum to attract him. When he is forced to serve, we are in effect imposing on him a tax in kind equal in value to the difference between what it would take to attract him and the military pay he actually receives.

Another distinguished economist, Prof. John Kenneth Galbraith, said that the military draft is—

A device by which we use compulsion to get young men to serve at less than the market rate of pay. We shift the cost of military service from the well-to-do taxpayers, who benefit by lower taxes, to the impecunious young draftee. This is a highly regressive arrangement that we would not tolerate in any other area. Presumably, freedom of choice here as elsewhere would be worth paying for.

Mr. Speaker, I would like to call to the attention of my colleagues a recent column in the February 13, 1979, Washington Post by Peter J. Ognibene. The subject of Mr. Ognibene's article is the cost of the draft:

DRAFTING PEOPLE OR DOLLARS?

(By Peter J. Ognibene)

There are two ways to raise an army. The nation can draft its young into service, or it can use another form of conscription—taxation—to pay for a volunteer force.

Throughout most of our history, we have chosen the latter, more democratic approach. Nevertheless, sentiment and support for the draft appear to be rising on Capitol Hill.

Conscription has a long, if inglorious, history. The British Navy impressed 10,000 native-born Americans between 1793 and 1811, an outrage that led to the War of 1812. Throughout the 19th and well into the 20th century, immigrants by the millions sought the safety of these shores to keep their sons from being dragooned into the perennially warring armies of Europe. Until the Cold War, Americans regarded the draft as a last resort that could be justified only when the nation was in imminent peril.

The draft was abolished in 1973. To make the armed forces more attractive employers, Congress authorized higher pay, reenlistment bonuses and other incentives. Although the volunteer force does not work perfectly—what in government does?—it has performed far better than its critics prophesied.

In spite of predictions to the contrary, the quality of military recruits has improved since the draft ended. All prospective enlistees are assigned to one of five "mental categories" on the basis of aptitude tests. The law prohibits recruitment of the bottom 10 percent (Category V) but permits each service to draw up to 18 percent of its recruits from Category IV, which encompasses the 10th through 30th percentile. Over the past five years, the services have drawn only 7.4 percent of their recruits from Category IV.

The Army, which many thought would be unable to remain beneath the 18 percent ceiling, has confounded the pessimists. Only 11 percent of the Army's recruits have come from Category IV over the past five years.

More than a fourth of the Army is black; critics find that a cause for concern. The demise of the draft, however, appears to have had less to do with the rise of black enlistments than the skyrocketing unemployment rate of black teen-age males. Relatively few young blacks have been able to find good jobs in the domestic economy.

This is not so much an Army "problem" as it is a reflection on the trades, businesses and professions of America. With these routes of upward mobility closed to many blacks, they have been turning in greater numbers to an institution that has long welcomed them. In the Army, many of them will gain additional education, useful job skills and a rewarding career.

When "equal opportunity" becomes a reality in the civilian economy, black representation in the Army will probably decline to a level close to their proportion of the population. To revive the draft now would only serve to limit the number of blacks who would be allowed to volunteer for the Army.

It costs more to recruit volunteers than it does to induct reluctant civilians, but the actual savings are small by Pentagon standards.

Rep. Les Aspin (D-Wis.), a member of the House Armed Services Committee, calculates that "the cost of the all-volunteer raise in 1977 came to $1.7 billion." That accounted for about a sixth of the boost in military pay; the lion's share (five-sixths) went to more senior military personnel.

If there were a new draft, the Department of Defense estimates it would save about $500 million in recruitment costs—about $2 for every man, woman and child in America. The only way to save more money would be to slash military pay for all ranks, and Congress shows no inclination to take such a step.

In response to a congressional query, Secretary of Defense Harold Brown said recently that any new legislation to register young men for the draft should also be extended to include young women. As a matter of equity, it would be hard to argue against a unisex draft. American voters, however, might not take too kindly to the prospect of having their daughters as well as sons shipped off involuntarily to boot camp.

Few members of Congress are advocating that conscription be immediately revived; their present objective is the registration of 18-year-old males. With such a system in

place, however, it would be a short step to actual inductions.

With some two million men and women currently in uniform, it is difficult to imagine the nation suddenly in need of millions more. Moreover, in this age of computers, registration would be much less a problem than the training and equipping of a massive influx of recruits. So, one could hardly plead logistical necessity in behalf of a so-called standby draft.

The real issue, of course, is money. The draft is a serious deprivation of liberty that can only be justified when the service of some must be conscripted to preserve the freedom of all. With the United States at peace, the case for a new draft rests primarily on how we will pay for our peacetime armed forces. The choice, in fact, is quite simple. We can draft dollars, or we can draft people.●

AMBASSADOR ADOLPH "SPIKE" DUBS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WOLFF. Mr. Speaker, it is with profound sorrow that I rise this morning to offer a few words in memory of my friend, Ambassador Adolph "Spike" Dubs, who was killed recently in Afghanistan.

His shocking and brutal death has deprived this country of a man of enormous talents and a far-reaching vision. Words alone cannot represent adequately my disgust for the way in which he died.

Throughout his life and career, Spike served this country well. His contributions were remarkable, his death deplorable. I am proud to have been a friend and colleague of his.

But his death is also symbolic—for when the lives of our most dedicated and courageous citizens can be snuffed out so easily, then I say it is time to respond. This is not just an isolated incident of terrorism; it is part of a widespread pattern of terrorist activity that threatens the very foundations of civilized society.

There is a dark spirit haunting the world today. When any person thinks he or she can achieve some perverted goal by brutality, intimidation, and violence, then no one is safe. When any group sinks to such depths then we all lose a part of our humanity.

The time has come to recognize the problem and to combat it with all of our resources at our command. Some of us in Congress have been warning the Nation of this apocalypse for some time. I call upon this House, and this Nation now to redouble our efforts to combat the insidious activities of these cowardly terrorist groups.

The loss of Spike Dubs is appalling to say the least. But the loss of any one else because we fail to act would be inexcusable. How many more people must suffer and die?

Mr. Speaker, let this tragic death be a catalyst for action against terrorism and all of the hideous things which it represents. I pledge my efforts in this fight. I call upon my colleagues to see to it that Ambassador Dubs did not die in vain.●

FORT WORTH: OUR CITY OF COLORFUL YESTERDAYS AND BRIGHT TOMORROWS

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WRIGHT. Mr. Speaker, on the banks of the Trinity River in Texas, a city rises out of the open prairie. It is Fort Worth, where the West begins. It is the capital and queen city of west Texas, a 120,000 square mile domain.

Down the canyon of West Seventh Street the wind whistles off the plain at 45 miles an hour between tall buildings that stab at the sky, pointing the flightpath of Fort Worth's future. It is a friendly, big, garrulous, open-hearted town. Here, in this last year of the 1970's, live 415,000 people.

All of this began 130 years ago. In 1849, the U.S. Army founded here on the untamed prairie a calvary fort. Its mission was to protect the increasing wagonloads of settlers from the ravages of savage Kiowa and Commanche tribes which roamed the area.

Seven years later, four events, of importance then only to a handful of determined settlers, transformed the temporary settlement which had grown up around the Army fort into a full-fledged civilian community.

In 1856, the first general school was created. The first industry was launched. A post office was established. And in that fateful year, by dint of undaunted determination and more resourcefulness than scruple, Fort Worth became the county seat.

The future was pregnant with promise. Fort Worth's hour of destiny had not yet struck, but the wheels of history had been set in motion.

Only 6 years earlier, the U.S. Army had funded here on the untamed prairie a fort, charged with the mission of protecting the increasing wagonloads of settlers from the ravages of the savage Indian tribes which roamed the area.

In 1853, with the thin edge of settlement pushing westward, the fort had been abandoned and in its place had sprung up a tough-rooted little civilian settlement on a bluff overlooking the Trinity Valley and the southward tilt of the rolling plain.

Other communities, to be sure, had clawed a tenuous foothold in this new frontier. Others opened schools and post offices, hopefully started infant industries, became county seats.

But there was, even then, something about the spirit of this frontier village which marked it for permanency. It was like a hardy little prairie flower, determined not to wither on its vine under the scorching southwestern sun.

Wagon trains of settlers were rolling westward, looking for a place to get a new start and stake the family future. Some 30 miles to the east lay Dallas, already established, like a roadblock across the trail.

When the wagons rumbled through on the westward track, Dallas men would stop them with lurid tales of danger to the west. "The Indians will surely scalp you if you venture to Fort Worth," they warned. Here, perhaps, began Fort Worth's vaunted early reputation as a wild and woolly place.

Here, too, began an intense rivalry which raged for more than 100 years. Picking up the challenge, the Fort Worth settlement sent riders to intercept the wagons east of Dallas and escort them to Fort Worth along a trail that bypassed the neighboring village.

And here, also, was born a tradition of resourcefulness in building a city. Fort Worth had no doctor. When Julian Field, a leading community figure, became ill, it was necessary to send to Dallas for young Dr. Carroll Peak. The townspeople immediately set upon him with bandishments. They would not hear of his leaving. He and his wife were put up in an abandoned barracks, and he stayed in Fort Worth.

Unwilling to trust the schooling of the children to the erratic comings and goings of wandering tutors, the infant community in 1856 called an election, chose a school board, imported two regular teachers, and erected a crude school building.

The first industry, appropriately enough, was milling. Julian Field, R. S. Mauk, and David Man built a gristmill to make flour from the wheat brought in from neighboring farms.

The nearest post office was Dallas. Dr. Peak hired a horseman to ride over semi-weekly and bring back all missives addressed to Fort Worth's residents, and for this service he charged a dime a letter. In 1856, President Franklin Pierce recognized the new community carved out of the frontier by appointing Julian Field as the postmaster, and Fort Worth built its own post office.

The dauntless tradition then aborning was most dramatically portrayed, however, in the circumstances surrounding the removal of the county seat to Fort Worth from Birdville, then a separate village some 5 miles to the east.

A delegation went to Austin, buttonholed lawmakers, finally prevailing upon the legislature to call an election in which Tarrant County's settlers could choose between the two villages for their seat of justice.

The competition was keen, if not entirely clean. As an added lure to voters, Birdville leaders cached a big barrel of whisky in an oak grove at the edge of town. Fort Worth merchants, with less propriety but not to be outdone, stationed huge barrels of free whisky on the public square. Adding insult to injury, an overzealous group of Fort Worthers stealthily made their way into Birdville's grove and siphoned away their neighbor's liquor, leaving the adversary dispirited in more ways than one.

Riders went out from both cities in all directions to round up voters. It was afterward contended that the total vote far outnumbered the aggregate male population of the county, but a precise census was virtually impossible. Sam Woody, of Decatur, told in later years of having brought in 14 men from Wise County to vote for Fort Worth that day in 1856. When all ballots were in, Fort Worth had carried the election by seven votes.

That night a torchlight procession gleefully made its way to Birdville and physically removed the courthouse effects, then and there conveying them to their new and permanent home.

This same instant resourcefulness and unashamed partisanship have characterized every step of Fort Worth's ascent up the ladder to eminence.

Two decades later, the Civil War-disrupted Texas economy was pulled out of the doldrums by the cattle drives which took bawling herds of rangy longhorns up the long, dusty trail to Abilene, Kans. It was in this era that Fort Worth, still a drowsy hamlet of but a few hundred people, seized upon opportunity and became the base of supply for West Texas stockmen.

Adjusting its pace to the trail-driving age, the town provided a welcome release for the pent-up energies and appetites of the cowhands after long, dull months on the range. It was a noisy, lusty, brawling place, but nobody cared. The cowboy was king; and this was Cowtown.

The open sesame for any aspiring township of the day was a railroad, and Fort Worth set out to have one. In the 1870's B. B. Paddock, editor of the Fort Worth Democrat, displayed the town's unrestrained ambition when he published a drawing that he called the Tarantula Map. Its center was a heavy blob denoting Fort Worth, while lines, like the hairy legs of the huge Southwestern spider, reached out in nine directions to represent the nine railroads which the editor prophesied would one day serve the town. Although rival towns scoffed, his prediction eventually came to pass.

With enthusiasm, Forth Worth leaders set out to promote their first railroad. An agreement was struck whereby the Texas & Pacific would be given large land grants from the State of Texas and 320 acres at Fort Worth, donated by such local enthusiast as Van Zandt and Dagget, upon the condition the road reached Fort Worth by January 1, 1874. Work was begun, and the town danced with excitement over the prospects.

Catastrophe loomed when the powerful northern financial house of Jay Cook & Co. went broke. Risk capital froze in panic throughout the Nation, and the twin rails were halted in the middle of nowhere, several miles east of town.

Not to be denied, Fort Worthers determined they would have the road completed, if they had to build it themselves, foot by painful foot. They organized the Tarrant County Construction Co., subscribing its stock with cash, materials, labor, supplies—whatever they had. A bargain was driven with the T. & P., whereby the local company agreed to prepare the roadbed, the railroad to lay the track.

In a dramatic night-and-day race against time, with townswomen bringing food and coffee to the perspiring workmen and section crews resorting to the most unorthodox improvisations, the tracks were laid and an old wood-burning engine puffed into town to beat the second deadline set by the State legislature.

A churning cauldron of activity then erupted upon the prairie. Oliver Knight in his excellent work, Fort Worth, Outpost Upon the Trinity, from which most of this information was derived, has said that this was "by all odds the greatest day in the history of Fort Worth," pointing out that within a few weeks after the first train rolled into town 59 new businesses had opened, and that within 4 years there were no less than 460.

Now joined to the east by railroads, the rapidly growing city attracted a web of stagecoach lines, becoming in 1878 the eastern terminal for the world's longest stage route which stretched for 1,500 aching miles to the California border at Fort Yuma, Ariz.

The Fort Worth story is one of vision, and of a community's ability to adopt to changing circumstances. While money flowed into town on the wings of transportation and cattle drives, Fort Worth was not content to soak up this boon with the impassivity of a sponge. Why not capitalize permanently upon these two advantages?

On Fort Worth's old North Side, where all the accoutrements of the early West are still much in evidence, a group of farsighted leaders founded the Texas Dressed Beef & Packing Co. A stockyard and slaughtering pens were built. Meat was dressed and shipped under refrigeration to the eastern markets, and the plant paid ranchmen 50 cents a head above the prevailing Kansas City price.

The taproot was driven deeper into the bruised soil upon the Trinity's banks. Fort Worth had industry.

It was then, near the turn of the century, that an air of real permanence began to settle upon the ebullient cowtown. Other industries slowly took hold. Municipal improvements came in a wave—a dependable water system, sanitary sewers, street paving and a modern fire department. Law and order took firmer grasp, churches thrived and women's clubs burst upon the scene.

The boisterous, roughneck town was growing up. Like a self-conscious overgrown farm youngster in the city, the seam-splitting prairie colossus developed a newfound interest in higher education.

The Methodists in 1881 founded Polytechnic College on the present Texas Wesleyan site, then some 4 miles southeast of Fort Worth.

The Christian church in 1889 took over Add-Ran Institute, begun in Fort Worth as early as 1869 but moved by its founders to Thorp Springs to avoid "the alluring vices of the city." The church transplanted the institution for a time in Waco, then brought it home to Fort Worth in 1910 as Texas Christian University.

In that same year, the Baptists opened Southwestern Baptist Theological Seminary which has flourished ever since.

But even with the stabilizing influences of culture, the spontaneity of fierce community pride continued. With the new century came the automobile, and Fort Worth took up the craze.

In their penchant for new horizons, the town's civil leaders foresaw that highways would one day be the new arteries of commerce. The State adopted a constitutional amendment in 1904 permitting counties to issue road bonds, and with characteristic vision Tarrant County became the very first in the entire Southwest to approve road and bridges bonds for $1,600,000.

As it had become the capital of the cattle industry, Fort Worth in the 1920's again grasped the elusive figure of opportunity and gambled on oil. With the throbbing exhilaration of west Texas boomtowns, Fort Worth girded itself as the gateway and supply base for the oil kingdom.

Just bring out something new, and it will find a home in Fort Worth. In 1921, Harold Hough held the torch of vision which had lighted the wilderness for Cowtown's early planners when he pioneered radio with WBAP. It was the State's first radio station. Twenty-seven years later, Fort Worth had the first television station in Texas.

Aviation evoked immediate enthusiasm in Fort Worth. The first daredevils to schedule a barnstorming tour through this part of the country made the mistake—or perhaps it was not a mistake for them, as it turned out—of booking an exhibition in Dallas but none in Fort Worth. This would not do. Amon Carter raised a public subscription and paid the four-man troupe $5,000 to demonstrate their talents in Fort Worth.

Fort Worth became an early aviation center at the outset of World War I. The Canadian Government established three flying fields near the city—Hicks, Everman, and Benbrook—where pilots were trained for the Royal Canadian Flying Corps.

In recent years, Fort Worth has carved itself a permanent niche in the history of aviation. During World War II, its Convair plant performed the impossible in production of our B-24 Liberator bombers. And in 1949 a new epoch in world history may even have come into being with the very first nonstop flight around the earth, originating and ending at Fort Worth's Carswell Air Force Base.

Today Carswell continues to make important contributions to the Nation's defense and the Fort Worth economy and citizenry. With just one exception, more Air Force personnel have chosen the Fort Worth area as a retirement home than any other spot in America.

And with our highly skilled work force we make a major contribution to America's military readiness. No other metropolitan area in the country performs more prime defense contracts than Fort Worth.

General Dynamics employs about 11,500 people and its contract to build 1,896 F-16 aircraft is the largest ever awarded. Bell Helicopter, which employs about 11,000 workers, is the leader in its field, and Vought Corp. continues to make the highly effective A-7 fighter-bomber.

These defense contracts have spawned more than 100 new businesses in our area in the past few years.

In civilian aviation, we now share with Dallas one of the world's greatest airports. Larger than Manhattan Island, the new Dallas-Fort Worth Airport is the third busiest in the Nation in air-carrier operations.

And that splendid facility has helped us win back an old and important friend, American Airlines.

In 1927, a fledgling operation called Texas Air Transport began flying out of Meacham Field here. That little outfit became the Nation's second largest carrier and moved off to the big city—New York.

But American has announced that it is coming home to Fort Worth, moving its corporate headquarters, with at least 1,300 jobs, here. Like so many others, American's executives are recognizing the tremendous advantages of this cosmopolitan Cowtown.

Most of the cows are gone now, the stockyards reduced and packing houses closed. For a while that hurt us. But now we are developing the old North Side, using the cattle exchange, pens and barns to preserve intact its authentic western atmosphere.

Fort Worth prides itself on the deep feelings it has for its past. Whether it is preserving the original log cabin settlement or saving the relics of its cowtown days, Fort Worth knows where it came from.

And the downtown area, which felt the same pressures that squeezed so many American cities, is going to demonstrate how that sad process can be reversed. We have got a new Convention Center, the Water Gardens, the Tandy Towers, the Fort Worth National Bank building, and the Lanham Federal Building up and we are not stopping there.

There are plans for one new downtown hotel and the renovation of two others. The regional headquarters of the Department of Housing and Urban Development will move into another remodeled building.

Those who do not live in Fort Worth ought to come visit. And those of us who do are lucky.

Today, the city's skyline glistens in the bright Texas sunlight. The classic old courthouse overlooks the Trinity in the same spot where the Army dragoons built their fort 130 years ago. But in the city's heart pulsates the rhythm of chance, of growth, of still untamed ambition.

Fort Worth dreams new dreams and believes in a better tomorrow.●

AFRO-AMERICAN HISTORY FESTIVAL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. RODINO. Mr. Speaker, as we join in celebrating the meaning of Afro-American history during this special month, I would like to call attention to a very special event taking place in New Jersey's 10th District. The Student Government Association and the student activities office of Essex County College in Newark are responsible for the Third Annual African-American History Festival held this week.

Mr Speaker, the festival offers films, lectures, artistic performances, workshops, and other activities to recognize the tremendous value of one of the richest cultures blended into our American way of life. Public acknowledgment of the achievements of African Americans is very important to our evaluation of America's ethnic diversity, and this weeklong festival in our community is proving to be a great success.

The theme for this year's festival, "International Brotherhood," rightly emphasizes the efforts of American blacks to promote peace and social justice in our own community and around the world. The festival honors Ambassador Andrew Young for his commitment to peace, justice, and truth in the international community. His courage and determination have helped to raise the consciousness of the American people to further the cause of brotherhood at home and in other lands. I commend the festival on their fine choice of honoree and I congratulate my friend Andy Young.

Mr. Speaker, I hope that millions of Americans will share in the meaning of Afro-American history month just as members of the Essex County community participate in this weeklong festival to hail the many contributions of Americans of African descent.●

A TRIBUTE TO PHIL PORTNOY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. RINALDO. Mr. Speaker, the contributions of private citizens to the common good is a fundamental characteristic of our society. It is an expression of charity, decency, and compassion of fellow citizens for one another.

Any organization of private citizens that hopes to carry out programs to serve the common good needs leaders in the community. Leaders like Phil Portnoy of Union, N.J., a man of remarkable energy and unquenchable good will toward his fellow citizens.

Over the years, Phil Portnoy has come to the aid of men, women, and children whose tragedies were too small for larger, organized community fund drives. They were the forgotten people, yet their ordeals and pain were nevertheless real. Now, however, the families of Theresa Gargalowicz, Doreen Delaney, Eileen Sipermann, and Michael LoConte have been able to muster the resources they need in their battles against disease and catastrophe.

Many years ago, Ralph Waldo Emerson wrote about the law of compensation. For those with courage and determination, a personal tragedy in life, such as the loss of a limb, could serve as the inspiration to do more than might otherwise be possible. Their lives became productive, important, and courageous.

Mr. Speaker, it may be due to the fact that Phil Portnoy overcame his own handicap that he exhibits such an exemplary commitment to helping others overcome their own adversities.

As a result of his accomplishments, he is justifiably being honored tonight by Union Lodge 1782, B'nai B'rith, as its Citizen of the Year.

It culminates a period of service that extends over many years. Phil Portnoy has been a founder of Temple Israel in Union and the Pop Warner Midget Football League. He has coached and served on the board of the Teener League, and he is president of the Union Board of Education.

I am pleased to take this opportunity to join my many friends and constituents in honoring the hard work and dedication of a fine individual, Phil Portnoy.●

POLITICAL FREEDOM FOR POSTAL EMPLOYEES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. CLAY. Mr. Speaker, I have today introduced the Postal Service Employees' Political Activities Act of 1979.

This bill updates and modifies the Hatch Act for postal employees. It permits them the right to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the merit system or the administration of the functions of the U.S. Postal Service which is a semi-independent agency of the Government.

The Hatch Act was precipitously enacted in 1939 with no public hearings and limited debate. It was an overreaction by the Congress to abuses, not of voluntary political activity, but to coercion and kickbacks by employees and recipients in the Federal relief programs. Postal employees, because at that time, they worked for an agency which was totally within the confines and jurisdiction of the Federal Government were included along with all Federal employees under the Hatch Act.

Today there is little justification for Federal employees' rights of full voluntary political participation to be impeded or restricted but there is no basis whatsoever for postal employees to be included under the antiquated and repressive restriction of the 40-year-old Hatch Act. In 1970, the Congress passed the Postal Reorganization Act thereby making the U.S. Postal Service a quasi-independent agency. Postal employees today are treated differently than Federal civilian employees who work for the Government. The most predominant feature is the fact that postal employees come under an entirely different labor management program which more closely resembles that of the private sector than it does the Federal Government's system.

The postal service system is a quasi-autonomous public corporation. Some may have problems with that fact but, be that as it may, postal employees are in a different category from Federal employees. The postal worker's role, as an employee of a semi-independent agency, and the role of a Federal civilian employee, as an employee of the Government, make these two groups separate and distinct. Unfortunately, the issue of full political participation for postal and Federal employees has been confused, notwithstanding their different status, so that they are treated as one and the same.

My introduction of two separate Hatch Act reform bills—one for postal employees and another for Federal employees—should not be construed as any diminution of my commitment to the right of full political participation by both of these employee groups. I intend to push for speedy enactment of both bills.

This is similar to H.R. 10, the Federal Employees' Political Activities Act of 1977, which passed the House overwhelmingly on June 7, 1977. The bill differentiates between voluntary and involuntary political activities. It protects the public interest while providing postal employees with greater freedom to participate in the political process.

In the 94th Congress both the House and Senate passed Hatch Act reform legislation, but President Ford vetoed the bill. The House passed the bill in the 95th Congress, but it was not passed by the Senate, even though the legislation had the full backing of President Carter. In his recent State of the Union message, the President has once again announced his full support for reform of the Hatch Act.

In summary, this provides the following:

States that postal employees are encouraged to exercise their right of voluntary political participation.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting political contributions in Government rooms or buildings.

Prohibits, with certain limited exceptions, political activity while on official duty, in Federal buildings, or in uniform.

Prohibits the extortion of money for political purposes from employees.

Requires that employees who seek elective office do so on their own time, and that employees shall, upon request, be granted accrued annual leave or leave without pay to seek elective office.

Designates the Special Counsel of the Merit Systems Protection Board (MSPB) as the enforcing authority and the MSPB as the adjudicatory authority; provides for judicial review of adverse decisions; and, limits investigations of prohibited activities to 90 days.

Subjects violators of law to removal, suspension, or lesser penalties at the discretion of the MSPB; requires a minimum of 30 days suspension without pay for any employee found guilty of violating the prohibition against use of official authority or influence for political purposes.

Requires the U.S. Postal Service to report annually to the Congress on its implementation of this act.●

CRAZY JOE MACAIG

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WILLIAMS of Montana. Mr. Speaker, for those of you here in Washington who are put off some by the hardships of continual below freezing temperatures and 2-foot snowfalls, let me tell you about Joe Macaig. Joe is a constituent of mine from Anaconda, Mont. He calls himself Crazy Joe. Folks at home do not argue. On December 29 of last year, Crazy Joe set a new world's record for ice dipping.

This 22-year-old railroad employee donned his swimming trunks and when the temperature around Anaconda reached 23° below zero, he took a 46-second dip in an ice cold creek. By the way, it is known as Warm Springs Creek, but there is nothing warm about it—not at 23° below.

Crazy Joe has submitted his report to the Guinness Book of World Records, and we are now awaiting official confirmation. That will not be the first time that Joe has made the book: A few years ago he established a new world record by swimming down the Yellowstone River—292 miles down the Yellowstone River.●

STATES SHOULD PASS ERA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. EDWARDS of California. Mr. Speaker, I want to share with my colleagues an editorial that aired on radio station KNBR 68 in San Francisco, Calif. The editorial, by Bill Dwyer, vice president and general manager of KNBR, voices my own hope that the equal rights amendment will soon be made a part of the Constitution.

However, the statement also makes an important point. States that support the ERA need not wait for the necessary 38 States to ratify the amendment to guarantee equal rights for women and men in their State. States can add equal rights amendments to their State constitutions. Fourteen States have already done so. I would encourage that California Legislature and the legislatures of other States that support equal rights to move in this direction.

The editorial follows:

EDITORIAL OPINION FROM BILL DWYER, VICE PRESIDENT AND GENERAL MANAGER OF KNBR 68

One of the best things that could happen in 1979 would be the approval of the equal rights amendment to the U.S. Constitution. Right now, the outlook is not too bright. In just 52 well-chosen words, this amendment prohibits discrimination against women and authorizes congress to pass laws to make it effective. The campaign for adoption has been going on for almost seven years but supporters still have no guarantee of success. So far, 35 states have ratified the E.R.A., but it won't be part of the U.S. Constitution unless three more states say yes.

However, there's an encouraging development. Fourteen states have gone ahead on their own to put equal rights amendments in their state constitutions. And the U.S. Civil Rights Commission says these amendments have been effective, especially in opening up new employment opportunities to women. There's no reason why states that want the benefits of equal rights for women should have to wait. Because of that, we urge the legislature of California and all other states that have approved the E.R.A. to act now to put equal rights into their own state constitutions.●

SINGLAUB: CARTER'S BROKEN PROMISES THREATEN ANOTHER PERIOD OF IMPERIAL PRESIDENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. McDONALD. Mr. Speaker, the article that follows these remarks is No. 2 in a series by retired Maj. Gen. John K. Singlaub, which appeared in the Atlanta Journal on February 5, 1979 (the first appeared on page 2662 of the CONGRESSIONAL RECORD for February 15, 1979. In this item, General Singlaub discusses how President Carter not only scorned the U.S. Senate as well as our ally Taiwan in taking this step. He draws a parallel between President Carter's action and suggested a return of the days of secret Kissinger diplomacy. He further mentions an important point that I have made on previous occasions, that is, that we do not need Chinese oil. There is all the oil we can possibly use in Mexico and why the Carter administration does not face up to this fact is one of the mysteries of the century. Chinese oil has a high paraffin content and would be extremely difficult for our refineries to deal with. The Japanese have found this out to their sorrow. The General further points out that at the rate we are throwing away friends and allies, who can possibly have any faith left in treaties with the United States? And this is indeed the largest question to arise out of the whole issue. The column follows:

SINGLAUB: CARTER'S BROKEN PROMISES THREATEN ANOTHER PERIOD OF IMPERIAL PRESIDENCY

(By John K. Singlaub)

(NOTE.—Maj. Gen. John K. Singlaub, a veteran of three wars and an articulate student of military history, was forced to retire from the Army last summer because he disagrees with military decisions being made in Washington by the Carter administration. In retirement, he is still speaking out. Here is the second of a three-part series in which he examines the recent "rearrangement" of U.S. policies in the Far East, especially as they affect Red China and Taiwan.)

During his campaign, candidate Jimmy Carter promised to consult Congress on foreign policy as well as on domestic matters. He also promised to put an end to secret diplomacy a la Henry Kissinger.

However, when he recognized the People's Republic of China (PRC) and abrogated our treaties with Taiwan, he broke both of these promises. I am confident that some will justify this as necessary to provide political flexibility, or an ability to exploit sudden political changes. I feel, however, that there should be no confusion about what the breaking of these promises involves.

Not consulting Congress on this important foreign policy change is especially significant due to the fact that the Senate last October, in a 94–0 vote, called for consultation before abrogation of the treaties with Taiwan.

It has been written that the handling of the agreement took special care not to make the Chinese communists lose face, but what about the Senate's face, not to mention other American and Taiwanese faces? The president's treatment of Senate minority

leader Howard Baker was less than flattering. He met with President Carter in the early afternoon of the same day that the rearrangement of diplomatic relations was announced, but he was not informed of it. Is this an indication of Carter's appreciation of the support that Sen. Baker gave many of President Carter's foreign policy initiatives—some at heavy cost to his standing within his own party and state?

The manner in which these arrangements were reached clearly represents a usurpation of power by the president which may cause the assertiveness of the last Congress to be replaced by a new imperial period of the presidency in foreign affairs.

The selling of the rearrangement was also a rather unnecessary, even tasteless, show of force, with a selective and deceptive use of facts and possible developments which I have stated earlier. This is also clearly reflected in an article from the *Wall Street Journal:* "All day top officials received a stream of journalists and touted the political and economic benefits of full relations with China."

No mention was made of any possible burdens or negative aspects of the new arrangement. As a part of the sales pitch, it has been stated that China has more than 100 billion barrels of oil reserves. This is a very interesting argument indeed. I do not understand how we can be so certain about how much oil China has, when the same administration spokesmen claim that we have no idea how much oil Mexico has.

Mexico is an open society and shares our borders, whereas China is a closed society to which even our intelligence organizations have little access. It is difficult enough to estimate the reserves in a field where all the information and tests are available. Could it be that it would not be expedient or politically wise to release information about Mexican oil reserves at a time when the President wants to force his energy bill through Congress? This selective release of facts and information by the administration seems indicative of the efforts being made to place only a favorable light on this question.

There can be little doubt that the recognition of the PRC and the withdrawal of recognition and the abrogation of the Mutual Defense Treaty with the Republic of China (Taiwan) represented a major victory in Peking. It is fairly easy to understand most of the reasons why the Chinese communists want to be recognized.

It is less easy to understand why President Carter felt so compelled to recognize Peking that he accepted terms of recognition previously rejected by his predecessors. It is clear that the agreement in its present form could have been concluded by either Nixon for Ford, but they apparently had a different view of the "realities" mentioned by President Carter. For them, the realities were complex, and they were aware that such a move would mean not only the cancellation of a defense treaty with friends, but at the same time the establishment of relations with our former friends' adversaries.

The betrayal would not stop there. We would then also recognize these adversaries as the sole legal government of China. This is a reversal of 180 degrees—with a new twist of not even accepting our former friends' legal right to exist! For President Carter, these considerations must have been too complex and were, therefore, simplified.

The old principles of international law, such as treaties are to be honored, *pacta sunt servanda*, were scrapped and in their place the illusion of sole legal government was created. There is nothing in international law or traditional practice that indicates that the PRC has any legitimate claim to the islands of Taiwan and the Pescadores.

Even the PRC cannot be overly impressed by this betrayal of an old friend. With its broader perspective on history, it is bound to make some reflections along the lines of "Today Taiwan was sold out, tomorrow maybe we'll be the ones." This action has proven for all the world that the U.S. is an unreliable ally and friend; or, as a former Undersecretary of State George Ball said a year ago: "We would gain little from pushing Taiwan overboard. What would we lose? Our self-respect for one thing. We would be acting out of character in pursuing the sordid diplomacy of the 18th century, when the reversal of alliances was standard procedure."

So why did we do it? To enhance world peace? This sounds frighteningly similar to Neville Chamberlain's remark in 1938: "Peace in our time," while waving the worthless Munich agreement.

Perhaps the most important question unanswered by the administration's announcement is: What would the U.S. do if the PRC attempted to reunify Taiwan with China, either by force or through blackmail? Would we simply sit back and insist that this was an internal matter for the Chinese to resolve themselves? Certainly this is the answer suggested by our statement that there is only one China. Why did we not insist on assurances for the security of Taiwan?

Statements from officials claiming that we got this agreement on our terms seem to suggest that we did not even seek any guarantee for the territorial integrity of our former friends. Can this possibly be true? Was the president in such a hurry or did he believe that this agreement was of such importance that he did not even dare raise the question? If this is the case, then the American people have the right to be shocked—at least until there has been adequate, substantial proof to the contrary.

The American public has been told that China cannot invade Taiwan today. What about tomorrow? After all, increased production and military capabilities are what the PRC's modernization program is all about. Then we are told that Red China would value its trade relations too much to risk having them cut off in case of a reunification attempt by force.

If this were so certain, it would reveal that the PRC values trade more than reunification. Why did the U.S. not give them trade privileges and recognition and still keep the treaties with Taiwan? The PRC surely would have been content if they truly do value trade more than reunification.

Another complex problem is the possibility that Taiwan will feel compelled now to develop its own nuclear weapons. This would increase nuclear proliferation and perhaps the danger of war—instead of "reducing the danger for international military conflict" as the president claims is his goal. This issue is not a relevant problem, we are told, since Taiwan has signed the nuclear non-proliferation treaty and the U.S. has control over uranium supplies.

The nuclear issue will remain irrelevant only as long as Taiwan proves to be a more reliable treaty partner than we are ourselves, and as long as they do not engage in alliance swapping a la Carter—in which case they would turn to the U.S.S.R. for uranium.

We have lost our right to argue on moral terms—such as keeping a treaty or relying on old friends—so we can only resort to the use of power. Which country is next on the sellout list? South Korea? We have heard that the growing capabilities of the North Koreans are not a threat any longer, since we have the China card. Are we to believe that a poor nation such as North Korea uses its scarce resources for the sheer pleasure of having an enormous army? This is bordering on stupidity. May we really assume that there is no rationale behind the North Korean buildup—that they simply keep increasing their armed forces out of habit?

What about a potential sell out of Europe in the coming SALT II agreements? These probably will not include either the backfire bomber or the SS-20 nuclear missile—small threats to the U.S. but potentially deadly for Europe. Again we appear to be willing to forsake our friends for another agreement with our enemies. No wonder rumors emerge internationally that prominent West German leaders are looking into other security arrangements besides NATO. ●

COMMONSENSE ON MR. TENG

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. MICHEL. Mr. Speaker, from time to time I come across old-fashioned commonsense from a liberal Democrat. I know that a liberal Democrat with commonsense sounds like a contradiction in terms, but these things do happen, Mr. Speaker, and we cannot ignore them.

A great deal of the time I find this commonsense in the writings of John Roche. Mr. Roche, a professor, was once a top aide to Lyndon Johnson and the head of Americans for Democratic Action. Given such an impoverished political background we could expect to find Mr. Roche spouting the same old cliches of the Great Society. Well, Mr. Roche is not above praising the Great Society, but, oddly enough, on other issues he is quite sound.

He recently showed this in a newspaper column published in the Washington Star. The subject was the visit of Chinese Vice Premier Teng Hsiao-ping to the United States. Mr. Roche reminds us that despite the euphoria surrounding the visit, Teng is a "brilliant, dedicated old gangster" and that he was the designated hit-man during one of China's bloodiest purges. Teng would like nothing better than to see the Soviet Union and the United States go to war while he watched from the sidelines.

At this time I would like to insert in the RECORD, "The De Facto Warden," by John P. Roche, Washington Star, February 14, 1979:

THE DE FACTO WARDEN

(By John P. Roche)

"You Americans," a Polish friend sadly observed some years ago, "think history starts anew every morning." His particular complaint was that Eastern Poland, his ancestral homeland, had been casually handed to the Soviet Union at the end of World War II and his family shipped off with nothing but the clothes on their backs to land formerly German. He could not in any case return to his new "home": he was a veteran of the Polish army that fought with us in Italy, "a reactionary fascist" in the lexicon of the Polish communist regime.

The frenzy over the visit of Chinese Vice Premier Teng Hsiao-ping, which stopped just short of strewing palms in his path, reminded me of this somber insight. One might have thought Teng was a long-persecuted advocate of human rights, a Messiah come to redeem Chinese communism of its totalitarian character. In fact, he was the chief organizer of one of the greatest purges in history, the "Rectification Campaign" of 1957-58.

It began with roses—quite literally. On June 18, 1957, Mao's "Hundred Flowers" speech, made in February, was released to the people. In it the chairman admitted that perhaps the liquidation of 800,000 alleged counter-revolutionaries (a gross underestimate according to knowledgeable Sinologists who put the count in millions) had been a bit severe. To summarize a four hour speech, he went on to call for open debate within a framework of "centralized guidance" and coined the slogan "Let a Hundred Flowers Blossom and Let a Hundred Schools of Thought Contend."

The obviously unanticipated response was seismic. A million flowers bloomed including one notable cactus-blossom: a professor at Peking University stated baldly in the *People's Daily* that "to kill communists and overthrow you cannot be called unpatriotic, because you communists are no longer of service to the people. Even if the Communsit Party is destroyed, China will not perish."

Four days later Chou En lai, shadowed by Teng, his chief capo, decided to close the playground: he told all non-communist Chinese they would be "enemies of the people" if they criticized the government. This took over 95 per cent of the population out of play at one swoop. Shortly thereafter students were told critics of the regime would be subjected to severe penalties, "rightists" were discovered spreading "fantastic anti-Socialistic views," and the elite hit the panic button.

Chou En-lai, an urbane, cynical survivor whom Mao never purged because he was useful and quite prepared to be No. 2, seldom handled dirty jobs in person. What was called for in 1957-58 was not a minor league operation but a purge of millions. Chou called for his faithful hit man, Teng, who threw himself into liquidating rightists with the same bouyant zeal to which we have recently been exposed. God alone knows how many million intellectuals, teachers, small entrepreneurs, and other "anti-social" elements went to the wall. Ironically, survivors have just been "rehabilitated" by the same man who sent them down! He smiled his charming smile and said, in effect, "I cannot tell a lie: Mao did it."

To say this is not to argue President Carter should have him arrested for trial in Nuremburg, or that the United States should not recognize the Chinese Peoples Republic. It is to call for a realistic assessment, not a love affair. Teng has been running around the United States trying to gin up a war with the USSR. I share his view of Moscow as I do Moscow's of him, but no matter how sincerely I despise Soviet totalitarianism I'm not going on a Chinese sponsored polar bear hunt. If he and the Soviets want to fight it out, let's watch on television.

In short, anyone who thinks we are playing a "Chinese card" against this brilliant, dedicated old gangster suffers from the sin of innocence. No matter how nice Teng and Cho Lin were to Shirley MacLaine, Jimmy and Rosalynn, Fritz and Joan, and the other starry-eyed members of the White House cast, the vice premier is still the de facto warden of the world's largest concentration camp and thus an implacable enemy of the fundamental values of our society. ●

THE PRESIDENT'S BUDGET AND PROGRAMS FOR THE POOR

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. GIAIMO. Mr. Speaker, OMB Director McIntyre has stated that the President's fiscal year 1980 budget increases spending on programs for the poor by $4.5 billion. Because of the interest expressed by many of my colleagues about this statement, I am taking this opportunity to insert in the RECORD a table prepared by OMB detailing the increase.

The table is self-explanatory, but I believe several points would help put it in perspective.

First, when compared to estimated 1979 outlays, the increase in outlays it identifies as for the poor is marginally above the inflation rate.

Second, a significant portion of the increase results from higher caseloads or the fact that programs are indexed or price increases are automatically reimbursed (medicaid, veterans pensions, supplemental security income, food stamps, WIC, and child nutrition).

Third, a portion of the increase results from changes in the law initiated by Congress last year (earned income tax credit, veterans pensions).

Fourth, there is room for disagreement as to whether some of the programs in the OMB list, such as urban development action grants and community development block grants, are truly programs for the poor. On the other hand, some programs that deliver substantial benefits to the poor were excluded from the list. Examples of such programs are community and migrant health centers, Indian health services, and veterans' medical programs.

Developing such a list is difficult because programs typically do not benefit the poor or nonpoor exclusive. Many programs for the poor—including AFDC, supplemental security income, food stamps, child nutrition, and veterans pensions—also deliver some benefits to persons who are above the official Federal poverty level. Conversely, many programs not created specifically for the poor, such as social security and medicare, play an important antipoverty role. Determining how much of each program's benefits flow to the poor requires more data than are readily available for some programs.

The table follows:

FEDERAL PROGRAMS FOR THE POOR[1]

[Outlays in billions of dollars]

	1978 actual	Estimate 1979	Estimate 1980
CETA	9.5	10.3	9.6
Education[2]	2.9	3.3	3.8
Urban development action grants			.2
Community development block grants	2.5	2.9	3.3
Rural housing program	.5	.2	.4
Community services	.6	.6	.5
Work incentive	.4	.4	.4
Women, infants, and children (WIC)	.4	.5	.7
Community service employment, older Americans	.1	.2	.2
Earned income tax credit (EITC)	.9	.8	1.5
Veterans pensions	3.2	3.7	4.2
Supplementary security income	5.9	5.6	6.3
Assistance payments (AFDC and other)	6.6	6.7	6.7
Food stamps and donations	5.5	6.4	6.9
Medicaid	10.7	11.8	12.5
Grants to States for social and child welfare services	2.8	3.0	3.0
Child nutrition	2.8	3.0	3.0
Subsidized housing	3.7	4.4	5.3
Total	59.0	63.8	78.5

[1] These programs do not include tax expenditures such as targeted jobs tax credit and work incentive credit which result in revenue losses of $640,000,000 in 1980.

[2] Includes title I—ESEA; Head Start; and special higher education programs for the disadvantaged.

Source: Office of Management and Budget. ●

INCOMPETENCE AT THE IRS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. PAUL. Mr. Speaker, last week the Internal Revenue Service issued a revised revenue procedure on private schools, updating the revenue procedure first printed in the Federal Register on August 22, 1978. Hearings were held yesterday, February 20, by the Subcommittee on Oversight of the Committee on Ways and Means. I prepared a statement for those hearings, and I include the text of that statement in the RECORD as an extension of my remarks:

STATEMENT OF DR. RON PAUL

Mr. Chairman, I appreciate the opportunity to submit a statement to your Committee on the matter of the Proposed Revenue Procedure concerning private schools recently revised by the Internal Revenue Service.

When any government agency threatens the existence of private, voluntary agencies I am concerned. I am especially concerned, however, when the private organizations being threatened by the government are private and church-related schools. The education of children is an extremely important function, and it is my firm belief that of all functions it should be one of the least regulated and controlled by a Governmental bureaucracy such as the Internal Revenue Service. Children are all different; each child is unique. The persons who know the child best are his parents, and they are, and will always remain, the best guardians of his wellbeing. Unfortunately, many people no longer believe that, preferring to surrender children to the beneficient state and denying parents any role in the major decisions that affect the education of their children. Some of these people, it appears, work at the Internal Revenue Service, for that agency has proposed a regulation that would, in effect, close down private schools that parents have judged best for their children. These schools would be closed, not because they have violated a law, but because they do not conform to a pattern—a changing and ambiguous pattern—conceived in the mind of a nameless bureaucrat. That, Mr. Chairman, is precisely the kind of government our Constitution was written to prevent.

The presumptuousness and audacity of the Internal Revenue Service in issuing regulations that threaten private schools is surpassed, however, by the Service's incompetence. I do not make the charge lightly, Mr. Chairman, and I hope that it is not taken lightly. Let me state my reasons.

On February 13, 1979, the Internal Revenue Service published its revised Revenue Procedure in the Federal Register. That procedure, as published in the official version, is logically incoherent. Let me explain.

We are initially told on page 9451 that—

"This document contains a revised proposed revenue procedure which sets forth guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under the Internal Revenue Code."

On the next page, page 9452, the Internal Revenue Service states:

"If a school engages in any acts or practices that are racially nondiscriminatory as to students, the school is not entitled to tax exemption even though it may otherwise

comply with the provisions of Revenue Procedure 75-50 or this Revenue Procedure."

One has two options at this point. First, one can conclude that the IRS is hopelessly confused and has promulgated blatant contradictions, or, second, one might conclude that no private school, discriminatory or nondiscriminatory, is entitled to tax exemption. Which option is the correct choice will become obvious as we examine the other passages in question.

The second passage is also on page 9462:

"This Revenue Procedure sets forth guidelines to identify certain private elementary and secondary schools that are racially nondiscriminatory, even though they claim to have a racially nondiscriminatory policy as to students."

Mr. Chairman, I humbly submit that that statement is nonsense. However, for the skeptics, I call your attention to another statement on page 9452:

"A school 'adjudicated to be discriminatory' means any school found to be racially nondiscriminatory as to students by a final decision of a federal or state court of competent jurisdiction; . . ."

The honest reader is now compelled to admit that this statement is gibberish, illogical nonsense. There is, moreover, another example of the incompetence of the IRS:

"If a particular school which is part of a system of commonly supervised schools would be treated as not having significant minority student enrollment under the foregoing provisions, it may nevertheless be considered to have a significantly minority student enrollment if all the following conditions are met: . . .

"(3) There is no evidence that the school system operates on a racially nondiscriminatory basis, such as through the operation of a dual school system based on race."

Mr. Chairman, I believe that these four statements are evidence of gross incompetence in the agency charged with collecting federal taxes. If the errors are not simply typographical—and it is difficult to believe that such errors could be made repeatedly and still be typographical—then we are witnessing a phenomenon that has occurred infrequently in human history: the confusion of language resulting from the confusion of thought. George Orwell analyzed the phenomenon at length in his novel "1984" and in his nonfiction works. It appears that the Internal Revenue Service, attempting to square the circle by imposing non-quota goals on private schools, has become explicitly incoherent and now writes of nondiscriminatory discrimination and discriminatory nondiscrimination. Orwell coined the term Newspeak for such liguistic and logical nonsense, and Newspeak is what appeared in the Federal Register on February 13.

There is, of course, the possibility that these are simply clerical errors, not logical blunders. If so, then we can only conclude that an agency that can make errors of this magnitude is not only unfit to regulate private schools, but also incompetent to administer the tax laws. Some years ago a toy company was driven out of business because the Consumer Product Safety Commission made a clerical error (or so it claimed) and listed a toy manufactured by that company as dangerous and banned. No agency should have enough power to cause such damage through a clerical error. Now the IRS is presuming that it can exercise a power not granted to it by the Congress—power that used in error might result in the closing of private schools that have not violated any law or even any regulation issued by the IRS. Like the toy company, the schools will become helpless victims of entrenched and arrogant incompetence.

There are, of course, many other issues that ought to be raised, and I am confident that others will call this Committee's attention to them. I would, however, like to suggest one further consideration: Taxes are for the purpose of raising revenue needed to sustain legitimate, constitutional functions of government. They ought not be used—and this Congress nor any of the agencies it has created has the authority to use taxes—as a weapon to compel citizens and organizations to conform to sociological models favored by federal politicians and bureaucrats. It seems that this Congress and the agencies it has created have forgotten this elementary principle of taxation. The result has been, and will continue to be, an erosion of respect for this Congress in the minds of the people, and, what is worse, an erosion of respect for law generally. The people cannot be blamed for this result; the blame must rest right here in Washington. Revenue procedures such as that proposed by the Internal Revenue Service concerning private schools are illegitimate, unlawful, and deserving of the disrespect they receive. This Congress and the bureaucracy it has created seem to be deluded on the nature and extent of their power, believing that they can do whatever they wish. They cannot. If the IRS stubbornly refuses to admit that it has exceeded its authority, it will, I fear, learn its lesson the same way its spiritual ancestor, George III did. I fervently hope that this Congress and its agencies recognize that fact and change their plans before such a prospect becomes a reality.

Thank you, Mr. Chairman, for this opportunity to present my case.●

DON'T TINKER WITH SOCIAL SECURITY BENEFITS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. SCHEUER. Mr. Speaker, the success of social security has always rested on the foundation of public confidence in the Government's determination to fulfill its commitments under the system.

In her recent letter to the editor, which appeared in the New York Times of February 9, Elizabeth Wickenden persuasively argues against "tinkering" with promised benefits as a means of freeing funds for other Federal purposes.

I find her letter particularly illuminating and I commend it to my colleagues attention:

SOCIAL SECURITY: DON'T "TINKER" WITH BENEFITS

To the Editor:

The Times has been a staunch and knowledgeable defender of Social Security throughout the system's long and highly successful history. The two indispensable ingredients of that success have been stability of institutional arrangements and confidence on the part of the public that the Government will fulfill its commitments under the system.

These have depended, in turn, on long-range planning to maintain the delicate balance between contributions paid in by future beneficiaries and benefits paid out, as promised, to the currently retired, the disabled and those deprived by death of the family breadwinner.

It is therefore disappointing to find The Times, in its editorial of Feb. 1, treating Social Security benefits as if they were just another element in the current Federal budget. President Carter himself has modified his original recommendation to this effort by requesting (in his Supplemental State of the Union Message of Jan. 25) the two already existing statutory bodies on Social Security to consider his recommendations as part of their overall examination of this complex system.

No one is objecting to a considered review of the system with respect to benefits, financing and demographic factors. What is objectionable is to tinker with promised benefits in a given fiscal budget as a means of freeing funds for other Federal purposes.

Social Security in the United States is a self-contained, self-financing system and should be so treated. The best way to assure his original recommendation to this effect by Senator Church: to create an independent Social Security board to administer the program and to separate its financing entirely from the consolidated Federal budget.

As a postscript, I must, as an advocate for children, protest The Times's characterization of the "heart of Social Security" as "basic income and medical care for the old and disabled." Not only are five million children currently receiving monthly Social Security benefits but the life insurance protection of the system has major immediate value to the younger working families now paying Social Security taxes.

ELIZABETH WICKENDEN.

NEW YORK, *February 2, 1979.*

(The writer is a consultant on social policy.) ●

BAN DIOXIN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. EDWARDS of California. Mr. Speaker, I am today introducing legislation to prohibit the aerial spraying of the chemical 2,4,5-T and other chemicals containing dioxin in our national forests.

The chemical 2,4,5-T has been used in the United States in the spraying of our forest, range, and agricultural lands for some 30 years. It is used to kill forest underbrush, control weeds, and clear brush. In recent years there has been growing concern about the health hazards posed by the use of this substance. The chemical 2,4,5-T contains as an unavoidable contaminant a substance known as TCDD (tetra-chlorodibenzo-dioxin) or dioxin, one of the most toxic substances known. It is the presence of this dioxin which is the source of this concern.

My own alarm over the use of this chemical has been increasing over the last year. I first became involved in this issue through my work on the House Veterans' Affairs Committee. As my colleagues know, the committee has been looking into allegations of serious health difficulties being encountered by Vietnam veterans as a result of their exposure while in Vietnam to a defoliant known as Agent Orange. Agent Orange contains 2,4,5-T, and thus the dioxin contaminant.

Many Vietnam veterans have come forth to file claims for compensation for such health problems as numbness in limbs, weight loss, fatigue, chloracne, psychological problems, cancer, and birth defects in children they parent. The veterans have alleged that these ailments are the result of their exposure to Agent Orange.

The Veterans' Administration is in the process of studying this situation with a hope to determine whether or not a direct correlation can be made between exposure to Agent Orange and these illnesses. Our committee plans to continue to follow this matter closely. We want to make sure the VA gets to the bottom of these allegations and that the many claims filed by Vietnam veterans are handled appropriately.

In studying the problems associated with Agent Orange, I was distressed to learn that 2,4,5-T was also being used here in the United States. While the concentrations of TCDD or dioxin present in the 2,4,5-T used domestically are admittedly much less than in the compound used in Vietnam, serious questions still remain about its safety.

Concerned scientists have been studying the situation. Scientific research has shown that TCDD causes birth defects, miscarriages, leukemia, lung, liver or other cancerous tumors in laboratory animals. Environmental groups have called for a ban on 2,4,5-T and other chemicals containing dioxin. They cite evidence of pregnant women living near spray sites suffering an abnormally high percentage of miscarriages. They point out the many cases of deformity to animals, many of whom die shortly after spraying takes place. They are concerned about deformities in plant life as well.

These facts and the growing controversy over the use of this chemical led the Environmental Protection Agency to begin a review of 2,4,5-T in April of 1978. The EPA, in announcing its Rebuttable Presumption Against Registration (RPAR), acknowledged the research which has been conducted showing serious problems associated with exposure to 2,4,5-T. Unfortunately, the EPA chose not to exercise its authority to suspend the use of the chemical while its review is underway.

As a result, the chemical is still in use. The EPA is not expected to issue its recommendation on the future use of 2,4,5-T until April of this year. The Agency's recommendation must then be reviewed by the Agriculture Department and a scientific advisory group before a final decision can be rendered. Once made, this final decision can be appealed—and probably would be, whatever the outcome—and a hearing would have to be held before an EPA administrative law judge. After his recommendation is made, the EPA Administrator issues the Agency's final order. The ruling at this point still could be challenged in the courts. In the course of this lengthy process, the chemical's continued use is permissible.

It simply makes no sense at all for one agency of the Federal Government to be using a chemical which is being reviewed by another Federal body for possible harmful effects to human and animal life. It is for this reason I have introduced my legislation calling for a ban on the spraying of 2,4,5-T or other chemicals containing dioxin in our national forests.

My bill does not address the use of this substance by the private sector. While I personally feel there is sufficient evidence to ban this substance from the market entirely, I recognize the need for the EPA to follow its review procedure through before this can be accomplished. However, I see no reason why the U.S. Forest Service or the Department of Agriculture should continue using 2,4,5-T so long as these many troubling questions about its safety remain unanswered.

I would welcome the support of my colleagues in cosponsoring this measure with me.●

WHERE IS THE ADMINISTRATION'S BACKBONE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. MICHEL. Mr. Speaker, the Wall Street Journal has published an editorial which, in my view, deserves the attention of every American.

I refer to "Symbols of Irresolution" published February 15, 1979. It deals with the lack of backbone and will on the part of the Carter administration in foreign affairs.

At this time I wish to insert this important editorial in the RECORD, in the hope that the hard truths it contains will become known by every Member of this Congress:

SYMBOLS OF IRRESOLUTION

So Mr. Carter lost an embassy. Oh, perhaps you shouldn't fault him. After all, he had another 60 marines on alert in the Azores, only 4,000 miles away.

And while the American embassy in Iran was being overrun, the American ambassador in Afghanistan was being assassinated by Moslems demanding that the Afghan regime release imprisoned mullahs.

The Marines were stuck in the Azores because Turkey would not accept them; it has become too dangerous to take risks on behalf of the United States. And while Afghanistan is the Soviets' newest puppet, rebels there do not kidnap Russians; it is much safer to pick on Americans.

None of this should be particularly surprising. It might be called the vindication of the domino theory. In the world of geopolitics, if you lose in one place you will be tested in another. If you lose successively you will be tested in more and more ways. If you start not even to put up a fight, everyone will start to bully you. Any normal kid in a schoolyard learns this; we keep wondering where the members of this administration grew up.

To be fair, of course, the erosion of American power and standing in the world started long before the Carter administration. In our view, it started in the Kennedy administration, with the colossal blunder of sanctioning a coup in Vietnam against Ngo Dinh Diem. This sealed a heavy American commitment to the place, and within a month Lyndon Johnson, who had opposed the coup, was the President dealing with its aftermath.

Many subsequent mistakes were also made in Vietnam, of course, but as strategic analyst Albert Wohlstetter has remarked, the worst thing about the war was bound to be the lessons we drew from it. So in its wake, public discussion centered on the arrogance of American power, the irrelevance of military force, and so on. These attitudes in the public and the Congress served to hamstring the Nixon-Kissinger-Ford approach to foreign policy.

The great tragedy of the current administration is that just as the public and Congress started to regain their sense of proportion on these matters, Mr. Carter stuffed the key second and third levels of the State Department, National Security Council and even the Pentagon with people upon whom the wrong lessons had been indelibly stamped. So now that the public is ready to do something to strengthen the American posture in the world—indeed forcing the administration to do more against its own instincts—we have policymakers adept at designing symbols of irresolution.

In the midst of the Iranian crisis, the administration starts the aircraft carrier Constitution out of Subic Bay and heads it toward the Persian Gulf, where it might have come in handy yesterday. But it changes its mind, and leaves the carrier circling aimlessly off the straits of Malacca. To firm up the Saudis in the wake of the shah's collapse, it sends a flight of F-15s, but announces that they are unarmed. It plays the "China card" and gets nervous when the Russians are upset. For that matter, we learn that it does not even bother to ask Peking to renounce the use of force against Taiwan; you can rest assured the strategic arms treaty with the Soviet Union has been negotiated the same way.

We are paying the price for this kind of policy, and are simply lucky that the episode at the Tehran embassy did not turn out even bloodier than the episode in Kabul. Unless the administration starts to show some backbone somewhere, the ultimate price is likely to be far higher than either.●

CONGRESSIONAL ETHICS AND THE KOREAN SCANDAL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

○ Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for February 21, 1979, into the CONGRESSIONAL RECORD:

CONGRESSIONAL ETHICS AND THE KOREAN SCANDAL

From early 1977 to late 1978 the House Committee on Standards of Official Conduct (the Ethics Committee) investigated charges and found evidence that the government of the Republic of Korea tried to influence Congressmen by giving them large amounts of money. The Koreans adopted at least three plans of influence-buying apparently because they feared that the United States was preparing to withdraw its economic and military support of Korea.

The Committee found that Tongsun Park, a Korean-American businessman, proposed the first plan to Korean government. The plan required American rice dealers to name Mr. Park as their agent in rice sales to Korea. In return, he gave a portion of his commissions to House members in order to influence them. The investigation of Mr. Park's activities is essentially complete. The reprimands given to three Congressmen late last year were the results.

The second plan involved Hancho Kim, another Korean-American businessman. The Korean Central Intelligence Agency gave Mr. Kim $600,000 to be used to influence House members and others. The evidence shows, however, that he did not pay off Congressmen but instead used the money for his own benefit. Mr. Kim was tried and convicted for conspiracy and perjury.

The third and most serious plan was put into effect by officials at the Korean Embassy in Washington, D.C. There is evidence that

four to seven identifiable members of Congress received payments of thousands of dollars from the former Korean Ambassador, Kim Dong Jo. Unfortunately, the investigation of the Ambassador's activities remains incomplete for two reasons. First, information concerning the payments is detailed and convincing, but it is highly sensitive and its release would compromise secret sources and methods of American intelligence. Furthermore, such information might not stand up as the main evidence in an adjudication. Second, the Korean government refused to disclose key evidence in its possession, and the Ambassador himself proved to be an uncooperative and unreliable witness. At the present time I see no way that disciplinary action can proceed against these members of Congress.

The incompleteness of the investigation troubles me deeply, but so too does the attitude of many House members toward the whole ethics issue. The Committee has had to pursue its mandate in a general atmosphere of misunderstanding in the House itself. For example, the House voted to reduce one Congressman's punishment from censure to reprimand in spite of a finding that the Congressman had lied to the Committee under oath. Also, the House leadership has had difficulty convincing House members to serve on the Committee in the 96th Congress. As a result of my long and frustrating experience on the Committee, I am making some recommendations which, if accepted, should lead to better enforcement of the new Code of Conduct.

1. Some House members think that the Code should be enforced by an outside group rather than by the Committee. Although an outside group may eventually be necessary, for the time being I believe that everything possible should be done to ensure that Congressmen accept the responsibility they have under current procedures. Since House integrity is the ultimate reason for the Code, the turning over of ethics cases to outsiders would be self-defeating: it would show that the House did not have enough integrity to judge the conduct of its members fairly and honestly. Besides, sitting Congressmen are better equipped than anyone else to understand the full implications of the ethics issue. They know the House very well because they work in it every day.

2. I favor a resolution to require every House member and employee to disclose any evidence of a violation of the Code. The resolution would make investigators of all House members and employees so that the Committee would not be forced to work on its own, as it was in the investigation of Korean influence-buying. A rule requiring that every House member and employee be involved in enforcement of the Code has its problems, but self-discipline is an inherently difficult task. It should not be left to twelve Committee members to carry out a task that the House as a whole does not support.

3. I also favor more meaningful penalties for violations of the Code. No matter how good the new Code is, and no matter how much House members and employees assist in disclosing evidence of violations, the Code has little value if violators do not face serious consequences. The traditional penalties of reprimand, censure, and expulsion all have their defects. Reprimand and censure are largely symbolic, and expulsion is too drastic in most instances. In my view, emphasis should be put on penalties that restrict official powers. A House member unconcerned with a reprimand might think again before doing something that could result in the loss of a committee or subcommittee chairmanship, an important committee assignment, or seniority. More to the point, a restriction on official powers is fitting punishment. Those who cast discredit on the House should not be permitted to exercise far-reaching official powers.●

RECORD HIGH BLACK UNEMPLOYMENT

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. GRAY. Mr. Speaker, the Wall Street Journal is to be commended for its news report of February 1, 1979, focusing on the continued serious unemployment among black youth.

As the Journal points out, black youth are in the center of literally a depression in the midst of America's prosperity.

The jobless rate for black teenagers now stands at nearly 40 percent, by even conservative estimates. The actual figure is likely to be much higher, since official Government figures include other minority teenagers, whose employment levels are generally higher than the black community's.

What this all points to, Mr. Speaker, is the need to intensify the focus of our jobs programs on inner-city youth, where the largest numbers of black teenagers are found.

I offer the Wall Street Journal article for the RECORD in order to share with my colleagues an overview of the problems confronting our black teenage unemployed—and our Nation:

THROUGH GOOD TIMES AND BAD, JOBLESSNESS AMONG YOUNG BLACKS KEEPS RIGHT ON RISING

(By Alfred L. Malabre, Jr.)

Amid America's prosperity, a depression is in progress.

General business activity is at a record level. The economy spawns more jobs than ever before. Yet, consider the message carried in the adjoining chart:

The rate of joblessness among black teenagers, climbing with little interruption through a quarter of a century, now is close to four in 10. It's far higher than the country's overall unemployment rate—of one in four—at the pit of the Great Depression of the 1930's. The table traces, by population group, the unemployment story since 1954.

[In percentage]

	1954	1978
Black teen-agers	16.5	36.3
White teen-agers	12.1	13.9
All blacks	9.9	11.9
Black adult females	8.5	10.6
Black adult males	9.9	8.6
White adult females	5.1	5.2
All whites	5.0	5.2
White adult males	4.4	3.7

Joblessness among black teen-agers has soared, but unemployment among white teen-agers, as well as among blacks generally, has risen only moderately since 1954. Jobless levels actually are *down* in two categories—black adult males and white adult males.

Black teen-age unemployment last year, though very slightly under the 1977 level, was precisely as high as in 1975, when the last recession hit bottom, and about four percentage points higher than in 1974, a year of deepening recession. Since 1974, the rate for white teen-agers has inched down. Since 1975, the jobless rate for every other group in the table has fallen. The rate for black men has dropped from 11.7 percent to 8.6 percent.

Official estimates of black teen-age unemployment, moreover, may seriously understate the situation. The published figures overwhelmingly represent black teen-agers but also encompass other nonwhites whose jobless levels tend to be lower. In addition, it's widely agreed that so-called hidden unemployment—joblessness not picked up in surveys—is particularly prevalent among black youths.

The unemployment rate for black teen-agers is "really 50 percent" or more, maintains Vernon E. Jordan Jr., president of the National Urban League, a social-services group serving mainly low-income blacks. Whatever the true rate for black youths, Mr. Jordan sees their predicament as a major reason that "black America today verges on the brink of a disaster."

Why have young blacks, through times of economic growth as well as in recessions, fared so badly in the labor market?

Analysts who monitor the broad, national picture offer various explanations. Governmental jobs programs don't focus enough on inner-city neighborhoods where black teen-agers predominate. New jobs keep emerging farther from inner-city areas. Increases in the minimum wage particularly hurt young blacks seeking work. Other factors range from inadequate educational facilities to job-interview difficulties.

Interviews with black teen-agers as well as employers and social workers dealing directly with them, were recently conducted in Florida's Dade County. They tend to corroborate the generalizations. An effort was made to canvass the same black, low-income neighborhoods covered in a report on teen-age joblessness that appeared in this paper on Feb. 9, 1977.

Unemployment among young blacks has long been a major problem in Dade County. The 1977 survey found that some 40% of youths in the neighborhoods visited were looking unsuccessfully for work. No comparable head count was taken now, but the interviews do suggest that 42% would likely be too low a figure today.

A TALE OF TWO CENTERS

Dissatisfaction with jobs programs is apparent in the remarks of Odessa Hill, a black who heads a team of eight social workers at an "action center" aimed at finding work for jobless teen-agers in a poverty-ridden neighborhood just north of Miami. Her staff will probably have to be reduced in coming months, she complains, because government funds for her center were recently trimmed. Funds for another such center in a somewhat more prosperous neighborhood, she notes, were recently increased.

George D. Sarol, director of the second center, attributes the increase in support—from $106,000 yearly to $136,000—to "our good record at finding jobs for the young people who come here." The center trains teen-agers in draftsmanship. A recent graduate of the five-month course now earns $5.50 an hour in the design department of Burger King Corp. in Miami. About three dozen youths apply for the 14 openings that come up at the start of each course, Mr. Sarol says. Selection is on the basis of aptitude tests.

These young people, however, are mainly white and generally are from homes where at least one parent holds a full-time job. In contrast, every youth interviewed at Miss Hill's center recently was black and frequently from a home on welfare. Reasonably typical is Reggie Bernard, who reports that he has been "looking for a year and a half" without success. The high-school dropout says that there are "just no jobs around" for him.

A worsening problem for many Dade County teen-agers is the inaccessibility of

new jobs. "We get calls about job openings where the position would take hours for the kids to reach and get home," says Miss Hill. One youth willing to spend some three hours daily getting to and from his job is Andre Delaney. The 18-year-old black lives in northwestern Miami and works—five hours a night, at $3.50 an hour—in a large hotel south of the city. During the day, he is enrolled at a high school near his home.

A MAXIMUM PROBLEM

The minimum wage presents difficulties. As it has risen—from $2.30 an hour in 1976 to $2.90 now—some jobs once open to young Dade County blacks have either dried up or been grabbed by older, more capable persons deciding to enter the labor force.

Among these interviewed in February 1977 was John Manley, owner of a restaurant in a poor, black district in southern Miami. At that time, he employed three teen-agers, at about the hourly minimum of $2.30. He warned, however, that at least "two would have to go" if the minimum were raised appreciably. A return visit finds no teen-agers now employed there. Ola M. Lester, Mr. Manley's mother-in-law, helps him in the kitchen and her sister works at the counter. "We work for free," Mrs. Lester says. "John couldn't afford to keep the kids on any longer."

Rich Robinson, a personnel director at Miami-based Burger King, reports that the age of people going to work for the fast-food chain has been rising, along with the minimum wage. The average age of employes in the chain's restaurants has climbed, he estimates, from "about 17 years a couple of years ago to close to 20 now." To offset increasing wage rates, he adds, "we're combining some jobs, such as having cashiers also handle soft drinks."

Some teen-agers in Dade County, it should be added, report that they would be willing to work for substantially less than the minimum wage, if they could only land a job. Gwen Williams, a 16-year-old black, says: "I would work for $2 an hour just to get some experience." She is looking for a clerical job but says that "the chances seem very slim in this area." She says that she can type close to 40 words a minute.

Poor-quality education is often mentioned as a factor in the county's teen-age job problem. Reggie Bernard says the high school he quit "wasn't worth finishing." Bobby Valentin, 16, says that his teachers "are so bad I fall asleep all the time." Classes now average about 35 students per teacher, he says, up from a ratio of 25-to-one last year. Then, he recalls, "school was more interesting." So far this year, he reports, 60 youths in his age group have dropped out of his school. Drug use among the students, he adds, is widespread.

A special problem faces black teen-agers in Dade County. The area also has a large population of Cuban youths who speak Spanish as well as English. "The first question they ask you in a job interview," says Eric Lowery, a black 17-year-old, "is: Are you billingual?" Eric's job—working weekends as a cook's helper in a restaurant—fortunately doesn't require a knowledge of Spanish. The high school he attends offers a Spanish course, he says, but few blacks take it.

Many young blacks seem at a disadvantage during job interviews. "The schools don't teach these kids how to handle themselves and give a good appearance when they're trying to get a job," say Cornell Hills, a black law student at the University of Miami who also does social work for Dade County. The problem is indicated in a remark of Rich Robinson of Burger King: "We look for the all-American boy look when we interview a teen-ager for a job."

Reggie Bernard wouldn't pass muster. He wears a wool cap, indoors as well as out, and under it his hair hangs down in long, braided locks.●

THE 27TH ANNUAL NATIONAL PRAYER BREAKFAST

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

Mr. SCHULZE. Mr. Speaker, over 3,000 guests, including representative citizens from all 50 States and more than 100 other countries of the world, gathered at the Washington Hilton Hotel in Washington, D.C., on January 18, 1979, for the 27th national prayer breakfast.

This annual event, which is sponsored by the Senate and House prayer breakfast groups, marks a time for us to gather in a spirit of fellowship to reaffirm our mutual dependence on God. It is a public opportunity to demonstrate that we are a nation founded on spiritual principles and that our strength derives from our adherence to God.

Mr. Speaker, I think many can benefit from the words of the several speakers at the national prayer breakfast, as did those of us who were in attendance.

Accordingly, I ask unanimous consent that the program and transcript of the breakfast be printed in the RECORD, and I commend these remarks, and the spirit in which they were delivered, to all.

There being no objection, the program and transcript were ordered to be printed in the RECORD, as follows:

THE 27TH ANNUAL NATIONAL PRAYER BREAKFAST PROGRAM

Grace: The Honorable Jack Brinkley, U.S. House of Representatives.

Opening Song: "Father, Lead Me Day by Day," Valley Forge Military Academy and Junior College Glee Club.

Presiding: The Honorable Richard T. Schulze, National Prayer Breakfast Committee.

Opening Prayer: Dr. Billy Graham.

Introduction of Head Table and Statement: The Honorable Richard T. Schulze, U.S. House of Representatives.

Old Testament Reading: The Honorable Juanita M. Kreps, Secretary of Commerce.

New Testament Reading: The Honorable Cecil D. Andrus, Secretary of the Interior.

Prayer for National Leaders: The Honorable Mark O. Hatfield, United States Senate.

Solo: "I Come to the Garden Alone," "He'll Understand and Say Well Done," Dr. Thomas H. Tipton.

Message: The Most Reverend Fulton J. Sheen, Archbishop of Newport.

The President of the United States.

Closing Prayer: The Honorable Harry A. Blackmun, Associate Justice, U.S. Supreme Court.

Closing Song: "The Battle Hymn of the Republic," Valley Forge Military Academy and Junior College Glee Club.

TRANSCRIPT OF PROGRAMS

GRACE: THE HONORABLE JACK BRINKLEY

Dear Father, may this time be a time of thanksgiving for your love and tender mercy towards us, in that while we were yet sinners Christ died for us, and that by the blood of the Lamb we have been redeemed and are joint heirs with Him. May we love each other with tenderness, as Thou hast commanded us to do, and may this nourishing food before us let us run and not grow weary in Thy good service. Teach us to number our days with rejoicing toward that day when we will run no more and will enter that lonely river separating time from eternity, and may ours be the true faith that Christ has risen and will pilot us safely to that distant shore to rest forevermore in the precious arms of Jesus. Amen.

Ladies and Gentlemen, the President of the United States and Mrs. Carter.

PRESIDING: THE HONORABLE RICHARD T. SCHULZE

Good morning and welcome to the 27th annual National Prayer Breakfast. I am Congressman Dick Schulze of Pennsylvania, and I'd like to take this opportunity to express our gratitude to the Glee Club of the Valley Forge Military Academy and Junior College in Wayne, Pennsylvania, under the direction of Captain Charles King, for honoring us with their presence and their inspiring music. They will now favor us with a selection entitled, "Father Lead Me Day by Day."

STATEMENT OF PURPOSE: THE HONORABLE LAWTON CHILES

The Sixty-Third Psalm starts off, "Oh God, Thou art my God; early will I seek Thee: my soul thirsteth for Thee, my flesh longeth for Thee in a dry and thirsty land where no water is; To see Thy power and Thy Glory as I have seen Thee in the sanctuary. Because Thy loving kindness is better than life, my lips shall praise Thee. Thus will I bless Thee while I live: I will lift up my hands in Thy name."

We're also told that David, when he was escorting the ark into Jerusalem, got out in the street and he danced, and he shouted because of the joy that he had. I hope you kind of feel like dancing this morning, because I think we're here, gathered from all over the world, almost every country represented. And in addition to all of us that are gathered here there are literally thousands at home praying for this meeting, and we come expectant to watch the work of the Lord, to have His Spirit begin to move across the land and to heal the land. And I think each one of us is here expecting a blessing. I know that I am. And I think we just wait to see how the Spirit is going to move, how we're going to be taught, how each one of us is going to receive that message. And I think that's the wonderful thing of this day; that we're here and that so many at home are praying for us, and we now wait to see how the Lord will move.

Mr. Schulze: Before I introduce Dr. Graham for our opening prayer, I just want to say a few brief words. As many of you know, he is one of the staunchest supporters of the National Prayer Breakfast, having been the speaker at the first Prayer Breakfast, held in 1953, as well as the fifteen following after that. He and Bishop Sheen are very close and deep personal friends. And Dr. Graham, I am going to ask you this morning if you will include in your prayer, or say a special prayer for the son of our Secretary of Labor, Ray Marshall. Ray's son is undergoing surgery and treatment for a very serious bout with cancer, and I would ask that you would include him. Ladies and gentlemen, Dr. Billy Graham.

OPENING PRAYER: DR. BILLY GRAHAM

President Carter, Mrs. Carter, Bishop Fulton Sheen, Congressman Schulze. Shall we all bow in prayer. Our Father and our God, we humbly thank Thee for this unique occasion. We've come here not to recount achievements of the past or to plan for the future but simply to seek Your face and to pray. In Your presence we see ourselves as we truly are, men and women who are subject to the frailties of human nature and who need Your forgiveness. Give us a knowl-

edge of Thy truth and confidence in Thy mercy. We need our vision renewed, our faith restored, and the desire to love and to serve rekindled. We come to you, our Father, because our problems are clearly beyond us. The weapons of war are greater than ever before. The possibilities of conflict are numerous. The social problems of our time are with us as they've been since the dawn of history. Our vaunted technology has not solved the basic problems of human greed and pride and selfishness. Nor has it solved the problems of loneliness, sorrow and suffering. Nor has it solved man's greatest enemy—death. We need Thy life, we need Thy compassion, we need Thy strength.

And our Father, on this day we pray especially for President Jimmy Carter. We thank Thee for his personal faith in God. Give him strength, courage and wisdom. Give wisdom to those who bring counsel to him and to those who serve at every level of government. Make us to remember that to whom much is given, of them much shall be required. And if this applies to us all as individuals as well as a nation, grant that the strong, driving wind of the Holy Spirit may sweep across the land and may help our youth regain their dreams and our old men their visions. Bring us back to the rock from whence we were hewn, back to those values that materialism cannot give and cannot take away. Grant us again the determination to seek justice, to love mercy, and to walk humbly with Thee, our God.

And in these surroundings and amidst the bounty of this food, help us to remember the lonely, the oppressed and the hungry. May we sense the presence of Him who is the Way, the Truth, and the Life. May this prayer breakfast become a commitment service for all of us. May we rededicate ourselves to the God of our fathers. And on this day, our personal prayer to Thee is "Bless Chris Marshall," whose father, Secretary Marshall, could not be here because of his illness. We pray, if it be Thy will, to touch him and to heal him and touch his family, and may Thy grace be sufficient for all of them. We pray these things in the name of our Lord and Saviour, Jesus Christ. Amen.

WELCOME: MR. SCHULZE

I feel when I say "Good Morning" to you I should say "Good Morning" to the tip of the iceberg. Because although we are over 3,000 strong here this morning with representatives from all fifty states and more than one hundred countries, we who are here this morning merely represent the millions of others who meet regularly for spiritual fellowship through Jesus Christ. I would like to thank President and Mrs. Carter for their presence, continuing the tradition of Presidential participation, and tell you that there are thousands of others around the world and on ships at sea participating through the Armed Services Radio Network. I'd like also to say a word of gratitude for the committee that did all of this work to put this together and everyone who had a hand in this morning. Our heartfelt thanks to all.

This National Prayer Breakfast demonstrates in strong and certain terms that we as a nation need God's help, guidance, and strength if we are to retain our position of influence in the world. The purpose of the Prayer Breakfast is to give to our nation that spiritual strength which is available to those who will but ask for it, to renew and strengthen those bonds of brotherhood with the faithful across our country and around the world and to give us the opportunity to ask God's guidance as well as express our gratitude for that which He has given us. Throughout the twenty-seven year history of this event in our nation's capital, the effort has been to influence men and women around this world of ours to recognize and participate in fellowship and love through Jesus Christ.

As many of you know, this National Prayer Breakfast was initiated by the Senate and House prayer breakfast groups, and as the presiding officer of the House prayer breakfast, I'd like just to take a minute and tell you something about our meetings. We meet weekly while Congress is in session, the Senate on Wednesday and the House on Thursday mornings at 8:00. Both groups meet in the Capitol. We begin with breakfast, enjoying the fellowship of our colleagues during the meal, often discussing mutual problems, the problems which are somewhat unique to our chosen field; the problems of how to be a good husband or wife, father or mother, under the pressures of travel, devotion to duty and demands or needs of constituents. And although we may not always find solutions, we at least feel much better knowing that others share our difficulties. Then, after an opening prayer, one of our members shares with the group his thoughts and feelings. And I must tell you that for a gathering of supposedly tough politicians, these presentations are often very candid and very, very moving. But through these candid presentations and the discussions which follow, a mortar of understanding and fellowship forms a common bond which could be solidified in no other way. With politics aside, we draw strength and vitality from God and each other, even though in a short time, we may engage in verbal battle on the floor of those chambers above our heads at that time. A member then closes with prayer and we go our various ways. My personal involvement in the House prayer breakfast, I can say without equivocation, has been one of the most meaningful experiences of my life. And on behalf of the many members of the Senate and House prayer breakfasts, I again welcome you here this morning.

THE OLD TESTAMENT READING:

SECRETARY OF COMMERCE OF THE UNITED STATES OF AMERICA, THE HONORABLE JUANITA M. KREPS

Mr. President, Mrs. Carter, ladies and gentlemen. In choosing from the Old Testament, one is always drawn to the Psalms. There we find an elegance of expression that is seldom matched in the Scriptures or elsewhere. There we find a simple reassurance that becomes ever more critical as our lives become more complex. And there we find the ringing of joy that affirms our faith in what it is we are about. For the leaders of a great nation, most particularly for the President, that ring of you is vital. For it is with such joy that he must send to the people of his nation our common message of hope and faith and, by God's will, our strength. And so to Psalm 95:

"Oh come, let us sing unto the Lord, let us make a joyful noise to the rock of our salvation. Let us come before His presence with thanksgiving, and make a joyful noise unto Him with psalms. For the Lord is a great God, and a great King above all gods. In his hand are the deep places of the earth: the strength of the hills is His also. The sea is His, and He made it: and His hands formed the dry land. O come, let us worship and bow down: let us kneel before the Lord our maker. For He is our God; and we are the people of His pasture, and the sheep of His hand."

And from Psalm 100:

"Make a joyful noise unto the Lord, all ye lands. Serve the Lord with gladness: come before His presence with singing. Know ye that the Lord He is God: it is He that hath made us, and not we ourselves; we are His people, and the sheep of His pasture. Enter into His gates with thanksgiving, and into His courts with praise: be thankful unto Him, and bless His name. For the Lord is good; His mercy is everlasting; and His truth endureth to all generations."

THE NEW TESTAMENT READING:

SECRETARY OF THE INTERIOR OF THE UNITED STATES OF AMERICA, THE HONORABLE CECIL D. ANDRUS

Thank you, Mr. President, Mrs. Carter, distinguished guests all. Chosen from the New Testament this morning to share with you from St. John, Chapter 15, commencing with Verse 7. This choice was determined after thinking about the mutual love that Christ always had for His friends, and in hopes that this love and these words will be understood throughout the world and bring together men and women from all countries in peace:

"If ye abide in Me, and My words abide in you, ye shall ask what ye will, and it shall be done unto you. Herein is My Father glorified, that ye bear much fruit; so shall ye be My disciples. As the Father hath loved me, so have I loved you: continue ye in My Love. If ye keep My commandments, ye shall abide in My love; even as I have kept My Father's commendments, and abide in His love. These things have I spoken unto you, that My joy might remain in you, and that your joy might be full. This is My commandment, That ye love one another, as I have loved you. Greater love hath no man than this, that a man lay down his life for his friends. Ye are My friends, if ye do whatsoever I command you. Henceforth I call you not servants; for the servant knoweth not what his lord doeth: but I have called you friends; for all things that I have heard of my Father I have made known unto you. Ye have not chosen Me, but I have chosen you and ordained you, that ye should go and bring forth fruit, and that your fruit should remain: that whatsoever you shall ask of the Father in My Name, He may give it you. These things I command you, that ye love one another."

THE PRAYER FOR NATIONAL LEADERSHIP: SENIOR SENATOR OF OREGON, THE HONORABLE MARK O. HATFIELD

Mr. President, ladies and gentlemen. I wonder if you would all join me, and as a symbol of our unity and our oneness here this morning, if you would join hands around the table, we will have a time of silence for each to offer his own prayer for the leadership of this and all countries. I shall offer a prayer on our behalf, and then if you would all join me at the end with reciting the Lord's Prayer.

Holy, holy, holy, Lord God Almighty, who made of one blood all the peoples of the earth. We gather as leaders, men and women of power, prestige, and title, yet each only a sinner, redeemed by your love in Jesus Christ. We confess our corporate sin and our personal sin. Forgive us for being fascinated with instruments and forces of destruction that would open the gates of hell. Enable us, oh God, to gain mastery over the technology and the knowledge that we have, to sustain life, not to destroy life, to feed the hungry, to relieve pain and sickness, to eliminate illiteracy and poverty, to establish justice, and to bring the good news of redemption to those who are in darkness.

We thank you, God our Creator, for the land, water, and all your resources. Forgive us for the throwaway ethic and for worshipping at the shrines of convenience and disposability. Free us from being possessed by our possessions, and teach us the meaning of faithful stewardship. Forgive us of our arrogance, our hearts' desire to manipulate, dominate and command, to prove leadership. Help us to catch the vision of our Lord as He took the towel and the basin of water and washed the feet of His followers, thus demonstrating the greatest example of leadership, the servant leader. So enliven each of us to affirm our love for You through our love for each other.

We continue to pray for the peacemakers

of the world, for Your servant, Jimmy Carter, his advisers, and his family. The burdens mount, the pressures grow almost beyond endurance. How often we need to offer a word of encouragement or restrain from unnecessary critical comment, which would help lighten his load. We pray for the Congress, the courts, the state and local leaders. Inspire all who serve, and give peace in our time by Your sovereign power and mercy through Jesus Christ, our Lord, who taught us to pray:

"Our Father, who art in Heaven, Hallowed be Thy name. Thy kingdom come. Thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil: for Thine is the kingdom, and the power, and the glory, for ever. Amen."

MESSAGE: THE MOST REVEREND BISHOP FULTON J. SHEEN, ARCHBISHOP FROM NEWPORT, RHODE ISLAND

Mr. President, Mrs. Carter and fellow sinners. In a speech which the President gave, in the Baptist Church, in Plains, Georgia, he quoted St. Paul to the effect that we are all sinners. So, Mr. President, we include you in this title. I will tell you why I have addressed you that way. But I want to preface it. First of all, by thanking God for our rights and liberties. Secondly, by acknowledging to God our duties and responsibilities. And then, will come the fact that we are sinners.

First of all, thanking God for rights and liberties. Where do we get the right of assembly? Whence comes my right of free speech? From Congress? In the courts? If our rights came from them, they could take them away. Our founding fathers had to face that problem. They looked across the waters, where it was said that the majortiy gave rights. They rejected that on the ground that the majority is the custodian of minority rights. They found the answer and they set it down in the second paragraph of the Declaration of Independence, that it is self-evident that all men are created equal, and that the Creator has endowed man with certain inalienable rights, among which are the right to life, liberty and the pursuit of happiness. The Creator has given us those rights. Therefore they are inalienable. If we wish to keep our forest, we must keep our trees. If we wish to keep the pendulum swinging, we must make it dependent upon a clock. If we wish to keep our perfume, we must keep our flowers, and if we wish to keep our rights, we must also keep our God. That is why our Declaration of Independence is fundamentally a declaration of dependence on God. That's why we have rights and liberties.

We constantly hear about rights and liberties. But, how about duties? Why are there not leagues organized in defense of duties and responsibilities? There is no such thing as a right without a duty. Rights and duties are correlative, like the two sides of a saucer. It is popularly said for example, today, "Well, I've got to be me. I have to develop my own identity." How do we know our identity? By boundaries, by limits. How do I know the boundaries of the identity of the District of Columbia? By its limits. How do I know my responsibilities, my duties? By limits. By my God, my neighbor, my government, my fellowman. This is how we come to a sense of our duties and our responsibilities. And I wonder if it would not be a good idea to put up a statue on the West Coast. On the East Coast, we have the lady of liberty holding out the torch of rights and liberties. Why not put on the West Coast a statue to duty and responsibility, in which that light is thrust outward to neighbor, in which the hand is open to feed the poor, and in which we will acknowledge as a nation that no one has a right unless he has a duty to God, to country and to neighbor.

Our founding fathers recognized duties, the very ones who gave us rights, and a very deep sense of responsibility. There were 56 signers of the Declaration of Independence. What happened to them? What duties did they acknowledge? Nine died in the Revolutionary War. Five were captured by the British and died under torture. Twelve had their homes ransacked and burned to the ground. Dr. Witherspoon's home and college library were burned. Thomas Keen was compelled to move five times in five months to escape capture. He settled at last in a log cabin on the Susquehanna. Thomas Nelson, Jr., when his home was occupied by General Cornwallis, urged Washington to open fire and destroy his home. He died in poverty. Seventeen of the signers lost everything they had. The 56 pledged, "Our lives, our honor, and liberty." Many of them lost their lives, all of them their liberty for the moment, but not one of them lost his honor.

Now we come to the fact that we are sinners. We Americans do not like to hear about sin. We Catholics believe in the Immaculate Conception of the Blessed Virgin Mary. We used to be the only ones who did; now all Americans believe that they are immaculately conceived. There is no sin, we just make mistakes. We were fed on Grade B milk, had insufficient playgrounds, or our mother loved us too much, or our father loved us too little. So a distinguished psychiatrist, Carl Menninger, has written a book, "Whatever Happened to Sin?" He said the rabbis and ministers and priests stopped talking about it. Jurists picked it up and it became a crime, and they dropped it. The psychiatrists picked it up, and then it became a complex.

Now, we have personal and we have social, national sins. Muslims have their month of penance. Jews, Yom Kippur. Should we not have some reparation? Did not Lincoln mention it? Lincoln was the only President of the United States, in any public address who ever mentioned the word sin. Think of it! The only one, in his address of March the 30, 1863:

"Whereas it is the duty of nations as well as of men to own their dependence upon the overruling power of God, to confess their national sins and transgressions in humble sorrow, yet with a renewed hope that genuine repentance will lead to mercy and pardon, and to recognize the sublime truth announced in Holy Scripture, and proven by all history, that those nations alone are blessed whose God is the Lord. Inasmuch as we know that by His Divine Law, nations, like individuals, are subjected to punishments and chastisements in this world, may we not justly fear that the awful calamity of civil war, which now desolates our land, may be a punishment inflicted upon us for our presumptuous sins to the needful end of our national reformation as a whole people. . . . It behooves us then to humble ourselves before the offended Power, to confess our national sins and to pray for clemency and forgiveness."

First of all, our own personal sins: pride, covetousness, lust, anger, envy, gluttony and sloths. So that when we look at a Crucifix, that's our autobiography. The life of each and every one of us has been written. In those pierced hands I can see my own hands grasping for things. The other hand dug with steel for my sinister moves, and the open side for all false loves. Flesh hanging from Him like purple rags for all the sins of lust. And for these personal sins gathered in this breakfast, we beg God's pardon and forgiveness.

And for our national sins, whatever they be, for example for not sufficiently helping the other nations of the world: being sufficiently dedicated to life and then, being so much concerned with the nuclear armaments. At the close of the last century, two of the greatest scientists of the times, Claude Bernard and Louis Boutroux called on one of the French writers and publishers, Goncourt, and they said to him, "We have just begun to list the alphabet of destruction, and in the next generation, we shall finish it." Goncourt said, "And when that day comes, I think God will come down from heaven like a night watchman, rattling his keys, and he will say, 'Gentlemen, it's closing time,' and we'll have to start all over again." May the Lord forgive us all of our sins.

"Oh God of earth and alter,
Bow down and hear our cry,
Our earthly rulers falter,
Our people drift and die.
The walls of gold entomb us,
And swords of scorn divide,
Take not Thy Thunder from us,
But take away our pride!
From all that terror teaches
From lies of tongue and pen,
From all the easy speeches
That comfort cruel men,
From sale and profanation,
Of Honor and the sword,
From sleep and from damnation,
Deliver us, Good Lord."

—G. K. CHESTERTON.

THE PRESIDENT OF THE UNITED STATES, THE HONORABLE JIMMY CARTER

The PRESIDENT. Fairly early in my Naval career we moved from Hawaii back to this country, about the time of the advent of television. We had doubts about its value because the reports said that it was going to destroy the moral fabric of our nation. But one of the delights of my life, one of the greatest contributions of this technological miracle, was a presentation by Bishop Fulton Sheen on his regularly scheduled program of the religious interrelationships in his own life and how they related to a modern world. And I'm deeply grateful to him for being willing to come this morning to share with us the dynamism and the strength and the sensitivity and commitment of his own life again with us. Thank you very much, Bishop Sheen. It even boosts my spirits when he refers to me as a fellow sinner.

I listened with great care to him this morning as he talked about the liberty, the love, the duties, responsibilities, the constraints that bind us as believers in God, and that offer us a guide to the future. Last year was a year of turmoil. I noticed one public opinion poll that asked news reporters and American citizens what were the three most interesting news events of the year. All three had some religious connotation. One was a story of great tragedy, almost disgrace for the world of believers where hundreds of people, simple people, searching for an elusive element of truth at Jonestown, perished because of misguided leadership. That was the top story of the year. Another story in this last year demonstrated a great change in leadership as a Cardinal from Poland, outside Rome, behind the Iron Curtain, became the leader of a great Christian faith. And a third most important story to the people of our country was the Camp David discussions between myself, President Sadat, and Prime Minister Begin. We stayed there thirteen days, and the first day we agreed almost as an outpouring of mutual commitment and concern that we would pray within Camp David, and that we would call on the entire world to join us in a common prayer for peace. And we called upon the very same Congressional and other leaders who put this breakfast together to coordinate that effort. For several days that was the only thing on which we did agree. And we made great progress because of those prayers. But peace is still elusive and I hope that out of this breakfast can come a reconfirmation that all of you will continue to use your influence

to revitalize that prayer for peace in the Middle East and throughout the world.

I would guess that one of the great new stories of 1979 will be the impact around the Persian Gulf in the Middle East of religious fervor and a searching for some compatibility between a modern, rapidly changing technological world on the one hand and an inclination on the part of devout religious leaders to cling to stability and security predicated on past social and personal habits. So, as you can well see, in various ways, even in a modern world, one we consider to be highly secular, the great events that move the people here and in other nations are intimately related to religion. Our nation requires by law that the church and the state must be separated. The church cannot dominate our government; our government cannot dominate nor influence religion. But there is no way for a human being to separate in one's own heart and mind those inevitable correlations: responsibilities of a secular life, even in government, on the one hand, responsibilities to God on the other. They combine to form what a person is, what a person thinks, what a person hopes to be. And in international events, no matter how we try to order or separate religious trends, changes, hungers, thirsts, there is no way to sever that from public events. In Africa, South America, Indonesia, many other nations where a crisis has not reached the tornado stage, those undercurrents of religious people searching for compatibility with a modern world, a changing world, are intense, and are of profound significance to everyone in this room. Our own nation is not impervious to this circumstance. We have suffered severely in the past, because we who are Christians, others who are deeply religious in our own nation, have not been willing to accommodate those who have been deprived, who have and do suffer as they struggle for a better life. We tend to say this could only happen in the past. Today, certainly it's not a factor in our lives.

I grew up in a region of the country which has in the past and still sees quite often, too often, the Christian churches as a last bastion for racial segregation and even discrimination. This past Sunday I went down to Ebenezer Baptist Church in Atlanta. I participated in a program commemorating the fiftieth birthday of Martin Luther King, Jr. Speakers there, Dr. Benjamin Mays, Daddy King and others, pointed out the progress that has been made, but the emphasis was on the progress yet to be made. One of the elements that I noticed was the absolute truth that tends to come forward much more vividly in a quiet prayer. I was honored at the meeting, but when Mr. Benjamin Mays got up to give his prayer I sat back with the anticipation that somehow in his prayer he would complement me and help my image with the audience there, the congregation. As we bowed in prayer, he talked about all the troubles in our country, the poor, deprived, discrimination, and the culmination of his prayer was, that at least our President has done a little something about some of these problems. And he thanked God for that little something.

Truth is a mandatory element of a sound basis for a religious life. But sometimes we cannot accept the truth. I was intrigued by Bishop Sheen's reference to the Immaculate Conception complex of Americans. It is difficult for us as Americans to think that we might be sinful, that we might be in some ways inferior, that we might have some element of our life not yet realized. That we might have standards that have been prescribed for us which we have not met. And there's a natural human inclination to lower those standards to accomodate the very low achievements of our own life.

We must guard against the abuse of our own religious faith. We've seen broad changes in history. In the first few centuries after Christ's life and death on this earth, it was a crime to be a Christian. I've been reading Barbara Tuckman's delightful history of the 14th century era. And during those days it was a crime not to be a Christian. And the horrors of the Inquisition, the equasion of a Christian commitment with a willingness to be a constant dedicated warrior, a complete dependence on combat and bloodshed, and the abuses within the Christian church, are vividly expressed. And I'm sure at that time there was a rationalization among devout religious believers that what we look on now with abhorrence and sometimes so remotely with amusement, was the true teaching of Christ. And we must avoid a distortion or rationalization because of materialistic inclinations in our own hearts, of our own religious faith and its beliefs. When any religion impacts adversely on those whom Christ described as the "least of these," it can have no firm foundation in God's sight.

The last point I want to make is the dramatic sense of how our religion pertains to a modern era. Shortly before Christmas, we had Alec McCowen, a great British actor, come to the White House. And he stood there on a bare stage, and he quoted for memory the Book of Mark; I think about sixteen thousand verses, two and a half hours. He didn't use a modern translation; he used the King James Version. And there was a sense among those two or three hundred people that here came someone directly from the presence of Christ, and told almost like a newspaper in the most vivid, moving terms about the life of the Son of God. There was nothing stale about it. There was nothing ancient about it. There was nothing removed about it, from the existence of those assembled in that room. If you get a chance, I hope you'll hear him give that recitation.

Almost everyone in this room is a leader. People have exhibited faith and trust in us. Not only to carry out the mundane duties of a sometimes confused government responsibility, but also to carry out the responsibilities much broader than that. To set an example. To search more fervently for the truth. Sometimes we lose our confidence. One of the great problems with the modern church is its timidity about self-assertion. We're sometimes fearful not to project ourselves as believers in God into a controversial issue, because we are fearful that we might fail. We might be rebuffed. So it's much more easy for us, in the confines of our church or our synagogue, to sit back and say, "I'll enjoy those around me whom I know, who trust me, with whom I share limitations, and ignore limitations," than it is to project a deep belief in love, compassion, understanding, service, humility into a broad influence among others.

It's difficult to be bold and gentle at the same time. Peace and gentleness and humility are perhaps the most difficult characteristics of a human being. In Paul's Second Letter to the Corinthians he said, "Since we have hope, we are very bold." And I hope that we believers in God have not lost our hope and will continue to be bold. And later on in the same chapter of II Corinthians, he says, "Where the Spirit of the Lord is, there is freedom." Where the Spirit of the Lord is, there is freedom. There's no incompatibility between gentleness and boldness. There's no incompatibility between the constraints and the shackles on our lives by standards prescribed by God on the one hand, and the ultimate freedom that can come when the Spirit of the Lord is present.

Mr. SCHULZE. Thank you Mr. President. I believe that I can assure you that we will join in your admonition to continue to pray for peace in the world.

THE CLOSING PRAYER: ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES, THE HONORABLE HARRY A. BLACKMUN

Mr. President, Mrs. Carter, Archbishop Sheen, Dr. Graham, and friends. At this very breakfast one year ago, Max Cleland, the administrator of veteran's affairs, ended his moving and intimate devotional message with a prayer attributed to a Confederate soldier and delivered to Mr. Cleland by a POW out of Viet Nam. Those lines, in my mind, merit rereading as we approach the close of this meeting. This was it:

"I asked God for strength that I might achieve; I was given weakness that I might learn humbly to obey. I asked for health that I might do greater things; I was given infirmity that I might do better things. I asked for riches that I might be happy; I was given poverty that I might be wise. I asked for power that I might have the praise of men; I was given weakness that I might feel the need of God. I asked for all things that I might enjoy life; I was given life that I might enjoy all things. I got nothing that I asked for, but everything I had hoped for. Almost despite myself, my unspoken prayers were answered."

And in that spirit let us turn to our closing devotion.

We stand before Thee, oh God, on this day and in the capital city of this nation, only a few days after our celebration of the festival of Christmas and only a few weeks before the beginning of the period that we call Lent, between the two seasons in Christian reckoning that are the Alpha and the Omega. But also in between now, we stand at the threshold of a new governmental and national year. May it be that our recollections and our convictions about the Spirit of Christmas will not evaporate, but will linger and permeate our dealings and responsibilities one with another. And as we embark upon our duties and our deliberations of the year we are mindful of the words of Moses to Israel:

"For this law I enjoin on you today is not beyond your strength. The word is very near to you. It is in your heart for your observance. See, today I set before you life and prosperity, or death and disaster. If you obey the commandments of your God that I enjoin on you today, if you love your God and follow His ways, if you keep His commandments, His laws, His customs, your God will bless you. But if your heart strays, if you refuse to listen, if you let yourself be drawn into worshipping other gods and serving them, I tell you today you will most certainly perish. So I set before you life or death; the blessing or the curse. Choose life so that you and your descendants may live."

Help us to remember those words.

And may we also be mindful of the mandate from the apostle:

"Let love be genuine and hate what is evil and hold fast to what is good. Rejoice in your hope. Be patient in tribulation. Be constant in prayer. Rejoice with those who rejoice. Weep with those who weep. Live in harmony with one another. Repay no one evil with evil, but take thought for what is noble in the sight of all. If possible, so far as it depends upon you, live peaceably with all."

Help us to remember those words. And finally, may we so far as our country is concerned, be mindful of the words of one who, in this city some thirty years ago, prayed fervently and earnestly in this fashion:

"Our Father, we pray for this land. We need thy help in this time. May we begin to see that all true Americanism begins in being faithful to Thee, that it can have no other foundation, as it has no other roots. To Thy glory was this republic established, for the advantage of the Christian faith did the founding fathers give their life's heritage passed down to us. We would pray that all over this land there may be a return to the faith of those men and women who trusted in God as they faced the perils and the dangers of the frontier, raising a standard of faith to which men have been willing to repair down through the years. Thou didst bless their efforts. Thou didst bless America. Thou hast made her great. Would Thou also make her good. Guide us in all this, so that as the year goes on and the days pass, we may know and feel and cry aloud in realization, 'Oh, the depth of the riches and wisdom and knowledge of God! How unsearchable are His judgements, and how inscrutable are His ways.'"

The Closing Song: "The Battle Hymn of the Republic"—The Valley Forge Military Academy and Junior College Glee Club.●

DIVIDEND REINVESTMENT: KEY TO AN UNTAPPED RESERVOIR OF NEW CAPITAL

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

○ Mr. PICKLE. Mr. Speaker, early this session I introduced H.R. 654, a bill relating to tax treatment of qualified dividend reinvestment plans. This bill, which would defer the tax on dividends that are reinvested in a qualified reinvestment plan now has 22 cosponsors. I would like to insert in the RECORD an article by John D. deButts, former chairman of the board, American Telephone & Telegraph Co. on "Dividend Reinvestment: Key to an Untapped Reservoir of New Capital." In this article the author states that the future of dividend reinvestment would seem more assured if current tax disincentives to investment—high capital gains taxes and immediate taxation of dividends even when automatically reinvested—were removed. This article was chapter 18 of Capital and Job Formation, Our Nation's 3d Century Challenge edited by Charles D. Kuehner.

The article follows:

CHAPTER 18—DIVIDEND REINVESTMENT: KEY TO AN UNTAPPED RESERVOIR OF NEW CAPITAL

(By John D. deButts)*

What is most surprising about dividend reinvestment is that it was so long in coming to the corporate world. Long a fixture of the mutual fund industry, where dividend reinvestment proved a convenient and inexpensive way for participants to buy additional shares, it was the late 1960s before American corporations first sensed the potential of automatic dividend reinvestment. Even then, that potential was seen for the most part in terms of offering a gesture of goodwill toward shareowners who found it costly and troublesome to make small stock purchases in the capital markets.

More recently, however, a combination of factors—a more bearish stock market, capital shortages, and an increasing appetite for scarce equity capital on the part of corporations—has led an increasing number of American businesses to adopt this vehicle for attracting new capital and encouraging long-term investment in American business. In short, what first appeared to be only a convenience for small shareholders is now seen by some companies as the key to an untapped reservoir of new capital.

In the years ahead, dividend reinvestment will surely play a larger role in the formation of capital than it has in the past, generating even larger amounts of new equity to help create jobs and spur economic growth, while offering investors of every economic level a greater share of American enterprise.

An estimated 800 businesses now offer their shareholders the opportunity to have dividends reinvested for the purchase of additional shares. Chart 1, which depicts the growth of corporate dividend plans over the last ten years, illustrates this upsurge in corporate interest. Some of the plans permit only the reinvestment of dividends; others offer shareowners the option of buying additional shares with cash as well as reinvested dividends. Still others permit the purchase of shares without service fees or brokerage commissions.

[Charts not reproducible in RECORD.]

Among U.S. corporations offering dividend reinvestment are some of the nation's biggest and most prestigious. Of the 30 corporations whose stock activity is tracked by the Dow Jones industrial average, all but 4 offer their stockholders some form of dividend reinvestment plan. Overall, it is estimated that in 1976 some 1.5 million investors then enrolled in reinvestment plans made stock purchases amounting to more than $1 billion.

THE FIRST REINVESTMENT PLAN

The potential of a large market of shareowners who would be interested in having their dividends reinvested was first perceived by Citibank, which in 1968 approached a number of widely owned, capital-intensive businesses with the proposal that it establish and administer for the companies an investment program modeled on the mutual fund reinvestment concept. The first business to accept the proposal was Allegheny Power System, a holding company for electrical utility firms, which inaugurated the first corporate dividend reinvestment plan in September of that year.[1]

American Telephone and Telegraph Company was not far behind, announcing a similar plan in April 1969 for its then more than 3 million owners of common shares. Under the bank-administered plan, AT&T shareowners were invited to reinvest their quarterly dividends to buy additional shares of AT&T common stock on the open market at prevailing prices. For that service, they were charged a flat 75-cent service fee and a proportionate share of whatever brokerage commissions the bank had to pay on bulk purchases of the stock in the marketplace. Some 130,500 shareowners signed up for the service.[2]

Enrollment in AT&T's Dividend Reinvestment Stock Purchase Plan rose slowly until 1972, when the company negotiated a lower service fee with the bank. Later that year, the plan was again modified to enable shareowners to add cash payments of up to $1,500 a quarter to their reinvested dividends. By the year-end over 220,000 shareowners had signed up for the plan.

TYPES OF REINVESTMENT PLANS

At the start, dividend reinvestment plans offered only existing shares of stock bought on the open market by brokers for the banks and others that served as agents for sponsors of the plans. Beginning late in 1972, a second type of reinvestment plan was inaugurated by the Long Island Lighting Company. Under this type of plan, in which newly issued shares of stock were offered, the stock was sold directly to the shareowner by the corporation.

The Long Island Company plan prompted other companies to follow suit. AT&T moved in that direction in 1973, taking over administration of its plan from the bank that had been acting as trustee. At the same time, the company introduced a number of new features for its plan: shareowners could henceforth buy new shares and make cash payments of up to $3,000 a quarter. In addition, they could invest income from other Bell System securities as cash payments.

For AT&T shareowners, the revised plan meant the end of service fees and brokers' commissions for stock purchased through the plan; from then on, every dollar invested would buy stock. For the company, which because of difficult financial markets, had been relying principally on debt issues of one kind or another to meet its capital requirements, the plan was a move that strengthened the equity side of the capital structure.

Further improvements in the plan followed in 1975, with the introduction of a 5 percent discount on shares purchased with reinvested dividends, and in 1976, with new features that permitted shareowners to buy shares each month with cash and to reinvest less than all of their dividends. These steps made AT&T's plan even more convenient and attractive to many shareowners. And for the first time, AT&T had provided a substantial incentive for institutional investors to enroll.

With these changes, enrollment and investment rose to new levels. By the end of 1976, enrollment, as shown in Chart 2, had increased to 650,000—almost one out of every four shareowners. Equity investment through the plan, as shown in Chart 3, rose to $432 million in 1976, and $265 million was invested in the first six months of 1977.

Experience has shown that individual participants include people who, because of the costs and effort involved in making purchases in the regular market, might not otherwise invest further in stocks at all. Furthermore, by adding to the supply of shares already in the hands of the public, this ownership eventually leads to new business for brokers when those shares are ultimately resold. Thus, reinvestment plans provide investors with an easy way to buy more stock while leading to new business for brokers when the shares are sold again.

COMMON FEATURES OF REINVESTMENT PLANS

Although the features of all reinvestment plans are more or less standard, it is important to distinguish between the plans that offer new shares and those that offer existing shares. The latter are by far the more numerous. Indeed, among the hundreds of businesses that sponsor dividend reinvestment plans, less than 5 percent—perhaps 35 firms—use their plans to raise equity capital through the sale of new shares of stock, and most of those that do are capital-intensive utility companies.

Of 100 businesses surveyed in 1976, nearly eight out of ten identified the improvement of shareholder relations as a primary objective of their plans.[3] Other objectives, as noted in Table 1, were identified as: stabilizing the stockholder base, supporting the market price of the company's stock, and reducing the administrative costs of mailing dividend checks and stock certificates. These are valid business reasons for inaugurating dividend reinvestment plans. For the most part, capital formation has not been used as a major consideration.

TABLE 1.—*Survey of 100 companies sponsoring reinvestment programs*

Objectives of programs:	*Number of mentions*
Improving shareholder relationships	79
Stabilizing the stockholder base	26
Increasing market support for shares	20
Raising equity capital	12
Reducing costs	6

Source: The Conference Board.

Aside from the obvious differences between new and existing share plans, these features are more or less common among the current corporate investment plans:

1. Reinvestment of all dividends to purchase full and fractional shares.

2. Investment of cash payments on an average of $1,000 a month.

*Chairman of the Board, American Telephone and Telegraph Company.

Footnotes at end of article.

3. A combination of the first two options—investment of dividends and cash payments.

4. Preparation of cumulative stock ownership and tax records for participants.[4]

Also standard among many companies offering new shares is the absence of service fees or commissions on stock transactions. Among a few, a discount on stock purchased with reinvested dividends is an appealing feature to institutional and individual investors, despite the tax treatment applied to the discount.[5] The tax treatment—taxing the discount as ordinary income rather than as a capital gain—is an example of the lack of incentive to equity investment inherent in the nation's present tax laws.

In AT&T's case, the discount and savings on brokerage commissions make investment in additional shares of our common stock especially appealing to large insurance companies, banks, and brokers owning AT&T stock in their own or beneficial owners' names. In 1976, following the start of the 5 percent discount on shares bought with reinvested stock, almost 20 percent of the $432 million raised through the AT&T plan was supplied by institutions which were able to save upward of 6 percent on their stock purchases—the discount plus savings on a broker's commission.

Discount or not, savings on the purchase of stock have always been a primary attraction of reinvestment plans. Small shareowners, for example, can save as much as 40 percent of a broker's commission if they buy already issued shares through a reinvestment plan rather than individually through a broker.[6] But savings are not the only attraction: shareowners can also buy fractional shares that produce dividends, just as do full shares; their stock and tax records are produced automatically; and investment is largely automatic, meaning that stock purchases are made regularly and conveniently without further action by the shareowner.

Even so, the latest estimates of stockholder participation indicate that investor interest in reinvestment plans varies widely. As mentioned earlier, not quite one in four shareowners participates in AT&T's plan, for example. In 1976 participation in 93 of the companies that sponsor reinvestment plans ranged from 1.4 percent to 19.5 percent of the stockholders eligible to enroll,[7] as shown in Chart 4. And of 22 million owners of stock in companies offering reinvestment plans, only an estimated 1.5 million are now enrolled, as shown in Chart 5.

At the same time, participation is on the rise.[8] A recent survey of businesses with reinvestment plans suggests that those with higher participation are the more vigorous in soliciting new—and periodically resoliciting current—shareowners. In addition, the popularity of dividend reinvestment and the widening publicity given the plans have in themselves encouraged greater interest in enrollment.

DIVIDEND REINVESTMENT AND CAPITAL FORMATION

Some analysts are convinced that dividend reinvestment will play an increasingly greater role in capital formation in the years ahead, particularly among companies seeking to reduce the proportion of debt in their capital structure. At AT&T, dividend reinvestment currently provides an important and growing part of the company's total external financing. If U.S. businesses could motivate stockholders to reinvest as much as a third of their dividends, it is estimated that stockholders alone could generate as much as $10 billion a year in new equity capital.[9] This level of investment is not unrealistic, considering that 60 percent of all mutual fund dividends—some $950 million of $1.6 billion in 1976—are reinvested in additional mutual fund shares.[10]

This is not to suggest that dividend reinvestment could—or should—be the primary solution to the nation's capital formation problems: It is, however, a step in the right direction because it appeals to the small investor to enlarge his or her stake in American enterprise. And it permits small shareowners to do so automatically and regularly in whatever amounts they choose, and at relatively low cost, especially in those plans which have reduced or eliminated service fees and commissions. In this way, whether they invest in new or existing shares, shareowners make a contribution to capital formation. The important thing is that dividend dollars are being used to make equity investments—that is being saved rather than being spent.

THE FUTURE OF CORPORATE DIVIDEND REINVESTMENT

The recent increase of interest in reinvestment plans has led to sanguine growth estimates for this type of investment program.[11] This much is clear: the number of participants and the number of plans continue to grow; and among companies offering new shares, equity investment is on the rise. In the case of AT&T's plan, for example, investment and enrollment have never once declined in any of the eight years that the plan has been in operation. Since 1969, there has been a 14-fold rise in shareowner investment in the plan and a 4-fold rise in enrollment.

Encouraging as these signs are, however, a survey of companies sponsoring reinvestment plans suggests that the growth potential is not unlimited. Some businesses fear high administrative costs and low participation. Still others express a more philosophic concern: they are convinced that investment in stock without regard to market price is fundamentally unwise. There is also the matter of investors' desire to diversify.

The prospects for plans that sell new shares appear to be brighter, if only because individuals—the backbone of most reinvestment programs—can purchase stock through them free of service fees or commissions. The extension of such plans, however, hinges upon the return of large numbers of small shareowners to the market.

Crucial to the extension of reinvestment plans, of course, is the profit performance of business. Basic to the success of any reinvestment plan is the underlying demand for a company's stock. This demand rests in turn upon corporate earnings levels that are comparable to those of other companies with which the corporation must compete for equity investment in the capital markets. Without rates of return—and the prospect of continuing earnings improvement—comparable to those of rival investment choices, no plan, however convenient, can expect to attract continuing investment interest.

TAX POLICY BARRIERS TO REINVESTMENT

The future of dividend reinvestment would seem more assured if current tax disincentives to investment—high capital gains taxes and immediate taxation of dividends even when automatically reinvested—were removed. Of all the barriers to the extension of these plans, none is more formidable than the fact that, although they provide no cash flow to the shareowners, automatically reinvested dividends are immediately taxable as personal income. As one utility executive said recently, "Unless there are tax incentives to participate in dividend investment programs, we do not foresee such programs becoming significant factors in the capital markets." Others in a nationwide survey concurred in the view that the answer to further expansion is a change in tax policies that apply to reinvested dividends and dividend income.[12]

Under current tax laws, a stockholder who reinvests dividends must report them as ordinary income—subject, of course, to the individual $100 dividend exclusion. However, for dividends that are reinvested automatically, the shareowners receive no cash flow with which to pay those taxes. Because such tax treatment tends to discourage participation in reinvestment plans—and more important, because it discourages capital investment—the leaders of some of the nation's largest corporations have testified before the tax-writing committees of Congress in support of deferring the taxation of reinvested dividends until the stock purchased is sold.[13] Such a deferral would, of course, match the payment of taxes with the actual receipt of the cash income on which the tax is based.

There is even a good deal of logic for going farther and treating reinvested dividends in the same way as retained earnings are treated for tax purposes. Doing so would reduce the cost basis for the stock held as dividends were automatically reinvested, and would apply capital gains taxes at the time the stock was sold. In effect, this method would provide the same treatment for earnings reinvested at the discretion of the individual shareowner as is now applied to earnings reinvested at the discretion of corporate management. Such a policy would be a powerful incentive both for increasing participation in dividend reinvestment plans and for increasing capital formation itself.

The primary objection to deferring the taxation of reinvested dividends is the prospect of lost federal tax revenues, but the following factors suggest that the actual losses might not be as large as is generally expected:

First, a high percentage of common stock is held by tax-exempt institutions and trusts.

Second, almost a third of all dividends are currently tax-free as a result of the current dividend exclusion.

Third, the terms of any dividend reinvestment credit or exclusion might be drawn to limit tax revenue losses to an economically and politically acceptable level.[14]

And fourth, the economic stimulus to jobs and capital formation of such a step would probably offset any losses in tax revenues.

CONCLUSION

The nation's need for new equity capital has never been greater than it is today. Indeed, it is the prime requisite for increasing job opportunities in the United States. And it is essential to the maintenance of our nation's world economic leadership in its third century.

Already dividend reinvestment plans have proven to be an effective and popular means of stimulating the efficient formation of new equity capital for the U.S. economy. It is an idea whose time is "now." In the years ahead, dividend reinvestment programs will, I believe, become a major part of this country's equity growth processes.

FOOTNOTES

[1] Patrick J. Davey, *Dividend Reinvestment Program* (New York: The Conference Board, 1976), report no. 699, p. 1.

[2] "Dividend Reinvestment: A Growing Source of New Capital," *Bell Telephone Magazine*, November-December 1974, p. 8.

[3] Davey, *Dividend Reinvestment*, p. 6.

[4] Mark J. Appelman, *The Corporate Shareholder*, August 15, 1974, pp. 1–4.

[5] "Companies Make It Easier to Reinvest Dividends" (New York: Standard & Poor's Corporation, 1976).

[6] Appelman, *Corporate Shareholder*, p. 1.

[7] Davey, *Dividend Reinvestment*, p. 10.

[8] Ibid., p. 12.

[9] Charles D. Kuehner, "Capital Formation—A New Approach via Dividend Reinvestment," speech given to the National Investment Relations Institute, May 20, 1975.

[10] News release, Investment Company Institute, Washington, D.C., April 1, 1977.

[11] Davey, *Dividend Reinvestment*, pp. 43–47.

[12] Ibid., pp. 13–16.

[13] Robert N. Flint, AT&T vice president and comptroller, statement submitted to the Ways and Means Committee, U.S. House of Representatives, July 23, 1975.

[14] Eugene M. Lerner, "On Utility Financing," *Public Utilities Fortnightly*, May 8, 1975, p. 30.●

THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. MURPHY of New York. Mr. Speaker, last week I introduced a bill, along with a number of other members of the Committee on Merchant Marine and Fisheries, which represents the last stage of a 20-year effort to resolve the status of the 375 million acres under Federal stewardship in Alaska. This bill, the Alaska National Interest Lands Conservation Act, proposes to do what no other single land conservation measure has ever done—establish over 100 million acres of new national wildlife refuges, national parks, national forests, and wild and scenic rivers. It is easy to see why this bill has been called the land and wildlife conservation vote of the century. The magnitude of the Alaska issue rivals that of any other land issue ever faced by this country. The natural resources at stake in the Alaska question certainly rival those at stake in President Theodore Roosevelt's decision to establish the National Forest System in 1907. The size and diversity of the land at issue dwarfs the congressional creation of Yellowstone National Park in 1872.

Alaska covers 375 million acres—nearly a fifth of the size of the Continental United States. And yet, 20 years after its introduction into the Union, Alaska remains largely unpopulated. The State has a population of 400,000; most of which are located in the three urban centers of the State. The remainder of the State remains largely the way it was when we purchased it from the Russians.

In a very real sense, Alaska is our last frontier. It is the last part of the United States to remain largely untouched by the imprint of modern man. All of this is changing however. The admission of the State into the Union in 1959 and the discovery of oil in 1969 has started the State down the inevitable and, I believe, beneficial road toward development.

We cannot stop the development of Alaska, nor do I believe that we should. What we can do, however, is insure that as Alaska does grow and develop, a portion of the State's priceless resources are retained for the benefit and enjoyment of future generations of Americans.

It is no accident that the Alaska issue has captured the minds and hearts of Americans throughout the country whether they have ever visited Alaska or not. Alaska contains unique natural resources such as the large caribou herds of the Arctic Circle. But, Alaska contains so much more. A significant percentage of the migratory waterfowl found within the Continental United States originates from feeding and nesting grounds in Alaska. The State is in fact the focal point for the birds of three continents—the terminus of migrations which start in Argentina, Tasmania, South China, Cape Horn, Hudson Bay, and Siberia. It is not unusual for some of these species to travel 10,000 miles before coming to rest in Alaska.

Alaskan wildlife, of course, is not limited to the migratory birds. The same land and water that supports millions of birds also provides habitat for a broad spectrum of mammals from the lemming to the moose. Alaskan waters support several species of whales and other marine mammals.

In some cases, the fish and wildlife have a commercial as well as an esthetic and recreational significance. Alaskan waters support a priceless fishery which provides protein for the people of the United States and the world. For example, 16 percent of the world's red salmon population migrates through the waters of one Alaskan bay. This fishery, once subject to excessive exploitation is now regulated under the terms of the 200-Mile Act to provide optimal benefits to all Americans.

Impressive as the wildlife resources may be, they are but one of many that this country must insure are wisely conserved. The State of Alaska is suspected to contain a veritable storehouse of minerals. We know about the oil, of course. Prudhoe Bay contains the largest oil field in the country, and yet it is only one of a dozen or more suspected, though yet undiscovered, major oilfields in Alaska.

Alaska is also suspected to contain potentially significant desposits of hard-rock minerals. These resources remain largely undeveloped and even unexplored. The Federal-State Land Use Planning Commission suggests that Alaska contains 18 important minerals of national interest. These include: Copper, antimony, silver, gold, lead, nickel, borites, platinum, chromium, tin, tungsten, flourine, asbestos, molybdenum, mercury, iron and titanium. With the exception of gold and borite, all of these minerals appear in the 1976 study by the Office of Technology Assessment or the stockpile goals list of the Federal Preparedness Agency.

The challenge to the Congress in the Alaska issue is to balance the need to develop the mineral and other natural resources of the State against the obligation to conserve both the renewable and nonrenewable resources of the State for the use and enjoyment of future generations.

Alaska is an enormous State. It can easily accommodate both development and conservation. We can have it both ways, but it will take planning, intelligence, and an excessive amount of foresight. This bill attempts to assist us in that regard.

The 96th Congress will be the second time that the Congress of the United States has faced this important issue. Last Congress, the Committees on Marchant Marine and Fisheries and Interior and Insular Affairs labored for 2 full years to develop a balanced, reasonable, and intelligent bill to send to the House of Representatives.

My committee, which has the jurisdiction over the designation of wildlife refuges as well as all other components of the bill impacting on the management of fish and wildlife, held hearings in both Washington and Alaska. We heard from virtually every individual or group seeking to contribute their thoughts to this landmark legislation.

The House agreed with the work of these two committees and passed the bill overwhelmingly on May 19, by a vote of 277 to 31. Unfortunately, as often happens in the legislative process, the Senate did not take up the House bill until last summer. As a result, they were unable to complete consideration of this important measure prior to adjournment.

Although we must begin anew this Congress, I believe that we have amassed enough information to move this legislation rapidly forward in the first session of the 96th Congress. The Committee on Merchant Marine and Fisheries, for its part, intends to put the Alaska issue at the top of its legislative agenda.

ADMINISTRATIVE ACTIONS

Although Congress failed to settle the Alaska lands issue last Congress, Secretary Andrus and President Carter have moved boldly, under independent authorities to protect the irreplaceable resources of the State. On November 16, 1978, Secretary Andrus exercised his authorities under section 204(e) of the Federal Land Policy and Management Act to withdraw for 3 years all lands in Alaska (110 million acres) which have been under consideration for inclusion in the national conservation systems. The Secretary's action encompassed the composite boundaries of all the various (d)(2) proposals, including the administration's recommendations, the House-passed bill and the bill reported by the Senate Energy Committee. The Secretary's action does not reduce the need for legislation in the 96th Congress. All it did was insure that these lands will be fully protected from State selections or development while Congress debates the ultimate disposition of these areas.

On December 1, 1978, President Carter added to the secretarial withdrawal by designating 17 national monuments in Alaska—comprising 56 million acres. These monument designations included parts of all 13 of the proposed national parks, 2 of the 17 proposed national wildlife refuges, and 2 of the 7 proposed national forest wilderness areas. In sharp contrast to the secretarial withdrawals, the monument designations will be permanent unless modified by Congress. The areas designated by the President generally parallel those identified in the House-passed bill, although there are some important differences in the boundaries of the various units and the administrative provisions governing the management of these units.

At any rate, the President's action does not and should not preclude congressional consideration of the Alaska issue. First of all, the President has only gone part way toward resolving the land status of the State of Alaska and protect-

ing the natural resources of the State for all Americans. The President only designated monuments in 2 of the 17 areas proposed as wildlife refuges by the House-passed bill. All of these areas were subject to rigid scrutiny in the Committee on Merchant Marine and Fisheries and were determined to be worthy additions to the National Wildlife Refuge System.

Second, the President failed to address many of the issues in the (d)(2) debate including transportation, wilderness, subsistence, and mineral development. It will be necessary for the Congress to resolve many of these issues.

Third, as the legislative branch of the United States, the Congress is ultimately responsible for the disposition of these lands. It is only appropriate that we complete the work started last Congress and continued by the Secretary and the President.●

THE ECLIPSE CAPITOL OF THE WORLD

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. MARLENEE. Mr. Speaker, this Monday at 8:18 a.m. the Sun will cease shining on Lewistown, Mont. There have been many explanations advanced for this event. Some have suggested that the harsh winter being experienced by those in my State has forced the Sun to flee while others theorize that the sunset legislation introduced in Congress has had even greater results than we ever expected. Still others who idolize our Secretary of Energy have advanced the notion that the Sun is not going to shine because the Secretary has not ordered it to.

The real reason is the eclipse of the Sun and communities in Montana will be in the path of the total solar eclipse on February 26. I would like to share with my colleagues an excerpt of an article that appeared in the Wednesday, February 21, edition of the Wall Street Journal on this subject:

Most eclipse-goers seek out the exact center of the track, because totality lasts longer there than on the edge, and Lewistown is smack in the center. It is modestly calling itself "the eclipse capital of the world."

"Lewistown is really going all out on this," said Katy Shaw, president of the chamber of commerce. Though just 8,500 people live there, Mrs. Shaw says up to 10,000 visitors are expected, and the townsfolk "are opening up their homes." Special committees have planned torchlight parades for next Saturday and Sunday, and there will be dogsled races, sleigh rides, and square dancing. School will be let out on Monday morning, the "eclipse holiday." A schedule of events is all laid out in an official souvenir program.

Hotel bookings are heavy in Great Falls, Montana, which is in the shadow track but not quite on the central line. Through local merchants, the chamber of commerce is giving away free dollar-sized tickets to the eclipse (sponsor: "Celestial Bodies"), which later will be used in a raffle for prizes. The main purpose of the tickets, the chamber says, is to get wide distribution of a warning on the reverse side against looking at the eclipse with the naked eye.

Lewistown will truly be the "eclipse capital of the world" come this Monday and "as the Sun sets in the West" I wish that I could be present with them to join in on their celebrations.●

TRICKLE DOWN?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. STARK. Mr. Speaker, I would like to draw the attention of my colleagues to an article which appeared in the Wall Street Journal on Tuesday February 13, 1979, which reports on what the California business community is doing with their proposition 13 income.

The article notes that in many cases there is a difference between what some businesses said they would do with their share of the $2.9 billion in property tax cuts that went to owners of commercial and industrial property, and what has actually happened.

I commend this article to those of my colleagues who believe that every tax break for business eventually "trickles down" to the people who are paying for that tax expenditure. I shudder to think how much the American people are going to end up paying for the capital gains cuts agreed to by this House last year and how much they will actually benefit.

The article follows:

BUSINESS BONANZAS COMPANIES' BIG SAVING FROM PROPOSITION 13 IS SLOW TO REACH PUBLIC

(By Stephen J. Sansweet)

When California voters approved Proposition 13 last June, they cut about $6.4 billion from property tax collections.

Only about $2.3 billion of that total went to homeowners. Landlords got a $1.2 billion break. But the largest cut, $2.9 billion, went to the owners of commercial and industrial property in the state.

These businesses, Gov. Jerry Brown asserted at that time, had a "moral obligation" to invest their $2.9 billion tax saving strictly in California to create more jobs and a "buoyant economy." And former Gov. Ronald Reagan urged businessmen to share their tax reductions through lower prices and lower rents. In fact, some business backers had assured voters that they would indeed be generous with the savings.

But now, two months after the first half of the reduced property tax bill was due, it is clear that the savings granted to business have been slower in trickling down to the average citizen than politicians had hoped or some businessmen had promised. The situation has caused a flurry of complaints from consumer groups and politicians.

BENEFITS FOR ECONOMY

While many executives say that by reinvesting the savings in their own companies, the entire California economy will benefit, critics claim that much of the money is being used to increase corporate profits. "Greed is epidemic," one social activist charges.

Most businessmen appear to be hunkering down, hoping that the fuss will be relatively brief. Some worry that adverse publicity could help revive last year's short-lived legislative attempt to restore industry's property taxes about to the levels before Proposition 13.

The cut in property taxes has, of course, given some relief to homeowners, and the local governments and school districts that lost revenue haven't fared too badly, mainly because the state bailed them out with $5 billion of surplus revenues for fiscal 1979. The severest cutbacks in personnel and programs have come in some libraries, parks and recreational services.

Howard Jarvis, co-author of Proposition 13, says that one of his intents in drafting the initiative was to give business a tax break. "But I think they're obligated to pass along their lower costs to the consumer in the form of lower prices," he says.

INITIAL GENEROSITY

After Proposition 13's passage, some companies sounded magnanimous. Crocker National Bank took out full-page newspaper ads pledging to use its $2.8 million saving (or almost $1.5 million after federal income taxes) to make loans for job-creating purposes. A spokesman now concedes, "We obviously don't know that the money goes directly for that, although we feel and hope that most of it does."

Safeway Stores Inc. has publicly stated that it will pass its savings along to consumers, but a spokeswoman for the large supermarket chain cautions, "You can't say we've done it yet, and I can't give you any idea of the size of the cuts."

Some companies say that to the extent that Proposition 13 savings cut costs, they will be able to keep prices from rising more than they otherwise would have. Danny's Inc. says its $1 million of savings will go to that end, "although menu prices last year rose more than any other year." An official of Walt Disney Productions says that while most of its $1.5 million in savings will be reinvested for such things as new films and attractions at the company's theme parks, "We hope we won't have to raise ticket prices as fast."

Businessmen's ambivalence about what to do with Proposition 13 savings is indicated by two meetings held under the auspices of the United Way of Los Angeles County. At the first, held shortly after the measure passed, those in attendance generally went along with an urgent request from area schools and agreed to give part or all of their property tax savings as gifts to make up a looming shortage of funds. But at the second meeting 30 days later, sentiment had changed. "There was a feeling that the need wasn't as great and that the major impact on schools wouldn't be for a few years, so we felt we ought to go slow and see what develops," one businessman in attendance says.

BUSINESS BENEFITS

Many companies say that by reinvesting Proposition 13 savings in their own companies, they will create more jobs and keep the state's economy vigorous. For example, Southern Pacific Co., California's largest private landowner, will have a total tax saving of around $20 million, of which about $14 million is attributable to railroad operations. "The best use of that money as far as we're concerned is to invest it in new freight cars and locomotives," a spokesman says. However, he can't say what the railroad would have spent on rolling stock if it hadn't gotten the tax savings.

One conspicuous group of companies has returned its savings directly to the public, but only after arm-twisting by the California Public Utilities Commission. The state's energy, telephone and water companies are passing on to consumers a total of $264.4 million either through a credit on bills or a lesser rate increase than ordinarily would have been granted. But much of the savings go to large industrial and commercial customers because they generally use more

power than homeowners. In the case of Southern California Edison Co.'s 46.7 million reduction, the average residential customer's bill has been cut just about 22 cents a month, or less than 1%.

Lockheed Corp. says most of its $10 million tax saving will be passed back to the federal government under cost-reimbursable contracts, but a net gain of $2 million will be used for such things as capital expenditures and research and development. A spokesman for Teledyne Inc. says, "We have revenue and we have income, and whatever we have left after taxes we handle like we usually do." He declined to say how much Teledyne's tax saving had increased profit.

"It's clear that the most productive and proper way for us to use any tax savings is in the mainstream of our banking operations," says Arthur V. Toupin, vice chairman of Bank of America, which had aftertax savings of about $7.2 million. This boosted earnings per share by about seven cents. However, because the "problems and dislocations arising from Proposition 13 will be increasingly felt for possibly three more years," the bank has committed itself to raising its charitable contributions over that period to a level at least $10 million greater than if it were to maintain 1978's $4 million level of giving, he adds.

Some businesses, in fact, are giving away their total savings—at least this year. United California Bank, a unit of Western Bancorporation, contributed all of its $1 million after-tax saving, half to United Way and the rest to establish no-interest emergency loan funds for students at California's 24 independent colleges.

Wells Fargo & Co. gave away all of its $1.2 million after-tax savings in equal amounts to public-television stations for in-class TV instructional programs, to a foundation that makes high-risk loans for rehabilitating housing in deteriorating neighborhoods and to the United Way for "emergency funds" to meet Proposition 13 cutbacks. The money is in addition to the bank's normal charitable contribution of about $1.3 million.

SOME LARGE CONTRIBUTORS

Six large industrial companies, all but one in the San Francisco Bay area, say they are considering or have donated much if not all of their savings to charitable, civic or educational endeavors. Kaiser Aluminum & Chemical Corp., for example, has committed $150,000 of its $1 million after-tax saving to a rehabilitation project in downtown Oakland and says more such grants will be made.

"There are a lot of things we want to do in California, and since that's where the windfall came, that's where we're going to use it," says Thomas E. Drohan, president of Forestmost-McKesson Inc. The company saved $600,000, and Mr. Drohan says he will recommend to directors that they place the full amount into the Foremost-McKesson Foundation, which supports health, education and culture programs.

Philip M. Hawley, president of Carter Hawley Hale Stores, thinks such contributions might be a mistake. "What if two competing businesses receive identical Proposition 13 savings?" he asks. "One decides to give it all to charity while the other decides to price more tightly. After six months, the first company finds it's losing market share, so it has to lower its own prices. In a sense, that's giving away Proposition 13 savings twice."

Savings and loan associations are pursuing a more indirect course. Three large holding companies (Financial Federal Inc., First Charter Financial Corp. and Great Western Financial Corp.) say their savings, ranging from $280,000 to $300,000, will go into making more mortgage loans.

OIL AND GAS BENEFICIARIES

Oil and gas companies are among the largest beneficiaries of Proposition 13. Standard Oil Co. of California had its bill reduced by $47 million, Getty Oil Co. by $12.3 million, Atlantic Richfield Co., $10 million, Exxon Corps., $60 million and Occidental Petroleum Corp., $2.7 million.

Standard Oil's Walter K. Morris, vice president for public affairs, says he objects to people telling corporations what to do with their savings. "It's like someone telling me I have to give all of my person property-tax savings to the Red Cross." The executive adds that under federal regulations governing allowable gasoline prices, about half the company's property-tax saving has gone into reducing gas prices by about 0.2 cent a gallon. He denies a published report that the company has set aside $250,000 to assist United Way agencies that have sustained cutbacks. "It may eventually reach that amount, but it isn't the easiest thing to find these organizations."

"It's misleading just to look at last year's bill and the current one," says Sidney R. Petersen, Getty president. "Our taxes more than doubled between 1974 and 1977, and all we've gotten is relief from the tax ripoff." He notes that many localities have increased business fees and license costs to offset their drop in revenue. "The largest beneficiary in all this is the federal government, which gets about half of everyone's tax savings."

SOME RELUCTANCE TO TALK

But many businessmen simply try to duck the savings issue. The Los Angeles County Board of Supervisors and several other governmental agencies have asked California's top businesses what they intend to do with their tax savings. They have gotten few responses.

In a telephone survey, The Wall Street Journal asked 43 of the largest companies headquartered or doing buiness in California the size of their tax savings and what they intend to do with the money.

One company, H. F. Ahmanson & Co., declined to answer any questions. Of the others, about one-third declined to specify the amount of their tax savings.

"We sincerely believe that it's wrong to make public the so-called savings figure," Carl E. Hartnack, chairman of Security Pacific Corp., says at first. "In the emotional and political environment of Proposition 13," he says, "there's a good possibility that isolating these numbers could produce misleading conclusions."

After he learns that other major banks supplied the information, however, Mr. Hartnack relents and supplies an after-federal-tax figure for its saving: $2.9 million. He adds, "This money will flow into capital, which in turn permits us to take care of increased loan demand, thus producing sound economic growth that benefits all Californians."

CONFIDENTIAL DATA?

Carnation Co., Fairchild Camera & Instrument Corp., Safeway Stores Inc. and Union Oil Co. of California all say they consider property-tax data proprietary or confidential information. While assessments and therefore property taxes are listed on public documents, the records are available only on a county-by-county basis and are often carried under the names of many corporate subsidiaries. Thus, it's almost impossible to figure out with any accuracy the total tax bill of a large company with statewide operations.

A number of concerns that won't give figures say their savings are insignificant. They include Crown Zellerbach Corp., Litton Industries Inc., Memorex Corp. and MCA Inc. But a check of tax records in Los Angeles County, where MCA has its 420-acre Universal Studios complex, shows that the company has saved at least $1.6 million in property taxes this year, before federal tax considerations.

Officials of both Carter Hawley Hale Stores and Texaco Inc. say they just don't know how big their savings are although property-tax bills went out last November. However a report prepared for Los Angeles County estimates that Texaco saved $6.8 million in the county alone. Teledyne says its tax-cut figure "isn't readily available," Wickes Corp. says the matter is "too complex," and Potlatch Corp. says this "isn't an opportune time" to divulge the data.

TOM HAYDEN'S VIEW

To social activist Tom Hayden, the corporate reluctance to discuss Proposition 13 isn't surprising. Mr. Hayden, best know for his past antiwar activities, now heads the California Campaign for Economic Democracy, which seeks more government regulation of big business and revamping of corporate priorities. "Many chief executives I've spoken to have made a judgment that—as one put it—the hoopla will be over soon," he says.

However, Mr. Hayden believes the pressure on business will increase. "In the next two to three years," he warns, "the state surplus that bailed out local government will run out and we'll be faced with either massive layoffs and cuts in services, a doubling of the personal income tax or a repeal of that part of Proposition 13 that resulted in a windfall for big business. It's shortsighted of businessmen to think the issue will disappear."

Perhaps the issue won't disappear, but the talk of savings might. Most businesses that made charitable or other contributions stress that these are one-time grants. "I think that after this year," says Norman Barker, Jr., chairman of United California Bank, "it will be business as usual."●

STATEMENT OF THE HONORABLE AL ULLMAN, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 1147, TO EXTEND TEMPORARILY THE AUTHORITY OF THE SECRETARY OF THE TREASURY TO WAIVE THE IMPOSITION OF COUNTERVAILING DUTIES

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. ULLMAN. Mr. Speaker, on February 21, 1979, the Committee on Ways and Means ordered favorably reported to the House H.R. 1147 with amendment. The bill would extend until September 30, 1979, the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 1147 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule which would provide:

First. Committee amendments, which would not be subject to amendment;

Second. Two hours of general debate, to be equally divided;

Third. Waiving all necessary points of order; and

Fourth. One motion to recommit with or without instructions.

I anticipate that H.R. 1147 will be officially reported to the House and the committee report filed tomorrow, February 22, 1979. It is our intention to re-

quest a hearing before the Committee on Rules as expeditiously as possible.●

PHILIP FINKELSTEIN—LONG BEACH SHIPYARD'S LAST PLANK OWNER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. ANDERSON of California. Mr. Speaker, February 24, 1979, will mark a special day for the Long Beach Naval Shipyard. On that day the friends and colleagues of its chief engineer, Mr. Philip Finkelstein, will honor him for his long years of service at the naval shipyard. This will truly be a landmark occasion, as Mr. Finkelstein is the last person to retire from the shipyard who can claim to have been with the shipyard on the day it was established 36 years ago. Those familiar with naval jargon know this gives him the distinction of being the last "plank owner."

It must be, that being with an organization since its inception instills a special sense of dedication and loyalty which inspires outstanding performance, because Mr. Finkelstein's tenure with the shipyard has been one that demonstrated those qualities. The people who work for the shipyard, and those associated with it, have witnessed and gained benefit from the work of this man. And, of course, it must also be noted that the people of this entire Nation have similarly gained from his years of service. His contributions toward the building, modification, and repair of Navy ships has helped guarantee the maintenance of a strong and effective naval fleet for our national defense. Today, I would like to share with you a brief history of Mr. Finkelstein's career in the Federal service.

Mr. Finkelstein's education and early career illustrate an extensive preparation for his later high level work with the Long Beach Naval Shipyard. His formal educational training culminated with the award of a master of science degree in mechanical engineering from New York's Syracuse University. He started his career in the Navy civil service as an assistant engineer draftsman with the New York Naval Yard and held engineering, draftsman, and architect positions in Washington, D.C., Philadelphia, and Mississippi before his arrival in Long Beach.

In 1943, Mr. Finkelstein was one of 350 employees who established what is now known as the Long Beach Naval Shipyard. Here at Long Beach, he advanced in grade from naval architect P-4 to chief design engineer, GS-15, and made the most notable contributions of his 40-year career in Federal service.

As chief design engineer, he supervised the modification of a steam plant on the U.S.S. *Barbey* which resulted in the advancement of the propeller analysis techniques. This made possible propeller design improvements to other ships of other classes. The first two west coast installations of the rubber window sonar dome were also accomplished during his tenure as head of the design division.

Also during this period, the Long Beach Naval Shipyard gained national prominence by leading all naval shipyards in the utilization of computer science to assist in ship design. The design division also surpassed all other naval shipyards in the development and installation of the numerically controlled tools program.

These and other accomplishments have won him many honors. Among these are the Meritorious Civilian Service Award which he received twice in 1946, the Superior Accomplishment Award which he won in 1955 and again in 1958, and the Federal Employees Distinguished Public Service Award in 1977. Just recently, he was nominated for the Harold E. Saunders Award for Contributions to Naval Engineering.

A most admirable characteristic is his generosity in sharing his engineering talents when they are needed in special civic endeavors. He has provided design guidance for the construction of the model of the U.S.S. *Long Beach* which is used in parades and festivals throughout the local area. To reduce damage done by oil spills off the California coast, Mr. Finkelstein helped design scoops, oil booms, and skimmers.

He also devotes some of his spare time to teaching and developing education courses at local colleges and job training centers.

Mr. Speaker, a career in the Federal service can be a truly rewarding experience. This is especially true for those who work in the armed services, be it in uniform or by participation in the civilian work force. These people can claim a share in the effort which constantly maintains the strong national defense which is so vital to us all. Mr. Philip Finkelstein's career in the civilian Federal service definitely qualifies him as a major contributor to our security.

My wife, Lee, joins me in paying tribute to this man as he completes an outstanding career. We extend to him, his wife, Verna, and their two children, Dan and Ann, a wish for many years of happiness in the future.●

EXTEND GENERAL REVENUE SHARING

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WYDLER. Mr. Speaker, today I am introducing legislation to extend the general revenue sharing program to State and local governments for another 4 years.

Since its enactment in 1972, over $55 billion has been returned to the States and localities for their use. The present program will expire on September 30, 1979. Consequently, the 96th Congress must decide on a continuation of this assistance. I firmly believe that the Congress should continue the program.

I realize that many of my colleagues have reservations about continuance of general revenue sharing. The continued deficit in the Federal budget and the increasing dependence of the States and localities on Federal Government for assistance troubles me also. However, after we examine the issues and listen to all the arguments, I believe that one single point stands out from the rest and that is that decisions affecting local communities are best made at home, not in Washington, D.C. In my 18 years in the Congress, I have seen many a worthwhile idea and objective passed into law, only to see the promise of such programs swallowed up and redirected by an unthinking and unrealistic bureaucracy. Too often we fail to acknowledge the fact that all knowledge does not originate in Washington, D.C. Too often we fail to recognize that many decisions are more properly and easily made at the local level.

That is why I am today calling upon my colleagues to give early and close attention to the reenactment of general revenue sharing. Prompt consideration of this measure will allow State and local governments time to prepare budgets and programs with a minimum of disruption at the local level. Early consideration of this measure is the only responsible way to proceed.●

ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF LITHUANIA

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MIKVA. Mr. Speaker, I am privileged to join my colleagues in the observation and commemoration of the 61st anniversary of Lithuanian Independence Day. February 16 is a day to remember the tragedy of Lithuania's lost independence, and to reaffirm our recognition of Lithuania's right to exist as a free and independent nation.

Lithuania has had no distinct national boundaries since 1940 when it was annexed by the Soviet Union. Its people, however, continue to be a viable, independent, and free-thinking nation whose nationalistic spirit has not been extinguished.

The Lithuanian people have continued to maintain their own culture, language, history, and desire for liberty. As the world's leading democracy, the United States has an obligation to encourage all people to exercise their right to live in a free self-governing nation.

It is only fitting that we lend our moral support to people struggling for the basic freedoms we ourselves attained 202 years ago. Too often, Americans take for granted freedoms which many other countries do not possess. We are blessed to live in a country that values and protects the basic human rights of its citizens.

Today, I join my colleagues in expressing support for Lithuanians trying to achieve the same protection for themselves.●

TROTSKYISM AND TERRORISM: IRELAND AND IRAN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. McDONALD. Mr. Speaker, the Socialist Workers Party (SWP), the U.S. section of the Fourth International which coordinates revolutionary and terrorist activities of Trotskyite Communist parties and is actively supporting a wide range of terrorist revolutionary groups in Europe, the Middle East, and Latin America, has successfully recruited Iranians living in this country to the Trotskyite variety of Marxism-Leninism, has organized them into a Communist party recognized by the Fourth International as its Iranian section, and has sent them back into Iran to join in the revolutionary strife.

The involvement of the Fourth International Communists in international terrorist activities is nothing new. My colleagues may recall that in August and September 1976, I provided a series of detailed reports on the extensive involvement of the Fourth International in terrorism in Argentina, Bolivia, Chile, Peru, France, Britain and Ireland, Spain, Portugal, Greece, and the Middle East. More recently, the Japanese Trotskyites have participated in the rioting and arson at the Narita airport.

The Fourth International's involvement in terrorism in Northern Ireland is expanding as Trotskyites recruit among the terrorists of the Irish Republican Army (IRA) and its support networks. The Irish section of the Fourth International, the Movement for a Socialist Republic (MSR) is in the process of a merger with the People's Democracy, whose members have been convicted recently of such offenses as possession of illegal arms and ammunition, and have been sentenced to long prison terms.

These Fourth International parties have been assiduously courting another Trotskyite-oriented revolutionary organization, the Irish Republican Socialist Party (IRSP), which has a terrorist "military arm" called the Irish National Liberation Army. The Irish and British Fourth International parties have extensive contacts with both the Official and Provisional wings of the IRA. A number of IRSP members have been killed both in shootouts with British security forces and intramural killings by rival terrorist gangs: to these and to IRSP members apprehended and charged with terrorist crimes, the Fourth International parties have offered their "broadest support."

Just as the International Marxist Group (IMG), the British section of the Fourth International, played the leading role in the formation of the Irish section, the U.S. Socialist Workers Party has been the organizer and guiding influence in the formation of the Sattar League, now called the Hezeb Karegaran Socialiste—Socialist Workers Party—in tribute to its mentor.

It should be noted that as a result of a lawsuit brought by the SWP against the FBI and other Federal agencies, the Federal Bureau of Investigation has been barried from examining the activities of the SWP. The lawsuit has resulted in the SWP obtaining extensive discovery into the Government's investigatory files, but this has been insufficient for the leaders of the Fourth International who have asked the SWP to "internationalize" the lawsuit by seeking FBI, CIA and other agency files on the Fourth International and its members as well. That information was obtained from the Internal Information Bulletin, a confidential "members only" publication of the Fourth International published in English as a "fraternal service" by the SWP. Because of the SWP lawsuit, the FBI are forbidden to obtain copies via informants in the SWP and become aware of these activities on behalf of the Fourth International.

As for the formation of the Iranian Trotskyite party, the details of its activities and recent implantation in Iran have been provided in the Information Digest, a newsletter that provides detailed information on terrorist and revolutionary movements in the United States that is published by John Rees.

The article follows:

SWP SPAWNS TEHERAN TROTSKYISTS

Thanks to its American section, the Socialist Workers Party (SWP), the Trotskyist communists of the Brussels-based Fourth International (FI) now have an overt cadre operating in violence-torn Iran.

On January 22, 1979, more than a dozen Iranian Trotskyists from the leadership of the Sattar League, accompanied by SWP National Committee member Cindy Jacquith, flew into Teheran to hold a press conference announcing that the Sattar League was now the *Hezeb Karegaran Socialiste* (*HKS*) [Socialist Workers Party], the Iranian FI section. The HKS unveiled a political platform praising the Communist *"workers and peasants government"* set up in Azerbaijan, Iran's northern province, by the USSR which had militarily occupied the area during World War II, and supporting the clandestine work of the Tudeh (Communist) party in Iran in collaboration with the Mossadeq government overthrown by the Shah in 1953.

The HKS calls for establishment of a "constituent assembly" of representatives of "the organizations of the workers, peasants, white-collar workers, soldiers, university students, and high-school students." It is noted that the Trotskyists call for "equal rights for all religions;" a full women's liberation platform including state-run childcare centers, abortion and contraception; and that it includes no provision for any involvement in government of the Shi'ite Moslem clergy. All these points are bound to bring the HKS into conflict with the supporters of Ayatolla Ruholla Khomeini's planned "Islamic republic."

Those participating in the HKS founding press conference included Reza Baraheni, honorary chairman of the SWP's front for the support of Iranian revolutionaries, the Committee for Artistic and Intellectual Freedom in Iran (CAIFI); Babak Zahraie, a member of both the SWP and its youth arm, the Young Socialist Alliance (YSA), who played a leading role in using CAIFI to recruit Iranians into Trotskyism and the Sattar League; Nemat Jazayeri, CAIFI's former executive secretary; Parvin Najafi, active with CAIFI and a writer for Intercontinental Press/Inprecor, the weekly English language magazine of the FI produced by the SWP in New York City as one of its services to the FI; Javad Sadeeg, who fled Iran in 1953; Hooshang Sepehri, who said that four of his brothers had been killed fighting the Shah's government; and Zeyot Obrohimi, an instructor at Teheran University.

The Sattar League and the HKS are the outgrowth of "colonizing work" among Iranian revolutionaries and dissidents living in the U.S. by leaders of the SWP who also are leaders of the FI. In brief, the recruitment of the HKS commenced in the late 1960s and early 1970s when the campus YSA chapters were used to support and co-sponsor demonstrations by the Iranian Students Association (ISA) and recruit ISA members. However, in 1973, the ISA expelled its Trotskyist members in a bitter faction fight that continues with ISA contingents frequently assaulting Iranian Trotskyists and accusing them of being "agents of the Shah and SAVAK."

In 1972, the SWP formed a defense committee to fight deportation of Babak Zahraie, an SWP and YSA member active in the Seattle ISA. With marriage to a U.S. SWP and YSA member preventing the deportation, and with the split in ISA, the SWP transformed the Zahraie defense committee into the Committee for Artistic and Intellectual Freedom in Iran (CAIFI), a front controlled by the SWP which took as its first campaign securing the release of Reza Baraheni. On his arrival in the U.S. after release from a brief detention, Baraheni became CAIFI's honorary chairman and most active speaker. CAIFI, under the leadership of Baraheni, Zahraie and other Iranian and U.S. Trotskyists, continued its recruitment among Iranian students, which resulted in formation of the Sattar League as the Iranian section of the FI with two voting delegates in the FI leadership who never deviated from the positions of the SWP-led Leninist-Trotskyist Faction (LTF).

The HKS issued a tribute to long-time SWP and FI leader Joseph Hansen, who used the alias "Pepe" in the FI, praising his "central role in educating our leadership and developing our party" during their "years in exile." According to the HKS, Hansen, who died on January 18, 1979, advised them on everything from "theoretical questions to the questions of day-to-day party building." Said the HKS, "Comrade Hansen taught us to concentrate on the problems of our own country, to be Iranian Trotskyists."

Hansen, of course, was only one of the SWP leaders who also serve in the FI leadership. Among the services provided to the development of the Sattar League by the SWP was production of a monthly newsletter, Payam Daneshjoo [Students Correspondence], which first appeared in 1973 following the expulsion of Trotskyists by the ISA. In November 1978, the publication which had grown to a 60-page magazine became a weekly using the format of Intercontinental Press/Inprecor, and using GPO Box 1266, Brooklyn, New York 11201, to reflect the "new stage" of revolution in Iran and serve "as a step toward a unified newspaper that will seek the collaboration of all Iranian revolutionary socialists." As Bahman Moradi noted in Intercontinental Press, "the editors of Payam are organised around the banner of the Fourth International, the world party of socialist revolution." He neglected to note that the chief editor of the publication is Babak Zahraie, long-time CAIFI field secretary and Sattar leader.

Through CAIFI, U.S. and Iranian Trotskyists have had some success in attracting broader support from the left for its causes. It will be recalled that a CAIFI press conference in Washington, DC, on 9/13/78 featuring Zahraie and Baraheni had as additional participants Representatives Tom Harkin [D-IA] and Fortney Stark [D-CA], and former U.S. Attorney General Ramsey Clark.

How successful the U.S.-trained Trotskyist communists will be in Iran remains to be seen.●

ENERGY ISSUES DISCUSSED BEFORE THE AMERICAN NUCLEAR SOCIETY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WYDLER. Mr. Speaker, recently my colleague, BARRY M. GOLDWATER, JR., spoke before the Washington, D.C., section of the American Nuclear Society. His speech touched current energy issues. Mr. GOLDWATER put alternative energy sources such as geothermal and solar in realistic perspective. He also discussed the major nuclear issues in the coming Congress both from a regulatory standpoint and in technology development. We all know that Clinch River Breeder project and nuclear licensing will be at the forefront of issues in the 96th Congress. Mr. GOLDWATER, like many of us, is impatient with the administration on nuclear waste management and has introduced a bill to remove this obstacle to nuclear power deployment.

I recommend the speech as a snapshot of the nuclear issues which must be dealt with in this session:

NUCLEAR POLICY AND ISSUES IN THE 96TH CONGRESS

(By Congressman BARRY M. GOLDWATER, JR.)

Thank you, Mr. Chairman, for that very kind introduction and good evening, ladies and gentlemen. It's a pleasure for me to appear before this dinner meeting of the Washington section of the American Nuclear Society, and especially to follow in the footsteps of your most recent speaker, Miss Kitty Schirmer of the Domestic Policy Council. I hope you will give me as warm a reception as you gave her last month.

Although the topic of my talk is to be nuclear policy and issues in the 96th Congress, I think I can best set the stage for discussing nuclear matters by putting them in context with other energy sources. As some of you know, in the last Congress I was the Ranking Minority Member on the House Science Committee's Subcommittee that dealt with solar energy and geothermal energy, I would like to say a few words about those energy sources, as they are often presented as alternatives to the continued development of nuclear power. Let's take geothermal energy first.

Geothermal energy is very important in my home state of California, as we have some of the Nation's major geothermal resource areas in our backyard. The Geysers field in Northern California provides about one-half the electricity needs of the city of San Francisco, and does so at a cost cheaper than that from any other available energy source. In the Southern part of our state, we have the Imperial Valley, with a resource potential of several thousand megawatts. We've made some important strides in geothermal energy development in the last few years, with the cost of well drilling having come down by a moderate amount thanks, in part, to the research and development program we have established within the Department of Energy. We've also seen increased private interest in the construction of geothermal plants, with a 10MW totally private financed plant about to come on line in the next few months, and a 50MW demonstration plant project now in the formative stages as a cooperative venture between the Department of Energy and a New Mexico utility.

However, despite this promise, geothermal energy, like all other energy technologies, is not without its problems. We have been bringing geothermal energy plants on stream Nation-wide at the rate of only about 25-50 megawatts per year. That's a fairly significant rate when you consider that geothermal is a relatively new technology, but it is small, of course, when compared to the size of a large nuclear or coal-fired power plant at 1,000 megawatts each. Also, several problems stand in the way of accelerating geothermal development, such as objections to the gases released, uncertainty over reservoir life-time, leasing delays, and possible need for additional government development incentives. All these factors combine to leave some question as to what the ultimate contribution of geothermal energy will be. The resource base does seem to be there, but it is now clear that we are *not* going to have the 3 or 4 thousand megawatts on line by 1985 that had been predicted only a year or two ago. The statement by Governor Brown that nuclear power is not needed in California as geothermal energy can meet most of the state's future energy requirements is, in my opinion, not supported by fact, and totally irresponsible. Nor is it agreed to by almost all knowledgeable observers. Nevertheless, geothermal energy is a real resource, is providing some electricity now, and also is being used for direct heat applications. We need to continue the resource development and demonstration programs currently underway, but must not forget that any new energy technology takes a long time to break into a market place. Hopefully, the tax incentives provided under the National Energy Act, such as investment tax credits, and deductions for intangible drilling expenses and depletion allowances, all of which I supported, will help accelerate geothermal energy's entry into the market.

Solar energy receives much more attention than geothermal energy and is currently the energy source in vogue. The solar R&D budget is up to about $600 million in fiscal 1980, and when you count tax incentives and activities in departments other than the Department of Energy, you find that the Federal solar effort is up around the $800 million level, and still growing. Earlier in this decade solar funding was almost nonexistent.

Solar energy, as you all know, is actually a number of different technologies—photovoltaics, wind power, ocean thermal energy conversion, power towers, heating and cooling, and biomass, each with their own prospects and problems. The real questions are what contribution will solar energy as a whole make to our future energy requirements, when will this be obtained, and at what cost? Projections of solar's contribution by the year 200 range from 5% to 25%. While I naturally hope that the result is towards the higher end of this range, we have to be realistic. Solar has a long way to go. One must not forget, for example, that if we were to convert 20% of all the residences in the United States to solar heating and cooling, this would be equivalent to saving about 1 million barrels of oil per day, or 6% of the daily oil requirements. This 20% conversion would involve about 15 million residences, which at about $10,000 per residence would cost $150 billion. Are we ready for that?

Also, it would take about 500 of the largest sized windmills being developed today to provide the same energy capacity as one large coal or nuclear fired power plant. These windmills would require a land area of over 100 square miles.

Another solar technology, photovoltaics, is very promising, but it would take 25,000 times our present photovoltaic production capacity of about 750 peak kilowatts per year to produce electricity equivalent to that from 200,000 barrels of oil per day. That would be only about 1 percent of our current oil requirements. The present cost of photovoltaic devices, also, is so high as to presently rule this technology out for all but the most limited applications.

I could say similar things about the other solar options such as power towers, OTEC, or biomass. I don't want to be overly negative, as I feel we should be developing these solar options, but the point is that we have a very long way to go, and experience tells us that developing a new technology is not an easy or rapid task. The public must not be misled into believing that the sun is an energy cure-all.

Nevertheless, we do see signs of that happening, in a manner reminiscent of the "too cheap to meter" earlier promises about nuclear energy. Just this past weekend, it was reported that 115 Members of the Solar Caucus in Congress wrote the President requesting additional funding for solar energy, and new initiatives in line with the "technically achievable" proposal of the Domestic Policy Review of the solar energy. I suspect that new funding will be held down due to the Congress' and the Administration's current mood of fiscal restraint, but some "grandstanding" or White House announcement of new solar goals cannot be ruled out.

Now that I've reviewed where we stand on solar energy and geothermal energy, and some of their problems, let me say a few words about what we have accomplished in the last Congress in the overall alternative energy field. I can point with some pride to the following:

a. passage of the Automotive Propulsion Research and Development Act of 1977, expanding and accelerating research and development on more efficient automotive propulsion engines;

b. modification of the Geothermal Energy Research, Development and Demonstration Act of 1974, facilitating use of the geothermal loan guarantee program;

c. establishment of a financial support program for converting municipal wastes into energy;

d. authorization of loan guarantees for biomass demonstration facilities;

e. establishment of a program for greater utilization of our low-head hydroelectric resources;

f. modification of the Electric and Hybrid Research, Development and Demonstration Act of 1976, so as to better phase the electric vehicle demonstration program in with technology development;

g. House passage of the Solar Power Satellite Research Development and Demonstration Act, which would accelerate a determination of feasibility for this potential energy source; and

h. passage into law of the Solar Photovoltaic Energy Research, Development and Demonstration Act of 1978, which established a more centralized, goal oriented program for this very promising technology.

This last bill was the only major piece of energy R&D legislation that was passed by the 95th Congress.

In addition to these activities, Congress in its last session successfully shaped the course of ongoing research, development and demonstration programs in other aspects of solar energy, geothermal energy, and energy conservation through selective changes to the funding levels proposed by the Administration, and has partly corrected the lack of emphasis we found on a broad front of energy production activities.

So much for the previous Congress. Lets take a look at what's ahead for the new one. First of all, on my own Committee, Science and Technology, we've had a major change, both in the jurisdiction of our energy subcommittees and in their Chairmen. As many of you probably know by now, Don Fuqua of Florida has assumed the Chairmanship of the Full Committee, taking over for Tiger Teague of Texas, who retired. Jack

Wydler of New York remains as Ranking Minority Member. Mike McCormack of Washington has become the Chairman of our new Energy Research and Production Subcommittee, which has jurisdiction over all fision and fusion programs, that is, all nuclear activities under the auspices of the Science and Technology Committee. I don't think I need to tell you where Mike stands on nuclear issues. In addition to the Chairman, however, there is quite a variety of Democrats on this Subcommittee, ranging from those who look favorably upon the nuclear option and those who do not. Other Democrats in addition to Mike McCormack are Bob Roe of New Jersey, Marilyn Lloyd Bouquard of Tennessee, and Dick Ottinger of New York. We have a total of 11 Democrats on that Subcommittee. On the Minority side Jack Wydler of New York has been selected as Ranking Minority Member. This, of course, is the Subcommittee that will consider the Clinch River Breeder Reactor issue in the 96th Congress, and I know its going to be a busy year.

As to our Senate counterpart, namely the Energy Research and Development Subcommittee of the Senate Energy Committee, Frank Church of Idaho remains the Chairman, and Senator James McClure, also of Idaho, now becomes Ranking Minority Member, replacing Senator Hatfield. While I think you are all familiar with the favorable position of both Senators Church and McClure on the breeder situation, you should recognize that the Committee as a whole is less conservative than last year. Among the new Democrats appointed to this Subcommittee are Senators Tsongas and Bradley.

As far as jurisdiction over the Nuclear Regulatory Commission is concerned, in the House that still resides with the Interior Committee, which is chaired by Congressman Udall. In the Senate, NRC jurisdiction remains with the Nuclear Regulatory Subcommittee of the Committee on Environment and Public Works. This Subcommittee is under Gary Hart of Colorado and has a new Ranking Minority Member, Senator Simpson of Wyoming. Along with Senator Simpson on the Minority side of that Subcommittee are Senators Domenici and Baker. Senator Simpson replaces Senator McClure, who, while remaining on the Energy Committee in the Senate, also moves to the Appropriations Committee.

By now you are all aware that nuclear jurisdiction has shifted substantially from what it was several years ago, when it resided with the Joint Committee on Atomic Energy. In the House, the Science and Technology Committee now has jurisdiction over civilian nuclear power research and development, but several other Committees have part or feel they have part of that turf. Both the Interior and Commerce Committees, for example, are quite interested in the subject of radioactive waste disposal, and Interior has already held hearings on that subject this year. The Armed Services Committee is concerned about the disposal of those radioactive wastes generated in military programs. The International Relations Committee monitors nuclear exports and nonproliferation matters, and the Appropriations Committee is concerned with funding for all of the Federal Government's nuclear activities. The Government Operations Committee is concerned about how the various Federal agencies organize their nuclear responsibilities. I hope I didn't leave anybody out.

In the Senate, again several Committees are involved in nuclear matters, primarily Environment and Public Works, the Energy Committee and Government Affairs. What we have in both Houses of Congress is a classic situation where an issue has generated broad public interest and controversy, but the Congress has not adequately defined the jurisdictional boundaries as to how this subject should be handled. I wish I could say that the matter will soon be resolved, but in the House, unless the Speaker, the Rules Committee or a Committee on Committees steps in, I do not anticipate a quick or easy resolution of this matter.

One factor that has made the whole situation somewhat difficult and confused has been the late passage, indeed this year the lack of passage, of an authorization bill for the Department of Energy. The House passed one, but the Senate did not. As a result, it has been the Appropriations Committees that have provided the funds and the direction for the nuclear programs.

As many of you know, the usual role of the Appropriations Committees is to decide the actual funding levels for energy programs, after following the policy directions set by the authorizing committees. However, because the appropriations committees have moved ahead of authorizations in energy legislation in recent years, they sometimes take an independent course in areas where their members have strong views. The recent situation with fiscal year 1979 funding for the Clinch River Breeder, for example, while probably one that this audience would not oppose, is a case in point.

It is probably too soon to say whether this year will prove different. I know the authorizing committees are aware of the weakening of their roles, and will do what they can to arrest this shift in authority. However, at this time it is questionable that we will see a fiscal year 1979 authorization bill become law, as the Senate Energy Committee appears inclined to skip that over and wage the Clinch River battle on the 1980 bill. As a first step, however, a fiscal year 1979 bill has been introduced jointly in the House by the Science, Commerce and Interior Committees. Just what priority and action this bill will receive remains to be seen.

As to the nuclear issues that will come up this session, the list is a long one, and I suspect very familiar to most of you. Another one laying over from the previous year is the licensing bill. We don't know yet whether the Administration will resubmit this bill, the purpose of which is to cut the present 12 year lead time for building a new nuclear plant in half. At the moment, bills are being prepared by both the Administration and the Nuclear Regulatory Commission, the latter at the request of the House Interior Committee. The situation is uncertain as the Administration has not decided whether it wants to send its own bill up or not. Experience shows that when a situation gets this murky, little gets done. I have serious doubts that we will see a licensing bill enacted into law.

One area where, unfortunately, I think we will see some interest if not legislative action is in the Price Anderson Act. As you know, the Nuclear Regulatory Commission's repudiation of some of the conclusions of the Rassmusen Report have opened the door, in the minds of some people, to reexamination of the link between the Rassmusen Report and the Price Anderson Act. If consideration of this insurance program is reopened, as it might be, the most likely result would be a retention of the Price Anderson system itself, but removal of the limits on liability. When one considers that some of the other provisions of the Act are meritorious only when connected to a limit on liability, the prospect of reopening the Price Anderson matter is not encouraging.

It is somewhat encouraging, however, to see that the Administration has finally recognised the seriousness of the spent fuel problem and that a bill will soon be sent up to provide away-from-reactor storage capacity. On the other hand, I am concerned by the reported statement of a DOE official that the fees for storing spent fuel will be structured so as to give utilities an "overwhelming" financial incentive to store their spent fuel at reactor sites. I hope this bill helps more than it hinders. I also hope that those opposed to the nuclear option will act responsibly towards this legislation, as the forced shutdown of any nuclear plants, should it come to that, due to lack of fuel storage space would not be in anybody's best interests.

This whole problem could be solved, of course, by recognition of the need for reprocessing. I believe we will see that recognition in the final results of the International Nuclear Fuel Cycle Evaluation, to be completed next year, but whether the current Administration will accept these results is anybody's guess.

The major nuclear issue this year, as last year and the year before, will be the Clinch River Breeder Reactor. I don't think any of us have been convinced by the Administration's arguments concerning the lack of need for this plant, despite the fact that they talk about obsolescence, high cost, reduced energy demand, possible availability of alternative fuel cycles, and other smoke screen issues. Their concern is and always has been that of proliferation. Those of you who were at the last meeting of this section and heard Kitty Schirner speak can draw your own conclusions about the validity of the Administration's concern over proliferation. I, for one, think it is a misplaced concern and that the Nation will suffer if we deny ourselves breeder technology. We already see other countries moving ahead of us in breeder development, and we will soon be relegated to second class status among the nuclear power nations.

The Clinch River debate has been at somewhat of a standstill over the last few months with Capitol Hill attention focused partly on the McClure compromise. The President's budget for fiscal year 1980 contains no funds for Clinch River, and it is still his intention that the project be terminated. There is some confusion over the meaning of the word discontinue as used in the compromise, but I understand that Secretary Schlesinger has recently said that the Administration will still go along with a discontinuation of the project, as opposed to its absolute termination. For the moment, we see a breeder base program at around the $500 million level, which is sufficient to maintain at least part of our technical capability, but far short of the effort needed if we're really serious about developing the breeder.

I believe we have to be serious about breeder development. Nothing has changed in the last year or two that provides any further support for the Administration's arguments. This Nation needs the breeder program and it needs a plant, a real plant, as the focal point of that program. As is the situation with nuclear waste management, we must not go back and restudy our options. The time to build a plant is now. We already have fabricated a number of Clinch River components, and it would be an irresponsible waste of taxpayer's money not to get the maximum benefit from the work that has been put into that plant.

The ball is now in Congress's court, and despite the fact that we have an inflation-minded Congress that fully intends to maintain a tight budget, we need to do something to keep the Clinch River project going. Authorization hearings start this week with mark-up sessions likely to be held toward the end of this month or in early March. As an industry, you need to maintain the same presence and vigorous support of this project that you have displayed over the last two years.

Saving the best for last, I would now like to talk about the subject of nuclear waste management. We had hoped to see the final Interagency Review Group report completed by the President's deadline of February 1st, but it looks as if it will now be delayed for at least a month. In the absence of Administration action on this subject, I introduced

yesterday the Nuclear Waste Management Research, Development and Demonstration Act of 1979. This bill provides for the construction of a permanent Federal repository for nuclear wastes and spent nuclear fuel assemblies generated in the operation of civilian nuclear power plants. It requires the Secretary of Energy to construct a repository to be in operation no later than September 30, 1988.

The bill will help us avoid the frightening prospect of an energy shortage, which a nuclear slowdown would surely entail. While the problems surrounding the construction and operation of nuclear waste facilities are substantial, recent evidence leads me to conclude that the technology has reached the stage where we should proceed with a demonstration facility. This bill directs the Secretary of Energy to construct and operate a permanent repository for the disposal of nuclear wastes and the storage of spent fuel assemblies, and its key element is that it sets a strict timetable for the completion of this job, recognizing the urgency of the problem. Site selection is to be based on the many studies conducted *to date* on nuclear waste disposal, as well as on specific site evaluations yet to be completed. The demonstration facility must become operational, as I have indicated, by September 30, 1988.

The issue of nuclear wastes is of considerable importance to the Nation and is a problem which has been neglected for too long a period of time. We have already been forced to limit construction of the new nuclear plants in some areas of the country due to the public's perception of the nuclear waste problem. We must act now to insure that this situation gets better, not worse.

My motivation for introducing this bill was in part the realization that we have studied the subject of nuclear wastes and studied it again. As I stated in a letter to the Secretary of Energy on this matter last year, I cannot help but note that we have seen a seemingly unending series of studies, reviews and evaluation of this subject within the last several years, each ending with several laudible recommendations or goals that somehow get sidetracked before they are achieved. Endless paper studies do not seem to me to be the solution to the nuclear waste disposal problem. What we need instead is to est establish a research, development and demonstration program that will get this job done, and to my mind that includes construction and operation of a repository in a timely manner. The bill does exactly that, and for this reason, it is imperative that we act on this legislation during this session of Congress.

When I was out at Hanford this past summer, it was impressed upon me that during World War II, we built our first plutonium production reactors in a period of about 13 months, but now I find that we cannot dig a hole in the ground to handle the waste from those reactors for 13 years. That is an intolerable situation, and my bill proposes to correct it. In addition to mandating the construction of a repository, the bill requires this facility to go through a licensing process and designates both the Department of Energy and the Nuclear Regulatory Commission as joint lead agencies for preparing the necessary environmental impact statements. The bill also provides for a meaningful State role in commenting on the construction and operation of the repository and encourages public participation in the project. Finally, the bill establishes a nuclear waste advisory committee and extends the licensing authority of the Nuclear Regulatory Commission to cover spent fuel assemblies and transuranic elements.

One thing the bill does not do is establish a new Federal agency to regulate nuclear wastes. We don't need a new agency, as some of my colleagues in the Congress have suggested. We have the necessary mechanisms in place. What we really need is the initiative to get on with the job and get it done.

The bill also does not provide a legislative veto for the States. I don't believe this is necessary, as there are ample mechanisms under the bill for the many industrial, scientific and environmental organizations interested in this project and the public at large to provide their views for consideration during the siting, design, and construction of the repository. States and other parties must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the states and give them an opportunity to comment on and influence any action taken by the Secretary under this bill. It specifically provides for state input at early stages of the decision-making process for the facility, thereby protecting the rights of the states involved while providing for the construction and operation of a facility that is in the Nation's best interests.

Strong congressional action must be taken in the 96th Congress to focus on the need for a permanent, operational nuclear waste facility. The Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern, and I therefore will be pressing for its enactment.

I could go on further but I think that by now you've got the message. Nuclear power faces problems, but other energy technologies do as well. In fact, if there is one thing we have learned from nuclear power it is the difficulty of bringing any new energy source from the laboratory, through several development and demonstration stages, and into the marketplace. There is no reason to believe that the road will be easier for solar or geothermal energy, or for any other energy source.

The government's role must be one of encouragement, moral support, and funding of needed research, development and demonstration activities that the private sector alone will not accomplish. We see this approach being employed for the politically popular energy sources, but only the third item applies to nuclear power these days. It would be extremely beneficial, and cost very little, if the Administration would come out with a statement of support for the nuclear option. If they were to do so, a number of the current uncertainties facing the industry would disappear, and it may not be beyond the bounds of reason, somebody, to see the solar lobby and a "nuclear caucus" working in Congress for a common goal—a narrowing of the energy supply-demand gap, and a reduction in oil imports. Thank you!●

HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT WELCOMES COMMENTS ON A NEW RULE ENACTED BY THE HOUSE

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BENNETT. Mr. Speaker, on January 15, 1979, the House of Representatives added a new clause to the Code of Official Conduct, clause 11 of rule XLIII, which provides as follows:

A Member of the House of Representatives shall not authorize or otherwise allow a non-House individual, group, or organization to use the words "Congress of the United States", "House of Representatives", or "official business", or any combination of words thereof, on any letterhead or envelope.

This clause took effect upon adoption. The primary purpose of clause 11 is to prohibit a private organization from using a facsimile of congressional stationery for a direct mail fundraising appeal. However, the Committee on Standards of Official Conduct has received a number of inquiries concerning the application of this rule to other factual situations.

The Committee on Standards of Official Conduct will soon be issuing a formal advisory opinion interpreting clause 11. The committee would welcome comments from Members on the general interpretation of this clause. Any Member wishing to submit written views to the committee should do so as soon as possible.●

CONSERVING ENERGY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. SCHEUER. Mr. Speaker, as this body is well aware, a great deal of time and effort has been devoted in Congress to seek ways to assist the American people in understanding the need to conserve energy and ways in which this critical task can effectively be accomplished.

Not enough is now being done to conserve energy which is particularly tragic as the international situation becomes more unstable.

I have been following the development of a model Conference on Community Housing and Energy Conservation, which is being cosponsored by the Department of Housing and Urban Development and Council of Jewish Federations in association with the Department of Energy and dozens of religious groups of all faiths and neighborhood organizations. This conference is the only one I am aware of which has actually sought to teach leaders of community groups how to help ordinary citizens conserve energy.

I want to congratulate Father Geno Baroni, assistant secretary for Neighborhoods, Voluntary Associations and Consumer Protection, and his office staff which labored hard and long to assist the Council of Jewish Federations which designed the conference program under the direction of William Rice, a consultant on energy conservation.

What is most interesting about this innovative grassroots endeavor is the very diverse number of community-based groups that actually took advantage of this unique opportunity, spent all of George Washington's Birthday holiday, from 8:30 in the morning until well into the evening. That so many people were willing to take this time indicated to me clearly the high level of interest existing among ordinary citizens to learn how to conserve energy.

The Department of Housing and Urban Development and the Department of Energy and other relevant Federal agencies would do well to increase their community-level contacts to replicate efforts like the one created by the Council of Jewish Federations.●

WESTERN NEW YORK NUCLEAR FUEL SERVICE CENTER, WEST VALLEY, N.Y.

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. LUNDINE. Mr. Speaker, the only commercial nuclear reprocessing plant ever to have operated in the United States is located in my congressional district at West Valley, N.Y. The facility began operations in 1966 on a 3,350-acre site near Ashford, N.Y., following the granting of a license by the Nuclear Regulatory Commission to the State of New York and Nuclear Fuel Services, Inc., as colicensees to operate the plant. Plant operation has been closed since 1972 and will never reopen. Located on the site are a nuclear reprocessing plant, nearly 600,000 gallons of high-level liquid nuclear waste, and 2 solid nuclear waste burial grounds.

This was a federally encouraged commercial venture, with the Federal Government actually having provided most of the spent fuel rods for processing at the site over the 6-year operation of the plant. The Department of Energy will soon complete a 1-year study regarding future disposition of the site in response to a congressional mandate under Public Law 95-238. Their final report will be submitted to the Congress for review and further action on February 25.

Since coming to Congress, I have studied this complex issue carefully. Its resolution must be a top legislative priority of this Congress. It is essential that we demonstrate an ability to safely dispose of nuclear wastes in this country and a resolution of the problems at the West Valley site must be an integral part of this process.

I recently undertook a public opinion survey of the residents of the West Valley Central School District in my congressional district. The survey was undertaken to assess public attitudes about the Western New York Nuclear Service Center from residents within the community most directly affected by the 1972 plant closing and decisions regarding the future of the facility.

The survey was analyzed by a public opinion research consultant. Following is a summary of the results of this analysis. I have available in my office files a more detailed statistical breakdown and analysis. I would like to acknowledge the assistance of Mr. Charles Couture, president of the West Valley Chamber of Commerce, and Mr. Robert Niver, principal of the West Valley Central School, in encouraging citizen participation in the survey:

THE SURVEY

The questionnaire was mailed to all 543 households in the West Valley Central School District. The district is comprised of 430 households in the town of Ashford and 113 households in the surrounding community. No attempt was made to randomly sample households in the School District because of the small size of the community.

The questionnaire provided space for responses from two members of each household. Questionnaires were returned by 175 persons from 108 separate households between January 4 and January 22, 1979, providing a household return rate of 20%.

Survey research experience indicates that responses from a mailed questionnaire are not necessarily an accurate reflection of the make-up of the population. Individuals who return mailed questionnaires tend to have higher incomes and are more highly educated, more politically attentive, and more highly motivated on the subject matter of the questionnaire than the population as a whole.

For this reason, readers of this report should be aware that the analysis is based solely on the opinions of individuals who returned the questionnaire. Because respondents were not randomly selected, their opinions are not necessarily an accurate reflection of the opinions of all citizens residing in the West Valley Central School District. Although we cannot assess the accuracy with which the profile of respondents reflects the demography of the area, we can conclude that the results of the survey accurately represent the opinions of those residents who cared enough about the problem to register their attitudes with their representative in Congress.

A profile of respondents who returned the questionnaire is presented in the Appendix. The profile presents the answers to the demographic variables included in the questionnaire.

GENERAL ATTITUDES ABOUT THE DEVELOPMENT OF NUCLEAR ENERGY

Three questions were included in the survey to determine general attitudes about the future development of nuclear energy. Total sample results of these questions are provided below:

"The Congress should approve legislation to speed up licensing of nuclear power plants in the U.S."

Agree	32
Disagree	56
Not Sure	12

"The federal government should spend more money on the further development of solar energy than on the development of nuclear energy."

Agree	63
Disagree	26
Not Sure	11

"Nuclear energy can significantly decrease U.S. reliance on foreign energy sources."

Agree	47
Disagree	33
Not Sure	20

ATTITUDES ABOUT OPERATIONS AT THE WEST VALLEY SITE

Two questions were included in the survey to determine public attitudes about the closing of the West Valley site, and the roles of Nuclear Fuel Services and the Nuclear Regulatory Commission in the closing, as follows:

"Nuclear Fuel Services has lived up to its contractual agreements."

Agree	37
Disagree	34
Not Sure	29

"The Nuclear Regulatory Commission has acted properly in upgrading its criteria for nuclear operations in the West Valley area."

Agree	39
Disagree	42
Not Sure	19

At the time this survey was taken, respondents to the questionnaire who have an opinion on these issues are almost evenly divided in their attitudes on the performance of both NFS and NRC.

By only a three percent margin (37% to 34%), respondents agree that Nuclear Fuel Services kept it contractual agreements for operation of the plant. There is, however, a significant level of indecision on this issue. Twenty-nine percent of the respondents have no opinion on this question. This is the highest level of indecision on any question included in the survey, and probably indicates an absence of public awareness of the specific legal relationships between New York State, Nuclear Fuel Services, and the Nuclear Regulatory Commission at the West Valley site.

Respondents are also almost evenly split in their evaluations of the Nuclear Regulatory Commision's performance. By a three percent margin (42% to 39%), respondents disagree that the NRC acted properly in upgrading its criteria for operation of the site. Nineteen percent of the respondents are undecided on the issue.

Differences in attitudes toward the NRC's actions are particularly interesting in terms of employees of NFS and their families. By a 48 to 34 percent margin respondents who have a family member employed by NFS agree that the NRC acted properly in upgrading the standards. Respondents with no family employment by NFS have different attitudes. By a similar margin (47% to 53%) they disagree that the NRC acted properly in its West Valley rulings.

RESPONDENT CONCERNS ABOUT FIVE ASPECTS OF THE WEST VALLEY SITE

Respondents were asked to rank order five aspects of problem areas connected with the West Valley site in terms of their degree of concern about each aspect. Respondents were asked to rank the problem areas from one to five, with one indicating the aspect about which they are most concerned, and five indicating the problem area of least concern. The problem areas and the average ranking assigned to each of them are as follows:

Respondent concerns:	*Average ranking*
Technical ability to deal with the existing (nuclear) wastes on site	2.5
Impact on health and safety of workers and population	1.7
Revenue to replace lost taxes from current NFS facilities	2.8
Who will ultimately own and manage the site	3.8
Stimulation of jobs for the local economy	3.9

Respondents to the questionnaire are most concerned about health and safety, followed by the technical ability to deal with existing wastes, revenue to replace taxes lost as a result of the plant closing, the ultimate ownership and management of the site, and jobs for the local community.

The ranking actually assigned by respondents to each of those areas are presented below:

	Rank of concern				
	Most concern 1	2	3	4	Least concern 5
Health and safety	62	20	8	7	3
Existing wastes	21	42	16	13	8
Lost taxes	15	22	35	19	9
Ownership of site	3	5	25	34	33
Local employment	8	8	13	25	46

ATTITUDES ABOUT FUTURE DISPOSITION OF THE WEST VALLEY SITE

Respondents were asked which of the following three options they would prefer for the future disposition of the West Valley site: (1) increased nuclear activity on the site, (2) a gradual phase-out of current ac-

tivity on the site, or (3) return of the site to non-nuclear use as soon as technically possible. Total sample results of this question are provided below:

Increased nuclear activity on the site	26
Gradual phase-out of current activity on the site	17
Return of the site to non-nuclear use as soon as technically possible	52
Not Sure	5

Respondents were also asked who they feel should make the ultimate decision regarding the future disposition of the West Valley site, with the following result:

New York State	13
Nuclear Fuel Services	3
Nuclear Regulatory Commission	9
Congress	15
Department of Energy	5
All of the above	51
Not Sure	4

A majority of respondents feel that a collaboration of the various entities noted above should determine the future disposition of the NFS site. Respondents cite Congress and New York State more frequently than other single entities as their choice for making the ultimate decision about the future disposition of the site.

Only nine percent of the respondents feel the NRC alone should determine the future of the West Valley site, and only three percent feel that NFS alone should make that decision.

ATTITUDES ABOUT ALTERNATIVE FUTURES OF THE SITE

Respondents were asked to indicate their preference for alternative future conditions at the West Valley site 20 years from today by rank ordering four hypothetical descriptions of possible activity on the site from most advantageous (1) to least advantageous (4). The hypothetical description and the average ranking assigned to each option are presented below:

	Average ranking
1. "The site has been completely decontaminated and decommissioned. Alternate land use is unrestricted."	1.9
2. "Nuclear activity continues on the site. High-level liquid wastes have been solidified and shipped to a federal repository . . . Burial grounds remain closed to additional waste . . . Spent fuel capability has not been expanded."	2.1
3. "There is a high degree of nuclear activity on the site. The plant is being used as part of a nuclear research and development program. Spent fuel storage capacity has been expanded, and the burial grounds have been reopened for receipt of low-level nuclear wastes. High-level waste has been solidified."	2.8
4. "The site remains as it is today except for modifications required by the Nuclear Regulatory Commission. High-level liquid waste remains in liquid form, the plant without substantial modifications, and the waste burial grounds intact."	3.5

Respondents feel the first option—complete decontamination of the site—is the most advantageous, while the fourth option—allowing the site to remain essentially as it is today—is the least advantageous.

The actual rankings assigned by respondents to each option are presented below:

	Most advantageous			Least advantageous
Option:	1	2	3	4
1	56	13	15	16
2	27	52	6	15
3	19	13	35	33
4	1	12	26	61

Fifty-six percent of the respondents to the questionnaire rank option 1—complete decontamination of the site—as the most advantageous option for the future of the site. Sixteen percent of the respondents feel this option is the least advantageous, indicating the level of strong pro-nuclear attitude among respondents as a whole.

Sixty-one percent of the respondents feel option 4—maintaining the site essentially as it is today—is the least advantageous option, while only one percent of the respondents feel this is the most advantageous option. These results indicate that a solid majority of respondents oppose the continuation of current activities on the site.

SUMMARY AND CONCLUSIONS

A majority of respondents to the questionnaire express attitudes which could be termed anti-nuclear development. A majority of the respondents (56%) do not feel that the licensing of nuclear power plants in the U.S. should be speeded up. By a larger margin (63%), respondents think the federal government should spend more money on the development of solar energy than on the development of nuclear energy.

On specific aspects of the Western New York Nuclear Service Center, respondent attitudes are similarly straightforward. The aspect of the problems connected with the West Valley site with which respondents are most concerned is the health and safety of workers and the residents of the community. Sixty-two percent of the respondents rank that issue as the one on which they are most concerned. In addition, they are more concerned about the technical ability to deal with existing wastes at the site than they are with any of the economic concerns included in the questionnaire.

Given options on future disposition of the site, a majority of the respondents (52%) choose a return of the site to non-nuclear use as soon as it is technically possible. When asked to rank alternatives for the site twenty years from now, 56 percent also choose complete decontamination and decommissioning of the site as most advantageous.

In terms of future decision-making on the disposition of the site, a majority of respondents feel a coalition of several entities should make the decisions. They see roles in the decision-making for Congress, the State of New York and the Nuclear Regulatory Commission, and lesser roles for the Department of Energy and Nuclear Fuel Services, Inc.

The only question included in the survey on which a clear majority of respondents does not exist is on the performance of Nuclear Fuel Services and the Nuclear Regulatory Commission in the closing of the West Valley site.

Some generalizations can also be made about the demographic profiles of the above attitudes. There is generally a split in attitudes along age, length of residence and sex lines. Younger respondents, shorter-term residents and females are more likely to hold the views outlined above than are older respondents, long-term residents and males. It should be pointed out, however, that significant proportions of each of the latter groups of respondents hold views similar to, and help comprise, the majority opinions cited above.

Familiarity with the operations of the West Valley site do tend to influence attitudes in the survey. Respondents who have visited the site and respondents with family-member employment by NFS are less likely to hold the majority views outlined above, with one interesting difference—they tend to agree that the Nuclear Regulatory Commission acted properly in upgrading criteria for operation of the site in greater proportions than do other respondents in the survey.

PROFILE OF RESPONDENTS

LENGTH OF RESIDENCE	
0–2 years	4.
2–5 years	9.
5–10 years	13.
Over 10 years	34.
All of life	40.
AGE	
20–30	21.
30–40	32.
40–60	28.
Over 60	18.
OCCUPATION	
Farmer	6.
Businessperson	15.
Housewife	29.
Laborer	11.
Science Professional	7.
Other	32.
SEX	
Male	56.
Female	44.
Females under 40	26.
EVER VISITED SITE	
Yes	56.
No	44.
FAMILY MEMBER EMPLOYED BY NFS	
Yes	33.
No	60.●

A NEW VISION OF OLDER AMERICANS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. WAXMAN. Mr. Speaker, the legislative record of the 95th Congress reflects a recognition of the importance of older Americans to the life of this country. In the past 2 years, Congress has become aware that older Americans represent a potent political force which cannot be ignored.

This force has dramatically changed both public and congressional perceptions of older Americans. In addition to insuring the passage of needed health and support service programs, older Americans have rewritten the definition of aging and individual competence. No longer are the elderly viewed solely as individuals in need of support services. Increasingly they are viewed as contributors to society who demand their right to pursue their lives as they choose.

In the past, Congress has tended to view the older American as someone needing money and services. Legislation has generally embraced income supports, health benefits and a variety of social programs. Indeed, many seniors have greatly benefited from these varied initiatives. However, while remaining supportive of these service-oriented programs, the 95th Congress has departed from this traditional framework in a dramatic way.

For the first time, the Congress now views older people not only as needy, but also as having potential for continued productivity and usefulness. Two laws stand out as hallmarks breaking new ground for seniors. These bills view older people as contributors rightfully demanding both equality of opportunity and the provision of relevant support services.

These laws significantly broaden work opportunities for people in their later years and assure them that they may continue to work for as long as they can do the job. This right—to be productive—has in the past been severely limited by the barrier of age.

The Age Discrimination in Employment Act Amendments of 1978 are a revolutionary departure from traditional employment practices. The law redefines the concept of a working life and stands to have a major impact on employment practices for people of all ages. The amendments abolish forced retirement in the Federal sector and raise the mandatory retirement age in the private sector from 65 to 70. The legislation recognizes that many people are living longer, more active lives and do not wish to be arbitrarily forced into statutory idleness. The law views retirement as a right and not an obligation.

Further, the legislation is a first step toward acknowledging the increasing strain the retired population is placing on the social security system. It is a little known fact that the fastest growing age group in this country embraces people over 75. By the year 2000, it will embrace those over 65. Clearly the demography of our population is changing. Increasingly the taxpayer is being called upon to finance payments to many people who desire to work and do not wish to retire. Such social policy makes neither economic nor moral sense; abolishing mandatory retirement is a beginning toward realining proper priorities.

A second significant provision, which parallels this view of older people as productive workers, is contained in the recently passed Comprehensive Employment and Training Act Amendments of 1978. The act now requires the Secretary of Labor to sponsor programs to meet the unique employment needs of unemployed persons over age 55. Although much attention in employment policy is properly focused on the needs of younger unemployed Americans, thousands of individuals over 55 are unemployed and actively seeking jobs. An employment policy which favors one age group at the expense of another is both shortsighted and cruel. Both groups deserve support.

Traditionally, CETA programs have been regarded as youth programs and have generally ignored the needs of older workers. In fact, last December the U.S. Commission on Civil Rights confirmed this imbalance by charging CETA programs with age discrimination against older workers seeking employment.

This new section of CETA corrects a major deficiency in the Nation's principal employment and training program. It is an important beginning toward altering past CETA biases and integrating older people into positions of productive employment.

Despite these advances, a clear challenge remains for the 96th Congress. While we must continue to support programs for those in need, we must also respond to the older American's increasing desire for self-support, self-sufficiency, and independent living. Our society must offer each citizen the opportunity to make his or her contribution regardless of age.

In the coming years, Congress will be faced with the prospect of an increasingly aging population with fewer younger workers to staff the economy and fund the social security and pension systems. In addition to steps already taken, a radical shift in national manpower policy is in order. Just as increased attention is now being focused on the employment needs of younger workers, the future health of our economy requires that greater steps be taken to provide older workers the opportunity to pursue new careers under imaginative schedules and working arrangements.

The full consequences of the 95th Congress actions in changing employment patterns are as yet unclear. However, it is certain that society will no longer easily accept age as a standard for judging competence.●

LETTER OF THE MONTH

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. MARLENEE. Mr. Speaker, sometimes the response to a letter is so inappropriate that it is worth sharing. That is why I wanted to show my colleagues the Carter administration's reply to both a Montana and a Colorado agency's letter that called for the removal of an administration official.

In letters to President Carter, the Montana and Colorado Boards of Crime Control asked that he remove John Rector, Administrator of the Office of Juvenile Justice and Delinquency Prevention.

They charged that Rector arbitrarily diverted funds from programs, infringed upon State's rights, and ignored the Western States.

The White House's response?

Thank you for your recent message to President Carter.

Your comments have been noted and the President appreciates your interest in sharing your views. He finds it helpful to have the benefit of the thinking of as many fellow citizens as possible.

Regrettably, however, in view of the great variety and number of concerns which are brought to our attention each day, it is impossible for us to undertake to comment on them individually. We hope you will understand.

With best wishes,

Sincerely,

LANDON KITE,
Staff Assistant.

Well, Montanans did not "understand." Asking for a resignation is serious and this was no exception.

However, the seriousness in which the administration took the Montana and Colorado proposal is best gaged by the staff assistant assigned the responses, Landon Kite. According to an article in the Sunday supplement Parade magazine, January 28, 1979, Landon Kite handles "birthday, wedding, graduation and condolence messages."

In Montana, and I am sure Colorado, we do not think that resolutions passed by our crime control board fall into Mr. Kite's areas of specialty.

I think it is time the administration considers crime control in a different light.●

NICARAGUA—VICTIM OF VENDETTA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. HANSEN. Mr. Speaker, the behavior of the United States with regard to our old friend, Nicaragua, is shameful, indeed.

Bullying, intimidation, and coercion have become the tools of an immature foreign policy and an inept State Department.

We behave like the spoiled child who takes a tantrum and hogs his toys whenever we can not impose our will on others. This is especially sad when many of the conditions we demand of our friends are not even possible or desirable in the United States.

The reduction of U.S. assistance programs and cutback of American officials and personnel in Nicaragua may seem like a penalty to the disoriented masterminds of our current foreign policy, but it must have been a breath of fresh air for President Somoza and his people when those pushy gringos left.

The trouble with Nicaragua, Taiwan, Rhodesia, and many other devoted friends of the United States is that they remain loyal and anti-Communist in a day when it is stylish to play the kangaroo version of Russian roulette called "jump in bed with a Red, Fred."

Following please find my news release upon returning from Nicaragua and Panama and a letter to House Banking Committee Chairman HENRY REUSS regarding the financial atrocities being committed by our State Department:

HANSEN CHARGES U.S. POLICY ENCOURAGES BLOODSHED IN NICARAGUA

WASHINGTON, D.C., January 9, 1979.—"This Administration might well have blood on its hands if Wednesday's threatened violence occurs in Nicaragua," warned Congressman George Hansen (R–Idaho) in Washington today.

Hansen, a Senior Member of the House Banking Committee, returned Sunday night from a weekend conference with President Aristides Royo of Panama and Anastasio Somoza of Nicaragua and other key U.S. and Latin officials regarding American foreign policy problems.

The Idaho lawmaker reported, "My investigations and observations reveal shockingly exaggerated and grossly distorted picture of the situation in Central America, particularly in reference to Nicaragua."

"The criminal threats of the Sandanista revolutionaries coupled with our gullible and paranoid State Department have given me and most other people a picture that is very unfair and harmful to the interests of the people of that Nation.

"I was led to believe by the State Department and some elements of the media that Nicaragua is a land of suppression and violence under the heels of a dictator who owns everything, but I found it to be a peaceful and pastoral private enterprise nation.

"Advertising and articles in the U.S. press have too often viciously portrayed a mild-

mannered U.S. educated president as a bloody tyrant with grossly distorted comparisons to 'King Herod' and 'Idi Amin'.

"Fear is placed in the hearts of would-be travelers to Nicaragua by distorted reports of violence in the press and by an incompetent State Department which failed to cope with Jonestown and now continues to make the same mistakes with Nicaragua by encouraging revolutionary and criminal activities in the name of human rights.

"Intimidation is the name of the game of our foreign policy in Nicaragua which sees us applying political pressure through denial of bank loans and military assistance programs to overthrow the government in Nicaragua which is being violently assaulted, while continuing such aid to neighboring countries who provide sanctuary to the terrorists."

"And Nicaragua is not the only base of Sandanista operations, the Castro-backed revolutionaries are a composition of communists, yankee-haters and disgruntled local citizens in the various countries of their operations. A vivid illustration of this is an article by Hugo Spadafora in the December 28, 1978 Panama City *Critica* which stated, 'On the day that the U.S. Senate was voting on the ratification of the Torrijos-Carter treaty a group of 20 experienced young guerrillas belonging to the Sandinist National Liberation Front (FSLN) was in Panama prepared to go into battle alongside a large and properly organised and trained Panamanian contingent, ready to initiate an armed struggle in the Canal Zone on that very day in the event the treaty was rejected.'

"The false climate created has placed the people of Nicaragua under needless assault, jeopardizing their markets, their jobs and their very lives. Great mischief is being done by misguided activists who are so blinded by their idealistic hate of an imperfect political system that they give encouragement to an even more imperfect revolutionary effort with the unconscionable violence and oppression it promises.

"I am today calling on the Administration and U.S. State Department for an immediate end to our bullying of Nicaragua—and a denunciation of any support of violent acts the revolutionaries may be planning for Wednesday, or be prepared to take responsibilities for having the blood of the people of this small friendly nation on their hands."

FEBRUARY 14, 1979.

Hon. HENRY S. REUSS,
Chairman of the Committee on Banking, Finance and Urban Affairs.

DEAR MR. CHAIRMAN: Herewith please find a report on my recent visit to the nations of Panama and Nicaragua. At the invitation of President Aristides Royo, I traveled to the Republic of Panama on January 5, 1979, and met at length with Sr. Royo and Vice President Ricardo de la Espriella, as well as officials of the United States government, Military Command and the Panama Canal Company.

You may be aware that the Panama Canal Company last October requested of Congressman John McPall, Chairman of the Appropriations Subcommittee on Transportation, approval to expend funds to prepare for the implementation of the Panama Canal Treaty. This clearance was denied pursuant to House legislative history and the Brooke Amendment to the treaty which specifically prohibits any such actions before March 1, 1979. I found that this prohibition has been observed by the Canal Company.

Similar permission was sought of Congressman Gunn McKay, Chairman of the Appropriations Subcommittee on military construction, by the Department of Defense. This request was also denied. However, the Department has gone ahead anyway with a "military alignment" program in defiance of Congress and in apparent violation of law in release of unauthorized funds and illegal contracting procedure.

Further, I found that the Federal Aviation Administration this month has turned over air control facilities and other assets amounting to some $5 million to Panamanian authorities effective in October without authorization of implementation legislation by Congress. I have also discovered that the World Bank made a loan to the Republican of Panama to build their modern airport when there was a general policy against such loans to the nations of Central and South America.

Of further significance, I found that commercial bank loans to Panama for hundreds of millions of dollars, which were known to be in difficulty before conclusion of the Treaty, have now been rolled over and extended for as long as ten years. I feel constrained to point out that during Treaty consideration last year I was strongly questioning whether the proposed treaty primarily constituted a "bail-out" for large commercial bank loans to the Republic of Panama and whether, if that were so, the Treaty might be reflecting too strongly the narrow interest of the banks involved—a matter all too obvious with Marine-Midland Bank officials Sol Linowitz acting as primary negotiator for the United States.

I remember being told by big banks involved that their loans were certainly not in trouble, that their status had nothing to do with the Canal or the Treaty, that the loans would not impact on any banks, and that the entire subject had nothing in it worthy of oversight hearings. But isn't it interesting to see that the banks are sufficiently reassured to extend their loans from practically a call basis to ten-year terms and that such reassurance coincided with the Treaty, which in short has operated to collateralize the canal in the Wall Street pawn shops.

What all of this comes to, Mr. Chairman, is confirmation of my contention that the proposed Treaty and the financial realities in the Republic of Panama could not conceivably be dealt with separately. While it is not the business of the House of Representatives to ratify treaties, it is certainly our place to monitor and, if necessary, publicize the dealings of United States banks and international financial agencies of which the United States is a member when these dealings may stray from secure and appropriate financial operations.

I have argued that it is wrong for financial special interest groups to outweigh the just political interests of the citizens of the United States. Likewise, it is wrong for partisan political interests to dictate international financial affairs. My recent investigations confirm that the respective domains of finance and politics have not been preserved, and the interests of the United States have been subordinated to narrow financial concerns.

Upon concluding my stay in Panama, I visited the Republic of Nicaragua at the express invitation of President Anastasio Somoza. I met with him and other Nicaraguan officials including Dr. Roberto Incer, who is head of the Central Bank of Nicaragua.

Contrary to widespread reports, the country is calm and there is little danger to travelers. It was most disturbing to discover that our State Department has been engaging in a campaign of deliberate and systematic deception to portray the government of Nicaragua as well as the whole country being at the point of collapse, a fact which can be confirmed by Merchant Marine and Fisheries Committee Chairman John Murphy and Appropriations Committee member Charles Wilson of Texas, both of whom have made recent visits to Nicaragua. Of most interest to you, Mr. Chairman, I found that this campaign extended to political interference in the work of the International Monetary Fund.

You are no doubt aware that the IMF has a specific prohibition in its first Article against political criteria being used in deciding whether a member country should be able to use its borrowing privileges. Early in 1978, Nicaragua had started consultation with the IMF for a stand-by agreement. The IMF demanded, as preconditions to any drawing, a number of steps including, among other things, increased taxes, decreased spending by government, liberation of interest rates, and the like. These steps were accordingly duly adopted by the Nicaraguan Congress.

Without going into great detail here, I shall simply point out that the staff and Managing Director of the IMF, informed that the government of Nicaragua had complied with the preconditions, advised Nicaragua to make a request for use of financing from the Fund. This request was properly submitted, was recommended for adoption by the staff and Managing Director, and was scheduled for action at the meeting of the Board of Directors on September 15, 1978.

The evening before that meeting, Nicaragua was informed that the United States would take the unprecedented step of asking for deferral of the request on political grounds. This was done. Officials of the Nicaraguan government and Central Bank discussed the situation thoroughly with the staff of the Fund, representatives of the U.S. Treasury, and European representatives to the IMF at the annual meeting of the IMF in Washington late in September. In consequence, Nicaragua was promised that when the matter next came up at a meeting of the Directors, it would be dealt with on its merits. The IMF staff took the opportunity to revise and update its consideration of the matter and again made a favorable recommendation.

The request was then placed on the agenda for the meeting of November 1, 1978. In the last week of October, Nicaragua was informed by all members of the Board that a decision would be taken on the merits of the request.

Late on October 30, Nicaragua was told that the United States would again ask for a deferral of the request. At the same time, the government of Nicaragua was told by other members of the Fund that the U.S. State Department had addressed through diplomatic channels a request to other governments to support the deferral.

The President of Nicaragua and the head of the Central Bank told me that our Ambassador informed them that the State Department's request was based on a desire to put pressure on the government of Nicaragua in reference to the "mediation" then going on through an O.A.S. commission—clearly a political consideration alone. I understand that the State Department unfortunately made this political criterion evident in its request addressed to other governments.

There is strong evidence to suggest that the United States has breached the Articles of the International Monetary Fund and thus set a most unfortunate precedent, a precedent I might add, which has apparently caused considerable concern among those persons of other nations who witnessed this shocking behavior. Upon returning to the United States, I immediately made private inquiries to try to establish whether there was truth to the Nicaraguan allegations.

I regret to report, Mr. Chairman, that the facts are indeed true as alleged. I invite you, if you have doubts about it, to make your own inquiries to, for example, Mr. Sam Cross, our representative on the Board of Directors of the IMF, or perhaps Mr. Henry Owens of

the Department of State. It is Mr. Owens, by the way, who seems to have confirmed the State Department's role by asking one of our colleagues—not a Member of this Committee—to assure the government of Nicaragua that the request, if renewed, will not only be decided on its merits according to the Articles of the IMF, but will be favorably decided. State clearly doesn't know enough not to put the second foot in it.

The Nicaraguan situation vis-a-vis the IMF seems to show a simple continuation of the inability of the State Department to get its priorities straight, and set those priorities in accordance with law and the legitimate interests of the United States.

The relations of the United States with the IMF are within the sole jurisdiction of this Committee. It would seem most appropriate that we hold hearings to fully deal with this erratic financial situation or, at the least, that every Member of the Committee should address a letter to Secretary Blumenthal, Secretary Vance, and Mr. Cross asking for a full explanation of their conduct, and stressing our insistence that U.S. representatives to the Fund abide by the Articles of the IMF.

I note also, Mr. Chairman, that the Treasury Department will be coming to us with a request to authorize participation in a further "quota increase" in the IMF later this year. In light of the evidence now available, it would seem necessary that we be able to assure our colleagues in the House that such authorization will not be exceeded, and that in the future representatives to the IMF will abide strictly by the articles which govern disposition of United States tax monies committed to the Fund.

In this regard, I would hope that oversight hearings, previously suggested, would be held by the relevant subcommittee on this specific topic and the principals in the affair be asked to testify on the subject. These persons again are Secretary Blumenthal, Secretary Vance, Mr. Sam Cross and Mr. Henry Owens. It would be of particular interest to explore the division of responsibility on Board votes and decisions and, in particular, just what part the State Department thinks it has in dictating such votes.

In summary, Mr. Chairman, my trip on behalf of the Committee brings confirmation of the view that the State Department has, in a most inept and improper manner, comingled financial and political considerations in IMF, World Bank and Treaty Considerations to the point of scandal and embarrassment. This has now spilled into our Committee's jurisdiction in a way which cannot and should not be ignored. Surely our firm committment to prevention of citizen exploitation by special financial interests and the political independence of entities such as the IMF must be maintained. Unfortunately, such a committment was reiterated by Secretary Blumenthal at the meetings in September even while the State Department was manuevering to violate it which surely requires our forceful protest of this illicit bungling in dealing with the request of the government of Nicaragua.

I ask you, in view of what has been discovered by my investigations, to lead vigorous action by the Committee to prevent future recurrences of this unfortunate situation.

Thank you, Mr. Chairman, for making it possible for me to undertake this investigation on behalf of the Committee. I look forward to hearing from you soon on the subjects outlined and stand ready to provide additional information as you may require.

Sincerely,

GEORGE HANSEN,
Member of Congress.●

KHOMEINI LINES UP WITH THE PLO TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. McDONALD. Mr. Speaker, on Saturday, February 17, as 1,000 Americans assembled at Teheran's airport to await evacuation to safety from the revolutionary violence and mob rule that has gripped Iran, the first foreign guest arrived for meetings with the leader of the Islamic revolutionary forces, Ayatollah Ruhollah Khomeini. That very first guest of the Khomeini regime was Yasir Arafat, head of the terrorist Palestine Liberation Organization (PLO).

During December and January, Khomeini openly alined his revolutionary forces with the PLO and other terrorist so-called liberation movements. Now with the visit of Arafat to Teheran, the specter of Khomeini-controlled Iran, which may come to rival even Col. Muammar Qaddafi's Libya in extremism, engaging in support of a "jihad" against Egypt as well as Israel is now within the borders of possibility.

It will be recalled that for several years the PLO—both the Al Fatah-led majority and the "rejectionists" faction—has been providing terrorist training to Iranian revolutionaries representing a variety of political tendencies including the National Front's Islamic fundamentalist sectors and its Islamic Marxist terrorists of the Organization of Mujaheddin of the People of Iran (OMPI) through the descendants of the Tudeh party Communists in the Marxist-Leninist Organization of Iranian People's Fedayee Guerrillas (OIPFG). The Iranian revolutionaries were trained in PLO camps in Lebanon, Libya, Iraq, the People Democratic Republic of Yemen (Aden); and more recently in Cuba.

Yasir Arafat, whose strategies in the world political arena come from Moscow, began cultivating extreme sectors of the Islamic religious community last fall. In November 1978, Arafat met with the top officials of the Islamic World League. Arafat joined with the league's leaders and with the President of Pakistan, Mohammad Ziaul Haq, who had accompanied him to the league's offices, in calling for, as reported by the Saudi Riyadh radio, "all Moslems throughout the world to join in holy jihad to liberate Palestine * * *." Arafat said "that the Zionists pose a threat not only to the Palestinian people, but also to the entire Islamic world," and that the existence of Israel was—

> a major plot directed against the entire Islamic world. "Hence," he said, "I call upon you and all Moslems to join in holy jihad to liberate this holy land."

Arafat's new tactic of "playing the Islamic card" has been part of an effort by the PLO and radical Soviet-alined states like Libya and the PDRY to export the unhappiness of Saudi Arabia and Jordan to the Egyptian-Israeli peace talks and bring them into full support for the PLO despite the fact that those governments are as much a target for overthrow by the PLO and its Communist Arab allies as is Israel.

As for Khomeini's relations with the PLO, 2 months ago Arafat sent a letter and emissaries to see the Iranian Shi'ite leader at his headquarters in the suburbs of Paris expressing his "full support" for Khomeini's movement and offering "all possible assistance" in the struggle to overthrow the Iranian Government. Khomeini's reported response was a statement of his "backing and support for the Palestinian revolution in all fields."

Khomeini is the most prominent of the radical Iranian Shi'ite clergy, but it is supported by other Iranian ayatollahs. One of these, Ayatollah Montazari, who has been a leading member of the National Front, the party of the former pro-Soviet Prime Minister Mossadegh who was deposed by the Shah in 1953. Ayatollah Montazari, who is a close aide to Khomeini, gave an interview to the Libyan Jamahiriyah News Agency (JANA) on January 8. JANA said:

> In answer to a question about the stand of the National Front towards the Palestinian cause, Ayatollah Montazari reaffirmed the support of the Front for the Palestinian revolution as well as that of the Iranian people. He also stressed the National Front's support for all Moslems in the Philippines and for liberation movements not only in Africa but all over the world.

The Libyan regime has been backing the Moro National Liberation Front in the southern Philippines which has a tactical alliance with the Maoist Communist terrorists of the New People's Army. Libya has also been funneling support to the Soviet-controlled terrorist movements in southern Africa; and it is certainly "diplomatic" of the Ayatollah Montazari to compliment Libya's favorite terrorist "liberation movements." The JANA report of the interview continued:

> (Montazari) described Zionism as a fascist racist movement and voiced his opposition to usurpation of land, to those who make peace with Zionism, and to the enemies of Islam.

In other words, Montazari attacked Egypt for trying to obtain a peace agreement with Israel. It should be noted that the phrase "the enemies of Islam" is applied by the Shi'ite ayatollahs to the Baha'i sect, a 19th century outgrowth of Shi'ite Islam and the mystical Sufi philosophy. The Baha'i emphasis on education for both sexes has resulted in a large proportion of the members of this small sect attaining prominence. Envy of Baha'i members influence and opposition by Islamic extremists of Baha'i toleration for non-Islamic religions makes them a particular target of the Khomeini forces.

The similarities of the PLO's revolutionary efforts with the Khomeini forces in Iran were emphasized by PLO chief Arafat in a Damascus speech on January 8 marking the PLO's 15th anniversary. In a speech at the Al Yarmuk camp, Arafat pointed out that the Khomeini supporters "raised the slogan of 'a revolution, revolution until victory'

• • • (which) is the slogan raised by the Palestinian revolution."

As for collaboration between the Khomeini forces and the Communists and Marxist terrorist organizations, the recent reports from correspondents in Teheran show that the street fighting in Teheran and other cities was led by the OIPFG and OMPI. And as for the political collaboration between the Marxists and Islamic revolutionaries, the Teheran correspondent for the Paris newspaper, Le Figaro, Thierry Desjardins, had a report in January on maneuverings in Teheran of National Front leaders Karim Sanjabi and Ayatollah Talebani, the Shi'ite leader of Teheran. According to Desjardins:

After a lot of fine words, this religious leader surprised me. When I asked, "What are your relations with the Communists?" the holy man replied, "On the philosophical level no agreement is possible between us and the atheist Marxists, but on the political and social level we agree with them."

Additional aspects of the alliance between the Palestine Liberation Organization and Khomeini have been explored in an article published in the February 12, 1979, edition of the Daily Telegraph (London), by Robert Moss. The article follows:

[Excerpt]

UK JOURNALIST NOTES PLO LINKS TO KHOMEYNI MOVEMENT

(By Robert Moss)

While the mostly Sunni Arab world is divided on how to deal with Iran's Shi'ite leader, the Ayatollah Khomeyni, the major Palestinian groups seem to have no doubt that his assumption of power in Tehran would be a powerful boost for their ambitions.

Western intelligence sources say that there was an exchange of letters between Khomeyni and the Palestine Liberation Organisation (PLO) leader Yasir 'Arafat before the ayatollah left France. Khomeyni has pledged to give the PLO an office in Tehran and to provide full Iranian backing for an independent Palestinian state if he succeeds in establishing his "Islamic republic."

This is obviously in keeping with Khomeyni's vehement anti-Zionism. Cooperation between some of his aides—notably Dr. Ibrahim Yazdi—and the main Palestinian movements appears to go rather deeper.

Nayif Hawatimah, the Marxist chief of the Democratic Popular Front for the Liberation of Palestine (DPFLP), which enjoys considerable Soviet backing, has maintained close ties with the ayatollah's entourage. Together with Muhsi Ibrahim, the leader of the Lebanese Communist Action Organization, Hawatimah is said to have played an important part in pulling Khomeyni's Shi'ite movement and the communist Tudeh Party more closely together.

Mainly thanks to Hawatimah, the more radical elements in the PLO have long-standing associations with Tudeh Party leaders. During Iran's upheavals a number of Tudah Party publications have actually been produced on PLO printing presses in Beirut.

SUPPORT FROM AL-QADHDAFI

The most intriguing aspects of this emerging Khomeyni-PLO axis are: (A) its military potential; and (B) the Palestinians' ability to help raise cash for Iran's leftists. Libya's Colonel al-Qadhdafi who, although a Sunnite, backs Khomeyni as a standard-bearer in the Islamic revival—is reported to have set aside a budget to enable Palestinian groups to provide guerrilla training for Iranians in Lebanon and some of the gulf emirates.

At the same time, Palestinian organisations (including the DPFLP) are said to have been mobilised to collect money in Khomeyni's name from the large Shi'ite communities of migrant workers on the Arab side of the Persian Gulf.

Such developments are not regarded with much relish by other Arab states in the region. Even the Iraqis, although close to Moscow are nervous about the psychological effect of the Shi'ite revolt in Iran, since the Ba'thist regime in Baghdad represents Sunni domination over a Shi'ite majority.

Meanwhile, Western observers report a marked increase in the number of Russians in Iran—from the KGB and the International Department (ID) of the Central Committee of the Communist Party of the Soviet Union—in the past two months. Boris Ponomarev, chief of the influential ID, has been entrusted with overall responsibility for liaison between Moscow and Iran's Tudeh Party.●

THE "VOICE OF THE PEOPLE"—ROBERT CODY BROWN—IS STILL

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BAFALIS. Mr. Speaker, earlier this month, Lee County, Fla., and indeed the entire State of Florida lost a strong voice, that of Robert Cody Brown, a journalist of note, an historian, a politician, a soldier, and a great American.

Born in 1894, Robert Cody Brown watched this world move from the horse-and-buggy era to man's landing on the Moon. A soldier in World War I, then a newspaperman in Chicago and New York, Robert Cody Brown moved to Fort Myers in 1939 after retiring as assistant publisher of the New York Journal. And he quickly became the conscience of the community.

A tribute follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 21, 1979.

To the Family and Friends of Robert Cody Brown:

Only rarely in an entire lifetime are we blessed to have in our midst a man of the stature, character and integrity of Robert Cody Brown.

In his 84 years Bob Brown had not only witnessed but participated in the making of much history. He learned from each experience and each encounter throughout his life and, with wisdom, candor, and wit, shared his vast knowledge and philosophy with us like a teacher or father.

To me—and to the members of my staff who also came to know and love him—Bob Brown was more than just a friend. He had become my counselor, my confidant, my political conscience. However, Bob was not selfish or parochial in sharing his wisdom and foresightedness. National figures from all walks of life sought him out for counsel and advice.

A dedicated and outspoken patriot, Bob Brown's love of his country was unbounded though sometimes concealed by his doomsday predictions if governments and elected officials didn't take his advice and straighten out. In truth, his only real motivation was to insure that this great nation was left to his survivors in better shape than he found it.

Let this time of mourning also be a time of thanksgiving—for each of us should be deeply grateful for having known and enjoyed this great American.

L. A. "SKIP" BAFALIS,
Member of Congress.●

WHICH HALF UNDERSTANDS FACTS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

Mr. COLLINS of Texas. Mr. Speaker, the other day the Gallup poll said half the people were in favor of wage and price controls to end inflation. Obviously, the other half have studied history and know that price controls have never worked in peace times. Controls make things worse, because when pressure removes them, the prices skyrocket.

People with limited education will say they want no limit on wages; just limit prices. If everyone in the plant gets a salary boost, how can the business continue to operate, unless it raises prices.

Where are the half of the people who do not understand the facts:

Inflation is primarily caused by Congress overspending. We spend more than our income. Then when the government prints money or increases unfunded Federal bank reserves, this results in the value of the dollar falling.

Balanced budget in Congress would be the answer to inflation. Price control will only make a bad problem worse.

Ralph K. Bennett had an excellent analysis in January's Readers Digest of "What Really Causes Inflation." Bennett talks in facts and answers myths that have been suggested as an easy answer.

Let me quote from Bennett on wage and price controls. Readers Digest tells it as it is.

Wage and price controls will "cure" inflation. This popular delusion feeds on the first myth. "Price controls have been imposed repeatedly for more than 2,000 years," notes Nobel Prize-winning economist Milton Friedman. "They have always failed." Roman emperor Diocletian used capital punishment in a futile effort to enforce controls in A.D. 301. Thousands died, and the economy was nearly wrecked.

In 1775, the Continental Congress sought to finance our infant government's debt by authorizing the issue of an almost worthless paper money. A disastrous inflation followed. The Pennsylvania legislature sought to stem it with price controls. Many farmers and businessmen refused to sell at the controlled prices. Shortages developed. The army wintering at Valley Forge in 1777–78 could not get badly needed supplies. The army's misery, wrote John Adams, was due largely to "that improvident Act for limiting prices . . . [which] if not repealed will ruin the state and introduce a civil war."

Historical experiences like these underscore the well-known deficiencies of wage and price controls. Such controls • • •

Create shortages. Many businesses cannot or will not produce at the artificially set prices.

Result in a lowering of quality. Former "standard" features on a product become costly extras.

Are consistently circumvented. Black markets spring up.

Require a large and expensive bureaucracy to administer them. During World War II—our longest flirtation with controls—the Office of Price Administration (OPA) employed 65,000 bureaucrats who directed an additional 325,000 "price-control volunteers."

But, worst of all, while controls may create an illusion of being effective, they only temporarily hold down wages and prices, while the tremendous pressure of inflation continues to build up. Once the controls are lifted, the market spurts to find its natural level, and a more pronounced and damaging inflation is usually the result.

This country's most recent attempt at controls—the Nixon Administration's "Phase I, II, III and IV" program begun in August 1971—built up pressure for one of the worst inflationary explosions in U.S. history. The rate of growth of consumer prices had been in decline at the time the controls were instituted. This was the result of a cutback in money supply in the waning days of the Johnson Administration. But during the period of controls the Consumer Price Index began a steep climb, reaching almost 13 percent by mid-1974. The disaster was compounded by a harrowing confluence of events—a worldwide crop failure and the Arab oil embargo. Some people still entertain the idea that these factors caused the inflation of 1973–74. The fact is that the Nixon controls were a facade behind which government spending increased sharply.

Why then do governments return to wage and price controls, frequently with popular support? (A recent Gallup poll showed about half the respondents in favor of some form of controls.) The outcry for controls, contends Friedman, "is based on neither experience nor analysis but simply on the for 'God's sake let's do something' syndrome." However, controls are not the answer when they are imposed by a government that at the same time goes deeper into debt while printing more money to pay the bills.

LITHUANIAN ANNIVERSARY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FLORIO. Mr. Speaker, February 16, 1979, marked the 61st anniversary of the reestablishment of the independent state of Lithuania.

On this date, in the year 1918, the resurgence of an independent Lithuanian people was realized. What a remarkable feat this was. Since its first historical recognition as a nation in the year 1009, much of the history of Lithuania has been dominated by the conquests and seizure of control of the nation by foreign powers.

Russian domination began in 1795 and continued until 1915. During Russia's long occupation, attempts were made to replace Lithuanian language and culture with Russian. But the Lithuanian people, strong in their faith in their God and their nation, refused to accept the dismantling of their national ways and traditions.

While Lithuanian faith remained impenetrable, their nation was ravaged in the destruction of the First World War. But the close of the conflict found Lithuania in a most favorable political position. Negotiations with the German state resulted in the birth of a sovereign, wholly independent state of Lithuania, with its centrally formed government based on strong democratic principles. February 16, 1918, Lithuania Independence Day, will forever be celebrated by Lithuanians and freedom-loving peoples throughout the world.

The following years found Lithuania accepted as a sovereign state in the League of Nations, and a permanent constitution was adopted which accorded a republican form of government and preserved the freedoms of speech, assembly, and religious expression.

And, finally, before the eyes of the world, Russia in 1920 signed a peace treaty with Lithuania, recognizing it as an independent nation and dissolving forever any rights of sovereignty over it.

A free and independent Lithuania flourished. Land reform programs allowed a vast number of Lithuanians to own and farm the countryside. Industrial enterprises increased a thousandfold and educational opportunities were expanded.

World War II quickly dissipated the momentum of progress the nation was on. Once again Lithuania was engulfed by invading armies. Soviet occupation prevailed and in 1940 Lithuania was illegally declared a constituent Republic of the U.S.S.R. by the Supreme Soviet in Moscow.

The protests of the Lithuania people were strong. It is estimated that more than 30,000 freedom-fighting Lithuanians were deported to Siberia, and many more thousands were executed. Finally the close of the war found Lithuania firmly behind the Iron Curtain.

News from Lithuania is now censured as controlling bureaucracies from Moscow now dictate that nation's course. In their struggle for self-determination, the Lithuanian people have been joined by the desires of other non-Russian nationals for self-independence from Moscow's controlling policies. This newfound "union" has strengthened the fight for basic freedom and rights in the U.S.S.R.

Soviet dissident trials this past year brought to the world's attention the hypocrisy that exists under Soviet "justice" for those who would dare contradict state policy. Sadly those who suffer most severely from this travesty are the national non-Russian dissidents, Lithuanians, Estonians, Latvians, Georgians, and others. Their "crimes" of conscience are more quickly brought to review and sentence more harshly handed out.

While the Soviet State apparently has no intention of giving up efforts to strip from each Lithuanian his pride in his culture and national heritage, Lithuanian fortitude remains stronger today than ever before. While Lithuania does not exist today as a politically sovereign nation, the freedom-loving traditions of its people continue. We who have freedom have the responsibility to assist those whose human, political, and national rights are oppressed. I would like to urge my colleagues to join with me in this continuous effort.●

LEARN TO EARN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BOB WILSON. Mr. Speaker, at a time when America's leadership seems to have lost the confidence of our citizens, it is interesting to note the observations of our unofficial House of Representatives philosopher, Joe Machugh. His latest essay, entitled "Learn To Earn—Confidence That Endures" deserves the attention of opinion makers everywhere.

It is remarkable that this essay, which emphasizes the need of earning confidence, was written in October 1978, before the current wave of no confidence was so apparent.

I include Machugh's essay as a part of my remarks:

LEARN TO EARN—CONFIDENCE THAT ENDURES

Few realists would challenge validity of the concept that—restoration of confidence in the United States, its government and its people—is our current top priority! The word is of Latin derivation, meaning trust and respect; and is intangible like the word personality. Both readily are recognized; but, for each there is no central ingredient. Rather it is a compendium of specifics that make up personality and inspire confidence. The analogy recalls a cleavage of view on governmental restraint during World War II. The National Administration urged a piecemeal approach whereas that perennial Presidential Advisor, Bernard M. Baruch consistently advocated overall control.

Precisely how is confidence established among individuals, groups or nations? Early in this Writer's career a loan was needed but collateral was not available. Bank offered a "character loan" insisting on repayment by monthly installments. Confidence prompted the loan and repayment confirmed respect. Achievements (significant jobs—well done) fire the fuels of confidence. They constitute firm foundation for respect. Confidence never is born full-grown nor is it won instantaneously. It takes time (perhaps much time) and testing for its consummation. Foundation and tests are building-blocks for "the house of confidence" proceeding under aegis of that implicit law of gradualness. Who ever saw evening shadows lengthen, springtime buds sprout on tree-branches or watched piquant, human adolescence in actual process of development?

Shortly after World War Two, the media reported Baruch as saying: "America was so strong militarily, industrially and psychologically—as to be able to repel attack by any single enemy or from any conceivable combination of hostile opponents." What hardy soul today would venture a similar assertion? So, what was basis for the original assertion? America had been preponderant supplyer of men, money and material throughout that War—which ended abruptly with American atomic bombing of Hiroshima and Nagasaki! The Manhattan Project-development of the A-Bomb was a superb achievement in secrecy. Reconstruction aid for war-torn Europe under the Marshall Plan was unprecedented. Finally, with exclusive atomic monopoly, United States offered unilatterally (though never accepted) to give a proposed International Authority all secrets and administration for that powerful weapon. Such foursome of dynamic leadership—is the figurative diet on which confidence both feeds and thrives.

That earlier confidence can be revived but probably only by stages of transition, coupled with a truly spiritual approach—using talents bestowed on a select few qualified to lead a march of progress in ultimate best interest of the human species. Its acid test: Will formidable challenges be resisted and will confidence endure? Spectaculars, like their sparked euphoria, often substantially subside. In Arthurian legendry the sword-Excalibur, magically fixed in stone to be withdrawn by rightful King of England; and only Arthur did so. When mortally wounded, Arthur ordered Sir Bevidere to cast it in the lake—from whose water an arm clothed in white samite appeared to receive it.

Holy Writ says humility is the touchstone for lasting success, implying avid desire to place one's own interest at the bottom and those of others at the summit. There is an infallible guideline to success, achievement and happiness. Since durability is the evaluant of confidence—could any admonition be more salutary for the welfare of all mankind than this trenchant and cogent counsel: Learn to Earn the pearl of Great Price—Confidence that Endures.

JOSEPH V. MCHUGH.●

REFORM OF THE NCAA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. VENTO. Mr. Speaker, during the 95th Congress I had the opportunity to participate in the hearings of the Interstate and Foreign Commerce Subcommittee on Oversight and Investigations regarding the National Collegiate Athletic Association's investigation, enforcement, and penalty policies.

Initiated by a request from 67 of my colleagues and myself to subcommittee Chairman John Moss, the purpose of these hearings was to investigate the widespread allegations on NCAA abuses in its investigative and enforcement processes.

In the style that so well characterizes the operations of the Oversight Subcommittee, the review of the NCAA was conducted in a conscientious, thorough, and unbiased manner. Even before the hearings on this issue had begun, members of the subcommittee and their staff had examined thousands of documents and had interviewed hundreds of individuals. I would like to commend my colleagues, particularly former Chairman Moss, and the staff for their dedication and hard work on this issue. The hundreds of hours spent in preparation were rewarded by an excellent series of hearings and the development of a solid foundation of documentation upon which the subcommittee based its report's findings and recommendations. I strongly urge my colleagues to review this report on the NCAA for the authority of that organization is wide ranging and affects hundreds of thousands of American student-athletes.

The hearings and subsequent subcommittee report clearly have demonstrated that the policies and practices of the NCAA are basically unfair and that an organization that is, at least in part, designed to protect the student athlete has, through its practices, ignored the rights and needs of the athlete. The NCAA is the classic example of a bureaucracy run amok—a bureaucracy composed of rules and regs whose purposes are to perpetuate the organization and to strangle the membership in a never ending deluge of Orwellian redtape; a bureaucracy ruled by the letter of the law rather than the spirit of the law; a bureaucracy that callously casts aside the rights of the individual in the name of the greater good.

The findings of the subcommittee uncovered a wide area of problems within the NCAA ranging from that organization's lack of cooperation with member institutions during investigations to rules that are vague, confusing, unenforceable, and do not distinguish between serious and minor misconduct. Each of these findings contribute to the overall picture of NCAA abuses.

By bringing to light these practices, the subcommittee has independently substantiated the numerous complaints leveled against the NCAA and has provided the opportunity for initiating a public debate by the member institutions and others of NCAA policies, practices, and needed reforms. The subcommittee offers a focal point for this discussion by recommending a series of reforms for the NCAA. These recommendations are not intended to hamper the proper functions of that organization. Indeed, by adopting these proposals, the NCAA will be able to dispel the aura of unfairness that currently permeates its investigations and will thereby enhance cooperation with member institutions and improve its investigative function.

The subcommittee presented its findings to the NCAA national convention in a sincere effort to establish a forum to discuss NCAA practices and the needed reforms. It is my hope that the NCAA and its member institutions will utilize this report as a vehicle to initiate their own review of the organization and will make an honest effort to eliminate NCAA abuses. I am heartened to see that some of our recommendations have been adopted. However, many more basic reforms are still required. While Congress is, in effect, throwing the ball back to the member institutions to move forward with reforms, we will continue to monitor the activities of the NCAA. The current arrogant disregard of that organization toward the rights of the individual is offensive to the American concepts of justice and fairness. This practice cannot continue. If the NCAA continues to trample upon the rights of the individuals, Congress must and will act to correct that situation. For now, the onus is on the NCAA and its membership. I am confident that they will move quickly to remedy any and all abuses.

In order to further the discussion of NCAA reforms, I would like to present today and tomorrow an excellent commentary on this issue for my colleagues' attention. In a letter to Chairman Moss, two individuals closely involved with the NCAA investigation of the University of Minnesota detailed many of the problems that they encountered from the NCAA and their recommended reforms. At the time of the investigation, John Nichols was the assistant to the supervisor of the university's investigation of the NCAA allegations, Dr. Stanley Kegler. In this position, Mr. Nichols observed first hand the practices of the NCAA and experienced the frustrations that resulted in dealing with that organization. Joseph Dixon is a lawyer who was hired by the University of Minnesota to conduct an independent investigation of the allegations. This investigation went far beyond the parameters of the NCAA allegations and uncovered additional charges that were presented to the NCAA by the university. In fact, Messrs. Nichols and Dixon were involved in an investigation that the NCAA testified was a model of cooperation. I want to thank Messrs. Nichols and Dixon for their excellent analysis of the NCAA abuses and their suggested reforms. Throughout the entire investigation of the NCAA, they have been most helpful and their recommendations were carefully considered by the subcommittee in the preparation of the committee report. It should be noted that neither is now associated with the University of Minnesota. Their actions stem not from a desire to embarass the NCAA nor to exonerate the university. They acted in a sincere desire to see the adoption of the reforms needed to improve intercollegiate athletics and the organization that oversees it.

The material follows:

WASHINGTON, D.C.,
August 8, 1978.

JOSEPH T. DIXON, JR., ESQ.
Title Insurance Building,
Minneapolis, Minn.

DEAR MR. DIXON: I would like to express my most sincere appreciation to you and Mr. Nichols for your letter of July 18, 1978, transmitting your recommendations for reform of the enforcement procedures of the National Collegiate Athletic Association. Additionally, you have the Subcommittee's thanks for your efforts in assisting the Subcommittee's staff with the preparation and conduct of the hearings which we have held to date.

It is obvious from your letter that both of you have spent considerable time in analysis of this area and have great dedication in seeing that substantial change take place within the NCAA. You may be assured that at the time of the Committee's consideration of our recommendations in this area, those you have offered will receive the most thorough consideration.

Thank you once again for your concern and your consideration.

Sincerely,

JOHN E. MOSS,
Chairman, Subcommittee on Oversight and Investigations.

JULY 18, 1978.

Hon. JOHN MOSS,
Chairman, Oversight and Investigation Subcommittee, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN MOSS: Your staff has encouraged us to write with our recommendations for reform of the enforcement procedures of the National Collegiate Athletic Association which is now under investigation by your subcommittee, and we welcome that opportunity.

For a period of about two years, we were retained by a major state university to conduct its internal investigation of serious

violations of NCAA rules and to represent the university in its complex and controversial dispute with the association. During that period, we interviewed scores of principals involved in the violations, produced thousands of pages of written reports regarding the investigation, represented the university in numerous hearings before NCAA committees, and in the process, developed a detailed familiarity with the procedures of the NCAA, in specific, and the state of intercollegiate athletics in the nation, in general.

It is important to note that neither of us are currently employed by that university, thus, we are in the rather rare situation of having inside understanding of the NCAA enforcement procedures yet having no direct allegiance to any of the parties represented at the congressional hearings. Further, we have no vested interest in the outcome of your hearings other than to see the adoption of basic reforms needed to improve intercollegiate athletics.

During the course of our work it became clear that violations of NCAA rules were committed not only by the university we represented, but by universities throughout the nation. Not just minor violations of petty association rules but flagrant infractions alien to any reasonable person's concept of amateur athletics. It was exactly for this reason that the NCAA was originally empowered to establish standards of conduct in intercollegiate athletics, investigate violations and punish the wrongdoers.

However, in recent years, the NCAA like many large bureaucracies, has become entangled in its own procedures and authority and seems to have lost sight of its primary mission. We observed the NCAA consistently employ methods and procedures directly contrary to our—and we believe most other people's—fundamental concepts of fairness. We saw procedures used which seemed diametrically opposed to the openness and equality needed in a fact finding process aimed at fair treatment and correct decisions.

Despite its ills, the NCAA still serves a necessary function of policing intercollegiate athletics. Without the association, the professionalism and corruption surrounding amateur sports would undoubtedly increase. But reforms are needed to ensure that the means it uses to enforce this end are honorable and fundamentally fair; that the institutions and individuals involved are fairly treated and that correct determinations are reached. It is with this goal that we offer our suggestions for internal reform of the NCAA enforcement procedures in the hopes that they might be useful in the continuing dialogue before your subcommittee.

I. Recognition of Differing Interest Between the Institution and the Individual:

Present NCAA infractions procedures dictate that universities are responsible for the investigation and defense of not only institutional wrongdoing but also allegations against all individuals related to the universities, i.e. student-athletes, coaches, staff and representatives of athletic interests. The NCAA allows an infraction hearing only for the university, and all other individuals affected by the outcome of those hearings must funnel their defense through the university. And the penalties meted out by the NCAA are directed only at the university with the implication that the university, in turn, must levy appropriate penalties against the individuals found guilty in the investigation. In the case of student-athletes, the university must declare the rules violators ineligible to compete for the remainder of their college careers. The university may then appeal on behalf of the student-athlete to have a portion of the eligibility restored.

Such a system fails to recognize that the best interests of the institution and the individual athlete can, and often do, differ. For example, a university might adopt a certain defense tactic that might be best for the overall athletic program but at the same time might not be the most vigorous defense of allegations regarding an individual athlete. And the individual athlete would have no direct recourse to the NCAA decisionmakers. Therefore, to protect the sometimes divergent interests of both the accused university and the individuals affected by the outcome of the NCAA infractions hearings, the following reforms are proposed:

(1) All those charged with violations of NCAA rules or who are affected by the outcome of the hearings should be allowed direct access to the hearings. The individual student-athlete should have equal standing before the NCAA in all matters such as right to counsel, evidence, appeals, etc. Conversely, the NCAA should deal with student-athletes directly with respect to findings, penalties and declaration of ineligibility. If the Infractions Committee decision is to be determinative, which it probably should, then it should make the declaration of ineligibility. This would prevent the conflict situations in which a university responds for the individual athlete maintaining his innocence, but then, based on findings of NCAA hearings, being forced to declare the athlete ineligible from competition.

(2) The NCAA should clearly segregate institutional violations from individual punishment. In the event that individual athletes have neither committed violations of NCAA rules nor are members of a team found in violation of rules, they should not be prevented from competing in post season events or otherwise punished because their university has been round guilty of wrongdoing. In sum, individual athletes not involved in wrongdoing should not be held accountable for institutional actions over which they had no control. The NCAA has sufficient means to punish institutions, especially the power of the purse string, without withholding innocent athletes from competition. Indeed, it is ironic that the NCAA, a body formed to encourage uncorrupted amateur competition among young athletes, is occasionally responsible for preventing it.

II. Increased Openness in Enforcement Process:

As a basic principle, we believe that administrative corruption and abuse of power breed under conditions of secrecy. Yet all of the NCAA's hearings are conducted behind closed doors and the use of its investigative materials are severely restricted even for those whose athletic careers or good names will be substantially affected by the outcome of the investigation. Even if secret hearings and closed association files could provide for fair treatment for those accused of violations, these conditions would still be undesirable. The result of the NCAA's secrecy is a declining credibility of its enforcement process and thus minimizes its power to effectively deal with actual cases of wrongdoing.

The NCAA argues that it does not wish to release investigative information because it would make it too easy for institutions to avoid punishment for their violations. Although it is true that releasing investigative materials to the accused parties might result in fewer "convictions" in marginal cases, there are so many flagrant violations committed in intercollegiate athletics that, regardless of any concession given to the accused, the NCAA would have more airtight cases than it could possibly handle with many times its current staff.

The following specific reforms for making the NCAA enforcement process more open and accessible, in our opinion, would be fairer to the accused parties while not substantially reducing the effectiveness of the enforcement staff—and perhaps, in the long run, improve their credibility and their commensurate ability to keep the lid on corruption in amateur sports:

(1) There should be a period of discovery prior to all infraction Committee hearings in which all documentary evidence, staff memos, tapes, transcripts and the like should be made available to those substantially affected by the outcome of the hearings—including institutions, student-athletes, and perhaps even representatives of athletic interests. Further, they should be allowed to transcribe those hearings or the NCAA's tapes of those hearings.

(2) If an individual charged with violation of NCAA rules, especially a student-athlete, requests a public hearing of those allegations requests a public hearing of those allegations, the NCAA should be prohibited from conducting closed door hearings.

(3) The NCAA enforcement staff should be prohibited from using testimony from witnesses who will not also consent to be interviewed by representatives of the party accused of NCAA violation. Currently, all student-athletes, coaches and institutional officers (this group constitutes the majority of witnesses used in most infractions cases) must submit to interviews by the NCAA enforcement staff. However, they are not obligated to discuss the allegations with representatives of the accused. Thus, there arises instances in which the NCAA staff presents damaging testimony without the defense having an opportunity to test the veracity of the testimony.

(4) The NCAA manual, including the constitution, by-laws and rules, should be rewritten in a direct, clear and understandable manner. These rules should be easily understandable by the institutions and individuals who are expected to abide by them. As matters currently stand the NCAA rules are a hodgepodge of its constitution, by-laws, rules and opinions most of which are found in the NCAA manual, but some of which can be found only by a weekly reading of the NCAA News. Further, the rules as written are inconsistent, unclear and misleading. For example, NCAA rules currently make it clear that "regular or periodic use of an automobile without (or at a reduced) charge" is a forbidden extra benefit which may not be provided a student-athlete. However, the Committee on Infractions and staff interpret the more general extra benefits rules to prohibit any use of an automobile, even on a single occasion. If that is to be the case, the rule should be written to expressly forbid "any" use of an automobile, not merely the "regular or periodic use." While this is admittedly a minor point, it does serve to demonstrate the difficulty in attempting to follow the rules as written. Further, various interpretations of the NCAA constitution and by-laws made by the Council, and binding upon the membership, often fail to find their way into print in the NCAA manual. In the case of one student-athlete, the NCAA enforced an interpretation of rules first made four years prior to the conduct there involved, but not included in the NCAA manual until nearly a year after the conduct.

The current failure of the NCAA to provide clear and understandable direction with respect to the obligations of institutions and student-athletes serves to heighten the secrecy of the NCAA and its enforcement process. Unless the rules are known and understood by all participants, there can be no equality or fairness for the participants.

(5) Further, and in addition to a rewritten rulebook, the NCAA should make accessible all past decisions, interpretations, penalties, etc. so that those accused of violations have a clear idea as to how previous such cases have been dealt with. Currently a smattering of this material is published in the NCAA News and distributed in a helter-skelter manner. All such findings should be regularly collected, indexed, published and distributed among the membership as a standardized reference of infractions policy.

Some NCAA policies are so vague or confusing that even members of the Committee on Infractions are occasionally unclear on

certain nuances and have to ask the staff for its position. Further, the staff's answers to questions concerning meanings, definitions and interpretations of the rules is all too frequently "well, we have always . . ." But yet, the institution or its investigator have no way of determining how the NCAA staff construed a particular rule, especially since many of the answers run contrary to established principles of construction.

Even an entirely open enforcement process is not fair if the accused institutions and individuals don't have equal access to the precedents in policy and equal understanding of the complexities of the application of that policy.

(6) The NCAA constitution and rules should be amended to specifically preclude their use in stifling public discussion of NCAA enforcement policy and practices. In the past, the NCAA staff have charged with violation of the sportsmanship clause [NCAA constitution 3-6-(a)] those who dared to publicly criticize (whether justly or unjustly) the NCAA policies and procedures. Open and unrestricted debate of important issues is basic in American society and tends to improve the quality of governance by public institutions and private associations alike. In the case we are most familiar with, the NCAA charged university administrators with violations of the NCAA rules for criticizing in the press certain aspects of the NCAA's investigation of the university despite the fact that some of the university's points were eventually adopted as reforms of NCAA rules. Thus, as a matter of policy, the NCAA should not only avoid discouraging public and internal criticism of the association by its member but should take steps to encourage discussion of controversial issues affecting the organization.●

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. FOUNTAIN. Mr. Speaker, on January 31, I introduced H.R. 1664, the Federal Constitutional Convention Procedures Act. The purpose of this legislation is to provide procedures for calling Constitutional Conventions for proposing amendments to the Constitution, on application of two-thirds of the State legislatures, pursuant to article V of the Constitution.

We are faced with the real possibility that in the very near future 34 States will have petitioned the Congress to call a convention for the purpose of proposing a balanced budget amendment to the Constitution.

Yet the Nation is completely unprepared for such an eventuality, because the Congress has never taken action to spell out in detail the terms of the Convention alternative set forth in article V.

H.R. 1664 provides an authoritative basis for resolving many of the sensitive questions posed in connection with the article V Convention provision—all of which are matters of fundamental constitutional concern. My bill would establish the basic ground rules for a Convention, thereby reducing the chances of chaos and constitutional crisis which might well ensue from a runaway convention.

For example, the legislation would achieve this objective by specifying the details of the application process, including an application's effective period and the question of rescissions; by spelling out the congressional role once the requisite number of applications has been received, including determining the validity of applications and issuing a convention call; by providing for the selection of delegates to the Convention, the selection of officers and other routine business, the Convention's scope of deliberations, its duration, and the limits to be placed on the subject matter of any proposed amendments it might adopt; and by prescribing congressional responsibilities after a proposed amendment has been approved by the convention.

This legislation reflects the constructive efforts of the distinguished former senior Senator from North Carolina, Sam J. Ervin, Jr., who guided it to passage by the Senate in 1971 (S. 215 of the 92d Congress) and, in identical form, again in 1973 (S. 1272 of the 93d Congress).

In fact, H.R. 1664 technically differs from the Ervin legislation in only two respects. Sections 2 and 3(b) have been slightly altered so as to make clear that the Congress would have the power to determine the validity not only of applications transmitted to the Congress after the enactment of the bill but also of applications transmitted before enactment. The Ervin version would appear to be applicable only to resolutions submitted after enactment.

Mr. Speaker, I might also point out that section 10(a) of H.R. 1664 provides that a convention may propose amendments by a two-thirds vote of the total number of delegates. When the Senate passed S. 215 in 1971, much debate, and a floor vote, occurred on the question of whether it should take a two-thirds majority, or only a simple majority, to propose an amendment—Senator Ervin adhered to the latter point of view although the Senate adopted the two-thirds standard. While I am not unalterably wedded to the two-thirds figure, I do at this time believe it to be preferable since a two-thirds majority in each House is required under article V for the Congress itself to propose an amendment directly—an integral part of our system of checks and balances with regard to the amendatory process.

While I personally prefer the Congress proposing an amendment to balance the budget rather than a convention doing so, and have sponsored separate legislation to that effect, I want to emphasize that the primary purpose of H.R. 1664 is to put into statutory form the processes governing a convention should a congressional call become mandatory under article V. This bill's purpose is wholly procedural, though basic questions of powers and prerogatives are obviously involved. And, with respect to those questions, I believe that a sensible and salutary balance is struck in this legislation between the interests of the States and those of the Congress—all with a view toward preserving constitutional integrity.

The framers of the Constitution unquestionably intended the convention method of proposing amendments to be an attainable means of constitutional change. Moreover, the Congress has the obligation to legislate on this subject now, without the sort of emergency fever pitch which might well be prevailing later, and try to prevent ahead of time the procedural quagmire which could transform a convention into a constitutional nightmare.

Mr. Speaker, the Advisory Commission on Intergovernmental Relations, on which I am privileged to represent the House, urged in 1971 the enactment of legislation of this type. Two years later, a special study committee of the American Bar Association also reached the conclusion that such legislation is needed to remove unintended obstacles in the way of legitimate use of the convention approach to amending the Constitution.

For these reasons, I believe that early action on this legislation is crucial. Further delay could well place the Nation in a regrettable situation—perhaps even this year. I, therefore, urge the Judiciary Committee to give serious and timely consideration to this pressing matter so that the Congress might satisfy a long-neglected constitutional responsibility.●

EIGHTY-NINE COSPONSORS TO ANDERSON CRIME-CONTROL BILL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. ANDERSON of California. Mr. Speaker, I want to call our colleagues' attention to a bill I have introduced, H.R. 1495, imposing a mandatory minimum 5-year prison sentence on those convicted of committing Federal felonies with a gun.

During the 95th Congress, a similar proposal attracted 108 cosponsors. With the additional Members whose names are being added to H.R. 1495 today, we already have 89 cosignatories this year, just 1 month into the 96th Congress.

COSPONSORS OF H.R. 1495—MANDATORY SENTENCING

Anderson, Glenn; Andrews, Mark; AuCoin, Les; Barnard, Doug; Benjamin, Adam; Blanchard, James; Bonior, David; Bouquard, Marilyn Lloyd; Brown, Clarence; Broyhill, James; Buchanan, John; Burgener, Clair; Cleveland, James; Coelho, Tony; Coleman, E. Thomas; Corcoran, Tom; Corrada, Baltasar; Dannemeyer, William.

Davis, Mendel; Davis, Robert; Derwinski, Edward; Dornan, Robert; Downey, Thomas; Duncan, John; Edgar, Robert; English, Glenn; Ertel, Allen; Fazio, Vic; Fithian, Floyd; Fountain, L. H.; Gephardt, Richard; Gibbons, Sam; Glickman, Dan.

Gore, Albert, Jr.; Green, S. William; Guyer, Tennyson; Hagedorn, Tom; Hefner, W. G. (Bill); Heftel, Cecil; Hollenbeck, Harold; Huckaby, Jerry; Ichord, Richard; Jones, Ed; Jones, James; Kindness, Thomas.

Lagomarsino, Robert; Leach, Jim; Lederer, Raymond; Levitas, Elliott; Long, Gillis; Lott, Trent; McCloskey, Paul, Jr.; McHugh, Matthew; McKinney, Stewart; Madigan, Edward; Martin, James; Matsui, Robert; Mazzoli, Romano; Miller, George; Mineta, Norman; Mitchell, Donald.

Moakley, Joe; Mollohan, Robert; Mottl, Ronald; Panetta, Leon; Pashayan, Charles, Jr.; Patterson, Jerry; Pepper, Claude; Rahall, Nick Joe, II; Rangel, Charles; Robinson, J. Kenneth; Roe, Robert; Ross, Charles.

Sebelius, Keith; Sensenbrenner, F. James, Jr.; Simon, Paul; Skelton, Ike; Solomon, Gerald; Spence, Floyd; Staggers, Harley; Trible, Paul, Jr.; Wampler, William; Whitehurst, G. William; Wilson, Charles (Texas); Wilson, Charles H. (California); Wolff, Lester; Won Pat, Antonio Borja; Young, Robert; Zeferetti, Leo.

As you can see, the cosponsors of this bill represent every viewpoint on the political spectrum. They have joined together in this effort because they know that H.R. 1495 is a sound bill, and one that, if enacted, will reduce crime. And, like all of us, they receive letters from their constituents asking that we do something to make the streets of this country secure places to walk, and the homes of this Nation safe places to live.

People want the potential criminal to know that if he uses a gun in the commission of a crime, he will go to jail. They believe, as do I, that this will deter some potential criminals before they act. And those that go ahead and commit a crime, and are convicted, will surely not have the opportunity to repeat their offense for at least 5 years. They will be in prison.

During these past few years that I have been advocating this measure, mail has poured into my office from all parts of the country offering support. And in a districtwide survey I conducted last year in California's 32d District, which I represent, 93 percent of those responding expressed their favor of this approach. Only 3 percent opposed it, and 4 percent were undecided. Of all the questions asked, on many important issues of the day, this one elicited the most uniform response.

And a study conducted in 1977 by an independent national marketing and opinion research firm found that well over 90 percent of all chiefs of police, sheriffs, and rank-and-file police officers believe that mandatory prison sentences for all persons convicted of committing a felony with a firearm would reduce crime. About 80 percent said that it would serve this purpose more effectively than does current law, or would Federal registration, Federal licensing, or a prohibition on private ownership of firearms.

I would stress here that this bill does not restrict a person's ability to own guns. It is not a gun-control bill, but is rather an effective approach to crime control. Those who favor traditional gun-control legislation will be free to work for that, regardless of the status of my bill. And in the meantime, should H.R. 1495 be enacted, it will assure that those convicted of misusing firearms in the commission of a Federal felony will be punished.

Mr. Speaker, I hope that more of our colleagues will join in sponsoring legislation that is directed at the criminal who abuses the gun; the individual who, through his own actions, jeopardizes the rights and lives of honest, law-abiding citizens. H.R. 1495 does just that.●

CONGRESSIONAL IRISH PEACE FORUM GAINS IMPORTANT BACKING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BIAGGI. Mr. Speaker, as I have advised my colleagues on earlier occasions, on February 1, the executive committee of the Ad Hoc Congressional Committee for Irish Affairs voted unanimously to support my recommendation that we sponsor a Congressional Irish Peace Forum later in 1979. As chairman of the ad hoc committee I have been extremely gratified at the many indications of support I have received concerning the forum.

The February 17 edition of the Irish Echo featured as its only editorial an endorsement of the peace forum. In addition, its Dublin correspondent, John Kelly donated his entire column to a discussion about the peace forum, also indicating support. The Irish Echo is the leading Irish American newspaper and its support is most important as they reflect the views of many Irish Americans. I am proud to have their support and hope my colleagues will review the articles and lend their support to this initative whose sole objective is to advance the cause of peace and justice in Ireland.

In the coming week, I expect to announce the official date for the peace forum. I am confident that the type of forum we intend to conduct—where all shades of political thought as well as the Irish and British governments will be invited to serve as a catalyst to peace and restoration of human rights. We enter this undertaking as totally neutral sponsors and will remain so throughout.

The Irish Echo articles follow:

PEACE FORUM CALL

The call by the executive committee of the Ad Hoc Congressional Committee on Irish Affairs for a "peace forum" on Northern Ireland seems to us to be a wise and sensible move during the current impasse.

Bringing together people to talk about their differences is always a laudable aim. When it can be done at a distant place—Washington in this instance—it often leads vying factions to face the facts they cannot face at home.

Urging all parties to participate, Representative Mario Biaggi, chairman of the Irish Affairs Committee said:

"I am proposing that we sponsor a peace forum at which all parties to the dispute in Ireland would be invited for the sole purpose of presenting and listening to peace proposals. I further propose that the forum be conducted as a series to insure that all shades of political thought be heard and made part of the process which leads to a solution—if there is to be a lasting solution. Throughout the forum we would actively encourage the participation of both the London and Dublin Governments whose roles are critical as well."

"I emphasize that the Ad Hoc Committee as the sponsor will remain totally neutral—supporting no solution nor any group but instead providing equal access to the forum by all those who share a role in Ireland's future—a future we want to be of peace. It is also my hope that the forum could play a major role in helping to restore lost human and civil rights in Ireland."

This seems to us a very reasonable outlook and a most realistic one. It is difficult to understand how anyone could oppose it.

ASSESSING THE PEACE FORUM

(By John A. Kelly)

DUBLIN.—The news from Washington that the Ad Hoc Congressional Committee on Irish Affairs is to hold a forum on the North's problems in the U.S. sometime in the near future is good. That much can be said immediately. Some Irish commentators are already attacking the suggestion on the grounds that Americans are incapable of understanding the complexities of the Irish tangle. Allowing even for the possible truth of such a wide assumption then all that I can say at this stage is, welcome to the club.

Very few seem to "understand" the Northern situation as some self-appointed or media annointed intellectual gurus seem to believe it should be understood.

Perhaps it is even true that Americans like Congressman Mario Biaggi don't have all the answers but they are surely no farther from the horizon than the blundering Roy Mason and the lame-duck Labor administration in London who have managed to offend everybody without pleasing anybody.

As this is written, the Social Democratic and Labor Party leader, Gerry Fitt, has publicly proclaimed that he will refuse to discuss absolutely anything with Roy Mason again. Difficult to blame him when you consider that Mason during a television interview referred to an EEC poll which is reported to show a swing of opinion towards official Unionists and the Alliance Party.

GREENER

This Mason claimed, shows a considerable drift towards "moderation." He went even further. He described the SDLP as having become a little "greener" and implicitly criticized it for favoring a united Ireland. Like others in his party, he seems to be leaning over backwards to prove to Unionists that there will be no change in the status quo while the government rules—and Unionists get more seats at Westminster.

The priority in Britain, of course, is not to "understand" the problem in the North at all. British Premier, Jim Callaghan, has already shown that he understands it only too well, when he is out of office, that is. In a book, then he expressed the opinion clearly that the only real solution for Ireland is reunification.

The British Labor Party will pay any price in Ireland to retain its grip on office. If the Unionists want more seats at Westminster the Government will ensure that they get them. If the Unionists want no new initiative in the North, they will not get it.

BALANCE

And if in the future, the balance of political power remains as indefinite as it now is in Britain, the greater number of Unionist representatives will be avidly courted by whichever party needs them most to stay in power. Quite often they will be wooed even more fervently by the opposition party. Either way it seems as though the Unionists must continue to be pleased. They will remain firmly in the drivers seat which is where they've always believed they rightly belonged.

* * * stand the problems perfectly well. They just don't want to attempt to solve them. They are avoiding any such moves because it does not suit them politically on the domestic front.

In the meantime, they are charitably attempting to ensure that the people of the North are forced to live with what they regard as an "acceptable level of violence" to paraphrase a former British Minister of State. They are also continuing to attempt to hide their misdeeds beneath a formidable cloak of propaganda.

TRIAL

Two British soldiers, members of the SAS have finally been sent for trial for the mur-

der of a 16-year-old youth some considerable time ago. The youth was shot in the back after he excitedly went to investigate an arms dump which had, ironically, been reported to the police by his family.

I have commented on this incident already in the Irish Echo. There is no point in dredging up its tragedy again, except to underline that the British troops reported at the time that the youth had been pointing a rifle at them when they shot him.

The British administration in the North propagated that story and men experienced in the media, men like Peter Jay, the British Premier's son-in-law, and the resident British Ambassador in the United States, did all that they could to ensure that this was the message the media got.

RUC investigations quickly established that the British Army version was a lie. Yet it took months before any prosecutions were brought—and I am prepared to guarantee from afar that the incident received hardly any mention in the American media.

VICIOUS

British propaganda is vicious and lying. It was always so when it was applied to Ireland. Put quite simply, the less any foreigner understands about Ireland, the more the British like it.

And that is why I welcome this forthcoming forum on the North. Anything that can be done to expose the cynical attitude of the British towards the North must be welcomed by all who have the interests of this island at heart.

It is no secret that the organizers of the Washington forum have been meeting with spokesmen for parties, political and paramilitary, on both sides of the divide in the North.

Neither is it any secret that many in the Six Counties are prepared, even eager, to consider the feasibility of establishing an independent state, free of the British Army. It is just as true that the Provisional Republican movement has repeatedly made it clear that it would not favor an independent North and its opposition must be regarded as a major stumbling block to any initiative that might possibly emanate from the forum.

If the leaders of that movement are not now prepared to rethink their position, perhaps they may be less reluctant after the forum is held and other opinions become clearer.●

AMERICANS HOPE FOR LITHUANIAN FREEDOM

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. RUDD. Mr. Speaker, this month marks the 61st anniversary of Lithuania's initial and all too short-lived independence.

Hopefully, some day in the not too distant future, Lithuanians everywhere will be able to celebrate this occasion in an atmosphere of freedom in contrast to the oppression which they have courageously endured for the past 39 years under Soviet imperialist domination.

It is my fervent hope, and that of countless other Americans, that the indomitable spirit of freedom is being kept alive in Lithuania, and that the spirits of the people there will remain optimistic about eventual liberation from tyranny.

Lithuanians should know that many Americans in my State of Arizona and throughout this country are vitally concerned about their future. We are especially troubled by the lack of once hoped for improvement in their condition, which followed the signing of the so-called Helsinki Agreement. This agreement was supposed to guarantee basic human rights, but in practice seems to have guaranteed only the continued oppression of East European people by the Soviets.

It has become abundantly clear to those who follow the activities in Lithuania and other nations which have been forcibly annexed by the Soviets that basic human rights are not tolerated, even though rhetorical statements by Soviet officials may indicate otherwise.

Indeed, it is perhaps most disappointing that our President and State Department do not practice their much heralded "human rights" policy with regard to the troubled people in Lithuania. For in actuality, Lithuania is one of the most oppressed countries in the world, and is likely to remain so as long as Soviet troops and Communist dictatorship are imposed on that beleaguered country.

There is no doubt, Mr. Speaker, that Lithuanians long for the day when freedom will triumph, and they will be governed by true principles of freedom and equality. Perhaps some day soon, freedoms of speech, religion, press, assembly, movement, and countless other liberties which we take for granted will be restored to the freedom-loving people in Lithuania.

I would reiterate my hope that somehow the message from the American people will penetrate behind the Iron Curtain. We here in the United States are most concerned about the Lithuanian plight, and urge the continued struggle of all peoples oppressed by the Soviet Union to throw off the shackles of slavery in exchange for freedom.●

ANDREW YOUNG AND THE AYATOLLAH KHOMEINI: A MEETING OF MINDS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. McDONALD. Mr. Speaker, my colleagues will recall that in the 95th Congress nine Members joined with me to introduce a resolution to impeach the U.S. Ambassador to the United Nations, Andrew Young. That resolution unfortunately was not acted upon by the House. As a result we have been treated in the past few weeks to a number of new outlandish pronouncements by Mr. Young which have had to be contradicted by the President.

On January 9, 1979, Ambassador Young told the Interdependent, the newspaper of the United Nations Association, that the terrorist Palestine Liberation Organization (PLO) had "captivated the imagination of the Palestine people" and that the PLO's United Nations observers "are very skilled politicians and very intelligent decent human beings" with whom this country must deal. His statement is, of course, in direct contradiction of official U.S. policy which is to take no action that would encourage terrorism in the world.

Two weeks ago, in the midst of the volatile situation in Iran, Mr. Young chose to interject himself into the situation by stating that the Ayatollah Ruhollah Khomeini, leader of the Islamic revolutionary forces, "would eventually be hailed as 'a saint.'" The New York Times of February 8 further reported on this matter:

> Although he acknowledged that Ayatollah Khomeini had been accused of anti-Christian and anti-Semitic remarks, Mr. Young, who is an ordained minister in the United Church of Christ, predicted that "Khomeini will be somewhat of a saint when we get over the panic."

One must assume that Ambassador Young has made such statements because he has not bothered to acquaint himself with any of the Ayatollah's writings which are available in English translations. As one example, let me quote from Khomeini's collection of lectures on "Islamic Government," in which he told his students the following:

> Christian, Jewish and Baha'i missionary centers are spread in Teheran to deceive people and to lead them away from the teachings and principles of religion. Isn't it a duty to destroy these centers?
>
> Help and rescue Islam because Islam is crying for your help. Save the Moslems from the dangers engulfing them. Here they (Christians and Jews) are killing Islam in the name of religion and in the name of the Prophet. Their missionaries, who are the lackeys of colonialism, have spread throughout the country, have invaded villages, rural areas and subdistricts and have aimed their efforts at children, juveniles, and youths who are the hope of Islam, and have misled them. Rise to help these misled people.

A 1977 collection of positions papers and interviews with Khomeini published in Arabic contained the following question and answer which are certainly significant when considering Khomeini's qualifications for "sainthood:"

> Question. After infiltration of the Zionist fingers into all the vital establishments in the Moslem Iran, what is your eminence's opinion on the must successful means that you advise our Moslem people there to follow in order to cut off all the secret Zionist hands in Iran so that our brothers may be able to offer all their resources to the struggling fighters?
>
> Answer. In the name of God, the merciful and the compassionate:
>
> The most successful means lies in having the Moslem Iranian people try with all their capabilities to sever every dealing with the Zionists residing in Iran and other Zionists, to uproot them spiritually and materially, harass them in all domains and fight them economically in all spheres so that they may sever oil relations with Iran and its people and so that the people may be able to offer all their spiritual and material resources to the free strugglers. These bitter Islamic conditions require every Moslem to exert utmost efforts to liberate our occupied lands and to take venegeance on the occupiers and God is the giver of success. There is no doubt that the Moslem Palestinian people's duty is the duty of every Moslem in every part of the world. The Moslem should be united against whoever tries to harm and undermine them.

Mr. Young has made untrue, distorted statements because Khomeini is not being merely "accused" of anti-Semitism; the man's own words show he actually is a rabid anti-Semite and also a bigot against Christians and members of the Baha'i faith, which is actually a sect of Islam. Furthermore, our U.N. Ambassador has provided fodder for the Soviet Union's propaganda mills. On February 12, 1979, the Moscow Domestic Service in Russian broadcast the following statement:

> UPI reports from Washington that U.S. Ambassador to the U.N. Andrew Young again provoked President Carter's anger. Commenting on events in Iran, he said that the religious and political leader Khomeini might achieve the popularity of a saint, thereby admitting that Khomeini has enormous prestige among Iranians.
>
> As you know, official Washington supports someone else altogether in Iran, the Shah's appointee, Prime Minister Bakhtiar. Young's frank admission has put U.S. diplomacy in an awkward position.

Last week, Ambassador Young chose to continue making irresponsible statements, this time about the gangs of armed thugs who are now roaming the streets of Iranian cities. An Associated Press report published in the Baltimore Sun on February 13, 1979, stated:

> WASHINGTON.—United Nations Ambassador Andrew Young said yesterday the Iranian revolution was largely brought about by thousands of Iranians who learned the lessons of American democracy as students here, then applied them at home.
>
> Despite the Carter administration's long-standing support for the Iranian monarchy and that nation's constitutional processes, Mr. Young spoke of the emergence of a new order in Iran:
>
> "This is not something that we should necessarily feel threatened by. We should not be afraid when people begin to feel a sense of their own power."
>
> Mr. Young, a former civil rights activist in the South, said he felt a close sense of identification with Iranian demonstrators.
>
> "Whether we like it or not, the change has come from us," he said. "The most powerful force loose in the world is not Communist ideology, the most powerful force loose in the world is the idea that all people are somebody."
>
> He added that upheavals in many countries are an outgrowth of foreign students "having shared in the American experience and then going back to their homes and saying "Why should I, after having had this kind of experience, let somebody else run my country?'"

Ambassador Young must have eschewed the simple task of reading the daily newspapers who have reported how in Chicago, Houston, Los Angeles, and other American cities the Iranian revolutionary students have been applying the principles not of the American system of representative government under law but of mob violence organized by Marxist totalitarians from the Iranian Students Association.

We must ask yet again how much longer President Carter will allow Ambassador Young's irresponsibility to embarrass our country.●

THE PANAMA CANAL TREATY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. PAUL. Mr. Speaker, last week the Subcommittee on Panama Canal of the House Committee on Merchant Marine and Fisheries conducted hearings on two bills implementing the Panama Canal Treaty signed in 1977 and ratified by the Senate in 1978. Since I have had an enduring interest in the Panama Canal, I prepared a statement for those hearings presenting my views on the treaty and the constitutional questions surrounding it. I request that my statement be entered into the RECORD as an extension of my remarks.

STATEMENT BY REPRESENTATIVE RONALD E. PAUL

Mr. Chairman, I thank you for the opportunity to submit a statement during these hearings on implementation of the Panama Canal treaties.

While in Congress in 1976, I introduced H. Res. 1410 for the purpose of expressing the sense of the House of Representatives that:

(1) the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power authority, jurisdiction, territory or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) there be no recession to Panama, or other divestiture of any United States-owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2, of the United States Constitution.

Since July of 1976 when that Resolution was introduced, many things have happened. The Resolution was not acted upon by the House. The President, after appointing a negotiator not confirmed by the Senate, signed a treaty with Omar Torrijos, dictator of Panama. The Senate ratified the treaty signed earlier by President Carter, and today we are discussing implementation of that treaty. The difficulty with such a discussion is that the treaty we are proposing to implement is not valid, and there is, in fact and in law, no treaty to implement.

In his testimony before the Subcommittee on Separation of Powers of the Senate Judiciary Committee on November 3, 1977, Professor Raoul Berger of the Harvard Law School made the following comments:

"Although I am in favor of the Panama Canal Treaty, I share your solicitude for the preservation of constitutional boundaries and your concern lest the function committed to Congress be diminished. I have long held the conviction that all agents of the United States, be they Justices, Members of Congress, or the President, must respect these boundaries. No agent of the people may overleap the bounds of delegated power. That is the essence of constitutional government and of our democratic system."

The Constitution explicitly provides in Article IV, Section 3, Clause 2 that Congress, not the Senate alone, or the President alone, or the Senate and the President together, has the sole power to dispose of property of the United States. To discuss implementation of a treaty which is blatantly unconstitutional is to acquiesce in a usurpation of power by the Executive. Professor Berger included in his testimony in 1977 some remarks about the hearings in which he was participating. Those remarks apply equally well to these hearings here today.

"The effect of these hearings ranges beyond the Panama Treaty. The Panama cession will constitute a landmark which, should the State Department prevail, will be cited down the years for 'concurrent jurisdiction" of the President in the disposition of United States property. Acquiescence in such claims spells progressive attrition of Congressional powers; it emboldens the Executive to make ever more extravagant claims. I would remind you that Congressional acquiescence encourages solo Presidential adventures such as plunged us into the Korean and Vietnam wars. Congressional apathy fostered the expansion of executive secrecy. Then as now the State Department invoked flimsy 'precedents,' for example the pursuit of cattle rustlers across the Mexican border to justify Presidential launching of a full-scale war. If Congress slumbers in the face of such claims it may awaken the Samson shorn of his locks."

Professor Berger was quite forceful in expressing his view that no property belonging to the United States in Panama can be transferred to Panama by treaty alone. The Professor did not hesitate to draw the logical conclusion of this idea, that any treaty purporting to transfer United States property, even if ratified by the Senate, is void.

We need not, of course, rely on expert opinion to reach this conclusion. The Constitution is perspicuous. It could not speak more clearly on the issue. The oaths that each Member of Congress has taken to uphold the Constitution requires, that each Member reject any attempt to implement this treaty, unless, of course, the Member wishes to commit perjury and face the consequences of that action. If one wishes to maintain that the Constitutional requirements have been met for the disposition of United States property in Panama, let him present the evidence of any action taken by the House of Representatives in disposing of that property. Until such evidence is presented, discussion of implementation of the treaty signals one more instance of Congressional obsequiousness in the face of Presidential usurpation.●

ASKING MORE AND GIVING LESS

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. TREEN. Mr. Speaker, I believe that Joseph Kraft, the noted political journalist, has put his finger on the basic problem in America today in an essay which appeared in the February 18 edition of the Washington Post entitled "A Weakening of National Fiber."

I was particularly interested in Mr. Kraft's statement that the "combination of asking more and giving less is a sure recipe for trouble." That unhappy American obsession is the root of our economic problems. Until this is recognized and overcome, we are headed for even greater difficulties down the line.

I am inserting Mr. Kraft's article in

the hope that it will help create additional interest in the subject:

A WEAKENING OF NATIONAL FIBER

(By Joseph Kraft)

Once upon a time ago, Washington's birthday denoted the long, drawn-out, uphill struggle for national independence. Lincoln's birthday commemorated an agony of battle for unity and equality.

But what message does Presidents' Day—the amalgam of the two—deliver? To me, anyway, it announces a weakening of national fiber, a decline in the atmosphere of American life.

By itself, the fusion of the two holidays expresses a changed attitude toward work. Two dates traditional to the national heritage have been virtually scrubbed from the calendar to make way for a long weekend—more time off.

Taking it easy has been legitimized by most of the "enlightened" movements developed in the 1960s. The heroes and heroines of the "greening of America"—the hippies and druggies and beatniks of the counterculture—had as their common bond a disdain for productive activity.

Minority groups have joined in that sentiment. Despite the pressing need of their followers for employment, the leaders are constantly condemning "dead-end jobs." Hence the widespread demand for bringing in illegal workers from Mexico and other parts of Latin America to do stoop labor on the farms, work in restaurants and domestic service.

Along with "dead-end jobs" goes the epithet "workaholic." It is a term of abuse dear to middle-class women who use it partly to attract attention from men absorbed in productive enterprises and partly as a ticket of entry to lush jobs. Either way it cuts down the effectiveness of American society.

Inevitably, those views have spilled over into the mainstream of national culture. The Fons, one of the most popular characters on television, had until recently no visible means of support. In the highly successful film, "The Graduate," suggestions by various well-meaning elders that the main character, a kid fresh out of college, go into business evoked from practically everybody paroxysms of helpless laughter.

More generalized expressions of this negative outlook emerge from the latest figures on productivity—or output per hour. An average growth of about 3 percent for the immediate postwar years slipped to about 2.5 percent in the mid-'60s, and fell below 2 percent in the present decade. The country now faces a productivity disaster. That means growth at a very slow rate for years to come—relatively hard times.

But no commensurate disposition to make sacrifice shows itself. On the contrary, practically everybody—professionals, businessmen, workers and farmers—are asking for more and more and more.

This surge of the acquisitive instinct is not surprising. For no other lead comes from persons in the higher ranges of the government service—persons who ought to pace the way to sacrifice. It is typical that the career naval officer serving—and not very well, by all accounts—as director of central intelligence is a double dipper.

The combination of asking more and giving less is a sure recipe for trouble. It explains not a few of our national difficulties. Inflation springs from that source, and the inability to compete in foreign markets, and the decline of the dollar, and a feeling, among both friendly and hostile countries, that the United States has lost its way, and is a patsy.

Still, in the absence of catastrophe, Americans avert their eyes from the signs of trouble. The energy shortage is dismissed as a company conspiracy. Statistics pointing to more and more inflation get written off as special cases, not likely to repeat themselves. Even when an undoubted crisis like that in Iran supervenes, there develops a national debate about whether the United States has the right to protect its own interests—especially in the Third World.

Which brings me back to Presidents' Day, Inflation, upheaval in Iran and now the Chinese invasion of North Vietnam—all these troubles have deep roots. They are not the fault of Jimmy Carter. But it is his fault—it is indeed the supreme weakness of his administration—that he generates no sense of urgency.

It is no accident that Carter has recently been getting lumps from the Russians, from the Chinese, from the Mexicans and from practically everybody else. He comes on weak, and whatever the merits of this or that policy, it seems beyond dispute that under his stewardship the country is very poorly prepared to meet a challenge as difficult as any we have faced since World War II.●

SALUTE TO HELEN, GA.

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. JENKINS. Mr. Speaker, this month Helen, Ga., is celebrating its 10th anniversary as a No. 1 tourist attraction in north Georgia and, in fact, the entire State. This White County town of less than 300 people has realized its dream of providing employment opportunities for its citizens while offering entertainment and relaxation for vacationers from all over our country and the world.

Through an innovative community spirit, cooperation, and hard work, Helen, out of the remains of an old lumber village, was transformed in 1969 into a small alpine village. The natural beauty of the mountains in which the town is nestled forms a background for the themed exterior design recreating the atmosphere of a small Bavarian community.

The quaintness of the cobblestone streets and old style buildings, the beauty of the flowers and plantings, the relaxed atmosphere with benches for sitting and visiting while the children play in the river which runs right through town—these are the elements that have made Helen a place to visit and love. Beyond the shopfronts one steps into a world of surprises. Here are gift shops from around the world, and craftsmen working in many styles and materials. The eating places are equally varied, from American to Vietnamese.

As seasons of the year come and go, there are many activities that take place in the town. Canoe races, trout fishing contests, bike races, Saint Bernard shows, arts and crafts exhibits, and live summer theater are only some of the events. Golf, tennis, and other sports are available all year long. In the fall, Octoberfest is a feast of music, singing, dancing, and good German food, set in the splendor of our Ninth District mountains ablaze with color.

Whatever the season, Helen is ready to offer an escape from the hurried world, a chance to relax and be entertained, and perhaps an opportunity to become among those who feel that Helen belongs to us, too.

Helen, Ga., is indeed, an amazing success story. I salute its residents on their imagination and dedication to a dream which has become a unique reality of wonder, opportunity, and accomplishment. I wish them continued progress and prosperity; they deserve it and I am confident that they are the kind of people who will continue to achieve it.●

THE GROUNDWORK IS LAID FOR UNITED STATES-MEXICO RELATIONS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BROWN of California. Mr. Speaker, I would like to insert into the RECORD the joint communique issued by the Presidents of Mexico and the United States at the conclusion of the visit of President Carter to Mexico.

I would like to call to the attention of my colleagues the number of issues discussed and the future for negotiation to create a more cooperative and harmonious relationship with Mexico. The border between the United States and Mexico is like no other in the world with the potential for a relationship equally enriching to each neighboring country. I believe we should be working toward this goal and, particularly, Congress should be prepared to adequately oversee the building of this relationship through ongoing discussion and a broad perception of the overall picture. Congress presently has a mechanism for exchange with Mexico, the interparliamentary group, which I would like to see expanded to encompass both interparliamentary and intraparliamentary interaction.

I would also like to call to the attention of my colleagues two agreements reached by the Presidents on the issue of technological exchange. One agreement would facilitate greater research and development between the two nations and the other, in which I am particularly interested, would facilitate arid land management.

Now that the Presidents have met it is important to keep the momentum going. Our history of exchange with Mexico is one of cordial meetings with little substance flowing and no solutions forthcoming. The potential for a bilateral commission and other mechanisms for exchange has never been greater. We cannot let this time pass by.

The material follows:

JOINT COMMUNIQUE ISSUED

MEXICO CITY, February 16—Following are excerpts from the joint communiqué issued today by the United States and Mexico upon conclusion of the visit of President Carter to Mexico:

At the invitation of the President of the United Mexican States Licenciado José López Portillo, the President of the United States of America, Jimmy Carter, made a visit to Mexico from the 14th to the 16th of February, 1979.

Both Presidents held extensive discussions in an atmosphere of sincerity, friendship, and mutual understanding. They reviewed international issues, hemispheric problems and bilateral matters, from the time when President López Portillo made a state visit to Washington, D.C.—the first visit by a foreign head of state to the United States after the inauguration of President Carter.

Both Presidents reviewed the operation of the U.S.-Mexican consultative mechanism, which was established during that visit to review issues facing the two countries within the context of an overall bilateral relationship.

In this regard, they decided to strengthen the mechanism and provide it with more dynamism, cohesion and flexibility for its more effective operation. To this end, they agreed that, in the light of the guidelines spelled out in this joint communiqué, concrete recommendations would be made within a period of four months on ways the mechanism can more effectively solve problems, taking into consideration the close relationship among these problems.

PRINCIPLES OF RELATIONS

They also expressed support for the important work of the Organization of American States and the need to strengthen and modernize this regional organization.

They emphasized that a new international system should be guided by accepted principles of international conduct, particularly the following: non-intervention in the internal affairs of other states; the prohibition of the use of threat or force; respect for the self-determination of peoples; the peaceful solution of conflicts; and the sovereign right of each nation to take full advantage of its natural resources for the economic and social development of its people.

Both Presidents expressed their agreement that peace is more than just the absence of hostilities, peace also includes the elimination of hunger, disease, illiteracy, poverty, ignorance and injustice—tasks in which all countries of the international community share responsibility.

The Presidents examined the development of their economies within a global context. They agreed that major efforts should be made to adjust and improve the international economic system to take into account the interests and concerns of developing countries. They expressed their concern over the worldwide problems of inflation, unemployment, protectionism and monetary and financial difficulties.

They recognized that it is important to assure the adequate transfer of real resources to developing countries and to promote stable economic and social development throughout the world.

ON HUMAN RIGHTS

The Presidents expressed their particular interest in strengthening international organizations engaged in the protection of guarantees of individual rights. They especially commended the work of the Inter-American Commission on Human Rights and urged other nations in the hemisphere to give it their full support.

Both leaders expressed their deep concern over the crisis that continues to affect the people of Nicaragua, violating their most fundamental human rights, reaffirming their decision to continue working through the United Nations and the Organization of American States, in the search for a democratic and fair solution to the conflict.

Upon reviewing trade relations between their countries, both Presidents expressed their satisfaction with the continuous growth of this exchange.

REDUCING TRADE BARRIERS

President López Portillo noted the historic trade deficit of Mexico with the United States, particularly if recent sales of Mexican oil are excluded, making known the convenience of taking all measures necessary to reduce it.

President Carter emphasized the need to reduce trade barriers on a broad basis.

President Carter expressed his strong support for expanding world trade and reducing trade barriers, and expressed his hope that Mexico would play a greater role in the shaping and the management of an improved world-trading system.

The two Presidents agreed that the rapid and satisfactory conclusion of the multilateral trade negotiations will represent an important step toward the improvement of the world's economy, particularly with regard to differential treatment for developing countries.

They also agreed to try to conclude successfully and within the shortest period of time, their bilateral trade negotiations within the framework of the multilateral trade negotiations.

SCIENCE AND TECHNOLOGY

The Presidents also agreed that the future expansion of trade between the two countries will require a continuous liberalization of both countries' trade policies, in accordance with the trade, financial and development needs of each nation. They also committed themselves to renew their efforts to this end and to carry out close consultations on trade and financial matters.

President López Portillo expressed hope that the new rules of international trade would give due consideration to the interests of developing countries, and would not institutionalize the increasing protectionist actions by developed nations.

The Presidents emphasized the importance of cooperation in the field of science and technology as a means for dealing with many economic and social problems. They also agree on the mutual advantages of intensifying this cooperation.

To signal their commitment, the two Presidents took note of the two agreements signed during the visit—on arid lands management and urban planning, and a memorandum of understanding on scientific and technical cooperation, also signed during the visit.

They also discussed plans for the Institute for Technological Cooperation, which they agreed would facilitate cooperative research and development between the two countries.

Both Presidents exchanged views on fishery matters because they considered this a priority interest for both nations, and agreed to carry on discussions in this important field.

ENERGY DISCUSSION

The leaders had a wide-ranging discussion on energy, which included both its bilateral and global aspects. They agreed that it is not possible to separate energy resources from economic development, not only for countries who have them, but for countries that do not have them, and because of this, an economic order should be sensitive to the necessity to provide for the needs of the poor, and investment should be directed so as to encourage their industrialization.

Taking into consideration Mexico's potential as an energy-producing country, President López Portillo reiterated that energy resources must be considered as the patrimony of mankind, so that the production, distribution and consumption of these resources may be made in orderly and rational fashion, and so that all alternative sources of energy be developed, including the financing and transfer of technologies that are accessible to all developing countries .

President Carter expressed interest in this idea and willingness to explore these subjects further.

The two Presidents decided to start immediately the design of plans to collaborate in the field of energy, with a strict observance of their respective national policies, and to initiate or expand, whatever might be the case, trade in hydrocarbon products, electricity and other energy resources.

MIGRANT WORKERS

With regard to the eventual sale of surpluses of Mexican natural gas to the United States, the Presidents discussed the future possibility of such transactions.

The two Presidents agreed to examine jointly the prospects of future sales of crude oil and petroleum products from Mexico to the United States.

The phenomenon of the Mexican migrant workers was discussed within the overall context of social and economic relations between both countries. The two Presidents committed themselves to carry out a close bilateral cooperation in order to find an integral, realistic, and long-term solution which would respect the dignity and the human rights of these workers, and which would also respect the many social, economic and development problems that are involved in this matter.

President López Portillo reiterated that Mexico does not wish to export workers but goods. He added, however, that is necessary to take into consideration that this is a matter of bilateral nature, of long history, that it is stimulated by a real demand, and that, in any event, it deserves respect with regard to its human aspect and required a clear and objective analysis, taking into consideration that restrictive measures in other areas slow down the solution that both countries wish for this problem.

President Carter expressed concern about the problem of unlawful immigration into the United States and its impact on the United States. He took note of the responsibility of the United States Government to enforce the laws respecting immigration and the need to bring to justice those who traffic in undocumented migrants.

DRUG TRAFFIC

The Presidents discussed the status of border relations, reaffirming their goals to promote an adequate flow of goods and people, to fight all kinds of contraband which adversely affect the economies of both countries, and to strengthen cooperation between the authorities of both countries.

They noted with satisfaction the success of current programs in sharply reducing the traffic in dangerous drugs and pledged to continue to strengthen and expand their efforts to suppress the production and trafficking of illicit narcotics.

The Presidents agreed to continue their consultations over a wide range of international political and economic matters, and reaffirmed their intention to maintain close contact and to give their personal and continuous attention to the reinforcement and broadening of the numerous areas of cooperation existing between their nations.

President Carter suggested that both Presidents meet again in the summer to examine the report of the consultative mechanism and to assess progress on the issues discussed in Mexico City. President López Portillo gladly accepted this suggestion.●

NOBEL PRIZE FOR ARCHBISHOP ROMERO

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to join with

my colleagues in support of the nomination of Archbishop Oscar Arnulfo Romero y Galdames, the Archbishop of El Salvador, for the Nobel Peace Prize.

Archbishop Romero has been a strong supporter in the fight for a more just, free, and more peaceful society ever since he was appointed as archbishop of this sorely troubled nation early last year. He has been an outspoken critic of the many alleged human rights abuses committed by the Government of El Salvador and has attempted to stand up for the right of his country's peasant workers to organize and protest the widespread economic injustices being practiced in the name of national stability.

It seems to me that the archbishop's efforts to meet the social and very human needs of the members of his congregation, as well as providing their spiritual leadership, have shown him to be worthy of the honor of the Nobel Prize. He has fearlessly refused to be intimidated, at a time when many other religious leaders have died in brutal and seemingly senseless ways.

Our own Nation was founded on the principles of life, liberty, and the pursuit of happiness and our Government and our people have long and often spoken out in support of these rights and freedoms for all people, the world over. Let us join together once again in recognition of this outstanding humanitarian and spokesman for human rights.●

IN SUPPORT OF ARCHBISHOP ROMERO

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GREEN. Mr. Speaker, as a cosigner along with 22 of my House colleagues of a letter nominating Archbishop Oscar Arnulfo Romero y Galdames of San Salvador for the Nobel Peace Prize, I would like to express to the remainder of my colleagues my support for the archbishop in his role as spokesman for the 3½ million Roman Catholics of El Salvador suffering religious persecution by that country's military government.

Often news of tragic events in distant countries comes to us in the United States in the form of a story about an extraordinary individual whose role in the event symbolizes the bravery and courage of the victims. Archbishop Romero's outspoken criticism of the tyrannical Salvadorian Government at tremendous personal risk has helped to bring to our attention the religious persecution being practiced in El Salvador.

Too often the cries of people all over the world who find themselves the victims of human rights violations go unheard. For every leader willing to take a stand as Archbishop Romero has done there are countless others who are unwilling, unable, or afraid to speak out. Through the encouragement and support we can lend to Archbishop Romero and his followers, we can inspire new hope in those who suffer.

The oppressed and the oppressors everywhere should know that the United States is firm in its commitment to human rights.●

THE GREAT DEPRESSION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. PAUL. Mr. Speaker, unless we can bring Federal spending and government-caused inflation under control, some sober economists believe that we may be in for a repeat of the Great Depression.

Dr. Hans Sennholz, the distinguished chairman of the economics department at Grove City College in Grove City, Pa., has been an especially eloquent and persistent voice in favor of freedom. His warning of the disaster that may lie ahead unless we mend our free-spending ways, is important for all of us.

[From the Freeman, April 1978]

THE GREAT DEPRESSION

(By Hans F. Sennholz)

Although the Great Depression engulfed the world economy some 40 years ago, it lives on as a nightmare for individuals old enough to remember and as a frightening specter in the text books of our youth. Some 13 million Americans were unemployed, "not wanted" in the production process. One worker out of every four was walking the streets in want and despair. Thousands of banks, hundreds of thousands of businesses, and millions of farmers fell into bankruptcy or ceased operations entirely. Nearly everyone suffered painful losses of wealth and income.

Many Americans are convinced that the Great Depression reflected the breakdown of an old economic order built on unhampered markets, unbridled competition, speculation, property rights, and the profit motive. According to them, the Great Depression proved the inevitability of a new order built on government intervention, political and bureaucratic control, human rights, and government welfare. Such persons, under the influence of Keynes, blame businessmen for precipitating depressions by their selfish refusal to spend enough money to maintain or improve the people's purchasing power. This is why they advocate vast governmental expenditures and deficit spending—resulting in an age of money inflation and credit expansion.

Classical economists learned a different lesson. In their view, the Great Depression consisted of four consecutive depressions rolled into one. The causes of each phase differed, but the consequences were all the same: business stagnation and unemployment.

THE BUSINESS CYCLE

The first phase was a period of boom and bust; like the business cycles that had plagued the American economy in 1819–20, 1839–43, 1857–60, 1873–78, 1893–97, and 1920–21. In each case, government had generated a boom through easy money and credit, which was soon followed by the inevitable bust.

The spectacular crash of 1929 followed five years of reckless credit expansion by the Federal Reserve System under the Coolidge Administration. In 1924, after a sharp decline in business, the Reserve banks suddenly created some $500 million in new credit, which led to a bank credit expansion of over $4 billion in less than one year. While the immediate effects of this new powerful expansion of the nation's money and credit were seemingly beneficial, initiating a new economic boom and effacing the 1924 decline, the ultimate outcome was most disastrous. It was the beginning of a monetary policy that led to the stock market crash in 1929 and the following depression. In fact, the expansion of Federal Reserve credit in 1924 constituted what Benjamin Anderson in his great treatise on recent economic history (*Economics and the Public Welfare*, D. Van Nostrand, 1949) called "the beginning of the New Deal."

The Federal Reserve credit expansion in 1924 also was designed to assist the Bank of England in its professed desire to maintain prewar exchange rates. The strong U.S. dollar and the weak British pound were to be readjusted to prewar conditions through a policy of inflation in the U.S. and deflation in Great Britain.

The Federal Reserve System launched a further burst of inflation in 1927, the result being that total currency outside banks plus demand and time deposits in the United States increased from $44.51 billion at the end of June, 1924, to $55.17 billion in 1929. The volume of farm and urban mortgages expanded from $16.8 billion in 1921 to $27.1 billion in 1929. Similar increases occurred in industrial, financial, and state and local government indebtedness. This expansion of money and credit was accompanied by rapidly rising real estate and stock prices. Prices for industrial securities, according to Standard & Poor's common stock index, rose from 59.4 in June of 1922 to 195.2 in September of 1929. Railroad stock climbed from 189.2 to 446.0, while public utilities rose from 82.0 to 375.1.

A SERIES OF FALSE SIGNALS

The vast money and credit expansion by the Coolidge Administration made 1929 inevitable. Inflation and credit expansion always precipitate business maladjustments and malinvestments that must later be liquidated. The expansion artificially reduces and thus falsifies interest rates, and thereby misguides businessmen in their investment decisions. In the belief that declining rates indicate growing supplies of capital savings, they embark upon new production projects. The creation of money gives rise to an economic boom. It causes prices to rise, especially prices of capital goods used for business expansion. But these prices constitute business costs. They soar until business is no longer profitable, at which time the decline begins. In order to prolong the boom, the monetary authorities may continue to inject new money until finally frightened by the prospects of a run-away inflation. The boom that was built on the quicksand of inflation then comes to a sudden end.

The ensuing recession is a period of repair and readjustment. Prices and costs adjust anew to consumer choices and preferences.

And above all, interest rates readjust to reflect once more the actual supply of and demand for genuine savings. Poor business investments are abandoned or written down. Business costs, especially labor costs, are reduced through greater labor productivity and managerial efficiency, until business can once more be profitably conducted, capital investments earn interest, and the market economy function smoothly again.

After an abortive attempt at stabilization in the first half of 1928, the Federal Reserve System finally abandoned its easy money policy at the beginning of 1929. It sold government securities and thereby halted the bank credit expansion. It raised its discount rate to 6 percent in August, 1929. Time-money rates rose to 8 percent, commercial paper rates to 6 percent, and call rates to the panic figures of 15 percent and 20 percent. The American economy was beginning to readjust. In June, 1929, business activity began to recede. Commodity prices began their retreat in July.

The security market reached its high on September 19 and then, under the pressure of early selling, slowly began to decline. For five more weeks the public nevertheless bought heavily on the way down. More than 100 million shares were traded at the New York Stock Exchange in September. Finally it dawned upon more and more stockholders that the trend had changed. Beginning with October 24, 1929, thousands stampeded to sell their holdings immediately and at any price. Avalanches of selling by the public swamped the ticker tape. Prices broke spectacularly.

LIQUIDATION AND ADJUSTMENT

The stock market break signaled the beginning of a readjustment long overdue. It should have been an orderly liquidation and adjustment followed by a normal revival. After all, the financial structure of business was very strong. Fixed costs were low as business had refunded a good many bond issues and had reduced debts to banks with the proceeds of the sale of stock. In the following months, most business earnings made a reasonable showing. Unemployment in 1930 averaged under 4 million, or 7.8 percent of labor force.

In modern terminology, the American economy of 1930 had fallen into a mild recession. In the absence of any new causes for depression, the following year should have brought recovery as in previous depressions. In 1921–22 the American economy recovered fully in less than a year. What, then, precipitated the absymal collapse after 1929? What prevented the price and cost adjustments and thus led to the second phase of the Great Depression?

DISINTEGRATION OF THE WORLD ECONOMY

The Hoover Administration opposed any readjustment. Under the influence of "the new economics" of government planning, the President urged businessmen not to cut prices and reduce wages, but rather to increase capital outlay, wages, and other spending in order to maintain purchasing power. He embarked upon deficit spending and called upon municipalities to increase their borrowing for more public works. Through the Farm Board which Hoover had organized in the autumn of 1929, the Federal government tried strenuously to uphold the prices of wheat, cotton, and other farm products. The GOP tradition was further invoked to curtail foreign imports.

The Hawley-Smoot Tariff Act of June, 1930, raised American tariffs to unprecedented levels, which practically closed our borders to foreign goods. According to most economic historians, this was the crowning folly of the whole period from 1920 to 1933 and the beginning of the real depression. "Once we raised our tariffs," wrote Benjamin Anderson, "an irresistible movement all over the world to raise tariffs and to erect other trade barriers, including quotas, began. Protectionism ran wild over the world. Markets were cut off. Trade lines were narrowed. Unemployment in the export industries all over the world grew with great rapidity. Farm prices in the United States dropped sharply through the whole of 1930, but the most rapid rate of decline came following the passage of the tariff bill." When President Hoover announced he would sign the bill into law, industrial stocks broke 20 points in one day. The stock market correctly anticipated the depression.

The protectionists have never learned that curtailment of imports inevitably hampers exports. Even if foreign countries do not immediately retaliate for trade restrictions injuring them, their foreign purchases are circumscribed by their ability to sell abroad. This is why the Hawley-Smoot Tariff Act which closed our borders to foreign products also closed foreign markets to our products. American exports fell from $5.5 billion in 1929 to $1.7 billion in 1932. American agriculture customarily had exported over 20 percent of its wheat, 55 per cent of its cotton, 40 percent of its tobacco and lard, and many other products. When international trade and commerce were disrupted. American farming collapsed. In fact, the rapidly growing trade restrictions, including tariffs, quotas, foreign exchange controls, and other devices were generating a world-wide depression.

Agricultural commodity prices, which had been well above the 1926 base before the crisis, dropped to a low of 47 in the summer of 1932. Such prices as $2.50 a hundredweight for hogs, $3.28 for beef cattle, and 32¢ a bushel for wheat, plunged hundreds of thousands of farmers into bankruptcy. Farm mortgages were foreclosed until various states passed moratoria laws, thus shifting the bankruptcy to countless creditors.

RURAL BANKS IN TROUBLE

The main creditors of American farmers were, of course, the rural banks. When agriculture collapsed, the banks closed their doors. Some 2,000 banks, with deposit liabilities of over $1.5 billion, suspended between August, 1931, and February, 1932. Those banks that remained open were forced to curtail their operations sharply. They liquidated customers' loans on securities, contracted real estate loans, pressed for the payment of old loans, and refused to make new ones. Finally, they dumped their most marketable bond holdings on an already depressed market. The panic that had engulfed American agriculture also gripped the banking system and its millions of customers.

The American banking crisis was aggravated by a series of events involving Europe. When the world economy began to disintegrate and economic nationalism ran rampant, European debtor countries were cast in precarious payment situations. Austria and Germany ceased to make foreign payments and froze large English and American credits; when England finally suspended gold payments in September, 1931, the crisis spread to the U.S. The fall in foreign bond values set off a collapse of the general bond market, which hit American banks at their weakest point—their investment portfolios.

DEPRESSION COMPOUNDED

1931 was a tragic year. The whole nation, in fact, the whole world, fell into the cataclysm of despair and depression. American unemployment jumped to more than 8 million and continued to rise. The Hoover Administration, summarily rejecting the thought that it had caused the disaster, labored diligently to place the blame on American businessmen and speculators. President Hoover called together the nation's industrial leaders and pledged them to adopt his program to maintain wage rates and expand construction. He sent a telegram to all the governors, urging cooperative expansion of all public works programs. He expanded Federal public works and granted subsidies to ship construction. And for the benefit of the suffering farmers, a host of Federal agencies embarked upon price stabilization policies that generated ever larger crops and surpluses which in turn depressed product prices even further. Economic conditions went from bad to worse and unemployment in 1932 averaged 12.4 million.

In this dark hour of human want and suffering, the Federal government struck a final blow. The Revenue Act of 1932 doubled the income tax, the sharpest increase in the Federal tax burden in American history. Exemptions were lowered, "earned income credit" was eliminated. Normal tax rates were raised from a range of 1½ to 5 per cent to a range of 4 to 8 per cent, surtax rates from 20 per cent to a maximum of 55 per cent. Corporation tax rates were boosted from 12 per cent to 13¾ and 14½ per cent. Estate taxes were raised. Gift taxes were imposed with rates from ¾ to 33⅓ per cent. A 1¢ gasoline tax was imposed, a 3 per cent automobile tax, a telegraph and telephone tax, a 2¢ check tax, and many other excise taxes. And finally, postal rates were increased substantially.

When state and local governments faced shrinking revenues, they, too, joined the Federal government in imposing new levies. The rate schedules of existing taxes on income and business were increased and new taxes imposed on business income, property, sales, tobacco, liquor, and other products.

Murray Rothbard, in his authoritative work on *America's Great Depression* (Van Nostrand, 1963), estimates that the fiscal burden of Federal, state, and local governments nearly doubled during the period, rising from 16 per cent of net private product to 29 per cent. This blow, alone, would bring any economy to its knees, and shatters the silly contention that the Great Depression was a consequence of economic freedom.

THE NEW DEAL OF NRA AND AAA

One of the great attributes of the private-property market system is its inherent ability to overcome almost any obstacle. Through price and cost readjustment, managerial efficiency and labor productivity, new savings and investments, the market economy tends to regain its equilibrium and resume its service to consumers. It doubtless would have recovered in short order from the Hoover interventions had there been no further tampering.

However, when President Franklin Delano Roosevelt assumed the Presidency, he, too, fought the economy all the way. In his first 100 days, he swung hard at the profit order. Instead of clearing away the prosperity barriers erected by his predecessor, he built new ones of his own. He struck in every known way at the integrity of the U.S. dollar through quantitative increases and qualitative deterioration. He seized the people's gold holdings and subsequently devalued the dollar by 40 per cent.

With some third of industrial workers unemployed, President Roosevelt embarked upon sweeping industrial reorganization. He persuaded Congress to pass the National Industrial Recovery Act (NIRA), which set up the National Recovery Administration (NRA). Its purpose was to get business to regulate itself, ignoring the antitrust laws and developing fair codes of prices, wages, hours, and working conditions. The President's Reemployment Agreement called for a minimum wage of 40¢ an hour ($12 to $15 a week in smaller communities), a 35-hour work week for industrial workers and 40 hours for white collar workers, and a ban on all youth labor.

This was a naive attempt at "increasing purchasing power" by increasing payrolls. But, the immense increase in business costs through shorter hours and higher wage rates worked naturally as an *antirevival* measure. After, passage of the Act, unemployment rose to nearly 13 million. The South, especially, suffered severely from the minimum wage provisions. The Act forced 500,000 Negroes out of work.

Nor did President Roosevelt ignore the disaster that had befallen American agriculture. He attacked the problem by passage of the Farm Relief and Inflation Act, popularly known as the First Agricultural Adjust-

ment Act. The objective was to raise farm income by cutting the acreages planted or destroying the crops in the field, paying the farmers not to plant anything, and organizing marketing agreements to improve distribution. The program soon covered not only cotton, but also all basic cereal and meat production as well as principal cash crops. The expenses of the program were to be covered by a new "processing tax" levied on an already depressed industry.

NRA codes and AAA processing taxes came in July and August of 1933. Again, economic production which had flurried briefly before the deadlines, sharply turned downward. The Federal Reserve index dropped from 100 in July to 72 in November of 1933.

PUMP-PRIMING MEASURES

When the economic planners saw their plans go wrong, they simply prescribed additional doses of Federal pump priming. In his January 1934 Budget Message, Mr. Roosevelt promised expenditures of $10 billion while revenues were at $3 billion. Yet, the economy failed to revive; the business index rose to 86 in May of 1934, and then turned down again to 71 by September. Furthermore, the spending program caused a panic in the bond market which cast new doubts on American money and banking.

Revenue legislation in 1933 sharply raised income tax rates in the higher brackets and imposed a 5 per cent withholding tax on corporate dividends. Tax rates were raised again in 1934. Federal estate taxes were brought to the highest levels in the world. In 1935, Federal estate and income taxes were raised once more, although the additional revenue yield was insignificant. The rates seemed clearly aimed at the redistribution of wealth.

According to Benjamin Anderson, "the impact of all these multitudinous measures—industrial, agricultural, financial, monetary and other—upon a bewildered industrial and financial community was extraordinarily heavy. We must add the effect of continuing disquieting utterances by the President. He had castigated the bankers in his inaugural speech. He had made a slurring comparison of British and American bankers in a speech in the summer of 1934. . . . That private enterprise could survive and rally in the midst of so great a disorder is an amazing demonstration of the vitality of private enterprise."

Then came relief from unexpected quarters. The "nine old men" of the Supreme Court, by unanimous decision, outlawed NRA in 1935 and AAA in 1936. The Court maintained that the Federal legislative power had been unconstitutionally delegated and states' rights violated.

These two decisions removed some fearful handicaps under which the economy was laboring. NRA, in particular, was a nightmare with continuously changing rules and regulations by a host of government bureaus. Above all, voidance of the act immediately reduced labor costs and raised productivity as it permitted labor markets to adjust. The death of AAA reduced the tax burden of agriculture and halted the shocking destruction of crops. Unemployment began to decline. In 1935 it dropped to 9.5 million, or 10.4 per cent of the labor force, and in 1936 to only 7.6 million, or 14.5 per cent.

A NEW DEAL FOR LABOR

The third phase of the Great Depression was thus drawing to a close. But there was little time to rejoice, for the scene was being set for another collapse in 1937 and a lingering depression that lasted until the day of Pearl Harbor. More than 10 million Americans were unemployed in 1938, and more than 9 million in 1939.

The relief granted by the Supreme Court was merely temporary. The Washington planners could not leave the economy alone; they had to earn the support of organized labor, which was vital for re-election.

The Wagner Act of July 5, 1935, earned the lasting gratitude of labor. This law revolutionized American labor relations. It took labor disputes out of the courts of law and brought them under a newly created Federal agency, the National Labor Relations Board, which became prosecutor, judge, and jury, all in one. Labor union sympathizers on the Board further perverted the law that already afforded legal immunities and privileges to labor unions. The U. S. thereby abandoned a great achievement of Western civilization, equality under the law.

The Wagner Act, or National Labor Relations Act, was passed in reaction to the Supreme Court's voidance of NRA and its labor codes. It aimed at crushing all employer resistance to labor unions. Anything an employer might do in self-defense became an "unfair labor practice" punishable by the Board. The law not only obliged employers to deal and bargain with the unions designated as the employees' representative; later Board decisions also made it unlawful to resist the demands of labor union leaders.

Following the election of 1936, the labor unions began to make ample use of their new powers. Through threats, boycotts, strikes, seizures of plants, and outright violence committed in legal sanctity, they forced millions of workers into membership. Consequently, labor productivity declined and wages were forced upward. Labor strife and disturbance ran wild. Ugly sitdown strikes idled hundreds of plants. In the ensuing months economic activity began to decline and unemployment again rose above the ten million mark.

But the Wagner Act was not the only source of crisis in 1937. President Roosevelt's shocking attempt at packing the Supreme Court, had it been successful, would have subordinated the Judiciary to the Executive. In the U.S. Congress the President's power was unchallenged. Heavy Democratic majorities in both houses, perplexed and frightened by the Great Depression, blindly followed their leader. But when the President strove to assume control over the Judiciary, the American nation rallied against him, and he lost his first political fight in the halls of Congress.

There was also his attempt at controlling the stock market through an ever-increasing number of regulations and investigations by the Securities and Exchange Commission. "Insider" trading was barred, high and inflexible margin requirements imposed and short selling restricted, mainly to prevent repetition of the 1929 stock market crash. Nevertheless the market fell nearly 50 per cent from August of 1937 to March of 1938. The American economy again underwent dreadful punishment.

OTHER TAXES AND CONTROLS

Yet other factors contributed to this new and fastest slump in U.S. history. The Undistributed Profits Tax of 1936 struck a heavy blow at profits retained for use in business. Not content with destroying the wealth of the rich through confiscatory income and estate taxation, the administration meant to force the distribution of corporate savings as dividends subject to the high income tax rates. Though the top rate finally imposed on undistributed profits was "only" 27 per cent, the new tax succeeded in diverting corporate savings from employment and production to dividend income.

Amidst the new stagnation and unemployment, the President and Congress adopted yet another dangerous piece of New Deal legislation: the Wages and Hours Act or Fair Labor Standards Act of 1938. The law raised the minimum wages and reduced the work week in stages to 44, 42, and 40 hours. It provided for time-and-a-half pay for all work over 40 hours per week and regulated other labor conditions. Again, the Federal government thus reduced labor productivity and increased labor costs—ample grounds for further depression and unemployment.

Throughout this period, the Federal government, through its monetary arm, the Federal Reserve System, endeavored to reinflate the economy. Monetary expansion from 1934 to 1941 reached astonishing proportions. The monetary gold of Europe sought refuge from the gathering clouds of political upheaval, boosting American bank reserves to unaccustomed levels. Reserve balances rose from $2.9 billion in January, 1934, to $14.4 billion in January of 1941. And with this growth of member bank reserves, interest rates declined to fantastically low levels. Commercial paper often yielded less than 1 percent, bankers' acceptances from ⅛ percent to ¼ percent. The Treasury bill fell to ⅛ of 1 percent and Treasury bonds to some 2 percent. Call loans were pegged at 1 percent and prime customers' loans at 1½ percent. The money market was flooded and interest rates could hardly go lower.

DEEP-ROOTED CAUSES

The American economy simply could not recover from these successive onslaughts by first the Republican and then the Democratic Administrations. Individual enterprise, the mainspring of unprecedented income and wealth, didn't have a chance.

The calamity of the Great Depression finally gave way to the holocaust of World War II. When more than 10 million able-bodied men had been drafted into the armed services, unemployment ceased to be an economic problem. And when the purchasing power of the dollar had been cut in half through vast budget deficits and currency inflation, American business managed to adjust to the oppressive costs of the Hoover-Roosevelt Deals. The radical inflation in fact reduced the real costs of labor and thus generated new employment in the postwar period.

Nothing would be more foolish than to single out the men who led us in those baleful years and condemn them for all the evil that befell us. The ultimate roots of the Great Depression were growing in the hearts and minds of the American people. It is true, they abhored the painful symptoms of the great dilemma. But the large majority favored and voted for the very policies that made the disaster inevitable: inflation and credit expansion, protective tariffs, labor laws that raised wages and farm laws that raised prices, ever higher taxes on the rich and distribution of their wealth. The seeds for the Great Depression were sown by scholars and teachers during the 1920's and earlier when social and economic ideologies that were hostile toward our traditional order of private property and individual enterprise conquered our colleges and universities. The professors of earlier years were as guilty as the political leaders of the 1930's.

Social and economic decline is facilitated by moral decay. Surely, the Great Depression would be inconceivable without the growth of covetousness and envy of great personal wealth and income, the mounting desire for public assistance and favors. It would be inconceivable without an ominous decline of individual independence and self-reliance, and above all, the burning desire to be free from man's bondage and to be responsibe to God alone.

Can it happen again? Inexorable economic law ascertains that it must happen again whenever we repeat the dreadful errors that generated the Great Depression.●

NEW HEALTH GRANTS DEEMED IRRESPONSIBLE AND FRAUDULENT

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. HANSEN. Mr. Speaker, over the past several months, I have received a number of requests from individuals and groups within the State of Idaho asking that I look into grants made by the Department of Health, Education, and Welfare to an Idaho-based nonprofit organization known as SIFMES (Southeast Idaho Family Medical and Educational Services, Inc.). On the basis of these requests, I made several contacts with HEW offices at all levels with little more than token response at best and in many cases, no response at all.

Under these circumstances, I decided to assign a research-oriented staff member to investigate the matter fully and the results of his inquiries into these questionable operations are, indeed, shocking and demand your immediate attention and response. The investigation began in earnest on December 14, 1978, when this staff member was dispatched to region X headquarters in Seattle with a Freedom of Information Act letter requesting all of HEW's files relating to SIFMES operations and grants.

A sizable amount of information was received which included documents which clearly indicated that SIFMES had recently come under considerable HEW review and that the agency had in fact threatened to cut off funds from the organization, because of serious questions of "integrity," managerial incompetence, waste, and possibly fraud. A letter to SIFMES from HEW dated November 30, 1978, listed specific steps that SIFMES had to take in order to avoid having their grant moneys terminated at the end of 1978.

In a telephone conversation on January 16, 1979, my office was informed that SIFMES had still not met the guidelines set by HEW, but that the deadline had been extended in order to allow SIFMES time to draw up a new contract. Then in a letter to my office dated January 26, 1979, HEW claimed that problems identified in the areas of budget, contracts, verification of payment, and clarification of medical services rendered had been rectified by SIFMES and that all areas of concern are now considered acceptable by HEW.

It is obvious that HEW considers this case closed, but let me assure you that it is not. I find that HEW continues to dispense huge sums of the taxpayers' money into health programs which are identified by their own internal memorandums as "vague" and "loaded with unrealistically inflated costs."

A June 19, 1978, memorandum clearly identifies the fact that HEW officials were aware of serious deficiencies which could justify an end to further funding followed by a four-page memorandum dated September 12, 1978, concluding—

That no further funds (should) be awarded to this grantee until its managerial and financial posture is understood and the previous condition explained thoroughly.

And yet, on August 4, 1978, during the period covered by these memorandums, I find HEW dispensing the largest grant yet ($422,995) with no evidence that questioned conditions had been rectified or properly explained. How do we account to heavily burdened taxpayers of this Nation for such wasteful if not fraudulent handling of funds by HEW?

My investigations have further revealed that SIFMES is not providing the services stipulated in the grant applications. They have apparently deliberately misstated the amounts and types of services provided in order to continue receiving Federal grant moneys. They have misled local officials regarding the nature of their services. They have apparently received moneys for which they cannot give an account. And they have had a deleterious effect on the quality and quantity of medicine in their service area.

Numerous discrepancies have been identified in descriptions submitted to HEW regarding the services SIFMES claims are being provided as compared to these same services as reported by local doctors, health officials, hospitals, and HEW's own internal reports. I have every reason to believe that HEW officials are not only aware of these discrepancies, but are possibly trying to cover them up. Our research has shown that my office was not given the complete HEW file as was requested. As a matter of fact, information vital in proving that there are serious problems in the SIFMES organization was apparently deliberately withheld from me in order to protect the joint interests of HEW staff members and SIFMES. Just last week (February 8, 1979) I again requested that HEW furnish the missing files, but the Seattle office now claims that some of those records have been lost.

Along this same line, I have also learned that one HEW grant specialist, who challenged the integrity of the SIFMES operation, who discovered information seriously questioning whether the grantee was complying with the required conditions of regulations and law, and who found that SIFMES had possibly deliberately inflated cost projections, was taken off of the SIFMES case (and later left HEW) even though other reviews confirmed his findings.

Among the disquieting elements which require immediate explanation and answer are the following:

1. How does HEW justify continuing a grant program in which—

(a) HEW itself questions the integrity of the program or its operators.

(b) HEW cites substantial evidence of administrative incompetence.

(c) There exists substantial overpricing in elements of the grant applicant's operation.

2. When a newspaper in the concerned area of Southeast Idaho began a series of articles raising the issues of competence and effectiveness of SIFMES, HEW quickly glossed the situation over by reporting to the newspaper that the problems are being corrected. However, there is serious questions regarding how one corrects a problem of integrity, one of the concerns spelled out.

3. A substantial part of one of the most recent grants by HEW to SIFMES consisted of approximately $95,000.00 to be used for an adolescent health program. The grant application states that the area schools were to be the base of the program. The application also strongly implies pre-existing agreement by the schools to participate in the adolescent health program. Eleven months later, when my office asked the very schools listed by SIFMES as participants in the program, every single school denied that any consent had been given by the schools as of the time of my inquiry on February 7, 1979.

4. When my office sought the same information from the operator of the proposed program who initiated the meeting, copies of alleged consent letters by two of the schools were offered. The initial offer of corroboration was later withdrawn in circumstances which make it doubtful that the consent ever existed. Why is $95,000 in the possession of this grantee not only without a program for it, but with little chance of the affected schools ever approving such a program.

5. The program in item 4 above was advertised to the community shorn of any controversial aspects. The grant application, however, carries specifics of the more controversial aspects of the program. The question arises whether HEW, or the SIFMES group, or both, are seeking, not so much to serve the people of Southeast Idaho, but to force upon them concepts and values foreign to their own. Is the Department of Health, Education and Welfare embarked on making grants based on the social views of the grantees without reference to competence or integrity, or even for family trust and individual morality?

6. Several of the directors of SIFMES, including its founder, are in the business of medicine as a profit-making venture. Since SIFMES was founded, its founder organized a profit-making medical corporation. SIFMES has contracted virtually all of its medical services with that profit-making medical corporation. The close relationship between SIFMES as a tax exempt organization and a profit-making operation run by SIFMES directors raises serious questions as to possible misuse of exempt status under the Internal Revenue Code.

7. HEW recently granted funds to SIFMES to provide a physician and physician's attendant in the American Falls clinic which is presently operated by SIFMES under a Kellogg grant. The HEW grant was ostensibly made to SIFMES to provide adequate medical care for the community involved. The grant was made at about the same time that the privately funded HSRI clinic in American Falls dismissed a physician because of a lack of need, and a study of statistics will show SIFMES services have not been increasing to cause this reduction.

8. HEW, on September 12, 1978, states that "It is still not clear how many (health) providers are being purchased by this grantee." During the three years of HEW's grant program, it had granted more than $700,000 to SIFMES. However, it does not know at the end of the three year period what its grants purchased. This single example raises important questions of how the taxpayers'

money is being used. In addition to the apparent waste of tax money, does HEW's grant program influence other giving? Are CETA funds also paid to SIFMES at least in part as a result of the assumption that HEW knows what it is doing? In this case, even a private foundation granted a substantial sum, approximately $200,000 in one community alone. Would they have given their money had they known HEW's doubts about the integrity, competency and even truthfulness of the grantee organization?

9. SIFMES has received grants to provide a mental health "linkage" program in spite of the fact that SIFMES has no psychiatrist. The grant was made over the strenuous objections of area psychiatrists.

10. There are several academic PhD's associated with SIFMES. Some sources allege that SIFMES patients see a person who is called a "doctor", but in truth the attending person is a PhD or a paramedic and not a physician.

11. According to HEW reports a large percentage of SIFMES patients are served by mid-level practitioners (PA's or nurses) and do not see physicians.

The overriding questions are:

(A) How funding can be achieved over the objections of key elements concerned or without their knowledge, particularly when controversial and even unacceptable programs are involved. For instance, how is it possible for HEW funds to be dispensed in the face of unanimous rejection by the involved medical society and what is the relationship of the council of governments to this process?

(B) How can funds be granted for a program such as adolescent health care which involves highly controversial aspects (such as birth control, abortion and venereal disease counselling with this so-called adolescent right to exclude parents in such matters), probably not acceptable to the areas proposed for inclusion and with no apparent evidence that necessary authorities in local governments and schools will cooperate?

Three years into the SIFMES program, two facts are evident:

(1) HEW does not know what it should know about its grantee's activities.

(2) SIFMES has not performed in accordance with its own assessments of the deficiencies in the local medical community.

Unfortunately, the SIFMES problem is not an isolated one, it seems to be scandalously common in HEW operations. For instance, I recently learned that yet another HEW grant has been awarded to the Idaho Migrant Council in two other cities in my district. This award was made over the strenuous objections of local and State health officials who considered the grant of nearly $400,000 a duplication of existing medical services.

And there is no question, but that such an uncoordinated and unresponsive operation as here demonstrated by HEW could be subject to even more severe exploitation in those large population centers where far greater funding potential is available.

Given the number of problems evident even from HEW's own evaluation of SIFMES, I have contacted Secretary Joseph Califano and his Inspector General to insist that this agency immediately conduct an investigation into HEW funding of SIFMES and other like programs in Idaho and across the Nation and proceed to identify the full scope of the moneys being dispensed to the grantee(s) concerned. A full and early explanation of HEW's apparent irresponsible, if not fraudulent, handling of Government grants was demanded along with their plans for corrective action and recovery of funds improperly dispensed.

The matter has also been referred to the General Accounting Office and other appropirate offices for their review. I would suggest that other Members of Congress with similar complaints or concerns ask for simultaneous review.●

"SUPPOSE THEY SENT A BILL AND NOBODY PAID?": A RESPONSE TO CONSUMER DEBT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. CONYERS. Mr. Speaker, all kinds of consumer problems are affecting citizens. These range from obtaining adequate home and auto insurance, especially if you happen to live in inner-city neighborhoods, to obtaining mortgage money and paying for the rising costs of energy. Consumer debt is currently estimated at $1 trillion, which includes both installment and mortgage debt (this amounts to 23 cents of the average person's take-home dollar that goes to payment on the debt).

A recent article, "Suppose They Sent a Bill and Nobody Paid?" written by Mark Sufrin that appeared in In These Times (Feb. 7–13, 1979 issue), provides a very cogent view of the growing use of personal bankruptcy as a means for dealing with debt. I recommend the following article to my colleagues:

SUPPOSE THEY SENT A BILL AND NOBODY PAID?

(By Mark Sufrin)

Once upon a time in the U.S., debt was something you were supposed to honor, and bankruptcy was a mark of personal failure and disgrace. "Today," says one lawyer, "things have improved. Personal bankruptcy is something like contracting a venereal disease—socially acceptable but nothing to brag about."

But some of the stigma remains.

"There's nothing worse than what bankruptcy does to your pride," says Henry Roberts of Dallas. "It's not the fact that you can't buy nice things. It's that you're going against the whole moral teachings of the last 200 years."

"It means admitting in public," says Paul Walker of Los Angeles, "that I couldn't handle myself financially—something my All-American upbringing had taught me to have pride in. It also meant abandoning 20 years of a perfect credit record. The choice was agonizing. But in the end, I chose to go bankrupt—and it was the wisest thing I ever did. At first I was in a state of shock. Then I started to live again, with a free slate. For the first time in years I wasn't afraid, and that feeling overcame my guilt."

More and more, debt-ridden Americans are using this legal escape to rip off their creditors. The message is becoming increasingly clear to the public:

Anybody—anyone at all who does not wish to pay his debts—any individual who yearns to start a spanking-clean economic life without owing a dime has only to walk into the nearest federal court and declare himself a personal bankrupt. He doesn't even need a lawyer (though it's advised); just the proper legal forms filled out plus a $50 filing fee (payable in installments) wash all creditors out of his hair and all garnishes from his paycheck. And no one can stop him.

The message, of course, shakes the business-credit establishment. The American consumer public is into credit people for over one trillion dollars (that's a thousand billion dollars) on home mortgages, charge accounts, personal loans, installment credit, etc. And 10 percent of that stupendous sum owed is in nonrecoverable consumer goods and cash loans. In short, the credit people have 100 million bucks working the street and not a leg-breaker on the payroll. Who wouldn't get nervous?

"Bankruptcy is as American as apple pie," says one consumer advocate. "Hell, big business, movie stars, rock musicians, society people, everybody does it all the time, everybody but the poor slob who really needs it.

"Business, banks, and credit card and loan companies try to keep the whole idea of bankruptcy a secret. They put out the propaganda that personal bankruptcy is something to be ashamed of. But they wouldn't hesitate 15 seconds to go bankrupt if it meant making a profit. They grab credit too freely, and they just about say that bankruptcy is good for everyone but the consumer. Besides bad debts losses are tax deductible. The trouble is, information about personal bankruptcy for the average man has been a well-kept secret for too long."

It might be said that behind this silence is the fear that mass use of bankruptcy could wreck the economy of our country. Fortune magazine recently lamented:

"The fact that bankruptcy is getting to have a good name may be bizarre, but it's very much in tune with the times. In an age that holds society responsible for the misfortune of individuals, the personal bankrupt is no longer a failure, but an innocent victim whom the rest of us have an obligation to help. . . . Some people do go broke through no fault of their own, and they deserve help. But if Americans blithely assume that every case of bankruptcy is like that, the nation will find itself—well, bankrupt."

"That's a lot of baloney," says a Chicago lawyer who pleaded to remain anonymous. "People have been brainwashed that it's wrong not to pay their debts no matter what. I want everybody to know that you don't have to. And the U.S. Supreme Court in 1973 backed that up."

"The Bankruptcy Act," said the court "relieves the honest debtor from the weight of oppressive and often unfair indebtedness and permits him to start afresh, free from obligations and responsibilities. It gives the debtor a new chance in life and a clear field for the future, unhampered by the pressure and discouragement of pre-existing debt."

"Who are the personal bankrupts?" says Harold Lavien, a federal bankruptcy judge in Massachusetts. "In my court I've had secretaries making $8,000 to people earning $35,000 or more. They're people who are charge-accounted and loaned and mortgaged to their full earnings and somewhat over. And almost every personal bankruptcy usually has something that touches it off. Something has happened in the bankrupt's life—divorce, death, an accident, extensive hospitalization, loss of a job—you name it."

"The truth is that too often it's people who are innocent victims," says federal bankruptcy judge Emil Goldhaber of Philadelphia. "I'm amazed at how many people wind up in bankruptcy court with no assets and with $10,000 to $15,000 in debt to lending institutions. I sometimes feel that people who come before my court have had credit jammed down their throat—and I don't blame them for going bankrupt."

"I can't punish myself," says bankrupt Jeff Neinrich of Indianapolis, "for debts to Master Charge and organizations like that, which are always running ads saying something like, "Charge your way across the country." That makes it possible for anyone in this country to live beyond their means. Basically, I did wrong. But the credit companies made it all too easy. They make you feel you can have anything you want."

"When you lose your job," says another personal bankrupt, "have a crisis in the family, or just can't keep up, when you owe X thousands of dollars and in the time it takes to mumble some legal mumbo jumbo your debt is suddenly gone, that's a mighty positive thing. It eliminates that despair, that sense you'll never get out from under. The feeling of relief is incredible."

The demand for information on bankruptcy is swelling with the rise in unemployment and the rate of inflation. Federal bankruptcy courts are jammed with their biggest caseloads in history. In the six months ended July 1978, more than 175,000 people filed for personal bankruptcy—an increase of 70,000 over the same period in the previous year. Most officials expect the situation to get much worse.

The credit establishment says that this costs them more than $2 billion a year. But with the $100 billion "working the street," the gross profit is still $18 billion, which makes the loss of $2 billion a tolerable business expense. Also: The rate of consumer borrowing is rising much faster than the rate of bankruptcies. And there are businessmen who, if given the choice between a key to the back door of Fort Knox and the charter to open a loan company, would take the loan charter every time.

If you're in debt over your head, bankruptcy is often the best—sometimes the only—way of getting a new start. Of course, after you do so, you will have to pay cash for everything for a while. Not too long though.

There are several reasons why bankruptcy won't hurt your credit rating in the long run. One is that you can only go bankrupt every seventh year. That figure seems to have originated in the Bible:

"If thou buy a Hebrew servant, six years shall he serve and in the seventh he shall go free." (Exodus 21:2)

"At the end of every seven years thou shalt make a release . . . every creditor that lendeth aught unto his neighbor shall release it, he shall not exact it of his neighbor, or of his brother, for it is the Lord's release." (Deuteronomy 15:2)

So once you file for bankruptcy, your creditors know that you can't escape via that route for another six years. They also know that bankruptcy probably wiped out most of your debts. Some companies have been known to solicit business from recent bankrupts. "I wasn't going to get caught by those vultures again," says one man. "I had to shut myself up in a room with no phones. I had to fight myself to beat off their temptations."

All debts are not wiped out by bankruptcy, however. The main classes of debts that you will still be responsible for even after going bankrupt are:

State and federal taxes (due within the last three years)

Fines and penalties arising out of criminal violations and traffic offenses

Child support

Alimony

Debts arising from willful or malicious acts

Debts incurred by fraud or false pretenses

Secured debts—home mortgages or payments due on your car

The bankruptcy court can also use all your assets to pay debts, except for the property exempted under each state's laws, and these can vary tremendously. Generally, most states will allow you to keep clothing, some cash, the tools of your trade, even basic transportation (like a ten-year-old car).

Any money you get after going bankrupt is exempt. If your Aunt Matilda heard you were in a bad way and laid $100,000 on you the day after you filed, your creditors can't touch it. In addition, the federal government exempts Social Security payments, veterans benefits, and railroad and federal pensions, among others.

A lawyer's fee for a simple bankruptcy may run as high as $350 or more. Too many lawyers recommend bankruptcy because it's the simplest and most lucrative way for them to handle their client's immediate problems, say Jan Slavicek, co-author with Robert Burger of *The Simplest Guide to Personal Bankruptcy*. But many experts feel the lawyers fee is well worth it. A good lawyer provides you with psychological as well as legal security.

A simple bankruptcy involving only a few debts and no complications, however, can be done on your own. In addition to the Slaicek-Burger book, another good one is *Wipe Out Your Debts and Make a Fresh Start*, by Jerome Neyers, who says, "A person continually paying out more than 20 percent of his income for past debts is fighting a losing battle and only prolongs the misery and inevitable financial disaster." Some consumer groups offer do-it-yourself bankruptcy kits for prices ranging from $10 to $50, depending on your financial state.

The aftermath can be an explosion of joy and relief. "It made me feel reborn," says a Chicago woman. "It removed feelings of guilt and anxiety that had crippled me for years."

Before filing for bankruptcy, it's perfectly legal to convert non-exempt assets into exempt assets. For example, you can take cash out of the bank and buy an insurance policy that names a child, wife, or dependent relative as the beneficiary.

Steven Prindle of Miami Beach, who goes into bankruptcy as often as the law allows, says, "People have to be shown that *money has no shame!* You can even make money by going bankrupt. Just before I file, I replace my two old cars with new ones. Now the old cars will be worth something to the creditors, no matter how beat up, because they're paid for. The new cars, however, they won't touch. They'd have to make the payments, and as soon as I drive the car, it's second-hand and drops $500 in value, at least, so they'd be losing money on the deal. Of course, I don't list the chattel mortgages on the cars on the bankruptcy form. I make an exception and keep up those payments. Nobody can touch my new cars.

"Then," he continues, "I do friends a favor. I list them as creditors, that I owe them maybe $5000 or $10,000. That way they have a nice legal income tax deduction, and they owe me a favor. Usually they're people who can help me get my credit back. You have to wait a while, maybe a few months, maybe a year, but it's not too hard. Houses are easy to save if you plan it right. Also, you know that going into bankruptcy doesn't wash out taxes. Owe them as long as you can because then the feds put a lien on everything and that stops your creditors from throwing you into involuntary bankruptcy—hitting you before you hit them."

Asked if many of his strategems aren't illegal and lawyers would refuse to use such tactics, Prindle says: "What the hell do you think they get paid for? To fill out forms? They have classes on sex in school now; maybe soon they'll have the guts to teach the kids about money!"

There is something less traumatic than bankruptcy. It is called Chapter 13 (a heading in the federal bankruptcy law), or the Wage-Earner Plan. Under the plan, a debtor pays his creditors over a period of three years—provided the majority of creditors agree—under court supervision. If the debtor gets behind in his payments, he can still file for outright bankruptcy.

Chapter 13 has some big plusses: you keep your property, your creditors are paid, and your pride and credit reputation take less of a beating. The filing fee is $15.

It also has some drawbacks. The debtor "is subject to the complete control of the court regarding the disposition of his income," notes author Jerome Meyers.

"The lawyers and courts try to talk people into Chapter 13," says Anyce Hutchinson, a consumer adviser in Fresno, Calif. "So you get payments strung out for years. They do everything to protect the creditors because the creditors are the big-business people who give the lawyers all their work. What can a poor bankrupt give them after he goes bankrupt?"

There are many, of course, who withstand the pressure and salivating creditors and work their way back from the brink of bankruptcy.

"If you can do it, fine," says Arnold Howell, a bankrupt. "Your Boy Scout credentials will be unsullied and probably look even brighter than before. But for those of us who couldn't or wouldn't hack it, it's the only way. Credit makes us like sheep, and it's difficult for a person to get over the feeling that he's getting something for nothing. Creditors know it—and thrive on it. Once in a while—for kicks—I fill out one of those credit card applications you see everywhere and drop it in a mailbox. It would be hilarious if someone actually sent me one. I wouldn't know what to do with it. Or would I?"●

THIRTIETH ANNIVERSARY OF THE SENTENCING OF CARDINAL MINDSZENTY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. HORTON. Mr. Speaker, a little more than 30 years ago, the Communist regime of Prime Minister Rakosi sentenced Joseph Cardinal Mindszenty to life in prison. Cardinal Mindszenty's only crime was his struggle to preserve the independence and integrity of his church and faith in post-war Hungary. His struggle paralleled those in the political arena that sought to establish a free and Democratic society in Hungary. Both noble causes suffered essentially the same fate—suppression by Hungarian and Soviet Communist forces.

Now, barely more than 30 years since Cardinal Mindszenty's sentencing, and 5 years since his removal by Pope Paul VI as Primate of Hungary, the situation confronting the church in Hungary is the same as it was in 1949. Neither the church nor the people of Hungary are

free from the heavy-handed state intrusion in their affairs. In fact, according to Cardinal Mindszenty's statement in February of 1974, the dioceses of Hungary are governed by a church administration created and controlled by the Communist regime.

On this, the 13th anniversary, several Hungarian organizations in the United States, such as the Hungarian Freedom Fighters Federation and the President of the Hungarian Catholic Priests' Association, have issued statements in respect of the memory of Cardinal Mindszenty. At the head of those groups participating in the anniversary commemoration is the Coordinating Committee of Hungarian Organizations in North America, chaired by Jozsef Kovago. He and Executive Secretary Istvan B. Gereben, have prepared a statement which I would like to insert into the CONGRESSIONAL RECORD. I strongly commend it to my colleagues. The text follows:

STATEMENT OF THE COORDINATING COMMITTEE OF HUNGARIAN ORGANIZATIONS IN NORTH AMERICA ON THE OCCASION OF THE 30TH ANNIVERSARY OF THE SENTENCING OF CARDINAL MINDSZENTY

Thirty years ago, on February 8, 1949, a special court of the Rakosi-led Communist reign of terror delivered a lifelong sentence for Josef Cardinal Mindszenty. The Prince Primate of Hungary was arrested on trumped up, false charges. During the long interrogation he endured extraordinary physical and psychological torture. The sentencing of Cardinal Mindszenty concluded the most notorious show trial of the Communist authorities in East-Central Europe.

On the occasion of the 30th anniversary of this act of infamy the Coordinating Committee of Hungarian Organizations in North America—compelled by a sense of duty to preserve the Hungarian past—calls upon all decent citizens of the World to pay tribute to the life, the sacrifice and the memory of Josef Cardinal Mindszenty, the Primate, the Hungarian, the Man, who was victorious in his defeat.

The gates of prison were slammed behind the heroic Price Primate thirty years ago. His defense was that he fought for the Church, for his country and for freedom. He became a mere number in the Hungarian Gulag in which tens of thousands of decent Hungarians were detained, tortured, executed, all of whom shared a common commitment to fight against the Russian directed Communist take-over of Hungary. They all were convinced that the forceful push for a Communist dictatorship violated the Agreement of Yalta signed solemnly by the leaders of the Allied Powers, and which declared that after the war the citizens of the European countries would enjoy the right to freely elect the form of government in which they want to live. The Agreement of Yalta also promised the renewed enjoyment of sovereign rights by all nations of Europe.

The ink was still wet on the signed Agreement of Yalta, when in 1945, in the shadow of the occupying Red Army, the Hungarian nation, through free nationwide elections and with an overwhelming majority, decided to establish a western-style, free, multiple party, parliamentary form of government. This unqualified manifestation of the Hungarian people electrified the whole Western World. At the same time, it alarmed the Soviet Union. The Kremlin gave the free hand to its Moscow trained vassals—who controlled the Secret Police—to undermine the budding democratic system of the Hungarian government.

Shortly after the election attacks were waged against the Smallholders' Party, which obtained an absolute majority of the votes. Many thousands of Hungarians who opposed the Communists were tried by mock trials and disappeared in political prisons full with the cries of men tortured to death. In the shadow of Soviet bayonettes, the intimidated nation moved towards the national tragedy from which only the Western World could have saved her.

In February, 1947, Bela Kovacs, the brave, undauntable Secretary-General of the Smallholders' Party was arrested and abducted to the Soviet Union by a Russian commando unit. The members of the Parliament representing the majority party were unnerved by the Communists, those who protested were liquidated by the Moscow controlled Secret Police. The leaders of the Smallholders' Party were forced in exile.

At the end of 1947, the thugs of the Kremlin, who by now felt the smell of success, thought that a new national election would result in the victory of the Communist Party because the nation lost her faith in the weakened Smallholders' Party. But courageous politicians formed new liberal parties which had the trust and support of the people.

In the 1947 election the Hungarian nation, despite the Communist threats, with overwhelming majority again expressed her wish not to live in a Communist system. Unfortunately by now real power was in the hands of the Moscow supported Communists who declared the Sulyok, Pfeiffer, Barankovics led liberal parties illegal.

After the forced fusion of the Social Democratic Party into the Communist Party in 1948 there was only one obstacle left in the way of the Rakosi led reign of terror: a fearless, immaculate and determined man, Josef Cardinal Mindszenty.

The Masses celebrated by the Hungarian Prelate were attended by tens of thousands. The nation prayed and asked the Lord to give the ability to the apostolic Prince Primate to stop the Communists. Millions hoped that the thugs of Moscow would not dare to treat the supreme leader of the Hungarian Catholic Church as they treated the politicians. It was strongly assumed that the Western World would not tolerate the mistreatment of the Prince Primate. But the harsh reality was that God was banished from society by Moscow a long time ago. According to the rulers of the Kremlin people should march without God on the tears and blood soaked road of dialectic materialism. During this time in Washington a new policy, the policy of "containment" was established. This policy accepted the fall of East-central Europe in the sphere of Soviet interest.

Thus as the result of the shifting scenery on the stage of history the only role which remained for the heroic Prince Primate of Hungary was the role of suffering. He was arrested on December 26, 1948. His deplorable and unjust sentencing on February 8, 1949 represents a dark nadir of Hungarian history.

On this 30th anniversary, the Coordinating Committee of Hungarian Organizations in North America represents that we, as the community of free men, bow our heads in respect of the memory of the Hungarian Prince Primate, who surely continues to pray for the withdrawal of the Soviet Union from Hungary, for the reestablishment of the sovereignty of his country, for the freedom of his nation.

Let's bear in mind that the true cause of the suffering of the Hungarian nation is Soviet domination over Hungary.●

THE FUTURE OF AN AGING AMERICA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BIAGGI. Mr. Speaker, recently the New York Sunday Times ran an interesting article discussing perhaps the most important demographic fact for the present and future—America as a people is growing older.

The article written by Steven Roberts parallels much of what the Subcommittee on Human Services of the House Select Committee on Aging has been researching in its series of hearings on the future of aging. As chairman of the subcommittee I can assure my colleagues that future policy in this Nation will have to be more receptive to a growing elderly population.

My subcommittee in its work has held five hearings on all aspects of the political, social, and economic implication of an aging society with the last hearings conducted in California to assess the impact of proposition 13 on services to the elderly. Presently a report is being written which will not only summarize the main points of the hearings, but will offer a number of policy recommendations for the future.

The distinction between the young old and old old offered by Mr. Roberts is extremely important to understanding the future of aging. While the overall over 65 population is expected to increase dramatically during the balance of this century, the fastest growing group will be the 75 and over group, the so-called frail elderly who will demand a great deal of the future health and social service dollar. Therefore, it is essential that we begin to plan to develop more comprehensive services for this element. In addition we should provide for more realistic service programs for the remaining elderly population so we are not giving what is not needed.

The issues presented in this article are real and deserve very close attention. The House Select Committee on Aging will continue to focus its attention on this important phenomenon and the upcoming report on the future of aging will present additional consideration of this matter.

The article entitled the "Old Become Both Older and Younger" follows:

THE OLD BECOME BOTH OLDER AND YOUNGER

(By Steven V. Roberts)

WASHINGTON.—Just before the Carter budget was published last week, it still contained a surprising proposal. It suggested raising the minimum age for receiving Social Security from 62 to 65. At the last moment the idea was deleted for further study, but the President did propose reductions in Social Security benefits.

The changes reflect a growing debate over how long people should work, when they should retire and how they age. The possible answers to these social questions range widely, but the basic facts of life, and death, are incontrovertible.

Old people are no longer a small, homogeneous group. They can now be divided into

the "young old," who are between 65 and 75, and the "old old," who are over 75 and represent one of the faster-growing segments of the entire population.

"In effect, we are adding a whole new generation of living people," said Robert Benedict, the United States Commissioner on Aging. "It's a social achievement, not a deficit."

But as President Carter's budget indicates, this "social achievement" also involves sizable costs. While Americans are living longer, they are retiring earlier. A generation ago there were nine workers for every retired person; today there are six, and in 30 years there will be only three. This shift has caused a phenomenon known as "the graying of the Federal budget." Now, about one-quarter of all Federal expenditures go to the elderly, but in 2030 the share will rise to 40 percent. Who is going to pay the bill?

"Both 'young' and 'old' elderly may increase pressure on public and private sources of income," said Robert J. Samuelson, a writer on economics, in the National Journal, a Washington weekly that analyzes Government affairs. "More and more, the young elderly expect that their retirement income—mainly Social Security and private pensions—will keep them living at their preretirement standard of living. As for the old elderly, they require increasing public support."

When Social Security was adopted, average life expectancy at birth was 63 years, but today it is 69 for men and 77 for women. More importantly, life expectancy at age 65 has jumped sharply, to 18 years for women and 14 for men. For anyone who lives to retirement age, the post-working years are likely to last as long as childhood, if not longer. Some families already contain two generations of elderly persons, a great strain on any budget.

The differences between the young and old elderly are not just chronological. Chronic illnesses, debilitating injuries and loss of sensory perception rise steeply after age 75. Only 12 persons out of 1,000 in the 65-to-74 age group live in nursing homes, but the figure rises to 59 in the 75-to-84 range and to 237 above age 85.

These stages raise important questions of public policy. For example, how old is old? Or put another way, at what age does a person become dependent?

Ironically, while Americans are living longer, they are retiring earlier. More than 50 percent of Social Security recipients begin receiving benefits at age 62, and some private pension schemes allow retirement at 55 or earlier. Many experts agree with Robert M. Ball, a former Social Security commissioner, who called this trend "bad public policy." To these experts, 62 or even 65 is an arbitrary retirement age, based on medical assumptions that are no longer valid. Ways should be found, it is argued, to keep the "young old" in the work force.

One proposal is to raise the retirement age under Social Security, and President Carter's advisers were pushing him to back the idea this year. For political reasons, any change would probably apply only to new workers, so the rules of the game have to be changed now, goes the argument, to affect the budget 50 years from now. But it is sometimes objected that raising the age would hurt the sick and the unskilled, and that workers should be encouraged to put off retirement. One inducement is the legislation adopted last year giving workers a 3 percent bonus in Social Security payments for every year they stay on the job after 65.

Another idea is to end the sharp break between work and leisure, allowing workers to ease gradually into retirement. More flexible work hours, part-time work and second careers could keep senior citizens more productive for longer. Before this can happen, however, employers must rethink their stereotypes about the capacities of older workers. "As long as we continue to see old people as inept," warns Jack Ossofsky, executive director of the National Council of the Aging, "we won't open opportunities for them."

When it comes to social services, senior citizens are still usually considered a single group. But many "young" oldsters need only occasional help—a ride to the store, say, or legal advice about pension rights. There is often no middle ground between a private apartment or a nursing home. But experts say that many elderly could remain independent with group living arrangements or with the expansion of "day-care" services. Even many bedridden patients could be cared for in their own homes, yet medical insurance plans seldom pay for home-based care.

The demographic shift will affect almost every profession. In medicine, for example, more research is needed on the health troubles of the "old old," ranging from senility to hip fractures. Architects need to devise new ways to house the aged, while the legal problems of the elderly represent a growth industry in the law. In politics, the "gray power" lobby is showing considerable muscle.

With more retired workers living longer, public and private pension funds are faced with huge, unfunded liabilities. At the same time, two-thirds of the "old old" are women, many of them widowed and unprotected by their late husbands' pension plans.

The "new generation" of elderly Americans also presents opportunities. For the first time, most people will know thir grandparents, and even their great-grandparents, into adulthood. With the gift of time, and good health, older people now have more of a chance to change jobs, learn new skills, take up new interests. Life—or an important part of it—really begins after 60.●

CONSTITUTIONAL AMENDMENTS TO BALANCE THE FEDERAL BUDGET

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. GIAIMO. Mr. Speaker, the 96th Congress is receiving, and will continue to receive, substantial pressure to join the "Balanced-Budget Drive" which is taking place in many States. The immediate objective of this movement is to urge Congress to call a constitutional convention to pass an amendment to require that the Federal budget be balanced. Enough Members have asked my views regarding these proposals to prompt me to share my thoughts with all Members of the House.

Let me first make a distinction between the concept of a balanced Federal budget and a constitutional amendment to require a balanced Federal budget. First, I know of no Congressman who likes budget deficits. We all support the concept of a balanced budget and we are working hard to achieve that goal. Last fall, for example, while we were not as successful as we hoped we would be, Congress passed a budget resolution which contained the lowest deficit in the past 5 years. We are moving in the right direction and in a deliberative manner which takes into account national economic conditions.

But while I support balancing the Federal budget, I am wary of tampering with our Constitution to accomplish that objective. I am very suspicious of what appears to be a "quick-fix" for what are extremely complicated fiscal problems.

Initially, we must remind ourselves that the Federal Government is not a State and does not manage its fiscal and financial affairs like a State. No State budget is an economic policy document. No single State's budget transaction, or for that matter all the States combined, has the same kind of effect on economic trends and conditions as has the Federal budget. No State is responsible for providing for our national defense or aid to State governments.

Aside from the substantial legal questions involved, we need to know a great deal more about the fiscal impact of the constitutional amendments being proposed. We should know what the long-term as well as short-term effects will be before we jump on this bandwagon. We need to remember the important role Federal stimulus programs play when our economy is weak and the delicate relationship between the economy and the Federal budget. Three years ago, the Joint Economic Committee summarized this very well:

The Federal deficit is the result of economic conditions as well as tax and spending policy. For example, if the rate of inflation is high causing money income to rise, people will be pushed into higher tax brackets and Federal tax receipts will rise. If the economy is depressed so that personal income and profits decline, then Federal tax receipts also decline. If the unemployment rate is high, Federal spending for unemployment compensation and other income support programs will rise. In order to assess the consequences of a deficit, we must consider the state of the economy at the time the deficit occurs.

We need to examine what constitutes the term "balanced-budget" as it is used by the States and as it is used in the various proposed constitutional amendments. Some experts have claimed that if the Federal Government used the same accounting approaches as most States use, the current Federal budget would be close to being balanced rather than showing a deficit of almost $40 billion. The National Governors' Association has been quoted as saying that "although State governments operate on balanced general fund budgets, they may still incur debt by borrowing funds through the bond market and spending the borrowed funds through separate capital budgets." If we are to imitate the States in this way, we need to analyze the impact of establishing a separate capital budget at the Federal level. Will moving major Federal borrowing programs out of the traditional Federal budget result in Congress losing budgetary control of these activities?

Also, shifting activities from one Federal budget to another could inevitably lead to budget gimmickry. Ingenious Federal officials could quickly discover ways to subvert the whole purpose of the amendment. If this occurred, the result could be a mockery of our Constitution.

Finally, we also need to examine the effect of such a constitutional requirement on Federal programs. A constitutional amendment could place the Con-

gress and the President in a fiscal straitjacket. For example, if the economy became weak and Federal revenues were low, necessary Federal stimulus programs might be impossible. If stimulus programs became necessary, severe budgetary reductions would have to be made in other areas of the budget or taxes would have to be raised. Severe budget cuts would undoubtedly have disastrous effects on the financial stability of State and local governments. For example, recently, the Treasury Department reported that Federal aid to State and local governments has increased 50 percent in the period from 1975 to 1978. This support is currently estimated to be about $83 billion and has been one of the fastest growing parts of the Federal budget. The irony is that the improved conditions at the State level—where significant pressure for a constitutional amendment is growing—is due in part to this large increase in Federal support.

These are some of the concerns that lead to my apprehension. We must face the economic reality that the reasons for budget deficits will not disappear by commanding that the Government spend only as much as it receives in revenues. Revenues rise or fall as the economy rises and falls, and a drastic cut in spending when real output is falling would only succeed in driving the economy down into a recession. That bitter lesson was learned nearly 50 years ago.

But while I do not think that the current proposals are good ideas, Congress cannot ignore them. They should receive their day in court. But as we debate these proposals, we should have as much and the best information that we can obtain. I intend to recommend that the House Budget Committee closely examine the approaches currently being proposed to determine their economic and budgetary impacts. I will recommend the committee solicit the views of our country's leading economists and constitutional scholars for their views on this important subject. When available, I intend to share these views with the House.●

ARIZONA STATE HOUSE REAFFIRMS SECOND AMENDMENT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. RUDD. Mr. Speaker, I am pleased to bring to the attention of the House a memorial unanimously passed by the Arizona House of Representatives, urging the Congress to oppose any legislation or regulations which would in any way restrict the constitutional right to keep and bear arms.

I have noticed that often in the discussion of gun ownership, attention seems to concentrate on the negative aspects of guns, without a balancing focus on the beneficial results of personal protection and safety which arise from the private ownership of firearms.

I believe that the members of the Arizona House of Representatives have reflected in their memorial many of the positive aspects which result from the second amendment.

CRIME PREVENTION

Probably the most cogent point raised by the legislators is the observation that—

> Crime statistics only cover the use of firearms in crimes, and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes.

Recently, an organization called Handgun Control, Inc., sent to Members of Congress news clippings from our districts purporting to show numerous abuses of firearms in general, and handguns in particular. What this antigun lobby and other gun control groups neglect to point out is that the overwhelming majority of American gunowners are not causing any problems or disturbances by the personal ownership of their firearms.

In my view, it is a total misunderstanding of the facts to assume that gun-related crimes are committed by "typical" gun owners, and that elimination of guns will result in the end or even reduction of crime.

Of course, the peaceful, law abiding majority of gun owners do not make as sensational a story as the comparatively small, but more "interesting" instances of gun abuse. Nonetheless, the statistics clearly reveal that only a very small percentage of the population misuse firearms, despite the heavy publicity which such tragic instances attract.

SELF-DEFENSE

My fellow Arizonans have wisely pointed out:

> The handgun is the most effective weapon for self-defense, and its mere possession frequently is sufficient to repel an invader or attacker.

What we would see should there ever be Federal handgun restrictions would be increases in crime, not the decreases which gun control advocates envision. For gun ownership restrictions would remove the deterrent to criminals, and would not prevent the unlawful from continuing to perpetrate crime against a defenseless citizenry.

The Arizona House noted, quite accurately, I believe, that despite the best-intentioned motives, restriction or elimination of gun ownership "would not prevent the acquisition of weapons by criminals or their misuse by criminals." No one has ever satisfactorily explained to me, Mr. Speaker, why we are to expect that the criminal element in our society would obey Federal gun control legislation when criminals do not now obey other statutes.

ARIZONA'S MANDATORY SENTENCING

I should point out, of course, that Arizona legislators are concerned, as am I, about the misuse of guns. They have adopted a course which I believe to be wise and prudent, and an approach which I believe the Congress should seriously consider.

The State of Arizona requires mandatory sentences for certain crimes in which guns are used. If, as gun control advocates claim, their aim is truly to stop the criminal use of handguns, the Arizona method seems to me the realistic approach to adopt at the national level as well.

Our Nation's laws should punish those who misuse firearms, not adopt a guilt-by-association philosophy which punishes the innocent as well as the guilty.

I might add that Arizona crime statistics indicate a substantial reduction in the incidence of gun-related crimes since the implementation of this law in 1975. I believe the experience in Arizona warrants consideration of the adoption of this approach in Federal statutes.

I do not believe that we need to waste the law enforcement resources of our Nation on the registration, control, or confiscation of firearms, which would likely have counterproductive results, as I have indicated. In my view, this would be a terribly misdirected approach.

NO FEDERAL GUN REGISTRATION

Mr. Speaker, I am pleased to report to the House that the Treasury Department has advised me that no attempt will be made to implement a nationwide Federal firearms registration system, such as was attempted in 1976.

As you know, last year the Bureau of Alcohol, Tobacco, and Firearms attempted such sweeping proposals without consulting or obtaining the approval of Congress. This "back door" approach was an attempt to circumvent the will of the Congress and the American people.

I have been concerned that the Federal bureaucracy might attempt another such proposal again this year. I asked Treasury Secretary Michael Blumenthal about his Department's intentions on this matter when he appeared last month before the House Appropriation Committee, of which I am a member. The answer I received from the Treasury Department is as follows:

> There are absolutely no funds in the FY 1980 budget to implement the firearms regulations proposed by BATF in 1978. A final decision on whether to withdraw the regulations or propose a new modified version has not been made. Consistent with Secretary Blumenthal's commitment to Congress last summer, if any new proposal for regulations is made, it will be accompanied by a separate request to Congress for implementation funds. Therefore, there is no intention whatsoever to reprogram any funds to implement such regulations.

I believe, Mr. Speaker, that our Federal law enforcement agencies, including the BATF, should concentrate on the apprehension of those citizens who have abused handgun ownership through illegal and criminal means, in addition to other effective crime control measures. They should not work to disarm the American public.

Mr. Speaker, I include the memorial of the Arizona House of Representatives in the RECORD at this point:

HOUSE MEMORIAL 2001

A memorial urging the President and the Congress of the United States to oppose any further sport or self defense weapons control proposals for Federal legislation or regulation

To the President and the Congress of the United States of America: Your memorialist respectfully represents:

Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

Whereas, the Bill of Rights of the Constitution of the United States and Article II, Section 26 of the Constitution of Arizona guarantee to their citizens the right to keep and bear arms; and

Whereas, the handgun is the most effective weapon for self defense, and its mere possession frequently is sufficient to repel an invader or attacker; and

Whereas, crime statistics only cover the use of firearms in crimes, and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

Whereas, handgun control legislation would deny a citizen the right to obtain weapons for self defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

Whereas, there currently are adequate laws to punish criminals for the misuse of firearms in crimes if properly enforced.

Wherefore your memorialist, the House of Representatives of the State of Arizona pray:

1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than enact further legislation or allow rules and regulations by government agencies which would curtail the right of honest citizens to acquire weapons for sport or self defense.

2. That the Secretary of state of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.●

ELDERLY VICTIMS OF CRIME

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. BIAGGI. Mr. Speaker, Michael Daly, a reporter for the New York Daily News, recently wrote a three-part series of articles dealing with a tragic situation that merits prompt congressional attention. I am referring to the fact that an estimated 100,000 elderly citizens, in New York City alone, have become prisoners in their own homes due to the fear of being victimized by crime.

As New York's ranking member on the House Select Committee on Aging, I intend to do everything possible to insure that this matter receives the high priority that it deserves. I wish to urge my fellow colleagues to join me in initiating and supporting effective measures necessary to correct this problem.

Mr. Speaker, at this time, I would like to extend my wholehearted praise to Mr. Daly for bringing this matter to the public's attention. The following is the final article of this series—the first two of which appeared in the January 31 and February 8 RECORD, respectively:

JENNIE'S 120 DAYS OF HARD TIME

PRISONER OF FEAR

Police estimate that the fear of being robbed, raped or murdered keeps 100,000 older persons here virtual prisoners in their homes. Newsman Michael Daly spent three days recently with one of those prisoners in her Coney Island apartment. He recorded the events and emotions of Jennie Kelly's 120th day in her "jail" in this diary of fear.

(By Michael Daly)

The Westinghouse alarm clock pounds at the stillness in Jennie Kelly's two rooms like 120th day of her incarceration in her two-room Coney Island apartment.

It is 7:30 a.m.

As the alarm sputters and finally dies out, the 83-year-old widow sits up in the bed and begins her morning calisthenics. Holding her arms straight out in front of her, Jennie cocks her elbows, bringing her hands back to her shoulders. This is the warmup exercise Jennie learned from the girl's basketball coach at Brooklyn's Erasmus Hall High School in 1911, 67 years before the three muggings that left her too afraid to venture beyond her doorstep, more than half a century before anyone could imagine that in a city which bills itself as the most cosmopolitan, elderly people would serve life sentences in their own homes.

As she repeats the exercise, Jennie recites the lines of Milton's "Paradise Lost" she memorized for her senior year's English exam.

"LOSS OF EDEN"

"Of man's first disobedience and the fruit of that forbidden tree whose mortal taste brought death into all the world and all our woe with loss of Eden until one greater man restoreth and regain the blissful seat, sing heavenly muse."

It is 7:15 a.m.

"I don't think the exercise was really a warmup, Jennie tells you as you walk into the room. "I think it was a bust developer. It doesn't do much for my bust, but it gets me going in the morning. If I just sat here and asked myself why I should get out of bed, I would probably just lie here and die. Exercise is a way of getting going without thinking about it."

Holding the collar of her brown robe around her throat, Jennie walks the 14 steps to the bathroom, stopping once to cough, and again to catch her breath. Standing at the sink, she cups a small mound of salt in her left hand. Wetting her right, index finger, she curls back her lips and rubs the salt on her teeth.

HER REAL TEETH

"They're all real," Jennie says after rinsing her mouth. "The teeth."

It is 7:40 a.m.

Repeating the lines from Milton, Jennie starts to make the bed, tucking the sheets and blankets into precise hospital corners.

"My mother was a nurse," Jennie says, "and I've been making a bed the same way for maybe 80 years. As long as I make the bed, I know I'm okay, I know I still have my spirit."

It is 7:58 a.m.

Leading you into the kitchen, Jennie returns to the bedroom and closes the door. Twenty-three minutes later, the door knob rattles.

"NOBODY WOULD HEAR"

"Help me with the door, it's stuck," Jennie says, knocking on the wood with her knuckles.

"I never close it when I'm alone," Jennie says after you force the door open. "It could kill me I could be stuck in there and nobody would hear me and I would die."

Smoothing her hair, Jennie walks into the kitchen. She is wearing a loose-fitting red velveteen dress. From her neck hangs a string of pearls. The edges of her high-heeled patent leather shoes cut into her swollen feet.

"I always dress on Sundays," Jennie says.

It is 8:30 a.m.

Moving to the kitchen window, Jennie takes down the stack of beer cans that serves as her burglar alarm.

"It's hot in here," she says. Spreading her feet bends her knees and presses her palms against the window frame. Her face turns red with the strain as the window cracks, opening an inch. Bending down, Jennie takes a deep breath of the air seeping through the crack.

REPAIRS WALLPAPER

Taking a roll of cellophane tape out of the counter drawer, Jennie inspects a peeling strip of wallpaper behind the steampipe in the corner. As she pressed the tape on the wallpaper, her knuckles brush against the pipe.

"Ouch," Jennie says, shaking her hand, "that's hot." She puts four more strips of tape in the corner, burning her knuckles three times.

"That's done," Jennie says.

It is 9:11 a.m.

As Jennie sits down at the kitchen table, footsteps pound up the stairwell, pass the door of her third-floor apartment, and continue up the next flight of stairs.

"That's Junior," Jennie tells you.

"How do you know?" she is asked.

LIKE A HOSPITAL

"I learned the sound he makes on the stairs and I heard somebody shout to him once when he was running by my door," Jennie says. "He's on his way to the roof. I think he keeps birds, but I'm not sure. His family just moved in three weeks ago, after I stopped going out. He has a sister, I think, maybe two sisters. I can always tell the difference between him and my nephew coming up the stairs."

"Do you look forward to seeing your nephew?" Jennie is asked.

"Not really," she answers. "It's like you're in the hospital and somebody's coming to visit you. Here, you sit here, and I'll pretend I'm the nephew and you'll see what it's like."

Her high heels clicking on the linoleum, she walks to the front door.

"Don't be afraid," she calls. "It's me, the nephew."

Walking up to you, Jennie pats you on the head.

"How are you getting along?" she says, lowering her voice. "How is your health? Here's the groceries. Are you feeling well? That's good. You sure you don't want to move to a home? It's not good for you being locked up in here. Are you feeling well? That's good. Well, I've got to run.

"That's what it's like," Jennie tells you. "Just like the hospital. They don't talk to you about the news or their friends, the things they talk to most people about. All they talk about is your condition. And nothing else."

It is 10:28 a.m.

LIKE POTATOES

Rust coughs out of the pipes when Jennie turns on the kitchen spigot. Waiting for the water to clear, Jennie fills a stainless steel pot and lights a front stove burner. Taking two small potatoes out of the paper bag on top of the refrigerator, Jennie spreads a sheet of newspaper on the table.

"I don't like to eat much more than potatoes," Jennie says as she peels the skins. "Some tuna, but mainly the potatoes. With salt which isn't good for me."

When the water comes to a boil, Jennie stands up and drops the two potatoes into the pot. Careful not to spray water on her dress, she washes her hands.

"I miss the french fries at Nathan's," Jennie says, drying her hands on a towel with "Manhattan Beach Hotel" emblazoned across the middle. "Not so much that, I guess, as going to Nathan's for french fries."

NOT AFRAID OF DYING

"Are you ever tempted to risk it?" Jennie is asked.

"Sometimes," Jennie says, "but then I get afraid. I'm not so much afraid of dying as of how I die. It's hard to explain, the difference is."

"Is it something like missing going to Nathan's for the fries more than just having the fries?" Jennie is asked.

"Something like that. I suppose," says Jennie. "The last time it happened to me, I was knocked to the floor and I thought I was going to be murdered. After all my life I just didn't want to be murdered on the floor. I suppose it's crazy."

It is 11:15 a.m.

"I'M SAVING MYSELF"

Banging the bottom of the shaker with the back of her hand, Jennie coats the potatoes with salt. Grabbing a fork, she breaks off a small piece, blows on it gently, and places it in her mouth.

"I could risk it," Jennie says. "I could go out every day and maybe nothing could happen to me. But things have happened to me and I know they could happen again. I've done what I need to do. Why should I risk it, as you say. I don't even really want visitors. I'm saving myself for the time when it's really time for me to go. Not when somebody wants to murder me."

"What do you mean by saving yourself?" Jennie is asked.

"Like I saved myself for my husband until we were married," Jennie says. "The potatoes are good." ●

A SALUTE TO LYNN SINGER—WOMAN OF THE YEAR

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

● Mr. AMBRO. Mr. Speaker, on Saturday, February 24, the East Meadow Chamber of Commerce will honor a very great and gracious lady—Lynn Singer—as the Woman of the Year.

Lynn, as all Long Islanders know, is the president of the Long Island Committee for Soviet Jewry. In this position, she has literally devoted the last 8 years of her life to insuring the well-being and the freedom of millions of Soviet Jews held under virtual house arrest by a repressive dictatorship. Making her own considerable financial contribution to the cause she so deeply believes in, Lynn has made countless visits to the Soviet Union to obtain a first-hand view of the situation facing Jews there. Armed with this knowledge and with an unquenchable dedication and unflagging energy, she has made hundreds of trips to Washington: To my office, to the offices of my congressional and Senate colleagues from many States, and to the offices of the State Department. Her mission has been simple and urgent: To acquaint all of us with the brutal treatment—the harrassment, the unjust and lengthy prison sentences—accorded those whose only crime is being Jewish and wanting to join their families in Israel.

Through her efforts, many of us have adopted "Prisoners-of-Conscience", writing to those serving prison sentences for a variety of manufactured charges stemming from their desire for exit visas, and to Soviet Government and penal authorities to assure their well-being—such as it is—while serving their harsh sentences.

She has also put us in contact with many of the "refusnik" families—those who have been refused exit permits, but are subsequently subject to all kinds of harrassment, both physical and emotional, for years to come. She has forged a human chain stretching from this country to the towns and cities of the Soviet Union; a chain of concern and courage that serves as a lifeline of hope to those caught in the web of Soviet tyranny.

In addition to tending the flickering flame of freedom for the "refusniks" and the "Prisoners-of-Conscience," Lynn has, through her untiring efforts, been single-handedly responsible for the successful emigration of scores of Soviet Jews to the free world. She is truly a champion of human rights and a humanitarian in every sense of that word.

Mr. Speaker, I have know Lynn Singer for 4 years, and in that time, I have come to regard her as a confidant and valued adviser on a subject about which I share her passion, and as a dear friend. If ever there was a Woman of this or any Year, there could not be a finer choice than Lynn Singer.●

TRIBUTE TO JUDGE ROBERT J. O'NEAL

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 21, 1979

○ Mr. LONG of Louisiana. Mr. Speaker, this past summer, Judge Robert J. O'Neal, one of the Nation's finest jurists and most dedicated civic leaders, passed away at the age of 90. Judge O'Neal touched the lives of all who knew him in a very special way, and I am certain the deep sense of personal loss felt by his family is shared by his friends and peers in the Shreveport community. I would like to take this opportunity to share with my distinguished colleagues a resolution which was adopted by the Shreveport Bar Association as a tribute to the life and career of this remarkable gentleman. The resolution follows:

IN MEMORIAM: JUDGE ROBERT J. O'NEAL, SEPTEMBER 27, 1887 TO AUGUST 24, 1978

We, the undersigned committee, designated by the President of the Shreveport Bar Association to prepare and submit the resolution to the memory of the late Robert J. O'Neal, Judge of the First Judicial District Court, submit the following:

Robert J. O'Neal was born in Choudrant, Lincoln Parish, Louisiana, on September 27, 1887, the son of Robert D. and Maude Kelly O'Neal. He was educated at Northwestern State University and studied law in the office of a district judge in Vernon Parish. Judge O'Neal was admitted to the Louisiana Bar in 1911.

He served as City Clerk and City Attorney in Leesville and DeRidder, Louisiana. In 1923 he moved to Shreveport and became a member of the law firm of Long, Fields & O'Neal. From 1928 until 1936 he served as Attorney for the Tax Collector of Caddo Parish and was an Assistant State Attorney General, representing the Department of Revenue.

He became District Judge of the First Judicial District Court in 1936 and served in that capacity continuously until his retirement in 1961.

Long ago it was said by Socrates that four things belong to a judge; to hear courteously, to answer wisely, to consider soberly and to decide impartially. All of these belonged to Judge O'Neal.

The dignified manner in which he conducted the court, his sense of honor and integrity in all matters, his high standard of ethics and kindness in his relations with lawyers, litigants and witnesses were also among his outstanding qualities as a judge. The people of Caddo Parish recognized him as an outstanding jurist, and therefore he was continuously re-elected without opposition.

Judge O'Neal was a member of all Masonic bodies from first to seventh degree in York Rite, 32nd degree in Scottish Rite and El Karubah Shrine.

Judge O'Neal's services to his fellow man were not restricted to his judicial functions. He was a leader and an active participant in all work of the Methodist Church, including service on the Board of Trustees of his local churches in DeRidder and Shreveport, lay leader in the Shreveport District and Treasurer of the Louisiana Conference. He also served as Chairman of the Boards of the Salvation Army and the Association for the Blind in Shreveport.

We of the Shreveport Bar who had the privilege of practicing before him shall always remember the consideration and courtesy he showed to counsel, litigants and witnesses in the course of a trial.

Judge Robert J. O'Neal is survived by two daughters, Mrs. Stuart DeLee of Shreveport, Louisiana, and Mrs. M. Miles Snider of Homer, Louisiana.

Now, therefore, be it resolved that we, of the Shreveport Bar Association, do hereby express our deep admiration and respect for the late Judge Robert J. O'Neal, whose ideals and standards of honor and justice are worthy of emulation by every member of the Bench and Bar.

Be it further resolved that we extend to the members of his family our sincere and heartfelt sympathy in his death, and that a copy of this resolution be spread upon the minutes of the First Judicial District Court as a final tribute to his outstanding public service to his community and state.

Be it further resolved that a copy of this Memorial be delivered to the immediate members of his family.

ROBERT ROBERTS, Jr.,
CHARLES L. MAYER,
JOHN R. PLEASANT,
Chairman.

(Read and adopted at Memorial Exercises Monday, October 16, 1978.)●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 22, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 23

9:00 a.m.

Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To resume hearings on the nutritional information contained on food labels.
322 Russell Building

Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Jesse Hill, Jr., of Georgia, and Joan Fleischmann Tobin, of the District of Columbia, each to be a Member of the Board of Directors of the Communications Satellite Corporation, and Anne P. Jones, of Massachusetts, to be a Member of the Federal Communications Commission.
235 Russell Building

Joint Economic

To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

10:30 a.m.

Appropriations

Labor-HEW Subcommittee

To hear Secretary Marshall on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S-128, Capitol

1:00 p.m.

Foreign Relations

To receive testimony from Deputy Secretary of State Christopher on proposed FY 1980 authorizations for foreign assistance programs.
4221 Dirksen Building

FEBRUARY 26

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of Gordon Vickery, of Washington, to be Administrator of the U.S. Fire Administration, to be followed by hearings on proposed legislation authorizing funds for programs administered by the Federal Fire Prevention and Control Act (P.L. 93-498).
5110 Dirksen Building

Human Resources

Alcoholism and Drug Abuse Subcommittee

To continue hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

Environment and Public Works

Environmental Pollution Subcommittee

To hold hearings on Executive Office involvement in the development of environmental regulations.
4200 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980 for the Japan-U.S. Friendship Commission, and on supplemental appropriations for FY 79 for the International Communications Agency and Renegotiation Board.
S-146, Capitol

2:30 p.m.

Appropriations

Labor-HEW Subcommittee

To hear Secretary Califano on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings to access Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources

Child and Human Development Subcommittee

To mark up S. 239, authorizing funds through fiscal year 1981 for ACTION programs, and S. 233, authorizing funds through fiscal year 1981 for information and counseling projects to aid families who experienced sudden infant death syndrome deaths.
4232 Dirksen Building

Judiciary

To hold hearings on the nominations of Phyllis A. Kravitch, of Georgia, to be U.S. Circuit Judge for the Fifth Circuit; John G. Penn, of Maryland, to be U.S. District Judge for the District of Columbia; Abraham D. Sofaer, of New York, to be U.S. District Judge for the Southern District of New York; and Robert E. Kelton, John J. McNaught, David N. Sutherland, and Rya W. Zobel, all of Massachusetts, each to be a U.S. District Judge.
2228 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear its Secretary.
1224 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Services Administration, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs

To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation, to extend for two years, through 1981; the Council on Wage-Price Stability.
5302 Dirksen Building

Environment and Public Works

Environment Pollution Subcommittee

To resume hearings on Executive Office involvement in the development of environmental regulations.
4200 Dirksen Building

Finance

To hold hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

Rules and Administration

To resume hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.
301 Russell Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Center for Disease Control, Department of HEW.
S-128, Capitol

FEBRUARY 28

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
2226 Dirksen Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.
457 Russell Building

Energy and Natural Resources

Energy Regulations Subcommittee

To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
To continue hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.
S-146, Capitol

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Veterans' Affairs
To resume markup of S. 7, to revise and improve certain health care programs of the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Water Research and Technology.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
To continue hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for FY 1979, both for the Department of State.
S-146, Capitol

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

MARCH 5

Appropriations
Interior Committee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1318 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
234 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Judiciary.
S-146 Capitol

MARCH 6

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriation
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S-146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Consumer Cooperative Bank, and the National Credit Union Administration.
Room to be announced

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 9

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Selective Service System, Council on Environmental Quality, and the National Commission on Air Quality.
1318 Dirksen Building

MARCH 12

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 13

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Finance
Health Subcommittee
To hold hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
Health Subcommittee
To resume hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Indian Health Service.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Office of Human Development Services, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To resume hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Social Security Administration, Department, of HEW.
S-128, Capitol

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee.
To continue hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

MARCH 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the U.S. Geological Survey.
1224 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, proposed Reclamation Reform Act.
3110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, the Reclamation Reform Act.
3110 Dirksen Building

MARCH 23

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency, and the Consumer Information Center.
1318 Dirksen Building

MARCH 26

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of Labor, and related agencies.
S-128, Capitol

MARCH 27

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 28

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration, the American Battle Monuments Commission, and the U.S. Army cemeterial expenses.
1318 Dirksen Building

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 5

9:00 a.m.
Veterans Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology Policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 11

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

9:30 a.m.
Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and Independent agencies.
1318 Dirksen Building

MAY 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD and Independent agencies.
1318 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, February 22, 1979*

The House met at 11 a.m.

The Reverend Harold Burlingame, Bliss Baptist Church, Bliss, N.Y., offered the following prayer:

Our Father, as we come into Thy presence this day, prepare our hearts and minds for the business of this session.

Let us not be afraid of the problems that confront us, but rather give Thee thanks that Thou hast matched us with this hour.

May the invisible hand that charted the course of our great Nation lead us to act courageously against all enemy powers.

Raise up among us, we pray, fearless men who exemplify the truth that we are one Nation under God.

Again, we acknowledge Thy presence, as we hear the words of the prophet, "Thou wilt keep him in perfect peace whose mind is stayed on Thee."

In Thy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

CUT IN FOOD STAMPS FOR SENIOR CITIZENS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, next Thursday is March 1, and that is the day that the cuts in the food stamp program begin for the poor senior citizens and disabled citizens of our country. Once again, I want to give an example of the impact of what is going to happen to these people.

I have a gentleman in my district who is 75 years old, and has a rheumatic heart condition. He has a total income of $267 per month. He pays $200 for rent, $25 for utilities, and $20 for phone expenses. He now receives $34 a month in food stamps. Starting March 1, his food stamps are reduced to $10 a month.

Surely, it is not the intent of this body to treat our senior citizens and disabled citizens in this fashion. We are going to be having a hearing next Tuesday for seniors, and people interested in working for them around the country are going to be able to talk and let us know their experience and their anticipation of the problem that will be occurring.

THE LATE HONORABLE JAMES P. RICHARDS

(Mr. HOLLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLAND. Mr. Speaker, it is my sad duty to report to the House this morning the passing of our former colleague and my predecessor representing the Fifth District of South Carolina, the Honorable James P. Richards.

Mr. Richards served this House for 24 years and was chairman of the Foreign Affairs Committee through some of the most difficult times in our Nation's history. I know the Members of the House

will want to join me in expressing their sorrow to Mrs. Richards and the family concerning this great loss to them, to our Nation, and to our State of South Carolina.

James Prioleau Richards was born in Liberty Hill, Kershaw County, S.C., on August 31, 1894. He attended the county schools and Clemson College, Clemson, S.C. During the First World War he served his country overseas as a private, corporal, sergeant, and second lieutenant in the Trench Mortar Battalion, Headquarters Company, 118th Regiment, 30th Division, 1917–19. Mr. Richards graduated from the University of South Carolina School of Law in 1921, was admitted to the bar the same year and began his law practice in Lancaster, S.C. For 10 years, beginning in 1923, he served as probate judge for Lanscaster County, S.C. In 1933, the people of South Carolina's Fifth Congressional District elected him as their representative in the U.S. Congress. A faithful Democrat, he took the oath to preserve, protect, and defend the Constitution of the United States on March 4, 1933, and served his country continuously through the 73d and 11 succeeding Congresses until his retirement on January 3, 1957.

During his long and devoted service to his country, he became chairman of the House Committee on Foreign Affairs. He served as a delegate to the Japanese Peace Conference and as the U.S. delegate to the United Nations in 1953. From January 1957 until January 1958 he was Special Assistant to President Eisenhower on matters concerning the Middle East. He held the rank of Ambassador.

Perhaps the esteem, admiration, and affection of his colleagues is best reflected in the following quotes from the CONGRESSIONAL RECORD entered at the time of his retirement from the U.S. House of Representatives:

Mr. SMITH of Wisconsin. I think it might be quite appropriate at this time to call attention to the fact that when the final gavel falls on this session it will bring to an end an illustrious career in this House, the exceptional service rendered by the chairman of the Foreign Affairs Committee, Dick Richards, as we know him.

Mr. Speaker, I am sure that later on at the conclusion of this session of Congress tributes will be paid to our distinguished colleague, but it seemed to me appropriate that as we get into the final phases of this, the last bill with which he will have something to do, that we call attention to the fact that he is leaving us. All the members of our committee have a high regard for him. He has so conducted the affairs of his committee that hardly at any time has there been any question of party politics. I think that is a splendid tribute to a great man, a great American, a soldier, a patriot, and a great statesman.

Mr. ADAMS of Indiana. As he has so well pointed out, the gentleman from South Carolina (Mr. Richards) has presided over the House Committee on Foreign Affairs at all times in a friendly, fair and equitable manner. We are all aware of the fact that sometimes when tensions were a little great and feeling ran somewhat high, his gentle humor in many instances relieved the tension and enabled a relaxed committee to reach proper decisions. He shall be missed by this House but his wise counsel and leadership will be long remembered. We wish him many pleasant years in his beloved South Carolina.

Mr. VORYS of Ohio. Mr. Speaker, I confess that I come to the floor of the House at this time with a bit of a lump in my throat as I realize that Chairman Dick Richards is headed for the last roundup as far as this mutual security legislation is concerned. I want to join with the gentleman from Wisconsin in the tribute he has paid and I want to commend the gentleman for bringing this up early in these proceedings today.

Dick Richards is a great American and a good fellow and my very dear friend. I have fought with him toe-to-toe. But wherever he stands in a fight you will find he is a fair fighter, a fast friend and a true American. I join in the tribute the gentleman has paid Dick Richards.

Mr. SMITH of Mississippi. When the history of these difficult years that have followed World War II is written, the contribution Dick Richards has made in the buildup of the strength of the free world, in the maintenance of unity in the United States, in developing this foreign policy that is so difficult a burden to carry legislatively, will rank equally with that of any other Member of either body.

Mrs. KELLY of New York. He is a man of great ability, integrity, and honesty. I feel very badly that the State of South Carolina did not demand that he return to the halls of this Congress. I feel he has added much to our great institutions and that he alone is responsible for carrying us over this very difficult period in our history. However, since he has made this determination to retire, I hope that he, his wife, and family will enjoy health and happiness in the years to come.

Mr. MCCORMACK of Massachusetts. Mr. Speaker, the gentleman from South Carolina (Mr. Richards) is one of the outstanding Americans of this trying period. His service in this House of Representatives has been constructive and of a nature to occupy prominent pages in the history of our country when the history of this period is written, particularly when it can be written in an objective manner removed from the emotionalism of this period. I am sorry that the gentleman is voluntarily retiring from the Congress. He and I have been close personal friends for many years. He has been one of the strong chairmen of the important Committee on Foreign Affairs. Fortunately we have had great chairmen during my 28 years of service here, but none have been greater or stronger or more able than our distinguished friend from South Carolina. We shall all miss him very much, and we wish him every happiness and success for countless years to come. We hope he will come back to the House and visit us frequently in the years that lie ahead.

Mr. ZABLOCKI of Wisconsin. He has served the people of this State and our Nation with exceptional distinction for over two decades. His wise counsel and leadership will be sorely missed in the Halls of Congress. It is the hope of many that in the future our Nation will have the continued benefit of Mr. Richards' wide experience and ability.

Mr. CARNAHAN of Missouri. His wisdom and forethought have given guidance and direction to the work of this great committee; not only to the committee but also to the entire House of Representatives.

Mr. GOSNOR. During his long tenure, Mr. Richards has consistently won the admiration of Members on both sides of the table with his fairness, his firmness, his innate good sense, his leadership. We shall all miss this wonderful friend and leader.

Mr. PEYSER. Only last year at a time when our national affairs were being allowed to drift into the dangerous paths of believing that there was merit to the Communist proposal for peaceful coexistence, the distinguished gentleman from South Carolina stood in the well of this House and delivered a stirring and moving warning on the dangers confronting our Nation as a consequence of the latest shift in tactics of the Kremlin.

Mr. JOHNSON of California. In the House the word "distinguished" is referred to many Members rather loosely. However, in the reference to James P. Richards, the chairman of the House Foreign Affairs Committee, considering the position he occupies and the contributions he has made in the field of foreign affairs, "distinguished" is the only word that properly applies to the gentleman.

Mr. RIVERS of South Carolina. Dick has never sought the plaudits of the crowd or played for the headlines. The major part of his 24 years in the Congress have come during the most critical hours of this country's existence in the world. He has participated actively in her rise to the leader of the world. This participation has been hard on him. He now seeks a more tranquil existence. While his decision to retire greatly affects the prestige of the Delegation of our State, and of our Nation, his wise counsel to the people of his native State during the remaining years of his life will be eagerly sought and generously given.

Mr. RILEY of South Carolina. He is from a distinguished South Carolina family. He is capable, sincere, ruggedly honest and sound in his conclusions. Moreover, he has the courage of his convictions and does not hesitate to fight for those things he believes are for the best interest of the people that he represents. We will miss him in the Congress. We will miss his stabilizing influence and his constructive leadership.

Mr. HAYS of Arkansas. He reminds me of the statement of one of Jefferson's biographers who, noting that he was influenced greatly by one of his professors of Scottish descent, paraphraased the familiar scripture: "Whom the Lord did not predestine by Scotch ancestors he did foreordain by Scotch instructors."

His statemanship reveals qualities of mind and heart that no single generation could produce. Spiritual ties to the past are visible in his career.

Mr. BROWN of Georgia. I do not know of anyone whose absence from this Chamber will be felt more than that of the distinguished gentleman from South Carolina.

Mr. TEAGUE of Texas. As Chairman of the Committee on Foreign Affairs, his ability, integrity, and leadership of this great committee placed him in a position of the highest esteem not only here in the House of Representatives, but throughout the world.

Mr. COLMER of Mississippi. A great statesman, a great soldier, a God-fearing man. I am sure I speak the sentiments of all who have had the privilege of serving here with him when I say: "We wish you Godspeed in retirement."

Mr. SIKES of Florida. Our beloved colleague enjoys the respect and confidence of the House as do few who have served here. This respect and confidence have indeed been well earned. By his service he has built a monument which will long endure.

Mr. JUDD of Minnesota. We know his unvarying fairness; we know his unfailing good humor, and his ability to take a tense and strained situation and relax it by some homely illustration or bit of wisdom from his beloved South Carolina.

Mrs. CHURCH of Illinois. And as long as we remain in the Congress, the world will be a little bit richer because we have learned something of your heritage, of your patience, and let me repeat and note again, of your chivalry. We have learned from Dick Richards what it is to be a leader who never has to use more than kindly patience to take his flock where he knows they should go.

Mr. MCMILLAN of South Carolina. His character is strong as steel and his heart as pure as gold. I don't believe there has ever been a man who has served in the National House of Representatives who has more graciously given his energy and time to his constituents, to the people of his State, to the people of the United States, and to the people of the entire

world. Congressman Richards is nationally and internationally known and highly respected by every person privileged with his acquaintance.

Mr. CANFIELD of New Jersey. Mr. Speaker, I think Dick Richards is a standout in the House of Representatives. I recall when I entered the House in the 77th Congress with the distinguished gentleman from South Carolina now in charge of the time and I listened to a most inspiring and most dramatic address made by our colleague, the gentleman from South Carolina, I went home that night and I felt his remarks so keenly that I wrote him a letter telling him among other things, that he was going to be an exemplar of mine in my approach to my assignment in the House of Representatives.

Mr. DORN of South Carolina. Not long ago the Government of Spain conferred upon Dick Richards the Grand Cross of Isabel, a very high honor, Spain recognizing in the gentleman from South Carolina one of the great leaders of the free world today.

Senator MANSFIELD of Montana. I served with Mr. Richards on the Committee on Foreign Affairs, and I can say without qualification that seldom have I worked with a man of such untiring energy, wise statemanship, and sound understanding, a man so constantly devoted to his duties as a representative of the people from his State and the Nation. His years as chairman of the Foreign Affairs Committee have been marked by a wise and sane leadership in a time when there has been and is constant turmoil in our international affairs.

Mr. Speaker, in recalling the many tributes which were paid to my beloved predecessor in Congress, I uncovered the following newspaper article in the New York Times of May 18, 1956:

A QUIET CONGRESSMAN: JAMES PRIOLEAU RICHARDS

WASHINGTON, May 17.—The Pittsburgh Pirates lost a budding prospect for their outfield a few decades back when James Prioleau Richards chose law over baseball.

As a result of that decision, Mr. Richards now is winding up 23 years in Congress in a style that can only make the Republican administration wish he had stayed with baseball.

Today, as chairman of the House Foreign Affairs Committee, Representative Richards was in the vanguard of congressional forces that dealt the President's foreign-aid proposals a severe defeat. President Eisenhower, who was a pretty good pitcher at West Point, might well be wishing tonight that Mr. Richards had accepted that offer from the Pirates.

Mr. Speaker, all the people of South Carolina's Fifth Congressional District feel this day a great sense of loss. Because of his life and his service we take comfort in knowing that the Nation and the world share our grief. Perhaps there is little we can say or do today to comfort or assure Dick Richards' loved ones. I am sure, however, they must feel a great sense of pride in what he did for this and future generations. Because of his untiring service and great life neither we in the Congress nor the people he loved and served so well shall ever forget.

GENERAL LEAVE

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of the life, character, and public service of the late Honorable James P. Richards.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SOLAR POWER SATELLITE RESEARCH, DEVELOPMENT, AND EVALUATION PROGRAM

(Mr. FLIPPO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLIPPO. Mr. Speaker, today, I am introducing a bill that would provide for a solar power satellite research, development, and evaluation program. This legislation will provide for a program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and used to generate electricity for domestic purposes. The program would augment ongoing paper studies with a technology verification program which would attempt to resolve the technical, environmental, and socioeconomic issues regarding the viability of the solar power satellite concept.

We must find a means of harnessing the full potential of the sun as an energy source. The solar power satellite concept provides us with another future alternative energy source which has great promise for being clean, renewable, and cost-efficient.

This bill is similar to the "Solar Power Satellite Research, Development and Demonstration Act of 1979" which passed the House of Representatives during the 2d session of the 95th Congress; however, there is less emphasis on the satellite demonstration in the bill I am introducing today.

The concern of Congress must be not only to resolve the energy crisis, but to insure our route to this solution is as efficient as possible. The solar power satellite program shows the promise to warrant our attention and to bring about the enactment of this legislation.

□ 1105

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. FLIPPO. I am delighted to yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I should like to congratulate the gentleman from Alabama upon his reintroduction of this legislation which passed the House last year. I think it is a significant initiative, a forward move, and one on which this Nation's future might well hinge.

Mr. FLIPPO. I thank the gentleman.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1147, EXTENDING AUTHORITY TO WAIVE COUNTERVAILING DUTIES

Mr. VANIK. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report, along with any separate or minority views, on the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE UNITED STATES NEEDS A BETTER IDEA

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, last week, there was a 2-day conference of auto industry technical experts and Government transportation officials which discussed the type of auto fuel efficiency we can expect by the turn of the century. The conference concluded that in 20 years we can look for cars averaging about 50 miles per gallon, if we are willing to make an R. & D. effort estimated at about $100 billion.

Frankly, Mr. Speaker, I do not think this is good enough; the United States needs a better idea.

The United States needs to do more, sooner, to develop autos which use fuels other than gasoline and which obtain high miles-per-gallon.

Many foreign autos are already approaching the type of fuel efficiency Detroit says it needs 20 more years to achieve. Perhaps the best thing Detroit ould do would be to import some of the technology being used in their foreign subsidiaries. One good shipload of dies brought to Detroit could increase U.S. fuel efficiency substantially.

The industry will obviously do a lot of complaining about the cost of this R. & D.—but in the period they say they will need $100 billion for improvement of the domestic industry, we will be buying overseas between $800 billion and $1 trillion worth of oil in 1979 values. The Nation's wealth is being hemorrhaged abroad while Detroit and the Department of Transportation talk about 20-year schemes to increase fuel efficiency.

I have long been encouraging Japanese auto companies to establish assembly plants in the United States so as to employ U.S. workers and reduce our trade deficit with Japan. But an even better reason for encouraging such a step would be to give Detroit a lesson in "better ideas": that it is possible today to make small, lightweight, high-quality, and fuel efficient autos in the United States.

YOUTH CAMP SAFETY ACT

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today filled with concern for what the summer of 1979 will hold for our Nation's children. This summer, close to 100 children will die, and thousands more will be seriously injured—not on our highways, not from disease or abuse, but in the very same summer camps which symbolize a healthy and wholesome way of life for America's youth.

These tragedies are far from inevitable, Mr. Speaker. They are the result of the continuing failure of Congress to provide for minimum standards of camp safety, which protect our children from

carelessness, mismanagement, and blatant disregard for the welfare of young campers. It is a bitter irony that we enact legislation to protect plants, sealife, wild horses and burros, while refusing to raise our voice on behalf of the millions of boys and girls who attend camp each summer.

The current laws covering youth camps are woefully inadequate. More than 50 percent of all children going to camp, do so in States with no camp safety laws. Even the best States have only limited controls on sanitation and safety, with no laws regulating the caliber of camp personnel, or the kinds of camp activities.

Mr. Speaker, today I am introducing the "Youth Camp Safety Act," on behalf of myself, and Mr. MCKINNEY. My sponsorship continues a commitment to youth camp safety in the Connecticut delegation which began more than a decade ago, and was carried on most recently by my distinguished predecessor, Mr. SARASIN. The bipartisan nature of this commitment in Connecticut is appropriate, for there is no room for partisan politics when the safety of our children is at stake. I can only hope that the 96th Congress will follow this example and defend our youth from the carelessness and exploitation to which they are so vulnerable.

LEGISLATIVE PROGRAM

(Mr. CONABLE asked and was given permission to address the House for 1 minute.)

Mr. CONABLE. Mr. Speaker, I asked for this time for the purpose of asking the distinguished majority leader about what the schedule is for next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Texas.

Mr. WRIGHT. In response to the question of the gentleman from New York (Mr. CONABLE), I can advise the following with respect to next week's schedule:

On Monday the House will meet at noon. There are no District bills or suspensions scheduled. However, recorded votes have been scheduled on 10 House committee funding resolutions which were debated yesterday. Those votes will be held on Monday.

On Tuesday the House will meet again at noon. We have one suspension scheduled. That bill, S. 37, pertaining to changes in Public Law 95-630, is due out of the Committee on Banking, Finance and Urban Affairs. As I understand it, that bill contains a technical amendment to the Privacy Act.

On Wednesday, the House will meet at 3 p.m. The temporary debt limit increase, H.R. 1894, will come up under a modified open rule, with 1½ hours of general debate.

Then, on Thursday, we will convene at 11 in the morning and will take up H.R. 1147, Treasury authority to waive countervailing duties, subject to the granting of a rule.

On Friday the House will not be in session for reasons which everyone should certainly be aware of, it being March 2.

Mr. CONABLE. I thank the distinguished majority leader.

I would like to ask a question about the votes to be held on Monday. Is there any chance that those votes will be further postponed? Many of us were surprised at the postponement yesterday.

Mr. WRIGHT. No. In response to the question, there is not any chance that they will be further postponed. Those votes are scheduled for and will be held on Monday next.

Mr. CONABLE. Therefore, all Members are on notice that those votes will be up then.

Will there be clustering of these votes and will the votes be shortened?

Mr. WRIGHT. It is anticipated that the votes will be shortened. They will be clustered. The first vote will be a 15-minute vote, and subsequent votes in that series will be 5-minute votes.

Mr. CONABLE. I ask the distinguished majority leader if those votes will be the first order of business after the 1-minute speeches.

Mr. WRIGHT. Indeed they will be. They may be the only order of business, but they surely will be the first order of business to be taken up on Monday. Members, therefore, should be advised that it is important to be here on Monday if they want to be recorded on those 10 votes.

They should be advised also that it is not necessary to be here on Friday, it being an important day, March 2, as I pointed out earlier.

□ 1115

Mr. CONABLE. I thank the distinguished majority leader.

Mr. WRIGHT. The gentleman wants to know why March 2 is an important date?

Mr. CONABLE. I am sure the majority leader has his reasons.

Mr. WRIGHT. It is Texas Independence Day, of course.

Mr. CONABLE. Mr. Speaker, I am very grateful for the elucidation that the majority leader has given, and I will not worry about it any longer. I am glad to know that Texas is independent.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business otherwise in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, FEBRUARY 26, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5(b)(1) of rule I, the Chair announces that he will postpone further proceedings today on each question of agreeing to the concurrent resolution on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall vote, if postponed, will take place on Monday, February 26, 1979.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MERCHANT MARINE MARCH

Mr. BREAUX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 3) expressing the sense of the Congress that "Our American Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 3

Whereas the American merchant marine is often justly referred to as the fourth arm of defense for its inestimable contributions to the Nation in the past both in time of peace and in time of war;

Whereas each of the other arms of national defense has its own patriotic march for its use on public occasions in parades and otherwise;

Whereas to date the American merchant marine has had no such suitable march for its use;

Whereas Mr. Earl W. Clark, well-known in the maritime community and The Propeller Club of the United States, has composed a stirring and memorable march for which he has also written inspiring lyrics;

Whereas the author and others have performed the march in public and in private on a number of occasions upon which it has always been enthusiastically received: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, "Our American Merchant Marine March" as written and composed by Earl W. Clark be and it hereby is recognized as the official march of the American merchant marine.

SEC. 2. The Congress calls upon the maritime academies, other maritime organizations, and all those having an interest in the American merchant marine, to take appropriate action in order to insure the widest possible public acceptance and recognition of this music and its patriotic theme.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Amend section 1 by deleting "American" the first time that it appears.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The gentleman from Louisiana (Mr. BREAUX) is recognized for 1 hour.

● Mr. BREAUX. Mr. Speaker, I rise to move that unanimous consent be given House Concurrent Resolution 3, as amended, to express the sense of Congress that "Our Merchant Marine March" be recognized as the official march of the American merchant marine.

The merchant marine, the fourth arm of defense, has in its long and glorious history, never had a march of its own. At official functions and parades, uniformed elements of the merchant marine have had to make do with marching music which was not identifiable as music of the merchant marine.

Earl W. Clark, the author of "Our Merchant Marine March," has given us a march which fills this void. Mr. Clark, well known for his work in advancing the U.S. merchant marine was the first deputy Maritime Administrator, is a leader of the Propeller Club and currently is codirector of the Labor-Management Maritime Committee. It is fitting that the stirring music and lyrics of "Our Merchant Marine March" was given us by so widely respected a figure, in maritime affairs, as Earl W. Clark.

The Merchant Marine and Fisheries Committee met on February 6, 1979, and unanimously reported the resolution, with an amendment. The amendment corrected the title of the march in the resolution to conform with the title of the march as written. The resolution recognizes "Our Merchant Marine March" as the official march of the American merchant marine and calls upon the maritime academies and others having an interest in the merchant marine to give the march the widest possible public exposure.

Mr. Speaker, I think a march for the merchant marine has been too long overdue, and I would urge all my colleagues to join us in passing this resolution.●

The concurrent resolution was agreed to.

The title was amended so as to read: "Expressing the sense of the Congress that 'Our Merchant Marine March' as written and composed by Earl W. Clark be recognised as the official march of the American merchant marine."

A motion to reconsider was laid on the table.

BALANCED BUDGET AND DEBT LIMITATION AMENDMENT

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, unless the Congress is prepared to ignore the will of the American people, we must incorporate new means to insure that fiscal responsibility becomes a reality in the Federal Government. It is no longer enough to promise we will try to do better where debt and inflation are concerned. There have been too many evaporating promises of frugality. There has been too little performance.

I share the view that a wholly inflexible constitutional amendment requiring a balanced budget would leave us helpless to fight either war or depression. I share the fear of many that a constitutional convention called to balance the budget might dangerously exceed its stated purpose.

But I also know that a government scorned by its citizens cannot lead. This Government has traveled far down the road toward universal scorn from the people it is supposed to represent. Regaining the confidence of the American people is a prerequisite to leadership, and leadership, I am afraid, will be tested under the most adverse conditions in the years just ahead.

Our Government and our Congress cannot function effectively so long as the American people are convinced our major ability is the ability to spend them into the poorhouse. No single action would do more to restore faith in this Congress than would a self-imposed limit on spending.

The legislation I introduce today would require balanced Federal budgets and limited real national debt in times of peace and prosperity.

The amendment I proposed differs in several ways from others which have been introduced. It combines maximum flexibility to respond to adverse economic conditions with a tight limit on real national debt and a requirement that new debts incurred in peace-time efforts to combat recession be repaid within 5 years, rather than be pyramided on top of our already burdensome long-term national debt. Specially, my amendment would:

First. Require a balanced budget except during wartime, national emergency or years when growth falls below 3 percent.

Second. Require 5-year payback of debts incurred other than in wartime or time of emergency.

Third. Limit the total national debt to no more than 30 percent of total national income except during wartime or national emergency.

The purpose of these provisions is to permit debt to be incurred during economic slowdowns in the amounts needed to combat the problem, while at the same time requiring that these debts be repaid during the next economic upturn (within 5 years) and keeping these debts within reasonable limits by holding total national debt at no more than 30 percent of total national income (in fiscal year 1979, debt is estimated to be 28.4 percent of GNP).

Whether the specific provisions of my amendment are finally adopted over those in the numerous other amendments which have been proposed this year is of little consequence. How this Congress responds to the people, and to inflation, is of the greatest consequence.

A responsible balanced budget amendment is demanded by the people we represent and by the inflation they despise. I believe this Congress can write a responsible amendment and I hope the legislation I offer today will contribute toward that end.

□ 1120

HELP FOR THE U.S. FISHING INDUSTRY

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognised for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, when the landmark 200-mile fishing jurisdiction law was enacted 2 years ago, Congress and representatives of the U.S. fishing industry hailed it as the end to a long struggle.

In truth, it was only the beginning.

The 200-mile law set forth a promise: A promise of more abundant fish stocks, a promise that American fishermen would no longer fight foreign fishermen for the right to harvest resources off their own coasts, a promise that all Americans would reap the benefits of the living resources within the 200-mile zone.

But that is all the 200-mile law did. Much work remains to be done if the promise of the 200-mile law is to be realized.

Today I am introducing two bills which I believe will take us another step down that road:

The first would establish a fund to provide direct low interest loans to encourage U.S. fishermen and U.S. processors to develop fish species previously taken by foreign nations. It would also modify, and expand to include owners of fisheries facilities, a loan guarantee program currently benefiting U.S. fishermen. Finally, it would provide low interest loans to help the fishing industry overcome economic hardships caused by natural disaster or certain Federal actions.

The second would extend the provisions of the Capital Construction Fund to U.S. fish processors and owners of other fisheries facilities.

Both bills focus on one crucial need of the U.S. fishing industry in the wake of the extended jurisdiction law: the need for money to modernise, to expand, to experiment in order to take full advantage of the 200-mile law.

In my visits with fishermen and processors over the past year certain problems relating to loans and financing seemed to surface time and time again. Among these: hefty down payments required, under current Government loan programs, the absence of long-term financing; the absence of special financing for fisheries facilities altogether; the lack of incentives to begin taking hake and other species previously given over to foreign countries; and the problems created by natural disasters and Government decisions over which fishermen have no control but which, nonetheless, affect them greatly.

These bills will help remove these obstacles by:

Providing low interest direct loans to fishermen and processors willing to pioneer in the taking and processing of underutilized species:

Extending loans periods to 15 years in the case of fishing vessels and 25 years in the case of fisheries facilities;

Making special financing available to fisheries facilities where it has not been available to them before;

Providing low interest loans to help offset economic problems resulting from natural disaster, Federal law or regulations, or Federal court decisions.

These bills are no panacea. Accomplishing the goals of the 200-mile law will still require all of the imagination, perseverance, and just plain hard work for which the American fishing industry is so well known.

These bills will, however, help give our industry the tools it will need to meet this challenge.

The bills follow:

H.R. 2331

A bill to provide incentive loans to the commercial fisheries industry for the development of underutilized fisheries and to authorize the Secretary of Commerce to guarantee certain other loans made by banks to the commercial fisheries industry

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Commercial Fisheries Financial Assistance Act of 1979".

SEC. 2. The purposes of this Act are—

(1) to increase the potential of the commercial fisheries industry to harvest, process, and market a greater percentage of the fish, shellfish, and other marine resources sold in this country;

(2) to strengthen the competitive position of the commercial fisheries industry with respect to foreign harvesters and processors, thereby resulting in increased economic stability in the domestic industry and full utilization of the resources within the extended fisheries zone by the domestic fisheries industry;

(3) to make available low-interest loans which are a necessary incentive for developing underutilized fisheries;

(4) to provide increased commercial fisheries opportunities for access to developmental capital; and

(5) to provide financial assistance to the commercial fisheries industry.

SEC. 3. As used in this Act, the term—

(1) "commercial fisheries industry" means all segments of such industry in the United States from harvesting to processing to distribution;

(2) "fishery" means a species or group of species forming a segment of the harvesting sector of the fisheries industry;

(3) "underutilized fishery" means such a species or group of species which are not harvested to their full optimum sustainable yield by the domestic commercial fisheries industry;

(4) "fisheries shoreside facilities" includes, but is not limited to, such new or used facilities as docks, receiving facilities, processing facilities, processing plants, and storage and distribution facilities, together with all necessary equipment;

(5) "processing facilities" means production equipment and facilities (including land) needed to receive the catch of fishing vessels, and prepare, hold, or distribute such catch for market;

(6) "citizen or national of the United States" means any individual who is a citizen or national of the United States or any corporation, partnership, or other entity organized under the laws of any State of the United States or the District of Columbia; however, no such corporation, partnership, or other entity shall be deemed to be a citizen of the United States unless it is a citizen within the meaning of section 2 of the Shipping Act, 1916 (46 U.S.C. 802);

(7) "Government's cost of money" means, as determined by the Secretary of the Treasury, the average market yield on outstanding Treasury obligations of comparable maturity;

(8) "short-term" means a period not exceeding thirty-six months;

(9) "economic distress" means short-term economic or resource dislocations caused by natural disaster, Federal law or regulation, Federal court decision, and such other dislocation as determined by the Secretary of Commerce. Such dislocation shall affect a substantial portion of the harvesting or processing sector, or both, of the commercial fisheries industry in any fishery, or affect a substantial portion of such industry within a State or region of a State, as determined by the Secretary of Commerce, in consultation with State and local representatives;

(10) "fishing vessel" means any new or used vessel, boat, ship, or other type of craft, regardless of size, together with all necessary gear and equipment, which is used for, equipped to be used for, or of a type which is normally used for—

(A) commercial fishing; or

(B) aiding or assisting in the performance of any activity relating to commercial fishing, including, but not limited to, preparation, supply, storage, refrigeration, transportation, or processing of fish; and

(11) "Secretary" means the Secretary of Commerce.

SEC. 3. The Secretary shall promulgate rules and regulations to carry out this Act.

TITLE I—DIRECT INCENTIVE LOANS

SEC. 101. (a) The Secretary shall make long-term, low-interest, incentive loans—

(1) for the construction, rehabilitation, purchase, or operation of new or used fisheries shoreside facilities for underutilized fisheries, and

(2) for the construction, rehabilitation, purchase, or operation of new or used fishing vessels for underutilized fisheries.

(b) Any such loan shall be provided at an interest rate, to be determined by the Secretary in accordance with the purposes of this section ,at a minimum of 3 per centum per annum and a maximum of the Government's cost of money, and with a maturity not exceeding fifteen years for fishing vessels and twenty-five years for fisheries shoreside facilities.

SEC. 102. The Secretary is authorized to make loans at an interest rate which shall be at a minimum of 3 per centum per annum and a maximum of the Government's cost of money for the purpose of providing financial assistance needed to offset economic distress in the commercial fisheries industry. Eligibility for such loans shall be restricted to applicants who can demonstrate profitable operations for a substantial period of time prior to the onset of the conditions. Such loans shall be made on the basis of regulations promulgated by the Secretary which will assure rapid and timely assistance where needed in such industry.

SEC. 103. (a) Before approving any loan under section 101, the Secretary shall determine that the applicant will possess, or for loans to be made under section 102, does possess the ability, experience, resources, and other qualifications necessary to reasonably assure repayment of the loan.

(b) Before approving any loan under section 101 or 102 for the purchase of a new or used fishing vessel which will not replace an existing fishing vessel, the Secretary shall determine that the applicant's contemplated operation of such vessel in a fishery is permitted by fisheries management plans implemented under the Fishery Conservation and Management Act of 1976.

(c) The Secretary shall endeavor to promptly process all applications for loans under sections 101 and 102, and in no event shall the Secretary fail to approve or deny an application within ninety days after receipt of the application.

(d) Loans may be made under this title only to citizens of the United States.

SEC. 104. (a) There shall be established in the Treasury a Commercial Fisheries Financing Fund which shall be used by the Secretary as a fund from which to make loans under this title. Any funds received by the Secretary on or before May 30, 1990, in payment of principal or interest on any loans so made shall be deposited in such Fund and be available for making additional loans under this title. Any funds received in such Fund after May 31, 1990 (at which time such Fund shall cease to exist), shall be paid into the Treasury as miscellaneous receipts.

(b) There is authorized to be appropriated to the Commercial Fisheries Financing Fund, without fiscal year limitation, the sum of $250,000,000 to provide capital for all loans under this Act, and to provide for the expense of administering them.

(c) Notwithstanding any other provision of this title, the authority of the Secretary to make loans under this title shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation acts.

SEC. 105. (a) Section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c) is repealed.

(b) Any outstanding loans made under such section 4 shall be handled in accordance with this title and the rules and regulations promulgated by the Secretary under this Act insofar as this title or those rules and regulations are not inconsistent with any loan contract entered into pursuant to such section 4. The fisheries loan fund created by such section shall hereby cease to exist. All assets and liabilities of such fund shall be transferred to and become a part of the Commercial Fisheries Financing Fund established by this title.

TITLE II—LOAN GUARANTEES

SEC. 201. (a) The Secretary is authorized to guarantee and to enter into commitments to guarantee the payment of the interest on, and the unpaid balance of the principal of, any loan made by a bank or other lending institution for—

(1) the construction, expansion, or rehabilitation, including the purchase of used facilities which are to be rehabilitated, of fisheries shoreside facilities; or

(2) the purchase, construction, or rehabilitation of fishing vessels.

(b) Any loan guaranteed under this section—

(1) shall have the borrower approved by the Secretary as responsible and possessing the ability, experience, resources, and other qualifications necessary for the adequate operation and maintenance of the fishing vessel or fisheries shoreside facility which serves as security for the guarantee of the Secretary;

(2) shall be in an aggregate principal amount which does not exceed 90 per centum of the actual cost or depreciated actual cost, as determined by the Secretary, of the vessel or facility which is used as security for the guarantee of the Secretary;

(3) shall have a maturity date satisfactory to the Secretary but, not to exceed twenty-five years in the case of a loan referred to in subsection (a)(1) or fifteen years in the case of a loan referred to in subsection (a)(2);

(4) shall provide for payments by the borrower satisfactory to the Secretary;

(5) shall bear interest at a rate not to exceed such per centum per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary;

(6) may only be made to a borrower who is a citizen or national of the United States; and

(7) shall be approved by the Secretary only upon the furnishing of such security or other reasonable assurance of repayment as the Secretary shall require considering the objectives of this Act; and the proposed collateral for any such loan shall be of such a nature that, when considered with the integrity, ability, and prospective earnings of the borrower, repayment of the loan will be reasonably assured.

SEC. 202. There is hereby created a Commercial Fisheries Loan Guarantee Fund (hereinafter referred to in this title as the "Fund") which shall be used by the Secretary as a revolving fund for the purpose of carrying out this title. There is authorized to be appropriated to the Fund $1,000,000. Moneys in the Fund shall be deposited in the Treasury of the United States to the credit of the Fund or invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States.

SEC. 203. (a) In the case of any loan guaranteed by the Secretary under section 201, the Secretary shall not guarantee the principal of such loan in an amount in excess of 90 per centum of the face amount of the loan.

(b) The full faith and credit of the United States is pledged to the payment of all guarantees made under section 201 with respect to both principal and interest, including interest, as may be provided for in the guarantee, accruing between the date of default under a guaranteed loan and the payment in full of the guarantee.

(c) Any guarantee, or commitment to guarantee, made by the Secretary under section 201 shall be conclusive evidence of the eligibility of the loans for such guarantee, and the validity of any guarantee, or commitment to guarantee, so made shall be incontestable.

(d) The aggregate unpaid principal amount of the loans guaranteed under section 201 and outstanding at any one time shall not exceed $350,000,000.

(e) The Secretary shall endeavor to promptly process all loan guarantee applications, and in no event shall the Secretary fail to approve or deny an application within ninety days after the date of receipt of the application.

(f) The Secretary shall charge and collect from the borrower such amounts as he may deem reasonable for the investigation of applications for a guarantee, for the appraisal of properties offered as security for a guarantee, for the issuance of commitments, and for the inspection of such properties during construction, expansion, or rehabilitation: *Provided*, That such charges shall not aggregate more than one-half of 1 per centum of the original principal amount of the loan to be guaranteed.

(g) All moneys received by the Secretary under this title shall be deposited in the Fund.

SEC. 204. Loans guaranteed under this title and agreements relating thereto shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Secretary), liens and releases of liens, payments of taxes, and such other matters as the Secretary may prescribe.

SEC. 205. (a) In the event of a default which has continued for thirty days in any payment by the borrower of principal or interest due under a loan guaranteed under this title, the lender or his agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than ninety days from the date of such default, payment by the Secretary of the unpaid principal amount of the loan and of the unpaid interest thereon to the date of payment. Within such period as may be specified in the guarantee or related agreements, but not later than thirty days from the date of such demand, the Secretary shall promptly pay to the lender or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment: *Provided*, That the Secretary shall not be required to make such payment if prior to the expiration of said period he shall find that there was no default by the borrower in the payment of principal or interest or that such default has been remedied prior to any such demand.

(b) In the event of any payment by the Secretary under subsection (a), the Secretary shall have all rights in any security held by him relating to his guarantee of such loans as are conferred upon him under any security agreement with the borrower. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary shall have the right, in his discretion, to complete, recondition, reconstruct, renovate, repair, maintain, operate, charter, or sell any property acquired by him pursuant to a security agreement with the obligor or may place a vessel in the national defense reserve.

(c)(1) Any amount required to be paid by the Secretary pursuant to subsection (a) shall be paid in cash. If at any time the moneys in the Fund are not sufficient to pay any amount the Secretary is required to pay, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under such Act are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Funds borrowed under this section shall be deposited in the Fund and redemptions of such notes and obligations shall be made by the Secretary from such Fund.

(2) Notwithstanding any other provision of this subsection, the authority of the Secretary to issue notes or other obligations under this subsection shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation acts.

(d) In the event of a default under any guaranteed loan or any related agreement, the Secretary shall take such action against the borrower or any other parties liable thereunder that, in his discretion, may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the lender and the lender shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary shall have the right, in his discretion, to accept a conveyance of title to and possession of property from the borrower or other parties liable to the Secretary, and may purchase the property for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Secretary shall receive through the sale of property an amount of cash in excess of any payment made to a lender under subsection (a) and the expenses of collection of such amounts, he shall pay such excess to the borrower.

H.R. 2330

A bill to amend the Merchant Marine Act, 1936, to provide for the establishment of capital construction funds for fisheries facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 607 of the Merchant Marine Act, 1936 (46 U.S.C. 1177), is amended to read as follows:

(a) AGREEMENT RULES.—Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)), or one or more fisheries facilities (as defined in subsection (k)(9)), may enter into an agreement with the Secretary of Commerce under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the "fund") with respect to any or all of such vessels or facilities. Any agreement entered into under this section shall be for the purpose of providing—

"(1) replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States, or

"(2) replacement, additional, or reconstructed fisheries facilities in the United States,

and shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary of Commerce may by regulations prescribe or are set forth in such agreement; except that the Secretary of Commerce may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year (computed in the manner provided in subsection (b)(1)(A)) which is attributable to the operation of the agreement vessels or facilities or from the sale or marketing of fish or fish products.".

SEC. 2. Subsection (b) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or which is attributable to the operation of the agreement facilities, or from

the sale or marketing of fish or fish products" at the end thereof;

(2) in subparagraph (B) of paragraph (1) by inserting "or facilities" after "vessels"; and

(3) in subparagraph (C) of paragraph (1) and in paragraph (2) by inserting "or facility" after "vessel" each place it appears.

Sec. 3. Subsection (f) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or a fisheries facility," after "vessel," and

(2) in subparagraph (C) by inserting ", a fisheries facility," after "reconstruction of a qualified vessel".

Sec. 4. Subsection (g) of section 607 of such Act is amended—

(1) in paragraphs (2) and (3) by inserting "facility," after "vessel," each place it appears; and

(2) in paragraph (4) by inserting "facilities," after "vessels,".

Sec. 5. Subsection (k) of section 607 of such Act is amended by adding at the end thereof the following new paragraphs:

"(9) The term 'fisheries facility' or 'facility' means a new or used facility in the United States, including but not limited to, docks, equipment, and buildings, for the receiving, preparing, processing, refrigerating, storing, and distributing of fish or fish products.

"(10) The term 'agreement facility' means any fisheries facility which is subject to an agreement entered into under this section.

"(11) The term 'fish' means fin fish, mollusks, crustaceans, and all other forms of marine animal and plant life (other than marine mammals and birds) which have been harvested by a commercial fishing vessel of the United States.

"(12) The term 'fish products' means any article which is produced from or composed of (in whole or in part) any fish."

ATTORNEY GENERAL WARNS OF REGULATION DANGER

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, while I have sometimes been a harsh critic of the growing problem of Government regulation and rule by bureaucracy, I doubt that anything I have said to date has made the point quite as impressively as the remarks of Attorney General Griffin Bell at the University of Kansas in January. Given Judge Bell's experience in the judiciary and now as Attorney General in this administration, Americans cannot help but pay careful heed to what he has to say.

When a man like Griffin Bell says that the viability of the Republic is at stake or that we are on the verge of "societal suicide," we need to listen. When our own Government's bureaucracy is compared to an army of occupation "more pervasive and more powerful than all the Union armies of Reconstruction," we need to listen. These are not the words of banquet circuit rhetoric or an anti-Government zealot; these are words carefully chosen by one who carefully chooses his words.

It is no adverse reflection on the incumbent President when I say that the President, indeed, no President, can control the burgeoning bureaucracy. Even aside from the so-called independent rulemaking agencies, which are clearly beyond his control, there is no actual way for a President to control the thousands of rulewriting bureaucrats in his own executive branch departments. In fact, there is even a question now being raised as to whether the President has the legal authority to control his very own appointees in the Federal bureaucracy in writing rules which have the force of law.

Hence, I say again, it falls to the Congress to control the bureaucracy.

I strongly recommend the reading of Judge Bell's speech on the dangers of increasing Government regulatory control over the lives of Americans through an unelected bureaucracy:

NOTES ON THE SITUATION: A CRITIQUE

Benjamin Harvey Hill was a distinguished Georgian who did his best prior to the Civil War to prevent the secession of Georgia from the Union. Having lost, he joined the Confederacy. Following the War and Reconstruction, he became a United States Senator from Georgia, but it was during the Reconstruction that he became prominent by reason of a series of newspaper columns entitled, *Notes on the Situation*.[1] I have appropriated that title for my remarks tonight.

What happened to the South during the Reconstruction is a subject of continuing interest to political scientists as well as to historians. It was a period when one part of our country was under occupation by the armed forces of the nation. It was a period during which the national Congress engaged in a concerted effort to reconstitute the political and economic structure of the conquered territory.

We have no occupation as such today, but the entire nation—not just the South—is presently regulated by a force more pervasive and more powerful than all the Union armies of the Reconstruction. That force is the federal bureaucracy, which by laws and regulations, by orders and printed forms, and by a thousand other unseen methods subjects all of us to some degree of federal scrutiny and control.

It will be my thesis tonight that if the Republic is to remain viable, we must find ways to curb, and then to reduce, this government by bureaucracy. We must return to government by directly accountable public officials—local, state, and federal. The only other alternative, I predict, is to have an increasingly costly and inefficient form of government, wholly removed from democratic control—and I use the lower case "d" in democratic here! When our society is threatened from within and without by such awesome problems as inflation, military aggression, poverty, and world famine, this evergrowing bureaucracy is more than a painful nuisance: it is a prescription for societal suicide.

In elobarting on this thesis, I speak to you from the vantage point of a public official, one who has served in the Federal Judiciary and who now serves in the Executive Branch. My observations are not those of a political scientist or a historian, although I claim to be an amateur in each field.

Obviously, for the next half hour, I will be speaking to you as a concerned citizen schooled in public service and *not* as a spokesman for the Administration. These thoughts are definitely my own—as you will shortly hear!

Let me begin by noting my credentials to criticize the federal bureaucracy. As Attorney General I am in charge of some 55,000 employees within the Justice Department, who are spread over 23 separate component offices, bureaus, and divisions. Our budget, which is small by comparison, will come to about two and one-half billion dollars for fiscal year 1979.

I am not alone in concluding that the unchecked growth of the federal bureaucracy may be a mortal threat to our historic forms of government. New York's Senator Daniel Patrick Moynihan, the eminent scholar and former Ambassador to India, gave a memorable address last March in New York City, in which he spoke of the imperial presidency, the imperial Congress, and even the imperial judiciary.[2] He concluded that the inevitable concomitant of "imperial" government was the spread of bureaucracy from the executive branch to the legislative and the judicial branches as well. If I may quote from that speech: "• • • the long run effect will be to create government by submerged horizontal bureaucracies that link the three branches of government, speaking their own private language, staying in place while their Constitutional masters come and go."[3]

It is in the vein of Senator Moynihan's remarks that I speak to you tonight about our federal government. The restlessness of the American people is now manifesting itself in the notion of calling a Constitutional Convention through an application from two-thirds of the state legislatures.[4] The Founding Fathers gave us this alternative way of amending the Constitution, doubtless foreseeing that the people might some day lose control of the federal government and even of the Congress to the extent that they could not achieve their will.

This state of governmental affairs is worth pondering. Lack of control has a good deal to do with the scourge of inflation, fueled in part by government spending; it has much to do with the present flood of stultifying federal regulations; and it has much to do with citizen frustration, caused by a seeming inability to govern ourselves.

A recent Wall Street Journal editorial made the clearest statement about this phenomenon: "There is a clear sense in this country that government has become highly wasteful of resources and too big and internally contentious to respond to changing circumstances and needs. The time required to get the necessary government clearances and build a single electric power plant in the U.S. is now triple the length of time the U.S. needed to mobilize for and fight World War II."[5] That is a cold and sober observation.

Senator Moynihan has provided us with a short and accurate description of the problem, but few have gone beyond rhetorical attacks on that problem. It has been often said that it is better to light one candle than to curse the darkness. As a lawyer, I put it in different terms in stating that one should not rail at the law. By the same token, we should not rail at the government; rather our approach should be to correct the government.

Therefore I would like to make a few modest suggestions which, hopefully, may assist in turning the tide.

These suggestions are in the nature of refurbishment. They in no way undermine or even disparage our system. They are corrective in nature and are asserted under our duty as citizens to seek to improve the system. It is through such duty that we replenish our democracy under our constitutional system.

As a first step, I would amend the Constitution to provide one six-year term for the President.[6] This is certainly not a new idea, having been originally proposed in Congress in 1826 and reintroduced some 160 times since then. It has been advocated by several Presidents. But it is an idea whose time may have come. This change will enable a President to devote 100 percent of his or her attention to the office. No time would be

Footnotes at end of article.

spent in seeking reelection. Under the present system, the President serves three years and then must spend a substantial part of the fourth year in running for reelection, assuming a President decides to seek reelection.

Moreover, the current four year term is actually too short to achieve any of the major changes and improvements that a President should accomplish. The funding cycles are so long that it is well into a President's third year before his own program changes take effect. This leaves the bureaucracy in control.

A single six-year term would permit the long-term, steady planning and implementation that our government needs, plus saving that fourth year now lost to campaigning.

Second, I would propose a complete review and reduction of the regulating and litigating authority of the independent federal agencies. The President has the authority now to curb those departments within the Executive Branch of the government, but, to the surprise of most Americans, the independent agencies such as the Federal Trade Commission, the Consumer Products Safety Commission, and the Nuclear Regulatory Commission are all wholly separate and not subject to his control at all. Most have the power to promulgate regulations and rules that affect all of us, and many have the statutory power to litigate in the name of the United States, even when the positions being advocated by them are contrary to those taken by the Department of Justice. And their regulations are legion and growing every day.

Third, I would place a severe restriction on the staffs allocated to the President, the Congress, and even the federal courts. More staff invariably means more time in which to evolve more ideas about how to increase government control over the lives of the American people. But at the same time we make this move, we as citizens must also lower our own expectations about government. In large measure, the size of government has grown because we have all benefited at one time or another from some federal programs. The temptation is overwhelming to ask that the federal government pay for this project or to support that program, because then the average citizen cannot so easily perceive the linkage between the service delivered and the price paid in terms of the incremental federal tax dollars. Local officials and local citizens alike praise the award of federal grants to local communities, but they fail to recognize that such aid builds the federal bureaucracy and furthers the loss of local government control and responsibility.

As a former federal judge and now as Attorney General, in charge of our 3,800 lawyers in the Justice Department, I can personally testify to the growth of the federal judiciary and its increased own role in our lives. Again, this growth stems mostly from the desires of the American people, who now turn to the courts—and especially the federal courts—at the slightest provocation.[7] The caseload in turn fuels the demands for more and more judges and more and more support staff. The citizenry must reaffirm its commitment to other and more informal dispute resolution devices, or it cannot rightly complain when the judiciary, like its sister branches, continues to increase in size in response to cries for more services.

Fourth, I would urge Congress to sharply curtail, if not abolish, the so-called "rulemaking" powers of the independent regulatory commissions. To most of you in this audience tonight, the concept of "rulemaking" might sound as though it were simply a procedural device, used to set out the rules under which a particular agency might conduct itself. That is far from the way that term is used in Washington! In truth, rulemaking is a total substitute for all other forms of government, executive, legislative, and even judicial. Its abuse can stymie and frustrate the government of whole states and the operations of entire industries.

A classic case was presented to me while I was a Circuit Judge on the 5th Circuit.[8] The State of Texas had, pursuant to federal law, produced a state plan to control smog within the limits set down by federal regulations. The Environmental Protection Agency—or EPA, as we call it—disapproved the Texas plan and issued under its rule-making powers its own plan, which incorporated the Texas controls and a host of other more stringent requirements. To our surprise, we found that the EPA had established its standards for Texas largely on a study done for the Los Angeles, California, region, and that that study had been performed 15 years earlier, so as to be totally out of date. Yet, but for our order to the EPA, the citizens of Texas would today still be paying for a set of air quality controls promulgated by a set of faceless bureaucrats in Washington, based on a contracted study from Los Angeles, 15 years out of date. That is rule-making.

Of course, once the rule is made by an agency, all interested parties are given the right to comment. But the point is that rulemaking has none of the safeguards of the legislative process and yet also is a nonadversary proceeding.

Fifth, I would urge strong support for President Carter's plans to reduce the volume, complexity, and cost of government regulations generally. As Attorney General, charged with enforcing the nation's laws, I have seen so much burden cast upon our citizens by the host of regulations. Federal regulations currently in force cover about 60,000 printed pages with thousands more in interpretations and guidelines. They are often written in defiance of the English language. Many of these regulations have retarded our real economic growth, by impairing our efforts to improve the productivity of labor and capital. And the paperwork and compliance burden on the smaller American businesses is simply impossible, so that the net result is wholesale disobedience, which then breeds disrespect for the law generally. If large numbers of our people begin to ignore our law, we will lose that cohesive attitude which has so symbolized our country and which has saved our Republic from anarchy and ruin on countless occasions.

For these reasons, the President has ordered the reduction in the number of regulations and a simplification of their reporting requirements.[9] Thus far, the number of reporting hours has been reduced by 85 million hours per year, or about 10 percent—which is equivalent to the work of 50,000 people for one year. He has also required major new regulations to be accompanied by a comprehensive cost-benefit study, so that the social and economic merits can be weighed against the likely costs. That, too, will reduce the number and complexity of regulations. Necessary and proper regulations will be continued but at the least expensive and burdensome level. And this will help in the fight against inflation, because each incremental cost added to a product or service by a new and perhaps unnecessary regulation further erodes the buying power of the American dollar. Such a watch over the cost of new regulations might be termed an "inflation impact statement."

And, sixth, we need to restore confidence and nonpartisan support to some of the fundamental units of the federal government. It is interesting to note that three Cabinet officials were exempted by the President from attending the recent mini-convention of the Democratic Party in Memphis: the Secretary of Defense, the Secretary of State, and the Attorney General. That suggests to me that these officers and their departments have to be seen as non-partisan, charged to work under neutral principles of law and policy. There is no room in our federal system for the vagaries and vicissitudes of partisan politics in the conduct of our national defense or our foreign relations; in like fashion, the laws of our land must be enforced without fear or favor as to party affiliation.

I mention this last fact, not because it relates to my earlier observations about bureaucracy, but because these three arms of the executive branch are the guardians of our freedoms. It is through their independence and professionalism that we American citizens have the liberties—and even license—to debate and discuss how our government is to be run. So in their strength lies the strength of the American people.

I can tell you that we at the Justice Department have tried very hard over the last two years to erase the ugly stains of the Watergate era and to create a truly independent, professional organization. I am proud that from the FBI to the DEA to our litigating divisions, we have accomplished that goal. We operate by and fully in accordance with the law, on a non-partisan basis, as President Carter pledged to do when he took office. That will be the pledge of the Department from now on.

As I said at the beginning of these remarks, I am speaking as an American citizen proud of his country's achievements over two centuries and yet fearful of what lies ahead for his nation. We have come to a crossroad in the history of this land—politically, morally, and philosophically. Each of us must now decide who, if anyone, shall be given this enormous power over our lives.

I have often said that the wisest use of power is not to use it at all. But if such power must be used, use it sparingly. That is the prescription I would write for our federal government today, for the temptation of great power may otherwise be too great to resist. As Abraham Lincoln so aptly put it in 1837, "I believe it is universally understood and acknowledged that all men will ever act correctly, unless they have a motive to do otherwise."[10]

President Carter and I share a common conviction that it is time to return government to the people. We believe that we have no roving commissions to do good, that such an attitude on the part of government constitutes a gross abuse of power. Our Administration is committed to devolving power back to the people of this country, to save the nation from its own ever-growing government.

So, in closing, let me once again refer to Benjamin Harvey Hill, that distinguished Georgian and American, whose statue in the Georgia State House bears this inscription: "Who saves his country saves himself, saves all things and all things saved do bless him. Who lets his country die lets all things die, dies himself ignobly and all things dying curse him." Thank you.

FOOTNOTES

[1] B. H. Hill, *Notes on the Situation*, (Augusta, Ga., 1967).

[2] Senator Daniel Patrick Moynihan, "An Imperial Presidency Leads to an Imperial Congress Leads to an Imperial Judiciary: The Iron Law of Emulation," Herbert H. Lehman Memorial Lecture, March 28, 1978.

[3] *Id.*, p. 17.

[4] U.S. Constitution, Art. V.

[5] *Wall Street Journal*, January 22, 1979, p. 20.

[6] *See* Hearings before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary, S.J. Res. 77 (to amend the Constitution by providing a single, six-year term for the President), October 28–29, 1971. *See also* Lyndon B. Johnson, *The Vantage Point*, p. 344 (Holt, Rinehart: New York, 1971).

[1] *See, e.g.*, "Why Everybody Is Suing Everybody," *U.S. News and World Report*, December 4, 1978, pp. 50 et seq.

[2] *State of Texas* v. *Environmental Protection Agency*, 499 F2d 289 (5th Cir. 1974), *stay denied*, 421 U.S. 945 (1975).

[3] Executive Order 12044, March 23, 1978.

[4] Abraham Lincoln, Speech in the Illinois Legislature, January 11, 1837.

ESTONIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on Saturday, February 24, Estonian-Americans all over this Nation will commemorate the 61st anniversary of the Declaration of Independence of the Republic of Estonia, and it is with pride that I join in this commorative event in the House of Representatives.

The intellectual and material renaissance in Estonia during independence, after centuries of medieval czarist rule, was astounding. In only 20 years, the Estonian people, due to the winning of long coveted national freedom, gained the admiration of the world because of their political, cultural, and economic progress.

It is appropriate that we again call the attention of all Americans and peoples of the world to the sad plight of the people of Estonia, a nation occupied by the Soviet Union in 1940 and still held under the cruel domination of Soviet tyranny and brutal Russianization.

Mr. Speaker, the Estonian National Council has issued a statement marking this occasion of Estonian Independence Day, and a copy of that statement follows:

A STATEMENT ON THE OCCASION OF THE SIXTY-FIRST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

After centuries of foreign rule the independence of Estonia was proclaimed on February 24, 1918.

Immediately thereafter, the German Army occupied the country, a situation which lasted until World War I armistice in November 1918.

Subsequently the Russian Bolshevik Army attacked Estonia with the aim of imposing the Communist system upon the Estonian people. The young Republic was forced to protect itself and to resist the invaders in order to secure and maintain its independence.

The Provisional Government adopted the principle: "No compromise with the Communists". The die had been cast! The Estonian War of Independence started on November 28, 1918 and was concluded successfully on January 3, 1920.

Great Britain, Finland, Sweden and Denmark provided either financial support or volunteer troops to assist the young Republic in fighting off the aggressors. The young Estonian Army, with this aid, and the unstinting support of the population at large, rapidly developed into a fierce fighting force for the independence of its nation. On February 2, 1920 a Peace Treaty was signed between the Republic of Estonia and the Soviet Socialist Republic of Russia by which the latter ". . . agreed to renounce voluntarily forever all rights over Estonian territory and people".

Recently, the Estonians in the free world commemorated the 60th anniversary of the beginning of the successful War of Independence. To the present time it has remained a symbol of self-sacrifice and inspiration for all those who are concerned with the cause of Estonia.

The spirit of this heroic struggle is also a source of inspiration in Soviet occupied Estonia, especially for younger generation, who want to know more about the "real history" of the Estonian people, instead of the falsehoods perpetuated by the Soviet regime.

The deal between Hitler and Stalin of August 23, 1939, known as the Molotov-Ribbentrop Pact, condemned Estonia and her neighbors Latvia and Lithuania to the Soviet sphere of influence. This was the initial event which led to the willful Soviet breach of all solemn treaty obligations with the three Baltic countries and culminated in their forceful annexation in 1940.

The Soviet-imposed rule in Estonia has brought with it untold sufferings—arrests, deportations, executions as well as the so-called nationalization of all private property and the down-grading of social and working conditions. But above all fundamental freedoms have virtually been abolished.

One of the most threatening aspects for the Estonian people is the Russianization process, the aim of which is the destruction of the Estonian nation.

We are hopeful, that President Carter's human rights policy in conjunction with the Helinski CSCE follow-up meetings will serve as an effective weapon for liberalization of the current repressive policies practiced by the Soviet Union in Estonia and in other Baltic States of Latvia and Lithuania.

Of considerable moral support for the Estonian people is also the fact that the United States as well as a great number of other Western countries have not recognized the forcible annexation of Estonia by the Soviet Union.

On this sixty-first anniversary of the Declaration of Independence of Estonia all freedom-loving Estonians once more appeal to world public opinion to support the cause of freedom and justice for the Estonian people.

Mr. Speaker, we in the free world enjoy all the benefits of political and economic liberty, yet how can we fully enjoy our liberties while millions are deprived of the most fundamental human rights? It was because of the continuing oppression in Estonia and the other Baltic States that I introduced House Concurrent Resolution 49, and a copy of that resolution follows:

H. CON. RES. 49

Whereas the United States does not recognize the illegal annexation by the Soviet Union of the Baltic nations of Estonia, Latvia, and Lithuania;

Whereas the United States as a member of the United Nations has pledged, in article 55 and 56 of the United Nations Charter, ". . . to take joint and separate action . . ." to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion";

Whereas the House of Representatives Select Committee to Investigate Communist Aggression of the 83rd Congress thoroughly investigated the seizure of the Baltic nations by the Soviet Union and, in its Third Interim Report, concluded, "The evidence is overwhelming and conclusive that Estonia, Latvia and Lithuania were forcibly occupied and illegally annexed by the U.S.S.R.";

Whereas the United States, as a signatory to the Final Act of the Conference on Security and Cooperation in Europe, endorsed Principle VIII, relating to equal rights and self-determination of peoples, which states, ". . . all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development . . ." and, "The participating States . . . also recall the importance of the elimination of any form of violation of this principle."; and

Whereas the House of Representatives in the 94th Congress, by adopting H. Res 864 reaffirmed the United States policy with respect to the Baltic nations (and thereby urged positive actions): Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the President should enter into negotiations with the Soviet Union to secure the withdrawal from Estonia, Latvia, and Lithuania of all military forces and political, administrative, and police personnel not under the auspices of those respective countries;

(2) another purpose of such negotiations should be to secure the release of political prisoners of Estonian, Latvian, and Lithuanian nationality from prisons, labor camps, psychiatric institutions, and other detention centers within the Soviet Union and their return to the countries of Estonia, Latvia, or Lithuania, as the case may be;

(3) the President should instruct the United States delegation to the preparatory meeting of the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe to present as specific agenda items—

(A) the illegal seizure and annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and

(B) the denial by the Soviet Union of self-determination and territorial integrity to Estonia, Latvia, and Lithuania by the Soviet Union; and

(4) the President should make every effort to gain the support and cooperation of all nations in achieving the objectives of the negotiations set forth in paragraphs (1) and (2) and in securing the agenda items set forth in paragraph (3).

Mr. Speaker, I am honored to have a part in the 61st anniversary commemoration of the Declaration of Independence of the Republic of Estonia, and I extend my warmest greetings to those Americans of Estonian descent in Chicago and all over the country who are commemorating this occasion. I join them in their fervent hopes and prayers that the Estonian people will one day be free.●

IN APPRECIATION OF EVELYN MAYHUGH WRIGHT

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, one of the most dedicated staff members ever to work in the Congressional Research Service, Evelyn Mayhugh Wright, will soon be retiring after 35 years in the Federal Government. She began working in the American Law Division of what was then the Legislative Reference Service in 1947 and has served the Congress so exceptionally well that it is only fitting that we take time to recognize her endeavors and achievements.

Associated with the Digest of Public General Bills and Resolutions and the American Law Division during her entire CRS service, Evelyn Wright has performed detailed legal and legislative research with the highest competence and diligence. As testimony to her excellence, her files contain numerous commendations and expressions of appreciation from Members of Congress and their staffs. The consistently high caliber of her work, the knowledge and resourcefulness she has applied to each research assignment, and her unfailing dedication have made her one of the most valuable members of the American Law Division.

While we wish her all the enjoyments of a well-deserved retirement, Evelyn Wright's departure will be a loss to all of us in Congress, as well as to the Library of Congress and the Congressional Research Service.●

RULES OF COMMITTEE ON SCIENCE AND TECHNOLOGY

(Mr. FUQUA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FUQUA. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for printing in the CONGRESSIONAL RECORD the Rules of the Committee on Science and Technology, adopted in open session on Tuesday, February 13, 1979:

RULES GOVERNING PROCEDURE, COMMITTEE ON SCIENCE AND TECHNOLOGY

GENERAL

1. The Rules of the House of Representatives, as applicable, shall govern the committee and its subcommittees. The rules of the committee, as applicable, shall be the rules of its subcommittees.

COMMITTEE MEETINGS

Time and place

2. Unless dispensed with by the chairman, the meetings of the committee shall be held on the 1st and 3rd Tuesday of each month the House is in session at 10:00 a.m. and at such other times and in such places as the chairman may designate.

3. The chairman of the committee may convene as necessary additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business.

*4. The committee shall make public announcement of the date, place and subject matter of any of its hearings at least one week before the commencement of the hearing. If the committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

*5. The committee may sit while the House is reading a measure for amendment under the 5-minute rule, provided 10 or more Members on the House floor do not object when special leave for such committee or subcommittee to sit is requested.

Presiding officer

*6. If the chairman of the committee is not present at any meeting of the committee, the ranking Member of the Majority Party on the committee who is present shall preside.

Order of business

*7. The order of business and procedure of the committee and the subjects of inquiries or investigations will be decided by the chairman, subject always to an appeal to the committee.

Membership

8. The majority of the Majority Members of the committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee and shall authorize the chairman to negotiate that ratio with the Minority Party; Provided, however, that party representation on each subcommittee (including any ex-officio Members) shall be no less favorable to the Majority than the ratio for the full committee. Provided, further, that Majority Party representation on conference committees also shall be no less favorable to the Majority Party than the ratio for the full committee.

Special meetings

9. If three or more Members of the committee desire a special meeting of the committee such Members may file in the offices of the committee their written request to the chairman for such meeting. The request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of such filing. If, within three calendar days after the filing of the request, the chairman does not call a special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the committee may file in the offices of the committee a written notice that a special meeting of the committee will be held, specifying a time and place, and the measure or matter to be considered. The committee shall meet at that time. Immediately upon the filing of the notice, the clerk of the committee shall notify all Members of the committee when the meeting will be held and the measure or matter to be considered. Only the measure or matter specified in the notice may be considered at that meeting.

COMMITTEE PROCEDURES

Quorum

*10. One-third of the Members of the committee shall constitute a quorum for all purposes except that a majority must be present in order to: (1) report or table any legislation, measure or matter; (2) close committee meetings or hearings; or (3) authorize the issuance of subpenas.

*11. The number of Members to constitute a quorum for taking testimony and receiving evidence shall not be less than two, one of whom shall be a Member of the Minority.

*12. The committee shall not make any determination by poll on any measure or matter involving its substantive, or non-procedural, legislative or oversight functions.

Proxies

*13. A Member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. However, a Member may vote by special proxy. The special proxy authorization shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for quorum purposes.

Witnesses

*14. The committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a summary of his or her argument.

*15. Whenever any hearing is conducted by the committee on any measure or matter, the Minority Members of the committee shall be entitled, upon request to the chairman by a majority of them, before the completion of the hearing, to call witnesses selected by the Minority to testify with respect to the measure or matter at least one day during the hearing.

16. Clause 2(k) of Rule XI of the Rules of the House of Representatives is hereby incorporated by reference (rights of witnesses under subpena).

Subject Matter

*17. Bills will be taken up for hearing only when called by the chairman of the committee or by a majority vote of a quorum of the committee, except those matters which are the subject of special-call meeting outlined in Rule 9.

18. No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the committee.

*19. (a) It shall not be in order for the committee to consider any new or original measure or matter unless:

(1) A written copy of the measure or matter to be considered has been available in the office of each Member of the committee for at least three calendar days, excluding Saturdays, Sundays, and legal holidays;

(2) Written notice of the date, place and subject matter of consideration has been available in the office of each Member of the committee for at least three calendar days in advance of consideration, excluding Saturdays, Sundays and legal holidays; and

(3) A transcript and a record of all motions and votes by each Member present is maintained during the meeting, and is made promptly available upon demand to any Member of the committee.

(b) Notwithstanding the foregoing sections of this rule, consideration of any measure or matter by the committee shall be in order by vote of two-thirds of the Members present, provided that written notice of the meeting and motion for consideration, and a description of each specific measure or matter to be considered has been delivered to the office of each Member of the committee at least one hour in advance of the meeting.

(c) For purposes of this rule the term "measure or matter" shall include, but not be limited to, bills and resolutions, including reports thereon, other reports, subpeonas, and the disposition of committee resources.

OPEN MEETINGS

*20. Each meeting for the transaction of business, including the markup of legislation, of the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however*, that no person other than Members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by Rule II contained herein, or to any meeting that relates solely to internal budget or personnel matters.

*21. Each hearing conducted by the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however*, That the committee may by the same procedure vote to close one subsequent day of hearing.

*Indicates rules applicable to subcommittees.

Requests for rollcall votes

22. A rollcall of the Members may be had at the request of three or more Members.

Committee records

*23. The committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendments, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order or proposition, and the names of those Members present but not voting.

5-minute rule during committee procedures

*24. The time any one Member may address the committee on any bill, motion or other matter under consideration by the committee or the time allowed for the questioning of a witness at hearings before the committee will be limited to five minutes, and then only when he has been recognized by the chairman, except that this time limit may be waived by the chairman or acting chairman. The rule of germaneness will be enforced by the chairman.

Requests for written motions

*25. Any legislative or non-procedural motion made at a regular or special meeting of the committee and which is entertained by the chairman shall be reduced to writing upon the demand of any Member present and a copy made available to each Member present.

SUBCOMMITTEES

Structure and jurisdiction

26. The committee shall have the following standing subcommittees with the jurisdiction indicated:

(a) *Subcommittee on Space Science and Applications*—Legislation, general and special oversight and all other matters relating to the National Aeronautics and Space Administration (except aeronautical research and development), and national programs of research and development in space exploration, space applications and related matters.

(b) *Subcommittee on Energy Research and Production*—Legislation and other matters relating to research, development and demonstration involving nuclear fission, nuclear fusion, electric energy systems and energy storage, geothermal and hydroelectric energy systems, basic energy sciences, high energy and nuclear physics, and policy and management programs of the Department of Energy.

(c) *Subcommittee on Science, Research and Technology*—Legislation, general and special oversight and other matters relating to the National Science Foundation, the National Bureau of Standards, the Office of Science and Technology Policy and the Office of Technology Assessment; scientific research and development and applications; science policy; scientific resources (including manpower); science education; science information; technology transfer; technology assessment; industrial R&D; standards (weights, measures, etc.); patent policies as they relate to Federal research and development programs; R&D involving governmental health, biomedical, nutritional and handicapped programs; legislation and other matters relating to intergovernmental mechanisms for R&D and international cooperation in science and technology; oversight of high energy and nuclear physics programs of the Department of Energy; and all other nonmilitary R&D not assigned to other subcommittees.

(d) *Subcommittee on Energy Development and Application*—Legislation and other matters relating to research, development and demonstration programs in fossil energy R&D, solar applications, solar technology, advanced energy technology, energy conservation, biomass; and policy and management programs of the Department of Energy.

(e) *Subcommittee on Transportation, Aviation, and Communications*—Legislation and other matters relating to civil aviation research and development (includes that part of the authorization of the National Aeronautics and Space Administration relating to aeronautics, and authorization of the Federal Aviation Administration's research and development program); legislation, including authorization, and other matters relating to transportation energy conservation programs of the Department of Energy; legislation and other matters relating to aviation-weather services; oversight of surface transportation research and development (includes Department of Transportation, Urban Mass Transportation Administration, Federal Railroad Administration, National Highway Traffic Safety Administration, and Coast Guard and the Maritime Administration); oversight of communications research and development (including the Federal Communications Commission).

(f) *Subcommittee on Investigations and Oversight*—Review and study, on a continuing basis, of the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee and the organization and operation of the Federal and private agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress. In addition, the Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority may cooperatively review and study any conditions or circumstances which indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee, and may undertake future research and forecasting on matters within the jurisdiction of the committee. The Subcommittee on Investigations and Oversight shall in no way limit the responsibility of other subcommittees from carrying out their oversight responsibilities, nor shall any investigation be undertaken by the Subcommittee on Investigations and Oversight without (a) consultation with the chairman of the appropriate subcommittee with legislative authority and (b) approval of the chairman of the Committee.

(g) *Subcommittee on Natural Resources and Environment*—Legislation and other matters relating to natural resources, including, but not limited to, materials R&D and national materials policy, water research, and, to the extent appropriate, agriculture R&D; legislation and other matters relating to environmental research and development generally—including, but not limited to, research and development activities of the Environmental Protection Agency, environmental, health, safety, life sciences and biomedical activities of the Department of Energy, operational and research and development activities related to the atmosphere (including meteorology, aeronomy, climate, weather modification) and those ocean R&D activities related to the quality and management of the environment of the National Oceanic and Atmospheric Administration.

Referral of legislation

27. All legislation and other matters referred to the committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks unless, by majority vote of the Majority Members of the full committee, consideration is to be by the full committee.

Ex officio members

28. The chairman and ranking Minority Member shall serve as ex officio Members of of all subcommittees and shall have the right to vote and be counted as part of the quorum on all matters before the subcommittees.

Procedures

29. No subcommittee shall meet for markup or approval when any other subcommittee of the committee is meeting to consider any measure or matter for markup or approval.

30. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the committee on all matters referred to it. Each subcommittee shall conduct legislative and general oversight, inquiries for the future and forecasting, and budget impact studies on matters within their respective jurisdictions. Subcommittee chairmen shall set meeting dates after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

31. All Members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations, but no such Member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

32. During any subcommittee proceeding for markup or approval, a roll call vote may be had at the request of one or more Members of that subcommittee.

REPORTS

Substance of legislative reports

33. The report of the committee on a measure which has been approved by the committee shall include (A) the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of Rule X of the Rules of the House of Representatives separately set out and clearly identified; (B) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

34. Each report of the committee on each bill or joint resolution of public character reported shall contain (A) a detailed analytical statement as to whether the enactment of such bill or joint resolution into lay may have an inflationary impact on the national economy, and (B) with respect to each roll call vote on a motion to report such bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or resolution.

Minority and additional views

35. If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of Rule D1) are included as part of the report. However, this rule does not preclude (1) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph or (2) the filing by the committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

36. The Chairman of the committee or subcommittee, as appropriate, shall advise Members of the day and hour when the time for submitting views relative to any given report elapses. No supplemental, minority or additional views shall be accepted for inclusion in the report if submitted after the announced time has elapsed. If the Chairman of the committee or subcommittee, as appropriate, decides to extend the time for submission of views beyond 3 days, he shall communicate such fact to Members, including the revised day and hour for submissions to be received, without delay.

Consideration of subcommittee reports

37. Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of three calendar days, excluding Saturdays, Sundays and legal holidays, from the time the report is submitted and printed hearings thereon shall be made available, if feasible, to the Members, except that this rule may be waived at the discretion of the chairman.

Timing and filing of committee reports

38. It shall be the duty of the chairman to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken the necessary steps to bring the matter to a vote.

39. In any event, the report of the committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the Members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

40. Any committee, subcommittee or staff report published by the committee or a subcommittee shall follow the same procedure for its approval, including the opportunity to submit views, as is followed in the case of a report accompanying a measure or matter which is intended to be filed.

MEDIA COVERAGE

41. The committee may permit, by majority vote, hearings or meetings which are open to the public to be covered in whole or in part by television, radio and still photography—or by any such methods of coverage—in accordance with clause 3 of Rule XI of the Rules of the House of Representatives.

42. The authority contained in Rule 41 shall extend to the standing subcommittees of the committee, subject to the same regulations and procedures.

*Indicates rules applicable to subcommittees.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. DAVIS of Michigan) to revise and extend his remarks and include extraneous matter:)

Mr. BUCHANAN, for 1 hour, on February 26.

(The following Members (at the request of Mr. FROST) to revise and extend their remarks and include extraneous material:)

Mr. AUCOIN, for 5 minutes, today.
Mr. ROBERTS, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS of Michigan) and to include extraneous matter:)

Mr. GILMAN in five instances.
Mr. BROWN of Ohio.
Mr. CARNEY.
Mr. GUYER.
Mr. SYMMS.
Mr. DERWINSKI.
Mr. GINGRICH.

(The following Members (at the request of Mr. FROST) and to include extraneous matter:)

Mr. VENTO.
Mr. WAXMAN.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MOORHEAD of Pennsylvania.
Mr. BOLLING of Missouri.
Mr. SOLARZ.
Mr. BENJAMIN.
Mr. FASCELL in three instances.
Mr. FUQUA in five instances.
Mr. HOWARD.
Mr. MCDONALD in four instances.

ADJOURNMENT

Mr. FROST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 23 minutes a.m.), under its previous order, the House adjourned until Monday, February 26, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

687. Under clause 2 of rule XXIV, a letter from the Director of ACTION, transmitting a draft of proposed legislation to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs and for other purposes; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 1147. To extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties; with amendment (Rept. No. 96–15). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 133. Resolution providing for the consideration of H.R. 1894. To provide for a temporary increase in the public debt limit, and for other purposes. (Rept. No. 96–16). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 2329. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar, and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. AUCOIN:

H.R. 2330. A bill to amend the Merchant Marine Act, 1936, to provide for the establishment of capital construction funds for fisheries facilities; to the Committee on Merchant Marine and Fisheries.

H.R. 2331. A bill to provide incentive loans to the commercial fisheries industry for the development of underutilized fisheries, and to authorize the Secretary of Commerce to guarantee certain other loans made by banks to the commercial fisheries industry; to the Committee on Merchant Marine and Fisheries.

By Mr. COELHO:

H.R. 2332. A bill to amend the eligibility requirements for an emergency loan from the Farmers Home Administration; to the Committee on Agriculture.

By Mr. CONABLE:

H.R. 2333. A bill to amend the Internal Revenue Code of 1954 to provide that the use of the zero bracket amount will not reduce the benefits of income averaging; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 2334. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide a 2-year extension of Federal assistance to Indochina refugees, and to provide Federal assistance beyond 2 years to any Indochinese refugee who is under 18 years of age; to the Committee on the Judiciary.

By Mr. FLIPPO (for himself, Mr. FUQUA, Mr. WYDLER, Mr. ROE, Mr. WINN, Mr. MCCORMACK, Mrs. BOUQUARD, Mr. YOUNG of Missouri, Mr. HOLLENBECK, Mr. DORNAN, Mr. LLOYD, Mr. WALKER, Mr. FORSYTHE, Mr. SCHEUER, Mr. GORE, Mr. WATKINS, Mr. GLICKMAN, Mr. MAVROULES, and Mr. NELSON):

H.R. 2335. A bill to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes; to the Committee on Science and Technology.

By Mr. FRENZEL:

H.R. 2336. A bill to implement the International Sugar Agreement, 1977 between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. FUQUA (for himself, Mr. WINN, Mr. ROE, Mr. LUJAN, Mr. SCHEUER, Mr. HOLLENBECK, Mr. LLOYD, Mr. DORNAN, Mrs. BOUQUARD, Mr. FLIPPO, Mr. GORE, Mr. WATKINS, Mr. YOUNG of Missouri, Mr. WHITE, and Mr. NELSON):

H.R. 2337. A bill to establish a Space Industrialization Corporation to promote, encourage, and assist in the development of new products, processes, and industries using the properties of the space environment; jointly, to the Committees on Banking, Finance and Urban Affairs and Science and Technology.

By Mr. GILMAN:

H.R. 2338. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $800 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. GINGRICH:

H.R. 2339. A bill to provide mandatory social security coverage for Members of Congress; to the Committee on Ways and Means.

By Mr. GLICKMAN:

H.R. 2340. A bill to prohibit political parties from engaging in credit card solicitations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GUYER:

H.R. 2341. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts, to the Committee on Ways and Means.

By Mr. KILDEE:

H.R. 2342. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to extend to certain Federal public safety officers certain benefits now accorded State and local public safety officers; to the Committee on the Judiciary.

By Mr. MCKINNEY:

H.R. 2343. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2344. A bill to extend the Export Administration Act prohibition on the export of Alaskan oil; to the Committee on Foreign Affairs.

H.R. 2345. A bill to require the Federal Trade Commission to monitor the industries which produce supplies from and hold reserves of, energy sources and, under certain circumstances, to take action to prevent noncompetitive market situations from evolving or continuing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2346. A bill to provide for a Veterans' Administration outpatient clinic in Fairfield County, Conn.; to the Committee on Veterans' Affairs.

H.R. 2347. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for any individual who performs voluntary service for any organization engaged in the treatment, care, or rehabilitation of the physically handicapped or the mentally ill; to the Committee on Ways and Means.

H.R. 2348. A bill to amend the Congressional Budget Act of 1974 to require that the public debt be paid within a period of 20 years, and that the level of total budget outlays for any fiscal year not exceed the level of Federal revenues for such year, and for other purposes; jointly, to the Committees on Government Operations, Rules, and Ways and Means.

H.R. 2349. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph equipment for certain purposes; jointly, to the Committees on Education and Labor, the Judiciary, and Post Office and Civil Service.

By Mr. MATHIS:

H.R. 2350. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the date required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2351. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for tuition paid for postsecondary education, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. MATHIS (for himself and Mr. LOTT):

H.R. 2352. A bill to insure a comprehensive, periodic review of U.S. participation in the World Bank and the International Monetary Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RHODES:

H.R. 2353. A bill to provide for the establishment of a U.S. Court of Labor-Management Relations which shall have jurisdiction over certain labor disputes in industries substantially affecting commerce; to the Committee on the Judiciary.

By Mr. SHUSTER:

H.R. 2354. A bill to amend the act of August 8, 1972, to authorize the Secretary of the Army to restore certain hazardous dams to a safe condition; to the Committee on Public Works and Transportation.

By Mr. STARK (for himself, Mr. LEE, Mr. LEACH of Louisiana, Mr. MINETA, Mr. DOWNEY, Mr. JEFFORDS, and Mr. MCKINNEY):

H.R. 2355. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 2356. A bill to provide for the use of telecommunication devices by the Senate and the House of Representatives to enable deaf persons and persons with speech impairments to engage in toll-free telephone communications with Members of the Congress; to the Committee on House Administration.

H.R. 2357. A bill to amend the Federal Election Campaign Act of 1971, to provide free radio and television time to candidates for election to Federal office; to the Committee on House Administration.

H.R. 2358. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 2359. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Ways and Means.

H.R. 2360. A bill to amend the Social Security Act to prohibit public utilities from shutting off the supply of heat, light, or power to private residences without adequate prior notification to, and investigation by the appropriate State welfare agencies; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 2361. A bill to amend the act entitled "An Act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes", approved August 13, 1954 (25 U.S.C. 564w-2) to provide for Federal reimbursement to such tribe of reasonable litigation expenses incurred by such tribe; to the Committee on Interior and Insular Affairs.

By Mr. DASCHLE:

H.J. Res. 218. Joint resolution proposing an amendment to the Constitution of the United States to limit the expenditure of Government funds for any fiscal year to the projected revenue of the Government for that year, and to limit the outstanding debt of the United States to 30 percent of the projected gross national product; to the Committee on the Judiciary.

By Mr. MATHIS:

H.J. Res. 219. Joint resolution designating February 1980 as "American History Month"; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON:

H.J. Res. 220. Joint resolution to proclaim March 21, 1980, "National Energy Education Day"; to the Committee on Post Office and Civil Service.

By Mr. STRATTON:

H.J. Res. 221. Joint resolution authorizing the President to proclaim October 14 of each year as "National Jogging Day"; to the Committee on Post Office and Civil Service.

H.J. Res. 222. Joint resolution authorizing the President to designate the 29th day in May of each year as "John Fitzgerald Kennedy Memorial Day"; to the Committee on Post Office and Civil Service.

By Mr. GILMAN:

H. Con. Res. 55. Concurrent resolution urging the President to take certain measures against countries supporting international terrorism and persons engaging in international terrorism and to seek stronger international sanctions against such countries and persons; jointly, to the Committees on Foreign Affairs, Public Works and Transportation, and Ways and Means.

By Mr. STRATTON:

H. Con. Res. 56. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

By Mr. BOLLING (for himself and Mr. QUILLEN):

H. Res. 130. Resolution providing funds for the Committee on Rules; to the Committee on House Administration.

By Mr. ERTEL:

H. Res. 131. Resolution establishing a Select Committee on Regulatory Affairs and Oversight; to the Committee on Rules.

By Mr. MURPHY of New York:

H. Res. 132. Resolution providing funds for investigations and studies for the Committee on Merchant Marine and Fisheries; to the Committee on House Administration.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII sponsors were added to public bills and resolutions as follows:

H.R. 306: Mr. KINDNESS.

H.R. 405: Mr. LAGOMARSINO.

H.R. 510: Mr. CARR.

H.R. 1050: Mr. WHITLEY, Mr. JEFFORDS, Mr. BARNARD, Mr. HUCKABY, Mr. TRIBLE, and Mr. JENRETTE.

H.R. 1509: Mr. HUGHES, Mr. EDWARDS of Oklahoma, Mr. BEDELL, and Mr. STUMP.

H.J. Res. 110: Mr. ANDERSON of California, Mr. BEARD of Tennessee, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BUCHANAN, Mrs. BYRON, Mr. COELHO, Mr. CONTE, Mr. CORCORAN, Mr. DORNAN, Mr. EVANS of Delaware, Mr. FAZIO, Mr. FLOOD, Mr. FLORIO, Mr. FORSYTHE, Mr. FROST, Mr. GREEN, Mrs. HOLT, Ms. HOLTZMAN, Mr. HOWARD, Mr. HYDE, Mr. KEMP, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LEDERER, Mr. LONG of Maryland, Mr. LUKEN, Mr. MINETA, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. PEPPER, Mr. SABO, Mr. SCHEUER, Mr. WAXMAN, Mr. WEAVER, Mr. WHITTAKER, and Mr. WIRTH.

H. Res. 93: Mr. BENNETT, Mr. PERKINS, Mr. KINDNESS, Mr. D'AMOURS, Mrs. BYRON, Mr. YOUNG of Florida, Mr. NOLAN, Mr. FUQUA, Mr. JEFFORDS, Mr. EDWARDS of Oklahoma, Mr. GUYER, Mr. GORE, and Mr. FOWLER.

H. Res. 105: Mr. HARKIN, Mr. ENGLISH, and Mr. BERNUTER.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

35. By the SPEAKER: Memorial of the Legislature of the State of Florida, requesting that Congress call a convention for the sole purpose of proposing an amendment to the Constitution of the United States to require a balanced Federal budget and to make certain exceptions with respect thereto; to the Committee on the Judiciary.

36. Also, memorial of the Legislature of the State of North Carolina, requesting that Congress propose, or call a convention for the exclusive purpose of proposing, an amendment to the Constitution of the United States to require a balanced Federal budget in the absence of a national emergency; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

59. By the SPEAKER: Petition of the Second National Indian Conference on Aging, Billings, Mont., relative to funding for construction of Senior Citizens' Centers under title V of the Older Americans Act, the eligibility age for the feeding program under title VII of the act, and minority hiring for Senior Employment Opportunities under title IX of the act; to the Committee on Education and Labor.

60. Also, petition of the Second National Indian Conference on Aging, Billings, Mont., relative to the proposed Indian Social Services Act; to the Committee on Ways and Means.

61. Also, petition of the Second National Indian Conference on Aging, Billings, Mont., relative to the Indian Health Service's request for supplementary funding for the care of elderly Native Americans; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

SENATE—*Thursday, February 22, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by Hon. BILL BRADLEY, a Senator from the State of New Jersey.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Father of our spirits and comfort of the sorrowing, deal graciously with those who mourn the death of Adolph Dubs and Arthur Kuhl. We give thanks to Thee for their high service to the Nation, for ideals lived out in daily endeavor, and for friendship transcending all time and distance. Show us how to live better, to serve more effectively, and to love more deeply.

Pour out Thy spirit upon all who bear the burdens of government. Keep this Nation resolute and strong, firm in the right, correct in the use of power, and ever imbued with Thy spirit.

As we work this day, keep us ever mindful of the admonitions and the example of our first President.

In the Redeemer's name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 22, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BILL BRADLEY, a Senator from the State of New Jersey, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BRADLEY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, for whom is the second order?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is to be recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that each of the two leaders or their designees have 1 minute each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR SECRETARY OF THE SENATE TO SEND COPY OF PRAYER TO FAMILIES OF AMBASSADOR ADOLPH DUBS AND ARTHUR KUHL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Secretary of the Senate be requested to send a copy of this morning's prayer by the Chaplain to the families of the two deceased members of the Government who were mentioned.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, the vote in relation to the Stevens amendment is to occur at 10 o'clock. That was understood yesterday. I know that Senators have difficulty getting to the Capitol this morning.

I ask unanimous consent that there be a quorum call, the time to be charged equally against the three Senators who have orders. This is a little unfair to them, but I know of no other way to handle the situation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PRESSLER may begin without prejudice to the other speakers.

Mr. STEVENS. Mr. President, if the Senator will yield, could we determine how much time each speaker should have now?

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The ACTING PRESIDENT pro tempore. Each speaker should have 9½ minutes.

Mr. STEVENS. Good.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from South Dakota is recognized.

IRAN

Mr. PRESSLER. Mr. President, among the casualties in the Iranian revolution is Iran's tradition of religious tolerance. I have been deeply disturbed by reports that a number of Iran's religious and ethnic communities may face discrimination, expulsion, and even destruction as a result of Iran's being transformed into an Islamic republic. Our own Nation, which since its inception has stood for religious freedom, has a responsibility to speak out now, to make clear to the Bazargan government that theocratic oppression of so-called infidels is a relic of another age, and cannot be excused in the name of religion or nationalism.

Chief among those communities apparently singled out for mistreatment are Iran's 200,000 to 300,000 Baha'is. Adherents of a peaceful Shi'ite Moslem offshoot more than 125 years old, the Baha'i community has won wide respect for its community endeavors and its role in Iran's economic development. According to sources close to the Khomeini leadership, the Baha'i community may now expect to be treated as schismatics under Moslem law. In this circumstance, the very survival of the community, and its presence in the country, would be dependent upon the whim of the new rulers.

Also endangered by the Islamic takeover are Iran's 110,000 Zoroastrians. They are practitioners of Irans' oldest religion, a sixth century B.C. monotheism which puts a premium on the good works of men. The Zoroastrians, like the Baha'is, have made cultural contributions far beyond their number. And like the Baha'is, the Zoroastrians are regarded as infidels by the new religious government.

Mr. President, I have also been less than reassured by the greetings extended by the Ayatollah Khomeini to Iran's 75,000 Jews. It is true that Islam regards Jews and Christians as people of the book, deserving of protection. But it is also unfortunately true that Islamic governments believe that Jews should be relegated to the position of dhimmis, second-class citizens with special taxes and a host of special restrictions. The anti-Jewish and anti-Israel aspect some of Iranian rioters, as well as the warm greeting extended to the PLO's Yassir Arafat by the Ayatollah, are very disquieting.

I think it is important to note that Israel stands ready at this very moment to take in Iranian Jews who wish to leave the country. I would point out that Israel's continuing policy of welcome to refugees from throughout the world is one more example of the ideals which Israel shares with the United States.

Mr. President, I am also concerned that as the new Iranian Government struggles to assert its authority, a number of Iran's ethnic communities may be oppressed in the name of national unity. The Kurds in the north, an ancient people who have sought independence for nearly 3,000 years, are a likely target. So are the Baluch tribesmen in the southeast, the Qashqais in the southwest, and the Turkomans in the far north.

It is undeniable that American policy toward Iran has been badly mishandled for the last year. The United States has suffered setbacks in its regional position and potential compromises of its military security. Indeed, the eventual costs of the policy and intelligence failures in Iran have yet to be revealed. I have noted with dismay reports that the United States chose not to remove advanced military equipment from Iran so as not to impair future relations with the Khomeini government. I would hope that in the field of human rights and religious freedom, the United States will not stand idly by. Silence in the face of what may be a massive repression of all non-Moslems in Iran would do nothing to enhance our influence in the country, or bolster America's position in the region.

I believe the administration should be aware that, as in times past, the Congress will take an active role in examining human rights abuses, and will not be coerced into silence in the name of diplomatic niceties and on the basis of classified secrets.

Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, how much time was yielded back?

The ACTING PRESIDENT pro tempore. The Senator yielded back 5½ minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that I may have control of that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote which is scheduled for 10 o'clock in relation to the amendment by Mr. STEVENS be delayed until 12 o'clock noon today.

Mr. STEVENS. Mr. President, I am constrained to object. The cosponsor of the amendment, Senator HATFIELD, requested that time specifically so that he could vote and then keep a commitment of long standing. So I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there are several Senators on my side of the aisle who are unable to get here as yet. I ask unanimous consent that the vote in relation to the amendment by Mr. STEVENS be delayed until 2 p.m., with the understanding that in the meantime other amendments could be called up and either voice voted or the rollcall votes, if ordered, stacked.

Mr. BAKER. Mr. President, reserving the right to object, and I must object, I am afraid, I will say to the majority leader that as the assistant leader on our side indicated a moment ago, we have a specific and direct request from the ranking Republican member of the Rules Committee in that respect. A unanimous-consent order was entered on that basis. If the Senator will withhold his request, I will be happy to try to reach Senator HATFIELD and see if we can readjust his schedule or reach some accommodation. But at the present moment, we are not at liberty to change that order at all.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

Mr. STEVENS. Mr. President, has the time for special orders expired?

The ACTING PRESIDENT pro tempore. The time has expired.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. STEVENS. Mr. President, I discussed last evening with the majority leader my——

The ACTING PRESIDENT pro tempore. Will the Senator withhold for a moment?

Mr. STEVENS. Yes.

AMENDMENT NO. 60

(Formerly UP Amendment No. 15)

The ACTING PRESIDENT pro tempore. The pending business is Senate Resolution 61, as amended. Under the previous order, there will now be 15 minutes for debate on amendment No. 60 by the Senator from Alaska (Mr. STEVENS), to be equally divided and controlled by the Senator from Alaska (Mr. STEVENS) and the Senator from West Virginia (Mr. ROBERT C. BYRD), with the vote in relation thereto to occur not later than 10 a.m. The yeas and nays have been ordered.

Mr. STEVENS. Mr. President, as I discussed with the majority leader last evening, it would be my intention to ask unanimous consent at this time to change the amount of time that could be yielded to another Senator in total, so that the total would be not more than 5 additional hours, and that change would appear on page 2, line 18.

I have discussed this with the majority leader. I understand his situation, but I have been specifically requested to make that request, so I do ask unanimous consent that the word "nine" on page 2, line 18, be changed to "five".

Mr. ROBERT C. BYRD. Mr. President, I am constrained to object, for this reason: Although the distinguished minority whip is requesting that the time to be yielded to any other Senator be cut from 9 hours to 5 hours——

Mr. STEVENS. The total would be 6. You now have 2, and we have 10. We decided to see if we could compromise between the two figures. The total would be 5 hours from yielding, and each Senator has 1 hour under my amendment, so the total would be 6 hours.

Mr. ROBERT C. BYRD. Under the Senator's amendment, a Senator could yield to any other Senator?

Mr. STEVENS. The Senator is correct.

Mr. ROBERT C. BYRD. Under my proposal, Senators could yield only to the two leaders and the managers of the bill.

Mr. STEVENS. That is correct. Under my proposal, a Senator could yield to any Senator notwithstanding his position as manager of the bill or from the point of view of minority or majority leadership.

Mr. ROBERT C. BYRD. I would have to object on both points: First, that any Senator may yield to any other Senator, and second, the yielding of 5 hours. I cannot accept the amendment, because I would thereby be tacitly agreeing to 5 hours yielding. So I am constrained to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. STEVENS. Mr. President, I might ask the Senator from Idaho, since we have half of the time, roughly 12 minutes, does the Senator seek any of that time?

Mr. McCLURE. Mr. President, will the Senator yield briefly?

Mr. STEVENS. Yes.

Mr. McCLURE. I do not really seek any of that time, except to address an appeal to the Senator from West Virginia in terms that we agreed to address the problem the Senator from West Virginia sought last Friday, to change the form of Senate Resolution 61, in whatever form he wanted to address the issue to the Senate, as he sees it, in whatever form he sees it. The Senator from Alaska has now sought to change his proposal so that it might be laid forward, not as your proposal but as his. It would seem to me that in a spirit of fairness, in trying to allow each side, on whatever argument may come up, to present their case to the body so that the Senate may work its will on these issues, I would hope the Senator from West Virginia might see fit to allow the Senator from Alaska to make that change so that he may present it in the form he wishes to present it.

Mr. ROBERT C. BYRD. The Senator from Idaho, in a spirit of fairness, calls on the Senator from West Virginia to allow the Senator from Alaska to modify his amendment by this change. May I remind the Senator from Idaho that in the spirit of fairness, the Senator from West Virginia yesterday asked unanimous consent that the Senator from Alaska might be allowed to offer his amendment to my resolution, which had already been amended—several times, in fact. I even asked unanimous consent myself, and not only that, but that the amendments of the Senator from Alaska be allowed to come in en bloc.

So I feel that I have been fair, to the extent that I have nothing to apologize for. Therefore, I am constrained to object, and do object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. McCLURE. Will the Senator from Alaska indulge me for a moment further?

Mr. STEVENS. Yes.

Mr. McCLURE. I do not mean to belabor this point, but on last Thursday and Friday, there were a number of things that could have been done by the opponents of the Senator from West Virginia's position had they chosen to do so, respecting these very issues. You have now suggested, I would say to the Senator from West Virginia, that you in fairness waived some things never even raised by this side, or never even asserted by this side. We did not just give you unanimous consent that they be injected; we never asked that they be injected, and never urged that they should be injected.

I perceive that the Senator from West Virginia is not going to change his mind because I think he perceives some advantage to his position in not doing so.

I am not asking him to apologize for not doing so, but certainly I think that the fairness or perceived fairness is not being equally treated on both sides of this issue.

I say that with some sadness because up until this point it has been a very amicable agreement to disagree, and I hope it might stay on that plane throughout the balance of the debate.

Mr. ROBERT C. BYRD. Mr. President, methinks the Senator from Idaho protesteth too much. He invokes the element of fairness now on this. If the Senator from Alaska does not complain, it was the Senator from Alaska's request to which I objected, he complaineth not, and the reason why the Senator from Idaho, I suppose, did not object on last Thursday and Friday was that the amendments I offered were liberalizing my own resolution. I would have been surprised had the opposition objected to any of those amendments.

Mr. STEVENS. Mr. President, one of the reasons I did not pursue the matter further, as the Senator from Idaho will recall, was that I was compelled to keep a long-standing speaking engagement and was not here Thursday and Friday, so I was not part of that situation.

I had discussed the matter with the majority leader and understood he was going to object. As far as I am concerned, his objection means that my amendment should have additional support because there would be four more Senators who could yield me time under it.

Mr. McCLURE. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. McCLURE. The Senator from West Virginia assumes that the reason we did not object was because it moved the position of the Senator from West Virginia more in our direction.

I would say then, that is persuasive reason that he should not object to the request of the Senator from Alaska because it, indeed, moves us more in his direction.

Mr. ROBERT C. BYRD. Well, now, may I say to the distinguished Senator from Idaho, who prides himself on the Rules and being able to write appropriate changes into them, why does he not offer an amendment right at this point seeking exactly what the Senator from Alaska seeks to do?

He does not have to modify the unanimous consent. The Senator from Idaho can offer an amendment to the amendment. It is open to amendment.

I suggest that the Senator from Idaho, in fairness to the Senator from West Virginia, now offer an amendment to the amendment by Mr. STEVENS reducing the number from 9 to 6. He can do that.

Why does he not do it?

Mr. McCLURE. Will the Senator yield to answer the question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. As the Senator knows from the colloquy that took place yesterday, we have a problem with respect to the ranking minority member of the Rules Committee, the Senator from Oregon (Mr. HATFIELD), who can be here at 10 o'clock for the rollcall, but he cannot be here later.

If, as a matter of fact, I would offer an amendment, as the Senator must know, the Senator from Oregon would be deprived of the opportunity to vote on the amendment offered by the Senator from Alaska, and, under those circumstances, I cannot offer it.

Mr. ROBERT C. BYRD. Oh, in the spirit of fairness, I will give the Senator from Oregon a live pair. Let the Senator from Idaho offer his amendment to that of the Senator from Alaska, cutting the hours from 9 to 5, I will give a pair to the Senator from Oregon on that amendment.

Mr. McCLURE. Will the Senator from Alaska yield briefly on that point?

Mr. STEVENS. Yes.

Mr. McCLURE. It is not the amendment of the Senator from Idaho that is important to the Senator from Oregon. It is the amendment offered by the Senator from Alaska.

Mr. ROBERT C. BYRD. I understand. But I am saying this, if the Senator from Idaho wishes to see the amendment by Mr. STEVENS modified, let the Senator from Idaho offer an amendment to do it.

I have objected to a modification, but I cannot object to amendments being offered.

I will give the Senator from Oregon a pair on that vote.

Mr. STEVENS. Mr. President, what is the time situation?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 1 minute remaining. The Senator from West Virginia has 4 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I will yield to the Senator from Alaska half of my time in the spirit of fairness. So the Senator from Alaska now has 3 minutes and I have 2 minutes.

Mr. STEVENS. I am happy to have that time because it was a West Virginia clock, I think, that was running. I did not think I was talking that much.

Mr. President, let me take half the time left to again address this amendment to make certain the Members of the Senate understand the difference in philosophy that is involved in this amendment as far as the approach of the Senator from West Virginia and the approach of the ad hoc committee on

this side, which I chaired, and that is the reason I introduced this amendment.

Our amendment seeks to preserve the individual rights of Senators to 1 hour after cloture. It seeks to permit the yielding of that time by an individual Senator to another Senator without regard to a position of being manager of the bill, or a position of permanent leadership.

Senate Resolution 61 will provide a cap of 100 hours for the Senate itself, but no guarantee to an individual Senator of any of that time, except it perpetuates the existing rule, by saying that each Senator is entitled to use up to 1 hour. But under the circumstances of the rule, that time would not be available.

Furthermore, it authorizes the yielding of up to 2 hours to the minority or majority leader, or to the manager of the bill, or either side, but does not permit the yielding of time to those people who normally would be involved in the postcloture presentation of amendments; namely, those who would be involved in the filibuster that led to the cloture.

We seek to make certain that as we change our rules we do not get in the position where 60 Members having voted to terminate the debate could also vote to reduce the time.

Senate Resolution 61 will permit the same 60 Senators who voted to terminate the debate, to reduce the time to a total of 30 hours. We believe that that is wrong.

We concur in the spirit of the cloture rule that permits the 60 Members to indicate that debate should come to a close, but in postcloture we believe in the rights of each individual Senator, particularly the minority point of view, and this is not necessarily a partisan minority point of view. I remind the Senate that last year on the gas bill the minority was a partisan minority. But we are talking about the minority point of view, that on any issue they ought to have the assurance that they individually will be able to present their position on the legislation and present amendments as the postcloture period comes to an end.

That this amendment to Senate Resolution 61 would change the approach of Senate Resolution 61 so that there would be a cap of 100 hours made up of each individual Member's 1 hour.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The Senator from West Virginia has 2 minutes.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Alaska want more time?

Mr. STEVENS. No.

Mr. ROBERT C. BYRD. Mr. President, let us not lose sight of the purpose of cloture. The purpose of cloture is to bring the debate on the matter or measure before the Senate to a close, and even after cloture has been invoked there is still debate.

Now, we have seen the post-cloture filibuster and if Senators really—if they really—are serious about changing the rules in a way that will deal with this post-cloture filibuster efficiently and effectively, then they should support Senate Resolution 61 and vote to table—which I will move to table—the amendment by the distinguished Senator from Alaska.

My resolution has been amended now to provide that no Senator can call up more than two amendments until all other Senators have had an opportunity for recognition. This will guarantee that each Senator will call up his two most important amendments first. It will guarantee that recognition is spread around, that all Senators have a chance to offer amendments.

I have provided that each Senator, if he cannot get recognition in 100 hours, which is 12½ 8-hour days—if a Senator stands on his feet and cannot get recognition—then, at the end of the 100 hours, he can get up to 10 minutes inclusive, so that he can speak to the people back home and try to persuade the Senate; and a bullet will not appear on his speech in the RECORD.

I have also provided for the yielding of time to the managers of the bill and the majority leader and the minority leader. So far as I am concerned, I am willing to forget the two leaders and just see that the managers of the bill have a little additional time.

Mr. President, I ask unanimous consent that each side have 2 minutes.

The PRESIDING OFFICER (Mr. DECONCINI). Is there objection?

Mr. STEVENS. Reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request, and I move to table the amendment.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. My understanding is that this was to be an up-and-down vote.

Mr. ROBERT C. BYRD. Oh, no.

Mr. STEVENS. Let me quote from what the Senator from West Virginia said.

The PRESIDING OFFICER. It is a vote in relation to the amendment.

Mr. STEVENS. He said:

> Does the Senator want to get the yeas and nays now, in case we vote up or down?

And I did not object on that basis.

The PRESIDING OFFICER. The unanimous-consent agreement is phrased so that there will be a vote in relation to the amendment.

Mr. STEVENS. Very well.

Mr. ROBERT C. BYRD. I merely sought the yeas and nays in the event it might be difficult to get them this morning.

Mr. President, I am willing to carry on the debate a little while in order to help Senators——

The PRESIDING OFFICER. A motion to table is not debatable.

Mr. ROBERT C. BYRD. I am willing to ask unanimous consent that it be debatable.

I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I am willing to proceed with the debate for a little while, in order to help Senators who are trying to get here and who are having difficulty in traffic, in which case I would ask unanimous consent that the debate be prolonged for another 10 minutes.

Mr. President, I moved to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

The result was announced—yeas 51, nays 38, as follows:

[Rollcall Vote No. 1 Leg.]

YEAS—51

Baucus	Exon	Nunn
Bayh	Ford	Pell
Bentsen	Glenn	Proxmire
Biden	Hart	Pryor
Boren	Heflin	Randolph
Bradley	Huddleston	Ribicoff
Bumpers	Inouye	Riegle
Burdick	Jackson	Sarbanes
Byrd, Harry F., Jr.	Leahy	Sasser
Byrd, Robert C.	Levin	Stennis
Cannon	Long	Stevenson
Chiles	Magnuson	Stewart
Church	Melcher	Stone
Culver	Metzenbaum	Tsongas
DeConcini	Morgan	Williams
Durkin	Moynihan	Zorinsky
Eagleton	Muskie	
	Nelson	

NAYS—38

Armstrong	Hatch	Pressler
Baker	Hatfield	Roth
Bellmon	Hayakawa	Schmitt
Boschwitz	Heinz	Schweiker
Chafee	Helms	Simpson
Cochran	Humphrey	Stevens
Cohen	Javits	Thurmond
Danforth	Jepsen	Tower
Dole	Kassebaum	Wallop
Domenici	Lugar	Warner
Durenberger	Mathias	Weicker
Garn	McClure	Young
Goldwater	Percy	

NOT VOTING—11

Cranston	Kennedy	Packwood
Gravel	Laxalt	Stafford
Hollings	Matsunaga	Talmadge
Johnston	McGovern	

So the motion to lay on the table amendment No. 60 was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 61

(Formerly UP Amendment No. 18)

The PRESIDING OFFICER. Under the previous order there will now be a period of 10 minutes for debate on an amendment by the Senator from North Carolina (Mr. HELMS), to be equally divided and controlled by the Senator from North Carolina and the Senator from West Virginia, with a rollcall vote to follow immediately.

The Senator from North Carolina is recognized.

The Senate is not in order. Senators will please be seated and cease conversations. The Senator from North Carolina.

Mr. HELMS. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from North Carolina, Mr. HELMS, proposes amendment No. 61.
>
> On page 1, after line 3, insert the following:
>
> "Between the invoking of cloture and the vote on final passage of the measure, motion, or other matter subject to cloture, consideration of such measure, motion, or matter shall be limited to not more than 8 hours per calendar day."

Mr. HELMS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, when time is reserved it counts equally against both sides, does it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I oppose this amendment. The object of cloture is to bring a matter to a close, to bring the Senate to a decision on a matter or measure on which cloture has been invoked.

The amendment of the distinguished Senator from North Carolina would preclude the Senate from acting on any single day following cloture more than 8 hours on the matter on which cloture has been invoked. Obviously, if the Senate was in a situation in which it was about to adjourn sine die, it was Christmas or thereafter, and I have seen the Senate in session on January 2, then the matter on which the Senate might have worked for months or even years would automatically die.

So I feel that if we are going to continue to seek cloture as a manifestation of the Senate's will to bring to a close the debate and action on a measure or matter on which cloture was invoked, then we ought not straitjacket the Senate and say that it can only debate a matter for 8 hours on a given day and then it must go to something else. Obviously, it would be counterproductive of the action of the Senate in invoking cloture, and I therefore have to oppose it.

Mr. BAKER. Will the Senator from North Carolina yield?

Mr. HELMS. I yield 2 minutes.

Mr. BAKER. Mr. President, I rise in support of this amendment I think it is an eminently practical amendment. I think it moves us in the direction of a regular, predictable, and appropriate ordering of the times and affairs of the Senate.

I disagree with my friend the majority leader. I do not think that a limitation of 8 hours of consideration of a matter after cloture is invoked in any way straitjackets the Senate. I think, instead, that it does something that we ought to do anyway, that makes us provide in advance for the useful commitment of our time and resources. Unless we start running the Senate with some deference and respect to the limitations of physical vigor and mental agility, unless we organize our resources so that we address the issues and that we do not commence a marathon against the clock, we do a disservice to the issues involved. I support the amendment and commend the Senator from North Carolina for offering it.

Mr. HELMS. I thank the distinguished minority leader.

Mr. President, as a Senator who is 57 years old, I do not have the problem a number of younger Senators have, and I do not have the problem that a number of Senators who are my senior may have. It does not matter to me personally how long we stay in session on a given day, but Senators who have been here know that they are seldom ever able to plan to be with their families. They are not able to make any arrangements with any feeling of security.

I personally feel that 8 hours a day on any matter on which cloture has been voted is sufficient, as the minority leader has just said, in terms of the mental and physical ability to consider the matter.

I will say to Senators that it does not matter to the Senator from North Carolina if they want to be in the position of never knowing what they are going to be able to do on a given date when cloture has been voted. Fine, vote with the majority leader and table this amendment. But if the Senators want to have some reasonableness in their lives, they better think twice before they vote to table this amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield back the remainder of my time if the majority leader will yield back his.

Mr. ROBERT C. BYRD. I yield back the remainder of my time, and I move to table the amendment.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The PRESIDING OFFICER. Does any other Senator wish to vote?

(Mr. PERCY voted in the negative, as indicated below.)

The result was announced—yeas 52, nays 39, as follows:

[Rollcall Vote No. 2 Leg.]

YEAS—52

Baucus	Exon	Muskie
Bayh	Ford	Nelson
Bentsen	Glenn	Nunn
Biden	Hart	Pell
Boren	Heflin	Proxmire
Bradley	Huddleston	Pryor
Bumpers	Inouye	Randolph
Burdick	Jackson	Ribicoff
Byrd, Harry F., Jr.	Javits	Riegle
Byrd, Robert C.	Johnston	Sarbanes
Cannon	Leahy	Sasser
Chiles	Levin	Stennis
Church	Long	Stevenson
Culver	Magnuson	Stewart
DeConcini	Mathias	Tsongas
Durkin	Melcher	Williams
Eagleton	Metzenbaum	Zorinsky
	Moynihan	

NAYS—39

Armstrong	Hatch	Roth
Baker	Hatfield	Schmitt
Bellmon	Hayakawa	Schweiker
Boschwitz	Heinz	Simpson
Chafee	Helms	Stafford
Cochran	Humphrey	Stevens
Cohen	Jepsen	Stone
Danforth	Kassebaum	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Durenberger	Morgan	Warner
Garn	Percy	Weicker
Goldwater	Pressler	Young

NOT VOTING—9

Cranston	Kennedy	McGovern
Gravel	Laxalt	Packwood
Hollings	Matsunaga	Talmadge

So the motion to lay on the table amendment No. 61 was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 19

(Purpose: To prohibit the reduction of the post cloture cap below 100 hours)

Mr. STEVENS. Mr. President, I have an amendment at the desk for myself and the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Alaska (Mr. STEVENS), for himself and Mr. HARRY F. BYRD, JR., proposes an unprinted amendment numbered 19:
>
> On page 2 line 9 strike the comma and all language thereafter up to the comma after the word "hours" on line 14.
>
> On line 19 strike the words "reduce time and only one motion to".

Mr. STEVENS. Mr. President, the purpose of this amendment would be to delete the power of 60 Members of the Senate to reduce the time down to 30 hours. We have not yet worked out a change that would entitle each Senator to 1 hour, but at least this would preserve the 1 hour in theory for each Senator so that the 100-hour cap, read

together with the existing rule, which says:

Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks.

Would remain the same.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. STEVENS. I am happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I would like to suggest to the Senate that this is the most important of them all, and I hope very much it carries notwithstanding our party consciousness.

I do not believe it is in the interests of the majority to suppress the minority, and I believe the debate of yesterday made it very clear that so much time could be chewed up in quorum calls and rollcalls, to which Members are entitled, and which they should consider as being one of their dearest rights, and not surrender, that I believe it would result in many Senators being deprived of their hour because it would be charged against no one but the 100-hour cap and it would reduce that cap very materially.

So I hope very much, based on the very conclusive—what I consider conclusive—debate of yesterday, that this amendment may carry with bipartisan support.

I thank my colleague for yielding.

Mr. STEVENS. Mr. President, I thank the Senator from New York. I want to point out, as I have in drafting this, that it still would be in the provision of Senate Resolution 61 that the 100 hours could be increased by a vote of 60 Members, the same number that would be required to terminate debate. They could determine that additional time should be allocated on a particular measure, and it would be theoretically possible, although I myself do not think that would happen too often, but it would be theoretically possible, that the time could be increased.

I would like to yield to the cosponsor of this amendment, and I ask unanimous consent that the Senator from North Carolina (Mr. MORGAN) be added as a cosponsor to this amendment, along with the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, it seems to me that this is a proposal that could be beneficial to those who oppose any rules change and, at the same time, not really do violence to the intent of the proposed postcloture rule change.

I think the 100-hour limitation cap should be preserved. The Senate should hesitate before adopting a rule change that would bring down drastically the opportunity for each Member to debate post-cloture. So I think the proposal introduced by the distinguished Senator from Alaska (Mr. STEVENS), by the Senator from North Carolina (Mr. MORGAN), and myself is a reasonable one, and one which I hope, as noted by the Senator from New York (Mr. JAVITS), would have bipartisan support.

On the two previous votes, the Senator from Virginia was not able to vote for the amendment offered by the Senator from Alaska because it occurred to the Senator from Virginia that that proposal was not any real improvement over the resolution now before us.

But I think this Stevens-Byrd-Morgan amendment does greatly improve Senate Resolution 61, and I hope it will be considered in a bipartisan way and receive bipartisan support. It would eliminate from Senate Resolution 61 the opportunity to reduce the 100 hour cap.

Mr. STEVENS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER (Mr. BAUCUS). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, I would like to ask the sponsor of this amendment, the distinguished minority whip, a question. If a Senator uses 55 minutes of his time in debate and then asks for a rollcall which would take 15 minutes, he has used an hour and 10 minutes; is that correct?

Mr. STEVENS. That is correct.

Mr. BUMPERS. What if he also asks for a quorum call at the end of 50 minutes of debate? Is the quorum call automatically called off as soon as 10 minutes elapse?

Mr. STEVENS. No; that was in my other approach in the substitute. This is an amendment to Senate Resolution 61 and it has no reference to chargeability of time.

All I can say is that by leaving in the ability of the Senate to increase the time over the 100 hours, the conscience of the Senate would have to be heard in terms of the circumstances the Senator describes. We are taking out the ability of the Senate to decrease the time, but leaving in the ability of the Senate to increase the time.

I think if we had a situation where Senators still sought to present amendments and the time had run there would be a very persuasive case for the Senate to increase that 100-hour cap. There is no limit on the amount that can be increased. We sought in my other amendment—and it has still not been voted on, the substitute really—to assure each Senator 1 hour and to charge against that Senator the time taken for procedural activities that he requested. If he requested a vote it would be charged to his hour; if he requested a quorum call it would be charged to his hour; if he debated it would be charged to his hour, and he could debate it up to the 1 hour.

We have not pursued that, but what we are trying to do now is by an individual amendment to Senate Resolution 61 raise the issues in the substitute.

Mr. BUMPERS. Does the Senator's present amendment eliminate the section of the resolution that allows the Senate to increase 100-hour cap?

Mr. STEVENS. Our amendment would remove from Senate Resolution 61 the power of the Senate to decrease the time. It would preserve the language of Senate Resolution 61 that will allow the Senate to increase the time above 100 hours. So if the situation occurred, the situation the Senator describes, it would be possible for the Senate to respond to such a claim for equity and to extend the time sufficiently so that the Senators who had not been heard could have time.

But I admit, as I said in my opening statement, it is theoretical and would remain to be seen whether the 60 Members who decide that debate should be brought to a close would, or at least part of them would, join with those who sought additional time to extend that 100-hour cap.

As the Senator from New York indicated, this is to us one of the significant amendments, that the power to decrease the time contained in Senate Resolution 61, which was presented in its amended form, be eliminated because that power to decrease the time, coupled with the time that would be running on quorum calls and voting would not be chargeable against anyone but would be chargeable to the cap, could eliminate the ability of a Senator to seek the time that the rules imply he is entitled to.

They do not say today that each Senator is entitled to 1 hour. The rules say no Senator may use more than 1 hour. We are not changing that provision of the rule. Senate Resolution 61 does not seek to change that provision of the rule, as I understand it, and the majority leader's proposition is that that remains the same, but the 100-hour cap goes in. His approach would have permitted both the increase and the decrease of the cap by a vote of the 60 who brought about the cloture procedure in the first place.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. STEVENS. Let me see if the Senator from Arkansas has completed his questioning.

Mr. McCLURE. Mr. President, will the Senator yield for a response?

Mr. BUMPERS. I would like to ask the majority leader a question. What is the maximum time any one Senator can use under Senate Resolution 61, given the worst case scenario? Let us assume he speaks for 59 minutes and then asks for a quorum call. Now, that quorum call conceivably could go live. It is not going to be charged to that Senator but it is charged to the 100-hour cap; is that correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. BUMPERS. If it takes 2 hours to get a live quorum and no other Senator will have been recognized during that time, only one Senator will have had the floor during that entire time.

Is that correct?

Mr. ROBERT C. BYRD. Under the Senator's scenario, that is correct.

Mr. BUMPERS. If the Senator asks for a quorum call, and, then asks for his, that would take 2 hours and 15 minutes.

Mr. STEVENS. The worst case scenario is 100 hours. I could use the 100 hours——

Mr. BUMPERS. How can one do that? I cannot conceive that happening.

Mr. STEVENS. Just call up an amendment, do not speak, have a rollcall, suggest the absence of a quorum before the rollcall.

I think the Senator from West Virginia

would agree, if the Senator really wants to be heard, that is, we could use 100 hours in an hour.

Mr. ROBERT C. BYRD. No.

Mr. SARBANES. Will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. SARBANES. We could not work out that scenario, which is, essentially, what we encounter now under the postcloture procedure, because of the provision that says that no Senator, once he has called up two amendments, will be recognized to call up another amendment until other Senators who wish to call up amendments have been recognized to do so.

If we did not have that provision in here, then we would really be right back with at least the potential of running time completely.

We have got these quorums and rollcalls. We have to calculate that time to the extent we can use it off the two amendment provision, assuming we get recognized immediately to offer the second amendment, which may also not happen.

I mean, the Chair would then, I assume, recognize someone else. But there is that preferential recognition which occurs with respect to those who have not offered amendments, which provides assurance to someone who offers an amendment that he will have an opportunity to get in there.

It is conceivable that if all 100 Members of the Senate want to offer amendments, every single Member of the Senate, and the first people in, the first 40 or the first 50 or the first 60, use a quorum and a rollcall, that we will count down to where the time on the 100-hour cap is running out on the end. But I must say that I think, as a practical matter, that is not only not likely, but is not going to occur.

Mr. STEVENS. It is theoretically possible, if no one sought the floor, for one Senator to use the whole cap.

Mr. SARBANES. But that is an advantage. If the Senator will yield further, that is an advantage of Senate Resolution 61 over the other approach of just giving a Senator an hour period and letting him use it, because under Senate Resolution 61, if we get into a situation where we have five or six Senators who really are concerned about trying to amend the bill—it could well be the Senator from Alaska on the lands bill which is of particular interest to his State—under Senate Resolution 61, if he is the one who desires to offer amendments and no one else is really very interested in doing that, he will have an opportunity, really, to use a lot of the 100 hours because no one else in the Senate wishes to assert his right to offer amendments.

So, in a sense, he gets the chance to use a big chunk of that time if no one else around here wants to use it.

In that respect, in that scenario, it provides a great deal of protection or opportunity for a minority Senator or a small group of minority Senators.

Mr. BUMPERS. Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur on the amendment by Mr. STEVENS, Mr. HARRY F. BYRD, JR., and Mr. MORGAN, at 11:30 a.m. today, which precludes a motion to table.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, the only reason I objected is that I have been seeking recognition to address the question asked by the Senator from Arkansas. He, apparently, has left the room in spite of the fact that he asked the question. Apparently, he was either satisfied with the answer or did not want the answer.

The Senator from Maryland was correct, of course, in saying that if no one else seeks recognition a Senator can offer as many amendments as he can offer within his 1 hour and can consume as much time as the Senate will allow him to consume until somebody else seeks recognition.

But as we went into that debate yesterday, on precisely the same issue, it is also quite possible that somebody who does not want the measure amended exerts his preferential right to interject some other amendment after the person has offered one, or, certainly, after he has offered two, and that if there are several such Senators that want to preclude the amendment, they can use up the time, and that Senator who is very interested in that bill might very well never have the opportunity to offer more than two amendments no matter how much time he had consumed off 1 hour.

I am not saying that is going to happen, but that is entirely possible under Senate Resolution 61 as it is drafted.

I just do not think there should be any illusions about the rigidity of the cap.

Again, I will reaffirm what I tried to say yesterday, that our real problem is, how do you accommodate the guarantee of rights for each individual Member of the Senate and, at the same time, preserve the inviolability of the 100-hour cap?

Senate Resolution 61 seeks to do it by saying that everybody is entitled to 10 minutes. That takes me back to the days when I served in the other body where, as a matter of fact, we often times got down to the closing debate and were entitled to be recognized for 15 seconds.

That is a great honor and a great privilege, but it really does not do much for one to shape the legislation or even make any arguments on the legislation.

Ten minutes guarantee is a guarantee. But what does it guarantee? It guarantees 10 minutes. It guarantees no more than that. If we used more than our time at any time in the debate, then we would be out at the end.

So there is no way I can see. There will be no possibility, it may, as a practical matter, not exist, and that a Senator with a series of amendments will be limited.

It is quite possible that will not occur, but it is equally possible it will occur. If there is a determined opposition to the bill, a group of Senators who are determined to prevent the amendment of that bill can by their own devices, each offering two amendments, each debating for 50 minutes, each asking for a quorum call, each asking for a rollcall on his amendment, then preclude the opportunity of any one else to get in and offer the amendments, certainly, the one or two Members that have the overriding interest, as the Senator from Alaska has been trying to point out.

Mr. SARBANES. Will the Senator yield?

Mr. McCLURE. I am happy to yield to my friend.

Mr. SARBANES. Because we can obviously sketch out different scenarios.

Under the other approach which was earlier tabled and, thereby, not followed by the Senate, of the hour and the time running, at most, that meant a Member could get, say, three amendments with rollcalls, conceivably four.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. SARBANES. I yield.

Mr. McCLURE. He could be assigned the time by the aggregate of 10 hours, as was in the amendment offered by the Senator from Alaska. He certainly would have the opportunity to offer more than three or four amendments.

Mr. SARBANES. That is a different issue. I think the whole question of being able to yield time to others, as a general practice in the Senate, raises very fundamental questions.

Mr. McCLURE. It certainly does raise very fundamental questions; but I do not think that just because the Senator from Maryland wants to exclude it, it can be said that the proposal does not include it. The proposal does include it; and until it was stricken from the proposal, that was the option presented to the Senate. Whether it is wise or good or bad is a matter of judgment.

Mr. SARBANES. The matter that is before us now, of the 100-hour cap, it seems to me, offers for the keenly interested Senator, in the scenario being sketched by the Senator from Idaho, a situation in which it is highly unlikely that he would have a very extended opportunity to offer his amendments to shape the legislation.

I can understand the concern to which the amendment now before us is directed, because that amendment goes to the provision in Senate Resolution 61 that would allow three-fifths of the Senate, once cloture had been invoked, to go on and reduce the cap downward to the 30 hours; so that then you are making all your calculations against a 30-hour cap, as against a 100-hour cap.

I ask the Senator from Alaska this question: As I understand his amendment, it would knock out the power to reduce the 100-hour cap at all. Is that correct?

Mr. STEVENS. I do not have the time.

Mr. McCLURE. Mr. President, I yield to the Senator from Alaska, in order that he may respond, without losing my right to the floor.

Mr. SARBANES. As I understand the amendment, what it would do to help address this problem of the time under a cap being chewed up by a few people is

that it would eliminate the provision that the 100-hour cap would be reduced downward. So once you went into the postcloture period, the 100 hours would be in effect. It would be there to be used, unless no one wanted to use anymore time or unless you got some sort of unanimous-consent agreement. Is that correct?

Mr. STEVENS. That is correct.

However, I say further that the reason I did not delete—and we originally discussed deleting the power to increase time, too—was that the question that the Senator from Arkansas raised was also raised in my mind; and I think the Senate should have the power to extend the time if a situation develops in which some Senators have not been able to present all their amendments and the Senate determines that they are not dilatory, that they are not part of a delay, but that they are issues the Senate should address before the bill comes to a final vote.

I am still of the opinion that some mechanism for having an amendment to an amendment should be available, and we still have our staffs working on the issue. I withdrew that amendment yesterday. I hope we can work out a consensus whereby somehow the amendments themselves must be at the desk long enough so that any Member really interested can look at them and offer an amendment to an amendment prior to the vote on cloture, so that we would have a chance to have an amendment to an amendment. But, still, those would be there, at the desk, prior to the cloture vote.

Mr. SARBANES. I indicated to the Senator from Alaska yesterday an understanding of the concern he expressed with respect to the authority to reduce the 100 hours down to 30 and the problem that might arise in terms of two people then being able, in effect, to consume the 30 hours, to the exclusion of other Members of the Senate. I think he has pointed to a problem, and therefore I appreciate the amendment he has now offered.

Mr. McCLURE. Mr. President, I am glad the Senator from Maryland has indicated his approval of the pending amendment, because I think it does reduce the threat of the shutout of Members that is implicit under Senate Resolution 61.

I should not allow my remarks to be construed outside the context of understanding that the question of germaneness, the question of dilatory tactics, is not affected by this rule and still can be raised at any point within the 100-hour cap, to affect either the people who want to amend or those people who are trying to obstruct the amendment. I do not say that because I think it should be raised casually. I say it because it still is a mechanism that is there, that is unaffected by the rule and still is in effect.

So it became obvious that if the amendments offered by some who wished to obstruct the attempt to offer legitimate, bona fide amendments were obviously dilatory, the Chair would have the capacity to deal with it, if, as a matter of fact, it obviously were the case.

While I am in favor of this amendment, I think the Senator from Arkansas, had he remained here for the debate after he raised the question, should have recognized that indeed it is possible under Senate Resolution 61—perhaps not practically going to happen, but it is possible—that a Member be frozen out of the opportunity to offer the amendment simply because someone else has used up the time under the rules of the Senate, as embodied in Senate Resolution 61.

I yield the floor.

Mr. STEVENS. Mr. President, the Senator from Idaho objected to the prior request of the majority leader. I now have an indication that a vote at noon would be agreeable on our side. Is that agreeable?

Mr. McCLURE. On this amendment? I am ready to vote now.

Mr. STEVENS. There is another Senator, who has gone to an interview and will return at noon. So if the Senator would agree to have a vote at noon——

Mr. ROBERT C. BYRD. We could have a voice vote now.

Mr. STEVENS. We have been asked for a rollcall vote on this.

Mr. McCLURE. Mr. President, will the Senator from Alaska yield?

Mr. STEVENS. I yield.

Mr. McCLURE. I said it quietly, and I would like it to be said on the record: I would like to vote now. I did not object earlier for any other reason than to protect my right to speak.

Mr. ROBERT C. BYRD. If we can get unanimous consent to withdraw the order for the yeas and nays, we can vote now.

Mr. STEVENS. I have had a request for a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment by Mr. STEVENS occur at 12 noon today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this precludes a motion to table.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, a vote will occur on the amendment, up or down, and I intend to vote for this amendment. I believe it is a reasonable amendment, and the remainder of the resolution remains as it is at this point. Possibly, it can be improved further.

I have no objection to this amendment, because I think that, from a practical standpoint, the problems are going to take care of themselves. Senators who do not want to use their time will not use it, and the time thereby will be reduced automatically. I think that once it is established that there is a cap, and at the end of that time judgment day has arrived, two or three Senators will not exercise themselves in attempting to prolong unduly the debate on the matter, after the Senate has indicated by a cloture vote that it wants to reach a final decision after due time.

I believe this is a reasonable amendment, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the amendment may be set aside so that other amendments may be called up.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 20

(Purpose: To allow transfer of time between Senators in the postcloture period)

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 20:

On page 3 delete all the language in lines 6 through 11 and insert in lieu thereof the following:

"Notwithstanding other provisions of this rule a Senator may yield all or part of his one hour to any Senator, but no Senator shall have more than two hours so yielded to him."

The PRESIDING OFFICER. The amendment is out of order. The amendment seeks to amend language which already has been amended.

Mr. STEVENS. Mr. President, I ask the Chair to withhold that. I ask unanimous consent that it be in order to present this amendment. It was the amendment that the majority leader mentioned prior to the vote on the last amendment I presented, and it should be presented separately.

Actually, this goes further than that one. This one indicates that it would be 2 hours. My last amendment would have made it 6 hours.

I wish to ask the majority leader to permit us to have this amendment be in order. It is to language that was admittedly amended, although I might say to the Chair that is a strange ruling because the language that was amended begins at the end of line 11. This language was never amended before, to my knowledge.

The PRESIDING OFFICER. The language that the Senator seeks to amend was added by previous amendment.

Mr. STEVENS. It was my understanding that the language beneath the language which the Senator seeks to amend was deleted by a specific amendment, but I do not recall that that language was amended in the version as it was submitted on the legislative day of February 8, which I understand it was to be the original text. The understanding of February 8 was the original text. We had no such agreement for February 9 language or February 21 language. But that provision was in the first amendment to be presented as a separate part of Senate Resolution 9.

Mr. ROBERT C. BYRD. Mr. President, at no time have I asked that any of the amendment language be considered as original text.

Mr. STEVENS. I misunderstood. I thought the time when the majority leader did pull out Senate Resolution 61 as a portion of Senate Resolution 9 that it became original text.

Mr. ROBERT C. BYRD. No.

Mr. STEVENS. When it was introduced as Senate Resolution 61 it was original text.

Mr. ROBERT C. BYRD. That is true. But I thought that the Senator meant that the amended portions of Senate Resolution 61 had become original text by virtue of unanimous-consent requests. I misunderstood.

Mr. STEVENS. I did not make that motion. I may not have conveyed my request or my understanding. It was my understanding that that provision of lines 6 through 11 was in Senate Resolution 61 when it was originally introduced, that the language beneath that, which commenced on line 11 that was deleted, was also part of the original Senate Resolution 61.

The PRESIDING OFFICER. No. Lines 6 through 14 were added.

Mr. ROBERT C. BYRD. Yes, those were added by amendment, may I say to the Senator from Alaska. That was my amendment.

Mr. STEVENS. It was part of Senate Resolution 9.

Mr. ROBERT C. BYRD. No, I do not believe it was. No. I offered this as an amendment.

Mr. STEVENS. No. I was out of town that day. My understanding is incorrect.

I again renew my request, though, that it be in order. I ask unanimous consent that it be in order to present this amendment, the purpose of which would be to permit a Senator to yield his time to any Senator. Under the provisions of Senate Resolution 61, that yielding can be only to the majority or minority floor managers or the majority or minority leaders. I have taken the position that it should be possible for a Senator to yield to any other Senator and not just to the floor managers or to the leadership because so often in the postcloture procedure it is not the leadership, it is not the managers who seek the time to present the amendments that they have presented, and I really think that we will be taking an unfortunate step if we limit the yielding only to the leadership.

Will the majority leader indicate whether it would be possible to have an agreement that this amendment would be in order notwithstanding the rule? It is possible, of course, to present this amendment in a form that would be in order. All I have to do is to say, "Notwithstanding the provision of lines 6 through 11, any Senator may yield 2 hours up to another Senator." If you want to go through that I will be happy to do it.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I am not going to object to his request to offer the amendment, but I do object to the amendment. So I have no objection to the Senator offering his amendment.

The PRESIDING OFFICER. Without objection, the amendment will be in order.

Mr. ROBERT C. BYRD. Now, Mr. President, I object to the amendment.

Under the present rule, unanimous consent is required to yield time to any other Senator following the invoking of cloture. That has been the rule.

First of all, the object of cloture is to bring the matter eventually to a close and for the Senate to reach a decision up or down. We seem to forget that there are going to be days of debate before cloture is invoked. Even if a cloture motion is offered the instant that a matter is before the Senate, there are going to be 2 days of debate unless the Senate recesses or adjourns in the meantime, and this majority leader is not going to use that way of depriving Senators of an opportunity to debate and to amend a measure before cloture is invoked.

So we have that time in which to debate and in which to amend, and then after cloture is invoked, under the resolution there will be up to 100 hours that can be used by any Senator to debate and to amend the measure or matter on which cloture is invoked.

Under the rule that has been in effect now for 62 years, it has been necessary to obtain unanimous consent to transfer time, and I have seen Senators transfer time especially to managers of bills. It becomes necessary. And I think we should continue that rule that requires unanimous consent to yield time because the object of cloture is not to extend the debate, not to make it possible for Senators to go on and on and on and thwart the will of the constitutional majority of Senators who have indicated by their votes that they want to see the matter brought to a close.

The object of cloture is not to thwart the will of the majority once it has spoken. But the object of the cloture is to bring the matter to a close after due debate, and 100 hours, Mr. President, is provided in the resolution. I think it would be a mistake to allow the rule to be changed so that any Senator may yield all or part of his 1 hour to any Senator with the provision, of course, that no Senator shall have more than 2 hours so yielded to him.

To do that would make invalid the rule that we have followed all these years requiring unanimous-consent to transfer time and it would serve to prolong the consideration of the measure. It make it possible for Senators, whose desire it is only to obstruct, delay, and thwart the will of the three-fifths majority, to extend the time not by 1 hour but by hours, and, of course, it would all come to an end when the 100-hour cap had been reached. That is granted.

That is the saving grace of this resolution. They can chew up 100 hours, but then it is all gone; there is not anything to digest any further. There are no further motions or amendments or debate upon which to masticate, except one or two that are provided for in the resolution itself.

So if we allow time to be yielded without unanimous consent, then it would be possible for 50 Senators to each yield an hour to 50 Senators, and those 50 Senators could have 2 hours each, and could spin out the time needlessly.

Let me ask a rhetorical question. Who on the other side of the aisle would deny a Senator on that side of the aisle who asked to be yielded an hour? Who would deny him? Only a Senator who needed to use the hour himself would deny him, and that would be understood. Otherwise, he would say, "OK, I will yield you my hour." So Senator X yields Senator Y his hour. Then Senator A goes to Senator B and says, "How about yielding me your hour?" Senator B says, "OK, here it is." So Senator A has an extra hour.

Then Senator C goes to Senator D and asks him, "How about yielding me your hour?" Senator D says, "Fine, you can have my hour."

So before it is over with, you have 20 Senators yielding 20 other Senators their hour, and you have 20 Senators with 2 hours each, and that can be extended with certain maneuvers to 10, 15, or even 20 hours, though thank heaven there is an ultimate cap of 100 hours.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Actually, 40 Senators could yield to 20 Senators, giving them each 2 hours plus the hour they already have, so that each Senator would have 3 hours, his own hour and the 2 hours yielded to him by two other Senators.

Mr. ROBERT C. BYRD. Oh, yes.

Mr. SARBANES. Or make it a smaller number, just to dramatize it even more.

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Suppose you have 8 or 10 Members of the Senate who wanted to drag it along throughout the entire period. They could be yielded time by 20 other Senators, 2 hours each. Those 10 Senators would then each have 3 hours, so you get a total of 30 hours.

Mr. ROBERT C. BYRD. Yes, the Senator is correct. I thank him for the correction. I was taking into consideration—I understood that the amendment only allowed a Senator to have 1 additional hour yielded to him. The Senator from Maryland has pointed out that the errors that I have mentioned have been compounded 100 percent. He can have two Senators yielding time to him; then he has a total of 3 hours.

Mr. President, I can understand how the manager of the bill and the ranking minority member ought to have 3 hours each. I am willing to wipe out the amendment I offered the other day to include the majority leader and the minority leader among those to whom as much as 2 hours could be yielded. I am willing to wipe that out; just give him his own hour, and if he does not finish within that hour, it is his bad luck.

But let us not open the gates here and let the flood tide in by letting any Senator yield to any other Senator his hour without unanimous consent, with any Senator allowed to have as much as 2 hours to be yielded to him, thus having control of 3 hours.

Mr. President, I oppose the amendment and I hope the Senate will vote it down; and I shall move to table the amendment at the appropriate time. I do not wish, however, to deny other Senators the right to be heard.

UP AMENDMENT NO. 21

Mr. McCLURE. Mr. President, I have an amendment to the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 21.

Delete the word "two" and insert in lieu thereof the word "five."

Mr. McCLURE. Mr. President, this is to carry out what we had discussed earlier when we were talking about the possibility of a compromise between the 2-hour period and the 10-hour period. It was impossible for me at that time to offer the amendment, which would have offered the compromise of an aggregate of 6 hours. I do not suppose there is any real point in belaboring the issue. I think those few Senators who are here have heard it discussed at length.

Let me add only this much: I think the Senator from Maryland and the Senator from West Virginia are correct when they point to the fact that the aggregation of time in the context of Senate Resolution 61 may aggravate the danger of a few Senators using up all of the 100 hours cap. Therefore, I concur in the wisdom of acceding to the language in the Stevens amendment that out of whatever time Senators could get assigned to them, whatever they used would be charged to them. Quorum calls, rollcalls, or anything else they caused to happen would be used up within their time; and if they had an aggregate of 6 hours, as my amendment would permit, they would then be charged with all of that time, and it could not come out of the cap unless it were charged to their time, with the exception of the possibility of a prolonged time at the end of their time period that would go beyond their time period, involved in the establishment of a quorum or a rollcall vote that could not be completed within their time frame.

That still seems to me to be a superior mechanism, and I hope again, before we get to final passage, we will have an opportunity to revisit that. But if it is not to be revisited, I hope we can aggregate this so that we get away from the temptation for an individual Member to ask for a whole series of amendments, which is the problem in postcloture we are attempting to address, with the sure knowledge that the time consumed in the consideration of that amendment will not be charged to his time.

I hope if this amendment is adopted—and I hope it will be adopted by amendment to the Stevens amendment, and that then the Stevens amendment itself is adopted—that we can then return to the concept that now, having given a Member 6 hours, or 3 hours, as the case may be, the time that he consumes will be charged to him and him alone, and will not come out of the 100-hour cap except with the minor exception I have already referred to, with the assurance that thus the 100-hour cap remains inviolate, and all the rest of the Senators are completely protected.

I think that is a much superior way to guarantee individual rights, and a much superior way to guarantee the inviolability of the 100-hour cap.

Mr. President, I think the issue has been ventilated and cross-ventilated from a number of different sources and a number of different openings. I would hope we can get a yea and nay vote on the adoption of my amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, either of these amendments would allow certain Senators to yield their time without unanimous consent, thus automatically diminishing the time of other Senators who wish to maintain control of as much of their time as they can, and deprive those same other Senators of the right to object to the transfer of the time. So I hope that Senators will carefully consider these amendments.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I am sure the Senator understands, and I believe he has made it clear to the Senate, that the heavy burden falls on whoever it is that is managing the bill.

Mr. ROBERT C. BYRD. Exactly.

Mr. LONG. So that you have one man who is manager of the bill, he is doing the best he can to speak for his committee, and under the existing cloture rule, even though the chairman of the committee, or the manager, as the case may be, understands the measure probably better than anybody else, and presumably may be speaking for the majority here, he has to run and find somebody else who does not understand it as well as he does to debate the issue. Because each Senator has an amendment, they have an hour to present their side of the argument, and from their point of view that one amendment is the most important thing that is going to be voted upon. But from the point of view of the manager of a bill, he has to defend perhaps against 100 amendments. Therefore, he would only be in the position to allot himself about 30 seconds on each amendment when to do justice to the argument he would need more time than that.

It is bad enough that he would have to let the other side have far the better of it, a great deal more time to explain their position, than the one managing the bill for the committee, but to have it where those speaking for an amendment to the bill have what amounts to a 10-to-1 edge on the time to make the argument is not in keeping with the theory that there ought to be equal time on both sides.

To try to move toward that objective, the majority leader has sought to modify the rule so that it does not require unanimous consent to yield some time to the person who is explaining the committee position.

Does not the amendment as it stands, as amended by the majority leader, provide that those on the other side of the aisle have some time to use the same way?

Mr. ROBERT C. BYRD. The ranking manager would have the same amount of time.

Mr. LONG. And we would expect the same customary fairness that we have under the unanimous-consent agreement.

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. So if we assume for the sake of argument that the ranking member might be opposed to the amendment, but at the same time wanting those on his side to have adequate opportunity to support their position, he would probably yield them some of his time to be sure that both sides were adequately heard.

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. Mr. President, it seems to me that it makes a lot better sense to give us enough flexibility that those who have the most knowledge of a subject could present it to the Senate rather than those who have the least knowledge.

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. We can be sure that the man who presents the amendment will ordinarily be the best expert in the Senate on that particular amendment. Those on the other side should be in a position to provide time for whomever might be the best informed on the subject to present the other side of the argument.

Mr. ROBERT C. BYRD. Yes.

I thank the Senator for making that cogent point.

Additionally, he, as the manager of the bill, under my resolution could be yielded 2 additional hours, so he has a total of 3 hours. Under the amendment by Mr. McCLURE, 20 Senators on that side of the aisle could each yield 1 hour to 10 Senators. Then the manager of the bill would have 10 Senators over there, each with 3 hours, offering amendment after amendment after amendment and the manager of the bill has to stand up here and defend. He has 3 hours to defend against 30 hours over there.

I think the manager of the bill ought to have the right to object to the transfer of that time. As we have had it in the past there have been occasions when time was transferred without objection. But when those 20 Senators yield to 10 Senators, each 1 hour, they deprive the other 70 Senators in this body of an equal shot at that remaining time under the cap, and the other 70 Senators cannot even raise a rumor in interposing an objection. The time is being chewed away because Senators over here—or it could be over here—have yielded their time to people who oppose the bill. There are other Senators who just have to sit there and see time yielded away that will eventually come out of their hide under the cap. They cannot interpose an objection.

Mr. LONG. As the Senator understands, I think any of us who are managing a bill on the floor when cloture has been voted seek no more than an opportunity to be heard. It is sort of like the rule on television, where they have to give both sides a chance to be heard. An equal opportunity is all we seek. What the majority leader has sought to do, where time could be yielded both to the manager of the bill and his counterpart on the other side of the aisle, moves us in that direction.

Unfortunately, it seems to me, the amendment now being offered would move us away from that.

Mr. ROBERT C. BYRD. It would.

Mr. SARBANES. Mr. President, I believe the Senator from Louisiana is absolutely correct. Senate Resolution 61 as now before us contains a very limited provision for the yielding of time without unanimous consent. It is, of course, a departure from standard Senate practice. But it is very limited. In other words, the majority leader, the minority leader, and the two managers, the majority and minority managers, can be yielded time, but only 2 hours, no more than 2 hours, for each of them. They can, in turn, yield it out if they choose.

The argument for allowing them to get some extra time is exactly the one that the chairman of the Finance Committee put; namely, when a Senator comes in with an amendment. He is prepared for that amendment. He has 1 hour on that amendment if he chooses to use that entire hour, or he may have two amendments and take a half hour on each. He lays it out, explains, puts up his charts and diagrams, and finishes making his presentation. It falls on the manager of the bill to respond to that. Of course, at the moment he has an hour, since everyone is equal. In responding, maybe the manager takes 10 minutes. Then another Senator comes in with his amendment and takes a half hour or 40 minutes to explain his amendment. Eventually, the chairman has used up all his time. He has to get up on some other amendment and try to give a 30-second or 90-second response, sort of explaining why the Senate should not do it, if he is opposing it, and he really cannot present the case. So this is a limited effort to try to provide some extra time there.

The proposal, that Senators should be able to yield to anyone, and in the instance of the Senator from Alaska they could get 2 more hours and the Senator from Idaho would give 5 more hours, means that individual Senators can collect time.

I am very frank to tell you, Mr. President, if you provide a yielding provision, any Senator, I believe, would be able to get all the time that is available. He will go to another Senator. He will say to him, "You voted for cloture. I did not vote for cloture. You are for the bill and I am against the bill. All I am asking you to do is to give me some of your time. That is a reasonable request. Why don't you just pass me some."

Who is going to deny that?

How many Senators here will deny a colleague that request?

Mr. STEVENS. Will the Senator allow me to answer that question?

Mr. SARBANES. Yes.

Mr. STEVENS. It is a reasonable request. The Senator answered it himself. That is what makes it reasonable. If you go to another Senator and he knows you have a good cause and you need time, he will give it to you. What is wrong with that?

If the Senator will permit me just one statement, take the bill that I know is coming to the floor in terms of the Alaskan situation. It could happen in Louisiana and certainly could happen in Virginia in terms of a dam that I remember. The time will come when we will see bills that affect only one State. The tradition of this body has been there has never been cloture voted against a bill that pertained to only one State, but I think we will see it happen this year.

At that time my colleague and I are going to need some time. We are not going to be the managers of the bill. We are going to be in the situation of trying to have amendments to the amendments of the committee. Where do we get our time beyond 1 hour?

I say to my good friend from Louisiana, what he said is true as manager of a bill. I have been manager of a bill, and we know the circumstance, normally. It is that there are one or two people managing the bill with just 1 hour each and the people who oppose the bill have the advantage. I will agree to that. But we will get to the situation where the bill affects only one State. Take RARE II, for example, which will come up in terms of the wilderness proposals in the national forest, or section 603, the review for wilderness in the public lands. There are only 17 public land States.

The PRESIDING OFFICER. Under the previous order——

Mr. ROBERT C. BYRD. Mr. President, I move to table the amendment by Mr. STEVENS, and the move to table automatically carries with it the amendment by Mr. McCLURE.

Mr. McCLURE. Mr. President, would the Senator from West Virginia withhold that motion to table? I would like the opportunity to respond to a couple of the other comments.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. ROBERT C. BYRD. Could we get a time agreement on it?

Mr. McCLURE. Sure.

Mr. HARRY F. BYRD, JR. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Is not the order of business to vote on the Stevens-Morgan-Byrd amendment this morning?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. Might I inquire of the majority leader is it anticipated that this rollcall on the Stevens-Morgan-Byrd amendment would be a 15-minute rollcall?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Can we have a period of 15 or 20 minutes after that rollcall?

TIME LIMITATION AGREEMENT OF 20 MINUTES DEBATE

Mr. ROBERT C. BYRD. Very well. Mr. President, I ask unanimous consent that upon disposition of the amendment by Mr. STEVENS, Mr. HARRY F. BYRD, JR., and Mr. MORGAN that there be 20 minutes for debate on the amendment by Mr. STEVENS which can be used also on the amendment by Mr. McCLURE; that the 20 minutes in toto be equally divided in accordance with the usual form and that the vote in relation thereto then occur.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the hour of 12 noon having arrived, the Senate will now vote on unprinted amendment numbered 19 proposed by the Senator from Alaska in which the yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The PRESIDING OFFICER (Mr. PRYOR). Is there any other Senator wishing to vote?

The result was announced—yeas 92, nays 2, as follows:

[Rollcall Vote No. 3 Leg.]

YEAS—92

Armstrong	Ford	Moynihan
Baker	Garn	Muskie
Baucus	Glenn	Nelson
Bayh	Goldwater	Nunn
Bellmon	Gravel	Percy
Bentsen	Hatch	Pressler
Biden	Hayakawa	Proxmire
Boren	Heflin	Pryor
Boschwitz	Heinz	Randolph
Bradley	Helms	Ribicoff
Bumpers	Huddleston	Roth
Burdick	Humphrey	Sarbanes
Byrd, Harry F., Jr.	Inouye	Sasser
Byrd, Robert C.	Jackson	Schmitt
Cannon	Javits	Schweiker
Chafee	Jepsen	Simpson
Chiles	Johnston	Stafford
Church	Kassebaum	Stennis
Cochran	Laxalt	Stevens
Cohen	Leahy	Stevenson
Cranston	Levin	Stewart
Culver	Long	Stone
Danforth	Lugar	Thurmond
DeConcini	Magnuson	Tower
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	McClure	Warner
Durkin	McGovern	Weicker
Eagleton	Melcher	Williams
Exon	Metzenbaum	Young
	Morgan	Zorinsky

NAYS—2

Pell	Riegle

NOT VOTING—6

Hart	Hollings	Packwood
Hatfield	Kennedy	Talmadge

So the amendment (UP No. 19) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 20

The PRESIDING OFFICER. The question now recurs on the amendment by the Senator from Alaska.

Mr. STEVENS. Mr. President, it is my understanding that the time is 20 minutes, equally divided, and includes the discussion of the amendment offered by the Senator from Idaho (Mr. McCLURE). I defer to the Senator from Idaho, if he wishes the time.

Mr. McCLURE. I thank the Senator from Alaska.

Mr. President, I assume from what transpired just before this last rollcall vote that the majority leader, at the conclusion of this debate, will offer a motion to table the Stevens amendment, and that it then would carry not only the Stevens amendment to the table but also the amendment of the Senator from Idaho to the Stevens amendment.

If that is the case, I think Senators should be aware that if they really want to get an opportunity to vote either upon the assignment of time to the aggregate of 6 hours or the assignment of time to the aggregate of 3 hours under the Stevens amendment, they must vote against the motion to table. That will be their only chance to get the opportunity to vote either on the 6-hour aggregate assignment or the 3-hour aggregate assignment.

It was argued a little earlier that it was somehow unfair to allow a committee chairman or ranking minority member to defend the position of the committee when he only had the same amount of time that another Member of the Senate had, and that because he had that responsibility, he had to have time that was equal to the aggregate of the remainder of the Members. That is the way I took the argument. That would mean, in terms of equal opportunity, that that one Member had to be equal to all the rest of the Senate combined. That seems to me to be patently fallacious.

I do recognize that a committee chairman, the floor manager of the bill, or the ranking minority floor manager of the bill do have unique responsibilities. But it is also quite possible under either the Stevens amendment or the McClure amendment to it to have time assigned to them.

Even under Senate Resolution 61, the minority leader and the majority leader each can have 3 hours, and the floor manager of the bill and the minority manager of the bill can have 3 hours on the bill, but nobody else gets anything extra, unless, as a matter of fact, somebody wants to give it to them.

That is a little like saying that the first amendment right of free speech is going to be granted to you; it is not your right. You have the right to speak, but you have the right to speak only if somebody lets you speak, if one of the people in a position of responsibility should grant you the right to speak. In my judgment, that is not a right; that is a privilege that is subject to being withdrawn.

It would be the same as if it were to be said, with respect to freedom of the press, which is guaranteed by the Constitution, "You can print whatever you want when I give you the right to print whatever you want. Don't worry about it. I'm going to be nice to you. I'm not going to restrict your right to print what you want, but you are going to print what you want only because I say you can print what you want."

That is not a right. It is not equal rights under the Constitution. It is not equal rights in this body, and it does not mean that there are 100 equal Members of the Senate.

You never can do away with the inequality of positions of responsibility. I recognize that. There always are going to be some who are more equal than others. But, for heaven's sake, let us not imbed in the rules what this seeks to do, which says that some, as a matter of rule, have a greater right than others to speak on the floor of the Senate in the postcloture situation.

Let us not get ourselves misled by the idea that the majority leader and the minority leader and the floor manager and the ranking floor manager will take care of you. I do not want to be taken care of. I want to have my right to speak, and I want to have my right to guaranteed under the rule, not granted to me benignly by some other Member, no matter how sweet and lovable he may be.

Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on Senate Resolution 61, as amended, occur no later than 6 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object—and I shall not object—I just want to record, for the benefit of the majority leader and the minority leader, the fact that I have no objection to that arrangement. I think it does accommodate all Members.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I regret that I have to oppose the pending amendments, but I will simply restate my case.

The object of cloture is not for the purpose of providing a vehicle whereby debate can be extended. The object of cloture is to bring to a close—that is what the word means, a close—the consideration of a matter on which cloture has been invoked by three-fifths of the Members elected and sworn.

Once those three-fifths have manifested their will that the Senate reach a decision in due time, the rule should be so written that 1, 2, 3, 4, 5, or 10 Senators cannot unduly prolong the consideration of that measure on which cloture has been invoked.

As long as we have had the cloture rule, and that goes back 62 years, back to 1917, the administration of Woodrow Wilson, time could only be yielded postcloture by unanimous consent, and the purpose was to bring about the expedition of the business on the matter clotured and bring to a close in a reasonable time that debate and consideration.

That is the purpose of Senate Resolution 61.

We have seen the abuses of the rule to the point that rule XXII really no longer exists insofar as it having any strictures on postcloture filibusters are concerned.

Now, we have two amendments pending that would take us in the opposite direction and would even make it possible for time to be yielded without unanimous consent so that 20 Senators could each yield an hour to 10 Senators, resulting in the control of 3 hours each on the part of 10 Senators and the floor manager of the bill and the ranking manager, stand up here and they have to oppose amendments or speak to them. They have only a maximum of 3 hours each; whereas 10 Senators have a maximum of 30 hours, and do not forget this, that when a Senator is allowed to transfer his time automatically without unanimous consent a Senator who would otherwise object to the transfer of that time is denied that privilege and that right and is thereby caused to see his own time potentially diminished as a result thereof because we only have 100 hours. We have a 100-hour cap and quorums are going to come out of it, rollcall votes are going to come out of it, and if 10 Senators have 3 hours each that they can use the other 70 Senators have had taken from them a certain amount of their time under that cap and they will not be able to raise a finger and will not be able to object.

So, Mr. President, I am in favor of continuing the present rule in that regard. Let Senators transfer their time by unanimous consent. That is fair enough.

I am glad to yield time to Senators. Otherwise, I am going to yield back my time.

Mr. STEVENS. I am prepared with one statement. I do not know whether I understood the majority leader correctly. But it does seem to me that the managers of the bill are one thing, and the majority and minority leader or their designees is another thing. That is how you become a manager. You are the designee of the majority and minority leaders. But it seems to be a little bit redundant to see both echelons of leadership have the ability to have 3 hours and have those four Senators be the only Senators who have more than 1 hour.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a correction?

Mr. STEVENS. I yield.

Mr. ROBERT C. BYRD. The majority leader has never in his 2 years as majority leader and has never in his 6 years as majority whip and has never in his 4 years as secretary of the Democratic Conference designated the managers of a measure. That is automatic. The chairman of the committee or the chairman of the subcommittee is the floor manager. When I bring in my appropriations subcommittee bill on the Department of the Interior no one designates me to handle that bill on the floor. I am the chairman. And the Senator from Alaska is my ranking member and one in whom I take exceedingly great pride, one whom I love, and one for whom I would not want to see any substitution. So no one designates that I manage that bill. No one designates that the Senator from Alaska be the ranking manager. The leadership does not do that. I thank the Senator for allowing me to respond.

Mr. STEVENS. I stand corrected in part. My memory of the unanimous-consent agreement is that it normally says the majority and minority leaders or their designees, but in any event——

Mr. ROBERT C. BYRD. No, it does not say that.

Mr. STEVENS. The problem I have——

Mr. ROBERT C. BYRD. It does not say their designees. That is not this resolution.

Mr. STEVENS. This one does not. That is what I am saying.

I just wonder if it is not redundant by saying majority and minority floor managers and the majority and minority leaders because that does amount to leadership time in the amount of 3 hours for each leader, and there would be four, the floor managers and the designated majority and minority leaders; whereas, each Senator would have but 1 hour.

Mr. ROBERT C. BYRD. Mr. President, I can understand the Senator's observation. It is apparent as to why the manager of a bill needs additional time. It is apparent as to why the ranking manager needs additional time. The majority leader and minority leader need additional time for making other motions, for propounding requests to keep the Senate operating, requests that have nothing to do perhaps with the matter over which cloture has been invoked, and also they will have time to yield to Senators on both sides of the aisle on both sides of the question additional time if perchance the time of such Senator has expired.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. I think that the language of Senate Resolution 61 is subject to either of two interpretations, and I think we should at least make the legislative history clear here. As I read the resolution and as I understand the majority leader, the author of the resolution, a Senator may yield all or a part of his 1 hour to any one of four people, the majority leader, the minority leader, the manager of the bill or the minority ranking manager of the bill.

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. So any Senator in the body can yield all or a part of his time to any one of those four people assuming that they are not identical persons.

Mr. ROBERT C. BYRD. With the caveat that only a maximum of 2 hours can be accepted by any one of those four Senators.

Mr. McCLURE. And the Senator yielding the time, of course, might yield all or a portion of it to any one of the four or a little bit to each of the four or however he might want to so long as that person accepting had not been yielded more than 2 hours in addition to his 1 hour.

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. And so long as the person yielding the time had not yielded more than 1 hour that is his to use or to yield; is that correct?

Mr. ROBERT C. BYRD. Yes. As to the latter, of course, the Senator would have no more than an hour to yield.

Mr. JAVITS. Mr. President, will the Senator yield to me for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. I thank the Senator.

I raise the question with the leader.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Alaska has time remaining.

Mr. JAVITS. Mr. President, will the Senator from Alaska yield to me 1 minute?

Mr. STEVENS. I yield whatever time is remaining.

Mr. JAVITS. I raise the question with Senator ROBERT C. BYRD about what happens if the minority and majority manager are together on a bill or an amendment. May the time then be yielded to the one who is truly leading the opposition? And the second question: May these 2 hours be broken up so, for example, you might yield in such a situation 10 or 15 minutes to a particular Member leading the opposition without yielding the whole 2 hours or whole hour by an individual Member?

Mr. ROBERT C. BYRD. The language, may I say to the distinguished Senator from New York, does not provide for an alternative yielding of time in the event that both majority leader and minority leader or both of the floor managers favor the same position, and I can see that weakness in the language, and I would certainly be amenable.

Mr. SARBANES. Mr. President, will the leader yield on that point?

Mr. ROBERT C. BYRD. I yield.

Mr. SARBANES. I think to help correct that potential weakness is the provision to yield time to the majority and minority leaders who would have an obligation to all of the Members on their respective sides and if the two managers of the bill were alined, I would assume they would compensate for that in terms of their own handling of the time that they receive and, therefore, we have at least some potential balance in that regard.

Mr. JAVITS. It may not be necessary. I was going to ask the Senator this: Are we clear now, that having been yielded the time any of these four Senators may yield to others?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. That is correct.

Mr. ROBERT C. BYRD. There is no problem there.

Mr. JAVITS. No problem? Well, why not think it over a little while, whether it is necessary to write it in?

Mr. ROBERT C. BYRD. Yes. The Senator from Maryland is correct. I do not have any doubt that the majority leader or the floor manager may yield time to others in opposition. But if we have a time agreement, if a Member is in favor of an amendment, then the time in opposition thereto would go to the minority leader or his designee; so that protects the opposition.

Mr. JAVITS. If the record is clear that that is the legislative intent, I may not seek an amendment.

Mr. ROBERT C. BYRD. That is the intent.

Mr. President, reluctantly, although I do so with gusto, I move to lay on the table the amendment by the very distinguished Senator from Alaska (Mr. STEVENS), the minority whip, whose heart is as stout as the Irish oak and as pure as the lakes of Killarney; and with that would go the amendment by Mr. McCLURE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Alaska. The yeas and nays have been ordered, and the clerk will call the role.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Maryland (Mr. MATHIAS), and the Senator from Oregon Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 51, nays 43, as follows:

[Rollcall Vote No. 4 Leg.]

YEAS—51

Baucus	Exon	Nelson
Bayh	Ford	Pell
Bentsen	Glenn	Proxmire
Biden	Hart	Pryor
Boren	Huddleston	Randolph
Bradley	Inouye	Ribicoff
Bumpers	Jackson	Riegle
Burdick	Johnston	Sarbanes
Byrd, Harry F., Jr.	Leahy	Sasser
Byrd, Robert C.	Levin	Stennis
Cannon	Long	Stevenson
Chiles	Magnuson	Stewart
Church	Matsunaga	Stone
Cranston	McGovern	Tsongas
Culver	Melcher	Williams
Durkin	Morgan	Zorinsky
Eagleton	Moynihan	
	Muskie	

NAYS—43

Armstrong	Hatch	Pressler
Baker	Hayakawa	Roth
Bellmon	Heflin	Schmitt
Boschwitz	Heinz	Schweiker
Chafee	Helms	Simpson
Cochran	Humphrey	Stafford
Cohen	Javits	Stevens
Danforth	Jepsen	Thurmond
DeConcini	Kassebaum	Tower
Dole	Laxalt	Wallop
Domenici	Lugar	Warner
Durenberger	McClure	Weicker
Garn	Metzenbaum	Young
Goldwater	Nunn	
Gravel	Percy	

NOT VOTING—6

Hatfield	Kennedy	Packwood
Hollings	Mathias	Talmadge

So the motion to lay on the table (UP amendment No. 20) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, before the Senator does that, will he allow me——

Mr. JAVITS. I withhold.

Mr. ROBERT C. BYRD. Will the Senator allow me to offer an amendment?

Mr. JAVITS. I withhold.

UP AMENDMENT NO. 23

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. STEVENS and myself I send an amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER (Mr. LEAHY). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and Mr. STEVENS, proposes an unprinted amendment numbered 22:

At the end of the resolution, add the following:

"The last paragraph of Paragraph 2 of Rule XXII is amended by striking the second sentence and inserting in lieu thereof: "Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if an amendment in the first degree, and unless it had been so submitted one hour prior to the beginning of the cloture vote if an amendment in the second degree."

Mr. ROBERT C. BYRD. Mr. President, in the past, as we have seen from time to time happen, cloture is invoked on a measure or matter. No amendments earlier, before the rule was amended, would be eligible to be called up once cloture was invoked unless they were germane and unless they had been read prior to the cloture vote.

Recently the rule was amended to provide that amendments, once cloture had been invoked, had to be germane and had to be submitted in writing to the desk prior to the announcement of the vote.

The problem which arose and brought about the amendment of that rule lay in the custom in some recent years that just prior to a vote on cloture the majority or minority leader would ask unanimous consent that all amendments at the desk at the time of the cloture vote be considered as having been read. Thus it made all such amendments, if they were germane, qualified under the rule to be called up.

On one occasion such a request was not made. The majority leader, the majority whip, neither of us—Mr. Mansfield nor I—made that request. Consequently, amendments that had not been read at the time cloture was invoked could not qualify, and the then distinguished Senator from Massachusetts, Mr. Brooke, sought to call up an amendment but it had not met the reading requirement, and Senators, many Senators, were astounded that the leadership had not made the customary request. It was not one that was required, but they had not made the customary request that all amendments at the desk at the time of the cloture vote be considered as having been read so as to meet the reading requirements of the rule as then written.

So the rule was changed to provide that amendments in writing at the desk, not printed amendments, but amendments in writing, if they were germane, at the time the vote was announced on cloture, were qualified.

This made it possible for a Senator to walk up to the desk during a cloture vote, turn in 500 amendments, and Senators who might otherwise be disposed to vote for cloture if they had known the content of those amendments at the desk might not have voted for cloture.

Also, and in addition, once those amendments were called up in the first degree no Senator could write an amendment in the second degree because his amendment had not been in writing at the desk at the time the vote was announced on cloture.

Often as discussions with respect to amendments occur it became apparent to most Senators that a second degree amendment should be allowed because the amendment in the first degree would raise a question which might need a remedy but that remedy could not be provided except by an amendment in the second degree. The amendment in the second degree is automatically ruled out because it was not at the desk in writing when the vote on cloture was announced.

No Senator could have foreseen the need for a second degree amendment to a first degree amendment of which he had no knowlege at the time that the cloture vote occurred.

So this amendment I have offered on behalf of the distinguished Republican whip and myself would cure both of these problems. One, it would require that all amendments in the first degree in order to qualify must continue to be germane, of course, and must be at the desk in writing by 1 p.m. on the day following the day on which the cloture motion was entered.

If cloture motion were to be entered on a Thursday, then all amendments in the first degree would have to be at the desk by 1 p.m. on Friday.

That would then give Senators an opportunity to examine the amendments in the first degree and write amendments to those amendments if their amendments to the amendments, to wit, amendments in the second degree, are at the desk at the time the vote on cloture begins, which would in this hypothetical case occur on the next Monday in the event the Senate is not in session on Saturday or on Sunday.

So this gives ample knowledge of what is at the desk in the form of amendments in the first degree.

Nobody is taken by surprise, and it gives ample opportunity for Senators to offer amendments—have at the desk amendments in the second degree to those amendments that were at the desk in the first degree, and thus those second-degree amendments would qualify under the rule, if it is so amended as we propose, once cloture is invoked.

I think it is a good amendment and it is a fair amendment. It is an equitable amendment, and I think it will be conducive to wise legislation.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, first let me state to my good friend from New York that I thought this was coming later. I know he intended to offer his amendment following the last vote and I am sorry I misled him.

With regard to the amendment itself, I am grateful to the Senator from West Virginia for joining me and his offering the amendment. This is the matter I have discussed previously and one that worries me a great deal about our ability to protect a State, or a region of the United States, in regard to amendments which are of national concern, mainly because we have in the past been unable to see them prior to their being presented and had no way under the existing cloture rule to present amendments in the second degree.

I think this is a fair compromise to the problem I discussed previously and, as the Senator from West Virginia knows, I withdrew the amendment I offered yesterday in the hopes that we could work out a fair compromise.

So I am delighted to be able to cosponsor it. I have discussed it with other Members on our side of the aisle and I know of no one who has an objection to it.

I would hope we could adopt it by voice vote.

UP AMENDMENT NO. 23

(Modification of UP Amendment No. 22)

Mr. ROBERT C. BYRD. If the Senator will yield, I would seek to modify it to write the words "at least" immediately preceding the words "1 hour," so that the amendment would read as follows, and I think it all adds up to the same thing, but this makes it clearer, makes it perfectly clear that they must be at the desk at least 1 hour ahead.

They can be 2 hours or 3 hours, but at least 1 hour prior to the beginning of the cloture vote if an amendment in the second degree.

Mr. STEVENS. I have no objection to that amendment.

Is the modification at the desk?

Mr. ROBERT C. BYRD. If the Senator will join me in the modification, we will add those.

Mr. STEVENS. I do.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment is as follows:

At the end of the resolution, add the following:

"The last paragraph of Paragraph 2 of Rule XXII is amended by striking the second sentence and inserting in lieu thereof: "Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if an amendment in the first degree, and unless it had been so submitted at least one hour prior to the beginning of the cloture vote if an amendment in the second degree."

Mr. SARBANES. Mr. President, I simply want to take a moment to commend the Senator from Alaska for pointing out in the course of this debate what I think was a very reasonable problem and with the majority leader framing his solution to it.

I think this gives everyone an opportunity to know what amendments are pending at the desk before they actually vote on cloture. It also provides for a more orderly amending process in the postcloture period.

Mr. STEVENS. I thank the Senator from Maryland very much.

Mr. President, I ask for a vote on the amendment.

Mr. ROBERT C. BYRD. So do I thank the distinguished Senator from Maryland. What he has said was well stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 23) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 24

(Purpose: To increase the number of amendments allowable under postcloture to three)

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 24:

On page 3, line 3, strike "two" and insert "three."

Mr. JAVITS. Mr. President, the purpose of this amendment is to raise two propositions. One proposition relates to the limitation on recognition of Senators who have already called up two or more amendments. The other proposition I will deal with in a moment.

As to the two or more amendments, I suggested to the majority leader that a little more——

The PRESIDING OFFICER. If the Senator would suspend a moment, the amendment sent by the Senator from New York seeks to amend an amendment already agreed to and would require unanimous consent to be in order.

Mr. ROBERT C. BYRD. Mr. President, the Senator from New York seeks to offer an amendment that would amend language which I have added to the bill by amendment.

I ask unanimous consent that it may be in order for him to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I discussed it with the leader, and I am grateful to him for it being proper to offer it, simply to give Members more amplitude, more elbow room, in connection with their operation on the floor.

One does not know whether two or three is right, but in terms of the liberalizing of the rule, which we certainly have an opportunity to do now, I thought it was in order and I am glad the majority leader agrees.

I will not deter the Senate because I have another amendment which raises much more fundamental issues, which I shall offer in a moment.

But I had intended also to offer an amendment which I would refer to and read so that Members may be informed in this regard. That is, that where the Chair gets to the point where he has to give or deny recognition on this particular amendment, which would now be three instead of two, the Chair will recognize alternately the proponents and opponents of the measure, motion, or other matter which is before the Senate.

Now, I realize better than anybody else two things: One, the problem of making a distinction on political grounds, that is, that the Chair shall recognize alternately Republicans and Democrats. I recognize also the problem of providing that the Chair shall recognize those who may be for or against a given measure or a motion or an amendment. Often, that comes within the context of either support or opposition to the major matter upon which cloture may have been sought.

So, really, it is very much a matter of discretion in the situation which exists before the Senate at the moment.

What worried me was the fact that with the two-amendment limitation, it would be possible for a determined majority to simply abrogate all the time, everybody could have two amendments, and that would again, because of the 100-hour cap theory, shut out some Members who had not used any of their time or had not used much of their time.

As I said, I realize the difficulty of drafting a provision which will cover this situation. So what I have tried to do is to establish it clearly as an element of the legislative history, as this is a housekeeping proposition. It does not take the House and it does not take the President. It is just us, that it is understood between us that the provision, as now designed, that is, with an allowability of three amendments, will also not be used to particularly favor a particular side, but that the Chair in recognition, bearing in mind the situation which is then before the Senate, whether it is the proponents in a given case or the opponents, will give alternate recognition so that he just does not go down the line with one particular side or one particular proposition.

I am reminded, Mr. President, in that regard of what happened here in that famous situation where Senator BYRD, with the best motives in the world and supported by a great majority of the Senate, went right through a list of amendments, and, because he has priority of recognition, did not give the proponents of those amendments, Senator METZENBAUM and Senator Abourezk, an opportunity to be recognized to appeal—in order to appeal, we have to be recognized—and by constantly giving the majority leader his priority of recognition the time went by when an appeal could be taken.

This found great disfavor here in the Senate by me and by many members of the majority, and by others. It is a very dangerous thing.

I know we cannot make laws about everything, but I would hope Senator BYRD or whoever is speaking for him on the floor at the moment would accept it as a proposition, just as I took his a while ago, the proposition that if a minority leader or a majority leader is yielded time, he will see—because that is our way—that the people who need it will get it, in a particular situation where he may be on one side and others may be on another, or the managers of the bill if the time is yielded to them.

I am willing to rely on the same thing here if the understanding is explicit that it is our purpose and intention that, whether it is proponents or opponents in a given situation, they may not be frozen out based upon the invocation of this rule respecting three—now it would be three instead of two amendments.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SARBANES. I would like to address both issues he has raised.

I must say to the Senator that I have some difficulty with increasing the number from two to three, and I will explain to the Senator why.

A number of Members on occasion have reflected a concern as to whether they would get a turn to offer an amendment in the post-cloture period. One of the assurances that was made that they would get the turn was to point out that no other Senator could offer more than two before they had a chance to come in and offer theirs.

Of course, we may have a situation in which many Senators are not interested in offering amendments and someone offers two and there is no one else who wants a turn. He can offer a third, and if there is no one else who wants a turn, he can offer a fourth, and he can go on amending at considerable length, if he or just a few are the ones who are interested. But if you have a lot of interest in offering amendments, then, of course, the two-amendment rule gives a greater assurance of a rotation among the 100 Members of the Senate.

We have now amended the resolution so that the 100-hour cap is a minimum. We have struck out that provision which would have allowed it to be knocked down to 20 hours plus 10, or for a minimum of 30 hours. That has come out altogether. So there is no way postcloture you can have less than a hundred hours, except by unanimous consent of every Member of the Senate.

That 100 hours, then, offers the opportunity for a Member who is very interested in the amendment process to have quite a whack at it. But it seems to me that we should balance that with the two-amendment rule, which is designed to assure the range of Members that they will have a chance to get in. I just raise that point for the Senator for the purpose of discussion.

I agree with the thrust of the second part of the Senator's amendment. I think the way to handle it is to establish some strong legislative history here, because to make it a rule would be very difficult for the Chair to handle, plus the fact that amendments may not fall exactly into either camp. But I believe it is an element of basic fairness, and we could establish the commitment to that approach and the effort to insure that in the recognition process for amending, we alternate in a way that gives any faction or any element an opportunity to bring its amendments before the Senate and to present its case.

However, on the three-amendment rule, we have tried to assure many Members that by the two-amendment rule we could pretty well insure that they would have an opportunity to gain recognition and to offer their amendments, if

they had an amendment they wished to present to the Senate. Taking it to three, of course, increases that by 50 percent and complicates that situation.

Mr. JAVITS. Mr. President, the only reason why I introduced the three-amendment proposition—I would not have done it otherwise, because I do not believe it has a prayer without the support of the majority leader. I certainly will not press that particular amendment if the majority leader opposes it or has reservations about it. He is under no commitment, I hasten to add.

As to the recognition factor, I think we have to leave it, but I would like his assurance for the record to that effect—because I may not be here, and I think he will be, for a very long time; that is, that it is understood that in the practice of the Senate, within the situation that faces us, there will be recognition alternately of opponents and proponents on the two-amendment rule.

Mr. ROBERT C. BYRD. Mr. President, there are two problems I find with that. I support the spirit of what the Senator is attempting to do by legislative history here. There are two problems.

If a Senator has not made up his mind and is neither an opponent nor a proponent, but merely wants to get recognized, there is no category for him.

Second, if there are 40 Senators on that side of the aisle who are, let us say, supporters of a proposition, and on this side of the aisle there are 40 who do not know which way they are going to go but the other 19 Senators on this side of the aisle are opposed—let us say it is not 19 but only two Senators on this side of the aisle who are opposed, or only one Senator opposed to the amendment, and everybody else is for it. Does it mean that that Senator who is in opposition is going to be recognized alternately? Does it mean that someone who is in the supportive group is recognized, and he gets recognized again, and somebody else gets recognized, and he gets recognized again? It could work to the detriment of a majority of Senators or almost to the totality of the Senate membership and to the benefit of one or two Senators who happen to be opposed, because they would be assured of recognition alternately, as between themselves and the supporters. I think it would put an unnecessary burden on the Chair.

I hope we would leave it to the discretion of the Chair and the fairness of the Senate; and, as in the past, I would hope to be able to assure the very distinguished Senator from New York (Mr. JAVITS) that I believe that if we leave it that way, the opposition will have its turn.

Mr. JAVITS. I do not want to leave it to the discretion of the Chair, period. What I am perfectly willing to do is to say, if the Senator will join me, that so long as, in substance, priority is given to those who want to offer amendments, there will be alternate recognition, given whatever situation is before the Chair. That is satisfactory.

Mr. ROBERT C. BYRD. In spirit, I agree with that.

Mr. JAVITS. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

UP AMENDMENT NO. 25

(Purpose: A perfecting amendment to amend S. Res. 61)

Mr. JAVITS. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 25.

Mr. JAVITS. Mr. President, inasmuch as this amendment is printed and is before the Members, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 7, strike all after the period down through line 20 on page 2 and insert the following:

"The time consumed on a roll call vote on an amendment which is in order to the measure, motion, or other matter on which cloture has been invoked shall not be charged against the hours of consideration. Any Senator may make a point of order that any submitted amendment or amendments; whether pending or not, is violative of the rules, and the Presiding Officer shall then rule upon that point of order. Where such point of order is sustained, the amendment or amendments in question shall not then be considered further. The proponent of an amendment or amendments against which a point of order is made and sustained may take an appeal en bloc, or may choose specific amendments to make subject of the appeal. Whenever a Senator indicates an intention to appeal from a decision of the Presiding Officer, that Senator shall be given preferential recognition for that purpose. Such Member shall have a right to one such appeal (including the roll call vote on such appeal) and the time consumed by such roll call vote shall not be charged against the hours of consideration."

Mr. JAVITS. Mr. President, we had quite a debate here yesterday. As a result of that debate, I felt that we should have one opportunity to vote—win, lose, or draw—on another way to deal with the mutual problem we all have. I emphasize the word "mutual." I proposed this way—which I will now discuss—to the committee we had on this side, and it was included in their particular proposals but did not finally end up in the proposal made by Senator STEVENS and Senator MCCLURE which was defeated this morning. I point out that they did not represent, by any means, the entire committee. That was their view, and we honored it, and I happened to vote with them.

However, I felt that before we locked up the way in which the basic and fundamental proposition should be handled, that the way in which we can control post-cloture debate is by an absolute time cap, we should consider another idea.

I suppose, Mr. President, that whatever comes of it is not as important in even a personal sense as the fact that there should have been another concept before the Senate, and the Senate should have considered it and rejected or approved it.

We should not just go whole hog to the 100-hour cap without taking advantage of the discussion and what it developed.

This is the defect in the 100-hour cap, just as I pointed out yesterday there was a defect in the Stevens-McClure proposition, too. The defect is that quorum calls and rollcalls, which can be freely obtained and which generally speaking would average not less than 15 minutes to three-quarters of an hour for a quorum call and for a rollcall the statutory 15 minutes but no one around here is going to demand it cannot be 16 or 18 and they generally take 20 or 25 minutes, can chew up so much of the 100 hours and, mind you, any Member can ask for that. He does not use any of his time.

As Senator ROBERT C. BYRD pointed out, he took out his watch and he said, "You can call up an amendment, you can ask for a quorum, you can ask for a rollcall in 10 seconds, and to take 10 seconds you would have to speak awfully slow," and he did. He made a very good job of it.

But what happens then is that you touch off a proceeding which could deprive, and if it is a tough bill with a lot of amendments, and so on, many Members of their hour or most of it because there is no provision whatever, except the ability to make a speech for 10 minutes. That is all that is left to you. You cannot make an amendment in 10 minutes and do it any justice, and there may not be time to have a rollcall even if you have your 10 minutes and could snap in an amendment and talk about it in that time because the 100 hours is flat regardless of anything pending. After 100 hours, that is the end of the debate and you vote for the whole proposition.

So Members could be cut off of the fundamental rights which are very dear to Members.

I served in the House of Representatives for 8 years, and I know what it means to be cut off from an amendment and from a debate. How well I remember, and other Members who are here who served in the House of Representatives will remember, that someone would move the previous question, which cut off all debate unless we would agree to take, say, 20 minutes for the rest of the debate.

So what other alternative was there? The majority leader proposed that you knew he had the votes. All you could get was 20 minutes. But then the Speaker would say, "How many Members wish to speak on this?" Or "I have the names noted down of Members who have stood seeking the right to speak." There could be as many as 50; in this body there could be, let us say, 10 or 15. Everyone gets 30 seconds, and hence the pride of the Senate, which is that we really have an opportunity to consider a question without being dilatory, is lost. I am all for the inhibition against being dilatory in postcloture, which is what we are trying to formulate a rule for now.

Therefore, Mr. President, because of that that will not only be a danger, but that will also be a fact of life that Members will be deprived of the precious 1 hour which they have which is a decent allocation of time, and now we cannot yield to them either individually. It only relates to 2 hours which might be available to the leaders or the managers of the bill.

In order to deal, therefore, with that vital question and zeroing in and targeting the issue which has caused us to reconsider these postcloture rules, which has been the abuse of the amendment privilege, I have formulated a plan which is contained in this amendment which I will describe in a moment.

There is one other factor. The 100 hours may not only deprive Members of the opportunity for an amendment or a decent debate; the 100 hours could also deprive Members of rollcalls. That is again a very dearly won privilege of this body.

Again, I served in the House of Representatives where you had to get, as I recall it, 55 Members or thereabouts—20 percent of the House of Representatives, about that—in order to get a rollcall, and they were very tough to get, even on what should have been the subject of a rollcall. And how often simply by nod of a head between the majority and the minority leaders not enough Members, even if they favored the amendment, would stand up to get a rollcall.

Yet that is what we owe in this democratic process to our people.

We should be recorded so that our people may hold us properly accountable that everything be recorded.

So this strict 100-hour cap also would cut off the possibility of a rollcall on what deserves to have a rollcall, and even the 10 minutes does not save that because if there is no time for rollcall even if you get your 10 minutes, you will not get one. And in addition I think it is still unclear whether you could even call up an amendment in that 10-minute period that you have left, but let us assume you can. I am not going to debate that fine point of law now.

What is the plan that I am proposing to the Senate and which I hope my colleagues will be thoughtful on? This is an early time of the year and we are dealing with housekeeping, really, but very important housekeeping because we are trying to close a gaping loophole in our procedures. That is the reason why we are proceeding as we are. And also we will have to either feel that we dealt with the loophole properly or we will live to regret it, and it is we, you and I, who will live to regret it, no matter which side of the aisle we are on, when we have some matter to which we are passionately devoted.

The plan would be this: The plan would be to assure individual Members of the rollcall and not to charge that against the 100 hours so that rollcalls could be a matter of right for individual Senators.

But we still have to deal with a danger of all of these hundreds of amendments which have fouled us up before, and my proposal for dealing with that is again a targeted proposal aimed directly at the proliferation of amendments which may be ruled out of order by the Chair on the grounds that they are dilatory and for many other reasons under the very strong provisions of power given to the Chair under rule XXII.

The danger and difficulty is that as the practice stood, unless you go into the recognition proposition by which Senator ROBERT C. BYRD kind of worked us out of this dilemma before, and that is a very dangerous proposition, you have to deal with the question that each Member is entitled not only to put up an amendment, but he is also entitled to appeal from a ruling of the Chair that that amendment is out of order; therefore, the Chair is not quite so bold about ruling amendments out of order because it is subject to appeal.

So what I have suggested is that there may be a point of order lodged against any amendment pending at the desk whether it is called up or not. In other words, we deal with dangers which face us down the road before we vote as well as dangers which are immediately before us in a pending amendment which may be ruled out of order.

Any Member may challenge any amendment which is pending and get a ruling from the Chair then and there by raising the challenge that that amendment is in or out of order so that the Chair can do what Senator ROBERT C. BYRD sought through the recognition technique, to wit, rule out amendments en bloc.

My amendment gives an assurance to every individual Member that he may have one right of appeal where his amendments are ruled out en bloc. He cannot appeal from the ruling of the Chair on every amendment. When he does appeal, in the first place, of course, if an amendment is ruled out he cannot bring it up before the Senate until there is an appeal on the ruling he proposes to lodge. He may make an appeal from the ruling on all of his amendments. That is, if he has got 20, and 19 are ruled out of order, he may appeal on all 19; he has only 1 opportunity. Or he may select from the 19, 3 he wishes to appeal on. Therefore, when he rises, he will say, "I appeal from the ruling of the Chair on Nos. 3, 8, and 12." Then the Senate will vote on the appeal. If the appeal is rejected, the ruling stands, and all 20 are out of order. If the appeal is sustained, then those 3 are in order, or if he appeals from the ruling on the 20, they are all in order, which is as it should be.

It seems to me, Mr. President, that in that way we retain those precious rights of the Senate, first, to propose amendments regardless of the cap. Remember, as I argued yesterday and I argue again today, we are dealing only with postcloture procedure. We are not dealing with precloture procedure. Hence the idea that there will be plenty of time to propose amendments and have them considered is a fallacy, because we have seen bills here where there were filibusters to prevent amendments from being considered precloture. So, in dealing with that question, be very careful about what you have left to you in the postcloture period. That is all we are dealing with.

So in lieu of the strict 100-hour cap, the 100 hours would remain, but we would make this provision which would allow for amendments by individual Members and votes on those amendments—rollcall votes, again an indispensable privilege of the Senate. Sure, it takes 11 or 12 Senators in order to get you the rollcall, but we always give it. We gave it to METZENBAUM and Abourezk, notwithstanding our deep annoyance with the way in which the work of the Senate was being held up, because we realized the critical importance of this right.

So my proposal would retain these two what I consider to be immemorial rights of Senators, in practical effect, but it would facilitate the work of the Senate by permitting amendments to be ruled out of order en bloc. They do not have to be called up if they are at the desk once cloture is invoked; they may be dealt with by a point of order to the Chair on the part of any Member, including the leaders, then giving only one right of appeal from the ruling of the Chair to that Member, which will raise all issues which he has any right to raise before the Senate.

It seems to me that is a targeting of the remedy to the illness we have, which is the abuse of the amendment privilege, and at the same time would preserve to the Senators their fundamental and indispensable right to have their amendments considered when they are in order, legitimate, not dilatory, and so on, and to have a rollcall vote, which is as much a privilege of the individual Senator as I think he has in any other respect: not only to vote himself, but to have a rollcall on a proposition which he legitimately calls up here in the Senate.

For all those reasons, Mr. President, I hope this amendment may be favorably considered by the Senate.

Mr. SARBANES. Mr. President——

Mr. JAVITS. Mr. President, may I have the yeas and nays before I sit down?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise to oppose the amendment of the distinguished Senator from New York.

The problem that I see with it, very simply put, is that it really puts us right back into the postcloture filibuster situation, which is in large part the reason why we are here considering this matter on the floor of the Senate today, and have been here considering this matter since this Congress began on the 15th of January.

As I understand the Senator's proposal—and if I misstate my hypothesis, I hope the Senator will correct me—a Member could, let us say, have 60 amendments at the desk, all of which are germane in terms of their substance, and could proceed to call them up and spend a minute on each, and obtain rollcall votes on each, and the 15 minutes involved in the rollcall would not be charged.

That is 60 amendments. With 15 minutes each for rollcalls, that is 15 hours over and above the 1 hour.

Mr. JAVITS. Mr. President, will the Senator yield for correction?

Mr. SARBANES. Yes.

Mr. JAVITS. There are two corrections to be made in the Senator's hypothesis. First, a Senator could not call up more than two amendments until

all other Members have called up two amendments each. That is correction No. 1; keeping the floor for 50 or 60 amendments is out, if we adopt this particular measure, because my amendment does not replace that at all.

Second, it is not just the germaneness test, it is the dilatory test as well, and that is critically important, because where amendments are obviously duplicative and raise the same substantive issue, the Chair has already made its precedent in the energy case of ruling them out of order, and that is why I think that is a critically important point, because it will enable the Chair even more boldly to rule amendments out of order, as that Member can have but one appeal to the Senate.

Mr. SARBANES. Even taking those two comments into account, let us assume you have 5 Members of the Senate, or 10 Members of the Senate, who are interested in pursuing the 60-amendment route, and you move around the room, a Senator offers 2 amendments, no one else wants to offer any, so he can then go forward with his third or fourth, and so on, as long as no one asserts the right, so that it is quite possible for a small group to, in effect, formulate a great number of amendments, have them at the desk, and be in a position to offer them and obtain rollcall votes, and have the rollcall time added on to the 100-hour cap. Under the hypothesis, it would be 15 hours for that 1 Member; so with 10 Members, that is another 150 hours.

As to the ruling of an amendment out of order as being dilatory, I find it difficult to understand the basis upon which that would be done, if the amendment were substantive and germane. All that is required in order to assure that is a little bit of intelligence and ingenuity on the part of a Member in submitting the amendments to the desk.

The amendments that were ruled out of order in the last session, I think, lacked that quality of substance and germaneness. But if a Member knows there is that test, he can evolve amendments that will easily meet it, and then he is in a position, or a few Senators are in a position, by using the amendments and not having the rollcall time counted, of enlarging the 1 hour into an enormous usage of time, and we are right back into the postcloture filibuster situation. We have lost the cap, and it really has become open ended; and we then face the prospect that the invoking of cloture—which, after all, requires an extraordinary majority—means nothing in terms of the Senate then being able to move to a decision.

I do not think that the provisions for the point of order and the appeal from the point of order are going to work very well against a modicum of intelligence in structuring your amendments. I think you are going to be able to argue very clearly, "This is a substantive amendment, it is germane, and therefore a Senator should be able to present it."

I think one is going to be able to argue very clearly this is a substantive amendment, it is germane, and, therefore, one should be able to present it.

If that is the case, the other danger one falls into is that you begin to get rulings from the Chair which are knocking out legitimate amendments. That, in a way, is perhaps an even greater danger, to get the Chair in a push to find them dilatory, ruling out of order amendments which are really legitimate. My guess is that will not happen, that the Chair will bend backward to accord a Member of the opposite feeling the opportunity to present his amendment. Of course, the Member can then go ahead and get the vote. As I indicated, he can take the hour. He does not really need a minute to call up an amendment. He can call it up in less than 10 seconds. He could even speak to it for a minute and have 60 amendments in an hour and 60 rollcalls, each lasting 15 minutes. That is 15 hours. If there is a small group in opposition which is prepared to use this tactic, then we really have blown the cap off completely and we are into an almost virtually unlimited time period with respect to the postcloture situation.

Mr. JAVITS. Mr. President, I refrained from interrupting the Senator again because I thought he would like to have his argument continuous. I must say that I find the argument of that traditional basis which occurs when men look down the road and fall in the abyss at their feet because, Mr. President, one, the point of order may be made against all amendments at the desk which are pending. A Member does not have to wait until they are brought up. If a Member has to sit down after two amendments, others have plenty of time to analyze his amendments in order to make a point of order against him.

But more than that, Mr. President, if the amendment is really substantive and the amendment is really germane, that is all the more reason for passing my amendment, because you are not doing anything about precloture. Therefore, if the opportunity to amend is only postcloture do we really want to adopt a rule which is going to cut off germane, legitimate, and substantive amendments?

I should think that would be anathema to this Chamber. That is what the Senator is arguing, that we should cut them off.

Mr. SARBANES. Will the Senator yield?

Mr. JAVITS. Yes.

Mr. SARBANES The amendment may appear in form to be substantive and germane. The Chair then has no other recourse in ruling on it than to find it in order, even though the purpose of the Member may in fact be to use a string of amendments with a rollcall attached to them simply for the purpose of continued delay in the postcloture situation.

Mr. JAVITS. I invoke again that ancient rule of a voter when he goes in and votes. I do not care what his motive is, he has voted. It is the same here. If a Member has a legitimate amendment, which is germane and substantive, I think it is anathema to this Senate to divide his motive and cut him off.

Mr. SARBANES. Will the Senator yield?

Mr. JAVITS. Yes.

Mr. SARBANES. Then what the Senator is proposing is a continuation of the postcloture filibuster.

Mr. JAVITS. Not at all.

Mr. SARBANES. If the Senator is intending to do that, that should be made clear and be put before us. But if the Senator concedes that the form of the amendment can be done in such a way that it is germane and substantive and is not going to be ruled out of order by the Chair, that a Member is then in a position over the course of the time to call up a series of those amendments and obtain rollcall votes, with the time for the rollcall not to be charged against the cap, then you have in effect expanded it infinitely.

Mr. JAVITS. What remains of the Senator's argument, to wit, form, and the fact that the Chair must then sustain the validity of the amendment because of its form, falls in the light of experience.

I go back to the Metzenbaum-Abourezk experience. The Chair ruled that those fellows had studied, that they were smart, that they knew they had to qualify their amendments as to germaneness, and they knew they had to qualify them as to dilatoriousness. I will give that as an excellent example of the ability to do what the Senator from Maryland divines Members may do. But when they got down to the grist of their amendments, it was found that they would be ruled out of order by the dozen.

That broke the back of that particular filibuster.

So experience is against what the Senator argues.

Those were very complicated bills. I doubt that we could have a more complicated bill than the energy bill. They could not devise a procedure which would frustrate this design which I have. The fact is that notwithstanding all their devising, amendments went out wholesale, en bloc, and the back of the postcloture filibuster was broken. They could not qualify enough amendments to make a real difference in holding up the Senate, based upon rulings by the Chair that they were either dilatory or lacked germaneness. There was no question about it.

The only thing I could say with respect to germaneness is that it enables amendments which are at the desk to be ruled out en bloc. Members do not have to wait until they are actually called up any more than Senator BYRD waited. They were ruled out on the basis of the fact that they were on the desk and that any Member could call up any amendment, so long as it was qualified and at the desk.

Mr. SARBANES. Will the Senator yield?

Mr. JAVITS. Not yet.

It seems to me that the argument made here by Senator SARBANES and myself, if anything proves the case, because, one, Members can deal with the question wholesale instead of retail and, two, and very importantly, experience bears out what I say, that Members could easily break a postcloture filibuster by this

procedure. That is exactly what was done, except that it was done in a way which threatened our liberties and which many of us violently disapproved of. I yield.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I would submit to the Senator from New York that what happened in the energy postcloture filibuster was that new ground was broken with respect to the rulings from the Chair on dilatory amendments. On those amendments the point was made by the majority leader when he sought to rule them out of order. He went through them and he pointed out the fact that they were repetitious. He did exactly the same thing. And he mentioned the other defects which were in them.

Having had that experience, and experience is a great teacher, I submit to the Senator from New York, as I indicated earlier, it does not take much skill, or will not take much skill, to prepare amendments which are not subject to the attack to which those amendments were subject.

That is not a comment on the lack of the skill of those Senators because they were dealing with a situation which had never occurred before, the breaking of new ground with respect to rulings from the Chair.

If the Senator will look at the amendments which were ruled out of order in those cases, I think it is clear that no determined effort was made to evolve amendments that were substantive and germane. I submit there is no Member of this Senate who would have difficulty in preparing a great number of amendments to any bill of any complexity that the Chair would not be able to rule out of order, and that the Member would then be in a position to call up and obtain the 15-minute vote on each of the amendments, thereby blasting off the cap and throwing the Senate right back into the entire postcloture filibuster situation.

Mr. JAVITS. Mr. President, I am prepared to vote, but I want to make one additional point.

Let us remember again that while this is a housekeeping debate it involves, in terms of our being Senators, as much of our fundamental liberties as if we were dealing with the first 10 amendments of the Constitution. This is what we can do and what we cannot do, depending on this rule. We can put the handcuffs on ourselves in this 100-hour cap, which could deprive many of us of a big piece of a precious hour or all of it because they are trying to have a rifle shot to a given difficulty. Or we can make that rifle shot to a given difficulty and save our liberties. That is what is at stake. I felt it my duty to give the Senate that opporutnity. Does anybody else have a better scheme by which those liberties, the liberty to get a rollcall, the liberty to debate a germane and substantive amendment, the liberty to get it done because you are protected after cloture and there is no control before cloture? You can be shut out completely by persistent debate which will bring on cloture and never give you a chance to offer an amendment.

So, in my judgment, whether this remedy is the perfect one or not it is a step along the right road and it protects our liberties, and these are our liberties.

I have a feeling in my heart as I stand here and argue this today that many times in this Chamber men have argued for the liberties of our people. I am arguing for the liberties of the representatives of our people. We were sent here to use our brains. We were sent here to fight when we thought fighting was right for our country and for our country's interests, and for peace in the world. Let us not shackle ourselves in a way in which we will be unable effectively to do that. That is why I propose this amendment, and I hope it is approved.

Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, I will be brief. I appreciate what the distinguished Senator is attempting to do, but I feel constrained to oppose the amendment for the following reasons:

First, Mr. President, it removes the cap of 100 hours and effectively does so by requiring that any time consumed on a rollcall vote on an amendment shall not be charged against the hours for consideration.

So if the votes occur on 112 amendments or let us say on 100 or 90—let us say votes occur on 90 amendments after cloture is invoked, this would mean that 4—or let us say on 100—25 hours would not be charged against 100 hours. If there were 100 amendments with 15 minutes to the amendment, that is 4 to the hour, and 25 hours would not be charged against 10 hours, so it breaks the cap.

Mr. BOREN assumed the chair.

Mr. ROBERT C. BYRD. Second, it requires the Presiding Officer—"and the Presiding Officer shall then rule upon that point of order." It, therefore, takes away from the Presiding Officer his option to submit a matter to the Senate. He is deprived of the rule; he can no longer submit a matter to the Senate.

Third, it says, "The proponent of an amendment or amendments against which a point of order is made and sustained may take an appeal en bloc, or may choose specific amendments to make subject of the appeal."

The question occurs to one: Can only the proponent appeal from the ruling of the Chair? The amendment specifically says that the proponent of an amendment or amendments against which a point of order is made and sustained may take an appeal.

It also says "The proponent of an amendment or amendments against which a point of order is made and sustained," et cetera, et cetera. How does one get amendments before the Senate? How does one get to call up amendments en bloc before the Senate? One can do it by unanimous consent. But if there is an objection, no motion is in order to call up amendments en bloc.

Mr. JAVITS. Mr. President, will the Senator yield for just a correction? I will make my own argument.

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. What I have tried to provide is you accumulate your rights to appeal, and the points of order can be made to the amendments at the desk en bloc, depending upon the Member who is making the point of order. That is a new rules provision. You can make the point of order against 30 amendments, and that Member ultimately ought to have one appeal on all 30 or any of them he chooses to name in the appeal. That is the way I get around the fact that you cannot call up amendments. You cannot call up amendments but you can make a point of order en bloc.

Mr. ROBERT C. BYRD. Well, I respect the Senator's explanation and viewpoint. But, Mr. President, this would allow points of order to be made against amendments not pending before the Senate, amendments lying at the desk. A point of order could be made against those amendments before they become the property of the Senate, before they are called up, No. 1.

No. 2, it would allow the proponent against whom the point of order is made subsequently to take an appeal. At the present time an appeal must be taken immediately and before other business has intervened.

This would change that rule. The amendment would change that rule, so that the proponent against whom the point of order would lie could, after business has intervened, take an appeal and he could take an appeal en bloc.

Now, the rhetorical question is, or I ask the question of the distinguished Senator from New York, if the proponent is allowed then to take an appeal en bloc, can any other Senator exercise his normal right to request a division and, if so, if he can request a division, if there are 25 amendments out of the 100 which have been ruled out of order and the proponent decides to take an appeal en bloc of 25 amendments, and a Senator decides he wants a division on those votes, would he not be allowed such a division and, if so, there are 25 rollcall votes to which the Senate would have to respond, and none of the time would come out of the 100-hour cap?

Also it takes away—"Whenever a Senator indicates an intention to appeal from a decision of the Presiding Officer, that Senator shall be given preferential recognition for that purpose." Well, is he to be given preferential recognition over any other Senator, a Senator who may be seeking under the rule to get recognition, and the rules say the Chair shall, although the Chair has discretion, recognize the first Senator to seek recognition? That would mean that any other Senator seeking recognition would not be recognized.

It would deny the Chair the discretion he now has and, in addition to that, it would play havoc with the longstanding precedent that was announced, I believe, by Vice President Garner to the effect that the majority leader, if he seeks recognition, he shall be given recognition; and if the majority leader does not seek recognition, the majority whip seeks recognition, he is to be recognized; and if neither of these two seek recognition, then the minority leader shall be given

recognition if he seeks recognition; if he does not seek recognition, the minority whip is to be recognized if he seeks recognition.

That would do away with that longstanding precedent and, as I say, would create, I think, a great many problems that would prolong the consideration of the measure unduly and would not indeed bring about the result that the distinguished Senator from New York hopes to achieve and seeks to achieve, and I compliment him on his efforts to bring about this change.

But I am constrained to have to vote against it, and I shall move to table, but I will not do so immediately if the Senator wishes to speak.

Mr. JAVITS. Mr. President, I shall be very brief. I do wish to make a concluding argument. With respect to one mistake of fact, no 25 rollcalls will ever be called for, because the appeal is only divisible as requested by the appellant. That is a change in the rule. Another Member cannot appeal. But that is a way in which to get efficiency here, and that is what we want. So there is only one rollcall possible on that appeal, and the appellant has the right to pick out what he wants to appeal from.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at that point? I am not clear. The appellant would have the right under the Senator's amendment to appeal en bloc.

Mr. JAVITS. Right, or he could appeal from any number that he wished to other than en bloc.

Mr. ROBERT C. BYRD. But any number could also be en bloc within the en bloc.

Mr. JAVITS. Exactly, but only one rollcall on the appeal, and he would have to take a chance that the Senate would go with him on all of them.

Mr. ROBERT C. BYRD. But the Senator then would deny or the amendment would deny the right of another Senator who may wish to sustain the Chair as to certain of the amendments and who may wish to stand with the author of the amendment on the remaining amendments the right to ask for a division on those amendments en bloc, and thus be able to determine one by one as to whether or not the Chair would be overruled; am I not correct?

Mr. JAVITS. Yes, it would, and that is exactly the point of my present argument.

This amendment is far from perfect, but it is the best that can be devised to preserve our liberties, and let me explain why. It is a real dilemma for you as well as for us.

We are in a condition now where it may be possible for a majority to amend. This is not very well liked by many of our Members. Once we pass this moment by, by voting as we will today or tomorrow on this postcloture proposition, then we will be again in that morass that there can be a filibuster against changing rule XXII, and that filibuster can only be decided, because that is the way the Senate has gone up to now, under the filibuster rule, and not only the filibuster rule, not only 60, but two-thirds.

So when we adopt that, we are locked in. We are not only locked in by a rule of majority, but by the rule of two-thirds.

So this is no child's play we are engaging in. This is very serious business. This can be fixed on us like a collar, whether a majority wants it or not. Right now the majority, as represented by the majority leader, does not want it. That is why he is invoking a rule, which is pretty interesting to me who has been fighting for this rule since 1957, to invoke.

So I know what it means and I know how hard it is to undo. That is why I am moving in this way. I feel the Senate ought to vote, and it will, and I do not know how it will vote, but that is the risk we all take, and I am glad the Senator feels warmly toward me for doing it.

We ought to have an option, even if what I propose is imperfect. In the first place, it is amendable. We can tack things onto the rule, if we do adopt what I have proposed, to deal with the priority recognition for leaders. We know I have no intention of annuling that. If I had thought of it, I would have written it in.

But it can be dealt with. The important point is to make the fundamental decision, do we want the cap to be in time or do we want the cap to be in function? That is really what I am trying to do.

The majority leader, more credit to him, has presented it to deal with a difficulty we all face, a cap in time, strict, tough, tight.

I have presented a cap in function, maybe not as strict and tough and tight, but it raises the issue, shall we go the functional route or shall we go the time route.

I have pointed out in the debate yesterday and today the dangers to our liberties as individual Senators of the time route. I believe those dangers are much greater to our liberties than the danger of the imperfections of my particular approach to the function route.

So, to make it clear to Members why, because this is still changeable, as I say, we can tack anything onto the end of this resolution that we want to, I hope that they will vote the principle rather than the details of either Senator BYRD's plan or mine and decide the fundamental issue, shall we go the time cap or shall we go the functional cap, and then I am confident we can work it out.

Mr. MATSUNAGA. Will the Senator from New York yield?

Mr. JAVITS. Of course.

Mr. MATSUNAGA. I can see a problem wherein the 100 hours have expired and there is a demand for a rollcall vote on an amendment which has been offered and 20 percent of the membership insists on a rollcall vote.

Now, under the Senator's proposed amendment, I suppose a rollcall vote could go on despite the expiration of the 100 hours.

Mr. JAVITS. That is correct.

Mr. McCLURE. Will the Senator yield?

Mr. MATSUNAGA. Now, under the amendment as proposed by the majority leader and I pose this question to the majority leader, after the 100 hours have expired and there is a demand for a vote by 20 percent of those present, will the vote then be in order, or would the rollcall vote be out of order?

Mr. ROBERT C. BYRD. Only those amendments, only that amendment or those amendments then pending, when 100 hours expire, it would be one amendment, it could be more amendments than one——

Mr. JAVITS. How can it be more than one?

Mr. ROBERT C. BYRD. It can be amendments to amendments.

Mr. JAVITS. Then they would only be in series. It would be just one rollcall.

Mr. ROBERT C. BYRD. No, no, no. Let me make legislative history. It is possible to line up a number of amendments to the point, I believe, we can have seven amendments pending at one time.

We can have a substitute for the amendment, that is a freebee. We can have a substitute for the substitute. We can have a substitute for the substitute for the substitute. We can have a perfecting amendment to the original substitute, and an amendment thereto. We can have an amendment in the first degree and an amendment in the second degree to the amendment to the language to be stricken, and we have to take those votes in order.

The first vote would come on the amendment in the second degree to the amendment in the first degree to the language to be stricken and then it would come down the line in the reverse order as they were offered.

So, under my resolution, may I say to the distinguished Senator, only that amendment, if there is one amendment, only those amendments which are lined up, as I have tried to indicate, and which can be found on the diagram on page—within the first 60-some pages of the book on procedure—only that vote or those votes would occur prior to the vote on the resolution itself.

There would be a motion to table that would be in order.

Page 59. As I said, within the first 60 pages, so I almost made it.

So that answers the question, I hope. Any amendments that are pending at the time the 100 hours have expired will be voted on.

Mr. MATSUNAGA. Would that be the case, I see no real need for the amendment being offered by the Senator from New York, because it is only when the 100 hours have expired that the Senators concerned enter into the picture.

Mr. JAVITS. That is not true and I will say why. I am going to answer the Senator's question.

That is not true because always the majority leader has conceded the only amendment upon which we can vote, and if we had enough brains to anticipate all the permutations in advance, because these all have to be on the desk when cloture is invoked, so we are not going to have seven.

The only amendment upon which we can vote is the amendment, actually, which has been called up and pending

before the Senate or any amendment to it at that time.

Other members who have been shut out, because of the fact that the 100 hours have been chewed up do not get any opportunity at all. They do not propose their amendments.

What I think the Senator is mistaking is the following, a pending amendment means like mine, before the Senate. It does not mean it is on the desk. That is the difference. Other Members may have every desire to call up more important amendments. They are shut out.

That is the principle upon which I hope the Senate will vote.

Mr. McCLURE. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. McCLURE. I am not certain I understand what the Senator from Hawaii is getting at, because the amendment of the Senator from New York has nothing to do with the expiration of the 100 hours. It has to do with how we deal with the question of amendments which have been ruled out of order by the Chair either singly or sequentially or en bloc, and the right of the proponent of those amendments to have a vote in the Senate on an appeal of the ruling of the Chair, and that is within the 100 hours.

Mr. JAVITS. It was.

Mr. MATSUNAGA. If the Senator from New York will yield further, in response to the statement made by the Senator from Idaho, the Senator from Idaho served with me in the House of Representatives. As he knows, in the House of Representatives there is a rule whereby, after the determined hour has expired for debate, a Member may offer, from the floor, amendments which will be voted upon immediately, without any debate.

I think the Senator raised a vital question: What does the pending amendment mean? What do we mean by "pending"? Of course, my interpretation is that it is one which has been offered and——

Mr. JAVITS. Not at all. That is not what the amendment does. It cuts a Senator off even if it is at the desk. Even if it is qualified, even if it is germane, even if it is substantial, the Senator is out.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MATSUNAGA. The Senator from New York has the floor.

Mr. JAVITS. I yield.

Mr. ROBERT C. BYRD. The Senator is right, if the amendment is not called up. But a Senator has at least 2 days, on the motion to invoke cloture, to call up amendments. If that fails, he has at least an additional day. If cloture is invoked, he has 100 hours in which to get recognition to call up his amendments. He will be guaranteed that he can call up at least two amendments, and I am sure he will pick the two that he feels are the most important. So he will have had his chance.

Fifty Senators each are not going to have two amendments they want to offer. I think the greatest number of Senators who have sought recognition after cloture has been invoked has been less than 30.

Theoretically, yes. One can nickel and dime this resolution to death, just shoot it full of theoretical holes. But from a practical standpoint, it does not work.

Mr. JAVITS. Mr. President, one can nickel and dime our liberties to death, and I will state how.

If rollcalls and quorum calls cut the 100 hours and do not count against anybody, many Members will be denied any recognition at all or only part of their recognition; and if there is no precloture control, we know constantly that you filibuster completely.

Until the time cloture is invoked, Members may not even get recognition to offer their amendments; or, if anybody offers one, he can take all the time to debate it until we get cloture. That is what we are getting ourselves into.

What is locked into this rule after today cannot be changed for 2 years—this time, I hope BOB BYRD will help us—when our contention, which is now some 20 years old, will prevail.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. McCLURE. Let us not confuse the pending amendment offered by the Senator from New York with the question of whether or not a Senator would be recognized to offer an amendment or to get a vote on an amendment. This amendment deals with the question of amendments which have been ruled out of order and an appeal from that ruling.

As the Senate knows, we have seen at least one instance in which amendments were ruled out of order, with no opportunity by the proponent of that amendment to get recognition, to make a motion for reconsideration, or to seek the vote of the Senate upon whether or not the ruling of the Chair was correct.

The amendment offered by the Senator from New York very wisely seeks to address that question by saying, "All right, the proponent of amendments which have been ruled out of order has one chance to have any one or any several of his amendments that have been so ruled out of order appealed to the vote of the Senate." It is not confused with the ending of the 100 hours of debate, or the opportunity to present amendments otherwise, either in precloture or postcloture situations.

Mr. JAVITS. That is true.

I also provide—and that is why I have been arguing the liberties question—that Members having germane and proper amendments can get a rollcall, and I call that a liberty of the Senate, that they cannot be denied their hour, because it is chewed up by others in rollcalls and quorum calls.

Mr. McCLURE. I commend the Senator from New York for what I think is the fundamental issue here, of how you balance between the right of an individual Member of the Senate to have at least some opportunity in that postcloture period, as against the right of the majority to bring that to an end, irrespective of the right of an individual Member of the Senate. I believe the Senator's amendment is a constructive change. I hope it will be adopted.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator from New York, the author of the amendment, does not seek further time, I shall move, and do move, to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Massachusetts (Mr. KENNEDY) are absent necessarily.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from North Carolina (Mr. HELMS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there any Senators who have not voted who wish to vote?

The result was announced—yeas 55, nays 37, as follows:

[Rollcall Vote No. 5 Leg.]

YEAS—55

Baucus	Exon	Moynihan
Bayh	Ford	Muskie
Bentsen	Glenn	Nelson
Biden	Gravel	Nunn
Boren	Hart	Pell
Bradley	Heflin	Proxmire
Bumpers	Huddleston	Pryor
Burdick	Inouye	Randolph
Byrd, Harry F., Jr.	Jackson	Ribicoff
	Johnston	Riegle
Byrd, Robert C.	Leahy	Sarbanes
Cannon	Levin	Sasser
Chiles	Long	Stennis
Church	Magnuson	Stevenson
Cranston	Matsunaga	Stewart
Culver	McGovern	Tsongas
DeConcini	Melcher	Williams
Durkin	Metzenbaum	Zorinsky
Eagleton	Morgan	

NAYS—37

Armstrong	Hatch	Schmitt
Baker	Heinz	Schweiker
Bellmon	Humphrey	Stafford
Boschwitz	Javits	Stevens
Chafee	Jepsen	Stone
Cochran	Kassebaum	Thurmond
Cohen	Laxalt	Tower
Danforth	Lugar	Wallop
Dole	Mathias	Warner
Domenici	McClure	Weicker
Durenberger	Percy	Young
Garn	Pressler	
Goldwater	Roth	

NOT VOTING—8

Hatfield	Hollings	Simpson
Hayakawa	Kennedy	Talmadge
Helms	Packwood	

So the motion to lay on the table UP amendment No. 25 was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition——

Mr. CHAFEE addressed the Chair.

Mr. ROBERT C. BYRD. I was about to suggest the absence of a quorum. I withdraw that suggestion, and I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I have a couple of questions I would like to address to the majority leader, if I might, in connection with the proposition that we have before us.

Mr. President, as I understand this, it is provided in the rules that nobody can speak more than an hour, but it is also provided—or it is not specifically provided—that rollcalls, quorum calls, et cetera, come out of the cap. I wonder if we might have order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CHAFEE. So, Mr. President, if a Senator gets the floor after cloture and starts on his way through a series of dilatory motions, quorum calls, et cetera, they could eat away at the 100-hour cap, so that, in effect, it does not work out that every Senator is guaranteed 1 hour. Is that correct? I direct that question to the majority leader.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. CHAFEE. So that the only protection that a Senator has that he will have his day in court, as it were, his chance to speak out, comes on page 3, where it is stated that notwithstanding any other provision, the Senator who has not used up his time will get 10 minutes to speak only, and not to call up any amendments or quorum calls or such. Am I correct?

Mr. ROBERT C. BYRD. "Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least 10 minutes, is, if he seeks recognition, guaranteed up to 10 minutes, inclusive, to speak only."

Mr. CHAFEE. Mr. President, it seems to me—and I would like to have my fears allayed—that the concern here is that a few people getting the floor early can gobble up the 100-hour cap, so that the others who might be away perchance—let us not have any excuse for those, but those who are unable to get to the floor—will not have a change to speak except the 10-minute suffrance period.

That gives me concern. Is there anything that the majority leader might mention in connection with that problem?

Mr. ROBERT C. BYRD. Yes. I cannot for the life of me, one, envision a practical situation in the course of 100 hours, 12½ 8-hour days, that a Senator is not able to get recognition. That is No. 1.

No. 2, I have provided in the resolution by wav of amendment the following: No Senator shall call up more than two amendments until every other Senator—meaning the other 99 Senators—shall have had the opportunity to do likewise.

So if a Senator does not sleep on his rights, if he is on the floor, he will be recognized in due time before the 100 hours are up. Even in a theoretical situation I have my doubts—I almost have my doubts that in theory—50 Senators are each going to have two amendments. It has never worked that way before in the 62 years since the cloture rule was first adopted.

There has never been a time, and I venture to say there will never be a time from now until the crack of doom, when every Senator among the 100 Senators will have two amendments he wishes to call up. But this provision guarantees that the Senator from Rhode Island (Mr. CHAFEE) will be guaranteed an opportunity for recognition to call up two amendments. If the Senator from Maryland, the Senator from Arkansas, the Senator from Montana, the Senator from Ohio, the Senator from Virginia, the Senator from Oklahoma, the Senator from Massachusetts, the Senator from Pennsylvania, or any other Senator——

Mr. CHAFEE. Were to gobble up time.

Mr. ROBERT C. BYRD (continuing). Were to gobble up time by calling up two amendments each, they would not be able to obtain recognition again until the Chair would say, "Does any other Senator seek recognition?"

At that time, the very able Senator from Rhode Island would stand up and say, "Mr. President, I have not had the chance to call up two amendments." He would be recognized.

Third, there is a provision in here now whereby the majority leader, the minority leader, the manager, and the ranking floor manager may each have additional time under their control, if other Senators wish to be merciful, considerate, and magnanimous, and offer up to 2 hours to any one of those four or to all of those four. Those four leaders will yield time, out of fairness. I will make a pledge here now and engrave it on the pages of this CONGRESSIONAL RECORD that if the distinguished Senator from Rhode Island at the end of 100 hours has not been recognized, he may resort to the amendment which I put in, supported by the Senate, that he can be yielded at least 10 minutes, if he has not used any of his time. Beyond that I will engrave it in the RECORD here and now that if I have any time remaining out of the 3 hours under my control, I will yield to the Senator from Rhode Island.

Beyond that, I have provided in this resolution that the Senate, by a three-fifths vote, may extend the time, extend the cap, to more than 100 hours. In an august body of 100 men who believe in justice who would dare say that three-fifths would not rise to the defense of the Senator from Rhode Island and say, "He is entitled. He has been seeking recognition. We have been watching him. He stood up every time that an amendment was disposed of or a Senator sat down. He has sought recognition repeatedly."

Three-fifths of the Senators, I am sure, I am positive, in fairness would give that Senator, just as if the junior Senator from West Virginia had been denied, whatever additional time might be needed for recognition.

I think there are a good number of provisions which have been written in which deal with that hypothetical situation, which not only concerns the Senator from Rhode Island but a good many Senators who have spoken to me before.

Mr. CHAFEE. Mr. President, I appreciate that explanation, but it appears to me that there is the fact that despite all these safeguards, the chance to extend, or the manager, or the ranking member of the committee handling the bill, all of them having the possibility of accumulating time and yielding time, and despite the fact that in the history of the Senate in 62 years not more than 30 Senators have spoken, to our best recollection, despite all that, the majority leader feels it necessary to include a provision that everybody gets 10 minutes in case they have all been cut out.

It seems to me that provision mitigates against the very point that the majority leader is trying to make. He is trying to say that everybody is protected, but recognizing that they might not be protected he throws them all a 10-minute little bit to say their piece, not a chance to amend, not a chance to hold any rollcalls.

It seems to me that that very provision is contradictory to everything the majority leader has said. It confuses me. Why have that in there? Maybe the Senator is trying to placate some group that is disturbed. I do not know.

Mr. ROBERT C. BYRD. No. There are so many Senators who dealt with the theoretical rather than the pragmatic, who kept saying, "But if so and so happens," and "I will be shut out in my time."

People in my State would look through the lengthy record of debate and they would say, "Where do I find anything that my Senator had something to say on this controversial measure?"

So in order that that Senator may be guaranteed in that most hypothetical of hypothetical situations, in that most theoretical of theoretical hypotheses, I have provided that if that person were over at Charles Town Race Track all throughout that debate and he happened to make it in just as the 100-hour curtain was drawn, he could stand up and say:

> Mr. President, I have not used any of my time. I have not yielded any of my time. I do not want to insert something in the RECORD that the people in West Virginia will recognize because of that bullet there as having been just inserted in the RECORD. I am going to stand up here and say my piece. I am entitled to be heard. I am entitled to represent the people of West Virginia. One hundred-hours have passed by and I was unavoidably delayed in getting here.

Do not say anything about being at the Charles Town Race Track:

> I was unavoidably delayed in getting here. Mr. President, am I not entitled to speak for the people of the great State of West Virginia, the State that is almost heaven, whose motto is that mountaineers are always free, or the State of North Carolina, whose motto is to be rather than to seem?

For that reason, Mr. President, I have provided that a Senator may have 10 minutes.

Mr. CHAFEE. I heard the answer and it was eloquent.

Let me ask the majority leader where do we stand on this now? We are now on the resolution. As I understand, the agreement was that we would vote on or before 6 o'clock tonight.

Mr. ROBERT C. BYRD. Yes, no later than six.

Mr. CHAFEE. No later than six.

What happens next? There are no amendments at the desk, do I understand?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I have another amendment.

The PRESIDING OFFICER. No amendment is pending.

Mr. ROBERT C. BYRD. No amendment is pending.

Mr. CHAFEE. Does the majority leader—is there a time limit on his amendment?

Mr. ROBERT C. BYRD. No, there is not.

Mr. CHAFEE. Will there be?

Mr. ROBERT C. BYRD. I would be willing to enter into one.

Mr. CHAFEE. What I am thinking of is whether there would be time for another amendment should I so desire to offer one and just kind of work out the time. It depends on how much time the Senator takes.

Mr. ROBERT C. BYRD. Well, I will be very glad to delay offering mine for another 30 minutes and allow the Senator from Rhode Island to offer his amendment.

Mr. CHAFEE. That would be more than fair. If I am going to do it, I will do it in the next 10 minutes.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. CHAFEE. I would have a chance to vote on it then?

Mr. ROBERT C. BYRD. Yes, the Senator will have that chance.

Mr. CHAFEE. I thank the Senator.

Mr. ROBERT C. BYRD. In relation to the amendment, yes, he will, before I offer my amendment.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

(Mr. CULVER assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I offer the following amendment.

Mr. President, before I ask unanimous consent to offer an amendment to language that has already been amended, I want to explain what the language would do.

Before the holiday, the language in the resolution was changed to provide that the majority and minority floor managers and the majority and minority leaders could each be the recipients of not more than 2 hours yielded to him from other Senators, or on the part of other Senators.

I have discussed with the distinguished minority leader knocking out the provision that would allow time to be yielded to the majority and minority leaders without unanimous consent, leaving in the provision that would allow Senators to yield up to a total of 2 hours to each of the floor managers.

The floor managers, obviously, need that additional time in which to oppose motions and amendments, but the two leaders have preferential recognition to begin with and I should think that if we cannot make it on the 1 hour, and that will be chipped away a little bit because we have a 100-hour cap, but if we cannot make it with preferential recognition, perhaps we ought not to be in this position.

I think the general persuasion of this would be improved if there was not a feeling that the leaders are being given an unfair advantage over other Senators, who are being asked to give up some of their time.

Quorum calls and roll calls are going to chew into the 100 hours and, by virtue of doing that, are going to also chew into the 1 hour of each Senator.

So I am going to ask unanimous consent that I be permitted to offer an amendment to strike from page 3 of the resolution the words, "or to the majority or minority leader."

Mr. CHAFEE. Mr. President, I do not want to lose my chances to speak. I would just as soon wait until the minority leader speaks and then I would like to make a point or two, if I could.

Mr. BAKER. Mr. President, I would prefer to hear the remarks of the Senator from Rhode Island.

I yield.

Mr. CHAFEE. Mr. President, one of the virtues, as we have discussed here earlier, of letting the leaders have this time is that the leaders may in turn yield such time to other Senators. As the distinguished majority leader pointed out a little earlier, when he and I had a colloquy on this subject, he assured me that should the situation ever arise in which I did not have time, he would yield me time from his time. I thought that was generous, and I was prepared to take him up on the offer. Now he is giving away that privilege, quickly giving away a privilege of his and a privilege of which I was a partial beneficiary.

I am not strong on strong leaders. I am always wary of leaders who have too much power. But I do not think that in 3 hours, they can go rampant.

They are always subject to the votes of their Members. I do not think any leader is going to proceed in a reckless fashion, disregarding the wishes of his Members, and thus, not only is he going to regard their wishes, but also, he will try to take care of them by ladling out to them a little time here and there, should they need it.

So I think it is bad to give up that point. Somebody may need it; and we cannot look to the majority or minority floor managers, because those people are not subject to the votes of their Members. Also, they are wrapped up very intently in the whole subject that is before the Senate, and they want to use every bit they can.

I would like to explain a little further why this time should be given up. As a matter of fact, I was supportive of the efforts by the Senator from Idaho and others who would have given up to 9 hours, a total of 10 hours, not just to the leaders but also to Senators generally.

I do not want to hold up this bandwagon, but a little more explanation would be helpful. Maybe it is not a bandwagon.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. CHAFEE. I am delighted to yield.

Mr. HARRY F. BYRD, JR. I say to the Senator from Rhode Island that I raised the point with the distinguished majority leader, and I did it for this reason: As the proposed legislation now stands, the majority and minority floor managers of legislation could have time yielded to them. Then, as the measure now stands, the majority leader and the minority leader, likewise, could have time yielded to them. All those hours have to come out of the time under the 100-hour cap, which means that all the other Senators have that much less time for themselves.

If the Senator from Rhode Island thinks that the membership as a whole is better off by permitting the majority leader and the minority leader to have the time mentioned in the pending legislation, as well as the majority and minority managers of the floor legislation, that is perfectly satisfactory to me.

It occurs to me that the more the Senate gives to the leadership or to the managers of the legislation, the less time there will be for everybody else. But if there is considerable feeling that the membership as a whole will be better off by permitting additional time to be yielded to these four individuals, I certainly would not make any issue of it. I have some question in my mind as to whether it is advantageous to the Senate to take the proposal in its present form, but I have no strong feeling about it at all.

Since I did raise it with the majority leader, and since the majority leader did rise to act on that, I wanted to state that he did not do it on his own initiative. It was raised by the Senator from Virginia, and I will not make any issue of it at all.

I just want to say to the Senator from Rhode Island that I question whether it is wise, from the point of view of individual Senators, to be putting into the hands of four Senators as much time as would be given under this proposal.

Mr. CHAFEE. Mr. President, I think those points are very well taken. It is not an easy thing to decide.

Of course, they are not taking the time from the body as a whole. They are not granted 3 hours under the bill. The majority leader and the minority leader only have an hour, just as, in theory, everybody else has. The only way they get additional time is if somebody should give it to them. Then they could use that time, it seems to me, in correcting any

inequities that may have arisen in the course of debate.

When I spoke with the majority leader and had a little colloquy with him earlier, he used this as an indication of one way—and it applied to the minority leader—to insure fairness in case somebody was caught in a squeeze; that here was a source of time which responsible people, who are subject to the approval of their peers, could give out in order to remove an inequity. That was the argument that was used, and I thought it made some sense.

Mr. HARRY F. BYRD, JR. The argument that the Senator from Rhode Island is making now was very ably made by the Senator from Maryland, in personal conversation with the Senator from Virginia. If both Senators feel that is a better procedure, I certainly will withdraw any objection I have to it.

However, the Senator from Rhode Island understands, of course, that this time would come under the cap, which means, as I see it, that the individual Members of the Senate, other than those four and those they may yield to, would have less time.

Mr. CHAFEE. I appreciate that. This, I understand, would not affect the proponents—the majority and minority floor managers. They are not involved in this. It is just the leaders. Is that correct?

Mr. SARBANES. That is correct.

The rationale for the extra time for the floor managers is somewhat different from the rationale when they have to deal with amendments coming from a whole host of Members and they very quickly use up their hour in responding to amendments.

It is reasonable that they should have the ability to have some extra time yielded to them in order to make their responses.

The rationale for yielding it to the two leaders was somewhat different. It was along the line that the Senator from Rhode Island has outlined. But it is my understanding that the two leaders are really amenable to the will of the Senate with respect to this matter, and they are not asserting or seeking or reaching out to get the extra time and to have it yielded to them.

There are arguments both ways, as we have heard on the floor of the Senate.

Mr. CHAFEE. Mr. President, I can see the points that have been raised by the Senator from Virginia. However, because of the problems that might come up, a possible inequity due to a series of things we cannot anticipate, and the ability of the leaders to parcel out that time to overcome an unsuspected and unforeseen inequity, I think it is a pretty good proposal to let them have that modest amount of time, and therefore I would object.

The PRESIDING OFFICER. Objection is heard.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, at 3:45 p.m. the Senate took a recess for 15 minutes.

The Senate reassembled at 4 p.m., when called to order by the Presiding Officer (Mr. TSONGAS).

● Mr. RIBICOFF. I support the efforts of the distinguished majority leader to reform the filibuster rules.

Mr. President, the Senate is a great legislative body. It has enormous responsibilities. We must address very difficult and complex issues. This makes it essential that the rights of every Senator be protected; that there be opportunity for full and open debate. Certainly a procedural device should not be used to prevent any Member of the Senate from speaking on the merits of any issue before this body. Nor, however, should procedural ruses be used to avoid addressing the merits of a particular issue.

In the final analysis the Senate must function in an orderly manner. The Members of the Senate must record their collective judgment on the issues before this body. Each of us must stand up and be counted on the important matters before the Senate. Just as every Senator must have the right and opportunity to discuss the merits of the issue, so every Senator must have the right and the responsibility to vote on that issue.

The Senate today is involved in major domestic and foreign policy decisions. We deal with legislation to improve the operation of our Federal Government. We do not have the luxury of spending hours in unproductive activity.

I have opposed filibusters throughout my Senate career. The filibuster in the U.S. Senate does us no credit. I have voted for cloture in the face of filibusters mounted by liberal Senators and by conservative Senators. The business of the Senate must go on. Dilatory tactics should not allow a few Senators to prevent a vote on a substantive matter even after extensive debate on that matter.

Mr. President, the majority leader's proposals do not in any way affect the rights of a minority to conduct a filibuster. Sixty votes will still be needed to limit debate. The right to debate legislation and to offer amendments to it after cloture has been invoked will still be protected. The majority leader's modest proposals simply seek to limit the number of filibusters that can be conducted on any one piece of legislation.

This is consistent with the original intent of rule 22. The intent of rule 22 was to protect the right of extended debate by requiring more than a majority to invoke cloture. However, invoking cloture constituted a decision to limit debate and to have a final vote on the substantive matter before the Senate within a reasonable period of time. In recent years, however, ingenious postcloture delaying tactics have unjustifiably permitted one or two Senators to waste the time of the Senate even after cloture has been voted.

Senate Resolution 61 is now before the Senate deals only with this postcloture debate. The majority leader has been wise and generous in his proposal. Senate Resolution 61 simply eliminates the ability of a tiny minority to conduct a postcloture filibuster by counting the delaying moves as part of a Senator's debate time. Surely this is both reasonable and fair.

I myself would support efforts to go even further to expedite Senate procedures. I hope that we will have an opportunity during this session to address other improvements suggested by the majority leader in his original resolution (S. Res. 9).

However, the limited resolution on postcloture filibusters before us today is both reasonable and necessary. I hope that it will be approved so that we can get on with the business of the Nation.

Mr. President, two timely and perceptive editorials on this issue have recently appeared in newspapers circulated in my State of Connecticut. The Hartford Courant on February 7, 1979 had a lead editorial entitled "The Debate on Debating." The New York Times on January 30, 1979 had an editorial entitled "One Filibuster Per Issue." I ask that these two editorials be printed in the RECORD.

The editorials follow:

[From the Hartford Courant, Feb. 7, 1979]

THE DEBATE ON DEBATING

To filibuster a bill to death in the U.S. Senate does have a certain glamor. The image of the thunderous orator, using his wile to talk a law to death, is not without its Hollywood charm.

The patent obstructionism of unlimited debate is softened by a tradition that requires democracy not only to follow majority will, but also to defend the rights of minority opinion.

Thus, the common sense proposals before the Senate to revise the filibuster rules will meet with much resistance.

The art of obstructionism has been finely tuned in the recent past, to the point where a handful of senators can cripple the legislative process, or sabotage legislation with merely the threat of a filibuster. Such a tradition as that is not worthy of any legislative body that strives for rational lawmaking.

Senate Majority Leader Robert Byrd, who himself used the filibuster to great advantage against the nation's civil rights laws, is now proposing modest changes in those rules. His major goal is to end the fairly recent practice of piling filibusters on top of filibusters—all aimed at the same piece of legislation.

A gentleman's agreement had long restrained senators from delaying final action on bills, once a filibuster was broken. Since 1976, a new strategy has emerged, which produces endless amendments and procedural maneuvers designed to prevent final consideration, even after the majority has expressed the wish to proceed.

The Byrd plan is worthwhile. Sixty senators would still be required to end a filibuster, no matter how few were actually available to vote on cloture. But when that point is reached, a final vote could reasonably be expected to occur.

More vigorous reforms of the filibuster tradition have some backing, including one that would allow 60 percent of the senators present to invoke cloture. While we have

sympathy for significant changes in the filibuster rules, such progress in the near future is unlikely.

The filibuster ideal pits the relentless majority against the abused minority, but that ideal has little validity in the modern congressional setting.

Sophisticated special interest groups, modern communications systems and education that mark the legislative process today perform much of the leavening function that filibusters are supposed to offer. Few bills emerge spontaneously from the recesses of a majority conclave, to be pushed through Congress, untouched by minority impact.

The major resistance to filibuster is coming from the most conservative members of the Republican and Democratic parties. Yet, it was they who were the victims of the liberal filibuster last year that tied up the Congress for weeks, before the natural gas deregulation compromise finally won approval.

The filibuster remains a fascinating Senate tool, whether used for education or obstruction. But like most extreme options, it should be reserved for true emergencies, and then subject to reasonable constraints.

[From the New York Times, Jan. 30, 1979]

ONE FILIBUSTER PER ISSUE

By voting against a motion to stop a filibuster, 41 of the 100 members of the Senate can block any legislation. That is not necessarily pernicious and we agree with the Senate majority leader, Robert Byrd, that there is a right to filibuster. But we also agree strongly with him that on any one issue, one filibuster is enough. Still, present rules permit multiple filibusters. Even the threat of a filibuster has become a serious problem, making the Senate, in Mr. Byrd's term, "a spectacle." The time has come to do something about it.

Partly because of the parliamentary virtuosity of the late Senator Allen of Alabama, the Senator has been increasingly subject to multiple filibusters. Unless the leader calls up legislation under special circumstances, his very motion to proceed to consideration of the bill is subject to a filibuster. If the filibuster is then voted down through cloture, another filibuster can be undertaken when the bill becomes the pending business. And even when such a filibuster is defeated, there has been an increasing use of "postcloture" filibusters in which one or a handful of Senators can tie up business for days with dilatory motions, interminable amendments, quorum calls and rollcalls.

Senator Byrd has now offered a resolution to change the rules and ease this "misery." He does not propose, probably wisely, to make filibusters easier to stop. A full 60 votes would still be necessary—but only once. Debate on motions to take up a bill would be limited and filibusters confined to actual consideration of the measure. Post-cloture stalling would be curbed.

Both Republicans and Democrats have named ad hoc committees, ostensibly to consider Senator Byrd's proposal but actually to negotiate both on its terms and on how a vote can be had on a rules change. Conservative members believe that 67 votes are needed to end a filibuster on a motion to change the rules. More liberal members believe a simple majority can vote to change the rules and cut off debate.

It would appear to be in the interest of Republicans and conservative Democrats to avoid a showdown. A loss would create a precedent that would make future rules changes easier and eventually undermine the rights of the minority. A showdown can be avoided by an agreement to limit debate on the Byrd resolution and to vote at an agreed time. There seems to be fairly widespread bipartisan agreement that something should be done to limit post-cloture filibusters, and there seems to be room for reasonable compromise on other elements of the Byrd proposal as well.

But if meaningful rules changes are not soon forthcoming, Senator Byrd reluctantly will have to force the showdown. Then it will be important that 51 Senators, including liberal and moderate Republicans, back him up. Senator Henry Cabot Lodge Sr. was right when he said many decades ago: "To vote without debate is perilous, but to debate and never vote is imbecile." ●

● Mr. BENTSEN. Mr. President, I rise in support of reform of the Senate Rules. I believe that the distinguished majority leader has presented careful and considered proposals, and I am inclined to support them.

In my years in the Senate, I have used and been used by extended debate. I have supported cloture; I have opposed cloture; I have been allied with liberals, conservatives, and groups that defy description.

I believe the human mind can devise rules that protect the legitimate rights of both the majority and minority within the Senate. I believe that Senate Resolution 61 meets the general standards we must set.

We must balance the needs of our Nation, the rights of all Senators, and the interests of both parties. We must seek fair and reasonable rules that will effectively guide our conduct. We live in dangerous times, when political paralysis can threaten our ability to address the most serious issues. We must meet these challenges. We must have rules that enable us to meet them. We must protect the minority, yet preserve the ability of a substantial majority to act.

Mr. President, we must be vigilant in protecting the rights of the minority. I support the concept of extended debate. When used as it was intended, this device can make the Senate a truly deliberative body.

When 60 votes are not obtained for cloture, the debate should continue. If the 60 votes cannot be obtained after repeated attempts, the legislation should fail. This is the right of the minority that must not be destroyed, distorted, or diluted. I will support this right. I oppose any effort to take it away.

We must recognize other rights at stake when the Senate has worked its will, and cloture has been invoked. In this event, the minority has made its stand and exercised its right, and it has lost. At this point that majority that voted to end debate has a right to have the Senate proceed to action. They have a right to work their will, to represent their constituents as they see fit.

We cannot allow this right to be destroyed by a small minority that has tried and failed to extend debate. We cannot permit anyone, conservative or liberal, to corrupt rule 22 and delay the Senate with dilatory tactics. This is not representative government they engage in. This is delay and obstructionism.

I remember the Pearson-Bentsen natural gas legislation. We had obtained the votes for cloture. The majority, the three-fifths majority, had spoken. Yet there were some in the minority who believed that the Senate should give way to their viewpoint, even though they had lost according to the rules. They then distorted the original intent of rule 22, and we spent days and nights in endless delay.

Mr. President, I can understand their deep feelings, and the feelings of all of my colleagues on the great issues that come before the Congress. Honorable people can disagree. We can disagree strongly. Yet there comes a time when the verdict of our colleagues must be accepted, when representative government compels us to compromise, or yield to the views of others.

Mr. President, I want to talk very briefly about a growing phenomena that troubles me. I refer to the growth of narrow or single issue political groupings in our country. The Founding Fathers called it factionalism. They warned us about it.

Increasingly, people say: "Do it my way, or not at all."

They say: "I want to know about your feelings on the one issue that concerns me, and I don't really care about all of those other issues facing the country."

They say: "My personal view must take precedence over the needs of the body politic."

James Madison warned us in Federalist No. 10. He said that a great danger facing the United—repeat, United States, was division from within.

In George Washington's Farewell Address, read eloquently this week by my colleague from Virginia, we were warned of dividing region against region, group against group, person against person. We were instructed that we must value national unity above all else, that we must accept pluralism under our Constitution.

Mr. President, in our country there is a temptation to fight on behalf of a narrow issue, and forget the broad political consent essential to our form of government. I say we may agree with the particular position in question, but we must never forget that we are part of a large nation with many particular viewpoints.

We must remember this in the Senate if we are to lead the country. We must remember that sometimes we will lose, but that always we must respect the ability of our representative system to work its will.

We must not tie the Senate in procedural knots. This does not make us a greater deliberative body. It erodes our ability to decide, after we deliberate. It demonstrates a lack of respect for the views of others. It demonstrates a lack of faith in the process itself. It reduces public respect for the institution of the Senate, and leads us on the dangerous road to political paralysis, factionalism, and ineffectiveness.

Mr. President, the American people want a government to respond to the troubles of our times. They want a government that can act.

Yes, we must protect the rights of the minority.

No, there is no justice in allowing a minority of 10 to paralyze a majority of 90.

There is no fairness in holding the U.S. Government hostage to the views of a few, no matter how sincere they are.

If 40 votes stand firm, and cloture cannot be invoked, then again I say the legislation should fail.

But when the three-fifths majority has spoken, the time for debate should draw to a close.

The precedents of the Senate, the great history of our institution, and the requirements of governing this large and diverse society all tell us that there comes a time when the Senate must be able to act.

In this spirit I will support reform of the Senate rules.

I believe we can protect the rights of our Members, and pursue the unfinished business that faces our country.●

● Mr. MATSUNAGA. Mr. President, I rise in strong support of Senate Resolution 61, as amended, the resolution proposed by the distinguished majority leader, the Senator from West Virginia, to amend rule 22 of the Standing Rules of the Senate.

Mr. President, it is with a sense of urgency that I join the distinguished majority leader in calling upon my colleagues, on both sides of the aisle and at each end of the political spectrum, to give thoughtful, deliberate, and, finally, favorable consideration to the majority leader's proposed rule modifications. In recent Congresses, we all have seen the extent to which one, two, three, or any small group of Senators may thwart the will and the overwhelming majority of the Senate. It has become clear, I believe, that rule 22, the procedure by which three-fifths of the Senators may invoke cloture, is not, as it now stands, an effective means of ending filibuster in the U.S. Senate.

By utilizing the present rules of the Senate to their fullest extent, it is now possible to engage the Senate in several filibusters on any given issue. First, when the majority leader makes a motion to proceed to the consideration of a particular matter, debate on that motion is unlimited. Any single Senator, or small group of Senators, may conduct a filibuster on the motion to proceed. Second, any Senator or small group of Senators may conduct a filibuster during the debate on the bill itself, or substance of the issue, once it is before the Senate. Third, and finally, the present Senate rules allow a Senator, after three-fifths of the Senate has voted to invoke cloture under rule 22, to conduct what is now referred to as a "postcloture filibuster."

Mr. President, many of us are well acquainted with the postcloture filibuster. Two years ago, during our consideration of the natural gas pricing bill, a small number of Senators employed an array of parliamentary tactics to carry on a filibuster against the bill for 2 weeks after cloture was invoked. To delay final action on the bill, the Senators requested numerous rollcall votes and quorum calls, demanded the reading of all amendments in their entirety, and asked for the full reading of the Journal. What made these and several other procedural tactics effective filibustering is that the time consumed did not count against the 1-hour of time allotted to each Senator after cloture had been invoked.

Moreover, under the Senate rules, any Senator who sends to the desk a germane amendment before the announcement of a successful cloture vote is eligible to propose it after cloture is invoked. Consequently, the filibustering Senators offered literally hundreds of germane amendments making changes in funding authorizations, establishing alternate dates for deadlines in the bill, redefining terms, and making various additions and deletions to the bill.

It is well known, Mr. President, that if the majority leadership did not resort to extraordinary procedural measures, the postcloture filibuster could have prevented the Senate—a three-fifths majority of the Senate—from voting up or down on the vitally important piece of energy legislation.

Mr. President, I strongly believe that we in the Senate must no longer tolerate such abuse of the Senate rules. One Senator, two Senators, three Senators, or any small group of Senators, must not have the absolute power to thwart the will not only of the majority, but also of a three-fifths majority of the Senate, which, having voted to invoke cloture, has signified that debate shall come to a close and that the pending matter shall be acted upon by the Senate.

Mr. President, although I do not approve of the postcloture filibuster, I do not fault the Senators who have chosen to utilize the rules of the Senate to extend debate after cloture has been invoked. Every Member of this body certainly has the legitimate right to use them as he so chooses. And so long as the rules remain as they are, I am sure that some Senator or Senators will continue to use them to their fullest extent.

Therefore, Mr. President, it is imperative that we move now to change the rules in a way that will once again allow the majority of the Senate to work its will on a measure. The Senate must be free to conduct the Nation's business, and I believe it is our duty as its Members, duly chosen and sworn, to see that the rules allow it.

I want to emphasize, Mr. President, that I do not advocate any modification of the Senate rules which would restrict or prohibit the legal right of any Senator to engage in a filibuster. On the contrary, I believe that every Senator should continue to have that right. However, I believe that Senators should filibuster on the merits of the particular matter before the Senate, not on the motion to proceed to the consideration of that matter, and not after the Senate, by a three-fifths majority, has voted to limit debate.

Mr. President, I can certainly understand the concern that many of my colleagues have expressed over the reforms proposed by the distinguished majority leader, particularly in terms of their effect on the delicate relationship between the majority and the minority in the Senate. I might add that I am not speaking of the majority or minority necessarily in the sense of a political party. In my judgment, it is vitally important that each and every Senator, of every party affiliation or political philosophy, consider carefully and deliberately the reforms proposed under Senate Resolution 61, for they will change the standing rules of this body and have a dramatic effect on the tone of the Senate's proceedings for many years to come.

During the course of our debate on this resolution, I have not heard a single Senator deny that in any parliamentary body, or in any democratic system for that matter, it is essential that the minority be allowed to speak, to debate, to criticize, and, in short, to participate fully in the legislative process. This concept and others designed to protect the rights and privileges of the minority are among the fundamental principles of our democratic form of government. James Madison, writing in "The Federalist," No. 10, discussed the power of the majority over the minority and the possible abuses of that power that may occur in a democracy, I quote:

> When a majority is included in a faction, the form of popular government . . . enables it to sacrifice to its ruling passion or interest both the public good and the rights of other citizens . . . It may be concluded that a pure democracy . . . can admit no cure for the mischiefs of faction. A common passion or interest will, in almost every case, be felt by the majority . . . and there is nothing to check the inducements to sacrifice the weaker party. Hence it is such democracies which have ever been the spectacle to turbulence and contention . . .

Indeed, Mr. President, the framers of the Constitution concurred with Madison and went to great lengths to protect the rights of the minority. Under the Constitution, the Federal Government is divided into three separate and independent branches, and an important system of checks and balances is employed among them. The separation of powers doctrine was developed by the framers, in part, to insure that the Federal Government would protect the minority.

Within in the legislative branch, the bicameral nature of the Congress, and the intricacies of the legislative process involving the two Houses and the President, provide even further protection for the minority. Within the Senate itself, there are many built-in safeguards for the minority. Most importantly, the Constitution clearly provides that each State shall have two Senators, regardless of its size, and that no State, without its consent, shall be deprived of its equal sufferage in the Senate. I might also reiterate that any single Senator, or group of Senators in the minority, is, under the Senate rules, entitled to filibuster a matter before the Senate.

At the same time, Mr. President, we must not lose sight of the fact that the concept of rule by the majority, with adequate protection of the minority, was central to the political philosophy of the framers and remains today the very foundation of our representative form of Government. Alexander Hamilton, writing in "The Federalist," No. 22, emphasized the need for voting by majority to

prevent national control by a "pertinacious minority," I quote:

> In those emergencies of a nation, in which the . . . weakness or strength of its government . . . is of the greatest importance, there is commonly a necessity for action. The public business must, in some way or other, go forward. If a pertinacious minority can control the opinion of the majority . . . the majority, in order that something may be done, must conform to the views of the minority; and thus the sense of the small number will overrule that of the greater, and give a tone to the national proceedings.

For the purposes of our deliberations, Mr. President, Hamilton's insistence that "the public business must, in some way or other, go forward," is vitally important. When applied to the Senate, his words and ideas firmly support the contention that the Senate must be allowed to work its will and the majority of Senators must prevail.

Writing in The Federalist, No. 58, James Madison emphasized the importance of the principle of majority rule in both Houses of Congress and the need to insure against minority frustration of legislative power. I quote:

> It has been said that more than a majority ought to have been required for a quorum (in house of Congress) for a decision . . . But these considerations are outweighed by the inconveniences in the opposite scale. In all cases where justice and the public good might require new laws to be passed . . . the fundamental principle of free government would be reversed. It would be no longer the majority that would rule; the power would be transferred to the minority.

Although James Madison wrote these words almost two centuries ago, we in the Senate find ourselves in a similar situation. Single Senators and small groups of Senators, representing a small minority of the Members of this body, are able to utilize the rules in such a manner as to thwart the will of the majority and even a three-fifths majority of the Senate. Permit me to again quote Madison from "The Federalist," No. 58:

> Were the defensive privilege (more than a majority for a quorum) limited to particular cases, an interested minority might take advantage of it to screen themselves from equitable sacrifices to the general weal, or in particular emergencies to extort unreasonable indulgences.

Madison's fear that a minority, which has the power to overrule the majority, might "extort unreasonable indulgences" from the majority, should have a special meaning to us in the Senate today. It has certainly become clear, I believe, that under the present rules of the Senate, which allow a small minority to engage the Senate in filibuster after cloture has been invoked, that a three-fifths majority of Senators may be forced to accede to the wishes of that small minority.

Mr. President, we cannot, in good conscience, permit this situation to continue in the Senate of the United States. We must not permit the rules of this body to be used to prevent the Senate from working its will, particularly after three-fifths of the membership of the Senate has voted to limit debate on a particular issue. The postcloture filibuster is clearly contrary to the concept of majority rule and the intent of the framers of the Constitution.

We have a unique opportunity at the beginning of this new Congress to consider prudently and deliberately the majority leader's proposals to reform the Senate rules. I believe that they are fair reforms which do not go above and beyond the objective of eliminating the threat of and the exercise of the disruptive postcloture filibuster.

I concur fully with the majority leader in that if we permit Government by postcloture filibuster to continue in the Senate, the majority may one day rise up and make greater and more far-reaching changes in the rules of this body than those proposed by the Senator from West Virginia.

Mr. President, we have before us a resolution which will once again restore majority rule to the Senate, and at the same time, protect and defend the integrity of the legislative process and the rights and privileges of the minority, which are guaranteed under the Constitution. Let us pass this resolution expeditiously and return to our principle task of conducting the Nation's business.●

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate recess for 30 minutes.

There being no objection, at 4:43 p.m. the Senate took a recess for 30 minutes.

The Senate reassembled at 5:13 p.m., when called to order by the Presiding Officer (Mr. MOYNIHAN).

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, on February 7, an agreement was entered by unanimous consent to the effect that the Senate would proceed immediately to the consideration as a separate resolution of that part of Senate Resolution 9 beginning on page 4, line 6, and concluding on page 5, line 6, dealing with postcloture procedure only.

Provided further, that no amendment that is not germane to post-cloture procedure shall be received—I am reading from the CONGRESSIONAL RECORD—and provided further, that if the vote on final disposition of the resolution does not occur by 6 o'clock p.m., on Thursday, February 22, 1979, the Senate proceed at that time to consider Senate Resolution 9.

Now, Mr. President, I have in my hand an amendment which would provide that once cloture has been invoked on a motion to proceed, the time for consideration of that motion be limited to not more than 3 hours, to be equally divided between and controlled by the majority and minority leaders, or their designees, who shall insure that the opponents of the motion receive at least half of the time on the motion.

That amendment clearly comes within the letter and spirit of the agreement because it is germaine to postcloture procedure; it deals with postcloture procedure only; it deals with postcloture procedure on a motion to proceed.

Mr. President, let me explain why this amendment occurred to me as being needed.

As I said, it already fits within the letter of the time agreement, but there are some Senators who would not like to see this amendment called up.

Time is short, although I have waited now something like an hour and a half before taking the floor to discuss it.

I showed it to the distinguished minority whip, I suppose 2 hours ago. I have shown it to other Senators on both sides of the aisle, including the distinguished Senator from Maryland (Mr. SARBANES), the distinguished Senator from Louisiana (Mr. LONG), and the distinguished Senator from Georgia (Mr. NUNN), and other Senators, and I feel that I have the votes to carry this amendment.

One of the big problems that I have been confronted with as majority leader has been the problem of taking up measures. Senators will have holds—h-o-l-d-s—on measures, and those holds are recognized and honored for a while. But from time to time, I go to the minority leader and I say, "Mr. Minority Leader, let's take up this bill." The minority leader says to me, "Well, I can't take that bill up because so-and-so is out of town, he has a hold on that bill, I can't agree to take that up until he is back in town."

I say, "OK, then let's go to this bill on the Calendar, why can't we take this one up?" I find no fault in the minority leader or the acting minority leader. I have dealt with him in the same way and he has dealt with me in the same way. I will say, "How about taking this matter up?" He says, "Well, I will have to see. We will have to call Senator so-and-so because he has a hold on that."

So we wait and put in a quorum. We wait 15 or 20 minutes, or 30, and then the leader on the other side comes back and he says, "Well, I'm having difficulty getting so-and-so he is out on a boat in the middle of a lake," or something, "and we are having trouble reaching him. It will probably be 2 hours before we reach him."

I will say, "OK, let's go to this bill." The leader on the other side will say, "Well, so-and-so has a hold on that; maybe we can get this done. We can check that out. He is back in the cloakroom."

Mr. STEVENS. There was one that was not fishing?

Mr. ROBERT C. BYRD. There was one that was not fishing.

He will talk to his very able assistants, Mr. Hildebrand and Mr. Howard Green. He will say, "Go back and talk to so-and-

so and tell him to come back here." They come back with the word: "We have discussed it with Senator so and so, but he is not ready to take it up today. He is ready to take it up one day next week, but not today. So I can't give you unanimous consent as to that."

So where does that leave me?

I will say, "Mr. Minority Whip, I'll move to take it up."

He will say, "Well, go ahead and move. Who cares? Your motion is debatable."

So they can debate that motion to proceed for a day or two until Senator so-and-so gets back from the middle of the lake where he has been fishing, or the top of the mountain where he has been gazing at the Moon. So time has been awasting.

Rather than have the Senate go through 2 or 3 days of needless debate and futile talk, I say, "Well, what are we going to do?" So he scurries around, and he is in the same situation I am in. He is bound by his Members. He is bound to uphold their rights. He is obligated to object if I ask unanimous consent to take up something.

In every instance, the minority leader or the acting minority leader, whichever it may be at the time, does everything he can to help me. But he, too, is bound.

I have seen the time when we have gone out at 1 or 2 o'clock in the afternoon because we have found a piece of a bill that took 25 minutes. We finally did find a bill that we disposed of in 25 minutes. We get to the end of that, and what else can we do? "Let's recess for an hour or two and try to find something else." In that time we have a little old bill that we think we can do in 30 minutes, and we do that one and we go out.

In the meantime, my brethren on this side of the aisle come to me and say, "What are you going to have up tomorrow? What are you going to have up this afternoon?" They will come to me at 1 o'clock in the afternoon and say, "What are you going to have up this afternoon? At 4 o'clock I have to catch a plane."

Many times I have to say, "I don't know; I can't tell you."

They say, "What are you going to have up tomorrow?"

"I can't tell you."

They say, "Well, what kind of majority leader is this? Is this what I voted for, for a majority leader? He can't tell me what we're going to have up at 4 o'clock this afternoon. Boy, if we had Lyndon Johnson back here——"

[Laughter.]

"Or, if we had so-and-so back here."

"Bob Byrd is supposed to know all these things. He is supposed to know the history of the Senate rules from 1789, when they moved to observe—they did not adopt—they just moved to observe 19 rules. He is supposed to know all this business, and he can't tell me. He is the majority leader and he can't tell me what we're going to have up at 4 o'clock. I know how I'll find out whether we're going to have that bill up. I know how I'll find out whether we're going to have any votes tomorrow. I'll put in a call to the Republican cloakroom."

[Laughter.]

So he just calls the Republican cloakroom, God bless them. I applaud them; they are great people; they are the cream of the Earth.

He calls the Republican cloakroom and says, "What are you going to have up tomorrow, the gas bill or the other bill?"

No, they are not going to have up that bill. It is not going to be up.

"Are there going to be any votes tomorrow?"

"No, no votes tomorrow."

He calls my cloakroom, and my cloakroom cannot answer any question from A to Z. Alan Cranston cannot put a thing on his whip notice that he can count on, and I cannot answer any questions. Why? Because my hands and my legs are bound in shackles and in chains, and I have only a stone for a pillow on which to rest my head. That is because my friends on the other side simply say, "You can't take that up because so and so is out there in the middle of the lake. He is boating, and we cannot reach him. There is no telephone on that boat."

So that is the predicament. That is why, Mr. President, I thought I should offer an amendment here that would provide that on a motion to proceed, if cloture is invoked, we then vote up or down on that motion to proceed within 3 hours, which allows 2 days, 1 hour, plus 3 hours for the Senate to vote on the motion to proceed.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I would like to continue my eloquent discourse, and then I will be glad to yield.

I thought that would be the thing to do—offer this amendment; and while I have the votes, I do not have to go the 51-vote route now. We have the momentum; we have done very well today. We are up to a vote now.

I could say then, and the minority leader could say, this would really unlock—I am thinking of him, really. We should think of the other fellow, not of ourselves. I am thinking of the minority leader and the distinguished acting Republican leader.

I will say, "Ted, let's call up this bill."

He will say, "So-and-so has a hold on it."

I will say, "Just call him and tell him I am going to call it up."

He will say, "I'm glad you got that amendment a while back, because I'm going to tell him that if he doesn't let you call that up, you're going to move to take it up. As soon as you move to take it up, you will offer a cloture motion, and then you'll find a way to displace that motion and you'll go to something else. If you can't take that up, you'll offer a cloture motion to that and take up something else. You might move to adjourn for 10 seconds.

"So I'm sorry, Mr. so-and-so, out on that lake. I hear you, while the waters are shimmering and the fishing is good. But Senator Byrd has the bear where the hair is short, as they say down in West Virginia, and he is going to move to take that up. You had better give him a time agreement."

How thankful Senator Stevens would be and how thankful Howard Baker would be if we offered this amendment. No longer could they then be shackled by those holds.

Well, all serious talk aside——

Mr. STEVENS. Mr. President, will the Senator yield before he gets serious?

Mr. ROBERT C. BYRD. If the Senator will permit me to complete my statement, I will yield. I want to yield; I am constrained to yield now.

Inasmuch as Senator Stevens and others have been so cooperative and helpful in working on Senate Resolution 61, I hope that in view of the fact that I have decided perhaps—perhaps—not to offer this amendment, I will not be confronted in the future with the problem of Senators putting on holds, going off and leaving town, discommoding the other Members of the Senate, while they are out of town.

The leadership on both sides of the aisle is prevented from calling up a measure, simply to meet the convenience of a Senator who wants to be out of town for a week, perhaps. The leadership on both sides is, perhaps not tonguetied, but certainly straitjacketed. I do not think it is fair for Senators to put holds on measures and hold their leaders to protecting them while they go off the reservation for a few days and the Senate has to do the best it can. So it is not just I but the leadership on the other side as well that is hamstrung from time to time by the business of honoring holds. If you do not honor them, you can move; but that motion is debatable. So there is not much we can do in that regard.

I hope that in view of the magnanimous gesture on my part of not calling up this amendment at the time when I have the votes, have a time agreement which provides for a vote on the measure at 6 o'clock—so I have it all in my hands. I have the time agreement to vote at 6 o'clock; I have the votes. Let us say all the votes over there are against me. I still have the votes. I can put this amendment over. I can pass that resolution. But I am not going to have any Senator think—well, I am not going to have him say. I do not think any Senator would actually think it. I am not going to have any Senator be able to say, "Well, Senator Byrd had this thing in mind all along. We gave him a time agreement, and he had this pig in a poke. He had this amendment up his sleeve."

I am not going to do that. I am just going to let this golden opportunity pass me by, and it probably will never come again.

I do that in recognition of the cooperation that I have been given. I would hope that the distinguished minority leader and the acting minority leader would help me in the future to insist on cooperation of Senators on our respective sides. Incidentally, I never have any problems on my side of the list. Only one or two Senators on my side put holds on from time to time. That is not quite right. There are a few Senators who put holds on, but I cannot recall an occasion when a Senator has been obstinate in maintaining that hold.

I might send Tom Hart to call him and he might get it turned down. If I go call him myself, as the usual thing the Senator says, "Well, go ahead and let somebody else call up my amendment. I don't want to do it. But if you have to do it, go ahead and call it up."

But in consideration of the fine cooperation that has been shown by especially the acting Republican leader and the Republican leader today and yesterday and heretofore in connection with the pending resolution, I am willing to forego the bird in the hand and perhaps for some time give up two in the bush, but I want to not only be fair I want to appear to be fair, Mr. President, and there is not a Senator on the other side who can honestly in his heart say that this amendment does not come within the spirit and the letter of the agreement. The amendment is necessary, because the rules are abused.

I am going to withhold it. I hope that the same spirit of cooperation that we have experienced in the action on this resolution will permeate the atmosphere of this august Chamber throughout the remainder of this Congress and that when I go to the other side of the aisle and ask for unanimous consent to take up a measure I will be allowed to take it up so that my cloakroom can accurately inform Senators as to what is going to happen and so that I can, also.

I yield to Mr. Stevens.

Mr. STEVENS. Mr. President, I believe my good friend from West Virginia should be from Alaska. You know we have long-haired bears up there. It is a little hard to get them by the short ones. Perhaps that gives us the experience to deal with a problem such as this.

But I think that the majority leader has made the proper decision. We have been through the process that we have gone through now and in a period of days reached the point where I am prepared to accept Senate Resolution 61, and I will vote for it.

We have, I think, made substantial changes in the precedents of the Senate. There will be a cap on postcloture procedure. However, there is a provision in this resolution that gives every Senator the right to speak at least 10 minutes before that time expires even if the time has expired.

We have provided for the transfer of time to the managers of the bill. I have always advocated that because of the difficulty of being a manager of the bill. I wish that it could be possible to transfer time to another Senator who might be in opposition. But in order to protect against that, the leader will have time that can be transferred to them and they in turn can yield that time, and I presume that time that the leader will have will in fact be used for the opposition to the position taken by the bill managers when it is necessary to be fair.

We also have a provision that will eliminate some of the vexatious points of order that have been raised in the past, because if the bill is reprinted after cloture the amendments which were in order prior to the reprinting will be conformed to the new reprinting. That I think is a fairly easy thing to accomplish and it eliminates the inequity that is involved in reprinting a bill.

We also have another provision that says that no Senator may call up more than two amendments before every other Senator has had a similar opportunity. The legislative history now shows that it is the intent of that concept that there will be recognition between proponents and opponents of a measure, so that one side will not be able to burn up all of the time in the postcloture procedure. I assume that that recognizes, also, the fact that it will be necessary to recognize Senators on either side of the aisle as the time is used up in the 100 hours of the postcloture procedure.

We eliminated the possibility of the reduction of the 100 hours down to 30 by a vote of 60 Members. I think that amendment which was accepted make Senate Resolution 61 more in line with the recognition of the rights of the minority on any issue.

We provided that after cloture is invoked reading of the Journal will be dispensed with and the reading of amendments will be dispensed with if they are printed and available for 24 hours at a Member's desk, and that printing does not mean printing from the Government Printing Office, but a reproduction in typewritten form.

We also have now for the first time, since the cloture provision went into effect, adopted an amendment which will permit second-degree germane amendments to a first-degree amendment if those amendments are on the desk at least 1 hour prior to the vote on cloture.

Those are substantial revisions of the cloture procedure, all of which I am prepared to support.

There are some items which I wish were more precise in terms of protection of the rights of the minority, but I call attention to the fact that it is possible to increase the 100-hour cap in the event there are some Members who have substantive business to present to the Senate after cloture and have not been able to do so, because of the time limitations.

All in all, I think this is a good way to start this session of Congress. We have worked hard and long. I think that it would be hard to record really the number of meetings that we have had both on and off the floor since we have convened. And we have made substantial changes in the resolution as it was originally presented. The resolution as it will be voted on in a few moments, as I have indicated, makes many substantial and positive changes in the existing rule XXII.

The decision of the majority leader not to bring in the amendment pertaining to the issue of taking up a measure I think is a good one because, as I pointed out to him, in the last Congress we failed on only two occasions to get a time agreement. It is, I think, important to realize and the majority needs to realize that the unrestrained use of the majority power can lead only to the unrestrained exercise of the rights of the minority and that can eventually lead to just total hiatus in the legislative process.

We are the crucible of democracy as far as this country is concerned, and that crucible needs a good deal of mixing before anything is produced that is of consequence. That is why we are called the greatest debating society on Earth.

I like to believe that we might return to that and really be worthy of that appellation. I do not think we really are yet.

But certainly I would be remiss if I did not, first, thank the majority leader for his compliment to the Members of the Republican cloakroom. They are very accurate. They get their information, of course, from the majority staff who have a crystal ball on really what the majority leader is going to do.

I also think that before we wind up here, we ought to thank those people who have been involved in this whole process: Dr. Riddick, our Parliamentarian Emeritus, who has come back to us to help make certain that we are not abusing the rules too much as we seek to change them; Murray Zweben and Bob Dove and the others; the staff members that we have used on this side of the aisle, Marty Gold, Sheri Marshall, and my assistant, Steve Perles. I think we ought to thank them all for the long hours, and particularly the weekend hours that most people have not even seen, as we have gone through this procedure.

We have an agreement to vote not later than 6. I wonder if I might inquire of the majority leader if it might be possible to start that vote, so that it might be possible for some Senators to make an aircraft.

Mr. STENNIS. Mr. President, will the majority leader yield me 2 minutes?

Mr. STEVENS. I yield the floor.

Mr. ROBERT C. BYRD. Yes.

Mr. STENNIS. Mr. President, I have been concerned about the proposed changes. I have counseled with fellow Members; I have not taken part in the debate. I have been involved in other matters. But my plea was that the Senate must not surrender its distinctive features, the features that make it different—different from just the ordinary, regular run legislative body.

I am delighted to be able to support, now, wholeheartedly, what these gentlemen have worked out on both sides of the aisle through very earnest effort on their part. I think the measure as it now reads will clean up the cloture rule and provide a better cloture rule for minority and majority than we have now. It saves the distinctive features of the Senate, as I have said; it makes matters more workable here.

I like to recall that in the old days, when we did have a lot of filibusters, they ran strictly on the merits. Every speech was relevant. When cloture was voted, if at all, then the opposition tried to be graceful about withdrawing and bowing to the will of the Senate under its rules, and letting the vote come. I think we created good will thereby in the country and in this body—getting ready for the next filibuster, maybe, but it was good policy, and good will came about, as I believe good will will come about here.

I have a word to say about what the majority leader says about holding up his bills while someone goes to make a

speech. I am proud of him for having withdrawn his amendment here. I believe that is in the area of self-discipline, and we all have to discipline ourselves, every Member here. We have got to do that, lest we destroy the nature of this body. We have gone too far already in most of our debates. I think each Member should consider that it is his duty not to be holding up the Senate here just for his own convenience, or immediate convenience, or just to make a speech on a matter that he wants to do. I have to make a choice either to stay here or to leave, and as a Senator, that is the only privilege I have, to make that choice not to hold up everything here while I am gone.

Maybe in the caucuses we could discuss this. Maybe we could debate it. Maybe the leaders could urge us to. But let us have some move come from the floor here, of self-discipline, and I believe we can improve our situation.

I thank the majority leader for yielding to me, and I wholeheartedly support his resolution.

Mr. ROBERT C. BYRD. I thank the Senator for his comments and the support he has given the leadership in its effort to bring the resolution to this point. I have only a question or two.

May I make the following inquiry of the Chair?

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from West Virginia.

Mr. ROBERT C. BYRD. The language beginning on page 1, line 4 of Senate Resolution 61 reads as follows:

After no more than one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins.

Now, Mr. President, in a situation such as this, in which there has been a time gap of 100 hours, and that will have expired the matter will have been voted on, and a motion to reconsider is made, would that motion to reconsider be debatable?

The PRESIDING OFFICER. The Chair advises the Senator from West Virginia that it would not be.

Mr. ROBERT C. BYRD. I thank the Chair. Now, Mr. President, I ask the Chair this question: Taking the same set of circumstances in which the 100 hours have expired, the measure is voted on up or down, a motion to reconsider is made, and a motion to table is made; the motion to table fails, the motion to reconsider carries, and the Senate is back on the measure. Does not the Senate have to immediately, without debate, without amendments, and without any motions, vote on the motion to reconsider?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. So that the reconsideration of the measure would not open it up to any additional time; all time would have been gone before the vote?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I want to state for the record that that is the understanding of the minority of the proper interpretation of the resolution at this time.

Mr. ROBERT C. BYRD. Mr. President, I, too, want to thank Senators and staffs, and especially want to thank, on my side of the aisle, Senator SARBANES, who has been on the floor at all times during the debate on this matter. I want to thank Senator NELSON, who has carried the ad hoc committee. May I say that Senator SARBANES has been a very able proponent of the resolution, and a very able exponent of its terms, and has very ably defended it against crippling amendments.

I want to thank Senator NELSON for chairing the Ad Hoc Committee on Rules, and for the effort, the work, and the contributions he has made in connection with bringing to the floor the resolution.

Also, I want to thank Senator CRANSTON and Senator NUNN, who were members of that ad hoc committee, and I want to thank Senators MOYNIHAN and HUDDLESTON, and Senator LONG, who was also a member of the ad hoc committee.

I express my appreciation to the acting Republican leader, who is chairman of the ad hoc committee on his side of the aisle. I express my gratitude to the members of that ad hoc committee, and to the Republican leader and all Senators who have made contributions and offered amendments.

Also, a moment ago, in mentioning my own ad hoc committee, I inadvertently omitted the name of Senator MUSKIE. I also wish to express my gratitude to him.

Mr. STEVENS. Will the Senator also permit me to mention Senator HATFIELD, Senator MCCLURE, Senator JAVITS, and Senator CHAFEE, who were members of the ad hoc committee on this side? I think it has been a very worthwhile exercise, and the result is one we should all be willing to support.

Mr. ROBERT C. BYRD. Mr. President, I want to thank the Parliamentarian Emeritus, Dr. Riddick, who is the author of this book on procedure, and also, incidentally, the author of another book on the Congress I used when teaching a course over at American University.

I want to thank Murray Zweben, the Parliamentarian, and his assistant, Robert Dove.

I want to single out one aide who has been especially sagacious and very helpful in connection with this entire matter, Mary Jane Checchi.

Now, Mr. President, as far as I am concerned, we are ready to vote.

Mr. STEVENS. Mr. President, we are also ready to vote.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the adoption of the resolution, as amended.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the resolution, as amended. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from North Carolina (Mr. HELMS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from North Carolina (Mr. HELMS). If present and voting, the Senator from Oregon would vote "yea" and the Senator from North Carolina would vote "nay."

The PRESIDING OFFICER. Is there any Member who has not yet voted? Is there any Senator who has not yet voted?

The result was announced—yeas 78, nays 16, as follows:

[Rollcall Vote No. 6 Leg.]

YEAS—78

Baker	Exon	Nelson
Baucus	Ford	Nunn
Bayh	Glenn	Pell
Bellmon	Gravel	Percy
Bentsen	Hart	Pressler
Biden	Hayakawa	Proxmire
Boren	Heins	Pryor
Boschwitz	Hollings	Randolph
Bradley	Huddleston	Ribicoff
Bumpers	Inouye	Riegle
Burdick	Jackson	Roth
Byrd, Harry F., Jr.	Javits	Sarbanes
	Johnston	Sasser
Byrd, Robert C.	Kassebaum	Schweiker
Cannon	Leahy	Stafford
Chafee	Levin	Stennis
Church	Long	Stevens
Cochran	Lugar	Stevenson
Cohen	Magnuson	Stewart
Cranston	Mathias	Stone
Culver	Matsunaga	Tsongas
Danforth	McGovern	Weicker
DeConcini	Melcher	Williams
Domenici	Metzenbaum	Young
Durenberger	Morgan	Zorinsky
Durkin	Moynihan	
Eagleton	Muskie	

NAYS—16

Armstrong	Humphrey	Thurmond
Dole	Jepsen	Tower
Garn	Laxalt	Wallop
Goldwater	McClure	Warner
Hatch	Schmitt	
Hefiin	Simpson	

NOT VOTING—6

Chiles	Helms	Packwood
Hatfield	Kennedy	Talmadge

So the resolution (S. Res. 61), as amended, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, in conformity with my promise to the distinguished minority leader, I will shortly adjourn for a very brief period so as to put the Senate into the second legislative day.

As the distinguished Senator from Tennessee knows, I can get the remainder of this on the Calendar, but I wonder if he would have objection if I just asked that the remainder of the Senate Resolution 9, excluding the portion we have adopted——

Mr. STENNIS. Mr. President, would the Chair maintain quiet?

The PRESIDING OFFICER. The point of order is well taken. The Senate will be in order, and Senators will cease conversations on the floor.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I am going to adjourn, the Senator has my word on that.

SENATE RESOLUTION 9—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remainder of Senate Resolution 9, stripped of the postcloture provisions that have been adopted now, amended, be placed on the calendar, and it can be understood that any motion to invoke cloture—well, first of all, a motion to proceed would be debatable because it is a motion to change the rules and it does not come within the morning hour exclusion. So that would be debatable and would require two-thirds to invoke cloture on that motion to proceed and would also require two-thirds to invoke cloture on the measure itself if it were ever called up.

With that understanding, I ask unanimous consent that the remainder of Senate Resolution 9 go on the General Calendar.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Reserving the right to object, and I will not object——

The PRESIDING OFFICER. The Senator from Tennessee reserves the right to object.

Mr. BAKER. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER. The point of order is well taken. The Senate will be in order.

The Senator from Tennessee.

Mr. BAKER. Mr. President, the majority leader, of course, correctly states the situation when he says that without unanimous consent he could very promptly take this matter to the calendar. Therefore, there is simply no purpose in objecting to this request, and I hope there will not be an objection to this request at this time.

I might also say briefly, Mr. President, that I wish to extend my congratulations to the distinguished majority leader for careful, thorough debate of this issue, and I think a good result after these many weeks of consideration.

I would like to pay special tribute to the distinguished Senator from Alaska, the Republican whip, who has performed in an extraordinarily capable way. He has been diligent in his attention to this detail. I think we have come through in such a fine fashion, having come so far from the original problem that confronted the Senate, that we owe a special debt of gratitude to him.

Mr. President, I do not have——

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from New York reserves the right to object.

Mr. JAVITS. Mr. President, if we may have order, I wish to make an observation, too.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New York.

Mr. JAVITS. Mr. President, after a considerable amount of soul-searching, I voted "aye" on this matter, and I would like to state to the Senate, especially the majority leader and the minority leader, why.

I do feel that we have enacted a major restraint on our liberties as Senators in respect of the time allotted to each Member and his ability to use it and the fact that the time cap can be chewed up by quorum calls and rollcalls so as to deprive Members of their rights for rollcalls on proper amendments, legitimate amendments, and for quorums if no quorum is here to hear them, and for proposing amendments and the resulting votes.

But, Mr. President, we are faced with an actuality and not a theory. That actuality is that it is an even greater restraint on our liberties if the ability to filibuster postcloture, as the ability to filibuster precloture, can deprive the Senate of the right to vote on a measure, which it could do if these practices should continue. Also, it encourages the kind of steamroller so damaging to Senator's liberties as the ruling out of amendments wholesale we saw in the Senate last year on the energy bills after cloture had been voted.

The majority leader has undertaken certain good faith commitments in respect of this debate. I hope and pray this works out and that all my fears are proven wrong, and I want to give it a chance. We will have another opportunity, if it does not work out, in 2 years to do exactly what he now has put himself on the side of as a proper procedure.

So, Mr. President, just for posterity, it is those reasons which dictated my doing what I did.

Mr. President, I do not wish what I have done to any way prejudice my ability, or that of any other Member who may be here in my place or anybody else's place, to raise this issue of the right of a majority of the Senate to change the rules of the Senate at the time of a new Congress. This is exactly the procedure the majority leader invoked on this very resolution.

I thank my colleagues.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered. The unanimous-consent request is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate Resolution 61.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be printed in the RECORD today Senate Resolution 61 as amended, as agreed to, and that a step-by-step analysis of Senate Resolution 61, as amended, be printed in the RECORD under my name in the RECORD of Monday, February 26, 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of Senate Resolution 61, as amended, and as agreed to is as follows:

S. RES. 61

Resolved, That paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof new paragraphs as follows:

"After no more than one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to extend time, specified above, may be made in any one calendar is reprinted after cloture has been invoked.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.

"After cloture is invoked, the reading of any amendment, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.".

Resolved, That the last paragraph of paragraph 2 of rule XXII is amended by striking the second sentence and inserting in lieu thereof: "Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if an amendment in the first degree, and unless it had been so submitted at least one hour prior to the beginning of the cloture vote if an amendment in the second degree."

Resolved, That paragraph 1 of rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, rule XXII, the reading of the Journal shall be dispensed with, and shall be considered approved to date.".

DEATH OF U.S. AMBASSADOR TO AFGHANISTAN

Mr. PELL. Mr. President, it was exactly 1 week ago yesterday that our Ambassador to Afghanistan, Adolph (Spike) Dubs, was killed as a result of a reckless effort by Afghan authorities to rescue him from kidnapers in a manner contrary to the advice and pleadings of our Embassy. So far there has been no official apology or acceptance of responsibility by the Afghan Government for the tragic death of Ambassador Dubs; nor has the Carter administration done anything except to send a protest note—no more than a slap on the wrist—to register our Government's shock and disapproval over what happened to one of our finest career diplomats.

I would like to express my deepest condolences to the widow of Ambassador Dubs, Mary Ann Dubs, who has been an employee of the Senate for 8 years and is currently editor of the Senate Daily Digest. In fact, she occupies an office next to mine in the Capitol.

In my view, we should take strong action to demonstrate that nations that refuse to take the proper measures to insure the safety of American Ambassadors must expect a prompt and meaningful reaction from us. In this connection, I believe President Carter should take the following actions immediately and am writing him accordingly:

First. Inform the Afghan Government that we will not reappoint an Ambassador until an official apology is extended by the Afghan Government and full responsibility for Ambassador Dubs' death is accepted. The Afghan Government should also be required to provide adequate protection to all official U.S. Government personnel in Afghanistan and to provide assurances that in the future it will be guided by U.S. Government advice in the handling of threats to the lives of its representatives.

Second. Reduce our Embassy personnel by one-half and request the Afghan Embassy in Washington to do the same.

Third. Terminate our $15 million aid program and withdraw all of our AID personnel until further notice.

Fourth. Withdraw all Peace Corps volunteers until further notice.

I am frankly shocked and outraged that the Afghan Government has rejected even our note of protest over the mishandling of the Dubs case and sent only a midlevel Foreign Ministry official to the memorial service held in Kabul, the Afghan capital. Common decency alone would have dictated a higher level of attendance and official expression of regret for what happened.

Because of the gross insensitivity and rudeness of the Afghans, we must act immediately. Time is of the essence, as the longer we wait to demonstrate the depth of our disapproval, the less impact our actions will have. Frankly, I should have thought that options would have been in place for immediate action by the President in this case.

As an avid student of history, I am reminded that almost 250 years ago Great Britain initiated the War of Jenkins Ear when Spain had the temerity to cut off the ear of a British citizen. While I am not advocating dispatching the Marines to Afghanistan, I believe strongly that we must not supinely accept an outrageous action by a third rate power that has already made clear in so many ways that it is no friend of ours.

Furthermore, as a former career Foreign Service officer myself, I am deeply distressed that during the past 11 years five American Ambassadors have lost their lives abroad because of inadequate protection from host governments—John Mein in Guatemala (1968), Cleo Noel in Sudan (1973), Roger Davies in Cyprus (1974), Francis Meloy in Lebanon (1976), and now Adolph Dubs. By comparison, only seven military personnel of general officer rank lost their lives in combat during the entire Vietnam war.

Mr. President, our Government must send a strong message to the Government of Afghanistan and make it clear that we will not tolerate the kind of treatment that led to Ambassador Dubs' death. Now is the time to act.

A NEW AMBASSADOR NEEDED IN IRAN

Mr. EAGLETON. Recent news accounts have indicated that President Carter is considering the appointment of a new American Ambassador to Iran. As the scope of the American intelligence-gathering failure in Iran becomes more clear, so does the need for a new American Ambassador.

The intelligence failure in Iran was unique. Usually, such a failure is the result of misinterpretation of conflicting evidence. In Iran, there was no conflicting evidence. All of the evidence we allowed ourselves to gather pointed to the same conclusion, and all of it was absolutely wrong.

This was the result of a very curious policy followed by a succession of American Presidents, including Nixon, Ford, and Carter. Those administrations decided that we would deliberately close our eyes and ears in Iran, and take our intelligence there exclusively from the Shah and his minions. I know of no other nation on Earth where we have followed such a policy of consciously and intentionally restricting our intelligence gathering to a sole, and very obviously biased, source.

This policy was implemented in Iran by a series of American Ambassadors, including former Ambassador Richard Helms. When a Senate delegation of which I was a member visited Iran in 1976, I expressed to Mr. Helms my desire to ask the Shah some tough questions about American arms in Iran and other subjects. Ambassador Helms cautioned us that we should not ask any questions which might upset the Shah. Apparently, it was not enough that we limit our sources in Iran to just one person, the Shah. We also felt we had to limit our intelligence conversations with that sole source to only those topics he found pleasant to discuss.

The current Ambassador, William H. Sullivan, is the latest practitioner of this "see no evil, hear no evil" style of intelligence gathering. As late as September of last year, he was telling us that "all is well" with the Shah. Ambassador Sullivan thus marked himself either as the victim or as the perpetrator of our blind man's bluff foreign policy toward Iran. In either event, his use to us as Ambassador to the new Khomeini regime is ended.

Khomeini's followers cannot trust Ambassador Sullivan, whom they regard as the "Shah's man." Furthermore, the American people no longer can believe Ambassador Sullivan, whose rosy but baseless reports helped to lead us down the primrose path in Iran. The Ambassador's continued presence in Iran will be an impediment to the development of any working relationship between the United States and the new Iranian regime.

Mr. President, last Sunday's St. Louis Post-Dispatch featured an article by Thomas W. Ottenad which shed a great deal of light on our intelligence problem in Iran. I ask unanimous consent that Mr. Ottenad's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"CRITICAL WEAKNESS" IN U.S. INTELLIGENCE

(By Thomas W. Ottenad)

WASHINGTON.—The revolution in Iran has dealt the United States a jolting aftershock with uneasy implications that stretch from the corner gas station to perhaps the world balance of power.

Most visible was a stunning failure by American officials, who seemed blissfully unaware of what was developing in the Middle East nation, which oil and successive presidents had made so important to this nation's security.

Their oblivion, their deliberate avoidance of anti-shah forces, continued even after the revolutionary movement led by Ayatollah Khomeini had swept to power.

As recently as 10 days ago, a foreign policy expert outside government ranks told the Post-Dispatch, he tried to arrange meetings here for Shahriar Rouhani, a self-described representative of the Moslem religious leader, now acting as a spokesman for Iranian diplomats in Washington.

Despite the American need for almost any kind of contact with the Khomeini forces,

two top officials of the State Department refused to see Rouhani, the source said. It would be "risky," they said, to talk to the 29-year-old former doctoral student at Yale.

This long-standing practice of virtually ignoring those who opposed the shah when he was in power is, in the judgment of congressional investigators, "the critical weakness" in American intelligence operations in Iran.

Their inquiry, triggered by complaints about the U.S. performance, led them to conclusions that are disturbing for the future. For while they found serious weaknesses in the intelligence community's operation, they warned that "simplistic charges of 'intelligence failure' do not accurately describe the situation."

In their report three weeks ago the staff of a House Intelligence subcommittee indicated that President Jimmy Carter and his top foreign policy officials must share the blame for the U.S. failure to assess accurately the political whirlwind that was developing in Iran.

"Policymakers must assume responsibility, perhaps to a greater degree than the intelligence community, for the unwritten considerations which restricted both open and clandestine intelligence field collection on the Iranian internal situation," the report stated.

It said that "long-standing attitudes toward the shah" not only inhibited actual collection of intelligence information but also "dampened policymakers' appetite for analysis of the shah's position and deafened policymakers to the warning implicit in available current intelligence."

The report did not mention Carter or his chief foreign policy advisers by name. However it referred pointedly to "users" of intelligence, noting that over the past year considerable intelligence on the developing crisis was "received" at the White House for inclusion in the president's daily reading and was distributed also to other senior officials.

With the benefit of hindsight the shortcomings cited in the congressional study are shocking:

—CIA intelligence reporting on the internal situation in Iran was "minimal" before late 1977 (the first religious riots in the current situation erupted in late 1977 and early 1978). In the two previous years the CIA produced no reports based on contacts with the religious opposition that was to lead the revolt against the Shah.

—No "significant insights" from contacts with opposition elements appeared before last September in the State Department's "Morning Summary," one of the two chief sources of current political intelligence for senior policy officials in Washington.

—Neither it nor the other major source, the CIA's "National Intelligence Daily," emphasized the Iranian situation in the early part of 1978 despite the most severe rioting in a decade.

—"Practically no production (intelligence analyses) addressed the question: Will the shah survive the challenge posed by current disturbances?"

—U.S. policymakers showed little interest in questioning the shah's performance in power although American policy in the Persian Gulf relied heavily on his actions.

—In early 1978 a CIA paper described the growing opposition in Iran as no more than "troublesome."

—In a "prognosis" last Sept. 28 the Defense Intelligence Agency reported that the shah "is expected to remain actively in power over the next 10 years." That was less than four months before the shah went into exile.

—The first major policy gathering of American intelligence officials and policymakers in the evolving crisis was not held until last Oct. 27.

The report concludes that there was "a warning failure," with the attention of top policymakers not being brought forcefully to bear on Iran until October 1978. Even after a review the next month of American policy options, the result was nothing but assurance to the shah by President Carter of support for the monarch's efforts to restore order.

It is not only outside critics like these congressional investigators who fault the American intelligence performance during events leading to the Moslem takeover in Iran. President Carter complained last fall about the quality of intelligence he was receiving. And CIA Director Stansfield Turner now concedes that his agency was caught by surprise by Iran's "truly national revolution."

If, as the administration hopes, the failures of intelligence agents and policymakers are now behind us, the impact of the Iranian upheaval on American foreign policy still lies ahead. And some analysts here already are worried by the first response of the Carter administration.

What concerns them is the same factor that worried former Sen. Fulbright at that secret Senate Foreign Relations Committee hearing 23 years ago: The tendency of the United States to seek security by pouring military aid into strategically placed nations, even those that are small and unstable.

Last Saturday, the day before the Tehran government fell to the forces of Ayatollah Khomeini, Secretary of Defense Harold Brown was in Saudi Arabia at the start of a 10-day Middle East trip to reassure nations there that the U.S. remains a reliable ally even though it failed to keep the shah of Iran in power.

In Riyadh he pledged publicly that the U.S. is ready to go to war to defend Saudi Arabia against an external military threat. He also said the U.S. is willing to sell jet warplanes to North Yemen and Sudan, two of the Saudis' client states.

That promise comes on top of last year's controversial package deal in which Carter decided to sell jet warplanes not only to Israel but to Saudi Arabia and Egypt as well.

"What worries me," remarked R. Adm. Gene R. LaRocque, head of a national security think tank here, "is that we are going in the same damn direction with Saudi Arabia as we did with Iran. In the long run, we helped bring about (the upheaval in Iran) by providing guns ($8 billion worth) to the shah."

Massive military assistance has not worked for either super-power, he asserted. The Soviet Union tried it, only to find itself later "kicked out of" China, Indonesia, Egypt and Somalia, he noted.

The U.S. had similar experiences, he went on, in Vietnam, Ethiopia, Libya and now Iran.

Noting Secretary Brown's assurance to the Saudis, LaRocque suggested, "The president doesn't want to be accused of losing Iran. And if he is, then he wants to be able to say he at least has Saudi Arabia."

He predicted, as Brown's action would appear to suggest, that the Iranian upheaval will lead the U.S. to try to develop a compensating military buildup elsewhere in the Middle East.

He warned, however, that such a move would rest on a "weak reed." He pointed out that states where such action could be taken are, like Egypt, North Yemen and Sudan, largely financed by Saudi Arabia. That might be a "heavy burden," even for the Saudis, he suggested.

The overthrow of the shah in Iran suggests that the same sort of thing could happen in other Middle Eastern countries, observed Carl Marcy, former head of the staff of the Senate Foreign Relations Committee.

"Forces operating in that part of the world," he remarked, "are disintegrative . . . and are becoming very strong. It's a kind of disintegration into factions, which may be catching and cannot be confined to national boundaries . . . There are more powerful forces than the military in that part of the world."

Marcy raised the possibility that this kind of upheaval may be occuring now in Afghanistan. A leftist coup occurred there last April. Adm. LaRocque predicted that Turkey and, in another part of the world, South Korea, might become targets of religious or other revolutionaries.

In the judgment of some, the new uncertainty in Iran may encourage new competition between the United States and the Soviet Union.

The competition already appears under way in Iran. The United States now has extended formal recognition to the regime set up by Ayatollah Khomeini. President Carter has offered cooperation by this country.

At the same time, the Russians appear to be fishing in the troubled waters there. They moved quickly to recognize the new Khomeini-run government. The Kremlin has been energetically promoting the view that Iran is heading onto a revolutionary socialist path similar to that already taken by Angola, Ethiopia and Afghanistan.

The Russians already have been active in Afghanistan. By some accounts Soviet advisers virtually have been running the Asian nation which lies just east of Iran.

Afghanistan already has put a new strain on Soviet-American relations. The U.S. made a spirited and angry protest over the presence of Soviet advisers on Wednesday when U.S. Ambassador Adolph Dubs was killed as Afghan police rushed kidnapers holding him hostage.

Reports from the Middle East indicate that the Islamic revolution in Iran has caused conflicting emotions in the Arab world. There is joy over the tough stand taken against Israel and, to a lesser extent, the U.S. by the new government in Tehran.

But for pro-Western Arabs there is not joy but fear. With the shah toppled from his throne, they are beginning to wonder whether the same fate may befall them.

Outside the Middle East, as well as within it, the fall of the shah is seen as a major defeat for the U.S. Recalling former President Richard M. Nixon's phrase, a Viennese newspaper last week described the Iranian events and the death of Ambassador Dubs as "only the latest of a number of setbacks which threaten to make a 'helpless, pitiable giant' out of the superpower."

While the international effects of the Iranian revolution are somewhat remote, the domestic impact may be felt every time Americans stop at the corner gas station or turn up their thermostat.

With the U.S. depending on Iran for 5 percent of its total oil supplies and with the revolution and its aftermath cutting deeply into production, the future is uncertain. Most forecasts, however, agree that gasoline is likely to be in short supply and prices are going to go up.

The Iranians themselves contradict each other as to what they intend to do. Shahriar Rouhani, the former student who now purports to speak in Washington for Iran's new government, offered a hopeful prognosis this week.

Within 8 to 10 weeks, he said, Iran will be able to resume oil production. And within a few months, he said optimistically, output will be near Iran's usual 6,000,000 barrels a day.

That scenario is far different from one sketched in Tehran last Saturday by one of Khomeini's closest economic advisers. Asserting that the rate at which Iran has been producing oil is unnecessarily high, he proposed reducing it by 60 percent.

A cutback of that amount would cut sharply into Iranian exports, which before

the revolution-induced reduction accounted for about 10 percent of the West's oil consumption last year.

And some American officials predict that cutbacks will be made by other oil producers also. Deputy Energy Secretary John F. O'Leary predicted that the uprising against the shah will frighten other nations like Saudi Arabia, Mexico and Kuwait into adopting conservative oil production policies. The result, he added, is that world oil supplies will tighten between 1981 and 1985.

Oil analysts predict that another general increase in world oil prices is likely because of the impact of reduced Iranian exports. Two small producers—Abu Dhabi and Qatar—boosted their prices last week. They raised them 7.2 percent above the increased price put into effect by members of the Organization of Petroleum Exporting Countries (OPEC) on Jan. 1.

In addition, Saudi Arabia recently put a special 5 percent surcharge on additional oil it is producing to compensate for the Iranian shutdown.

In the face of gloomy uncertainty, the Carter administration has attempted to remain moderately hopeful. Both President Carter and Secretary of Energy James R. Schlesinger have maintained, as the president said at his press conference on Monday, that "the situation is not crucial now, it is not a crisis."

They have warned, however, that if Iranian production does not resume soon, it may become necessary to deal with resulting shortages by requiring filling stations to close on Sunday and by other measures.

Despite the administration's optimism, there are some worrisome straws already in the wind. In Illinois, gasoline dealers have been requested by their state association to close on Sundays starting Feb. 25.

In addition, some airlines have curtailed their flight schedules because of a shortage of jet fuel.

At this point, it appears likely that the aftershock of the Iranian revolution will continue to rumble through the United States, perhaps with effects not yet anticipated, for some time to come.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in adjournment for 1 second.

The PRESIDING OFFICER. Is there any objection?

Without objection, it is so ordered.

Thereupon, at 6:18:06 p.m. on Thursday, February 22, 1979, the Senate adjourned for 1 second, until 6:18:07 p.m., the same day.

AFTER ADJOURNMENT

THURSDAY, FEBRUARY 22, 1979

The Senate met at 6:18:07 p.m., pursuant to adjournment, and was called to order by Hon. SPARK M. MATSUNAGA, a Senator from the State of Hawaii.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 1-minute period for the transaction of routine morning business with no resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Reserving the right to object.

The PRESIDING OFFICER. Is there morning business?

The Senator from Virginia.

Mr. ROBERT C. BYRD. The Senator from Virginia will be taken care of.

Mr. HARRY F. BYRD, JR. I thank the Senator.

SENATE JOINT RESOLUTION 3—MUTUAL DEFENSE TREATIES

The PRESIDING OFFICER. The Senate having adjourned, two resolutions having been read for the first time will now be read for the second time.

The second assistant legislative clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that approval by the Senate of the United States is required to terminate any Mutual Defense Treaty between the United States and another nation.

Mr. HARRY F. BYRD, JR. I object to further consideration.

The PRESIDING OFFICER. Objection having been heard to further proceedings, the measure will now go to the calendar.

SENATE JOINT RESOLUTION 28—DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

The PRESIDING OFFICER. The clerk will read the second resolution.

The second assistant legislative clerk read as follows:

A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

Mr. BAYH. Mr. President, I object to further consideration.

The PRESIDING OFFICER. Objection having been heard, the matter will go to the calendar.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask that I may be recognized.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I will yield to the distinguished Senator from Washington (Mr. JACKSON), who will make a motion which he is entitled to make under the law with regard to a resolution he has introduced and which he, himself, in conformity with the law, supports.

I yield to the Senator for that purpose.

Senators might be on notice that there will be a rollcall vote on that matter before this day ends.

Mr. JACKSON. Within 1 hour.

Mr. ROBERT C. BYRD. Under the law, there is a total of 1 hour allowed for debate. Is it up to 1 hour or 1 hour?

Not to exceed 1 hour, so it could be less.

Mr. DOMENICI. Mr. President, a parliamentary inquiry. Is that hour divided, under the rule?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Who will have the time on our side?

The PRESIDING OFFICER. The Senate will be in order.

In response to the parliamentary inquiry, the Chair advises the Senator from New Mexico that the time will be divided equally between the proponents and opponents.

Mr. DOMENICI. Might we ask that the minority leader be designated as the opponent for time on this matter?

Mr. JOHNSTON. Mr. President, I think it would properly come under——

The PRESIDING OFFICER. The Senator from West Virginia has the floor. Will the Senator from West Virginia yield?

Mr. DOMENICI. Will the Senator yield for an inquiry?

Mr. ROBERT C. BYRD. I yield.

Mr. DOMENICI. I am just trying to find out who will have control of the half hour in opposition to the proposal of the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington being the proponent, he will control the time for the proponents.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the minority leader or his designee be in control of the time for the opponents, regardless of what side he is on.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Virginia reserves the right to object.

Mr. HARRY F. BYRD, JR. A parliamentary inquiry: Is it not the normal procedure at this point to read the resolutions and motions, under the rules?

Mr. ROBERT C. BYRD. Will the Senator from Virginia repeat his question?

I have not yielded the floor.

The PRESIDING OFFICER. The Senator from Virginia reserved the right to object to a unanimous-consent request made by the Senator from West Virginia.

Mr. ROBERT C. BYRD. And I did not yield the floor.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. My parliamentary inquiry is this: Before going to the matter——

The PRESIDING OFFICER. Does the Senator from West Virginia yield for a parliamentary inquiry?

Mr. ROBERT C. BYRD. Yes, I yield for a parliamentary inquiry.

Mr. HARRY F. BYRD, JR. Before going to the matter to be taken up by the Senator from Washington, is it not the normal procedure to read the resolutions and motions coming over under the rule?

The PRESIDING OFFICER. That would be the case, unless the unanimous-consent request made by the Senator from West Virginia is agreed to.

Mr. HARRY F. BYRD, JR. What unanimous-consent request?

The PRESIDING OFFICER. That we have morning business, without matters coming over under the rule.

Mr. HARRY F. BYRD, JR. No unanimous-consent request to waive that was made by the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I call attention to the fact that I ask for only 1 minute for morning business. Did I not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Has the 1 minute expired long ago?

The PRESIDING OFFICER. The 1 minute has expired.

Mr. ROBERT C. BYRD. And do I not have the floor?

The PRESIDING OFFICER. The Senator from West Virginia does have the floor.

Mr. ROBERT C. BYRD. Does not that succession of events prevent the matter from coming over under the rule?

The PRESIDING OFFICER. It is supposed to come automatically.

Mr. ROBERT C BYRD. How can it, under that succession of events?

The PRESIDING OFFICER. After the morning business, if we are still in the morning hour. The Senator from West Virginia, under the circumstances, should not have been rerecognized.

Mr. ROBERT C. BYRD. But the Senator has been recognized.

The PRESIDING OFFICER. The Senator has been recognized.

Mr. ROBERT C. BYRD. The Senator cannot be taken off his feet, can he?

The PRESIDING OFFICER. The Senator cannot be taken off his feet.

Mr. DOMENICI. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. HARRY F. BYRD, JR. Reserving the right to object——

Mr. ROBERT C. BYRD. If Senators will be patient, I do not intend to hold the floor.

May I say that the item that would come over under the rule would be my resolution changing the rule. That would be ahead of the resolution offered by the Senator from Virginia. I do not want my resolution to come over, and I ask that no resolutions come over under the rule today.

Mr. HARRY F. BYRD, JR. I object.

The PRESIDING OFFICER. The Senator is correct. The Journal so shows.

Mr. ROBERT C. BYRD. The Senator has objected. What is the Chair going to do?

The PRESIDING OFFICER. The Journal shows that the request for 1 minute——

Mr. ROBERT C. BYRD. I asked unanimous consent earlier that no resolutions come over under the rule.

The PRESIDING OFFICER. The Senator is correct. The Chair was about to so state. Unanimous consent was granted.

Mr. ROBERT C. BYRD. Right.

The PRESIDING OFFICER. For 1 minute of morning business.

Mr. ROBERT C. BYRD. Right.

The PRESIDING OFFICER. Without measures coming over under the rule.

Mr. ROBERT C. BYRD. Exactly, precisely.

So I must say to the Senator from Virginia, in all kindness, that when I earlier asked that there be no morning business and no resolution come over under the rule, that kept my resolution from coming over and it kept his resolution from coming over, and it was not objected to.

Mr. HARRY F. BYRD, JR. The Senator just asked unanimous consent for his own.

Mr. ROBERT C. BYRD. On my own resolution.

Mr. HARRY F. BYRD, JR. The Senator from West Virginia made a unanimous-consent request a moment ago, to which I objected, that no resolutions or motions come over under the rule.

Mr. ROBERT C. BYRD. Yes; I had a temporary lack of memory. I had forgotten that. I had already made the request at the same time and coupled it with the request that there be only 1 minute for morning business. Suddenly, I remember. It was only a lapse of memory.

Mr. HARRY F. BYRD, JR. The Senator from Virginia shall be more careful when the Senator from West Virginia makes a unanimous-consent request from here on out.

Mr. ROBERT C. BYRD. I am sure the Senator is not angry and that he is going to be my bosom friend in the future, just as he has been in the past.

The PRESIDING OFFICER. The unanimous-consent request pending——

Mr. ROBERT C. BYRD. I withdraw that request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time in opposition be under the control of the distinguished Senator from Louisiana, who is the chairman, I believe, of the subcommittee which has jurisdiction over this matter.

Mr. JOHNSTON. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object—and I will not object—I say to my good friend from Louisiana that I concur that he should have the time in opposition to the Senator from Washington in support of the President on this issue; and I suppose he will recognize some Republicans who intend to support his position in opposition to the Senator from Washington in support of the President. Am I right in that?

Mr. JOHNSTON. As usual, the Senator from New Mexico and I will speak with one great voice.

Mr. DOMENICI. I thank the Senator. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Washington is recognized.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request as to staff?

Mr. JACKSON. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Danny Boggs, Dave Swanson, and Chuck Graybans of the Energy Committee have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 54—TO DISAPPROVE ENERGY ACTION NUMBERED 3

Mr. JACKSON. Mr. President, pursuant to section 551(f)(4) of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), I move to discharge the Committee on Energy and Natural Resources from further consideration of Senate Resolution 54.

Senate Resolution 54 is a resolution to disapprove energy action numbered 3, an executive branch proposal to exempt aviation gasoline and kerosene base jet fuel from mandatory petroleum allocation regulations.

Under the provisions of the Energy Policy and Conservation Act debate on this motion to discharge will be limited to 1 hour, equally divided between those favoring and those opposing the resolution. Furthermore, no amendment to the motion is in order.

On January 31, Energy Actions 3 and 4—the President's proposals to exempt aviation gasoline and kerosene-base jet fuel from mandatory price and allocation regulations—were transmitted to Congress. These proposals are submitted under authority granted to the President by section 12 of the Emergency Petroleum Allocation Act of 1973 and pursuant to procedure for congressional review specified in section 551 of the Energy Policy and Conservation Act. Section 551 provides that an "energy action"—for example, any rule exempting a particular oil or refined petroleum product from price or allocation regulations—becomes effective at the end of a 15-day period beginning the day after transmittal to Congress unless either House passes a resolution of disapproval with respect to such action. The 15-day period ends at midnight, Saturday, February 24.

Aviation gasoline is a petroleum fuel for piston-engined aircraft used primarily by general aviation—business, corporate, and personal travel, sport flying and air taxi, rental and commuter airline consumption. Refiner sales of aviation gasoline for the first half of 1978 amounted to 262 million gallons (or about 34,000 barrels per day). Additional information concerning the market for aviation gasoline is contained in the "Findings and Views Concerning the

Exemption of Aviation Gasoline From the Mandatory Petroleum Allocation and Price Regulations" published by the Department of Energy (DOE/ER-0024).

Kerosene base jet fuel is the fuel employed by the domestic and international airlines. Energy actions 3 and 4 relate primarily to civilian use of jet fuel. Military jet fuels were exempted from mandatory controls in 1976 by the energy action mechanism. Kerosene-based jet fuel demand was 838,000 barrels per day for the first half of 1978—just over 4 percent of U.S. petroleum consumption. "Findings and Views Concerning the Exemption of Kerojet Fuels From the Mandatory Petroleum Allocation and Price Regulations" (DOE/ER-0023) presents the Department's detailed analysis of the case for decontrol of kerojet fuel.

Mr. President, I have moved that the Energy Committee be discharged from further consideration of Senate Resolution 54 so that the Senate will have a more adequate opportunity to consider the potential impact on price and supply of exempting aviation gas and jet fuel from controls.

This week's unusual weather conditions prevented the committee from meeting to consider this issue. Thus, discharging the committee is the only way to get the issue before the Senate before the statutory deadline expires on Saturday.

I had hoped that the administration would withdraw these proposals and resubmit them in order to give us more time to decide on the merits. They did not agree to do so. Thus, I urge the adoption of the motion and approval of the Resolution of Disapproval.

Mr. President, if that is done, I will introduce and seek adoption of a sense of the Senate resolution urging the President to resubmit the deregulation proposals immediately so that the Senate will be able to give them the consideration that they deserve.

Mr. President, I ask unanimous consent that at this point in the RECORD the proposed resolution be printed.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 54

Resolved, That the Senate does not favor the energy action numbered 3 transmitted to Congress on January 31, 1979.

Mr. JACKSON. Mr. President, I am deeply concerned that the rapidly shifting situation with respect to oil supplies may have made the basis for the decontrol proposals; namely, that there are no present or impending supply shortages outdated before they will go into effect. Disapproval and resubmittal will give all of us an adequate opportunity to get the facts before we act.

Mr. President, that is the heart of this effort.

At this point in time, I have not made a final decision as to what my position will be. I can only point out that the procedural situation is such that it will not be possible for the committee to hold hearings and get the facts and the issues pro and con on the question of decontrol.

We do face currently some shortages that can be serious. These facts were not known at the time this matter was submitted to the Senate and to the House of Representatives.

So, Mr. President, procedurally I would hope that the motion to discharge the committee would be agreed to so that we could take the next step to act on the basic question of decontrol.

Mr. President, I yield 4 minutes to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 4 minutes.

Mr. DURKIN. Thank you, Mr. President.

I thank the chairman of the committee.

Mr. President, I agree with the chairman that the situation has changed drastically since the impact statement which was the basis for the administration's proposal was made last summer. It was updated in the past and was called an update in December.

The situation has changed dramatically.

I am concerned today. This very day we have a shortage of home heating oil in New Hampshire. Responsible dealers are calling my office saying there is a shortage of home heating oil.

There is a situation in Maine for the past couple of days that there is a definite shortage of home heating oil.

What I am concerned about is without adequate study, without hearings, without the chance of review, based on the impact analysis that is outdated, there is going to be increased pressure on the cost of gasoline not just in my home State, not just in New England, but all across the country.

We have had a very severe winter. It is not yet over in New England. There is going to be an incentive to continue distilling beyond the middle distilland range. The corporate seller can sell to the corporate buyer knowing full well the price will be paid, and it will aggravate the supply of home heating oil that is critically short today in New Hampshire and Maine and other parts of New England.

We do not know what the impact will be on the cost. Those of us who opposed decontrol of home heating oil were told that the price would not go up. It is 60 cents a gallon and going higher every day in my area of the country.

So we have again the split approach in this administration. We have Mr. Kahn slipping around on banana peels trying to contain inflation, and we have the Secretary of Energy trying to drive up the cost and may well drive up the cost with the middle distilland with this proposal.

I urge my colleagues to agree with the chairman and give us time to thoroughly assess this based on current data because we may well inadvertently drive up the price and reduce supply of critically short home heating oil during this winter and the gasoline problem in the months to come.

I thank the chairman, and I yield back the remainder of my time to the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I am sorry we do not have more Senators in the Chamber because this is, I think, a very clear situation.

The distinguished Senator from Washington says that he has not yet made up his mind, that it is a procedural matter. I appreciate his candor in not stating that he is opposed to this because I submit on the facts it is unopposable.

First, let me deal with the procedure involved. Why has the Senate not had hearings? For a very simple reason. Because the matter has been here for 15 days and no hearings have been requested. I am chairman of the subcommittee with jurisdiction over these matters. Sure, we have had bad weather this week, but I have had hearings on Tuesday, on Wednesday, and on Thursday in other committees, but no hearing was requested in this committee.

A hearing was requested in the House of Representatives before Congressman DINGELL's subcommitee and a hearing was held in Congressman DINGELL's subcommittee. Do you know what? There was no opposition expressed in Congressman DINGELL's subcommittee other than by some foreign international air travelers.

No consumer group, no one testified in opposition to this decontrol of jet fuel before Congressman DINGELL's subcommittee. Those who testified for it included the Air Transport Association, which includes all scheduled, CAB-certified, interstate air carriers. All associations representing general aviation owners and operators, and all associations representing commuter and the taxi airlines also indicated their approval of decontrol of aviation gasoline.

It is just as simple as that. There was no resolution filed in the House of Representatives to disapprove this decontrol by anyone, not by anyone. They are not going to take any such resolution up in the House of Representatives, and that is after they had hearings.

So, on the procedural matter, Mr. President, I think it is very clear. Now let us go to the substance.

What are the facts on jet fuel decontrol? The facts are these: That we have deregulated the airline industry, and there are drastically shifting patterns, dramatically shifting patterns, of air transportation. Some airports and some carriers that in 1972 did not have heavy traffic now have dramatically heavy traffic. But remember that under the Emergency Petroleum Allocation Act of 1973 the authority for price controls, you have two aspects of control—price control and allocation.

Allocation is based on a 1972 base period. So what we are requiring the airline industry to do is to be ready to fly routes in response to entirely new patterns of demand under fuel allocations based on 1972 patterns of use.

What that means, Mr. President, is that you will have some airlines without jet fuel. It is already happening. At Kennedy Airport just last week there was a

National Airlines flight which had no fuel, and the flight had to be canceled. Let me tell you that is going to happen with great proliferation if this is not passed.

Mr. President, it sounds very simple to adopt a resolution calling on the administration to resubmit this matter immediately, hold half a day of hearings on Monday, and then we have lost no time, maybe a week, and it sounds like no problem at all.

I asked Mr. Bardin, who is administrator of the Economic Regulatory Administration of the Department of Energy who has the responsibility for this program, about that. Mr. Bardin told me this afternoon that it could take as long as 4½ months to get this matter resubmitted to the Congress. He says, "You would have to have new findings and reviews, with 30 days notice being customary; then you have to submit the findings to the Federal Energy Regulatory Commission, which usually takes 2 weeks. Then the FERC gives notice of hearings, usually 30 days; then the FERC time for decision is a minimum of 30 days, so that would add up to some 4½ months before they resubmit it to Congress. Even if they resubmit it the same day, the Congress then has 15 days to act. All this time, you will have potential shortages of jet fuel."

And for what? Who is objecting? If you can name me one person, I will be surprised. Jim Flug did not appear. Not one single consumer group, other than the distinguished Senator from Ohio, who I guess himself constitutes a consumer group.

The opponents are not opposing decontrol, but only asking for a hearing, and while that is a reasonable request, in view of what Mr. Bardin says it could take up to 4½ months to get it resubmitted to Congress. I would submit that the prudent thing for this body to do is what the House of Representatives is doing: let the matter go through without opposition.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield 5 minutes to the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. DOMENICI. Mr. President, let me first thank my good friend from Louisiana for a very succinct argument. I do not think we have to take all the time that is allotted here this evening, but I want to make it clear from the standpoint of the Republicans on the Energy Committee where we stand on this proposal, and why we did not insist that there be some hearings by the Energy Committee on this matter.

That was because we agreed with the President of the United States, who, through the Secretary, sent up this proposal. We have had this proposal for a number of days. While I have great respect and admiration for our chairman, the Senator from Washington (Mr. JACKSON), let me make clear that the blizzard had nothing to do with the time lapsing here, because the blizzard occurred while we were in recess. The rules of the EPCA clearly provide that those days do not count, so we are in the third or fourth day of those 15 days, exclusive of the time when we were not in session. We all had the proposal in our hands, circulated to our staffs by the Department of Energy, under some specific rules where the President had the authority to deregulate under certain findings some or all of the petroleum cycle in America. They sent up this proposal on jet fuel many days ago. Nobody asked for a hearing, and all of a sudden the deregulation is about to occur.

The House subcommittees had a hearing, and agreed that the President is right. We have had a little more fighting in Iran, and so people are a little more concerned about crude oil, but we have all been concerned for a long time.

The Secretary of Energy, speaking for the President, as late as February 21—and most of the problems about the Iranian commitment to the world pool of oil were certainly there by that time—concluded, in a letter directed to our chairman, that even with all that, the President unequivocally recommends that he be granted this authority to deregulate. He indicates:

> We have concluded that supply and distribution problems are likely to be less without aviation fuels controls than with them.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C., February 21, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We have reviewed our actions to deregulate kerosene-base jet fuel and aviation gasoline in light of the Iranian situation and strongly believe that the continuation of existing controls is unnecessary to achieve the objectives of the Emergency Petroleum Allocation Act (EPAA).

We are concerned that the loss of Iranian production will be prolonged and that supplies of refined products in this Country could become tight. However, we have concluded that supply and distribution problems are likely to be less without aviation fuels controls than with them.

Deregulation of the airlines resulted in an unusually dynamic pattern of demand shifts. The allocation regulations have prevented refiners and distributors from efficiently shifting supplies among consumers and regions to deal with spot shortages and thus have tended to exacerbate them.

Moreover, under the EPAA we could reimpose controls if necessary and appropriate. We are prepared to do so by activating the standby petroleum product regulations adopted last month.

If I can answer any further questions regarding these pending actions, please let me know.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.

Mr. DOMENICI. I would like to indicate to the Senate, so Senators will know, that Senator HATFIELD, who is not here, has consulted with us from the Energy Committee and, as our ranking member on on the full committee, concurs with the President and indicates that he does not support Senator JACKSON's effort, which basically would let us challenge the President in his deregulation of this one particular product in a different way than we would otherwise.

We would like to leave it in committee, where it belongs, so that the President will get his way. So we ask Senators to vote no on this resolution of discharging the committee of jurisdiction, so that the Senate will not vote, and leave it in the committee where it was, where the committee obviously tacitly decided not to consider the matter of sending it to the Senate.

Senator MCCLURE, who is here unequivocally supports that position, along with Senator WEICKER, Senator WALLOP, Senator BELLMON, Senator STEVENS, and myself; so, on my side, all of us, including myself, support the President's efforts to begin what we are certain will ultimately have to be done on a far broader spectrum. We support the position of the Senator from Louisiana as to why, and we urge that we get on with voting no, so that it will stay in committee and the President will get his way on this particular effort to begin deregulation.

Did I use my 5 minutes, I might ask the Parliamentarian?

The PRESIDING OFFICER (Mr. EXON). The Senator has used 4½ minutes.

Mr. DOMENICI. I want to spend the last half-minute to congratulate my friend from Ohio, who will now take the floor and, all by himself, represent all the consumers of America. If there are no others, I am sure he will do a more than adequate job, and the Senator from Louisiana and I will attempt in a modest way to rebut his arguments.

Mr. BUMPERS. Mr. President, will the Senator from Washington yield me 5 minutes?

Mr. JACKSON. I yield the Senator from Arkansas 5 minutes.

Mr. BUMPERS. Just to break up the continuity betwen the Senator from New Mexico and the Senator from Ohio.

Mr. President, there are some preliminary facts and preliminary information that my colleagues ought to know about.

First, we asked the Energy Department this afternoon to withdraw this resolution and resubmit it. We made that request for a very simple reason: So that the committee could hold hearings to determine, in the light of the Iranian crisis, whether or not their studies are correct in the light of current events.

That was a very simple request, and it was refused.

Second, everybody in this Chamber ought to know that the Department of Energy request to deregulate jet fuel is based on studies—about 100 pages of them—made in the summer of 1978, then updated in December of 1978, still not fully reflecting the Iranian crisis, in about half a page.

I am not suggesting that disaster is going to befall the country if the President's proposal to deregulate jet fuel is passed and approved by the Senate, or not disapproved, but I am saying it could

very well be the tip of the iceberg, and you ought to know tonight, before you vote on this procedural question, what is at stake.

Let me tell you one of the things at stake is the question of what shortages will occur in this country.

First of all, some people say there already is a jet fuel shortage. That has been stated here twice. I have here an article from the Wall Street Journal which says:

But the Energy Department disagreed. Federal officials, who said the local shortages of jet fuel and resulting disruptions of flight schedules are temporary, attributed the cutbacks to problems at two suppliers, Texaco and Continental Oil Co. The officials said these problems aren't related to the Iranian cutoff.

Mr. President, I ask unanimous consent that the entire article from the Wall Street Journal be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JET-FUEL OUTBACKS PROMPT SOME AIRLINES TO CUT FLIGHTS BUT PINCH ISN'T NATIONWIDE

Some airlines are being pinched by cutbacks in jet fuel supplies, although there isn't a nationwide shortage.

The cutbacks are particularly evident so far at Kennedy Airport in New York City, where Texaco Inc. is the main supplier. But supplies also have been sharply reduced at a number of other airports, and some airlines have had to curtail flights as a result.

Suppliers said the loss of Iranian oil is partly to blame, mainly because it has contributed to the world-wide tightness in availability of the lighter low-sulphur crude oils preferred by refiners for processing into jet fuel, gasoline and other lighter fuels.

But the Energy Department disagreed. Federal officials, who said the local shortages of jet fuel and resulting disruptions of flight schedules are temporary, attributed the cutbacks to problems at two suppliers, Texaco and Continental Oil Co. The officials said these problems aren't related to the Iranian cutoff.

There are some other factors—some suppliers and airlines blamed the Energy Department's pricing regulations on aviation fuels—in the fuel cutbacks. A key factor, observers suggested, is surging demand for jet fuel. Demand increased 12% last month, according to oil industry calculations.

FIRE AND FRIGID WEATHER

A refinery closing because of a fire some months ago has caused a jet-fuel problem in the Denver area. In other regions, cold weather has aggravated the problem because petroleum refiners have had to process more of their crude oil into heating fuels rather than jet fuel. In some areas, frigid weather has delayed deliveries of jet fuel by barge or truck.

Whatever the reasons, some airlines have run into difficulties. National Airlines has canceled three flights from New York to Amsterdam because of a shortage in its supplies, furnished by Texaco, at Kennedy Airport. A spokesman said National may have to cancel more flights but hasn't yet decided to do so.

Donald Lloyd-Jones, senior vice president of American Airlines, said that "this is a long-term problem. There is a world-wide shortage, and I anticipate it will become more severe."

American, which gets its fuel from Texaco, Standard Oil Co. (Ohio) and Conoco, has had shortages in the last week or so in New York, Oklahoma City, Omaha, Tucson, Phoenix, Cleveland, Columbus, Ohio, Chicago, Ontario, Calif., Little Rock, Des Moines, San Juan and Miami, Fla. Suppliers have told American that the airline must cut its fuel loading 5% to 25% at these cities.

CALCULATING OPTIMUM LOADS

American, which hasn't yet had to cancel any flights because of fuel shortages, has been loading its planes with fuel at an earlier stage of the flight, enabling them to complete their journeys through fuel-short areas.

But this is expensive. Because of the high costs of fuel, the airlines have set up banks of computers to calculate the optimum load of fuel for each plane's flight. Adding fuel at an earlier stage means the plane has to haul the fuel around longer, burning up more fuel in the process.

Because of the severe pinch at Kennedy in New York, American has had to resort to an even more expensive tactic. The airline has contracted with Shell Oil Co. for an extra million gallons of fuel per month in San Juan and is bringing the fuel in its planes from San Juan to New York during regular flights. "We're becoming a tanker airline," one executive said.

American Air officials said the Kennedy Airport shortages have been aggravated because a boat carrying fuel has been delayed. The fuel, being delivered by Texaco, is currently due to arrive tomorrow or Friday.

Trans World Airlines, supplied by Texaco, Shell, and Conoco, has had shortages in Denver, Kansas City, Mo., and New York, with New York's the worst. Thus far, TWA hasn't had to cancel any flights, but like American it has had to add more fuel at earlier stages of flights. TWA also is trying to buy more fuel on the so-called spot market. "But so is everybody else, so this is becoming very hard to do," a TWA official said.

TWA nonetheless has been able to purchase some jet fuel on the spot market. It bought 50,000 barrels in Corpus Christi, Texas, but isn't sure yet what the cost will be. It agreed to pay the prevailing spot price when it receives the fuel, starting next week.

Most other airlines reached haven't run into shortages yet. But, a spokesman for Frontier Airlines said, "everybody is becoming more fuel-conscious." Western Airlines reported that it has had to "do some juggling" because of jet-fuel cutbacks by Conoco in Denver and Minneapolis.

Conoco, a major supplier of jet fuel to Denver's Stapleton Airport, said it has been allocating supplies there at 55% of normal requirements for several weeks. That is because the company's Denver refinery is still closed as the result of the fire last October. The refinery has a capacity of 33,500 barrels a day, nearly 9% of Conoco's domestic refining capacity.

The company also is allocating jet fuel at a 70% rate to all other commercial customers, a spokesman said. The cities affected include Tulsa, Oklahoma City, Omaha, Minneapolis and Wichita.

Shell reported that, even though its aviation supply situation is tight, "we have been able to meet customers' demand estimates and aren't curtailing supplies." Shell supplies every major airline in the U.S.

But Texaco, one of the largest U.S. suppliers, has problems. The company cited the overall tightness in world crude oil supplies, a situation "complicated by the disruption of Iranian oil exports and the Department of Energy regulations on aviation fuels."

TEXACO OUTPUT OFF 10 PERCENT

Texaco confirmed that it has asked its airline customers at Kennedy to voluntarily reduce their purchases of aviation jet fuel from it as much as 50%, depending on their operational requirements, for the next few days. A few other U.S. airports are similarly affected but to a lesser degree, the company said.

Texaco has cut output of its U.S. refineries some 10% from the normal level of about one million barrels a day "due primarily to the shortage of crude oil, especially the light grades that are best suited for the manufacture of jet fuels and gasolines," it said. Meanwhile, the company said, it is trying to buy additional jet fuel.

In one case, Texaco said, it purchased a shipment of jet fuel from European sources for more than 65 cents a gallon, plus transportation cost, even though the maximum selling price under U.S. controls is about 20 cents a gallon less. "Some of the factors that have brought about the jet-fuel shortage have been the Energy Department's regulations on aviation fuels," Texaco said.

But, according to the department, Texaco, one of the four biggest suppliers of jet fuel, is suffering from a shortage because last August it decided to stop importing already-refined jet fuel from Trinidad. The New York and Kansas City airports have felt the Texaco pinch in particular, the Energy department said, because they formerly received much of the imported fuel.

W. Dean McClanahan, an Energy Department official who monitors aviation supplies, said Texaco has assured the government that it is shipping a new supply of jet fuel by sea for Kennedy, to arrive within two weeks. After that, it is expected, winter will begin easing, allowing Texaco's domestic refineries to reduce their output of heating oil and turn out more jet fuel instead.

The Kansas City shortage will be harder to cure, the Energy Department said, because that airport can't be resupplied by ship, and pipelines feeding the area are filled with heating oil.

Nonetheless, Mr. McClanahan maintained, the jet fuel problems "are momentary supply shortages." There aren't any indications, he said, of "limitations caused by the Iranian situation that would adversely affect airline operations."

Ironically, Energy Department officials said, there are surpluses of jet fuel in some parts of the nation, especially in the Gulf Coast states. Chicago also has a surplus, they said, because its giant O'Hare International Airport was closed by snow on a number of days this winter.

Mr. BUMPERS. Who gets the benefit of this? It is proposed that the price of jet fuel be deregulated, yet no one thinks that the price of jet fuel will remain at about 40 cents, as it is today. I would remind Senators that, under regulation, the price of jet fuel has gone from 12 cents in 1974 to 40 cents today, almost a 300-percent increase. Where is it going to go from here? Nobody knows. But we can rest assured that it is going to go up. Who is going to pay? The airlines are going to get the fuel because the major oil companies in this country are going to make as much of it as they can. Because it is deregulated, they can make a bigger profit on it.

The airlines are going to buy it, but because they cannot absorb the price increase, they will pass it on to the consumer.

Meanwhile, the refiners in this country are limited on how much jet fuel they can get out of a barrel of oil. They could probably increase the supply of jet fuel only slightly, even if they fully tilted their refiners toward jet fuel.

Where will they get more? They will

get some of it from the oil currently refined into home heating oil, which Mr. DURKIN is concerned about, and they will get the rest out of it from the oil currently refined into gasoline, which the whole country is concerned about. Those are the only two places they can get it.

Consider the supply situation of home heating oil. New England is now facing an impending shortage of home heating oil. Moreover, if the American people do not know it, I would like to announce that they also face an impending shortage of gasoline.

The significance of deregulating jet fuel is that the refiners and the oil companies of this country can shift their production to jet fuel from gasoline and exacerbate that shortage or from home heating oil and exacerbate that shortage.

Who is getting the benefit? Quite simply, the oil companies, who raise the price of jet fuel to the airlines, who will accept it, because they believe that if this is deregulated at least their supplies will be constant and assured.

Well, the truth of the matter is that refiners can only increase the supply of jet fuel a limited amount, and, if the demand for jet fuel continues to increase as it has in the past, the price will go out of sight. Who gets the benefit of these increases? The oil companies. Who pays it? The American people pay it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. Mr. President, I yield an additional 2 minutes to the Senator from Arkansas.

Mr. BUMPERS. I thank the Senator.

Mr. President, the pressures on the price of jet fuel will be irresistible and the price of jet fuel will rise inexorably. There is not a soul in this body who has any idea to the contrary. Members know what is going to happen. If they vote against the motion of the Senator from Washington they are saying that the price of jet fuel is going to go up and the American people are going to pay for it. At the same time they are saying that there is going to be less gasoline and less home heating oil. The next thing we know there will be a deregulation proposal from the White House to regulate the price of gasoline and home heating oil.

Finally, Mr. President, the big airlines are going to get supplies, but the little airlines, many of which are struggling to survive, are going to be pushed out of business because they cannot afford it. The big airlines will get their supply and they will continue to run their routes.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. BUMPERS. I will be happy to yield.

Mr. JOHNSTON. Is the Senator aware that the commuter airline association, representing all of the small airlines, is supporting the proposal?

Mr. BUMPERS. I am not familiar with that, but that is most unfortunate, because I guarantee those same people—and it will not be the first time it has happened here—will be back a year from now asking for tariffs, subsidies, and other protection. I have seen it happen too many times, and it will happen in this case.

I am telling you, Mr. President, it is inflationary. If the price of jet fuel increases, we will watch airline fares contribute significantly to the Consumer Price Index increase. So when Senators vote for this, just bear all those things in mind. And bear in mind, finally, what are you going to tell your constituents?

The PRESIDING OFFICER. The time of the Senator has once again expired.

Mr. JACKSON. I yield——

Mr. BUMPERS. That is all right. I thank the Senator for his time.

Mr. JACKSON. I yield 6 minutes to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise in support of the motion of the distinguished chairman of the Energy Committee. Through no fault of our own, the Energy Committee simply has not had sufficient time to review the administration's proposal, particularly in view of the new developments which have occurred in recent days and weeks.

We believe that the Senate would be derelict in its responsibility to allow this proposal to become law without the opportunity to conduct fair hearings. We believe that this proposal should be rejected until the Senate has had an opportunity to hold hearings on the subject and, as the chairman has indicated, he intends to introduce and support a resolution asking the President to resubmit this energy action immediately.

In essence, I say to Members of the Senate, he is asking for 15 more days.

The suggestion that the Department of Energy would need something like 4½ months to bring this same proposal back is totally absurd on its face.

I say that that is the same kind of information we get out of the Department of Energy over a period of many months. When we ask them for numbers, when we ask them for facts, when we ask them for figures, we always get the kind of answer that best accommodates their point of view.

I personally believe the administration's proposal to deregulate jet and aviation fuel is both ill-advised and poorly timed. It is poorly timed because of the chaos in the world oil situation today. The deteriorating situation in Iran has intensified in the last months. Early in January the administration hoped that Iran would stabilize and resume production by spring. But today that hope seems to have faded completely. As the Secretary of Energy testified before our committee, in the 2-week period between January 15 and February 1 the situation became more serious.

In his own words, Iran's decline toward chaos has not been arrested. With it, the supply of crude oil internationally and of imports to the United States become more uncertain and more costly. In very simple terms, how can we possibly justify decontrolling an oil product at the same time we are giving serious thought to rationing?

The proposal is ill-advised because it could be terribly inflationary. Right now, the spot market for crude oil is going berserk, with prices reaching $23.50 a barrel. But even more important is the fact that the spot market for jet fuel, which is the product we are talking about today, is also going through the roof. The spot price for jet fuel is 57 cents a gallon, 166 percent of the price of domestically controlled jet fuel.

And yet the Department of Energy in their report recommending this action says:

Such oil or refined product category is no longer in short supply and exempting such oil or refined product category would not have an adverse impact on the supply of any other oil or refined product, and it would not have an adverse impact upon the price.

That just does not make sense. It is illogical. Such an assertion is absurd in the light of the fact that the imported product is being sold right now for 16 cents per gallon more than domestic jet fuel.

The pressures for big price hikes are there, and, as the distinguished Senator from Arkansas has just stated, the American people will ultimately pay the price. Even if the price went up only 4 cents, an unrealistic low increase, we are talking about charging the American people an additional $600 million and putting those dollars right into the pockets of the oil companies.

It would totally violate the Nation's inflation guidelines. At a time when we should be marshaling all of our energies to fighting inflation, and when the wholesale price index is escalating at a 15.6 percent rate and the food prices are going up at a 21.6 percent rate, I do not understand the logic of a proposal by the administration to decontrol the price of jet fuel.

The fact is we will have an adverse impact upon home heating oil prices, middle distillate. If the price of jet fuel goes up, then there will be more of that sold, less available for heating purposes, and the price of heating oil will go up. So, too, will the price of gasoline.

The fact is the pressure will be to take it away from that portion of a barrel of refined product and take it from the gasoline that is presently available to the American people and put it into the airlines of this country.

The airlines have no great problem about it because they can pass their costs on to the American people. But the average American has nobody to pass it on to. This strikes directly at his pocketbook.

The analysis done by the Department of Energy to justify jet fuel deregulation is based on a world that no longer exists. Rejection of this proposal is absolutely necessary so that we can sit down under less pressured circumstances with all the facts available to determine what the effects will be, the effects on consumers, on the airlines, on businesses which rely on small planes, on the stability of the many jobs that depend on the airline industry and, most importantly, if we think we are going to do something on the floor of the Senate—and this is one of the earliest actions on the floor of the Senate—if we really believe that the Congress of the United States should be indicating its intent to help in the battle against spiraling inflation, this is the

place where we ought to start regardless of whether the industry is willing to pay the extra costs.

I believe the American people are not willing to and should not be expected to.

Mr. JOHNSTON. Mr. President, I will be very short and then I think we will shortly be ready to vote.

I just want to make a couple of points. Why is it that no Member of the House put in a resolution of disapproval after the hearings on the matter were held in the House?

It is very simple, Mr. President, because jet fuel and aviation gasoline decontrol is necessary and essential in order to cope with the problems created by airline deregulation. If we do not have it we are in deep trouble with the airlines.

Why is it that the administration did not accede to the request to resubmit the matter? Because, very simply, as Mr. Bardin said this afternoon, it will take 4½ months to do so.

Finally, Mr. President, on this question of what it will do to prices, DOE says it may raise the cost of jet fuel a cent a gallon. If it raised the cost of jet fuel 4 cents a gallon up to the world price, then that would be 0.03 percent of the gross national product, that is, it would add 0.03 percentage point to the Consumer Price Index.

If DOE is right it would add one-fourth of that, or 0.0075, to the CPI, a minimal amount.

Mr. President, to my friends who represent consumers of home heating oil, I say that jet fuel and aviation gasoline decontrol is going to help the situation with home heating oil and not hurt it. Why? Because home heating oil is decontrolled.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I will yield in just a minute.

Home heating oil has been decontrolled since 1976. If you have to provide one fraction of a barrel, jet fuel, at a cost less than what is a fair price, and the other fraction of the barrel, home heating oil, is decontrolled, where do you think they put the extra cost? They put it on the decontrolled part, on home heating oil.

So to say that by raising the cost of part of the barrel that you are going to raise the cost of home heating oil just simply does not make sense, and the House did not believe it either.

So I will submit to my friend and I will now yield to my friend from New Hampshire for a question.

Mr. DURKIN. The Senator knows that a number of us opposed the decontrol of home heating oil and it lost. At that time the Department of Energy was saying it was going to raise the cost of home heating oil 4 or 5 cents, and the great competitive force in the marketplace, which exists only in eighth grade political science texts, would hold down the price of home heating oil. Home heating oil is over 60 cents a gallon today in New Hampshire, and there is a serious question of whether we will even be able to get it.

With the incentive of distilling beyond the middle distillate range, we have a corporate buyer and a corporate seller and the corporate buyer being able to pass it through in the charge of increased air fares, how in God's name will that not produce an incentive to produce more higher level distillates and shorten and eliminate or reduce the supply available for home heating oil? I would love to have that answer, and so would my constituents.

Mr. JOHNSTON. Mr. President, in answer to the Senator's questions, to quote from "Findings and Views Concerning the Exemption of Kerojet Fuels From the Mandatory Petroleum Allocation and Pricing Regulations" program, page 75, let me read this.

Mr. DURKIN. What was the date of that?

Mr. JOHNSTON. That was dated June 1978.

Mr. DURKIN. The Ayatollah was still in Paris then. [Laughter.]

Mr. JOHNSTON. Statistically updated to December 1978. It says this:

> In a market where the prices of some products are controlled and others are not, if cost increases are not recoverable in controlled products, they tend to be passed to the uncontrolled products. Particularly in view of the fact that middle distillate prices have been decontrolled, a refiner could recover kerojet costs in middle distillate products.

That is only commonsense. So, Mr. President, I think it is very clear.

We have had 15 days, 15 days while the Senate was in session to hear this matter. No request for a hearing has been forthcoming. I think this is one place where the administration is dead right and, Mr. President, we cannot afford to wait for 4½ months for this rule to be resubmitted. Because if we do we will have shortages of jet fuel around this country to the extent that what has happened last week at Kennedy Airport, when they canceled the National Airlines flight, and these shortages will be occurring everywhere across this country.

I hope we will vote down the motion to discharge. I am prepared to yield back the remainder of my time.

Mr. DOMENICI. Mr. President, will the Senator yield to me for a statement?

Mr. JOHNSTON. Yes.

Mr. DOMENICI. Mr. President, I rise in opposition to the motion to discharge the Energy Committee from consideration of the deregulation of certain aviation and jet fuel. I do so for both procedural and substantive reasons.

Senator JACKSON introduced these resolutions of disapproval as a vehicle for action 3 weeks ago, as soon as the administration sent these measures to Congress. There was a general feeling among Senators I spoke to that this was a good measure, and no opposition was expected.

Certainly it would have been open to any Member to ask for hearings on these resolutions, which would probably have been before the subcommittee on which I am the ranking minority member. There were no such requests to my knowledge. It is certainly an end-run to come to the floor today and try to have the Senate resolve the matter with little notice.

More fundamentally, however, the committee should not be discharged because the President's action was right. The President has repeatedly stated his desire to move toward deregulation. He recognizes the distortions and reduction of supply that Government regulations have caused. As long as we regulate in the pattern of the past, we will never be prepared to face the future.

I commend the President for this move and hope that he will continue to move toward deregulation in all the areas where he has the power to do so.

Jet fuel is a particularly appropriate area for deregulation. Aviation is a dynamic industry that is now prospering and increasing service to Americans under the deregulation that has been allowed by the CAB. There is no reason to continue controlling a product when the users want it decontrolled, and when the ultimate beneficiaries, the airline passengers, are certainly better off than the average American. Even the usual simplistic arguments for "protecting consumers" really do not apply here.

The final argument that has been made against the President's action seems to be that we should not move toward decontrol at a time of uncertainty and turmoil caused by the Iranian situation. Now, I have been one of those urging most strongly that the administration should move more strongly with measures to increase production and prudently reduce consumption.

But those should be comprehensive measures that address the total scope of our energy situation.

We already have a situation where some refined products are controlled and some are uncontrolled. This action is simply another step on the correct road, the road toward decontrol. By repudiating the President's action in this case, we will be telling the American people that the Senate wants more control, rather than less. I do not believe that is what the people want, and I know that it will not serve the interests of America.

I will vote to uphold the President's action and vote against discharging the resolution from the committee.

Mr. DOMENICI. Mr. President, may I have 10 seconds to say to my friend from New Hampshire that he took the same position on all of the subjects when the ayatollah was in France as when he was in Iran, so it does not make any difference where he is.

Mr. DURKIN. Mr. President, will the Senator yield? There was a substantial difference in that when the ayatollah was praying in the Paris suburbs there was oil flowing out of Iran. That oil is not coming today.

Mr. DOMENICI. What I was saying is that we will have another ayatollah in 3 or 4 months, and the Senator will have another ayatollah to blame the trouble on when the Senator and Senator METZENBAUM are going to try to get more petroleum products when we reduce the price. You have a new economic theory, which never has held for anything we produced in America, but particularly my good friend from Ohio persists in saying, that if we reduce the price, we

are going to produce more of all these products. That is why I think it is so good that we are having this debate here tonight.

Mr. DURKIN. I want to say to my friend from New Mexico that he is one of the few Republican Senators who is not up in New Hampshire, and I invite him to come up.

Mr. DOMENICI. I have enough problems in New Mexico. I am delighted to be the Senator from New Mexico.

Mr. DURKIN. And the people of New Hampshire are watching their paychecks disappear into the oil barrel week after week after week.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I yield to the distinguished junior Senator from Massachusetts (Mr. TSONGAS).

Mr. TSONGAS. I thank my chairman.

Mr. President, this is the first of, what I would hope to be many, energy issues that would come before this Senate.

It seems to me that beyond the immediate question there is an opportunity to set a tone as to what the Senate is going to expect from the administration. If the administration had a clear sense of our energy future I think they could come to the Senate and request a kind of benefit of the doubt on the specifics. But I think the administration does not have a clear sense of where it is going and working on it.

Let me give an example of home heating oil. There was a discussion of that but not in the context of what is going to be critical, and that is not this winter but next winter.

I sat through committees and I will attest to enough of a series of briefings to suggest that, given the current depletion of reserves, it is going to be a very serious problem next winter.

On gasoline we have had hearings on rationing, and where we are going and where we might be going. That has not been resolved, and one that I am particularly concerned about, which is the alternative source of energy, there is a domestic policy review option paper before the President now and we do not know where he is going. We have no sense in terms of what the long term will be for renewables.

How can we, as a Senate, demand the administration come forth with a clear, long-term, comprehensive energy policy, which I think is vital for this country's survival over the long term, if we go ahead in a situation like this, case by case, and kind of ad hoc our way through a viable energy policy?

It seems to me, if the administration does not want to come up with this kind of policy, that is their prerogative, but that it is not ours then to concur in that approach.

I have asked my colleagues not only to be specific as to the deregulation, but, rather, to use this particular issue as a way of forcing the administration to give much greater thought as to where we are going in this country relative to our energy future.

Mr. President, I yield back the remainder of my time.

Mr. JACKSON. Mr. President, if there is no one on our side, I am prepared to yield back the remainder of my time.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion to discharge. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maine (Mr. MUSKIE), the Senator from Mississippi (Mr. STENNIS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from North Carolina (Mr. HELMS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Does any other Senator in the Chamber wish to vote?

The result was announced—yeas 34, nays 53, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—34

Baucus	Hollings	Nelson
Bayh	Huddleston	Pell
Biden	Inouye	Proxmire
Bradley	Jackson	Pryor
Bumpers	Javits	Ribicoff
Church	Leahy	Riegle
Culver	Levin	Sarbanes
DeConcini	Magnuson	Sasser
Durkin	Matsunaga	Tsongas
Exon	McGovern	Zorinsky
Ford	Metzenbaum	
Glenn	Moynihan	

NAYS—53

Armstrong	Durenberger	Morgan
Baker	Eagleton	Nunn
Bellmon	Garn	Percy
Bentsen	Gravel	Pressler
Boren	Hart	Randolph
Boschwitz	Hatch	Roth
Burdick	Hayakawa	Schmitt
Byrd, Harry F., Jr.	Heflin	Schweiker
Byrd, Robert C.	Heinz	Simpson
Cannon	Humphrey	Stevens
Chafee	Jepsen	Stevenson
Cochran	Johnston	Stewart
Cohen	Kassebaum	Stone
Cranston	Laxalt	Thurmond
Danforth	Long	Tower
Dole	Lugar	Wallop
Domenici	McClure	Warner
	Melcher	Weicker

NOT VOTING—13

Chiles	Mathias	Talmadge
Goldwater	Muskie	Williams
Hatfield	Packwood	Young
Helms	Stafford	
Kennedy	Stennis	

So the motion to discharge was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

ORDER FOR DAILY RECOGNITION OF LEADERSHIP

Mr. ROBERT C. BYRD. Mr. President, now that the rules fight has been put aside or put behind us, I ask unanimous consent that the majority and minority leaders may daily, as during the past Congress, have up to 10 minutes each on each calendar day following the prayer and the disposition of the reading of or the approval of the Journal.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. Mr. President, did I understand the request was for the recognition of the majority leader and minority leader daily following the prayer?

Mr. ROBERT C. BYRD. Following the prayer and the disposition of the reading of the Journal or the disposition of the approval of the Journal and that the request obtain throughout the remainder of the 96th Congress.

Mr. McCLURE. Mr. President, further reserving the right to object, and I shall not object, I think that is, if not a courtesy, certainly something that should be accorded the majority and minority leaders. The only reason I take this time is that I really am a little bit gunshy of blanket requests that will be in effect during the entire remainder of the year or the entire remainder of the Congress. But in this instance, I certainly have no objection.

I do not know if anyone here would object to it, but I did want at least to make that notation here at this time.

With that, I withdraw my reservation.

Mr. BAKER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

I agree with the observations of the distinguished Senator from Idaho, but I cannot remember a single case last year where a unanimous-consent request was made of general application for the remainder of the session, and I might say for the record that I would look on such a request with great concern.

But in this case, I think it furthers the orderly proceedings of the Senate, and I thank the Senator from Idaho for withdrawing his reservations.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I shall not object.

Mr. President, I think it is an appro-

priate procedure, but I wish to associate myself with the remarks made by the Senator from Idaho. I hope Senators will be notified in advance if any unanimous-consent request is going to be made for extended periods of time.

I think that it is only fair that Senators be so notified. I think this is a perfectly appropriate request. I have no objection to it. But I hope that we do not reach the point where unanimous-consent requests are being made covering long or extended periods of time.

I am a little gunshy on unanimous-consent requests at the moment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I am sorry that this business of being gunshy has come up. I have been gunshy since I was a kid and for several good reasons.

But I do not know of any requests that I have made this year or during the past several years that extended throughout the Congress that were not for the benefit of the Members of the body.

The time that is going to be under the control of the minority leader and the majority leader will seldom be used by ourselves, if past experience is any indicator. As the usual thing, we use that time to yield to Senators who have not gotten orders in advance. And I daresay that my friend from Virginia will be the recipient of the time that I will have under my control from time to time, and I imagine that the distinguished Senator from Idaho will be the recipient on that side of the aisle and could be the recipient of my time.

As to other requests I will be very glad to have those stated in the RECORD. They were gotten at the beginning on the first calendar day of the session and on 1 or 2 days succeeding that. For example, it is by unanimous consent that Senators may turn in bills and joint resolutions at the desk with their names on them.

It is by unanimous consent that they may add cosponsors at the desk without having to take the floor and ask unanimous consent from the floor.

It is by unanimous consent that they may turn in at the desk names of aides whom they want on the floor. They do not have to stand up any more and ask unanimous consent for that.

So may I say to my friends the Senator from Idaho and the Senator from Virginia that I am very grateful for their not having objected to this request, but I am sort of unsure of myself. I am very wary of trying to obtain a unanimous-consent request here that I think would create any ill will toward me, and might ultimately lead to someone committing mayhem against the Senator from West Virginia, politically or otherwise. I am very careful not to propound a request that I think would do damage to the Senate, or that would impose on Senators' rights generally.

So I believe that both Senators may be able to rest without any concern about these requests that are made to cover the entire Congress. I understand their concern. I think they are exercising their rights, and I think they should be complimented on guarding the rights of others and the rights of the Senate as well as the rights of themselves. But, Mr. President, both Senators will note that I have stood up on the floor of the Senate with my microphone in my hand, in full view, and made the request here in their presence, and therefore gave everybody an opportunity to object if they wanted to object.

That is all I have to say.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I just want to say that I have always found the Senator from West Virginia to be generous with the time he has had as majority leader. Many times he has yielded me in the morning time that I needed and which he did not need. He has always been very generous, and I prefaced my remarks a moment ago by saying I thought it was an appropriate request that the majority leader made, and that I had no objection to it.

I did express the hope that on substantive matters Senators would be notified in advance, because all of us are not going to be here all the time, of any requests extending over a period of time dealing with substantive matters, though not with routine housekeeping matters. I hope the Senate realizes that.

ROUTINE MORNING BUSINESS

Mr. PROXMIRE addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield to me briefly, since there is nothing pending before the Senate and, therefore, no opportunity for Senators to speak, I ask unanimous consent that there now be a period for the transaction of routine morning business, and that Senators may be permitted to speak up to 5 minutes each therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GENOCIDE CONVENTION AND OUR HUMAN RIGHTS RECORD

Mr. PROXMIRE. Mr. President, as the U.N. Commission on Human Rights is now meeting in its 35th session, I would like to draw our attention to an important issue: Our position on human rights. Our country has an almost unsurpassed record in civil rights. Yet we consider ourselves a world leader in human rights. But are we? What is our record on human rights?

The Senate record on the ratification of U.N. human rights treaties is deplorable—as well as an embarrassment in our foreign policy. We have only ratified the U.N. treaties on slavery, the protocol relating to the status of refugees, and political rights of women. There remain at least 29 human rights conventions—29—the United States has not ratified. The consequence of this inaction is twofold:

First. We have become increasingly isolated from the international community concerned with human rights.

Second. U.N. work on human rights and, indeed, our own foreign policy, has been seriously impaired.

Of the remaining 29 U.N. human rights conventions to be ratified, by far the most significant is the convention on Genocide, the most horrifying of crimes. The inability of the Senate to ratify the Genocide Convention has been a grievous thorn in our side now for 30 years. Is there a sound reason why we should delay any longer the ratification of this essential treaty? No. Can delaying serve any purpose other than to further undermine our total human rights policy? No. The time is long overdue for us to ratify that which protects the most fundamental right of every human being—the Genocide Convention.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-40. A petition from a citizen of the United States, asking the Senate to reopen diplomatic relations with the Republic of China (Taiwan), to reaffirm American support of the 1964 Mutual Defense Treaty between Taiwan and the United States, and to continue arms sales to Taiwan; to the Committee on Foreign Relations.

POM-41. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Finance:

"HOUSE JOINT MEMORIAL NO. 2

"Whereas, the Internal Revenue Service, Department of the Treasury, has announced a proposed revenue procedure relating to private school tax exemptions; and

"Whereas, the proposed revenue procedure will, in effect, establish quotas for minority participation in tax exempt private schools; and

"Whereas, such quotas have been held discriminatory in a recent United States Supreme Court opinion; and

"Whereas, the use of private schools should be encouraged in order to help take the burden from public schools.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we are deeply concerned with such a proposed procedure and strongly urge that the Congress take such immediate action as necessary to prevent such proposed procedure from becoming effective.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-42. A resolution adopted by the legislature of the State of Kentucky; to the Committee on Finance:

"HOUSE RESOLUTION NO. 5

"Whereas, the Congress of the United States has not permanently resolved the issues of the tax home and methods of determining income tax deductions for legislative business expenses as they relate to members of the state legislatures; and

"Whereas, while the Congress is to be commended for the substance of its temporary resolution of these issues in the 1976 Tax Reform Act and 1977 Tax Reduction and Simplification Act, a permanent solution is needed so that state legislators may anticipate their tax liabilities and file their federal income tax returns in a timely manner; and

"Whereas, the Kentucky Constitution and

"Whereas, federal regulation often adds unnecessary confusion and delay; and statutes, like those of many other states, embody the concept of a part-time, citizen legislator who resides and conducts his private business among his constituents and who is periodically called upon to conduct the public's business in legislative sessions and committee meetings in the state capital; and

"Whereas, the aforementioned temporary provisions of federal law have permitted a state legislator to elect to treat his business as a state legislator in a manner compatible with this state constitutional and statutory concept of his role;

"Now, therefore, *Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:*

"Section 1. That the United States Congress and, in particular, the members of the Kentucky Congressional delegation are respectfully requested to lend their support to the enactment of a permanent resolution of the tax home and per diem income tax deduction issues, as they relate to state legislators, in a manner similar to that temporarily provided by Section 604 of the Tax Reform Act of 1976, as extended by Section 307 of the Tax Reduction and Simplification Act of 1977, and to that supported by the National Conference of State Legislatures.

"Section 2. That the Legislative Research Commission is requested to monitor the progress of such legislation through cooperation with Kentucky's Congressional delegation and the National Conference of State Legislatures.

"Section 3. That the Clerk of the House of Representatives shall transmit a copy of this Resolution to each member of the Kentucky Congressional delegation, the Speaker of the House of Representatives and President of the Senate of the United States, and to the chairmen of the United States House Committee on Ways and Means and Senate Finance Committee."

POM-43. A resolution adopted by the Legislature of the State of Georgia; to the Committee on the Judiciary:

"HOUSE RESOLUTION 71

"Whereas, in 1945 the McCarran-Ferguson Act (Title 15, United States Code, Sections 1011–1015) was enacted into law; and

"Whereas, in that Act it was stated that "Congress declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

"Whereas, in the course of such regulation, numerous States have encouraged and required continued improvements in insurance coverages and in the provision of insurance at reasonable rates; and

"Whereas, the States as a whole have continued to review, experiment with, and alter various approaches to regulation in an effort to assure the public of the availability of insurance at a reasonable cost; and

"Whereas, the business of insurance has moved in the direction of a more competitive structure; and

"Whereas, the public benefits from competition in the insurance industry including, at the retail level, the competition of a wide variety of organizations, which are often small businesses; and

"Whereas, federal regulation has often been shown to be no panacea to the nation's problems; and

"Whereas, it is felt by many that the establishment of federal regulation increases the cost of government, increases the cost of products and services to the consumer, and frequently does so without providing offsetting benefits to the public; and

"Whereas, there has been no conclusive finding that the several States cannot continue to regulate the insurance industry; and

"Whereas, there certainly has been no conclusive finding that federal regulation of the insurance industry, by limiting State regulation and permitting the application of the federal anti-trust laws, will have a salutory effect upon the industry or otherwise benefit the public; and

"Whereas, it is often necessary, subject to State regulations, to pool the resources of several insurance companies in order to provide for coordinated actions to provide effective insurance coverage of certain risks and to provide the public with reasonable prices, efficiency in which the services are rendered at reasonable cost, and innovation in which new products and services are made available; and

"Whereas, officials of the federal government have publicly, although unofficially, recommended amending the McCarran-Ferguson Act so as to limit State regulation of the business of insurance.

"Now, therefore, be it resolved by the General Assembly of Georgia that the Congress of the United States is respectfuilly requested to examine carefully and scrutinize critically any legislation amending the McCarran-Ferguson Act and to reject any such legislation which is ill-conceived and which would defeat the purpose of providing good insurance at a reasonable cost to the citizens of the United States.

"Be it further resolved that the Clerk of the House of Representatives is hereby authorised and directed to transmit appropriate copies of this Resolution to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, and to each member of the Georgia Delegation to the Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

S. Res. 79. An original resolution authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

S. Res. 81. An original resolution authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations. Referred to the Committee on Rules and Administration.

S. Res. 82. An original resolution authorizing additional expenditures by the Committee on Armed Services for routine expenses. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. WILLIAMS. Mr. President, as in executive session, from the Committee on Human Resources, I report favorably sundry nominations in the Public Health Service which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on January 23, 1979, at the end of the Senate proceedings.)

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Rear Adm. Lee Baggett, Jr., to be vice admiral. Also in the Navy, there are 35 for promotion to the grade of rear admiral (list begins with William A. Williams III); Capt. Frances Teresa Shea to be rear admiral and there is a list of eight captains in the Naval Reserve to the grade of rear admiral (list begins with Nelson Otto Heyer). In the Marine Corps and Marine Corps Reserve, there are eight permanent appointments to the grade of major general (list begins with Kenneth L. Robinson). I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, Mr. President, in the Air Force and Reserve of the Air Force, there are 78 appointments to the grade of colonel and below (list includes one officer to permanent professor of the Air Force Academy) (list begins with Arthur V. Magnuson to be major) and in the Air National Guard there are 96 officers for promotion in the Reserve of the Air Force to the grade of lieutenant colonel (list begins with Maj. Richard N. Allen). In the Navy and Naval Reserve, there are 1,325 for temporary promotion to the grade of commander (list begins with Robert P. Abbate); 2,878 in the Navy and Naval Reserve for appointment to the grade of captain and below (list begins with Barry R. Smith); 1,969 for temporary promotion to the grade of lieutenant commander (list begins with Roy C. Aasen; 45 in the Navy for temporary promotion/appointment to the grade of commander and below (list begins with Melvin D. Beck); and, 2,598 temporary promotions in the Navy to the grade of lieutenant (list begins with Lyle N. Aardahl). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's Desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on January 31 and February 9, 1979, at the end of the Senate proceedings.)

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FINANCE, OCT. 1, TO DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Senator Packwood:									
Japan	Yen	20,876	112.00		2,730.00			20,876	2,842.00
China	Yuan	1,463.67	900.00					1,463.67	900.00
Hong Kong	H.K. dollar	723.80	150.00	244.26	50.57			968.06	200.57
Senator Moynihan:									
Switzerland	Franc	749.90	436.00					749.90	436.00
France	Franc	1,174.80	267.00					1,174.80	267.00
England	Pound	259.61	502.86					259.61	502.86
Spain	Pesetas	5,136.99	75.00		1,003.50			5,136.99	1,078.50
Charles R. Johnston, Jr.:									
Switzerland	Franc	495.25	327.00	28	18.42			523.25	345.42
England	Sterling	41	86.00		751.00			41	837.00
F. David Foster:									
Switzerland	Franc	706.75	436.00		748.00			706.75	1,184.00
Robert C. Cassidy, Jr.:									
England	Pound	90.34	177.30		711.00			90.34	888.30
Switzerland	Franc	705.90	436.00					705.90	436.00
William Finan:									
Switzerland	Franc	882.35	545.00		711.00			882.35	1,256.00
France	Franc	1,148.10	267.00					1,148.10	267.00
F. David Foster:									
Switzerland	Franc	972.85	570.00		748.00			972.85	1,318.00
Charles R. Johnston Jr.:									
Switzerland	Franc	1,133.85	665.00		681.00			1,133.85	1,346.00
England	Sterling	41	86.00					41	86.00
Total			6,038.16		8,152.49				14,190.65

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Feb. 9, 1979.

RUSSELL B. LONG,
Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, U.S. SENATE DELEGATION VISIT TO THE SUPREME SOVIET OF THE U.S.S.R., NOV. 9–21, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Abraham Ribicoff:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	296.25	75.00						
Henry Bellmon:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	1,332.75	75.00						
Quentin Burdick:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	296.25	75.00						
Thomas F. Eagleton:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	296.25	75.00						
Richard S. Schweiker:									
England	Pound	90	180.00						
Russia	Ruble	309.03	478.02						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	146.58	37.11						
Adlai Stevenson III:									
England	Pound	90	180.00						
Russia	Ruble	314.28	486.14						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	194.57	49.26						
Sam Nunn:									
England	Pound	63	126.00						
Russia	Ruble	295.32	456.80						
Hungary	Forint	2,113.56	118.94						
Paul Laxalt:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	296.25	75.00						
John Glenn:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	296.25	75.00						
John Durkin:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.00	150.00						
Morocco	Dirham	296.25	75.00						

See footnotes at end of table.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S SENATE, U.S. SENATE DELEGATION VISIT TO THE SUPREME SOVIET OF THE U.S.S.R., NOV. 9–21, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]
Dennis DeConcini:									
England	Pound	90	180.00						
Russia	Ruble	339.41	525.00						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	296.25	75.00						
J. S. Kimmitt:									
England	Pound	90	180.00						
Russia	Ruble	283.39	438.35						
Hungary	Forint	2,665.50	150.00						
Morocco	Dirham	146.58	37.11						
Arthur H. House:									
England	Pound	90	180.00						
Russia	Ruble	242.48	375.08						
Hungary	Forint	2,190.68	123.28						
Morocco	Dirham	116.80	29.57						
John P. Hardt:									
England	Pound	82.85	165.70						
Russia	Ruble	231.66	358.33						
Hungary	Forint	2,210.94	124.42						
Morocco	Dirham	116.80	29.57						
Gail S. Martin:									
England	Pound	76.45	152.90						
Russia	Ruble	219.93	340.20						
Hungary	Forint	2,280.42	128.33						
Morocco	Dirham	116.80	29.57						
Catherine Buchanan:									
England	Pound	90	180.00						
Russia	Ruble	218.97	338.71						
Hungary	Forint	2,155.50	121.30						
Morocco	Dirham	116.80	29.57						
David Schaefer:									
England	Pound	87.55	175.10						
Russia	Ruble	225.17	348.30						
Hungary	Forint	2,190.50	123.27						
Morocco	Dirham	116.80	29.57						
Douglas L. Jackson:									
England	Pound	70.80	141.60						
Russia	Ruble	259.24	401.00						
Hungary	Forint	1,070.46	60.24						
Jeffrey Record:									
England	Pound	90	180.00						
Russia	Ruble	301.50	466.35						
Hungary	Forint	2,521	141.86						
Robert Maynes:									
England	Pound	45	90.00						
Russia	Ruble	305.95	473.24						
Hungary	Forint	2,140.75	120.47						
Morocco	Dirham	116.80	29.57						
Roy A. Werner:									
Russia	Ruble	125.74	194.50						
Hungary	Forint	2,662.66	149.84						
Morocco	Dirham	114.27	28.93						
Jacob Javits:									
Russia	Ruble	242.44	375.00						
Hungary	Forint	1,332.75	75.00						
Albert Lakeland:									
Russia	Ruble	198.27	306.68						
Hungary	Forint	1,286.01	72.37						
Delegation expenses:									
England	Pound							1,495.87	2,991.73
Russia	Ruble							8,486.79	13,127.29
Hungary	Forint							77,301.10	4,350.09
Morocco	Dirham							12,949.13	3,278.26
Total			17,197.15					23,747.37	40,944.52

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 25, 1979.

J. S. KIMMITT,
Secretary of Senate.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Senator Lawton Chiles:									
Japan	Yen	17,182	75.00	3,436	15.00			20,618	90.00
China (PRC)	Dollar		825.00		[2] 2,897.00				3,722.00
Senator Thomas Eagleton:									
Italy	Lira	197,325	225.00	140,166	161.41				386.41
England	Pound	388.60	750.00	52.51	101.35				851.35
Senator Daniel Inouye:									
Phillippines	Peso	3,314.35	450.00		305.99				755.99
Air transportation from Washington, D.C. to Manila, Phillipines and return					2,497.36				2,497.36

See footnotes at end of table.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Warren Kane:									
Switzerland	Sw. franc	313.10	181.82					313.10	181.82
Italy	Lira	191,475	225.00	33,000	39.13			224,475	264.13
Egypt	Pound	160	228.57	6	8.57			166	237.14
Sudan	Pound	128,740	258.00					128,740	258.00
Mexico	Peso	6,910.50	305.77					6,910.50	305.77
Richard Collins:									
Egypt	Pound	[3] 225.25	321.79	545.37	779.10			770.62	1,100.89
Syria	Pound	211	54.11					211	54.11
Jordan	Dinar	19.79	66.43					19.79	66.43
Israel	Pound	8,356.50	450.00					8,356.50	450.00
Italy	Lira	50,675	61.13					50,675	61.13
William H. Jordan:									
Austria	Schilling	6,429.25	432.50						432.50
Transportation from Washington, D.C., to Vienna, Austria and return					834.52				834.52
Philippines	Peso	3,771.38	512.07						512.07
Korea	Won	144,000	300.00						300.00
Air transportation from Washington, D.C. to Manila, Philippines; Seoul, Korea and return					1,469.44				1,469.44
Subtotal			5,722.19		9,108.87				14,831.06
AMENDED REPORT									
Chris E. Clouser:									
England	Pound	388.60	750.00	52.51	101.35			441.11	851.35
James D. Bond:									
Egypt	Pound	[3] 280.250	400.35	[3] 546.370	779.10			826.620	1,179.45
Syria	Pound	215	55.12					215	55.12
Jordan	Dinar	25.795	86.56					25.795	86.56
Israel	Pound	8,356.50	450.00					8,356.50	450.00
Italy	Lira	62,175	75.00					62,175	75.00
Subtotal			7,539.22		9,989.32				17,528.54
Steven Perles:									
England	Pound	281.88	525.00		821.00			281.88	1,346.00
Total			8,064.22		10,810.32				18,874.54

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[2] Transportation to and from China was by U.S. Air Force aircraft, last shown would be equivalent to commercial rate.

[3] Excess foreign currency.

Feb. 5, 1979.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. RANDOLPH, Mr. PELL, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. LEAHY, and Mr. RIEGLE):

S. 446. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit discrimination against individuals because they are handicapped, and for other purposes; to the Committee on Human Resources.

By Mr. CANNON (by request):

S. 447. A bill to provide authorization of appropriations for the United States Railway Association, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 448. A bill to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH:

S. 449. A bill to amend the Internal Revenue Code of 1954 to provide that the tax exemption of certain charitable organizations and the allowance of a deduction for contributions to such organizations shall not be construed as the provisions of Federal assistance; to the Committee on Finance.

By Mr. DECONCINI (for himself and Mr. BUMPERS):

S. 450. A bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 451. A bill to amend the Public Health Service Act to revise and extend the programs of the National Institute of Arthritis, Metabolism and Digestive Diseases with respect to diabetes, to revise and extend the authorizations for the National Diabetes Advisory Board, and for other purposes; to the Committee on Human Resources.

By Mr. LAXALT:

S. 452. A bill for the relief of Gisella Maria Johanna Dunfield; to the Committee on the Judiciary.

S. 453. A bill for the relief of Joe L. Frazier of Elko, Nevada; to the Committee on the Judiciary.

By Mr. DOLE:

S. 454. A bill for the relief of Hector O. Fernandez; to the Committee on the Judiciary.

S. 455. A bill for the relief of Leonides T. Fernando; to the Committee on the Judiciary.

By Mr. STAFFORD:

S. 456. A bill to provide loans for the prevention or retarding of streambank erosion which threatens public and private facilities; to the Committee on Environment and Public Works.

S. 457. A bill to authorize the Corps of Engineers to provide technical assistance in streambank erosion control; to the Committee on Environment and Public Works.

S. 458. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service, and for other purposes; to the Committee on Finance.

S. 459. A bill to authorize the Corps of Engineers to assist communities in the control of river ice; to the Committee on Environment and Public Works.

S. 460. A bill to encourage bicycling and physical fitness by assuring greater safety for bicycles parked at Federal office buildings; to the Committee on Environment and Public Works.

S. 461. A bill to require that competitions be conducted to enhance the Nation's architecture and determine the design of certain new Federal office buildings; to the Committee on Environment and Public Works.

By Mr. WEICKER:

S. 462. A bill to exempt the price of natural gas imported from Mexico from regulation under any Federal or State law; to the Committee on Energy and Natural Resources.

By Mr. CHURCH (for himself, Mr. LONG, Mr. BENTSEN, Mr. WALLOP, Mr. YOUNG, Mr. JOHNSTON, Mr. STONE, Mr. MATSUNAGA, Mr. INOUYE, Mr. MCGOVERN, Mr. EXON, Mr. BAUCUS, Mr. BURDICK, Mr. MELCHER, and Mr. BOSCHWITZ):

S. 463. A bill to implement the International Sugar Agreement between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry, to promote the export trade of the United States, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 464. A bill to amend the Internal Revenue Code of 1954 to expend the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 465. A bill to authorize the spouses of certain former members of the armed forces of the United States to use the services and facilities of post exchanges and commissaries; to the Committee on Armed Services.

By Mr. INOUYE:

S. 466. A bill to require that skilled nursing homes furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 467. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a non-service-connected disability to any war veteran who has a service-connected disability of 80 per centum or more; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 468. A bill to allow an additional income exemption for a taxpayer or his spouse who is deaf or deaf-blind; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 469. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

S. 470. A bill to amend title 10 of the United States Code relating to retention in active status of certain officers; to the Committee on Armed Services.

S. 471. A bill to amend title 10, United States Code, to authorize former members of the armed forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the armed forces are permitted to travel on such aircraft; to the Committee on Armed Services.

S. 472. A bill to amend section 1002 of title 38, United States Code, to authorize the burial in a national cemetery of the parents of certain members of the Armed Forces who die in active service; to the Committee on Veterans' Affairs.

S. 473. A bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable; to the Committee on Veterans' Affairs.

S. 474. A bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of Veterans' Affiars to extend, under certain circumstances, the period within which a veteran must complete a program of education under such chapter; to the Committee on Veterans' Affairs.

By Mr. WALLOP (for himself, Mr. GOLDWATER, Mr. LAXALT, and Mr. MCCLURE):

S. 475. A bill to authorize the Secretary of the Interior to construct hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 476. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit payments are increased; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. WILLIAMS:

S.J. Res. 40. A joint resolution to authorize the President to proclaim annually the last Friday of April as "National Arbor Day"; to the Committee on the Judiciary.

By Mr. BURDICK:

S.J. Res. 41. A joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. RANDOLPH, Mr. PELL, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. LEAHY, and Mr. RIEGLE):

S. 446. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit discrimination against individuals because they are handicapped, and for other purposes; to the Committee on Human Resources.

EQUAL EMPLOYMENT OPPORTUNITY FOR THE HANDICAPPED ACT OF 1979

● Mr. WILLIAMS. Mr. President, it is an anacronism in our laws that employers in the private sector are not under a general legal prohibition against discriminating irrationally against handicapped workers. Federal law prohibits employment discrimination against the handicapped by Federal agencies, Federal contractors, and Federal grantees; but there is no Federal law guaranteeing the right of our handicapped workers not to be victimized by employment discrimination in private sector employment.

The moral obligation of American employers, to treat handicapped persons fairly on the basis of their ability or inability to work, must be made a legal obligation. This legal obligation will provide important protection for the economic security and human dignity of our handicapped citizens; and it will pay large economic dividends to our society as a whole.

According to the 1970 census, there are approximately 12 million noninstitutionalized persons aged 18 to 64 years who are disabled. At least 7 million of these persons are able to engage in productive employment. The degree to which these handicapped citizens are being denied employment opportunities is shocking and demands legislative action.

Although handicapped persons make up only about 10 or 11 percent of our population between the ages of 18 and 64, handicapped men make up approximately 25 percent of our unemployed males. Disabled men have an unemployment rate twice as high as that of nondisabled men. And only about two-fifths of this group are employed during a typical year, compared with three-fourths of the nondisabled.

Our failure to provide equal employment opportunity to our handicapped citizens, on the basis of their ability to work, burdens our economy by wasting their skills and talents. Our taxpayers are burdened by the necessity of paying extensive income transfers to the disabled who are unemployed. And relatives of handicapped workers who cannot find employment must bear the burden of extra support and medical expenses.

It is also important to observe that employment discrimination against the handicapped has serious implications for other groups who are already protected against employment discrimination by Federal law. Statistics show that when a black American, an older American, or a woman is handicapped, their employment problems not only increase, they increase exponentially. This is particularly significant because the incidence of disability in our society is higher among workers who are in other protected groups. Similarly, workers who are disadvantaged by less than an average amount of formal schooling are also more likely to be physically or mentally handicapped. The compound effect of these employment disadvantages can be devastating to the worker's financial security.

The legislation which I am introducing today will go a long way toward meeting these problems. It gives the force of Federal law to the right of handicapped Americans to be treated fairly in the workplace, by amending title VII of the Civil Rights Act of 1963 to add a prohibition against discrimination on the basis of a person's handicapping condition.

The definition of "handicapping condition" adopted for this purpose is taken from the Rehabilitation Act of 1973, as amended. The term "handicapping condition" means the status of any individual who—first, has a physical or mental impairment which substantially limits one or more of such person's major life activities; second, has a record of such impairment; or third, is regarded as having such an impairment. Such term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents such individual from performing the duties of the job in question or whose employment, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

For purposes of this definition, a handicapped individual is "substantially limited" if he or she is likely to experience difficulty in securing, retaining, or advancing in employment because of a handicap.

"Major life activities" within the meaning of this definition include, for example, communication, ambulation, self care, socialization, education, vocational training, employment, transportation, and adapting to housing.

The provision, "has a record of such an impairment" means that an individual who has recovered from a physical or mental impairment is protected against employment discrimination on the basis of their past impairment. Cancer victims, for example, regularly find themselves victimized by fears based upon misconceptions and misunderstanding. Even those who have been

treated successfully often find themselves discriminated against in employment.

The provision which prohibits discrimination against persons who are "regarded as having such an impairment" protects individuals who are perceived as having a handicap, whether an impairment exists or not, and who experience difficulty in securing, retaining, or advancing in employment because of discriminatory attitudes. Cases brought under the Rehabilitation Act, for example, have included instances of discrimination against persons with isolated episodes of epileptic seizures which have been successfully controlled. One remarkable case involved the denial of a position with the Peace Corps to a person who had a tendon disfunction of the small and ring fingers on the left minor hand. The employee clearly felt that this minor "disability" in no way affected a major life activity, but the potential employer "regarded" the employee "as having such an impairment."

Under this legislation, the exception for bona fide occupational qualifications provided by section 703(e) of title VII, will expressly be made applicable to the rights of handicapped applicants or employees. This means that an employer's business necessity will, under appropriate circumstances, justify limiting the employment opportunities of a person with a handicapping condition.

The effective date of this legislation is to be no sooner than July 1, 1980, or six months after enactment, if that is later. This effective date provision has been chosen to insure that the Equal Employment Opportunity Commission has at least 1 year to absorb its new responsibilities under the Age Discrimination in Employment Act and the Equal Pay Act, before any additional responsibility is given to that Commission.

Mr. President, I suggest that the time has come to give full legal protection to the employment rights of our handicapped citizens. Discrimination against the handicapped is rooted in misconceptions which are as groundless in their origin and as tragic in their consequences as the prejudices which have victimized other minorities and women in our society. Our handicapped citizens want and deserve a fair opportunity to work on the basis of their abilities. This legislation will provide an important part of what will be necessary to insure that they have that opportunity.

Mr. President, I ask unanimous consent that the bill, and a section-by-section analysis be printed into the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Employment Opportunity for the Handicapped Act of 1979".

SEC. 2. Section 701 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following:

"(1) The term 'handicapping condition' means the status of any individual who—

"(A) has a physical or mental impairment which substantially limits one or more of such person's major life activities;

"(B) has a record of such impairment; or

"(C) is regarded as having such an impairment.

Such term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents such individual from performing the duties of the job in question or whose employment, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.".

SEC. 3. (a) (1) Section 703(a)(1) of the Civil Rights Act of 1964 is amended by inserting immediately after the word "sex" a comma and the words "handicapping condition".

(2) Section 703(a)(2) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapping condition".

(b) Section 703(b) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapping condition".

(c)(1) Section 703(c)(1) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapping condition".

(2) Section 703(c)(2) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapping condition".

(d) Section 703(d) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapping condition".

(e) Section 703(e)(1) of such Act is amended by inserting immediately after the word "sex" the first time it appears a comma and the words "handicapping condition," and by inserting after the word "sex" the second time it appears a comma and the following: "absence of a particular handicapping condition".

(f) Section 703(h) of such Act is amended by inserting after the word "sex" both times it appears in the first sentence of such subsection a comma and the words "handicapping condition".

(g) Section 703(j) of such Act is amended by inserting after "or group" the following: ", or because such individual or the members of the group have a handicapping condition," and by inserting after "national origin" the second and third time it appears the following: "or having a handicapping condition,".

(h) The section heading of section 703 of such Act is amended to read as follows:

"DISCRIMINATION BECAUSE OF RACE, COLOR, RELIGION, SEX, HANDICAPPING CONDITION, OR NATIONAL ORIGIN"

SEC. 4. (a) Section 704(b) of the Civil Rights Act of 1964 is amended by inserting after the word "sex" each time it appears in such subsection a comma and the words "handicapping condition".

(b) Section 706(g) of such Act is amended by inserting after the word "sex" a comma and the words "handicapping condition".

SEC. 5. (a) Section 717(a) of the Civil Rights Act of 1964 is amended by inserting after the word "sex" a comma and the words "handicapping condition".

(b) Section 717(c) of such Act is amended by inserting after the word "sex" a comma and the words "handicapping condition".

SEC. 6. The amendments made by this Act shall take effect July 1, 1980, or six months after the date of its enactment, whichever is later.

SECTION-BY-SECTION ANALYSIS OF THE EQUAL EMPLOYMENT OPPORTUNITY FOR THE HANDICAPPED ACT OF 1979

Section 1 is the enacting clause which states that the Act may be cited as the "Equal Employment Opportunity for the Handicapped Act of 1979".

Section 2 adds a new subsection (1) to Section 701 of the Civil Rights Act of 1964, as amended. The new subsection defines the term "handicapping condition" for the purposes of the Act.

Section 3, subsections (a), (b), (c), and (d) amend Section 703, subsections (a), (b), (c), and (d) of the Civil Rights Act which make unlawful certain employment practices by employers, employment agencies, labor organizations, and joint labor-management committees by adding "handicapping condition" as an impermissible basis for discrimination, limitation, segregation, classification, or exclusion as prohibited by those subsections of the Act.

Section 3(e) amends Section 703(e) of the Act to make the provisions of that subsection regarding bona fide occupational qualifications applicable, under appropriate circumstances, in relation to an individual's particular "handicapping condition."

Section 3(f) amends Section 703(h) of the Act to make applicable in the case of an individual with a "handicapping condition" the provisions of that Section which state that it shall not be an unlawful employment practice for an employer to apply a bona fide seniority or merit system, or a piece rate system or other objective basis for pay rate differentials, or to employ appropriately developed and applied ability tests, provided these actions are not designed, intended or used to discriminate on the basis of "handicapping condition."

Section 3(g) amends Section 703(j) of the Act which states that employers, employment agencies, labor organizations, and joint labor-management committees subject to the Act shall not be required to grant preferential treatment to any individual or group on account of an imbalance which may exist with respect to the total number or percentage of persons of such handicapping condition in any community, state, section, or other area, or in the available workforce.

Section 3(h) amends the Section heading of Section 703 of the Act to include the term "handicapping condition."

Section 4(a) amends Section 704(b) of the Act to add "handicapping condition" as an impermissible basis for the expression of any preference, limitation, specification, or discrimination, in notices or advertisements related to employment, classification or referral for employment, membership in a labor organization or admission to or employment in an apprenticeship or other training program. The existing exception to this prohibition, with regard to bona fide occupation qualifications for employment, is also made applicable to handicapping conditions.

Section 4(b) amends Section 706(g) of the Act to make it clear that the limitation provided by that subsection, on the authority of a court to require the admission or reinstatement of an individual to a union or the hiring, reinstatement, or promotion of an individual, or payment of back pay to an individual not discriminated against in violation of the Act, also applies in the case of discrimination on account of "handicapping condition."

Section 5(a) amends Section 717(a) of the Act to extend the provisions of the Act to protect employees or applicants for employment by the Federal government against discrimination on the basis of "handicapping condition."

Section 5(b) amends Section 717(c) of the Act to provide that employees of the Federal government may bring suit on the grounds of discrimination based on "handicapping condition" against the head of the department, agency, or unit, as appropriate, under the circumstances described in that subsection.

Section 6 provides that the effective date of the amendments made by this legislation shall be July 1, 1980, or six months after the date of its enactment, whichever is later.●

● Mr. JAVITS. Mr. President, I am pleased to join with the chairman of the Human Resources Committee, Senator WILLIAMS, in introducing the Equal Employment Opportunity for the Handicapped Act of 1979.

In the Civil Rights Act of 1964 this Nation established a new standard of justice and in title VII of the act prohibited discrimination in employment on the basis of race, color, religion, sex, or national origin. Workers were no longer to be treated on the basis of irrelevant characteristics but, instead, on the basis of individual merit. We now know that those individuals suffering physical or mental handicap are also all too often treated by employers on the basis of generalizations about particular disabilities, and not on their individual ability to perform a job. Accordingly, the bill we introduce today, S. 446 amends title VII to prohibit employment discrimination against handicapped workers.

In 1973 the Congress partially addressed the problem of assuring equal employment opportunities for the handicapped when it enacted title V of the Rehabilitation Act. Specifically, section 503 of that act prohibits employment discrimination against handicapped workers by Federal contractors and authorizes the Department of Labor to require such contractors to initiate and implement affirmative action plans. This was a significant step toward the important goal of promoting equal employment opportunity for the handicapped, but falls far short of covering all employment situations.

Coverage of the handicapped under title VII will demonstrate the Federal Government's firm commitment to ending discrimination against the handicapped and utilizes an enforcement mechanism already in place to insure that this goal is met.

During the course of hearings on this bill, it is important that we carefully examine the particular problems of physically and mentally handicapped workers as they relate to discrimination in employment. We will need to be sure that the definition of "handicapped" is sufficiently inclusive and at the same time appropriate for enforcement purposes. The committee will review the artificial barriers to hiring and promoting the handicapped to determine if some affirmative requirements, such as making "reasonable accommodation" to their particular needs is critical to true equality of employment opportunity. Similarly, bona fide occupational qualifications will need careful review in the context of handicapped workers. In addition, there will be an examination of the administrative and enforcement mechanisms of the Department of Labor under the Rehabilitation Act in relation to the Equal Employment Opportunity Commission which enforces title VII, and of what additional resources will be required.

These and other relevant issues must be addressed by the committee in its consideration of this bill to make certain that the proper tools will be in place to give handicapped workers the full protection of the Federal Government in their quest to achieve the right they are too often denied, to wit: an opportunity to pursue the careers of their choice and to earn a decent living without being doubly burdened by their handicap, which they can do nothing about, and by employment discrimination. Our Nation should now be ready to remedy employment discrimination against the handicapped.●

● Mr. LEVIN. Mr. President, the Equal Employment Opportunity for the Handicapped Act of 1979, which today I join in sponsoring, is a long overdue move to prohibit discrimination against the handicapped. This country's 7 million handicapped persons who are able to work should be given a chance to lead productive lives. They, as any of us, deserve to be judged on the basis of their abilities. It is as unfair to discriminate against persons because of a handicap as it is to discriminate against someone because of his or her race, color, religion, sex, or national origin. All of these have been prohibited by title VII of the Civil Rights Act of 1964, and this amendment to the 1964 act merely extends the same protection to the handicapped. It does not stop employers from applying legitimate criteria in hiring. It only prohibits them from setting standards that simply discriminate against the handicapped.

Federal law forbids discrimination against the handicapped by the Federal Government, most Federal contractors and those who have received Federal grants. We need to go further to be sure that this sort of discrimination is not practiced anywhere in this country.

My home State, Michigan, already has the language of this amendment in its civil rights statute. The Congress quickly should do the same.●

By Mr. CANNON (by request):

S. 447. A bill to provide authorization of appropriations for the United States Railway Association, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I am introducing today by request legislation to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United States Railway Association. The legislation I am proposing would amend section 214(c) of the "3-R" Act by authorizing to the USRA $30,000,000 for fiscal year 1980.

The United States Railway Association was created by Congress to develop and implement a plan for restructuring the bankrupt railroads of the Northeast region. The Nation's largest railroad, the Consolidated Rail Corporation (ConRail) is the result of that restructuring effort. USRA has the responsibility for providing Federal funds to ConRail so that it can continue to rehabilitate and improve the facilities transferred to it by the estates of the bankrupt railroads and for monitoring the need for and use of these funds. The association also has the unique responsibility for representing the Government in the litigation to determine the value of the assets transferred to ConRail. The possible range of this determination is several billions of dollars. It is important, therefore, that the USRA has adequate funding to carry out its important responsibilities efficiently and effectively.

Mr. President, I ask unanimous consent that the text of the bill and letter of transmittal, with accompanying documents, from the United States Railway Association be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1980, there are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed $30,000,000. Sums appropriated under this subsection are authorized to remain available until expended.".

UNITED STATES RAILWAY ASSOCIATION,
Washington, D.C.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science and Transportation, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR CANNON: The United States Railway Association hereby requests that Section 214(c) of the Regional Rail Reorganization request for fiscal year 1980 of $30 million as indicated in the draft amendment, attached hereto.

The Association requests the opportunity to appear and testify before the Subcommittee on Surface Transportation of the Senate Committee on Commerce, Science and Transportation of the Senate Committee on Commerce, Science and Transportation in support of its fiscal year 1980 request. Our request for an authorization of appropriations totaling $30 million in administrative expenses is explained in the attached justification.

While the Association is requesting an authorization of $30 million for fiscal year 1980, the President's budget includes $23.9 million for fiscal year 1980. The Association is requesting a $30 million authorization to enable it to meet changing circumstances and contingencies during the next fiscal year.

Sincerely,

DONALD C. COLE,
President.

AUTHORIZING LEGISLATION FOR ADMINISTRATIVE EXPENSES

The United States Railway Association was created by Congress to develop and implement a plan for restructuring the bankrupt railroads of the Northeast region of the country into an economically viable system that would meet the rail needs of the region served. As a result of the Association's efforts, the Consolidated Rail Corporation (Conrail) came into being on April 1, 1976 as the nation's largest railroad. The USRA has responsibility for providing funds to Conrail so that it can rehabilitate and improve the facilities transferred to it by the estates of the bankrupt railroads and for monitoring the need for and use of these funds. An authorization of $2.1 billion was enacted early in 1976 to provide for appropriations that would cover the new railroad's losses in its initial years and to provide for rehabilitation and improvement of the railroad's plant and equipment. Because Conrail's efforts to achieve financially self-sustaining operations have not proceeded as originally planned, an additional $1.2 billion was authorized by Congress in October, 1978.

The Association also has the responsibility for representing the Government in the litigation that has been initiated by the estates

concerning the value of the assets transferred to Conrail. An additional continuing function is the monitoring of loans to other railroads which qualified for assistance from the Association pursuant to the Regional Rail Reorganization (RRR) Act.

Section 214(c) of the Regional Rail Reorganizing Act provides authority for appropriations to support the Association's administrative expenses. The current authority is for $27.2 million to cover 1979 expenses. It is now necessary to further amend the Act and provide authority for appropriations of $30 million to cover 1980 administrative expenses.

Because of the unprecedented nature of its responsibilities, the Association has had great difficulty in forecasting its budget requirements for administrative expenses. The work of the Association is dictated in large part by the nature and timing of actions by the Special Court which was created to determine the value to be assigned to the conveyed properties. Likewise, with regard to Conrail, USRA must be responsive to many conditions beyond its control which can affect Conrail's profitability, and thus we have been unable to forecast accurately our need for resources with which to monitor Conrail.

On June 23, 1978 the Special Court issued its Second Pretrial Order in the valuation case. The order established a demanding schedule leading toward the initiation of evidentiary proceedings on values for transferred assets assuming the estates had been able to sell their assets for both rail use and non-rail use in the absence of the RRR Act. This schedule required the transferors to submit in writing their entire direct evidence concerning rail-use values prior to the end of calendar year 1978. By January 31, 1979, the Government parties must submit their affirmative defense evidence in writing to the Court.

Our major effort with respect to litigation throughout the remainder of FY 1979 will be concerned with the development of the Government case on selected rail-use issues, preparation of a defense against rail-use valuation put forth by the estates, and conducting depositions of witnesses for rail-use proceedings. It is the Court's intention to conduct the rail-use proceeding by the deposition process, thus eliminating the need for a traditional trial. Rail-use proceedings will start in the Spring of 1979 and will extend well into FY 1980.

This litigation schedule represents a major departure from the schedule we anticipated just one year ago when we requested our 1979 authorization. At that time the Association was preparing for Court hearings and trials on values relating to the sale of the transferred assets as scrap. The action of the Court on June 23rd which was a follow-up on an order issued on April 18th significantly revised our priorities, and forced us to initiate intensive efforts relating to the sale of transferred assets for both rail use and non-rail use. The Court's Third Pretrial Order directed the parties to use the deposition process for discovery and cross-examination of witnesses.

Significant changes have also taken place in the Association's monitoring role. The Association's Report to Congress on Conrail Performance, 1977, noted that the railroad's overall operating and financial performance had fallen behind the goals of the Final System Plan. We stated that there was a high probability that Conrail's Government investment requirements will substantially exceed the additional $1.2 billion suggested by Conrail in their latest five-year business plan. Given these conditions, the Association is examining options that would increase Conrail's prospects for attaining financial self-sufficiency and reduce its need for further Federal funding. The major variables which must be considered are:

(1) Plant size and configuration.

(2) Market structure.

(3) Productivity of equipment and the work force.

Studies of these broad areas have imposed an unanticipated workload on the Association and have substantially increased its need for funds in 1979.

Thus, the revised litigation effort, the increased monitorship of Conrail and efforts to develop alternatives to Conrail's present make-up result in increased fund requirements. These changes have forced the Association to seek a supplemental appropriation of $4.2 million for 1979 which will increase the funds appropriated for administrative expenses from $23 million to $27.2 million. A balance of $1.3 million from prior year appropriations plus $23 million already appropriated and a supplemental appropriation of $4.2 million will provide a total of $28.5 million for current year administrative expenses.

It is reasonable to assume that 1980 will bring a number of developments that we have been unable to forecast. Although our requirements might decrease as a result of these changes, in the past we have consistently underestimated our future requirements. The President's 1980 budget includes an estimate of $23.9 million for USRA administrative expenses. However, we are proposing an authorization for 1980 of $30 million. This authorization will provide the flexibility that is needed to adapt the Association's program to changing circumstances.

It is extremely important that USRA have resources that are adequate to discharging its responsibilities. Lack of adequate funding could have a very serious impact on the Federal budget. The purpose of the Special Court is to determine the compensation that must be paid to the estates of the bankrupt railroads for the properties that were conveyed to Conrail under the RRR Act. Ultimately the Federal Government will be responsible for assuring that the estates receive the amount that is determined by the Special Court to be just and equitable compensation. The ability of the Association to litigate effectively the basic issues of valuation could significantly affect the ultimate determination of the Special Court. The possible range of this determination is several billions of dollars.

Similarly, the work that USRA is doing on Conrail alternatives will have a substantial impact on the cost of achieving adequate and efficient rail service in the Northeast. Our success in developing feasible alternatives will make a substantial contribution toward achieving the goals of the Final System Plan at least cost to the Government.

The Association obligated $22.5 million for administrative expenses in fiscal year 1978. The FY 1979 requirement is estimated to be $28.5 million and $30 million may be needed for FY 1980. The following table summarizes, by major activity, estimated requirements for FY 1978, FY 1979 and FY 1980.

REQUIREMENTS BY PROGRAM

[Dollar amounts in thousands]

	Fiscal year 1978 actual	Fiscal year 1979 estimate	Fiscal year 1980 estimate
Litigation:			
General counsel	$4,420	$4,884	$6,487
Asset valuation	10,346	11,285	12,687
Operations and marketing	28	35	35
Computer support	1,067	1,366	1,276
Other support	2,788	2,510	2,469
Total	18,649	20,080	22,954
Monitoring:			
General counsel	64	96	101
Finance	462	699	573
Operations and marketing	1,162	1,815	1,837
Computer support	354	667	569
Other support	1,035	857	933
Total	3,077	4,124	4,013
Consideration of alternatives:			
General counsel	5	123	125
Finance	63	616	502
Operations and marketing	155	2,121	1,436
Computer support	364	791	380
Other support	182	627	590
Total	769	4,278	3,033
Grand total	22,495	28,482	30,000
Percentages:			
Litigation	83	71	77
Monitoring	14	14	13
Consideration of alternatives	3	15	10
Total	100	100	100

●

By Mr. CANNON (by request):

S. 448. A bill to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, today I am introducing, by request, the Rail Public Counsel Authorization Act of 1980 for appropriate reference.

The Office of Rail Public Counsel was established as an independent agency under section 304(a) of the Railroad Revitalization and Regulatory Reform Act of 1976. This agency was created to further, through administrative and judicial proceedings involving rail common carriers, the representation of the public interest in advancing safe and efficient rail transportation. The office has the responsibility to evaluate and present, as a participant in a pertinent proceeding, the views of communities and users of the rail system who would not otherwise be adequately represented.

The legislation amends section 27(6) of the Interstate Commerce Act, to authorize an appropriation not to exceed $1,850,000 for fiscal year 1980. Such a request has been made to meet the budgetary requirements for providing continued presentation of public interest considerations in appropriate rail proceedings.

Mr. President, I ask unanimous consent that the text of the bill and the letter of transmittal from the Office of Rail Public Counsel be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 27(6) of the Interstate Commerce Act (49 U.S.C. 26b(6)) is amended—

(1) by striking out "and" immediately after "1977,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and not to exceed $1,850,000 for the fiscal year ending September 30, 1980.".

OFFICE OF RAIL PUBLIC COUNSEL,
Washington, D.C., January 30, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill, "To authorize further appropriations for the Office of Rail Public Counsel."

The Railroad Revitalization and Regulatory Reform Act of 1976 (Pub. L. No. 94-210) established the Office of Rail Counsel for the purpose of representing before the Interstate Commerce Commission, other federal agencies and the courts the "public interest in safe, efficient, reliable, and economical rail transportation services". An authorization for fiscal year 1980 is necessary for the Office to continue performance of the functions and responsibilities contained in Pub. L. No. 94-210.

The proposed bill would authorize $1,850,000 for fiscal year 1980 and such sums as are necessary for fiscal year 1981.

This Office has been advised by the Office of Management and Budget that enactment of the proposed bill would be in accord with the President's program.

Sincerely,

HOWARD A. HEFFRON,
Director.●

By Mr. DECONCINI (for himself and Mr. BUMPERS):

S. 450. A bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes; to the Committee on the Judiciary.

SUPREME COURT JURISDICTION ACT OF 1979

● Mr. DECONCINI. Mr. President, I am pleased today to introduce the Supreme Court Jurisdiction Act of 1979, a bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes.

If the Supreme Court Jurisdiction Act is enacted into law it will be the culmination of a long and historic process converting the appellate jurisdiction of the Supreme Court from one totally obligatory in nature to one that, with a few minor exceptions, will be almost totally discretionary. In the modern era of burgeoning litigation, when the Court is overwhelmed with caseloads and workloads, the maintenance of any substantial amount of obligatory decision-making is inexcusable and counterproductive. It detracts from the Court's ability to control its own docket and to effectuate its constitutional mission of resolving only those matters that are of truly national significance. That essentially is why Chief Justice Burger, like so many other observers, has repeatedly proposed that "all mandatory jurisdiction of the Supreme Court that can be, should be eliminated by statute."

To understand why the enactment of this bill is so desirable and, indeed, so essential, one must examine the role that obligatory jurisdiction has played in the Supreme Court's execution of its appellate functions. It is a jurisdiction steeped in history, but productive of confusion and mismanagement. History has shown that imposing such mandatory functions on the Supreme Court tends to weaken the Court's capacity both to control its own docket and to confine its labors to the frontiers of national law. And history has further shown that the Court, in an effort to counteract the workload problems of this compulsory jurisdiction, has increasingly disposed of "insubstantial" appeals in summary ways that the bar, the lower courts, and many commentators often find confusing and opaque, if not inconsistent with the nondiscretionary theory underlying the disposition of appeals. Much of the criticism of the Court's treatment of appeals has emanated from some of those on the Court who have participated in the execution of these mandatory functions.

There are six major reasons for abolishing the Supreme Court's obligatory jurisdiction. First, it is unnecessary to the Court's performance of its role in our society.

Second, it impairs the Court's ability to select the right time and the right case for the definitive resolution of recurring issues.

Third, it imposes burdens on the Justices that may hinder the Court in the performance of its function as expositor of the national law.

Fourth, the existence of the obligatory jurisdiction has made it necessary for the Court to hand down summary dispositions that create confusion for lawyers, for lower court judges, and for citizens who must conform their conduct to the requirements of Federal law.

Fifth, the obligatory jurisdiction creates burdens for lawyers seeking Supreme Court review.

Finally, even if the idea of having an obligatory jurisdiction were sound, there is no practical way of describing, in legislation, the kinds of cases that should fall within it.

Congress would do well to eliminate, as proposed in this bill, the last large vestiges of a jurisdiction that has proved unnecessary, burdensome, and controversial. Whatever justification may once have existed for forcing the Court to decide the merits of all cases falling within certain arbitrary classifications, regardless of their importance or lack thereof, has long since disappeared.

The long historic experiment of imposing on the Supreme Court an obligation to resolve appeals taken to it as of right has utterly failed. The modern problems and practices of the Court simply do not permit the luxury of determining the merits of all cases within any designated jurisdictional class. To survive as a viable institution, to control its docket to perform its great mission, the Supreme Court must be given total freedom to select for resolution those few hundred cases—out of the several thousands that are filed each year—that are found truly worthy of review. The Supreme Court Jurisdiction Act will help to achieve that goal by reducing the needless mandatory burdens virtually to the vanishing point.

For all of these reasons, I urge your support of the enactment of this bill which would eliminate substantially all of the Supreme Court's mandatory appellate jurisdiction, leaving the Court with discretionary control of its appellate docket.

This bill was introduced last Congress as S. 3100 and was strongly supported by all nine Justices of the Supreme Court. I ask unanimous consent to insert in the RECORD at this point the bill, a letter I received signed by all nine Justices, and an excerpt from an opinion by Mr. Justice Stevens.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 450

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Supreme Court Jurisdiction Act of 1979".

SEC. 2. Section 1252 of title 28, United States Code, is repealed.

SEC. 3. Section 1254 of title 28, United States Code, is amended by deleting subsection (2), by redesignating subsection (3) as subsection (2), and by deleting "appeal;" from the title.

SEC. 4. Section 1257 of title 28, United States Code, is amended to read as follows:

"§ 1257. State courts; certiorari

"Final judgments or decrees rendered by the highest court of a State in which a decision could be had may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of any State is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution, treaties, or statutes of, or commission held or authority exercised under, the United States.

"For the purposes of this section, the term 'highest court of a State' includes the District of Columbia Court of Appeals.".

SEC. 5. Section 1258 of title 28, United States Code, is amended to read as follows:

"§ 1258. Supreme Court of Puerto Rico; certiorari

"Final judgments or decrees rendered by the Supreme Court of the Commonwealth of Puerto Rico may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of the Commonwealth of Puerto Rico is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution, treaties, or statutes of, or commission held or authority exercised under, the United States.".

SEC. 6. The analysis at the beginning of chapter 81 of title 28, United States Code, is amended to read as follows:

"Chapter 81.—SUPREME COURT

"Sec.
"1251. Original jurisdiction.
"1252. Repealed.
"1253. Direct appeals from decisions of three-judge courts.
"1254. Court of appeals; certiorari; certified questions.
"1255. Court of Claims; certiorari; certified questions.
"1256. Court of Customs and Patent Appeals; certiorari.
"1257. State courts; certiorari.
"1258. Supreme Court of Puerto Rico; certiorari.".

SEC. 7. Section 314 of the Federal Election Campaign Act of 1971, as added by section 208(a) of the Federal Election Campaign Act Amendments of 1974, as redesignated and amended (2 U.S.C. 437h), is amended:

(a) by deleting subsection (b); and

(b) by redesignating subsection (c) as subsection (b).

SEC. 8. Section 2 of the Act of May 18, 1928 (25 U.S.C. 652) is amended by deleting ", with the right of either party to appeal to the Supreme Court of the United States".

SEC. 9. Subsection (d) of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652 (d)) is amened by deleting the last sentence.

SEC. 10. This Act shall take effect ninety days after the date of enactment. However, it shall not affect cases then pending in the Supreme Court, nor shall it affect the right to review, or the mode of reviewing, the judgment or decree of a court when the judgment or decree sought to be reviewed was entered prior to the effective date of this Act.

SUPREME COURT OF THE UNITED STATES,
Washington, D.C., June 22, 1978.

Re S. 3100.

DEAR SENATOR DECONCINI: In response to your invitation and inquiries, we write to comment on proposed limitations of the Supreme Court's mandatory jurisdiction, specifically those contained in S. 3100. Various Justices have spoken out publicly on the issue on prior occasions, all stating essentially the view that the Court's mandatory jurisdiction should be severely limited or eliminated altogether. Your invitation, however, enables all of us, after discussions within the Court, to express our common view on the matter.

We endorse S. 3100 without reservation and urge the Congress to enact it promptly.

Our reasons are similar to those so ably presented in hearings before the Senate on June 20, 1978, by Solicitor General McCree, Assistant Attorney General Meador, Professor Gressman and others. First, any provision for mandatory jurisdiction by definition permits litigants to bring cases to this Court as of right and without regard to whether those are of any general public importance or concern. Thus, the Court is required to devote time and other finite resources to deciding on the merits cases which do *not*, in Chief Justice Taft's words, "involve principles, the application of which are of wide public importance or governmental interest, and which should be authoritatively declared by the final court." To the extent that we are obligated by statute to devote our energies to these less important cases, we cannot devote our time and attention to the more important issues and cases constantly pressing for resolution in an increasing volume—as witness the current Term now in its closing weeks.

The problem we describe is substantial. We are attaching to this letter an appendix consisting of statistical tables covering the October 1976 Term. As these tables indicate, during the 1976 Term almost half of the cases decided by this Court on the merits were cases brought here as of right under the Court's mandatory jurisdiction. Although presumably the percentage decreased during the 1977 Term because of Congressional action in 1976 severely limiting the jurisdiction of three-judge federal district courts, the burden posed by appeals as of right remained substantial and unduly expended the Court's resources on cases better left to other courts.

Second, the retention of mandatory jurisdiction at a time when the Court's caseload is heavy and growing requires the Court to resort to the generally unsatisfactory device of summary dispositions of appeals. There is no necessary correlation between the difficulty of the legal questions in a case and its public importance. Accordingly, the Court often is required to call for full briefing and oral argument in difficult cases of no general public importance. The Court cannot, however, accord plenary review to all appeals; to have done so during the October 1976 Term, for example, would have required at least 13 additional weeks of oral argument, almost a doubling of the argument calendar—an utterly impossible assignment. As a consequence, the Court must dispose summarily of a substantial portion of cases within its mandatory jurisdiction, often without written opinion. However, because these summary dispositions are decisions on the merits, they are binding on state courts and other federal courts. See *Mandel* v. *Bradley*, 432 U.S. 173 (1977); *Hicks* v. *Miranda*, 422 U.S. 332 (1975). Yet, as we know from experience, our summary dispositions often are uncertain guides to the courts bound to follow them and not infrequently create more confusion than clarity. From this dilemma we perceive only one escape consistent with past Congressional decisions defining the Court's mandatory jurisdiction: Congressional action eliminating that jurisdiction. Accordingly, we endorse S. 3100 and urge its adoption.

Cordially and respectfully,

Warren E. Burger, William J. Brennan, Potter Stewart, Byron R. White, Thurgood Marshall, Harry A. Blackmun, Lewis F. Powell, William H. Rehnquist, and John P. Stevens.

EXCERPT

On June 15, 1978, Mr. Justice Stevens prefaced his announcement of two opinions of the Supreme Court, affirming two decisions of state supreme courts, with the following oral statement on behalf of the Court:

These two cases will be of interest to a limited segment of the Bar that practices in tax law and more narrowly in taxation by the states of various business entities. They both come here by appeal from the highest court of a state, one from the State of Massachusetts and the other from the State of Iowa.

At least one of these cases almost certainly would not have been heard by the Court if the Court had discretion to decide whether or not to hear it. They are both here under our mandatory jurisdiction where the Court must decide on the merits the cases in which a state court has upheld a state statute against a federal constitutional challenge. They are examples, at least one of them, of the kind of cases in which the Court would hope that Congress would consider moving our mandatory jurisdiction.●

By Mr. SCHWEIKER:

S. 451. A bill to amend the Public Health Service Act to revise and extend the programs of the National Institute of Arthritis, Metabolism and Digestive Diseases with respect to diabetes, to revise and extend the authorizations for the National Diabetes Advisory Board, and for other purposes; to the Committee on Human Resources.

DIABETES RESEARCH AND TRAINING AMENDMENTS AND NATIONAL DIABETES ADVISORY BOARD EXTENSION ACT OF 1979

● Mr. SCHWEIKER. Mr. President, today I am pleased to introduce the Diabetes Research and Training Amendments and National Diabetes Advisory Board Extension Act of 1979.

This legislation reaffirms congressional commitment to the fight against diabetes and its many serious complications. It builds upon our past efforts—notably the Diabetes Mellitus Research and Education Act, the National Diabetes Advisory Board Act, and related appropriations Acts—and is designed to insure that our commitment to improved diabetes-related research, training, education, and treatment programs is maintained and upgraded.

Since passage of the Diabetes Mellitus Research and Education Act which I authorized and the subsequent report of the National Commission on Diabetes, there has been a growing realization in Congress and among the American people that diabetes is not an "OK disease," cured by insulin. Increasingly, we have become aware of the fact that our efforts to improve diabetes research, education, and treatment must be intensified. Diabetes is not an "OK disease." It ranks among the leading killers. It afflicts as many as 10 million Americans. It is the leading cause of adult blindness in this country, and its many devastating, sometimes fatal, complications include kidney and heart disease, diabetic neuropathy, and stroke. Disproportionately, it strikes the aged, poor, and black. Insulin is a lifesaving control for insulin insufficiency but not a cure for diabetes, and it does not check the progress of complications. Nor do widely used oral diabetes drugs cure milder forms of the disease; in fact, there is substantial evidence that treatment with these drugs may actually increase the diabetic's risk of dying from heart disease.

The bill I introduce today is designed to maintain and strengthen the Federal Government's efforts to improve prevention, diagnosis, and treatment of diabetes. Clearly the key to better care and, eventually, finding a cure, is research. Our research efforts through the National Institutes of Health have increased three-fold since 1976. The increase has paid off handsomely in promising research breakthroughs for example in the development of photocoagulation treatment for diabetic retinopathy and in support for basic research in recombinant DNA techniques leading to the synthesis of human insulin. The legislation I am submitting extends the Diabetes Research and Training Center program and strengthens the role of the associate director for diabetes within the NIH as the primary Federal official with responsibility for diabetes research and training activities. For too many years, diabetes efforts were split up among several institutes and agencies: What was everybody's responsibility was no one's chief priority. The establishment of an associate director for diabetes has changed that, and my new bill enhances his role.

The National Diabetes Advisory Board has performed a critical function in keeping our diabetes programs on track. The Board brings together responsible Federal agencies, scientists and health professionals, and concerned lay people. Together, they are charged with reviewing and evaluating the progress of diabetes programs, in light of the diabetes plan developed by the National Commission on Diabetes and making recommendations to the executive branch and the Congress. Public efforts and private voluntary agencies are linked, to their mutual benefit. I believe that the vital functions of the Board must be continued and the diabetes plan updated to insure its continuing relevance, as this bill provides.

My bill also acknowledges the increasing importance of diabetes activities at the National Institutes of Health and enhances program visibility by adding "diabetes" to the title of the National Institute of Arthritis, Metabolism, and Digestive Diseases.

Mr. President, I want to make it clear

that this bill does not create a new bureaucracy or call for any large new expenditures of Federal funds. In light of current fiscal restraints, there has been an effort to keep authorizations to a modest level. The National Diabetes Advisory Board is continued through 1985 at the same level as fiscal year 1978. Authorizations for Diabetes Research and Teaching Centers are reduced to $14 million in 1981, gradually rising to the fiscal year 1979 level of $20 million for the fiscal years 1983–85. In addition, as a strong supporter of the "sunset" concept, I have included a specific 5-year sunset for the advisory board.

In many ways, the organization of diabetes programs has become a model for the organization of Federal efforts aimed at combating a chronic, systemic disease that crosses the traditional boundaries of the research institutes and other Federal programs. It is a model that seems to have worked exceptionally well for diabetes, and I will be chairing a hearing of the Subcommittee on Health and Scientific Research of the Senate Human Resources Committee on Monday to examine accomplishments to date and any program changes that are needed to continue our progress in the search for a cure for diabetes and its complications.

In my role as ranking Republican on the subcommittee, and on the full Human Resources Committee, as well as ranking Republican on the Labor-HEW Appropriations Subcommittee, I intend to continue to focus on the need for improved diabetes programs during the 96th Congress. I want to acknowledge the important contributions of dedicated Federal officials like Dr. Frederickson and Dr. Salans of the National Institutes of Health and Dr. Foege and Dr. Flynt of the Center for Disease Control, and the critical work of private sector groups like the Juvenile Diabetes Federation and American Diabetes Association. With the continued support of my colleagues in the Congress, I am confident that our diabetes programs will be sustained and improved.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 451

SHORT TITLE; REFERENCE TO ACT

SEC. 1. (a) This Act may be cited as the "Diabetes Research and Training Amendments and National Diabetes Advisory Board Extension Act of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

(c) Whenever in the amendments made by this Act the title "Director" is used, the reference shall be considered to be made to the Director of the National Institute of Arthritis, Metabolism, Diabetes and Digestive Diseases unless otherwise indicated.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM, DIABETES AND DIGESTIVE DISEASES

SEC. 2. (a) Section 434 (a) is amended by inserting "Diabetes," after "Metabolism," each place it occurs.

(b) Section 434 (b) is amended to read as follows:

"(b)(1) There are established within the National Arthritis, Metabolism, Diabetes and Digestive Diseases Advisory Council a subcommittee on diabetes, a subcommittee on arthritis, a subcommittee on digestive diseases, and a subcommittee on kidney diseases. The subcommittee shall be composed of members of the Council who are outstanding in the diagnosis, prevention, and treatment of diabetes, arthritis, digestive diseases, and kidney diseases, respectively. The subcommittees shall review applications made to the Director for grants for research projects relating to the diagnosis, prevention, and treatment of diabetes, arthritis, digestive diseases, and kidney diseases and shall recommend to the full Advisory Council those applications and contracts which they determine will best carry out the purposes of this part. The subcommittees shall also review and evaluate the diabetes, arthritis, digestive diseases, and kidney diseases programs under this part and recommend to the Council such changes in the administration of such programs as they determine are necessary.

"(2) The Advisory Council, taking into account the recommendations of the subcommittees, shall review the applications made to the Director for grants for research projects and recommend to the Director for approval those applications and contracts which the Council determines will best carry out the purposes of this part, and shall recommend to the Director such changes in program administration as it determines are necessary.".

ASSOCIATE DIRECTOR FOR DIABETES

SEC. 3. Section 434(d) is amended to read as follows:

"(d)(1) There is established within the Institute the position of Associate Director for Diabetes, who shall report directly to the Director, except as provided in paragraph (4).

"(2) Acting through the Associate Director for Diabetes, the Director shall—

"(A) carryout programs of support for research and training in the diagnosis, prevention, and treatment of diabetes mellitus and related endocrine and metabolic diseases, and

"(B) establish programs of evaluation, planning, and dissemination of knowledge related to research and training in diabetes mellitus and related endocrine and metabolic diseases.

"(3) The Associate Director for Diabetes shall have primary responsibility for all diabetes mellitus-related activities supported or conducted by the National Institutes of Health, shall serve as an information resource and contact point for public and private agencies with respect to such activities; and shall report and make specific recommendations to the Director of the National Institutes of Health with respect to the functions described in paragraph (4) on a regular basis.

"(4) After consultation with appropriate Federal agencies, the Associate Director for Diabetes shall be responsible for—

"(A) development, through the Diabetes Mellitus Coordinating Committee, of a coordinated plan for the National Institutes of Health with respect to diabetes-related research; training; and data and information collection, analysis, and dissemination;

"(B) development of sound management approaches for diabetes-related activities within the National Institutes of Health;

"(C) collection and evaluation of epidemological data with respect to diabetes;

"(D) identification of research opportunities in Federal diabetes-related activities, including specific recommendations for means to take advantage of such opportunities;

"(E) coordination of information dissemination activities with respect to diabetes; and

"(F) preparation and submission to the Director of the National Institutes of Health of an annual, coordinated budget for all diabetes activities supported by the National Institute of Health, including specific recommendations with respect to fiscal issues relating to such activities.".

DIABETES RESEARCH AND TRAINING CENTERS

SEC. 4. Section 435 is amended by—

(a) redesignating subsection (b) as subsection (c), and inserting the following new subsection (b):

"(b) In connection with training programs conducted in accordance with subsection (a), the Secretary shall provide, from the amounts authorized to be appropriated in subsection (d), not to exceed 10 training stipends through each center in any fiscal year.".

(b) redesignating subsection (c) as subsection (d), striking the word "and" after "1979," in subsection (d), and inserting before the period ", $14,000,000 for the fiscal year ending September 30, 1981, $17,000,000 for the fiscal year ending September 30, 1982, and $20,000,000 for each of the next three fiscal years.".

NATIONAL DIABETES ADVISORY BOARD

SEC. 5. (a) Section 436A(a)(1) is amended to read as follows:

"(1) The following ex officio members: The Assistant Secretary for Health or his designee, the Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, Diabetes, and Digestive Diseases or his designee, the Director of the National Heart, Lung and Blood Institute or his designee, the Director of the National Eye Institute or his designee, the Director of the National Institute of Child Health and Human Development or his designee, the Director of the Center for Disease Control or his designee, the Administrator of the Health Resources Administration or his designee, the Administrator of the Health Services Administration or his designee, the Associate Director for Diabetes of the National Institutes of Arthritis, Metabolism Diabetes and Digestive Diseases or his designee, and the Chief Medical Director of the Veterans' Administration or his designee.".

(b) Section 436A(e) is amended to read as follows:

"(e) The appointed members of the Board shall be appointed for terms of three years each, except that, of the appointed members serving on the date of enactment of the Diabetes Research and Training Amendments and National Diabetes Advisory Board Extension Act of 1979, six shall be reappointed for terms of two years each.".

(c) Section 436A(f) is amended by—

(1) striking the word "and" at the end of paragraph (1) and inserting ", as amended and updated in accordance with paragraph (2),";

(2) redesignating paragraph (2) as paragraph (3) and inserting the following new paragraph (2):

"(2) amend and make such changes in the Diabetes Plan as the Board determines are necessary to ensure its continuing relevance, and".

(d) Section 436A(k) is amended by striking the "and" after "September 30, 1979," and inserting before the period ", and each of the next five fiscal years.".

(e) Subsection (1) is amended by striking "September 30, 1980," and inserting in lieu thereof "September 30, 1985.".●

By Mr. STAFFORD:

S. 456. A bill to provide loans for the prevention or retarding of streambank

erosion which threatens public and private facilities; to the Committee on Environment and Public Works.

STREAMBANK EROSION LOANS

● Mr. STAFFORD. Mr. President, today I am reintroducing legislation similar to a bill that I introduced last year. This bill would establish a program of loans that would be available to any person whose land is undergoing severe streambank erosion.

More can and should be done to meet the accelerating problem of streambank erosion. For that reason, this bill would make available $50 million in interest-free loans to assist individuals and communities in providing more effective erosion control.

Frankly, I cannot state that the dollar authorization figure in this bill necessarily reflects the full national need. Also, there may be a valid need to impose a modest interest charge on such loans. But I believe that a pressing need exists for streambank erosion control. I would hope that hearings can be held on this legislation hearings that will focus attention on the need and benefits from a stepped-up effort to control streambank erosion.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 456

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that streambank erosion destroys property, both public and private, creates and aggravates flooding, increases sedimentation in the Nation's rivers, adds to the needs for disaster assistance in many areas, and creates annual financial and environmental losses to the Nation.

(b) The Congress, therefore, determines that it is in the national interest to assist agencies and individuals, both public and private, in lessening, and when possible preventing, the erosion of streambanks, particularly when such erosion threatens, or can be expected to threaten, public and private facilities and structures.

SEC. 2. (a) The Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the "Secretary") is authorized to provide loans of up to $10,000 to any public or private group or agency or individual for a period of ten years for the purpose of stabilizing streambanks when erosion of such streambank threatens, or can be expected to threaten, any facility or structure, or produce or seriously aggravate the danger of flooding. Plans for any work to be undertaken with a loan under this section shall be submitted to the Secretary. Approval by the Secretary of such plans shall be a commitment of the Secretary to such loan. Notwithstanding the first sentence of this subsection, any loan to a public agency may be for a period of twenty years and for a sum up to $25,000.

(b) Loans granted under this section shall be free of interest. Repayment shall be required in equal installments.

(c) The sum of $50,000,000 is authorized to be appropriated to the Secretary to carry out this section, and shall remain available until expended.●

By Mr. STAFFORD:

S. 457. A bill to authorize the Corps of Engineers to provide technical assistance in streambank erosion control; to the Committee on Environment and Public Works.

STREAMBANK EROSION TECHNICAL ADVICE

● Mr. STAFFORD. Mr. President, one of the more troublesome water-related problems for many areas of the Nation—certainly in the Northeast—involves streambank erosion, which cuts away at property, undermines homes, and produces severe siltation. At times of heavy rainfall, erosion often uproots trees, which then blocks streams and produces significant flooding.

During the 93d Congress, the Streambank Erosion Control Evaluation and Demonstration Act of 1974 was enacted, authorizing a number of demonstration projects.

The bill I am submitting today would provide a supplement authority, allowing the Army Corps of Engineers to assist local government and individuals in planning to combat serious streambank erosion. This legislation does not provide a penny toward the cost of construction work to retard erosion. But by making the corps' expertise available to local communities and property owners, this bill should enable the public more effectively to help itself.

Mr. President, the Senate adopted legislation similar to this last year as a part of the omnibus water resources legislation, which failed to win House approval. I am hopeful that this approach can again win approval by the Senate, for this form of assistance is needed.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, shall provide technical assitsance in methods to retard streambank erosion to any person or agency requesting such assistance, if the applicant is experiencing, or can be expected to experience, erosion threatening dwellings or loss of property. The Secretary may also provide assistance to an applicant who would be likely to be affected by flooding downstream from property threatened by erosion, provided the owner of such property agrees to allow the applicant to perform erosion retarding work.

SEC. 2. To carry out this act, the sum of $2,000,000 is authorized to be appropriated to the Secretary in each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.●

By Mr. STAFFORD:

S. 458. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service, and for other purposes; to the Committee on Finance.

COMMUNITY MENTAL HEALTH ASSISTANCE ACT OF 1979

● Mr. STAFFORD. Mr. President, it is my pleasure to introduce the Community Mental Health Assistance Act of 1979. This bill will amend title 18 of the Social Security Act to establish provider status under medicare for qualified community mental health centers, to provide coverage of partial hospitalization services for mental health care in lieu of inpatient hospitalization, and to provide for reimbursement of outpatient services provided by a community mental health center.

Medicare coverage of mental health services has been unchanged since 1965 and is extremely limited. The lack of adjustment to Federal, State and local deinstitutionalization efforts and strategies to promote ambulatory mental health services has contributed to the abandoning of many elderly and disabled Americans in need of mental health care. That the emphasis in current law is on institutionalization is borne out by the fact that more than 80 percent of medicare expenditures for mental health is concentrated on institutional inpatient hospital care. This is true even though the trend in the mental health field is toward deinstitutionalization and provision of care in the least restrictive setting.

Originally designed to concentrate Federal funds for active treatment, the current medicare program attempts to avoid refinancing of State institutions and nonmedical services by placing limits on the lifetime use of inpatient services and limiting outpatient mental health coverage to a maximum of $250 annually while requiring a 50 percent copayment by the elderly or disabled recipient, even if that person is poor.

As a result, the medicare system of financing has created numerous disincentives which first, do not allow services meaningful to the patient's choice; second, foster overinstitutionalizing; third, fund mental health services through health agencies and providers more than through specialties for mental health; fourth, promote unnecessary utilization of health care providers (particularly ICF's, nursing homes, and other inpatient facilities) when mental health services are needed.

Mr. President, the bill I am introducing today would first, eliminate economic barriers for the elderly to utilize mental health services; second, offer freer choice to the aged and disabled, who participate in medicare, so that they need not be placed in institutional settings; third, breach the gap in existing law between medicare and the Federal community mental health centers, so that services are more readily available to the elderly, and we do not neglect our original course of sponsoring community mental health care; fourth, provide cost-effective alternatives in services delivery, which insurance companies incorporate but which are not available in medicare; fifth, establish strict controls over the use of medicare funds, so that outpatient mental health services are provided only when stiff utilization review is in effect; sixth, take steps to concentrate medicare reimbursement and financing on the goals and outcomes of services rather than on the professional judgment of providers.

Mr. President, this proposal was developed in consultation with experts in the field and implements two of the most important mental health financing recommendations of the President's Commission on Mental Health, as well as the recommendations of the Rural Health Task Force and the Elderly Mental Health Task Force to the commission.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Community Mental Health Assistance Act of 1979."

SEC. 2. (a) Section 1812(a) of the Social Security Act is amended by striking out "and" in paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and by adding the following two new paragraphs at the end thereof:

"(4) outpatient services provided by a community mental health center for up to 25 visits during a year; and

"(5) partial hospitalization services by a community mental health center for up to 60 visits during a year.".

(b) Section 1812(b) of such Act is amended by striking out "or" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon, and by adding the following two new paragraphs at the end thereof:

"(4) outpatient services furnished to him by a community mental health center after such services have been furnished to him for a total of 25 visits during a year; and

"(5) partial hospitalization services furnished to him by a community mental health center after such services have been furnished to him for a total of 60 visits during a year.".

(c) Section 1812(c) of such Act is amended by adding the following new sentence at the end thereof: "In determining the 190-day limit with respect to any individual under subsection (b)(3), the Secretary shall include one day for every three partial hospitalization visits to a community mental health center by such individual.".

(d) Section 1812(e) of such Act is amended by inserting "outpatient mental health services and partial hospitalization services furnished by a community mental health center," after "extended care services,".

SEC. 3. (a) Section 1814(a)(2) of the Social Security Act is amended by striking out "or" at the end of subparagraph (D), by inserting "or" after the semicolon at the end of subparagraph (E), and by adding the following new subparagraph after subparagraph (E):

"(F) in the case of outpatient services or partial hospitalization services furnished by a community mental health center, by or under the case management of a physician, such services are or were required for the mental health treatment of an individual, and such treatment can or could reasonably be expected to improve the condition for which such treatment is or was necessary;".

(b) Section 1814(a) of such Act is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by adding the following two new paragraphs at the end thereof:

"(8) with respect to services furnished by a community mental health center in connection with a partial hospitalization visit, such center shall make available to the Secretary a statement, in writing and signed by the individual or his representative (pursuant to regulations issued by the Secretary) before receiving such services, indicating that the individual understands that three partial hospitalization visits will reduce by one day the number of days of inpatient psychiatric hospital services to which such individual is entitled during his lifetime under this part; and

"(9) with respect to services furnished by an inpatient hospital in connection with inpatient psychiatric care, such hospital makes available to the Secretary a statement, in writing and signed by the individual or his representative (pursuant to regulations issued by the Secretary) before receiving such care, indicating that use of inpatient hospital services will reduce on a daily basis the lifetime inpatient entitlement under this Act, and that the individual understands that.". one day of inpatient psychiatric hospital care will reduce by three the number of partial hospitalization visits to which such individual is entitled during such spell of illness.".

(c) Section 1814(b) of such Act is amended by adding the following new paragraph at the end thereof:

"( ) The amount paid with respect to community mental health center services shall be equal to the costs which are reasonable and related to the cost of providing such services or on such other tests of reasonableness as the Secretary may prescribe in regulations, including those authorized under Section 1861(v)(1)(A).

(d) Section 1814 of such Act is amended by adding the following new subsection at the end thereof:

"(K) Payments for partial hospitalization services by a community mental health center on behalf of an individual which are rendered for visits in excess of 10 visits per year shall be made only after a treatment review committee of a community mental health center has certified prior to the eleventh visit during a year and an external utilization review committee (as defined in section 1861(ee)) has certified prior to the thirty-sixth visit during such year, that such services are necessary and appropriate.".

SEC. 4. Section 1861 of the Social Security Act is amended by adding the following new subsections at the end thereof:

"OUTPATIENT SERVICES BY A COMMUNITY MENTAL HEALTH CENTER

"(bb) The term 'outpatient services by a community mental health center' means the following items and services furnished to an outpatient of a community mental health center by such center in accordance with a treatment plan:

"(1) active diagnostic, therapeutic, or rehabilitative mental health services, including crisis intervention outside the facility and home mental health visits, when provided by a physician or by another qualified mental health professional under the case management of a physician as prescribed by the Secretary;

"(2) such other related services necessary to the mental health of an individual, when provided by a physician or by another qualified mental health professional, under the case management of a physician, which are ordinarily furnished to outpatients in such center; and

(3) drugs and biologicals which cannot be, as determined by the Secretary, self-administered.

"PARTIAL HOSPITALIZATION SERVICES BY A COMMUNITY MENTAL HEALTH CENTER

"(cc) The term 'partial hospitalization services by a community mental health center' includes—

"(1) active, professional treatment (with at least 75 per centum of the time of attendance in active therapies) of a person with acute mental or emotional disabilities, with such treatment being based upon an individualized treatment plan which is regularly updated;

"(2) coordination of related services to assist treatment, and

"(3) demonstrated capacity to respond to crisis and emergencies of persons in treatment on a 24-hour basis, 365 days during a year (including medical emergencies while the person is in attendance at the facility).

"The treatment plan for such services may include, but is not limited to, diagnosis and evaluation (including psychological, physical, and nutritional assessment), formal and informal psychotherapy (individually or in groups or families), chemotherapy, and other modalities designed to improve the condition of the patient.

"The services of this section are limited to persons not requiring 24-hour inpatient care or 24-hour supervision in noninpatient care entities.

"COMMUNITY MENTAL HEALTH CENTER

"(dd) The term 'community mental health center' means a public or private entity which—

"(1) is primarily engaged in providing services for the diagnosis and treatment of emotionally disturbed and mentally ill persons, has a requirement that all mental health care will be under the supervision of one mental health professional, and has appropriate arrangements to insure that all patients requiring medical services are referred to a physician;

"(2) in the case of a center in any State in which State or applicable local law provides for the licensing of community mental health centers, is licensed pursuant to such law;

"(3) has bylaws in effect with respect to its staff;

"(4) meets such staffing requirements as the Secretary finds necessary;

"(5) maintains clinical records on all patients;

"(6) has in effect a utilization review plan pursuant to subsection (ee);

"(7) has in effect an agreement with a hospital pursuant to subsection (ff);

"(8) has appropriate procedures or arrangements in compliance with applicable State and Federal law, for storing, administering, and dispensing drugs and biologicals; and

"(9) meets the definition of—

"(A) a community mental health center in section 201 (a) and (c) of the Community Mental Health Centers Act and the requirements prescribed by regulation thereunder; or

"(B) a community mental health center which meets appropriate Joint Commission on Accreditation of Hospital Standards, and other additional regulations as the Secretary may prescribe.

"UTILIZATION REVIEW PLAN OF A COMMUNITY MENTAL HEALTH CENTER

"(ee) A utilization review plan of a community mental health center shall be considered sufficient if it is applicable to services furnished by the center to individuals entitled to insurance benefits under this title and if it provides—

"(1) for the review, on a sample or other basis, of admissions to the centers, and the professional services (including drugs and biologicals) furnished, (A) with respect to the mental health necessity of the services, and (B) for the purpose of promoting the most efficient use of available health facilities and services; and

"(2) for such review to be made by an external utilization review committee which is established in a manner as may be approved by the Secretary.

"TRANSFER AGREEMENT BETWEEN HOSPITAL AND COMMUNITY MENTAL HEALTH CENTER

"(ff) A hospital and a community mental health center shall be considered to have a

transfer agreement in effect if, by reason of a written agreement between them or (in case the two institutions are under common control) by reason of a written undertaking by the person or body which controls them, there is reasonable assurance that—

"(1) transfer of patients will be effected between the hospital and the community mental health center whenever such transfer is medically appropriate as determined by the attending physician; and

"(2) there will be interchange of medical and other information necessary or useful in the care and treatment of individuals transferred between the institutions, or in determining whether such individuals can be adequately cared for otherwise than in either of such institutions.

Any community mental health center which does not have such agreement in effect, but which is found by a State agency (of the State in which such facility is situated) with which an agreement under section 1864 is in effect (or, in the case of a State in which no such agency has an agreement under section 1864, by the Secretary) to have attempted in good faith to enter into such an agreement with a hospital sufficiently close to the facility to make feasible the transfer between them of patients and the information referred to in paragraph (2), shall be considered to have such an agreement in effect if and for so long as such agency (or the Secretary, as the case may be) finds that to do so is in the public interest and essential to assuming extended care services for persons in the community who are eligible for payments with respect to such services under this title.".

Sec. 5. (a) Section 1861(u) of the Social Security Act is amended by inserting "community mental health center" after "health agency".

(b) Section 1861(w) of such Act is amended by inserting "community mental health center" after "nursing facility".

Sec. 6. (a) Section 1864(a) of such Act is amended—

(1) by inserting "or whether a facility therein is a community mental health center as defined in section 1861(dd)" before the period at the end of the first sentence;

(2) by inserting "a community mental health center," after "rural health clinic," in the second sentence; and

(3) by inserting "community mental health center" after "laboratory," in the fifth sentence.

(b) Section 226(c)(1) of such Act is amended by inserting "and partial hospitalization services and outpatient services furnished by a community mental health center" before "(as such terms" after "part C of Title XVIII)."

(c) Section 7(d)(1) of the Railroad Retirement Act of 1974 is amended by inserting "partial hospitalization services and outpatient services furnished by a community mental health center," after "inpatient hospital services,".

(d) Section 1861(i) of such Act is amended by inserting "or community mental health center" after "nursing facility" each time it appears therein.

(e) Section 1832(a)(2)(B)(i) of such Act is amended by striking out "or" at the end of subclause (I), and by striking out "and" at the end of subclause (II), and inserting in lieu thereof "or", and by adding the following new subclause after subclause (II):

"(III) a physician to a patient in a community mental health center; and".●

By Mr. STAFFORD:

S. 459. A bill to authorize the Corps of Engineers to assist communities in the control of river ice; to the Committee on Environment and Public Works.

ICE FLOODING

● Mr. STAFFORD. Mr. President, a seasonal problem afflicting many areas of our Nation might be termed "ice floods." When a sudden thaw follows a buildup in river ice, flooding is often produced by "ice dams" that accumulate at bridge abutments or other impediments in the river.

Ice flooding and ice damage occurs in many areas every winter. Last winter, there was a threat here in Washington to the bridges across the Potomac River from a buildup of ice. Such dangers from ice are likely to be even more severe with the coming of spring.

The danger of ice buildup can sometimes be handled effectively through the emergency work of the Corps of Engineers. Such a project was accomplished last winter at Montpelier, Vt. But these efforts often come too late, or may involve costly, last-minute activity using explosives.

I believe that, with systematic and coordinated planning, we can develop preventative methods for the control of river ice. I believe that we can and should successfully develop improved ice-breakup techniques, and to provide this information to affected communities. The Army Corps of Engineers is the proper organization to undertake this work.

To assist in that effort, my bill would strengthen the corps' ability to meet the ice-flooding problem. This legislation, I should point out, is nearly identical to legislation passed twice by the Senate last year. Its merits remain strong.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 459

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Secretary of the Army, acting through the Chief of Engineers, shall undertake a program of research to increase his capability to control river ice, and to assist communities in breaking up such ice that would otherwise be likely to cause or aggravate flood damage or severe streambank erosion.

SEC. 2. The Secretary is further authorized to provide technical assistance to local units of government to implement local plans to control or break up river ice. As part of such authority, the Secretary is authorized to acquire and loan necessary ice-control or icebreakup equipment to local units of government.

SEC. 3. The sum of $5,000,000 is authorized to be appropriated to the Secretary in each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982, to implement this Act.●

By Mr. STAFFORD:

S. 460. A bill to encourage bicycling and physical fitness by assuring greater safety for bicycles parked at Federal office buildings; to the Committee on Environment and Public Works.

BICYCLE SAFETY

● Mr. STAFFORD. Mr. President, I am today introducing legislation that is designed to assure that safe bicycle parking facilities will be available at Federal office buildings across the Nation. I would hope that the availability of such facilities at Federal buildings would serve as a catalyst to encourage a similar expansion in bicycle parking facilities in the private sector.

A growing number of Americans are now bicycling to their jobs, despite many impediments to such travel. One major inhibition is unsafe traffic conditions. Last year's highway bill should ameliorate that situation. But the lack of safe and convenient parking facilities, and absence of areas where cyclists can change from cycling clothes and wash up at the end of their journey, serves as another factor inhibiting this form of commuting.

The General Services Administration now has a policy, it says, to provide "bicycle racks . . . where there is a demonstrated need." That appears to be a chicken-and-egg situation. Is a "demonstrated need" likely to exist if no racks are in place? Very likely not. The GSA has informed me that bicycle locking facilities are now available at only 438 GSA buildings, a small fraction of the buildings operated by GSA. This bill requires the installation of such facilities to enable the use to develop properly.

To the extent that encouraging cycling enables the public to substitute bicycles for private motor vehicles, we will modestly conserve energy and other resources, reduce traffic congestion, lessen air and noise pollution, increase physical fitness, and decrease the need for more and more parking garages.

To help overcome the lack of adequate bicycle parking facilities, this legislation directs the Administrator of the General Services Administration to provide, within 1 year, at all buildings and installations under his direction, bicycle parking facilities for use by employees and visitors. This would include buildings leased by the Federal Government, when they are under the direction of the GSA Administrator.

In the event the Administrator provides more than a simple rack for bicycle parking—a locker for example—this bill would authorize, but not require, that GSA charge a reasonable fee for the use of the device. The fee would be intended to be proportionate to the fee charged for motor-vehicle parking in connection with that building or installation. For example, if the Administrator charged a $455 a month for auto parking, a reasonable parking fee might be something on the order of $3 a month, if the bicycle locker takes up about one-fifteenth of the space needed for an automobile.

The Administrator should keep in mind the experience of the Environmental Protection Agency, where bicycle lockers are provided employees without charge. In deciding on the number and type of bicycle parking facilities and whether there should be user charges, the Administrator should consult beforehand with interested bicyclists working at the building or installation in question.

The bill would also authorize the Administrator to provide, when suitable, facilities where cyclists and others may shower and change clothes. The Administrator would also be authorized to charge a reasonable fee for the use of such facilities. Again, the Administrator would be expected to consult with interested persons in deciding upon such facilities.

The bill defines "bicycle parking facility" to make it clear that the minimum facility should be more than the standard rack, which is often inadequate for safely locking a bicycle. The Administrator should also alter the present restrictive GSA policy to permit the use of spaces such as courtyards, storage areas, or other areas where bicycle parking could be operated without interfering with normal use of the building. The most desirable facility would be one under guard or attendant; if parking for motor vehicles is provided under the surveillance of a guard or attendant, the GSA would be expected to provide protected bicycle parking for the same building or installation.

Mr. President, I introduced legislation very similar to this bill as S. 3621 in the 95th Congress. It was introduced at the end of the session to obtain comment from interested individuals and groups. Since the date I introduced S. 3621 last year, a new publication called Bicycle Forum, carried an article discussing the issue of bicycle parking. I ask unanimous consent that a letter from GSA, the text of the bill, and the article from Bicycle Forum be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Administrator of the General Services Administration (hereafter referred to as the "Administrator"), within one year of the enactment of this Act, shall provide, at all buildings and installations under his direction, bicycle parking facilities for use by employees and visitors. Wherever the Administrator fulfills the requirement of this Act by use of a system that is more elaborate and costly than the use of a simple metal rack, he is permitted to charge a reasonable fee for the use of such system.

(b) The Administrator is also authorized, within a reasonable period and where feasible, to provide suitable support facilities, including clothing lockers and changing facilities, and to charge a reasonable use fee.

(c) For the purpose of this Act, the term "bicycle parking facility" means a device or an enclosure, located within a building or installation, or conveniently adjacent thereto, that is easily accessible, clearly visible to guards, well-lighted, and so located as to minimize the danger of theft of bicycles. Such a device shall consist of a parking rack, locker, or other device constructed to enable the frame and both wheels of a bicycle to be secured with ease by use of a padlock in a manner that will minimize the risk of theft.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., October 4, 1978.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: This is in further reply to your letter of August 21, 1978, regarding bicycle racks.

As of September 20, 1978, there were 438 buildings where bicycle locking facilities were provided by the General Services Administration (GSA). Of this number, there are a total of 14,407 parking spaces nationwide of which 4,218 (29 percent) are indoors or otherwise protected from the weather. There are a total of 2,108 spaces (14.6 percent) which we consider to be protected from theft. Each bicyclist is responsible for providing his or her own lock and chain or cable. We are presently experimenting with several makes of secure bicycle locking devices and lockers. During the year 1977, there were 37 bicycle thefts and 703 incidents of vandalism.

Thank you for your interest in this matter. If we can provide any additional information, please let us know.

Sincerely,

JAY SOLOMON,
Administrator.

THE BICYCLE PARKING LINK

(By John J. Protopappas
and Joseph Anderson)

(If bicycles could be more securely parked, their use would increase as a means of commuting, especially in connection with mass transit)

The availability of secure bicycle storage is a prerequisite to any urban bicycle trip, yet there is a definite, pervasive deficiency in the amount and/or security of bicycle parking facilities throughout urban areas. Both the social, economic and environmental desirability of bicycling and the public's interest in bicycling are apparent. It is a stated policy or goal in many communities that "bicycling should be encouraged". To this end, many improvements to benefit bicycling have been studied and some have been implemented. Many bicycle paths and lanes have been constructed, but little attention has been paid to "incidentals" such as bicycle parking. Bicycle parking is an essential link in the chain of improvements that must be made to serve existing and potential bicycle users.

Why has bicycle parking, relatively easily and inexpensively implemented, fared so poorly in the "chain" of improvements? Most official public attention has focused on bicycle riding. Bicyclists have been competing for road space for years, raising the ires of motorists, precipitating reported accident statistics and expressing a certain amount of dissatisfaction with the inevitable traffic mix. Pressure has been brought from motorists and bicyclists alike for bikeway, education and enforcement programs. Bicycle parking, on the other hand, is a personal problem, one which raises little public sensitivity.

As slight as the public pressure for bicycle parking may be . . . the problem of securing a bicycle from theft is real and is shared by every individual bicyclist. This need can be met by public action and has the potential of being a substantial benefit and encouragement to the bicycling community.

An example of the magnitude of the problem was cited recently in a survey in the City of Baltimore. Based on survey data, 25 percent of the bicyclists had been victims of a bicycle theft and of these, 20 percent had given up bicycling. These facts are indicative of the problem which is commonly known in most American cities. The vulnerability and value of bicycles have made them attractive targets for theft. As the value and demand for bicycles have increased, the total number of bicycle thefts has also gone up.

A well thought-out and effectively executed bicycle parking program which appeals to both the implementors and the users is the answer to reducing bicycle theft and is a positive factor in encouraging bicycle use. In addition to implementing a program to provide adequate, secure bicycle parking, serious attention should be given to a bicycle registration program and user education. These are complimentary elements. Mandatory registration is a logical means for identifying and returning stolen bicycles, for limiting resale potential, for providing a record of the magnitude of bicycle ownership and for discouraging theft from the outset. Education, as an instructive tool as well as a marketing element, should provide information on the building permit approval to include the provision of bicycle storage facilities.

Other policy considerations may be incorporated into codes and regulations to benefit bicycle security. For example, provisions for allowing bicycles on public transit vehicles or in the public areas of buildings and private offices can improve the bicyclists' mobility and/or avoid having to leave the bicycle unattended. The AC Transit and BART systems in San Francisco, the San Diego Transit Corporation and the New Jersey New York PATH system have all instituted forms of bicycle "carry-on" service.

BICYCLE STORAGE FACILITY TYPES AND DESIGN

The facets of design must be considered in providing bicycle parking area:

1) Degree of security and safety from vandalism and theft;

2) Location—convenience of parking relative to destination;

3) Weather protection (sun and rain).

Each factor elicits certain criteria which must be considered in determining what type of parking facility is best for the situation at hand. Bicycle storage needs may be differentiated between long-term parking and short-term or convenience parking. The distinction is similar to that for automobiles. The most important criterion for short-term convenience parking (shopping centers, libraries, post offices, etc.) is for the bicycle storage facility to be located *immediately contiguous* to the building entrance. For long-term/commuter parking (places of employment, apartment buildings, schools, transit stations, etc.) security from theft is the *most* critical consideration.

LOCATION

The closer bike parking is to a bicyclist's destination, the more likely it (and the bicycle) is to be used. "Many bikers, particularly those with more expensive machines, have such a case of theft paranoia (a not unreasonable affectation) that they prefer not to be separated from their bikes at all and would blithely wheel into elevators, dentist's offices, bank lobbies and ice cream parlors if allowed to." [4] Many people make it a practice to ask for space for their bicycle when first accepting a new job so there are no misunderstandings when they arrive at a new office with a 10-speed.

The point-to-point convenience of bicycle travel is undermined when parking is located in the far corner of a parking lot. It is best to locate a parking facility as near a building entrance as possible and (in high visibility areas) within the sight-lines of passersby. The location availability of parking, its proper use and practical theft preventive measures.

In designing a parking program, facilities must be selected to meet the need of bicyclists who are, in many cases, not involved in the decision making process. Three features must be considered: (1) incorporation of bicycle parking policy requirements into parking or zoning ordinances and local building codes, thus tying facilities into the public and private development process; (2) developing design standards to insure proper location, weather protection, equipment integrity and degree of security; and (3) budgeting funds for implementing public bicycle parking facilities. Each program must be

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Footnotes at end of article.

tailored to local needs and resources. Where it may not be possible to successfully budget public funds to construct parking, it may be possible to require private developers to provide adequate facilities in conjunction with new development.

BICYCLE PARKING ORDINANCES AND CODES

In order to insure that there is adequate space allocated for bicycle parking on an ongoing basis, a bicycle parking ordinance may be formulated for incorporation into local zoning regulations. This is much like the typical regulations which require automobile parking spaces based on the square footage of building development.

A number of forward-looking communities have bicycle parking ordinances and a number of others have ordinances under consideration. One of the more notable of these is Palo Alto, California. In this city, developers are required, by Zoning Ordinance, to dedicate 5 percent of the total required parking space to secure bicycle storage facilities. This ordinance not only details what percentage of space must be dedicated to bicycle parking, but it goes on to define what type of storage facility (Class I, II or III) must be provided.[8]

Another jurisdiction, Montgomery County, Maryland, updated off-street parking space requirements in the Zoning Ordinance to incorporate compact car, bicycle, handicap, and motorcycle spaces. The ordinance stipulates that all owners of parking facilities containing more than 40 parking spaces must provide 1 bicycle parking space or locker for each 20 automobile parking spaces. Not more than 20 bicycle parking stalls or lockers are required on any one lot. It further states. . . . "Bicycle parking facilities shall be so located as to be safe from motor vehicle traffic and secure from theft. Interior storage and lockers are encouraged. They shall be properly repaired and maintained. Facilities that are used for overnight parking must be protected from the weather when they are part of an enclosed parking facility." Owners of existing parking facilities who take advantage of the space savings of compact car layout must also abide by the requirement for bicycle parking facilities. This ordinance revision reduces the amount of land necessary for parking facilities, making more efficient use of existing space. Other jurisdictions, such as Arlington County, Virginia, have rewritten guidelines for subdivision and yield satisfactory results. A good variety of locking and parking devices currently exists but careful selection is still necessary. Three categories of bicycle parking devices according to degree of security, have been suggested.[9]

Class I: Lockers or controlled access areas where bicycles may be stored, protected from theft, weather, and vandalism.

Class II: Devices which lock the bicycle frame and wheels, secured from theft of the unit. The individual may have to provide a padlock.

Class III: Bicycle racks or fixed objects to which a bicycle may be secured by the individual's own locking device.

Class III or "bicycle racks" are the traditional and currently predominant facility for bicycle parking. It is left to the bicyclists to shoulder the responsibility for protecting their investment by buying and using lock sets. Unfortunately, the value and theft experience of today's bicycle has outmoded this approach.

Independent tests conducted across the country confirm that there are no really secure bike lock hardware systems in this class. Some locks carried by cyclists are better than others, but in a high crime setting, none would last longer than 10 minutes; in fact most will give way to under two minutes according to the *Consumer Report*.[6] Another testing report confirms that no lock will last longer than two minutes.[7] In the words of one lock manufacturer, a bicycle lock will delay a thief momentarily, but ". . . if somebody sees a $150 bicycle and plans to get it, it is his. Basically what you're protecting against is the chance thief or opportunist." Though suitable for short-term convenience parking, long-term parking requires more than a system which provides only a moral deterrent.

Class II bicycle parking devices are designed to secure the bicycle frame and wheels in an upright position, typically by a post and chain construction. Accessory parts of the bicycle, such as the seat, air pump, tool kits, are not protected. Weather protection may be provided by a special structure or by selecting a location under an existing overhang. Different locking mechanisms are available: coin operated, key-operated or the bicyclist's own padlock. The locking mechanism is an important consideration. Key or coin operated equipment costs twice as much initially, requires more maintenance, and necessitates a user charge.

Generally, the padlock systems are most popular. The added costs of the other systems cannot be justified unless it is imperative that revenue be collected or tourists without padlocks are the anticipated users. Transit systems which have utilized the Class II devices include: Marta in Atlanta, Seattle's Transit System, Bart in San Francisco, Path in New York-New Jersey, Patco in Pennsylvania-New Jersey. Many universities have also installed these parking devices.

Table A lists the various manufacturers of secure parking devices, (Class I and II) including products and approximate prices. The prices range from $25 to $250 per parked bicycle. Class II devices have been tested by two independent investigators. The Bicycle and Pedestrian Research Center, Philadelphia and the University of Maryland, College Park, Maryland.

The University of Maryland Planning Department made an in use study of eight of the Class I and II bicycle racks available today.[9] Table B summarizes test results. As these results indicate, no rack is perfect. Each rack has its pros and cons. The use intended, site location, and economics will define which rack will serve a particular situation better than another. The University of Maryland set up the following criteria and then made their choice after testing eight racks over a year's time.

WEATHER PROTECTION

Protecting the bicycle from the elements—sun and rain—is particularly important for long-term/commuter parking. For trips with a shorter parking duration, such as shopping and other personal business, open air parking may be acceptable. These trips are generally more flexible in schedule and may be delayed to a better time or day. It is best, however, under any circumstances, to utilize a location that already provides weather protection, if otherwise suitable. For long-term parking in particular, consideration must be given to protection by awnings, canopies, interior spaces or lockers (where warranted for theft protection).

SECURITY & SAFETY

Protection from theft is the individual's primary concern when leaving the bicycle unattended. Procuring the ultimate security parking device has been the relentless pursuit of many manufacturers. Separate attempts by both BART in San Francisco and Metro in Washington, D.C. to specify custom-made bicycle lockers failed to produce cost-effective equipment.

* * * * *

The Bicycle and Pedestrian Research Center tested three Class II devices considering security, ease of operation, versatility (to accept locks), and aesthetics. All models were reported superior to traditional bike rack lock set security when subjected to most methods of attack. Three high security locking devices were tested for compatibility with each parking device. Results are summarized on Table C. Economics were not a consideration in the ranking; the top rated Rack III unit costs $10 to $15 more than other units, a small difference relative to the average personal investment in a bicycle.[10]

Class I, bike lockers or storage spaces, are a significant, important step forward in protecting bicycles. They afford virtually complete protection from theft, vandalism and weather. There are two approaches: a locker unit similar to baggage storage lockers and controlled storage areas which are attended or accessible only by keys held by a limited number of individuals or responsible attendants.

In urban areas with attended parking garages or lots, areas can be adapted to store bicycles with relative ease, although without mandates or enforced ordinances, garages are reluctant to do so. In Washington, D.C., where some of the private parking garages installed bike racks, the same fees as charged to automobiles were levied against the cyclists. This parking program was not well received by bicyclists. A good example of controlled storage area is found in Union Station, the Amtrak & commuter rail terminal in Washington, D.C. A caged area for bicycle storage is provided inside the station, administered and maintained by the National Park Service. For a small initiation fee, bicyclists obtain a key to the storage area. Most of the bike/rail commuters use the storage for overnight parking, using their bicycles for the work trip end of their commute.

Standard bicycle lockers are currently available from three manufacturers (Table A) ranging in price from about $160 to $250 per bicycle stored. Construction is either steel or aluminum and fiberboard and all units are wedge-shaped, allowing a variety of layout patterns—circular and rectangular (back-to-back). Although little data is available, one source notes that no successful thefts have occurred at either Bart or Southern California Rapid Transit District installations.

Lockers can be coin operated, locked by separate padlock, or a cyclist can be issued a key on a lease basis. The latter system is used in Washington, D.C. and San Francisco where lockers have been installed at several of the new rail transit stations.

The first ten lockers installed at Metro's Silver Spring Station were offered for lease for variable period rates to $70 per year. All lockers were leased for a full year prior to the station's opening day (without the benefit of advertising). Although the $70 per year fee was regarded as high, the public's response indicates a high demand for this type of facility.

Based on an installed cost of $320 per double locker unit, the Metro locker rentals will cover the capital investment in two and one-half years. Since all the lockers were leased for a full year the first day offered, almost half of the capital cost was covered immediately after installation. With demonstrated high demand, 16 more lockers have been ordered for the Silver Spring Station and the District of Columbia has 250 on order to be installed at stations throughout the city.

The Bart system in San Francisco has a relatively long-standing experience with lockers. Bart planners indicate that the initial installation of 60 lockers throughout the system would have been recommended for increase if based on current experiences. It is believed that the initially inadequate supply of bike racks and lockers has been a deterrent to many potential bicycle users. In response to demand, 648 additional lockers are in the process of being installed. At first Bart offered

Footnotes at end of article.

lockers at 25¢ per day or on a lease basis for $5 per month. Daily coin rental has since been abandoned in favor of a wholly leased system. "Leasing is preferred among regular bike commuters because it guarantees a place in a locker, which are available in limited numbers." As stated earlier, both Bart and Metro also include Class II parking devices in their parking programs which are free of charge and well-utilized.

THE FUTURE

There are many signs that the future looks bright for the bicycle commuter. The Federal government allows federal highway monies and transit capital funds to be spent on bicycle facilities including parking.* Local governments including the traffic engineers, architects, and planners are recognizing the needs of the cyclists. With the proper amount of interest and forethought by these people we can hope to see a continuation of the trend toward installing first class bicycle parking facilities. The first step is establishing the need for parking and making a specific proposal. Bike parking is easy, simple, and inexpensive to implement relative to many other improvements being considered to enhance bicycling. With initiative, care and thought, very high quality parking can be provided to the benefit of user and community alike.

FOOTNOTES

[1] Traffic Engineering, Vol. 47, No. 3, March 1977.

[2] Baltimore County Bikeways Task Force, "Bicycling Parking, a Design Manual", January 1976.

[3] City of Palo Alto, "Zoning Regulations", adopted March 20, 1978. Sections 18.83.040 through 18.83.070.

[4] Skrabek, Darryl, "Bike Law", Bicycling Magazine, March 1975.

[5] Baltimore Bicycling Parking Manual.

[6] "Bike Lock Sets", Consumer Reports, November 1975.

[7] "Most bicycle locks yield to thieves in seconds", The Minneapolis Star, August 5, 1974.

[8] The Minneapolis Star, August 5, 1974.

[9] "UMCP Bicycle Parking—Stage Two", Department of Physical Plant, Office of Plans, Programs and Campus Development, University of Maryland, April 14, 1976.

[10] "Bicycle Parking: Tests of Parking Racks", Bicycle and Pedestrian Transportation Research Center, Philadelphia, Penn. 1976.

[11] Skrabek, Darryl, "Bike Law", Bicycling Magazine, March 1975.

*See Federal Funds for Bicycles, this issue.

TABLE A.—AVAILABLE BICYCLE STORAGE FACILITY TYPES

Name of device and manufacturer (city, State)	Class	Model	Price (each)	Notes
1. Rack III: Rack III, 1714 Stockton St., San Francisco, Calif.	II	Key	$120.00	Used at many locations throughout United States. Each rack holds 1 bicycle.
		Coin-op	120.00	
		Padlock	41.75	
2. Rally Rack: Rally Enterprises, Inc., Box 299, Sonoma, Calif. (minimum order: 6).	II	RR-100	22.00	Each rack holds one bicycle. Used by PATH system (NY–NJ) at Journal Sq. Transportation Center.
	II	RR-200	25.00	Used by WMATA (District of Columbia) at present and future stations.
	II	RR-300	55.00	PATCO (PA–JN) installing 171 RR-300's.
	II	RR-400	160.00	Key-coin operated.
3. Cycle-Sentry: Santec Industries, P.O. Box 4843, San Francisco, Calif.	II	Galvanized	36.00	Each rack holds 1 bicycle.
		Painted	39.00	
4. Bike Safe: Patterson-Williams, P.O. Box 4040, Santa Clara, Calif.	II	1615–2	100.00	Holds 2 bicycles.
		1615–5	210.00	Holds 5 bicycles.
5. Bala-Byk Lok-Rak: Bala-Byk-Lok-Rak, 691 Parkview Circle, Pacifica, Calif.	II	Padlock	31.50	Installed at University of Maryland.
		Coin-op	65.50	Each rack holds 1 bicycle.
6. Bike Lock Up: Howard Enterprises, 1250 Wilson Way, Stockton, Calif.	II	Standard	31.00	Do.
		Deluxe	35.00	Installed University of Maryland.
7. Park-A-Bike: Park-A-Bike Systems, 180 Coor St., Suite 111, Denver, Colo.	II		25.00–75.00	Holds 1 bicycle. Installed University of Maryland.
8. U-Lok: Sunshine Recreation Co., 22713 Ventura Blvd., Suite A, Woodland, Calif.	II	Security stand/	45.00	Holds 2 bicycles: installed at various colleges, special lock option.
9. Bike Root, Bike Rack: The Bike Root Co., 31½ Mount Vernon St., Charlestown, Mass.	II		28.50	Holds 1 bicycle.
10. Bike Lokr: Bike Lockers, P.O. Box 978, North Highlands, Calif.	I	Padlock	320.00	2 bicycles per locker; installed by BART, EPA, Metro Maryland.
		Coin-op	320.00	
		Key-op		
11. Bike Stable: Bike Stable Co., P.O. Box 1402, South Bend, Ind.	I	do	214.00	Holds 1 bicycle. No units have been sold up to this date.
12. Mac Cycle Vault: BMR Fabrications, P.O. Box 610, Tocca, Ga.	I	Padlock	194.00	1 bicycle per locker.
		Coin-op	250.00	Do.

TABLE B.—UNIVERSITY OF MARYLAND RACK COMPARISON

TRADE NAME, ADVANTAGES, AND DISADVANTAGES

Rally Rack RR–100

ADVANTAGES

Secures rear wheel and frame with a single lock; Rack consists of a single post and has no moving parts; Rack is very easy to use; Rack has aesthetic appeal by virtue of its good design.

DISADVANTAGE

Does not secure the front wheel.

Rally Rack RR–200

ADVANTAGE

Rack has the advantages of the RR–100 with the addition of a cable attached to the post which secures the front wheel.

Rally Rack RR–300

ADVANTAGE

Rack has the advantages of the RR–100 with the addition of a formed steel plate which prevents removal of the front wheel.

DISADVANTAGE

Cost is more than twice that of the Rally Rack RR–200.

Standard Rack

ADVANTAGE

Least expensive of all rack systems.

DISADVANTAGES

Provides the least security of all rack systems, requiring an unusually long chain or cable supplied by the user to secure both wheels and frame of a bike making it vulnerable to bolt or wire cutters; Bikes parked in these racks are easily damaged; Rack design encourages inefficient and cluttered parking arrangement.

Bala Byk-Lok Rak

ADVANTAGES

Secures both wheels and frame with a single lock;

All locking components are constructed of steel.

DISADVANTAGES

Poorly constructed—welds break with normal use;

Not easy to use—requires four steps to secure bike;

Does not provide arrangement flexibility;

Visually clutters the environment—has no aesthetic appeal;

Rusts over time.

Howard Bike Lockup

ADVANTAGE

Secures both wheels and frame with a single lock.

DISADVANTAGES

Disadvantages are identical to those listed for the Bala Byk-Lok Rak.

Park-A-Bike

ADVANTAGES

Secures both wheels and frame with a single lock.

Relatively easy to use.

DISADVANTAGES

Visually clutters the environment—has no aesthetic appeal;

Cable which secures both wheels may be vulnerable to bolt or wire cutters.

Rack III

ADVANTAGES

Secures both wheels and frame with a single lock;

All locking components are constructed of steel.

DISADVANTAGE

Secures bicycles with a pivoting three-pronged device—this moving part may prove troublesome.

UNIVERSITY OF MARYLAND PLANNING DEPARTMENT BICYCLE RACK CRITERIA

The rack must secure both wheels and the bicycle frame.

Securing the bicycle in the rack is to be a simple operation.

The rack is to accommodate a wide range of bicycle types and locking mechanisms.

Securing the bike must be possible with only a user-supplied lock.

Although data is not available on durability, racks should be selected for their apparent quality. Members and joints should be rustproof and designed to minimize or eliminate structural and mechanical failures.

The appearance of the rack is to be "aesthetically pleasing" within the financial and functional parameters.

The rack design is to allow for flexibility in site development.

While racks must be capable of being securely anchored, the ability to relocate them is an option to be considered.

The final University of Maryland report

states that . . . "Research has determined that the Rally Rack Models RR-200 and RR-300 are superior to all other manufacturers in meeting the established criteria."

Table C.—Test results

(Bicycle and Pedestrian Transportation Research Center)

Rack	Rack III	Rally Rack 200	Bala Byk-a-Lok-Rak
Security	second	third	first
Ease of Operation	first	second	third
Versatility	first	third	second
Aesthetic Quality	first	second	third

By Mr. STAFFORD:

S. 461. A bill to require that competitions be conducted to enhance the Nation's architecture and determine the design of certain new Federal office buildings; to the Committee on Environment and Public Works.

ARCHITECTURAL EXCELLENCE ACT OF 1979

● Mr. STAFFORD. Mr. President, last year I introduced S. 2402, legislation to require that architectural competition be held in the design of larger buildings of the General Services Administration. I am today reintroducing similar legislation, in the expectation that it can be considered in the context of the GSA reforms that need to be undertaken by the Congress.

The Architectural Excellence Act of 1979 is legislation intended to foster improvements in the architectural design of new Federal office buildings. The United States, in one recent year, spent $140,000,000 in architectural fees on 3,400 projects of the GSA and other agencies. Surely, we can set aside a small portion of that expenditure in a search for greater architectural innovation and excellence.

The architectural critic, Wolf Von Eckhardt, testified to our committee that "practically all the best buildings in the world have been the result of competition." Let me cite just a few of the better known ones: The White House, the U.S. Capitol, the New York Public Library, the State Capitols of Missouri and Washington, the Houses of Parliament in London, the new Coventry Cathedral in England, the Boston City Hall, the Cathedral of St. John the Divine in New York, and the Sydney Opera House in Australia. Many of these buildings are structures for the ages, structures deserving worldwide attention. I do not claim that this bill would necessarily produce such exciting and important buildings. But I do believe it will create a better atmosphere for architectural innovation and excitement.

Federal buildings now built often appear to be cut from molds, with little imagination or recognition of what we hope are the lofty ideals upon which our Government stands. Contrast that with the view early in this century, when one Member of Congress said: "No youth or citizen ever looked upon a Federal building in which the business of his country was being conducted but that he became a better American."

Seven years ago, the Congress added what I believe was the first requirement that GSA assure architectural excellence in its new designs. But testimony before the Committee on Environment and Public Works has shown little impact from that directive. In 1976, the Congress enacted an important new initiative in the area of public buildings policy. This was the Public Buildings Cooperative Use Act (Public Law 94-541). I was pleased to be a sponsor of that law, which encourages the Federal Government to acquire and preserve buildings of historic or cultural importance, converting the space into new Federal offices. Flexibility of this nature should improve our Federal buildings program, making the Federal Government a better neighbor.

We can and we should utilize the Federal building policy as an innovative tool in architectural design for new buildings. Such policy would serve to encourage new, young architects, giving them opportunities they may not otherwise obtain for years.

I recognize that such an approach may not be a popular one among some architects. But it is working elsewhere. The British Government is using competitions wisely. And my approach involves a very limited first step. It would mandate competitions on each Federal building project that is expected to cost $25,000,000 or more. That figure is an arbitrary one, I admit. But it is designed to test the concept, and thus should be a valid starting point.

My bill would set aside between one-half of 1 percent and 1 percent of the cost of the building to be used to run the competition, with the prize limited to a maximum of $250,000. These figures, too, are arbitrary. But I would hope that we will obtain testimony on how a more valid figure can be established, if this one is considered to be inappropriate. The actual architectural fee, of course, would then be negotiated as if the winner were selected as the most qualified applicant, under the normal procedure.

Mr. President, this bill also requires that all the proceedings of the panel of judges be held in public so that the public and local community officials can observe and participate.

I believe that this approach merits the support of the Senate.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Architectural Excellence Act of 1979".

Sec. 2. The Public Buildings Act of 1959, as amended, is amended further by inserting a new section 8 as follows, and renumbering subsequent sections accordingly:

"SEC. 8. (a)(1) Whenever the Administrator is authorized under the terms of this Act to construct a public building at a cost that is estimated to be in excess of $25,000,000, the Administrator shall set aside a sum of not less than one-half of 1 per centum or greater than 1 per centum of the estimated cost of such public building to finance a competition for determining the design of such public building. Such competition should stress innovative designs that will be compatible with the community, conserve energy and materials, encourage public use of and access to the building, and reflect the dignity, enterprise, vigor, and stability of the Government of the United States.

"(2) Notwithstanding paragraph (1) of this subsection, the Administrator may conduct a competition for determining the design of any building which he is authorized to construct: *Provided,* That not greater than 1 per centum of the estimated cost of such project is utilized for such competition.

"(b) The Administrator shall establish the prize to be awarded to the winner of each competition under this section in accordance with the scope of each project, but in no event shall such prize exceed $250,000.

"(c) To determine the most appropriate design under the terms of this section, the Administrator shall appoint a panel of five persons. Such panel shall be composed of an architect who shall not be associated with any entrant in the competition and who shall serve as chairman, a representative of the municipality in which such building will be constructed, a nominee of the National Endowment of the Arts, an architectural educator or critic, and a representative of the Administrator. Meetings of such a panel shall be open to the public, and the decision of such panel shall be final. The winner selected by the panel shall be considered as the 'highest qualified firm' for the purposes of section 904 of the Federal Property and Administrative Services Act of 1949.

"(d) The requirements of this section include any public building, whether owned initially by the United States or to be so owned as part of a long-term financing arrangement, or to any public building constructed specifically for the United States under a lease arrangement.

"(e) For the purposes of this section, the word 'design' includes the general architectural appearance and general engineering of a public building, together with such information as will be reasonably required to provide detailed architectural and engineering plans and specifications for such public building.".●

By Mr. WEICKER:

S. 462. A bill to exempt the price of natural gas imported from Mexico from regulation under any Federal or State law; to the Committee on Energy and Natural Resources.

NATURAL GAS FROM MEXICO

● Mr. WEICKER. Mr. President, I am today introducing a bill that will exempt the price of natural gas imported from Mexico from regulation under any Federal or State law.

The effect of this proposal will be to remove from the executive branch of Government the power to approve or disapprove contracts made by American businesses for the importation of Mexican natural gas.

For too long this administration has failed to develop a coherent national energy policy and has repeatedly flipped-flopped with respect to its energy directives and goals.

Instead of providing clarity and direction to the energy problem, it has created confusion and misdirection. Instead of generating confidence in our people and our allies, it has undermined our relations with foreign nations and created distrust and scepticism at home.

This is most particularly true with respect to our southern neighbor, Mexico. After protracted negotiations in 1977, between various companies and the Government of Mexico, Secretary Schlesinger summarily disapproved contracts for the purchase of Mexican natural gas that were the outgrowth of these negotiations. Not only did the Secretary say no to the contracts, he refused to discuss what terms would be acceptable to him.

This arrogance has naturally exacerbated the mistrust, suspicion, and lack of confidence of the Mexican Government in its dealings with the United States.

We must now try to repair the damage. The time has come to treat the Mexicans as we ourselves expect to be treated—with respect and dignity. We must seek cordial and mutually advantageous relationships with Mexico. This cannot occur when we have Government intervention of the abortive sort that characterized Secretary Schlesinger's actions.

The administration has had a unique opportunity to negotiate in good faith with the Government of Mexico. Not only has the administration come away with no gas, it has actually turned this splendid opportunity into a diplomatic disaster.

Now it is time to give American enterprise the opportunity to regain the ground lost by the floundering of the administration.

By allowing American enterprise and the Mexican Government to negotiate in an environment unencumbered by Government regulation, the spirit of mutual respect, confidence and trust will be reborn.

In essence this bill will be the first positive step in many years in fostering a more stable political relationship with Mexico.

In a more tangible way, this legislation will accomplish the following:

First, it will increase the security of future natural gas supplies to the American consumer. Although we have a so-called natural gas glut or "bubble" at this time, in 3 to 4 years according to the Department of Energy (and in even less time by private estimates), the bubble will burst. Then we must look to outside sources to supplement our own domestic production. It would be nice to know that because of stabilized relations, we would be turning to a friend and close neighbor.

Second, this bill will reduce our dependence on OPEC oil which in turn will strengthen our national security. By purchasing Mexican natural gas at cheaper prices than those which American industry would pay for alternative fuels, such as residual oil, American industry will be displacing by that amount of Mexican natural gas purchased, the Btu equivalent amount of OPEC imported oil.

We will be further strengthening our national security because increased Mexican natural gas production will make possible additional Mexican oil for the world market. It is to our advantage, if the need arises, to have a close, uninterrupted friendly source of foreign crude such as that in Mexico. To remain dependent upon the whims and caprice of the politically unstable OPEC nations is folly when viewed in the context of a friendly source to the south.

This administration has failed to provide our Nation with a substantive, hard-hitting energy program. President Carter promised in Bonn to reduce our consumption of oil. Yet, what do we have to show for it but a toothless piece of legislation that we call a national energy policy.

Controls and Government intervention have failed to do the job as witnessed by such events as the natural gas shortages in 1977, and by the problems that exist in the area of oil price controls.

This administration has flatly rejected negotiated contracts for a stable supply of Mexican natural gas. Now all we have is the administration's vague promise to resume "talks" with the Mexicans on this critical issue.

It is time to remove governmental bureaucracy from the energy arena. It is time to permit the American producers and suppliers of energy, who are meeting increasing consumer demand, to operate in an unfettered atmosphere with their Mexican counterparts.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 207 of the Natural Gas Policy Act of 1978 is amended by inserting at the end thereof the following:

"(d) IMPORTS FROM MEXICO.—The price, including acquisition and transportation, of natural gas imported from Mexico shall not be subject to regulation under this Act, the Natural Gas Act, or any other provision of Federal or State law.●

By Mr. CHURCH (for himself, Mr. LONG, Mr. BENTSEN, Mr. WALLOP, Mr. YOUNG, Mr. JOHNSTON, Mr. STONE, Mr. MATSUNAGA, Mr. INOUYE, Mr. MCGOVERN, Mr. EXON, Mr. BAUCUS, Mr. BURDICK, Mr. MELCHER, and Mr. BOSCHWITZ):

S. 463. A bill to implement the International Sugar Agreement between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry, to promote the export trade of the United States, and for other purposes; to the Committee on Finance.

SUGAR STABILIZATION ACT OF 1979

● Mr. CHURCH. Mr. President, I am joined today by 14 of my colleagues in introducing the Sugar Stabilization Act of 1978. This legislation will provide implementation authority for the proposed International Sugar Agreement (ISA) and establish a complementary domestic sugar program to preserve a viable domestic sweetener industry.

This bill bears some similarities to the Sugar Stabilization Act of 1978, which received the approval of the Senate last fall. However, a conference committee version of that bill was defeated by a few votes in the closing hours of the 95th Congress. Since that time, the domestic sweetener industry has continued to shrivel under the onslaught of "dumped" foreign sugar. At least four more sugar-beet processing plants are scheduled to close next month, one of them in Idaho Falls, Idaho. Beet acreage planting intentions for this year are down over 11 percent. Similar economic woes continue to plague the cane and corn segments of our domestic sweetener industry.

Last year opponents of this bill charged that passage would be inflationary and lead to consumer rip-offs. It is instructive to note that following the defeat of a sugar bill last year, the Hershey Candy Co. announced price increases amounting to 9 percent. The soft drink machines in the Senate were replaced with machines dispensing canned drinks for a 17 percent higher price. Meanwhile, the Treasury Department announced this month that it has determined that sugar from France, Belgium, and West Germany is being sold in the United States at lower prices than its fair value.

The result, Mr. President, of failure to enact the Sugar Stabilization Act last year has been disaster for consumers and our sweetener industry. Large and profitable multinational corporations, which purchase about 75 percent of the sugar used in this country and turn it into cookies, soft drinks, and candy bars, seem to be the only ones unaffected by the failure to enact a workable domestic sugar policy.

The bill I am introducing today is designed to protect American consumers from the wild gyrations of the world sugar market and to provide an opportunity for our domestic sweetener industry to survive. If our domestic industry is allowed to further waste away, our consumers will become increasingly dependent on imported sugar. Roughly half of our domestic consumption of sweeteners is currently imported and adds about $1 billion per year to our foreign trade deficit. The value of the dollar will not be strengthened by adding to that deficit. Moreover, it clearly serves the best interests of our Nation's consumers to avoid becoming dependent on foreign sugar, as we are now dependent on foreign oil and coffee.

The world sugar market historically swings up and down in price. During 1974, the world price for sugar shot up to nearly 70 cents per pound. The impact of that price, however, was substantially moderated in the United States because we could produce much of our own needs at a far lower price. Without a viable domestic industry, our consumers can expect extreme sugar price gyrations in the future, further increases in trade deficits, and rising unemployment and welfare payments to displaced domestic workers. The U.S. sweetener industry employs

about 100,000 of our citizens and contributes about $10.5 billion annually to our economy.

Mr. President, I am encouraged by recent developments which indicate that the administration is now ready to respond more favorably this year to resolve this important farm and consumer problem. The Sugar Stabilization Act of 1979 would establish a domestic program providing a target price objective of 17 cents per pound and achieve that price through the marketplace. Fees would be collected on imported sugar and quotas used, if necessary, to reach that target price. This means that funds will flow into the Treasury. Estimates indicate that enactment of this bill could add over $400 million in new revenue during 1979 alone, thus assisting in the general effort to balance the budget.

The administration is now expected to propose a program offering a total price to growers of 16.3 cents per pound. However, half a penny of that price would be in the form of payments from the Treasury to growers. This payment approach would cost taxpayers about $60 million per year and decrease the revenue collected on imports in 1979 by over $100 million.

The endemic instability of the world sugar market prompted over 70 sugar producing and consuming countries to negotiate successfully the International Sugar Agreement (ISA), an attempt to cooperatively bring order to the chaotic world sugar market. The ISA proposes to collect fees to fund reserve stocks of sugar during years when supply is plentiful and release those stocks when supply is short. The overall objective is to stabilize world sugar prices within a "free trade" range of 15 to 19 cents per pound. It should be noted that the proposed target price objective for the domestic program, under the provisions of my bill, matches the midpoint of the ISA free trade range.

While the ISA represents an attempt to stabilize and improve world sugar prices, we cannot ignore the fact that such international commodity agreements have a very poor track record. A reliable, complementary domestic program to back up the ISA is mandatory. With no domestic program to cover the 1979 crop year, it would be reckless and unfair to ask our sugar growers to risk their all on so weak a reed as the ISA.

Mr. President, I ask unanimous consent that the text of the Sugar Stabilization Act of 1979 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Stabilization Act of 1979."

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) The term "person" has the same meaning as is given to such term in section 1 of title 1 of the United States Code.

(2) The term "Secretary" means the Secretary of Agriculture except as otherwise provided herein.

(3) The term "TSUS" means the Tariff Schedules of the United States (19 U.S.C. 1202).

(4) The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

TITLE I—INTERNATIONAL SUGAR AGREEMENT

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "entry" means the entry or withdrawal from warehouse, for any purpose, in the customs territory of the United States.

(3) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement.

SEC. 102. IMPLEMENTATION OF AGREEMENT.

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1983, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

SEC. 103. DELEGATION OF POWERS AND DUTIES.

The President may exercise any power or duty conferred on him by this title through such agencies or officers of the United States as he shall designate.

SEC. 104. CRIMINAL OFFENSES.

Any person who—

(1) fails to keep any records, statistics, or other information, or to submit any report, required under section 102;

(2) submits any report under section 102 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $1,000.

SEC. 105. REPORT TO CONGRESS.

The President shall submit to Congress, on or before April 1 of each year, beginning in 1980, a report on the operation and effect of the Agreement during the immediately preceding year. The report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

TITLE II—DOMESTIC SUGAR PROGRAM PROVISIONS

SEC. 201. DEFINITIONS.

(a) For purposes of this title—

(1) The phrase "average daily price for raw sugar imports" means the average for the applicable period of the daily domestic spot quotation or price reported by the New York Coffee and Sugar Exchange, C.I.F. duty paid basis, adjusted to exclude any special import duty imposed under this Act, at a United States port of entry north of Cape Hatteras: *Provided,* That if no such daily domestic spot quotation or price is reported for any market day or days in the applicable period, the Secretary shall determine for each such market day for use in calculating such average a daily market price for raw sugar which shall be the daily price (world) quoted by the International Sugar Organization for such market day (or if no such quotation is issued, an equivalent price determined by the Secretary), in United States cents per pound, F.O.B. and stowed Caribbean basis, in bulk, adjusted to a C.I.F. duty paid basis by adding estimated costs of delivery from Caribbean ports to U.S. ports North of Cape Hatteras, including freight, insurance, cost of discharge, financing, weighing and sampling and import duties, excluding any special import duty imposed under this Act.

(2) The term "entered" means entered, or withdrawn from warehouse, for consumption, or exportation pursuant to section 210 from, the customs territory of the United States; and the term "entry" means the entry, or withdrawal from warehouse, for such consumption or exportation.

(3) The term "price objective" means the price set forth in or determined pursuant to section 202(a).

(4) The term "quantitative restriction" means the total quantity of any sugar-containing product produced in all foreign countries, territories, or areas that may be entered, without regard to source, in any sugar supply year or semiannual period thereof.

(5) The term "raw value" has the same meaning as is given to such term in headnote 1 to subpart A of part 10 of schedule 1 of the TSUS.

(6) The term "sugar" means any sugar, sirup, and molasses provided for in terms 155.20 and 155.30 of the TSUS.

(7) The term "raw sugar" means any sugar which is to be further refined or improved in quality.

(8) The term "sugar supply year" means the 12-month period beginning on October 1 of each calendar year with each such year being designated by the year in which the beginning date occurs.

(9) The term "supply year quarter" means any of the 3-month period beginning on October 1, January 1, April 1, or July 1 of any sugar supply year.

(b) For purposes of section 207—

(1) The term "sugars" means any grade or type of saccharine product derived from an agricultural commodity, which contains sucrose, dextrose, or levulose.

(2) The term "direct-consumption sugar" means any sugars which are not to be further refined or improved in quality.

(3) The term "to be further refined or improved in quality" means to be subjected substantially to the process of (1) affination or defecation, (2) clarification, and (3) further purification by absorption or crystallization. The Secretary is authorized to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this paragraph and whether sugars of a specific quality are direct-consumption sugar within the meaning of paragraph (2) of this subsection.

SEC. 202. PRICE OBJECTIVES AND AVERAGE DAILY PRICES.

(a) PRICE OBJECTIVES.—(1) The price objectives for sugar supply years beginning after September 30, 1978, are as follows:

(A) The price objective for the 1978 sugar supply year is 17 cents per pound, raw value;

(B) The price objective for the 1979, 1980 and 1981 sugar supply years shall be the price objective for the sugar supply year immediately preceding each such year, adjusted by the Secretary to reflect the percentage change between the average cost of production of sugar from sugar beets and sugar cane for—

(i) the two sugar supply years immediately preceding the sugar supply year for which the adjustment is made, and

(ii) the two sugar supply years immediately preceding the sugar supply year which immediately precedes the sugar supply year for which the adjustment is made.

(2) For purposes of this subsection, the average cost of production for each sugar supply year shall be determined by the Secretary on the basis of the results of the studies made pursuant to section 325 of this Act.

(3) The Secretary shall determine the price objective under this subsection for the 1979 sugar supply year and for each sugar supply year thereafter not later than June 30 of the year in which such sugar supply year begins.

(b) DAILY PRICES.—The Secretary shall (i) ascertain or determine for each market day the quotation or price to be used to calculate the average daily price for raw sugar imports, (ii) make the adjustments therein required by section 201(a)(1), and (iii) publish such quotations or prices as so adjusted, in the Federal Register on such periodic basis as he deems appropriate.

SEC. 203 SECRETARIAL RECOMMENDATIONS REGARDING SPECIAL IMPORT DUTIES.

(a) SPECIAL IMPORT DUTIES.—(1) Not later than 30 days before the beginning of each sugar supply year which commences after September 30, 1979, the Secretary shall—

(A) on the basis of best available information, estimate whether the average daily price for United States raw sugar imports during such sugar supply year will be below the price objective; and

(B) if the estimation under subparagraph (A) is in the affirmative, recommend to the President that he impose such special import duties on the entry of such sugar and, if appropriate, such sugar-containing products as the Secretary determines to be necessary to assure that the average daily price for United States raw sugar imports will result in the price objective for such sugar supply year being achieved.

(2) With respect to the 1978 sugar supply year, the Secretary shall make the estimation described in paragraph (1)(A) and, if applicable, the recommendations described in paragraph (1)(B) not later than 30 days after the date of the enactment of this Act.

(b) REVIEW AND ADJUSTMENTS OF DUTIES.—The Secretary shall review, on a supply year quarter basis, the effect of all special import duties imposed as a result of recommendations made by him under subsection (a). On the basis of such review, the Secretary shall determine and recommend the amount by which the special import duty shall be adjusted so that the special import duty shall equal the amount by which the average daily price for raw sugar imports for the first 20 consecutive market days preceding the 20th day of the month preceding the calendar quarter during which such recommendation shall be applicable is less than the price objective: *Provided,* That whenever the Secretary determines that the average daily price for raw sugar imports for ten consecutive market days within any calendar quarter (1) exceeds the price objective by more than .5 cent, or (2) is less than the price objective by more than .5 cent, the Secretary shall recommend to the President that the duty be decreased or increased, as the case may be, by the amount of such excess or deficit. The Secretary shall promptly certify to the Secretary of the Treasury determinations made under this subsection.

SEC. 204. SECRETARIAL RECOMMENDATIONS REGARDING QUANTITATIVE RESTRICTIONS.

(a) QUANTITATIVE RESTRICTION.—Whenever the Secretary has reason to believe that the special import duties imposed on the entry of any sugar or sugar-containing product on the basis of any recommendation made by him under section 203 are not resulting in the price objective for the sugar supply year being achieved, the Secretary shall recommend to the President that he impose, in addition to such special import duties, such quantitative restrictions on a semiannual supply year basis, on the articles concerned as the Secretary determines to be necessary to achieve such price objective.

(b) REVIEW AND ADJUSTMENTS OF QUANTITATIVE RESTRICTIONS.—The Secretary shall review, on a semiannual supply year basis, the effect of all quantitative restrictions imposed as a result of recommendations made by him under subsection (a). On the basis of such review, the Secretary shall recommend to the President such adjustments with respect to the amount of any such quantitative restriction, or with respect to sugar or sugar-containing products to which any such quantitative restrictions should be extended or removed, as the Secretary determines to be necessary to achieve the price objective for the sugar supply year concerned.

SEC. 205. SUBMISSION AND PUBLICATION OF REPORTS AND RECOMMENDATIONS TO PRESIDENT.

(a) TIMING OF REPORTS.—The Secretary shall submit a report to the President containing the results of each review conducted under sections 203(b) and 204(b), together with such recommendations the Secretary deems appropriate, not later than the 60th day after the beginning of the supply year quarter or semiannual period for which the review is made.

(b) PUBLICATION OF REPORTS AND RECOMMENDATIONS.—Each report and recommendation made by the Secretary to the President under sections 203 and 204 shall be promptly published by the Secretary in the Federal Register.

SEC. 206. IMPOSITION BY PRESIDENT OF SPECIAL IMPORT DUTIES AND QUANTITATIVE RESTRICTIONS.

(a) IN GENERAL.—Upon receiving any recommendation of the Secretary under section 203 or section 204, the President shall promptly proclaim, under the authority of the headnotes to subpart A of part 10 of schedule 1 of the TSUS and subject to subsection (b), such special import duties or quantitative restrictions, as the case may be, with respect to such sugar and sugar-containing products as the President deems necessary to achieve the price objective for the sugar supply year concerned.

(b) GLOBAL RESTRICTION.—A quantitative restriction imposed under subsection (a) shall be administered as a global quantitive restriction imposed in terms of raw value.

(c) SPECIAL PROVISIONS RELATING TO PROCLAMATIONS.—(1) Any proclamation issued by the President on the basis of any recommendation made by the Secretary under section 203 (a) regarding sugar with respect to the 1978 sugar supply year shall apply with respect to articles entered on or after the date of such proclamation.

(2)(A) any special import duty imposed by the President on the basis of any recommendation made by the Secretary under section 203(a) with respect to any sugar supply year after September 30, 1979, shall be proclaimed by the President not less than 5 days before the beginning of the sugar supply year in which such special import duties apply;

(B) any quarterly adjustment made by the President to any special import duty on the basis of any determination made by the Secretary under section 203(b) shall be proclaimed by the President not less than 5 market days before the beginning of the supply year quarter in which such adjustment first takes effect;

(C) any adjustment made by the President within a supply year quarter to any special import duty on the basis of any determination made by the Secretary under the proviso to section 203(b) shall be proclaimed by the President not later than 3 market days after the recommendation by the Secretary to the President thereunder; and

(D) any quantitative restriction imposed by the President on the basis of any recommendation made by the Secretary under section 204(a), and any adjustment made by the President to any quantitative restriction on the basis of any recommendation made by the Secretary under section 204(b), shall be proclaimed by the President not less than 30 days before the beginning of the period for which such quantitative restriction or adjustment, as the case may be, first takes effect.

SEC. 207. PROHIBITION OF IMPORTATION OF DIRECT-CONSUMPTION SUGAR.

(a) Except as provided in subsection (b), no direct-consumption sugar may be entered into the United States.

(b) Notwithstanding any other provision of this Act, if the President determines that a lack of refining capacity within the United States has created an imminent shortage of direct-consumption sugar for consumers in the United States, then he may impose a quantitative restriction permitting the entry of such quantity of direct-consumption sugar as is necessary to meet such imminent shortage. Determinations made under this section shall be made in accordance with section 553 of title 5, United States Code.

(c) The limitation imposed under subsection (a) may not be suspended under section 211 unless the President finds and proclaims that a national economic or other emergency exists with respect to direct-consumption sugar which requires such a suspension.

SEC. 208. PROHIBITED ACTS.

(a) CERTAIN IMPORTS AND EXPORTS.—No person may—

(1) bring or import into the Virgin Islands in any sugar supply year for consumption in such Islands, any sugar in excess of one hundred pounds if such sugar was produced from sugarcane or sugar beets grown outside the United States;

(2) bring or import into the United States any direct-consumption sugar except in accordance with section 207; or

(3) export to any foreign country any sugar entered under any quantitative restriction imposed under section 206.

(b) CIVIL PENALTY.—Any person who knowingly violates, knowingly attempts to violate, or knowingly participates or aids in the violation of subsection (a) shall forfeit to the United States the sum equal to three times the market value at the time of the commission of any such act, of that quantity of sugar involved in the violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 209. EXEMPT ARTICLES OF SUGAR.

This title does not apply with respect to any sugar or sugar-containing product—

(1) of any aggregate value not exceeding $25 in any one shipment, if entered as samples for the taking of orders, for the personal use of the importer, or for research;

(2) entered for the production of alcohol, other than any alcohol or resulting byproduct for human food consumption;

(3) entered for the production of yeast or citric acid; or

(4) any sugar entered for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar as a sweetener in human foods consumption.

SEC. 210. CERTAIN EXPORTATIONS OF SUGAR.

Sugar entered under a bond, established under rules promulgated by the Secretary of the Treasury, for the purpose of subsequently exporting an equivalent quantity of sugar as such, or in manufactured articles, shall not be considered to be sugar entering the United States for purposes of section 206. Sugar exported under the provisions of sections 309 and 313 of the Tariff Act of 1930 (19 U.S.C. 1309 and 1313) shall be considered to be sugar entered under this section.

SEC. 211. SUSPENSION OF TITLE.

If the President finds that a national economic or other emergency exists with respect to sugar, the President may by proclamation suspend the operation of this title, and headnote 2(b) to subpart A of part 10 of schedule 1 of the TSUS to the extent that it applies with respect to this title, until such time as the President finds and proclaims that such emergency no longer exists. The Secretary shall make such investigations, and prepare such reports, as the President may require for purposes of carrying out this section.

SEC. 212. REGULATIONS.

The Secretary shall issue rules and regulations as he determines to be necessary or appropriate to carry out his functions and duties under this title. Knowing violation of any rule issued by the Secretary under this section is punishable by a fine of not more than $1,000 for each violation.

SEC. 213. AMENDMENTS TO TSUS.

The headnotes to subpart A of part 10 of schedule 1 of the TSUS are amended—

(1) by amending headnote 1 to read as follows: "1. For the purposes of this subpart—

"(i) the term 'degree', as used in the 'Rates of Duty' columns of this subpart, means sugar degree as determined by polariscopic test;

"(ii) the term 'total sugars' means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugars, sirups, and molasses; and

"(iii) the term 'raw value' means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope as determined in accordance with regulations issued by the Secretary of the Treasury. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

"(A) For sugar described in item 155.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.06 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

"(B) For sugar described in item 155.30, by multiplying the number of pounds of the total sugars thereof by 1.06.

"(C) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provision.";

(2) by amending headnote 2 by inserting "(a)" immediately after "2", and by adding at the end thereof the following:

"(b) In addition to the authority of the President under section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) to proclaim modifications of the rates of duty and quotas on imports of sugars, sirups, and molasses provided for in items 155.20 and 155.30, the President shall, subject to the conditions and requirements of (a)(1) and for purposes of carrying out, and subject to, Title II of the International Sugar Stabilization Act of 1979, proclaim special import duties on—

"(i) imports of any such sugars, sirups, and molasses, and

"(ii) the content of any such sugars, sirups, and molasses in imported products containing such sugars, sirups, and molasses. Any special import duty proclaimed under this subdivision on the entry of any article shall be in addition to any other duty imposed by law on such entry and may not be made the subject of any preferential concession under any law or international obligation of the United States."; and

(3) by amending headnote 3 by striking out "For purposes of this headnote," and all that follows thereafter.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. DEFINITION.

As used in this title the term "sugar" has the same meaning as is given to such term in section 201(6).

SEC. 302. JURISDICTION OF COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant thereto. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees, and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 303. FURNISHING OF INFORMATION TO SECRETARY.

All persons engaged in the manufacturing, marketing or transportation or industrial use of sugar and other sweeteners, including those not derived from sugar beets or sugarcane, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or willfully furnishing any false information shall upon conviction be subject to a penalty of not more than $2,000 for each such violation. The Secretary is empowered to subpoena witnesses and the production of such records, books, papers and documents which he determines necessary for the administration of this Act. All information required to be furnished to the Secretary under this section shall be kept confidential by all officers and employees of the Department of Agriculture.

SEC. 304. INVESTMENTS BY OFFICIALS PROHIBITED.

No person may, while acting in any official capacity in the administration of this title, invest or speculate in sugar, contracts relating thereto, or the stock of membership interest of any association or corporation engaged in the production or manufacturing of sugar or other sweeteners. Any person violating this section shall upon conviction thereof be fined not more than $10,000 or imprisoned not more than two years, or both.

SEC. 305. SURVEYS AND INVESTIGATIONS.

(a) REQUIRED SURVEYS AND INVESTIGATIONS.—Whenever the Secretary determines such action is necessary to effectuate the purposes of this Act, the Secretary from time to time shall conduct such surveys and investigations as the Secretary deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners. In carrying out the provisions of this subsection, information shall not be made public with respect to the separate operations of any person or company from whom such information has been derived.

(b) OTHER INVESTIGATIONS, SURVEYS, AND RESEARCH.—The Secretary may conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act. Notwithstanding any provision of existing law, the Secretary may make available to the public such information as the Secretary deems necessary to carry out the provisions of this Act.

(c) COST OF PRODUCTION STUDIES.—(1) The Secretary is directed to conduct studies on the cost of producing sugarcane, sugar beets, raw sugar, refined sugar, corn sweeteners and other sweetener products as deemed necessary by the Secretary for the administration of this Act.

(2) The Secretary shall determine on a sugar supply year basis the average cost of production of sugarcane, sugar beets, raw sugar, refined sugar and corn sweeteners.

(3) There are hereby authorized to be expended such amounts from the funds of the Commodity Credit Corporation as may be necessary to carry out the authority of this subsection.

(d) Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

(e) The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 306. LOAN AND PURCHASE PRICE SUPPORT PROGRAMS.

(a) EXTENSION OF 1977 AND 1978 PROGRAMS TO 1979, 1980 AND 1981 CROPS.—Effective with respect to the 1979, 1980 and 1981 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949, as amended, is amended by—

(1) striking out in the first sentence "honey, and milk" and inserting in lieu thereof the following: "honey, milk, sugar beets and sugarcane"; and

(2) adding at the end thereof a new subsection (g) as follows:

"(g) The price of the 1979, 1980 and 1981 crops of sugar beets and sugarcane shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 65 per centum nor less than 52.5 per centum of the parity price therefor.".

(b) WAIVER OF INTEREST ON 1977 AND 1978 CROPS.—Notwithstanding any other provision of law, the Secretary may waive a portion of the interest at such times and in such amounts as he determines necessary, in order to encourage the repayment of outstanding loans obtained from the Commodity Credit Corporation with respect to sugar produced from the 1977 and 1978 crops of sugar beets and sugarcane; except that such waiver authority shall be exercised in such a manner as not to affect unduly the market prices for sugar.

SEC. 307. TERMINATION OF ACT.

Except for Title I and section 206(a), this Act shall cease to have force and effect as of the close of September 30, 1982.

Mr. JOHNSTON. Mr. President, I am pleased to cosponsor legislation introduced by the senior Senator from Idaho to establish a realistic domestic sugar policy and implement the International Sugar Agreement signed at New York City on December 9, 1977. This legislation, which is very similar to the Church bill which I cosponsored last year, will help stabilize world markets and will enable our domestic sugar industry to survive.

Title II establishes a price objective for the 1978 sugar supply year at 17 cents per pound (raw value), a level to be achieved through a system of import fees and quotas. This price objective is below the production costs of many sugar producers in Louisiana and would establish the price support for sugar at about 65 percent of parity—well below the parity level demanded by producers of other commodities this year. The price objective is also below the parity level received by many other agricultural producers. Milk, for example, is currently supported at 80 percent of parity while peanuts are supported at 67 percent of parity.

My State has a critical interest in this legislation. Sugar has been one of Louisiana's principal agricultural crops since the early 19th century. In 1976, sugarcane production was worth almost $100 million to Louisiana, according to the Department of Agriculture. Over 4,000 farmers in 18 rural Louisiana parishes grow sugarcane and in 1977 28 sugarcane mills processed raw cane. Altogether the sugar industry in Louisiana employed about 25,000 workers in farming and processing operations in 1977. It is not a few large conglomerates who produce sugar in my State and who benefit from our domestic program. Rather, it is a number of small farmers who must have this support to survive.

Some, including unfortunately the Secretary of Agriculture, say these farmers should switch to alternate crops if they are so inefficient that they cannot compete on the world market. This ignores the problem of huge capital investments in sugar production and processing equipment—most of which cannot be used for producing any other crop. It also ignores the fact that many other domestic sugar producers have high costs. For example, Louisiana's costs, according to USDA (U.S. Department of Agriculture) figures, are no higher than those in five other cane and beet producing States (Utah, Colorado, Kansas, Texas, and New Mexico) which produce about one-third of the Nation's beets.

I should emphasize that 17 cents per pound will not guarantee anyone a profit. Current production costs in Louisiana are 17.493 cents per pound on the average, almost a half a cent higher than the support price this legislation mandates. Even at the 17 cents level, then, there will be some attrition. In addition, the 17 cents level is the median of the price range for free trade sugar under the International Sugar Agreement. This range was presumably selected as an appropriate level for world prices and the median point is thus appropriate for the beginning domestic price.

Many objections were heard in the Senate to the sugar program considered last year. Some said that the 17-cents-per-pound objective would be inflationary. However, last year both the Senate Finance Committee and the Congressional Budget Office found that the potential impact of a 17-cents-per-pound price objective on the Consumer Price Index for all commodities would be an average of less than one-tenth of 1 percent over the life of the bill. I should also point out that sugar comprises only a small part of the costs of products containing sugar. Although the price of these products rose almost 48 percent from 1973 to 1978, the price of sugar rose only 6 percent during those same years. Furthermore, although many large industrial sugar users justified price increases in 1974 on the basis of increased sugar prices which rose to 60 cents per pound that year, we have yet to witness any corresponding price decrease by major users even though the price of sugar dropped by more than 50 cents per pound between 1974 and 1977. To put this in perspective, we should remember that a single 2-ounce candy bar today costs more than three times as much as the price a sugar farmer would receive, without import restrictions, for a full pound of sugar.

Moreover, if domestic producers go out of business, we will create just the shortage that made prices rise dramatically in 1974—for we would lose over 6 million tons of sugar annually which are used domestically. We already pay over $1 billion a year for imported sugar—and this could well double. Surely, these adverse trade figures should be of great concern to all American consumers.

Finally, let me say that there is no doubt in my mind that the domestic industry is in trouble. Five sugarcane mills went out of business between 1977 and 1978 and several others have gone under this year. I am sure that my friends from beet-producing States could cite similar statistics of closings in their area.

We could, of course, simply ignore these problems, let unemployment increase, let our imports increase and our balance of trade suffer, and hope that another world shortage does not develop. This, however, is neither responsible nor realistic. By providing the help our producers must have to survive, we can develop a good strategy to insulate consumers from market fluctuations (and hence sudden price increases), save jobs and tax revenues and save the burden which would inevitably be placed on the taxpayer if our producers and workers were forced out of business and had to rely on welfare. Providing help is the sensible choice and I urge the Senate to help us try to save this important source of income and these jobs.

By Mr. INOUYE:

S. 464. A bill to amend the Internal Revenue Code of 1954 to expend the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am introducing legislation to aid a group of people whose contribution to the Nation's economic stability has been overlooked for far too long. I refer to the American homemaker, who traditionally has provided the foundation on which our economy is built. Although she receives no monetary reward for her services, the woman who stays to care for her husband and their children is invaluable to our national labor force. Yet, when she becomes displaced because of the death of a spouse or because of divorce or separation, her past service to her family and her country go unrecognized. Because of her prolonged absence from the labor force, she is at a disadvantage when circumstances force her to compete in the job market with younger, more experienced men and women.

Mr. President, an increasing number of homemakers are displaced in the middle years from their family role and left without any source of financial security. These displaced homemakers are often subject to discrimination in employment because of age, sex, and lack of recent paid work experience. To make matters worse, many of these women are ineligible for social security benefits or welfare assistance and desperately need to find work. I believe we owe a tremendous debt to this Nation's displaced homemakers and this bill would be one step toward repaying that debt.

This bill would give displaced homemakers a boost in their efforts to reenter the work force or to enter it for the first time by offering a tax credit to employers who hire them. It would amend the Internal Revenue Code of 1954 to add displaced homemakers to the list of people already targeted to benefit from this program, such as economically disadvantaged youth, welfare recipients, Vietnam-era veterans from economically disadvantaged families and economically disadvantaged ex-convicts. The current law provides employers with $3,000 credit per trainee for the first year and $1,500 for the second.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 51(d) of the Internal Revenue Code of 1954 (relating to members of targeted groups) is amended—

(1) by striking out "or" at the end of subparagraphs (E) and (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or", and

(3) by adding at the end thereof the following new subparagraph:

"(H) a displaced homemaker (as defined in paragraph (7) of section 3 of the Comprehensive Employment and Training Act Amendments of 1978 (29 U.S.C. 802).".

SEC. 2. The amendment made by the first

section of this Act shall apply with respect to amounts paid or incurred after December 31, 1978, in taxable years ending after such date.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 465. A bill to authorize the spouses of certain former members of the Armed Forces of the United States to use the services and facilities of post exchanges and commissaries; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, it has come to my attention over the past several years that certain laws regulating benefits for veterans and their dependents have contained weaknesses or omissions that should be corrected. I found this to be especially true in the case of the disabled veteran and his wife or widow, who pays a high personal price in indirect service to her country through caring for her handicapped husband. Government assistance often fails to provide adequate support, primarily because the law is broadly written and the personal lives and conditions of disabled families are specific and individual by nature. Thus, in certain cases where the law should apply, it does not, and for some families of veterans the result of service to their country is economic hardship and bureaucratic confusion.

I am introducing today a measure designed to rectify obvious inequities in the existing law relating to Government benefits for the widows of veterans who had 100 percent service-related disabilities at the time of death.

It is a bill to authorize the widows of certain former members of the Armed Forces of the United States to use the services and facilities of post exchanges and commissaries.

The widow of a serviceman who is 100 percent service-disabled is not entitled to exchange and commissary privileges if her husband died while on active duty. However, if he died after being honorably discharged from the service, she is eligible for these privileges.

This measure will help only a small number of people. But it is these very people who have paid such an extraordinarily high price on behalf of their country and whose lives thereafter have been dictated by their spouses' disabilities.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1041. Post exchange and commissary privileges for spouses of certain former members of the armed forces

"Subject to such rules and regulations as the Secretary concerned may prescribe, the spouse of any former member of the armed forces who is entitled to dependency and indemnity compensation under chapter 13 of title 38 or to death compensation from the Veterans' Administration and the spouse of any former member of the armed forces who, at the time of such former member's death, was totally disabled as the result of one or more service-connected disabilities (as determined by the Veterans' Administration) shall be entitled to use the services and facilities of post exchanges and commissary stores operated under the jurisdiction of any military department.".

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new item as follows:

"1041. Post exchange and commissary privileges for widows of certain former servicemen.".●

By Mr. INOUYE:

S. 466. A bill to require that skilled nursing homes furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am reintroducing legislation designed to improve the services provided at our nursing homes. This bill requires that those homes which furnish services under medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies.

Nursing homes are an essential service to our elderly, who often have no other place to live. Unfortunately, the quality of nursing homes throughout our country varies; many can rightly be depicted as crimes against humanity. There is evidence, in many of these homes, that the physical facilities are totally inadequate.

More specifically, in many nursing homes now receiving medicare and medicaid reimbursements, patients are confined to beds due to a severe lack of wheelchairs and other equipment. Such physical limitation proves to be extremely frustrating and debilitating to the convalescent elderly. However, studies have shown remarkable improvement in nursing home patients when physical mobility and activities are encouraged and supplied.

I urge my fellow colleagues to join with me in alleviating this sorry situation of the elderly, confined members of our society. Although my bill does not allow for beneficial therapy, at least physical mobility, through the availability of wheelchairs and other such equipment, would be improved. We must not forget the needs of our elderly, infirm patients.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(j) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (14),

(2) by inserting "and" at the end of paragraph (15), and

(3) by adding immediately after paragraph (15) the following new paragraph:

"(16) is adequately equipped (as determined under regulations of the Secretary) with wheelchairs and other appropriate equipment and supplies;".

SEC. 2. The amendment made by this Act shall take effect on the first day of the calendar month which begins more than ninety days after the date of enactment of this Act, and the Secretary of Health, Education, and Welfare shall, prior to such date, promulgate and have published in the Federal Register, the regulations which are referred to in section 1861(j)(16) of the Social Security Act (as amended by this Act).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 467. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a nonservice-connected disability to any war veteran who has a service-connected disability of 80 percent or more; to the Committee on Veterans' Affairs.

● Mr. INOUYE. Mr. President, I am introducing today legislation which would provide for free outpatient dental care to any war veteran who is 80 percent or more disabled as a result of his military service. Veterans will be eligible for this care even if their dental problems are unrelated to their service injuries.

Legislation passed by the 91st Congress provides free medical and outpatient care for veterans of all wars who were totally and permanently disabled by service-related injuries. This law, Public Law 91-102, was designed to care for the medical needs that would arise during their lives, but would be unrelated to their military wounds. It, however, specifically forbids payment for outpatient dental care. My bill seeks to fill the gap left by Public Law 91-102. I understand that both House and Senate Committees on Veterans Affairs plan to submit legislation including similar benefits to these deserving veterans.

According to one estimate, 175,000 veterans would be eligible for dental care if this bill is passed. Currently, these men get free care only if their problems are directly related to their service disability. But, as the Disabled American Veterans noted when they urged me to introduce this measure, many veterans live on limited, fixed incomes. Dental costs are rising along with everything else in these inflationary times, and an increasing number are being forced to go without proper dental care because they cannot afford it.

Until 1973, blind, paraplegic veterans were eligible for free outpatient dental services. But the regulation permitting that was rescinded in 1973, much to the dismay of the severely disabled veterans who were its beneficiaries. Even now, veterans who attend school or undergo on-the-job training and spend time at a VA hospital are eligible for dental treatment without regard to their degree of disability. But many veterans do not want to, or cannot, be admitted to our overcrowded and understaffed veterans hospitals.

This neglect of men who served their Nation with honor strikes me as nearly criminal. How can we ask young Americans to serve this country when they see

how it has ignored the needs of those who fought in past years to keep America free?

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (5) of section 612(b) of title 38, United States Code, is amended to read as follows:

"(5) which is a non-service-connected condition or disability of a veteran of any war who has a service-connected disability rated as 80 per centum or more; or".●

By Mr. INOUYE:

S. 468. A bill to allow an additional income exemption for a taxpayer or his spouse who is deaf or deaf-blind; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am reintroducing legislation which will provide an additional tax exemption for a taxpayer or a taxpayer's spouse, who is deaf or deaf-blind. I originally introduced this bill in November 1973, and believe that the implementation of this legislation is long overdue.

In my judgment, the provisions proposed herein are more than just in helping to alleviate the present discrimination faced by deaf individuals. Let us consider the financial burden that many of these people must face in their efforts to lead normal lives. The purchasing of hearing aids, extra costs of automobile insurance, and higher educational expenses are only the most obvious examples. In addition, the fact of the matter is that most deaf people are underemployed with respect to their abilities and education.

Despite the support that members of the deaf community have shown in favor of this legislation, it has never been acted upon by the Senate Committee on Finance. While the Internal Revenue Service provides additional exemptions for blind taxpayers, the sad truth is that Hawaii is the only place in which the same exemptions are made for the deaf.

Further, there is little cause for fear that this will result in a great amount of lost revenue for the U.S. Treasury. There are approximately 450,000 profoundly deaf persons in this country. This number is slightly less than the 470,000 legally blind persons. Of the legally blind, only 179,000 persons claimed the additional exemption in 1976. It is reasonable to assume that approximately the same proportion of the deaf would claim the deduction.

Mr. President, I hope that my colleagues will give early and favorable consideration to this humanitarian measure. I ask unanimous consent that the text of this measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 151(d) of the Internal Revenue Code of 1954 (relating to additional exemption for blindness of taxpayer or spouse) is amended—

(1) by inserting "or deafness" after "blindness" in the heading;

(2) by striking out "blind" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "blind, deaf, or deaf-blind"; and

(3) by adding at the end thereof the following new paragraphs:

"(4) DEAFNESS DEFINED.—For purposes of this subsection, an individual is deaf only if his average loss in the speech frequencies (500 to 2,000 Hertz) in the better ear is 86 decibels, I.S.O. or worse.

"(5) DEAF-BLIND DEFINED.—For purposes of this subsection, an individual is deaf-blind only if he is both deaf and blind."

(b) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 469. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, regulations currently governing retirement pay for reservists do not provide benefits for those who did not serve on active duty before August 16, 1945, the end of World War II. Although these regulations are designed to insure that only the most deserving reservists are compensated for their sacrifice to our Nation, I believe that they are unnecessarily restrictive in that no benefits are provided to those who came to the aid of our country during the Berlin crisis, the Korean war, the Cuban missile crisis, and the Vietnam war, or who served for an extended period of time following the end of World War II. These men and women have performed services for our country fully as valuable as those rendered by activated reservists who served during World War II.

The legislation I am reintroducing today recognizes the contribution made by these individuals and corrects the current inequity in the law by granting them eligibility for retirement benefits. I urge that my colleagues in the U.S. Senate join me in rewarding these reservists for the service they rendered to the United States in its times of need.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 67 of title 10, United States Code, is amended as follows:

(1) Section 1331(c) is amended to read as follows:

"(c) No person who before August 16, 1945, was a Reserve of an armed force, or a member of the Army without component or other category covered by section 1332(a)(1) of this title except a regular component, is eligible for retired pay under this chapter unless he performed—

"(1) active duty after April 5, 1917, and before November 12, 1918, or after September 8, 1940, and before January 1, 1947;

"(2) active duty (other than for training) after June 26, 1950, and before July 28, 1953, after August 13, 1961, and before May 31, 1963, or after August 4, 1964, and before March 28, 1973; or

"(3) at least twenty years of service (computed under section 1332 of this title) after August 15, 1945.". (2) Section 1332(b) is amended by adding the following new clause after clause (7):

"(8) Service before August 16, 1945, if eligibility for retired pay is based on section 1331(c)(3) of this title.".

(3) Section 1333 is amended—

(A) by striking out "For" and inserting in place thereof "(a) Except as provided in subsection (b), for"; and

(B) by adding the following new subsection:

"(b) Service before August 16, 1945, may not be counted under subsection (a), if eligibility for retired pay is based on section 1331(c)(3) of this title.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 470. A bill to amend title 10 of the United States Code relating to retention in active status of certain officers; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, a situation has been called to my attention which I believe requires congressional action. Under the law presently in force, the Secretary of the Army may retain in an active status any consenting reserve officer in the Medical Corps, the Dental Corps, the Chaplaincy, the Army Nurse Corps, or the Army Medical Specialist Corps, until that officer reaches 60 years of age. Officers not included in the enumerated branches of the Army must retire when they satisfy the mandatory retirement requirements. In my judgment, this provision results in a significant loss of talent and taxpayer dollars. There are many situations in which Reserve officers continue to serve after they fulfill the conditions for mandatory retirement. Even though they want to give of their time and talent, even though thousands of taxpayers' dollars have gone toward training them, and even though the Army itself would like to continue to utilize their services the law forces these officers to retire.

The bill which I am reintroducing today would amend title 10 of the United States Code to allow the Secretary of the Army to retain a consenting Reserve officer in active status, regardless of his branch of service, until he reaches 60 years of age. Enactment of this bill will not result in an increase in the budgetary requirements of the Department of Defense. Therefore, I believe that this measure, which can offer so much at such a small cost, is deserving of the support of the Congress.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 470

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3855 of title 10 United States Code, is amended by striking out everything after

"reserve officer" down through the period and inserting in lieu thereof "until the date on which such officer becomes sixty years of age.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 471. A bill to amend title 10, United States Code, to authorize former members of the Armed Forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are permitted to travel on such aircraft; to the Committee on Armed Services.

● Mr. INOUYE. Mr. President, today I am reintroducing a bill which is of great importance to a group of patriotic Americans. This legislation is designed to extend space available travel privileges on military aircraft to those who have been totally disabled in the service of our country.

Currently, retired members of the Armed Forces are permitted to travel on a space available basis on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the military airlift command. My bill would provide the same benefits for 100-percent service-connected disabled veterans.

Surely we owe these heroic men and women who have given so much for our country a debt of gratitude. Of course, we can never repay them for the sacrifice they have made on behalf of all of us but we can surely try to make their lives more pleasant and fulfilling. One way in which we can help is to extend military travel privileges to these distinguished American veterans. I have received numerous letters from all over the country attesting to the importance attached to this issue by veterans. Therefore, I ask that my colleagues show their concern and join me in saying "thank you" by supporting this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53, relating to Miscellaneous Right and Benefits, of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1032. Travel privileges on military aircraft for certain former members of the armed forces

"Any former member of the armed forces who is entitled to compensation from the Veterans' Administration for a service-connected disability rated total in degree by the Veterans' Administration is entitled, in the same manner and to the same extent as are retired members of the armed forces, to travel on a space-available basis on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command.".

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new item as follows:

"1032. Travel privileges on military aircraft for certain former members of the armed forces.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 472. A bill to amend section 1002 of title 38, United States Code, to authorize the burial in a national cemetery of the parents of certain members of the Armed Forces who die in active service; to the Committee on Veterans' Affairs.

● Mr. INOUYE. Mr. President the United States has established national cemeteries around the world to provide a suitable resting place for those who have defended our Nation in its times of need. Under current regulations spouses and children of these patriotic men and women are permitted to lie beside their loved ones in these hallowed burial grounds. However, it has come to my attention that the existing law does not extend to the case of the parents of an only child who dies in the service of our country. Quite often, the bereaved parents wish to lie at rest near the body of their child. In order to make possible that final wish I am reintroducing legislation to amend that section of the United States Code on veterans' benefits to authorize the burial in a national cemetery of the parents of an only child who dies in active service provided they survive his or her death. I hope that my colleagues will join in honoring these citizens who have made the supreme sacrifice for our Nation by supporting the bill.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 472

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1002 of title 38, United States Code, is amended by redesignating paragraph (6) as paragraph (7) and adding after paragraph (5) a new paragraph (6) as follows:

"(6) The surviving parents of any member of the Armed Forces who was the only child of such parents and whose death occurred under honorable conditions while such member was serving on active duty for a period of more than thirty days.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 473. A bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable; to the Committee on Veterans' Affairs.

● Mr. INOUYE. Mr. President, it has recently come to my attention that there are certain veterans who have every right to be honored by burial in a national cemetery, but who are presently ineligible to receive the honor which they deserve. I am referring to those veterans who are eligible to be buried in a national cemetery, but who continue to serve our Nation and humanity even after their deaths, by donating their bodies for use in medical research or training. I believe that the Congress of the United States should act to give them the recognition and honor they deserve, and which by rights is theirs. I believe action also should be taken to memorialize those deceased veterans whose bodies have been cremated and the ashes scattered rather than inurned in a national cemetery. The service to the Nation provided by these veterans gives them the right to be honored, as other veterans are honored, after their deaths. They should not be deprived of this right because of the manner in which their bodies are put to rest.

I am introducing at this time a bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified or were not recoverable, to include deceased members of the Armed Forces who have donated their remains for use in medical reseach and training and those who have been cremated and their ashes scattered.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1003(a) of title 38, United States Code, is amended by striking out "or have been determined to be nonrecoverable" and inserting in lieu thereof ", have been determined to be nonrecoverable or have been donated for use in medical research or training.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 474. A bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to extend, under certain circumstances, the period within which a veteran must complete a program of education under such chapter; to the Committee on Veterans' Affairs.

● Mr. INOUYE. Mr. President, the men and women who have served our Nation as members of the Armed Forces must be given every opportunity to lead productive lives when they return to their homes. After proudly serving their country, they must never be forced to suffer pain and humiliation that comes from a lack of education or skills. Thus, I am introducing a bill that would extend the delimiting period within which a veteran must complete a program of education when such a veteran can provide a compelling reason for his or her inability to complete a program.

Presently, veterans who are released from active duty after January 31, 1955 are eligible for 10 years after being discharged with the stipulation that this time limit does not go beyond December 31, 1989. An extension of the time limit is provided to veterans who are prevented from beginning or completing their chosen program of education because of a physical or mental disability not the result of their willful misconduct.

The President of the United States last year expressed concern that veterans be afforded adequate time for educational pursuits and supported the extension of the delimiting period beyond 10 years. The debt of gratitude that we owe these men and women will not be paid in full if they cannot continue to hold their heads as high when they return home as they did in their Nation's service.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1662 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"Extension of Delimiting Period

"(c) Notwithstanding the provisions of subsection (a), the Administrator is authorized to extend, for such period as the Administrator deems appropriate, the delimiting period applicable to any veteran when such veteran can demonstrate a compelling reason for such veteran's inability to complete such veteran's educational program within the delimiting period otherwise applicable. The Administrator shall issue regulations specifying the reasons for which extensions under this subsection will be granted.".●

By Mr. WALLOP (for himself, Mr. GOLDWATER, Mr. LAXALT, and Mr. MCCLURE):

S. 475. A bill to authorize the Secretary of the Interior to construct hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. WALLOP. Mr. President, every hour of every day energy opportunities are flowing unutilized or underutilized through the dams of America. Energy may be our No. 1 domestic priority for the rest of the century, yet we are failing to make maximum use of even our existing hydroelectric potential. The retrofitting and upgrading of hydroelectric powerplants at existing dams is probably the most environmentally sound, safe, and cost-effective source of energy for the last quarter of the 20th century. The bill which we introduce today constitutes another step toward fully utilizing this existing resource.

Last year, the late Senator Metcalf, together with Senator HANSEN and myself, introduced a similar bill. When Senator Metcalf introduced that bill, S. 2187, he aptly pointed out that over the last few years the energy spotlight has often concentrated on the more exotic suggestions for solutions to the fuel and energy supply problems facing our Nation. Our headlines, and thus our national attention, has emphasized new technology as answers to impending shortage. While these technologies are important, we must not focus upon them to the exclusion of our more traditional, renewal, resources.

This bill will authorize the Secretary of the Interior to install additional generating facilities at two existing Bureau of Reclamation projects where new storage or regulating structures would not be required to produce additional power. The two projects are: The Buffalo Bill Dam powerplant replacement in Wyoming, and the Hoover Dam powerplant modification in Arizona.

Mr. President, the total authorization of $134,700 for construction will average about $330 per kilowatt of installed capacity. This is an excellent deal at today's prices. The equivalent cost per kilowatt hour of installed capacity at nuclear powerplants is $900 and for fossil fuel fired plants between $700 and $750 per kilowatt hour.

What is more, the installation of these facilities has the potential to save the equivalent of 180,000 barrels of oil annually for years to come.

In addition to the two projects authorized for construction under section 3 of the bill, the Secretary of Interior is authorized to investigate the feasibility of additional hydroelectric powerplants at five additional sites. These five sites are drawn from the Department of Interior's "Western Energy Expansion Study" of February 1977 which inventoried the opportunities on existing reclamation projects to develop hydroelectric energy. Many projects with positive costs-benefit ratios were identified by the exhaustive study including 27 opportunities for the addition of conventional plants at existing facilities, 12 all new conventional plants, 6 low-head plants, 10 pump storage units at existing facilities, and 13 all newpump storage facilities. These figures represented only those projects with positive cost-benefit ratios.

The five projects authorized for further investigation represent the most promising of these projects.

Mr. President, I ask unanimous consent that the bill, together with a section-by-section analysis and a brief description of each of the projects be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior acting pursuant to the Federal Reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto) is authorized to construct, operate, and maintain hydroelectric powerplants and appurtenant switchyards on existing reclamation project facilities at locations and in the approximate capacities set forth in section 3 of this Act. In carrying out the purposes of this Act, the Secretary of the Interior is authorized to modify the capacity of the powerplant as determined to be necessary and desirable during postauthorization study and design, and after consultation with the approval by the Secretary of Energy.

SEC. 2. The Secretary of Energy is authorized to construct, operate, and maintain transmission interconnections as required physically to interconnect the hydroelectric powerplants authorized by section 3 of this Act to existing power systems as he determines necessary to accomplish distribution and marketing of power generated pursuant to this Act.

SEC. 3. (a) Buffalo Bill Dam powerplant replacement, Wyoming, consisting of one twenty thousand kilowatt turbine generator unit in replacement of an existing five thousand kilowatt unit.

(b) Hoover Dam Powerplant Modifications, Arizona-Nevada, consisting of replacing existing powerplant units A-8 and A-9 with a single generating unit of three-hundred fifty thousand kilowatts.

SEC. 4. (a) Hydroelectric power generated by facilities constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing through existing Federal hydroelectric power marketing systems in accordance with existing law and policy consistent with the provisions of this Act.

(b) The plants authorized by section 3 of this Act shall be financially integrated with and the power marketed under rate schedules in effect for the several systems as follows:

(1) Buffalo Bill Dam powerplant unit shall be marketed through the Western Division, Pick-Sloan Missouri Basin program power system; and

(2) Hoover Dam Powerplant Modifications shall be marketed through the Boulder Canyon Project power system;

SEC. 5. Powerplants authorized by this Act shall be designed, constructed, and operated in such a manner as to not limit, restrict, or alter the release of water from any existing reservoir, impoundment, or canal adverse to the satisfaction of valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 6. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimburseable costs of the facilities authorized by this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the works authorized by each subsection of section 3 is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 7. There is hereby authorized to be appropriated to the Secretary of the Interior for construction of the work authorized by this Act the amounts set forth below on the basis of January 1977 price levels plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction cost indexes applicable to the type of construction involved herein:

(a) Buffalo Bill Dam Powerplant replacement, $17,000,000.

(b) Hoover Dam Powerplant modifications, $117,000,000.

There is also authorized to be appropriated such sums as may be required by the Secretary of Energy to accomplish interconnection of the powerplants authorized to be constructed by this Act; together with such sums as may be required for operation and maintenance of all works authorized herein.

SEC. 8. The Secretary of the Interior is authorized to engage in feasibility investigations of the following potential hydroelectric power projects:

(1) Friant Powerplant Unit, Central Valley Project, California.

(2) Palisades Powerplant Enlargement, Palisades Project, Idaho.

(3) Wiskeytown Powerplant, Central Valley Project, California.

(4) Canyon Ferry Powerplant Additions, Canyon Ferry Unit, Pick-Sloan Missouri Basin Project, Montana.

(5) Yellowtail Afterbay Powerplant, Yellowtail Unit, Pick-Sloan Missouri Basin Project, Montana.

The Secretary is directed to transmit feasibility reports authorized by this section to Congress within 24 months from the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

The bill is comprised of eight sections as follows:

Section 1 is the authorizing section of the act and provides that the Secretary may alter the capacity of the powerplants if it is found to be necessary and desirable during post-authorization design. Such alterations would require consultation with the Secretary of Energy who will be the marketing agent for the power.

Section 2 authorizes the Secretary of Energy to construct, operate and maintain transmission facilities to interconnect the plants constructed under this act with existing power systems.

Section 3 enumerates the hydroelectric powerplants authorized for construction by the act, identifies the project of which they are a part, and establishes the generating capacity to be installed in each instance.

Section 4 provides that power generated by plants authorized by the act will be delivered to the Secretary of Energy who will market the power under existing law and policy governing the system to which the plant is interconnected. The section specifies the system to which each plant will be connected and requires the plants be financially interconnected with those systems.

Section 5 requires that the plants be operated so as not to interfere with existing rights to the use of water.

Section 6 sets forth the formula for establishing the interest rate for return of the costs of the facilities authorized by the act.

Section 7 provides authorization for appropriations for construction, operation and maintenance of the hydroelectric plants and transmission interconnections.

Section 8 authorizes the Secretary of the Interior to investigate the feasibility of hydroelectric and related powerplants at additional sites and directs that the reports be forwarded to Congress within 24 months of the date of the act.

PROJECT AUTHORIZATIONS

Buffalo Bill Dam Powerplant Replacement, Shoshone Project, Wyoming. The project would involve the replacement of an existing 5 megawatt turbine generator with a unit rated at 20 megawatts. Authorized cost: $17,700,000.

Hoover Dam Powerplant Modifications, Boulder Canyon Project, Arizona-Nevada. The project would involve replacement of the existing powerplant units A-8 and A-9 with a single generating unit of 350 megawatts. Authorized cost: $117,000,000.

FEASIBILITY STUDY AUTHORIZATIONS

Friant Powerplant Unit, Central Valley Project, California. The study would investigate the installation of three powerplants with a total installed capacity of 22.7 megawatts. Included would be a 2.7 megawatt powerplant on the San Joaquin River at the outlet to the River from Friant Dam, a 5 megawatt powerplant on the outlet from Friant Dam to the Madera Canal, and a 15 megawatt powerplant on the outlet from Friant Dam to Friant-Kern Canal. One switchyard and six miles of transmission lines would be required. Estimated cost of study: $130,000.

Palisades Powerplant Enlargement, Palisades Project, Idaho. The study would investigate the feasibility of adding an additional 90 megawatt powerplant to the existing 118 megawatt Palisades Powerplant at the outlet on the Snake River. Estimated cost of study: $500,000.

Whiskeytown Powerplant, Central Valley Project, California. The study would investigate the feasibility of installing a 3 megawatt powerplant located below Whiskeytown Dam on Clear Creek.

Canyon Ferry Powerplant Addition, Canyon Ferry Unit, Pick-Sloan Missouri Basin Project, Montana. The study would investigate the feasibility of installing a 90 megawatt powerplant downstream from the existing Canyon Ferry Dam and Powerplant on the east side of the Missouri River. Estimated cost of study: $200,000.

Yellowtail Afterbay Powerplant, Yellowtail Unit, Pick-Sloan Missouri Basin Project, Montana. The study would investigate the feasibility of installing a 11.4 megawatt low-head bulb turbine powerplant in the existing Yellowtail Afterbay Dam located below Yellowtail Dam on the Bighorn River. Estimated cost of study: $150,000.●

By Mr. INOUYE:

S. 476. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit payments are increased; to the Committee on Human Resources, jointly, by unanimous consent.

● Mr. INOUYE. Mr. President, today I am reintroducing a bill designed to deal with a serious inequity, currently legal, which allows insurance companies to reduce private disability benefits paid to policyholders by the amount of cost of living increases in social security payments.

Congress, in providing periodic cost of living increases in social security payments, intended to allow the income of beneficiaries to keep pace with inflation. That intent is completely subverted when insurance companies can reduce benefit payments by the amount of the cost-of-living increases. By using that practice insurance companies force disabled social security beneficiaries to live on fixed incomes subject to the ravages of inflation, while earning an unfair windfall profit themselves on each increase in social security payments. The disabled, who may well be unable to supplement their income with other employment and who often require ever more expensive medical treatment, can ill afford to have the cost-of-living increases intended for them diverted to subsidize insurance companies.

Therefore, I wish to take some corrective action. My bill will accomplish the reform so urgently needed in this area without disturbing the customary State regulation of the insurance industry. It amends the 1974 Employee Retirement Income Security Act and the 1954 Internal Revenue Code to prohibit the accrual of increased social security benefits toward defraying, reducing, or subrogating the payments owed beneficiaries under private insurance contracts.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 206 (b) of the Employee Retirement Income Security Act of 1974 is amended by striking out "pension plan" in paragraph (1) and inserting in lieu thereof "employee welfare benefit plan".

SEC. 2. (a) Section 264 of the Internal Revenue Code of 1954 (relating to certain amounts paid in connection with insurance contracts) is amended by adding at the end thereof the following new subsection:

"(d) Certain Disability Compensation Plans.—Notwithstanding the provisions of sections 162, 212, and 404, no deduction shall be allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefits payable to an individual receiving benefits under the plan are reduced, or any scheduled increase in such benefits is omitted, on account of any increase in monthly insurance benefits to which such an individual is entitled under title II of the Social Security Act if such increase occurs after such individual begins to receive benefits under such plan. For purposes of this subsection, the term 'disability compensation plan' means a program (including a program of insurance) established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.".

(b) (1) The caption of section 264 of such Code is amended by inserting after "CONTRACTS" the following: "OR UNDER CERTAIN DISABILITY COMPENSATION PLANS".

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 264 and inserting in lieu thereof the following:

"Sec. 264. Certain amounts paid in connection with insurance contracts or under certain disability compensation plans.".

SEC. 3. The amendment made by the first section of this Act applies to plan years beginning after the date of the enactment of this Act. The amendment made by section 2 applies to taxable years beginning after the date of the enactment of this Act.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Senator INOUYE dealing with ERISA be referred jointly to the Committee on Finance and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. WILLIAMS:

S.J. Res. 40. A joint resolution to authorize the President to proclaim annually the last Friday of April as "National Arbor Day;" to the Committee on the Judiciary.

NATIONAL ARBOR DAY

● Mr. WILLIAMS. Mr. President, today I am introducing a joint resolution directing the President to proclaim an annual "National Arbor Day" the last Friday of April.

Since ancient times, trees have symbolized life, strength, and renewal. Tree worship and tree planting ceremonies have been part of many cultures in history. The Aztec Indians celebrated the birth of a newborn child with a newly planted tree. Ancient governments planted a tree to mark the accession of a new monarch to the throne.

Arbor Day, however, is a distinctly American tradition. On the barren plains of Nebraska, J. Sterling Morton led a citizen effort to encourage the planting of trees. As President of the Nebraska Board of Agriculture, Morton in 1872 introduced a resolution to designate one day in April as State Arbor Day.

A man of foresight and wisdom, Morton realized the importance of protecting existing trees, as well as cultivating new ones. There were many practical as well as esthetic reasons for planting trees. They provided shade and shelter, prevented erosion, and were a source of fuel and building materials. Morton also recognized the social and educational, moral and even spiritual functions of tree planting.

Unfortunately, as the frontier disappeared and our Nation became increasingly urbanized, interest in Arbor Day waned. The need to plant and maintain trees, however, is greater than ever. For the desolate landscape of the Great Plains has given way to the desolation of asphalt and concrete. The trees which refresh and beautify our cities have increasingly fallen victim to budget cuts, diseases, and environmental stresses. They are often inadequately cared for, and when they die, they are not replaced.

A uniform National Arbor Day would refocus our attention on the manifold benefits of trees, and would renew our commitment to nuturing them. The planting of a tree on National Arbor Day would symbolize the natural heritage we leave to future generations.

As J. Sterling Morton remarked, the public observance of Arbor Day is "destined to become a blessing to posterity as well as to ourselves."

Mr. President, I ask unanimous consent that the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 40

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the last Friday of April "National Arbor Day" and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

By Mr. BURDICK:

S.J. Res. 41. A joint resolution to authorized the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

NATIONAL FAMILY WEEK

● Mr. BURDICK. Mr. President, I am today introducing a joint resolution that authorizes the President to issue an annual proclamation designating the week in November which includes Thanksgiving Day as National Family Week.

We have celebrated National Family Week for the last 3 years, as well as in 1972. Many States adopted their own resolutions in 1971 as well. In 1976, 1977, and again in 1978, both houses of Congress approved resolutions authorizing this celebration. The legislation I am introducing today would establish National Family Week as an annual event, and, with the consistent support past Congresses have shown, I would hope that a permanent authorization will be considered. If not, however, I hope Congress will not fail to authorize National Family Week 1979.

The purpose of National Family Week is simple: it is a specific time to recognize the importance of the family in American life and the fundamental role is l as played in forming the values upon which our Nation is based. Although many may be skeptical about the proliferation of official holidays, I think it is important to remember that National Family Week is neither commercial nor promotional. Its purpose is not to promote sales or festivities. Rather, it is a way to encourage people to pause for a moment and reflect on the way families have affected their lives and the course of the Nation.

The role of the family has changed dramatically in this century. From the basic economic and social unit of our society in the 1900's, the family today has evolved into a much different and less central role. For many, the family unit is breaking down, and an extended family living under one roof is virtually a thing of the past.

Despite these changes, however, the family unit is still the basic moral and economic unit for most of us. It is still where the values and experiences of one generation are passed on to the next. Because of this, I believe it is imperative that we recognize the importance of the family and do all we can to preserve it.

Last year 38 Senators cosponsored the National Family Week resolution with me, and over half the Members of the House cosponsored a similar measure. I am very hopeful that both Houses will again recognize the value of National Family Week and approve the resolution I am introducing today.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 41

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. DOLE, the Senator from Illinois (Mr. PERCY) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 12, a bill to provide for cost-of-living adjustments in individual tax rates and in the amount of personal exemptions.

S. 14

At the request of Mr. CHURCH, the Senator from Idaho (Mr. MCCLURE) and the Senators from Montana (Mr. MELCHER and Mr. BAUCUS) were added as cosponsors of S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws.

S. 55

At the request of Mr. BENTSEN, the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. BAYH), and the Senator from Idaho (Mr. CHURCH) were added as cosponsors of S. 55, the Meat Import Act of 1978.

S. 105

At the request of Mr. WALLOP, the Senator from Michigan (Mr. LEVIN), the Senators from New Mexico (Mr. SCHMITT and Mr. DOMENICI), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 105, the Parental Kidnapping Prevention Act of 1979.

S. 123

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 123, a bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists.

S. 195

At the request of Mr. BUMPERS, the Senator from Arkansas (Mr. PRYOR), the Senator from Florida (Mr. CHILES), the Senator from Florida (Mr. STONE), the Senator from Michigan (Mr. RIEGLE), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 195, a bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital.

S. 221

At the request of Mr. WALLOP, the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 221, a bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people.

S. 227

At the request of Mr. ROTH, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 227, a bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974.

S. 233

At the request of Mr. CANNON, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 233, a bill to amend the International Travel Act of 1961, to authorize additional appropriations, and for other purposes.

S. 240

At the request of Mr. RIBICOFF, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 240, the Federal Computer Systems Protection Act.

S. 244

At the request of Mr. STEVENSON, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 244, the Space Policy Act of 1979.

S. 248

At the request of Mr. DOLE, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 248, a bill to modify criteria regarding self-employment in-

come derived from sale of certain agricultural or horticultural commodities.

S. 261

At the request of Mr. MCGOVERN, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 261, a bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities.

S. 268

At the request of Mr. DURKIN, the Senator from New Mexico (Mr. SCHMITT) and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 268, the Soft Drink Bottlers' Protection Act of 1979.

S. 270

At the request of Mr. BUMPERS, the Senator from Montana (Mr. MELCHER), the Senator from North Dakota (Mr. YOUNG), the Senator from Indiana (Mr. LUGAR), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 270, a bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

S. 377

At the request of Mr. ROTH, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 377, a bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment.

S. 378

At the request of Mr. BELLMON, the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 378, a bill to authorize funds for the Robert A. Taft Institute of Government.

S. 380

At the request of Mr. DURKIN, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 380, a bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries.

S. 395

At the request of Mr. CHILES, the Senator from Montana (Mr. BAUCUS), the Senator from Kentucky (Mr. FORD), the Senator from New Jersey (Mr. WILLIAMS), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 395, the Medicare Supplemental Health Insurance Information Disclosure and Protection Act of 1979.

SENATE JOINT RESOLUTION 16

At the request of Mr. WALLOP, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 16, to balance the Federal budget.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE JOINT RESOLUTION 37

At the request of Mr. SASSER, the Senator from Massachusetts (Mr. TSONGAS), the Senator from Michigan (Mr. LEVIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Wisconsin (Mr. NELSON), and the Senator from Minnesota (Mr. DURENBURGER) were added as cosponsors of Senate Joint Resolution 37, authorizing the President to proclaim May 1, 1979, as National Bicycling Day.

AMENDMENT NO. 58

At the request of Mr. DURKIN, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. FORD), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Amendment No. 58 intended to be proposed to S. 333, a bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism.

SENATE RESOLUTION 78—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE NEED FOR ENERGY EMERGENCY PREPAREDNESS

Mr. HATFIELD (for himself, Mr. JACKSON, Mr. DOMENICI, Mr. STEVENS, Mr. BELLMON, Mr. WALLOP, and Mr. BUMPERS) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 78

Whereas, the United States remains highly dependent on foreign energy, especially petroleum;

Whereas, the interruption of oil exports from Iran may continue for an extended period;

Whereas, the Iranian situation makes the United States and the rest of the world much more vulnerable to any other reduction of oil supplies;

Whereas, continuation of the current situation may lead to shortages of petroleum products, and could lead to the use of the International Energy Agreement to distribute petroleum shortfalls among the IEA nations, resulting in additional obligations for the reduction of United States consumption; and

Whereas, prompt and measured action can reduce the human cost of this supply disruption and reduce the possibility of later panic reactions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States should immediately initiate measures to increase American energy supplies and reduce demand, and should present plans to the Congress for maintaining this balance of supply and demand in the event of protracted supply problems. Such actions should include, but not be limited to, submission to the Congress of plans for readying the Strategic Petroleum Reserve for withdrawals, enforcing a mandatory conservation program, requiring substitutions of alternative fuels for petroleum, updating the petroleum allocation regulations, and increasing fuels production incentives.

Be it further resolved, that it is the sense of the Senate that the President should submit to Congress a standby gasoline rationing plan which can be implemented in the event that other measures become ineffective during periods of severe shortage.

● Mr. HATFIELD. Mr. President, the Energy and Natural Resources Committee has held three hearings which have dealt with the tightening world oil situation and our preparedness for handling it. The committee has further held two top-secret briefings in order to assess the Iranian problem. Finally, the minority members of this committee requested a briefing at CIA Headquarters in order to explore the effect the Iranian situation may have in the Persian Gulf generally, the outlook for stability in our oil imports from that part of the world, the elements necessary for resumption of Iranian exports and the likely level of these exports, and the American supply options for the immediate future and into the 1980's. I believe we have emerged from these sessions with a commonsense of the likelihood of protracted oil supply problems in this country. And to that view I submit a resolution which calls on the administration to get off its hands.

In recent days we have heard Secretary Schlesinger, Secretary Blumenthal, and Administrator Bardin telling distinctly different stories to the American people about the seriousness of the problem of world oil supplies. It is time the Government spoke with one voice, gave one signal to the citizenry, and prepared itself for dealing with shortages. It is estimated that usable petroleum inventories in the United States—"usable" being that part of the total inventory which may be built up and drawn down, as opposed to the inventory that is an unavoidable part of production and transportation—will be down to 5 days' supply by the end of the first quarter. Spot shortages of certain products in certain areas are an inevitable consequence of such low stocks. Several companies have already begun allocating to their distributors and dealers.

It is my hope that we can make a united call for action through this resolution. It has been more than 4 years since the Arab embargo, and there is no excuse for our present lack of preparedness to meet an oil shortage situation.●

SENATE RESOLUTION 79—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. RIBICOFF, from the Committee on Governmental Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 79

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2)

to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,348,100, of which amount not to exceed $46,585 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and acivities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and long-standing causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquillity within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a number; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legisaltive Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1979, through February 29, 1980, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 80—SUBMISSION OF A RESOLUTION RELATING TO THE FEDERAL BUDGET

Mr. HART submitted the following resolution, which was referred to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to the order of August 4, 1977:

S. RES. 80

Whereas, the United States is in a new economic era of increased interest in the magnitude and disposition of Federal spending;

Whereas, the Budget of the United States Government, as presently submitted to the Congress, recommends funding of Federal programs according to their missions and functions, and from this the Congress and the public can judge the amount of resources that are applied to meeting various purposes and objectives of the Government;

Whereas, the Budget contains levels of total spending and levels of income from Federal taxes and presents the anticipated size of the Federal deficit, and by looking only at the Federal deficit and the Budget according to missions and functions, the public may receive an incomplete financial picture.

Whereas, under non-emergency circumstances, the Government should not borrow to pay for current programs or purposes which provide benefits primarily in the year they are made, since it is basically unfair, and financially unwise, to obligate future populations to pay for a previous population's consumption;

Whereas, if at all, the Government should borrow funds only for capital items and investment-type programs or purposes that yield benefits in future years, since a long-term investment made in one year will benefit citizens in future years and it is fair, under these circumstances, to obligate future citizens to pay for some present investments;

Whereas, it is sound financial and customary business practice to borrow funds for capital items and long-term investments;

Whereas, while Federal borrowing for long-term investments is good business practice, a Federal deficit can be inflationary under ordinary economic circumstances and thus should be avoided; and

Whereas, by providing a Budget distinguishing capital and investment spending for current programs or purposes, the President and the Congress will show the American people the degree to which a budget deficit, which may be needed in some circumstances to promote economic growth, is also appropriate from a financial management viewpoint: Now, therefore, be it

Resolved, That it is the sense of the Senate to increase the public's general understanding of the objectives of Federal spending, especially in relation to revenue-raising practices, the Budget submitted by the President for each fiscal year under section 201 of the Budget and Accounting Act, 1921, and the

budget reported by the Committee on the Budget pursuant to Section 301 of the Congressional Budget Act of 1974 should prominently and accurately distinguish proposed outlays for capital items and investment-type programs and purposes from proposed outlays for other programs and purposes and should, therefore, divide proposed outlays between those for capital items and investment-type programs or purposes, those for operating or current programs or purposes, and those for other purposes.

Mr. HART. Mr. President, today I am submitting a Senate resolution requiring the President and the Congress to structure the Federal budget in a new way. This resolution requires the President's budget message to Congress to distinguish between Federal spending on long-term investments, and Federal spending on current programs which provide benefits primarily in the year they are made.

Most people do not understand that one of every 5 dollars in the Federal budget goes to long-term capital investments the Government makes. Although most businesses would account for those expenditures separately from current outlays, the Federal Government makes no such distinction.

This resolution is designed to make the Federal Government structure its budget the way a sound business does. It does not directly relate to the current debate over the nature and size of budget deficits. Rather, it will help people understand where their tax dollars are actually going.

First, let me explain the difference between "investment" outlays and "current" outlays.

Current programs provide benefits primarily in the year they are made. They include: payments for retirement, disability, and other income maintenance; social and employment service; subsidies or other payments—to agriculture, business and transportation systems and other institutions—that are not directly used to purchase physical assets; payments for the repair, maintenance, and operation of established physical assets; and regulatory, law enforcement, and other operating costs of the Federal Government.

Investment-type or capital programs are those that yield benefits in future years, through the acquisition of physical assets, financial assets, or through expenditures for less tangible long-term benefits such as education. They include the construction, rehabilitation, or acquisition of physical assets; education, training, and vocational rehabilitation; research and development; international development; and financial investments such as loans.

The Federal Government has never produced a capital budget in which capital or investment-type programs are accounted for separately from current expenditures. However, the President's Office of Management and Budget does provide figures distinguishing two types of spending in a volume entitled "Special Analyses, Budget of the U.S. Government."

I ask that this analysis for fiscal year 1980 be printed at the conclusion of this statement.

(See exhibit 1.)

Mr. HART. The data in this analysis may be surprising. Investment-type outlays account for $115 billion of the total estimated outlays. Of this, $44 billion is for defense purposes, primarily for the acquisition of major equipment.

The remaining $71 billion is spread among other areas, including $24 billion for construction of physical assets such as highways, mass transit, and pollution control facilities; $15 billion for research and development; and $21 billion for education and training; $4 billion for loans; and so on.

Investment in physical assets account for more than half of the capital outlays. Outlays for physical assets such as military equipment and highways are estimated to amount to $64 billion in the 1980 budget. Spending on these physical assets, whether they are owned by the Federal Government or by State, local or private entities, should not be considered in the same category as current outlays. On an accountant's balance sheet, they would be listed as fixed assets of the country. In the Federal budget, they are ordinary expenditures. It is noteworthy that the fiscal year 1980 budget deficit at $29 billion is less than half of the $64 billion in spending for physical investments. Nondefense spending on construction alone totals $24 billion, which almost equals the projected Federal deficit.

We should eliminate the deficit and balance the budget to prevent inflation in times of economic prosperity. But it is obvious that if we organized the budget correctly the Federal deficit question would look very different.

Another type of investment is for education and training. In the past 20 years, economists have been working to measure the financial rewards from investment in education. As we might expect, such investments do, in fact, provide a return, and one which is roughly comparable to the return on investment in physical assets.

Of course, a private firm cannot place a value on the education-capital invested in its workers, because workers cannot be "owned" or sold. But from a public perspective, a more highly educated workforce is desirable because productivity and wages can be increased without causing inflation.

In today's era of budgetary stringency, the American people need a better understanding of what their tax dollars do for them. By restructuring the Federal budget to show the capital expenditures separately from the current ones, the taxpayers will be better informed. In this spirit, I urge my colleagues to support this resolution.

EXHIBIT 1

ANALYSIS—INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

This analysis divides outlays between those of an "investment" or capital nature, and those devoted to "current" or operating purposes. Investment-type programs are those that yield benefits in future years through the acquisition of physical assets, financial assets, or through expenditures for less tangible long-term benefits such as education. They include: the construction, rehabilitation, or acquisition of physical assets; education, training and vocational rehabilitation; research and development; international development; and financial investments such as loans. Current programs provide benefits primarily in the year they are made. They include: payments for retirement, disability, and other income maintenance; social and employment service; subsidies or other payments—to agricultural, businesses and transportation systems and other institutions—that are not directly used to purchase physical assets; payments for the repair, maintenance, and operation of established physical assets; and regulatory, law enforcement, and other operating costs of the Federal Government. Some budgetary transactions, notably the allowance for contingencies, cannot be classified as either investment or current in nature.

This special analysis reflects a number of improvements relative to past years that are designed to make it more useful and more accurate. Proprietary receipts from the public, which are counted as offsets to outlays in the budget, are now included as offsets to those items to which they most nearly apply. This treatment more nearly reflects the net Federal expenditures in various sectors. In addition, employment—but not training—programs are classified as current in nature. This action reflects the fact that these programs provide, on the whole, current benefits to people employed rather than long-term benefits. International development grants and foreign military sales have been shifted to the investment-type category to reflect the long-term benefits of these programs. A new investment-type category has been created encompassing collection of information. Included are general purpose statistics, censuses, and engineering and natural resource surveys. These programs are classified as investment-type since they provide a data base from which long-term benefits are derived.

The Federal Government has never produced a capital budget in the sense of one in which capital or investment-type programs are financed separately from current expenditures. One major reason is that a capital budget could be misleading as a measure of the Government's effect on the demand for economic resources. Another is that such a budget might favor programs with intensive expenditures for physical assets, such as construction, relative to other programs for which future benefits cannot be accurately capitalized, such as education or research. Likewise, physical assets might be favored relative to current operations in any given program, since deficit financing for capital would be easier to justify. A capital budget would also pose formidable accounting problems involving the measurement of depreciation on government property, especially weapons systems.

There are also inevitable classification difficulties, as illustrated in preparing the kind of analysis presented here. This analysis classifies programs in the category where most of the outlays are expected to occur. However, some programs—such as general revenue sharing or payments to individuals—can be utilized for both investment-type or current purposes and the classification of them into one category necessarily results in understating the other. Another difficulty is that current expenses for special assistance to a particular sector can be misleading since they are incomplete measures of Federal aid. For example, the category "aids to agriculture, commerce, and transportation" reflects current benefits such as payments for subsidies and operating expenses to water and air transportation and railroad programs. It does not include subsidies for the construction of private merchant ships, which are investment-type outlays included under "acquisition of major equipment". The Federal Government also assists many sectors through loan guarantees, tax expenditures, off-budget Federal entities, and other ways that are not reflected in the budget, and therefore, are not included in this analysis.

An additional difficulty is that even after the basic classification between investment-type or current programs has been made, several alternative subclassifications are possible. For example, grants for construction of education facilities could logically be considered to be either the acquisition of physical assets or the conduct of education and training. In this analysis, these grants are classified as physical assets. This is in part because complete discussions and tables of the total amount of education outlays are available elsewhere in the budget, which is not true for Federal outlays for physical assets. This principle is also observed in the treatment of the categories "conduct of research and development" and "other investment." It is applied, in addition, to all outlays for financial investments, so that a complete presentation of all Federal outlays for financial and physical assets is available.

Investment-type outlays account for over one-fifth of total estimated outlays in 1980. Of these, nearly two-fifths are for national defense programs, with procurement of major equipment and conduct of research and development being the predominant investment-type defense activities. (In this analysis, defense refers to the national defense function as defined in the budget). The remaining three-fifths are for nondefense purposes, with "construction and rehabilitation of physical assets"—such as highways and mass transit, pollution control facilities, and energy related facilities—being the predominant programs. Outlays for "conduct of education and training"—including student assistance, elementary and secondary education, and veterans readjustment benefits—are the second largest investment-type nondefense category.

Current outlays made up almost four-fifths of total estimated outlays in 1980. National defense programs account for about one-fifth of total current outlays, with nearly half of that amount required for "repair, maintenance, and operation of physical assets". The remainder includes salaries for active military employees and retired pay for military personnel as well as general overhead costs. In the nondefense area, "provision of benefits"—including retirement, disability, health and welfare benefits—accounts for nearly three-quarters of nondefense current outlays and almost one-half of total budget outlays. Nearly 14% of nondefense current outlays—9% of total budget outlays—is for net interest.

A small portion of outlays are not classified as either defense or civil outlays. These include allowances for contingencies.

Four tables are presented in this analysis. Table D-1 presents a summary of Budget outlays, separated by national defense and civil programs. Table D-2 provides detailed backup to entries of Table D-1. An additional view of budget outlays is included in Table D-3, which separates outlays by grants-in-aid, loans, and direct Federal programs. This table makes no distinction between national defense and civil programs. Table D-4 provides detailed backup to Table D-3.

TABLE D-1. SUMMARY OF INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

[In millions of dollars]

	1978 estimate	1979 estimate	1980 estimate
National defense:			
Investment-type programs:			
Construction and rehabilitation of physical assets	2,330	2,383	2,496
Acquisition of major equipment	20,105	22,607	25,915
Conduct of research and development	12,077	13,437	14,790
Other investment-type programs	546	706	831
Subtotal, investment-type programs	35,057	39,034	44,032
Current programs:			
Provision of benefits	9,207	10,324	11,487
Repair, maintenance, and operation of physical assets	34,658	37,121	39,932
Other current programs	26,265	28,024	30,318
Subtotal, current programs	70,129	75,470	81,737
Unclassified			61
Total National defense	105,186	114,503	125,830
Civil:			
Investment-type programs:			
Loans and financial investments	9,501	5,964	3,646
Construction and rehabilitation of physical assets	23,974	24,804	23,941
Acquisition of major equipment	522	640	722
Conduct of research and development	12,434	14,416	15,191
Conduct of education and training	18,399	21,066	21,000
Other investment-type programs	4,868	7,108	6,955
Subtotal, investment-type programs	69,698	73,999	71,456
Current programs:			
Provision of benefits	198,455	218,506	243,629
Social service and employment programs	13,175	13,825	12,922
Aids to agriculture, commerce, and transportation	10,962	12,893	12,894
Repair, maintenance, and operation of physical assets	391	−253	−586
General purpose fiscal assistance	9,877	9,193	9,123
Regulation, control, and law enforcement	5,795	6,211	6,333
Net interest	35,435	42,984	46,062
Other current programs	1,862	1,506	3,385
Subtotal, current programs	275,952	304,865	333,780
Total civil	345,650	378,864	405,236
Unclassified			500
Grand total	450,836	493,368	531,566

Loans and financial investments.—A loan creates a financial asset equal to the outlay. For domestic loans, the Government's asset is matched by the liability of the private sector. Most Federal domestic loans—to both State and local governments and private borrowers—finance the acquisition or improvement of either physical assets or human capital, especially in community and regional development, education, and transportation. Loans to foreign borrowers represent an increase in financial assets held by the United States. Most foreign loans are for economic development programs or the promotion of U.S. exports, including military equipment and farm commodities. Net loan outlays are expected to total $2.5 billion in 1980. However, a significant and growing Federal involvement in loan programs occurs through loan guarantees, where the Federal Government promises to pay a part or all of the principal or interest of a loan that is made by the private sector. Loan guarantees may achieve ends similar to those for direct loans except that there are no outlays except in cases of default. Additional analysis of loan programs is contained in Special Analysis F, "Federal Credit Programs."

Financial investments in international organizations such as the World Bank, are designed to enhance economic and social development in many parts of the world. This is expected, in turn, to be beneficial to U.S. interests in both the present and future. Outlays for financial investments are estimated to be $1.1 billion in 1980.

Physical assets.—Construction and rehabilitation of physical assets, acquisition of major equipment, and establishment of commodity inventories are of a long term nature. Purchases of these assets are treated as investment-type outlays regardless of whether the asset is owned by the Federal Government, or by State, local or private entities. Total outlays for physical assets are estimated at $57.5 billion in 1980; of this amount $29.2 billion is in the national defense function. Most national defense outlays for physical assets are for the procurement of military equipment. A large portion of Federal outlays for nondefense physical assets is in the form of grants-in-aid to State and local governments, especially for construction programs. Highway and mass transit programs, and pollution control construction grants are the largest items in nondefense outlays for physical assets, accounting for $8.4 billion and $3.6 billion respectively, or over two-fifths of estimated nondefense outlays for physical assets in 1980.

Conduct of research and development.—Outlays for research and development provide benefits in the future even though it is

difficult to know ahead of time what the benefits will be. Total outlays for the conduct of research and development are estimated at $30 billion in 1980. Most national defense research and development outlays are for weapon system development. In nondefense programs, outlays for health, energy and space account for more than half of nondefense research and development outlays. Additional analysis of research and development programs is contained in Special Analysis L, "Research and Development."

Conduct of education and training.—Outlays classified in this category are designed to add to the stock of human capital by developing a more skilled and productive labor force. These outlays represent direct payments to individuals, scholarships and grants to institutions and other means of financing education and training. As with physical assets, the benefits accrue over a considerable period of time. Outlays are estimated at $21.0 billion in 1980, with education programs (including veterans education benefits) accounting for nearly three-fourths of the total.

Collection of information.—This category includes outlays for collection of information, censuses, topographic or other natural resource surveys and programs that benefit both the present and future by establishing a base of knowledge. Outlays of $1.7 billion are estimated for 1980.

International development.—Foreign assistance for general international economic development is included in this category. These outlays are expected to prove beneficial to U.S. interests by enhancing the economic development of foreign governments. These outlays are estimated to be $1.6 billion in 1980.

Current programs.—Programs that provide benefits in the current year are divided into several major categories. Total current outlays are estimated at $415.5 billion in 1980. Outlays classified as current may be used for investment-type purposes; however, the intent of these outlays is to provide short-term benefits—such as unemployment compensation, retirement and disability payments, and public service employment—rather than providing the means for future benefits.

Outlays for "provision of benefits"—including retirement, disability, and other income support payments, health care and nutrition, and housing subsidies are estimated to be $255.1 billion in 1980; more than three-fifths of current outlays and almost one-half of total budget outlays.

Current outlays for "social service and employment programs" are also estimated at $12.9 billion in 1980, while "aids to agriculture, commerce, and transportation" are also estimated to total $12.9 billion.

Other current outlays are largely for operation of the Federal Government, including: the "repair, maintenance, and operation of physical assets"; regulatory and law enforcement activities, personnel, and other administrative or operating expenses of the Government. Net interest payments are estimated at $46.1 billion in 1980.

Unclassified.—These outlays have not been placed in either the investment or the current category. The allowance for contingencies is not classified because it is for unforeseen circumstances and therefore, it is not know how it will be used.

TABLE D-2.—INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
National defense investment-type programs:			
Construction and rehabilitation of physical assets:			
Military construction	1,836	1,844	1,906
Family housing	215	92	104
Atomic energy defense activities	274	342	484
Other	5	5	2
Subtotal, Construction and rehabilitation of physical assets	2,330	2,283	2,496
Acquisition of major equipment:			
Procurement	19,976	22,476	25,749
Atomic energy defense activities	129	131	166
Subtotal, Acquisition of major equipment	20,105	22,607	25,915
Conduct of research and development	12,077	13,437	14,790
Other investment-type programs:			
Atomic energy defense activities—other physical assets	540	803	1,025
Other	6	—97	—194
Subtotal, Other investment-type programs	546	706	831
Subtotal, Investment-type programs	35,057	39,034	44,032
National defense current programs:			
Provision of benefits:			
Retired military personnel	9,171	10,281	11,435
Other	35	44	52
Subtotal, provision of benefits	9,207	10,324	11,487
Repair, maintenance, and operation of physical assets:			
Department of Defense, Military	34,656	37,119	39,930
Other	1	2	2
Subtotal, Repair, maintenance and operation of physical assets	34,658	37,121	39,932
Other current programs:			
Military personnel	26,641	27,755	27,974
Allowance for civilian and military pay raises			2,154
Other national defense	—376	270	190
Subtotal, Other current programs	26,265	28,024	30,318
Subtotal, Current programs	70,129	75,470	81,737
Unclassified			61
Total National defense	105,186	114,503	125,830
Civil investment-type programs			
Loans and financial investments:			
Loans to State and local governments:			
Community and regional development	87	12	—80
Other	50	53	146
Subtotal, Loans to State and local governments	137	65	66
Loans to other borrowers:			
International affairs	1,326	1,401	1,705
Community and regional development	2,307	891	176
Agriculture	3,073	814	—632
Transportation	903	1,009	521
Education	429	446	389
Other	447	362	298
Subtotal, Loans to other borrowers	8,486	4,921	2,458
Other financial investments	878	978	1,123
Subtotal, Loans and financial investments	9,001	5,964	3,646
Construction and rehabilitation of physical assets:			
Highways and mass transit	7,200	8,152	8,425
Air transportation	796	854	860
Other transportation	162	146	119

	1978 actual	1979 estimate	1980 estimate
Community development block grants	2,464	2,875	3,272
Local public works	3,057	2,051	319
Other community and regional development	1,321	1,394	1,421
Pollution control and abatement	3,189	3,103	3,603
Water resources	2,134	2,052	2,010
Other natural resources and environment	730	869	797
Energy	2,054	2,188	1,943
Other	867	1,120	1,173
Subtotal, Construction and rehabilitation of physical assets	23,974	24,804	23,941
Acquisition of major equipment:			
Energy	152	128	150
Transportation	276	362	399
Other	94	151	172
Subtotal, Acquisition of major equipment	522	640	722
Conduct of Research and development	12,434	14,416	15,191
Conduct of education and training:			
Income support programs:			
General education	2,283	2,921	3,195
Veterans benefits	3,592	2,978	2,552
Other	186	294	235
Subtotal, Income support programs	6,061	6,193	5,983
Other education and training programs:			
Elementary, secondary, and vocational education	5,505	6,343	6,892
Other education	1,662	2,436	2,332
Training	3,834	4,892	4,679
Health	601	467	464
Other	736	736	650
Subtotal, Other education and training programs	12,338	14,873	15,017
Subtotal, Conduct of education and training	18,399	21,066	21,000
Other investment-type programs:			
Commodity inventories:			
Energy	959	2,516	2,039
Agriculture	44	93	7
Subtotal, Commodity inventories	1,003	2,609	2,046
Other physical assets	1,579	1,754	1,565
International development	1,290	1,393	1,597
Collection of information	996	1,352	1,747
Subtotal, Other investment-type programs	4,868	7,108	6,955
Subtotal, investment-type programs	69,698	73,999	71,456
Civil current programs:			
Provision of benefits:			
Retirement and survivor benefits:			
Social Security and Railroad Retirement benefits	80,856	89,944	101,424
Civil Service retirement and survivors benefits	9,307	10,426	11,792
Other retirement and survivor benefits	930	1,071	1,130
Subtotal, Retirement and survivor benefits	91,093	101,441	114,347
Disability benefits:			
Social security and Railroad Retirement disability benefits	12,246	13,617	15,187
Civil Service disability benefits	2,058	2,423	2,856
Veterans disability benefits	9,604	10,681	11,682
Other disability benefits	248	629	980
Subtotal, Disability benefits	24,157	27,351	30,705
Other provision of benefits:			
Cash payments:			
Medicare	24,267	28,117	31,017
Medicaid	10,680	11,751	12,354
Supplemental security income	5,283	4,843	5,699
Nutrition programs	8,126	9,185	9,793
Unemployment compensation	10,776	9,244	11,291
Assistance payments program	5,724	5,728	5,647
Subsidized housing programs	3,592	4,221	5,105
Other	3,328	3,571	4,289
Subtotal, Cash payments	71,776	76,660	85,195
Direct provision of services:			
Hospital and medical care for veterans	4,518	5,098	4,975
Other veterans benefits	573	673	626
Housing payments and subsidies	—31	93	57
Other	384	464	552
Subtotal, Direct provision of services	5,443	6,328	6,210
Subtotal, Other provision of benefits	77,219	82,988	91,404
Administrative expenses:			
Social Administration	2,866	3,099	3,259
Nutrition programs	527	646	685
Unemployment compensation	993	1,053	1,119
Medicare	936	1,023	1,053
Other	664	905	1,056
Subtotal, Administrative expenses	5,986	6,726	7,172
Subtotal, Provision of benefits	198,455	218,506	243,629
Social service and employment programs:			
Human development service	1,446	1,434	1,613
Temporary employment assistance	4,769	3,181	2,571
Other employment	2,166	3,641	3,737
Social services and child welfare services	2,740	2,893	2,945
Other	2,053	2,675	2,055
Subtotal, Social service and employment programs	13,175	13,825	12,922
Aids to agriculture, commerce, and transportation:			
Agriculture	3,430	4,340	4,044
Postal Service	1,778	1,803	1,698
Small business assistance	550	654	624
General aids to commerce	414	584	582
Ground transportation	1,770	2,250	2,297
Air transportation	1,849	1,962	2,022
Water transportation	841	856	909
Other	330	444	717
Subtotal, Aids to agriculture, commerce, and transportation	10,962	12,893	12,894
Repair, maintenance, and operation of physical assets:			
Conservation and land management	680	349	276
Water resources	590	580	612
Recreational resources	425	481	513
Energy	—586	—789	—1,019
Other	—718	—873	—968
Subtotal, Repair, maintenance and operation of physical assets	391	—253	—586

TABLE D-2.—INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS—Continued

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
General purpose fiscal assistance:			
General revenue sharing	6,823	6,852	6,853
Other general purpose grants-in-aid	2,010	892	918
Shared revenues	1,044	1,449	1,342
Subtotal, General purpose fiscal assistance	9,877	9,193	9,123
Regulation, control, and law enforcement:			
Regulatory and inspection activities:			
Natural resources and environment	554	725	815
Transportation	604	647	672
Health	553	600	612
Energy	388	475	571
Agriculture	223	277	239
Commerce	−702	−1,229	−1,397
Other	606	665	670
Subtotal, Regulatory and inspection activities	2,226	2,159	2,183
Law enforcement activities:			
Federal law enforcement	1,817	2,034	2,049
Federal litigative and judicial	933	1,178	1,317
Federal correctional activities	256	303	320
Other law enforcement assistance	563	538	464
Subtotal, Law enforcement activities	3,569	4,052	4,150
Subtotal, Regulation, control, law enforcement	5,795	6,211	6,333
Net interest:			
Interest on the public debt	48,695	59,800	65,700
Other interest	−4,729	−7,034	−8,678
Interest received by trust funds (−)	−8,530	−9,782	−10,940
Subtotal, Net interest	35,435	42,984	46,082
Other current programs:			
International security assistance	1,145	1,784	1,789
International affairs	1,422	1,558	1,759
Legislative branch	924	1,020	1,116
Other general government	2,409	2,837	2,804
Other	944	−305	499
Employer share, employee retirement (−)	−4,983	−5,388	−5,482
Allowances for civilian agency pay raises	-------	-------	898
Subtotal, Other current programs	1,862	1,506	3,385
Subtotal, Current programs	275,952	304,865	333,780
Total, civil	345,650	378,864	405,236
Unclassified	-------	-------	500
Grand total	450,836	493,368	531,566

An additional view of Federal outlays is presented in tables D-3 and D-4, in which outlays are separated by grants-in-aid, loans and direct Federal programs.

Grants-in-aid are resources provided by the Federal Government in support of State and local programs of governmental service to the public. Special Analysis H, "Federal Aid to State and Local Governments," discusses grants-in-aid in greater detail. *Loans* are made by the Federal Government to various borrowers to fulfill express program purposes. *Direct Federal programs* are programs carried out directly by the Federal Government.

TABLE D-3—SUMMARY OF BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
Grants-in-aid:			
Investment-type programs:			
Construction and rehabilitation of physical assets	18,043	18,435	17,860
Conduct of education and training	9,508	11,106	11,574
Other investment-type programs	678	668	864
Subtotal, investment-type programs	28,229	30,209	30,298
Current programs:			
Provision of benefits	25,144	27,370	28,759
Social service and employment programs	12,305	12,752	11,829
Aids to agriculture, commerce, and transportation	894	1,096	1,364
General purpose fiscal assistance	9,910	9,228	9,158
Regulation, control, and law enforcement	805	849	828
Other current programs	600	626	702
Subtotal, current programs	49,660	51,920	52,639
Total, Grants-in-aid	77,889	82,129	82,937
Loans:			
To State and local governments	137	65	66
To other borrowers	8,485	4,922	2,456
Total, Loans	8,622	4,986	2,522
Direct Federal programs:			
Investment-type programs:			
Construction and rehabilitation of physical assets	8,260	8,652	8,577
Acquisition of major equipment	20,577	23,220	26,613
Conduct of research and development	24,259	27,586	29,715
Conduct of education and training	8,891	9,961	9,426
Other investment-type programs	5,918	8,419	8,336
Subtotal, investment-type programs	67,904	77,838	82,667
Current programs:			
Provision of benefits	182,517	201,460	226,357
Social service and employment programs	870	1,074	1,093
Aids to agriculture, commerce, and transportation	10,068	11,797	11,530
Repair, maintenance, and operation of physical assets	34,729	36,517	38,875
Regulation, control, and law enforcement	4,990	5,362	5,504
Net interest	35,435	42,984	46,082
Other current programs	27,812	29,221	33,437
Subtotal, current programs	296,421	328,415	362,879
Total, direct Federal programs	364,325	406,252	445,546
Unclassified	-------	-------	561
Grand Total	450,836	493,368	531,566

Grants-in-aid to State and local governments are estimated to be $82.9 billion in 1980. Of this amount, over one-fifth is for construction and rehabilitation of physical assets. Transportation programs account for over half of these grants-in-aid for 1980, largely for highway and mass transit programs. Community and regional development, and construction of pollution control and abatement facilities also account for large shares of grants-in-aid for construction of physical assets. Grants-in-aid for education and training account for nearly 14% of the total.

Grants-in-aid providing current benefits are largely for health care or health services, nutrition, and housing assistance. General revenue sharing and shared revenues provide aid to State and local governments with few limitations or the use of the funds.

Most Federal loans are made for international programs. Other major loan programs provide assistance to agriculture, community and regional development, and transportation.

More than four-fifths of estimated 1980 outlays are for direct Federal programs. These programs are where the Federal Government directly provides benefits, services, and other assistance. The largest share of these programs is for provision of benefits, including retirement and disability payments under Social Security and Civil Service, and military and foreign service retirement. Veterans compensation and pensions and unemployment compensation are also included in this category.

Investment-type programs include military procurement and research and development; construction and rehabilitation of physical assets for natural resources and environment, including water resources and conservation, and land management projects; and research and development programs focused primarily on general science, space and technological programs, energy, and health.

The remaining direct Federal programs include general administrative costs of the Federal Government, net interest, and other defense and nondefense programs.

TABLE D-4. BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
Grants-in-aid			
Investment-type programs:			
Construction and rehabilitation of physical assets:			
Highways and mass transit	7,200	8,151	8,425
Other transportation	660	653	602
Pollution control and abatement	3,187	3,100	3,600
Other natural resources and environment	233	261	213
Community development block grants	2,464	2,875	3,272
Local public works	3,057	2,051	319
Other community and regional development	1,083	1,133	1,249
Other	159	211	179
Subtotal, Construction and rehabilitation of physical assets	18,043	18,435	17,860
Conduct of education and training:			
Employment and training assistance	3,256	3,986	3,952
Elementary and secondary education	2,801	3,017	3,428
Other education	2,853	3,511	3,666
Other	598	592	528
Subtotal, Conduct of education and training	9,508	11,106	11,574
Other investment-type programs	678	668	864
Subtotal, Investment-type programs	28,229	30,209	30,298
Current program:			
Provision of benefits:			
Medicaid	10,680	11,751	12,354
Nutrition programs	2,855	3,138	3,195
Assistance payments	5,724	5,728	5,647
Housing payments and subsidies	2,393	2,834	3,375
Other	1,272	1,497	1,558
Administrative expenses:			
Social Security Administration	890	940	1,054
Nutrition programs	392	487	520
Unemployment compensation	939	996	1,055
Other	*	*	1
Subtotal, administrative expenses	2,221	2,422	2,629
Subtotal, Provision of benefits	25,144	27,370	28,759
Social service and employment programs:			
Employment and training assistance	995	2,284	2,359
Temporary employment assistance	4,769	3,181	2,571
Employment programs	1,006	1,123	1,159
Human development services	1,380	1,361	1,533
Social service and child welfare services	2,740	2,893	2,945
Other	1,414	1,909	1,261
Subtotal, Social service and employment programs	12,305	12,752	11,829
Aids to agriculture, commerce, and transportation:			
Transportation	856	1,037	1,192
Other	38	59	172
Subtotal, Aids to agriculture, commerce, and transportation	894	1,096	1,364
General purpose fiscal assistance:			
General revenue sharing	6,823	6,852	6,863
Other	3,087	2,375	2,295
Subtotal, General purpose fiscal assistance	9,910	9,228	9,158
Regulation, control, and law enforcement:			
Law enforcement	494	486	418
Other	311	363	411
Subtotal, Regulation, control, and law enforcement	805	849	828
Other current programs	600	626	702
Subtotal, current programs	49,660	51,920	52,639
Total, Grants-in-aid	77,889	82,129	82,937
Loans			
To State and local governments:			
Community and regional development	87	12	−80
Other	50	53	146
Subtotal, To State and local governments	137	65	66
To other borrowers:			
International affairs	1,326	1,401	1,705
Community and regional development	2,307	891	176
Agriculture	3,073	814	−632
Transportation	903	1,009	521
Education	429	446	389
Other	446	362	296
Subtotal, To other borrowers	8,485	4,922	2,456
Total, Loans	8,622	4,986	2,522

TABLE D-4. BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS—Continued

[In millions of dollars]

	1978 actual	1979 estimate	1980 estimate
Direct Federal Programs			
Investment-type programs:			
Construction and rehabilitation of physical assets:			
National defense	2,308	2,268	2,485
Water resource projects	2,032	1,975	1,934
Other natural resources and environment	601	688	663
Energy	2,054	2,188	1,943
Transportation	297	348	377
Veterans hospitals	243	284	318
Health	167	217	212
Other	557	684	646
Subtotal, Construction and rehabilitation of physical assets	8,260	8,652	8,577
Acquisition of major equipment:			
National defense	20,102	22,604	25,913
Energy	152	128	150
Transportation	276	362	399
Other	47	127	150
Subtotal, Acquisition of major equipment	20,577	23,220	26,613
Conduct of research development	24,259	27,586	29,715
Conduct of education and training:			
Assistance to veterans	3,576	2,937	2,496
Higher education	2,941	4,206	4,333
Elementary and secondary education	381	44[illegible]	449
Employment and training assistance	501	827	668
Health	587	499	493
Other	906	1,050	987
Subtotal, Conduct of education and training	8,891	9,961	9,426
Other investment-type programs:			
Financial investments	878	978	1,123
Commodity inventories	912	2,483	1,808
Other physical assets	1,818	2,289	2,225
International development	1,386	1,403	1,642
Collection of information	925	1,265	1,539
Subtotal, Other investment-type programs	5,918	8,419	8,336
Subtotal, Investment-type programs	67,904	77,838	82,667
Current programs for:			
Provision of benefits:			
Retirement and survivor benefits	100,299	111,765	125,834
Disability benefits	24,157	27,351	30,705
Medicare	24,267	28,117	31,017
Other health	687	755	793
Unemployment compensation	10,776	9,244	11,291
Nutrition programs	5,271	6,048	6,597
Housing payments and subsidies	1,168	1,480	1,802
Medical care for veterans	4,518	5,098	4,975
Supplemental security income	5,244	4,793	5,649
Earned income tax credit	881	841	1,547
Other	1,483	1,667	1,603
Administrative expenses:			
Social Security Administration	1,976	2,159	2,205
Nutrition programs	135	159	165
Unemployment compensation	54	57	65
Medicare	935	1,025	1,053
Other	664	905	1,055
Subtotal, administrative expenses	3,765	4,304	4,543
Subtotal, Provision of benefits	182,517	201,460	226,357
Social service and employment programs:			
Community and regional development	326	345	359
Other	544	729	734
Subtotal, Social service and employment programs	870	1,074	1,093
Aids to agriculture, commerce, and transportation:			
Agriculture	3,430	4,340	4,044
Postal Service	1,778	1,803	1,698
Small business assistance	550	654	624
Commerce	401	567	553
Ground transportation	915	1,215	1,107
Air transportation	1,849	1,962	2,022
Water transportation	841	856	909
Other	304	400	572
Subtotal, Aids to agriculture, commerce, and transportation	10,068	11,797	11,530
Repair, maintenance, and operation of physical assets:			
National defense	34,656	37,119	39,930
Water resources	590	580	612
Conservation and land management	680	349	276
Other natural resources and environment	−380	−465	−490
Energy	−644	−978	−1,332
Other	−173	−88	−122
Subtotal, Repair, maintenance, and operation of physical assets for	34,729	36,517	38,875
Regulation, control, and law enforcement	4,990	5,362	5,504
Net interest	35,435	42,984	46,082
Other current programs:			
Military personnel	26,641	27,755	27,974
Other national defense	−410	235	155
Other nondefense	1,581	1,231	2,256
Allowance for Department of Defense pay raises			2,154
Allowance for civilian agency pay raises			898
Subtotal, Other current programs	27,812	29,221	33,437
Subtotal, Current programs	296,421	328,415	362,879
Total, Direct Federal programs	364,325	406,252	445,546
Unclassified			561
Grand total	450,836	493,368	531,566 ●

SENATE RESOLUTION 81—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

Mr. STENNIS, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 81

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Armed Services, or any subcommittee thereof, is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $763,900, of which amount not to exceed $60,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 82—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

Mr. STENNIS, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on Rules and Administration;

S. RES. 82

Resolved, That the Committee on Armed Services is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $100,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, on February 27 at 9:30 a.m. in room 424 of the Russell Senate Office Building, the Select Committee on Small Business will hold hearings on S. 388, The Small Business Employee Ownership Act. This bill would authorize the Small Business Administration to guarantee loans to employee-owned companies and to employee organizations seeking to purchase their companies when they would otherwise close or relocate.

Persons desiring additional information should contact committee staff at 224-5175.●

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. McGOVERN. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will meet Wednesday, February 21 at 10:00 a.m. to organize for the 96th Congress. Subcommittee assignments will be made and the committee rules will be determined.

The full committee will also consider the nomination of James H. Williams of Florida to be Deputy Secretary of Agriculture. Mr. Williams is a former lieutenant governor of Florida and he has had a lifelong involvement with agriculture.

In addition, the committee's agenda will include S. 292, which reduces the 1980 authorization for appropriations for the supplemental food program, and S. 41 which authorizes the Secretary of Agriculture to relinquish any interest in lands held by the United States in Bell County, Ky., to the Bell County Board of Education.

The meeting will be held in room 322. Anyone wishing to submit testimony on Mr. Williams' nomination should contact Denise Alexander, hearing clerk, at 224-0014.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Senate Committee on Energy and Natural Resources will hold a hearing on February 27, 1979, on the current international oil supply situation in light of the continued curtailment of Iranian crude oil production.

The hearing will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Testimony will be received from the Department of Energy concerning the impacts of the present crude oil supply interruption which are being experienced by other nations, particularly those which are participating members of the international energy program. A prognosis of the anticipated actions to be considered by the Board of Governors of the International Energy Agency at its forthcoming meeting in Paris on March 1 and 2, 1979, will be solicited by the committee.

The committee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the RECORD. Statements submitted for inclusion in the RECORD should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by March 13, 1979, to George Dowd, counsel, Committee on Energy and Natural Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON ENERGY REGULATIONS

● Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources is scheduling hearings on the administration's forthcoming proposals for emergency energy conservation and gasoline rationing. These hearings will be held on February 28 and March 19 and 20. Energy conservation contingency and gasoline and diesel fuel rationing plans were originally required by title II of the Energy Policy and Conservation Act (42 U.S.C. 6261). The act requires congressional review of the proposed plans within 60 days after submission and an affirmative vote of each House of Congress to place the plans on standby status (42 U.S.C. 6422). In addition, before a gasoline and diesel fuel rationing plan could actually be implemented each House of Congress would have a right to veto the implementation decision within 15 days.

At a hearing held by the subcomittee on February 5, 1979, David Bardin, Administrator of the Economic Regulatory Administration of the Department of Energy indicated that a gasoline rationing plan and four energy conservation contingency plans (dealing with gasoline service station hours, automobile parking, thermostat settings and advertising lighting) would be submitted on February 26. The proposed rules for these plans appeared in the Federal Register on May 28, 1976 (41 F.R. 21908) and June 28, 1978 (43 F.R. 28134). Assuming the schedule for submission announced by DOE is kept, the hearing scheduled for February 28 will be devoted to the administration's explanation of its plans. The March 19 and 20 dates will be available to receive testimony from other interested persons. These hearings will begin at 10:00 a.m.

Questions about these hearings should be addressed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

SUBCOMMITTEE ON NUTRITION

● Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition will hold hearings on the fiscal year 1980 Food and Nutrition Service proposed budget. FNS is an agency within the U.S. Department of Agriculture.

The subcommittee will hear the administration's position from Assistant Secretary Carol Foreman on Tuesday, February 27. and public witnesses will be heard Wednesday, February 28. Both hearings will begin at 9 a.m. in room 324.

These hearings have been scheduled to honor a commitment made to the President when he signed the Child Nutrition Act of 1978. At that time, he requested that all future FNS budgets be given a thorough and objective review.

Anyone wishing to testify on February 28 should contact Denise Alexander, hearing clerk, at 224-0014.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Surface Transportation Subcommittee of the Committee on Commerce, Science,

and Transportation be authorized to meet during the session of the Senate today to hold a hearing on the authorization of the Rail Public Counsel and the United States Railway Association.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Science, Technology, and Space Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on the NASA authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce hearings by the Governmental Affairs Subcommittee on Energy, Nuclear Proliferation and Federal Services. On February 27 and March 1, the subcommittee will hold oversight hearings on the 1980 census. The hearing on February 27 begins at 9 a.m. in 3302 Dirksen Senate Office Building, and on March 1 the hearing will begin at 10 a.m. in 5110 Dirksen Senate Office Building.

The subcommittee will also hold a hearing on February 28, 1979, at 10 a.m. in 357 Russell Senate Office Building on the price impact of oil shortages and U.S. energy planning.

Finally, the subcommittee will hold hearings on March 6 and 7 on the Federal responsibilities for radiation protection. The hearings on both days will begin at 9:30 a.m. in 3302 Dirksen Senate Office Building.●

ADDITIONAL STATEMENTS

TRAPPED

● Mr. WILLIAMS. Mr. President, I would like to call to the attention of my colleagues a recent New York Times column written by John B. Oakes. Mr. Oakes makes an excellent case for prohibiting the use of the inhumane steel-jaw, leghold trap.

I have introduced a bill to ban this trap throughout the Nation, and was most gratified by Mr. Oakes' cogent article.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the New York Times, Feb. 13, 1979]

TRAPPED

(By John B. Oakes)

The men and women who carelessly toss the furry skin of a wild animal across their shoulders—just as their ancestors did in the forests of Northern Europe and Asia several thousand years ago—may not know it, and if they do, surely prefer not to think about it, but with few exceptions what they're really doing is flaunting evidence of many hours or even days of torture suffered by each wild animal whose pelt they wear.

There is no escape from this ugly fact, nor can it be hidden by ridicule of the "do-gooders" who are trying to put a stop to this anachronistic form of cruelty or by the false claim that abolition of the steel leg-hold trap will destroy the fur industry.

For those who prefer facts to emotion on this touchy subject, a look at the facts will show that:

The steel leg-hold trap, as normally used on land throughout the United States and Canada, is a monstrously brutal method of capturing wild animals.

The overwhelming preponderance of wild (as distinct from ranch-raised) animals whose pelts are used in the American fur industry are caught by the steel leg-hold trap although more humane, if more expensive, alternatives are available.

Use of this trap has already been outlawed or restricted in a number of fur-producing countries and in a few American states.

The recent shift in fashion toward "fun" furs has raised the demand (and prices) for pelts of relatively common wild animals, usually taken by this barbaric device.

When the steel trap is sprung on an animal's leg, the traumatic effect has been compared to that of a car door smashing a human finger caught between the hinges. But (unless the trap has been set underwater, in which case the animal fairly quickly drowns) the agony does not end there; it only begins.

The trapped animal will almost certainly thrash wildly about in terror, rage, pain and panic, breaking its teeth on the steel trap or the chain that holds it in place. Occasionally the victim will succeed in gaining freedom, after hours of struggle, by wrenching or biting off its own foot at the point where the steel jaws have already dug into the bone. This is known in the trade as "wring-off" and the animals that thus leave one paw behind them are the lucky ones.

The others—the vast majority of the millions trapped on land each year—are eventually worn out by the struggle and lie inert and exhausted, without food or water, until the trap line is visited, which may easily be two, three or more days later. At that point, the victim at last is put out of its misery, usually by clubbing or strangulation—provided it has not already starved or frozen to death. It has been estimated by Government trappers (and the United States Government is the biggest single trapper of all with its indefensibly wasteful predator-control program) that about 75 percent of the unwanted animals caught in traps set for other species are so badly injured that they have to be destroyed.

More than six and one-half million muskrats and three million raccoon were trapped and killed in the United States in 1976–77; nearly 175,000 coyotes; 21,000 badger, etc. etc.—to a total of more than 16 million wild animals in that year alone, taken by an estimated two million trappers, licensed and unlicensed.

Various substitutes for, or modifications of, the leg-hold trap have been tried but are not in general use in this country, except perhaps for an "instant kill" trap that has its own dangers and defects.

Nearly a dozen countries, including Denmark, Norway, Sweden and the United Kingdom, forbid use of the steel leg-hold trap. So, to a limited degree, do a few American states, including New Jersey, where a battle is going on right now to extend the prohibition to all counties in the state. Senators Harrison A. Williams of New Jersey and Birch Bayh of Indiana have introduced comparable legislation at the Federal level.

The fur industry itself has been enjoying an economic revival in the last few years, sparked in part by the new emphasis on "fun" furs trapped in the wild. The rise and use of wild-animal furs (80 percent of which in the United States are caught in the steel leg-hold trap) accounts for a significant part of what today has become a $700 million business.

That's why it's becoming more urgent than ever that the abominable cruelty of the leg-hold trap and the needless suffering it entails be brought to the attention of otherwise sensitive men and women who through ignorance or indifference don't hesitate to wrap themselves in the skin of an animal that probably died under frightful torture.●

CHINA POLICY

● Mr. HATCH. Mr. President, our Nation is now immersed in a great debate regarding the benefits and faults of the Carter administration's controversial decision to recognize Red China and to withdraw recognition from the Republic of China on Taiwan. It is my view that our Nation can no longer afford the luxury of so cavalier a severance of ties with an ally to which we once bound ourselves with a solemn treaty. Either our word means something solid or it is nothing, like the illusion of the oasis on the desert.

Mr. Anthony Harrigan, the executive vice presdent of the United States Industrial Council, which is headquartered in Nashville, Tenn., recently addressed the question of our China policy and its impact on our economic health. As is so often the case with the Harrigan column, the analysis in this instance is precise and prescient. Briefly, Harrigan contends that American aid in modernizing Red China's economy could lead to the creation of an economic gargantua of frightening proportions to those of us concerned about protecting Americans' jobs here at home.

Mr. Harrigan also addresses the moral aspects of this controversy and concludes that the balance sheet simply comes out in the red. I commend this excellent article to my colleagues and ask that it be printed in the RECORD following these remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

RED CHINA—"ECONOMIC GARGANTUA"

(By Anthony H. Harrigan)

In capitulating to Peking's demands on Taiwan, the Carter administration reduced both America's moral standing and the world's respect for America's ability to deal realistically with global problems.

The Peking regime is desperate for American approval and assistance. It was wholly unnecessary as well as wrong for the president to abandon the free Chinese on Taiwan and strengthen the totalitarian system on the Chinese mainland.

The act of "normalization of relations" (what a distorted phrase that is, as though it were normal international practice to recognize an expansion of tyranny) was only the beginning, however. One can be sure that giant efforts soon will be made to provide financial guarantees for those who want to do business with the Peking regime—guarantees established at the expense of American taxpayers.

Unfortunately, not a few American companies have been pushing hard for trade with the Chinese Communists, though this trade would be contrary to the interest of the United States. These companies ignore the sorry record of "trade" with communist countries. Communist countries always are delighted to engage in trade when free world nations and their private institutions offer credit.

Looking beyond the financial folly of such trade, however, it's important to bear in mind that the transfer of agricultural and industrial know-how to China seriously damages U.S. national interests, no matter how the transfers are financed. A more powerful Communist China will be a threat to the United States.

V. H. Krulak, former president of the Copley Press, set forth the realities of playing the "China card" in the Fall number of the *Strategic Review*. He wrote:

"In practical terms this translates into our doing what the Chinese want us to do: provide them with economic support—foodstuffs and fertiliser; military support—weapons sales and technical advice; industrial technology and education."

Krulak said that with American help, Red China could become an economic colossus. "If we provide China with fertiliser plants, agricultural machinery, computers, machine tools, automated rolling mills, tire factories, ball bearing plants and precision instruments—if we provide her with the means to feed herself, along with the sinews of modern industry, and most particularly if we do it all on credit without great and certain return for ourselves—we will create an economic gargantua whose shadow will fall everywhere, with no palpable benefits to ourselves in return."

If the Chinese Communists propose to pay for goods received from the United States, it almost certainly will be in the form of textile exports. The American market already is flooded with textiles from other Asian countries.

It takes little imagination to comprehend the devastating effect Chinese imports would have on many industries in the United States. The United States already is paying a heavy penalty for providing Japan's industries with advanced equipment and know-how after World War II. The penalty is being paid in lost jobs and earnings. Hundreds of millions of Chinese, working without any limitation on hours or conditions of employment, could produce goods for a fraction of production costs in the United States.

Both economic and strategic factors underline the folly of providing Communist China with modern industrial equipment and know-how. Unfortunately, a large number of influential Americans, beginning with the Carter administration policy planners, are too short-sighted to discern the hurtful long-range effects of U.S.-China trade.●

LIBYA AND IDAHO

● Mr. McGOVERN. Mr. President, William Safire who describes himself as a "registered, rightwinger and unabashed hawk" in his column for the February 15 New York Times has written in praise of the new chairman of the Senate Foreign Relations Committee, FRANK CHURCH. Mr. Safire has done a great service in underscoring the dangers involved in attempts by foreign interests to involve themselves directly in the internal politics of this country. In this instance, the country is Libya and the politics are in Idaho. In Mr. Safire's account, real courage has been shown by Senator CHURCH in withstanding such political pressures. Mr. President, I believe this column entitled "Libya and Idaho" should receive the Senate's attention, and I ask that it be printed in the RECORD.

The column follows:

LIBYA AND IDAHO

(By William Safire)

WASHINGTON, February 14.—Muammar el-Qaddafi, radical Arab strongman of Libya, has a problem: Nearly five years ago, Libya bought eight C-130 troop-transport jets for $45 million from Lockheed Corporation. But the Nixon Administration, sensing the mischief that could be undertaken if the most pro-terrorist Arab state had a strike force to deliver paratroops, refused to grant an export license.

Today, those eight Libyan-owned C-130's sit mothballed in Marietta, Ga. Since Libya has become the most militant of the Arab "rejectionists," providing support for terrorists and seeking to engineer coups in Yemen, each succeeding Administration has refused to permit delivery of the jets.

A couple of years ago, Colonel Qaddafi set about trying to change American policy. The U.S. President comes from the state of Georgia, and the next chairman of the Senate Foreign Relations Committee, Frank Church, comes from Idaho. Colonel Qaddafi zeroed in on those two states.

The seduction of the President's brother, Billy Carter, to the Libyan cause in Georgia is well known, and is the subject of foreign-agent registration queries by the Justice Department. Not so well known is the Libyan campaign to win the hearts and minds of the voters of Idaho.

Through Ahmed James Araji, an Iraqui-born American professor at the University of Idaho, the Libyans arranged an invitation to visit Idaho to study the possible purchase of farm commodities. The Idaho Farm Bureau, entranced with the possibilities of dealing directly with an oil-rich foreign customer, helped set up appointments with local and state politicos.

Soon, delegations of Idaho farmers and businessmen were being entertained in Libya. Unfortunately, the kind of wheat that is grown in Idaho is not the kind that is eaten in Libya, but about $30 million in wheat deals were reportedly consummated that enabled Idahoans to be middlemen for Midwestern wheat.

Also invited to Libya was Republican Senator James McClure, an intelligent, soft-spoken conservative who is likely to become a far more effective spokesman for Arab causes than the recently retired James Abourezk. Another Idaho politician who met with Colonel Quaddafi was Representative Steven Symms, a Republican who intends to contest in 1980 the Senate seat held by Frank Church. Congressman Symms is frank to say of the Libyans that "the first question they ask everybody is how they're going to get their jets delivered."

Recently, when Billy Carter helped the Libyan emissary, Ahmed el-Shahati, play host at a Washington reception, the only Congressional staffer in view was a man working for Senator McClure; next day, the Libyan envoy lunched with the Idaho Senator.

During that week, Idaho Congressman Symms sought to have an off-the-record luncheon for members of the Agriculture Committee with Mr. Shahati; however, columnist Jack Anderson discovered the invitation that promised "no public exposure" to those who attended, and the attendant publicity cut the attendance.

Of course, the real target of Mr. Qaddafi is Senator Church, who the Libyans think could change Administration policy regarding the C-130 troop transports. The let's-get-friendly-with-the-Libyans message has been delivered by the Farm Bureau and Idaho businessmen, asking for Mr. Church's sponsorship of a "trade office"; Mr. Church replies that his approval is "irrelevant," since any country can open a trade office wherever it wishes.

Reporters Charley Blaine of The Idaho Statesman and Lonnie Rosenwald of The Twin Falls Times-News have been exposing the Libyan attempt to bring pressure to bear on Idaho's representatives in Washington. To my mind, it is an international rather than a local story.

Senator Church has withstood the pressure: "This C-130 sale was canceled by the State Department as contrary to our national security interests. This policy was begun under President Nixon and continued under Presidents Ford and Carter. I support it. Libya is not only hostile toward Israel but also toward Egypt and other moderate Arab governments. I see no reason to sell the Libyans any military equipment, including C-130 military transports."

That's a gutsy statement, especially in view of the way his probable Senate opponent is allowing himself to be used by the Libyans. Representative Symms tells me he, also, now opposes the arms sales, and fails to see how he is being manipulated: "There are no Libyan votes in Idaho." He is closing his eyes to the growing Libyan economic influence.

As a registered right-winger and unabashed hawk, I have often flayed Frank Church—including, ironically, for his unwillingness to use trade as a weapon. But when a dictator uses his money to get businessmen to exert influence on the chairman of Senate Foreign Relations to get the U.S. Government to cave in to arms demands—that is a blatant attempt to subvert American institutions, and conservatives from Washington to Boise should close ranks to resist.●

COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS

● Mr. DOLE. Mr. President, on Thursday of last week, February 15, the Government of the Republic of China announced that it had reached agreement with our own Government on the manner in which it will continue to be represented in the United States. After March 1, the interests of the Republic of China and its citizens will be administered in this country by the "Coordination Council for North American Affairs," which will consist of an office in Washington, and eight branch offices in other major American cities.

Considering the adverse circumstances under which this agreement was negotiated, it seems to me that our friends from the Republic of China have salvaged the most they could from the present situation. Notified only 8 weeks ago that our Government would no longer maintain official relations with their government, the citizens of the Chinese Republic entered into discussions with our State Department officials—clearly in a weak bargaining position—and did their best to "mitigate damage" and to "protect the interests of the country and people," as President Chiang Ching-Kuo has stated.

It seems to this Senator that the final agreement announced on Thursday belies the charade which this administration has sought to foster regarding our future relations with Taiwan—the charade that those relations will be "unofficial" despite the fact that Federal funds sustain the new "American Institute in Taiwan," and that all of our existing government-to-government treaties and accords will remain intact, except for the mutual defense treaty.

The administration has acceded to the fact that our future bilateral relationship with Taiwan will have the "qualities of officiality," and few observers will be misled by evasive diplomatic jargon designed to pacify Peking's leadership.

For, in truth, if the administration insists on calling an "apple" an "orange," despite the fact that it looks, feels, and

tastes like an "apple," that does not make it any more an "orange" than an "apple." Those of us who recognized the inevitability of diplomatic relations with Peking, but who object to the shabby way in which the Republic of China has been treated by this administration, respect the manner in which the representation issue has been resolved. Yet, we will have no great difficulty in peering beyond the diplomatic sleight of hand performed by the State Department, and recognizing the realities of our continued relationship with our friends in Taipei.

Mr. President, I submit for the RECORD the text of the UPI news release relating to this action, and the text of the February 15 telegram to the Republic of China embassy concerning the announcement in Taipei.

The material follows:

SINOEMBASY,
Washington, D.C.

Dr. James Soong, Acting Director-General of Government Information Office, made the following announcement on February 15: Quote. In order to continuously safeguard the rights and interests as well as other related mutual benefits of the Peoples Republic of China and the United States of America, the Government of the Republic of China has decided, under the principle of equality and reciprocity, to establish the "Coordination Council for North American Affairs" and appointed Dr. Wei-ping Tsai, Mr. Chi-Ching Chen and Mr. George Y. L. Wu as council members with Dr. Tsai as the chairman of the council.

The council will be set up in Taipei and will have its office in the United States of America in Washington, D.C. with branches in New York, San Francisco, Chicago, Los Angeles, Honolulu, Seattle, Houston, and Atlanta. The council is charged with the responsibilities of handling and coordinating all related matters between the two countries.

All treaties and agreements as well as other executive arrangements in force between the Republic of China and the United States of America on January 1, 1979 will remain in full force. Unquote.

After his announcement, Dr. Soong, in reply to the press inquiry about the nature of the future relations between the Republic of China and the United States, stated that the future relationship between the two countries will have the qualities of officiality.

TAIWAN.

TAIPEI—Taiwan said today it had agreed with the United States to establish a "coordination council" in nine American cities to replace its diplomatic mission, resolving the most difficult issue between the governments.

Government spokesman James Soong said the Nationalist Chinese mission in Washington will be called "The Coordination Council for North American Affairs" and will have branch offices in eight other cities.

Taiwan and the United States have been negotiating for two months—since President Carter announced his decision to recognize Peking—on the nature of ties between the two allies once diplomatic relations are severed March 1.

The name of Taiwan's mission to the United States and related details had been the major stumbling block to a new arrangement. The remaining details, centering on such topics as arms sales, are considered less troublesome.

Soong said in a statement that the council will be the "counterpart of the 'American Institute in Taiwan,' but the future relationship between the two countries will have the qualities of officiality."

Soong's statement was in direct contrast to statements repeatedly made by U.S. authorities that future Washington-Taipei relations will be on 'unofficial basis.'

Reports from Washington earlier indicated the U.S. Government had agreed not to dispute the Nationalist Chinese claim of officiality but neither will Washington confirm it.

According to previous agreement, the two organizations will take over the handling of trade, culture and other relations, including visas, on March 1 when diplomatic missions of both countries cease functioning in Taipei and Washington.

Soong said the eight branches of the coordination council will be in New York, San Francisco, Chicago, Los Angeles, Honolulu, Seattle, Houston and Atlanta.

Before the United States severed diplomatic relations with Taipei, the Nationalists had 14 consular offices in the United States. But Nationalist Government officials consider the eight branches they will have a 'victory' because they said Washington originally had agreed on only four branches.

The Nationalist Government announcement also said that "all treaties and agreements as well as other executive arrangements in force between the Republic of China (Taiwan) and the United States of America on Jan. 1, 1979, will remain in full force."

Soong conspicuously neglected mention of the Washington-Taipei mutual defense treaty, which the United States had said officially it will terminate at the end of 1979, the two countries earlier agreed that all other 58 treaties and agreements will remain in force despite the lack of official ties.

The announcement said Dr. Tsai Wei-ping, retired vice foreign minister, has been named chairman of the coordination council, Tsai is 67.

Government forces in Taipei said the bulk of the Nationalist Chinese diplomats now in the United States will remain to serve with the supposedly unofficial organization.

President Chiang Ching-kuo issued a message to his 17 million people on Taiwan to explain the decision his government had to make on the new setup.

"In the last two months, we have endured the heavy pain in our hearts in order to negotiate and talk with the United States amidst danger and concern," he said. "We wanted to do all we could to mitigate damage from the tragedy and protect the interest of the country and people."

Chiang also praised as "The Voice of Justice" criticisms voiced in the U.S. Congress of Carter's decision to recognize Peking at the sacrifice of Taiwan.

Washington reports earlier said the United States used several types of pressure—including what some pro-Taiwan sources call an ultimatum—to get the Nationalist Chinese Government to agree to unofficial future relations.

The sources said Taiwan's special envoy Vice Minister H. K. Yang reluctantly agreed to establishment of the unofficial Taiwan organization after the United States applied several forms of pressure.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

● Mr. CHILES. Mr. President, in recent years the Senate Committee on Aging has published during the early part of each session of Congress a checklist of itemized deductions for individual taxpayers.

This publication is designed to protect older Americans, as well as younger Americans, from overpaying their Federal income tax.

Hearings conducted by the Committee on Aging have made it abundantly clear that many elderly persons needlessly overpay their taxes each year.

Large numbers are simply unaware of helpful deductions which can save them precious dollars.

Some are overwhelmed by the complexity of the tax law.

Others are confused by the tax forms and instructions.

The Internal Revenue Service has repeatedly emphasized over the years that it wants no individual to pay more income tax than legally due. Each person should be entitled to every deduction, credit, or exemption authorized by law.

The committee's checklist can provide an important safeguard for taxpayers who may not be completely current on recent changes in the Internal Revenue Code. Several important tax relief measures became law late last year, including:

A one-time, up to $100,000, exclusion from capital gains tax for persons 55 or older who sell their homes; and

A 15-percent credit on up to $2,000 in qualifying expenditures for energy conserving devices, such as insulation, weather-stripping, or storm windows.

These provisions can provide significant relief for older Americans, especially the capital gains exclusion.

The checklist though, can be valuable in other ways. Taxpayers, for example, may find it useful in determining whether it would be more advantageous to claim the standard deduction or itemize deductible expenses.

In addition, persons who have already filed a tax return may be helped by this summary—especially those who may have overlooked allowable deductions. These persons can file an amended return and receive a refund for items not initially claimed on their tax return. They may submit form 1040X within 3 years after the original return was due or filed, or 2 years after the tax was paid, whichever is later. In some cases, these persons may even receive interest on the refund.

Finally, the checklist can provide guidance for individuals in planning their personal affairs.

Mr. President, I commend this publication—entitled "Protecting Older Americans Against Overpayment of Income Taxes"—to my colleagues, and ask that it be printed in the RECORD.

The material follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A revised checklist of itemized deductions for taxable year 1978)

(Prepared by the staff of the Special Committee On Aging, U.S. Senate; Lawton Chiles, Florida, *Chairman*)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back Supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owned. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credit for Individuals.●

LITHUANIAN INDEPENDENCE DAY

● Mr. GLENN. Mr. President, recent events overseas have sensitized many Americans to the fragile state of the world and to yearnings for freedoms that we too often take for granted in this country.

Every February 16 Americans of Lithuanian ancestry and their millions of friends celebrate an occasion that reminds us that those freedoms are indeed precious. I am speaking of Lithuanian Independence Day, which notes the creation in 1918 of an independent Lithuania after more than a century of Czarist domination.

Last year it was my very great personal honor to address Cleveland's Lithuanian community on this important occasion. I wish all of my colleagues could have witnessed the outpouring of heartfelt respect for this country shown that afternoon in Cleveland. People who have suffered firsthand from the tyranny of oppression joined their sons and daughters to give thanks, first of all, to the United States, where they have used their abundant talents to carve out positions of respect and importance.

They also were sending a strong message, Mr. President, to those who would choose to ignore the many millions of Eastern Europeans whose ideal of liberty has been eclipsed by Soviet domination since World War II. There will be no forgetting these citizens behind the Iron Curtain, Mr. President, because the people of this country share political, cultural, religious, and social ties with Eastern Europe that no force of arms and no passage of time have been able to eradicate.

I visited the Soviet Union last year and was astounded that Soviet leaders fail to appreciate the seriousness of American concern for the captive nations. Those leaders view nations like Lithuania, Hungary, Poland, Czechoslovakia, and Yugoslavia, as "buffer" states protecting the Soviet Union from European invasion. What the Soviet Union did at the end of World War II, these Russians say, is buy insurance that their country will not be brutalized again from the likes of Napoleon and Hitler.

Almost in the same breath, these high Soviet leaders could not understand why Americans speak about "a Soviet threat."

After hearing this several times at different stops on our visit, I felt I had to confront this rhetoric and I expressed quite specifically why I feel Americans see a Soviet threat to world peace. Very high on my list was the continued Soviet domination of Eastern Europe and the willful neglect of pacts such as Helsinki as they affect these nations' human rights. My message to the Kremlin was as direct as I knew how to be. I told the Russians that as a Senator from Ohio it is my privilege to represent hundreds of thousands of individuals whose families remain behind the Iron Curtain or who fled oppression, despite their love of homeland, for reasons that literally took on life-and-death dimensions.

And I told the Russian leaders that Americans cannot forget what happened, nor will time erode the impact. I and many other Americans attend prayer meetings and rallies where citizens by the thousands gather to remind our entire Nation that, even as we work to correct the social ills of America, our problems here are minor compared with those who in this century knew liberty but who now have oppression as their constant condition.

Lithuania stands as a shining example. Here is a Baltic State that was free more than 20 years and saw dramatic increases in freedom, education, and industry. Then Hitler and Stalin combined to devour this land, and during Stalin's regime more than 200,000 Lithuanians were exiled.

I am proud, Mr. President, that the Government of the United States has never legitimatized this brutality by acknowledging the Soviet action in seizing Lithuania. We continue to maintain diplomatic relations with representatives of the former Government in Washington.

Will Americans forget lands like Lithuania? I do not think so.

The surge of interest in ethnicity is no passing fancy, and anyone who resides in a State like Ohio knows that for a fact. Whether they be young or old, pride of homeland and pride in America dominate the actions of those whose heritage began abroad and who came to America because they knew firsthand what hatred and oppression mean.

The Soviet Union indulges in wistful thinking if its leaders dream that someday the sons and daughters, grandsons and granddaughters of these individuals will forget history—their own history—and say that freedom can never exist in Eastern Europe.●

BUILDINGS REBORN: NEW USES, OLD PLACES

● Mr. STAFFORD. Mr. President, the "Talk of the Town" section in the New Yorker magazine recently carried a most interesting article discussing the reuse or recycling of older buildings. This is precisely the type of activity the Congress sought to encourage when it enacted the Public Buildings Cooperative Use Act of 1976 (Public Law 94-541).

Because of the importance of this law and the evidence that many Federal bureaucrats have shown great disinterest in implementing the directives of the act, I ask that this article be printed in the RECORD.

The article follows:

NEW USES

It was too expensive to tear down the old torpedo factory on the Potomac in Alexandria, Virginia, because the walls were built to stay standing even if one of the torpedoes went off at the wrong time. What could be done with such a place? The building now provides studio space for a couple of hundred painters, printmakers, sculptors, photographers, jewellers, and stained-glass makers, and there's enough room left over for four galleries which display the work of twelve hundred artists a year. Three hundred and fifty thousand people flock to the old eyesore every year now to peer, appraise, poke around, and buy. Was there any point in saving six old Quaker Oats mill buildings and an adjacent small forest of one-hundred-and-two-foot-high grain silos built long ago in Akron, Ohio, by Ferdinand Schumacher, the oatmeal king? What could be done with such a place? Well, if some of the old equipment was sold off, and some other interesting-looking stuff—say, the conveyor-belt gears and the man belts that moved mill hands from one floor to another—was left in place, and if everything was polished and scrubbed, and the old floors were varnished, and you put in some stained-glass windows from some old buildings in town that were going to be torn down anyway, then, just maybe, a few lawyers or small businesses would like to lease space on the top floor, and a housewares store and an ice-cream parlor and a leather worker and a scarf seller and a cookie baker could open up on the ground floor, and a restaurant might set up in the basement, where Quaker Puffed Wheat and Quaker Puffed Rice used to be shot from guns. Done! Quaker Square now houses fifty businesses, including the world's largest model-train layout; four hundred locomotives pulling eleven hundred cars tootle over a mile of track, and there are real, life-size old dining cars on nearby sidings which can be rented for parties or conferences. Three and a half million people come to Quaker Square every year to shop and stroll; and, meanwhile, in nearby downdown Akron ninety per cent of the businesses that had closed their doors a few years ago when word got around that downtowns were a thing of the past have reopened, and an old bank that didn't reopen has become a jazz club. In Las Cruces, New Mexico, an old hotel that was once an adobe fortress, with walls three feet thick to keep out the Apaches, has become a bank. In Jersey City, an old bank has become an apartment house. In Mobile, Alabama, a general hospital has been turned into government offices, while in Brooklyn the old American Machine & Foundry Company buildings, on the waterfront near Bush Terminal, have been turned into the Lutheran Medical Center, a five-hundred-and-thirty-two-bed teaching hospital.

Two weeks ago, Phyllis Lambert, the woman who when she was just out of college persuaded her father to hire Mies van der Rohe to build the Seagram Building, came down to New York from Montreal, her native city, to talk to the chairman of our Landmarks Preservation Commission and the chairman of our Landmarks Conservancy and an official of our Municipal Art Society about getting started on her latest project, the preservation of old Montreal. The mayor of Kansas City called up the director of the Institute of Museum Services in Washington, a federal agency that gives museums money to help defray operating expenses, with a question: he wanted to turn his railroad station into a museum, but should he install an American Indian exhibit or a museum of science and technology? (Lee Kimche, the director, told him that she couldn't presume to say what Kansas City people would like but that museums of science and technology are now the fastest growing and most popular in the country.) And last week four hundred and twenty-five architects, city planners, bureaucrats, bankers, businessmen, newspapermen, builders, developers, curators, artists, and professors, along with a member of Congress and our mayor, gathered at the Museum of the City of New York for a picnic lunch and a day-long symposium called "Buildings Reborn: New Uses, Old Places" to talk about a phenomenon that has ignited interest so quickly around the country that it doesn't yet have a single name—some call it renovation, others rehabilitation, or remodelling, or recycling, or retrofitting, or environmental retrieval, or extended use, or the adaptive reuse of old buildings. As architect talked to banker over cold lemon chicken and ratatouille and apricot mousse, as planner and builder shared giant gingerbread cookies fashioned in the beautiful old shape of the soon to be adaptively reused former Police Headquarters on Centre Street, a common theme of the conversations was that a meeting like this one would have been unimaginable a few years ago, when only a handful of people wanted to save old buildings, when only a gnat's weight of people were thinking not just about saving buildings but about putting them to sensible uses.

Jay Solomon, the head of the General Services Administration, and thus the rental agent of the federal government, which manages some two hundred million square feet of floor space in two thousand federally owned and seven thousand federally leased buildings, told Lew Rudin, the New York builder, that it was now definite that twenty-five million dollars would be included in the G.S.A.'s budget request for 1981 to remodel the Cass Gilbert Beaux-Arts United States Custom House so that federal workers could move back into it. Lew Rudin pinned a golden apple pin on Mr. Solomon's lapel. "Here I am, helping save downtown," Jay Solomon said, "and I'm a man who used to make a living building suburban shopping centers."

"It makes sense to reuse wherever we can," Gerald Turetsky, the G.S.A. regional head, said, and, turning to Barbaralee Diamonstein, the symposium chairperson and the author of the just published book "Buildings Reborn," he added, "Because it takes us from six to ten years to build a new federal building."

"How did you get interested in preservation?" a bearded young mayoral advance man

asked Representative John Brademas, of Indiana, the majority whip, a Brasenose College, Oxford, graduate, and the keynote speaker of the day.

"Because it was drummed into me when I was little that there are things that need preserving," said Brademas. "My dad was from Greece and always told me I was an heir of Phidias and Praxiteles. And my mom's dad, a college history teacher and a school superintendent, had a library of five thousand history books in Swayzee, Indiana. In grade school, I read a book about the Mayas, and as a result I almost became an archeologist. When we obliterate the places of our past, we are insensitive to what we were and disdainful of what we still, in part, are."

And a young woman said, "This movement couldn't have happened at a better time. I keep thinking of swords and plowshares. We all know that the energy crisis is going to get worse, so why throw away the energy that went into building these old buildings in the first place? Making do—my grandmother used to talk about that. My boyfriend's an architect, and he says that taking someone else's building and scrunching it around to make it work another way is the most exciting problem in his business. The older architects in his firm don't agree—they still want to build their own buildings. My uncle says that we're in for a rollback of technology—that my grandchildren will ask me, 'What was airconditioning like, Grandma?' My uncle says, 'People always said New York would be nice if they finished building it. I'm going to live to see it finished.' And he says he'll be able to walk down the street without the dread that when he turns the corner some old friend of a building will be gone. But I look at it slightly differently. There's a building near me that has been turned from a sweatshop into studios. It's a handsome enough old building on the outside, and now it's been spruced up with a new coat of paint, and that's fine. But the change is on the inside. They gutted the building completely, and where it was dark and cramped it's light and open and polished and gleaming. Whenever I change something in myself—well, sometimes I get a new coat or a new dress, and people say how nice I look, but they don't necessarily see that inside I've gone on to something else and I'm no longer the person I was." ●

TIME IS RUNNING OUT ON SOUTH AFRICA

● Mr. McGOVERN. Mr. President, in the February 22, 1979, issue of the New York Times, there appeared a column by Tony Lewis entitled "I'm a South African." It deserves the attention of all of my colleagues. I had the opportunity to visit South Africa last December and had extensive meetings with a number of the white government officials as well as many of the black community leaders. The official South African Government policy of apartheid should make every American tremble with indignation. The fact that the Government sanctioned policy dictates that the color of people's skin should subject them to such injustice and degradation is a moral slap in the face to every decent citizen of the world's community. Tony Lewis puts it well—"The daily humiliation is beyond the imagination of a white American—or even a white South African."

Before I left South Africa, I met with a number of representatives from the press and made the following points. There are five essential steps that have to be taken by the South African Government. First, it must upgrade the quality of black education. Second, it must end the degrading passbook system, and repeal the influx control laws. Third, it must end the practices of detention without charge and banning without just cause. Fourth, it must extend the principle of free enterprise to blacks so that they have equal rights to own property and operate businesses as whites do. Fifth, they must extend full and equal political participation to all its citizens.

Time is running out on South Africa. Apartheid will not survive the end of this century. It will either be yielded peacefully by the white power structure, with steps such as these, or it will go out in a sea of blood as slavery did in the United States a century ago.

I ask that Tony Lewis' column be printed in the RECORD.

The column follows:

I'M A SOUTH AFRICAN

(By Anthony Lewis)

CAPE TOWN.—On the freeway to the airport an exit sign says Langa. Few visitors, and for that matter few residents of Cape Town, ever turn off here. For Langa is a "black township," one of the few places in the Cape where black Africans are officially allowed to live.

Down a dusty road in Langa you come to a brick building with a corrugated metal roof, about 20 feet by 60. Inside, the space is divided by what looks like chain-link fencing, with an aisle down the middle and little cubicles on each side. In each cubicle there are two double-decker beds.

Forty-eight men live in that building. They have a cold-water tap in the back, and a gas ring for cooking. Nearby is a washhouse, with toilets and cold showers. Each man can keep his possessions locked in a small wire cage that helps form the walls of the cubicles.

Why should people live in such a way? The all-male hostel, as it is called, is a commonplace here, an accompaniment of the official racial system.

It is South African Government policy to keep blacks out of the Cape Town area, reserving it for whites and the mixed-race "Cape Coloreds." In fact, economic reality frustrates that aim. Employers, including Government agencies, need black workers, and the blacks need jobs that are only available in "white" cities. But the law makes them sojourners on sufferance.

Black men who have lived and worked in Cape Town for as long as 20 years may not have a legal right to live here. The stamp in their passbooks defines them as contract laborers, theoretically resident in some distant "homeland." That means that they cannot lawfully have a family with them, and they are supposed to live in a hostel.

Langa has some family houses, tiny one-story boxes in rows. But there are nowhere near enough for the black families in the Cape Town area, and in any case many of them cannot get the right permit from the white administrators. The result is widespread illegality: men living lawlessly with their wives and children.

In another building in Langa I met a man named Edmund, a small, chipper character who said he had been in Cape Town for 25 years. His wife, a well-dressed, articulate woman of about 40, showed me where they live: in a cubicle eight feet square, with two beds in it. They use one bed, another couple the second.

The official barriers to normal family living are one reason for squatters' camps, where blacks build their own shacks of tin and cardboard. One of these, Crossroads, has become known around the world.

Studies of the 20,000 Crossroads residents show that in 80 to 90 percent of the households at least one person is employed. Most have worked in Cape Town for many years, and their pay is well above the poverty line. So they live in what outsiders see as pitiful shacks not because they are unable to pay for regular housing but because there is none where they can live with their families.

Langa is less dramatic than Crossroads, and few outsiders see it. (Because it is an official black township, whites are not supposed to enter it without a permit.) But Langa is more characteristic of the way back life is controlled in South Africa.

The point is that no black can live in any urban area of South Africa except on the terms set by the Government: the white Government. Beyond the fundamental interference with family life there is a network of regulations that affect not just the workers of Langa but the most eminent black lawyer or doctor or writer.

I spent an evening with a distinguished professional couple. When they left, they remarked drily that it was late and that the police would probably stop them on the way into their black township. Last time they were made to stand with their hands on the roof of their car, and were searched at gunpoint.

The daily humiliation is beyond the imagination of a white American—or even a white South African. The surprising thing in South Africa is that blacks have borne it so patiently. But the patience is wearing thin. There is a new edge evident in the talk of black people, as I learned when I attempted to question Edmund, the man I met in Langa.

Q. Do you have a right to be here?

A. A right? What rights does any of us have?

Q. Do you carry a passbook?

A. Why should I carry a passport in my own country? I'm a South African, man.

Q. What about permission to live in Langa?

A. Who are you, then? How do I know who you are?

Q. Can't you tell by my accent that I'm American?

A. You can go to America for a few months and have an accent.

Q. Where are you from?

A. I'm a bloody South African, I tell you. ●

MERITS OF MERIT SELECTION

● Mr. HATCH. Mr. President, the concept of merit selection of our Federal judiciary is a noble one, and one that I strongly support. At the same time, however, I recognize that it is not as clearcut a concept as some would have us believe. Merit selection does not mean the same thing to everyone. As was made clear during the first day of hearings by the full Judiciary Committee, merit selection, to some, simply represents a means by which to appoint more representatives of various minority groups to the Federal bench. While I recognize the need to insure some measure of balance and diversity among our Federal judges, I am not entirely sure that this objective ought to be confused with pure merit selection. If there are other values than pure merit selection that should be pursued with respect to the Federal judiciary, they should be made explicit, rather than through a torturous interpretation of merit selection.

A perceptive article on this matter recently appeared in the Wall Street Journal. I ask that it be printed in the RECORD following these remarks.

The article follows:

[From the Wall Street Journal, Jan. 31, 1979]

"MERIT" SYSTEM FOR PICKING JUDGES

(By David Ignatius)

WASHINGTON.—President Carter's effort to replace politics with "merit" in judicial appointments may not be as meritorious an idea as it sounds.

Mr. Carter, in the classic tradition of "good-government" reform, has been urging Senators to use commissions to select candidates for 117 newly created federal district court judgeships. The commissions, it's hoped, will pay more attention to "merit" than do Senators under the existing system of patronage appointments.

Ideally, the merit approach is supposed to work like this: Lawyers seeking judgeships submit their names to statewide screening panels, much as if they were applying to law schools. The commission members review the applications, interview the candidates, make some phone calls, and then, after due deliberation, submit to the President the names of the five most meritorious candidates.

From those names, the President nominates his choices. If any dubious nominees somehow slip through the net, the American Bar Association is expected to blast them during confirmation hearings.

It's a tidy little system, and it has its virtues. Most important, it will probably check the appointment of truly bad judges, like the notorious, now-deceased Judge Willis Ritter of Utah, who is said to have threatened once to jail the operators of a noisy courthouse elevator. Like any bureaucratic system, the merit panels will tend to screen out such eccentric troublesome characters.

But in addition to raising the floor under judicial appointments, the merit approach may also lower the ceiling—and inhibit the appointment of truly outstanding judges. That's because some of the best potential judges may be too modest or too busy to apply to the commissions in the first place and others may be too political or controversial to be selected.

SOME CASE HISTORIES

If you doubt that the merit approach might have such unfortunate effects, consider the case histories of some prominent judges, who were appointed under the old "political" systems that Mr. Carter seems to dislike. In the dawning merit era, these judges might never have made it to the bench:

Judge John Minor Wisdom, for example, knows perfectly well why he was named an appeals court judge by President Eisenhower in 1957. At the Republican convention in 1952, he had delivered the Louisiana delegation for Ike. Judge Wisdom's appellate opinions helped usher in a new era of race relations in the South, but they were the product of an eminently political man.

Judge Robert Merhige wouldn't have gotten near a merit commission. Prior to becoming a federal district judge in Richmond in 1967, he was making a good living in private practice, and as he says, "why go looking for a cut in pay." But as president of the Richmond bar and as co-chairman of Virginians for Johnson in the 1964 campaign, he had won the respect of prominent Virginia lawyers, who pressed him to go on the bench. Since then, he has been widely praised for his handling of some 43 school desegregation cases and other complex litigation.

Judge Marvin Frankel isn't sure whether he would have applied to a merit commission. He was teaching law at Columbia in 1965 when Sen. Robert Kennedy inquired whether he would be interested in becoming a judge. Before retiring from the bench last year, Judge Frankel ably handled many complex cases, including the big antitrust suit by Berkey Photo Inc. against Eastman Kodak Co. "Don't put civil-service blinders on," Judge Frankel advises judicial nominating panels. Although he supports the merit approach in principle, Judge Frankel worries that it may deter would-be judges from getting involved in politics.

Attorney General Griffin Bell has supported the President's merit efforts and has been lobbying Senators to create commissions in their states. But Mr. Bell stresses that candidates shouldn't be rejected simply because they have been involved in politics. Mr. Bell ought to know: He was named an appeals court judge in 1961 by President Kennedy after serving as Mr. Kennedy's campaign manager in Georgia in the 1960 election.

Mr. Bell (or "Judge" Bell, as he likes to be called) notes that some of the nation's most distinguished jurists have been political men. They include William Howard Taft, who served as President before he became Chief Justice; Charles Evans Hughes, who ran for President before he was named Chief Justice; and Earl Warren, who was governor of California before he became Chief Justice.

But for all Judge Bell's kind words about political judges, the underlying premise of the merit-commission approach is that politics should be kept out of the judicial nominating process as much as possible. And while that may keep some political hacks off the bench, it's likely to lead to the appointment of some unobjectionable, uninspired attorneys who have a taste for self-promotion.

Senators don't have to use merit commissions, and some have insisted on keeping the power to propose district judges themselves. One such Senator, Adlai Stevenson, maintains that selection by commissions "doesn't guarantee better results." In fact, the Illinois Democrat argues, the process may "produce a high level of mediocrity."

There are more mundane problems with the merit system as it has been structured. The most obvious is that Senators appoint the commissions. Thus, Senators who would make bad nominations can fill commissions with cronies who will also make bad nominations.

What's more, it is likely that Senators will still have considerable power to block judicial nominations in their home states, despite changes in the Senate's "blue slip" veto procedure proposed last week by Sen. Edward Kennedy, the new chairman of the Senate Judiciary Committee. And even the limited changes proposed by Sen. Kennedy have been criticized by some Judiciary Committee members, who want to retain absolute veto power.

Some of the loudest proponents of merit selection see it as a way of appointing more minorities and women to the bench. This is surely a worthy goal, but it's also a political one. The National Women's Political Caucus says it's "very troubled" that only five women have been included in more than 70 nominees sent to the Justice Department so far. "We urge the President to go back to the Senators and insist that they recommend more women and minority candidates," the group says.

Minority politics can introduce some unusual issues in the selection of new judges, as is suggested by the case of Janie Shores, a former law professor and currently an associate justice of the Alabama Supreme Court. Mrs. Shores applied last year to a commission for a federal appeals court slot in Alabama. She wasn't among the five nominees, and her supporters believe that she lost out because women members of the commission doubted her feminist credentials.

Francena Thomas, who is a member of the nominating commission that considered Mrs. Shores's application, says that when she interviews female candidates, she is "intensely interested in the women's perceptions of the women's movement," and in other "philosophical" issues, such as abortion. Mrs. Thomas is director of the office of minority affairs and women's concerns at Florida International University.

The new system, Mrs. Shores observes, "can be just as political as the old system."

MR. ADAMSON'S VIEW

Terrence Adamson, a special assistant to Attorney General Bell, concedes that there may be "potential problems" with some aspects of the commission approach. But he argues that whatever its faults, the new system is "light years away" from the backroom flavor of the old patronage policy. Mr. Adamson expects that commissions will be used to fill at least 75 of the new judgeships created last year by Congress, and all of the 35 new appeals court positions.

It's possible that the merit system will indeed produce some good, apolitical judges who never would have been appointed under the old system. But the most likely result is that, for the most part, the new system will produce safe candidates and few surprises. At least, that's the impression that emerges from a study published last November by Sheldon Goldman, a professor of political science at the University of Massachusetts.

Mr. Goldman analyzed Mr. Carter's nominees for appeals court judgeships, which have all been screened by commissions under an Executive Order signed by Mr. Carter in early 1977. He found that Mr. Carter's appellate nominees have included more Protestants, more graduates of Ivy League colleges, more attorneys from large firms and also more blacks than those of President Ford.

In Mr. Goldman's view, the creation of so many new judgeships at one time gives President Carter this year "a rare opportunity to fundamentally reshape the third branch of government." The bureaucratic details of the nominating process shouldn't obscure what ought to be Mr. Carter's real goal: picking the best judges. ●

TRIBUTE TO NELSON ROCKEFELLER

● Mr. BUMPERS. Mr. President, Nelson Rockefeller's death was a great loss to the Nation. His remarkable record of public achievement will be a lasting memorial that will not be equaled by many public figures in our lifetime.

A recent editorial in the New York Times pointed out that—

> Rockefeller stood for enlightened internationalism against recurrent waves of jingoism and for liberal capitalism against a persistent undertow of reaction.

In espousing these principles, he displayed a great deal of courage.

His inherited wealth would have made it easy for him to shrink from public service, but he enthusiastically accepted difficult assignments for the good of the Nation. An example of this was his unselfish leadership following the Watergate crisis. His presence in the administration added stability and confidence to the institution of the Presidency.

I join my colleagues in extending my deepest sympathy to his family.

Mr. President, I ask that the text of

the January 28 editorial from the New York Times be printed in the RECORD.

The editorial follows:

THE ROCKEFELLER GIFT

Nelson Rockefeller was born, of course, to every conceivable advantage and made the most of it through years of political and personal trial. For those so blessed with wealth and influence, he set an extraordinary standard of concern and effort in the service of the country. New York State and his family, always promoting the nation's economic and military strength and fostering public as well as private support for the arts, education, science and health. He stood for enlightened internationalism against recurrent waves of jingoism and for liberal capitalism against a persistent undertow of reaction.

In time, this farsighted man well understood that events were conspiring to make him choose between principle and the Presidency for which he pined. He tried periodically to play the hard-hearted scourge of criminals and other easy targets, but he lacked the hypocrisy he would have needed to pay his party's price for nomination. For a critical decade, he was the Republicans' real alternative to Richard Nixon and he went down defiantly, serene in his choice of values.

More than monuments and museums, therefore, mark Nelson Rockefeller's passage in our politics. With remarkable good cheer he gave himself, and not merely his money, to the demands of public life and ambition. Repeatedly, he subjected his views and deeds, including his most private financial and family affairs, to the rough judgment of the voters. Because he bore the name Rockefeller, this made him a truly historic figure in the pageant of American democracy.●

THE REGULATORY REFORM ACT OF 1979—S. 445

● Mr. TOWER. Mr. President, I am pleased to join the distinguished Senator from Illinois (Mr. PERCY) as a cosponsor of the Regulatory Reform Act of 1979 to provide for a more effective mechanism for congressional oversight of regulatory agencies.

The bill provides that over a period of 8 years, the President would submit to Congress comprehensive plans for reforming regulation in specified areas. If the President fails to submit a plan in a timely fashion, then the appropriate committee would report its own plan. Should Congress fail to pass comprehensive reform legislation according to schedule, the affected agencies would lose their authority to make new regulations and finally go out of existence. An important and innovative aspect of this legislation is the "sunset" feature, which would force Congress to take affirmative action to maintain the existence of an agency. This provision would assure that both the President and Congress face up to their responsibility to review the need for the continuation or improvement of a regulatory program.

The crux of the problem is that there has been a rapid growth in Federal programs which escape any systematic and thorough congressional oversight. Too often, the programs and agencies are created with permanent authorizations. Seldom are there termination dates attached to a program. Even where there are annual authorization requirements, the review practically never results in the elimination of an agency or a program.

Mr. President, I urge that this body give careful attention to this new and innovative approach to congressional oversight. ●

LITHUANIAN INDEPENDENCE DAY

● Mr. ZORINSKY. Mr. President, Lithuanian Independence Day, February 16, passed last week while the Senate was not in session. I have made it a practice in the past to mark that occasion with a statement on this floor. My message is no less relevant this week than it would have been if delivered earlier.

Lithuania today is a colony in a vast Russian empire. She saw a period of freedom, and economic and industrial expansion between this century's world wars. During that time, she was given the Russians' "sacred word of honor," in a peace treaty and nonaggression pact, that they would respect her neutrality and independence.

Free Lithuania's economic and political achievements were impressive. The four Baltic countries, Lithuania, Latvia, Estonia, and Finland, were so active in world commerce that by 1938, their combined volume of trade was significantly greater than that of the Soviet Union, a country with 18 times as many people. Living standards were far higher in Lithuania, and remain better today.

Politically, the country greatly liberalized its system of government. Political parties representing diverse interests were given representation in the cabinet.

In June 1940, Soviet soldiers marched in, forced a coalition government to resign, and installed a regime of their own choosing.

The Soviet Union was the only great power to make territorial gains during World War II. While our European allies were freeing hundreds of millions of colonial subjects around the globe, the Russians were busy consolidating their gains and slapping their new satellites rigidly into line.

Americans have never recognized Soviet Russia's annexation of Lithuania. Our policy was best stated by Sumner Welles on July 23, 1940.

Mr. Welles said:

> The policy of this government is universally known. The people of the United States are opposed to predatory activities no matter whether they are carried on by the use of force or by the threat of force.

Nor can we watch without protest when powerful states intervene in the domestic affairs of their less powerful neighbors, he added:

> The United States will continue to stand by these principles because of the conviction of the American people that, unless the doctrine in which these principles are inherent once again governs the relations between nations, the rule of reason, of justice, and of law, in other words the basis of modern civilization itself, cannot be preserved.

Journalist Robert Kaiser reported in his book "Russia: The People and the Power" that there have been unconfirmed but credible reports of riots in recent years in Soviet cities:

> Some of the most violent occurred in Lithuania, where local nationalists protested against Soviet rule and Russian domination.

Let us not forget, on this 61st anniversary of modern Lithuania, our commitment to these peoples' freedom.●

LITHUANIAN INDEPENDENCE DAY

● Mr. LUGAR. Mr. President, each year on July 4, all Americans pause to celebrate our Nation's independence and to give thanks for two centuries of freedom. Every February, many of our fellow Americans commemorate another declaration of independence, that of their homeland Lithuania.

The people of Lithuania declared their independence from the Russian Czar on February 16, 1918, and established a democratic government free from foreign domination. But independence was not to last. In 1940, the Soviet Union occupied Lithuania, and a generation has come of age without ever knowing a free Lithuania. As Lithuanians gather all over the world to celebrate their heritage, they have a special message for all of us who have grown accustomed to the precious blessing of freedom.

Decades of russification have failed to break the spirit of the Baltic peoples, and their brothers and sisters in America have been unflagging in their efforts to maintain a national identity and to keep hope alive. The United States has refused to recognize the Soviet Union's occupation of the Baltic nations: Estonia, Latvia, and Lithuania. Our Nation must follow the example of Lithuanian Americans, remaining steadfast in refusing to condone this blatant violation of human rights.

I salute the determination and tenacity of the Lithuanian nation, and I call upon Americans to join in celebrating their independent spirit, as they pursue the dream of making that independence once again a political reality.●

ASSISTANCE FOR SMALL AND DISADVANTAGED BUSINESSES

● Mr. NELSON. Mr. President, the Senate Select Committee on Small Business is continuing to explore ways to increase assistance for small and disadvantaged businesses. Last year, the committee reported, and the Congress approved several significant recommendations to improve the Federal Government's ability to deliver effective and efficient service to the small business community at the least cost. Unfortunately, that legislation was vetoed. The committee is again reviewing those proposals.

In this regard, the Economic Development Subcommittee of the U.S. Conference of Mayors, under the excellent leadership of the mayor of the city of St. Paul, Mayor George Latimer, approved a policy issue to be presented to the parent Community Development, Housing and Economic Development Committee's annual meeting in June. I ask that the subcommittee's policy issue be printed in the RECORD.

The material follows:

ASSISTANCE FOR SMALL AND DISADVANTAGED BUSINESSES

The Conference of Mayors strongly supports the development of small and minority businesses, particularly in disadvantaged areas. Small businesses are labor intensive and account for the majority of central city employment. The USCM has already adopted policy in support of the SBA and a minority business program. The Administration, in its plans for a White House Conference on Small Business and through the new law broadening federal procurement from and assistance to disadvantaged businesses has already begun to show increased interest in this area.

The mayors urge the President and the Congress to continue and expand programs available throughout the federal government for assisting small and disadvantaged businessmen and women. In HUD, SBA, the Department of Commerce and elsewhere, a wide array of services exist, including loans, loan guarantees, management and technical assistance to small and disadvantaged businesses. These programs should be perpetuated and should be directed to areas so that they complement local development strategies and they should be closely linked to other local economic and business development policies and programs.

The federal government should expand its efforts to coordinate the various kinds of assistance available to small and disadvantaged businesses. SBA, HUD and EDA are already working to bring together their small and disadvantaged business assistance in cities on a demonstration basis, and this kind of coordination should be expanded to include other agencies, other cities and other kinds of assistance such as procurement by governments at all levels. Furthermore, the Conference urges the Administration to recognize and support current local efforts to coordinate federal, state and local policies and programs for small and disadvantaged business development.

The subcommittee recommends that the support of the USCM be made known to the various agencies and to the Congress through a policy to be developed and presented at the Annual Meeting in June 1979.●

COLAUTTI AGAINST FRANKLIN

● Mr. HATCH. Mr. President, in the infamous case of *Roe* v. *Wade*, 410 U.S. 113 (1973), the U.S. Supreme Court, in limiting the authority of the States to regulate the performance of abortions, recognized nevertheless that at the point of "viability" the State interest in protecting the unborn fetus became sufficiently compelling to permit it to proscribe abortions "except when necessary to preserve the life or health of the mother." The term "viability" was defined a that stage at which a fetus was "potentially able to live outside the mother's womb, albeit with artificial aid."

In response to this, the State of Pennsylvania approved a statute requiring individuals performing abortions to make determinations "based on his experience, judgement, or professional competence" of the viability of the fetus. If the determination is made that the fetus "is viable" or "if there is sufficient reason to believe that the fetus may be viable," then the abortionist is required to exercise that degree of care that would have been necessary had the fetus been intended to have been born alive.

On January 9 of this year, the Supreme Court, in its wisdom, struck down this statute as "void for vagueness." It seems that the burden of having to determine viability is an "ambiguous" one, imposing potential criminal liability upon an abortionist under circumstances where such a decision is "impossible to make with any certainty." A dissent to this remarkable decision was issued by Justices White and Rehnquist, and by Chief Justice Berger. They note that the decision

> withdraws from the States a substantial measure of the power to protect fetal life that was reserved to them [in *Roe* v. *Wade*].

That the distinction carved out by the Pennsylvania statute between life, and the absence of life, has become a "vague" and "ambiguous" distinction is a measure of just how far the Supreme Court has read into the Constitution principles and values at odds with the majority of Americans. While the distinction may be too subtle for a majority of the Court, I am confident that it is one with which the average abortionist can reasonably conform.

The entire Supreme Court decision, *Colautti* v. *Franklin* (No. 77-891), follows. The majority opinion is a compelling argument why, more urgently than ever, a human life amendment is needed in our Constitution.

I ask that it be printed in the RECORD following these remarks.

The material follows:

Supreme Court of the United States

Syllabus

COLAUTTI, SECRETARY OF WELFARE OF PENNSYLVANIA, ET AL. v. FRANKLIN ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

No. 77-891. Argued October 3, 1978—Decided January 9, 1979

Section 5(a) of the Pennsylvania Abortion Control Act requires every person who performs an abortion to make a determination, "based on his experience, judgment or professional competence," that the fetus is not viable. If such person determines that the fetus "is viable," or "if there is sufficient reason to believe that the fetus may be viable," then he must exercise the same care to preserve the fetus' life and health as would be required in the case of a fetus intended to be born alive, and must use the abortion technique providing the best opportunity for the fetus to be aborted alive, so long as a different technique is not necessary to preserve the mother's life or health. The Act, in § 5(d), also imposes a penal sanction for a violation of § 5(a). Appellees brought suit claiming, *inter alia*, that § 5(a) is unconstitutionally vague, and a three-judge District Court upheld their claim. *Held:*

1. The viability determination requirement of § 5(a) is void for vagueness. Pp. 11–17.

(a) Though apparently the determination of whether the fetus "is viable" is to rest upon the basis of the attending physician's "experience, judgment or professional competence," it is ambiguous whether that subjective language applies to the second condition that activates the duty of the fetus, *viz.*, "sufficient reason to believe that the fetus may be viable." Pp. 11–12.

(b) The intended distinction between "is viable" and "may be viable" is elusive. Apparently those phrases refer to distinct conditions, one of which indeterminately differs from the definition of viability set forth in *Roe* v. *Wade*, 410 U.S. 113, and *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52. Pp. 12–14.

(c) The vagueness of the viability determination requirement is compounded by the fact that § 5 (d) subjects the physician to potential criminal liability without regard to fault. Because of the absence of a scienter requirement in the provision directing the physician to determine whether the fetus is or may be viable, the Act is little more than "a trap for those who act in good faith," *United States* v. *Ragen*, 314 U. S. 513, 524, and the perils of strict criminal liability are particularly acute here because of the uncertainty of the viability determination itself. Pp. 14–17.

2. The standard-of-care provision is likewise impermissibly vague. It is uncertain whether the statute permits the physician to consider his duty to the patient to be paramount to his duty to the fetus, or whether it requires the physician to make a "trade-off" between the patient's health and increased chances of fetal survival. Where conflicting duties of such magnitude are involved, there must be greater statutory precision before a physician may be subjected to possible criminal sanctions. Pp. 17–21.——F. Supp.——, affirmed.

BLACKMUN, J., delivered the opinion of the Court, in which BRENNAN, STEWART, MARSHALL, POWELL, and STEVENS, JJ., joined. WHITE, J., filed a dissenting opinion, in which BURGER, C. J., and REHNQUIST, J., joined.

[Supreme Court of the United States
No. 77-891]

ALDO COLAUTTI, SECRETARY OF WELFARE OF PENNSYLVANIA, ET AL., PETITIONERS, v. JOHN FRANKLIN, ET AL.

(On Appeal from the United States District Court for the Eastern District of Pennsylvania [January 9, 1979]

Mr. JUSTICE BLACKMUN delivered the opinion of the Court.

At issue here is the constitutionality of subsection (a) of § 5[1] of the Pennsylvania Abortion Control Act, Act. No. 209 of 1974, Pa. Stat. Ann., Tit. 35, § 6605 (a) (Purdon). This statute subjects a physician who performs an abortion to potential criminal liability if he fails to utilize a statutorily prescribed technique when the fetus "is viable" or when there is "sufficient reason to believe that the fetus may be viable." A three-judge Federal District Court[2] declared § 5(a) unconstitutionally vague and overbroad and enjoined its enforcement. App. 239a–244a. Pursuant to 28 U.S.C. § 1253, we noted probable jurisdiction. 435 U.S. 912 (1978).

I

The Abortion Control Act was passed by the Pennsylvania Legislature, over the governor's veto, in the year following this Court's decision in *Roe* v. *Wade*, 410 U.S. 113 (1973), and *Doe* v. *Bolton*, 410 U.S. 179 (1973). It was a comprehensive statute.

Section 1 gave the Act its title. Section 2 defined, among other terms, "informed consent" and "viable." The latter was specified to mean "the capability of a fetus to live outside the mother's womb albeit with artificial aid." See *Roe* v. *Wade*, 410 U.S., at 160.

Section 3 (a) proscribed the performance of an abortion "upon any person in the absence of informed consent thereto by such person." Section 3(b)(i) prohibited the performance of an abortion in the absence of the written consent of the woman's spouse, provided that the spouse could be located and notified, and the abortion was not certified by a licensed physician "to be necessary in order to preserve the life or health of the mother." Section 3(b)(ii), applicable if the woman was unmarried and under the age of 18, forbade the performance of an abortion in the absence of the written consent of "one parent or person in loco parentis" of the woman, unless the abortion was certified by a licensed physician "as necessary in order to preserve the life of the mother." Section 3(c) provided that whoever performed an abortion without such consent was guilty of a misdemeanor of the first degree.

Section 4 provided that whoever, intentionally and willfully, took the life of a premature infant aborted alive, was guilty of murder of the second degree. Section 5(a), set forth in n. 1, *supra*, provided that if the

Footnotes at end of article.

fetus was determined to be viable, or if there was sufficient reason to believe that the fetus may be viable, the person performing the abortion was required to exercise the same care to preserve the life and health of the fetus as would be required in the case of a fetus intended to be born alive, and was required to adopt the abortion technique providing the best opportunity for the fetus to be aborted alive, so long as a different technique was not necessary in order to preserve the life or health of the mother. Section 5(d), also set forth in n. 1, imposed a penal sanction for a violation of § 5 (a).

Section 6 specified abortion controls. It prohibited abortion during the stage of pregnancy subsequent to viability, except where necessary, in the judgment of a licensed physician, to preserve the life or health of the mother. No abortion was to be performed except by a licensed physician and in an approved facility. It required that appropriate records be kept, and that quarterly reports be filed with the Commonwealth's Department of Health. And it prohibited solicitation or advertising with respect to abortions. A violation of § 6 was a misdemeanor of the first or third degrees, as specified.

Section 7 prohibited the use of public funds for an abortion in the absence of a certificate of a physician stating that the abortion was necessary in order to preserve the life or health of the mother. Finally, § 8 authorized the Department of Health to make rules and regulations with respect to performance of abortions and the facilities in which abortions were performed. See Pa. Stat. Ann., Tit. 35, §§ 6601–6608 (Purdon 1977).

Prior to the Act's effective date, October 10, 1974, the present suit was filed in the United States District Court for the Eastern District of Pennsylvania challenging, on federal constitutional grounds, nearly all of the Act's provisions.[5] The three-judge court on October 10 issued a preliminary injunction restraining the enforcement of a number of those provisions.[6] Each side sought a class-action determination; the plaintiffs', but not the defendants', motion to this effect was granted.[8]

The case went to trial in January 1975. The court received extensive testimony from expert witnesses on all aspects of abortion procedures. The resulting judgment declared the Act to be severable, upheld certain of its provisions, and held other provisions unconstitutional. *Planned Parenthood Assn.* v. *Fitzpatrick*, 401 F. Supp. 554 (ED Pa. 1975).[9] The court sustained the definition of "informed consent" in § 2; the facility approval requirement and certain of the reporting requirements of § 6; § 8's authorization of rules and regulations; and, by a divided vote, the informed consent requirement of § 3(a). It overturned § 3(b)(1)'s spousal consent requirement and, again by a divided vote, § 3 (b)(ii)'s parental consent requirement; § 6's reporting requirements relating to spousal and parental consent; § 6's prohibition of advertising; and § 7's restriction on abortion funding. The definition of "viable" in § 2 was declared void for vagueness and, because of the incorporation of this definition, § 6's proscription of abortions after viability, except to preserve the life or health of the woman, was struck down. Finally, in part because of the incorporation of the definition of "viable," and in part because of the perceived overbreadth of the phrase "may be viable," the court invalidated the viability determination and standard of care provisions of § 5(a), 401 F. Supp. at 594.

Both sides appealed to this Court. While the appeals were pending, the Court decided *Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council*, 425 U.S. 748 (1976); *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52 (1976); and *Singleton* v. *Wulff*, 428 U.S. 106 (1976). *Virginia State Board* shed light on the prohibition of advertising for abortion services. *Planned Parenthood* had direct bearing on the patient spousal, and parental consent issues and was instructive on the definition of viability issue. *Singleton* concerned the issue of standing to challenge abortion regulations. Accordingly, that portion of the three-judge court's judgment which was the subject of the plaintiff's appeal was summarily affirmed. No. 75-772, 428 U.S. 901 (1976). And that portion of the judgment which was the subject of the defendants' appeal was vacated and remanded for further consideration in the light of *Planned Parenthood*, *Singleton*, and *Virginia State Board*. No. 75-709, 428 U.S. 901 (1976).

On remand, the parties entered into a stipulation which disposed of all issues except the constitutionality of §§ 5(a) and 7. Relying on this Court's supervening decisions in *Beal* v. *Doe*, 432 U.S. 438 (1977), and *Maher* v. *Roe*, 432 U.S. 464 (1977), the District Court found, contrary to its original view, see 401 F. Supp., at 594, that § 7 did not violate either Tit. XIX of the Social Security Act, as added, 79 Stat. 343, and amended, 42 U.S.C. § 1396 *et seq.*, or the Equal Protection Clause of the Fourteenth Amendment. App. 241(a). The Court, however, declared: "After reconsideration of section 5(a) in light of the most recent Supreme Court decisions, we adhere to our original view and decision that section 5(a) is unconstitutional." App. 240a–241a. Since the plaintiffs-appellees have not appealed from the ruling with respect to § 7, the only issue remaining in this protracted litigation is the validity of § 5(a).

II

Three cases in the sensitive and earnestly contested abortion area provide essential background for the present controversy.

In *Roe* v. *Wade*, 410 U.S. 113 (1973), this Court concluded that there is a right of privacy, implicit in the liberty secured by the Fourteenth Amendment, that "is broad enough to encompass a woman's decision whether or not to terminate her pregnancy." *Id.*, at 153. This right, we said, although fundamental, is not absolute or unqualified, and must be considered against important state interests in the health of the pregnant woman and in the potential life of the fetus. "These interests are separate and distinct. Each grows in substantiality as the woman approaches term and, at a point during pregnancy, each becomes 'compelling.'" *Id.*, at 162–163. For both logical and biological reasons, we indicated that the State's interest in the potential life of the fetus reaches the compelling point at the stage of viability. Hence, prior to viability, the State may not seek to further this interest by directly restricting a woman's decision whether or not to terminate her pregnancy.[7] But after viability, the State, if it chooses, may regulate or even prohibit abortion except where necessary, in appropriate medical judgment, to preserve the life or health of the pregnant woman. *Id.*, at 163–164.

We did not undertake in *Roe* to examine the various factors that may enter into the determination of viability. We simply observed that, in the medical and scientific communities, a fetus is considered viable if it is "potentially able to live outside the mother's womb, albeit with artificial aid." *Id.*, at 160. We added that there must be a potentiality of "meaningful life," *id.*, at 163, not merely momentary survival. And we noted that viability "is usually placed at about seven months (28 weeks) but may occur earlier, even at 24 weeks." *Id.*, at 160. We thus left the point flexible for anticipated advancements in medical skill.

Roe stressed repeatedly the central role of the physician both in consulting with the woman about whether or not to have an abortion, and in determing how any abortion was to be carried out. We indicated that up to the points where important state interests provide compelling justifications for intervention, "the abortion decision in all its aspects is inherently, and primarily, a medical decision," *id.*, at 166, and we added that if this privilege were abused, "the usual remedies, judicial and intra-professional, are available." *Ibid.*

Roe's companion case, *Doe* v. *Bolton*, 410 U.S. 179 (1973), underscored the importance of affording the physicial adequate discretion in the exercise of his medical judgment. After the Court there reiterated that "a pregnant woman does not have an absolute constitutional right to an abortion on her demand," *ib.*, at 189, the Court discussed, in a vagueness attack context, the Georgia statute's requirement that a physician's decision to perform an abortion must rest upon "his best clinical judgment." The Court found it critical that that judgment "may be exercised in the light of all factors—physical, emotional, psychological, familial, and the woman's age—relevant to the well-being of the patient." *Id.*, at 192.

The third case, *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52 (1976), stressed similar themes. There a Missouri statute that defined viability was challenged on the ground that it conflicted with the discussion of viability in *Roe* and that it was, in reality, an attempt to advance the point of viability to an earlier stage in gestation. The Court rejected that argument, repeated the *Roe* definition of viability, 428 U.S., at 63, and observed again that viability is "a matter of medical judgment, skill, and technical ability, and we preserved [in *Roe*] the flexibility of the term." *Id.*, at 64. The Court also rejected a contention that "a specified number of weeks in pregnancy must be fixed by statute as the point of viability." *Id.*, at 65. It said:

"In any event, we agree with the District Court that it is not the proper function of the legislature or the courts to place viability, which essentially is a medical concept, at a specific point in the gestation period. The time when viability is achieved may vary with each pregnancy, and the determination of whether a particular fetus is viable is, and must be, a matter for the judgment of the responsible attending physician." *Id.*, at 64.

In these three cases, then, this Court has stressed viability, has declared its determination to be a matter for medical judgment, and has recognized that differing legal consequences ensue upon the near and far sides of that point in the human gestation period. We reaffirm these principles. Viability is reached when, in the judgment of the attending physician on the particular facts of the case before him, there is a reasonable likelihood of the fetus' sustained survival outside the womb, with or without artificial support. Because this point may differ with each pregnancy, neither the legislature nor the courts may proclaim one of the elements entering into the ascertainment of viability—be it weeks of gestation or fetal weight or any other single factor—as the determinant of when the State has a compelling interest in the life or health of the fetus. Viability is the critical point. And we have recognized no attempt to stretch the point of viability one way or the other.

With these principles in mind, we turn to the issues presented by the instant controversy.

III

The attack mounted by the plaintiffs-appellees upon § 5(a) centers on both the viability determination requirement and the stated standard of care. The former provision, requiring the physician to observe the care standard when he determines that the fetus is viable, or when "there is sufficient reason to believe that the fetus may be viable," is asserted to be unconstitutionally vague because it fails to inform the physician when his duty to the fetus arises, and because it does not make the physician's good-faith determination of viability conclusive. This provision is also said to be unconstitutionally overbroad, because it carves out a new time period prior to the stage of viability, and could have a restrictive effect on a couple who wants to abort a fetus determined by genetic testing to be defective.[8] The standard of care, and in particular the requirement that the physician employ the abortion technique "which would provide the best opportunity for the fetus to be aborted alive so long as a different technique would not be necessary in order to preserve the life or health of the mother," is said to be void for vagueness and to be unconstitutionally restrictive in failing to afford the physician sufficient professional discretion in determining which abortion technique is appropriate.

The defendants-appellants, in opposition, assert that the Pennsylvania statute is concerned only with post-viability abortions and with prescribing a standard of care for those abortions. They assert that the terminology "may be viable" correctly describes the statistical probability of fetal survival associated with viability; that the viability determination requirement is otherwise sufficiently definite to be interpreted by the medical community; and that it is for the legislature, not the judiciary, to determine whether a viable but genetically defective fetus has a right to life. They contend that the standard of care preserves the flexibility required for sound medical practice, and that it simply requires that when a physician has a choice of procedures of equal risk to the woman, he must select the procedure least likely to be fatal to the fetus.

IV

We agree with plaintiffs-appellees that the viability determination requirement of § 5(a) is ambiguous, and that its uncertainty is aggravated by the absence of a scienter requirement with respect to the finding of viability. Because we conclude that this portion of the statute is void for vagueness, we find it unnecessary to consider appellees' alternative arguments based on the alleged overbreadth of § 5(a).

A

It is settled that, as a matter of due process, a criminal statute that "fails to give a person of ordinary intelligence fair notice that his contemplated conduct is forbidden by the statute," *United States* v. *Harriss*, 347 U.S. 612, 617 (1954), or is so indefinite that "it encourages arbitrary and erratic arrests and convictions," *Papachristou* v. *City of Jacksonville*, 405 U.S. 156, 162 (1972), is void for vagueness. See generally *Grayned* v. *City of Rockford*, 408 U.S. 104, 108–109 (1972). This appears to be especially true where the uncertainty induced by the statute threatens to inhibit the exercise of constitutionally protected rights. *Id.*, at 109; *Smith* v. *Goguen*, 415 U.S. 566, 573 (1974); *Keyishian* v. *Board of Regents*, 385 U.S. 589, 603–604 (1967).

Section 5(a) requires every person who performs or induces an abortion to make a determination, "based on his experience, judgment or professional competence," that the fetus is not viable. If such person determines that the fetus is viable, or if "there is sufficient reason to believe that the fetus may be viable," then he must adhere to the prescribed standard of care. See n. 1, *supra*. This requirement contains a double ambiguity. First, it is unclear whether the statute imports a purely subjective standard, or whether it imposes a mixed subjective and objective standard. Second, it is uncertain whether the phrase "may be viable" simply refers to viability, as that term has been defined in *Roe* and in *Planned Parenthood*, or whether it refers to an undefined penumbral or "gray" area prior to the stage of viability.

Footnotes at end of article.

The statute requires the physician to conform to the prescribed standard of care if one of two conditions is satisfied: if he determines that the fetus "is viable," or "if there is sufficient reason to believe that the fetus may be viable." Apparently, the determination of whether the fetus "is viable" is to be based on the attending physician's "experience, judgment or professional competence," a subjective point of reference. But it is unclear whether the same phrase applies to the second triggering condition, that is, to "sufficient reason to believe that the fetus may be viable." In other words, it is ambiguous whether there must be "sufficient reason" from the perspective of the judgment, skill, and training of the attending physician, or "sufficient reason" from the perspective of a cross-section of the medical community or a panel of experts. The latter, obviously, portends not an inconsequential hazard for the typical private practitioner who may not have the skills and technology that are readily available at a teaching hospital or large medical center.

The intended distinction between the phrases "is viable" and "may be viable" is even more elusive. Appellants argue that no difference is intended, and that the use of the "may be viable" words "simply incorporates the acknowledged medical fact that a fetus is 'viable' if it has that statistical 'chance' of survival recognized by the medical community." Brief for Appellants 26. The statute, however, does not support the contention that "may be viable" is synonymous with, or merely intended to explicate the meaning of, "viable."[9]

Section 5(a) requires the physician to observe the prescribed standard of care if he determines "that the fetus is viable or if there is sufficient reason to believe that the fetus may be viable" (emphasis supplied). The syntax clearly implies that there are two distinct conditions under which the physician must conform to the standard care. Appellants' argument that "may be viable" is synonymous with "viable" would make either the first or the second condition redundant or largely superfluous, in violation of the elementary canon of construction that a statute should be interpreted so as not to render one part inoperative. See *United States* v. *Menasche*, 348 U.S. 528, 538–539 (1955).

Furthermore, the suggestion that "may be viable" is an explication of the meaning of "viable" flies in the face of the fact that the the statute, in § 2, already defines "viable." This, presumably, was intended to be the exclusive definition of "viable" throughout the Act.[10] In this respect, it is significant that § 6 (b) of the Act speaks only of the limited availability of abortion during the stage of a pregnancy "subsequent to viability." The concept of viability is just as important in § 6(b) as it is in § 5(a). Yet in § 6(b) the legislature found it unnecessary to explain that a "viable" fetus includes one that "may be viable."

Since we must reject appellants' theory that "may be viable" means "viable," a second serious ambiguity appears in the statute. On the one hand, as appellees urge and as the District Court found, see 401 F. Supp., at 572, it may be that "may be viable" carves out a new time period during pregnancy when there is a remote possibility of fetal survival outside the womb, but the fetus has not yet attained the reasonable likelihood of survival that physicians associate with viability. On the other hand, although appellants do not argue this, it may be that "may be viable" refers to viability as physicians understand it, and "viable" refers to some undetermined stage later in pregnancy. We need not resolve this question. The crucial point is that "viable" and "may be viable" apparently refer to distinct conditions, and that one of these conditions differs in some indeterminate way from the definition of viability as set forth in *Roe* and in *Planned Parenthood*.[11]

Because of the double ambiguity in the viability determination requirement, this portion of the Pennsylvania statute is readily distinguishable from the requirement that an abortion must be "necessary for the preservation of the mother's life or health," upheld against a vagueness challange in *United States* v. *Vuitch*, 402 U.S. 62, 69–72 (1971), and the requirement that a physician determine, on the basis of his "best clinical judgment," that an abortion is "necessary," upheld against a vagueness attack in *Doe* v. *Bolton*, 410 U.S., at 191–192. The contested provisions in those cases had been interpreted to allow the physician to make his determination in the light of all attendant circumstances—psychological and emotional as well as physical—that might be relevant to the well-being of the patient. The present statute does not afford broad discretion to the physician. Instead, it conditions potential criminal liability on confusing and ambiguous criteria. It therefore presents serious problems of notice, discriminatory application, and chilling effect on the exercise of constitutional rights.

B

The vagueness of the viability determination requirement of § 5 (a) is compounded by the fact that the Act subjects the physician to potential criminal liability without regard to fault. Under § 5 (d), see n. 1, *supra*, a physician who fails to abide by the standard of care when there is sufficient reason to believe that the fetus "may be viable" is subject "to such civil or criminal liability as would pertain to him had the fetus been a child who was intended to be born and not aborted." To be sure, the Pennsylvania law of criminal homicide, made applicable to the physician by § 5 (d), conditions guilt upon a finding of scienter. See Pa. Stat. Ann., Tit. 18, §§ 2501–2504 (Purdon). The required mental state, however, is that of "intentionally, knowingly, recklessly or negligently caus[ing] the death of another human being." Id., § 2501. Thus, the Pennsylvania law of criminal homicide requires scienter with respect to whether the physician's actions will result in the death of the fetus. But neither the Pennsylvania law of criminal homicide, nor the Abortion Control Act, requires that the physician be culpable in failing to find sufficient reason to believe that the fetus may be viable.[12]

This Court has long recognized that the constitutionality of a vague statutory standard is closely related to whether that standard incorporates a requirement of *mens rea*. See, for example, *United States* v. *United States Gypsum Co.*, — *U.S.* —, — (1978); *Papachristou* v. *City of Jacksonville*, 405 U.S., at 163; *Boyce Motor Lines* v. *United States*, 342, 337, 342 (1952).[13] Because of the absence of a scienter requirement in the provision directing the physician to determine whether the fetus is or may be viable, the statute is little more than "a trap for those who act in good faith." *United States* v. *Ragen*, 314 U.S. 513, 524 (1942).

The perils of strict criminal liability are particularly acute here because of the uncertainty of the viability determination itself. As the record in this case indicates, a physician determines whether or not a fetus is viable after considering a number of variables: the gestational age of the fetus, derived from the reported menstrual history of the woman; fetal weight, based on an inexact estimate of the size and condition of the uterus; the woman's general health and nutrition; the quality of the available medical facilities; and other factors.[14] Because of the number and the imprecision of these variables, the probability of any particular fetus' obtaining meaningful life outside the womb can be determined only with difficulty. Moreover, the record indicates that even if agreement may be reached on the probability of survival, different physicians equate viability with different probabilities

Footnotes at end of article.

of survival, and some physicians refuse to equate viability with any numerical probability at all.[20] In the face of these uncertainties, it is not unlikely that experts will disagree over whether a particular fetus in the second trimester has advanced to the stage of viability. The prospect of such disagreement, in conjunction with a statute imposing strict civil and criminal liability for an erroneous determination of viability, could have a profound chilling effect on the willingness of physicians to perform abortions near the point of viability in the manner indicated by their best medical judgment.

Because we hold that the viability determination provision of § 5(a) is void on its face, we need not now decide whether, under a properly drafted statute, a finding of bad faith or some other type of scienter would be required before a physician could be held criminally responsible for an erroneous determination of viability. We reaffirm, however, that "the determination of whether a particular fetus is viable is, and must be, a matter for the judgment of the responsible attending physician." *Planned Parenthood of Missouri* v. *Danforth*, 428 U.S., at 64. State regulation that impinges upon this determination, if it is to be constitutional, must allow the attending physician "the room he needs to make his best medical judgment." *Doe* v. *Bolton*, 410 U.S., at 192.

V

We also conclude that the standard of care provision of § 5(a) is impermissibly vague.[21] The standard of care, when it applies, requires the physician to "exercise that degree of professional skill, care and diligence to preserve the life and health of the fetus which such person would be required to exercise in order to preserve the life and health of any fetus intended to be born and not aborted and the abortion technique employed shall be that which would provide the best opportunity for the fetus to be aborted alive so long as a different technique would not be necessary in order to preserve the life or health of the mother."

Plaintiffs-appellees focus their attack on the second part of the standard, requiring the physician to employ the abortion technique offering the greatest possibility of fetal survival, provided some other technique would not be necessary in order to preserve the life or health of the mother.[22]

The District Court took extensive testimony from various physicians about their understanding of this requirement. That testimony is illuminating. When asked what method of abortion they would prefer to use in the second trimester in the absence of § 5(a), the plaintiffs' experts said that they thought saline amnio-infusion was the method of choice.[23] This was described as a method involving removal of amniotic fluid and injection of a saline or other solution into the amniotic sac. See *Planned Parenthood of Missouri* v. *Danforth*, 428 U.S., at 75–79. All physicians agreed, however, that saline amnio-infusion nearly always is fatal to the fetus,[24] and it was commonly assumed that this method would be prohibited by the statute.

When the plaintiffs' and defendants' physician-experts respectively were asked what would be the method of choice under § 5(a), opinions differed widely. Preferences ranged from no abortion, to prostaglandin infusion, to hysterotomy, to oxytocin induction.[25] Each method, it was generally conceded, involved disadvantages from the perspective of the woman. Hysterotomy, a type of Caesarean section procedure, generally was considered to have the highest incidence of fetal survival of any of the abortifacients. Hysterotomy, however, is associated with the risks attendant upon any operative procedure involving anesthesia and incision of tissue.[26] And all physicians agreed that future children born to a woman having a hysterotomy would have to be delivered by Caesarean section because of the likelihood of rupture of the scar.[27]

Few of the testifying physicians had had any direct experience with prostaglandins, described as drugs that stimulate uterine contractibility, inducing premature expulsion of the fetus. See *Planned Parenthood of Missouri* v. *Danforth*, 428 U.S., at 77–78. It was generally agreed that the incidence of fetal survival with prostaglandins would be significantly greater than with saline amnio-infusion.[28] Several physicians testified, however, that prostaglandins have undesirable side effects, such as nausea, vomiting, headache, and diarrhea, and indicated that they are unsafe with patients having a history of asthma, glaucoma, hypertension, cardiovascular disease, or epilepsy.[29] See *Wynn* v. *Scott*, 449 F. Supp. 1302, 1326 (ND Ill. 1978). One physician recommended oxytocin induction. He doubted, however, whether the procedure would be fully effective in all cases, and he indicated that the procedure was prolonged and expensive.[30]

The parties acknowledge that there is disagreement among medical authorities about the relative merits and the safety of different abortion procedures that may be used during the second trimester. See Brief for Appellants 24. The appellants submit, however, that the only legally relevant considerations are that alternatives exist among abortifacients, "and that the physician, mindful of the state's interest in protecting viable life, must make a competent and good faith medical judgment on the feasibility of protecting the fetus' chance of survival in a manner consistent with the life and health of the pregnant woman." *Id.*, at 25. We read § 5(a), however, to be much more problematical.

The statute does not clearly specify, as appellants imply, that the woman's life and health must always prevail over the fetus' life and health when they conflict. The woman's life and health are not mentioned in the first part of the stated standard of care, which sets forth the general duty to the viable fetus; they are mentioned only in the second part which deals with the choice of abortion procedures. Moreover, the second part of the standard directs the physician to employ the abortion technique best suited to fetal survival "so long as a different technique would not be *necessary* in order to preserve the life or health of the mother" (emphasis supplied). In this context, the word "necessary" suggests that a particular technique must be indispensable to the woman's life or health—not merely desirable—before it may be adopted. And "the life or health of the mother," as used in § 5(a), has not been construed by the courts of the Commonwealth, nor does it necessarily imply, that all factors relevant to the welfare of the woman may be taken into account by the physician in making his decision. Cf. *United States* v. *Vuitch*, 402 U.S., at 71–72; *Doe* v. *Bolton*, 410 U.S., at 191.

Consequently, it is uncertain whether the statute permits the physician to consider his duty to the patient to be paramount to his duty to the fetus or whether it requires the physician to make a "trade-off" between the woman's health and additional percentage points of fetal survival. Serious ethical and constitutional difficulties, that we do not address, lurk behind this ambiguity. We hold only that where conflicting duties of this magnitude are involved, the State, at the least, must proceed with greater precision before it may subject a physician to possible criminal sanctions.

Appellants' further suggestion that § 5 (a) requires only that the physician make a good-faith selection of the proper abortion procedure finds no support in either the language or an authoritative interpretation of the statute.[31] Certainly, there is nothing to suggest a *mens rea* requirement with respect to a decision whether a particular abortion method is necessary in order to preserve the life or health of the woman. The choice of an appropriate abortion technique, as the record in this case so amply demonstrates, is a complex medical judgment about which experts can—and do—disagree. The lack of any scienter requirement exacerbates the uncertainty of the statute. We conclude that the standard of care provision, like the viability determination requirement, is void for vagueness.

The judgment of the District Court is affirmed.

It is so ordered.

FOOTNOTES

[1] Section 5 reads in pertinent part:

"(a) Every person who performs or induces an abortion shall prior thereto have made a determination based on his experience, judgment or professional competence that the fetus is not viable, and if the determination is that the fetus is viable or if there is sufficient reason to believe that the fetus may be viable, shall exercise that degree of professional skill, care and diligence to preserve the life and health of the fetus which such person would be required to exercise in order to preserve the life and health of any fetus intended to be born and not aborted and the abortion technique employed shall be that which would provide the best opportunity for the fetus to be aborted alive so long as a different technique would not be necessary in order to preserve the life or health of the mother.

* * * * *

"(d) Any person who fails to make the determination provided for in subsection (a) of this section, or who fails to exercise the degree of professional skill, care and diligence or to provide the abortion technique as provided for in subsection (a) of this section . . . shall be subject to such civil or criminal liability as would pertain to him had the fetus been a child who was intended to be born and not aborted."

[2] The three-judge court was designated in September 1974 pursuant to 28 U.S.C. § 2281 (1970 ed.). This statute was repealed by Pub. L. 94–381, § 1, 90 Stat. 1119, but the repeal did not apply to any action commenced on or before August 12, 1976. *Id.*, § 7.

[3] The plaintiffs named in the complaint, as amended, were Planned Parenthood Association of Southeastern Pennsylvania, Inc., a nonprofit corporation; appellee John Franklin, M.D., a licensed and board-certified obstetrician and gynecologist and medical director of Planned Parenthood; Concern for Health Options: Information, Care and Education, Inc. (CHOICE), a nonprofit corporation; and Clergy Consultation Service of Northeastern Pennsylvania, a voluntary organization. Later, appellee Obstetrical Society of Philadelphia intervened as a party plaintiff. Named as original defendants were J. Emmett Fitzpatrick, Jr., District Attorney of Philadelphia County, and Helene Wohlgemuth, the then Secretary of Welfare of the Commonwealth of Pennsylvania. Subsequently, the Commonwealth's Attorney General and the Commonwealth itself intervened as parties defendant.

The District Court, in a ruling not under challenge here, eventually dismissed Planned Parenthood, CHOICE, and Clergy Consultation as plaintiffs. *Planned Parenthood Assn.* v. *Fitzpatrick*, 401 F. Supp. 554, 562, 593–594 (ED Pa. 1975).

The present posture of the case, as a consequence, is a suit between Dr. Franklin and the Obstetrical Society, as plaintiffs-appellees, and Aldo Colautti, the present Secretary of Welfare, the Attorney General, the Commonwealth, and the District Attorney, as defendants-appellants.

We agree with the District Court's ruling in the cited 1975 opinion, 401 F. Supp., at 561–562, 594, that under *Doe* v. *Bolton*, 410

U.S. 179, 188 (1973), the plaintiff physicians have standing to challenge § 5(a), and that their claims present a justiciable controversy. See *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52, 62 (1976).

[4] The court preliminarily enjoined the enforcement of the spousal and parental consent requirements, § 3(b); the penal provisions of § 3(e); the requirements of §§ 5 (a) and (d); the restriction on abortions subsequent to viability, § 6(b); the facility approval requirement, § 6(c); the reporting provisions, § 6(d); most of the penal provisions of § 6(1); the restrictions on funding of abortions, § 7; and the definitions of "viable" and "informed consent" in § 2. Rec. Doc. No. 16; see *Planned Parenthood Assn.* v. *Fitzpatrick*, 401 F. Supp., at 559.

[5] The court ruled that "the present action is determined to be a class action on behalf of the class of Pennsylvania physicians who perform abortions and/or counsel their female patients with regard to family planning and pregnancy including the option of abortion, and the sub-class of members of the Obstetrical Society of Philadelphia who practice in Pennsylvania." Rec. Doc. No. 57.

[6] See also *Doe* v. *Zimmerman*, 405 F. Supp. 534 (MD Pa. 1975).

[7] In *Maher* v. *Roe*, 432 U. S. 464, 471–477 (1977), the Court ruled that a State may withhold funding to indigent women even though such withholding influences the abortion decision prior to viability. The Court, however, reaffirmed that a State during this period may not impose direct obstacles—such as criminal penalties—to further its interest in the potential life of the fetus.

[8] The plaintiffs-appellees introduced evidence that modern medical technology makes it possible to detect whether a fetus is afflicted with such disorders as Tay-Sachs disease and Down's syndrome (mongolism). Such testing, however, often cannot be completed until after 18–20 weeks' gestation. App. 53a–56a (testimony of Hope Punnett, Ph. D.).

[9] Appellants do not argue that federal court abstention is required on this issue, nor is it appropriate, given the extent of the vagueness that afflicts § 5 (a), for this Court to abstain *sua sponte*. See *Bellotti* v. *Baird*, 428 U. S. 132, 143 n. 10 (1976).

[10] The statute says that viable "means," not "includes," the capability of a fetus "to live outside the mother's womb albeit it with artificial aid." As a rule, "[a] definition which declares what a term 'means' . . . excludes any meaning that is not stated." 2A C. Sands, Statutes and Statutory Construction, § 47.07 (Supp. 1978).

[11] Since our ruling today is confined to the conclusion that the viability determination requirement of § 5(a) is impermissibly vague, there is no merit in the dissenting opinion's suggestion, *post*, at 6, that the Court has "tacitly disowned" the definition of viability as set forth in *Roe* and *Planned Parenthood*. On the contrary, as noted above, *ante*, at 9, we *reaffirm* what was said in those decisions about this critical concept.

[12] Section 5(a) does provide that the determination of viability is to be based on the physician's "experience, judgment or professional competence." A subjective standard keyed to the physician's individual skill and abilities, however, is different from a requirement that the physician be culpable or blameworthy for his performance under such a standard. Moreover, as noted above, it is ambiguous whether this subjective language applies to the second condition that activates the duty to the fetus, namely, "sufficient reason to believe that the fetus may be viable."

[13] "[T]he requirement of a specific intent to do a prohibited act may avoid those consequences to the accused which may otherwise render a vague or indefinite statute invalid. . . . The requirement that the act must be willful or purposeful may not render certain, for all purposes, a statutory definition of the crime which is in some respects uncertain. But it does relieve the statute of the objection that it punishes without warning an offense of which the accused was unaware." *Screws* v. *United States*, 325 U.S. 91, 101–102 (1945) (plurality opinion).

[14] See App. 5a–6a, 10a, 17a (testimony of Louis Gerstley, III, M.D.); App. 77a–78a, 81a (testimony of Thomas W. Hilgers, M.D.); App. 93a–101a, 109a, 112a (testimony of William J. Keenan, M.D.).

[15] See App. 8a (testimony of Dr. Gerstley) (viability means 5% chance of survival, "certainly at least two to three percent"); App. 104a (testimony of Dr. Keenan) (10% chance of survival would be viable); App. 144a (deposition of John Franklin, M.D.) (viability means "ten percent or better" probability of survival); App. 182a (testimony of Arturo Hervada, M.D.) (it is misleading to be obsessed with a particular percentage figure).

[16] The dissenting opinion questions whether the alleged vagueness of the standard of care is properly before us, since it is said that this issue was not reached by the District Court. That court, however, declared § 5(a) unconstitutional in its entirety, including both the viability determination requirement and the standard of care. App. 343a. Appellees, as the prevailing parties, may of course assert any ground in support of that judgment, "whether or not that ground was relied upon or even considered by the trial court." *Dandridge* v. *Williams*, 397 U.S. 471, 475 n. 6 (1970).

[17] In *Planned Parenthood of Central Missouri* v. *Danforth*, 428 U.S. 52, 81–84 (1976), the Court struck down a provision similar to the first part of the standard of care of § 5 (a), on the ground that it applied at all stages of gestation and not just to the period subsequent to viability. Except to the extent that § 5(a) is also alleged to apply prior to the point of viability, a contention we do not reach, see p. 11, *ante*, appellees do not challenge the standard of care on overbreadth grounds.

[18] App. 11a (testimony of Dr. Gerstley); App. 28a (testimony of Dr. Franklin).

[19] See, *e.g.*, App. 28a (testimony of Dr. Franklin) App. 36a (testimony of Fred Mecklenburg, M.D.).

[20] There was testimony that dilation and curettage and dilation and suction, two of the more common methods of abortion in the first trimester, normally are not used in the second trimester. App. 39a–40a (testimony of Dr. Mecklenburg).

[21] App. 28a (testimony of Dr. Franklin); App. 43a (testimony of Dr. Mecklenburg); App. 73a (testimony of Dr. Hilgers).

[22] See, *e.g.*, App. 13a (testimony of Dr. Gerstley); App. 28a (testimony of Dr. Franklin).

[23] See, *e.g.*, App. 11a–12a (testimony of Dr. Gerstley); App. 28a (testimony of Dr. Franklin).

[24] See App. 11a (testimony of Dr. Gerstley); App. 37a–38a (testimony of Dr. Mecklenburg); App. 72a (testimony of Dr. Hilgers).

[25] App. 12a (testimony of Dr. Gerstley).

[26] Appellants, again, do not argue or suggest that we should abstain from passing on this issue. See n. 9, *supra*.

[Supreme Court of the United States, No. 77–891]

ALDO COLAUTTI, SECRETARY OF WELFARE OF PENNSYLVANIA, ET AL., PETITIONERS, *v.* JOHN FRANKLIN ET AL.

On Appeal from the United States District Court for the Eastern District of Pennsylvania. [January 9, 1979]

MR. JUSTICE WHITE, with whom THE CHIEF JUSTICE and MR. JUSTICE REHNQUIST join, dissenting.

Because the Court now withdraws from the States a substantial measure of the power to protect fetal life that was reserved to them in *Roe* v. *Wade*, 410 U. S. 113 (1973), and reaffirmed in *Planned Parenthood of Missouri* v. *Danforth*, 428 U. S. 52 (1976), I file this dissent.

I

In *Roe* v. *Wade*, the Court defined the term "viability" to signify the stage at which a fetus is "potentially able to live outside the mother's womb, albeit with artificial aid." This is the point at which the State's interest in protecting fetal life becomes sufficiently strong to permit it to "go so far as to proscribe abortion during that period, except when it is necessary to preserve the life or health of the mother." *Id.*, at 163–164.

The Court obviously crafted its definition of viability with some care, and it chose to define that term not as that stage of development at which the fetus actually *is* able or actually *has* the ability to survive outside the mother's womb, with or without artificial aid, but as that point at which the fetus is *potentially* able to survive. In the ordinary usage of these words, being *able* and being *potentially able* do not mean the same thing. Potential ability is not actual ability. It is ability "[e]xisting in possibility, not in actuality." Webster's New International Dictionary (2d ed. 1958). The Court's definition of viability in *Roe* v. *Wade* reaches an earlier point in the development of the fetus than that stage at which a doctor could say with assurance that the fetus *would* survive outside the womb.

It was against this background that the Pennsylvania statute at issue here was adopted and the District Court's judgment was entered. Insofar as *Roe* v. *Wade* was concerned, Pennsylvania could have defined viability in the language of that case—"potentially able to live outside the mother's womb"—and could have forbidden all abortions after this stage of any pregnancy. The Pennsylvania Act, however, did not go so far. It forbade entirely only those abortions where the fetus had attained viability as defined in § 2 of the Act, that is, where the fetus had "the *capability* to live outside the mother's womb albeit with artificial aid." Pa. Stat. Ann., Tit. 35, § 6602 (Purdon) (emphasis added). But the State, understanding that it also had the power under *Roe* v. *Wade* to regulate where the fetus was only "potentially able" to exist outside the womb, also sought to regulate, but not forbid, abortions where there is sufficient reason to believe that the fetus "may be viable"; this language was reasonably believed by the State to be equivalent to what the Court meant in 1973 by the term "potentially able to live outside the mother's womb." Under § 5(a), abortionists must not only determine whether the fetus is viable but also whether there is sufficient reason to believe that the fetus may be viable. If either condition exists, the method of abortion is regulated and a standard of care imposed. Under § 5(d), breach of these regulations exposes the abortionist to the civil and criminal penalties that would be applicable if a live birth rather than an abortion had been intended.

In the original opinion and judgment of the three-judge court, *Planned Parenthood Assn.* v. *Fitzpatrick*, 401 F. Supp. 554 (ED Pa. 1975), § 5(a) was invalidated on two grounds: first, because it required a determination of viability and because that term, as defined in § 2, was held to be unenforceably vague; and second, because the section required a determination of when a fetus may be viable, it was thought to regulate a period of time prior to viability and was therefore considered to be invalid under this Court's cases. The District Court was not disturbed by the fact that its opinion declared the term "viability" as used in this Court's opinion in *Roe* v. *Wade* to be hopelessly vague since it understood that opinion also to have given specific con-

tent to that term and to have held that a State could not consider any fetus to be viable prior to the 24th week of pregnancy. This was concrete guidance to the States, and because the "may be viable" provision of § 5(a) "tend[ed] to carve out a . . . period of time of potential viability [which might cover a period of] 20 to 26 weeks gestation." 401 F. Supp., at 572, the State was unlawfully regulating the second trimester. Because it sought to enforce § 5(a), § 5(d) was also invalidated. Section 6(b), which forbade all abortions after viability, also fell to the challenge of vagueness.

The District Court's judgment was pending on appeal here when *Planned Parenthood of Missouri* v. *Danforth*, *supra*, was argued and decided. There, the state Act defined viability as "that stage of fetal development when the life of the unborn child may be continued indefinitely outside the womb by natural or artificial life-supportive systems." *Id.*, at 63. This definition was attacked as impermissibly expanding the *Roe* v. *Wade* definition of viability; the "mere possibility of momentary survival." it was argued, was not the proper standard under the Court's cases. *Ibid.* It was also argued in this Court that the "may be" language of the Missouri statute was vulnerable for the same reasons that the "may be" provision of the Pennsylvania statute had been invalidated by the District Court in the case now before us. Brief for Appellants 65–66, quoting *Planned Parenthood Assn.* v. *Fitzpatrick*, 401 F. Supp., at 571–572. This Court, however, rejected these arguments and sustained the Missouri definition as consistent with *Roe*, "even when read in conjunction with" another section of the Act that prescribed all abortions not necessary to preserve the life or health of the mother "unless the attending physician first certifies with reasonable medical certainty that the fetus is not viable," that is, that it has not reached that stage at which it may exist indefinitely outside the mother's womb. 428 U.S., at 62–64. The Court noted that one of the appellant doctors "had no particular difficulty with the statutory definition" and added that the Missouri definition might well be considered more favorable to the complainants than the *Roe* definition since the "point when life can be 'continued indefinitely outside the womb's may well occur later in a pregnancy than the point where the fetus is 'potentially able to live outside the mother's womb.'" *Id.*, at 64. The Court went on to make clear that it was not the proper function of the legislature or of the courts to place viability at a specific point in the gestation period. The "flexibility of the term," which was essentially a medical concept, was to be preserved. *Ibid.* The Court plainly reaffirmed what it had held in *Roe* v. *Wade*: viability refers not only to that stage of development when the fetus actually has the capability of existing outside the womb but also to that stage when the fetus *may have* the ability to do so. The Court also reaffirmed that at any time after viability, as so understood, the State has the power to prohibit abortions except when necessary to preserve the life or health of the mother.

In the light of *Danforth*, several aspects of the District Court's judgment in the *Fitzpatrick* case were highly questionable, and that judgment was accordingly vacated and remanded to the District Court for reconsideration. A drastically modified judgment eventuated. The term "viability" could not be deemed vague in itself, and hence the definition of that term in § 2 and the proscription of § 6(b) against post-viability abortions were sustained. The District Court, however, in a conclusory opinion adhered to its prior view that § (a) was unconstitutional, as was § 5(d) insofar as it related to § 5 (a).

Affirmance of the District Court's judgment is untenable. The District Court originally thought § 5(a) was vague because the term "viability" was itself vague. The Court scotched that notion in *Danforth*, and the District Court then sustained the Pennsylvania definition of viability. In doing so, it necessarily nullified the major reason for its prior invalidation of § 5(a), which was that it incorporated the supposedly vague standard of § 2. But the District Court has also said that the "may be viable" standard was invalid as an impermissible effort to regulate a period of "potential" viability. This was the sole remaining articulated ground for invalidating § 5(a). But this is the very ground that was urged and rejected in *Danforth*, where this Court sustained the Missouri provision defining viability as the stage at which the fetus "may" have the ability to survive outside the womb and reaffirmed the flexible concept of viability announced in *Roe*.

In affirming the District Court, the Court does not in so many words agree with the District Court but argues that it is too difficult to know whether the Pennsylvania Act simply intended, as the State urges, to go no further than *Roe* permitted in protecting a fetus that is potentially able to survive or whether it intended to carve out a protected period prior to viability as defined in *Roe*. The District Court, although otherwise seriously in error, had no such trouble with the Act. It understood the "may be viable" provision as an attempt to protect a period of potential life, precisely the kind of interest that *Roe* protected but which the District Court erroneously thought the State was not entitled to protect.[1] *Danforth*, as I have said, reaffirmed *Roe* in this respect. Only those with unalterable determination to invalidate the Pennsylvania Act can draw any measurable difference insofar as vagueness is concerned between "viability" defined as the ability to survive and "viability" defined as that stage at which the fetus may have the ability to survive. It seems to me that, in affirming, the Court is tacitly disowning the "may be" standard of the Missouri law as well as the "potential ability" component of viability as that concept was described in *Roe*. This is a further constitutionally unwarranted intrusion upon the police powers of the States.

Apparently uneasy with its work, the Court has searched for and seised upon two additional reasons to support affirmance, neither of which was relied upon by the District Court. The Court first notes that under § 5 (d), failure to make the determinations required by § 5(a), or otherwise to comply with its provisions, subjects the abortionist to criminal prosecution under those laws that "would pertain to him had the fetus been a child who was intended to be born and not aborted." Although concededly the Pennsylvania law of criminal homicide conditions guilt upon a finding that the defendant intentionally, knowingly, recklessly, or negligently caused the death of another human being, the Court nevertheless goes on to declare that the abortionist could be successfully prosecuted for criminal homicide without any such fault or omission in determining whether or not the fetus is viable or may be viable. This alleged lack of a scienter requirement, the Court says, fortifies its holding that § 5(a) is void for vagueness.

This seems to me an incredible construction of the Pennsylvania statutes. The District Court suggested nothing of the sort, and appellees focus entirely on § 5(a), ignoring the homicide statutes. The latter not only define the specified degrees of scienter that are required for the various homicides, but also provide that ignorance or mistake as to a matter of fact, for which there is a reasonable explanation, is a defense to a homicide charge if it negatives the mental state necessary for conviction. Pa. Stat. Ann., Tit. 18, § 304 (Purdon). Given this background, I do not see how it can be seriously argued that a doctor who makes a good-faith mistake about whether a fetus is or is not viable could be successfully prosecuted for criminal homicide. This is the State's submission in this Court; the court below did not address the matter; and at the very least this is something the Court should not decide without hearing from the Pennsylvania courts.

Secondly, the Court proceeds to find the standard of care provision in § 5(a) to be impermissibly vague, particularly because of an asserted lack of a *mens rea* requirement. I am unable to agree. In the first place, the District Court found fault with § 5(a) only because of its viability and may be viable provisions. It neither considered nor invalidated the standard of care provision. Furthermore, the complaint did not expressly attack § 5(a) on this ground, and plaintiffs' request for findings and conclusions challenged the section only on the grounds of the overbreadth and vagueness of the viability and the may be viable provisions. There was no request to invalidate the standard of care provision. Also, the plaintiffs' post-trial brief dealt with the matter in only the most tangential way. Appellees took no cross-appeal; and although they argue the matter in their brief on the merits in this Court. I question whether they are entitled to have still another provision of the Pennsylvania Act declared unconstitutional in this Court in the first instance, thereby and to that extent expanding the relief they obtained in the court below.[2] *United States* v. *New York Telephone Co.*, 434 U.S. 159, 166 n. 9 (1977).

In any event, I cannot join the Court in its determined attack on the Pennsylvania statute. As in the case with a mistaken viability determination under § 5(a), there is no basis for asserting the lack of a scienter requirement in a prosecution for violating the standard of care provision. I agree with the State that there is not the remotest chance that any abortionist will be prosecuted in the basis of a good-faith mistake regarding whether to abort, and if he does, with respect to which abortion technique is to be used. If there is substantial doubt about this, the Court should not complain of a lack of an authoritative State construction, as it does, but direct abstention and permit the state courts to address the issues in the light of the Pennsylvania homicide laws with which those courts are so much more familiar than are we or any other federal court.

Although it seems to me that the Court has considerably narrowed the scope of the power to forbid and regulate abortions that the States could reasonably have expected to enjoy under *Roe* and *Danforth*, the Court has not yet invalidated a statute simply requiring abortionists to determine whether a fetus is viable and forbidding the abortion of a viable fetus except where necessary to save the life or health of the mother. Nor has it yet ruled that the abortionist's determination of viability under such a standard must be final and is immune to civil or criminal attack. Section 2 and § 6(b) of the Pennsylvania law, for example, remain undisturbed by the District Court's judgment or by the judgment of this Court.

What the Court has done is to issue a warning to the States in the name of vagueness, that they should not attempt to forbid or regulate abortions when there is a chance for the survival of the fetus, but it is not sufficiently large that the abortionist considers the fetus to be viable. This edict has no constitutional warrant, and I cannot join it.●

[1] The District Court observed:

"*Roe* makes it abundantly clear that the compelling point at which a state in the interest of fetal life may regulate, or even prohibit, abortion is not before the 24th week of gestation of the fetus, at which point the Supreme Court recognized the fetus then presumably *has the capability* of meaningful life outside the mother's womb. Consequently, *Roe* recognized only two periods concerning fetuses. The period prior to viability, when the state may not regulate in the interest of fetal life, and the period after viability, when it may prohibit altogether or regulate as it sees fit. The 'may be viable' provision of Section 5(a) tends to carve out a third period of time of *potential* viability." *Planned Parenthood Assn.* v. *Fitzpatrick*, 401 F. Supp. 554, 572 (ED Pa. 1975) (emphasis added).

Thus, the court interpreted the term "viability" more restrictively than *Roe*, read in its entirety, permitted but coextensively with the definition in § 2. Based on its misapprehension of *Roe*, the court condemned § 5(a) essentially for reaching the period when the fetus has the *potential* "capability of meaningful life outside the mother's womb." *Ibid.*

[2] Unquestionably, rehabilitating § 5(a) to satisfy this Court's opinion will be a far more extensive and more difficult task than that which the State faced under the District Court's ruling.

LITHUANIAN INDEPENDENCE DAY

● Mr. WILLIAMS. Mr. President, for Americans of Lithuanian descent, February 16 is a very significant day. It was on this day in 1918 that the elected representatives of the Lithuanian people proclaimed an independent Lithuanian state based on democratic principles.

Independence did not become an immediate reality, however. As soon as German troops evacuated Lithuania, the Red army entered the nation and installed a Communist government. Later, the Red army was driven out by the Polish Army and Lithuanian fighting units. In 1920 Russia signed a peace treaty with Lithuania, recognizing it as an independent nation and pledging itself to renounce forever all claims of sovereignty. During the ensuing period independent Lithuania embarked on an unprecedented and unsurpassed era of political liberty, economic prosperity, and cultural achievement.

Sadly, this did not last. When the outbreak of World War II seemed imminent, Lithuania attempted to maintain a policy of absolute neutrality. Within a short time, however, Lithuania's sovereignty was repeatedly violated by a series of onslaughts by Nazi and Soviet occupying forces. As the war drew to a close, Lithuania returned not to independence but to Soviet domination.

Since then, Lithuanians have been denied even the most elemental of human and civil rights, and have suffered severe assaults on their national identity and cultural heritage. The Lithuanian people have bravely refused to accept this oppression and have kept alive their determination to reclaim control over their own lives.

On the anniversary of their declaration of independence, it is appropriate that all Americans join those of Lithuanian heritage to salute the free spirit of a proud and courageous people, and to share their aspiration for national self-determination.●

THE NEW CHALLENGES OF UNITED STATES-LATIN AMERICA DEVELOPMENT COOPERATION IN THE 1980'S: A CALL TO ACTION

● Mr. JAVITS. Mr. President, the United States' relationship with Latin America has taken on increased significance in recent times as our economies have become more and more interrelated. This is best illustrated by the fact that Latin America is today our third largest market and purchases almost $20 billion of U.S. goods and services every year. Although Latin America continues to experience dynamic rates of economic development, the continent still faces many problems stemming from the severe poverty of much of its population.

What part can our bilateral assistance program play in Latin America's development process? I call to the attention of my colleagues an excellent speech by Abelardo L. Valdez, Agency for International Development Assistant Administrator for Latin America and the Caribbean, which provides us with insight into this important question. In his address, entitled "The New Challenges of U.S.-Latin American Development Cooperation in the 1980's: A Call to Action," Mr. Valdez discusses the problems of middle-income countries in Latin America and the need to channel private capital into areas most in need of accelerated development. He believes, as do I, that concerted action and cooperation are the essential building blocks of a strong relationship between the United States and Latin America.

I have a long-standing commitment to involving the private sector in the economic progress of developing countries. This commitment, in addition to my interest in Latin America, led to the establishment in 1964 of ADELA (Atlantic Community Development Group for Latin America). ADELA is a consortium of the leading private sector industrial and financial enterprises of the world—40 percent United States and 60 percent foreign. ADELA's objective is to stimulate economic development in Latin America by participation in equity investment in developmental private enterprise projects and by making available technical assistance. ADELA has proven to be a highly successful way of bringing private industry with targeted investment capital into developing countries.

I recommend highly this speech to my colleagues and ask that it be printed in the RECORD. I also ask that a recent editorial from the Journal of Commerce that quotes Mr. Valdez's statement and agrees with Mr. Valdez's conclusion that our policy of withholding economic assistance to middle-income developing countries should be reexamined be printed in the RECORD.

The material follows:

THE NEW CHALLENGES OF UNITED STATES-LATIN AMERICAN DEVELOPMENT COOPERATION IN THE 1980'S: A CALL TO ACTION

Over the last year and one half, I have been talking to people all over the Nation about our common potential and challenge in the economic future of this hemisphere. Everywhere the response has been thoughtful and supportive.

But I feel a singular pleasure and honor and encouragement to be with you today. For someone in quest of a dynamic, informed constituency for development cooperation in Latin America, coming here to the Council of the Americas is, in a sense, coming home.

In the more than thirteen years since its founding, this organization has been devoted to the cause of progressive economic collaboration between the United States and its Latin neighbors. You have been an invaluable forum for fresh and creative ideas, a meeting house for thinkers, officials and elected leaders from throughout the hemisphere. And, most important I think, a force for public education and political enlightenment—a calm, steady voice speaking out across boundaries and cultures and ideologies for the deeper human understanding that is the heart of international relations.

Your recent nationwide effort in support of the Panama Canal Treaty was a remarkable display of private citizen statesmanship to match President Carter's. The people of this country, of Panama, of the entire region, are in your debt for that campaign on behalf of policy sense and international sensibility.

In large measure because of your past contribution, the nations of this hemisphere have never been bound together more closely—or more hopefully—in a common economic destiny.

The United States is now the principal market for Latin America. And Latin America, registering unprecedented growth rates, is today our third largest market. The Continent is purchasing from the U.S. almost $20 billion every year, more than we sell to the rest of the developing world altogether and nearly as much as we export to the European Economic Community.

Our exports to Latin America have more than tripled over the last decade, an ever-expanding market at a time when 1 in 8 manufacturing jobs and 1 in every 3 acres of U.S. farmland depend on exports, when sales to the developing world mean a million jobs, and when our economy is buffeted by trade deficits and uncertainties in other regions.

In the last ten years, U.S. imports from the Region have grown from $5.0 billion to more than $20.0 billion providing us with many of the most vital resources that the U.S. must import—oil, bauxite, copper, tin and iron ore to name just a few.

Some 82% of U.S. direct foreign investment in the developing world is now in Latin America, totaling $28 billion and earning $4 billion a year. And, of course, the over 200 member firms of this Council represent some 86% of that investment. As the private sector has replaced government as the source of eight-tenths of all our financial flows to Latin America (an exact reversal of the 1960s), international business has long since, and for the future, become a major force in the development of this Hemisphere.

By the year 2000, Latin America and the Caribbean could be our leading foreign market and the home of some of the most extensive and profitable investments of U.S. business anywhere in the world.

Moreover, many economists now recognize in developing regions like Latin America the potentially crucial "engines or growth" for the developed world as well. As development brings to life new purchasing power in Latin America and the Caribbean, prosperity and jobs come to Miami and Houston and New York as well as Rio or Bogota or Mexico City. Much as the planned recovery of Europe and Japan under the Marshall Plan, the sustained, balanced, mutual growth of all of the Americas could help stem throughout the region the twin curses of the 1970s, high inflation and lingering unemployment.

Add to these economic ties the political and human reality that the United States now has the fourth largest Spanish-speaking population in the Hemisphere. Sixteen million U.S. citizens of Hispanic origin are about to become our single largest minority—and for all its diversity, an extraordinary and growing constituency of interest and interrelationship for continuing our vital partnership with Latin America.

Quietly—without fanfare and with hard work on all sides—the economic welfare of this hemisphere has become truly indivisible. The future brims with new prospects for shared growth, for shared prosperity, and for the shared strength and stability that come to neighbors who realize and act on their interdependence.

Many of you in this audience have helped shape that progress and promise. Just as surely, your sheer financial power—your momentous role as the predominant U.S. economic presence in Latin America—will have a major part in shaping the future.

And not only for Colombia and Chile, but also for California and Connecticut. For Houston as well as Mexico City. What happens to any nation, to any trade and investment in this Hemisphere, happens in a real sense to all of us.

We cannot choose *whether* to have a common fate with Latin America and the Caribbean. That choice has been taken by the economic history we have already made.

In a very real sense, our great border with Latin America and the Caribbean unites its two sides more than it divides them. It links us in a seamless web of economic, political and people-to-people relationships. A web that holds both sides in shared destiny, and an ever-deepening stake in what happens on either side of the border.

In many ways, of course, our common border bonds us most closely with Mexico. As Mexican President, Jose Lopez Portillo, said in a visit to the White House last February, "To be neighbors means to share everything—the good things and the bad things, too." And while we do indeed have common problems of migration, trade, energy, environment, and economic development—the possibilities in U.S.-Mexican relations have never been broader—or brighter.

Most important, there is a fresh sense in both Washington and Mexico City of how much these two nations mean to one another. That sense brought President Lopez Portillo to the White House as the first chief of state to be invited by President Carter in the new Administration. And it surrounds the President's trip to Mexico last month, a trip which expresses President Carter's abiding commitment to make the U.S. and Mexico not only good neighbors, but also good friends.

Yet, the common stake, the common opportunity, the common future do not stop at Mexico's southern boundary. There may have been a time when words like "interdependence" were political rhetoric. But no more.

On the eve of the 1980s, the issue is not whether—but what kind of future we will make together, what sort of 21st century Hemisphere, for all our endeavor, we will bequeath to our children, our country, our businesses.

I am here today—quite honestly—because that issue is in grave doubt. And because there can be no doubt where you should stand in the challenge ahead.

Because, despite our achievements, we have often been blind to how much neglected, unfinished development still exists throughout the Americas. Because in the economic development of Latin America we stand poised between hope and genuine hazard—with awesome choices that will no longer wait.

And because great organizations like the Council must see the crisis clearly, and act decisively. You can no more wait for the obscure but perhaps fatal undoing of our mutual economic interests than you could wait to be counted on the Panama Canal Treaty.

For the harsh truth is that all our hard-won progress and promise in Latin America is under attack. Quietly—perhaps almost without notice—we have come to what I believe to be a historic turning point in our relations. No headlines scream at us. No international disaster seems visible. But the threat is in many ways no less deadly.

On one front it is the savage assault of a festering and tragic poverty:

Nations apparently well off face development problems scarcely reflected in their beguiling statistics, and behind the skyscrapers and model farms of the region are some of the most squalid urban slums, some of the most grindingly impoverished rural areas, in the world.

Some 160 million people, half of the Continent's population, live on incomes of less than $250 a year.

Last year, one in every five Latin Americans received less than $100 a year and languished in desperate want.

Unemployment and underemployment in many countries climbs to between 20% and 50%, joblessness horribly worse than at the depths of the Great Depression.

Chronic malnutrition, inadequate health care, and a lack of relevant education or vocational training plague the entire region.

And by the year 2000, when Latin America's still swelling population has passed 600 million, when more than 300 million people may be desperately poor, when jobs and food and clinics and schools are all the more scarce, when cities are overwhelmed and the countryside so largely stagnant, will *that* . . . all that . . . be the monument to our efforts?

Yet I must tell you too what many of you already know or sense. That not only have the great capital-intensive investments of the last 20 years left half a Continent in poverty and despair, but also that Latin America is being blighted, and her development progress ransomed, by the very pains of growth itself.

Polluted air chokes the great cities of the Americas from Mexico City to Rio.

As growing cities press on old sanitation systems, waste poisons Latin America's majestic rivers and lakes, while other pollution consumes once lovely beaches and the economic livelihood they provided.

From the shores of the Caribbean to the heights of the Andes, forests are stripped and precious soil eroded for lack of conservation.

Incredibly, but relentlessly, deforestation in the Panama Canal basin now threatens the ultimate survival of the Canal as a reliable international waterway. For all your work on the Canal Treaty, for all President Carter's foresight and diplomacy, our best efforts are in danger not from some foreign foe or local unrest, but from an unhealed, untreated massive wound—deforestation, that never entered the headlines or the debate.

Likewise, Latin America largely lacks the complementary development of science and technology to sustain its growth, the home-grown capacity to generate new knowledge or adapt foreign technologies to deal with the vast vestiges of poverty or the newer global problems bearing down on its societies. Problems not only of environmental destruction and failing conservation, but also the more familiar crises of energy and inflation.

At a moment when many Latin nations are poised precariously on the high wire of economic growth, they are being buffeted by costly, uncertain energy supplies and the ever higher cost of global living.

And left unattended, unrecognized, these newer structural challenges are no less insidious, so less a drain on development or the portent of a bleak, barren future, than the Continent's widespread rural and urban poverty. Without environmental planning and protection, the misery of Latin America's cities and countryside only deepen. Without adequate conservation, agricultural development can lead to permanent scars. Without indigenous science and appropriate technology, growth soon encounters its own needless barriers . . . and development whose purpose was the vitality and independence of a Continent soon leaves its people all the more dependent on the untender mercies of foreign energy and worldwide inflation.

Already, as many of you have seen, the economic advance of Latin America has begun ominously to slow. In recent years, growth rates in countries throughout the Continent averaged only some 60% of their level in the early 1970s. Many countries are groping for new models of development that can more effectively deal with fundamental problems of poverty, unemployment and income distribution.

Yet precisely at this moment of quiet but deadly serious crisis, precisely when Latin America needs more than ever a sense of cooperation from her Hemispheric neighbor in meeting this onslaught against our common future and progress . . . at this moment there has been a second assault on development. It has come, as it were, from the rear. And it has hurt.

I'm talking about the force of a new mythology . . . the assumption lately so widespread in official and private circles that the work of development is somehow done in Latin America. The awkward watchword of that myth, as many of you have heard, is "middle-income".

I think it was George Bernard Shaw who once observed that a hyphen was one of this century's concessions to barbarism. I wonder if he foresaw the havoc wrought in the name of "Middle-income."

Because many Latin and Caribbean nations register abstract per capita incomes relatively higher and populations relatively lower than the very poorest countries of Asia or Africa, they are deemed ineligible for added U.S. development cooperation. Because all but 3 Latin American nations now record per capita incomes over $550 a year—compared to $9,500 in the United States—they are termed "middle-income" and shunted aside in the apportioning of limited technical and economic cooperation funds.

As if a term could capture the anguish of people, 160 million people, without jobs or enough food for their children, or decent homes, or schools. As if a term could erase what a Latin poet once said of such poverty—"an evil tooth that has bitten the heart of man."

But no one has exposed the mythology more tellingly, I think, than President Lopez-Portillo of Mexico, whose nation is such a vivid example of the remaining challenges of economic and social development, and of the neglect of those problems in the "middle-income" mentality.

Mexico, of course, has made remarkable economic progress. It has a flourishing middle class, its statistics are often models for economic growth, it is a classic example of a "middle-income" country.

Yet its economic growth is also haunted by an underlying urban and rural poverty, its cities and countryside confront new environmental dangers, it is besieged by inflation, by new needs in science and technology, by its own progress and rising expectations.

And it sees the current system of international cooperation unresponsive to its needs . . . because it is "middle-income."

So President Lopez-Portillo told an interviewer this autumn:

"I would call it the zero hour. We still do not have sufficient resources we still do not have sufficient plans. We have great accumulated needs and expectations. And the modern world is not made for these kinds of countries . . . it is not made for middle countries that do not fit in . . ."

And what he said of Mexico is so largely true of many other nations in Latin America.

"Poor Mexico", goes the familiar political saying, "So distant from God, so close to the United States". The time has come to make our closeness to Mexico and the rest of Latin America and the Caribbean the blessing it can be for the Hemisphere. To take the curse of indifference, neglect and excess pride off our relations.

For I am convinced that if more balanced development does not forge ahead as it can in Mexico, and other Latin and Caribbean countries, if the benefits of that development cannot be more equitably shared, the resulting unrest and suffering could someday make the United States rue its location with equal feelings.

The "middle-income" term that is used to classify the developing countries of our Hemisphere is a cruel facade . . . a lifeless term behind which half the people of a Continent live in awful poverty and there are spreading blights on what progress we have made.

And to neglect the reality behind the facade, to pretend it does not exist, to wish it away with terms, is very much to hazard our own future.

I think many of you in this distinguished audience know that the other side of our vast opportunity, the other dimension of our interdependence, is that the waves of development failure in Latin America will soon come rolling toward the North.

Economies mired in root poverty cannot long be expanding markets for trade and investment.

Nations overwhelmed by natural resources crises, energy shortages, and lack of scientific and technological resources cannot long be healthy partners or an "engine of growth" for anyone.

And our neighbors in this Hemisphere cannot long be stable, secure, good neighbors with their societies torn by want and scarred by progress.

At stake in the sustained, balanced development of Latin America is what has always been at stake. Our prosperity as well as theirs. Our stability as well as theirs. Our security as well as theirs.

We are already feeling, of course, the first stirrings of that wave of migrating poverty, just as Latin economies are feeling the declining pace of growth. Those stirrings are in the millions of undocumented Latin and Caribbean workers who flee to the U.S. as refugees from a hopelessness that only development can defeat.

We will not solve that problem by police or barbed wire, some grotesque "tortilla curtain."

No, we have to deal with that tragic migration as only neighbors can and must—by recognizing that we must do everything we can to cooperate with Mexico and the rest of Latin America and the Caribbean to make real the promise of bread and freedom we joined in long ago.

And that is why I am glad to have "come home" to the Council today. Because we have great possibilities, and great risk. And because no other single group in the United States should understand more clearly than you in this audience what is at stake.

And, not least, because I need your help, the people of the Hemisphere—the North and South—need your voice and energy and compassion as never before, to make the year 2000 far brighter than the dark, dangerous picture I have drawn here today.

First, I want to tell you what I am trying to do inside government, and give you my personal views of an opportunity—and, I suspect, a battle—we are about to enter inside the policy-making process.

During the past year there has been increasing concern that the United States is losing its means of relating bilaterally to the major development problems of our closest neighbors. As a result, in the last session of the Congress, The House International Relations Committee requested A.I.D. to report to the Committee by February 1, 1979, on the future of U.S. Development assistance programs toward the middle income countries, particularly in reference to Latin America. Its report states the following:

"Concern has been growing . . . that U.S. bilateral development assistance is being reduced or terminated to countries classified as middle income at a time when these countries still have a great need for external assistance to support their economic development efforts. The Committee calls on A.I.D. to review its development objectives toward middle income countries, particularly in Latin America, and the resources which the United States is willing to devote to their development. The development of these countries is in the direct interest of the United States."

In my view, this Report should be a headline matter. It will help shape the future of U.S. development cooperation in Latin America and the Caribbean throughout the 1980s. And, to be frank, it is not now certain what recommendations will be provided to the Congress. I urge the Council to take a special interest in this Report and to make your views known.

Some of the critical issues that are being examined in this Report—and that will be considered by the Congress in the upcoming session—are the following:

—First, should the U.S. Government *continue* to reduce its bilateral economic and technical cooperation program in Latin America because of the so called "middle income" status of most of our developing neighbors? In other words, should we continue a bilateral policy of "benign neglect" of Latin American development?

During the past ten years, U.S. bilateral development cooperation in the Western Hemisphere has declined from over $600 million in the 1960s to just over $200 million today. But this reduction is not the full story. Soon repayments by Latin and Caribbean countries on older A.I.D. loans will almost equal new U.S. economic assistance in the Hemisphere. If the current declining trends are continued, the U.S. bilateral A.I.D. program may even begin draining resources out of the region in the 1980s. In other words, we are nearing the point when the Latins, as a whole, will be financing the entire U.S. bilateral economic assistance program. In my personal view, this is an unacceptable position for the richest country in the Hemisphere.

Another important issue being considered is whether the U.S. should continue to ignore the development needs of the largest Latin American countries—nations with the largest poverty problems in the Hemisphere. One half of the Region's poor—almost 80 million people, live in three middle income developing countries—Brazil, Colombia, and Mexico. Yet the U.S. Government currently has no bilateral cooperation programs with these countries for addressing poverty problems or for dealing with newer global concerns like food production, energy conservation, environmental protection, and science and technology development.

And finally, what role, if any, should U.S. bilateral development cooperation play in the middle income countries? Some will argue that trade, private investment and capital flows from the international financial institutions and private sources are providing the necessary resource transfers for the Region. Why is a bilateral program necessary?

U.S. bilateral economic and technical cooperation in Latin America is not currently designed as a resource transfer program. Its primary role is to transfer ideas and technical knowledge, to build indigenous capacity in Latin and Caribbean countries to analyze and deal with poverty and newer global problems. A.I.D.'s small loan projects—integrating research, training, technical assistance, institution-building, management systems and modest capital inputs—matched by local contributions, create the "absorptive capacity" so that host countries can better deal with their own critical development problems. The bilateral program—with some degree of concessionality—provides the "seed capital" and incentives for pioneering new development approaches and adapting new technologies that often cannot be done with other funding sources. In my personal view, such a program—adequately funded—is one of the indispensable instruments for managing our growing Hemispheric interdependence.

What I am striving to achieve in A.I.D. is nothing more nor less than a creative new mechanism for U.S. development cooperation. We seek neither the large capital transfers of the 1960s, nor the simple technical assistance programs of the post-war era. We will need neither billions of public dollars to do the job that free trade and investment can do, nor a legion of foreign experts doing the job in the field that Latin Americans, if only given the chance, can do for themselves. What is necessary instead is a careful blend of modest development loans and technical cooperation that can enable Latin America to foster the institutions, to nurture the human resources and to support the necessary policies to deal with widespread poverty and the newer global problems that I have been discussing.

The U.S. Government can no longer be—nor should it be—the main supplier of large capital transfers for the Continent. That essential role belongs to the natural flow of trade among neighbors, to international banks and to other instruments. Bilateral development cooperation, channeled into building the policy and institutional and human resource base to cope with neglected problems—coordinated with the large and growing flow of investments—this otherwise modest transfer of money and technology can have an impact far beyond its apparent size.

For only a relatively small investment, we can cooperate with Latin America in creating the necessary programs and delivery systems for dealing with rural and urban poverty, build new environmental protection and conservation agencies, establish the means for adopting alternative energy sources, and improve local scientific and technological resources. These are the vital new arteries of development, where so few now exist. We can, only if we will, help the Continent establish the institutional systems—the indispensable conduits—through which the international capital of the future will reach Latin America's most urgent needs. And, most important, we can meet these new challenges by giving Latin America not a hand-out—not some paternalistic welfare program—not some new dependence, but instead the capacity to recognize and to remedy for itself its own development problems.

For these reasons, I wanted to share with you my personal views on this special A.I.D. Report that will help chart our future development policy toward Latin America and the Caribbean. This is a policy issue that requires debate both within the public and private sectors. If we in the public sector

are to dispel the mythology of the middle income myopia, we will need your experience and your stature. We need your voices to put right our development priorities and to give Latin America the place its importance to us merits.

And, please, never underestimate the power, as the Chinese say, of a foolish idea with so many fathers. The middle-income misconception, the heedlessness and sometimes bias against Latin America can be deep. Nor are we talking only about some abstract, insider's debate over definitions or public relations.

Beyond this seemingly obscure discussion over a concept is a world of life-and-death, with real, flesh-and-blood human beings. In the year 2000 this Hemisphere may not remember the term or the debate at all. But everyone in it will be living with the consequences.

While we are waging that intellectual and political fight to make our case, we will also be doing all we can to augment what resources we do have. As I indicated, AID funds for Latin America have been steadily falling, and it will be a tough task to increase the slightly more than $200 million we now have available—though, again, we are going to give it all we've got.

We are also exploring possible new approaches—one of which would entail the reuse, or recycling, of repayment on past AID loans to Latin America. Repayments to the Treasury on those loans now run nearly $200 million a year, making, ironically, for almost no net transfer of U.S. funds to the Region at this critical juncture in history. But if we could somehow reuse those payments for priority development needs in poverty sectors and in new environmental, conservation and energy projects, we could virtually double our assistance. That, along with other ideas, we are examining for every possible means of dealing with poverty and other global problems in Latin America and the Caribbean.

But even if AID resources could be substantially increased—even though our lending programs on concessional terms are essential if many nations are to undertake long-range projects in urban and rural poverty or in preserving the environmental and natural resource base which will have to sustain future generations—we will also need the support and financial resources of the private sector.

For along with your financial power—and profit—goes a serious responsibility. Like past bilateral and multilateral AID programs before you, far too little of your investments have been channeled into that submerged half of Latin America, into projects that directly benefit the rural and urban poor.

We in the Latin America and Caribbean Bureau of AID are working on a new mechanism for channeling private capital into areas most in need of accelerated development. We are seeking to devise the means for a new collaborative arrangement between government and business to meet the tasks of unfinished development in Latin America. Private capital has a decisive contribution to make in the crisis I've been describing.

With your resources and our technical expertise and concessional loans * * * with Congressional approval of needed guarantees * * * with the cooperation of Latin nations who recognize the new challenges * * * we can begin to act.

I hope we can discuss the idea of that new mechanism here. We need your advice and your creativity * * * as well as your voice in Washington, and your investment in a more secure future.

And if we don't begin in this room, if not we who know Latin America, who have responsibilities in government and business for the larger welfare of this Hemisphere, who will?

So, again, I ask your help.

To rededicate this nation to its fellow nations, and to its own future, in this Hemisphere * * *

History will judge us sternly, I know, if this constituency, above all, does not join the challenge and the battle, here and in Latin America.

Thank you.

[From The Journal of Commerce and Commercial, Feb. 16, 1979]

MIDDLE INCOME MYOPIA

The middle class is viewed as a symbol of strength and stability. Every nation has its poor, and not a few countries—even those with little else—some rich people. But few countries are fortunate enough to enjoy a large and widely dispersed middle class. Where this does occur, it is evidence of something more, and affirmation of the homely virtues; belief in hard work, education, saving and investment, political diversity and national purpose.

In the world community of nations unfortunately, we tend to view the middle income countries—those midway in the scale between rich and poor as measured by per capita income—much as we view the middle class. Largely because of their own strengths and determination, we assume, they have moved beyond the place where they would benefit from the active help of rich countries like our own.

This is reflected in the Carter administration's budget for the fiscal year beginning next Oct. 1. In its proposals for development assistance, it emphasizes loan guarantees for the multilateral development banks—the World Bank group, the Asian, African and InterAmerican Development Banks. Guarantees are far cheaper than actual budget outlays. And in the relatively small outlays for bilateral assistance, the budget gives greatest weight to the poorest countries, mainly in Africa and southern Asia. The middle income countries are ignored.

The geography of the rich and poor is worth a moment's consideration. The World Bank has produced a new atlas that tells the story graphically. The rich countries, those with per capita national incomes of $5,000 and over, are clustered in North America, Western Europe, Japan and Australasia. Those not so rich but still quite well off, with per capita incomes of $2,000 to $4,999, span the northern reaches of Asia from Siberia into Eastern Europe and the Middle East.

The poor countries, those with per capita incomes of less than $300, and those only a bit better off, from $200 to $499, cut a wide swath across central Africa into India, China and the East Indies. The middle income countries, with per capita incomes of $500 to $1,999, are found in southernmost Africa, along or close to the shores of the Mediterranean and, importantly, in Latin America. Almost all of Latin America, including Mexico, falls into this category.

Classifications of this kind give rise to what Abelardo Valdes, the man in charge of Latin American programs for the U.S. Agency for International Development, terms a new mythology, "the assumption that the work of development is somehow done in Latin America." In a talk to the Council of the Americas, he explained:

"Some 160 million people, half of the continent's population, live on incomes of less than $250 a year. Last year, one in every five Latin Americans received less than $100 a year and languished in desperate want. Unemployment and under-employment in many countries climbs to between 20 and 50 percent, joblessness horribly worse than at the depths of the Great Depression. Chronic malnutrition, inadequate health care and a lack of relevant education or vocational training plague the entire region."

The House International Relations Committee, in the last session of Congress, asked Mr. Valdes' agency to report to the committee this year on the future of U.S. development assistance to the middle income countries, particularly those of Latin America. One of the issues being examined is whether this country should continue to trim its economic and technical aid because of the middle income status of most of the Latin American countries.

During the past 10 years, U.S. bilateral development assistance in the Western Hemisphere has dropped to $200 million a year from over $600 million in the 1960s. But this is not the full story. Soon repayments by Latin and Caribbean countries on old loans will almost equal U.S. aid. Indeed, if current trends continue, Latins may soon be financing the entire U.S. bilateral economic assistance program. In Mr. Valdes' view, this is an unacceptable role for the largest country in the hemisphere.

Another matter of concern is whether the United States should continue to ignore the development needs of the largest Latin American nations; Brazil, Colombia and Mexico. One-half of the region's poor, almost 80 million people, live in these three lands alone. Yet, the United States has no bilateral aid programs for dealing with poverty in these lands or with such newer concerns as energy conservation, environmental protection and the development of science and technology, including a modern agriculture.

Finally, there is the question: Why any bilateral aid at all? Why not help simply from the international financial institutions and the private sector? Mr. Valdes responds that the primary role of bilateral aid is not to transfer resources but ideas and technical knowledge:

"AID's small loan projects—integrating research, training, technical assistance, institution-building, management systems and modest capital inputs—matched by local contributions, create the absorptive capacity so that host countries can better deal with their own critical development programs."

The seed capital, in other words, to help Latin Americans do a better job for themselves.

Such matters are especially relevant in view of President Carter's visit this week to Mexico. The Mexican president, Jose Lopez Portillo, told an interviewer last fall that although his country still did not have sufficient resources or sufficient plans, it had accumulated great needs and expectations. "The modern world," he added, "is not made for these kinds of countries, middle income countries that do not fit in."

It is in this country's direct interest, politically as well as economically, to demonstrate that the middle income countries do fit into the modern world and that we stand ready to help.●

RULES OF THE SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, section 133B of the Legislative Reorganization Act of 1946, as amended, requires each committee of the Senate to adopt rules governing the procedure of such committee, and to publish these rules in the CONGRESSIONAL RECORD.

On February 8, 1979, the select committee met in executive session, and with a quorum present, unanimously adopted rules of procedure for the 96th Congress. I submit for the Record the text of the Rules:

STANDING RULES OF THE SENATE SMALL BUSINESS COMMITTEE

1. GENERAL

All applicable provisions of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee and its subcommittees. The Rules of the Committee shall be the Rules of any subcommittee of the Committee.

2. MEETINGS AND QUORUMS

(a) Meetings may be called by the Chairman as he deems necessary, on three days notice where practicable. If at least three Members of the Committee desire the Chairman to call a special meeting, they may file in the office of the Committee a written request therefor, addressed to the Chairman. Immediately thereafter, the Clerk of the Committee shall notify the Chairman of such request. If, within three calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the Committee Members may file in the Office of the Committee their written notice that a special Committee meeting will be held, specifying the date, hour and place thereof, and the Committee shall meet at that time and place. Immediately upon the filing of such notice, the Clerk of the Committee shall notify all Committee Members that such special meeting will be held and inform them of its date, hour and place. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

(b)(1) Nine members of the Committee shall constitute a quorum for reporting any legislative measure or nomination.

(2) Six members of the Committee shall constitute a quorum for the transaction of routine business, provided that one minority member is present. The term "routine business" includes, but is not limited to, the consideration of legislation pending before the Committee and any amendments thereto, and voting on such amendments.

(3) In hearings, whether in public or closed session, a quorum for the taking of testimony, including sworn testimony, shall consist of one Member of the Committee or subcommittee.

(c) Proxies will be permitted in voting upon the business of the Committee by Members who are unable to be present. To be valid, proxies must be signed and assign the right to vote to one of the Members who will be present. Proxies shall in no case be counted for establishing a quorum.

(d) The Chairman and Ranking Minority Member shall serve as ex officio members of all subcommittees on which they do not serve as members.

3. HEARINGS

(a)(1) The Chairman of the Committee may initiate a hearing of the Committee on his authority or upon his approval of a request by any Member of the Committee. The Chairman of any subcommittee may, after approval of the Chairman, initiate a hearing of the subcommittee on his authority or at the request of any member of the subcommittee. Written notice of all hearings shall be given, as far in advance as practicable, to Members of the Committee.

(2) Hearings of the Committee or any subcommittee shall not be scheduled outside the District of Columbia unless specifically authorized by the Chairman and the Ranking Minority Member or by consent of a majority of the Committee. Such consent may be given informally, without a meeting.

(b)(1) Any Member of the Committee shall be empowered to administer the oath to any witness testifying as to fact if a quorum be present as specified in Rule 2(b).

(2) Any Member of the Committee may attend any meeting or hearing held by any subcommittee and question witnesses testifying before any subcommittee.

(3) Interrogation of witnesses at hearings shall be conducted on behalf of the Committee by Members of the Committee or such Committee staff as is authorized by the Chairman or Ranking Minority Member.

(4) Witnesses appearing before the Committee shall file with the Clerk of the Committee a written statement of the prepared testimony at least 24 hours in advance of the hearing at which the witness is to appear unless this requirement is waived by the Chairman and the Ranking Minority Member.

(c) Witnesses may be subpoenaed by the Chairman with the agreement of the Ranking Minority Member or by consent of a majority of the Members of the Committee. Such consent may be given informally, without a meeting. Subpoenas shall be issued by the Chairman or by any Member of the Committee designated by him. Subcommittees shall not have the right to authorize or issue subpoenas. A subpoena for the attendance of a witness shall state briefly the purpose of the hearing and the matter or matters to which the witness is expected to testify. A subpoena for the production of memoranda, documents and records shall identify the papers required to be produced with as much particularity as is practicable.

(d) Any witness summoned to a public or closed hearing may be accompanied by counsel of his own choosing, who shall be permitted while the witness is testifying to advise him of his legal rights.

(e) No confidential testimony taken, or confidential material presented to the Committee, or any report of the proceedings of a closed hearing, or confidential testimony or material submitted voluntarily or pursuant to a subpoena, shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee.●

GASOLINE TAX DEDUCTION

● Mr. HATCH. Mr. President, I am pleased to join with the distinguished Senator from North Carolina (Mr. HELMS) in cosponsoring S. 79, a bill to restore the itemized deduction for State and local nonbusiness gasoline and motor fuel taxes. This deduction was deleted from the Tax Code by the Revenue Act of 1978 which was enacted into law during the final hours of the 95th Congress last October. I believe that Congress should restore the deduction for the following reasons:

First. The absence of this deduction will be felt most severely by middle-income taxpayers.

Second. Its elimination will help undermine the incentive for taxpayers to make use of itemized deductions.

Third. Its reenactment will not have a substantial effect on energy consumption.

Fourth. It was deleted without adequate deliberation by Congress.

Beginning this year, individuals who itemize will no longer be allowed to deduct State and local excise taxes imposed on gasoline, diesel, and other motor fuels, which are not used for business purposes. If Congress fails to restore this deduction, the middle-income taxpayer will bear the greatest burden in additional taxes. According to U.S. Treasury Department figures, over 70 percent of the revenue raised from the repeal of this deduction will come from taxpayers making less than $30,000 a year. In 1983 alone, the elimination of this deduction will, according to the Treasury, take an additional $2.2 billion from the pockets of the American taxpayer who must also face spiraling fuel prices. At a time when the Government is promising tax relief, it is using a "backdoor approach" to impose another new tax on a large segment of American society. Can the Senate permit such an increase during a period when taxpayers are saying "no" to more taxes? I do not believe so.

Mr. President, the repeal of this deduction is part of a much larger scenario of tax reform, a scenario that represents a changing attitude within the Treasury Department regarding tax legislation. The administration's decision to end the gasoline tax deduction is a disguised attack on the class of itemized deductions. By eliminating a deduction every year, the value of itemized deductions to all taxpayers will be gradually eroded.

Contrary to popular belief, those who benefit most from itemizing are not just a few "fat cats." According to the Treasury Department's own figures, taxpayers with an income under $25,000 accounted for over 65 percent of the itemized returns in 1975. These are middle-income people who work hard for their take-home pay.

It is my opinion that Congress should view itemized deductions as a class when making revisions in tax law. As each deduction is eliminated, fewer taxpayers are provided the incentive to itemize. I suggest that Congress avoid this piecemeal approach and consider the total effect that is created by the repeal of itemized deductions. We should not allow the Treasury to sneak tax reform past in such a manner.

Unfortunately, tax reformers have tricked both Houses of Congress into dealing with deductions by following an item-by-item approach. When it comes time to change the Tax Code, all attention is focused on the merits of one narrow issue. Last year it happened to be the gasoline tax. Will the itemized deduction for State income taxes be next? Followed by elimination of the itemized deduction for interest on home mortgages?

Mr. President, if we continue to chop down trees one by one, the forest will soon be gone. Do we want that? I believe we need more information before we go any further. We need to look at the broader picture. American taxpayers deserve that much. In fact, they demand it.

Concern about the conservation of energy and the reduction of oil imports has been the primary argument supporting the deletion of the gasoline deduction. In my opinion, Mr. President, the elimination of this deduction will have little effect in assisting our Nation achieve its energy goals. Instead, it will create an unfair tax burden for many taxpayers in Western and rural States. People who live in these areas must drive greater distances. Should we penalize them when they must drive their family automobiles to seek medical care or travel into town to purchase groceries or farm supplies? And what about commuters? Will the elimination of the gasoline deduction suddenly force them to flee to mass tran-

sit? I think not. We promise our constituents a tax cut and then turn right around and pull out a meaningful deduction. We disguise our actions by claiming that it will somehow help cure our energy crisis. If this measure is designed to save fuel, how can Congress allow business to maintain its fuel deductions? Or will business be next?

Mr. President, when the elimination of this deduction was considered by the Finance Committee last fall, it was added to the tax bill during the final hours of markup. When the tax bill reached the floor of the Senate, an amendment to restore the deduction was ruled "out of order," because it would have lowered projected revenues below the legal limit set by the budget resolution. The Senate, as a whole, was not allowed to vote on the measure. Because of this parliamentary technicality, the Finance Committee's supposed "recommendation" became law without adequate review by the Senate. Congress must act as soon as possible in this session to give this issue a full hearing.

I hope that my colleagues will understand the seriousness of this matter and join in supporting S. 79.●

NOMINATION OF MAX L. FRIEDERSDORF FOR COMMISSIONER OF THE FEDERAL ELECTION COMMISSION

● Mr. TOWER. Mr. President, I am pleased that on Wednesday of this week this body confirmed the nomination of MAX L. Friedersdorf as a member of the Federal Election Commission.

Mr. Friedersdorf is currently the staff director of the Senate Republican Policy Committee. Before assuming that post in 1977, he served as assistant to the President for legislative affairs and was on the White House congressional relations staff for approximately 6 years, since April 1, 1971. From 1961 to 1970, Mr. Friedersdorf was administrative assistant to Representative Richard L. Roudebush of Indiana. He started his career as a newspaper reporter and city editor for the Franklin Evening Star in Franklin, Ind., and later reported for the Louisville Times and the Chicago Daily News.

Mr. Friedersdorf's employment by the Senate, the White House, and the House of Representatives uniquely qualifies him to serve on the Federal Election Commission. In these positions, he has grown to appreciate the time-honored traditions of these institutions. In addition, he has had the opportunity to observe firsthand the election of Members of Congress as well as Presidents.

Mr. Friedersdorf's early career as a newspaper reporter covering elections has given him an appreciation of the public interest in the integrity of the electoral process.

Mr. President, my association with Mr. Friedersdorf extends to the early seventies. During this period, I have come to know him as a man of great personal and intellectual integrity. He will serve the American people well as a member of the Federal Election Commission.●

S. 388—SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

● Mr. HATCH. Mr. President, I am pleased to join with my colleague from Alabama, Senator STEWART, in cosponsoring the Small Business Employee Ownership Act. This bill will fill a current void in small business ownership, opening new potential for free enterprise involvement by formerly precluded employees, without the appropriation of new funds, the need for more bureaucrats, or the creation of more agencies. It provides for Small Business Administration (SBA) extension of funds to viable, but previously excluded groups.

Direct employee ownership of business has been unknown until this decade, and has usually arisen when a company would otherwise close, relocate or be sold to a third party. Studies concur that companies wholly or partly owned by their employees are 50 percent more profitable than comparable conventional firms. There is also a direct correlation between profitability and extent of employee ownership. Most importantly, employee ownership results in significant increases in productivity and worker satisfaction.

The present alternatives to employee ownership are plant closings, unemployment, and subsequent governmental welfare and unemployment costs, lost jobs, and the attendant emotional trauma of recovering employment.

This bill provides for the extension of SBA funds normally available under the 7(a) business loan program and 8(e) procurement assistance program to be made available to employee owned companies, companies with employee stock ownership plans (ESOP's) and employee stock ownership trusts (ESOT's), and employee organizations seeking to purchase their businesses. Under current SBA regulations, ESOT's are ineligible for assistance, and employee organizations must meet inappropriate criteria of eligibility.

This bill requires a feasibility study insuring the viability of business success after employee takeover, that all employees have the opportunity to participate without discrimination by salary level, and that ownership is consumated within a reasonable time.

Mr. President, this program could save millions of dollars in Government supported unemployment programs. It unlocks the potential of a latent free enterprise incentive that may not otherwise be fostered, but for the chance to participate in one's own business. Studies prove that the concept works, and this bill will provide the booster to propel employee hopes into reality.

Mr. President, I know of no community that could not benefit from the pride of ownership this bill will promote.●

GOVERNMENT REGULATION

● Mr. HEINZ. Mr. President, in this day of proposition 13 fever, the people of this great Nation are sending their elected representatives a very strong message. That message is: Get the Government off our backs. They are fed up with too much Government, too high taxes, and too much regulation.

Today the Federal Government regulates virtually everything from the food we eat, to the houses we live in, to the places we work. There is no doubt, Mr. President, that many of these regulations are necessary. But when we observe such actions as the Tris debacle, or the saccharin controversy, or other similar regulatory actions, we all begin to ask ourselves is it worth it?

That is the question; and through such initiatives as proposition 13, the people are telling us the answer in a resounding "no." The people are telling us that all this insidious Government intervention in our lives is not worth the cost in taxes, in inflation, in unemployment.

The effects of Government on our lives are, therefore, becoming quite clear. The Congress and the Federal regulatory agencies have to become more sensitive to the ultimate costs of regulation and to balance these costs against expected benefits.

This is the subject of an article that recently appeared in the Washington Post. Peter H. Schuck's article "On the Chicken Little School of Regulation" effectively argues the case for cost/benefit analysis as a tool of Government regulation. I commend this article to my colleagues and ask that it be printed in the RECORD.

The article follows:

ON THE CHICKEN LITTLE SCHOOL OF REGULATION

(By Peter H. Schuck)

Like Mark Green, I have had nightmares about regulation. But mine are different. In his, you will recall, big business and its minions gang up on Congress to defeat a regulation to end polio. In one of mine, a government agency mandates that children's sleepwear be flame-retardant only to learn—many millions of dollars and perhaps many cancers later—that the chemical that the agency knew would be used to comply was carcinogenic and the sleepwear could not be used.

In another, a government agency mandates that each new vehicle be armed with a costly system that prevents ignition until seat belts are fastened, only to find that consumers are disarming the systems in frustration. In another, a new government agency is created to increase the security of pensions, only to learn that its efforts have succeeded in discouraging the creation of pension plans and in helping to drive many small ones out of business.

In each of my nightmares, the regulatory scheme is preceded by analyses by academic economists, consulting firms, business organizations and the Council on Wage and Price Stability, all warning that the regulations will be costly, inequitable and produce fewer benefits than expected. Each, however, is implemented on a groundswell of righteous indignation fueled by congressional investigations, media exposes and Ralph Nader denunciations of cowardly politicians, passive bureaucrats and greedy corporations locked in unholy alliance against the public interest. And just before I awaken, as the predictions of the economists come true,

proponents of the regulations propose not that they be repealed but that the economists be killed.

The difference between Green's nightmare and mine, of course, is that while his is fanciful, as he admits, mine all actually occurred. (In fairness, he does not recommend death for economists, only that nobody listen to them—which to them amounts to much the same thing.)

FALSE CHOICES

Green properly points out that some particular regulatory schemes have been effective, that cost-benefit analysis is still a rudimentary decision-making tool, that opponents of particular regulations often abuse it, that costs are often easier to measure than benefits, and that many of society's most cherished values are not well suited to this sort of analysis.

If his ambitions had been limited to these points, his article would merit applause rather than rebuttal. In fact, however, he has set himself a larger task: to build a case for regulation in general.

Like a lawyer representing a defendant already convicted many times in the same court for the same offense, he attempts to discredit some of the witnesses for the prosecution, hoping that the presumption of innocence alone will be enough to get his client off.

In our political-economic system, however, government regulation in general should not enjoy a presumption of innocence or effectiveness, however justified a particular regulatory program may be. Indeed, this is a lesson which Green and Ralph Nader, in their numerous documentations of regulatory failure, have been at pains to teach us.

From reading Green's article, one would think that regulatory policy is shaped, indeed dominated, by persons who believe that all regulation is bad. Yet the fact is that virtually all participants in these debates—and certainly all those who are taken seriously—agree that regulation is appropriate under conditions of significant market failure (such as public utility monopolies or environmental pollution) or inadequate legal remedies to prevent significant harm (such as occupational health).

Nevertheless, the questions remain: How should government regulate? What are the likely benefits and costs of regulations? Can the regulations be enforced? Green suggests throughout that those who are critical of the way in which these questions have been asked and answered in the past are "trying to make citizens hate their government" or are seeking to "abolish" regulation. This inference is as logical as concluding that one who criticizes a proposed merger between two giant corporations is therefore hostile to the free enterprise system, a conclusion that Green would surely resist.

Closely related to the straw man that Green creates is the false choice that he poses: "The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of marketplace abuse." Or, as Green characterizes the issue elsewhere: "Should health and safety regulation be sacrificed to the anti-inflation campaign?"

This reflects a view of the world as one of blacks and whites, either-ors, and goals which do not conflict. Neither the president nor any other policy maker, however, can afford the luxury of seeing the world in that utterly distorted way, but must find some acceptable balance between health goals, anti-inflationary goals, employment goals, capital formation goals and other goals, each of which conflict to some degree. To suggest that such an accommodation is a betrayal of trust, rather than constituting the essence of leadership, is truly to "make citizens hate their government."

FLAWED BUT NECESSARY

In his discussion of cost-benefit analysis, Green begins with two fundamentally sound premises: Cost-benefit studies are usually flawed, often seriously, and they are often used by political actors for political ends. Much like a rookie cop who encounters sin on his new beat, however, Green finds this reality profoundly disturbing and draws the conclusion that cost-benefit analysis is essentially a sham, designed to serve predetermined, corporate, anti-regulatory ends.

In truth, however, analysis is an effort to engage in rational decision-making, an effort that will always fall short to some extent. Green's critique confuses a process with the products of that process. It is rather like opposing democracy because it permitted Watergate to occur, or opposing sex because it sometimes leads to prostitution, venereal disease and unwanted babies.

If cost-benefit analysis is at best imperfect, which it is, what is the alternative? Green provides confusing signals on this question: He says that "obviously" officials devising regulations should do what sounds suspiciously like cost-benefit analysis (he calls it "impact review"). Yet the entire thrust of his article is that such analysis is pernicious.

In any event, let me offer a few modest suggestions. First, cost-benefit analysis, as a way of addressing complex problems, is inescapable. Although we do not often call it that, we all use it, with varying degrees of sophistication and rigor: The driver trying to decide how fast to drive and what route to take; the worker puzzling about whether to change jobs; the student figuring out whether to go to work or to graduate school; the Congress agonizing over whether to spend more money on jobs programs; the regulator trying to set safety standards, and lobbying groups like Public Citizen deciding on which bills to focus their limited resources. In short, we are stuck with cost-benefit analysis, and the only questions are how well it is done (analysis, after all, is not costless) and how honestly and openly its inevitable limitations are acknowledged.

Second, even when the analysis cannot help us to evaluate regulatory objectives, it can often help us identify the most cost-effective alternative for attaining a given objective (for example, reducing pollution through effluent charges rather than emissions standards).

Third, it is simply not true that the biases in benefit-cost analysis work only in an anti-regulation direction. Proponents of regulation routinely predict large benefits while downplaying costs in an effort to persuade others, and those predictions often turn out to be exaggerated. In short, numbers games are played by all sides—and, to judge by the outpouring of regulations in recent years, the deck can hardly be said to have been stacked against those of Green's persuasion.

Finally, his attack on the notion that "business-dominated cost-benefit studies should control regulatory decisions" is mere wrestling with phantoms. The political process constitutes an important safeguard against the inevitable shoddy and distorted analyses, a safeguard which Green ignores. Regulatory policy is made in an intensely competitive environment in which adversaries have every incentive—and many forums—to pinpoint and publicize the limitations and imperfections of any particular piece of analysis. His own article is replete with examples of this adversary process successfully at work.

Decision makers in the real world do not make decisions primarily on the basis of cost-benefit analyses (although they may haul them out as protective coloration once the decision is made), the limits of such analyses are too well-known to them—thought not always to the general public—to permit them to be decisive except in a few extreme cases on which almost everybody would agree, anyhow.

QUALIFIED BENEFITS

Most students of regulation, including those often critical of its particular manifestations, agree that regulation often yields important social benefits. Since Green catalogues them at great length, I can limit myself to pointing out some of the deficiencies in his analysis of benefits.

Regulation does often encourage innovation, as Green points out, but only in a restricted sense of the word. To be sure, a firm can be expected to find the least costly way of meeting a given regulatory standard, but that is innovation only in the sense that a driver presented by a detour sign from taking his accustomed route is engaged in innovation when he takes a different road. The regulation may well elicit a fresh response, but that does not tell us whether the standard itself, the detour, was the best road to have taken.

Moreover, many regulations actually prohibit innovation by prescribing a specific manner in which a standard must be met. In fact, most studies of the subject have concluded that regulation usually inhibits innovation or channels it into frivolous areas (such as the color of airplane fuselages).

Regulation, as Green's example indicates, both creates jobs and destroys jobs; in fact, it usually does both simultaneously. But the jobs which regulation "creates" in one sector (say, manufacture of pollution control equipment) will probably occur at the expense of jobs which existed (or, absent regulation, would have existed) in other sectors (say, in the regulated industry itself or in industries to which the capital used to produce the pollution control equipment would otherwise have flowed). And even a regulation that produces a net gain in jobs is undesirable unless it is the least expensive way to achieve the regulatory objective (a question, by the way, that cost-benefit analysis can help to answer).

Green asserts that regulation often has a beneficial redistributive effect, postulating a regulation that shifts costs "from hard-pressed workers to relatively well-off stockholders." If the world were that simple—if redistributive effects were so easily identified and socioeconomic groups were so easily categorized—social policy making would be almost as easy as Green seems to think it is. In fact, however, a regulation often benefits certain "hard-pressed workers" at the expense of other workers (now even more hard-pressed because unemployed) and equally hard-pressed consumers and small business people.

By the same token, the "relatively well-off stockholder" often turns out to be that same hard-pressed worker; indeed, he and his co-workers now own through their pension plans close to half of the stock in American corporations (according to Peter Drucker), and the percentage is steadily growing. Again, the point is not that regulation does not sometimes have redistributive effects of which Green and I might approve, but only that these effects are very difficult to predict and probably occur (when they do) as much by accident as by regulatory design. If we really wish to redistribute income, there are far better ways to do it than through regulation.

CHICKEN LITTLE REGULATION

Finally, there can be little doubt that some regulations do enhance health and safety.

In each case, however, the important questions will be: How much health and safety? For whom? At what cost? To whom? Could the money be more effectively spent in other ways? These difficult questions do not vanish just because Green invokes grisly images of children disfigured by fire and workers suffering from cancer, nor is our effort to answer them aided by reminding us that human life is priceless. Society measures the value of life many times every day, either explicitly (as when a jury must award damages or a person purchases life insurance) or implicitly (as when Congress, regulators or citizens make tradeoffs between safety goals and other goals, as in our refusal to set 30-mile-an-hour speed limit on interstate highways). The logical implication of Green's life-is-priceless litany is that we should spend the entire federal budget on health and safety, yet no one—least of all, the public—seems to think that makes sense.

Green properly warns us against what he calls "the Chicken Little School of Economic Analysis." An equal, if not greater, danger, however, is the Chicken Little School of Regulation, founded on the principle that one need only consult one's ethical precepts in order to know when and how to regulate in areas of complex human and institutional interaction, and that those who believe otherwise lack ethical precepts, are dupes (witting or unwitting) of business propaganda, or both. His article is a primer for this school. Fortunately, the administration and the public appear increasingly disposed to reject its false teaching.●

THE MEAT IMPORT ACT OF 1979—S. 441

● Mr. HATCH. Mr. President, I feel an imperative need to join with my colleague from Kansas, Senator DOLE, in cosponsoring the Meat Import Act of 1979.

The current law, the Meat Import Act of 1964, provides for a procyclical formula which restricts meat imports as domestic production declines, which results in aggravated production cycles and inflated meat prices, and thus promotes results which both consumers and cattlemen agree are diametrically opposed to the reactions the meat market should produce. During those periods of restricted import quotas the President has utilized his quota suspension authority in a reactionary manner. His decisions to allow massive increases of beef imports to satisfy consumer demands has been at the expense of the western cattleman, thus engaging in obvious misuse of authority to appease short term political pressures at the expense of long-range solutions. It is time that these indiscretions halt, and that the meat production cycle is legitimately solved.

The Meat Import Act of 1979, which I am cosponsoring, provides for a countercyclical formula which upwardly adjusts meat import quotas when domestic production slackens and, conversely, tightens quotas with increased domestic production. This measure also greatly restricts the President's ability to permit increased imports, and requires him to give a 90-day notice when circumstances allow a suspension or increase in import quotas.

Mr. President, cattle and milk production represent the two largest cash receipt commodities in Utah. Together they represent nearly half of Utah's agricultural commodities. To allow the continued Presidential and statutory aggravation of a problem beyond the control of the western ranchers is unacceptable. Under this bill the effects from the domestic meat cycle will abate without unjustified Presidential interference, and the always escalating roller coaster consumer price of meats will stabilize.

Mr. President, we have long needed a statutory basis for stabilizing cycles in the domestic market in a consistent, effective and rapid manner. Mr. President, this measure will realize that goal.●

WANTED: PARENT PARTICIPATION

● Mr. JAVITS. Mr. President, when Congress last year enacted the Elementary and Secondary Education Amendments of 1978 (P.L. 95-561), it provided in a new section 206 of the Elementary and Secondary Education Act for encouragement of activities to enlist the assistance of parents, working with the schools, to improve the skills of children in reading, mathematics and oral and written communications. This is important because a child's learning hours are not—and should not be—restricted to that part of the day spent in a schoolroom.

In its inaugural issue, the New Brooklyn Quarterly carries an interesting article, "Wanted: Parent Participation," by Lawrence Jackel, president of Litton Educational Publishing and chairman of the School Division of the Association of American Publishers and a Brooklynite, born and bred, Mr. Jackel's article merits reading.

I ask that it be printed in the RECORD following these remarks.

The article follows:

WANTED: PARENT PARTICIPATION

(By Lawrence Jackel)

Experience and research indicate that where parents are involved with their children and their education, educational performance improves. But too often parents just leave their children to the schools and hope for the best.

As more parents realize they can't take a hands off approach to the schools, they find they can make a real difference in the quality of their children's education. In many Brooklyn communities concerned parents are beginning to understand that the education of their children is not limited to the classroom and that literacy begins at home.

TV OR NOT TV: THAT IS THE QUESTION

Many of the habits a child carries with him through life are developed early, in the home, and are conditioned by parental example.

A pre-school tot, for example, who is placed in front of "the tube" for hours at a time may never learn the joy of reading. For many parents unwilling to give the child the time or attention required to instill the love of books, television often becomes a surrogate parent to which the child turns as a source of diversion and entertainment. And in too many homes, children have never seen Mom or Dad read a book. If a daughter learns a love of books and reading from her parents, she'll remain a reader for the rest of her life.

Introduce your children to the marvelous children's classics. You'll find the pleasure of sharing ideas in an intimate atmosphere of mutual discovery.

The nightly bedtime story was a wonderful tradition that many of us have lost. You might try turning off the television and reading aloud to your children. You'll both be richer for it.

Another bond which can be established between you and your child is helping with his homework. No, you shouldn't actually do the work for your son, but a sensitive parent can provide the personal and loving guidance that the busy teacher may not be able to provide in a hectic classroom.

THE SCHOOL VISIT: MORE THAN A FORMALITY

Periodic visits to the school are helpful, but they should be more than a perfunctory two minute conference, coffee, and a "We'll see you next year."

Concerned parents should start asking questions about the school's educational goals and priorities. Take a look at the instructional materials your child is using. Are they current or out of date? Do they reflect the latest knowledge and information? Have sexual and racial stereotypes been eliminated?

In a world where social, economic, political and scientific change takes place almost daily, textbooks may be outdated four or five years after they are published. You don't want your child's knowledge to be out of date before she's out of school. And just as nothing is duller than yesterday's news, nothing is less apt to motivate and inspire students than information and illustrations that are out of touch with the world as they see it.

Does your child's school provide a budget for the multi-media systems that help students learn? A full range of films, filmstrips, tapes, and other learning aids should be available, and up to date, to stimulate and motivate each child to discover the wonderful world of ideas.

TEACHER TRAINING: ARE YOUR SCHOOLS UP TO DATE?

Ask about the extent of in-service training programs in your schools. In-service programs expand and upgrade teacher skills to keep them current with new information and new teaching techniques. They should be an important part of your local school system; often they are not.

WORKING WITH THE SCHOOL: HELP WANTED

Many parents are taking an active role in education through volunteer work as professionals and teachers' helpers. The work is personally rewarding. It provides important insights into the educational process. Regardless of professional skills and time availability, there are important jobs where the volunteer parent can help. Volunteer work allows the teacher to devote more time to classroom instruction. It also provides a vital contact point between parents and schools bridging the gap between home and classroom.

Contact the PTA for volunteer work. If your school is not utilizing the time of volunteers, the PTA can often help to establish a program.

AS A TAX PAYER: SPEAK UP

Parents represent conceivably the largest single lobby in the nation. And yet by and large they constitute a silent majority. While political activism has spread to virtually every other area of American life, the voice of concerned parents has remained muted. Parents must insist that the future of their children receive the same attention that is routinely bestowed by politicians upon highway and defense legislation. They can force reluctant legislators to provide quality schools and quality educational materials. They have but to speak out and make their feelings known to their school boards, their state boards of education and their elected officials.●

THE BALANCED BUDGET PETITIONS: IN DEFENSE OF THE STATE LEGISLATURES

● Mr. LUGAR. Mr. President, the opening salvos have now been fired in the frantic struggle by the vested interests encamped in this city to head off the demands of the American people for a stable dollar through a more balanced Federal budget.

It is apparent that a major stratagem in the obstructionists' campaign will be the attempt to intimidate the State legislatures, and through them the American people, with twin doomsday threats of punitive action and constitutional chaos.

Since the State legislative petitions for a Constitutional convention are the source of Congress nervous tension, it was probably inevitable that many Congressmen would lash out at the legislators who are voting such petitions. Blaming the victim is a natural reaction of a guilty party, but it is not a helpful contribution to solving our collective inflationary dilemma.

In a recent speech before the National Press Club, the distinguished senior Senator from Maine (EDMUND MUSKIE) warned State legislators against intruding on Congress special brand of business as usual. I was not privileged to be present in Washington that day. I was meeting with constituents in Indiana, where, unlike Washington, prudent fiscal practices are neither a recent discovery nor a danger to the resident political establishment. Americans and the State legislators who represent them do not take kindly to threats. One is reminded of the dire predictions to which the citizens of California were subjected prior to the passage of proposition 13, when bureaucrats and their elected allies issued daily warnings that police forces would be dismantled, schools closed, and vital services of all kinds severely curtailed. The people of California were too determined to be deterred by these tactics, and I wish to encourage the national constituency for fiscal reform to be similarly resolute.

There are a number of excellent reasons why Americans should not be frightened away from the policies to which commonsense, and the disastrous economic effects of a decade of deficits, clearly lead them. In the first place, thoughtful observers will see in this sabre-rattling a large measure of bluff. Those Congressmen whose first choice for budget cuts is aid to States are probably in the minority. With plain evidence of gross waste in the Federal Government employment all around us, it would be totally irresponsible to take a disproportionate share of funds from the hides of the States. And the States and localities are not without friends and defenders in this body and in the House.

Moreover, the States are not, as their detractors allege, attempting to have all things their own way. They are willing to participate to a fair degree in the restraint which will be required. The majority of State and local governmental officials with whom I communicate would gladly forgo large amounts of Federal largesse in exchange for an end to the inflation which is their No. 1 problem, year after year. Certainly very few tears would be shed among the Nation's Governors over cuts in the 500 categorical grant programs through which the Federal Government attempts to override and undercut State decision-making.

Some situations are even more clear. My own State of Indiana, penalized in various Federal funding formulas for its geography, its prosperity, and sometimes (as in the case of interstate highway construction) its efficiency, continues to rank last in the Nation in Federal funds received per tax dollar paid. If there is a State in the country with relatively little to lose from a revamped Federal spending policy, it is Indiana. But the general principle applies nationally that the States and the families of this country stand to gain far more from a stable dollar than they stand to lose from a reduction of what is loosely termed Federal "assistance."

Even if Congress acted out its vindictive fantasies and attempted to punish the rebellious State governments, the results would not be unthinkable. Very little of the revenue transferred from Federal to State government was originally requested by the States. In large measure the money involved represents schemes devised at the Federal level, in which the States have been either lured or coerced into participating. Reductions in such programs might cause discomfort to the grantsmen and administrators who spring up and flourish around such projects, but would create fewer problems for average citizens whose lives and plans are disrupted daily by the effects of Congress improvidence.

The second threat brandished against constitutional anti-inflation measures has to do with the potential of a new Constitutional Convention. We are threatened with the spectre of a runaway assembly of zealots, intent on rewriting the Bill of Rights. Such alarums are irresponsible, but instructive. They reveal the elitist, antidemocratic attitudes which lie at the heart of modern liberalism. In the first place, it demeans the character of the American people to assume that they would select an assortment of one-issue fanatics to represent them at this most important and solemn of meetings. Second, this argument ignores the fact that any proposal originating at a new convention would have to run the gauntlet of 38 State ratifications in order to become part of the Constitution. It requires an especially contemptuous view of the State legislatures of America to fear the results of such a process, and I suggest that the hysteria over the convention prospect is greatly overstated.

In the main, the State legislators of the country came carefully and even reluctantly to their convention calls. The vast majority of the balanced budget petitions passed in State legislatures so far express a preference for congressional action as opposed to another convention, reserving the convention call as a last resort. That is the responsible way for the Nation to proceed. Congress should act, thoughtfully but promptly. But if it refuses, the idea of a Constitutional Convention to effect the people's will ought not frighten those Americans who have confidence in the innate commonsense of our people and in our federal system.

Annually, with great ceremony and pomposity, Congress convenes hearings on dozens of relatively unimportant proposals. But, despite demonstrations of overwhelming popular support for the idea, the Senate Judiciary Committee has never met to consider proposals for requiring a balanced Federal budget in normal times. No sincere observer of Washington believes that any serious attention would ever have been paid to this movement, even now, had not the State petition drive gathered momentum. In this context, the calls of the intimidation lobby for "patience," their charges of "haste," and "panic" are especially hollow. If anything, the American people and their legislators should be commended for their remarkable forbearance. They have suffered more than a decade of mindless, indefensible overspending; of deficits during economic expansions, which Lord Keynes himself would have roundly repudiated; of deficits which no known economic theory can rationalize.

The State legislators demanding a balanced Federal budget are not acting selfishly. They are not acting in undue haste. They are not oblivious to the difficulties, the subtleties, and the need for flexibility associated with reforming the Federal spending process. They are prepared to work with the Congress in shaping a constructive, practical change in our national charter which will reestablish a balanced budget as the normal assignment of Federal budget-makers.

These legislators deserve our thanks, not disparagement and blame-shifting by those whose extravagance gave birth to the inflation crisis and the balanced budget movement.●

ARTHUR M. KUHL

● Mr. SASSER. Mr. President, we were all terribly saddened to learn of the sudden death of our friend, Arthur Kuhl, who was Assistant Secretary of the Senate.

Art's dedication to public service could not have been better exemplified than the effort he made to walk to work in Monday's blizzard.

I had the special privilege of working with this unique gentleman in my capacity as chairman of the Subcommittee on the Legislative Branch of the Appropriations Committee. He was always thorough and complete in his work and was a credit to all of the dedicated employees who serve us in the Senate.

I know my colleagues join me when I say that Art will be missed by all of us. His absence will surely be felt as the Senate continues its work this session.●

TAX DEDUCTIONS FOR BUSINESS MEALS

● Mr. INOUYE. Mr. President, the 95th Congress very wisely rejected efforts to

curtail tax deductions for business meals. A recent study which I would like to bring to the attention of the Members supports the wisdom of the 95th Congress.

Proponents of the proposal in the 95th Congress put forth a research paper done by the Congressional Research Service which concluded that the unemployment impact of the total food and beverage industry would be nil.

As far as I have been able to determine, neither the administration nor other supporters of the provision came forward with any other statistics or studies to support their claims that there would be little or no adverse impact on industry employees.

Most recently, we have been told that it is a national disgrace to cut back on the federally funded school lunch program in the name of budget austerity, while permitting business meals to be tax deductible.

Mr. President, I yield to no one in my commitment to the health and welfare of our children. To a nation, its children are its most precious resource and hope for the future. But there is absolutely no connection in fact or logic between tax deductions for business meals, and a cutback in Federal funds for our school lunch program. Each program is separate, and must succeed or fail on its individual merits. This is the kind of inflammatory rhetoric which would have us believe that every business meal consists of three martinis. It serves no useful purpose, in my judgment, and only obscures the real issues.

It is not my purpose today to debate the merits of the administration's budget proposals as it relates to the school lunch program. That is for another time.

I would however briefly like to review the statistics which show how adversely employment in the food and beverage industry will be affected if tax deductions for business meals are eliminated or curtailed. Specifically I would like to mention a new study prepared within the Bureau of Labor Statistics, but which is not attributable to the Bureau. This study concludes that the impact on unemployment would even be more severe than earlier estimates of the Hotel and Restaurant Employees and Bartenders International Union, AFL–CIO, the one-half million member union whose members would be the ones most affected.

When the study done by the Congressional Research Service concluded that there would be no adverse impact on employment in the food and beverage industry, it presented a distorted picture which only obfuscated matters.

The CRS study was able to reach the conclusion it did because it included projections for employment in the "fast food" segment of the industry—the McDonalds, the Burger Kings, et cetera, even though this is not the segment which serves the men and women who transact legitimate business at conventions, meetings, or lunches and dinners.

Unemployment would occur in other retail segments of the industry and the wholesalers that support it.

The Hotel and Restaurant Employees and Bartenders International Union, AFL–CIO, estimated that 135,000 of its members would lose their jobs. The most recent study done within the Bureau of Labor Statistics to which I have referred indicates that their figures may be too conservative by a substantial margin. It estimates that there could be a loss of about 200,000 jobs in the retail segment of the industry, and 19,781 in the wholesale segment of the industry. About a quarter of a million jobs. At the conclusion of my statement I ask to print in the RECORD a paper which describes that study entitled "The Employment Effects of the Proposed Change in the Tax Deductibility of the Three Martini Lunch."

Mr. President, should tax deductions for business meals be curtailed, the law will not be depriving many business men and women of three martinis. In view of the statistics and studies we have, there is a very strong probability a quarter of a million people will be deprived of a livelihood, however. And who are the vast majority of these men and women?

In the restaurant industry, for example, 2.8 million or 68 percent of the employees in food service occupations are women, accounting for 7.6 percent of total employed women. And 565,000 or 13.8 percent of the employees are black or other minority groups.

The study follows:

THE EMPLOYMENT EFFECTS OF THE PROPOSED CHANGE IN THE TAX DEDUCTIBILITY OF THE "THREE MARTINI LUNCH"

(By Steven D. Braithwait)

[NOTE.—I would like to thank Bob Sylvester, Office of Economic Growth, BLS for computational assistance with the BLS input-output model.]

This paper presents estimates of the primary direct employment effects by industry and occupation of the proposed changes in the tax deductibility of business meals.

The Administration proposal (see[2]) would limit the deductibility of business meals to one-half their value. In this study, the estimated effects of the proposal are obtained through the combined use of a large-scale consumer demand model which can be used to simulate the effect on consumer expenditures (and thus final demand) of a change in price of one or more commodities in the model, and the BLS input-output and employment-output models which relate employment to final demand. The tax change is treated as an effective increase in the price of the commodity business meals which is represented by two of the commodities in the demand model. The effect of the price increase is traced through the demand model in the form of changes in consumption, and then through the input-output and employment-output models to obtain the effect on employment.

The procedure for obtaining the employment effects thus involves a sequence of operations using several different models to relate changes in consumer expenditures to changes in employment by industry and occupation. The elements in the last part of the sequence are standard fixed-coefficient models which relate final demand to employment by industry and by occupation. These are described in detail in an appendix. The first part of the sequence—the demand model and the method of simulating the effect of the price change is described below. Finally, the results of the analysis are presented.

THE DEMAND FOR BUSINESS MEALS

Business meals can be tax deductible in two different ways. First, an individual may be on an expense account, in which case he pays nothing for the meal, while the business deducts the cost of the meal from its before-tax earnings as a cost of doing business. Alternatively, individuals may under certain circumstances deduct the cost of a meal as a business expense on their individual income tax returns. No information is available about how businesses allocate funds for their employees' expense accounts, or how they would react to the proposed tax change. However, a model of consumer behavior is available which includes meals and alcoholic beverages consumed away from home as commodities, and business meals can be considered a subset of these commodities. In the present analysis the entire response to the proposed tax change is considered in terms of individual consumers facing higher prices for certain commodities which they consume.

In evaluating this approach it should be realized that one probable reaction of businesses to the proposed tax change would be to impose stricter controls on employee expense accounts. Employees would find their budget for business meals reduced, which would leave them in a situation quite similar to that of individuals deducting their own business meals, who face tighter budget constraints due to the higher priced meals.

The change in demand estimated here is derived through a process involving several steps. At each step assumptions are made about the applicability of the data actually used to those individuals who would be affected by the proposed tax change. The most recent information from the BLS input-output and employment models is for 1976. Thus, the employment effects are estimated for that year. The data used in the demand model, however, end in 1973. It is assumed that the demand elasticities obtained for 1973 would hold in 1976 as well.

The target group for the present study is those individuals who claim deductions for business meals, and the commodity of interest is business meals. Data is available on aggregate consumption of purchased meals and alcoholic beverage, and estimates are available on the amount of business meals expenditures.

A first step in the analysis is a determination of the size of the effective price increase which would result from the proposed tax change. It is assumed that those individuals most likely to claim business deductions would be in the upper fifth of the income distribution, which for 1973 was above $20,000. At that level of income (using the standard deduction), the marginal tax rate was .29, which means the proposal to reduce tax deductibility of business meals creates an effective price increase of approximately 20 percent. That is, the actual cost of a fully deductible $10 meal is $7.10 for an individual facing a marginal rate of .29. If only half the meal is deductible the cost rises to $8.55, an increase of $1.45, or 20 percent. To investigate the sensitivity of the results to the amount of price increase we also examine the case which corresponds to a marginal tax rate of .44, implying an effective price increase of 40 percent.

The next step in the analysis is a simulation run of the consumer demand model using the new prices. The demand model which was used is a large-scale consumer demand model, of the "complete systems" type, having separate equations for 58 commodities and commodity groupings. In form, it is a multi-level linear expenditure system. The model specifies the demand for each commodity as a function of its own price, the prices of all other commodities, and total expenditure. The characteristics of the model and method of estimation are described in [1]. National Accounts data on 53 Personal Consumption Expenditure (PCE) categories were used in the estimation. The expenditure categories most closely related to business meals are "Food in purchased meals and beverages" and "Alcohol in purchased meals and beverages." The prices for these "commodities" were assumed to increase by the appropriate amount (that is, by 20 percent or 40 percent, as specified in

the preceding paragraph). The results of the simulation of the demand model are presented in Table 1.

For the present analysis, the changes in demand being simulated apply only to a portion of the total demand for Purchased meals and beverages, corresponding to business meals expenditures. Estimates from two alternative sources of expenditures on business meals are used in this study.

In computing the PCE sector of the National Accounts, (which includes the data used to estimate the demand model), the Bureau of Economic Analysis (BEA) includes only those expenditures that it considers personal consumption. Business meals are considered expenditures by businesses rather than individuals. Thus, in calculating the Purchased meals and beverages component of PCE, the BEA excludes that portion of the sales of eating and drinking places that it considers business meals. BEA's estimate of expenditures on business meals is allocated within the National Accounts to a dummy industry called Business Travel and Entertainment (BTE). However, since the BLS input-output and employment-output models are driven by final demand (which includes PCE), and the consumer demand model uses PCE, it is convenient to assume that the business meals commodity may be represented adequately by a portion of the PCE category, Purchased meals and beverages.[3] This category differs from business meals only in the type of purchaser of the commodity.

The BEA allocates approximately 74 percent of the total sales of eating and drinking places to the Purchased meals and beverages component of PCE. Nearly all the remainder is classified as business meals. Thus, using the BEA estimate of business meals expenditures, the changes in demand presented in Table 1 are applicable to about a fourth of the total sales of eating and drinking places. However, not all of those sales are represented as final demand because of the classification of business meals as transfers between businesses. To simulate the effect of the change in demand for business meals using the PCE final demand categories, Alcohol and Food in Purchased meals and beverages, the percentage changes in Table 1 (indicating the price-induced change in demand), are applied to a portion of the final demand categories equivalent to the amount of estimated expenditures on business meals.[3]

Two alternative estimates on business meals are used. One is the BEA estimate. The other is derived from an IRS survey of travel and entertainment deductions. The value for the final demand component, Purchased meals and beverages is $39.9 billion in 1973. The BEA estimate for business meals in the same year is $12.85 billion.[4] Alternatively, a 1969 IRS survey, adjusted to 1977 levels, estimated a total of $14.864 billion for business travel and entertainment deductions. The IRS also estimated that 25 percent of that amount was for entertainment, and that 90 percent of entertainment was accounted for by business meals. The resulting amount for business meals was $3.344 billion.[5] This figure was adjusted to a 1973 level of $2.411 billion, using the CPI component for restaurant meals. Table 2 presents the results obtained by applying the changes in demand in Table 1 to the portion of the final demand categories represented by the above estimates of business meals expenditures, following the method described in the previous paragraph. The entires in Table 2 represent the percentage changes in the final demand which are used to simulate the effect of the price increase of business meals.

The percentage changes in Table 2 were applied to the 1976 values of the appropriate commodities in the personal consumption sector of final demand in the BLS input-output model.[6] The input-output model first transforms the changes in final demand for *commodities* into changes in final demand by *industry*. Finally, BLS estimates of output per employee are used to calculate the employment effects in each industry of the changes in output.

RESULTS OF THE SIMULATION

The industry employment effects are presented in Table 3 for the two industries with the largest change in employment—Wholesale Trade (SIC 50) and Retail Trade (SIC 52–59). Unfortunately, in the BLS 162-industry model these two industries are not further disaggregated. In particular, the Eating and Drinking Places industry (SIC 58) which is of primary interest here is included in the Retail Trade Industry. However, due to the nature of the affected final demand commodities—purchased meals and beverages, and alcohol—it is not unreasonable to assume that nearly all of the change in employment in the Retail Trade industry is concentrated in the Eating and Drinking Places industry. Under that assumption the employment effects indicated in Table 3—21,917 to 114,898 for the 20 percent price increase, and 38,683 to 199,087 for the 40 percent increase, depending on the estimate of business meals expenditures, represent between .6 percent and 5.5 percent of the 3.6 million employees in the Eating and Drinking Places industry in 1976. Clearly, the results depend crucially on the estimate of business meals expenditures.

The employment reduction in Wholesale Trade is an indirect effect of the reduction in demand for business meals. It is presumably caused by decreases in the output of businesses supplying goods and services to the affected businesses in the Retail Trade industry. The location of the effect within the Wholesale Trade industry is less obvious than that for Retail Trade, but likely to its mostly in the Food and Related Products (SIC 504) and Alcoholic Beverages (SIC 5095) industries.

The analysis may be carried one step further, to the occupational employment effects, by using the BLS industry-occupational matrix which gives the percent employment by occupation within each industry. Again assuming that the entire Retail Trade effect is in the Eating and Drinking Places industry, the employment effects in the major occupations in that industry are presented in Table 4. Thus, for example, with a 40 percent price increase and the IRS estimate for business meals, the estimated reduction in Food Service Workers is 32,532.

TABLE 1.—*Change in demand resulting from price increases*

Commodity	Price increase 20%	Price increase 40%
Food in purchased meals	−17.2%	−29.8%
Alcohol in purchased meals	−13.3%	−23.1%

Footnotes at end of article.

TABLE 2.—*Percentage changes in final demand commodities used to simulate decrease in business meals expenditures*

Commodity	Price increase: IRS estimate of business meals 20%	IRS 40%	BEA estimate of business meals 20%	BEA 40%
Food in purchased meals	1.1%	1.9%	5.5%	9.6%
Alcohol in purchased meals	.9%	1.5%	4.3%	7.4%

TABLE 3.—*Employment effects by industry*

Industry	Price increase: IRS estimate of business meals 20%	IRS 40%	BEA estimate of business meals 20%	BEA 40%
Wholesale trade	2,490	4,636	11,498	19,871
Retail trade	21,917	38,683	114,898	199,087

SUMMARY

The magnitudes of the employment effects estimated here (ranging from .6 to 5.5 percent of employment in the Eating and Drinking Places industry) depend crucially on the assumed amount of expenditures on business meals. Two different estimates of business meals expenditures were used, one from an IRS study of business deductions, the other from BEA's National Accounts calculations. In addition, the results depend on a set of assumptions relating business meals expenditures to personal consumption expenditures on restaurant meals. All business meals expenditures are treated as expenditures by individual consumers facing a budget constrained by the effective higher price of business meals.

The simulation of the consumer demand model is an attempt to approximate the behavior of high income households toward consumption of business meals. However, the parameters of the model were originally estimated using aggregate per capita consumption data, which included the commodities purchased meals and alcoholic beverages. Thus, the demand model relates to a kind of "average" consumer behavior, and for a number of reasons businessmen may have different behavior than other consumers (though the model was adjusted so that the estimates correspond to those of high income consumers). This would be true of almost any demand estimates that could be produced with available data, however.

The data and the analysis in this study are at a highly aggregate level. Thus, is it not possible to determine all the distributional effects of the proposed tax change. One important factor which cannot be measured here is the extent to which businessmen would substitute less expensive meals for more expensive ones. They could do so by purchasing less expensive meals in the same restaurants to which they are accustomed or by frequenting less expensive restaurants. In either case, the substitution is from more labor-intensive to less labor-intensive meals (e.g., serving ice cream rather than a crepe for dessert requires less labor). It is not possible to account for this type of substitution with the aggregate data used here. It is clear that the employment effects would likely not be uniform across establishments in the restaurant industry—the expensive, large-city establishments would undoubtedly feel the most impact.

Finally, it should be emphasized that this study is a partial analysis. It is designed to investigate the employment effects on a particular industry, not the economy as a whole. In fact, the particular tax proposal analyzed here is only part of a larger tax program whose overall effect on employment has been estimated elsewhere (see [2]).

TABLE 4.—*Employment effects by occupation*

Occupation	Price increase			
	IRS estimate of business meals		BEA estimate of business meals	
	20%	40%	20%	40%
Retail Trade Industry:				
Restaurant, cafe, bar mgrs	3,485	6,151	18,269	31,656
Food service workers	18,432	32,532	96,629	167,432
Bartenders	1,490	2,630	7,813	13,538
Cooks	4,559	8,046	23,899	41,410
Waiters	7,671	13,539	40,214	69,680

NOTE.—These figures are obtained under the assumption that the entire employment effect in Retail Trade Industry is concentrated in the Eating and Drinking Places Industry.

FOOTNOTES

[1] The model was first simulated using actual 1973 prices, but with total expenditure 50 percent higher than the actual level in an attempt to approximate the behavior of higher income households. The model was run again using the higher prices for Purchased meals and Alcoholic beverages in purchased meals. The figures in Table 1 represent the change in demand for those two commodities between the two runs.

[2] In the demand model the 'Purchased meals and beverages' commodity was divided into 'Food in purchased meals and beverages' and 'Alcohol in purchased meals and beverages'.

[3] For example, consider the case of the final demand category Purchased meals and beverages, with a value of $750, and the commodity Business meals, with a value of $250. A 20 percent decrease in demand would be simulated as follows. The 20 percent decrease is applied to the value of business meals, yielding a $50 decrease. That amount is applied to the final demand category, yielding a decrease in final demand of 6⅔ percent (50/750). Equivalently, the final demand category is reduced by 20 percent of the ratio of business meals to the final demand category, Purchased meals and beverages (i.e., 20 percent of 250/750, or 6⅔ percent).

[4] The BEA estimate was computed by applying the ratio of Business meals to Purchased meals and beverages from the 1967 input-output tables (the values were obtained from BEA worksheets by George Swisko at BEA) to the 1973 value of Purchased meals and beverages.

[5] The IRS estimates were obtained from Eric Toder, "Employment Effects of Limiting Deductions for Entertainment, "memo, January 1978.

[6] The two commodities used were Food in purchased meals and beverages, and Alcohol. The commodity Alcohol in purchased meals and beverages used in the demand model comprises about 40 percent of the commodity Alcohol. The percentage changes in demand were adjusted accordingly.

REFERENCES

[1] Braithwait, Steven D., "An Empirical Comparison of Alternative Multi-Level Demand Systems for the U.S.," BLS Working Paper 74, 1977.

[2] The President's 1978 Tax Program: Detailed Descriptions and Supporting Analyses of the Proposals, U.S. Department of the Treasury, January 1978.

APPENDIX

The relationship between employment and final demand

Following the usual input-output notation, the vector of final demands by industry, F, may be written as (1) $F=(I-A)X$, where the elements of the matrix (I–A) are input-output coefficients, and X is the vector of output by industry. In addition, final demand by industry may be related to final demand for commodities (including personal consumption expenditures) by (2) $F=RG$, where G is a vector of final demands by commodities, and the elements, r_{ij}, of R represent the output the ith industry created by a dollar of final demand of the jth commodity.

The relationship between output and employment is established by the labor requirements matrix, L, such that (3) $1=LX$ where 1 is the vector of employment by industry, and the elements of L represent the employment in each industry necessary to produce a dollar of output in each other industry. Finally, employment by occupation, e, is determined by an industry-occupational employment matrix, E. That is (4) $e=E1$, where e is a vector of employment by occupation.

Thus, the sequence of operations in the present analysis is as follows:

Given a vector of final demands by commodity, G, equation (2) is used to obtain the corresponding vector of industry final demand. Total output is then obtained by transforming (1) to obtain $X=(I-A)^{-1}F$.

Employment by industry and occupation are found by applying (3) and then (4).

The input-output matrix, (I–A), and the matrix R, often referred to as the "bridge table," are updated by the BLS from data issued by the Commerce Department. The labor requirements matrix, L, is developed by BLS from industry productivity studies. The industry-occupational matrix, E, is compiled by BLS from various sources, including Census and BLS surveys.●

COSTS OF RAIL ABANDONMENT

● Mr. PRESSLER. Mr. President, in preparing for regulatory reform of the freight rail industry, Congress is undertaking a long-overdue study of our deteriorating railroads.

Increased competition and loss of traffic to trucks, barges, and pipelines, meager profits and increasing railroad bankruptcies, deteriorated track and equipment shortages which further reduce levels of service, and labor and inflationary pressures all operate against the specter of enormous Government subsidies for a system that is not otherwise viable. In working to avert that drastic nonsolution, we must be aware that there can be no panacea to solve the complex problems of the ailing rail industry.

Deregulation proposals target such areas as rate regulation, track swap and joint use agreements and abandonment. The thrust of all proposals embodies a cut-cost/raise-profit goal paring down excess trackage and eliminating unprofitable operations that drain resources.

A regional look at the problem shows varying degrees of impact of such alternatives. In the case of coal and electric utility industries and of other "captive shippers"—especially where area highway systems may not support an immediate influx of traffic from the railroad—many complex factors are introduced into the equation. Current Midwest rail problems provide a most acute illustration of these complexities.

The Chicago, Milwaukee, St. Paul & Pacific Railroad Co. operates an extensive rail network of about 10,000 miles of track in numerous Midwestern and Western States. Under bankruptcy reorganization plans, massive rail abandonments are being proposed to reduce the railroad's network to its most viable area of operation.

My State of South Dakota stands to suffer the heaviest losses in economic and social stability under this scenario. Not only will agricultural activity be enormously impaired, opportunity will be lost for industrial growth and new investment in the State.

These difficulties provide a striking illustration of the problems raised by the abandonment issue. Questions concerning the "captive shipper" and continued service to rural communities will be paramount to our consideration of the costs of abandonment. Any treatment of the problem of the deteriorating railroad industry will have to deal adequately with our responsibility in these areas while encompassing the needs of the entire industry.

In focusing attention on these difficult issues, I want to share an editorial by Merle E. Lofgren in the McLaughlin Messenger of South Dakota.

In his editorial, "Costs of Abandonment," Mr. Lofgren outlines some of the gravest difficulties posed to the rural dweller.

I hope that this message will alert my colleagues to the issues that confront the Senate in its consideration of freight rail regulatory reform.

I ask that the editorial be printed in the RECORD.

The editorial follows:

COSTS OF ABANDONMENT

Somebody observed a long time ago if there were no railroads they would have to be invented. In a country as big as the United States with the huge distances between producers and consumers it is hard to imagine getting along without railroads. Produce from the fields of the midwest have

to move to the consumers on the east and west coast. Machinery and other products from the industrial centers on the east and west coasts and the Great Lakes have to move to the midwest and across the continent.

It is hard to believe the Milwaukee railroad going through South Dakota is being considered for abandonment. With the main line gone the branch lines will be useless.

This country faces a fuel shortage. Rail transportation, despite deteriorating tracks and equipment, is still 4.2 times as effective fuel-wise as compared to trucks and 5.4 times as effective dollar wise, according to the National Science Foundation.

The Business Research Bureau at Vermillion conducted a study of the economic impact if all railroads in South Dakota were abandoned.

Highways would have to be upgraded for the increased truck traffic. The BRB study shows that would cost $300 million to initially upgrade the highways to carry the increased load and at current prices over a 40-year period it would cost a billion dollars more for maintenance.

The loss to farmers selling grain would be between 23 and 30 million dollars, extra cost of fertilizer for farmers, more than a million dollars, additional cost of farm machinery $500,000 and cost of miscellaneous commodities such as cement would be increased $45 million.●

HARRY KLEINMAN ABLY LED DEMOCRATS OF WEST HARTFORD FOR 17 YEARS

● Mr. RIBICOFF. Mr. President, our politics are based on participation by men and women at the local level who work long hours on behalf of the parties, candidates, and issues they believe in. The political system could not succeed without such men and women. They come from all walks of life, from all races, colors, and creeds, in all ages. The traits they share are dedication and generosity. Every elected official owes a debt of gratitude to these men and women.

Such a local political leader is Harry H. Kleinman, who is retiring this month as Democratic Party town chairman of West Hartford, Conn. A close friend of mine for many years, Harry Kleinman has been West Hartford chairman for 17 years. During that time he led Democratic Party activities effectively and successfully. An energetic, colorful, tireless, and dedicated Democrat, Harry Kleinman can look back upon a career as town chairman that saw the fortunes of the West Hartford Democratic Party progress markedly. He took the job when there were not many claimants; indeed, in West Hartford there were not many Democrats. Today, as Harry Kleinman retires as town chairman, he can take great pride in the fact that the party prospered during his stewardship.

Harry Kleinman did a fine job as democratic leader in West Hartford. Our party is better because of him—and the political system he participated in is enhanced. Town chairman or not, Harry Kleinman will continue to be a leader of his party. His counsel will always be sought, his judgment valued.

Mr. President, I ask that an article about Harry Kleinman's retirement, from the West Hartford News of February 8, 1979 be printed in the RECORD.

The article follows:

KLEINMAN: A RESPONSIBILITY FELT

(By Wick Sloane)

Harry H. Kleinman has been town Democratic Party chairman for 17 years. He surprised everyone this week with his announcement that he's retiring Feb. 20.

The additional surprise is that anyone would ever use the word "retiring" to describe the voluble, articulate, peripatetic, partisan party leader.

He's been chairman for so long that most people think he's a professional politician, but he only stepped into the political party dimension of government after six years as an alderman in Hartford, six years as a member of the Metropolitan District Commission, and six years as a deputy judge and judge in the old town court. This, he feels, gives him experience in the legislative, the administrative, and the judical branches of government.

These activities are only his avocations. Professionally, he's an attorney in the firm Kleinman, Steinberg and Lapuk.

The first duty of an attorney, he said interviewed at his Pratt Street office this week, is to insure that your client's interests are protected.

"That motif—if I may use that word—is the underlying concern of all my activities," he said. "That and tell your client the truth, even if he doesn't like to hear it."

In his years as town chairman he has been known as a straight talker who would let a Democratic Board of Education or Town Council member know about a vote which did not satisfy him, although in the end, he would always support whatever action office holders took.

His clients, he feels in the broad sense of the word, are the general public.

"I feel that we owe a responsibility to the community, state, local, and national to help in molding our society," he answered when asked why he became involved in politics.

"That's the preamble," he added with a twinkle in his eye.

"Government impinges or has its effect upon every person who lives in our country from the day they are born. Every birth has to be registered," he continued, "and every death recorded."

"Government does not operate in a vacuum," he said, explaining that political parties provide continuity to the governmental system by presenting candidates who "will be responsive to the desires and the needs of the times and of the people."

In his discussions, Kleinman, who went on to Yale Law School from Harvard, draws his examples from history, which he studied while he was an undergraduate, and which he still reads extensively.

Political parties have been around throughout the history of the United States with the exception of the time when George Washington was president, he said. The first political party was the Democratic-Republican party, the forefather of the present Democratic party, which Thomas Jefferson founded.

"Actually, the Republicans picked up the name which was cast off by the Democrats," he said, with his benevolent smile.

West Hartford was a Republican town when Kleinman first became involved in its politics in the early fifties. He said he was asked to be Democratic chairman in 1962.

"In those days people weren't looking for the job," he said.

Being a Democrat was not respectable, he added.

"It was socially unfashionable, and economically unwise and politically stupid. No person connected with a corporation who sought advancement, appointment or promotion was identified by registration or action with the Democratic party," he said.

Nonetheless he lead registration drives—the town now has more registered Democrats than Republicans—and eventually the party elected a mayor (Harold Keith) in 1955 although the 13,427 Republicans then out-numbered the Democrats by three to one.

While the Democratic Party was once a minority, it now represents "the entire spectrum of our heterogeneous society," Kleinman believes.

In his 17-year span as chairman, Kleinman has seen two more Democrats elected mayor, the late John Huntington in 1967 and Catherine C. Reynolds in 1973. There have been other victories on state and national levels, but he has shared in several defeats which point to the town's reputation as a "swing" political community in recent years.

Kleiman walks in quick short steps which match the energy and staccato delivery of his talking style. A short man, he leans forward when he stands and looks up at taller people over the tops of his glasses, often shaking a finger or placing a hand on the shoulder of a friend.

The fervor Kleinman brings to his politics he brings to other community efforts. He and his wife, the former Ruth Nestor, were one of seven couples which founded Beth El Temple, 2626 Albany Ave. about to celebrate its twenty-fifth anniversary. He is devoted to Israel. Of his role in the 1948 Arab-Israeli war, he will only say, "I helped to make sure that Israel was not defenseless."

His retirement from the party chair, he said does not mean he is retiring from public life to do nothing. "I hope to continue to speak up now and then," he said.

A native of Hartford, Kleinman and his wife live at 12 Pilgrim Rd. Both their sons are attorneys. Daniel, who lives in Farmington, works in his father's firm, and William who lives at 112 Hyde Rd., is an assistant state attorney general.●

ITEMIZED TAX DEDUCTIONS FOR OLDER AMERICANS

● Mr. INOUYE. Mr. President, this is the time of year in which our Nation's citizens, old and young, are usually preparing their individual income tax returns. Each year the Senate Special Committee on Aging, with the cooperation of the Internal Revenue Service, provides a valuable service to our citizens by publishing a list of itemized deductions for individual taxpayers.

Many recent changes in our Nation's tax laws, including some made by the 1978 Revenue Act, may be confusing, particularly to our elderly citizens. Many of our senior citizens actually overpay their Federal taxes because they are unaware of the many tax-saving deductions in the laws.

One newly adopted tax measure, for example, allows taxpayers 55 or over to exclude up to $100,000 in profit from the sale of their homes.

This and many other tax deductions are described in the checklist. While this is not intended to be an all-inclusive listing, it does provide a handy guide to help insure that taxpayers claim all the deductions, credits, and exemptions to which they are legitimately entitled.

In this time of economic difficulty, especially for elderly citizens living on fixed incomes, our taxpayers in Hawaii and elsewhere deserve every assistance we can provide to them. I ask to have the Senate Special Committee on Aging's publication printed in the RECORD.

The material follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1978)

(An information paper prepared by the staff of the Special Committee on Aging, U.S. Senate)

Checklist of itemized deductions for Schedule A (form 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040):

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g. elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

2

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 36, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$3,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

SENATOR CHAFEE ANALYZES THE HART BUILDING: "THE SENATE'S SHAMELESS TAJ MAHAL"

● Mr. DOMENICI. Mr. President, the current issue of the Reader's Digest magazine contains a very informative article by our colleague from Rhode Island (Mr. CHAFEE) discussing the costly Hart Senate Office Building. As a cosponsor and strong supporter of Senator CHAFEE's effort last year to halt work on the Hart Building, I ask that the excellent article be printed in the RECORD.

The article follows:

THE SENATE'S SHAMELESS TAJ MAHAL

(By Senator JOHN CHAFEE)

Last August, the House of Representatives stunned its colleagues on the other side of Capitol Hill by voting overwhelmingly to cut off additional funds for a palatial new Senate Office Building on Constitution Avenue. In doing so, House members repudiated the hallowed gentleman's agreement that neither house will interfere with the other's affairs.

Six months later, however, the girdered skeleton of this third Senate Office Building—named for the late Sen. Philip Hart—continues to expand. Ignoring the House mandate, the Senate decided to continue work into 1979. Now, with the election over and House members safe from voters wrath for nearly two years, Senate proponents of this Taj Mahal on the Potomac are confident that they can prevail upon their colleagues to quietly appropriate construction funds.

Make no mistake: if the House caves in to Senate pressure and reverses itself, the result will be the most outrageously bloated project in federal history, a gold-plated nine-story showplace crammed with luxurious amenities nobody needs and which taxpayers can ill afford. From the original appropriation of $47.9 million, construction estimates have already risen to more than $122 million. If cost overruns continue, the final price will be well over $300 million.

The imposing new building will contain more than 1.1 million square feet (compared with 700,000 for the Russell Senate Office Building and 660,000 for the Dirksen Senate Office Building). About 70 percent of that area will be office space—with sprawling two-story-high offices for 50 senators and one-story offices for their staffs. The building's designers have left plenty of room for unproductive, high-priced frills:

Office paneling, costing a cool $1.5 million; marble building facing with a $3-million price tag.

An eight-story central atrium with a five-story Alexander Calder sculpture.

A $850,000 gymnasium. (This will give the Senate three gyms—one of which appears to be used by only four or five senators.)

A $600,000 rooftop restaurant seating 100, that boosts the number of senatorial dining-room seats to 350—or 3½ seats per senator.

Such gold-plating, unnecessary even in prosperous times and totally out of place in a period of economic squeeze, cannot be justified. At $111 a square foot, construction costs of the Hart Building are double those of commercial buildings in downtown Washington. But a spokesman for Architect of the Capitol George M. White, who oversees the project, has a ready explanation: "We are building monuments to democracy."

Last March, Sen. William Proxmire (D., Wis.) gave the Senate his monthly Golden Fleece Award, asserting that the Hart Building "would make a Persian prince green with envy." A month later, I introduced a Senate resolution calling for a halt to the project. This had an immediate effect—but not the one I intended! Almost overnight, steel beams shot skyward from what had been a gaping hole for nearly a year.

My resolution was bottled up in the Rules Committee and never considered. In early August, when the Senate took up a supplemental appropriations bill containing additional millions for the Hart Building, I led the fight for an amendment to halt the work, tear down the girder framework and rescind all unspent funds. Others joined in. Sen. Jesse Helms (R., N.C.) urged his colleagues to do something about inflation—instead of just talking about it. Sen. Jack Danforth (R., Mo.) asked: "How can we convince the American people that we are doing something other than squandering on our own luxury the money they have earned by the sweat of their brow?" His question went unanswered. The Senate rejected my amendment, 45-29.

Fortunately, when taxpayers read about the Senate's action they bombarded Capitol Hill with letters demanding a stop to this outrageous project. And when the House took up the bill on August 15, Rep. Steve Symms (R., Idaho) introduced an amendment cutting off further building funds. No one really expected the rider to pass but, when the members voted, they turned thumbs down on the building by a stunning 245 to 153.

Senate reaction was stormy. Outraged solons threatened to cut off funds for pet House projects in retaliation. But tempers cooled when the Senate was able to round up enough money left over from previous appropriations to continue construction into the new year.

Early this session, the House will be asked to provide an additional appropriation for the Hart Building. Reams of detailed arguments will be trotted out. Let's examine two of them:

The Hart Building will relieve overcrowding. I am a firm believer in Parkinson's Law—that work expands to fill the time available. I also believe in Chafee's Law—that staff expands to fill the space available. Twenty-five years ago, one office building adequately met the needs of 96 senators. Since then, while adding only four senators, we have put up a second Senate office building and acquired a half-dozen hotels, apartment and office buildings to accommodate staff. In the past five years alone, we have increased available space 46 percent.

Has this alleviated "overcrowding"? Not at all. The Senate more than offset that increase with a boost of 50 percent in the number of its employes, who now total a remarkable 6500.

When the Hart Building is completed, that will be it. Actually, once that structure is finished, the contractors will move across the street for extensive renovations on the Russell and Dirksen buildings, creating magnificent new office suites. (With half the senators given 16-foot ceilings, how can we possibly deny the same amenity to the other half?) And once those renovations, possibly costing tens of millions of dollars, are completed, the Architect of the Capitol has a master plan that pinpoints sites and gives estimated square footage for six more House office buildings and four more Senate office buildings that may be built in the future.

In the final analysis, the basic obligation of Congress is to the taxpayer, not to its creature comforts. There are only two basic issues here: cost and need. The Hart Senate Office Building has already cost too much—and we clearly don't need it. If Congress really intends to curb inflation, it can start by calling a halt to this gold-plated palace.●

CONNECTICUT RIVER DIVERSION OPPOSED

● Mr. RIBICOFF. Mr. President, from time to time we learn of another proposal to divert water from the Connecticut River by the Boston Metropolitan District Commission.

I can understand the need to locate viable sources for Boston's water supply. However, the diversion of water from the Connecticut River would have a serious economic and environmental impact on many communities in Connecticut and Massachusetts. Particularly distressing is the fact that diversion is apparently being given priority consideration over the repair of the water distribution system in Boston, a source of considerable waste.

Mr. President, the diversion of Connecticut River water would reduce the river's flow during certain seasons, thereby preventing the natural cleansing process necessary to sustain its fragile ecosystem. Furthermore, a decrease in the river's flow will lead to additional settlement of suspended solids which will result in further despoliation along the banks and bottom. Such a condition creates the potential for additional flooding.

Yesterday a very timely editorial opposing diversion of the Connecticut River appeared in the Hartford Courant. I commend this article to my colleagues' attention and ask that it be printed in the RECORD.

The article follows:

NO DIVERSION OF THE RIVER

One of New England's greatest natural assets is an abundant water supply. In addition to its household uses, water has for many years attracted industries and businesses to the Northeast.

New England must manage, conserve and use this resource efficiently. Connecticut's officials have opposed the planned diversion of the Connecticut River by the Boston Metropolitan District Commission. The commission wants an annual average of 72 million gallons per day to replenish its reservoirs.

Opponents claim that Connecticut cannot afford the water loss, because of environmental and economic considerations. They say the water diversion is unnecessary and that Congress should take action to stop it.

Officials in Boston have acknowledged that their water system loses almost the same amount of water per day that they want to divert from the Connecticut River. This loss is the result of leakages in old distribution pipes.

Rather than face the cost of repairing the water system—estimated at $100 million—the Boston commission, along with the U.S. Army Corps of Engineers, favor the water diversion, which could be as expensive as fixing the city's pipes.

The conservationists' approach makes sense. They want the water drawn into Boston's system to be used more efficiently. They also recommend that Congress provide some financial aid, including grants or loans, to help rehabilitate public water systems, particularly those in older cities, which have water loss problems.

Before diversion schemes are seriously considered, it makes good sense to improve the distribution system. Leakage not only results in waste but it creates water contamination.

To merely increase the supply of water is to add to the volume of waste.●

SRI LANKA

● Mr. INOUYE. Mr. President, February 4, 1979, marked the first year in office of His Excellency J. R. Jayewardene, the First Executive President of Sri Lanka, and the 31st year of Sri Lanka's independence from the British Crown. Over the past year, Sri Lanka has successfully carried out a policy of modernization and international development. Particularly noteworthy was the country's adoption last September 7 of a new constitution which, among other things, provides for the direct election of the President and the Parliament. The constitution also devotes an entire chapter to the subject of human rights and includes all 30 clauses of the United

Nations' Universal Declaration of Human Rights.

Demographically, Sri Lanka's people are a blend of various ethnic, religious, and linguistic backgrounds. The vast majority speak Sinhala and nearly all of the remainder speak Tamil. Interestingly enough, in an effort to unify the country, the constitution designates both languages as "national languages." Both are used in schools, government, business, and the courts.

In foreign affairs, Sri Lanka has adopted a policy of nonalinement, but this is not the same thing as noninvolvement. Quite to the contrary, the Government has advocated arms control and has sought to maintain the Indian Ocean as a "zone of peace."

In the economic sphere, Sri Lanka's drive toward modernization has over the past year been accompanied by liberalization of its foreign trade policies and domestic regulations. I am told that both the World Bank and the International Monetary Fund have expressed great satisfaction over Sri Lanka's economic progress.

The people and Government of Sri Lanka are to be commended for the advances they have made toward democratic government, a more modern economy, and increased concern with international affairs.●

IMPEDIMENTS TO INTERNATIONAL TRADE EXPANSION

● Mr. STEVENSON. Mr. President, I call to the attention of my colleagues a paper entitled "Impediments to International Trade Expansion" prepared by the International Trade Club of Chicago. The International Trade Club has been very active in defining the issues surrounding U.S. export policy and making paper prepared by the ITC entitled "Observations and Recommendations on a U.S. Government Policy in Support of Exports" is also available from that office. Both papers contain a wealth of suggestions and findings which will be of great assistance to the Congress as we prepare to address trade issues this year.

I ask that the position paper be printed in the RECORD.

The material follows:

IMPEDIMENTS TO INTERNATIONAL TRADE EXPANSION

In a special position paper released on September 21, 1978, the International Trade Club of Chicago (ITC) offered initial recommendations on a viable program for export expansion, entitled "Observations and Recommendations on a U.S. Government Policy in Support of Exports." In this paper, the ITC urged key U.S. Cabinet members and Congressional legislators to adopt a "positive export policy" to enable the United States to compete in world markets. The International Trade Club of Chicago also emphasized the need to educate and increase public awareness of the critical role exports play in improving our standard of living. This is a second position paper which supplements the first and deals with impediments to international trade expansion.

Indeed, current international realities, such as the declining dollar, new monetary alignments, a continuing need to import oil, and our interdependence with other nations able to offer lower cost products for U.S. consumption, no longer permit Americans to be indifferent to the need to expand our exports if we are to maintain our standards of living.

Exports and related activities now provide more than eight million jobs in the United States, one third of U.S. corporate profits, and about 7 percent of our gross national product. An incremental increase in our exports of between one and two percent of total GNP would have, during the last few years, given us a balanced trade position rather than the deficits we have registered.

Although exports never have been more important, U.S. companies have lacked parity in the market place and have been steadily losing market shares to foreign competitors—backed and directly supported by their respective governments. Twenty years ago, U.S. companies held about 28 percent of the world market for manufactured exports—excluding exports to the United States. By 1968, our share had been reduced to 24 percent, and last year, we barely maintained 20 percent of this important world market.

Emphasis now has been placed on the reestablishment of the President's Export Council and the Inter Agency Committee on Export Expansion as an important step in promoting exports. Unfortunately, the plain facts are that the regulatory burdens and controls imposed by the U.S. government itself impedes such an expansion. And, these are not only the "finger prints" of past administrations, they continue to occur—consider, as an example, the new regulation which denies Export-Import Bank credits to any domestic company not in compliance with the Administration's 7 per cent price guideline.

This paper examines some of the impediments to expanded trade and offers the International Trade Club's recommendations to overcome them.

I. THE FEDERAL REGULATORY BURDEN

Federal regulation of business has become a major constraint on both domestic and foreign activity. While the underlying social and environmental objectives of government regulation are widely shared, the profusion of minute and often contradictory specifications for compliance has not only hindered attainment of these social goals, it has diluted and jeopardized the increased investment, productivity improvement, and inflation control required to keep the United States competitive internationally. In the process, creeping red tape and burdensome paperwork imposed by the Federal bureaucracy have also reduced business's incentive to develop, produce, and market internationally competitive products—therein also losing the capacity to create new jobs based on the associated export potential.

The costs of this regulatory burden are alarmingly large, and unfortunately still growing. Administrative expenses of regulatory agencies alone will reach almost $5 billion in fiscal 1979. Adding a conservatively estimated $95 billion in costs business must incur just to comply with Federal regulations brings the total bill to a minimum of $100 billion.

Government mandated regulations in just three fields—environment, safety, and health—now divert some $10 billion annually from productive business investment. According to recent studies, this diversion of already low investment outlays is costing the U.S. economy .5 percentage points of yearly GNP growth and fully one fourth of the potential annual increase in productivity.

The implications of these trends are grave since the United States already ranks behind Japan, France, the Netherlands, Belgium, and Germany in annual productivity increases, and in real GNP growth. While the U.S. can be proud to be the world's leader in safety, health, environmental, and related standards, the added cost of this compliance, when factored into the price of finished products, weakens the competitiveness of U.S. products in the U.S. marketplace against imports from countries having lower cost or no compliance standard.

The regulatory burden is harming our international price performance, innovative capacity, and customer responsiveness of today, as well as our longer-term ability to meet increasingly stiff foreign competition. Uncertainties about the scope and severity of new regulations, as well as the penalties for noncompliance, further compound the confusion and difficulty with which both established exporters and potential entrants must grapple in seeking to expand foreign sales.

To reduce these impediments to increased trade, the United States must examine, reform, and simplify its regulatory process. Specifically, the International Trade Club recommends:

1. All regulatory bodies should be required to prepare economic impact statements, with provision for public comment, before issuing new regulations. Any new regulatory standards should be limited to those instances in which the agency can demonstrate that the benefits clearly exceed the costs imposed. If costs exceed benefits, the Executive Branch should be authorized and expected to modify or eliminate the regulation.

2. There is a need to change the focus of our regulatory policies. New regulations should be limited to stating the specific goals and objectives sought and provide appropriate market-related incentives or penalties, allowing the private sector greater input to devise the most effective way of reaching agreed goals.

3. The implementation of a meaningful process to review, revise, or repeal on a continuing basis complex, ineffective, or outmoded rules and requirements. In fact, the system should provide for greater incentives and credit for those regulatory groups that achieve this objective rather than a continuation of unwarranted bureaucratic expenses.

II. A U.S. DEPARTMENT OF INTERNATIONAL TRADE AND INVESTMENT

The U.S. is the only major industrialized country without a cabinet-level department for foreign trade and investment; the only nation where vital international economic agencies, each with competing domestic concerns and a special set of interests to protect. While other countries successfully promote exports through a cooperative and coordinated industry-government effort, the U.S. has handicapped its export potential by creating an atmosphere of business-government confrontation. We need a single Cabinet officer charged with marshalling this country's fantastic resources, supporting the export efforts of its firms, and countering, where appropriate, the promotional efforts of our aggressive competitors. The scattered segments of the U.S. bureaucracy now charged with export activities must be replaced by a single U.S. Department of International Trade and Investment with a mandate to promote international trade aggressively.

III. U.S. EXPORT AND TRANSACTION CONTROLS

The U.S. government through the Export Administration Act prohibits the flow of certain product and technical information to Eastern Europe, China, and the U.S.S.R., and exercises more stringent control over exports to North Korea, Vietnam, Cambodia, and Cuba. Exports to South Africa, Namibia, and Southern Rhodesia are restricted as well.

Commerce department regulations on these trade restrictions and related Treasury regulations are bewilderingly complex. Greater attention should be placed on separating political considerations from commercial factors so that U.S. business does not become the primary victim of U.S. foreign policy. In a number of instances, the application of these regulations has resulted in the loss of business by U.S. companies to Western European

and Japanese companies having similar products.

The International Trade Club recommends:

1. The Export Administration Regulations and the Foreign Assets Control Regulations, together with the legislation underlying them, should be thoroughly reviewed and simplified. A new unified regulatory scheme covering both subjects should be placed under the supervision of a single government department.

2. The restrictions on sales to North Korea, Vietnam, Cambodia, and Cuba should be reviewed with a view toward placing them under the same criteria as those of the Eastern European countries.

3. As to exports of products or technical information to any country, the regulations should provide that a license will be issued in all cases where it can be demonstrated that the proposed transaction is available, and likely to be supplied, on reasonably competitive terms from a non-U.S. source.

4. The 1972 Trade Agreement with the Soviet Union should be approved, most-favored-nation treatment extended, and expanded credits made available. The Jackson-Vanik amendment should be repealed.

IV. ANTI-BOYCOTT LEGISLATION

The Ribicoff Amendment to the 1976 Tax Reform Act was passed by Congress only as an interim measure until the anti-boycott provisions of the Export Administration Act could be amended.

There is confusion among U.S. exporters on the mechanics of operating under the existing anti-boycott legislation and there is a prevailing view that this legislation is not only failing to achieve its intended objectives, but in fact is acting as a substantial deterrent to U.S. exports and other forms of business in the Middle East.

Many U.S. firms are passing up opportunities to bid on projects in the Middle East or are losing orders because they are prohibited under the legislation from furnishing information even though it would have no effect on their business conduct. Many of our smaller exporters have concluded that they cannot afford the costs involved in following the intricacies of the anti-boycott regulations and have therefore made a decision to avoid doing business of any kind with Middle Eastern countries.

The International Trade Club is concerned with these effects of the Export Administration Act and recommends one of the following changes:

1. Now that the anti-boycott provisions of the Export Administration Act have been amended, interim legislation of the Ribicoff Amendment, and the Treasury Regulations issued to enforce it, should be repealed.

2. Alternatively, the Ribicoff Amendment should be amended so as to make it in all respects consistent with the regulations issued by the Commerce department under the Export Administration Act.

V. FOREIGN CORRUPT PRACTICES ACT OF 1977

The Foreign Corrupt Practices Act limits the ability of American enterprises to give gifts or payments to foreign political officials, even where these may be customary as part of the normal course of business and is used by foreign competition as a factor in securing business which might otherwise accrue to a U.S. exporter. The Act in fact imposes a standard and penalty which exceed those imposed on companies operating within the United States.

The Act prescribes stiff *criminal* penalties for violators, but in many instances does not clearly define what constitutes a violation. The Act imposes expensive, unrealistic requirements for internal reporting and accounting systems which apply to foreign branches and subsidiaries of American companies—increasing operating costs and posing difficult problems of parent company control.

The International Trade Club recommends:

1. The Act should be amended to provide American business with greater flexibility in dealing with our competition in foreign markets. These amendments should clarify the exceptions to the Act.

2. The Justice Department, in conjunction with the SEC, should issue regulations to draw a clearer line concerning prohibited conduct under the Act so that American business can in confidence undertake certain transactions with assurance that they will not at some later time be subjected to criminal penalties or public harassment.

VI. U.S. AGRICULTURAL EXPORTS

Sale of agricultural products overseas has been a growing and important component of our balance of trade and last year contributed $24–25 billion in exports. This can increase as more finished products are sold rather than only raw materials. The 12 Midwestern states were the source of 60 percent of these exports (fully 24 percent were produced in the states of Illinois, Iowa, and Indiana alone).

Major Midwestern ports, such as Chicago and Detroit, are currently inadequate to handle the volumes and types of commodities sold for export.

In order to further expand the agricultural export sector and increase the dollars volume sold overseas, the International Trade Club recommends:

1. Assistance in development of improved port and transportation facilities in the Midwest, especially the Great Lakes, and Mississippi River system for handling a greater volume of bulk feed grain and meat commodities for shipment to export markets.

2. Restraint by the Federal Government in disrupting the worldwide free market pricing process by imposing Presidential controls on export agricultural commodities or in manipulating quotas on meat imports. Such restrictions and interference seriously undermine U.S. credibility, invariably result in market dislocation—often of a permanent nature, induce foreign customers to switch to alternate suppliers and discourage farmers from achieving maximum performance. In the final analysis such interference has an impact on our balance of trade.

3. Placing greater emphasis in GATT negotiations and in our bilateral dealings with Japan and the European community on a linkage between agricultural and industrial trade policies so that U.S. food products enjoy the same freedom of market access as foreign industrial products in the U.S.

VII. EXPORT INSURANCE

U.S. exporters need competitive export insurance and protection against the risks of foreign trade and investment.

The Foreign Credit Insurance Association (FCIA) is an organization of some 50 of the nation's leading capital stock and mutual property insurance companies. It was organized in 1961 to enable U.S. exporters to compete on more favorable terms with exporters in other countries and thus support and contribute effectively to the expansion of U.S. exports. The Association offers insurance coverage for stipulated commercial credit risks, and, under contract, serves as the agent for political risk insurance offered exclusively by the Export-Import Bank of the United States. Thus FCIA is supposed to offer the exporter a full range of export credit protection.

FCIA appears to be poorly organized as too much of the decision making authority remains centralized at the main office rather than being decentralized at the branch level. The FCIA needs to be more responsive to its customers in a timely manner and the ITC offers the following recommendations:

1. The main office should undertake greater decentralization of decision making authority. Sub-committees should be created to relieve the senior committee of decisions on all but the largest transactions.

2. Branch office underwriting authority should be increased for short term as well as medium term credit decisions.

3. Where credit decisions exceed branch authority, case write-ups from the branch should be submitted directly for a timely decision.

4. A review of premiums collected and losses paid out by FCIA should be made to determine if it should offer less expensive insurance premiums.

VIII. OCEAN MARINE INSURANCE

Ocean Marine Insurance traditionally has been available to exporters to protect goods in shipment to final destinations abroad. The benefit to an exporter, in brief, is complete satisfaction that insurance coverages are tailored to shipper needs and offer financial protection in case of loss. Many developing nations now have adopted restrictive measures which require local, national currency insurance for all imports (with the exception of AID shipments), with an associated loss in premium income to the U.S.

To date more than 32 countries have enacted such legislation and it is probable that more countries will follow. Importers of U.S. goods are penalized if local, national currency insurance coverage is not obtained. However, the United States does not place a similar requirement on insurance coverage for imports into the U.S. Consequently, the U.S. is losing insurance premium dollars (estimated at several billions of dollars) which could help reduce the current account deficit.

The U.S. Department of Commerce should investigate this loss of premium insurance dollars and either propose legislation to Congress or through negotiations with individual countries seek remedies to redress the present inequity on insurance coverages.

IX. ENVIRONMENTAL ASSESSMENT FOR EXPORTERS

The White House Council on Environmental Quality (CEQ) has submitted draft regulations to governmental agencies which, if adopted, would require agency assessment of the environmental effects of "major federal actions" within foreign countries. If implemented, these provisions would extend the reach of the National Environment Policy Act (NEPA) beyond the U.S. and its Trust Territories by requiring environmental impact statements in association with Department of Defense activities abroad and Foreign Military sales, as well as export financing by the Export Import Bank and export licensing by the Departments of Commerce and State and the Nuclear Regulatory Commission.

Requiring environmental assessments for federally-supported activities *abroad* is an unsound and unjustifiable imposition of the United State's particular ecological policies and objectives: Such a policy stance could have severe adverse consequences for U.S. export sales and diplomatic relations. Preparation and review of impact statements would increase costs significantly and prolong the already lengthy licensing process, further deter small and medium size exporters, and decrease U.S. firms' ability to compete with their foreign counterparts. Moreover, since such a policy in all likelihood would simply induce customers abroad to switch from U.S. to foreign suppliers, the net result would not be increased protection of the environment in foreign countries, but rather lost U.S. export sales.

In view of the differences inside and outside the government concerning the intent of Congress in enacting the NEPA and the potential adverse effect on exports, ITC recommends that Congress be asked to amend the Act to make clear that it does *not* require assessment of environmental impacts in foreign countries.

X. PROTECTIONISM

Increasing protectionism is a threat to living standards around the world. Unless checked, higher tariffs, import quotas, and other restrictive measures could frustrate greater international economic cooperation and trigger a destructive spiral of retaliation and counter-retaliation.

Clearly, we can raise our standard of living by producing more, and we can do this best by exporting more of the products and services we do best while importing those products which others can produce more efficiently. Such a free and fair trade system, based on comparative advantage, has been the engine of global growth and development, bringing major benefits to industrialized and emerging nations as well.

Protectionism will inevitably tend to push prices up in industrial countries and thwart economic progress in developing nations. The International Trade Club believes that the ultimate interest of the United States is in a progressive, fair, and equitable trade policy, that assures this nation's access to foreign markets on the same terms as these countries have to ours.

The ITC urges the U.S. government to pursue an outward looking and fair trade policy during the Multinational Trade Negotiations now taking place in Geneva. If the United States, as the world's largest economy, does not press for reduced tariff and nontariff barriers and freer international trade, there is no other nation to assume this leadership.●

AFGHANISTAN

● Mr. HATCH. Mr. President, in this morning's Washington Post I read a story which reports the administration is now ready to make "deep cuts in aid to Afghanistan." According to the story the United States will cut by one-half the total of $14.8 million we gave Afghanistan last year. Prior to the unfortunate death of Ambassador Dubs it seems the administration was planning to ask for "about $2 million" more.

Mr. President, last year during the debate over foreign aid I let it be known that I intended to offer an amendment to strike the $550,000 for military education and training. I planned to do this to show the Afghanis that the United States would not tolerate the type of action taking place within Afghanistan. I speak of course of the coup that overthrew Mr. Daoud, many think because he planned to ask the nonalined nations conference to expel Cuba. The new government quickly established close ties between Kabul and Moscow. They in reality became a Soviet client state.

At this time members of the State Department approached myself and members of my staff to ask us not to offer the amendment. One of the gentlemen, I cannot remember his name, had just returned from Kabul and assured me that we had equal access to Afghanistan officials. We needed to continue our aid to assure this access. Well we now know of the access we really have. The Soviet advisers positioned those troops storming the hotel Ambassador Dubs was in and Soviet advisers gave the signal to fire. Last year I deferred to the administration in order to let them work their policy. I now know what type of policy they pursue. I think it is time that the United States take a stand. We have lost an Ambassador and had an Embassy in Tehran involved by leftist rioters. Even there the arm of the Soviet Union was evident. We can no longer afford to stand by and be the world's patsies. When the foreign aid bill comes up this year, I will move to strike all funds for Afghanistan.●

NATURAL RESOURCES REORGANIZATION

● Mr. HOLLINGS. Mr. President, I would like to bring to the attention of the Senate an editorial which appeared in the Los Angeles Times yesterday concerning the natural resources reorganization. As I understand it, the President is presently considering whether or not to send up to Congress a proposal which would transfer the National Oceanic and Atmospheric Administration from the Department of Commerce to the Department of Interior. This proposal is being based on what is surely some of the weakest substantive work I have seen recently.

The editorial points this out, and I would hope that the President could be made aware of this. I have tried to tell him this myself; at the request of the Director of the Office of Management and Budget, I reviewed the proposal and wrote a letter in response stating this same fact.

What this natural resources reorganization proposal does is move boxes around based on one of the most spurious fallacies found in the field of good public administration—combing functions and programs merely because they all fall into the same loose category. In this case, the category is entitled "natural resources."

Based on this kind of thinking carried to its logical extreme, we could have a Department of Planet Earth, just because some of these elements have some kind of direct or indirect effect on one another. The acronym for this entity would be DOPE, which is a pretty accurate term for the whole idea.

The document upon which this proposal is based, which was reviewed by the Los Angeles Times writer, is one of the worst analytical jobs I have seen. The case is not made for such wholesale transfers and costly disruptions that would occur. And worse yet, some of the most important and fundamental principles of public administration which have produced agencies in the past have been ignored.

Why, for example, was the former Atomic Energy Commission dismantled to form the Energy Research and Development Administration and the Nuclear Regulatory Commission? Why was the Civil Aeronautics Board created? And why was it necessary to create the Environmental Protection Agency? If the framers of this reorganization proposal understood the answer to these questions, the proposal to transfer NOAA to the Department of Interior, land-based agency with missions which conflict with those of NOAA, would not have surfaced.

This point is well made in the editorial by the reference to the need for a dynamic tension between agencies with conflicting missions. Otherwise, this can produce centralized decisionmaking of the kind that submerges decisions from the public view and from proper public participation, the fundamental principle upon which our democratic process turns.

Another point which concerns me deeply about this proposal is that not only does it contain factual errors in suggesting the policy areas which would be streamlined by the transfer, it does not even consider the other agencies where the continuing development and implementation of ocean policy could benefit from some recombinations. For example, where was their consideration given to the various responsibilities of the Department of Transportation, Corps of Engineers, Environmental Protection Agency, or the Department of State, to cite four. This proposal is so shortsighted that it does no favors for the field of ocean policy.

This is not to say that two or three programmatic changes could not benefit both the Department of the Interior and NOAA—specifically I am thinking of the split responsibilities in marine mammal protection, endangered species, and anadromous fish. But these can be resolved without encountering the overkill of transferring an entire agency to remedy a minor problem. The cure being proposed is the kind that kills the patient along with the disease.

Some time ago, a man from Georgia who occupied the position of Director of the Office of Management and Budget for a time made a famous statement—at least it is attributed to him. It turns out to be a rather profound statement of public administration—"If it ain't broke, don't fix it." Bert Lance really hit on something when he said that. This seems to be, as I understand it, the reasoning behind the omission of any of the other agencies with ocean authorities. However, when it came to NOAA, a double standard was applied. NOAA has been working just fine where it is.

That is not to say that it is everything that I or Senator MAGNUSON have envisioned for it as the lead civilian ocean agency, or even what the Stratton Commission recommended, but it works. And if there are some problems, they can be solved in several ways more relevant than the proposal being kicked around downtown at the present moment. If some meaningful consultation could occur with the Congress on this point, instead of having to deal with preconceived notions, perhaps we could all make some progress together.

The last point that disturbs me about all this is also referenced in the editorial. We are faced with some truly serious economic, budgetary, energy, and foreign relations problems right now. It is going to require the cooperation of both the executive branch and the Congress to deal with these in a positive way. These are

the present crises and they will be continuing in the near future. On the other hand, there are no major crises in the world of natural resources that suggest the wrong-headed transfers being proposed. It appears to be reorganization for the sake of appearances, instead of for solid substantive and policy reasons.

President Carter has accomplished more through reorganization than any other recent President. Through his efforts with the civil service system, in energy, in emergency preparedness, and other areas, some truly important and necessary changes have been brought about that are in the best interests of this Nation. Now it is time to grapple with the serious economic problems which beset the country. A natural resources reorganization that is not well conceived, that will only do damage to the area of ocean policy which it claims to enhance, can only cause confusion, bad feelings, wasted motion, and distraction from the real issues we must face together.

I ask that the Los Angeles Times editorial be printed in the RECORD.

Thank you, Mr. President.

The editorial follows:

[From the Los Angeles Times, Feb. 8, 1979]

MOVING DAY: WHERE TO—AND WHY?

One promise that President Carter emphasized during his 1976 campaign was to reorganize the federal government to make it work better.

Since taking office, he has remodeled the civil-service system, a good job long overdue, and created the Department of Energy, which still may work better someday than its many predecessors.

Now a staff of management analysts, a sort of mergerers' row that has been surveying the rest of the government since mid-1977, is about to make public its plans for further improvement.

The staff has identified four general areas of federal activity in which it should be possible to, as the litany goes, streamline the delivery of services, avoid duplication, eliminate fragmentation and banish confusion, just by moving some people and furniture around. The areas are commerce and trade, revenue sharing, food and nutrition and—the one that is closest to Carter's desk—natural resources.

We have looked over a recent draft of the natural-resources proposal, and we hope that the President will analyze the document more carefully than the staff seems to have analyzed the problems that is intended to solve.

The philosophical base of the plan is a discovery that the earth, air, rivers and lakes and the sea are as one on our planet and must therefore be treated by an all-encompassing federal agency of a size equal to these natural resources.

Even on paper, the magnitude of managing resources on that scale seems to have given the analysts pause, suggesting a consolidation of programs ranging from the merchant marine to air-quality protection to grazing rights and harbor dredging. Rather than walk away from their 18-month study empty-handed, the analysts have settled for a merger of the Department of the Interior and the National Oceanic and Atmospheric Administration (NOAA).

Nothing in the staff papers supports a need for such a merger. The problems that the staff says must be solved generally are problems involving fresh-water resources and other activities that could be handled by shaking up Interior itself. The most serious jurisdictional dispute that the staff found involves ocean mining, a conflict that could be settled with an executive order telling one agency or the other to lay off.

While the gains in management efficiency that would occur with such a merger seem illusory, the risk of a loss of a very effective mechanism for protecting the ocean environment seems quite real.

At present, NOAA provides funds and sets minimum standards for coastal-zone management plans administered by states. It also performs research and coordination for regional fishery programs designed to stop the kind of overfishing that threatens to wipe out some fishing grounds altogether. The Interior Department coordinates oil exploration and production on the outer continental shelf, leasing offshore lands and enforcing safety regulations.

Fishing, coastal conservation and oil production are not always compatible, and there is, and should be, a healthy tension between NOAA and Interior over where oil can and cannot be produced, and under what conditions.

Combining the two agencies would mean repeating a mistake made many times in the past by the federal government when it has placed the responsibility for both promoting and regulating an activity under the same roof. In the past, that structure generally has resulted in promotion and production at whatever cost. Given the relatively small ocean program and the large offshore-oil program, that almost surely would happen in this case; at least it is a chance that Carter does not have to take.

The President has enough issues pending before Congress—a tight budget, SALT and energy, to name a few—without adding a proposal that appears to have less to do with necessity than with carrying out a promise to reorganize.●

RULES OF THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, the Select Committee on Ethics, at a meeting held on February 8, 1979, adopted the procedural rules for the committee. In accordance with the requirement to publish the rules of each Senate committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I ask that the rules be printed in the RECORD.

The rules are as follows:

RULES OF THE SELECT COMMITTEE ON ETHICS

RULE 1. GENERAL PROCEDURES

(a) *Officers:* The Committee shall select a Chairman and a Vice Chairman from among its members. In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) *Procedural Rules:* The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, as amended, as well as other resolutions and laws set forth in Part I. Supplementary procedural rules are stated herein. These rules shall be published in the CONGRESSIONAL RECORD not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) *Meetings:*

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman, provided at least 48 hours notice is furnished to all members; if all members agree, a special meeting may be held on less than 48 hours notice.

(3) If any member of the Committee desires that a special meeting of the Committee be called, he may file in the office of the Committee his written request to the Chairman or Vice Chairman for that special meeting.

Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until 48 hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) *Quorum:*

(1) A majority of the members of the Committee shall constitute a quorum thereof for the transaction of business; however no investigation of conduct of a Member or officer of the Senate and no report, resolution, or recommendation relating thereto may be made unless approved by the affirmative recorded vote of not less than four members of the Committee.

(2) Notwithstanding the provisions of section (1) above, one member of the Committee may constitute a quorum for receiving sworn testimony, and the Committee may authorize the receiving of such testimony by a hearing examiner in accordance with its regulations and procedural rules.

(e) *Order of Business:* Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject always to reversal by a vote by majority of the Committee.

(f) *Hearings Announcements:* The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record; however, if the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) *Open and Closed Committee Meetings:* Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 7(b) to (d) of Rule XXV of the Standing Rules of the Senate (see Appendix A to these Rules). Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specified period or purpose.

(h) *Record of Testimony and Committee Action:* An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session, shall be made available to any witness if he so requests. (*See* Rule 6 below on Procedures for Conducting Hearings.)

(i) *Secrecy of Executive Testimony and Action and of Complaint Proceedings:*

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a sworn complaint shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under S. Res. 338, as amended, or unless otherwise permitted under these Rules. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) *Release of Reports to Public:* No information pertaining to or copies of any Committee report, study, or other document which purports to express the views, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group, whether governmental or private, without the authorization of the Committee; however, whenever the Chairman or Vice Chairman is authorized to make any determination, then it may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (*See* Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) *Ineligibility or Disqualification of Members and Staff:*

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) The member's own conduct;

(B) The conduct of any employee or officer that the member supervises, as defined in paragraph 12 of Rule XLV of the Standing Rules of the Senate (see Appendix B to these Rules);

(C) The conduct of any employee of any officer that the member supervises; or

(D) A complaint, sworn or unsworn, that was filed by a member, or by any employee or officer that the member supervises.

(2) If any Committee proceeding appears to relate to a member of the Committee in a manner described in subsection (1) of this Rule, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman conclude from this report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman; if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continue to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session; any contested questions concerning a member's eligibility shall be decided by majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member may also disqualify himself in his discretion from participating in a Committee proceeding in other circumstances not listed in (1) above.

(4) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from any initial review, investigation, or other proceeding requiring the appointment of another Member in accordance with section (5), below.

(5) Whenever a member of the Committee is ineligible to participate in or disqualifies himself from participating in any initial review, investigation, or other substatnial Committee proceeding, another Member of the Senate who is of the same party and in the same category in terms of years of service in the Senate (see Section 2, S. Res. 338, as amended) shall be appointed by the Senate in accordance with the provisions of paragraph 1 of Rule XXIV of the Standing Rules of the Senate, to serve as a member of the Committee solely for the purposes of that proceeding.

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that, in the judgment of the staff director or outside counsel, relates specifically to any of the following:

(A) the staff member's own conduct;

(B) the conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member.

At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) *Recorded Votes:* Any member may require a recorded vote on any matter.

(m) *Proxies; Recording Votes of Absent Members:*

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of an initial review or an investigation, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In such cases an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than those listed in (1) above, the Committee may order that the record be held open for the vote of absentees or record proxy votes if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested of the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice Chairman to be recorded.

(4) Proxies shall not be considered for the purpose of establishing a quorum.

(n) *Approval of Blind Trust and Foreign Travel Requests Between Sessions and During Extended Recesses:*

"During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond 14 days, the Chairman and Vice Chairman, or their designees, acting jointly, are authorized to approve or disapprove blind trusts under the provision of Rule 42, and to approve or disapprove foreign travel requests which require immediate resolution." (Congressional Record, October 17, 1977, p. 33877.)

(o) *Committee Use of Services or Employees of Other Agencies and Departments:*

With the prior consent of the department or agency involved, the Committee may (a) utilize the services, information, or facilities of any such department or agency of the Government, and (b) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

RULE 2: PROCEDURES FOR SWORN COMPLAINTS

(a) *Sworn Complaints:* Any person may file a sworn complaint with the Committee, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate, or has engaged in improper conduct which may reflect upon the Senate.

(b) *Form and Content of Complaints:* A complaint filed under Rule 2(a) shall be in writing and under oath, and shall set forth in simple, concise and direct statements:

(1) The name and legal address of the party filing the complaint (hereinafter, the complainant);

(2) The name and positions or title of the Member(s), officer(s), or employee(s) of the Senate who is (are) specifically alleged to have engaged in the improper conduct or committed the violation (hereinafter, the respondent);

(3) The nature of the alleged improper conduct or violation, including if possible, the specific provision of the Senate Code of Official Conduct or other law, rule or regulation alleged to have been violated;

(4) A statement of the facts within the personal knowledge of the complainant that are alleged to constitute the improper conduct or violation.

(A) The term "personal knowledge" is not intended to and does not limit the complainant's statement to situations that he or she personally witnessed or to activities in which the complainant was a participant.

(B) Where allegations in the sworn complaint are made upon the information and belief of the complainant, the complaint shall so state, and shall set forth the basis for such information and belief.

(5) The complainant must swear that all of the information contained in the complaint either (a) is true, or (b) was obtained under circumstances such that the complainant has sufficient personal knowledge of the source of the information reasonably to believe that it is true. The complainant may so swear either by oath or by solemn affirmation before a notary public or other authorized official.

(6) All documents in the possession of the complainant relevant to or in support of his or her allegations may be appended to the complaint.

(c) *Processing of Sworn Complaints:*

(1) When the Committee receives a sworn complaint against a Member, officer or employee of the Senate, it shall determine by majority vote whether the complaint is in substantial compliance with subsection (b) above.

(2) If it is determined by the Committee that a sworn complaint does not substantially comply with these requirements, the complaint shall be returned promptly to the complainant, with a statement explaining how the complaint fails to comply and a copy of the rules for filing sworn complaints. The complainant may re-submit the complaint in the proper form. If the complaint is not revised so that it substantially complies with the stated requirements, the Committee may in its discretion process the complaint in accordance with Rule 3 below.

(3) Sworn complaints against Members, officers, or employees of the Senate that are

determined by the Committee to be in substantial compliance shall be transmitted to the respondent within 5 days of that determination. The transmittal notice shall include the date upon which the complaint was received, a statement that the complaint conforms to the applicable rules, a statement that the Committee will immediately begin an initial review of the complaint, and a statement inviting the respondent to provide any information relevant to the complaint to the Committee. A copy of the rules of the Committee shall be supplied with the notice.

RULE 3: PROCEDURES ON RECEIPT OF ALLEGATIONS OTHER THAN A SWORN COMPLAINT; PRELIMINARY INQUIRY

(a) *Unsworn Allegation or Information:* Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, any credible information available to him or her that indicates that any named or unnamed Member, officer or employee of the Senate may have:

(1) Violated the Senate Code of Official Conduct,

(2) Violated a law,

(3) Violated any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate, or

(4) Engaged in improper conduct which may reflect upon the Senate.

Such allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) *Sources of Unsworn Allegations or Information:* The information to be reported to the Committee under Rule 3(a), above, may be obtained from a variety of sources, including but not limited to the following:

(1) Sworn complaints that do not satisfy all of the requirements of Rule 2, above.

(2) Anonymous or informal complaints, whether or not satisfying the requirements of Rule 2 above.

(3) Information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings.

(4) Information reported by the news media.

(5) Information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) *Preliminary Inquiry:* When information is presented to the Committee pursuant to Rule 3(a) above, it shall immediately be transmitted to the Chairman and the Vice-Chairman, for one of the following actions.

(i) The Chairman and Vice Chairman, acting jointly, may conduct, or may direct the Committee staff to conduct, a preliminary inquiry;

(ii) The Chairman and Vice Chairman, acting jointly, may present the allegations or information received directly to the Committee for it to determine whether an initial review should be undertaken. (*See* Rule 3(d), below.)

(1) A preliminary inquiry may include any inquiries or interviews that the Chairman and the Vice Chairman deem necessary or appropriate. In particular, the preliminary inquiry may, in the discretion of the Chairman and Vice-Chairman, seek independent credible evidence that tends to corroborate the information received; it may also, in the discretion of the Chairman and Vice Chairman, include discussions or correspondence with the complainant, if any, and the respondent, if any.

(2) At the conclusion of a preliminary inquiry, the Chairman and Vice Chairman shall receive a full report of its findings. The Chairman and Vice Chairman, acting jointly, shall then determine what further action, if any, is appropriate in the particular case, including any of the following:

(A) No further action is appropriate, because the alleged improper conduct or violation is clearly not within the jurisdiction of the Committee;

(B) No further action is appropriate, because there is no reason to believe that the alleged improper conduct or violation may have occurred; or

(C) The unsworn allegations or information, and a report on the preliminary inquiry, should be referred to the Committee, to determine whether an initial review should be undertaken. (*See* section (d), below.)

(3) If the Chairman and the Vice Chairman are unable to agree on a determination at the conclusion of a preliminary inquiry, then they shall refer the allegations or information to the Committee, with a report on the preliminary inquiry, for the Committee to determine whether an initial review should be undertaken. (*See* section (d), below.)

(4) A preliminary inquiry shall be completed within sixty days after the unsworn allegations or information were received by the Chairman and Vice Chairman; however, this time may be extended for a specified period by the Chairman and Vice Chairman, acting jointly. A preliminary inquiry is completed when the Chairman and the Vice Chairman, have made the determination required by Rule 3(c)(2), (3), above.

(d) *Determination Whether to Conduct an Initial Review:* When information or allegations are presented to the Committee by the Chairman and the Vice Chairman, the Committee shall determine whether an initial review should be undertaken.

(1) An initial review shall be undertaken when:

(A) There is reason to believe on the basis of the information before the Committee that the possible improper conduct or violation may be within the jurisdiction of the Committee; and

(B) There is reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred.

(2) The determination whether to undertake an initial review shall be made by recorded vote within 30 days following the Committee's receipt of the unsworn allegations or information from the Chairman or Vice Chairman, or at the first meeting of the Committee thereafter if none occurs within 30 days, unless this time is extended for a specified period by the Committee.

(3) The Committee may determine that an initial review is not warranted, either (i) because there is no reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred, or (ii) because the improper conduct or violation, even if proven, is not within the jurisdiction of the Committee.

(A) If the Committee determines that an initial review is not warranted, it shall promptly notify the complainant, if any, and any known respondent.

(B) If there is a complainant, he or she may also be invited to submit additional information, and notified of the procedures for filing a sworn complaint. If the complainant later provides additional information, not in the form of a sworn complaint, it shall be handled as a new allegation in accordance with the procedures of Rule 3; if he or she submits a sworn complaint, it shall be handled in accordance with Rule 2.

(4) The Committee may determine that there is reason to believe on the basis of the information before it that the improper conduct or violation may have occurred and may be within the jurisdiction of the Committee, and that an initial review must therefore be conducted.

(A) If the Committee determines that an initial review will be conducted, it shall promptly notify the complainant, if any, and the respondent, if any.

(B) This notice shall include a general statement of the information or allegations before the Committee, and a statement that the Committee will immediately begin an initial review of the complaint. A copy of the rules of the Committee shall be supplied with the notice.

(5) If a member of the Committee believes that the preliminary inquiry has provided sufficient information for the Committee to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, he may move that the Committee dispense with the initial review and move directly to the determinations described in Rule 4(f) below. The Committee may adopt such a motion by majority vote of the full Committee.

RULE 4: PROCEDURES FOR CONDUCTING AN INITIAL REVIEW

(a) *Basis for Initial Review:* The Committee shall promptly commence an initial review whenever it has received either (1) a sworn complaint that the Committee has determined is in substantial compliance with the requirements of Rule 2, above, or (2) unsworn allegations or information that have caused the Committee to determine in accordance with Rule 3 that an initial review must be conducted.

(b) *Scope of Initial Review:*

(1) The initial review shall be of such duration and scope as may be necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(2) The initial review may include any inquiries or interviews that the Committee deems appropriate to obtain the evidence upon which to make this determination, including the taking of sworn statements and the use of subpoenas.

(c) *Opportunity for Response:* An initial review may, in the discretion of the Committee, include an opportunity for any known respondent or his designated representative, to present either a written or oral statement, or to respond orally to questions from the Committee, provided that such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(d) *Status Reports:* The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee; the reports shall be confidential.

(e) *Final Report:* When the initial review is completed, the staff or outside counsel shall make a confidential report to the Committee of findings and recommendations.

(f) *Committee Action:* As soon as practicable following submission of the report on the initial review, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence. In this case, the Committee shall report its determination to the complainant, if any, and to the respondent, together with an explanation of the basis for the determination. This explanation may be as detailed as the Committee desires, but it is not required to include a complete discussion of the evidence collected in the initial review.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical or otherwise of a *de minimis* nature. In this case, the Committee may attempt to correct or to prevent such violation by informal methods. The Committee's final determination in this matter shall be reported to the complainant, if any, and to the respondent, if any.

(3) The Committee may determine that there is such substantial credible evidence, but that the alleged violation, if proven, although not of a *de minimis* nature, would not be sufficiently serious to justify the severe disciplinary actions specified in Senate Resolution 338, as amended (i.e., for a Member, censure, expulsion, or recommendation to the appropriate party conference regarding the Member's seniority or positions of responsibility; or for an officer or employee, suspension or dismissal). In this case, the Committee, by the recorded affirmative vote of at least four members, may propose a remedy that it deems appropriate. If the respondent agrees to the proposed remedy, a summary of the Committee's conclusions and the remedy proposed and agreed to shall be filed as a public record with the Secretary of the Senate and a notice of the filing shall be printed in the Congressional Record.

(4) The Committee may determine, by recorded affirmative vote of at least four members, that there is such substantial credible evidence, and also either:

(A) That the violation, if proved, would be sufficiently serious to warrant imposition of one of the above-listed severe disciplinary actions; or

(B) That the violation, if proven, is less serious, but was not resolved pursuant to the procedure in subsection (3) above.

In either case, the Committee shall order that an investigation promptly be conducted in accordance with Rule 5, below.

RULE 5: PROCEDURES FOR CONDUCTING AN INVESTIGATION

(a) *Definition of Investigation:* An "investigation" is a proceeding undertaken by the Committee, by recorded affirmative vote of at least four Members, after a finding on the basis of an initial review that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within its jurisdiction has occurred.

(b) *Scope of Investigation:* When the Committee decides to conduct an investigation, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. In the course of the investigation, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct inquiries or interviews, take sworn statements, use compulsory process as described in Rule 7 below, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make this determination.

(c) *Notice to Respondent:* The Committee shall give written notice to any known respondent who is the subject of an investigation; the notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an investigation. This notice shall include a statement of the nature of the possible violation, and a description of the evidence indicating that a possible violation occurred. The Committee shall offer the respondent an opportunity to present a statement or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) *Right to a Hearing:* The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 6 below.)

(e) *Progress Reports to Committee:* The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the investigation. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) *Report of Investigation:*

(1) Upon completion of an investigation, including any hearings held pursuant to Rule 6 below, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the investigation and which may recommend disciplinary action, if appropriate. Findings of fact of the investigation shall be detailed in this report whether or not disciplinary action is recommended.

(2) The Committee shall consider the report of the staff or outside counsel promptly following its submission. The Committee shall prepare and submit a report to the Senate, including a recommendation to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. It shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. However, no recommendation or resolution of the Committee concerning the investigation of a Member, officer or employee of the Senate may be approved except by the affirmative recorded vote of not less than four members of the Committee.

(3) Promptly after the conclusion of the investigation, the Committee's report and recommendation shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation shall be printed and made public, unless the Committee determines by majority vote that it should remain confidential.

RULE 6: PROCEDURES FOR HEARINGS

(a) *Right to a Hearing:* The Committee may hold a public or executive hearing in any inquiry, initial review, investigation, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 5(e) above.)

(b) *Non-public Hearings:* The Committee may at any time during a public hearing determine in accordance with paragraph 7(b) of Rule XXV of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. (*See* Appendix A to these Rules.) If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) *Adjudicatory Hearings:* The Committee may, by majority vote, designate any public or executive hearing as an adjudicatory hearing; and any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in Rule 6(j) below shall apply.

(d) *Subpoena Power:* The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 7 below.)

(e) *Notice of Hearings:* The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f) above.

(f) *Presiding Officer:* The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) *Witnesses:*

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may by majority vote rule that no Member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness' scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least 2 working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

(h) *Right To Testify:* Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff member or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may:

(1) Request to appear personally before the Committee to testify in his or her own behalf; or,

(2) File a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained.

Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) *Conduct of Witnesses and Other Attendees:* The presiding officer may punish any breaches of order and decorum by censure and exclusion from the hearings, and the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) *Adjudicatory Hearing Procedures:*

(1) Notice of Hearings: A copy of the public announcement of an adjudicatory hearing, required by Rule 6(e) above, shall be furnished to all witnesses at the time that they are subpoenaed or otherwise summoned to testify, together with a copy of these rules.

(2) Preparation for Adjudicatory Hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any. At the discretion of the Committee, the information and documents to be exchanged under subsections (A) and (B) shall be subject to an appropriate agreement limiting access and disclosure.

(i) A list of proposed witnesses to be called at the hearing.

(ii) Copies of all documents expected to be introduced as exhibits at the hearing.

(iii) A brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in sub-

sections (i), (ii) and (iii) above to the Committee.

(C) If a respondent refuses to provide the information and documents described above to the Committee (see Rule 6(j)(2)(A)(B) above), or if a respondent or other individual violates an agreement limiting access and disclosure (see Rule 6(j)(2)(A) above), the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(8) Swearing of Witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to Counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to Cross-Examine and Call Witnesses:

(A) In adjudicatory hearings, any respondent who is the subject of an investigation, and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her own behalf. Such application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least 1 working day before a witness' scheduled appearance, a witness or a witness' counsel may submit to the Committee written questions proposed to be propounded to that witness. Such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness' counsel may also submit additional sworn testimony for the record within 24 hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of Evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of Evidence shall not be applied strictly, but the presiding officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a majority vote of the Committee before the recess of that day's hearings.

(7) Supplementary Hearing Procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public. (For rules relating to broadcasting and news coverage of committee proceedings, see Rule 10, below.)

(k) *Transcripts:*

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. A member of the Committee, a Committee staff member, or outside counsel, or a witness may examine a copy of the transcript of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman, acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five (5) working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony was given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, transcripts shall be printed as soon as is practicable after receipt of the corrected versions. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The Committee shall furnish each witness, at no cost, one transcript copy of that witness' testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

RULE 7: SUBPOENAS

(a) *Procedure:* Subpoenas may be issued either:

(1) By majority vote of the Committee, or

(2) By the Chairman and Vice Chairman, acting jointly. All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of these Rules of the Committee and a brief statement of the purpose of the initial review, investigation, or other proceeding.

(b) *Subpoena Power:* Pursuant to federal law, 2 U.S.C. 190(b), the Committee is authorized to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate as it deems advisable. The Committee is similarly authorized to require by subpoena or otherwise the attendance of such witnesses or the production of such correspondence, books, papers, documents, or other articles as it deems advisable.

(c) *Withdrawal of Subpoena:* The Committee may, by majority vote, withdraw any subpoena issued by it or issued by the Chairman and Vice Chairman, acting jointly. The Chairman and Vice Chairman, acting jointly, may withdraw any subpoenas issued by them.

RULE 8: VIOLATIONS OF LAW; PERJURY; LEGISLATIVE RECOMMENDATIONS; AND APPLICABLE RULES AND STANDARDS

(a) *Violations of Law:* When the Committee reasonably believes that a violation of law may have occurred, it shall by majority vote of the full Committee, report such violation to the proper state and federal authorities.

(b) *Perjury:* Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty of perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) *Legislative Recommendations:* The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers or employees of the Senate. The Committee may conduct such inquiries as it deems necessary to prepare such a report or resolution, including, but not limited to the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may in its discretion make legislative recommendations as a result of its findings in an initial review, an investigation, or other proceeding.

(d) *Applicable Rules and Standards of Conduct:*

(1) No initial review or investigation shall be made of an alleged violation of any law, rule, regulation, or provision of the Senate Code of Official Conduct which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may conduct an initial review or investigation of an alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Committee.

RULE 9: PROCEDURES FOR HANDLING COMMITTEE SENSITIVE AND CLASSIFIED MATERIALS

(a) *Procedures for Handling Committee Sensitive Materials:*

(1) Committee Sensitive information or material is that information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusation of such conduct; to any resulting preliminary inquiry, initial review, or investigation by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to other information or material designated by the staff director, or outside counsel designated by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee, shall establish such procedures as in their judgment may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be set down in writing and shall be given to each Committee staff member.

(b) *Procedures for Handling Classified Materials:*

(1) Classified information or material is that information or material which is specifically designated as such under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee, shall establish such procedures as in their judgment may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedures for handling such information shall be set down in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only those Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman acting jointly, shall have access to classified information in the Committee's possession.

(c) *Procedures for Handling Committee Sensitive and Classified Documents:*

(1) Committee Sensitive and classified documents and materials shall be segregated in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession; however, the staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be taken by a member of the Committee staff to the office of a member for his or her examination, but the Committee staff member shall remain with the Committee Sensitive or classified documents or materials at all times except as specifically authorized by the Chairman or Vice Chairman.

(3) Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than those which are matter of public record, shall request access in writing. The Committee shall decide by majority vote whether to make the documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(4) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) *Non-disclosure policy and agreement:*

(1) No member of the Select Committee on Ethics, its staff, or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics, to any person not a member of the Select Committee on Ethics or its staff, except an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, except as auhorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

RULE 10: BROADCASTING AND NEWS COVERAGE OF COMMITTEE PROCEEDINGS

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by majority vote that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography or other methods is occurring. At the request of any such witness who does not wish to be subjected to radio, television, still protography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements: (1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and staff, or with the orderly process of the meeting or hearing.

(d) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(e) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(f) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(g) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

RULE 11: PROCEDURES FOR ADVISORY OPINIONS

(a) *When Advisory Opinions are Rendered:*

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the Congressional Record after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw or elaborate on any advisory opinion.

(e) *Reliance on Advisory Opinions:*

(1) Any advisory opinion rendered by the Committee under S. Res. 338, as amended, and these Rules may be relied upon by:

(A) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided however*, That the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of S. Res. 338, as amended, and of these Rules, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

RULE 12: PROCEDURES FOR INTERPRETATIVE RULINGS

(a) *Basis for Interpretative Rulings:* S. Res. 338, as amended, authorizes the Committee in its discretion to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Commit-

tee also may issue such rulings clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) *Request for Ruling:* A request for such a ruling must be directed in writing to the Chairman or the Vice Chairman of the Committee.

(c) *Adoption of Ruling:*

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretative ruling in response to any such request, unless:

(A) They cannot agree, or

(B) It requires an interpretation of a significant question of first impression, or

(C) Either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) above shall be adopted by a majority of the members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) *Publication of Rulings:* The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which, in the Committee's discretion, may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw or elaborate on interpretative rulings.

(e) *Reliance on Rulings:* Where an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) *Rulings by Committee Staff:* The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

RULE 13: PROCEDURES FOR COMPLAINTS INVOLVING IMPROPER USE OF THE MAILING FRANK

(a) *Authority to Receive Complaints:* The Committee is directed by Section 6(b) of Public Law 93-191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in Rule 13(b) below.

(b) *Disposition of Complaints:*

(1) The Committee may in its discretion dispose of any such complaint by requiring restitution of the cost of the mailing if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an initial review or investigation, must be summarized, together with the disposition, in a notice promptly transmitted for publication in the Congressional Record.

(3) If a complaint is disposed of by restitution the complainant, if any, shall be notified of the disposition in writing.

(c) *Advisory Opinions and Interpretative Rulings:* Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 11 and 12.

RULE 14: PROCEDURES FOR WAIVERS

(a) *Authority for Waivers:* The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Paragraph 2(c) of Rule XLII relating to annual reporting of gifts received aggregating $100 or more;

(2) Paragraph 1 of Rule XLIII relating to acceptance of gifts; or

(3) Paragraph 5 of Rule XLIX relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) *Requests for Waivers:* A request for a waiver under paragraph (a) above must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 12 of Rule 45 of the Standing Rules of the Senate) should be included with the waiver request.

(c) *Ruling:* The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision.

(d) *Availability of Waiver Determinations:* A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office.

RULE 15: DEFINITION OF "OFFICER OR EMPLOYEE"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLIX(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a Member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLIX(4) of the Standing Rules of the Senate.

RULE 16: COMMITTEE STAFF

(a) *Committee Policy:*

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(1) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public without Committee approval any Committee Sensitive or Classified information, documents or other material obtained during the course of his or her employment with the Committee.

(b) *Appointment of Staff:*

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including a staff recommended by a special counsel, for the purpose of a particular initial review, investigation or other proceeding; such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, initial review, investigation or other proceeding which, in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any investigation undertaken after an initial review of a sworn complaint, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) *Dismissal of Staff:* A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) *Staff Works for Committee as a Whole:* All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) *Notice of Summons to Testify:* Each member of the Committee staff shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

RULE 17: CHANGES IN SUPPLEMENTARY PROCEDURAL RULES

(a) *Adoption of Changes in Supplementary Rules:* The Rules of the Committee, other than those established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended or suspended at any time; *Provided, however,* that not less than a majority of the entire membership so determine at a meeting called with due notice, and that prior written notice of the proposed change has been provided each member of the Committee.

(b) *Publication:* Any amendments adopted to the Rules of the Committee shall be published in the Congressional Record not later than thirty days after adoption.●

APPOINTMENT OF SPECIAL PROSECUTORS

● Mr. RIBICOFF. Mr. President, title VI of the Ethics in Government Act of 1978, Public Law 95-521, establishes a standby mechanism for the court appointment of a temporary special prosecutor in cases involving specified high-ranking officials of the executive branch and the political party of the incumbent President. In practically every recent administration, controversy has erupted over the handling of such cases. These controversies

arose because cases requiring the investigation or prosecution of a person close to the President present an unavoidable, constitutional conflict of interest for the Department of Justice. In recognition of this reality, with the full support of the Attorney General and the Department of Justice, the legislation establishes a procedure for considering the need for a special prosecutor and the timely appointment of a special prosecutor in appropriate cases involving a narrow range of high-ranking officials.

I believe this legislation will help us avoid future crises in the administration of justice and increase public confidence in the ability of our system of justice to handle these most difficult cases.

Gary Katzmann, a student at the Yale Law School, has written a thoughtful analysis of significant issues pertaining to the special prosecutor legislation. The note states clearly the urgent constitutional justification for court appointment of special prosecutors empowered to investigate and bring indictments against executive officials while functioning independently of the Executive.

I commend Mr. Katzmann for his lucid analysis of this important subject, and I ask that the following summary of his article be printed in the RECORD.

THE PROPOSED COURT-APPOINTED SPECIAL PROSECUTOR: IN QUEST OF A CONSTITUTIONAL JUSTIFICATION

The Note defends the constitutionality of court-appointed special prosecutors, and establishes that the validity of an indictment is not dependent on the concurrence of the executive branch.

The Note begins by setting out the urgent constitutional principle which requires that the executive should not escape the reach of the law. It then provides a compelling constitutional justification for court-appointment of special prosecutors empowered to investigate and bring indictments against executive officials while functioning independently of the executive.

Because the prosecutor has traditionally been considered a part of the executive branch, the constitutionality of court appointment of a special prosecutor who would be independent of the executive is a separation-of-powers question. The Note derives a constitutional justification for court appointment by focusing on the grand jury's function as an independent body that can respond to executive wrongdoing and by recognizing the prosecutor's duties in aid of the grand jury's investigative function. In bare outline, the Note demonstrates that since the grand jury is an arm of the court, court appointment of the special prosecutor is merely in keeping with the judiciary's manifold powers to protect the integrity of the grand jury. The Note also indicates that history and state practice support court appointment.

The Note observes that the grand jury indictment is crucial because it exposes alleged corruption to public pressure and subjects misconduct to the reach of legal process. The special prosecutor legislation, by providing that the special prosecutor may frame and sign indictments, recognizes that the effectiveness of the grand jury can be promoted only if it is free to bring indictments without the consent of the executive.

A major challenge to the special prosecutor scheme is the contention that an indictment is valid only if signed by an executive official. Since the special prosecutor is neither appointed by nor answerable to the executive, it is argued, an indictment signed by the special prosecutor cannot be valid. The crucial decision supporting this argument is the 1965 case of *United States* v. *Cox*, which effectively holds that an indictment can be valid only if signed by an executive official. The Note establishes that *Cox* should no longer be followed because it is inconsistent with precedent, legislative history, and sound public policy.●

SPECIAL ORDERS AND ORDER FOR EXECUTIVE SESSION ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday after the recognition of the two leaders under the standing order, the Senator from Virginia (Mr. WARNER) be recognized for not to exceed 15 minutes, and that at the conclusion of that 15 minutes I be recognized for not to exceed 15 minutes, just so that I may yield my time to Senators if so needed; and that upon the conclusion of that 15 minutes I be recognized to move that the Senate go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO SIGN DULY ENROLLED BILLS AND JOINT RESOLUTIONS DURING THE ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore may be authorized to sign all duly enrolled bills and joint resolutions during the recess of the Senate over until Monday at noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO RECEIVE MESSAGES DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that messages from the House of Representatives and/or the President of the United States during the recess over until Monday at noon may be received and appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRICE AND INCOME PROTECTION FOR AGRICULTURAL PRODUCERS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Arkansas (Mr. PRYOR) I ask unanimous consent that the text of S. 369, a bill introduced on February 7 by Senators BUMPERS and PRYOR, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer and Agricultural Protection Act of 1979".

FINDINGS

SEC. 2. Congress finds that—

(1) agricultural production in the United States is the foundation of many industries and generates extensive domestic and foreign commerce;

(2) a strong, vigorous agriculture is essential to the welfare of the United States;

(3) the agricultural producers of the United States are the most efficient and productive farmers in the world and that status must be continued;

(4) at the present time the agricultural producers of the United States are faced with major economic problems; they are deeply in debt, receive prices for their commodities which do not recover the cost of producing such commodities, and are without any means of escaping agricultural cycles of overproduction which drive the level of return on their agricultural investment below subsistence levels;

(5) direct and immediate economic relief is required to prevent irreversible changes in the character of the agricultural producers in this Nation because many farm operations are being forced into bankruptcy and the owners of many other such operations are abandoning agricultural production for other means of earning a livelihood;

(6) current agricultural policies will not provide the infusion of money and market stability necessary to reverse the disastrous economic plight of agricultural producers;

(7) producers of certain agricultural commodities have been seriously injured by extensive imports of such commodities;

(8) strong and consistent export policies which have benefited agricultural producers of the United States in the past by providing markets for the Nation should be instituted; and

(9) agricultural producers should and must have a voice in the policies of the United States which directly impact on their livelihood.

PURPOSES

SEC. 3. The purposes of this Act are—

(1) to provide to agricultural producers an equitable price for their agricultural commodities calculated on the basis of the comprehensive cost of producing such commodities, without regard to whether such commodities are sold for consumption in the United States or for export;

(2) to provide for a national reserve of certain agricultural commodities;

(3) to provide effective representation of agricultural producers in the formulation of the policies of the United States which affect agriculture;

(4) to regulate the import and export policies of the United States to insure that domestic agricultural producers receive a price for their commodities based upon their comprehensive costs of producing such commodities;

(5) to curtail or eliminate from the domestic agricultural economy the transfer of unfavorable economic conditions from one agricultural commodity to another; and

(6) to provide price stability in domestic and foreign markets for agricultural commodities which will result in equitable prices to producers for such commodities and at the same time reflect the comprehensive cost of producing such commodities.

DEFINITIONS

SEC. 4. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of Agriculture.

(2) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and the territories and possessions of the United States.

(3) the term "specified commodity" means wheat, corn, grain sorghum, barley, oats, rice, soybeans, cotton, and sugar.

(4) the term "producer" means the original producer of any specific commodity, whether produced for himself or produced under contract or agreement for another, and includes any individual partnership, firm, joint-stock company, corporation, association, trust, or estate engaged in the pro-

duction of one or more agricultural commodities.

(5) the term "Department" means the United States Department of Agriculture.

NATIONAL BOARD OF AGRICULTURE GOVERNORS

SEC. 5. (a) There is hereby established a board to be known as the National Board of Agricultural Governors (hereinafter in this Act referred to as the "Board").

(b) The Board shall be composed of twenty-one members appointed by the President as provided in subsection (c). The terms of the members first taking office shall expire (as designated by the President at the time of appointment) seven at the end of one year, seven at the end of two years, and seven at the end of three years. Thereafter the term of office for all members shall be three years, except that the term of any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of his predecessor.

(c)(1) One member shall be appointed by the President from each of the twelve Farm Credit Districts of the United States to represent the interests of producers of agricultural commodities. The appointment in the case of each such district shall be made from among nominees submitted to the President from such district as provided in subsection (d).

(2) Three members shall be appointed by the President from among nominees submitted by the Secretary as provided in subsection (e).

(3) Two members shall be appointed from among persons nominated by consumer organizations.

(4) Two members shall be appointed from among persons nominated by organized labor.

(5) Two members shall be appointed from among persons nominated by business organizations.

(d) Nominees for appointment to the Board from the Farm Credit Districts of the United States shall be selected as follows:

(1) Each county committee (established under section 8(b) of the Soil Conservation and Domestic Allotment Act) of each State within each Farm Credit District shall select three nominees from among its members and designated alternate members. The members and designated alternate members shall have equal voting right for such purpose.

(2) The producers of specified commodities in each county shall elect one of the nominees referred to in paragraph (1) to represent such county in a State Convention called for the purpose of selecting a nominee from the State concerned for appointment to the Board.

(3) Each such State convention shall select a nominee for appointment to the Board from the Farm Credit District in which the State concerned is located. One of the nominees from each of the Farm Credit Districts shall be appointed to the Board by the President. Each such State convention shall establish its own procedures for selecting its nominee.

(e) The Secretary shall nominate for appointment to the Board by the President six persons to represent the interests of specified commodities not adequately represented by persons appointed under subsection (c)(1). In selecting nominees for appointment to the Board, the Secretary shall not favor any particular geographic area or region of the United States.

(f) In designating the terms of office of the first members appointed to the Board, the President shall insure that the terms of not more than one-third of the members appointed under subsection (c)(1) will expire in any one year and that the terms of the two members appointed under each of the paragraphs (3), (4), and (5) of subsection (c) will expire in different years.

(g) Appointments made from nominations submitted under paragraphs (3), (4), and (5) shall bt made on a bipartisan basis.

(h) No person shall be eligible for appointment to the Board from any Farm Credit District or by action of the Secretary under subsection (e) of this section unless such person is actively participating in farming or ranch operations and derives at least two-thirds of his income from such operations.

(i) The President shall designate one of the members appointed under subsection (c)(1) as Chairman of the Board.

(j) A member of the Board may be removed by the President only for neglect of duty or malfeasance in office.

(k) A member of the Board may continue to serve on the Board after the expiration of his term of office until such time as his successor has been appointed.

(l) No person may be appointed to the Board for more than one three-year term.

(m) A quorum for the transaction of the business of the Board shall be fifteen members and all actions of the Board shall be determined by a majority vote of the members present.

(n) Any vacancy on the Board shall not affect its powers to function but shall be filed in the same manner as the original appointment was made.

(o) The Board shall have an official seal which shall be judicially noticed.

DUTIES OF THE BOARD

SEC. 6(a) The duties of the Board shall be—

(1) to establish and revise on an annual basis a comprehensive cost of production price for each specified commodity;

(2) to establish cost of production price levels for specified commodity loans made or guaranteed under this Act;

(3) to advise the President, the Secretary, and the Special Representative for Trade Negotiations on international trade agreement negotiations which pertain to agricultural commodities and on matters and policies affecting the importation of agricultural commodities;

(4) to seek and develop export markets for agricultural commodities produced in the United States;

(5) to allocate among producers on a fair and equitable basis production or marketing adjustments established for any specified commodity; and

(6) to perform such other functions as may be necessary to carry out the policies and purposes of this Act.

(b) The Board shall hold public hearings prior to establishing a cost of production price for any specified commodity and prior to allocating production or marketing adjustments among producers whenever such adjustments are established for any specified commodity.

(c) The Board shall consult with and advise the Secretary regarding the improvement and implementation of the agricultural policies and programs of the United States. The Board shall, from time to time, submit to the Secretary such recommendations as the Board deems appropriate regarding the long-range production and marketing of each specified commodity.

DUTIES OF THE CHAIRMAN; ACTING CHAIRMAN

SEC. 7. (a) The Chairman of the Board shall be responsible on behalf of the Board for the executive and administrative operation of the Board, including the functions of the Board with respect to—

(1) the organization and supervision of personnel employed by the Board, except that each member of the Board may select and supervise personnel for his personal staff;

(2) the distribution of work and responsibilities among personnel and among administrative units of the Board;

(3) the expenditure of and accounting for funds appropriated for Board functions, and

(4) the recruitment and hire of such employees, experts, advisors, clerical assistants, and other categories of personnel as the Board, in its sole discretion, deems necessary to carry out effectively and efficiently its duties and functions under this Act.

(b) The Chairman of the Board may from time to time designate any other member of the Board as Acting Chairman to act in the place and stead of the Chairman in the absence of the Chairman. The Chairman (or the Acting Chairman) shall preside at all sessions of the Board.

INDEPENDENCE OF BOARD MEMBERS AND PERSONNEL

SEC. 8. In the performance of their functions under this Act, the members and other personnel of the Board shall not be responsible or subject to the supervision or control of any officer, employee, or agent of the Department.

AUTHORITY OF THE BOARD TO ESTABLISH RULES

SEC. 9. The Board is authorized to establish such procedural and administrative rules as are necessary to carry out its duties and functions under this Act.

BUDGET FOR BOARD ACTIVITIES

SEC. 10. The Board shall prepare and submit an annual budget to the President for transmission to the Congress and such budget shall be separate from the annual budget of the Department. The Board shall not be dependent in any way upon funds of the Department to carry out its duties and functions under this Act.

SPECIAL POWERS OF THE BOARD

SEC. 11. In carrying out its duties and functions under this Act, the Board shall have power to hold hearings, administer oaths, examine witnesses, and receive evidence at any place in the United States.

COST OF PRODUCTION PRICES

SEC. 12. (a) The Board shall establish and announce a comprehensive cost of production price for each specified commodity prior to the beginning of each marketing year for such commodity. Such cost of production prices as established shall reflect cost principles and accounting procedures utilized by business management in industry and trade. In determining the cost of production for any such commodity the Board shall include as components of such price—

(1) variable costs; including a cost for hired labor at equivalent industry wage levels;

(2) machinery ownership costs, including current replacement costs of farm machinery and equipment;

(3) general farm overhead costs attributable to the production of such commodity;

(4) a value for the management services contributed by the producer of such commodity;

(5) a value for land utilized in the production of such commodity, such value to reflect the value of farmland as valued for estate tax valuation purposes under section 2032A of the Internal Revenue Code of 1954 rather than reflecting values based on the current market value of real property used for agricultural purposes; and

(6) such other factors as, in the Board's discretion, should be included to accurately reflect the cost of producing such commodity.

(b) The Board shall conduct public hearings prior to the beginning of each marketing year for each specified commodity to give producers and other interested parties an opportunity to be heard on matters relating to the cost of production price to be established for such commodities for such marketing year.

(c) The cost of production price for any

specified commodity shall be established at a level which will provide incentive toward maximum efficiency in the production of such commodity and not at a level which will encompass those producers who are inefficient in the production of such commodity.

(d) The Board shall promptly notify the Secretary in writing whenever it establishes or revises a cost of production price for any specified commodity for any marketing year and shall provide for the publication of such information in the Federal Register. The Board shall also provide for such public announcements of such information as it deems necessary to make such information generally known to the producers concerned.

(e) The Secretary shall designate by regulation a marketing year for each specified commodity.

GUARANTEE OF LOANS; AMOUNT OF LOANS; TERMS

SEC. 13. (a) The Secretary shall guarantee in any year the full amount of commodity loans made by commercial lending institutions to producers of nonperishable specified commodities (as determined by the Board). The amount of any such loan (loan level) in the case of any producer shall be an amount not in excess of an amount determined by multiplying the quantity of such commodity on which such producer is eligible for a loan under this Act by the cost of production price established by the Board for such commodity for the year concerned.

(b) The term of such loan shall be for such period as may be agreed upon by the lender and the producer-borrower but in no case for a period longer than thirty-six months.

(c) No loan may be guaranteed under this Act unless the rate of interest thereon is no greater than the rate of interest on comparable loans made by commercial lending institutions in the same area for the same purpose without the benefit of federal guarantees.

DIRECT LOAN AUTHORITY

SEC. 14. (a) The Secretary is also authorized to make loans to producers of nonperishable specified commodities (as determined by the Board) on their crops through the facilities of the Commodity Credit Corporation Loans made under authority of this section shall be made at a level not less than that prescribed in section 13(a). Loans made by the Secretary under authority of this subsection on any specified commodity shall be made at the same rate of interest at which loans guaranteed under this Act are made on the same commodity. The Secretary shall use the guarantee loan program whenever practicable in providing an initial loan to any producer on any specified commodity.

(b) Producers shall be entitled, upon application to the Secretary, to obtain a loan from the Secretary as provided in subsection (a) on the commodities owned by such producers in an amount not less than that described in section 13. Loans made under this subsection shall be for an unspecified period of time. Notwithstanding the foregoing, no loan may be made by the Secretary on any specified commodity of such producer unless such producer has satisfied any prior loan made on such commodities which was guaranteed by the Secretary or unless the proceeds of the loan made by the Secretary are to be used to satisfy such prior loan.

NONRECOURSE NATURE OF LOANS; ADJUSTMENTS FOR GRADE AND OTHER FACTORS; COMPLIANCE REQUIREMENTS

SEC. 15. (a) Loans guaranteed by the Secretary under section 13 and loans made under section 14 shall be guaranteed and made without recourse against the producer-borrowers and no security other than the commodity on which such loans are made shall be required.

(b) The Board may adjust the loan level for any specified commodity on the basis of the grade, type, staple, or quality of such commodity.

(c) No producer shall be eligible for a loan or guarantee under this Act on any specified commodity unless such producer complies with the other requirements of this Act.

MANDATORY RELEASE PRICE

SEC. 16. (a) The Board shall establish for each specified commodity mandatory release prices at which a percentage (specified by the Board) of the quantity of that commodity under loan (made or guaranteed under this Act) must be released for sale in domestic or export markets. Mandatory release prices shall be a condition of any loan made or guaranteed under this Act.

(b) Mandatory release prices shall be established for each specified commodity prior to the start of the marketing year for such commodity and shall remain in effect for that marketing year.

(c) Mandatory release prices in the case of any specified commodity shall be established by the Board as a percentage above one hundred per centum of the cost of production price for that commodity plus storage charges and interest charges applicable to prevailing loans for that commodity.

AUTHORITY TO CALL LOANS

SEC. 17. The Secretary is authorized to call any loan made under this Act and secured by commodities comprising part of the National Commodity Reserve, if the Secretary determines that the domestic or foreign market for the commodity for which such loan was made is unstable because insufficient quantities of that commodity are being offered for sale, except that the Secretary may only call loans on such commodity at any time that the market price for such commodity is at or above the mandatory release price established by the Board for such commodity. The Secretary shall call the oldest outstanding loans first and proceed chronologically to the newest loan outstanding; except that at no time shall the Secretary call any loans on any specified commodity if the calling of such loans will cause the price of such commodity to drop below the cost of production price currently in effect under this Act for such commodity.

PROHIBITION AGAINST RENEWAL OR EXTENSION OF CERTAIN LOANS

SEC. 18. No new loan may be made or guaranteed under this Act with respect to any quantity of any specified commodity owned by any producer and no existing loan may be renewed or extended on any quantity of such commodity owned by any producer if such quantity of such commodity has been ordered released from loan pursuant to section 17 or the loan on such quantity of such commodity has been called pursuant to section 18.

NATIONAL COMMODITY RESERVE

SEC. 19. (a) The Secretary, in consultation with the Board shall establish and maintain each year a national reserve for each of the following commodities: wheat, corn, grain sorghum, barley, oats, rye, rice, soybeans, cotton, sugar, and any commodity which may be stored from marketing year to marketing year made subject to the provisions of this Act by producer referendum conducted under section 23(a). The total quantity of all such commodities placed in reserve under this section shall be known as the "National Commodity Reserve".

(b) The purpose of the National Commodity Reserve shall be—

(1) to provide quantities of certain commodities sufficient to maintain adequate supplies of such commodities in time of war and national emergency during periods of shortages occurring as the result of natural disaster, and to meet foreign demand for such commodities; and

(2) to provide a mechanism by which the producers of such commodities may be protected from depressed prices caused by periodic overproduction and excessive marketing of such commodities.

(c) The Secretary, in consultation with the Board, shall designate the national reserve for each commodity set forth in subsection (a) prior to the marketing year for such commodity.

(d) Loans secured by any quantity of commodities designated as part of the National Commodity Reserve may only be made through the facilities and services of the Commodity Credit Corporation.

(e) The Secretary shall accept applications from producers to designate quantities of commodities as part of the National Commodity Reserve, and shall designate such quantities to enter the National Commodity Reserve based on the date of application, with quantities contained in applications arriving first entering the National Commodity Reserve until the quantity designated as the reserve for each commodity shall be met. Application shall be for a term of thirty-six months.

(f) Any quantity of commodities designated as part of the National Commodity Reserve may only be removed from reserve by action of the Secretary as provided in section 17. Commodities may be removed from the National Commodity Reserve by the owner of such commodities if the owner makes application to the Secretary to remove such commodities. The Secretary is authorized to establish conditions upon the release of commodities from reserve by such applications as may be necessary to maintain a National Commodity Reserve sufficient for the purposes of this Act.

STORAGE; PAYMENT OF STORAGE COSTS; INTEREST PAYMENTS

SEC. 20. (a) Producers may, if they so elect, store on the farm any quantity of a specified commodity produced by them which has been designated as a part of the National Commodity Reserve.

(b) The Secretary shall pay the storage costs for commodities stored as a part of the National Commodity Reserve, whether stored on the farm or in commercial facilities, but only to the extent that such costs do not exceed prevailing commerical rates.

(c) Whenever a portion of the total quantity of any commodity of any producer is placed in the National Commodity Reserve, the interest on that amount of the loan (made or guaranteed) attributable to such portion shall be paid by the Secretary.

RESPONSIBILITY FOR LOSS OR DESTRUCTION RESERVE COMMODITY STOCKS; ROTATION

SEC. 21. (a) The owner of any specified commodity, a quantity of which has been designated by the Secretary for the National Commodity Reserve, shall be responsible for the proper storage and care of such commodity. In the event that any such quantity of a specified commodity for which any producer is responsible is lost or destroyed by reason of the negligence or misconduct of such producer, such producer shall pay to the Secretary an amount equal to the amount of the loan (made or guaranteed under this Act) secured by the quantity of such commodity lost or destroyed, plus any storage and interest charges which may have been paid by the Secretary in connection with such quantity of such commodity lost or destroyed.

(b) Under such regulations as the Secretary shall prescribe, stocks of specified commodities designated as a part of the National Commodity Reserve may be rotated by producers to prevent spoilage and deterioration

of such commodities and may be moved from one place of storage to another.

PRODUCTION MANAGEMENT

SEC. 22. (a) Each producer of a specified commodity shall report in writing to the Secretary, through the appropriate office of the Agricultural Stabilization and Conservation Service, the quantity of such commodity such producer plans to produce in the next production year. Such report shall be filed at such time in advance of the production year for such commodity as the Secretary determines will provide adequate time for allocating individual production adjustments for such commodity in the event production adjustments with respect to such commodity are determined necessary. Copies of production reports filed under this section shall be furnished to the Board by the Secretary in such manner as the Board may request.

(b) The Secretary shall evaluate the domestic stocks of specified commodities prior to the start of the marketing year for that commodity. If the Secretary, in consultation with the Board, determines on the basis of the information obtained under subsection (a) that the domestic stocks of any specified commodity, including quantities designated for the National Commodity Reserve, will exceed domestic and foreign demand for such commodity in the next marketing year, the Secretary shall determine and announce a production adjustment for the next production year for such commodity. The production adjustment for any commodity shall be apportioned among the producers of such commodity by the Board and the reduction in production shall be equally applied to all producers.

(c) Each producer required to reduce production of any specified commodity as the result of a production adjustment shall remove from production of such commodity average production quality land (in the case of a soil produced commodity) and such land shall be contiguous or in fieldsized pieces.

(d) No crop may be harvested from land removed from production under this section and such land may not be used for grazing purposes. In the event that any producer subject to a production adjustment produces a crop or grazes livestock on land removed from production by such adjustment, such producer shall be subject to a civil penalty as follows:

(1) If the crop produced on land removed from production adjustment is a crop of a specified commodity, the producer shall be liable to the United States for an amount equal to the cost of production price for the commodity produced on such land multiplied by the normal yield for such land, and the entire crop of the specified commodity produced by such producer, including the crop of such commodity produced by such producer on land removed from production under a production adjustment, shall be subject to a lien in favor of the United States.

(2) If the crop produced on land removed from production under a production adjustment is a crop of an agricultural commodity not subject to this Act, the producer shall be liable to the United States for an amount equal to the cost of production price for the specified commodity which constitutes the producer's largest crop in the crop year concerned multiplied by the normal yield of such specified commodity for the land on which the commodity (not subject to this Act) was produced, and the entire crop of such specified commodity produced by such producer shall be subject to a lien in favor of the United States.

(3) If the land removed from production in any marketing year by a production adjustment is used by a producer for grazing purposes, then such producer shall be ineligible for the loans and loan guarantees established by this Act for that marketing year.

(e) The Secretary shall authorize by regulation the use of marketing cards and any other procedure which, in his discretion, may be necessary to enforce produce compliance with the production adjustments established by this section.

(f) Production adjustments established in any year for any specified commodity shall apply to all producers of such commodity whether or not such producers apply for and received loans or guarantees under this Act.

(g) Any quantity of a specified commodity produced for human consumption on the farm on which produced shall be exempt from the provisions of this Act. Acreage used for research purposes and seed stock shall also be exempt from the provisions of this title, subject to regulations issued by the Secretary.

(h) No payments shall be made by the Secretary for any land removed from the production of any specified commodity as the result of a production adjustment made under this section.

(i) The Secretary is hereby authorized to issue such regulations as may be necessary to require that acreage removed from production under this Act shall be devoted to soil conserving uses.

REFERENDUMS

SEC. 23. (a) If 15 per centum or more of the producers of any agricultural commodity, other than a specified commodity, petition the Board in writing for a referendum of the producers of such commodity on the question of whether or not such commodity should be a specified commodity for the purposes of this Act, the Board shall, within sixty days after validating the petition, conduct a referendum by secret ballot of such producers. If a majority of the producers of such commodity voting in such referendum vote in favor of making the provisions of this Act applicable to such commodity, then, on and after the date on which the results of such referendum are determined, such commodity shall, for the purposes of this Act, be considered a specified commodity.

(b) If 15 per centum or more of the producers of any specified commodity petition the Board in writing for a referendum to determine whether the producers of such commodity wish to terminate the program provided for under this Act with respect to such commodity, the Board shall, within sixty days after validating the petition, conduct a referendum by secret ballot of the producers of such commodity. If a majority of the producers of such commodity voting in such referendum vote to terminate the program provided for in this Act with respect to such commodity, then, within a period of ninety days after the results of such referendum are determined, such commodity shall no longer be considered as specified commodity for purposes of this Act; but nothing in this paragraph shall be construed to prevent the subsequent application of the provisions of this Act to such commodity pursuant to the procedures provided for in paragraph (a).

NOTICE TO CONGRESS OF PROPOSED ACTION

SEC. 24. (a) The Board shall notify the Congress in writing of any cost of production price proposed to be established by the Board under this Act. No such proposed section shall become effective unless (1) thirty days of continuous session of the Congress have expired following the date on which notice of such proposed action is received by the Congress, and (2) neither House of Congress had adopted, within such thirty-day period, a resolution disapproving such proposed action.

(b) For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such thirty-day period.

PARTICIPATION BY SECRETARY IN PUBLIC HEARINGS CONDUCTED BY THE BOARD

SEC. 25. The Secretary may participate in any public hearings held by the Board but shall comply with the rules of procedure established by the Board for the conduct of such hearings. The participation of the Secretary in any hearing conducted by the Board shall not affect the obligation of the Board to assure procedural fairness to all interested parties.

IMPORT AND EXPORT OF AGRICULTURAL COMMODITIES

SEC. 26. No quantity of any specified commodity may be imported into the United States in any year at a price less than the domestic cost of production for such commodity as established by the cost of production price for such commodity for such year, adjusted by appropriate transportation and handling costs.

AUTHORITY TO IMPOSE CUSTOM DUTIES

SEC. 27. The Board is authorized to impose upon specified commodities imported into the United States such custom duties as may be necessary to maintain the price of such imported commodities at levels established under this Act for the same kinds of commodities produced in the United States. Moneys collected on imported commodities as the result of action under this section shall be utilized by the Secretary in his discretion to make specified commodities produced in the United States competitive in foreign markets.

MINIMUM PURCHASE PRICE FOR COMMODITIES PURCHASED BY GOVERNMENT FOR EXPORT

SEC. 28. No specified commodity produced in the United States may be purchased in any year by the Secretary or any department or agency of the government for use in carrying out any food assistance program in any foreign country at any price less than a price equal to the cost of production of such commodity as established by the cost of production price for such commodity for such year.

INSPECTION STANDARDS

SEC. 29. All quality inspection requirements applicable by law, Executive order, or regulation to domestically produced agricultural commodities shall be applicable to imported agricultural commodities of the same type as a condition of the entry of such imported commodities in the United States.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 30. There are hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this Act.

JURISDICTION OF DISTRICT COURTS OF THE UNITED STATES

SEC. 31. Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all cases or controversy arising under this Act, or under rules, regulations, or orders issued exclusively thereunder.

APPLICABILITY OF OTHER LAWS

SEC. 32. Any provision of law in effect on the day before the date of enactment of this Act which is applicable to any agricultural commodity to which this Act is also applicable, to the extent inconsistent with the provisions of this Act, as determined by the Secretary in consultation with the Board, shall be null and void on and after the date of enactment of this Act.

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 33. Section 5315 of title 5, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(123) Members, National Board of Agricultural Governors.".

RULES AND REGULATIONS

SEC. 34. The Secretary is authorized to promulgate such rules and regulations as may be necessary to carry out the requirements and policies of this Act.

SEPARABILITY CLAUSE

SEC. 35. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. ROBERT C. BYRD. Mr. President, does any other Senator seek recognition at this time?

The PRESIDING OFFICER. Does any Senator seek recognition? Evidently not.

ORDER FOR RECESS UNTIL MONDAY, FEBRUARY 26, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, on Monday, the Senate will take up the nomination of Leonard Woodcock. It being in order to move to go into executive session and that motion not being debatable, and Mr. Woodcock being the first nominee, as a matter of fact as of now is the only nominee on the calendar, once in executive session the Senate will automatically be on the nomination of Mr. Woodcock so the motion to proceed is not debatable and the nomination itself is debatable. I think all Senators are entitled to know that the Senate will be on that nomination on Monday.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I thank the majority leader for giving us this advanced notice.

As he knows, I believe we have a hold on this nomination on the Executive Calendar. I have made an effort at this point to reach the Senator on behalf of whom this hold has been noted. He is out of town at the moment. I will reach him in the course of the next few hours, I trust, but in any event I join in the majority leader's appraisal of the situation. Under these circumstances and with the Executive Calendar and for that matter the General Orders Calendar being free of any other item, the rules themselves would provide in the ordinary course of events for the procedure that the majority leader outlines.

I, therefore, put all of my colleagues on this side of the aisle on notice that it is the leadership's understanding that there is nothing that can be done to further enhance the quality of the hold that has been entered on the Executive Calendar and they should be on notice that this nomination then, it would appear, would be before the Senate on Monday.

Mr. ROBERT C. BYRD. Mr. President, it was my intention to move today to proceed to executive session so that the Senate would be on the nomination of Mr. Woodcock and then go out and go over until Monday. But out of consideration of the minority leader and, in turn, out of consideration for the Senator who has a hold on that nomination and for whom I have very high regard, I at the minority leader's request decided not to make that motion today. I will make it on Monday so that if a rollcall vote is desired on the motion to go into executive session, that Senator will be present to vote and can ask for the yeas and nays if he wishes.

Does the distinguished minority leader wish me to yield further?

Mr. BAKER. No.

Mr. President, I thank the distinguished majority leader. That is the point I wish to clarify.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

RECESS UNTIL 12 NOON MONDAY

Mr. ROBERT C. BYRD. Mr. President,

The roses red upon my neighbor's vine
Are owned by him, but they are also mine.
His was the cost, and his the labor, too,
But mine as well as his the joy, their loveliness to view.

They bloom for me and are for me as fair
As for the man who gives them all his care.
Thus I am rich, because a good man grew
A rose-clad vine for all his neighbors view.

I know from this that others plant for me,
And what they own, my joy may also be,
So why be selfish, when so much that's fine
Is grown for me, upon my neighbor's vine.

My Virginia neighbor's vine, Mr. HARRY FLOOD BYRD, JR., and my Idaho neighbor's vine, Mr. JAMES L. MCCLURE.

(Applause.)

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARRY F. BYRD, JR. Mr. President, how I wish I had the eloquence of the Senator from West Virginia, so that I might adequately reply to him.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock meridian on Monday next.

The motion was agreed to, and at 7:49 p.m. the Senate recessed until Monday, February 26, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

HAMILTON FISH, SR., ON ISRAEL'S NEED FOR SECURITY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. GILMAN. Mr. Speaker, in all of the debate about the Middle East in the House and elsewhere, there are fewer voices more experienced than that of the Honorable Hamilton Fish, Sr., a very distinguished former Member of the House.

Mr. Fish, who now resides in my congressional district and who served for nearly 25 years on the House Foreign Affairs Committee, was the author of the "American Balfour Declaration," and was a leading advocate for the establishment of a Jewish homeland in Israel.

Two items authored by Mr. Fish have recently come to my attention—a letter to the editor of the New York Times and a poem entitled "Anthem to Israel's Freedom Fighters."

In his letter, Mr. Fish makes the point that no country can fully appreciate the security concerns of another, and that, consequently, no country should try to dictate the terms of an agreement between two other countries.

I would like to share Mr. Fish's letter and poem with my colleagues, who I am sure will find it to be of interest, and therefore ask that it be inserted in the RECORD at this point:

HAMILTON FISH

Letter to the Editor of the New York Times:

The heading of a recent editorial in the N.Y. Times, entitled "A Tortured View of Israel's Conduct" was both timely and constructive.

Why should the Carter Administration, in the midst of trying to arrange for the renewal of negotiations between Israel and Egypt go out of its way to openly denounce Israel's mistreatment of Palestinians whom they suspected of treason to the State of Israel? The Times apparently believes that this tragic mismanagement of our foreign relations was merely the result of clumsy public relations. That certainly is a charitable way of looking at it.

The previous and obviously slanted attitude of the Carter Administration towards Egypt, respecting the surrender of the West Bank to the PLO and its Arab adherents, can only embitter and antagonize Prime Minister Begin and those in authority in Israel. The Carter Administration had wisely arranged for the previous joint meeting between Begin and Sadat and it was very effective.

The United States has no right to try in advance, to dictate the conditions and terms of the proposed final treaty. That is a matter of consideration and concessions by both Egypt and Israel. Beyond acting as a go-between and friendly counselors, the United States should refrain from insisting

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

that Israel give up the West Bank to the PLO. Everyone knows that the PLO terrorists, supported and armed by Moscow would immediately be an armed threat to the very survival of Jerusalem and Israel.

Prime Minister Begin has offered to take the Arab refugees around the West Bank of the Jordan River and give them the fullest individual liberties, rights and ownership and practically everything except the right to bear arms and to control foreign policies. This has been done successfully with 500,000 Arabs in Israel for the last 30 years.

Such Arab nations as Iraq, Syria, Jordan and Saudi Arabia are unwilling to permit these PLO, with their Arab following, to locate in their extensive dominions, but now insist there should be a separate PLO state in the heart of Israel.

HAMILTON FISH.

ANTHEM TO ISRAEL'S FREEDOM FIGHTERS

(By Hamilton Fish)

The Jews are an ancient and honorable race,
They gave monotheism to all religions to embrace.
For two thousand years, they've survived brutal persecutions,
On faith in God and freedom—their great traditions.
Until they rewon control of Israel, their ancient State,
Helped by Providence and their freedom fighters to create,
With courage unsurpassed they regained Israel from Dan to Beersheba.
They will not yield them to any foreign pressure from the United States or Soviet Russia.
No matter what Carter or Vance may say, Israel will be Israel forever.
From the old walls of Jerusalem to the Jordan River,
The cry of faith in God and freedom will never lessen, never.
Even many of the Semitic Arabs will not greatly differ.●

FEDERAL CRIPPLE?

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. FUQUA. Mr. Speaker, recently the Lake City Reporter of Lake City, Fla., presented an editorial entitled "Federal Cripple" which is an excellent editorial.

It strikes a chord that needs to sound out loud across this land. I commend this editorial to you, my colleagues in the Congress, and its message to the people of this great land.

The editorial follows:

FEDERAL CRIPPLE?

Dangers of depending upon the whims and caprices of the federal government for such as grants can be seen in the current situation involving the proposed industrial park here. Although a final answer has not been received, it now appears Columbia County's application for a grant which involves a $800,000 package deal for the park development has been rejected.

This brings to mind several thoughts concerning federal grants in general. First of all, the real danger is that a community—any community—comes to depend upon the federal dollar to the extent that it makes it a crutch and loses its own ability insofar as initiative and drive.

Secondly, at the present time there is no system insofar as allocating grants; nothing which assures an equitable amount will be distributed throughout the country. Thus some areas have received millions of dollars in grants while others—which includes us—have obtained only pennies by comparison. In too many cases, political influence is a deciding factor—and don't let anyone tell you differently.

But are we saying our community shouldn't apply for any federal grants? Not at all. We should remember that the so-called federal dollar is really our money taken from us in the first place. Yes, we could wish that it would remain here—instead of being slashed by administrative costs before it is returned, if at all—but it doesn't work that way. And we would be foolish not to seek every bit of "our" money.

We are saying, however, that in terms of the badly needed community projects, we should make every effort to handle them ourselves if federal-state grants are not available. And the industrial park would fit into this category. It's obviously badly needed if we are to be really competitive in seeking new industry. If our current application is denied as it now appears, then other ways should be found to develop the park.

In summing it up, we should use the federal dollar when available, but we shouldn't let dependence upon it cripple us.●

UNIVERSAL COVERAGE—ANDERSON SUBMITS WORKERS VIEWPOINT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. ANDERSON of California. Mr. Speaker, much has been said recently regarding the possibility of bringing Federal civil servants under the social security system, somehow merging their pension funds with the social security trust funds. In 1977, we passed legislation mandating a study group to look into this issue. We do not really know whether a "universal coverage" system can be implemented in a fair, effective manner.

One of the groups checking into this question is the Social Security Universal Coverage Study Group. Mr. L. Mike Olsen presented testimony to the group when it held hearings in San Francisco on February 8. Mr. Olsen is vice president of the Federal Area International Federation of Professional and Technical Engineers, stationed out of the Long Beach Naval Shipyard, and an extremely knowledgeable individual on matters of concern to Federal employees. Mr. Speaker, I think all our colleagues should have the benefit of Mr. Olsen's testimony which I am submitting today for their consideration.

The testimony follows:

STATEMENT OF L. MIKE OLSEN

Mr. Chairman, I am Mike Olsen, vice president, Federal Area of the International Federation of Professional and Technical Engineers AFL–CIO & CLC with some 20 local unions operating in various installations in the federal government. I deeply appreciate the willingness of this commission to hear the views of my organization and to keep us informed of the progress of your work.

We are deeply concerned over the prospect of losing the benefits of the civil service retirement system. We therefore strongly oppose any legislation which would dilute our present benefits or which would combine our retirement system with social security.

There is no evidence to suggest that integration of the federal worker into social security program would be of any long range benefit to the social security program, the federal employee, or the American taxpayer. In fact, after careful evaluation of the facts, we must conclude that even the short term advantages of such a merger are minimal when compared to the far more serious implications of such policy on the fiscal integrity of the federal retirement system and the social security program.

First of all, social security was never intended to be a retirement system. It is, in fact, an income maintenance system intended to be a base for retirement upon which to build savings, investments and other sources of retirement income. The pension formula is related to long term earnings which have had an annual maximum as cutoff. The system was not designed to be a complete replacement of earnings at retirement. It was not meant to provide enough supplementary income to sustain a standard of living the retiree had established while working. However, since its enactment in 1935, Congress has legislated burdensome new benefits such as medicare, aid to dependent children, etc., which have shifted its basic intent to a welfare program. This shift has largely come about without proper funding. The system is in financial trouble. Federal employees want no part in this apparent bankrupt program.

On the other hand, federal employees and retirees are participating in one of the more effective, responsible retirement system in the world. The civil service retirement system is a staff retirement system providing annuities based on a formula relationship to earnings based on an employee's three-year period of highest earnings. It is a bought and paid for in advance earned annuity, based on levels of past earnings and years of service. It is a solvent retirement system. It generally represents the entire income of the civil service retiree. To arbitrarily dismantle this system in favor of one—based on the proven uncertainty of social security—seems to have no particular logic except that of political expediency and stop-gap financing.

The two systems were created for two different purposes. The Civil Service retirement system was created to provide a full retirement income based on salary and years of service, while the social security system was created as an income assistance program. Therefore, because they are two different programs, created for different purposes, they are not interchangeable—one is not a substitute for the other.

While we recognize that there are gaps in coverage in both, we feel that such discrepancies can be effectively eliminated by legislative action within the framework of each.

Mr. Chairman, the Civil Service Retirement System is and has been a primary employment tool used to attract and retain high caliber personnel. Through the years, this benefit provided the pillar of Federal employment when other benefits were recognized as subpar, and today the same is true. In view of the comparability pay limitation, 50% employee subsidizing of health care benefits and a life insurance policy which has, by today's standards, been recognized to be inadequate, the Federal Government has been able to attract and retain quality personnel solely on the basis of the retirement plan. Abolishing this plan would inspire a mass exodus from civil service and induce many Government workers into early retirement. We need positive incentives for people to serve—not demoralizing programs to drive them out.

Employee contributions to the Civil Service Retirement System has and is substantially higher than employee contributions required under Social Security. Today Federal employees are contributing 7% of gross income. There is no maximum cutoff like that in Social Security. The Federal retirement fund is in excess of $50 billion. But if the Federal retirement system is abolished, what will become of this huge fund? Will it be lost to Social Security? Will it be used as "bailout" money to rescue a system headed for bankruptcy? This fund belongs to those who have contributed to it, and they must be the recipients.

Abolishing the Federal Retirement System will have a significant impact on Federal, State and local income tax systems. Federal annuities are subject to full taxation, while social security income is tax free at all levels of Government. Both incomes are cost-indexed. For example, in 1977, the Federal Retirement System paid out $9.6 billion in benefits. Of this amount, it is estimated that $7 billion was taxable. In that same year, Social Security cash benefits totaled nearly $84.3 billion, of which $71.2 billion were old age retirement benefits—and all of it tax-free. Very few studies of the Federal Retirement System and private sector plans take into account this enormous benefit accorded to Social Security recipients. However, the fact remains, that this savings is just as real as cash benefits. Further, I know of no reports which have considered this loss of revenue as a cost of the Social Security program.

In addition, it should be noted that Social Security contributions by the employers are deductible. Both the gross wages of the employee, which include the employee's share of FICA tax, and the employer's share of FICA are included in the employer's cost of doing business. Both are included in the total labor cost and, if the employer is a taxable entity, are deductible for Federal income tax purposes. Again, this provision provides for additional cost to Social Security not addressed in overall cost of the system. And, while on the subject of cost, the proponents of combining the systems sight the Congressional budget office report which stated that if Federal employees were covered by Social Security, the Government would save $3.1 billion the first year. I strongly challenge the statistical data used to arrive at this figure, however, I'm confident that the proponents will lobby Congress with this single concept. Nonetheless, there are serious fiscal questions, which, Mr. Chairman, I would hope your commission would find answers to. Specifically, who manages the Federal Retirement Fund? Why is the fund drawing only 6.7 percent interest? Thomas A. Tinsley, then director, Bureau of Retirement, Insurance and Occupational Health, U.S. Civil Service Commission stated before the committee on Post Office and Civil Service in February 1977, "—If you increase your interest rate, your investment income, by even 1 percent, it's fantastic the effect that has on reducing your unfunded liability."

The point being that the present system is sound and with proper management the unfunded liability could be substantially reduced, thereby reducing the cost to the taxpayer. I would hope that your commission will probe these questions.

There remains still another major factor which must be strongly considered. On good faith, federal employees entered government employment with a written retirement contract. They agreed to pay higher contributions with the understanding that at the end of their employment years, they would receive an annuity which would compensate them when neither the pay nor the other benefits were as favorable as in the private sector. This contract must be honored. This is their employment right. Yet, President Carter, who lectures the world about human rights, is supporting the proposal to abolish the federal retirement system. We again are the pawn used for political gain.

Lastly, I must state with caustic optimism that if the trend of suppression towards federal employees continues, you will recognize, as has historically been the case with suppressed workers, a bonding together and overt actions never before witnessed in this country. War clouds are gathering. The system will be shaken to its foundation. I trust that the leaders of this nation will take the necessary steps towards heading off this apparent explosive situation by improving the federal retirement system, and not abolishing it. This is not to intimidate their judgement but rather to inform them. We, as federal employees, have felt the heel of suppression far too long and will not sit idly by and allow it to continue. After all, we wish to continue to serve this country, but demand that which has been promised to us. Abolishing our retirement system will only exacerbate an already crisis situation.●

PROPERTY TAX REFORM IN NEW YORK

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. CARNEY. Mr. Speaker, I would like to call attention to the annual report to the Suffolk County Legislature delivered by Suffolk County Executive John V. N. Klein.

The report identifies and addresses the most urgent priority of this great county of the State of New York—property tax reform. Mr. Klein also makes some observations concerning a "Taxpayer's Bill of Rights" which I feel will prove of interest to legislators and taxpayers throughout this Nation. The text of his remarks follow below:

PRESIDING OFFICER AND MEMBERS OF THE SUFFOLK COUNTY LEGISLATURE

Suffolk County Center, Riverhead, N.Y.

DEAR PRESIDING OFFICER AND MEMBERS OF THE COUNTY LEGISLATURE: Pursuant to the provisions of the Suffolk County Charter, I deliver herewith to you and to the people of our County my eighth Annual Report.

Today we enter the last year of the decade of the 1970's and the challenges which face all of us are distinctly different than those at the beginning of this decade. This Annual Report identifies and addresses our most urgent priority.

I have assembled herein the components of the most compelling case for property tax reform of any area within this nation. Attached, as an Appendix, are a commentary and series of charts which confirm facts of which we have all been painfully aware as well as new data which in combination demand action. They represent a clear description and definition of the property tax burden as it exists in our region, the causes of that property tax burden and its impact upon the people of this County.

TAXPAYERS' BILL OF RIGHTS

The people of Suffolk County delivered to all governmental officials a clear and forceful message last November in the adoption of Proposition I in Suffolk providing for amendment to the County Charter through initiative and referendum. They want and need their property taxes reduced.

I place before you today the "Taxpayers' Bill of Rights." It is a first initiative which deals forcefully and directly with our County's highest priority—the property tax. I call upon you to adopt this Charter Law and place it before the voters of Suffolk County as the County's most important Charter amendment.

The Taxpayers' Bill of Rights constitutes a declaration by and directive from the people of this County to their governmental representatives:

1. To reduce the total property tax burden in Suffolk County from its current level of approximately 4 percent of full value to 1 percent of full value over a five-year period;

2. To reduce the County general property tax levy by 25 percent as against the 1979 tax rate for County general purposes over a five-year period at 5 percent per annum, a mandate which can only be overridden by an extraordinary vote of the County Legislature;

3. To cap at the 1979 level the property tax burden for police district purposes, a mandate which can only be overridden by an extraordinary vote of the County Legislature;

The Charter amendments provide that it is the sense of the people of Suffolk County that when the relationship of property taxes for the value of property exceeds a given level those taxes become confiscatory and a negative influence on the value of that property, both of which results are totally unacceptable. Clearly, an amendment to the Suffolk County Charter adopted by the people of this County cannot, by law, be binding upon taxing authorities other than the County, such as school districts, towns, villages and others, nor upon the State Legislature. However, it can be a compelling mandate from the people of this County to their elected officials at all levels as to the size, cost and fiscal impact of government services upon the property tax.

With full justification the people of Suffolk no longer accept the protestations of local officials about mandated costs imposed by federal and state governments. They demand leadership in attacking head-on the lack of relationships among all levels of government which results in confiscatory property tax burdens. With the Taxpayers' Bill of Rights we have the opportunity to seize the initiative and provide that leadership. A strong voter mandate can provide to us at the local level the vehicle to demand and achieve a restructuring of federal, state and local policies to lift that oppressive tax burden from the property owner.

One percent of value maximum

The Charter Law provides, and the voters will be asked to approve, the same limitation for Suffolk as has been imposed in the State of California—that is, a maximum property tax of 1 percent of full value. Obviously, the tax burden in Suffolk County, for all purposes, far exceeds 1 percent of full value and is as high in some areas as 5 and 6 percent. A reduction to 1 percent could not be achieved in an immediate time frame without enormous fiscal dislocations and social convulsions. If it is the will of the people, however, it can and must be achieved by their governmental representatives at all levels. Accordingly, the Law sets the goal of 1 percent and calls upon the governmental structures to achieve that goal within a five-year time span.

Changing the budget adoption process

The Charter amendments significantly change the rules by which the executive and legislative branches of County government operate in the budget preparation and adoption process. The Charter currently provides that the budget may be adopted by a simple majority of the Legislature, that the County Executive may veto modifications to the executive budget and that the Legislature may override such vetos by a two-thirds vote.

Reducing the general fund

The proposed Charter amendments:

1. Mandate a reduction in the County general property tax rate of 25 percent over five years at the rate of 5 percent per year;

2. Prohibit the County Executive from submitting to the County Legislature a budget

for the general fund in violation of the above mandate unless it is delivered fifteen days in advance of the normal deadline of September 25 and unless the County Executive holds a formal public hearing on notice on such budget in advance of its delivery to the County Legislature;

3. Reduces the County Executive's permitted time within which to exercise budget vetoes from fifteen to seven days;

4. Prohibits the County Legislature from amending a tentative budget so as to violate the above mandate except by a vote of 80 percent of the full membership of the County Legislature (fifteen members) and requires that an override of an executive veto of such vote may only be achieved by a vote of 80 percent of the members of the County Legislature plus one (sixteen members).

Capping police costs

The Charter amendments constitute a declaration by the people of Suffolk County that they wish the cost of police protection as it affects the property tax to be kept at 1979 levels. It mandates a retention of property tax levies for police services in the police district at the 1979 tax rate. It further amends the powers of the County Executive and the County Legislature with respect to violation of this mandate as to the police district fund in the same manner as relates to the County general fund, above.

Target budgeting

Obviously, the Taxpayers' Bill of Rights cannot be implemented without significant change and a drastic alteration in the nature and level of services provided to the people of the County through their local governmental taxing authorities. I have already announced that I intend to implement a 5 percent reduction in the general fund tax rate of 1980. To that end, and for the first time since the County Charter took effect in 1960, I will institute "target budgeting." In lieu of the normal requests that are forwarded in the spring inviting the department heads to identify the budget funds desired for the succeeding fiscal year, I will notify each department head of the sum of money which I will allocate to them for the fiscal year 1980 and require them to structure a departmental operation within those allocated funds. The aggregate of those departmental allocations will reflect a sum which will generate the necessary 5 percent reduction in the property tax levy for County general purposes.

Federal and State cutbacks

The ability to reduce property taxes by 5 percent in 1980 will depend in large measure upon the prudence exercised in dealing with expenditures in 1979. The uncertainties of the continuance of levels of federal and state support to be reflected in the forthcoming federal and state budgets require an even greater measure of expenditure control than that which has been in place for the past several years. Within a matter of days after the delivery of this Annual Report, the Governor of this state will release the details of the state's proposed 1979–1980 fiscal year budget. By now, even the most casual observer of the state scene must be aware of the fact that it will not bode well for local governments as the state compensates for the manipulations which produced the 1978–1979 election year state budget and tax reduction.

On December 14, I attended a special White House briefing with respect to the federal fiscal year 1979–1980 budget. That presentation left no doubt that local governments face severe cutbacks in federal assistance commencing in October of 1979.

Budget allotment system

So as not to be caught unaware and placed in a deficit position by federal and state aid cutbacks during calendar year 1979 and so as to provide an even greater measure of expenditure control of County government, I shall institute early in 1979 a modified budgetary allotment system pursuant to the authority granted to me in the County Charter.

The 1980 budget

As I have pointed out earlier, the implications of the implementation of the three-point "Taxpayers' Bill of Rights" are complex and serious. For example, achieving a 25 percent reduction in the general fund property tax rate over a five-year period will require the elimination of virtually every optional service performed by the County government since approximately three-quarters of general fund expenditures reflect state and federal mandates. In the absence, therefore, of changes in federal and state policy with respect to those mandates, inflation will continue to increase their costs as we attempt to achieve a reduction in the property tax levy. Indeed, a reduction of 25 percent in the County general fund tax levy over a five-year period, in light of inflation in mandated programs, will require a direct and calculated challenge to state and federal law by the County government by refusing to appropriate sufficient funds to finance all of such mandated activities. These are but a few examples of the implications of implementing any or all of the provisions of the Taxpayers' Bill of Rights.

All of the components of the Taxpayers' Bill of Rights, if approved, will have a direct impact upon the 1980 budget preparation process of Suffolk County. That process commences with the submission by departments of proposed budgets by June 1, followed by executive hearings during the summer months and the delivery of the Tentative Budget by the Executive no later than September 25. The expression of the people on the Taxpayers' Bill of Rights can directly shape the 1980 budget process. The 1980 Budget should reflect the expressions of the people of Suffolk County as to their County taxes. For that reason, a special referendum on the Taxpayers' Bill of Rights should be held in early June. The County Attorney advises me that state law does not now permit a special election on this type of Charter amendment but only allows its submission at a general election. By election day in November of this year, however, the fiscal policy of the County will have been set and the expressions of the people cannot then be reflected in budget policy until 1981. Accordingly, I propose to seek state legislation immediately which would authorize a special referendum on the Taxpayers' Bill of Rights in Suffolk in early June, 1979, so that the results of that referendum can shape the 1980 County Budget. I invite the County Legislature to join me in that effort. Actually, it is possible for this County Legislature to adopt the Taxpayers' Bill of Rights subject to permissive referendum rather than through direct referendum. I urge direct referendum, however, so as to provide to the people of Suffolk County a vehicle to express themselves on this issue to *all* officials who impact the property tax.

Public hearings

If the County Legislature moves swiftly with respect to the adoption of the Charter amendments containing the Taxpayers' Bill of Rights, there will be a period of more than four months within which extensive public hearings can be held throughout the County in anticipation of a June referendum so as to provide for a full disclosure of the implications and impact of implementation of the Charter amendment to be acted upon in June. I have discussed this issue with the Chairman of the Suffolk County Charter Revision Commission and urged that the public hearings to be conducted in connection with the Taxpayers' Bill of Rights be conducted under the auspices of the Charter Revision Commission as an urgent and first priority of Charter amendment.

THE ANNUAL REPORT—ADDITIONAL COMPONENTS

Within the context of the Annual Report to the County Legislature and to the people, I have developed positions on a number of additional urgent priorities of County governmental concern which relate to county-state-federal relationships, legislative priorities, economic development, energy and other issues. No issue, however, occupies the urgency and priority of that property tax reform. For that reason, I have deliberately limited the subject treated in this report at the organizational meeting of the County Legislature to the Taxpayers' Bill of Rights. At subsequent meetings of this legislative body, I will deliver the balance of the Annual Report which has been prepared on the issues outlined above and others.

CONCLUSION

As in the past, I conclude this Annual Report with a commitment to you and to the people of our County of a spirit of cooperation in addressing the issues set forth in this Annual Report and the other concerns which will demand our attention during 1979. A strong and effective cooperative relationship between the executive and legislative branches set in the context of the principle of balance of powers is our obligation to the people who have placed in our hands this public trust.

JOHN V. N. KLEIN,
Suffolk County Executive.

JANUARY 2, 1979.●

MAX AND MIRIAM CUKIER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. WAXMAN. Mr. Speaker, on January 23, 1979, Max and Miriam Cukier received the coveted Sword of Haganah Award of the State of Israel in recognition of a lifetime of dedication and concern for their fellow man.

Their experiences early in life as survivors of Hitler's concentration camps and as fighter partisans in the Russian underground during World War II instilled in them a sense of caring for all human beings. They came to the United States where they found the peace and security they dreamed about. Settling first in Houston, and then in Los Angeles, they raised two children, Riva and Benny. They established a growing business and became productive members of their community. Always mindful of the plight of others, their community activities include membership in the King Solomon Lodge of B'nai B'rith, the American Congress of Polish Jews, the City of Hope, the Guardians of the Jewish Home for the Aged, the Hillel Hebrew Academy, the Rambam Torah Institute, Beth Jacob Congregation, The Guardians of Courage of the Chaim Sheba Hospital in Beersheba, Israel, the American Friends of the Hebrew University, and they are long time supporters of Israel bonds.

I ask the Members to join me in congratulating Miriam and Max Cukier on their award and to wish them many more years of a rich and meaningful life.●

NATIONAL HONOR CONFERRED ON ONE OF OUR COLLEAGUES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. NOWAK. Mr. Speaker, I am sure Members of the House will be delighted to learn of an outstanding honor recently conferred on one of our colleagues, Representative JOHN G. FARY in Buffalo, N.Y.

Congressman FARY, who represents the Fifth Congressional District of Illinois, received the 1978 National Am-Pol Eagle Citizen of the Year Award. He was nominated as a result of a nationwide survey of Polish-American citizens conducted by the Am-Pol Eagle, a weekly newspaper in Buffalo.

Among previous recipients of this coveted award were His Excellency John Cardinal Krol of Philadelphia; the Most Reverend Alfred Abramowicz, auxiliary bishop of Chicago; Senator EDMUND MUSKIE; the Honorable Zbigniew Brzezinski, National Security Adviser to the President; and the Honorable Aloysius A. Masewski, president of the Polish National Alliance and Polish Congress.

Congressman FARY was selected, by an overwhelming majority of the voters, from a field of 500 prominent persons suggested for this honor, because of his constant crusade against anti-Polish materials.

Representative FARY was commended particularly for his remarks delivered last summer in the House in which he expressed the shame he felt for the moral and intellectual degradation depicted in the film "The End."

Representative FARY stated the film was an "unpardonable insult to the Polish people, and indirectly, an insult to the American National Anthem and all peoples of ethnic heritage of the world."

In his acceptance speech in Buffalo read by an aide, because illness prevented Representative FARY from attending, Congressman FARY pledged that the Am-Pol Eagle Award will serve as an inspiration to triple his efforts to insure a rightful, respectful, and dignified image for Polish Americans, and to better acquaint this generation of the numerous contributions the men and women of Polish-American ancestry have made to our Nation, beginning at the Jamestown Colony of Virginia through the Revolutionary War period, and through succeeding generations.

Mr. Speaker, this is not exclusively a Polish-American issue. Always—but especially now—goodwill and accord are needed among all Americans and world citizens of whatever racial background or religious persuasion. It is one of the triumphs of our national life and democracy that so many diverse peoples have made "E. Pluribus Unum" more than a slogan.

For the RECORD, I would like to submit the following articles which appeared in the Am-Pol Eagle, the Buffalo Courier-Express, and the Buffalo Evening News on the awards ceremony:

[From the Am-Pol Eagle, Feb. 1, 1979]

OVERFLOW CROWD AT RECEPTION HONORING CITIZENS OF YEAR

Over 300 persons packed Polish Union Hall this Sunday to attend a Champagne Cocktail Party honoring the 21 Am-Pol Eagle 1978 Citizens of the Year. Each of the recipients was presented an official citation marking their selection by Matthew W. Pelczynski, Editor and Publisher of the Am-Pol Eagle and offered their words of thanks and appreciation to the audience and the entire community.

Al Desecki, who represented the hospitalized Congressman John Fary who was selected National Citizen of the Year, delivered a ringing address to the audience from Congressman Fary, which exhorted all of Polonia to fight anti-ethnic slanders, "with actions not words."

In his remarks, Congressman Fary pointed to his concern for the future generations of Polonia and all ethnic minorities as the major reason for his crusade against anti-Polish materials being sold and circulated in the media.

Congressman Fary called on all Polonians to become involved in the life of their community and most important of all—to excel in community activities, so that everyone can see first-hand the achievements of Polonia.

The Illinois Congressman closed by noting that he reintroduced House Concurrent Resolution 714, co-sponsored by Buffalo Congressman Henry Nowak, which would result in Federal hearings about methods to curtail the distribution of defamatory motion pictures and radio programs.

City Editor Bob Pacholski and Associate Editor Dave Francsyk introduced the award recipients and Daniel Kij, President of the Polish Union of America, acted as Master of Ceremonies for the awards program.

County Executive Edward Rutkowski presented Congressman Fary with an official gift from the County of Erie and re-echoed the Congressman's call for pride and active involvement by Polonia in the mainstream of American life.

[From the Buffalo Evening News, Jan. 29, 1979]

POLISH-AMERICANS URGED TO BE EXEMPLARY CITIZENS

(By Dennis Hollins)

Outstanding Polish citizens must become involved in all phases of human endeavors in order to provide continuing examples for all citizens, a predominantly Polish audience was told Sunday during the 14th annual Am-Pol Eagle Citizens of the Year Award presentations.

Though the national Citizen of the Year award winner, Rep. John G. Fary, D-Chicago, was unable to attend because of illness, about 300 people gathered in the Polish Union of America, 761 Fillmore Ave. heard his administrative aide urge the group to be proud of its Polish heritage.

Speaking for Rep. Fary, Alfred Desecki told the audience that designating outstanding members of the Polish community for public honors helped obtain "greater understanding of the quality of the Polish-American contribution to the American society and culture."

He said such affairs also helped counter the "atrocious anti-Polish comments that pose as humor, but in reality slander a great segment of American society."

Mr. Desecki said a particularly "vicious insult to the Polish national anthem" in the film "The End," was one of the more glaring examples of the "unfortunate anti-Polish trend of stories."

Rep. Fary, along with other national Polish leaders, was instrumental in having the film's producers edit out the offending remark, Mr. Desecki said.

Mr. Desecki also praised the efforts of another award winner, County Legislator Richard A. Siles, for his efforts in combating anti-Polish material in Western New York.

He said it was important for all members of Polonia to speak out against such ethnic slurs so Polish children and grandchildren would be proud and not ashamed of their background.

"We must impress upon our fellow Americans that Polish-Americans are as much distressed and resentful of such slanders as Hispanics, blacks, Jews and other ethnic groups would be if they were the target," Mr. Desecki said.

County executive Rutkowski also presented Mr. Desecki with a sketch of an 1832 Buffalo harbor scene for Rep. Fary.

The county executive praised the "undauntable spirit" of the Polish people and reminded the audience that in teaching children about their heritage, the great Polish figures from the past should not be forgotten.

Daniel J. Kij, president of the Polish Union of America joined with Matthew W. Pelczynski, publisher of the Am-Pol Eagle, in presenting the award certificates to the 20 local winners.

The names of the award winners in a variety of fields have been published previously in the pages of The Buffalo Evening News.

[From the Buffalo Courier-Express, Jan. 29, 1979]

TWENTY-ONE CITED FOR CONTRIBUTIONS TO UNITED STATES-POLISH COMMUNITY

The Am-Pol Eagle Citizen of the Year Awards Program was cited on Sunday as "an important contribution" in the effort to show Polish-American contributions to American culture.

The praise came from Rep. John H. Fary, D-Illinois, who was named by the Am-Pol as National Citizen of the Year.

Fary was cited for his crusade against anti-Polish material and slurs in the media against Polish-Americans.

The Chicago congressman was unable to attend Sunday's award presentations held at the Polish Union of America Building, 761 Fillmore Ave., but was represented by his administrative assistant, Alfred C. Desecki.

READ FARY'S STATEMENT

Desecki read a statement prepared by Fary for the occasion.

"This is an honor that I will forever treasure," the congressmen's statement read.

"More importantly, however, this award will serve as a source of inspiration to me as I continue my efforts to work to ensure a rightful, respectful and dignified image for Polish-Americans and for the vast contributions we have made, and continue to make, to the strength and success of this great nation of ours.

"An event such as the one we are celebrating here today makes an important contribution to the effort to obtain greater understanding of the quality of the Polish-American contribution to American society and culture.

"The excellent coverage that was afforded the Am-Pol Eagle Citizen of the Year Awards by your local media also helps put Polonia into proper perspective."

In his statement, Fary also praised Rep. Henry J. Nowak, D-Buffalo, as one who "reflects the best qualities of the Polish-American community."

HONOREES LISTED

Fary was one of 21 persons honored by the Am-Pol Eagle, a weekly newspaper serving

the Polish-American community. Other honorees were:

Community—Rich Kellman, news anchorman for WGR-TV.

Art—Benedict T. Rozek, president of the Polish Arts Club of Buffalo.

Business—Stanley Hajduk, president of Heidie Tuxedos, Buffalo.

Culture—Mrs. Edward Posluszny, past president of the Permanent Chair of Polish Culture at Canisius College.

Education—Dr. Joseph Gizinski, superintendent of schools of the Cheektowaga-Sloan United Free School District.

Fraternal—Victor A. Drajem, Jr., of Buffalo, national director of the Polish Roman Catholic Union of America.

COUNTY ATTORNEY CITED

Government—Thaddeus J. Szymanski, county attorney for Erie County.

Heritage—Rev. Stanley Dawidziak, pastor of St. Florian's Church.

Humanitarian—Mrs. Vincent Szczesniak, president of the 1500 Broadway Erie County Human Services Center Women's Guild.

Labor—Richard Sliz, Erie County legislator and minority leader.

JUDGE HONORED

Law—Edward V. Mazur, Erie County Family Court Judge.

Media—Eugene M. Krzyzynski, special assignment editor of the Buffalo Evening News.

Medicine—Dr. Joseph S. Matala a fellow in the American College of Obstetrics and Gynecology.

Music—Art. Kubera, owner of the Art Kubera Music Store, Buffalo.

Organizations—Edward Sieracki, Democratic committeeman and commander of Casimir Pulaski Post 1897, VFW.

Politics—Stanley Stachoroski, chairman of the Seventh Democratic zone.

Religion—The Rev. Lucian Krolikowski, OFM Conv., of Athol Springs, assistant secretary of the Father Justin Rosary Hour.

Science—Dr. Michael S. Hudecki.

Sports—Frank Podsiadlo, athletic coach at St. Mary's School for the Deaf.

Joseph Krocsynski was honored for his service to Polish-American youth.

Mrs. Posluszny and Dr. Gizinski were also unable to attend Sunday's affair.

The honorees were presented citations.●

ESTONIAN INDEPENDENCE

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. HOWARD. Mr. Speaker, Saturday marks the 61st anniversary of the Declaration of Independence of the Republic of Estonia.

At this time I take great pride in joining my constituents of the Third District of New Jersey, my colleagues, and all freedom loving people in commemorating this important historic occasion.

In the early stages of World War II, Hitler and Stalin brought an abrupt and tragic halt to the freedom of Estonia and her neighbors, Latvia and Lithuania. Under the terms of their agreement, the Soviet Union used its military might to forcibly occupy and subdue these free and independent nations.

In failing to restore precious freedom to the former sovereign nation of Estonia and her neighbors, the Soviets have made a mockery of the inherent right of all people to be free and independent.

It is up to the United States to serve as an example to all freedom loving people and nations in encouraging and supporting the Estonian people in their stalwart efforts to regain liberty, dignity, and independence in their imprisoned homeland.●

THE 61ST ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. DERWINSKI. Mr. Speaker, on February 24, Americans of Estonian descent will celebrate the 61st anniversary of the establishment of the independent Republic of Estonia. Unfortunately, those who live in Estonia do not have the same opportunity.

After centuries of foreign rule, the independence of Estonia was proclaimed on February 24, 1918. However, by 1940, the forces of the Soviet Union, during their westward expansion in the early stages of World War II, seized this small Baltic nation.

As is common in Soviet-dominated nations, the people of Estonia are bound by Soviet control, and above all the fundamental freedoms enjoyed by its citizens under their own constitution have virtually been abolished. The Soviet-imposed rule in Estonia has brought with it untold sufferings—arrests, deportations, executions, as well as so-called nationalization of all private property and the downgrading of social and working conditions.

However, the history of terrorism and the continued suppression of their culture and self-expression have not dampened the innate desire of the brave Estonian people for national independence and for the restoration of their human rights and personal freedoms.

Many Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and continue to speak out on behalf of the people of Estonia.

I believe it is especially important for the United States to continue its full and uncompromising support for the basic concept of the sovereign rights of a people to the free and independent choice of the form of government under which they wish to live. This is of considerable moral support for the Estonian people that the United States as well as a great number of other Western countries have not recognized the forcible annexation of Estonia by the Soviet Union.

The Soviets have continued to ignore their promise to fulfill the human rights provision of the Final Act of the European Conference of Cooperation and Security, signed in Helsinki in August 1975. This portion of the accord gave official international recognition to the rights of individuals within Soviet-ruled countries.

Therefore, if the Communists continue the suppression of human rights, it is imperative that the democratic countries of the world assert their opposition to this form of political tyranny and reinforce Estonians and others held captive by Soviet domination. I call upon my colleagues to join me in the commemoration of the Republic of Estonia and in reaffirming our support of true independence for those denied their basic liberties.

In closing, I wish to add my prayers to those of the Estonian-Americans who have contributed much to the development of our country while remembering their homeland and who hope to see their relatives and friends liberated from the brutal repression of the present Soviet rule.

On this commemoration of the 61st anniversary of the Declaration of Independence of Estonia, we join in expressing our determination to see that the aspirations of the Estonian people for national independence and cultural freedom once more be restored.●

PRODUCT LIABILITY AND PROFESSIONAL DESIGN LIABILITY INSURANCE TAX EQUITY ACT OF 1979

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. GUYER. Mr. Speaker, today I have introduced legislation entitled the "Product Liability and Professional Design Liability Insurance Tax Equity Act of 1979." I would like to point out to my colleagues that in this bill product and professional liability problems are given equal consideration due to their nearly identical characteristics and their equally devastating impact on companies and professional firms, respectively.

I am sure that each and every Member of Congress has heard many times from their constituents regarding the problems of skyrocketing product or professional insurance rates. Because of these skyrocketing rates, those who cannot obtain or afford product or professional liability coverage are forced to turn increasingly to self-insurance. Others are assuming policies with high deductibles and then self-insuring for the deductibles, which often runs into hundreds of thousands of dollars.

The tax code now imposes an undue burden on those who self-insure. Funds paid into a self-insurance reserve fund are not now eligible for deduction as a business expense, even though comparable payments for commercial insurance premiums are deductible.

The Product Liability and Professional Design Liability Tax Equity Act establishes a legal mechanism to be known as a product and professional liability trust. Funds paid into such trusts would be deductible as a business expense, and would then be tax exempt so long as they remain in trust. Money could be withdrawn for the following purposes only:

First. Administrative costs to the trust;

Second. Legal or investigative costs relevant to a liability claim; and

Third. Settlement of a claim.

Funds withdrawn for any other purpose would be treated as taxable income.

There are innumerable examples of the severe problems being experienced by companies and professional firms, no matter what their size. However, there is one segment of the professional community whose problems clearly illustrate the crucial short-term problems of firm survival, as well as the resultant long-term problems for this Nation as a whole.

The architect-engineer design professional is of whom I speak. The design professional is basically a highly technical person, who has been trained through education and practical experience to develop innovative ideas that will provide a better end product for the client. However, the increasing threat of litigation has served as a damper on this inherent characteristic of the design professional. The professional must, through necessity, be conservative and use tried and proven materials, equipment, or processes in order to reduce liability exposure should the specified materials, equipment, or processes fail to provide the end product anticipated by the client. It is only when this threat of litigation is removed that the design professional will be willing to move forward with new and innovative planning and design. Until that time, the public will not be able to benefit from the end product of modern technology.

Getting down to the specific situation, architects and engineers must personally stand behind their losses and are not shielded by the limited liability of the corporate form. The importance of these uninsured first costs of liability paid by the designer over and above the premium is highlighted by two factual circumstances.

First, the vast majority of claims against A–E's are relatively small property damage claims. From 1960 to 1976, 95.1 percent of the claims for which statistics are available did not exceed the deductible limits of policy coverage by more than $25,000. The average claim exceeded the deductible by $16,751 in 1976, but the average deductible amount is now between $15,000 and $20,000. This indicates that the design professionals are currently satisfying a substantial portion of the costs of liability out-of-pocket, even with insurance.

Second, the frequency of claims is increasing at the rate of 20 percent per year, so that now 29.6 percent of insured architectural and engineering firms in a recent survey were sued in 1976. We simply live in a society that is increasingly prone to litigation. In this context, it should be pointed out that liability coverage for A–E's is written on a "claims-made" basis. This means the insurance does not cover claims brought after a policy lapses, but based on acts or admission committed during the term of the policy. Thus, A–E's must maintain insurance, even after retirement or dissolution, for at least the length of the State's statute of limitations, if there is one.

There are many more examples that can be cited, but the major point that I must emphasize to my colleagues is that this is a very severe problem affecting the very survival of many companies and firms in this country. Congress must not ignore this problem any longer, and I strongly urge my colleagues to support this legislation.●

YOUTH LOOKS AT THE CONSTITUTION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. GILMAN. Mr. Speaker, on February 4 I had the great honor and privilege to participate in the American Legion high school oratorical contest for New York's 9th District.

Three high school students from the Hudson Valley set forth their feelings about the Constitution—how it has influenced this great Nation during our first 200 years—how it remains a strong foundation as we look toward the 21st century.

It was difficult for the judges to choose one winner since all three speeches were top flight. After much discussion, John Marshall of Sleepy Hollow High School received top honors; second place went to Matthew Damon of Montgomery, a senior at Valley Central High School; and third place went to a Rockland County resident, Beth Friscino, of Spring Valley High School.

At this point in the RECORD, Mr. Speaker, in order to share their thoughts with my colleagues, I insert the texts of the addresses delivered by these three fine youngsters at the competition:

THE FRAMING FATHERS

(By John Marshall)

The Framing Fathers—that small group of men whose efforts produced the Constitution of the United States—are still vital and significant to us today. The problems facing our country today are so numerous and complex that they seem overwhelming. Some even say that the sun is setting for the United States as a great nation. The works of the Framing Fathers is still a shining example of what men can accomplish against great odds if they are willing to work together and place the interests of the country ahead of self-interests.

To understand their achievement, we must recall conditions as they were in 1787. There was no nation, only thirteen separate states bound together by what the Articles of Confederation called "a firm league of friendship." There was no national currency. There was no chief executive. There was a congress but it did not have the power to collect taxes, defend the country, or to pass laws that anyone had to obey. Each state retained its "sovereignty, freedom, and independence." Thoughtful men began to realize that such a government was really no government.

The Confederation could not even solve the numerous problems of trade and commerce that were beginning to arise between the states. In 1786 Congress asked the states to send delegates to a meeting to be held the following year to consider these problems and to revise the Articles of Confederation. And so, in May 1787, the Framing Fathers gathered in Philadelphia to begin their work.

Seventy-four delegates were appointed. Only fifty-five attended representing twelve states. Rhode Island refused to take part in the convention. It was a group of young men. Even with eighty-one year old Benjamin Franklin present, the average age of the delegates was only forty-three. Among those who did attend were some of the most notable men in America, such as: James Wilson, at forty-five one of the ablest lawyers in the country, a tall spare Pennsylvanian whose cold, cutting, logic was to win him the affection of few but the respect of all; the brilliant Gouverneur Morris, another Pennsylvanian whose 173 speeches brought the convention sent, wit and wisdom too, when he reminded them that they were "representatives of the whole human race;" Roger Sherman of Connecticut, at sixty-six, one of the older men of the convention, tall, awkward, almost uncouth, he proved to be a man of great practical wisdom; Alexander Hamilton, then only thirty years old, perhaps most responsible for the calling of a Constitutional Convention. As early as 1780 he began his campaign by writing letters, publishing newspaper articles, and delivering speeches.

James Madison has been called "The Father of the Constitution." Only thirty-six years old, he came to the convention with more knowledge of governments and constitutions than any other delegate. He had written to Thomas Jefferson, who was in France, for information on the subject. Jefferson sent books, not ten or twenty, but hundreds. When Madison arrived in Philadelphia, eleven days early, he had written an essay discussing the strong points and the weak points of almost every form of government that had ever existed. Had it not been for Madison, little would be known today about the convention itself. He made notes daily with painstaking care and attention to accuracy, although he was not the official secretary. He somehow found time to make 161 speeches. Madison believed in a strong central government. So did George Washington.

The George Washington at Philadelphia was not the aged, white haired gentleman we see today on our dollar bill, but a vigorous fifty-five year old Washington, the single most important man in the country. "First in war, first in peace, first in the hearts of his countrymen." Washington was the unifying force of the Constitutional Convention. His very presence kept the proceedings going and influenced delegates.

There was general agreement that the first president would be George Washington. The knowledge that the power of the executive position would be in the hands of a man who was trusted, respected, and even revered in every state made a national government acceptable to many who otherwise would have opposed it. And there were those who were opposed to such a system.

Only recently the states had waged a war to win their independence from the strong rule of a British government. Some believed that a national government might become as oppressive as the British had been. But others felt that a loose confederation of thirteen states simply could not survive in a world dominated by the large European powers. And these powers were not in far away Europe. They were in Canada, Florida, Mexico and the Louisiana Territory.

This group of men believed the destiny of the American people was to be united in one great nation—a nation that would eventually extend from the Atlantic to the Pacific; a nation with a government strong enough to protect its own independence and the individual rights of every citizen. These men had the vision to see that the American peo-

ple united in one nation could achieve a greatness that would forever be denied thirteen separate states.

The Framing Fathers were not saints. They were politicians, each representing a state and each having special interests. But they were politicians in the finest sense of the word. And their actions in Philadelphia was democracy working at its best.

When the convention began, few people believed a system of government could be created to satisfy the many conflicting viewpoints in the country: large states versus small states, the industrial North against the agricultural South, the populated East versus the sparsely settled West. "Nothing short of a miracle," said George Washington, could bring these states together. But call it what you will, the delegates put aside their own self-interests and worked for the good of the country. They cooperated and compromised and produced a document they entitled, "The Constitution of the United States of America." It was a new kind of government—a supreme national power that was directly responsible to the people.

During the convention, on the back of the presiding officer's chair, there was a painting of the sun. On the last day, Benjamin Franklin remarked to a fellow delegate that he had observed that painting for weeks, but had been unable to tell whether it was that of a setting sun or a rising sun. As he saw the delegates signing the completed Constitution, he said, "I now have the happiness to know it is a rising sun."

And to those who would say the sun is setting for the United States, I say, "Let us remember the Framing Fathers, their day, their deed, their dedication." If we, as a people, can infuse our government with the same spirit and dedication of those men of long ago, then our country will face not a setting sun, but a sun that is rising on a brighter day for the United States of America.

OUR CONSTITUTION: PROTECTOR OF FREEDOM

(By Matt Damon)

We are here to talk about our Constitution, the United States Constitution. It is long, complex, intricate, and it serves many purposes. To explain even one facet of it, and do it justice, it would take more time and ability than most of us have. We speak of it in a general sense, and still it is very complex. Our Constitution is designed to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, as stated in its preamble, and does everything from enumerating the various branches of government, to setting up the federal income tax, to giving every eligible citizen the right to vote, to establishing and repealing Prohibition. Perhaps the most important facet of the Constitution is the fact that it zealously protects our individual freedoms. In other words, everybody receives the same protection that the law provides.

This point seems obvious. Of course every citizen receives equal protection under the law. Still, sometimes it seems that certain groups should not get all the protection they receive. I have heard people say, "Why do we allow the Communist Party to exist in America? After all, they are opposed to our system of government." When the controversy arose several months ago about whether the Nazi Party should be allowed to hold a parade they intended, many people thought it was ridiculous for us to allow an organization like that to demonstrate. It is questionable as to whether the two political organizations mentioned above wish to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, or secure the blessings of liberty, so why should they enjoy the protections of the Constitution of the nation to whose political philosophy they are in opposition?

The question of Constitutional protection being useful to criminals is not novel. The police have to be very careful when they arrest someone, for violation of that persons constitutional rights gives that person his freedom, regardless of guilt or innocence. I'm sure we've all heard of cases where an admitted felon was freed because of some violation of his rights. We wonder, "Is that right?"

The question also arises as to whether newspapers and magazines should be allowed to print half-truths, and slightly less than slanderous articles, things that can ruin someone unjustly. From an objective position, we say that that is a ridiculous question, for you can't muzzle the press. Freedom of the press has been argued from the days of John Peter Zenger to the days of Myron Farber. When you are a person whose career has been ruined or whose life has been disrupted by something such as this, censorship is not the farthest thought.

The question raised here is, "Should everyone get equal protection under the law, even when that person is destructive toward our society or government?" The answer is yes, every citizen, no matter who or what that citizen is, should receive the full protection that our Constitution gives. Here's why! Of the more than one-hundred fifty nations of the world, only thirty-five of them are considered to have a democratic system of government. The Constitution of our country, which is the leading democratic nation of the world, insures the protection of the rights of all citizens, for such protection is necessary to insure the propagation of our free and democratic society. Once the rights of any citizen, any group, any organization, are taken away or even limited, the breakdown of our democracy begins. In a country where individual rights aren't guaranteed to all, they are guaranteed to none.

Our Constitution, among other things, makes sure that our citizens aren't imprisoned without cause, held for an unreasonable length of time, or give unfair trials and sentences. It protects our homes and property from unlawful search and seizure, and protects us from invasion of our privacy. This protection can result in a criminal being released, even when guilty, yet this is no reason for their protection being taken away. In a totalitarian state, these rights aren't guaranteed. Thus results the atrocities about which we read, the numerous violations of human rights, the purges, the mock trials, and the unreasonable punishments which take place in certain countries. The point is, when the basic human rights are taken from anyone, what then guarantees these rights to anyone else?

We cannot abrogate the right of existence of the Communist Party, or the Nazi Party, simply because the political philosophy and ideology is in opposition to ours. We cannot censor the press, we cannot limit the protections given to criminals. It would be disastrous, causing the breakdown of our democracy. If the Nazi Party is not allowed to parade, then what guarantees the American Legion its right to march on Memorial Day, Fourth of July, Veteran's Day, and others? If the Communist Party is denied its right to existence, what guarantees the Republican and Democratic parties their right to exist? If the rights of an obvious criminal are taken away, what guarantees these rights to you and me? Obviously, the answer is nothing. When the rights aren't guaranteed, then democracy breaks down. The writers of our Constitution realized that these rights must be guaranteed, which is why they put these things into the Constitution. That is why our democracy has existed so long, because of its firm foundations. One of the strongest parts of our foundation is the Constitution. Our Constitution is the protector of our freedom! ! ! !

THE CONSTITUTION AND ASSURANCE OF FREEDOM

(By Beth Priscino)

"The State of Nature has a law of Nature to govern it, which obliges everyone, and Reason, which is that Law, teaches all Mankind, that being all equal and independent, no one ought to harm one another in his Life, Health, Liberty, or possessions. And, being furnished with like Faculties, sharing all in one community of Nature, there cannot be supposed any such subordination among us, that may authorise us to destroy one another, as if we were made for one anothers users. And that all men may be restrained from invading others rights, and from doing hurt to one another, and the Law of Nature be observed, which willeth the Peace and Preservation of all Mankind."

These words, written by John Locke in his Two Treaties of Government, in 1678, still ring true today. We see them in our Bill of Rights. The Bill of Rights provides us, as Americans, with many freedoms, freedoms that we often take for granted.

One of the freedoms afforded us by the Constitution is that of free expression or, specifically, freedom of speech and of the press. Americans are permitted to speak out on whatever is on their minds. Every day, our newspapers print editorials where citizens may freely express themselves with regard to the issues of the day, even if this expression is highly critical of our government. This is one of the things that makes our Constitution so extraordinary.

Another right provided for us by the Constitution is the right to freedom of worship. All religions are recognized, and no one is persecuted for his beliefs. This is one of the principles our forefathers founded our nation on, and they are even more vital to us today.

A very important freedom furnished for us by our Bill of Rights is the right to a fair trial by a jury of our peers. This means that no matter the crime, the accused is tried by an impartial judge and jury. This is important: Imagine, if you will, being accused of a crime. When you walk into the courtroom, you feel, for one reason or another, that all of the jurors are prejudiced against you. Perhaps this is unfounded paranoia, but our Constitution prevents even this. All jurors must be questioned and approved before they can assume their positions. This assures a fair trial for all.

Another privilege granted to us by the Constitution is that no cruel or unusual punishments shall be inflicted. This means that torture shall not be imposed on anyone accused of a crime. This is one of the things that Americans are very proud of, as we should be, because not all nations are as fortunate. In many other countries, torture and other cruel punishments prevail.

The Constitution grants equal rights to all. This includes members of minority groups. These beliefs are not only supported by our Constitution, but in our courts as well. Decisions such as Brown vs. the Board of Education, which is, of course, based on Constitutional interpretation, have supported this feeling of human rights for all. This is one of the basic beliefs our Constitution was built upon.

Our Constitution has, through the years, demonstrated an ability to further assure freedom through its adaptability. Not only is this seen in our Bill of Rights, but it is seen in our later amendments as well.

At one time, slavery was an accepted practice in the United States. However, as the wrongs of this issue became apparent, our Constitution was amended to outlaw this practice. Our Thirteenth Amendment abolishes slavery in all forms, while our Fifteenth Amendment grants suffrage for the black man.

Our Constitution also granted suffrage for women. The Nineteenth Amendment, ratified in 1920, accomplished this. Still, the issue of women's rights continues, with women demanding the same rights that other disadvantaged groups have achieved. The proposed Twenty-sixth Amendment, or Equal Rights Amendment, if and when ratified, will offer the desired relief.

The Constitution grants the people of America the right to privacy. No one may search a persons home without proper authorization. The Constitution grants us the right to bear arms against our enemies, and prohibits soldiers from being unnecessarily quartered in our homes. Even though these two rights are currently unnecessary, since we are not at war at the present time, it is a comfort to know that our Constitution is still there, protecting our rights.

But the Constitution is more than just a policeman for our rights. The Constitution was established to insure that the people of America had a say in the government. This is the first function of our Constitution, and it is one that it still performs today! Under the Constitution, we are assured of a say in who runs our government and what they do while they are running it. We elect our representatives to speak for us. We have control over the government. If we do not like what is happening, we show our disapproval by not re-electing those people. This is the greatest gift of our Constitution—that we, the people of the United States of America have control over our own lives. It is a marvelous thing to behold!

We as Americans are fortunate to have such a wonderful document as the Constitution to aid us and help us govern ourselves. Sometimes, however, we take it for granted. There are many places in the world where the people do not have control over their own lives. As we know through recent reports one such place is Iran.

In the troubled nation, the people do not elect their government. Their aristocratic leader, the Shah, inherited the throne. The governmental system is a monarchy, with the people having little or no say in the government. Iran has a constitution, but their leader has exploited his divine right and has oppressed the people of his country. The basic freedoms we hold so dear are but dreams for many Iranians.

This repressive monarchy has given rise to one of the most violent bloody revolutions in recent history.

Deprivation of basic human rights exists elsewhere on the globe. In South Africa, apartheid creates a system of virtual slavery for the black man. He has no say in the government, nor freedom of speech. The black majority does not even have any privacy. Their homes are subject to search and seizure at any time.

The problem of human rights most certainly extends to the Communist countries, also. In the Soviet Union, authors are continually being exiled for saying what they believe is the truth about their country and the world they live in. Things are very similar in Communist China. There, the people have very few basic rights. They are controlled by the government from birth until death. The Communist newspapers and wall posters are strictly censored so that the people only read what the government wants them to. This control is very apparent in China. The people follow exactly what the government says. They believe in whatever the government tells them to. Their total and almost mindless devotion to the government is rather frightening. The people appear to be robots completely controlled by the government.

The Constitution is more than a set of faded laws and rules on tattered parchment. For nearly two hundred years, it has helped a growing nation of diversified people govern themselves. We are a blessed people to have it. Yet, the nations described earlier do not have these same rights which we take for granted. Therefore, do we, as the people of this great nation, have the responsibility to see that these people get the freedoms they so desperately want? I say, not only do we have the responsibility, we have a moral obligation. What better way to fulfill our obligation than to morally and peacefully help those who do not have these rights get them? Our government, unfortunately, has been showing some support for these tyranical governments. But we, as the American people, who control our government and our lives, can use these powers to help those less fortunate than we. Our Constitution has worked wonderfully for us for nearly two hundred years. Perhaps it is time to see if it will help others. Remember, we were once an oppressed people. Now we are a world power. It's time to use our influence as well as our moral and Constitutional beliefs for the betterment of all mankind.●

ACTION SHOULD BE DISBANDED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. BONKER. Mr. Speaker, the continuing controversy surrounding the tenure of Sam Brown and his colleagues in ACTION is rooted in problems which go much deeper than the nature of their personalities. There is an inherent malaise within Peace Corps as well as the other agencies which comprise ACTION, which is caused by a mistaken conception that highly disparate organizations can be combined simply because they involve volunteerism in one form or another. Experience has shown that this arrangement simply has not worked.

Why persist therefore in perpetuating a bad situation? With the emphasis it has placed on reorganizing the Federal bureaucracy, why has the administration neglected the glaring foolishness underlying ACTION's existence? Instead of tinkering with new and highly dubious policy directions for programs like the Peace Corps and VISTA, the American people deserve a plan for revitalizing these agencies by setting them free of ACTION's stranglehold.

The crisis in ACTION will continue until the inevitable need for reorganization is accomplished.

I submit two recent statements in the Washington Star and the Economist be reprinted at this time as persistent examples of how ACTION's existence is doing a disservice to the programs it presently controls.

The statements follow:

PEACE CORPS—BATTLE STATIONS

Remember the Peace Corps? It sent idealistic young Americans to the developing countries to dig wells, build houses and teach children. In its heyday of personal commitment it had 16,000 volunteers in 46 countries. But with the Vietnam war, young people had causes to fight at home.

Now it is a shadow of its former self, 6,000 volunteers spread thinly over 65 countries. And it is being torn apart by internal quarrels over the direction in which it should be moving. President Nixon placed the Peace Corps alongside various domestic service groups, such as Vista, under the umbrella agency Action, robbing the corps of some of its identity. When Mr Carter, whose mother was once a Peace Corps volunteer in India, became president, a new lease of life seemed at hand. He appointed a lively radical, Mr. Sam Brown, to head Action. Mr Brown led the Vietnam moratorium march on Washington in 1969 and before that worked for Senator Eugene McCarthy's presidential campaign.

But with the Peace Corps he has had nothing but trouble. He could not find anyone with a well-known name to head an institution which apparently has seen its best days. Instead, he settled for Mrs. Carolyn Payton, a 54-year-old black psychologist who had run the Caribbean section of the Peace Corps in the late 1960s and whose aim was to improve, not to alter, the corps.

Some of Mr. Brown's ideas are sensible and are still supported by President Carter. They include withdrawing the Peace Corps from countries that are doing well, such as South Korea, and sending the volunteers to places such as Bangladesh, which are desperately poor. He wants the volunteers to concentrate on basic needs such as health and nutrition, instead of teaching English, helpful only to a small elite. He also hopes to vary the two-year term of service so that professionals and poor young blacks could afford to volunteer.

Some of his ideas, however, are a bit bizarre. He has suggested helping poor countries to set up their own volunteer projects, and using these volunteers in American urban slums. More dangerously, he has favoured using the Peace Corps to mend relations with radical third world countries that the United States does not recognise, such as Vietnam.

Mrs. Payton disagreed with most of these ideas, which she said would mean stripping Latin America and Asia of volunteers and sending them to Africa. She dug in her heels. The result was that she was forced to resign and a number of other officials have resigned—or were fired—with her. A sorry way to treat capable and committed public servants, said Congressman Don Bonker, who heads the international relations subcommittee that oversees the Peace Corps.

This is not the only volley sent across Mr. Brown's bows. Staff investigators for the house appropriations subcommittee that has first say on his budget reported that Action was guilty of deplorable administration of the money that had been given it, and that its volunteers had engaged in forbidden political activity. One likely consequence is that the Peace Corps may be taken away from Action and either made independent or joined with the foreign aid agency in a new department. Action itself could be abolished, as the house investigators recommended.

ACTIVISTS IN ACTION

The controversy over Sam Brown's leadership of ACTION, the acronym that shelters the Peace Corps and its domestic incarnation, VISTA, is a classic duel of attitudes toward social problems. It's confrontation versus cooperation, guerrilla theater as opposed to working within the system, and Sam Brown, yesteryear's anti-war leader is just where he was when Vietnam was the issue; on the barricades.

Recent Congressional scrutiny of ACTION's policies and practices, plus public uproar over the firing of Peace Corps director Carolyn Payton, have brought out the change in the agency's style and objectives since President Carter's appointee took over from Michael Balzano two years ago. The pattern that emerges is one of centralizing and po-

litigating ACTION's operations. That Sam Brown should have to fire a black woman before he could reshape the Peace Corps to his liking is just one more of the ironies.

Carolyn Payton is a middle-aged psychologist whose outlook goes back to the original conception of the Peace Corps as a kind of latter-day secular substitute for the 19th century missionaries who built schools and hospitals in primitive parts of the world. Emphasis on health, literacy and improving food production.

Not only is the Brown orientation toward socio-political change rather than on such mundane tasks as teaching people to read and farm better; it is toward concentrating on geopolitically sensitive areas. Under Sam Brown, there has been a shift in standards making it possible to phase out Peace Corps work in such areas as Latin America and South Korea and to put more money and more agents into Africa.

The same stress on militant, adversary politics as the answer to poverty-related hardships pervades ACTION's actions at home as well as abroad. Where the Balsano administration of VISTA organized local volunteers under local leadership to promote home rehabilitation, day care and services to the mentally ill and aged, its successor concentrates on the kind of community organization that gave the Lyndon Johnson poverty program a bad name.

Much of this has been outside the spirit of the law authorizing the ACTION program, some of it outside the letter as well. Union organizing, lobbying for Nadereseque public interest groups and rounding up the vote for favored candidates in primary elections is not what the congressional sponsors of VISTA had in mind as appropriate work for government-subsidized volunteers.

Not that either VISTA's original backers or its leadership under the previous administration insisted on projects and people guaranteed not to make waves. But the aim when Michael Balsano was in charge was harmony and cooperation rather than conflict. The use of local volunteers under local direction was part of it—no unnecessary carpet-bagger provocations when a VISTA person was trying to improve municipal services for the elderly in a small southern city, for example.

The effect of Sam Brown's centralization has been to turn the program over to young people—mostly middle-class whites—with a penchant for crowd manipulation and to send them to communities not their own. A shoot-out atmosphere has been further encouraged by specific training. Among ACTION's outlays under Mr. Brown was more than $400,000 for training at the Midwest Academy, a Saul Alinsky-style school for movers and shakers with a street-fighting philosophy of civic betterment.

That the Brown remolding of ACTION should have been implemented by a long list of dubious practices having to do with money—gross overpaying of people whose credentials could not meet Civil Service standards and "back door" financing of staff trips to China and Cuba, for example—makes the whole situation more unsavory. Sam Brown's stewardship of ACTION does not seem to be doing much for the poor, here or in any other country. By the time the stories stop coming out, he may not have done much for President Carter either.●

DR. IRVING BENVENISTE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. WAXMAN. Mr. Speaker, it is a special privilege for me to call to the attention of the Members, Dr. Irving Benveniste, the recipient of the 30th Anniversary Peace Award of the State of Israel. Dr. Benveniste was honored at the inaugural salute to the Sephardic community on behalf of State of Israel bonds January 20, 1979.

Dr. Benveniste arrived in the United States from the Island of Rhodes as a young boy along with so many others who left their homelands early in this century to strive for a better life. Hardship in his youth did not deter him from pursuing his goal. A graduate of USC with an M.D. degree, he has spent 45 years in the service of his fellow man. His professional competence as a healer was enhanced by his compassion and understanding of human problems. Dr. Benveniste never forgot his origins and could identify with the struggles and aspirations of the generations of hopeful immigrants who came after him.

A true pillar of his community, he has given generously of himself in all areas. He was chairman of the Sephardic Division of the United Jewish Welfare Fund and the interfaith program of the Ladera Heights community; he is honorary president of the Cuban Jewish Refugees Committee. He served as president and Israel Bond Chairman of the Sephardic Hebrew Center of Los Angeles and received a man of the year award in 1972; Dr. Benveniste is a charter member of the Ambassador's Society of Trustees of Israel Bonds.

As the culmination of his lifelong devotion to the traditions of Sephardism and his pride in his heritage, combined with his sensitivity to the needs of underprivileged children, he recently established a major scholarship fund in Jerusalem for needy Sephardic children.

I ask the Members to join with me and his wife, Jeanette, in honoring Dr. Benveniste not only for his own achievements but for the inspiration he has given others to follow his example of charity, dignity, and devotion.●

TIME TO TAKE A LOOK AT THE DELANEY CLAUSE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. BROWN of Ohio. Mr. Speaker, in light of the May 1979 expiration of the saccharin ban moratorium and the controversy over nitrites in pork, it has become clear that the 96th Congress will be taking a close look at the 1958 Delaney clause of the Food, Drug, and Cosmetic Act, which prohibits the use of any food additive that has been shown to cause cancer in man or animals. The inflexibility of the Delaney clause, combined with the increased capability of the scientific community to detect minute degrees of carcinogencity has led a great number of Americans to the conclusion that a more reasoned approach to the problem is now necessary.

This is not an issue to be dealt with lightly. I urge all of my colleagues to give careful study to the matter, and to further the debate I offer this reprint of an article which appears in the February 26, 1979, issue of Fortune magazine, by Mr. Tom Alexander:

TIME FOR A CEASE-FIRE IN THE FOOD-SAFETY WARS

(By Tom Alexander)

The date March 9, 1977, may be remembered as the high-water mark of consumerist activism in the United States. On that day the Food and Drug Administration announced its intention to ban saccharin from the U.S. food supply, a goal toward which several militant "public interest" groups had lobbied for years. Citing experiments in which very large doses of saccharin had been fed to rats for long periods, the agency declared that the artificial sweetener must be regarded as a potential cause of cancer in humans. In a subsequent proposed ruling in the *Federal Register*, the FDA's new commissioner, Donald Kennedy, said that he was empowered by the Federal Food, Drug, and Cosmetic Act to remove most products containing saccharin from the market—diet drinks, lipsticks, prescription drugs, and much else besides.

The citizenry, which is often fonder of its frivolities than its necessarities, regarded this announcement as the point where the U.S. government finally stepped over the bounds into tyranny. Polls revealed that overwhelming majorities—whether saccharin-users or not—were opposed to such a ban. Adding to the uproar came protests from some professional groups—dentists, dieticians, diabetes specialists—who insisted that the conjectural harm in a substance sanctioned by seventy years of use was probably outweighed by its benefits in curbing tooth decay, obesity, and blood-sugar problems.

Tapping this fermenting resentment and confusion, the Calorie Control Council—a lobbying and research organization supported by the manufacturers of artificially sweetened products—took out full-page ads urging citizens to write their Congressmen in protest. Congressmen say that the resulting deluge of mail was second only to the torrent that followed the President's "Saturday night massacre" at the height of the Watergate turmoil.

THE PIGSTICKER

The uproar had hardly begun to simmer down when another of President Carter's appointees, Assistant Secretary of Agriculture Carol Tucker Foreman—herself a past executive director of the Consumer Federation of America—announced her conclusion that the U.S. must curb the use of sodium nitrite, a key chemical used in curing meats. By last fall, in fact, both Foreman and Kennedy were saying that nitrite, now thought to be a carcinogen, must be "phased out" altogether—which would probably amount to phasing out ham, bacon, sausages, and canned luncheon meats, at least as they look and taste at present. These announcements drew the predictable political pressures from the $12.5-billion cured-meat industry and all the assorted interests involved in the care and feeding of pigs. They also drew a lot of protests from people who like bacon the way it is. And they brought expostulations from health professionals to the effect that in tinkering with nitrite the government was flirting with the prospect of triggering epidemics of food poisoning or botulism.

Probably the most useful result of the saccharin and nitrite flaps was that it became politically impossible for Congress and the bureaucracy to escape the long-overdue modernization of the illogical patchwork of food-safety statutes that have accumulated since early in the century. At first, to be sure, Congress temporized: it got assurances from USDA and FDA that they would not do anything hasty on nitrites, and it imposed an eighteen-month moratorium while the prestigious National Academy of Sciences re-evaluated the risks and benefits of saccharin.

Last November, the National Academy handed the buck right back to Congress: it concluded that saccharin was indeed a weak carcinogen, at least in rats. By the criteria generally employed, the sweetener must therefore be regarded as a potential, though probably feeble, human carcinogen as well. The academy gingerly skirted the question of saccharin's benefits by saying that there wasn't really much in the way of conclusive scientific evidence one way or another. The scientists did point out something that was by then pretty obvious: a lot of people perceive saccharin to be a benefit. Now Congress faces the expiration of its saccharin moratorium this May, and so is finally beginning to tackle the underlying illogic in the entire array of laws that govern the subject of food safety in the U.S.

The Food and Drugs Act of 1906 and its companion statutes, by cleaning up unsanitary practices in the food industry and eliminating poisonous adulterants and preservatives, probably contributed more to improvements in general health than any set of federal laws. By the middle of the present century, the once-widespread epidemics of botulism and other severe food-borne diseases were becoming rare enough to be medical curiosities. Congress grew willing to tackle more subtle threats in the food supply.

DELANEY TO THE RESCUE

Chief among these threats was cancer, which had captured attention with the discovery that some products derived from coal tar, including several food-coloring agents, were carcinogenic. The trouble then, as now, was that scientific understanding of cancer was at about the same level as knowledge of infectious disease before the discovery of germs. No one knew how carcinogens did their dirty work, whether there was such a thing as a "safe dose," as is the case with all other toxic substances, or even how to ascertain which substances were *human* carcinogens. But it was generally assumed that carcinogens must be comparatively rare, otherwise there would be few people left in the world to worry about them.

After debating the matter of how to regulate in the face of such ignorance for the best part of the Fifties, Congress relieved itself of the dilemma in 1958 with a measure that was introduced on the floor of the House by Congressman James Delaney of New York. Delaney retired last year after thirty-two years of srevice, but the Delaney Clause lives on. An amendment to the Food, Drug, and Cosmetic Act, it simply prohibited the use of any additive that had been shown to cause cancer in man or animals. The word "additive" was defined to include not only substances deliberately added, but also any substance used in growing, processing, or packaging food that might become a contaminant.

Though currently much in the limelight, the Delaney Clause has actually had little direct part in shooting down the various chemicals shown in the gallery above. In announcing his intention to ban saccharin, for instance, Commissioner Kennedy went out of his way to cite, not Delaney, but the general provisions in the food laws that food be "safe." Nevertheless, the "zero-risk" attitude implicit in the clause is pervasively interpreted by regulators and courts as the will of Congress with respect to all food hazards.

By the Seventies, however, toxicologists began to find that if they were assiduous or ingenious enough, they could produce animal cancers with all kinds of substances. Of 206 chemicals recently tested by the National Cancer Institute, 110 were designated as carcinogens while another ten fell into the category of "questionable" or "suspicious." As one expert observes, "The Delaney Clause takes on the character of an open-ended invitation to experimentalists to outlaw essentially innocuous substances by finding the conditions that render them harmful." So far, the experimentalists have managed to create tumors with natural hormones such as estrogen, vital trace minerals such as selenium, nutrients such as vitamin D, and hundreds of other food substances from eggs to ice water.

A CARCINOGEN IN EVERY TIN CAN

These developments coincided with the "analytical revolution," the invention of instruments capable of detecting traces of substances at the level of one part in a billion. Now scientists are well on their way to finding a part in a trillion. The result is that almost everything anyone eats can be shown to contain carcinogens. If, for instance, a tin can is soldered, and if the solder contains lead, and if lead is a carcinogen in test animals, and if detectable traces of it migrate into the contents of the can—all of which is indisputably the case—why, then, the FDA can be accused of being less than diligent if it doesn't outlaw tin cans.

What has been missing is some honest estimate of how grave the risk to the public really is. It is generally conceded that diet plays a role in the formation of cancer—one piece of evidence being the fact that the incidence of various kinds of cancer differs greatly from one country to another and that the children of emigrants show the pattern of the adopted country after they change their diets. But the role of diet and food additives is exaggerated in the public mind, according to Sanford Miller, director of the FDA's Bureau of Foods. He also points out the incidence of the disease in the U.S. has declined steadily "for all forms of cancer that are not obviously related to cigarette smoking."

SEX MAKES A DIFFERENCE

Admittedly, the danger of a specific substance in the diet is exceedingly difficult to assess. Take the baffling evidence about saccharin, for example.Surveys of diabetics, who are usually heavy saccharin users, have revealed no pattern of excessive cancer rates. But a recent Canadian study of 632 people who had bladder cancer seemed to show that males who used saccharin were 60 percent more likely to get the disease than those who did not use saccharin. On the other hand, female saccharin-users seemed to be somewhat less likely to be so afflicted. Similarly, in laboratory experiments, when rats were fed the "maximum tolerable" dose of saccharin—the equivalent for humans of about 1,200 cans of diet soda per day—a larger-than-expected number of the male rats—but not of females—got bladder cancer. In other words, if the tests are to be believed, saccharin could be described as harmful to males and benign in females.

In extrapolating animal results to human populations, regulators are in the habit of making what they call "conservative" assumptions. In this context, conservative means that they are careful not to underestimate the risk. To begin with, they simply ignore a problem of great concern to toxicologists—that the test doses used on animals are so massive that they may simply be overwhelming the natural defenses animals apparently have against many carcinogenic substances. Then the regulators generally use a form of extrapolation which assumes, in effect, that if a substance making up 10 percent of the animals' diet produces cancer in 10 percent of the animals, 1 percent of the same substance in human diets would produce cancers in 1 percent of the humans. In reality, such relationships are rarely found in tests of real chemical carcinogens, and no other animal responds to carcinogens precisely as humans do.

In the saccharin case, the assertion was commonly made that if saccharin were not banned it would result in 1,200 additional cancer deaths in the U.S. per year. The actual assumptions were that every citizen would have to consume a can of diet beverage every day throughout his life, and the actual range of risk was estimated at from zero to 1,200 deaths, with the low end of the range seeming more probable.

While assuming the worst is the prudent practice in, say, the design of bridges, it is not much help in trying to weigh one risk against another. If saccharin is banned, how safe will its replacements be? Some animal tests show that sugar is a carcinogen too. One recent FDA study concluded, in fact, that replacing saccharin with sugar poses a far greater cancer hazard than saccharin does.

THOSE IRREPLACEABLE NITRITES

Despite the headlines that the saccharin incident generated, the nitrite case points up even more troublesome risk trade-offs. The concern over nitrites began to emerge in the early Sixties with the discovery that they can combine with the widely prevalent amine compounds to form a class of substances, nitrosamines, some of which are potent carcinogens. Subsequently, experimenters found some nitrosamines in smoked fish and cured meats—especially in fried bacon.

Both the government and the meat industry got alarmed, and a lot of research went into looking for nitrite substitutes that would give cured meats the familiar taste and color, prevent spoilage, and inhibit the bacteria that produce deadly botulism toxins. Salt-cured bacon, sold as "nitrite-free," came into vogue, but the best evidence is that in the old days the anti-botulism action in salt-cured products depended on nitrite-forming impurities. No real substitutes for nitrites have been found, though some substances, such as vitamin C and potassium sorbate, were shown to increase nitrite's effectiveness. So, last May, the USDA established a timetable for reducing the amount of nitrites used in curing bacon. It also called for reducing nitrosamines to undetectable levels. But, so far, nitrosamines are still being found in many samples of fried bacon.

In any case, shortly after the USDA had spelled out its new standards, it received the disquieting results of some lengthy animal experiments that had been carried out at M.I.T. These indicated that nitrite itself had to be regarded as a potential carcinogen, even in the absence of nitrosamines.

Some 12.5 percent of a large number of rats that were fed high doses of nitrite contracted lymphatic cancer, as compare with about 8 percent of a group of control rats not so fed. Strictly interpreted, therefore, the Delaney Clause, the general safety provisions of the Food, Drug, and Cosmetic Act, or even the anti-adulteration provisions in the Meat Inspection Act, would all seem to call for a ban on nitrites. And by last fall, the USDA's Foreman and the FDA's Kennedy were jointly announcing their intention of phasing nitrites out.

So far as anyone can now tell, this would mean great changes in cured-meat products, if not the end of them. As the FDA has pointed out: "Without nitrite, bacon is salt pork, frankfurters are bratwurst, and ham is salty, warmed-over roast pork."

WILL THEY DARE TO BAN BEER?

The ultimate irony in all this concern is that cured meats are the source of only about 2 percent of the nitrites in the average person's body. Nitrites (or nitrates, from which nitrites are ultimately formed) also occur naturally in vegetables and fruits, while normal human saliva contains a greater proportion than cured meats. And now comes evi-

dence from Germany that those indisputable carcinogens, nitrosamines, are also to be found in beer. One ponders with wonder the malse that would ensue if the government ever attempted to ban beer.

What's been happening, in short, is that an array of statutes originally designed to curb the dangerous actions of food producers have, on the basis of dubious science and logic, been imperceptibly transformed into a system of curbs upon consumers. On this theory, if the public, against the advice of a wise and paternal government, insists upon drinking diet sodas and eating bacon, then sodas and bacon will simply have to be placed out of reach.

These controversies, however, have emboldened Congress to reexamine the direction the laws are taking. Last year, James Martin, a Republican Congressman from North Carolina and a former professor of chemistry at Davidson College, lined up 201 co-sponsors for a bill that would have required the FDA to consider benefits as well as risks before invoking the Delaney Clause. The FDA isn't eager to take on that kind of responsibility, since benefits can be even more difficult to judge than risks, and weighing risks against benefits can come down to comparing apples and oranges. But Congress doesn't want to make these judgments on a case-by-case basis either. Martin, who is deferred to in the House as the expert on this subject, has evidently concluded that a more fundamental revision of the food laws will be required. One thing he is sure of is that the climate has changed. "Before March, 1977," he says, "one risk that no mere politician, including me, could take was to be accused of favoring 'a little bit of cancer.' "

ADVICE FROM A VETERAN OF BOTH SIDES

Given the many interest groups that will have to be heard from and the complexity of the subject, a new law may take a couple of years to write, and in the meantime Congress will probably extend the moratorium on the saccharin ban. For the more basic task of drafting new legislation, it may get help from a thoroughgoing study of the food laws soon to be published by the National Academy of Sciences. No doubt it will also take note of the recent important work of Peter Barton Hutt. A veteran of both sides of the food wars, Hutt was chief counsel of the FDA from 1971 to 1975. Since then, he has returned to the Washington law firm of Covington & Burling, where he has represented many of the food companies. Last October's issue of the *Food, Drug and Cosmetic Law Journal* was devoted to three articles by Hutt, developing an approach to the food statutes that amounts to codified common sense.

Hutt argues that regulatory agencies should attempt to distinguish the differing degrees of real hazard in *all* food, not just additives. This would involve estimates of the relative potency of toxic substances, the amount present, and the number of people exposed. On the basis of these studies, food products would be divided into three categories of risk—high, medium, and low. A high-risk substance that can't be improved would have to be banned. Foods that pose a moderate risk to human health would have to be labeled—not with one-sentence scare statements of the sort currently carried on both cigarette packages and diet sodas, but with full and accurate information about the nature and magnitude of the risk involved. Low-risk foods—those in which the hazards are comparable with ones people routinely accept in their day-to-day lives—would not have to carry warning labels. Even in the latter case, however, regulators might require food manufacturers to reduce the risk when this can be done without any significant cost.

The economic stakes are obviously gigantic in the debate that has now begun. But the matter at issue transcends economics. Footless attempts to outlaw all of life's hazards have raised important issues of individual freedom. The U.S. has always been a pluralistic society in which it has been expected that a convincing and overwhelming case must be made before government infringes upon the beliefs, practices, and preferences of any sizable segment of the population. The food-safety laws, models of effectiveness in their time, have long since been converted into a meat-ax of antique legalities, the weapon of groups with special aversions to risk, or special political objectives. By dint of energy, organization, and political prowess, these groups have proved themselves capable of imposing their preferences upon those who do not share these views or aims. At last, however, that unlikely substance, saccharin, has sweetened the prospects for a return to pluralistic principles.●

A TRIBUTE TO NELSON A. ROCKEFELLER

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GINGRICH. Mr. Speaker, in tribute to former Vice President Nelson A. Rockefeller, I submit for the RECORD the personal recollections and comments of my friend and fellow Georgian, Kay Magenheimer, a New York State retiree who has lived in my home town of Carrollton since 1975.

Mrs. Magenheimer's comments were printed in the Saturday Carroll County Georgian, my home town newspaper.

The article follows:

POET MAGENHEIMER RECALLS ROCKEFELLER

"He was my BIG boss for 15 of the 25 years I spent as a civil servant of the State of New York," commented Kay Magenheimer when she learned of the death of Nelson A. Rockefeller, former long-time Governor of her home state of New York, and former Vice President of the United States.

"Once," the poet continued, "I was within inches of his magnetic smile. His smile was different from Jimmy Carter's. It did not have that 'down home' quality. It was a teasing smile, as if he were flirting.

"Both in 1960 and 1971, I was appointed to a regional committee in connection with the New York State Conference on the Aging. During the latter year, he addressed a large meeting of these state committees in New York City while his opponents picketed noisily in the street. One of them managed to get into the auditorium and heckled Rockefeller during his speech. He was about to be thrown out when Mr. Rockefeller interrupted his speech and good-humoredly invited the man to the platform. There, he promised the heckler a chance to make a speech if he would sit quietly next to him while he finished his own. When Rockefeller concluded, he turned to the agitated man and invited him to the podium. Just as the man had taken his place, all the lights in the hall went out! When the lights came on again, Rockefeller was nowhere to be seen: he obviously had better use for his time.

"Governor Rockefeller—he'll always be 'Governor' to me—had a tremendous impact on New York state. He transformed the lives of New York state employes by lifting their standard of living with excellent raises on top of their increments, and in their health and pension benefits. He put them under the Social Security system.

"He also will be remembered for his unflagging interest in and important contributions to the State Educational System. He initiated the University System of the State of New York. Educational facilities were greatly enhanced and the enormous University at Stony Brook was built; and staffed by experts in their academic fields from all over the world. The Nuclear Research Center arose at Brookhaven. I worked on the annual budget for my State agency and was familiar with Rockefeller's budgets for all the years he was governor. I could go on and on about roads and bridges, dams for electric power, magnificent recreational areas, the Adirondack Wilderness program, etc.; about his programs for the poor who were treated better in New York State than in any state in the Union—to the ultimate dismay of New York City to which they flocked.

"One of his greatest projects, which some critics characterized as 'a monument by himself to Rockefeller', was the building of the state campus on the outskirts of the capital city of Albany. Here he collected, in a striking panorama of buildings, all the headquarter-offices of the state's agencies. Here, too, arose the buildings of the University at Albany. I have seen this architectural wonder. It is definitely a tourist attraction. Besides, it freed for transformation the downtown area of Albany where businesses finally had room to expand. He also transformed the executive mansion which I remember as being distressingly dark and dismal when Eleanor and Franklin Roosevelt lived there.

"Nelson A. Rockefeller had charisma. He had a mischievous right eyebrow. He could charm the ears off a rabbit!

"But, most importantly: Here was an enormously wealthy man who had personal contacts all over the world, who could have and was willing to use them for the good of our country. He was, above all, a patriot. He was a man of vision. Unfortunately, too many of our people saw only his wealth, were envious of it, and gave him little credit for good intentions. We were the losers when we denied him the Presidency.

"He was on top of the world. He certainly did not need to subject himself to the will and the whim of the people. But he did; and he devoted the best years of his life, his tremendous energy, to the good of New York State and, before and after, to the good of his country. He was a wise leader in every sense of the word and he knew the value of every moment of life. He squandered neither his time nor his money.

"At the end, he was found dead at his desk in his study in his home in New York City, at quarter past ten on the night of Jan. 26. He was doing what he liked best: selecting objects of art, from his valuable collection, for reproduction so that we, who cannot afford the originals, could share his joy in the beautiful paintings and sculptures he spent a lifetime collecting. He was a generous man, having helped many an individual of talent. Henry Kissinger, one of our greatest Secretaries of State, shared in Rockefeller's generosity.

"Rockefeller was also involved in little things with little people. I remember a treasured letter I had from him which I gave to a friend as a birthday present. I had written him about the wonderful work this aging friend of mine was doing for the senior citizens of the South Shore of Long Island, N.Y. I did not expect a reply. But one I got, with his personal signature. His letter extolled my friend for her contribution to society. Soon after I received it, we had a birthday party for her. It was held in her garden, a place of beauty, I've since learned, that only Southerners could design. Imagine her surprise and the surprise of her guests when I read Governor Rockefeller's letter and then presented it to her!

"As you may have guessed, my friend was a southerner. Who else would have had that warm concern about her neighbors, about senior citizens? She was Mildred Weldon, now deceased, who was the daughter and sister of the Doctors Weldon of Birmingham, Ala., who were celebrated as a medical team for more than a half century in that city. Mildred had her own celebrity status with her own talk-show on the Birmingham radio before she came north to become CBS designer of TV sets in New York City. Incidentally, it was at her Long Island home that I had my first taste of Southern cooking. I found it kind of sweet. You can understand this when I tell you my favorite dish is the German sauerbraten.

"I shall never forget Governor Rockefeller nor the great things he accomplished for New York and his services to his country. These things I remember well; but what I treasure most about him was his beautiful gesture toward my friend, Mildred.

"I wish folks here and all over the country had understood his dream for our country. We might have been saved many problems. No doubt about that! He lost the presidential nomination to Nixon, remember?

"He had everything. He could have lived a life of leisure, of uselessness. He chose, instead, to work—not for himself but for others.

"And this is how the Angel of Death found him."

(Kay Magenheimer is a New York State retiree, who has made her home in Greenwood Estates in Carrollton since 1975. She is widely known here as a poet and as the author of Born Again, her inaugural gift to President Jimmy Carter. She is a member of Our Lady of Perpetual Help Catholic Church where she teaches the Bible.

(She is listed in the International Who's Who in Poetry and in Who's Who of American Women. Her prize-winning book Love's Stigmata is available at the West Georgia College Library. Her poem "My Angel Shall Go Before You" and her comments about Tanner Memorial Hospital will appear in next week's CARROLL COUNTY GEORGIAN.)●

STATEMENT OF CONGRESSMAN STEPHEN SOLARZ ON ENERGY CONSERVATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. SOLARZ. Mr. Speaker, it has come to my attention that the Department of Housing and Urban Development and the Council of Jewish Federations, in cooperation with a number of neighborhood groups of all major faiths, have conducted a most useful model Conference on Community Housing and Energy Conservation.

This conference was conducted at the Jewish Community Center of Greater Washington in Rockville, Md., for over 200 participants from the Washington metropolitan area with observers from all over the country.

During this conference participants were taught the latest techniques in energy conservation, including demonstrations of various specific ways in which houses and community buildings can cut back on energy consumption. There was a complete description of all available Federal resources which assist individuals and groups to conserve energy. In addition, a model library was displayed, consisting of the best available Federal publications which can be replicated by any group in the country.

I want to congratulate Assistant Secretary Geno Baroni and his Office of Neighborhoods at the Department of Housing and Urban Development and the Council of Jewish Federations for this very innovative community-based effort to help teach energy conservation. It is my fervent hope that this effort will be replicated throughout the country since I believe such efforts are so crucial given the uncertainty we as a nation are now facing in regard to our available energy supply as the international situation becomes more clouded.

The following is a copy of the complete schedule of the energy conference as it was conducted last week:

COMMUNITY HOUSING AND ENERGY CONSERVATION CONFERENCE, MONDAY, FEBRUARY 19, 1979

GENERAL SCHEDULE

9:00 a.m.–9:30 a.m. Registration (through the day).

9:30 a.m.–10:00 a.m. Convening General Session.

Speakers

Father Geno C. Baroni, Assistant Secretary for Neighborhoods, Voluntary Organizations and Consumer Protection, Department of Housing and Urban Development.

Mr. Terry Chisholm, Manager, Washington, D.C. Area Office, Department of Housing and Urban Development.

10:00 a.m.–1:00 p.m. Workshop (see below).

12:30 p.m.–2:00 p.m. Lunch.

1:30 p.m.–4:30 p.m. Workshop (see below).

4:30 p.m.–5:00 p.m. Afternoon General Session.

Speaker

Richard C. D. Fleming, Deputy Assistant Secretary, Neighborhoods, Voluntary Organizations and Consumer Protection, Department of Housing and Urban Development.

5:00 p.m.–6:00 p.m. Social Hour.

5:30 p.m.–7:00 p.m. Dinner break.

7:00 p.m.–7:30 p.m. Conference Reconvenes.

7:30 p.m.–8:30 p.m. Sample Workshop—Community Institutions as a Conservation Model.

8:30 p.m.–9:30 p.m. Closing General Session.

Dr. Barry Commoner, Director, Center for the Biology of Natural Systems, Washington University, St. Louis, and Chairman, Executive Committee, Scientists' Institute for Public Information.

Speaker

All Day. Demonstrations, exhibits, displays on conservation.

WORKSHOP SCHEDULE

Morning (10:00 a.m.–1:00 p.m.):

(1) Energy Conservation in the Home:

A. Weatherization and Buying an Energy Efficient Home: Home Buyers Guide; In the Bank . . . Up the Chimney; Audits; Pay back concepts; Heat pumps; Weatherstripping and Caulking; Glazing; Furnace maintenance, etc.

B. Home Insulation: Materials and application techniques.

C. Financing Home Insulation and Weatherization: Title I home improvement loans; Energy tax credit; mortgage refinancing; Residential Conservation Service.

Please note: Workshops will cover major subtopics (i.e., A, B, C) in the order listed. Each subtopic will be discussed for about one hour, with short breaks at the hour.

(2) Weatherization by Community Groups for Low-Income Households:

A. Program Planning and Development: Organization; Department of Energy and Community Services Administration funds for materials; Department of Labor funds for installation personnel.

B. Integration with Other Programs: HUD Community Development Block Grants and Section 312 rehabilitation loans; Action; Administration on Aging.

C. Examples of Community Projects.

(3) Consumer Protection:

A. False Advertising: Product and Appliance labeling; gasoline octane ratings; enforcement procedures.

B. Insulation Hazards: Cellulose manufacturing standards and proper installation; enforcement procedures.

C. Choosing a Contractor.

Afternoon (1:30 p.m. 4:30 p.m.):

(4) Conservation in HUD Programs:

A. Conservation in HUD-Assisted Housing: Public housing weatherization; Section 8 rental assistance; Section 203 (b) and (k) home mortgage insurance.

B. Rehabilitation Programs: Community Development Block Grants; Section 312 rehabilitation loans; Urban homesteading; Section 241 rehabilitation loans.

C. Community Projects.

(5) Community Energy Projects:

A. Energy Education and Outreach: Energy Extension Service; Community Services Administration crisis intervention; Community Services Administration and Department of Energy weatherization assistance.

B. Appropriate Technology: Alternative energy; Department of Energy small grants; National Center for Appropriate Technology; Appropriate community technology fair.

C. Examples of Community Projects.

(6) Solar Heating and Cooling:

A. Demonstration Programs: Department of Housing and Urban Development residential program; Deparment of Energy commercial program.

B. Applications: Active and passive systems; community groups' use of solar energy.

C. Market Development and Training: Education and training; SUEDE, SOLCOST; SOLAR INDEX; consumer protection.

Morning, Afternoon, and Evening:*

(7) Community Institutions as a Conservation Model:

A. Energy Audit of Community Buildings: Alternative energy systems for institutions.

B. Financing of Energy Conservation.

C. Conservation Ethic and Community programs.

It is planned that the Community Institutions as a Conservation Model workshop be conducted in the morning, afternoon, and, in abbreviated form in the evening (7:30–8:30 p.m.).

Workshop panel members

Federal, State and Local Officials: They will address government programs and available resources.

Community Leaders: They will discuss energy conservation projects undertaken in their localities.

EXHIBITS AND DEMONSTRATIONS

Throughout the day, the Conference will feature exhibits and demonstrations on conservation and solar energy. These will include actual "hands on" applications of specific conservation techniques, including caulking, weatherstripping, and insulation.●

ENDANGERED SPECIES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. SYMMS. Mr. Speaker, for the past few years a number of superecolo-

gists and no-growth people have been attempting to turn back the clock and return this Nation to the days of the horse and buggy. These misguided individuals are often sincere in their beliefs, but apparently lack knowledge of the real world. One area in which the no-growth mentality is lacking concerns the important issue of the "endangered species." This issue has caused a number of vitally needed projects to be foresaken because the no-growthers have shown that some "endangered species" is possibly threatened by economic growth.

Mr. William Tucker recently wrote an important article in Harpers magazine that was reprinted in the Conservative Digest of February 1979. Mr. Tucker lays to rest the contention that the snail darter is more important than homo sapiens. This article also counters much of the no-growth argument surrounding the term "species" and its use in the Endangered Species Act of 1973.

Mr. Speaker, at this time I would like to insert the article by Mr. William Tucker in the RECORD. I highly recommend this article to my colleagues attention:

ENDANGERED SPECIES: THE SNAIL DARTER, OR MANKIND?

(By William Tucker)

The latest environmental crisis turns upon the protection of endangered species from the onslaught of human economic aspirations. Once again, institutions like the Sierra Club and the Worldwatch Institute have rushed to the fore, telling us we must all change our "life styles," think small, live beautifully, and try to hang on desperately to what we have without rocking the ecological lifeboat.

"Noah's Ark is sinking," the environmentalists tell us. We are chopping away at the evolutionary tree where we sit precariously perched among the top branches. Our human activity is about to destroy the genetic diversity of the creation, leaving us stranded at the tip of a slender, catastrophe-prone stalk of ecological singularity.

The only salvation is to call a halt to any further development in order to conduct endless studies of its potentially devastating effects. Naturally, this solution is more attractive to those people who are satisfied with what they already have than to those who hope to move up a few more rungs on the economic ladder.

Does the scenario of "ecocatastrophe" bear any resemblance to biological reality? I think not, and I think when the terms of the argument are clearly understood, it will seem almost absurd that Congress, the bureaucracy, and the Supreme Court have been duped into trying to pass and enforce a law like the 1973 Endangered Species Act that makes it almost impossible for a farmer to drive his tractor across a field without threatening some "eco-catastrophe."

NAMING THE CREATURES

What does the term "species" actually mean? The system of biological classification, set up originally by the eighteenth-century Swedish naturalist Linnaeus, divides all living things into seven major categories: kingdom, phylum, class, order, family, genus and species. Human beings, for example, belong to the kingdom of animals, phylum of chordates, class of mammals, order of primates, family of hominids, genus homo, and species *Homo sapiens*.

The passion of naturalists and taxonomists for finer and finer distinctions has further embellished the system, however, so that each major category now includes "sub-," "super-," and "infra-" groups as well. Thus, the classifications below the species level now read as follows: species, subspecies (race), variety and population.

The Endangered Species Act of 1973, despite its title, actually protects groups of plants and animals right down to the level of "populations"—a biological term that simply refers to a group of animals or plants that happen to live in a particular location, and could refer to just two animals.

When a person thinks of "species," such animals as deer, bears, elephants, skunks and sharks are likely to come to mind. In fact, these animals are grouped either at the genus or family levels.

Elephants are a family of animals with two genera and two species. Bears are a family with about eight species. There are 40 species of deer, 12 of which in North America are called "elk." An oriole is a genus with 15 species and a crow a genus with 36 species. There are about 10 species of skunks, a dozen species of weasels, 150 species of squirrels, 550 species of bats, and 350 species of sharks. The giraffe is an animal that comes closest to the commonsense notion of "species." It is a single genus with a single species.

THOUSANDS OF SPECIES

The numbers stay fairly manageable when we stick to mammals and birds, which most taxonomists agree have been rather thoroughly described and classified. But with fish, the number of species begins to multiply beyond commonsense proportions, and when the invertebrates are counted—particularly insects—the numbers become understandable only in powers of 10.

It is estimated, for example, that there are about 10,000 described species of fresh-water fish, with perhaps another 5,000 that have not yet been identified. Within the invertebrate phyla, no estimates of the number of species not yet described have been attempted, but at present biologists have identified about 5,300 corals, 4,800 sponges, 2,000 oysters, 50,000 mites and spiders, and 10,000 nematodes (microscopic worms that sometimes infest crops).

Among insects, about 360 species of dragonflies have been observed, 1,100 species of butterflies in North America alone, and about 16,000 species of flies. It is not uncommon for a single insect specialist to have identified more than 1,000 new species in his career, and the number of new species described each year by all naturalists is about 10,000.

The odds are thus in favor of people who disapprove of dams and other public works projects for reasons of politics or self-interest, and who can enlist the scientific skills of like-minded naturalists to block such projects.

For example, "endangered species" of snails and clams are threatening the construction of dams in the Tennessee Valley, endangered insects are blocking water projects in Colorado, and an endangered species of butterfly is obstructing an airport expansion in Los Angeles. In fact, engineers could probably save themselves the trouble of beginning such projects right now by acknowledging that anywhere naturalists look they are likely to discover some unique plant or animal that will be entitled to the protection of federal law.

Just how easily these small populations of plants and animals can be put to political use can be illustrated by the case of the snail darter, which the U.S. Supreme Court recently ruled must be protected at the cost of scrapping the nearly completed $3 million Tellico Dam across the Little Tennessee River. The snail darter was discovered by David Etnier, an outstanding icthyologist (fish specialist) at the University of Tennessee, who makes no secret that he does not like the Tennessee Valley Authority's proposed dam.

"Most of these big dams are turkeys," Dr. Etnier told me in a telephone interview last October. "They're a big waste of the taxpayers' money. They're big pork-barrel projects that don't do anybody any good. I just generally have an aversion to projects that would alter our few remaining big free-flowing rivers."

Dr. Etnier had been a key witness for the Environmental Defense Fund, a Washington-based environmental group that worked with Tennessee landowners who were fighting condemnation of their property and succeeded in delaying the project over a year from 1972–1973. Soon after the Endangered Species Act of 1973 said that all new projects must give way to endangered animal and plant populations, Dr. Etnier set out to find just such a small population in the Little Tennessee River.

"We went down to the lower 20 miles of the river with masks and snorkels, and on my very first dive I saw something unusual curled up on the bottom," Dr. Etnier told me. "I expected it to move away, but it stayed right there. When I brought it to the surface and had a look, I knew I had something that no human being had ever seen before."

SEEK AND YE SHALL FIND

The fish turned out to be a member of the subgenus Imostoma, which includes five species of darters, two of which have been described by Dr. Etnier. The entire genus belongs to the perch family, of which there are eight genera and more than 150 species. Within the three genera that include the darters, there are more than 100 species, 65 of which live in the Tennessee River Valley Basin. There is little to distinguish them, and only trained ichthyologists who specialize in darters can tell them apart.

Is there any way that the concern over endangered species can be redefined in some more rational manner, so that the legitimate worries about our impact on the natural environment can be reconciled with a reasonable amount of social and economic progress, without giving way to the spectacle of hordes of environmental activists finding "endangered species" of worms, snails, and insects under every rock and tree? I think there is.

First, the compass of the current law should not extend beyond the species level for reptiles, mammals and birds. (The 1977 amendment to the law limited its reach to "subspecies" for invertebrates, but left it at "population" for vertebrates.) Because these species do not breed rapidly, they have developed relatively few varieties, and the genetic resources they represent should not be lost.

Second, for all other orders of plants and animals, the "survival" cutoff could be placed at the genus level. Many plants and animals are genera with a single species—i.e., they have few close relatives and should be protected. But invertebrates, in particular, are so abundant and prolific that they hardly seem to need protection at the species level.

But still, the environmentalists tell us, we are setting ourselves up for "eco-catastrophe" because any degradation of the genetic base makes the ecosystem more fragile. Diversity equals stability, is the way this argument is usually phrased.

It is one of the real embarrassments of the environmental effort that this "ecological commandment" widely stated in the popular literature is completely unproven and in many cases is demonstrably false. If a mature forest is temporarily cleared, for example, a wide variety of organisms will rapidly compete for succession, but will gradually give way again to a less diversified but far more stable collection of "climax" species. Diversity does not always equal stability, and the formula only seems to hold true in the most extreme cases.

Ultimately, the case for protecting every plant and animal population and species is argued in terms of religious guilt. Do we want to be the first people in history to consciously and deliberately eliminate a species?

I hope it is clear that this question does not appeal to a rational assessment of the evolutionary consequences, but to emotion and doubt. What the question in fact asks is: Should we kill any living creature?

One answer is, of course, that we sometimes have to. The evolutionary cathedral could not have come into existence if some creatures had not been destroyed by others, and if all the species that ever evolved had survived until now, there wouldn't be room on the planet to support them all.

Extinction has been the common fate of nearly all the species that have evolved on earth. We ourselves are a part of nature, and it is impossible for us to live without changing it to some degree.

If we are to adopt the attitude of Indian holy men and live in fear of putting our feet down because we might crush some living creature, we should at least be aware that such unadaptability frequently occurs in nature. It is nearly always a highly unsuccessful evolutionary strategy.●

TRIBUTE TO DONALD R. DUNKER

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mrs. SPELLMAN. Mr. Speaker, baseball's colorful ex-manager, Leo Durocher, is forever being quoted saying "nice guys finish last" but I, for one, have rarely found that to be true. On the contrary, it has been my experience that true and meaningful success follows most often and easily to those blessed with compassion, concern, and commitment.

I rise today to pay tribute to one such individual who, I believe, conclusively disapproves Mr. Durocher's theory. That individual, Mr. Speaker, is Mr. Donald R. Dunker, who recently retired after a long and distinguished career with the Department of Public Works and Transportation in my own Prince Georges County, Md.

I had the pleasure of working closely with Don for many years and know him to be a truly "nice guy" who not only finishes "first" in my book but in the book of virtually everyone who knows him. Don Dunker is a blend of pleasantness and professionalism—he has been an exceptional public servant, whose first and foremost concern was the well-being of the citizens he served.

Born in Baltimore, Don Dunker capped his 27-year career with the Prince Georges public works department by serving as department director from 1974 to last month. Before that, he filled a variety of department posts, including materials engineer, design engineer and office engineer, and was deputy department administrator for 11 years, serving with John Marburger, effectively and loyally.

A registered professional engineer, he was graduated from the University of Maryland in 1948 with a bachelor's degree in civil engineering. He was honored by his peers when he was named president of the Maryland Association of Engineers.

Throughout his career, Don's likable personality and soft-spoken approach, which enhanced his effectiveness, earned him the reputation of being a bureaucrat with a heart. No problem was too small and no assignment too big for him to tackle with enthusiasm and personal commitment.

Tomorrow, Mr. Speaker, many of Don's closest friends will gather to wish him well in a retirement expected to be filled with happy days of tennis and sailing upon the Severn. I regret deeply that congressional duties, which will take me out of the State, will keep me from joining in what undoubtedly will be a memorable gathering.

I do want to take this opportunity, however, to wish Don Dunker and his wife, Doris, the best in all their future undertakings. I know my colleagues will want to join me in expressing sincere thanks to this exemplary public servant for his many fine achievements and his years of dedicated service to my community. If the months and years ahead can return to this truly "nice guy" as much as he has given the people of Prince Georges County, his will be a full and rewarding retirement indeed.●

NEW RELATIONSHIPS WITH CHINA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 27, 1978, into the CONGRESSIONAL RECORD:

NEW RELATIONSHIPS WITH CHINA

President Carter's announcement that the United States and China would establish diplomatic relations on January 1, 1979 is an historic development. In explaining the move President Carter said simply "We are recognizing simple reality." That may be, but the decision to normalize relations between the world's most powerful and the world's most populous country will have repercussions across the world. The move ends three decades of hostility between Washington and Peking, culminates a process that began nearly seven years ago with President Nixon's dramatic trip to China, and climaxes a series of extraordinary developments inside China.

In a single stroke the United States terminated diplomatic relations with Taiwan and the mutual defense treaty between the two countries. In four months the United States will withdraw its 750 remaining military personnel from Taiwan. Teng Hsia-ping, the powerful Deputy Prime Minister, will visit the United States in January, the first such visit by a high level Chinese official since the Communists took power in the mainland in 1949.

The sudden decision to normalize relations can only be explained by the rush of events in China in recent months. After more than a decade of near isolation the Chinese leadership has become more aggressive in their pursuit of closer relationships and alliances. They apparently feel a need for closer ties with the United States at a time of increased Soviet efforts to beef up forces on their border, and the Soviet supported Vietnamese assault on China's ally, Cambodia. China apparently also felt it needed American technology and resources to meet its goal of full industrialization by the 21st Century.

The move has obvious advantages to the United States. Normalization will bring expanded economic, technological and cultural links with China, contributing to the well-being of the United States and enhancing stability in Asia. Because of the Chinese rivalry with the Soviet Union, closer relationships with China can strengthen the American hand against Moscow and give the United States greater diplomatic flexibility around the world. The President's decision balances relations with China and the Soviet Union, the two giants of world communism. The hope is that it will lead to a fundamental realignment of global politics, moving the present system, which is dominated by the two military giants (the United States and the USSR), toward an international order composed of several major powers, including China.

The major question remaining is whether the well-being of the people of Taiwan will be jeopardised by the move. The President did indicate that the U.S. would continue to give Taiwan access to arms of a defensive character on a restrained basis. President Carter insists that the interests of Taiwan have been adequately protected. Apparently the decision to establish diplomatic relations with Peking was made with the expectation, but no commitment, that China would refrain from military force to unite Taiwan with the mainland. Although apparently stunned by the sudden decision, Taiwan has been preparing for an eventual cut-off of diplomatic relations with the United States since President Nixon's trip. Taiwanese officials have acknowledged that they anticipate no Chinese attempt to invade the island by force in the near future since Peking is ill equipped to do so. U.S. trade and economic contacts are expected to continue. A key concession by the Chinese was their willingness to permit the United States to keep its economic interests in Taiwan. Most knowledgeable observers expect President Carter's decision to have little effect on Taiwan's booming economy. More than 50 nations have broken relations with Taiwan since 1971, yet Taiwan trade has continued to soar and its economy to prosper. Peking's willingness to ignore future U.S. arms sales to Taiwan apparently brought the break-through in the negotiations. President Carter apparently believes that Peking is serious enough about its desire for strengthened economic and political ties with the United States that it will not deal with Taiwan in a way that would jeopardize those expanded ties.

In taking the country into a new era, the President has made a political calculation that the American people are ready for the move. American public opinion polls have supported broadening ties with Peking by large margins, although by equally lopsided margins they have favored retaining ties with Taiwan. A major political storm may blow up over the surprise decision, even though President Carter's action was endorsed by former President Ford and former Secretary of State Kissinger.

Although the Soviet Union regards the normalization of relations between the United States and China as "legitimate", it will watch the development of the relationship closely and uneasily. The United States has gone to great lengths to assert that full diplomatic relations with China should be seen as normal and routine, and not aimed at Moscow or done to increase leverage on the Soviet Union. Most of the European and Asian nations view the normalization of relations between the United States and China as an inevitable historical development, and, by some of them, as a cause for enthusiastic cheering.●

TRIBUTE TO HENRY L. McHARGUE

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. BENJAMIN. Mr. Speaker, the residents of Indiana mourn the loss of one of its finest citizens and outstanding educators, Henry L. McHargue, who passed away on February 2.

It would be impossible to exaggerate the importance of Henry L. McHargue's contributions to education and Americanism, not only in the State of Indiana, but throughout this Nation where his countless students, in all walks of life, continue to amplify and inculcate his teachings and human qualities, in successive generations.

Henry was born October 5, 1897, in Jackson County, Ind., the son of the late John K. and Rachel Goss McHargue. At the time of his death he was owner of the farm on which he was born—a property which has been in the McHargue family for over 100 years.

A graduate of Vallonia High School, he received his A.B. degree from Indiana University in 1925 and his M.A. from this same institution in 1932. He was a member of Phi Beta Kappa and Phi Delta Kappa, both honorary fraternities.

A social studies teacher for 41 years, Henry spent 36 of these years in outstanding service to Horace Mann High School in Gary, retiring in 1965 as the head of its Social Science Department.

He was active in teacher organizations throughout his teaching career and into his retirement years, holding life memberships in both the Indiana State Teachers Association and the National Education Association.

Henry was president of the Gary Classroom Teachers Association from 1934 to 1936 and 1943 to 1946 and in 1961 served as president of the Indiana Classroom Teachers Association. He also served as president of the Indiana State Teachers Association and as a registered lobbyist for that organization for many years.

At the time of his death, Henry was serving a 6-year term on the board of directors of the National Retired Teachers Association—a position to which he was elected only last summer at the organization's national convention in Kansas City, Mo. For the past 6 years, he had served on the national legislative committee of the combined National Retired Teachers Association and the American Association of Retired Persons. He was also a member of the advisory committee of the Indiana State Commission on Aging and the Aged and an active member of the Indiana Retired Teachers Association.

In addition to his extensive work in the field of education, Henry was an active worker in the Christian (Disciples of Christ) Church. He was past president of the board of the Central Christian Church in Gary and served as deacon, elder and chairman of the board in the Central Christian Church in Seymour until his death.

Henry McHargue is survived by his widow, the former Elizabeth Parker of Medora, Ind., to whom he was married for 50 years, his son, John Parker McHargue, of Dallas, Tex., and three grandchildren.

Elizabeth was a Gary teacher for 21 years and also retired in 1965. John is married to the granddaughter of former House Appropriations Committee chairman Thomas L. Blanton who served in the Congress from 1917 to 1936 and was affectionately known as the "Watchdog of the Treasury."

I join with the citizens of this Nation which Henry L. McHargue served so well for so long to extend my deepest sympathies to his family. His outstanding dedication and service to education, excellence and professionalism will survive and influence generations of Americans.●

THE VOICE OF DEMOCRACY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. GILMAN. Mr. Speaker, the Veterans of Foreign Wars have sponsored the Voice of Democracy essay contest for more than three decades in conjunction with the National and State Associations of Broadcasters and the National Association of Secondary School Principals.

The Voice of Democracy provides an opportunity for high school sophomores, juniors, and seniors to express their thoughts on the benefits this Nation affords them. At the same time, the students are asked to show how they can become involved in shaping America's policies. Last year more than 250,000 students participated.

This year's VFW competition is in full swing. The essays expounding the virtues of America have already been judged at the school, community, and State levels. Jason DeMille of Burn Hills High School (Schenectady) is this year's State winner. The next step is for the State representatives to come to Washington for the finals. The national winner receives a $10,000 scholarship, with total awards at $22,500 for the top five contenders. The State victors, who come to Washington by courtesy of the National VFW, are given the opportunity to meet their elected representatives as well as enjoy a 5-day tour of America's Capital City.

As in the past, New York State's finals were broadcast over WNBC–TV in New York City. That station's general manager, Vice President Robert T. Howard, has been awarded the VFW Commendation Medal in recognition of the significant role that NBC plays in this oratorical contest by fostering the continuation of this vital program, and by aiding the students to participate in the communications field.

I know many of my colleagues in the House and Senate join with me in congratulating all those VFW officers and members who have worked so hard to develop and continue this essay contest. It is hoped that this year's competition is as successful as those in the past and we all look forward to greeting the State winners in Washington in the near future.

At this point in the RECORD, Mr. Chairman, I would like to insert the remarks delivered by New York State's champion, Jason DeMille. I would also like to note that the two runners-up are Richard Davis of Herkimer Central High School and Alisa Melanie Seminara of St. Joseph Hill Academy in Staten Island:

CARING FOR AMERICA

(By Jason DeMille)

"The world has set its face hopefully on our Democracy and, oh, my fellow citizens, each one of you carries on your shoulders the burden of doing well for the sake of your own country and of seeing that the nation does well for the sake of mankind." Theodore Roosevelt knew the destiny of America was to be the abode of liberty, and the only way to insure that destiny was through responsive and responsible citizens. God gave us patriots who, like Roosevelt, inspired courageous men to follow their leadership. Together they forged a nation conceived in liberty with freedom for all. That freedom is why I care about America!

Caring for America is more than supporting the Constitution, voting in elections, and paying taxes. Too often we equate Americanism with the number of cars, or televisions, or the growth in the Dow Jones Average. To care about America is to be fully committed to her cause. This commitment is the basis on which Americanism should be measured; that is, by the integrity of her citizens, their voluntary service and high personal principles, and by their loyalty. I can show I care about America by supporting and defending her high ideals, by educating myself sufficiently to know how to fulfill my responsibilities, and by keeping well informed so I can express a valid opinion. I must commit myself to my country's ideals so I will be ready and willing to defend her in times of national distress. whether the foe be inflation or an aggressive nation. I will be part of the solution—not the problem! The words I can, I will, I did are motivating forces in my life for apathy and indifference will not be a part of me as they have no place in an American.

As an American I am morally obligated to be an honest, forthright citizen: that means being honest with my fellow man, honest in payment of taxes, honest in obeying, honoring, and sustaining the law, and honest with myself. I owe it to my country to be chaste, virtuous, benevolent, and patient with those around me. Of paramount importance is the virtue of being kind and considerate to all men, and especially to my family, for strong families are the backbone of a strong nation. I can truly serve America by using my time wisely, not just in pursuit of gain or pleasure for myself, but to help others—for service to others is service to America. I can show I care about America by living my life so well that men will be better for having known me, for every man owes it to his country to leave it better than he found it. I will, therefore, commit myself to serving my God and my country because a commitment to serve is the highest expression of caring.

"Nothing is more certainly written in the book of fate than that this people shall be free." How much is my liberty worth? How much is any man's liberty worth? I care about America because everything that I do or will do is a result of liberty. Without liberty I could do nothing. Liberty is truly a pearl of great price. I care about America because I know with assurity that her government is the best on this earth and because of this no other nation has ever enjoyed the growth and prosperity which has blessed America. This wealth is evidenced from the beneficence of our free institutions and free enterprise. The thing which has made America great is what her citizens have done with their freedom of choice. Thanks to my Creator and concerned forefathers, I am able to live my life in freedom.

Freedom is real and must continue! I will preserve our freedoms by carrying my share of the burden because the American ideal is worth fighting for. Americanism is not extinct—nor are the principles of liberty on which it is built. America still remains the world's home and hope of freedom. I love America for she is my own—my native land. God bless America and may God bless Americans!●

AMBASSADOR ADOLPH DUBS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. BOLLING. Mr. Speaker, it was not my privilege to know the late U.S. Ambassador to Afghanistan, Adolph Dubs. And that is a matter of regret to me. Ambassador Dubs had to be a remarkable man and a superb representative of our country, otherwise it is not likely that a person who had worked as his subordinate would have written the remarkable "Memories of a slain diplomat" as did the political counselor at the U.S. Embassy in Paris, France, Warren Zimmermann. The article appeared in the Washington Star of Monday, February 19, and I commend it to my colleagues. The loss of Ambassador Dubs is a loss shared with his family not only by President Carter and Secretary of State Vance but also by every citizen of the United States.

The article follows:

[From the Washington Star, Feb. 19, 1979]

MEMORIES OF A SLAIN DIPLOMAT

(By Warren Zimmermann)

(U.S. Ambassador Adolph Dubs was killed Wednesday in a shootout between police and the terrorists who had abducted him in Kabul, Afghanistan. The author of this article is now political counselor at the U.S. Embassy in Paris.)

Spike Dubs spent his career in the Foreign Service thinking of himself as an ordinary person—a guy of average intelligence who had to make up for it by working long hours. But if you ask anybody who ever worked for Spike—I was one, in our embassies in Belgrade and Moscow—they will tell you that he was not at all ordinary.

Consider the year—1973–74—that Spike, as charge d'affaires, ran our embassy in Moscow—the most important U.S. embassy in the world. The problems he faced defy comprehension. They included:

Defending the U.S. position on vital issues of European security with Soviet negotiators, who are as tough as they come.

Toting up the balance of advantages in a bilateral relationship which in a short year or two had moved from stagnation to the most dynamic relationship we had ever had with the Soviet Union.

Guiding, encouraging and warning the hundreds of Americans, who were pouring into Moscow, as if onto the moon, as a result of those new relations.

Letting the Soviets know what he—and his government—thought of their expulsion of Alexander Solzhenitsyn.

Telling Washington that the Soviets were bluffing when they threatened to put troops into the Middle East following the Yom Kippur war.

Mapping U.S. strategy for dealing with the KGB guards outside our embassy as they forcibly tried to keep Jewish dissidents from getting in to talk to us.

Keeping a large embassy functioning and happy under the most adverse conditions imaginable in the heart of one of the most efficient dictatorships on earth.

In the face of all that, doing everything he could to move our relations with the Soviets from confrontational to cooperative—a mission which all of us, and Spike above all, were convinced was vital to the national interest.

Spike's qualities were as American as his nickname, and he carried them around the world with him. They came out of the Midwest where he was born and brought up. Industry, Judgment. A grass-roots sense of priorities. A certain sentimentality, even squareness. Above all, an extraordinary gentleness with people.

I never could see why Spike didn't think of himself as smart. It's true he wasn't much of a writer, and he fought an interminable war of attrition with foreign languages. But he had an instinctive coolness in crisis situations; a sensitivity to the nuances of diplomacy; an old-fashioned belief that his duty was to support the positions of the U.S. government, whatever he thought of them privately; and a talent for defending American interests with tenacity and effect. He was a natural leader and a superb manager, with a masterful flair for organization, for detail, and for the fitness of things.

Spike liked people, and people trusted Spike, even the Russians. He was an ideal man to have in Moscow during a period of detente. It was simply a part of his character to believe that accommodation was always possible. Not that he couldn't be tough—just that if there was a way to advance the American interest without confrontation, Spike would find it.

He was unfailingly compassionate. Once in Belgrade a contact of Spike's, a consultant to Tito's Communist Party Central Committee, suffered a tragedy—his wife was killed in an auto accident. The man went into an emotional tailspin. Spike quietly set about getting him a year's research fellowship at an American university to take his mind off his grief. It was no mean achievement, but Spike worked it out. I'm not sure Spike even bothered to tell the man that he'd been the reason for this piece of good fortune.

Spike was a born teacher. I have no doubt that, had he chosen teaching instead of diplomacy, he would have made a success of it. He loved the company of young people and he readily identified with their feelings.

I suspect that one of the reasons he never felt comfortable with our Vietnam policy was that it was opposed by so many young. He applied the teacher's craft to his subordinates—giving us the freedom to make mistakes but making sure we learned from them.

In a bureaucratic organization, loyalty—like hot air—tends to rise. What was extraordinary about Spike was his downward loyalty—his loyalty to those of us who worked for him. He gave us the courage and the confidence to reach beyond our grasp, to stretch, to dare.

Though Spike may be dead—ironically at the hands of killers he would have tried mightily to understand—the gentle force of his character and of his example is locked deep inside us. There it will remain for keeps—a thing of the spirit, intangible yet vivifying—far beyond the range of any assassin's bullets.●

FREEDOM FOR SOVIET JEWS—A VITAL ISSUE II

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. UDALL. Mr. Speaker, I would like to once again bring to the attention of the Members of Congress the plight of Soviet Jewry and the struggles of that people to emigrate. This year is one where, with our persistent help, and through contact with the Soviets via SALT talks and the Olympics, I feel that real progress can be made, and that the numbers allowed to leave will reflect our positive effort and our pledge for human rights.

A specific Soviet Jewish family that I have been working for carries a sad history. I began to help the Fradkins (Daniel and Sarah Fradkin and their two children; Shoose Revoluts No. 45, Flat 140, Leningrad R.S.F.R., U.S.S.R.) last year, and on May 3d I inserted in the CONGRESSIONAL RECORD a background report of this family, which has been trying to emigrate since 1972. Even with Soviet radification of the Helskini Accords of 1975, which were designed to facilitate freer emigration in a positive humanitarian spirit so that persons can be reunited with members of their families, the Fradkins are still unable to leave. The Fradkins case is one of 200–300 in which the people are classified as hard-core refusniks.

Basically, Soviet denial for the Fradkins emigration stems from Daniel Fradkin's access to "secret" documents in 1963. Both his record since then and the fact that he was only working on fringe mathematical problems in these secret reports have not been taken in consideration. Mr. Fradkin is now threatened with a "Soviet agitation and propaganda activity" arrest for teaching Hebrew, owning a Hebrew Bible, Hebrew grammar books, and for writing letters to Soviet officials pressing for his rights under the Soviet constitution and international accords.

I have recently written letters to Soviet officials urging for action on the Fradkins. As of today, however, the contacts I have made are less than rewarding. Mr. Fradkin knows of our support and he thanks us for the struggle, because as he writes, "it is impossible, in fact, to struggle here . . . it is completed only by prison."

I wish I could report something good or even something of a change in this case. However, the Fradkins must live day to day without a glimmer of hope for the future. These Jewish activists, many of them depressed after years of seemingly fruitless struggle to leave, are apprehensive that their fate will be lost. Gratified as one may be that more refusniks are coming out (approximately 3,700 in January) it would be an error to become engrossed in the emigration "num-

bers game" and fail to press vigorously for other objectives. We must insist the principal of emigration for all who seek to go, as part of their fundamental right to freedom of movement and family reunion.

In addition to the work we can do on specific cases, thousands of Soviet Jews need our support for fair treatment concerning the upcoming Olympics of 1980. It is expected that the U.S.S.R. will try to exploit the Olympics to present a distorted portrait of Soviet life, even though the Olympics are intended to be "apolitical." More tangible are the fears that emigration will be cut back, Jews confined, harassed or jailed to prevent communications with visitors, and that Americans, including journalists, might have their movements restricted. The National Conference of Soviet Jewry have highlighted some safeguards that I feel are needed:

First. There should be unhampered participation of all athletes, coaches, trainers, Jewish and non-Jewish, from all nations, including former Soviet Jews who may be on the Israeli Olympic Team.

Second. There should be nondiscriminatory distribution of tickets to Soviet citizens, including Jews, and no harassment in their attendance of the games.

Third. There should be freedom for journalists to pursue their stories, cover breaking news, meet Soviet Jews and other Soviet citizens without the plug being pulled on TV transmissions.

Fourth. There should not be harassment of Soviet Jews such as detention or house arrests undertaken before, during or after the Olympics.

Fifth. The Olympic spirit of fair play and mutual respect for all athletes and nations should be adhered to by the host country and its citizens. Let us maintain the Olympic games spirit of international brotherhood and good sportsmanship.

I see persistence and hard work as keys to the Soviet Jewry problem. No matter how dark and tragic the picture may seem about their situation, our endeavors can only brighten their future.●

JAMIE VAN TRUMP

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask the Chamber to join me in paying tribute to a truly outstanding citizen of the Pittsburgh community, James D. Van Trump.

"Jamie," as he is universally known, has been recovering in Pittsburgh after being struck by a car. Jamie leads an active life in the city as a writer, teacher, critic, historian, and preservationist.

Jamie is a man whose devotion to historical architecture has helped preserve some of the city's most noteworthy buildings. He was responsible for the restoration of buildings in Pittsburgh's Mexican War streets, Manchester, and the southside.

Jamie has made Pittsburghers aware of our city's architectural heritage in many ways. He has had a weekly television program and radio program, contributed to several magazines, written books, and given lectures pertaining to Pittsburgh's historical richness.

In 1964, Jamie aided in the funding of the Pittsburgh History & Landmarks Foundation. During the formation of the P.H. & L.F. Jamie said, "There may be only a few buildings of major historical value in Pittsburgh today, but what the city has it should identify and preserve."

I ask the House of Representatives to join me in an expression of appreciation for Jamie's outstanding contributions to the perservation of Pittsburgh's architectural heritage and our sincere wishes for a speedy and complete recovery.

JAMIE VAN TRUMP: PITTSBURGH LANDMARK

(By Alvin Rosensweet)

On Election Day, Nov. 7, James D. Van Trump voted, then walked up Bellefield Avenue toward Carnegie Library in Oakland. Crossing Forbes Avenue, he was struck by a car, his pelvis and right leg were broken, and for two months he has been confined to Presbyterian-University Hospital.

If 1978, then, ended on a sour note for "Jamie," as he is universally known, 1979 may well start on an upbeat. An architectural historian whose devotion to the past has helped preserve some of the city's most noteworthy buildings, "Jamie" has been named a Post-Gazette Outstanding Citizen.

His friend Gladys Schmitt, the late novelist, first dubbed him "Jamie," and he has for several years evoked instant recognition by his appearance, his white mutton chop whiskers flying in the wind. But since he has been confined to a hospital bed, "Jamie's" appearance has changed somewhat, his white hirsute adornment giving him a Shavian appearance not unlike that of the late playwright, George Bernard Shaw.

One of Van Trump's most notable achievements, perhaps, was his part in founding, in 1964, the Pittsburgh History & Landmarks Foundation. His monograph about Liverpool Street houses on the Northside was instrumental in the beginnings of the PH&LF.

Oddly, although "Jamie," '70, is an architectural historian, he is neither an architect nor a historian. But, as he puts it, "I was always fond of libraries and museums and I have always been a connoisseur of views."

" 'Jamie' has made Pittsburgh aware of its rich architectural heritage, not only the buildings of the past which have disappeared but those Georgian, Victorian, and Edwardian structures that have survived," says Charles Covert Arensberg, a prominent city lawyer who was president of PH&LF from its inception until 1974 when he became chairman.

"He made people aware of their surroundings and thus they became aware of bad surroundings. His writings to a great degree sparked the restoration or rehabilitation of the Mexican War Streets, Manchester, and the Southside. Largely because of 'Jamie' you can no longer destroy communities and try to replace them with something foreign to the people who live there. This is the great lesson that urban development people have learned."

"Jamie" has made Pittsburghers aware of their historical architectural heritage in many ways—through his weekly television program, a WQED radio program, Carnegie Magazine, Charette, which is the official publication of the Pennsylvania Society of Architects, through books, lectures, walking tours and his column, "Jamie's Journal," in Pittsburgher magazine. In those columns he occasionally drifts into personal observations as:

"I am, I say proudly, an East Ender, a native of East Liberty . . . I, who have developed a fine taste in eccentricity."

He wrote about the time he was sitting on the veranda of the Bedford Springs Hotel when "a woman, struck by my mid-19th century appearance, asked me who I was. 'The ghost of President Buchanan,' I said solemnly."

"Jamie" has described Pittsburgh as "a handsome-ugly city, intensely masculine in tone, a purely male city."

He, in turn, has been described as a master of prose, a free spirit who enjoys puncturing pomposity. Although photographs as late as 1964 show him cleanshaven, wearing a tie and jacket rather than the turtleneck and gold cross and chain he now affects, he says he spends so much time in the past he thought he might as well look like something from a past century.

A graduate of the University of Pittsburgh, where he earned a masters degree in art history, he taught that subject at both Pitt and Carnegie-Mellon University. He was a bibliographer at the Hunt Botanical Library, edited Charette, and is director of research and vice president of the PH&LF. He has even acted—with the Iron Clad Agreement in the old Northside Post Office Library and Museum.

He was made an honorary associate of the Philadelphia Chapter of the American Institute of Architects for "having distinguished himself as a writer, teacher, critic, historian and preservationist."

When the PH&LF was formed 14 years ago, "Jamie" made a statement that still holds true.

"There may be only a few buildings of major historical value in Pittsburgh today, but what the city has it should identify and preserve," he said.

That was his hallmark before he made that comment and he has made this city more aware of that truth in the intervening years.●

TRIBUTE TO FORMER SPEAKER JOHN W. McCORMACK

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. SHANNON. Mr. Speaker, on December 25, 1978, the Boston Globe printed an article written by Mr. David Farrell, paying tribute to retired U.S. Speaker of the House John W. McCormack. The article gives an insight into the history and sensitivities of the former Speaker that I would like to share with my colleagues.

AN EXAMPLE FOR OTHERS TO FOLLOW

(By David Farrell)

Every time you get an opportunity to hear or talk with retired U.S. House Speaker John W. McCormack, you are aware that it may be the last time.

For a man who turned 87 last Thursday, McCormack is in apparent good health. He's very thin and looks his advanced age. He moves about more slowly now and there are some hearing problems. But other than these to-be-expected failings, his mind continues in clear focus.

But you think about the inevitable passing of the former speaker because he continues to be a shining example of how the Savior born nearly 2,000 years ago would have leaders perform.

This came through again last week when State Veterans Service Commissioner Charles N. Collatos had his annual Christmas party at Anthony's Pier 4 Restaurant.

There were politicians of all ages, all levels of power in attendance. And some—freshman Rep. Ed Markey of Malden and incoming Rep. James Shannon of Lawrence—probably were hearing McCormack for the first time. Others, like Speaker Thomas P. O'Neill, Jr., who have heard the former speaker many times, always marvel at McCormack's optimism about the future of the United States.

"When I look across this room and see young men like Jim Shannon, Ed Markey and Nick Mavroules, I know our future is in good hands," McCormack said. "And so is our system of government which enables an immigrant like Anthony Athanas to become such an outstanding restauranteur." McCormack reserved his ultimate tribute for his protegé, Speaker O'Neill, and recalled the latter's early days in Washington a quarter century ago.

But it was O'Neill who moved the gathering when he recounted some of the other qualities which have made John McCormack a great man. The Speaker talked about the remarkable half-century love affair between McCormack and his late wife Harriet.

He spoke of the widely-known practice of McCormack dining with Harriet every night, regardless of the affairs of state. And he touched on the former speaker's not-so-well known practice of visiting Harriet's grave every day of the week.

The unique relationship between them was etched firmly on this reporter's mind a decade or so ago when the old Herald-Traveler Corp., for which I worked in a different capacity at the time, suddenly was faced with the very real prospect of losing its Channel 5 television station license.

McCormack was home for the holidays at his Columbia Road, Dorchester, home and it was imperative that an immediate reading on the critical situation be ascertained. But Harriet McCormack was ill and confined to the residence near Edward Everett Square. And the Speaker, at her side as usual, wasn't about to allow any intrusion or distraction to upset his concern for her. As a friend of his, I was torn by mixed feelings of frustration and admiration.

At last week's Christmas luncheon, Speaker O'Neill amused the former Speaker with his repertoire of humorous stories told in the usual classy O'Neill style. There were some new ones as well as the time resistant Uncle Dinny gags heard many times.

Tip related how much Red Sox slugger Carl Yastrzemski had wanted to be part of the Presidential group O'Neill headed in Rome for the installation of Polish Cardinal Wojtyla as Pope John Paul II last fall. Because of a couple of mixups, Yas never made the trip, O'Neill said.

But after he returned to the U.S. and met the Sox star for a golfing date, Yas eagerly asked O'Neill about the new Pope. "What did he say to you?" he inquired.

"Well, first he whispered in one ear and then he whispered in my other ear," O'Neill responded. "What did he say, what did he say?" Yas pressed.

"He wanted to know what happened to you in the last of the ninth against the Yankees!" O'Neill said. "Did he really?" Yas asked in a brief moment of credulity.

McCormack, who would rather play poker than attend a baseball game, almost broke up with laughter.

O'Neill went on to tell some of his Uncle Dinny specials and explained how these stories go over so well in the South. "I've got a whole new audience below the Mason-Dixon line and the Baptists really enjoy our Irish humor."

But it was obvious that O'Neill's captive audience at Pier 4—especially the venerable old man who launched Tip on the road to the speakership—loved every minute of his fast-moving wit and was pleased that another joyous Christmas season had arrived and John W. McCormack was still with us.●

NATIONAL HEALTH INSURANCE FOR SENIOR CITIZENS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. BONKER. Mr. Speaker, debate over National Health Insurance will undoubtedly continue into the 96th session, as it has for the past several decades, but it is unlikely such a bill will pass the Congress. While the debate has intensified in recent years, the fact remains we are no closer to enactment now than in 1960, when President Kennedy first offered universal health insurance. Yet the need is more acute, particularly for senior citizens who often are reduced to poverty before qualifying for full health care.

Two leading Democrats are at odds on one of the great issues of this decade: How to provide adequate health care for all Americans at a time when hospital and health care costs are rising to intolerable levels across the country. Senator EDWARD KENNEDY will lead the effort in the 96th Congress for national health insurance with a plan to provide comprehensive health care to all Americans. The President feels a program of this scope is too costly and will offer a limited program emphasizing hospital cost containment and protection against catastrophic illness.

The Carter administration wants to see a national health care program phased in gradually as economic conditions permit, with major emphasis on controlling hospital costs first. Senator KENNEDY, for his part, argues that all Americans have a right to full and high quality health care. He fears the President's plan will end up as conditional promises that will never be fully realized. So he is proceeding with legislation that will provide not only adequate health care, presumably bringing runaway health costs under control, but he is not specific about getting the money to pay for it.

While this is certain to be a controversial issue in the House of Representatives, especially among Democrats, it should not be. Full (comprehensive) health care for everyone is and should be a laudable goal for our Nation. But the hard facts cannot be denied. First, there is the cost. When Senator KENNEDY briefed the younger Members last year, I asked him just how much additional money a universal health care program would cost the Government. After factoring in existing employee-employer payments, medicare, and other Government programs, there would be a cost add-on of $60 to $80 billion—that is, above this year's projected budget deficit of $30 billion. At a time of skyrocketing inflation and excessive budget deficits, few are willing to support expenditures of that magnitude. Another fact: most people are presently covered through existing health insurance programs where they work. At least one labor union has backed off supporting national health care because their coverage now is so good they fear reduced benefits under national health care.

CATASTROPHIC ILLNESS

One solid argument for national health insurance is the need to bring quality medical care within pocketbook reach of most Americans. No one who is familiar with individual cases can doubt the trauma of a catastrophic illness, and the enormous costs of such an illness are nearly impossible to protect against. Today, three-fourths of those under 65 are covered under a major medical plan, but many of these plans contain limits on maximum benefits per episode of illness or per lifetime. These plans prove inadequate for victims of long-term illness or serious accidents. Aside from the terrible suffering, many individuals and families also face the loss of lifetime savings in an attempt to meet the devastating financial effects of those illnesses.

MEDICARE

If workers have adequate health protection and medicaid takes care of the indigent, who is left without protection? There are several gaps, the most obvious being our senior citizens. In 1964, the Congress passed the medicare program in recognition of the fact that older people are sick three times as often and three times as long, and generally pay three times as much for their health care than the young. From the beginning, medicare was punctured with compromises to make it more palatable for congressional action. It was to be financed by taxes paid by both employers and employees with minimal supplements from the Federal Government and the elderly themselves.

What was originally a pledge of full health protection turned out to be limited care and, at the same time, an attempt by the Government to revolutionize the health delivery system in this country. Many older people were led to believe that medicare would pay for at least 80 percent of their health care costs but actually since the outset, the program's original goals in terms of coverage have not been met. In 1966, its first year, the average health care bill for individuals over 65 was $445, of which medicare paid only $204, or 46 percent of the bill. But more discouraging, in 1977, the average health care bill for those over 65 was $1,738, of which medicare paid $773, or 38 percent.

GAPS IN PRIVATE INSURANCE

Coupled with these grim facts is the recent investigation and report by the Select Committee on Aging into the inadequacy of supplemental health insurance plans sold to the elderly to offset their medical costs. Of the approximately 23 million Americans over 65, 15 million pay an average of $200 a year for private "medigap" insurance to supplement their health care coverage under medicare. Because medicare offers only limited coverage, senior citizens are forced to obtain such supplemental insurance to

gain full protection, but many private carriers merely duplicate medicare benefits, thus leaving gaps in coverage. Such plans often do not pay for critical health care services such as preexisting conditions, nursing home care, and prescription drugs. Often the elderly must purchase two or three supplemental plans in a desperate effort to gain total coverage. But severe gaps remain.

It seems to me we have a rare opportunity to achieve two objectives with one program: National health insurance for senior citizens. Such a program would provide total health protection to one segment of the population that is most in need and at the same time be a true model for national health insurance with minimal additional costs to the Federal Government. And it would provide a badly needed compromise to the Carter-Kennedy debate on the subject of health care.

Debate over national health insurance will be intense this year, but the elderly cannot afford to wait until Congress gets around to enacting a universal program. Therefore, I will introduce and actively work for a bill to give senior citizens full health care protection.●

REFORM OF THE NCAA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. VENTO. Mr. Speaker, yesterday for the information of my colleagues, I inserted into the RECORD part of an analysis and recommended reforms for the National Collegiate Athletic Association. Today I would like to insert the additional comments of Mr. Nichols and Mr. Dixon on this subject. I hope that my colleagues will pay close attention to the reform of the NCAA and the effects of that organization on so many students.

ADDITIONAL COMMENTS

III. EVENHANDED TREATMENT OF ACCUSED PARTIES

A. Cooperative and speedy investigations

One of the major problems, from an institutional standpoint, in dealing with the NCAA's enforcement practices is that there is neither a "statute of limitations" nor a requirement that the NCAA speedily investigate the possible violations of which it has knowledge. Further, there is no mechanism by which the NCAA passes on to member institutions information which it has received concerning potential or alleged violations. Rather, it appears to be the practice of the NCAA to keep a file on each member institution into which it "dumps" all information which it receives from any source concerning potential violations of NCAA rules at those institutions. This information may come by way of newspaper article, anonymous letter or telephone contact or communications from identified sources. When, and if, the NCAA determines to investigate an institution it then goes back through its files and pulls out all of the materials it has collected over a period of years.

The combination of these practices results in a number of evils and presents unnecessary problems to member institutions. First, as is apparent, there is no cooperative spirit of enforcement, short of a full blown investigation by the NCAA (which for other reasons is sadly lacking in any "cooperative spirit"). The failure to provide information concerning alleged violations to member institutions makes it possible for those violations to continue indefinitely, or, what is worse, permits small violations to grow unchecked into patterns of major violations without responsible authorities at the member institution—i.e., the administration—ever learning of the existence of information tending to show that there are possible problems at the institution concerning the enforcement of the NCAA rules.

Further, this stockpiling of information by the NCAA leads to the typical practice of including a massive array of alleged violations in the NCAA Official Letters of Inquiry. The allegations include big matters, little matters, new matters, and very old matters, and the school is asked to investigate each of these thoroughly at one time. In the case we are most familiar with, some of the alleged violations went back as far as six years and included information which had been in the files of the NCAA for more than four years. Yet, the institution was never advised of the existence of any of this information, nor of the NCAA's concern with it.

It seems to us that these various related problems could be substantially alleviated by the implementation of three enforcement guidelines which would place no undue burden or hardships upon the NCAA. These rules or guidelines governing the NCAA enforcement procedures would be as follows:

(1) Upon the receipt by the NCAA of any information which tends to indicate possible violations of NCAA rules at a member institution, the NCAA would be required to log the receipt of that information, and would have three months in which to consider whether or not to investigate the information formally. If at the end of the three month period, the NCAA had not initiated formal investigatory procedures, the NCAA would be required to send the information to the member institution for its consideration and possible action.

(2) After sending the information to the member institution, the NCAA would have only two years in which it could formally investigate any violation suggested by that information. In other words, if the NCAA had not initiated an investigation within two years after sending information to a member institution concerning that information, it would thereafter be precluded from doing so.

(3) The Infractions Committee would be prohibited from including in any Official Letter of Inquiry any allegations of wrongdoing based on conduct occurring more than four years prior to the date of the Official Letter of Inquiry.

We believe that these proposals would significantly assist the overall goal of administering and operating college athletics within the rules and regulations established by the NCAA while at the same time insuring that the member institutions are fairly treated in the event of a formal enforcement procedure. First, sending on information to the member institutions in those cases where the NCAA does not promptly investigate the allegation provides a member institution a real opportunity to attempt to assist the NCAA in the enforcement program by making its own inquiries and taking its own corrective action where the NCAA does not deem it appropriate or possible to take formal action with respect to the member institution. Unless, one is willing to assume that all institutions will incur and promote, or at least cover-up, violations of NCAA rules, this proposal has the potential to add each member institution as a guardian, caretaker and "enforcer" of the rules established by the member institutions as embodied in the NCAA manual.

At the same time, the member institution would be protected from the expense, burden and weight of investigating allegations either more than four years old, or known to the institution and the NCAA for more than two years. While it is difficult at times to make the enforcement procedures as speedy and timely as might be desired by both the NCAA and member institutions, there can be no justification for inquiring into information which is stale by reason of its being more than four years old, or so insignificant as to go without investigation by the NCAA for more than two years.

This proposal would help focus the entire enforcement procedure on the more significant and timely matters of concern, while at the same time providing member institutions a mechanism by which they might learn of possible violations and take appropriate action to insure that they do not result in a formal, full-blown enforcement procedure.

Secondarily, these procedures would have the further salutary affect of requiring the NCAA to constantly empty its enforcement files of old, stale and apparently unimportant information. Doing so could help alleviate the problem of selective enforcement and the debilitating affects of the member institution's almost certain knowledge that its file at the NCAA must certainly contain some information, no matter how current or how old, which could lead to an enforcement proceeding against it if it does not follow the NCAA "company line" in regard to other matters. While these proposals do not obviously remove all of the problems associated with a selective enforcement, requiring the NCAA to act more promptly, share more of its information and forego investigations into old, untimely information will make it more difficult for the enforcement staff to merely pick up an old file and begin an investigation against a member institution selected on whatever criteria may be used.

Further, as is obvious from a review of the NCAA manual, every member institution is in likely violation of some NCAA rule or regulation at some time or other. This knowledge, coupled with the expense and hardships connected with formal enforcement proceedings, operate as a strong deterrent to member institutions challenging the NCAA staff in any area and thus tends to make the NCAA more a creature of its staff than of its member institutions. Reasonably limiting the discretion of the NCAA staff would make it easier for member institutions to speak out and to take actions with respect to the NCAA without an unreasonable fear of retaliation. At the same time, the practices would in no way restrict the reasonably prompt investigation, determination and punishment of NCAA rules.

B. Improved hearing and decision making

We believe that substantial improvements in the operation of the enforcement procedures could be achieved by a change in the procedures by which the Infractions Committee conduct its hearings, and by a change in the authority for determining the imposition of eligibility penalties upon student-athletes. Currently, the institutional hearings, which govern not only the institutions but also all of the individuals involved in the various allegations, are conducted before the five member Committee on Infractions at a location usually far distant from the institution. Time restraints are such, at least in investigations considering substantial numbers of alleged violations, that it is difficult if not impossible to fully discuss the evidence concerning each of the violations. Further, the holding of the hearing at locations removed from the institution makes it difficult, even if it were possible, to have live witnesses before the hearing body. Further, this distance obviously increases the expense to the member institution for presenting its case.

Secondly, the group which hears the "evidence" and makes the determination as to whether there is a violation of NCAA rule—

namely the Committee on Infractions—is not the body which determines the penalties or punishment to be imposed on the student-athletes in violation of the NCAA rules. Under current NCAA procedures it is an institutional responsibility to declare a student-athlete permanently ineligible for any violation of NCAA rules. However, because the NCAA requires that the institution follow any factual determination of the Committee on Infractions, the Committee on Infractions actually makes the determination upon which the automatic loss of all eligibility turns. Thereafter, the Subcommittee on Eligibility makes a determination of what, if any, of the student-athletes' eligibility is to be restored, supposedly taking into account all of the various litigating circumstances including the nature of the offense, knowledge by the student athlete of the violation etc.

While the NCAA obviously has an interest in seeing uniform punishment imposed for violations of its rules, the current system makes little if any sense. First, given the NCAA's view of the governing effect of the Committee on Infractions determination of violations, it makes no sense for the institution to be involved in imposing any loss of eligibility on its student athletes where the Committee on Infractions has already acted. Secondly, it makes even less sense for the institution and the student-athlete to present all of the relevant information to the Committee on Infractions at a substantial cost of time and money, and then to have the same information presented to the Subcommittee on Eligibility for determination as to what the final penalty will be.

Lastly, the requirement that the initial penalty, no matter what the severity or nature of the infraction, be total loss of eligibility unduly intimidates both the institution and the student-athlete and makes it difficult to deal forthrightly and honestly with minor violations. While recognising that sound judgment on the part of Subcommittee on Eligibility might cure this unnecessary fear of total loss of eligibility, we believe that the problems would be better dealt with in a more direct system. It appears to us that the NCAA enforcement procedures could be simplified yet improved by an implementation of the following procedural changes:

(1) Hearings would be conducted by a hearing examiner for the Committee on Infractions at the affected institution. The hearing examiner could be either a single member of the Committee on Infractions or perhaps better yet, an outside person hired for that purpose. Following the hearing, the hearings examiner would prepare findings of fact and recommended penalties. These finding of fact and recommended penalties would then be transmitted for final consideration by the entire Committee on Infractions at which time both the member institution, the affected individuals, and the NCAA enforcement staff would have an opportunity to present argument as to the correctness or appropriateness of the determinations made by the hearings examiner. In our view, it would be appropriate that determinations of the factual findings of hearing examiner be given greater weight by the Committee on Infractions than the examiners conclusions as to violations or appropriate penalties. Allowing the Committee on Infractions to retain greater discretion with respect to conclusions that violations were committed and as to the appropriate penalties to be imposed would make it easier to insure a uniform interpretation of NCAA rules and a more uniform pattern of punishment for violations.

(2) The hearing examiner would make recommendations as to the appropriate punishment for violations by student-athletes and those recommendations would be reviewable, de novo, by the Committee on Infractions. Allowing both the hearing examiner and the Committee on Infractions to make the determination as to penalties which involve the possible loss of eligibility by a student-athlete within the context of the entire institutional scene and after having heard and reviewed all of the evidence seemed preferable method of handling this issue. Further, this determination would not leave the student-athlete in the position of incurring an initial penalty of automatic loss of all eligibility since both the hearing examiner and the Committee on Infractions would have the discretion to recommend or impose any appropriate penalty, including loss of part or all of a student athlete's eligibility or some other appropriate remedial action for a particular violation.

We believe that the first proposal would make it easier for the institution and affected individuals to present all relevant information and to expend the necessary time in developing all facts. An independent hearing examiner actually on site at the institution should have the necessary time and energies to devote to the allegations involved in the official letter of inquiry.

If nothing else, the use of a single person to hear all the evidence should result in more detailed attention to each case and allow the examiner to remain more independent of the enforcement staff. It is our experience that the Infractions Committee members (unpaid volunteers with fulltime teaching responsibilities at their colleges and universities), because of the huge caseload and the thousands of pages of evidence involved in each case, simply cannot absorb the briefs of the institutions being investigated. The result is that the Committee must heavily rely on the enforcement staff (in effect the prosecutors of the case) to assist them in making a determination. By dividing the caseload by one-fifth, this problem should be substantially alleviated.

Secondarily, in line with some of our other proposals, the conducting of the hearing at the institution would facilitate the use of live witnesses, at least in those situations where there is important conflict in the evidence involving the rights of a student-athlete or active institutional employee.

C. Fair evidentiary rules

Another failure in the NCAA enforcement practices is the lack of any specific, fair or uniform evidentiary rules at the infractions hearing. While the institution may present documentary evidence, live testimony, deposition, affidavit or written statements in support of its position, all of which material is required to be available to the enforcement staff and the Infractions Committee members at least two weeks prior to the hearing, the enforcement staff rarely, if ever, presents any information apart from their own oral assertion of the facts. Not only is there not an opportunity to cross-examine crucial testimony, there is not even a basis upon which any independent evaluation can be made as to its likely credibility since the enforcement staff orally presents only their conclusion as to the facts or testimony of a particular allegation or individual. Further, the practice puts the institution in the position of arguing the credibility of the enforcement staff rather than any particular individual or documentation.

At the same time, we have attempted to keep in mind that these are administrative, and not necessarily formal judicial, hearings. The time and effort involved in requiring live testimony with respect to every single fact can probably not be justified. On the other hand, fairness requires that there will be some equality in evidentiary rules and that there be some reasonable basis upon which to determine important and contested facts.

We believe that these evidentiary shortcomings in the current NCAA enforcement practices could be greatly improved by implementation of the following requirements:

(1) Allowing the institution prior access to the materials upon which the staff will base its case.

This will give the institution a reasonable basis upon which to test those assertions which it believes inaccurate. The staff currently has such an opportunity since the institution is required to present all of its materials in advance of the hearing. Further, the staff uses this opportunity to bolster its own case of what it believes to be the truth. There is no reason the institution or the affected individuals should not have a similar opportunity.

(2) The staff should be required to present to the Infractions Committee the evidence it intends to rely on in substantially the same form as is required of the institution.

Whether this be signed statements, memoranda of interview, deposition or affidavits is of secondary importance. What is important is that the committee on infractions and the institution have access to the entire information relied upon by staff in making its oral presentation so that an independent judgment as to credibility and accuracy can be made. Further, the determination would then be made on the basis of the credibility of the witnesses and not on the credibility of the staff.

(3) When important and where feasible, the hearings should utilize live witnesses subject to cross-examination, or deposition testimony subject to cross-examination.

Elemental notions of due process embodied in even relatively minor administrative matters include the right to confront the accuser. Currently, NCAA practices not only do not provide the right to confront the accuser, they do not even provide the opportunity for the institution or affected individual to do so. Since all affected institution staff and student-athletes are permitted, and sometimes required, to be at the infractions hearing where they are subject to questioning and cross-examination by the enforcement staff and the committee members, it seems only reasonable that the accused institution and affected individuals should have the same opportunity.

While it is difficult to create evidentiary rules which would be mandatory in all situations, it is clear that a number of improvements in the presentation of evidence can be made at the NCAA hearings without any undue or unreasonable burden upon the enforcement program. We believe that the proposals made above would allow the NCAA decison makers a substantially improved basis upon which to make determinations as to facts and at the same time would afford institutions and affected individuals a meaningful opportunity to present their "case" to the decision maker. Once again, the current NCAA practices of secrecy tend to make current enforcement program a one-sided affair in which there is no real equality or fairness to the institution or affected individuals.

These recommendations for the reform of NCAA enforcement procedures are not intended to be all encompassing. Many other reforms proposed by witnesses before your subcommittee or now being considered by your staff also have substantial merit. Some of our recommendations, after closer analysis and expanded discussion, might prove to be flawed. It is also obvious that no rules legislated to improve the enforcement process can adequately replace the exercise of sound judgment. Nonetheless, we hope that by offering our analysis based on long experience with the NCAA that we might further the public discussion currently carried out by your subcommittee and ultimately contribute to the goal of uncorrupted amateur com-

petition for collegiate athletes. Thank you for this opportunity to voice our views.

Sincerely,

JOSEPH T. DIXON, JR.,
Attorney at Law.
JOHN S. NICHOLS,
Assistant Professor, Pennsylvania State University.●

NEWS ARTICLES REGARDING HEW GRANTS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. HANSEN. Mr. Speaker, I hereby submit for the RECORD news articles regarding HEW grant activity in my district. This is to support action taken to secure answers and necessary corrective steps through HEW, GAO and other appropriate authorities. The news articles follow:

[From the Power County (Idaho) Press, Apr. 20, 1978]

COUNTY SUPPORTS NON-SUPPORTIVE CLINIC

(By Michael H. O'Donnell)

Power County taxpayers are helping pay one medical clinic to compete against another tax-supported clinic and hospital.

Tax supported rent and renovations payments have helped bring physicians into American Falls for a total of about 30 hours a week and have not stimulated the local hospital economy.

The Power County Hospital has a two-year agreement to pay the Southeast Idaho Family Medical and Educational Services (SIFMES), American Falls Medical Center rent and utilities costs of $225 per month. A $3,227 county warrant paid for building renovation of the clinic in June 1977.

During that same period of time, the county has paid to support the operation of the hospital and the Power County Clinic. All the revenue made at the county-supported clinic is returned to the county to defray the cost of a two-year contract with Health Systems Research Institute (HSRI), a Salt Lake City firm.

"When the HSRI clinic became established in American Falls, we changed from a supportive clinic for the hospital to a competitive one," Dr. Samuel Romeo, founder of the SIFMES organization, said.

American Falls Medical Center has placed 22 patients in the county hospital since it began operation more than a year ago. The SIFMES operation has logged approximately 5,000 patient visits during that same time period.

Most of the in-patient care needed by SIFMES clinic patients is obtained in Pocatello hospitals, according to SIFMES administrator Lionel Oberlin. The SIFMES head office in Pocatello said they did not have accurate figures on the number of American Falls patients admitted to hospitals in Pocatello.

SIFMES did offer to staff the hospital emergency room with a physician's assistant, but the hospital refused on the grounds of an existing by-law. The law requires a physician to live within 10 miles of the hospital before obtaining hospital privileges.

"Our physician assistants provide exquisite care," Romeo said.

Romeo said the SIFMES corporation utilizes the "modern hospital concept" of admitting less patients for in-patient care. He said the clinics in the organization admit about two percent of all patients sent to hospitals for care. The American Falls Medical Center would have referred about 100 patients to Pocatello hospitals last year if Romeo's estimate is correct.

Ward Alexander was vice-chairman of the hospital board during the time the county hospital made support agreements with SIFMES. "They indicated they would get someone over here," Alexander said.

"They are not performing the service needed in American Falls," the former board member said. He added he thought the SIFMES group was concerned about the hospital operation, but they are apparently not concerned.

Romeo said it was true that SIFMES indicated they would place a resident physician in American Falls. "We've spent many hundreds of dollars trying," he said. He said the SIFMES clinic was not taking new business away from the county hospital.

"Almost 10 percent of my private practice in Pocatello was American Falls patients before the SIFMES clinic opened," Romeo said.

Romeo said he began negotiations with grant institutions in 1976 prior to the time the county signed a contract with HSRI. Before the grants became available, the American Falls medical situation changed, according to Romeo.

The American Falls SIFMES clinic did receive a $141,000 grant from the Kellogg Foundation as administered by the Hospital Research and Education Trust, Chicago. More than 400 programs applied for the grants and less than 20 were recipients, according to a Hospital Research and Education Trust spokesman.

The SIFMES clinic in American Falls received $94,000 of the grant in 1977. The clinic was also awarded half of a $78,000 grant from HEW for migrant health care last year. Romeo said some of the migrant funds have been utilized yet.

Despite the fact the county pays the rent and funded renovation of the clinic and the operation received a Kellogg grant, Romeo said it is operating "way in the hole."

SIFMES office staff said the average patient visit brings $14 into the clinic and the collection rate last year was 68 percent. These figures indicate that the clinic generated $45,500 in patient revenue in the past 12 months.

The clinic received $31,000 of the remaining Kellogg grant the first of this year.

Total income for the clinic was about $170,500 during the first 12 months of its operation. The most expensive operating cost for the clinic is physician services, according to SIFMES administrator Lionel Oberlin.

Operating expenses other than physicians services include equipment valued at $12,000 according to a list given to the Power County assessor by Oberlin. Supplies cost the clinic about $2,500 a month, according to SIFMES, for a total of $30,000.

Two of the American Falls clinic employees are CETA funded, but SIFMES paid the wages for the office manager and part of last year for a registered nurse, according to Romeo.

The clinic is open from 8 a.m. to 5 p.m., Monday through Friday. SIFMES has a contract with the Family Medical Center, Pocatello, for physician services at the clinic. Dr. Romeo is a profit-sharing partner in the Family Medical Center.

Four different Pocatello doctors, Dr. Lou Williams, Dr. Jack Summers, Dr. Dennis Minister and Dr. Michael Baker rotate visits to the American Falls clinic each week. During an average week none of the doctors spends more than 12 hours working in American Falls.

The contract with Family Medical Center also includes a full-time physician's assistant, Dennis Royston, who works at the SIFMES clinic four days a week from 8 a.m. to 5 p.m.

The cost of the physician services contracts with Family Medical Center was not specified by Oberlin but the SIFMES administrator did say the average cost would be about $50,000 for a full time physician per year.

Romeo said the American Falls clinic has a contract for one and one-half physicians plus a physician's assistant. Although doctors are only in the clinic about 30 hours a week, Romeo said they are on call 24 hours a day. The extra one-half doctor charged on the contract is for compensation of this call time, according to Romeo.

Total contract cost for a year's physician services at the SIFMES clinic would be approximately $90,000, according to SIFMES figures.

The doctors working in the American Falls clinic spend most of their work week in the Family Medical Center practice in Pocatello.

"We do believe that the key to our success in American Falls is a resident physician," Romeo said. He added the SIFMES clinic does provide an option for patients who do not want to use the Power County Hospital.

"Our clinic sends patients to the hospital they request," SIFMES administrator Oberlin said. He said the American Falls community "does not want to acknowledge" the fact the past doctor shortage established a habit of obtaining medical services in Pocatello.

[From the Power County (Idaho) Press, Apr. 20, 1978]

PRIVATE CLINIC HOLDS PUBLIC-FUNDED PHYSICIAN CONTRACTS

(By Mildred H. O'Donnell)

A publicly supported corporation is apparently pumping business into a profit-making medical clinic.

The non-profit SIFMES corporation shares building space, doctor services and board members with the Family Medical Center, a profit-making private practice in Pocatello.

Although the SIFMES four-clinic group has received about $700,00 in grants and government support, it is operating "in the red," according to administrator Lionel Oberlin.

The American Falls clinic is just one of four clinics in the corporation. The largest operating expense for the clinics is the payment for physicians services, according to Oberlin. The Family Medical Center Pocatello, holds most of the contract with SIFMES for their service.

Southeast Idaho Family Medical and Educational Services, Inc. (SIFMES) filed their articles of Incorporation with the Bannock County courthouse in December, 1975. Dr. Samuel J. Romoto is listed as an original board member of the non-profit organization and he is currently secretary-treasurer of the SIFMES corporation.

Romoto is also listed as one of two profit shareholders in the Family Medical Center, a profit making corporation that filed its articels of incorporation with Bannock County in August, 1976. Dr. Michael Baker is the other profit shareholder listed in the document and he is also a member of the board of directors for SIFMES.

Administrator for the Family Medical Center, Don Walker is also a former SIFMES board member. The vice-president of the SIFMES board, David Hilderbandt, is a psychologist at the Family Medical Center.

SIFMES has a state no-profit corporation license and has obtained non-taxable status with the Internal Revenue Service IRS. The purpose of the corporation as listed in the articles of incorporation are "scientific and educational . . . to organize and provide medical services and medical eduaction services, but not to carry on a business, trade or profession for profit."

The IRS code states, that exempt organizations such as SIFMES may not conduct business as a tax exempt organization if any part of the net earnings benefit any private shareholder or individual.

The SIFMES organization has clinics in American Falls, Lava Hot Springs, McCammon and Soda Springs. The Lava clinic was started in October, 1976; American Falls, March, 1977; McCammon, September, 1977; and Soda Springs, October 1977. There are a total of 13 members of the SIFMES board of directors.

The organization has been successful in obtaining a number of federal and private grants as well as local government support for the clinic operations.

The federal government's Health in Underserved Rural Areas (HURA program has awarded SIFMES $400,000 for use over a two year period in 1977–78. A public service grant for migrant health care from Health, Education and Welfare (HEW) awarded the corporation $78,000 in 1977. Another public service grant of $33,000 has been awarded SIFMES for a "mental health package program" this year.

The organization also obtained a private grant through the Hospital Research and Education Trust from the Kellog Foundation of Battle Creek, Michigan. The $141,000 two-year grant was earmarked for the American Falls clinic.

In addition to grant programs, SIFMES has received the financial backing of Bancock, Power, and Cariboo Counties.

Bancock County started paying $300 a month in January to help pay rent in connection with SIFMES participation in the Pocatello "free clinic". The free clinic is held after regular business hours, in the Family Medical Center.

Power County Hospital has paid a monthly $225 rent for the American Falls clinic since it opened. The county paid $3,227 for renovation of the clinic's office area last year.

Cariboo County paid SIFMES $10,000 last year to defray the cost of purchasing a trailer for the clinic's operation in Soda Springs. The clinic trailer is parked on the county hospital grounds.

The SIFMES clinic in Lava Hot Springs is located in the City's community building and the organization does not pay rent for that office space.

The owner of the Lava ambulance service, Darin Wellard contracts service with SIFMES. He is also the office manager for the SIFMES clinic in Lava and a member of the board of directors.

Eight of the employees working for SIFMES were paid wages through the federal Comprehensive Employment Training Act (CETA). The CETA program is administered through the state department of employment and the program provided SIFMES with $53,141 in wages beginning last year.

The CETA VI funds came from a special projects program and the SIFMES project was approved by a seven county advisory board, according to the Southeast Idaho Council on Governments. The supervisor in charge of CETA eligibility at the Pocatello office of the state department of employment is Idaho Perce. She is also a member of the SIFMES board of directors.

The supplies, equipment and professional services necessary to run the clinics are expensive, according to SIFMES secretary, Jean Joe. Joe and Oberlin agreed the most expensive investment involved with the clinics was for physician services.

SIFMES has contracted some time from specialists in the medical field, but most of the physician service contracts have been made with the Family Medical Center, according to Oberlin.

The SIFMES corporation has several different contracts with the Family Medical Center and Oberlin said the cost of the contracts reflects benefits, insurance, and travel, as well as the time spent by physicians from the Medical Center. When asked if the contracts with the Medical Centers included a margin of profit, Oberlin said he didn't know that information.

"We are getting more services than we are paying for in the entire SIFMES organization," he said. "We feel we are getting a heck of a bargain," Oberlin added.

Family Medical Center administrator and SIFMES board member, Dan Walker said the Pocatello practice was providing medical services for SIFMES at "near cost."

"It's not a matter of exclusiveness, it is a matter of a necessity," Dr. Romeo said about SIFMES contracts with the Family Medical Center. He said SIFMES would contract with anyone willing to offer the services.

Eight doctors work in the SIFMES clinics one doctor splits his week between Lava Hot Springs and McCammon. Another works full time in the Soda Springs clinic. All other physicians spend some time in the SIFMES clinics and most of their work week in the Family Medical Center, Pocatello.

None of the doctors from the Family Medi- physicians spend some time in the SIFMES reside in the community where the clinic is located.

As SIFMES has grown, so has the Family Medical Center. In 1976 there were two physicians working in the Family Medical Center and currently there are eight, according to clinic administrator Walker S.

Administrative headquarters for SIFMES are located in the Family Medical Center building in Pocatello.

SIFMES made its application for tax exempt status in 1976. The IRS application form requires statement about the proposed operation of the organization. The SIFMES organization said it would provide a number of educational and medical services, according to the application.

Proposed SIFMES educational services included providing vocational training for EMT's, clerkship in family medicine for junior and senior medical students, clerkship residency in family medicine and a three-year residency in family medicines, according to an IRS spokesman.

The SIFMES organization has not yet employed any junior or senior medical students or provided training for EMT's. Some of the physicians working in SIFMES clinics are working on their board certifications in family medicine, according to Oberlin.

The clinics do apparently provide medical services for patients at a "normal" fee as proposed on the IRS application. Patient services are charged on a "sliding fee" schedule and the average cost per patient visit in the American Falls clinic is $14.

Patient billing are currently far below the cost of operations, according to Oberlin. He said the SIFMES clinics will be operating "in the red" until patient generated revenue matches costs. He said this was the long-range goal of the SIFMES corporation.

"Our long-range goal is to be self-sufficient," Oberlin said. He added this did not necessarily mean the clinics would eventually be profit-making, but rather non-government supported.

Oberlin said grant moneys that have been awarded and not used are kept in a SIFMES account and public funds are separate from private funds.

Future SIFMES projects include a mobile clinic which will be used in Power and Bannock counties to provide health care for migrant workers staying in migrant camps. The mobile clinic is currently being equipped according to Oberlin.

[From the Power County (Idaho) Press, June 1, 1978]

ARTICLE ON SIFMES HAS GROSS INACCURACIES

To the Editor:

Last month, the Power County Press published an article by Mr. Michael O'Donnell that cannot go unanswered. About ¼ of page 1, and nearly all of the back page were devoted to a demeaning article about the American Falls Medical Center, and the Southeast Idaho Family Medical & Educational Services, Inc. Mr. O'Donnell's article was replete with over-simplifications, outright errors of fact, inexcusable errors of omission, and obviously intentionally misleading implications. It is a great disappointment to see the Power County Press, which has in the past demonstrated fairness in judgment and accuracy in reporting, lend its name to such gross inaccuracies. The article has done a severe injustice to an organization that has, in fact, devoted a great deal of its resources to trying to improve health care provisions in Power County.

The points made by Mr. O'Donnell may be generally divided into three categories: errors in fact, errors in omission, and misleading implications. Let us review each in turn.

Error in fact: The article states that the SIFMES organization has "not stimulated the local hospital economy". Demonstrably untrue, as indicated in Ms. * * * follow-up letter to the Press published on April 26, 1978. The truth is that the SIFMES Clinic has been giving the hospital laboratory and X-ray work totaling up to $1500 every month. (Does it need to be pointed out that SIFMES could easily do that laboratory work itself, or have it taken to Pocatello?

Error in fact: The article states that the Pocatello "Free Clinic" is held after regular business hours in the Family Medical Center in Pocatello. In fact, the free clinic has never had any organizational relationship to the SIFMES operation whatsoever. There are no financial connections, the clinic is not held in The Family Medical or SIFMES facility (they have their own building provided by the City of Pocatello), and they have existed long before SIFMES was even thought of. SIFMES does provide some gratis assistance in the form of physician time whenever possible because the free clinic operates on a shoestring.

Error in fact: The article states that SIFMES has not yet provided training for medical personnel as was intended. The fact is that SIFMES has worked consistently with the Washington, Alaska, Montana and Idaho (WAMI) Medical Program, and has provided training for both medical students and family practice residents. That training has taken place in a number of clinical facilities, including American Falls, and continues today. In addition, SIFMES has donated physician time to the development of an Emergency Medical Technicians (EMT) Training Program in Pocatello, and it is largely with SIFMES assistance that the current availability of EMT trained personnel in Lava Hot Springs is a reality.

Error in fact: The article states that because the American Falls Clinic has "logged approximately 5,000 visits", and because Dr. Romeo is quoted as saying we admit about 2% of all patients seen to the hospital, therefore we have "referred about 100 patients to Pocatello hospitals last year. . . ." It is true that we had about 5,000 patient encounters last year. This is not 5,000 patients, however. A little judgment would suggest that had we seen 5,000 individual patients we would have seen every man, woman and child in American Falls. The 2% hospital admissions figure applies to patients seen, not encounters. The correct figures are made like 1,000 to 1,200 patients, two percent of which would be 20 to 25 hospital admissions.

Error of omissions: The article takes glee in finding that the Lava Hot Springs Clinic resides in the Lava Community Center without paying any rent. Perhaps Mr. O'Donnell could also have mentioned that SIFMES spent over $10,000 renovating a dusty basement for its use and that should we ever move from that building those renovations will belong to the Village of Lava Hot Springs.

Misleading implications: The article piously proclaims that all the revenue made

at the county supported clinic (HSRI) is returned to the county to defray the cost (of services)", implying that the HSRI clinic makes money for the county. The fact is quite the reverse: the county is subsidizing the HSMI clinic by guaranteeing its income at a level of $30,000 per month.

Misleading implication: The article reveals that "a publicly supported corporation is apparently pumping business into a profit-making medical clinic". We would suggest that Mr. O'Donnell read the Federal Rule and Regulations regarding the awarding of Health Underserved Rural Areas (HURA) Grant Funds. The fact is that the Public Health Service is intelligent enough to realize that the only practical way in provide continuing health care is to contract with a profit-marketing corporation. It is, in fact, a requirement that such a relationship exist. Terms like "pumping money into" clearly implies that something improper is happening. The fact is that the relationship is duplicated by every such program across the country. (Should we mention that HSRI is the same type of organization that we are? Should we mention that the American system of business suggests that making a profit is not improper? Should we mention that it is about time the government used cost effective means of providing services by contracting with profit making corporations.

Misleading implications: The suggestion is made that paying a physician $50,000/year is improper or exorbitant, and that The Family Medical Center is therefore making too much profit on the contractual relationship. We would refer O'Donnell to the Department of Labor, which will inform him that the average physician in the United States makes $65,000 per year. The fact is, as I stated to Mr. O'Donnell on the phone, the physician services contracted from Family Medical Center are a bargain.

Misleading implications: The article takes great pains to point out that Family Medical Center and SIFMES have their offices in the same building. Would Mr. O'Donnell rather have the two organizations rent separate buildings at twice the cost? The fact that the two organizations work closely together makes constant communication desirable. If good communications can be combined with increased cost efficiency, why not? Mr. O'Donnell is simply trying ridiculously hard to build some kind of case for subterfuge that doesn't exist.

We would like to suggest to the editor that Mr. O'Donnell's employment at the Power County Press be severely brought to question. Any reporter that feels free to take such liberty with the facts, and to so blatantly mix personal editorializing with the reporting art, must have his professionalism questioned. Mr. O'Donnell did do us the courtesy of a phone call (in which he demonstrated his ignorance by not knowing the difference between "intern" (student) and "internist" (highly specialized physician), but he turned down our invitation to visit with our administrative staff. We would extend that invitation to any in the American Falls community who would like to know anything about the SIFMES organization. We are proud of what we have accomplished in Power County. Though we have certainly not met all our goals, we have done our best and have significantly increased health care services in the region.

Contrary to the article's suggestions, we do not view the RSRI clinic as the enemy, but rather as another sincere effort to extend health care services. We are all in the same business of increasing the quality of life in Power County and Southeast Idaho. We appreciate all the help we can get.

Sincerely,

LIONEL E. OBERLIN,
Project Director,
SIFMES.●

DOCUMENTS REGARDING HEW GRANTS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 22, 1979

● Mr. HANSEN. Mr. Speaker, I hereby submit for the RECORD documents regarding HEW grant activity in my district. This is to support action taken to secure answers and necessary corrective steps through HEW, GAO, and other appropriate authorities. The documents follow:

SEPTEMBER 12, 1978.

To: Henry G. Hampton, Grants Management Specialist.

Subject: Review of Application 510 510005 03 0. Southeast Idaho Family Medical and Educational Services.

To: Chairman, Review Committee.

INTRODUCTION

These comments pertain to the evaluation of the applicant's response to their conditional award of funds. The funds are planned for use in the following areas: Lava/McCannon; Caribou; and American Falls.

These sites constitute five actual sites and the award included funds for incorporation of a migrant, adolescent and community mental health project. The grantee referred to as SIFMES is in their third year of support and the project is characterized by its contractual arrangement with the Family Medical Center of Pocatello for provider and support services.

FUNDING SUPPORT REQUESTED

Previously, the applicant requested and was awarded, conditionally, $442,995 of PHS funds, which was supposed to be combined with $359,058 for a operating budget of $802,053.

Funds and sources

Lava Facility Rent	$6,500	
Dist. Health Employees	6,720	
Title XIX	69,168	
Fees for Svs	276,670	
Migrant Supplemental		$86,804
Com. Mental Health		28,953
Adolescent Supplemental		93,912
Continuation Grant Funds		233,330
	359,058	442,999

FINANCIAL MANAGEMENT CAPABILITY

It appears that the applicant's financial management ability has been compromised for some reason which is not clear. The recent conditions imposed on the Notice of Grant Award were due to an unclear and vague application which failed to clearly organize and project utilization and reimbursement. It also failed to develop the concept of operation for the multi-site project and seemed to convey a total lack of control. A review of applications from budget year 01 and 02 tend to verify these indicators. Further, a recent application for expansion in the American Falls Service area requested funds for that area when funds totalling approximately $100,000 have been provided by this grant.

The applicant has demonstrated a reluctance to clearly state the cost of various components of the contractual agreement for provider services which engulf a measurable amount of the operating budget which hampers the grantee's ability to become self sufficient. This aspect of the various applications has made it difficult to provide technical service which could assist their overall progress. It is still not clear how many providers are being purchased by this grantee.

Presently, no audit findings are available to further evaluate the financial management and managerial competency of this applicant; but, from the recently received BORR reports, it appears that the grantee is inflating projections of revenue. BORR data on revenue experience does not support the 1978–1979 projected revenue, possibly due to under reporting of 1977–78 experience.

COST ANALYSIS

Other

The applicant has listed certain contracted services totalling $29,123, which should be entered as contractual services. Medical and office supplies for Lava/McCannon and Caribou total almost $50,000 and is considered *excessive.*

Patient care

Contractual services total $414,290 but should be $443,413 if these services in the "Other" category are entered appropriately. These contractual services include providers, administrative support and laboratory costs. The projected laboratory costs appear excessive and the Coordinator of Education and Outreach Services position questionable. Provider services appear on the spread sheet as costing $356,633, but insufficient data was provided to ascertain exactly what is being purchased, as required by special conditions of the $3 year conditional award.

Personnel services

The cost of this category totals $183,065 with the supplemental projects and would be reduced to approximately $124,000 without them. Generally, the costs associated with this project are high and this could affect the grantee's ability to become self sufficient.

CONFORMANCE WITH GOVERNING LAWS, REGULATIONS AND POLICIES

The grant award specified certain requirements/conditions which this follow-up application and accompanying documents were to address:

1. This application failed to reallocate funds currently budgeted for on-call relief and resident call provider time; it disguised the issue.

2. . . . reduce funds budgeted for medical supplies.

Medical office supplies

L/Mc: From $37,200 to $19,200.

Soda: From $21,524 to $31,524.

The applicant reduced slightly the costs of medical supplies but the estimates are based on approximately 8,000 encounters of *each* site which is totally unrealistic because the last budget period produced only about 8,500 encounters from all five sites.

3. . . . appropriately increases revenue projections for Lava-McCannon.

This was *not done.* It appears that the projection was decreased slightly.

4. . . . distinguish, by site, between costs related directly to self sufficiency and costs related to non-reimbursable services.

This was *not done.*

5. Proposed contract for provider services on a cost reimbursement basis with clear projected costs and method of payment.

The contract and the budget presentation *fail* to clearly identify costs; it is *not* on a cost reimbursement basis; it *does not* clearly identify what (how many providers) is being purchased and is a continuance of the reluctance to explain the concept of operation and how funds, especially contracted services, are being used.

OTHER SIGNIFICANT FACTORS

The applicant would not be able to continue this project if funds were withdrawn and is demonstrating an inability to wisely administer those funds granted to them. The recently received BORR pertaining to the 1977–78 budget period clearly identifies a low encounter rate. The total charges for services are low and makes it impossible to comprehend how the applicant makes the projections that it does and the limited use of providers raises the question of "what is being done with the funds?" Clearly, the 02 budget period reports fail to yield total provider usage equal to the funds provided for that purpose. It appears that the applicant is over zealous in their requests for funds and reluctant to explain what the project is really doing. The grantee's reluctance to comply with the specifics of the grant conditions raises doubts concerning their integrity.

SUMMARY

The applicant has presented an application which is loaded with unrealistically inflated costs. The vague method or presentation and failure to adequately clarify the special conditions of this conditional award are significant and require definite and decisive action. It is suggested that a copy of the current audit be secured immediately so that prudent corrective measures can be considered. It is also suggested that no further funds be awarded to this grantee until its managerial and financial posture is understood and the previous conditions explained thoroughly.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
November 30, 1978.

Our Reference: 10 D 510006 03. Health Underserved Rural Area/Migrant Health.

Mr. JACK PERRY,
Chairman, Southeast Idaho Family Medical and Educational Services, Inc. (SIFMES).
Pocatello, Idaho.

DEAR MR. PERRY: The SIFMES correspondence directed to Patricia Walker and to Dr. Sherman Cox dated October 31, 1978, has resulted in an extensive review of both the proposed contract documents and the proposal to extend complete clinical services into American Falls, using the HURA grant, rather than the Kellogg Foundation, as the source of support.

This letter will address both issues. First, the proposal to extend HURA-funded clinical services into the American Falls clinic is considered to be consistent with my letter to you of August 4, 1978. Final action on the American Falls HURA expansion cannot occur before issues relating to the SIFMES–FMC contract are resolved.

With regard to the two proposed contracts, a number of serious difficulties presented themselves during our review. As was made clear in earlier correspondence, a fixed-price contract is not acceptable to the Regional Office because this is a sole-source negotiated procurement for which previous actual cost data is not available. The proposed cost-reimbursement contract is acceptable as a contractual form but cannot be approved. The following comments may be of use to SIFMES in renegotiating the contract; it is hoped by the Regional Office that the renegotiation will be successful. If not, the grant will be suspended.

1. *Statement of Work:* It is unclear from the statement of work just how many hours of physician/nurse practitioner time will be provided under the contract. Since Dr. Romeo is proposed as the point of decision regarding practitioner scheduling, the contract must be strengthened to specify, in advance, the hours of clinical service to be provided by FWC. To state that the clinics will be open 8–12 and 1–5 does not validate the presence of either a doctor or a nurse practitioner during those hours as the contract is presently worded. Since physician/practitioner time is proposed at very generous FTE levels, it is incumbent upon SIFMES to assure that it receives the time proposed by FMC. The contract document must be explicit on this point. As presented, a FMC practitioner (NP or MD) works four days a week, often less than eight hours per day, or a maximum of 32 hours per week on SIFMES-related care, provided in a clinical setting. SIFMES should assure itself that it receives the benefit of full-time coverage. Again, the contract must be explicit.

2. *The FTE Concept* presented in the contract is not clear. It appears that the 2.0 FTE proposed for Soda Springs does not represent two full-time physicians in the clinic at all times (as inferred from Exhibit A, paragraph 3), since one of these providers is planned to serve Lava Hot Springs two days per week. This item must be clarified to the satisfaction of SIFMES and the Regional Office. The discussion in Exhibit A is not adequate. The following weaknesses were noted: 1) Paragraph A states that clinic hours will be eight hours Monday through Friday and then goes on to state that hours may be varied "as may be necessary to meet the medical needs of patients". Nowhere does this item state clearly that if hours are changed to less than eight per day that a corresponding decrease in reimbursement will be an outcome. This is a requirement. 2) The discussion of full time equivalent in paragraph B does not supply the required assurance that all physicians employed by FMC are engaged in clinical practice only four days per week. If the FMC physicians are normally engaged in hospital practice during the fifth day of the week as part of their ordinary salaried compensation, this time may not be allowed as a cost to the grant. For your information, the guidance provided for National Health Service Corps physicians is used by BCHS in determining full-time physician status. This guidance is found on page 11 of the *NHSC Policy Manual,* dated October 1978, and states, in part,

"All NHSC professionals will schedule a minimum of ten (10) patient-sessions in the office per week. A patient-session is a block of time for scheduled patients which will range from a minimum of three and one-half hours where a large hospital patient load is usual (not the case with FMC/SIFMES relationship), to four hours where hospitalized patients are not an integral part of the practice. This scheduled patient time does not include time needed for hospital rounds although home visits may be considered part of the scheduled patient sessions."

Except for emergency situations, the NHSC professional is responsible for being in the office and available to patients during these scheduled hours. . . . This policy covers office hours which are only one component of total professional involvement and is not meant to suggest that professional patient care time should be limited to scheduled patient care.

Since the resources of the NHSC *locum tenens* is not available to FMC, the costs of vacations and educational relief is considered to be allowable. The four-day work week, however, causes the Regional Office grave problems. This issue is central to a productive outcome of contract negotiations, and the Regional Office expects SIFMES to insure the application of Federal policy to these negotiations.

3. *Payment.*—An inconsistency appears in the discussion of payment in the proposed contract. In Part I, FMC Responsibilities, D., FMC is to provide a monthly statement to SIFMES describing the services provided and expenses incurred for the preceding month. In Part IV, Method and Time of Payment, payment is described as equal payments of $30,000, to be reconciled twice a year. If the statement referred to in Part I describes actual costs, the payment should reflect reimbursement for such costs, and should not, then, result in equal payments through the life of the contract, since costs will have monthly variations, no matter how slight. This is not to say that the initial payment should not be an advance for a one-month period. There must, however, be a provision for reconciling the advance with actual expense on a monthly basis, since this process is the only manner in which costs can be monitored in a timely manner to assure budget compliance and to prevent cost overruns. The reporting format should be attached to the contract document, and should include individual salary information on a monthly basis. It is not necessary to state the name of the provider(s) being claimed, but costs claimed must not exceed the actual salary paid to the individual, plus related fringe benefits for the days/hours claimed. The supporting FMC documents should provide a clear audit trail, by name and salary rate, supporting the elements claimed on the invoice.

4. *Costs.*—The costs, as presented, are in insufficient detail to determine the basis and appropriateness of costs proposed. Further, while the proposed contract provide for minimum payment of $355,000 and maximum payment of $416,000, the supporting cost information (Exhibit B), when adjusted for the actual numbers of providers included in the statement of work, totals $470,590. The following schedule presents the completed document for purposes of analysis:

Description of cost	Extension	Amount
Full time equivalent physician (1) at $77,457	4	$309,828
Administrative expense		21,804
Travel (excluded from document submitted)		4,000
Overhead		61,773
Transcription		9,185
Physician assistant (1)	2	41,500
Dr. Berg		22,500
Total		470,590

The present award for year 03 includes $496,766 in the cost category "patient care", including $356,633 of both Federal and earned income for support of FMC, the balance being services contracted elsewhere. The approved budget also includes $20,049 for other services contracted through FMC, including Dr. Berg at 75% time. Thus, the total approved support to date for FMC is approximately $376,800, some $94,000 less than the amount actually requested in the proposed contract. This leaves SIFMES with a severe budgeting problem.

The administrative cost of $21,804 cannot be supported without a verified means of positive timekeeping which will validate charges at this level. A presentation of undefined percentages of time is not acceptable.

The amount of $4,000 for travel was obtained through a telephone conversation, since the figure had been omitted through oversight. Again, this amount for mileage reimbursement does not define the circumstances of approved travel. The detail is essential, or no basis for cost audit can be established.

The $61,773 for "overhead", as presented, is not acceptable. On what basis are these costs being charged to the contract? Home office rent is an ongoing cost to FMC, with or without the contract, and no cost assumptions have been presented to support the cost. The item for recruitment is not defined. If the contract is to pay for provider recruitment, the person recruited must be working under the contract. The contract should not be used as a means for FMC to recruit providers which will be working generally in the practice. The only insurance allowable under this contract is the provider malpractice insurance, since other insurance is covered under fringe benefits. This contract is essentially a personal service instrument, since SIFMES is not committed to providing ordinary costs of the FMC practice except for those costs which can be clearly identified as related to the SIFMES activity. The same objection is made to the

other elements comprising the "overhead" line item.

The medical transcription services are considered to be acceptable, based on previous records of effort.

The costs for physician assistant are not presented in the same detail as those for physicians. The statement of work indicates that PAs will be present five days per week, and that they also work a four-day week. Is there to be fifth day coverage for PAs, or is the statement of work incorrect?

The Anthropologist.—The Regional Office has not designated SIFMES as a HURA research site. The collection of data to provide information leading to improved patient care is understood to be a useful, productive and allowable exercise, but the intent of this grant is not research-oriented, nor are research costs going beyond the planning/evaluation function considered to be allowable. Throughout the grant application and the proposed contract, Dr. Berg, an anthropologist, is described as performing "research and outreach" functions. The functions of community development, outreach and translation presently performed by Dr. Berg are allowable. However, his professional training as an anthropologist is incidental to his grant-related employment, and reference to the profession of anthropology should be deleted. Please describe his job functions, rather than his professional qualifications, in reference to his position. The compensation for this position will be evaluated by the Regional Office on the basis of actual proposed duties and comparable rates of pay in your area.

5. *Method and Time Payment.*—The Regional Office concerns relating to the presentation of actual cost data has already been addressed. This section of the contract also includes a clause regarding late payment charges. This clause is not acceptable.

A number of major problems have been discussed in these review comments. To summarize the major issues, we have identified them as: 1) the need for a cost reimbursement contract; 2) the requirement that all payments, except for the initial advance, be made upon the basis of an invoice of actual costs presented monthly; 3) the requirement that actual costs be fully documented for purposes of monitoring and audit; 4) the unacceptability of the "full time equivalent" provider concept in the absence of an acceptable definition of "full-time employment"; 5) the requirement for a fully justified budget which is reflected in the body of the contract as the maximum allowable cost; and, 6) the acceptability, as presented, of FMC "overhead" costs. The draft contract is thus considered to be seriously defective, and must be revised as specified above. If the required changes have not been accomplished by December 31, 1978, the grant will be suspended.

Sincerely,

DAVID N. HANSON,
Director, Division of Health Services Delivery, PHS, Region X.

POWER COUNTY HOSPITAL,
American Falls, Idaho,
December 29, 1978.

To: CONGRESSMAN GEORGE HANSEN

Here are the statistics you were seeking regarding physican activity in our hospital for 1977–78. I trust it will be of value to you in your investigation.

Admissions

	SIFMES	HSRI [1]
1977	27	643
1978	9	701

Lab visits

	SIFMES	HSRI [1]
1977	546	3,154
1978	440	3,681

X-ray visits

	SIFMES	HSRI [1]
1977	261	1,685
1978	300	2,171

[1] Private clinic (notation added).

If you have any questions regarding this data please feel free to contact me. I might explain that data for 1977 is for the months March through December. 1978 data is through December 28.

Yours very truly,

GARY OBENAUER, *Administrator.*●

SENATE—*Monday, February 26, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, giver of life and liberty, give us also wisdom and courage for the living of these days. Work Thy will in and through the leaders of this Nation. When the next step is not clear may we wait patiently in tune with Thy Spirit and with faith in the ultimate fulfillment of Thy purpose for mankind. Store our minds with Thy truth and our hearts with Thy love that we may be calm in a crisis, strong under stress, triumphant in the storm, and ever guided by the light which never fails.

We pray in His name who is the way, the truth, and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 26, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BUMPERS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I know of no requests for time. I yield back my time.

Mr. STEVENS. Mr. President, will the Senator withhold that? Can he yield that time to me for Senator MATHIAS?

Mr. ROBERT C. BYRD. Mr. President, I will have an order later just before I move that we go into executive session. I will yield to the Senator at that time.

Mr. STEVENS. Mr. President, I yield a portion of the time, 3 or 4 minutes, to the Senator from Arizona.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

THE CARTER ADMINISTRATION AND FREEDOM OF INFORMATION

Mr. GOLDWATER. Mr. President, today I want the Senate to know of an action taken by the Carter administration last Friday which I consider to have been misleading and inspired by political motives. In my judgment, it was an attempt to indicate that although there were many and frequent contacts between Government officials in the Nixon administration and the Corporation for Public Broadcasting, the Public Broadcasting Service, and National Public Radio Board members, nominees, and officers, there have been no such contacts under the Carter administration. The implication is that the same kind of contacts between these parties under the Nixon and Carter administrations are somehow different, with Nixon contact improper and the Carter contact nonexistent or somehow more defensible.

Now, Mr. President, since the expansion of the Federal role in public broadcasting in 1967, I have been of the opinion that each administration has tried to improperly use public broadcasting for its own benefit. I do not condone this and find it disturbing that all too often many in public broadcasting are willing tools for such political manipulations. As a result, last year during deliberations on public broadcasting authorization legislation and the nomination of Henry Geller to be Assistant Secretary of Commerce for Communications and Information, the Communications Subcommittee requested the appearance of Barry Jagoda, at that time Special Assistant to the President for Media Affairs. The purpose of our request was to provide the subcommittee and the American people an explanation of widespread press reports on the influence of Mr. Jagoda and other Carter administration officials on public broadcasting programs, legislation and on officers and directors of PBS, CPB, and other public broadcasting entities.

Mr. Jagoda steadfastly refused to appear although he did visit me personally and disclaimed any substantive role in public broadcasting matters. Subsequently, during hearings on public broadcasting authorization legislation, we obtained information for the record that substantiated our fears that the Carter White House had numerous improper contacts and influences over programs and officials of PBS and station WETA. At that time, the subcommittee requested Henry Geller to provide all written and oral contacts of Carter administration staff members including Barry Jagoda, Frank Lloyd, Richard Neustadt, Robert Sachs, and Simon Lazarus with public broadcasting. We also requested the same information from CPB. Mr. Geller gave an inadequate response to the subcommittee on May 18, 1978, providing obviously incomplete information.

I later pursued this request and was told it was under consideration by the President's counsel. To this day, the subcommittee has received no reply to our request.

More than 6 months later, the Carnegie Commission on the Future of Public Broadcasting requested similar information regarding all White House contacts with public broadcasting beginning in 1969. White House and staff members of the National Telecommunications and Information Administration have labored mightily and expeditiously to disclose some 7,000 pages of materials in response to the Carnegie Commission request. These materials begin in 1968 and end, strangely enough, in August 1974 before President Ford's Administration. The index to these documents alone takes 68 pages.

Not a word is forthcoming on any contact of any Carter administration people with public broadcasting. To believe that this lopsided presentation is accidental would be naive. It is my understanding that one or more of the Carter officials whose contacts were the subject of the subcommittee's repeated demands for information, have, in fact, participated in compiling the Nixon era documents for release. In other words, "freedom of information" and the Carter administration's "open government" ends with disclosure of potentially damaging information about the supposedly improper contacts of the Nixon administration. At the very least, the Carter administration's disclosure is biased and unfair; at the worst, it smacks of a coverup.

Therefore, I am today repeating and enlarging my demand for disclosure by the Carter administration of each and every written and oral contact between Carter administration officials and the following persons: Directors or director nominees and officers of the Corporation for Public Broadcasting; directors, officers, and employees of the Public Broadcasting Service, National Public Radio, Greater Washington Educational Telecommunications Inc. (WETA), Educational Broadcasting Corp. (WNET), Community Television of Southern California (KCET), Chicago Educational Television Association (WTTW), and the WGBH Educational Foundation (WGBH).

I am asking for the same information regarding Carter administration appointees' contacts with the members and staff of the Carnegie Commission for the Future of Public Broadcasting and with trustees, officers, employees, and consultants of the Ford Foundation.

The Carter administration has been in office only 2 years, and I would imagine that there are less than 8,000 pages of such material and that the Carter staff compiling this material will move as promptly to furnish this information to the Senate and the people of the United States as it did to furnish the supposed goldmine of "Nixon naughties" to the Carnegie Commission.

THE QUESTION OF A CONSTITUTIONAL CONVENTION

Mr. GOLDWATER. Mr. President, there has been a great deal of interest expressed amongst many of the 50 States of our Union, including my own, unfortunately, that there should be held a constitutional convention on the matter of controlling Federal spending.

Mr. President, I think that a constitutional amendment, properly and intelligently drawn, either by the States or in concert with the Congress, would be a proper way to approach this and submit the amendment to the people of the United States for their adoption or rejection. But I think it would be very foolhardy, it would be a tragic mistake, to hold a constitutional convention for this one purpose.

I say it would be foolhardy and dangerous because if we hold a constitutional convention, every group in this country—majority, minority, middle-of-the-road, left, right, up, down—is going to get its two bits in and we are going to wind up with a Constitution that will be so far different from the one we have lived under for 200 years that I doubt that the Republic could continue.

Mr. President, even though my State has approved a constitutional convention, I wanted my voice as a Senator from that State and as a Member of this body to be registered as totally opposed to any constitutional convention, but in favor, if we can properly do so, of an amendment that will direct the Congress relative to the fiscal irresponsibility we have been engaged in for too long. I thank my friend from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator from Arizona. I think his statement is very important on this issue which seems to be perplexing so many people in public life, the question of whether there should be a constitutional convention.

THE PROFESSIONAL THEATER IN ALASKA

Mr. STEVENS. Mr. President, I come from an area of the United States 4,500 miles from Washington, D.C. This distance, however, has not prevented Alaska's ability to influence the arts throughout the United States. Due to our remoteness, the arts play a vital role in entertaining and educating the people.

Professional theater first appeared in Alaska in early 1977, and has since grown remarkably in size and scope. I am proud of the imaginative advancements Alaskans have made in the arts. On Sunday, February 25, 1979, the Washington Post recognized the significance of theater in Alaska in an article which I am pleased to place in the RECORD for my colleagues to review.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"TERRA NOVA"—STAGING A RACE IN ALASKA

(By Richard L. Coe)

ANCHORAGE.—When two productions of a new play from Yale University, titled in Latin, open the same night in California and Alaska, you know that the American theatrical revolution is here. New York has evinced interest, but Anchorage and Los Angeles have "Terra Nova."

The play is by 26-year-old Ted Tally, a drama of a "new land" in vivid, poetic images about Robert Scott's 1911 failure to beat Roald Amundsen to the South Pole.

This is a story about two heroic men, their dreams and realities, and is one of several new plays by young writers who look outward and upward and not, as playwrights have been doing since "Look Back in Anger," inward and downward.

Tally's script had a workshop production at Yale School of Drama, which he was attending in the spring of '77. That summer it had a staged reading during the National Playwrights Conference at Connecticut's O'Neill Center. That fall came a professional production at Yale Repertory Theater, and word got around. Mark Taper Forum's director Gordon Davidson put in a production bid, as did the Alaska Repertory Theater's producer, Paul V. Brown, and director Robert J. Farley.

The inevitable risks taken were well advised, for Tally's play is one of the finest American dramas in far too long. Complex in design, impressive for its research, "Terra Nova" is gripping because it explores not the ignobility of man but his aspirations.

Tally begins with Scott's final moments, after he had made those last notations in the subsequently discovered journal of a fatal expedition. There are flashbacks to a dinner in his honor by the Royal Geographical Society and a bitterly humorous flash forward to an imagined reunion dinner which never could take place years later.

There is provocative placement of England's Edwardian years when order and confidence still reigned but when imaginative minds could foresee the chaos of the future.

That chaos included a shift of values, indeed a denigration of them, which Tally expresses in a discussion between Scott and his wife, Kathleen. Scott declares:

"Honor and daring and sacred duty are not empty words. I despise to see them mocked by those who would scarcely be safe and warm in their homes were it not for men who believed in them and believed enough to offer their lives. Those words are our glory."

Kathleen responds: "Then perhaps one day, they, the mockers, shall topple as well."

It was perceptive of then 24-year-old Tally to voice this warning which a generation of playwrights, to say nothing of others, have scorned in condemnation of the Protestant ethic that to live one must work at it.

There is sardonic humor in the piece. Tally

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

uses Amundsen as a sensitive commentator visible only to the audience and Scott, but not to Scott's five companions. The exchanges of the two explorers serve to show their common understandings and basic questionings.

And there is a distinct, womanly voice in Kathleen when explorer Scott recalls their first conversation. Having observed her at a dinner in his honor the night before, Scott calls on the maiden lady, a sculptor, in her studio the next morning. Kathleen, who took keen note of him but scorned his lionization, faces up to him:

"With or without marriage, I am determined that you will be the father of my child," a testy reminder that independent women have been independent since Eve. Whether this quote is true from the actual Mrs. Scott, I know not but it serves Tally's statement.

The Alaska Rep's production is in every way a fine one, with Scott acted by Philip Pleasants, a widely experienced leading actor of American regional theaters. He has a deep, finely tuned voice and achieves the man's heroic figure. Director Farley's cast further includes Marshall Bordon, as Amundsen, Joe Meek, Miller Lide, James Secrest and Eric Uhler, as Scott's companions, and Jean Smart as Kathleen, a role she plays with a dignity as an Edwardian lady whose independence, through that declaration, is thereby given a more dramatic turn.

Jamie Greenleaf, Alaska's designer, has visioned the South Pole settings in a tone of blue which, as Alaskans point out, is an accurate statement about the frozen north. Flying over the oil world's lonely North Slope or trudging in the ski areas, one notes the blue which so often dominates the white of snow blanketing the rugged terrain from craggy mountains to the flat Arctic crust.

Using a thrust stage, the Mark Taper's Los Angeles production has predictable advantages. Playwright Tally was in Los Angeles for rehearsals, during which he cut 30 minutes, in a very small snippets, from this three-hour script, an author's right Farley properly did not presume for Alaska's proscenium stage.

White carpeting across and backing the entire Forum thrust allows facile use of scenic projections, and the Taper's technical strengths are obvious. The younger writers evidently are thinking in terms of the thrust stage.

At the Taper I found Laura Esterman's Bohemian accent for Kathleen (barefooted at her first appearance) unnecessary, but both Donald Moffat's Scott and James Cromwell's Amundsen are impressive indeed.

Comparing the two, one might say that the Taper's production is chic, that the Anchorage one is meaty but that both are stirring.

It was early March '77 when I first came to Anchorage, attracted by the opening of professional theater in our most remote state. Hawaii, after all, is a paradise with quick, easy and cheap direct flights from four coastal cities and has no professional theater, though an innovative university one.

That the city of Anchorage, the state itself and the federal endowment are aware enough to back theater as a force in this vast area reflect just how far our American theater has come in a generation.

In its first season, the Alaska Rep began with "Scanino" "Private Lives" and "Clarence Darrow," the one-character David Rintels play (and it is a play), which Pleasants subsequently acted in Fairbanks, population 30,000, for four performances.

Dennis Rosa's "Sherlock Holmes" began the second season, followed by "The Fourposter," Tennessee Williams' "Eccentricities of a Nightingale" and "Diamond Studs," the saloon musical so grievously misplaced on Ford's Washington stage. It took two expensive planes to cart "The Fourposter" to Fairbanks and "Diamond Studs" was such an Anchorage hit that it will be revived this summer for the tourist trade.

"The Taming of the Shrew," Alaska's first Shakespeare, "Slow Dance on the Killing Ground" and Broadway's current "Deathtrap" will complete the current Alaska season in April. For Christmas '78 there was a three-week, sold-out revival of the second year's "A Christmas Carol," which looks fair to become an Anchorage Yule tradition.

Clearly, ART is a success with its audiences. Its first year's total budget was a bit over $300,000. This extended season the budget will be hitting $1.2 million, with 60 percent coming in from the box office.

"What has pleased us the most," says producing director Brown, "is the vote our audiences made at the end of last season. They asked for more demanding, heavier fare than the light pieces of our first two years. Doesn't that show something about the audiences we play to? It convinces me we made the right decision at the start."

Now 33, Brown is a New Yorker who, after his Army service, came to Alaska eight years ago and, as those pioneers of the '70s seem to do, fell in love with the place. He worked on Kay Fanning's Anchorage Daily News and, taking an interest in the arts, urged the state arts council in 1975 to consider the feasibility of starting a professional acting company. It commissioned Brown to investigate potentials and costs.

Brown did the job so impressively that the council appointed him to get going on what became the Alaska Repertory Theater. There was particular help from New York's FEDAPT—The Foundation for Expansion and Development of American Professional Theater—and Actor Equity.

The first season there were 21,500 paid admissions, by the end of the second, 75,000. That growth came in a state of 400,000, half of whom live in Anchorage.

Announcing his plans during the Bicentennial celebrations, Brown declared in July '76 that, "No regional theater will make it if the staff is selected on the grounds of where you live rather than what you can do."

To some who had been presenting plays on a purely amateur level, those were words to resent. Were there not enough passable actors in the state to avoid the high travel costs of bringing up people from "The Lower 48"?

Brown chose 30-year-old Farley, a stage and TV director with impressive Los Angeles credits, as artistic director in August '76. Both made the strongest insistence for professionalism.

They were heartily backed by Alaska Arts Council chairman Jean Mackin of Fairbanks and the council's executive director, Roy H. Helms, who has just moved to Washington, D.C., to become director of the National Assembly of State Arts Agencies. But all saw the invaluable contributions volunteer organizations such as "Curtain Raisers" could make to construction, advertising, fundraising, ushering and clerical work.

ART's board of directors reflects the community's vital role. Its president is Australia-born Pamela Towill, wife of a British oil executive. In its format of revolving officers, Towill will be followed come summer by Frank Danner, a financial expert whose interests take him frequently to "The Lower 48." In line is the trail-blazing Jean Mackin, who had a hand in planning the Tyrone Guthrie Theater foundation of Minneapolis. Besides publisher Fanning, once of Chicago, the board also includes Clark Gruening, son of the late Alaska governor and senator. These are sophisticated people aware of the responsibilities of privilege.

Brown's basic recommendation for professionalism appears to have been crucial for, although only groups of one, two or three have reached but a few of the countless small settlements scattered over the enormous area, Alaskans seem highly aware of their theater via radio and statewide TV.

Since my first visit, Robert B. Atwood's supportive, powerful Alaska Times has created a weekend section on the arts and the smaller News now has its own every Saturday.

As has happened in other regional theaters, its leaders have impressed the community by buying homes and settling in.

This sense of belonging has been vital to all the professional theaters I've visited around the nation: not being part of the community often has been fatal.

Nowhere has this been so vital as here. Visitors are encouraged to spend money but not to hole in. Those who do determine to stay and have contributions to make are accepted as fellow pioneers in this most spectacularly rugged of all American states.

There is less money in Alaska than two years ago, when pipeline work was phasing out. A ski-slope pizza of average size will cost you $12.

But those who have come to stay share a sense of adventurous pride striking to the outsider. The staggering beauty of the state, its crisp, dry air vitalize awareness of life's wonders and beauties, quickening the state's Council on the Arts.

This summer's visitors will have a taste of Alaska's theatrical professionalism with the revived "Diamond Studs," though it's a pity they will have missed the serious, compelling "Terra Nova." Its success here marks a further step up for America's most adventurous professional regional theater.

DEPARTMENT OF NATURAL RESOURCES

Mr. STEVENS. Mr. President, last Thursday Senator HOLLINGS of South Carolina called attention to an editorial which appeared in the L.A. Times. I join now with my colleague as I, too, am concerned about this Department of Natural Resources proposal. There are basic principles of public administration that should be considered in any effort to organize the Federal Government. Many of those principles appear to have been overlooked in the PRP's Natural Resources proposal, which is notably lacking in the kind of substantive research needed to justify moves such as those recommended. The effort to move the National Oceanic and Atmospheric Administration into either a DNR or the Department of Interior I find particularly disturbing. The Congress has worked for 10 years since the Stratton Commission report to build in NOAA a Federal focus for ocean policy. I would not like to see those efforts wasted or diffused by a poorly thought out proposal. Furthermore, the Congress has carried practically all the initiative in developing ocean policy over the last decade, and we have not even been consulted in a meaningful manner on this reorganization.

I commend Senator HOLLINGS for his strong stand on this matter and join him in recommending this editorial to the attention of my colleagues.

Mr. President, I ask unanimous consent that the time allocated to the Senator from Virginia (Mr. WARNER) in a special order this morning be reassigned to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum and ask that the time be charged to the leadership time on this side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, may I inquire how much time remains?

The ACTING PRESIDENT pro tempore. There are 3 minutes of the leadership time remaining, plus the 15 minutes of Senator WARNER that the minority whip reserved for himself.

Mr. STEVENS. Mr. President, I now yield all that time to the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, I thank my distinguished colleague from Alaska.

LEONARD WOODCOCK

Mr. MATHIAS. Mr. President, I have the greatest personal respect for Leonard Woodcock, our Ambassador-designate to the People's Republic of China. Indeed, I intend to support his confirmation strongly. But, at a later date.

I believe that were the U.S. Senate to approve this nomination now, it would send out another wrong signal to a very troubled region. I intend, therefore, to ask for a rollcall vote on the majority leader's motion to take up the nomination of Leonard Woodcock as Ambassador to the People's Republic of China.

Mr. ROBERT C. BYRD. Will the Senator yield just for a correction?

The motion will be to go into executive session, to take up the nomination.

Mr. MATHIAS. Well, that is exactly what I intend to ask the vote on.

Mr. ROBERT C. BYRD. Yes.

Mr MATHIAS. But I thank the majority leader for making that abundantly clear.

At this very moment, the People's Republic of China is engaged in the massive use of arms and violence against its neighbor Vietnam. No one in this Chamber, and certainly not I would defend the actions of the Hanoi regime. But neither can we condone by word or deed the Chinese use of force in recent days.

Last week I objected strongly to the administration sending Secretary of the Treasury Blumenthal to Peking. I am aware that, since arriving in Peking, Secretary Blumenthal has been talking tough. I know that he has warned the Chinese leaders that public opinion would turn against "the transgressors."

But there are times when it is better to express our views with actions rather than words. President Carter should have canceled the Blumenthal mission because it is sending out the wrong signals.

I would like to just revise the record.

We normalized relations with the PRC before concluding a SALT agreement with the Soviet Union. That, Mr. President, was a signal. We permitted Vice Premier Teng to use the United States as a platform to attack the U.S.S.R. That was a signal. We signed a joint press release with the PRC employing the buzz word "hegemony." That was a signal. We neglected to nail Teng down regarding his intentions toward Taiwan and Vietnam. That was a signal. Now, while China is in the process of invading Vietnam, we are sending another signal—that signal is our Secretary of the Treasury. Beauty is in the eye of the beholder and danger is in the apprehension of the fearful.

Thus the significance of these signals depends on the perceptions of the receiver. The PRC may feel that it can do virtually anything and not risk our criticism. More dangerously, the Chinese may feel that they can rely on us for more help than we are willing to give.

One can only imagine the signals Moscow is receiving. What can they think of a country that permits their greatest enemy to use its capital as a broadcasting studio for his attacks on them? Can they believe that Teng did not have our green light for his attack on Vietnam?

There is a particular irony to the fact that it is Secretary Blumenthal who should be taking a trip to China at this troubled time. Once before a trip of Secretary Blumenthal's was used to send a signal to the Kremlin. Last December the Secretary of the Treasury was unexpectedly instructed to stop in Rumania on his way back from his trip to the Soviet Union. As we all know, relations between the Soviet Union and Rumania are strained, at best, and Secretary Blumenthal's detour into Rumania was construed as a signal then by the Soviet leaders. This being so, there can be no question that Secretary Blumenthal's Peking visit is being construed in the Kremlin as another signal.

The administration may feel constrained in its actions. It has a large political stake in the smooth flow of the normalization process. But, Mr. President, the Senate should feel no similar constraint. We should tell the Chinese clearly and forcefully that they cannot make war and expect our new relationship to prosper. The best way to get that message across at this point is to defer our consideration of the Woodcock nomination until a more propitious time. I will move that we do so.

I would hope that we would do so and at that time I would hope to support the nomination strongly, but not today.

Mr. HELMS. Will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. HELMS. Mr. President, I commend the Senator from Maryland. He is exactly right. He has mentioned the sending of signals. Now, I send a signal to my friend from Maryland. He has taken a very statesmanlike position on this matter, and when the Woodcock nomination was reported out of the Foreign Relations Committee, as a member of that committee I told Mr. Woodcock that I could not and would not vote to report his nomination unless and until the Senate had acted upon the Taiwan matter because that, too, is a signal.

Whatever we do, or fail to do, though, I think it is a wrong time to consider the nomination of Mr. Woodcock.

I have nothing against him personally, but I thoroughly agree with the Senator and I commend him on his statement.

Mr. MATHIAS. I thank the Senator.

Mr. STEVENS. Will the Senator yield?

Mr. MATHIAS. I am happy to.

Mr. STEVENS. I, too, commend the Senator from Maryland for raising the question of the signals that are being sent to Russia.

Mr. MATHIAS. If I could interrupt my friends, they are signals not only going to the Soviet Union, but they are going to the People's Republic of China.

I do not think we want to mislead either one of them.

Mr. HELMS. Exactly.

Mr. STEVENS. It is when they perceive our reactions. But, more than that, I am still concerned about that new relationship. I think it is the wrong policy at the wrong time, instituted for the wrong reason, and it is going to lead to a great deal of trouble for this country in the future.

It is most unfortunate, I think, that the United States has seen fit to try to determine the timetable for the evolution of the new relationship between the mainland Chinese and those in Taiwan and, even more important, the overseas Chinese people.

The new status that Mr. Woodcock would have pursuant to this nomination is more symbolic than anyone realizes.

I do intend to make a statement later, but I have nothing but high regard for Mr. Woodcock. I know of his leadership in the public sector in the past. But I intend to vote against his nomination for the reason that I want to protest the policy of the administration in dealing not only with China, but in terms of their unfortunate unwillingness to deal with Russia in the manner that is required at this very delicate time.

Mr. GOLDWATER. Will the Senator yield?

Mr. MATHIAS. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I intend to vote for Mr. Woodcock, if that is the choice of the President of the United States. As much as I disagree with the President, I think he has a right to pick his ambassadors.

However, I am in favor of what the Senator from Maryland is suggesting, not just for the reasons he has expressed, but for another one that probably my colleagues do not know about, nor do the American people.

Thursday is March 1. This is the day that the United States and the Communist Government of China is supposed to exchange ambassadors and establish embassies. However, before the Taiwanese left this country, the deeds to all their property in this country including the former Chinese Embassy beame the property of a private U.S. organization known as Friends of Free China. These are bona fide, legal deeds. There is no question of it.

Some question has been raised by the State Department as to whether these properties are legally now the property of Taiwan or the property of those who own the deeds or the property of Red

China, because the land was bought before the action taken back in the 1940's which separated the two Chinas.

I suggest that we withhold any vote on this nomination until after March 1, because we have told the State Department that if the Red Chinese try to move into this property, there is going to be another lawsuit. As usual, we have not heard from the State Department. We are waiting today to hear from it. But I do not think we should approve of an ambassador while there is any question about whether or not the country to which he is going to be ambassador has a place in this town that they can call their embassy, or whatever you want to call it.

I would support efforts, therefore, to withhold the vote, although, at the proper time, I shall vote for this gentleman.

Mr. MATHIAS. I thank the Senator from Arizona. I agree with him.

I think Leonard Woodcock is a splendid American, and his experience in Peking makes him an admirable choice. But we are raising here questions of policy that have nothing to do with Mr. Woodcock's personal qualifications. We are looking at the national policy of the United States of America, a policy in which the Senate has a coordinate role. If we are to exercise the responsibilities that are entrusted to us by the Constitution, this is the time to stand up and do it.

Mr. GOLDWATER. I agree with the Senator, and I thank him.

The ACTING PRESIDENT pro tempore. Does the Senator yield back the remainder of his time?

Mr. STEVENS. Mr. President, I yield back the remainder of the time, if the Senator has not used it all.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, inasmuch as the debate has sort of opened before the motion to proceed to executive session, I should like to say a few words in response to some of the things that have been said, and I say these very respectfully.

The choice of Leonard Woodcock to serve as the first U.S. Ambassador to the People's Republic of China following our normalization of relations—a continuing process which began with Mr. Nixon and continued under Mr. Ford—is wise and appropriate.

Here is a man who is particularly well suited for this important diplomatic responsibility. He already has served as the chief of the U.S. liaison office in Peking. He is experienced in dealing with the Chinese, and he has established a good working relationship with that country's leaders. He became the U.S. representative to Peking as of July 1977 and already has the personal rank of Ambassador.

So he brings to this position important experience in the diplomatic area as well as a background as one of our Nation's top labor leaders, having served as president of the United Auto Workers from 1970 to 1977. He served as the chairman of the Presidential Special Commission to Hanoi in the spring of 1977, looking into the question of Americans missing in action in Vietnam.

So the facts are that he is well qualified to serve as our Ambassador to the People's Republic and that we are proceeding with the normalization of our relations with Peking.

Mr. MATHIAS. Mr. President, will the Senator yield long enough for me to say "amen" to everything he has said up to this time?

Mr. ROBERT C. BYRD. Of course, I yield.

Mr. MATHIAS. Amen, Mr. President, amen.

Mr. ROBERT C. BYRD. I hope that will become a swelling chorus.

[Laughter.]

Mr. MATHIAS. Up to this time.

Mr. ROBERT C. BYRD. I hope we make the rafters ring.

A great many important issues need to be discussed with the Chinese as we enter this new relationship. Particularly at this time of heightened international tension, I think it is vital that we have our representative in Peking in place and acting with full and official authority.

Matters relating to our future relationship with Taiwan have been discussed fully, have been considered fully by the Committee on Foreign Relations. Proposed legislation on this subject will be before the Senate in the near future. Senators may discuss that proposed legislation; they will want to. I want to listen to the discussion, and I want to participate in it.

That is an issue which is entirely separate from the confirmation of the nomination of Mr. Woodcock. I see no justification for holding Mr. Woodcock's nomination hostage in the meantime.

Mr. President, there is another point that I think should not be overlooked, and that is that the delay of the Woodcock nomination at this time could give undue comfort to the Soviet Union. We have just been hearing about sending signals to the Soviet Union. If the Soviets want to interpret what I say as a signal, let them have it as a signal. Let the Soviets hear a signal, for whatever it is worth, coming from the hill country of West Virginia.

Delay of the nomination would give undue comfort to the Soviet Union. The Soviets know that normalization with the People's Republic is a reality, but I would imagine that they would not be at all unhappy to see an obstacle in the way of normalization with the People's Republic. They would not be unhappy to see it delayed. They would not be unhappy to see dissension in the Senate or in the United States over the Woodcock nomination or over the normalization process.

Mr. President, it all boils down to this, in my judgment: I do not think we should go out of our way to offend the Soviet Union or any other country, but I think we are entirely too sensitive about Russian concern with every little word we say. I think we have a tendency to measure every word just a little too much, fearing how the Soviets might react to this word or the choice of that word or some other word, or to the sending of Mr. Blumenthal to China, which is entirely unrelated to the attack by the Chinese on Vietnam.

The event that set off that action was the invasion of Cambodia by Vietnam, with the support, if not the sponsorship, of the Soviet Union. The Soviets have airlifted supplies to the Vietnamese, so they do not come into court with clean hands.

It is an old maxim in equity that one should come into court with clean hands. Well, let the Soviets get a signal. They have not had clean hands. They are supporting the Vietnamese. I would hope they would urge the Vietnamese to get out of Cambodia, as we are urging both sides to call off their invasions. We are playing an even-handed role. We are being entirely neutral, in that we have cautioned the Chinese; we have expressed our opposition to their invasion of Vietnam; and, at the same time, we are calling for Vietnam to get out of Cambodia.

So let us not to tiptoeing around, trembling for fear that every little word is going to create a reaction in Moscow, with such concern about the signals that Moscow is receiving.

I say again that we are entirely too sensitive—entirely too sensitive—about Russian concern. What we should be concerned with is the interests of the United States. What is in the interests of the United States of America and in the interests of our NATO allies?

I say again, let us not go out of our way to offend the Soviets; but let us state, forthrightly and clearly what our interests are. We should make it clear that, although U.S. power is finite, we know what our vital interests are and what we are going to do to protect them. Let us be concerned about the signals that the people of the United States are getting.

Are they getting signals that we are overly timid in pressing for the interests of the United States because of concern for what the leaders in the Kremlin might think?

Let us make our judgments based on what is in the interests of the United States and not on the basis of how the Soviets might react.

Secretary Blumenthal's visit is not related to the invasion of Vietnam by the Chinese.

The Soviets invaded Czechoslovakia in 1968. Is our memory so short?

We certainly want to continue our good relations with the Soviet Union. We want to cooperate with them wherever possible. But I think we have embarked on the right course in attempting to bring about normalization of our relations with a country the population of which is one-fourth of the population of the globe, and in doing so we can, I think, act in the interests of the United States.

I have said all I need to say.

So, Mr. President, I yield the floor.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Texas (Mr. BENTSEN) my remaining time.

Mr. BENTSEN. I thank the distinguished Senator from West Virginia.

I certainly applaud his remarks and am in full concurrence with them, Mr. President, and the fact is it is time this country shows a little self-interest and it is not so timid and concerned that we may not be garlanding with flowers all the other countries.

We had a fellow named John Pastore make that speech time and time again. He said:

> What the State Department needs is not just an Asiatic desk or a Pacific desk, but it needs an American desk.

I think there is something to that. We should take that position more in this day and time.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to exceed 10 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas (Mr. BUMPERS) is recognized.

DECONTROL

Mr. BUMPERS. Mr. President, tomorrow I wish to speak out in a slightly different vein about the move of this administration to decontrolling petroleum products. We have already decontrolled home heating oil. Everyone knows what happened to that. If you have not, read the front page of the Washington Post this morning.

Last Friday we refused to disapprove the President's proposal to deregulate jet fuel.

I tell Senators now the same thing will happen to jet fuel that happened to home heating oil.

Now the administration is moving toward deregulating gasoline, and I am going to ask the leader for time tomorrow to speak on all of those things because I think it is going to be an outrageous breach of trust with the American people because the American people are not going to get anything in exchange for all this deregulation of petroleum. And the oil companies are going to increase the 82-percent average increase in profits they had for the last quarter of last year.

THE REGULATORS

Mr. BUMPERS. Mr. President, down to something more mundane. My inclination is just simply to submit this for the RECORD, but it is too good, and I wish to share it with colleagues like my good friend from North Carolina, Mr. HELMS, and my friend from Alaska, Mr. STEVENS.

This is an item that goes right to the heart of how the regulators in this country are running amuck. But this is a sort of a satire to which I will invite my colleagues' attention.

This is a man going into the bank to borrow money and the loan officer says, "Good morning."

And before he can say anything else, the loan applicant says:

> Good morning. I'm here to apply for a loan, the purpose of which I chose not to divulge. You do not have the right to remain silent, anything you say or can do will be held against you in a court of law under the Truth in Lending Act, the Fair Credit Reporting Act, the Fair Credit Billing Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Civil Rights Act, and the State and Local Commissions thereof. Also, the Consumer Protection Act, the Privacy Act, the Federal Trade Commission Holder in Due Course Regulation, the proposed Unfair and Deceptive Credit Practices Regulation or under one or more of the regulations issued by the Departments of the Treasury, Housing and Urban Development, Health, Education and Welfare, Defense, Labor, Army, Navy, Federal Reserve Board, Internal Revenue Service, Security and Exchange Commission, Social Security Administration and the Office of Economic Opportunity.
>
> You have the right to talk to a lawyer and have him present while you are being questioned about my loan application, but it is doubtful that he can protect you from all of the above-mentioned regulations and regulatory agencies. For your information, buddy, you don't mind me calling you buddy, do you, you cannot use established credit criteria such as my ability to repay, collateral, stability of employment, personal habits, alcoholism for instance, past credit experience, or general credit ratings to approve or deny my application. You must use the criteria developed by Congress and the above agencies in their infinite wisdom. If your credit scoring system rejects me, you must reveal the weights given to each item on my application, especially the lack of a savings account. I have a dollar in my pocket to open such an account which will allow your computer to score me high on it. When I become delinquent, you cannot discuss this with me unless I bring it up first, and, remember, I am still holding the Federal Bankruptcy Act and its proposed amendments in reserve.

Mr. President, I have never been one who, in this body, took the traditional knee-jerk objection to regulations. Some are good and some are bad. I certainly have never been accused of being the best friend the bankers have in the U.S. Senate, but I believe this typifies what is happening in the regulatory process in this country, and it goes far afield from what my grandfather who loaned a little money in his day, used to say. He used to say, "There is more in the man than there is in the land."

I thank the Chair.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this can be changed later—that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow or the next day that the Senate is in session, if it is not tomorrow, that after the two leaders have been recognized under the standing order that Mr. BUMPERS be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore (Mr. BUMPERS). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I am prepared to move to go into executive session, but before I do that there is still a little morning business time, I believe, and I yield to the Senator from Idaho (Mr. CHURCH).

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

IN MEMORY OF ARTHUR M. KUHL

Mr. CHURCH. Mr. President, upon returning from the Lincoln day recess and digging our way out of the great snow of 1979, we were all saddened to learn of the sudden passing of Mr. Arthur M. Kuhl—a trusted official of this body, a trusted aide to Senators, and a trusted friend to all of us. To say that he will be deeply missed is to say the obvious.

Art Kuhl began his service to the Senate in 1949 at the age of 25 as a member of the Capitol Hill Police force. Just prior to that, he had served his country by wearing another uniform and fighting with the U.S. Army in the Pacific Theater during the Second World War. While working on the Capitol Hill Police force, Art also attended George Washington University where he earned his law degree. With his diploma in hand, Art went into private practice for a brief period, but returned to Capitol Hill in the early fifties working for the then Senate Committee on Labor and Public Welfare. In 1958, he joined the staff of the Foreign Relations Committee and 7 years later was appointed the committee's chief clerk. After serving 20 years with the committee, Art was selected to be the Assistant Secretary of the Senate.

Needless to say, Mr. President, Arthur Mathias Kuhl was a "Senate man." He had great respect for and devotion to this institution. Indeed, his last act clearly evidenced that respect and devotion. On that Monday morning, when most others had decided to stay home and keep warm, Art Kuhl felt duty-bound to get to the Senate. And so he tried. That measure of loyalty and devotion is unfortunately all too rare these days. But then Art Kuhl was a rare individual. He put dedication to duty far above personal consideration and willfully accepted the sacrifices demanded by public service.

One of the things I will always remember fondly about Art was that during his service as the committee's chief clerk he had placed under the glass on the top of his desk an inscription which read: "Let not ambition mock their useful toil." I dare say that if any man ever honored those words, taken from Thomas Gray's immortal "Elegy Written in a Country Churchyard," Art Kuhl did.

Mr. President, as we all come to know sooner or later in life, "No man is an island," and in his own modest and unassuming way, Art knew this too. We can all be glad that he found his home here in the Senate. By doing so, he touched all of us and made our lives richer.

Mr. ROBERT C. BYRD. Mr. President, is there any time remaining in morning business?

The ACTING PRESIDENT pro tempore. One minute.

EXECUTIVE SESSION—NOMINATION OF LEONARD WOODCOCK

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from North Carolina held up a vote on the nomination of Mr. Woodcock. The nomination has been on the calendar since February 9, and, as I explained to the distinguished minority leader on Thursday, I feel it is imperative that we proceed with the nomination. Therefore, I will make a motion shortly to proceed to executive session, and there will be yeas and nays requested on that question by Mr. MATHIAS and by Mr. HELMS, and then when we get into executive session the Senate will automatically be on the nomination of Mr. Woodcock.

I have discussed with the distinguished Senator from North Carolina the debate thereon. I understand there will be some debate. Senators will certainly have a right to express their viewpoints. I hope it will not be drawn out overly long, but we will talk about that as we go on and see what turns out.

Mr. President, I move that the Senate go into executive session to consider the nomination of Mr. Woodcock.

Mr. MATHIAS. On that motion, Mr. President, I ask for the yeas and nays.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has expired, and morning business is closed.

The Senator from West Virginia is recognized to make his motion.

Mr. ROBERT C. BYRD. I can make the motion even during morning business.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. MATHIAS. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from North Carolina (Mr. MORGAN), the Senator from Rhode Island (Mr. PELL), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF) and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Tennessee (Mr. BAKER), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Wyoming (Mr. WALLOP), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The PRESIDING OFFICER (Mr. BRADLEY). Are there any Senators in the Chamber who have not voted, who wish to do so?

The result was announced—yeas 56, nays 29, as follows:

[Rollcall Vote No. 8 Ex.]

YEAS—56

Baucus	Eagleton	Moynihan
Bayh	Exon	Muskie
Bellmon	Glenn	Nelson
Bentsen	Gravel	Nunn
Boren	Hart	Packwood
Bradley	Heflin	Percy
Bumpers	Hollings	Proxmire
Burdick	Huddleston	Pryor
Byrd, Harry F., Jr.	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Cannon	Kennedy	Sarbanes
Chafee	Leahy	Sasser
Chiles	Levin	Stennis
Church	Long	Stevenson
Cranston	Magnuson	Stewart
Culver	Matsunaga	Stone
DeConcini	McGovern	Tsongas
Durkin	Melcher	Williams
	Metzenbaum	Zorinsky

NAYS—29

Boschwitz	Helms	Schmitt
Cochran	Humphrey	Schweiker
Cohen	Jepsen	Simpson
Danforth	Kassebaum	Stafford
Dole	Laxalt	Stevens
Domenici	Lugar	Thurmond
Garn	Mathias	Tower
Goldwater	McClure	Warner
Hayakawa	Pressler	Young
Heinz	Roth	

NOT VOTING—15

Armstrong	Hatch	Pell
Baker	Hatfield	Ribicoff
Biden	Javits	Talmadge
Durenberger	Johnston	Wallop
Ford	Morgan	Weicker

So the motion was agreed to.

The PRESIDING OFFICER. The Senate is now in executive session. The clerk will state the first item on the Executive Calendar.

NOMINATION OF LEONARD WOODCOCK

The second assistant legislative clerk read the nomination of Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Mr. CHURCH. We have before us today the nomination of one of this Nation's most distinguished citizens to the critical post of U.S. Ambassador to the People's Republic of China. Leonard Woodcock is well known to most of us here today, and has many close friends in this great institution.

Born in Providence, R.I., in 1911, Mr. Woodcock received his education in England and Detroit's Wayne State University. As a machine assembler in Detroit during the depression, he applied his many talents to working with his colleagues to help build one of America's great labor unions. On the basis of his intellectual, organizational, and leadership ability, he rose from the rank and file to become regional director, international vice president, and from 1970 to 1977, president of the United Automobile Workers of America.

During his work as an official of the UAW and as its president, Leonard Woodcock gained a reputation as a skillful negotiator and a strong leader of organized labor—judgments I am sure are shared by the leaders of the automobile industry. He is also an extraordinarily public-spirited person with a keen interest in promoting the welfare of all Americans. The breadth of his interests and the depth of his commitment to the common good are demonstrated by his many civic activities. He has played an active role in such important organizations as the National Committee Against Discrimination in Housing, the National Urban Coalition, the Leadership Conference on Civil Rights, the Council on Foreign Relations, the Trilateral Commission, the President's Labor Management Committee, and the President's Committee on Employment of the Handicapped People who served with him in any of these groups or in other contexts have come to know him as a man of enormous compassion who believes strongly in the betterment of the lives of all Americans and all mankind.

Soon after taking office, President Carter asked Mr. Woodcock to undertake the sensitive task of traveling to Hanoi to establish contact with the Vietnamese Government and to convey the President's deep interest in moving ahead on the issue of Americans missing in action. He succeeded in obtaining the remains of a number of American soldiers. His talks also laid the basis for a series of discussions with the Vietnamese on a number of outstanding bilateral issues.

The choice seemed a natural one when President Carter chose Mr. Woodcock for the critical post of the chief of the U.S. Liaison Office in Peking. It was clear to us then that a man of extensive negotiating experience, great intelligence, and unquestioned integrity was dispatched on one of America's most demanding diplomatic assignments.

During the past 20 months, Ambassador Woodcock has amply fulfilled the great trust the President and the Senate of the United States placed in him. In addition to his known ability as a tough negotiator, he quickly acquired a keen understanding of the Chinese scene and the complex relationship between our two countries. His assessments of the local situation and advice on the best ways to promote American interests have proved invaluable to our Government's foreign policy goals in Asia and the Pacific.

When the President decided the time had come to test the possibility of normalizing our relations with one-quarter of mankind, he entrusted a key role in the delicate discussions to his seasoned negotiator in Peking. Ambassador Woodcock not only carried out his instructions faithfully; his advice and counsel to the President during the course of the negotiations were critical in making the difficult judgments that were required. In dealing with the Chinese he brought to bear his experience and the hard-headed approach learned over a lifetime at the

labor-management bargaining table. His success in carrying out the President's mandate is there for history to record.

To be an effective diplomat, an ambassador must not only carry out the instructions of his President, but he must also gain the respect of the people with whom he is negotiating. On all these accounts he has met that challenge with great success. The Chinese appreciate his professional direct approach, and have clearly developed an appreciation of him as an outstanding representative befiting the great Nation he represents.

It is entirely appropriate, therefore, that President Carter has nominated Leonard Woodcock to be the first ambassador of the United States to the People's Republic of China. The United States has "normalized" relations with China, but no one should think normal relations will be trouble-free. Chinese and American interests and policies will differ on some matters and concide on others, and it is important that we have an ambassador in China who understands these critical differences. A full awareness of the problems as well as the potential of the Chinese-American relations is essentian if the new links between our two countries are to work to our benefit and contribute to a more stable Asia. There could be no better choice to carry out this mission of vital importance to the American people than Leonard Woodcock.

Mr. President, I hope the Senate will give the Woodcock nomination a strong vote of confidence.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. PERCY. Mr. President, Senator HELMS made it clear from the outset of the discussion of this matter in the Foreign Relations Committee that he had nothing at all against Leonard Woodcock as Ambassador. He did feel very strongly, however, and I respect his right to make that decision, that the nomination should go forward simultaneous with consideration of the omnibus Taiwan legislation.

I can understand his reasoning on it and, as I have said, I respect him for it.

I have come to a different conclusion because I feel it is in the national interest to have a full Ambassador in Peking now at these particularly perilous and delicate times.

For us to have anything less would be not to provide the best we can and to provide it at a time that is extraordinarily crucial for us.

The President has felt high-level communications important enough to have a personal message carried by a distinguished member of his Cabinet, Secretary Blumenthal, to the Government of the People's Republic of China.

But this is no substitute for having our own ambassador, who has been engaged in this process of normalization from the outset and who, himself, will have the responsibility to carry forward with the relationships between the United States and the People's Republic of China.

We are all aware of the potentially dangerous character of events in recent days in Vietnam. The United States has communicated its views regarding this tense situation to the U.S.S.R., China, and Vietnam. It is very important that we have a representative in Peking as soon as possible, to communicate those views to the Government at the highest levels, and on a continuing daily basis, because there is a changed series of events unfolding every single day.

Leonard Woodcock has the best possible access, having negotiated normalization of relations with the People's Republic of China with Vice Premier Teng Hsiao-ping and Foreign Minister Huang Hua. He is a man respected by the Chinese leadership, whose words will be understood by them. In these difficult times it would be risky for the United States to be represented at anything but the ambassadorial level on a continuing basis.

In the United States-People's Republic of China joint communique of December 15, 1978, the United States and China greed to establish embassies and exchange Ambassadors by March 1. Because of delays in getting this nomination to the floor, we will be unable to have an ambassador in Peking by March 1, inasmuch as the last plane that could have seen that the Ambassador Designate was in Peking left Chicago about 15 minutes ago. So that we cannot have our Ambassador in Peking as the People's Republic of China will have their Ambassador here on March 1 to present his credentials to the President. Because of delays, we cannot do that.

It would be a valuable symbol of the Senate's support for establishment of relations with China for us to confirm Ambassador Woodcock's nomination by March 1, even if he cannot be in Peking by that date.

Some have argued that the Senate should not confirm Ambassador Woodcock's nomination until the Taiwan legislation is passed. There is, and should be, in my own judgment, no real linkage between the two. Delay of Ambassador Woodcock's nomination will not affect our relations with Taiwan, or our consideration of the Taiwan legislation, in any positive way. The Foreign Relations Committee has completed markup of the Taiwan bill, which assured in a comprehensive way the continuation of our vital economic, commercial, cultural, and other relations with Taiwan. Those Senators who feel there are inadequacies in that legislation would be best advised to focus their attention on it when it comes to the floor, not on the unrelated question of Ambassador Woodcock's confirmation.

As I have already said, I fully understand but do not agree with the desire of my distinguished colleague (Mr. HELMS) to link the two together.

The Senator from Illinois, as my distinguished colleague knows, has some concerns about the legislation. I would suggest changes in only a few words, not many, but they would clarify our meaning at least in the judgment of the Senator from Illinois; and we will discuss that during the full debate that we will have on the omnibus legislation, involving the U.S. relationship with the people of Taiwan. The Senator from Illinois is quite content to take that up at an appropriate time and would feel quite comfortable about having the nomination go forward.

I again come back to the fact that I come to this conclusion because, in the judgment of the Senator from Illinois, it is in the interests of the United States to have our representative, a full-fledged ambassador, in Peking at this particular time.

Who would know what might be accomplished by him, as knowledgeable as he is, as highly respected as he is, to reflect the deep concern that this Government has as to where the People's Republic of China invasion into Vietnam might lead and what effect this would have upon our relationships with the People's Republic of China?

I do not intend to get into a discussion of the implications of the offensive action right now, but this Senator would feel far more comfortable knowing that the interests of the United States were being advanced by an accredited ambassador in Peking, with the full rights and privileges of that office.

So I fully support the comments that have been made by the floor manager of the pending nomination. The Senator from Illinois will do everything he can to protect every right that our distinguished colleague and highly respected member of the Foreign Relations Committee, Senator HELMS, has in this matter because he takes an opposite view.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator from Illinois, with whom I enjoy serving on the Foreign Relations Committee. I am perfectly content for him to manage the time on this side, because he is a fair man, and I know that all views in this matter will be ventilated thoroughly before the vote is taken.

The point is, Mr. President, that the Senate is meeting this afternoon in executive session to consider the nomination of Mr. Leonard Woodcock as Ambassador to the People's Republic of China. It is significant that we are meeting in executive session. I think we should reflect for just a moment upon the reason.

It is not merely that we are discussing a nomination sent to us by the Chief Executive. The fact is that the Senate, as a body, is participating in the executive power. We are not merely a legislative body. According to the Constitution, we also share the executive function to the degree that we must constitutionally give our advice and consent to treaties and to nominations of Ambassadors.

I think that if one reads the Federalist Papers, one quickly comes to the conclusion that the Founding Fathers had a rather larger concept of the Senate than we sometimes choose to exercise today, particularly with regards to foreign affairs. The Senate was conceived of as a sort of Cabinet of advisors, representing the whole Nation and the interest of the Nation as a whole, yet responsible to the States themselves. This is in contrast to the present concept of the Cabinet as a group of super civil servants, responsible directly to the President and not to anyone else.

It is also in contrast to the concept that the Senate is supposed to rubber

stamp all nominations with perfunctory approval. The concept of advise and consent is a broad one, that extends to more than the issue of the personal qualifications of the nominee. The approval of a nomination ought to be the last step in a continuing dialog with the President on significant aspects of foreign policy. It is not my intention to assert that the Senate ought to be making foreign policy; that is obviously the prerogative of the President under the Constitution. But I do think that it would be wise for the President to take advantage of the constitutional principle of advise and consent to seek the broadest possible support for his foreign policies. It would be to the President's own advantage to take counsel with the Senate, and especially to take counsel with the broadest possible range of opinion in the Senate. That would enable him to speak with a stronger voice, indeed, with a united voice, so that he would be able to deal more effectively with foreign leaders.

Indeed, the President has unnecessarily crippled himself in his foreign policy by adopting what amounts to an adversary role against Congress. He seems to perceive Congress as the roadblock to the protection of American interests abroad. I regret to say that he has gone out of his way to minimize his contact with Congress, and with the Senate, often using questionable interpretations of the Constitution to avoid Senate debate or consultation. By so doing, he focuses upon problems from a narrow perspective, often limiting the input of advice to that from specialists with special interests. It is not surprising that his policies do not have broad popular support; they have to be "sold" to the American people by high-priced media campaigns that leave behind cynicism and disillusionment among the American people. In Congress, it leads to long and bitter debates, of the sort which was necessary on Panama, and which conceivably could come with SALT II.

Mr. President, I think that many of my colleagues are aware that I do not always agree with the opinions of the Washington Post. But this morning's editorial discussion of the President's problems in establishing credibility on Taiwan contains some wise comments. For example, the Post said:

> But Mr. Carter can fairly be charged with indifference to Congress, and this is no small thing. It is not merely that he wounded certain sensibilities on Capitol Hill by inadequate consultation during the runup to normalization in December. That could be excused by the need to keep the talks with Peking on track. The more serious flaw was not to realize that normalization and its reverse side, the establishment of a new pattern for Taiwan, could only be enhanced if there were seen to reflect an informed congressional imprimatur as well as a presidential one. It is a question of credibility—of Peking and Taiwan alike understanding that the United States means to keep its word. Any change as large as normalization is bound to raise the question, and the assertion of congressional concern strengthens the administration's own.

Mr. President, the Post editorial concludes with this admonition:

> Mr. Carter might have done better if he had understood and accepted earlier the extra weight that informed congressional cooperation could add to the own chosen China policy.

Mr. President, what does this mean? Does it mean, as some administration spokesmen have suggested, that one Senator or a group of Senators have a veto over the President's policy? No one could say such a thing if he were familiar with the traditions and the comity of the Senate. The Senate represents a wide spectrum of opinion, and I do not know of any part of that spectrum which has a monopoly on wisdom. Nor does the administration have a monopoly on wisdom as so clearly has been shown in a number of judgments and decisions made by this administration over a period of a couple of years.

But be that as it may, I think that in the past 3 weeks we have had a good example of Senate procedure at work in the Foreign Relations Committee.

I am a new member of that committee. As such, I commend the distinguished chairman for his hard work and his courtesy to all members of the committee and all viewpoints as we were discussing China policy. The bill that the committee reported, a bill to which the present nominee, Mr Woodcock, contributed by his testimony, is one that is substantially different from what the administration proposed and one that I think will be approved by this body—doubtless with even more improvements as other Senators begin to study it. Perhaps the distinguished chairman contributed more than anyone else, particularly in the improvement of the security provisions which, while they may yet have some imperfections, and I think they do, are far better than when the Foreign Relations Committee began consideration of the legislation.

So, Mr. President, I just simply do not think that it could be said that the Senate is hostile to the President or that the Senate is standing pat on its prerogatives in a negative fashion. The point is that the work of the Senate is part of the creative process by which the President should make foreign policy, the State Department notwithstanding. The President, therefore, is doing himself a disservice by treating Congress and the American people as adversaries to be neutralized or to be circumvented.

There are some people in the foreign policy establishment who are uncomfortable with the notion that the views of the American people should be taken into consideration.

But more and more, we are finding that foreign policy is no longer the province of exotic specialists. For the American people, foreign policy is as close as the nearest gas pump; and sometimes the specialists are just too close to the details, too anxious to achieve the success of implementing a theory, to see what the American people always see; namely, that duty, honor, and patriotism are still key ingredients of a workable foreign policy.

And that is what has troubled the Senator from North Carolina from the beginning of this sequence of events when the President came on television, almost without any warning at all, and announced that he was normalizing relations with the People's Republic of China and, in the view of this Senator from North Carolina, selling our long-term, trusted ally and friend, Taiwan, down the river.

Mr. President, the Senator from North Carolina is here expressing no more than what the Senate itself has expressed on many occasions, most notably, of course, when it passed the Dole-Stone amendment last year.

The distinguished occupant of the chair was not a Member of the Senate at that time, but I inform him that the Senate voted 94 to nothing for consultations on abrogation of the mutual defense treaty.

It is perfectly clear that there were no consultations on this matter in the meaning which "consultation" has as a term of art.

Moreover, the action which was taken, namely the one-sided decision by the President of the United States to abrogate the treaty on 1 year's notice, is certainly of questionable legal validity and, as is well known, is the subject of a lawsuit by the distinguished senior Senator from Arizona and a number of our colleagues, including the present Senator.

Thus, not only is the substance of the President's action dubious but the method by which he went about it is even more so.

What could the President have learned if he had adopted the course of proper consultation?

For one thing he could have learned that a consensus is present for extending recognition to Peking, but that a consensus is lacking for withdrawing recognition of the sovereignty of Taipei.

The central issue is whether the people on Taiwan can be effectively defended if we withdraw recognition of the sovereignty of the Republic of China. The truth is that we have no basis in international law for providing defense to Taiwan once we withdraw recognition of Taiwan's sovereignty.

Mr. MATHIAS. Mr. President, will the Senator yield at that point?

Mr. HELMS. I yield.

Mr. MATHIAS. The Senator just mentioned that the Senate voted unanimously to request the President to consult. I believe in the other body, the House of Representatives, there was a similar unanimous vote.

Mr. HELMS. That is correct.

Mr. MATHIAS. Every single Member of the House of Representatives as well as every single Member of the Senate requested the President to consult.

Mr. HELMS. That is correct.

Mr. MATHIAS. Was the Senator from North Carolina consulted?

Mr. HELMS. Not at all.

Mr. MATHIAS. Was the Senator from Illinois consulted?

Mr. PERCY. The Senator from Illinois has made it eminently clear to his own colleagues, and to the public at large, and to the President that at no time was the Senator from Illinois consulted on this matter.

Mr. MATHIAS. Was the Senator from Ohio consulted?

Mr. GLENN. The Senator from Ohio

was not consulted in a way in which he thought he should have been.

The administration said they considered the many conversations they had with us over the last year to be consultation, but I do not think we could run a roster of the whole Senate and find one Senator who feels he was adequately consulted after the language that we had in the Military Assistance Act of last year.

Mr. PERCY. Mr. President, if the Senator will yield for a question of my distinguished colleague, was not the Senator from Ohio in a meeting with the President and did he not raise that very issue that night a few hours before the President took to the television and radio to announce his decision and ask whether the President considered this consultation, and the Senator from Ohio said he did not consider it consultation?

Mr. GLENN. The Senator from Illinois is correct.

Mr. HELMS. Mr. President, providing I do not lose my right to the floor, I am delighted to yield to my friend.

Mr. GLENN. The Senator is correct.

I expressed that to the Senate.

I might add this: I think this is not what we are here today to debate as to how all this occurred but as to whether Leonard Woodcock will be confirmed as ambassador.

I think there will be adequate time to debate as to whether we were consulted adequately in the past and what type consultation we will feel is commensurate with our desires in the future.

So I hope that we could not make this the issue today as to whether we were consulted or not.

We do have a war going on out in that part of the world. We have commerce and we have trade problems that we wish to take care of. It is important that we do have an ambassador in place, an ambassador who is very, very familiar with all of the proper people to consult and has probably more influence in Peking than any other single American right now.

I hope we can get on this afternoon to raising the question of his qualifications, if there are any questions about them, and having him in place out there, which is certainly in the best interests of this country, on March 1 when they have a similar person established in Washington.

Mr. HELMS. Mr. President, I appreciate the comment of the Senator from Ohio. For a while it may have appeared as if I were a pipe organ which was being orchestrated, but I appreciate the spontaneous comments of my friends from Maryland, Illinois, and Ohio.

I notice that my good friend from Ohio says that we have a war going on out there. I want to correct him. We do not have a war going on out there; they have got a war going on out there, not the United States.

Mr. GLENN. The world has a war going on. That is what I referred to. It is not our war. I am talking in the sense that the world has a war existing on this planet now that could expand, and I am concerned about it very much.

Mr. HELMS. That is right. I am concerned about it, too, and that is part and parcel of the whole thing we are talking about today, including the nomination of Mr. Woodcock, which, I think, is untimely, to say the least, in terms of its being considered by the Senate on this date.

But, as I was saying, the truth is we have no basis in international law for providing defense to Taiwan once we withdraw recognition of Taiwan's sovereignty. We have only the right of brute force, Mr. President, and our conviction that freedom should be defended no matter what the legality of the action.

We are a Nation that has tried to move toward the rule of law in international affairs. But if we accept the President's policy at face value we are putting ourselves in a position where we would be in a legal no-man's-land at best, and condemned as an aggressor by Peking's many supporters around the world.

But someone may ask, was not the withdrawal of recognition from Taipei the nonnegotiable element of Peking's position? In other words, was it not true that there would have been no normalization without it?

Well, the answer to that question is problematical. In the first place, we ought to ask ourselves whether we can pay the price which includes the "reunification" of our friends and allies on Taiwan under Communist sovereignty. Is this new relationship with mainland China, Communist China, really worth that much? Second, how do we know there is no other formula that Peking would accept if we do not try?

Now, as to Ambassador Woodcock and the questions of how well this gentleman will represent us and how essential it is to have him on the ground in Peking tomorrow morning, if possible—let us study the issue a little bit. What did we find out in the testimony of Ambassador Woodcock? We found out that the United States did not even try to find such a formula on the nonuse of force against Taiwan. If President Carter had merely consulted the U.S. Senate on that one point, this Senator has no doubt whatsoever that Senators of every political persuasion would have insisted that he try to work out something that would be beneficial to Taiwan.

Instead, when the distinguished chairman of the Committee on Foreign Relations (Mr. CHURCH) asked Ambassador Woodcock whether an attempt was made to get a pledge on the nonuse of force by Mainland China against Taiwan, which was the essential point of sovereignty, the Ambassador, Mr. Woodcock, replied, and I quote him:

> It had been the American position that we were seeking a guarantee of the nonuse of force in the settlement of the Taiwan question. I personally came to the conclusion—and I am now speaking in personal terms—that to insist upon that would be to run into a roadblock because it was, in essence, the negotiation of sovereignty. It isn't a question of how we look upon the situation. The Chinese in Peking and the Chinese in Taipei both insisted that there was one China. It was a question of trying to negotiate directly a guarantee of the nonuse of force by a sovereign government against what in the mind of that government was its own province.
>
> So, central to our negotiations beginning in the period of July, 1978, was our insistance and our expectancy that it would be settled on a peaceful basis, but recognizing the roadblock of the sovereignty issue, which would have led the negotiations nowhere.

Bear in mind, Mr. President, I am quoting Mr. Woodcock on his testimony, and I continue:

> I think in a very practical sense, I myself am convinced that we have the best possible assurance in that regard, and I think the statements particularly of Vice Premier Teng Hsiao-ping, beginning in late November of 1978, reiterated forcefully to the Nunn senatorial delegation, of which Senator Glenn was a member, in early January, 1979, that we are getting the most positive response from the Chinese government in this regard.

Then the distinguished chairman of the committee, Mr. CHURCH, asked this question:

> At any time during the negotiations over the period that you were in Peking, was the matter of an express commitment by Peking against the use of force in settling the Taiwan question posed?

Ambassador Woodcock said: "Not by me, sir. No."

Now, Mr. President, that is why the Senator from North Carolina put a hold on Mr. Woodcock's nomination. That is why the Senator from North Carolina intended to insist that this matter be fully explored and discussed, because this admission by Mr. Woodcock in itself is one of the reasons why I voted against him in the Committee on Foreign Relations.

I realize fully that policies Mr. Woodcock was following were dictated from the White House and from the State Department, and I intend to discuss them in greater detail at a later time. But there was little evidence that Mr. Woodcock himself intervened on that question.

Although he said his advice was taken on a number of occasions, he said it was his personal opinion that the sovereignty of Taiwan was nonnegotiable. In other words, in order to achieve negotiation with the Communist government in Peking, he would have to give up any long-term commitment to the people on Taiwan. A short-term commitment, perhaps, he said, but not a long-term commitment. Instead he expected, "settlement" of the Taiwan question by peaceful means. It is fair to say that the United States does not object to unification as long as military force is not used.

So, Mr. President, the key question, therefore, is whether we can prevent the use of military force against the people on Taiwan.

All we get from the administration are so-called pragmatic answers:

> China does not have the military capability to invade yet. . . We can detect any buildup by the PRC in time to prevent it. . . An invasion would anger the United States and Japan and the PRC would not take a chance of offending us. . .

And so forth. Those are the answers we have been getting in the Committee on Foreign Relations and elsewhere from spokesmen for the administration.

But the point is this, Mr. President: None of these answers gets down to the key question of how we defend Taiwan now that we have sold out on Taiwan's sovereignty. How do we defend Taiwan?

How do we even send arms to Taiwan under international law if we deny the legal sovereignty of the governing authority on Taiwan? That is the question nobody has answered to the satisfaction of the Senator from North Carolina in committee, on television, in press releases, in news conferences by the President or anywhere else. And, in the name of all that is holy, the people of Taiwan at a very minimum deserve an answer to those questions.

That is the reason why the defense sections of the Taiwan bill were so important, and that is why, Mr. President, this Senator feels we ought to have handled the Taiwan legislation before we got to the Woodcock nomination. In the view of the Senator from North Carolina it is not enough that the United States shall maintain the capacity to protect Taiwan from the use of force.

It is not enough that the United States will provide arms to Taiwan. What the Senator from North Carolina, and I presume some of the other Senators, would like to know is whether the United States will in fact act, and to what extent and under what theory of international law we will act, if we do.

Thus, before we dignify our new relationship with Peking by confirming the nomination of a new Ambassador to the People's Republic of China, this Senator feels that the U.S. Senate ought to know the answer to these questions, and we do not know the answer to these questions. It seems to this Senator that it is premature to be confirming an Ambassador when the basic question about the security of the people on Taiwan remains unanswered.

Moreover, since the main issue is the stability of the People's Republic of China's military designs against Taiwan, the Senate has a right to withhold action while we are witnessing the People's Republic of China's extraordinary invasion of Vietnam, an invasion said to extend 25 miles within the borders of Vietnam, and to include the bombing of Soviet material in Haiphong Harbor. The issue with Vietnam began in a border dispute, and the People's Republic of China says only that it wishes to "punish" Vietnam—a concept which, to my knowledge, does not exist within the law of nations. But if the People's Republic of China is willing to go to war over a border dispute, how much more willingly would they go to war over what they regard as a province of their own territory—a view which the United States has tacitly accepted?

Mr. PERCY. Mr. President, will the Senator from North Carolina yield for a question?

Mr. HELMS. Yes.

Mr. PERCY. Before we get diverted from the essential point raised by the distinguished Senator from North Carolina as to whether or not we adequately did everything within our power to protect the interests of Taiwan and the people of Taiwan, I should like to indicate once again that the Senator from Illinois feels that adequate measures were not taken.

I do not blame the distinguished nominee, Leonard Woodcock, because he was acting under instructions and did not have bargaining leeway beyond the instructions that he had from the Department of State. He could not initiate new points in the negotiating sessions with the People's Republic of China. The question was never put to him, "If left free to bargain and negotiate on behalf of the United States, would you have recommended this point be advanced?"

So we do not know his answer to that, and I can only presume he was confined, in his negotiations, to the instructions he received from the State Department.

We, therefore, have a responsibility, just as we had to amend the Panama Canal Treaty, when there was an obvious oversight in protecting the interests of the United States. The Senator from Illinois took the position that he would not support that treaty unless we did actually amend the language. In this case, the Senate has seen fit, through the Church-Javits amendment, to change the phraseology to indicate that it would be a matter of grave concern to the United States if other than peaceful means were used to resolve the Taiwan issue.

I did not feel that was strong enough. I had come to the conclusion that it was vital to the security interests of the United States of America itself that there be a peaceful resolution, and that if force were used, there would be a challenge to the security interests of the United States. The Senator from Illinois deeply appreciates the vote cast by the distinguished Senator from North Carolina in favor of that amendment, even though we received only four votes and it did not prevail. It will be fully discussed, perhaps with amendments to be offered by the distinguished Senator from North Carolina.

My point, and the question that I put, is this: If we do intend to fully discuss this entire issue, is it not more appropriate that that discusion take place while we are considering the omnibus legislation? Would we not want to have Ambassador Leonard Woodcock in place in Peking, because of his intimate knowledge about the strength of feeling that we have in Congress about this issue? We should not write agreements that will leave too open to differing interpretation how strongly we feel, and, therefore, we want to precisely lay out language that can be understood.

Would it not be in our interest, when some of us feel so strongly about this matter, to have in Peking one of the most skilled negotiators and most tough-minded bargainers in American labor-management history to interpret to the People's Republic of China the intention and the meaning of our statements rather than a chargé d'affaires who is not looked upon as a full diplomat, and who is not fully accredited to the People's Republic of China?

I would feel that the case of the Senator from North Carolina, the Senator from Illinois, and others who feel this way would be advanced more appropriately if Ambassador Woodcock were in place. I address the question to the Senator, is there not some logic in that, and could the Senator explain more fully why there is this necessity for linkage on an appointment and a nomination about which the Senator from North Carolina has made it eminently clear he does not quarrel? In fact, there is not a single voice, to this Senator's knowledge, raised in the entire U.S. Senate against the qualifications of this man.

Mr. HELMS. Let me say to the Senator——

Mr. PERCY. The question is, What advantage do we gain by delaying the process of confirmation?

Mr. HELMS. The Senator asks several questions. Let me answer the Senator's first question, and then try to answer some of the others as well.

You have said it is your conviction, and I know you believe it, that Leonard Woodcock is one of the most skilled negotiators in American labor-management history. I am quoting from the record of the hearings on the Ambassador:

> Senator PERCY. As one of the most skilled negotiators in American history in labor relations and highly successful through the years, how much leeway, Mr. Ambassador, were you given to negotiate? Were you always following instructions, or did you have a certain amount of input and could you have a certain amount of input as to what we would ask as a quid pro quo for the step being taken that obviously the People's Republic of China wanted to take, that is, normalize relationships?
>
> Ambassador WOODCOCK. Obviously, with regard to each session I was under instructions and closely coordinated.

Well, we assumed that. Then he went on to say:

> But I had full input in reporting the results of each session and the opportunity to indicate what response we thought should be made.

That is what he said, and not a mumbling word was ever said about using force against Taiwan. Indeed, as I quoted him earlier, it was his personal conviction that the question of the nonuse of force against Taiwan would be a bar to successful negotiations. And here he says that he had "full input" into his instructions.

Mr. PERCY. The Senator from Illinois well remembers that dialog, and what I recall is that we did not put the next question—and the Senator from Illinois does not remember any Senator putting that next question—"What input did you have and did you give to the State Department?" Is my memory faulty on that? Did we press him on that, as I think we should have, as to what he thinks a practical position should have been?

As the Senator from Illinois understood it, the instructions were confining, and the parameters within which he was to negotiate were limited, and the use of force was not a particular point that the Ambassador was given leeway to press forward on; and he could not, on his own initiative, obviously, press that forward unless he was instructed to.

I do not recall Ambassador Woodcock ever being questioned as to whether he had pressed this particular point with the State Department itself, and what instructions and answer he had received.

(Mr. HEFLIN assumed the chair.)

Mr. HELMS. He extrapolated further in his response to the Senator's question. He said:

> Quite a few of the suggestions that we made from Peking were incorporated into what finally came back as my instructions. So I feel that given the handicap of distance and the method of communication I was given full opportunity to suggest and to counsel with regard to what finally did come out.

I will say to my friend from Illinois, and he knows he is my friend, what Mr. Woodcock said in my office. I cannot give the Senator a verbatim transcript of our hour-long discussion, but it was a very pleasant meeting. Clearly, in this Senator's understanding, there was the fact that Mr. Woodcock believed and feared that the deal would be off with Red China if any insistence was made on the question of use of force. So there is not any question in this Senator's mind about Ambassador Woodcock's unwillingness to broach that subject with the Communist regime in Peking.

That is the problem I have with him. That is why I do not share the Senator's concern that we have him on the ground over there on March 1. As a matter of fact, the symbolism of our going ahead with business as usual with Red China in the face of this incursion, if we want to call it that, into Vietnam, seems to me to run the risk of saying implicitly to friend and foe alike around the world that, "It is business as usual and we really are not concerned no matter what we said."

It is sort of like humpty-dumpty sitting on a wall.

That is what bothers me about it. I think the symbolism of going ahead and rushing to get this man confirmed and getting him on the ground over there may rise to haunt us.

I was very much interested in the comments of the distinguished Senator from Maryland earlier today on that question. I do not fully agree with Senator MATHIAS, but in large measure I do. I thought he very eloquently stated his position. But I do not see any advantage for the United States in rushing this nomination to approval and rushing Mr. Woodcock to Peking when, as a matter of fact, the American people, being, as always, wiser than many of their leaders in Washington, D.C., understand that we are embracing a regime that, by the Senate's own words, has slaughtered 54 million of its own people.

This is the sort of thing that troubles me.

If the Senator will forbear and let me finish my brief statement, I will yield for a further question.

Mr. GLENN. Will the Senator yield for a question?

Mr. HELMS. Yes.

Mr. GLENN. I would question the use of the word "embracing." Our Government is recognizing the government of a quarter of the whole human race. That does not mean that we approve of the action of that government any more than any other nation we recognize. What it is is a recognition of the fact that they are, in fact, the government that is in charge. I think the American people sometimes have gone along too much with this idea that recognition implies approval. It does not. The British, in particular, and most other nations around the world, rush to recognize new nations when they can establish positively what that government is and that it is in fact in charge of the territory and the people involved.

Our people tend to think that diplomatic recognition, just of that fact, of control, somehow indicates approval.

So I would question the use of the word "embrace" which the Senator from North Carolina used, because I do not think that is indicated in the relationship at all.

Mr. HELMS. We capitulated to Peking's conditions relative to Taiwan, did we not? Was this not "embracing" more than we ought?

Mr. GLENN. I think there was capitulation on both sides. They had originally been completely against any arms sale. They gave up on that. They said we could have the year's moratorium continuing since they were in the pipeline, so long as we did not contract for new deliveries in that time period. If there was a capitulation, I think there was a mutually worked-out arrangement where they gave some and we gave some. That is the nature of negotiations.

Mr. HELMS. I know the Senator speaks from the depth of sincerity. I always dislike it when I do not agree with him. He knows my affection for him.

Let me say something about this embracing. My mind wanders back to a few weeks ago when Vice Premier Teng came to Washington. I saw a lot of embracing going on then. Here was a representative of a regime that has the worst human rights record in the history of the world, I suppose. What did we do? We treated him as a matinee idol. I shall never forget the luncheon sponsored by our Foreign Relations Committee. I saw the spectacle of Senators rushing up to get this man's autograph just like he were a film star.

So I think maybe the word embrace could be in order but I will not haggle with the Senator about it.

Mr. President, let me conclude by saying that to confirm Mr. Woodcock at the present time, in the light of People's Republic of China action in the Sino-Vietnamese war, would be, in the minds of many, a matter of the Senate putting an implicit stamp of approval on the Chinese invasion. Senators will protest that they do not approve of this invasion and they will do so sincerely. But the question is, Does the Senate really approve of any action that even runs the risk of exacerbating the People's Republic of China quarrel with the Soviet Union? Or, more succinctly, are we heading to war in Asia?

I heard a Senator on television the other night say that there was a fair possibility, and I think I am quoting him, that we could get militarily involved in that conflict over there.

Well, there is no fair possibility of that as far as this Senator is concerned. There have been some filibusters in this Chamber, Mr. President, but as long as I can drag myself to this floor, there will be the longest filibuster that I have made against the proposition that we should go to war in Asia.

Mr. President, Mr. Carter asserted that we could go to war to protect Taiwan. Now I want him to say when. I want him to say under what conditions. I want him to say what, in his mind, would justify such a war. I would like him to say how we can go to war to protect Taiwan when we do not recognize Taiwan's sovereignty. Finally, I would like for the President of the United States to level with the American people and tell us whether that war is starting right now.

To send an ambassador to Peking at this moment seems to this Senator to be the height of folly, and one that deserves full debate on the part of the U.S. Senate. We must face the inevitable question: Is there no extreme to which the United States will not go to pursue this policy? I say again, if the President had consulted with the Senate, these questions, or many of them, would have been raised. My judgment is that answers would have been found without putting the Senate under such an artificial deadline with respect to this nomination, which amounts to putting a legislative gun to the head of the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, the eloquent and very able Senator from North Carolina has made his position very clear. He has stated also that he would decline to go to war in Asia, I believe he said——

Mr. HELMS. No. I was referring to that Vietnam matter. That is what the Senator on television was talking about and that is what this Senator was talking about, Vietnam versus China. Let them have at it, but leave the American people out of it.

Mr. GLENN. What Senator is it we are talking about?

Mr. HELMS. I understand the Senator in question feels a clip was taken out of the television film. I will not get into that. I will let him settle that.

Mr. GLENN. The Senator is not talking about me?

Mr. HELMS. No, sir, in no way.

Mr. GLENN. In partial response, as the Senator knows I was very critical that we did not get better security guarantees for Taiwan. Nevertheless, when we specified that the President of the United States must define when we would go to war, under what conditions we would go to war, under what conditions we would justify such action, and is that war starting now, I think the Senator raises questions that are impossible for anyone to answer.

I might pose the same questions to the Senator from North Carolina. When would he go to war in defense of Taiwan? What conditions would he go to war under for Taiwan? What justification would he use? What provocation would there have to be?

I do not think those are questions that can be answered in an abstract context years or decades, perhaps, in advance of when they might have to be made.

I have been concerned that we in the Senate specify that we expect there to be peaceful resolution of that situation and that that be very clearly stated, because I think other nations around the world sometimes do not appreciate the uniqueness of our form of government where we do share these powers with the President

and where he is not omnipotent in foreign policy.

I am as critical as anyone in this Chamber, including the Senator from North Carolina, that we were not adequately consulted.

I think that is something we have to take up at a different time. I would hate to see it become the main issue or point of debate here while the confirmation of our new Ambassador languishes.

But could the distinguished Senator from North Carolina answer those questions?

When would he go to war? What conditions of justification would he use? And would he state to us as specifically as he has asked the President of the United States to state them?

Mr. HELMS. I will say to the Senator what I said in my address, and I hope I was fairly clear, that these are questions that, given the proper consultation, could have been discussed.

Now, the Senator is absolutely right. He and I would sit down and discuss these matters.

The point I make is that now, after the fact, how does the President deal with those questions which he ought to have dealt with before he made this judgment, made this decision, and took that action?

Mr. GLENN. The point I make is that I do not think these questions can be answered with the definitive and clear definition that the Senator is asking in advance of knowing what the situation was.

For instance, let us set up a couple of scenarios. Was there provocation? Was there a Taiwanese airplane that strayed across and dropped something, or was in airspace it was not supposed to be in, or was there retaliation, or a lost airplane from the mainland that did something Taiwan resented?

There are a thousand different scenarios we could set up with regard to a situation that would have to be judged in the context of that situation and the tensions and what was the intent of the parent governments of those military forces, before we could possibly know whether we would be willing to do as the President has said we reserve the right to do, put our carriers in the Strait of Taiwan to prevent an attack or even go to war.

But to try to pin down in advance what that type situation might be and what our response would be and whether we would respond with economic sanctions or military action, to pin that all down in advance before we recognize an Ambassador to Peking, it seems to me is asking the impossible of the President or of any Member of the Senate.

Mr. HELMS. Will the Senator yield?

Mr. GLENN. Certainly.

Mr. HELMS. The Senator is making my case for me because my point is that none of these things, not one of these things, was discussed in a consultative manner with any Member of Congress, and, I might add, in contradiction of the request of every Member of the House and Senate who voted on this precise question.

Now, I say to the Senator that I cannot answer the question of how many angels can dance on the head of a pin. But I say that the President could have avoided a lot of difficulty if he had just not treated the Congress of the United States as an adversary and had consulted.

Now, he has these questions which I raised. Prior to this time, or prior to his decision with respect to Red China, he could have worked something out with this Congress because, as I said earlier today, I think that virtually there is unanimity that there could have been recognition of the People's Republic of China without any dissent by the Congress at all.

Mr. GLENN. Let me make this point with regard to the points the Senator raises, I do not think prior consultation would have solved that, either.

I was unhappy there was not more adequate prior consultation. But to think if we had prior consultation we could have stated very specifically, to answer the Senator's own questions, when we would have gone to war, specifically under what conditions we would have gone to war, how we would have justified going to war in defense of Taiwan, those are not the things that were the type of questions, it seems to me, that consultation would have provided any illumination on.

Mr. HELMS. I think they would.

Mr. GLENN. I wanted answers when I talked to the Secretary of State, the head of the East Asian desk, and other people over the past year. I had hoped we would have consultation along the way with the major objective of trying to work out our trade and economic problems, as well as all these 60 executive agreements we have with Taiwan.

We would have been able to get some thinking going, so that once recognition occurred we would be prepared to move immediately to implement that recognition and realize whatever good is going to flow from it; to us, to the People's Republic of China, to Taiwan. Given prior discussion and consultation, the implications of recognition would be more generally understood by the American people, by this body, and by the House of Representatives, so that the People's Republic of China and our administration would have reasonably well defined channels in which to move.

We did not have the benefit of this. I wanted prior consultation; not a specific definition, such as if one shot is fired it means all-out war, or if one torpedo boat happens to do something, we go to war.

I think those kinds of detailed and specific definitions would have been just as impossible to attain with prior consultation as they are to define as the Senator asks the President to do now.

I think the consultation, which I had hoped for, would have solved some of the problems and questions we now face, such as where the loans will come from for the modernizations China wants and expects. Will there be such loans? If not, are they to supply all of their cash, finance all of their international commerce? How will they finance that commerce? Development of their coal and their nonferrous metals?

We could have considered some of these issues in advance rather than scurrying around after the fact implementing the policy. That would have smoothed the transition to this new relationship, making it a working and good relationship.

I personally think we could not have worked out a precise definition of when we would or would not become involved in the Straits of Taiwan. It would have been as impossible during prior consultation as it is now, after recognition.

I had hope we will have a time period for debate on this question, as the Senator has indicated he wants, when we consider the omnibus legislation with regard to Taiwan.

I do not think we will be able to settle this now yet I think it is important to have an ambassador in place there on March 1.

I hope the Senator will see fit to let us discuss this only briefly here on the floor today so that we may get on with a vote and have that ambassador in place at this important time.

Mr. HELMS. As far as this Senator is concerned, I have said most of what I wanted to say.

I say in response to my dear friend from Ohio—and I am saying this again—that the problem is raised by the vague status of Taiwan. Is it a nation, or is it legally part of the PRC? Can we defend it under such circumstances? This is what we could have avoided by consultation.

I agree with the Senator from Ohio that we cannot make a rabbit stew at this time; because in order to make a rabbit stew at this time, we first would have to catch a rabbit, and the rabbit is gone. He left on December 15.

How do we defend Taiwan if we do not recognize Taiwan's sovereignty? This is the kind of thing about which I am speaking.

Of course, I did not say, nor did I imply, that we could anticipate everything that is going to happen in the next 10 years. But it is the framework for those decisions that is at issue.

I thank the Senator for his comments. I say to him, to the distinguished majority leader, and to the distinguished chairman of the committee that there is no intent on my part to prolong this matter, but I do think that all Senators should be able to have their say.

I yield the floor.

Mr. HAYAKAWA. Mr. President, I support my distinguished colleague from North Carolina, Senator HELMS, in his objection to the confirmation of the nomination of Leonard Woodcock as Ambassador to China at this time. I have nothing but good feelings toward Mr. Woodcock. He has been a distinguished labor leader, dedicated to his job, dedicated to the improvement of the lot of the American working man. There is nothing I criticize in Mr. Woodcock's record. However, I should like to see the nomination of this confirmation considered in the context of the present situation.

The People's Republic of China has made great assumptions about the mutual recognition of the United States and China which was announced on December 16. China seems to have assumed that we are an ally of theirs against

Russia. Vice Premier Teng made no bones about it. He used the public platform which we provided in the United States to denounce the Soviet Union in vehement terms, within the United States; and we did not raise our voice to protest or even to argue with him, or even to say it was an inappropriate thing to do while he was a guest in our country.

To take advantage of what they have regarded as implicit approval of everything they do, China has attacked Vietnam. We have made a feeble protest, saying, in effect, "Naughty, naughty," and that is about all we have done about it. We are pretending that this disruption of international order which the People's Republic of China has committed does not exist. We are intent on doing business as usual, trying to get an ambassador to Peking by March 1.

However, the situation today is extraordinarily different from what it was on December 16, when the mutual recognition of China and the United States was announced. At that time, China was at peace with the world. It was engaged in no aggressive military action against a neighboring country. So, at the same time as I was distressed at the way we were treating Taiwan, I was prepared to accept—and still am prepared to accept—the recognition of the People's Republic of China.

However, we have done nothing to give recognition to the fact that China at the present time is a disturber of the world order. As I have said, it is attacking a neighboring nation, without what has been proved to be adequate provocation. It is as if we are determined to regard the situation as of March 1—or as of today, February 26—as identical with the situation in mid-December, and it is not.

Secretary Blumenthal has gone to China for negotiations with the People's Republic. He left after the hostilities against Vietnam were begun—again, an instance of continuing to do business as usual, as though China were not disturbing the international order by an active war against a neighboring nation.

We are proceeding with the confirmation of the nomination of an ambassador to China, rushing headlong into it, trying to get it done by March 1, as if these events had not taken place and as if China had not exposed itself as an aggressor nation, willing to use force against those of whom it disapproves across any of its borders.

I am perfectly prepared to vote later on, when China has withdrawn its aggression against Vietnam, for the confirmation of the nomination of Leonard Woodcock as Ambassador to Peking. I am perfectly willing to have an ambassador to Peking. But it seems to me that it would be great error on the part of the United States to act as if China were doing nothing that is a threat to the international order, that is a threat to world peace. China is threatening world peace at this moment with its troops in Vietnam. Are we going to close our eyes to it and say, "Go on with business as usual"?

This, Mr. President, I protest. I think it is not a fitting way for the United States to behave, particularly with our oft-stated concern not only with human rights but also with international order. We are discussing treating with honor a real disturber of that international order right now. This, Mr. President, I protest.

I intend, therefore, to vote against the nomination of Mr. Woodcock at this time, with all apologies to Mr. Woodcock, who is an estimable gentleman and who, with his background, should have this honor. Nevertheless, I say it is inappropriate at this time.

Mr. CHURCH. Mr. President, I have listened to parts of this debate, and I must say that the arguments that have been made to delay the Senate action on the nomination of Mr. Woodcock leave me somewhat puzzled.

When the President, exercising his own constitutional authority as the Chief Executive of this country, recognized the People's Republic of China as the government of that country, the United States had need of an ambassador in Peking. All the President did was to normalize our relations with the Peking Government and to treat the Chinese on the same basis as we do with 150 other foreign states. The President's action did not create an alliance with China. Recognition of China did not officially approve of that government nor its policies. All the President did was to say that, even though we were the last of the major powers to acknowledge that the Peking Government was in effective control of China and exercised jurisdiction over a billion people, the time finally had come to set aside the illusion which had misguided American policy in Asia for 30 years; namely, that the Government of China was situated on the island of Formosa.

Now, it has just been argued that somehow China's misbehavior since December 16 should prompt the Senate to postpone its consideration of this nomination.

Mr. President, I do not follow the logic of the argument. Let us assume that we disapprove of the Chinese move into Vietnam. Then in order to express our disapproval, it is all the better to have an ambassador in Peking. Let us assume that we understand the gamble that China is taking, one that could lead to a widening war, or possibly a direct conflagration with the Soviet Union. All the better that we should have an ambassador in Peking to express our concern.

In sum, whatever the nature of the American interest in the activities of the Government of China, it is simply better to have an Ambassador there to press those interests upon People's Republic in Peking.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. CHURCH. If one accepts the premises that have been advanced here, I suggest, Mr. President, that one cannot logically be lead to the conclusion that the Senate should postpone its action in confirming the nomination of a man that everyone has conceded to be exceedingly capable in representing the current American interests in Peking.

Yes, I am happy to yield to the distinguished Senator from Wisconsin.

Mr. NELSON. As I had listened to some of the debate and public statements of Members of Congress and others who are criticizing China's misbehavior in Vietnam and suggesting that we should not send an Ambassador, is the logic not rather compelling that when the United States went to Vietnam—and it does not border us; it borders China—is it not logical, then, that the European countries and all the rest of the world should have withdrawn their ambassadors to the United States for our misbehavior in Vietnam?

I have heard none of those hawks who led us into that debacle suggesting that our behavior was so bad in Vietnam that all of the ambassadors from other countries should have been withdrawn.

Now I was one of those, as was the Senator from Idaho, who opposed the intervention in Vietnam and criticized it and voted against appropriations for it for years. I thought it was a tragic mistake. But if it is misbehavior for China to move into a border war with Vietnam how would one define what it was we did when we were 10,000 miles away and intervened in the internal affairs of Vietnam?

Mr. CHURCH. I think the Senator makes a very valid point.

Besides, as I have said earlier, the recognition of Peking does not connote our approval of Peking any more than the fact that the many-year presence of an American Ambassador in Moscow connotes our approval of the Soviet Government.

We are simply recognizing that our own national interest is better served by having direct dealings with a government that exercises jurisdiction over one-fourth of the human race than to go on pretending that that government does not exist.

So I thank the Senator for his contribution to this debate.

I would hope that China would listen to our counsel in connection with Vietnam. In no uncertain ways, we learned our lessons there as the French did before us; the Chinese might profit from advice that we could give.

But it will be difficult, indeed, to bring that advice to bear without an American ambassador in Peking.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. CHURCH. Yes; I am happy to yield to my able fellow member of the committee, the Senator from Illinois.

Mr. PERCY. The point has been made on the floor that by somehow sending an ambassador at this time to Peking the United States would condone the Chinese invasion of Vietnam. The United States opposes that action as well as the Vietnamese invasion of Cambodia and has said so clearly and unmistakably by the executive branch of the Government and by many, many Members of Congress.

Does the Senator know of any country that has withdrawn its ambassador, because they have opposed this? The United Nations has discussed it at some considerable length, but no nation has

withdrawn its ambassador. In fact, they have used their ambassadors, who have then direct access to, direct contact with, and the full status that can be offered by full diplomatic recognition, to protest this action and to express their deep concern. Is that not true?

Mr. CHURCH. The Senator is absolutely correct. And just as other nations have refrained from withdrawing their ambassadors from Peking in order that they may retain a maximum influence in that capital, so the United States ought not to refrain from ratifying this nomination and sending our own Ambassador to Peking at the earliest possible time.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CHURCH. Mr. President, I yield to the distinguished Senator from West Virginia.

ORDER FOR VOTE TO OCCUR NOT LATER THAN 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I have discussed this request with the distinguished acting Republican leader, Mr. STEVENS, and it has been discussed with Mr. PERCY, Mr. CHURCH, and others. I ask unanimous consent that the vote occur on the nomination of Mr. Woodcock at no later than 5 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, if we are going to add to this the control of time, I do not object. We are going to have controlled time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate between now and the vote be equally controlled by Mr. CHURCH and Mr. HELMS.

Mr. STEVENS. That is correct.

The PRESIDING OFFICER. The Senator from Iowa has been trying to get the floor for a good while and I had indicated to him that I would recognize him next.

Mr. STEVENS. Mr. President, his time will be yielded from the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this is not to say because of the present occupant of the Chair, but lest we get into the practice of going to the Chair and signing a list for recognition, I want to go on record right now, as I have gone on record before, that I will not stand still for that procedure. The rules say that the Senator who first requests recognition shall be recognized by the Chair, and in recent years we have fallen into a very bad practice by having Senators on both sides of the aisle go to the Chair and sign their names on the list and the Chair feels obligated to call on those Senators. I do not want the Chair to be put in that position.

For that reason, I hope the acting Republican leader will join me in this that we not recognize a list in the Senate.

The late Senator Russell of Georgia was very much opposed to this approach, and it was being practiced back in those days, and he vented his opposition to it. So I hope, as we have new Members on both sides of the aisle, they will not feel that a list is the right way to proceed in getting recognition.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Will the assistant Republican leader join me in that?

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. PERCY. The Senator from Illinois concurs in that in general debate and discussion.

The question would be whether the majority leader's opinion applies to situations when we are under control of time and have a bill such as a tax bill, where there are many amendments to be offered, and we are trying to have an orderly procedure so that everyone does not have to stay on the floor at all times. It has been rather common practice during such periods that there is a list and when you are on the list you know just about when your amendment will be coming up because you reserved a certain amount of time. Or is it better to do that under a unanimous-consent request as we have frequently done?

Mr. ROBERT C. BYRD. That is the way we should do it, by unanimous-consent request. We have done it frequently, and everybody knows where they stand, but they do it by virtue of the Senate.

Again I want to say I have not taken the occasion to say this because the very distinguished Judge HEFLIN is in the Chair. He is going to honor his commitments to a Senator who has asked to be recognized next.

The occasion for my saying this would be because we have had this question of lists in the past and it has created problems, and there is no justification for lists in the rules of the Senate.

So I say, with all apology to the present occupant of the Chair, there is nothing intended. I am just repeating what I have said heretofore, that lists should not be supported by either side of the aisle, and all Members ought to be alerted to that.

Mr. PERCY. One further question with respect to our conversation this afternoon on this matter. At the time the majority leader asked for the floor to make a unanimous-consent request, the Senator from Illinois was in the midst of a colloquy with the floor manager of the nomination. Would it be all right on the floor manager's time to finish that dialog, which could be done in 3 minutes or so, immediately preceding or after our conversation? The Senator from Illinois could then be relieved and release the floor to the Senator from North Carolina, who is speaking for the other side.

Mr. HELMS. I will say to the Senator that there is no question about time.

Mr. GLENN. We have plenty of time between now and 5 o'clock.

Mr. STEVENS. Mr. President, will the Senator yield? Was the unanimous-consent request dividing the time approved?

The PRESIDING OFFICER. Yes, it was.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I thank the distinguished assistant Republican leader, the acting Republican leader (Mr. STEVENS) I thank Mr. PERCY, Mr. GLENN, Mr. HELMS, and all others who have assisted in getting the debate underway.

Mr. PERCY. Mr. President, I once again would like to express my deep appreciation to our distinguished colleague from North Carolina who did see a need to have linkage, but who, having made his point, has now permitted the Senate to go right ahead.

I think we all feel much better knowing that Ambassador Woodcock, if confirmed today, as we fully expect, will be able to proceed and to be in Peking to represent the U.S. interests, including the very strong representations the Senator from North Carolina, I presume, intends to make during the course of the discussion on the agreements that will be brought up on the floor of the Senate.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. PERCY. I would be happy to yield.

Mr. GLENN. I would share in those views completely, and I join in those remarks, and for one other reason, too, I might add, that has not come up here today. We should not forget that March 1 is the date that is also extremely important on Taiwan, not for security reasons exactly but because without approval of the Taiwan portion of this whole thing, of this omnibus legislation, we go into sort of a limbo situation with regard to Taiwan on that date of March 1.

So I hope we can dispose of this rapidly today and get on as soon as possible with determining exactly the final form of that omnibus legislation or we will be doing a great disservice and causing great consternation and causing great problems potential for the people on Taiwan if we do not have an omnibus piece of legislation enacted.

I know that is of great interest, of tremendous interest, to the distinguished Senator from North Carolina. I hope we can move very rapidly on this today and also on that Taiwan omnibus legislation because we are really leaving the people there in limbo on the 60 executive agreements and treaties we have that cover the trade, the commerce, the $7 billion worth of trade we did with Taiwan last year, which will all be left in limbo unless we get something out there and in place by March 1. So that is a very important factor, I think, that has not come up yet today.

Mr. PERCY. Mr. President, that leads quite logically to the next question which would be of considerable interest to the Senator from Illinois and the Senator from North Carolina. If we can have a confirmed Ambassador in place in Peking at the earliest possible time, would this not enable us then to go ahead and negotiate the agreement on textiles and carry on the negotiations on claims with respect to assets with the

People's Republic of China? These are matters of considerable interest because we have deep concern in the textile industry, on the side of both labor and management, that we have a carefully balanced situation, taking into account the adverse repercussion on employment in this country if trade relationships were established in such a way that we would have a disorderly and disruptive level of trade.

So negotiations on textiles and negotiations on claims with respect to assets are negotiations that should proceed. If we were to slow down the nominating process it is possible that there could be a slowdown by the People's Republic of China on those essential negotiations.

The question the Senator puts to the floor manager of the nomination is whether or not it would not be well for us to continue not only to make our agreements, put them in final form with respect to the security interests of Taiwan, but also to finish the negotiations on the textile industry and on the claims with respect to assets so that we can protect American interests, American workers, and American industry in this country?

Mr. CHURCH. I agree completely with the Senator. No matter how one approaches this subject, whether from the standpoint of bringing certain political influence to bear in Peking, advancing our commercial or trading interests, or settling our longstanding claims against the Government of China for the confiscation of American-owned property at the time of the Communist takeover, whatever the American interest, it is obviously best served by the speedy confirmation of this nomination.

Now, Mr. President, if Senators were here on the floor contending that the nominee is unqualified to represent the United States in Peking, then this would be quite a different matter. We would have to debate it out at length, and come to some determination. But, as the Senator from Illinois knows, no one has contested the qualifications of Leonard Woodcock to be our Ambassador to Peking. Even those who say we should delay action on his nomination, have gone out of their way to express praise for Leonard Woodcock as a man, peculiarly equipped to discharge his responsibilities as our Ambassador to the People's Republic of China.

So there is no reason to delay this nomination. Obviously, every American interest will be served by getting him to Peking as quickly as we can, and I have yet to hear a persuasive argument that any American interest will be advanced by delaying Senate action on this nomination.

Mr. PERCY. Mr. President, I concur with the distinguished chairman of the Foreign Relations Committee, and for that reason, I think, in its infinite wisdom the Senate has decided to confirm this nomination, vote it up or down, one way or the other, before 5 p.m. today.

One further matter that Ambassador Woodcock could carry out to protect American interests as our Ambassador in Peking, would be to settle as soon as possible the outstanding consular issues that can be resolved, and to establish more normal trade relationships.

In addition to trade relationships, we will have cultural exchanges and we will have educational exchanges, and it is desirable to have Ambassador Woodcock in Peking at the earliest possible time to oversee these exchanges.

We all recognize that diplomatic recognition does not mean that we approve of or are supportive of the actions of governments with which we have diplomatic relations. It merely establishes the fact that we have recognized the government in power, that we will deal with that government.

I, for one, welcome the opportunity that we have now in establishing relations with the PRC, taking into account that the interests of the people on Taiwan should be protected. There is no question in the judgment of the Senator from Illinois that the Government of the People's Republic of China is well aware now of the strength of our convictions in this regard, following the visit here of Vice Premier Teng Hsiao-ping. He has personally been advised by several Senators, the Senate Foreign Relations Committee, the House Foreign Affairs Committee, and other Members of the House and the House leadership, how strongly Congress feels about this issue. They should well understand our intention and desire to incorporate adequate protective language in the agreements that will be before us, and to do so in such a way that it does not in any way interfere with the working relationship, which we hope will be a close one, with the Government of the People's Republic of China.

Finally, with respect to the qualifications of Leonard Woodcock, the Senator from Illinois has participated in the Senate Foreign Relations Committee hearings. At no time were any questions raised that would in any way indicate that Leonard Woodcock was not superbly qualified to be the Ambassador for the United States in Peking.

I ask unanimous consent to have printed in the RECORD an article published in the Washington Post of December 17, 1978, entitled "Envoy Woodcock Learned Diplomacy in Labor Battles."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 17, 1978]

ENVOY WOODCOCK LEARNED DIPLOMACY IN LABOR BATTLES

Leonard Woodcock, likely to become the first U.S. ambassador to communist China, learned the art of diplomacy and statesmanship while fighting labor battles for 39 years.

A former president of the United Auto Workers and now head of the U.S. liaison office in Peking, Woodcock is said to be President Carter's top candidate for the ambassador's post.

The two countries will exchange ambassadors March 1.

Woodcock would be the first U.S. ambassador to the mainland since Mao Tse-Tung's communist forces took control in 1949.

The former labor leader was offered the post of ambassador to Taiwan by President Kennedy in the early 1960s, but refused.

Woodcock is described as professorial, quiet, unassuming—far from the image of a labor boss. But he also can be determined.

He led the UAW in 1970 in what was then the costliest strike in U.S. labor history, a successful 67-day walkout against General Motors that left his union heavily in debt.

The son of a labor organizer, Woodcock, 67, studied accounting in college, but quit during the Depression to take a clerical job. When the firm folded he was jobless for a year before becoming a machine assembler in Detroit.

There he joined a local union that later became part of the UAW. In 1938 he took his first union job, as education director of a Congress of Industrial Organizations council.

He caught the eye of Walter Reuther, UAW head for 24 years, who made him an administrative assistant at headquarters in 1946. A year later Woodcock became a member of the UAW executive board.

At the time of Reuther's death in 1970, Woodcock was vice president in charge of the General Motors division.

When he became president Woodcock inherited a $13 million debt and faced contract negotiations with GM.

Undaunted, he said the settlement would set the tone for the industry and ordered a strike that cost $160 million, lasted 67 days and left the union $50 million in debt. But in the end, GM gave in to key union demands.

After the strike, Woodcock rebuilt the treasury, brought the UAW through the recession of 1974–75 and won innovative contract provisions that other unions lacked.

In 1977 Woodcock headed a delegation seeking information about Americans missing in Indochina. Carter named him envoy to Peking when he retired from the UAW.

Mr. PERCY. Mr. President, I am pleased to yield the floor now, so that our distinguished colleague from Iowa (Mr. JEPSEN) who has patiently waited to have the floor, may seek recognition in his own right at this time.

The PRESIDING OFFICER (Mr. EXON). The Senator from Iowa.

Mr. JEPSEN. Mr. President, our distinguished majority leader said in the morning session that we must be concerned with what is in the best interests of the United States. That has been reiterated time and time again in the Senate today, by every Senator who has addressed himself to the issue, and in this I am sure we all agree.

I also agree that we should have normalized relations with the People's Republic of China. But I hasten to point out that the Chinese on the mainland were the main beneficiaries of this action. Oh, yes, we benefited, too, but we could have had everything we now have without abandoning the people of Taiwan.

On October 6, 1976, while debating with President Ford, candidate Carter said:

> I would certainly pursue the normalization of relationships with the People's Republic of China, but I would never let that pursuit stand in the way of the preservation of the independence and the freedom of the people of Taiwan.

In that same debate, he said: "We have lost," accusing President Ford of this—

> We have lost in our foreign policy the character of the American people. We have ignored and excluded the American people and the Congress from participation in shaping our foreign policy.

But shortly after December 15, when Walter Cronkite asked President Carter why he had arrived at his decision in

secrecy and exclusion, without the participation of the American people and the Congress, he replied:

But, Walter, my experience in negotiating sensitive, complicated agreements with foreign leaders is that negotiation through the news media, with wide divergencies of views expressed by different leaders in our country, is not conducive to success.

And he went on to say:

I don't have any doubts that if I made of this a public issue, it would have complicated the issue unnecessarily.

In other words, he preferred exclusion of the people and the Members of Congress from any participation in what he was doing.

If we here in the Senate do not insist on reaffirming our commitment to Taiwan, what is to prevent other dissolutions of other treaties, up to and including the NATO partnership? Bear in mind, the issue is not whether we should not have greater friendship with the people on the mainland of China, because we should. Nor is it one of attempting to wrest from the office of the Presidency the prerogatives that are his. The issue is our policy toward Taiwan, and whether to keep our pledged word and meet our responsibilities.

It is this that disturbs Americans and our friends abroad. Have we become totally unreliable and capricious? Have we become so lacking in common decency and morality that we can, in an instant, by a single stroke of a pen, put 17 million people over the side?

The history of our country calls for morality, not expediency, in international relations. We must demand a detailed program of specific guarantees, in clear and unmistakable language, guarantees to our friends and allies on Taiwan. Only then and thus can we restore the trust and confidence of the world in an America which, once again, conducts itself in accordance with its own high ideals, and only thus can we regain our own self-respect.

I commend the Senate Foreign Relations Committee for working on this. I suggest—and this has not been brought up in this debate and discussion—that it is imperative that the work of the Senate Foreign Relations Committee be confirmed and approved by the Senate, in order that our Ambassador will be able to effectively carry out his duties and his responsibilteies as Ambassador. Our Ambassador must not be placed in the embarrassing position of having to respond to Teng Hsiao-ping or any representative of the People's Republic of China, or any representative of Taiwan by having to say, "I don't know; Congress has not decided yet, and I'm not sure if they are going to completely agree with the President when they do."

We should not put our Ambassador in that situation. He can continue as liason—for a few weeks longer—he has been one for nearly 2 years. So I say let us establish our guidelines, confirm them in the Congress, and then ask our Government to speak for all of us, and say to the 900 million people, not just the Government on the Chinese mainland:

We seek friendship and commerce and other mutually acceptable goals with you. We hope the bonds of common interest will grow. We will continue to hope that your system of government will evolve so as to provide you with the means of making political choices with regard to determining your own destiny.

We wish to live in peace with you. We shall not intervene in your affairs and please do not intervene in ours. We can help you modernize and update your economy and we will do so, consistent with our own national security objectives. But when it comes to 17 million people on Taiwan, we emphatically state so long as they wish to retain their independence in the world, so long as they declare their unwillingness to either be liberated by you or unilaterally reunited with you, then so long will they also have the specific and clear support of the United States of America.

Once this is done, I would be very pleased to vote for the confirmation of Mr. Woodcock's nomination as Ambassador to the People's Republic of China.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, unfortunately, the minority leadership is not able to be in the Chamber because of other duties. If the Chair will permit, I would like to take the opportunity of speaking on behalf of the minority leadership.

I believe this is the maiden speech on the floor of my distinguished colleague from the State of Iowa (Mr. JEPSEN). His statement was forceful, logical, eloquent, and well delivered. I want to welcome Senator JEPSEN to our midst and to our team, and to the continuing dialog with the Democrats across the aisle.

On top of all this, it is a very happy coincidence that I happen to agree with almost all that Senator JEPSEN has said. May I extend my welcome to the Senator and thank him for his remarks. I thank the Chair.

Mr. CHURCH. Mr. President, speaking for the Democrats, I want to extend my compliments to the distinguished Senator on his maiden address. Even though I do not share his perception of this matter, I nevertheless commend him for the address he has given and recognize it to be a sincere statement of his views.

The PRESIDING OFFICER. Who yields time? Do Senators yield back their time?

Mr. CHURCH. Mr. President, I yield to the distinguished Senator from Michigan such time as he may require.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Thank you, Mr. President.

Mr. President, I rise to speak on behalf of Mr. Leonard Woodcock whose nomination to be Ambassador to the Republic of China is now before the Senate. I will be brief because there are few who do not believe that Mr. Woodcock is qualified to serve as Ambassador. His service as our envoy to the People's Republic has clearly given him a level of experience which could hardly be matched.

Before his direct experience in the People's Republic, his life was devoted to the peaceful resolution of conflict. The violence of labor relations in this country is not such distant history that we cannot all appreciate the value of a peaceful collective bargaining process. It is to the smooth working of that process that Mr. Woodcock has devoted his working life.

Let me digress for a moment for a personal note. During my tenure on the Detroit City Council and in the years before that as a politically active person in my home State, I had the opportunity to see Leonard Woodcock lead the United Auto Workers. I saw Leonard Woodcock's compassion and his skill applied to the betterment of my home city of Detroit, my home State of Michigan and to making this country a more humane and decent place to live. Leonard Woodcock embodies the principled compassion that we are seeking to establish as the basis for our foreign policy.

But it is not only the nomination of Leonard Woodcock that is made the issue here, but also, apparently, the nomination of any Ambassador to the People's Republic of China.

We should have an Ambassador to the People's Republic because we should recognize the People's Republic. The People's Republic is the effective government of more than 95 percent of the Chinese population. To fail to recognize the People's Republic is to fail to open up the traditional channels for peaceful resolution of conflicts between the governments of our two nations. Few would want to cut off this Nation from peaceful intercourse with the government of one-quarter of this planet's population. To do so is to place our head in the sand and cling to a China policy that has no basis in reality.

I realize that the price of recognizing the People's Republic was withdrawal of recognition of the Republic of China on Taiwan, which has for so long maintained that it was the legitimate government of all China. In doing so, we announced the termination of the Mutual Defense Treaty pursuant to the terms of article X of that treaty. (Although it is clear that we acted in accordance with the treaty, I believe that the President would have been wiser to emphasize that vital fact in his televised announcement of the decision.) Nor does it make sense any longer to try to follow or impose a two-China policy. Neither mainland China nor Taiwan accepts a two-China policy. Both governments want all or nothing. To try to have a two-China policy would mean a no-China policy. Since we must choose between the two governments, the commonsense reality speaks clearly—recognize the People's Republic, it is clearly the government of the land mass (and its population) which has been known as China.

There are questions that remain about our long-term relationship to the people of Taiwan and their leaders. But those are not questions for today, but the debate over the Taiwan legislation that will be before this body shortly.

Those questions are not answered by denying confirmation of Leonard Woodcock's nomination. The failure to confirm Leonard Woodcock would serve no positive purpose. It would merely represent a "no China policy" and would reflect a naivete not becoming to us as the most powerful nation on earth and not in keeping with the reality of mainland China's existence.

Thank you, Mr. President.

Mr. MATHIAS. Will the Senator yield me 1 minute?

Mr. HAYAKAWA. I am happy to do so.

Mr. MATHIAS. Mr. President, earlier today I spoke of the danger of sending out the wrong signals to the Soviet Union and to the People's Republic of China. I am concerned that we might, by sending out the wrong signals, give some impression of a tilt which I do not believe anyone, in responsible office in the United States wishes to do, because I do not think we intend that any tilt should appear. We have been very clear that we want to maintain an impartial position.

But when I raised that question, the distinguished majority leader responded that he did not think we should worry too much about the signals that we send to the Kremlin. He said we need not be too concerned about how Soviet leaders react to our actions. He suggested that perhaps we were oversolicitous of Soviet sensitivities.

The limits on debate during the morning hour did not permit me to expand my views on this subject as I would have liked.

The issues involved are of such critical importance that they should not be left unexamined. For that reason, I would like to place in the RECORD a copy of a speech I made on February 22 dealing precisely with how preceptions in foreign affairs have a dangerous way of becoming fact.

I ask unanimous consent, Mr. President, that my talk entitled "Foreign Policy in the Shadows," given at the 16th North American Model United Nations, be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FOREIGN POLICY IN THE SHADOWS

In April 1945, as World War II neared an end, delegates from 50 countries met in San Francisco to found the United Nations Organization and to dedicate themselves to peace through international cooperation.

Four months later, in August 1945, atomic bombs dropped on Hiroshima and Nagasaki effectively ended World War II by unleashing destructive forces of a magnitude beyond the comprehension of most human minds.

The best hopes and the worst fears of humanity are contained in those two events. The history of our world is written in their shadow.

Today, despite all efforts of the United Nations Disarmament Commission and despite the clear desire of all the peoples of the world, the danger of nuclear holocaust still casts deep shadows on our planet. We must take care how we walk in those shadows. The times are perilous.

The unique distinction I can claim as a Member of Congress is that I am the only Senator or Representative to have actually seen nuclear war firsthand. In September 1945, I visited both Nagasaki and Hiroshima. Having also seen Tokyo and Berlin, I understand the difference between conventional and nuclear war. Statistics can only hint at that difference because it is not simply incremental. It is profound and inconceivable. The very fact that we cannot conceive of the nature of the nuclear force we seek to contain makes its containment all the more urgent.

My knowledge of the cataclysmic character of nuclear war greatly increases the concern I feel whenever stability gives way to instability in our international relations and whenever calm gives way to confusion in our foreign policy. Today, I am more alarmed about the United States' position in world affairs than I have been at any time since the Vietnam War.

In his State of the Union message, President Carter spoke of the dangers of substituting myths for common sense in seeking solutions to our problems. It was a timely warning as recent events, particularly in Iran, have proved. But, unfortunately, President Carter ignored his own good advice and propagated a myth himself.

"Tonight," the President said, "there is every sign that the state of our union is sound."

There were, in fact, too many signs pointing to the opposite conclusion. And in the month since then such signs have multiplied.

The disintegration of Iran as a stable element in a volatile area is a drastic blow to our national security. It destabilizes the Persian Gulf and jeopardizes the energy lifeline of the industrialized nations of the world. But even before Iran erupted into chaos, our foreign policy was in disarray.

On the heels of the President's glowing appraisal of the State of the Union, this anguished howl of protest arrived in my office:

How can anyone say the state of the union is in good shape when inflation is nine percent; when the dollar is worth 40 percent of the 1971 value; when Russia expands her power all over the globe, especially in Africa and the Middle East; when the situation in Iran was mishandled in about the worst way possible; when the President revokes his statements from the day before to do likewise the day thereafter; when former Prime Minister MacMillan of Great Britain states that President Carter is "the weakest President the United States has had in his lifetime"; when German Chancellor Schmidt gave an interview to "Der Spiegel" referring to the ineptness of the President, etc.

That final exasperated "et cetera" covers a multitude of sins. The most notable one in my book is the President's failure to give any consistent direction to American foreign policy or to project any coherent vision of what international atmosphere he seeks to create in this nuclear age.

Instead we see evidence of a continuing schizophrenia in his administration's approach to foreign policy. Last year when the first hints of this schizophrenia surfaced in one of the President's speeches, I jokingly called it an "antiphonal chorus between hawk and dove," But that was last year. Today the schism in our foreign policy hierarchy is nothing to joke about.

We are in very serious trouble when an act of foreign policy, as momentous as the normalisation of relations with the People's Republic of China, is credited to a presidential adviser "whose readiness to challenge the Kremlin can take on a gratuitous edge." (*Washington Post* editorial, "Two Washington Triangles," February 12, 1979.) In such matters the perception becomes the fact.

I personally favored eventual normalization of relations with the People's Republic of China. I favored this course, however, not because it was anti-Soviet but because realism demands that we recognize a government which represents one of every four human beings on the face of the earth.

The way normalization has been handled, however, and the side effects of normalization, convince me that the President is paying too high a price for the anarchy he tolerates within his foreign policy establishment. The China experience holds a lesson for peanut farmers that any dairy farmer knows: when you milk in two pails, you usually end up with two empty pails.

President Carter normalized relations with China on virtually the same terms that two previous presidents had refused. He simply picked the apple off the tree where it had been hanging since 1972, when President Nixon and Chou En-lai signed the Shanghai Accord.

I must say I wonder just why the President found the apple as appealing as he did when he did, but I discount suggestions that he made the China move simply to mask his failure to bring in an Egyptian-Israeli peace treaty on December 17, as advertised.

The President has said that the final decision to normalize relations with China was made by a "tiny group" within the administration. Vice President Mondale had the courtesy to call me about the impending decision two hours before it was announced. But many leading members of Congress were never notified at all.

I fault the President for not consulting with the Congress on this, particularly in view of an amendment to the International Security Assistance Act of 1978 which specified that there should be prior consultations between Congress and the Executive Branch on any proposed policy changes affecting the continuation in force of the U.S. defense treaty with Taiwan. This amendment incidentally passed without a single dissenting vote.

I fault the President for not getting some sort of assurances from the People's Republic of China about not using force to regain Taiwan. I was shocked when it finally came out that neither the President nor his advisers had even asked the Chinese for such assurances.

And finally, I fault the President for not consulting with key allies, such as Japan, and for not advising other keenly interested nations, such as the Soviet Union, that the announcement was in the offing. The Soviets are extremely sensitive on the subject of China. It would have cost us nothing to allay their fears about our intentions regarding normalization. It is the kind of small courtesy that eases an uneasy relationship.

In view of the Soviet Union's near paranoia about China, I was surprised when President Carter described Secretary Brezhnev's letter about normalization as "positive in tone." Later, of course, it came out that Brezhnev's response had actually been quite negative. And the Soviet response became more negative with every anti-Soviet taunt Chinese Vice Premier Teng Hsiao-ping let fly from American soil.

Mr. Teng warmed up for his triumphal tour of America by giving an interview to *Time* magazine. Among other anti-Soviet observations, Mr. Teng said that:

The first characteristic of the Soviet Union is that it always adopts the attitude of bullying the soft and fearing the strong. The second characteristic is that it will go in and grab at every opportunity.

Mr. Teng wound up calling the Soviet Union the "true hot bed of war" and advising that:

If we really want to place curbs on the polar bear the only realistic thing for us is to unite.

In the United States, Mr. Teng continued passing out advice. During a whirlwind visit to the National Gallery, he called the Soviets "warmongers" and said that anybody working for detente with Russia is an ostrich with his head in the sand.

When I met Mr. Teng during his visit, I told him, "You ought not to be over here stirring up trouble with the polar bears." Mr. Teng ignored my advice but I though his interpreter would have a heart attack.

Later a friend told me he thought I'd been too outspoken. But I just don't see any point in the Vice Premier of China coming all that distance if he's not going to learn something about what Americans think.

Meanwhile the Administration fell all over

itself to honor Teng and capped the performance by signing a joint statement opposing any nation seeking world "hegemony", which Moscow and Washington both know is Peking's buzz-word for the Soviet Union.

We're told that some in President Carter's circle of foreign affairs advisers relished Mr. Teng's anti-Soviet broadsides. I would remind them that less than five years ago, the same Vice Premier Teng had very little good to say of us either. He told the United Nations General Assembly on April 10, 1974 that:

The two superpowers, the United States and the Soviet Union, are vainly seeking world hegemony . . . The two superpowers are the biggest international exploiters and oppressors of today. They are the source of new world war. They both posseses large numbers of nuclear weapons. They carry on a keenly contested arms race, station massive forces abroad and set up military bases everywhere, threatening the independence and security of all nations. They both keep subjecting other countries to their control, subversion, interference or aggression. They both exploit other countries economically, plundering their wealth and grabbing their resources. (*New China News Agency*)

I would also remind those who played the China card with such glee that Chairman Mao, according to Vice Premier Teng, originated the policy of normalization. Chairman Mao also taught his comrades to identify their number one enemy and unite everyone else against him. And, in his dealings with Chiang Kai-shek, Chairman Mao showed his comrades that they can change their number one enemy overnight.

Establishing diplomatic relations with China promotes stability by normalizing an abnormal situation. But stimulating sinomania in this country, especially a sinomania with anti-Soviet overtones, is a dangerous game that can only lead to greater instability.

Foreign relations are not a card game. They are a deadly serious business. The world is not peopled with mythical dragons and eagles and polar bears, but with human beings who yearn for peace and security and the necessities of life. We must seek to compose our differences with both China and the Soviet Union and we must recognize that the world will be better served by whatever relaxation of tensions and cooperation can be achieved between these powers than by playing them off one against the other.

As far as our own relationship with the Soviet Union is concerned, we must recognize that we are dealing with a Soviet Union far more capable militarily than it has been in the past; we are dealing with a Soviet Union that has demonstrated a dangerous propensity of late to project its power far beyond its own shores to fish in troubled waters, and we are dealing with a Soviet Union that is a nuclear superpower.

The Carter Administration has failed totally to provide a coherent response to the challenges and possibilities inherent in our relationship with the Soviet Union. It has sent out conflicting signals to the Soviet leadership for the past two years ranging all the way from the President's statement that he wants a "better friendship" with the Soviet Union to National Security Council Adviser Brzezinski's Great Wall of China challenge: "Last one up gets to fight the Soviets in Ethiopia."

I was in the Soviet Union in December and, in reviewing the impressions of that trip, one thing stands out clearly: Soviet officials are totally confused by the cacophony of sounds reaching them from Foggy Bottom and Pennsylvania Avenue—(both ends of it I should add in fairness to the Administration.)

This is a very dangerous situation. It leaves the door open to Soviet miscalculations. It invites adventurism.

Some in the Administration maintain that the dichotomy in its approach to U.S.-Soviet relations reflects a split in the American people's attitudes. They argue that the President, in order to reflect the views of the American people, must perpetuate this dichotomy and encourage both factions in the argument to press their conflicting points of view.

I say this is hogwash. The President must resolve the differences that impede the formation of strategic policies to govern U.S.-Soviet relations. He must galvanize a national consensus on strategic objectives and he must lead the American people toward the achievement of strategic goals.

Recently, there has been some criticism of the Republican Party for disavowing the concept of a bipartisan foreign policy. To those critics I would point out that bipartisanship is a two way street. Arthur Vandenberg had his Harry Truman. And President Carter can't have it both ways. He can't expect Republicans to come to heel when he whistles, if he doesn't bother to consider their views on issues of such obvious interest to them as normalization.

But, more important even than this, you cannot expect, nor should you want, to have bipartisan support for a policy that is not only bad but dangerous.

The Administration is reported to be confident that a new SALT agreement will be signed this spring and sent to the Senate for ratification this summer. I have heard that song before so I am not holding my breath until the treaty gets to Capital Hill.

But I am absolutely sure of one thing—when the Administration sends up a SALT treaty for ratification, it must also be prepared to present and debate a strategic view of Soviet-American relations with the sweep of at least a decade. To do that successfully, it will have to deal with the schizophrenia that emasculates it now.

As for ratifying a SALT treaty itself, I am much tougher than my colleagues who say they won't sign a treaty unless the Soviets agree to pull in their horns in Africa and elsewhere around the world. When they make that kind of linkage, I have to assume they're trying to make a judgment about Soviet intentions—that they believe if the Soviets will behave in Angola, or Ethiopia, or Iran, or the Persian Gulf, or Afghanistan, then that will be evidence the Soviet leaders have turned the corner and intend to be a positive force in world affairs.

Whereas, I believe that the only basis for SALT is if it is unquestionably to the advantage of the United States under any and all conditions. I want a SALT treaty to stand of its own weight and not depend on anything else to buttress it. It must be totally independent of all other forces. I want it to be an agreement that will be judged to have been in the best interests of the United States even if, God forbid, war should break out between the United States and the Soviet Union.

I believe that achieving that kind of SALT agreement transcends in importance any other aspect of the U.S.-Soviet relationship. I am not alone in this view. The most famous of all Soviet dissidents, Physicist Andrei Sakharov, who knows better than all of us whereof he speaks, says:

The problem of lessening the danger of annihilating humanity in a nuclear war carries an absolute priority over all other considerations.

Today is George Washington's birthday, as you know. In honor of the occasion, I would like to end this talk by reading you a passage from George Washington's Farewell Address. It contains advice the Administration would do well to heed as it develops a strategic foreign policy. George Washington warns his fellow citizens that:

The nation which indulges toward another with habitual hatred or an habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur.

Washington places this sound warning within a larger context that could serve us as the cornerstone for the strategic foreign policy we so badly need. He advised his fellow citizens to "observe good faith and justice toward all nations; (to) cultivate peace and harmony with all."

The times we live in are too dangerous to do otherwise. The shadows around us are lengthening.

Mr. MATHIAS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Will the Senator yield me about 5 minutes?

Mr. HAYAKAWA. I would be delighted to do so.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I visited the Republic of China on Taiwan several weeks ago. In that respect, as one who has most recently visited that nation, I want to say that I found the people in the Republic of China to be the most warm-hearted and admirable people. They are more American than Americans themselves in many aspects. They are industrious and self-reliant. They have accepted no foreign aid from this country since 1966. They have a thriving economy, a thriving free enterprise economy. Everywhere you look there is industry and business. It is a very prosperous country, and the people are proud of what they have achieved.

Beyond that, they are a very kind people. They are people who are polite to the extreme, exquisitely polite.

I remember one morning, Mr. President, standing on the ninth floor balcony outside my hotel room in the Grand Hotel, overlooking the capital city of Taipei. It was morning. The city was coming to life.

I looked down to the ground and about a block away from the hotel was a courtyard, evidently some kind of school, and there were youngsters playing basketball in that courtyard.

I mentioned a moment ago that they are almost as American over there as we are. They play basketball; they play baseball; and, in fact, they regularly win the world championships, beating even our own teams.

I looked down there and saw these children playing basketball, an American sport. From that distance, they could have been American children for all we could tell. They were dressed like American children. I thought to myself, what will be the future of these youngsters? Will they be free in 15 or 20 years when they are adults?

I could not help thinking to myself that there, but for the grace of God, go our children—there, but for the grace of God.

I wonder how much longer we can depend upon God's grace while we are following these stupid and cowardly foreign policies.

We are abandoning these wonderful, fine people. Sure, by polite degrees, yes, but we are abandoning them, nevertheless. We are feeding our friends to the crocodiles, and I am one American who is ashamed of it.

I am not opposed to having realistic relations with the People's Republic of China. I am not opposed to that. I am not opposed to eventually confirming an ambassador. But until such time as the administration begins to treat our friends at least as well as it treats our adversaries, I am going to withhold my support for these measures.

President Carter says we may not have government-to-government relations between our two countries—I am speaking of the United States and the Republic of China. He says we may not. I say, why not?

Prior to January 1, we had in Peking a liaison office which was in all respects except name an embassy. Why can we not reverse that today, Mr. President? Why can we not have a liaison office conducting government-to-government relations in Taiwan just as we had in the Communist capital of Peking?

I cannot answer that question. I hope someone here can.

How can we do less here for our own friends?

So I am going to vote today, when it comes to that, against the confirmation of Mr. Woodcock, and I am going to vote against every People's Republic of China initiative of President Carter's until such time as he begins to listen to the people of this county, and until such time as he begins to accord some respect to this body.

I see no reason we cannot have government-to-government relations. It is time we had a sensible, moral foreign policy in this country. I am one who will hold out for that until that day comes.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the acting minority leader.

Mr. HAYAKAWA. Will the Senator from North Carolina yield me a minute or two to congratulate the Senator from New Hampshire on his maiden speech, I believe, on the floor?

Mr. HELMS. Yes.

Mr. HAYAKAWA. Mr. President, it is a real pleasure to hear Senator HUMPHREY and his eloquent account of his adventures when he visited Taiwan earlier this year.

I think he was quite right in saying he was the first of us to do so since the recognition of People's Republic of China was announced by the President on December 16.

Senator HUMPHREY has made a moving and eloquent statement of his warm empathy for the free people of the Republic of China.

I, too, have been to the Republic of China and felt that there exists the air of freedom such as we enjoy in the United States.

I am very grateful to the Senator from New Hampshire for his eloquent statement of his views. It is a pleasure to welcome him as a fellow Republican to our team and to welcome him to the Senate on the occasion of his maiden speech, which was, as I say, eloquent and moving and extraordinarily persuasive.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I, too, want to compliment the distinguished Senator from New Hampshire and the distinguished Senator from Iowa (Mr. JEPSEN) on what I understand to be their maiden speeches in this Chamber.

I welcome them to this body. I want them to know I deeply appreciate the contributions they have already made. I look forward to further contributions on behalf of liberty and justice in this country. I am very proud of both people.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, the United States of America is not proposing to feed the people of Taiwan to the crocodiles, nor even to the dragons, for that matter.

The Senate Foreign Relations Committee took into full account the continuing responsibility that the United States may have toward the people of Taiwan on account of our long alliance with them.

The bill establishes a new basis for continuing our relations with Taiwan in the future. The bill was unanimously approved by the committee. In section 114(a) of the bill, the committee adopted a strong statement of American policy which, in my judgment, gives the people on Taiwan greater assurance of the peaceful future than the previous relationship that we had with them under the terms of the mutual security treaty.

Section 114(a) of the bill that the committee will recommend to the Senate reads as follows:

SEC. 114. (a) It is the policy of the United States—

(1) to maintain extensive, close, and friendly relations with the people on Taiwan;

(2) to make clear that the United States' decision to establish diplomatic relations with the People's Republic of China rests on the expectation that any resolution of the Taiwan issue will be by peaceful means;

(3) to consider any effort to resolve the Taiwan issue by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States; and

(4) to provide the people on Taiwan with arms of a defensive character.

(b) In order to achieve the objectives of this section—

(1) the United States will maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system of the people on Taiwan;

(2) the United States will assist the people on Taiwan to maintain a sufficient self-defense capability through the provision of arms of a defensive character;

(3) the President is directed to inform the Congress promptly of any threat to the security of Taiwan and any danger to the interests of the United States arising therefrom; and

(4) the United States will act to meet any danger described in paragraph (3) of this subsection in accordance with constitutional processes and procedures established by law.

Mr. President, I feel that the unanimous vote we secured in the committee is, in itself, testimony as to the concern the committee felt about the future of the people of Taiwan. The strong, clear statement of American policy contained in this measure will place Peking on notice that if that Government wishes to derive the benefits it expects will flow from this new relationship with the United States, there must be continuing peace between mainland China and the people on Taiwan.

Whatever the argument may be concerning the wording in this resolution, it is appropriate to take place at the time the resolution comes before the Senate. It seems to me inappropriate, in any case, to raise the question of the intentions of the People's Republic of China vis-a-vis people of Taiwan during a debate on whether or not Leonard Woodcock is qualified to serve as the American Ambassador to Peking. Which, after all, is the question that is now beforce the Senate.

I have no further remarks to make. It is my understanding that the Senate is prepared to proceed to a vote on this nomination. I hope we can do so at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, during my questioning of Mr. Woodcock in the Foreign Relations Committee hearings, I was struck by his apparent lack of interest in the grave human rights problems in the People's Republic of China.

I must confess that I hope that Mr. Woodcock will show somewhat more concern and curiosity in this regard when he arrives in Peking as the confirmed and sworn-in Ambassador from the United States to the People's Republic.

In that connection, I ask unanimous consent to have printed in the RECORD appropriate excerpts from that testimony before the Foreign Relations Committee, together with a study entitled "Human Rights in the People's Republic of China," which was prepared by the Institute on American Relations. A copy of this document is now on the desk of each

Senator. I commend it highly to Ambassador Woodcock and to my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY

Senator HELMS. Mr. Woodcock, you have had a very prominent and successful career in organized labor for some 30 years or more, I believe.

Ambassador WOODCOCK. It's longer than I care to remember, Senator—30 or more.

Senator HELMS. Now you have been in the People's Republic of China for the past 18 months. Are there any free labor unions in Red China?

Ambassador WOODCOCK. No, sir.

Up until the Cultural Revolution in the mid-1960's, 1966, they had a trade union federation, called the All China Trade Union Federation, modeled on the Soviet model, which was essentially a welfare association and not in the American or the Western sense a free trade union that bargained over wages and working conditions. During the Cultural Revolution that practically got wiped out because they got involved in the political turmoil.

In the fall of 1978, it was re-established and at the congress that they held in October, there was discussion that they would be given greater powers, including taking up problems created in the industrial establishments. But that still is in an evolutionary state.

So in our sense, no. They don't have anything comparable.

Senator HELMS. Do you have any feeling about that?

Ambassador WOODCOCK. Do I ever think about that?

Senator HELMS. Do you have any feeling about the fact that there is no free labor organization in China?

Ambassador WOODCOCK. Well, it fits in with the entire system and obviously I have some feeling about that. It is not our system and I would be more comfortable with our system. But I learned long ago to live with reality.

Senator HELMS. Dr. Richard Walker appeared before this Committee a day or two ago. He was commenting on forced labor camps in the PRC. Do you know anything about that?

Ambassador WOODCOCK. There have been those allegations. We have no real knowledge about it. But I would think it is very possible that they do exist.

Senator HELMS. Well, it was reported to President Carter in 1977 that there were forced labor camps in the so-called People's Republic, and with 7 million people in them.

Ambassador WOODCOCK. That number would surprise me.

HUMAN RIGHTS IN THE PEOPLE'S REPUBLIC OF CHINA

The redoubtable Huang Hua, former Ambassador to Canada and former Ambassador to the United Nations and now Foreign Minister for the People's Republic of China, must have weighed his words well. Speaking only ten months after Mao's death, and only two weeks after Teng Hsiao-ping has been restored to all his posts for the third time, Huang was making the 42,000 character, five-and-a-half hour speech which would soon be poured over by millions of cadres and bureaucrats anxious to know how they were expected to act and think. They were particularly anxious not to fail into that "very small group" of Chinese citizens who are shown no mercy.

For the truth is that the only people in China who are denied fundamental human rights are those who attempt to exercise such rights. Those who voluntarily acquiesce in the surrender of every attribute of life normally called "human" seldom suffer, unless they get caught up by accident in the tides of violence or hatred unleashed by the system that Mao Tse-tung built and ran for 40 years. No one is exempt from the practical wisdom proclaimed by Huang—not Huang himself, not Teng, not even Mao.

The term "very small group" is itself relative to the enormous size of the Chinese population (850 million). When we think of national tragedies, we think of, perhaps the dead in the U.S. Civil War (1 million); the World War II dead in Poland (6 million); or the Jewish Holocaust (6 million). In China, however, the system that shows no mercy to those who ask for human rights also leaves few traces. However, independent scholars have produced careful estimates; the numbers range to upwards of 65 million dead through liquidation, with 50 million dead from starvation by miscalculation.

In 1971, the distinguished Sinologist, Richard L. Walker, through a survey of the literature and through his own sources produced a range of between 34 and 64 million dead (see box) as the cost of constructing a Communist society in China. These estimates do not include the victims of the more recent anti-Confucius and anti-Gang-of-Four campaigns.

FORCED LABOR CAMPS

Nor does the toll of murders alone recount the cost. Over the period of 30 years since the founding of the PRC, millions have been herded into forced labor camps. In 1955, an official United Nations report stated that there were 25 million in regular labor camps and 12.5 million in "corrective" labor camps. In 1956 the well-known scholar, Karl Wittfogel, estimated that one out of every forty people in Communist China was a slave laborer, in an article in the journal, *Problems in Communism*, published by the U.S. Department of State. In June, 1978, Peking freed 110,000 who had been detained since the "anti-rights" campaign of 1957. Such glimpses of the Chinese Gulag suggest that little has changed.

The essence of Communist Chinese society is conformity based upon terror. In the moulding of "socialist man" everything that makes him human is rigorously purned away. The history of the People's Republic is the continuing story of organized campaigns to isolate, identify, and destroy those who resist the Party's dictates in any way, or those who fail to anticipate and adopt the behavior expected of them. Nor does "resistance" necessarily mean active dissent; often it means having a "bad background"; that is, having been exposed to parents who had an attachment to the old society or to the ancient culture.

MASS MOBILIZATION CAMPAIGNS

One has only to list the major mass mobilization campaigns to understand that terror is the essential element of control:

1949–51—Liquidation of counter-revolutionaries and agrarian reform (local mass trials of landlords, "rich peasants," and petty officials).

1951–53—The "three-anti's" campaign and the "five-anti's" campaign (liquidation of shopkeepers, businessmen, financiers, and industrialists).

1953–57—Forced collectivization of peasant holdings which had been established 1949–51 (with liquidation of those who resisted).

1955—Liquidation of "hidden counter-revolutionaries."

1957—The "let 100 flowers bloom" campaign to encourage expression of criticism and dissent.

1958–59—The "anti-rightist" campaign to liquidate those who revealed their true thinking in 1957.

1958–59 — The "Great Leap Forward," which, according to the Hong Kong expert, L. La Dany, resulted in the deaths by starvation of 50 million peasants.

1960–64—Initiation of "sending youths to the countryside" (40 million sent) for permanent settlement among the peasants.

1965–69—The Cultural Revolution.

1968–69—Second phase of "sending youths to the countryside" to end the Cultural Revolution (25 million sent, including some 12 million who had escaped back to the cities).

1973–75—The "anti-Lin Piao" and "anti-Confucius" campaigns (after Lin's six assassination plots against Mao).

1976–78—The "anti-Gang of Four" campaign.

The repeated purges and relocations have introduced permanent instability into all levels of Communist Chinese society. Not even Mao himself was exempt. During the Cultural Revolution, Mao was forced to flee from Peking to Shanghai, power base of the Gang of Four, from November 1965 until August 1966. The Chinese News Agency, Hsinhua, said that seven cities were controlled by opponents of the Cultural Revolution. By August Mao had consolidated his power enough to call a Plenary Meeting of the Central Committee in Peking and unleash the Red Guards.

On September 11, 1971, a small plane bearing nine passengers crashed in Mongolia. The most important passenger was Lin Piao, Defense Minister, and Vice Supreme Commander of the Red Army, and expected to have been the successor of Mao. It was Lin who devised "The Little Red Book," of Mao's thoughts, and wrote the introduction. Yet the Chinese officially reported that Lin had organized several plots to overthrow Mao, even as he wrapped himself in the mantle of Mao's thought. The last one was aborted when he was betrayed by one of his co-plotters, and he left hurriedly in a plane lacking radio and navigation equipment. As a result of the Lin Piao plot, 34,000 members of the Red Army were court-martialed, and many executed. These events took place two months to the day after Secretary of State Henry Kissinger's first secret meeting with Chou En-lai in Peking.

PURGES OF TENG

Teng Hsiao-ping is now credited with being the strongest man in Peking, even though he is No. 2 in the official hierarchy (No. 3 by some reckonings). Teng joined the Party in 1924 in Paris as a student, and became the leader of the Paris unit when his friend Chou En-lai returned to China. Soon Teng himself was back in China too, and became closely associated with various commanders of the Red Army as a political commissar (will the West ever know how many purges he directed?). Ultimately, he ended up on the Central Committee, where his relations with Mao were diffident.

Teng was exactly what Mao had in mind when he ordered the Cultural Revolution. The Cultural Revolution was kicked off by Chou on May Day, 1966; by January, 1967, Chou turned the whole thrust of the Cultural Revolution against two prime targets: Head of State, Liu Shao-chi and his old comrade Teng. In April, Mao stacked the Politboro and got enough votes to condemn Liu as a revisionist; by November he was expelled from the Party and in late 1974 he was reported dead.

Teng was not expelled, but rather stripped of his posts. He was forced to sign a long document attesting to his crimes and the need to reform himself by the study of the thought of Mao and of Lin Piao. But in 1973, after years of obscurity, he suddenly surfaced at a banquet for Prince Sihanouk of Cambodia. He was re-elected to the Central Commitee, and by 1974 he came to the UN to make the first major Chinese speech on foreign policy, developing for the first time in public Mao's doctrine of "the three worlds." Teng was rehabilitated through the efforts of Chou, who had condemned him in 1966. Teng became, in effect, the deputy for Chou, who by then realized he was dying of liver cancer.

In January, 1975, Teng was elected vice chairman of the Central Committee, first vice premier of the State Council, vice chairman of the central military commission of the Party, and general chief of staff of the Red Army. It was an unusual consolidation of party, administrative, and military power. When President Ford visited Peking in December, 1975, most of his discussions were with Teng, described by the *Washington Post* as "perhaps the most powerful man in the People's Republic of China," and by the *New York Times* as "the man running things in China."

Casualties of Communism in China

	Range of estimates	
1. First Civil War (1927–36)	250,000	[1] 500,000
2. Fighting during Sino-Japanese War (1937–45)	50,000	[2] 50,000
3. Second Civil War (1945–49)	1,250,000	[3] 1,250,000
4. Land reform prior to "Liberation"	500,000	[3] 1,000,000
5. Political Liquidation Campaigns (1949–58)	[4] 15,000,000	[5] 30,000,000
6. Korean war	[1] 500,000	[6] 1,234,000
7. The "Great Leap Forward" and the Communes	1,000,000	[7] 2,000,000
8. Struggles with minority nationalities, including Tibet	500,000	[8] 1,000,000
9. The "Great Proletarian Cultural Revolution" and its aftermath	15,000,000	[10] 25,000,000
10. Deaths in forced labor camps and frontier development	250,000	[9] 500,000
Total	34,300,000	63,784,000

[1] John S. Aird, "Population Growth" in Eckstein and Galenson, eds., *Economic Trends in Communist China* (Chicago: Aldine, 1968), p. 265. There are wide ranging figures regarding the "Long March" (1934–1935). Hugo Portisch, *Red China Today* (Chicago: Quadrangle, 1966), p. 131 offers the usual estimate of 100,000.

[2] This figure would include, for example, the New Fourth Army incident of January 1941 and numerous minor skirmishes during the war. See Peter S. H. Tang and Joan M. Maloney, *Communist China: The Domestic Scene, 1949–67* (South Orange: Seton Hall, 1967), pp. 60–69.

[3] One official statement lists half a million "feudal bullies" eliminated in the north by June 1949; this would not include Manchuria or other areas under Communist control. The figure of one million is probably closer given the intensity of the early part of the "land reform" in this early period. Cf. *Problems of Communism* No. 2, 1952, p. 2.

[4] This figure, drawn from a Department of State estimate is given in several places: Franz H. Michael and George E. Taylor, *The Far East in the Modern World* (New York: Holt, 1956) p. 457 use the figure for the first four years of Communist rule. George M. Beckmann, *The Modernization of China and Japan* (New York: Harper and Row, 1962), p. 520 cites the same figure from a later government estimate. As noted above, the Soviets give a figure of 25+ million for the period 1949 to 1965.

[5] New York *Times*, June 2, 1959.

[6] The larger figure is the official U.N. command estimate of Chinese Communist casualties. Aird prefers a more modest assessment of U.N. performance against the Chinese "People's Volunteers." The Chinese Nationalists guess 1,540,000.

[7] On some of the background for the range of estimates, based on discussions in Hong Kong and subsequent studies, see two special supplements which the author did for the *New Leader*: "Letters from the Communes," June 15, 1959 and "Hunger in China," May 30, 1960. Valentin Chu, in another *New Leader* supplement entitled "The Famine Makers," June 11, 1962 places the deaths of peasants owing to the "leap" at a minimum of one million.

[8] The figures on Tibet are also uncertain, but the International Commission of Jurists found clear evidence of genocide. Stanley Ghosh, *Embers in Cathy* (New York, Doubleday, 1961), p. 190, notes that the number of people immediately killed in the revolt of 1959 was 65,000 according to reliable sources. Troubles with other minority groupings have also led to casualty figures. See, for example, the interview by Hugo Portisch with the former Sinkiang "Culture Minister" in the *Vienna Kurier* of May 8, 1967. The Uighur leader, probably with very little urging from his Soviet hosts, discussed Chinese policies which had resulted in the deaths of thousands of Uighurs. He cited, for example, the case of the village of Kutcha, where he claimed that 10,000 people died in 1959 alone, all Uighurs.

[9] These figures are surely conservative estimates. As noted in the text more than 50,000 are reported to have perished in Wuchow, Kwangsi alone. On May 30, 1967, Radio Moscow (obviously not the most reliable of sources) estimated that more than 100,000 had already been executed in the course of the Cultural Revolution. These figures would also include the casualties of the *hsia-fang* or "rustication" movement which sent Red Guards to the countryside and frontiers when the army started to put the lid on the Cultural Revolution and bring it to a halt. They also include the wave of public executions which were part of the move to restore order and started in 1969 and continued through 1970. James Yeh, writing in the *Mainichi Daily News* in Tokyo on September 4, 1969, reported on the executions in some detail and also quoted the official Peking figure that by that time more than 25 million young people had been sent to the countryside.

[10] Robert Conquest in *The Great Terror* (New York: Macmillan, 1968), p. 533, estimates an annual casualty rate of 10 percent in Soviet slave labor camps. It can be doubted whether conditions in China are any more humane—stories heard from former inmates in Hong Kong can be hair-raising indeed. Granting a 10 percent annual death rate in Chinese Communist Labor Reform Camps over 20 years of their former existence, the figures given are obviously conservative.

RISE OF HUA

One month later, Chou died. Two months later, Hua Kuo-feng was named "acting Premier" at the personal directive of Mao. Three days later anti-Teng posters appeared at Peking University, the first of a campaign which kept up through March. On April 5, 100,000 Chinese people rioted in Tienamen Square when soldiers broke up memorial ceremonies for Chou, and anti-Mao slogans appeared for the first time ever in public. One hundred civilians were gunned down on the spot, and thousands were arrested throughout the city over the next few days. On April 7, the Politboro met and passed two resolutions: One confirming Hua as First Deputy Chairman of the Central Committee and Premier, the other dismissing Teng from all his posts. Exactly four months to the day after "the most powerful man in China" had met with President Ford, Teng was no longer running things.

Teng was lucky. Liu Shao-chi and Lin Piao were dead, but he was stigmatized as "an unrepentant capitalist roader." He left Peking and was protected by his powerful friends among the army commanders. Mao dismissed Teng because he feared that Teng would not carry on his political line; perhaps Mao feared a "de-Stalinization" campaign after his death. Yet he could not pass the power directly to his wife, Chiang Ching, leader of the Gang of Four. He chose Hua as the intermediary, a provincial party official who had gained favor directly through the intervention of Chiang Ching, and, as head of the State Security apparatus, held the key to terror. Hua would be the agent for Chiang Ching.

Mao finally died on September 9, 1975. Hua was duly named Chairman, having produced a document in Mao's handwriting that stated, "with you in charge, I am at ease." Yet less than a month later Hua, in what can be fairly described as an act of treachery, arrested the Gang of Four in a pre-emptive strike to consolidate his power. Hua's coup was carried out in an uneasy alliance with the sinister Wang Tung-hsing (chief of Mao's 50,000-man bodyguard) and with the military men supporting Teng, the aging Marshall Yeh Chien-ying acting as intermediary. Hua's strength lies with the party cadres of the Cultural Revolution. Of the more than 36 million members of the Communist Party, more than half were initiated after the start of the Cultural Revolution, and seven million since the Gang of Four came into power after 1974. Teng's power lies with the military cadres that he has known since the Long March, and who have not forgotten Mao's axiom that power comes out of the barrel of a gun. Teng was restored to all his posts in July, 1977.

Does this unsteady combination represent a triumph for "moderation" and a gradual restoration of human rights in China? The answer is self-evident in the fact that the coalition immediately turned to the only method of governing that the People's Republic has ever known—a mass mobilization campaign, this time against the Gang of Four. Once again the opposition is isolated, identified, and destroyed. In the past two years, people have been executed for defacing posters of Hua and Mao, and for passing out pamphlets contrary to the line. Even the big-character poster campaign, staged for visiting U.S. newsmen so as to set the mood in the White House for capitulation has been turned off as suddenly as it began. No one knows yet how many victims the latest campaigns have claimed.

CONTINUING INSURRECTION

Surface impressions of China fail to reveal the seething terror that lies just out of sight. Just as gullible American newsmen were impressed by the gaity and smooth organization of Jonestown, Guyana, so too the zombie smiles, the unfailing politeness, and the seemingly spontaneous satisfaction expressed by model Chinese workers have impressed visitors. Yet there must be few countries that can match the People's Republic's continuous history of insurrection, or the ruthless and bloody determination with which such insurrections are repressed. Indeed, as the Communist accession to power recedes further and further into the distance, the desperate urge to revolt grows stronger, not weaker. Men, driven by terror and the futility of existence, at last rise up against any odds. Thirty years after the founding of the PRC, the demographics suggest that the overwhelming proportion of Chinese have never known anything else than a Maoist society. Yet they reject it. In a land where armed revolt is a state secret which it is death to reveal, we do not know

of all of the uprisings which occur. But many documented cases cannot be hidden.

1950: The invasion of Tibet; the isolation of the Dalai Lama; the murder of uncounted political and religious leaders; the suppression of the lamaseries and forced collectivization of agriculture. (The campaign reaches a climax in 1955 with the flight of the Dalai Lama.)

1967: The Cultural Revolution at its height. Thousands purged in villages, government posts, armed forces. Virtual civil war as army units opposed to the cultural revolution seize power. On January 18, Hsinhua, the official news agency, reports that seven major cities are controlled by opponents of the Cultural Revolution: Shanghai, Tientsin, Shengang (Mudken), Kwangchow (Canton), Wuhan, Sian, Chengtu, Chungking. In February, troops are called out to put down major revolt throughout Shansi province.

In 1970: In February, Tibet rises in armed conflict after 20 years of oppression. Revolt is put down ruthlessly by October, with thousands of arrests. Chinese settlers are moved into Tibet to take over territory, displacing native peoples.

1972: Unrest among the Uigurs and Kazakhs in Chinese Turkestan, created by the introduction of Roman alphabet, replacing the native script based upon the holy script of the Koran.

1974: Fears of "war lord" rebellion causes Mao to shuffle commands of eight of the 11 regional commanders. In June, violence breaks out in Kiangsi, and 200 are killed by troops restoring order.

1975: In May disturbances begin in Hangchow. By July, troops have to be sent to put down rebellion by force.

1976: 100,000 Chinese riot in Tienamen Square in the heart of Peking, attacking Mao's thought. Troops fire into crowd, killing 100, wounding hundreds more. Thousands arrested on the spot and over the next few days. Smaller demonstrations occur in other major cities. In November, troops have to be sent into Fukien; the local military district deputy commander "dies a martyr at his post." In December, Wuhan seethes with unrest. In Hopei province, Paoting, a major rail center, is the scene of prolonged disturbances that sabotage rail traffic. Mass public trials convict and execute ringleaders. Hong Kong sources report that there is unrest in 12 administrative regions.

1977: Rail interruptions continue, apparently as part of an over-all plan of sabotage. In January, the military take over the Chengchow Railroad Bureau to restore service under martial law. Chengchow, capital of Honan province, is at the center of China's north-south and east-west routes. Claimed steel production decreases 16 percent over 1975. In February, Koumintang sources in Taipei assert that there are over 183 anti-Red groups operating in the mainland, with some networks numbering in the thousands, disrupting transportation, agitating among the public to raid government granaries, and raiding military depots for arms. In July, another Fukien military district deputy commander "dies a martyr at his post," the second in less than a year.

(PART II.—On April 6, 1976, when the party central held a "tip-off meeting" for arresting the Gang of Four, it was hoped that the movement of exposing and criticizing the Gang of Four would be carried out without bloodshed, without firing a shot and without the deaths of people. But the situation has changed incessantly. In one and a half years, the People's Liberation Army suffered glorious casualties of 7,000 men, 1,120,000 persons were arrested and 140,000 persons who resisted arrest took to their heels. Some chose the course of death by continuing to make enemies with the people and even chose to become bandits by engaging in such nasty activities as looting.

During the ten years of the Gang of Four rampancy, 2,380,000 cadres and technicians suffered the buffeting of different degrees, of whom the cases of nearly 800,000 persons have been processed only recently. More than 17,000 cadres were liberated in Shanghai. In the whole state, at least 300,000 cadres have problems waiting for solution. At least another two years (1980) are needed to solve thoroughly all the problems of the cadres and the masses of the people left by the Great Cultural Revolution.—Yeh Chien-yin, Vice Chairman of the Chinese Communist Party, April 1978.)

Such incidents, culled from the free western press, filter through from travelers, refugees, and intelligence sources. Sometimes even the official Chinese press takes note of them, particularly after the successful repression of the unrest—a warning, no doubt, to others who might be considering revolt. Given the primitive state of technology in China, the authorities do not yet possess the organization or the means to completely suppress news of all events, and to prevent such uprisings. The evidence suggests, however, that such events are underreported, rather than exaggerated.

What causes the Chinese to break out of their lives of quiet desperation even when the penalties are so severe? The answer must be sought in the very nature of the system itself, which contradicts most of the noblest aspirations of human nature. Western intellectuals are accustomed to think of human rights within the narrow horizon that dominates the intellectuals' world, namely, intellectual and political freedom. But the vast majority of people, even in the West, happily live their lives outside of such specialized concerns. When only a third of Americans vote in presidential elections (and how many of those vote upon the basis of reasoned analysis?), it immediately becomes evident that other priorities absorb their attention and energies. Most people are content if left alone to pursue their own interests. The rights of free speech and political organization are important to them only if those rights are abridged. Free discourse, debate, and democratic principles are not ends in themselves, but are devices to protect and enhance human rights that are far more fundamental and far more universally practiced.

BASIS OF HUMAN RIGHTS

Any analysis of the human rights situation in China, therefore, must go far deeper than the superficial indices usually used in examining human rights in Western countries. In the West, we start from a base of assumptions about human nature and freedom that does not exist under the present regime in China. The usual indices—freedom of speech, freedom of political dissent, freedom from arbitrary arrest and torture, freedom from summary trial and execution—simply do not relate to life in Communist Chinese society. The fact that such freedoms do not exist, or exist in miniscule amounts, has no meaning. Can it be truly said that freedom of speech is improving in China when powerful figures in the regime dictate that certain criticisms of Mao be affixed to a wall in Peking for 10 days? How many of China's 850 million people will get to see that wall? How many of the 35 million party members?

If such rights exist, or are improving, then the only reason for optimism would be to hope that the very nature of the system itself would be changing. Yet the essence of the Chinese system is control of the human being: even the very "freedoms" exhibited to Western newsmen are part of the control methodology. The contribution of Mao Tse-tung to history was a system of social organization in which the slate of the individual citizen is wiped clean, and every thought and aspiration is dictated by the State. Mao's contribution was to put into practical operation the theorists who believe that human nature can be changed. Millions had to be killed and millions brainwashed to prove his theory. An entire culture and an ancient civilization had to be destroyed. Millions of workers and peasants survive only as numbed creatures, exhausted through constant physical labor and kept a few days away from the beginning of starvation.

Yet, despite the human costs, the Chinese people remain the same underneath. Trained through terror, uncertainty, and the system of social control to give the proper answers to visiting newsmen no matter what they really think themselves, they continually break out in revolt when ever given the chance. The highly visible purges, treacheries, and counter purges that characterize the handful to top officials known to the West are only a reflection of the turmoil that exists on the basic level of Communist Chinese society. Indeed, the system is tolerable from day to day only because it breaks down so often. Widespread corruption, petty graft, social unrest, military mutiny, and geographic isolation all combine to provide fortuitous, although usually temporary, escapes from the system for many.

It will be useful to examine in detail some aspects of everyday life in China that affect fundamental human rights.

(PART III.—To over ninety percent of the populace, our country grants maximum democratic rights. For all this, there are still some comrades who live in perfect bliss but are not aware of it. They hold muddled ideas, parrot what others say, and even unconsciously echo the views of the class enemy by saying things inimical to socialism. This certainly involves the ideological problem. Be careful: a gaffe, if not corrected in time, will grow into a serious error. . . .

A problem has arisen: Is the Helsinki Declaration to be fulfilled or not? It is a declaration on human rights signed by both Eastern and Western countries, including the backbone countries of the First World and the Second World. We have always maintained that it is hypocritical and totally worthless. Can people in the countries under the dictatorship of the bourgeoise really be vested with human rights? On the other hand, is it really necessary for the countries under the dictatorship of the proletariat to give human rights to a few saboteurs and counterrevolutionaries?

Lenin pointed out: All countries tend to use brute force, the only distinction being whether this brute force is used against the exploiters or the exploited. We have never denied that we are practicing dictatorship against people like the "Gang of Four," landlords, the rich, counterrevolutionaries, bad elements and rightists who account for 3-5 percent of the population, and those bad people who have destroyed peace and order in society. They are required to behave themselves and are not allowed to talk and act as they please. Our credo is: Leniency toward the enemy is tantamount to cruelty to the people, and only by resolutely oppressing a handful of class enemies can the broad masses of people be protected.—Huang Hua, PRC Foreign Minister, July 20, 1977.

If we take Huang Hua's statement to the high party cadres seriously, he admits that China practices "the dictatorship of the proletariat" against five to ten percent of the Chinese people. In concrete terms, this means between 45 and 90 million people, a range that is equivalent to one-quarter to one-half of the population of the United States. These are the "handful of class enemies" who are "resolutely oppressed" by the Chinese Communist system.

How are these millions "resolutely oppressed?" The ultimate sanction, of course, is execution or starvation; we have reviewed the careful estimates of the dead given by scholars in the first section. But now attention must be given to the living dead, the millions who fall into the five classes mentioned by Huang Hua: the landlords, rich peasants, counterrevolutionaries, bad elements, and rightists. These categories are not casual rhetoric rendered by quaint pidgin English; they are specific categories laid down by party directive. Any Chinese person who is assigned to one of these categories by party officials is immediately subject to severe constraints, ranging from labor camps (from which there is no return), to education-through-labor camps (designed to being about ideological reform), to "free workers" at the labor camps (ex-prisoners who are not allowed to return home), to "objects of surveillance" in their commune or neighborhood.

A person does not necessarily become an object of dictatorship in China as a result of his own deeds; his "class status" is even more important. Thus a "landlord" is not, as the term implies to Westerners, a man who controlled thousands of acres in a district, perhaps in absentee fashion; rather, a landlord is anyone who ever rented property. A widow who rented a room in her house in Canton, for example, is a landlord; moreover, her sons and daughters are landlords, even if they have been born since the collectivization of property.

Similarly, a "rich peasant" is any peasant who might have owned as little as two or three acres; and his sons and daughters; and perhaps their sons and daughters. If such a rich peasant had ever hired someone to work beside him in the fields to harvest the crop; or if his father had done so, there is no way to expiate the crime.

A "counterrevolutionary" might be a genuine counterrevolutionary, who is caught working with agents of the Nationalist government on Taiwan. On the other hand, he might be a "capitalist roader" who tried to sell a pig on the black market, or smuggle goods from Hong Kong. He might also be someone who advocated material incentives for workers and peasants, contrary to the prevailing line. Teng Hsiao-ping himself fell in this category for a time, until his military friends "reversed the verdict."

A "bad element" or a "corrupted element" is a genuine criminal—a rapist, thief, murderer, embezzler, extortionist—of the sort which abounds in every human society. The myth that China is free of crime hardly bears examination. The penalties, however, are draconian and swift, with little regard for legal amenities, which both tends to cut the incidence of crime and to sweep the apparatus of criminal justice out of sight.

A "rightist" is a political prisoner, who deviates from the party line, criticises the regime, backs the wrong party faction, engages in religious or philosophical activities, or the like.

To repeat then, there are 45 to 90 million people in these categories who, to use Huang Hua's phrase, "are not allowed to talk and act as they please." Indeed, they are not even allowed to think as they please, for one of the chief aims of the process of the dictatorship of the proletariat is to eliminate "bad thoughts." Those who come from the wrong class are especially susceptible to bad thoughts, as they remember the good old days. Parents of the wrong class are inclined to inculcate bad thoughts in their children, along with their mother's milk. Therefore people with a "bad background" are severely discriminated against. They are assigned the most menial jobs, and they are paid less for their labor. They are excluded from medical benefits, and very few of their children are allowed higher education. They are held under close surveillance as unreliable elements, so that the slightest word or action which might tend to impress authorities as reinforcing their bad background could get them in real trouble. The system of surveillance, as will be explained below, is indeed sufficient to keep them from acting and talking as they please.

THE CHINESE CONCENTRATION CAMPS

The estimates of those in work camps generally hovers at 25 million for work camps plain and simple and 16 million additional at reform-through-labor camps, although no definitive figures are available. In both types of camps, the regimen is similar: Backbreaking labor, under primitive conditions, on a ration just short of starvation. Although no visitors are ever allowed to see the camps, and no complete information is available, there is plenty of evidence from former inmates released through the vagaries of international politics to build the case. In fact, the evidence suggests that the prison camps are an integral part of the Chinese economy, producing food, commodities, and small consumer goods without which the economy would collapse.

The concept of "reform-through-labor," which puzzles Western observers, is central to the Chinese Communist system of people control. The systems and techniques used in the reform-through-labor camps are the identical techniques used on the populace at large in a more diffused way. Thus any discussion of human rights in China must examine the labor camps to find out how the other 90 percent of the people live. In the labor camps, the techniques are highly concentrated to take care of the 10 percent that Huang Hua says must be resolutely oppressed; but the other 90 percent are kept in line only because of the constant terror that they, too, might fall in that abyss.

Of the many accounts that exist of the Chinese prison camps, the best is *Prisoner by Mao* by Jean Pasqualini (Bao Kuo-wang). Pasqualini, who deservedly has been called the Chinese Solyhenitsyn, was the son of a Corsican father and a Chinese mother. But Pasqualini shows that the Chinese have taken the Soviet Gulag one step further. The Gulag is only a course of punishment, with the inmates constantly teetering on the edge of death. The Chinese camp is all that, and more. It is an attempt to reconstitute the inmates' ideological thinking, so that they will never again want to oppose the Communist state.

Once again, a Westerner cannot understand how such a thing is possible. How could a man subjected to the inhuman conditions of a prison camp ever grow to love his jailer? Pasqualini shows that it is not only possible, but possible without exotic drugs, without sadistic torture, and without esoteric mind control devices. The Chinese have too many millions and too few resources to resort to such methods. Their brainwashing techniques are based upon a minimum of complications. Indeed, the fundamental technique is to reduce a man's options methodically, stripping life to its very essentials. When all the options have been eliminated except one, the subject eagerly chooses that one remaining option voluntarily.

The specific techniques are not entirely unknown in the West, but they have been forgotten since the experiences of the Korean War. Pasqualini shows how they work on persons of Chinese culture. If an individual is considered a redeemable bad element, he is brought in for interrogation, a process that in this case lasted 18 months. The impression in the West is that the "confession" produced in such interrogation is a false document which the victim is forced to sign. Not so, says Pasqualini; the confession is merely a detailed account of all the activities in a person's life. But he is made to realize, first of all, that nothing can be withheld; and secondly that the activities he thought were innocent all his life were in reality crimes against the people. When he signs the confession voluntarily, he joyfully goes to the work camp.

No force is used, only the oft-reiterated statement that the State is being lenient in not killing the prisoner immediately. The prisoner is in a cell with 20 men, undergoing daily self-examination and mutual criticism sessions. All aspects of privacy are totally eliminated, and food is reduced to the very minimum for survival. Prisoners are soon taught that unless they come up with the proper criticisms of the others, and the proper formulation of their own crimes, that they have no hope of further leniency.

ISOLATION THROUGH COLLECTIVIZATION

Thus the prisoner is isolated through collectivization. No part of his past or his present can be hidden. Every action, every word is scrutinized by his surveillance group; any externalization of "bad thoughts" is immediately set upon. He can make no decision except what is forced upon him by circumstance. Physically, he has no reserve because of hunger; mentally, he has no reserve because of constant criticism from without, psychologically, he has no place to hide.

When he finally goes from interrogation to the work camp, he has the added burden of constant exhaustion. The rations are graduated according to the fulfillment of certain work quotas. Only through the expenditure of supreme work effort can a subsistence ration be attained. The environmental conditions are brutal and harsh. The prisoner's only consideration is getting through half a day, and then the full day. His range of concerns is virtually eliminated. If, after ten or twenty years he has learned to behave himself, he may find that the State is lenient, and will release him to continue the same work at the same camp as a "free worker."

What is difficult for the West to understand is the total lack of choice, the complete inability to maintain private thoughts or plans without retribution. For us the inner man is sacred and not to be violated; for the Chinese system, the inner man is either effaced, or he remains an object of dictatorship for ever. Thus work itself becomes an education.

CHINA A VAST PRISON CAMP

The exact same priciples are applied to the organization of Communist Chinese society as a whole. When China is referred to as a vast prison camp, some may think that the expression is used metaphorically. But, in point of fact, Maoism is the perfect exemplar of totalitarianism. An authoritarian country is one where force is applied to prevent the exercise of political rights. But a totalitarian country is one where force is applied to make the exercise of all rights political. In an authoritarian country, most citizens can usually pursue their normal interests and activities, so long as they avoid political or ideological controversies. But in a totalitarian country, all citizens must conduct their daily lives and activities on the basis of correct ideological principles. They have no other choice.

Just as, in the Chinese labor camps, the range of physical and mental choice is limited, so too the lives of the Chinese are restricted by the regime. The difference is in degree, not in kind. A Chinese citizen is required to live where the state dictates, and to work where he or she is assigned. Once the citizen is registered in the assigned locality, he comes under the surveillance of the neighborhood committee in the city or the production team captain in the country. His food ration is just enough to support one person for a month, and the amount is calculated according to nine categories of work effort. Nor can he obtain food from another locality, not even for a visit, without special authorizations and approvals. During and after work he continues ideological training and criticism. His level of pay depends upon a correct ideological attitude, as determined in open meetings by his co-workers. Each one of his co-workers knows that their own correct ideological attitudes will be judged in part by what they say about him.

CHINA 80 PERCENT RURAL

The task that lies before China in the modernization of agriculture is staggering when one considers that 80 percent of the popula-

tion lives in rural villages. This means that at least 680 million people are dependent upon the soil directly for sustenance. Moreover, the peasants are also the chief source of income for the national government. It has been estimated that 70 percent of China's light industry, 60 percent of its foreign trade, 80 percent of its domestic merchandise, and 50 percent of its total financial income depends upon agriculture.

An illusion has been created that Chinese peasants pay no taxes. Yet the State demands such a high percentage of both production and labor that a much greater proportion of the peasant's output is exploited by the State than in the West where high taxes are the norm.

The basic unit of Chinese agriculture is the production team. It is the team that owns the land, does the farm work, accumulates funds for public purposes, purchases and allocates grain, and pays the taxes. The job of the production team is to fulfill the plan laid down by the commune. In short, the production team is the fundamental laboring, accounting, and allocating unit.

The production teams are organized into production brigades, which coordinate the work of the teams. The brigades in turn are responsible to the commune, which makes plans and gives orders. Neither the brigade nor the commune does productive work, nor is the commune a budgetary unit of the State. It is, in effect, a local bureaucracy supported entirely by the productive labor of the peasants under its control. The commune, however, is also responsible for exacting the levies demanded by the State, whether in the form of money or of labor.

Communes are responsible for all public improvments, each in its own territory. Railroads, for example, are built exactly in the manner in which roads were built in pre-Revolutionary France: by the corvee, or forced labor. Roads and dams are also built the same way, with the local authorities being responsible for providing both materials and manpower. Such methods are both slow and inefficient. Most railroads in China are single tracked, and many large cities have no direct links with each other. As for roads, in 1971 the *People's Daily* reported with price that 70 percent of the communes would be reached by motor vehicles. Conversely, 30 percent could not. Nor did the *People's Daily* specify what kind of motor vehicles were used for a criterion. The typical rural vehicles are large tractors and enormous, high-wheeled trucks used for hauling both grain and people.

The exactions upon the peasants are so great that in June 1978 the *People's Daily* published strong criticisms of prevalent practices, which included:

Commandeering of manpower, funds, and materials without compensation for non-productive construction, such as office buildings for the communes.

Bureaucratic extravagance, wining and dining, embezzlement and graft.

Too many non-productive personnel.

Local authorities diverting funds to other purposes, for example, the appropriation of educational and medical funds for general spending.

Individual cadres who were allowed to run up debts to the production teams for the purchase of bicycles and radios without being pressed for repayment.

Overuse of the production teams' manpower and equipment for construction of capital projects, such as dams and irrigation prod ctions.

Excessive price and poor quality of farm supplies manufactured by the communes.

According to the *People's Daily*, 42.6 percent of the commune members' income went to commandeered labor. In general, 40 percent of the profits of the commune go to the peasants. Therefore, if 42.6 percent of the peasants' income was expropriated by forced labor, they retained only 23 percent of the fruit of their efforts.

To make ends meet, the peasants formerly were allowed to keep small plots for private production of fruits, vegetables, banboo, and in some cases, pigs. These products were sold to the State marketing system, the owners being allowed to retain only a small amount for family use. During the Cultural Revolution, such "capitalist roader" practices were forbidden. Thousands of private fruit trees were cut down, and wild plants, such as red pepper, mat rush, tobacco, and taro were uprooted to prevent gathering. Before it was forbidden, such sideline production accounted for almost 40 percent of the agricultural output, although it took place on land that was only a fraction of the collectively worked land.

Now, out of necessity, Hua Kuo-feng and Teng Hsiao-ping have ordered the sideline production plots restored. The small plots are not owned by individuals, but are allocated, often with a production plan. Peasants are presently allowed to keep 50 percent of the pork that they raise, instead of 40 percent as in the past. Under the slogan "to each according to his work," the rigid egalitarianism of the Gang of Four is being cut back. The village markets, which had been ruthlessly extirpated by provincial militia troops, are being restored. Nevertheless, sideline production can only be engaged in after work quotas in the production team, and forced labor for the commune have been fulfilled.

RURAL WAGES AND RATIONING

The peasant's time, therefore, is tied down very closely to his production unit. But even if he had the time to indulge in private pursuits, his freedom of movement would still be greatly restricted by the unavailability of cash, and by the strict allocation of food and fundamental material needs. It takes both cash and ration coupons to purchase food, cotton and textile goods, and "industrial products" (toothpaste, soap, pans, plastic utensil, watches, bicycles, etc.).

Mao is supposed to have said, "I become frightened whenever I think of everyone becoming rich." The legacy of Mao is that such an outcome in China is extremely remote. As already noted, the production team is the fundamental unit of allocation. Whether the team makes a profit or loss depends upon the efforts of its members. Each member is awarded production points according to the agreement of his fellow members. In theory, each should get an equal number of points for an equal day's work. On sick days, the member gets only half the number of points. Since the Communist revolution "liberated" Chinese women to go out and work in the fields, women are expected to perform heavy manual labor. But the general lack of modern medical treatment for female disorders, and the relentless toil in the fields have resulted in complaints in the *People's Daily* that up to 50 percent of the female workpower is incapacitated at any given time, making it more difficult to fulfill the quotas set by the commune. But it also means that women generally earn less than men, even when equal points are awarded for equal work.

At the end of the year, the production team settles its accounts, and its profit distributed according to the workpoints earned, after deductions for the contributions exacted by the commune. The per capita income in a typical production team ranges between $30 and $50 per year, which is low even for China. If the team produces grain (rice in the South, wheat in the north), about one third of the grain is distributed according to work points, with additional grain purchaseable under the ration system. Such grain is the basic staple of the diet.

Ration tickets are not distributed to individuals, but to registered households. Thus any individual finds that all of the daily necessities of life are available only if he is registered in a controlled household. He is allowed to change the registration of his household only if he is assigned to work in a new locality. Similarly, if the State wishes to move an individual to a new locality, it merely withdraws his household registration and institutes it in the new locality. Thus when millions of "educated" youths were sent to settle permanently in the countryside, into situations alien to their training, temperament, and physical capability, the State merely had to change their registration and they were cut off from food supplies in their old homes.

Thus the Chinese Communist State has two important restrictions on the mobility of its citizens: The right to a grain ration, and the registration of households. The right to a grain ration, which is the staple of the Chinese diet, is handled through grain shops. If a person if traveling, he must exchange his ration coupons, good only at that particular station, for special tickets which are valid at restaurants and food shops in other localities. Every bowl of rice, every bowl of noodles must be paid for not only with ration tickets, but with money as well. Even a cup of hot water (a basic refreshing beverage for those who can't afford tea and who will never taste Coca-Cola) requires a ration ticket, because hot water requires scarce fuel.

To change household registration requires not only the permission of the local security authorities (police, or the neighborhood committee, or production team leader), but also the permission of the authorities in the new locality. New authorities resist transfers unless assured of addition-grain supplies, since every new mouth to feed means that much less for those who were living there first. To effect a transfer, a citizen must get permission not only from the security authorities in both localities, but also from the grain ration authorities. As it is, the full ration decreed by authorities seldom is available to citizens.

What is true of grain, is also true of edible oil, essential to the work cooking procedures of Chinese food. Staples and non-staple foods are handled under different ration systems. Cottons and textiles, whether in the form of cloth or made-up articles, are also tightly rationed. The clothing ration coupons are subdivided into smaller units, suitable for the purchase (along with the requisite money) of items such as socks and handkerchiefs. The basic necessities of life, such as soap, toothpaste, toothbrushes, are lumped into yet another ration category with manufactured goods such as kitchen utensils, and luxury items, including wristwatches and bicycles. A bicycle is a purchase equivalent to the purchase in the West of a large screen color TV, and takes 120 times as many ration coupons as a bar of soap.

Chinese Communist rationing is not merely an attempt to allocate scarcity equitably; it holds every citizen on a short leash. Every month each person receives, through his or her registered household, only enough coupons for food to get through that month, perhaps with a slight surplus. The surplus is never enough to feed another person in the family. Moreover, the food allocated is dependent upon the occupation and age of the household-member, with heavy laborers getting more, office workers and children getting less. All in all, there are nine categories which regulate quantity. Moreover, the quantity in seasonal occupations varies; a farmer during planting and harvesting gets a bigger ration than he does during the winter months.

The Chinese system is aimed at planned production, planned marketing, and planned consumption. Each production team is required to produce, market, and consume fixed amounts of grain. In the forced labor camps, inmates are deliberately underfed to maintain them in a state of dependency and discipline. Those outside the prison camps

receive a larger ration, one generally considered sufficient (except in times of natural catastrophe). But the system differs only in quantity and quality; it differs not at all as a system of control. It restricts mobility of action, and leaves no margin for independent activity. A person who breaks ranks will find himself, in a matter of days, without any means to sustain himself. When he is caught, he knows he could soon find himself on his way to the camps.

THE CHINESE WAGE SYSTEM

Visitors to China most often are confined to urban areas, where they observe factory workers and bureaucrats on the streets. All too often, they form their impressions upon such observations. Yet only 20 percent of the Chinese live in urban areas. The income and level of general culture of the urban dwellers is considerably higher than that found in the country areas. Yet even the vast majority of the urban workers are barely surviving on the wages they earn.

At the end of 1977, the Chinese authorities, in response to the overwhelming necessity of the urban workers, raised the wage scales for the second time in twenty years.

In 1958, Teng Hsiao-ping stated to a workers' conference: "The wage system we implement is a low-wage system, aiming to feed five people with the food that can be shared by only three." This means a system that maximizes employment by keeping wages abnormally low. During the disruption caused by the Cultural Revolution, and the consequent decline in the productivity, many, if not most, workers simply could not feed their families. Accordingly, in 1971, the first adjustment was made in wages in twenty years.

The most recent increase in 1977 affected some 46 percent of the urban workers, including factory hands, teachers, and bureaucrats. It gave an increase of 15 percent to 20 percent to workers who had been on the job for more than seven years, maintain ideological purity and high productivity, and earn less than U.S. $52.20 per month. About another 20 percent of the workers fail to come up even to those criteria. Thus about two-thirds of the Chinese workers are earning below a living wage even for the low living standards of China.

But even those statistics do not tell the whole story, for the distribution of worker's incomes is overwhelmingly skewed toward the lower end. A starting salary is about U.S. $10.60 and two thirds of the workers earn less than U.S. $27.40 per month. Studies of the cost of living in Peking indicate that it costs about $16.50 per person per month for food, shelter, and basic necessities. Thus it can be seen that even if a man and his wife are both earning, it is difficult to support two children.

FAMILY LIFE IN CHINA

Down through history, the family was the basic structural unit of Chinese society—not the nuclear family as we know it, not even the extended family as so often described, but the family that reaches back to embrace the known past as well as forwards to the unknown future. The concept of the veneration of ancestors was matched by reverence for the living elders, and supported by mutual self-help among the members of the larger family unit. This powerful social institution was the object of a special campaign of expiration by the builders of socialism.

Three decades of Communism have failed to eradicate the Chinese family, particularly in the rural areas. But insofar as it has survived, it has had to withstand determined attack. Forced collectivization replaced the family with the production team as the economic unit. In the old days, when a son married, he brought his wife to the ancestral home, where she helped run the household under the direction of the mother-in-law. This provided a life as varied and satisfying as is possible within the range of experience of human nature.

Communist authorities have attempted to stamp out this practice, reducing households to mere economic relationships. Women were liberated to work in the fields or factories. In urban areas, husband and wife are often separated to work in different assignments, often hundreds of miles apart. In such cases the husband or wife may be able to come home only once or twice a year. If a husband is sent to a forced labor camp, the wife is often left jobless to fend for herself and the children. Ironically, many children were induced to denounce their parents to the authorities, in direct violation of Chinese concepts of filial piety.

Nor are marital rights and privacy respected by the State. In an attempt to cut the birth rate, the legal age to marry was raised to the late twenties, a move reinforced by the low pay of apprentice and young workers. The traditional Chinese reticence on matters involving sex was roughly akin to traditional practices in the West. But now even contraception is a matter of community involvement. Birth quotas are assigned to production teams and mass meetings are held to determine which women will be allowed to fulfill the quota. Indeed, public charts have been posted in village squares, listing each woman of child-bearing age, the method of contraception in use, the dates of her periodic cycle, and whether she has been assigned to fulfill the quota. Those who violate the plan are compelled to have an abortion, or face the wrath of would-be mothers waiting for their slot for childbearing.

But perhaps the greatest tragedy of the Chinese family was the forced exile of millions of so-called "educated youth" to the countryside. In an attempt to solve the unemployment problem and to slow the growth of the cities, some 52 million middle school and college level youths had been sent up to the mountains, down to the countryside, or to the border areas to help in "socialist construction."

These youths, both men and women, were temperamentally unsuited for life in remote rural settings. Many were physically incapable of performing assigned laboring tasks. Moreover, they looked forward only to a future of permanent exile from their families and friends. Their education was to be totally wasted in a life lived among ignorant peasants, planting, hauling manure, and bringing in the harvest.

The peasants, too, resented the newcomers in their midst. Most could not pay their way in terms of production, and were a drag on the slender resources of the distant communes. China is 60 percent illiterate. The peasants did not take kindly to the citified ways, the educated airs, and the strange accents and dialects of the youths. The youths complained that many were paid the equivalent of only U.S. $.25 a day, and nothing at all during slack season. The girls were particularly defenseless; a major problem was thousands of cases of rape and even forced marriages.

For millions of parents back in the cities, the "sending down" movement was the destruction of all their hopes and dreams, the foreclosure of the future of the family, and the utter ruin of their children's lives. The government urged the parents to adopt such heroic measures as sending copies of Mao's works, Lenin's works, and Stalin's works to boost the morale of their rusticated progeny. After 15 years of this senseless social destruction, the sending down movement has just recently been halted and declared a failure.

THE END OF CULTURE

The Chinese culture is at least 6,000 years old. It has not only the oldest traditions and the oldest artifacts of a living culture, but also one of the most highly developed moral and aesthetic systems. Within this system, the Chinese were on familiar terms with the great religions of the world: Buddhism, Confucianism, Taoism, Islam, and Christianity. Before the Communist revolution, the largest group, numbering in the hundreds of millions, were the Buddhists. Confucianists looked upon the great moral teachings of the Master as an ethical code, which for many took the place of, or supplemented religious practices. Similarly, Taoists, finding inspiration in the teachings of Lao-tse and in the worship of local and national deities, were equally at home with the mentality of the larger religions. The followers of Islam, principally in the northwest, numbered some 10 to 40 million. Christianity, the smallest in numbers, nevertheless had a great impact in preparing China's leaders for modernization.

These great religious and ethical movements dominated and shaped the art, architecture, music, and literature of China. Together they humanized the culture, bringing it to one of the highest expressions of mankind's aspirations. Today, Maoism has been at pains to sweep all of these away, to be replaced by proletarian rigor. The Communist Chinese Constitutions have always guaranteed freedom of religion; but they have also guaranteed freedom of atheism, and atheism is the official State teaching. Nowhere is there any guarantee of the practice of religion.

The fact is that anyone who is observed in the practice of a religious rite is subject to suspicion, surveillance, loss of promotions or perhaps even of a livelihood, or worse. The pendulum has swung up and down; but at any time it is dangerous to have any association with religious practices.

The distinguished Belgian art historian, Simon Leys, has described in his book, *Chinese Shadows*, how not only the practice of religion, but also the practice of art has been forcibly suppressed. The thousands of temples, monasteries, mosques, and churches have all been closed down, except for a mere handful open only to foreign visitors. It is not simply the destruction of the Cultural Revolution that wiped out the art treasures of centuries; it is also the calculated policy of the regime, which has turned medieval temples into warehouses and military depots, and, in a 12-year project, obliterated the historic walls and gates of Peking, leaving empty spaces behind.

The right to maintain and enhance one's historic culture is a very important human right, one that is linked inevitably to the right to practice and propagate one's religious beliefs. The elimination of such rights is the elimination of a very essential part of what makes up human nature, reducing mankind to a one-dimensional being devoid of true humanity.

THE END OF LAW

It is not surprising that the totalitarian deprivation of human rights in China is accompanied by the deprivation of legal rights. The tendency in the West is to think of human rights entirely in terms of a deficiency in law. But human rights are much more fundamental; law is the mirror of a society. It is not surprising that the total absence of human rights in China is accompanied by the total absence of law.

In recent months, there has been a stirring on the mainland, calling for a return to the rule of law. This only emphasizes that no laws of significance have been passed since the beginning of the Cultural Revolution, and that no code of laws exists at all. There is not even a law journal to discuss problems in law. The National People's Congress, which is supposed to enact laws, held no meetings at all from 1965 until 1975. Under the 1948 Constitution, it is supposed to meet once a year.

But in any case, the National People's Congress, a rubber-stamp organization

when it does meet, is totally subservient to the Communist Party. Similarly, there is no such thing as an independent judiciary. When trials are held, the emphasis is upon confession, not upon the weighing of evidence. Indeed, it has been said that the trial itself is not a decisive event in the criminal process.

What counts is neither law itself, nor even the constitution. What counts is the directive of the Party. Party directives, as interpreted by the local party official, are the basis for sentencing. It is the complete politicization of justice, where any prisoner becomes a political prisoner, according to the dictates of the Party line.

CONCLUSION

Life in mainland China for the average citizen is life reduced to the narrowest possible scope of action. The decisions which, in a free society, are made by the individual, are, in the Maoist society, made by the State. The individual is kept under tight control by the restraints upon his basic life decisions.

In so doing, the Chinese Communist society eliminates the basic dynamism that is necessary for its proposed "modernization" program. Unless the human spirit is released to think, plan, and act for its own aims and purposes, the basic creativity of man is shackled. No matter how much technology or financing is poured into such a society, the results will always be far less than if the society were free. The first and foremost principle of "modernization" for Communist China would be the restoration of basic human rights. But of course, if basic human rights were restored, China would no longer be Communist.

Mr. HELMS. Mr. President, if I understand correctly that no Senators wish to discuss this matter at this time, I am prepared to yield back my time.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. HELMS. I yield such time as the distinguished Senator from Alaska may require.

Mr. STEVENS. Mr. President, I want to emphasize again that while I shall vote against the confirmation of this nomination, nothing in my vote should be taken to indicate any dissatisfaction with or lack of respect for the qualifications of the nominee.

I believe that the timing of the administration's actions in recognizing China was deplorable. I feel that the commitment that was made by the President last year when he signed the legislation committing the administration to consult with Congress was not fulfilled. It is my feeling that the history of the relationships between the Chinese people of the world—not just those on the mainland but those on Taiwan and the overseas Chinese as well—will demonstrate that the action taken by the administration in this regard, of asserting the new relationships with China on the mainland, was precipitate. We should not have taken that action without first having reassured the Chinese on Taiwan as to what their total relationship with the United States would be.

I would feel differently about voting on this nomination, for example, if we already had considered the Taiwan resolution and had adopted the amendment that was offered by the distinguished Senator from Illinois. But since we have not done so, I take the position that to confirm the nomination of Mr. Woodcock would be, to rubber stamp the action of the administration that, as I said, was taken in a precipitate manner; and I do not feel that my vote should be to condone that action.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. HELMS. I yield to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I assure the assistant minority leader that the Senator from Illinois will have a full discussion on the floor of the Senate and will have printed the amendment that was rejected by the Foreign Relations Committee. I believe that such a discussion will be valuable. Although amendments may be offered which could disrupt the relationship we wish to establish with the People's Republic of China and Taiwan, the judgment of the Senator from Illinois is that the change in two words in the omnibus legislation would not alter the relationship but would make much more definitive and much clearer the security interests that the United States feels if other than peaceful means were used to settle the Taiwan issue. So we will have a full discussion of that.

Mr. President, the distinguished Senator from New York (Mr. JAVITS) is in California on necessary business. He will not return until tomorrow. He did not leave any indication that he wanted the vote withheld until he returned.

So I presume it is his intention and interest, as the ranking Republican on the Foreign Relations Committee, to have the Senate proceed with this vote as we can now.

But I know from talking with him that he feels very strongly as to the qualifications of Leonard Woodcock. I know he wishes the Senator from Illinois to express his own appreciation to colleagues in the Senate who had felt, like Senator HELMS, that the nomination should be held up until such time as the omnibus legislation has been adopted; but as the ranking minority member of the Senate Foreign Relations Committee, I know he wishes to express appreciation to his colleagues for allowing this vote to proceed immediately.

I know that even though there have been some indications that votes will be cast in the negative on this nomination, the Senator from Illinois has not heard one single Senator say that those negative votes are in any way to reflect on Leonard Woodcock, his capacity, or his capability.

So I think he really will go to Peking. Even though there will be some negative votes, apparently they will be cast not against the person but against the idea of the administration moving ahead with this speed. That should not in any way undercut or weaken or indicate any lack of confidence in him, because the confidence of the Senate has been reaffirmed time and time again. It is a confidence that the Senator from Illinois shares because of his intimate acquaintance with Leonard Woodcock for the past decade or more and the very, very distinguished record that he has achieved, and the respect and the esteem in which he is held not only by the labor leadership of this country but also by many members of industry with whom he has dealt.

He is a man of great honor, a man of tremendous integrity, a man who loves his country, a man who is a tough and able bargainer but who also recognizes that no agreement is a good agreement unless it takes into account the points of view of both sides. No agreement is a long-term, lasting agreement if any side is unfairly taken advantage of.

His knowledge of that and his skill in that particular field I think is a most appropriate asset as we open up, now, a whole new era of friendship, peace, and understanding between the people of China and the people of the United States of America.

The PRESIDING OFFICER. Does the Senator from Alaska seek recognition?

Mr. STEVENS. Mr. President, will the Senator yield me a couple minutes?

Mr. HELMS. I yield to my friend from Alaska such time as he may require, Mr. President.

● Mr. MUSKIE. Mr. President, I would like to speak in favor of Senate confirmation of Leonard Woodcock as U.S. Ambassador to the People's Republic of China.

Leonard Woodcock and I have been good friends for many years. We worked together on the development of the Clean Air Act of 1970 when he was president of the United Auto Workers. While we at times disagreed on a number of the issues involved at the time, I quickly learned to respect his commitment to protecting and promoting the interests of the workers he represented. On balance, many of our views have been similar. I have the highest respect for his ability and judgment.

In his capacity as Chief of the U.S. Liaison Office in Peking since 1977, Mr. Woodcock has built an impressive record. He has developed an excellent rapport with the government officials of the People's Republic of China. As we embark upon formal relations with the PRC, it is crucial that the United States have a representative who has earned the respect and credibility of the Chinese Government officials. Leonard Woodcock is that person.

Many feel that Ambassador Woodcock's confirmation should be held up until the Senate has voted on the legislation assuring the continuation of United States-Taiwan relations on an informal basis. I disagree strongly. We are talking about two distinct issues. One is recognition of the People's Republic of China. The other is what to do about our future relations with Taiwan. The President has a right to select Ambassadors to those governments we recognize, and the Senate has a constitutional responsibility to advise and consent with respect to those nominations. Tying these two issues together would be seeking to block the President in the exercise of his constitutional duty. If the Senate takes issue with Mr. Woodcock's qualifications, that is another matter. But I think many of my colleagues would join me in agreeing that Mr. Woodcock is most qualified for this ambassadorship.

The Senate is also well aware that we are working within a tight schedule, since on March 1, the United States and the People's Republic of China have

agreed to exchange diplomatic missions by this date. I urge that the Senate confirm Mr. Woodcock's nomination without further delay.●

Mr. STEVENS. Mr. President, it was my feeling that this debate would go on longer in view of the controversy concerning the President's Taiwan policy. It is my understanding that we will explore that policy in depth at the time the Taiwan resolution is before the Senate, and I hope that we will have opportunity to explore that in full.

It is my further feeling with regard to this action that the statements made by the distinguished Senator from Arizona, Mr. GOLDWATER, should not be overlooked; they pertain to the status of Chinese Nationalist Government property in the District of Columbia and elsewhere throughout the United States.

It is my understanding that the State Department has not yet responded to the Senator from Arizona and other Americans to whom that property was deeded to protect the interests of the foreign nationals that were involved. I am hopeful that if we proceed to confirm this nomination, which I assume we will do, the administration will not fail to respond on the question concerning that property. At the very least, it is my hope that the total relationships involved in the Taiwan resolution will be explored before any final action is taken by the administration with regard to that property.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is, Will the Senate advise and consent to the nomination of Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Kentucky (Mr. FORD), the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Utah (Mr. HATCH), the Senator from New York (Mr. JAVITS), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The PRESIDING OFFICER (Mr. NUNN). Have all Senators voted?

The result was announced—yeas 82, nays 9, as follows:

[Rollcall Vote No. 9 Ex.]

YEAS—82

Armstrong	Exon	Muskie
Baucus	Glenn	Nelson
Bayh	Goldwater	Nunn
Bellmon	Gravel	Packwood
Bentsen	Hart	Percy
Boren	Hatfield	Pressler
Boschwitz	Heflin	Proxmire
Bradley	Heinz	Pryor
Bumpers	Hollings	Randolph
Burdick	Huddleston	Ribicoff
Byrd, Harry F., Jr.	Inouye	Riegle
Byrd, Robert C.	Jackson	Roth
Cannon	Jepsen	Sarbanes
Chafee	Johnston	Sasser
Chiles	Kassebaum	Schweiker
Church	Kennedy	Simpson
Cochran	Laxalt	Stafford
Cohen	Leahy	Stennis
Cranston	Levin	Stevenson
Culver	Long	Stewart
Danforth	Lugar	Stone
DeConcini	Magnuson	Thurmond
Dole	Matsunaga	Tsongas
Domenici	McGovern	Wallop
Durenberger	Melcher	Warner
Durkin	Metzenbaum	Young
Eagleton	Morgan	Zorinsky
	Moynihan	

NAYS—9

Garn	Humphrey	Schmitt
Hayakawa	Mathias	Stevens
Helms	McClure	Tower

NOT VOTING—9

Baker	Hatch	Talmadge
Biden	Javits	Weicker
Ford	Pell	Williams

So the nomination was confirmed.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point there was a discussion as to the legislative program, which is printed in today's RECORD immediately prior to the recess.)

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Therefore, Mr. President, I ask unanimous consent that the Senate go back into executive session for not to exceed 2 minutes to consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is no objection.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

(The nominations considered and confirmed en bloc are printed at the conclusion of today's Senate proceedings.)

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations, en bloc, were confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF AGRICULTURE AND COMMODITY CREDIT CORPORATION

Mr. ROBERT C. BYRD. Mr. President, I have one nomination that has been reported today by Mr. STONE from the Committee on Agriculture, Nutrition and Forestry, the nominee being Mr. James H. Williams, of Florida, to be Deputy Secretary of Agriculture.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. If there is no objection, this nominee could be confirmed today.

Mr. STEVENS. I am informed that is the desire. There is an agreement from the distinguished Senator from North Carolina (Mr. HELMS) that we proceed at this time.

Mr. ROBERT C. BYRD. Then, Mr. President, I ask unanimous consent the Senate proceed to the consideration of the nomination of Mr. James H. Williams, as mentioned.

The PRESIDING OFFICER. The nomination will be stated.

Mr. ROBERT C. BYRD. Mr. President, the nominee is to be confirmed in two capacities. I ask unanimous consent that the Senate proceed to consider the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read the nomination of James H. Williams, of Florida, to be Deputy Secretary of Agriculture; and James H. Williams, of Florida, to be a member of the Board of Directors of the Commodity Credit Corporation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the votes by which the nominations were confirmed en bloc.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the confirmation of all the nominees.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There is a parliamentary inquiry. We have confirmed all of

the nominations on the Executive Calendar to date?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. I thank the Chair.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a resumption of routine morning business for not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER TO VITIATE SENATE SESSION TOMORROW, AND ORDER FOR RECESS TO 11 A.M. ON THURSDAY, MARCH 1, 1979

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the order for the Senate session tomorrow be vitiated and that when the Senate completes its business today it stand in recess until the hour of 11 o'clock on Thursday morning.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER TO REPRINT S. 359

Mr. STEVENSON. Mr. President, I ask unanimous consent that S. 359 be reprinted with the following correction:

On page 5, after the comma in line 2, strike the word "one" and insert in lieu thereof the following: "two shall serve for terms of two years and two"

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTHER OF THE YEAR

Mr. LEAHY. Mr. President, during these complicated times for the American family, when the pace of change in America places new strains on home life, the status of "motherhood" sometimes loses its aura. Not that people are anti-motherhood, it is just that we sometimes lose sight of the qualities and joys of being a mother.

We need examples, role models. Today I would like to say a word of commendation for a friend in Vermont who combines the best qualities of a successful mother and outstanding businesswoman. Mary Hurd of Springfield, Vt., was named Vermont's 1979 Mother of the Year.

I have known the Hurd family for years, especially through their involvement with the printing business, my father's trade in Vermont. Besides raising five fine children, Mary Hurd established the first offset printing plant in southern Vermont.

My fellow Vermonters made a fine choice when they picked Mrs. Hurd for this honor, and I wish her well at the national conference this May in New York.

I ask unanimous consent to have printed in the RECORD an article from a Vermont newspaper.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPRINGFIELD PRINTER MOTHER OF THE YEAR

SPRINGFIELD.—Mary Hurd of Springfield has been named Vermont's 1979 Mother of the Year.

Georgina Bottamini of Barre, search chairman of the Vermont Mothers Committee, termed Hurd "an outstanding example" of a successful mother, homemaker and businesswoman.

Hurd will be honored at ceremonies in the spring at which time she will be presented the Governor's proclamation and the special citation of the American Mothers Committee.

In May, Hurd will represent the state and vie for the national title of 1979 Mother of the Year at the American Mothers Conference at the Waldorf-Astoria Hotel in New York City.

Hurd is the mother of four sons and one daughter. All four sons received senatorial appointments to the United States Merchant Marine Academy.

Hurd established the first offset printing plant in southern Vermont and it has developed into a successful and growing business. Her husband, Edmund, is a partner in the business.

Hurd's activities include service on the state board for controlling billboards on Vermont's highways and service as a Springfield Hospital trustee and United Way director.

A founder and first president of the Springfield Quota Club, Hurd helped to organize Quota Clubs in Brattleboro and Claremont, N.H. Club members work in fields of service to the hard-of-hearing and speech handicapped, senior citizens programs, crusades against crime, youth programs and many others.

She has held offices in the Springfield American Field Service program and has served as a director of the Springfield Chamber of Commerce. She was a corporator of the Springfield Hospital.

In addition to other civic contributions, Hurd has been active for over 40 years in many areas of the Catholic Daughters of America. At age 25 she was believed to be the youngest regent in the United States. She has also served the National Council of Catholic Women for many years, both at local and state levels.

AMENDMENTS TO BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House on H.R. 1902, the Carson City silver dollar measure. I ask that the bill be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER laid before the Senate H.R. 1902, an act to amend the Bank Holding Company Act Amendments of 1970, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. PROXMIRE. Mr. President, legislation identical to this proposal was passed by both the House and the Senate last year, only to be vetoed by the President because of a controversial, nongermane amendment added during the final hours of the 95th Congress.

Mr. President, H.R. 1902 amends section 205(a) of Public Law 91-607, the Bank Holding Company Act Amendments of 1970, which authorized the public sale of approximately 3 million rare silver dollars by the General Services Administration under procedures established by the Joint Commission on the Coinage. Since 1970, approximately 2 million coins have been sold with receipts of $55.3 million. These receipts are deposited into the general fund of the Treasury and help reduce the national debt.

H.R. 1902 is part of the 1979 legislative program of the General Services Administration. GSA has advised that the guidelines set down by the joint commission are no longer an effective method of marketing the remaining coin inventory of approximately 1 million coins. Under the legislation before us today, the General Services Administration will be able to dispose of the coins without the restrictions set by the Commission. For example, the coins will be sold at predetermined prices and there will be no limit on the number of coins that an individual purchaser may buy. In addition, the legislation will allow the GSA to sell the coins to Federal organizations such as the Smithsonian and to State and local museums for public display. If enacted, it would bring an estimated $24 million into the U.S. Treasury.

I urge my colleagues to vote for H.R. 1902.

Mr. President, Senator GARN, who is the ranking Republican member of the Banking Committee, joins in supporting this measure.

● Mr. GARN. Mr. President, I join my colleague, Mr. PROXMIRE, in urging the passage of H.R. 1902. Now that the nongermane amendment which was added to this legislation during the waning hours of the 95th Congress has been deleted, I see no reason why this legislation should not receive prompt action.

These coins represent the last of the U.S. Government's holdings of 90 percent silver dollars. They were produced during a 13-year period prior to World War I in the Carson City, Nev. Mint. When the demands for silver to support our war effort in 1917 and 1918 resulted in massive coin melts, it was assumed that all of the Carson City silver dollars had been melted down to meet those demands. However, in 1964, long after silver had ceased to be an integral part of our coinage system, a General Accounting Office audit uncovered nearly 3 million uncirculated Carson City silver dollars.

Mr. President, receipts to the general fund of the Treasury have already totaled $55.3 million. That is reason enough to dispose of the remaining coins in the Treasury inventory. In my opinion, the legislation before us today provides an excellent vehicle for that disposal. While it provides the General Services Administration with flexibility in the sales process, it insures that those sales will be fair and equitable.

As the ranking member of the Banking Committee, I join my distinguished chairman in urging passage of H.R. 1902.●

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time, and passed.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

A FEW THOUGHTS ABOUT IRAN

Mr. PROXMIRE. Mr. President, reviewing a political crisis from the vantage point of hindsight poses certain temptations and pitfalls. It is a temptation to chart out what should have been and lay the blame on those in power who did not foresee correctly or analyze astutely. The order of events, the pattern or sequence of critical moves becomes clear with time, while often remaining cloudy during the actual period in question.

During a crisis, information is at a premium. It comes in piecemeal. It has not been analyzed. Events appear interrelated which on reflection are coincidental. There are gaps, sometimes critical gaps, in the flow of information. Imperfection and hesitation all too often are the hallmarks of human nature under stress.

What then should we have expected from our policymakers with regard to the Iranian revolution? It would be unfair to expect a grasp of the subtle or to prophesy the unusual. It is unrealistic to demand the anticipation of the unexpected or to manage events normally beyond control of a distant nation.

These aside, what we can expect is more in the nature of a list of negatives. There should have been no indifference to the full range of political outcomes; there should have been at least rudimentary planning for unlikely events; there should have been a willingness to step beyond bureaucratic or policy constraints to anticipate threats to our Nation's well being; there should have been a suspicion that concrete answers were illusory. We should have kept our eyes open and our ears on alert.

Mr. President, even by this conservative standard of negatives, there has been a U.S. policy failure in Iran. There is proof of what I say.

ADMINISTRATION POLICY TOWARD IRAN PRE-REVOLUTIONARY PERIOD

My interest in Iran has been longstanding. It would be difficult to count the number of speeches I have given on the senseless policy of arming Iran with sophisticated U.S. weaponry beyond its national security needs. Furthermore, in the course of the background investigation for the confirmation of G. William Miller, I began to consider what would happen in the absence or death of the Shah.

During March of 1978, I wrote letters to Secretary Vance and CIA Director Turner asking a series of questions about future events in Iran, should the Shah die. To the question "Who are the likely contenders for power if the Shah died suddenly?" came the following answer:

The monarchy has been an enduring institution in Iran—over 2,500 years—and we believe the vast majority of Iranians favor continuation of this form of government. . . . We cannot predict whether the currently small radical terrorist groups will attempt to exploit the occasion of a changeover to seize power. Their success in any such effort would appear very doubtful. Other political opposition leaders could very well exert their efforts to reduce the power of the monarchy—but not to end it.

As for the question, "Does the present pervasive control exercised by the Shah over all aspects of Iranian public life and expression make it likely that there will be among politically active and aware Iranians a powerful urge to release repressed actions and feelings and a strong reaction against continuing his system of rule?"

The answer was basically that liberalization was continuing to involve more and more people in the affairs of the government, thus facilitating a "larger consensus."

Perhaps the most disturbing of all, however, was the information that our intelligence community was not collecting information on critical internal developments in Iran. Therefore, I again wrote Admiral Turner urging that more attention be paid to making sure information on Iran was extensive, current, and detailed. His reply shed no additional light on the matter.

Mr. President, I ask unanimous consent that all the correspondence mentioned be printed in the RECORD, along with an article from Fortune magazine. It should be noted that individual names have been deleted from these letters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 14, 1978.

Hon. CYRUS VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: My service with this and other committees has made me increasingly aware of the influence of Iran on the American economy, and on defense planning and foreign policy. Recent hearings have now reminded me sharply that the government of Iran is a one-man regime, thoroughly controlled and directed by the Shah.

I am therefore interested in what would happen if the Shah should die or be killed suddenly. Experts outside the government have given me their views on this subject and I request your assessment of it as well. Please include in your reply responses to these questions:

(1) The loyalty of government and military officials in Iran appears to be directly and personally to the Shah; rather than to a system of government or to each other: How much of this loyalty might be transferred to a successor regime, such as the regency by the Queen provided in the present formal succession arrangements?

(2) The Shah's present ruling methods appear to perpetuate and exploit constant rivalry among his subordinates. Can they be expected to offer unified support to a successor regime or is a long period of squabbling and disorganization likely?

(3) Who are the likely contenders for power if the Shah dies suddenly? The military has been a stabilizing force during transition periods in some other developing countries. For reasons of culture and history, the Iranian military apparently has a relatively low status and Iranians prefer other national models of modernization and efficiency. Is it therefore likely that, in addition to struggles by and among military officers for power and influence in the course of succession, there will also be further destabilizing contests between civilian elite groups and military officers?

(4) Does the present pervasive control exercised by the Shah over all aspects of Iranian public life and expression make it likely that there will be among politically active and aware Iranians a powerful urge to release repressed actions and feelings, and a strong reaction against continuing his system of rule?

(5) Is our commitment to the Shah so complete that we would have to start over again from scratch with any of the most likely successor regimes? Are such regimes likely to have strong anti-American feelings? Have we current contingency planning for the Shah's sudden death and its most likely political and economic consequences for us.

I realize that an examination of the consequences of the Shah's retirement or lingering death could also be important and interesting. However, I prefer now to concentrate entirely on the situation which would be likely to follow his sudden death from accident, disease, or assassination, since this would be most likely to produce the most severe crisis and present us with the most difficult decisions.

Best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C., March 30, 1978.

Hon. WILLIAM PROXMIRE,
U.S Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Secretary Vance has requested me to reply to your letter of March 14 containing a number of questions about Iran. The issues you have raised are indeed important and receive careful and continuing examination in the Department. The following paragraphs are numbered according to the numeration in your letter.

1. The establishment of the Regency Council and designation of the Empress as Regent in the event of the Shah's death before the oldest son reaches maturity has, to the best of our knowledge, wide support throughout Iran. The military has strongly supported the present Shah, as it did the Shah's father, and we expect that this support would be extended to the Empress in her role of continuing the monarchical order. Iranian nationalism is a strong motivating force on the Iranian military and will be a major factor in the military's backing for the transition to the legitimate successor.

2. Within the Iranian political structure there are rivalries for power and influence, such as exist in any political system. Iranian political leaders are not now "unified" with respect to formulation or execution of particular policies and we would not expect complete homogeneity at the time of transition. However, these differences are likely to be within normal and manageable bounds, particularly as institutions supporting the present form of government increase in strength and acceptance.

3. The monarchy has been an enduring institution in Iran—over 2500 years—and we believe the vast majority of Iranians favor continuation of this form of government. There is no generally recognized rival to the Crown Prince for the succession. However, a difference of views exists on how much power the monarch should have. The Iranian military has been loyal, as I noted in paragraph

1 above, and we do not foresee at this time seriously destabilizing contests between civilian and military elites. They would share an interest in a smooth transition and a continuation of economic and military modernization.

We cannot predict whether the currently small radical terrorist groups will attempt to exploit the occasion of a changeover to seize power. Their success in any such effort would appear very doubtful. Other political opposition leaders could very well exert their efforts to reduce the power of the monarchy—but not to end it.

4. Over the last 16 months or so a political liberalization has been taking place in Iran and many groups and individuals are speaking out frankly and openly against various policies and practices of the government. Complaints range from the extent of the Shah's power to the functioning of the judiciary and to the prices of goods and housing. The Shah stated publicly in the aftermath of the Tabriz riot that the liberalization will continue. This policy is encouraging, as it involves more and more people in the affairs of the government and facilitates a larger consensus.

5. Although our relations with the Shah have been very close for three decades, American officials deal with a broad range of official and private Iranians, and we foresee no particular difficulty in working closely with a successor government. We believe that the length and strength of the Iran-U.S. friendship, as well as the factors which underlie it, make it likely that a mutually beneficial relationship will continue under any likely future Iranian leadership.

If you believe that it would be useful to you, I would be pleased to ask one or two of our Iranian specialists at the Department to call on you at your convenience to go into greater depth on these matters.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

MARCH 9, 1978.

Admiral STANSFIELD TURNER,
Director of Central Intelligence, Central Intelligence Agency, Washington, D.C.

DEAR ADMIRAL TURNER: My service with this and other committees has made me increasingly aware of the influence of Iran on the American economy, and on defense planning and foreign policy. Our recent discussion reminded me sharply that the government of Iran is a one-man regime, thoroughly controlled and directed by the Shah.

I am therefore interested in what would happen if the Shah should die or be killed suddenly. Experts outside the government have given me their views on this subject and I request your assessment of it as well. Please include in your reply responses to these questions:

(1) The loyalty of government and military officials in Iran appears to be directly and personally to the Shah, rather than to a system of government or to each other: How much of this loyalty might be transferred to a successor regime, such as the regency by the Queen provided in the present formal succession arrangements?

(2) The Shah's present ruling methods appear to perpetuate and exploit constant rivalry among his subordinates. Can they be expected to offer unified support to a successor regime or is a long period of squabbling and disorganization likely?

(3) Who are the likely contenders for power if the Shah dies suddenly? The military has been a stabilizing force during transition periods in some other developing countries. For reasons of culture and history, the Iranian military apparently has a relatively low status and Iranians prefer other national models of modernization and efficiency. Is it therefore likely that, in addition to struggles by and among military officers for power and influence in the course of succession, there will also be further destabilizing contests between civilian elite groups and military officers?

(4) Does the present pervasive control exercised by the Shah over all aspects of Iranian public life and expression make it likely that there will be among politically active and aware Iranians a powerful urge to release repressed actions and feelings, and a strong reaction against continuing his system of rule?

I realize that an examination of the consequences of the Shah's retirement or lingering death could also be important and interesting. However, I prefer now to concentrate entirely on the situation which would be likely to follow his sudden death from accident, disease, or assassination, since this would be most likely to produce the most severe crisis and present us with the most difficult decisions.

Best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., March 28, 1978.

Admiral STANSFIELD TURNER,
Director of Central Intelligence,
Central Intelligence Agency,
Washington, D.C.

DEAR ADMIRAL TURNER: This follows up my letter of March 15 on the questioning of Iran's future after the Shah's death. Your analyst (deleted) briefed my staff and answered the questions in my letter—no further reply to those is necessary now.

(Deleted) told us that he is preparing an intelligence memorandum on precisely this subject. I was disturbed to hear that there is no current assessment or contingency planning on this very important issue and that the CIA's attention to internal affairs in Iran is limited. I believe that the 2–3 year period following the Shah's death may well be dangerous to our military and intelligence capabilities, and—of particular interest and concern to me—to the international economy and the stability of the dollar.

I urge you to ensure that the CIA's information on Iran is extensive, current, and detailed. Please make a copy of (deleted) assessment available to me as soon as it is a completed CIA product ready for circulation for the comment of other agencies.

Best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., Apr. 15, 1978.

Hon. WILLIAM PROXMIRE,
Committee on Appropriations,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for your letter of March 28 concerning (deleted) briefing of your staff on Iran's future after the Shah's death. I believe I can clarify the matter of your comment about our limited attention to this problem area.

Let me assure you that analysts like (deleted) devote a great deal of time and attention to the internal affairs of Iran. (Deleted), for example, has worked on this area for twenty-five years. Our review of this area is continuous and detailed.

From time to time, as circumstances warrant, we prepare an assessment of the situation. That is what (deleted) is currently preparing and will be pleased to make it available to you when it is fully coordinated and completed.

Your concern about contingency planning is a policy matter and I suggest you might want to take it up with the State Department.

I appreciate your interest in this vital area of the world.

Yours sincerely,

STANSFIELD TURNER,
Director.

IRAN

Even the elaborate spectacle of Chinese Vice Premier Teng Hsiao-p'ing's recent tour of the U.S. could provide only a fleeting diversion from the gravest foreign-policy setback the U.S. has suffered since the Carter Administration took office. Indeed, no sooner had the honored guest returned to Asia than he himself was publicly criticizing his Washington hosts for their lack of resolution in handling the crisis in Iran. However indelicate this may have seemed, Teng had a point. For the fall of a pro-Western regime, and the seizure of power by an Islamic government of uncertain orientation—and even more uncertain stability—have placed in peril U.S. interests that are intrinsically more vital than those that sent Americans to fight and die in Indochina.

There are, in fact, some critical connecting threads—not instantly obvious, but politically serious—between these seemingly remote historical happenings. In the first place, a measure of the hesitation and anxiety of American policymakers, as they confronted the crisis in Iran, can be ascribed to the haunting memory of the presumptions and misjudgments underlying the Vietnam tragedy. In the second place, the opening of diplomatic relations with Communist China could hardly fail to bring back another bleak memory—the bitter and futile debate over "Who lost China?" that raged through U.S. politics two and three decades ago. The remembrance should temper the polemics—and elevate the purposes—of all debate today over the latest great misadventure of U.S. diplomacy.

Perhaps the only incontestable fact in such a debate is the high cost of the failure in Iran. In the words of Energy Secretary James Schlesinger, the curtailment of oil supplies from Iran looms as "prospectively more serious" to the U.S. than the Middle East oil embargo of 1973–74. But as the Secretary himself earlier noted, the geopolitical consequences of the upheaval in Iran—sharing a 1,250-mile border with the Soviet Union and feeling the pressure of Soviet encroachment in other nearby nations—"undoubtedly exceed in importance" even the impact on American and Western energy needs. So National Security Adviser Zbigniew Brzezinski cannot be charged with hyperbole in picturing an "arc of crisis" throughout the strategic area.

The causes of the Iranian debacle are obviously less simple to state. They cannot be grasped without appreciating the whole environment of U.S. policy controlling our relations with the Shah over the last decade. The quantum leap in the American commitment to the Iranian monarch was triggered directly by Britain's decision, announced in 1968, to withdraw its forces from "east of Suez." Before then, Washington's relations with the Shah had been friendly, but discreetly at arm's length. Though the CIA had helped to return him to the throne after his brief flight abroad in 1953 during his confrontation with Mohammed Mossadegh, the U.S. government remained sensitive to the dangers inherent in the autocratic style of the Shah's forced modernization drive, and used its moderating influence accordingly. The reserve started to break down toward the end of the Johnson Administration, largely as a result of the personal impression the Shah made on the President. Overriding Pentagon and State Department objections, Lyndon Johnson agreed to step up arms shipments to Iran—as a show of appreciation for the Shah's willingness to send a medical team to Vietnam.

In 1969 Henry Kissinger, soon after moving into the White House as Richard Nixon's National Security Adviser, ordered a policy study of how the vacuum left by the British withdrawal from the Persian Gulf should be filled. Rejecting a direct American role, Nixon opted for "regional cooperation," based on the twin pillars of Iran and Saudi Arabia. At this stage, the internal stability of the Shah's regime was taken for granted. "The whole assumption was that the Shah was well entrenched and that there was no foreseeable threat to that stability," recalls one of those actively taking part in the creation of the policy. "I feel that I was equally as guilty, and that Mr. Kissinger and the previous Administrations were equally as guilty and oblilous as the Carter people." To date, such candid contrition is not shared by all the architects of the policy.

The few warnings that were sounded went ignored. In March, 1969, the National Security Council endorsed a "Presidential Review Memorandum on Arms Sales" to so-called "forward-defense" countries, including Iran. Prepared almost a year earlier in the Johnson Administration by the Pentagon's Office of International Security Affairs (ISA), the paper raised caveats about Iran's internal stability. But its cautions were soon forgotten. So, too, were subsequent ISA objections that the arms sales to Iran were getting out of hand. As one senior official who followed this process remembers, "The revealing thing was that the warnings did not come from the Iran experts in the bureaucracy, and were consistently rejected by them."

Nixon and Kissinger put their new policy before the Shah during a crucial meeting in May, 1972. Returning from a Moscow summit and still aglow from their earlier visit to Peking, they stopped in Tehran to install the Shah as their regional proponent of the "Nixon Doctrine." A shrewd trader, the Shah laid down his conditions. Along with CIA support to help the Kurds fight their rebellion in neighboring Iraq, he most of all wanted a U.S. promise to sell him whatever military hardware he asked for, and to supply as many as 50,000 technicians, military or civilian, to take care of training and maintenance. Nixon agreed.

In July, 1972, a Kissinger memorandum instructed the bureaucracy accordingly. Removing the last restraints, this open-ended commitment to the Shah was preceded by no serious effort to examine the sociopolitical underpinnings on which any "structure of peace" must stand or fall. Swiftly thereafter, U.S. military sales to Iran soared. From a relatively modest level of $113 million in fiscal year 1970, they had climbed to $2.1 billion by 1973. How his military ambitions affected the Shah's demand for higher oil prices is a matter for conjecture. What is clear is that the quadrupling of oil revenues gave him the means to pursue these ambitions to the hilt.

The rationale for these vast shipments of sophisticated weaponry—some $12 billion in orders were in the pipeline when the Shah was overthrown—was the hollow argument that they would contribute to regional stability. When the crisis in Iran came, the Shah's regime had an overabundance of supersonic fighters, including seventy-eight of the advanced F-14's—but ran short of tear gas. Far from stabilizing the situation, the arms became a major source of popular unrest, arousing bitter resentment against the wasteful diversion of the country's economic resources, the corruption rampant throughout the Iranian procurement program, and the culturally jarring invasion of thousands of foreign personnel and their dependents. It is a historical irony that by enabling the Shah to pursue his grandiose ambition of surpassing West Germany by the year 2000, the oil bonanza sowed the seeds of his own destruction.

But at the time, the Shah's spending was even seen to be one more reason for Washington to support him. For every $1 the U.S. spent on Iranian oil, the Shah was spending $2 in the U.S. The procurement side of the Defense Department, as well as the arms makers, was delighted that military sales to Iran provided the means to stretch out production runs. At a time when America's trade balance was dipping deeper into the red, the surplus of trade with Iran seemed like a godsend. Meanwhile, the Shah kept endearing himself to Washington in little ways—such as by letting Iran participate in the International Control Commission in Vietnam in 1974.

Other warnings came—and went unheeded. The original Nixon-Kissinger decision to take the lid off arms sales to Iran took cheer from the presumed influence this would give to the U.S. But a Senate Foreign Relations Committee staff report noted correctly in July, 1976, that the policy was in fact giving the Shah "a curious kind of 'reverse influence' on the U.S." The U.S. commitment to him had acquired a momentum that made it ever more difficult to control, much less reverse.

In this atmosphere, the message filtered quickly through the bureaucracy that devil's advocates were not wanted. "Until recently, you couldn't give away intelligence on Iran," a CIA analyst testified last January. The Administration worried that critical reporting might jeopardize congressional support for the military-sales program. Despite evidence that the program was "out of control," Senate Foreign Relations Committee investigators charged in July, 1976, that "senior State Department officials appear not to have been prepared to tolerate open debate on . . . unrestricted arms sales to Iran."

The problems of political reporting were compounded in Tehran. The U.S. Embassy there was handicapped by a chronic shortage of officers who spoke Farsi. At the same time, U.S. diplomats became increasingly worried that any contacts with opposition sources were being reported back to the Shah through the ubiquitous secret police, SAVAK. Rather than risk imperial displeasure, one ambassador warned an enterprising political officer to be "more discreet." On another occasion, the same ambassador felt that he had to mask his own worries by inviting a visitor to ask the Shah whether Iran's arms purchases were not perhaps more than the system could bear.

The American Embassy was not alone in its record of unrealism. The U.S. press generally conveyed no audible alarms over dangers ahead. The community of American businessmen and their dependents in Iran swelled to more than 40,000. But their home offices were apparently no better informed, and no more prescient, than the State Department.

The best communications evidently belonged to the Shah himself. He could always outflank both the U.S. Embassy in Tehran and the State Department through his trusted and adroit ambassador in Washington, his onetime son-in-law, Ardeshir Zahedi. Zahedi, whose departure now threatens social Washington with its worst caviar crisis in recent memory, was a master at using his direct line to his friend Henry Kissinger. Till the bitter end, he was equally adept at getting his message directly to Brzezinski.

The use of the American "back channel" of the CIA to keep informed on what was happening in the opposition was sparse and ineffective. This pattern did not change even when former CIA Director Richard Helms served in Tehran as ambassador from 1973 to 1976. Helms concentrated on cultivating the Shah, and left the station to its own devices. Indeed, Iranian internal developments were never seen as the Tehran station's principal concern. Even the new station chief assigned this year was not picked because of his Iranian expertise; like most of his staff, he does not speak Farsi. Besides the Kurdish problem, the station's main mission was to monitor Soviet activities, both in Iran and in the Soviet Union. The invaluable electronic surveillance installations along the Soviet border increased inhibitions about offending the host country. Consequently, the CIA obtained most of its material on the opposition from SAVAK. Reflecting the Shah's own preoccupation with leftwingers, SAVAK concentrated on student activists—even extending its activities to the U.S., with Washington's tacit permission—but it ignored the more important alliance between the disgruntled bazaar merchants and the mullahs. According to the staff report of the House Intellience Committee of January 24, "No CIA intelligence reporting based on sources within the religious opposition occurred during a two-year period ending in November, 1977."

Although more aggressive embassy and CIA reporting resumed in the second half of 1977, it was not until last September that significant insights on the political opposition first reached the desks of key policymakers in the State Department's "Morning Summary." With respect to the CIA, the investigators of the House Intelligence Committee found that "there was absolutely no reporting on the internal situation based on sources within the opposition party during the first quarter of 1978." Despite the prophetic-sounding title of "Iran After the Shah," a twenty-three-page Intelligence Assessment published in August, 1978, flatly stated in its preface that "Iran is not in a revolutionary, or even in a 'pre-revolutionary' situation."

One can therefore sympathize with the frustration that drove the President to dash off his now famous "Cy, Zbig, and Stan" note on November 11. Addressing himself to his Secretary of State, his National Security Adviser and his director of Central Intelligence, Admiral Stansfield Turner, Carter complained that something was obviously wrong about "the quality of our political intelligence." By the date of this lament, unfortunately, the time had already passed when the U.S. could have exerted its influence to persuade the Shah to turn himself into a truly constitutional monarch and to co-opt important elements of the opposition.

And yet—would better intelligence have changed U.S. policy? It seems doubtful. As a classified staff report of the House Intelligence Committee commented in August, 1978, "History provides ample illustration to suggest the futility of warning if decision-makers are unwilling to accept a warning or are unprepared to deal with the terms in which the warning comes."

Such a lesson was confirmed by the experience of Professor James Bill of the University of Texas, one of a handful of academic experts who had correctly analyzed the explosive pressures rising underneath the Shah's regime. Invited to attend a seminar of State Department Iranian experts in March, 1978, he presented a paper entitled "Monarchy in Collapse." As Bill recalled later, "The State Department people were very receptive, but I did not see my views reflected in any changes in policy." Warnings like these did not move the policymakers. Even the assistant secretary for Near Eastern Affairs had relatively little time to spend on Iran, being engrossed in the diplomacy leading to Camp David. Weeks after the seminar, a presumably "receptive" official still objected vehemently when a colleague was bold enough to qualify a description of the Shah's regime as "one of the most stable" with the weasel word "perhaps." (It reminded me of *One Flew Over the Cuckoo's Nest*," recalls a witness to the exchange. "Unless you've been in an insane asylum yourself, you just don't know what it's really like.") One top-level Administration official put his finger on the crux of the problem: "Our so-called intelligence failure was of the worst kind you can get: the reporting was imbibing the presuppositions of the policy."

There is no evidence that the Carter Administration made any serious effort to take

a fresh look at these presuppositions. Like Kissinger before him, Brzezinski saw the Shah as what he termed the Administration's regional influential." In the course of Jimmy Carter's two personal meetings with the Shah during his first year in office—first in Washington in November, 1977, and six weeks later in Tehran—the President restated this reliance in the most effusive terms. "Iran, because of the great leadership of the Shah, is an island of stability in one of the more troubled areas of the world," the President intoned in his New Year's Eve toast to his hosts. "This is a great tribute to you, Your Majesty, and to the respect and the admiration and the love which your people give you." A week later, a wave of angry Islamic demonstrators, shouting their hatred of the Shah, started to sweep over the "island of stability." But another nine months passed before the President first took public notice that the Shah was in trouble.

While the basic policy toward Iran remained unchanged, however, its execution became complicated by two other lofty policy goals of the Carter Administration. The lesser of them was Carter's commitment, strongly backed by Cyrus Vance, to put a ceiling on American arms sales abroad. The difficulty was "solved" by a mix of artful figure-juggling and the exercise of the presidential prerogative to invoke "special circumstances." When it appeared that the planned sale of frigates to Iran would crack the ceiling, for example, it was left for the West Germans to build the hulls. When it came to the $1.2-billion sale of seven Boeing 707 "Airborne Warning and Control System Aircraft"—each loaded with over $100 million worth of the most exotic electronic gear—the President simply made an exception.

More consequential were the problems caused by the Administration's human-rights policy. Its defenders dismiss the notion that pronouncements from Washington were needed to open the Iranians' eyes to the repressiveness of the Shah's regime. The human-rights policy certainly did not cause the pressures that eventually overpowered the Shah, and the efforts to magnify its importance amount to exercises in self-justification by those who had ignored these pressures in earlier years. Nevertheless, the human-rights policy did have a confusing effect in both Washington and Tehran.

On the Washington end, according to one State Department insider, "The human-rights people muddied the policy debate by giving a goody-goody quality to the argument that the U.S. should actively push the Shah toward constitutional reforms in order to pacify at least some of his opposition. This made it that much easier for the 'realists' to dismiss the argument when such an approach, just conceivably, might still have worked." At the same time, the State Department did not feel that it could, in good conscience, exempt the Shah from the human-rights policy altogether. "We had a lot of discussions with the Shah about liberalization," insists a top-level State Department official. "Whether on his own initiative or under our influence, the Shah did say in the summer that he was prepared to take risks." According to the same source, he was also made aware that any bloody put-down of popular revolt "would not have been well received in the U.S."

A revealing insight into how the Khomeini camp perceived the human-rights policy comes from Princeton University Professor Richard Falk, a human-rights activist who, with former Attorney General Ramsey Clark, traveled to Iran and Paris in January at the invitation of Islamic opposition groups. Citing remarks by Mehdi Bazargan—Khomeini's senior political adviser and later his choice for the premiership—Falk reports that the proclamation of Carter's human-rights policy did embolden the religious opposition. "It was quite a surprise to me," admits Falk. "I had thought that this was right-wing propaganda, used for domestic politics in this country. But Bazargan confirmed it. They took appearance for reality."

The impact on the Shah's actions reflected the worst of both possible worlds. Apparently persuaded that this was necessary to keep Washington's support, the Shah made concessions—like some easing of press censorship and the release of prisoners—which were just enough to convince his enemies that he was losing his grip, but never enough to satisfy them. When he got advice from some of his hard-line advisers to crack down hard, he was inhibited by the fear that the U.S. would not stand for a bloodbath. Precisely this, in fact, was the message that came across on September 10, two days after "bloody Friday," when President Carter interrupted his Camp David peacemaking efforts to telephone the Shah to express his regret over the loss of life and his hope that the movement toward political liberalization would continue.

Even this telephone call, however, did not yet signify that the Administration had fully awakened to the magnitude of the crisis. ("I doubt they *ever* really did," laments one member of the Carter team.) With Carter basking in the glories of Camp David, Brzezinski pressing toward full normalization of relations with Peking, and Vance laboring on SALT and the Middle East, the job of keeping on top of the rapidly deteriorating situation in Iran fell to fourth-level people, all dedicated and able, but badly in need of the active support of their principals to give their views clout and coherence. Country director Henry Precht at the State Department, his Pentagon counterpart Robert Murray, and U.S. Navy Captain Gary Sick at the National Security Council were four bosses removed from the President.

Yet it was during these crucial weeks of September and early October that time ran out for the Shah. Had he departed in September—so U.S. Ambassador William Sullivan has suggested to recent visitors—he still might have been able to leave behind the framework of a constitutional monarchy. But sources in Washington contend that this judgment was not reflected in the embassy's reporting at the time. And the fact that Sullivan felt it safe to be away on vacation for much of August hardly suggests that he sensed the urgency of the crisis.

Thus, it appears that by the time the first top-level machinery was set up to deal with the crisis, the hour for decision had already passed. Not till November 2 did the first meeting of the Special Coordinating Committee take place, chaired by Brzezinski and composed of Vance, Defense Secretary Harold Brown, and CIA Director Stansfield Turner. Energy Secretary Schlesinger was brought into the group in December. Operating immediately under it and meeting more frequently—but starting only November 21—was a working group of deputies chaired by Brzezinski's No. 2, David Aaron. Late in December, a third interagency group was set up under the chairmanship of David Newsom, Under Secretary of State for Political Affairs, to deal with such everyday operational problems as the safety of Americans, the security of sensitive military equipment, the closing of the banks, and the collapse of oil production.

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In the last analysis, what most matters is the vision of American leadership that the President brought to this, his first great crisis. His notion turned out to be a very limited one. Reduced to its essentials, it was to leave the crisis to the Shah to handle. With military intervention rejected as pointless from the outset by everyone, the only real options were whether to lay down to the Shah the conditions for American support, or whether to promise him American support for whatever he himself deemed necessary.

From the start, the President chose the second option. The shadow of Vietnam showed through the explanation of one White House source: "We thought the Shah had been around for a long time and knew the country better than we did. We'd just been through the lessons of Vietnam, not just the fall of Thieu but the overthrow of Diem. People have long memories in this Administration, and there was a certain genuine modesty about our capacity to know what was the right political move to make in a situation like Iran."

The immediate difficulty in all this was that the Shah, whom the President and other American officials had known as a self-confident, imperious man of decision, had retreated into a state of ever-deepening depression that left him broding and indecisive. Having progressively cut himself off from reality by his own autocratic style, his world of gaudy visions quickly collapsed. From September onward, and with increasing frequency, the same Shah who would have bristled at foreigners trying to tell him how to run his country was fretfully calling in U.S. Ambassador William Sullivan and his British colleague, Sir Anthony Parsons, to solicit their advice. But Sullivan's instructions were to refrain carefully from prescribing courses of action and to venture only occasional caveats if one of the Shah's ideas sounded too far off the mark. "We didn't want him to cross that line," stressed one White House official.

The issue of whether the U.S. should lead or follow the Shah was once again put to the President in early December. This time the question was posed by New York investment banker and former Under Secretary of State George Ball. The initial suggestion to call in Ball had come from his erstwhile protégé, Secretary of the Treasury W. Michael Blumenthal. The only Cabinet member to visit Iran during the crisis, Blumenthal had been struck by the transformation of the Shah when he saw him on his swing of oil-producing states in November. Both Brzezinski and Vance agreed that it was a good idea to bring in an experienced man who knew the area for a fresh review of the facts. "We felt very uneasy about our data base," explained one White House official—a Washingtonian way of admitting that the Administration felt at sea.

Though he warned that it was already very late in the day, Ball acepted the week-long assignment. According to sources familiar with his secret recommendations, he concluded that the only way in which the Shah might still salvage something was to turn himself into a constitutional monarch and to leave the appointment of a civilian government to a representative "Council of Notables." Ball personally presented his conclusions to the President in the afternoon of December 13. In an hour-long discussion, with only Brzezinski attending, the President stuck to his policy of detachment, i.e., it was simply not right to tell the Shah how to deal with a crisis in his own country.

Although there is very little likelihood that at so late a stage Ball's recommendations would have changed history, what is significant are the grounds on which the proposals were rejected. In effect, the President's rationale left the vital interests of the U.S. and its allies in the hands of a politically bankrupt ruler who had lost his grip and seemed desperate for the U.S. to exercise leadership. To the Shah's plaintive plea, "Mr. President, it's your world!", Carter's answer seemed to be, "Shahanshah, but it's your country!"

As the crisis fast evolved from a problem of disaster prevention to one of disaster containment, however, this pristine posture

proved ever more difficult to hold. In the conduct of a great power, the old lesson was once again driven home—that not to decide is to decide. During a breakfast with White House correspondents on December 7, the President answered a question about the Shah's chances of survival with the candid sigh, "I don't know, I hope so. This is something in the hands of the people of Iran." This confession only precipitated a frantic White House effort to deny any intent to insinuate that the U.S. was putting distance between itself and the Shah. Not long thereafter, Carter infuriated the Khomeini movement by an implicit slap at the Ayatullah's incendiary statements from Paris, and the President lavished blessings on the short-lived regime of Bakhtiar as soon as he was appointed. In the face of the Iranian wave of xenophobia and anti-Americanism, moreover, the well-publicized supply of 200,000 barrels of fuel for the military inevitably was seen as another partisan American gesture. So also was the dispatch of U.S.A.F. General Robert Huyser, the deputy commander of American forces in Europe. But at least Huyser did succeed in dissuading the military from reacting to the Shah's departure with an ill-considered coup, which would almost certainly have resulted in the breakup of the forces and the eruption of civil war.

All this while, the Administration's signals to the region and to the U.S.S.R. continued to be confused and plagued by clumsiness and bad luck. The order to the aircraft carrier *Constellation* to sail from Subic Bay in the Philippines on December 30 quickly turned into a public-relations nightmare. Intended as a gesture of warning to the Russians and of reassurance to the Saudis, the action came to look like one more sign of American faintheartedness when it became known that instead of proceeding into the Indian Ocean, the carrier had dropped anchor off Singapore. Later, Administration sources rather limply explained that the carrier was never intended to proceed beyond Singapore, only to get closer to the crisis area in case of need. Another flagshowing exercise—the dispatch of a dozen U.S.A.F. F-15 fighters to Saudi Arabia in January, first requested by the Saudis in December—turned out no less dismally when it became known that Spain had refused permission for a refueling stop and that the planes had been sent unarmed.

Both of these not very grand, all too halting gestures might be seen as all to fitting symbols of a policy of almost chronic irresolution. The overall orchestration of policy from Washington was bound to revive doubts about the President's talents for decisive leadership. And yet the roots of the American failure run deeper than tactical lapses, deeper into the past.

Only a fair-minded and patient tracing of these roots can produce an inquiry of any serious use to the future. It cannot be said too often that such an exercise in self-examination by the U.S. must not traffic in the emotional and divisive recrimination over "Who lost China?" so poisonous to the politics of the 1940's and 1950's. The recent history of U.S. policies toward Iran is not a tale conspicuous for wise prophets, long ignored, now entitled to raise their voices and point their fingers. Rather, the responsibility for failure seems widely enough shared to encourage some general sense of humility. The grave exaggeration of the personal power of the Shah to govern Iran was a misjudment embraced with equal confidence by both Republican and Democratic Administrations. And the voices of doubt or dissent were no more audible in the halls of Congress than in the councils of the White House.

A debate weighing constructive political questions, rather than brandishing ad hominem accusations, probably must start with renewed awareness that other nations are not, after all, ours to "lose." If there is one lesson Americans should have learned from the Vietnam tragedy, it is that we do not *possess* the ability to decree the course of events in ancient countries deeply affected by their own histories, cultures, and religions. If the role of Buddhism in Southeast Asia often seemed politically confounding, the role of Islam in Iran has proved even more remarkable and baffling to U.S. policymakers.

There are other tough and challenging questions that the failure in Iran poses for architects of future diplomacy. There is the difficulty of accurately gauging the political and social impact of swift technological change upon such a society. There is the problem of "intelligence" in the broadest sense—the observant measuring of the play of political forces within a nation that is not a completely conventional totalitarian state, but rather a toughly, often brutally policed society that yet hesitantly tolerates some sporadic shows of political dissent and press freedom. On such a scene, the emissaries of both the Department of State and the CIA can maintain continuous and informative contact with the political opposition only at a certain risk—the risk of any contact being construed as active sympathy or encouragement. Yet there would appear to be even greater risk in relying on the assurances based on an autocratic regime's own self-assurance. And even in Iran it is not impossible that a more independent U.S. perception of the country's political instability might have helped the Shah himself to be spared the full cost of his own self-delusion.

There finally arises the question critical to the global balance of power: if the U.S. cannot simply proclaim its pure political abstinence from the turmoil of such an arena, how *should* it make its concerned *presence* effectively known and felt? In 1968, the Soviet Union dealt with a popular threat to its stake in Czechoslovakia in its own way. But this is a way wholly incompatible with the U.S.'s declared values and principles. What are the legitimate and effective ways for the U.S. to safeguard vital interests in countries threatened by such social pressures and political disorders? Can these ways be reconciled with any understood code of conduct restraining any major power from merely exploiting and manipulating countries in ferment? And without some such agreed constraint, can detente prove workable?

These are some lasting questions posed by the unhappy events in Iran. They thrust far beyond the dilemmas of the immediate present or the frontiers of that country. And if we can grasp some realistic answers to them, we may somewhere else save what we could not guard there.

Mr. PROXMIRE. Mr. President, is it too soon to draw conclusions from events in Iran? Perhaps not. A few observations are relevant and not subject to post-crisis overreaction. First, arms did not buy us political or economic security. In fact, they may have placed this country in a position where they compromised billions of advanced developments of vital importance to our own defenses. Second, while full knowledge of facts during a crisis does not automatically make for sound decisions, the absence of them makes any reaction essentially a random choice. The vacillating on what regime to support in Iran is a classic case of policy by guesswork. Third, policy should not blind commonsense. Collecting intelligence information on internal events in Iran should not have been held hostage to the fears that any intrusion would be diplomatically unacceptable.

It is too late to apply these solutions to Iran. But it is not too late to be considering what could happen in Brazil, Argentina, Chile, Morroco, Indonesia, or Pakistan. To what degree are we denying ourselves the capability to make correct decisions during a crisis in any one of these countries? Will enhanced arms sales to Saudi Arabia insure U.S. national interests there anymore than they did in Iran? What substitutes are there for arms sales as a dominant instrument of U.S. foreign policy?

It is more important to avoid a future miscalculation than to argue over past mistakes. But it is difficult to feel confident that we will.

IS FEDERAL SPENDING ACTUALLY DAMAGING EDUCATION AND THE AMERICAN FAMILY?

Mr. PROXMIRE. Mr. President, two of the most devastating findings supporting reduction of Federal spending were contained in a little item that appeared in Fortune magazine, the current issue, dated March 12, 1979.

Fortune reported that a mathematician has figured a series of correlations. And here is the way it works: 1.0 would signify a perfect correlation, —1.0 would signify a perfect negative correlation, and plain 0 would signify no correlation whatsoever.

With that in mind consider what the mathematician found. He found in correlating Federal spending on education between 1968 and 1976 and the average verbal scores on the scholastic achievement test to be —0.95.

Mr. President, that is about as close to a perfect negative correlation as you will ever come upon in this complex human world of ours. It suggests that the more Federal money we pour into education, the dumber our students become.

Now I know there are lots of extenuating circumstances, lots of alibis, lots of excuses. But this simple little fact, that the more money we have poured into these educational programs the worse the results, simply overwhelms all the lame explanations.

This simple correlation tells us there is plenty wrong with our present program of Federal aid for education, a conclusion richly documented by the Rand study of a few months ago, and it tells us we should not pour in more money, but ruthlessly eliminate every education program that cannot be clearly justified by results.

FEDERAL SPENDING AND DIVORCE

A second interesting correlation between Federal spending on social services between 1970 and 1977 and the annual divorce rate in the United States shows another fascinating correlation, this one a near perfect positive correlation of 0.9.

Here is another devastating little figure, and it suggests that the colossal increase in Federal spending may be contributing to the breakup of American families.

ERIC AND BETH HEIDEN—SPEED SKATERS

Mr. PROXMIRE. Mr. President, for years many Americans bemoaned the fact that we did very poorly in some events in the Olympics. In one of them, speed skating, we were considered to be way behind everyone else.

In the last couple of years, strange things have happened. A young man from Madison, Wis., has become the world premier speed skater by a tremendous margin. He not only breaks records almost every day he skates, but he wins by tremendous margins.

What makes this situation most unusual is that this young man's sister is now the premier woman skater in the world and she also, of course, is from Madison, Wis. And her coach is from Madison, Wis.

I am very proud to call attention to this fact, and a lead article in Sports Illustrated which has just come out on the remarkable Heidens and their superlative record.

In this country, we have great reverence for athletes. We admire them and respect them. Of course, they do contribute greatly to our life.

But somehow we overlooked speed skaters.

This man, Eric Heiden, is a great hero in Norway where his name has been on the front pages of the papers for weeks during their competitions and all over Europe he is feted as one of the great athletes of our time.

I do wish to call the attention of Congress, and I hope a little more of the country, to the remarkable record of these two marvelous athletes who I am proud to say come from my State of Wisconsin.

Mr. President, I ask unanimous consent that the article concerning the Heidens in Sports Illustrated magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HEIDENS

The odds are stacked fairly heavily against one family's producing two world champions, especially two that reign simultaneously, like speed skaters Eric and Beth Heiden. Not that there is much surface resemblance.

Eric, 20, a pre-med student at the University of Wisconsin, slouches when he stands, perhaps reflecting years of crouching in a skating stance. Beth, 19, a sophomore majoring in civil engineering at Wisconsin, wouldn't dream of slouching. At 5' 2", a foot short of brother Eric, she needs every inch she can rally. Eric's eyes are brown and his hair is dark and wavy. Beth's eyes are green and her dark blonde hair hangs straight, topping a 99-pound frame tiresomely referred to as pint-sized.

Eric's cheeks, while not gaunt, are definitely hollow—he once stuffed them with 52 dried prunes, 26 to a side. Beth's cheeks are right out of Disney's Chip 'n' Dale. Off the ice, he is soft-spoken and gentlemanly; she is a bubbly sprite, full of the devil. But they are far more akin than these differences would indicate. Inside, they burn to win.

On Feb. 4, at The Hague, Beth took the world all-round title, winning all four events at distances from 500 to 3,000 meters. On Feb. 11 in Oslo, Eric swept to the world overall title for the third straight year, winning all four men's events—500, 1,000, 5,000 and 10,000—as well as setting a world record for total points. And then, since speed skating tends to repeat itself, they both turned up in Inzell, West Germany, last weekend for the world sprint championships.

Eric had won the men's sprint title the last two years. In 1978 Beth won the world junior all-round and finished second in the women's sprints at Lake Placid to Lubov Sadchikova of the Soviet Union. In Inzell Beth handled Sadchikova with no problem. Unfortunately, however, she had to contend with one of her own teammates. Leah Poulos Mueller, the silver medalist in the 1976 Innsbruck Olympics, came out of an 18-month layoff to win the world sprint title for the second time.

The championships are spread over two days, with a 500- and a 1,000-meter race each day. Mueller won both 500s and finished fourth and fifth in the 1,000s. She had been training in Inzell for six weeks with her husband and teammate, Peter Mueller. A sprint specialist, she had not competed in the women's world meet at The Hague. "I was wondering how good Beth was," Mueller said afterward. "I expected to beat her in the 500. I'm a technique skater and she's more of a strength skater. But it's the unknown you're afraid of."

As it turned out, strength skater Beth won both 1,000s, lowering her personal best by half a second on Sunday with a 1:25.61. Added to a seventh and fifth in the 500s, the result produced a silver medal.

But Beth was already the all-round champion, and anything won at the sprints was so much frosting. She had been saying all week that she would be thrilled just to get a medal, protesting that she was not a sprinter and had no business being the favorite, world champion or not. Besides, there was Eric to carry on the family honor and all that. Which, sure as hometown Madison is the capital of Wisconsin, he did.

Eric Heiden simply does not lose any more in world competition, regardless of distance, as he proved at Inzell by annihilating the field in both the 500 and 1,000. On Saturday, he tied his own world record in the 1,000 with a 1:14.99, despite stumbling and having to steady himself with his left hand to keep from falling. His 1,000 on Sunday, which was raced in a driving snowstorm, was .08 of a second slower; his winning times in the 500 were 36.17 and 36.23.

The races at Inzell produced Eric's eighth world title in eight tries in the last three years—two juniors, three seniors and three sprints. He has become the Secretariat of speed skating, winning his races by unheard-of margins. When Heiden was at the world meet in Oslo, where speed skating is a mania, he appeared on the front pages every day. He was hustled about like a rock star, and had to sneak out through hotel garages to avoid his admirers. U.S. Ambassador Louis Lerner hopped on the bandwagon by appointing Heiden honorary sports ambassador to Norway.

Despite all the hoopla and pressure, Eric took the 500, 1,500 and 5,000. Then, having locked up his third straight all-round title, he went all out in the 10,000 and lopped seven seconds off the stadium record, skating the grueling 6¼ miles in 14:43.11 to finish a whopping 15.64 seconds ahead of the second-place racer. In a scoring system where a difference of one point is something of a rout, Heiden finished 4.8 points up on Jan-Egil Storholt of Norway. A total of 4.2 points separated second from 15th place. Eric is that far ahead of the rest of the world.

Heiden's fellow competitors are the first to admit it. In Inzell, after Eric tied his 1,000 world record, Peter Mueller could only laugh. Mueller, who won the gold medal at the distance in the 1976 Olympics, finished fourth at Inzell. "There's no one here he has to worry about," Mueller said. "Everybody else goes for second and third and so on. But I'd like to get closer than three seconds. Maybe a second and a half, or so."

The European skaters are no less awed, cheerfully raising Eric's hand after every race and posing admiringly for pictures with him. In fact, there is only one group that does not seem to consider Eric's success well-deserved. "The European skaters aren't as concerned about me as their coaches are," Eric says. "If *they* don't have a winning season, they get fired." And the person all these countries would like to hire to replace them is the Heiden family coach, Dianne Holum, the only woman coach of world-class speed skaters. Holum was a great skater in her own right, winning silver and bronze medals in the 1968 Olympics and a gold and a silver in 1972. That was the year she moved from Northbrook, Ill. to Madison, where Beth and Eric Heiden were members of the local speed-skating club.

Holum put the Heidens on a training program which she devised. It stressed dry-land training of all varieties—bicycling, weight lifting and a series of exercises meant to imitate proper skating technique—including the dread duckwalk. "They trained hard and made a big jump the first year," Holum says. "But that second year when they didn't make that big jump again, they had to learn patience. That was the big thing. A lot of the kids quit, but Beth and Eric stayed with it, even when they couldn't see the improvement."

A technique the Heidens use that is unique to the U.S. team is "special turn training." One day at their University of Wisconsin training facilities, Holum discovered the miracle of surgical tubing. She tied one end of a length of tubing around Eric's waist, then, holding the other end, she leaned back herself. Now Eric, while duckwalking in a skater's stance, could lean out as though negotiating an imaginary turn.

"It's hard to imitate turning on dry land, but a turn is half the race," Holum says. "That's where Eric is so good. Because of centrifugal force, you can build up speed on the turns that you can't on the straightaways. We do a lot of speed change work, too. You have to be able to work into the wind and relax when it's at your back. That's how Beth won in Holland, where it was awfully windy."

Beth is the sort of girl to which cliches like "bright as a button" and "sharp as a tack" gravitate. But if she is all puppy on the outside, tucked away somewhere inside is a tiger. "Other people may be built better," says Holum, "and may be stronger, too. But Beth is more efficient. And she is a fighter. She feels that she has to make up for her size. She never understood her potential before. I'd tell her she could do a 4:40 in the 3,000, and she'd argue, 'No way I can do that.' But after she won the 500 at the world meet she decided, 'Hey, I want to win this thing.' It all had to come from within her."

Many of the top women sprinters had skipped the world championships because they do not excel at the longer races. So it was that Beth shocked both the field and herself by winning the 500 in 44.49 and the 1,500 in 2:13.79 on the first day at The Hague, with her superior conditioning, she found the strong wind an advantage. "I would have been happy to be in the top three," she said later, "but Dianne thought I could win it all. And then I heard from somebody that Eric also thought I could win. That meant a lot to me."

"I guess I was afraid to find my potential," she said. "I'll still argue if Dianne gives me a time to shoot for that I don't think I can make. But she's usually right."

Despite skating her best 500 of the year, Beth was trailing two East Germans Christa Rothenburger and Sylvia Albrecht, by substantial margins going into the final 1,000 at Inzell on Sunday. Although Mueller was too far ahead to catch, Holum asked Beth to go for a 1:25, a full second under her previous best for the distance. And in the snowstorm, to boot. This is what Holum figured it would take to catch—and hold off—the East Germans.

"Before the race, I didn't think I could do it," Beth said later. "I had to beat one of the East Germans by 1.1 seconds and the other one by .6 of a second. Going into the last turn, I was telling myself, 'Go hard, go hard!' " She was clocked in 1:25.61.

But the East Germans still had a chance to beat her, and they were ahead of the pace until the final 100 meters, then both fell short. "That final 100 is so important," said Holum. "That's where an all-rounder like Beth has the advantage over the sprint specialist."

Eric has finished competing for the year, but Beth, because she is 19, will defend her junior world title next week in Grenoble. Both Heidens will take six weeks off this spring, then resume training in April for the Olympics. If February of 1980 is as extraordinary a month for the Heidens as was February of 1979, they'll be loaded down with gold.

MORE SUPPORT FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, a week ago I received word from Congressman GERRY STUDDS of a resolution he has introduced in the House urging the Senate to immediately ratify the Genocide Convention.

Mr. President, I could not be more delighted by such a proposal. It is high time that we in the Senate be made to realize both the wide range of support enjoyed by the Genocide Convention and the implicit message we send to the rest of the world by our continual refusal to act on this treaty. Mr. STUDDS is to be thoroughly commended for his initiative in proposing this resolution.

Mr. President, as Mr. STUDDS so clearly and succinctly presents his case in his "Dear Colleague" letter, I ask unanimous consent that the text of his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 16, 1979.

DEAR COLLEAGUE: You may have noticed that from time to time the U.S. Senate is incapable of acting on important issues. One such issue is the proposed ratification of the U.N. Convention on Genocide, a pact which was first sent to the Senate 30 years ago, and which has now been ratified by 84 other countries.

Drafted with the active assistance of U.S. diplomats, the Genocide Convention was designed at first to be—and it still remains—an expression of international determination that the Nazi holocaust would never be repeated. In 1948, it was approved in the U.N. General Assembly by a vote of 55–0 and signed by U.S. negotiators two days later. The following summer, it was delivered to the Senate by President Truman where it has been pining away ever since.

Four times the Convention has been approved by the Senate Foreign Relations Committee, most recently dying for lack of a successful cloture vote in 1974. Failure to ratify this convention, according to Deputy Secretary of State Warren Christopher, "remains a great puzzlement and concern to other nations, including our closest friends and allies . . . It most certainly is not in our best interests to stand aloof while the democratic principles we have long championed are proclaimed and applied by others."

Ratification of the Convention has been halted by a small but vocal minority which has raised misguided questions about the constitutionality of the Convention. Their objections have been universally discredited, and ratification has now won the support of the American Bar Association and the ACLU, in addition to the NAACP, B'nai B'rith, AFL-CIO, and the past seven Presidents of the United States.

The crime of genocide, whether practiced against Jews, Biafrans, Cambodians, or other ethnic or religious groups is perhaps the most heinous of which mankind is capable, and it is a crime which has not always been wholly remote from the minds of our own national leaders. Witness, for example, the remarks of the great Senator and Secretary of State Henry Clay, "It is impossible to civilize Indians. It is not in their nature. They are essentially inferior to the Anglo-Saxon race . . . and their disappearance from the human family will be no great loss to the world."

I have introduced a Resolution expressing the view of the House of Representatives that the Convention for the Prevention of Genocide should be ratified as quickly as possible. Under the Constitution, we cannot force the Senate to act, but we can at least express our strong support for those Senators—particularly Senators Proxmire and Javits—who have been fighting this struggle for decades.

I invite you to cosponsor this Resolution and, should you decide to do so, to contact either me or Bill Woodward of my staff (x-5311) as soon as possible.

Sincerely,

GERRY E. STUDDS.

RETIREMENT OF OLIVER J. DOMPIERRE

Mr. STEVENS. Mr. President, we shall not be in session Wednesday and that will be the last day of service to the Senate by Oliver J. Dompierre, whom we all know as Dom. He will have completed over 48 years of service to the U.S. Senate on that day.

It has been my privilege to work with him and to have known him for many years, and I take the occasion to wish him well.

He has not only served the Senate for over 48 years, he has been married now 49 years.

He saw service in the Navy, and I am certain that his distinguished career in the Senate is something that my good friend, the Senator from Maryland, who has the honor to claim Dom as a constituent, would like to comment upon.

For myself and for the minority leadership, let me wish our good friend the best of luck in the future. We know we will see him often. I hope to see him when we get a chance to go to the beach in Delaware, where I know he will be hanging out.

It is a sad thing to see him go, but, on the other hand, it is a happy thing to know he has got such a good family and a tremendous partner to go on to live the balance of his life with, which I hope will be a very long one.

I yield to my good friend from Maryland.

Mr. MATHIAS. I thank the Senator from Alaska.

I merely want to associate myself with his comments and the good wishes that he extends to Mr. and Mrs. Dompierre.

I guess he is the closest thing to a Senator. The fact, as the Senator from Alaska has pointed out, that he served in the Senate 48 years and has been married 49 years means that Mrs. Dompierre has led a very difficult life for all but 1 year of their marriage, and I hope that the period which is beginning on Wednesday will be a period of great happiness for both of them, in which they will have time to enjoy each other's company and to enjoy the company of their family.

I have a particular interest in their family. Mr. and Mrs. Dompierre have two daughters, one of whom, Mrs. Nottingham, has been a member of my staff for a number of years.

We share a number of things in common; among them the fact that we both served in the U.S. Navy during World War II, and I think that really demonstrates the consistent sense of patriotism and dedication that Mr. Dompierre has brought to this job over the years.

The very desk from which I am speaking at this moment is a desk which was at one time used by a great Member, one of the giants, who served in this body, Arthur Vandenberg, and it is appropriate that I should speak from this desk because Dom served with Senator Vandenberg as well as with Senator Ferguson.

He has been floor assistant to the Senate minority leaders, men such as Senator Knowland and Senator Dirksen, so he has had an integral part in the work of the Senate for almost half a century.

He has known what was happening before it happened, and in some cases I suspect he made it happen.

It is the kind of staff career which is absolutely essential to the smooth and efficient functioning of the U.S. Senate. Without people of this level of competence and this depth of experience, the U.S. Senate could not be the institution that it is today.

I think we all join with the Senator from Alaska in saying good luck to Dom, to his wife Randy, and many, many happy years ahead.

Mr. STEVENS. Mr. President, I thank the Senator from Maryland. As I said, I am sure all Members on this side wish Dom and his family well.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Alaska yield?

Mr. STEVENS. I would be happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I want to add my comments, so ably expressed by the acting Republican leader and Mr. MATHIAS, with respect to Oliver Dompierre.

I have during my now going on 21 years of service in the Senate found Mr. Dompierre to be always a very cooperative, thoughtful, considerate, courteous individual who has put the interests of the Senate above all, who has worked well with all Members on both sides, and who has rendered a distinct service to the Senate and to its Membership over the years, and his years of service go back well beyond my years of service to the Senate or for that matter to the Congress, to both Houses of Congress.

He has served over 48 years in the U.S. Senate, and that is a period of time that would cover the services of men like Senators Vandenberg and Ferguson. Mr. Dompierre was floor assistant to Senate minority leader Knowland, Senate minority leader Dirksen, so he has rendered effective assistance to leaders over a long period of time, to Senators over that

same long period of time; and, as I say, to the Senate itself, which is larger than all of its components.

I regret to see Mr. Dompierre leave the service of the Senate. There comes a time when every person has to say "This is enough." In his judgment I suppose he feels that the time has come.

Mr. STEVENS. The way he looks today he must have come right out of grade school or before he went to grade school. He could not possibly have been an employee for 48 to 49 years. He actually was here when the Republicans were in the majority, I would remind the majority leader. Senator Knowland was the majority leader and Mr. Dompierre was with him, so he has had a distinguished career, and I thank my good friend from West Virginia for joining in thanking Mr. Dompierre for the service to the Senate as a whole.

Mr. ROBERT C. BYRD. I want to express to Dom my compliments and my gratitude, which I have already done, but I also want to express to Mr. Dompierre my good wishes for the future.

I hope he will let us see him from time to time when he comes back to the Senate Chamber to visit with his many friends who number not only those on his side of the aisle but those on my side of the aisle who would want to welcome him back from time to time. We will not forget him. We will all remember the benefits the Senate has derived from his ability and his dedication.

Mr. STEVENS. I thank the Senator.

SENATE RESOLUTION 61—POST-CLOTURE PROCEDURES UNDER RULE XXII

Mr. ROBERT C. BYRD. Mr. President, on Thursday last—February 22, 1979, the Senate agreed to Senate Resolution 61 by a rollcall vote of 78 to 16. This resolution represents the first changes made in postcloture procedures—as set forth in rule XXII—in 20 years.

Senate Resolution 61, as amended and agreed to, will, in my opinion, prove to be a fair and workable procedure. Several very constructive amendments were offered on the floor to the resolution which I first introduced. The resolution represents the best efforts of many Senators on both sides of the aisle to find an orderly, yet equitable, means of bringing debate to a close following cloture. It provides for a 100-hour "cap" on debate after cloture is invoked, and also provides mechanisms for protecting the rights of Senators to be heard and to offer amendments.

Mr. President, I submit for the RECORD a section-by-section analysis of Senate Resolution 61, together with a copy of the resolution as passed.

SECTION-BY-SECTION ANALYSIS OF S. RES. 61

1. Paragraph 1 amends paragraph 2 of Rule XXII to provide for a fixed time limitation of no more than 100 hours after cloture has been invoked. At the expiration of 100 hours, the Senate would proceed, without further debate, to vote on the final disposition of the pending matter or measure. No amendments or motions not then pending would be in order except: a motion to table; a motion to reconsider; motions required to establish a quorum immediately before the final vote.

The 100 hours may be increased on motion by an affirmative vote by three-fifths of the Senators duly chosen and sworn.

If the 100 hours is increased, the additional time agreed upon will be equally divided between and controlled by the Majority and Minority Leaders, or their designees.

No more than one motion to extend the time can be made in one calendar day.

Motions to increase the time are not debatable.

See also paragraph 5 of the Resolution, which provides a 10-minute guarantee, even after the expiration of 100 hours, for Senators who have not yet had an opportunity to speak.

2. Paragraph 2 provides that, if a measure or matter is reprinted after cloture has been invoked, amendments which were in order before the reprinting will continue to be in order and may be conformed as to lineation and pagination if the amendment's sponsor so requests. Conforming changes will be limited to lineation and pagination.

3. Paragraph 3 provides that no Senator shall call up more than two amendments until every other Senator has had the opportunity to call up two amendments. Under this paragraph, if one Senator has called up two amendments, the Chair will recognize any other Senator for the purpose of calling up amendment. The Chair will recognize Senators who have not called up as many as two amendments, and wish to do so, before giving recognition once again to Senators who have called up at least two amendments.

4. Paragraph 4 provides that a Senator may yield all or part of his or her one hour to the following four Senators: the Majority or Minority Leaders; the majority or minority floor managers of the measure, motion, or matter on which cloture has been invoked. None of these four specified Senators may have more than two hours yielded to him or her. Thus, each of these four Senators can have up to a total of three hours under his or her control, and each in turn may yield time from his or her three hours to other Senators. The purpose of this section is to provide greater time flexibility.

5. Paragraph 5 guarantees that any Senator who, when the "cap" has expired, has not had an opportunity to speak will be recognized (for the sole purpose of speaking) for up to ten minutes inclusive. For example, a Senator who has used or yielded three minutes will be recognized to speak for not to exceed an additional seven minutes. A Senator who obtains recognition under this paragraph may use the time only for speaking—not for calling up amendments or making motions or points of order.

6. Paragraph 6 provides that, after cloture has been invoked, the reading of an amendment shall be dispensed with if the amendment has been identified and has been available in printed form at the desks of Members for at least twenty-four hours. ("Printed form" includes typed or Zeroxed.)

7. Paragraph 7 provides that, for a first degree amendment to be in order after cloture is invoked, it must be submitted in writing to the Journal Clerk by 1 o'clock post meridian on the day following the filing of the cloture motion; for a second degree amendment to be in order after cloture has been invoked, it must be submitted in writing to the Journal Clerk at least one hour prior to the beginning of the cloture vote.

8. Paragraph 8 provides that, after cloture has been invoked, and until the measure or matter clotured has been finally disposed of, the reading of the Journal shall be dispensed with and considered approved to date.

Note: The Chair, in response to parliamentary inquiries made on February 22, stated that: (1) a motion to reconsider after a measure or matter had been finally disposed of following cloture, would not be debatable; and (2) a measure or matter, after being acted on, if reconsidered, would no longer be debatable following cloture.

S. RES. 61

Resolved, That paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof new paragraphs as follows:

"After no more than one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to extend time, specified above, may be made in any one calendar day.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.

"After cloture is invoked, the reading of any amendment, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.".

Resolved, That the last paragraph of paragraph 2 of rule XXII is amended by striking the second sentence and inserting in lieu thereof: "Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if an amendment in the first degree, and unless it had been so submitted at least one hour prior to the beginning of the cloture vote if an amendment in the second degree.".

Resolved, That paragraph 1 of rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, rule XXII, the reading of

the Journal shall be dispensed with, and shall be considered approved to date.".

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of February 22, 1979, the Secretary of the Senate, on February 23, 1979, received messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on February 23, 1979, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 3:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following concurrent resolution in which it requests the concurrence of the Senate:

H. Con. Res. 3. A concurrent resolution expressing the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 3. A concurrent resolution expressing the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine; to the Committee on Commerce, Science, and Transportation.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-574. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report of the Forest Service, fiscal year 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-575. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting pursuant to law, that the appropriations to the Department of Health, Education, and Welfare for "Refugee Assistance," "Grants to States for Social Child Welfare Services," and "Grants to States for Medicaid" for the fiscal year 1979 have been reapportioned on a basis which indicates the necessity for supplemental estimates of appropriations; to the Committee on Appropriations.

EC-576. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues on the Precision Location Strike System which will require attention; to the Committee on Armed Services.

EC-577. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, on the major issues concerning the Navy's Surveillance Towed Array Sensor program; to the Committee on Armed Services.

EC-578. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Army's Roland Missile program; to the Committee on Armed Services.

EC-579. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Army's Cooperhead and the Navy's 5-Inch and 8-Inch Guided Projectile programs; to the Committee on Armed Services.

EC-580. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Army's Advanced Attack Helicopter and Hellfire Missile programs; to the Committee on Armed Services.

EC-581. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "High Cost of Military Attribution Can Be Reduced," February 16, 1979; to the Committee on Armed Services.

EC-582. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to repeal section 5153(c) of title 10, United States Code; to the Committee on Armed Services.

EC-583. A communication from the Acting Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to the Federal Republic of Germany for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-584. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Navy's torpedo development and improvement programs; to the Committee on Armed Services.

EC-585. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on funds obligated in the chemical warfare and biological defense research programs during FY 1978; to the Committee on Armed Services.

EC-586. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on Master Planning for Fire Prevention and Control; to the Committee on Commerce, Science, and Transportation.

EC-587. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Drinking-Driver Problem—What Can Be Done About It?" February 21, 1979; to the Committee on Commerce, Science, and Transportation.

EC-588. A communication from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, the annual report of the National Railroad Passenger Corporation for Fiscal Year 1978; to the Committee on Commerce, Science, and Transportation.

EC-589. A communication from the Chairman, Federal Trade Commission, transmitting, pursuant to law, the sixty-fourth annual report of the FTC covering its accomplishments during the fiscal year ended September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-590. A communication from the Secretary of the Interior, transmitting, pursuant to law, the biennial report (Progress Report No. 9, dated January 1979) on continuing studies of the quality of water of the Colorado River Basin; to the Committee on Energy and Natural Resources.

EC-591. A communication from the Secretary of the Interior, reporting pursuant to law, on activities carried on by the Geological Survey during the reporting period January 1 through December 31, 1978; to the Committee on Energy and Natural Resources.

EC-592. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, Volume I of the second annual report to Congress of the Energy Information Administration; to the Committee on Energy and Natural Resources.

EC-593. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Higher Penalties Could Deter Violations of Nuclear Regulations," February 16, 1979; to the Committee on Environment and Public Works.

EC-594. A communication from the Chairman, Tennessee Valley Authority, transmitting a draft of proposed legislation to amend the Tennessee Valley Authority Act of 1933 by raising the ceiling on TVA's authority to issue revenue bonds to finance its electric power program; to the Committee on Environment and Public Works.

EC-595. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to carry out the obligations of the United States under the International Coffee Agreement, 1976, signed at New York on February 27, 1976, and entered into force for the United States on October 1, 1976, and for other purposes; to the Committee on Finance.

EC-596. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Social Security and the Changing Roles of Men and Women"; to the Committee on Finance.

EC-597. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days of the execution thereof; to the Committee on Foreign Relations.

EC-598. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, reports prepared by the International Bank for Reconstruction and Development (IBRD) and reports by the Inter-American Development Bank (IDB); to the Committee on Foreign Relations.

EC-599. A communication from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, the twentieth annual report of the commission; to the Committee on Governmental Affairs.

EC-600. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Observations on Office of Management and Budget Circular A-109—Major System Acquisitions by the Department of Defense," February 20, 1979; to the Committee on Governmental Affairs.

EC-601. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "1978 Annual Report of the Comptroller General of the United States"; to the Committee on Governmental Affairs.

EC-602. A communication from the Comptroller General of the United States, trans-

mitting, pursuant to law, a report entitled "The Readiness of U.S. Air Forces in Europe—Selected Aspects and Issues," February 16, 1979; to the Committee on Governmental Affairs.

EC-603. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report on a personal record system; to the committee on Governmental Affairs.

EC-604. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a proposed new record system; to the Committee on Governmental Affairs.

EC-605. A communication from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 with respect to the computation of certain annuity amounts; to the Committee on Human Resources.

EC-606. A communication from the Director, National Science Foundation, transmitting a draft of proposed legislation of authorization for fiscal years 1980 and 1981 for the National Science Foundation; to the Committee on Human Resources.

EC-607. A communication from the U.S. Commissioner of Education, transmitting, pursuant to law, a report entitled "Progress Toward a Free Appropriate Public Education," January 1979; to the Committee on Human Resources.

EC-608. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on a survey of Athletic Injuries and Deaths in Secondary Schools and Colleges; to the Committee on Human Resources.

EC-609. A communication from the Acting Staff Director, United States Commission on Civil Rights, transmitting a draft of proposed legislation to amend section 106 of the Civil Rights Act of 1964 (42 U.S.C. 1975e) to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

EC-610. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend Public Law 88-448 to authorize and request the President to proclaim annually the seven-day period beginning June 1 as "National Safe Boating Week"; to the Committee on the Judiciary.

EC-611. A communication from the Executive Director, Centre for the Independence of Judges and Lawyers of the United States, reporting, for the information of the Senate, on the nomination of Norman W. Black, Magistrate, Houston Division to the Position of United States; to the Committee on the Judiciary.

EC-612. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, proposed regulations pertaining to the administration of the Presidential Primary Matching Payment Accounting Act; to the Committee on Rules and Administration.

EC-613. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report on monetary policy, February 20, 1979; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Human Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Chairman of the Board of Governors of the Federal Reserve System, relative to monetary policy, be referred jointly to the Committee on Banking, Housing, and Urban Affairs and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which have referred as indicated:

POM-44. A resolution adopted by the National Indian Conference on Aging, Albuquerque, New Mexico, concerning amendments to the Older Americans Act; to the Committee on Human Resources.

POM-45. A resolution adopted by the National Indian Conference on Aging, Albuquerque, New Mexico, concerning wording of a regulation under Title IX of the Older Americans Act; to the Committee on Human Resources.

POM-46. A resolution adopted by the National Indian Conference on Aging, Albuquerque, New Mexico, concerning supplemenal funding for the care of elderly Native Americans; to the Select Committee on Indian Affairs.

POM-47. A resolution adopted by the National Indian Conference on Aging, Albuquerque, New Mexico, urging passage of proposed Indian Social Services Act of 1978; to the Select Committee on Indian Affairs.

POM-48. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Environment and Public Works:

"SENATE JOINT MEMORIAL NO. 102

"Whereas, the Senate and the House of Representatives of the State of Idaho support energy conservation whenever sound and economically possible; and

"Whereas, the President of the United States has requested everyone to join in an attempt to make our country energy-independent; and

"Whereas, the people of Idaho support the full development of all safe, nonpolluting forms of electrical energy; and

"Whereas, the use of nuclear power could be integrated into the electrical power system as a source of future energy for Idaho; and

"Whereas, the federal government has adopted stringent nuclear safety regulations; and

"Whereas, construction of nuclear plants and the provision of adequate energy provides jobs for citizens during and after construction of the plants.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we most respectfully urge the President of the United States and the Congress of the United States to act now to put an end to all administrative delays in order to provide for the earliest possible granting of necessary licensing and construction permits for nuclear power plants.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the President of the Senate, the Speaker of the House of Representatives of Congress, and to the Senators and Representatives representing this State in the Congress of the United States."

POM-49. A concurrent resolution adopted by the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION NO. 3

"Whereas, all human life is entitled to the protection of laws which may not be abridged by act of any court or legislature or by any judicial interpretation of the Constitution of the United States; and

"Whereas, the actions of legislative and judicial bodies in this nation have placed human life in jeopardy by reason of age, biological development or other reasons; and

"Whereas, the United States Supreme Court has nullified the laws of various states, including Mississippi, concerning abortion and has interpreted the United States Constitution in a way which permits the destruction of unborn human life; and

"Whereas, the United States Constitution provides that, on the application of the legislatures of two-thirds (⅔) of the several states, the Congress shall call a convention for the purpose of proposing an amendment or amendments to the United States Constitution, which amendment or amendments when so proposed by such a convention must be ratified by the legislatures of, or conventions in, three-fourths (¾) of the states to become valid:

"Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, the Senate concurring therein, That the Congress of the United States is hereby requested to call a convention pursuant to Article V of the United States Constitution for the sole purpose of proposing an amendment to the United States Constitution, which amendment shall be substantially as follows:

"ARTICLE —

" 'Section 1. With respect to the right to life, the word "person" as used in this article and in the Fifth and Fourteenth Articles of Amendments to the Constitution of the United States applies to all human beings irrespective of age, health, function or condition of dependency, including their unborn offspring at every stage of their biological development.

" 'Section 2. No unborn person shall be deprived of life by any person; provided, however, that nothing in this article shall prohibit a law permitting only those medical procedures required to prevent the death of the mother or to terminate pregnancy caused by rape.

" 'Section 3. Congress and the several states shall have concurrent powers to enforce this amendment by appropriate legislation.'

"Be it further resolved, That the Congress of the United States is hereby requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes and become a part of the Constitution of the United States when ratified by the legislatures of three-fourths (¾) of the several states.

"Be it further resolved, That the Legislature of the State of Mississippi does hereby urge and request the legislative bodies of the several states to apply to the Congress of the United States to call a convention for the sole purpose of proposing this amendment to the Constitution of the United States.

"Be it further resolved, That a copy of this Resolution shall be transmitted to the President of the United States Senate and to the Speaker of the United States House of Representatives; to each member of the delegation of the State of Mississippi in the Congress of the United States; and to the presiding officers of each house of the legislative bodies of the several states of the Union."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. STONE, from the Committee on Agriculture, Nutrition, and Forestry:

James H. Williams, of Florida, to be Deputy Secretary of Agriculture.

James H. Williams, of Florida, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations from the Committee on Agriculture, Nutrition, and Forestry were reported with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR EXTENSION OF TIME TO FILE A REPORT

Mr. CHILES. Mr. President, I ask unanimous consent to move from February 28, 1979, to March 31, 1979, the date by which the report of the Senate Special Committee on Aging, "Developments in Aging, 1978," shall be submitted.

I am making this request in order to allow all our members to review the full text of the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 359

Mr. STEVENSON. Mr. President, I ask unanimous consent that S. 359 be star printed with the following correction:

On page 5, after the comma in line 2, strike the word "one" and insert in lieu thereof the following:

"two shall serve for terms of two years and two".

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself, Mr. STEVENS, Mr. BUMPERS, Mr. STEWART, Mr. LONG, and Mr. BOREN):

S. 477. A bill to provide price incentives for production of crude oil from tertiary recovery projects; to the Committee on Energy and Natural Resources.

By Mr. JAVITS:

S. 478. A bill to amend title IV of the Social Security Act to provide for periodic case review of children placed in foster care and to allow Federal financial participation for an AFDC child in foster care after such a review has been made of such child; to the Committee on Finance.

By Mr. SCHMITT:

S. 479. A bill to authorize the Secretary of the Interior to compensate certain bona fide purchases of subleases from the Sangre de Cristo Development Corporation; to the Committee on Energy and Natural Resources.

By Mr. RANDOLPH (for himself and Mr. GRAVEL) (by request):

S. 480. A bill amending the Water Resources Planning Act to authorize appropriations for fiscal years 1980 and 1981; to the Committee on Environment and Public Works.

By Mr. HART:

S. 481. A bill to authorize the Administrator of General Services to transfer surplus real property to the United States Olympic Committee; to the Committee on Governmental Affairs.

By Mr. HELMS:

S. 482. A bill for the relief of Chatchai "Rick" Chatranon; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 483. A bill for the relief of Basile Christopoulos and Maria Christopoulos, husband and wife, and George Christopoulos, their son; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 484. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 485. A bill to amend the Internal Revenue Code of 1954 to provide that the occupational tax on wagering shall not apply in any State in which wagering is permitted by law; to the Committee on Finance.

By Mr. McGOVERN:

S. 486. A bill to amend Public Law 91-118, the act of November 18, 1969 (83 Stat. 194), providing for a Great Plains conservation program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NELSON (for himself, Mr. STEWART, and Mr. PACKWOOD):

S. 487. A bill to amend the Internal Revenue Code of 1954 to provide a credit for investment in original issue stock of small businesses; to the Committee on Finance.

By Mr. MATHIAS:

S. 488. A bill for the relief of Bedros and Makrouhie Bastijian, husband and wife; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself, Mr. PACKWOOD, Mr. CHILES, Mr. LEAHY, Mr. BELLMON, Mr. BAKER, Mr. EAGLETON, Mr. CHAFEE, Mr. PERCY, Mr. CHURCH, Mr. HEINZ, Mr. RIEGLE, Mr. THURMOND, Mr. BURDICK, Mr. COHEN, Mrs. KASSEBAUM, and Mr. SCHMITT):

S. 489. A bill to amend title XVIII of the Social Security Act to eliminate certain restrictions and limitations imposed for the receipt of home health services and to make more accessible home health services to those in need, and for other purposes; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. SCHMITT, Mr. DECONCINI, and Mr. GOLDWATER):

S. 490. A bill to protect archaeological resources owned by the United States, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. THURMOND:

S. 491. A bill for the relief of Gert Richard Haber; to the Committee on the Judiciary.

S. 492. A bill for the relief of Samuel Cube Fernando; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself, Mr. JACKSON, Mr. CHURCH, Mr. LONG, Mr. BUMPERS, Mr. FORD, Mr. INOUYE, Mr. MELCHER, Mr. WEICKER, and Mr. WALLOP):

S. 493. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, and for other purposes; to the Committee on Energy and Natural Resources, the Committee on Commerce, Science, and Transportation, and the Committee on Foreign Relations; if and when reported, jointly to the Committee on Finance to consider title V only, and Committee on Environment and Public Works for not to exceed 60 calendar days; and that such latter committees be required to file separate reports.

By Mr. STAFFORD (for himself, Mr. RANDOLPH, Mr. CHAFEE, and Mr. MOYNIHAN):

S. 494. A bill to amend certain provisions of the Public Buildings Act of 1959, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. THOMAS, and Mr. CHAFEE):

S. 495. A bill to authorize the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 496. A bill to increase the appropriations ceiling for Title I of the Colorado River Basin Salinity Control Act (the Act of June 24, 1974; 88 Stat. 266), and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. WILLIAMS, Mr. RANDOLPH, and Mr. JAVITS):

S. 497. A bill to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act; to the Committee on Human Resources.

By Mr. STAFFORD:

S. 498. A bill to authorize the Army Corps of Engineers to provide certain technical assistance to local communities; to the Committee on Environment and Public Works.

By Mr. STEVENSON:

S. 499. A bill to establish the Foundation for International Scientific and Technological Cooperation, to provide for the management of the Foundation, and for other purposes; to the Committee on Governmental Affairs.

By Mr. RANDOLPH:

S. 500. A bill to provide for the protection of the public health (including consumer patients) from unnecessary exposure to radiation; to the Committee on Human Resources.

By Mr. STEWART (for himself and Mr. HEFLIN):

S. 501. A bill to authorize the Secretary of the Army to convey additional real property of the United States to the Alabama Space Science Exhibit Commission for use as a permanent site for the Alabama space science exhibit; to the Committee on Armed Services.

By Mr. CULVER:

S. 502. A bill to modify the Davenport, Iowa local flood protection project; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. STEVENS, Mr. BUMPERS, Mr. STEWART, Mr. LONG, and Mr. BOREN):

S. 477. A bill to provide price incentives for production of crude oil from tertiary recovery projects; to the Committee on Energy and Natural Resources.

TERTIARY RECOVERY INCENTIVES ACT OF 1979

Mr. BENTSEN. Mr. President, according to Energy Secretary Schlesinger, the loss of Iranian production could result in energy shortages more serious and more protracted than those experienced during the 1973 Arab oil embargo. How could this be? How could the loss of only 5 percent of our domestic supply cause soaring fuel prices, economic dislocations, long lines at the service station and talk of gasoline rationing? If what Dr. Schlesinger says is true, then we have indeed let ourselves slip into a serious state of affairs.

Clearly if there was one lesson to be learned in 1973, it was to never again permit ourselves to be found in a state

of dependency on unreliable foreign sources of energy. Since then, we have had nearly 6 years to regain control of our national destiny—6 years to break the bonds that hold us captive to a small band of oil exporting nations.

What have we accomplished in those precious 6 years since the Arab oil embargo? Overall domestic oil production has decreased by 500,000 barrels per day, even though Alaska's Prudhoe Bay has since been brought on line. Coal production has changed little, the construction of nuclear plants has been virtually arrested, and no significant progress has been made in the development of alternative energy sources such as solar, coal shale and synthetic gas. Although the rate increases in petroleum consumption has moderated somewhat, we have done little to curb our voracious appetite for all forms of energy. Instead of reducing our reliance on OPEC oil, we have fallen even deeper into the pit of energy dependence, increasing our consumption of foreign oil by more than double the 1973 amounts.

It seems almost inconceivable that a nation of such industrial and political might could permit its economic and social well-being to become subject to the whims of distant and sometimes unfriendly foreign states. Hopefully this most recent reminder of our vulnerable condition, the crisis in Iran, will spur Congress and the administration into action. Dramatic measures are called for—we can delay no longer.

Today I am introducing legislation which will significantly boost domestic production by providing the incentives needed to encourage the development and use of tertiary oil recovery techniques. I believe this legislation is one of several steps which we must take immediately if we are to free ourselves from OPEC domination.

Mr. President, using conventional primary and secondary oil recovery techniques we are able to recover only one-third of a reservoir's original oil in place. The remainder of the reservoir's oil is left in the ground, beyond the reach of these conventional recovery methods. It is this remaining two-thirds of our national petroleum reserves, almost 300 billion barrels, that is the target of a new generation of oil production methods known as tertiary recovery techniques.

According to Department of Energy testimony before the Senate Energy Committee, from 25 to 40 billion additional barrels of oil may be recovered using tertiary methods. Put another way, with tertiary recovery it may be possible to more than double our current proven reserves of 30 billion barrels. Given the proper incentives, by 1990 we could increase our domestic oil production by more than 2 million barrels of oil per day—four times the amount we were importing from Iran before the loss of production in that country.

But despite the enormous potential of these new techniques, less than 3 percent of our domestic oil is presently being produced using tertiary recovery. This is because in comparison to conventional oil recovery practices, tertiary projects are exceptionally risky ventures—they require long leadtimes and massive capital expenditures, and the results are far less predictable. Under the current system of price controls on domestic production, these promising projects simply are not economically feasible.

The legislation I offer today will establish the incentives needed to get tertiary recovery projects off the ground. It accomplishes this simply by removing price controls from oil produced from certified tertiary projects. For a project to be certified, three findings must be made: First, that a bona fide teritary process is being used; second, that the project is designed and operated in a manner consistent with sound engineering practices; and third, that the project should result in an increase in the ultimate recovery of crude oil from the reservoir. The oil released from price controls is only that which is produced from the area affected by the tertiary process, and it is not decontrolled until the injection on tertiary materials actually begins. Once a project is certified, decontrol can be revoked upon a finding of fraud or lack of due diligence in the implementation of the process.

The legislation I am introducing should not be necessary. The Department of Energy could act today to exempt tertiary oil from Federal price controls. Instead, they continue to stand by their existing regulations which have proven to be singularly ineffective in stimulating greater tertiary production. That is the reason that less than 3 percent of our present domestic production comes from tertiary projects.

Given the perilous nature of our current supply situation, Congress simply cannot wait any longer for the Department of Energy to take the lead on tertiary recovery. We must act on our own, and we must act immediately. Most tertiary projects require long leadtimes and major expenditures several years before production is actually affected. We have already wasted too much time in getting these projects underway. I urge my colleagues to join with me in taking this essential step toward maximizing our domestic energy production. Failure to do so would be to play further into the hands of the OPEC cartel.

I urge all of my colleagues to take a look at this piece of legislation and ask that you cosponsor it and support it.

Mr. STEVENS. Mr. President, I think that the bill the Senator from Texas introduces—and I hope he will put my name on it as a cosponsor, as I am a member of the Energy Committee—again is probably one of the most significant pieces of legislation that we have before us now.

This does not involve money for exploration or development or environmental problems of any kind. It involves a commitment to full recovery of the oil we have already discovered, and I can think of nothing that we could do that would be more important.

Mr. BENTSEN. I thank the Senator.

Mr. BUMPERS. Mr. President, I wish to say that I will happily cosponsor the bill of the Senator from Texas to deregulate oil recovered by the tertiary method.

The Senator may recall that Senator Bartlett of Oklahoma and I handled an amendment similar to that 2 years ago and got it passed here, and as the Senator recalls it was removed in conference with the House of Representatives.

In any event, it is a very worthwhile bill, and I am happy to support it.

By Mr. JAVITS:

S. 478. A bill to amend title IV of the Social Security Act to provide for periodic case review of children placed in foster care and to allow Federal financial participation for an AFDC child in foster care after such a review has been made of such child; to the Committee on Finance.

AFDC FOSTER CARE

● Mr. JAVITS. Mr. President, today I am introducing a bill to amend title IV of the Social Security Act to provide for case reviews every 6 months of children in foster care and to allow Federal financial participation for all AFDC children in foster care after such a review has been made. Congressmen DOWNEY and RANGEL are introducing the identical bill in the House.

Children come into foster care as a result of either a court proceeding relieving the parent of custody or a voluntary placement by the parent. In the latter case, a parent might surrender the child because of impending hospitalization or from fear that the child might be abused if he or she were to stay in the home. Federal reimbursement and requirements apply only to AFDC eligible children who are placed as a result of court determination that the child must be removed from home.

Recent congressional and other studies point out that although foster care is designed as a temporary measure, the average length of stay for a child is more than 3 years. Worse, many studies show that despite the requirement that each child for whom Federal reimbursement is provided be reviewed periodically, all too often no effort has been made to review either the family situation or the placement setting of the child after initial removal from the home. Or, if a review is made, too often it is merely a paper one. And, the review provisions do not apply to AFDC children voluntarily placed without court determination. It is hard to imagine that appropriate counseling services could have been provided to the family and child in such instances.

Congressional investigation into this problem indicates that in cases where a State has instituted a more meaningful review of care and has provided necessary services, a child's stay in foster care has been considerably shortened. Federal policy should therefore be amended to mirror these successes. It would save lives. And it would save money, for in most States, foster care costs are considerably greater than AFDC grants for the child. This is especially true in institutions.

The bill I am introducing today would require States, as a condition of receiving Federal reimbursement after September 30, 1981, to develop an individualized case plan for each child in foster care and to review this plan every 6 months. Such review would determine

the extent of progress made toward mitigating the causes necessitating placement, would project a likely date for return to the natural home, and would modify the case plan when appropriate.

The 6-month reviews must be made by an experienced and objective person not directly involved in the provision of services to the child and may be made by a court, if the State desires. At least 2 weeks prior to the review the parent and child must be notified of the agency's recommendations and given the opportunity to appear with representation at the review.

Under this bill, the State would receive Federal reimbursement for any child that has had such a review or one similar or more comprehensive than that prescribed by the bill. This would thus give strong incentive to States for tracking, reviewing, and providing services for all AFDC children now in foster care, even those placed voluntarily by their parents without court determination.

I believe in the need for comprehensive reform of the child welfare/adoption/foster care programs. The House passed such a bill last year, which Congressman BRODHEAD has reintroduced this year as H.R. 1291. I understand that the administration will also be introducing a comprehensive bill. But the bills to date have not included in the review process children already in the system that did not have a judicial determination at placement. Since the House will be acting on foster care legislation first and since the first budget resolution is presently under consideration, I am introducing this limited bill to bring this important principle into the discussions on the foster care issue.

Under this proposal, society will move yet one step closer to achieving a caring system for the unfortunate children of this land who have not been blessed with the kind of homelife we would all hope for our own children. I urge my colleagues on the Finance Committee to consider this legislation favorably.●

By Mr. HART:

S. 481. A bill to authorize the Administrator of General Services to transfer surplus real property to the U.S. Olmypic Committee; to the Committee on Governmental Affairs.

OLYMPIC TRAINING CENTER LEGISLATION

● Mr. HART. Mr. President, last year during the Senate's consideration of the Amateur Sports Act, I was the principal cosponsor of an amendment which would make the U.S. Olympic Committee an eligible recipient for excess Federal facilities to be used as regional training centers in preparing U.S. athletes for the Olmypics. Although the amendment was adopted by the Senate, it was not agreed to by the House-Senate conference committee. The legislation I am introducing today has the same objective and is nearly identical to the amendment I have described. Like last year's proposal, this legislation provides that the property would revert to the U.S. Government when it is no longer used for Olympic training purposes.

To conduct a successful training program, the U.S. Olympic Committee must have a small number of training facilities carefully situated throughout the United States. Under current Federal property disposal procedures, excess Federal property can be reused by a variety of Federal, State, and local public agencies without cost for such purposes as recreation, education, conservation, and historic preservation. Since the Olympic Committee is not a public agency, it is ineligible to receive surplus Federal property unless this situation is corrected through the legislation I am introducing today.

Mr. President, this legislation would merely make the Olympic Committee eligible, as though it were a public agency, to receive and use surplus Federal property. This would not grant any priority preference to the Olmypic Committee in the redistribution of excess Federal property. There is no further cost to the taxpayer involved.

The Olympic Training Center at the former ENT Air Force Base in Colorado Springs highlights the need for this amendment. Nearly 2 years ago, the city of Colorado Springs arranged an equal value trade for 11 acres of land at the Air Force base. As a consequence of the requirement in law that the land exchange be at no cost to either party, there exists a small parcel of the excess land at the Air Force base, consisting of approximately 5.6 acres, that was not transferred to Colorado Springs, and remains excess to the needs of the Air Force. This parcel is, however, needed by the U.S. Olympic Committee as part of its overall training facility. My legislation would readily solve this problem by making the U.S. Olympic Committee eligible to receive and use surplus Federal property. I hope Congress will act expeditiously on this bill.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 485. A bill to amend the Internal Revenue Code of 1954 to provide that the occupational tax on wagering shall not apply in any State in which wagering is permitted by law; to the Committee on Finance.

Mr. CANNON. Mr. President, today I am introducing an amendment to the Internal Revenue Code of 1954, along with my colleague, Senator PAUL LAXALT, the intent of which is to provide that the 2-percent excise tax on wagers and the occupational tax on wagering shall not apply in any State in which wagering is permitted by law.

Several years ago, two key U.S. Supreme Court decisions had the effect of disallowing the prosecutorial function of the then 10-percent excise tax on wagers.

Subsequently, in the first session of the 94th Congress, I introduced an amendment to eliminate the excise tax for legal gaming operations. The Senate and House conferees, however, decided to reduce the tax to 2 percent and increase the occupational tax in section 4411 of the code from $50 to $500.

Thus, we have a situation of gaming establishments who make a good-faith effort to comply with the code losing customers to illegal operations which simply ignore tax consequences. This is compounded by the $500 occupational tax, which can only be interpreted as a penalty on wage earners who are anxious to work, since most employers require employees to pay this tax. As an aside, the Treasury Department admits the revenues from the taxes are extremely minor.

The Commission on the Review of the National Policy Toward Gambling, in its final report to Congress in 1976, determined these two taxes interfere with the ability of a legal gambling industry to compete with its illegal counterpart, and that such taxes, if they are to exist at all, are more appropriately levied by State governments.

In Nevada, gaming is our largest industry. It is a highly regulated and licensed industry. Nevada is the only State affected by the current law. This measure would bring our situation in line with the current Federal gaming policy, which is to reserve the taxing authority and benefits for the States. Although at the same time, adequate jurisdiction for oversight responsibilities by the appropriate Government agencies, including the Federal Government, remains intact.

Mr. President, we ask that this bill be aporopriately referred and we are hopeful the Senate will take rapid and favorable action on this attempt to make the code more equitable and at the same time eliminate another heavy occupational burden facing many working men and women.

By Mr. McGOVERN:

S. 486. A bill to amend Public Law 91-118, the act of November 18, 1969 (83 Stat. 194), providing for a Great Plains conservation program; to the Committee on Agriculture, Nutrition, and Forestry.

GREAT PLAINS CONSERVATION PROGRAM

● Mr. McGOVERN. Mr. President, I am today introducing legislation to extend time limits now set by law for the contracting of conservation programs through the original Great Plains Act and for lifting the funding restrictions that are based on the original 1981 limit. Also, the bill I submit today eliminates the restriction concerning program funding going only into designated dryland counties within the 10 Great Plains States. My bill allows for the contracting to be done in all parts of the States as the need arises.

This same bill, as amended by the Senate Committee on Agriculture, Nutrition, and Forestry, was favorably reported during the last session of Congress. The Senate approved the Great Plains conservation program amendments, but the House did not finish consideration. I would hope, through early action by both houses, we can see final approval for allowing the conservation programs to continue unthreatened by the 1981 cutoff date now in the law.

The immediate need for considering the extension of this legislation is found in the purpose of the program itself. Designed to promote greater agricultural stability through the cost sharing of conservation practices, the original supporters hoped for 16 million acres of the Great Plains to be treated under

special conservation efforts. Reports that I cited during previous consideration showed that, based on past performance, only 8.3 million acres will be under treatment or contract by the program's expiration date of 1981. The fault appears not to be with the law, but with the lack of an effective method of seeking participants and then developing those individual conservation plans for their lands. The success of the program as it has been completed so far should be a sound justification for extending it further. The fact that participation has not spread to all—in many cases the most needy—farmers and ranchers should not reflect failure at all, but rather a slower implementation than was expected.

A great many factors have contributed to the projections that the original number of acres will not be treated. In some cases, droughts of such a severe nature caused delay in contract plans, which leaves us with the conclusion that treatment must be allowed beyond 1981 in order to prevent as much damage as possible when another dry cycle hits some part of the country. As a GAO report has pointed out, all three of the major conservation programs (Great Plains, Soil Conservation and Agriculture Conservation) suffer because, even with overlapping common objectives, the investigators found they were unused.

Nature has now supplied us with one overriding common objective—the saving of Great Plains topsoil, which means saving crops, grasslands, rangeland, wildlife, and most important of all, the livelihood of its people. We cannot forget the terrible frustration of the 1975–76 drought in the Plains States. My own State of South Dakota suffered greatly during those years, and we know now that over two-thirds of the country received numerous disaster loans and loans to augment water supplies. It seems unconscionable to pour hundreds of thousands of dollars into disaster payments when preventive measures under the Great Plains conservation program could reduce that amount by a significant percentage.

There is no mystery surrounding the importance of soil conservation—every area of the country, from the South, after exhaustive cotton plantings, to the Northwest, from unregulated timber cutting, has been afflicted—but the Great Plains with its unique weather hazards, undeveloped water policies, and press for greater production of cash crops strains the resiliency of the land to a dangerous point. The actual damage is assessed in the GAO report this way:

Soil scientists estimate that annual soil losses must be limited to no more than 5 tons an acre in deep soils and one ton an acre in shallow soils to maintain soil fertility and productivity over time. According to Department of Agriculture technicians, about 84 percent of the 283 farms (studied) were losing over 5 tons an acre on cropland for which calculations were made. In addition, soil erosion was creating water and air pollution and highway maintenance problems.

It is important to support emergency drought-related measures, but just as status. The original Great Plains programs already in existence that can hold the situation below the emergency status. The original Great Plains conservation program provides for soil and conservation service technical assistance and cost-sharing payments to landowners, for 3- to 10-year periods, in the 10 Great Plains States. The initial emphasis was, and still should be, aimed at erosion that is so serious as to need planned, individual assistance in protecting it from complete deterioration and uselessness. The Federal cost share for each conservation practice cannot exceed 80 percent, and total contracts covering a series of conservation practices are limited to $25,000.

This contract program was amended in 1969 to allow landowners or operators to include plans for enhancing fish, wildlife, and recreation resources; and reduce agricultural pollution in other plans. This addition was needed but, unfortunately, did not push the program forward with significant results. Subsequent to this last congressional action, SCS revised its funding priorities to promote treatment in areas having major wind and water erosion and moisture conservation problems. These areas sharply increased after the drought, so the high priority acreage now far outreaches the ability of the program to do any catching up by 1981. And, if action is terminated on this program while we are still far short of the goal, the devastation resulting from the next drought will be partially self-inflicted.

Therefore, in response to current and future conservation requirements, I submit this bill to amend the Great Plains conservation program but removing the termination date of December 31, 1981, for entering into contracts; deleting the maximum program limitation of $300,000,000 and the $25,000,000 annual maximum limitation; and removing the "dryland counties" limitation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1 of P.L. 91-118 (83 Stat. 194) is amended to read as follows:

"(1) the Secretary is authorized within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with owners and operators of land in the Great Plains area having such control as the Secretary determines to be needed of the farms, ranches or other lands covered thereby; but such contracts shall be entered into with respect to lands, other than farms or ranches only, where erosion is so serious as to make such contracts necessary for the protection of farm or ranch lands. Such contracts shall be designed to assist farm, ranch, or other land owners or operators to make, in orderly progression over a period of years, changes in their cropping systems or land uses which are needed to conserve, develop, protect, and utilize the soil and water resources of their farms, ranches, and other lands and to install the soil and water conservation measures and carry out the practices needed under such changed systems and uses. Such contracts may be entered into with respect to farms, ranches, and other lands in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. The land owner or operator shall furnish to the Secretary a plan of farming operations or land use which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic hazards of the area in which such land is located, and which outlines a schedule of proposed changes in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, or other land during the contract period to protect the farm, ranch, or other land from erosion and deterioration by natural causes. Such plan may also include practices and measures for (a) enhancing fish and wildlife and recreation resources, (b) promoting the economic use of land, and (c) reducing or controlling agricultural related pollution. Inclusion in the farm plan of these practices shall be the exclusive decision of the land owner or operator. Approved conservation plans of land owners and operators developed in cooperation with the soil and water conservation district in which their lands are situated shall form a basis for contracts. Under the contract the land owner or operator shall agree—

"(i) to effectuate the plan for his farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

"(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board, determines that such violation is of such a nature as to warrant termination of the contract. or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the contract;

"(iii) upon transfer of his right and interest in the farm, ranch, or other land during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

"(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

"(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

"In return for such agreement by the landowner or operator the Secretary shall agree to share the cost of carrying out those conservation practices and measures set forth in the contract for which he determines that cost sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract;"

SEC. 2. Section 3 of P.L. 91-118 (83 Stat. 194) is amended to read as follows:

"(7) there is hereby authorized to be appropriated, without fiscal year limitations, such sums as may be necessary to carry out this subsection. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment increases required under section 8(c) of this Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act."●

By Mr. NELSON (for himself, Mr. STEWART, and Mr. PACKWOOD):

S. 487. A bill to amend the Internal Revenue Code of 1954 to provide a credit for investment in original issue stock of small businesses; to the Committee on Finance.

SMALL BUSINESS INVESTMENT ACT OF 1979

● Mr. NELSON. Mr. President, today I am introducing "The Small Business Investment Act of 1979." This proposal will provide the necessary incentive to encourage individual investment in America's small- and medium-sized businesses. Under the proposal, an individual would be given an investment tax credit equal to 10 percent of the first $10,000 and 5 percent of the next $40,000 invested in qualifying new stock issues during the taxable year. The total investment credit cannot exceed $3,000 on an individual return and $6,000 for a joint return. An individual would be required to hold his stock investment for a minimum of 1 year. Otherwise, the investment credit would be recaptured. The credit would be available only for investment in new issues of common or preferred stock of $25 million or less offered by a corporation with a net equity of less than $25 million.

The problem of capital scarcity and its significance to the business community and this country is well documented. For example, the New York Stock Exchange estimates that the United States will require $4.5 trillion of new capital if we are to continue to support a real annual growth rate of 3.6 percent during the next decade. Although $3.9 trillion could be generated from personal savings and retained earnings, a $600 billion capital shortage would remain. The Exchange estimates that of this $600 billion shortfall, $250 billion will have to come from new equity investment, with an essential part of that being provided by individual investors.

In light of these projections, our securities industry today is facing one of the most serious problems in its history. America's individual investors are withdrawing from the marketplace. This has a direct impact upon the ability of small- and medium-sized companies to raise desperately needed capital. Arthur Levitt, Jr., chairman of the American Stock Exchange, discussed "the flight" of the individual investor from the securities market in his testimony before the Senate Finance Committee on June 20, 1978:

(T)he participation of the average American citizen in equity investments in American enterprises has over the years been an essential factor in the relative harmony of various groups within our economic system.

Since 1970 we have seen a drastic downturn in individual shareownership. By 1975, the United States shareholder populations had dropped . . . more than 16 percent, and the shareholder percentage of the entire population was down to 11.8 percent, or scarcely one in eight. The percentage of shareholders with total investment of under $10,000 fell from 62 percent to less than 50 percent; those with total investments of under $5,000 fell from 41 percent to less than one-third.

Equally disturbing are the findings of a recent survey that there will be relatively few new American stockholders in the immediate future. Of those who are former owners of stock, only 8 percent indicated that they might again become shareholders; and of those who had never owned stock only 2 percent thought they might acquire stock this year. Also, the fact that the average age of American shareholders increased from 48 to 53 between 1970 and 1975 demonstrates that America's young adults are not continuing in the tradition of citizen ownership and that the shareholder population can be expected to continue to decline unless effective measures are taken to make equity investment more attractive.

The dimensions of the capital formation problem were further elucidated by Secretary Blumenthal in a speech to the Bond Club of New York last year. The Secretary noted that public offering of equity securities by industrial firms had fallen from a yearly average of $7.4 billion in the period from 1968 through 1972 to only $2.6 billion from 1973 to the present.

With the decline of equity investment, debt financing has now become a major source of capital. According to Mr. Levitt:

With the decline of equity investment, debt financing has now become the major source of capital. In 1977, the amount of debt financing was 10 times as large as equity financing, in contrast to less than 5 times as much in 1972. The debt-to-equity ratio of American business, particularly smaller companies, has become uncomfortably high—the average debt-equity ratio for American manufacturing companies rose to nearly 40 percent in 1977. This increase in debt makes these conditions, and more dependent on banks and other lenders.

Consequently, it tends to place the emphasis on caution at the expense of corporate initiative and innovation. Furthermore, a high debt-equity ratio makes corporate shares more volatile and speculative. These results are not healthy either for our society or economy.

A disturbing side effect of the reduced participation of American investors in the equity of small- and medium-sized American businesses has been the takeover at bargain prices of the most attractive of these businesses by foreign interests. There were 78 foreign takeovers in 1975, which increased to 102 in 1976, 125 in 1977, and approximately 280 in 1978. This represents a 246 percent increase in foreign acquisitions in only 4 years. We should certainly encourage foreign investments in the United States, but it is not in our best interest to allow our innovation and technology to fall under foreign control. The significance of foreign takeovers is that independent small businesses, unable to attract domestic equity capital, are being forced to seek foreign investors.

It is the small business sector of our economy which has the greatest potential for introducing new technology and innovation to our economic base. However, it is also the area of greatest risk for the investor. If investors are to be persuaded to take those investment risks, they must also be persuaded that the rewards will make their risks worthwhile. Unfortunately, over the past decade investors have diverted much of their money to safer investments which yield smaller returns. The net effect has been a greater economic concentration in the largest 1,000 companies. A drastic reduction in the number of new businesses results. According to Theodore Levitt of the Harvard Business School, more than 300 high-technology companies were founded in the United States in 1968, while in 1976 that number had dropped to zero.

If the national interest is to be served and the economy is to remain strong, the equity market must be attractive enough to encourage new investment as well as new investors. The individual investor is increasingly being replaced by institutional investors, who traditionally have been less willing to invest in small businesses. According to a survey conducted by the NYSE in 1975, stock held by individuals now accounts for only 52.7 percent of market value, down sharply from 64.1 percent in 1970. Institutional investment, however, climbed from 34 percent to 45 percent. Tantamount in importance is the current investment climate of the American public. American investors, shaken by spiraling inflation and fearing more to come, are deeply cautious in managing their money. The primary goals of today's investors are defensive, these concerns are underscored by a reluctance to take risks. Based on a nationwide survey of public attitudes toward investing, the NYSE reports that 35 percent of financial decisionmakers are willing to take only the "barest minimum" risk; 35 percent express willingness to take no more than small risk; 27 percent say moderate risks are acceptable; and only 3 percent are willing to take substantial risks. Among those investors who say they are unlikely to enter the market in the near future, the principal deterrent is the perception of the market as "too risky". The ramifications of this trend are significant to the small business community as well as the economy as a whole. The prevailing attitude of riskless investment, as documented by the NYSE survey, encourages investment in nonproductive real estate speculation and large blue-chip companies.

To attract the individual investor to invest in America's small- and medium-sized businesses, I propose the Small Business Investment Act of 1979. The small- to medium-sized company holds the key to potential growth, employment, and productivity for the United States.●

By Mr. DOMENICI (for himself, Mr. PACKWOOD, Mr. CHILES, Mr. LEAHY, Mr. BELLMON, Mr. BAKER, Mr. EAGLETON, Mr. CHAFEE, Mr. PERCY, Mr. CHURCH, Mr. HEINZ, Mr. RIEGLE, Mr. THURMOND, Mr. BURDICK, Mr. COHEN, Mrs. KASSEBAUM, and Mr. SCHMITT):

S. 489. A bill to amend title XVIII of the Social Security Act to eliminate certain restrictions and limitations imposed for the receipt of home health services and to make more accessible home health services to those in need, and for other purposes; to the Committee on Finance.

MEDICARE HOME HEALTH AMENDMENTS OF 1979

● Mr. DOMENICI. Mr. President, I am introducing today, with Mr. PACKWOOD, a bill to amend title XVIII of the Social Security Act to eliminate certain restrictions and limitations imposed on the receipt of home health services, to expand the definition of "home health services" and to make home health services more accessible to those in need.

I am also pleased that Senator CHILES, chairman of the Senate Special Committee on Aging, and Senators LEAHY, BELLMON, BAKER, EAGLETON, CHAFEE, PERCY, CHURCH, HEINZ, RIEGLE, THURMOND, BURDICK, COHEN, KASSEBAUM, and SCHMITT have joined us in cosponsoring this legislation.

Home health care services can do a great deal to meet the health care needs of our country. Home health care must be an integral part of a complete health delivery system, and can provide a viable alternative to inappropriate and unnecessary institutionalization.

Mr. President, with an inflation rate currently running at 10.4 percent and rising, it is time we give serious consideration to methods to help reduce unnecessary health spending. Home health care is such an approach.

In the United States today there are over 22 million Americans who are over age 65. Recent population predictions indicate that between 1975 and the year 2000 we can expect:

The age group 65 to 74 to increase by 22.8 percent; the age group 75 to 84 to increase by 56.9 percent; the age group 85 and over to increase by 91.1 percent; and the overall population 65 and over will increase to 31.8 million persons by the year 2000.

With an increase in the size of the elderly population there will also be an increase in the rate of utilization of health services, since there is a sharp increase in the prevalence of chronic diseases and physical impairment associated with advancing age. Subsequently, the range of health-related problems currently experienced by the older population is expected to widen and diversify with the increasing numbers of older persons in the population.

Research indicates that the elderly are more likely than younger persons to suffer from the disabling effects of multiple chronic and acute health conditions. As the number of older Americans with severe chronic conditions increases, the availability of medical services must also increase. As a result, there is and will continue to be a growing need to develop and implement effective health care delivery systems which will maximize an individual's independence and enable them to remain in their own homes. Thus, there is an unquestioned need to increase the effectiveness and availability of home health care under the medicare program.

Mr. President, home health care can be a cost-effective approach. It can work to minimize unnecessary hospitalization and premature institutionalization. I am a strong advocate of reducing health care costs, and I truly believe there is a need for expanded home health care services as one means of accomplishing this objective. Such an approach also involves the family and various information community support mechanisms. Home health care brings together both medical and nonmedical services in a noninstitutional setting, and is thus a more humane way to provide care.

In this time of rapidly increasing health care costs, it is important to strengthen alternative forms of providing health care; with particular emphasis on attempts to minimize unnecessary hospitalization and control rising hospital costs. Home health care is a mechanism which will allow patients to be discharged earlier from a hospital. A patient might be able to recover from a serious illness without extended hospitalization if expanded home health services are made available. Further, it has been shown that home health care can be cost effective.

Recent data obtained from Michigan, Illinois, and Louisiana demonstrate that the average cost per patient per month for home health care is less than the average cost per patient per month for nursing home care. This coincides with a December 1977 GAO report on home health which stated that—

> Until older people become greatly or extremely impaired, the cost of nursing home care exceeds the cost of home care.

Furthermore, preliminary findings from a Monroe County, N.Y., long-term-care study indicate that the public costs of home health care for medicaid clients are one-half the comparable institutional rates. In addition, Secretary Califano has stated that as many as 100,000 of the 700,000 people in the Nation's acute care hospitals do not need to be there and could be better cared for at home. He stated that the extra cost amounted to approximately $2.6 billion a year. This is one example where funds could be better used to pay for the costs of home health care.

The bill I am introducing today with Senators PACKWOOD, CHILES, LEAHY, BELLMON, BAKER, EAGLETON, CHAFEE, PERCY, CHURCH, HEINZ, RIEGLE, THURMOND, BURDICK, COHEN, KASSEBAUM, and SCHMITT expands home health services under medicare through the following provisions:

ELIMINATION OF 3-DAY PRIOR HOSPITALIZATION REQUIREMENT

Under current law, in order to receive home health benefits under part A, beneficiaries must be hospitalized for at least 3 consecutive days. By eliminating this requirement, the more than 1 million beneficiaries who have only part A coverage will be saved the additional expense and anguish of having to be hospitalized prior to becoming eligible for home health services.

UNLIMITED HOME HEALTH VISITS UNDER PARTS A AND B

Under current law, part A beneficiaries are eligible for 100 home health visits per benefit period during the year following at least 3 consecutive days in a hospital and 100 visits per calendar year under part B. By eliminating this provision, we are making home health services more accessible and meaningful. Through the expanded availability of these services we are also able to utilize home health care as a catastrophic concept; that is, to provide home health care to maintain an individual who is seriously ill in his or her own home.

OCCUPATIONAL THERAPY

Under current law, a home health recipient must first be in need of a primary service, such as skilled nursing care, before being allowed to obtain occupational therapy services. Under my bill, occupational therapy would be established as a primary service, not a secondary service as it is currently considered.

Occupational therapy assists a patient in reacquiring the use of parts of his or her body or in resuming daily activities. For example, a person who has suffered a stroke needs to learn how to use those parts of his body that were affected, in coordination with those parts that were not. Occupational therapy will help make a patient independent by "inhibiting further deformity, and reducing the need for rehospitalization, corrective surgery, and premature institutionalization."

PHYSICIAN ASSISTANTS AND NURSE PRACTITIONERS

In 1978, the Congress passed landmark legislation establishing the Rural Health Clinics Services Act," section 1861(aa) of medicare. This was important legislation because it set a precedent for the development and expansion of preventative health services in rural areas. Consequently, physician assistants and nurse practitioners are now permitted to provide certain medical services, as permitted by their individual States. Because there are a limited number of physicians in rural areas, we are amending current law to allow physician assistants and nurse practitioners who are under the general supervision of a physician, to establish a plan of care for a home health patient living in a rural area. This is another important provision in our attempt to make home health services more available in underserved rural areas.

REGIONAL INTERMEDIARIES

As most of my colleagues know, there is a great variation in the administrative and reimbursement practices among the various intermediaries with respect to home health providers. I have had a number of discussions with individual home health agencies over their continuing problems with the intermediaries. In addition, my great concern over fraudulent activities that occur in the field of home health care, such as overbilling and double billing, has led me to conclude that regional intermediaries for home health agencies can be a very effective approach for combating fraud and abuse. Too often home health care is viewed as a minor portion of an intermediary's work.

As a result, the intermediary's effectiveness in this rapidly growing area has been limited. Further, by designating intermediaries specifically for home health care, we can develop the expertise needed to control fraud and abuse in this expanding new field. Further, regional intermediaries will perform such activities as, first, monitoring home health agency costs in each region; second, prepare and publish annual cost comparison tables in each region, giving the name, address, and type of each such agency, and these tables will be available to each individual upon request; and third, monitor such standards that are developed by the Secretary as defined in section 1861(o)(7).

TRAINING FOR HOME HEALTH AIDES

Because of the need to insure the quality of home health services, this bill requires that home health aides will have to complete a training program which has been approved by the Secretary. Currently there are home health agencies which contract for home health aide services. As a result, it is difficult to control the quality of the service, as well as effectively assess the aides' training, knowledge and experience in the field. By requiring that all home aides complete a training course approved by the Secretary, we are furthering our efforts to provide quality services.

DEMONSTRATION PROJECTS FOR UTILIZATION REVIEW

Utilization review is currently in law for hospitals and skilled nursing facilities, and the concept has been working. Before expanding utilization review to apply to home health agencies we felt it was necessary to test the concept first. We have designed the focus of the utilization review committee for home health agencies to: first, focus on the quality and efficacy of home health care; second, monitor the continued need for such services; third, determine if the services are being provided in accordance with the patient's plan of care; fourth, determine if such services are appropriately used; and fifth, determine that a reassessment of the patient's need is periodically done and appropriate revisions are made to the plan of care.

In addition, we have said that the concept of utilization review can be tested, through a single agency or multiagency utilization review committee structure. The committee must be composed of professional personnel from the agencies, and at least three professional personnel, including at least one physician and one representative from the community served, who have a working knowledge of home health care and who are not employees of the home health agency and have no financial interest in the home health agencies.

DUTIES OF THE SECRETARY

Because of the changes we are making in current law, specifically with reference to providing unlimited home health visits and the overall cost of home health care, we are requiring that the Secretary:

First. Monitor the costs of home health services and report to the Congress within 30 days if he determines that the cost of home health services is increasing at a rate greater than the rate of increase in the medical care services component of the Consumer Price Index. This report would include any recommendations for action, including recommendations for legislative action, which the Secretary considers necessary or appropriate;

Second. Report to the Congress 3 years after the date of the enactment of this act on the frequency of use of home health services by individuals who are eligible. This report would include an analysis of the increase, if any, in the number of home health visits resulting in the removal of the 100-visit limit and any recommendations with respect to a numerical limitation on such visits;

Third. Develop standards for the training of home health aides, and uniform standards for data collection to insure appropriate evaluation of care;

Fourth. Establish a uniform reporting system for billing a home health patient on a bimonthly basis which would specify the types of service(s) provided, the time of day and the date it was provided, by whom it was provided, and the length of the visit; and

Fifth. Establish "reasonable cost guidelines" for specific line item costs, such as transportation, administrative salaries, fiscal services, legal services, public relations, et cetera.

This section is extremely important because it not only requires the Secretary to monitor costs of home health care and the frequency of use of home health services, but we have added two other important components to help minimize fraudulent activities. The bimonthly uniform reporting system, with the requirements we have built in, allows the patient to doublecheck the agency to make sure that the services they are being billed for were actually provided.

Through the establishment of reasonable cost guidelines for specific line item costs, home health agencies will be required to further "break out" their costs for the specific areas, such as those listed above.

Mr. President, I truly believe that the Medicare Home Health Amendments of 1979 pull together in one bill changes and additions which will make home health services more effective and available to older Americans.

I am hopeful that the Finance Committee will give prompt and favorable consideration to this legislation and that all of my colleagues will join in support and passage of this bill.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare Home Health Amendments of 1979".

SEC. 2. (a) Section 1811 of the Social Security Act is amended by inserting "and home health services" immediately after "hospital and related post-hospital services".

(b) Section 1812(a)(3) of such Act is amended to read as follows:

"(3) home health services.".

(c) Section 1812(d) of such Act is repealed.

(d) Section 1812(e) of such Act is amended—

(1) by striking out "(b), (c), and (d)" and by inserting in lieu thereof "(b) and(c)"; and

(2) by striking out "post-hospital extended care services, and post-hospital home health services" and inserting in lieu thereof "and post-hospital extended care services".

(e) Section 1814(a)(2)(D) of such Act is amended to read as follows:

"(D) in the case of home health services, (i) such services are or were required because the individual is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and needed skilled nursing care on an intermittent basis, or physical, occupational, or speech therapy; (ii) a plan for the furnishing of such services has been established and is periodically reviewed by a physician or, in the case of home health services provided in a rural area described in clause (i) of the second sentence of section 1861(aa)(2) by a physician's assistant or nurse practitioner (as defined in section 1861(aa)(3)) who is under the general supervision of a physician and is certified as being competent to establish and review such a plan (as determined pursuant to regulations of the Secretary); and (iii) such services are or were furnished while the individual is or was under the care of a physician; or".

(f)(1) Section 1814(i)(1) of such Act is amended by striking out "posthospital".

(2) Section 1814(i)(2) of such is amended—

(A) by striking out "that individuals have conditions designated in regulations as provided in this subsection" and inserting in lieu thereof "with respect to the condition of conditions by reason of which the individual is required to have home health services"; and

(B) by inserting after "physician" each place it appears therein, "or physician's assistant or nurse practitioner (as defined in section 1861 (aa)(3)) certified under subsection (a)(2)(D)".

(3) The heading of section 1814(i) of such Act is amended by striking out "posthospital".

(g) Section 1832(a)(2)(A) of such Act is amended by striking out "for up to 100 visits during a calendar year".

(h) Section 1834 of such Act is repealed.

(i) Section 1835(a)(2)(A) of such Act is amended to read as follows:

"(A) in the case of home health services, (i) such services are or were required because the individual is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and needed skilled nursing care on an intermittent basis, or physical occupational, or speech therapy; (ii) a plan for the furnishing of such services has been established and is periodically reviewed by a physician or, in the case of home health services provided in a rural area described in clause (i) of the second sentence of section 1861(aa)(2), by a physician's assistant or nurse practitioner (as defined in section 1861(aa)(3)) who is under the general supervision of a physician and is certified as being competent to establish and review such plan (as determined pursuant to regulations of the Secretary); and (iii) such services are or were furnished while the individual is or was under the care of a physician;".

(j) Section 1861(m) of such Act is amended—

(1) in the matter preceding paragraph (1), by inserting "or, in the case of home health services provided in a rural area described in clause (i) of the second sentence of subsection (aa)(2), by a physician's assistant, or nurse practitioner (as defined in subsection (aa)(3)) who is under the general supervision of a physician and is certified as being competent to establish and review such a plan (as determined pursuant to regulations of the Secretary)" immediately after "reviewed by a physician";

(2) by inserting "who has successfully completed a training program which is in

conformity with applicable standards developed by the Secretary under section 1861 (o)(6))" before the semicolon at the end of paragraph (4); and

(3) by adding at the end thereof the following new sentence: "In establishing the plan required by this subsection the physician (or physician's assistant or nurse practitioner) shall include a program of patient education aimed at achieving (to the maximum extent feasible) independence for the individual from the need for care provided by other persons.".

(k)(1) Section 1861(n) of such Act is repealed.

(2) Section 1861(e) of such Act is amended by striking out "subsections (1) and (n) of this section" each place it appears and inserting in lieu thereof in each instance "subsection (1) of this section".

(l) Section 1861(o) of such Act is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by inserting before the semicolon at the end of paragraph (6) the following: ", which shall include standards developed by the Secretary with respect to health, safety, and the quality and appropriateness of services, including (A) training of home health aides, and (B) uniform standards for data collection to ensure appropriate evaluation of care"; and

(3) by adding after paragraph (6) the following new paragraphs:

"(7) submits on a bi-monthly basis, in accordance with uniform standards to be established by the Secretary, a bill to each individual receiving home health services from such agency which lists all services provided to such individual during that two-week period, the day on which each service was provided, the charge for each service, and the name and title of the individual who provided each service; and

"(8) meets such additional requirements as the Secretary may find necessary for the effective and efficient operation of the programs established under this title.".

(m)(1) Section 1816(e) of such Act is amended—

(A) by inserting "(subject to the provisions of paragraph (4))" after "the Secretary may" in paragraph (2); and

(B) by adding the following new paragraph at the end thereof:

"(4) Notwithstanding subsections (a) and (d) and paragraphs (1), (2), and (3) of this subsection, the Secretary shall designate regional agencies or organizations which have entered into an agreement with him under this section to perform functions under such agreement with respect to home health agencies (as defined in section 1861(o)) in the region (except those home health agencies which choose to have payments made to them directly by the Secretary). Such agencies or organizations shall perform activities such as monitoring home health agency costs in each region, preparing and publishing annual cost comparison tables for such agencies in each region, and monitoring the standards that are developed by the Secretary under section 1861(o)(6).".

(2) Section 1842(f) of such Act is amended—

(A) by inserting "(but subject to paragraph (3))" after "other persons" in paragraph (1);

(B) by inserting "(but subject to paragraph (3))" after "providers of services only" in paragraph (2);

(C) by striking out "and" at the end of paragraph (1);

(D) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(E) by adding at the end thereof the following new paragraph:

"(3) with respect to home health agencies, only a regional agency or organization designated by the Secretary under section 1816 (e)(4).".

(n) Section 226(c)(1) of such Act is amended—

(1) by striking out "and post-hospital home health services" and inserting in lieu thereof "and home health services"; and

(2) by striking out "or post-hospital home health services" in clause (B).

(o) Section 7(d)(1) of the Railroad Retirement Act of 1974 is amended by striking out "posthospital home health services" and inserting in lieu thereof "home health services".

SEC. 3. (a) The Secretary of Health, Education, and Welfare shall establish, in accordance with the provisions of section 1861(v)(1)(A) of the Social Security Act, guidelines for the direct and indirect incurred costs of providers of home health services, within 120 days after the date of the enactment of this Act, and such guidelines shall be the basis for determining reasonable cost for home health services as provided in such section 1861(v)(1)(A). The guidelines shall apply to specific line item costs which constitute home health services.

(b) The Secretary of Health, Education, and Welfare shall monitor the costs of home health services and shall report to the Congress within thirty days if he determines for any period that the cost of home health services is increasing at a rate greater than the rate of increase in the medical care services component of the Consumer Price Index (as determined by the Department of Labor). Such report shall include any recommendations for action, including recommendations for legislative action, which the Secretary considers necessary or appropriate.

(c) The Secretary of Health, Education, and Welfare shall issue an interim report to the Congress eighteen months after the date of the enactment of this Act, and shall issue a final report to the Congress three years after the date of the enactment of this Act, on the frequency of use of home health services by individuals eligible for benefits under part A, or enrolled under part B, of title XVIII of the Social Security Act. The report shall include an analysis of the increase (if any) in the number of home health visits resulting from the removal of the one hundred visit limit (under this Act), and any recommendations with respect to a numerical limitation on such visits.

SEC. 4. (a) The amendments made by section 2 shall, except as provided in subsection (b), apply with respect to items and services furnished on or after the first day of the first month which begins more than one hundred twenty days after the date of the enactment of this Act.

(b) The standards required to be developed by the Secretary of Health, Education, and Welfare by the amendment made by section 2(l)(2) shall be developed within one year after the date of the enactment of this Act.

SEC. 5. (a) The Secretary of Health, Education, and Welfare shall establish demonstration projects to test, over a two-year period, the effectiveness of agency or multiagency utilization review committees in ensuring the medical necessity, cost efficiency, and appropriate use of home health services.

(b) Such committees shall be composed of professional personnel from the home health agency or from that agency and other home health agencies which share the same utilization review committee with such agency and at least three professional personnel who are not employees of any such agency and have no financial interest in any such agency. The professional personnel who are not employees of any such agency must have a working knowledge of home health care services. Further, the three or more professional personnel who are not agency staff, but are part of the utilization review committee, must include at least one physician and one representative from the community.

(c) The utilization review committee shall be responsible for assuring the efficient use, medical necessity and appropriate utilization of home health services. Such committee shall (1) focus on the quality and efficacy of home health services; (2) monitor the continued need for home health services; (3) determine if the services are being provided in accordance with the patient's plan of care; (4) determine if such services are appropriately used; and (5) determine that a periodic reassessment is made of the patient's needs, with appropriate revisions in the plan of care.

(d) The demonstration projects shall be established in such areas so as to include variations in population density, geographical areas, types of agencies, and types of facilities which house such agencies.

(e) The Secretary shall report to Congress within six months after the completion of the demonstration projects with respect to the effectiveness of the projects and any proposals he may have for legislative action.●

● Mr. PACKWOOD. Mr. President, Senator DOMENICI and I, joined by Senators CHILES, LEAHY, BELLMON, BAKER, EAGLETON, CHAFEE, PERCY, CHURCH, HEINE, RIEGLE, THURMOND, BURDICK, COHEN, KASSEBAUM, and SCHMITT are introducing the Packwood-Domenici Medicare Home Health Amendments of 1979. We need a rational and compassionate policy to protect our senior citizens from the astronomical costs of health care. Inflation, which victimizes all of us, is especially cruel to the elderly. Their savings are eaten away by extended hospital stays and expensive nursing home care.

This bill will liberalize home health eligibility requirements and provide the elderly with alternatives to costly institutions. The first change will reform medicare laws that now require expensive hospitalization before the individual is eligible for home health care. Two additional liberalizations eliminate restrictive limits on home health care beneficiaries.

In addition to expending eligibility, the bill recognizes the need for adequate consumer information to the elderly on the costs and availability of home health services. Finally, the bill establishes effective mechanisms to monitor and control the costs of home health care.

Specifically, the Packwood-Domenici bill broadens current eligibility for home health care by eliminating the 3-day prior hospitalization requirement under part A, medicare hospitalization insurance, by adding occupational therapy as a primary condition in determining eligibility for home health care, and by eliminating the limitation on visits under both parts A and B of medicare insurance.

By eliminating the 3-day prior hospitalization requirement, 1.1 million beneficiaries, who have only part A of medicare, will have increased access to home health benefits. At the present time, beneficaries with only hospital insurance under medicare are not eligible to receive home health care unless they have been hospitalized for a 3-day period.

The bill also adds occupational therapy as a skilled service in determining eligibility for home health services. Under current law, in order to receive home

health services, an individual must be confined to his home, be under the care of a physician, and need either skilled nursing care, speech therapy, or physical therapy. The proposed liberalization would add occupational therapy as a fourth criterion. Occupational therapy, like the other services mentioned above, is a skilled service that teaches an individual self-care in coping with a disabling injury.

The third liberalization provides an unlimited number of home health visits. Currently, individuals are eligible for 100 home health visits per benefit period under parts A and B. In order to prevent excessive utilization of home health visits, as a result of this change, the Secretary of HEW is required to report to the Congress within 3 years regarding increases in the number of home health visits.

Currently, patients must receive care in costly institutions simply because of restrictive eligibility rules that prevent the elderly from receiving skilled nursing care, or occupational, physical or speech therapy in their homes. The proposed liberalizations in this bill can shorter. hospital stays for the elderly, help reduce medicare costs for hospital stays, and allow the elderly to receive care in their own homes.

In an effort to cut costs and provide much needed consumer information, this bill instructs the Secretary to designate a single intermediary agency per region. At the present time, regions are served by several intermediaries which can result in double billing by home health agencies. Designation of one intermediary avoids this.

One function of the intermediary will be to provide elderly consumers with necessary home health consumer information. The intermediary would provide the home health consumer with information about home health agencies operating in a region, their address and list all services provided by that agency and the cost of each service. This table will be a useful tool in helping seniors determine which agency best suits the individual's personal needs at the lowest cost.

The regional intermediary is also required to monitor the costs of home health care in a region. If the Secretary of HEW determines that costs of home health care are increasing at a rate greater than the rate of increase of the Consumer Price Health Index, then he is to report this increase to Congress along with recommendations for remedial action.

A third function of the regional intermediary is to monitor standards developed by the Secretary regarding training of home health aides and proper evaluation of quality of care. This legislation requires the development of standards for training courses for home health aides by the Secretary of HEW. The regional intermediary is responsible for monitoring the application of these standards.

The bill also allows a registered physician's assistant or a certified nurse practitioner under the general supervision of a physician to develop a home health care plan that is designed to provide services based on the specific needs of the patient. This provision could increase access to home health care for individuals in rural areas where physicians serve large areas and the ratio of doctors to patients is unfavorable.

The bill provides for demonstration projects for home health utilization review programs. The purpose of utilization review procedures is to provide a mechanism for determining if the physician's plan and the delivery of home health services are meeting the needs of the patient. Participants on the utilization review boards will include personnel of the home health agency. In addition, there will be at least three professional personnel (one of whom must be a physician), who are not associated with or have any financial interest in the home health agency.

Although utilization review boards have not been applied to home health agencies, these procedures have worked effectively in law since being applied to hospitals and skilled nursing facilities. These demonstration projects will test the effectiveness of review boards in monitoring the patient's continued need for services, in determining the quality of health care being provided and in providing a mechanism for periodically reviewing the patient's needs.

Recent instances of fraud in the health care area have victimized the elderly. There are two important provisions contained in this legislation that will help to reduce fraud in the home health area. One provision requires the Secretary to establish a uniform reporting system for billing purposes. The system would require a bimonthly billing that would delineate the type of service rendered, including the date, time and length of visit. The second provision instructs the Secretary to set up reporting guidelines for specific line item costs. Under this provision, home health agencies would be required to disclose information regarding charges for items such as transportation, administration salaries, and legal services.

Finally, the Secretary is instructed to file an interim report after 18 months and a final report in 3 years after enactment of the legislation on the frequency of use of home health services. The report would include an analysis of overutilization of home health care as a result of program liberalizations.

All of the changes outlined above will help to insure that our Nation's senior citizens, who do not require full-time skilled care, will have better access to home health services.

The program liberalizations embodied in this legislation will help to make the delivery of home health services more responsive to the needs of the unattended, chronically ill seniors. The accompanying cost control mechanisms will help insure that program liberalizations meet the needs of the elderly, and do not create opportunities for fraud or waste in home health care. The elderly need and deserve their independence and dignity. It is time we provided a no-nonsense solution to the services they need, and at a cost this Nation can afford.●

Mr. LEAHY. Mr. President, I am extremely pleased to join my colleagues, Senators DOMENICI, PACKWOOD, and CHILES, in introducing amendments to title XVIII of the Social Security Act.

This legislation will increase home health benefits for the elderly under medicare. It also includes provisions to assure a more efficient and economical administration of home health benefits under the medicare program.

First, the bill would remove the current requirement under medicare that recipients of home health care be hospitalized for 3 consecutive days prior to receiving in-home health services. The current requirement has resulted in the unnecessary, inappropriate, and costly hospitalization of many elderly people. The present requirement can create a ping-pong effect where a patient goes to a hospital for 3 days to be eligible for home health, and then returns to the hospital after having exhausted the allowable number of home health benefits. The removal of the 3-day prior hospitalization requirement is especially important in view of our need to contain, wherever and whenever possible, hospital costs. Its removal would benefit an estimated 1.1 million people.

Second, this legislation would increase the number of home health visits allowable under medicare parts A and B (hospital and medical insurance). Medicare beneficiaries are presently limited to 100 visits under each part.

This benefit improvement will not be costly. Approximately 2 percent of medicare beneficiaries exhaust the total number of allowable visits. Yet removing the visit limitation may result in keeping this small percentage of individuals who are in need of additional care out of more costly institutions.

Throughout the development of the medicare legislation in 1965, it was clear that the inclusion of home health benefits was intended to control the costs of hospital and nursing home care. Based on its philosophy that home health care should be "an alternative to costly institutional care," the Senate Finance Committee at that time recommended that the number of allowable visits should be 175 and not 100. The Senate Finance Committee had the wisdom and foresight to acknowledge the need for expanded home health services some 14 years ago. Yet, its recommendations have unfortunately still not been implemented.

This legislation would remove the present medicare requirement that a recipient of home health services also require either skilled nursing or physical therapy or speech pathology in order to obtain the services of an occupational therapist in the home. This current restriction is unfair and unrealistic. When an elderly arthritic homemaker is only in need of occupational therapy in the home, it is senseless to forbid her these services because she is not in need of a host of other services.

Occupational therapy has been described as the art and science of increasing the independence and productivity of people who have incurred physical, psychological, and developmental disabili-

ties. Occupational therapists work primarily with patients who have been impaired by heart attacks, strokes, diabetes, arthritis, physical trauma, spinal cord injuries, or emotional illness. The Health Insurance Association of America has stated that:

Occupational therapy is a professional health care service, which when properly used, can be instrumental in decreasing hospital confinement, disability, and the ultimate cost of health care.

This legislation would also make several major administrative improvements in the home health care program. Most notably, it further recognizes the significant role that nurse practitioners and physician assistants play in the delivery of health care in rural areas. This bill would allow nurse practitioners and physician assistants, under the general supervision of a physician, to establish a plan of care for home health patients living in rural areas.

The Rural Health Clinic Services Act, which Senator Dick Clark and I sponsored in the 95th Congress, has already accomplished a great deal toward alleviating the problem of health delivery in rural areas. This act permits the reimbursement of services rendered by physician assistants and nurse practitioners in clinics in rural, medically underserved areas.

As Senators know, while rural America contains almost one-third of this Nation's population, it is served by only 12 percent of the country's physicians. The provision of this home health legislation is especially significant in this light and in view of the fact that it has been estimated that over 50 percent of the rural elderly suffer from continued poor health; 87 percent of the rural elderly suffer from some form of chronic illness and 36 percent of these people are compelled to restrict their activities.

The bill also requires that home health aides complete a training program in order to improve the uniformity of services throughout the country and to upgrade the status of these aides.

In addition, it addresses the present inequity in administrative and reimbursement practices by requiring the Secretary of the Department of Health, Education, and Welfare to designate regional intermediaries specifically for home health care.

The Secretary, under this legislation, is further required to establish a uniform reporting system for the billing of home health patients on a bimonthly basis. The Secretary would also be required to establish large scale demonstration projects for utilization review of home health agencies in order to insure the quality and efficacy of home health care.

Mr. President, the Federal Government has too long been biased toward institutionalization of the elderly in its laws, its regulations, in the funding of its programs. Our very well intentioned medicaid and medicare programs have only served to encourage the displacement of older citizens from their homes to nursing homes or hospitals.

A dismal 3 percent of the budgets of five Federal programs for the elderly goes for home health care. This, despite the fact that a 1977 General Accounting Office report found that:

Until older people become greatly or extremely impaired, the cost of nursing home care exceeds the cost of home care.

This same study estimates that approximately 25 percent of the nursing home population could be cared for on less intensive levels if adequate home care were available.

Reasonable, responsible expansion of home health care can only serve to hasten the cost effective use of our financial resources in meeting the health care needs of the Nation's elderly. Not only is this responsible in a fiscal sense, but it is absolutely imperative when we consider that there have been no increases or improvements in general medicare benefits for the aged and disabled since 1972.

While this legislation is not perfect in that even more expansion of home care would be desirable, I feel that it is a major beginning toward reversing the institutional bias which prevents the medicare program from meeting the health needs of older Americans.

The old cliche, "There's no place like home," must bear some truth. Why else would institutions cling to the word in order to mollify the more unappealing aspects of institutional living. There are "homes" for the aged, nursing "homes," convalescent "homes." But our country, our culture strongly believes in the family life, the homelife, the concept of personal freedom and personal independence. While there will always be people who require full-time care in an institution, those capable of remaining in their own homes should have the freedom, the right to choose where they shall be cared for.

This legislation reaffirms that belief and I am hopeful that it will be passed by the Senate in the near future in order to insure a more productive and independent future for an important part of this Nation's population—the elderly.

By Mr. DOMENICI (for himself, Mr. SCHMITT, Mr. DECONCINI, and Mr. GOLDWATER):

S. 490. A bill to protect archeological resources owned by the United States, and for other purposes; to the Committee on Energy and Natural Resources.

ARCHEOLOGICAL RESOURCES PROTECTION ACT OF 1979

● Mr. DOMENICI. Mr. President, I rise today to introduce legislation which will provide improved protection for important archeological sites on public lands. I am joined by my distinguished colleagues from New Mexico (Mr. SCHMITT), and Arizona (Mr. DECONCINI and Mr. GOLDWATER). I am pleased that Congressman UDALL has introduced a companion measure in the House of Representatives.

Mr. President, this bill provides improved protection for archeological resources and sites on Federal lands. Theft of valuable artifacts from public lands in the Southwest has become a very serious problem and the present law does not give land managers adequate authority to prevent this from happening. Virtually, thousands of dollars worth of prehistoric Indian artifacts have been taken from public lands in New Mexico. Put simply, they are irreplaceable. The men and women who crafted these artifacts are long gone. The age that shaped their creativity is long past.

The bill provides that no archeological resources may be disturbed or removed from public lands without first receiving a permit from the Secretary of the agency whose lands are involved. It also requires that the archeological resources removed must be preserved for a satisfactory period of time in a museum or university.

The legislation imposes penalties for those convicted of removing or damaging archeological resources on public lands without a permit.

Mr. President, I ask unanimous consent that an article which appeared in the Santa Fe New Mexican be printed in the RECORD following my remarks. The article describes the problems we are having in the Southwest and points to the need for this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 490

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Archaeological Resources Protection Act of 1979".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. Excavation and removal from Federal land.
Sec. 5. Prohibited acts.
Sec. 6. Penalties.
Sec. 7. Rewards; forfeiture.
Sec. 8. Indian lands.
Sec. 9. Confidentiality.
Sec. 10. Regulations.
Sec. 11. Savings provisions; mining; rock collection.
Sec. 12. Report.

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) archaeological resources on land owned or controlled by the United States are an available and irreplaceable part of the Nation's heritage;

(2) these resources are increasingly endangered because of their commercial attractiveness; and

(3) existing Federal laws are inadequate to prevent the loss and destruction of these archaeological resources resulting from uncontrolled excavations and pillage.

(b) The purpose of this Act is to secure, for the present and future benefit of the American people, the preservation of archaeological resources on all lands owned or controlled by the United States.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "archaeological resource" means any material remains of past human life or activities which are at least 50 years of age and which are of archaeological interest, as determined under regulations promulgated by the Secretary of the Interior. Such term includes but is not limited to: pottery, bottles, weapons, weapon projectiles, structures or portions of structures, pit houses, rock paintings, rock carvings, intaglios, graves, human skeletal materials, nonfossilized and fossilized paleontological specimens when found in an archaeological context, and carbonized or non-carbonized human and faunal feces. The Secretary shall promulgate regulations under this paragraph only after consultation with other Federal land managers and with representatives of concerned State agencies.

(2) The term "Secretary" means the Secretary of the Interior, except that with respect to any land owned or controlled by the United States the primary management authority for which is vested in the Secretary of any other Department or the head of any other agency or instrumentality of the United States, such term means the Secretary of such other Department or the head of such other agency or instrumentality, as the case may be.

(3) The term "Indian lands" means all lands within the exterior boundaries of any Federal Indian reservation and all lands held in trust for or supervised by an Indian tribe.

(4) The term "person" means an individual, corporation, partnership, trust, association, or any other private entity, or any officer, employee, agent, department, or instrumentality of the United States or of any State or political subdivision thereof.

EXCAVATION AND REMOVAL FROM FEDERAL LAND

SEC. 4. (a) Any person may apply to the Secretary for a permit to excavate or remove any archaeological resource located on land owned or controlled by the United States or to carry out both such activities.

(b) A permit may be issued pursuant to an application under subsection (a) permitting excavation or removal of any archaeological resource, or permitting both excavation and removal of any such resource, if the Secretary to whom such application is made determines, under regulations promulgated by the Secretary of the Interior, that—

(1) the applicant is qualified, to carry out the permitted activity,

(2) the activity is undertaken for the purpose of furthering archaeological knowledge, and

(3) where appropriate, the resources involved and copies of archaeological records and data associated with the excavation of such resources will be preserved for a satisfactory period of time by a suitable university, museum, or other scientific or educational institution.

Such permit shall contain such terms and conditions as the Secretary concerned deems necessary (under regulations promulgated by the Secretary of the Interior) to carry out the purposes of this Act, to insure compliance with other applicable provisions of law, and to protect other resources involved. The Secretary of the Interior shall promulgate regulations under this subsection only after consultation with—

(1) other departments and agencies of the United States having primary responsibility for the management of land owned or controlled by the United States, and

(2) representatives of concerned State agencies.

(c) The Secretary to whom an application is made under subsection (a) may refuse to issue a permit under this section to any applicant—

(1) against whom a civil penalty has been assessed under section 6(a) or

(2) who has been convicted of a violation under section 6(b) or under the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 431–433).

Any permit issued under this section may be suspended by the Secretary for not more than one year upon his determination that the permittee has violated the prohibition contained in section 5. Any such permit may be revoked by such Secretary upon assessment of a civil penalty under section 6(a) against the permittee or upon the permittee's conviction of a violation under section 6(b).

(d) No permit or other permission shall be required, under the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 431–433) for any activity for which a permit is issued under this section.

PROHIBITED ACTS

SEC. 5. (a) No person may excavate or remove any archaeological resource located on land owned or controlled by the United States unless such activity is pursuant to a permit issued under section 4. No person may damage or otherwise injure any such resource, except to the extent necessary in connection with excavation or removal pursuant to such a permit.

(b) No person may sell, purchase, exchange, transport, receive, possess, or offer to sell, purchase, or exchange any archaeological resource removed from land owned or controlled by the United States in violation of—

(1) the prohibition contained in subsection (a), or

(2) any provision, rule, regulation, ordinance, or permit in effect under any other provision of Federal law.

(c) No person may sell, purchase, exchange, transport, receive, possess, or offer to sell, purchase, or exchange, in interstate or foreign commerce, any archaeological resource excavated, removed, sold, purchased, exchanged, transported, received, or possessed in violation of any provision, rule, regulation, or permit in effect under State or local law.

(d) (1) The prohibitions contained in subsections (a) and (b)(1) shall take effect on the date of the enactment of this Act with respect to any excavation or removal carried out after such date.

(2) The prohibitions contained in subsections (b)(2) and (c) shall take effect on the date of the enactment of this Act with respect to any archaeological resource removed, sold, purchased, exchanged, transported, received, or possessed in violation of any other provision, rule, regulation, or permit in effect under any State or other Federal law before, on, or after the date of the enactment of this Act.

PENALTIES

SEC. 6. (a)(1) Any person who violates any prohibition contained in section 5 or who violates any prohibition contained in a regulation or permit issued under this Act may be assessed a civil penalty by the Secretary concerned. Such penalty may be assessed after notice and opportunity for a hearing in accordance with section 554 of title 5 of the United States Code. Any such civil penalty may be remitted or mitigated by the Secretary.

(2) The amount of such penalty shall be determined under guidelines promulgated by the Secretary of the Interior, taking into account—

(A) the value of the archaeological resource involved, and

(B) the cost of restoration and repair of the resource (and the archaeological site) involved.

Such guidelines shall provide that, in the case of a second or subsequent violation by any person, the amount of such civil penalty shall be double the amount which would have been assessed if such violation were the first violation by such person.

(3) Any person aggrieved by an order assessing a civil penalty under paragraph (1) may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which such a person resides or transacts business. Such a petition may only be filed within the 30-day period beginning on the date the order making such assessment was issued.

(4) If any person fails to pay an assessment of a civil penalty—

(A) after the order making the assessment has become a final order and such person has not filed a petition for judicial review of the order in accordance with paragraph (2), or

(B) after a court in an action brought under paragraph (2) has entered a final judgment upholding the assessment of a civil penalty,

the Attorney General may bring an action to recover the amount assessed in any appropriate district court of the United States. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

(b) Any person who knowingly violates any prohibition contained in section 5 shall, upon conviction, be fined not more than $20,000 or imprisoned not more than 2 years, or both.

(c) Any individual, partnership, corporation, association, or other legal entity, or any group of individuals associated in fact (although not a legal entity) who knowingly commits two more violations of any prohibition contained in section 5 shall, upon conviction, be fined not more than $100,000 or imprisoned not more than 5 years, or both.

REWARDS; FORFEITURE

SEC. 7. (a) Upon the recomendation of the Secretary concerned, the Secretary of the Treasury is authorized to pay an amount equal to one-half of a civil penalty or fine paid under section 6, but not to exceed $2,500, to any person who furnishes information which leads to the finding of civil violation or the conviction of criminal violation with respect to which such penalty or fine was paid. If several persons provided such information, such amount shall be divided equally among such persons. No officer or employee of the United States or of any State or local government who furnishes information or renders service in the performance of his official duties shall be eligible for payment under this subsection.

(b) All archaeological resources excavated, removed, sold, purchased, or exchanged, offered for sale or purchase or exchange, transported, or received in violation of section 5 and all vehicles and equipment used in connection with such violation shall be subject to forfeiture to the United States upon—

(1) conviction of such violation under section 6(b),

(2) assessment of a civil penalty under section 6(a) with respect to such violation, or

(3) a determination by any court that such archaeological resources or other objects were involved in such violation.

INDIAN LANDS

SEC. 8. (a) The Secretary is directed to study and report to Congress concerning the regulation of excavation and removal of archaeological resources from Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of such excavation and removal.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe

which would be affected shall be submitted to the Congress as soon as possible but not later than June 1, 1980.

(c) After the date of the enactment of this Act, all excavation and removal of archaeological resources from Indian lands shall be subject to this Act.

(d) With respect to permits issued under this Act with respect to Indian lands, the Secretary, shall include and enforce terms and conditions in addition to those required by this Act as may be requested by the Indian tribe.

(e) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and may make available to the tribes such sums as may be necessary for this purpose.

(f) The Secretary shall analyze and make recommendations regarding the jurisdictional status of Indian Lands outside the exterior boundaries of Indian reservations. Nothing in this Act shall change the existing jurisdictional status of Indian Lands.

CONFIDENTIALITY

SEC. 9. Information concerning the location of any archaeological resource for the excavation or removal of which a permit or other permission is required under this Act or under any other provision of Federal law may not be made available to the public under subchapter II of chapter 5 of title 5 of the United States Code or under any other provision of law unless the Secretary concerned determines that such disclosure would—

(1) further the purposes of this Act, and

(2) not create a risk of harm to such resources or to the site at which such resources are located.

REGULATIONS

SEC. 10. (a) The Secretary of the Interior, after consultation with any other Secretary having primary authority for the management of any lands owned or controlled by the United States, shall promulgate such rules and regulations as may be appropriate to carry out the purposes of this Act.

(b) Each Secretary having primary management authority over any land owned or controlled by the United States shall promulgate such rules and regulations, consistent with the rules and regulations under subsection (a), as may be appropriate for the carrying out of his functions and authorities under this Act.

SAVINGS PROVISIONS; MINING; ROCK COLLECTION

SEC. 11. (a) Nothing in this Act shall be construed to repeal, modify, or otherwise interfere with the application of the mining or mineral leasing laws of the United States.

(b) Nothing in this Act applies to, or requires a permit for, the collection for private purposes of any rock or mineral which is not an archaeological resource, as determined under regulations promulgated by the Secretary of the Interior under section 3(1).

REPORT

SEC. 12. The Secretary of the Interior shall annually, submit a report to the Congress respecting the activities carried out by him under this Act.

LAW PROTECTING RUINS RULED UNCONSTITUTIONAL

ALBUQUERQUE.—A federal law protecting historic or prehistoric ruins and monuments from excavation was declared unconstitutional by a U.S. magistrate.

The action Monday came in the trial of a man charged with excavating pottery pieces at a 900-year-old Zuni ruin. Archeological experts testified the pottery pieces dated back to 1100 A.D.

Peter Gallagher, a parttime magistrate who was filling in for Magistrate Robert McCoy, dismissed the misdemeanor charges against 25-year-old Harvard medical student Scott Merritt Camazine after the defendant's attorney challenged the U.S. Antiquities Act as being vague.

The statute states excavating, injuring or destroying any historic or prehistoric ruin or monument or any "object of antiquity" on government lands is illegal.

Defense attorney Jay Hertz of Albuquerque challenged the law, saying reasonable persons might not be able to ascertain what a prehistoric ruin or object of antiquity is.

Prosecutor Robert Collins said the U.S. attorney's office would "continue to prosecute antiquities violations with vigor, wherever they occur, despite Gallagher's ruling."

He also warned that to declare the law unconstitutional "would expose all national forests and national parks and their ruins and monuments to wanton and irreversible destitution at the hands of souvenir and commercial pottery hunters."

Arrests of three men in June of this year in the Gila National Forest on similar charges resulted in convictions and they were sentenced by U.S. Magistrate John Darden to social work for a period of time. The defense raised the question of the constitutionality of the federal law at that time but Darden upheld the act.

A similar case also is on record in Arizona. It resulted in a conviction but the defendant appealed to the Ninth Circuit Court of Appeals, which ruled the act unconstitutional.●

By Mr. MATSUNAGA (for himself, Mr. JACKSON, Mr. CHURCH, Mr. LONG, Mr. BUMPERS, Mr. FORD, Mr. INOUYE, Mr. MELCHER, Mr. WEICKER, and Mr. WALLOP):

S. 493. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, and for other purposes; to the Committee on Energy and Natural Resources, the Committee on Commerce, Science, and Transportation, and the Committee on Foreign Relations; if and when reported, jointly to the Committee on Finance to consider title V only, and Committee on Environment and Public Works for not to exceed 60 calendar days; and that such latter committees be required to file separate reports.

DEEP SEABED MINERAL RESOURCES ACT

Mr. MATSUNAGA. Mr. President, I am introducing today, along with Senators JACKSON, CHURCH, LONG, BUMPERS, FORD, MELCHER, and WEICKER, as cosponsors, the Deep Seabed Mineral Resources Act. This bill is the product of 6 years of work by the Committee on Energy and Natural Resources. It includes many provisions developed by the other Senate committees which have considered predecessor bills; including the Committees on Commerce, Science, and Transportation; Foreign Relations; and Finance.

Mr. President, the recovery of ferromanganese nodules from the deep seabed offers an important new source of cobalt, nickel, copper, and manganese. While estimates of the amount of these potato-sized nodules lying on the bottom of the world's oceans vary, they run into the trillions of tons. The potential is enough to have impelled a number of American firms to expend many millions of dollars to develop the technology for lifting nodules to the surface of the ocean and for refining the ore either on land or at sea.

For more than a decade, the exploration for and development of technology on nodule mining have gone forward, with several countries including the United States, Great Britain, France, West Germany, Japan, Canada, and the Soviet Union having an interest in deep seabed mining. American firms enjoy a lead position in this field but are hesitant to proceed to commercial exploitation without some guarantee of security for their projected large investments of $300 to $500 million for each mine site.

The United States is heavily dependent on the metals contained in manganese nodules, primarily nickel, copper, manganese, and cobalt. There is no domestic mine production of cobalt, almost none of manganese, and very little of nickel. While the United States is a major copper producer, in 1977 nearly 20 percent of the copper consumed in the United States was imported. The reliability of foreign sources and the possibility of cartel action are subjects of grave concern.

Mr. President, the possibility that the vast resources of the deep seabed could become available to the United States through the operations of U.S. nationals while at the same time respecting the rights of all nations under the United Nations resolution declaring the deep seabed to be the "common heritage of all mankind" is a matter of serious legislative concern. Since 1971, bills have been introduced in the Congress to provide some form of investment guarantee and regulation of deep seabed mining activities.

Until 1977, the executive branch repeatedly recommended against any further legislative action for fear of prejudicing the outcome of discussions in the United Nations concerning the third Law of the Sea Conference, and Congress has been cooperative.

The most recent bill, S. 2053, was reported favorably by all three committees to which it was referred. It was also supported by the Carter administration. A companion bill passed the House of Representatives. Unfortunately, there was insufficient time remaining in the 95th Congress to allow consideration on the Senate floor.

Mr. President, I believe that the Senate should and will pass this legislation in 1979. Ambassador Elliot Richardson, who heads the U.S. delegation to the Law of the Sea Conference, has informed me that the administration believes:

It is important both from the domestic and international perspective to have deep seabed mining legislation enacted as soon as possible.

I ask unanimous consent that the text of the Ambassador's January 3 letter to me be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 3, 1979.

Hon. SPARK M. MATSUNAGA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATSUNAGA: Following up our recent telephone conversation I wanted to put on paper some further thoughts regarding the deep seabed mining legislation.

As you know, the Administration and I believe it is important both from the domestic and international perspective to have deep seabed mining legislation enacted as soon as possible and I am therefore very pleased that you have agreed to introduce a mining bill early in the 96th Congress. I am also pleased that you share my view that the goal of early passage will be furthered if this bill contains the language on several key issues agreed to between the Administration and concerned Congressmen and Senators near the end of the 95th Congress.

You may rest assured that I will do everything I can to assist in resolving any problems that may arise and I look forward to working closely with you in your effort to have this important piece of legislation enacted at the earliest possible time. Although I will be out of the country a great deal in the next few months in preparation for the Eighth Session of the Law of the Sea Conference, Robert Blumberg of my staff stands ready to assist you in any way possible.

With warm regard,

Sincerely,

ELLIOT L. RICHARDSON.

Mr. MATSUNAGA. Mr. President, the Deep Seabed Minerals Act will enable the U.S. mining industry to develop an important new source of the raw materials our Nation needs. This development will provide new jobs at sea and on land for our workers in the maritime and metals industries. It will help reduce our dependence on foreign, and in some cases, unreliable sources of supply. It will help reduce our balance-of-payments deficit. Finally, I believe it will help stimulate a law of the sea treaty which will protect the interests of our people, and the people of other nations—developed and undeveloped—around the world.

Mr. President, the principal Senate sponsor of the previous versions of this legislation was our former colleague, the late Senator Lee Metcalf. During our all too brief service together on the Energy and Natural Resources Committee, Senator Metcalf convinced me of the wisdom of the bill's basic objectives and principles. I am proud to carry on the important work which he started. When the Deep Seabed Minerals Act becomes law, it shall stand as a living memorial to Lee Metcalf and all Americans shall be indebted to him.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator WEICKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR WEICKER

I am pleased today to join my colleagues in introducing the Deep Seabed Mineral Resources Act. Last year I introduced my own deep seabed mining bill because I was concerned about the future of our oceans and their resources. I feared that failure by the United States Congress to act responsibly could jeopardize not only our domestic ocean interests, but also our international ocean interests as they are negotiated through the Law of the Sea Conference.

From a domestic standpoint it is important to realize that the minerals found in deep seabed manganese nodules, copper, cobalt, nickel and manganese, play a significant role in the defense and economy of the United States. With the exception of copper, the United States has no land based deposits of these minerals and must rely on supplies imported from a variety of other nations. Such a major reliance on foreign suppliers is economically unsound from standpoints of both national security and balance of payments. Although we have no critical strategic need for these minerals at the present time, all projections for the future indicate that our demand will be increasing. Continued complacency about this situation is dangerous, especially when an alternate supply of these minerals is available and has yet to be fully evaluated.

Any exploitation of deep seabed minerals will require many years of planning and development. We must begin now to develop the technology that will be needed 20 years in the future instead of waiting to react to the crisis that may develop.

From the environmental perspective we must realize that we have only just begun to study the environmental effects of deep seabed mining. We do not yet know the consequences that may result from mining activities, especially in the long-term. Without proper environmental assessment and regulation of the industry, development of deep seabed mining is likely to take place with little regard for its environmental impacts.

United States' industry has demonstrated that it is anxious and determined to move ahead with the exploratory phases of deep seabed mining. They have already expended considerable effort and money over the past eight years and are likely to continue their development activities with or without legislation.

Now is the time to pass legislation to assure the orderly development of this new industry as well as to assure protection of the environment in which it will be taking place.

From an international standpoint, the situation is much more complex. Most manganese nodules lie scattered over the floors of the deep seabeds of the world, beyond the limits of jurisdiction of any nation. Under existing international law these minerals can be recovered as a freedom of the high seas. International ocean law is rapidly changing, however, as a result of the continuing efforts of over 150 nations to draft a new legal regime for the oceans through the United Nations Law of the Sea Conference. This Conference, currently in its seventh session, is attempting to draft a comprehensive treaty on international ocean law covering navigational rights, resource allocation, scientific research, environmental protection and mechanisms for settlement of ocean disputes.

There is no country that will benefit more than the United States in the long run if a good treaty agreement can be reached. It is, therefore, in our own best interests to pursue such a treaty with sincerity. Although there are many issues at stake, most have been successfully resolved. The system of deep seabed resource allocation and exploitation, however, has grown to be the key issue and has thus far defied resolution. As with so many United Nations conferences involving negotiations between developed and developing countries, the deep seabed issue has become bogged down by North-South disputes based upon ideological rather than practical considerations.

Some developing nations have become convinced that the only way they can equitably share in the proceeds of the common heritage of mankind is by insuring that all deep seabed mining takes place only under the control of an international authority dominated by their own interests. The United States, on the other hand, believes that it is essential for United States' security and industrial interests that a system of exploitation be designed to accommodate the access to deep seabed minerals by all nations. This access must be assured and not subject to the discretion of other nations or an unfriendly international body.

For many years it was felt that any unilateral action by the United States with respect to deep seabed mining would jeopardize our chances of reaching an overall Law of the Sea agreement. It was believed that any action to encourage deep seabed mining on our part might alienate the developing nations by making it appear to them that we were making a half-hearted attempt to negotiate an equitable distribution of seabed resources while at the same time raping the common heritage of mankind. The negotiating climate has gradually changed over the past year, however, so that we now believe it is important for the United States to pass the right kind of legislation in order to increase bargaining leverage at the Conference.

The right kind of legislation should indicate that until a new regime is agreed to under a Law of the Sea Treaty, the United States is indeed serious about proceeding with deep seabed mining as a present high seas freedom under existing international law. At the same time, however, the legislation must be clearly understood to be transitional, meant only to regulate United States citizens.

The Deep Seabed Minerals Act meets most of the domestic and international concerns I expressed when I introduced my own bill last year. It incorporates many of the environmental protection measures and internationalistic provisions from my bill as well as the innovative ideas and thoughtful recommendations of many of my colleagues. I am particularly pleased that the bill includes the mechanisms to set aside areas of the deep seabed as reference zones in which no mining can take place.

These zones would be used as control areas for future comparative research.

We have come a long way from the special interest deep seabed mining bills that first appeared many years ago. The bill before us today represents a well thoughtout balance between the complex domestic and international issues involved. It is a piece of legislation that has been carefully considered by the Congress, the Administration and the industry.

I still believe, however, that the jurisdiction for deep seabed mining lies with the Secretary of Commerce rather than with Interior. The Secretary of Commerce with its National Oceanic and Atmospheric Administration has ocean expertise and is, therefore, most qualified to administer deep seabed mining.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Deep Seabed Mineral Resources Act, S. 493, be jointly referred to the Committee on Energy and Natural Resources, the Committee on Commerce, Science, and Transportation, and the Committee on Foreign Relations and after the bill has been reported by such committees, that it be jointly re-referred to the Committee on Finance for the purpose of consideration of title V only, and the Committee on Environment and Public Works, for a period not to exceed 60 calendar days, and that each of such latter committees be required to file separate reports, and if both such committees shall not have reported the bill within 60 days, that they be discharged from further consideration and the bill be placed on the Calendar.

Mr. STEVENS. Mr. President, reserving the right to object——

Mr. MATSUNAGA. I say to the Senator from Alaska this has been cleared

with the minority as well as with the majority.

Mr. STEVENS. The time limit did not apply to the committees of first reference—Energy, Commerce, and Foreign Relations—did it?

Mr. MATSUNAGA. No; only to the latter two committees.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

By Mr. STAFFORD (for himself, Mr. RANDOLPH, Mr. CHAFEE, and Mr. MOYNIHAN):

S. 494. A bill to amend certain provisions of the Public Buildings Act of 1959, and for other purposes; to the Committee on Environment and Public Works.

PUBLIC BUILDINGS AMENDMENTS OF 1979

Mr. STAFFORD. Mr. President, I am today introducing a bill for myself, for Mr. RANDOLPH, Mr. CHAFEE, and Mr. MOYNIHAN, to amend the Public Buildings Act of 1959 and the Public Buildings Act of 1949. Similar measures were introduced by me last October, near the close of the 95th Congress. At that time I introduced eight bills—S. 3570 through S. 3577. Today I am introducing essentially the same measures in one package bill.

Mr. President, while serving on the Committee on Environment and Public Works as the ranking Republican member, I have become increasingly concerned and convinced that the committee should carefully examine the Public Building Acts—over which it has legislative jurisdiction—and conduct thorough oversight of the public buildings service of the General Services Administration. Recent disclosures of monetary waste, gross mismanagement, and corruption strongly reinforce my conviction.

The recent disclosures of corruption and management failures within the GSA exceed the levels directly responsible to the Committee on Environment and Public Works. I applaud the work of the Subcommitee on Spending Practices chaired by Senator LAWTON CHILES.

But the disclosures illustrate the need to assure safeguards, proper procedures, and competent management in the very important field of building construction, leasing, alteration, and repair—where the Committee on Environment and Public Works must assume initial approval responsibility for projects exceeding $500,000 in cost.

The committee should carefully review not only the Nation's buildings policy, but specifically GSA management procedures and controls over building construction, leasing, alteration and repair. I believe and expect the committee will pursue its concerns in these areas.

I hope this bill will serve only as a beginning of this process, and perhaps as a focal point for further discussion or a point of departure for full oversight of the agency's program.

As I have said on previous occasions, there has not been, so far as I have observed, a coherent Federal policy on buildings. The policies that do exist appear to be in a state of continual change, if not increasing disarray and advanced deterioration. It is painfully clear that a policy must be developed, adopted, logically defined, and clearly enunciated. Furthermore, to protect its integrity, safeguards must be provided to assure that the chosen policy and program is then carried out and firmly adhered to.

Mr. President, I am delighted that Senator RANDOLPH, the chairman of the Committee on Environment and Public Works, has joined with me in this initiative. I am delighted also that Senator MOYNIHAN and Senator CHAFEE, who are charged with responsibility to oversee the committee's important buildings and grounds business, have also joined by cosponsoring the bill.

One provision of the bill I am introducing would in effect reinstate the so-called "purchase contract" method of financing new buildings. It would provide an alternative method of financing and could alleviate the ever-increasing leasing requirements.

Three measures would amend section 7 of the Public Buildings Act of 1959 in order to strengthen congressional control over GSA's activities in the acquisition and the alteration and repair of Government-owned buildings and the alterations of privately owned buildings leased by the Government. At present, no committee authorization is needed to alter privately owned space leased by the Government or to exchange Government-owned property for private property.

Another measure would add a new section to the Public Buildings Act in order to establish criteria by which the Administrator shall be guided for the construction, acquisition, assignment, reassignment, and utilization of office buildings and space under his jurisdiction. At present, the act does not provide any such guidelines or criteria.

One provision would direct GSA to file with the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation two studies which are now being undertaken annually by GSA but which are not sent to these committees. This measure would expand the committee's knowledge when acting upon GSA business.

Another provision would amend the Public Buildings Act of 1949, whereby the Administrator has authority to name and rename buildings, even when they have already been named by an act of the Congress.

Finally, one measure would provide additional congressional control over cost overruns. The present act allows GSA to increase expenditures 10 percent over the authorized figure. The bill would retain this provision, and it would prohibit GSA from decreasing the scope of a construction project by more than 10 percent, without returning to the Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Amendments of 1979".

ADMINISTRATIVE CRITERIA

SEC. 2. Section 2 of the Public Buildings Act of 1959 (40 U.S.C. 601) is amended—

(1) by inserting "(a)" immediately after the section designation; and

(2) by adding at the end thereof the following:

"(b) The Administrator shall consider the following criteria for the acquisition, assignment, reassignment, and utilization of office building and space under his jurisdiction:

"(1) Primary consideration shall be given to the economical provision of space needs and the efficient performance of the missions and programs of the executive agencies.

"(2) Maximum use shall be made of existing permanent buildings owned by the Government which are adequate or economically adaptable to the space needs of executive agencies.

"(3) Consideration shall be given the use of buildings of historic, architectural, or cultural significance within the meaning of section 105 of the Public Buildings Cooperative Use Act of 1976 (40 U.S.C. 612a).

"(4) Suitable privately owned space shall be leased only when satisfactory Government-owned space is not available or cannot be economically acquired, and then only at rental charges which are consistent with prevailing rates in the community for comparable facilities, except that the provisions of this clause do not supersede the provisions of section 322 of the Act entitled "An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes", approved June 30, 1932 (47 Stat. 412; 40 U.S.C. 278a).

"(c) After the criteria specified in subsection (b) are met, the Administrator shall give maximum consideration to meeting space needs in a manner that will encourage the development and redevelopment of cities, conserve existing urban resources, and improve the social, economic, environmental, and cultural conditions of communities.".

COMMITTEE APPROVAL OF CERTAIN ACTIONS

SEC. 3. Section 7 (a) of the Public Buildings Act of 1959 (40 U.S.C. 606 (a)) is amended to read as follows:

"SEC. 7. (a) (1) (A) Except as provided in section 4 of this Act, no appropriation made to construct, alter, purchase, or to acquire any building to be used as a public building which involves a total expenditure in excess of $500,000 shall be obligated if such construction, alteration, purchase, or acquisition has not been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

"(B) Except as provided in subsection (d), no appropriation made to lease any space for use for public purposes at an average annual rental in excess of $500,000 shall be obligated if such lease has not been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

"(C) If, in the case of any building under lease for use as a public building, the total cumulative cost of all alterations to such building over the term of the lease for such building equals or exceeds $500,000, no appropriation may be obligated to make any additional alteration to such building if any such additional alteration has not been approved by resolutions adopted by the Committe on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

"(D) Notwithstanding any other provision of law, no exchange of property authorized

under this Act shall be carried out whenever the currently total independently appraised value of the property exchanged exceeds $500,000 unless the exchange has been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

"(2) For the purpose of securing consideration for the approval of construction, alterations, purchases, acquisitions, leases, or exchanges under subparagraphs (A) through (D) of paragraph (1), the Administrator shall transmit to the Congress a prospectus of the proposed facility, including (but not limited to)—

"(A) a brief description of the building to be constructed, altered, purchased, acquired, or the space to be leased under this Act, or in the case of an exchange of property under this Act, a brief description of all properties involved in the exchange;

"(B) the location of the building or the space to be leased or, in the case of an exchange of property, the location of all properties involved in the exchange, and an estimate of the maximum cost to the United States of the facility to be constructed, altered, purchased, acquired, or the space to be leased, or of an exchange of property;

"(C) a comprehensive plan for providing space for all Government officers and employees in the locality of the proposed facility, or the space to be leased, or the property received by the United States in an exchange of property, having due regard for suitable space which may continue to be available in existing Government-owned or occupied buildings;

"(D) with respect to any project for the construction, alternation, purchase, acquisition, or exchange of any building, a statement by the Administrator that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action; and

"(E) a statement of rents and other housing costs currently being paid by the Government for Federal agenices to be housed in the building to be constructed, altered, purchased, acquired, in the space to be leased, or in the property received by the United States in an exchange of property.".

EXCESS CONSTRUCTION COSTS

SEC. 4. Section 7(b) of the Public Buildings Act of 1959 (40 U.S.C. 606) is amended to read as follows:

"(b)(1) When the cost of a project exceeds the estimated maximum cost set forth in a prospectus approved under this section, the Administrator is authorized to either (A) increase expenditures by an amount equal to the percentage increase in the cost of the project, or (B) decrease the number of gross square feet to be constructed in the project. In no event shall the total increase in expenditures authorized by clause (A) of this paragraph exceed 10 percent of the estimated maximum cost of the project. In no event shall the total decrease in square feet authorized under clause (B) of this paragraph exceed more than 10 percent of the gross square feet stated in the approved prospectus.

"(2) If the Administrator determines that the cost of a project exceeds the estimated maximum cost set forth in a prospectus approved under this section to such an extent that action under paragraph (1) is not sufficient to meet such excess costs, the Administrator shall report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives concerning the project. Such report shall include recommendations by the Administrator as to appropriate action to enable the continuance of the project. The Administrator may not take any action to continue the project, other than the action authorized by paragraph (1), unless such action has been authorized by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.".

LONG RANGE PLANS

SEC. 5. Section 11 of the Public Buildings Act of 1959 (40 U.S.C. 610) is amended by—

(1) redesignating subsection (b) as subsection (d); and

(2) inserting the following new subsections immediately after subsection (a):

"(b) The Administrator annually shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives long-range plans and programs for the acquisition, modernization, and use of space.

"(c) The Administrator annually shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report showing the inventory of real property owned by and leased to the United States.".

FINANCING

SEC. 6. (a) The Public Buildings Act of 1959 (40 U.S.C. 601 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 19. (a) The Administrator is authorized to issue obligations to the Secretary of the Treasury, to the extent authorized in annual appropriations Acts, in order to obtain funds necessary to finance the acquisition or construction of any public building when he determines the best interest of the United States will be served. The Secretary of the Treasury is authorized to purchase such obligations, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under the Second Liberty Bond Act are extended to include such purchases. The repayment of loans made under this section shall be for terms up to thirty years and on such conditions as may be prescribed by the Secretary of the Treasury. In prescribing such terms and conditions, the Secretary of the Treasury shall take into account the useful life of the facility for which funds are to be borrowed and shall not require that repayment begin until the facility is ready for occupancy. Such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities.

"(b) An obligation may be issued under subsection (a) to acquire or construct a public building, only if such acquisition or construction has been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, respectively, pursuant to section 7 of this Act.

"(c) The payment of principal and interest on such obligation issued under subsection (a) shall be payable from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949. There are authorized to be appropriated from the fund such amounts as may be necessary to carry out the purposes of this section.".

(b) Section 210(f)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(2)) is amended by inserting immediately after "activities" a comma and the following: "and for payments in connection with the financing of the acquisition and construction of public buildings as authorized by section 19 of the Public Buildings Act of 1959".

NAMING OF BUILDINGS

SEC. 7. Section 410 of the Public Buildings Act of 1949 (40 U.S.C. 298d) is amended to read as follows:

"SEC. 410. (a) The Administrator of General Services is authorized to name or designate any building under the custody and control of the General Services Administration which has not been specifically named or designated by statute.

"(b) Notwithstanding any other provision of law, in naming or designating any building under subsection (a), the Administrator of General Services may not use the name of any individual, living or dead, in the name or designation of any such building.".

By Mr. KENNEDY (for himself, Mr. TSONGAS, and Mr. CHAFEE):

S. 495. A bill to authorize the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts, and for other purposes; to the Committee on Energy and Natural Resources.

FREDERICK LAW OLMSTED NATIONAL HISTORIC SITE

● Mr. KENNEDY. Mr. President, I am introducing legislation, along with Senator TSONGAS and Senator CHAFEE, to establish the Frederick Law Olmsted National Historic Site in Brookline, Mass. Congressman ROBERT DRINAN is today introducing companion legislation in the House of Representatives.

When I first introduced this legislation in 1973, we were celebrating the 150th anniversary of Olmsted's birth. During that year, we saw a renewed interest in the extraordinary achievements of the "Father of Landscape Architecture" and a renewed enthusiasm for preserving the record of his work for all future generations of Americans. In 1976, Congress mandated that the Department of the Interior prepare a feasibility study of the Olmsted Home and Office as a unit of the National Park System. This study has just been transmitted to Congress, and its conclusions fully support Federal action to preserve and protect the Olmsted estate and archival collection. The study concludes that—

> If a careful analysis of the site and collection is not done and decisions rendered as to the need for protection and preservation, a potential exists that the site and collection will be lost forever.

Mr. President, this would be a loss for all Americans. For Frederick Law Olmsted, more than anyone else, was responsible for bringing public green space into our urban centers. His work is recognized and appreciated every day by millions of Americans. It is difficult for us to imagine a New York City without a Central Park or to think of Boston without the Emerald Necklace sweeping along the Charles River through the Fenway, across Jamaica Pond to Franklin Park. Every day, my colleagues in the House and Senate have an opportunity to walk through the Capitol Grounds which Olmsted designed and created. And while we most often take this simple beauty for granted, all of us at different moments are struck by the

quiet, peaceful charm, and grace of these Grounds.

Before his death in 1903, Olmsted had created 17 major urban parks, planned entire cities like Riverside, Ill., and designed scores of college campuses from coast to coast. His work contributed to the founding of the National Park System. He was instrumental in preserving Niagara Falls, and the conservation of Yosemite Park is largely the result of his dedication as the chairman of the first Yosemite Park Commission in 1865.

Clearly though, Olmsted's greatest contribution was to our cities. So many of his contemporaries simply assumed that urban residents would have to travel far to enjoy the natural beauty that contributes so much to our quality of life. But Olmsted's genius sparked new concepts in urban planning. Architect, conservationist, engineer, sociologist, he had a wide grasp of social issues and a different vision of life in America's cities. He knew the human need for interaction with nature, and he sensed that a city could only grow and mature if it balanced beauty and development, peace and activity, tranquility, and commercial bustle.

Olmsted predicted that "the further progress of civilization depends mainly upon the influences by which men's minds and characters will be affected while living in large towns." This vision has prevailed. Because of it, urban planning now encourages beautiful landscape as well as buildings. Cities like Boston, New York, Chicago, Milwaukee, Detroit, Buffalo, and Louisville have all benefited by the implementation of Olmsted's plans. And just last year, Congress enacted a major urban parks bill, assuring that Olmsted's vision will continue to prevail.

The Frederick Law Olmsted home and office in Brookline, Mass., has been designated a national historic landmark in recognition of Olmsted's outstanding contribution to the history of this Nation. Through the years, however, it has become clear that further assistance from the Department of the Interior is necessary if the site is to be preserved.

This legislation authorizes the Secretary of the Interior to undertake the preservation and maintenance of Olmsted's home which also served as his office. The bill will assure that thousands of drawings, prints, photographs, and documents will be protected from damage, destruction, or loss. The Secretary would be authorized to enter into cooperative agreements with universities and organizations to make certain that these materials are made available for study. Further amendments may be considered by the Energy and Natural Resources Committee to assure that the numerous individuals and organizations which have expertise in this field are consulted in preparing plans for the proper preservation of Olmsted's home and archival collection.

Mr. President, we have the opportunity with this legislation not only to protect and preserve the heritage of Olmsted's work by preserving his home and papers, but also to renew the commitment of Olmsted to a better quality of life for urban residents. Olmsted envisioned a "sense of enlarged freedom" for those who would enjoy the parklands set among the concrete and pavement of our cities, and it is to renew this same vision that I introduce this bill today.●

● Mr. CHAFEE. Mr. President, I am pleased to cosponsor this bill which would designate the Frederick Law Olmsted house in Brookline, Mass., a national historic site.

Frederick Law Olmsted was the most famous American landscape architect in the 19th century. Each day, millions of Americans from coast to coast experience and enjoy his work. As architect in chief of the winning proposal to design Central Park in New York City, Olmsted began a busy and productive career. Among his works are the Emerald Necklace in Boston, Prospect, Morningside, and Riverside Parks in New York City, Fairmount Park in Philadelphia, and Belle Isle Park in Detroit. The Capitol Grounds, right outside this Chamber, are also Olmsted's creation.

Olmsted played one of the leading roles in bringing the rural beauty and color of open spaces to the heart of our urban centers. Using native shrubs and flowers, Olmsted insured that residents of countless cities would not have to travel long distances to enjoy the beauty and tranquillity of a park. He keenly recognized the need for city dwellers to have open space; for gray concrete and red brick to be punctuated with green grass and trees.

Olmsted's work was not confined to city parks. The landscaped portions of Yosemite and Yellowstone National Parks, as well as Niagara Falls were designed by this man and his firm.

Olmsted's career touched many professions. As a journalist, he wrote the classic study of slavery and the plantation system entitled, "The Cotton Kingdom: A Traveler's Observation of Cotton and Slavery in The American Slave States." During the Civil War, he lent his services as head of the Sanitary Commission and made other contributions to army medical administration and public health. Clearly, Olmsted was dedicated to the preservation of his fellow man as well as the natural environment.

The Frederick Law Olmsted house in Brookline, Mass., served as Olmsted's house and office from 1895 through 1903, when he died. While his professional and personal papers have been donated to the Library of Congress, his major drawings, photographs and work materials are stored in his Brookline house. This collection includes 150,000 drawings, 63,000 prints and photographs dating back to 1860. This extraordinary assemblage is still used as a reference by States and municipalities that wish to rehabilitate their landscapes. In addition, Olmsted's papers are an important source of information about the history of environmental design.

At the present time, the Olmsted house is designated a national historic landmark. While this designation recognizes Olmsted's contribution to American history, it does not allow the National Park Service to take the steps necessary to preserve Olmsted's papers and drawings. By designating this site a national historic site, the Park Service will acquire and maintain the land and buildings. The value of his work will be preserved through time and be readily available to scholars, planners, students, and the public.

Each one of us who has enjoyed strolling through the Capitol Grounds or taken a walk through a national or urban park owes a great deal to the vision and artistry of Frederick Law Olmsted. By designating his home a national historic site we will not only be paying tribute to his life but also insuring that future generations may learn from his wisdom and insight.●

By. Mr. JACKSON (by request):

S. 496. A bill to increase the appropriations ceiling for title I of the Colorado River Basin Salinity Control Act (the act of June 24, 1974; 88 Stat. 266), and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to increase the appropriations ceiling for title I of the Colorado River Basin Salinity Control Act (the act of June 24, 1974; 88 Stat. 266) and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication and a section by section analysis which accompanied the proposal from the Acting Assistant Secretary of the Interior by printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., January 30, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To increase the appropriation ceiling for Title I of the Colorado River Basin Salinity Control Act (88 Stat. 266), and for other purposes."

We recommend that the bill be introduced and enacted.

The bill would amend Title I of the Colorado River Salinity Control Act for the principal purpose of increasing the appropriation ceiling for that Title I, but for other significant purposes as well. Section 8 would be amended to increase the authorised ceiling to $333,382,000 (based on July 1977 prices). The current authorized ceiling is $155,500,000, which, if indexed to provide for inflation, allows a current authorised ceiling of $219,831,000, based on July 1977 prices. Changes in the authorised project plan would amount to an additional $113,551,000. (A specific breakdown of indexed cost increases and changes is provided on the attached Table 1).

The increases would apply to purposes authorized in Section 101, 102 and 103 of the Act and would provide an additional $10,093,000 (for a total of $10,539,000) for fish and wildlife facilities, and mitigation of fish and wildlife habitat losses, in California and Arizona. A new Section 110 is proposed to authorize specific fish and wildlife mitigation actions. Proposed amendments would also authorize use of electrical power and energy from Navajo Generation Station.

Title I of the Colorado River Basin Salinity Control Act (Public Law 93-320) authorized the construction of facilities necessary to meet the terms of the 1973 salinity agreement with Mexico including a desalting plant near Yuma, Arizona, protective and regulatory pumping measures, and measures to recover water lost in meeting the terms of the salinity agreement prior to completion of the desalting plant.

As planning and initial construction progressed on the Title I measures, it became apparent that the original cost estimates, which were hastily drawn up in an effort to promptly give effect to the 1973 agreement with Mexico, were not adequate to cover the costs of the project. It was also found that several design changes had to be made to construct a desalting plant adequate to treat the drainage water used by the plant. In addition, several items were omitted from the authorization due to time constraints and the nature of the negotiations.

Although some fish and wildlife mitigation measures were included in the funds authorized in the original legislation, it is important to strengthen and clarify mitigation authorities for the project. Some construction activities already undertaken (particularly the completed bypass drain) are affecting fish and wildlife habitat, and a more adequate mitigation authority is needed as soon as possible to prevent the possibility of irreversible damage to that habitat.

Briefly, the specific amendments proposed are as follows (a fuller discussion is provided in the attached section-by-section analysis and report on costs):

1. Section 101(b)(2) would be amended to add authority to use electrical power and energy from the Navajo Generating Station in excess of Central Arizona Project requirements, and to purchase supplemental power and energy as required.

2. Section 101(c) would be amended to add Colorado River water used in fish and wildlife mitigation measures to the total project replacement requirement.

3. Section 103(a) would be amended to add authority to enter into contracts for delivery of water, pumped pursuant to the existing protective pumping authority, for irrigation and M&I use on a reimbursable basis, in amounts consistent with the agreement with Mexico.

4. A new section 106 would assure adequate authority to manage lands acquired under Title I and would apply any revenues received to the General Fund of the Treasury.

5. Section 108 (section 109 under our amendments) would be amended to increase the appropriation ceiling to a total of $333,382,000 (July 1977 prices).

6. Section 110 would be added to authorize specific fish and wildlife mitigation measures and make the costs nonreimbursable; and

7. Section 111 would be added to define terms.

Protests and lawsuits delayed the award of contracts for the membranes of the Yuma Desalting Plant and also delayed the date for award of the prime construction contract. However, we hope to award the prime contract in FY 1980 which would commit expenditures that would exceed the present authorized appropriation ceiling and would necessitate the additional authority provided by this bill. For this and other reasons discussed previously, we submit for your consideration the enclosed legislation to amend the Colorado River Salinity Control Act.

The Office of Management and Budget has advised that this legislative proposal is consistent with the program of the President.

Sincerely,

DANIEL P. BEARD,
Acting Secretary.

Enclosures.

[Colorado River Basin Salinity Control Project Title I Division]

REPORT ON COSTS IN EXCESS OF AUTHORIZED APPROPRIATION CEILING AND REQUIRED LEGISLATIVE AMENDMENT

SUMMARY

The Colorado River Basin Salinity Control Act (Public Law 93-320) was signed into law on June 24, 1974. This Act authorized the Secretary of the Interior to construct, operate, and maintain certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico. Works constructed under Title I of the Act will allow the United States to comply with its obligations under the agreement with Mexico of August 30, 1973, concluded pursuant to the Treaty of February 3, 1944. Since authorization several areas of concern have arisen which will require additional Congressional action to fully implement measures authorized under Title I of this Act.

COST IN EXCESS OF AUTHORIZED APPROPRIATION CEILING

A total of $155,500,000 was authorized under Section 108 of Public Law 93-320 for construction of works under Title I. Cost indexing of this authorization amounts to $64,331,000 which provides a computed appropriation ceiling of $219,831,000 based on July 1977 prices. A proposed addition to the project and other changes amounting to $113,551,000 have increased the total estimated construction cost to $333,382,000 based on July 1977 prices. A tabulation of the increased cost by project feature is shown on Table 1 as follows:

TABLE 1.—COLORADO RIVER BASIN SALINITY CONTROL PROJECT, TITLE 1 DIVISION: SUMMARY OF INCREASED COST

[In thousands]

Item	Authorized amount Public Law 93-320 [1]	Cost indexing [2]	Subtotal authorized ceiling [3]	Other changes [4]	Total estimated cost [5]
ORIGINAL AUTHORIZED MEASURES					
Desalting plant facilities [6]	62,080	33,316	95,396	[7] 83,004	178,400
Bypass drain:					
United States section	6,135	2,935	9,070	—2,030	[8] 7,040
Mexico section	9,235	5,156	14,391	2,169	[9] 16,560
MODE siphon	3,100	1,559	4,659	—1,674	[8] 2,985
Irrigation efficiency improvement program [10]	2,000	408	2,408	1,177	3,585
Wellton-Mohawk acreage reduction and/or onfarm system improvement	10,500	4,724	15,224	[11] 7,343	22,567
Painted Rock Reservoir/Gila River measures	5,000	1,763	6,763		6,763
Brine Stream replacement source studies	2,000	440	2,440		2,440
Coachella Canal replacement	20,400	10,930	31,330	[12] 12,310	43,640
Fish and wildlife facilities (California) [13]	300	146	446	3,133	3,579
Land acquisition—Imperial East Mesa	750	122	872	[14] 1,673	2,545
Protective and regulatory pumping well fields	17,600	8,709	26,309	[15] —144	26,165
Land acquisition—Yuma Mesa	16,400	[16] —5,877	10,523	0	10,523
Subtotal, authorized measures	155,500	64,331	219,831	106,961	326,792
OTHER SCHEDULED ITEMS NOT SPECIFICALLY AUTHORIZED					
Fish and wildlife facilities (Arizona) [17]				6,960	6,960
Nodreimbursable GI cost—Coachella Canal Inv. [18]				164	164
Net property and other transfers (consolidated expenditures and credits) [19]				—534	—534
Revised total estimated cost [20]	155,500	64,331	219,831	113,551	333,382

[1] Estimate based on April 1973 prices.
[2] Reflects cost indexing on April 1973 estimates only.
[3] Reflects current authorized appropriation ceiling based on July 1977 prices.
[4] Modifications to authorized project plan.
[5] Reflects current total estimated cost of the title I division based on July 1977 prices.
[6] Includes cost of testing and research and development at the Yuma desalting test facility.
[7] Further analysis of the estimate in the September 1973 special report shows that contingencies and overhead expenses were inadequate. The current estimate includes an additional $22,000,000 for these items. The remainder is for design changes and additions to the pretreatment system, incoming power system, and in the desalting plant.
[8] Estimated cost less than indexed ceiling due to favorable prices received under construction contracts and expedited construction schedules.
[9] The original estimate was prepared by the United States without the benefit of data from Mexico. The current estimate is based on data received from Mexico in December 1977.
[10] Includes irrigation management services, Technical Field Committee activities technical assistance by SCS, and research and demonstration by ARS.
[11] The Technical Field Committee found the original unit cost of land to be in error. Estimate increased to reflect more realistic unit cost and provide for clearing of citrus lands for environmental considerations.
[12] Increased to provide for construction of new siphons in lieu of using existing siphons as originally envisioned.
[13] Public Law 93-320 included $300,000 for mitigation of losses attributed to the Coachella Canal replacement. Revised estimate based on selected mitigation measures.
[14] Increase reflects revised land costs in excess of original estimates prior to appraisal.
[15] Estimate reduced to reflect design change. Conveyance system changed from total pipeline to a combination of pipeline-open channel.
[16] The decrease reflects land appraisals which were lower than originally estimated.
[17] Public Law 93-320 did not include mitigation measures for the desalting complex unit or the protective and regulatory pumping unit. Estimates are based on selected mitigation features.
[18] General investigation costs for replacement of the 1st 49 mi. of the Coachella Canal. This cost is subtracted as part of the "Net Property and Other Transfers."
[19] Includes costs to the project which require no outlay of Federal funds.
[20] Totals shown indicate total indexing of the authorized ceiling and other changes to the project total estimated cost made since authorization.

The additional appropriation ceiling necessary to complete the Title I features as authorized under Public Law 93-320 (July 1977 prices) is:

	Project cost estimate
Total construction estimate	$333, 382, 000
Computed authorized appropriation ceiling	219, 831, 000
Total additional appropriation ceiling required	113, 551, 000

The following is a summary explanation of increases in the total estimated cost:

A. Desalting plant facilities

Desalting Plant Facilities include intake works, pretreatment facilities, desalting process, sludge disposal, discharge facilities, incoming power, and other features necessary to desalt 96 Mgal/d of Wellton-Mohawk drainage water. A total of $62,080,000 was included in the authorization for construction of the Yuma Desalting Plant Facilities, and the operation and testing at the Yuma Desalting Test Facility. Cost indexing of this amount is $33,316,000 for an authorized ceiling of $95,396,000 (July 1977 prices). Design and other changes have further increased the total estimated construction costs. These changes include: 1) $23,025,000 for addition of a recalcining system, energy recovery system, and an automated supervisory computer control system; 2) $33,879,000 for a partial lime-softening pretreatment in lieu of the simple coagulation system originally envisioned, more extensive site foundation treatment, enlargement of the desalting building and addition of other buildings, relocation of incoming power facilities, and additional plant site right-of-way; 3) $22,000,000 to provide for standard Reclamation contingency and overhead expenses as the original preliminary design and cost estimate did not adequately provide for this allowance; and 4) $4,100,000 at the Yuma Desalting Test Facility for an additional operations contract, revised testing programs on ongoing contracts, and enlargement of facilities to provide additional feedwater. These changes amount to $83,004,000 which brings the total estimated construction cost to $178,400,000 based on July 1977 prices.

B. Other facilities associated with the Yuma Desalting Plant

Other associated facilities include: 1) construction of a bypass drain from Morelos Dam to Santa Clara Slough near the Gulf of California, 2) implementation of measures for the Wellton-Mohawk Irrigation Efficiency Improvement Program, 3) Wellton-Mohawk Acreage Reduction, 4) Painted Rock Reservoir Land Acquisition and Operation Schedule Modifications, 5) construction of the Main Outlet Drain Extension Siphon, and 6) reject brine stream replacement studies. A total of $37,970,000 was included in the authorization for construction or implementation of these facilities. Cost indexing of this amount is $16,985,000 for an authorized ceiling of $54,955,000 (July 1977 prices). Other changes have further increased the total estimated cost of these facilities. These increases include $2,169,000 required by Mexico for construction of the bypass drain from the southerly International Boundary to Santa Clara Slough, and $8,520,000 for the Wellton-Mohawk Irrigation Efficiency Improvement Program and Acreage Reduction program to accomplish the level of irrigation efficiency recommended by the Technical Field Committee and to reflect more realistic land values unavailable at the time the original estimate was prepared. The increase was partially offset by a decrease of $3,704,000 as the result of low bids received and expedited construction schedules for construction of the United States portion of the bypass drain and the MODE Siphon. These changes amount to $6,985,000 which brings the total estimated cost to $61,940,000 based on July 1977 prices.

C. Replacement of the first 49 miles of the Coachella Canal

The cost of lining the first 49 miles of the Coachella Canal includes the canal lining or replacement, acquisition of lands on the Imperial East Mesa, and mitigation of fish and wildlife losses. A total of $21,450,000 was included in the authorization to construct a concrete-lined replacement for the first 49 miles of the canal. Cost indexing of this amount is $11,198,000 for an authorized ceiling of $32,648,000 (July 1977 prices). Other changes have increased the total estimated construction cost. These changes include $12,310,000 for construction of new siphons for the canal replacement in lieu of using existing siphons as originally envisioned and refinement of April 1973 estimated quantities, $1,673,000 due to land appraisals in excess of that originally etimated, and $3,133,000 for additional fish and wildlife mitigation measures in California recommended by the Ad Hoc Committee. These changes amount to $17,116,000 which brings the total estimated construction cost to $49,764,000, based on July 1977 prices.

D. Protective and regulatory pumping

The Protective and Regulatory Pumping includes construction of a well field and acquisition of approximately 23,500 acres of land near the Arizona-Sonora boundary. A total of $34,000,000 was included in the authorization for construction of the well field and acquisition of land. Cost indexing of this amount is $6,709,000, however, lower land appraisals than originally estimated resulted in a cost reduction of $5,877,000. Therefore, the authorized ceiling amounts to $36,832,000 (July 1977 prices). A revised plan to construct all wells along the land boundary in lieu of along both the land and limitrophe boundaries and to construct a combination pipeline-open channel conveyance system in lieu of total pipeline results in a construction cost decrease of $144,000, which brings the total estimated cost to $36,688,000, based on July 1977 prices.

E. Other scheduled items not included in original estimate

1. Fish and Wildlife facilities (Arizona).—

Public Law 93-320 did not include costs for mitigation of fish and wildlife losses associated with the Desalting Complex or Protective and Regulatory Pumping, both in Arizona. A total of six measures have now been selected to mitigate these losses. The total estimated cost for these measures is $6,960,000, based on July 1977 prices.

It is recommended that these costs be included in the proposed amendment to increase the authorized appropriation ceiling to ensure compliance with Section 106 of the Act and the Fish and Wildlife Coordination Act of 1958 (Public Law 85-624).

2. Nonreimbursable GI costs, Coachella Canal investigations.—

Pursuant to Public Law 92-149, investigation costs amounting to $164,000 associated with replacing the first 49 miles of the Coachella Canal were included in the total estimated cost of the project. Although this will be a cost to the project, no further Federal appropriations will be required.

F. Proposed changes to Public Law 93-320 not requiring appropriations

Several other changes are proposed to Public Law 93-320 to fully implement measures authorized under Title I of the Act. The following is a brief explanation of each proposed change:

1. Electric power source for the Yuma Desalting Plant and protective and regulatory pumping wells.—

The Secretary should be authorized to utilize power and energy from the Navajo Generating Station which is excess to the requirements of the Central Arizona Project. Power requirements of Title I should be assigned first priority for surplus United States entitlement in excess of CAP requirements. The Secretary should also be authorized to purchase supplemental power and energy needed to meet Title I power requirements in the event surplus United States entitlement is not available. It should be emphasized that revenues credited to the Lower Colorado River Basin Development Fund will not be diminished as a result of this use of power and energy available from the Navajo Generating Station.

2. Delivery of protective and regulatory pumping water to organizations within the United States.—

Public Law 93-320 presently authorizes the Secretary to furnish water to organizations within the United States. The anticipated effects of drawdown within the 5-mile zone may require execution of such contracts for delivery of irrigation and municipal and industrial water. The terms and conditions of the contracts should require the water users to reimburse the United States in an amount to include components for construction costs, OM&R, and interest.

3. Amendment to consolidate section by section appropriation.—

Section 106 of the Act authorized separate specific amounts to be appropriated for construction and accomplishment of measures included in Sections 101 and 102, and to accomplish the purposes of Section 103. It is recommended that Section 106 be amended to provide that the revised total estimated cost including fish and wildlife mitigation and additions to the Project be authorized in one amount for utilization on all features of Title I.

SECTION-BY-SECTION ANALYSIS

ANALYSIS OF PROPOSED LEGISLATION TO AMEND THE COLORADO RIVER BASIN SALINITY CONTROL ACT (PUBLIC LAW 93-320)

Section 101(b)(2) is amended to authorize the Secretary of the Interior to use electrical power and energy available from the United States participation in the Navajo Generating Station or from the power and energy system into which it may be integrated or replacement thereof and which is excess to the pumping requirements of the Central Arizona Project and to purchase supplemental power and energy as required for supplying the power requirements of the desalting plant and the protective pumping wells. The existing legislation makes no provision for this power and energy requirement and studies show that the most viable source of power and energy is from the Navajo Generating Station. It is provided that revenue credited to the Lower Colorado River Basin Development Fund will not be diminished as a result of the use of power and energy available from the Navajo Generating Station. It is also provided that this power and energy source be made secondary to the needs of the Central Arizona Project. When Navajo power is not available, the Secretary is authorized to purchase supplemental power as required to keep the Central Arizona Project whole.

The final sentence was deleted because it added nothing to the nonreimbursable status of the project which is more clearly stated in Section 101(1).

Section 101(c) is amended to include Colorado River waters used for fish and wildlife mitigation in the replacement obligations the Federal Government assumes for operation of the Title I features. As this is a water loss which would not be experienced without Title I activity, this provision is consistent with the intent of this section of the existing legislation.

Section 103(a) of the Act is amended to permit the Secretary to enter into contracts for purposes of furnishing irrigation and municipal and industrial water supply from the protective pumping well field. This appears to be a reasonable use of water and would be limited to assure compliance with the terms of Minute No. 242 of the IBWC, U.S. and Mexico, calling for approximately 140,000 acre-feet annually to be delivered to Mexico. The proposed pumping quantity would be enough to meet the District's need and the sale would provide some cost recovery to the United States. The municipal and industrial uses are included in case the pumping lowers the water table and water delivery to other water users by the United States would become necessary.

It is proposed that water user organizations would pay the United States for water delivery according to standard repayment principles of reclamation law. Other principles of reclamation law would also apply.

Section 106 is added to clarify disposition of revenue and to provide authority for Reclamation management of lands acquired under the Salinity Act.

Over 30,000 acres have been purchased under authority of the salinity control legislation. With exception of lands purchased for irrigable acreage retirement on the Imperial East Mesa, the acquired lands will remain under Reclamation's jurisdiction. Section 102 (c) of the Act, provides that as to those lands on the Imperial East Mesa the ". . . Secretary shall return such lands to the public domain." The Act is silent on managing other acquired lands and does not establish authority for Reclamation to administer the lands or set out the method of depositing funds that may be derived from leasing or ultimate disposal of properties.

Section 108 of the Act (changed to Sec. 109) is amended to consolidate the present separate authorizations for Sections 101, 102, and 103 into one authorized ceiling for accomplishment of all the objectives of Title I, including a proposed new Section 110 to authorize fish and wildlife mitigation. The new ceiling also allows for the increases due to design changes, additional fish and wildlife mitigation, increased contingency funds, and other purposes. Since the Secretary has entered into a repayment contract with the Coachella Valley County Water District for replacement of the first 49 miles of the Coachella Canal, and that contract recognizes possible fish and wildlife mitigation measures estimated to cost $3,579,000, it seems proper to recognize that in this legislation.

Section 110 is intended to give the Secretary of the Interior authority to determine and provide measures sufficient to mitigate the loss of fish and wildlife habitat caused by the other measures taken under authority of Title I of this Act, as amended. It intends that such determination shall be arrived at through consultation and coordination with the Bureau of Reclamation and Fish and Wildlife Service and the States of Arizona and California. Further, that the agreed upon measures satisfy the requirements of the Fish and Wildlife Coordination Act.

Section 110(a)(1) is self-explanatory.

Section 110(a)(2) is intended to authorize the Secretary to transfer (cede) title to lands, facilities, and equipment to a state, local, or private entity for operation, maintenance, and replacement under conditions satisfactory to him for protection of the Federal investment and future fulfillment of the objectives of this section.

Section 110(a)(3) is intended to authorize the Secretary to construct facilities, acquire equipment, machinery, etc., deemed appropriate by him for fulfillment of the objectives of this section and operate, maintain, and replace such facilities where ownership is retained by the United States, and to exclude operation, maintenance, and replacement of such facilities, including providing funds therefor, for those facilities for which ownership is transferred under authority of Section 109(a)(2).

Section 110(b) is intended to make all costs of measures under this section nonreimbursable. Since the measures are all directly related to the basic purpose of Title I of this Act which is primarily to comply with the United States obligations under the agreement with Mexico of August 30, 1973 (Minute 242 of the International Boundary and Water Commission, United States and Mexico), it seems reasonable that the costs are national in nature and not sufficiently benefiting a specific Reclamation entity to justify making these costs reimbursable.

Section 111 has been added to define terms. Subsection (a) defines the term "Navajo Generating Station" which appears in Section 101 as amended. In order to avoid locking the use of specific power and energy and thereby frustrating any attempt to integrate the Navajo entitlement with other Federal hydroelectric resource, the definition attempts to provide for that possibility as well as for the eventual replacement of the resources.

Subsection (b) includes the provision for definitions included in Title II of the Act of June 24, 1974 (88 Stat. 266), and extends it to Title I.●

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. WILLIAMS, Mr. RANDOLPH, and Mr. JAVITS):

S. 497. A bill to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act; to the Committee on Human Resources.

EMERGENCY MEDICAL SERVICES SYSTEMS AMENDMENTS OF 1979

● Mr. CRANSTON. Mr. President, I am pleased to introduce the proposed "Emergency Medical Services Systems Amendments of 1979," and am gratified to be joined in introducing this legislation by the chairman of the Human Resources Committee (Mr. WILLIAMS), and of its Health and Scientific Research Subcommittee (Mr. KENNEDY), as well as by two fellow committee members with longstanding interest in emergency medical services, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New York (Mr. JAVITS).

Mr. President, the Emergency Medical Services Systems Act of 1973, Public Law 93-154, which I authored in the Senate, was enacted in November 1973, and its appropriations authorizations were extended and its authorities improved in October 1976 by Public Law 94-573. The provisions of these laws constitute title XII and section 789 of the Public Health Service Act.

The legislation we are introducing today would extend the appropriations authorizations in title XII and section 789 of that act for another 3 years. These authorizations provide for grant and contract support for emergency medical services systems, research in emergency medical services, demonstration projects in burn injury programs, and training in emergency medical services.

NEED FOR THE PROGRAM

Mr. President, when I first introduced the Emergency Medical Services Systems Act in 1973, there was growing recognition of the inability of many communities to respond immediately and effectively to a medical emergency. These communities represented a broad range of geographical configurations, of population density, and of economic diversity. Their emergency medical services deficiencies were caused by a multitude of problems. In some cases the cause lay in a shortage of good emergency facilities and equipment. In others, it lay in too many facilities competing with each other for the patient. In some areas, vast geographical distances created special problems. In others, a lack of trained emergency personnel delayed the provision of care that could prevent death and disability.

Our study of the problem at that time convinced us that the solution lay in establishing systems to support emergency medical services in the communities so that these systems could pull together, in a rational manner, the medical resources needed to provide prompt and competent care to an emergency victim.

Mr. President, the numbers of preventable deaths and disabilities resulting from medical emergencies provide grim evidence of the need to improve the provision of emergency medical services. Accidental injury is the leading cause of death among all persons aged 1 to 38 and is the fourth highest cause of all deaths in the United States. Recently, the National Center for Health Statistics reported that, in 1976, 100,000 accidents were the cause of these deaths. Included in this figure were 46,700 deaths from automobile accidents; 14,300 from falls; 7,200 from drowning; 6,200 from fires, burns, and injuries related to fire; 4,400 from poisoning; and 21,200 from all other accidental causes. Although this number is tragically high, it does represent a decrease from the 117,000 deaths from accidents which occurred in 1972—a decrease of almost 15 percent.

I do not think any single factor can be credited with causing this decrease of 17,000 in the numbers of deaths from accidental injury, but it stands to reason that improvements in the quality of emergency care in the community over that span of years must have contributed to this decrease. Those specific areas where fewer lives were lost in 1976 then in 1972 were automobile accidents, poisoning—a major improvement in saving children under age 5 who are victims of accidental poison—and infant mortality which decreased from 18.5 per 1,000 live births in 1972 to 15.1 in 1976. Victims of these circumstances are particularly dependent on good emergency care, which, in turn, is dependent on bringing skilled personnel quickly to the victim, transporting the victim as rapidly and as safely as possible to the level of care needed to treat his or her injuries, and insuring that that level of care is accessible and meets high standards of quality.

PROVISIONS OF THE PRESENT LAW

Title XII of the Public Health Service Act authorizes appropriations for grants to communities to support the planning, establishment, development, or expansion of comprehensive EMS systems. Eligible grantees are States, local units of government, public entities administering a compact or other regional arrangement or consortium, or a public or nonprofit private entity representing the

units of government in the region for which a system is proposed.

Such an applicant must submit with its application a proposal indicating how the community it represents will develop a comprehensive EMS system utilizing to the best effect existing health care resources, facilities, and personnel. The proposal must cite gaps in the community's ability to provide services and the steps that will be taken to overcome such deficiencies. Title XII specifies 15 requirements for basic components of a comprehensive EMS system which all applicants must provide assurances of meeting or being able to meet within a specified period of time.

These 15 components were derived from testimony received in both the Senate and House during consideration of the act in the 93d Congress and represent the basic requirements for a comprehensive EMS system. These basic components include, among other requirements, such things as well-trained personnel, adequate and centralized communications capability, adequate transportation systems, categorized and nonduplicative facilities, access to specialized medical care units, and assurances that services will be provided without regard to an individual's ability to pay.

In addition to grant support for development of an EMS system, the EMS Act and the 1976 amendments also provide authority for specific project grant and contract support for research and training programs in emergency medical services or techniques and in burn injuries.

EMERGENCY MEDICAL SERVICES SYSTEMS DEVELOPMENT

Mr. President, I would like to remind my colleagues that, when this legislation was first enacted, the intent was clearly expressed that the Federal support provided each community would be a maximum of five grants.

With those grants, the communities were to progress through the several stages of development of a comprehensive emergency medical services system. At the conclusion of those five grants, the community would be expected to maintain the EMS system at the level it had achieved with the Federal assistance.

Mr. President, after 5 years of experience under the Emergency Medical Services Systems Act, 282 of the 304 State-designated emergency medical services regional systems have received support. With completion of the current grant awards which were in June of 1978, 29 regions will have achieved total independence from Federal-grant support. Another 169 regions will be in some phase of operation development, and 84 are planned or being planned, leaving 22 regions which have not yet received support. A year ago HEW estimated that all of these systems would have reached their optimum potential in 6 years or by the end of fiscal year 1985.

The 3-year extension we are introducing today would provide the basis during the next 3 fiscal years for an additional 53 regions to complete the 5-year cycles, and an additional 60 regions to move forward in their development.

Mr. President, as I have suggested, at the end of the 3-year period of support authorized by the legislation we are introducing today, it would probably take only an additional 3 years for the remaining regions to complete their progress through the various stages of development. However, I have limited this bill to 3 years because I believe it is necessary for Congress to review the implementation and administration of grant programs periodically so that any needed improvements or modifications in the statutory authorities can be made.

In the next 3 years, I intend to exercise a close watch over HEW's administration of the emergency medical services systems program to insure that the EMS regions throughout the country are given adequate support to progress toward their maximum potential and are, as the law requires, moving toward independence from Federal financial support.

In fact, Senator KENNEDY and I have already asked the General Accounting Office to review the administration and implementation of provisions we enacted in the 94th Congress requiring communities to take steps toward achieving that self-sufficiency. We have requested the GAO to report back to us with recommendations on how these requirements can be administered more effectively if it is found that improvements are necessary. Thus, 3 years from now, I fully expect to be introducing legislation to authorize appropriations for the concluding 3 years of this program.

Today, in addition to limiting the appropriations authorizations to 3 years, I am limiting the level authorized to the level of current appropriations plus a modest increase each year to permit program support to remain relatively constant, taking into account inflation.

The present authorization of appropriations for fiscal year 1979 is $70 million. I am suggesting that the authorization of appropriations for fiscal year 1980 be reduced by $30 million—back to $40 million—with $43 million and $46 million authorized in fiscal years 1981 and 1982, respectively. It is my understanding that continuation of support in these increments for the subsequent and final 3 years of the program would be adequate to meet projected commitments.

I believe that this reduced level of funding will be sufficient to permit emergency medical services systems to grow at a rate which will recognize their potential to progress through the various development stages, and to provide for necessary support of those systems as they become able to utilize it to best advantage.

RESEARCH IN EMERGENCY MEDICAL SERVICES

Mr. President, the second appropriations authorization in title XII provides for grant support for research under section 1205 in emergency medical techniques, methods, devices, and delivery. Among the useful research projects completed under this authority are studies on the provision of emergency medical services during disaster situations, patient medical record-linking between emergency departments and other providers in the medical care system, the use of specially-trained assistants guided by protocols to improve handling of pediatric emergency telephone calls to an emergency room, and the advantages and problems of using public safety personnel in providing emergency medical services.

In addition, I understand that major advances are being made toward developing accurate means of measuring the effectiveness of emergency medical services systems in reducing deaths and disabilities resulting from emergencies.

Mr. President, when the EMS legislation renewed in 1976, the authority for research grants was amended to specify that, in awarding research grants or contracts, special consideration would be given to emergency medical services research in rural areas, emphasizing the identification and utilization of techniques and methods to improve the provision of emergency medical services in rural areas. It is my understanding that considerable research has indeed been conducted which would have direct relevance to providing emergency medical services in rural areas, and I know that my colleagues will be interested in hearing from HEW on the impact of this research in rural areas when the administration testifies before the Subcommittee on Health and Scientific Research.

Although $5 million has been authorized to be appropriated each year for research since the Emergency Medical Services Systems Act was first enacted, this year we are introducing legislation to authorize a level of appropriations slightly above the present amount that has actually been appropriated. In fiscal year 1979, $3 million was appropriated for research in emergency medical services, and the bill we are introducing today would authorize the appropriation of $3.2 million, $3.5 million, and $3.9 million for fiscal years 1980, 1981, and 1982, respectively.

BURN INJURY PROGRAM

The burn injury program, Mr. President, was added in the 94th Congress by Public Law 94-573. That law added a new part B to title XII to authorize grants for the establishment, operation, and improvement of programs to demonstrate the treatment and rehabilitation of burn victims, and to conduct research and provide training in the treatment and rehabilitation of burn victims.

In developing that law, we became convinced that there is a need to improve the provision of burn care; national understanding of the magnitude of the burn problem; utilization of current resources; the support and location of treatment programs; specialized training for physicians, nurses, and ancillary professional and paramedical personnel; and programs for rehabilitation; as well as to establish evaluation methodologies on a regular basis which can provide epidemiological data on burn incidence, permit the tracking of patients through the most appropriate levels of care to determine immediate and long-term treatment and rehabilitation outcomes, and provide comparative cost data for systems of burn care. The new authority

gave us the means to pursue these concerns.

Mr. President, in September 1977, HEW initiated work in six areas to implement this program. These six areas are the six New England States, the Finger Lakes and central New York region, the State of Virginia, the State of Alabama (except Mobile), northern Texas, and San Diego and Imperial Counties, Calif. These sites, during the next 3 years, will collect census data for all burn patients requiring hospital care. Data will be collected in each of five data-gathering areas: the emergency department, the outpatient department (including rehabilitation treatment), general hospitals without specialized burn care, hospitals with specialized burn treatment facilities, and the morgue.

Patients admitted to the hospital will be tracked for a maximum of 18 months with periodic collection of data. The population included in the six sites is estimated at 28 million.

The data collected will be used to estimate the incidence of burn injuries, where burn patients go for care, how many severe burns are treated in specialized burn treatment facilities, and other topics which will provide a description and understanding of the Nation's current burn treatment system.

Economic data will be collected to describe the spectrum of costs, charges, and reimbursements associated with burn care.

Each project area is also involved in one or more applied research tasks of national interest. These tasks range from the development of a burn severity index to the development of a burn nurse training curriculum.

Mr. President, I am pleased that the activities of this program have been coordinated with the National Institute of General Medical Sciences, the National Center for Health Statistics, the National Center for Health Services Research, the Health Care Financing Administration, the Consumer Product Safety Commission, and the National Fire Prevention and Control Administration.

In fiscal year 1979, $10 million was authorized to be appropriated for the burn injury program; $3 million was appropriated.

The legislation we are introducing today would authorize the appropriation of $3 million for each of the next 3 fiscal years for the burn injury program—the same level as has been appropriated annually for the 3 years of the program. Early indications from the studies under way indicate that there is a considerable need for training health care personnel in the treatment of burn patients as well as in teaching them how to develop relationships between burn centers and related community health or rehabilitation providers. I intend to look carefully at the feasibility of utilizing this authority for support of such training efforts.

TRAINING IN EMERGENCY MEDICAL SERVICES

Mr. President, the fourth appropriations authorization in the emergency medical services systems amendments we are introducing today would extend the authorizations—contained in section 789 of the Public Health Service Act, as added by the 1973 EMS Systems Act—for training programs in emergency medical services. This authorization has been $10 million each year since 1973, and the amount appropriated each year has been $6 million. The legislation we are introducing today would retain the authorization level at $10 million for the next 3 years, while we consider the best way to provide for training support in the burn field.

Under this program, 7 residency programs have been established for emergency physicians, and 77 residents are currently being trained. In addition, over 3,300 physicians are receiving continuing medical education in such diverse subject areas as medical management of an EMS system; training in poisoning and overdose; and interdisciplinary training programs with emergency medical residents, paramedics, mobile intensive care nurses, physicians, and EMS instructors.

In addition, with support under section 789, almost 12,000 nurses are currently being trained in emergency care, and over 13,000 emergency medical technicians and paramedics are currently being trained.

In previous years, a total of 4,334 physicians, 10,510 nurses, 34,635 paramedics and emergency medical technicians, and 7,825 people in other categories have been trained in some aspect of emergency medical services under this authority.

It is estimated that there is still a need for over 9,000 emergency medicine physicians, over 20,000 EMS nurses, 30,000 emergency paramedics, and over 100,000 emergency medical technicians in the United States. The training programs supported by section 789 grants can help us fill that need.

Mr. President, I am pleased to report that over 90 percent of these training programs are awarded in areas receiving support for the establishment or expansion of an emergency medical services system. This is in full accord with the provision in the law requiring that priority in the awarding of training grants be given to those regions with EMS systems supported under title XII of the Public Health Service Act. As these systems are established throughout the Nation, more of these trained personnel can be effectively used in the lifesaving work to which they are dedicated. The authority for training such individuals has enabled many communities to provide good emergency medical services utilizing a well-trained team of physician, nurse, paramedic, and technician. I believe this authority should be extended through fiscal year 1982 to help develop the personnel needed to improve, expand, maintain, or initiate the 304 emergency medical services systems which the Nation requires.

CONCLUSION

Mr. President, in my view, our experience over the past 5 years under the authorities first enacted in the Emergency Medical Services Systems Act of 1973 fully supports the extension we propose at this time. In the communities where systems have been developed, there has been a measurable improvement in the provision of health care and in the coordination of many resources that previously operated independently.

As more and more EMS systems become operational, I believe that the grim statistics on deaths and disabilities resulting from accidents and sudden illnesses will be reduced still further, and that we will begin to see substantial advances made in terms of lives saved and disabilities averted due to prompt and competent medical intervention in emergency situations. The human resource gain and the dollars and productive lives saved fully justify the modest investment already made and which we are calling for to be continued in developing emergency medical services systems throughout the Nation. With extension of the title XII and section 789 authorities for 3 more years. I hope that we will be able to make major progress toward nationwide coverage.

Mr. President, I ask unanimous consent that the text of S. 497 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Medical Services Systems Amendments of 1979".

PLANNING, INITIAL OPERATION, AND IMPROVEMENT

SEC. 2. (a) Section 1207(a)(1) of the Public Health Service Act (42 U.S.C. 300d-6(a)(1)) is amended by—

(1) striking out "and" after "1977",

(2) striking out the semicolon after "1978" and inserting in lieu thereof a comma,

(3) striking out "and for the purpose of making grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated" the second time it appears, and

(4) inserting before the period at the end thereof a comma and "$40,000,000 for the fiscal year ending September 30, 1980, $43,000,000 for the fiscal year ending September 30, 1981, and $46,000,000 for the fiscal year ending September 30, 1982".

(b) Paragraph (5)(B) of subsection (a) of section 1207 of such Act is amended by striking out "two" and inserting in lieu thereof "five".

RESEARCH

SEC. 3. Section 1207(b) of the Public Health Service Act (42 U.S.C. 300d-6(b)) is amended by inserting before the period at the end thereof a semicolon and "and $3,200,000 for the fiscal year ending September 30, 1980, $3,500,000 for the fiscal year ending September 30, 1981, and $3,800,000 for the fiscal year ending September 30, 1982".

BURN INJURIES

SEC. 4. Section 1221(c) of the Public Health Service Act (42 U.S.C. 300d-21(c)) is amended by—

(1) striking out "and" after "1978", and

(2) inserting before the period at the end thereof a comma and "$3,000,000 for the fiscal year ending September 30, 1980, and for each of the next two fiscal years".

TRAINING

SEC. 5. Section 789(g)(1) of the Public Health Service Act (42 U.S.C. 295g-9(g)(1)) is amended by striking out "five" and inserting in lieu thereof "eight".●

● Mr. KENNEDY. Mr. President, I am pleased to join my distinguished colleague, Senator CRANSTON, as a cosponsor of the Emergency Medical Services Systems Amendments of 1979.

This program first began in 1973 when the Emergency Medical Services Systems Act became law (Public Law 93–154). As chairman of the Subcommittee on Health and Scientific Research I have seen this program grow and provide needed technical support to communities around this country. While recognizing the uniqueness of each community the EMS program has made great progress in regionalizing programs and having communities work in concert with each other.

There are at present 304 EMS regions in the country. During fiscal year 1978 over $36 million were awarded to recipients in 43 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

The bill introduced today by Senator CRANSTON makes no substantive changes and continues the authorization of the program through fiscal year 1982. This bill also continues the national burn injuries program through fiscal year 1982. The burn program was initiated in 1976 under Public Law 94–573.

The Subcommittee on Health and Scientific Research will be holding a hearing on this bill Wednesday of this week. I urge my colleagues to join in cosponsoring this legislation that has an important impact in almost every State.●

By Mr. STAFFORD:

S. 498. A bill to authorize the Army Corps of Engineers to provide certain technical assistance to local communities; to the Committee on Environment and Public Works.

HYDRO RETROFIT

Mr. STAFFORD. Mr. President, last year I sponsored, and the Senate approved, legislation that would authorize the Army Corps of Engineers to assist local communities in constructing new hydroelectric facilities at existing dams, old industrial sites, millraces, and similar facilities.

While that legislation was passed by the Senate in several forms, it was never approved by the House of Representatives. I am, today, reintroducing that legislation, as the need for it remains strong.

Mr. President, many areas of the Nation, particularly in the Northeast, have the opportunity to develop significant and reliable power at low costs, using old damsites. While the Department of Energy and the corps are working together at a program to retrofit larger dams owned by the corps and others, I believe we also need to examine and develop the potential at similar sites as well.

This bill does not provide funds for any actual construction work. But it would enable the corps to help small communities with technical assistance in the design of retrofit projects.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 498

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, shall, upon the request of local public officials, survey the potential and methods for rehabilitating former industrial sites, millraces, and similar types of facilities already constructed for use in developing hydroelectric facilities. The Secretary, shall, upon request, provide technical assistance to local public agencies and electric cooperatives in designing projects to rehabilitate sites that are surveyed, or qualified for survey, under this Act.

(b) There is authorized to be appropriated to implement this Act $5,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.

By Mr. STEVENSON:

S. 499. A bill to establish the Foundation for International Scientific and Technological Cooperation, to provide for the management of the Foundation, and for other purposes; to the Committee on Governmental Affairs.

FOUNDATION FOR INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION ACT

Mr. STEVENSON. Mr. President, I introduce on behalf of myself and Senator CANNON a bill to establish the Foundation for International Scientific and Technological Cooperation. This legislation will create an independent Federal agency to:

First, support research into the conditions of developing countries,

Second, promote the application of scientific and technological knowledge to the social and economic advancement of those countries,

Third, help developing countries strengthen their scientific and technological infrastructures, their ability to generate and adapt scientific knowledge, and their capacity for technological innovation, and

Fourth, provide information for the benefit of all countries on the technical resources and requirements of an interdependent world.

The importance of applying science and technology to development has long been recognized, but an adequate understanding of technology transfer and use in development strategies eludes us. Three decades ago U.S. technical assistance programs centered on large-scale capital flows and direct industrialization of the poorer countries; over the past decade "New Directions" and "appropriate" or "light capital" technologies have become the vogue. Of $1.8 billion authorized for international development assistance last year, over $500 million can be identified as part of a general application of science and technology for development.

This aid has often been ineffective in the past, as its beneficiaries are frequently unable to assimilate technologies produced for the different environmental, social, and cultural conditions of the developed world. Processes, techniques, and institutions are not readily transferable from one country or culture to another without unforeseen and sometimes undesirable consequences.

In recent years science and technology have become core issues in the dialog between North and South. This August 150 countries will convene in Austria for a United Nations Conference on Science and Technology for Development. That much needs to be done is clear. At present, less than 4 percent of all scientific research is carried out in the developing countries. It is also estimated that less than 1 percent of all research is concerned with the problems and conditions of the poorest 1 billion of the world's population.

These statistics reflect the limited scientific and technical capabilities of the developing countries—their lack of resources, facilities, personnel, and experience to perform research directed toward their own needs. Assistance from the United States and other developed countries can help build these capabilities, enabling developing countries to orient their own scientific research priorities.

Equally important is the emphasis on engineering and technical skills. Increasingly, the concern of the LDC's is not so much the "transfer of technology" but the strengthening of their own critical "capacity to innovate." The ability to adapt and modify technologies developed elsewhere has been a key feature of every successful industrial nation; we need look no further than our own country's history.

The Foundation for International Scientific and Technological Cooperation is a response to these challenges. It will complement, not duplicate, our existing foreign assistance programs. The Foundation will have the flexibility to work with a wide range of countries—the more advanced developing nations as well as the poorest of the poor." It will explore research valuable to the United States, as well as developing countries. It will discard paternalism in favor of a recognition that the interests of the developing countries and this country must be advanced simultaneously. The activities of the Foundation will constitute a long-term development strategy to serve our concern with the "basic human needs" of the world's people. Ultimately, the Foundation will help less developed countries make greater contributions to the world economy.

Some in this country regard such a progression as threatening. They fear our inability to compete with the lower-priced manufactures of the newly industrialized developing countries. They are concerned that we are "giving away" our technological knowledge and eroding the basis of our economic well-being. They cry for protection—both to halt cheap imports and prevent "technology" exports.

This response is not new, and it is as ill-advised as ever. It conjures up a mistaken view of science and technology as stagnant pools of knowledge, rather than dynamic processes of discovery and advancement. New facts, improved data and continuing research and development cause technology and products to change constantly. They create new industries, increase productivity, and spur the growth of employment and the economy. And in an age where two-thirds of

all research and development is conducted outside the United States, we stand to lose as much as anyone from restrictions on the international flow of technology.

Our economic future is not jeopardized by helping the less developed countries adapt well-understood technologies. Nor is it jeopardized by LDC production of steel and textiles, as we move into the industries of the future. It is jeopardized only by a refusal on our part to move forward—by failing to support research and development and enhancing our capacity for innovation.

A new institution concerned with the resource scarcities of an interdependent world and the economic development of the poorer countries is not the stuff of charity. It exhibits, instead, a realistic approach to the facts of world economic interdependence and widespread political instability. Developing countries today purchase more of the United States manufactured goods than do Europe, Japan, and the East bloc combined. These countries also represent our fastest growing export markets. It is no idle flight of fantasy to project the growth of markets for our agricultural products which will accompany the development and expansion of purchasing power in these countries—reservoirs of almost three-quarters of the world's population.

These objectives intertwine with the scientific gains the activities of the Foundation will afford the United States. Research of a truly global character holds vast, and virtually unexplored, promise. A commitment to the establishment of the Foundation for International Scientific and Technological Cooperation need not be made with an eye toward the Vienna Conference. It should be made with the conviction that these directions advance the inseparable long-term interests of the United States and the world.

The act would strengthen the scientific and technological institutions for development in both the United States and developing countries. Collaborative R. & D. programs would be conducted whenever feasible in the developing country or region. Projects would be selected by international experts to address areas of fundamental importance, and emphasis would be placed on matters of common interest to the United States and the developing countries. Cooperative international information centers and compatible information systems would be created. Funding would be allowed for cost sharing or reimbursement wherever possible, particularly in the more economically advanced developing countries.

Specifically the Foundation would be empowered to:

Enlist the aid of scientists and engineers for researching and applying science and technology to developing country conditions;

Assist the lesser developed countries to build up indigenous research capabilities, innovative skills and institutions to solve their own problems;

Encourage the exchange of scientific data and information in diverse areas such as agriculture, energy, natural resource sensing, communications, nutrition and medicine;

Foster cooperation research and development on matters of mutual interest and benefit;

Establish educational programs for scientists, engineers, and technicians here and abroad directed toward developing country conditions;

Encourage the participation of the private sector in scientific research, development and education for developing countries, and

Encourage coordination of science and technology activities for development with the interests of the various Federal agencies and departments in international science and technology.

The Foundation would be governed by a nine-member Board of Directors and an Executive Director appointed by the President, by and with the consent of the Senate. The Board will consist of public officials and private citizens with interest and experience in international affairs and development. Non-U.S. citizens may be included on the Board. The Executive Director will implement the policies and programs as determined by the Board of Directors. A council of international experts would also be created to advise the Board. To support the Foundation and its programs, $25 million is authorized for fiscal year 1980, $50 million for fiscal year 1981, and $75 million for fiscal years 1982, 1983, and 1984.

The administration will soon propose legislation to create a similar organization, the Institute for Technological Cooperation. I look forward to cooperation with Members of the Senate, the administration, and others regarding the differences between my proposal and theirs.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Foundation for International Scientific and Technological Cooperation Act".

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) science, engineering, and technology research and development in the fields of oceanography, atmospherics, meteorology, metrology, and others, would be benefited by more international cooperation;

(2) the scientific, engineering, and technological capabilities of the United States, wisely applied and directed, can assist in anticipating and resolving difficulties of national and international concern and in reinforcing the Nation's interstate and international commerce;

(3) the policy established in the National Science and Technology Policy, Organization and Priorities Act of 1976 which declares that science and technology should be conducted so as to "serve domestic needs while promoting foreign policy objectives" requires further implementation;

(4) the strengthening of the scientific and technological infrastructure of the developing countries of the world by the United States constitutes an effective way to establish stronger and more positive relationships between those countries and the United States to the benefit of both; and

(5) international cooperation in research and development directed toward problems of international interest can provide important benefits for the United States.

SEC. 3. ESTABLISHMENT.

There is hereby created as an independent agency of the United States of America a body corporate to be known as the Foundation for International Scientific and Technological Cooperation (hereinafter referred to as the "Foundation"). The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, or employees, and such revenue, earnings, or other income or property shall only be used for carrying out the purposes of this Act.

SEC. 4. PURPOSES.

The purposes of the Foundation are to—

(1) initiate and support research into conditions of particular relevance to the developing countries, to be conducted where feasible in developing countries;

(2) plan and support research and development into the applications of scientific, engineering, and social knowledge for the material, social and cultural advancement of those countries, to be performed whenever feasible in developing countries;

(3) assist developing countries to strengthen their scientific and technological capabilities and institutions; and

(4) provide information concerning the scientific, engineering, and technological resources and needs of the United States and developing countries for their respective use.

SEC. 5. FUNCTIONS.

In carrying out its purposes under this Act, the Foundation shall—

(1) enlist natural and social scientists and engineers of the United States and other countries;

(2) assist developing countries to reinforce their research capabilities, technical skills, and related scientific and technological institutions required for their development;

(3) encourage the exchange of scientific and technological information between the United States and developing countries;

(4) foster cooperation in research and development between developed and developing countries on matters of mutual interest;

(5) support educational programs for scientists, engineers, and technicians in developing countries and the United States;

(6) encourage participation by the private sector in scientific research, development, and education to benefit developing countries; and

(7) coordinate its activities with agencies of the United States Government, the United Nations, and other international organizations and entities promoting social, cultural, and economic development of developing countries.

SEC. 6. POWERS.

Subject to the provisions of the Government Cooperation Control Act (31 U.S.C. 846 et seq.) to carry out its purposes under this Act, the Foundation—

(1) shall have perpetual succession unless dissolved by an Act of Congress;

(2) with the approval of the Board of Directors established pursuant to section 7 of this Act—

(A) may make grants and loans to any individual, corporation, or other entity, wherever situated, or to any government or governmental agency, foreign or domestic;

(B) may make and perform contracts and other agreements with any individual, corporation, or other entity however designated

and wherever situated, or with any governmental agency, foreign or domestic;

(C) may prescribe, amend, and repeal such rules and regulations as may be necessary for the conduct of the business of the Foundation; and

(D) may accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in furtherance of the purposes of this Act;

(3) may initiate and support research, technical development, and demonstration projects;

(4) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;

(5) may adopt, alter, and use a seal, which shall be judicially noticed;

(6) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(7) may, as necessary for the transaction of the business of the Foundation, employ and fix the compensation of its employees;

(8) may lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property real, personal, or mixed, or any interest therein wherever situated;

(9) may establish, maintain, and operate information and data facilities for activities relevant to the purpose of this Act;

(10) shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government; and

(11) shall have such other powers as may be necessary and incidental to carrying out its powers and duties under this Act.

SEC. 7. MANAGEMENT.

(a)(1) The management of the foundation shall be vested in a Board of Directors (hereinafter referred to as the "Board"), to be composed of nine members appointed by the President, by and with the advice and consent of the Senate, as follows:

(A) five members who shall, at the time of their appointment, not be employees of the United States Government; and

(B) four members who shall be appointed from among appropriate officers or employees of agencies of the United States Government.

The President shall designate one of the members appointed under this subsection who is a United States citizen to serve as Chairman of the Board. The President shall also designate one of the members appointed under this subsection to serve as Vice Chairman of the Board.

(2) Members of the Board shall be appointed for terms of 5 years, except that, of any members first appointed and as designated by the President at the time of their appointment (except the Chairman and Vice Chairman), three shall be appointed for terms of 1 year, and three shall be appointed for terms of 3 years. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Upon the expiration of his term of office, any member may continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(b) Each member of the Board not employed by the Federal Government shall receive compensation equivalent to the daily rate in effect for level II of the Executive Schedule under section 5313 of title 5, United States Code, for each day that such individual is engaged in the actual performance of the activities of the Foundation. Each such member shall be entitled to travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, incurred by him in the performance of his functions under this Act.

(c) A two-thirds majority of the Board shall constitute a quorum for the purpose of conducting the business of the Board.

(d) The Board may appoint such committees for carrying out the work of the Foundation as it determines to be in the best interests of the Foundation. Each such committee shall consist of not less than three members of the Board. The Board may delegate any part of the management of the business of the Foundation to such committees, except that such committees may not approve or disapprove grants or loans in excess of $500,000.

(e)(1) The President shall appoint an Executive Director of the Foundation (hereinafter referred to as the "Director"), who shall be the chief executive officer of the Foundation and shall have supervision over and direction of the work and staff of the Foundation. The Director shall serve as an ex officio member of the Board. Such Director shall receive compensation at the rate equivalent to that for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(2) Experts and consultants, or organizations thereof, may be employed by the Board as authorized by section 3109 of title 5, United States Code.

(f)(1) The Board shall establish a Council to be composed of such number, not to exceed 25, of individuals as may be selected by the Board from among individuals who are knowledgeable about science and technology and international affairs. No member of the Board shall also be a member of the Council.

(2) The Board shall consult the Council concerning the objectives and activities of the Foundation at least once each year.

(3) Each member of the Council not employed by the Federal Government shall receive compensation equivalent to the daily rate in effect for grade 18 of the General Schedule under section 5332 of title 5, United States Code, for each day that such individual is engaged in the activities of the Foundation. Each such member shall be entitled to travel expenses, including per diem in lieu of subsistence in accordance with section 5703 of title 5, United States Code, incurred by him in the performance of his functions under this subsection.

(g) Upon request of the Board, the head of any Federal department, agency, or instrumentality is authorized to detail, on a reimbursable basis, any personnel of such department, agency, or instrumentality to assist in carrying out the duties of the Board under this Act. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of any such agency by virtue of such detail.

SEC. 8. REPORTS.

Upon request of the Director of the Office of Science and Technology Policy, for purposes of preparing the report required by section 209 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6618), or when the Board deems necessary, the Board shall prepare and transmit to the Office of Science and Technology Policy a report on the activities of the Foundation for the preceding year. Within 2 years after the date of enactment of this Act and every 2 years thereafter, the Board shall prepare and transmit to the Congress a report on its activities during the preceding 2 years.

SEC. 9. GOVERNMENT CORPORATION CONTROL ACT.

Section 101 of the Government Corporation Control Act (31 U.S.C. 846) is amended by inserting "Foundation for International Scientific and Technological Cooperation;" before "and Pension Benefit Guaranty Corporation." at the end thereof.

SEC. 10. AMENDMENTS.

Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"(24) Executive Director, Foundation for International Scientific and Technological Cooperation.".

SEC. 11. AUTHORIZATION FOR APPROPRIATIONS.

There are authorized to be appropriated to carry out the purposes of this Act not to exceed $25,000,000 for fiscal year 1980, $50,000,000 for fiscal year 1981, and $75,000,000 for the fiscal years 1982, 1983, and 1984. Such sums shall remain available until expended.

By Mr. CULVER:

S. 502. A bill to modify the Davenport, Iowa, local flood protection project; to the Committee on Environment and Public Works.

PROTECTION OF NAHANT MARSH

● Mr. CULVER. Mr. President, today I am introducing legislation which authorizes $314,000 for the acquisition and enhancement of Nahant Marsh as part of any work by the U.S. Army Corps of Engineers on the proposed Davenport, Iowa, flood control project.

Davenport is one of the four cities comprising a major metropolitan area known as the Quad Cities. While its location along the Mississippi River has played a large role in its economic success, Davenport has suffered major flood damage when the Mississippi overflowed its banks on numerous occasions. One devastating flood in 1965 caused over $4 million in damage.

In the aftermath of the 1965 disaster, Congress authorized a flood control plan for Davenport in 1970 comprised of a series of levees and floodwalls to protect the downtown area. The project is also designed to protect the sewage treatment plant, which is important to the health and well-being of the community.

After the completion of the initial design studies, I became concerned that the flood protection project would have an adverse impact on the environmental and ecological values of Nahant Marsh, one of the outstanding natural resources of the Quad Cities area. It is an outstanding example of a meadow wetland, which is developed over decades, and provides a unique habitat for many varieties of wildlife.

In addition to its inherent ecological values, Nahant Marsh also provides tremendous environmental opportunities for the citizens of the Quad Cities. It is one of the few remaining wildlife areas in this urban setting and functions as a "living laboratory" for the many schoolchildren, nature and conservation groups, and individual citizens who visit and enjoy it each year.

Mr. President, Nahant Marsh is a fragile ecosystem which would be permanently harmed if specific steps are not taken to protect it. The flood protection project would stimulate private economic development in the floodplain area, and subsequent dredge and fill activities would dry up the marsh.

I believe it is essential that we must assure that no action be taken which would destroy this unique environmental resource. The Corps of Engineers has recommended that Nahant Marsh and other nearby lands be acquired and that certain enhancement measures be taken to preserve the marsh. These measures include controlling the water elevation of this wetland area during the dry season and the deposit of silt during runoff.

This proposal to acquire and protect Nahant Marsh constitutes a post-authorization change which must be approved by Congress. I introduced an amendment authorizing this change during Senate consideration of the Inland Navigation Development Act last year. The Senate approved this amendment, but no final action was taken by the House of Representatives before adjournment. The Corps of Engineers' North Central Division Headquarters is currently evaluating the final design proposal for the Davenport project, and language authorizing the protection of Nahant Marsh should be approved by Congress this year.

The $314,000 authorized in this bill represents the Federal cost-share to acquire and protect Nahant Marsh. The city of Davenport would acquire the land and would then be either reimbursed by the Corps or have its share of the costs of the Davenport flood control project reduced proportionately.

Mr. President, we have the opportunity to demonstrate that natural resources and urban communities can exist together. This legislation assures that any work undertaken as part of a flood protection plan for Davenport will do no violence to this unique environmental area. Nahant Marsh plays a valuable role in the Mississippi River ecological system and provides hours of enjoyment for the people of the Quad Cities.●

ADDITIONAL COSPONSORS

S. 55

At the request of Mr. BENTSEN, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 76

At the request of Mr. STONE, the Senator from Florida (Mr. CHILES), the Senator from South Carolina (Mr. THURMOND), the Senator from Montana (Mr. MELCHER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Indiana (Mr. LUGAR), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 76, to amend title XVIII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 114

At the request of Mr. DECONCINI, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 114, a bill to establish rational criteria for the imposition of death.

S. 192

At the request of Mr. BOREN, his name was added as cosponsor of S. 192, to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors.

S. 194

At the request of Mr. MCGOVERN, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Michigan (Mr. RIEGLE), the Senator from Wisconsin (Mr. NELSON), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 194, the Agricultural Foreign Investment Control Act of 1979.

S. 208

At the request of Mr. BOREN, his name was added as a cosponsor of S. 208, to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States.

S. 263

At the request of Mr. BENTSEN, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 263, a bill to amend the State and Local Fiscal Assistance Act of 1972.

S. 265

At the request of Mr. DOMENICI, the Senator from Alaska (Mr. STEVENS), the Senator from Oklahoma (Mr. BOREN), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 265, the Equal Access to Justice Act.

S. 336

At the request of Mr. MATHIAS, the Senator from New Jersey (Mr. WILLIAMS), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return may be taxed at the same rate as an unmarried individual.

S. 392

At the request of Mr. COHEN, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 392, a bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes.

SENATE RESOLUTION 50

At the request of Mr. KENNEDY, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of Senate Resolution 50, a resolution disapproving the proposed deferral of budget authority to promote and develop fishery products and research pertaining to American fisheries.

SENATE RESOLUTION 71

At the request of Mr. MCGOVERN, the Senator from Arkansas (Mr. PRYOR), the Senator from North Dakota (Mr. BURDICK), the Senator from Alabama (Mr. HEFLIN), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of Senate Resolution 71, calling for a strong and independent Department of Agriculture.

AMENDMENTS SUBMITTED FOR PRINTING

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT—SENATE JOINT RESOLUTION 1

AMENDMENT NO. 66

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to Senate Joint Resolution 1, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

STRATEGIC AND CRITICAL MATERIALS STOCK PILING REVISION ACT OF 1979—S. 290

AMENDMENTS NOS. 67 THROUGH 69

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. PROXMIRE submitted three amendments intended to be proposed by him to S. 290, the Strategic and Critical Materials Stock Piling Revision Act of 1979.

Mr. PROXMIRE. Mr. President, I am today submitting three amendments to S. 290, the Strategic and Critical Materials Stock Piling Revision Act of 1979, which was referred to the Armed Services Committee. These amendments address several shortcomings in the current law which are not corrected by S. 290.

My first amendment would reduce the enormous cost of the stockpile by approximately $6 billion. Currently, 80 percent of the stockpile is intended for civilian rather than military consumption. My amendment would limit stockpile coverage to military and essential civilian needs only. This reduced coverage would still guarantee a strong defense industrial base in the event of a major conventional war but at less than half the cost of the current policy.

My second amendment would, on the one hand, limit the President's authority to release stockpile materials by permitting such release only during a declared war or national emergency and, on the other hand, authorize the President to dispose of excess materials in limited amounts without further congressional authorization. The first half of this amendment would restrict the President's ability to manipulate the stockpile for economic purposes. The national defense stockpile is clearly not intended for economic purposes; although Presidents have used it for these purposes in the past.

The second half of this amendment would increase the President's authority to dispose of excess materials. The stockpile currently includes billions of dollars worth of excess materials, only a small portion of which has been authorized for disposal. By authorizing limited disposals of additional materials, this amendment would speed the reduction of this excess and greatly reduce stockpile financing costs.

My third amendment highlights these financing costs by requiring annual interest payments from the stockpiling agency to the Treasury based on the current market value of materials in the stockpile. A similar provision already applies to materials held in the Defense Production Act inventory. This amendment would affect internal Government accounting only and would have no impact on taxes or the budget deficit.

Mr. President, I ask unanimous consent that the three amendments with the

accompanying explanations be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 67

On page 2, line 11, delete "industrial,".
On page 14, line 2, delete "industrial,".
On page 15, after line 3, add:

"(3) The term 'essential civilian needs' means non-military needs which have a direct relationship to the military effort or which are basic to the well-being of the civilian population and which cannot be provided through substitution without a significant loss of utility."

Explanation: S. 290 defines "strategic and critical materials" to include "materials that (A) would be needed to supply the military, *industrial*; and essential civilian needs of the United States during a national emergency . . ." Amendment No. 1 would delete "industrial" from this definition. In effect this would eliminate the "butter" from the current "guns and butter" stockpile policy. The provision for non-essential goods and services *adds $6.3 billion* to the cost of the stockpile. It is felt that our national security is well-served by a stockpile which is limited to military and essential civilian needs. (The definition of "essential civilian needs" is consistent with its current usage by the Federal Preparedness Agency.)

AMENDMENT No. 68

On pages 9 and 10 delete the entire text of subsection 7(a) and insert:

"Sec. 7(a). Except as otherwise provided in this Act, materials acquired under this Act may be released for use, sale, or other disposition only on the order of the President or any officer or employee of the United States designated by the President to issue orders of release under this section—

"(1) In time of war declared by the Congress or during a national emergency proclaimed by the Congress or the President, if the President or his designee determines the release of such materials is required for purposes of the national defense; or

"(2) If (A) such materials are determined excess to stockpile requirements, (B) Congress has been notified 90 days in advance, and (C) the amount of any given material to be disposed of in any given month does not exceed the lesser or either (1) five percent of the stockpile excess of that material or (2) one percent of the average annual domestic consumption of that material computed over the previous three years.

Explanation: Subsection 7(a)(1) would reduce the potential abuse of the stockpile by the President by limiting the use of the stockpile to times of declared war and national emergency. Subsection 7(a)(2) would permit more rapid and dependable disposals of excess materials in cases where special interests have prevented timely disposal authorizations by Congress.

AMENDMENT No. 69

On page 6, line 20, strike the period after "stockpile" and insert "and payment of interest under subsection 5(d)".

On page 6, after line 23, insert:

"(d) Interest shall accrue on the current market value of the materials in the National Defense Stockpile comencing with the fiscal year beginning October 1, 1978. At the close of each fiscal year there shall be deposited into the Treasury as miscellaneous receipts, from any amounts appropriated under subsection 5(c), an amount which the Secretary of the Treasury determines necessary to provide for the payment of any interest accrued and unpaid under this section. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with one year remaining to maturity."

Explanation: A similar provison currently applies to materials held in the Defense Production Act Inventory. It costs the Federal Government money to finance existing stockpiles, and these costs should be fully reflected in the appropriate agency budget. By reflecting the full costs of maintaining the inventory—not only maintenance and disposal but also financing costs—this provision would emphasize the need for the prompt disposal of surplus materials. This amendment would affect internal government accounting only and would have no impact on taxes or the budget deficit.

NOTICE OF HEARINGS

COMMITTEE ON HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, on behalf of the Committee on Human Resources, I wish to announce hearings on S. 420, the National Workers' Compensation Standards Act of 1979, which will be held on Tuesday and Wednesday, March 27 and 28, and on Monday and Tuesday, April 2 and 3, 1979. The hearings will commence on each day at 9:30 a.m. and will be held in room 4232 of the Dirksen Senate Office Building.

Those individuals who wish to testify at these hearings, or who wish additional information should contact Mike Goldberg or Darryl Anderson of the committee staff in room G-237, Dirksen Senate Office Building, Washington, D.C., 20510, telephone (202) 224-3674.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government will be holding 2 days of "sunset" hearings on the Office of Federal Procurement Policy. The purpose of this hearing will be to determine if reauthorization legislation should be introduced. The hearings will be on Friday, March 2 and March 9, 1979, at 10 a.m., in room 3302, Dirksen Senate Office Building.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government will be holding 1 day of hearings on S. 5, the Federal Acquisition Reform Act. This legislation is to provide policies, methods, and criteria for the acquisition of property and services by executive agencies. The hearing will be on Tuesday, March 13, 1979, at 10 a.m., in room 3302 of the Dirksen Senate Office Building. This hearing replaces the one which was scheduled for Monday, February 19, 1979, and was canceled due to the inclement weather.●

ADDITIONAL STATEMENTS

CREDIBILITY ON TAIWAN

● Mr. CRANSTON. Mr. President, I would like to share with any of my colleagues who may have overlooked it a very perceptive editorial which appeared in the Washington Post this morning on the actions of the Senate Foreign Relations Committee and its distinguished chairman, Senator FRANK CHURCH, of Idaho, in remedying the administration's failure to consider adequately the concerns of the Congress on the People's Republic of China-Taiwan issue. The editorial writer in the Post rightly credits Senator CHURCH with clearing the way for a full Senate expression on this issue.

I ask that the Washington Post editorial appearing in the February 26, 1979, paper be printed in the RECORD:

The editorial follows:

CREDIBILITY ON TAIWAN

For undertaking to normalize relations with China, Jimmy Carter said he expected "massive applause throughout the nation." What he is getting from the Congress is something less resounding but more valuable: language expressing the American concern for Taiwan in terms more meaningful than his own. The chosen vehicle is the administration's bill setting up the necessary new framework for future dealings with Taiwan. That bill said nothing about security, but the Senate Foreign Relations Committee added language that does and the House Foreign Affairs Committee is doing the same.

Now, Mr. Carter cannot fairly be charged with utter indifference to Taiwan. He did not "abandon" the island; he merely terminated a defense treaty under its provisions. He pledged continued fidelity to Taiwan's well-being and has moved to make specific arrangements—arms sales, a new unofficial framework for continuing old official ties—to make good on that pledge. Peking lacks the physical means and, its leadership contends, the political intent to do Taiwan harm, and even if those conditions changed, the United States would remain in a position to take action, with or without a defense treaty. A good case can be made that normalization offers a better ultimate guarantee for Taiwan than would the perpetuation of ties established in another era.

But Mr. Carter can fairly be charged with indifference to Congress, and this is no small thing. It is not merely that he wounded certain sensibilities on Capitol Hill by inadequate consultation during the runup to normalization in December. That could be excused by the need to keep the talks with Peking on track. The more serious flaw was not to realize that normalization and its reverse side, the establishment of a new pattern for Taiwan, could only be *enhanced* if they were seen to reflect an informed congressional imprimatur as well as a presidential one. It is a question of credibility—of Peking and Taiwan alike understanding that the United States means to keep its word. Any change as large as normalization is bound to raise the question, and the assertion of congressional concern strengthens the administration's own.

Frank Church, in his first substantive test as chairman of the Senate Foreign Relations Committee, brought off Taiwan security language that did two things. This language, adopted unanimously, will surely be more impressive to Peking for reflecting a broad congressional consensus and not a narrow or partisan majority. Moreover, the language protects well the essential feature of normalization with Peking—not to maintain a backdoor recognition of Taipei, as some would-be spoilers of normalization had wanted to do. That is why the administration, which started out by saying that no additional congressional handiwork was necessary, now finds that the Senate committee's product is acceptable after all. The House is, as we say, heading in the same direction.

Mr. Carter might have done better if he had understood and accepted earlier the extra weight that informed congressional cooperation could add to his own chosen China policy. It would have saved him some slight political embarassment. But the way seems clear now for a truly national expression of policy on this important question.●

FORMER UNDER SECRETARY OF STATE EUGENE ROSTOW CRITICIZES PRESIDENT CARTER'S UNILATERAL ABROGATION OF TAIWAN DEFENSE TREATY AS UNCONSTITUTIONAL

● Mr. GOLDWATER. Mr. President, I have just received a very important letter from Prof. Eugene Rostow at Yale Law School. Professor Rostow, who was a longtime dean of the Yale Law School and was Under Secretary of State from 1966 to 1969, is deeply concerned because of President Carter's derecognition of the Republic of China and especially because of the President's attempt to break the defense treaty with Taiwan.

In Professor Rostow's words:

This action is profoundly wrong—wrong morally; wrong politically, wrong constitutionally; and wrong from the point of view of our security.

As Professor Rostow points out:

The thought that the President can alone terminate a security treaty, and is willing to do so, has shocked and frightened those responsible for the fate of nations from Tokyo and the NATO capitals to Jerusalem, Cairo, and Canberra.

But Professor Rostow does not criticize President Carter's action only on the grounds of unwise policy and national security. He also states unequivocally that it is unconstitutional.

He writes:

It cannot be constitutional to allow the President to abrogate treaties by a stroke of his pen. . . . Such a doctrine would make nonsense and indeed establish an Imperial Presidency.

Mr. President, these are strong words coming from a distinguished legal scholar and former high official of the executive branch. They are words which should be given close attention as we proceed to take up the nomination of Ambassador Woodcock and legislation concerning the nature of our country's future relations with the people and government of Taiwan.

Mr. President, the full text of Professor Rostow's statement is contained in a note he has prepared for publication in the Yale Alumni magazine. I submit the paper for the RECORD.

The paper follows:

NOTE FOR YALE ALUMNI MAGAZINE

No one should object, and surely I do not object to calling our Liaison Office in Peking and the Chinese Liaison office in Washington "Embassies." Full, free, and active diplomatic relations between countries are useful and important, and should always be encouraged. But President Carter has coupled the full recognition of mainland China with an undertaking to terminate our security treaty with Taiwan, and to end our diplomatic relationship with that small, peaceful, and friendly state. This action is profoundly wrong—wrong morally; wrong politically; wrong constitutionally; and wrong from the point of view of our security.

Our rapprochement with Communist China developed eight years ago in response to the common interest of China and the United States in containing the Soviet Union's drive for overwhelming world power. China turned to us in 1971 for protection against the Soviet threat to its dependence, symbolized by the growth of Soviet forces in Siberia from 4 to 45 divisions, and the continuing Soviet thrust for dominion in Southern and South-Eastern Asia. That common interest remains the fundamental basis for the relationship between China and the United States, as the Shanghai Communique attests. China wants us to pursue an active, forward foreign policy, supported by adequate conventional and nuclear deterrent force, and carried out in collaboration with Japan, Western Europe, China, and other friendly nations. The goal of that policy should be to prevent Soviet hegemony in world politics, and to restore a stable world order based on general respect for the rule of the U.N. Charter regarding aggression. China also wants our help in modernizing its economy and its armed forces. What China is proposing is exactly what we should be doing in our own national interest, provided China accepts our views as to the nature of the world order which should be the lodestar of our policy—a conception we should never stop trying to persuade the Soviet Union to accept.

For us to terminate the American security treaty with Taiwan does not advance the common interest of China, the United States and our allies in stability and peace. On the contrary, it creates doubt and uncertainty throughout the world about the credibility of our security commitments, the only cement of the world political system. The thought that the President can alone terminate a security treaty, and is willing to do so, has shocked and frightened those responsible for the fate of nations from Tokyo and the NATO capitals to Jerusalem, Cairo, and Canberra. Such action is against the national interest of China itself, which has been protected by the United States since 1972.

It cannot be constitutional to allow the President to abrogate treaties by a stroke of his pen. Can the President alone nullify our solemn national commitment to NATO? If this were constitutionally permitted, why require an extradordinary majority of the Senate to advise and consent to the ratification of treaties in the first place? The Constitution makes treaties, like statutes, "the supreme law of the land." The President's duty is to see that treaties and statutes are "faithfully executed." He has no power to repeal them. Such a doctrine would make nonsense of the separation of powers, and indeed establish an Imperial Presidency.

It is my hope that a strong Joint Resolution of the Congress will repair the damage President Carter has inflicted on our national interests and the stability of world politics by this ill-considered action.

—EUGENE V. ROSTOW.●

LEGISLATION EXEMPTING DEEP STRIPPER WELLS FROM FEDERAL PRICE CONTROLS

● Mr. BOREN. Mr. President, today, I have joined as a cosponsor of S. 316 and S. 477 by Senator BENTSEN.

S. 316 provides for price incentives for production of crude oil from deep stripper wells by exempting these properties from Federal price controls. Differences in operating conditions are provided for by varying the average production ceilings for eligibility according to depth of the well drilled. It also would provide that injection wells be counted in any computations of a property's average annual production per well.

S. 477 provides for price incentives for the production of crude oil recovered through tertiary recovery methods. This piece of legislation would also exempt qualifying properties from Federal price controls.

The single most troublesome problem faced by oil producers is the extreme difficulty of finding capital investors willing to assume the risks of petroleum exploration and development at the prospective costs indicated by recent experiences considering the uncertainty and economic instability which persists. Drilling shortfalls which are occurring due to such capital shortages assure a continued decline in domestic production, and an increased reliance on unreliable foreign sources. It is estimated that just to meet anticipated demand domestically, and this does not include capital to reduce import dependence, it will cost the U.S. energy industry $235 billion for exploration and development of petroleum.

In addition, there is growing evidence that expenditures for exploration and development may have peaked in response to prices and may decline if additional price incentives are not forthcoming. The current drilling expansion began in the first quarter of 1976, and between that period and the end of the third quarter of 1978, moderate declines were reported only once in 3 successive weeks. But the rig count, which has traditionally been an indicator of energy investment, declined in 7 of the last 8 weeks of 1978, and the total rigs working during this period dropped from 2,385 to 2,263.

Since shortly before the beginning of the Arab embargo, domestic crude oil reserves have fallen by 30 percent, imports of crude and products have nearly doubled and we are importing three times more petroleum from OPEC countries than in 1973. At the same time domestic production has been falling, there has been a moderate incease in domestic petroleum demand. In fact, domestic production declined over 9 percent during that period. Costs of such dependence totaled over $40 billion last year. The continual and increasing export of almost one-half trillion dollars a year is resulting in an enormous impact on the dollar. And, even more frightening is what those nations holding our dollars can do with such power.

I think another point which has not been made concerning our growing dependence on foreign oil since the so-called embargo is from whom the importer oil is coming. Our sources of imported oil are rapidly shifting from secure Western Hemisphere countries—Canada and Venezuela—to the Middle East and Africa. Our largest individual supplier of crude oil since last November has Saudi Arabia, and the Arab countries as a bloc provide 45 percent of our imports—up from 22 percent prior to the embargo which they imposed on us. Another 35 percent of our imports are controlled by non-Arab States such as Nigeria who have their own complaints regarding the United States. Our crude oil supplies from insecure political sources are growing as well as our overall dependence on foreign sources for oil. And we have just recently seen, and are continuing to see, the impact of dependence on unreliable foreign sources such as Iran. With the

growing unrest in the Middle East it is not sheer speculation to assume that other foreign suppliers of American energy may also be caught up in like political unrest.

Oil imports are expected to cost the United States over $45 billion this last year. That is about $425 for every American family. The cost of imports of foreign oil by 1985 is expected to be over $100 billion. That is about $1,325 for every American family. Unless we take the painful, but necessary, steps to reduce demand and increase domestic production, we will require at least 24 million barrels of oil per day by 1985 and 60 to 70 percent of that will have to be imported.

Mr. President, we must take immediate measures toward regaining our energy independence, and, it is my belief that by passing these two pieces of legislation we will be taking an important first step in doing so.

As I am sure you are aware, only one-third of the petroleum contained in a petroleum reservoir can be extracted by primary and secondary conventional enhanced recovery operations. This will leave unrecovered nearly 300 billion barrels of oil in currently identified reservoirs. Accordingly, each 1 percent improvement in the recovery factor will add some 3 billion barrels to U.S. proven reserves. At present these total about 36.8 billion barrels. Increased production as a result of S. 477 is estimated at 500,000 to 1,000,000 barrels per day by 1985. This would add between 11 and 29 billion barrels of oil to existing domestic reserves.

S. 316 would be similar to the rules governing stripper wells which more than 4 years of experience have shown effective in extending the productive lives of thousands of wells and are workable and manageable from the standpoint of both Government and producers. Before the stripper well exemption from controls, over 63,000 stripper wells were abandoned as uneconomical to produce. Yet, following this exemption, only 51,000 wells were abandoned. In 1977 a 20-year low was reached when only 9,000 stripper wells were abandoned. Thus, there is every reason to believe that similar higher prices for deep stripper wells would have a similar effect on these wells.

In addition to extending the lives of thousands of marginal wells (over 15 percent of domestic production) the increased cash flow generated by increased prices would stimulate the extensive use of well workover and enhanced oil techniques and additional drilling on existing properties as well as increased exploration and development of new properties.

I think it is important for us to set goals for increasing our energy independence. The Independent Petroleum Association of America has projected in order for us to cut back our imports to 25 percent from the present 47.2 percent, it would require an increase of 2,500 oil wells per year. In 1978, there were 18,912 new oil wells drilled. To cut back imports by 1985, the U.S. domestic producers would have to be drilling a total of 40,000 new wells per year, and producing domestically 15,490,000 barrels daily. This would require us to import only 5,490,000 barrels daily, or 26.2 percent of U.S. oil demand. I think it is important to note that just to offset the normal decline rate of U.S. production we would need to complete more than 22,000 new oil wells per year. Prospects for such expansion of drilling are bleak unless we provide some economic relief to as many properties as possible. With the sense of certainty provided by these pieces of legislation, producers would have an incentive to invest in additional drilling which they might not do otherwise.

It is essential that we develop our existing domestic reserves to the fullest. Increased production under these legislative initiatives would very shortly nullify the effect of the total loss of Iranian oil to the United States. Just the passage of S. 316 alone would increase daily domestic production by 1985 by 700,000 barrels daily.

The shortfall of oil to the United States due to strife in Iran is about 500,000 barrels in the United States. It is expected that by 1990 just with the passage of these two bills we would increase our daily domestic production by 2 to 2½ million barrels daily. It is time that the United States takes steps toward becoming energy self-sufficient again. The uncertain political situation of our foreign oil suppliers mandates that we do so.●

THE 143D ANNIVERSARY OF THE FIRST BAPTIST CHURCH IN BALTIMORE, MD.

● Mr. MATHIAS. Mr. President, so many unhappy events dominate the news, that I thought the Senate would be interested in hearing of a happy event with profound significance for the future of community life in America. This occasion for celebration was the 143d anniversary of the First Baptist Church located at 525 North Caroline Street in Baltimore, Md. I was privileged to be present and to participate. The positive spirit of the occasion was reflected in the message of the pastor, Rev. Leroy Fitts, the sermon of Rev. Willard L. Clayton, the history of the church and the proclamation of the mayor of Baltimore.

I submit for the RECORD a history of the First Colored People's Baptist Church of Baltimore, a message from the pastor, the history of the church building, a biographical sketch of Rev. Willard L. Clayton, and the proclamation by Mayor Schaefer of Baltimore designating First Baptist Week.

The material follows:

HISTORY OF THE FIRST COLORED PEOPLE'S BAPTIST CHURCH OF BALTIMORE

Many years ago, the power of God began to move in the midst of an era, when a Baptist Church for Colored People appeared to be an impossible dream. For countless years they struggled with the hope that some day, laws and customs would change and their dream would become a reality. Because they put God first in their effort, the inevitable happened. William Crane, a white servant of God, persuaded Moses Clayton to come to Baltimore to begin a mission for the Black Community.

Clayton, an ex-slave of Norfolk, Virginia, was a man who had faith in God, himself, and the task that was before him. He believed his course was set, and nothing diverted his effort. His first mission began in 1834, in the parlor of his Mullikin Street home when he organized a Sunday school.

In 1835, Clayton was ordained. On February 20, 1836, with ten followers, organized the First Colored People's Baptist Church in the State of Maryland. God, knowing their need for a place to worship, touched the heart of a Mr. Sterling, who gave them a school building near Belair Market, rent free. On February 7, 1837, a charter was granted, and in March 1841, the church was admitted to the Maryland Baptist Union Association. Soon thereafter, the church began to build a small edifice on Lewis Street.

In 1849, Reverend Clayton resigned, and Reverend John Carey was called. As fate would have it, the Lewis Street edifice was sold for debt. In 1852, internal difficulties divided the membership. Reverend Carey and a nucleus of members from the division formed the Union Baptist Church of Baltimore. This action led the church to recall Reverend Clayton who remained until his death in 1861.

From 1861–1865, a succession of ministers served. They were Reverends John Whye, Thomas Rheams and J. Underdue.

In 1865, Reverend Lewis Hicks became pastor. With the help of Reverend Berg, Reverend Hicks was able to build a church at Thomsen and Young Streets. He resigned in 1869.

In 1872, Reverend J. C. Allen was called. Progress continued. In 1875, the lot at Caroline and McElderry Streets—the present site—was purchased. By 1880, the new building was ready to be occupied. With much joy, the congregation moved into the edifice the last Sunday in January 1881. This was an occasion to be remembered, for this was the first building for worship, to be built and occupied by Colored Baptist.

During Reverend Allen's administration, Reverend P. Carter Neal was his assistant. Reverend Neal became pastor after the death of Reverend Allen in 1904. During his Pastorate, the church was remodeled twice and the Relief Association was organized. Reverend Neal passed away March 27, 1920, leaving the church free of debt and cash in the bank.

Following the death of Reverend Neal, Reverend A. J. Green was called. Under his leadership the deed for the church was redeemed. Again, in 1928, internal upheavals divided the membership. Reverend Green and a nucleus of the division established the Grace Memorial Baptist Church.

Because the church was built on a firm foundation, it weathered the storm as it had done years before. It continued to prosper. Reverend William H. Young was called. His leadership was fruitful. Extensive renovations were made on the building, and the following auxiliaries were organized: the Boosters Club, the Pastors Aid, and the Baptist Training Union. Reverend Young resigned in 1934.

From 1936–1939, Reverend Matthew T. Waters served and from October 1, 1939–1942, Reverend Andrew D. Nance served. Under their leadership progress was gradual.

In 1943, Reverend Vernion T. Williams was called. During his tenure, the concurrent debt was liquidated, the organ, chimes and a second parsonage were purchased, and the first Educational Building of its kind among Baptists in the East Baltimore Community was built. It was dedicated in November 1961. Reverend William passed away February 25, 1962.

In December, 1962, Reverend Gus Roman was called. Under his leadership, the Board of Christian Education was adopted. He resigned in January 1967.

In 1968, Reverend Walter L. Parish, was called. During his administration, a church bus was purchased and the office and main sanctuary were renovated. He resigned August 1970.

In August 1970, Reverend Baxter L. Matthews was called to serve as interim pastor. Under his leadership, the debt for the Educational Building was liquidated. On Sunday October 3, 1971, the Educational Building was re-dedicated as the Vernion T. Williams Educational Building. His interim pastorate ended when the church called a minister.

In June 1973, Reverend Leroy Fitts was called. He is a dedicated leader who strongly emphasizes the need for perpetual Christian education, stewardship, church family involvement in social ills of the community, and involvement of the youth in the total church program.

His deep concern for the building, led to complete renovation of the lower chapel, installation of a baptismal pool, a furnace and air conditioning for the main stanctuary.

In this historical occasion, we pause to pay tribute to the pioneers in whose hearts God chose to plant the seed which took root and gave birth to the First Baptist Church.

Because the pioneers of First Baptist and those who followed, were steadfast in the work of the Lord, their sustaining faith led to victory.

Let us pray constantly, keep the faith, and continue to labor for fruits, through Jesus Christ, Our Lord and Savior.

A MESSAGE FROM THE PASTOR

My dear Brothers and Sisters, I am delighted to greet you on this significant occasion in the history of our Church, and community. We are here to hallow this place because it symbolizes the struggles of a people, in the light of and sometimes over and against their unique experiences, to be faithful to God, brotherly to all men and good citizens of America. Yes, this place should be remembered and cherished in the community!

However, the officers, members and friends of First Baptist Church must accept the lessons from the past as we press forward for the prize of a higher and ultimate purpose in the economy of God. Our Church is challenged to discover where God is specifically active in the world and to get involved with Him in the movements to redeem all men. Hence, our Church stands anxious and ready to join hands with the wider City, State, National and World communities for the realization of God's purpose for us.

I am especially grateful to my immediate Church family, for you, with God's Spirit, are the power that sustains and nurtures this historic Church. Your love and commitment are true and very dear to me.

God bless America, the nations on the earth and whatever life there might be in the Cosmos.

Fraternally yours,

Rev. LEROY FITTS,
Pastor.

HISTORY OF THE CHURCH BUILDING

In 1876 the edifice was designed by J. A. and W. T. Wilson, Architects. It was built by H. C. Smyser and Edward B. White. Its architecture is of the Victorian Period of the Greek Revival. It is a very modified form of Doric architecture with limitations of a pragmatic nature. The masonry of the facade and north elevation is excellently rendered. The cost of the lot and building was $16,500.00. In 1880–1885 this represented the total yearly earnings of 380 skilled workers of that period.

BIOGRAPHICAL SKETCH OF OUR GUEST SPEAKER

(By Rev. Willard L. Clayton)

Our speaker is a direct descendent of the Reverend Moses Clayton, the founder of First Baptist Church.

Reverend Willard L. Clayton, son of the late James Milton and Cora L. Clayton, was born in Westmoreland County, Virginia. As a teenager, he went to Boston, Mass., where he worked his way through eleven years of schooling in preparation for the ministry.

In 1925, he was called to the pastorate of the Union Baptist Church, Malden, Mass., now Emmanuel Baptist. He served as the first black vice president of the Boston East Association, and the first black moderator.

In 1945, Reverend Clayton was called to the pastorate of the Macedonia Baptist Church where he is presently serving. During both Pastorates, he had the honor of being elected to City, District and State as well as National organizations.

From 1958 until 1962, he served as President of the United Baptist Missionary Convention of Maryland. One of the many accomplishments during his administration, of which he is proud, is the re-establishment of a president's term to four years in office. During his Mission Work, he served as Minister and Lecturer in the Bahama Islands and Santiago, Chile, South America.

In 1958, Virginia Seminary, at Lynchburg, conferred on him, the honorary degree of Doctor of Divinity.

PROCLAMATION

Whereas, the first colored Peoples Baptist Church was founded 143 years ago by Moses Clayton an ex-slave; and

Whereas, surviving some periods of divisiveness, and profiting from a procession of strong leaders, the First Colored Peoples Baptist Church emerged as a viable spiritual force within the Black Community; and

Whereas, the structure that currently houses the First Baptist Church, late Victorian with renaissance detailing, was built on a lot at the corner of Carolina and McElderry Streets that was acquired in 1875; and

Whereas, as a historic landmark the First Baptist Church joins a remarkable collection of buildings of diverse style and function

Now, I, William Donald Schaefer, Mayor of the city of Baltimore, do hereby proclaim February 25–March 4, 1979 as First Baptist Church Week in Baltimore, and do urge all citizens to take note of this important event.●

LET'S CURTAIL THIS FAST GROWING "BUSINESS"

● Mr. CRANSTON. Mr. President, one of my friends and constitutents, Joe Pinola, chairman of the Western Bancorporation, recently discussed before a Los Angeles Town Hall audience a subject which has been very much on everyone's minds at present: the state of our economy and the role of Government regulation in causing—or at least affecting—the current inflationary spiral. While Joe's speech does not necessarily reflect all of my own views on this extremely complex issue, I believe he presents a point of view which is widely shared in our business community.

I believe that my colleagues here in the Senate will agree with me that Joe's speech is one deserving of our more thoughtful consideration. I request that Joe Pinola's address before Town Hall in Los Angeles on December 12, 1978, be printed in its entirety in the RECORD.

The address follows:

LET'S CURTAIL THIS FAST GROWING "BUSINESS"

Judging by the public opinion polls, the coverage in our daily news media and just general topics of conversation, the Number One public issue for most Americans these days is *The Economy*. They are uneasy over the prospects of recession. They are concerned about the falling dollar, and most of all, they are outraged by our spiraling inflation.

All these concern me, too. Not just as a banker, but as the head of a family and as a citizen concerned about the future success of our country. It's impossible, in the next few minutes, to comment meaningfully on all the broad aspects of our economic condition. And so, I would like to focus on just one segment—government regulation.

Some of you may have just lifted your eyebrow and said to yourself, "Government regulation has little to do with The Economy." Let me assure you right now that it has a great deal to do with it. While the two are not usually connected in the public mind, there is not only a direct relationship between government regulation in general, but inflation in particular. In fact, government regulation is one of the major and fundamental causes of our inflationary spiral.

That's because government regulation is, itself, spiraling. And, I believe it just may be out of control.

Let's look at some chilling facts:

The Federal Government has 100,000 employees staffing 41 regulatory agencies. They earn $3-billion every year from the taxpayers. And, their agency expenditures have doubled in the past five years.

The private sector each year has to fill out over 4,400 different Federal forms.

General Motors spends more than $1-billion per year—equal to one-third of its net profits—to comply with government regulations.

Dow Chemical spends almost $200-million to comply with Federal regulations.

The head of a major grocery chain in Southern California said in a recent newspaper interview that one of the reasons for the increasing costs of food was the fact that grocers here had to file reports or deal with 123 Federal, State or local government agencies.

Economists at the Chase Bank have computed that the cost of regulation in 1977 amounted to $100-billion. That figure is conservative compared to government's own Office of Management and Budget which estimated that, for 1976, regulation cost the public about $130-billion. That was the equivalent of more than 8 percent of the Gross National Product that year.

I read recently that Senator Patrick Leahy, of Vermont, assembled in his offices, two bookcases—one contains copies of all the laws passed by Congress since the late 1700's. The other contains all the Federal rules promulgated by agencies in the past 18 months. The bookcases are exactly the same size!!

An equally impressive example of the regulatory explosion is the Federal Register. The 1977 Federal Register contains 64,000 pages of new rules and regulations, compared to only 2,400 pages when the Register began publishing just 30 years ago.

Recently a fellow banker showed me an 80-page booklet entitled, "Reports to Government and Regulatory Authorities." It was prepared by a major U.S. bank, and the 80 pages were required to list no more than the title of the report, and the agency requiring it, and a brief statement of the purpose of the report and the frequency of the filing. 80-pages of that, mind you!

It is a sobering experience, indeed, to leaf through this report and reflect on what proportion of the information represents a genuine need and what is merely an aimless and arbitrary diversion of vast amounts of otherwise productive time into a very expensive government vacuum.

I like the comment of David Rockefeller in a recent talk when he said, "When I look at the cost of the regulation today, I'm grateful

we're not getting all the government we pay for."

When I look at the volume of regulation, I fear that David may be wrong.

It is difficult for me to think of any major industry that has been the object of as much regulatory legislation during the past dozen years as has our banking industry. Since 1966 Congress has enacted 15 major measures, all of which impose regulatory obligations on banks:

The Financial Institutions Supervisory Act.
The Bank Merger Act Amendments.
The Savings and Loan Holding Company Act.
The Truth in Lending Act.
The Fair Credit Reporting Act.
The Bank Protection Act.
The Bank Holding Company Act Amendments of 1970.
The Equal Credit Opportunity Act.
The Interest Rate Control Act.
The Consumer Leasing Act.
The Home Mortgage Disclosure Act.
The Real Estate Settlement Procedures Act.
The Federal Trade Commission Improvements Act.
The Fair Credit Billing Act.
The International Banking Act.

And in somewhat recent days, we looked at a relatively undistinguished banker from a small town in Georgia conduct some equally undistinguished banking transactions. Because of his high visibility, we now have the Financial Institutions Regulatory Act of 1978. I guess we should look with some favor on the Congress as the bill originally was to have been called the Safe Banking Act. Of course it gives regulators greater enforcement powers, and it deals as well with such matters as interlocking management relationships, changes in control of banks, use of correspondent accounts and conflicts of interest.

Regulatory activity is certainly not confined to the Federal level. In California last year, some 6,400 bills were considered by the State Legislature. Of that number, 900 were bank-related. Just five years ago, that figure was a mere 100. A nine-fold increase.

Now I hope that you will forgive me for confining so much of my remarks so far to the field of banking. Needless to say, we feel some discrimination as to regulation—that is obvious, but that is our particular problem—rather I wish to address the broad subject and what it is doing to our people, our industry, our country.

Certainly at this point you do not need further discussion of the inflationary impact of regulation. If five or six or seven or eight percent of GNP is absorbed by regulation alone, just think of what that does *to* productivity and *for* inflation.

And so for the moment, let's go beyond the subject of inflation and to an even more insidious—if that be possible—aspect of our ever growing regulatory climate. I want to emphasize that the very character and nature of the regulation is changing.

Regulation now is more *prescriptive* rather than *proscriptive*. More and more, the regulators are saying "Thou Shall" rather than "Thou shalt not." This seems to me very much related to social and political goals as opposed to the economic goals of the past. The "old style" type of regulation told us what *not* to do. A penalty would be paid for violations, but the *new* regulation tells us what *to do* and *how to do it*. Classic examples are EPA, ERISA and OSHA.

The government could have regulated safety by saying: for every plant accident you get fined "X" dollars, leaving it up to the private decision-maker to figure out the most cost effective way to avoid accidents. Or, the government could specify *how* to avoid accidents. Obviously the government chose the latter route; Fire extinguishers will be thirty-five inches off the ground; toilet seats will be horseshoe shaped and not round; ladders will have rungs twelve inches apart—and so on. But one must look much deeper, much beyond the thousands and thousands of "Thou Shalls"—to the very nature of the "Thou Shalt" itself. This type of regulation tells us what to do—and that suggests to me a loss of freedom—a loss of freedom of choice and decision—of the way to do business—and of business itself.

If that does not give you a sufficient concern, then just look at the subject of corporate goverance. The SEC recently proposed labelling corporate directors as being "insiders" or "outsiders." The SEC definition was such that few would qualify as "outsiders." By implication, this proposal impugns the independent integrity of corporate directors.

Such a hue and cry was raised over this proposal that the SEC and Chairman Harold Williams backed down.

But there is still strong sentiment on the part of many in government to specify just how a corporate board of directors should be composed. It is significant to note that the SEC *now* has taken sides in a social and political controversy over whether corporations should remain essentially private property, dedicated to economic purposes; or whether corporations should be transformed by government edict into public property—dedicated to social ends.

This is a critical issue. One that affects the very fabric of our society. And it certainly is an issue that should not be left in the hands of a small group of regulators to decide.

I have now reached the depth of my concern for regulation. I am concerned that the tide of regulation seems unstemmable. I am concerned that its cost are unaccountable and clearly out of hand and that these costs will all too soon bring our country to its knees. I am concerned that we are swiftly and surely being told "how to" run our businesses and that the government is moving into the very core of our structure to see that its social and political goals are being met. . . . That's a lot of concern. . . .

Now, lest some of you think that we have reached the end of the line, I wish to offer some hope, some light. It is found in the word "deregulation." It's a popular word in Washington these days—and for obvious reasons. It promises something for everyone. The consumer believes it holds the prospect for lower prices. For the regulated industry, there is the prospect of a lessening of the burden of compliance with government edicts.

It is, unfortunately, improbable to expect that the banking industry will become a candidate for deregulation. We deal with other people's money. . . . And even though the thrift industries and the credit unions and many others do much the same thing, we seem to sit on the other side of the aisle at this point in time. But so do the airlines and look at what has happened there. And so at least the possibility of deregulation exists for all of us. And there is much heart to be taken there.

There is heart and hope to be taken from my talk to you today. My talk is one of hundreds going on throughout the country at this time. Businessmen and even some in government clearly see what is happening and are looking for avenues of correction.

I believe that the crux of the problem is the state of ignorance in which government operates when it comes to regulating our economy and our society. I don't mean intellectual ignorance. Rather, I mean that by what they do they are precluded from finding out what they have done.

There is no movement in government to my knowledge that requires responsibility for the impact of the regulation imposed. There is no cost benefit estimate or analysis required of any regulation. There is no study required of any sort of interrelated regulation. There is no effort made of any kind to know how many and what regulations affect a given industry and whether that industry can or cannot pass on the costs of the regulation on a competitive basis. In other words, it is just plain fashionable to regulate—regardless of consequences—and politicians have been known to do that which is fashionable.

Perhaps I am especially conscious of the behavioral problems of certain legislators. One who once represented me is currently serving Federal sentence. Still another who represented me some years ago is now under Federal indictment. A group of additional Congressmen have either been indicted or found guilty of wrongful acts in very recent days. Notwithstanding these misdeeds, I do not lobby for a Safe Congressman Act because the vast majority of Federal and State Legislators obviously are good, honest American citizens. . . . . .

Yet, it took the wrongful acts of but one banker to generate the Safe Banking Act. . . . . This, despite the fact that the vast majority of bankers are good, honest American citizens. This legislative mania, and that is what it seems to boil out to be, must somehow be brought under control. There is no better way to erode confidence in the law than to provide too much of it.

Notwithstanding the position I have presented to this point in time, I want you all to understand that I do not speak with bitter tongue. I do sincerely believe that banks are currently receiving unfair treatment by the Congress. But I also sincerely believe that there is much banks could and should have done—and still can do—to improve their position. As a consequence of Watergate and all that word implies, we continue a painful penetrating examination of our conduct—as a nation and as individuals—and as business people. And business has indeed made its share of mistakes.

Perhaps had we not been quite so slick in our pension planning in years past, we might not have had to put up with ERISA.

And had we applied ethical principles to our way of doing business just a few short years ago, we might not, for example, be concerned today with OSHA. We in business and industry were caught worrying about false economy. If we had been pioneering the highest safety standards—as an investment in employee well being—in morale and productivity—there just might not be an OSHA today.

And how about Affirmative Action. . . . What kept us from learning on our own that women—and blacks—and Chicanos are made in God's image just like the rest of us—and that they are entitled to an equal share in jobs and equal pay for equal work.

But the fault does not lie in our camp alone. If our nation is to fail, the failure must be attributed to the faulty strategy of idealists who have too many illusions as they face the realists who have too little conscience. There must be middle ground.

What I seek then, on one side, is a slowing down of the legislative process. There are those among you who lobby for a four or six-year term for members of the House. Perhaps we would do better with bi-annual meetings of the House and the Senate. Give us all a legislative rest—or at least a respite. But, it must meet every year and so it must make laws—But if it must make laws, them how about a law which would require every agency to publish cost/benefit findings of all proposed regulation and make those findings subject to individual review and public scrutiny.

And how about some form of sunset legislation which would require review and reauthorization by the Congress of Federal regulatory agencies or function. It would include cost of the agency and cost of its regulation and again a cost/benefit analysis.

It must require more than a perfunctory review. Congress likes to give things to people but not tell them what they cost. Cost-benefit must be a requirement.

And what I seek on the other side is a fresh look at ethics and morality and impeccable performance accordingly from you in business and industry. Let's not make the mistakes that lead to legislation and regulation. Let's show the way and see that our activities and those of our associates are truly exemplary. It will take every bit of that if we are to be given the hearing that I believe we deserve.

And lastly, let us not simply placate the hostile and the adversary. Our apparent willingness to make unwise changes in order to be accepted has not led to peace and popularity. Generally it is seen as a sign of weakness and only earns the contempt of those less understanding of corporations and capitalism.

Business leaders will have to decide whether they are willing to let the corporate system slide further and perhaps ultimately expire. The slide has gone pretty far already. It can justifiably be argued that there is still time. That is my hope and my prayer.●

THE LEGISLATIVE VETO AND EXECUTIVE LAWMAKING

● Mr. SCHMITT. Mr. President, it is encouraging to see the attention regulatory reform is receiving from the press, the public, Congress and the administration. The realization that our regulatory policies are imposing an excessive and often unnecessary cost on the public has been slow to dawn but now seems, with a few exceptions, universally recognized.

It is extremely important at this juncture that we carefully define the problem confronting the Congress, because if we are to develop the appropriate solution, it is essential to know precisely what we are attempting to accomplish.

The problem as I see it is this:

With the broad delegation of authority to the executive and independent agencies that has occurred over the past several decades, administrative rulemaking has become a key force in our economy. Much of this delegation has been useful, and, in fact, it may be essential if the Congress is to address itself to the various technical matters that require attention in a complex society. In general, it has been more efficient to allow those agencies with experience and expertise in specific fields to develop regulations in the areas for which they are responsible. Clearly, congressional committees have neither the time, the manpower, nor the inclination to take on this duty in its entirety.

This procedure of broad delegation of authority with periodic congressional oversight of agency actions worked fairly well until recent years. The size and scope of regulatory activity was within reasonable bounds and the Congress maintained a tenuous sort of grip on the process as a whole. But in the last decade, the regulatory activities of the Federal departments and independent agencies seems to have reached what we might call a critical mass. At this point, the number of regulations being promulgated each year is not only astronomical but is increasing at a rapid rate from year to year.

This poses difficulties for the public which must comply with those rules and regulations and for the Congress which is, theoretically at least, responsible for their existence. The Constitution clearly vests the Congress with the authority to create law. Article I, section 1 states, "All legislative powers herein granted shall be vested in a Congress of the United States * * *" But the delegation of this authority to Federal departments and independent agencies, results in a situation where the public must comply with regulations written by Federal employees who never face the voters. While elected representatives are indirectly responsible for the quality or quantity of regulation, it is clear that the connection has become so strained that it can be said to have nearly ceased to exist in many instances.

Rulemaking now takes place in a quasi-judicial, quasi-legislative never-never land that has become increasingly immune to both Presidential and congressional authority. To his credit, the President recognized this problem and sought to establish a Regulatory Council which would have provided the executive department with a mechanism with real teeth in it to shape, define and occasionally overturn proposed rules. However, the President allowed himself to be pressured into accepting a compromise which effectively deprives the President of any authority to overturn rules. In fact, he has created a Council in which the regulators are expected to regulate themselves. The President will not even be represented on the Council.

The need for congressional action at this point becomes even more pressing, for not only do the some regulators proclaim their total independence of the Congress, they now suggest that they are totally immune to Presidential control. Apparently, in some cases, they wish to become a law unto themselves; responsible only to their self-proclaimed vision of the public interest, but avoiding direct accountability to the people. The Congress cannot allow this to happen. It must be made unmistakenly clear that the rulemaking activities of the executive branch are subordinate to the authority of the Congress.

Several bills have been introduced in the Congress aimed at regulatory reform. Many contain useful proposals that touch on part of the problem. Unfortunately, most of them fail to recognize the real source of our difficulty: the absence of the only tool with which the Congress can exercize its authority over the rulemaking process. I am referring to the legislative veto.

THE LEGISLATIVE VETO

The legislative veto, in the form of a simple resolution of disapproval, is the sole means whereby the Congress can quickly and with precision overturn a rule and return it to the promulgating body for reconsideration. This procedure does not require the Congress to review every rule. In fact, experience with nearly 300 statutes containing legislative review or disapproval procedures demonstrates that it is a tool that is rarely used.

State legislatures with veto authority over rules and regulations have found that it is seldom necessary to exercise that authority. Its primary value is as a deterrent device to insure that agencies will not stray beyond the bounds of legislative intent when promulgating rules.

This is not the time to catalog the abuses of regulatory authority that have occurred in recent years. Any Senator who reads his mail is familiar with examples and knows that frequently the only recourse available is to write a letter to the agency head, which may or may not have any effect, and which may or may not be answered. The Congress as an institution is much in need of a systematic procedure to deal with unnecessary or irresponsible regulations. The legislative veto fulfills this need.

CONSTITUTIONALITY

Several objections have been raised to providing Congress with the use of this power. The most frequent is the claim that the legislative veto is unconstitutional. It is clear, however, that if it were unconstitutional, we would surely know it by now; since 1932, Congress has enacted over 295 provisions of law with legislative review or veto powers. On those occasions where the veto has been challenged in court, it has not been ruled unconstitutional.

In *Atkins* v. *United States*, 556 F. 2d 1028 (Ct. Cl. 1977), 140 Federal judges challenged the constitutionality of the congressional veto provision contained in the Federal Salary Act, 2 U.S.C. 351 et seq. Under that provision, all or part of the Presidential recommendations to Congress regarding executive, legislative and judicial branch rates of pay become effective automatically within a specified time unless:

> . . . neither House of the Congress has enacted legislation which specifically disapproves all or part of such recommendations . . .

The Senate exercised its prerogative under section 359(1)(B) and passed a disapproving resolution. The judges argued that one-House veto was unconstitutional because it violated: first, article I, section 1, which vests the legislative authority of the United States in Congress as a body and not in one House alone; second, article I, section 7, which reserves to the President the power to veto every order, resolution, or vote to which the concurrence of both Houses is necessary; and third, the principle of separation of powers and article II, section 1, which vests all executive power in the President.

The Court of Claims rejected each of these contentions. The principle of bicameralism is not violated, it ruled, because rejecting Presidential recommendation to increase or decrease salaries is a form of legislative activity which does not require the affirmative concurrence of both Houses since the effect of such action is not to make law but rather to preserve the status quo. Similarly, there is not usurpation of the Presidential veto power since the Chief Executive had his opportunity to veto the creation of the mechanism in the first instance; and, in any event, the concurrence of both

Houses is not constitutionally necessary where only Presidential recommendations are involved.

Finally, the court held that the doctrine of separation of powers was not being infringed. It noted that the Constitution nowhere dictates a strict compartmentalization of powers between branches. What the Constitution seeks to avoid is the accumulation of too much of all powers in one branch. It further noted that paysetting is basically a legislative power. The court concluded on a function has been conditionally delegated to the executive. Such delegation does not irrevocably commit authority to the executive because in exercising the function the executive merely acts as an agent of the Congress. The legislature retains the right of supervision or oversight. The particular legislative veto in question does not seek to enforce any law or appoint any agents to enforce the law and thus does not call upon the legislature to administer the laws. It is, therefore, a device used in aid of legislation on a matter historically within the legislative power. The court concluded on a practical note, emphasizing that the legislative veto is an appropriate response to the changing circumstances of modern government:

We end this part III of the opinion by reiterating that the one-House veto present in the Salary Act is a device authorized by article I, section 1, coupled with the necessary and proper clause, and that it contravenes neither the broad principle of the separation of powers nor any specific provision of the Constitution. In particular, we note that the necessary and proper clause, which has sanctioned the massive delegation of legislative functions over the past century, provides a firm grounding for this legislative veto. Congress plainly felt the need for this veto device, instead of relying solely on the power to override presidential recommendations by a full-fledged statute. In McCulloch's phrases, Congress exercised "its best judgment" in the selection of this measure and sought to "accommodate its legislation to circumstances." In the world of reality, the mechanism, as we have underscored, was a fair substitute for full bicameral concurrence, did not materially invade the Executive's own sphere, and took due account of the limited presidential participation. It was a permissible accommodation of competing interests, reflecting both on appropriate check by Congress upon the Executive and some check by the Executive upon the action which could be taken by one House alone. To borrow the Supreme Court's language, some 50 years ago, in upholding congressional delegation, this particular one-House veto seems to us to pass the test of "common sense and the inherent necessities of the governmental coordination." *Hampton & Co. v. United States*, supra, 276 U.S. at 406.

The recent Supreme Court decision in *Buckley* v. *Valeo*, 424 U.S. 1 (1976), provided an opportunity for the Court to address the legislative veto.

While the full Court did not decide the case on the basis of the legislative veto, Justice White in his separate opinion expressed the attitude in dicta that it is constitutional:

I am also of the view that the otherwise valid regulatory power of a properly created independent agency is not rendered constitutionally infirm, as violative of the President's veto power, by a statutory provision subjecting agency regulations to disapproval by either House of Congress. For a bill to become law, it must pass both Houses and be signed by the President or be pased over his veto. Also, "Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary . . ." is likewise subject to the veto power. (U.S. Constitution, Art. I, § 7, cl. 3). Under § 438(c) the FEC's regulations are subject to disapproval but for a regulation to become effective, neither House need approve it, pass it, or take any action at all with respect to it. The regulation becomes effective by non-action. This no more invades that President's power than does a regulation not required to be laid before Congress. Congressional influence over the substantive content of agency regulation may be enhanced, but I would not view the power of either House to disapprove as equivalent to legislation or to an order, resolution or vote requiring the concurrence of both Houses. *Buckley*, 284, 285.

Mr. President, the legislative veto provides the Congress with a valuable tool for exercising its constitutional responsibility as the lawmaking branch of the Federal Government. As I noted previously, the Congress has already acted to provide for the disapproval of a wide variety of executive branch action. The time has come for the Congress to enact legislation that will extend this principle to cover not all executive action, but that action of a legislative character which through delegation the Congress has come close to surrendering to a growing, unelected fourth branch of Government. I submit for the RECORD a congressional research study which lists the existing statutes enacted by the Congress between 1932 and 1972 which contain legislative review and veto mechanisms.

The material follows:

CONGRESSIONAL REVIEW ACTS LISTED CHRONOLOGICALLY 1932–1975

PUBLIC LAWS

Legislative Appropriations for Fiscal Year 1933 (P.L. 72–212).

Appropriations for Treasury and Post Office for Fiscal Year 1934 (P.L. 72–428).

Charges for Irrigation on Indian Reservation Projects, 1936 (P.L. 74–742).

Reorganization Act of 1939 (P.L. 76–19).

Neutrality Act of 1939 (54 Stat. Ch. 2, P. Res. 54).

Alien Registration Act of 1940 (P.L. 76–670).

Act to Promote Defense of the United States (P.L. 77–11).

Emergency Price Control Act (P.L. 77–421).

Emergency Price Control Act Amendment (P.L. 77–729).

War Labor Disputes Act (P.L. 78–89).

Navy Public Works Construction Authorization, 1944 (P.L. 78–289).

Naval Petroleum Reserve Amendment (P.L. 78–343).

Federal-Aid Highway Act of 1944 (P.L. 78–520).

Reorganization Act of 1945 (P.L. 79–263).

Federal Airport Act of 1946 (P.L. 79–377).

Strategic Materials Stockpiling Act Amendments, 1946 (P.L. 79–520).

Disposal of Surplus Vessels and other Naval Property, 1946 (P.L. 79–649).

Assistance to Greece and Turkey, 1947 (P.L. 80–75).

Displaced Persons Act of 1948 (P.L. 81–774).

Immigration Act Amendment of 1948 (P.L. 81–864).

Long-Range Proving Ground for Guided Missiles, 1949 (P.L. 81–60).

Reorganization Act of 1949 (P.L. 81–109).

Government Printing and Binding Amendment, 1949 (P.L. 81–156).

Return of Rehabilitation Costs of Reclamation Projects, 1949 (P.L. 81–335).

Federal Civil Defense Act of 1950 (P.L. 81–920).

Universal Military Training and Service Act (P.L. 82–51).

Military and Naval Construction Authorization, 1951 (P.L. 82–155).

Immigration and Nationality Act of 1952 (P.L. 82–414).

Military and Naval Construction Authorization Act of 1952 (P.L. 82–534).

Supplementary Appropriations Act for Fiscal Year 1953 (P.L. 82–547).

Reorganization Act Amendment, 1953 (P.L. 83–3).

Interior Department Appropriations for Fiscal Year 1954 (P.L. 83–172).

Disposal of Government-Owned Rubber-Producing Facilities 1953 (P.L. 83–205).

Public Building Purchase Contract Act of 1954 (P.L. 83–519).

Watershed Protection and Flood Prevention Act, 1954 (P.L. 83–566).

Atomic Energy Act of 1954 (P.L. 83–703).

Internal Revenue Code of 1954 (P.L. 83–591).

Reorganization Act Amendment, 1955 (P.L. 84–16).

Department of Defense Appropriation Act For Fiscal Year 1956 (P.L. 84–157).

Federal-Aid Highway Act of 1956 (P.L. 84–627).

Authorizing Interchange of Agriculture and Defense Lands, 1956 (P.L. 84–804).

Small Reclamation Projects Act, 1956 (P.L. 84–984).

Watershed Protection and Flood Prevention Act Amendment, 1956 (P.L. 84–1018).

Contracts for Plans Affecting Exploration, Development and Use of Naval Petroleum Reserves (P.L. 84–1028).

Disposition of Naval Petroleum Reserves, 1956 (P.L. 84–1028).

Small Reclamation Projects Act Amendment, 1957 (P.L. 85–47).

Atomic Energy Act Amendment, 1957 (P.L. 85–79).

Reorganization Act Amendment, 1957 (P.L. 85–286).

Immigration and Nationality Act Amendments (P.L. 85–316).

Atomic Energy Act Amendment, 1958 (P.L. 85–479).

National Aeronautics and Space Act of 1958 (P.L. 85–568).

Defense Reorganization Act of 1958 (P.L. 85–599).

Atomic Energy Act Amendment, 1958 (P. L. 85–681).

Trade Agreements Extension Act of 1958 (P.L. 85–686).

Military Code Amendments, 1958 (P.L. 85–861).

National Aeronautics and Space Administration Authorizations for Fiscal Year 1959 (P.L. 86–12).

National Aeronautics and Space Administration Authorization for Fiscal Year 1960 (P.L. 86–45).

Public Buildings Act of 1959 (P.L. 86–249).

National Aeronautics and Space Administration Authorization for Fiscal Year 1961 (P.L. 86–481).

Military Construction Authorization Act, 1960 (P.L. 86–500).

Reorganization Act Amendment, 1961 (P.L. 87–18).

National Aeronautics and Space Administration Authorization for Fiscal Year 1962 (P.L. 87–98).

Foreign Assistance Act of 1961 (P.L. 87–195).

Mutual Education and Cultural Exchange Act of 1961 (P.L. 87–256).

Government-Owned Utilities Used for Bureau of Indian Affairs, 1961 (P.L. 87–279).

Restoration to Indian Tribes of Unclaimed Payments, 1961 (P.L. 87–283).

Arms Control and Disarmament Act, 1961 (P.L. 87–297).

Department of Interior Appropriations for Fiscal Year 1963 (P.L. 87–578).

National Aeronautics and Space Administration Authorization for Fiscal Year 1963 (P.L. 87–584).

Surveys of Watershed Areas for Flood Prevention, 1962 (P.L. 87–639).

Independent Agencies Appropriations for Fiscal Year 1963 (P.L. 87–741).

Trade Expansion Act of 1962 (P.L. 87–794).

Naval Petroleum and Oil Shale Reserves, 1962 (P.L. 87–796).

Foreign Aid Appropriations for Fiscal Year 1963 (P.L. 87–872).

National Aeronautics and Space Administration Authorization for Fiscal Year 1964 (P.L. 88–113).

Independent Agencies Appropriations for Fiscal Year 1964 (P.L. 88–215).

Civil Rights Act of 1964 (P.L. 88–352).

Reorganization Act Amendment, 1964 (P.L. 88–351).

National Aeronautics and Space Administration Authorization for Fiscal Year 1965 (P.L. 88–369).

Water Resources Research Act of 1964 (P.L. 88–379).

Atomic Energy Act Amendments, 1964 (P.L. 88–489).

Independent Agencies Appropriations for Fiscal Year 1965 (P.L. 88–507).

Agricultural Trade Development and Assistance Act Amendments, 1964 (P.L. 88–638).

Reorganization Act Amendment, 1965 (P.L. 89–43).

National Aeronautics and Space Administration Authorization for Fiscal Year 1966 (P.L. 89–53).

Independent Agencies Appropriations for Fiscal Year 1966 (P.L. 89–128).

Authorizing Construction, Repair and Preservation of Certain Public Works, 1965 (P.L. 89–298).

Watershed Protection and Flood Prevention Act Amendment, 1965 (P.L. 89–337).

Water Resources Research Act Amendments, 1966 (P.L. 89–404).

National Aeronautics and Space Administration Authorization for Fiscal Year 1967 (P.L. 89–528).

Title 5, United States Code, "Government Organization and Employees" (P.L. 89–554).

Independent Agencies Appropriations for Fiscal Year 1967 (P.L. 89–555).

Interior Department Research Contracts, 1966 (P.L. 89–672).

Postmaster General Extension of Leasing Authority, 1967 (P.L. 90–15).

National Aeronautics and Space Administration Authorization for Fiscal Year 1968 (P.L. 90–67).

Independent Agencies Appropriations for Fiscal Year 1968 (P.L. 90–121).

Postal Revenue and Federal Salary Act of 1967 (P.L. 90–206).

Treasury and Post Office Appropriations for Fiscal Year 1969 (P.L. 90–350).

National Aeronautics and Space Administration Authorization for Fiscal Year 1969 (P.L. 90–373).

The Wild and Scenic Rivers Act, 1968 (P.L. 90–542).

Independent Agencies Appropriations for Fiscal Year 1969 (P.L. 90–550).

Reorganization Act Extension Amendment (P.L. 91–5).

Treasury and Post Office Appropriations for Fiscal Year 1970 (P.L. 91–74).

National Aeronautics and Space Administration Authorization for Fiscal Year 1970 (P.L. 91–119).

Authorization of Appropriations for Armed Forces, 1970 (P.L. 91–121).

Independent Agencies Appropriations for Fiscal Year 1970 (P.L. 91–126).

Military Construction Authorization, 1970 (P.L. 91–142).

Foreign Assistance Appropriations Act, 1970 (P.L. 91–194).

Public Health Cigarette Smoking Act, 1970 (P.L. 91–222).

Elementary and Secondary Education Assistance Program Extension (P.L. 91–230).

National Traffic and Motor Vehicle Safety Act Amendments (P.L. 91–265).

National Aeronautics and Space Administration Authorization for Fiscal Year 1971 (P.L. 91–303).

Defense Production Act of 1950 Amendment (P.L. 91–379).

Treasury and Post Office Appropriations for Fiscal Year 1971 (P.L. 91–442).

Armed Forces Authorization, 1971 (P.L. 91–441).

Military Construction Authorization, 1971 (P.L. 91–511).

Independent Offices and Department of Housing and Urban Development Appropriations for Fiscal Year 1971 (P.L. 91–556).

River and Harbor and Flood Control Acts, 1970 (P.L. 91–611).

Federal Pay Comparability Act of 1970 (P.L. 91–656).

Treasury Postal Service, Executive, and Independent Office Appropriations for Fiscal Year 1972 (P.L. 92–49).

National Aeronautics and Space Administration Authorization for Fiscal Year 1972 (P.L. 92–68).

National Science Foundation Authorization, 1972 (P.L. 92–86).

Military Construction Authorization, 1972 (P.L. 92–145).

Armed Forces Authorization, 1972 (P.L. 92–156).

Executive Reorganization Plans Extension, 1971 (P.L. 92–179).

Foreign Assistance Act of 1972 (P.L. 92–226).

National Aeronautics and Space Administration Authorization for Fiscal Year 1973 (P.L. 92–304).

Second Supplemental Appropriations Act for Fiscal Year 1972 (P.L. 92–306).

Public Buildings Amendments of 1972 (P.L. 92–313).

Education Amendments of 1972 (P.L. 92–318).

Treasury, Postal Service, Executive, and Independent Offices Appropriations for Fiscal Year 1973 (P.L. 92–351).

National Science Foundation Authorization, 1973 (P.L. 92–372).

Rural Development Act of 1972 (P.L. 92–419).

Dwight D. Eisenhower Memorial Bicentennial Civic Center Act, 1972 (P.L. 92–520).

Military Construction Authorization, 1973 (P.L. 92–545).

Pennsylvania Avenue Development Corporation Act of 1972 (P.L. 92–578).

National Aeronautics and Space Administration Authorization for Fiscal Year 1974 (P.L. 93–74).

National Science Foundation Authorization for Fiscal Year 1974 (P.L. 93–96).

Department of Interior Appropriations for Fiscal Year 1974 (P.L. 93–120).

Indian Claims Judgments Funds, 1973 (P.L. 93–134).

Treasury, Postal Service and General Government Appropriations for Fiscal Year 1974 (P.L. 93–143).

War Powers Resolution (P.L. 93–148).

Amendments to the Mineral Leasing Act of 1920 (P.L. 93–153).

Department of Defense Authorizations, 1974 (P.L. 93–155).

Emergency Petroleum Allocation Act of 1973 (P.L. 93–159).

Military Construction Authorization, 1974 (P.L. 93–166).

Foreign Assistance Act of 1973 (P.L. 93–189).

Menominee Restoration Act (P.L. 93–197).

District of Columbia Self-Government Act, 1973 (P.L. 93–198).

Comprehensive Employment and Training Act of 1973 (P.L. 93–203).

Regional Rail Reorganization Act of 1973 (P.L. 93–236).

Foreign Assistance Appropriations for Fiscal Year 1974 (P.L. 93–240).

Supplemental Appropriations Act, 1974 (P.L. 93–245).

Public Works, Rivers and Harbors and Flood Control Authorizations, 1974 (P.L. 93–251).

Wild and Scenic Rivers Act Amendments, 1974 (P.L. 93–279).

National Aeronautics and Space Administration Authorization for Fiscal Year 1975 (P.L. 93–316).

Congressional Budget and Impoundment Control Act of 1974 (P.L. 93–344).

Department of Defense Authorizations for 1975 (P.L. 93–365).

Air Transportation Security Act of 1974 (P.L. 93–366).

Atomic Energy Act Amendments, 1974 (P.L. 93–377).

Forest and Rangeland Renewable Resources Planning Act of 1974 (P.L. 93–378).

Education Amendments of 1974 (P.L. 93–380).

Department of Interior and Related Agencies Appropriations for Fiscal Year 1975 (P.L. 93–404).

Employees Retirement Income Security Act of 1974 (P.L. 93–406).

National Science Foundation Authorization Fiscal Year 1975 (P.L. 93–413).

Conveyance of Submerged Lands of Guam, Virgin Islands and American Samoa (P.L. 93–435).

Big Thicket National Preserve (P.L. 93–439).

Atomic Energy Act Amendments, 1974 (P.L. 93–485).

Motor Vehicle and School Bus Safety Amendments of 1974 (P.L. 93–492).

Presidential Recordings and Materials Preservation Act, 1974 (P.L. 93–526).

Hopi and Navajo Tribe Act (P.L. 93–531).

Military Construction Authorization, 1975 (P.L. 93–552).

Foreign Assistance Act of 1974 (P.L. 93–559).

Federal Nonnuclear Energy Research and Development Act of 1974 (P.L. 93–577).

Trade Act of 1974 (P.L. 93–618).

Grand Canyon National Park Enlargement Act (P.L. 93–620).

Headstart, Economic Opportunity and Community Partnership Act of 1974 (P.L. 93–644).

Export-Import Bank Amendments of 1974 (P.L. 93–646).

Foreign Assistance Appropriations for Fiscal Year 1975 (P.L. 94–11).

Amtrak Improvement Act of 1975 (P.L. 94–25).

Trust Territory of the Pacific Islands Amendments Act (P.L. 94–27).

National Aeronautics and Space Administration Authorization for Fiscal Year 1976 (P.L. 94–39).

National Science Foundation Authorization for Fiscal Year 1976 (P.L. 94–86).

Amendment to Social Security Act Child Support Provisions (P.L. 94–88).

Board for International Broadcasting Authorization for Fiscal Year 1976 (P.L. 94–104).

Department of Defense Authorization for Fiscal Year 1976 (P.L. 94–106).

Military Construction Authorization for Fiscal Year 1976 (P.L. 94–107).

Sinai Early Warning System Agreement (P.L. 94–110).

Older American Amendments of 1975 (P.L. 94–135).

Foreign Relations Authorization for Fiscal Year 1976 (P.L. 94–141).

Education for All Handicapped Children Act of 1975 (P.L. 94–142).

International Development and Food Assistance Act of 1975 (P.L. 94–161).

Energy Policy and Conservation Act (P.L. 94–163).

Department of Interior and Related Agencies Appropriations for Fiscal Year 1976 (P.L. 94–165).

Energy Research and Development Administration Authorization Act (P.L. 94–187).

Home Mortgage Disclosure Act of 1975 (P.L. 94–200).●

THE SENATE FILIBUSTER: ESSENTIAL SHIELD OR PARLIAMENTARY FOSSIL?

● **Mr. KENNEDY.** Mr. President, as the Senate proceeds with its consideration of legislation to amend Senate Rule XXII concerning limitations on filibusters, it is useful to review the origin and history of this powerful instrument in the arsenal of parliamentary warfare.

Recently, I had the opportunity to read an interesting article that examines the history of the Senate filibuster and offers some insights on the use of this legislative tactic. The article, entitled "The Senate Filibuster: Essential Shield or Parliamentary Fossil?" is by Mr. Lou Gerber of the Communications Workers of America. The article is excerpted and updated from a similar piece on this subject which appeared in the June 1978 issue of the CWA News.

"Extended debate" has been employed in the Senate since 1841. It has been used to paralyze the will of the majority on a wide range of significant issues, such as rechartering the Second Bank of the United States under Andrew Jackson, the armed ships bill under Woodrow Wilson and the landmark Civil Rights Acts of recent years.

A delicate balance exists between majority rule and minority rights in a democratic society. But in recent years, many of us feel that the balance has tilted too far toward permitting a single individual or a determined clique to bring the legislative process to a complete halt through the use of ingenious delaying tactics. Our majority leader, Senator BYRD, has done an excellent job over the past few weeks in achieving significant reforms in post-cloture situations, where the delaying tactics have become the most objectionable. As we continue to debate these issues, I am hopeful that we shall be able to achieve reforms as well in other aspects of the filibuster rule.

Mr. President, I believe that Members of the Senate will appreciate the chance to read Mr. Gerber's excellent article, and I ask that it may be printed in the RECORD.

The article follows:

THE SENATE FILIBUSTER: ESSENTIAL SHIELD OR PARLIAMENTARY FOSSIL?

(By Lou Gerber)

During the 1978 debate on the Labor Reform Bill, millions of Americans became reacquainted with one of the most formidable weapons in the art of legislative warfare, the Senate filibuster.

The use of the filibuster as an instrument of legislative obstruction has arisen repeatedly in recent American history, leaving its imprint on a wide variety of proposed legislation. The targets of "extended debate" have ranged from minor bills providing governmental compensation to aggrieved parties to major measures aimed at preparing the United States for war, legislation to assure civil rights for minorities and a proposal to repeal Section 14(b) of the Taft-Hartley Act.

WHAT FILIBUSTER MEANT ORIGINALLY

The term "filibuster" is an English derivative of a Dutch word, vrijbuiter, meaning freebooters (marauders). It refers to individual American adventurers who in the mid-19th century fomented insurrections against Latin American governments. The Dutch word became part of the Spanish language as filibustero.

Its first use in Congressional debate appears to have occurred in 1853, curiously, during a House debate on the U.S. Military Academy (West Point) and American military adventurers in Cuba. After Representative Abraham W. Venable of South Carolina had denounced the adventurers, Representative A. G. Brown of Mississippi accused Representative Venable of "filibustering" (engaging in insurrection) against the United States.

NO HOUSE FILIBUSTER

The use of the Congressional filibuster is confined to the Senate. The House outlawed the practice of "extended debate" by adopting between 1798 and 1880 four rules curtailing unlimited legislative discussions. These rules prohibited a House Member from speaking more than once during general debate on a measure (1798), restricted Representatives to one hour of speeches on the floor (1841), permitted Members to talk for only five minutes on amendments to a pending bill (1847), and applied the rule of germaneness to remarks on pending legislation (1880).

EARLY FILIBUSTERS

By contrast to the House, the Senate has maintained a long-cherished tradition of unlimited debate, making the upper chamber of Congress a natural target for extended discussion of issues.

The first full-fledged filibuster in the Senate took place between March 4 and 11, 1841, when a die-hard band of dissident Democrats refused to allow the Whig Party to appoint the officials printers of legislative material, a perquisite traditionally allowed the majority party in Congress. The Democrats were still chafing at the election the previous November of William Henry Harrison, the Whig candidate who had succeeded Democrat Andrew Jackson in the White House. After resisting the prerogative of patronage in the choice of printers, which the Whigs felt they had earned, the Democrats finally yielded and let the "spoils system" prevail.

The rivalry between the Whigs and the Democrats was sharpened three months later when the Senate confronted its first filibuster on a major national issue. Led by Senator Henry Clay of Kentucky, the Whigs sought to pass a bill rechartering the Second Bank of the United States. Andrew Jackson had opposed such legislation, but with the Whigs in control of the White House and the Congress, the bill appeared to have an excellent prospect of becoming law.

A clique of Southern Democrats, however, continued unremittingly to debate the rechartering legislation without permitting it to come to a vote. Finally, on July 28, 1841, the rechartering bill was passed. Ironically, President Harrison had died earlier in the year, and his running mate on the "Tippecanoe and Tyler too" ticket, John Tyler, had serious reservations about the bank rechartering measure. He agonized and then vetoed the bill, an action which resulted in his being hung in effigy the next night in Washington by an angry mob of Whigs.

Five years later, the filibuster was used for the first time on an issue involving slavery. Opponents of slavery had attached the Wilmot Proviso, named after Representative David Wilmot of Pennsylvania, to a bill authorizing an appropriation of $2 million to pay for the possible annexation of territory from Mexico. The Wilmot Proviso stipulated that slavery should not be practiced in any territory that the United States might acquire from Mexico. The Senate opponents of the Wilmot Proviso talked the bill to death during the waning days of the 29th Congress, thereby inaugurating what has become a common use of the filibuster weapon, as a device for killing controversial legislation during the final days of a Congress.

FAMOUS FILIBUSTERS

The filibuster achieved prominence as an obstructionist device in the late 19th and early 20th centuries when conservative Senators used it with consummate skill to block a host of progressive bills.

Between 1890 and 1891, the Senate became the arena for one of the most controversial filibuster battles in American legislative history. Republican Senators proposed and brought to the floor a national elections bill that would have authorized federal officials to supervise Southern elections so as to ensure that qualified black voters would have an equal opportunity to participate in the electoral process.

The bill was backed by Republicans as they hoped it would improve their election prospects in the South, a bastion of post-Civil War Democratic strength. Democratic opponents quickly labeled the federal elections proposal the "force" bill and began a group filibuster against the legislation.

During the debate on the measure, opponents of the filibuster made one of the first attempts to have the Senate adopt a cloture rule calling for the termination of debate. The cloture rule which the Republican opponents of the filibuster offered called for shutting off debate if a majority of Senators assented to such a move.

When the cloture effort failed, the Senate was held in session for consecutive days and nights in an effort to exhaust the filibusterers. This, however, also did not succeed in bringing the debate to a halt. After 33 days of continuous discussion, the bill was dropped. This "extended debate" on a voting rights issue, however, served as a precursor of the civil rights filibusters that were to occur in the Senate in the 20th century.

Another successful filibuster occurred in 1893 on a bill aimed at repealing the national silver repurchasing law. This legislation was talked to death by a team of opponents during 46 days of "extended debate," including 13 round-the-clock sessions. Senator Henry Cabot Lodge (R-Mass.) expressed the outrage felt by many Americans over this outcome when he said: "To vote without debate is perilous, but to debate and never to vote is imbecile."

WILSON'S FILIBUSTER PROBLEMS

Probably no President in American history encountered more difficulties in dealing with the Senate than did Woodrow Wilson. Not only did the Senate refuse to ratify the Versailles Treaty, the post-World War I document which Wilson himself played a major role in formulating, but the Senate also conducted two famous filibusters against him.

In 1915, with World War I raging in Europe, President Wilson sought to have the government purchase merchant ships for use in an emergency. Private shipping interests, however, opposed the move as they believed the government might then enter the commercial water transport business and force them to lower the price of their services.

Republican opponents of the bill mounted a massive effort to block the legislation. During the filibuster that followed, Senator Reed Smoot (R-Utah), who later was to gain fame as the co-author of the protectionist Smoot-Hawley tariff, established a record for legislative soliloquy when he spoke for 11 hours and 35 minutes against the bill without a break and, remarkably, without deviating from the subject of the legislation. After more than a month of legislative obstruction, the measure was dropped, a stinging defeat for President Wilson.

ADOPTION OF CLOTURE RULE

Finally, in 1917, the Senate took action to curtail its own tradition of unlimited debate, but only after a climactic filibuster. In early 1917, President Wilson asked the Congress to empower him to arm American merchant vessels so as to protect them against possible dangers at sea. This request followed Germany's announcement that it would engage in unrestricted submarine warfare.

President Wilson's Armed Ships Bill was brought before the Senate on March 2, 1917, the day prior to the scheduled adjournment. On the previous day, the government had released what has come to be known as the Zimmermann telegram, a message promising German help to Mexico in regaining land the United States had taken from Mexico in 1848, if America's southern neighbor would make an alliance with Germany following the expected American entry into the war against Germany.

When the message was released, it created a national uproar. Yet even with the threat of war with Germany looming larger, President Wilson could not get his Armed Ships Bill through the Senate. Opponents of the bill contended that its passage could lead the United States into war.

The bill's chances for passage were slim anyhow, because Republicans, hoping to embarrass the Administration before the end of the session, had already used the filibuster on numerous occasions during the last month of that Congress. On one such occasion, they demanded 33 consecutive roll calls, each of which took up at least 10 minutes.

As the First Session of the 65th Congress drew near its end, with still no chance for Senators to vote on the Armed Ships Bill, 75 Senators signed a petition announcing that, if given an opportunity, they would vote for the Administration's measure. But on March 4 the session expired without a vote on President Wilson's "emergency" legislation.

A furious Wilson retaliated by issuing a statement to the public which said: "The Senate is the only legislative body in the world which cannot act when its majority is ready for action. A little group of willful men have rendered the great Government of the United States helpless and contemptible."

An outraged public joined Wilson in calling for filibuster reform. The President convened a special session of the Senate on March 5, 1917, to write a cloture rule. In three days, the Senate, by a vote of 76–3, agreed for the first time in its 128-year history to allow for limiting debate if a two-thirds majority would agree to terminate discussion of a bill.

Under the new rule, Rule 22, a vote to end debate would be taken two days after a petition is filed to cut off debate, if the cloture petition were signed by 16 Senators. The cloture rule also specified that debate would be limited to one hour for each Senator on the bill itself and on all amendments and motions affecting the piece of legislation. Moreover, no new amendments to the bill under consideration could be offered after cloture was invoked, except by unanimous consent.

Two years later, in 1919, the Senate invoked cloture when it succeeded in stopping a filibuster against the Versailles Treaty by a 78–16 vote. Although the treaty was not ratified, the principle of cloture as an effective deterrent to "extended debate" was applied for the first time.

CIVIL RIGHTS FILIBUSTERS

After World War I, the filibuster became a favorite technique of Southern Senators to block the enactment of proposed civil rights legislation. For example, federal anti-lynching bills were talked to death in 1935 and 1938 when the Senate fell far short of mustering the required two-thirds majority to shut off debate. Not only did filibuster opponents fail to get the required two-thirds but in both instances a majority of Senators sided against the cloture effort, 37–51 and 42–46.

Eleven years later, in 1957, a comprehensive Civil Rights Bill stimulated what is still the record for the longest filibuster in the annals of Congress. Rising to oppose the civil rights measure, Senator Strom Thurmond, then a Democrat from South Carolina, spoke for 24 hours and 18 minutes on August 28 and 29. As far as this observer can determine, however, the individual forensic marathon in an American legislative body is 29 hours, established by Texas State Senator E. G. Sentor in 1908.

Not a single major civil rights bill passed the Congress until 1964. During that year, President Lyndon B. Johnson, former Senate Majority Leader, sent Congress a new Civil Rights Bill. The bill was filibustered by Southern Senators for 83 days, an all-time record. On June 10, 1964, with the entire Senate present, the filibuster was broken, 71–29. This marked the first time cloture had been invoked for stopping a Southern-organized civil rights filibuster in the Senate.

Later, two other major civil rights filibusters were stopped. The clotures occurred in 1965, when the filibuster against the Voting Rights Act was broken, and in 1968, when a 34-day filibuster against an open housing bill was terminated.

14(b) REPEAL

Prior to last year's unsuccessful effort to terminate the filibuster against the Labor Reform Bill (which involved a record-tying six efforts to obtain cloture), the last major filibuster against a labor bill occurred in October 1965 when Senator Everett M. Dirksen (R-Ill.), the Republican Minority Leader of the Senate, led an effort to block legislation that would repeal Section 14(b) of the Taft-Hartley Act.

Earlier that year, on July 28, the House had passed this legislation, H.R. 77, sponsored by Representative Frank Thompson (D-N.J.), by a 221–203 roll-call vote.

On October 4, 1965, Senate Majority Leader Mike Mansfield (D-Mont.) offered a motion to make H.R. 77 the pending business in the Senate. Under Senate procedure, this is usually a pro forma matter. In this case, however, Senator Dirksen announced that he and a band of followers would engage in extended debate against the motion to consider the legislation. If that filibuster were to be broken, Senator Dirksen then planned to filibuster H.R. 77 itself.

On October 4, the Senate began consideration of the motion to take up the bill. Senator Dirksen fired the opening gun of the filibuster by announcing that he had more than 3,000 newspaper editorials opposed to repeal of state "right to work" laws. The Minority Leader informed his colleagues: "If the Lord is willing, if my energy remains intact, I may be compelled to read all 3,000 and more of the editorials into the [Congressional] Record."

The Dirksen-led filibuster lasted eight days, including one Saturday evening (October 9) session. On October 11, Senator Mansfield sought to invoke cloture, but the effort fell far short of the required two-thirds majority, 45–47. The next day, Senator Mansfield announced that the leadership was abandoning its effort to pass the 14(b) repeal legislation, and the filibuster ended, dooming labor's best chance to end right-to-work laws in America.

LIBERAL FILIBUSTERS

In recent years, liberals, who have been the chief opponents of the filibuster weapon, have themselves adopted the filibuster tactic to obstruct legislation they found obnoxious. For example, in 1953, Senator Wayne Morse (D-Ore.) spoke for 22 hours against an oil tidelands bill, thereby eclipsing Senator Reed Smoot's earlier record for longevity of sustained speech on an individual issue.

Similarly, in 1970, Senator William Proxmire (D-Wis.) led a coalition of liberals and moderates in talking to death a bill that would have funded development of the supersonic transport plane. A year later liberals again held the floor against the Lockheed aircraft loan.

Liberals also engaged in extended debate against President Nixon's nomination of William Rehnquist to the Supreme Court as well as against a bill funding various weapons programs. Moreover, in 1972, the civil rights filibuster of an earlier era came full circle as liberals sought to block an anti-busing bill with a filibuster.

In the last several years, at least eight filibusters have been conducted by liberals against what they viewed as restrictive legislation. More than any recent development, the liberals' recent use of the filibuster has signified recognition of the use of the parliamentary device as a common legislative tactic, rather than an instrument employed solely by followers of a rightist political persuasion.

RECENT RULES REVISIONS

During the last 20 years, two revisions of Rule 22 adopted in 1917 have strengthened the hand of those who seek to terminate debate.

In 1959, the Senate agreed to permit cloture to occur on procedural questions as well as on bills under consideration. A series of rulings and precedents between 1917 and 1939 had rendered the 1917 two-thirds rule virtually useless because it did not apply to motions to consider (debate) legislation. The 1959 modification helped stop filibusters from hiding behind a screen of parliamentary maneuvers.

As the 93rd Congress began in 1975, the Senate agreed to the most significant parliamentary alteration in the filibuster rule since the two-thirds rule was adopted at President Wilson's behest 58 years earlier.

When the Senate proceeded to consider adoption of its rules for the new Congress, Senators Walter F. Mondale (D-Minn.) and James Pearson (R-Kans.) offered an amendment to Rule 22 permitting three-fifths (60 Senators of the membership of the Senate to end a filibuster, except that the old two-thirds rule would apply to efforts to end debate on a rules changes proposal.

Since its adoption four years ago, the 60-Senator requirement for cloture has proven to be an easier obstacle to hurdle than the old two-thirds requirement. The empirical evidence for this statement can be seen in the fact that between 1917, when the two-thirds requirement was adopted, and 1975, when the cloture hurdle was lowered to three-fifths, cloture was attained only 24 times out of 103 attempts, 23 per cent of the time.

Between the adoption of the three-fifths rule in 1975 and the beginning of Senate consideration of the Labor Reform Bill in 1978, 14 out of 28 efforts at cloture were successful, an average of 50 per cent.

CONCLUSION

A delicate balance exists between majority rule and minority rights in a democratic society.

The American system of government reflects this balance, exhibiting both the virtue of majority rule and also concern for the protection of the rights of the minority.

Yet it is clear that in many cases throughout our nation's history the filibuster has been used to paralyze the will of the majority of the Senate. In its most basic form, the

filibuster allows a single individual or a determined clique to bring the legislative process to a complete halt. This being so, the filibuster can be used as a "bargaining chip" to force compromises that many members would oppose, but not enough to shut off a filibuster.

But is it fair to conclude that "extended debate" is simply a demagogic device rather than a democratic safeguard? Such a conclusion is not warranted by the full historical sweep of Senate debates. Rather, the ideal of protecting minority viewpoints against the dominant political perspective seems to require the preservation of this technique of legislative delay.

Nevertheless, although the filibuster should be preserved in the interest of minority rights, the Senate would do well to consider adopting a mechanism to allow for a modification of the current system in obtaining cloture. For example, after a specified number of days of unlimited debate by opponents of a bill, the cloture hurdle might be lowered to three-fifths of those Senators present and voting (rather than three-fifths of the whole Senate), or perhaps, even, a simple majority after a longer specified period. It would be useful for the Senate to conduct an experiment with such a system for one Congress and then appoint a special subcommittee of the Senate Committee on Rules and Administration to study whether the system is worthy of adoption.

In the meantime, it appears that the filibuster will remain an integral part of the American legislative process. It is a parliamentary tool available to liberals and conservatives who wish to dramatize issues in the only forum of our national government that provides for thorough analysis and unhurried consideration of proposed public laws.●

EDWARD STRUCKUS, SUPERINTENDENT OF THE PARKS AND RECREATION DEPARTMENT OF WORCESTER, MASS.

● Mr. TSONGAS. Mr. President, I wish to bring to the attention of my colleagues a resolution issued by the State of Massachusetts' House of Representatives commending the achievements of Edward Struckus, superintendent of the Parks and Recreation Department of the city of Worcester. The resolution praises Mr. Struckus' superior achievements in the development of programs for the mentally retarded, the development of recreational facilities in the Worcester area, and for his talents at writing block grants for Federal funds. In fact, Mr. Struckus received the highest award from the professional organization, the National Recreation and Parks Association, the "Special Achievement Award" for his outstanding contributions in the field of parks and recreational development. Worcester, and indeed Massachusetts, are lucky to have such an outstanding citizen who has dedicated himself for the past 25 years to bettering the lives of many Massachusetts citizens.

I bring this to the attention of my colleagues to that other Members of the Senate may recognize his outstanding contributions to the people of Massachusetts and other States who may participate in programs developed by Mr. Struckus.

I submit the commendation for the RECORD:

RESOLUTIONS CONGRATULATING EDWARD J. STRUCKUS, SUPERINTENDENT OF THE PARKS AND RECREATION DEPARTMENT OF THE CITY OF WORCESTER, ON RECEIVING THE "SPECIAL ACHIEVEMENT AWARD" OF THE AMERICAN PARKS AND RECREATION SOCIETY

Whereas, Edward J. Struckus is Superintendent of the Parks and Recreation Department of the City of Worcester; and

Whereas, Mr. Struckus has been instrumental in developing programs involving and to the great benefit of the mentally retarded; and

Whereas, He has coordinated athletic activities for boys and girls who are eligible to participate in the United States Youth Games, has organized the Masters Swim Club and Scuba Diving Club, and has been most adept at writing Block Grants for Federal Funds, the receipt of which have greatly benefitted his department and the people of his city; and

Whereas, At the National Convention of the Parks and Recreation Society held in Miami, Florida in October of 1978, Edward J. Struckus was the first recipient of the Society's "Special Achievement Award", a new category for excellence in the parks and recreation field and the highest honor that a professional in the field can receive; and

Whereas, This is the fourth time in the past two years that the Worcester Parks and Recreation Department has been recognized nationally for its outstanding accomplishments; therefore be it

Resolved, That the Massachusetts House of Representatives extends its sincere congratulations to Edward J. Struckus on receiving the "Special Achievement Award" of the National Parks and Recreation Society and commends him and the Worcester Parks and Recreation Department for their superior achievements in the field of parks and recreation; and be it further

Resolved, That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to Edward J. Struckus, Superintendent of the Parks and Recreation Department of the City of Worcester.●

GOOD NEWS ABOUT CETA

● Mr. WILLIAMS. Mr. President, we are all too familiar with reports of fraud and mismanagement within the Comprehensive Employment Training Act (CETA) program and Congress has responded with appropriate measures to tighten administrative procedures under the legislation.

It is indeed reassuring that many CETA programs are operating efficiently and doing a good job for those who need assistance. A perfect example is located in Bergen County, N.J.: the Fair Lawn Adult School. The school's fine work is described in an article from the Bergen County (N.J.) Record and I ask that it be printed in the RECORD.

The article follows:

AT ADULT SCHOOLS, EXPERIENCE PAYS

(By Peter Cary)

Harry Bernstein, 79, had lived a quiet life since he retired in 1970. In the mornings, he read the papers over coffee at home in Fair Lawn and worked word puzzles. Afternoons he puttered around the house and painted by the number.

But six months ago the routine changed. He returned to high school, something he hadn't done since 1916.

Marilyn Field, a 43-year-old Franklin Lakes mother of six, has been nearly deaf since she was 9. She attended schools for the deaf in Texas and in Baton Rouge, La., where she attained a 10th-grade education, but she wanted to teach the deaf.

She, too, is back in high school.

MOTIVATED STUDENTS

The two have little in common, and their reasons for going back to high school certainly differ. But what the two share, say counselors at the Fair Lawn Adult High School, is motivation.

Bernstein said that when he ends up "in front of the pearly gates someday and they ask me what I did, I want to be able to show them a high school diploma." Mrs. Field says she needs a diploma to enter college.

Nine months ago, they could have only earned equivalency certificates, which are of lesser value to students and some colleges than the standard certificate. But in March the Fair Lawn school opened, and in June one started in Ridgefield. Now there are about 90 Bergen County adults working toward certificates that are indistinguishable from the regular high school diploma.

Both schools are funded by the federal Comprehensive Employment Training Act (CETA) and supported by their boards of education. The Fair Lawn school is open to all who live or work in Bergen County; the Ridgefield school concentrates on its local area but would even take Passaic County residents. No such program has begun in Passaic County.

What makes it possible for these adults to get actual high school diplomas is a 4-year-old state law that allows school districts to set up adult high schools. Such schools can give credit for work and living experiences, and counsel students on the academic work they require for graduation.

Bernstein, for instance, was allowed 80 credits for his high school work in Jersey City and another 10 for his Navy experience. He was given credit for his 45 years with the Horn and Hardart Co., the New York automat, where he worked his way up from laborer to assistant general manager of food production.

Bernstein had accrued more than the 120 credits needed for a diploma, but he still needed to take American History I and II which is taught at the school's building on Smith Avenue in Fair Lawn. He finished the courses last month and will receive his diploma in May.

"I've already got my cap and gown ordered," Bernstein said with a smile. He said receiving the diploma will be the "third nicest thing that ever happened" to him, next to getting married and having children.

Counselors at the school say other students also are highly motivated.

"One woman who is a self-taught seamstress made a wedding dress from scratch," said counselor Joan Klein. "That's better than just standing around in a home ec class."

SPREADING THE WORD

The best thing about the school, said Bernstein, is that it allows credit for the experiences that adults have been through.

He hopes to accompany the school's counselors who spread the word of their programs to the 40 percent of the people in Bergen County older than 25 who have no high school degree.

"I could go out with the brokers (counselors) and tell people what I did," he said. "They'll think, 'Hey, I was a foreman, I was a superintendent, I can do that too.' "●

NOMINATION OF LEONARD WOODCOCK AS AMBASSADOR TO THE PEOPLE'S REPUBLIC OF CHINA

● Mr. CRANSTON. Mr. President, I strongly support Leonard Woodcock to be Ambassador to the People's Republic of China.

I have known Leonard Woodcock for many years as president of the United Automobile Workers of America. This contact was renewed when I chaired the 16 Congressional Delegation to the People's Republic of China in January of 1978, and met with Leonard Woodcock in his capacity as Chief of the U.S. Liaison Office with the rank of Ambassador. In the delegation's discussions with Ambassador Woodcock, I was impressed with his deep knowledge of China. He demonstrated himself to be a hard-working, astute student of China and United States-China relations. I firmly believe the United States has been well represented in Peking by Leonard Woodcock.

Ambassador Woodcock played a major and crucial role in bringing about U.S. diplomatic recognition of the People's Republic of China. It is good policy and good sense that Leonard Woodcock be confirmed expeditiously and unanimously as the first official United States Ambassador to the People's Republic of China and continue representing the United States as we enter a new era of relations with China.●

IN SUPPORT OF AMBASSADOR WOODCOCK

● Mr. KENNEDY. Mr. President, I strongly support the nomination of Leonard Woodcock as our first Ambassador to the People's Republic of China.

We have all known Mr. Woodcock as a statesman of the American Labor Movement. He was a superb leader and negotiator for the United Auto Workers, and it comes as no surprise that he has displayed the same impressive talents and performance as our Nation's representative in Peking.

Leonard Woodcock deserves our recognition and our gratitude for his major contribution to the normalization of relations between China and the United States. His dedicated efforts have made it possible for us to look forward, with realism and with confidence, to normal and improving relations with the nearly 1 billion people on the Chinese mainland, at the same time as we behave with responsibility toward the 17 million people on Taiwan.

There is no better qualified American to act as our representative to China today than Leonard Woodcock. I urge my colleagues to confirm his nomination overwhelmingly and without delay.●

RULES OF THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. McGOVERN. Mr. President, pursuant to the requirement of section 133B of the Legislative Reorganization Act of 1946, as amended, I submit herewith, and ask that they be printed in the RECORD, the Rules of the Committee on Agriculture, Nutrition, and Forestry, as adopted by the Committee on February 26, 1979.

RULES OF THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

1. Regular meetings shall be held on the first and third Wednesday of each month when Congress is in session.

2. Voting by proxy authorized in writing for specific bills or subjects shall be allowed whenever a majority of the committee is actually present.[1]

3. To assure the equitable assignment of members to subcommittees, no member of the committee will receive assignment to a second subcommittee until, in order of seniority, all members of the committee have chosen assignments to one subcommittee, and no member shall receive assignment to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

4. Six members shall constitute a quorum for the purpose of transacting committee business: *Provided*, That for the purpose of receiving sworn testimony, a quorum of the committee and each subcommittee thereof shall consist of one member.[1]●

[1] For further restrictions with respect to proxies and quorums in the reporting of measures and recommendations, see section 133(d) of the Legislative Reorganization Act of 1946, supra.

SALT AND U.S. NATIONAL SECURITY

● Mr. CRANSTON. Mr. President, one of the most important national security issues we will address this year will be the second strategic arms limitation agreement. The membership of the Senate, like the public generally, has a special duty to educate itself on this subject so that when a SALT treaty is signed and submitted for ratification, the Senate's judgment will be an informed one.

Our colleague, the senior Senator from Iowa (Mr. CULVER) has devoted much of his long service in Congress to national security policy—first in the House on the Foreign Affairs Committee and in the Senate on the Armed Services Committee—where he chairs the Research and Development Subcommittee. Due to his extensive knowledge of nuclear weapons policy, I recommend to my colleagues Senator CULVER's recent article on the relationship of SALT to U.S. military posture.

I ask that this article, published recently by the Georgetown University's Center for Strategic and International Studies journal, the Washington Quarterly, be printed in the RECORD.

The article follows:

A STRATEGIC SYMPOSIUM: SALT AND U.S. DEFENSE POLICY

(By John Culver)

"This is the basic issue in SALT II: whether to accept a fair, balanced, equitable and verifiable agreement imposing limits on both sides, or to seek unilateral advantages by an unrestrained weapons competition in an atmosphere of much greater suspicion and hostility."

Despite our many differences and disagreements, the United States and the Soviet Union share a common interest in avoiding nuclear war. This mutual concern has spawned a series of agreements over the past 15 years, from the partial test ban to the nonproliferation treaty, to SALT I, and now to SALT II.

These accomplishments have not prevented U.S. and Soviet political conflicts and rivalries; nor have they halted rapid advances in nuclear armaments by both sides. But sobered by the realization that nuclear war would be suicidal for the aggressor as well as devastating to the victim, the superpowers have competed with some restraint.

It is difficult to imagine what the world might be like today if we had not adopted those arms control measures. Weapons tests would have contaminated the atmosphere with frequent doses of deadly radioactive fallout. Perhaps a score of nations would have built nuclear weapons, instead of the present half dozen, thus compounding the danger of nuclear war. We would likely be straining our budget in a rush to increase both our offensive missile forces and our defensive antiballistic missile capabilities, with consequent neglect for conventional forces such as in NATO and for domestic problems which undermine the strength, viability, and therefore security of our country. Haunted by the fear of a surprise attack and suspicious of every Soviet action, we would likely adopt a siege mentality and place a dangerous hair trigger on our nuclear arsenal.

Instead, we deal with the Soviet Union with strength and confidence, but also with mutual recognition of the imperative of caution. We have built a record of useful cooperation to reduce the danger of war, and we have verified Soviet compliance with the arms limitation agreements we have signed.

Now we have an agreement that replaces the unequal numerical limits of SALT I, codifies the Vladivostok understanding on equal aggregates, and offers the prospect of genuine reductions and qualitative restraints. Since the Soviet Union already exceeds the overall limit which SALT II would impose, it will have to reduce its arsenal by up to 300 missiles. This reduction of perhaps 10 percent in Soviet strategic systems not only marks the first significant cutback in deployed forces but also enhances our security by removing weapons now presumably targeted on the United States.

Within these limits, the United States can still modernize each component of our triad of strategic forces (missiles, submarines, and bombers) and can conduct research into ways to counter possible future threats to our security. The U.S.S.R. can also improve its forces, subject to agreed constraints which keep them far short of their technical capability.

SALT II, with its mutual restrictions and mutual advantages, is much more likely to be durable than a hypothetical "better agreement," loaded with one-sided advantages. Although we believe that we can verify Soviet adherence to this agreement and the risks of detection and abrogation would be a strong, ever-present deterrent to violations, it is also important to remember that a mutually beneficial agreement gives fewer incentives to cheat than would an unbalanced one.

Since we have reached this agreement only after a careful process extending over three administrations and with a delicate balancing of permissions and prohibitions, rejection would necessarily imply more than a preference for minor changes, and would be viewed abroad as repudiation of the whole process of cooperation on strategic arms limitations. In the absence of an agreement which channels weapons development and narrows the spectrum of threats against which we have to prepare, both sides would be compelled to launch a massive new arms race into dangerous and unchartered territory.

While we could no doubt maintain our position of equivalence and deterrence in a renewed arms competition, the costs would be high and there would be no guarantee that our security would be better. Most probably, the grim alternative to SALT would be instability and greater insecurity. American officials have estimated that in the absence of SALT II's limits, the U.S.S.R. would likely build several hundred more strategic missiles and add several thousand warheads to its forces. The potential for conflict and the risks of unimaginable death and destruction would be multiplied.

VERIFIABLE AGREEMENT OR UNILATERAL ADVANTAGES?

This is the basic issue in SALT II: whether to accept a fair, balanced, equitable, and

verifiable agreement imposing limits on both sides, or to seek unilateral advantages by an unrestrained weapons competition in an atmosphere of much greater suspicion and hostility. I think the choice is clear. I would rather restrain the Russian war machine and force real reductions through a tightly written treaty than bet billions of dollars on thousands of new weapons with the frail hope that they would never be used.

Despite the major accomplishments and advantages in the new agreement, SALT does not solve all our military problems, nor does it free us from tough strategic choices.

One frequently cited problem is the theoretical vulnerability of our Minuteman ICBMs as Soviet missiles accuracy approaches our own. This threat is real only if one assumes Soviet mastery of command and control, guidances, reliability, atmospheric and blast effects, and Soviet calculation that U.S. missiles would not be launched on attack warning—and also Soviet willingness to tolerate the assured and devastating retaliation (of between 4,600 and 8,000 nuclear warheads) by our surviving forces. Even at the time of SALT in 1972, some administration officials acknowledged this potential problem and expressed doubt that any subsequent agreement would solve it. It is ironic that our current apprehensions about ICBM survivability were caused not by an arms control agreement but rather by the lack of one, since we were unable to halt the development of multiple warhead missiles by both sides.

As we decide just how to cope with this situation, SALT II permits a wide range of possible actions, including mobile missiles. Whether we choose such an alternative, however, depends on policy issues quite separate and distinct from SALT. The new agreement does provide the time and the strategic environment for a calm and deliberate decision.

As a member of the Senate Armed Services Committee, I am dismayed at the amount of misinformation now circulating regarding our military power. Aroused by a drumbeat of scare stories, large segments of public opinion have come to believe that we are weak, that we have fallen behind the Soviet Union. While those fears are unjustified and fundamentally in error, their widespread acceptance undermines our genuine strength.

In fact, we are still second to none in military power. We are protected against nuclear attack by the sure knowledge that we can inflict unacceptable damage and devastation even after suffering a first strike on our forces. We have a vigorous research and development effort to preserve our technological advantages and to hedge against future threats.

While we are understandably concerned about the steady growth in Soviet military spending and the excessive number of new weapons they seem to be developing, the truth is that we all along have acted to preserve the strategic balance, both by SALT and by our own weapons programs.

We have maintained a nearly 2:1 lead in nuclear warheads. We have deployed about twice as many MIRVed ICBMs in this decade as the U.S.S.R. has. Most of our submarine-launched ballistic missiles (SLBMs) are multiple independently targetable reentry vehicles (MIRVed), while the Russians have just begun to acquire this multiple-warhead capability. We have also modernized our strategic forces in recent years in many ways: greater yield and accuracy of ICBMs, the much-improved Trident submarine and missile, and the revolutionary technology of cruise missiles aboard our fully capable bombers. In short, we have not been standing still.

These actions give us equivalence and sufficiency for deterrence, but not superiority. In an age of nuclear overkill and against a determined and capable adversary like the Soviet Union, we cannot regain the unquestioned military superiority we once enjoyed. We should not lose heart from our condition of mutual deterrence, however, or from the balance of terror which makes nuclear war unwinnable. For while we maintain awesome and invincible military power, the resulting balance means that we shall be principally engaged in competition with the Soviet Union in the areas of our special strengths—our economy and technology, our democratic principles, and our many alliances.

We must avoid overloading SALT with too many of our hopes—or fears. SALT is no substitute for other diplomacy or for wise decisions on defense policy and programs. But by capping the arms race and by beginning to slow the pace of weapons technology, it gives us time and confidence to resolve these other issues. The SALT II agreement is an important step toward a safer world, and a step back from a no-win arms race.●

CAPITAL GAINS TAXES FOR FOREIGN INVESTORS

● Mr. BOREN. Mr. President, I am today joining as a cosponsor of two bills which would require foreign investors to pay capital gains tax when selling or exchanging property. Presently, foreign investors are exempt from paying such taxes. The two bills I am cosponsoring are S. 192 by Senator BUMPERS of Arkansas, and S. 208 by Senator WALLOP of Wyoming.

These bills would mean fairer treatment for U.S. investors by equalizing tax laws which presently favor foreign investors. Investors from other countries certainly should not be treated better under our tax laws than are our American investors.

Any American who sells property is taxed on the gain he receives upon the sale. In comparison, foreign investors who reside outside the United States for at least 6 months of each year, are totally exempt and thus receive distinct advantages.

Further compounding this unfair situation is the fact that a tremendous amount of foreign purchases of property is being conducted in our country at present.

The fact is that there is no way to accurately determine exactly how much property in our country is owned or being purchased by foreign investors. The Senate Agriculture Committee recently released a report on foreign ownership of agricultural lands which showed that from January 1, 1977, through June 30, 1978, over 825,000 acres of farmland alone was purchased by foreigners. The study included a survey of each county in the United States. Most of these transactions took place in States within the Sun Belt area.

There is no justification in continuing to allow foreigners to have such an unfair tax advantages over domestic investors.

It is not fair for Oklahomans and Americans to bear the tax burdens they presently bear when many foreign individuals operating in several States are not paying capital gains taxes, particularly during this period when the value of the American dollar abroad is depressed and, as a result, more foreign investment is taking place.●

NACD SAYS "NO" TO NATURAL RESOURCES REORGANIZATION

● Mr. McGOVERN. Mr. President, recently the old and respected National Association of Conservation Districts met in Washington, and through their strict democratic process approved a number of important resolutions dealing with soil and water conservation.

Among these was a resolution pertaining to a proposal by the Office of Management and Budget to rename the Department of the Interior as a Department of Natural Resources. Transferred to this new Department would be the Forest Service and large elements of the Soil Conservation Service, among other things.

NACD's resolution is well considered and is intelligent in its approach to this proposal. I ask that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

NATIONAL RESOLUTION NO. 14—NATURAL RESOURCES REORGANIZATION

The President's Reorganization Project has proposed to the President the creation of a Department of Natural Resources that would include the transfer of the Forest Service and portions of the Soil Conservation Service from USDA to the new Department. During the past year, conservation districts, state soil conservation agencies, and NACD have furnished comment to the President's staff, urging that they not proceed with such a proposal for several reasons, among which are:

1. Conservation districts, state soil conservation agencies, Land Grant Universities, and other units of state and local government have closely established working relationships with existing USDA agencies that should not be disrupted by organisational shifting at the national level.

2. USDA programs have demonstrated success because of their highly decentralized pattern of administration—one designed to be flexible enough to respond to the myriad of natural resource conditions, on both public and private lands, that make up our vast Nation.

3. A close study of the cost savings predicted by the President's staff reveals that most of them simply do not exist. The staff predicts large savings from severe cuts in Extension Service and Soil Conservation Service assistance to private land users. These programs, although not planned for inclusion in a new DNR, were listed as programs that would be cut in order to save money.

4. There were no estimates of the new costs associated with any major reorganization. Shifting and moving of offices, replacing all signs, stationery, etc., and disruption of work flow due to morale problems were not mentioned.

5. There were no studies of how the programs actually worked on the land. Staff research focused on national control of programs. Such "federalization" of natural resource programs affecting private land users would not be in the best interests of either the people or resources of the nation.

Because of these factors, NACD urges the President not to proceed with the proposal to create a new Department of Natural Resources. Instead, he should move to stabilize the reorganization question. Two years of uncertainty have cost the Nation more in unsettled programs, low employee morale, and wasted staff effort than could be regained under any reorganization scheme. Such uncertainty must be put to an immediate end.

Should the President decide to propose the creation of the Department of Natural Resources. NACD will urge the Congress to reject any plans that would move the Forest Service and any part of the Soil Conservation Service to the detriment of a continuing strong natural resource program in the Department of Agriculture.

Adopted.●

DOE RESPONDS TO QUESTIONS FROM SENATOR KENNEDY ON ALASKAN PIPELINE

● Mr. KENNEDY. Mr. President, on January 23, Secretary of Energy Schlesinger appeared before the Joint Economic Committee to discuss, among other issues, natural gas supplies from Mexico, Canada, and Alaska. At that time I asked the Secretary to respond to 15 questions about the Alaskan gas pipeline and six questions regarding production of heavy oil in Venezuela. Because of the importance of these questions, I promised to make the answers available to the public and the press as soon as they were received.

The answers have now been received. Particularly those answers related to the pipeline are forthright, factual, and useful to the Congress and I want to express my thanks for the Department's response.

Circumstances have changed substantially since the Congress approved the gas pipeline. Huge reserves in Mexico and Canada have been brought to public light; "glut" has developed in the natural gas market; substantial reserves within the lower 48 States now appear to be within reach, contrary to expectations and representations during the natural gas debate last year. Instead of all-private financing as originally promised, the Department of Energy and the Northwest pipeline appear to be preparing the Congress for Federal guarantees for the project. In this light it is all the more important that the Congress reexamine the pipeline question. In this spirit I ask that the questions and the answers submitted by Assistant Secretary Alvin Alm be printed in the RECORD.

The material follows:

QUESTIONS AND ANSWERS

Q. Has Northwest Pipeline filed a detailed project costs statement with FERC? If not, on what basis has DOE made its estimate of the costs involved?

A. The Department has based its cost estimates for the Alaska pipeline upon the record in the proceeding before the Federal Power Commission and upon detailed information filed by the applicants during the President's consideration of the project pursuant to the Alaska Natural Gas Transportation System Act. The FPC record contains several thousand pages of detailed exhibits and testimony concerning the costs of pipeline construction. Consideration of that record and other filed data formed the basis for the cost overrun projections for the Alcan and El Paso systems that are contained in the President's Decision and Report to Congress on the Alaska Natural Gas Transportation System, September 1977. The overall cost overrun projection for the Alaska Highway project (then Alcan) was approximately 30 percent above the applicant's filed costs. That projection was based upon a separate analysis of each major segment of project.

The January 1979, Department of Energy Analysis also presented two additional cost overrun cases for illustrative purposes. Those cases represent projected costs approximately 60 percent and 90 percent above the applicant's original filed costs.

Q. Do the costs included in your calculations include all costs of gathering facilities? All new developmental wells?

A. The consumer costs section of the paper contains an illustrative field price for the gas of $2.25 in 1979 dollars. That amount is more than sufficient to cover all incremental costs of natural gas sales from the Prudhoe Bay field. In fact, the FERC on February 2, 1979 issued a tentative order that would require the producers to absorb all costs of producing and processing the gas to pipeline quality within the base price of $1.69 (1979 dollars) plus severance taxes, a total of approximately $1.86.

The national economic benefit calculations also takes account of the incremental costs of gas sales compared with continued oil production. Large quantities of natural gas currently are being produced in association with the oil production. That gas is being partially processed, compressed to several thousand pounds per square inch, and reinjected into the formation. The gas-oil ratio will increase over time and additional gas handling and reinjection facilities will be needed even if gas is not sold. When sales of gas are commenced, the reinjection process will be reversed.

The incremental cost of gas production is very small in relation to the value of the gas. The January 1979, Department of Energy analysis uses the incremental cost estimates contained in the Van Poolen study of production options for the Prudhoe Bay field.

Q. Does it include the complete cost of that portion of the line necessary to deliver the gas to Dwight, Illinois, or only the price to the border? What is the estimated cost of this U.S. pipeline?

A. The cost estimates include the complete cost of the Northern Border pipeline system which will deliver the gas to Dwight, Illinois, and the cost of the Western leg portion of the line which will deliver gas into California. In the cost overrun case from the President's Decision and Report to Congress, the projected cost (including AFUDC) of the Northern Border system was approximately $1.2 billion (1979 dollars). The projected cost of the Western leg, which consists of looping existing pipeline systems, was approximately $750 million (1979 dollars).

Q. It is not clear in the transportation costs allocation for 2003 how the costs you estimate affect financing. Are these the costs now being presented to investors and how does the market view these returns?

A. The transportation costs for each year of the project reflect constant assumptions regarding the cost of equity and debt for the project. The equity returns are based upon the variable rate of return proposals currently before the FERC and the Canadian National Energy Board. The proposed allowed returns for the construction period range between 10 percent and 19.7 percent in the U.S. and 14.5 percent and 23.8 percent in Canada, depending upon the geographical location of the construction, and extent of cost overruns. The current proposed rates of returns for the operational phase are 13 percent for the U.S. and 14.5 percent for Canada.

In the United States, the actual rates of return for the equity investors will be much higher than the stated regulatory return. The Internal Revenue Code prohibits the FERC from taking account of the investment tax credit in setting the rates for the pipeline. The regulatory rate of return, therefore, does not take account of the value of the investment tax credit.

The FERC and the NEB have not made final determinations regarding the operation of the variable rate of return or the tariff. Also, no gas sales contracts have yet been signed. Therefore, it is not clear at this time how the market will view the equity returns.

The debt financing of the pipeline will be at the market rates prevailing at the time of financing. The cost estimates are based upon a debt cost of 10 percent; whether this is too high or too low cannot be determined at this time.

Q. Are these returns on investment consistent with the historic cost of operating pipelines? Are they consistent with rates of return and the rate base which pipelines have enjoyed in the United States?

A. The rates of return compare very favorably with the historic cost of operating pipelines. The pre-operational rates of return are considerably higher than the average allowed rates of return on equity for U.S. pipelines to reflect the additional risks associated with the pre-completion phase of the project. The proposed rate of return for the operational phase is near the average for U.S. pipelines because the risks of the project once construction is completed are not appreciably higher than for other pipeline projects.

The concept of a rate base determined by original cost less depreciation is consistent with U.S. Federal practice that has prevailed since the 1930's. It also is consistent with long-standing Canadian regulatory practice.

Q. You cite a transportation cost in the year 2003 ranging from $.68 to $.84. What value are you assuming for the pipeline at that point: salvage value, zero value, replacement value, current value, etc.?

A. The projected transportation costs for the year 2003 are based upon the depreciated rate base for that year. In the 30 percent cost overrun case, the 2003 rate base for all segments of the project is $0.9 billion (1979 dollars). For the 90 percent cost overrun case, it is $1.4 billion (1979 dollars).

Q. Do these figures assume inflation in operating costs of the pipeline and, if so, at what rate?

A. The estimated operating and maintenance expenses for the pipeline are assumed to remain constant in real terms, i.e., increase with inflation. The long run inflation rate assumed in the cost of service model is 5 percent.

Q. Footnote No. 1 on page 4 indicates that project field costs of $2.25 are "used for illustrative purposes only." While recognizing that a final determination cannot be made at this time, the Committee would appreciate the details of what is included in this price. Precisely what severance taxes and what allowances for conditioning? Are these *all* the costs that should be included in "field costs?"

A. The mid-1979 wellhead ceiling price for the Alaska gas under the Natural Gas Policy Act of 1978 would be approximately $1.69. The Alaska reverance tax varies with the rate of production, but averages approximately 10 percent. The total wellhead price would be $1.86.

The allowance for conditioning costs within the $2.25 thus would be $.39. That amount alone would be sufficient to cover more than 50 percent of the current estimates of all incremental gas production costs in the field. The FERC, of course, on February 2, 1979 issued a proposed order that would provide no reparate allowance to the producers for conditioning costs.

Q. Please provide the Committee with the calculations by which you arrived at the price of distillate oil. Figures provided to the Committee from other sources are lower than your figures; thus, we would like to know how you arrived at the product price from the crude price used in your calculations.

A. The DOE integrated energy model projects that by 1985, the wholesale distillate prices in the New York area, including cargoes delivered to New York Harbor, will increase to more than $3.50 per million btu in 1979 dollars, assuming no real world oil price

increases beyond the currently scheduled 1979 OPEC increases.

Current prices in New York Harbor for domestic distillate oil are more than $3.00 per million btu ($.41 to $.42 per gallon). These prices do not reflect subsequent OPEC increases but do reflect the substantial domestic subsidy of crude oil of approximately $1.50 per barrel, or $.25 per mmbtu. Spot distillate cargo prices have recently been reported as high as $3.25 to $3.30 per mmbtu ($.44–.46 per gallon).

The 1977 Memorandum of Intentions between PEMEX and the U.S. pipeline companies regarding the purchase of Mexican gas refers to the "average of high" prices in New York Harbor. Therefore, in representing New York Harbor prices, at approximately $3.50 in 1979 dollars in the low world oil price, the DOE analysis is conservative on the low side.

As the DOE analysis paper notes, the 1984 distillate equivalent price includes also an allowance for differential transportation costs. The Alaska pipeline cost includes delivery to major markets in California and the Midwest. Imported natural gas at border points, particularly on the Southern U.S. border is much more remote from the marginal natural gas markets. Therefore, to equate the two gas sources, a transportation cost of approximately $.20 per mmbtu is assumed for the distillate equivalent prices. The $.20 would cover incremental and operating expenses and additional capital costs for facilities to transport incremental gas supplies to the exising U.S. pipeline systems.

Q. Please give the Committee the assumptions made about costs to be borne by Canada in arriving at the United States cost. Include where appropriate the allocation of procurement expenses by both Canada and the United States.

A. The consumer cost in the U.S. for costs incurred on Canada will be determined by whether, and the extent to which, Canadian gas flows through the pipeline. If Canadian gas flows, the Agreement on Principles between the United States and Canada contains a complex cost allocation formula that allocates to the United States a portion of the costs of a Canadian lateral pipeline between Dawson and Whitehorse in the Yukon Territory. The amount of the U.S. share of costs of that lateral pipeline will be determined in relation to the extent of cost overruns on the main pipeline. Once in the main pipeline, Canadian gas would participate in the costs on a zoned, mcf-per-mile basis. The costs estimates in the DOE analysis are based upon an assumption that 1.2 bcfd of Canadian gas from the McKenzie Delta will flow in the main pipeline system. Further details regarding the cost allocation system and its relationship to U.S. costs are set forth in the President's Decision and Report to Congress on the Alaska Natural Gas Pipeline System, September 1977, pp. 163–174.

If the Canadian gas never flows in the mainline system, there would be no sharing of mainline costs by Canada, but the tariff for U.S. consumers would be slightly lower than that set forth in the January 1979 DOE analysis due to lower capital costs and higher fuel efficiency.

From a national economic perspective, the Canadian tariff payments by U.S. consumers are treated as a real resource cost to the U.S. in their full amount in the year when incurred.

Q. Please indicate whether reinjection costs for natural gas in the North Slope were offset against project costs.

A. Reinjection costs were not offset against project costs. However, as noted in the answer to Question No. 2, many of the existing reinjection facilities will be used to produce, gather, treat, and compress the gas that is sold. These existing facilities of course are not treated as incremental real resource costs in the national economic benefit analysis.

Q. If a contract with Mexico were executed for $2.60 and escalated at 7 percent, and if Mexico exported the maximum projected as available according to the Congressional Research Service study (e.g., 1.5 tcf in 1988), is it the judgment of the Department that the Alaskan Gas Pipeline would still be necessary and economically feasible on the basis as in your paper?

A. If the Mexican gas were priced at $2.60 (1979 dollars), and the price escalated at 7 percent per annum (assumed to be equal to the rate of inflation), it would be a very attractive supplemental source of gas supply. Imported pipeline gas at that price would be less costly than incremental LNG supplies and the overall cost would be slightly less than the Alaska North Slope gas for comparable volumes.

If an assured supply of 1.5 tcf per year of Mexican gas was available for 10–15 years at a fixed price and escalation factor and if currently projected U.S. supply and demand for gas are accurate, it is probable that construction of the Alaska pipeline could be deferred for a few years. However, the future of energy prices and availability, and the validity of projection models is sufficiently uncertain that the U.S. should, at this time, proceed with the project that will develop the certain energy resource on the Alaska North Slope. The potential for additional imports of reasonably priced natural gas from Canada or Mexico or the potential of future domestic supplies are not adequate substitutes for development of a long-term existing domestic energy supply such as the Alaska North Slope natural gas.

Q. Has the United States government made any attempt to insure through understandings with the Canadian government that any excess Canadian gas is sold through the lower portion of the Alaskan gas pipeline, rather than sold through conventional pipeline sales?

A. There have been ongoing discussions between Secretary Schlesinger and Deputy Prime Minister McEchan and other Canadian officials regarding the relationship between possible increased exports of Canadian gas and the Alaska Highway Pipeline project. The discussions have explored methods by which any increased Canadian supplies might be used to facilitate the financing and construction of the Alaska Highway project. The discussions are continuing at this time.

Q. You have given us the costs to consumers of the Alaska gas pipeline but you have not given us the costs to the taxpayers. Please indicate the expected cost to the treasury through the anticipated use of the investment tax credit, accelerated depreciation and drilling and production incentives for gas producers, using the same assumptions as in your paper.

A. The national economic benefit calculation recognizes income taxes as a cost in two respects. First, a 10 percent real discount rate is used, which is equivalent to a before-tax rate. Thus, to the extent that income taxes represent a surrogate for real resource costs, they are taken account of initially in the calculation of net benefits. The full capital costs of the project are treated as a resource cost. There is no deduction for the investment tax credit or other benefits.

Second, to present a conservative alternative case, the net present value of actual income taxes that will be paid by the pipeline company are deducted from the benefits to arrive at the comparative national economic benefits set forth the DOE Analysis. For example, in the 90 percent cost overrun case with low world oil prices, the $5 billion advantage of the Alaska project over distillate-priced imported gas is net of approximately the $950 million present value ($3.6 billion aggregate undiscounted value) of actual income taxes that will be paid by the project.

No further explicit recognition of income taxes or income tax benefits need be made from a national perspective. If the Alaska project does not increase the aggregate level of investment in the national economy, it is not likely to increase to any significant degree the aggregate level of income taxes, tax credits, or deductions. The oil and gas producing industry under current tax laws has the ability to write off investment somewhat more quickly than industry generally, e.g., through intangible drilling costs deductions and expensing of dry holes.[1] But, the vast majority of investments that give rise to such accelerated write-off already have been made at the Prudhoe Bay field. The incremental investment for gas production is predominately capital investment that is subject to normal income tax treatment. Therefore, it is not believed that the construction of the pipeline project would generate significant incremental accelerated tax write-offs or credits that differ materially from those that would pertain to alternative capital investments.

To the extent that the Alaska project does give rise to a higher level of capital expenditures than otherwise would prevail in the economy, there would be incremental tax deductions or credits, but they would be more than offset by the incremental tax revenues that would be generated by the capital investment.

In regard to the actual tax consequences of the project, there are two principal components—the investment tax credit and accelerated depreciation. The investment tax credit would be 10 percent of something over 90 percent of the direct capital costs of the project. For the pipeline, the investment tax credit would be approximately $500 million in the 30 percent cost overrun case and $750 million in the 90 percent cost overrun case. The conditioning plant would generate an investment tax credit of approximately $150 to $175 million.

The project would also generate to accelerated depreciation. The gross amount of taxes paid over the life of the project would not vary between straight line depreciation and accelerated depreciation. However, the present value of the tax payments would be less with accelerated depreciation. Under the FERC regulations, the present value advantage or benefit is not retained by the company, it is flowed through to the gas consumers. From the perspective of the government, however, the accelerated depreciation compared with straight line depreciation would reduce the present value of the pipeline project's tax revenues by approximately $250 million in the 30 percent cost overrun case[2] and $375 million in the 90 percent cost overrun case. Accelerated depreciation for the gas conditioning plant would have a similar effect to the extent of approximately $75 million.

VENEZUELA

Q. Have you explored the question of Venezuelan heavy oil?

A. DOE maintains close consultations with the Venezuelans to seek solutions to a wide range of energy problems. As you know, Deputy Secretary O'Leary has just returned from a visit to Caracas, where he discussed Venezuelan plans for heavy oil development and possible R&D cooperation in enhanced oil recovery techniques with Venezuelan officials as part of an overall cooperative energy program.

[1] There is a theoretical possibility that a trivial amount of ANS gas would qualify for a depletion allowance. An independent producer could receive a 15 percent depletion allowance up to 6 mmcfd of gas or oil equivalent, which would be allocated over all domestic production of that producer. IRC Section 613A.

[2] PV of Sum of Years Digits of Depreciation — PV of Straight Line Depreciation × 0.46 × Cost of Depreciable Asset, assuming 18-year life for tax purposes and 8 percent cost of long term debt to U.S. Government.

Q. What are your estimates of recoverable heavy oil reserves in Venezuela?

A. Estimates of heavy oil in place range from 750 billion to 3 trillion barrels. The bulk of the Orinoco Belt crude is less than 10° API, is very viscous, and has a high sulfur (4+ percent) and metal (vanadium and nickel) content. These characteristics present a variety of producing, transporting, and processing problems. Estimates of recovery rates range from 5 percent to 25 percent.

Q. What are your estimates of production costs?

A. Estimates of production costs range from $7–11.50 a barrel, divided about equally between production and upgrading costs. These estimates include a 15 percent rate of return on investment but no taxes or royalties. Because of the high metal and sulfur content, large capital investments in processing installations and protection against damage to equipment and pipes are required. In view of the complex engineering problems and uncertainties inherent in new technologies, these cost estimates should be considered speculative.

Q. Why is this oil not being produced? What is the Department's policy toward its development being accelerated?

A. The physical and technical characteristics of Venezuelan heavy oil are substantially different from those associated with conventional crude oils and involve a wide range of new engineering problems and uncertain ultimate producing costs. Venezuela still has significant undeveloped resources of light, conventional crudes. The GOV has expressed interest in developing its heavy oil but must make a series of decision involving technological approaches, investment mechanisms, and the other difficult questions associated with the development of new energy resources. In making these decisions the GOV will have to make difficult political decisions on the balance between indigenous resource development and foreign technological assistance. DOE and Venezuelan officials are consulting to determine areas where cooperative programs might be of mutual interest.

Q. Has the Department explored opportunities for channeling capital into this effort through the regional banks?

A. DOE believes the international financial institutions can make a major contribution to international energy development. We support the recent World Bank decision to increase its lending for oil exploration and development. The energy lending policies of the regional banks, in particular, the Inter-American Development Bank, should be reviewed to determine the appropriate role of energy lending, and, in particular, the optimal balance between lending for energy and for basic human needs. The Department is currently consulting informally with staff of the Inter-American Development Bank on a proposal for expanding the IDB's commercial and political guaranty and insurance authority for Latin American mineral and energy projects.

Q. What about opportunities for increasing oil production in other Latin American countries like Guatemala, Argentina, Brazil and Peru? Does the Department have a policy that would enhance production in Latin America as a whole and wouldn't this have benefits in terms of the security of our imported oil supplies?

A. DOE considers that diversifying sources of U.S. oil imports, particularly from Latin America, could significantly enhance our energy security. DOE supports existing programs of expanded World Bank lending and OPIC provision of political risk insurance for oil exploration and development. We expect oil exploration and production in Latin America to increase between now and 1985. DOE is establishing a Foreign Energy Supply Assessment Program (FESAP) which will make in-depth geological and technical assessments of hydrocarbon resources in several countries, including Latin America. We expect these assessments will contribute to our understanding of the prospects and lead times for bringing on new supplies. Expansion of productive capacity in Latin America could:

Increase aggregate world oil and gas supplies as early as 1985, thereby limiting both the demand on existing suppliers and the probability and magnitude of oil price increases.

Further U.S. security interests (including nuclear non-proliferation objectives) by enhancing the political, economic, and energy position of other oil-importing countries.

Reduce the need for the U.S. to importune its existing suppliers to extend production beyond the levels these countries consider optimal.

Extend the period available for improving and installing the alternate technologies that will become increasingly important over the long run.

Improve the security of U.S. supply.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that four such notifications were received on February 16, 1979 and ask that they be printed in the RECORD.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 16, 1979.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country for major defense equipment tentatively estimated to cost in excess of $25 million.

Sincerely,

WALTER B. LIGON,
Acting Director,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 16, 1979.

In reply to: I–179/79ct.

Dr. HANS BINNENDIJK,
Professional Staf Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

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Sincerely,

WALTER B. LIGON,
Acting Director,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 16, 1979.

In reply refer to: I–180/79ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country for major defense equipment tentatively estimated to cost in excess of $7 billion.

Sincerely,

WALTER B. LIGON,
Acting Director,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 16, 1979.

In reply refer to: I–11527/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

WALTER B. LIGON,
Acting Director,
Defense Security Assistance Agency.

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice if a Member, officer or employee of the Senate proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a

foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Senator JOHN TOWER to participate in a program sponsored by a foreign educational organization, the Wehrkunde Foundation of the Federal Republic of Germany.

It has been determined that Senator TOWER's participation in this program, at the expense of the foundation, is in the interests of the Senate and the United States.●

PROGRAM

Mr. STEVENS. Mr. President, may I inquire, Mr. President, from the distinguished majority leader what the plan is now for the legislative agenda for the remainder of the week?

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader. May I, in responding to the distinguished Senator, ask the distinguished Senator from Idaho (Mr. CHURCH) when the nomination of Mr. Seignious will be ready for consideration?

Mr. CHURCH. Mr. President, the nomination was filed today. It should appear on the Calendar tomorrow and is then available for the Senate to take up at any time.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Idaho further, before I respond to the Senator from Alaska, what is the date on which the Taiwan enabling legislation will be reported?

Mr. CHURCH. Mr. President, in response to the question of the distinguished majority leader, the committee report should be ready sometime tomorrow, late tomorrow afternoon. I am hopeful that we can file it then, if the Senate is in session.

AUTHORITY FOR COMMITTEE ON FOREIGN RELATIONS TO FILE REPORT ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, it is my intention that the Senate will not be in session tomorrow. I ask unanimous consent that the Committee on Foreign Relations may file its report on the Taiwan enabling legislation tomorrow.

Mr. STEVENS. We have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, now I shall answer the distinguished Senator from Alaska, the acting Republican leader.

The report on the Taiwan enabling legislation being filed tomorrow will not be printed and available to Senators until Wednesday.

I do not think there is any question but that a Senator will ask for the observance of the 3-day rule—I hope not. But in that event, it would be Wednesday, Thursday, Friday—3 days—and we would not be able to proceed on the legislation until Saturday. It is not my intention to come in Saturday; so the Senate would begin its consideration, hopefully, of that subject by Monday.

I would hope we could go to the consideration of the legislation without any delay. In other words, I would hope we would have no problem with the motion to proceed, and whatever debate is to ensue, let it ensue on the legislation once it is up so we can all see what we are talking about.

Calendar days do count in the running of the 3-day rule with the exception of Saturdays, Sundays, and legal holidays. So Wednesday would count, even though we were not in session Wednesday.

The Seignious nomination will not be ready Wednesday because there is a hold on it, but I shall proceed with the Seignious nomination on Thursday.

Mr. STEVENS. That will be the order of business on Thursday, then; we will be in session on Thursday and not on Tuesday or Wednesday?

Mr. ROBERT C. BYRD. That is correct.

By going over until Thursday, the Senate committees would be given an opportunity to work on legislation.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 11 a.m. on Thursday, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions, and that the Secretary of the Senate be authorized to receive messages from the House of Representatives and/or the President of the United States, and that they be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR THURSDAY; ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, Mr. JAVITS be recognized for not to exceed 15 minutes, that Mr. CHILES be recognized for not to exceed 15 minutes, that I have 15 minutes that I may use for any Senator on either side of the aisle, and that there be a brief period for the transaction of routine morning business, not to exceed 15 minutes, with Senators permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Does the Senator from West Virginia desire that this order not prejudice the previous order with regard to Senator BUMPERS?

Mr. ROBERT C. BYRD. I am glad the Chair called that order to my attention. That was an inadvertence on my part.

After Mr. BUMPERS, Mr. JAVITS, then Mr. CHILES, then the Senator from West Virginia, and then morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that among those special orders on Thursday there be added a special order for Mr. TALMADGE of 15 minutes, and a special order for Mr. LEVIN for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday my name be added to the list of those Senators who will be recognized for not to exceed 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M., THURSDAY, MARCH 1, 1979

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11 a.m., Thursday, March 1, 1979.

The motion was agreed to; and at 4:41 p.m., the Senate recessed until Thursday, March 1, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate February 26, 1979:

IN THE NAVY

Vice Adm. William R. St. George, U.S. Navy, (age 54) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE NAVY

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5772 and 5791, subject to qualification therfor as provided by law:

MEDICAL CORPS

To be rear admiral

Clinton Hershey Lowery

SUPPLY CORPS

Duncan Philip McGillivary
Richard Earl Curtis

CHAPLAIN CORPS

Ross Henry Trower

CIVILIAN ENGINEER CORPS

James Theodore Taylor

DENTAL CORPS

James Duncan Enoch

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general under the provisions of title 10, U.S. Code, sections 5769 and 5780:

Richard M. Cooke
Mannon A. Johnson, Jr.
James J. McMonagle
Jerome T. Hagen
Richard T. Trundy
Clyde D. Dean
Americo A. Sardo
Frank E. Petersen, Jr.
Dennis J. Murphy

IN THE NAVY

The following-named (Naval Reserved Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Adrienne M. Baker
*Dewey F. Deeds
*Gregory B. Duck
*Richard W. Durham
*Steven J. Farsaci
*David W. Fergus
Mary S. Freeman
*Calvin C. Hicks
*John M. Landon II
*Lee T. Shrader
*Myron J. Thiessen
*James R. Walter
*Ellen A. Wardrop
Margaret L. White

The following-named Navy Enlisted Scientific Education Program candidates to be permanent Ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefore as provided by law:

Kenneth F. Abasolo
Michael J. Alfonso
John M. Anderson
*Jurgen J. Arnold
Robert T. Baker
*Gregg A. Balzer
Dale A. Beard
David K. Bell
*Stephen C. Benigni
Jeffrey P. Bennett
David J. Berry
Ralph M. Berry
*Michael J. Bevins
Robert T. Biskine
Linda S. Bowlby
*David B. Bowman
Harold D. Boyd
Joe D. Brannan
Mark A. Brown
*Randal E. Brown
Arland D. Buchanan
*William T. Butler
*Fred D. Carozzo
Michael R. Casteel
Michael A. Chase
Thomas E. Clark
Larry R. Cooper
Edgar J. Cortes
Steven A. Creech
Terrance L. Crowley
William R. Deihs
Jeffrey Crutchfield
*Maria J. Delsignore
*Patrick S. Dipaola
Harry M. Dorman
Stephen E. Ellefson
*Dale C. Farnsworth
Michael L. Ferguson
Michael P. Ferguson
David C. Fritsch
*Michael W. Gainok
Dennis K. Gonyier
Bruce M .Gray
Len E. Gray
*Alvin E. Grimmig
James E. Hamilton
William E. Hardine
Thomas E. Heterich
Bruce A. Hoselton
Kevin L. Hostbjor
John A. Hunt
*Kent P. Irwin
Steven C. Joachim
*Scott L. Jones
Kevin M. Kelly
Guy S. Kemp
*Donald Kirkley
Peter Koenie
Richard A. Larsen
*Thomas Latiolais
David A. Lawrence
*James J. Lewandowski
*William K. Lunn
Michael T. Lybarger
Thomas R. McCool
James T. McDaniel
*Allen D. McDonald
*Jeffrey B. McDonnell
William S. McGee
Stephen M. McManus
David W. McShane
Gary A. Mercer
*James A. Mette
Benjamin K. Miller
*David L. Minnich
Douglas A. Minnig
Kenneth C. Mitchell
*Joseph R. Montgomery
*Carter D. Moore
*Bruce V. Muir
*Richard D. Nowell
*Jack W. Ogg
Edward C. Ohlson
Edward D. Olsen
John W. Patterson
Donald J. Piela
*Barbara S. Purtell
*Roy A. Reinhold
*Mark C. Rhoads
*Michael L. Roy
Michelle E. Rychak
George A. Seaver
Grant T. Shawcroft
Paul K. Shellenberger
James E. Smit
Terry D. Sprosty
Walter Starkley
Henry S. Steinfeld
Walter R. Strebeck
John S. Szabat
Charles M. Taborski
Richard M. Takasugi
Donald E. Taylor
*Thomas J. Valentine
James D. Wender
*Christopher C. Whitehead
James R. Wilhite
Michael D. Williams
Steven M. Williams
*Thomas M. Wolter
Harry M. Wright
*Robert A. Young
Ronald W. Zaperback

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent captain in the Nurse Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Capt Eva M. Gagnon, NC, USN (ret.)

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent lieutenant commander in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Lcdr Jerry E. Henderson, USN (ret.).

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent lieutenant commander in the U.S. Navy, for limited duty, in the classification indicated, subject to the qualifications therefor as provided by law:

*Lcdr James L. Mullen, SC, USN (ret.)

Supply Corps.

The following-named (Ex-U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Calvin T. Jewell
*Robert S. Kollen
*Sidney R. Sewell
*David L. Wishart

The following-named (Ex-U.S. Naval Reserve officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*William G. Bruce
*James W. Murphree
* John B. Noll

The following-named (U.S. Army Reserve officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Thomas L. Weatherly

The following-named (Ex-U.S. Air Force officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Earl H. Cramer
*Thomas P. Lowry

The following-named (civilian college graduate) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Theodore R. Bledsoe

The following-named (Ex-U.S. Naval Reserve officer (ret.)) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Donald E. Fisher

The following-named (U.S. Naval Reserve officer) to be appointed a temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Lcdr James C. Yeargin, DC, USNR

Executive nominations received by the Senate February 23, 1979, under authority of the order of the Senate of February 22, 1979:

THE JUDICIARY

Mary Lou Robinson, of Texas, to be U.S. district judge for the northern district of Texas, vice a new position created by Public Law 95-486, approved October 20, 1978.

Norman W. Black, of Texas, to be U.S. district judge for the southern district of Texas, vice a new position created by Public Law 95-486, approved October 20, 1978.

IN THE ARMY

The following-named officer as a permanent professor of the U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333:

To be professor of electrical engineering

Reinhart, Stanley E., Jr., 278-36-4993.

The following-named officer for reappointment in the active list of the Regular Army of the United States, from the Temporary Disability Retired List, under the provisions of title 10, United States Code, section 1211:

To be major, Regular Army and major, Army of the United States

Beam, Ida M., 430-78-9983.

The following-named officers for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3284 through 3294:

To be lieutenant colonel

Miyazawa, Kunio, 230-60-0981.

To be major

Moon, Michael R., 080-38-6206.
Surti, Nergesh R., 014-40-1517.

To be captain

Anderson, Bruce C., 317-44-5616.
Anderson, Paul J., Jr., 418-56-2285.
Baker, John C., 012-36-3340.
Bon, David K., 528-58-5664.
Bond, Robert D., 459-74-6865.
Caldwell, William J., 469-54-5063.
Cochard, Charlotte, 213-52-5320.
Cochard, Gary C., 308-48-2350.
Cook, Carolyn J., 516-52-1122.
Cooke, Paulette A., 081-42-0582.
Crayer, Steven E., 228-56-3380.
Cromar, Robert J., 523-56-6948.
Culwell, William P., 520-50-7162.
Galloway, Archibald II, 216-48-7933.
Gerot, Edwin L., 482-54-3746.
Grevencamp, Theodore R., 269-40-4898.
Hix, Alan D., Jr., 536-38-3225.
Holmes, Arthur L., Jr., 252-74-1220.
Houlihan, Daniel P., 505-56-1349.
Hutchinson, Stephen M., 248-80-5496.
Jenkins, Pamela R. C., 521-72-4812.
Kahlert, Thomas A., 266-72-5409.
Kindred, Samuel L., 424-60-1022.
Koetz, Kenneth A., 298-42-2205.
Link, Glenn J., 239-70-0569.
Lorkowski, Judith A., 108-36-5822.
Martinkus, Nancy K., 311-54-5697.
McBride, Ronald H., 342-38-7550.
McGill, Brian F., 061-36-5061.
Millard, Barbara J., 504-58-4351.
Neuendorf, Marcia L., 255-76-7873.
Owen, David V., 521-62-5299.
Rogalski, Robert W., 263-82-0287.
Shackelford, John S., 587-05-6743.
Smyser, James O., 517-48-8115.
Stephenson, Stephen R., 545-78-1425.
Thorpe, Janice, A., 390-54-3271.
Turpin, Johnny G., 060-38-3834.
Wilson, Margaret M., 296-42-0011.

To be first lieutenant

Altenburg, John D., Jr., 268-40-6387.
Bolesh, David, T., 069-42-7262.
Bornhorst, David A., 274-42-6635.
Booker, Harold S., 491-50-0767.
Brown, Diane L., 521-78-4458.
Brown. Janet R., 228-60-6845.
Paul, Timothy K., 501-70-6967.
Hennessey David L., 020-36-3038.
Klein, Lawrence R., 375-52-1445.
Kurowski, Raymond A., II, 552-72-8701.
Loiselle, Richard P., 456-86-5382.
Mascaskill, Debra L., 324-46-7275.
Odegaard, Vickie R., 470-64-4754.
Pabst, Terry L., 230-76-3905.
Reynolds, Judith A., 396-56-1723.
Rose, Marie J., 228-64-7613.
Rudd, Jimmie G., 401-62-4794.
Scarbrough, Lydia H., 455-84-2995.
Stafford, Wesley W., 474-64-4428.
Stiles, James L., 406-68-3850.
Sullivan, Harold H., 262-82-5904.
Wonzy, Terree L. S., 517-56-8413.

IN THE ARMY

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3284, 3286, 3287, 3288, and 3290:

Adair, Henry H., Jr., 418-84-3832.
Adams, James C., 418-92-5359.
Adams, Paul M., 178-48-9388.
Adams, Samuel, 424-78-3738.
Ader, James E., 214-66-9971.
Adkins, Betty S., 233-92-5548.
Akers, Andrew A., 580-23-9318.
Alberda, Brent L., 488-66-4168.
Aldrich, Bruce A., 373-66-0230.
Alexzih, Jane L., 167-46-0001.
Alford, Kenneth L., 528-88-8875.
Alftin, Leann, 518-54-1755.

*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 25 August 1978-6 September 1978.

Allen, Lewis, Jr., 136-44-8819.
Alspach, William A., 523-76-2388.
Ames, Lawrence J., 209-46-7602.
Andersen, Linda J., 210-42-8289.
Anderson, Benjamin, 252-08-7785.
Andrews, Jeffrey R., 560-33-6949.
Anspach, Paul D., 086-38-8780.
Antley, Billy W., Jr., 263-33-6337.
Antochy, George, 179-52-7277.
Arday, David R., 566-88-5634.
Arnold, Kenneth W., 409-96-2693.
Arntson, Kathleen M., 516-72-3380.
Arroyonieves, Jose, 583-66-3172.
Arthur, John E. V., 231-84-4094.
Atkinson, Mark C., 522-88-1836.
Atterbury, Janet E., 443-58-8574.
Austermehle, Robert, 198-48-0494.
Bachar, Jay B., 160-38-4578.
Bailey, Robert D., 465-02-9918.
Bair, Roger I., III, 373-56-0038.
Baker, James A., 271-68-6859.
Baker, John A., 265-33-2432.
Baker, Kathryn A., 266-86-3345.
Baldock, Wynn P., 280-56-0373.
Baldy, Brian R., 348-40-3842.
Ball, Gary L., 516-72-4026.
Ballard, Erica E. V., 450-19-5331.
Bankston, Daniel L., 419-80-6295.
Barger, Gregory K., 513-58-6591.
Barker, Brent A., 424-60-3478.
Barker, James A., 341-52-1804.
Barr, Frederick N., 250-96-2339.
Barr, Thomas J., Jr., 539-64-9541.
Barrow, Robert F., 417-82-2928.
Barth, Perry E., 502-64-5698.
Barton, Douglas A., 441-66-8373.
Bartosik, Richard, 189-40-4762.
Barttelbort, Larry, 521-90-6463.
Barz, Larry E., 503-86-8407.
Bate, Jonathan E., 570-17-2499.
Bates, Donald J., 210-44-9682.
Bates, Robert L., 482-72-7913.
Baughman, Daniel M., 460-94-2826.
Beaulieu, Michael D., 493-68-3792.
Beaver, Diane E., 491-70-1850.
Beck, Terence A., 228-86-8101.
Becnel, Wade B., 433-72-3873.
Bell, Calvin, 587-98-5409.
Bellini, Mark A., 190-50-0763.
Belstra, Randall, 307-54-7388.
Bendrick, Anne M., 191-40-5228.
Benham, Steven A., 260-90-2598.
Bennett, Roger H., 255-84-4459.
Bennett, Thomas B., 298-42-1225.
Berberick, Raymond, 020-48-7793.
Bergh, Charles V., 326-40-2174.
Bergmoeser, Larry M., 371-66-4603.
Bergner, Kevin J., 465-04-6581.
Berrios, Clemente, 583-98-6450.
Bettis, Barry K., 453-11-7359.
Beyer, Renae M., 504-58-6699.
Biberstein, Billy J., 513-62-8799.
Bierwirth, Roy C., 366-70-4564.
Bigay, Michael M., 099-54-0756.
Bigelow, Donovan R., 531-60-2109.
Bingner, Allison E., 392-48-1731.
Bishop, Allen B., 587-90-8642.
Bishop, Harold J., Jr., 460-06-2079.
Bissonnette, James, 474-76-6938.
Bistrica, Michael E., 263-04-6610.
Black, John C., 557-86-8124.
Black, John F., 337-52-3112.
Black, Kenneth B., 293-58-0105.
Blakely, Frank, 465-06-2754.
Blakely, Terry A., 364-56-8140.
Blanchette, Michael, 028-42-7745.
Blankenship, Gary A., 521-88-6150.
Blaska, Steven J. E., 532-64-5353.
Bliss, Gary L., 295-49-1656.
Block, Gregory O., 225-80-6420.
Blonshine, Walter W., 261-29-8887.
Boettcher, John P., 524-82-9571.
Bohne, Edward D., 318-42-5096.
Boisvert, William H., 200-36-9072.
Boivin, Bruce J., 119-50-3216.
Bond, Richard L., 025-50-1931.
Bondeson, Richard J., 394-64-9968.
Bonebrake, Douglas, 523-60-1075.
Bonham, Gordon C., 089-38-6638.
Bonner, Douglas C., 254-96-3701.
Bonometti, Michael, 150-56-0410.
Bonsack, Timothy A., 257-13-7118.
Borel, Kenneth A., 458-21-8432.
Borg, Eric J., 212-64-1690.
Borgeson, Guy, 266-11-3856.
Borovsky, Michael V., 132-54-9628.
Bowden, Cecil D., Jr., 223-76-9779.
Bowen, Charles T., Jr., 326-50-4688.
Bowers, Bobby S., 403-82-7232.
Bowman, Michael, 352-52-6897.
Boyer, Charles R., 169-46-7603.
Bradner, Alison M., 132-44-6479.
Bradshaw, Jody L., 441-62-0938.
Brancato, John S., 265-51-5898.
Brannan, Arthur D., 328-50-6376.
Brannum, Robert E., 412-84-6893.
Braun, Cheryl A., 193-52-6900.
Bridges, Donald, 217-70-3619.
Briel, Bonnie L., 387-72-7338.
Britt, Curtis, Jr., 436-02-6895.
Broadnax, George A., 420-84-3710.
Bronson, Lisa, 028-48-8834.
Brophy, Thomas E., 026-48-0456.
Brothers, William, 415-92-1823.
Broughton, Tim R., 447-64-6232.
Brown, Antonio D., 149-42-1703.
Brown, William R., 450-13-8941.
Bruce, William F., Jr., 414-02-8898.
Bruckart, James, 198-42-6831.
Brumfield, Calvin D., 427-11-7847.
Brunetto, Marcia E., 119-52-1332.
Brush, Linae S., 480-66-8334.
Bryant, Jackie J., 126-52-9790.
Bucher, Frederick W., 505-78-3164.
Budrus, Lynn F., 390-50-7915.
Bungum, David D., 473-70-4373.
Burch, Glenn L., 122-50-1789.
Burdumy, Bruce A., 181-48-7931.
Burkhart, Timothy J., 503-68-4470.
Burns, Jerry A., 430-88-0345.
Burns, Larry C., 430-68-0358.
Butcher, Harold L., 362-64-9920.
Butler, Garland J., 495-64-5649.
Butterfield, Robert, 546-27-5798.
Byrd, Lennerd, 460-23-5246.
Byrnes, Ronald B., Jr., 266-43-9148.
Caldwell, Michel L., 455-90-8673.
Camp, Barbara A., 552-02-2697.
Campbell, Glenn M., 521-66-7888.
Campbell, Mark A., 409-06-7257.
Campbell, Pat C., 143-42-9676.
Campos, Lionel G., 585-80-5461.
Canty, Timothy L., 320-40-0967.
Caravalho, Joseph, 575-86-7925.
Carbery, Michael P., 140-58-1888.
Carleton, Jeffrey C., 297-44-8123.
Carpenter, Karen, 545-02-9952.
Carr, Thomas H., Jr., 410-04-3344.
Carrel, Kevin E., 446-60-3734.
Carrol, Douglas E., 265-29-4583.
Carroll, Kenneth W., 465-06-8626.
Carter, Raymond D., 426-08-3883.
Casey, James J., 488-72-1615.
Casiano, Jose Q., 201-48-7601.
Cason, Steven B., 102-54-1000.
Castellanos, Roland, 087-52-5560.
Castineiras, Fernan, 101-48-7089.
Castro, Timothy, 252-94-9201.
Catudal, Joseph T., 262-11-9058.
Cava, Michael C., 165-48-3014.
Chain, Bradley D., 368-70-1590.
Chapman, Daniel H., 413-04-5509.
Chapman, James L., IV, 446-62-4418.
Chapman, Kevin J., 431-15-4155.
Chapman, Terry P., 422-72-9930.
Chappell, Carl L., Jr., 407-92-2949.
Charbula, Meredith, 464-21-8113.
Chastain, Richard, 256-88-5054.
Chek, Lawrence, 135-52-8439.
Chewning, Brenda S., 296-44-3329.
Childress, Raymond, 462-23-9348.
Christensen, Ray L., 528-72-3201.
Chrome, Gilbert C., 083-44-0769.
Chung, Robert K., 575-70-3145.
Clapp, David J., 154-52-5722.
Clark, Benjamin R., 226-86-9205.
Clark, Jeffrey B., 238-02-3390.
Clark, Kevin D., 435-06-6575.
Clark, William B., 232-02-3200.
Clark, Robert N., Jr., 264-37-2933.
Claus, Michael E., 502-82-8245.
Clayton, Charles J., 151-38-3069.
Clement, Stephen C., 422-88-7335.
Cleveland, Brian L., 433-72-0431.
Clifton, William R., 161-48-4918.
Clinton, Rankin A., 420-84-9512.
Cochran, Catherine, 428-15-5296.
Cochran, Guy S., 253-02-0789.
Cochran, John E., 247-13-2505.
Cochrane, Frank M., 555-25-9784.
Coffing, Stephen A., 075-54-6196.
Cohen, Edward A., 488-60-3183.
Cole, David Allen, 214-76-7556.
Cole, Scott C., 225-90-4712.
Coleman, Charles E., 413-92-2062.
Collins, Loretta M., 113-52-0013.
Colonna, John O., II, 226-82-7165.
Colvin, Randy G., 439-98-1494.
Coogle, James O., Jr., 452-04-1758.
Cook, Diane M., 487-70-6387.
Cook, Horis R., 228-78-9472.
Cooper, Bruce J., 491-66-0677.
Cooper, Mark E., 432-13-0201.
Cooper, Thaxter Aim, 086-50-3715.
Corcoran, James M., 179-48-2182.
Cosgrove, Gregory J., 577-72-1072.
Costello, John B., 260-86-0710.
Costello, Keith P., 127-50-3317.
Cottrell, Stephen, 423-86-9662.
Couch, Gregory E., 511-60-8914.
Couey, James S., 253-02-0766.
Coughlin, Michael R., 026-42-0632.
Courtney, Edwin L., 405-86-4358.
Coussens, Stephen C., 429-27-7310.
Cowperthwait, John, 048-44-9612.
Cox, James M., 432-13-6081.
Cox, Terence V., 113-52-8294.
Cozart, Michael T., 410-04-2671.
Cozzens, Peter E., 348-56-0368.
Crawford, Jessie, Jr., 252-96-3587.
Crawford, Paul M., 421-82-8831.
Cronin, Mark E., 044-58-2398.
Crooke, Steven F., 214-70-7776.
Crowder, Randy B., 429-08-0224.
Crowley, Michael J., 019-50-7112.
Crownover, Donald W., 408-17-7486.
Cunningham, Guy M., 407-84-9195.
Curry, Floyd T., 432-21-6389.
Cynewski, Paul R., 002-40-2369.
Cypher, Dorothea M., 282-62-8349.
Czech, Joanne P., 396-62-7309.
Daab, Michael, 088-48-9188.
Dagnes, Peter G., 375-72-6189.
Dalton, James B., 207-44-7130.
Dangerfield, Michael, 585-90-0903.
Daniele, Rocco P., 018-58-6878.
Danley, Gary N., 413-86-9646.
Dannemiller, Milton, 260-94-4333.
Darnell, Jerry M., Jr., 245-06-3867.
David, Scott C., 216-62-4634.
David, Steven H., 316-62-6893.
Davidson, Jeffrey L., 412-78-7784.
Davis, John T., 251-15-5585.
Davis, Kenneth E., 259-78-3104.
Davis, William, 223-86-2851.
Day, Stephen P., 521-90-9078.
Daymude, Thomas A., 265-39-0939.
Dean, Eric S., 528-94-8215.
Dean, John C., 004-54-1280.
Dean, Linda A., 010-48-9755.
Deaton, Joseph M., 403-92-4593.
Decluc, John A., 491-64-4577.
Degeneffe, Kennet D., 576-96-1110.
Della, Silva Jose J., 527-88-4641.
Delottinville, Jan, 219-62-6914.
Dematteo, Evan J., 122-50-1230.
Demery, Christopher, 491-64-2200.
Denapoli, Thomas S., 203-44-5473.
Detrani, Richard L., 010-48-2074.
Dickey, Debra E., 435-98-8511.
Diver, Brian G., 095-50-5553.
Devito, Joseph G., 099-48-2966.
Dieberardo, Robert J., 216-76-1751.
Digiacomo, Brian D., 097-38-9194.
Dimitrov, George V., 071-48-5368.
Dishberger, Michael, 459-19-7539.
Dister, John M., 225-80-2623.
Dobbins, Mary L., 526-11-2323.
Dodge, David M., 539-62-0068.

Dooley, Mary A., 030-50-2663.
Dooley, Patricia, 488-66-1084.
Dowdey, Debra K., 585-06-9651.
Dutcher, Joe B., Jr., 442-60-0170.
Dowdle, Larry T., 442-56-3144.
Doyle, Richard J., 068-48-9417.
Drabczuk, Gary S., 028-36-3423.
Dragolich, William, 275-64-7279.
Draper, Mitchell L., 562-98-6242.
Drewry, Brett W., 273-70-5073.
Driscoll, Paula D., 522-94-5898.
Drisko, Shapleigh C., 228-92-8574.
Drummer, Donald G., 449-11-3980.
Drzemiecki, Mark E., 181-48-2060.
Dubose, Emmett H., 453-11-4515.
Duchene, Michael, 093-48-8323.
Dudevoir, Douglas R., 002-52-9106.
Dudley, Rex E., 125-52-9805.
Duffy, Sharon R., 106-52-7208.
Duffy, William T., 225-90-4216.
Dugan, Keith S., 231-84-2353.
Duklis, Peter S., Jr., 181-50-3582.
Duncan, Benjamin M., 237-08-1345.
Dunn, Ruben C., 426-06-4486.
Dunn, Thomas H., 051-52-4562.
Durden, Edsel N., Jr., 400-84-9900.
Durr, Kimberly K., 417-74-2952.
Dworak, Edward E., 521-66-5284.
Dworschak, Thomas W., 334-54-1702.
Dwyer, Mark S., 462-21-7344.
Dyer, Rodney P., 409-96-3165.
Easley, Michael D., 585-92-7985.
Eatman, Donald R., 418-80-7175.
Eberly, John E., 218-70-1906.
Eckleman, Bryan P., 098-44-9920.
Eder, Paul A., 394-46-6544.
Edwards, Kerrie W., 261-11-0273.
Eggert, Steven F., 215-54-7221.
Ellenfield, Victor, 258-02-7038.
Eissler, Richard K., 522-98-0615.
Eliason, Peter R., 078-38-3515.
Eliker, Mark A., 506-66-8012.
Elliott, Jeffrey R., 162-52-1075.
Elliott, Jerry, 461-78-7127.
Ellis, Franklyn D., 431-11-8406.
Engebretson, Steven, 503-56-5949.
England, Mark A., 540-80-5011.
Epperson, Harley D., 259-98-1508.
Erdmann, Donald R., 517-72-7599.
Erickson, Dale R., 390-70-9029.
Erickson, Mark D., 561-02-9380.
Erickson, Steven S., 128-38-6661.
Esser, Peter M., 389-46-2395.
Eure, Samuel L., Jr., 225-98-5317.
Evans, Robert D., 450-21-2897.
Fadale, Lewis J., Jr., 460-96-7964.
Fahey, Nancy L., 316-70-5191.
Fairbanks, Walter P., 316-66-4485.
Faller, David E., 482-78-2520.
Farmer, William S., 517-74-6603.
Farner, David C., 313-72-5041.
Ferriter, Michael, 530-58-5367.
Field, Jeffrey D., 134-48-3151.
Filemyr, Steven M., 214-78-3277.
Filippi, Richard J., 267-29-5070.
Finger, Herbert C., 228-92-5140.
Finkbohner, Janice, 008-36-8740.
Fiscko, Kerry D., 489-70-2129.
Fite, Larry S., 415-02-7238.
Flaherty, Daniel T., 046-50-3892.
Flahavhan, Hollan S., 355-40-8661.
Floro, Frank C., 173-42-3507.
Flowers, Robert A., 261-23-4675.
Forbes, Donald G., 252-06-2307.
Ford, James L., 420-92-8227.
Ford, Allen M., 563-84-0514.
Ford, Charles K., 519-56-8529.
Fore, Claude H., III, 276-60-0018.
Forney, John R., 229-88-9173.
Florich, Stephen, 105-50-0995.
Folger, John R., III, 246-08-6250.
Foedick, Ira L., 515-62-9138.
Foster, John H., Jr., 418-90-0770.
Foster, Stephen L., 393-48-4960.
Foster, Newton H., 545-84-9122.
Fluevog, Jean E., 191-46-1893.
Fountain, George Jr., 217-70-2072.
Fleser, William C., 363-74-9743.
Frahm, Charles E., 158-48-2000.
Frank, Brian K., 202-50-3524.
Frank, Gregory L., 482-78-6888.
Franke, Ronald E., 451-17-5345.
Franklin, Frank L., 518-70-3326.
Frants, Marvin H., 522-90-6892.
Frazier, Christophe, 419-80-3435.
Frederick, Richard, 503-62-7763.
French, John M., Jr., 405-74-7846.
Fulmer, Dorothy A., 454-11-7038.
Fuqua, Jacques L., Jr., 133-48-0169.
Gacis, Vasilios A., 575-76-7210.
Gaier, Raymond H., 271-58-7964.
Gallegos, Doris Jo., 265-37-7426.
Gamble, George K., 271-56-7356.
Garber, Donald R., 337-54-0100.
Garcia, Jacob A., 565-06-3018.
Garcia, Michael A., 463-90-8566.
Gardner, Joseph A., 305-66-9237.
Garroutte, Kevin K., 104-44-7914.
Gartner, Stephen D., 333-56-5048.
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Helms, Marcus L., 375-64-4576.
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Hennigan, John R., 434-11-8538.
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King, Wayne, 453-90-9996.
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Taylor, Thomas H., 332-46-6118.
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Warren, Mark D., 217-62-5232.
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Young, Thomas W., 257-86-6315.
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Zavattari, Bradford, 546-94-1540.
Zeller, Walter G., 211-36-4141.
Zimmerman, Patricia, 101-54-5029.
Zobrak, Michele, 195-48-5586.
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IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary and permanent promotion to the grade of lieutenant in the staff corps, pursuant to title 10, United States Code, section 5773 and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Appelquist, James S.*
Apple, Chris I.*
Balvier, Andrew P.*
Bancroft, Robert H.
Barnes, William A.*
Barnet, John A., III
Barrera, Isidro B.*
Baumgarten, John A.
Beal, Maurice L.
Beck, Robert K., III
Benson, Craig M.
Bicket, William E. Jr.
Bland, Paul M.
Blass, Jeffrey D.
Blecharczyk, Ted M.
Boyd, Richard A.
Boyll, Mark S.
Bradford, Wiley L., III
Breckner, Anthony J.
Brown, Gregory A.*
Brown, Willie A.
Budd, William V.
Burbach, Donald E.
Burns, James C.*
Buselt, Edward J.
Buzzard, Lewis C.
Cade, Adolphe C., IV
Campbell, William A.
Canigiani, Glenn
Carpenter, Robert W.
Carr, Stephen M.
Caughman, Clarence E., Jr.
Cogswell, Peter R.
Cohe, Shaw H.
Cole, John H.
Cooper, Ronald A.*
Corbett, John C.*
Cording, William H., Jr.
Cowley, Robert E., III*
Craigie, James R.
Cronin, Richard R.
Crossman, Oliver A.
Culp, William N., III
Culvyhouse, Fred S.
Davis, Donald L.
Day, James W., Jr.
Dedes, Robert P.
Defilippo, Jerry S.
Devine, Arthur W.
Dieterle, Robert S.
Dixon, Jeffery A.*
Dove, John L., III
Dovie, Anthony M.
Driscoll, Charles C.*
Elliott, Patrick A.
English, Raymond P.
Ettus, Douglas E.
Evans, Peter M.
Faircloth, John B.
Fargo, Keith B.*
Faulk, Robert L.
Ferrant, Thomas E. B
Finney, Thomas G.*
Flanagan, Mark D.
Floyd, Walter Jr.
Foster, Philip D.
Freihofer, James T.
Funck, Steven S.*
Gellenfeldt, Gary G.
Gerdes, James E.*
Gillespie, David W.
Gilmore, Lance D.
Gilson, Robert L.*
Goldberg, Robert J.
Graham, John M.*
Gray, Richard D.
Gruenhagen, Gregory G.
Guess, Harry S., Jr.
Guion, Stephen W.*
Hall, Terry A.
Hall, Thomas F.
Haren, Joseph L.
Harmer, Frank T.
Harp, Timothy J.
Harris, Leslie A.
Haskins, James H.
Hastings, Robert T.
Hayes, Paul M., Jr.
Hedges, Michael W.
Hendrickson, Robert C. III*
Herrmann, Frank A., Jr.
Hess, Donald W.*
Hill, Edward H.
Hirschy, John A.
Hoffman, Louis W.
Hogan, Timothy M.
Hoglund, Michael P.
Hoops, John R.
Horres, Edward J.
Huff, Kurt R.
Isham Brian S.
Ivey, James A.
Jacks, Curtis D.
Jackson, John D.
Johanson, Raymond R.
Johnson, Gary C.
Johnson, Michael D.*
Jones, Michael A.
Josef, Michael D.
Jung, Stephen G.
Kasper, Michael J.
Kearney, Robert K.
Kent, Rock E.
Kierner, Frederick A. III
Kirch, Kenneth W.
Kitchin, Dennis D.
Knaggs, Christopher D.
Knight, Cedric L.
Koupash, Douglas J.
Krill, Rockne E.
Labarre, Allan K.
Lahtinen, Larry A.*
Landgrover, Edward W.*
Lane, Franky
Lauro, Frank J.
Lawrence, Steven K.
Leeson, Robert S.*
Lewis, James L.
Liftman, Michael J.
Litchford, Larry J.
Lobasz, Miroslaw T.
Lovejoy, Michael A.
Lyons John J. III
Mack, James E., Jr.
Mackenzie, Robert B.
Maddocks, David R.
Maguire, William J.*
Manno, Francis A.
Marshall, James F.
Masser, Thomas L.*
Mathieu, Ronald C.
Matthews, Danny G.
Mattingley, Mark W.
McDavid, Harry F.
McGavin, Phillip H.
McKenzie, Steven W.
McLean, Robert M.
McPadden, Russell P.
Messinger, John C.
Mikulka, Robert M.
Mitchell, Aubrey F., III
Mixson, Frank L.
Monday, James A., III
Montgomery, William B.
Moran, James G.
Morgan, Everett M.*
Morris, Stephen H.*
Morrisset, Richard A.
Moslow, Gene S.
Mundell, Robert J.
Manney, Robert G
Neff, Christopher K
Nostrant, Keith R
Nowel, John E.*
Nowlan, Michael J.
O'Connor, Vincent T.*
Oday, Patrick M.
Odekerken, Joseph H.*
Ohms. Bruce G.
Oxford, Russell D.
Painter, Dewey E.
Paskey, Walter J., Jr.
Piasecki, Thomas A.*
Pike, Thomas H.
Pillmore, Eric M
Pond, James N.
Preston, Leonard H., Jr.
Price, Andrew T
Price, Stephen R., Jr.
Proctor, John S.
Pulley, Alvin B.
Rach, Daniel E.
Rausch, David L.
Register, Wayne H.
Reilly, Robert W.
Reitz, Richard D
Reynolds, James M.
Richardson, Billy J.
Riggins, Finis G., Jr.
Rizzo, Thomas A.*
Roesner, Michael S.
Rohrscheib, James V.
Runyan, John C.
Russell, William M.
Ruud, Steven A.*
Sargent, William J.
Caperotta, Ralph M.
Schuberg, Richard L.
Segredo, John M.
Seits, Gary L.
Shafer, Dennis W.
Sinclair, Charles E.
Sligh, Albert B., Jr.
Smith, David M.
Smith, Donald F., Jr.
Smith, Stephen E.
Spaid, George F.
Sperry, Charles K.*
Steinacker, Steven
Stensland, John N.
Stephens, Thomas L.*
Stroupe, John B.*
Sutton, Bobby L., Jr.
Taylor, Timothy J.
Telescan, Gary K.
Terry, Stephen T.*
Theel, William C.
Thompson, Carlton L.
Thornbury, Joseph S.
Tiller, Michael H.
Tison, Donald C.
Tomlin, Henry B., III*
Tooke, Terry L.*
Torpey, James M.
Trayer, Donald A.
Treziok, Walter C.
Turner, Tramble T.
Uhlendorff, William E.
Vadala, Lawrence E.*
Varvel, Michael P.
Vasta, Alfio J.
Volkmar, John A.
Wallace Brian P.
Ward, Carl E.
Warren, William H., III
Waterman, William M.
Watson, Joe D., Jr.
Weeder, Courtland C.
Wentz, Roger A.
Westlake, Edward L.*
Whitehead, Vincent S.
Wight, Terry E.
Williams, John A., Jr.*
Williams, Michael G.
Winstead, William G.*
Wiruth, Alvin L.
Wismer, William C.
Wulff, Robert A.
Zajdel, Daniel J.
Zimmerman, Robert G.

*Ad Interim. Recess 16 October 1978 through 15 January 1979.

CIVIL ENGINEER CORPS

Ault, Douglas K.
Bertsche, Arnold E.*
Brubaker, Thomas E.
Campbell, Craig M.
Carver, Gary F.*
Dove, Stephen M.
Duba, Stephen C.
Eckhart, Andrew J.
Evans, Rodney A.
Fortner, Kenneth G.
Fowler, Brad J.
Haan, Keith R.
Haines, George F. III
Jencks, Randall C.
Kaye, Donald D.
Knudson, Daniel F., Jr.*
Kuenzi, Keith L.*
Liedke, Thomas R., Jr.
Loose, Michael K.
Ludwig, Kurt J.*
Mason, Jerry L.
McAfee, Richard J.
McConnell, James A., Jr.
McFarland, Roger L.
Mehula, Joseph A. II
Menno, Stephen R.
Oberlin, William L.
O'Connor, John V., Jr.
O'Connor, Michael H.
Rudolph, Thomas C. III
Saunders, Mark H.
Schwind, Herbert L., Jr.
Sheffield, James W.*
Sjodin, Kenneth V.
Titus, George H.*
Tower, Steven E.
Vanwyk, Teunis W. III
Wurst, James P.

JUDGE ADVOCATE GENERAL'S CORPS

Croner, George W.
Lord, Michael W.
Shepherd, David S.
Thompson, Helen B.

MEDICAL SERVICE CORPS

Armstrong, Curtis G., Jr.
Bacon, Neil D.
Barone, Barbara A.
Blanchette, Richard A.
Bosshard, Nancy L.*
Cain, Russell L.
Cawley, Michael
Chapman, Jack D., II
Chumley, Paul A.
Clark, Everett N.
Cline, Clarence R.
Cribb, Danny W.
Drinkwater, James W.
Driscoll, Millard J.
Dudley, Charles T.*
Fish, Stanley L.
George. Charles L.
Gollogly, James F.
Hetsko, John A.
Hodges, Napoleon
Jones, Austin F., II
Little, William L.
Mallea, Richard L.
Mapes, Toby L.*
Maskulak, George M.
McCoy, Thomas R.
Nielsen, Richard P.
Oxford, Lawrence L.
Paulson, Larry G.
Pierce, Roderick J.
Plisco, Tommy L.*
Pulcrano, Anthony R.
Quesenberry, Emmett W.
Rey, Walter A., Jr.
Riddle, Thomas E.
Silva, William A.
Simpkins, Harvey L.
Smith, Albert J.
Sorgen, Steven P.
Stanley, Bettie J.
Stringfield, Walter L.
Swafford, James J., Jr.
Tamburello, Michael T.
Taylor, John P.
Teague, Michael E.
Thibodeau, Ronald E.
Vanzee, Stephen P.
Walsh, Richard J.*
Williams, Arthur D., Jr.
Williams, Peter N.*
Winstanley, James L.
Wocher, John C.
Woodward, Charles R., Jr.
Wyatt, Edward P.

NURSE CORPS

Anderson, Steven E.
Arguello, Manuel D.
Beecher, Barton B.*
Berry, Paul G.
Booth, Lloyd*
Chong, Clarence K. K.
Dow, David J.
Evans, Charles D.*
Gullison, Edwin H., Jr.*
Herzog, Todd W.*
Imber, Julie A.
Kacmarsky, Richard J.
Knappenberger, Margaret A.
Landry, Karen E.
LeBlanc, Joseph C., Jr.
Lelacheur, Murray P.
Leshnover, Bennett C.
Makdad, Rebecca E.*
Mangier, David C.*
McNeil, Thomas J.
Meyer, Mary M.*
Negri, Melinda G.*
Pennington, Gaither F. II
Pierce, Carol J.*
Reichelt, Rudolf R.
Rusnak, Diane L.*
Scherer, Elaine M.
Selak, Dorothy E.*
Shirk, Thomas R.*
Stanfield, Louis G.
Suroviec, Kathryn T.*
Terrell, Karin M.
Uldrich, Edward III
Vontersch, Nancy J.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the staff corps, pursuant to title 10, United States Code, section 5773 and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Ballard, Susan W.*
Benson, Nanette E.*
Caldwell, Gigette P.
Conway, Barbara A.
Huntress, Diana E.*
Reilly, Beverly D.
Stanton, Marjorie J.*
Vargo, Jeanne K.

CIVIL ENGINEER CORPS

Meyer, Belinda A.

IN THE MARINE CORPS

The following-named male officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, U.S. Code, section 5780:

Bernard V. Burchette
Donald E. Davis
John J. Hainsworth
Donald G. Finchthorn
Bobby L. Harbison
Ellis R. Harvey, Jr.
Francis G. Hershley
James E. Lancaster

The following-named women officers of the Marine Corps for permanent appointment to the grade of major under the provisions of title 10, U.S. Code, section 5771:

Teryl L. Backus
Shirley L. Bowen
Vanda K. Bresnan
Mary K. Chetkovich
Sharon F. Daugherty
Rosalia A. Muza

The following-named male officers of the Marine Corps for temporary appointment to the grade of major under the provisions of title 10, U.S. Code, section 5769:

Larry G. Adkins
Burt E. Alexander
Steve N. Allen
Charles R. Allison III
Gay C. Allord
Gordon E. Anderson
Joseph T. Anderson
David A. Andriacco
Daniel B. Ardoin
Michael J. Arent
Willard P. Armes
Charles R. Armstrong
Rufus A. Artmann, Jr.
Michael L. Aslaksen
Grey C. Axtell
Peter T. Bahry, Jr.
James E. Bailey
Harold L. Baker
John T. Balba
George W. Ball
Robert W. Banta, Jr.
Richard E. Barber
Dale E. Barnes
Harry K. Barnes

Michael J. Barnes
William H. Barnetson, Jr.
Peter T. Baron
Charles J. Barone
Odis L. Barrett
William W. Baumann
David C. Beard
Donald A. Beaufait
Donald B. Beaver
Jennings B. Beavers II
Joseph A. Bekeris III
James H. Benson
James R. Benson
Gerald L. Berry
Dennis M. Bevis
Kenneth C. Bickley
Archie J. Biggers
Wayman R. Bishop, III
John P. Bland
Steven R. Bland
Frederick M. Bobbitt
John A. Boivin
Charles F. Bolden, Jr.
Reed T. Bollick
Michael W. Bolliah
Andrew H. Boquet
Paul J. Bourdon
Joseph M. Boyle
Frank L. Brewer
Christopher W. Brindle
Melvin J. Brinkley
William W. Broadaway
Michael V. Brock
Matthew E. Broderick
David Brown
Kenneth J. Brown
Paul E. Brown
Richard A. Brown
Robert R. Buckley
Dennis M. Buckovetz
James D. Burke
Christopher F. Butler
Bruce B. Byrum
Robert E. Cahill
Rodney L. Campbell
John W. Capito
Roland E. Carey, Jr.
John C. Cargill
Reid O. Carlock
Daniel M. Carradice
Thomas P. Carras
Thomas R. Carstens
Ronald B. Carter
Roy L. Carter
Mark H. Caspersen
Lee A. Cerovac
Richard W. Chamblias
John B. Champeau
Andrew L. Charlson
John P. Chase
Robert A. Cheever
Kenneth L. Christy, Jr.
Dennis E. Clancey
John E. Clancy
James L. Clark, Jr.
William A. Clark III
Larry G. Clarke
George S. Coker
William R. Collins
Leonard J. Comaratta
Paul B. Conner
George S. Converse
Donald C. Cook
Gerald J. Cooper
Charles H. Cox, Jr.
John W. Cox
Larry A. Craig
Wallace R. Creel, Jr.
Daniel D. Critchfield
Steven M. Crittenden
Charles D. Cross
Jerald L. Cross
Michael J. Crow
Wayne T. Crowder
Clarence S. Crowe
Anthony H. Cucina, Jr.
Michael J. Cummings
Waldo B. Cummings, Jr.
William C. Curtis
Louis H. Dailey
John F. Dalton
John H. Daly III
George B. Davis
James H. Davis
Michael P. Davis
Thomas C. Dean
Samuel C. Decoteau
Victor D. Deitz
Joseph Dellacorte
Samuel T. Delong Jr.
James D. Delp
Albert A. Desantis, Jr.
Charles A. Dittmar, Jr.
James M. Dixon
Walter L. Domina
William I. Donaldson, Jr.
Thomas P. Donnelly, Jr.
Robert M. Dowd
Hilary B. Downey II
Orvis R. Doyle
Edward J. Doyne, Jr.
Charles E. Drumm, Jr.
Brendan Duff
Richard H. Duff, Jr.
Donald L. Dugan
Clarence T. Dunstan
John F. Dupont
Phillip P. Egoscue
Harvey W. Emery, Jr.
Gerard J. Endres, Jr.
Carl H. Ertwine
Richard S. Everhart
Richard G. Ewars
Leo A. Falasco
Michael O. Fallon
Paul C. Farmer
Ronald R. Faucher
Peter O. Fay
David E. Feigel
Michael V. Fell
John R. Fenton
Orlando Fernandez
Thomas P. Finnerty
Marvin H. Floom, Jr.
Howard C. Florence
Brian D. Ford
Walter G. Ford
James D. Fortune
John T. Foster, Jr.
Thomas W. Foster
Frederick T. Fowler
Charles R. Fox
Edgar Franklin, Jr.
John F. Fraser, Jr.
Kenneth R. Frederickson
Thomas N. Fremin
Joseph D. Friel
Warren T. Frommelt, Jr.
James J. Frydrychowicz
James A. Fulks
James M. Galbraith
Charles H. Gallina
William N. Gamble
Jon A. Gangloff
Milton J. Ganier
David A. Garcia
Royce C. Garrison
Richard H. Gayer
Lyle D. Gearhart
Henry C. Geren, II
James C. Gilmore
Richard E. Giantz
Eugene L. Gobeli
William G. Gooding
Joel L. Goza
William J. Graham
Laurens B. Grandy, Jr.
Richard H. Green
William W. Green
Wallace C. Gregson, Jr.
Alfred Grieshaber, Jr.
Frank W. Griffin
John J. Gruehl
James M. Guerin
William H. Hackett, Jr.
Michael W. Hagee
Robert M. Hagerty
Earl B. Hailston
Thomas B. Hamilton, Jr.
James H. Haney
Norman F. Hanner
Paul E. Hanover III
Robert P. Hansen
Robert W. Hansen
Willis H. Hansen
Stephan A. Hanvey
Thomas G. Harkins
William Harley
Ronald C. Harrington
Randall R. Harris
Jerry B. Hatfield
Daniel J. Healy
Matthew J. Hack
John B. Heffernan
Lloyd M. Hekhuis
William D. Helling
Hal W. Henderson
Michael M. Henderson
John F. Hendry
William C. Henning
Robert W. Hensley
Ralph E. Henson
John C. Hering
Theodore N. Herman
Richard D. Hickox
Thomas H. Hicks
Edward A. Highers
Marlin D. Hilton
Robert E. Hilson
Michael G. Hire
James W. Hodges
Richard C. Hoffman
Robert J. Holihan, Jr.
Ronnie Holloway
John J. Holly
Charles W. Holmes
John W. Hooper
William J. Horne
Danny G. Horton
Edward F. Houff
Jerome J. Hudak
James G. Hulsey, Jr.
Joseph L. Hutton, Jr.
David H. Ingram
Robert F. Itnyre
Peter G. Jacobs
Roger A. Jacobs
Richard L. Jaehne
Donald W. James
John A. Janega
Barry E. Jankiewicz
Richard J. Jenkins
Harry Jensen, Jr.
Charles C. Johnson
Gerald E. Johnson
Maxwell O. Johnson
Robert D. Jones
Robert C. Jonson
Larry J. Jordan
Jimmy L. Justice
Ronald L. Kaba
Lawrence A. Kassin
Richard H. Kayser
James Keane
Lawrence G. Kelley
Philip C Kellogg
John R. Kelly
Lawrence H. Kener
Edward R. Kenney
Charles W. Kershaw II
Ernest M. Kimoto
Willis J. King, Jr.
Samuel V. Kirk
Stephen E. Kirwan
Richard A. Klehm
Jack W. Klimp
John P. Kline, Jr.
Bruce B. Knutson, Jr.
Frank L. Kocevar
John H. Korneder
Walter J. Kowalewski
Peter L. Kranker
Jon J. Kratz
Dietrick Lamade III
Russell E. Laney
William P. Lanza
Robert G. Larson
Charles F. Laughinghouse
Arthur K. Law
George D. Leaming
Frederick E. Leek II
David S. Legas
John P. Leonard III
Ralph Lippe
Robert W List
Clifford B. Lockett, Jr.
Charles M. Lohman
Frederick M. Lorenz
Earle S. Lott III
Thomas E. Loughlin
Charles L. Lowder
Bernard F. Luby, Jr.
Bruce C. Lyon
David B. MacFarlane
John M. Mack
Robert I MacPherson
Kendall A. Madaras
Robert W. Magnuson
James D. Majchrzak
Michael T. Mallick
George M. Malone, Jr.
Thomas O Malzahn
James A. Marapoti
Richard J. Marien
Jeffrey A. Marlin
Roger D. Marlow
John P. Martin
Sebastian V Massimini
Robert P. Mauskapf
Warren D. Maxon
Craig L. Mayer
William R. Mayne
Noris L. McCall
David J. McCarty
Michael R. McCarty
Merrill C. McClure
Terry J. McCormack
William P. McElyea
Charles R. McGill
John C. McKay
Robert F McKiernan
Sidney E. McLaughlin
Linwood H. McNeill
Kenneth E. McNutt, Jr.
Paul N. Meier
Stephen N. Melgaard
James M. Messer
Robert F Meyers
Charles S. Mill, Jr.
Charles A. Millard
Thomas S. Miller
Barry C. Milo
Roger D. Milton
Jimmy Miranda
Joseph A. Mitchell, Jr.
Thomas E. Mitchell, Jr.
Earl M. Mivamoto
Christopher R. Mohr
Thomas J. Molon
Charles E. Moore
David D. Moore
William W. Moore, Jr.
Bernard P. Mordret A.
Jon W. Morrow
Michael C. Morschauser
Anthony W Motto
John C. Muir
Gerald D. Mullinix
John T. Murray
Robert S. Murray
Terrence P. Murray
Clifford O. Myers, III
Stefan Mytczynsky
Paul G. Nauth
William L. Neely
Robert R. Nelson
Monty K. Nereim
Gary A. Neumann
John N. Newman
Edwin R. Newsom
Dominic Nicolosi, Jr.
Thomas E. Noel
Harvey R. Norton
Michael A. Nyalko
William L. Nyland
George A. O'Connell
Patrick P. Oates
Bryan D. O'Connor
Malcolm L. Ogilvie, Jr.
William B. Oldfield, Jr.
John J. O'Leary
Willie J. Oler
John R. Oliphant
Jan B. Olson
John F. O'Neil, Jr.
Stephen J. Oren
Glenn P. Orgeron
Thomas M. Orth
James M. Osborne
Patrick G. Owen
Anthony M. Palermo
Steven S. Palmer
William M. Palmer, Jr.
Edward R. Palmquist, Jr.
Thomas A. Pantke
John E. Parker, II
Joseph F. Parker
Robert D. Parker
Thomas L. Parrish, Jr.
Gregory W. Parsons
Larry F. Parsons
Michael L. Patrow
Daniel P. Pender
John A. Penne
William C. Peoples
Lawrence E. Pergerson
George N. Perrault, III
John D. Perry
Donald N. Persky
Anthony J. Pesavento
Gary D. Peterson
Harry W. Peterson, III
Linn B. Peterson
Leslie B. Petty
Samuel F. Pfeiffer, Jr.
Chester R. Pino
Peter T. Pitterle
Robert C. Plunkett
Eugene L. Polderdyke
Simon Poliakow
Robert C. Polopek
Paul B. Pratt, Jr.
Gary A. Prentice
Rick W. Prevost
Kenneth D. Pricer
Richard T. Primrose
Phillip E. Prince
Theodore M. Printy
Donald R. Proctor
Bernard J. Prosser
Lloyd H. Prosser
Billy J. Pruett
Robert L. Pruett, Jr.
Richard L. Pugh
Theodore L. Quinter
Burton C. Quist
Gary D. Rainey
James B. Ramsden
Anthony Raniszewski, Jr.
James W. Rattigan
James S. Rayburn
John E. Ready
Thomas F. Reath
Bruce J. Reed
Charles E. Reeves
Joseph D. Reich
Charles T. Reilly, Jr.
Robert P. Reiten
Carl L. Remmel
Victor F. Reston
John E. Rice
Ronald G. Richard
Larry M. Ricker
Daryl D. Riersgard
Jesse W. Rigby
Ernest S. Riggins
William W. Riggs
James P. Rigoulot
Charles S. Rinehart
Marlen C. Robb, Jr.
Collin C. Roberts
John H. Robertus
Joe D. Robinson
Wade A. Robinson, Jr.
Sands A. Robnick
Earl C. Rodenberg
Oswald J. Rodmaker, Jr.
Humberto W. Rodrigues
Michael P. Rohlfs
Jeffrey T. Ronald
Lester D. Roth, Jr.
Harry G. Rudge
William R. Rupp
Gilbert A. Rusterholtz
David L. Saddler
Tibor R. Saddler
Robin L. Savio
Charles E. Schaffer
Larry S. Schmidt
William H. Schopfel III
John W. Schwab, Jr.
William F. Scott
William R. Seagraves
Keith T. Sefton
James P. Sexton
Eric D. Shaffer
Darrel W. Sheets
Richard N. Shuck
Ralph E. Sinke G.
Clyde E. Smith, Jr.
Gilbert E. Smith
Lawrence W. Smith III
Terrance L. Smith
William A. Smith
Robert L. Snelson
Dennis L. Snook
Ricky E. Somerall
William E. Southerland
Curtis B. Southwick
Elmer R. Spears, Jr.
Charles R. Stanford
William W. Steele
Eric N. Steinbaugh
Peter R. Stenner
Ronald E. Stephens
Charles E. Stewart D.
Kent R. Stone
Michael W. Stortz
William H. Stubblefield
William J. Sublette
Tom E. Sulick, Jr.
Fredric J. Swango
James B. Swartzenberg
Anthony L. Sweers
Thomas W. Swihart
Thomas M. Talty
Cecil V. Taylor
Milton J. Teixeira
Dan. M. Tennent
James P. Terry
Steven J. Testrake
Allan G. Thaut
Thomas H. Timberlake, Jr.
John R. Todd
David P. Tomsky
Tompson R. Toyama T.
Byron M. Trapnell
James N. Treadwell
Drake F. Trumpe

William T. Tucker
George C. Tullos
Thomas A. Turner, Jr.
Thomas D. Turner
William A. Tweed
Robert R. Tyler
Edwin R. Valdez
Dyrick H. Vandusen
Rondall L. Vanhoutan
Earnest A. Vanhuss
Kenneth E. Ventris
Alexander C. Verducci
James L. Volkmar
Henry J. Vonkeisch III
Edward J. Wages
Frank N. Waldrop
Edwin C. Walke
Robert W. Waller
Raymond L. Walters, Jr.
Roger P. Waniata
Richard K. Ward
Myron Wasiuta
David L. Weber
Richard M. Wenzell, Jr.
Randall L. West
Newell J. Weston
William A. Wheeler
Charles E. White
James L. Whitlow
John F. Whittle
Patrick D. Wilder
Benjamin L. Williams
Frederick C. Williams, Jr.
James M. Williams
John R. Williams
Richard D. Williamson
Thomas W. Williams
Robert F. Wilman
Brooks C. Wilson
James W. Wilson II
Paul E. Wilson
Roger E. Wilson
Robert L. Windham
Jack W. Winternheimer
Jackson L. Witter
James D. Wojtasek
Walter J. Wood
Walter W. Wooten
Eugene O. Wright II
John D. Wright
Roger A. Wrolstad
Wayne W. Wynkoop
William R. Wyser III
Frank A. Yahner III
Joseph C. Yannessa
Robert A. Yaskovic
Billy L. Young
Edward R. Zaptin
Michael V. Ziehmn
David W. Zimmerman
Jeffrey M. Zimmerman
Jeffrey L. Zorn

The following-named women officers of the Marine Corps for permanent appointment to the grade of captain under the provisions of title 10, U.S. Code, Section 5771:

Nancy P. Anderson
Patricia A. Byrne
Arlene A. Lomax
Mary L. Orozco
Kathleen J. Potthoff
Karen E. Riecks
Ann M. Summerlin
Leslie J. Tomlinson
Vicky L. Whitehill
Janice L. Wiley

The following-named male officers of the Marine Corps for temporary appointment to the grade of captain under the provisions of title 10, U.S. Code, Section 5769:

Alton L. Absher, Jr.
Charles W. Adair
Michael J. Adams
Robert P. Adelheim
Thomas M. Adkins
Stephen P. Agrati
Rodolfo F. Aguilar, Jr.
Michael C. Albano
Patrick L. Alderson
Louis J. Alfieri
Charles H. Allen
Myron E. Allen
Paul C. Allen
Daniel L. Amoroso
James L. Anderes
Lawrence J. Anderson
Rodney W. Anderson
Steve J. Anderson
Wesley M. Anderson
James C. Aplin
Jamees R. Appleby
Albert J. Aquilina
Gregory J. Arabie
Christopher C. Arenas
Elwood M. Armstrong, Jr.
Clifford Arnold
Charles W. Arnold
Malcolm Arnot
Joseph T. Arton
Steve L. Ash
Paul T. Ashe
Joseph E. Ashton
Henry Attanasio
Sidney E. Atwater
Berwick P. Babin
Jesus M. Baez
William C. Baker, Jr.
Carlos M. Baldwin
Peter J. Baldwin
Douglas D. Ballard
Daniel E. Barber
Thomas D. Barker
William C. Barnebee
James F. Barnes
Charles R. Barnette
Thomas N. Barnhouse
Charles M. Barrett
James A. Barrett
James R. Barrett
Michael E. Barrington
Robert L. Barry
Terrence G. Barth
Robert S. Barton
Ralph T. Bates
James M. Beal
William F. Beal
Charles H. Beale III
Doyle H. Beam
Jesse L. Beamon, Jr.
Joseph F. Beard
Timothy P. Beard
Donald F. Beck
Michael D. Becker
Michael C. Beegle
Billy C. Bell
Gordon M. Bell, Jr.
Randy B. Bell
Howard W. Benjamin
Charles P. Bennett
Dellas R. Bennett
William A. Bennett, Jr.
William H. Bennett, Jr.
Jon C. Benrud
William J. Berger
Robert W. Bishop
George A. Bizzak
Mark A. Blahnik
John E. Blair
David J. Bland
Cleve R. Blouch
Joseph E. Bockhold, Jr.
Ernest M. Boling III
James A. Bollengier
James E. Bond
Edward J. Bonkoski
Michael D. Boone
Donald J. Borje
Grant E. Bowden
Charles J. Bowser
Alan R. Bradshaw
Gaylen F. Brady
John M. Brady
Ronald W. Brann
Jeffrey D. Bray
Jerry P. Breen III
Mark E. Brennan
Randy W. Brickell
Kenneth L. Bridgeman
Jason A. Britt
Marlin A. Bromley
Gordon A. Broussard
Kenneth W. Broussard
Gregory D. Brown
George L. Brown
John R. Brown
Lemuel F. Brown
Rodney K. Brown
Stephen S. Brown
John C. Bruno, Jr.
David P. Brunstad
John J. Brusca
John C. Buckingham, Jr.
Ricky G. Budd
Lyle R. Buerkens
Charles S. Burchinal
Roberto A. Burciaga
Carl L. Burney, Jr.
Ronald K. Burns
Donald R. Butcher
Alfred L. Butler III
John G. Butler
Mathew A. Butler
Richard W. Caldwell
Raymond Cannata
Richard A. Canty, Jr.
Michael G. Capoot
Patrick L. Carey
Lawrence J. Carino
Stephen A. Carnes
James P. Carothers
Albert W. Carpenter
Robert T. Carrese
Carlton W. Carter
Morrison G. Carter, Jr.
Daniel T. Caruso
Herman W. Carver, Jr.
James W. Casford
Daniel C. Cassell
Claude C. Castaing, Jr.
William D. Catto
Jesse P. Cavasos
Thomas S. Ceci
Vincent Cerqua
Howard D. Chamberlain
Ronald R. Chambers
Lynn M. Champagne
Grady B. Chaney II
William D. Chapman
Donald D. Chappell
Wendell H. Chastain
Rocky J. Chavez
Cary R. Cheston
Leroy Chevis
Steven K. Chorak
Frank Chukes, Jr.
Michael A. Cicere
George A. Clark, Jr.
Billy J. Clackson
Donald A. Cleary
Richard A. Clute
Joseph D. Coco
Steele C. Coddington, Jr.
John T. Coggin
James L. Cole
Jeffrey U. Cole
Bruce D. Coleman
Ronald S. Coleman
Francis X. Collins
Wayne C. Collins
Kenneth J. Conatser
Joseph M. Condon
Mark E. Condra
William D. Conklin
Joel R. Connolly
Daniel A. Conway
Timothy C. Conway
Michael W. Cook
William H. Cook, Jr.
Charles E. Cooke
Brian M. Cooker
Donald K. Cooper
Michael L. Cooper
James E. Cork
Christian B. Cowdrey
Charles A. Cox, Jr.
Leon Craig Jr.
Frank Crilley
Joseph A. Crookston
Francis F Croucher
Thomas D. Crowley
Richard L. Culver, Jr.
William T. Cumbie
Glenn K. Cunningham
Wilbur L. Cunningham
Terrence J. Cuny
Charles K. Curcio
John P. Cushing, Jr.
Daniel D. Cushman
George C. Cutchall
Ronald J. Czosnyka
Conrad G. Dahl
Roger W. Daigger
Maurice Daniel
David T. Darrah
Richard W. Davenport
Frank W. Davey
William J. Davin
Bryan M. Davis, Jr.
Carl N. Davis
Ira S. Davis
Jack G. Davis
James W. Davis, Jr.
Mark S. Davis
Daniel R. Dearman
Robert J. Debellis
Donald S. Debragga
David A. Debruyne
Donald F. Deline
John P. Demarco
Russell E. Dennman III
Richard E. Deslauriers
Robert P. Destefanis
Homer D. Detrich
Albert J. Diehl III
Robert F. Dietrich III
Thomas M. Digregorio
Robert K. Dobson, Jr.
Paul E. Dohring
Thomas W. Dolman
Robert P. Donohoo
Brian C. Dorris
Bruce M. Douchette
Richard F. Douglas
Alwyn Dowell
Edwin R. Downum, Jr.
Eric M. Doyle
Carmen Dragotta
Stephen M. Dreher
Charles W. Driest
Daniel A. Driscoll, Jr.
Bruce E. Duderstadt
Ronald T. Dudley
Leslie F. Duer
Gary P. Duffy
Robert J. Duhon
James M. Dunham
Kenneth D. Dunn
Richard C. Dunn
Richard M. Dunnigan
Donald A. Duprez
Jerome M. Duran
Guy Durand
Donnie R. Durbin
Francis S. Durtche
Timothy A. Dusenbury
William H. Dykes
Daniel M. Dykstra
Gary J. Eady
Roger A. Earley
Howard B. Eddins III
Richard S. Edmundson
James L. Edwards, Jr.
Kelly R. Edwards
Paul S. Edwards
Stephen B. Edwards
Ronald D. Eggleston
Dana E. Eilertson
Michael A. Einsidler
Joel P. Eissinger
Thomas F. Elek
John M. Ellsworth
Carl J. Ericson, Jr.
Jimmie E. Ervin
Howard F. Eslick
Jose T. Espinosa
John J. Esrey
James E. Etter, Jr.
James P. Etter
Ronald E. Evans
Frank R. Eversole IV
Charles R. Fairchild
Peter T. Faircloush
William C. Farley
Lee H. Farmer
John H. Feily
George P. Fenton
Fletcher W. Ferguson, Jr.
William P. Ferrel
Robert R. Ferris
Jeffrey A. Finley
George M. Finnerty
Robert B. Finney
Kermit E. Fitzmaurice
Larry W. Fivecoat
Donald E. Fleming, Jr.
Joe Flores, Jr.
Robert W. Foltyn
Henry Fontela
Robert T. Forte
Barry R. Foster
Willis R. Foster
Woodrow G. Franklin
Fritz G. Franz
William B. Fraser
Paul O. Freeberg
Walter H. Freed
Marc E. Freitas
Robert E. Fugate
Foster L. Fuseller
Joey R. Gallegos
Robert D. Galloway
John M. Garner
Richard S. Garretson
William B. Garrett
Walter E. Gaskin, Sr.
Danny W. Gaston
William T. Gates
Richard C. Gehrlein
Paul A. Gelinas
Jerry G. Gelling
John W. Georges
William S. Gerichten II
Kerry K. Gershaneck
Ralph J. Getty
Alfonso N. Giglia
John P. Giguere
Norman C. Gillette III
Clarence R. Gilman, Jr.
David L. Gilmer
Melvin O. Gipson
Gary G. Gisolo
Richard D. Gioger
Kenneth J. Glueck, Jr.
Henry T. Gobar
Johnie Gombo
Hector Gomez
John E. Goodner
Michael R. Gorbell
Michael B. Graddy
Steven E. Graebner
Stephen K. Graham
Thomas K. Graham
David B. Grand
Robert J. Graus
William W. Graves, Jr.
Randy L. Green
William F. Green
Ronald G. Greene
Kenneth E. Gregory
Laurence W. Griggs
Barney G. Grimes III
James T. Grimshaw
Stanley L. Grossman
David A. Groves
Hubert A. Grummer
Norman R. Guenther
Christopher J. Gunther
Charles E. Guthrie, Jr.
Robert E. Hacker, Jr.
Karl L. Haithcock
Gerald M. Hale
James H. Hales, Jr.
Patrick K. Halton
Richard D. Hamilton
Theodore J. Hammond
Eric G. Hansen
Edwin L. Hansen
Michael P. Hardwick
Mark S. Hardy
Phillips B. Hardy
John D. Harris
Frank C. Hart III
James A. Hart V
Richard E. Hartley
Mark Hartzell
Kevin F. Hauser
Dale A. Hawker
Douglas M. Haycock
Daniel P. Hayes
Robert L. Hayes III
George J. Hayn, Jr.
Robert L. Haynes
George C. Hays, Jr.
Phillip R. Hearison
James R. Hedges
Scott A. Hegland
Alan P. Heim
Dennis R. Heinle
Robert E. Heinz
William E. Heinzman II
Timothy J. Heitkemper
William W. Hendry II
Doyle W. Hensley II
Patrick H. Herd
Craig B. Herold
Gordon Hickey
Joseph F. Hickey, Jr.
Ralph W. Hickman
Michael K. Hicks
John W. Hiett
Howard H. Hill
Jeffrey J. Hill
Robert W. Hillery
Stanley E. Hitchcock
Chris D. Hobbs
Richard A. Hobbs, Jr.
Ernest Hodge
Nicholas J. Hoffer
Carl W. Hoffman, Jr.
Thomas W. Hoffman
John J. Hogan III
John P. Hogan
Ronald T. Hogan
Danny L. Hogg
Ides L. Holdridge, Jr.
Trenton F. Holland
Carlos R. Hollifield
Richard L. Holmes
Gary R. Holmquist
Robin Hood
William D. Hook
Mont K. Hoover

Don E. Horn
William P. Horrobin
Rick L. Horvath
Michael T. Hoscheid
Larry D. Hosler
Michael D. Howard
Marion O. Howton
Jack L. Hughes
Leon D. Hughes
Martin L. Hunter
David W. Hurley
Joseph P. Hylan
Gerald A. Hyndman
Richard J. Ingold
Robert R. Irvine
Edward A. Isajewicz, Jr.
Daniel Iverson, III
Kenneth D. Jackson
David L. Jacobson
Benjamin W. Jeffrey
Jurden J. Jelken
Robert E. Jerabek
David W. Johns
Dale E. Johnson
Dennis M. Johnson
James M. Johnson
Larry A. Johnson
Mark K. Johnson
Raymond K. Johnson
Randall L. Johnson
Timothy A. Johnson
William D. Johnson
Ernest S. Jones
Octavis E. Jones
Ronald L. Jones
Carl M. Jozaitis
Kenneth J. Jungwirth
Roland L. Juvenal
Helmut J. Kalman
Jeffrey H. Kammerer
Thomas G. Kane
Donald J. Kappel
James C. Keffer
David J. Keirstead
Patrick J. Kelly
Rodney O. Kelly
Thomas R. Kelly
Roy H. Kemble, III
William P. Keogh
Stephen C. Kepher
Michael J. Kerrigan
Jerome Keyes
John O. Keyes
David L. Kiffer
James A. Kilbourn
Michael L. Kildare
Eugene Kimbler
David A. King
Frederick T. King
Gregory S. King
William A. King
James M. Kinnaman
David B. Kirkwood
David M. Kirkwood
Frederick M. Kist
Paul J. Klepper, II
David F. Klingenhofer
Jack R. Knight
Michael J. Knowles
Glenn F. Koch
Kent D. Koebke
Joseph C. Koen
Larry D. Koenig
Richard W. Kokko
Peter D. Kopf
John G. Koran, Jr.
Charles W. Kossick, Jr.
Jeffrey N. Kramer
James R. Kramer
Michael J. Kramer
James J. Kratsas
Michael R. Kupar
Richard W. Lachowicz
Joseph E. Laforest
Michael W. Lamb
Bevill F. Lambert, Jr.
Richard K. Lane
Jimmy D. Langley
Jack D. Lape, Jr.
John F. Larkin
Leif R. Larsen
Albert L. Larson
Lawrence L. Larson
Robert D. Larson
Thomas C. Latsko
Dennis L. Leahy
Clay D. Leath
James M. Leavis
Willie Lee, Jr.
Robert J. Leiston
Scott E. Leitch
Charles A. Lemay
Dyer T. Lennox
Edward J Lesnowicz, Jr.
Gary C. Leupold
Garry W. Lewis
Larry F. Lewis
Fredrick W. Ley
John M. Lilienthal
Thomas L. Linder
Eugene W. Lindley
Thomas C. Linn
Stuart A. Livensparger
Henry C. Loeffler, Jr.
Dennis M. Loftis
Larry D. Logsdon
Eugene A. Lohman II
Robert L. Longtain
Stanley W. Longworth
Paul H. Lord
Michael J. Lores
Gary W. Luck
Daniel E. Lund
Charler A. Lundy
Michael E. Lundy
Robert E. Lupton
Robert G. Lyell
Coleman R. Lyons, Jr.
James V. Maccarone
Gilbert A. Macklin
Daniel J. Macsay
Ronnie R. Madrid
Richard Maestas
Kelly J. Mahoney
Gregory N. Maisel
David R. Maltby
William T. Maroney III
Samuel T. Marsh
William T. Marsh
Samuel A. Marshall II
Joseph O. Marthiljohn I
Albert J. Martin
Darrell F. Martin
Kevin L. Martin
Richard J. Martin, Jr.
Joseph A. Masser
Gary A. Mattes
Alex R. Mattheus
Jack L. Mattson
Billy P. Mauldin
Edmund B. Mayer, Jr.
A. J. McAnelly
Dennis P. McCarthy
Michael E. McCarthy
Thomas G. McCarthy
James D. McCarty
Joseph J. McCloskey
James E. McCormick, Jr.
Michael E. McCormick
William J. McCormick
Danny J. McDaniel
Joseph A. McDonald
Thomas J. McElrath
John T. McGaughey, Jr.
Charles E. McGinnis
John D. McGuire
Patrick J. McKay
Paul S. McKee
Glenn E. McKeever
Michael E. McKenzie
Steven E. McKinley
Joseph J. McMenamin
James M. McNeal
Timothy W. McReynolds
Mark S. McTague
John H. McTier
Robert J. Meckel
Richard L. Meeker
Thomas J. Menendez
Jesse M. Merriett III
Charles W. Michalk
Edwin D. Miller
John H. Miller, Jr.
Melvin L. Miller
Roy C. Miller, Jr.
Scott D. Miller
Warren D. Miller
Mark A. Milligan
Timothy P. Minihan
Thomas E. Minor
Alfia Mirabella, Jr.
Jose L. Miraya
John Moisuk, Jr.
Kenneth E. Moix
Mark D. Montgomery
Robert D. Montgomery
Mark E. Mooney
Gerald B. Moore
Robert E. Moorehead
Donavan D. Moorman
Andrew H. Moreton
Beverly W. Morgan, Jr.
Charles W. Morris
William L. Morris
Frederick M. Morrone
John C. Muerdler, Jr.
Charles A. Mulligan
Patrick J. Mullin
Harry M. Murdock
Brian T. Murphy
Daniel J. Murphy
Gary E. Murphy
Cornelius W. Murray
Steven M. Mutzig
Paul J. Nagy
Larry F. Naifeh
Marcus N. Nall
Karl B. Nebbia
Edward A. Nelson
Victory P. Neshyba, Jr.
Thomas L. Newcomb
Garry P. Newell
Lester K. Newell
George W. Nickerson III
Richard E. Nicolai, Jr.
Thomas E. Nicoll
Freddie R. Nielsen
William J. Niemasik
Raymond A. Nikula
Michael J. Nolan
Bruce H. Norton
Bruce E. Nowak
William J. O'Connell
Dennis P. O'Geary
Thomas M. O'Leary
Dennis M Ovens
Robert J. Padilla
William J. Painter, Jr.
Robert E. Parcell
Harry P. Parmer
Robert S. Patterson
Tommy L. Patton
Alan R. Pavaner
John M. Paxton, Jr.
Thomas A. Peabody
Thomas G. Peeler
John J. Pellicone
Alan C. Pendleton
William M. Pennick
Robert Peno
Benjamin M. Penvos II
Edward Y. Perales
Ronald V. Pereira
Edward F. Pesik, Jr.
William R. Pesnell
Darwin D. Peterson
Harriesclichy Peterson
Mark A. Peterson
Paul W. Pfohl
Anthony F. Phelps
Matthew H. Phillippe
Steven J. Piccirilli
John P. Pickett II
Mark A. Pillar
Cleve B. Pillifant
Alan J. Pingree
Jerreld D. Pippin
Jonas Pomales
Terrance M. Portman
Mark L. Potocki
Earl W. Powers
James S. Powers
Danny R. Praytor
Paul J. Prevost
John R. Priddy
Joseph S. Prisy, Jr.
Paul R. Puckett
Dale H. Pugh
Michael J. Quinlan
Carl E. Quinn, Jr.
Joseph G. Radzikowski
Gerald G. Raedel
Joel T. Raley
Lee F. Ralston
William M. Ramsey
Timothy N. Ranville
Douglas C. Rape
Steven W. Rawson
Richard K. Reager
John Recine
Earl E. Reddix III
Scott P. Reichert
Rodney J. Reynolds
Howard E. Rice, Jr.
Michael L. Rice
Arthur H. Richardson, Jr.
Thomas A. Richards
William E. Richardson
James D. Riemer.
Michael H Rising
Ervin Rivers
Jay W. Roach
Leonard D. Robert
Samuel E. Roberts
Blake J. Robertson
Michael E. Robicheaux
Charles Robinson
Jasper P. Rogers. Jr.
Juan J. Roman
Charles R. Romero
James T. Ronaghan, Jr.
Clifton B. Rook
Ronald P. Rook
Quentin R. Roos.
Charles W. Rose, Jr.
George D. Ross
Richard C. Roten
Anthony P. Rothfork
Christopher Rowan
David T. Rowe
Robert O. Rowland
Paul D. Roy
James L. Rucks
Ira S. Russell, III
Karl R. Russell
Merrill L. Russell, Jr.
Louis F. Russo
John E. Ryan
Glen R. Sachtleben
Richard J. Salsman
Eric H. Sampson
Mark S. Sams
Peter J. Samsel
James Santana
Michael E. Satran
Paul M. Sauer
Stephen L. Sayko
Donald L. Scanlon, Jr.
Russell O. Scherck
James W. Schindler
James E. Schleining, Jr.
Ross A. Schmidt
Richard F. Schmidt, Jr.
Steven J. Schneider
Herbert M. Schrader, Jr.
Patrick D. Schrunk
Darrel G. Schueler
Donald Schwartz, Jr.
Peter J. Scialabba
Frank M. Scott
Calvin L. Scovel, III
Thomas E. Seal
William R. Seale
Reginald M. Sealey
David J. Sebastian
Ray L. Seckinger, Jr.
John W. Sergeant
James S. Sfayer
Jimmie R. Shafer
Garland L. Sharpless, Jr.
John P. Sharples
Stanley D. Sheats
Robert L. Sheldon
Charles K. Sherry, Jr.
Frederick L. Sherwood
Stephen D. Shigley
Trent W. Shirey
James L. Shirk
Steven V. Shook
Francis R. Short
Richard J. Shows
Philip F. Shutler II
Daniel L. Sickinger
Philip S. Siliano
Luciano S. Silva
Mark A. Silver
Ricky L. Simmons
Preston E. Simms
Charles C. Simpson
Chester L. Simpson
George T. Simpson IV
Larry R. Sims
Gary A. Sloan
Charlie F. Smith
Duane A. Smith
Floyd R. Smith, Jr.
Gilbert M. Smith
Harry D. Smith
Kenneth E. Smith
Lyle W. Smith
Malcolm W. Smith, Jr.
Robert L. Smith
Spencer H. Smith
William L. Smith
Francis M. Snow
Fred D. Soetekouw
George C. Solley
James M. Sorley
Richard L. Souder
Hubert E. Sowell, Jr.
Harry C. Spies
Richard J. Stacy
Ryan E. Stafford
Paul R. Stahl
Carl D. Stanton
Konrad E. Stapler
Gordon B. Staples
Ricky L. Starks
James M. Stata
Marc A. Steele
Douglas E. Stender
Bradley A. Stephan
Richard D. Stephens
Robert L. Stephens, Jr.
Gerald W. Stearnal
Craig P. Stevison
Frank M. Stewart
Jeb E. Stewart B.
Paul D. Stinnett
Scott C. Stith
Richard Stockburger
James R. Stoller
Jacob F. Stone, Jr.
Richard E. St. Pierre
Herbert Strauss
Gobel N. Strickland
Joseph E. Strickland
Robert D. Stride
Joseph L. Styons
Jerry W. Sullivan
Robert J. Sullivan
Deryl L. Sweeney
John F. Sweet
James S. Swift
Daniel W. Swindell
John R. Sykes
Fabio Taglieri
William D. Talbott, Jr.
Richard K. Tankersley
Timothy J. Tanner
Larry D. Tarbet
Floyd E. Taylor
Forrest J. Taylor
John A. Taylor
John G. Taylor
Lewis R. Taylor
Dennis A. Tedder
Charles L. Teel, Jr.
Winfield J. Tench, Jr.
Arlan D. Tenkley
Teodoro R. Tenorio
Timmy J. Terrebonne
Robert A. Tessman
Bruce A. Thake
Duane D. Thiessen
James E. Thigpen
Gerald M. Thomas
Richard H. Thomas, Jr.
John H. Thompson
James W. Thompson
Robert H. Thorne
Gary D. Hrash
Robert Tiberg
Earl W. Timpe, Jr.
Paul R. Tippy
Leonard E. Todd, Jr.
Michael A. Toepfer
Edward R. Tokarz
Hunter G. Tolbert II
Steven J. Tomisek
Charles T. Tonkens
Alexander M. Torrance
Philip D. Tracy
George J. Trautman, III
Mitchell T. Triplett
Thomas J. Trudeau
John A. Turley
Jerry W. Turley
John R. Turner
Ronald H. Underdahl
Richard A. Urquhart
Charles M. Urtnowski
Thomas Uselding
Thomas M. Vanderhoof
Duane Vanfleet, Jr.
Lawrence R. Vanloan
Larry O. Vanmeter
Thomas G. Vaughn
Lagrant D. Velde
Terry L. Vermillion
William D. Vickers
Jose R. Villarta
Mark D. Vogt
James P. Voss
Joel M. Wade
Stephen E. Wagaman
John P. Wagemann
Lawrence E. Waggoner
Donald J. Wagner
Donald L. Wagner
Eugene E. Waldron, Jr.
Garry W. Walker
Joseph C. Walker
Martin W. Walker II
William C. Walker, Jr.
Walter J. Wallace
John F. Walsh, Jr.
John J. Walsh, Jr.
John T. Walsh
Robert J. Walters
Andrew L. Ward
Michael J. Warren
Michael G. Waters
Stephen P. Watson
George M. Weathersbee
Allan R. Weber
Ross L. Webster
Robert J. Weimann II
Donald L. Weiss
Eric W. Weiss
Walter F. Welch

Lawrence E. Welker
Buford G. Wells
Dean E. Wells
Robert M. Welter
Richard P. Wesseling
John R. Westbrook
David P. Westridge
Carl D. Westfall
William M. Wetherell
Clifton R. Weyeneth
Ralph L. Wheaton
James C. Wheeler, Jr.
Fred E. White
Gerald L. White
Walter L. Whitesides
Bruce A. Whomsley
Donald E. Wiggins
Edward G. Williams
Harry T. Williams
Willie J. Williams
Earnest W. Williamson
Raymond E. Willis
David F. Wills
Leonard D. Wilson
Robert E. Wilson, Jr.
Michael A. Windsor
Joseph J. Winer
Gary M. Winter
William E. Winter
Frederick B. Witesman II
Ronald L. Withrow
Richard L. Wolf
James Wong
Lee W. Wood
William E. Wood, Jr.
Dillard D. Woodson, Jr.
Robert O. Work
David L. Wright
William G. Wright
Kenneth D. Wrinkle
Gregory W. Wulf
David G. Yarrington
William M. Yates
Billie Young
Julius L. Young, Jr.
Richard H. Zales
Royce D. Zant II
Richard Zee
Anthony J. Zell
Richard C. Zilmer
Steven M. Zimmeck
Francis E. Zink, Jr.
Bernard W. Ziobro, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26, 1979:

DEPARTMENT OF STATE

Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

DEPARTMENT OF AGRICULTURE

James H. Williams, of Florida, to be Deputy Secretary of Agriculture.

COMMODITY CREDIT CORPORATION

James H. Williams, of Florida, to be a member of the board of directors of the Commodity Credit Corporation.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE NAVY

The following-named captains of the Reserve of the U.S. Navy for temporary promotion to the grade of rear admiral, in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, sections 5910 and 5912:

LINE

Nelson Otto Heyer
Robert Louis Zralek
William Henry Langenberg
Clarence Arthur Edward Johnson, Jr.

MEDICAL CORPS

Henry Turner Edmondson, Jr.

SUPPLY CORPS

Alexander Jackson, III.

CIVIL ENGINEER CORPS

Roy "L" Dunlap.

DENTAL CORPS

Charles Frederick Schreier, Jr.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Lee Baggett, Jr., U.S. Navy.

The following-named captain in the Nurse Corps of the Navy for appointment as the Director of the Navy Nurse Corps for a term of 4 years pursuant to title 10, United States Code, section 5140(a), and for temporary promotion to the grade of rear admiral pursuant to section 5767(c).

To be rear admiral

Capt. Frances Teresa Shea, Nurse Corps, U.S. Navy.

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

To be rear admiral

William A. Williams III
John L. Butts
William E. Ramsey
Paul T. Gillcrist
John D. Beecher
Lawrence Layman
Paul J. Mulloy
Charles B. Hunter
Albert A. Gallotta, Jr.
Austin B. Scott, Jr.
Lee E. Levenson
Paul W. Dillingham, Jr.
David L. Harlow
Jerry O. Tuttle
James R. Hogg
James W. Austin
Robert R. Fountain, Jr.
Charles R. Larson
James E. Elfelt
James K. Nunneley
David G. Ramsey
Raymond N. Winkel
Glen W. Lenox
Charles F. Horne III
Richard C. Avrit
Kleber S. Masterson, Jr.
William A. Cockerell, Jr.
Henry C. Mustin
Stephen J. Hostettler
George A. Aitcheson, Jr.
Byron B. Newell, Jr.
Ralph G. Bird
Richard C. Berry
Thomas F. Brown III
Edward A. Wilkinson, Jr.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general under the provisions of title 10, U.S. Code, sections 5769 and 5780:

Kenneth L. Robinson
Robert E. Haebel
Lawrence F. Sullivan
Francis X. Quinn
William H. Fitch
Alfred M. Gray, Jr.
Leo J. Leblanc, Jr.

The following-named officer of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, U.S. Code, sections 5769 and 5780:

Keith A. Smith.

PUBLIC HEALTH SERVICE

Public Health Service nominations beginning N. Burton Attico, to be medical director, and ending James J. Vucich, to be senior assistant health services officer, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Public Health Service nominations beginning Francis Caprio to be senior surgeon, and ending Francis P. Wagner, Jr. to be assistant health services officer, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE AIR FORCE

Air Force nominations beginning Arthur W. Magnuson, to be major, and ending Joseph Monroe, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 1979.

Air Force nominations beginning Richard N. Allen, to be lieutenant colonel, and ending Stanley Stewart, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 1979.

IN THE NAVY

Navy nominations beginning Robert P. Abbate, to be commander, and ending Louise C. Wilmot, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 31, 1979.

Navy nominations beginning Roy V. Aasen, to be lieutenant commander, and ending Margaret M. Zielinski, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 31, 1979.

Navy nominaitons beginning Lyle N. Aardahl, to be lieutenant, and ending Christine A. Zebrowski, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 31, 1979.

Navy nominations beginning Barry R. Smith, to be ensign, and ending Kenneth A. Schroeder, Jr., to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 31, 1979.

Navy nominations beginning Melvin D. Beck, to be commander, and ending Carl D. Raney, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 1979.

HOUSE OF REPRESENTATIVES—*Monday, February 26, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Almighty God, giver of all good grace, bless our coming together this day. May Your spirit enlighten us to a better understanding of the needs of all Your people.

Sensitive as we should be to immediate concerns, may we still see beyond the moment to anticipate the spirit and direction of the future.

Grant us always the vision as we look ahead to the opportunities of tomorrow, even as you grant us strength to face the demands of each new day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

A TRIBUTE TO THE LATE MINNIE BILANDIC, MOTHER OF CHICAGO'S MAYOR

(Mr. ROSTENKOWSKI asked and was given permission to address the

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

House for 1 minute and to revise and extend his remarks.)

Mr. ROSTENKOWSKI. Mr. Speaker, this weekend a fine woman passed away. That she was the mother of the mayor of Chicago is only one noteworthy aspect of her life—a life which reflects the strength and character of that generation of immigrants which made our city, and our country, what it is today.

Minnie Bilandic came to our country in 1921 from the Dalmation Coast of Croatia. Like so many of her generation, she sought a better life and the promise of prosperity that the America of the 1920's held out to peoples of the world. Soon after her arrival, Minnie, who had settled in the now-famous Bridgeport section of Chicago, and had found work as a seamstress, met and married Matthew Bilandic, a construction worker. These two Croation immigrants, as fate would have it, traveled half-way around the world to meet one another for the first time in this "new world" setting. Hard work, honesty, and commitment to their family epitomized their years together. Three sons and a daughter were raised in the warmth of the family home on South Union Street.

The devotion paid to her by her children is itself the best testimony of the love and respect in which she was held by those who knew her best. An intensely private woman, she was little known by the city that in 1977 overwhelmingly elected her eldest son mayor to fulfill the remaining years of the term of his friend and mentor, Mayor Daley. Although always choosing to remain far from the public eye, Minnie Bilandic nonetheless took great pride in the growth and accomplishments of her four children. The rise of her eldest child to become mayor of her adopted city was an accomplishment of which she was justly and immensely proud.

On behalf of the entire Chicago delegation I wish to express my sincere condolences to her family, Mayor Michael Bilandic and his wife Heather, her other sons Steve and Nick, and her daughter Eleanore in their time of intense personal loss.

□ 1205

FOOD STAMP PROGRAM

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, as I have for the past few weeks, I want to give another example today of an elderly person who is going to be suffering under the food stamp changes that will take place on March 1.

I am speaking of a 68-year-old woman, who is a cardiac patient, who receives a total income of $279 under social security and an $18 veterans' pension, for a total of $297 a month.

She pays $195 in rent, $25 in utilities, and $10 for her phone bill. Presently she receives $34 in food stamps. On the first of March, this will drop to $10 a month.

Mr. Speaker, I am holding a hearing tomorrow, in room 2257 in the Rayburn Building, at 10 o'clock, where we will have representatives of the senior organizations from around the United States in to tell us first hand what is happening. I welcome any Members who would like to join us in those hearings, and I know that they will be productive.

AIRLINE DEREGULATION ACT OF 1978

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, it is becoming more and more evident that the Airline Deregulation Act of 1978 is going to result in sad experiences for those of us who represent medium- and small-size communities.

Delta Air Lines has given my home town of Meridian, Miss., notice that they will cease service within 90 days. Delta indicates they are moving their personnel and equipment to larger markets even though it means Meridian will lose service to points West.

Delta Air Lines started out years ago as a crop-dusting outfit in Monroe, La. Meridian was one of their first passenger stops long before Delta had authority to serve New York, Boston, Chicago, or Washington.

Evidently Delta has forgotten their old friends—the towns which provided them the revenue to expand in later years. I want to warn my colleagues who represent small communities and have airline service: Don't be surprised when Delta and other airlines under the Airline Deregulation Act of 1978 pull out of your home town.

CUTTING COSTS AND LIVING WITHIN OUR MEANS

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I rise to express my very strong concern over the excessive costs in the funding resolutions for House committees. This body will vote on these resolutions today, and I urge my colleagues to oppose them.

I urge my colleagues to oppose the resolutions because I do not believe the amount of money being requested for these committees is in line with what ought to be our highest priority: Namely, cutting costs and living within our means.

Mr. Speaker, the people of the Lehigh Valley in Pennsylvania are aware the cost of Government has risen to extraordinary levels. The citizens of the Lehigh Valley have told me time and time again that Congress must curb its appetite to spend, spend, and then spend some more. If there is one message I have received from my constituents it is that we had better bring the cost of Government back to Earth before it is too late.

It seems to me that the best place to start doing that is right here in Congress, in this Chamber.

I am not suggesting, Mr. Speaker, that we should make cuts in such a way as to make it impossible for Congress to do its job and to serve the people who elected us. But, when I look at the amount of taxpayers' money being asked for in these budget resolutions, I do not see much of the belt-tightening Washington has been talking about.

The fact is that, in a Congress which already costs over $1 billion to operate, this particular bill we are asking the American people to pay, for House committees, is higher than it should be.

I realize that we cannot control inflation by cutting costs in just one area of Government alone. We have to do it in the bureaucracy as well as here on Capitol Hill. But, Mr. Speaker, if we do not start putting our money where our mouth is here and now, at the start of this 96th Congress, then I do not see how we can expect the American people to believe us when we talk about reducing inflation.

Mr. Speaker, these are my first remarks on the floor of the House of Representatives since I took office a short while ago. I think that shows how seriously I consider this matter of controlling the cost of Congress to be.

We in Congress are supposed to be leaders. We are supposed to be setting a good example. Passing a more sensible budget for our own committees would be a good place to start the belt-tightening that we have to do if we are ever to control inflation and earn the respect of the American people. So, I urge my colleagues to join me opposing these resolutions. Thank you, Mr. Speaker.

GOVERNMENT COMPETITION WITH SMALL BUSINESSES PROTESTED

(Mr. GRISHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRISHAM. Mr. Speaker, I would like to comment on an article I read in a local newspaper over the weekend stating that the Subcommittee on Services of the House Administration Committee has decided to get into the liquor business and compete with our local merchants.

On behalf of the independent and small businesses dealing with liquor in the District of Columbia, I protest. On behalf of all small businesses in the United States of America, as the backbone of our country, I protest the Government once again competing with private enterprise.

□ 1215

ANOTHER WHOPPING INCREASE IN PUBLIC DEBT CEILING IN PROSPECT

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, on Wednesday of this week, the Democrat administration and the Democrat big spenders in the House, will ask this body to approve still another whopping increase in the public debt ceiling. This time by $38 billion which would raise the ceiling from its current level of $798 billion to $836 billion. How long will this flim-flam of the American taxpayer continue? How long will the Democrat big spenders continue to spend this country deeper and deeper into the red? How long will the Democrat big spenders continue to turn a callous, deaf ear to the call from the American people to put an end to this traditional and reckless Democrat policy of spend and borrow and borrow and spend? Last Thursday, the Republican Policy Committee went on record unanimously as opposing this increase to bail out the Democrat big spenders. I challenge the thoughtful Democrats in this Chamber to join with Republicans on Wednesday and vote down H.R. 1894.

BETTER EDUCATION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, in yesterday's Washington Post I found an enlightening report from UPI. They were quoting a story out of Dallas that said blacks did better in the segregated schools than they did in the integrated schools.

The real question is not whether they are segregated or integrated but whether youngsters are able to go to school in their own neighborhood. What America needs is less tension and more friendship. The country needs more love and deeper understanding of God.

Last week, I heard an interesting educational authority discuss how to improve youngsters learning. He discussed the trend over the past 15 years where educational achievement has gone down every year. We all know that it was the past 15 years where the Federal Government has increased its involvement in setting up guidelines for local school boards.

The key point he brought out was the fact that Federal guidelines concentrate more and more on student mix. He said the emphasis should be on the learning level, so the teachers could help those who needed to concentrate on basics. The part of the class that were slow readers should be put in the same section. They should devote more time on reading and these sections of classes would concentrate very strongly on reading skills. They might also find that these sections were behind in math and they could spend more time on this math basic also. In modern education with Federal guidelines, there is too much concentration on the mix of the class and two things happen. The students that need more emphasis on basic skills are not given adequate time for educational training. The students with more advanced knowledge have the pace of the class slowed down to take care of the slower students.

For the advanced students it is similar to an old ship convoy during the days of the war. The convoy moved just as fast as the slowest ship, because they all stayed together.

Let us look at the educational achievement.

Below I quote the lead section of the UPI story in the Washington Post:

DALLAS, February 24.—Black elementary students in segregated schools showed significantly higher academic achievements than black children in integrated schools, according to a two-year study conducted by the Dallas Independent School District.

The study, dated August 1978, was not released until after the Supreme Court announced earlier this week that it would hear arguments in the long-standing DISD desegregation case.

District officials claimed pure coincidence in the timing of the release of the report and the Supreme Court announcement.

The study involved almost 2,000 students, and said that even after adjustments were made for a variety of possible statistical errors students in the virtually all black East Oak Cliff area outpaced black students in integrated intermediate schools desegregated in 1976 under a federal court order.

THE PANAMA CANAL ISSUE IS ALIVE AND UNWELL

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I would like to report to my colleagues that the Panama Canal issue is alive and unwell.

After 3 days of hearings in the Isthmus of Panama over the weekend, the subcommittee of which I have the honor to be the ranking member has discovered, first of all, that the express treaty terms are meaningless to the Panamanian Government. Based on statements made to us by Panamanian officials they are now claiming retroactive tax jurisdiction over all corporations and, by implication, all persons within the Panama Canal Zone; that all movable property now located at any point in the area which they will acquire on October 1 is to go to them and not to be moved out. That amounts to hundreds of millions of dollars worth of property.

They are also claiming that the tolls must be raised to whatever extent necessary to pay their fees despite the fact that the treaty says a large part of such payments are contingent on the canal operating at a profit.

Mr. Speaker, these statements were made to us by the official representatives of the Panamanian Government, including Ambassador Gabriel Lewis, who heads their Panama Canal Authority, as well as in discussions with their President, Aristides Royo.

Mr. Speaker, I think the House should look closely at the actions of our subcommittee and realize the need to write implementing legislation which will make the treaty absolutely clear and retain congressional control. Or, perhaps we should simply repeal them.

AN OPPORTUNITY TO CUT DOWN THE SIZE AND COST OF GOVERNMENT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, some of us were inclined on Wednesday, February 21, to request a rollcall vote be taken on the spending resolutions for financing the activities of certain House committees for this next year. An analysis of these proposed budgets was the main reason we were inclined to request a rollcall vote be taken and thought it might be helpful to share this analysis with you.

The committees, the House resolutions, the spending for last year and the recommended budget for next year are as follows:

House resolution number—committee	Spent 1978	Committee recommendation 1979	Percentage increase
H. Res. 35—Veterans Affairs	$273,246	$400,000.00	11
H. Res. 45—Small Business	646,787	752,650.00	14
H. Res. 50—Armed Services	464,831	677,000.00	31
H. Res. 85—Banking, Finance and Urban Affairs	2,260,187	2,444,600.00	7
H. Res. 87—House Administration	599,177	845,000.00	29
H. Res. 88—Ways and Means	1,768,826	2,000,000.00	11
H. Res. 91—Public Works and Transportation	1,632,831	1,870,000.00	12
H. Res. 92—Education and Labor	1,771,261	2,250,000.00	21
H. Res. 96—Permanent Select Committee Intelligence	756,873	927,401.99	18
H. Res. 98—Foreign Affairs	1,481,427	1,745,779.00	15

The House staff budget for 1968 was $44,700,000.00 In 1978 it was $167,700,000.00. Ten years ago there were 4,489 personal and committee staff members in Congress. This number rose to 13,276 in 1978.

Enclosed is a copy of a portion of an official publication of the House designated "Table III House Committee Staff Totals." The amount of staff in 1978 was penciled in based on the latest information available. It is obvious that a staff explosion has taken place in the House, at least since 1974, if not before. At this point to seriously talk about authorizing a spending resolution for a committee which reflects a growth in spending over last year of up to 31% raises very serious and profound questions.

The people of this country have been asked by the President to limit their pay increases to 7%. If the Congress approves these spending resolutions for the committees of the House, we are a long ways from setting an example for the people of this country.

Very truly yours,

WILLIAM E. DANNEMEYER,
Member of Congress.

TABLE 3.—HOUSE COMMITTEE STAFF TOTALS, 1947–77 (COMBINED STATUTORY AND INVESTIGATIVE STAFF)

[X—Not a standing committee for year in question]

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Agriculture	13	14	18	16	14	15	16	17	18	17	20	22	48	58	56	64
Appropriations	55	53	65	59	67	70	75	71	61	75	75	85	98	118	125	129
Armed Services	15	17	20	27	30	31	34	37	33	33	29	30	38	39	48	50
Banking	36	42	35	41	49	47	47	50	49	48	51	59	85	112	107	121
Budget	X	X	X	X	X	X	X	X	X	X	X	X	67	65	76	81
District of Columbia	10	11	10	10	16	18	14	15	15	20	34	37	43	54	38	40
Education and Labor	44	42	57	81	56	71	74	77	82	94	95	108	114	129	102	111
Government Operations	53	54	61	55	61	55	58	60	57	55	58	64	68	73	80	82
House Administration [1]	3	4	6	8	8	9	23	25	31	70	122	163	217	248	268	
Interior	10	10	13	14	14	14	14	14	19	26	38	31	57	58	64	73
Internal Security	52	55	57	52	51	48	49	51	55	51	42	42	27	X	X	
International Relations	16	17	17	17	18	20	20	21	32	35	36	41	54	64	93	105
Interstate and Foreign Commerce	29	37	31	32	36	32	39	42	46	44	56	58	112	138	130	1.5
Judiciary	48	46	37	34	30	27	35	35	39	35	44	172	69	84	84	89
Merchant Marine and Fisheries	9	9	9	10	19	19	22	21	23	27	22	22	28	34	62	72
Post Office and Civil Service	10	10	32	35	34	37	45	46	44	48	44	43	61	64	61	63
Public Works	55	54	39	36	37	35	36	40	47	54	64	72	88	101	88	82
Rules	4	4	3	5	5	6	6	7	6	6	7	9	18	26	24	28
Science and Technology	16	20	20	21	23	24	28	26	25	26	27	29	47	53	77	82
Small Business	X	X	X	X	X	X	X	X	X	X	X	X	27	31	39	43
Standards of Official Conduct	X	X	X	X	X	5	5	5	5	6	5	6	5	14	31	35
Veterans' Affairs	15	17	18	22	17	16	19	18	19	18	18	18	26	31	31	39
Ways and Means	22	23	23	19	23	22	22	24	23	28	31	32	83	86	92	92
Total, standing committees	515	539	571	594	608	621	681	702	729	817	918	1,143	1,460	1,680	1,776	.....
Total, select committees	18	49	26	22	26	20	48	70	47	61	68	35	31	54	238	.....
Total, all committees	533	586	597	616	634	641	729	772	776	878	986	1,178	1,491	1,734	2,014	.....

[1] For 1972 to present, figure includes employees of House Information Systems, the House of Representative's central computer facility and its predecessor organizations.

Sources: Committee staff employment lists from Congressional Record for years 1947–70; for succeeding Years, Report of the Clerk of the House. Figures show employment as of June 30 of each year, except for 1977 for which the reporting date was Sept. 30.

□ 1220

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:15 p.m. on Friday, February 23, 1979, and said to contain a message from the President wherein he transmits a report of the Director of the International Communication Agency on Plans for Expansion of the International Exchange-of-Persons Program.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

REPORT OF DIRECTOR OF INTERNATIONAL COMMUNICATIONS AGENCY ON PLANS FOR EXPANSION OF THE INTERNATIONAL EXCHANGE-OF-PERSON PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In response to Section 203 of the Foreign Relations Authorization Act (P.L. 95-426), I take this opportunity to inform you of the Administration's current plans to increase exchange-of-persons activities administered by the International Communications Agency (USICA). A significant expansion of financial support for these activities is contained in the FY 1980 budget submission for USICA. The Administration's review of the USICA-administered cultural and educational programs has also produced an agenda of important questions to be addressed in the year ahead. I enclose a detailed report on these matters provided to me by the Director of USICA.

As I stated in my message transmitting Reorganization Plan No. 2 of 1977: "Only by knowing and understanding each other's experiences can we find common ground on which we can examine and resolve our differences . . . As the world becomes more and more interdependent, such mutual understanding becomes increasingly vital." Because direct personal contact is such an effective and lasting form of communication, exchange-of-persons activities are fundamental to the achievement of these objectives.

Unfortunately, the vital long-term role played by these programs in our international affairs is too often obscured by more visible, more immediate, but frequently less fundamental matters. The recent administrative reorganization which established USICA affords an excellent opportunity to reexamine this important dimension of our international relations.

The reassessment is complex and difficult, but nonetheless essential to the development of a sound program. Because some critical data will require more time to collect, our reassessment will require a good deal of work beyond that already accomplished. However, some preliminary conclusions are reflected, already, in USICA's plans for FY 1979, its proposed budget for FY 1980, and planning levels for subsequent years.

Including domestic and overseas staff costs, the USICA FY 1979 budget for exchange programs is approximately $75 million. The FY 1979 allocation represents a program increase of $4,350,000 over FY 1978. Over sixty percent of the increase is allocated to already established programs with particular emphasis on projects involving African and Middle Eastern Countries. Initiatives being financed from increased funds include new projects with the People's Republic of China, the Hubert H. Humphrey Fellowship program, and additional counseling services for foreign students seeking admission to, or already attending, U.S. universities.

For FY 1980, an additional $4,450,000 is being proposed for the first full year of the Humphrey Fellowship program; an increase of $800,000 is being requested to extend and improve student counseling services; and an additional $350,000 is planned for exchanges with China.

For the period FY 1981–83, annual program increases of $5 million are currently being projected. The plan, thus, calls for a total increase in exchange programs of approximately $25 million over the period FY 1979–83. For this same period, further increases of over $30 million are projected to cover overseas costs increases.

This plan will, of course, be reevaluated on an annual basis. Final budget proposals and areas of priority emphasis will be subject to our continuing assessment of these programs, as well as to international developments and the Administration's over-all budgetary goals.

Finally, I should like to emphasize the Administration's readiness to work with the Congress on strengthening these programs. We need your counsel; we welcome your advice; we look forward to your support.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1979.*

SIXTY-FIRST ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE OF REPUBLIC OF ESTONIA

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, this past Saturday marked the 61st anniversary of the proclamation of independence of the Republic of Estonia. After centuries of foreign rule, Estonia was declared an independent country on February 24, 1918. A republican form of government was established, and soon afterward a constitution, modeled on those of Switzerland, France, and the United States, was adopted. In 1920 Soviet Russia signed a treaty of peace with the fledgling republic, renouncing all claims to Estonian territory. Estonia enjoyed freedom and independence for a scant 21 years, however. In 1939, violating the terms of their original agreement, the Soviet Union forcefully annexed Estonia, and by 1940 set up a puppet government there.

For the past 40 years Estonia has suffered arbitrary arrests, deportations, and executions. The people are oppressed and their human rights are violated. What is not subject to foreign domination, however, and what has emerged unscathed by the years of Soviet rule, is the freedom-loving spirit of the Estonian people. Like the men and women of the other captive Baltic States, Latvia and Lithuania, the people of Estonia and Estonians throughout the world continue to persevere, to struggle for the basic human rights to which they are entitled. On this occasion we in the United States reaffirm our commitment to the Estonian people, and to the rights promised them in the Helsinki accords, signed by our country and by the Soviet Union.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:15 p.m. on Friday, February 23, 1979, and said to contain a message from the President wherein he transmits a report on Preliminary Proposals on Initial Fuel Assurances.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

REPORT ON PRELIMINARY PROPOSALS ON INITIAL FUEL ASSURANCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

Pursuant to Section 104(b) of the Nuclear Nonproliferation Act of 1978, enclosed is a report on Preliminary Proposals on Initial Fuel Assurances.

As indicated in the Report, we are continuing our assessment of alternative fuel assurances schemes and will inform you of any proposals as these assessments are concluded. The current alternatives envision uranium stockpiles with size ranges between 2 million and 10 million separative work units. Present estimates of the costs for these program alternatives, based on the current market value of the uranium fuel and the enrichment services, are approximately a half billion to more than 2 billion dollars.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1979.*

□ 1225

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 5, rule I, the Chair will now put the question on the adoption of each resolution, on which further proceedings were postponed on February 21, 1979, in the order in which that resolution was considered.

Votes will be taken in the following order on which the yeas and nays were ordered: House Resolution 35; House Resolution 45; House Resolution 60; House Resolution 85; House Resolution 87; House Resolution 88; House Resolution 91; House Resolution 92; House Resolution 96; and House Resolution 98.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 35, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 35, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 267, nays 100, not voting 65, as follows:

[Roll No. 4]

YEAS—267

Abdnor
Addabbo
Akaka
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Aspin
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burgener
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conte
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Grassley
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Holland
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Patterson
Pease
Perkins
Peyser
Preyer
Price
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thompson
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NAYS—100

Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Butler
Campbell
Carney
Cavanaugh
Cheney
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Dornan
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Frenzel
Gingrich
Glickman
Goodling
Gradison
Green
Grisham
Hagedorn
Hansen
Hinson
Holt
Hopkins
Jacobs
Jeffries
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Luken
Lungren
McClory
McDonald
Marlenee
Marriott
Martin
Miller, Ohio
Moorhead, Calif.
Mottl
Panetta
Pashayan
Paul
Pritchard
Quayle
Railsback
Regula
Rhodes
Ritter
Robinson

Roth
Rousselot
Rudd
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Snowe
Solomon
Stangeland
Stockman
Symms
Tauke
Thomas
Treen
Vander Jagt
Walker
Whitehurst
Whittaker
Wydler

NOT VOTING—65

Albosta
Anderson, Calif.
Anderson, Ill.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Boland
Bonker
Burlison
Burton, John
Chappell
Cleveland
Conyers
Cotter
Crane, Philip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Early
Emery
Evans, Ind.
Flood
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
McCormack
McEwen
McKinney
Mavroules
Michel
Myers, Pa.
O'Brien
Oakar
Patten
Pepper
Pickle
Pursell
Roberts
Smith, Nebr.
St Germain
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1240

Mr. HORTON changed his vote from "nay" to "yea."

Mr. CAVANAUGH changed his vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1245

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5(b)(3) of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all of the additional resolutions.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON SMALL BUSINESS

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 45, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 45, as amended, on which the yeas and nays are ordered.

The question was taken by electronic device; and there were—yeas 266, nays 94, not voting 72, as follows:

[Roll No. 5]

YEAS—266

Abdnor
Addabbo
Akaka
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Aspin
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conte
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Devine
Diggs
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Grassley
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harris
Harsha
Heckler
Hefner
Hightower
Holland
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCloskey
McDade
McHugh
McKay
Maguire
Markey
Marks
Marriott
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Ottinger
Panetta
Patterson
Pease
Perkins
Peyser
Preyer
Price
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thompson
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—94

Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bailey
Bauman
Bereuter
Bethune
Broomfield
Burgener
Carney
Cavanaugh
Cheney
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Derwinski
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Frenzel
Gingrich
Glickman
Goodling
Gradison
Green
Grisham
Hansen
Hillis
Hinson
Holt
Hopkins
Jeffries
Kelly
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lujan
Lungren
McClory
McDonald
Madigan
Marlenee
Martin
Miller, Ohio
Mitchell, N.Y.
Moffett
Moorhead, Calif.
Mottl
Myers, Ind.
Paahayan
Paul
Pritchard
Quillen
Regula
Rhodes
Ritter
Roth
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Symms
Thomas
Treen
Walker
Whittaker
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—72

Albosta
Anderson, Calif.
Anderson, Ill.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Boland
Bonker
Broyhill
Burlison
Burton, John
Chappell
Cleveland
Conyers
Cotter
Crane, Philip
de la Garza
Deckard
Dickinson
Dicks
Dingell
Dodd
Donnelly
Early
Emery
Evans, Ind.
Flood
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
Kemp
Kogovsek
McCormack
McEwen
McKinney
Mavroules
Michel
Myers, Pa.
O'Brien
Oakar
Obey
Patten
Pepper
Pickle
Pursell
Roberts
Smith, Nebr.
St Germain
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1250

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON ARMED SERVICES

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 60, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 60, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 256, nays 103, not voting 73, as follows:

[Roll No. 6]

YEAS—256

Abdnor
Addabbo
Akaka
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Aspin
Badham
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Corman
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derwinski
Devine
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hammer-schmidt
Hance
Harris
Harsha
Hefner
Heftel
Hollenbeck
Holtzman
Jeffords
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lujan
Luken
Lungren
McClory
McDonald
Madigan
Marlenee
Martin
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Pritchard
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Snowe
Solomon
Stangeland
Stockman
Symms
Tauke
Volkmer
Walker
Weaver
Whittaker
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—73

Albosta
Anderson, Calif.
Anderson, Ill.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Boland
Bolling
Bonker
Broyhill
Burlison
Burton, John
Chappell
Cleveland
Coelho
Conyers
Cotter
Crane, Philip
de la Garza
Derrick
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Fenwick
Flood
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
Kemp
Kogovsek
McCormack
McEwen
McKinney
Madigan
Mavroules
Michel
Myers, Pa.
O'Brien
Oakar
Obey
Patten
Pepper
Pickle
Pursell
Roberts
Smith, Nebr.
St Germain
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1255

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 85, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 85, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 249, nays 121, not voting 62, as follows:

[Roll No. 7]

YEAS—249

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Aspin
Bailey
Barnard
Barnes
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burton, Phillip
Butler
Byron
Campbell
Carr
Cavanaugh
Cheney
Chisholm
Clay
Coelho
Collins, Ill.
Corman
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Grassley
Gray
Gudger
Hall, Ohio
Hamilton
Hance
Harris
Heckler
Hefner
Hightower
Hinson
Holland
Horton
Howard
Hubbard
Hutto
Hyde
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McDade
McHugh
McKay
Markey
Marks
Marriott
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Perkins
Peyser
Preyer
Price
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—121

Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, R.I.
Bennett
Bethune
Broomfield
Brown, Ohio
Burgener
Carney
Carter
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dornan
Early
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Fenwick
Findley
Fish
Forsythe
Fowler
Frenzel
Gingrich
Goodling
Gradison
Green
Grisham
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Hillis
Holt
Hopkins
Huckaby
Hughes
Ichord
Jacobs
Jeffries
Jones, N.C.
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Livingston
Loeffler
Lott
Lujan
Lungren
McDonald
Maguire
Marlenee
Martin
Mavroules
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Schroeder
Schulze
Sebelius
Sensenbrenner
Shuster
Snowe
Snyder
Solomon
Spence
Stangeland
Stockman
Stump
Symms
Taylor
Thomas
Treen
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—62

Albosta
Anderson, Calif.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Boland
Bonker
Burlison
Burton, John
Chappell
Cleveland
Conyers
Cotter
Crane, Philip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Flood
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
McCormack
McEwen
McKinney
Madigan
Michel
Myers, Pa.
O'Brien
Oakar
Patten
Pepper
Pickle
Pursell
Roberts
Smith, Nebr.
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1305

Mr. CONTE and Mr. FOWLER changed their vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1310

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 87, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 87, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 253, nays 119, not voting 60, as follows:

[Roll No. 8]

YEAS—253

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Aspin
Bailey
Barnard
Barnes
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conte
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Grassley
Gray
Gudger
Hall, Ohio
Hamilton
Hammer-schmidt
Hance
Harris
Harsha
Heckler
Hefner
Hightower
Holland
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McDade
McHugh
McKay
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Rallsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thompson
Udall
Van Deerlin
Vanik
Vento
Volkmer
Wampler
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—119

Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, R.I.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cavanaugh
Cheney
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dornan
Early
Edgar
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Fenwick
Fish
Frenzel
Glickman
Goodling
Gradison
Green
Grisham
Hagedorn
Hall, Tex.
Hansen
Hillis
Hinson
Holt
Hopkins
Hubbard
Jeffries
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Madigan
Marlenee
Marriott
Martin
Mavroules
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Pritchard
Quayle
Regula
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Snowe
Solomon
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Thomas
Treen
Vander Jagt
Walgren
Walker
Watkins
Whittaker
Winn
Wylie
Young, Fla.

NOT VOTING—60

Albosta
Anderson, Calif.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Bonker
Burlison
Burton, John
Chappell
Cleveland
Conyers
Cotter
Crane, Philip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Foley
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
McCormack
McEwen
McKinney
Michel
Myers, Pa.
O'Brien
Oakar
Patten
Pepper
Pursell
Roberts
Smith, Nebr.
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1315

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON WAYS AND MEANS

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 88, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 88, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 122, not voting 68, as follows:

[Roll No. 9]

YEAS—242

Abdnor
Addabbo
Akaka
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Aspin
Bailey
Barnard
Barnes
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chisholm
Clausen
Clay
Collins, Ill.
Corman
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Devine
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Harris
Hefner
Hightower
Holland
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, Md.
Lowry
Luken
Lundine
McDade
McHugh
McKay
Madigan
Markey
Mathis
Matsui
Mattox
Mazzoli
Mica
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Perkins
Peyser
Preyer
Price
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Slack
Smith, Iowa
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Stump
Swift
Synar
Taylor
Thompson
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—122

Ambro
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Brown, Calif.
Brown, Ohio
Burgener
Carney
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Dannemeyer
Davis, Mich.
Deckard
Dornan
Early
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Fowler
Frenzel
Gingrich
Glickman
Goodling
Gradison
Grassley
Green
Grisham
Hagedorn
Hammer-schmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Holt
Hopkins
Hubbard
Hughes
Jacobs
Jeffries
Jenkins
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Marriott
Martin
Mavroules
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Pashayan
Paul
Pickle
Pritchard
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roth
Rousselot
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Skelton
Snowe
Solomon
Spence
Stangeland
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Vander Jagt
Walgren
Walker
Whittaker
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—68

Albosta
Anderson, Calif.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Bonker
Burlison
Burton, John
Chappell
Cleveland
Coelho
Conyers
Cotter
Crane, Philip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ga.
Evans, Ind.
Flood
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Ichord
Jeffords
Long, La.
McCloskey
McCormack
McEwen
McKinney
Maguire
Marks
Marlenee
Michel
Myers, Pa.
O'Brien
Oakar
Patten
Pepper
Pursell
Roberts
Smith, Nebr.
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wirth
Young, Mo.

□ 1320

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1325

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 91, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 91, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 267, nays 98, not voting 67, as follows:

[Roll No. 10]

YEAS—267

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Aspin
Bailey
Barnard
Barnes
Beard, Tenn.
Bedell
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chisholm
Clausen
Clay
Clinger
Collins, Ill.
Corman
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Devine
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Grassley
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harsha
Heckler
Hefner
Hightower
Holland
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
LaFalce
Lagomarsino
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McClory
McCloskey
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rallsback
Ratchford
Reuss
Richmond
Rinaldo
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Shelby
Shuster
Simon
Slack
Smith, Iowa
Snyder
Solarz
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thompson
Udall
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—98

Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, R.I.
Bereuter
Bethune
Broomfield
Burgener
Carney
Cheney
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Dornan
Early
Erdahl
Erlenborn
Evans, Del.
Fish
Forsythe
Frenzel
Gingrich
Glickman
Goodling
Gradison
Green
Grisham
Hagedorn
Hansen
Hillis
Hinson
Holt
Hopkins
Hubbard
Jacobs
Jeffries
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Latta
Leach, Iowa
Lee
Loeffler
Lujan
Lungren
McDonald
Marlenee
Marriott
Martin
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Mottl
Pashayan
Paul
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Roth
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Skelton
Snowe
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Thomas
Treen
Vento
Walker
Whittaker
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—67

Albosta
Anderson, Calif.
Anthony
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Bellenson
Bonker
Burlison
Burton, John
Chappell
Cleveland
Coelho
Conyers
Cotter
Crane, Philip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Flood
Ford, Mich.
Garcia
Giaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Harris
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
McCormack
McEwen
McKinney
Michel
Mineta
Murphy, N.Y.
Myers, Pa.
O'Brien
Oakar
Patten
Pepper
Pursell
Roberts
Rodino
Smith, Nebr.
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1330

So the resolution, as amended, was agreed to. The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON EDUCATION AND LABOR

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 92, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 92, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic de-

vice, and there were—yeas 201, nays 171, not voting 60, as follows:

[Roll No. 11]

YEAS—201

Addabbo
Akaka
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Aspin
Bailey
Beard, R.I.
Bedell
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clay
Coelho
Collins, Ill.
Corman
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Diggs
Dixon
Dougherty
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Grassley
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harris
Heckler
Hefner
Hightower
Hillis
Holland
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lloyd
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKay
Markey
Marks
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Pease
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Seiberling
Shannon
Shelby
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Udall
Van Deerlin
Vanik
Vento
Wampler
Watkins
Waxman
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Yatron
Zablocki
Zeferetti

NAYS—171

Abdnor
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cavanaugh
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dornan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Fountain
Fowler
Frenzel
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Green
Grisham
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Heckler
Hefner
Hillis
Holt
Hopkins
Horton
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
Martin
Mavroules
McClory
McDade
McDonald
Madigan
Maguire
Marlenee
Marriott
Miller, Ohio
Miniish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Panetta
Pashayan
Paul
Pritchard
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Santini
Satterfield
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Slack
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Vander Jagt
Volkmer
Walgren
Walker
Weaver
Whitehurst
Whittaker
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—60

Albosta
Anderson, Calif.
Ashbrook
Ashley
Atkinson
AuCoin
Baldus
Barnes
Beilenson
Bonker
Burlison
Burton, John
Chappell
Cleveland
Conyers
Cotter
Crane, Phillip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Flood
Garcia
Glaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Harkin
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
Leach, La.
Long, La.
McCormack
McEwen
McKinney
Michel
Myers, Pa.
O'Brien
Oakar
Patten
Pepper
Pursell
Roberts
Smith, Nebr.
Traxler
Trible
Ullman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1335

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 96, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 96, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 272, nays 101, not voting 59, as follows:

[Roll No. 12]

YEAS—272

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Aspin
Badham
Bailey
Barnard
Barnes
Bedell
Benjamin
Beard, R.I.
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Corman
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, S.C.
Dellums
Derwinski
Devine
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Gonzalez
Gore
Grassley
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harris
Heckler
Hefner
Hightower
Hillis
Holland
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Treen
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—101

Andrews, N. Dak.
Applegate
Archer
Bafalis
Bauman
Beard, R.I.
Bennett
Bereuter
Bethune
Bonior
Burgener
Carney
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Dannemeyer
Davis, Mich.
Deckard
Dornan
Edwards, Okla.
Erdahl
Evans, Del.
Fenwick
Fish
Forsythe
Frenzel
Glickman
Goodling
Gradison
Green
Grisham
Hagedorn
Hansen
Harsha
Hinson
Holt
Hopkins
Jeffries
Jones, Okla.
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lott
Lujan
Lungren
Marlenee
Marriott
Martin
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Panetta
Pashayan
Paul
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Runnels
Santini
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Slack
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Vander Jagt
Walgren
Walker
Weaver
Weiss
Whitehurst
Whitley
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—59

Albosta
Anderson, Calif.
Ashley
Atkinson
AuCoin
Baldus
Beilenson
Bonker
Burlison
Burton, John
Chappell
Cleveland
Coelho
Conyers
Cotter
Crane, Philip
de la Garza
Derrick
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Flood
Ford, Mich.
Garcia
Glaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
Leach, La.
Long, La.
McCormack
McEwen
McKinney
Michel
Myers, Pa.
O'Brien
Patten
Pepper
Pursell
Roberts
Smith, Nebr.
Traxler
Trible
Ullman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1340

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON FOREIGN AFFAIRS

The SPEAKER. The unfinished business is the question of agreeing to the resolution, House Resolution 98, as amended.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution, House Resolution 98, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 135, not voting 58, as follows:

[Roll No. 13]

YEAS—239

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Aspin
Bailey
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hamilton
Hance
Harris
Hefner
Hightower
Holland
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McHugh
McKay
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Railsback
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Treen
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—101

Andrews, N. Dak.
Applegate
Archer
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Erdahl
Evans, Del.
Fenwick
Fish
Forsythe
Frenzel
Gephardt
Gingrich
Glickman
Goodling
Gradison
Green
Grisham
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Holt
Hopkins
Hubbard
Ichord
Jacobs
Jeffries
Jenkins
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Marlenee
Marriott
Martin
Mavroules
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Pritchard
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Runnels
Santini
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Slack
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Vander Jagt
Walker
Watkins
White
Whittaker
Wilson, C. H.
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—58

Albosta
Anderson, Calif.
Ashley
Atkinson
AuCoin
Baldus
Bonker
Burlison
Burton, John
Chappell
Cleveland
Conyers
Cotter
Crane, Philip
de la Garza
Dickinson
Dicks
Dingell
Dodd
Donnelly
Emery
Evans, Ind.
Flood
Garcia
Glaimo
Goldwater
Gramm
Guarini
Guyer
Hanley
Hawkins
Heftel
Hollenbeck
Holtzman
Jeffords
Leach, La.
Long, La.
McCormack
McEwen
McKinney
Michel
Myers, Pa.
O'Brien
Patten
Pepper
Pursell
Rangel
Roberts
Smith, Nebr.
Stack
Traxler
Trible
Ullman
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Mo.

□ 1350

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO STRIKE NAME FROM LIST OF COSPONSORS OF H.R. 1520

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent that my name be stricken from the list of cosponsors of H.R. 1520.

H.R. 1520 was introduced in the House of Representatives on January 25, 1979. Apparently, a clerical error was made at that time which resulted in my name being added to the list of cosponsors instead of the name of the gentleman from Guam. Because of the similarity of pronunciation of our names it is understandable that such an error could be made, and I am pleased that passage of House Resolution 86 in the 95th Congress amended the Rules of the House of Representatives to provide the means for correction of such errors.

A PROPOSED AMENDMENT TO THE U.S. CONSTITUTION TO BALANCE THE FEDERAL BUDGET

(Mr. WHITE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WHITE. Mr. Speaker, about 10 days ago, on February 15, I, both as the Representative of the 16th Congressional District of Texas and as the chairman of the Democratic Research Organization, along with 44 cosponsoring Members of the House and DRO, introduced House Joint Resolution 213, a proposed constitutional amendment to make a balanced Federal budget the norm in the management of the Nation's fiscal affairs. We joined in this effort for two significant reasons. First, we are convinced that passage of this amendment would have a salutary effect on the Nation's economic well-being. And, second, as elected representatives of the American people, all Members of the House must recognize—as the 45 cosponsors do—that the American people are strongly in support of such an effort. Therefore, I have written letters to all my colleagues in the House urging them to join with us in cosponsoring this resolution. It will be necessary to mount a unified effort behind a single

balanced budget concept with as many cosponsors as possible if we are to expect fruitful legislative action in harmony with public sentiment.

Let me address the second reason we undertook this effort at this time first. Simply stated, while DRO has been studying this problem since 1975, we are introducing this amendment at this time because the time is right. As we now clearly recognize, the American public is convinced that adoption of an amendment to balance the Federal budget is a major step on the road to solving the Nation's economic problems. This is becoming ever more apparent. About a month ago, between January 23 and January 26, according to the New York Times, the Times and CBS conducted a poll which dealt with this question. The Times reports that "the proposed budget-balancing amendment has a remarkable uniform level of support across the country and demographically." Specifically, the poll shows that:

Seventy-two percent of the Republicans interviewed favored the idea, and so did 74 percent of the Democrats. Among those interviewed who described themselves as liberals, 77 percent favored the idea, and so did 78 percent of those who said they were conservatives. Over all, 73 percent of those interviewed said they approved of the proposed amendment and 16 percent disapproved.

This overwhelming public sentiment in favor of an amendment to balance the budget was reaffirmed in a poll taken by the Associated Press and NBC about 3 weeks ago, on February 5 and 6. This poll showed that 70 percent of the American public favors a balanced budget amendment. Moreover, 71 percent of the interviewees responded that wiping out waste would balance the budget. In other words, the public believes that it would not be necessary to cut programs in order to balance the budget if the waste would only be eliminated. I suspect there is a good deal of truth in this.

But whether this view is correct or not, as representatives of the American people, our response to this overwhelming sentiment should be clear. We should adopt a constitutional amendment to make a balanced Federal budget the norm and submit it to the States for their approval.

This obligation on our part is reinforced by the recognition that adoption of this amendment would have a salutary effect on the Nation's economy. For 17 of the past 18 years the United States has run budget deficits at the Federal level. It is our opinion that this kind of fiscal irresponsibility must be curbed. We have no alternative but to reinforce the budgetary process by making balanced Federal budgets the norm. As I noted in an earlier statement on this matter, we are joined in this assessment by the former chairman of the Federal Reserve Board, Arthur Burns. In a recent interview with Public Opinion magazine Dr. Burns had this comment. Again, I quote Dr. Burns:

I think we need to introduce some firm discipline into the management of fiscal affairs. Simple majority government had led us into the position in which we now find ourselves—with deficits persisting year in and year out, with inflation itself accelerating in this country at a time when the rate of inflation is diminishing in most other parts of the world. The legislating of deficits by simply majority rule has led to a depreciation of the dollar in foreign exchange as well as in domestic markets. It has led to great uncertainties about the future of free enterprise in our country. It has led also to a lowering of our national prestige.

Whether the rule should be a two-thirds majority in order to run a deficit, or a 60 percent majority, I don't much care. But in view of the experience that we have gone through, something more than a bare majority is needed to regain responsibility in financial and economic management.

The cosponsors of this amendment have tried to do just that—provide for the restoration of responsibility in financial and economic management, while at the same time providing flexibility so that the Federal Government does not find itself in an untenable position. Our amendment provides exceptions to the balanced budget norm in two cases: first, specifically for a congressionally declared state of war; and, second, for any other reason when determined by a two-thirds affirmative vote in both Houses of Congress. Critics of the balanced budget proposal have argued that an amendment without exceptions would provide a fiscal straitjacket, and that attempts to specifically define national emergencies would be too difficult. We agree. We make no attempt to define specific exceptions, but rather provide a procedure for a general exception whenever a two-thirds affirmative vote enacts a discretionary budget deficit. (The disposition of unanticipated budget deficits is also provided for.) The limitations in this amendment are strictly procedural and are self-enforcing. They allow Congress to legislate as it wishes, provided the votes are there.

But, as we noted, we think these procedural limitations would be salutary. Many of us are convinced that it is absolutely essential that the Nation's fiscal affairs be set in order. And for whatever reasons—they seem to have to do with the coalescing of localized, particular political demands—both the executive branch and the Congress have been unable to get a grip on the continuing problems of budgetary deficits. Therefore, we believe that these pressures will be less intense if the Congress has a built-in incentive to assure that spending decisions are made within the context of available revenues unless there is a substantial need—shown by receiving the affirmative approval of two-thirds of both Houses—to depart from the norm.

To this end, I am pleased to advise that in a February 7 press release the chairman of the House Judiciary Committee announced that the committee will hold hearings on the budget balancing amendments. The chairman said he "will not be rushed" and that the hearings must be "thorough . . . deliberate . . . and comprehensive." We agree, but we also think that the chairman must schedule hearings at an early date because the House must not fall too far behind the public on this issue.

Mr. Speaker, the following is House Joint Resolution 213:

H.J. Res. 213

Joint Resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years of the date of the final passage of this joint resolution:

"Article —

"Section 1. Except as provided in section 2, the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such year to the end that the level of the national debt in the hands of the public is not increased.

"Sec. 2. The provisions of sections 1 and 3 shall not apply to any fiscal year—

"(1) if, at any time during such fiscal year, the United States is in a state of war declared by the Congress, or

"(2) if, with respect to such fiscal year, the Senate and the House of Representatives determine, by an affirmative vote of two-thirds of the Members present and voting of each House, to suspend the application of such section of this article.

"Sec. 3. Except as provided in section 4, the amount of any unanticipated deficit in any fiscal year shall, upon its determination, be considered an expenditure of the United States for the first fiscal year following the fiscal year in which such amount is determined to exist. If the amount of such deficit exceeds 2 per centum of the level of total expenditures of the United States for such first following fiscal year, the Congress shall provide for a corresponding increase in the level of total receipts of the United States for such first following fiscal year.

"Sec. 4. The Congress may, in any fiscal year—

"(1) by an affirmative vote of a majority of the Members present and voting of each House, apportion the amount of any unanticipated deficit, upon determination of its existence, or any part thereof, for such fiscal year as an expenditure of the United States over one or more of the four fiscal years following the fiscal year in which such deficit is determined to exist, or

"(2) by an affirmative vote as prescribed in section 2(2), include such deficit or any part thereof in the debts of the United States.

"Sec. 5. The Congress shall have the power to carry out the terms of this article by appropriate legislation.

"Sec. 6. This article shall take effect on the first fiscal year which begins more than three fiscal years after the date of ratification of this article.".

Mr. Speaker, I wish to include the following explanation:

AN EXPLANATION OF HOUSE JOINT RESOLUTION 213, A PROPOSED AMENDMENT TO THE U.S. CONSTITUTION TO BALANCE THE FEDERAL BUDGET

The purpose of this proposed amendment to the U.S. Constitution is to make a balanced Federal budget the norm. Simply stated, the amendment establishes the deliberate, systematic balancing of outlays with receipts as the appropriate standard in Federal fiscal management.

While the amendment contemplates a balanced budget under most circumstances, it recognizes that conditions may require deliberate, discretionary departures from the norm. In time of war, balanced budgets are neither feasible nor desirable. Thus, during time of war declared by Congress, the balanced budget provisions are not binding. Moreover, even in peacetime, circumstances may justify a deliberate departure from budgetary balance. Therefore, the amendment allows Congress to anticipate and provide for a departure from the balanced budget norm based upon an affirmative two-thirds vote of the Members present and voting in each House of Congress. In other words, budgetary flexibility is provided whenever conditions lead Congress, by a two-thirds affirmative vote in each House, to waive the balanced budget norm for that fiscal year. Rather than providing specific exceptions to the balanced budget norm, the amendment provides this general exception dependent only upon the judgment of a two-thirds vote in both Houses.

Further, it is recognized that, on occasion, realized tax receipts during a year may be less than expected and passive deficits will emerge. The amendment provides several procedures for dealing with such unanticipated deficits. The first alternative is that such unexpected deficits, once determined, be considered an expenditure in the budget for the first year following the determination of a deficit. A second alternative provides that Congress may, by majority vote, apportion all or part of the unexpected deficit in the budget(s) over one or more of the 4 following fiscal years. However, in the event the unexpected or the reapportioned deficit exceeds 2 percent of total expenditures of the budget to which it has been allotted, the amendment requires that Congress provide for a corresponding increase in tax revenues. Alternatively, upon a two-thirds vote of the Members present and voting in each House, the Congress may elect to include such unanticipated deficit, or any portion thereof, in the Federal debt rather than treat it as a budget expenditure in the following fiscal year(s).

The amendment also provides that Congress is specifically empowered to implement the terms of this proposed amendment by enactment or repeal of any legislation or statute deemed appropriate. Lastly, the amendment provides for an orderly transition to a balanced Federal budget by prescribing that it goes into effect 3 full years after ratification.

Thank you, Mr. Speaker.

THE MARK HANNA SOCIETY

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, there are so many political action organizations in this country that one might imagine there was not room for yet another. However, an appeal which fell into my hands today has changed my mind. There is indeed room for one more. It is called the Mark Hanna Society.

According to this fundraising letter, "the Republican membership of Congress has become too big and too bloated and too soft" and should be cut back.

The organization proposes, in the name of ideologically pure republicanism, to target 15 incumbent Republicans for defeat in the 1980 elections. Who can argue with that?

The letter also makes the observation that—

Those who do not live in the past are condemned to repeat it, as evidenced by the experience of the Democratic Party since the days of the New Deal.

How true it is. Refusing to live in the past, the Democratic Party has been saddled with majorities in the Congress for 46 of the last 50 years.

Ideological purity is precisely what my colleagues across the aisle must strive for. The Mark Hanna Society is right. It seems particularly appropriate that Mark Hanna, that paragon of 19th century politics, lend his name to the new society.

It is my understanding that the author of this splendid letter is a member of the staff of my esteemed colleague, the gentleman from Ohio, Mr. Kindness. In hiring this bright young fellow, Congressman Kindness has performed a service to the public discourse.

The grand old minority party is not often accused of either sublety nor satire. But I think all my colleagues on both sides of the aisle will agree that the Mark Hanna Society letter proves that although the GOP may have experienced grave difficulty in ridding itself of these 15 excess members, it has not entirely lost its capacity for self-examination or its sense of humor. Following is a copy of the letter:

The Mark Hanna Society,
Washington, D.C.

"Those who do not live in the past are condemned to repeat it."

Dear Fellow American: This may be the most important letter you receive this year.

Why a Mark Hanna Society?

During the past few years, the Grand Old Party, the party of Mark Hanna, has demonstrated an alarming insensitivity to the principles which freedom loving Americans hold dear.

Frankly, the party seems obsessed with numbers, pursuing such unworthy and superficial goals as achieving a Republican majority in the Congress in a time when millions of Americans are contemplating the teachings of Burke and Hamilton which are so relevant in the context of today's problems.

What I'm trying to say is very simply this: If there's one thing the American people want from their elected officials today it is perfect adherence to conservative principles.

In the words of one of our most successful adherents, ". . . moderation in the pursuit of justice is no virtue."

The members of the Mark Hanna Society believe that those who do not live in the past are condemned to repeat it, as evidenced by the experience of the Democratic Party since the days of the New Deal.

Some would point to sporadic Democratic victories at the polls as an indication that flexibility produces significant political results; but the "successes" are statistically negligible and ideologically meaningless.

In case there is any doubt as to what the Mark Hanna Society represents, allow me to illustrate by outlining our strategy for the forthcoming congressional elections. There are those who would note that the Republican party is outnumbered nearly two-to-one in the U.S. House Representatives.

But only the discerning will examine just what the Republican membership of Congress really means.

Why? Because the Republican membership of Congress represents a wide range of political thought.

That may sound like a good way to broaden a party's base and elect more Republicans to Congress, but it certainly makes for a lot more work in fashioning ratings. And, more importantly, the American people are confused as to what the Republican party stands for.

For instance, when was the last time you heard the G.O.P. referred to as the "party of Hoover"? When was the last time you heard someone say the Republican party was in favor of child labor? When did you last hear someone call the G.O.P. the party of strikebusters? When was the last time someone called Republicans "wooden soldiers of the status quo"?

The American people are confused as to what the Grand Old Party represents. And that's why the Mark Hanna Society is so important.

Because the members of the Mark Hanna Society believe it should mean something to be a Republican, and in an effort to pump some life back into the G.O.P., we are targeting fifteen incumbent Republican Members of Congress for defeat in the 1980 elections.

The timid and unimaginative among us will insist that more Republicans are needed in Congress, but such a gimlet-eyed view of the electoral process (we at M.H.S. call it "adding machine strategy") has very nearly brought our beloved party to its knees.

My fellow American, these are exciting times. It will take a lot of hard work and money to sandbag fifteen incumbent Republicans. The Republican leadership likes to protect its own, regardless of the broader philosophical implications. But there just isn't room for "moderation in the pursuit of justice," at least not in a Republican party of which we can be proud.

If you believe, as we do, that the Republican membership of Congress has become too big and too bloated and too soft, won't you join us now by becoming a charter member of the Mark Hanna Society.

The members of the Mark Hanna Society have never believed there was any relationship between the value of an ideal and whether it could gain acceptance in the marketplace. But because we need to start now in order to defeat fifteen incumbent Republican Members of Congress, we're resisting our introverted impulses and inviting you to join.

All you need to do is send a check for $100.00, payable to the George Washington University (where our executive director is

studying geology in order to gird himself for the battle ahead), along with an affidavit affirming your adherence to the principles of the Mark Hanna Society.

The Mark Hanna Society supports Americanism; and opposes gun laws, flouride, welfare, the Panama Canal Treaties, SALT I, SALT II, Morton's Table Salt (When It Rains, It Pours), clean air, marijuana, airplane glue, illegal aliens, acne, consumerism, the Nineteenth Amendment, free love, gay rights, and the disintegration of the family unit.

What will you receive in exchange for your contribution? A wallet sized membership card bearing a printed reproduction of the signature of an obscure Member of Congress, a flood of mail from the Richard A. Viguerie Company, a color photograph of Ronald Reagan, and the music and words to "Look for the Right Wing Label."

And, of course, the satisfaction of knowing that America is secure so long as her vigilant sons and daughters are rumbling on the right.

Remember, those who do not live in the past are condemned to repeat it.

Won't you take a moment now to invest in our Nation's future? Please drop a check in the mail and become a Charter Member of the Mark Hanna Society.

Yours for a better America,

WILLIAM REID MCKENNEY,
Executive Director.

□ 1210

ASSAULTS ON INTELLIGENCE AGENCIES HAVE DESTROYED MORALE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, a high-ranking former U.S. intelligence official has told the Arizona Republic that repeated attacks against our intelligence agencies have destroyed their morale.

The official was quoted as saying that intelligence agents were reluctant to pass on known valuable information about the Reverend Jim Jones and his People's Temple cult, because of recriminations against their colleagues who had loyally performed similar intelligence gathering in the past under instructions from superiors.

Mr. Speaker, this is a most serious situation.

Congress must do its part to help reestablish the morale and effectiveness of our intelligence agencies.

This includes extreme care in the consideration of any legislative actions that might further undermine or weaken the ability of the Central Intelligence Agency or the Federal Bureau of Investigation to perform their intelligence functions in the national interest.

I would like to include the news story by Arizona Republic Latin Affairs Editor Harold Milks at this point in the RECORD:

[From the Arizona Republic, Feb. 25, 1979]

INTELLIGENCE AGENCIES TERMED WARY OF MORE CRITICISM

(By Harold K. Milks)

U.S. intelligence agencies have been so shattered by repeated attacks from both Congress and a hostile public that at times they literally "sit on their hands" rather than supply top officials with vital data they think might provoke fresh criticism.

This evaluation was made here Saturday by a former high-ranking intelligence official currently in the Valley. He said the approach of the whole intelligence community in Washington had changed drastically, and for the worse, because presidential administrations had not only permitted but encouraged potshots at them.

"This development has seriously hampered our government's ability to evaluate and act on such major crises as the Peoples Temple mass murders in Guyana, the revolution in Iran and the current Chinese Communist attacks on Vietnam," said the official, who asked not to be identified because he is still active as a consultant.

Two U.S. officials in Washington, asked to comment on the evaluation, said they found no fault with it. Both confirmed that the situation was a source of growing concern in the nation's capital. They asked that they not be quoted.

"We recognize that there is a hesitancy of many intelligence operatives to volunteer information which may be needed," one said.

"And many intelligence officials, when asked to make an investigation which could be delicate, now ask their superiors for instructions in writing as a personal safeguard."

The retired official accused Congress and other critics of intelligence agencies in Washington of applying what he called "retroactive morality" in their attacks.

"They consider what they charge were illegal actions by government agents not on the basis of conditions existing at the time of those actions, but on the basis of moral values as they exist today—and there is a great difference," he said.

He mentioned congressional and other attacks on the FBI for allegedly investigating the late Rev. Martin Luther King Jr., and said these attacks created a reluctance to supply information on Rev. Jim Jones and his Guyana commune "which was available in various intelligence agencies long before the murder of U.S. Rep. Leo J. Ryan set off the deaths of more than 900 people last November."

"But because of their experience in the King case—where agents were threatened with indictment and imprisonment—they apparently sat on the Jones files rather than make them available to the administration."

This, he added, is the "atmosphere of fear and mistrust" which must be dissipated in Washington if our intelligence community is to recover even part of its former effectiveness."

The former official recalled the dismissal of 370 employees of the CIA covert action division during the height of a public clamor against intelligence agencies.

"Certainly each one of these had at least 20 informants available, which means a loss of nearly 7,500 valuable contacts, most of them abroad, to the agency," he said.

Earlier this week Washington reports told of more than 200 resignations from the CIA over the last month, another sign of the low morale in that organization, he said.

Various Washington sources have claimed the FBI investigated Dr. King on direct orders from the late President Johnson, and that tape recordings of those instructions exist.

"The present location of those tapes is unknown but various transcriptions from them have leaked out," the former official said.

The visiting former official described "the good old times" in Washington when officials representing various agencies concerned with intelligence met at various levels regularly, both to exchange data and to cut through the red tape of bureaucracy and make certain that their superiors were fully informed.

"This practice has been sharply reduced," he added. "Now most intelligence people in Washington are busy obeying the common slogan there—"cover your rear"—a reflection of their concern with unwarranted attacks and criticism."

This source attributed down-grading of the intelligence community—including not only the CIA and FBI but the various other military and non-military intelligence groups in Washington—in part to a power struggle between Congress and the executive branch of government, going back as far as the administrations of Franklin D. Roosevelt.

"Roosevelt and some of the presidents who followed him seized powers which Congress formerly held," he said "Now Congress is fighting to get those powers back. In the process they passed various laws which in effect have emasculated many intelligence operations, operations now vital to the security of the United States.

"Because of the Freedom of Information Act and other similar laws, which open once-secret intelligence files to the public, many operatives and their informants find it impossible to operate without great personal risk."

FBI Director William Webster confirmed some of that former official's comments Friday when he told a television interviewer on ABC's "Good Morning America" that the FBI's operations has been restricted by the potential opening of its files to the public under these laws.

"I think our informants' program is down too far," said Webster, when asked the effects of new laws on his organization.

"I don't blame this situation on the type of regulations we do not yet have," Webster added. I blame it in part on the impact on both our informants and the agents who have to recruit the informants on the availability of our files under the Freedom of Information Act.

"And I hope very much that there will be a review in Congress of the impact of this information act on (our) criminal investigation files."

Webster said he was not complaining about the guidelines set up for his agency in the investigation of suspect organizations—a delicate assignment which brought the FBI substantial criticism in the past.

"We must be able to investigate organizations on the basis of one basic standard—are they engaged in acts of violence or are they planning acts of violence against the United States, against one of its institutions, or against civil rights."

Noting that charges had been made against 58 FBI agents, most of them in connection with the investigation of the Weathermen underground, Webster said he had investigated the charges and exonerated all but two, who were censured.

The FBI chief denied that morale within the FBI is low, saying that overall it is "very good". He praised his agents for their solution of all recent hijackings of aircraft and for controlling acts of terrorism without loss of life.

AGRICULTURE INFLATION PROTECTION ACT OF 1979 INTRODUCED

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today I introduced, together with the Honorable EDWARD R. MADIGAN, a bill entitled "The Agriculture Inflation Protection Act of 1979." I indicated to Secretary Bergland when he appeared before the committee on February 7, 1979, that I intended to introduce such a bill.

Mr. Speaker, recent events and statistics show that the farmer is still being on the bottom of the totem pole. The prices farmers pay consistently have outstripped the prices they receive.

True, a great deal has been said about the jump in farm income. The Agriculture Department has reported that 1978 net farm income will be up 40 percent over 1977. Wheat prices, say the Department analysts, increased 25 percent.

Compared to what? Not all farmers produce the same products, nor do all farmers farm under the same conditions. While prices for some products are higher, the index of prices grain farmers received for food grains, such as wheat, was 300 in 1974. The index was 195 in October 1978 (1967 equals 100).

Why did net farm income increase so dramatically in 1978? One reason is that 1977 was the worst year on record since 1972. Since 1974, the index of prices received by farmers increased from 192 to 217 in October 1978. At the same time, prices farmers paid increased from 164 in 1974 to 224 in October. So, while many farmers saw their prices increase faster than prices paid last year, the record shows that in each of the past 4 years, prices paid rose faster than prices received. And, if you look closely at the USDA figures, you will see that the index of prices received by farmers in 1975, 1976, and 1977 was below the 1974 levels.

Is it any wonder farmers are upset? Even if net farm income does reach $28 billion in 1978, that is not saying much. If you expressed that income in 1974 dollars, you would need a 1978 net farm income of about $32 billion just to break even.

In 1977 Congress gave to the administration—at its request—broad powers to set loans, establish target prices, provide for set-asides, divert acreage, et cetera. Largely at the administration's insistence, these powers were aded to in 1978 when Public Law 95–279 expanded on set-aside and target price authority delegated to the Secretary. The Congress was led to believe that providing the Secretary of Agriculture with all the reins of authority would result in greater prosperity for farmers. It has not worked that way as our farmers have testified.

American farmers ask me why they should suffer in a world of protectionism and closed markets such as those in Europe and the Far East. My constituents from the Farm Belt ask me why U.S. domestic policies are dominated by a cheap food policy for consumers at the producer level and why our international diplomacy uses food as a foreign policy tool rather than establishing the Secretary of Agriculture as the aggressive spokesman for farm product export expansion and a farm economy that is internationally competitive and that combats foreign protectionism.

It seems to me that a Government that has asked for and been given the broadest kind of delegated authority to manage production, commodity stocks, loan levels, target prices, countervailing duties, tariffs, et cetera, should be able to give farmers some protection against food grain prices that force them to lose money.

This is not a costly bill. It will cost less for the 1979 crop than that $1.2 billion that the administration says it needs for the expanded food stamp and WIC programs. The costs for the 1980 wheat and corn crops may be somewhat higher, but USDA voluntary increases in wheat and corn loan rates could decrease the amount of deficiency payment costs as we move into that 1980 crop year.

In its budget projections for fiscal year 1980, the administration has projected good weather, high farm prices, and high export demand for 1979 feed grains crops. If the administration is confident of its projections—as I must assume it is—then this reasonable inflation rate increase in target prices contained in this bill should not have any substantial impact on the budget.

Mr. Speaker, now is the time to protect the American farmer against inflation—just as the other segments of the economy. We have already built enough grain elevators and grain bins to hold our excess production. This is not a grain terminal or warehouse storage relief bill. It is designed to give inflation protection to farmers.

President Carter did not ask labor and business to roll back prices and wages. He asked them to limit increases to 7 to 9.5 percent. It seems only fair to give farmers the same treatment. They represent the best qualities of both laborers and businessmen. For that reason, I am introducing the Agriculture Inflation Protection Act today to give farmers a 9.5-percent increase on their wheat and corn target prices for the 1979 crop. The established price for wheat would be $3.72, a price which, incidentally, equals the USDA's average cost of production. The established price for corn would increase to $2.30, still below USDA's cost of production estimate of $2.62. The Secretary of Agriculture would have the discretionary power to adjust the target prices for other feed grains accordingly. In future years, the target price would escalate or fall in accordance with the Consumer Price Index or the index of prices farmers paid, whichever is greater.

Why should farmers receive this sort of protection? Ask the farmer in my district who saw 22 price increases for refined fuels in 1 year. The total increase was 18 percent.

Or, you could ask the country lawyer in my district who prepares roughly 200 farm income tax returns a year for area farmers. His records show that the average net farm income in his area was $15,768 in 1974; $9,918 in 1975; $4,741 in 1976; and $4,783 in 1977.

You might want to read the Kensley, Kans., Mercury to see the reported declines in sales tax revenues as farm income has dried up. The declining High Plains farm economy goes far beyond the farm. It spreads to small towns, to local units of government, to the cities, and on to Washington. People who do not make money do not pay taxes.

Currently, the cost of production formula in existing law does not escalate adequately to compensate for inflation. In fact, the wheat target price would have dropped several cents this year had not the Secretary of Agriculture imposed a set-aside.

If that set-aside is to work, farmers must participate. Last year, only 71 percent of the wheat farmers and 42 percent of the corn farmers participated in the set-aside program. A higher target price, such as is contained in this bill, would have encouraged more farmer participation. This bill would do this.

It also would change the deadline for announcing a feed grain set-aside from November 15 to October 15. This would give farmers more time to prepare for the next year's crop.

Mr. Speaker, now is the time to protect the American farmer against inflation so that he can continue to produce abundant quantities of reasonably priced food. I urge support for this bill I am introducing today.

NADER'S NOSE IN CLEVELAND

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, Ralph Nader, the self-appointed expert on everything, has seen fit to interject himself into the dilemma of Cleveland and predictably blame the "robber barons," the banks.

The Wall Street Journal today editorialized this situation in a manner that should be helpful to all who do not shake with fear when Nader speaks.

Mr. Speaker, the editorial follows:

CLEVELAND FANTASIES

Cleveland's referendum tomorrow has revived a national brand of neurosis we thought had nearly petered out. Mayor Dennis Kucinich has found a ready audience for his campaign themes in the op-ed page of the New York Times and the news columns of the Washington Post, and a new champion in Ralph Nader. The theme is a neo-populist dreamworld in which Cleveland's default is a struggle of the "little guy" against the "robber barons."

Mr. Nader has flown to Cleveland, where he has among other things labeled its black city Council President an "Uncle Tom" for differing with the Nader-Kucinich view. The Washington Post's reporter has been on the scene explaining local politics as a question of "people power" versus the "shadow government" of local businessmen. The Times carried a column of the same ilk by one of Mayor Kucinich's Cleveland supporter's.

You would not guess from all of this that the problem is that the Cleveland banks—the "robber barons"—have used their shareholders' and depositors' money to loan the city government $14 million more than it can repay. It has defaulted on this amount in

notes, plus another $3 million it owes its employe pension funds.

The reason the government can't repay is that its politicians spent the $14 million passing out more in favors, which are popular at election time, than they have been willing to raise in taxes, which are unpopular at election time. The city is running more than a 20% deficit in this year's general fund. In addition, it discovered that previous administrations had left a hidden deficit of $40 million. The banks refused to lend more money, and the city was unable to pay what it already owed.

In tomorrow's referendum, Cleveland voters will pass on two proposals to solve the impasse. One is a 50% increase in the city income tax, to be used as backing for new loans to roll over the defaulted notes and replenish misallocated bond funds. The other is the sale of Muny Light, a municipal electrical utility serving about 30% of Cleveland. Muny Light has been a particular drain on the city budget; the Chamber of Commerce calculates it has cost $40 million in cumulative subsidies.

Mayor Kucinich, whose political support is centered in the white ethnic wards served by Muny Light's subsidized rates, continues to oppose the sale with all the considerable rhetoric at his command. Muny Light's deteriorating generating plant has been closed down for two years, and its electricity is purchased from the Cleveland Electric Illuminating (CEI), its investor-owned rival. A previous city administration negotiated the sale of Muny Light to CEI, on terms that would have balanced the city budget for at least a while. Mayor Kucinich campaigned against the sale and cancelled it when he took office.

It takes some imagination to transmute these facts into a major neo-populist battle. Messrs. Kucinich and Nader do it by claiming that the banks, particularly Cleveland Trust, refused to roll over the city notes as part of a plot to force the sale of Muny Light. Mr. Nader goes so far as to say, "A major bank in Cleveland was not willing to settle for normal credit-worthiness standards in making a loan to the city." Credit-worthy? The Cleveland budget? In a flash of light we see the true frame of mind behind the advice Mr. Nader has given us these many years.

We wouldn't exonerate the Cleveland business community entirely, however. It should have spoken up long ago to puncture the fantasy world at City Hall. Even now, the lesser banks in town are hiding behind the skirts of Cleveland Trust, dodging responsibility for a decision that was absolutely demanded by their fiduciary duties. We can understand their reluctance to get dragged into the city's low-level politics or give a convenient target to the demagogism of Mayor Kucinich. But they've been left to make unpopular decisions, denying loans first to the school board and then the city, without making an effective public defense.

Still, it's hard to believe that the bizarre and often comic Kucinich administration really reflects the wishes of the average Clevelander. We can see the voters going three ways on tomorrow's referendum: no on the tax increase to avoid stifling the economy, and yes on the Muny Light sale to balance the budget. Or, yes and yes, to be fiscally responsible and because Cleveland's tax rate isn't that high. Or, no and no, to throw the city into the hands of the state, which would probably run it better. The only truly indefensible combination, yes and no, is the one advocated by Mayor Kucinich.

Whatever the outcome, the referendum presents a fascinating spectacle of the lingering appeal of Mayor Kucinich's fantasy. The Mayor lives in his own pleasing dream world, but the rest of us should keep some eye on reality.

GUILTY UNTIL PROVED INNOCENT? IS THIS THE NEW NUCLEAR "DEMOCRACY" IN AMERICA?

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, last night there was shown on Public Broadcasting Television a film entitled "Paul Jacobs and the Nuclear Gang," a distorted, misleading, and intemperate attack on the whole field of nuclear activities in the United States—nuclear energy as well as nuclear weaponry. Films such as this make one wonder if America's opinionmaking community is capable of balanced, rational thought on this important subject; or if emotion and nonsense have already taken over when it comes to the important and difficult decisions our country will have to make in the closing years of the 20th century.

As a result of this distorted presentation, paid for by public funds and public contributions over a network created presumably to replace hype and hucksterism with solid facts and sane reasoning, I am constrained to make some modest observations of my own, Mr. Speaker.

Let us begin at the beginning. Let us not forget, Mr. Speaker, that while nuclear weapons ended World War II, they also put an end to any need for American Armed Forces to storm their way ashore on the home islands of Japan.

It was estimated after the war ended that an additional 1 million casualties and 100,000 "excess" deaths—to use a term that the television show employed—in another context—were prevented by the Japanese surrender. Many of those excess deaths would have been inflicted on American servicemen. I know, because I was one of those slated to go in on that invasion, Operation Coronet it was called, if my memory serves me correctly.

By the end of World War II Russia was also well on the way to a nuclear weapon, using national technical competence plus stolen American secrets—stolen by Americans, incidentally. Russia, not the United States, was the first to demonstrate that thermonuclear weapons—fusion weapons—would detonate in the multimegaton range.

Under a U.S. plan proposed in the United Nations in the 1940's—the Baruch plan—all nuclear weapons would have essentially been eliminated. The Soviets said "Nyet" and so the number of nuclear weapons proliferated. The cold war was getting hot. Should President Truman have unilaterally stopped testing and destroyed the U.S. fledgling nuclear weapons stockpile while the Soviets were continuing to test ever higher yield weapons in the atmosphere? The film did not bother to face up to that question.

It is common knowledge that tens of thousands of Americans actively participated as crews in U.S. atmospheric nuclear tests at the Pacific Ocean and continental U.S. test sites. Some hundreds of thousands of others were observers in the years from 1946 to 1958 and 1961 to 1963. No U.S. tests were conducted, however, during the United States-Soviet moratorium of 1958 to 1961.

In 1961 the Russians abrogated that moratorium. They also detonated the largest known nuclear weapon, a "dirty" 58 megaton gravity bomb exploded over Novaya Zemlya, an island in northeast Russian Europe, in the Arctic Ocean between the Barents Sea and the Kara Sea areas. The fallout from that weapon liberally sprinkled a vast area of Russia. But the Soviets must be a hearty lot, for we have never heard of any potential excess cancer deaths being attributed to fallout from any of the hundreds of Soviet atmospheric tests conducted in the forties, fifties, and sixties. Nor have we ever heard that any Soviet Naval personnel or shipyard workers were affected by low-level radiation from nuclear propulsion plants or repair facilities. Nor have we ever heard that any Soviet citizen has been affected by the Soviet commercial nuclear power programs.

Can it perhaps be that we in the United States never hear about cancer or other illness associated with radiation exposure in Russia because there is no association; there is no proof; there is no freedom of the press; or all of the above?

But we do hear an awful lot about the association of illness and radiation in the United States. There are many well-intentioned, antinuclear people, plus many, many lawyers, who are trying to find a close relationship between low level nuclear radiation, fallout from nuclear testing in the 1950's, and cancer. Their hopes for denuclearization, and huge monetary settlements from the Federal Government, certainly must have been whetted last night by that film I have referred to, as sad a piece of trash, facetiously called a documentary as has ever been foisted on the American people, the film "Paul Jacobs and the Nuclear Gang."

An interesting review of this film, written by Bill Curry, appeared in the Washington Post on Saturday, February 24. I believe the Curry piece will probably be about the most fair evaluation we can expect of that kind of vicious propaganda so adored by social activists and other assorted liberals. Jacobs referred to himself as a social activist, which is what Curry also calls him. I would use another characterization—anti whatever the United States has ever done in nuclear activities once the Rosenbergs were executed for giving nuclear data to the Soviets.

To make the point in another way, I cannot recall a single instance when Jacobs castigated the Russians, the People's Republic of China, the French, or the British for also conducting atmospheric testing or possessing nuclear weapons. Nor am I aware of a single polemic uttered by Paul Jacobs against

the Communist Chinese who have continued atmospheric nuclear weapons testing since their first test in 1964, a period of 14 years. U.S. atmospheric testing really started in 1946 and continued for a total of 14 years. Our tests were bad news; the Chinese test, one must assume, were OK for Mr. Jacobs. Certainly he was aware that fallout from the Chinese tests was sprinkling the Japanese as well as the United States. Was Mr. Jacobs therefore an apologist for the Communist countries, or was his "national" guilt, because the United States used nuclear weapons against the Japanese, strong enough to make him hate only U.S. nuclear activities? One wonders.

A democracy demands many freedoms, rights, and precepts for those under its mantle. I cite two—freedoms of the press and the right to be considered innocent until found guilty by a jury of one's peers. That we have freedom of the press is obvious. No country that was not a democracy would be likely to permit and even fund a vicious, one-sided diatribe against that country's efforts to preserve its own freedom, to be presented on television, let alone on a television network supported by public funds.

Yet how strange it is that those who most violently cite freedom of the press as an inalienable right are also found among those who most often forget the principle of innocent until proved guilty. The makers of the Jacobs' film take the guilty stand that because Jacobs said it and Jacobs is dead, then it is so. Is our American democracy entering a new phase called "guilty by conjecture" at least wherever nuclear activities are concerned?

Curry writes that a

> growing body of scientific evidence now indicates, after 25 years of governmental denials, that the United States did sustain civilian casualties of this atomic warfare.

Curry said "did sustain." Elmer Jacobson's doctor told Curry that the fallout which is supposed to have "burned" (a very strong word) Elmer Jacobson's face "very probably" caused a subsequent thyroid cancer. Why did the doctor not say, like Curry, it did cause Jacobson's cancer?

I wonder, too, who besides Paul Cooper saw soldiers lighting up like X-rays at the Smoky tests. I am not even sure I know how one "lights up" like an X-ray. Dr. Mancuso—there were at least five shots of him—was fired from the Federal research program which was trying to establish any verifiable link between low level radiation and cancer, because after 14 years he had not published any results. Mancuso's incompetence is well documented in the General Accounting Office report: "Review of the Department of Energy's Controversial Termination of a Research Contract," January 2, 1979, EMD-79-21.

Jacobs is one of hundreds of thousands who die each year from cancer. Did Jacobs as a boy perhaps go to a Thom McAn shoe store on Saturday afternoon to look through the fluoroscope machine screen at the bones in his feet? Since Jacobs had lung cancer, has it been established whether he did or did not smoke? Who else, besides Jacobs, wandered through a "hot spot" in the Nevada desert and developed lung cancer? Did Jacobs or Cooper or all the others ever get dental X-rays from uncalibrated and poorly maintained X-ray machines? Did they ever get radium or cobalt treatments? Is there proof that the supposed fallout victims did not get radiation doses from other sources? None of these questions are treated or even raised in the TV film.

If the fallout from testing is supposedly so deadly, how does one explain the fact that there were so many thousands of survivors at Hiroshima and Nagasaki who were caught in the open in the primary nuclear radiation detonation zone?

Curry calls this vicious antinuclear diatribe a powerful documentary. He writes so well that I am astonished by his misuse of the word documentary. Webster defines documentary as broadly factual or objective. Curry recognized that the Jacobs film was neither factual nor objective. Here is his comment:

> There is, however, a troubling aspect to "Paul Jacobs and the Nuclear Gang." At some point, very subtly, this documentary becomes a wide attack on those seeking to bring nuclear weaponry and energy into our lives. Powerplant protests at Seabrook, N.H., become part of a story on the absurdity of how atomic weapons were tested. Can they be so easily lumped together? It is impossible to render that judgment.

How can America continue as a democracy if we fight for freedom of the press but permit that freedom to be subverted by condemning as guilty without trial, those with whom our media representatives disagree? We live in a world today in which the Soviet Union has assembled a warmaking capability relatively greater than anything known from the beginning of history. There has never been a nuclear confrontation between the United States and the U.S.S.R., and that is because we have tested and maintained a semblance of nuclear equality. But do not count on the blessing lasting if we allow our nuclear strategic forces to decline in either quality or quantity vis-a-vis the Soviets.

For those who did not see the film, I am attaching Mr. Curry's review:

[From the Washington Post, Feb. 24, 1979]

UNDER A MUSHROOM CLOUD—"PAUL JACOBS AND THE NUCLEAR GANG"

(By Bill Curry)

They called our school Pleasant Ridge elementary and it sat on a hill in Cincinnati, Ohio, and one day in the 1950s, probably after our mothers quit going there to roll bandages for the Korean War, the workmen came by and put a big yellow thing on the roof.

It was the Civil Defense siren and it was to warn us of the time when the Communists were going to nuke all of us in Pleasant Ridge to smithereens. We practiced for it by going down to the basement where we were to Be Quiet and stand along the whitewashed concrete walls where, we had learned from our CD films, our chances were best. Then the all-clear siren would sound.

And on Sundays we would watch "The Big Picture" on television and the U.S. Army would tell us in no uncertain terms what they were doing to protect us. We saw the film clips of the A-bomb tests going off and blasting buildings off the face of the earth. Just like the bombs would have done to Pleasant Ridge elementary school in Cincinnati, Ohio.

But a growing body of scientific evidence now indicates after 25 years of governmental denials, that the United States did sustain civilian casualties of this atomic warfare.

Their names are etched on the headstones in the little cemeteries in rural Utah, Arizona and Nevada, and they were casualties not of Soviet or other enemy nuclear weapons.

They were, apparently, American casualties of American bombs.

No one told them to go stand in the basement of their local school, so while the kids walked to school and the ranchers herded their cattle and the women worked in their gardens, the Atomic Energy Commission rained radioactive fallout on them from more than 80 weapons tests from 1951 to 1962 at the Nevada proving grounds.

Then they would drink the milk from their own cows or from local dairies, and nobody knows how much bomb-test radiation they got along with it.

The childhood leukemia rate in Utah jumped after the bomb tests began and fell when they ended. Some of the soldiers on "The Big Picture" who were playing war on the Nevada desert under a bright nuclear neon light also suffered leukemia.

All of this can be said now in 1979 because a growing legion of journalists, scientists, politicians and fallout zone residents have revealed the extent of a quarter-century of death and illness—and the U.S. government's unwillingness to acknowledge or even ascertain the consequences of the testing program.

But it has been said before, 22 years ago when social activist and journalist Paul Jacobs spoke and few listened and nuclear criticisms were said to spring from "scare stories" that were "Communist inspired."

On Sunday night at 8 on Channel 26, Paul Jacobs speaks his last words on the subject in a powerful one-hour documentary that is a wide-ranging and one-sided attack on all things nuclear. They are Paul Jacobs' final words because the reporter had become an unwitting and tragic participant in his story: Paul Jacobs was dying of cancer that he believed he contracted from his exposure to radiation while reporting in the fallout zone in 1957.

And he died before his documentary, "Paul Jacobs and the Nuclear Gang" was completed.

Others in the film have also died since they were interviewed—Helen Reichman, Max Brinkerhoff, Elmer Jackson, Paul Cooper. It is compelling television, these people telling of their exposures to radiation and the illnesses that would strike them dead soon after.

Few scenes have the emotional draw of a dying Paul Jacobs interviewing a dying Paul Cooper, the soldier exposed to radiation at a 1957 test blast called Smoky. Cooper is propped in bed, living on tubes and just about dead.

And it is almost Strangelovian to hear these cancer victims' testimony interspersed with Official Explanations from a Defense Department employe with a German accent saying: "National security demanded what was done . . . the Army did the proper thing."

Meanwhile Paul Cooper talks of soldiers lighting up like X-rays at Smoky.

In fact, much of the strength of this program comes from such editing—we are actually hearing a dialogue between the people and their government with sparse, sometimes too sparse, voice-over narration.

"Paul Jacobs and the Nuclear Gang" is, nevertheless, a highly successful start for

the Public Broadcasting System's "Non Fiction Television," a series of 12 programs produced under the Independent Documentary Fund. The fund was established last year with $600,000 in grants from the Ford Foundation and the National Endowment for the arts to finance such programs by independent producers.

Without slighting this program though, it is clear that much of the best and most persuasive footage is that which was produced by the federal government itself. The '50s were, after all, great theater.

Official government footage from the '50s shows the whirlwind destruction of the test blasts—followed by soldiers walking out to ground zero. A narrator reminds us as the troops march out, almost with envy, "the mushroom cloud [is] still hanging in the air."

It doesn't even look like it makes sense.

Then there's the Atomic Energy Commission film clips showing placid scenes of St. George, Utah, the American Hiroshima. A mother feeds her baby, another hangs wash, husbands go to work. It is a recreation of the day in May of 1953 when radioactive fallout from test blast Harry drove residents indoors for hours, covered their cars with fallout that had to be washed off, sent Helen Reichman to bed with radiation sickness and burned Elmer Jackson's face.

(His doctor in Salt Lake City has told me this exposure very probably caused Elmer Jackson's subsequent thyroid cancer.)

And the AEC film continues: "Actually, when the invisible cloud had passed, the total amount of radiation deposited on St. George was far from hazardous. Then, you may ask: 'Why were the people asked to stay indoors?' For a very simple reason. The Atomic Energy Commission doesn't take chances on safety."

It doesn't even sound like it makes sense.

Finally, there is "The Big Picture," reporting to us on soldiers running out there under the mushroom cloud, a sequence so patently poor in its amateur acting that only a frightened nation could believe it. But it raised nuclear weapons to the altar of a religion.

"First of all," a chaplain tells a fellow soldier in a trench "one sees a growing, very bright light, followed by the shock waves and then you hear the sound of the blast. Then you look up and you see the fireball, as it ascends up into the heavens. It contains all of the rich colors of the rainbow . . . it's a wonderful sight to behold."

This footage helped set a national mood against which these atomic test bombs were detonated.

There is, however, a troubling aspect to "Paul Jacobs and the Nuclear Gang." At some point, very subtly, this documentary becomes a wide attack on those seeking to bring nuclear weaponry and energy into our lives. Power plant protests at Seabrook, N.H., become part of a story on the absurdity of how atomic weapons were tested.

Can they be so easily lumped together?

It is impossible to render that judgment. But it is impossible to forget that the experts criticized Paul Jacobs 22 years ago. Said he jumped to conclusion, didn't know what he was talking about. They recited their knowledge and credentials, gave us their assurances and crossed their hearts and hope to die that everything was okay.

This is the bead-string that Paul Jacobs sees tying all the little nuclear pearls together. From A-bomb tests to weapons manufacturing to nuclear submarines to atomic power plants, his Nuclear Gang told the nation then—and tells it now—not to worry.

"All the predictions," Jacobs says in the final moments of his documentary and of his life, "have turned out not to be true," whether it be health hazards from fallout or the disposal of nuclear power plant waste.

His unstated question is whether the pressures to develop energy in the 1970s will be as great as the pressures to develop nuclear bombs in the 1950s. Will fear do today what it did then, and will it be 2004 before some bill comes due?

His answer is an implicit yes, but Jacobs does not say it. Rather, those who finished his documentary after his death allow one of those in the so-called Nuclear Gang itself to answer. He is an official of the Rocky Flats nuclear arsenal near Denver where triggers are made for atomic weapons and after he recites a list of atomic outrages he says:

"We look back at those things and say let's not let them happen again. They were done under the contingencies of the time, and, therefore, I'm not sure we can call them mistakes, but things that we would do differently by virtue of more information at this time."

That is the message of "Paul Jacobs and the Nuclear Gang." If it is an excess, it is perhaps because Jacobs the reporter did become Jacobs the participant, with his terminal cancer.

He could be wrong or he could be right.

FIRST STEPS TOWARD PROTECTING THE AMERICAN PEOPLE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, President Carter has announced that this administration has recognized that civil defense is an element of the strategic balance, and that it can serve to enhance deterrence and stability—in conjunction, of course, with our strategic offensive forces. Mr. Jody Powell said at a press conference last November that while the administration does not see civil defense as a crash program, it would "involve a moderate increase in funds over the next several years to give us a * * * greater capability to protect larger numbers of our population, in the event that deterrence fails."

That was the good news. There is other, more recent news, however, which seems to me to be less good. That is the message contained in the President's budget.

The request for civil defense is for $108.6 million. Now that is a real increase over the current, fiscal year 1979 level of $96.8 million. It is indeed a "real growth" increase of 6 to 7 percent over inflation. And that, I suppose, could also be considered good news, in a year of the utmost fiscal stringency. But let us be very clear that the current fiscal year 1979 budget level—of around 45 cents per capita—is the smallest amount the United States has invested in civil defense since the program began in 1951. So a 6- or 7-percent increase over that token level still amounts to tokenism.

Whatever became of the $145 million program we heard of in the press last December? Is the administration indeed committed to an orderly, deliberate improvement in our civil defense posture, to "enhance deterrence and stability," or has that commitment been aborted?

In this context, it seems to me that the responsibilities of the Congress are quite clear. I believe that this House—as well as our colleagues in the other Chamber—should proceed as follows:

We should carefully consider the arguments for and against civil defense.

We should consider the hazards we may face in the next decade, and the role of civil defense in our Nation's strategic posture.

We should consider the views of the American people.

If we conclude that the President's decision was sound—that our people need and deserve more than a token level of civil defense—we should make it crystal clear to the President and the executive branch that we can no longer make do with token civil defense, and that the $108.6 million request for fiscal year 1980 makes sense only if it is the first small increment of an austere but sensible program.

We should examine carefully the new initiatives contemplated in the proposed civil defense budget for fiscal year 1980, and recommend and support those additional initiatives we believe to be necessary.

I should like to submit, for this body's consideration, my views on the issues I have just outlined.

First, as to the need for civil defense, it seems to me clear beyond the slightest doubt that the United States cannot continue in the 1980's as we have done hitherto—leaving our population virtually naked and unprotected should the unthinkable occur and deterrence fail—by accident, miscalculation, or unintended escalation.

It is certainly true that no nuclear weapon has been detonated in anger since 1945, and we all trust and pray that none ever will be so detonated. But we all know, too, that the strategic environment today and in the future is not what is was in the 1950's, the 1960's, or until recently.

America is no longer the world's paramount nuclear power. We have arrived at an age of strategic parity, or rough equivalence. The Secretary of Defense noted in his annual report to the Congress last month that "* * * the Soviets will have at least the hypothetical capability, in the early to mid-1980's, to destroy a large percentage of our ICBM silos, non-alert bombers, and SSBN's that might be in port. * * *" He added that "* * * it would be unacceptable not to take measures to correct our impending vulnerabilities."

I submit that a present—not "impending"—vulnerability that must also be corrected is that of our population. The time for studies is past. It is now time for action.

It is clear to each of us, and indeed to all of our people, that the world is an uncertain place, and apt to become more uncertain in the 1980's, not less. The potentials for catastrophe in the Middle East need no elaboration. If the Balkans were so rightly regarded as the powder keg of Europe in the years before the catastrophe of the First World War, what can we say of the Middle East today? There was, after all, no vital resource in the Balkans analogous to the petroleum of the Persian Gulf, on which the Western World so critically depends. Yet the ignition at Sarajevo of the Balkan powder keg led to the conflagration which destroyed three great empires and spawned Bolshevism, Fascism, and Nazism and thence the Second World War.

Prof. Samuel Huntington, director of the Harvard Center for International Affairs, and until last summer a member of the National Security Council staff, put the case for civil defense in simple and direct terms in testimony last month to Senator PROXMIRE's Committee on Banking, Housing, and Urban Affairs:

In Soviet military thinking, the threat to commit suicide does not constitute meaningful deterrence. Effective deterrence has to involve not only the ability to inflict damage on the enemy, but also the ability to limit damage to oneself.

* * * * *

By their words and actions, the Soviets have shown that they believe civil defense to be a critical element in deterrence. Given their belief, whether warranted or not, in the efficacy of civil defense, they can only perceive the United States as being weaker for the absence of such a program. Given the importance they attach to damage limitation as a necessary element in a deterrent posture, they cannot assign a high level of credibility to a deterrent policy which does not attempt to limit damage to U.S. society if that policy had to be implemented. A substantial asymmetry in survivability between Soviet and American societies in the event of nuclear war can only encourage the Soviets to question the seriousness of U.S. purpose and hence also encourage them to follow a more adventurous policy.

* * * * *

In an age of strategic parity, the greater the vulnerability of American society, the less the credibility of the U.S. strategic forces as a deterrent to Soviet military action in Europe or elsewhere. A civil defense program designed to enhance U.S. survivability strengthens deterrence by reassuring our allies on the continued meaningfulness of the nuclear coupling and conveying to the Soviets the seriousness of our commitment.

* * * * *

A meaningful civil defense program could also help to maintain stability, provide additional options, and furnish additional time for negotiation during a major crisis. It could significantly reduce the possibility of the Soviet Union attempting to coerce the United States in such a crisis. In the absence of a population relocation capability, if the Soviets began to evacuate their cities, the United States would be confronted with the alternatives of either launching an attack while the evacuation was in process, thereby initiating nuclear war and the assurance of massive retaliation on vulnerable U.S. population, or allowing ourselves to be placed in a bargaining position vis-a-vis the Soviets in which the more vulnerable U.S. population would be held hostage by Soviet weapons.

* * * * *

These considerations led me to the conclusion which I stated at the beginning of these remarks: a program to develop plans and preparations for the evacuation and dispersal of urban population is a necessary and desirable component of U.S. defense posture in the 1980s. The central thrust of our policy has to be the preservation of our security and that of our allies through the prevention of nuclear war. If that policy should fail, however, possession of an evacuation capability would be absolutely essential in a nuclear crisis, a limited nuclear exchange, or an all-out nuclear war. The development of such a capability requires an increase in our average annual civil defense expenditures between now and 1985 from the current level of about $100 million per year to slightly over $200 million per year, a modest insurance premium of roughly one dollar per person per year. Expenditure of this relatively small sum will enhance deterrence, provide additional options and time in a period of crisis and escalation, and, most importantly, in the event war comes save tens of millions of lives.

In conclusion, there is perhaps a parallel between an evacuation capability for our cities and lifeboats on an ocean liner. The mere fact that the lifeboats exist will not lead the ship's captain to take additional risks with his ship in bad weather or treacherous seas.

Nor will the lifeboats prevent the ship from being totally destroyed by collision with a reef, iceberg, or other vessel. Nor will the lifeboats necessarily insure even the immediate survival of all the people on board.

Nor will they necessarily insure the prolonged survival of those who do successfully abandon the ship in them: the lifeboats themselves may be swamped; supplies may give out before the survivors are rescued; exposure, injury, and exhaustion may take their toll. Nonetheless, the lifeboats do offer the prospect that, in the event the ship sinks, at least some people will survive for some while and that with luck a good number may survive to sail again in another vessel.

In any event, no one would want to cross the oceans in a ship without lifeboats. In parallel fashion, simple prudence dictates that the United States should not attempt to cross the uncertain and troubled waters of the 1980s without the capability to evacuate its urban population in the event of catastrophe.

These views by Professor Huntington, in my judgment, do no more than state the obvious. Who could dissent from these propositions, embodying, in my view, only simple prudence?

Some can and do dissent. At the same January 1979 hearings, Mr. Paul Warnke, until lately Director of U.S. Arms Control and Disarmament Agency, stressed that in his opinion, civil defense could make no meaningful contribution to the survival of a nation subjected to nuclear attack.

Evacuation would be no answer. Subway systems could not take the people outside the environment of burn-out and intense radiation. If significant numbers were to get to rural areas, they would find neither the places to stay nor the means to assure their survival in a countryside strained to support millions more with much less.

* * * * *

Against these inescapable facts, it is, I submit, meaningless to speculate about possible discrepancies in relative fatalities. No rational leadership could subject its country to the unexampled devastation that would be punishment for the monstrous crime of initiating a strategic nuclear war. As a practical matter, civil defense can have no actual debilitating impact on the retaliatory capability of either side.

* * * * *

There can, in my opinion, be no question of the fact that the Soviet leadership must recognize the futility of the Soviet civil defense effort as a means of protecting Soviet population, industry and infrastructure. The Soviets cannot be judged as so blind and so reckless as to assume that any present or prospective shelter program or any fond hopes of speedy evacuation to safe zones may make it possible for them to utilize strategic nuclear war as a means of achieving political objectives.

Even in the context of these views, Mr. Warnke did allow that:

As some modest insurance against the dread danger that deterence may fail, some modest program aimed at improving evacuation techniques may be justified. But this should be seen as a means of saving, perhaps, a somewhat greater number of lives and increasing the chance that some government may survive to help alleviate the chaos. But these reasons for continuing to fund something like the present civil defense program should not be distorted into a rationalization for a major expansion of civil defense as a necessary component in the overall strategic balance.

Surely we all hope that Mr. Warnke is right, that Soviet leaders will never be so "blind and so reckless" as to launch a nuclear war. And we would all agree that "some modest" civil defense program is indeed critically needed.

But where I part company with Mr. Warnke is the proposition that we should continue to "fund something like the present civil defense program." The present program is a facade. And indeed, the $108.6 million request for fiscal year 1980 is also a facade unless it is the first small step toward a program of the nature outlined by Professor Huntington, involving an insurance premium of perhaps a dollar per capita per year—not half of that.

In short, we must face up to the fact that we can never have even "modest insurance" for our people unless we are willing to spend something like a dollar per capita for the insurance premium. Whether civil defense is seen as mere insurance or—as the President has said—as an element in the strategic balance, enhancing deterrence, we must be very clear that we shall have neither insurance nor enhanced deterrence at the 40 or 50 cents per capita level. We shall have only rhetoric, and I submit that the American people need and deserve better than that.

Soviet leaders are concerned enough about the possibility of nuclear war, and the need to protect their most basic asset—their people—that they are willing to support a civil defense program which, if duplicated in the United States, would cost some $2 billion annually. How can anyone conclude that an improved but modest U.S. program costing perhaps 10 or 15 percent as much is not justified?

Obviously, the Soviet leaders feel a concern for their people. Should we not spend a fraction of their investment to modestly improve the protection of our own people in the event of the unthinkable occurs?

What, then, are the views of the American people? I submit that they are sound and sensible, and that both the Congress and the executive branch would do well to be guided by these views.

A survey of my constituents in the Fourth Congressional District of Missouri, and a recent national survey conducted for DCPA, are to the same effect: The American people want civil defense and indeed—and I think this is a tragic irony—they believe their Government is making provision for their protection far beyond what is the fact of today.

About 80 percent of the people oppose the idea that we should do away with

civil defense. The irony is in this: The average estimate is that we are spending $1 billion annually for civil defense, or 10 times the actual level. And when asked what we should spend, the average response was that we should spend even more—$1.6 billion per year.

It is thus very clear that the American people continue strongly to favor civil defense, and believe we should do even more than they (mistakenly) believe we are now doing. It seems to me that we should all take heed of these views of our people, and give them the most careful consideration. I believe it is imperative that we urge the executive branch that our Nation's civil defenses must be improved to a level which, while not attempting to mirror the Soviet program, would offer some reasonable prospects of survival for the majority of our people. I am sure we would all agree with Mr. Jody Powell, that this should not be a crash program. Rather it should be a low-keyed and orderly but nonetheless serious buildup from the present totally inadequate level.

It seems to me that we can do no less to keep faith with the American people. And we can do no less to comply with the constitutional injunction that the Federal Government shall provide for the common defense, to say nothing of complying with the policy and intent of the Congress, set forth in the Federal Civil Defense Act of 1950, as amended, to "* * * provides a system of civil defense for the protection of life and property in the United States from attack."

Let me now turn to what can be accomplished with the $108.6 million contained in the President's budget for fiscal year 1980. I do not have available the details of the civil defense program proposed for fiscal year 1980, but it is clear that 6 or 7 percent real growth will not allow a great deal more to be done than is being done today, and that is very little. It is my understanding that, in general, fiscal year 1980 would be devoted to getting ready to accelerate crisis evacuation planning and related programs in fiscal year 1981—assuming, of course, that the administration is indeed serious about effecting orderly improvements in civil defense over the next several years, and does not propose quietly to "walk away from" civil defense in fiscal year 1981.

I believe that this approach makes sense in general, but this body may wish to propose certain additions to this general approach.

As the members are aware, last summer I introduced an amendment to the Department of Defense Appropriation Authorization Act for 1979, which directed that DCPA make a study of the feasibility of providing improved protection for people living near the prime targets for nuclear attack represented by our strategic nuclear retaliatory forces. My own district in Missouri contains nearly all of the Whiteman Air Force Base complex of Minuteman silos, and nationwide there are something like 8 or 10 million people who live in the vicinity of intercontinental missile complexes, SAC bomber bases, or ballistic missile submarine ports.

These strategic offensive forces are of course the basis of our nuclear deterrence posture, and thus of the most critical importance to our Nation and indeed the Western World. But at the same time, if deterrence should ever fail, it is obvious that the people living near these installations would be the first to suffer the horrifying destruction of thermonuclear weapons. Indeed, they might be the only ones, if escalation control worked and the conflict was confined to counter-military strikes.

It therefore seemed to me that since the people living near our deterrent military forces stand at special risk, we should investigate what kinds of special protection might be provided for these people—what would be the costs and the payoffs of alternative approaches. The study required by the act is not due to be submitted until the end of next month, and is not yet in final form. However, the DCPA staff have been in touch with my staff, and the general outlines of the study's conclusions are clear.

To provide high-performance protection for these people, if an attack came "out of the blue" or after only a very short crisis, would be expensive. DCPA is refining the cost estimates, but believes the total will approximate $3 billion for the people living near our counterforce military installations. These costs would be incurred for blast shelters, warning devices in homes, schools, and places of work, peacetime training for the people in these "counterforce" areas, and related features of a civil defense system that would offer good protection given only hours or even minutes of warning.

If, on the other hand, one is willing to assume (or gamble) that a severe crisis of several days to a week or more would precede an attack even on our strategic nuclear forces, then effective protection can be had for much lower costs. The basic approach would be to develop plans and all the supporting systems needed for evacuating the people in the counterforce areas during the crisis, and for providing them fallout protection and other support in adjoining lower-risk counties.

This is in fact the approach contemplated by the President's new policy for the population of all U.S. risk areas—the 125 or so million people living in our metropolitan areas, in addition to the 10-million living near the top-priority counterforce installations. The crisis evacuation approach has the prime advantage of modest peacetime cost—though not so modest as $100 million or so per annum.

But there are obvious questions associated with the crisis-evacuation approach: Would there be a crisis of a week or more prior to a nuclear attack, whether limited to our counterforce installations or including our larger cities? Would the President give the people instructions to evacuate, bearing in mind the turmoil and vast expense created by such an unprecedented movement? Would the people comply with the President's instructions once they were issued?

DCPA believes that while none of these questions can be answered with an unqualified "yes," there are good grounds for a judgment that there would most probably be a severe crisis of sufficient length to permit evacuating U.S. risk areas, and that the other questions too can be answered with "most likely yes." In short, civil defense relying primarily on crisis evacuation does not and cannot offer assurance of high performance, but it does offer a good probability of such performance.

What all this suggests to me is that the administration's approach is basically sound—if they do in fact intend to develop such a "modest" civil defense system. But they must make no mistake that "modest" means investment of an average $1 per capita each year (one-eighth of Soviet expenditure)—not half of that.

At the same time, I think it is very clear that crisis evacuation is not and cannot be a panacea. What, for example, would we do if it turned out that the Soviets had constructed many more blast shelters in their cities than the preliminary estimates of our intelligence credit them with? What—to state the unthinkable—if there were a desperate crisis which was resolved, but on terms not favorable to the U.S.? A nuclear superpower, after all, has before now backed down in a crisis: I refer to the U.S.S.R. in 1962. Should such a calamity ever befall this country, I believe it is safe to say that an uproar of protest would be heard from all of our people, from mayors, and from the Governors of our States.

The same reaction would very likely result if we experienced a crisis so severe that evacuation plans were in fact implemented, after which the crisis was resolved short of nuclear war.

It is a safe assumption that "modest" civil defense would go out the window. Our concern would surely be to do as much as possible, in as short a time as possible, to protect our people, and cost would become a distinctly secondary consideration. Would we be ready with more expensive, rapid-buildup civil defense options?

In short, in a dangerous and uncertain world, we should develop civil defense hedges and options—just as we do in the case of our strategic forces. What this all suggests to me is a vigorous program of civil defense research and follow-on development, extending through demonstration and pilot projects.

One obvious area for R. & D. has to do with blast protection. I understand DCPA has engineering estimates of the cost of building special blast shelters, and also of the cost of incorporating blast protection in the basements of new buildings. But they have not built any such shelters—though of course the Swiss, the Finns, the Swedes, and others have. So this suggests to me one important area for civil defense is R. & D.

Another area has to do with what could be done to build civil defense capabilities rapidly in a situation in which time was seen as being more important than money.

A final area is one I believe to be of the greatest importance. It has to do with training and educating our people on the facts of life and of survival in the nuclear age. DCPA's training program and apparatus was reduced to next to nothing several years ago because of declining budgets, and the best they have been able to do lately is to offer a minimal level of training for State and local civil defense staffs, a few conferences for public officials, and a modicum of training for a mere skeleton of a cadre of radiological defense personnel. Essentially nothing is being done in the area of public education, although this was a program of significant size in the 1960's. This was before the decline of civil defense as a result of theories of mutual assured destruction, or of mutual vulnerability—theories which Soviet leaders do not espouse.

The lesson of the Berlin and Cuban crises of the early 1960's is clear: When our people perceive an increased possibility of nuclear war, they quite understandably and sensibly want to know what they could do to protect themselves and their families should the worst occur.

The blunt and unpleasant fact is that should tensions escalate, we are almost totally unprepared to provide the survival information and education our people would demand. Therefore, I believe the fiscal year 1980 civil defense program should be expanded to provide for a start in fiscal year 1980 on rebuilding a training structure that could meet the demands of the American people for survival education should tensions begin to rise.

One suggestion is that if we rebuild a structure that educates high school or junior high school students on civil defense subjects on a year-by-year, peacetime basis, the same cadre of trained school teachers could provide training for adults, as the demand increased in a developing crisis. There may be other options as well—perhaps to establish a cadre of instructors through the American Red Cross, or police and fire departments.

Whatever the best approach, or combination of approaches, I feel strongly that we should get on with it, and that in fiscal year 1980. I therefore commend for consideration by this body—an early start on rebuilding a capability to offer civil defense education for our people should tensions rise.

In conclusion, may I leave these thoughts with you:

Civil defense is a critical national requirement for the 1980's. One may view it as helping to enhance deterrence—as the President has—or as prudent insurance for national survival should the unthinkable occur, or both. Regardless of the rationale, this country can afford no longer to gamble with the survival of scores of millions of our people.

No program at a level of $100 million can provide either insurance or enhanced deterrence. The minimum modest program, relying primarily on crisis evacuation to save millions, will cost an average of something over $200 million annually.

I urge that this House impress upon the administration as strongly as we are able that the $108.6 million contained in the President's budget for fiscal year 1980 is acceptable to this House only if it is the initial, modest (indeed, tiny) increment of a serious effort to develop the modest and austere civil defense protection represented by a program stressing crisis evacuation.

I further urge that this House consider significant additions to the fiscal year 1980 program in the areas I have outlined—in particular a start on rebuilding a structure to provide survival education for our people.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The chairman of the Democratic Freshmen Club requests that the Chair make an announcement.

Democratic Members of the 96th Congress will meet in room H-201 in 15 minutes.

□ 1355

OIL CUTOFF WOULD RESULT IN GREATEST RECESSION SINCE THE 1930's

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

Mr. WEAVER. Mr. Speaker, in 1973, when our oil was cut off from overseas, we all said: "We must act. We must become energy independent."

And what did we do? We did nothing.

And the result? The greatest recession since the thirties and the forerunner of things to come.

Did we learn from this? Did we act? Did we cut back on our use of energy?

No. Instead, we sharply increased our energy use. Since 1972 our oil use has not decreased but has gone up 20 percent. Imports are up 80 percent. We continue to squander. We live on the edge of a precipice. And any moment a disruption of oil supplies can plunge us into depression. So today, with the instability in the Mideast, this could happen at any time.

Where does our oil go? Forty percent goes to industry; 40 percent goes to transport; 15 percent goes to electricity; and 5 percent goes to feedstocks. So if we have a sudden 20 percent cutback, where would it come from? Out of what? Half would come from our industry and it will close down half our travel.

As far as our national security, our Nation is threatened, and we talk of increasing defense budgets and building more bombs and guns and missiles and planes and tanks and ships. Yet we are in far greater danger of running out of gas before we run out of bombs.

Does the Government not understand this? Can they not see what situation we are in? And if they understand it, why are they not doing something about it?

We are paralyzed. It is pathetic. The times and the people cry out for leadership, for bold moves.

For even if there is no disruption, one thing is sure: Prices will increase. Our dollars will flow overseas in even larger numbers, joining the 600 billion Eurodollars which now hang like a sword of Damocles over our financial stability.

Mr. Speaker, how much longer can we afford to send $50 or $60 billion overseas to pay for oil we squander here. Answer: Not a moment. It is already too late. We are suffering crippling inflation because of excessive use of high price energy, a falling dollar, and huge deficits to pay for all this.

What is the answer?

Develop more energy? Not as we have done. We have been stealing from tomorrow and squandering our assets today.

There are new energy technologies which need to be developed—but they are impeded by our very squandering of oil.

The answer is thrift, discipline. Is it any secret that our society—richest on Earth—is falling apart? Our economy, greatest in history, is disintegrating with inflation, lack of productivity, plain simple sloppiness. We buy things from foreign producers because they are better made.

When do we pull ourselves together?

The first essential step is: Stop squandering, start conserving.

We must use less energy, we must do it rationally or it will be forced on us by devastating inflation and shattering depression. If we cannot curb our excesses the economy will do it for us—it is now doing it for us with cold, brutal force.

And our Government, are they leading us? What is the policy of the Energy Department? Just last week the Department of Energy came forth with a bold policy of conservation. They would prohibit outside gas lights. Yes, sir, but such a drastic step could not be done overnight. No, it would be phased in by 1982.

God help us, 55-mile speed limits and Sunday closings are also small, pathetic steps in the face of the threat confronting us.

There is only one answer to our excessive use of oil, excessive use that clogs our cities with cars, poisons our air with exhaust fumes, jeapordizes our national security by putting us in thrall to foreign nations—making us slaves to our own machines. To free ourselves we must conserve, and conserve as a nation.

We must ration. Rising prices will force less use, but price rationing is harsh and unfair. It also lards the already too powerful oil companies with money to buy up our economy.

Price rationing can be made more equitable by having the Government absorb the price increases by taxation and distributing back the money in such a way as lowering social security taxes.

Or we can go to outright rationing of oil and gas. Oh, that would be terrible, it is said. Let me tell you that if we continue on our present course the terror will be a hundredfold worse.

If we continue our squandering we face financial collapse.

When do we stop this squander of resources? Do we stop when disruption in the mideast forces us into desperation and military moves?

Do we stop when inflation plunges our economy into a depression and is a depression necessary to cure our waste and sloppiness? God grant it is not.

Do we stop when our balance of payments becomes so distorted that a dollar panic unleashes those 600 billion Eurodollars, collapsing world financial markets?

When do we stop? When do we act?

THE MOUNTING PROBLEMS OF THE SPECIALTY STEEL INDUSTRY

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, as chairman of the Congressional Steel Caucus, I rise today on a matter that is of the utmost importance to all the officers and members of the Steel Caucus as well as our constituents and the constituents of every Member of the 96th Congress.

The specialty steel industry and the United Steelworkers of America have jointly filed a petition with the U.S. International Trade Commission requesting a 3-year extension of the existing import limitations on certain specialty steel products.

At a recent specialty steel House luncheon, Mr. H. O. "Mike" Beaver, Jr., chairman of Carpenter Technology Corp., commented that specialty steel products are to be found throughout the United States except in the Rayburn House Office Building and then pointed out that the stainless steel tableware being used at the luncheon was imported from Taiwan. This reminded me that I had made a like observation in 1969 during my first days in Congress when I discovered the stainless steel flatware in the House cafeterias was of foreign origin.

Before the present restraints were ordered by the President in June 1976, there was record unemployment in this critical industry. Indeed, in some months unemployment in specialty steel mills soared as high as 45 percent. Probably the highest of any industry in the country.

Today, the industry is coming back. Employment has improved substantially, attributable to a large degree to the import restraints. Profits have increased, although they still lag behind the average profits for manufacturing industries in the United States. Greater expenditures are being made, or are committed, for capital expansion and for improving technology. In short, once again, we have a viable specialty steel industry in America, where only a few short years ago this industry was threatened with extinction.

Mr. Speaker, I will be joined today by a number of my colleagues in urging that quotas on specialty steel imports be extended for 3 more years. My colleagues are prepared to state the many compelling reasons for our taking this stand. But before we proceed, I would like, for the record, to give a brief history of this important matter.

In July 1975, a score of American specialty steel producers and the United Steelworkers of America filed a petition under section 201 of the Trade Act of 1974, seeking relief from the growing tide of specialty steel imports which threatened the security of 65,000 jobs dependent upon this essential industry. The Commission held hearings in October 1975, and on January 16, 1976, determined that imports were a "substantial cause of injury" to the domestic specialty steel industry. The Commission recommended quotas for a period of 5 years to remedy the injury.

During the spring of 1976, the Ford administration negotiated an orderly marketing agreement (OMA) with Japan and set quantitative limitations on other foreign nations, most notably the European community, which declined to negotiate orderly marketing agreements. On June 14, 1976, quotas on certain specialty steel products—tool steels, stainless strip, sheet, plate, bar and wire rod—were put into effect for a period of 3 years instead of the 5 recommended by the ITC.

On May 24, 1977, President Carter announced plans to review the specialty steel import restraint program. This was less than 1 year following implementation of the strongest form of relief ever recommended by the International Trade Commission and subsequently implemented by the President.

After an extensive investigation, the ITC recommended quotas be retained and in January 1978, President Carter accepted this recommendation and kept the import restraints on specialty steel in place.

Now, the future of the specialty steel industry and the jobs of 65,000 workers is again threatened. It is the considered opinion of many that removal of quotas at this point would be a serious mistake. It would not only be unfair to the industry, which is just beginning to benefit by the quotas, such a move would also be detrimental to our long-term trade policy objectives.

I have had a long interest and involvement in the field of international trade. On December 10, 1973, during the House floor debate on the Trade Reform Act of 1974, I called to the attention of my colleagues that there was no definition of what constituted a nontariff trade barrier in that bill. The absence of such definition meant that Congress had forfeited the right to effectively review administration action. My observation with respect to nontariff barriers was verified by a subsequent GAO report on the lack of ample identification and definition of nontariff trade barriers.

In addition, in January 1975, the U.S. International Trade Commission announced an investigation, including public hearings at 14 cities, instituted at the request of the President on the probable economic effect of proposed tariff concessions to be granted by the United States in international trade negotiations to be conducted under the provisions of the Trade Act of 1974. However, I expressed my concern to the Chairman of the ITC, Catherine Bedell, that no hearings were scheduled for Pittsburgh, Pa., particularly in view of the fact that many of the items under section 6 of the tariff schedules involved tariffs on metals, metal products, machinery, and mechanical equipment, all of which are directly related to the various industries in the Pittsburgh metropolitan area. My request was first rejected. However, a few weeks later, I was informed that the Commission had reconsidered and would conduct hearings in Pittsburgh in the latter part of April. I am certain the hearings provided a meaningful service to the people of the Pittsburgh area and were helpful to the Commission in making its recommendations to the President.

The imposition of quotas did not provide immediate relief for the specialty steel industry and its workers. Imports during 1976 totaled over 167,000 tons, 9 percent higher than 1975 imports and 14 percent higher than the restraint level permitted for the first year of the quotas. As a result, no relief was felt in 1976, and in fact injury continued to occur for at least a year following the ITC decision in January 1976. In late 1977, and throughout 1978, production and employment improved. Individual companies made plans for substantial increases in capital investment and other business projections based on the quotas. It would be unfair and unwise to terminate or modify the import quotas now and jeopardize these growth plans, and the needed jobs they will create. Surely, the "serious injury" found by this Commission in January 1976 has not yet been remedied by only 2 years of limited import relief.

The specialty steel industry spent many months of valuable management and labor time proving its case. The judgment of the ITC that strong relief was required was confirmed by two Presidents. Certainly, time has proven these were eminently correct decisions.

I can assure you, Mr. Speaker, that many Members of Congress are watching this matter carefully and are concerned about what implications it may have for the administration's general trade policy. A decision to terminate or modify these quotas could well stimulate new trade legislation to reduce the current flexibility permitted the President under the existing Trade Act.

Foreign producers have built up large new capacity in production of specialty steels and are anxious to dump those products in the United States. It is obvious that the flood of imports would begin anew if the quotas were ended, thereby undoing the effects of the relatively short period of relief. In short, the specialty steel industry can survive and prosper, but it needs an extension of existing quotas to do so.

Most foreign specialty steel companies are supported by a vast array of government subsidies. Preferential bank loans, tax advantages, subsidies for producing during periods of slack demand, government grants for pollution control expenditures, price setting by government-authorized cartels—these are just a few examples of practices encouraged by foreign governments which allow their companies to operate outside our domestic industrial requirements of profitability and capital formation.

Under such circumstances, production efficiencies have little meaning. This poses a particular problem for the specialty steel industry, and it underlines the necessity for steel sectoral negotiations in multilateral trade negotiations, as directed by the President in conjunction with approval of import relief for this industry. It is essential that we move aggressively to bring some order to the international steel market and seek to

end the unfair trade tactics our trading partners are using.

Extension of quotas is also important to our overall trade policy because it will establish a precedent for other industries which may seek relief under the Trade Act. If the U.S. Government is willing to abandon an industry which has so recently proven that import quotas are clearly justified, then what hope is there for other industries in similar positions? The Trade Act was designed to provide needed relief. It should be permitted to work.

Why should the United States terminate these quotas without receiving enforceable commitments in return which will eliminate widespread unfair trade practices in this area. Surely our trade negotiators must recognize the wisdom of retaining this valuable bargaining chip until a quid pro quo is offered.

If we do not stand fast in this matter, the result will be an added impetus to foreign export subsidies and a renewed flood of subsidized imports into this country.

Mr. Speaker, I strongly urge you to recommend to the President that the import quotas on specialty steel be extended in order that the serious injury found in early 1976 by the International Trade Commission does not return to reinfect a recuperating, but not completely healthy, specialty steel industry.

□ 1415

Mr. Speaker, I now yield to my good friend from my adjacent congressional district, the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY. Mr. Speaker, I rise only to endorse the feelings of those who have already spoken on this issue of import restraints for specialty steel. The extensions of restraints for specialty steel is vital to our national security. The obvious implications are the needs for a U.S.-based toolmaking and critical military component capacity. The restraints have worked moderately well and should be extended for important domestic reasons also.

Our entire industrial capability, indeed, our economy in general, could not function without the tools and components produced by the specialty steel sector. But more importantly the restraints do not, Mr. Speaker, economically violate the theoretical or practical dictates of the law of either comparative advantage or even violate the principles of a free market economy, and that concerns many.

Therefore, the restraints are a manifestation of the simple need for market justice. Low productivity or protectionist arguments are inapplicable here.

Consequently, in the interest of national security, and with a desire for fairness to American workers and consumers throughout our Nation, we must continue to help this essential and necessary area of American industry obtain protection from unfair trade practices. I most urgently request a concerted effort by all of us in the Congress to extend the restraints and implore the President to move immediately toward the extension of the applicable aforementioned restraints.

Mr. GAYDOS. Mr. Speaker, I wish to thank my colleague, the gentleman from Pennsylvania (Mr. BAILEY), who has been very active with the Congressional Steel Caucus, along with our other colleagues in western Pennsylvania, since the specific problems developed, one of which we addressed ourselves to as a matter of fact this morning. The gentleman's service has been invaluable to the caucus; I am looking forward to continued participation on his part. I know his constituents in his area are also sensitive to the problem and what he is trying to accomplish.

Mr. KOGOVSEK. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Colorado.

Mr. KOGOVSEK. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding, and I would at this time just like to reiterate what the gentleman has said so very eloquently.

I wish I could speak as eloquently on the matter as the gentleman from Pennsylvania has, but let me just indicate for the record that I represent the district which includes Pueblo, Colo., where the largest steel mill west of the Mississippi River is located. I want to offer my personal remarks just very briefly to indicate to the Members this afternoon just exactly how vital it is that we do extend our quotas on special steel imports, at least for another few years, because I have had a chance on a firsthand basis to observe just exactly what happens once we have found what cheap steel, whether it is hard steel or whether it is specialty steel, has done to this country.

□ 1420

The Colorado Fuel and Iron Corp. employs 8,000 people in Pueblo. The Colorado Fuel and Iron Corp. pays almost 20 percent of the tax base into the county coffers. So anytime we have any kind of a layoff because of lax imports, we have not only affected the steel industry in Pueblo, Colo., but we have, in essence, affected the whole tax base for the 125,000 people in Pueblo, Colo.

I would like to reiterate what the gentleman from Pennsivania has said in regard to some of the EPA and the OSHA regulations that we have to operate under as a steel industry which other countries do not have to. I think, basically, that I would indicate to the President and to the present administration that we do, in fact, extend our quotas on specialty steel imports.

Mr. GAYDOS. I wish to thank the gentleman from Colorado.

Mr. Speaker, let the record show at this point that the members of the Steel Caucus were more than pleasantly surprised and very grateful that the gentleman comes to us with such wealth of knowledge in this very highly technical subject matter. I am very happy to have the gentleman as an active member of the Steel Caucus. I know the caucus is very happy to have him. This is the gentleman's first term, and I am certain that we will have in the person of the gentleman from Colorado (Mr. KOGOVSEK) an active, knowledgeable, and dependable member of this Steel Caucus.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, I am pleased to join this discussion on the future of the speciality steel industry. We have here today Members from many States and diversified districts who have come together to speak out on this important issue. To me this discussion is significant in that it indicates an awareness that we must take action to protect our domestic speciality steel industry from the unfair effects of dumping.

On November 30, 1978, the United Steelworkers of America and 21 domestic speciality steel firms jointly filed a petition with the International Trade Commission seeking a 3-year extension of the existing speciality steel quotas which are scheduled to expire on June 13, 1979. Basically, speciality steels are stainless and tool steels. The initial 3-year quotas were imposed in 1976 after the domestic speciality steel industry and steelworkers established that increased imports of these products have been a "substantial" cause of serious injury to the domestic industry and its workers.

To permit the import restraints for speciality steel to expire in June of this year would be a mistake and would not fully accomplish the purposes for which the quotas were initially established. Only now is the domestic industry beginning to recover from the injury caused by the high level of imports. There is no question that conditions in the domestic speciality steel industry have improved during the import restraint period. It is necessary, however, that the import restraints, which the Department of Labor found to be noninflationary, be extended to enable the domestic industry to complete its efforts to adjust to the competitive conditions existing from subsidized and unfairly priced imports.

Failure to grant the requested 3-year extension would jeopardize planned and contemplated capital expenditures which will lead to reduced costs and improved efficiency. My concern in this matter arises for many reasons. The serious national defense implications inherent in relying on overseas suppliers for such critical materials as stainless and special alloy steels are obvious. We all remember the vital role played by the steel industry in providing the sinews of our Nation's security during WW II. This made it possible for the United States to be the "arsenal of democracy."

Likewise, the dislocations which result from unrestrained foreign imports pose grave problems for our country's economy. Finally, I am deeply disturbed over the potential consequences for my district if the International Trade Commission and the President fail to extend the speciality steel quotas. There are in excess of 2,000 employees of Republic Steel

alone—the largest producer in the 16th District—directly employed in the making of stainless and other special metals. Hundreds of other jobs are heavily dependent on these steel employees. Also there are several other producers of steel products with large numbers of employees. I do not want to see Government policies followed which could result in the loss of large numbers of these jobs or destroy this local tax base.

Over the past several months Republic Steel Corp. has announced multimillion-dollar plans for modernization and expansion of its steelmaking facilities in Canton and Massillon, Ohio. In addition, several other steel producers in the 16th District have announced expansion plans. A portion of that expenditure affects their speciality steel operations. If our Government permits foreign imports to once more capture large segments of the speciality steel market. Republic's plans and similar plans of other domestic producers will be seriously imperiled. It is not a very farsighted policy which permits an industry so basic and so vital to our national well being to be permanently eroded, in exchange for a questionable short-term benefit resulting from unfairly priced foreign steel being allowed into the country.

For years we have been hearing that imports combat inflation and keep prices down and this is partially true. However, we must also give some of the credit to our productive capacity and continually improved technology which have also played an important role in keeping prices down and providing us with the highest standard of living in the world. If we are to continue to advance technologically, U.S. industry must be assured that there will be a market for the goods produced.

Import quotas on specialty steel did not prove to be highly inflationary as was predicted at the time they were invoked in June 1976. In fact the quotas have proved over time to be anti-inflationary. After the quotas had been on for a year, the staff of the U.S. International Trade Commission reported that prices on several of the high volume specialty steel products manufactured in the United States have actually gone down. In this period of high inflation some specialty steel prices have, of course, gone up, however, those prices have not been increased at the same rate as the rise in Government price indexes.

On October 12, 1978, the Department of Labor issued a report on the price changes of the specialty steel industry which was covered by the import relief program. Mr. Speaker, with your permission I would like to enter into the RECORD the pertinent facts from that report. If the President needs a good reason for extending the import quotas on specialty steel, he will find it in this report, which makes it clear that the restraints have actually worked against inflation.

[Extract]

PRICE BEHAVIOR OF PRODUCTS UNDER IMPORT RELIEF STAFF STUDY

Specialty Steel, which has been under import relief since July 1976, demonstrates the positive response on the part of the industries. In 1976, wholesale prices (as measured by the average unit value of producer shipments) of all stainless steel items fell in average by 4.6 percent. Prices of alloy tool steel rose by 18.3 percent, but this was smaller than the surge in prices (26.8 percent) in 1975. In 1977, the average price increase for all stainless steel items was 3.7 percent, while prices of alloy tool steel rose by only 4.8 percent, down significantly from earlier increases.

In both cases the price increases in 1977 were smaller than during 1974 or the recession year of 1975. These smaller price increases in specialty steel were caused, in part, by the increased investment and new technology adopted by the industry. Investment increased to a record level in 1976 before declining slightly in 1977. Surveys report that expected investment in 1978 will increase by 20 percent over its 1977 level. From 1975 to 1977, the percentage of steel capacity using the more advanced AOD (Argon-Oxygen-Decarburization) process increased from 60 to 90 percent, according to a recent International Trade Commission report.[1] During the period of import relief domestic capacity utilization also increased, thus, providing increased efficiency and lower unit costs.

All of these changes served to increase worker productivity and enhance the industry's competitiveness. Output per man-hour was significantly higher in 1976 and 1977 than it had been in earlier years. (See attached table) These productivity increases of 12 and 14 percent were higher than the increases for the economy as a whole (4 percent) and higher than the increases in the steel industry as a whole (1.5 percent).

Recent data for the first two quarters of 1978 indicate that the pattern is continuing. Total stainless and alloy tool steel shipments increased by 4 percent over the same period in 1977, while output per man-hour increased by 8 percent over 1977.[2] Meanwhile average quarterly prices increased on eight of the products surveyed, decreased on four products, were unchanged for two products and no data were available on the other two products in the sample of sixteen. The price performance was good as the average price increase was only 4.9 percent while the average price decrease was 2.6 percent.

The moderate price rises could also have been caused by any factor which led to a decrease in the demand for the product or an increase in product supply, either domestic or imported. However, other factors which could have caused the moderate price increases were present only for some of the products. Demand slowed for several important categories but only in the fourth quarter of 1977 and has picked up again in 1978. It seems unlikely that it would have slowed the price increase substantially after only one quarter. Only in steel rod has there been a continual decline in apparent consumption. Otherwise, there did not appear to be any unusual change in imports or inventories which could have been responsible for the moderate price increases.

One interesting facet of the performance in specialty steel was that some of the quotas went unfilled during 1977. Although this could have been caused by a decrease in demand (perhaps in steel rod) or a nonbinding import quota, the productivity increases in specialty steel may have been responsible for the import quotas on some of the products going unfilled in 1976 and 1977. The domestic industry expanded and obtained a larger market share without significant increase in price.

Mr. GAYDOS. Mr. Speaker, I would like to comment on one of our more active leaders and officeholders in the Steel Caucus. I am referring to the gentleman from Ohio (Mr. REGULA), who has just concluded his remarks and is presently serving as the vice chairman of the executive committee. I wish to commend the gentleman for the great interest he has shown and for his role in the formation of the Steel Caucus in its infant stage approximately 1½ years ago. I thank the gentleman, on behalf of the Steel Caucus.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Minnesota.

● Mr. OBERSTAR. I thank the gentleman for yielding. Mr. Speaker, the gentleman from Pennsylvania, Mr. GAYDOS, has again raised a critical issue facing the U.S economy, the administration, and the Congress. In the very near future, we will consider a new international trade agreement and the question of whether the Congress and the administration should extend the import quota restrictions on specialty steel.

In 1977 President Carter asked for a review of these quotas and the International Trade Commission determined that termination of existing import quotas would have a serious adverse economic effect on the steel industry. Now, once again, the industry is fighting for survival.

Moreover, we cannot ignore another sad fact: competition from foreign nations is frequently less than fair. I come from a region of this country which has traditionally believed in free trade and which has encouraged and espoused the doctrine of free trade. I still believe free international trade is the best form of trade. I firmly believe in the ability of American industry and American workers to compete in a fair world market.

In this case, however, the competition has not been fair, and meaningful negotiation has been lacking.

Although my district is no longer a steel-producing district, it was at one time a very important steel producer. We continue to have our links with the down-lake steel producers, in that the northeastern area of Minnesota is the world's and the Nation's foremost producer of iron ore.

In fact, we produce almost 70 percent of all the iron ore produced in the United States. We have a vital interest in the success and the prosperity of the steel industry, particularly the specialty steel industry. When the steel mills are not producing, the iron ore mines of northern Minnesota are not going to be producing either.

Having studied at the College of Europe in Bruges, Belgium, I have some personal experience with the competition from abroad. I was there at the time of the formation of the European Common Market and the European Steel Community. I witnessed firsthand as a student how the Europeans worked to protect their own industry, build it, strengthen it with government support; not with the free enterprise policy we espouse in this country, but with strong government backing.

The time has come now for the U.S. Government to stand behind our free enterprise system, to give it the support it needs to meet foreign competition on its own terms. We can do this with a very sensible and very balanced and fair quota system to assist the industry back to its feet.

Specialty steel is an essential industry that cannot be allowed to weaken under the strain of foreign imports that have grown 835 percent since 1960.

Forced to compete with foreign companies that are actively supported and/or subsidized by their governments and that use predatory pricing practices to acquire market shares, our domestic industry must have the continued benefit of the import restrictions to make the capital investment and perform the research and development necessary to regain a technological edge. Import quotas are absolutely necessary if our steel industry is to become price competitive.

Given the fact Japan itself maintains a virtual embargo on specialty steel imports and the Europeans have agreements limiting Japanese imports to their countries, our import control program is modest and its continuation is warranted.

We cannot overcome, though, the disparities in competition in 1 or 2 years. It is going to take a longer period in order to rebuild this industry.

Mr. Speaker, I am honored to serve on the Executive Committee of the Congressional Steel Caucus with so many of my distinguished colleagues who are taking part in this colloquy today. In the last Congress, we had more than 170 members of the steel caucus and I believe we will have even more in the 96th Congress as more and more Members become aware of the necessity for preserving America's steel industry.

Although many members of the Steel Caucus are from steel producing districts and States, others are not. This reflects the growing awareness of all Member of the Congress, in both the House and Senate, that the health of the steel industry is of crucial importance to all areas of this country and to the Nation as a whole. Similarly, the future of the specialty steel industry is not simply a local economic issue confined to one region or to a few States. It is a truly national problem.

Mr. Speaker, I commend the gentleman from Pennsylvania, Mr. GAYDOS, for his leadership of our steel caucus. I know he will continue to provide that strong and forthright and outstanding leadership throughout this 96th Congress.●

Mr. GAYDOS. Mr. Speaker, I thank my colleague from Minnesota for his fine, concise remarks. He is so kind in his observations. I want him to take a message back to Minnesota on behalf of the Steel Caucus:

We thank the people of Minnesota's Eighth District for sending Congressman OBERSTAR to Congress, because we can depend on him.

Mr. Speaker, I yield now to my colleague from Pennsylvania (Mr. MURPHY)

Mr. MURPHY of Pennsylvania. Mr. Speaker, I would like to express my appreciation for being given the time to address remarks on a subject of great importance to the economic and strategic security of our Nation. Many of us are addressing the myriad aspects of the need to extend protective quotas for the specialty steel industry and I do not choose to duplicate those words or efforts but to underline and support the urgency of our recommendations.

I wish to stress areas that may have thus far been given less attention. We have all become especially conscious of the need to arrest the rapid growth of inflation in this country and have been taking serious steps to control its rise. However, in our efforts we must not lose sight of the often subtle factors that have affected inflation, and especially we must not overlook the fact that controlling inflation must not mean failing in our efforts to keep our citizens employed and our domestic industries healthy. Such a failure would only damage our strength and deepen our economic problems.

In considering measures to protect essential domestic industries, critics of those protective measures have often claimed that such protection will inevitably lead to higher domestic prices. Even some of our own Federal agencies cannot accurately predict how protective tariffs will affect prices. In one recent case the International Trade Commission estimated that the cost to the consumer would rise as much as $194 million if protection were extended to domestic footwear. At the same time the Council on Wage and Price Stability predicted an increase in consumer cost of $3.2 billion. When two agencies differ by a factor of almost 16 times the low figure we must turn away from speculation and toward the record to decide what it will cost to protect American jobs and national security in an industry as critical as specialty steel.

The facts gleaned from a variety of sources, clearly point to the unassailable position that the current quotas on foreign specialty steel have allowed our domestic industry to recover lost jobs, improve efficiency, and most importantly, to use the increased efficiency to hold the line on prices keeping them lower than the national average increase and lower than comparable industries increases. During 1974 and 1975 the specialty steel industry had no protection. Employment was down 40 to 45 percent and still prices rose an average of 25.4 and 16.2 percent, respectively. When protective quotas were provided in 1976 and 1977 prices fell almost 5 percent the first year and rose by less than 4 percent the following year. In fact the protection of this vital industry has had an anti-inflationary effect. Stainless sheet and strip steel in the specialty steel industry rose 30.2 percent in 1974 and 8.7 percent in 1975, both unprotected years when foreign producers were dumping their subsidized products on our shores. When quotas were finally imposed, the same products' price dropped by 2.7 percent in 1976 and rose by the same 2.7 percent in 1977, a figure far less than the inflation rate throughout the economy and less than 9.7 percent rise in 1976 and 6.7 percent rise in 1977 of other materials of durable manufacture. Under protective quotas specialty steel actually held its overall prices in line while comparable industries were on the increase.

Stainless steel plate rose 1.1 percent in 1974 and 22.7 percent in 1975, again unprotected from predatory pricing practices of foreign producers. During the years that the quotas were in effect, prices dropped 5.5 percent and rose only 1 percent in 1976 and 1977. Again, significantly less than a 9.7 and 6.7 percent rise in similar industries for the same years, as well as being below the national inflationary average.

Stainless bar and stainless steel rod follows the same pattern with bar increasing 30.7 and 10.2 percent in unprotected years and rising only 6.5 and 7.8 percent in protected years, again holding price increases below other industries. Stainless steel rod rose 26.1 and 13.8 percent in unprotected years and prices fell 5 percent and rose only 1.1 percent in subsequent protected years.

The overall specialty steel industry averages for stainless steel rose 25.4 percent in 1974 and 16.2 percent in 1975 while artificially cheap foreign products were flooding the market. When quotas were imposed to save our own domestic industry from collapse, prices fell 4.6 percent in 1976 and rose only 3.7 percent in 1977. Taking an average of the 2 protected years, specialty steel prices were actually lowered by 1.1 percent while comparable industries rose 16.4 percent over the same 2 years.

The reason that the specialty steel industry has been able to control its prices under protective quotas and, therefore, fight inflation and better serve the consumer is very simple. With an improved and stable market they now have the capital to reinvest in more modern facilities and production techniques. The men and women who work in the industry, over 65,000 American citizens, have improved their productivity by using the new techniques and facilities and are better workers knowing that their jobs are more secure.

In the unprotected years of 1974 and 1975, American workers produced 30.1 tons of stainless steel products per man-hour. Under protection, with reinvestment in newer processes and a more secure feeling toward their livelyhood, they produced 35.4 tons of steel per man-hour, an increase in production efficiency of almost 9 percent.

However, the danger is not over. As we gather here today, foreign producers in England and Finland have started construction and in some cases even begun production in facilities that will produce an average of 45 percent more specialty steel than either country's home market can absorb. The excess steel, produced by government owned or subsidized mills is deliberately designed to be sold in over-

[1] U.S. International Trade Commission, *Stainless Steel and Alloy Steel Report to the President*, October 1977; No. 838.

[2] For more detail see U.S. International Trade Commission, "Stainless Steel and Alloy Tool Steel: U.S. Production, Shipments, Employment, Man-Hours, and Prices," Second Quarter 1978, Publication No. 903, August 1978.

seas markets and there can be no doubt that the prime target is the United States. We must, therefore, extend our quotas for at least the next 3 years.

We must carefully consider the record of cost and price control that the specialty steel industry has so carefully practiced and the fact that this American industry has actually aided in the fight to control inflation through efficiencies and economies voluntarily imposed.

We must especially keep foremost in our minds that this industry serves all facets of American life. Specialty steels are in the farm equipment and food processing machines that feed us, they are in the hospital equipment that keeps us healthy and prolongs our lives, they are found in the many household appliances that save us time and energy and often entertain us, they are used in the massive powerplants that light and warm our homes, and specialty steel form major components in ships, aircraft, computers, and so many vital instruments in our private lives and military arsenal.

We must not treat specialty steel as just one of many problems that plague us in preserving the strength and integrity of our domestic industry, but recognize its unique contribution to all of the towns and cities of this Nation. While we continue to seek solutions to those other problems it is imperative that we send a message to the President that is clear and understood. A message that calls for continued protection for a vital and responsible industry, without which we shall certainly be poorer and less secure.

□ 1435

Mr. GAYDOS. Mr. Speaker, I wish to thank my colleague, the gentleman from Pennsylvania (Mr. MURPHY), for his enlightening remarks, particularly for his identification of specialty steel.

Many people, including some Members of this House, are not fully aware of what we are talking about when we talk about specialty steel. We are talking about a special alloy steel that is generally sold by the pound as distinguished from basic carbon steel, which is sold by the ton. The products are different. This is a high labor-intense product.

The specialty steel industry is essential to the production of whatever item one could imagine.

That is why this is such a vitally important subject.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. GAYDOS) for yielding.

I think he has put his finger on exactly why the specialty steel industry was most critically hurt by imports in the 1960's and early 1970's, and was the first and, at this point, only industry to have received, in the past, effective help under the Trade Act, as passed by the Congress.

Specialty steels are just the kind of product other countries would like to export to our country because the profits are there. They are labor intensive, and with low transportation costs per dollar of return.

Therefore, the specialty steel industry has come under the gun of imports more than many other industries.

Mr. Speaker, I want to add my voice to the special order here today. I represent a district where there are two major specialty steel producers. Although that may create a special interest on my part, it gives me some firsthand experience with the position of those people who are hurt by the imports in that industry.

For the people of western Pennsylvania, specialty steel means just one thing, and that is jobs. Mr. Speaker, 30,000 steelworkers and their families in western Pennsylvania depend on a healthful American specialty steel industry.

Three years ago the International Trade Commission determined that our specialty steel industry was being injured by unfair foreign competition. At that time a modest and flexible limit was placed by the President on the amount of foreign specialty steel which could enter the United States. Those limited quotas have just begun to work.

When foreign steel literally steals American jobs through unfair competition and unlawful dumping, we have a right to protect ourselves. The livelihood of 65,000 specialty steelworkers in the United States depends on our efforts to fight those illegal trade practices.

There is no question that we are asking this industry to do much. One company in my district has, in the last 2 years, invested $25 million in environmental equipment and controls. When we ask that kind of investment to come out of profits returned from marketing their product, we had better be sure that there is a market for their product.

Mr. Speaker, I feel there is a very basic reason that the steel industry and particularly specialty steels need the protection of the Trade Act. I think it would be fair to say that the effectiveness of the trade laws, in general, rides on our ability to effectively protect the American specialty steel industry.

□ 1440

Almost no other industry is in the position of being both critical to the national security and our modern economy and, at the same time, being a kind of industry that every other nation on Earth wants to have. Almost every other nation has built a capacity to produce this kind of product for their own national economies and is looking around the world for places to market that capacity to keep their own industry employed.

If we are to have any effective protection from imports for any industry, specialty steels and the steel industry are the first to deserve it. Our ability to keep in place reasonable controls, like the flexible quotas presently protecting this industry, will decide whether or not our whole economy will be opened up wholesale to foreign imports and competition, which inevitably will decimate many industries and undo the balance of local production that is necessary for economic strength.

Mr. GAYDOS. I thank my colleague and neighbor from western Pennsylvania for his astute remarks. I think he did zero in on a very sensitive point.

Back in 1969 we had the voluntary restraint arrangement on steel. It was a negotiated agreement, nonbinding, and it pertained to basic carbon steel as well as specialty steel. We predicted, and I think rightly so, that the steel product mix in the future would change. We would have more specialty steel products coming into the country because they were more highly labor intense, and higher priced. The years following the voluntary restraint agreement (VRA) were the bleakest years for the specialty steel industry. I, for one—was very disappointed that the 1974 Trade Act did not fully address itself to the steel trade problems that were unfolding at that time.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to my vice chairman and good friend from the Deep South, the gentleman from Alabama (Mr. BUCHANAN).

□ 1445

Mr. BUCHANAN. Mr. Speaker, as vice chairman and one of the cofounders of the Congressional Steel Caucus, I am pleased to join my colleagues on both sides of the aisle in the discussion today on the future of an essential American industry—specialty steel.

As the Representative from Birmingham, Ala., I have a deep interest in the future of the steel industry in this country. Yet, I do not believe this to be a selfish interest. Indeed, I believe that even those Members who represent areas where there are no steel mills should have just as active an interest in preserving this industry as those who represent Birmingham, Pittsburgh, Gary, Youngstown, Buffalo—or any of the other great steel producing centers of the United States.

Steel is the most basic of all our industries. Without steel we would have no railroads, no highways, no factories, no skyscrapers, in fact, no industrial society. It is not too much to say that America's great advancement from an agricultural to an industrial society was made possible by steel. If we had not developed our domestic steel industry, we would not have become the industrial leaders of the world—nor could we have developed an adequate means of defense in a world in which our strength is the foundation of peace and stability. The importance of specialty steel to our national security was substantiated by a special subcommittee report of the Senate Armed Services Committee early in the 1970's.

Without steel our Nation could never have achieved the amazing productive capacity we now enjoy, nor could we have provided our citizens with a standard of living which is a marvel for the whole world.

The specialty steel industry, although only a relatively small segment of our overall steel industry, is nonetheless an integral and essential part of that vital whole. Specialty steel products are necessary for drilling oil and transporting natural gas, for modern communications equipment, for coal mining, electric power generation, air, sea, and land

transportation, food processing equipment—in short, for the operation of our modern society.

Yet, in spite of all the evidence and knowledge concerning the absolutely vital role specialty steels play in our society, we were on the verge of surrendering this essential industry to imports when President Ford ordered the present import restraint program in June 1976.

Under the pressure of unrestrained imports, specialty steel production in the United States declined from 1,328,000 tons in 1974 to 722,000 tons in 1975. In 1 short year, production was cut in half. Unemployment ran as high as 45 percent in the industry. In some product lines, such as stainless steel wire rod, imports attained a penetration of more than 70 percent of the domestic market.

The import restraints put in place by President Ford and upheld last year by President Carter have brought about a partial recovery of the specialty steel industry. Three years is not enough time, however, to expect a full recovery for a capital and labor intensive industry that suffered such an extensive injury before the import quotas were put into effect.

Last October, the Bureau of International Labor Affairs of the U.S. Department of Labor released a study on price behavior of products under import relief. The report illustrates very clearly the fact that these import restraints do not contribute to higher prices for these products, nor do they fuel inflation.

In 1976, the year in which the specialty steel quotas were implemented, wholesale prices of all stainless steel items fell in average by 4.6 percent. Prices of alloy tool steel rose by 18.3 percent, but this was smaller than the surge in prices (26.8 percent) in 1975. In 1977, the average price increase for all stainless steel items was 3.7 percent, while prices of alloy tool steel rose by only 4.8 percent, down significantly from earlier increases.

Investment increased to a record level in 1976, before declining slightly in levels. Statistics indicate that investment increased significantly in 1978 over the 1977 level. During the period of import relief, domestic capacity utilization also increased with reflecting increased efficiency and lower unit costs.

All of these changes served to increase worker productivity and enhance the industry's competitiveness. Output per man-hour was significantly higher in 1976 and 1977 than it had been in earlier years.

Mr. Speaker, there is no alternative to extending the import restraints for an additional 3 years. The program has worked. Employment is up. Capital expenditures are up. Prices have not risen commensurate with other price indexes. It would be less than wise to abandon a program which has proved so beneficial to this essential American industry, and therefore, to the American people as a whole.

It is my sincere hope that the United States International Trade Commission will recommend to the President the continuation of this import restraint program and that the President will follow this recommendation.

Mr. GAYDOS. Mr. Speaker, I want to thank my colleague. I think his remarks demonstrate beyond a doubt, beyond question, his dedication to the steel caucus, which he helped to establish.

Today we of the steel caucus, hope to acquaint our colleagues and the public with the subject of specialty steel as it relates to the economic health and well being of our Nation.

My good friend and former colleague, the gentleman from Pennsylvania, Mr. John Dent, used to say, "It is a boring subject, but so necessary to the economic stability of generations to come."

□ 1450

Mr. RAHALL. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to my good friend, a member of the caucus, the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Speaker, I am delighted to rise today with my other colleagues in speaking out on this issue of an extension for specialty steel imports. I have in my district a steel mill that is threatened by imports from Belgium, which is dumping its products in this country. Although dumping is not the issue involved in the specialty steel case, I must point out that the specialty steel industry actually won two dumping cases earlier in the 1970's. However, I am sorry to say that no penalties have been assessed against the foreign companies found guilty of the dumping. It was for this reason that the specialty steel industry and the United Steelworkers of America jointly pursued the escape clause route in the Trade Act of 1974. I for one hope they can hold onto the limited victory they have achieved.

In my own district, it is the Connors Steel Co. plant in Huntington, W. Va., that is threatened. This plant employs nearly 900 workers and unless our Government stops the dumping of steel from Belgium their jobs will be wiped out. This mill produces lightweight carbon steel I-beams for trucks and vans. Connors Steel developed this product with its own technology. A giant Belgium company copied their technology and has now grabbed off Connors largest customers by selling the I-beams here at least 30 percent under their European market price.

Connors Steel is not one of the companies involved in the specialty steel case. However, I think what has happened to this company is a classic example of the kind of unfair practices with which all our steel companies and workers have to contend. Business Week magazine, in its February 12 issue, ran an article about the Connors case and related trade matters and I insert this article in the RECORD, as follows:

WHY CONGRESS MIGHT SQUASH THE TRADE PACT

The trade-liberalization agreements negotiated in Geneva are being threatened by new doubts in Congress, which must ratify the accords, about the commitment of Europe and Japan to genuinely equitable trade relations—and about the Administration's ability to ensure compliance even with the trade rules that are already in effect.

Two controversies involving Belgian steel and Japanese TV sets are complicating prospects for the accords on Capitol Hill. The congressional backlash could be directed mainly at a code—designed to regulate the use of subsidies, countervailing duties, and related antidumping duties—that is part of the Geneva package. Legislators are concerned that the code will not provide enough protection for U.S. industry against unfair trade practices. If Congress rejects that provision, it could shoot down the whole package because the Administration's omnibus bill to ratify the pacts must be voted up or down without amendment.

What worries the powerful legislative steel caucus, made up of 175 congressmen and 40 senators, is a complaint by Connors Steel Co., of Birmingham, Ala., that Cockerill Ougrée, a Belgian government-aided steel producer, is selling specialized lightweight I-beams in the U.S. at 21% to 48% below European prices. Connors Chairman Robert L. Mueller says the dumping cut the company's net profit per ton on that product by 70% last year and may force it to close its Huntington (W. Va.) mill with a loss of 900 jobs.

Representative John H. Buchanan Jr. (R-Ala.), chairman of the steel caucus, questions the good faith of the Belgian government in having supported dumping by Cockerill while participating in negotiations on the subsidy code. "The caucus has tried not to be protectionist," Buchanan says. "But if these agreements seem to threaten an already beleaguered industry, we will be forced to take some kind of action."

ANTIDUMPING DUTIES

Anger on Capitol Hill over alleged dumping of Japanese TV sets, simmering for years because of the Treasury's delay in assessing and collecting antidumping duties on sets imported as long ago as 1971, has also reached a boiling point. Congressmen are particularly irked by recent Treasury suggestions that $400 million worth of potential antidumping duty liabilities on imports totaling $2.5 billion may be scaled down to a small fraction of that figure. "The committee will be very unhappy about any prorated settlement of these claims," says Representatives Charles A. Vanik (D-Ohio), chairman of the trade subcommittee of the House Ways & Means Committee and a key figure in the coming battle over the Geneva accord. "Even proposing such a thing could jeopardize the implementing legislation."

Even if Congress ratifies the Geneva package, it could pass separate antidumping legislation with highly protectionist provisions that would provoke foreign retaliation. This would unravel much of the progress toward freer trade that has been achieved by five years of negotiation in Geneva.

The delay in assessing antidumping duties is partly due to Treasury's discovery of apparently widespread fraud, involving double invoicing and rebates to U.S. importers by Japanese manufacturers to evade dumping charges. Grand jury probes that are currently under way could lead to criminal penalties and to hundreds of millions of dollars in civil penalties as well.

Among companies that could be hit by the antidumping duties are major importers such as Sears, Roebuck & Co. and J. C. Penney Co. The Treasury is currently sifting through masses of information, contained in 700 protests filed by both U.S. importers and Japanese TV makers against an initial $46 million of levies, to determine what adjustments should be made in its initial calculations of Japanese home market prices. "Frankly," says one Customs Service official, "we don't know at this point whether the final bill for antidumping duties will be $400 million or nothing." Vanik, unhappy over such a prospect, is considering legislation to simplify assessment criteria and set a time limit for collections. "I say, collect the duties owed to the U.S. Treasury first, and then let the courts act," Vanik declares.

Customs plans to start collecting by May, at the latest, on TV imports through June,

1978, and clean up the rest of the backlog, possibly by the end of the year. But even if it succeeds in doing so, it will be too late to influence the congressional debate on the Geneva package.

Mr. GAYDOS. Mr. Speaker, I have already asked for general leave to introduce into the RECORD statements by the other Members, and I would like to submit the names of those Members who have presented statements that will appear in the RECORD along with this special order. Those Members are: the gentleman from Pennsylvania (Mr. WALKER); the gentleman from Pennsylvania (Mr. COUGHLIN); the gentleman from Michigan (Mr. DINGELL); the gentleman from West Virginia (Mr. SLACK); the gentleman from Pennsylvania (Mr. FLOOD); the gentleman from Pennsylvania (Mr. SHUSTER); the gentleman from Kentucky (Mr. PERKINS); the gentleman from New York (Mr. ADDABBO); the gentleman from Kentucky (Mr. NATCHER); the gentleman from New York (Mr. NOWAK), the gentleman from California (Mr. GRISHAM); and the gentleman from Maryland (Mr. LONG).

Mr. LEDERER. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I am happy to yield to my colleague, the gentleman from Philadelphia, Pa. (Mr. LEDERER).

Mr. LEDERER. Mr. Speaker, I rise today, along with many of my colleagues, to urge the President to extend for another 3 years the current quantitative restraints on imports of specialty steel products.

These restraints went into effect in June of 1976. At that time, America's specialty steel industry was suffering greatly at the hands of a huge influx of foreign imports of specialty steel. Much of these imports are supported by large subsidy programs of the foreign nations that are exporting. Because of these subsidies, the foreign imports were flooding the American markets and vastly underselling the American specialty steel products. The specialty steel industry of the United States was being devastated; almost half of the workers in this industry were unemployed.

Although the 3-year import restraint program has been helpful, the industry has achieved only a partial recovery. It must be remembered that these restraints do not forbid imports, but only limits them. The imports that are permitted into the United States have increased annually over the past 3 years and still maintain a healthy share of the market. If we were to allow these import restraints to expire, the American specialty steel market would be deluged with a flood of subsidized foreign imports.

Mr. Speaker, we in the Congress must strive for a "fair" trade policy. The specialty steel industry requires this extension of the import restraints so as to restore itself to a healthy, competitive environment. During the past 3 years, the industry has made great strides. Employment has been increased, research and development have progressed and substantial capital investments have been made to further reduce costs and increase efficiency. I might add that all of this has occurred without it adding to the inflation spiral.

□ 1455

Mr. GAYDOS. Mr. Speaker, I thank my colleague from Pennsylvania for his remarks.

Mr. DAVIS of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. Mr. Speaker, the subject of "jobs" has been mentioned a number of times today as an important factor in considering the necessity of extending import restraints on tool, specialty and stainless steels. As vital and as sound as all the arguments are to me, jobs are and will remain the foremost factor in determining my position.

Too many pressures are already besetting the American work ethic. We should not add more. We must protect all the jobs we have. Not only do we have to retain all of those we presently have but there is an urgent need for thousands more jobs throughout the United States.

Jobs in the specialty steel industry are among the best jobs in the metals industry. They demand high skill and experience. The American specialty steel worker realizes the importance of his trade.

He knows what is at stake when he turns out a product which will become part of a nuclear power plant or be included in an aerospace project.

He knows what is expected of a piece of steel that must withstand thousands of degrees of heat 1 hour and then function without flaw at 60° below zero 6 or 7 miles in the sky.

The American specialty steel worker knows how standards and specifications are continually rising. He knows that steel he is helping to make today did not exist in his father's day.

However, the American specialty steel worker knows too, that his company is owned by stockholders, not by Government. He knows that the laws of his land require that his company operate completely apart from all other specialty steel companies. He knows that his company must succeed on its own merit, that it cannot rely on special breaks granted by Government in the manner of foreign companies. He knows that American companies cannot merge their sales efforts as foreign steelmakers are permitted to do.

He knows that the selling price of the American specialty steel product is determined by costs—the costs of his labor, and the costs of the raw materials that go into his product. Perhaps he does not understand the reasons that foreign governments give their specialty steel companies many different kinds of incentives so they can penetrate the big American specialty steel market.

Above all, the American steelmaker knows that he wants and needs his job. If import restraints are the only sound and immediate way to protect his job, then the American specialty steel maker expects those restraints. And he is entitled to them, just as American industry is entitled to them.

Mr. Speaker—jobs alone are the only justification we need for extending import restraints. The fact that there are many other justifications beyond the need for jobs only makes the case more compelling.

I want to be able to tell the people I represent, "We in Government saw what had to be done and we did it."

I do not believe I could go back to northern Michigan and tell my constituents, "We considered the fact that there were American jobs on the line but we did not do anything about it because we were told that other things were more important than jobs."

Mr. GAYDOS. I thank the gentleman for his comments and also for his insertion in the RECORD.

Mr. BENJAMIN. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to my colleague, the gentleman from Indiana, the executive committee chairman of the Steel Caucus.

Mr. BENJAMIN. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman from Pennsylvania (Mr. GAYDOS) for taking this special order, along with the special order taken by the gentleman from Alabama (Mr. BUCHANAN), the vice chairman of the Steel Caucus executive committee, the gentleman from Ohio (Mr. REGULA), and myself, as chairman of the executive committee. I commend the gentleman also for his outstanding interest, not only in the steel industry, but in all of the production facilities and the economy of our Nation.

Mr. Speaker, the International Trade Commission's impending consideration of specialty steel quotas has significant implications not only for specialty steel producers and their employees but for the entire steel industry in this country. It is an industry beset by a sea of troubles. How we, as a Nation, react to this will have ramifications extending beyond any one industry and will affect the whole national economy.

The provisions of the Trade Act of 1974 have, in the case of specialty steel, proven to be effective. This industry is back near full employment and running at close to capacity in many plants. This clearly demonstrates, I believe, the correctness, both of the original ITC recommendation and the Presidential imposition of quotas. The specialty steel industry was primarily a victim of unfair import competition, not inefficiency or lack of productivity.

While the industry is recovering smartly, the gradual recovery process could be seriously undermined if the quotas are prematurely removed this June. The ITC originally recommended a 5-year quota; President Ford modified this by applying a 3-year quota. The ITC recommendations were made with the knowledge that effective planning by business and labor cannot be done on a year-to-year basis. Capital investment, research, and collective bargaining decisions must be made over a longer term. The industry needs a minimum of the full 5 years to allow for full recovery and to avoid the disruptive market effects that would be sure to occur from premature termination of quotas.

Third, and I believe most important, if we do not allow the Trade Act of 1974

to function as contemplated by the Congress, the legitimacy of all trade relief actions will be greatly damaged and increasing pressure will be brought to bear for more stringent legislation. Such legislation could threaten the stability of world trade and financial markets.

The real congressional issue in the specialty steel case is, I believe, maintaining the integrity of Trade Act decisions and remedies and the congressional role therein.

The administration cannot on the one hand tell our business and labor leaders to pursue vigorously all available remedies under the Trade Act and on the other hand thereafter dilute remedies lawfully pursued and justly won at the point when they begin to be effective, and when the congressional power to veto under the Trade Act has expired.

Very simply, specialty steel quotas present a crucial test of whether the Trade Act is to be allowed to work as intended by Congress.

If the International Trade Commission refuses to extend the current restraint system imposing import quotas of most stainless and tool steels, specialty steelmakers would be without any comprehensive protection under U.S. steel trade programs despite unfair international competition.

According to Steel Week, dated February 20, 1979:

> A committee assessing the U.S. Customs Bureau's budgetary needs raised the prospect that Customs may be asked to include specialty steels in the trigger price mechanism (TPM)—from which they were excluded because of the quota protection.
>
> The Office of Special Programs in the Treasury Department is now considering the question of trigger prices for specialty steel items now covered by quota, and would be responsible for preparing trigger prices for these products, Customs officials informed trade subcommittee of the House Ways and Means Committee.
>
> But the Customs officials made it clear that establishing Japanese costs of production for the full range of specialty steel products—and monitoring every entry of such products to guard against unfair pricing—would be an unwelcome, perhaps unbearable, burden.
>
> All the staffing for administering the trigger price program has been obtained by diverting personnel from other Customs activities,' they said. 'If we were to handle specialty steel as a trigger price (item) we would have to add additional staff presently working in other areas. Because of the extreme product complexity, administering this commodity group would be especially difficult.
>
> Last year, administering the trigger price mechanism cost an estimated $1 million and the equivalent of 50 full-time positions. The program has been expanded steadily since its inception, and will probably cost $1.5 million in the coming fiscal year—with 80 people devoted full-time to the task.
>
> The difficulties in establishing trigger prices for specialty steel are inherent in the nature of the product. Most specialty steel products are made on special order to meet exacting specifications. Some of the products are not even available from Japanese mills. And, in the words of one government steel expert, "specialty steels just are not the kind of thing you dump."
>
> Treasury has long resisted the notion of including specialty steels in the trigger price mechanism, although at least one specialty variety not covered by the quota system is included in the TPM. Stainless steel wire was added to the assortment of wire products included belatedly under the program after a court challenge by wiremakers.
>
> At one time, another non-quota specialty line—welded stainless steel pipe and tube—was included in the program as if by accident. Last winter, just a few days after one Treasury pronouncement indicated that the product was not covered by the system, another department statement listed a trigger price covering a narrow range of stainless welded pipe.
>
> Within months, though, Treasury managed to edge the product out of the trigger system. The International Trade Commission found in an unrelated dumping case that there was no injury to the domestic stainless pipe industry from Japanese sales of the product at less than fair value. Arguing that a no-injury determination by the ITC precluded any further anti-dumping actions against stainless pipe producers, Treasury dropped the page on stainless pipe from its price manual.
>
> The department could make a similar argument on specialty steels if the trade commission rejects arguments for further quotas on the grounds that the domestic industry is suffering no injury. Almost certainly, though, such a move by Treasury would sustain the claim that Treasury has served specialty steel poorly for years."

□ 1500

Mr. Speaker, this is discussed in great detail, the dilemma as focused on in the February 20 issue of Steel Week. Within that particular issue it indicates that there is almost no relief whatsoever as we provided for carbon steel under the TPM, as ineffective as that system may be.

Mr. Speaker, I thank the gentleman from Pennsylvania for the opportunity to participate.

Mr. GAYDOS. Mr. Speaker, I thank my colleague and fellow member on the executive committee for his fine statement.

● Mr. LEE. Mr. Speaker, I take this opportunity to urge President Carter to act with reason and foresight and extend present import restraints on specialty steel products.

The specialty steel industry is essential to America's energy, transportation, communication, food processing, mining, and aerospace needs. We as a nation are dependent on the specialty steel industry not only for the maintenance of a strong, viable industrial base, but also for the continuation of sound military preparedness.

The success of the current specialty steel import-restraint program is well documented. Prior to implementation of the restraints unemployment in the U.S. specialty steel industry ran as high as 45 percent. Many plants were forced to close. Even the most efficiently managed companies experienced financial losses. Since 1976, when import restraints were enacted, employment in this industry has increased significantly, along with capital investment, research and technological development and profitability. However, additional time is required in order for the restraints to reach their full effectiveness.

It must not be forgotten that in the world marketplace the American specialty steel industry competes with companies owned or subsidized by foreign governments. Unlike American companies, these foreign specialty steelmakers are not constrained by the demands of profit or capital formation. We must not fail to recognize the economic realities facing our Nation's industries today. Predatory pricing policies, total government subsidization, and the general unfree nature of economies in the world clearly indicate that foreign steel industries are playing by a different set of rules.

Free trade is only meaningful if all participants in the marketplace are playing by the same rules. The evidence is impressive that our foreign specialty steel competitors are playing by different rules. Many of our foreign competitors, particularly the Japanese, are permitted to organize cartels and rationalization schemes not permissable in the United States. Foreign governments undervalue their currencies to make export markets more attractive. Special subsidies are bestowed on foreign companies permitting them to show minimal or no return on capital investment.

If these foreign concerns are again allowed to invade the U.S. marketplace thousands of workers will directly lose their jobs, and countless others will face the resulting economic consequences experienced by communities whose major factories are forced to close. I cite as an example the over 2,000 workers at Crucible Steel Corp. in Solvay, N.Y., who I enjoy the privilege of representing, that could fall under hardship if the specialty steel import-restraints are dissolved.

Mr. Speaker, the U.S. specialty steel industry favors open, fair, and mutually beneficial world trade. Given the same ground rules, undistorted by Government intervention, our Nation's specialty steel industry is totally competitive.

But because a different set of rules does exist, I feel our President must take action to extend the current specialty steel import-restraint program for 3 years, as permitted by U.S. trade laws.

At the same time, Mr. Speaker, we must seek a long-term solution to this problem by revising our trade laws to recognize the problems faced by the specialty steel industry in this country. Thank you.●

● Mr. RINALDO. Mr. Speaker, I am pleased to join my colleagues today in calling attention to the danger facing the specialty steel industry of America and its 65,000 workers. Although New Jersey is not a primary steel-producing State, we do have 17 steel company facilities and more than 4,200 people working in those facilities. Two of them are plants operated by the Carpenter Technology Corp., a leading producer of specialty steels. Moreover, the United Steel Workers of America have nearly 30,000 members in New Jersey; these jobs are inextricably linked to the maintenance of a healthy specialty steel industry in this country.

In fact, the jobs of millions of workers in the oil, natural gas, electric power, transportation, and communications industries depend upon a reliable supply of the high technology metals produced by the specialty steel industry of this country.

Before import quotas were placed on specialty steel, this industry was experiencing unemployment as high as 40 to 45 percent and some mills were virtually shut down entirely. In short, the specialty steel industry was already walking through the fire of high unemployment due to imports long before the rest of the steel industry began to feel the heat, as it did last year with the closing of plants in Youngstown, Ohio, and Conshohocken, Pa., plus widespread layoffs in a half-dozen other steel mills.

The specialty steel industry is just beginning to come back after a long period of hardship and thousands of workers are looking to the President to maintain the quotas so they can keep their jobs. I am pleased to join with my colleagues in urging the President to extend the quotas on specialty steel in order to give these people, and the country, the chance to restore this critical industry to full production.●

● Mr. McCLORY. Mr. Speaker, the specialty steel industry in our Nation has been severely damaged by foreign imports—some of which appear to have resulted from foreign subsidies and other governmental practices with which our privately owned steel companies cannot compete.

In many cases, the foreign companies are government owned and capacity production is sponsored and promoted by governmental action—practices which are quite inconsistent with our private enterprise system in which we expect the U.S. steel industry to operate.

The provisions contained in the Trade Act of 1974 appear to be inadequate and antidumping cases which have been filed have not served to stem the unfair foreign competition.

As Representative in Congress of the large United States Steel Corp.—Waukegan works—and of many other companies which provide specialty steel products, I take this occasion to urge the existing retention of import restraints on specialty steel as well as upon steel tools, dies, and stainless steel.

Mr. Speaker, I address these brief remarks in behalf of the management and labor components of the specialty steel industry of our Nation and particularly those interests which are to be found in my 13th Congressional District of Illinois.

I applaud Congressman JOSEPH GAYDOS of Pennsylvania for his leadership in arranging this special order and for the laudable ends which it is intended to serve.●

● Mr. ZABLOCKI. Mr. Speaker, I would like to extend my appreciation and commend our colleague, Representative JOSEPH GAYDOS, for requesting this special order and providing us with the opportunity to highlight the serious problem facing the specialty steel industry.

As you know, specialty steel is a unique industry producing steel used in the manufacture of thousands of commodities. The industry employs 65,000 workers who create products for use in everything from airplanes, to medical equipment, to household appliances.

Mr. Speaker, in 1976 the International Trade Commission found that the domestic specialty steel industry and its workers had been seriously injured by imports. It was estimated that during the 2 previous years the escalation of specialty steel imports caused an unemployment rate of almost 45 percent in communities with specialty steel plants.

Accordingly, after studies and hearings the ITC recommended import limitations to allow the industry to recover economic losses and the President approved restraints for a 3-year period on June 14, 1976.

Mr. Speaker, those restraints will expire this June. While conditions in the domestic industry have improved, there is increasing evidence that this highly capital-intensive industry will not reach full recovery if the import restraints are lifted. The lifting of import limitations is likely to release a new flood of foreign specialty steel in this country thereby reversing recovery already made.

On November 30, 1978, the industry and the United Steelworkers of America (AFL–CIO) filed a petition with the ITC for a 3-year extension of the existing quotas.

Mr. Speaker, I am pleased to add my support to this request and hope that the Commission will favorably recommend the extension. The import quotas have a vital impact on the specialty steel industry, our workers and our national economy.●

● Mr. BOWEN. Mr. Speaker, I agree with Mr. Lloyd McBride, president of the United Steelworkers of America, when he calls for renewal of the specialty steel quotas. We have obligations to our workers and people in general not to allow the premature lapse of the quotas.

Termination of the quotas in June, as presently authorized, would be unwarranted. Full industry recovery, contemplated under the escape clause, has not yet occurred.

Employment levels, while significantly improved, are still below levels achieved in 1974. Unemployment has reached 40 percent during the worst periods of this industry's recession in 1974.

Short-term gains in employment, production, and profit levels could easily be eliminated if the quotas are allowed to lapse in June. Thousands of workers would, once again, be without jobs.

If important restraints are removed we can expect another flood of steel imports from foreign nations. New specialty steel capacity exists in Mexico, Brazil, Korea, Finland, and Great Britain. Virtually all of these sources have developed with considerable assistance from government subsidies.

The International Trade Commission, in its recommendation to the President 4 years ago, concluded that the specialty steel industry required 5 years of relief. Renewal of the quotas for an additional 3 years would add only 1 year to that initial recommendation.

One additional thought—renewing the quotas is not a protectionist action. I favor the freest possible international commerce with only one provision. This trade must be fair trade. It is not fair to our domestic industry, which must turn a profit and build its own capital, that foreign competitors receive special subsidies from their governments. It is not fair to our domestic industry that foreign exporters are able to organize cartels and otherwise rationalize their production. It is less than fair that domestic companies must compete with foreign companies that are owned by foreign governments. The specialty steel quota is one device that helps to assure that the domestic marketplace is characterized by fair trade practices. I hate to think what effect it would have on our domestic companies if these quotas were lifted.

In summary, I think it is in the best interest of our country and domestic industry that the specialty steel quotas be renewed. The consequences of not renewing this quota could be extremely severe.●

● Mr. FITHIAN. Mr. Speaker, I wish to associate myself with concern being expressed today by my able colleagues that the import quotas on specialty steel be continued. As we know, the specialty steel industry is the "high value" sector of the total steel industry in this country. While accounting for only about 1.5 percent of tonnage yearly, specialty steel constitutes about 10 percent of the dollar value of the steel sold in this country.

The industry is presently making good progress along the road to recovery both in terms of sales and employment. This fairly encouraging picture further argues against terminating quotas to the ongoing restraint program since this would catch the industry in the midstream of its recovery. While employment is up in the industry, it is still below the peak year of 1974. It is important to keep in mind in this regard that productivity gains have also been realized in the industry. In fact, stainless steel productivity is much above the 1974 peak year.

Mr. Speaker, clearly, there is little to gain by abandoning the current restraint program when we see tangible progress being made on all fronts for labor and industry. I want to reiterate my own concern about this important issue since it impacts such a vital part of a basic industry.●

● Mr. EVANS of Indiana. Mr. Speaker, I am pleased to add my voice to those of my colleagues in support of the extension of the import restraints on specialty steel.

The International Trade Commission will hold hearings beginning March 6 to review the question of whether the import restraint program should be extended or terminated. It is my hope that the ITC will once again recommend to the President that these quotas be maintained.

Specialty steel is a unique industry absolutely essential to our national defense. In fact, after hearings in 1972, the Senate Armed Services Committee found that specialty steels are essential to fabrication of the major portion of our defense weapons and critical weapons systems.

Specialty steel products are used in nearly every segment of our economy, from aircraft and automobiles to food processing equipment and electronics

products. We cannot permit this industry to be driven out of business by subsidized foreign producers.●

● Mr. MILLER of Ohio. Mr. Speaker, I join my colleagues in stressing the urgency of continued import restraints on tool, specialty, and stainless steels. As has been stated already, these metals are absolutely vital to the basic functioning of this Nation. Everything from sophisticated communications equipment to eating utensils depend on specialty steels in one form or the other.

One clear example of this truth lies in the power generation of electricity. We are all aware of the energy crunch America is in today. In the future, if the United States lacks sufficient quantities of these specialty metals that are required in alternators and transformers, for example, we simply cannot generate the volume of electricity we will need. It makes no more sense to depend on imported specialty metals to generate this electricity than it does to rely increasingly of imported energy itself.

My point is that so many basic things begin with a viable specialty steel industry inside the United States. When that industry is impaired in any way by unfair and illegal foreign competition, we make the United States vulnerable in a very dangerous way. Foreign nations will be able to tell us how much we will have, when we can have it, and what we will have to pay for it. That is a frightening prospect, because it poses a direct threat to our national security.

There are situations where we are forced to take a risk, but specialty steel should not be one of them. We are all for free and fair trade as long as our foreign competitors abide by the same rules we do. I am concerned that many of our domestic companies are not competing with foreign companies, but with foreign governments who subsidize their industries and encourage illegal trade practices.

Hopefully the multilateral trade negotiations currently being debated in Geneva will solve many if not all of these long-term problems. However, until then it is crucial that we extend the current import-restraint program now in effect for specialty steel for 3 more years. Then we can get back to the job of finding a permanent solution to illegal and unfair foreign competition.

By extending these restraints, we insure that the American specialty steel industry can continue the considerable progress it has recorded in the 30-odd months the current restraint program has been in effect.

By extending these import-restraint programs now, we give full and fair notice that foreign manufacturers of specialty steels must look elsewhere for markets into which they can dump their products. By extending these restraints, we serve a second notice that America is going to insist on fair trade, if there is to be trade at all. We will be announcing that the time is past when the vast American market will be taken advantage of.

Mr. Speaker, no matter which facet of this specialty steel situation one examines, the conclusion is always the same. These import-restraint controls are urgently needed. They work. Other proposals made in the past have not worked. Too much depends on preserving the strength of the American specialty steel industry.

Therefore, we should get on with the job we all know must be done.●

● Mr. RITTER. Mr. Speaker, I stand in support of the extension of fair trade for the specialty steel industry. I do so for a number of reasons. As we all realize, the specialty steel industry is an industry essential to the maintaining of a strong industrial base, capable of serving the Nation in its critical defense needs. Of all the sectors of the steel industry, specialty steel is among the most critical. Both to the domestic and military sectors. There are no reasonable substitutes. Major advances in new energy technology will be dependent on specialty steels which can best withstand the severe operating conditions of, for example, coal gasification and nuclear fusion. Virtually every segment of the economy depends on specialty steel. Airplanes, automobiles, petroleum, natural gas, electronics, and power generating equipment, all require specialty steel in critical applications. It is too important an industry to be treated carelessly.

In my view, a failure to extend the import restrictions placed on foreign specialty steel unloading in this country would force the industry to compete with subsidized, foreign specialty steel and would be a very harmful blow to a strategic industry.

For those who think of the import restrictions as offering protection to unhealthy industries, let me remind them that the foreign producers who are subject to restraints often operate facilities owned in substantial part by their governments. Specialty steel produced with government ownership, does not have to meet the rigors of the capital market. It is a private-owned American steel producer who must face the disciplines of capital formation and profit, who must compete for capital and invest wisely. It has been during this recent 3-year period of restraint that American producers of specialty steel have been able to experience benefits of wise and prudent investment without having an unrestrained flow of subsidized foreign specialty steel present in the marketplace. American hard work and risk taking has just begun to pay off. An extension of the import restraints would permit the restoration to full health of this important industry. The failure to extend the restraints most surely would erase the advances that have been made in the past 3 years. Without restraints, the domestic producers and their workers will have to face a flood of subsidized imports.

In my view, Mr. Speaker, the removal of the specialty steel import restraints would be a blow to fair trade. I urge each of my colleagues to address the President on this matter and implore each of them to ask the President to extend the legislation for another 3-year period.●

● Mr. MARKS. Mr. Speaker, my constituency, the 24th District of Pennsylvania, lies in the northwestern corner of Pennsylvania, which is liberally sprinkled with manufacturing plants—including several producers of specialty steels. In Youngstown, Ohio, which borders my district, approximately 5,000 jobs recently have been lost to steel plant closings, and more losses are possible.

My constituents have felt the economic shock waves of these events, and we all are keenly aware of how our welfare is tied to the manner in which the steel markets in this part of the Nation are served. This is especially true since most of these plants are less than a 2-hour drive from the Great Lakes ports, where oceangoing vessels deliver imports from overseas steel manufacturers.

Thus, the economic health of the specialty steel industry obviously has a very direct bearing on jobs in my district.

I am concerned that the import restraints, which for the past 2½ years have allowed the specialty steel industry to recover from an inundation of predatorily priced imports, are scheduled to expire on June 13, 1979.

This concern is heightened when I learn from the specialty steel industry and from Lloyd McBride, president of the United Steel Workers of America, that new specialty steel capacity, far in excess of home market demand, now is in existence, or is ready to go into production in the United Kingdom, Korea, Spain, Taiwan, Brazil, Mexico, and Finland.

The implications of this problem, as documented by Mr. McBride and Mr. Richard P. Simmons, chairman of the Specialty Steel Industry Advisory Committee, are crucial for both my district and the Nation as a whole.

Imports of these steels, governed by the import restraints, declined slightly from 167,000 tons in 1976 to 141,000 tons in 1977, and 149,000 (estimated) in 1978. However, those specialty steels that were not covered by import restraints, such as stainless tubing and wire, jumped from 35,000 tons in 1976 to 75,000 tons in 1977, and 89,000 tons (estimated) in 1978.

Unfortunately, the following economic lesson has been occurring frequently in recent years: Once an industry has been destroyed or crippled so that a shortage exists, the victors are then free to demand excessively high prices.

We saw this situation only a few years ago when there was a worldwide steel shortage. In a matter of weeks, imported steels, which were under-pricing the American-made steels by large margins, rapidly jumped to sky-high prices—well above those prices which responsible producers were charging their customers.

I would also like to point out that the specialty steel restraints have not adversely affected the American consumer. On the contrary, since the restraints have been in effect, prices for specialty steel items have risen at a slower rate. A Department of Labor report recently indicated that these smaller price increases were partially the result of the increased investment and new technology adopted by the industry. Thus, I believe that the continuation of these restraints will assist us in our attempts to control inflation.

In another vein, it was only a few years

ago when imports were running at high tide, that unemployment in some specialty steel industry communities ran as high as 45 percent. Foreign governments were using their steel industry—including a large portion of specialty steels—to export their unemployment to our shores. This situation must not be allowed to happen again.

Mr. Speaker, since my district is particularly vulnerable to these kinds of tactics, I urge the International Trade Commission to recommend to the President that he extend the import restraints outlined in the Specialty Steel Industry/United Steelworkers petition for another 3 years.

In light of the fact that the ITC originally recommended a 5-year period of restraint, and more recently reaffirmed their belief in such restraints, the petition for another 3 years is only 1 year longer than originally planned.

Furthermore, since the legislative process and international negotiations are such lengthy and tenuous procedures, I submit that this petition is reasonable, and that the objective is most worthy.

I urge the ITC to act favorably on this matter.●

● Mr. ASHBROOK. Mr. Speaker, I am pleased to be able to join my colleagues today in urging the President to maintain the import relief program for the specialty steel industry.

The U.S. specialty steel industry has been hard hit by unfair foreign competition. The result has been large-scale unemployment and a serious weakening of this important producer. In 1976, the International Trade Commission recommended quotas on foreign imports for a period of 5 years. At that time, on the floor of the House, I supported the recommendation of the Commission. President Ford then announced an import agreement with Japan and set quotas with other foreign suppliers. It was most definitely a step in the right direction.

Mr. Speaker, even with the quotas, employment in this industry still remains at depressed levels. Three years has simply not been enough time for the industry to regain a healthy level of employment. The maintenance of this program is extremely important to the American economy. This is an area which revolves around basic American interests—American dollars and American jobs. We can play an important role in this decision and I urge all of the Members of this body to join me in recommending to the President that this essential program be continued.●

● Mr. KINDNESS. Mr. Speaker, I join with my colleagues in urging that the import restraints on specialty steel be extended for a period of 3 years, as provided by the Trade Act of 1974.

This industry and its workers have acted responsibly not to take advantage of the import restraints to unjustifiably raise prices. This is documented in a recent report by the Department of Labor which states that, since specialty steel import restraints were established, the industry has "had smaller price increases than other comparable commodities and smaller price increases since the import relief was granted in previous years."

Strong domestic competition among these privately specialty steel producers, and their efforts to be responsible under the import restraint program, has resulted in an anti-inflationary effect on our marketplace. This is directly contrary to many pessimistic predictions made when the import restraint program was initiated.

We owe it to this industry to continue the period of adjustment which has begun. I urge the International Trade Commission and the President to extend the specialty steel restraint program as provided for under the Trade Act of 1974.●

● Mr. SCHULZE. Mr. Speaker, I would like to add my voice in support of extending the specialty steel import-restraint program for an additional 3 years.

Specialty steels are vital to the needs of our technological economy and we should not allow this industry to suffer as it did during the decade ending in 1975. During this period prior to the initiation of this program there were many plant closings, industry unemployment around 40 percent, and huge financial losses by even the most efficient domestic producers.

If we are to keep our broadly diversified economy running smoothly, then specialty steels are required as an indispensable basic material used by many industries in producing goods and services for the American people.

When the specialty steel industry sought relief under the Trade Act of 1974, the International Trade Commission determined, after extensive investigation, that specialty steel imports caused substantial injury. Failure to extend this program will result, in my judgment, in a renewed effort to flood our markets with foreign imports and cause a further increase in our already record trade deficit.

Specialty steel has demonstrated that it can be both competitive and efficient when not the victim of unfairly priced foreign imports.

To deny extension of this program, we will simply undo all of the benefits achieved and will send a clear signal to our trading partners that we are weak in our resolve to protect American industries or enforce our laws designed to deal with this problem.

Under the current limitation program foreign producers are not excluded from the U.S. market. In fact, they retain access to a significant share of our market and are permitted to increase shipments as the size of the market expands. A 3-year extension will allow this process to go forward and will insure that domestic manufacturers receive the relief justified and granted under the law.●

● Mr. LOEFFLER. Mr. Speaker, the question here is not whether to favor a policy of free trade but whether to insist upon free and fair trade. American domestic industries, heavily saddled with excessive Federal regulation and operating under the competitive disciplines of profit and capital formation, need the cooperation and protection of the Congress and the executive in order to compete successfully with Government-owned or heavily subsidized foreign companies.

Particularly in these troubled times when our foreign energy sources are seriously threatened and our national defense is in dire danger of becoming second rate, we must have a strong specialty steel industry. All American-manufactured aircraft, but especially our high performance military aircraft, depend upon specialty steel for the bearings, turbine components, hydraulic lines, and similar technologically superior parts which combine to make our aircraft industry the finest in the world. Likewise, the efficient recovery of our domestic oil and gas reserves would not be possible without specialty steel products.

Since the imposition of the import restraints in 1976, the vital U.S. specialty steel industry has proven itself a viable and thriving industry. The limited protection afforded by the Ford administration has allowed this important industry to undertake extensive projects designed to introduce the most recent technological processes, improve worker productivity and increase domestic capacity. Once completed, these projects will allow the specialty steel industry a reasonable chance in competition with foreign exporters. Extension of the current import restraints will permit our domestic specialty steel producers the time and opportunity to complete these projects.

I urge the continuation of these limited restraints.●

● Mr. McEWEN. Mr. Speaker, although I do not have a specialty steel plant in my district, I am pleased to join with my colleagues in urging support for the extension of the current specialty steel import restraint program.

The import restraint program which began in June 1976 has been successful in increasing employment, capital investment, research and development, and profitability in the specialty steel industry. It is an excellent example of how the escape clause provisions of the Trade Act have worked as Congress intended.

However, it is clear that if these restraints are removed, subsidized foreign steelmakers will once again flood our market of specialty steel. New specialty steel capacity is now in place or is being built in many countries. This capacity is far in excess of expected world demand. We have every reason to expect that foreign producers will once again try to export their unemployment to the United States if these restraints are removed.●

● Mr. WILLIAMS of Ohio. Mr. Speaker, I am proud to represent part of Trumbull and all of Mahoning Counties, just 2 among 88 which make up the great State of Ohio. Trumbull and Mahoning Counties' 41,000 square miles are slightly more than 1.1 percent of the total area of the United States, a geographic microcosm, to be sure, but there we have learned an economics lesson so powerful that none in this Chamber can, in good conscience, ignore.

Although there are scores available, we need no other counties than these to prove beyond doubt what happens when an American industry or an American

market is laid open to uncontrolled foreign-made products, unfairly and illegally priced.

Our interest here today is in the area of imported tool, specialty, and stainless steels, products made by companies which once flourished in my district.

Many of my colleagues know of the extensive dislocation which has beset Youngstown, Ohio. Some have worked vigorously with the men and women who are now seeking to restore vitality to an industry which is absolutely essential to the basic economy which supports thousands upon thousands of their fellow Americans.

What has happened in Trumbull and Mahoning Counties could well happen again unless rules of good economic sense and truly fair trade continue in effect in our area of interest.

The record will be replete with figures which tell the story of Trumbull and Mahoning Counties. But I ask your indulgence while I encapsulate circumstances which led to economic near-tragedy for an entire area.

When American tax dollars and ingenuity had rebuilt war-ravaged steel capacity and created new capacity where none existed before, foreign governments and the steel companies they either own outright or control began their onslaught against the American steel market. The time was early in the second half of the decade of the fifties.

The onslaught began with steel products that require many manhours to make. Wages paid foreign workers were a third or less of American wages. Foreign companies enjoyed labor costs well below those of American companies. They used this margin to pay freight to America and still offered a lower user cost than any American company could match.

All too often, the final cost to American users was actually well below what the foreign steel maker charged his own domestic customers.

Thousands of dollars and manhours have gone into the attempt to document the many instances of dumping that have occurred over the years. We have enjoyed only minimal success in applying our antidumping laws as a solution to unfair, illegal imports.

But one approach—restraints—has worked, and worked well. For nearly 3 years, restraints helped to hold imports of tool, specialty, and stainless steels to the agreed-upon levels. During that time, American manufacturers of those products have been able to earn modest profits, not excessive profits, as any analysis of steel financial results will attest. Had the tide of imports gone unchecked, those profits would have been eroded. It must be remembered that part of those profits went back into the industry to develop or maintain an efficiency equal to any in the world.

It is apparent that imposition of sensible restraints has helped prevent the tool, specialty, and stainless steel field from experiencing what has occurred in the larger, broader, carbon steel products field. We have not had—where we easily might have had—another Youngstown in cities producing restrained steel products.

Moreover, the American capacity to produce vital steels has not been impaired or rendered obsolescent in other locations as it has in certain of our Youngstown plants. We have kept those specialty plants relatively healthy, and, therefore, they continue to produce the steels we need for our general economy and defense. In those areas, we have not become vulnerable to potential blackmail, or worse, real jeopardy.

If we are not to allow our Nation to become overly or dangerously dependent on foreign sources of vital basic products, the 3-year restraint program should be renewed and extended.

If it is not—and that would be a deplorable decision—then problems will come. Without restraint, it is certain that a crucial industry will lose much of its vigor, men and women employed in that industry will suffer, and the imminent danger of our reliance on other nations to produce what we should be making ourselves will increase to the point of national foolhardiness.

We have learned a bitter lesson in Youngstown. It should not have to be taught again to other American communities.●

● Mr. MITCHELL of New York. Mr. Speaker, I hope you will permit me to confine my comments here today to a single product turned out by a single plant of a single company which just happens to be in the congressional district I am proud to serve.

The plant is that of Special Metals Corp., part of Allegheny Ludlum Industries' Special Metals Group.

More than 1,500 good people work there. The plant specializes in superalloys of specialty steels. Using the induction-furnace method, they make a specialty steel of ultra-high purity. Users of this steel include Pratt & Whitney, General Electric, and other manufacturers of jet aircraft engines.

Metallurgical purity of the highest degree is the prime requirement imposed by this plant's customers. I am told that these standards of purity are constantly being raised and the people at Special Metals Corp. respond.

They respond because they are able to respond and they always have responded.

But the viability of this plant—like the viability of plants of 18 other specialty steel companies—has not been without challenge. Several years ago, in 1974 and 1975, the entire specialty steel industry of the United States was in jeopardy. The American industry was facing an onslaught of foreign-made specialty steels. Operations in American plants fell off to the point where unemployment soared. With only marginal profitability, research and development slowed. New plant construction ceased.

Had this malady worsened, the Special Metals Corp. plant in the 31st District of New York might not be—as it is doing today—responding to the ever-increasing needs of America. After much effort, we got an import-restraint program installed by the International Trade Commission and the President of the United States.

The program installed ran for 3 years, not the 5 which had been recommended. It covered many vital products, but not all vital products. It removed part of the foreign peril facing our American companies and the people they employ, but it did not remove all the peril.

Given even this much protection, our American companies brought people back to work. They resumed their research, and their plant modernization and expansions. Their profits rose, but not anywhere near what unreconstructed free-traders would have predicted. In fact, profit increases have been as modest as price increases in the period since the summer of 1976. Both prices and profits trail averages for other products in other industries. And no one has been able to successfully label either prices or profits in the specialty steel industry excessive or inflationary.

Now—we have come to the point where all the progress these import restraints have wrought can be blasted into small pieces. We have come near the end of the 3-year restraint period. And as of this moment, we do not have vitally needed assurance that we will again do what has to be done, which is extend the period, renew the restraints.

If we fail to do so, then we put a truly key American industry into jeopardy again.

As a Member of Congress, and as a member of a committee concerned with America's defense, I am frightened by the prospects of a mistake as huge as this one would be.

Mr. Speaker—in behalf of the people in the 31st District, in behalf of all Americans in all congressional districts, I solemnly urge that the Congress does what has to be done, and I urge that we do what can be done to bring action by all who have the power and duty to act in this critical matter.●

● Mr. AKAKA. Mr. Speaker, we are joined here today in a discussion of how to preserve a vital American industry—specialty steel. More than the jobs of 65,000 workers depend upon this industry. As other Members have emphasized in this colloquy, specialty steel products are essential to most of our other important industries, including energy, aerospace, food processing, and communications.

If we permit foreign companies to capture our domestic specialty steel markets, which they have already done in several product lines, incidentally, this country will find itself faced with the same problem in obtaining these critical high-technology metals as we now face in obtaining oil. We will be at the mercy of the foreign supplier for these essential products, just as we are now at the mercy of Iran and other countries for our petroleum products.

Mr. Speaker, we cannot afford to let this happen. I join in urging my colleagues to press for an extension of the restraints on specialty steel imports.●

● Mr. LUNDINE. Mr. Speaker, I urge support for an extension of present import quotas on specialty steel imports into the United States. Import restraints, which were placed upon imports in 1976 are due to expire on June 13, 1979, unless extended by the President. A petition has been filed with the International Trade

Commission by the Specialty Steel Industry and the United Steelworkers requesting an extension for an additional 3-year period.

The specialty steel industry is a vital strategic industry essential to the civilian and military needs of the United States. Its products are necessary for oil drilling and refining, power generation, transportation, communications, surgical instruments, food-processing, mining, aerospace systems, and hundreds of military defense applications.

In the past, the United States has been a leader in developing the skill and innovative technology in the specialty steel industry. At the same time, it has been severely impacted by unfair competition from abroad. Foreign specialty steel industries continue to be heavily subsidized by foreign governments to lower their costs. Even in instances where dumping has been found and acknowledged by the Treasury Department, dumping duties have not been assessed on foreign competitors. Free trade must be fair trade—we cannot expect our domestic industry to flourish under a clearly disadvantageous trading situation.

Although conditions in the U.S. specialty steel industry have improved over the last 3 years when import restraints have been in effect, U.S. producers have not had sufficient time to fully recover from the loss of some key specialty steel product lines to foreign competition. Extension of the current import quotas are needed to continue efforts to modernize and improve productivity which our domestic industry needs if it is to remain competitive. Major capital investments are still needed to reduce costs and improve efficiency and profit margins to protect American markets and U.S. jobs

I have been particularly impressed with the efforts made by the specialty steel industry to improve their efficiency and quality of their products over the past 3 years. In my own congressional district, Al Tech Specialty Steel Co. was formed in August of 1976 when employees to avoid shutdown of their plant purchased what had previously been a bar division of Allegheny Ludlum Steel Corp. Specialty steel quotas have been a crucial element over the past 3 years in making this exciting employee ownership venture work. Removing quotas at a time when Al Tech is still building on a promising foundation for continued improvement could unfairly threaten their livelihood.

Extremely important to this debate is the issue of inflationary impacts of past and continued quotas. As we continue to debate international trade policies in future months, it is important to carefully examine cases on their individual merits. Regarding specialty steels, it is important to note that the Department of Labor in a recent report found that the specialty steel industry has had smaller price increases than other comparable commodities and smaller price increases since import relief was granted than in previous years. Evidence suggests that the domestic industry is highly competitive and functioning in the marketplace to keep overall specialty steel prices down to have no significant inflationary impact.

Ultimately, the process of recovery in a capital intensive industry is a long and difficult one, and the specialty industry is no exception. It is clear that the present quotas have enabled this industry to begin to make impressive improvements. We must not allow this progress to be halted by permitting present quotas to expire. When the U.S. International Trade Commission opens its March 6 hearings on the petition to extend quotas for another 3 years, I will give my wholehearted support to this effort and I urge my colleagues to do the same. It is my sincere hope that the ITC will recommend continuance of present quotas, and that the President will approve this action. This vital U.S. industry must not become an unfair victim of foreign imports.●

● Mr. FORD of Michigan. Mr. Speaker, I wish to point out that steelworkers are not the only workers whose jobs depend upon a reliable, assured supply of steel and steel-related products. In the State of Michigan, while almost 25,000 steelworkers are employed in 22 steel-industry facilities, thousands more workers are employed in automotive and related industries that are dependent upon specialty steel.

Because of the volume of specialty steel imports into the United States, which continued for many years, many of these skilled workers were forced to either find other employment or to remain unemployed.

Since the import limitations were imposed, employment in the U.S. specialty steel industry has increased. However, recovery from the flood of foreign specialty steel products into the U.S. market is far from complete. If import restraints are now allowed to expire, the healing process in our domestic specialty steel industry would come to an abrupt halt, and the negative impact on specialty steel and steel-related jobs would be enormous. Expiration could mean the loss of over 65,000 jobs and would jeopardize capital investments and technological advances by the industry during the import restraint period.

Mr. Speaker, to further elaborate on the steel import problem, I place in the CONGRESSIONAL RECORD an excellent article by United Steelworkers of America President Lloyd McBride that appeared in the last issue of "Viewpoint," the quarterly magazine of the Industrial Union Department, AFL–CIO:

FOREIGN TRADE PROBLEMS RUN DEEP

(By Lloyd McBride)

Whatever doubts there remained in this nation over the need for reform of our trade laws surely suffered a jolt this summer when the Department of Commerce released a startling report. The report showed that oil, once the United States' leading import item, had dropped to third place behind the first-place category of machinery and transport equipment and the new second-ranking category of manufactured goods.

In short, the Commerce Department was informing the American people that the trade problem waters run much deeper than energy, that most popular villian in the balance of trade economic war. In reality, the Commerce Department was telling us in its dry, statistical fashion, we are coming even closer to becoming a nation of workers who, instead of making the world's washing machines, take in its laundry.

According to the Commerce Department figures, covering the first five months of 1978, the United States imported $19.1 billion worth of machinery and transport equipment of all kinds including machine tools, electronic equipment, automobiles, trucks, railroad equipment and ships, mostly from Europe and Japan. That was a 35.6 percent increase over the year-ago period.

In addition, the United States imported $18.2 billion worth of manufactured goods including iron and steel, nonferrous metals, alloys, plastics, instruments, medical equipment, bicycles and other items, again mostly from Japan and Europe. That was a 38.8% increase.

Altogether, the value of those two categories came to $37.3 billion, or 45.9% of all imports—more than double the $15.9 billion that Americans paid for imported oil during the same period.

While this data was certainly not all bad—it reflected, in part, a decline in our oil imports—it underscored a problem that American labor has struggled for years to bring to the attention of our policymakers. It underscored America's continuing decline as an industrial power and the inescapable threat to its industrial workforce.

The numbers are there for everyone to see. In recent years we've lost—conservatively—150,000 jobs in electronics and electronic machinery; 300,000 jobs in textile and apparel; 70,000 jobs in shoes, and 100,000 jobs in primary metals. These are just some of the more obvious industries: the list is virtually endless. And with each job in manufacturing goes 1.5 jobs in related industries. For every 1,000 workers who make television sets, for example, another 292 workers make components, another 85 workers are employed in rubber and plastics, another 124 are logging, wood and furniture workers. None of us stand alone.

Traditionally, two-thirds of this country's exports have been of manufactured goods of almost all descriptions. Today, only aircraft and automotive goods, key consumers of my own industry's output, account for any significant part of the manufactures we export—and even those situations are shaky. Japan, already a major steel producer, now is threatening to use its U.S.-acquired technology to threaten American producers in aerospace, a billion-dollar cornerstone of the nation's economy both in terms of domestic jobs and exportable goods.

While the threats are obvious, the solutions, thanks in large part to political shortsightedness and tortoise-like responsiveness, are less so. Instead of being able to look to the United States Government for a comprehensive trade policy to protect American industry and its workers, individual industries have been forced to mount their own campaigns for redress.

An example is my own industry, steel. While the steel import picture right now holds more promise than at any time since our union first started to call for corrective action seven years ago, it is only because we in the industry launched that campaign that relief may be in sight. As imports swelled and production facilities were shut down, we in the United Steelworkers of America and the American Iron and Steel Institute presented our views to the government on the need for a long-term solution to the steel trade problem. In our joint presentation to Administration officials and the Congress in 1975 we emphasized the need for "sectoral," or special, negotiations at the international level, because we were convinced that the problems facing the steel industry are global in their causes and can be handled only through international discussions.

Our plea was met with much understanding, but no action. As the situation worsened

last year I met with President Carter at a special White House summit conference on steel to insist upon a two-fold response to our problem: I urged the President to take quick action to stem the loss of jobs due to unfair imports and, as a second step, I emphasized the need for a long-term solution to the import problem—one that would help preserve markets for U.S. producers while at the same time encouraging them to modernize and expand their facilities.

Eventually, the Administration announced that the Treasury Department would begin listing minimum import prices to prevent dumping of foreign steel at unfairly low prices. This plan has had some positive effect, but even more positive was the understanding reached in international trade negotiations that an international steel committee be formed. This welcome development is a real breakthrough on the steel import problem, holding forth the prospect of developing the international steel agreement that we have been urging as the long-range, multilateral solution to the crisis in our industry. Will it truly work? Only time will tell.

Whatever the success of the steel industry's fight for survival, it has become glaringly obvious that what America needs is not self-defensive struggles by its various industrial segments, but a rational, equitable government international trade policy. American labor must not be forced to pound on the doors of the White House and Congress to protect the livelihoods of American workers from foreign competition.

Labor is not opposed to international trade. The United States always has, and always will, import goods from other lands just as it exports some of its own production. But the system will work only when everyone is playing by the same rules. Trade must be fair, and it is time for our government to take care of its own and pursue a trade policy that serves the interests of our nation above that of others.

We cannot be the world's policeman—we found that out in Viet Nam. Neither can we be the world's consumer. The United States has been more than generous in its policy toward other nations. Under the Marshall Plan following World War II we poured $13 billion into Western Europe—the equivalent of $72 billion in today's economy—to rebuild "shattered industries." We gave Japan nearly $2 billion in economic aid through 1950 to transform it into our major competitor. We don't begrudge this aid, but we say it's time for our government to evidence proper concern for its own people.

Petitions for relief from import injury or unfair imports must not be viewed as discriminatory against non-American workers. Even the Canadian government has taken action against undue imports, and so have European governments and others. South Korea has an embargo on American-made shoes; Japan has stopped the import of certain textiles from the U.S.; 50% of an automobile has to be manufactured in Mexico before a car can be sold there; the Common Market nations of western Europe limit the amount of steel they will import.

We in the labor movement are simply trying to prevent the exploitation of workers through predatory trade practices. That is why we insist that the trade laws be adhered to and that where possible—as in the steel situation—we should seek an international solution to prevent unwarranted layoffs due to imports.

American workers are sophisticated. When Corning Glass padlocked the doors of its Albion, Mich., television picture tube plant a couple of years ago, throwing 1,500 people out of work, those 1,500 smalltown workers—and voters—knew their jobs were victims of trade policies. When the massive Youngstown Sheet & Tube shutdown was announced last year, those thousands of workers knew the reason as well. They knew this man-made disaster was not of their doing, but that of elected officials who failed to watch out for the workers' interests. They are not likely to forget, nor are the millions of other workers in plants and mills across the country who are looking over their shoulders in fear that they may become the next "killed in action" in the international trade war.

These workers—the laid-off and those who fear they may be next—are looking to Washington for help, for assurances that can come only from their elected representatives and governmental action. They will be going to the polls Nov. 7 with the knowledge that within their ballots lies their future. They will be looking to President Carter and the 96th Congress for some guarantees. Neither they nor the nation can afford to be disappointed.●

● Mr. LUKEN. Mr. Speaker, I would like to add my support to those here today who are advocating an extension of present import restraints on specialty steel products.

We have been successful through the use of import restraints over the last 3 years in reviving the specialty steel industry which is essential to our defense and to the health of our economy. We should not curtail this program before the industry has had a chance to recover fully. Such a curtailment would only hurt our present efforts to strengthen the American economy and would penalize the industry for the excellent progress which it has already made.

At this time, I would like to submit for the RECORD a study of the specialty steel industry entitled, "Profile of the Specialty Steel Industry of the United States," so that all my colleagues in the House will be able to benefit from the information it contains:

PROFILE OF THE SPECIALTY STEEL INDUSTRY OF THE UNITED STATES

1. SPECIALTY STEELS DEFINED

America's highly industrialized economy has become critically dependent upon specialty steels, unique materials unknown at our nation's birth in 1776.

"Specialty steels" generally are identified as stainless steels; tool and die steels; high-temperature alloys (superalloys); electrical, magnetic, refractory, electronic, and reactive alloys. They are designed and produced for applications in extreme environments demanding special hardness, toughness, resistance to heat, corrosion or abrasion, or combinations of these characteristics. Because of their high-alloy contents, technological properties, and/or the special processing techniques needed to meet close specifications, they are difficult to make and call for greater labor input and personal attention than other steels.

The national requirements for specialty steels may be classified into two groups: activities which are necessary to maintain the civilian economy and a strong industrial base, and those defense needs which bear directly on military preparedness. Many uses of specialty steels in these two areas are interrelated, and often manufactured products containing specialty steels can be used for both civilian and military purposes. Specialty steels are vital to the needs of our civilian economy and our defense operations—which, in turn, are dependent upon the ability of this nation to maintain a strong, viable industrial base.

With respect to the industrial needs of the United States, there are many critical applications for specialty steels for which there is no economic, or readily available, substitute material. To keep the highly mechanised and broadly diversified economy of this country running smoothly, specialty steels are an indispensable basic material used by many industries in producing goods and services for the American people.

For example, the electrical power system of the United States could not function without specialty steels because there is no substitute for these steels in the shafting, buckets, blades, and other parts of the giant turbines—which are the basic power unit of the electrical power system. To prevent the immobilization of part of the nation by a massive power failure such as the East Coast blackout in the fall of 1965, gas turbine engines—which cannot be made without specialty steels—are now being used as standby and auxiliary units. In the nuclear power industry, also, specialty steels are required for certain equipment applications—such as pool liners and tubing for condensation and feedwater exchange processes. For electric power generation, transmission, and distribution, grain-oriented silicon electrical steels are required for the cores of all transformers.

The aircraft industry must have specialty steels and titanium for applications which vary widely from jet engines to aircraft firewalls, exhaust systems, heating units, engine cowlings, and landing gear. Critical applications are found in sensitive electronic instrumentation devices, which are essential to the performance of the aircraft and the identification and regulation of the flow of air traffic. Thus, air travel—which is not only vital to the national defense system but also has become one of our basic forms of public transportation—is dependent upon specialty steels and titanium.

Magnetic and electronic properties of some specialty steels are invaluable in all types of contact switches, and none of these applications is more essential—or more mundane—than the simple telephone switch. Many semiconductor devices, including transistors and integrated circuits, require electronic glass-sealing alloys and nickel-based specialty materials. The uses of the vacuum tube in electronic applications are countless.

Specialty steels are used widely in the food-processing industry, including the dairy industry, because the corrosion-resistance properties and the fabricating characteristics of these steels reduce contamination and facilitate the sanitary handling of foods. There are many uses of specialty steels in this industry for which there is no generally acceptable substitute material. Some applications in meat-packing equipment, dairy-handling equipment, and milking machines require specialty steels by law.

Critical bearing applications, gears, valves and valve stems, gauge parts, pump parts, dies, and cutting tools are essential to industry and science. Specialty steels are essential to all.

At the most fundamental level, specialty steels, such as tool and high-speed steels, become "the tools which make everything else" in America's industrialized economy. Perhaps this is the most pervasive and critical application of specialty steels—for tools are the "magic multipliers" which have enabled the United States to become the most productive nation in the world. Specialty steels are the essential ingredient.

Most of the mass transportation systems presently under construction or under design utilize large quantities of stainless steel because of its strength, durability, and corrosion resistance. Hopper cars that carry fertilizer are being constructed now out of stainless steel because of the improved performance.

A partial list of applications touching our daily lives for which specialty steels are essential includes:

Aircraft.
Appliances.
Communications.

Electronics.
Food processing.
Marine equipment.
Petroleum processing.
Surgical instruments.
Automobiles.
Chemical processing.
Construction.
Home utensils and cutlery.
Mining.
Tools, dies, and fixtures.
Missile cases, nozzles, and motor parts.
Power generation and distribution.
Environmental quality control.

2. ECONOMICS OF SPECIALTY STEELS

Specialty steels obtain their high-performance characteristics from their alloy contents and the meticulous care which must be exerted throughout their production. Among the expensive elements contained in substantial quantities are chromium, cobalt, molybdenum, nickel, silicon, titanium, tungsten, vanadium, and zirconium. Certain stainless steels require the addition of up to 20% chromium and 36% nickel; high-speed tool steels contain as much as 45% of the alloying elements in various combinations; and many of the high-temperature and electronic specialty products contain essentially 100% of these elements.

The chemical compositions of particular specialty steels depend upon their individual uses, and—therefore—many of them are ordered, manufactured, and sold in small quantities—measured in pounds rather than in tons. This, together with their alloy contents, makes them costly and difficult to produce—with relatively low yields (sometimes 60%) from crude to finished product. In short, it requires a great deal of skillful handling and careful supervision to turn out small orders of many compositions—each meeting specifications of chemistry, size, uniformity, and quality.

Compared to ordinary carbon steel, which is produced in large tonnages, specialty steels have a very high labor content. The average man-hour requirement per ton of stainless steel produced ranges from about three-to-seven times greater than that for carbon steel; and, for the tool-steel specialties, the labor output is about 18 times greater. For electronic and high-temperature materials which must meet critical mechanical and physical property requirements involving much testing with sophisticated equipment, labor input can be significantly higher. This labor requirement, their consumption of expensive alloys, and the low yields common to their production are the principal reasons for the high price tags carried by the specialty steels.

Specialty steels are a distinct part of the steel industry—representing about 1.5% of the tonnage and about 9% of the dollar value of total domestic shipments. Prices range from as little as 50c per pound for some of the lower alloyed specialty grades to more than $5 per pound for certain special tool steels and high-temperature alloys and as much as $30 per pound for certain special titanium products. Estimated U.S. consumption of specialty steels is approximately 1,700,000 tons.

3. SPECIAL STEELS AND INTERNATIONAL TRADE

Specialty steels contribute to the negative balance of international trade of the United States in two important areas:

(a) Many of the important elements needed for the production of specialties must be imported since there are either no domestic ores or those which are available in the U.S. cannot be economically obtained in the quality required;

(b) Despite the technological superiority of U.S. specialty-steel producers, foreign steel producers (who are highly subsidized, or outrightly owned, by their governments) have captured a major share of many of the specialty-steel markets in this country.

A. Raw materials

As can be seen from the accompanying chart, imports supplied significant percentages of the total U. S. demand for some of the more important materials used in specialty-steel production. Access to these essential materials is of primary importance to the industry. Of equal importance is the fact that the prices of these imported materials are increasing much more rapidly than are the prices of domestic materials. Some of the price escalation can be attributed to higher rates of inflation in the exporting nations and devaluation of the dollar. In addition, the resource-rich countries have developed a new awareness of the value of their resources and the potential of their use for political advantage and/or economic gain. Economic profiteering by endowed countries will continue to be a major inflationary factor in the cost of specialty steels.

[Chart not reproducible for Record.]

Chromium is a representative example of the effect of this dependence of the United States on imported raw materials. Chromium—which represents the principal alloying element in stainless steel and is used in other specialties to increase hardenability and improve abrasion resistance and carburization—is found in Rhodesia, South Africa, the Soviet Union, Turkey, Brazil, and Yugoslavia. Before 1965, a very large portion of our chrome ore came from Rhodesia. However, with the imposition of sanctions in March of 1977, supplies from that source have been cut off again. The Rhodesian deposits are the largest and richest known to exist in the world. The ratio of chrome to iron is 3.5 to 1, and—in some instances—as high as 4 to 1. The structure of the ore is large and lumpy, and—as such—it produces a highly desirable ferrochrome product, which is about 70% chrome. The specialty-steel industry of the United States believes it is hazardous and undesirable policy for the United States to restrict access to strategic raw materials, such as chrome, which are essential to this nation yet are available only from abroad.

During recent years, a significant portion of the specialty-steel industry has developed and invested in technological innovations which permit the use of lower quality ferrochrome smelted from ore currently available from sources other than Rhodesia. In addition, substantial smelting capacity has been added outside Rhodesia. Thus, the economic reliance upon Rhodesian chrome is less than formerly.

B. Imports

Specialty-steel markets have been, and continue to be, a principal target of imports.

U.S. specialty-steel companies have countered foreign competition by investing heavily in new facilities and by promoting advanced technology—resulting in greatly increased efficiency and productivity. America's specialty-steel producers are the world leaders in technology, advanced equipment, and alloy developments.

In recent years, the ability to match foreign competition with respect to facility investment has become dangerously limited—largely because of the substantial market penetration by imports. This loss of volume in standard-grade products has prevented achievement of the full cost-saving benefits and adequate return on investment promised by the specialty-steel facilities constructed in the past decade.

Moreover, during this period, lacking assurance of a stable future share of the domestic market, and in the face of unregulated and unrestrained foreign imports, American producers and U.S. capital markets were increasingly concerned about making future planned and required investments.

The conditions of fair competition that America has sought but never really gained did not take into account the most important, frequently artificial competitive advantages of foreign steel producers, who were shipping record tonnages of steel into the American market—often at incremental prices below full cost of manufacture.

Politico-economic policies of Western Europe, as a whole, and Japan have been designed to achieve continuous investment; dependability of raw material supply; a maximization of foreign currency earnings for the industry by public subsidy or ownership; trade protection and export incentives; cartelization under public guidance; maintenance of undervalued currencies; and prohibition or effective disincentives, via non-tariff barriers, to hinder significant foreign investment or import penetration of their domestic steel markets by American producers.

Foreign markets in specialty steels are generally strongly cartelized and protected in their home countries. Consequently, they are better armed to "go for the jugular" in one or two product lines in the United States—as their national policies dictate and as the state of the markets here permits.

Specialty-steel exports and all steel exports to the U.S. from these nations, or blocs of nations, have been encouraged as a means of both maintaining employment during slow domestic demand and supporting national policies of full employment; as a source of foreign exchange earnings; and as a device to enable the foreign producers to build installations of efficient scale and size until domestic demand could catch up.

As indicated, a flood of imports severely impacted the specialty steel industry of the United States and—in the decade ending in 1975—plant closings occurred; unemployment as high as 40 percent was experienced; financial losses were felt even by the most efficient companies; R & D was cut back; product lines were eliminated; and structural corporate changes occurred throughout the industry, with entire operations being closed or divested.

During that period, legislation and administrative actions have proved inadequate to guarantee fair, equal competition in the American market. The anti-dumping act, although increasingly used by the specialty-metals industry in recent years, is—at best—a stopgap measure to help slow the most blatant types of predatory pricing. America's countervailing duty law has been a blunt instrument; for, while foreign governments openly funnel billions of subsidy dollars into their industries, the United States Treasury Department has been reluctant to take steps to offset these "bounties or grants".

The Trade Act of 1974 (enacted December 30, 1974) provided new hope, and a means to assure more orderly trade and make it more difficult for foreign steel producers to disrupt U.S. markets. In July, 1975, 19 specialty steel companies and the United Steelworkers of America appealed to the U.S. International Trade Commission for relief under the "escape-clause" provisions of the Trade Act. The ITC, after extensive hearings and investigation, found that specialty steel imports were "a substantial cause of injury", not only in 1975 but also in prior years as well. In March, 1976, following further governmental study, the President recognized the serious injury to this essential American industry and to the jobs of American steelworkers by establishing quotas on certain steel effective June 14, 1976.

The three-year limitation program, the first "escape-clause" action under the new Trade Act, does not exclude foreign producers from the U.S. market. In fact, they retain access to a significant share and are permitted to further increase shipments as the size of the market increases. Foreign producers are not permitted, however, to "export their unemployment" to America during periods of world recession—as in the

past. The tonnage level for the first year (June 14, 1976, through June 13, 1977), allowing imports of 147,000 tons, was less than 5% below the near-record imports of 154,000 tons recorded in 1975. Import levels of 151,500 and 155,000 tons were provided for the years beginning June 14, 1977, and June 14, 1978, respectively.

The specialty steel import-restraint program should be continued for three more years to assure the relief justified and granted under the law. Should the quotas be lifted after so short a period, as urged by some foreign interests, it would be a disaster for the United States industry and its workers. Such action surely would frustrate the legislative intent of Congress as reflected in the Trade Act and of the subsequent governmental proceedings and determinations in the case. Moreover, it would be a clear signal to the world that the Trade Act will not be administered any more effectively and forcefully than other U.S. trade laws.

Also, it is important to note that—in announcing important relief for specialty steel in March, 1976—the President directed the Special Representative for Trade Negotiations "to negotiate solutions on a *sectoral basis* to the problems of the cyclical distortions in steel trade while liberalizing the conditions of this trade".

That was a bold and encouraging step, worthy of highest government attention and the strongest efforts to achieve reasonable solutions to the overall problems in steel trade before the expiration of the specialty-steel import-restraint program. The three-year extension would allow sufficient time for such negotiations, which have not yet been scheduled.

On November 30, 1978, the Specialty Steel Industry of the United States and the United Steelworkers of America, AFL/CIO, filed a joint petition with the ITC requesting a three-year extension of the specialty steel import-limitation program under provisions of the Trade Act of 1974.

In pursuing long-term solutions to U.S. trade problems, as in the landmark specialty-steel case, the administration must carefully study the many complex facets of the issues which now exist in international trade. Technologically and cost competitive, the American specialty-steel industry is ready and able to compete with "fair" competition from all quarters. However, "unfair" trade which enables overseas producers to capture American markets either through government subsidization or government ownership is an issue which must be faced by the U.S. government and its citizens. The industry urges special examination of the question: How do American companies compete with foreign companies which, as instruments of national policy, do not have to meet the same disciplines of profit and capital formation? Herein lies the fundamental issue.

4. SPECIALTY STEEL PRODUCERS OF THE UNITED STATES

Employing approximately 65,000 people, the producing facilities of the specialty-steel industry are small in relation to large carbon-steel, fully integrated plants. Annual sales of all are a fraction of the large, carbon-steel producers; and—in many cases—are below $100,000,000. Some are one- or two-product companies. In recent years, a number of companies have diversified or have merged with other companies to enhance their economic stability. They have generally retained, however, their separation from high-production operations since specialty-steel production is, almost by necessity, a custom or batch-type operation. The equipment required is highly specialized and must be versatile enough to take care of small production lots of a wide range of grades, custom-melted for the specific requirements of each customer.

Though relatively small, the specialty-steel companies are well known. They include Allegheny Ludlum Steel Corporation; Al-Tech Specialty Steel Corporation; Braeburn Alloy Steel Division; Carpenter Technology Corporation; Columbia Tool Steel Company; Crucible Materials Group/Colt Industries; Eastern Stainless Steel Company; Jessop Steel Company; Joslyn Stainless Steels; Latrobe Steel Company; McLouth Steel Corporation; Simonds Steel Division; Teledyne Vasco; Universal-Cyclops Specialty Steel Division/Cyclops Corporation; and Washington Steel Corporation. Large carbon-steel companies which have specialty-steel operations include Armco Inc.; Bethlehem Steel Corporation; Jones & Laughlin Steel Corporation; Republic Steel Corporation; and United States Steel Corporation.●

● Mr. BEVILL. Mr. Speaker, I have thought long and hard about the issue of renewing the specialty steel quotas, because I believe in the freest possible trade with our brother and sister nations around the world. It has been my belief that we should carefully scrutinize all contemplated restraints on free trade.

I have concluded that we must renew the specialty steel quotas. Let me explain the considerations that lead me to make this determination. Domestic workers—those who can least afford unemployment because of their limited resources—have suffered the effects of import floods. At the worst moments unemployment in the specialty steel industry has reached a colossal 40 percent of the work force. I cannot sit by while even small numbers of able bodied, motivated people are denied the opportunity to earn an income and support their families. While the quotas have increased employment levels during the past 3 years, we are still not even close to optimum levels. Renewal of the quotas for another 3 years is the only satisfactory way of assuring increased jobs.

Not only do steel workers suffer from excessively high import levels, the country as a whole is injured. The steel industry plays a fundamental role in our economy. When it is depressed other sectors of the economic can become depressed. We can ill afford to have a downward drag on our economy in this time of possible recession. It would be unwise to allow the quotas to expire at this time.●

● Mr. LONG of Maryland. Mr. Speaker, last March the Foreign Operations Appropriations Subcommittee, which I chair, held hearings on a study by my staff which showed that $4.5 billion in U.S. foreign aid for steelmaking had been given in the past 25 years to 46 nations.

This foreign aid, in the form of loans, grants, and guarantees amounts to a subsidy by U.S. taxpayers of foreign steel firms which robs us not only of jobs through imports but of capital drained out of the country. The Solomon Group, which created the current trigger price mechanism for steel, noted that the U.S. steel industry faces a capital shortfall of $1.8 billion per year needed for modernization. Yet one lending agency, the Export-Import Bank, admitted in its own report that although it approved a loan to Mexico for steelmaking at 8 percent interest, private financing for the project at that time would have cost 9 percent. U.S. companies do not get these breaks.

In my hearings, James Collins of the American Iron and Steel Institute agreed:

Those are subsidized rates (charged by bilateral and multilateral foreign aid institutions) in terms of the ability of our companies to obtain such loans at those interest rates in U.S. capital markets.

But U.S. subsidies are not the only props for less-developed, and even developed, nations' steelmaking. My study observes:

. . . high fixed costs of plant operation, political pressures . . . and public sector control of steel plants can result in artificially low export prices for steel. . . . The Federal Trade Commission suggests that export sales by developing nations at marginal rather than unit costs of production (and possibly below marginal costs) are encouraged not only by the political and social pressures to keep these "symbols of progress" operating, but *by the ability of the government to interfere with the domestic pricing system to such a degree that it is difficult, if not impossible, to substantiate charges of dumping.* Subterfuge is made easier by the fact that in many developing nations, the governments own between 65 percent and 100 percent of steel plant facilities: [Emphasis added.]

Thus, Mr. Speaker, the U.S. steel industry faces: First, a capital shortfall; second, the export of domestically scarce capital exacerbated by our Government's foreign aid policies; and third, plants operating abroad under subsidy from both the foreign nation and our own U.S. Government.

One especially hard-hit segment of the steel industry has been that known as "specialty steel"—those high-grade steels and alloys vital to our technology and our national defense. Specialty steel production is more labor-intensive than basic steel production. From three to seven times as much employment is provided per ton of most types of specialty steel as for basic steel. The industry produces about 1.5 percent of the steel tonnage of the United States, but 9 percent of the dollar value of our steel output.

The U.S. specialty steel industry developed in a free-market economy in response to market demands. Other nations artificially established or maintained specialty steel production. This is demonstrated by the extent of subsidy devoted even in developed nations to maintaining specialty steel industries—subsidies outlined in a review of steel industries in 27 nations just completed by the Specialty Steel Industry of the United States.

This study, "Foreign Government Subsidization of the Steel Industry With Emphasis on the Specialty Steel Sector," observes:

Over half the free world's steel production is owned outright by government . . . the greater part of the new iron and steel capacity being installed in the developing nations between now and 1986 will be owned and controlled by governments.

Further, with government . . . ownership or involvement . . . foreign producers rationalize markets and production, form cartels, fix prices, and pursue predatory pricing and dumping in international markets . . .

The table below lists the nations included in the specialty steel report—all of which subsidize their own steel

industries. The dollar figure shows the amount of U.S. foreign aid for steelmaking to each nation, based on my study and hearings:

LIST OF FOREIGN GOVERNMENTS SUBSIDIZING THESE STEEL INDUSTRIES WITH AMOUNTS OF U.S. SUBSIDIES TO THOSE INDUSTRIES

Nations subsidizing their steel industries: [1]	(Amount of U.S. foreign aid for steelmaking, 1945–77) [2]
Austria	$33,530,000
Belgium	10,300,000
Brazil	941,170,000
Canada	1,250,000
China (PRC)	0
Denmark	0
Finland	490,000
France	74,610,000
West Germany	12,500,000
Hungary	0
India	205,510,000
Ireland	0
Japan	307,510,000
Kenya	0
South Korea	29,430,000
Luxembourg	0
Mexico	624,530,000
Norway	90,000
Pakistan	600,000
Paraguay	0
Qatar	0
South Africa	77,340,000
Spain	355,230,000
Sweden	60,000
United Kingdom	0
Venezuela	46,850,000

[1] Source: Specialty Steel Industry of the U.S., 1055 Thomas Jefferson Street, N.W., Washington, D.C. 20007, January 31, 1979.

[2] Source: United States Subsidy of Foreign Steel Producers, hearing before the Foreign Operations Appropriations Subcommittee, U.S. House of Representatives, Washington, D.C. 20515, March 8, 1978.

Of the top eight recipients of U.S. foreign aid for steelmaking, five nations—Brazil, Mexico, Japan, Spain, and Italy—are identified in the specialty steel industry report as providing subsidies to their domestic steel industries, owning the industries outright, or providing loan or grant aid to domestic producers. Two-thirds of the nations listed above are not only sheltered by their own governments, but were found by my study to receive low-interest U.S. loans for steelmaking.

What is the harm in providing U.S. foreign aid for steelmaking? As I noted, our Nation currently suffers from a scarcity of capital. This scarcity drives up interest rates and makes it economically unfeasible for steel companies in the United States to obtain capital for urgently needed modernization. Steelworkers, laid off by the thousands, must rely on public assistance to support their families—and may, in some areas, leave the skilled steelworking force. U.S. trade deficits continue to mount as steel imports pour in.

It is clear that we do ourselves a disservice by exporting capital at subsidized rates to set up industries which will obtain still more subsidies from their own governments to compete with U.S. firms and workers. We hurt not only ourselves, but these other nations as well—especially the developing nations. My study points out:

Taxpayer subsidized loans have encouraged developing nations to produce steel although it is to their comparative disadvantage in world trade.

These steel loans have not resulted in improvement in income distribution in recipient nations; on the contrary, in several nations the gap between rich and poor has widened.

Our scarce aid dollars poured into these capital-intensive—steel mills—with extremely high costs per job * * * have therefore been unavailable for labor intensive projects—at $100 to $200 per worker—to help the truly poor, who need food, shelter, and medical assistance far more than they need steel.

During hearings on the study, Mr. Collins of American Iron and Steel Institute, described how a steel mill can drain a developing nation's resources and hurt free-market producers:

Once their capacity is put in place at a level far in excess of their national or regional market requirements, and because additions to their capacity can be added in cheaper increments . . . the tendency is for (a developing nation) to install (greater) capacity than one needs to satisfy local demand, and then export the rest. Then of course the nation is confronted with a need to operate . . . at a very high level of utilization to justify the economics of running a steel mill of that scale. The only way to do it is to export.

Mr. Jack Sheehan, legislative director of United Steelworkers of America, warned of the special problems presented by government-controlled steel industries:

The propensity to disrupt (the world steel market) is particularly prevalent where steel facilities are nationalized or under government control . . . It is precisely these government facilities which attract other external governmental aid funds and which during depressed demand periods are able to obtain internal government subsidies so as to continue production.

Mr. Speaker, the specialty steel industry, and the basic steel industry itself, have been victims of just such disruption—victims not of free trade and comparative advantage, but of heavily, and doubly, subsidized exports by foreign government-sponsored steelmakers.

That is why I have urged a redirection of our foreign aid away from capital-wasting technologies and toward low-cost capital saving technologies which meet the real problems of development head on—the problems of food, shelter, medical care.

I am not a protectionist. As an economist, I have always supported free trade. But I know of no law of classical economics which requires that we subsidize our competitors under the guise of free trade.

In fact, free trade requires absence of subsidies—even of subsidies to our own industries, certainly none to our competitors.

It is therefore doubly damning that our own governmental foreign aid policies have interfered with free trade, drained capital urgently needed by our domestic steel industry, and have allowed developing nations to misdirect development capital toward showcase steel mills instead of toward improving the lot of the poor, which should be the real aim of foreign aid.●

● Mr. MURPHY of Illinois. Mr. Speaker, with all due deference to my colleagues from Pittsburgh, the original capital of the American steel industry, I must point out that Chicago is now in that position. More steel capacity is centered in Chicagoland and its environs than anywhere else in the United States. That came about, Mr. Speaker, because Chicago is the hub of an industrial center which contains literally thousands of companies which convert tool, specialty and stainless steels into the myriads of products vital to the Nation's civilian and defense industries. I am confident others will speak to the essentiality of these steels to American life.

I want to use the time allotted to me to discuss jobs—jobs in the plants making these vital steels, and jobs in plants which convert these steels into useful products.

And I want to talk against the backdrop of experience amassed with another import-susceptible product—color television.

Thousands and thousands of American jobs were lost in America because we did not respond quickly enough to the specter of foreign-made television sets—whole sets, chasses, tubes, black-and-white, color tubes—you name it.

It was not until labor and management came together that the flood of foreign-made television receiving equipment was abated somewhat. And the ironic thing about it is that what happened to American televisionmakers first happened to Americans making tool, specialty, and stainless steels.

One difference is that the steelmakers were able over 3 years ago to make the point of the import peril where it had to be made. As permitted by existing trade laws, a program was installed to restrain excessive imports of these important metals. This was after unemployment in American specialty steel plants had climbed to nearly 45 percent.

The restraint program was installed for 3 years. Almost immediately after its start, employment started back toward prior levels. Capital spending for new plants and equipment resumed, and America was assured that its technological leadership in specialty steel production would be preserved. Research and development were intensified as further assurance that we would be able to develop and produce any or all steels we needed, either for our general economy or for our defense apparatus. Profitability of American steelmakers improved, but it did not—as comparisons with other industries will establish—it did not explode or become excessive.

As important as all these facts are, prices of American-made specialty steels have remained well below inflationary levels. In fact, they are well below what they likely would have become, if foreign steelmakers had continued to romp unmolested through the American marketplace, dumping when they chose to, and price-gouging when they chose to, such as in 1974–75.

If you need proof of this, there are data which show that imports of specialty steels covered by restraints have not come close to exceeding 1976 levels. But

imports of specialty products not covered by restraints have more than tripled in the past 3 years.

And you don't have to be from the Steel Capital—as I am—to know that 85,000 tons of steel not produced in America have caused Americans to have to look for other ways to make a living.

Foreign nations, Mr. Speaker, use their specialty steel industry as instruments of national policy. I say, Mr. Speaker, we should do precisely the same thing.

By extending import restraints, we would be developing and implementing a national policy which says in clear and forceful language that America, Americans, and American jobs come first.●

● Mr. YATRON. Mr. Speaker, as a businessman in my native Reading before I entered politics, I never forget that the only way to succeed in any business is to be able to compete on the same ground rules which apply to others handling the same or a similar product line.

Such has not been the case in America's specialty steel industry, which only a few years ago was threatened with near extinction because subsidized foreign producers were marketing their products here at bargain basement prices.

There is no way our privately owned specialty steel firms can compete with foreign governments which, as a matter of policy, underwrite operating losses of manufacturing enterprises for the sake of assuring full use of capacity, maximum employment and dollar flow.

That this has been so in the case of the specialty steel industry is of critical concern because these products are indispensable to the national economy.

As far back as 1972, a Senate Armed Services Committee observed:

It is abundantly clear specialty steels are essential, today more than ever, in the fabrication of the major portion of our defense weapons and critical weapons systems.

More recently, a chairman of a House of Representatives committee concerned with the impact of imports upon the U.S. economy, told a Senate subcommittee:

In the modern world today, no nation can exist in peacetime or survive in an emergency without specialty steel.

Traditionally, the specialty steel industry in this country has favored open, fair, and mutually beneficial world trade. So the issue is not protectionism versus free trade. Rather, it is a case of having the opportunity to compete on even terms. Specialty steel companies and their steelworkers have repeatedly demonstrated an ability to be fully competitive in markets undistorted by foreign subsidies.

Because such evenhanded competition has not prevailed for most of the past decade, the U.S. specialty steel industry became a disaster area only a few years ago. Plants were closed. Layoffs and permanent loss of jobs increased alarmingly. Research and development which had established America's leadership in manufacture and fabrication of precision, high strength steels, was all but abandoned.

At this point of near-desperation for a critically important industry, the U.S. International Trade Commission held in 1976 that the flood of imports was, indeed, inflicting lethal injury. ITC's recommendation was that import limitations be imposed for five years to give the U.S. specialty steel producers time to recover.

President Ford then negotiated an orderly marketing agreement with Japan, limiting specialty steel imports for 3, rather than 5 years. Refusal of the European nations to negotiate led to quantitative restraints on imports from all other countries, likewise for a 3-year period starting June 14, 1976.

Conditions in the domestic specialty steels industry have since improved greatly, even though foreign shipments have continued to supply a large share of the U.S. market.

But new danger lies immediately ahead. New foreign specialty steel capacity, far exceeding demand, is in being or nearing completion in Finland, Taiwan, the United Kingdom, Korea, Brazil, and Spain.

Without an extension of the current specialty steel import restraint program, we face the imminent prospect of another flood tide of subsidized foreign goods of overwhelming proportions.

Mr. Speaker, I contend it would be a national disservice to terminate this program. More time is needed to permit the specialty steel industry to recover adequately. More time is needed also to achieve long-term solutions to inequities presently prevailing in the world steel trade.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to support efforts that would permit the specialty steel industry to continue to restore its vigor and vitality. As we all know, the specialty steel industry was impacted particularly hard several years ago by overseas imports. This industry, which is important not only for our domestic economy, but our national defense, is now in the process of recovery. During the period of greatest harm, the unemployment rate at some specialty steel plants ran as high as 40 percent. This is among the reasons why the International Trade Commission found in 1976 that specialty steel imports were "a substantial cause of injury" to our domestic industry and why the President, under authority delegated to him by the Trade Act, ordered that protective quotas be instituted.

Today we are faced with a situation where an industry, badly scarred by a past invasion of imports, is rapidly regaining its commercial health. The issue is whether we should risk a potentially premature ending of such import quotas, thereby jeopardizing the improvements achieved by the industry these past 3 years, or whether we should permit the industry to continue to recover and regain fully its economic vitality and thus be in the best possible situation to compete in the international marketplace once quotas end. For me, the answer is clear; the economic well-being of this vital domestic industry must be safeguarded. The 3 more years that the President is authorized to extend the time the quotas are in effect—which represents the maximum period allowed by law—would insure to the maximum extent feasible that the specialty steel industry would be on the most solid ground possible when once again it actively competes in the world market. It is for this reason that I urge the administration to extend the quotas.●

● Mr. GRISHAM. Mr. Speaker, I am pleased to join with Congressmen GAYDOS and BUCHANAN and my other distinguished colleagues in discussing the problem of the impact of imports on this key American industry, specialty steel.

The Trade Act of 1974 was the product of a long and very difficult effort by the Congress and the specialty steel industry was the very first to receive relief from imports under the escape clause of the act. The limitations the President placed on specialty steel imports in June 1976 were seen as evidence that the Trade Act could work as the Congress intended it to work. If the limitations are removed, it would be a signal to all our industries and labor unions that the act is no longer working.

Removing the limits on specialty steel imports would also threaten the jobs of thousands of American workers. The specialty steel industry employs 65,000 workers nationwide and more than 300 workers in the 33d District of California. These jobs could be jeopardized if import restraints are permitted to expire.

For these reasons, I join with my colleagues today in urging the President to maintain the quotas on specialty steel imports.

I include in the RECORD an article from the February 12 issue of Business Week magazine. In my view, this article accurately reflects the mood of this Congress on trade:

WHY CONGRESS MIGHT SQUASH THE TRADE PACT

The trade-liberalization agreements negotiated in Geneva are being threatened by new doubts in Congress, which must ratify the accords, about the commitment of Europe and Japan to genuinely equitable trade relations—and about the Administration's ability to ensure compliance even with the trade rules that are already in effect.

Two controversies involving Belgian steel and Japanese TV sets are complicating prospects for the accords on Capitol Hill. The congressional backlash could be directed mainly at a code—designed to regulate the use of subsidies, countervailing duties, and related antidumping duties—that is part of the Geneva package. Legislators are concerned that the code will not provide enough protection for U.S. industry against unfair trade practices. If Congress rejects that provision, it could shoot down the whole package because the Administration's omnibus bill to ratify the pacts must be voted up or down without amendment.

What worries the powerful legislative steel caucus, made up of 175 congressmen and 40 senators, is a complaint by Connors Steel Co., of Birmingham, Ala., that Cockerill Ougrée, a Belgian government-aided steel producer, is selling specialized lightweight I beams in the U.S. at 21% to 48% below European prices. Connors Chairman Robert L. Mueller says the dumping cut the company's net profit per ton on that product by 70% last year and may force it to close its Huntington (W. Va.) mill with a loss of 900 jobs.

Representative John H. Buchanan Jr. (R-Ala.), chairman of the steel caucus, questions the good faith of the Belgian government in having supported dumping by Cockerill while participating in negotiations on the subsidy code. "The caucus has tried not to be protectionist," Buchanan says. "But if these agreements seem to threaten an al-

ready beleaguered industry, we will be forced to take some kind of action."

"ANTIDUMPING DUTIES"

Anger on Capitol Hill over alleged dumping of Japanese TV sets, simmering for years because of the Treasury's delay in assessing and collecting antidumping duties on sets imported as long ago as 1971, has also reached a boiling point. Congressmen are particularly irked by recent Treasury suggestions that $400 million worth of potential antidumping duty liabilities on imports totaling $2.5 billion may be scaled down to a small fraction of that figure. "The committee will be very unhappy about any prorated settlement of these claims," says Representative Charles A. Vanik (D-Ohio), chairman of the trade subcommittee of the House Ways and Means Committee and a key figure in the coming battle over the Geneva accord. "Even proposing such a thing could jeopardize the implementing legislation."

Even if Congress ratifies the Geneva package, it could pass separate antidumping legislation with highly protectionist provisions that would provoke foreign retaliation. This would unravel much of the progress toward freer trade that has been achieved by five years of negotiation in Geneva.

The delay in assessing antidumping duties is partly due to Treasury's discovery of apparently widespread fraud, involving double invoicing and rebates to U.S. importers by Japanese manufacturers to evade dumping charges. Grand jury probes that are currently under way could lead to criminal penalties and to hundreds of millions of dollars in civil penalties as well.

Among companies that could be hit by the antidumping duties are major importers such as Sears, Roebuck & Co. and J. C. Penney Co. The Treasury is currently sifting through masses of information, contained in 700 protests filed by both U.S. importers and Japanese TV makers against an initial $46 million of levies, to determine what adjustments should be made in its initial calculations of Japanese home market prices. "Frankly," says one Customs Service official, "we don't know at this point whether the final bill for antidumping duties will be $400 million or nothing." Vanik, unhappy over such a prospect, is considering legislation to simplify assessment criteria and set a time limit for collections. "I say, collect the duties owed to the U.S. Treasury first, and then let the courts act," Vanik declares.

Customs plans to start collecting by May, at the latest, on TV imports through June, 1979, and clean up the rest of the backlog, possibly by the end of the year. But even if it succeeds in doing so, it will be too late to influence the congressional debate on the Geneva package.●

● Mr. NOWAK. Mr. Speaker, the summer and fall of 1977 brought a series of announcements on steel plant closings and job cutbacks that dramatically reflected the serious problems confronting this vital domestic industry.

Bethlehem Steel severely curtailed operations at its plants in Lackawanna, N.Y., in my congressional district, and in Johnstown, Pa. There was also a massive steel plant shutdown in Youngstown, Ohio. Within a few weeks, thousands of steelworkers were unemployed.

A variety of reasons were cited for these closings and cutbacks. One common denominator, however, was the increasingly adverse impact of steel imports.

The formation of the Congressional Steel Caucus and the imposition by the administration of the trigger price mechanism (TPM) reflected both the growing awareness of the carbon steel industry's serious problems and the role unfair competition from abroad was having in contributing to those problems.

Today we are alerted to the concerns of another important segment of our domestic steel industry—the specialty steel manufacturers—which was found in 1976 by the International Trade Commission to have been seriously injured by imports.

The ITC had recommended import limitations for 5 years to give the specialty steel industry sufficient time to recover. However, the import quotas were imposed only for a 3-year period, which is set to expire on June 13.

I join my colleagues here today in expressing concern about the potential adverse impact on the domestic specialty steel industry and its 65,000 workers if the present import quotas are permitted to expire this June.

In a capital intensive industry like specialty steel it takes time for the results of such relief to be felt. That is reflected in the ITC's original recommendation that these import limitations be in effect for 5 years.

As a member of the executive committee of the Congressional Steel Caucus, I respectfully would urge the President to maintain the import restraints on specialty steel for 3 more years to allow this essential and unique industry an adequate opportunity for full recovery from the adverse impacts of unfair competition from abroad.

Mr. Speaker, in the absence of a long-term solution to the international trade problems in specialty steel, extension of the import restraints is an appropriate, equitable short-term safeguard.●

● Mr. WALKER. Mr. Speaker, as the elected representative of thousands of Americans whose livelihood depends upon many manufacturing jobs related to the steel industry, I direct your attention particularly to a vital segment—specialty steel products.

Just a few years ago, this essential industry and the employment it provides were in near chaos. Entire companies, and the jobs they make possible, were in dire jeopardy, because State owned or highly subsidized foreign producers were flooding this Nation with specialty steel items against which we could not compete.

Specialty steel products became a truly sick industry, even though its technology, skills, productivity, and output are absolutely vital to the military and domestic welfare of the United States.

A reprieve, in the classic "nick of time," came almost too late when the International Trade Commission found that imports did constitute a "substantial cause of serious injury" to the domestic steel industry and decided that quantitative limitations were required to prevent or remedy the damage.

It was proposed that import limitations on such items as tool steels, stainless, steel sheet, strip, plate, bar, and wire rod, be imposed for 5 years beginning in June 1976. However, the Ford administration modified this to 3 years—a period now rapidly approaching its expiration date.

Even in the relatively brief period in which protection was provided, the specialty steel industry made a dramatic recovery. There were significant increases in employment. Efficiency was improved and operating costs reduced through investments in new plants and equipment. America's traditional leadership in technology was salvaged and enhanced, because of new impetus given to research and development. Yet, prices of specialty steel products advanced less than many other manufactured items despite much higher costs for many of the imported alloying ingredients which go into them.

All of this, in my opinion, demonstrates conclusively that the import restraints are working effectively.

What this also demonstrates is that additional time is needed to make the import limitation program fully effective.

What we face now are new threats poised by foreign producers of specialty steel products whose governments are continuing and expanding policies of assuring full employment by subsidizing this industry in one way or another. Even as our own producers struggle to regain their former health, new foreign capacity, far in excess of demand, is mushrooming overseas.

It is abundantly clear to me and to my constituents that we simply cannot afford to observe this trend and do nothing to curb it.

It is obvious that as a first step the current specialty steel import restraint program should be extended for an additional 3 years, as permitted by U.S. trade laws. It also is apparent that the U.S. trade laws presently before the Congress must be revised and updated, and provisions made for more effective administration and enforcement.

Finally, Mr. Speaker, I urge that this country proceed to initiate and consummate international negotiations aimed at dealing on a sectoral basis with the problems of world trade and the special situations affecting this Nation's steel industry.●

● Mr. COUGHLIN. Mr. Speaker, I join my fellow colleagues today to express my deep concern over the future of the specialty steel industry in the United States.

As a native Pennsylvanian, I have had an ingrained awareness of the steel industry and its importance to not only the Keystone State, but the Nation as well. In fact, having been in the steel manufacturing business and a user of specialty steels, I have had firsthand working experience with the multifaceted specialty steel industry.

While small in comparison to the large integrated producers of carbon steel, specialty steel is nevertheless a commodity without which our Nation could not function nor be militarily secure.

Specialty steel comprises the working parts of aircraft, automobiles, appliances, communications equipment, electronic devices, tools, energy-generating development, and operating machinery and food processing equipment to name a few. These products are, moreover, produced by approximately 19 companies whose 65,000 workers depend upon the mills and shops providing their jobs.

A capital-intensive industry, costly processing and operating equipment are required along with a high level of human skills. Its products often equate to pounds rather than tons, since many are custom-tailored to exacting specifications in small batches. Generally, its products require 7 to 15 times more manhours per ton than carbon steel items. And, it is interesting to note, while output totals only 1.5 percent of the country's steel tonnage, it amounts to more than 9 percent of the dollar volume of all steel shipments.

Unfortunately, despite its critical position as a mainstay of the United States' progress and security, the specialty steel industry has for years been impacted by massive foreign imports.

As plant layoffs and shutdowns mounted, because of illegally subsidized foreign imports, the International Trade Commission conducted two exhaustive studies of the damage to our domestic industry.

The outcome in June of 1976, was the setting of import limitations on specialty steels of certain types.

With this measure of well-deserved protection, the domestic industry has been steadily convalescing. Employment has increased, capital investments have improved productivity, and dormant research and development programs revitalized.

Even so, the volume of imports continues to deprive U.S. workers of job opportunities. Foreign producers continue to enjoy a sizable share of the American market since the yearly level of imports and annual increases permitted by the restraint program actually assures more jobs to other countries, many of which own or subsidize their own industries.

Today, even the limited protection afforded the American specialty steel industry since mid-1976 is in jeopardy. This is so, because the import limitations, unless extended, will phase out next June.

Once again, a key U.S. industry and its 65,000 employees are in peril.

Mr. Speaker, I believe the record will show that a 3-year period did not provide suffcient time for the full recovery of an exceptionally stricken industry. I submit also that an extension of import limitations will serve not only to insure its comeback, but will allow the much-needed time to achieve a long-term solution to the international trade problems which have chronically plagued the specialty steel industry.

I respectfully urge that we proceed immediately to assure the continuation of the specialty steel import restraints.●

● Mr. DINGELL. Mr. Speaker, there is probably no State in the Union whose industry depends more heavily upon specialty steels than my home State of Michigan.

There are nearly 25,000 steelworkers in Michigan employed in 22 steel industry facilities scattered across the State, and many thousands more Michigan workers in the automotive and related industries whose jobs depend upon plants having a reliable supply of steel, including specialty steel products. In fact, the automotive industry is probably the primary user of these high technology steels—especially stainless steel products.

International trade should remain as free as it has been in recent decades. But that does not mean that we can countenance other countries taking dead aim at our vital industries and knocking off thousands of American jobs by flooding our markets with their products.

Unemployment rates rose as high as 40 to 45 percent in the American steel industry before import restrictions went into effect. Now, just as the industry and its workers are regaining stability, the means of production and vital jobs are threatened once again. If the import quotas on specialty steel are not extended—as they should be—thousands of steelworkers will probably lose their jobs.

Some people will argue that adjustment assistance—additional and extended unemployment compensation—is the only form of relief that workers should claim when their jobs are eliminated by imports. That is tantamount to Marie Antoinette saying that the solution to the problem of hungry people who had no bread was to "let them eat cake." While adjustment insurance does provide short-term financial relief, it does not constitute a sound and long-term solution to the problem at hand. We must assure the protection of our industry. We must maximize the retention of American jobs.

We now have an opportunity to once again provide a sensible foundation for our specialty steel industry. We have an opportunity to create a reasonable economic environment within which our industry can prosper. We can accomplish this by extending the quotas on foreign produced specialty steel. I ask the President to make this most important decision and I hope every other Member of this House will do the same.●

● Mr. SLACK. Mr. Speaker, I am proud to join with my colleagues in exploring an issue that is of increasing concern to this Nation. The flood of imported goods into this country is washing out hundreds of thousands of American jobs and we suffered a trade deficit last year of $34 billion.

Deficits for the United States were unknown only a short decade ago. But deficits began in the past decade and, with one or two exceptions, we have had them almost every year during the 1970's. Our workers' jobs are often eliminated and the arguments that imports hold down inflation appears ridiculous on its face. We see prices skyrocketing on shoes and apparel products, because imports have come to dominate the American market. Imports certainly have not brought lower prices for the consumer.

On some items, we see foreign suppliers increasing their prices tremendously once they capture or come to dominate a segment of our market. Specialty steel is a classic example of this. During the world steel shortage of 1973–74, foreign steelmakers upped their prices on certain specialty steel products as much as 100 percent. Once they force their American competition out of the market, they can charge whatever they wish.

I am happy to note that both labor and industry are in complete agreement on this issue. Lloyd McBride, the president of the United Steelworkers of America, joined with his counterparts in industry in supporting an extension of the quotas in the petition jointly filed by the union and the companies.

Mr. Speaker, I enthusiastically support this petition and ask that we call upon the President to extend the quotas on specialty steel imports.●

● Mr. HALL of Texas. Mr. Speaker, the expiration of the import restraints on certain tool, specialty and stainless steels this coming June 13 after only 2½ years of experience, is of particular interest to me.

The original recommendation of the International Trade Commission—made after a careful and exhaustive study of this industry—was that the import restraint program be implanted for a period of 5 years to provide ample time for the plan to be fully effective and fully measured.

Considering what is at stake here, 5 years was not an excessive time. I say that because in 3 years, we have been able to prove that restraints induced many positive results within the tool, specialty and stainless industries. Yet, 3 years has not been long enough to discourage foreign steelmakers. They looked at the 3-year period as providing them some breathing room while they carried on vast programs of expanding their capacities to manufacture these very steels. In other words, their actions seem to indicate they did not take us too seriously, so they were willing to risk millions of dollars in their belief that America ultimately would get back to its policy of surrendering still another vital market.

America's specialty steel industry is vital to every citizen, from astronaut to submarine crewman, from dairyman to orthopedic surgeon. It would be difficult, indeed, to find one citizen who is not affected by specialty steels in some way or another, each and every day of the year.

I am keenly aware of the importance of these steels to my constituents in the agricultural and industrial First District of northeast Texas.

I submit, Mr. Speaker, that there has not been enough time elapsed for the original intent of the ITC to have been fulfilled. In the interim, what results we do have in are encouraging and certainly, these results argue for carrying this program full term.

On the other hand, allowing the restraints to die a premature death will certainly induce predictable results, all of them bad for America and bad for Americans. With near-certainty, we can predict unemployment in the specialty steel industry. Before current controls, unemployment resulting from imports reached as high as 40 to 45 percent of the 75,000 jobs in the industry.

We can predict, with certainty, that foreign steelmakers and their governments have not built new specialty steel-making capacity over the past 3 years just so they can admire it. They built this capacity to use it. And unless this Nation continues its deterrence, they will use the capacity in whatever fashion

pleases them. They will try to maximize their penetration of the American specialty steel market, because it is the largest market in the world. And specialty steel products, because of their high labor and materials content, bring more dollars than conventional carbon steel products would.

There should not be any mystery here. Given a chance to ship a ton of $600 steel in place of a ton of $400 carbon steel, the foreigner naturally opts for the larger ticket. If it were American practice or policy to exploit markets outside our boundaries, I suppose we would consider doing exactly as these foreign nations have done. Of course, deliberate, predatory trade policies have never been America's objective. We have been too busy giving away much of what we have got, and that is exactly how some of these foreign steel plants were built in the first place.

Mr. Speaker, our international trade treaties give America the right to protect itself against predatory trade. And that is exactly what we should do. And we should continue doing it until our negotiators are able to secure permanent protection for America, Americans, and their industries.●

● Mr. FLOOD. Mr. Speaker, as a senior Member of Congress and as a Pennsylvanian with long familiarity with steel and its closely related industries, such as coal mining, I have a deep understanding of their problems.

Many of the people who depend upon coal and steel for their economic welfare live and work in the area I have long represented. I know their concerns, and I know that one concern is the outlook for America's specialty steel firms, many of them based and operating in Pennsylvania.

The specialty steel business was born in Pennsylvania and adjacent States. It has made possible scientific and technological triumphs surpassing any in the world. The art of alloying and forming metals into shapes, forms, and applications imperative to the performance of most of our essential manufacturing and processing equipment has become the very life blood of our economic progress.

Specialty steelmaking and fabricating is a capital-intensive business. Its equipment is costly. Labor it requires is extremely skilled. But its products truly make the world go around. Without them we would not fly the airlines, traverse the highways, or even have access to environmental improvements and sanitarily clean and wholesome foods we enjoy.

Recognizing that our Nation simply could not function without specialty steels, it is strange to observe that for many years this critical industry has been largely at the mercy of subsidized foreign competitors selling in this market at predatory prices.

Perhaps the significance of this industry's importance is minimized by the fact that is a relatively tiny segment of the total steel business. Most of us think of steel in terms of huge tonnages, routinely reported by producers of basic carbon steel.

In contrast, the specialty steel business produces in "batch lots," measured more in pounds than in tons. It is an industry which works to meet exacting specifications. Such precision labor requires the highest skills scientists, technicians, and workers can combine.

Its products, which we largely take for granted, are all around us. They are doing essential tasks no other materials can equal. Their applications are innumerable, in power generation, oil refining, transportation, communications, national defense, surgical instruments, food processing, mining, metalworking, and a host of other necessities to our way of life.

One must wonder why such an industry, comprised of 19 producing companies and 65,000 workers with uncommon skills, has been, and remains in jeopardy. How could such a vital element in the economy and security of the United States have its very existence threatened?

The answer is quite simple: Unfair foreign competition.

In the past decade, overseas producers have sighted-in on sophisticated specialty steel items as a bonanza in the American market. Recognizing that privately owned American firms must capitalize themselves, meet their own payrolls, and finance their own research and development programs out of earnings, foreign governments have adopted a devastating approach of their own.

To maintain high employment and to use plant capacity which, in many cases, is spanking new in contrast to U.S. facilities, they are operating their specialty ownership or with lavish subsidies, or steel plants under direct government under fully approved cartels.

Their products were thus able to invade the United States at subnormal prices, a predatory technique which brought the American producers to their knees.

Confronted with failing plants, growing unemployment, and a virtual halt to capital expenditures and technological progress, the domestic industry implored the International Trade Commission to hear its plea for relief.

The relief came, in June of 1976. The ITC then found the specialty steel industry had been injured. An import-restraint program, authorized by former President Ford, and later affirmed by President Carter, became effective.

Key industry indices show that since 1976, the industry has increased employment, production, capacity, utilization, capital expenditures, production, and price competition in domestic markets. Prices actually rose less in the specialty steel area than in the case of other materials.

Mr. Speaker, my concern is that all of this catchup and progress could be negated almost overnight. I say this because, unless it is extended, the specialty steel import limitation will expire on June 13.

This is a particularly bitter prospect since we know that foreign producers, who continue to enjoy an ever larger share of this market, have built or are building new capacity which, if unchecked, could wipe out America's steel specialty industry.

We need an extension of the import limitations, not only to permit our own industry to recover, but also to provide time in which to review and overhaul outdated and inadequate trade legislation which has been retarding our economy and contributing to inflation for much too long.●

● Mr. SHUSTER. Mr. Speaker, I believe you are well aware of my abiding interest in seeking to improve this country's mass transportation facilities.

One important thing I learned along the way is that none of this sophisticated equipment, nor its supporting structure, is possible without the resources provided by just a small segment of America's steel industry.

I refer to the specialty steel industry of the United States—65,000 people—without whom we would have no buses, subway cars, autos, railcars, aircraft, or similar mobile equipment of the caliber we possess today.

These companies and their people are the backbone of the world's greatest technology in the production and fabrication of stainless and other alloy steels so essential to our transport systems. The bearings, the wheels, and the countless motive parts which make for mobility would be impossible without their contribution.

Not to be overlooked is that these same materials are indispensable to our national defense weaponry and to production of the vast number of underlying items on which we rely for protection.

Only a few years ago, the specialty steel industry was on the verge of decimation in this country. Unemployment soared to the range of 40 to 45 percent of its work force. Companies which had been in the specialty steel business since its very founding were severely wounded.

What happened in a few short years was that an industry of outstanding excellence and competitive ability was facing a new form of rivalry—not that of privately owned companies—but that of entire foreign governments. State-owned production facilities and others operating on homeland subsidy arrangements had literally invaded the U.S. steel market with underpriced specialty steels of all types.

This was not fair trade of the sort we espouse; this was unfair trade of the most flagrant sort. Foreign governments were exporting their unemployment to America.

Fortunately, the International Trade Commission, acting under section 201 of the Trade Act of 1974, determined after exhaustive hearings that our specialty steel industry was being injured drastically by the actions of foreign governments. An import relief program went into effect in June 1976, and the U.S. specialty steel industry began a slow recovery which continues to this day.

The problem we face today, Mr. Speaker, is that these import limitations are to expire on June 13, 1979. Unless the Congress and the administration take action to extend these import restrictions, a critical U.S. industry and

the jobs of thousands of its workers will be in jeopardy.

Admittedly, import limitations are a stopgap measure at best. What is really needed is a long-term solution to the world trade problems; a means to stop the inequities inflicted on U.S. industries by foreign governments.

Today, Mr. Speaker, I ask that there be unanimous support for this measure to extend the specialty steel industry import limitations for an additional 3 years. I ask for this support to promote and maintain a fair and equitable brand of competition in this vital industry, to provide this industry the opportunity to further enhance their growth capabilities and those of our great Nation and to guarantee the jobs of thousands of Americans.●

● Mr. PERKINS. Mr. Speaker, I want to join with my colleagues and express my concern and hope that the President will extend the present import restrictions on specialty steel products. This industry has been severely undermined by imports which are subsidized by other governments. Despite the past efforts by management and labor to cut cost, thousands of people have been laid off, because of unfair competition. If these limitations are allowed to expire this June, thousands of workers will lose their jobs, because of the failure to take action against unfair competition. The free enterprise economy cannot operate when certain members are allowed to use unfair practices and where a product's cost is lowered through foreign government subsidies. This request we are making of the President today is simply a plea for justice for the American worker.

I want to reiterate that I join my colleagues to urge the President to extend the present import restrictions on specialty steel products.●

● Mr. ADDABBO. Mr. Speaker, it is absolutely imperative that the specialty steel quotas, which expire this June after a 3-year life, be renewed. The purpose of these quotas and the escape clause generally is to provide domestic industries with temporary shelter to readjust to the rigors of foreign competition. The quotas have permitted the specialty steel industry to recover substantially from its depressed status 3 years ago. Yet the industry still has a "ways to go" and deserves 3 additional years of help.

What has been accomplished thus far? I think it is fair to say that the following improvements have occurred:

First, employment has increased significantly as a result of moderate import limits on particular specialty steel products. Fewer jobs are being lost to foreign workers.

Second, profits have recovered modestly. Profits are still below the levels other manufacturing industries enjoy. Nevertheless, these modest increases in profits have permitted increased capital spending.

Third, costs have been reduced. This results partly from the fact that volumes of production have increased and partly because of new capital investment designed to reduce costs, improve productivity, and utilize superior technology.

Fourth, the industry has been able to increase its expenditures for research and development during this period.

Fifth, and perhaps most important, the relief program has not been inflationary. In fact, the import restraints themselves may account for the better than average inflationary trend experience in this industry.

So we have come a long way. Yet we still have a distance to go.

I believe that extension of the quotas by 3 years will permit this capital intensive industry to fully recover. Such recovery would be manifested in the following ways:

Profit levels will increase to the levels enjoyed in manufacturing industries that have not been injured by import competition.

Employment will increase more significantly in the next 3 years.

Costs will decrease and the industry will become yet more efficient. The key factor here is allowing for additional capital formation.

Finally, research and development programs will prosper even more than they have in the past years. Our industry will continue to assert its international technological dominance.

These goals are certainly worth attempting to achieve. The cost—extending the quota for 3 more years—is very modest when it is compared to the magnificent results of a healthier industrial and labor sector. Foreign trade is minimally disrupted by these quotas which permit increasing and significant levels of importation.●

● Mr. NATCHER. Mr. Speaker, I am today joining with my colleagues in the House to urge President Carter to extend the present import restraints on specialty steel products.

Specialty steel is an absolutely essential industry in our country. Products of the industry are necessary for oil drilling and refining, power generation, transportation, communications, surgical instruments, food processing, mining, metalworking, aerospace systems, and many, many national defense requirements. The industry plays a vital role in our daily lives.

Prior to the restraints placed on the importation of specialty steel products in June 1976, unemployment in the industry ran as high as 45 percent. Since that time, the industry has had somewhat good years and the restraints have not proved to be inflationary. The U.S. International Trade Commission originally recommended a 5-year limitation on imports but the President cut the period to 3 years. The restraints are scheduled to expire in June 1979 and I sincerely believe that 3 years is not enough time for the industry to make a full recovery.

The fundamental issue is whether or not American companies can compete with foreign companies which, as instruments of national policy, do not have to meet the same disciplines of profit and capital formation.

Mr. Speaker, I urge the President to give this issue his utmost consideration and grant this much-needed extension of the present import restraints.●

● Mr. MURTHA. Mr. Speaker, I join in supporting an extension of the import quotas on specialty steel. This is vitally important to workers I represent in Armstrong and Cambria Counties of Pennsylvania.

In fact, Pennsylvania is more directly affected by imports of specialty steel than any other State. When imports captured up to 70 percent of our home market in some specialty steel products, Pennsylvania—along with Ohio, Indiana, and New York—directly felt the import invasion. Of the 65,000 jobs nationwide that depend on the specialty steel industry of the United States, some 30,000 of them are located in Pennsylvania.

Unemployment in some months during 1975 reached as high as 40 to 50 percent in specialty steel. Some mills were virtually shut down. Others were barely able to preserve production. All the specialty steel facilities were badly hurt, as the ITC concluded after an exhaustive investigation in the fall of 1975 and early winter of 1976. I was pleased to support that 1975 petition for relief filed by the United Steelworkers and the steel companies. It was a landmark case, and its extension is essential.

The areas of Pennsylvania I represent have known firsthand the pain of massive and threatened steel layoffs. To west-central Pennsylvania families, this issue is not an abstraction, but a fact of life. In fact, our area has seen imports rip away jobs in specialty steel, basic steel, textiles, electronics, gloves, shoes, combs, and other industries.

At the base of what we are talking about today are two elements—jobs and economic stability. We must protect the jobs of our workers in the steel industry. These are skilled men and women whose work we need for community and economic stability. Moreover, the last years show us we need to protect our own industries in order to preserve our economy and our ability to maintain vital processes when there are international disruptions.

The specialty steel industry has been a leader in technology and innovation. It is efficient, productive, and innovative. Its workers are the best in the world and their productivity per manhour is unsurpassed.

The only way this industry can be hurt is if we let it happen by allowing cheap, foreign imports to be dumped on U.S. markets. Free trade is a nice goal, but in America today we need fair trade that protects our industries and our jobs. We do not want to eliminate foreign competition, but we want to restrict it so conditions are fair.

The specialty steel industry is the perfect example of an industry that was able to rebuild and regain its competitive edge, because of the import quotas enacted. It proves this system works.

Today, I most strongly urge President Carter to extend the import quotas on specialty steel products for 3 more years. It is essential to our national economy and our working men and women.●

● Mr. APPLEGATE. Mr. Speaker, it is with a great deal of pleasure that I join with my colleagues today in bringing to the attention of this House and the Nation, the plight of this Nation's specialty steel industry.

The problem associated with specialty steel, and for that matter basic steel as well, revolves around importation of the product from foreign producers. The decision of the International Trade Commission went a long way in providing relief to the industry and its 65,000 employees by establishing import restraints as of June 14, 1976, for a 3-year period. Prior to the restraints, unemployment ran as high as 45 percent within the industry. Currently the unemployment rate is at an alltime low.

On March 6, 1979, the International Trade Commission will open hearings on a joint industry-labor petition to extend the restraints. In 1976, the ITC had originally recommended the restraints last 5 years, but then President Ford reduced the time to 3 years, hardly enough time to expect full recovery in such a capital- and labor-intensive industry.

Specialty steel is an absolutely essential industry. Its products are necessary for oil drilling and refining, power generation, transportation, communications, surgical instruments, food processing, mining, metalworking, aerospace systems, and literally hundreds of national defense requirements.

I can well understand a Member of Congress not being interested in a labor problem if he or she has none of the affected industry. However, I cannot believe that there is a congressional district that would not be affected in some way if these restraints are allowed to expire, simply because we all use specialty steel products.

Mr. Speaker, I urge each of my colleagues to become involved in this and to contact the International Trade Commission urging approval of this continued restraints petition.●

● Mr. GOODLING. Mr. Speaker, I am pleased to join my colleagues in supporting the extension of the specialty steel quotas. We have had specialty steel quotas in place for 3 years and during this period the industry has made great advancements. Its capacity has increased, it has been able to employ more workers, its research and development efforts have maintained its technological lead, and profits have begun to increase to levels in other manufacturing sectors. However, these achievements are in great jeopardy if the restraints are relaxed or eliminated. We will be sliding backwards if the quotas are not extended; we would lose what we have achieved. But, if the quotas are extended the industry will have a chance to solidify the gains made in the last 3 years.

Mr. Speaker, it seems to me that the extension of quotas is not simply the best step, but it is the only wise step. These are austere times. We cannot afford, in my view, to expose this industry to the unrestrained flow of subsidized imports entering the United States. The specialty steel industry is critical to many manufacturing activities. In addition, 65,000 workers owe their livelihood to this industry.

The domestic specialty steel industry has been responsible for virtually every major technological innovation in the industry. It is an efficient industry that can compete if the competition is kept on a fair basis. If the trade restraints lapse, more foreign subsidized steel will enter the American market and it is a certainty that the progress we have made will be lost.

I hope each of you will join in asking the President to extend these trade quotas.●

● Mr. JOHNSON of California. Mr. Speaker, I want to thank my colleagues JOE GAYDOS and ADAM BENJAMIN for giving us the opportunity to call to the attention of our colleagues the problems which are facing the American steel industry as a result of steel imports. There are some very real problems here, and I feel that action must be taken promptly to assure this Nation of an adequate and healthy steel industry.

At this time, I would like to focus my remarks on the problems resulting from the importation of steel on the west coast. For many years our most serious competition came from Japan. Today, however, our problems result from importation of European steel through Western ports.

We have found a very disturbing 30-percent increase in steel imports to the west coast in 1978 from European and other non-Japanese producers. These steel producers are not natural or historical suppliers to our area and have no comparative advantage.

The current trigger pricing mechanism does not adequately take into account natural transportation factors. Since trigger prices are based on transportation costs from Japan to U.S. ports, European steelmakers are selling steel at west coast ports at prices below what they are selling for in New York.

The Department of the Treasury now has under consideration a proposal to adjust the trigger pricing mechanism to more accurately reflect transportation costs. Under the proposal, the TPM for European steel on the west coast would be the same as in New York. Although actual transportation costs would justify a higher trigger price, the proposed adjustment would alleviate much of the inequity in an administratively simple fashion.

This transportation adjustment is consistent with both basic TPM structure and natural trading patterns. We hope that this useful and simple adjustment can be made to provide immediate relief to west coast steel producers.●

● Ms. MIKULSKI. Mr. Speaker, as secretary-treasurer of the congressional steel caucus, I am pleased to join my distinguished colleagues in urging extension of the quantitative restraints now in place on specialty steel imports.

As Mr. GAYDOS, Mr. BUCHANAN, and others have noted, before the ITC findings that America's specialty steel industry was being seriously injured by imports, there was widespread unemployment in the specialty steel industry. In my own district in Baltimore, for example, we have a specialty steel plant which regularly employed 1,200–1,300 salaried workers. In 1975, before the restraints were imposed, that plant had cut employment in half—to 600; 600 Baltimore steelworkers had lost their jobs.

Today, employment in that plant is back to 1,110. To me, that means that the Trade Act of 1974 is working just as Congress had intended. A vital American industry is recovering its economic stability—and it is important to note that there has not been a sharp rise in stainless steel prices during this time. Yet we are confronted by an argument that we should remove the import quotas, because conditions have been improved in the industry.

That is like saying, "You should eliminate the quantitative restraints, because they are working." That is like saying, "Because Americans are living longer these days we don't have to worry about health care any more."

I want to tell my distinguished colleagues that we cannot afford such logic. In the past 3 years the quantitative restraints upon specialty steel imports have begun to restore the health of a vital American industry and continued the employment of thousands of American workers. I hope that an extension of the restraints will be granted.●

Mr. GAYDOS. Mr. Speaker, I think the summation submitted by Mr. ADAM BENJAMIN needs nothing added to it. He very concisely set forth the purpose of this special order, what we intend to do by it, what it is aimed at and what we hope to accomplish.

Mr. Speaker, on behalf of the steel caucus I want to thank our colleagues for their participation, in this important special order today.

● Mr. COLEMAN. Mr. Speaker, I would like to join my colleagues in the steel caucus in taking this opportunity to speak out on the present state of the domestic specialty steel industry. The importance of the specialty steel industry to the overall economic well-being of the U.S. economy is often overlooked. In a nation as technologically advanced and diversified as our own, technology is the cutting edge of progress. Specialty steel forms the basis for this growth. Therefore, in these days of rising inflation, waning economic growth and increasing trade deficits, the condition of domestic industries such as special steel is of grave importance.

When one looks at the most important industrial sectors in the economy, the critical role played by specialty steel becomes even more evident. Electronics, power generation and transportation, the aircraft industry, space aeronautics, scientific instruments, and military technology are just a few of the many sectors of our economy which are heavily reliant upon domestic specialty steel products. Clearly, it is no exaggeration to say that specialty steel is an essential building block of our economy.

However, today the specialty steel industry is confronted by problems on a variety of fronts. Unquestionably the greatest threat it faces is foreign competition. Foreign producers are penetrating the lucrative U.S. market. In many instances they are being directly supported by their own governments in this endeavor. Subsidies by their home governments have enabled them to establish a substantial hold on the U.S. market. This unfair practice has placed an unnecessary burden on our own vital specialty steel industry. The artificial competitive advantage enjoyed by foreign competitors has grown over the years and today the specialty steel industry needs our help. Imports from abroad have reached flood levels and today we see plant closings and layoffs among our own domestic producers. By and large administrative and legislative actions to remedy these problems have proved inadequate.

Because of this, we must encourage the administration to negotiate in earnest on this issue at the current trade negotiations in Europe. We here in Congress must also be willing to do our part to help assist this vital industry, not through Federal subsidies, but by creating a favorable economic environment in which the forces of free trade, untainted by unfair competition, can be set in motion. I am confident that given such an environment, the U.S. specialty steel industry will be second to none.●

● Mr. GRAY. Mr. Speaker, I am pleased to join with my colleagues today to focus attention on the plight of a modern-day industry which faces a serious economic threat—but whose well-being is critically important to our Nation.

I refer to the American specialty steels industry. Many people have little awareness of this vital cog in our economy, because we tend to think in terms of the industrial goliaths. Yet, none of the giants could operate without the products produced by just 19 specialty steel producers employing 65,000 workers.

From these plants and people come our stainless and tool and die steels. Also our superalloys, which help power our jet planes and steam and nuclear power plants. The list goes on and on, and our highly industrialized economy is totally dependent upon the characteristics of these products with their abilities to function in extreme environments.

Specialty steels are essential to our civilian needs, America's powerful industrial base, and military preparedness.

And, while many Americans may have only a vague impression of the specialty steels, this is not so in the case of a number of foreign governments.

Long ago, they recognized that the United States was consuming these sophisticated metals and products formed from them in ever-increasing quantities. Many of these nations had unemployed metallurgists, machine operators, and others possessing the high skills demanded by the specialty steel crafts.

To put these people to work, these governments built state-owned plants to produce specialty steels. In other cases, they subsidized independent producers. Thus endowed from their national coffers, the foreign producers began to flood the American market with goods priced so low that no privately owned U.S. firm could match them without going into bankruptcy.

The impact here soon manifested itself in plant closings and drastic cutbacks in capital improvements, a drying up of research and development, and the loss of jobs, many of them permanent.

Nearly 3 years ago, on June 14, 1976, the specialty steel industry was saved, in a literal sense, by import restraints on certain types of foreign-produced goods. The relief enabled the U.S. industry to revive, a process which is continuing.

The Department of Labor took note of this revival in a report released last October. Also noted was that productivity in the specialty steel area had improved as much as 12 to 14 percent above increases for the economy as a whole (4 percent) and higher than the steel industry as a whole (1.5 percent).

Despite such favorable factors as improved employment and productivity, better utilization of capacity, greater capital expenditures, increased domestic price competition, and an upturn in technological progress, the steel specialty industry now faces a new crisis.

Unless extended, restraints on imports will expire next June 13. Once again, thousands of American jobs are on the line. Once more, the undermining of this key industry could resume overnight, this time with even greater impetus because foreign specialty steel producers have expanded their capacity and are waiting to exploit it to the fullest.

Mr. Speaker, I firmly believe that this Congress and President Carter cannot and should not let this happen. The import limitation must be extended.●

● Mr. MOLLOHAN. Mr. Speaker, the coal mining and steelmaking industries are vital to the First District of West Virginia. Our people depend heavily on the jobs they provide and anything which threatens their stability is a matter of serious concern to me. It certainly should be a matter of serious concern to every Member of Congress as well.

The concern of this Congress today is focused on just a portion of the domestic steel industry. We are concerned about tool steel, specialty steel and stainless steel. We are attempting to protect this segment of the steel industry from the devastation of the relentless incursion of unfair import competition.

But, may I remind my colleagues that all steel starts out in the manufacturing process the same way. So what affects a highly sophisticated specialty product, reaches back to affect—ultimately—the coal miner, the coal mine trucker, and the riverboat crew.

As important as coal and steel are in the basic economy of my district and my State, these two basic industries are not the only victims of the deepening penetration of the American steel market.

In West Virginia, and in the adjacent States, there are hundreds of small manufacturers who require tool, specialty, and stainless steels as primary raw materials in the products their small plants make.

These small businessmen know what will happen if alien steelmakers acquire larger portions of the American market. They know that once domestic productive capacity is lamed, once foreign steel displaces American-made steel, they lose a little of their power and some of their choice as buyers. And if they do not know this from their own experience in steel, they can see what has happened in the American petroleum market and the camera industry, and to the people who once made American bicycles or shoes.

The wisdom of extending present restraints against an uncontrolled upsurge of foreign specialty steels into the United States is beyond challenge.

The existing 3-year restraint program has produced intended results. It has helped hold down prices. It has enabled American producers of these products to gather capital to pour back into their companies and to insure that American technology will continue to lead the world.

These restraints have been the levee which has kept foreign-made tool, specialty, and stainless steels from flooding our markets.

I, therefore, urgently recommend renewal and extension of present restraints on the importation of tool, specialty, and stainless steels.●

● Mr. NICHOLS. Mr. Speaker, as a Representative of the Third District of Alabama—one of the major steel-producing States, as well as an intensive agriculture area—I am well aware of the importance of nurturing a strong specialty steel industry within our domestic boundaries, not just nurturing it, but letting it grow so that it can keep apace—as it always has—with constant new demands upon it.

Because of this, I am concerned about the possibility that import restraints on certain tool, die, specialty, and stainless steel will be allowed to expire this coming June 13.

I am delighted to be able to participate in the business of this Chamber today. I am most desirous that the outcome of our Nation, its economy, and its extension of restraints for another 3 years, or however long it takes to permanently resolve a base threat to the well-being of our Nation, its economy and its defense structure.

Extending restraints for 3 years would amount to just 1 year in addition to the 5 originally recommended by the International Trade Commission. The original term of 5 years was whittled to 3 by President Ford in 1976 when he signed an orderly marketing agreement with Japan.

I know that most of us in this Chamber—upon just a few moments of reflection—would agree that the products of the specialty steel industry affect just about every person in this Nation on a daily basis. But, as a businessman and agriculturalist, I am especially aware of the importance of these metals.

Many here remember or have heard of problems of spoilage and sickness involved in bringing milk from the farms to consumers in days gone by. But we scarcely hear of such problems today because the milk is not touched by human hands from the time it leaves the cow

and travels by sanitary milking machinery, tubing, tank trucks, pasteurizers, bottling machines, and dispensers—all containing large amounts of specialty steels.

These specialty steels play a vital role in the manufacture, delivery, storage and application of fertilizers, which, as you all know, are very corrosive. Thus, specialty steels are essential to food production. The story is the same in food processing.

For obvious reasons then, practically everyone—each for his own reasons—has a vested interest in supporting a strong, viable domestic tool, specialty and stainless steel industry.

But, expiration of import restraints would threaten the lifeblood of this industry.

This specialty industry requires a large amount of capital and costly labor to produce its unique products. It requires up to 15 times as much labor to produce a ton of specialty steel by comparison with a ton of conventional carbon steel.

It demands a broad array of sophisticated equipment to produce these specialty steels. Dimension control must be precise. Metallurgical control must be even more precise. Temperature control must be exotic, because specialty steels are given jobs no other materials could perform.

Considering current problems with inflation and its effect upon capital-formation, as well as the rising costs of labor, raw materials and transportation, it seems downright good sense for this Nation to hang on to all the assets already in place.

There can be no serious argument made against the fact that the American specialty steel industry is such an asset, more than that, it is an indispensable cog in the national machinery. With an impaired specialty steel industry, we simply could not live as well as we do now. We could not begin to defend ourselves as well as we do now.

Mr. Speaker, whether I view import restraints from the standpoint of a businessman, whether I view them as a farmer would, whether I view them as an ordinary American would, or whether I consider them as a Member of Congress should, there is no escaping the single fact that it is fully in the national interest that these specialty steel import restraints be retained and extended.●

● Mr. ALBOSTA. Mr. Speaker, I want to join my colleagues in supporting the extension of import restraints on specialty steel products. There are many reasons why this extension is important.

Today the domestic specialty steel industry is doing well. It has recovered from the effects of a decade of dumping of foreign, Government subsidised specialty steel products—dumping which only stopped 3 years ago when the present restraints were imposed.

Without restraints, dumping will almost certainly occur again. If this should happen, many of our domestic companies simply could not survive. Some would be forced to put out their fires and close their gates, leaving large numbers of workers to join the unemployment lines.

We cannot afford to add to our present unemployment problem by neglecting the obvious steps to prevent it. The extension of import restraints is important because the jobs of 65,000 highly skilled workers are at stake.

We find that foreign governments have no qualms about taking care of their workers. In fact, by means of subsidies to their specialty steel industries, some countries are holding employment at artificially high levels. While they obviously cannot be blamed for doing this, it must not be done at our expense.

Our domestic specialty steel industry does not ask for huge subsidies. It only asks for a fair chance to hold its own in the world market.

The specialty steel industry is vital to our Nation's economy and crucial to our defense. We cannot afford to depend on foreign countries who could raise prices and cut off the supply of products we need, if we offer them no competition because our own companies have been forced to shut down.

If we have learned one thing from the serious inflation we have suffered lately—inflation fed by the constantly rising price of foreign oil and fostered by our dependency on those governments who know that they have us quite literally over the barrel—we have learned the virtue of self-sufficiency and the value of domestic strength—in industry as in energy.

We have every reason to buy time now through the extension of import restrictions on specialty steel. For the sake of our workers, for the sake of our domestic industry, for the sake of the economy, we cannot afford to do less.●

● Ms. OAKAR. Mr. Speaker, I wish to express my support of the U.S. specialty steel's petition to the International Trade Commission for a 3-year extension of import restraints. Together with the United Steelworkers of America, the specialty steel industry has appealed both to the ITC and the President to provide continued protection to a domestic industry of vital strategic importance. We must listen to the voices of those leaders in the steel industry and union who warn us that failure to extend the import restraints will jeopardize thousands of jobs, as well as productivity and profits. The facts of the last few years make their argument all the more persuasive.

Before restraints were imposed in 1976, specialty steel imports had forced the layoff of nearly half the 65,000 workers in the domestic industry. Since 1976, the U.S. specialty steel industry has modestly recovered, in terms of employment, production, and profits. But this recovery cannot continue and progress without extension of the import restraints as originally recommended by the ITC. When we think of how essential this industry in the production of parts and components for many of our commercial and military needs, we must take great care to see that we do not become dependent on imports to meet these basic needs. To illustrate this point, in a similar relief petition by the U.S. metal fastener industry, much of the evidence prompting the ITC to recommend import relief was our growing dependence on imported products critical to our national defense needs. As the President recognized the serious implications of substantial import injury to the metal fastener industry and thus granted import relief, so should the ITC and the President in this case recognize the threat of substantial unemployment, loss of productivity, and injury to our national security interests if specialty steel import restraints are not extended.

I am particularly interested in this case, because in my own district in Cleveland, Ohio, Republic Steel Corp. employs hundreds of workers whose jobs depend directly on specialty steel production. Other highly urbanized and industrialized areas like Cleveland face the real danger of serious economic dislocation from the unemployment caused by subsidized and unchecked imports of products which the domestic industry cannot manufacture and sell on a competitive basis. As part of our fight against unemployment, we must become more aware of the immediate impact of imports on those jobs in specialized industries which manufacture products essential to our national defense interests. I am concerned that we keep such urban and industrialized areas as Cleveland economically stable and progressive and use the legislative remedies available to us to do so, as specified in the escape clause provision of the Trade Act of 1974. We must realize that the competitiveness, productivity, profitability, and employment potential of our industries do suffer in the face of uncontrolled imports.

The U.S. specialty steel industry has achieved a level of technological excellence unequaled anywhere else in the world. While the import restraints have been in place, the specialty steel industry has invested substantial capital to reduce costs of production, improve man-hour productivity, and further refine manufacturing technology. Employment and profits are up. We must protect these improvements in so essential and vital an industry. We should urge, for the sake of maintaining our country's economic health and military security, that the ITC and the President approve the 3-year extension of the import restraints that the specialty steel industry so clearly needs. This action is necessary as long as there is no international agreement which guarantees fair competition in specialty steel trade.●

● Mr. CLINGER. Mr. Speaker, I join with my colleagues in urging the President to extend the current import restraints on specialty steel products.

From recent experience, the Nation is all too familiar with the vulnerability of the domestic economy to foreign imports of crude oil from OPEC countries. Preventing a repetition of history in the specialty steel industry, a vital industrial sector has been protected over the past 3 years from unfair competition from Europe and Japan. We find today that the industry is only beginning to recover from the crippling problems of the past.

An extension of import restraints is the only means of insuring the viability

of the specialty steel industry in our country. I know how indispensable specialty steel products are to several industries in my own district such as aircraft manufacturing, dairy farmers, coal mining, and petroleum processing. We must take action now to prevent potentially serious, over-reliance on foreign imports. By protecting our domestic industries from unfair, subsidized competition from abroad, we can help prevent higher inflation, increased unemployment and an unfavorable balance of payments in the future.●

● Mr. NEDZI. Mr. Speaker, I am pleased to join with my colleagues in urging the President to extend the import quotas on specialty steel.

Under the current import restrictions, the domestic specialty steel industry has experienced a partial regeneration. In the absence of an extension, this progress would be thwarted with a damaging impact on American industries and American workers.

Foreign producers are heavily subsidized and often owned by their governments which permits them to undercut the privately owned American specialty steel companies. American companies are thus under a competitive disadvantage and are vulnerable to being driven out of business with the resulting disastrous impact on American jobs.

A faltering domestic specialty steel industry threatens our national security since specialty steel is essential to the production of defense weapons and critical weapon systems. In a crunch and lacking facilities to produce the steel, we could find ourselves dependent upon an unreliable supply from foreign nations.

The request for an extension of the quotas is not raised frivolously. A crippled domestic specialty steel industry has adverse repercussions on our security, our economy, and on our working men and working women.●

● Mrs. HOLT. Mr. Speaker, I join my colleagues in urging that the import quotas be retained on specialty steel.

There are nearly 30,000 steelworkers in my State of Maryland. More and more of their jobs are threatened by unrestrained imports of specialty steel. Before the quotas went into effect last year, the specialty steel industry and its workers were particularly hard hit in my State.

The Armco mill in Baltimore employed 1,200 in 1974. In less than a year, a tremendous surge of specialty steel imports cut the Armco payroll in half and by mid-1975 there were only 600 jobs left in that plant. The quotas have helped bring employment back to the Armco mill and other plants. However, if the restraints are removed, all of the gains of the past 2 years will be wiped out and even more jobs will be in jeopardy.

The Baltimore mill of the Eastern Stainless Steel Division of Eastmet Corp. is similarly affected. And across the country, there are at least 65,000 specialty steel jobs at stake.

Moreover, the whole American steel industry is watching to see what the President does with regard to the limitations on specialty steel imports. If the limitations are lifted, it will be a clear signal to the entire steel industry and its nearly half-million workers that no help can be expected to save them from the rising tide of steel imports.

I ask that a recent news story on this case from the Baltimore Sun be inserted in the RECORD.

JOINT UNION-INDUSTRY PLEA—SPECIALTY STEEL ASKS FOR RENEWED QUOTAS

WASHINGTON.—Specialty steel producers joined with the United Steelworkers union (AFL–CIO) yesterday in calling for a three-year extension of an import-quota system developed under the Ford administration.

The producers, who make stainless steel products, and the union said in a joint press conference that the import restraints, due to expire next June, are still needed to help the industry get back on its feet.

The two petitioned the International Trade Commission to study the matter and formally request President Carter to keep the quotas for three more years.

The ITC must make its recommendation to the President within 90 days.

According to the petition, the foreign-producer share of the United States specialty steel market has declined from 16.7 per cent, before the quotas were introduced in 1976, to 13.2 per cent this year.

At the same time, according to the petition, utilization rates at domestic producers' facilities have increased from 41 per cent to 50.2 per cent for stainless steel plate and from 55 per cent to 75.8 per cent for stainless steel sheet.

Employment at the firms also has increased during the period, from 21,609 before the quotas were instituted to 23,953 this year.

Arguing for continued restraints, Richard P. Simmons, the president of the Allegheny Ludlum Steel Corporation and chairman of an industry committee, said at a press conference:

"While import restraints have been in effect, the industry has used the time well, but the job is not finished. The specialty steel industry was severely impacted by unfair imports for many years. A mere three years is not sufficient time for a capital intensive industry such as ours to recover fully. Thus, a serious threat remains."

He insisted that the restraints "have not proven to be inflationary and, in fact, may well be the major reason why prices have not increased to a greater degree."

The Eastern Stainless Steel Company, of Baltimore, issued a statement yesterday saying that "the quota system is essential in order to prevent subsidized foreign competition and allow for the development of a healthy stainless steel industry."

That company is 1 or 22 firms jointly filing the petition. It said the protection afforded by the quota system has permitted it to invest or schedule about $12 million in capital improvements at its facilities.●

● Mr. BAILEY. Mr. Speaker, the 21st District of Pennsylvania, which I represent, has 2 of the 20 companies which make up the tool, specialty, and stainless steel industry of the United States. These companies represent the backbone of a vital industry, not only to the 21st District, but to the Nation as well.

By specialty steel, we mean stainless steels, tool and die steels, high-temperature alloys and electric, magnetic and electronic alloys which are designed and produced for use in extreme environments because they are resistant to heat and hard to corrode. As a result, specialty steel is difficult to make and requires greater labor input than other steel. It is an essential element to: Aircraft, automobiles, electronics, mining, missile parts, petroleum products, power generators, stainless steel, tools, dies, and the like.

There are some distinctive features to the specialty steel industry. One is that freight costs do not significantly influence distribution. Specialty steel goes where there is a job to be done. For example, you might not ship carbon steel sheet from Latrobe, Pa., to Seattle, Wash. But, you would ship specialty steel to aircraft plants in Seattle or to machine shops in Chicago, to the electric turbine plants in Philadelphia or to the oil drilling rigs in the Gulf of Mexico.

There is no doubt today that the specialty steel industry has become bedrock to almost every other industrial process in America. In fact, it is so basic to everything we do or make that the demand for it does not fluctuate as broadly as it does for conventional steels.

It is the stability of this market that demands protection. I believe that we need a specialty steel imports restraint program. It is vital to job security and the prosperity of an essential industry. While I think domestic competition is healthy, I do favor the import quota program to cut back on subsidized foreign competition.

If the American buyer is forced to rely extensively on foreign suppliers, then he must be willing and able to live with a host of uncertainties in the international environment that can reduce or delay the essential shipment of badly needed materials. In addition, currency fluctuations mean that American firms cannot determine their costs for raw materials. In short, such a situation could be disastrous.

However, thanks to import restraints that are now in effect, we have helped to partially restore the industry's health. This has resulted in significant improvements in employment and has not contributed to an inflationary spiral. Moreover, these restraints have enabled the specialty steel industry to make higher expenditures for research and development and to commit substantial capital investments to further reduce costs and improve productivity. If the restraints are permitted to expire, all this might disappear.

Mr. Speaker, after a serious review of this issue, I firmly believe that the import restraints on specialty steel must be continued. This is in the best interest's of those who work in the industry as well as all of us who depend upon the industry's products that contribute to the economic vitality of this great Nation.●

● Mr. MOTTL. Mr. Speaker, it is with pleasure that I add what emphasis I can to the urgency of the matter at hand. The matter is not a complicated one. A little over 3 years ago, America's specialty steel industry was in a crisis. A goodly number of its employees were out of jobs, because a tidal wave of imported steel—unfairly, even illegally priced—had surged into American markets. The peril was so obvious and real that an important restraint program had to be installed.

The import restraint system, thus far, has been extremely helpful. The import tidal wave ebbed, stability flowed back into the specialty steel industry, workers returned to their jobs, research and development efforts resumed, and modernization and expansion programs went onto the boards. However, the program did not eliminate the underlying problems—it merely shelved them for the time being.

Because the American restraint program was set for a mere 3 years, rather than the recommended 5 years, foreign steelmakers concluded that America would soon be calling for a recess—in time the game would resume. Hence, these foreign specialty steelmakers have been calmly and confidently preparing themselves for the day the restraint program would end. They modernized their plants and their technology so that once again they could successfully dump on us.

Consequently, we need further restraints to protect our own. In my view, we have no other option now than to extend this import restraint program for another 3 years. But, once this is done, we must then turn our thoughts and efforts to developing a permanent solution to this problem so that we never again may have to use this device.●

● Mr. ERTEL. Mr. Speaker, I am pleased to have the opportunity to participate in this colloquy concerning the need to extend the present import restraints on specialty steel products. I would also like to commend my distinguished colleague from Pennsylvania, the Honorable JOSEPH GAYDOS, on the leadership and commitment he has brought to our discussions on this crucial subject.

Mr. Speaker, as most of our colleagues are aware, specialty steels are usually identified as stainless steels; tool and die steels; high-temperature alloys (superalloys); electrical, magnetic, refractory, electronic, and reactive alloys. The importance of specialty steels permeates virtually every aspect of our economy, and they are crucial to our way of life and the maintenance of our national security. Specialty steels are designed and produced for applications in extreme environments demanding special hardness, toughness, resistance to heat, corrosion or abrasion, and combinations of these characteristics. Because of their high alloy contents, technological properties, and/or the special processing techniques needed to meet close specifications, they are difficult to make and call for greater labor input and personal attention than other steels.

The subject immediately before us today concerns a petition which has been jointly filed by the specialty steel industry and the United Steelworkers of America, to the U.S. International Trade Commission requesting a 3-year extension of the existing import limitations on certain specialty steel products. To understand the need for this 3-year extension, it is helpful to remember the circumstances which confronted our domestic industry prior to the adoption of the present import limitations.

The present restrictions were ordered by President Ford in June 1976, following an exhaustive study by the International Trade Commission of the impact of foreign specialty steel imports on our domestic industry. The ITC found that our industry was being seriously adversely affected. Unemployment in this critical industry was at a record level; during some periods the unemployment rate was as high as 45 percent. The problems confronting our domestic industry were not created by our inability to compete on a fair trade basis. Most foreign specialty steel companies are supported by a vast array of government subsidies including: Preferential bank loans, tax advantages, subsidies for producing during periods of slack demand, and price setting by government-authorized cartels. These subsidies allowed the foreign producers to operate outside our domestic industrial requirements of profitability and capital formation. As such, in this case, free trade was not fair trade.

Mr. Speaker, these foreign subsidies continue today and they are likely to do so in the future. Despite this fact, our domestic specialty steel industry is not seeking permanent import limitations. The International Trade Commission originally recommended a 5-year program of import restraint to allow our industry to recover and to make the improvements necessary to compete, even in this unfair market. The Ford administration chose to provide only 3 years of protection to our industry. The time since June 1976, has been used wisely by the domestic specialty steel industry. Today the industry is coming back. Employment has improved significantly. Profits have increased, although they still lag behind the average profits for manufacturing industries in the United States. Greater expenditures are being made, or are committed, for capital expansion and for improving technology. In short, once again, we have a viable specialty steel industry in the United States, where only a few years ago this industry was in difficult straits.

Mr. Speaker, this progress is jeopardized with the expiration of the import restraints. Foreign producers have built up large new capacities in production of specialty steels and are anxious to pour their products upon the American market at artificially low prices. This would reverse the progress that has been made during the short period of import limitations. The specialty steel industry can survive and prosper in this country, but it needs an extension of existing quotas to do so. Therefore, I am urging the administration to allow the specialty steel industry to recover and move forward by extending the import quotas. ●

● Mr. RUSSO. Mr. Speaker, the specialty steel industry was in grave danger of facing economic disaster until the institution of quotas and restraints against foreign dumping of specialty steels in the United States in 1976.

On June 13, 1979 the import limitations will be lifted from the the European and Japanese specialty steel imports, and the domestic specialty steel industry and its workers will be faced with massive layoffs and factory closings. It is essential that the International Trade Commission recommend to the President that the trade restraints and quotas be extended so the domestic specialty steel industry can be given the incentive to again become a self-sustaining industry.

Our economy is critically dependent on specialty steels. Sixty-five thousand skilled workers produce steel products that are vital to the needs of our civilian economy and our defense operations—which in turn are dependent upon the ability of this Nation to maintain a strong, viable industrial base.

The tough metal alloys of specialty steel are the only metals strong enough to withstand high temperatures of electrical or nuclear systems, as well as containing corrosion resistant properties which can be used sanitarily for food processing. It is hard to imagine the continued vitality and growth of specialty steel without the expertise of the 65,000 skilled American workers in this industry.

We should not permit the weakening of our technological superiority in the world by unfair foreign competition. We must see that import limitations are not lifted this June.●

● Mr. SPENCE. Mr. Speaker, I seek to add my name to those supporting the extension of the specialty steel quotas. I hesitate to devote much of our working time to stating my reasons for supporting the extension of these quotas. Suffice it to say that these restrictions attempt not to unfairly protect American industry, but rather to assure that fair trade in specialty steel is possible. The restraints simply provide an opportunity to curb the flow of subsidized imports, many of them coming from countries that sell subsidized steel in order to avoid seeing their workers unemployed as their industries become less competitive.

Rather than review all that has been said so well on this issue, I shall conclude by asking all Members of the House to seriously consider this matter. If serious review is undertaken, I am confident that each of you will want to join me in urging the President to extend these quotas.●

● Mr. LAFALCE. Mr. Speaker, I want to join my distinguished colleagues in support of the domestic specialty steel industry and urge the International Trade Commission to recommend the extension of the current import restraint program. That program which expires in June of this year has been in existence 3 years.

During the past 3 years, the specialty steel industry has been able to increase capital investment and employment opportunities for workers. The industry has also registered significant productivity gains which caused the Department of Labor in its recent study of industries receiving import relief to state that "the productivity increases in specialty steel were greater than the increases in the economy as a whole and greater than the increases in comparable industrial categories." As one who is very concerned about the slippage in productivity growth in this country, I am very encouraged by this salutary development.

The specialty steel industry has made great strides, but its economic recovery is not complete from the disastrous early 1970's. This industry is capital-intensive, and several years are required before its retooling and revitalization will be accomplished. The industry is not requesting permanent protection from imports; it is merely asking for additional time, in order to complete its revitalization program, so that it can compete with its foreign counterparts. In addition, the continuation of the restraint period will give the administration the opportunity to continue international negotiations to resolve the special problems of the specialty steel industry.

The original petition for import relief filed 4 years ago by representatives of the specialty steel industry included chipper knife steel. The import quota relief granted by the President for certain categories of specialty steel products, however, did not include such relief—or any other kind—for chipper knife steel. This particular grade of alloy is known as chipper knife steel, because more than 95 percent is consumed as a raw material in the production of chipper knives. Chipper knives are wood-related industrial knives used in machines that chip wood to make pulp and other wood fiber products.

The Simonds Steel Division of the Guterl Special Steel Corp. is located in Lockport, N.Y., and is the sole significant producer of chipper knife steel in this country. It produces this particular type of steel for its own use and for sale to other consumers in the United States, principally manufacturers of chipper knives. Simonds' competitive position in this market is subject to a substantial threat from subsidized foreign producers.

For that reason, Simonds stands in need of whatever relief can be afforded. In particular, there should be no reductions in the rate of the current duties applicable to chipper knife steel imports. Otherwise, the only major domestic producer of chipper knife steel may be fored to withdraw from this market, which would result in the dislocation of many workers at the Lockport steel mill.

I urge the International Trade Commission to recommend to the White House that an extension of the existing import restraint program be extended for a final 3 years. This short-term relief will help result in a long-term solution to the problems which afflict this key industry.●

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE STEEL CAUCUS AND SPECIALTY STEEL INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. BUCHANAN) is recognized for 60 minutes.

Mr. BUCHANAN. Mr. Speaker, the steel caucus has spoken today on the subject of the specialty steel industry because of its importance to our country's economy and national defense. We are also concerned about the steel industry generally, and about American industry and workers in this same regard. It is our purpose, as the chairman has ably stated, to work for equity and fairness in trade and true reciprocity.

GENERAL LEAVE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter, and that all Members may have 5 legislative days within which to revise and extend their remarks on this special order.

The SPEAKER pro tempore (Mr. MURPHY). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. ATKINSON).

Mr. ATKINSON. Mr. Speaker, I am proud to join all of the Members here today and especially the distinguished chairman of the congressional steel caucus, JOE GAYDOS, and the executive board and membership of the caucus, who have done so much in the past to create better opportunities for the specialty steel industry and its thousands of dependent employees.

Specialty steel companies and workers have excelled and led in a wide range of activities important to our national well-being. Specialty steels have meant leadership in new products, like heat- and corrosion-resistant metals; leadership in the search for new energy sources, including applications of specialty steels in both nuclear and electric power generation; leadership in product handling and quality control, since the industry turns out many small orders of diverse compositions; and a high level of leadership in research and development that prompted the International Trade Commission to call the industry "a leader in developing new processes."

As Members of Congress we know how important specialty steel is to our Nation's defense. A subcommittee of the U.S. Senate's Armed Services Committee found, after hearings in 1972, that it is "abundantly clear specialty steels are essential today more than ever, in the fabrication of the major portion of our defense weapons and critical weapons systems."

Today this unique and essential industry is fighting for a fair shake in its own country's marketplace.

As those of us here today know, the limited restraints on specialty steel imports that went into effect in 1976 constituted the first import damage protection, or "escape clause," action under the 1974 Trade Act. And the request for extension of that protection for 3 additional years when the present June 1979 deadline occurs, breaks new ground in the operation of the statute.

In my estimation, Mr. Speaker, specialty steel companies and their employees have amply demonstrated model leadership during this 3-year period—increasing investment and productivity. Furthermore, the industry shows every indication of making more competitive adjustment if additional relief is granted through the new 3-year extension of the provisions.

The 1974 Trade Act required that the President weigh several factors when considering import restrictions. For example, the President must study "the effect of import relief on consumers" in making his decision. During the past 3 years of import restraints, price increases in specialty steels have been moderate and price moderation is likely to continue.

The President must review, "the extent to which the U.S. market is the focal point for exports of such articles." Significant new specialty steel productive capacity is being put in place in more than a half dozen nations, and indications are that exports from those facilities will be directed at the American market.

The President must consider "the economic and social costs which would be incurred by taxpayers, communities, and workers, if import relief were or were not provided."

Unemployment in the specialty steel industry approached 45 percent of the work force in 1974–75 with severe impact on the communities dependent on this industry. A complete lifting of import restrictions will surely push us toward higher unemployment and localized recession once again.

The people of America expect nothing less of their Government than to protect America's jobs and preserve its vital industry—for that is in the best interest of our Nation and the world.

Leadership is the issue, Mr. Speaker. Management and labor, communities, and Congress have shown their leadership in this important effort. Now it is time for the President and his advisers to be leaders in insuring that our trade laws work fairly and justly.

□ 1505

Mr. BUCHANAN. I thank the gentleman for his contribution.

Mr. Speaker, every person who serves in this Congress has at least two basic responsibilities. One is to serve as Representative of his or her congressional district. There are many congressional districts that are vitally affected by this matter. But every one of us has a higher responsibility and that is to serve our country. It is for the sake of the public interest, the national interest that we ask our voices be heard.

FAIRNESS AND THE SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LUNGREN) is recognized for 5 minutes.

● Mr. LUNGREN. Mr. Speaker, the social security system was established in 1935, during the darkest days of the Great Depression, to relieve Americans of some of their worries about economic security when age or infirmity might make normal work and wage earning difficult and sometimes impossible.

Although the social security system was not originally intended to provide the only source of retirement and disability benefits for covered workers, it has become the financial keystone for most retirees.

In many communities of my own district such as Long Beach, Bellflower, Artesia, and Seal Beach-Leisure World; this fact is undeniable. Instead of being mere supplemental income, the ravages of inflation, sickness, and even our society's past misguided notions about our senior citizens' inabilities to perform adequately in the work force have made social security a virtual lifeline for many in their later years. With this in mind, this and future Congresses certainly have a solemn obligation to protect the investment upon which so many have come to rely.

Moreover, in a period when the national median age is increasing, so also is the importance of the social security system. Some 24 million Americans, or nearly 1 in 10 of us, have reached the age of 65 and another 8 to 9 million Americans have reached the age of 60. This means that the number of Americans 65 and older grew from less than 7 percent to about 11 percent of our population in the past 25 years. The Office of Technology Assessment has estimated that almost 20 percent of our population will be over age 65 by the year A.D. 2030.

As startling as these figures may be, it nevertheless remains a fact of life that there will always be more Americans under age 65 than over this milestone. Thus, for most Americans, social security is not only an anticipated benefit but also a current liability. This fact requires an honest and open look at the other side of the social security ledger.

Ninety percent of all working Americans contribute toward the social security system. Contributions withdrawn from their salaries often approach the amount withdrawn for State or Federal income taxes. This concerns working Americans for two reasons. First, the added expenses of social security are a burden that must be borne along with price increases in food, energy, housing, education and health care. Second, Americans are increasingly concerned about studies and predictions suggesting that the social security system will not be able to meet their needs when they need the system.

This crisis of confidence in the system is one of the great challenges facing this Congress and this administration. We who control the system have a responsibility to insure that the system deserves the confidence of those who depend upon it.

Unfortunately, confidence in the system is undercut by the fact that those of us who control it are not a part of it. Members of Congress and their staffs neither contribute to nor depend upon the social security system. While there may have been good reasons for our exclusion from the system in 1935, public concern about the system and its future now mitigates against such an exclusion. Prudence requires, and wisdom dictates that we must share the lot of those whom we serve. For this reason, I have introduced the Social Security Fairness Act of 1979. This proposal requires that all Members of Congress and all employees of the legislative branch join the social security system at the beginning of 1980.

There is no justification for isolating Congress or Congressmen and Congresswomen from the social security system, or from the consequences of our decisions about it. The same can be said of those who serve us as employees of the national legislature. Our self-ordained insulation from the social security is, on balance, no more reasonable than would be a self-exemption from the income tax. Continued exclusion isolates us from the concerns of our constituents and insulates us from the burdens we ask them to bear as participants in the system.

Mr. Speaker, I do not suggest that adding several hundred elected officials and several thousand of their staff to the social security system will restore the actuarial soundness of the system itself. Nor do I suggest that this particular proposal, in its original form, is the only way to bring us into the system. It will take greater sacrifices by millions of Americans to return the system to a stable position. I do believe, however, that citizen confidence in both the system and the Congress will be increased if those of us who are responsible for its direction and performance are a part of the system itself.●

□ 1510

THE ALTERNATIVE BUDGET ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 15 minutes.

● Mr. CONABLE. Mr. Speaker, today I am introducing the Alternative Budget Act of 1979. The idea behind this bill is that even though the President may be unwilling to recommend a balanced budget, he should be required at least to outline to Congress an alternative which shows how this goal could be accomplished. I am pleased to be joining with Senator BOB PACKWOOD who is introducing the companion bill in the Senate.

The Congress and the President already have plenty of authority to balance the Federal Budget. The idea of amending the Constitution to require a balanced budget which is generating so much interest these days would not be necessary if the executive and legislative branches would use the powers they already possess to rein in Government spending. Perhaps that is why people are becoming so angry—because elected Federal officials have not used this existing authority to balance the budget.

The Alternative Budget Act is designed to force these existing powers to be used to balance the budget by focusing the attention of the President, congressional leadership and the public on specific options for checking Federal spending, taxes, and deficits. The bill mandates three requirements:

First, the President would have to submit an alternative balanced budget for any year for which he recommends a budget containing a deficit or requiring an increase in the public debt. Furthermore, he is required to design an alternative budget that balances down—this is, by cutting spending, and not one that balances up—through tax increases.

Second, whenever the budget deficit or increase in public debt for a fiscal year exceeds the amounts approved in the second concurrent resolution on the budget for that fiscal year, the President would have to submit to Congress a plan detailing spending cuts that would keep total deficit spending or public debt increases within the bounds set forth in the budget resolution.

Third, in each budget that the President submits to Congress, he would have to set forth the total amount of increased revenues attributable to inflation or tax increases he proposes. He would also be required to recommend any changes he considers advisable to offset these tax increases.

Nothing is required under this legislation that the President does not already have authority to do. But what we have right now is the incredible situation where both the President and the congressional leadership say they want to balance the budget as soon as possible. However, neither wants the responsibility of calling a halt to the spending that causes budget deficits. And both seem willing to let taxes rise automatically to cover at least part of this increased spending.

Not surprisingly, when neither branch of Government is willing to go first—to set out the agenda or the unpopular spending cuts required to achieve a balanced budget—nothing happens to slow the momentum. Spending just continues to go up. Taxes continue to go up. And the public debt goes up.

President Carter's fiscal 1980 budget of "restraint" is a perfect example of this. It allows taxes to rise to the highest percent of gross national product in 10 years. It contains a level of outlays $38 billion higher than in fiscal 1979. And it produces a public debt increase exactly the same size as in fiscal 1979.

The Alternative Budget Act is designed to break this upward momentum. It would force out into the public spotlight the best estimates of executive branch administrators and budget analysts of the budget cuts necessary to eliminate deficit spending. This information is already developed in the course of the zero-based budgeting process, so it does not involve generating very much new data, but rather simply making public some of the information currently at hand.

The administration would also have to specify the dimensions of the automatic tax increases that have fueled Government spending. In an excellent and perceptive article in the most recent issue of Commonsense, Paul H. O'Neill suggests that curbing "taxation by stealth" might be the positive counterforce to runaway Federal spending. Requiring the President to outline these automatic tax increases, as provided for in this bill, would make it easier for Congress to cut back on both taxes and spending and to reduce the overall dimensions of the Federal budget to a size more in keeping with the public's demands.

The Alternative Budget Act would provide a good beginning toward achievement of the kind of fiscal control people are calling for. The final responsibility, however, for determining our fiscal policy rests with Congress. Unless Congress quickly develops from within some credibility in discharging this responsibility, it may find itself rigidly constrained from without by a constitutional amendment which imposes an inflexible fiscal discipline.

Right now, the American people no longer believe Congress or the President will ever balance the budget. The Alternative Budget Act offers a procedure for focusing decisionmaking so that Congress can regain its credibility in the budget process.

The introduced bill follows:

H.R. —

A bill to amend section 21 of the Second Liberty Bond Act to require the President to submit an alternative balanced budget whenever the regular budget would result in an increase in the public debt limit or a deficit, to require the budget to identify revenue increases attributable to inflation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alternative Budget Act of 1979."

SEC. 2. (a) Section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) is amended by inserting "(a)" after "SEC. 21." and by adding at the end thereof the following new subsection:

"(b)(1) Whenever the budget for a fiscal year transmitted by the President to the Congress under section 201 of the Budget and Accounting Act, 1921 (hereinafter referred to as the 'Budget') which, if adopted, would result in an increase, either permanent or temporary, in the limit prescribed by subsection (a), or would result in a deficit, the President shall also transmit an alternative budget providing for a level of outlays which, if adopted, would not result in an increase in such limit or in a deficit. Such alternative budget shall be transmitted at the same time and manner, and shall be in the same form, as the Budget and, except as provided in paragraph (2), shall be in such detail as the President determines necessary to carry out the purposes of this subsection.

"(2) An alternative budget for a fiscal year transmitted under paragraph (1) shall include a clear and understandable explanation of the differences between the Budget and the alternative budget.

SEC. 3. After the House of Representatives and the Senate have agreed to the concurrent resolution on the budget for a fiscal year required under section 310 of the Congressional Budget Act of 1974 (31 U.S.C. 1331), if the President determines that—

(1) the statutory limit on the public debt will have to be increased during such fiscal year to an amount in excess of the amount set forth in such concurrent resolution, or

(2) the amount of deficit for such fiscal year will exceed the amount of deficit set forth as appropriate in such concurrent resolution, or

(3) the amount of total budget outlays for such fiscal year is expected to exceed the amount of total budget outlays set forth as appropriate in such concurrent resolution,

he shall submit to the Congress a plan for reducing outlays during such fiscal year by an amount equal to the greater of the excess determined under paragraph (1) or the excess determined under paragraph (2).

SEC. 4. (a) In the budget transmitted to the Congress under section 201 of the Budget and Accounting Act, 1921, for each fiscal year, the President shall set forth the increases in estimated receipts under the internal revenue laws for such fiscal year over such receipts for the fiscal year in progress which are attributable to—

(1) inflation, and

(2) tax increases first effective during the fiscal year which result from—

(A) provisions of existing law, or

(B) legislation requested by the President.

The President shall indicate the total amount of such increases, and also classify them by income level and family size.

(b) The President shall also recommend any changes in the internal revenue laws which he considers advisable to offset such increases in receipts.

SEC. 5. This Act shall become effective beginning in the fiscal year which begins on October 1, 1980.●

LEW WARREN: OELWEIN NEWSPAPER PUBLISHER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, on January 31 of this year Lew Warren retired as editor and publisher of the Oelwein Daily Register. For 37 years Lew served as the Oelwein area as an informed opinion leader and as a reliable and objective reporter of the local, State, national and world scene. Lew brought the news to Oelwein, and he led the discussion of its meaning in the local community.

Throughout those 37 years, Lew was an eloquent spokesman for those who remained wary of the excessive growth of the Federal Government. He repeatedly warned his readers that what is billed as a quick Federal fix often becomes nothing more than a bureaucratic regulatory mess. He remained sensitive to the logical result of greater Federal spending: Uncontrolled inflation and a stifling of American productivity.

Lew Warren's call for local control and economic freedom rings truer today than ever before. If Congress had in the past paid greater heed to the vigilance of men like Lew Warren, our Nation would certainly be better off today.

I would like now to share with my colleagues a brief review of Lew Warren's days in Oelwein. It points out that Lew also gave freely of his time to community service. I ask unanimous consent that an excerpt of the article as it appeared in the January 25, 1979, Oelwein Daily Register appear immediately following my remarks.

The Warrens come to Oelwein from Des Moines Feb. 25, 1942 at which time two-ninths interest was bought from H.V. Hoyer, founder of the newspaper in 1881. Warren had been associated with the Iowa Daily Press Association in the national advertising field. A few months after the Warrens' arrival in Oelwein, he was contacted by telephone while making an advertising call on the late Robert Connor on a cold winter day. It was W.S. Rupe, publisher of the Ames Daily Tribune who said, "Let's buy the Oelwein Daily Register." The sale took place with the Warrens and Rupe forming a partnership having purchased two-ninths interest from the late Ray Lucas estate, two-ninths owned by Warren and the balance from H.V. Hoyer. Later the business was incorporated. Rupe and Warren bought the Register building from the Hoyer estate shortly after Hoyer's death July 11, 1947.

January 1, 1950 Mr. and Mrs. Warren bought the business from Rupe. In May 1953 work was started modernizing the East Charles Street building with a new front constructed in October of that year. Modernization was completed in January 1954.

December, 1955, a fire partially destroyed the Register building and considerable machinery had to be replaced. Temporary linotypes were in operation in the Arnold Lenius warehouse. During that time Warren recalled that no one lost an hour's work and the Register never failed to publish regularly, but the paper was printed for two days after the fire in the Independence Bulletin Journal building. Among the papers that assisted while new equipment was being rounded up were the Strawberry Point Clayton County Press Journal, the Sumner Gazette, the Waverly newspapers, the Waterloo Courier and others.

In 1968–69 following destruction of the Marsh building next door east of the Register, the Register corporation purchased the land and constructed a new addition which today houses the business office, the conference room and other areas. The fire caused the death of "Toby" Tobiason who operated a music store there.

In September 1971 the Register changed from hot to cold type going 100 percent offset and now prints nearly 20 other newspapers, periodicals and other publications.

In 1975 the old bus building on 1st Ave., SE was purchased from Lyon and Lyon. Five new offset press units and two folders have been installed as well as a conveyor from folders to mailing room. The building also houses the firm's large supply of roll newsprint.●

LEGISLATION PROHIBITING ADOPTION OF AIRSPACE REGULATIONS WITHOUT 120-DAY PERIOD FOR PUBLIC COMMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. SNYDER) is recognized for 10 minutes.

● Mr. SNYDER. Mr. Speaker, the time has come to blow the whistle on attempts by the Federal Aviation Administration (FAA) to regimate the aviation community. At a time when we are seeking ways to ease the burden of Federal regulation, we find that FAA is moving in the direction of still more regulation, still more restrictions of dubious merit.

Now, to be sure, in proposing new regulations on use of the navigable airspace, FAA says it is acting to improve aviation safety. Well, I am here to say that FAA does not have a corner on concern about safety. We all—and most of all, those of us who are pilots—favor stringent safety measures—but we insist that safety regulations be sound, that they be justified by facts which are demonstrable, that they be readily understood and accepted by the aviation community as necessary for the benefit of all concerned.

Mr. Speaker, the airspace restrictions proposed by FAA were (and are) essentially a hasty, ill-considered, ill-conceived response to the tragic midair collision which occurred at San Diego in September. If finally adopted, these proposals would forever reserve for the exclusive use of favored categories of aircraft certain large areas of our navi-

gable airspace—an indefensibly discriminatory regulatory action without perceptible safety benefits of any kind. And in all likelihood, they simply would not work! Further, they would not have prevented the San Diego accident had they been in effect at the time! Instead, it now appears that inadequate FAA air traffic control facilities and equipment—including landing aids—as well as suspect FAA air traffic control procedures, were major contributing factors. Whatever the final determination of probable cause—and, of course, this is the sole responsibility of the National Transportation Safety Board (NTSB)—it is abundantly clear that the airspace restrictions proposed by FAA would not have effected the situation one way or the other. In fact, FAA itself—as well as NTSB, Professional Air Traffic Controllers Organization (PATCO), Airline Pilots Association (ALPA), and all of the major general aviation organizations—agree without exception that the FAA airspace proposals would not have prevented the San Diego tragedy.

So what do we do when FAA proposes airspace restrictions which leading voices in the aviation community question? And what do we do when FAA refuses requests from responsible sources in aviation and on this hill to extend the minimal 60-day period for public comments on their proposals—certainly more than reasonable in view of the storm of controversy which has been generated by the FAA plan? Although many will have submitted their comments to FAA by the time the 60-day comment period expires at the end of this month, many more should be afforded the opportunity to do so. FAA says the media have spread news of their proposed program throughout the land—but this is a large country and I am convinced that 60 days for public comments is nowhere near enough time to enable all interested and affected parties to consider such far-reaching proposals.

It seems to me, Mr. Speaker, that FAA has thrown down the gauntlet to members of the aviation community and to those of us in the Congress who are concerned about the legitimate demands of aviation safety. I believe the time has come for us to think in terms of legislating a remedy in the interests of simple equity—as a means of forcing the regulatory agency to restore perspective to its role in the scheme of things, to exercise greater restraint and responsibility.

Therefore, Mr. Speaker, I am introducing legislation today which would prohibit the adoption of any airspace regulation unless a 120-day period for public comments has been provided. In addition, the bill would require the FAA Administrator to explain the purposes for any such proposed regulation to the appropriate congressional committees in open public hearings.

In my view, Mr. Speaker, the enactment of such legislation would go far toward placing FAA on notice that its regulatory proposals must meet a higher standard of responsiveness to legitimate public needs than has been the case heretofore. In addition, the bill is designed to increase public participation in the regulatory process—thereby redressing a serious imbalance in favor of the regulatory agency which has been a matter of fact for far too long. I urge my colleagues to join me and become involved in this worthy effort.●

THE FUTURE IS NOW?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, while reading through the New York Times recently, I was struck by an advertisement for what every consumer yearns for—"the ultimate bank account." At least, this is how one New York savings bank describes its recently established NOW (negotiable order of withdrawal) account, a type of checking account that earns interest. But reading into the fine print, I discovered that this plan was less than ultimate for many customers, because no interest is paid if the account balance falls below $1,000. This is just one of the many types of limitations and penalties placed on negotiable order of withdrawal accounts, which have become widespread in New England, and are now being offered by New York banks and thrift institutions.

Negotiable orders of withdrawal function exactly like checks, offering the consumer the same convenience of accessing funds without having to carry amounts of cash. But unlike with ordinary checking accounts, banks in States where NOW accounts are allowed are permitted to pay up to 5 percent interest on NOW accounts. Financial institutions have hailed this new type of account as a boon to consumers because demand deposits need no longer sit idle, prohibited from earning any interest. But the real beneficiaries of the NOW accounts are the banks which offer them. By offering interest payments, banks are able to draw money away from ordinary savings accounts, which traditionally have remained separate from checking accounts. This carries with it a potential two-pronged danger of weakening thrift institutions, which support the housing industry, and causing consumers to manage their money more carelessly by having their savings easily accessible for spending purposes.

NOW accounts are also serving as a useful vehicle for financial institutions to justify the imposition of sometimes exorbitant service charges and penalties. Banks across the Nation have recently sought to reprice their checking services to become more profitable. They have encountered a degree of resistance, however, from consumers who have grown accustomed to free checking. Understandably so, for complaints about the lack of earnings generated by checking accounts are coming at a time when banks are reporting overall record profits.

Yet by offering interest on checking plans, banks are better able to justify assessing charges on these accounts. But those fees, for some customers, can more than offset any interest accrued. In New York, financial institutions have established minimum balances which range from $500 to $3,000, and charges from $1 to as high as $5 per month. As well as imposing flat fees some banks and thrifts are assessing a charge for each check which a customer writes. Customers signing up for NOW accounts should make inquiries into how banks calculate minimum balances, for one method can be particularly harmful to consumers. Rather than averaging out the daily balance held over a month, some banks impose charges even if the balance falls below the minimum requirement for just 1 day. Thus, a consumer could hold thousands of dollars in an account, but lost interest or be forced to pay a fee if the account is reduced temporarily.

NOW accounts may benefit wealthy individuals, but their interest earnings are subsidized by those whose account sizes fail to satisfy the growing appetites of the banks. Citibank of New York, in a full page newspaper ad, declares that "we think our customers deserve a lot of easy ways to earn more interest." Some of their customers, that is. The fact that consumers whose balances dip below $2,000 must pay a $5 monthly charge must be written in invisible ink. With the NOW account, Citibank has found its own easy way to charge even more to their moderate income customers.

The debate on extending NOW accounts nationwide has been proceeding for several years and no doubt will continue in the current session of Congress. Throughout these discussions, I have warned that NOW accounts would not produce the great consumer benefits promised by the banks. It is common business sense that if the banks pay out more, they are going to find ways to recover their costs. Not only are consumers affected by minimum balances and service charges—the cost of loans will also rise because of the increased costs to banks created by NOW accounts.

The lure of earning interest can draw many unwary customers into the trap of service charges and foregone interest. Only by carefully assessing their personal financial situation can consumers avoid the danger of buying NOW, and paying later.●

SUGAR BILL INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

● Mr. NOLAN. Mr. Chairman, today I am introducing the International Sugar Stabilization Act of 1979. My bill is similar to the measure introduced by Senators FRANK CHURCH and RUSSELL LONG on February 22, 1979.

Like the Church-Long sugar proposal, my bill establishes a marketplace price objective of 17 cents per pound on the 1978 crop. The price objective will be attained through import fees and, if necessary, import quotas.

My sugar bill differs from the Church-Long measure in two respects. First, a price floor of 65 percent of parity is established for future adjustments of the price objective. Second, payments are prohibited.

I am introducing a sugar bill with the 17-cent price objective because I believe domestic sugar producers cannot survive for less. Sugar beet growers from the Southern Minnesota Beet Sugar Cooperative, located in my district, have informed me that they need the 17 cents per pound in order to stay in the business—and Minnesota is one of the most efficient sugar producing areas in the Nation.

It is obvious that sugar beet producers cannot survive at current price levels. Nationwide, sugar beet producers plan to cut seedlings by 11 percent this year (by 4 percent in Minnesota).

The decreased domestic production is being offset by increased imports. Sugar imports into the United States are expected to total 5 to 5.5 million short tons in 1979, compared with 4.6 million short tons in 1978, a 10 to 20 percent increase at the expense of the domestic sugar industry.

My sugar bill also prohibits payments. The administration's insistence on maintaining the current sugar payment program jeopardizes the chances of passing a sugar bill this year.

The sugar payment program, to mix a metaphor, is a can of worms. In commenting on a General Accounting Office investigation of the sugar payment program, Senator MCGOVERN stated that the Inspector General's report described "glaring weaknesses and abuses in trying to assist either growers or consumers by this payment approach." The administration's rationale for a payment program is hard to follow. The President calls for fiscal responsibility, yet he endorses a payment program which needlessly adds to Treasury costs.

Consumers should not begrudge sugar producers a 17-cent market price objective for their sugar—such a low level is barely sufficient for survival. Sugar cannot be obtained any cheaper than 17 cents unless it comes through subsidized imports or through the exploitation of labor. If consumer groups really want to find out why the price of sugar-containing products continues to rise while the price of sugar falls, I urge them to investigate the windfall profits which sugar-using industries are accumulating. Then, they should look at the profit, or lack of profit, among our domestic sugar producers.

WILSON INTRODUCES LEGISLATION TO CONTINUE QUALITY MEDICAL CARE FOR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, last May, the House of Representatives overwhelmingly approved an amendment to the first concurrent budget resolution to increase the budget authority and outlays for the Veterans' Administration. This amendment was needed, in part, to continue to provide quality medical and hospital care for our Nation's veterans. This margin of passage indicates the strong commitment of the Congress to continue veterans benefits and services at the present level.

As almost anyone who has been reading the papers in the past few months knows, fiscal restraint is the key word to describe the sentiment prevalent throughout our country. In order to bring the Federal budget into line, certain changes are going to have to occur. However, at the same time, our constituents want benefits and services to remain constant. There is but one road to take in attempting to achieve this seemingly paradoxical goal and that road is to reduce excessive and unnecessary Federal spending. This can be consistent with the above action taken by the House.

What I am today proposing is legislation that would reduce the Veterans' Administration budget while allowing benefits and services to remain constant. Under current law, the Federal Government has no authority to bill private insurance companies for care received in a hospital, nursing home or outpatient facility operated by the Veterans' Adminstration. My bill would permit the reimbursement of medical care and treatment of non-service-connected disabilities from insurance carriers, employers and other non-Federal sources from which the veteran may be entitled to complete or partial reimbursement for such medical expenses. The proposal recognizes that the insurer's obligation to premium-paying veterans is no different from its obligation to insured nonveterans. It does not alter in any manner the priority demand for VA medical care for service connected disabled veterans. It would also mean no additional cost to veterans—any difference between what the insurance carrier would pay and the actual cost would be met by the Government. In addition, if the veteran had no outside medical coverage, then there would be no change in the present statutes regarding free medical care and treatment.

The savings from this type of measure could be significant. The Veterans' Administration estimates that if enacted into law, this bill could save a total of $218,000 in 1980, or a little more than the amount contained in the President's budget for nursing home care for veterans.

In my opinion, this measure is consistent with the commitment of Congress to provide quality medical care for our Nation's veterans and it is consistent with fiscal restraint. I sincerely solicit your support for my proposal and urge its early consideration.●

EXPORT TRADE ARTICLE NO. 2: THE MTN NEARS COMPLETION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, Congress will soon receive from the President a new world trade treaty which has evolved over 5 years of negotiation. The multilateral trade negotiations (MTN) represent the efforts of 98 nations in an attempt to strengthen and modernize the world's commercial trading code for the first time in more than 30 years.

The existing world commercial trade code, the General Agreement on Tariffs and Trade (GATT), was established in 1947. However, the world economy and world trade have grown by leaps and bounds since that time. The MTN agreement will not only ease tariff barriers but will make the existing trading rules "more open, more fair, and less discriminatory."

Hobart Rowen of the Washington Post has written an excellent article dealing with the MTN entitled "New Global Treaty about to Emerge." The article appeared in the February 25, 1979, edition and follows:

NEW GLOBAL TRADE TREATY ABOUT TO EMERGE

(By Hobart Rowen)

After five years of laborious, even painful negotiations, a new world treaty seems ready to emerge provided it can survive the hazing of an increasingly protectionist U.S. Congress.

The treaty has evolved from multilateral trade negotiations known almost everywhere by the initials MTN. Ninety-eight nations have been hammering out the details in Geneva. The MTN also is called the Tokyo Round, because that is where the discussions were set in motion.

As Special Trade Representative Robert S. Strauss said with a degree of pride, a new treaty would be the first strengthening and modernizing of the world's commercial trading code in more than 30 years. The basic thrust is not so much cutting tariffs further (although there would be some reductions) as making the existing set of trading rules more open, more fair and less discriminatory.

A good example of the prospective changes would be abandoning the notorious American Selling Price System (ASP) under which import duties on chemicals, footwear and some other products were based on higher American product prices rather than the lower real prices of the imports.

Dumping AS—a highly controversial issue—would result from adopting a new "customs valuation" code designed to encourage more uniform methods of pricing imports for when calculating duties.

Already American importers of cheap footwear charge that while abandoning the openly protectionist ASP, the U.S. is negating the benefits for consumers by replacing old tariff schedules under ASP with new and much higher ones that benefit domestic manufacturers.

For example, some American importers charge that the practical effect will be a $3 tariff on an Asian-made $1.50 pair of rubber sneakers.

A host of outstanding problems—some of them technical, some of them substantive—must be cleared away. European negotiators are insisting on larger U.S. tariff reductions in some key areas, including textiles. The American team is trying to finesse this demand by cutting back at the same time on textile imports allowed into the U.S. under the Multi-Fiber Agreement (MFA).

One major roadblock appeared to dissolve at the end of last week when the House Ways and Means committee voted to restore the Treasury's authority to waive countervailing duties on imported products. Quick ratification in both houses is expected.

The countervailing penalties are intended to offset the advantage given imports by subsidies paid by foreign governments. The Trade Act of 1974 had provided temporary authority to waive these offsetting duties while the MTN was under way. The expectation was that a whole new and more equita-

his code relating to subsidies and countervailing duties would be adopted.

A major complaint against the U.S. had been that countervailing duties were applied whether or not the subsidized imports actually harmed U.S. companies. European negotiators argued that unless the waiver—which expired last month—were extended, several hundred million dollars worth of European products would be hit by prohibitive tariffs this year. Since the expiration of the waiver, the Treasury had suspended collection of the penalties temporarily.

But the Europeans insisted on a full waiver as a condition to continuance of the MTN negotiations, and that now seems on track. It is clear, nonetheless, that approval of the waiver depended largely on major administration concessions to the textile industry.

According to insiders, another part of the price of the waiver extension was Carter's reversal last December approving higher tariffs on industrial fasteners. What other deals may have been made to pick up a few votes will be uncovered only as time goes on.

And trade consultant and former U.S. trade official Harold Malmgren said an ad hoc anti-MTN coalition is in the wings. The coalition consists of industry and labor groups ranging from producers of footwear and pipe fittings to multinational corporations in the minerals business. Malmgren cited a "chorus of complaints" over Treasury's soft attitude toward dumping and subsidies, and said such complaints meet with growing sympathy in Congress.

So the MTN battle will be tough, and for high stakes. There is already one major disappointment: failure to reach a new wheat agreement that would have stabilized prices and supplies. Strauss—the main U.S. negotiator—and his counterparts will be arguing down to the wire on all elements of the MTN for the next six to eight weeks, and then Congress will get its chance.

Malmgren guesses it will not be "until the latter half of 1979 that the picture can be fully assessed—and even later before the results come into play in the market."

A tricky element in that Congress by law must vote the trade package up or down. It can't peck away at it with amendments as it does with normal legislation. That means that all of the political muscle work on Capitol Hill is going on now—and has been going on since Jan. 4 when President Carter sent Congress formal notification that he intends to sign the new set of trading rules after 90 working days.

Special interests are prepared to fight hard against any element of the proposed treaty that would reduce existing levels of protection—and their cause has been aided enormously by the highly publicized 1978 U.S. trade deficit of about $28 billion. The spectacular and growing U.S. deficit with Japan—about $12 billion—has created an especially difficult obstacle for Strauss.

Yet, the gray-haired trade ambassador—a politician forced to become a trade expert overnight—is confident that in the end Congress will approve a landmark agreement. "What we have been able to accomplish is far greater than we ever dreamed possible when I first took this job," Strauss said.

An impartial observer, Philip H. Trezise of the Brookings Institution, acknowledged that some important items remain to be negotiated, but gave Strauss "high marks" for his accomplishments. Trezise also warned that the new MTN codes will not be self-executing, but will require a follow-up and commitment "to genuine openness and fairness."

This is the theoretical basis of the new MTN. The six earlier rounds of multilateral trade negotiations dealt mostly with tariff reductions. The design for the Tokyo Round was more ambitious: It would seek not only to lower tariffs a bit more, but to liberalize what are called "nontariff barriers," or NTBs.

The idea was to set out a number of international codes of fair conduct that spell out with some specificity what governments could and could not do in procurement, product standards, customs valuation, subsidies and countervailing (offsetting) duties, commercial counterfeiting and other areas.

The existing world commercial code, the General Agreement on Tariffs and Trade (GATT), was set up in 1947. But the world economy—and world trade—has become infinitely more complex since then. Almost everyone agrees that the GATT needs modernization and an explicit structure to monitor complaints. But the modernization process hadn't been tackled until the Tokyo Round.

The president told Congress on Jan. 4 that special codes or agreements were likely to be concluded in 13 areas. Many experts believe that four of these codes—on subsidies (including countervailing duties), government procurement, standards and the so-called "safe-guard" code are among the most important.

Taken together, these major new rules of conduct would limit excess official intervention that has been the source of the most bitter international trade disputes of the past decade.

Take subsidies. Alan Wolf, Strauss' chief deputy, said that the new code would prohibit outright all subsidies on industrial products and would regulate agricultural subsidies. For example, an agricultural subsidy that would "materially undercut" another country's products would not be allowed. Domestic aids to producers are subject to scrutiny if they have trade effects. And an injury test for countervailing duties is set out that meets a most legitimate complaint foreigners have had about U.S. practices.

"The use of public funds to help underwrite exports is understandably resented by competitors whether they encounter the subsidized products in their domestic markets or in third markets," Trezise observed. "Politically, export subsidies poison the atmosphere."

No one thinks that if the MTN code on subsidies is finally adopted, it will wipe out all distortions. Governments everywhere will be pushed by internal political pressures to help ailing industries, regions or unions. But the new code would take the somewhat ambiguous GATT principles and for the first time lay out some specific rules and definitions of what is acceptable.

Procurement has been an overworked field for government intervention on behalf of domestic companies. The U.S., for example, has had its Buy America preferences (a 6 percent break for any American bidder, 12 percent in certain distressed areas). The new code will put government procurement everywhere—including bidding practices—on the same footing. For the first time, countries must publish their procurement laws and regulations, reflecting the rules embodied in the code.

Wolf said that this will open up $35 billion annually in foreign procurement to competitive bidding by American companies. "They will put that much into the pot, publicising the bids, and telling the losing bidders why he lost, while we put up $10 billion to $11 billion worth by doing away with the 6 percent preference," Wolf said.

The MTN deal on procurement is not complete. Japan still isn't putting bids on railways and telephone equipment into the pot, and American negotiators in Geneva still are trying to twist Japanese arms. "We would like to see all post and telegraph (procurement) and utilities covered," Wolf said. "Until they are, we're not putting in TVA procurement."

One of the most sophisticated ways in which countries have kept out (or reduced) imports is by setting technical standards that are almost impossible to meet. Thus, a complaint of the U.S. auto industry is that Japan sets up arbitrary inspection standards not really designed, as claimed, to meet social objectives such as pollution control or safety, but simply to keep out American cars.

Wolf says great strides have been made. Japan even has agreed to send customs inspectors to dockside, USA, to provide necessary auto import certification. Another problem was a Japanese ban on generally accepted fungicides, which caused American fruit shipments to rot crossing the Pacific. Europeans used standards similarly to keep out American electrical goods.

The new code establishes uniform international procedures and an appeals mechanism. "We've desperately needed this because governments can have a field day manipulating standards," Wolf said. "Without this code, standards would have been a growth area for non-trade barriers."

Perhaps no area of the MTN discussions has been more delicate than that of safeguards, especially in the context of a weak world economy in which politicians everywhere are pressured to bolster up declining industries. There has been a pattern of protective actions—such as the American "orderly marketing agreements" (OMAs)—designed to give domestic industries at least temporary relief from serious import competition.

GATT Article XIX has a procedure for handling such cases, but it hasn't worked well. Many European countries simply have taken actions that violate the GATT. European restraints on Japanese steel imports helped to flood U.S. markets with Japanese steel. The Trade Act of 1974 therefore directed the president to seek an international "safeguard" procedure in the Tokyo Round that would limit import restraints of this kind, and at least make them subject to international surveillance.

The new code sets up a formal procedure for bilateral and other restrictive import agreements. But the Common Market still is demanding the right to take action selectively (really, against Japan) when it feels domestic industries are inundated with imports.

Among the most important of the many other specific codes or agreements in the present draft of the MTN are:

"Conventions" designed for better coordination on wheat, coarse grains, dairy products and meat. But as indicated earlier, the results for wheat fall far short of what had been the U.S. goal.

A new aircraft code brought up late in the game by the U.S. would eliminate NTBs such as prohibiting landing rights for foreign-made aircraft.

Most countries have products with a recognized brand-name, some of which are easy to copy. The number of GATT and Strauss trade representative office personnel would have to be expanded substantially to handle a workable commercial counterfeiting complaint procedure.

Closely related to technical standards as a form of contrived NTBs, licensing procedures sometimes are used to delay or totally bar imports. The code attempts to spell out acceptable behavior.

Overall, tariff cuts will be about 30 to 35 percent, from average levels currently in the range of 6 to 8 percent. But the averages conceal some high tariffs (for example 22 percent EEC tariffs on heavy trucks, a 24 percent U.S. tariff on wool suits) that will not be reduced much, if at all.

"This could be the last such MTN negotiation for a long while," Wolf said. "We've attacked all of the major nontariff barriers, and if Congress buys the package, then the future will deal with how to improve and broaden what was accomplished at Geneva." ●

THE OLMSTED NATIONAL HISTORIC SITE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, I am today introducing a bill to establish the Frederick Law Olmsted National Historic Site in Brookline, Mass. Identical legislation is being introduced in the Senate today by Senators KENNEDY, TSONGAS, and CHAFEE.

In the last few years the contributions of Frederick Law Olmsted have received widespread attention, and, Olmsted is now recognized as a major figure in the history of the United States.

Olmsted is probably best known for the urban parks that he created, but he also distinguished himself as the Nation's first major conservationist, and as the founder of the disciplines of city and regional planning, and landscape architecture.

When Olmsted first became involved in the creation of Central Park in the mid-19th century, conventional wisdom held that cities were inevitably crowded, ugly, and foul smelling and that one had to travel out of the city to enjoy the pleasures of nature. But Olmsted rejected these notions. He recognized that nature had to be brought into balance with man-made environments, if cities were to remain "livable," and thus he began an unprecedented effort to bring greenery and open spaces into the Nation's urban areas.

Olmsted's first park was Central Park in New York, which was built, as were so many others, on a base of dumps and swampland. Sixteen other major urban parks followed, including Jackson Park in Chicago, Belle Island in Detroit, South Park in Buffalo, Golden Gate Park in San Francisco, Prospect Park in New York, and parks in Milwaukee and Louisville.

In addition to these parks, Olmsted designed much of the grounds of the U.S. Capitol, and he planned the landscaping for the White House, Lincoln Memorial, National Zoo, Rock Creek Park, and a number of other well-known sites in the District of Columbia. Some other significant examples of Olmsted's design include the State capitols of New York and North Carolina, the campuses of the Groton and Lawrenceville schools, and the Biltmore Estate in Asheville, N.C., but such a list is necessarily incomplete, as Olmsted worked on job sites in virtually all of the continental United States.

According to the U.S. Park Service, the Olmsted Associates archival collection, which includes over 150,000 original drawings and plans, 63,000 photographs, and much of Olmsted's original drawing equipment and office furnishings, has "extreme national and international significance." This collection—still housed in Olmsted's original home and office in Brookline—is the largest and one of the most important sources of information regarding the history of environmental design in the United States.

This collection is of tremendous value not only to scholars, but to the many agencies and organizations which utilize Olmsted's documents to restore his projects to their original design. Unfortunately, as the Park Service has noted, "a potential exists that the (Olmsted) site and collection will be lost forever." The current owner, a descendant of Olmsted, who continues to operate Olmsted Associates in its original offices, no longer has the means to maintain the office and collection. Thus the collection, which is rapidly deteriorating due to poor storage conditions, may soon be split up and sold.

In the words of the Washington Post, preventive legislation is needed to "preserve and protect the Olmsted legacy." The legislation which I am introducing today would establish "Fairsted," Olmsted's permanent home and office in Brookline, as a national historic site, and would provide for Government acquisition of the archival collection. Fairsted would be a logical addition to the national park system—a system which already includes over 50 such sites—and this bill would allow the Park Service to maintain the Olmsted papers in much the same way that the Park Service currently administers the papers of Thomas Edison at his home in New Jersey.

Significantly, this approach has been endorsed by the American Society of Landscape Architects, the Society of Architectural Historians, and by William Alex, architectural historian and head of the Olmsted Sesquicentennial Committee. The approach has also been commended by the School of Design of Harvard University, and by the librarian of Columbia University's Avery Architectural Library, which is generally considered the Nation's outstanding library of architecture.

Certainly, there can be no question regarding Olmsted's significance and the need to maintain his papers. Not only did he create the Nation's greatest urban parks, but his "Emerald Necklace" park system, which stretches from the Fens through Jamaica Plain to Franklin Park in Boston, marked the birth of regional planning; Olmsted's master plan for Stanford University remains the model for campus planning; and the Riverside development in Illinois was a very early example of city planning. Olmsted not only excelled in these fields—he created them.

In addition, Olmsted was a pioneer conservationist whose efforts contributed significantly to the establishment of protection for Yosemite and Niagara Falls, and to the creation of the national park system itself.

Mr. Speaker, I think that it is particularly appropriate that the national park system—which Olmsted helped establish—should now be used to protect his work and celebrate his memory. I urge my colleagues to support this legislation, a text of which follows:

H.R. 2374

A bill to authorize the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to preserve and interpret for the benefit, inspiration, and education of present and future generations the home and office of Frederick Law Olmsted, the great American landscape architect and designer, is hereby established as the Frederick Law Olmsted National Historic Site.

(b) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by donation, purchase with donated or appropriated funds, or exchange, the property comprising the former home and office of Frederick Law Olmsted at 39 Warren Street, Brookline, Massachusetts, together with such adjacent lands and interests therein as the Secretary deems necessary, for establishment of the Frederick Law Olmsted National Historic Site. The Secretary may also acquire for the purposes of the site all or any portion of the documents, equipment, drawings and other materials comprising the Olmsted archival collection.

(c) It is the express intent of the Congress that the Secretary should substantially complete the acquisition program authorized by this Act within two years after the date of its enactment.

SEC. 2. The Secretary shall administer the property, including personal property comprising the archival collection, acquired for the purposes of this Act in accordance with the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented, and the Act of August 21, 1935 (49 Stat. 666), as amended.

SEC. 3. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE THAT THE PRESIDENTIAL ELECTORAL SYSTEM TAKE ACCOUNT OF THE NATIONAL POPULAR VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, the end of the 96th Congress will coincide with the next Presidential election in this country. The way things now stand, in that election a decision of major national importance will again be entrusted to the outdated, flawed mechanism of the electoral college. Most importantly, the Nation will again run the serious risk that due to the workings of this system the candidate obtaining the most popular votes might not be selected as President. Every close election in our recent history has raised this specter, and in response

each election has been followed by demands for reforms in the system to eliminate this danger. However, it has not yet been possible to reach agreement on any of the specific proposals which have been put forward.

In recent years, debate on this subject has largely focused on proposals for a shift to a direct election system. This concept has much to recommend it, but has not to date been able to overcome deepseated opposition from a variety of sources. A proposed constitutional amendment to this effect did pass the House in 1969, but died when no action was taken by the Senate. A similar fate may well be in store for this proposal in the current session of Congress.

It is probably already too late for the Constitution to be amended in time for the 1980 election. However, we should start now to eliminate the dangers of the present system in time for the 1984 election. In order for the ratification process to be complete by that time, the 96th Congress should submit an appropriate amendment to the States, if possible during the current session.

Fortunately, the possibility of achieving such a result has been greatly advanced by the recent appearance of a significant new reform plan. This plan, developed by a Task Force on Electoral Reform working under the auspices of the 20th Century Fund, is a truly original alternative which I believe should be acceptable both to most of the critics and to most of the defenders of the electoral college system. I believe that this ingenious proposal deserves the most serious consideration by the Congress, and accordingly I am today introducing a constitutional amendment incorporating this plan.

Let me make clear that I am a member of the Board of Trustees of the 20th Century Fund. However, I was not in any way involved in the work of the task force which examined the Presidential election process, nor with its report. The role of the Board of Trustees in such projects is not only to approve funding. We do not select the members of such task forces or pass on their reports. Nor does the fund as such take a position on the recommendations of task forces.

As a Member of Congress, I have been interested in the problem of electoral reform for many years. In 1968 I introduced a proposal, supported by Hale Boggs, to correct one of the major flaws in the electoral system by providing for a runoff election rather than a vote in the House of Representatives in a situation where no Presidential candidate received a majority of electoral votes. My proposal also would have abolished the electoral college as an institution, although the electoral vote system would have been retained.

The 20th Century Fund Task Force's plan goes beyond my earlier proposal in significant ways, and I am pleased to recommend this plan for consideration by this body. The fact that I am a member of the fund's Board of Trustees does not seem to me to present a problem or to inhibit me from introducing this resolution.

The members of the 20th Century Fund Task Force, a diverse and knowledgeable group, were as follows:

Jeane J. Kirkpatrick (co-chairman), American Enterprise Institute for Public Policy Research.

Stephen Hess (co-chairman), the Brookings Institution.

Patrick Caddell, Cambridge Survey Research.

Thomas E. Cronin, Professor of Political Science, University of Delaware.

Heinz Eulau, Professor of Political Science, Stanford University.

Neal R. Peirce, Journalist, the National Journal.

Paul Puryear, Vice Chancellor, University of Massachusetts.

Richard Rovere, Political Reporter, the New Yorker.

Jill Ruckelshaus, Political Activist, Medina, Wash.

Arthur M. Schlesinger, Jr., Schweitzer Professor of the Humanities, City University of New York.

John Sears, Attorney, Baskin and Sears, Washington, D.C.

Jules Witcover, Political Columnist, the Washington Star.

William R. Keech (Rapporteur), Professor of Political Science, University of North Carolina.

Among these are defenders and opponents of the electoral vote system. In fact, the innovative proposal which ultimately emerged from the task force's deliberations grew precisely out of an effort to examine the nature of the differences of view between these two groups and to see if it would be possible to build a bridge between them.

The heart of this proposal is to continue the use of electoral votes; that is, voting by States—but to give substantial weight also to the nationwide popular vote. Under this combined State-national system, an additional block of electoral votes—over and above those allocated on a State-by-State basis—would be awarded to the candidate with the largest popular vote total. The number of electoral votes awarded on this national basis would be 102—2 for each State plus the District of Columbia. It will be noted that this is the same number of electoral votes now given to the States and the District as the equivalent of Senate representation; that is, votes which are now allocated without regard to population. Thus the weighting of the existing electoral college system toward States would be counterbalanced by an identical vote total allocated at the national level. The addition of this national block of votes would not only substantially equalize the influence of each individual voter as compared with the present system, it would also virtually assure that the candidate with the most popular votes would win the Presidency. However, within each State, the "winner take all" principle of the present system, which is seen as preserving the leverage of minority groups within each State, would be retained.

While this proposal would provide for the retention of an electoral vote system, which is the aspect of the present system about which its supporters feel most strongly, the proposal would eliminate both the office of elector and the electoral college itself. These elements of the present system have serious weaknesses including the problem of the so-called "faithless elector" who does not vote for the candidate to whom he or she is pledged. Under the automatic allocation of votes provided for in this proposal, the anachronism of intermediary electors can be dispensed with.

Another major defect in the present electoral system is that if no candidate obtains a majority of the electoral vote, the election is then entrusted to the House of Representatives, voting by States. The political complexion of the State delegations may be—and often is—very different from the electoral vote pattern, so such a system is likely to have grotesque results. The task force proposal attacks this problem in two ways: First, by reason of the nationally determined 102 votes, which would greatly reduce the likelihood that no candidate would receive a majority; and second, by providing that, if this contingency does occur, a runoff election between the two leading candidates would be held within 30 days. In my resolution I have provided that the Congress could by law modify the 30-day period, because I believe that experience might show that 30 days was too short a time to determine whether a runoff was necessary and then to arrange for it, and that in this event Congress should be empowered to provide for a longer time without having to go through the difficult process of again amending the Constitution.

In sum, I believe that this proposal is clearly superior to the present electoral college system:

It virtually assures the victory of the candidate with the most electoral votes;

It substantially enhances equality among voters in the various States;

It provides for a far more democratic contingency procedure in the event no candidate wins a majority of the electoral votes; and

It eliminates the problem of the "faithless elector" and the possibility of post-election deals in the electoral college.

In addition, I believe that this proposal offers advantages over proposals for direct popular elections which could be very important in attracting the support of those who until now have resisted revision of the electoral college system:

The proposal preserves a prominent role for the Federal principle in the Presidential election process, thus safeguarding the interests of particular States and of groups within States; and

It discourages a proliferation of candidates and thus bolsters the two-party system (supporters of a direct election system concede that it would encourage multiple candidacies).

In the 95th Congress, I joined forces with those favoring direct popular elections and introduced a resolution to that effect. I did so because, first, it seemed to me intolerable to continue with the present antiquated and highly dangerous system; second, my own earlier proposal had received scant support; and third, no other viable proposal had been presented. However, I expressed the fear that such an amendment was not likely to be passed by the Senate and ratified by three-quarters of the States. I indicated at that time that, if the amendment again failed of adoption in the 95th Congress, we should consider what less drastic changes might be proposed that would at least eliminate the most obvious shortcomings and dangers of the electoral college system. The experience of the last Congress, in which the direct election proposal again failed even to reach the floor in the Senate, shows my fears to have been justified and demonstrates the advisability of a serious search for alternatives. Fortunately, the timely appearance of the State-National proposal provides just such an alternative, which may well prove not only acceptable to a wider spectrum of opinion but in fact superior in promoting the multiple values of our political system.

The text of my resolution follows:

H.J. RES. 228

Joint resolution proposing an amendment to the Constitution to provide for election of the President and Vice President of the United States by an electoral vote system taking into account the nationwide popular vote

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The President shall be elected by a majority of all electoral votes for President, and the Vice President shall be elected by a majority of all electoral votes for Vice President.

"SEC. 2. Each State shall have one electoral vote for each Member of the House of Representatives, and one electoral vote for each Senator. The District of Columbia shall have a number of electoral votes equal to the whole number of Senators and Representatives to which it would be entitled if it were a State. These votes shall be automatically allocated by State to the candidates for President and Vice President who receive the most popular votes for each office in each State.

"In addition, there shall be a national pool of electoral votes which shall be equivalent to the number of Senators, including an additional two for the District of Columbia, as if it were a State. These votes shall be automatically allocated to the candidates for President and for Vice President who win the most popular votes across the Nation for each office.

"SEC. 3. In the event that no candidate receives a majority of electoral votes, there shall be a second election between the top two candidates in the national popular vote, to be held within thirty days of the first election (or such greater time as Congress may by law determine). The winner shall be the candidate who receives a majority of electoral votes as specified.

"SEC. 4. Congress shall have the power to implement this article with appropriate legislation."●

MARKUP SCHEDULED FOR ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I want to announce to the House that tomorrow the Committee on Interior and Insular Affairs will begin to mark up the Alaska National Interest Lands Conservation Act of 1979, H.R. 39.

This bill is widely recognized as the single most important conservation measure before the 96th Congress, but its significance goes far beyond that. It is, in fact, the land and wildlife conservation challenge of our generation.

ONE HUNDRED AND FORTY COSPONSORS FOR H.R. 39

Today, it is a particular pleasure for JOHN SEIBERLING and me to welcome Representatives ROBERT GUARINI, JAMES SHANNON, and PAT WILLIAMS as additional cosponsors of H.R. 39. We now have 140 Members of the House of Representatives as formal cosponsors of H.R. 39. This widely supported, strong version of the Alaska lands bill is based on the excellent bill the House passed last May 19, but it has been refined and strengthened in important ways which have enormous public support.

In the Senate, a nearly identical companion bill, S. 222, has been sponsored by Senator JOHN DURKIN, Senator GAYLORD NELSON, Senator WILLIAM ROTH, and 15 other Senators. For the information of my colleagues and others who read the RECORD, here is a complete list of the cosponsors of H.R. 39 and S. 222:

HOUSE COSPONSORS OF H.R. 39 AS OF FEBRUARY 23

Hon. Daniel K. Akaka (D-Hawaii)
Hon. Bill Alexander (D-Ark.)
Hon. John B. Anderson (R-Ill.)
Hon. Ike F. Andrews (D-N.C.)
Hon. Thomas L. Ashley (D-Ohio)
Hon. Les Aspin (D-Wis.)
Hon. Alvin Baldus (D-Wis.)
Hon. Michael D. Barnes (D-Md.)
Hon. Berkley Bedell (D-Iowa)
Hon. Anthony C. Beilenson (D-Calif.)
Hon. Jonathan B. Bingham (D-N.Y.)
Hon. James J. Blanchard (D-Mich.)
Hon. Edward P. Boland (D-Mass.)
Hon. David E. Bonior (D-Mich.)
Hon. Don Bonker (D-Wash.)
Hon. John Brademas (D-Ind.)
Hon. Jack Brinkley (D-Ga.)
Hon. William M. Brodhead (D-Mich.)
Hon. George E. Brown, Jr. (D-Calif.)
Hon. John L. Burton (D-Calif.)
Hon. Phillip Burton (D-Calif.)
Hon. Beverly B. Byron (D-Md.)
Hon. Bob Carr (D-Mich.)
Hon. John J. Cavanaugh (D-Nebr.)
Hon. Silvio O. Conte (R-Mass.)
Hon. John Conyers, Jr. (D-Mich.)
Hon. James C. Corman (D-Calif.)
Hon. Baltasar Corrada (D-P.R.)
Hon. Lawrence Coughlin (R-Pa.)
Hon. George E. Danielson (D-Calif.)
Hon. Thomas A. Daschle (D-S. Dak.)
Hon. Mendel J. Davis (D-S.C.)
Hon. Ronald V. Dellums (D-Calif.)
Hon. Butler Derrick (D-S.C.)
Hon. Christopher J. Dodd (D-Conn.)
Hon. Thomas J. Downey (D-N.Y.)
Hon. Robert F. Drinan (D-Mass.)
Hon. John J. Duncan (R-Tenn.)
Hon. Robert W. Edgar (D-Pa.)
Hon. Don Edwards (D-Calif.)
Hon. Thomas B. Evans, Jr. (R-Del.)
Hon. Dante B. Fascell (D-Fla.)
Hon. Millicent Fenwick (R-N.J.)
Hon. Paul Findley (R-Ill.)
Hon. Hamilton Fish, Jr. (R-N.Y.)
Hon. Joseph L. Fisher (D-Va.)
Hon. Daniel J. Flood (D-Pa.)
Hon. James J. Florio (D-N.J.)
Hon. Wyche Fowler, Jr. (D-Ga.)
Hon. Robert Garcia (D-N.Y.)
Hon. Richard A. Gephardt (D-Mo.)
Hon. Robert N. Giaimo (D-Conn.)
Hon. Sam Gibbons (D-Fla.)
Hon. Bo Ginn (D-Ga.)
Hon. Dan Glickman (D-Kans.)
Hon. Willis D. Gradison, Jr. (R-Ohio)
Hon. S. William Green (R-N.Y.)
Hon. Lamar Gudger (D-N.C.)
Hon. Tony P. Hall (D-Ohio)
Hon. Tom Harkin (D-Iowa)
Hon. Herbert E. Harris II (D-Va.)
Hon. Augustus F. Hawkins (D-Calif.)
Hon. Harold C. Hollenbeck (R-N.J.)
Hon. Marjorie S. Holt (R-Md.)
Hon. Elizabeth Holtzman (D-N.Y.)
Hon. James J. Howard (D-N.J.)
Hon. William J. Hughes (D-N.J.)
Hon. James M. Jeffords (R-Vt.)
Hon. John W. Jenrette, Jr. (D-S.C.)
Hon. Robert W. Kastenmeier (D-Wis.)
Hon. Dale E. Kildee (D-Mich.)
Hon. Ray Kogovsek (D-Colo.)
Hon. Peter Kostmayer (D-Pa.)
Hon. Jim Leach (R-Iowa)
Hon. William Lehman (D-Fla.)
Hon. Elliott H. Levitas (D-Ga.)
Hon. Clarence D. Long (D-Md.)
Hon. Andrew Maguire (D-N.J.)
Hon. Edward J. Markey (D-Mass.)
Hon. Nicholas Mavroules (D-Mass.)
Hon. Abner J. Mikva (D-Ill.)
Hon. George Miller (D-Calif.)
Hon. Norman Y. Mineta (D-Calif.)
Hon. Joseph G. Minish (D-N.J.)
Hon. Parren J. Mitchell (D-Md.)
Hon. Joe Moakley (D-Mass.)
Hon. Anthony Toby Moffett (D-Conn.)
Hon. William S. Moorhead (D-Pa.)
Hon. Ronald M. Mottl (D-Ohio)
Hon. Stephen L. Neal (D-N.C.)
Hon. Richard Nolan (D-Minn.)
Hon. Richard L. Ottinger (D-N.Y.)
Hon. Leon E. Panetta (D-Calif.)
Hon. Edward J. Patten (D-N.J.)
Hon. Jerry M. Patterson (D-Calif.)
Hon. Donald J. Pease (D-Ohio)
Hon. Claude Pepper (D-Fla.)
Hon. Carl D. Perkins (D-Ky.)
Hon. Richardson Preyer (D-N.C.)
Hon. Melvin Price (D-Ill.)
Hon. James H. Quillen (R-Tenn.)
Hon. Charles B. Rangel (D-N.Y.)
Hon. Henry S. Reuss (D-Wis.)
Hon. Frederick W. Richmond (D-N.Y.)
Hon. Matthew J. Rinaldo (R-N.J.)
Hon. Peter W. Rodino, Jr. (D-N.J.)
Hon. Robert A. Roe (D-N.J.)
Hon. Charles Rose (D-N.C.)
Hon. Benjamin S. Rosenthal (D-N.Y.)
Hon. Edward R. Roybal (D-Calif.)
Hon. Martin Olav Sabo (D-Minn.)
Hon. Harold S. Sawyer (R-Mich.)
Hon. James H. Scheuer (D-N.Y.)
Hon. Patricia Schroeder (D-Colo.)
Hon. John F. Seiberling (D-Ohio)
Hon. James M. Shannon (D-Mass.)

Hon. Philip R. Sharp (D-Ind.)
Hon. Paul Simon (D-Ill.)
Hon. Stephen J. Solarz (D-N.Y.)
Hon. Gladys Noon Spellman (D-Md.)
Hon. Fortney H. Stark (D-Calif.)
Hon. Louis Stokes (D-Ohio)
Hon. Gerry E. Studds (D-Mass.)
Hon. Frank Thompson, Jr. (D-N.J.)
Hon. Bob Traxler (D-Mich.)
Hon. Morris K. Udall (D-Ariz.)
Hon. Lionel Van Deerlin (D-Calif.)
Hon. Charles A. Vanik (D-Ohio)
Hon. Bruce F. Vento (D-Minn.)
Hon. Doug Walgren (D-Pa.)
Hon. Henry A. Waxman (D-Calif.)
Hon. James Weaver (D-Oreg.)
Hon. Ted Weiss (D-N.Y.)
Hon. G. William Whitehurst (R-Va.)
Hon. Pat Williams (D-Mont.)
Hon. Timothy E. Wirth (D-Colo.)
Hon. Lester L. Wolff (D-N.Y.)
Hon. Howard Wolpe (D-Mich.)
Hon. Antonio Borja Won Pat (D-Guam)
Hon. Chalmers P. Wylie (R-Ohio)

SENATE COSPONSORS OF COMPANION BILL, S. 222 AS OF FEBRUARY 23

Hon. John A. Durkin (D-N.H.)
Hon. Gaylord Nelson (D-Wis.)
Hon. William V. Roth, Jr. (R-Del.)
Hon. Ernest F. Hollings (D-S.C.)
Hon. Edward M. Kennedy (D-Mass.)
Hon. Patrick J. Leahy (D-Vt.)
Hon. Carl Levin (D-Mich.)
Hon. Gary Hart (D-Colo.)
Hon. Joseph R. Biden, Jr. (D-Del.)
Hon. George McGovern (D-S. Dak.)
Hon. Howard M. Metzenbaum (D-Ohio)
Hon. Claiborne Pell (D-R.I.)
Hon. William Proxmire (D-Wis.)
Hon. Abraham Ribicoff (D-Conn.)
Hon. Paul E. Tsongas (D-Mass.)
Hon. Max Baucus (D-Mont.)
Hon. Donald Riegle, Jr. (D-Mich.)
Hon. Alan Cranston (D-Calif.)

This outpouring of bipartisan support from East and West, North and South, and from every shade of the political spectrum demonstrates the nationwide enthusiasm for a strong piece of legislation protecting these great federally owned parklands, wildlife refugees, wild and scenic rivers, and wilderness areas in Alaska.

As we begin markup of the Alaska lands bill in full committee, I want to report to the House on several important developments which affect this legislation.

SPORT HUNTING AND H.R. 39 BOUNDARIES

As introduced, H.R. 39 confirms the 17 national monuments which President Carter established on December 1. Thirteen of these areas are managed by the National Park Service, and H.R. 39 proposes to retitle these units as national parks, retaining their presidentially proclaimed boundaries in each case. The effect of this provision is that these lands would be subject to all policies governing national parks—one of which is the prohibition of sport hunting.

Mr. Speaker, we prohibit hunting in our national parks for a good reason, a reason widely supported not only by the general public but by America's conservation and sport hunting organizations. Our national parks are selected, because they are areas of superlative natural values, including important wildlife populations. In these areas the protection of wildlife populations serves a necessary wildlife "sanctuary" function.

However, the impact of designating all of the new Park Service-administered national monuments as national parks would be to keep wildlife-rich lands which are not critical for sanctuary purposes closed to sport hunting, as they now are under monument status. Neither the President nor I supports the arbitrary and unnecessary closure of Federal lands in Alaska to sport hunting. However, there was no other course open to President Carter when he acted deftly to protect our national interest lands in Alaska after the Senate failed to respond to this historic conservation challenge last year.

On the basis of careful evaluation of the particular wildlife species and habitat in each of the 13 Park Service monuments, it is possible to determine those places where sport hunting is desirable and those other places where protection of wildlife in a park sanctuary is of overriding importance. Thus, after the introduction of H.R. 39, I initiated a careful process of review to determine which lands in the park category could be legitimately and wisely shifted to the national preserve category. This is a special category of national park system lands: Preserve units are managed by the National Park Service exactly like a national park, with the single exception that sport hunting is allowed.

ADJUSTING PARK/PRESERVE BOUNDARIES

As the starting point for this analysis, we review the decisions the House had affirmed last year when it passed H.R. 39. We also consulted with the Secretary of the Interior and his professional staff of resource experts. Finally, I called in two key outside organizations to advise me in this important matter: The Alaska Coalition and the National Wildlife Federation.

At my request and working within the framework of the earlier House action and the Interior Secretary's recommendations, leaders of the Alaska Coalition and the National Wildlife Federation met to evaluate which portions of the presidentially proclaimed national monuments should be confirmed and redesignated as national preserves, thus opening them to sport hunting. Experts from the Wildlife Federation, America's largest sportsmen's group, and the various organizations involved in the coalition (such as the National Audubon Society, Sierra Club, National Parks and Conservation Association, the Wilderness Society, and Friends of the Earth, as well as Alaska conservation groups) carefully reviewed each area in question and the circumstances of its wildlife populations and habitats. I am pleased to report to the House that these organizations reached a mutually accepted recommendation which has been presented to me and to the Committee in testimony at our recent hearings.

I have reviewed their recommendations and I will support them. These National Wildlife Federation/Alaska Coalition boundary revisions for sport hunting are of the utmost importance. JOHN SEIBERLING and I will join in offering these alterations of park/preserve boundaries as a sport hunting amendment to H.R. 39 during the committee markup.

NATIONAL WILDLIFE FEDERATION/ALASKA COALITION RECOMMENDATION

In the weeks after introduction of H.R. 39, there were some ill-founded claims that H.R. 39 was a deliberate attempt to "lock up" Alaska from sport hunting. That is an obvious exaggeration and misrepresentation. Our careful consultations leading to proposals to shift some national monument lands to national preserves, instead of national parks, offer a clear demonstration of our willingness to work out such problems constructively.

With the National Wildlife Federation and Alaska Coalition Park/Preserve amendment, H.R. 39 will be a balanced bill as regards sport hunting. Within the remaining acreage of national parks in Alaska, sport hunting will continue to be prohibited to provide sanctuaries essential for the wildlife, as well as for park visitors wishing to observe wildlife in its natural habitat. However, there will be 14 million acres of national preserves which will be available for sport hunting under the appropriate Park Service management regime. Moreover, the 68 million acres of national wildlife refuges and national wildlife monuments proposed in H.R. 39 are not closed to sport hunting, and neither are the national forest wilderness areas and the two national monuments which are managed by the Forest Service.

THE "LOCK-UP" MYTH

In all H.R. 39 adds 111 million acres of Federal lands to the national park system and the national wildlife refuge system, including confirmation of 52 million acres of 1978 national monument units. Of that total 81 million acres, fully 73 percent would be open to sport hunting. Today only 71 of these same 111 million acres are open to sport hunting.

Viewed in the broader perspective of all the lands in Alaska, regardless of ownership—which amounts to 375 million acres—fully 90 percent would be open to sport hunting under H.R. 39, at the discretion of the landowner or managing agency.

Thus, I am pleased to report to the House that we have dealt with and resolved the sport hunting conflict in H.R. 39. We have laid to rest the issue of which national interest lands in Alaska will be open to sport hunting and which will be closed.

OIL AND GAS AND H.R. 39

The second matter I wish to discuss today is the question of oil and gas exploration and development in Alaska. In this period of heightened concern about our oil and gas supplies we must, of course, weigh these impacts of public land legislation carefully. But here, as in the case of sport hunting, the charge of "lock-up" is misrepresentation.

The great majority of onshore acreage in Alaska—235 million acres or 65 percent of the State—is unaffected by this bill, and will be available for oil and gas exploration under the policies or limitations of individual owners or managing agencies. Ninety percent of Alaska's onshore oil and gas prospects in the "high potential" and "favorable" classifications are concentrated outside any of the H.R. 39 conservation system units.

Second, approximately 400 million acres of tidal and submerged lands (including Alaska's federally owned Outer Continental Shelf), which have the greater potential for oil and gas in Alaska, are also unaffected by this legislation.

Even within the conservation system units in H.R. 39, there is not a blanket prohibition of oil and gas exploration and development. Most notably, the Secretary of the Interior may allow oil and gas leasing in the nonwilderness portions of the 68 million acres of national wildlife refuge system units which would be established by the bill.

It is interesting that the main controversy has not focused on the new conservation areas we proposed in this bill, but on a portion of a national wildlife range which already exists: The Arctic National Wildlife Range which President Eisenhower established in 1960.

Last year I accepted an amendment in committee which would have opened the coastal plain within the existing Arctic NWR to an oil and gas exploration program. Subsequently, the Merchant Marine and Fisheries Committee, which has primary jurisdiction over such existing refuges, adopted a different version of the bill, which left this area closed to oil and gas exploration as it has been for two decades. The Merchant Marine Committee took its action for good and sufficient reasons, as explained in its committee report:

> While industrial development on the Arctic coastal plain can be expected to have its most pronounced environmental impact on the Porcupine caribou herd, it would also adversely affect the millions of waterfowl, seabirds and shorebirds that utilize the area as a migration corridor. . . . This area is also the fall staging area for the internationally significant snow geese, which in some years number in the hundreds of thousands. This species is highly sensitive to human presence, noise and aircraft. . . . For such species the designation of wilderness is the soundest type of wildlife management.

The provision leaving the Arctic NWR closed to oil and gas exploration and protecting it as designated wilderness was retained in the "consensus bill" which was worked out between leaders of the two committees and sent to the House floor—later the full House rejected an amendment which included this oil and gas exploration provision.

This year the issue remains the same. As long as there are many other places not only in other States but across much of Alaska which can be explored for oil and gas with reasonable likelihood of success, it would be unwise to proceed first with exploration in the highly sensitive and extraordinarily pristine wilderness of the Arctic National Wildlife Range. Simple logic says we should avoid provoking a conflict between fragile wildlife values and oil and gas exploration activities. At the very least we must follow a logical progression, that is, delaying the land-use conflict by concentrating our explorations elsewhere first.

With regard to the protection of the Arctic National Wildlife Range, I find Deputy Secretary of Energy John F. O'Leary made several statements which reflect my point of view in his recent testimony before the Subcommittee on Fisheries and Wildlife Conservation of the Merchant Marine and Fisheries Committee:

> I do not think it is fair to say that we are locking up an essential natural treasury here. I think what we are doing is we are exercising the same sort of judgment that we exercised with regard, for example, to the geothermal potential of Yellowstone Park. We can see that geothermal potential every hour on the hour at Old Faithful, but we still say we want that retained as a park. This is one of the balancing decisions that we make all the time. . . .
>
> Now, if we did not have many other opportunities over this next 10 years in Alaska, in other areas of the Outer Continental Shelf, in nuclear power, and in the other technologies that we are developing, then I would say if it were down to the point where our options were all foreclosed, by all means, the choice is darkness and no driving and industry shut-downs versus the wildlife, then carefully controlled drilling in the Wildlife Range . . . but we are not at that choice.

H.R. 39 is the bill that many thousands of Americans support. In this strongest form it is the bill that 140 Members of the House support. In this strong form it is a conservation measure of historic dimensions. As we proceed through committee markup and on to floor action, it is this form of the Alaska National Interest Lands Conservation Act that I believe the Congress should adopt.●

ADDRESS DELIVERED BY PETER W. RODINO, JR., AT NATIONAL GOVERNORS' CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, today, February 26, 1979, the distinguished chairman of the House Committee on the Judiciary, our colleague, the Honorable PETER W. RODINO, JR., delivered a message at the National Governor's Conference meeting here in Washington, D.C.

Chairman RODINO's message is a most significant one and I draw it to the attention of all Members of the House of Representatives and Senate.

The text of Mr. RODINO's address follows:

ADDRESS BY PETER W. RODINO, JR.

Chairman Carroll, Governors, Ladies & Gentlemen:

My presence here, as a speaker, is unusual. The National Governors Conference did not formally invite me to address you today, I asked to come.

I took that unusual step because I wish to discuss with you the gravity of an issue which confronts all of us: The movement in America for a Constitutional Amendment requiring a balanced Federal budget.

As Chairman of the House Committee on the Judiciary, this is of acute concern to me.

However, I am not here now as a committed advocate, to try to rally you to one side or the other.

THE CALL FOR A BALANCED BUDGET

I am here because I know that you as Governors and I as a Congressional Committee Chairman are partners in government. All of us who hold elective office—whether as Governors or Congressmen, Mayors or State Legislators, County Supervisors or City Councilmen—have a special stake in this movement. We read the poll results, we hear the clamor, we sense the immense swell of public sentiment. As public servants, we know that we have a duty to respond.

I have seen this type of climate build up before, on other issues and around other movements. I can say that the climate of the movement for a balanced budget is becoming tense.

Clearly, it is time to act, to provide a forum for full inquiry and deliberation on all aspects of this issue. We are doing just that in the Congress now, moving quickly on the preparations for hearings.

You, other leaders of government and all of our citizens can be certain of this: Congress fully appreciates and respects the extraordinary importance and urgency of this challenge.

I want to assure you that no other question has commanded more attention from me during the past several months, and my dedication to the work required for the hearings will continue during the coming months.

Since most of the proposals and resolutions for a balanced budget call for a Constitutional Amendment, the responsibility for action on them is entrusted to the Judiciary Committees of the Senate and the House of Representatives.

THE NEED FOR A BALANCED RESPONSE

As you may know, I have already announced that the House Judiciary Committee will conduct hearings on this issue. Those hearings will begin soon. I shall urge that they be conducted in a spirit of bi-partisan cooperation. I am determinined that the hearings will be complete—that they will be balanced. The ranking Minority Member of the Committee, Representative McClory, shares my view on the need for hearings and for calm deliberation. We will fully examine all the relevant facts, and we will assure that all viewpoints will be heard. The hearings will be fair, and they will be comprehensive.

Our hearings will include testimony from Constitutional Lawyers and Legal scholars, economists and experts in public finance, individuals from other related disciplines and representatives of interested organizations. Already, we have many, many requests from concerned citizens to be a part of this process.

Our purpose will be to offer the Congress and the people the facts and the knowledge necessary for a wise decision. We will seek to transform the babble on the budget-balancing issue into distinct testimony, to move away from polemics and toward insights, to replace simplistic slogans or cumbersome complexities with clear and coherent understanding.

My basic message to you today is the same message I will offer to the Committee and to the country when the hearings begin: What we need now is careful study and deep thought on this issue. We need to ask the

reflective responsible questions about the impact of the movement for a Constitutional Amendment—and not lock ourselves into a fixed pro or con position.

APPEARANCES ARE DECEIVING

We are all aware that we are faced with a proposal of enticing apparent simplicity: Balance the Budget.

Those three words fit with precise alliteration into newspaper headlines. They have instant appeal. They make a fine bumper strip. They are words which, if uttered without qualification or question, probably mean public support, votes, reelection and—perhaps for some—election to higher office.

The collective impression of many official responses to the movement has added to the aura of simplicity about this movement.

Presently, the Legislatures of more than twenty-five states have called for a Constitutional Amendment to balance the Federal budget.

Sixty-five resolutions have been introduced to date in the House of Representatives.

Many more public officials, candidates and prospective candidates have joined in the call for a budget-balancing amendment.

However, a deeper look at these responses reveals a lack of uniformity of approach.

Many of the petitions from the States for an amendment to balance the budget have called for a Constitutional Convention to achieve that purpose. Several of the States which have acted have *not* called for a Convention.

The resolutions introduced in Congress vary greatly, with at least a dozen different methods suggested.

The public proposals of our prominent leaders in Washington and in the States differ in fundamental details and definitions.

Complicating the issue further are voices being raised on the other side in firm opposition to a Constitutional Amendment.

Some of them are now labeling the proposals as "political gimmickry."

And a growing number of leaders are suggesting that there is perhaps a very simple way to satisfy such an amendment: Slash or eliminate the Federal funds now going to the States. "That will surely balance the budget," they say.

The danger in all of this—this climate of simplification, urgency and tension—is that we might be tempted to rush pell-mell into a decision without even being aware of the profound consequences.

While we must act and move toward a decision, it must finally be a calm, careful, thoughtful decision based on the facts. The situation now on this issue demands deliberation—the kind of deliberation which will preclude either delay or impulsiveness.

MANY UNANSWERED QUESTIONS

Many fundamental questions must be addressed, and they will be in the coming Congressional hearings.

Beneath the substantive or symbolic proposal for a balanced budget, what do the American people really want? Reduced government spending? Reduced taxes? Reduced inflation? Reduced government services?

Are the people telling us that they are alienated from government, that they think government is too big? Does the purpose of the people on this require the drastic step of amending the Constitution of the United States, or are there alternative actions possible?

Would a Constitutional Amendment requiring a balanced budget work? Would it be enforceable?

How would the suggested major exception to the requirement—"a national emergency"—be defined?

Is it wise to eliminate the discretion of elected representatives on the budget and fiscal matters and replace it with an inflexible rule?

What would be the impact of a budget-balancing Amendment on inflation? On unemployment? On the government's ability to engage fiscal policy to prevent recession?

What would this Amendment do to the capacity of Congress to fulfill its responsibility within our system of representative democracy?

Would an Amendment of this type preserve the strength and integrity of the Constitution, our system of government and our democratic institutions?

And, in my careful study of this issue since last summer, another series of more awesome questions has evolved in my mind.

Could a budget-balancing Amendment cause an unexpected, essential change in the process and function of American government as we have known it up to now?

Could such an Amendment strain the very fabric of our Federal Constitutional System?

And could it lead to a fundamental transformation of the relationship between citizens and government, to a tragic end of the ability of government to respond to the needs of the people?

LET US LOOK BEFORE WE LEAP

Any Amendment to the Constitution should be considered with a mood of caution. In 1848, Abraham Lincoln, speaking about "the general proposition of amending the Constitution," said:

"As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. Better not take the first step, which may lead to a habit of altering it . . ."

Such caution, I believe, does not preclude the possibility that an Amendment to require a balanced Federal budget might be the correct and wise decision.

But if we do take that step, let us do so only after marshaling all the facts and after a careful consideration of those facts and only after developing a full awareness of the consequences to our country.

If I am able to leave one distinct message with you, I hope that it will be this: Let us look before we leap.

I remarked earlier that I did not come here today as an advocate, but I realize now that I *am* an advocate—an advocate for reason, an advocate for deliberation.

The Founding Fathers of our Nation, the men who wrote the Constitution, were men of reason. They heard the clamor of many strident voices, and they knew they had to act, but they took the time to deliberate carefully.

That took political courage. The fruit of their courage and their deliberation—the Constitution—still feeds and strengthens our Nation today.

Other men of courage have come forward in times of crisis and clamor through our history, not waving banners or shouting slogans, but quietly, calmly and thoroughly deliberating on the divisive issues, before deciding.

I remain an optimist about our political system. I believe that our children will be able to say of us on this issue: They had the courage to ask questions. They had the courage to deliberate.

That, to me, must be the essence of our leadership.

Thank You.●

THE NORTH CAROLINA GENERAL ASSEMBLY'S APPLICATION FOR A CONSTITUTIONAL CONVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognised for 5 minutes.

● Mr. FOUNTAIN. Mr. Speaker, the General Assembly of North Carolina, on January 29, 1979, ratified a joint resolution applying to the Congress to call a constitutional convention to propose an amendment to require a balanced Federal budget.

On February 22, my home State legislature's resolution was presented to the House as Memorial 36, noted appropriately in the RECORD, and referred to the Judiciary Committee. However, as is the practice of the House, the full text of the resolution was not included in the notice of presentment and referral.

Since the entire matter of a possible constitutional convention is of growing concern to me and many of my colleagues in the Congress, as well as to legal and constitutional scholars and others throughout the country, I ask that the complete text of North Carolina's memorial be printed at this point so that interested persons might have ready access to it.

The resolution follows:

[General Assembly of North Carolina, Session 1979, Ratified Bill Resolution 5]

SENATE JOINT RESOLUTION 1

A joint resolution applying to the Congress of the United States to call a convention to propose an amendment to the Constitution of the United States to require a balanced Federal budget

Whereas, believing that inflation is the most serious problem facing the people of the United States, and the primary cause of inflation is unchecked federal spending; and

Whereas, the State of North Carolina is required by its Constitution to have a balanced budget, and has long operated on a sound fiscal basis which the federal government would be well-served to emulate; and

Whereas, under Article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a Constitutional Convention for the purpose of proposing amendments which shall be valid when ratified by the legislatures of three-fourths of the several states or by conventions in three-fourths thereof;

Whereas, by Resolution 97 of the General Assembly, ratified July 1, 1977, the Congress was requested to submit an amendment to the states to require a balanced federal budget, but the Congress has failed to act; Now, therefore, be it

Resolved by the Senate, the House of Representatives concurring:

SECTION 1. That the Congress of the United States is requested to propose and submit to the states an amendment to the Constitution of the United States which would require that, in the absence of a national emergency, the federal budget be balanced each fiscal year within four years after the amendment is ratified by the various states.

SEC. 2. That, alternatively, this body respectfully petitions the Congress of the United States to call a convention for the exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget in the absence of a national emergency.

SEC. 3. That this application constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, or until this application is rescinded by the General Assembly of North Carolina; but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this joint resolution before January 1, 1980, this petition for a Constitutional Convention shall no longer be of any effect.

SEC. 4. That this application and request be deemed rescinded in the event that the convention is not limited to the subject matter of this application.

SEC. 5. That since this application under Article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign states under the Constitution of the United States, it is requested that receipt of this application by the Senate and the House of Representatives of the United States Congress be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and the House of Representatives of the Congress.

SEC. 6. That copies of this resolution be sent to the Secretaries of State, presiding officers of all state legislatures in the Union, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and each member of the North Carolina Congressional delegation.

SEC. 7. This resolution is effective upon ratification.

In the General Assembly read three times and ratified, this the 29th day of January, 1979.●

SIXTY-FIRST ANNIVERSARY OF INDEPENDENCE OF REPUBLIC OF ESTONIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, February 24 marks the 61st anniversary of the proclamation of the independence of the Republic of Estonia. Previously we have recognized similar anniversaries for other Baltic States. Yet, in spite of our deep concern and moral support for each, none celebrates their great day in freedom. At this time, it is most important that we keep the flame of hope alive and continue to reveal the harsh realities of human and national rights in Soviet-occupied Estonia and other Baltic States.

I am therefore most pleased to share with my colleagues the following statement received from Mr. Juhan Simonson, president of the Estonian American National Council, and hope that each Member will give some profound thought to the pleas contained therein:

A STATEMENT ON THE OCCASION OF THE 61ST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

After centuries of foreign rule the independence of Estonia was proclaimed on February 24, 1918.

Immediately thereafter, the German Army occupied the country, a situation which lasted until World War I armistice in November 1918.

Subsequently, the Russian Bolshevik Army attacked Estonia with the aim of imposing the Communist system upon the Estonian people. The young Republic was forced to protect itself and to resist the invaders in order to secure and maintain its independence.

The Provisional Government adopted the principle: "No compromise with the Communists". The die had been cast! The Estonian War of Independence started on November 28, 1918 and was concluded successfully on January 3, 1920.

Great Britain, Finland, Sweden and Denmark provided either financial support or volunteer troops to assist the young Republic in fighting off the aggressors. The young Estonian Army, with this aid, and the unstinting support of the population at large, rapidly developed into a fierce fighting force for the independence of its nation. On February 2, 1920 a Peace Treaty was signed between the Republic of Estonia and the Soviet Socialist Republic of Russia by which the latter ". . . agreed to renounce voluntarily forever all rights over Estonian territory and people".

Recently, the Estonians in the free world commemorated the 60th anniversary of the beginning of the successful War of Independence. To the present time it has remained a symbol of self-sacrifice and inspiration for all those who are concerned with the cause of Estonia.

The spirit of this heroic struggle is also a source of inspiration in Soviet occupied Estonia, especially for the younger generation, who want to know more about the "real history" of the Estonian people, instead of the falsehoods perpetuated by the Soviet regime.

The deal between Hitler and Stalin of August 23, 1939, known as the Molotov-Ribbentrop Pact, condemned Estonia and her neighbors Latvia and Lithuania to the Soviet sphere of influence. This was the initial event which led to the willful Soviet breach of all solemn treaty obligations with the three Baltic countries and culminated in their forceful annexation in 1940.

The Soviet-imposed rule in Estonia has brought with it untold sufferings—arrests, deportations, executions as well as the so-called nationalization of all private property and the down-grading of social and working conditions. But above all fundamental freedoms have virtually been abolished.

One of the most threatening aspects for the Estonian people is the Russianization process, the aim of which is the destruction of the Estonian nation.

We are hopeful, that President Carter's human rights policy in conjunction with the Helsinki CSCE follow-up meetings will serve as an effective weapon for liberalizaton of the current repressive policies practiced by the Soviet Union in Estonia and in other Baltic States of Latvia and Lithuania.

Of considerable moral support for the Estonian people is also the fact that the United States as well as a great number of other Western countries have not recognized the forcible annexation of Estonia by the Soviet Union.

On this sixty-first anniversary of the Declaration of Independence of Estonia all freedom-loving Estonians once more appeal to world public opinion to support the cause of freedom and justice for the Estonian people.●

FOUNDATION FOR INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California, (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, today I am introducing a bill to establish the Foundation for International Scientific and Technological Cooperation. This bill is a companion measure to legislation introduced today by Senator ADLAI STEVENSON. This legislation will create an independent Federal agency to:

First. Support research into the problems and conditions of developing countries;

Second. Promote the application of scientific and technological knowledge for the further advancement of those countries;

Third. Help developing countries strengthen their scientific and technological infrastructures, their ability to generate and adapt scientific knowledge and their capacity for technological innovation; and

Fourth. Provide information for our mutual benefit on the scientific and technological resources and needs of our interdependent world.

The act would strengthen the scientific and technological institutions for development in both the United States and developing countries. Cooperative and collaborative R. & D. programs would be conducted, where appropriate, in the developing country or region. Emphasis would be placed on matters of common interest to the United States and the developing countries. Programs would be collaboratively selected by international experts to address areas of fundamental importance. Cooperative international information centers and compatible information systems would be created. Funding would be allowed for cost-sharing or reimbursement wherever possible, particularly in the more economically advanced developing countries.

The administration has proposed a similar new organization called the Institute for Technological Cooperation. A bill to create such an Institute is expected to be formally introduced shortly. I am quite pleased by the initiative shown by the administration. Both measures share a common philosophical basis and differ primarily in organizational structure to carry out the same or similar actions. It is my intent to use this bill as a focal point for promoting discussion and further debate on the important issues of science and technology in development. I look forward to working closely with the House Committee on Foreign Affairs and my colleagues on the Committee on Science and Technology in considering this bill and related legislation. I also look forward to continuing discussions with the administration and others who are interested in this important global issue.●

THE SOCIAL SECURITY REFINANCING ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, today I am introducing the Social Security Refinancing Act, a bill which will substantially ease the burden of social security taxes on middle-income taxpayers while maintaining the financial integrity of the social security system and the commitment to senior citizens.

The primary purpose of the social security amendments adopted in 1977 was to meet the urgent need of keeping the social security system solvent. In responding to that sense of urgency, it has become clear that the bill also resulted in a seriously burdensome payroll tax for middle-income taxpayers and for many businesses. To relieve that burden, we must seek alternatives for financing the social security system.

The Social Security Refinancing Act will accomplish that goal by reducing the payroll tax rate burden to below 1977 levels; making the social security system actuarially sound for the next 75 years; reestablishing a sufficient reserve fund to protect beneficiaries from inflation and recession; and, eliminating the major non-wage-related program from the system.

The Social Security Refinancing Act will remove the hospital insurance trust fund (HI) (also known as the medicare program) from payroll tax financing. This change in financing would insure a payroll tax rate below the 1978 tax rate for the next 31 years.

These substantial tax cuts do not sacrifice actuarial integrity. Before the social security amendments were adopted last year, the old age and survivors trust (OASI) and the disability trust (DI) programs which provide benefits to over 33 million Americans were expected to run out of funds in 1983. Passage of the amendments assured continuation of the program until 2030. The Social Security Refinancing Act, by comparison, puts the system on an actuarially sound basis with a substantial reserve fund until 2051 and provides for a reduction in the tax rates early in the next century. This guarantees all current social security taxpayers that their retirement benefits are secure until the middle of the next century.

The use of a payroll tax solely to fund the old age and survivors trust and the disability trust is consistent with the original purpose of the social security system established in the 1930's. Both programs calculate benefits based upon contributions of payroll taxes. Under the Social Security Refinancing Act, the HI funds would derive its contributions from general revenues. The change is an appropriate one: The supplementary medical insurance trust of medicare currently is funded primarily from general revenues, and payroll tax financing is advisable only where benefits bear a relationship to earnings, as in a private pension plan. Medicare benefits do not bear the same nexus with earnings as retirement benefits. The severity of the medical need determines the benefit not the amount of the employee's contribution.

Under the provisions of the bill, the overall social security tax rate would drop in 1981 to $6 for employees. Under current law, the rate will increase to $6.65. The difference in revenue collections would be made up through contributions from general revenues. The tax rate would remain at $6 until 1987. During this 6-year period, the amount of general revenue flowing to the medicare program would slowly increase. Beginning in 1987, all of medicare would be financed through general revenues, and the employee payroll tax rate would drop to $5.50.

The gradual "phasing-in" of general revenues is carefully structured so that it will not compromise the effort to balance the budget. No general revenues are required until 1981 when the budget hopefully will be in or near balance. Moreover, the bill provides necessary—and noninflationary—tax relief.

For years, general revenues have been resisted as a source of social security funds, because of a generalized fear that access to general revenues would eliminate Congress ability to resist interest groups clamoring for new and increased benefits. That argument is no longer persuasive. The experience of other Western countries has been that the use of general revenues is possible without losing control. Moreover, the Congress now has the Budget Control Act which is a much more visible demonstration of Congress fiscal restraint than the payroll tax.

Perhaps the most important argument for substituting general revenue financing for payroll financing is that it is noninflationary and proemployment. Payroll taxes are a tax on labor making the employment of workers less attractive and the cost of goods and services higher. Neither of these results are in the public interest.

The Social Security Refinancing Act which I am introducing today is a concept, I believe, whose time has come. It is not only consistent with easing the payroll tax burden of middle-income families and employers, but is also consistent with the goal of an improved, stable economy.●

POLITICAL FREEDOM FOR FEDERAL EMPLOYEES

(Mr. CLAY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CLAY. Mr. Speaker, I have today introduced H.R. 2401, the Federal Employees' Political Activities Act of 1979. This bill, which updates and modifies the Hatch Act, is similar to the one I am also introducing today for postal employees. My reason for introducing two separate Hatch Act reform bills—one for postal employees and one for Federal employees—is that postal employees work for a quasiautonomous public corporation. The postal worker's role, as an employee of a semi-independent agency, and the role of a Federal civilian employee, as an employee of the Government, make these two groups separate and distinct. Unfortunately, the issue of full political participation for postal and Federal employees has been confused, notwithstanding their different status, so that they are treated as one and the same. My introduction of two separate bills should not be construed as any diminution of my commitment to the right of full political participation by both of these employee groups. I intend to push for speedy enactment of both bills.

H.R. 2401 permits Federal civilian employees the right to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the merit system or the impartial administration of the functions of Government.

The Hatch Act was precipitously enacted in 1939 with no public hearings and limited debate. It was an overreaction by the Congress to abuses, not of voluntary political activity, but to coercion and kickbacks by employees and recipients in Federal relief programs.

Previous studies by the Congress had revealed not even the suggestion of any wrongdoing in Federal employees participating in political activity voluntarily and on their own time. The Hatch Act, well intended as it was, was enacted in a period during which the Congress was deeply concerned about the growth in the power and influence wielded by then-President Franklin Roosevelt.

But the times and conditions have changed since 1939 and H.R. 2401 has taken notice of these realities. In 1939, Federal programs to provide direct aid to the poor were being expanded, while today they are being contracted. In 1939, only 32 perent of the Federal work force of 950,000 was under the merit system, in contrast to almost 70 percent of the current work force of 2.8 million. Third, the need for skilled personnel has increased to the point where the patronage system no longer flourishes as it did in the 1930's. Finally, the growing strength and influence of the Civil Service Commission (now the Office of Personnel Management and the Merit Systems Protection Board) has led to the institutionalization of the merit system which has further become entrenched with the enactment of the Civil Service Reform Act of 1978. I find it difficult to believe that the authors of the Hatch Act ever intended that 2.8 million Federal employees would be denied the same opportunity to fully participate in the political process that is available to all other citizens of this Nation.

Prohibiting voluntary, off-duty political activity of Government employees is serious business. It flies in the face of the guarantees of the first amendment. When we attempt to prohibit or regulate these activities, we deny free speech and free association. For this body or any other body of Government to do that, there must be a compelling interest in and overwhelming justification.

In modifying the Hatch Act it is important that our value system of merit, impartiality, and integrity be retained. Thus, six principles are the centerpiece of H.R. 2401.

First, that Federal employees ought to be extended all the rights and benefits of citizenship as any other person within the framework of prudence and possibility. Second, those rights and benefits ought to be made known to the recipients. Third, the administration of our laws must be impartial—free from any partisan considerations in the interpretation of those laws. Fourth, equally as important is the appearance of impartiality. The public in general must perceive the administration of laws as impartial. Fifth, the Federal civil service system must not be used as a patronage system to serve the political interests of any political party. And sixth, Government employees must not be subjected to undesirable pressures to participate in political activities, because of fear or coercion.

H.R. 2401 differentiates between voluntary and involuntary political activities. It protects the public interest while providing Federal employees with greater freedom to participate in the political process.

H.R. 2401 is similar to H.R. 10, the Federal Employees' Political Activities Act of 1977, which passed the House overwhelmingly on June 7, 1977. Hatch Act reform legislation was passed by both the House and the Senate in the 94th Congress but President Ford vetoed the bill. In the 95th Congress the House passed the bill but it was not passed by the Senate even though the legislation had the full backing of President Carter. In his recent state of the Union message, the President has once again announced his full support for reform of the Hatch Act.

In summary, H.R. 2401 provides the following:

States that Federal employees are encouraged to exercise their right of voluntary political participation.

Retains under the prohibitions of existing law employees in foreign intelligence positions; law enforcement; auditing; and contracting positions which have been designated "restricted" by the Office of Personnel Management.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting of political contributions in Government rooms or buildings.

Prohibits, with certain limited exceptions, political activity while on official duty, in Federal buildings, or in uniform.

Requires that employees who seek elective office do so on their own time, and that employees shall, upon request, be granted accrued annual leave or leave without pay to seek elective office.

Permits State and local employees to seek elective office if they hold federally funded positions.

Designates the special counsel of the Merit Systems Protection Board (MSPB) as the enforcing authority and the MSPB as the adjudicatory authority.

Subjects violators of law to removal, suspension, or lesser penalties at the discretion of the Merit Systems Protection Board; requires a minimum of 30 days suspension without pay for any employee found guilty of violating the prohibition against use of official authority or influence for political purposes.

Requires the Office of Personnel Management (OPM) to report annually to the Congress on the effect of this title on the level of political participation, the merit system, and the improper use of official influence or official authority by Federal employees.

H.R. 2401 adds to and strengthens those meritorious features of the Hatch Act by providing employees and the public with greater protection against any resurgence of the spoils system. It updates those parts of the Hatch Act which are no longer applicable by permitting those voluntary, off-duty political activities which do not conclusively interfere with the impartial administration of effective public service.●

POLITICAL FREEDOM FOR POSTAL EMPLOYEES

(Mr. CLAY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CLAY. Mr. Speaker, I have today introduced H.R. 2400, the Postal Service Employees' Political Activities Act of 1979.

H.R. 2400 updates and modifies the Hatch Act for postal employees. It permits them the right to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the merit system or the administration of the functions of the U.S. Postal Service which is a semi-independent agency of the Government.

The Hatch Act was precipitously enacted in 1939 with no public hearings and limited debate. It was an overreaction by the Congress to abuses, not of voluntary political activity, but to coercion and kickbacks by employees and recipients in the Federal relief programs. Postal employees, because at that time, they worked for an agency which was totally within the confines and jurisdiction of the Federal Government were included along with all Federal employees under the Hatch Act.

Today there is little justification for Federal employees' rights of full voluntary political participation to be impeded or restricted but there is no basis whatsoever for postal employees to be included under the antiquated and repressive restriction of the 40-year-old Hatch Act. In 1970, the Congress passed the Postal Reorganization Act thereby making the U.S. Postal Service a quasi-independent agency. Postal employees today are treated differently than Federal civilian employees who work for the Government. The most predominant feature is the fact that postal employees come under an entirely different labor management program which more closely resembles that of the private sector than it does the Federal Government's system.

The postal service system is a quasi-autonomous public corporation. Some may have problems with that fact but, be that as it may, postal employees are in a different category from Federal employees. The postal worker's role, as an employee of a semi-independent agency, and the role of a Federal civilian employee, as an employee of the Government, make these two groups separate and distinct. Unfortunately, the issue of full political participation for postal and Federal employees has been confused, notwithstanding their different status, so that they are treated as one and the same.

My introduction of two separate Hatch Act reform bills—one for postal employees and another for Federal employees—should not be construed as any diminution of my commitment to the right of full political participation by both of these employee groups. I intend to push for speedy enactment of both bills.

H.R. 2400 is similar to H.R. 10, the Federal Employees' Political Activities Act of 1977, which passed the House overwhelmingly on June 7, 1977. H.R. 2400 differentiates between voluntary and involuntary political activities. It protects the public interest while providing employees with greater freedom to participate in the political process.

In the 94th Congress both the House and Senate passed Hatch Act reform legislation but President Ford vetoed the bill. The House passed the bill in the 95th Congress, but it was not passed by the Senate even though the legislation had the full backing of President Carter. In his recent state of the Union message, the President has once again announced his full support for reform of the Hatch Act.

In summary, H.R. 2400 provides the following:

States that postal employees are encouraged to exercise their right of voluntary political participation.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting political contributions in Government rooms or buildings.

Prohibits, with certain limited exceptions, political activity while on official duty, in Federal buildings, or in uniform.

Requires that employees who seek elective office do so on their own time, and that employees shall, upon request, be granted accrued annual leave or leave without pay to seek elective office.

Designates the special counsel of the Merit Systems Protection Board (MSPB) as the enforcing authority and the MSPB as the adjudicatory authority.

Subjects violators of law to removal, suspension, or lesser penalties at the discretion of the MSPB; requires a minimum of 30 days' suspension without pay for any employee found guilty of violating the prohibition against use of official authority or influence for political purposes.

Requires the U.S. Postal Service to report annually to the Congress on its implementation of this act.●

RULES FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Mr. STAGGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STAGGERS. Mr. Speaker, pursuant to clause 2(a) of rule XI, I submit the rules for the Committee on Interstate and Foreign Commerce of the House of Representatives:

RULES FOR THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE OF THE HOUSE OF REPRESENTATIVES, 96TH CONGRESS

Rule 1. *Rules of the House.* The Rules of the House are the rules of its committees and its subcommittees so far as is applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Written rules adopted by the committee, not inconsistent with the Rules of the House, shall be binding on each subcommittee of the committee. Each subcommittee of the committee is part of the committee and is subject to the authority and direction of the committee. Rule XI of the Rules of the House, which pertains entirely to committee procedure, is incorporated and made a part of the rules of this committee, which are supplementary to Rules of the House.

Rule 2. *Time, Place of Meetings.* (a) The committee shall meet on the fourth Tuesday of each month and at such other times as determined by the chairman, or pursuant to subparagraph (b), in Room 2123 of the Rayburn House Office Building, at 9:45 a.m. for the consideration of bills, resolutions, and other business, if the House is in session on that day. If the House is not in session on that day and the committee has not met during such month, the committee shall meet at such time and place on the first day thereafter when the House is in session.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purposes pursuant to that call of the chairman.

(c) If at least three members of the committee or subcommittee (whichever is applicable) desire that a special meeting of the committee or subcommittee (whichever is applicable) be called by the chairman or subcommittee chairman, those members may file in the offices of the committee their written request to the chairman or subcommittee chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman or subcommittee chairman of the filing of the request. If, within 3 calenudar days after the filing of the request, the chairman or subcommittee chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee or subcommittee (whichever is applicable) may file in the offices of the committee their written notice that a special meeting of the committee or subcommittee (whichever is applicable) will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee or subcommittee (whichever is applicable) shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee or subcommittee (whichever is applicable) that such meeting will be held and inform them of its date and hour and the measure or matter to be considered and only the measure or matter specified in that notice may be considered at that specified meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) Each meeting of the committee or any of its subcommittees for the transaction of business, including hearings and the markup of legislation, shall be open to the public except when the committee or subcommittee in open session and with a quorum present determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. This paragraph does not apply to those special cases provided in the Rules of the House where closed sessions are otherwise provided.

(f) At least once a month, the chairman shall convene a meeting of the chairmen of the subcommittees. The purpose of the meeting will be to discuss issues pending before the committee and the procedures for committee consideration of such matters. The discussion may include, among other items, the scheduling of hearings and meetings, questions of subcommittee jurisdiction and the conduct of joint subcommittee hearings.

Rule 3. *Agenda.* The agenda for each committee or subcommittee meeting (other than a hearing), setting out the date, time, place, and all items of business to be considered, shall be provided to each member of the committee by delivery to his office at least 36 hours in advance of such meeting.

Rule 4. *Procedure.* (a)(1) The date, time, place, and subject matter of any hearing of the committee or any of its subcommittees shall be announced at least 1 week in advance of the commencement of such hearing, unless the committee or subcommittee determines in accordance with such procedure as it may prescribe, that there is good cause to begin the hearing sooner.

(2)(A) The date, time, place, and subject matter of any meeting (other than a hearing) scheduled on a Tuesday, Wednesday, or Thursday when the House will be in session, shall be announced at least 36 hours in advance of the commencement of such meeting.

(B) The time, place, and subject matter of a meeting (other than a hearing or a meeting to which subparagraph (A) applies) shall be announced at least 72 hours in advance of the commencement of such meeting.

(b) Each witness who is to appear before the committee or subcommittee shall file with the clerk of the committee, at least two working days in advance of his appearance, fifty (50) copies of a written statement of his proposed testimony and shall limit his oral presentation at his appearance to a brief summary of his argument, unless this requirement, or any part thereof, is waived by the committee or subcommittee chairman presiding.

(c) The right to interrogate the witnesses before the committee or any of its subcommittees shall alternate between majority and minority members. Each member shall be limited to 5 minutes in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question witnesses. No member shall be recognized for a second period of 5 minutes to interrogate a witness until each member of the committee present has been recognized once for that purpose. While the committee is operating under the 5-minute rule for the interrogation of witnesses, the chairman shall recognize in order of appearance members who were not present when the meeting was called to order after all members who were present when the meeting was called to order have been recognized in the order of seniority.

(d) No bill, recommendation, or other matter reported by a subcommittee shall be considered by the full committee unless the text of the matter reported, together with an explanation, has been available to members of the committee for at least 36 hours. Such explanation shall include a summary of the major provisions of the legislation, an explanation of the relationship of the matter to present law, and a summary of the need for the legislation. All subcommittee actions shall be reported promptly by the clerk of the committee to all members of the committee.

Rule 5. *Waiver of Notice, Agenda, and Layover Requirements.* Requirements of Rule 3, 4(a)(2), and 4(d) may be waived by a majority of those present and voting (a majority being present) of the committee or subcommittee, as the case may be.

Rule 6. *Quorum.* Testimony may be taken and evidence received at any hearing at which there are present not fewer than two members of the commitee or subcommittee in question. In the case of a meeting other than a hearing, the number of members constituting a quorum shall be one-third of the members of the committee or subcommittee, except that a matter may not be reported by the committee or a subcommittee unless a majority of the members thereof is actually present.

Rule 7. *Proxies.* No vote by any member of the committee or any of its subcommittees with respect to any measure or matter may be cast by proxy unless a proxy authorization is given in writing by the member desiring to cast a proxy, which authorization shall assert that the member is absent on official business or is absent due to personal illness and is thus unable to be present at the meeting of the committee or subcommittee, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the member assigning his/her vote and shall contain the date and time of day that the proxy is signed. No proxy shall be voted on a motion to adjourn or shall be counted to make a quorum or be voted unless a quorum is present.

Rule 8. *Journal, Rollcalls.* The proceedings of the committee shall be recorded in a journal which shall, among other things, show those present at each meeting, and include a record of the votes on any question on which a record vote is demanded and a description of the amendment, motion, order or other proposition voted. A copy of the journal shall be furnished to the ranking minority member. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. No demand for a rollcall shall be made or obtained except for the purpose of procuring a record vote or in the apparent absence of a quorum. The results of each rollcall vote in any meeting of the committee shall be made available in the committee office for inspection by the public, as provided in Rule XI, clause 2(e) of the Rules of the House.

Rule 9. *Filing of Committee Reports.* If, at the time of approval of any measure or matter by this committee, any member or members of the committee give notice of an intention to file supplemental, minority, or additional views, that member or members shall be entitled to not less than three (3) calendar days (exclusive of Saturdays, Sundays, and legal holidays) in which to file such views in writing and signed by that member or members with the committee. All such views so filed shall be included within and shall be a part of the report filed by the committee with respect to that measure or matter.

Rule 10. *Subcommittees.* There shall be such standing subcommittees with such jurisdiction and size as determined by the majority party caucus of the committee and, in addition, a Subcommittee on Oversight and Investigations. The jurisdiction, number, and size of the subcommittees shall be determined by the majority party caucus prior to the start of the bidding process for subcommittee chairmanships and assignments. Such subcommittees shall, to the maximum extent practicable, be of equal size. The Subcommittee on Oversight and Investigations shall coordinate its work with the work of other standing subcommittees and shall maintain regular communication with the standing subcommittees and the chairman of the full committee in order to obtain advice on subjects for investigation. The standing subcommittee shall maintain regular communication with the Subcommittee on Oversight and Investigations to advise the Subcommittee on Oversight and Investigations of subjects for investigation.

Rule 11. *Powers and Duties of Subcommittees.* Each subcommittee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the committee on all matters referred to it. Subcommittee chairmen shall set hearing and meeting dates only with the approval of the chairman of the full committee with a view toward assuring availability of meeting rooms and avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

Rule 12. *Reference of Legislation and Other Matters.* All legislation and other matters referred to the committee shall be referred to the subcommittee of appropriate jurisdiction immediately unless, by majority vote of the members of the full committee within five (5) legislative days, consideration is to be by the full committee. In the case of legislation or other matter within the jurisdiction of more than one subcommittee, the chairman of the committee shall have the same authority to refer such legislation or other matter to one or more subcommittees as the Speaker has under clause 5(c) of Rule X of the House of Representatives to refer a matter to one or more committees of the House. Such authority shall include the authority to refer such legislation or matter to an *ad hoc* subcommittee appointed by the chairman, with the approval of the committee, from the members of the subcommittees having legislative or oversight jurisdiction.

Rule 13. *Ratio of Subcommittees.* The majority caucus of the committee shall determine an appropriate ratio of majority to minority party members for each subcommittee and the chairman shall negotiate that ratio with the minority party, provided that the ratio of party members on each subcommittee shall be no less favorable to the majority than that of the full committee, nor shall such ratio provide for a majority of less than two majority members.

Rule 14. *Subcommittee Membership.* (a) Subject to the requirements of the Manual of the Democratic Caucus of the House of Representatives, each majority member other than the chairman of the full committee or the chairman of a subcommittee shall in order of committee seniority be entitled to membership on two subcommittees of said member's choice. A member (other than an *ex officio* member may serve on more than two subcommittees only if such service is necessary in order to comply with Rule 13. Proceeding in order of seniority on the committee, each majority member, other than the chairman of the full committee and the chairmen of the several subcommittees, shall be entitled to select one subcommittee position each. The subcommittee selection process shall then continue in sequence of committee seniority, including the chairmen of the several subcommittees, for succeeding rounds of selection until all subcommittee positions are filled. The subcommittee selection process shall be conducted at a meeting of the majority party caucus of the committee held prior to any organizational meeting of the full committee. Subcommittee selections of each member shall be recorded by the clerk as made and shall be available for examination by the members.

(b) Minority subcommittee membership shall be selected as determined by the minority.

(c) The chairman and ranking minority member of the committee shall be *ex officio* members with voting privileges of each subcommittee of the committee of which they are not assigned members.

Rule 15. *Subcommittee Chairmen.* (a)(1) Majority members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any request for a subcommittee chairmanship shall be subject to approval by a majority of those present and voting, by secret ballot, in the majority party caucus of the committee. If the caucus rejects a subcommittee chairmanship bid, the next senior majority member may bid for the position as in the first instance. The subcommittee chairmen shall be elected by the full committee from nominations submitted by the majority party caucus of the committee.

(2) If the majority members of the committee shall determine to change the size of any subcommittee after the start of the bidding process, it may do so, but in that event, all previous action on the bidding process shall be expunged and the bidding process shall start anew.

(b) Subcommittee chairmen shall manage legislation reported from their subcommittees on the House floor.

Rule 16. *Committee Professional and Clerical Staff Appointments.* (a) Whenever the chairman of the committee determines that any professional staff member appointed pursuant to the provisions of clause 6 of Rule XI of the House of Representatives, who is assigned to such chairman and not to the ranking minority member, by reason of such professional staff member's expertise or qualifications will be of assistance to one or more subcommittees in carrying out their assigned responsibilities, he may delegate such member to such subcommittees for such purpose. A delegation of a member of the professional staff pursuant to this subsection shall be made after consultation with the subcommittee chairmen and with the approval of the subcommittee chairman or chairmen involved.

(b) Professional staff members appointed pursuant to clause 6 of Rule XI of the House of Representatives, who are assigned to the ranking minority party member of the committee and not to the chairman of the committee, shall be assigned to such committee business as the minority party members of the committee consider advisable.

(c) In addition to the professional staff appointed pursuant to clause 6 of Rule XI of the House of Representatives, the chairman of the committee shall be entitled, subject to the approval of the majority party members of the committee, to make such appointments to the professional and clerical staff of the committee as may be provided within the budget approved for such purposes by the committee. Such appointees shall be assigned to such business of the full committee as the chairman of the committee considers advisable.

(d) Subcommittee chairmen, subject to the approval of the majority party members of the committee, shall be entitled to make such appointments to the professional and clerical staff of the committee as may be provided in the budgets approved for such purposes by the subcommittees and incorporated into the committee budget as provided for in rule 18 of these rules. Such professional and clerical appointees shall be delegated to the appropriate subcommittee for the purposes of assisting such subcommittee in the discharge of its assigned legislative responsibilities and may be removed and their compensation fixed by the subcommittee chairman subject to the approval of the majority members of the committee.

(e) The chairman of the Subcommittee on Oversight and Investigations, subject to the approval of the majority party members of the committee, shall be entitled to make such appointments to the professional and clerical staff of the subcommittee as may be provided in the budget approved for such purpose in accordance with rule 18 of these rules. Such professional and clerical appointees may be removed and their compensation fixed by the chairman of such committee subject to the approval of the majority members of the subcommittee.

(f) In addition to appointments made pursuant to other subsections of this rule, (1) the subcommittee chairman of each of the committee's subcommittees is authorized to appoint, in accordance with such rules as the majority party caucus may prescribe, one staff person who shall serve at the pleasure of such subcommittee chairman, and (2) the ranking minority member of each such subcommittee is authorized to appoint, in accordance with such rules as the minority party caucus may prescribe, one staff person who shall serve at the pleasure of such ranking minority member. Remuneration of any staff person appointed under this subsection shall be governed by paragraph (d) of clause 5 of Rule XI of the House of Representatives.

(g) Any contract for the temporary services or intermittent services of individual consultants or organizations to make studies or advise the committee or its subcommittees with respect to any matter within their jurisdiction shall be deemed to have been approved by a majority of the members of the committee if approved by the chairman and ranking minority member of the committee and, if funded by a subcommittee, by the chairman and ranking minority member of that subcommittee. Such approval shall not be deemed to have been given if at least one-third of the members of the committee request in writing that the committee formally act on such a contract, if the request is made within 10 days after the latest date on which such chairman or

chairmen, and such ranking minority member or members, approve such contract.

Rule 17. *Supervision, Duties of Staff.* (a) The professional and clerical staff of the committee delegated to subcommittees of the committee pursuant to rule 16 shall be subject to the supervision and direction of the chairman of the subcommittee to which they are assigned with respect to matters before the subcommittee, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate. The professional and clerical staff assigned to the minority shall be under the supervision and direction of the minority members of the committee, who may delegate such authority as they determine appropriate. Subject to subsection (b), the professional and clerical staff of the committee not delegated to a subcommittee pursuant to rule 16(d) or to the minority shall be under the supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(b) The professional staff member who is assigned principal responsibility by a subcommittee chairman with respect to a matter before such subcommittee chairman's subcommittee shall continue to assume principal staff responsibility during any consideration before the full committee, the Rules Committee, the House, and Conference Committees of any matter which is reported by such subcommittee.

Rule 18. *Committee and Subcommittee Budgets.* (a) The chairman of the committee after consultation with the ranking minority member of the committee, shall for each session of the Congress prepare a preliminary budget for the committee. Such budget shall include necessary amounts for professional and clerical staff, travel, investigation, and miscellaneous expenses under his direction and supervision. The chairman of each standing subcommittee, after consultation with the members of the subcommittee, shall prepare a preliminary budget which shall include funds for professional and clerical staff, travel, investigation, and miscellaneous expenses and which shall be adequate to fully discharge its responsibilities for legislation and oversight. Thereafter, the chairman of the full committee shall combine such proposals into a committee budget, which shall state separately the budgeted amounts for the full committee and for each of the subcommittees. Such budget shall be presented to the majority party caucus of the committee and thereafter to the full committee for its approval.

(b) The chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. No proposed committee budget may be submitted to the House Administration Committee unless it has been presented to and approved by the majority party caucus and thereafter by the full committee. The chairman of the full committee or the chairmen of the standing subcommittees may authorize all necessary expenses in accordance with these rules and within the limits of their portion of the budget as approved by the House.

(c) Committee members shall be furnished a copy of each monthly report, prepared by the chairman for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year by committee and subcommittees, anticipated expenditures for the projected committee program, and detailed information on travel.

Rule 19. *Broadcasting of Committee Hearings.* Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of Rule XI, clause 3 of the Rules of the House of Representatives. At all such meetings or proceedings, coverage by radio, television or still photography will be allowed unless specifically forbidden by a record vote of the committee or subcommittee. The coverage of any hearing or other proceeding of the committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the committee, the subcommittee chairman, or other member of the committee presiding at such hearing or other proceeding and, for good cause, may be terminated by him.

Rule 20. *Comptroller General Audits.* The chairman of the committee is authorized to request verification examinations by the Comptroller General of the United States pursuant to Title V, Part A of the Energy Policy and Conservation Act (Public Law 94-163), after consultation with the members of the committee.

Rule 21. *Subpenas.* The full committee, or any subcommittee, may authorize and issue a subpena under clause 2(m)(2)(A) of Rule XI of the House of Representatives, if authorized by a majority of the members voting of the committee or subcommittee (as the case may be), a quorum being present. In addition, the chairman of the full committee may authorize and issue subpenas under such clause during any period for which the House had adjourned for a period in excess of three days. Subpenas may be issued over the signature of the chairman of the full committee, or any member of the committee authorized by such chairman, and may be served by any person designated by such chairman or member.

Rule 22. *Travel of Members and Staff.* (a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following: (1) The purpose of the travel; (2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made; (3) The location of the event for which the travel is to be made; (4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the chairman. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

(c) In the case of travel by minority party members and minority party professional staff for the purpose set out in (a) or (b), the prior approval, not only of the chairman but also of the ranking minority party member, shall be required. Such prior authorization shall be given by the chairman only upon the representation by the ranking minority party member in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

JUDICIARY COMMITTEE RULES

(Mr. RODINO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RODINO. Mr. Speaker, pursuant to rule XI, clause 2(a), I am pleased to insert for publication in the RECORD a copy of the Rules of Procedure for the 96th Congress adopted by the Judiciary Committee on February 8, 1979:

RULES OF PROCEDURE

Rule I. The Rules of the House of Representatives are the rules of the Committee on the Judiciary and its subcommittees with the following specific additions thereto.

RULE II. COMMITTEE MEETINGS

(a) The regular meeting day of the Committee on the Judiciary for the conduct of its business shall be on Tuesday of each week while the Congress is in session.

(b) Additional meetings may be called by the Chairman and a regular meeting of the Committee may be dispensed with when, in the judgment of the Chairman, there is no need therefor.

(c) At least 24 hours (excluding Saturday, Sundays, and legal holidays) before each scheduled Committee or subcommittee meeting, each Member of the Committee or subcommittee shall be furnished a list of the bill(s) and subject(s) to be considered and/or acted upon at the meeting. Bills or subjects not listed shall be subject to a point of order unless their consideration is agreed to by a two-thirds vote of the Committee or subcommittee.

(d) Committee and subcommittee meetings for the transaction of business, i.e., meetings other than those held for the purpose of taking testimony, shall be open to the public except when the Committee or subcommittee, by majority vote, determines otherwise.

(e) Every motion made to the Committee and entertained by the Chairman shall be reduced to writing upon the demand of any Member, and a copy made available to each Member present.

(f) In all subcommittee proceedings where a vote on a motion to report a bill to the full Committee results in a tie, such bill shall be reported to the full Committee without recommendation.

(g) For purposes of taking any action at a meeting of the full Committee or any subcommittee thereof, a quorum shall be constituted by the presence of not less than one-third of the Members of the Committee or subcommittee, except that a full majority of the Members of the Committee or subcommittee shall constitute a quorum for purposes of reporting a measure or recommendation from the Committee or subcommittee, closing a meeting to the public, or authorizing the issuance of a subpoena.

(h) A complete transcript shall be made of any full Committee meeting, or any portion thereof, upon the request of any Member of the Committee made before the close of business of the preceding day, excluding Saturdays, Sundays, and legal holidays.

RULE III. HEARINGS

(a) The Committee or any subcommittee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it on any measure or matter at least 1 week before the commencement of that hearing, unless the Committee or the subcommittee before which said hearing is scheduled, determines that there is good cause to begin such hearing at an earlier date, in which event it shall make public announcement at the earliest possible date.

(b) Committee and subcommittee hearings shall be open to the public except when the Committee or subcommittee, by majority vote, determines otherwise.

(c) For purposes of taking testimony and receiving evidence before any subcommittee, a quorum shall be constituted by the presence of two Members. For purposes of taking testimony and receiving evidence before the full Committee, a quorum shall be constituted by the presence of 10 Members.

(d) In the course of any hearing each Member shall be allowed 5 minutes for the interogation of a witness until such time as each Member who so desires has had an opportunity to question the witness.

RULE IV. PROXY VOTING

A vote by any Member of the Committee with respect to any measure or matter being considered in the Committee or in subcommittee may be cast by proxy if the proxy authorization is in writing, asserts that the Member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the person who is to execute the proxy authorization, and is limited to a specific measure or matter and any amendments or motion pertaining thereto; except that a Member may authorize a general proxy for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time that the proxy is signed. Proxies may not be counted for a quorum.

RULE V. BROADCASTING

(a) Whenever any hearing or meeting conducted by the Committee or any subcommittee is open to the public, the Committee or subcommittee, as the case may be, may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, the coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee or Subcommittee, as the case may be, shall be required against his will to be photographed at any hearing or meeting or to give evidence or testimony while the broadcasting of that hearing or meeting, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee on the Radio and Television Correspondent's Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness given evidence or testimony and any Member of the Committee or subcommittee, as the case may be, or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing room while the Committee or subcommittee, as the case may be, is in session.

(7) Floodlights, spotlights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee or subcommitee, as the case may be.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(b) Subcommittees may authorize the broadcasting or photographing of any of their public hearings or meetings without the specific permission of the Committee.

RULE VI. STANDING SUBCOMMITTEES

There shall be the following seven standing subcommittees of the Committee on the Judiciary as follows:

(a) Subcommittee on Immigration, Refugees, and International Law: Immigration and Naturalization, Citizenship, Admission of Refugees, Treaties and International Agreements, Passports, Admiralty and appropriate oversight.

(b) Subcommittee on Administrative Law and Governmental Relations: Administrative Law, Claims against the United States and appropriate oversight.

(c) Subcommittee on Courts, Civil Liberties, and the Administration of Justice: U.S. Attorneys and U.S. Marshals, Courts, Judicial Ethics, Prisons, Paroles, Patents, Trademarks, Copyrights and appropriate oversight.

(d) Subcommittee on Civil and Constitutional Rights: Civil Rights and Liberties, Bankruptcy and appropriate oversight.

(e) Subcommittee on Monopolies and Commercial Law: Antitrust, Judgeships, Economic Regulation generally and appropriate oversight.

(f) Subcommittee on Crime: Prevention of Crime, Problems of Criminal Offenders and appropriate oversight.

(g) Subcommittee on Criminal Justice: Federal Criminal Code, Rules of Criminal Procedure, Rules of Civil Procedure and appropriate oversight.

RULE VII. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings whenever possible.

RULE VIII. NON-LEGISLATIVE REPORTS

No report of the Committee or a subcommittee which does not accompany a measure or matter for consideration by the House shall be published unless all Members of the Committee or subcommittee issuing the report shall have been apprised of such report and been given opportunity to give notice of intention to file supplemental, additional, or dissenting views as part of the report. In no case shall the time in which to file such views be less than three calendar days (excluding Saturdays, Sundays, and local holidays).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCKINNEY (at the request of Mr. RHODES), until March 19, on account of illness.

Mr. TRAXLER (at the request of Mr. WRIGHT), for today on account of weather conditions.

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. COTTER (at the request of Mr. WRIGHT), for today, on account of weather conditions.

Mr. JEFFORDS (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BROWN of California (at the request of Mr. BENJAMIN), for 5 minutes today, and to include extraneous matter.

(The following Members (at the request of Mr. EVANS of Delaware), to revise and extend their remarks and include extraneous material:)

Mr. LUNGREN, for 5 minutes, today.

Mr. REGULA, for 1 hour, today.

Mr. CONABLE, for 15 minutes, today.

Mr. TAUKE, for 5 minutes, today.

Mr. SNYDER, for 10 minutes, today.

Mr. DAVIS of Michigan, for 5 minutes, today.

Mr. LEE, for 5 minutes, today.

(The following Members (at the request of Mr. FAZIO) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.
Mr. CLAY, for 5 minutes, today.
Mr. NOLAN, for 5 minutes, today.
Mr. CHARLES H. WILSON of California, for 5 minutes, today.
Mr. BARNES, for 10 minutes, today.
Mr. ALEXANDER, for 5 minutes, today.
Mr. DRINAN, for 10 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. FOUNTAIN, for 5 minutes, today.
Mr. ADDABBO, for 5 minutes, today.
Mr. WEAVER, on February 28 and March 1, 5, 6, 7, and 8 for 10 minutes each day.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) and to revise and extend their remarks and include extraneous matter:)

Mr. KINDNESS.
Mr. YOUNG of Alaska.
Mr. SYMMS.
Mr. O'BRIEN in 10 instances.
Mr. QUAYLE.
Mr. RITTER in five instances.
Mr. YOUNG of Florida.
Mr. MICHEL.
Mr. JOHNSON of Colorado.
Mr. SHUSTER in two instances.
Mr. GILMAN in five instances.
Mr. SHUMWAY.
Mr. RHODES.
Mr. SEBELIUS.
Mr. MCKINNEY.
Mr. DANIEL B. CRANE.
Mr. BROYHILL.
Mr. GREEN.
Mr. MADIGAN.
Mr. STOCKMAN.
Mr. MCCLORY.
Mr. PAUL.
Mr. BURGENER.
Mr. ANDERSON of Illinois in two instances.
Mrs. HECKLER.

(The following Members (at the request of Mr. FASCELL) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in 10 instances.
Mr. GAYDOS in 10 instances.
Mr. COTTER in two instances.
Mr. MCHUGH.
Mr. D'AMOURS.
Mr. CLAY.
Mr. HEFTEL.
Mr. FORD of Michigan.
Mr. MAZZOLI.
Mr. ASPIN.
Mr. HALL of Ohio.
Ms. FERRARO in five instances.
Mr. MOAKLEY.
Mr. HAMILTON in two instances.
Mr. SHANNON.
Mr. FLORIO.
Mr. BRODHEAD.
Mr. FISHER in five instances.
Mr. MURTHA.
Mr. UDALL in two instances.
Mr. WEISS.
Mr. MOTTL.
Mr. STUDDS.
Mr. EDWARDS of California.
Mr. GLICKMAN.
Mr. STUMP.
Mr. APPLEGATE.
Mr. MAGUIRE.
Mr. BLANCHARD.
Mr. EDGAR.
Mrs. SPELLMAN in three instances.

(The following Members (at the request of Mr. BENJAMIN) and to include extraneous matter:)

Mr. RICHMOND in two instances.
Mr. MATHIS.
Mr. KOSTMAYER in two instances.
Mr. KASTENMEIER.
Mr. RODINO.

ADJOURNMENT

Mr. BENJAMIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 27, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

688. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture.

689. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1979 and amendments to the request for appropriations for fiscal year 1980 [H. Doc. No. 96–58]; to the Committee on Appropriations and ordered to be printed.

690. A letter from the Deputy Secretary of Defense, transmitting a report on funds obligated in the chemical warfare and biological defense research programs during fiscal year 1978, pursuant to section 409(a) of Public Law 91–121; to the Committee on Armed Services.

691. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on a survey of athletic injuries and deaths in secondary schools and colleges, pursuant to section 826 of Public Law 93–380; to the Committee on Education and Labor.

692. A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes; to the Committee on Foreign Affairs.

693. A letter from the Assistant Secretary of State for Administration, transmitting the quarterly report on programing and obligation of international narcotics control funds as of December 31, 1978, pursuant to section 481(b)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

694. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Saudi Arabia for permission to transfer certain U.S.-origin defense equipment to the Government of the Yemen Arab Republic, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

695. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the status of the contingency fund for the first quarter of fiscal year 1979, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

696. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development and a group of controllers' evaluation report by the Inter-American Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

697. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

698. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on specialized and technical services provided to State or local governments by NASA during calendar year 1978, pursuant to section 304 of Public Law 90–577; to the Committee on Government Operations.

699. A letter from the Acting Assistant Secretary of the Interior, transmitting a report on operations during water year 1978, and a projected plan of operation for water year 1979 for the reservoirs in the Colorado River Basin constructed under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, pursuant to section 602(b) of Public Law 90–537; to the Committee on Interior and Insular Affairs.

700. A letter from the Deputy Assistant Secretary of the Interior, transmitting a proposed contract with the Colorado State University, Fort Collins, Colo., for a research project entitled "Load Haul Dump Tree Clump Transplanter Attachment," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

701. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend section 201(a)(1) of the Energy Reorganization Act of 1974, as amended; to the Committee on Interior and Insular Affairs.

702. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting reports covering the month of November 1978, on sales of refined petroleum products and sales of retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

703. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of the Noise Control Act of 1972, as amended, for 2 years; to the Committee on Interstate and Foreign Commerce.

704. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Toxic Substances Control Act for 2 years; to the Committee on Interstate and Foreign Commerce.

705. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of title XIV of the Public Health Service Act for 2 years; to the Committee on Interstate and Foreign Commerce.

706. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Resource Conservation and Recovery Act, as amended, for 2 years; to the Committee on Interstate and Foreign Commerce.

707. A letter from the president, National Railroad Passenger Corporation, transmitting the Corporation's legislative recommendations, pursuant to section 308(b) of the Rail Passenger Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

708. A letter from the Acting Staff Director, U.S. Commission on Civil Rights, transmitting a draft of proposed legislation to amend section 106 of the Civil Rights Act of 1964 (42 U.S.C. 1975c) to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

709. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; to the Committee on Merchant Marine and Fisheries.

710. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend Public Law 85–445 to authorize and request the President to proclaim annually the 7-day period beginning June 1 as National Safe Boating Week; to the Committee on Post Office and Civil Service.

711. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend provisions of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

712. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstrations for fiscal years 1980 and 1981; to the Committee on Science and Technology.

713. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to carry out the obligations of the United States under the International Coffee Agreement 1976, signed at New York on February 27, 1976, and entered into force for the United States on October 1, 1976, and for other purposes; to the Committee on Ways and Means.

714. A letter from the Secretary of Health, Education, and Welfare, transmitting the third annual report on the child support enforcement program, pursuant to section 452(a)(10) of the Social Security Act; to the Committee on Ways and Means.

715. A letter from the Secretary of Agriculture, transmitting the annual evaluation report on the renewable resource program for fiscal year 1978, pursuant to section 8 (c) and (d) of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

716. A letter from the Comptroller General of the United States, transmitting a report on the costs of military attrition (FPCD–79–28, February 16, 1979); jointly, to the Committees on Government Operations, and Armed Services.

717. A letter from the Comptroller General of the United States, transmitting a report on the Defense Department's implementation of the Office of Management and Budget's Circular No. A-109 on major system acquisitions (PSAD–79–9, February 20, 1979); jointly, to the Committees on Government Operations, and Armed Services.

718. A letter from the Comptroller General of the United States, transmitting a report on the Army's Standoff Target Acquisition System (PSAD–79–29, February 26, 1979; jointly, to the Committees on Government Operations, and Armed Services.

719. A letter from the Comptroller General of the United States, transmitting a report on the Navy's wide aperture array sonar program (PSAD–79–32, February 26, 1979); jointly, to the Committees on Government Operations, and Armed Services.

720. A letter from the Comptroller General of the United States, transmitting a report on the affirmative action programs of the Department of Justice (FPCD–78–79, February 23, 1979); jointly, to the Committees on Government Operations, the Judiciary, and Post Office and Civil Service.

721. A letter from the Comptroller General of the United States, transmitting a report on the Department of Transportation's major activities to combat the drinking-driver problem (CED–79–33, February 21, 1979); jointly, to the Committees on Government Operations, and Public Works and Transportation.

722. A letter from the Comptroller General of the United States, transmitting a report on improper charges to the medicare program by hospitals and blood banks for blood and blood products (HRD–78–172, February 26, 1979); jointly, to the Committees on Government Operations, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 2362. A bill to amend the Social Security Act to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 2363. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois (for himself, Mr. DAVIS of Michigan, Mr. DERWINSKI, Mr. DEVINE, Mr. BADHAM, Mr. STOCKMAN, Mr. BOB WILSON of California, Mr. WON PAT, Mr. JEFFORDS, Mr. JENRETTE, Mr. LAGOMARSINO, Mr. LOTT, Mr. MCHUGH, Mr. MCKINNEY, Mr. MARLENEE, Mr. MITCHELL of New York, Mr. MOORE, Mr. MOLLOHAN, Mr. MURPHY of Pennsylvania, Mr. PRITCHARD, Mr. PURSELL, Mr. RAHALL, Mr. RINALDO, Mr. RUNNELS, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. ERLENBORN, Ms. FENWICK, Mr. FINDLEY, Mr. GIBBONS, Mr. HAMILTON, Mr. HOLLENBECK, Mr. HYDE, Mr. BENJAMIN, Mr. BUCHANAN, Mr. CARR, Mr. CHAPPELL, Mr. CLEVELAND, Mr. CONTE, and Mr. SCHEUER):

H.R. 2364. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the public interest; jointly, to the Committees on Government Operations and Rules.

By Mr. BLANCHARD:

H.R. 2365. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide mandatory social security coverage for all Members of Congress and other employees in the legislative branch, and for all new employees of the United States (and its instrumentalities) outside the legislative branch; to the Committee on Ways and Means.

By Mr. BONER of Tennessee:

H.R. 2366. A bill to amend the Federal Railroad Safety Act of 1970 to authorize a State agency to issue cease-and-desist orders with respect to violations of such act, and to seek enforcement of such orders in the appropriate district court of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL (for himself and Mr. RINALDO):

H.R. 2367. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in the act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. BYRON (for herself and Mr. PICKLE):

H.R. 2368. A bill to prohibit fuel adjustment clauses in electric utility rate schedules; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 2369. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service for medicare purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. MIKVA, Mr. BRODHEAD, Mr. DOWNEY, Mr. GUARINI, Mr. CONABLE, Mr. DUNCAN of Tennessee, Mr. FRENZEL, and Mr. MOORE):

H.R. 2370. A bill to amend title XVIII of the Social Security Act to provide coverage for services which may be performed by a dentist on the same basis as presently allowed for physicians under the medicare program, and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PHILIP M. CRANE:

H.R. 2371. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. DANNEMEYER:

H.R. 2372. A bill to amend the Internal Revenue Code to provide renters with a credit against income tax; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 2373. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 2374. A bill to authorize the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 2375. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony, and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 2376. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incured in higher education; to the Committee on Ways and Means.

H.R. 2377. A bill to amend the Internal Revenue Code of 1954 to provide for the amortization of new coal mining equipment ratably over a 12-month period; to the Committee on Ways and Means.

H.R. 2378. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting

program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 2379. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 2380. A bill to amend title XVIII of the Social Security Act to include as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee (for himself, Mr. WHITEHURST, and Mr. MADIGAN):

H.R. 2381. A bill to amend the Internal Revenue Code of 1954 and for other purposes; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 2382. A bill to exempt programs of the Federal National Mortgage Association from State usury laws and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FISHER:

H.R. 2383. A bill to amend title 4 of the United States Code with respect to the authority of States or political subdivisions thereof to impose taxes at civil airports owned by the United States; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 2384. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that sand and gravel mine operators shall not be subject to the requirements of such act; to the Committee on Education and Labor.

By Mr. GINN:

H.R. 2385. A bill to provide parity to farmers and to prevent interruptions in the supply of food to American consumers; to the Committee on Agriculture.

By Mr. GONZALEZ:

H.R. 2386. A bill to amend title 5, United States Code, to include as creditable service under the civil service retirement system periods of service as contract technicians by individuals hired by private authority to perform work under Federal supervision pursuant to a contract between such private authority and the Federal Government, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and Ways and Means.

By Mr. HAGEDORN:

H.R. 2387. A bill relating to the year for including in gross income under the Internal Revenue Code of 1954 the amount of certain loan payments made pursuant to the Agricultural Act of 1949; to the Committee on Ways and Means.

By Mr. HALL of Texas:

H.R. 2388. A bill to amend the Agricultural Adjustment Act to require that the Secretary of Agriculture, in determining the approval or disapproval of producers of the issuance of any marketing order, or any term or condition of any marketing order, determine the approval or disapproval of each producer who is a member of, stockholder in, or under contract with any cooperative association of producers; to the Committee on Agriculture.

H.R. 2389. A bill to amend part D of title IV of the Social Security Act to give consent, on behalf of the United States, to certain additional garnishment proceedings; to the Committee on Ways and Means.

By Mr. HOLLENBECK:

H.R. 2390. A bill to provide for the repatriation of the remains of five unknown members of the U.S. Navy killed and interred in Tripoli in 1804 and for the interment of such remains in Arlington National Cemetery; jointly, to the Committees on Foreign Affairs and Veterans' Affairs.

By Mr. HUGHES:

H.R. 2391. A bill to amend title 18 of the United States Code to impose criminal penalties on certain persons who fire firearms or throw objects at certain railroad trains, engines, motor units, or cars, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.R. 2392. A bill to direct the Secretary of Agriculture to conduct a study to determine the probable economic effects of a cessation of Federal assistance which serves to promote tobacco production and the manufacturing and marketing of tobacco products for human consumption; to the Committee on Agriculture.

H.R. 2393. A bill to provide for the distribution in the United States of the International Communication Agency film entitled "Aspen"; to the Committee on Foreign Affairs.

By Mr. JOHNSON of Colorado (for himself, Mr. CHENEY, Mr. HANSEN, Mr. SEBELIUS, Mrs. SMITH of Nebraska, and Mrs. SYMMS):

H.R. 2394. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry; to promote enterprise and investment in the United States; and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. LEATH of Texas:

H.R. 2395. A bill to amend the Flood Control Act of 1946 to provide that the conservation storage capacity provided by the Belton Reservoir in Texas shall be available for purposes other than irrigation; to the Committee on Public Works and Transportation.

By Mr. LIVINGSTON:

H.R. 2396. A bill to amend the Water Resources Development Act of 1974, relating to the hurricane-flood protection project on Lake Pontchartrain, La.; to the Committee on Public Works and Transportation.

By Mr. LUJAN:

H.R. 2397. A bill to amend section 154 of title 23, United States Code, to authorize a speed limit of 70 miles an hour in certain States; to the Committee on Public Works and Transportation.

By Mr. MARLENEE:

H.R. 2398. A bill to amend the Clean Air Act to permit a State legislature to contest the redesignation under such act of an area within such State by an Indian tribe, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS:

H.R. 2399. A bill to clarify certain rulemaking procedures of the Federal Aviation Administration; to the Committee on Public Works and Transportation.

By Mr. CLAY:

H.R. 2400. A bill to amend title 39, United States Code, to restore to Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2401. A bill to amend title 5, United States Code, to restore to Federal civilian employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of New York:

H.R. 2402. A bill to amend part A of title IV of the Social Security Act to establish a minimum AFDC benefit amount to be required of all States, and to provide additional Federal matching for States which are presently below such minimum amount to assist them in increasing their AFDC payments to comply with such requirement; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 2403. A bill to amend title XVI of the Social Security Act to provide that interest on bank deposits shall not be considered income for purposes of determining an individual's eligibility for supplemental security income benefits or the amount of such benefits; to the Commitee on Ways and Means.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, Mr. CHARLES WILSON of Texas, Mr. DAVIS of South Carolina, Mr. HALL of Texas, Mr. WON PAT, Mr. BEARD of Tennessee, Mr. HILLIS, Mr. LOTT, Mr. HINSON, and Mr. CHAPPELL):

H.R. 2404. A bill to amend the Military Selective Service Act to provide for reactivation of registration and classification under such act, and to extend the requirement for such registration to women, to provide authority for induction of not more than 200,000 male individuals each year for training and service in the Individual Ready Reserve of the Army Reserve, to provide for educational assistance for individuals so inducted, and for other purposes; to the Committee on Armed Services.

By Mr. MOTTL:

H.R. 2405. A bill to terminate the existence of certain Federal regulatory agencies after a specified period of time, and for other purposes; to the Commitee on Government Operations.

By Mr. NATCHER:

H.R. 2406. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 2407. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

By Mr. NOLAN:

H.R. 2408. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

H.R. 2409. A bill to provide grants to renovate existing structures for use as youth hostels and to construct four new structures for use as youth hostels in order to further the development of a national system of youth hostels, and increase the opportunity for outdoor recreation and educational travel, and for other purposes; jointly, to the Committees on Banking, Finance, and Urban Affairs, and Interior and Insular Affairs.

By Mr. QUAYLE:

H.R. 2410. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Ways and Means.

By Mr. RATCHFORD (for himself and Mr. MCKINNEY):

H.R. 2411. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. RICHMOND:

H.R. 2412. A bill to amend section 18 of the Food Stamp Act of 1977; to the Committee on Agriculture.

By Mr. RODINO:

H.R. 2413. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. EDWARDS of California and Mr. AUCOIN):

H.R. 2414. A bill to amend title 35 of the United States Code; to establish a uniform Federal patent procedure for small businesses and nonprofit organizations; to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance; and for other related purposes; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 2415. A bill to authorize the Secretary of Commerce, acting through the Economic Development Administration to make grants for the repair, restoration, or replacement of vaulted sidewalks; to the Committee on Public Works and Transportation.

By Mr. SEBELIUS (for himself and Mr. MADIGAN):

H.R. 2416. A bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 and 1980 crops of wheat and corn under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Mr. SEBELIUS:

H.R. 2417. A bill to amend title II of the Social Security Act so as to modify the criteria respecting certain self-employment income, derived from the sale of certain agricultural or horticultural commodities, for purposes of the social security retirement test; to the Committee on Ways and Means.

By Mr. SNYDER (for himself, Mr. MATHIS, Mr. TAYLOR, Mr. SYMMS, Mr. ABDNOR, Mr. HUBBARD, Mr. SEBELIUS, Mr. STANGELAND, Mr. HOPKINS, Mr. HAGEDORN, and Mr. HILLIS):

H.R. 2418. A bill to clarify certain rulemaking procedures of the Federal Aviation Administration; to the Committee on Public Works and Transportation.

By Mr. STAGGERS (by request):

H.R. 2419. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize appropriations for the U.S. Railway Association for fiscal year 1980; to the Committee on Interstate and Foreign Commerce.

H.R. 2420. A bill to authorize additional appropriations for the Office of Rail Public Counsel; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS:

H.R. 2421. A bill to amend title XIX of the Social Security Act to make assistance available under the medicaid program for patients in mental institutions without regard to their age (instead of only for those patients in such institutions who are under 22 or over 65 as at present); to the Committee on Interstate and Foreign Commerce.

H.R. 2422. A bill to amend title XVI of the Social Security Act to eliminate the benefit reduction presently applicable to individuals receiving support and maintenance from families with whom they are living, to continue SSI payments for 3 months when a beneficiary is institutionalized, to provide for the monitoring of the SSI trial work period provisions, and to make it clear that SSI benefits (for up to 3 months) may be paid on the basis of presumptive mental (as well as physical) disability; to the Committee on Ways and Means.

H.R. 2423. A bill to amend title XX of the Social Security Act to increase Federal payments to States for services which will assist in removing people from institutions, including the provision of alternative housing, sheltered employment, and similar services; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 2424. A bill to amend title 39, United States Code, relating to contract authority of the U.S. Postal Service for air transportation of mail; to the Committee on Post Office and Civil Service.

By Mr. BROWN of California:

H.R. 2425. A bill to establish the Foundation for International Scientific and Technological Cooperation, to provide for the management of the Foundation, and for other purposes; jointly, to the Committees on Foreign Affairs, and Science and Technology.

By Mr. CARTER:

H.R. 2426. A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 2427. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

H.R. 2428. A bill to amend the Internal Revenue Code of 1954 to provide for the amortization of coal conversion facilities based on a 12-month period, and to establish a price support program for synthetic fuels produced from coal at such facilities; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 2429. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for investments in labor surplus areas, to index personal exemptions and individual tax rates, and to reduce social security taxes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. MIKVA:

H.R. 2430. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that the medicare program shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, with the new method of financing being gradually phased in over a 6-year period, and to adjust the rates of the taxes imposed for purposes of financing the OASI and disability insurance programs in order to assure the future actuarial soundness of those programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BINGHAM:

H.J. Res. 223. Joint resolution proposing an amendment to the Constitution of the United States to modernize the presidential electoral system; to the Committee on the Judiciary.

By Mr. BOWEN:

H.J. Res. 224. Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes; to the Committee on Foreign Affairs.

By Mrs. BYRON:

H.J. Res. 225. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in national emergency; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.J. Res. 226. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

H.J. Res. 227. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ENGLISH:

H.J. Res. 228. Joint resolution designating July 1, 1979, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORE:

H.J. Res. 229. Joint resolution designating May 13, 1979, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. BEARD of Tennessee:

H. Con. Res. 57. Concurrent resolution establishing a Joint Select Committee on Defense Readiness and Mobilization Capability; to the Committee on Rules.

By Mr. GILMAN (for himself and Mr. HANLEY):

H. Con. Res. 58. Concurrent resolution expressing the sense of Congress that the President should express to the Government of the Soviet Union the disapproval of the American people concerning that Government's systematic nondelivery of international mail addressed to certain persons residing within the Soviet Union and that the United States should bring to the attention of the next Congress of the Universal Postal Union the failure of the Soviet Union to comply with certain articles of the Universal Postal Union; jointly, to the Committees on Foreign Affairs, and Post Office and Civil Service.

By Mr. KEMP:

H. Con. Res. 59. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the commercial killing of newborn harp seals; to the Committee on Foreign Affairs.

By Mr. MCCLORY:

H. Con. Res. 60. Concurrent resolution to provide for the purchase of a certain statue of George Washington and for the placement of such statue on the East Front of the Capitol Building, or in any appropriate location inside such building; to the Committee on House Administration.

By Mr. FUQUA:

H. Res. 134. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Science and Technology; to the Committee on House Administration.

By Mr. GOODLING (for himself, Mr. WOLFF, Mr. YATRON, Mr. DEGGS, Mr. SOLARZ, Mr. HALL of Ohio, Mr. MICA, Mr. GUYER, and Mr. PRITCHARD):

H. Res. 135. Resolution expressing the sense of the House of Representatives with respect to the possible execution of former Prime Minister Bhutto; to the Committee on Foreign Affairs.

By Mr. MURTHA (for himself, Mr. SLACK, Mr. PREYER, Mr. SPENCE, Mr. HOLLENBECK, Mr. LIVINGSTON, Mr. THOMAS, Mr. SENSENBRENNER, and Mr. MURPHY of Illinois):

H. Res. 136. Resolution amending clause 4(e) of Rule X of the Rules of the House of Representatives to transfer to panels of Members of the House selected by lot the authority of the Committee on Standards of Official Conduct to make findings and recommendations respecting alleged violations by Members, officers, or employees of the House of Representatives of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of Members, officers, and employees of the House; to the Committee on Rules.

By Mr. STAGGERS:

H. Res. 137. Resolution to provide funds for the expenses of investigations to be conducted by the Committee on Interstate and Foreign Commerce; to the Committee on House Administration.

By Mr. STUDDS (for himself and Mr. LENT):

H. Res. 138. Resolution disapproving the proposed deferral of budget authority to promote and develop fishery products and research pertaining to American fisheries; to the Committee on Appropriations.

By Mr. UDALL:

H. Res. 139. Resolution to provide funds for the expenses of studies and investigations to be conducted by the Committee on Interior and Insular Affairs; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

37. By the SPEAKER: Memorial of the Legislature of the State of Texas, relative to agricultural policy; to the Committee on Agriculture.

38. Also, Memorial of the Legislature of the Commonwealth of Virginia, relative to payments in lieu of taxes for federally-owned property within local government jurisdictions; to the Committee on Government Operations.

39. Also, Memorial of the Legislature of the State of Idaho, relative to the licensing and construction of nuclear powerplants; to the Committee on Interior and Insular Affairs.

40. Also, Memorial of the Legislature of the Commonwealth of Virginia, relative to medicaid benefits for certain handicapped children; to the Committee on Interstate and Foreign Commerce.

41. Also, Memorial of the Legislature of the State of Illinois, requesting that Congress propose an amendment to the Constitution of the United States to permit a moment of silent prayer in the public schools; to the Committee on the Judiciary.

42. Also, Memorial of the Legislature of the State of Illinois, requesting that Congress propose an amendment to the Constitution of the United States to permit the singing of Christmas carols in public schools; to the Committee on the Judiciary.

43. Also, Memorial of the Legislature of the State of New Mexico, requesting that Congress propose, or call a convention for the purpose of proposing, an amendment to the Constitution of the United States requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNARD:

H.R. 2431. A bill for the relief of Florence C. Rutan; to the Committee on the Judiciary.

By Mr. BURGENER:

H.R. 2432. A bill for the relief of Ronald Regespi Dollente; to the Committee on the Judiciary.

H.R. 2433. A bill for the relief of Zora Singh Sunga; to the Committee on the Judiciary.

By Mr. CORRADA:

H.R. 2434. A bill for the relief of Vera Zabala Clemente, Roberto Clemente, Jr., Luis Roberto Clemente, and Roberto Enrique Clemente, Luisa Walker Clemente, Maria M. Reyes Vda. Lozano, Angel R. Lozano, Jr., Wanda Ivellize Lozano, Angel Gabriel Lozano Morales, Mayra Lizette Lozano Baez, Antonia Narvaez, Margarita C. Matias, Ana Margarita Matias, Francisco Matias, Jr., Lourdes Margarita Matias, Jose Francisco Matias, Francisco Javier Matias, and Dolores Lugo; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 2435. A bill for the relief of Daniela Wittman; to the Committee on the Judiciary.

By Mr. GINN:

H.R. 2436. A bill for the relief of Frank E. Heidt, Jr., a customhouse broker doing business as Joseph Craig & Co., Savannah, Ga.; to the Committee on the Judiciary.

By Mr. LIVINGSTON:

H.R. 2437. A bill for the relief of Mrs. Stella Marie Deignan; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 2438. A bill for the relief of Julio Antonio Morales-Flores; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. ROE.

H.R. 21: Ms. HOLTZMAN and Mr. MITCHELL of Maryland.

H.R. 39: Mr. GIAIMO, Mr. SHANNON, and Mr. WILLIAMS of Montana.

H.R. 117: Mr. CLINGER, Mr. STANGELAND, and Mr. LUNGREN.

H.R. 282: Mr. ADDABBO, Mr. AKAKA, Mr. BEDELL, Mr. BINGHAM, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. CLAY, Mr. CORRADA, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of Delaware, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HORTON, Mr. KASTENMEIER, Mr. LONG of Maryland, Mr. MCHUGH, Mr. MCKINNEY, Mr. MINISH, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. OTTINGER, Mr. RICHMOND, Mr. ROYBAL, Mr. ST GERMAIN, Mr. TRAXLER, Mr. WEISS, Mr. WHITEHURST, and Mr. YOUNG of Florida.

H.R. 365: Mr. SCHULZE and Mr. YOUNG of of Alaska.

H.R. 758: Mr. LOTT, Mr. HUBBARD, Mr. LONG of Louisiana, Mr. KOGOVSEK, Mr. GINN, Mr. BEDELL, Mr. LEACH of Louisiana, Mr. ICHORD, Mr. CHARLES WILSON of Texas, Mr. ENGLISH, Mr. NOLAN, and Mrs. BOUQUARD.

H.R. 806: Mr. AKAKA, Mr. DERWINSKI, Mr. DUNCAN of Tennessee, Mr. MOAKLEY, Mr. PEPPER, Mr. RODINO, and Mr. WAXMAN.

H.R. 1051: Mr. PICKLE and Mr. GRAMM.

H.R. 1247: Mr. YOUNG of Alaska, Mr. WATKINS, Mr. ANDREWS of North Dakota, Mr. COLEMAN, Mr. GUYER, Mr. BERKUTER, and Mr. JENRETTE.

H.R. 1307: Mr. EMERY.

H.R. 1526: Mr. O'BRIEN, Mr. MADIGAN, and Mr. YATES.

H.R. 1644: Mr. MURPHY of Pennsylvania, Mr. BOWEN, Mr. GILMAN, Mr. LOTT, Mr. LENT, Mr. FINDLEY, and Mr. LEATH of Texas.

H.R. 1651: Mr. PURSELL, Mr. PRITCHARD, Mr. LEE, and Mr. FINDLEY.

H.R. 1660: Mr. JONES of Oklahoma.

H.R. 1665: Mr. PATTERSON.

H.R. 1735: Mr. WAXMAN.

H.R. 1739: Mr. GRAMM.

H.R. 1744: Mr. ADDABBO, Mr. DIGGS, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Ms. FERRARO, Mr. FLOOD, Mr. JENRETTE, Mr. LONG of Maryland, Mr. MAGUIRE, Mr. MOAKLEY, Mr. PRICE, Mr. RICHMOND, Mr. VENTO, and Mr. WEISS.

H.R. 1776: Mr. WATKINS, Mr. ALBOSTA, Mr. TRIBLE, Mr. GRASSLEY, Mr. APPLEGATE, Mr. HANCE, Mr. MURPHY of Pennsylvania, Mr. JONES of Tennessee, Mr. RAHALL, Mr. WILLIAMS of Ohio, Mr. BENNETT, Mr. ERDAHL, Mr. WON PAT, Mr. ROBINSON, Mr. SOLOMON, Mr. MOTTL, Mr. CHARLES H. WILSON of California, Mr. BOWEN, Mr. SHUMWAY, Mr. HALL of Texas, Mr. DEVINE, Mr. CAVANAUGH, Ms. MIKULSKI, Mr. MCKINNEY, Mr. IRELAND, Mr. LEACH of Louisiana, Mr. JONES of Oklahoma, Mr. REGULA, Mr. STUMP, Mr. WOLPE, Mr. ROUSSELOT, Mr. THOMAS, and Mr. CLAUSEN.

H.R. 1852: Mr. SENSENBRENNER and Mr. ERTEL.

H.R. 1985: Mr. BAUMAN.

H.R. 2020: Mr. DOWNEY, Mr. WALGREN, Mr. WAXMAN, Mr. GLICKMAN, Mr. COELHO, Mr. GILMAN, and Mr. LEACH of Louisiana.

H.J. Res. 2: Mr. HOPKINS, Mr. TRIBLE, Mr. SOLOMON, Mr. EDWARDS of Oklahoma, Mr. JACOBS, and Mr. LOTT.

H.J. Res. 148: Mr. YOUNG of Alaska, Mr. ANDREWS of North Dakota, Mr. GUYER, Mrs. SMITH of Nebraska, Mr. BERKUTER, Mr. JENRETTE, Mr. MCCLOSKEY, Mr. HOLLAND, Mr. EDWARDS of Oklahoma, Mr. JEFFORDS, Mr. SPENCE, Mr. LUJAN, Mr. BENNETT, Mr. FUQUA, Mr. JOHNSON of California, Mr. DICKINSON, and Mr. BEVILL.

H. Con. Res. 22: Mr. LOTT, Mr. SENSENBRENNER, Mr. ICHORD, Mr. JOHNSON of Colorado, Mr. CONTE, Mr. EVANS of Georgia, Mr. NICHOLS, Mr. LAGOMARSINO, Mr. GLICKMAN, Mr. ROBINSON, Mr. SOLOMON, Mr. HUGHES, Mr. STOCKMAN, Mr. PRICE, Mr. WHITLEY, Mr. ADDABBO, Mr. LUNDINE, Mr. DAN DANIEL, Mr. JENKINS, Mr. CHAPPELL, Mr. WEAVER, Mr. CHENEY, Mr. FASCO, Mr. GUDGER, Mr. ERTEL, Mr. SYMMS, Mr. SHUMWAY, Mr. ERDAHL, Mr. ASHBROOK, Mr. LEWIS, Mr. BONKER, Mr. WHITTAKER, Mr. BERKUTER, Mr. GRASSLEY, Mr. GOODLING, Mrs. BOUQUARD, Mr. JEFFRIES, Mr. DAVIS of South Carolina, Mrs. SMITH of Nebraska, Mr. HAGEDORN, Mr. HANSEN, Mr. MILLER of Ohio, Mr. YOUNG of Alaska, Mr. SAWYER, Mr. BOWEN, Mr. SEBELIUS, Mr. EDWARDS of Oklahoma, Mr. STANGELAND, Mr. IRELAND, Mr. PATTEN, Mr. JACOBS, Mr. SHUSTER, Mr. HINSON, Mr. CLINGER, Mr. JONES of Tennessee, Mr. MONTGOMERY, Mr. WINN, Mr. SKELTON, Mr. COLLINS of Texas, Mr. ARCHER, and Mr. COELHO.

H. Res. 34: Mr. DOUGHERTY and Mrs. SCHROEDER.

H. Res. 90: Mr. LEDERER, Mr. BENJAMIN, Mr. CONYERS, Mr. MOAKLEY, Ms. HOLTZMAN, Mr. WOLFF, Mr. DRINAN, Mr. MOTTL, Mr. WEAVER, Mr. DOWNEY, Mr. MAGUIRE, Mr. VENTO, and Mr. ROE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1520: Mr. WAMPLER.

PETITIONS, ETC.

Under clause 1 of rule XX, petitions and papers were laid on the Clerk's desk and referred as follows:

62. By the SPEAKER: Petition of the Lithuanian American Council of Boston, Mass., relative to Lithuanian independence; to the Committee on Foreign Affairs.

63. Also, Petition of the Oregon Republican State Central Committee, Portland, relative to Taiwan; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

SOCIAL SECURITY CUTBACKS OPPOSED

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. D'AMOURS. Mr. Speaker, many citizens are quite rightly upset about recent proposals to cut back essential social security benefits. For many citizens the modest benefits they receive represent the difference between being able to maintain their independence and dignity and living in constant fear of the future.

One of the recent proposals would eliminate survivor benefits for college students over the age of 18. The importance of these benefits has been dramatically and convincingly conveyed to me in a letter from one of my constituents which I would like to share with my colleagues:

FEBRUARY 15, 1979.

Congressman NORM D'AMOURS,
Congressional Building,
Washington, D.C.

DEAR CONGRESSMAN D'AMOURS: This letter is to urge you to vote against any bill that will eliminate social security benefits to college age students.

My husband was killed piloting an airplane over a year ago. He is no longer able to insure himself for the education of our two daughters. When social security was extended for college age students in the 1960s he dropped an insurance policy he had for that purpose. He thought social security would be adequate. Well, it really is not but without it neither of the girls will continue their education. They both go or will go to the University system because we are unable to afford private college prices. We are not complaining.

I feel it will be a breach of promise on the part of the Government. President Carter and his aides who say that these students qualify for other grants are mistaken. We have been informed by FAF and BEOG that I should be able to contribute enough to send them to the private colleges. I make $15,000 a year and own my own house, presently valued at $45,000. I am sure you are aware what happened to the insurance policies since my husband was the pilot of the airplane. How in the world will I be able to make a large mortgage payment and still help the girls and still pay the other bills.

I worry that since there are only 110,000 students receiving these benefits, the Senators and Representatives will let it slip by without much dissent. I fear that the American public just does not think about social security until they need it and it is too late. Most of my friends and colleagues do not understand and they are the TEACHERS! So the average person on the street doesn't care or doesn't want to think about it. . . . YET.

As it now stands, my oldest daughter will not be eligible for benefits her senior year. We had her repeat fourth grade nine years ago! She will be too old and as a teacher, I call this downright degrading. We try to convince students there is no stigma in repeating a grade. Seems we are wrong!

Nancy will graduate in June. She is anticipating going to college in the fall. She reads Shakespeare, English Literature, Ann Landers and the comics. She has no idea that her world is in for another catastrophe. I can't tell her. Would you like to? Please don't let this happen to us!●

THE DEBT CEILING FLIM-FLAM

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. SHUSTER. Mr. Speaker, on Wednesday of this week, the Democrat administration and the Democrat big spenders in the House, will ask this body to approve another whopping increase in the public debt ceiling. This time $38 billion which would raise the ceiling from its current level of $798 billion to $836 billion. How long will this flim-flam on the American taxpayer continue?

How long will the Democrat big spenders continue to spend this country into the red? How long will the Democrat big spenders continue to turn a callous, deaf ear to the call from the American people to put an end to this traditional and reckless Democrat policy of spend and borrow, and borrow, and spend? Last Thursday, the Republican policy committee went on record as opposing this increase to bail out the Democrat big spenders. I challenge the thoughtful Democrats in this Chamber to join with Republicans on Wednesday and vote down H.R. 1894.

Without objection, Mr. Speaker, I would like to insert into the RECORD the complete text of the Republican policy committee statement on increasing the public debt.

The statement follows:

H.R. 1894—INCREASING THE PUBLIC DEBT

The Democrat big-spenders are at it again. In order to pay for the federal programs which cost more than the federal government receives in revenues the Democrats are pushing the passage of legislation to increase the public debt ceiling from its current level of $798 billion to $836 billion.

Over the past four decades, the Democrats who have controlled Congress for 42 out of 46 years have spent our country into the red by more than $800 billion. The public debt is a national disgrace. Instead of listening to the call of American taxpayers for a reduction in spending and a balanced federal budget, the Carter Administration and the Democrat Majority want to pass H.R. 1894, to finance through borrowing the federal government's bills coming due over the next seven months.

H.R. 1894 raises the public debt limit by $38 billion through September 30, 1979, authorizes the Department of the Treasury to sell long term securities at interest rates above the statutory ceiling of 4.25 percent, and increases the statutory interest rate ceiling on savings bonds.

This exercise of increasing the public debt is nothing more than a flim-flam of the American taxpayers by the Democrat big-spenders. The Democrats, rather than earnestly trying to balance the budget, continue to vote one deficit budget on top of another deficit budget. Then when the bills come due the Democrat big-spenders demagogue the financial crisis which necessitates increasing the public debt limit and reluctantly vote to increase it. This entire charade becomes an actual fraud on the American people when current Treasury Department estimates show that an additional increse of $60 billion in public debt will be necessary to meet requirements for fiscal 1980 bringing the total national debt ceiling to $896 billion.

The American people are calling for a change in the fiscal policies of the federal government. The public groundswell for a balanced budget indicates that the American taxpayer has had it with deficit spending, inflation and gross mismanagement of tax dollars. The congressional budget process and the public debt limit give the Congress the authority to respond and produce a balanced federal budget. Republican efforts to change the direction of existing fiscal policy have been repeatedly turned back by the Democrat Majority in Congress.

This nation is entering the fifth consecutive year of economic growth. The second longest recovery in the post war history. It's time now to begin balancing the federal budget.

The Republican Policy Committee believes that Republicans, who did not vote for the Democrat initiated wasteful spending, should not vote for the increase in the national debt to bail out the Democrat big-spenders. Let the Democrat Majority who got this country into a financial mess provide the votes to increase the public debt. Let those who have danced to the Democrat big-spenders tune now vote to pay the piper.●

LEAA

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MAZZOLI. Mr. Speaker, on September 30 of the year, the authorization for the Law Enforcement Assistance Administration (LEAA) expires.

While LEAA has many critics, it is far from a failure. It has sponsored many successful programs ranging from projects to strengthen traditional law enforcement, such as the career criminals program, to innovative community anticrime programs.

Recently, Jefferson County (Ky.,) Commonwealth Attorney David Armstrong, brought to my attention one particularly successful LEAA program now underway in Jefferson County dealing with white collar crime.

Under this project, an economic crime unit was established and prosecuting as well as preventing economic crimes were given top priority.

With the cooperation and assistance of local police departments, citizens and business community, there has been significant action on economic crime in Jefferson County.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Quoting from Mr. Armstrong's report:

Criminal court cases handled by the special unit involved the theft of some $1,500,000 from some 700 separate felony crimes. Ninety-one economic criminals were convicted and received prison sentences totalling over 500 years and fines of over $23,000.00.

Approximately $257,000.00 was obtained in restitution for some of the 379 victims of white collar crimes involved in cases succesfully handled by the Economic Crime Unit. Some $20,374.00 was voluntarily returned to citizens following the Unit's investigations.

As cosponsor, along with the distinguished chairman of the House Judiciary Committee, PETER RODINO, a measure to reauthorize and streamline LEAA, I hope my House colleagues will bear in mind successful programs, like the one I have described here, when the time comes to vote on LEAA's future.●

ISRAELI GOVERNMENT DOES NOT SYSTEMATICALLY TORTURE ARAB PRISONERS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. ASPIN. Mr. Speaker, I wish to speak on recent and widely publicized allegations that the Israeli Government systematically tortures Arab prisoners in the occupied territories on the West Bank. Having completed a thorough investigation of the matter, I can only conclude that no such accusation could reasonably be made.

My conclusion agrees with the conclusions reached by the State Department's international human rights report, the U.S. Embassy in Israel, and the International Committee of the Red Cross. The opinion of the Red Cross is probably the most significant. It is a totally independent organization. Its officials are allowed to visit any prisoner no later than the 14th day after the date of arrest, they can have physicians conduct medical examinations, all with no Israeli officials present.

The Red Cross has visited about 1,000 Arab prisoners and has reported mistreatment in only a very few instances—so few that it could in no way be termed "systematic." Edward M. Mezvinsky, the U.S. delegate to the Human Rights Commission of the United Nations, says that Red Cross authorities told him last July that they have found no evidence of "systematic torture of Arab political prisoners."

Reports of systematic torture are based on two cables sent by the U.S. Consulate's office in Israel. In contrast to the massive and totally independent investigations made by the Red Cross, these consulate cables are based on interviews with only 29 Arabs, many of whom may have had political motivations for saying what they did. In any event, the reports were made so long after the Arabs' imprisonment that no physical evidence could verify their claims.

The more famous of the two consulate cables, the one sent by foreign service officer Alexandra U. Johnson on May 31, reported "the possibility that the use of brutality in the interrogation of Arab political prisoners is a systematic practice, backed up by far-reaching administrative support, and protected by standard methods of suppressing complaints and blocking their investigation."

Mr. Speaker, there are simply no solid facts supporting these assertions.

Nobody, including the official who filed this cable, has ever discovered evidence that Israeli officers are trained in the techniques of torture. Furthermore, we know of several instances in which brutal officers have been dismissed by the Israeli Government. For example, last year the Military Governor of the West Bank was fired for allowing excessive force to be used against Arab prisoners.

I also find it noteworthy that the Israelis do fully cooperate with the International Committee of the Red Cross, something which many governments do not.

The consulate officer based her conclusion of "systematic torture" largely on the finding that the stories of many formerly imprisoned Arabs suggest that similar techniques of torture appeared to have been applied. Even if this were true, I find it flimsy grounds for concluding that the brutality has been "systematic." There are, after all, only so many ways of beating somebody. That two or three people do it fairly similarly does not necessarily indicate a systematic effort.

Certainly, some cases of mistreatment have occurred, just as they occur everywhere in the world, and these instances are regrettable and inexcusable. The key question, however, is whether such practices have been systematic, whether they reflect the policy of the Israel Government. There is simply no convincing evidence that this is the case.●

SIXTY-FIRST ANNIVERSARY OF ESTONIA

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. COTTER. Mr. Speaker, February 24 marked the 61st anniversary of the Declaration of Independence of Estonia. I would like to join with my colleagues in commemorating this memorable occasion on behalf of those who are unable to celebrate their own nation's independence.

Estonia has had a history of oppressive rulers, but its people have consistently fought these oppressors. Soon after the proclamation of independence in 1918, Estonia was occupied by the German Army. The World War I armistice ended this period of suppression. However, the Bolshevik army soon attacked the country and was ready to impose the Communist system. The Estonian people fought for their freedom with the help of neighboring countries and they succeeded. However, the people of Estonia are once again under Communist rule because of the Molotov-Ribbentrop Pact of 1939.

Today Estonia remains under Communist rule. The people face repressive policies that rule not only their country but also their private lives. The consequences are drastic, for even the people's fundamental freedoms are at stake. As a Nation that proclaims freedom is for all, we should be supportive of the Estonian people and their cause for freedom. We commemorate the 61st anniversary of the Declaration of Independence of Estonia.●

LOCAL GOVERNMENT TAXING AUTHORITY AT NATIONAL AIRPORT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. FISHER. Mr. Speaker, airports are places of business for airlines, car rental companies, restaurants, newsstands, and many other activities. In most jurisdictions this commercial activity and its customers pay their share of taxes. One would expect that the full range of State and local taxes would be levied at the two commercial airports owned and operated by the Federal Government; however, the taxing authority granted to local governments is different for each of the airports. I am introducing a bill today that would permit Virginia and Arlington County to levy the same taxes at National Airport that Virginia and Fairfax and Loudoun Counties can levy at Dulles International Airport.

The tax status of the two airports varies, because they operate under different Federal legislation. In 1945, Congress and the Virginia General Assembly approved a compact which granted the Federal Government nearly exclusive jurisdiction over National Airport. But unlike other Federal reservations, National Airport is not covered under the Buck Act, which permits State and local governments to tax sales, motor fuels, gross receipts, and the like on Federal property. Congress did give Virginia and Arlington County some taxing power in 1970, primarily to collect State sales tax, for example, but still the power is not as broad as allowed by the Buck Act.

The legislation establishing Dulles International Airport did not include the same restrictions on taxing authority that apply to National. In addition to the taxes permitted under the Buck Act, local jurisdictions in which Dulles is located can and do tax the leasehold interests of the airlines, business licenses, personal property, and business personal property. My bill seeks to grant the same taxing authority over National as was approved by Congress for Dulles.

Of greatest significance is the provision in the bill permitting Arlington County to collect property taxes. Business and personal property and the value of leasehold interests would be subject to this tax. Arlington County loses a significant amount of revenue by being denied the right to levy these taxes. A rough guess, extrapolated from the value of property and leasehold interests at Dulles, is that $200,000 could be collected annually. Since the property at National has never been assessed, no one knows for sure what the tax collections might be.

Arlington County is interested in gaining the authority to levy additional taxes at National Airport for several reasons. The county government incures expenses because of the airport, without any compensating benefits. For example, the costs of the Metro stop at the airport are charged to Arlington County although generally it serves airplane travelers and is not particularly accessible to Arlington residents. The stop involved a onetime expense of over $1 million and the annual operating costs for the stop, which are charged to Arlington, are between $100,000 and $200,000. County roads and State highways leading to the airport receive heavy use from travelers to the airport. Also, any new construction in Arlington County which may affect radar or flight paths has to be coordinated with airport management. These are examples of costs to the county which can be attributed to the presence of National Airport.

Arlington County and its citizens also bear the indirect but very burdensome cost of the air and noise pollution generated by the airport. Any new tax collections resulting from the bill I am introducing will be fair compensation for costs such as these.

Finally, there is no justification for granting different tax status to activities at the two Federal airports which, in this case, are even located in the same State.

This bill will not result in any additional Federal costs at National Airport. As at Dulles International Airport, or any other Federal reservation, taxes would not be imposed on Federal properties or activities but only on those of private interests doing business there.

I hope that this long overdue equalization of the tax treatment of the two airports can be approved quickly.●

A TRIBUTE TO FRANK HOYE

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. SHANNON. Mr. Speaker, it is with great sadness that I must inform my colleagues of the recent death of Francis P. (Frank) Hoye, a close friend of many Members of the House who retired last February as chief Journal clerk of the House of Representatives.

Frank came to Washington from his home city of Lawrence, Mass., in 1949, after serving his country in the Navy, seeing action in the South Pacific and at Iwo Jima. He was appointed assistant Journal clerk by Congressman Thomas Lane of Massachusetts. Frank was warned that his job might not last more than 2 years. He took the job, however, and performed his duties so conscientiously that in 1961 he was named chief Journal clerk, a position he held until his retirement. Frank's ultimate honor was to receive the John W. McCormack Annual Award for employee excellence last May.

I was not fortunate enough to serve in Congress while Frank was the Journal clerk. However, I know from the high esteem that my colleagues held him in and from his achievements and service to the House, that Frank exemplified all the qualities that constitute the ideal of a public servant.

My heartfelt condolences go out to Frank's wife Kathryn and his children, Patrick, Ellen, and John.●

THE YEAR 1979 MARKS THE CENTENNIAL OF INCANDESCENT LIGHT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McCLORY. Mr. Speaker, we are celebrating this year the 100th anniversary of the invention of incandescent light by an individual who, more than any other, is identified with the whole modern concept of "light"—Thomas Alva Edison.

An International Committee for the Centennial of Light has been established on which my constituents, Albert B. Dick III, chairman of A. B. Dick Co., and William Ylvisaker, chairman of Gould Corp., are active committee members.

Mr. Speaker, Thomas Alva Edison was born on February 11, 1847. It was in the 32d year of his life that he invented incandescent light on October 21, 1879. Accordingly, it is in recognition of this great invention and its multiple benefits to all mankind that we are celebrating the Centennial of Light throughout 1979—to be culminated on October 21, 1979.

Mr. Speaker, other members of the International Committee for the Centennial of Light include Raymond C. Firestone, Henry Ford II, Reginald H. Jones, and Charles Luce. The committee is chaired by Robert I. Smith, who is chairman of Public Service Electric & Gas Co., Newark, N.J.

Mr. Speaker, by virtue of earlier action of the Congress and by an Executive order of the President of the United States, National Inventors Day is proclaimed annually on February 11 to coincide with the birth date of Thomas Edison. Since 1979 is the 100th anniversary of the invention of incandescent light, it is my hope that other activities and ceremonies may be arranged this year by the Congress and by the executive branch of our Federal Government so that Thomas Edison's great contributions to science and to humanity may be appropriately recognized.

Mr. Speaker, I am confident that the aims and plans of the International Committee for the Centennial of Light can have beneficial effects upon the people of our Nation and of the world—particularly the young citizens who can find inspiration in the work and deeds of Thomas Edison. In honoring Thomas Edison on his birthday and celebrating the Centennial of Light during this 100th anniversary of Edison's great invention, we are honoring both the memory of Edison and his scientific and technological achievements which have helped move the modern world toward educational, cultural, and social advances undreamed of a century ago.

In addition, the material and spiritual benefits which have ensued from this great invention, culminating in the various electrical and electronic developments which have followed, provide comforts and advances for which all of our citizens should be grateful.

Mr. Speaker, in paying tribute to Thomas Alva Edison on the 100th anniversary of the invention of incandescent light, I wish also to salute the members of the International Committee for the Centennial of Light on their efforts and activities in behalf of this cause. I wish to assure them as one Member of the House of Representatives—and in behalf of many others for whom I speak today—that we commend them on their activities in behalf of this important centennial event.●

SIXTY-FIRST ANNIVERSARY OF MODERN LITHUANIA

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. COTTER. Mr. Speaker, February 16 marks the 61st anniversary of the modern Republic of Lithuania. On behalf of my Lithuanian constituents I would like to join with all Americans in commemorating the anniversary of their nation's Declaration of Independence.

This day of commemoration acknowledges the people of Lithuania who are unable to join with us in celebrating the founding of their nation state. Lithuania, once the largest nation in Europe, has been dominated by oppressive rulers during most of its 728-year history. The Soviet Union is presently dominating the Baltic State with a policy of forced assimilation by forbidding the Lithuanian language. In addition, the peoples' religious and political beliefs are targets of an oppressive policy.

On this anniversary of independence I would like to join with my colleagues in expressing our support to all Lithuanians who have inspired us with their courage and determination in working for a free country. It is our responsibility as a Nation of free people to demonstrate our concern for the oppressed nations of the world and to take an active part in commemorating their independence.●

STATEMENT OF DEINSTITUTIONALIZATION BILLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing three bills which are intended, as a package, to improve living conditions for persons released from mental institutions and for the communities in which they reside.

Former mental patients, thousands of whom have been "deinstitutionalized in recent years under changing Federal and State policies, are often the most vulnerable members of our society. Frequently these individuals are forgotten once they leave institutions and are left to their own inadequate resources. Government at all levels has not provided the comprehensive followup social services which are indispensable for insuring that these former patients can function as independent, productive citizens.

In my own district in New York City, several thousand former patients have been quite literally "dumped" into shoddy single room occupancy (SRO) hotels where they become prey for violent crime and where they are left, alone, to somehow become accepted members of the community.

There is a great deal the Federal Government can do to remedy this shameful situation. The three bills I am introducing address the problem from various perspectives and seek to make better services more readily available to former mental patients.

One bill would amend title XIX of the Social Security Act to provide medicaid assistance to patients in mental institutions regardless of their age. At present, medicaid eligibility is limited to those patients younger than 22 and older than 65. My legislation would enable patients of all ages to receive comprehensive treatment in institutions under the medicaid program.

A second bill I am introducing would amend title XX of the Social Security Act to increase Federal payments to States for services that will assist former patients in their communities. Among the assistance to be provided them under an expanded title XX program would be sheltered employment, alternative housing, counseling, and therapeutic treatment.

The third bill in the package would amend title XVI of the Social Security Act to eliminate the benefit reduction under the supplemental security income (SSI) program that now occurs when an SSI recipient receives some financial support from other persons with whom he or she is residing. The legislation would also continue SSI payments for 3 months after a person is institutionalized so that the individual's home or apartment could be maintained while they are residing in a public facility. The bill also mandates close monitoring of SSI trial work provisions and clarifies the stipulation that SSI benefits may be paid on the basis of presumptive mental disability as well as presumptive physical disability.

Taken as a package, this legislation will do much to improve living conditions for mental patients in institutions and in the communities to which they are released.

We should be moved, not only by compassion for some of the least fortunate of our fellow Americans, but also by fiscal prudence to encourage former patients to become productive, independent members of our society. These bills will bring us closer to this aim:

H.R. —

A bill to amend title XVI of the Social Security Act to eliminate the benefit reduction presently applicable to individuals receiving support and maintenance from families with whom they are living, to continue SSI payments for three-months when a beneficiary is institutionalized, to provide for the monitoring of the SSI trial work period provisions, and to make it clear that SSI benefits (for up to three months) may be paid on the basis of presumptive mental (as well as physical) disability

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SUPPORT AND MAINTENANCE IN ANOTHER PERSON'S HOUSEHOLD

SECTION 1. (a) Clause (i) of section 1612 (a)(2)(A) of the Social Security Act is amended to read as follows:

"(i) in the case of any individual (and his eligible spouse, if any) living in another person's household, support and maintenance received in kind from such person shall not be included,".

(b) Clause (iii) of section 1612(a)(2)(A) of such Act is amended by striking out "and the provisions of clause (i) shall not be applicable".

ELIGIBILITY OF INDIVIDUALS IN CERTAIN MEDICAL INSTITUTIONS

SEC. 2. (a) Section 1611(e)(1)(A) of the Social Security Act is amended by striking out "subparagraph (B) and (C)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)".

(b) Section 1611(e)(1) of such Act is further amended by redesignating subparagraph (C) as subparagraph (D), and by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) Except as provided in subparagraph (C), in any case where an eligible individual or eligible spouse is in a hospital, extended care facility, nursing home, or intermediate care facility, such individual's benefit for the period ending with the third consecutive month throughout which he is in such hospital, home, or facility shall be determined as though he were continuing to reside outside the institution under the same conditions as before he entered the institution.

"(C) In any case where an eligible individual or eligible spouse, throughout any month, is in a hospital, extended care facility, nursing home, or intermediate care facility, receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, and such month is either—

"(i) the first month in any period of eligibility under this title based on an application filed in or before such month, or a month in a continuous period of months beginning with such first month, throughout which such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), or

"(ii) the fourth consecutive month throughout which, or a month in a continuous period beginning with such fourth consecutive month throughout which, such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period),

the benefit for such individual for such month shall be payable—

"(iii) in the case of an individual who does not have an eligible spouse, at a rate not in excess of $300 per year (reduced by the amount of any income of such individual which is not excluded pursuant to section 1612(b));

"(iv) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facility throughout such month, at a rate not in excess of the sum of—

"(I) the rate of $300 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such hospital, home, or facility), and

"(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

"(v) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month, at a rate not in excess of $600 per year (reduced by the amount of any income of either spouse which is not excluded pursuant to section 1612(b));

except that for purposes of any provision of law other than this subparagraph, any benefit determined under clause (iv) shall be deemed to be payable at a rate equal to the sum of the rate of $300 per year and the applicable rate specified in subsection (b)(1), reduced by any income of either spouse which is not excluded pursuant to section 1612(b).".

TRIAL WORK PERIODS

SEC. 3. Section 1614(a)(4) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(E) The Secretary shall monitor the operation of this paragraph on a continuing basis with particular emphasis upon the extent to which it is giving disabled indivduals an effective opportunity to overcome their disabilities and return to active participation in the labor force, and shall take such actions as may be appropriate to make it clear to such individuals that, under the provisions of this paragraph, they can return to work and earn substantial amounts without losing their benefits if their earnings are related to the achievement of self-support.".

PAYMENT OF BENEFITS ON BASIS OF PRESUMPTIVE MENTAL DISABILITY

SEC. 4. Section 1631(a)(4)(B) of the Social Security Act is amended by inserting after "presumptively disabled" the following: "(whether by reason of a physical impairment or a mental impairment)".

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall apply with respect to benefits payable for months after the month in which this Act is enacted.

H.R. —

A bill to amend title XX of the Social Security Act to increase Federal payments to States for services which will assist in removing people from institutions, including the provision of alternative housing, sheltered employment, and similar services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2001(4) of the Social Security Act is amended by inserting after "less intensive care," the following: "and by providing for alternative housing, sheltered employment, and related items,".

SEC. 2. (a) Section 2002(a)(1) of the Social Security Act is amended by inserting after "planning services" in the matter preceding subparagraph (A) the following: ", 90 per centum of the total expenditures during that quarter for the provision of services directed at the goal of preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care and by providing for alternative housing, sheltered employment, and related items,".

(b) Section 2001(a)(1) of such Act is further amended—

(1) by adding "or" after the comma at the end of subparagraph (C);

(2) by striking out subparagraph (D); and

(3) by redesignating subparagraph (E) as subparagraph (D).

SEC. 3. The amendments made by this Act shall apply with respect to quarters beginning after September 30, 1978.

H.R. —

A bill to amend title XIX of the Social Security Act to make assistance available under the medicaid program for patients in mental institutions without regard to their age (instead of only for those patients in such institutions who are under 22 or over 65 as at present)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1905(a) of the Social Security Act is amended—

(1) by striking out "for individuals 65 years of age or over in an institution for tuberculosis or mental diseases" in paragraph (14) and inserting in lieu thereof "for individuals in an institution for mental diseases (including but not limited to inpatient psychiatric hospital services as defined in subsection (h)) and for individuals 65 years of age or over in an institution for tuberculosis";

(2) by adding "and" after the semicolon at the end of paragraph (15);

(3) by striking out paragraph (16);

(4) by redesignating paragraph (17) as paragraph (16);

(5) by striking out "except as otherwise provided in paragraph (16)" (in the matter following the numbered paragraphs) and inserting in lieu thereof "except as otherwise provided in paragraph (14)"; and

(6) by striking out "or mental diseases" in subdivision (B) (in the matter following the numbered paragraphs).

SEC. 2. (a) Section 1902(a)(10) of the Social Security Act is amended (in the matter which follows subparagraph (C)) by striking out "(4), (14), or (16)" and inserting in lieu thereof "(4) or (14)".

(b) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by striking out "(16)" and inserting in lieu thereof "(15)".

(c) Section 1902(a)(20) of such Act is amended by striking out "65 years of age or older" in the matter preceding subparagraph (A), and in subparagraph (C).

(d) Section 1902(a)(21) of such Act is amended by striking out "65 years of age or older".

(e)(1) Section 1905(c) of such Act is amended by striking out the last sentence.

(2) Section 1905(d) of such Act is repealed.

(f) Section 1905(h)(1) of such Act is amended—

(1) by striking out "paragraph (16) of subsection (a)" in the matter preceding subparagraph (A) and inserting in lieu thereof "paragraph (15) of subsection (a)";

(2) by striking out "for individuals under age 21" in the matter preceding subparagraph (A);

(3) by adding "and" after the semicolon at the end of subparagraph (A);

(4) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(5) by striking out subparagraph (C).

SEC. 3. The amendments made by this Act shall apply with respect to care and services furnished in months after the month in which this Act is enacted.●

THE CONSTITUTIONAL QUESTIONS RAISED BY LOBBYING DISCLOSURE

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. KINDNESS. Mr. Speaker, on Wednesday, February 28, the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee resumes its consideration of proposed lobbying disclosure legislation. The regulation of lobbying, through required public disclosure, presents the Congress with some serious constitutional problems and policy questions. Lobbying—the right to petition—is protected by the first amendment. Any interference with, or infringement upon, this right must receive extremely close legislative scrutiny.

In an effort to point up the various constitutional and policy issues raised by this subject, I have introduced my own version of a "Regulation of Lobbying Act"—H.R. 2302. It differs considerably from other measures which the subcommittee has before it. It contains a simplified "threshold" to determine whether an organization is a lobbyist or not. It would mean far less burdensome reporting and fewer categories of required information than its counterparts. It contains no constitutionally-questionable requirements that grass roots lobbying efforts or contributors be disclosed. The enforcement provisions are clearer, less onerous, and simplified. No criminal penalties would be imposed for the violation of its requirements. The emphasis in enforcement is on the protection of individual rights, conciliation, and the informal settlement of disputes.

For my colleagues' convenience and information, the text of my proposal is as follows:

H.R. 2302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulation of Lobby Act of 1979".

GENERAL DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "affiliate" includes organizations or other groups of persons which are associated with each other through any type of formal relationship, such as through ownership, the election of officers or directors, through franchise agreements, through common funding, or through common adherence to a charter or organizational bylaws.

(2) The term "Comptroller General" means the Comptroller General of the United States.

(3) The term "Congress" means—

(A) any Member of the Senate or the House of Representatives, any Delegate to the House of Representatives, and the Resident Commissioner in the House of Representatives; and

(B) any officer or employee of the Senate or the House of Representatives or any employee of any Member, committee, or officer of the Congress.

(4) The term "expenditure" includes—

(A) a payment, distribution, loan, advance, deposit, or gift of money or anything of value made, disbursed, or furnished, and

(B) a promise, contract, or agreement, whether or not legally enforceable, to make, disburse, or furnish any item referred to in subparagraph (A).

(5) The term "identification" means—

(A) in the case of an individual, the name, occupation, and business address of the individual and the position held in such business; and

(B) in the case of an organization, the name and address of the organization, the principal place of business of the organization, the nature of its business or activities, and the names of the executive officers and the directors of the organization, regardless of whether such officers or directors are paid.

(6) The term "lobbying communication" means an oral or written communication directed to Congress and which is intended to influence the content or disposition of any bill, resolution, treaty, nomination, hearing, report, or investigation, but does not include—

(A) a communication by an individual for a redress of grievances, or to express his opinion;

(B) a communication by an individual with a Senator or a Member of the House of Representatives, or an individual on the personal staff of such Senator or Member, representing the State where the individual resides;

(C) a communication on behalf of an organization with a Senator or Member of the House of Representatives, or an individual on the personal staff of such Senator or Member, representing the State in which such organization has its principal place of business;

(D) a communication which deals only with the existence or status of any issue, or which seeks only to determine the subject matter of an issue;

(E) a communication made at the request of Congress, or submitted for inclusion in a report of a hearing or in the record or public file of a hearing;

(F) a communication by a Senator, Member of the House of Representatives, officer, or employee of the Congress, acting in his official capacity; or

(G) a communication made through a speech or address, through a newspaper, book, periodical, newsletter, or magazine or other written material published for distribution to the general public or to the membership of an organization, or through a radio or television broadcast.

(7) The term "organization" includes any corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, national organization of State or local elected or appointed officials (excluding any national or State political party and any organizational unit thereof, and excluding any association comprised solely of Members of Congress or Congressional employees), groups of organizations, or groups of individuals, which has paid officers, directors, or employees, and with respect to the activities of its Washington representative, a State or unit of local government.

(8) The term "quarterly filing period" means any calendar quarter beginning on January 1, April 1, July 1, or October 1.

(9) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(10) The term "Washington representative" means any agent or employee of a State or of a unit of local government who maintains a business address in the standard metropolitan statistical area which includes the city of Washington, District of Columbia, and whose function includes engaging in the activities described in section 3(a).

(11) The term "direct business relationship" means the relationship between an organization and any Senator, Member of the House of Representatives, officer or employee of the Congress, in which—

(A) such Senator, Member, officer or employee is a partner in such organization;

(B) such Senator, Member, officer or employee is a member of the board of directors or similar governing body of such organization, or is an officer or employee of such organization; or

(C) such organization and such Senator, Member, officer or employee each hold a legal or beneficial interest (excluding stock holdings in publicly traded corporations, policies of insurance, and commercially reasonable leases made in the ordinary course of business) in the same business or joint venture, and the value of each such interest exceeds $1,000.

(12) The term "reasonable suspicion" means specific facts and circumstances, which taken together with rational inference from those facts and circumstances, give rise to a strong possibility that specified activity has occurred, is occurring, or is about to occur.

APPLICABILITY OF ACT

SEC. 3. (a) The provisions of this Act shall apply to any organization which makes an expenditure in excess of $5,000 in any quarterly filing period for the employment of at least one individual, or for the retention of an individual or another organization, to make lobbying communications. Except that the provisons of section 4 and section 6 of this Act shall not apply to an affiliate of a registered organization if such affiliate engages in activities described in this subsection and such activities are reported by the registered organization.

(b) This Act shall not apply to practices or activities regulated by the Federal Election Campaign Act of 1971.

REGISTRATION

SEC. 4. (a) Each organization shall register with the Comptroller General not later than thirty days after engaging in activities described in section 3(a).

(b) The registration shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) An identification of the organization, except that nothing in this paragraph shall be construed to require the disclosure of the identity of the members of an organization.

(2) An identification of any employee, retained person, and retained organization in section 3, and a listing of the major issues upon which the organization expects to lobby in the calendar year.

(c) A registration filed under subsection (a) in any calendar year shall be effective until January 15 of the succeeding calendar year. Each organization required to register under subsection (a) shall file a new registration under such subsection within fifteen days after the expiration of the previous registration, unless such organization notifies the Comptroller General, under subsection (d), with respect to terminating the registration of the organization.

(d) Any registered organization which determines that it will no longer engage in activities described in section 3(a) shall so notify the Comptroller General. Such organization shall submit with such notification either (1) a final report, containing the information specified in section 6(b), concerning any activities described in section 3(a) which the organization has not previously reported or (2) a statement, pursuant to section 6(a)(2), as the case may be. When the Comptroller General receives such notification and report or statement, the registration of such organization shall cease to be effective.

RECORDS

SEC. 5. (a) In accordance with regulations prescribed by the Comptroller General, each organization required to be registered under this Act and each retainee of such organization, shall maintain records relating to the registration and reports required to be filed under this Act. In promulgating regulations, the Comptroller General is authorized to require maintenance of only such records as are essential to enable an organization to comply with the provisions of this Act, and may not by rule or regulation require an organization which is not registered pursuant to this Act to maintain or establish records, other than those records normally maintained by the organization, for the purpose of enabling him to determine whether such organization is required to register.

(b) Any officer, director, employee, or retainee of any organization shall provide to such organization such information as may be necessary to enable such organization to comply with the recordkeeping and reporting requirements of this Act. Any organization which shall rely in good faith on the information provided by any such officer, director, employee, or retainee shall be deemed to have complied with subsection (a) with respect to that information.

(c) The records required by subsection (a) shall be preserved for a period of three years after the close of the quarterly filing period to which such records relate.

REPORTS

SEC. 6. (a)(1) Each oganization which engages in the activities described in section 3(a) during a quarterly filing period shall, not later than thirty days after the last day of such period, file a report concerning such activities with the Comptroller General.

(b) Each report required under subsection (a)(1) shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) An identification of the organization filing such reports, and those employees, retained persons, and retained organizations described in section 3(a).

(2) The approximate amount of the total expenditures which such organization made with respect to lobbying communications. An organization may make such statement based either on that portion of the salary of an individual described in section 3(a) directly attributable to lobbying communications or the total salary paid to such individual.

(3) An itemised listing of each expenditure in excess of $35 made to or for the House of Representatives, officer or employee of the Congress.

(4) A disclosure of those expenditures for any reception, dinner, or other similar event which is paid for, in whole or in part, by the reporting organization and which is held for the benefit of any Senator or Member of the House of Representatives, regardless of the number of persons invited or in attendance, where the total cost of the event exceeds $500.

(5) A listing of the issues concerning which the organization filing such report engaged in activities described in section 3(a) and upon which the organization spent a significant amount of its efforts.

(6) A disclosure of each known direct business relationship between the reporting organization and a Senator, Member of the House of Representatives, officer or employee of the Congress, whom such organization has sought to influence during the quarterly filing period involved.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 7. (a) It shall be the duty of the Comptroller General—

(1) to withhold from public disclosure, upon petition by any individual or organization, any information otherwise required to be disclosed to the public pursuant to this Act, upon a showing that disclosure of the information may reasonably be expected to lead to the harassment of any individual or organization or lead to threats or reprisals against any individual or organization;

(2) except in the cast of information withheld pursuant to paragraph (1), to make copies of registrations and reports filed with him under this Act available for public inspection and copying, commencing as soon as practicable, but no later than the end of the fifth day following the day of receipt, and permit copying of any such registration or report by hand or by copying machine or, at the request of any person, to furnish a copy of any such registration or report upon payment of a fee which shall be limited to reasonable standard charges for the direct cost of a document search and duplication;

(3) to preserve the originals or accurate reproductions of such registrations and reports for a period of not less than three years from the date on which the registration or report is received; and

(4) to prescribe such procedural rules and regulations, and such forms as may be necessary to carry out the provisions of this Act in an effective and efficient manner.

(b) The duties of the Comptroller General described in subsection (a)(4) of this section shall be carried out in conformity with chapter 5 of title 5, United States Code, and any records maintained by the Comptroller General under this Act shall be subject to the provisions of sections 552 and 552a of such chapter.

ENFORCEMENT

SEC. 8(a) It shall be the duty of the Attorney General to investigate alleged violations of any provision of this Act whenever there is a reasonable suspicion that a violation has occurred. The Attorney General shall expressly authorize in writing each such investigation. Any such investigation shall be conducted expeditiously and with due regard for the rights of privacy of the individual or organization involved.

(b) No investigation under this Act shall commence solely on the basis that an organization is engaged in making lobbying communications.

(c) The Attorney General shall notify the subject of an investigation under subsection (a), unless the Attorney General determines that such notice would interfere with the effective enforcement of this Act.

(d) If the Attorney General determines, after any investigation under subsection (a), that there is reason to believe that any individual or organisation has engaged in any act or practice which constitutes a civil violation of this Act as described in section 11(a), he shall endeavor to correct such violation by informal methods of conference or conciliation.

(e) If the informal methods described in subsection (d) fail, the Attorney General may institute a civil action, including an action for a permanent or temporary injunction, restraining order, or any other appropriate relief, in the United States district court for the judicial district in which such individual or organization is found, resides, or transacts business.

(f) The United States district courts shall have jurisdiction of actions brought under this Act.

REPORTS BY THE COMPTROLLER GENERAL

SEC. 9. The Comptroller General shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Comptroller General in carrying out his duties and functions under this Act, together with recommendations for such legislative or other action as the Comptroller General considers appropriate.

CONGRESSIONAL DISAPPROVAL OF RULES OR REGULATIONS

SEC. 10. (a) Upon promulgation of any rule or regulation to carry out the provisions of section 4, 5, or 6 under the authority given him in section 7(a)(4) of this Act, the Comptroller General shall transmit notice of such rule or regulation to the Congress. The Comptroller General may place such rule or regulation in effect as proposed at any time after the expiration of ninety calendar days of continuous session after the date on which such notice is transmitted to the Congress unless, before the expiration of such ninety days, either House of the Congress adopts a resolution disapproving such rule or regulation.

(b) For purposes of this section—

(1) continuity of session of the Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the ninety calendar days referred to in subsection (a).

SANCTIONS

SEC. 11(a). Any individual or organisation who with specific intent violates section 4, 5, or 6 of this Act shall be fined not more than $5,000 for each such violation not to exceed $100,000.

(b) Any individual or organization selling or utilizing information contained in any registration or report in violation of section 7(a)(1) of this Act shall be subject to a civil penalty of not more than $100,000.

EFFECT ON OTHER LAWS

SEC. 12. An organization shall not be denied an exemption or have an existing exemption revoked under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501(c) of such Code, and shall not be denied status as an organization described in section 170(c)(2), 2055(a)(2), 2106(a)(2) and 2522 of such code, solely on the basis of information disclosed under this Act.

REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT

SEC. 13. The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.), and that part of the table of contents of the Legislative Reorganization Act of 1946 which pertains to Title III thereof, are repealed.

SEPARABILITY

SEC. 14. If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. There are authorized to be appropriated to carry out this Act $1,600,000 for the fiscal year beginning on October 1, 1980; $1,600,000 for the fiscal year beginning on October 1, 1981, and, $1,600,000 for the fiscal year beginning on October 1, 1982.

EFFECTIVE DATES

SEC. 16(a). Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1980.

(b) Sections 3, 4, 5, 6, 8 and 11, shall take effect on the first day of the first calendar quarter beginning after the date on which the first rules and regulations promulgated to carry out the provisions of sections 4, 5, and 6 take effect, in accordance with sections 7 and 10.●

PRESIDENT URGED TO ADOPT SUBURBAN POLICY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MOTTL. Mr. Speaker, I insert in today's RECORD a copy of a letter written to President Carter by the House Suburban Caucus.

The caucus is urging the President to adopt a suburban policy to go along with his urban and rural policies. The problems affecting suburban residents, who pay most of the income taxes in this country, are unique and cannot be dealt with by an urban or rural policy.

We recognize that there is a valid need for urban and rural policies, but the 60-member caucus feels there is also a great need for a separate policy to address the problems of suburbia.

The caucus will continue to press for a separate suburban policy to meet the needs of millions of neglected Americans in the suburbs.

The letter follows:

THE SUBURBAN CAUCUS,
February 22, 1979.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As co-chairman of the Congressional Suburban Caucus, we would again like to request a meeting between yourself and representatives from our group. We would further suggest that such a meeting be scheduled as soon as possible in order that we are able to discuss the Administration's legislative program for the 96th Congress as it relates to the domestic issues confronting the nation.

We would also like to reiterate our earlier concern that federal policy-makers consider the impact on suburban areas before your legislative and regulatory proposals are submitted to the Congress. It is our firmly held belief that such consideration has not been adequately given in the past. The beginning of the 96th Congress offers an opportunity for change. We look forward to discussing such important domestic matters as countercyclical aid, revenue sharing, housing and community development, and tax matters affecting suburbia with you at an early date.

Sincerely yours,

JOHN W. WYDLER,
RONALD M. MOTTL,
Co-Chairmen.●

FINANCING METRORAIL CONSTRUCTION AND OPERATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. FISHER. Mr. Speaker, before the first shovel of earth was turned in 1969 to begin construction of the Metro subway, many people in the Washington region thought the subway would never be built. Ten years later, with 34 stations and 30.8 miles of track open, serving 215,000 passengers a day, many find it unthinkable that the subway should not be completed. The Washington metropolitan region is proud of its accomplishment in getting Metro this far along. Funds for construction of 60 percent of the system are assured. After extensive study, the local governments in the area have reaffirmed their support for the balance of the system. These are important accomplishments but much more remains to be done. New financing arrangements will have to be approved to meet the remaining construction costs which primarily because of the extreme inflation in those costs during recent years, now appear to be more than twice as high as originally estimated. Beyond this, policies have to be established for covering the costs of operating and maintaining the total bus and rail system.

CONSTRUCTION COSTS

The principal task for the short term is to secure financing for the remaining construction. Over $1.2 billion for construction is available for transfers to Metro from discontinued highway projects. This will have to be matched by about $200 million in State and local funds at the new, more favorable matching ratio for the so-called "interstate transfer" money included in the 1978 Surface Transportation Act which increased the Federal share from 80 percent to 85 percent. In addition to the interstate transfers already earmarked, Metro will need about $1.7 million in Federal contributions plus contributions from the governments in the region. Finally, to complete the construction financing, the Federal Government and the local governments will have to agree on how to repay revenue bonds which were sold to finance part of the early stages of Metro construction.

A Metro financing bill (H.R. 1791) of which I am a cosponsor, has been introduced which will authorize the necessary funds. The bill reaffirms the commitment of the Federal Government to a transportation system in the Washington region and to a special role in supporting the system. It authorizes $1.7 billion (80 percent) in Federal funds, to be matched by $425 million (20 percent)

of State and local funds. Continuing the involvement of the Federal Government in planning and building Metro which dates back to the 1950's and using the matching fund requirements of other Federal transportation legislation, this bill should provide the resources to finish the job.

The early financing of Metro was accomplished partially through the sale of $1 billion in revenue bonds. The Secretary of Transportation has indicated that the Federal Government would repay two-thirds of the principal and interest on the bonds. The local governments will be responsible for the remaining one-third. The new financing bill will codify the agreement on these bonds and also permit flexibility in the payment schedule. Because the revenue from the bonds was used in the early years of the project when the Federal Government was contributing only two-thirds of the cost the repayment of the bonds can logically be set at that ratio. New capital contributions will have an 80 percent Federal share.

OPERATING COSTS

Consideration of the financing of Metro is incomplete without dealing with future operating costs. No public transit system in the country is able to pay its costs from fare revenue alone. Metro needs a definite policy setting forth what share is to come from riders and what share from Government sources. Metro now collects slightly over 50 percent of its costs through fares, some other cities collect more and some less. To make certain that riders continue to bear a fair share of the costs, whatever they may be in the future, the Metro board should seriously consider adopting a fare policy which sets a percentage of operating costs to be covered by fares. Fares should then be revised periodically to maintain that level, which might fall somewhere in the one-half to three-quarters range.

The remainder of the operating costs not paid by fares must be subsidized by Government. The Federal Government contributes to meeting operating costs of transit systems elsewhere in the country, through funds authorized by the Urban Mass Transportation Act. It should perhaps contribute additional amounts to Metro because it plays a special national role in this region. But the larger share of the operating subsidy will have to continue to come from State and local governments. A fare policy, as suggested earlier, will make it easier for these governments to forecast their financial requirements. The shares from the State and local governments respectively will no doubt be worked out differently in Virginia, Maryland, and the District of Columbia. Local jurisdictions may want to subsidize certain categories of riders such as the elderly, students, and low-income persons.

In Virginia the State should assume some portion of this burden, but the local counties and cities will have to carry most of the load. The local governments should also have a predictable, steady source of revenue to meet their obligation. The ideal solution would be a regionwide tax of some sort, but short of that, each major jurisdiction should be able to impose a special tax, the revenue from which is dedicated to Metro. Such a tax would help assure payment of operating costs and would take pressure off the property tax which already is at a high level and must support many other services. It would also give local governments flexibility and control over their financial affairs. In Virginia, one possible alternative would be for the State legislature to authorize an additional penny on the sales tax in northern Virginia jurisdictions participating in Metro.

CONCLUSION

The Metro system has emerged from a difficult period during which alternatives to the unbuilt segments were studied and new financial plans considered. Metro has survived these stresses; the local governments have reaffirmed their commitment to building the rail system. The result is a somewhat delicate set of agreements, each dependent on the other. The local governments have agreed to certain features of the plan in anticipation of certain actions by the Federal Government. The Federal Government, in turn, is willing to do its part only if the State and local governments take certain actions. For the whole to hold together, all parties must trust each other and move ahead with the steps required of them. The Metro financing bill (H.R. 1792) should be enacted by Congress; the State government, certainly Virginia, should ultimately permit a regional dedicated tax; the local governments should provide for their share of needed funds by sponsoring any bond issues required; and the Metro board should agree on a long-term fare policy. I urge my colleagues in the Congress and throughout the region to forge ahead on these important tasks.●

LITHUANIAN INDEPENDENCE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

Mr. ASHBROOK. Mr. Speaker, I thank my colleague, the gentleman from Illinois (Mr. ANNUNZIO), for yielding. I particularly thank him for taking this time so that we might recognize the aspirations of these fine people.

I think it is fair to say for the RECORD that the problem does not come so much from what the intentions and aspirations of the Lithuanian people are. We know they have a resolve to be free; we know they have an unquenchable thirst for freedom that has never abated.

Maybe some of the problem comes from some of us in this country in not holding out enough hope to those oppressed people that someday they will be free. I know that one of the original concepts of the Catholic Lithuanian Declaration of Independence was that this country would hold out to the oppressed peoples of the world, whoever they might be, the hope that they would ultimately live in a world of freedom, and over the years I think we have worked toward that goal.

However, we no longer talk about oppressions, but we talk about the just aspirations of people. I think maybe we in this country and we as part of this special order should not only hail the Lithuanian people for their spirit but look inwardly to ourselves and see whether or not we do hold the candle and the torch, as it were, as a means of giving them the hope that someday they will be free.

Mr. Speaker, I congratulate my colleagues for taking this time to commemorate the 61st anniversary of the Declaration of Independence of the Lithuanian people on this occasion.

BLOOD BANK OF HAWAII

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HEFTEL. Mr. Speaker, I recently came across an interesting article in a magazine entitled "Ampersand," published by the Alexander and Baldwin Co. of Hawaii, which I am delighted to share with my colleagues. The blood bank of Hawaii serves not only as an example of Hawaii's unique problems, being an island State of at least 4½ hours away from the mainland, but also of community awareness and responsibility. The blood bank is indeed a source of pride among Hawaii's citizens as it has developed, through community support and participation, into a sophisticated organization, comparable to many well-run blood banks in the country.

BLOOD BANK OF HAWAII

It is an ordinary day in Hawaii, mostly pleasant and peaceful, but with some unsettling situations.

There's been a car accident and three people are injured.

Several people are undergoing surgery, some open heart, at Honolulu hospitals.

Two infants struggle for survival.

Cancer patients begin another round of treatments.

And, at least one poor soul has bleeding ulcers.

Keeping a close and experienced eye on all of this—as it has done for nearly 40 years—is the Blood Bank of Hawaii.

For the people involved in these situations—although they don't know each other and hardly are in a position to give it a thought—share something in common.

On this ordinary day in Hawaii, they all need blood to stay alive.

And, they will get it, along with others who need it, thanks to the Blood Bank of Hawaii.

The situations described above, multiplied several times, are common occurrences to the Blood Bank. Providing this needed blood is considered meeting "normal requirements." Hawaii requires approximately 2,500 pints (units) of blood a month, just to cover everyday situations. To meet this requirement, the Blood Bank draws (collects) from volunteer donors some 100 pints of blood a day, six days a week.

The Blood Bank also is geared for emergencies—an eight-car accident, for example, in which victims are in trauma, or some other catastrophe. It must supply the blood for such emergencies while continuing to fulfill the State's normal requirements.

In nearly four decades, using various

methods including public appeal, the Blood Bank has done exactly that. In good times and bad, the organization has not let Hawaii down.

Although the Blood Bank is run as a successful business, it is a nonprofit organization whose only objective is to supply Hawaii with blood 365 days a year.

The Blood Bank collects blood from donors throughout the State, processes the blood in its own laboratory, and then distributes it to hospitals to be used in direct patient transfusions. It operates much like a money bank, except that units of blood are the medium of exchange. As it moves blood about and makes "investments," the Blood Bank protects the public against future needs. In doing so, it performs a vital community service.

For the Islands' civilian population, it is the sole collector of and repository for blood. Tripler Medical Center has a similar operation for the military, and these two organizations cooperate to meet all Hawaii's needs.

COMMUNITY SUPPORT

Since 1973 the Blood Bank has received blood on a volunteer basis, and all units are labeled "collected from volunteer donor."

But long before that when different methods were used to get blood—including paying donors—the Blood Bank had captured public interest. Today it enjoys tremendous community loyalty and support.

Evidence of this is found in the 90,000 people who participate in Blood Bank programs.

The Blood Bank and the community are interdependent. Without support and community participation, the Blood Bank could not exist. Without the Blood Bank, Hawaii would be in a dreadful mess. How could the individual hospitals meet all their blood requirements, much less do this as quickly and efficiently as the Blood Bank? What would happen to this isolated island state without its orderly and daily blood supply close at hand? Imagine the chaos in an emergency.

Says Dr. Julia Frohlich, executive director of the Blood Bank of Hawaii. "The community approach is the key to the success of the Blood Bank of Hawaii. Some people might ask, 'Can't we just fly the blood in when we need it?' Technically we could. But imagine the time lost, and the cost to do this. And, who suffers in the end? The patients needing the blood transfusions, which could be any one of us here in Hawaii."

With community responsibility in mind, she adds: "Why should another community on the mainland supply Hawaii's blood needs, in addition to its own? Why shouldn't Hawaii take care of its own needs? The people of Hawaii apparently believe it is their responsibility for they respond well to the Blood Bank appeals and programs. And, this is the most rewarding aspect of our work—the wonderful relationship we have with the community."

But, good as Hawaii has been, every community needs to be spurred on. The one doing this in Hawaii for many years has been Betsy Mitchell, community relations and donor recruitment director at the Blood Bank.

Known throughout the Islands as the Blood Lady, Mitchell's career and personal commitment is to "make sure all our needs are met every single day without wasting a single drop of blood."

This immensely dedicated woman, the most familiar name in local Blood Bank work, will be examined more closely in an accompanying article. As this is written she is busily seeing to it that enough blood is collected, guided by the philosophy: "Donors are the greatest people who even lived—if only they get involved. You must reach them, get to them, tell them the Blood Bank story."

BLOOD IS UNIQUE

There is no doubt that Hawaii's cooperation is based partly on people's healthy respect for this unique, essential element called blood that has yet to be duplicated and that always is in demand.

For people need blood all the time. A lucky few may live a lifetime without requiring a blood transfusion. But most will need blood at least once in their lives. And there are so many who require blood frequently and in large amounts.

The need for blood transgresses all boundaries for it makes no distinction as to race, color, creed, age, sex, religious preference or economic status.

And blood links all humanity for it is supplied to human beings only by other humans.

Explains Dr. Frohlich: "Blood cannot be synthetically reproduced, nor have we found a substitute for it. Humans cannot use animal blood. And, although other countries have experimented with blood from the dead or dying, in the United States we use blood only from living, healthy people."

Hawaii's people keep their Blood Bank well stocked for various reasons. The motive may be personal and purely selfish—"I might need blood someday." It might be genuine compassion—"A friend of mine needs it," or "I'd like to think I've helped someone." Or the reason might be practical and businesslike: "There has to be an adequate blood supply in the community and it's good sense and good business for me to donate." Whatever the motive—and all are perfectly legitimate—the results are impressive.

In addition, donating blood can save people money. The Blood Bank of Hawaii offers plans (discussed in more detail later) whereby donors do not pay a cent for blood when they or their families need it. Like everything else in health care, blood is expensive, and one of the Blood Bank's major goals is to keep costs down.

As a new year opens, the Blood Bank of Hawaii is ready to enter an exciting new era. For one thing, it awaits important national recognition. For another, it prepares to build and then move into a modern, new facility . . . actually its first real home. And, in still another area, some major changes are being made in its plans which should benefit the people of Hawaii.

REGIONAL CENTER

According to Dr. Frohlich, 25 percent of the blood centers in the United States operate in the same manner as the Blood Bank of Hawaii—as nonprofit, community organizations. Fifty percent are Red Cross centers. The other 25 percent are blood centers in hospitals, and these usually are found in the big cities.

The Blood Bank of Hawaii is momentarily awaiting recognition by the American Blood Commission as a regional blood center. This is prestigious recognition for it means that the Blood Bank is meeting important national goals set by the commission. These goals include insuring an adequate supply of blood in the area it serves, providing the highest quality of blood for patient transfusions, offering access to blood and blood products to all in need regardless of economic status, and doing its work efficiently as it collects, processes, stores and distributes blood.

The Blood Bank has been inspected and licensed since 1960 by the bureau of Biologics of the Food and Drug Administration—some 22 years before such inspection became mandatory in the United States.

The Blood Bank is a member of the American Association of Blood Banks which annually inspects and accredits facilities and a founding member of the Council of Community Blood Centers, a national organization whose members share similar goals and structure.

RESEARCH AND EDUCATION

Perhaps least known about the Blood Bank is its role as a respected scientific organization engaged in important research and education.

Although its primary function is to collect, process and distribute blood for patient transfusions, the Blood Bank also serves as a center for consultation regarding drug testing and the use of blood and its components. Among its facilities is a reference laboratory, in which the Blood Bank does "detective work" on type, matching, antibodies and other aspects of blood study for hospitals throughout the State.

The Blood Bank provides many educational services to medical personnel throughout the State, and participants in research programs in Hawaii and on the mainland. Resources and services of the Blood Bank are available to all patients and physicians throughout Hawaii with whom the organization enjoys a warm and cordial relationship.

HISTORY OF CARING

The Blood Bank of Hawaii was founded in February 1941 with funds from the public health committee of the Honolulu Chamber of Commerce. From December 7, 1941, the day the Japanese bombed Pearl Harbor, until October 1943, the Blood Bank functioned as a wartime agency under the Office of Civilian Defense, Department of the Interior.

It returned to its nonprofit civilian community status on October 26, 1943 when it received a charter from the Territorial treasurer.

One of the Blood Bank's founders was Dr. Forrest J. Pinkerton, an eye, ear, nose and throat specialist, and the father of Betsy Mitchell. The difficulties in getting donors during the pre-war days left its mark on Dr. Pinkerton, a community-minded man. It was he who guided the organization on the path to what it is today. Dr. Pinkerton served as a director of and was active in the Blood Bank until his death in 1974.

Throughout its history, the Blood Bank has offered several plans and used various recruiting tools to insure its blood supply. These included a Group Reserve Plan with blood credits for donors, lifetime individual membership plan, replacement program in which people replaced the blood they used by donating blood or paying a fee and cash membership plan. The Blood Bank also paid donors.

In 1960, the Blood Bank dropped its lifetime membership plan and established an annually renewable Blood Service Donor Plan. The plan offers donors complete coverage for a year and contributes to a more regular and predictable blood supply.

Incidentally, up until the late 1960's, military personnel contributed significantly and regularly to the Blood Bank.

In 1973, the Blood Bank stopped paying donors. Relying solely on volunteer donors, the organization made heavy public appeals, particularly on radio.

LIFESAVERS

A dramatic turn of events on November 13, 1975 led to the establishment of the Lifesavers Club, the Blood Bank's most effective group membership plan to date. That was one of the only two days in the Blood Bank's 38 years of service, that its blood supply did not fully meet community needs.

On that day the blood supply in Hawaii was so low that all elective surgery was cancelled. Again appeals went out for blood through radio, television and newspapers.

It was the day Betsy Mitchell required surgery and needed type A blood, which is fairly common. There was not enough for her. But Hawaii would not let its Blood Lady down, and radio appeals brought in dozens of donors. Mitchell was aware of all of this. As she went into surgery, she vowed to work

on a program to make sure this dangerous situation never again would exist in Hawaii.

From that program, which was established with Blood Bank directors Edwin S. N. Wong, John Hansen, John Field and Russell Okara, emerged the highly successful Lifesavers Club based entirely on group participation. Any company can join the Lifesavers Club if 20 percent or more of its employees donate blood. Presently more than 400 companies participate. And the plan is renewable every year.

In Hawaii blood costs $45 a pint. Lifesavers Club members can save this cost for themselves and their families. Those who cannot donate may pay a participation fee of $10—again, providing 20 percent of their company employees participate as donors.

CHANGE IN PLANS

Beginning January 1, all plans and incentives are being dropped except the Lifesavers Club and the Blood Service Donor Plan for the self employed and those who are not Lifesavers. The Blood Bank has found that its other plans and incentives did not noticeably increase the supply of blood, were frequently confusing to the public and not entirely in line with national standards.

The Blood Bank also had divided its blood costs into $15 for the blood itself and $30 for a processing fee. As of January 1, blood will still cost $45 but any reference to a replacement or blood fee will be dropped.

And blood insurance plans for cash also will be dropped.

Explains Dr. Frohlich "What we really excel at is blood—not money. Our membership plans in the past have made us a primary insurer for blood payments. But beginning January 1, as a result of our changes, our membership plans will take a secondary role and the primary insurers will rightfully be the various health plans which provide coverage for blood service anyway. Our plans will provide only those benefits not covered by patients' insurance plans. In this way there is no double coverage, we can help to contain costs in health care, and the community is less confused. We are a blood provider—not an insurance company."

Just as its plans regularly are updated, so the Blood Bank in recent years has undergone changes in structure and approach. Today, it is run as a tight business, similar in makeup to the companies from whom it derives so much support.

The Blood Bank consists of a policy-making board of directors which includes 22 people from the community who give their time and talents on a voluntary basis; an executive director (Dr. Frohlich), who is responsible for the overall management and operation and who also is a member of the board and four departments with a total of 65 employees—administration, donor recruitment, nursing and laboratory.

A self supporting, financially sound organization, the Blood Bank receives no outside funds for its operation, although it does seek public support for its building program.

"We operate with funds generated by the fees charged for blood products," explains Dr. Frohlich. "In other words, we collect money from the sale of our blood products and this income runs the Blood Bank. It pays our salaries and rent and buys our equipment. Incidentally, we use a cooperative inventory approach with the hospitals, and we only charge for the blood that is used."

MANY USES OF BLOOD

Fortunately blood has multiple uses, in whole or part. Blood processing, which is done at the Blood Bank laboratory, consists of separating units of whole blood—with centrifugal machines—into their various parts or components so that more than one person may benefit from a single unit or pint. All blood components are kept and stored in separate plastic bags.

Whole blood is used in cases when large volumes of blood are needed in a hurry, such as for open-heart surgery or accidents. Blood can be broken down into three or four components including red blood cells which is the component most frequently used in transfusions; platelet concentrate for cancer patients undergoing chemotherapy, fresh frozen plasma for coagulation problems; and antihemophilic factor for victims of hemophilia.

Whole blood and its components have varying, but relatively short lifespans. Whole blood and red blood cells must be transfused in 21 days, and platelets in 72 hours. Fresh frozen plasma and antihemophilic factor have a one-year lifespan.

Dr. Frohlich says a new substance which would increase the life of whole blood and red blood cells to 35 days will be available in June 1979. Meanwhile the Blood Bank lab last year got a new cell washer which prepares special units containing only red blood cells. White blood cells, platelets and plasma are completely removed. These washed units of red blood cells are given to patients who may require multiple transfusions over long periods of time.

In view of all of this, it is understandable that while the Blood Bank can't afford to be out of blood, neither can it be oversupplied. A look at the laboratory's refrigerators shows a carefully monitored supply. And, the Blood Bank regularly transfers components not only from its own laboratory, but between hospitals as various needs arise. It also has a supply of rare blood which it distributes to hospitals as needed.

PLANNING IS IMPORTANT

Blood is collected at the donor center on Dillingham Boulevard, and through bloodmobiles which are assigned to different locations on Oahu four days a week. Neighbor Islands also have bloodmobiles and centers for regular, scheduled donations.

The experienced Blood Bank staff knows almost exactly how much blood it can count on from the center and mobiles each day. They also know that 20 percent who show up will not be able to donate for one reason or another, so they count on only 80 percent of the scheduled donors to actually give blood.

It is essential, reminds Mitchell, that companies schedule their employee donors five days in advance for the mobiles. They also should advise the Blood Bank exactly who will be donating. In this way, the Blood Bank can figure what types of blood will come in and schedule their use.

Of necessity, the Blood Bank follows a strict daily routine. Every day as soon as its doors open at 8 a.m., the Blood Bank is advised by all hospitals as to what they have on hand, what is cross-matched (assigned to patients) and what the expected needs are for the day—both planned situations such as surgery and unexpected happenings.

Armed with this information, the Blood Bank checks its refrigerators and then its mobile schedule. It then figures out what can be expected from the donor center. And barring a catastrophe, Hawaii is routinely, but well supplied with blood.

And now the Blood Bank has a bold new plan for emergencies built around volunteer "rescue companies" whose employees can be rounded up in a hurry and from all points in Oahu to donate blood and meet such needs.

NEW HOME

In 1977, when The Queen's Medical Center continued its expansion plans, the building and facilities of the Blook Bank—located there for many years—had to be relocated. The temporary solution was to divide the operation at two sites, with administrative and laboratory functions in the Gold Bond Building on Ala Moana and the donor center on Dillingham Boulevard.

But by 1980, the Blood Bank will have a spacious new home of its own for the first time. Plans are under way to construct a two-story, $900,000 center on 35,000 square feet of leased land adjacent to the donor center on Dillingham. Construction is expected to start in September 1979, but the donor center will continue regular operation.

The new facility will have 13,000 square feet of space and parking for 40 cars. The first floor will be used as a donor center and for supplies and mobile equipment. The second floor will house the laboratory, offices, donor recruitment area, blood inventory equipment, reference lab and two new sections—a blood freezing department (new in Hawaii) and a conference room.

The new building will greatly increase the Blood Bank's efficiency by centralizing all its operations. It will be close to the airport, so that blood can be delivered quickly and easily to Neighbor Islands. In short, it will restore all functions to a full service center—collecting, testing and processing.

Beginning in April 1979, the Blood Bank will appeal to the public for funds to build this new facility. Although it always has asked for blood, the organization has never gone to the community for money before. But, it hopes that the people of Hawaii will want to share in this important new construction.

Although the fund-raising campaign has not yet begun, anyone can start sending donations to the Building Fund, Blood-Bank of Hawaii, Gold Bond Building, Ala Moana.

The Blood Bank of Hawaii has developed into a sophisticated organization that stands tall with others throughout the country. And, it adds a spirit of aloha to efficient business practices. Now, more than ever, the Blood Bank deserves all the support it can get from the community it serves so well.●

ESTONIAN INDEPENDENCE DAY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MOAKLEY. Mr. Speaker, recently we observed the 61st anniversary of the proclamation of the independence by the Republic of Estonia.

The people of Estonia labored long and hard to achieve national identity only to have the Soviet Army march in to impose a Communist government in 1940.

This military occupation of Estonia and in the other Baltic States of Latvia and Lithuania has brought much hardship to these people. There have been arrests, deportations, executions as well as abridgement of all basic human rights.

The plight of nations like Estonia, which are non-Russian yet under Soviet domination, does not often receive attention in the public outcry for human rights. But we in the Congress must no longer neglect the right for all to live independent and free.

At a time when human rights is a cornerstone of our foreign policy, I believe we must have the courage and conviction to speak out against the suppression of Estonian culture and history.

We must make it clear that America stands by her tradition of freedom and strongly supports Estonia and other nations in their quests for freedom.●

AMNESTY INTERNATIONAL'S RESPONSE TO CRITICS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. BONKER. Mr. Speaker, it is difficult for an organization to be active in helping promote respect for basic human rights and not be attacked for having some special ax to grind. One such organization is Amnesty International, which rose to international prominence upon receiving the 1977 Nobel Peace Prize. It is interesting to note that periodically Amnesty is charged with being biased in one way or another; but seldom is it charged that Amnesty is inaccurate.

Recently a piece appeared in the winter 1979 edition of Matchbox (a quarterly publication of the U.S. section of Amnesty International) which responds to concerns about the group's impartiality as well as sets forth the fundamental principles and methods that guide AI's work. The author is Mr. Andrew Blane, who is a member of Amnesty's international executive committee and associate professor of history at CCNY (Lehman College).

I ask that the accompanying excerpt of this article be printed in the RECORD at this time as an articulate explanation of how Amnesty sees its role.

THE INDIVIDUAL IN THE CELL—A REBUTTAL TO "POLITICS AND AMNESTY INTERNATIONAL"

In March 1978 Commentary magazine published an article by Stephen Miller titled "Politics and Amnesty International." Interest in it has apparently been widespread. In the United States it has been entered into the Congressional Record by a U.S. Congressman and reprinted by the Conservative Digest under the heading "Amnesty International—is it Left Wing?" The article has also evoked comment abroad, judging from the queries received by Amnesty International groups in Australia, Great Britain, Canada, the Federal Republic of Germany, Italy, the Netherlands, Sweden and Switzerland. At least one government official has taken active notice: the Ambassador of the South African Embassy in Washington has distributed copies of the article with his replies to correspondence about human rights violations reported in his country. A formal response by Amnesty International is therefore now necessary.

Does the article deserve such widespread attention? Hardly. It is clear the author knows little about Amnesty International. Ninety percent of the general argument is based on a single publication whose contents summarize the work of AI in a single year: 1977. Consequently, the article is at best a book review. It is not, as it purports to be, an analysis of a change in orientation of a movement which in 1977, after sixteen years of existence, had come to embrace 168,000 members and supporters in 107 countries. Nor is the article a good book review. Not one of the arguments put forward can withstand close scrutiny.

"The increasingly indiscriminate attitude AI has been taking toward the question of what constitutes a violation of human rights," he writes, "has resulted . . . in the emergence in its literature of a strange picture of the landscape of injustice." When examined in the light of the expressed limits of AI's literature, this assertion is false and the examples irrelevant. The larger portion of contemporary injustice does not find reflection in Amnesty's literature because it falls outside AI's mandated concerns. Moreover, even within these narrow confines only a part of the world's injustices gets recorded because of an insufficiency of resources to undertake comprehensive research on every country. This limited scope of AI's reports is, in fact, carefully noted in the introductory paragraph to the 1977 annual report. Consequently, to imply that this report in any fashion offers a "picture of the landscape of injustice" is misleading.

To then say on the basis of two paragraphs devoted to Switzerland and one to North Korea that AI's literature offers a strange picture of injustice is nonsense. It is no less ridiculous to contrast the number of prisoners AI reported under adoption in 1977 in the USA and Cuba and to suggest that this too exemplifies the strange picture of the landscape of injustice in AI's literature. The facts belie this notion: 1) The adoption of prisoners is the heart of AI's organization. 2) AI's resources are rarely sufficient to adopt all known political prisoners in a country. 3) AI has a cardinal rule that no prisoner should be adopted for whom this would entail risk. In 1977, AI had no adopted prisoners in Uganda. Does that mean that AI considered Uganda to be a just country? 4) AI has a cardinal rule that no prisoner should be adopted against his or her wishes. Should AI violate these wishes to serve some abstract landscape of injustice drawn by a body-count of adopted prisoners? To put it simply, AI is not organized to paint landscapes of injustice, however tempting that might be, but to free prisoners of conscience, halt torture, stop executions, and it is these concerns that are reflected in its reports.

"AI is stuck with the news it can get, and"—continues the article—"it usually finds it easier to get news from countries that have rightist, authoritarian regimes—not to speak of countries that are democratic—than from countries whose governments are leftist and totalitarian". On the whole this assertion is not troubling, but what is derived from it is. "The consequence is that in AI's latest annual report, the same number of pages (four and a half) is devoted to Singapore as is devoted to China. Four pages are devoted to human rights violations in West Germany, only two to East Germany; three pages to Chile, only two to Cuba; four to South Korea, only two to Cambodia."

This conclusion fails to take into account a number of facts. First, the reports on individual countries which appear in AI's annual report are only part of what AI publishes in any given year. In 1977, individual reports were published on 19 countries. Second, AI may be "stuck with the news it can get", as Mr. Miller puts it, but the organization is by no means passive about this circumstance, ever seeking to enlarge its sources of information. In 1977, for example, no country was given more attention in terms of AI research capacity than China. Third, only rarely does the availability of information affect the length of the country reports in AI's annual report. In 1977, none of the eight countries he cites was so affected. Fourth, Stephen Miller has selected and paired countries on entirely arbitrary grounds. He could have, by another juggling of countries, made a stronger case, or a reverse case, or a wholly different case. With 117 countries to pick from in AI's 1977 annual report, the combinations possible in this "number game"—as well as the ends to which they can be twisted—are many indeed. Fifth, substance rather than length is the fundamental criterion by which to judge AI's literature. If AI's annual report takes two paragraphs to summarize a trial in a country to which it has sent an observer and one paragraph to describe a massacre in another country which it has learned about through intermediaries, by what strange inversion can it be said that two-versus-one paragraphs convey more than the words "trial observation" and "massacre" and that AI is thereby distorting the human rights reality in the two countries? . . .

The great variety of repressive techniques and the impact of these techniques on victims is why Amnesty International sticks strictly to its country-by-country reporting, without presuming to make comparisons. As stated in its 1977 annual report: "In some countries regimes allow para-military groups to kidnap, torture and assassinate political activists: in others prisoners are kept in detention for years without trial. In some police stations torture is carried out with electric shocks; in others with psychological methods. In some prisons the inmates are refused all communication with their families; in others they are starved. There is absolutely no point in trying to judge which measures are categorically 'better' or 'worse' than others. Similarly, it would be a misleading exercise to grade or rank regimes. In the end, what matters is the pain and suffering the individual endures in the police station or in the cell." The individual in the cell—this is the fundamental orientation from which AI seeks to govern all its deeds and actions.

Is there, then, nothing to the charge of "bias" levelled against AI from many quarters of the world? A less facile case could be made using this same ideological prism, i.e., a Left/Right lens. But to be persuasive any critic would have to remain high in the stratosphere looking down at an abstract globe. The moment one moves closer to earth with this lens the image begins to blur and distort. As the regions of the world come into sight, only in Europe and Asia can AI's work be made out dimly through the Left/Right prism, pointing however to opposing conclusions. Nothing has focus in the Americas where there is an overwhelming preponderance of rightist regimes, nor in Africa or the Middle East where Left/Right is hardly the fundamental political reality. If one comes still closer to earth, where the countries of the world come into view, everything gets blurred by the Left/Right lens and any critic is reduced—as Shephen Miller was—to groping for abritrary comparisons. If one comes finally down to earth and touches solid ground, where "the individual in the cell" comes into focus, the Left/Right lens must be cast aside. Amnesty International has no Left/Right lens and such a perspective plays no part in the way AI looks at the world or seeks to act within it.

A more potent charge of "bias" comes from those who, borrowing from economics, use a different ideological prism—i.e., a North/South lens. Criticism from this persoective proceeds much the same way Miller's Commentary article does, first calling into question AI's approach to human rights violations and then accusing AI of exhibiting in its work a political bias. Why does Amnesty International not defend economic and social rights? Why does Amnesty not defend national liberation rights? Why does Amnesty attack only the manifestations of human rights violations and not the exploitive world economic system that is the underlying structural cause of these violations? Examined under these lights, it could be said AI's literature presents "a strange picture of the landscape of injustice" and AI's concerns reveal a serious disproportion. Is not AI's membership mostly in developed countries, and are not AI's actions mostly upon developing countries? Is it not "bias" if AI's reporting on the violations of a chosen few of the whole range of human rights influences governments in developed countries to threaten sanctions on governments in developing countries? Imagine the field day that could be had with "favoritism" if when using the North/South lens a critic were to use statistics in an equally arbitrary manner and compare the number of times AI has testified before US congressional

committees on human rights violations in developing countries with the number of times AI has testified before the legislatures of developing countries on violations of human rights in the USA. A foregone conclusion when arguments are couched in these terms would be that AI must have some policy, or at least some conscious set of attitudes, leading to a practice of whispering softly when it comes to the developed countries of the North but shouting vehemently when it comes to the less developed countries of the South.

The use of the North/South lens is, in fact, far more a practice on the international scene today than is the use of the Left/Right lens, and Amnesty International increasingly encounters attacks on this basis. Yet within the field of human rights, as distinguished from economics, the North/South argument fails as completely as does the Left/Right argument. The human rights AI defends are universal rights, internationally recognised as such: the right to freedom of expression, the right not to be tortured, the right to life. Amnesty International does not devalue other rights in making this choice. On the contrary, it sees economic, social, and cultural rights and civil and political rights to be equally indispensable and interdependent. It keeps a limited mandate for only one reason: to get results. Besides, the North/South way of looking like the Left/Right way of looking, is persuasive only so long as the critic remains in the human rights stratosphere gazing down at an abstract globe. The moment one begins to descend towards earth the image of this lens starts to distort and blur. When the regions of the world come into sight, AI's work can be made out through a North/South prism only within the Americas, not with Europe or Africa or Asia or the Middle East. Coming yet closer to earth, where the countries of the world come into view, everything gets blurred together and all comparisons become arbitrary. When solid earth is finally reached, and "the individual in the cell" comes into focus, the North/South lens must similarly be removed. From the perspective of "the individual in the cell", which is the basic focus of AI, the notion of a North/South bias has no meaning and no validity.

Amnesty International has deliberately chosen to defend certain universally recognised human rights. Wherever it finds men and women deprived of these rights, it will do what it can to help them. It is in this sense that AI's worldwide volunteer movement claims to be impartial. In so far as no major region or political ideological bloc is devoid of violating these rights and AI pursues its task within all of these, its work can also be said to be balanced.

Amnesty International is not without error. Adoption group members have been known to write an impolite letter to a head of state, national sections to publish a crass attack on a country, the International Secretariat to issue a press release wherein a fact has been wrong. Yet in the history of the movement the errors have been happily few; moreover when discovered efforts are made to correct them. Nor is Amnesty International without problems. Some have become more pronounced with the receipt of the Nobel Peace Prize. New members have joined whose energies need to be harnessed and who need to be trained in AI work. Expectations of help have dramatically risen in all parts of the world, as has the demand for human rights information by the media, private and public organizations, and governmental and inter-governmental bodies. Pressure has increased inside and outside AI urging it to take up more tasks at the same time that what is done in AI's name must more than ever be meticulous and of the highest standard. New strains as well as new possibilities have arisen with the further internationalization of the movement as its roots grow deeper in all regions of the world. To this picture must be added the tragic truth that the forces of repression in the contemporary world have not stood still. AI today confronts little diminution in old means of repression while new techniques are being introduced. Whether Amnesty International can meet the challenges it faces and continue to be "an enterprise that has brought home to many", as Shephen Miller has put it, remains to be seen. Its task is not made easier when AI is attacked in a carelessly written article by a self-styled supporter which is then published without proper verification by an influential journal and credulously read and quoted in various parts of the world.●

THE 1980 BUDGET: WHERE TO CUT? LEGISLATIVE QUESTIONNAIRE—JANUARY 1979

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. UDALL. Mr. Speaker, last January I mailed 244,000 legislative questionnaires to my constituents in the Second Congressional District of Arizona, which includes parts of Maricopa and Pinal Counties, and all of Cochise, Pima, and Santa Cruz Counties.

In the questionnaire, I asked 10 questions having to do with the Federal budget. Two dealt with a balanced budget and taxes. With the remaining questions, with the exception of the two on social security, I tried to take a slightly different approach this year. Instead of listing broad national categories and asking Arizonans if they favored cuts or increases for spending in those categories, I tried to bring in examples of Federal spending that profoundly affect our State, our counties, our cities, and the whole range of special services, programs, and agencies which serve hundreds of different groups, from farmers and ranchers to teachers, doctors, miners, and all the others.

The results are interesting, and I want to share them with my colleagues. The interest, however, lies not in any surprises, rather it lies in the fact that the questionnaire results dramatically demonstrates the crosscurrents that seem to be dominant in our country today.

Overwhelmingly, southern Arizonans told me they want a balanced budget this year. Personally, I believe that pace to be too fast and that it could cause a recession. But I think that I owe my constituents a good, hard effort to achieve that goal, if that is their wish.

But with the exception of education, and perhaps of veterans' programs, where residents of the Second District believe that some cuts can be made, they asked that spending for defense, health, agriculture, and law enforcement be kept about the same as it has been.

Clearly, Mr. Speaker, the people in our country are frustrated. I believe they feel cheated; they are watching their savings being nibbled to death by inflation as prices continue to spiral upward, and they want relief.

But if we are to move toward more cuts in Federal spending and a balanced budget, there will be some painful decisions. It is not fair to make wholesale exemptions, removing certain departments or agencies from strict budgetary scrutiny. We must look for all of the fat, not just part of it. And that is what I plan to do in the weeks and months ahead.

As part of that effort, I will be holding hearings in my congressional district on the Federal budget and its impact on southern Arizona. A large number of public officials and private citizens have been invited to attend and give testimony. I am looking to see not only which Federal programs have the most support, and why I should vote for them, but from those people who wish to cut the budget, I hope to get specific programs and specific dollar amounts.

There will be two hearings. The first is on Friday, March 9, at the city of Tucson's Council Chambers, 250 West Alameda, from 9 a.m. to 5 p.m. The second hearing will be at the Sierra Vista Community Center, 3020 Tacoma, starting at 10 a.m. on Saturday, March 10. I invite any and all of my constituents who are interested in this most important issue to join me at what should be two very interesting sessions.

The questionnaire and results follow:

THE 1980 BUDGET: WHERE TO CUT?

As the 96th Congress begins its work in this new year, our country faces some big decisions. And I need your help and advice.

Nearly every year, I have sent a questionnaire to the half-million residents of the 2nd Congressional District (parts of Maricopa and Pinal Counties and all of Cochise, Pima and Santa Cruz Counties). This year, the questionnaire has a different format. Let me explain why.

A few weeks ago we had an election and a majority of the voters sent a message to the Congress, which I think reads something like this:

Deadly and persistent inflation threatens our jobs, our savings and the national economy. Living costs have doubled in 10 years. A key cause of inflation is federal deficit spending—spending more money than is collected.

The deficit must be reduced or eliminated. The first place to begin is to cut fraud and waste in good programs, and then eliminate the bad programs.

The voters also are saying that we are a progressive, fair and compassionate country, and that we taxpayers want good schools, police and fire departments, clean parks and adequate Social Security for Americans who have worked hard all their lives, and that handicapped and unfortunate people ought to be helped.

Most Southern Arizonans might agree with these generalities. We all want the most for our money.

But then comes the hard part. Our society is made up of hundreds of occupational, business and professional groups, trade associations, labor unions and you name it. Each group sees things differently. And the same is true of the different regions of our country, and the same goes for our big cities, and our rural people, and so on.

When a member of Congress casts a vote on the floor of the House, he must carry the feelings, frustrations and hopes of *all* these groups and constituents—and the hard part comes because a member of Congress rarely gets to vote on the generalities of an issue.

(It would be nice if the Speaker would say, "All opposed to fraud and waste of federal dollars, vote 'aye'.")

But we must vote on *specifics*—specific dollars for specific programs. When Jimmy Carter calls the Central Arizona Project a wasteful boondoggle, I call it "Arizona's last waterhole and key to the future." When the President said he was determined to fight inflation by cuts in domestic spending, George Meany called it "reneging on a campaign promise" and said Mr. Carter was "embracing economic policies that breed recession and unemployment." And so it goes.

There are conflicts, and they are constant.

Over the term of one Congress, hundreds of big and complicated spending proposals are voted up or down. Most votes are "packages."

Thus, for example, the 1980 $125 billion defense bill may have an objectionable missile project (which may eventually cost $20 billion)—but it also has $10 million for a new runway at Davis-Monthan Air Force Base, and money to build up Ft. Huachuca—both items I strongly favor.

Does the good in that bill outweigh the bad? Do I vote against the bill because of one bad part? And if so, how do I explain myself? Or is it better to vote "for" D-M and Ft. Huachuca, even though I object to the new missile project?

There are other complications. How do I get my colleagues from Florida or New York or Oregon to vote for the CAP, if I oppose, say, their housing or urban development bills, or something critical to *their* constituents?

Suppose I vote against *all* my colleagues' issues—what happens if I can't muster my votes for the CAP? I have jeopardized the very life not only of my congressional district, but of my entire home state.

So, my questionnaire this year tries to put the questions to you the way they are put to me. And I'll warn in advance that you may find yourself saying, "This question is unfair!" And it may be.

But as you read, you may also find yourself saying that you would like to vote "yes"—but with some qualifications, or "maybe," or "it all depends."

And I sympathize with those feelings—because I feel the same thing virtually every day Congress is in session. Except Congressmen can't vote "maybe" or "with qualifications." The voting machine has but two cold buttons: "aye" and "nay."

And here we are. If none of the answers is precisely your position, select the one closest to it. If none is very close, leave the answers blank.

(If you have additional comments, or wish to suggest cuts or increases in areas not listed, please jot them down on a separate sheet and send it along.)

Thanks for your help.

QUESTIONS

1. Balanced Budget. Congress will write a new budget this spring. President Carter will propose that we spend about $535 billion, and is estimating that we'll collect about $505 billion, for a deficit of $30 billion. With regard to the deficit, which is closest to your opinion:

A. It's about right; cutting too fast might throw the country into a recession, 36.2 percent.

B. That's still too much red ink; I'm for a balanced budget *this* year, 61.5 percent.

C. Did not answer, 1.6 percent.

2. Spending, Taxes. If you answered Question No. 1 with "B," and are for a balanced budget this year, should we achieve that goal by:

A. Increasing income taxes for all Americans by 10 percent, 5.5 percent.

B. Cut $30 billion more in federal spending, 64.6 percent.

C. Did not answer, 31.2 percent.

3. Defense. About $125 billion, or nearly a fourth of the entire federal budget, will be earmarked for national defense. President Carter and others argue that the Soviets are increasing their military forces and that we must match this with a 3 percent increase in our spending (above the rate of inflation). Others insist that defense spending is already more than adequate and that we ought to hold the line at last year's level, which was $112 billion. Still others would cut the defense budget further. If you vote for less, you must consider that something at Ft. Huachuca would likely be eliminated. You might end up cutting retiree benefits, or that new runway at Davis-Monthan, or even part of the D-M aircraft storage operation. If you vote for more, than you have to cut somewhere else—in senior citizen programs, schools, hospitals, agriculture. Considering all of this, would you:

A. Increase spending for defense by $13 billion, 35.3 percent.

B. Hold the defense budget at last year's level, 43.7 percent.

C. Make cuts in defense spending, 22.9 percent.

D. Did not answer, 1.3 percent.

4. Social Security. Another big piece of the projected budget will go to Social Security. We must allot money for that program, plus Medicare and disability insurance, out of payroll taxes. The system is in some financial trouble. Last year, we took in $111 billion, but paid out $116 billion. We can't keep that up. Under a 1978 Act of Congress, payroll taxes which finance Social Security increased slightly this month. They will balance this part of the budget until we can decide what to do to make the system financially sound. Do you vote to:

A. Help working people by repealing the current increases and leave the system in a deficit, moving closer to bankruptcy, 4.4 percent.

B. Keep the 1979 increases, but hold off on any future increases until Congress can act to determine if there is a better way to finance the system, 66.8 percent.

C. Balance the Social Security budget by cutting back the payroll tax and financing up to a third of the Social Security fund with general revenue, 22.9 percent.

D. Did not answer, 3.8 percent.

5. Universal Social Security. Social Security now covers about 106 million Americans, most of our work force. But many groups need not belong—federal and state employees, teachers, others. Some argue that the system should be universal (everyone pays, everyone is covered.) Some, on the other side, argue that if they have a retirement program of their own that equals or betters Social Security, they should be left alone. Do you think that:

A. Social Security should cover everyone, 32.1 percent.

B. Groups not covered should be able to stay out of the program if they wish, 65.5 percent.

C. Did not answer, 2.7 percent.

6. Education. A big chunk of next year's federal budget, $12.9 billion, will go to education. This share has grown in recent years. Many people contend that the federal contribution has gone too far and that education should be financed largely by state and local sources. Southern Arizona gets large amounts of money in education assistance, ranging from $5.3 million in impact aid to a combined $45.1 million for the University of Arizona, Pima College and their students. Cutbacks in this category will either increase local property taxes or curtail jobs and opportunities in education. Do you believe that federal support of education is:

A. Too big and ought to be cut, 50.3 percent.

B. About right, 34.3 percent.

C. Too little and ought to be increased, 9.2 percent.

D. Did not answer, 1.4 percent.

7. Veterans' Affairs. A major share of the national budget goes to veterans' affairs. Some say cuts can and should be made here. Veterans and others say there is a need to increase spending for items like hospitalization. Additionally there is a push for a new national cemetery, and World War I veterans want an expensive new pension bill. Veterans in Pima, Santa Cruz and Cochise Counties alone receive some $74.9 million in federal money each year. Should we:

A. Spend more, 9.6 percent.

B. Spend less, 41.5 percent.

C. Spend about the same, 46.7 percent.

D. Did not answer, 2.3 percent.

8. Agriculture. Agriculture is important to all of us. For the last two years, Southern Arizona has been hit with floods, and the overwhelming damage was to crops and farmlands. In 1978, the federal government spent $227.9 million in Arizona on a variety of agriculture-related projects and programs. Some say cuts can be made here, but we could lose items like the $4.1 million available for farm ownership loans. Others believe we should spend more on agriculture and that we owe farmers a decent return for decent work. Would you vote to:

A. Cut agriculture spending in Arizona, 34.1 percent.

B. Increase it, 15.1 percent.

C. Keep it at the current level, 48.2 percent.

D. Did not answer, 2.5 percent.

9. Health. The federal government will spend $63.4 billion this year on health, and there is more and more talk of some form of a national health insurance program. In Tucson, Kino Hospital has had its share of financial difficulties. And the University of Arizona gets millions each year for research on a wide range of disease, including heart, lung and mental illness and cancer research. Should we:

A. Cut health spending, 31.8 percent.

B. Increase it, 22.5 percent.

C. Leave it at about the same level, 44.1 percent.

D. Did not answer, 1.9 percent.

10. Law enforcement. The Justice Department is a big spender. The Department does not break down its budget according to congressional districts, but it's a good bet that a major share of the Arizona allotment of $3.3 million for the Drug Enforcement Administration and $11.6 million for the Immigration and Naturalization Service went to Southern Arizona operations. The FBI had a $6.2 million budget for Arizona last year, and a share of that went to the Tucson field office. Many Southern Arizonans consider these functions vital and argue that we need much more of the same. Others will argue that some of this ought to be cut. Taking both sides into consideration, would you:

A. Cut this spending, 29.2 percent.

B. Increase it, 21.9 percent.

C. Leave it about the same, 46.2 percent.

D. Did not answer, 3.3 percent.●

JOHN LINCOLN

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. FLORIO. Mr. Speaker, as I have often done in the past, I would like to take this occasion to pay tribute to an

outstanding citizen from my congressional district.

After serving for 15 years as the superintendent of the Highway Department of Gloucester City, N.J., Mr. John Lincoln is retiring. As superintendent, John proved to be an excellent administrator, setting and achieving high standards for his department. In turn, the residents of Gloucester City benefited from the quality service performed by the road department.

His contribution to the city was not limited to his employment but rather he gave willingly of his time by participating in the community government and activities. His admirable career record speaks for itself. He was formerly Gloucester City Council president, tax assessor, president of the Lions Club, and president of the Little League Association, to name a few.

John has set a fine example to all citizens of any community displaying the merits of "getting involved" not for the sake of oneself, but for others as well.

I am certain that Gloucester City residents will attest to John's achievements and I would like to join them in their commendations of this fine man.●

WE DESERVE BETTER AT THE U.N.

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McDONALD. Mr. Speaker, when Representative Andrew Young testified before the Senate Foreign Relations Committee, I was the only Member of Congress to appear and testify against that nomination. Later, I introduced an impeachment resolution after it was quite clear to all that he was not working in the best interests of this country and in fact was hurting American foreign policy. In this effort I was joined by 10 other Members. From time to time, various other voices spoke up in agreement. Still later on July 13 of last year 82 Members of the House agreed with me that a vote on my resolution of impeachment ought to be debated. However, Mr. Young goes on and on with outrageous statements. Recently, another voice was raised—that of Mr. Marvin Stone, editor of U.S. News & World Report, who in a fine editorial of February 26, 1979 informed his readers that America deserves better than Andrew Young and I agree. The editorial follows:

WE DESERVE BETTER AT THE U.N.

(By Marvin Stone)

Andrew Young is at it again. "Only neofascists in this country," he declared recently, "would be willing to support the neofascism of the Smith regime" in Rhodesia.

By these words the U.S. Ambassador to the United Nations hoped to intimidate any members of Congress who might consider voting to permit trade with Rhodesia, now that a black-majority government is in prospect.

The Smith-sponsored surrender of white power is indeed imperfect, more gradual than partisans of immediate turnover would like. It infuriates the two Soviet-backed guerrilla armies, which want to seize control of Rhodesia for themselves. These are the same bandits who, armed with ground-to-air missiles, have shot down two civilian airliners, the latest outrage claiming 59 lives on February 12.

What Smith offers is the only visible alternative to a bloody black-white conflict, to be followed probably by a civil war among blacks. Given the minimum blessing of normal relations with America, the Smith alternative might just succeed. And members of the U.S. Congress have a right to evaluate those chances without the stab of twisted invective.

Young's innuendoes are remarkably like those with which the new and developing nations themselves, in concert with Russia, have belabored the U.S. in the United Nations for many years. Oddly, his latest sally comes at a time when a glimmer of hope can be seen for the American position at the international forum. When Vietnam invaded Cambodia, the United States found itself suddenly in the same camp with the Third World, and the Security Council voted, 13 to 2, to demand removal of the troops. Russia and one satellite, Czechoslovakia, made up the opposition.

Here was a demonstration that the Third World's future does not automatically lie in a monolithic cooperation with the Russian bloc against the United States. If this is a true precedent, it holds high importance in the light of the last decade's misalignment.

Pat Moynihan, now in the Senate, demanded several years ago that someone step in at the U.N. to fight for America's ideals and good name. Tapped for Ambassador, he found the job frustrating but made his presence known. The senator's latest book, *A Dangerous Place*, chronicles the constant verbal aggressions of the anti-U.S. bloc. When there was a report on moves to end colonialism, the U.S. was said to be oppressing Puerto Rico—which in reality is free to choose its own destiny. A conference on feeding hungry peoples? The United States—actually the advocate of giving away its own foodstuffs—was accused of having stolen the world's resources.

Is it too much to hope that our Third World friends will cease such behavior, since they see that their lives do not depend on sandbagging the United States? Habit is distressingly strong, but we should give them every help in breaking it. Such an effort will require a person with special qualities.

This brings us back to Andrew Young. Despite his intolerable misstatements about his own country, or more probably because of them, many of the developing nations consider him an effective Ambassador.

Young never was our idea of the person for the job, nor is he now. He is Carter's choice, so he is there. But the last thing that the majority of Americans want at the United Nations is an Ambassador who feels that the way to woo Third World countries is to denigrate the United States.

What we need—more urgently than ever—is an Ambassador who can carry forward the job of speaking up for America on the floor of the United Nations.

If Andrew Young feels differently, surely there is another place where he can continue his personal crusade, while someone else represents the United States in the United Nations. This country deserves better.●

THE DEBATE ON PUBLIC FINANCING

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MURTHA. Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD an editorial from the Johnstown Tribune-Democrat of February 12 that summarizes much of my feeling about the proposal for public financing of congressional campaigns:

LET CANDIDATES PAY

When a person chooses to run for the U.S. House of Representatives, he should be prepared to pay his campaign expenses himself—with the help, of course, of those who legally wish to contribute to his electioneering.

Such candidates should not be assisted, as a new bill proposes, partially by public contributions from the $1 checkoff fund provided on the federal tax forms. The bill also would place a limit on total spending for a House campaign—a limit of $150,000.

We have no argument with financing of the presidential campaigns with funds provided by the tax-form checkoff. However, although House candidates go to Washington if they are elected, basically they run on local issues and win on local favor—though they may give passing attention to what the national party line may be. Therefore, let them find their campaign finances in their own backyards, not from backyards all over the country.

If people are concerned that less-than-wealthy candidates have little or no chance of election, then let the emphasis be placed on the spending-limit aspect of the proposal and forget about the checkoff.

However, candidates with limited funds do get elected. Their candidacies can attract adequate contributions. If they can't, perhaps they are not worth electing.●

WORLD BANK PROJECT SLOWS FLOW OF EMIGRANTS TO UNITED STATES

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McHUGH. Mr. Speaker, from time to time allegations are made that there are numerous shortcomings in our foreign assistance programs generally, and in the programs of the World Bank in particular.

In view of this, I believe the Members might be interested in an article which appeared in the New York Times on February 15 which I am including in the RECORD for the benefit of those who may not have seen it.

Entitled "Mexican Rural Programs Slows Flow of Emigrants to U.S.," the article discusses a successful program sponsored by the World Bank that benefits the poor while serving important American interests.

I hope that our colleagues will take the time to read this article if they have not already done so, for I believe that it shows rather dramatically what can be accomplished through our participation in the World Bank and similar organizations.

The article follows:

MEXICAN RURAL PROGRAM SLOWS FLOW OF EMIGRANTS TO U.S.

(By Alan Riding)

IXTLILCO EL GRANDE, MEXICO, Feb. 5.—Sixto Pliego Torres pushed back his sweat-stained straw hat and waved at a small pump house that was pouring water into a narrow irrigation canal. "Last year we were sitting around waiting for the rainy season," he said. "This year we have a fair tomato crop."

Around him six peasants worked silently, crouching as they felt under the leaves for ripe tomatoes, then walking slowly to wooden boxes, careful not to tread on the young corn plants that will keep the nine-member Pliego family in tortillas for the next six months. "Last year all these boys had migrated looking for jobs," Mr. Pliego went on. "This year they can stay home and work."

In the chronically depressed countryside, Ixtlilco el Grande, 70 miles south of Mexico City, is still something of an exception. Nevertheless, it is one of a growing number of villages benefiting from an ambitious Government program aimed at slowing the exodus from the rural sector by creating jobs and improving living conditions in the poorest regions.

With illegal migration to the United States certain to be a main agenda item during President Carter's visit here, the United States Government has been quietly encouraging the program. As evidence of this support, Mr. Carter, on his only trip outside the capital, will fly to this village the day after his arrival in Mexico for a firsthand look at one of the projects.

DOLLARS TO AID THE PROGRAM

Although the Mexicans receive no direct American assistance, the United States backed loans of $230 million from the World Bank and $40 million from the Inter-American Development Bank for the program. The Ambassador to Mexico, Patrick J. Lucey, has visited several projects in recognition of Mexico's efforts to curb the flow north of jobless peasants.

The program is still modest compared with the dimension of the problem—1,000 migrants arriving in Mexico City every day, a million or so crossing into the United States every year in search of work. So far the program benefits only a fifth of the rural population of 25 million. However, it is growing rapidly, and by 1982 should cover most of the countryside.

Known by the acronym PIDER, for the Spanish words meaning Rural Development Public Investment Program, it began almost as an experiment in 1973. Reacting against the wastefulness of vast efforts to improve rural institutions, it turned to the grassroots level, studying the needs and possibilities of individual communities and then carefully coordinating governmental actions in new "microregions."

The principal aim has been to improve the living conditions of the poorest people, according to Dr. Miguel Angel Cuadra, director of the program. "The way we do it is to increase production, to create permanent jobs, to raise personal income, to improve social welfare and to involve the local populations in the development process," he explained. "If the result is to reduce migration, well, that's fine."

The key to the effort's success is that it has avoided becoming yet another bureaucracy. With a small staff of technicians and financial experts, it contracts out work to other governmental departments. In contrast to previous attempts at integrated development, it has strict control over its purse strings and can define its priorities.

"PIDER is really unique," an enthusiastic World Bank official commented. "We think it could be a model for many developing countries. It's also an approach that could be applied in other areas such as urban development because essentially it's just a sleek administrative mechanism."

In defining a microregion, the agency picks communities of fewer than 3,000 inhabitants where per capita annual income is under $[illegible]00 but where there appears to be potential for development. "There are villages in the desert that we frankly can't do anything with," Dr. Cuadra conceded. "But we're not just concerned with agricultural development. We're after rural development as a whole."

In practice this may mean stimulating fishing, handicrafts, small mining projects, modest tourist resorts, beekeeping and village factories as well as cultivation of new crops. It also means building feeder roads, providing electricity, drinking water, primary schools and health clinics, and even remodeling village squares and painting houses. In the long run, though, 70 percent of investment is aimed at productive activities.

BUDGET CONTINUES TO INCREASE

Despite a federal austerity program, the budget has grown from $88.3 million in 1973 to $320 million this year, and it is expected to exceed $500 million in 1980. By the end of the year 106 microregions covering 5.5 million people will have received almost $1.3 billion.

The experience of a region in Morelos State, which includes the village of Ixtlilco el Grande, illustrates how small but carefully planned investments can have dramatic impact on a community. With a population of 106,000 today, the microregion has received the equivalent of $12.5 million over five years. For many local people it has meant a transformation of their lives.

In the shaded village plaza, recently remodeled by the Government, the headmaster, Berulo Sánchez Rosas, spoke proudly of the renaissance of Ixtlilco el Grande. "In the past the place was only alive during the rainy season," he said. "Between January and May everyone had to leave to look for work. This year only a few young men have gone."

In this community a handful of $20,000 water pumps made the difference, enabling smallholders—family plots average less than five acres—to plan cash crops of tomatoes, onions and melons as well as corn and beans for their own consumption during the dry winter season. The farmers, in turn, have hired workers who left in previous years.

A MORE HABITABLE COMMUNITY

Employment is the key factor, but Ixtlilco el Grande is also a more habitable village today. It has drinking water, lighting and some paved streets, and all but 30 of the 640 children attend school.

"When I first came here 22 years ago this place was a disaster," Mr. Sánchez recalled. "We still have many needs, but Ixtlilco has been reborn. We've had outside help, and the community has also united to help itself."

In nearby villages a similar story is told. At Telelilla, a primary school is crowded with children whose older brothers and sisters missed out on education. At Tenangoin, in the shadow of a magnificent sugar hacienda that was destroyed during the 1910 revolution, working capital was provided for a 20-member cooperative factory making nut candy for sale in Mexico City.

Not all microregions have been so successful, officials are quick to point out. Some have been slow to take off while others have suffered from bad administration. "Sometimes the priorities are wrong," a field worker explained. "Electrification may come when drinking water is needed, or a road is built to the village before more jobs have been created, so it just means the unemployed can migrate more easily."

It is too early to gauge the impact the projects are having on patterns of migration. On the one hand officials hear of many villages like Ixtlilco el Grande where the exodus has slowed. On the other hand they know that hundreds of thousands of peasants continue to migrate to the cities or cross into the United States every year.

From a social point of view the program is probably the most successful of its kind in Mexican history. "There is almost a missionary zeal about the PIDER people," a World Bank official said. "And, amazingly, they don't seek publicity. They're just getting on with it."●

WAGE AND PRICE CONTROLS

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. STOCKMAN. Mr. Speaker, on February 15, the mandatory aspects of the President's "voluntary" wage and price controls went into effect. On that same day, our colleague, Mr. BROWN of Ohio, spoke in Dayton, Ohio, on the subject of the legality of a mandatory wage and price control program. I commend the speech to the attention of my colleagues. I believe it makes a solid contribution to the current debate over the program's legality.

WAGE AND PRICE CONTROLS: AN ADDRESS BY CONGRESSMAN CLARENCE J. BROWN BEFORE THE DAYTON CHAPTER OF THE NATIONAL CONTRACT MANAGEMENT ASSOCIATION, FEBRUARY 15, 1979

Mandatory wage and price controls have been instituted in the United States four times.

The first was in 1942 under authority of the Emergency Price Control Act of 1942.

The second was in 1951 under authority of the Defense Production Act of 1950.

The third was in 1971 under authority of the Economic Stabilization Act of 1970.

The fourth began today, February 15, 1979, under no authority at all.

President Carter, who announced the latest wage and price control scheme on October 24, 1978, insists on describing his program as "voluntary guidelines."

Yet the Western Pulp and Paper Workers Union, in a suit challenging the legality of the program, said, "To call the sanction of loss of government contracts for failure to comply with wage ceilings a 'voluntary' program is a fiction that could only fool a lawyer."

I am among 13 members of Congress who joined the Paperworkers' suit against the government on Dec. 15, 1978 by filing a "friend of the court" brief contending that President Carter has crossed over the constitutional line dividing executive and legislative authority. Quite simply, in his frantic zeal to regain control over runaway inflation, the President has trod on our turf.

Our brief argues:

The controls are not voluntary, but mandatory, because Federal contracts may not be obtained by companies refusing to "volunteer" to comply.

The President lacks authority to impose mandatory wage and price controls in the Federal Property Act.

The history of congressional action on wage and price controls is that they have been specifically authorized for limited periods of time in emergency situations.

It is not possible to infer that Congress has implicitly authorized the President to impose mandatory controls; in fact, when controls last expired, Congress specifically denied a request that control authority be extended.

Unfortunately, the government was able to sidestep the constitutional question in the Paperworkers' suit by rushing into court with the contention that the companies in-

volved in negotiations with the Paperworkers do not have any government contracts exceeding $5 million—the size it says is required to bring sanctions.

The federal judge then refused to enjoin the government from enforcing its program because the Paperworkers were not affected, but he held the case open to allow the union to return to court if it were to find future government tampering in its contract talks

The President's chief inflation fighter is Alfred Kahn, a talented and dedicated deregulator who became Carter's best appointment when he was named to head the Civil Aeronautics Board. Unfortunately, Kahn will now be remembered as the fellow who failed to resist strongly enough when President Carter asked him to head the disastrously wrongheaded and illegal wage and price control program.

When asked to address the legal question, Kahn properly cites the endorsement he has received from his attorney—the U.S. Justice Department. You can't fault a guy for getting stuck with a lousy lawyer.

Of course, until a federal court directly addresses the issue, the strength of the government's case, as outlined in a December 11 Justice Department memorandum, cannot be conclusively tested. Yet, in addition to the Paperworkers and the congressmen who joined them, there are some pretty powerful legal forces aligned against the Justice Department.

The House Government Operations Committee, on which I serve, looked into the wage and price control program in a subcommittee hearing 10 days ago. We heard testimony that the program is illegal from the American Bar Association and from the U.S. General Accounting Office.

GAO General Counsel Milton J. Socolar explained that, "The regulations require that all solicitations on or after February 15, 1979,"—today—"expected to result in new contracts, orders under existing contracts, or supplemental agreements to existing contracts in excess of $5 million, contain a clause whereby each offeror certifies it is in compliance with wage and price standards issued by the Council on Wage and Price Stability."

Failure to certify means no contract, except in the case of sole-source major weapons contracts, which are likely to receive waivers for national security reasons.

GAO points out that the Council on Wage and Price Stability Act, cited by the government as authority for its program, specifically provides that, "Nothing in this Act . . . authorized the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfers . . ."

The Justice Department ignores the 1947 Armed Services Procurement Act and goes beyond it to the 1949 Federal Property and Administrative Services Act for its next citation, noting the apparently broad authority for the president to "prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provisions of said Act . . ."

However, GAO testified, the Act not only does not implicitly confer wage and price restraint authority on the President, but there are "several indications in the statute and its legislative history to the contrary."

For example, debate over Section 201 (a) led the Act's chief House sponsor, Congressman Holifield, to declare in debate that the procurement methods the President could set "could not extend to regulation or control of the reasonableness of contractors' rates," quoting GAO's summary.

The Justice Department memorandum goes so far as to assert that the law does not require that formally advertised contracts go to the lowest bidder. GAO responds: "The statute requires that award be made to the responsible bidder submitting the lowest priced responsive bid, the only exception being where a proper determination is made to reject all bids."

As experts in government contracting, it should be easy for each of you to imagine a scenario in which a bidder with historically lower prices, could find himself in a cost squeeze that would prevent him from meeting the guidelines. Even though his prices remained far lower than the first contractor, he would be prevented from receiving the contract award.

Quite clearly, the intent and the letter of the procurement law would be violated, the taxpayer would be denied the lowest price product or service, and the unfortunate would-be contractor would be penalized for his past efficiencies.

Incidentally, while the Justice Department cites only the Council on Wage and Price Stability Act and the Property Act of 1949, GAO notes that the procurement methods prescribed in the Armed Services Procurement Act, with which you are more directly concerned, "are essentially the same as those in the Property Act, i.e., a general requirement for formal advertising with 'such free and full competition as is consistent with the procurement of the property and services needed.' "

GAO concludes, "We are unaware of any provision in the Armed Services Procurement Act which would authorize the Executive Order 12092 (wage and price control) program, or of any other statute which would provide such authority."

The Justice Department attempts to stretch the President's authority beyond the limits of the Property Act by citing the court approval of executive orders applying affirmative action programs to government procurement. But GAO notes that this is done "in the furtherance of a separate statute prohibiting discrimination and in light of a long history of such executive measures with the knowledge and acquiesence of the Congress."

Wage and price controls are not only not authorized by the laws cited by the Justice Department, but, in fact, are explicitly prohibited by another law, enacted in 1946 as an amendment to the Second War Powers Act: "Nothing in this Act or any other Federal Act shall be construed to authorize the establishment by any officer or agency of the government of maximum prices for any commodity or maximum rents for any housing accommodations."

Justice lamely argues that the section was implicitly repealed when Congress twice subsequently granted temporary wage-price control authority. GAO flatly states: "This is an erroneous interpretation of section 645 b. It does not prohibit the implementation of explicit price stabilization authority; rather, it prohibits the inference of such authority from nonexplicit legislation."

Finally, climbing to the very summit of absurdity, the Justice Department contends that if not implicitly repealed, the statute has become void through nonuse. Oh, come now, Mr. Attorney General, if there were no murders and, hence, no murder trials, for a period of time, would the laws against murder become void through nonuse?

With Griffin Bell and Jimmy Carter off tiptoeing through the tulips in a legal fantasyland, where does that leave the rest of us?

As of today, if you work in contracting for the federal government, you are under order from your chief executive to procure goods and services under a procedure which is clearly illegal. But you do not have the luxury of reaching that conclusion. Only a court can do that.

If you work for a defense contractor or a Fortune 500 company, you have the option of going to court, but chances are your company has already decided to go along. Alfred Kahn has announced that 22 of the top 25 federal contractors and 200 of the Fortune 500 companies have pledged compliance.

Many, no doubt, fear that failure to do so, even if they could win in court, would bring down federal retaliation in a number of other ways. The president effectively neutralized business opposition to the disastrous National Energy Act last fall by threatening to turn loose on dissenters the allegedly independent regulatory agencies.

If you are a member of Congress, you are left playing the waiting game, with your "friend of the court" brief ready to back up any brave contractor who decides to test the president in court.

Meanwhile, the government's case may grow stronger. Congress is considering a requested expansion of the Council on Wage and Price Stability staff to enforce the program and a wage insurance proposal to protect complying labor unions from excessive increases in the cost of living. Approval of either proposal would provide the government with some of the "knowledge and acquiescence of the Congress" which bolsters the use of the procurement procedure for affirmative action.

While the wage insurance proposal appears in some jeopardy, the COWPS expansion is much more likely. Still, neither gets around the direct statutory prohibition of wage and price controls, and I think it is unlikely, at the moment, that the president would request or the Congress would grant direct legal authority.

Beyond the trivial issues of legality and unconstitutionality, what's wrong with wage and price controls?

First, they're a bandaid. They don't cure the disease.

Second, they're counterproductive. They actually contribute to inflation.

By distorting both production and consumption, controls cause shortages, hoarding, waste—and higher prices. In the economy, prices work like nerves in the body, signalling what is needed.

When prices are controlled, the message gets garbled. The system reacts to false signals, and produces one blunder after another. The artificially low prices tend to stimulate demand and set the stage for a price explosion when controls are lifted.

Worst of all, the wage and price controls divert our attention from the base cause of inflation: faulty federal monetary and fiscal policies. It's true that President Carter paid lip service to the need for less government spending and regulation when he announced the wage and price controls, but the immediate plunge of the stock market and the world money markets showed that by then, his credibility on those promises was shot.

Another reason: even while proclaiming his aversion to government regulation, the President was attempting to throw the regulatory net over two major industries—energy and health. His anti-regulation efforts have been restricted to several superficial reorganization plans and a regulatory analysis body made up of the regulators themselves.

Here's one reason why: President Carter said he has cut the deficit by one third since 1976, from $66 billion to $40 billion.

Technically, that's true. But look at the rest of the facts: 1977 was the last Ford Budget, not 1976, and the 1977 deficit was down to $45 billion. President Carter hiked that up to $58 billion in 1978 and pushed for a $60 billion deficit in 1979. It was reduced to $40 billion only because of revenue estimate revisions and the inability of the bureaucracy to spend the money as fast as President Carter wanted to.

Even more serious than the credibility

problem on government regulation and spending was the implication that President Carter was opposed to any tightening of the excessive money creation which was at the heart of the problem.

Finally, on Nov. 1, with the dollar plummeting toward disaster, the President reversed himself and ordered serious measures to bolster the dollar, combined with a Federal Reserve Board promise to tighten up the money supply.

So far, the results are encouraging. There has been a small slowdown in the rate of growth of the monetary base; not a jolting reduction, but enough to make a difference.

If the Fed. Reserve Bd. refuses to cave in to those who are frantic about interest rates (which, in real terms, are actually quite small), we should continue to see a gradual tightening of the money supply, a gradual firming up of the dollar, and a gradual reduction in the rate of inflation.

We must combine this policy of restrained money growth with a fiscal policy much tighter than the $29 billion federal deficit President Carter has proposed. Even that excessive figure is a charade, held down by cuts in programs Carter knows Congress will restore, and by rosy economic predictions which are unlikely to come true.

Then we must attack and reduce the burden of government overregulation, which is costing the American consumer $98 billion a year.

If we do all these things—pursue tight monetary and fiscal policies and reduce government regulation—we can dump the President's illegal wage and price control policy in the Potomac and free up the government procurement process for the purpose for which it was intended—to get the taxpayer the best quality product or service at the least possible cost.●

OIL SPILLS FROM BARGES

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. STUDDS. Mr. Speaker, I would like to call the attention of my colleagues to the increasingly serious problem of oil pollution from tank barges. This past year, we witnessed more than a 400-percent increase over 1977 in the volume of oil spilled by barges into the waterways of the United States. According to recently compiled Coast Guard statistics, last year's pollution volume nearly doubled the amount of oil spilled during the previous record year, 1975.

The area most hard hit was the Gulf of Mexico, where barge spills increased by some 1,300 percent from 573,329 gallons in 1977 to 7,287,685 gallons last year. The Atlantic coast was also severely affected, suffering a tripling in oil spill volume from 674,575 gallons to 2,121,409.

Nationwide, barges accounted for nearly 10 million gallons in oil spills, stemming from 855 separate pollution incidents. These startling statistics underline the need for action to improve tank barge construction and operating safety standards. One alternative is contained in H.R. 1741, a bill which I recently introduced along with 17 cosponsors and which would require:

First. All newly built barges to be equipped with double hulls; and second, beginning on January 1, 1983, that all existing barges 15 years of age or older, be equipped with double hulls.

According to the Coast Guard, the vast majority of the petroleum spilled by barges occurs in incidents involving a rupture in the hull, and a recent study estimates that "approximately 90 percent of the pollution due to hull damage could be eliminated if the entire tank barge fleet converted to the double hull construction standard."

Action in this area is clearly warranted, and it is my hope that 1979 will witness the establishment of barge protection standards at least equivalent to the initiatives which Congress successfully implemented last year for oil tankers.

The following is a statistical analysis provided by the Coast Guard of oil spills from barges for the years 1973–78:

OIL SPILLS FROM BARGES (1973–78)

	1973	1974	1975	1976	1977	1978	Total
Atlantic:							
Number of incidents	173	180	155	205	198	135	1,046
Oil spilled (gallons)	54,750	328,063	128,100	774,654	674,575	1,028,255	2,988,388
Great Lakes:							
Number of incidents	9	6	18	41	28	10	112
Amount spilled	2,241	570	1,050	429,278	11,360	283	444,782
Gulf of Mexico:							
Number of incidents	148	354	409	465	605	450	2,431
Amount spilled	615,593	1,612,206	357,116	435,151	573,239	559,285	4,152,590
Pacific:							
Number of incidents	57	40	22	60	50	49	278
Amount spilled	1,772	1,122	2,465	5,498	12,707	38,919	62,483
Inland:							
Number of incidents	278	228	223	217	221	208	1,575
Amount spilled	575,505	408,281	2,088,637	265,347	372,287	405,309	4,115,266
Total:							
Number of incidents	665	808	827	988	1,102	852	5,242
Amount spilled	1,249,861	2,350,242	2,577,368	1,909,919	1,644,168	2,032,051	11,763,509

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SPACE PROGRAM DIVIDENDS INCREASING EVERY YEAR

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. FUQUA. Mr. Speaker, The American public is coming to ever greater awareness of the practical applications of our national space program as ably expressed in a recent editorial of Today newspaper in Cocoa, Fla. The editorial clearly defines and enumerates many of the benefits our people are enjoying in their daily living and commercial dealings as a result of our space program. I commend this editorial to my colleagues in the House and ask that they continue to reflect on its excellent points as they consider, later in this session, appropriations for continuing our space program.

The editorial follows:

In a photograph on the front page of Today's Thursday edition the planet Venus floats eerily in space millions of miles from Earth. An accompanying story was prompted by the fact that data from the Pioneer Venus probes had indicated mysterious lightning and chemical fires on the planet.

Some people probably shrugged and dismissed the story as another example of what comes from NASA's exotic space missions. They should be spending some of that money down here, the skeptics might have grumbled over their breakfast coffee.

Unfortunately, the idea that the space program's achievements have impact only on distant planets is a common one. The mysterious-looking space hardware launched toward other planets or into orbits of our own tends to be extremely expensive, and its functions often are difficult to understand by the layman.

They are difficult, that is, until the technology developed by the space program touches our own lives in ways that are very familiar and easily understandable. On Thursday, for instance, Today's lead story involved a major snowstorm that had closed schools and snarled traffic all over the East Coast.

The path of that storm had been tracked by satellites feeding data to the National Weather Service, which uses that information in its forecasts. People therefore were better able to prepare for the massive storm bearing down on them.

Here in Florida we have come to depend upon satellites for tracking hurricanes. Now we can monitor the giant storms for weeks instead of relying upon earlier methods, which gave people in warning areas only a few days or hours to react.

As familiar to us as the threat of hurricanes is the state's multimillion-dollar citrus crop, much of it produced by the groves which carpet Central Florida. Because of data furnished by satellites growers can keep a wary eye on a line of freezing weather as it creeps down the state.

This saves the citrus industry hundreds of thousands of dollars every year because grove heaters, which are very costly to operate, can be left off until almost the last minute.

This trend is being repeated around the globe as satellites act as man's eyes in space, capable of detecting weather fronts, ice fields, dust storms, and even outbreaks of disease among crops.

This improvement in information gathering already has resulted in countless lives being saved, and has prevented the destruction of millions of dollars worth of crops of various kinds.

As the years go by the beneficial spinoffs of the space program will become more and more apparent, even to the most intransigent skeptics. In the meantime, like most noble efforts, it is little understood and an easy target for criticism.●

CAP

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. RICHMOND. Mr. Speaker, today I am introducing a bill to remove the "CAP" imposing a budgetary ceiling on the Food Stamp Act for fiscal 1980 and 1981. Although best estimates are that the CAP for 1979 is at a sufficient level to permit the program to operate unimpeded through September 30 of this year, it is possible that we may have to reexamine the matter if food prices continue to expand at the current rate. Allotments for July 1979 will be based on food prices through March 31 and very well could exceed the projected $200 a month for a family of four if increases of over 1 percent continue through February and March.

As you remember, Congress imposed a limitation on the program on the basis of budget assumptions and projections made in the summer of 1977. At that time, we were unable to predict the terribly devastating increase in food price inflation that would cripple our economy in the past 2 years. In those "good old days" of the summer of 1977, CBO estimated a food price rise of only 12.5 percent from 1976 to 1979. That figure is now expected to reach 26 percent. Likewise, CBO assumed the spread to increase by 16.9 percent by 1980 and 21.8 percent by 1981. Those spreads are now projected at 36.2 percent in 1980 and 46.1 percent in 1981.

If Congress does not remove or raise the CAP, the Secretary of Agriculture will be legally forced to reduce benefits to the very citizens who are hurt most by inflation. According to CBO, if the CAP is not raised by October 1, the poor, the sick and the elderly will have their allotments reduced by almost 20 percent. If the Secretary delays this cut for an additional 6 months, the further losses could total nearly 40 percent.

By removing the CAP, Congress would not be abdicating its responsibility to exercise financial oversight and control over program expenditures. Even without an arbitrary CAP, Congress and its appropriation committees must still approve every dollar spent in the program. The reason the administration and I are proposing a removal of the CAP is to insure that the food stamp program responds directly to actual economic conditions not hypothetical predictions. I urge my colleagues to support me in this endeavor.●

COMPARISON OF SOCIAL SECURITY COVERAGE TO CIVIL SERVICE RETIREMENT PENSIONS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. UDALL. Mr. Speaker, there has been a great deal of misinformation circulated regarding the differences between social security and civil service retirement pensions. As provided for by the 95th Congress, a commission is currently studying the feasibility and desirability of universal coverage. The study will make a report of its findings and recommendations to Congress in December of 1979.

The following article which appeared in the Washington Post does an excellent job of explaining the problem that faces Congress in examining the pros and cons of expanded social security coverage.

The article follows:

CIVIL SERVICE NEST EGG—SOCIAL SECURITY PENSIONS ARE FAR SMALLER

(By Spencer Rich)

Robert and John Smith, identical twin brothers, begin, work in 1949 after finishing college. Each works 30 years, is now 55, and earns about $20,000 at the start of this year. Their salary histories over the years are identical, except that Robert worked for the U.S. government and John for a private business.

If Robert Smith plays his cards right, he can expect to receive $320,000 in combined civil service, Social Security and private pensions over the rest of his lifetime, measured in constant 1979 dollars. Four-fifths of it will come from his civil service pension.

All he has to do is retire from his U.S. job at 55 and start drawing his civil service pension, then go out and get a job in private industry at his old salary until he's 65. His civil service pension will keep coming in; meanwhile, the 10 years of private employment will earn him a Social Security pension and a private pension when he reaches 65, assuming he works in a firm with a private pension plan.

Brother John, who works all his life at the same salary as his twin, but for a private employer, won't be so lucky. In the normal course of things, he, too, will work until he is 65. Then he will get a Social Security pension and a private pension.

But his combined pension benefits for the rest of his life will total only $170,000 measured in constant 1979 dollars.

Calculations for both brothers assume that they live to 79, the life expectancy of a man who has attained age 65.

These startling differences in benefit totals for a hypothetical set of twins, resulting from the fact that one worked part of his life for the federal government, illustrate why there is a growing clamor in this tight-budget era to cut costs of the civil service retirement system.

Some proposals would throw it out and give U.S. employees a Social Security pension plus a supplementary pension typical of those in private industry. A move in this direction failed in the last Congress but the issue is on the agenda again.

The American Federation of Government Employees, American Postal Workers Union and other U.S.-worker unions will battle the changes.

"I don't think we'd deny civil service retirement is a nice deal," Greg Kenefick of the AFGE said in an interview, "but that goes part and parcel to [compensating for] bad working conditions, low status and low pay for federal workers. Just because you see a lot of GS-16s riding around in big cars around here, it doesn't mean their salaries are typical of federal workers all over the country."

Social Security has some benefit advantages over civil service. Civil service has no "wife's benefit." For widows and children of workers who die young, for young disabled workers and their families, for some older widows, Social Security benefits can be higher, because Social Security is designed in part to protect the needy rather than reward long-term employees for years of service.

Social Security benefits aren't taxable, while civil service retirement benefits are. And Social Security beneficiaries receive Medicare at 65, though this is probably offset by the fact that retired federal employees can purchase an excellent health care plan for $52 a month, with the United States putting up $60 a month to help pay premium costs.

Nevertheless, for the most retirees civil service is a far better deal than Social Security, even where the private industry worker's Social Security benefit is supplemented by a private pension, which isn't always the case.

Civil service has three great advantages:

The civil servant can retire at 55 after 30 years of service whereas the Social Security retiree must be 65 (or he can opt for 62 with a reduced benefit).

Civil service benefit levels are far higher, equivalent to what a worker in private industry would get only if he received Social Security plus a good private pension.

The entire civil service pension receives automatic cost-of-living increases twice a year. But a person who receives a Social Security pension plus a private pension normally get regular cost-of-living boosts only on the Social Security part, because 97 percent of private pensions don't include automatic cost-of-living increases. So even if the private industry employe starts with combined Social Security and private pensions equal to his civil service counterpart, he quickly falls behind because inflation erodes the private pension's value.

The civil servant who can retire at 55 (with a pension equal to 56.25 percent of his highest three-year earnings' average) can then go out and find a private job, earning the right to Social Security later and perhaps a private pension as well.

This allows many to pile one benefit on top of another. In fiscal 1980, about 520,000 civil service beneficiaries, of a total of 1.4 million on the rolls, are expected to draw $1.6 billion in Social Security in addition to their civil service pensions. Some aren't well to do, but President Carter has vowed to reduce such "double dipping" if they are.

The higher civil service benefit levels are reflected in these figures: if an individual worked for the United States for 42 years, earning $40,000 a year his last three years, and decided to retire in 1979 at 65, he'd get a civil service pension of $2,667 a month. A private industry worker with an identical employment record would get $503 a month from Social Security—the maximum. Even if he had a wife who was entitled to the "free" additional "wife's benefit," his total would only be $754.

Moreover, a civil servant of 55, retiring after 30 years with an average salary of $20,000 his last three years, would get a pension exceeding $900 a month. This is still higher than the Social Security husband-wife maximum—and it is attainable at 55, not 65.

Government figures show that civil servants going into retirement at 55 in mid-1977 after 30 years of work averaged $953 a month as an initial benefit.

By contrast, private industry workers going on Social Security rolls at ages 62–65 in mid-1978 averaged $277 a month, which would rise to a bit over $400 in cases where the "wife's benefit" was payable.

Suppose the Social Security recipient also receives a private pension? Will his total benefits equal what he could get under civil service with the same salary history? Sometimes.

But a great many private pensions are very low—the average for those who got them was only $185 a month in 1975—and most private industry retirees don't get such pensions. In 1975, only 7 million to 8 million persons were drawing private pensions nation-wide. These figures are probably higher now, but still wouldn't make up the gap in benefits.

The civil servant does make a higher payroll contribution—7 percent of entire salary, versus 6.13 percent on the first $22,900 for a private industry employe subject to the Social Security tax.

But the federal worker gets back the payment very rapidly. All he puts in comes back to him in pension money within 18 months of retirement on the average, according to Thomas Tinsley, deputy assistant director of the U.S. Office of Personnel Management (formerly the Civil Service Commission).

What all this adds up to is a system that is pretty expensive compared with a combined Social Security pension and private benefit.

Pension system costs are usually measured by actuaries by a figure called "normal cost."

The "normal cost" of the civil service retirement system is estimated at 30 to 35 percent of payroll, according to Edwin Hustead, civil service chief actuary. This means that to pay all the benefits eventually accruing to any class of employes, funds equal to 30 to 35 percent of their pay over their working lifetimes in U.S. employment would have to be put aside at given rates of interest, inflation and wage growth.

Under civil service, the employe pays about 7 percentage points of the cost and the government pays the other 21 to 28 percentage points. This means that the government is paying about four-fifths of the total cost.

(Despite this, the fiction persists among many federal workers that "employes pay half.")

By contrast, the "normal" cost of Social Security is 13.8 percent of payroll (excluding Medicare) for all benefits that would be payable over their lifetimes to workers aged 18 to 22 who enter the labor force in 1978. And the typical private pension, according to Lynn Vandercock, an actuary with Wyatt and Co., pension experts, would add another "5 to 6 to 7 percent of pay as a normal cost."

So the civil service "normal cost" is far higher than Social Security plus a typical private pension.

Some federal employee unions challenge these calculations, but they are the ones generally used by the U.S. government, and actuaries say they are valid.

Rick Gelleher of the AFL-CIO public employe department defended early-retirement provisions as a national trend. He said the Auto Workers, Steelworkers and many other unions recently have negotiated contracts with industry calling for retirement at 55—even some for retirement after 30 years regardless of age.

As much as 10 percent of outlays for civil service retirement could be saved if the normal retirement age were changed to 65, as in Social Security, civil service actuary Hustead estimated. (Outlays last year were $9.6 billion.)

He also estimated savings of 15 percent if, instead of receiving cost-of-living increases on their entire civil service pensions, beneficiaries got the automatic increases only on that portion of the pension equivalent to what the benefit would be under Social Security (say 70 percent of the benefit).

Most observers believe the only fair and politically feasible way to change the system is to "grandfather" current U.S. employes into the present civil service retirement system and apply any new rules only to future employes.

Federal employe unions aren't buying this. Kenefick said the attack on costs of the retirement system is merely a "lever to reduce" other federal employe benefits.

Moreover, he said, current employes fear they won't be grandfathered in but will see the rules changed on them in mid-career.

"We're not engaging or trying to engage in a ripoff," he said.

Federal unions are powerful and may win their point. But at a time when social planning experts are already talking of eventually raising the Social Security regular retirement age from 65 to 68 to help cut costs of that system, it seems questionable whether such features of civil service at age 55 normal retirement can be permanently preserved.●

FAA SHOULD LISTEN TO PUBLIC COMMENTS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MATHIS. Mr. Speaker, I join with my esteemed colleague, the gentleman from Kentucky (Mr. SNYDER), in urging support for the bill which he has introduced today and which I am proud to cosponsor. The bill would bring about a greater degree of public participation in developing regulations of the Federal Aviation Administration (FAA) relating to the use of navigable airspace. The airspace regulations proposed recently by FAA appear to be grossly discriminatory toward the private pilot, while doing little or nothing to insure additional safety for commercial aviation. It is, therefore, absolutely essential that the FAA reconsider these proposals on the basis of a complete record of public comments.

The refusal by the FAA to extend the 60-day comment period is entirely unreasonable and unacceptable because this action will preclude many interested and affected parties from submitting their views. Sixty days is an insufficient time to enable the public to evaluate the full ramifications of such complex regulatory proposals. The bill which we have introduced would require a period for public comments of at least 120 days in the case of proposed airspace regulations, as well as mandating formal presentation of the reasons for such proposals to the appropriate House and Senate committees in open public hearings.

Mr. Speaker, I have formed my views on this matter after full consultation with Mr. Henry Pflanz of the polit's lobby and other appropriate aviation interests. This seems to me a reasonable, responsible approach for us to take under the circumstances. We do not attempt to substitute our judgment in the safety area for the expertise of the FAA. We do, however, attempt to insure that the FAA makes its decisions on a full record of public comments and expertise before it makes final regulations that will have the greatest possible effect on all private aviation and particularly the pilot who owns and flies his own aircraft.

The FAA's attitude of "let private aviation take the hindmost" is patently discriminatory, particularly in those areas of the country which are not blessed with an abundance of commercial air transport. Finally, I would like to associate myself fully with the statement on this subject made by my colleague from Kentucky (Mr. SNYDER), whose expertise in this area is well known.

Thank you, Mr. Speaker.●

IN COMMEMORATION OF LITHUANIAN INDEPENDENCE DAY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MOTTL. Mr. Speaker, in the spirit of Lithuanian Independence Day, which was officially observed on February 16, I would like to join with the Cleveland chapter of the Lithuanian American Council in commemorating the 61st anniversary of the Declaration of Independence of Lithuania.

As Americans, we take great pride in our independence, our freedom of speech, and our right to worship. But at this time, we should reflect on those who are not as fortunate; the people of Lithuania, Latvia, and Estonia, whose basic rights are being denied them by the Soviets.

I commend these people for their efforts to preserve their national heritage and for their pursuit of independence for their homeland.

Mr. Speaker, I would like to insert the following resolution, adopted by the Cleveland chapter of the Lithuanian American Council, in the RECORD:

RESOLUTION

We, Lithuanian Americans of the Cleveland area, gathered at the parish hall of the Our Lady of Perpetual Help Church in Cleveland, Ohio, on Sunday the 11th day of February, 1979, to observe the sixty-first anniversary of the restoration of independence of Lithuania, have adopted the following resolution:

Whereas, on February 16, 1918, Lithuania, a sovereign state and a kingdom since the 13th century that came to an end in 1975, rose again after a 123 year occupation by its neighbors and in its ancient capital of Vilnius proclaimed itself an independent republic; and

Whereas, on June 15, 1940, the Soviet Union broke all existing treaties with the Republic of Lithuania and forcibly and illegally occupied its territory, which fact had been officially confirmed by the Select Committee on Communist Aggression of the U.S. House of Representatives of the 83rd Congress and condemned by all U.S. Administrations; and

Whereas, while many former African and Asian colonies have become independent, the Soviet Union continues to subjugate, exploit

and deny all human rights to the Lithuanian people, which is contrary to the beliefs of the civilized community, and through a program of deportations and colonialization continues to change the ethnic character of the population of Lithuania, thereby committing genocide.

Now, therefore be it resolved, that we again demand that the Soviet Union withdraw its armed forces, colonists and its entire apparatus from Lithuanian soil and permit the Lithuanian people to exercise their sovereign rights; and be it

Further resolved, that we repeatedly express our gratitude to the United States Government for the firm position of non-recognition of Soviet occupation and annexation of Lithuania and request the Administration to direct the attention of world opinion at all international forums on behalf of the restoration of sovereign rights to the Lithuanian and other Baltic peoples, to specifically demand this at the European Security Conference in Madrid in 1980, and by other means to influence the Soviet Union to stop its genocidal practices in Lithuania and to cease all acts of continued occupation; and be it

Finally resolved, that this resolution be forwarded to the President of the United States and copies thereof to the Secretary of State, to both U.S. Senators from Ohio and Members of the House of Representatives from the Cleveland area and to the press.

Resolution proposed by the Cleveland Chapter of the Lithuanian American Council and adopted by this assembly.

K. ALGIMANTAS PAUTIENIS, *President*.●

MRS. LUCILLE S. SCHLOSSER

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HALL of Ohio. Mr. Speaker, on January 5, 1979, the U.S. Air Force retired its highest ranking woman career Federal civil servant, Mrs. Lucille S. Schlosser, a resident of Kettering, Ohio. At the time of her retirement, which culminated more than 30 years of distinguished service to her country, she was Deputy for Contracting and Manufacturing for the Air Force Acquisition Logistics Division (AFALD), Air Force Logistics Command, at Wright-Patterson Air Force Base, Ohio.

Mrs. Schlosser's career has been marked by initiative, extraordinary ability, community service and true dedication to her profession.

She began her career as a personnel clerk at Wright-Patterson Air Force Base. In 1956 she took a voluntary downgrade of four grades to begin a career in contracting. During the next 22 years with the Aeronautical Systems Division and AFLC at Wright-Patterson, she has served as a contracting officer and branch chief in research and development procurement, missile buyer, contracting policy analyst, principal contracting officer and director of procurement and production for the entire C-5A cargo aircraft system. Despite the heavy responsibilities of this period, she found time to attend and graduate from the Federal Executive Institute and from Sinclair Community College, Dayton, Ohio. Also in 1977 she graduated magna cum laude from the University of Dayton.

Her long and distinguished career has been marked by the highest degree of professionalism, imagination, perseverance, and outstanding performance in both technical and nontechnical functions. Many rewards and recognitions have been repeatedly accorded her for her work and contributions to the Nation and the community of Dayton. She has twice received the Exceptional Civilian Service Award, the highest Air Force award bestowed on civilian personnel. Also, the Society for Personnel Administration and the Dayton Jaycees have each given her their Supervisor of the Year Award.

The leadership demonstrated in her assignments has been an extension of the contributions made throughout her career. Her personal commitment to affirmative action is exemplified by her role in furthering equal employment opportunities for women in the Federal work force. She has been influential as a member of the office of the Federal Procurement Policy's Interagency Specialized Work Group to study the role and status of women in procurement nationwide.

Mrs. Schlosser was a cofounder of the Dayton Chapter, National Contract Management Association where she held local offices as well as that of National Director. In addition, she was selected as a member of the National Board of Advisors for that organization. She was the 1977 chairperson of the Combined Federal Campaign for the greater Dayton area and serves on advisory boards at Sinclair Community College and Wright State University, Dayton, Ohio.

In her last assignment prior to retirement, Mrs. Schlosser was responsible for building an organization from its inception. As a member of the steering committee for the Acquisition Logistics Division, she helped to design and develop the organizational structure and to define its role and mission in the U.S. Air Force. The division was created on July 1, 1976. It serves as an interface between the Air Force Logistics Command and other Air Force commands in increasing operational readiness and lowering operating costs of systems and equipment in the Air Force's inventory. Her duties also included the responsibility for advance procurement planning for future Air Force systems as well as management of and policy for the functional buying activities within the AFALD. A cornerstone of her effort has been the development of innovative business strategies designed to increase readiness and lower operating and support costs for major weapon systems and subsystems. In fulfilling these responsibilities she has had a direct and far-reaching influence on the reduction of total ownership costs of such new Air Force systems such as the F-16, air launched cruise missile, EF-111, and the advanced medium STOL transport.

Mrs. Lucille S. Schlosser's superior technical competence, innovation and outstanding leadership have significantly improved the Department of Defense's contracting and acquisition capabilities. Her distinctive achievements and personal dedication to this Nation and the Air Force reflect highest credit upon herself and the Federal civilian service.●

SINGLAUB: CARTER HAS OWN VIEW OF "REALITY"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McDONALD. Mr. Speaker, this is No. 3 in a series of articles by Maj. Gen. John K. Singlaub USA, retired, that appeared in the Atlanta Journal for February 6, 1979. (No. 2 appears on page 2943 of the CONGRESSIONAL RECORD of February 21, 1979.) In this last part of the series General Singlaub discusses some of the mysterious twistings and turnings of the Carter foreign policy that have gotten him worldwide attention, but have left our friends and allies confused and dismayed. General Singlaub asks why Carter, for instance, did not once mention human rights in speaking of China, when Red China is known to be the largest human rights violator in the world? General Singlaub also asks the question does "might make right?" In the case of Communist China, she has conducted aggression after aggression since the Communists won the mainland of China in Tibet, Korea, India and Vietnam. The question remains just what standards as a nation do we have left? When will President Carter provide the answers? The article follows:

SINGLAUB: CARTER HAS OWN VIEW OF "REALITY"

(By John K. Singlaub)

The only way we may be able to understand what President Carter is saying about his recognition of Red China is to submerge ourselves into the Orwellian world of *1984* and its doublethink and newspeak.

Consultation of a dictionary for the meaning of words like "reality" or "legal" is of no help when trying to decipher the message that the president delivered on Dec. 15, 1978. "Simple reality," according to Carter, is not just the dictionary definition of the "material or factual existence" of the People's Republic of China. Using that definition, Cuba, North Korea, Cambodia, Uganda, Vietnam and even Taiwan would have to be recognized.

The president has given the term "simple reality" a new, mysterious dimension. It is equally clear that the expression, "sole legal government," does not take into account any law—domestic or international. China has no legal claim to Taiwan whatsoever. So what does "legal" mean now? Carter may think that this is not the way things should have been—but to claim any legal basis for that kind of thinking is indefensible.

Surely he will not involve himself personally in new definitions of borderlines and territories around the world—according to what is "good," "right" or "appropriate." One can be fairly confident that he will not make it his business to reunify other divided countries—East and West Germany or North and South Korea.

It appears clear that the president has been engaged in a redefinition of words. The danger is such an activity is that eventually the words lose their meaning completely.

Looking beyond the official explanation given for recognition of China, the slogan which seems to surface is "might makes right." The argument goes that rearrangement of recognitions and treaties was inevitable. After all, the Chinese are so many, they can consume so much, and they have oil. In this we have some specifics that may give us some clues for understanding the next redefinition of "reality."

If we look at the relationships of population and gross national product between Taiwan and mainland China, we will notice that the ratios are no larger than the similar figures for Israel and the Arab nations or for Norway and the USSR. Does this mean that in the world of the Carter administration's new "realities," we will stop acknowledging Israel's existence or not support Norway if threatened by the Soviet Union?

In this connection, it is quite probable that Billy Carter's candid remark, "There's a hell of a lot more Arabs than Jews," is only a reflection of this thinking. Billy Carter cannot be blamed for this—his brother introduced the principle. Billy has just drawn attention to the principle's further applicability.

Another reality, in the normal definition of the word, is that the human rights condition in China is much worse than in the Soviet Union. Can we expect the president to start writing letters to Chinese activists, accusing their government of gross violations of human rights? After all, he recently stated: "As long as I am president, the government of the U.S. will struggle for the enhancement of human rights. *No force* on earth can separate us from that commitment."

Human rights were not mentioned once in his statement on China, and little has been heard since then. Has the human rights question in China been defined into the realm of nonrealities, along with Taiwan? If President Carter really acts or defines reality according to the slogan "might makes right," we cannot accuse him of inconsistency or a lack of conceptual framework on international affairs. But we shy away from the implications this would have on our allies and friends, as well as on the conduct of foreign affairs.

The president also claims that the China agreement was not made for transient tactical or expedient reasons, although the officials have been explaining the large-scale economic and political benefits ever since the rearrangement of recognitions took place.

We have further been told that the Chinese made concessions, which must mean in the new Carter language no concessions at all. China's willingness to permit U.S. arms sales to Taiwan was the single most important concession as reported by the White House. On the same day, however, Chinese Premier Hua Kuo-feng's statement was, "We can absolutely not agree to the arms shipments" and that "arms sales (are) detrimental to a peaceful settlement of the Taiwan question." It seems to me that one of the two parties to this agreement is lying, and it gives us an indication of the reliability of the newly won relations.

The president also stated that "we have *already* informed our allies and the Congress." Surely some members of Congress would have found a different description for this.

However, if Carter's view is represented by the condescending remark by his national security advisor, Zbigniew Brzezinski—"They were given more than six years' notice."—he may feel he was right to apply the word "already." It was precisely such a shift in China relations under those conditions that had been rejected by previous administrations; so the six years' warning must be one of those Polish jokes used at an extremely inappropriate time.

The president's main foreign and defense policy decisions have been characterized by unilateral concessions—canceling the B-1 bomber, delaying production of the neutron warhead, withdrawal of troops from Korea, relinquishing the Panama Canal, and recognition of Red China. He does not even seem to bother to ask for compensating concessions—either from the Soviets, the mainland Chinese, the North Koreans, or from Panama. This is definitely conducting bargaining in the Santa Claus spirit.

Why is this done? It is certainly a unique way of administrating foreign affairs. It clearly indicates that the administration is craving attention, in this, at least, they have succeeded beyond all expectations.

European allies from Helmut Schmidt to Giscard d'Estaing have on occasion been at a loss in their attempts to understand our current twists and turns in foreign affairs. We have come into a situation where reaching an agreement is of higher importance than the contents of that agreement. Carter seems to have a checklist of accomplishments, and this latest action—the China rearrangement—is just another item checked off.

All this seems to have been made possible by Carter's dislike of the world as it is. The world needs to be redefined—in 1976 open diplomacy was in, and in 1978 Carter decided open diplomacy was out—because all of his actions as well as his desires have to be fitted harmoniously together. Therefore, following this, human rights, Soviet expansionism, and Taiwan are defined into the realm of non-reality.

Forty years ago, in 1939, the type policy being pursued by Carter was defined as appeasement. I wonder if the president has some reason to believe his policies will be any less disastrous this time around.●

THE MUDDY STREET AND NATIONAL SERVICE

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. KASTENMEIER. Mr. Speaker, along with renewed interest by some to restore military conscription, there also is discussion about reviving the concept of universal or national service. I suppose the rationale behind such an idea is that if some young people are forced to serve in the military, then, to be fair, all eligible young people should be required to perform some sort of service to the State. The universal service proposal reminds me of a story I heard at a conference on the draft that was being held at the University of Chicago in 1966. The story was told by Prof. David Bakan who, at that time, was a member of the faculty of the University of Chicago. It reads as follows:

THE MUDDY STREET

One of the streets of Gotham was in bad condition. Each time a wagon would pass it would throw mud at the people on the sidewalk, especially those close to the curb. The wise men of Gotham gathered to deliberate what course of action they should take with respect to it. In the course of their deliberations it was pointed out that it was very unfair that those who were near the curb should be splattered while others were not. The Council of Gotham therefore passed a law requiring all citizens on the street to line up at the curb whenever a wagon was to pass.●

HOW THE CARTER ADMINISTRATION BETRAYED THE SHAH

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McDONALD. Mr. Speaker, the recent overthrow of the government of the Shah of Iran by Soviet-backed revolutionaries is a shattering blow against this country and the free world's goal for stability and progress in the Middle East. Without any question, a major share of the blame for the events in Iran must be carried by the Carter administration which clearly demonstrated its hostility to the Shah and his government, giving the Soviets and their revolutionary clients a clear signal that the United States would not oppose an effort to depose the Shah despite his decades of support for the West.

The clearest reporting of the process by which the Shah was overthrown has been provided by the weekly news magazine, The Review of the News, in an article by its Washington editor, John Rees. The article outlines how the inept policies of the present administration have resulted in the loss of Iran to the free world and a consequent gain for the Soviets in their encirclement of the Middle East.

The article follows:

HOW JIMMY CARTER BETRAYED THE SHAH

(By John Rees)

Iran was for 20 years the keystone of America's strategy in the Middle East and a major factor in the economic stability of the Free World. But, in the two years and two months of the Carter Administration, it has ceased to be an ally and is now immersed in anarchy and chaos for which the U.S. President bears the major responsibility. Not since the fall of the Nationalist Government in China has an American Administration committed so damaging a betrayal of a major ally.

What has happened in Iran threatens the entire world balance of power and the economies of the West, and it has come about only because the Carter Administration allowed itself to be used in a program crafted by the Kremlin to destabilize Iran. In the words of a senior Iranian diplomat in Washington, "President Carter betrayed the Shah and helped create the vacuum that will soon be filled by Soviet-trained agents and religious fanatics who hate America."

The vital importance of Iran to the Free World is the result of a number of factors including:

Its geographic location on the southern border of the U.S.S.R. where it is the eastern gateway to the Middle East;

Its oil fields which are the source of between 70 to 90 percent of the oil imported by the countries of Western Europe, Japan, Israel, South Africa (and Rhodesia); and which were growing in significance as a source for U.S. oil imports.

In terms of the Free World's defense strategy, Iran has long been of critical importance. Iran and Turkey are the Middle Eastern members of the C.E.N.T.O. alliance for regional security. From Iran, highly sophisticated electronic-intelligence listening posts, equipped and manned by the National Security Agency, have monitored military activities in the Soviet Union. These have grown to critical importance since the U.S. decided to take the Greek side after the Cyprus invasion and, in retaliation, Turkey shut down all U.S. bases and electronic posts on her territory

and moved so far toward an accommodation with Moscow as to sign a friendship and cooperation agreement with the Soviets.

Even more important, the Shah's well-trained and American-equipped Armed Forces were available to serve as the regional protector of the small, sparsely populated, but oil-rich countries along the Persian Gulf and Arabian peninsula which have been targets for both courtship and subversion by Moscow. Indeed, although there was some tension between Iran and Saudi Arabia (based in part on the fact that they epitomize the two divisions of Islam), the Iranian military had already proved its effectiveness in Oman where at the invitation of Sultan Qabus the Shah's troops wiped out a Marxist terrorist organization and drove its stragglers back to sanctuary in the neighboring People's Democratic Republic of Yemen (P.D.R.Y.).

The P.D.R.Y. has been intimately collaborating with the U.S.S.R. since the British abandoned Aden. Its revolutionary Marxist Government has been on excellent terms with Libya, that other revolutionary socialist Islamic republic, and with the Marxist regimes in Algeria and Iraq. These countries have worked to assist Soviet maneuvers in the Middle East, providing training bases, arms, passports, and other logistical support for terrorist groups ranging from Africa and the Middle East to Europe. The West German Baader Meinhof gang, "Carlos the Jackal," and factions of the Palestine Liberation Organization (P.L.O.) have all had the use of Libyan and P.D.R.Y. facilities. Members of the two chief Iranian terrorist groups, one Marxist-Leninist and the other "Islamic-Marxist," have received training in the P.D.R.Y., Libya, Iraq, and Cuba.

Mere collaboration with the Communists does not make a regime immune from a coup to install a totally controlled gang of Soviet agents. The P.D.R.Y.'s collaborationist Government was overthrown by a Soviet-controlled regime last summer, opening Aden to the Warsaw Pact and Cuban forces as a staging area for operations in Ethiopia. The recent coup in Afghanistan, the attempted coup in Iraq, the civil war in Lebanon, the growing disorders in Turkey, and what is happening in Iran show that an all-out Soviet offensive is underway to capture the entire Middle East for the Communist camp.

With a hostile, anti-Western regime in Iran, the pressure against Saudi Arabia, Jordan, the Arab Gulf countries, and Egypt will increase dangerously.

That this was allowed to happen is from a strategic point of view unthinkable. From a political point of view it is even worse. Under the direction of its able monarch Iran had been transformed in a single generation from a near-feudal agricultural society to an urbanized, burgeoning, industrialized, and modern country with an increasingly Western character. This program of industrialization was carried out under the personal direction of the Shah. His plan was to make Iran a technologically advanced, economically diversified, and self-sustaining nation so that in the next century when the oil ran low Iran would not go into an economic decline and return to the dark ages.

There can be no question that the Shah took his position as a ruling monarch very seriously, shouldering moral and economic responsibility for the emerging Iranian people. Clearly he tried to bring to Iran the best of what Western societies had to offer. And not merely in the material sense. Among the Western concepts and developments he had written into law in Iran were the principles of religious toleration, separation of church and state, and expanded legal and political rights for women. Education was provided for both women and men, and an advisory parliament was set up to which, over the year, additional powers were granted.

These programs were anathema to the fanatical elements of the Shi'ite Moslem clergy who had come to exercise vast power over the peasants because of their enormous land holdings. As in Western Europe during the 13th and 14th Centuries, persons attempting to ensure their salvation had bequeathed land, houses, jewels, and money to the Shi'ite mosques, monasteries, and religious centers. With richness and temporal possessions came temporal authority. But the heart of the Shi'ite clergy's power was control of land in an agricultural society where their economic strength enforced "piety" and obedience to their religious orders. All of the Shah's efforts at industrialization and modernization were therefore viewed as a direct threat to the Shi'ite mullahs—who easily rationalized this as an attempt by the Christian countries to subvert Islam by technology. The resulting hatred of the West led the Shi'ite clergy to collaborate with the Soviet Union and the Communists in Iran.

The Shah particularly cut into the power of the Shi'ite clergy with a land-reform program in which large estates (including those of the Shah and his family) were broken up and given to landless tenants. The compensation paid to both the secular and clerical landowners never made up in their view for loss of the power they once held over their former tenants. Thus the Shah was seen as a man to be destroyed by the West-hating Shi'ite Moslem clergy, their fanatical followers, and the Marxists and Communists organizing among the Iranian intellectuals, students, and industrial workers.

The Soviets realized that by destroying the Shah they might gain unhindered access to their client states of Syria and Iraq; access to the warmwater ports of the Persian Gulf; control of the Strait of Hormuz between the Persian Gulf and the Gulf of Oman, through which move the tankers carrying oil from Saudi Arabia, the United Arab Emirates, and Iran; and, control of Iran's own vast energy resources of oil and natural gas. And, of course, such a coup would also bring benefits to the radical Arab states which have aligned themselves with the Soviet Union—Libya, Syria, Algeria, P.D.R.Y., and Iraq. In addition, a militant anti-Western regime in Iran would immediately cut off oil shipments to Israel and South Africa.

As the Shah moved to control these groups who have perennially plotted revolution against him, and to maintain his long-established friendship with the Free World, Jimmy Carter entered the White House and global politics underwent a drastic change.

Soon after President Carter took office in January 1977, reports began to circulate of major domestic political concessions being made by the Shah in response to demands by the Carter Administration. In effect, radicals around President Carter were seeking to impose the "anything goes" political system of the United States in the late 1970s on a country that had been partially occupied by the Red Army during World War II; which had to put down a Communist Government in its Azerbaijan province set up by Stalin's minions; which had a long border with the U.S.S.R.; which barely escaped a Communist takeover in the early 1950s; which had no tradition of Western political freedoms; and, which was in the throes of a drastic social and economic transformation from feudalism.

In the name of "human rights" the Carter radicals were out to destroy the most progressive ruler in Iran's history and turn his throne over to a gang of fanatics out of the dark ages as a prelude to Communist takeover.

By linking various demands to the sale to Iran of sophisticated military hardware and the training of Iranian military technicians and pilots, the radical Carter team began a campaign to "destabilize" the Shah's Government. In chronological sequence, the successful betrayal went like this: First, pressure was applied to release from prison many of those who had plotted to overthrow the Shah, including members of terrorist groups. After all, the Carter State Department, Amnesty International, and Moscow Radio all agreed that these were "political" prisoners. Next, pressure was applied to alter the Iranian judicial code so that terrorists and subversives were no longer tried by military courts but in civil jurisdictions. Defendants and their supporters quickly commenced the sort of propaganda activities seen in Western countries when the authorities attempt to prosecute revolutionaries. Third, pressure was applied to institute guarantees of American-style "free assembly," that would allow organization of open meetings calling for the overthrow of the Shah's Government. And, fourth, "opposition tendencies" in the ruling Rastakhis (Renaissance) party were encouraged by the United States.

The Shah's concessions to U.S. "human rights" pressure in order to obtain vital military equipment were, of course, perceived as weakness not only by his enemies among the Communists and the mullahs, but also among his own supports in the Rastakhis party. The perception of weakness brought about quick escalation of challenges which the Shah and his Government were unable effectively to check because of increasing "human rights" pressure from President Carter and his team of radicals. By the end of the summer of 1977, university students and followers of the Shi'ite clergy had begun staging street demonstrations on the campuses and in several Iranian cities. These were unchecked and escalated in violence. Some Iranians believe that this opposition to the Shah was actually organized by the Central Intelligence Agency at the order of President Carter. The Iranian magazine *Khandanha*, for example, carried an article in its issue for December 16, 1978, which said that "Imam Husa Sadr was approached to take up the leadership of a new government, but, because of the vigilance of the Eastern bloc, this plan crumbled and the Imam vanished."

In November 1977, the Shah and his Empress had made a state visit to Washington, D.C. They and all Iranians were given a clear message of the Carter Administration's deep hostility when the Shah was "greeted" by President Carter as some 4,000 Marxist-led Iranian students brandishing clubs and the banners of Iranian terrorist organizations were allowed to mass within a hundred feet of the White House. Wearing masks to conceal their identities, these revolutionaries attacked both American and Iranian residents of this country who had peacefully assembled to welcome the Shah. Many people were injured, but only 15 of the rioters were arrested—and were then quickly released.

The failure to interfere with these violent demonstrations, virtually on the White House lawn, was seen as the clearest of signals that the Carter Administration was willing to see the Shah and his Empress insulted, even directly assaulted by tear-gas, in the streets of the American capital. Obviously Carter was not committed to the survival of the Shah and his pro-American Government. Again quoting from the *Khandanha:*

"Before that latest trip, the Shah had traveled several times to the U.S.A. without encountering any demonstrations of Iranian students residing in the U.S.A. . . . By contrast, during the Shah's most recent trip such demonstrations (which included Iranians residing in Canada and Europe) were not only permitted, but perhaps even encouraged by CIA officials."

As The Review Of The News reported November 30, 1977, White House media czar Jody Powell had instructed the police "that strict enforcement might make America look like a 'police state.'" In short, the riot against the Shah was a calculated insult designed to reinforce Carter's radical demands. And, while President Carter and his advisors were urging the Shah toward still more radical and revolutionary changes and concessions in the fabric of Iranian society, the Soviet Union was moving every bit as rapidly to mobilize its long-constructed networks of subversion, sabotage, espionage, and terrorism in Iran.

Viewing revolution in the whole region as an interrelated drama, Moscow now held the dress rehearsal. In April 1978, the Free World suffered a major defeat when the leader of the Communist party of Afghanistan, the Khalq or "Masses" party, seized control of Iran's eastern neighbor in a bloody coup and established a Marxist-Moslem dictatorship. Just as Soviet agents long planted among the Shi'ite Moslems of Iran would soon do, the Afghan Communist despot Nur Mohammed Taraki called for a "jihad" (holy war) against those he designated as false Moslems or "Ikhwanu Shayateen." The latter means "brothers of devils" and is a phrase from the Koran applied by the Afghan Reds to all who oppose the transformation of Afghanistan into a Soviet satellite. It became plain that the Communists had been busy devising a Marxist "liberation theology" for the Islam, just as they had done for Christianity and other religions targeted for subversion.

But the capture of Afghanistan provoked no reaction from the Carter Administration and Washington continued to pump dollars to the new Communist regime. This confirmed to the Kremlin that it was in sufficient control of U.S. foreign policy to prevent a response to Soviet aggression in the Middle East, just as it had prevented resistance to Soviet aggression in Africa. A *de facto* U.S. policy of non-intervention against Communist aggression, even to defend the source of oil and natural gas on which the countries of the Trilateral Commission—North America, Western Europe, and Japan—depend for their economic and military strength, made clear to Moscow that it was free to act at will in Iran.

With the Kremlin's puopet Taraki in control of Kabul, a flood of Soviet-trained agents moved across the border into Iran to infiltrate the mosques, the schools, the Shi'ite monasteries, the bazaars, and the oil fields. By November 1978, there were an estimated 500,000 illegal Afghan immigrants in Iran, in most cases virtually indistinguishable from Iranians living in the eastern provinces. The K.G.B., which had taken control of Afghanistan's secret police, set up large training camps for Iranian terrorists.

Of course the subversion of Iran by Communist agents had been going on for some time. Over the past decade a large number of Soviet intelligence officers from both the K.G.B. and the G.R.U. have been caught and expelled from the country by the Iranian security authorities. Reports show that there have been as many as 4,000 Soviet technicians in various jobs in Iran and another 1,000 from other Communist countries in Eastern Europe. How many of these also had K.G.B. or G.R.U. duties in the subversion of Iran we do not know precisely; but it is a matter of record that the K.G.B. has used as "cover" such organizations as the Irano-Soviet Cultural Society, the local offices of the Soviet news agency Novosti, the Soviet trade mission in Teheran, Soviet consulates in large Iranian cities, a Soviet-owned transport company, and the Soviet hospital in Teheran.

With these resources, assisted by indigenous agents and Iranians in high military and administrative positions whom the K.G.B. had either blackmailed or bought, the Soviet Union commenced a sophisticated political-warfare operation against the Shah in late 1977. A new publication of the Iranian Tudeh Communists, called *Navid* (Good News), began to appear weekly in Teheran. A high-quality production in contrast to the sleazy mimeograph tracts put out by the other Leftist and terrorist groups, *Navid* has been able to respond to the swiftly moving political events in Iran, often bringing out special editions on the eve of major strikes and demonstrations. Its pages reflect the line of the clandestine National Voice of Iran (N.V.I.) broadcasts from Baku on the Caspian in calling upon the Iranian military to mutiny against the Government and for general strikes. *Navid* has frequently used forgeries intended to inflame its targets and began carrying fake proclamations by spurious "rank-and-file" Iranian military groups urging desertion and mutiny. It carried phony accounts of mutinies for months before the recent outbreak of dissension in the Iranian Air Force.

This Communist publication has been publishing the Tudeh party's call for formation of an "anti-dictatorial broad front," the same sort of maneuver the Communists are using in Nicaragua, The Philippines, and other countries. In an effort to win over the Shi'ite clergy, the Tudeh Communists have said that the ayatollahs and mullahs must play the "vanguard role" in this movement. In a June 1978 edition of *Navid*, the Communists offered to place all of their very considerable propaganda, political, and technical resources at the service of this front. *Navid* pointed to the "benefits" that have accrued to the fundamentalist Islamic and socialist Government of Libya and to the terrorist "freedom fighters" of the P.L.O. as a result of their cooperation with the Soviet Union, suggesting that similar "benefits" could come to Iranians who joined the ranks of Communist collaborators.

Not surprisingly, all available evidence points to the fact that *Navid* is produced in the Soviet Embassy in Teheran on its modern printing press, and that it is the voice of the K.G.B.'s covert political-action agents when these can be distinguished from the voice of the Tudeh party puppets.

The alliance of "Islamic-Marxists" or "black and red revolutionaries" is not new in Iran. The largest Iranian terrorist organization, the Organisation of Mujaheddin of the People of Iran (O.M.P.I.), originated in a 1963 attempt to overthrow the Shah in which Ayatollah Ruhollah Khomeini played a leading role. It has spoken of its members as Islamic-Marxists for the past nine years. Thus this unlikely union is not, as several U.S. commentators have claimed, an "invention of the Shah's propagandists." In fact the 4,000-member O.M.P.I. announced in 1976 that it had "joined the Marxist-Leninist revolution" in Iran and was hailed in welcome by its rival terrorist group, the somewhat smaller Organization of Iranian People's Fedayee Guerrillas.

As violence in Iran continued to increase along with the evidence of Soviet involvement in destabilization and subversion, there was no response by the Carter Administration. In a recently released staff study by the House Select Committee on Intelligence, we find the following statement: "The attention of top policy makers was not brought forcefully on Iran until October 1978." The House Intelligence Committee study contains a wealth of "evidence" to support that statement, but it makes no mention whatever of President Carter's meeting with the Shah in November 1977 when it was already apparent that the Communists had targeted Iran for takeover and the violence had literally spilled onto the steps of the White House.

What, we may ask, does it take to obtain "the attention of top policy makers"? The fact is, alas, that those policy makers were well aware that the Reds were out to destroy the Shah and were trying to help them! The *Washington Post* of February 13, 1979, carries a column which reports that the Shah has told President Sadat of Egypt that C.I.A. set him up on orders of President Carter, and that the Shah had proof of this last spring.

As the Moslem-Marxist alliance gained momentum, a new forbidding figure became central to Iran's tragedy, the 78-year-old Shi'ite religious leader Ruhollah Khomeini, who uses the honorific title "ayatollah" or "reflection of God" reserved for a handful of the most respected Shi'ite mullahs or "masters" of the Koran and Islamic precepts.

This month Khomeini, whose brother had been imprisoned as a member of the Communist party in Iran, returned from 14 years of political exile, all but the last few months in Communist Iraq, having maintained an implacable opposition not merely to the Shah but to the entire Iranian royal family, to the military which supports the Shah, and to the Constitution and the Government. During his exile, Khomeini issued repeated calls for revolution and the violent overthrow of the Shah. Khomeini says his goal is the creation of a revolutionary Islamic republic that will be anti-Western, socialist, and with the ultimate power in the hands of the chief ayatollahs.

In the words of Michael Ledeen, an expert on Iran at Georgetown University in Washington, D.C., there is ample evidence that Ruhollah Khomeini is "a clerical fascist, a violent anti-Semite and an intensely chauvinistic anti-American." This evidence is not taken from any secret intelligence files, but from Khomeini's own writings, lectures, and press interviews. As long ago as December 1968, in *The Middle East* magazine, Khomeini affirmed that the purpose of his Islamic republic would be completely to eliminate all Western influence from Iran. Apparently Communism is not considered a "Western influence" since Khomeini has repeatedly said during the past year that in his Islamic theocracy the Communists will participate as a legitimate political force.

Khomeini's Islamic republic will seek to bring back to Iran the punishments established by Muhammad in the early 7th Century. These include 80 lashes for drinking alcohol; the public stoning of adulterers; cutting off a thief's hand and so on. According to *Newsweek*, one of Khomeini's close aides told their reporter, "you don't cut off the whole hand—just the fingertips." The aide wanted to make clear that this is much more respectful of "human rights" than the Saudi and Libyan practice of hacking off the entire hand at the wrist.

So much for President Carter's effort to destroy the Shah in the name of "human rights." Clearly there is much more involved here.

In December of 1978 the Communist Tudeh party, which had been run from East Berlin by Iranian exile Iraj Eskandari, gave its tentative support to the Islamic revolutionary movement headed by Khomeini. The support was far too tentative for Moscow's liking and it promptly sacked Eskandari. The new boss of Tudeh, one Nureddin Kianuri, immediately issued a statement which read, "The Tudeh Party approves Ayatollah Khomeini's initiative in creating the Islamic revolutionary council. The ayatollah's program coincides with that of the Tudeh Party." The alliance was now a matter of public record.

Which came as no surprise to anyone, although the Carter Administration continued to pretend not to realize that Khomeini's closest adviser, Sadegh Ghothzadeh, alias Asfahani, was well-known to the European intelligence community as a master revolutionary with tight links to the leaders of the French and Italian Communist parties. Asfahani, it develops, also works closely with the Libyan secret service, one of the K.G.B.'s

most helpful collaborating agencies in the Middle East.

In order to facilitate the operation of the newly announced Islamic-Marxist alliance, the Tudeh Communists formed a new front party, the Democratic Union of the People of Iran. In their new guise of a Democratic Union, the Communists began calling for the establishment of Shi'ism as the national religion of Iran, and for full support for Khomeini and his revolutionary Islamic republic. In a mere two months, because of the alliance, they were able to sell in Teheran 300,000 copies of the *Communist Manifesto* and are distributing thousands of copies of works by Lenin translated into Persian.

The highly organized, well-funded Communists have considerable influence not only in the Writers Association, the Bar Association, and in the National Association of University Professors, but also in the poor sections of the major cities where "district cells" have been set up to take control of such tasks as local food distribution, traffic control, medical care, and so forth. And, of course, the price of receiving food, medical care, heating oil, or whatever is political cooperation and subservience to the Communist leaders.

As Khomeini's revolution merged with the Marxists, the slogans carried in the street demonstrations shifted. (Many were written in English for the benefit of American television viewers.) At first the slogans were the conventional "Death to the Shah" and "Long live the Islamic Democratic Republic." They were soon changed to "Power to the People" and finally "Long Live the Revolution." Even in mass demonstrations called by Khomeini forces, there were large contingents numbering in the thousands who were chanting these Marxist slogans. A mid-January march called by a coalition of student Marxist and Communist organizations at Teheran University attracted an estimated ten to fifteen thousand participants.

The rising intensity of revolutionary sentiment was not lost on the Soviet Union, which in mid-January directly endorsed Khomeini in *Pravda*, the official newspaper of the Communist Party of the U.S.S.R. The Soviet Communist endorsement for Khomeini and his Islamic revolution came because "they have a long established reputation as opponents of tyranny" and because they appeared to be riding "on the crest of the wave of events."

Two days after the official *Pravda* endorsement, former U.S. Attorney General Ramsey Clark, accompanied by veteran activists from the old Hanoi lobby, held a New York press conference to report on a trip to Iran and a Paris visit with Khomeini and his advisors. Clark expressed his hope that the U.S. would take no action so that Iran "could determine its own fate." He echoed the line of a two-year campaign by U.S. activists associated with the Hanoi and Havana lobby saying we must prevent Iran from "becoming the next Vietnam." What Clark meant to do, of course, was to support the Carter Administration's determination to avoid U.S. or N.A.T.O. intervention in support of Iran's military and let the country fall.

The Clark press conference was also designed to ensure that the U.S. Left would do nothing to slow the advances of the Moscow-approved Khomeini takeover. This became clear when in short order Ramsey Clark began arranging for the principal U.S.-based Khomeini supporters to meet covertly with members of the State Department's Iran Task Force, with Senators and Congressmen, and with Carter's Ambassador to the United Nations, Andrew Young.

Ambassador Young's response was predictable. Here was Khomeini with a 16-year record of fomenting rebellion, subversion, and revolution against an American ally; who was endorsed by the Communists; who was reiterating his detestation of all aspects of the Western world, most particularly his fanatical hatred for all things American. Naturally Ambassador Young praised him, declaring that the Shi'ite leader would "eventually be hailed as a saint."

Others high in the Carter Administration shared Andrew Young's views. When their support for the constitutional Government of Iran was needed, they were privately negotiating with the Ayatollah's supporters in Washington who had been expelled from the Shah's Embassy by Government loyalists. These Iranian subversives, who had penetrated the Embassy staff, were led by Djafar Faghih, a former Minister Counselor. They boasted to this reporter of their contacts with White House National Security Council staffers, mentioning William B. Quandt and Gary Sick, and with the State Department. They spoke gleefully of their expectation of quick obtaining U.S. recognition of the Government appointed by Khomeini, and declared the intent of Khomeini to have Iran's Ambassador to the United States sent home as a war criminal.

Ruhollah Khomeini has seized power in Iran not merely with the support of the Soviet Union and its agents, but with the direct assistance of the Carter Administration. The question now is how long the 78-year-old Khomeini will be allowed to remain as the front man of the Iranian revolution before the Soviet Union moves to replace him with a more malleable puppet. And the fact remains that, had President Carter not betrayed the Shah, the forces of extremism and fanaticism, Communist and Moslem, would not now have Iran by the throat and a loyal ally of the Free World would have been preserved.

We shall soon learn that the chain of events precipitated by the Carter betrayal of the Shah will affect the life of every American. And when the question is asked, Who lost Iran?, the answer will be: Jimmy Carter.●

SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW WILL HOLD HEARINGS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. RODINO. Mr. Speaker, I wish to announce that the Subcommittee on Monopolies and Commercial Law will hold 2 days of public hearings on Tuesday, February 27, 1979 and Wednesday, March 7, 1979, to consider H.R. 2060 and its companion bill H.R. 2204.

These bills restore effective enforcement of our antitrust laws by once again permitting indirect purchasers and sellers to recover illegal overcharges from antitrust violators.

The hearings will be held in 2141 Rayburn House Office Building and will commence at 9:30 a.m., and continue in the afternoon.

Testimony on these proposals will be received from: John Shenefield, Chief of the Justice Department's Antitrust Division, a panel of State attorneys general, antitrust practitioners, and legal scholars.●

THE CONTINUING INTERRUPTION OF MAIL BY U.S.S.R.: PROPOSING A LEGISLATIVE REMEDY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. GILMAN. Mr. Speaker, each year thousands of pieces of registered mail, including private communications, packages, vyzovs (invitations to join family members abroad), and cultural materials are sent to citizens of the Soviet Union from individuals and groups in the United States. In recent times, a significant number of these items have either disappeared or were opened, inspected and/or confiscated by postal officials of the Soviet Union in contravention of the constitution and laws of the U.S.S.R., without proper notification given to mailers or addressees about the interruption of their mail service and reasons therefore as required by international postal covenants to which the Soviet Union is a signatory.

Consequently, a large volume of constituent complaints, primarily from the American Jewish community and other ethnic groups expressing their concern and frustration over the failure of the postal officials of the Soviet Union to insure uninterrupted delivery of U.S. mail to Soviet citizens, has been received in congressional offices.

Following discussions with the U.S. Postal Service, key American Jewish groups, and organizations of academicians and other professionals frequently corresponding with persons in the U.S.S.R., I found that the Soviet Union is clearly engaged in a scheme to systematically interrupt certain classes of U.S. mail addressed to individuals in the Soviet Union. Endeavoring to remedy this situation, I have addressed the problem on several fronts.

In October 1977, I participated in the Belgrade Conference which reviewed the Helsinki Final Act hammered out in 1975 at the Conference on Security and Cooperation in Europe. At that review session, I submitted to our U.S. Delegation a brief documenting the Union of Soviet Socialist Republics' interruption of international postal communication. With the assistance of Ambassador Arthur Goldberg, head of the American delegation to the Belgrade Conference, we presented to the Soviets our findings and obtained an apparent commitment from the head of the Soviet delegation, Ambassador Vorontsov, to pursue these allegations with appropriate Soviet officials.

On November 9, 1977, I submitted a report to the House Post Office and Civil Service Committee detailing the problem of the U.S.S.R.'s interruption of U.S. mail. This report entitled, "Union of Soviet Socialist Republics, Interruption of United States Mail" (Committee Print 95–9), a product of a year's work involving numerous conferences, discussions, foreign travel, and extensive study of this subject, documents a systematic undertaking by the Soviet Union to isolate the Soviet Jewish community in general, and other activists who have risen to prominence through their organized opposition to oppressive measures dictated by the Communist Party in particular, from any contact with or aid from the outside world through the deliberate interruption of the international mail system. Unfortunately, short of a nation's registering a complaint with the alleged violating country, there presently exists no mechanism to enforce prescribed international postal standards.

In my report to Congress, I suggested three recommendations to further heighten public awareness of this problem and to place the United States squarely on record objecting to the Soviet Union's flagrant violations of their international obligations to assure the freedom of communication.

These recommendations urged:

First, that the Committee on Post Office and Civil Service initiate a formal inquiry into the Soviet Union's deliberate interference with the flow of international mail;

Second, that a resolution be introduced urging the President to lodge a formal protest with the U.S.S.R. over its failure to adhere to international postal covenants to which the United States and the Soviet Union are both signatories; and

Third, the U.S. postal representatives at the Universal Postal Union's Congress in Brazil in 1979 be instructed to seek from other UPU member states support for obtaining a Soviet commitment to respect its international obligations in this area.

On April 26, 1978, I initiated action based on these recommendations by introducing legislation, House Concurrent Resolution 579, urging the President and the U.S. Postal Service to pursue the goals outlined in recommendations two and three respectively.

This measure came before the House Committee on Post Office and Civil Service which undertook hearings last May and July in connection with my first recommendation urging the committee to conduct a formal inquiry into this matter. As the legislative schedule of the 95th Congress did not allow us to complete our hearings and action on this resolution, I am today reintroducing this legislation so that our committee can complete its inquiry concerning this issue and bring this resolution before the House for its consideration.

Our hearings last year, before the Subcommittee on Postal Operations, chaired by my distinguished colleague from New York and now chairman of the Committee on Post Office and Civil Service (JAMES HANLEY), not only confirmed our earlier findings, but served to illuminate and underscore with testimony from a number of perspectives, the intensity of the Soviet campaign to systematically compromise the integrity of the international postal service.

Statements from former Soviet "refuseniks" and activists who have recently emigrated provided our committee with vivid descriptions of the blatant manner in which Soviet authorities resorted to nondelivery and/or sabotage and mutilation of letters and packages mailed in conformity with the terms of international postal agreements and, indeed, the laws and constitution of the U.S.S.R. which protects delivery of such items.

Representatives of the United States Postal Service testified that from June 1977 to June 1978, there were 2,522 official inquiries concerning registered mail from this country to the Soviet Union, and that this number of inquiries was a reasonable estimate concerning each of the past 4 or 5 years.

Our hearings also pointed out that the Soviet Union admitted its culpability for nondelivery of those items in a distinctly erratic manner. For example, the Soviets have claimed that a greater number of letters and packages have been delivered than returned receipts for those items would indicate. Moreover, the Soviet Union has refused to provide this country timely information about what items it considers prohibited from delivery to that country, thus giving the Soviets ample leeway to seize and not deliver an item they have deemed prohibited.

Our subcommittee received the assurances of U.S. Postal Service personnel that they are taking adequate steps to ameliorate this problem. Testimony from other witnesses and our panel's own inquiries, however, questioned the credibility of such claims. The distinct impression was left with several of my colleagues and with me that while other avenues of relief existed, the Postal Service was content to rely, for a remedy to this matter, on methods and diplomatic channels that have produced little in the way of increased delivery and accountability by the Soviet Union for such mail.

For these reasons, I now urge my colleagues to support this measure I am introducing, so that the necessary executive and congressional impetus can be applied to resolving this problem brought about by the flagrant violations by the Soviet Union of accepted international mail delivery procedures. The U.S.S.R. must recognize that this Nation will not idly tolerate Soviet contravention of those international agreements it has signed guaranteeing the integrity of mail delivery between our two countries.

Accordingly, Mr. Speaker, in order to share these thoughts with my colleagues, I insert the full text of this resolution at this point in the RECORD:

H. CON. RES.—

Whereas the integrity of the mail service between the United States and the Soviet Union is being called into question by mailers in the United States who assert that postal items are systematically not being delivered to selected addresses in the Soviet Union;

Whereas the explanations required under international law and given by the Soviet postal administration in regard to the nondelivery of mail to certain addresses have consistently been untimely or insufficient;

Whereas the mail which is not being delivered typically is between family members or persons sharing a religious bond and typically consists of personal correspondence or gifts of articles for personal use;

Whereas the nondelivery of mail which is deliverable as addressed and which does not contain prohibited articles is an interference by the Soviet Union with internationally recognized human rights guaranteed to all persons by the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperataion in Europe;

Whereas the systematic exclusion of certain persons from international mail services also violates the Convention of the Universal Postal Union and the Constitution of the Union of Soviet Socialist Republics: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress—

(1) that the President, through the Department of State, should express to the Government of the Soviet Union the disapproval of the American people—

(A) concerning those postal items which are mailed in the United States and are deliverable in the Soviet Union as addressed but which are systematically not delivered by the Soviet Union to the persons to whom they are addressed; and

(B) concerning violations by the Soviet Union of the articles of the Universal Postal Act of the Conference on Security and Cooperation in Europe; and

(2) that, at the meeting of the Congress of the Universal Postal Union in Brazil in 1979, the representatives of the United States Postal Service should—

(A) bring to the attention of the representatives of the member countries of the Universal Postal Union the Soviet Union's disregard of regulations governing the exchange of mail under the Universal Postal Convention; and

(B) call upon the other member countries for support in encouraging the Soviet Union to respect its international obligations.●

STATEMENT ON ESTONIAN INDEPENDENCE DAY

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. GREEN. Mr. Speaker, last weekend, the country and homeland of Estonia marked the 61st anniversary of its declaration of independence.

In the last six decades, Estonia has gone from German to Soviet dominance, to freedom, and back to Soviet rule. The brief periods of freedom the Estonians have had give us an insight into their character and principles. When Estonia was self-governing, their constitution provided clear emphasis on human rights and dignity. The immigrants in their country were accorded numerous guarantees in the Estonian quest for a democracy of social and political liberty.

Perhaps the only thing Estonians have traditionally valued more than human rights has been their own freedom. Over the centuries they have fought valiently invading armies of Germany and Russia. Though they may now be physically controlled by the Soviets, they maintain their brave fight on a personal level against Russification of their culture. With the support of their people all over the world, the Estonians have managed to preserve a rich sense of culture and tradition.

On paper, the United States still rec-

cognizes Estonia as a free country. But the vocal recognition by the American people of support for freedom and justice for Estonians will serve to reassure them that their plight does not go unnoticed, or their courage unadmired.●

CONGRESSIONAL CAMPAIGN FINANCING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, one of the issues the 96th Congress will be facing is congressional campaign financing. For too long we have allowed undesirable features to abound: excessive campaign spending, dominance of narrow special interests, and lack of attention to small contributors. My colleague, Mr. MIKVA, with which I am proud to cosponsor legislation establishing a system of public financing, has authored an excellent article on this important reform. The article follows:

[From the Chicago Sun Times, Feb. 3, 1979]

NEEDED: PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS

(By Abner J. Mikva)

On January 15 the flag was raised high above the Capitol dome and the 96th Congress was sworn in—a comforting reminder to many that democracy is alive and well, and that the people have spoken once again.

But this time, even the inspiring sight of Old Glory could no longer hide the inglorious cost of our congressional election campaigns. The reality of the 1978 campaigns is that the electoral process is alive but not very healthy. It is being stuffed to the gills by special-interest money, while the real nourishment of voter participation is increasingly in short supply.

If the electoral process is not working as it should, then there is little hope that Congress can either. When more and more people perceive that Congress is dominated by wealthy special interests, it is not surprising that more people each year decide not to participate, not to vote. Such a pattern soon becomes a self-fulfilling prophecy.

What is especially alarming is how quickly special-interest political action committees have grown in number—and in the number of dollars they provide to congressional campaigns. Since 1974, the number of PAC's representing corporations, labor unions, trade associations and other groups has nearly quadrupled to almost 2,000. The approximately $30 million PACs gave to influence the outcome of the 1978 congressional races is a 250-per cent increase in just four years.

That's quite an inflation rate—and at least as threatening to the well-being of the country as the inflation of our economy. For what is at stake is the integrity of the electoral process and, therefore, much of government itself. Unless we are prepared to reverse the trend of congressional campaign spending, we will increase the specter of government by auction, the specter of the best government money can buy.

In 1974, Congress passed legislation for partial public financing of presidential campaigns. That action came after one of the most corrupt presidential elections in our history, when campaign contributions were being stashed in safe-deposit boxes, laundered in Mexican banks and hustled around in black bags. The fact that the 1976 presidential election was one of the cleanest in recent memory is, in large measure, because of the public financing reform legislation.

The time has come for similar legislation for congressional elections. Last summer, such legislation was considered in the House. It would have placed a limit on congressional campaign spending. It would have matched contributions of $100 or less with matching funds from the voluntary $1 tax checkoff fund, up to $50,000 per candidate. It included features to enable non-affluent candidates to compete more effectively when facing an opponent of great personal wealth.

In short, the legislation would have stopped the inflation in campaign spending and curbed the growing clout of the special interests. Equally important, the role of small, individual contributors would have been enhanced, since candidates would have had important incentives to broaden their financial base.

The legislation I have described was narrowly defeated by 17 votes last July. A large majority of the more than 50 House members who retired when the session ended voted against it. I am optimistic that among the new members in the 96th Congress, there is sufficient support so that public financing can become a reality for the 1980 elections.

An important first step in that direction was taken recently when the Democratic Caucus overwhelmingly approved my resolution to make partial public financing of House elections a top legislative priority during the first session of the new Congress.

In 1974, my opponent and I had the dubious distinction of setting the record at that time for the cost of a congressional campaign—over $500,000. After only four years, we couldn't have made the top 20 with that amount. And in November's election, we apparently had our first $6-million senator.

As the special-interest PACs become more entrenched, they will become an insurmountable lobby against campaign finance reform. The PACs already have a lot invested; as the head of one of them said about a candidate his group supported last fall, "You hate to lose an investment." So this year may be the last best hope for public financing—and the last best hope for a more open and less tainted election process.●

OUTSTANDING IMPERIAL COUNTY PUBLIC SERVANT STEPS DOWN

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. BURGENER. Mr. Speaker, one of the most dedicated county officials I have ever had the pleasure of working with on matters of mutual concern has recently left his post on the Imperial County Board of Supervisors, and I just want to take this opportunity to salute his outstanding service in behalf of the people of Imperial County. Herman "Red" Sperber has just concluded 8 years as district 1 supervisor on the Imperial County Board, but his mark on public and community service will long be felt.

Red was the driving force in the establishment of the Imperial County mental health program, whose focus is "mainstreaming" the mentally retarded rather than warehousing them in institutions.

He was also one of the principal backers of the new county juvenile hall and obtained county backing of a local renal dialysis unit now operating at Pioneers Memorial Hospital.

Red's foresight and wisdom will be missed on the Imperial County Board, but his strong belief that elected officials should set a limit on the number of terms they serve has been self-observed.

Red Sperber's years of service have been truly exemplary, but those of us who know him doubt seriously that the end of his official duties will mean an end to his civic responsibilities.●

EUROPE'S NEW PARLIAMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues an article published in the New York Times on February 18, 1979. The article was written by Mr. Karl Kaiser, director of the research institute of the German Society for Foreign Affairs.

The nine nations of the European communities will hold their first direct elections to the European Parliament this coming June. This event is shaping up to be one of the most important events in the recent history of European integration and is one which warrants the interest and support of all of us in Congress.

The article follows:

EUROPE'S PARLIAMENT

(By Karl Kaiser)

BONN.—Few of those who promoted the idea of direct elections to the European Parliament could foresee the developments set off by such a decision. Long before the 180 million voters cast their votes in June, this decision has already profoundly affected politics in Western Europe and unleashed processes with dynamics of their own. Three areas are particularly noteworthy.

1. The preparations for the elections are changing the substance and structure of national politics in Europe.

European themes have dramatically increased in importance in the party politics of all states of the European Community. Debates on election programs, political strategies and the selection of candidates keep parties busy down to the local level. The subject of Europe, in the past sometimes left to the foreign-policy élites, has become more than ever a part of domestic politics.

In some countries, the powers of the future Parliament are the subject of deep divisions, notably in France where the issue unites (not for the first time) parts of the Gaullists and Communists in a bizarre nationalist alliance. In most countries, if one can believe polls, the election outcome is likely to change the balance of forces among parties and to affect their domestic political structures. It appears that Communists in Italy, and Gaullists and Communists in France, will lose, while Socialists and Social Democrats in France and West Germany are likely to gain.

The elections will create a new, fourth level of political expression beyond local, state and national votes. Though parties will also use the European elections in terms of domestic politics, the process inevitably focuses principally on Europe. For most people, voting will be their first concrete act as European citizens. The community and the idea of European will gain a new legitimacy.

2. The preparation of direct elections is creating new trans-national political links in Europe.

Political parties have formed federations and alliances across national boundaries: democratic socialists, liberals, Christian Democrats and conservatives. They have worked out election programs and are attempting to conduct a trans-national election strategy. The beginnings of a political infrastructure, comparable to a national party system, are being built at the European level.

3. The direct elections are giving European politics a new focus.

When Social Democrats and conservatives in several countries compete for voters in terms of conflicting conceptions of the future Europe, they politicize the integration process. In the raising of issues of unemployment, economic order or foreign policy, the overdue departure from a much too technocratic Europe has begun.

Party élites are beginning to focus their career on Europe. By sending their staunchest opponents of a supranational Europe into the Parliament, Gaullists or the British Labor Party are preparing the ground for major conflicts in the future. But in doing so, the battles on supranationality and basic political issues will be fought within the Parliament, thus inevitably enhancing its standing.

Since Jean Monnet relaunched European integration after the defeat of the European Defense Community in 1954, Europe has not experienced such a feeling of a new departure.

Does this mean that the European Parliament will have more jurisdictions? Not necessarily! Formidable obstacles will stand in the way of a change of jurisdiction, above all the European Community treaty, which can be changed only with the consent of all states.

But 410 personalities with a direct mandate from Europe's population, comprising major figures like the Gaullist leader Jacques Chirac (an opponent of more jurisdictions) or the former West German Chancellor Willy Brandt are joining the Parliament for a serious purpose: to influence politics. The Parliament will, therefore, become a new focus for Europe's political life.

In any case, the question of formal jurisdiction may not be relevant at the beginning. The national parliaments, bogged down in technocratic details, need not be a relevant model. The European Parliament may well find a new and relevant role: It can fill a vacuum by raising and debating the fundamental issues of European politics—for example human rights, social protection, redistribution of regional wealth and Europe's place in the world. Its contribution to European politics would thus be profound.

It is to be hoped that the United States Congress will acknowledge the election as the great event that it is. The first democratic elections to a West European Parliament in the Continent's history provide an opportunity to express the inherent bonds between democracies on both sides of the Atlantic and to establish a working partnership between two parliaments representing the two largest democratic voting populations in the West.●

LITHUANIAN INDEPENDENCE DAY

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MAGUIRE. Mr. Speaker, last week marked the 61st anniversary of Lithuania's Declaration of Independence. It is a time to recall the important features of Lithuanian society which make Lithuania's independence not only politically but culturally of crucial importance for Lithuanians throughout the world.

Linguists credit Lithuanian, a Baltic tongue quite separate from Slavic, with being the oldest Indo-European language still spoken. Its roots reach back to the origins of the Proto-Indo-European family of languages. The imposition of Russian on the Baltic States has endangered the continued existence of the Lithuanian language.

"Dainos," the ancient Lithuanian folk tale song form is one of the finest representations of the usage of Lithuanian. Since the 1920's, when Lithuania was free, festivals have been organized, with thousands of participants, where the Dainos are performed. But with school participation in Russian language sessions mandatory and with all television programs broadcast in Russian, the life and vitality of the Lithuanian cultural experience is slowly being sapped.

One advantage of détente is that no country formally obscured by the Iron Curtain need go unnoticed by the free nations of the world. For this reason, the cause of Lithuanian independence, promoted so diligently over the last 30 years, can only continue to retain its prominent place on the world's human rights agenda.●

CONGRESS SHOULD RESIST ATTEMPTS TO WEAKEN FINANCIAL PRIVACY LEGISLATION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McKINNEY. Mr. Speaker, tomorrow the House will consider under suspension S. 37, which repeals section 1104 (d) of Public Law 95–630, the Financial Institutions Regulatory and Interest Rate Control Act of 1978.

During the 95th Congress the House Banking Committee, and specifically several members of that committee including myself, devoted a great deal of effort to draft a privacy title to the Financial Institutions Regulatory Act. It was our intention at that time, I believe to protect the rights of all parties concerned without imposing an unreasonable burden on either private individuals or the financial industry.

In implementing these provisions, the Federal Reserve System has placed the strictest interpretation on the language of section 1104(d) of that act. Legally this is the correct approach, although commonsense would certainly suggest something more realistic. But since the language of section 1104(d) as it exists and as it is interpreted would create an expensive burden of compliance which would eventually be passed on to individual customers, I can see the need for the House to resolve this matter before the effective date of compliance.

However, I would like to caution my colleagues about any further attempts to chip away at what should be seen as a milestone in our attempt to protect the individual from any unwarranted invasion of personal privacy by the Federal Government.

I have been assured that this is not a substantive amendment to the title as far as personal privacy is concerned. That may be so, but already some suggestions have been made by officials from affected departments that other sections of the privacy title should be changed to correct "deficiencies." I have no doubt that these changes would only weaken the protection that we fought so hard last year to achieve. I hope that this Congress will give a clear signal that title XI, the right to financial privacy, is not open to such attacks.●

THE DRAFT IS A TERRIBLE IDEA

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. PAUL. Mr. Speaker, William Greider, editor of the Sunday Washington Post's "Outlook" section, invariably writes a provocative and interesting column.

But this last weekend, his essay also had national importance. I would like to bring it to my colleagues' attention:

THE DRAFT IS A TERRIBLE IDEA

(By William Greider)

Anyone who knows Charles Peters, the editor of The Washington Monthly, will tell you that he is a wise and warm-hearted man.

Why, I wondered, is Peters pushing this vicious idea in the pages of his little magazine? A rotten idea hiding behind a bland title—"national service."

Charlie Peters fears that America has lost its way, that people are too selfish, that young people need inspiration in the patriotic values. His solution is to force my children into involuntary servitude for the government.

That seems a disproportionate price for my children to pay. To surrender two or three years of their lives to the control of some bureaucrat, civilian or military, so that Charlie Peters will feel good about America again!

Peters wants young people to see the inside of an Army barracks which, I concede, is an interesting experience but, surely not one required for true citizenship. I did my turn in the peacetime Army and mostly I learned about mindless regimentation. As the "national service" advocates describe it, young people could choose alternative civilian chores. Emptying bedpans in nursing homes. Playing truant officer in the slums. Trimming deadwood in the national forests. Sweeping hallways in government buildings. This is supposed to instill the American character in our decadent youth.

If our youth refuse to go, of course, the government will have to put them in prison. Let's not talk around that point because, without coercion, there is no way to make universal conscription fair. Draft everyone, put the shirkers in jail. That will teach the little bastards some patriotism.

Charlie, I asked, do you have any draft-age children at your house?

Yes, indeed, the warm-hearted editor replied. He has a 15-year-old son named Christian, who is a student at Georgetown Day School.

Charlie, what does your son think of this scheme of yours to bring back the draft?

There followed a heavy pause, in which my friend, the editor, got the point.

"I don't know that he knows that's a view of mine," Peters said softly.

Why don't you ask him, Charlie? Charlie promised that he would.

In Washington, this kind of questioning is considered tasteless, bringing a man's family into the large and important questions of public policy, making nasty personal insinuations. The polite dialogue assumes that all are disinterested. But I think this issue of "national service" calls for a little up-front tastelessness. Better now than later.

Parents of adolescent children, in particular, should ask now some of the hard-edged questions that most parents failed to ask 15 years ago, when patriotic docility was still regarded as a virtue. Some of *their* children wound up dead or in wheelchairs, in jail or in Canada.

The first question is: Why? Why exactly is it necessary to bring back the draft? What does the government have in mind for our children? Do not give us the grand abstractions of Cold War ideology which satisfied most citizens in the past, the academic garble about "global strength" and the "balance of power" and all that. Give us practical reasons, homely reasons that are truly connected to America's real bread-and-butter self-interest. Do not tell us our children are needed to fulfill some geopolitical fantasy concocted at a California think-tank.

I do not think the gathering political support for restoring conscription can withstand that kind of hard questioning. Right now, what I see are the formative outlines of an obscence coalition between the liberal establishment and the right-wing militarists who may overlook their differences in order to sell jointly this terrible idea.

On the right, people like Sen. John Stennis want a military draft restored primarily to fill up the ranks with cheap cannon fodder. The all-volunteer military is too expensive and also too dependent upon poor kids, especially poor black kids who still see attractive opportunity in the armed services. The old stalwarts like Stennis are uncomfortable, depending on those young men and women to fight our next war.

Sen. Stennis is 78 years old and never served in uniform. He was too young for World War I. He was a circuit judge during World War II, a U.S. senator for the Korea and Vietnam wars.

Charlie Peters is not exactly the liberal establishment, but the Ford Foundation is. McGeorge Bundy, in one of his last gifts to America as the foundation's president, is bankrolling a campaign for "national service." A blue-ribbon committee with all the best names on it, even including one youth, has studied the idea and decided that Americans should be "educated" to accept its virtues. Since Bundy was one of those global thinkers whose Cold War strategies in Indochina contributed so much to the disillusionment of young people, it is fitting that he should be promoting the grand solution.

This emerging coalition is obscene because the Ford Foundation wants "national service" in order to achieve what Stennis and his friends have spent their public lives fighting—racial integration. All right-thinking conservatives should read the Ford report ("Youth and the Needs of the Nation," the Potomac Institute). They will see that "national service" is another liberal swing at "forced integration."

On the question of coercion, the Ford report is cleverly drafted. The 13-member committee declares itself in favor of a voluntary version of "national service" because it acknowledges that the American people aren't ready to buy the real thing, a mandatory system. Yet, throughout the 134-page study, the discussion repeatedly returns to the virtues of a mandatory system and how it might work.

For instance, instead of jailing the shirkers, the committee suggests that government benefits—the programs for which all citizens are eligible—could be withheld from any young people who will not serve. "One member," the report said, "has jokingly but provocatively suggested a novel sanction: denying a driver's license to anyone who declines National Service." A good laugh was had by all. Only 4 of the 13 committee members have children young enough to be affected by their brainstorm.

I understand why Charlie Peters wants mandatory "national service," because we have argued about it several times. As a young man, he enlisted in the Army in 1944 and went off to fight fascism. It was a moment of great spirit for America, of great accomplishment, and many liberals of Peters' generation are still, consciously or otherwise, trying to recreate the great crusade of their youth.

But Charlie has another reason that also affects a lot of liberal thinking in Washington. His son attends a private school. Charlie believes in racial integration. He believes in public schools, in bringing Americans of all classes and races together. But he decided, as a father, to take his child out of public school. No one should question the validity of a personal decision, but why should my children lose their freedom because Charlie Peters' values have been disappointed in life?

In cold, practical terms, a system of National Service would accomplish this: It would provide a lot of cheap labor to do the dirty work—both military and domestic. These are necessary jobs that we want done for us but not at full wages. Look around and you see lots of poor people already doing this work although some of them are increasingly unhappy with poverty wages. This is a central contradiction in the prosperous society that flourished after World War II, a contradiction that bothers Charlie Peters as much as anyone else. But his plan to conscript young people to do the dirty work would hide the contradiction rather than confront it.

If America's opinion leaders truly are worried about the decline of idealism among our young, they should consider a system of universal conscription for adults. Imagine the example of McGeorge Bundy, say, taking a year or two off to sweep up in a nursing home. Or Sen. Stennis, if he were only a bit younger, interrupting his political career to stand watch somewhere on freedom's frontier.

I mean to be serious about this: The young people I know have complicated views on America, a sophisticated mixture of old-time idealism and yes, an informed cynicism based on our recent history. They have seen with clear eyes an adult world whose government indulged murder, bribery, lying, pointless war. Since adult behavior teaches the moral values in this country, why punish the children?

The next day, Charlie Peters called me back, pleased with himself. He had a statement from his son, Christian, and he read it to me:

"I agree that there is too much selfishness in society today and would like to see more volunteering. But I'm against universal service because this country is based on the idea that people should be able to decide for themselves what to do with their lives."

Christian Peters is clearly a young man who understands what America is all about. I hope he can pound some sense into his old man.●

LITHUANIAN INDEPENDENCE DAY

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. KOSTMAYER. Mr. Speaker, today I join with my colleagues in the House in commemorating the 61st anniversary of the Declaration of Independence of Lithuania, celebrated on February 16 by Lithuanians throughout the world.

There is much to learn in the long and troubled history of Lithuania. For nearly 800 years, Lithuania has been a land dedicated to the basic principle of human freedom and to the sacred traditions of the Lithuanian faith, language, and culture.

But modern history has brought Lithuania enormous suffering under oppressive regimes in two world wars. Today, Lithuania continues to suffer under the domination of the Soviet Union.

After World War I, the people of Lithuania demanded from their former German oppressors the right to conduct a congress in order to establish a free Lithuania, and on February 16, 1918, they proclaimed an independent Lithuanian state based on democratic principles.

A permanent constitution was adopted in August of 1922. Guarantees of freedom of speech, assembly, and religion formed the principles of the constitution.

But once again, misfortune intervened. Lithuania was one of the first countries to suffer from the aggression of the Nazis and the Soviet Union. In the face of an ultimatum and the threat of war with Germany, the Lithuanians were forced to cede a portion of their country in March of 1939. Soviet interference quickly followed, and in August of 1940, 18 years after the adoption of its own constitution, Lithuania was declared a constituent republic of the Soviet Union.

The Soviet Government has dominated and controlled the lives of the Lithuanian people, as well as other captive nations, for almost four decades. This ugly denial of human dignity shows itself in too many ways. Families are separated, freedom of speech and religion are limited, and those who dare to speak out against oppression in their native land are exiled or imprisoned. These almost daily deprivations serve as a constant reminder to all of us that the freedom we so often take for granted in America is still denied to millions of men and women throughout the world under Communist domination.

America has an obligation to condemn such conduct. Oppression anywhere threatens the rights and freedoms of people everywhere. We must continue to speak out against the denial of basic human rights, for there is no greater danger to our own freedom than for us to stand by while the freedom we cherish is being denied to others.

As we recognize the struggle of the Lithuanian people, we must also look to our own society and reaffirm our commitment to human rights at home, and not just abroad. We must be willing to examine our own society critically. In this way we can serve as an example to the rest of the world of what a truly open society can be. America has always been a symbol of hope and freedom. As we remember the founding principles of our own land, we remind ourselves that these basic human rights and freedoms which are denied to the people of Lithuania are not just American, but universal.

Mr. Speaker, I am genuinely inspired by the courage and resiliency of the Lithuanian people. For despite their continuous suffering, they have maintained a spirit of independence and pride in their national heritage. And so I join with my colleagues in remembering Lithuania, and in giving Lithuanians throughout the world our strong, outspoken support as they rededicate themselves to the struggle for human freedom in their homeland.●

DONALD LeSTAGE, JR.

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mrs. HECKLER. Mr. Speaker, the strength of our Nation is found in those individuals in towns and cities across America who dedicate themselves to their communities. Donald LeStage, Jr., of North Attleboro Mass., was such an individual—civic-minded, active in his community, and selflessly concerned for others.

Donald LeStage passed away this month, but his active community service will stand as a lasting tribute to this respected and admired gentleman. I take this moment to share with my colleagues an editorial that was printed in the Sun Chronicle of Attleboro, Mass., concerning this exceptional individual:

DONALD LESTAGE, JR.

Donald LeStage, Jr., will be long remembered for many reasons. His death Sunday at 70 in his native North Attleboro brought sorrow not only to that community that he had served in so many ways, but far beyond it.

He was a prominent figure in the business community as president of LeStage Manufacturing Co., as a past president of the Jewelers Board of Trade, past president of the Boston Jewelers Club, a corporator of the Attleborough Savings Bank, a past director of The Sun Chronicle and an active member of the Manufacturing Jewelers and Silversmiths of America.

The business and industrial activities, extensive though they were, were but one side of this versatile man. He had a special zeal for scouting as evidenced by his having been president of the Annawon Council and by his having been active in scouting since the 1930s, but gave freely of his time and talent to other community activities.

A friend of Mr. LeStage recalled this week that the late civic leader was on hand to help the 1978 United Way campaign in North Attleboro just as he had helped in so many previous campaigns. A North Attleboro native who had known Mr. LeStage for many years said, "I never heard anything bad about him."

He was an unassuming man whose many contributions to North Attleboro were made without flourish and may well have been taken for granted until people began to think back upon them after his death.

Mr. LeStage's father, who came to North Attleboro in 1901 and founded in 1915 the company that bore his name, also served the community in many ways including as a selectman and as a member of the electric light and water commission.

Donald LeStage built well on good foundation. His accomplishments provided a fitting memorial to him. His family and friends know better than any others how fine a person he was. We hope the memory of how useful and helpful a life he led will be a consolation to them at this time of loss to them and to the community.●

BOYCOTT OF NESTLE PRODUCTS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. RICHMOND. Mr. Speaker, during my past 4 years in Congress, I have become increasingly aware of the hunger and malnutrition afflicting millions of people in Third World countries, and the exploitation of these people by multinational food corporations.

The 252-member governing board of the National Council of Churches recently singled out the Nestle Corp. as one of the most flagrant violators through its promotion of infant formula in the vulnerable Third World countries of Africa, South America, and Asia. The council unanimously endorsed a boycott of Nestle products, charging that direct appeals to Nestle to change its sales promotion of infant formula in developing countries have for the most part been futile.

This boycott is designed to protest the pervasive tactics of the Nestle Corp. to shift mothers in these nations from breast feeding to the use of the corporation's infant formula.

Dr. Michael Latham, professor of international nutrition at Cornell University, recently discussed why Americans should boycott Nestle products. His comments, which should be of great interest to all Members of Congress, follow:

WHY AMERICANS SHOULD BOYCOTT NESTLE PRODUCTS

(By Michael L. Latham)

(Dr. Latham is professor of international nutrition at Cornell University. The following is excerpted from a presentation to the governing board of the National Council of Churches last November.)

I am a physician, a nutritionist and scientist, and have thoroughly reviewed the medical literature on breast and bottle feeding. I am currently involved in research into the issue, and have for over 20 years been writing about it. My interpretation of the scientific evidence leaves absolutely no doubt in my mind first that bottle feeding is a major cause of morbidity and mortality in developing countries and secondly that the promotion of formulas by corporations such as Nestle has contributed significantly to this most tragic of problems.

I lived for nine years in East Africa working in small hospitals and in large ones, in Tanzania where I directed the Nutrition Unit of the Ministry of Health. I continue to be involved in programs and research projects both in Kenya and in the Philippines. In all of the many developing countries where I have worked, bottle feeding is killing babies. When I see an emaciated, dehydrated, seriously ill baby, and I learn from the mother that he has been bottle fed and that she could have breast fed that baby, I do become emotional. When I find that the mother was persuaded to bottle feed rather than breast feed because of the immoral promotion of infant formula then I do become angry. I wonder how our countries, generous Christian countries, like the United States and Britain and Switzerland can allow this to happen. Yet it is our major food corporations whose directors attend our churches, ones in which we as individuals and institutions invest, and businesses which most of you support with your dollars when you purchase their products.

I have read the Nestle view presented to you, and I have heard their statements, I find that their argument is clever yet largely fallacious. Nestle, like many of the large transnational corporations, can afford millions of dollars to promote their products while appearing to adhere to newly promulgated guidelines, and they can spend huge sums fighting the boycott and producing evidence for you. In contrast, I and other concerned doctors and nutritionists, churchmen and lay workers, get no financial support for our fight to oppose them. All we can do is take a few hours off from our busy schedules to speak out against the actions of the corporations and in favor of our silent constituency, the infants of the poor.

What are the holes in the Nestle argument? Let me deal briefly with three of these.

Nestle states that infant mortality rates have improved in many countries over the last few decades at the same time that bottle feeding has increased. But to conclude from this that bottle feeding has caused, or even contributed to, this decline in infant mortality is statistical nonsense. Clearly, infant mortality rates have dropped because of a host of factors such as improved health care, immunizations, higher standards of living, and so on. Nestle did not show you statistics from, for example, Sweden where breast feeding has dramatically increased and where infant mortality rates are much lower than in the United States.

Nestle says that morbidity data are lacking, and imply that there is not good evidence of an increased disease incidence in bottle fed infants. That is patently untrue. There are dozens of studies, old ones from the first half of this century, and very recent ones, some from Western industrialised countries and others from the Third World that show a much higher disease incidence in bottle fed than in breast fed infants. No scientist or immunologist can deny the fact that human colostrum and breast milk contain substances which confer immunity on the infant and protect him from infections, and that infant formulas do not contain these substances.

Nestle states that "the preponderance of available evidence points to a mother's need, or desire, to work, as the principal reason for the breast feeding decline." Our review of studies from Third World countries and our own work suggests that this is not the case. An analysis of recently published studies from five countries in Asia, Latin

America, Africa and the Caribbean suggests that no more than six percent of mothers in any country said that they gave up breast feeding in order to work.

Inappropriate bottle feeding is a major cause of malnutrition, of diarrhea, and of other diseases in infants in poor communities. The formula is relatively expensive, and so it contributes to worsening poverty. It results in the use by developing countries of scarce foreign exchange to purchase formula. It removes from new mothers a natural method of increasing the spacing of births, and so bottle feeding indirectly contributes to population problems.

Efforts made to influence Nestle to adopt a code of ethics and marketing, that many of us believe are necessary to protect child health, have failed. Because Nestle is a foreign-based company it is not possible for us in the U.S. to force change by using shareholders resolutions and similar efforts which might produce desirable alterations in the practices of U.S. based corporations. Evidence is clear that the Nestle boycott is worrying the company and is beginning to result in policy changes. It is also obvious that Nestle is spending large sums to discredit those supporting the boycott and to try to stop its spread.

A vote by you to support the boycott would provide clear evidence of your solidarity with those deeply concerned for the health of infants in the third world, it would be such a blow to Nestle that it may well tip the balance in favor of their adopting the desirable changes we seek and, finally, it would be a truly Christian act. I am convinced that your vote for this boycott will help to save the lives of innocent victims of bottle feeding in many countries.●

ANDY BIEMILLER RETIRES

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. FORD of Michigan. Mr. Speaker, the retirement of Andrew J. Biemiller as legislative director of the AFL–CIO marks the end of an era. He has been the warhorse of the American labor movement's lobbying efforts for nearly two decades—a period that has seen the passage of more progressive legislation than during any comparable period of American history.

But Andy Biemiller has been more than just an ordinary lobbyist. He believed in his causes, and he brought to his legislative efforts a strong personal commitment which influenced and inspired those who have worked with him.

I have had the privilege of working closely with Andy for the past 14 years, and I have seen first hand the dedication and thoroughness which he brought to his efforts.

Andy fought for "people" issues—for jobs, health, education, pensions, and senior citizens' programs. He did not see all his dreams fulfilled, nor all his battles won, but he achieved many of his goals and he has laid a strong foundation for the eventual success of the others.

There is no college degree in lobbying, nor is there a required course of preparation. But Andy Biemiller, in the years before he joined the AFL–CIO, had a career which uniquely prepared him for the job he did so well. Andy served as a union organizer, a newspaper writer and editor, a State legislator in his native Wisconsin, and finally a Congressman for several terms.

The AFL–CIO and the labor movement will be well served in Andy's successor—his capable assistant for many years, Kenneth Young.

As for Andrew Biemiller, I join my colleagues in expressing my congratulations, my thanks, and my admiration to a truly great American who has left his imprint indelibly on our Nation's legislative scoreboard.

I offer him my best wishes for happiness and success in all his future endeavors.●

SUMMER SCREEN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. EDWARDS of California. Mr. Speaker, in this electronic age when television so greatly affects our lives and the lives of our children, it is worthwhile to acknowledge those television stations which concern themselves with more than garnering mass audience rating points and advertising dollars. Those stations which instead dedicate their efforts to providing high quality programing designed specifically to meet the needs of their local communities deserve our praise.

I am proud to have in my district a television station, KTEH, channel 54 in San Jose, which exemplifies the finest that public television has to offer. With funds provided by its license holder, the Santa Clara County Office of Education, KTEH broadcasts a full daytime schedule of instructional programs to schools throughout the South Bay. Presently, over 30 school districts with more than 100,000 students tune in to KTEH for instruction in language, arts, health, science, career, and consumer education.

Last summer, when California's tax-cut initiative resulted in the cancellation of summer school instruction, KTEH showed its concern for the educational needs of the community's children by instituting a daily, 5-hour, instructional schedule called "Summer Screen."

KTEH has also provided extensive coverage of local and State political events and hosted forums on a variety of public issues. As a part of these forums, KTEH has instituted a special telepodium format which enables viewers to call in specific questions to be presented to speakers on the air. This is a tremendous service to a public seeking information needed to make intelligent political and governmental choices.

Lastly, KTEH has shown itself to be strongly committed to the local development and production of programs which explore the South Bay's wealth of history, theater, music, dance, sports, medicine, and high technology. "The Valley That Was" a documentary about the Santa Clara Valley in the 1920's and 1930's was named the best local cultural documentary of 1978 by the Corporation for Public Broadcasting. The station is presently producing a series of programs on the visual and performing arts of San Jose and the station's locally-produced documentary on pollution in the Earth's ozone layer broadcast last August has been selected by PBS for national distribution. I am proud that KTEH, the South Bay's only public television station, has become a nationwide leader in its field.

Now with the help of pledge drives, corporate underwriting, foundation grants, and other funding, KTEH plans to increase its production of top-quality programs and service to the community.

All those involved in KTEH deserve our praise. I would like to take this opportunity to give special recognition to KTEH president, and county superintendent of schools, Dr. Glenn Hoffman, vice presidents, John Satterstrom, and Ann McCallum Freers, as well as station manager, Maynard Orme. Chief engineer, Robert Whalley, development manager, Nadine Burch, executive producer, Peter Baker, and learning services manager, Peter Craske also deserve our special thanks.●

A REMARKABLE DECREASE IN CRIME

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. BRODHEAD. I would like to call to the attention of my colleagues a unique effort at neighborhood crime prevention by the citizens of a fine neighborhood in the 17th District of Michigan. The people of Crary–St. Mary's Community Council in northwest Detroit have joined together to achieve a remarkable decrease in crime. Their efforts were described in a February 12 story by Jack Kresnak in the Detroit Free Press. I believe that programs such as their "Neighborhood Watch" can be the basis for similar programs in cities throughout the Nation. I commend the citizens of the Crary–St. Mary's community council and the Detroit police department:

NEIGHBORHOOD CUTS CRIME BY HALF

(By Jack Kresnak)

It was no accident that 155 blocks of pleasant middle-class brick homes on Detroit's northwest side recorded the largest drop in crime of any neighborhood in the city last year.

But even residents attending a meeting of the Crary–St. Mary's Community Council last week were amazed when Police Chief William L. Hart congratulated them on these statistics.

Robberies down 47.3 percent, burglaries down 48.2 percent and thefts down 35.2 percent.

All of it due, Hart said, to "ordinary people saying they've had enough and standing together to let criminals know they aren't welcome around here."

Last March, the Detroit Police Department

to use the Crary–St. Mary neighborhood for a unique effort to organize every block into the Neighborhood Watch program.

As an experiment, four officers trained in crime prevention techniques were sent to work full time with the 13,000 residents of the 1.25-square mile area bounded by Grand River, Southfield, W. McNichols and Greenfield.

The purpose, according to Inspector James Humphrey of the Crime Analysis Section, was to see how an intensive effort to organise blocks into Neighborhood Watch programs would affect the area's crime rate.

The officers, working out of the Victory Lutheran Church on Puritan, went door to door on each block, trying to find residents who would sponsor meetings in their homes and become block security captains.

Officer Peter Wesley recalled the day last spring when he nearly passed up a modest brick home with a "For Sale by Owner" sign in the front yard.

Wesley said he went into the home anyway and talked with the owner, an elderly man resentful of the neighborhood's crime problem, for about half an hour. When he came back later that week, Wesley said the for-sale sign was gone and the man volunteered to be the block captain.

Since then, Officers Walter Woodruff, Nelson Scheuer, George Preston and Wesley have helped organize 98 of the 155 blocks into Neighborhood Watch groups.

Jan Williams, president of the Community Council, said the nine-year-old organization had been established to help ease the friction of black integration of a white neighborhood, but that its meetings had become more gripe sessions because no one knew how to cope with crime.

"People felt a lack of control over what was happening," Mrs. Williams said. "Some people almost began to accept crime as a way of life. They didn't realize that they had a right to exist without crime."

The calm, systematic approach of the crime prevention officers helped the residents realize that they could do something positive to fight neighborhood decay, Mrs. Williams said.

That realization became the catalyst for a change in people's attitudes, she said, noting that fewer homes are for sale and property values have started rising.

Neighbors began to get acquainted and to become concerned for the safety of others, such as the elderly living alone.

A softball league sprang up. An application for $100,000 in neighborhood improvement money was granted. People just became more comfortable with their neighborhood, Mrs. Williams said.

The Crary-St. Mary Community Council not only gained the attention of city hall, it also caught the eye of the Republican Party.

Hart told the meeting that when the GOP convention site selection committee came to Detroit last summer, members wanted to see for themselves the community-police crime prevention program he had told them about.

The committee members were taken by bus to a council meeting being held in the backyard of a woman who was so excited she hung out her rarely used American flag.

Republican committee members were said to have remarked that they had never seen blacks and whites work so well together.

Reported crime throughout Detroit decreased more than 11 percent last year, Hart told his audience, adding he believed the crime prevention program, with citizen cooperation, played a big part in that reduction.

"I think more than anything else, it shows that the people and the police can work together," Hart said. "The Renaissance is not just some buildings downtown."

But, many problems remain.

Mrs. Williams said the organization worried over what to do last summer when a rapist attacked several elderly women.

The group's directors decided to go public, Mrs. Williams said. A police sketch of the suspect and information about his activities were published in the council's newsletter.

Mrs. Williams said the rapist's attacks stopped, although he was not caught.

Residents at the meeting had other complaints for Hart: abandoned cars left unticketed by police, the failure by contractors to live up to their snow removal agreements, juveniles hanging around street corners day and night and kids spray-painting graffitti on garages.

"I've lived in Detroit all my life and I love it," said one elderly woman who said she lived alone and was afraid of youths who had spray-painted her garage.

"I'm getting very discouraged and disgusted and I'm getting to the point where I'm raving," she said, adding that she was so afraid at night that she wore street clothes to bed.

Hart assigned officers at the meeting to investigate complaints. A show of hands indicated citizens felt the curfew for juveniles was not being enforced, so Hart ordered 16th (Grand River) Precinct Commander Charles Sherrill to begin ticketing juveniles caught on the streets late at night.

Mrs. Williams said older persons needed not only a fast response from police but also the security of friendly neighbors to turn to for help.

"A larger community organization offers stability and clout and someone who will help you if you are alone," she said. "We need to maintain a viable hold on the community and to give each other positive reinforcement for what we're doing."

Mrs. Williams said Hart and Humphrey didn't know it but they had "created a monster" because the group intends to demand more and more from the Police Department and other city agencies.

"You'd be surprised how responsive a city official can be when they see their name in our newsletter," she said.

The Crary-St. Mary's project has been so successful that inspector Humphrey said a similar effort is being made in a small corner of the 15th (Conner) Precinct just north of Mack Avenue—an area with the highest crime rate in the city plus the highest percentage of elderly residents.

Humphrey said a $160,000 federal Law Enforcement Assistance Administration grant will provide free door locks and other security devices for hundreds of homes in the two areas.

Only the homes of elderly people which have received a security survey by crime prevention officers will be eligible, Humphrey said. Workers from the city's central maintenance division are to begin installing the devices free of charge this week.

Some of the money will be used to purchase two vans to provide free transportation for senior citizens in the areas. Humphrey said he hopes to get volunteer police reservists to drive the buses.

"I only wish we had enough money for locks to give to seniors in the whole city," Humphrey said.

STATEMENT ON THE INTRODUCTION OF A BILL TO MODIFY CRITERIA RESPECTING CERTAIN SELF-EMPLOYMENT INCOME

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. SEBELIUS. Mr. Speaker, I introduced a bill today which will correct an inequity in the Social Security Amendments of 1977. Under the 1977 act the monthly test for retirement was changed to an annual test. This created a serious problem for farmers selling their crops in the year following their retirement. Farmers in making their usual business plans in November and December found several months later after retiring that their planned retirement was being canceled as a result of the provisions of the 1977 act.

The Senate adopted this legislation last year as an amendment to H.R. 12380, the unemployment compensation amendments. Unfortunately that bill failed to be considered by the conference committee in the crush of last minute business before the Congress adjourned in October 1978. This one-time-only exemption for farmers receiving income from the sale of crops or commodities in the year following their retirement was initially introduced by Senator DOLE and deserves our immediate consideration in remedying this obvious defect in the 1977 Social Security Amendments.●

THE SEVEN POLITICAL SINS OF THE REPUBLICAN PARTY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. YOUNG of Florida. Mr. Speaker, there are few among us who cannot profit from an occasional exercise in self-analysis, a good hard look in the mirror, so to speak, to determine just where our strengths and, more importantly, our weaknesses lie. In a recent address, my good friend and colleague, Congressman BOB MICHEL, made such an analysis, not just of himself, but the Republican Party as a whole. While his words may have been directed to members of his own party, I feel his sound advice and constructive criticisms would be of interest to many of our colleagues and I would like to include the entire text of Congressman MICHEL's address for their attention.

The text of the address follows:

THE SEVEN POLITICAL SINS OF THE REPUBLICAN PARTY

There are always plenty of people eager to tell Republicans what is wrong with the Grand Old Party. Editorial writers do it with gusto. Democrats do it all the time. Some prominent columnists must have lower back pain from all of the grave-digging they do over the fate of my Party. Even some historians are recalling what happened to the Whigs, hinting broadly that we Republicans are headed that way.

As the Republican Whip of the House, I find such criticism is a part of life. There are some things to be learned from criticism and unasked-for advice of others.

But most criticism of my Party and most of the gratuitous advice we receive isn't original or all that useful.

We are told we have to "appeal to a broader base" or perish. So what else is new?

We are told that our posture is too negative. But that observation often comes from supporters of the Democrat Party, which has run successfully against Herbert

Hoover and the depression for forty years and is still running against Nixon and Watergate—surely the most impressive display of political negativism in American history.

The trouble with much of this is that the advice and criticism is based on a misunderstanding of what is truly wrong with our Party. It takes a Republican to really know the political sins of his party.

I have therefore put together a list of what I consider to be the seven major sins of my Party. Not all Republicans are guilty of all of these sins all the time. And, needless to say, I have been guilty of a number of them on more than one occasion.

Here, then, in no particular order of importance are the seven political sins of Republicans as I see them.

The first Republican sin is Terminal Gentility. Most of you know I am one of the growing number of Congressmen who have been mugged here in Washington. As harrowing an experience as it was, I've been the subject of other mugging incidents.

For many years, every time I came to the Floor, and criticized some boondoggle of the Democrats, three or four of them have risen and accused me of everything from well-poisoning to breaking and entering. I have been accused of being against the poor many times by Democrats who enjoy accusing Republicans of being soft on poverty, hard on minorities and in general, calloused insensitive heartless wretches.

Republicans on the other hand, sometimes sound as if we are apologizing for criticizing the programs of Democrats. The Congress has become a place where, too often, the Democrats abuse and the Republicans just muse. I'd love to see the Congress once more become a place of hard-hitting and tough sounding arguments, in which Republicans dish it out as well as we have to take it—outnumbered as we are 2 to 1.

And in order for that to happen, we Republicans are going to have to get up off our Lincoln Day dinner cliches and start fighting for what we believe in. And if we don't know what we believe in, we had better find out.

When that is done, the media are going to have to report the fact that Republicans are acting like a party who cares enough to fight. And, parenthetically, the media has an obligation to portray a good, clean, wholesome fight as something more than just a political scuffle between parties. It's absolutely essential to the legislative process.

Neil MacNeil once wrote it as the "Forge of Democracy".

With only one-third of the membership in the Congress, we have a problem "muscling in" for an equal number of blows on the anvil, but we've got to make up for the muscle deficiency with our voices saying something deserving of coverage by the media.

We have to be more militant at the subcommittee level and at the full committee level, as well as on the Floor of the House. Our ranking Republican members have got to display the kind of fighting leadership I know they are capable of.

It is hard, sometimes, to confront that Democrat steamroller in the House. They have the power. They have the big staff. They have the rules. They have the executive branch.

Notwithstanding the odds, we have got to clearly stake out our position in advance on important key issues and not shy away from confrontation.

In the last several Congresses, we have not thrashed out those key issues "in House" or in closed conference, where everyone is free to speak his or her mind as often as we should. And once we have thrashed them out among ourselves, we have a better appreciation for one another's reasons for feeling as we do about an issue, but, more important, are in a much better position to find a consensus.

The second political sin of Republicans is Galloping Gullibility.

The man who tried to sell the Brooklyn Bridge is probably sorry he never met a Republican. Republicans all too frequently fall for advice that won't do them any good. Whisper in the ear of a Republican that his party should court the vote of left-handed tap dancers, and you can bet that at the next party function, there will be tap dancing on the main table. Obviously, when you have political problems, you are willing to believe almost anyone who promises to give you the secret of success. The trouble with this is that most of the advice is based on theories which sound good, but which, in practice, do not work.

A party does not gain political victory with obvious transparent attempts to "appeal" to one or two, or a hundred special interest groups. A party achieves success when (a) a majority of voters who believe the other guys represent something undesirable, or (b) the party in questions offers hope and credibility.

We Republicans are not going to grow as a party by selling ourselves as something we are not.

Some tell us that Republicans cannot get the black vote. Some tell us that Republicans cannot get the Hispanic vote.

Let me tell you that Republicans can and should get a healthy portion of the vote of any political or social subdivision you care to name—but only if we start acting like a political party with a purpose and not like members of a group therapy session, searching for the right "image" to supposedly "turn on" selected groups.

In the 1978 elections, 47.3% of all those who voted for candidates for the U.S. Senate, the House, or a governorship, voted for Republicans. That's not enough. It's not nearly enough, but it's a far cry from those pre-election polls showing a disparity between the parties of 20 points, or more. If we can get 47.3% in 1978, we can get 53.7% in 1980, by sticking with our traditional Republican positions, Republican issues, and Republican principles. The mood of the country as expressed in the election reflects an affinity for what we have traditionally stood for as a party.

Then, there is the sin of Sloth. It isn't that Republicans are lazier than Democrats, it's just that we don't pounce on opportunities the way the Democrats do. We're just too darned reserved. Every now and then I go down to the House Floor to give what we call a "one-minute" speech on a topic I have found in the morning newspaper. These brief remarks are usually humorous (or at least they are so intended) and usually critical of some aspect of the administration of the Democrat-controlled Congress. I would like to see more Republicans availing themselves of this forum, but actually very few take advantage of this opportunity.

On an even more important issue, even though Republicans were way out front in condemning Carter's energy taxes and his approach to tax reform as contrasted to Kemp-Roth, the Steiger and Archer Amendments, and Conable's alternative to Social Security tax increase, we were never able to exploit the tax rebellion the way it should have been.

Or on the spending issue pre-Proposition 13, and post-Proposition 13.

Credit has to go to the Democrats who quickly regrouped and managed to avoid being outflanked—but that just proves my point. The Democrats are quick to take advantage and quick to see the need to move away from ground they can no longer hold. We Republicans have to develop that skill.

Our fourth sin is Obsession with factionalism. All right, I'll admit it. . . . It seems that if four Republicans get in a room these days, you soon have one calling the other three heretics, one figuring out how to turn the clock back, one other reveling in the number of times he's bolted the party position, and one piously wringing his hands and calling for party unity, while wondering where the nearest exit is. Yes, we have factions, but what political party in all history, in free or totalitarian societies, East or West, has not been faction-ridden?

Years ago, the Democrats solved the problem of factionalism by pretending it didn't exist. They just went on their merry way, marrying up Stevenson with Sparkman, Kennedy with Johnston, and Carter with Mondale, ignoring the shouts and the curses. Most of the time it worked. Eventually the Democrats did, of course, revert to worrying about factions and wound up with George McGovern, the greatest boon to the Republican Party in modern history.

We Republicans ought not dwell on the factionalism problem, but rather point up the important areas where we can all agree.

Media obsession about splintering the Republican Party reached some kind of peak recently when a nationally known columnist, who shall remain nameless, wrote that our Republican Party was about to commit "hara-kiri." The reason this well known pundit thinks Republicans are playing into Jimmy Carter's hands is that we have too many presidential prospects for 1980! Imagine it—we are going to have a large field of Republicans and that supposedly means trouble.

Such things can be believed only by political science majors, prize-winning columnists and other innocents. No party has ever been in trouble because there were too many possible candidates. Parties are much more inclined to get into trouble with only one candidate per faction than they are with a wide variety and range of candidates.

Our fifth sin is Lacklusterism. Some Republican speeches sound as if they were made up of equal parts of Nytol, the Complete Works of Warren Harding, and the Statistical Abstract of 1926. The Democrats are almost always wrong-headed, but they are wrong-headed with a kind of wild exuberance and admirable zanyness as if they truly believed half of the silly things they say. When a Democrat talks about a bill that will give one of his pet special interests a few hundred million of the taxpayers' dollars, he always sounds as if he is leading a crusade and building the Heavenly City at the same time.

But Republicans simply don't get the feel of the thing. For years and years, Republicans have been warning about the danger of inflation.

Somehow we have talked about this basic economic issue, one that is felt at every dinner table, in every paycheck, in every home in the country, as if it were a dull exercise in higher economics. Unless Republicans remember to talk in the language of the people, we may become the only party in history to "dull" itself to death.

Jimmy Carter became President, not by demonstrating any first-hand knowledge of problems, or reciting statistics to impress reporters. He became President because he charmed people with a rhetorical combination of down-home folk-wisdom, and poetic generalizations. In the words of the old song, Jimmy Carter won with "polka-dots and moonbeams."

Now, I am not saying that we Republicans should—if we could—emulate such an approach. We have to realize, however, that in politics, the way we say something can often be as important as what we say. The textbooks don't treat the subject that way, and that is not the way a lot of us want it to be. But that's the way it is.

On those television talk-shows where media pundits think deep thoughts out loud, you often hear them complain about the gimmicks those of us in politics use to get our names and our programs on the front pages. I think of these complaints every time I see a reporter yawn or mumble under his breath when confronted with a few dozen pages of explanatory material on a complicated bill. Let's face it . . . How many in the media do the painstaking, tedious work of poring over pages and pages of testimony or background material to research a complex legislative proposal in depth? So, whether any of us like it or not, we Republicans are going to have to match the Democrats in glowing rhetoric and other attention-getting devices.

The sixth sin is fear of negativism.

For all my 22 years in the House, I've been a member of the minority party. When we have had the Presidency, we could join in a positive way to sponsor and affirmatively support legislative proposals of our Administration. The Democrat majority in Congress responded to those proposals with proposals of their own, and were able through sheer weight of numbers to prevail on many occasions.

Without the Presidency, a minority party in the Congress is always up against the wall. We can still propose, but with little likelihood of ultimate success for our legislative proposals.

Since we do have a different approach to some of the key issues, we Republicans have been cast all too frequently as being negative, when in fact we have no other recourse in that kind of situation, but to oppose and fight for our position.

In the last Congress, we have come a long way in establishing ourselves as a credible, worthy opposition party with ideas and proposals of our own.

We have learned how to be selective. When the President was right, we Republicans supported him, as for example on Civil Service Reform, Airline deregulation, and lifting of the Turkish Arms Embargo. He wouldn't have had any one without Republican support.

Where we thought his proposals were bad, we have opposed them outright, or fought hard to modify them.

Yes, we admit to being outright negative on the Carter proposals for new energy taxes, indexing of minimum wages, establishing a new Consumer Protection Agency of government, and a new Department of Education. We also opposed Cargo Preference, Common Situs Picketing, so-called NLRB Reform and National Health Insurance.

We have nothing to be ashamed of in opposing all of these.

And the tax bill became something altogether different with our Republican Amendments.

If we would have had our way on the Budget Resolution, Social Security Amendments, and a Youth differential on minimum wage, G. William Miller and Administration inflation fighters wouldn't have to be floating the suggestions "that the new Congress take another look" at what we wanted to do all along.

In summary, there is nothing wrong in being a naysayer to outlandish spending or ill-conceived legislative proposals. Our Party has no reason to panic just because we have no instant alternative to every Democrat proposal. As Hubert Humphrey used to say, "we have solutions for problems the people haven't even thought about".

Finally, there is the sin of introspection. The very fact that I am making this speech shows how wide-spread this particular sin is among Republicans. We always seem to be contemplating our navels instead of doing our job as best we can. In a sense, this is related to our obsession over factions, but it goes beyond that. We have been conned into believing that if we only brood a bit more or try to get to the very, very bottom of things, all will be well. We tend to become hypnotised by our own image. We've got to stop all this needless soul-searching and get on with the day-to-day struggle of politics. A healthy political party on the move looks outward, not inward.

Admittedly, we could purge ourselves of all these sins and still not achieve the political success we're seeking. But we Republicans owe it to ourselves to do something about our faults. If we don't, we can be certain they will inevitably cause more damage than they already have.

Needless to add, much of what I have said here is based upon my experience as a Republican Congressman. I am certain that others, looking at the party from different perspectives, would choose other criteria for judging politics and attitudes. But I believe my Congressional perspective, narrow as it is, might help shed some light on problems of the party as a whole.

Let me conclude by saying that even if Republicans were able to purge themselves of these sins, the political landscape would look pretty much the same unless this change is accompanied by media coverage.

Republicans, quite frankly, need the media coverage more than Democrats do. When you have control of every subcommittee and full committee of the Congress, every agency, board and commission and every department of the Executive Branch, you are automatically a newsmaker. News follows power, it's as simple as that.●

NATIONAL STUDENT CONGRESS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. EDGAR. Mr. Speaker, from March 1 to March 4, 1979, a National Student Congress (NSC) will take place at the University of Pennsylvania in Philadelphia. This gathering will be a unique opportunity for students to discuss major public policy issues of critical importance to our Nation and to develop concrete proposals for public action.

Three to five students from over 200 colleges and universities have been invited to the NSC. To achieve their goals, the Congress will divide into 16 separate committees in order to consider each issue in a thorough manner. Each student will select the committees in which he is most interested and then draw up proposals in that area of concern. They will cover topics that include America and the world, physical resources, the economy, human resources, and government.

The NSC will discuss and adopt means of following up on proposals brought before it. Some possible followup plans include establishing a permanent NSC staff in Washington to engage in the lobbying of Congress; establishing an autonomous student political union at each participating school; and making the NSC an annual event, which would allow the students to express their ever-changing views.

I feel strongly that the National Student Congress will be an opportunity for students to involve themselves in intelligent, responsible consideration of the policy questions which will be facing them in their lifetimes.

In many respects, the political, economic, and social leadership of a nation is working with young people in mind. We strive to improve our schools, to broaden our opportunities, to upgrade standards of living and working, and to uplift society. We do these things to a large extent, with the future generations in mind.

For the same reason that we strive to improve the lives of future generations, we must also prepare tomorrow's citizens for the political challenges before them. At this time, when apathy is said to be rampant throughout the Nation, our young people need to understand the importance of the decisionmaking process and how citizens can participate in it. Democracy should be a participatory process and people must learn to speak out in ways which are constructive and tolerant of their fellow man.

We need to insure the capability of today's youth to become tomorrow's leaders. This task has never been an easy one. Its difficulties have been considered by philosophers as far back as Aristotle. While the challenge of preparing today's youth continues, the problems with which the world must cope have become increasingly complex.

Man has industrialized, urbanized, and bureaucratized his world into something radically different from the agrarian society which Thomas Jefferson knew. Man has great capabilities; there are few physical limits to what he can do. He must be responsible with such powers, but that is not easy. The National Student Congress at the University of Pennsylvania will help prepare today's youth for the responsibility of leading tomorrow's world.●

IN DETERMINING ECONOMIC POLICY, THE FEDERAL GOVERNMENT SHOULD LOOK TO OUR MIDSECTION

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. GLICKMAN. Mr. Speaker, there are plenty of factors affecting the economic conditions this Nation is facing, and I am convinced they all need to be considered in concert. In some parts of this country, I am glad to say including my own, there is a cooperative spirit that has pulled things together creating a positive and promising economic environment. One of the greatest benefits we can gain from our Federal system is for the Federal Government to learn from successes at the State and local levels. I have a case in point.

Wichita, the largest city in my State of Kansas, has an unemployment rate among the lowest in the Nation, and it is a growth area which should keep things headed the right direction. As we consider economic policies at the national level, I would urge each of my colleagues

and those involved in economic policy within the administration to look at the Wichita experience and to learn from it. Time magazine in its current issue has highlighted the strength of the Wichita economy. I recommend the column to you and submit it for inclusion in the RECORD:

STRENGTH IN THE MIDSECTION

Strength right down the middle is the key to a strong baseball team or military force or national economy. So it might be worthwhile to look at the state of business in the city that by many measures is closest, geographically and spiritually, to the middle of America: Wichita. Rising from the pool-table Kansas wheat fields, surrounded by aerospace plants and enormous grain elevators that ride the prairies like battleships, this community of 262,000 has a problem. There are not enough workers to meet its surging demand.

The number of jobs has risen by more than a third during the 1970s, and unemployment in the past year is down from 4.1% to 2.9%, which is about as low as it can go in America's highly mobile society. (The national average is 5.8%.) Business leaders are eagerly advertising around the country for more skilled workers. If any butcher, baker or engineer wants a job, he or she will have no trouble finding it in this bustling producer of meat, wheat, planes, oil and gas.

Wichita is fortunate because all those businesses are buoyant now. But the community is also typical of many middle-size cities in the rich band between the Mississippi and the Rockies. Tusla, Oklahoma City, Fort Worth, Austin, Omaha and others are quietly booming, with their unemployment down to the 2½%–3½% range.

They are the beneficiaries of economic diversification and the increasing desire of Americans to settle in cities that, as Beech Aircraft President Frank Hedrick puts it, "are small enough to allow individuals to excel and big enough to give them plenty of room to excel."

Hedrick, 68, whose florid face testifies to years spent in the summer sun and winter winds of Wichita, points out that "this certainly isn't the world's fanciest climate, so we must have other advantages." In his view, one echoed by various local business and labor chiefs: "A work ethic still exists in this part of the world. People feel they have to give a day's work for a day's pay." Local people commonly speak of the city's Midwestern "openness." Says Hedrick: "I was in North Palm Beach the other day, and, hell, you have to be a second cousin to Jesus Christ if you want to play at the Seminole Golf Club. But the social as well as the economic strata are open to anybody who wants to work in Wichita."

More than 100 Vietnamese refugees are doing well working in a local meat packing plant (where employment has doubled in the past four years), and some of them are beginning to start their own small enterprises on the side. Wichita's unemployment rate for blacks, 7.7 percent, is much lower than the nation's average. Women are also getting ahead. Olive Beech, who with her late husband founded Beech Aircraft, is now its chairman (not chairperson), and thus ranks as one of the nation's highest female executives. Wichita's Nancy Kassebaum is the U.S. Senate's only woman member, the city's mayor is Connie Peters.

An admirable boosterism pervades the city. A. Dwight Button, chairman of the Fourth National Bank, boasts that he has hired two senior officers away from Houston banks. Iowa-born Richard Upton, who runs the hyperactive Chamber of Commerce, points to Metropolitan Life, NCR and many other big companies that have opened branches in the area. Tom Pierce, Wichita's AFL-CIO chief, notes that despite its right-to-work law, Kansas' average hourly wage is fairly high ($6.11). Says Pierce: "If workers come here and stay for two or three months, you would have a tough time getting them to move out."

Sure there are shortcomings. Housing is scarce. Even the most vocal Wichita cheerleaders admit to a certain provincialism. Bible Belt conservatives have barred the public sale of liquor by the drink. But the city is on a culture kick. In the past decade, Wichita has opened a flying saucer-shaped civic center that dominates downtown, a 12,200-seat coliseum for conventions and cattle shows, one of the nation's better Indian museums, two art museums, a planetarium, a zoo and three new libraries. That hardly makes the community a rival to, say, Chicago. Yet, almost everything is up to date in this Kansas city, and that is a good sign for the nation that surrounds it.●

THE SMALL SAVER'S ACT—INCENTIVES TO SAVE WILL LEAD TO INCREASED PRODUCTIVITY AND DECREASED INFLATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. GILMAN. Mr. Speaker, many of our Nation's economic problems can be attributed to our Nation's low rate of savings.

For example, productivity is hurt by a shortage of private investment in more efficient machinery and in education. Inflation is fueled when we increase our spending on consumer goods faster than the increases in our economy. Finally, interest rates rise to frightening levels when insufficient funds are available for the construction of homes for our Nation's citizens.

The fact is that Americans save only about 6½ cents of every dollar of their disposable incomes. In contrast, Canadians save 10.3 percent, Britons 14.1 percent, West Germans 15.2 percent, and Frenchmen, 17.3 percent, while the Japanese save an incredible 24.9 percent of their disposable incomes.

One major reason for the low rate of savings in our economy is that we simply have not provided sufficient economic incentives to save. Although tax advantages are available for those investing in the stock market or who have earned capital gains, the dividends earned on deposits in savings banks are fully taxable—from the very first dollar paid out. The sad fact is that when passbook interest rates are barely equivalent to the rate of inflation, the small saver is rarely ahead of the game, and is often at a financial disadvantage after taxes are paid. No wonder he does not save. But incentives for saving can and should be provided.

I have recently introduced H.R. 2338, the Small Savers' Act of 1979, which would go a long way toward renewing the economic incentive to save. This bill provides that the first $800 of dividends earned each year could be excluded by a taxpayer from his gross income. Income from dividends paid by a domestic savings and loan association, bank, credit union, or similar institution would be eligible for the exclusion.

H.R. 2338 was referred to the Committee on Ways and Means, where I hope it will receive quick action. Our Nation's economy cannot stand a continuation of our recent low rate of savings—we must provide the economic incentive of a limited tax break for small savers.

Mr. Speaker, to afford my colleagues an opportunity to review this proposal, I ask that the full text of H.R. 2338 be inserted in the RECORD at this point:

H.R. 2338

A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $800 of interest on savings in the case of an individual taxpayer

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Savers' Act of 1979".

SEC. 2. (a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"SEC. 124. INTEREST ON SAVINGS.

"(a) EXCLUSION.—In the case of an individual, gross income does not include amounts received as dividends or interest on deposits or withdrawable accounts in a domestic savings and loan association, bank, credit union, or similar thrift institution.

"(b) LIMITATION.—The exclusion allowed under subsection (a) shall not exceed $800 for any individual for any taxable year.".

(b) The table of sections for such part III is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Interest on Savings.

"Sec. 125. Cross references to other Acts.".

SEC. 3. The amendments made by the first section of this Act shall apply only with respect to taxable years ending after December 31, 1978.●

COMPLAINTS AND COMMENTS REGARDING HEW GRANTS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HANSEN. Mr. Speaker, I hereby submit for the RECORD complaints and comments regarding HEW activity in my district. This is to support action taken to secure answers and necessary corrective steps through HEW, GAO, and other appropriate authorities. The letters follow:

GENTLEMEN: I am writing you regarding the Southeast Idaho Family Medical and Educational Services, Inc. (SIFMES). In 1975 this organization began its operation in Southeast Idaho with its headquarters in Pocatello and under the leadership of Dr. Sam Romeo of Pocatello. It gave as its primary reason for existence the fact that it was needed to "increase health care services to rural Southeast Idaho" and "to bring primary medical care to previously underserved populations".

The truth of the matter is that such "rural underserved areas" did not exist when

SIFMES came to the area, and they do not exist now. SIFMES has come to some of the communities in the area and established small clinics with their own salaried doctors and administered by unqualified personnel. These clinics were moved into the area without consultation with or approval of private doctors in the area. They were moved into two of the most wealthy and productive counties in Idaho. One is in Soda Springs, and one is in American Falls; both communities have adequate hospitals and private physicians. One clinic is in Lava Hot Springs, which is a rapidly growing resort town and is within easy driving distance of Pocatello. One is in McCammon which is in easy driving distance of Pocatello. The physicians in the clinic in Soda Springs freely admit that their percentage of collections is only 41 percent. Private physicians in the area cannot possibly continue in business at this low collection rate. SIFMES claims that in three years it will be totally independent and will need no subsidization from anyone, including the federal government. This can only come about if it brings the private physicians to financial ruin while SIFMES is still operating under a federal grant.

SIFMES also claims to be actively engaged in operating other plans as follows:

1. Migrant health care.—There is little, if any, indication that there has been activity in this area of medical service by SIFMES even though they received a grant for it. Prior to SIFMES private physicians were giving adequate service in this field on a fee for service basis.

2. Immunization Program.—This service was and still is adequately taken care of by the Public Health service of the State of Idaho.

3. Adolescent Health Care.—This service has been refused by the three School Boards in Caribou County, and quite probably elsewhere.

4. Mental Health.—This has been very adequately managed by private physicians.

It becomes quite obvious that the goal of SIFMES is not a self-righteous attempt to serve the poor, sick and neglected people in medically underserviced areas out in the bushes of Southeast Idaho. They are out for the Almighty Dollar.

Because SIFMES appears to me to be a very serious threat to the established private physicians and the citizens of Southeast Idaho, I request that your office investigate this group and its activities very thoroughly. I recommend that such an investigation should include how, where, and why they were allowed to incorporate. With so many obvious discrepancies in their statements of need for their services and the actual need, is there any need for their existence as a business in Idaho? Why are they classed by I.R.S. as a non-profit organization and allowed to operate tax free?

I will appreciate any action you choose to take in this matter.

Very truly yours,

FEBRUARY 9, 1979.

DEAR CONGRESSMAN HANSEN: I have been especially concerned about the Health, Education and Welfare grant to the Idaho Migrant Council for the establishment of a care facility in the Blackfoot area for migrant workers. This is especially distressing to me, since the first hearing of the grant application resulted in a negative decision on the basis of the testimony offered by the Blackfoot Health Care professionals, which included testimony by physicians, hospital administrators of Bingham Memorial Hospital, and the District Health Department office located in Pocatello. There were many areas in the grant application which were very questionable in accuracy and this was pointed out at that hearing. It was most distressing to us all, when we learned that the grant had been finally and arbitrarily granted at a later date. It is especially distressing since there was no further hearings on the application.

I certainly do not feel that the Blackfoot area is a medically underserved area. There are nine full time practicing physicians located in Blackfoot. In addition, there are daily physician visits by a radiologist group from Idaho Falls. There are regular consultations by a urologist, pathologist, and orthopedic surgeon as needed. In addition, there is a full time emergency room physician, which staffs our emergency room (in house) 24 hours a day from Fridays at 5 p.m. until Sundays at 5 p.m. This 48 hour period represents a full time physician equivalent. In addition, there are two public health service physicians in Fort Hall.

Our hospital has an emergency room which is open 24 hours per day with physician coverage 24 hours per day. The laboratory and x-ray facilities of Bingham Memorial Hospital are likewise covered 24 hours per day. There is a well established and smooth functioning emergency medical transport service system available, which can transport patients from any area in the county to a physician within thirty to forty-five minutes. The roads in our area are good and almost never are closed due to inclement weather. In addition, two population centers at opposite ends of our county (Shelley and Aberdeen) are much closer to medical facilities by virtue of their proximity to Idaho Falls and American Falls where medical service is also available.

In view of the above situation, I see no way that this area can be considered medically underserved. I, therefore, request the assistance of the office of Congressman Hansen in investigating the roll of Federal Health Grants in Eastern Idaho in relation to the medical and health needs, appropriateness of grants expenditures and budget reality within the grant, effect on the quality of the health care delivery system, effect on the dominant private practices system of health care delivery and effect on the stability of the health care system and resultant possible deliterious effects on the quality of care available without federal subsidy.

I would appreciate your attention to this matter.

Sincerely,

FEBRUARY 9, 1979.

DEAR CONGRESSMAN HANSEN: The following is a rough abstract of the significant items of concern established by approximately thirty physicians from Eastern Idaho who met with the common interest of concern of wasteful use of federal dollars of HEW and other federal grants as related to Southeastern Idaho at this time. Physicians present included representatives from American Falls, Blackfoot, Pocatello, Downey, Preston, Soda Springs, Grace, and Montpelier. The general attitude, it was felt by all, represented certainly a majority vote of all the private practicing physicians in Southeast Idaho. Some concerns were the following.

The documented need of much of the grants was of questionable validity. It appeared to many that liberal overestimations were made in some areas of economic interests; the number of health migrant workers estimated was felt to be highly excessive for this area; the health migrant workers in this area are largely illegal aliens, and the question of the status of their availability to the health system in question was unclear. This is particularly true in case of the federal, state, and local governments recently denying hospitalization and treatment for an illegal alien migrant worker who was severely injured in this area during the past year.

The migrant worker grants were cost-conflicting; the grants on Twin Falls and Blackfoot were obtained with insufficient or no hearings and with insufficient data and with no clarification as to how the goals of the grant will be accomplished. There was general concern regarding the evident adverse effect upon the present excellent health system in Eastern Idaho and the adverse effect upon the infusion of large amounts of federal funds as related to individual practitioners who have expressed a desire to settle in some of the smaller communities in Eastern Idaho but have been discouraged to do so and make this their place of living because of the heavy investment of HEW funds in a manner such that the competition between a newly established private practitioner of medicine and someone with heavy federal grants is not economically feasible, even though the patient pays out of pocket the same amount per visit.

The physician's visit per grant as identified by SIFMES was over $50.00 per visit in addition to the patient's charge. If calculated by using HEW funds as the total cost per patient visit, this exceeds $100.00 per patient visit. These are identified as encounters in the grants, not as physician visits. The encounter also includes any contact with the patient in the office with the exception of a telephone call regardless, whether this be by the nurse, the physician, instructions, etc. Each encounter is calculated on the above costs.

It was felt by those who are living in the communities where the SIFMES outreach program is in effect that the number of encounters or physician visits listed in the SIFMES literature should be questioned as being exaggerated. Deep concern was expressed by all parties as to the validity of response to emergency room calls and 24-hour calls by the family practice personnel in the smaller communities. It was felt that they are not doing what the grant said and not doing what the public was told would be done.

The utilization of hospital beds in the small communities by the family practice personnel is extremely minute compared to the utilization by private practitioners. This would lend additional support to the minimal amount of patient management that is being done as compared to private practitioners.

It was felt by many that the dollar figure for physician salaries given in the SIFMES proposal as well as the dollars for malpractice appeared to be inflated, and several stated that conversations with physicians employed by SIFMES in these areas received much less salary than the stated amount in the grant.

It was unanimously felt that the descriptions of the area as to its needs, geography, communication, transportation, and interrelation within the present health system as described by SIFMES was far from valid and exaggerated heavily in favor of obtaining a grant. There was no indication that HEW had made any effort to identify the validity of many of the claims being made by SIFMES. It was felt that the progress reports of SIFMES to HEW were overstated in favor of SIFMES, particularly areas that stated that SIFMES was a cohesive force in the area between many health organizations and health practitioners, whereas indeed the opposite is very dramatically true, and the reputation of SIFMES with health professionals, the state health department and others is very questionable.

Progress reports state that Dr. Romeo was placed in the position of the director of the local health department because of the great trust the health community had upon his capability, where in reality he was unilaterally released by the health department without notice on July 10, 1978, and there is no record that SIFMES had notified HEW of this change of stance.

It was pointed out that three new physicians have been in Bear River recently, and

that this general area of Montpelier and Soda Springs no longer fulfills the HURA grant needs. However, these grants are continuing and being added upon. In American Falls, the University of Utah, a nonprofit corporation which has had three private practitioners in the area and had been competing successfully against the federal, state, and county infusion of dollars into SIFMES, has been successful. The practitioners have continued to carry the community's support and are taking care of the majority of the community needs. The records indicate that there were only nine hospital admissions by SIFMES during the past several months and that three of these were at night and indeed admitted by the private practicing physicians because SIFMES personnel were not available. At the present time, the American Falls SIFMES group which is now under a Kellogg grant is being refunded under a HEW grant. During the past few months the three physicians in private practice at American Falls has been reduced to two by increasing pressures of publicly and grant funded physicians who practice without any overhead or economic responsibility on their own and yet charge the patients the same amount per office visit. This is a clear indication of unnecessary expense of federal dollars driving out private sector and leaving an unstable health situation. The same potential situation is existing in Downey and Soda Springs.

Several specific items arose which were discussed about which I am sure you will receive further data. Some of these items specifically are fallacious descriptions of the communication and road system in Eastern Idaho which resulted in grant for renting of two four-wheel vehicles and of grant for obtaining airplane service into certain communities. The description of the medical service and quality of medical care in this area in some of the SIFMES documents is also of very doubtful validity, and there is no indication that HEW made any effort to evaluate the claims of SIFMES prior to establishing grants.

Deep concern was expressed over the interoffice memos of HEW which openly criticised SIFMES's basic integrity and ability to handle the grants and yet within a few short weeks allowed substantial additional grants.

It was felt that the Mental Health grant and the Adolescent Health grant are two grants that should not be given to SIFMES because of a lack of expertise in these areas and because of the absence of need of these grants. Both of these grants utilize personnel who are less qualified than in the private sector, provide organized input of new patients into the family practice arena in a rather direct manner, and at the direct expense of the private sector of medicine, thereby dramatically increasing the cost of medical care for unnecessary services which are paid by the elaborate influx of federal dollars and contributing to instability in the supply of physicians in this area and strongly discouraging individual practitioners, several of whom have expressed a desire to settle in smaller areas in Eastern Idaho.

It was felt that the mechanisms of using HEW through SIFMES as a direct feedline into a new private for-profit clinic with the two profit stockholders being on the Board of Directors of SIFMES was deplorable use of public funds to establish and develop the private clinic with the use of federal dollars. This is felt to be quite typical of the apparent willingness of HEW to provide grants with minimal or no evaluation other than that developed by the applicant. Furthermore, other physicians and health care organizations in the area have not been given an opportunity for input on grant applications and their effect on health care in the area, other than in very limited amounts when this appeared fortuitously through the mechanisms of the Council of Governments.

These are some of the major and minor areas about which you will probably receive further correspondence.

Very truly yours,

Addendum: One of the major items of concern is the continuing deleterious effect of the present federal infusion of dollars upon the present excellent private sector medical system which has developed and which takes care of most of the majority of patients in this area. This system will be further eroded with continued massive infusion of federal dollars and will leave a hiatus of quality of medical care in the community. Evidence of this is already developing in the satellite areas as mentioned above. The benefit of the public and patients should be considered as top priority rather than the continued granting of federal dollars.

FEBRUARY 12, 1979.

DEAR CONGRESSMAN HANSEN: After reviewing the data between Family Practice Unit, SIFMES, and the HEW, it is most appropriate at this time that the assistance of the office of Congressman George Hansen be requested in investigating the role of federal health grants in Eastern Idaho, in relation to medical and health needs, appropriateness of grants, expenditures and budget reality within the grants, the effect on the quality of health care delivery system, the effect on the dominant private practice system of health care delivery, and the effect on the stability of the health care system and resultant possible deleterious effects on the quality of care available without federal subsidy.

Very truly yours,

FEBRUARY 20, 1979.

DEAR CONGRESSMAN HANSEN: I have been greatly concerned for some time with the course of events which have been transpiring in southeastern Idaho medical practice. I feel that I have a better insight on these matters than the average physician now practicing in this locality because I was raised in the Lava Hot Springs area and went to high school there, attended Idaho State University for pre-medical education and have been back practicing in this community since early 1950. I am greatly concerned in what has been happening in the Pocatello, Bannock County, Caribou, Power County areas in recent years. I believe we need your assistance as a U.S. Congressman from this district to investigate the role of Federal Health Grants in this area. Many physicians are becoming increasingly alarmed at the encroachment of federal health care in competition to private health care and delivery by private fee for service physicians. We are actually now being competed with federally funded programs of very questionable merit which have been granted by the Department of Health and Welfare. With this recent acquisition of more information that has come out of the Seattle office of Health and Welfare it is very alarming to see the great waste of federal funds and continuing granting of federal grants that are entirely unnecessary and unneeded. I believe that this unnecessary waste of money has got to be cut off. It is not doing what it was supposed to do and in turn is also not needed. I shall try to show some of the most glaring examples of waste that have been occurring in recent years.

The grants that have been issued for Health, underserved rural areas. Two of the main areas concerned in this area of grants are the communities of American Falls and Soda Springs, Idaho. Both of these medium sized rural communities actually have adequate physicians based in their local areas at the present time and no further federally subsidized medical clinics or groups are actually needed. In American Falls one privately funded physician supplier has had to let a physician go recently because there was not enough need for his services in this community. Soda Springs is adequately staffed with physicians and no further federally subsidized programs are needed. The two federally subsidized physicians who are working in the Soda Springs area have only meager professional backgrounds with only one year of post-graduate education. This is a very meager medical background to go into rural communities and set yourself up as a specialist in all fields of medicine as a great many family practitioners do.

The grants for adolescent health services and mental health linkerage were entirely not warranted and are a total waste of money. These grants were not recommended by the local medical societies of southeastern Idaho or Bear Lake Counties but were granted irregardless of our recommendation to SIFMES and in turn to the Family Medical Center. The hospitals in both American Falls and in Soda Springs have not benefited one single bit from the influx of these federally sponsored programs in their community. Approximately ten to fifteen percent of hospital admissions are coming from the Family Practice Group. They are not using the local hospitals in these communities! It is noted that in the Pocatello Free Clinic which was largely staffed by local physicians years ago that the Family Medical Clinic has been paid to render service to the Pocatello Free Clinic and in turn has largely supplied physicians assistance for this service. These people are not medical doctors or physicians and only can render very basic care. The private physicians have been donating their time to this free clinic but in turn the federally sponsored program is being paid or subsidized in sending second rate medical help to this free clinic. It has also been noted that Dr. Sam Romeo, for a short time, enjoyed the appointment as a Medical Director or Supervisor to the Southeastern Idaho Health Department. This appointment was only shortlived and was either months or at best only a few weeks in duration but to our knowledge has never been deleted from information that the Family Medical Center or SIFMES is putting out information that would indicate that probably Dr. Romeo is still employed by the Southeastern Idaho Health Department. This is entirely an erroneous type of misleading information. It is also noticed and recorded that patient encounters that the SIFMES and Family Medical Center group use for applying for further extension of their grants include any type of patient encounter that might be made such as a walk-in patient, an immunization clinic that is run by the Health Department, telephone calls or anything to pad the score board so to speak.

At the same time as all this is going on in Bannock, Caribou and Power Counties, we are now faced with an Idaho Migrant Council Clinic opening in Blackfoot, Idaho. This is probably another federal medical waste of funds as it has been shown and well documented what occurred in the Caldwell Nampa, Homedale area years ago. In Caldwell we had two competing Migrant Council and Migrant Worker Clinics started in that area which had staffs of five to seven people and for years only saw ten patients a day. This was totally unnecessary in these communities. It was not wanted by the local medical group. These migrant workers are being taken care of in local medical offices. In spite of propaganda by SIFMES and Family Medical Clinic that Migrant Workers are not seen by private physicians for various reasons, this is an absolute, downright untruth. I know this to be a fact because I have been taking care of Migrant Workers for 20 years in this community.

It is very discouraging to see programs of great waste, unwanted and totally unnecessary being funded by agencies of the Federal Government that know nothing of the medical needs of these communities that are being totally directed by newcomers within this community who have very poor knowledge of what really is happening in the outlying areas. I believe we need your help as a well-informed person who has actually lived in this area for most of your life and understand the problems which exist in southeastern Idaho to look into these matters and do everything possible to start turning around this totally unwarranted and horrible waste of federal tax dollars.

Very sincerely yours.●

ADVERSE CIVIL SERVICE RULINGS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. GONZALEZ. Mr. Speaker, I am again proposing legislation that would provide civil service retirement credit to particular contractor-furnished technicians who have been unjustly denied their benefits because of adverse Civil Service rulings.

It is important that I take some time to examine the historical factors underlying this legislation. Due to the shortage of technicians in the years following World War II the Federal Government acquired the services of skilled technical personnel through contracts with private companies. While these technicians were paid by the Government, they were recruited by these private contractors. They were known as contract technician service personnel (CTSP) and worked mostly for the Armed Forces. The Government kept up this practice through the 1950's and into the 1960's.

In 1963 the House Post Office and Civil Service questioned the legality of CTSP contracts, and a decision issued by the Comptroller General's office in 1965 held that the contracts were in fact illegal. Thus, making the CTSP job illegal.

The result in this decision was to give CTSP the opportunity to change to Federal service including their jobs. No problems arose in the conversion, the last one taking place in 1967. However, since several of these people have reached retirement age, a problem has developed. They have discovered that the Civil Service Commission refuses to count their service as CTSP in fixing their retirement benefits.

The events leading to their hiring and type of work, together with the contrary and complicating policies of the Federal Government, all lead to the belief that these personnel have been denied their retirement benefits. In addition this denial is inconsistent since precedents have been set in several court cases.

On the human side of the coin, the situation remains that the denial of retirement benefits has had a grave effect on the retirement income of individuals who have spent their entire careers in service to the Federal Government. These people could not carry their private pension plans to the Federal retirement system and they could only accumulate the minimum amount of civil service retirement credit after they made the switch. I feel that these individuals have been placed in an untenable position through no fault of their own and merit their status corrected.

I am proposing a bill that would allow only those under contract before March 4, 1965, to receive additional civil service credit for the years they spent as CTSP. Those wishing to receive this additional benefit would have to pay the amounts they would have paid into the system had they been eligible for Federal retirement annuities in the beginning. Those wanting complete Federal coverage would have to give up their social security benefits for that period of coverage, and the amounts the person paid into the social security system would be transferred to the Federal retirement fund to reduce the contributions that former CTSP would be obligated to do in order to receive their additional credit. Another important provision requires a dollar-for-dollar reduction for any amount CTSP receive from private pension plans based on their CTSP service. This is to make sure that the legislation provides benefits solely to those for whom CTSP service has caused hardship and to prevent anyone from receiving greater retirement benefits than those available to Federal workers.

I am not exactly sure what the cost of my proposal would be but I understand that roughly 2,000 persons are affected; thus making the cost appear small.

Mr. Speaker, the purpose of this legislation is not to open up the doors of the civil service retirement system to those who in any way worked for the Government in the past. Its intention is to right a wrong that has punished a small group of people who have served the Federal Government and the Nation.●

RETIREMENT OF E. GENE FOURNACE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. APPLEGATE. Mr. Speaker, it is a distinct pleasure for me to bring to the attention of my colleagues in the U.S. House of Representatives the celebrated retirement of an outstanding individual and long-time friend, Mr. E. Gene Fournace.

Mr. Fournace, retiring as senior vice-president of the Ohio Power Co., Canton, Ohio, vice president of the Franklin Real Estate Co., New York, N.Y., and vice president of the Ohio Electric Co., has been employed by Ohio Power for nearly 50 years in one capacity or another. He also serves as a director to the American Electric Power Service Corp.

Education in the Canton, Ohio public school, Mr. Fournace went on to receive his B.A. degree at the University of Wisconsin in 1930 and attended the University of Pennsylvania and the Massachusetts Institute of Technology in 1950 and 1961, respectively. He is respected and admired by his associates as an individual who is more familiar with the utility business than anyone.

But Mr. Speaker, this gentleman's dedication does not end with his vocation. Mr. Gene Fournace has dedicated his life to public service groups of all kinds. Since 1932 when he served as president of the Newark, Ohio, Jaycees, Gene has been a most active and concerned citizen. He was the first recipient of the "Outstanding Young Man of the Year Award" by the Newark, Ohio, Jaycees, chairman of the Lima, Ohio, Community Chest campaign, chairman of the Governor's Executive Committee on Ohio Water Resources, a director of the Water Resources Congress, and chairman of the Ohio Public Expenditure Council just to name a few of his positions.

Yes, Mr. Gene Fournace is a rare individual, and this is unfortunate as we could use more people like him in this country. On behalf of Ohio's 16th Congressional District, I wish to thank Gene for his dedication and hope that his retirement brings him happiness and the rest he deserves.●

DRAFTING PEOPLE OR DOLLARS

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, as discussion and debate involving the question of re-instituting the draft continue here in Washington and throughout the Nation, it is important to understand some of the basic issues involved. Peter J. Ognibene, a military and political affairs writer, contributed a column on this subject that appeared in the February 13, 1979 issue of the Washington Post. Mr. Ognibene makes a number of interesting points concerning the volunteer force and why it may be the desired option in a time of peace. I ask that the article be reprinted in the RECORD.

The article follows:

DRAFTING PEOPLE OR DOLLARS?

(By Peter J. Ognibene)

There are two ways to raise an army. The nation can draft its young into service, or it can use another form of conscription—taxation—to pay for a volunteer force.

Throughout most of our history, we have chosen the latter, more democratic approach. Nevertheless, sentiment and support for the draft appear to be rising on Capitol Hill.

Conscription has a long if inglorious, history. The British Navy impressed 10,000 native-born Americans between 1793 and 1811, an outrage that led to the War of 1812. Throughout the 19th and well into the 20th century, immigrants by the millions sought the safety of these shores to keep their sons from being dragooned into the perennially warring armies of Europe. Until the Cold War, Americans regarded the draft as a last resort that could be justified only when the nation was in imminent peril.

The draft was abolished in 1973. To make the armed forces more attractive employers, Congress authorized higher pay, reenlistment bonuses and other incentives. Although the volunteer force does not work perfectly—what in government does?—it has performed far better than its critics prophesied.

In spite of predictions to the contrary, the quality of military recruits has improved since the draft ended. All prospective enlistees are assigned to one of five "mental categories" on the basis of aptitude tests. The law prohibits recruitment of the bottom 10 percent (Category V) but permits each service to draw up to 18 percent of its recruits from Category IV, which encompasses the 10th through 30th percentile. Over the past five years, the services have drawn only 7.4 percent of their recruits from Category IV.

The Army, which many thought would be unable to remain beneath the 18 percent ceiling, has confounded the pessimists. Only 11 percent of the Army's recruits have come from Category IV over the past five years.

More than a fourth of the Army is black; critics find that a cause for concern. The demise of the draft, however, appears to have had less to do with the rise of black enlistments than the skyrocketing unemployment rate of black teen-age males. Relatively few young blacks have been able to find good jobs in the domestic economy.

This is not so much an Army "problem" as it is a reflection on the trades, businesses and professions of America. With these routes of upward mobility closed to many blacks, they have been turning in greater numbers to an institution that has long welcomed them. In the Army, many of them will gain additional education, useful job skills and a rewarding career.

When "equal opportunity" becomes a reality in the civilian economy, black representation in the Army will probably decline to a level close to their proportion of the population. To revive the draft now would only serve to limit the number of blacks who would be allowed to volunteer for the Army.

It costs more to recruit volunteers than it does to induct reluctant civilians, but the actual savings are small by Pentagon standards.

Rep. Les Aspin (D-Wis.), a member of the House Armed Services Committee, calculates that "the cost of the all-volunteer raise in 1977 came to $1.7 billion." That accounted for about a sixth of the boost in military pay; the lion's share (five-sixths) went to more senior military personnel.

If there were a new draft, the Department of Defense estimates it would save about $500 million in recruitment costs—about $2 for every man, woman and child in America. The only way to save more money would be to slash military pay for all ranks, and Congress shows no inclination to take such a step.

In response to a congressional query, Secretary of Defense Harold Brown said recently that any new legislation to register young men for the draft should also be extended to include young women. As a matter of equity, it would be hard to argue against a unisex draft. American voters, however, might not take too kindly to the prospect of having their daughters as well as sons shipped off involuntarily to boot camp.

Few members of Congress are advocating that conscription be immediately revived; their present objective is the registration of 18-year-old males. With such a system in place, however, it would be a short step to actual inductions.

With some two million men and women currently in uniform, it is difficult to imagine the nation suddenly in need of millions more. Moreover, in this age of computers, registration would be much less a problem than the training and equipping of a massive influx of recruits. So, one could hardly plead logistical necessity in behalf of a so-called standby draft.

The real issue, of course, is money. The draft is a serious deprivation of liberty that can only be justified when the service of some must be conscripted to preserve the freedom of all. With the United States at peace, the case for a new draft rests primarily on how we will pay for our peacetime armed forces. The choice, in fact, is quite simple: We can draft dollars, or we can draft people.●

UNITED STATES USE OF BASE FACILITIES IN SPAIN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I had with the State Department regarding newspaper reports which indicated that the Government of Spain had denied permission for U.S. F-15 aircraft on their way to Saudi Arabia for display purposes to land in Spain for refueling. Current treaty relations with Spain assure us of certain transit rights.

According to the State Department the Washington Post article of January 30, 1979, and other reports were inaccurate. They indicate that time pressures did not permit the United States to wait for a Spanish decision on the transit question.

A copy of the Washington Post article and my correspondence with the State Department follows:

USE OF BASES MAY BECOME THORNY ISSUE FOR UNITED STATES, SPAIN

(By Miguel Acoca)

MADRID, Jan. 29—A bit of diplomatic foot-dragging by Spain during the height of the Iran crisis has signaled that the United States can no longer take for granted stopover rights at Spanish air bases for U.S. warplanes on their way to Middle East trouble spots.

Spain's reluctance to allow U.S. F15s bound for Saudi Arabia to land at Torrejon air base outside Madrid caused an expensive rerouting through Lajes, a base on Portugal's Azores Islands, with midair refueling.

The incident underlined the differences between Spain and the United States that threaten to weaken the 25-year-old military relationship between the two countries.

Spanish policy and attitudes raise serious questions about whether the United States can use the Spanish bases to supply Israel in the event of another Middle East war, for example, or to help Saudi Arabia in the event of trouble in that kingdom so rich in vital petroleum.

Spain actually refused to allow U.S. planes resupplying Israel in 1973 to land at the bases—Spain does not recognize Israel and has cultivated the Arab states. However, U.S. air tankers from Torrejon did fly repeated missions in 1973 refueling planes from the United States airlifting weapons to Israel.

Spain's apparent unhappiness with this situation stems from the fact that Washington and Madrid have conflicting Middle East policies and differences of opinion over whether developments like the current crisis in Iran actually involve the defense of the West.

The irony of the U.S. use of Lajes earlier this month was evident. After the 1974 leftist Portuguese military revolution—which caught the CIA and the Nixon administration by surprise—U.S. officials were convinced that the Azores base could never be used, as it had in 1973, for Middle East conflicts. That conclusion proved wrong.

At the height of Washington's fears that Portugal was coming under communist influence or control, a high U.S. official in Madrid remarked, somewhat optimistically, that Washington did not really need Portugal or Lajes.

"Portugal makes no difference," he said. "We've still got Iran, Spain, and West Germany."

Despite the changes in Portugal, however, Lisbon now permits the U.S. Air Force to use Lajes for vital missions.

Portugal, a member of the North Atlantic Treaty Organization, views events in the Middle East and U.S. interests differently than Madrid. And it now has overcome the exclusion from key NATO committees imposed by former secretary of state Henry Kissinger, who did not trust Portugal's leftist leaders.

The apparent end of Iran's close cooperation with the United States gives Spain a new strategic importance, but the role of Spain and the Spanish bases remain in question.

U.S. officials maintain that under the five-year bases treaty, which expires in 1981, the United States has "unlimited transit rights" for planes headed for third countries. Iran and the shah were the beneficiaries of these rights when the Torrejon base was used as a stopover for planes bearing weapons for the Iranian armed forces. Spain raised no objections at the time.

Exactly what happened regarding transit rights for the F15s is not clear. U.S. officials put in a routine request with the Foreign Office. At first the answer was affirmative.

Then it was announced in Washington that the planes were going to Saudi Arabia for political reasons concerning Iran. Madrid promptly withdrew approval even though the flight involved three friendly governments—the United States, the shah and the Saudi government.

"We didn't want to be taken for granted," explained a Spanish official.

"Perhaps we should have consulted a friend about the mission of the F15s, an American source said. "We used them [the Spanish bases] in 1973, and we should save them for a crucial moment."

The fact remains, however, that the incident over the F15s set a precedent. The American interpretation of "unlimited transit rights" is now an issue that will be raised if there is a new Middle East crisis and when a new bases agreement is negotiated in coming months.

While it is true that Premier Adolfo Suarez faces an electoral campaign in which the U.S. treaty may become an issue, Socialists and Communists agree that the alliance with the United States must be continued so as not to upset the balance of power in Western Europe. They oppose Spain joining NATO, however.

Apart from a different concept of Western defense and conflicting strategic views on the Middle East, Spain feels that it can extend its influence in the Arab world as U.S. standing drops. Spain's "special role" in the Arab world was a foreign policy cornerstone of the late dictator Francisco Franco. It remains the same under the nascent democracy of King Juan Carlos.

COMMITTEE ON INTERNATIONAL RELATIONS,
January 31, 1979.

Hon. CYRUS R. VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I would like to know if recent press reports are accurate that the Government of Spain refused to allow United States F-15 aircraft bound for Saudi Arabia to land in Spain.

Specifically, I would like to know the following:

Was it reasonable to expect, on the basis of our treaty with Spain, that such flights would be allowed to land?

Are we meant to have unlimited transit rights in Spain?

When did we ask for landing permission and when was permission refused and why was it refused?

When asking for permission, did we tell the Spaniards the mission of the planes?

How far in advance of departure of the aircraft from the United States did we seek Spain's permission?

Do you consider this refusal in any way a violation of the spirit or the letter of agreements or understandings with the Spanish Government?

Was the denial of landing rights related to the fact that the F-15 mission was made public? Or, in other words, do you have reason to believe that the planes could have landed if the mission had been kept out of the press?

I appreciate your consideration of these questions and would like an unclassified reply within two weeks.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C.

Hon. LEE H. HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: I refer to your letter of January 31, 1979, to Secretary Vance in which you requested information on the use of Spanish bases by United States F-15 aircraft during the recent deployment to Saudi Arabia.

Press reports which stated that the Spanish Government refused to allow F-15's bound for Saudi Arabia to land in Spain are inaccurate. In fact, the Spanish did not object to a stopover of the planes in Spain. In view of widespread press coverage of the deployment, the Spanish officials with whom we had initially consulted decided that the matter was of such import that it should be brought to the attention of the top officials of the government.

When we realized that the Spanish were not going to be able to discuss the matter and get back to us in time to meet our self-imposed deadline, we made alternative arrangements through Portugal. Nevertheless, the Government of Spain did advise us before the planes left the U.S. that the Spanish Government had no objection to the planes landing in Spain.

As you may know, several of the F-15's did stop over in Spain during the return flight. In fact, two of the aircraft, which had experienced mechanical trouble, landed in Spain en route to Saudi Arabia.

Following are answers to your specific questions:

It was reasonable to expect, on the basis of our treaty with Spain, that the F-15's would be allowed to land. The Treaty states that Spain grants the United States the right to use the base facilities by way of contribution to the Western defense effort.

The 1976 Treaty does provide for the use of certain air and naval bases by aircraft in transit through Spain enroute to other destinations. It has been our standing practice to consult with the Spanish Government on other than routine missions.

We first consulted with the Spanish Government on the proposed F-15 flights on January 9. Spanish officials told us that same day that they did not foresee any difficulties. However, following the press reports of the planned deployment, the Spanish officials said they wanted to have it considered by higher officials. On the morning of January 12, Defense Minister General Gutierrez-Mellado informed Ambassador Todman that Prime Minister Suarez voiced no objection to the stop over of the F-15s. Although these aircraft were not scheduled to leave the United States until the 13th, we had already decided to send the planes through Portugal in order to permit orderly planning.

When we consulted with the Spanish Government on the 9th we informed it that the deployment of the F-15's would be a demonstration of US political support for Saudi Arabia and United States interest in the Middle East. We also stated that the deployment was for training and demonstration purposes for the Saudi Air Force.

We do not believe that the Spanish action was a violation of the spirit or letter of agreements or understandings with the Spanish Government.

It is possible that the considerable press coverage of the deployment, both in the US and in Spain, caused the Spanish Government to consider the matter at the highest level, thus occasioning the delay that caused us, for operational reasons, to decide on an alternative routing.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.●

CIVIL DEFENSE—WHY NOT FOR AMERICANS?

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. STUMP. Mr. Speaker, I recently accompanied our distinguished colleague from Georgia, LARRY MCDONALD, and other members of the Armed Services Committee on a tour to inspect civil defense measures in several countries of Western Europe and the Middle East. By comparison to the United States, nearly all the countries visited are making serious commitments to the protection and survival of their civilian population in the event of a war. The Soviet Union is engaged in massive civil defense programs and also is "hardening" its factories and plants which produce military equipment. This is clearly an important factor when considering whether the Soviet Union might risk a first strike against the United States. As John Crown correctly has pointed out in the Atlanta Journal and Constitution:

It may not be the magnitude and number of missiles which determine the winner of a nuclear holocaust. It may be who can survive. And right now that is not the United States.

Mr. Crown appears to be one of the few commentators in America who has a real grasp of the serious implications of our lack of a civil defense program against nuclear attack, and I recommend that the Members of this Congress give heed to his views.

[From the Atlanta Journal and Constitution, Feb. 3, 1979]

REPRESENTATIVE LARRY MCDONALD AND OUR CIVIL DEFENSE

(By John Crown)

In any comparison of the relative strengths of the United States and the Soviet Union it is essential that the factor of civil defense be considered.

It is rational that if one nation has the means of protecting a major segment of its population and its industrial base against nuclear attack and that nation's adversary does not have such protection a nuclear holocaust is all too possible.

The United States has made no effort to institute civil defense procedures against nuclear attack. Ergo, we look upon a nuclear holocaust as "unthinkable."

The Soviet Union has made a massive effort to protect its people and its industries against nuclear attack. Ergo, the Soviets never use the expression "unthinkable" when contemplating nuclear war.

This was brought to the fore recently by Representative Larry McDonald of Georgia's 7th Congressional District. Representative McDonald led a delegation from the House Armed Services Committee to take a look at civil defense measures in Europe and the Middle East. What he and his colleagues found emphasizes how apathetic and fatalistic we in the United States appear to be.

In Egypt, Rep. McDonald noted, the bulk of the population lives along either the Nile or the Suez Canal. What civil defense exists is a reminder of past wars. There are sandbags and bricked up windows.

Rep. McDonald and his associates found that Israel has excellent civil defense facilities for conventional wars. And a program is being prepared for coping with nuclear contingencies.

Norway is a member of the NATO alliance and is on the firing line. It has a common border with the Soviet Union. Despite limited resources—in comparison with the United States—Norway takes civil defense seriously.

"Little Norway is putting a significant effort into civil defense," Rep. McDonald told me. "It is using its subway system and is equipping it for adequate shelter. Double steel doors are installed at entrances. The subway system has independent air filters, an independent electrical supply and an independent water purification source. All new homes and new factories must include shelters for the occupants."

But it was Switzerland which really generated amazement and respect. We get the whine from Washington that our partial oil imports weaken the value of the dollar. Well, get this from Larry McDonald.

"Switzerland would really give the United States an inferiority complex," Rep. McDonald commented. "Switzerland has to import every drop of oil, every piece of coal, every ounce of uranium. Yet it has the strongest currency in the world. And from a percentage view it has the best armed forces in the world.

"All Swiss men keep their guns and their ammunition at home. Yet Switzerland has a virtually zero crime rate and a virtually zero homicide rate. And there's a message in that for all those people over here who say ownership of firearms causes crime.

"Eighty percent of all Swiss men are in the military. Ten percent have a disability which limits them to ancillary duties. The remaining 10 percent simply cannot serve and so they pay a special tax in lieu of mili-

tary duty. The Swiss can mobilize 600,000 men in 48 hours and effect total mobilization in 72 hours.

"All military aircraft are kept in underground hangars in the mountains and there are facilities for full service, even in the event of nuclear war. All new buildings must contain fallout shelters. Every home must keep on hand at least one week's supply of food. The nation maintains a one-year supply of grain. And there are available ammunition depots both above and below ground.

"Swiss Defense Minister Gnagi told us that the only way for a country to be neutral is to be able to back up that neutrality through strength. And the Swiss are doing it."

Understandably, Rep. McDonald and his group did not visit the Soviet Union in connection with civil defense study. But he points to tests which have been made in the United States utilizing Soviet civil defense manuals.

"The Soviet Union is working very thoroughly on civil defense despite Les Aspin (an ultraliberal Democratic congressman) and the CIA trying to tell us that the Soviets have no workable plan," Rep. McDonald said.

He noted that if the Lockheed plant here were to be subjected to Soviet attack it would be transformed "into confetti." But on the West Coast tests have been made following procedures in Soviet civil defense manuals.

"From those tests it has been shown that Soviet plants attacked by us would be back in operation in two weeks," Rep. McDonald remarked.

It may not be the magnitude and number of missiles which determine the winner of a nuclear holocaust. It may be who can survive. And right now that is not the United States.●

COURT WOULD HAVE JURISDICTION OVER LABOR DISPUTES IF ESTABLISHED

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. RHODES. Mr. Speaker, on February 22, I introduced, once again, my bill to establish a U.S. Court of Labor Management Relations that would have jurisdiction over major labor disputes that have a substantial impact on the Nation's economy.

This measure is designed to establish a mechanism for the orderly, rational and equitable resolution of labor disputes where the general public has a significant interest in the outcome.

It is designed to fill a very serious gap that now exists in our ability to deal with prolonged labor disputes, such as last year's coal strike, in a rational manner that takes into account the needs and equities of both labor and management, as well as the impact of a settlement on the consuming public.

We can no longer afford settlements wherein management "caves in" to labor simply to avoid a strike, and passes on the cost to the public in the form of higher prices. Nor can we afford prolonged strikes, that leave plant and equipment idled, and consumers deprived of important goods and services.

The court described in this bill achieves a middle ground between strikes or lockouts, which I consider a form of economic barbarism, and compulsory arbitration, which I believe is too susceptible to charges of capriciousness.

In our Nation, we submit virtually every type of dispute to a court of law for its resolution. So far, we have seemed unwilling to do the same for labor disputes, I fail to understand this, especially in light of recent talk favoring the submission of disputes involving public employees to arbitration. I believe the time has come to give serious attention to this proposal, and I commend it to my colleagues for their consideration.●

PHILIP M. CRANE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. PAUL. Mr. Speaker, one of our most eloquent, hardest working, and brightest colleagues was recently written about in Private Practice magazine.

Since that colleague, the Honorable PHILIP CRANE, may soon be moving to the other end of Pennsylvania Avenue, I would like to bring this article to the attention of the entire House by inserting it in the RECORD:

PHIL CRANE AND THE PRESIDENCY

(By Michael Watterlond)

In the doldrums of last summer, the bad planning and chaos of this almost tropical capital of Washington, D.C., were even more befuddling than usual. Shining slabs of marble loomed surprisingly over a steaming jungle of urban trees and beneath the trees there was the boggling pattern of streets and avenues that inexplicably meandered and bent and lost themselves without logic or reason. Nothing seems simply to go from here to there in this city.

And in this mishmash of tangled pavement it often seems as though every misconceived notion in the country has settled here and taken root in institutionalization. But unfortunately this is a country still young enough to have energetic and ambitious men and women who welcome the chance to weed these notions out.

Even though it is a frustrating and seemingly fruitless job, Congressman Philip Crane of Illinois, chairman of the American Conservative Union and member of the House subcommittee on health, thinks he is the man to do it. Phil Crane wants to be President.

Last summer he made the national announcement that he will seek election to the office of the President. He has been shown on network television kissing his wife, his children, sharing great hopes with the admiring staff of his office. And the media generally concede that even in these early months he has as good a chance to win the Presidency as Governor Carter did when he announced in December 1974.

And now, on these hectic election-year mornings, there are members of the press who perhaps could not have identified Phil Crane only a few months ago, but who now jot down and record his statements on NHI, taxation, campaigns, the future, the direction of conservative philosophy. It is clear to the writers and photographers that they have something special on their hands—a handsome, articulate, intellectual conservative with presidential aspirations who will look you in the eye and smile when he says "revolution!"

Possibly what he means is "rebellion," but nevertheless, Philip Crane has found a national bandwagon, a national movement, and an awaiting audience in these days when taxpayers have stopped shaking their heads in amazement, and have started picking up pitchforks, tar pails, and initiative petitions.

Crane's square-jawed, conservative stand on national medical issues has given him a firm basis of argument as regards what the press is calling our "tax revolt."

Crane has made repeated attacks on the faults of the national government in the medical field. He is a great enthusiast of free enterprise and imagination as well as hard work and determination—all things he pretty much dismisses from federal programs.

"Those who advance the idea of crisis in American medical care argue that government intervention is necessary because we have a shortage of doctors," Crane says. "Somehow, they say, government control of medicine will ease this shortage. Unfortunately, most of the participants in this debate accept as a given notion that a doctor shortage exists.

"Since 1965 the number of doctors has increased at a rate three times that of the population, yet much of the discussion about the alleged shortage of doctors has proceeded as if there has been no change in the situation."

Crane has been a champion of privacy in medical records. And a vociferous foe of National Health Insurance.

"The potential for abuse cannot be overlooked," he says of governmental access to medical records. "Unless a greater degree of confidentiality is extended to private medical records, an Ellsberg break-in would no longer be necessary if a government official wanted to examine sensitive psychiatric records for unauthorized reasons. The records would be already available."

He has introduced legislation to limit, in fact prohibit, government access to medical records of any treatment not paid for through federal funds. His position is that such a bill would prove a great relief to patients not receiving federal assistance and would, at the same time, provide some point of consideration for evaluation of federal medical aid through veterans' benefits, Social Security, or Medicare assistance. HEW has lobbied against his bill.

On the subject of National Health Insurance, Crane makes no bones about his opposition:

"There is every reason for Americans to reject the idea of National Health Insurance. If we carefully consider the strengths of our private practice system and the availability of private health insurance tailored to each person's needs and resources, and compare it to the weaknesses of the socialized medical systems of other countries, and then review the failure of our own government programs such as Medicare and Medicaid, that conclusion becomes inevitable "Let us not in the name of 'better health care' set in motion a series of events that will damage medical care, impose heavy new taxes, and demolish more individual liberty."

Crane's position on these medical issues sets him in line with much of the public hue and cry these days about taxes and tax use in general.

Although the Congressman's marketability as a presidential candidate has been touted by Crane enthusiasts from the start (he took the congressional seat Donald Rumsfeld left to join the Nixon Administration in 1969), it cannot be denied that today's voter concern for hardline conservative tax attitudes has made him even more attractive than ever.

"I would not want to be running for anything in this country," Crane says, "on a platform that does not support serious tax reform.

"The point I would like to make is that I, first of all, embrace any and all initiatives designed to get a handle on taxes. I think the protest in California was dramatic, but it was a symptom of more than protest over the levels of real estate taxes. It was a commentary, in fact, on the increasing perception by the public that the government is taking too much of our money and not spending it intelligently.

"I think, in that protest, lies great hope."

Crane has one of the great gifts all politicians ache for, but which so few of them actually possess: he can talk. And think while he is doing it.

In a town where second- and third-term Congressmen have to go through 20 takes for a 30-second television campaign spot, the image of this natural speaker and thinker is a freshening sight. He is a good old-time orator when he wants to be. It is easy to picture him up on the stump denouncing or supporting just about anything credibly—and his gift for speaking is sharply enhanced by that fact when he talks, he may say what you expect him to say, but even if he does, it sounds fresh and original and sincere and not at all like party cant.

After a few minutes in the presence of Philip Crane, it is easy to see that the next couple years of campaigning are going to give the country something to think about.

Already Crane has become a lively topic of conversation among the veteran pundits and observers of Washington's political landscape. In the midst of a conversation about taxes in general, the television roundtable group of Martin Agronsky's guests nearly jump out of their seats when someone mentions that in the summer of 1978 a not-too-well-known Congressman from Illinois has announced his candidacy for a presidential election years away.

Conservative columnist Jack Kilpatrick offers an initial assessment of the situation:

"Here's a fellow," Kilpatrick muses, "who wants to be President. He can talk well. He thinks rather well—in his world. You may not agree with it . . ."

"There are a lot of people," chimes in columnist Carl Rowan with a professional air, "who think Proposition 13, this capital gains business, and so forth, all mean that the country is drifting toward a greater conservatism." Rowan, whose political ideas are about as far from those of Jack Kilpatrick as one can find on this planet, says this as though it were still news.

"Crane apparently believes this and thinks people have moved far enough that he can be elected," Rowan says.

"And *that* possibility," Kilpatrick retorts, "would just break your heart, wouldn't it?"

"Yes!" Rowan affirms. "It would break my heart if Philip Crane were elected."

There is much subsequent shouting and Agronsky steers the conversation off toward questions of morality and unwed test tube mothers.

So the battle has begun.

Crane comes from hearty American roots. His grandfather worked a steel mill in Kentucky and with the upward aspirations of American parents, managed to send the Congressman's father to medical school. And Dr. George Crane, the syndicated columnist-medical adviser, has done well by his own sons: a PhD history professor (Philip); a dentist (Daniel); and a psychiatrist with a law degree (David). And this year all three sons ran for congress; Philip at 47 sought reelection; Daniel, 42, ran for Congress also from Illinois, and David, 40, campaigned in Indiana. Philip got over 80% of the vote; Daniel won too, but David lost a close race.

With two brothers in Congress, there will undoubtedly develop a "Crane Compound" like the "Kennedy Compound." Philip and his wife Arlene live in the stylish and quiet suburb of McLean, Virginia with their eight children—a clan in themselves.

All Crane brothers pretty much express the same conservative concerns. Philip's is perhaps seen most particularly in his dealing with medical issues on the health subcommittee of the House Ways and Means Committee.

For instance, in an interview with *Private Practice* one morning at the National Press Club in Washington, Congressman Crane assesses the effects of government regulation on medical practice and research.

"I think it has a negative and stifling effect on the provision of quality medical care," he says. "I think we can provide abundant evidence of this. Whether it is in the area of development of new drugs or in the area of attempting to allocate the purchase of new, expensive, and absolutely necessary medical equipment and additional hospital beds.

"It is my hope that we might focus attention on how well government is providing quality medical care at a proper cost.

"You can hold down—at least as a percentage of the gross national product—the medical care costs of a nation by government intrusion into the field, but you do so at a considerable cost in terms of the quality of service that is provided the citizens and in the availability of that service.

"I think one should have greater faith in the ability of the marketplace and consumer democracy to allocate scarce resources than in politicians with a limited understanding of the nature of the problem, much less in bureaucrats who may have their own self-interest, not necessarily in promoting quality medical care, but in guaranteeing that they shall continue to enjoy their jobs and their perks and their opportunity to exercise and wield increasing power over our lives."

Speaking of power, how does it feel to be a minority party Congressman without the backup power of a Republican presidential veto?

"It is a frustrating role, but one filled with plenty of opportunity to make political hay," he smiles. "Frustrating in that none of the constructive initiatives introduced by Republicans are inclined to go anywhere. They get referred to committee and languish there eternally. The exception is when, through the amendment process, we can force the majority into a situation where they have to go on record. And occasionally we have our own God-and-Motherhood-and-Apple-Pie proposals that they can't very well vote against—particularly in an election year!

"But political opportunities are greater than when you have a Republican in the White House and a massive Democratic majority control in Congress.

"The reason for that is that Republican Presidents in that situation tend to make compromises to accommodate the majority.

"I remember once when then minority leader Jerry Ford returned from a White House briefing on the Family Assistance Plan, which was presented as a Republican welfare reform program. You may recall that this included the guaranteed income provision.

"I explained to Jerry Ford at the time that that was not a Republican position, it was *Nixon's* position," Crane laughs. "And one must make the distinction and keep it clear."

One easily gets the impression Philip Crane is the sort of man who makes distinctions and keeps them clear. He has the drive and willingness to take conservative positions into the union halls, the farm coops, anywhere people will listen to his straightforward interpretations of the country's historic paths into what he sees as a tangled mass of social and commercial overregulation and government intrusion.

He is the sort of man who would not have designed the knotted mess of streets and avenues that steamed in the Washington summer. He would have laid it out as simply and straightforwardly as any sensible midwestern city. It would be someplace where it would not be impossible to go simply from *here* to *there*.●

ASHBROOK TAKES A LOOK AT TENG HSIAO-PING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. McDONALD. Mr. Speaker, Human Events of February 10, 1979, reported some very succinct comments by our colleague JOHN ASHBROOK, of Ohio, relative to Mr. Teng and just who he is. As Congressman ASHBROOK described it Teng's whole background has been one of violence against his own people and subversion of his neighbors. And for those who doubt that Communist China will use force to liberate Taiwan, they have only to look at today's newspapers and the fighting going on in Vietnam. I commend the article to the attention of my colleagues:

ASHBROOK TAKES A LOOK AT TENG HSIAO-PING

Rep. John Ashbrook (R.-Ohio), a member of the House Select Committee on Intelligence, launched a full-scale attack against Teng Hsiao-Ping last week, insisting he was active in a number of Maoist campaigns that produced "millions of murders."

During one of the worst of these campaigns, said the Ohioan, Teng played an open public role. This was the "political liquidation" of 1949 to 1958, when some 15 million to 30 million Chinese were killed by Mao's actions. Teng, says Ashbrook, "was an active participant in the slaughter" in his various posts: First Secretary of the South West Bureau of the Communist party, Political Commissar of the South West Military Area, Vice Premier of Red China, Secretary General of the Central Committee of the Communist party, and member of the Politburo.

Ashbrook accused Teng of playing a major role in 1957 in trapping millions of Chinese, and leading them to their deaths. After eight years of "mass murder, Mao advanced the slogan, "let a hundred flowers blossom, . . . let a hundred schools of thought contend." The Chinese people, noted the Ohioan, "took this policy to mean an end to persecution, slave labor camps and executions. They spoke out against the horrors that they had suffered since 1949. But the liberalization was temporary. It was meant to trap the dissidents.

"After some months of free speech and active participation in the political process by the Chinese people, the Communist leaders struck. The arrests and killings resumed. The man chosen by Mao Tse-tung to resume the oppression was Teng-Hsiao-Ping, the man who is being welcomed by our country."

In a speech made to the Central Committee of the Communist party, Teng, the secretary general, announced the new wage of purges, stating: "The spread of Marxism-Leninism and political education must be strengthened, erroneous thinking must be criticised, and poisonous weeds must be rooted out. By permitting the emergence of 'poisonous weeds' we intend to educate the masses through negative examples, to uproot the 'weeds' and use them as fertilizer and to steel the proletariat and the masses in struggle."

According to an expert observer of the Chinese Communist scene, Richard L. G. Deverall, who represented the American

Federation of Labor in Asia for many years. Teng was involved in the illegal narcotics traffic of the Red Chinese regime as well.

While our country welcomes Teng, said Ashbrook, his government organizes insurgency and terrorism against America's friend Thailand. The CIA estimates that there are 9,400 Communist insurgents engaged in military operations against that country. The Red Chinese "maintain the radio facilities for the insurgents and terrorists, called the 'Voice of the People of Thailand.' The Nov. 17, 1978, issue of the Far Eastern Economic Review, one of the most respected publications dealing with Far Eastern matters, pointed out that Teng had publicly refused last year to renounce support for the insurgency group before he visited Thailand. Sources close to Teng's entourage informed the *Review*, moreover, that the most important leaders of the Maoist insurgency lived in exile in China. Said Ashbrook:

"The political arm of the Thai Communists is called the Committee for Coordinating Patriotic and Democratic Forces (CCPDF). This front was set up in September 1977. It issues a bulletin in the English language every few months. The bulletin called CCPDF News Service is mailed from Laos.

"The Thai insurgents and terrorists received greetings from pro-Red Chinese groups all over the world on the first anniversary of the CCPDF in September 1978. Among the greetings were some from groups in the United States, including the Communist party (Marxist-Leninist, a group) controlled by Red China which is actively participating in the welcome to Teng."

TENG: UNITED STATES-CHINA PACT WILL SPUR TAIWAN LIBERATION

Teng Hsiao-Ping may be the rage in the United States at the moment, but what his true feelings are toward the U.S.—what he really believes about rapprochment with America—may have been reflected in the speech he gave in Peking July 20, 1977, during the Third Plenum of the 10th Central Committee on the Chinese Party.

The notes, taken by one present at the meeting, were published in May 1978 by the Chinese [Taiwan] Information Service in New York and obviously come from Nationalist Chinese intelligence sources, which are considered quite accurate.

Responding to criticism concerning Red China's growing relations with the United States, Teng stressed that many charge that "we have abandoned the basic stand of international class struggle, and aligned ourselves with the true No. 1 enemy of socialism, namely, U.S. imperialism. . . ."

Being Marxists, Teng countered, "we would never be so stupid as to be incapable of distinguishing friend from foe. Whether it is Nixon, Ford, Carter or any future leader of U.S. imperialism, none of them can climb out of the same merry-go-round. Their purpose is to exploit the split between the Chinese and Soviet Communist parties to bring about the downfall of world socialism as well as to checkmate the Soviet threat to them."

But Teng goes on to say that Red China should instead exploit the United States—not only to counter Soviet "hegemonism" but to obtain Taiwan. "Improvement of China-U.S. relations is an inevitable trend," said Teng. "With the development of this trend, U.S. imperialism would accede to our demands. The normalization of China-U.S. diplomatic relations will naturally be conducive to the resolution of the Taiwan issue."

At present, added Teng, the United States has "something to ask from us, and we hold the complete initiative in dealing with them. From the standpoint of political significance and economic development, we must firmly grasp the existing situation that is favorable to us, and accelerate the implementation of our current foreign policy. This is completely in keeping with the basic interests of our people.

"On the political, economic and diplomatic fronts, we should assume an aggressive posture at all times. But militarily our posture should be defensive. We must defend our national sovereignty and territorial integrity. Taiwan must be liberated, it being only a question of time." Solution of the Taiwan matter is not a simple matter, Teng added, but "eventually it will have to be done through military action." ●

EVALUATION REGARDING HEW GRANTS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HANSEN. Mr. Speaker, I hereby submit for the RECORD evaluations regarding HEW activity in my district. This is to support action taken to secure answers and necessary corrective steps through HEW, GAO, and other appropriate authorities. The letters follow:

JANUARY 19, 1979.

DEAR MR. HANSEN: Thank you for letting me review the documents about SIFMES. What is the meaning of the term "patient encounters"? What happens to the dollars generated from patient visits? A substantial federal grant, plus fees from patients, makes health care costly. Would it not be better in future policy decisions to have such grants given as loans to initiate practice rather than as outright grants to compete in communities?

Something that has puzzled me is why were the two grants awarded in which the Medical Society input was ignored? If two grants were reviewed in normal process by the Medical Society, why were not all grants involving federal dollars reviewed by the Medical Society? In view of the comments made by the Medical Society, why did not the granting agency request modification of the plan for expenditures or, at least, investigate community need?

Sincerely yours,

JANUARY 23, 1979.

DEAR CONGRESSMAN HANSEN: We have received your letter dated 1-9-79 along with documents concerning the financial and organizational structure of SIFMES, and appreciate your concern in this matter. We apologise for the delay in answering your inquiry but felt there were several points which required some careful scrutiny and these were somewhat time consuming. It is always difficult to criticise the way other people run their business and spend "their" money, (probably more to the point is how they acquired such large sums of federal monies to finance their ventures in the first place) but at any rate we have given careful consideration to the documents which you entrusted to us and feel there are at least a few items which we should comment on. We have attempted to do this in an objective manner since any criticism or input we have attempted in the past has immediately been seized upon by the SIFMES group as pure emotionalism and an attempt by us to protect our "home turf" against intrusion by outside medical care. Isn't it ironic that at this time the mere presence of federally funded physicians in our community prevents us from recruiting quality physicians to join us in delivering health care to our area. It would seem that indeed the physician shortage is rapidly becoming a thing of the past. In fact, we have had at least six inquiries from soon-to-be family physicians who are interested in a rural practice such as ours, but due to the present physician supply in our area and the subsequent unlikely opportunity for a rapidly growing practice they have been discouraged from settling in this area.

The first and most obvious inconsistency in the SIFMES program is their statement that federal subsidies will be required for three years to establish the Soda Springs project in order to become a self sufficient enterprise. If, in fact, this area is so desperately medically deprived and underserved, why would this venture require three years to develop a patient population that would support their clinic financially? Would it not stand to reason that in such an underserved area as they describe ours to be, patients would literally be beating down the door in order to acquire "quality" medical care which according to the SIFMES has not been available to them in the past? Possibly there may be an alternative explanation as to why it requires such a long time to become self supporting. Could it be that it is much simpler to let federal funds finance a business venture to help pay for modern, well equipped medical facilities while establishing a patient population rather than investing one's own energies and finances as the rest of us practicing in the community have done? We feel this is a valid point for consideration. It is further interesting to note in this regard some interesting statistics. One of the selling points SIFMES used most strongly prior to their coming to Soda Springs was the large number of patients leaving the county to seek medical care. In particular and most often mentioned was the number of women going out of the county to deliver babies. The arrival of SIFMES on the scene, therefore, was to result in a large increase in the number of births in our local hospital. Unfortunately this has not proved to be the case. In 1976 (the last full calendar year before SIFMES was in the community) the number of births in Caribou Memorial Hospital was 163. Last year, 1978, the number was 118. Not exactly an overwhelming increase. Checking further with our hospital statistics show that in the year and a half SIFMES has been here the average daily census in the hospital has not changed either. Where are all these medically underserved people?

Another point we are continually hearing is that we must have continuing increase in the number of doctors in order to be able to cope with the boom growth of our area secondary to new industrial development. The simple fact is that Soda Springs is not now and will not be in the foreseeable future, a boom town. Soda Springs census figures further point this out:

	People
1960	2,424
1967	3,456
1970	2,938
1974	3,487

A further demonstration of this stabilized rate of growth in the area is the school enrollment over the past several years. The following figures are for School District #150 (Soda Springs) and represent total enrollment grades 1-12:

	Students
1970	1,250
1974	1,162
1978	1,048

We think these figures certainly demonstrate that we are not faced with an overwhelming increase in population and in fact we may be seeing just the opposite. We believe the economy in our area is stable but certainly is not booming. The present economic status of our country as a whole and also the current battle between the mining industry and the environmentalists both speak against any rapid industrial and population growth in our area.

As we further review the information you sent us concerning the financial report of SIFMES, one glaring inflationary figure is obvious. We refer to the page of the report labeled Exhibit B (page one) which lists the salary allowance for 1¼ FTE physician as $72,691.67. This seems extraordinarily high in itself, but it is not this figure which we question (presumably SIFMES can pay their employees whatever they wish). The figure we wish to question severely is the "In residence call @ $200/15 hrs". What this means is that after office hours they are allowing $13/hr. to a physician to take call for their group. According to the emergency room records of Caribou Memorial Hospital, doctors from SIFMES took care of 385 patients January 1, 1978 to December 31, 1978 in the emergency room. Simple arithmetic figures this to be a cost of $167.48 per patient seen. This is a staggering amount and we think a totally unacceptable spending of tax payers dollars. Surely 385 patients per year, which is just more than one per day, could be handled between the five physicians already in the area exclusive of those employed by SIFMES.

One further figure we would challenge is the malpractice amount of $7,026.58 for 1¼ physicians coverage in Soda Springs. This is exceptionally high considering the type of practice the SIFMES physicans are involved in and also the fact that our malpractice is just over $2,000.00/year each.

We appreciate your interest in this gross misuse of tax payers' dollars. Please be advised that we certainly do not ask for any favors. All we ask for now and all we have ever asked for is *fair play*. In a setting such as ours, it is entirely inappropriate to expect private physicians (who must be self-sustaining from the day that they enter practice rather than living off ill-advised federal grants and tax payers dollars for a period of three years to achieve financial independence) to compete with federally subsidised medicine. Please be further advised that this in no way represents a personal attack on the physicians themselves who are involved with SIFMES. We have no personal quarrel with them and do not in any way accuse them of delivering less than adequate care to the patients they have cared for. The question is a very basic one. That is, in our American system of free enterprise is it appropriate for federally subsidized programs to compete under these circumstances with those who are engaged in the same business but who are not subsidized and must bear their own expenses in order to stay in business and make a living. We do not feel it is fair; we feel it is totally inappropriate to supply SIFMES with continuing federal grant monies to support their private enterprise and we feel that after consideration of this problem you will feel the same way.

Sincerely,

JANUARY 24, 1979.

DEAR MR. HANSEN: Enclosed are comments on the additional data which was forwarded to me regarding the HEW grants in Pocatello during the past year. This letter will assume the posture of comments on the progress reports of 1978, the first being 4/25/78. There is a statement that the Board has provided a forum for planning—this is true but the forum has not been a total community planning, it has been a forum for SIFMES and the Family Medical Center. The report also states that the changes were in Montpelier due to institutional maturity and flexibility of designing organizational responses. It is my understanding that in reality the changes in Montpelier were more due to hard core political and medical pressures because of displeasure of the concept of SIFMES and the Family Practice Group. At the bottom of page 32 there is a statement that the Consortium Board has shown itself to be an invaluable institution in development, coordination, promotion and administration of health care in Eastern Idaho. This is the Board's opinion of itself. I am sure that if the HEW were to survey Eastern Idaho's health professionals they would find a much different attitude regarding this.

Page 33 is also very misleading, inasmuch as it says that there has been mutual planning between a wide variety of health providers and listed is hospital administrators, hospital board members, pharmacists, physicians, paramedics, health and welfare administrators, district health service providers and many others. This statement is inaccurate. There has not been a wide variety of exchange of information in mutual planning and there has not been a willingness to come together to plan, to share and to cooperate as stated in this paragraph. Again this is a statement by SIFMES and if a survey were taken of the individuals and type of institutions listed you would find that there has been very little support to the concept of SIFMES.

On page 34 in discussing Lava Hot Springs there is a statement that Dr. Katz has served the clinic well and there is anticipation that he will continue the role in the foreseeable future. Dr. Katz has discontinued his services with the Family Practice Clinic as have many other physicians who have served one year or less. HEW could find this information out very rapidly by having an onsite inspection to the total community and not just an onsite inspection limited to the Family Practice Group. It is a gross overstatement that the Lava clinical operation must be termed a significant success. This certainly could be challenged. It states that Lava Hot Springs is clearly on the way for financial self-sufficiency by year three. This also could be severely challenged. The addition of a half-time physicians assistant and the basis of the population of the number of individuals that can be served in this area is obviously budgetary overloading.

The Lava HURRHI Clinic is an example of just about everything going right as stated on page 36. This again is a statement of impression of the SIFMES and should not be accepted on face value.

The discussion of the Soda Springs Group must be considered and the basis of the fact that there has been much opposition to the Soda Springs facility in this area although the records do show acceptance by the political authorities but absence of acceptance by the health professionals. A statement is made that the negotiations under way for purchase of a piece of land. Again, is this to be done through public funds as all the rest of the organizations or is this to be done through private funds as the remainder of the health organizations in Eastern Idaho. There is a discussion of the isolation of Soda Springs. Soda Springs has had 24 hour physician coverage for many years and if the concept of SIFMES were less oriented to a closed group practice the additional budget for 24 hour physician coverage would not be necessary. The promises of the proposal preparation period appeared to melt away in the reality of actual project as as stated and this is very true, reflecting the resistance and the lack of acceptance in Soda Springs of the concept of publicly funded medical care.

There is also a comment that the District Health Service and the State Department of Health and Welfare represented on the Consortium Board have provided marvelous cooperation in establishment of the Soda Springs facility. This may be true although the responsibility of the District Health Service and the State Department of Health and Welfare has never been one to establish tax funded programs in competition or in lieu of private practice when the latter has demonstrated its ability to provide excellent care at a much more economical figure. The Soda Springs SIFMES program entered Soda Springs at a time and in such a way that it disallowed Soda Springs obtaining additional private practitioners who would live in Soda Springs.

It is doubtful if the failure of the Montpelier SIFMES proposal can be attributed as a success to SIFMES when in reality it is a success to the ability of a community to handle its needs itself. The Downey operation is marginal. This has been an area which has been handled well by private enterprise at a much less cost than public money and should continue to do so if given the opportunity and if HEW does not step in through SIFMES and negate the possibility of individual operation.

On page 40 note is made that Dr. Romeo was appointed as the Physician Director for the Southeast Idaho District Health Service. Dr. Romeo should be removed from this position immediately inasmuch as judged by his reports he is obviously using this as a stepping stone to frontal State District Health Programs into the Family Practice Clinic instead of serving the entire area through present medical facilities. Dr. Romeo's statement that there has been a significant increase in joint planning, immunization monitoring and programming is in direct violation of the purpose of the Idaho District Health Service inasmuch as this is being coordinated and directed through SIFMES and the Family Practice Clinic. The Pocatello Free Clinic is staffed by physicians in Pocatello who give their time freely and without charge and also two evenings a week the Family Practice Clinic supplies two P.A.'s who are paid for their service. This is not a realistic means for a granting organization. The adolescent health care program has resulted in an absolute closed door of working relationships with area schools, the intention to provide a by-product of recruitment for the Family Practice Group, clinical facilities and patients may or may not have been met. The grant should never have been given inasmuch as the Family Practice Group and SIFMES does not have the type of personnel to handle such a grant. In addition, such a grant is unnecessary and is a fault of the position of grantsmanship applying for types of money that are available rather than applying for needs of this area. The same thing applies to the mental health liaison program with the Southeast Idaho Medical Center. This is obviously an effort to withdraw psychiatric programs from the private psychiatric group in Eastern Idaho and channel it through SIFMES which has less capable psychiatric clinical capabilities—having no psychiatrists on their staff.

There is also a statement that there are plans for expanded dental service in cooperation with the local dentist in Downey. This again falls into the realm of funneling overhead into SIFMES and therefore increasing cost of dental care significantly. The report further states that during the next year particular care is being taken to increase services to adolescents, mental health services, immunization levels of all program participants. First, these efforts are redundant inasmuch as these areas are being handled in this area and before such statements should be accepted a basic evaluation should be made at least by interviewing the health professionals in the area rather than by accepting as fact statement by an organization who's very philosophy of life is to apply and obtain as many grants as possible.

Initial contact has been made with the

State Crippled Childrens Agency for linkage grant by the end of the second program year. This is a State Grant which is functioning well at the present time and the superimposition of linkage money is unnecessary. Not only unnecessary and costly but the SIFMES and Family Practice Group are in no way equipped nor do they have personnel on board to handle this type of program. At the present time this is being handled very effectively through other individuals and the State of Idaho and this is obviously a power bid with federal money to build a private program.

The last statement on page 43 is that their history of cooperation with others is very difficult to support. On Appendix C first quarter report, 1978, another linkage grant is mentioned between Ambulatory Health Care Facilities and Community Health Centers. Once again SIFMES and the Family Practice Group is not the organization in Eastern Idaho to accomplish this—if indeed such is necessary. It would be informative to find out who are the oncology and pediatric specialists who go to see the rural physicians. To the best of my knowledge I'm unaware of public medical education and service programs being implemented through the CETA aids. On the contrary there is a reasonably effective educational program in Eastern Idaho at this time primarily for professionals which is completely independent of SIFMES.

Additional comment is made of the continuing coordination with the Southeastern Idaho Health Department. The above comments, I believe, are relevant. The same statements are applicable to the HURA Grants specifically for Western Caribou County, Soda Springs, and Grace which is a linkage grant proposal between Community Mental Health Centers and SIFMES service sites and a grant to provide services to adolescents. These again are an attempt to attract federal dollars in an area that is unnecessary and is already handled. The American Falls Center which is funded by Kellogg Foundation Grant is in direct competition with the University of Utah Outreach program. This is a small community and this is an instance of overkill by enthusiasts who desire to obtain federal grants regardless of their need nor community acceptance.

Discussions on Quarterly Report, November through January, 1978. On page 3, SIFMES proposal for diagnosis and care and response to adolescents health initiative states that this will be submitted in the third quarter, will outline health days in eight rural area junior and senior high schools. The type of material presented to the school boards is such that it is very unlikely that the school boards will even accept this type of proposal. It is also self-building to the Family Practice Group for private medicine that the referral services will be provided for adolescents for medical, dental, mental and social services. This again echos the general function of the total concept to use federal money to build a private clinic for profit and through SIFMES as a vehicle. The figures quoted on page 4 are those of the District Health Department in an effort to provide credence to the claim of SIFMES that the District Health Department should favor SIFMES through coordination grants. The tables regarding encounters is difficult to understand because an encounter is not identified. The validity of the figures is questioned and should be certified by actual examination and tabulation of the clinical charts. Comment is made of the uncertainty of funding for Soda Springs. This may be better paraphrased as the inadequate funding to provide federally funded competition for family practice physicians in private practice to other private practice physicians in Soda Springs who do not have federal funding for overhead, equipment and personnel.

One other item deserves comment and that is that there is reasonable question to doubt Mr. Oberlin's background and knowledge to serve as a satisfactory individual for critique of such a professional service.

In summary, the basic problems are those of, 1) the basic concept of declaring Eastern Idaho a disaster area in public health is false; 2) the need of imposing and infusing large amounts of federal funds to maintain and improve quality of care in Eastern Idaho at the expense of the private practice and at the expense of the taxpayers pocketbook is certainly doubtful; 3) there appears to be reason to believe that the grant proposals may be very generous; 4) the reality psychiatric adolescent grant is a figment of imagination, a waste of federal money and a very obvious intent to fortify an individual clinic with federal dollars at the expense of the remaining practitioners in Eastern Idaho. It is surprising that this was granted by HEW even though the Family Practice Clinic is not well qualified in this field particularly inasmuch as there is a satisfactory cadre of psychiatrists and well-trained family practitioners outside of the Family Practice Group. The linkage grants again use federal money to favor a particularly private, for profit clinic and in doing so use state funds which historically do not need this type of linkage grants to function well and is an effort to remove from the present satisfactory method of function and certain stated health functions and channel them into the Family Practice Group. And lastly, the satellite grants have had a negative effect in many areas inasmuch as they have completely discouraged the establishment of physicians who will move into an area and live there at no expense to the taxpayer.

The entire operation is a federally funded program which is based upon fallacious input and by which a private profit group, the Family Practice Clinic, is being established.

Very truly yours,

P.S. The two rented 4 wheel drives are seen in Pocatello all the time. And they apparently are rented for the Soda Springs Highway. 2. A SIFMES member has a private airplane which may be related to budget figures for a private plane.

JANUARY 26, 1979.

DEAR REPRESENTATIVE HANSEN: You probably are not aware of the rural health initiative grant made by the Department of Health, Education, and Welfare to the Idaho Migrant Council. In a nut shell, they proposed and made application for a grant to serve the migrant and seasonal farm workers in the Blackfoot area. At the initial grant hearing, approximately six months ago, there were many persons present which offered evidence to refute their claims of need. The grant at that time was turned down on this basis. I note, however, that the grant must have been reworded and what appears to be arbitrarily approved by the bureaucracy in the Seattle area. This approval was done without another public hearing.

I do not believe there is factual evidence to support that there are 2,000 to 3,000 migrant and seasonal farm workers who are medically underserved in Bingham County. I also do not feel that the death rate in Bingham County for newborn infants is any higher than other areas of our state, as they contended.

It is my understanding that the total grant amounted to nearly one-half million dollars, which somehow is to be divided between the Blackfoot area and a grant in Twin Falls. I submit that this is a gross waste of tax payer money! I would also submit that many of the migrant farm workers in this area (in fact the vast majority) are illegal aliens.

I realize there may be nothing that you can do about this, but if there is, your attention would be appreciated.

Sincerely,

P.S.—I might add that my voice is not an isolated voice, but represents the view of all the physicians, the administration of Bingham Memorial Hospital in Blackfoot, and the Southeastern District Health Department, which serves our county.●

THE REGULATORY REFORM ACT OF 1979 INTRODUCTORY REMARKS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, today I am introducing the Regulatory Reform Act of 1979 with a bipartisan group of 36 cosponsors. An identical bill was introduced in the Senate last week by Senators CHARLES PERCY and ROBERT C. BYRD. Congresswoman Barbara Jordan and I first introduced this bill as H.R. 3100 back on February 3, 1977. An identical measure, S. 600, was introduced in the Senate on the same day by Senators PERCY, BYRD, and RIBICOFF. This is nearly identical to legislation introduced in the 94th Congress by Senators PERCY, BYRD, and RIBICOFF, and Ms. Jordan and myself and 62 House cosponsors. Some revisions in the bill have been made as a result of hearings held in the last Congress.

My bill is aimed at reorganizing Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation and to make regulation more effective and responsive to the public interest. It would do this by establishing an 8-year timetable for Presidential submission of and congressional action on four comprehensive regulatory reform plans in each of the next four Congresses. Under the terms of the bill, the President would submit the required plan by May 1 of the first session, and Congress would have to act on that plan or a revised version by May 1 of the second session. If Congress has not enacted a plan by August 1 of the second session, the affected agencies would lose authority to promulgate new rules and regulations; if Congress has not enacted a plan by October 1, the affected agencies would lose their authority to enforce existing rules and regulations; and, if Congress has not enacted a plan by the end of December, the affected agencies would be terminated ("sunset"). The following areas would be covered in each Congress First, energy, environment, housing, and occupational health and safety, 97th Congress; Second, transportation and communications, 98th Congress; Third, banking and finance, international trade, and Government procurement, 99th Congress; and Fourth, food, consumer health and safety, economic trade practices, and labor-management relations, 100th Congress.

Each plan submitted by the President must contain recommendations for the transfer, consolidation, modification, or elimination of functions; organizational, structural and procedural reforms; the merger, modification, establishment or abolition of Federal regulations or agencies; eliminating or phasing out of outdated, overlapping or conflicting regulatory jurisdictions or requirements of general applicability; eliminating agency delays; and increasing economic competition. The plans would also report on the cumulative impact of all Government regulatory activity covered by that plan on specified industry groupings.

Mr. Speaker, I think the time is long overdue for adoption of this approach given the high priority President Carter has placed on Government reorganization and the elimination of excessive and cost regulations. As recently as his state of the Union message, the President said: "We must begin to scrutinize the overall effect of regulation on our economy." With all due respect, many of us in both Houses of Congress have been scrutinizing the effects for more than 4 years. It is past the time to begin to scrutinize, it is time to enact legislation and get on with eliminating waste and reducing costs.

At this point in the RECORD, Mr. Speaker, I include a list of our cosponsors and a summary of our bill:

Pursuant to clause 4 of rule XXII of the rules of the House of Representatives, the following sponsors are hereby added to Regulatory Reform Act of 1979.

Mr. BADHAM, Mr. BENJAMIN, Mr. BROYHILL, Mr. BUCHANAN, Mr. CHAPPELL, Mr. CLEVELAND, Mr. CONTE, Mr. DAVIS (Mich.), Mr. DERWINSKI, Mr. EDWARDS (Okla.), Mr. EMERY, Mr. ERLENBORN, Mrs. FENWICK, Mr. FINDLEY, Mr. GIBBONS, Mr. HAMILTON, Mr. HOLLENBECK, Mr. HYDE, Mr. JEFFORDS, Mr. JENRETTE.

Mr. LOTT, Mr. MCHUGH, Mr. MCKINNEY, Mr. MARLENEE, Mr. MOLLOHAN, Mr. MOORE, Mr. MURPHY (Pa.), Mr. PRITCHARD, Mr. PURSELL, Mr. RAHALL, Mr. RINALDO, Mr. RUDDELS, Mr. SCHEUER, Mr. STOCKMAN, Mr. BOB WILSON (Calif.), Mr. WON PAT.

BRIEF SUMMARY OF THE REGULATORY REFORM ACT OF 1979

(1) Not later than the last day of April in each of the years specified, the President shall submit to the Congress a comprehensive regulatory reform plan for each of the following designated areas (specific agencies affected are enumerated in the bill):

(a) 1981 (97th Congress)—energy, environment, housing and occupational health and safety;

(b) 1983 (98th Congress)—transportation and communications;

(c) 1985 (99th Congress)—banking and finance, international trade, and government procurement; and

(d) 1987 (100th Congress)—food, consumer health and safety, economic trade practices, and labor-management relations.

(2) Each plan submitted by the President shall contain recommendations for:

(a) the transfer, consolidation, modification of functions;

(b) organizational, structural and procedural reforms;

(c) the merger, modification, establishment or abolition of Federal regulations or agencies;

(d) eliminating or phasing out of outdated, overlapping or conflicting regulatory jurisdictions or requirements of general applicability;

(e) eliminating agency delays; and

(f) increasing economic competition.

(3) Each plan submitted by the President shall report on the cumulative impact of all government regulatory activity reviewed on the following specific industry groupings:

(a) transportation and agriculture;

(b) mining, heavy manufacturing, and public utilities;

(c) construction and light manufacturing; and

(d) communications, financing, insurance, real estate, trade and service.

(4) If the President fails to submit the required plans, the appropriate committees of Congress having legislative jurisdiction in the areas covered, together with the House and Senate Government Operations Committees, shall prepare the appropriate plans which shall become the pending business of each House not later than the first day of April of the following year.

(5) The Comptroller General and the Director of the Congressional Budget Office shall submit reports at the same time a plan is submitted detailing the purposes of each agency covered by the plan, any changes in the areas covered by the agency and their impact on the effectiveness of the agency, the net impact of the agency and the degree to which it has accomplished its purposes, its cost-effectiveness and the efficiency of its operations, and practical and more efficient alternative approaches to achieving presently demonstrated regulatory needs.

(6) Each plan submitted by the President shall be submitted to the appropriate legislative and oversight committees of the House and Senate and the Committees on Government Operations which shall report bills approving or disapproving in whole or part the plans, together with such amendments as may be deemed appropriate. Such bills shall become the pending business in each House not later than the first day of May of the following year.

(7) If no plan is approved by August 1 of the following year, the affected departments and agencies shall have no authority to promulgate new rules and regulations except those essential for preserving public health and safety, but subject to congressional veto by concurrent resolution.

(8) If a comprehensive regulatory reform plan is not enacted by October 1st of the following year, then all affected departments and agencies shall lose all authority to enforce any rule or regulation except those essential to preserving public health and safety, again subject to congressional veto.

(9) In the event that no comprehensive regulatory reform plan has been enacted by the last day of December in the following year, all agencies affected by the plan shall be terminated unless appropriate provisions for their continuation are made by enactment of Congress.

(10) The timetable would be repeated beginning in 1997, in the ninth year following completion of the first eight-year timetable. This will ensure continuing review of the regulatory process, with a reasonable interim period to monitor the process before the comprehensive cycle begins anew.●

GEN. THADDEUS KOSCIUSZKO DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. GILMAN. Mr. Speaker, I want to join my colleagues in commemorating and recognizing the contributions of Gen. Thaddeus Kosciuszko to our Nation's heritage.

Insofar as we Americans have always held in high esteem that pioneer spirit which has made our Nation so strong and prosperous, we must also acknowledge the courageous and noble contributions of all those hardy immigrants who left their homeland to come and dedicate their efforts and commitments to a country still in its birth pangs. Thaddeus Kosciuszko was one such individual. Arriving in America during the turbulent year of 1776, he fought with our Revolutionary Army as a colonel of engineers, distinguishing himself in New York and the Carolinas, as well as engineering the fortification of West Point. At the close of the Revolution he received the deepest gratitude of Congress, the privilege of a well-deserved American citizenship and was promoted to the rank of brigadier general.

So it is with renewed spirit of acknowledgment and thanks that we take a special day to honor a gentleman who left behind him a legacy of loyalty, accomplishments, and an example for future generations to follow. Gen. Thaddeus Kosciuszko left America in order to help lead his homeland's struggle for independence, an effort and desire as sincere and devoted as that known of him in the American Revolution. Although his determination to attain liberty for the Polish people fell short of victory and resulted in his untimely death in 1817, General Kosciuszko has become a symbol of an ethnic pride that integrates itself with a blend of other rich and diverse cultures, for the promotion of a more unique and humane society.

As the Representative of that region in New York State (in particularly West Point) where General Kosciuszko served and where he formed lifelong friendships, I am honored to join with the many others taking this time to observe the birthday of both a great leader in the cause of the American war of independence and a brave Polish patriot.●

APPROPRIATIONS FOR THE FTC

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. BROYHILL. Mr. Speaker, along with my colleague from New Jersey (Mr. RINALDO), I am introducing legislation authorizing appropriations for the Federal Trade Commission. The bill also contains several substantive amendments to the FTC Act which we believe would significantly improve the operations of the Commission. For example, the bill contains a legislative veto provision virtually identical to that which passed the House during the 95th Congress. The FTC has proposed a number of rules on a wide range of topics and the gentleman from New Jersey and I both feel it is important to get this provision in place as soon as possible to guarantee more effective oversight of the Commission's rulemaking activities. The bill would also exempt saving and loan institutions from the jurisdiction of the FTC. In-

stead, the bill would require the Federal Home Loan Bank Board to issue rules which would apply to savings and loans paralleling those issued by the FTC. This regulatory scheme is the same as that which now applies to banks. Finally, the bill contains provisions designed to enable the Commission to better monitor the impact of its rules. The bill would require, among other things, that the agency consider regulatory and nonregulatory alternatives and analyze the economic impact of its proposed rules, determine that a rule is not in conflict with or duplicative of a rule issued by another agency and review rules 5 years after they have been issued to determine whether the rules continue to be needed and are carrying out the purposes they were designed to carry out at the time they were promulgated.

We believe that enactment of this bill would greatly improve the workings of the FTC.●

CARTER FOREIGN POLICY: SPLENDID OSCILLATION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. O'BRIEN. Mr. Speaker, George Bush was America's special envoy to the People's Republic of China. He served 2 years as U.S. Ambassador to the United Nations. He was Director of the Central Intelligence Agency. He is a distinguished former Member of Congress.

When George Bush talks about America's position in the world, he speaks from years of frontline experience.

When George Bush talks about SALT II diplomatic relations with mainland China, and the need for a strong intelligence agency, the Congress is well advised to listen.

I commend to the attention of the House a speech by George Bush to the Georgetown University School of Foreign Service, given January 25, 1979:

SPEECH BY GEORGE BUSH TO GEORGETOWN UNIVERSITY SCHOOL OF FOREIGN SERVICE

As we start a new year, I am struck by the volume and amplitude of anxiety felt by Americans.

In traveling about the country, I find that many are losing their confidence in the ability of our leaders—not just in politics but in education, business, and other endeavors—to cope with the problems of our time and to convey a sense of purpose and direction. Vermont Royster, a dean of American journalism, has properly said that our society seems to be afflicted with "free floating anxiety" about the future.

In trying to find what has happened to us, I think one answer that is quite clear is that here at home—in our domestic affairs—the organizing principles of our society have begun to crumble. During the 1930s and 1940s, a general consensus grew up in the Nation that we could solve most of our social and institutional problems through the power of central government. That belief reached its zenith, perhaps, in the 1960s, but as the earthquake of proposition 13 reminded us last summer, the 60s are now over in the United States.

We have come into a new era in which people no longer regard government as efficient, nor even benevolent. It has become too big, too powerful, too wasteful—and I am sure you could add many epithets of your own. Thus, we are in search of new organizing principles here at home.

It is worth reminding ourselves that we are by no means unique in this regard.

The bandwagon against big government is rolling through many other western nations, and where it will stop, no one really knows. This past December, one of the most thoughtful editors of the Economist, Norman MacRae, completed a tour of the United States, Canada, Australia, South Africa and Britain, and in a lengthy report, he wrote that: "Across the English-speaking world, the system of Government is breaking down . . . there is probably going to be a great deal of unpleasantness as the next stage unfolds."

The challenges at home—inflation, unemployment, strengthening family life, and maintaining a sense of social cohesion—are thus much the same for all of us.

Yet, I would argue here this afternoon that in addressing these issues here at home—as we must—that we must pay no less heed to the issues that are facing us abroad, for the threat to our society from across the waters is no less important. Indeed, it appears to be mounting rapidly.

All of us have recognized for some time that the organizing principles of our domestic life were beginning to lose their staying power; but it has only been in the past few months that we have been forcefully taught that the principles of our foreign policy are also wearing thin. As our links with one nation after another are smashed to bits—Afghanistan, South Yemen, Ethiopia, and now, Iran—America can no longer turn a blind eye to what is happening in the world. It is time to sound the alarm.

After World War II, the United States developed a fairly coherent approach to world affairs, one that was supported by members of both political parties. In general, we were successful: We provided an umbrella of security for Europe and Japan to recover from their devastation; our policy encouraged the evolution of the peoples of the Third World away from colonialism and toward independence. As a result America enjoyed several years of relative prosperity and peace.

But now as we prepare for the 80s, we find that our consensus on foreign policy has been shattered. Vietnam split away millions of people, many young, some old, who concluded that America's role in the world should be curtailed. Arnold Toynbee once said that America is like a big dog in a small room: Every time it wags its tail, it knocks over a chair. But many of the anti-Vietnam protesters of the 60s thought it was much worse than that: They believed—and their beliefs were fueled by the revisionists on many of our campuses—that America is an arrogant, reactionary power that is a source of great mischief in the world. In effect, they have become the new isolationists, for they want the United States to ignore international affairs and let the world go its merry way—even if that means the destruction of free institutions and friendly countries.

On the other hand, I believe the great majority of Americans believe that America has a responsible role to play and that, if we withdraw, the world is much more likely to slide toward totalitarianism. It is among this group—and I count myself as one of them—that there is now mounting concern about the trend of recent events beyond our shores.

Out most immediate problem as a nation is that our current foreign policy seems to be one of splendid oscillation. One day, our Government speaks about our responsibility as a world leader in the face of a growing Soviet menace; the next day, our President tells us that we should no longer have "an inordinate fear of communism." One day, our naval fleet is ordered from the Philippines to a position just off Iran; the next day, the signals are changed, and it is told to cut figure eights in the South China sea. One day, we inform our allies that we want their support in order to build a neutron bomb—support that Chancellor Schmidt of Germany then courageously gave us; the next day, we inexplicably announce that we do not intend to build a neutron bomb, at least for the foreseeable future. Thus, our policy has zigged and zagged from being tough one day, to soft and mushy the next.

It is this very indecisiveness, this shilly-shallying that reflects I believe both a lack of consensus within the Government and within the country. Within the Government itself, there appear to be major divisions between those at the highest levels, especially at the National Security Council, and those in second level position, especially in the State Department. The hawks are at NSC; the doves at State; and as they squabble, American tail feathers are being scattered around the world.

Similarly, within the country at large, there is now a lack of consensus about the nature and purpose of American power abroad. There is a distinct sense of drift. We no longer have a clear sense of what we should be doing or what kind of world we are trying to build.

When I was young, and my dad was serving in the United States Senate with Arthur Vandenberg, he always taught me it was very important that politics stop at the water's edge. And for many years it did. But with our foreign policy consensus having been hammered into oblivion on the anvil of Vietnam, times have changed. Now, as we search for a new framework for our foreign policy—just as we search for a new framework in domestic policy—I think all of us should speak our minds, recognizing that the world does not yield to simple answers and that reasonable men can disagree.

I would like to advance a few ideas that I believe are fundamental to U.S. foreign policy in the future.

I always begin with two basic propositions.

First, I think we have to recognize that our greatest adversary in world affairs is still the Soviet Union and that the motivating force in Soviet policy is to achieve dominance in the world. It would be soothing to think that all the Soviets want to cooperate, but for reasons that strike deep into the Russian psyche, I believe that their goal is more ambitious. The evidence seems irrefutable:

Since 1962, the Soviets have poured between 14 and 18 percent of their GNP into their armed forces.

Their total spending on arms is more than 45 percent larger than U.S. military spending, and as you know, more than half of our own defense budget goes into pensions and salaries.

As a result of their dramatic investments, Soviet ground forces now outnumber U.S. ground forces by virtually every criterion.

The Soviets have not only built up overwhelming superiority in conventional forces but they have surpassed us in many areas of strategic armaments, including the SS-17 and the SS-19, both of which are capable of MIRVing.

Accompanying their growth in armaments has been an ambitious civil defense program.

They are also spending millions of dollars on anti-satellite technology and from public sources, we find evidence of frightening new laser research.

Finally, and equally important, we confront Soviet adventurism around the world. Their Cuban mercenaries—40,000 strong—are now planted in at least 24 different

countries in Africa; their Vietnam proxies—100,000 strong—have swept aside the government in Cambodia; and the Soviets themselves are daily beaming radio broadcasts into Iran, telling the people there how perfidious the United States has been.

Personally, I do not understand how anyone could review all of the evidence without concluding that the Soviets are probing and testing our will.

And the central challenge they present is not one of overwhelming us with their nuclear weaponry—though that is always a grave possibility—but of slowly, inexorably breaking the links between the United States and its friends abroad.

That is why, in many respects, it does not necessarily serve Soviet intentions to convert Iran into a pro-Soviet state; what will serve their purposes equally well is to destroy Iran's ties to the west, turning it into a non-aligned, perhaps radicalized state with policies paralleling those of a nation like Libya. That is the true nightmare that should haunt the White House today.

The second proposition that I want to advance this afternoon is that in light of this challenge, the overreaching responsibility of the United States in world affairs is to be the leader in preserving man's hope for freedom.

The President said in his State of the Union address this week that we need a "new foundation." In foreign affairs I completely agree. We do need a new foundation.

First, we must show more respect and understanding in the way we treat other nations that are friends and allies who share our commitments.

I deeply believe in the struggle for human rights and I believe that the United States should be the champions of that struggle; but I do not believe that we advance that goal—and certainly, we weaken our alliances and friendships—by publicly kicking around nations like Argentina and Brazil while moving closer to a repressive regime like Cuba. Similarly, I cannot understand what purpose is advanced by continually sanctioning South Africa while remaining virtually silent about the atrocities committed in Cambodia. Let us press forward for human rights, but let us do so in harmony with our other goals.

Second, I am convinced that we must put more backbone into our posture regarding the Soviet Union. We cannot confuse detente with dismissal of our world obligations: We cannot confuse accommodation with appeasement. I do not mean that we must suddenly engage in sabre rattling; negotiations must continue to be a vital part of our relationship; but I do mean that we must be willing to recognize our interests in the world and to stand firm in protecting them. As Winston Churchill said: "We cannot parley unless we arm. We cannot negotiate unless through strength."

In coming weeks, the President is likely to conclude a SALT II agreement with President Breshnev and the nation will be pitched headlong into vigorous debate over foreign policy. With the terms of the treaty not yet available, it is premature to judge it on the merits. It is not too early, however, to express concern about the way that the President has unilaterally given up so many bargaining chips—the B-1, the neutron bomb, naval modernization, and the rest—without winning anything in return.

It is not too early to insist that in order to be acceptable, the treaty must contain adequate provisions on verification. And certainly, it is not too early to make it clear that a SALT agreement must be voted on within the context of overall Soviet behavior: The United States must not allow a nuclear weapons treaty to serve as protective cover for Soviet adventurism around the world.

Third, I believe it imperative that as a great power, the United States maintain its credibility with both friend and foe alike. Throughout the postwar period, American credibility—joined with American military strength—has been the binding force that has held the free world together. But that credibility has been badly eroded. We must reaffirm a basic principle: When the United States of America speaks, it must be believed; when it makes promises, it must keep them.

Those of you who are familiar with my record in public life know that I have long argued we should establish formal diplomatic relations with the People's Republic of China. I thus welcomed the initial effort of the current administration to move in that direction. But I was startled—and deeply dismayed—by the terms of the final agreement. The United States, incredibly enough, agreed to all three of China's basic demands—abrogation of the defense treaty, removal of our troops, and de-recognition of the Taiwan government—but abandoned the only demand that we had ever made of the Chinese:

To guarantee that the issue of Taiwan would be peacefully resolved. We gave all, and got nothing in return—and in the process, we wrecked our credibility in anxious capitals around the world, stretching from Seoul to Tel Aviv.

Unfortunately, the impression is rapidly taking hold that we have treated the Iranian question in much the same way. No one can be certain whether a government that included the Shah could be maintained, but it is abundantly clear that our on again, off again statements about him did much to hasten his departure. It is also clear, I think, that our hesitancy in responding to Soviet demands stimulated grave doubts in Iran—and frankly, in other nations such as Saudi Arabia—that we would be weak and pusillanimous in dealing with the issue.

Once again, our credibility suffered, and our influence and respect slipped several notches in other capitals. In coming years, nothing can be more important to the success of our foreign policy than to restore our credibility abroad.

A fourth conclusion that I would argue this afternoon is that in order to be a great power, we must have eyes and ears to understand what is going on around us. If the Iranian experience has taught us anything, it is surely the need for a healthy, operational intelligence community.

As one who believed that some reform was needed in our intelligence community and has appreciated many of the steps that have been taken, I would say to you that it is time to stop tearing down the CIA and to give it a new start in life.

Finally, I would urge that if we wish to be a great power in the world, then we must believe once again in our greatness as people. I was struck recently by the article written by the French playwright, Eugene Ionesco, after a stay in the United States. "Americans," he said, "want to feel guilty. They have this need to be guilty . . . (but) that masochism which keeps on haunting Americans is more dangerous than anything mankind has wreaked upon itself for centuries and centuries."

Ionesco recognizes, as should we, that this is a nation that has done as much for the cause of humanity and more for the cause of freedom than any other nation that has ever inhabited this Earth. We are a good people. We are a decent people. And, if we are vigilant, if we have the will, if we have faith in ourselves, and we rediscover our sense of purpose, then we can continue to be the single greatest force for peace that man has ever known.

That is a noble destiny, but it is a destiny that can be ours. In coming days, as a great debate unfolds about American foreign policy, let us make that once against our highest goal.●

HOME FINANCE LEVERAGING ACT OF 1979

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Ms. FERRARO. Mr. Speaker, I have introduced today legislation which, if enacted, will insure that our urban areas can fully utilize a $700 million loan program sponsored by the Federal National Mortgage Association (FNMA).

My legislation, the "Home Finance Leveraging Act of 1979," would exempt programs of FNMA from State usury laws. This would allow States with mortgage ceilings considerably below the market rate to participate in FNMA's urban loan participation program.

Allow me to explain briefly what the urban loan program is and why my State of New York, 17 other States, and Puerto Rico are currently inhibited from full participation in it.

The urban loan participation program began in the winter of 1978 as a $200 million program. On February 5, 1979, $500 million was added to its authority. It works this way. When a mortgage lender in an urban area has invested at least $250,000 in mortgages, he may form them into a pool and sell 60 to 90 percent of that pool to FNMA. FNMA then sells that percentage to private investors at biweekly auctions. The investors bid on the interest yields for the loans. The low bidder buys the loan. FNMA then funnels the money back to the original investor at the interest rate set by auction. The lender is required to reinvest that money in an urban home or business. The purpose of the program is to provide liquidity for mortgages in areas where money has dried up due to tight monetary policy.

New York, for example, is hindered from participating in this program because its usury laws set an interest ceiling at 9.5 percent for State-chartered banks and one point over the Federal discount rate for federally regulated banks (currently the ceiling for these banks is at 10.5 percent). Unfortunately the interest rates at which FNMA participations have been going out is presently around 11.1 percent. Obviously, a bank will not take money from FNMA at 11.1 percent when it can only lend it back at 9.5 or 10.5 percent.

My district, like those of many of my colleagues, is in desperate need of additional mortgage money. I am convinced that homeowners and commercial interests in my area are willing to pay a little extra for this money if it can be made available.

In my view, at a time when we in Congress are trying to cut our deficits—while still working to stimulate the economy—this urban loan program is a fresh approach. I should point out to my colleagues that no taxpayer dollars are expended on this program. Rather, it is a

means of leveraging private investment in our urban areas.

Mr. Speaker, I know my colleagues will be interested to know there is legislative precedent for a so-called Federal override of State usury laws. In 1975 Public Law 94-50 included a provision which exempted activities under the Emergency Home Purchase Act of 1974 from State usury laws. Legislation containing this provision was passed in the Senate by a 64-to-256 vote, and in the House by a vote of 321 to 21.

The Home Finance Leveraging Act will make FNMA's urban loan participation program effective in all 50 States. The States which are currently inhibited from utilizing the program contain about 53 percent of this country's urban population. Clearly, we must remove the roadblocks which prevent more than half of the intended beneficiaries of the program from reaping its benefits.

Mr. Speaker, when the President announced his national urban program last year he called for a "new partnership" between the public and private sectors in rebuilding our cities. FNMA's urban loan participation is intended as part of that partnership. The private sector has demonstrated its willingness to participate in the program in areas where it is feasible. Now it is time for the public sector to hold up its end of the partnership by allowing all 50 States and the territories to participate in the program. I urge my colleagues to join me in sponsoring the legislation I have introduced today.

I am inserting in the RECORD background information on FNMA and the urban loan participation program. Also included is a list of the States which have usury laws inhibiting their use of the program.

The information follows:

FNMA AND THE URBAN LOAN PARTICIPATION PROGRAM

WHAT IS THE FEDERAL NATIONAL MORTGAGE ASSOCIATION?

The Federal National Mortgage Association, also known as FNMA or Fannie Mae, is an independent private stockholder-owned corporation the activities of which are sanctioned by the Department of Housing and Urban Development.

With assets of $38 billion, FNMA stock is listed on all major exchanges in the country. It is the nation's largest investor in residential mortgages.

FNMA does not deal directly with homeowners or potential home buyers. Rather, it purchases mortgages from financial institutions which make mortgage loans directly to consumers. Participating institutions include, mortgage banking companies, commercial banks, savings and loan associations, life insurance companies, mutual savings banks, and credit unions.

WHAT IS THE URBAN LOAN PARTICIPATION PROGRAM?

To provide liquidity to lenders who invest in urban loans, FNMA will purchase 60% to 90% of a pool of mortgages on residential properties located in older urban areas. The stipulation is that the funds which FNMA contributes will then be re-invested in an urban area. Therefore for every dollar a participating institution invests in the urban area, FNMA will contribute another 60 to 90 cents. FNMA encourages institutions to participate in the program by reducing the paperwork usually required by the association.

After expressing its intent to "purchase" the loans, FNMA sells them at biweekly auctions. The bids are over the interest yield of the loans. The lowest bidder may purchase the loans. Therefore, only private money is invested in the program. FNMA acts as a conduit between lender and purchaser.

WHY DO STATES WITH USURY LAWS HAVE PROBLEMS PARTICIPATING IN THE URBAN LOAN PROGRAM?

When the biweekly auctions are held by FNMA an interest-rate (or yield) for the loans is set. In recent weeks the accepted yield has been approximately 11.1%. In states which have mortgage rate ceilings below that level, local institutions would have to subsidize the interest paid by the borrower in order to meet the FNMA yield. Obviously, very few banks will participate in the program if they stand to lose money by doing so.

WHICH STATES ARE CURRENTLY INHIBITED FROM PARTICIPATING DUE TO USURY LAWS?

The following states have mortgage rate ceilings which inhibit their participation in this program: Arizona, Arkansas, California, Georgia, Idaho, Illinois, Louisiana, New Mexico, New York, North Dakota, Oklahoma, Pennsylvania, (Puerto Rico), South Dakota, Tennessee, Texas, and West Virginia. These seventeen states represent 49% of the United States in population. (Sources: HUD and U.S. Census 1976 estimates).

AGRICULTURE INFLATION PROTECTION ACT OF 1979

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MADIGAN. Mr. Speaker, I am pleased to introduce, along with my colleague from Kansas, Mr. SEBELIUS, legislation that would provide corn and wheat farmers a 9½-percent increase in established target prices over the 1978 target price.

Our bill would guarantee farmers $2.30 per bushel for corn and $3.72 per bushel for wheat in 1979 if they participate in the set-aside programs. These increases in the target prices fall within the President's wage and price guidelines and would not contribute to inflation or raise food costs. The increased target prices would reflect the 9-percent cost of living increase for farmers in 1978. However, they are less than the 11-percent wage increase that farmers had to pay in 1978.

For the 1980 crop year, the bill would index target prices for corn and wheat in accordance with changes in the Consumer Price Index, or the Index of Prices Paid by Farmers, whichever is greater.

Also, the bill includes a proposal that would require the Secretary of Agriculture to announce provisions of the next year's feed grain program by October 15, rather than by November 15.

The Agriculture Inflation Protection Act of 1979, is not intended to guarantee profits to farmers at the expense of taxpayers. Its aim is to guarantee that farmers prices increase with basic cost of living increases.

According to USDA, the cost of production for corn and wheat in 1978 was $2.62 and $3.72 per bushel, respectively. This bill would not bring the target price for corn up to the farmer's cost of production. However, it would narrow the gap between the prices farmers receive for corn and their cost of production.

We hope that by increasing the target price by 9½ percent, more farmers will participate in the corn and wheat set-aside programs, which would help reduce surpluses next year, help strengthen the market price, and thus decrease Government payments to farmers.

The provision to advance the announcement date for the next year's feed grain program from November 15 to October 15, was included so farmers can avoid making last-minute decisions about their next year's crops. Despite promises made by the President last fall that the feed grain program would be announced by mid-October, the announcement was not made until November 11, 4 days before the legal deadline (and 4 days after the election).

This delayed announcement was directly responsible for many feed grain producers deciding not to participate in this year's set-aside program because they had already made production decisions for the spring.

Mr. Speaker, it is our hope that Congress will see fit to enact this bill into law in the next few weeks. Passage of this legislation would help farmers survive the cost-price squeeze they are facing until Congress can revise the Food and Agriculture Act of 1977 which expires in 1981.

I urge my colleagues to support this legislation.●

DEPARTMENT OF EDUCATION: THE ROAD TO TOTAL ILLITERACY?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. MICHEL. Mr. Speaker, a recent Associated Press article quoted two education experts as saying that the United States is "lapsing back into illiteracy." One expert said that if this trend is not stopped we may have to import doctors, engineers, and scientists because American students simply will not be able to read well enough to do the necessary studying for those demanding professions.

These experts appeared before a Senate Human Resources Subcommittee. I have no doubt that the Congress will hear conflicting testimony from big education lobbyists whose vested interest is to keep the educational status quo. One way of keeping things the way they are is to create a Department of Education, which will be controlled by the Federal bureaucrats and the "Big Education" lobbyists who have dominated American education for the past 15 years with results such as this epidemic of illiteracy.

We must act quickly to stop this proposed department which will give immense power to those largely responsible for the deterioration of American education.

At this point I wish to include in the RECORD, "U.S. Lapsing Into Illiteracy, Author Says", from the Chicago Sun Times, February 14, 1979.

[From the Chicago Sun Times, Feb. 14, 1979]

U.S. LAPSING INTO ILLITERACY, AUTHOR SAYS

WASHINGTON.—America is "lapsing back into illiteracy" so fast that it may have to import doctors and scientists by the 1990s, the author of "Why Johnny Can't Read" testified Tuesday.

Rudolf Flesch, whose 1955 best-seller aroused many parents and earned him the enmity of the educational establishment, told the Senate Human Resources subcommittee on education that the United States may be in the position of the Third World in another dozen years.

If the trend isn't halted, he said, college graduate schools will deteriorate so badly by the 1990s that America "will have to import personnel to run the machinery."

"I honestly feel that if there is no change in the method of teaching reading, we will have to import doctors, engineers and scientists from France, Germany and Japan because we won't have enough," Flesch said.

He said that up to half the U.S. population is functionally illiterate. He said reading skill has been falling since 1925, when the current "look-say" method of instruction took hold.

That method, taught in 90 to 95 per cent of public schools, requires children to memorize the formation of words and associate them with pictures, a process Flesch said can take years.

He called for a return to the old "phonics" method, which teaches children how to apply the sounds of the alphabet to unknown words. Flesch said this process can be completed in months.

Also addressing the panel was Paul Copperman, president of the California-based Institute of Reading Development, who said that between 40 and 60 per cent of the June, 1979, high school graduates will not be able to read well enough to handle a clerk's job.

Copperman blamed permissiveness in the classroom, with ethnic studies taught instead of traditional disciplines, and legal and bureaucratic interference from Washington, such as school busing.●

NO NEED FOR A SEPARATE DEPARTMENT OF EDUCATION

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. DANIEL B. CRANE. Mr. Speaker, as a member of the Education and Labor Committee, which will have considerable input into the question of creating a separate U.S. Department of Education, I found the following two editorials most persuasive. The first is from my hometown newspaper, the Danville Commercial-News. The editorial points out the absurdity of the administration naming inflation as public enemy No. 1 and then turning around and creating a new Cabinet-level position with a department consisting of some 16,000 employees.

The second editorial, from the Washington Post, a newspaper not noted for its conservative views, describes the creation of a Department of Education as a "bad idea." The Post further observes that such a department would become nothing more than a "gigantic single-minded lobbying outfit. It will be the NEA writ large." The editorial concludes that the best thing that could happen to this idea of a separate education department is for Congress to bury it.

I commend these editorials to the attention of my colleagues. The articles follow:

[From the Danville (Ill.) Commercial-News, Feb. 4, 1979]

NEW DEPARTMENT NOT THE ANSWER

Sinking scores in college entrance tests and the continued clamor for competency standards are signs that all is not well in classrooms across the country.

These arguments and others will be put forth by Carter administration officials pushing for a separate U.S. Department of Education before Congress, probably later this month.

The foremost consideration should be the cost. The same White House aides who will beat the drums for this government expansion are the ones who helped put together the presidential package naming inflation as the nation's public enemy No. 1.

Part of that package was a pledge to keep government spending down because it is known to be the biggest factor in the inflation spiral.

Setting up a new cabinet-level position with a department planning 16,000 employees and all the overhead that goes with it sounds like a big step away from inflation fighting.

Perhaps a good example of what to expect is the government's newest department—energy.

Energy Secretary James R. Schlesinger now has a deputy secretary, Federal Energy Regulatory Commission chairman, and directors for hearings and appeals, economic opportunity, Economic Regulatory Administration, energy research and international affairs besides an inspector general.

Of course, each of these executives has assistants and all of them must have secretaries. Add the cost of office space, janitorial help and other expenses of government operation and the price tag becomes staggering.

This is for energy and everyone agreed that a rational, consistent federal policy on energy was needed. Energy conservation was once described by President Carter as the moral equivalent of war.

But even if money were no object, there is not the same agreement on the cures for education.

The impulse is to say a federal policy on education is needed. National standards for high school graduation might eventually mean that a high school diploma could be taken at face value.

But development of those standards also must take into account the added expense of upgrading schools in districts with low tax bases. And national standards for what and how much should be taught would soon lead to standards for determining who is qualified to teach it. This would then become a question of who hires teachers.

State, county and local school authorities could not be expected to give up their say-so as long as they represent such an overwhelming percentage of school revenue. The mere establishment of a separate education department at the federal level does not create more money for schools from the federal budget.

There are many questions that must be thoroughly aired and answered before a separate education department will make any sense. Policy, standards and spending breakdowns must be established before the department is created, not afterward.

Even if we could afford more bureaucracy, a new department of education is a serious policy decision and must be considered as such in Congress.

[From the Washington Post, Feb. 11, 1979]

THE EDUCATION DEPARTMENT—AGAIN

Never underestimate the power of a bad idea to generate bad arguments. Vice President Mondale's remarks the other day in favor of the creation of a Cabinet-level Department of Education were an example. The vice president, in a briefing, made the point that the United States "is the only major industrial democracy in the world that does not have a department or a ministry of education," although, to our certain knowledge, this is neither a symptom nor a source of what is wrong with American education. Mr. Mondale, according to the news story, also suggested that education "suffers because its highest official 'is not at that Cabinet table speaking directly to the president.'"

You would hardly judge from any of this that the United States is also the only major industrial democracy (or any sort of country) in the world in which three-quarters of the children graduate from high school, and half of those graduates go on to college. And we also question whether, despite the proponents' assurances, a new federal department would not subtly and unwisely enlarge the federal jurisdiction in the schools. In theory anyway, education remains a primary function of the states and localities, which is surely one reason this country has not had a national ministry of education as part of its political tradition. We think it is a tradition worth holding on to.

It is, of course, true that much of the money for our public schools now comes from general revenues and that there has been a vast increase of federal involvement in public education over the past couple of decades. But both the money and the involvement can be managed by government instrumentalities now available to do so. It is argued by those who favor the new department that it would work pretty much as a harmless conduit of federal funds and coordinator of federal programs, all the while respecting the primacy of the states and localities in school affairs, and that it would do all this much more efficiently than is done under the present slovenly dispensation. Consulting ancient and modern bureaucratic precedent and looking around us at the evidence of our senses, we discover no reason at all to believe this is how things will turn out. They never do. Look at the Labor Department. Look at Commerce. A Department of Education, if such unfortunately is enacted into law, will become a gigantic single-minded lobbying outfit. It will be the NEA writ large.

Anyone who observed last year's congressional proceedings on this subject—the hearings, committee debates and so forth—should understand that what we really have here is a fight over turf: who gets which hunk of jurisdiction over whom and what and how much money. Evidently the administration, in coming back with its Education Department legislation in this Congress, has carved up the turf in a new and politically more persuasive way, so that the proposal is likely to have a smoother time this year. We hope it does not. The purpose of the federal government—as we keep harping when this proposal comes up—should be to fit federal education programs into a system of priorities and values *larger* than the education industry's perspective permits it to see, not to break off those programs into a client- and constituent-run principality of its own.

The best thing that could happen to President Carter's proposal for a department of education, from his point of view and everyone else's, would be for Congress to bury it.●

ESTONIAN INDEPENDENCE DAY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. BLANCHARD. Mr. Speaker, Saturday, February 24, marked the 61st anniversary of Estonian independence. Once again we are reminded of the ongoing struggle to bring freedom back to the people of Estonia and the Baltic region.

Estonia, like its Baltic neighbors, Lithuania and Latvia, still suffers from Soviet domination and rustification efforts. These are people who seek only to reestablish their own independence, to freely practice their own religion, and to maintain their own cultural heritage. Today, in the face of Soviet adversity, they still display a strong spirit and commitment to these goals.

Those of us who enjoy these freedoms today are the natural allies of the Estonian people. For the Estonians and other people of the captive nations represent some of the strongest advocates for the kind of rights and freedoms that we hold so dear. I hope that all of my colleagues will join with me in taking this opportunity, on the 61st anniversary of Estonian independence, to lend their full support for the cause of freedom and self-determination for the people of Estonia.

I also want to take this opportunity to bring the following statement from the Estonian American National Council to my colleagues' attention. This statement aptly explains the need for our support.

The statement follows:

A STATEMENT ON THE OCCASION OF THE 61ST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

After centuries of foreign rule the independence of Estonia was proclaimed on February 24, 1918.

Immediately thereafter, the German Army occupied the country, a situation which lasted until World War I armistice in November 1918.

Subsequently, the Russian Bolshevik Army attacked Estonia with the aim of imposing the Communist system upon the Estonian people. The young Republic was forced to protect itself and to resist the invaders in order to secure and maintain its independence.

The Provisional Government adopted the principle: "No compromise with the Communists". The die had been cast! The Estonian War of Independence started on November 28, 1918 and was concluded successfully on January 3, 1920.

Great Britain, Finland, Sweden and Denmark provided either financial support or volunteer troops to assist the young Republic in fighting off the aggressors. The young Estonian Army, with this aid, and the unstinting support of the population at large, rapidly developed into a fierce fighting force for the independence of its nation. On February 2, 1920 a Peace Treaty was signed between the Republic of Estonia and the Soviet Socialist Republic of Russia by which the latter ". . . agreed to renounce voluntarily forever all rights over Estonian territory and people".

Recently, the Estonians in the free world commemorated the 60th anniversary of the beginning of the successful War of Independence. To the present time it has remained a symbol of self-sacrifice and inspiration for all those who are concerned with the cause of Estonia.

The spirit of this heroic struggle is also a source of inspiration in Soviet occupied Estonia, especially for younger generation, who want to know more about the "'real history" of the Estonian people, instead of the falsehoods perpetuated by the Soviet regime.

The deal between Hitler and Stalin of August 23, 1939, known as the Molotov-Ribbentrop Pact, condemned Estonia and her neighbors Latvia and Lithuania to the Soviet sphere of influence. This was the initial event which led to the willful Soviet breach of all solemn treaty obligations with the three Baltic countries and culminated in their forceful annexation in 1940.

The Soviet-imposed rule in Estonia has brought with it untold sufferings—arrests, deportations, executions as well as the so-called nationalization of all private property and the down-grading of social and working conditions. But above all fundamental freedoms have virtually been abolished.

One of the most threatening aspects for the Estonian people is the Russianization process, the aim of which is the destruction of the Estonian nation.

We are hopeful, that President Carter's human rights policy in conjunction with the Helsinki CSCE follow-up meetings will serve as an effective weapon for liberalization of the current repressive policies practiced by the Soviet Union in Estonia and in other Baltic States of Latvia and Lithuania.

Of considerable moral support for the Estonian people is also the fact that the United States as well as a great number of other Western countries have not recognized the forcible annexation of Estonia by the Soviet Union.

On this sixty-first anniversary of the Declaration of Independence of Estonia all freedom-loving Estonians once more appeal to world public opinion to support the cause of freedom and justice for the Estonian people.●

THE ADMINISTRATION'S "OPEN" CHINA POLICY

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. QUAYLE. Mr. Speaker, when I think about the China policy which the Carter administration has proposed for this Nation, I cannot help but wonder at the remarkable gap which exists between the morally righteous image the President's public relations specialists like to project, and the reality that lies underneath. Only 2 years ago we were given pledges of an "open administration" which was to be above-board and honest in its dealings with the American people. And only recently the President has reiterated for us his longstanding advocacy of human rights by claiming that human rights is the "soul of our foreign policy."

The hard facts suggest, however, that Mr. Carter's commitment to human rights, like his administration's superficial policy of openness, is only skin-deep. A recent case in point is our Government's expulsion from the United States of a diplomat from Taiwan who committed the unpardonable offense of speaking out on behalf of his country and against Mr. Carter's China posture. I-Cheng Loh, the Minister of Information at the Republic of China's Embassy, wrote two letters to American newspapers—one to the New York Times on January 23 and one to the New York Daily News on December 26—in which he criticized the terms of Mr. Carter's normalization agreement with Peking and presented his country's view of the situation. As a result, pressure was applied on Taipei by the State Department for Loh's immediate recall from the United States. Apparently operating under the threat that if Loh were not recalled he would be forced to leave, the Republic of China complied and Loh was quickly and uncermoniously withdrawn.

I have to wonder why our State Department is so sensitive to criticism. Is their insecurity or fear of the truth so great that they are unwilling to allow the American people to read views contrary to the administration's official line? Is not freedom of speech a "human right" in this country, and is not access to contending points of view the least that we as Americans can expect under an "open administration"?

It is important, Mr. Speaker, that the American people and Members of this Congress be made aware of the abysmal way in which this administration has dealt with our Chinese friends on Taiwan and, indeed, the way in which it has sought to stifle the flow of information which might be critical of its own policies. Accordingly, I am asking that Mr. Loh's article of December 26 be reprinted in the RECORD, along with the recent report of his recall from the United States. Reading both should be, for anyone, an edifying experience:

TAIWAN RECALLS DIPLOMAT WHO SCORED U.S. POLICY

(By Dan Morgan)

A New York-based Taiwan official who criticized the Carter administration's China policy in letters to U.S. newspapers was recalled last week after telling friends that the State Department had sought his withdrawal.

The State Department declined to comment on the incident, which involves the sudden departure for Taiwan on Jan. 23 of I-Cheng Loh, a veteran of 15 years' service in the United States and currently director of the China Information Service in New York City.

A spokesman for Taiwan's liaison office in Washington, describing the matter as "delicate," said that Loh had been called back for "consultation." The spokesman added that Loh would get a new assignment and "probably will not come back."

However, Ray S. Cline, director of Washington's Center for Strategic and International Studies and a critic of President Carter's China policy, said:

"The State Department brought pressure to bear leading to 'Gene' Loh's withdrawal on a short deadline."

According to one version, on which the State Department refused to comment, the U.S. government advised Taiwan around Jan. 19 that Loh should be withdrawn from the country within 72 hours or he would be asked to leave on grounds of undiplomatic conduct.

Loh left on the same day that his letter appeared in The New York Times saying that "unless Peking forsakes communism and restores freedom to the people of China, there will be no negotiations with Peking."

On Dec. 26, the New York Daily News published a longer letter in which Loh said that he could "see why the leaders of Israel are nervous about the value of American promises."

Loh's letter went on to urge that friends of Taiwan "write senators and congressmen urging Congress to adopt resolutions guaranteeing that adequate defense supplies will be sold to Taiwan," and describing the American initiatives as "shabby treatment" for the 17 million people of Taiwan.

The Carter administration has been moving ahead with its plan for setting up a private corporation to handle U.S. relations with Taiwan, despite mounting congressional demands for greater security guarantees.

As of Jan. 1, Taiwan's embassy here was downgraded to the status of a liaison office. The Carter administration has been pressing Taiwan authorities to accept its plan for representation through a private corporation as of March 1, the same day that the United States begins full diplomatic relations with the Peoples Republic of China.

Taiwan's reluctance to accept this formula is seen by diplomatic observers as complicating the Carter administration's efforts to get Congress to authorize federal funding of a proposed private U.S. "institute" to handle trade and cultural relations.

Groups opposing President Carter's new China policy have been adding to the pressures on the administration with demonstr .- tions and speeches. Pro-Taiwan organizations demonstrated yesterday against the visit of China's Vice Premier Teng Hsiao-ping. Chinese-language newspapers in the United States have carried advertisements calling on friends of Taiwan to demonstrate, and leading Taiwanese businessmen have placed advertisements in the Washington Post and other newspapers criticising the Carter policy.

A Justice Department official said yesterday that there is no evidence so far that these activities violate the Foreign Agents Registration Act.

TAIWAN: "WE'LL FIGHT, WE'LL DIE FOR FREEDOM"

(By I-Cheng Loh)

Ever since Friday, Dec. 15, 9:06 p.m., the phones haven't stopped ringing in my home and my office. Hundreds of people called—most of them friends and a few total strangers—to express outrage and support, to offer sympathy and condolences. Everyone asked the same question: How do you feel? What are you going to do? Is there anything I can do to help?

How do I feel? I am very much saddened, of course, not only for my country—the Republic of China on Taiwan—but for the United States, which I have come to love and to regard as my second home.

This is the first time in its 202 years of history that the United States has turned her back on a faithful friend and a loyal ally, not because of what that friend has done, but because a third party—a former adversary directly responsible for the loss of American lives in Korea and in Vietnam—demanded it.

This is the first time, as far as I know, that the United States has abrogated a treaty ratified by the Senate, which has the effect of law, in exchange for a promise that the third party refused to give.

This is the first time that an American commitment, solemnly given and gratefully received, was broken and shattered to pieces, not because America was weak, but because the adversary was erroneously perceived to be too strong.

I must say that I can see why the leaders of Israel are nervous about the value of American promises.

What are we going to do? My answers usually come as a surprise to questioners: Nothing. Or more precisely, we will keep on doing the things that we have always been doing. Nothing less but nothing more.

The Republic of China on Taiwan will never negotiate with the Chinese Communists, be it Teng or Hua or whoever will be in power after the next round of purges and upheavals. We will never "play the Russian card," which some of our friends, driven to exasperation by the cynicism of the recent U.S. move in the power game, urged us to threaten to do.

Our reasons are simple. We must remain true to our beliefs, our moral standards, regardless of what others have done.

Neither will we "go nuclear," even if the technology is there. The only nuclear programs Taiwan will engage in are power-generation plants, which by 1984 will provide almost half of the country's needs for electricity.

We will hold fast to the three principles taught us by the late Dr. Sun Yat-sen, father of the republic on nationalism, democracy and social and economic well-being for our people.

We will build upon our already booming economy with a real gross national product growth of 12 percent in 1978, and a per capita income at $1,300. We will bring Taiwan into the ranks of developed nations, not by the year 2000 but by 1985.

Is there anything you—as Americans—can do to help? Yes, there's plenty every conscientious American can do, now and well into the future.

First and most important, we ask you to help in making sure that Taiwan's security needs are amply met. Our 17 million people have not done anything wrong to deserve this shabby treatment.

Their only "sin" is their determination to remain free.

They deserve your help. Write the White House to tell the President what you think of his recent decision, and to voice your concern that Taiwan—with more people than 113 countries of the United Nations—must not be allowed to fall into Communist hands.

Write your senators and your congressmen, urging Congress to adopt resolutions guaranteeing that adequate defense supplies will be sold to Taiwan, not just in the next few years, but anytime in the future.

Ask your elected representatives to thoroughly debate every facet of the many questions concerning Taiwan's security, not just the black and white question of whether the Communists will attempt to "liberate Taiwan" by force.

It is vital to include in these discussions the gray areas, such as the possibility of naval blockade and economic strangulation through blacklisting and other means.

If, for example, a couple of months or years from now, Iran blows up and embroils the entire Middle East, the Chinese Communist regime could seize that opportunity to announce that as the "sole legal government of China" it is closing the ports of Taiwan to all foreign shipping as it indeed has .he legal right to do.

What can the United States do then that does not run contrary to the communique of Dec. 15?

Free China will stand on her own two feet. We will fight and die, if necessary, to preserve our prosperity built on an open society and free enterprise.

If such a time comes, we don't need your men, only your arms. If an adequate supply is promised by Congress for the unlimited future, such a day may never come to pass.●

THE CHINA CARD

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. SHUMWAY. Mr. Speaker, a great deal has already been said about the administration's decision to sever diplomatic ties with Taiwan in favor of those with the People's Republic. And a great deal more needs to be said. Day by day, as administration witnesses present the President's position before our House and Senate Foreign Affairs Committees, the veneer of soundness with which the White House has cloaked its policies becomes more transparent.

The reality is this: The United States has conceded all demands made by the People's Republic of China as its preconditions for normalization, but has failed to receive any firm assurances whatsoever regarding the continued security of Taiwan. Further, the administration is resisting any meaningful attempt by this Congress to unilaterally provide such assurances. We are told that this is "unnecessary." Unnecessary for whom, I might ask. Certainly not for Taiwan, nor for the United States.

In other words, both in its negotiations with Peking and now in its representations to Congress, the administration has failed to adequately articulate and safeguard the interests of the United States or of Taiwan, but has instead let Peking determine American policy. This is a situation which we in the Congress, who share the responsibility for setting the foreign policy of this country, cannot allow to continue. Not if we hope to preserve our own self-respect and that of other foreign nations.

We will have presented Taiwan with a grave threat to its very existence as a free society if we fail in our deliberations here to provide for some form of government-to-government relations, or for some hard and specific assurances to the citizens of Taiwan that America will support them against any direct or indirect threat to either their territory or economy.

A recent commentary which appeared in New Republic forcefully illustrates the errors inherent in Mr. Carter's China policy. I commend it as a lucid analysis of the current situation as we attempt to chart a China policy for this country which is in truth based on both clear-eyed interest and firm moral principle. Accordingly, I insert the contents of the above-mentioned statement at this point in the RECORD:

THE CHINA CARD

The defense of small countries and threatened peoples has never counted much for Jimmy Carter. Already during his campaign for the presidency he signaled the Russians that he would not be a serious obstacle to any mischief they might undertake in Yugoslavia. In what he clearly takes to be a major

coup—amidst the chimney ash of the Middle East negotiations, the stalled SALT talks, the shambles of the regime of our pal the Shah, and the transparent failure of Carter's Saudi diplomacy over both oil prices and peace—the administration has now just about told the Chinese government in Peking that Taiwan is theirs for the taking. Of course, we expect that they won't return Taiwan, in Communist Party Chairman Hua Kuo-feng's chilling phrase, to "the embrace of the motherland" too quickly, at least not in the coming 12 months. Moreover, we'd certainly prefer that they not take the prosperous island and its 17 million people by force. But, as we've been hearing from the State Department pulpits, we don't even have private assurances on these matters. So much for the Taiwanese. Let those who count on us be warned.

There is no question that the U.S. and the People's Republic should have diplomatic relations, and good relations too. We should have had them, or tried to, for over a generation. Certainly we should never have maintained the fiction that the semi-retired warlords in forced exile on Formosa constituted the rightful government of China. In one of those painful ironies of history, it was Richard Nixon (doubtless persuaded by Henry Kissinger) who liberated us from our emotional commitment to the notion of one China run by Chiang Kai-shek's Kuomintang and its heirs.

Carter and his supporters seemed to assume that the most recent arrangements would bring the administration nearly unanimous plaudits. But once again they have underestimated the idealism of the American people, and our sense of moral obligation to nations and peoples trying to elude the grasp of tyranny. For, despite the much-heralded thaw in the latest version of the new China, a tyranny is exactly what China still is and is likely to remain. Its people are still in intellectual, political and moral chains, not to mention economic chains, even if the chains are a bit looser for the moment. Confronted by opposition they did not expect (that is, opposition across the political spectrum), White House supporters now rather more defensively trying to depict Carter as an instrument of historical inevitability. Whatever he and Zbigniew Brzezinski have negotiated with Peking follows irresistibly, we've been told, from the Shanghai Communiqué of 1972. But nothing is irresistible, a wise man once said, except that which is not resisted.

The terms of the new Sino-American deal are the terms set down long ago by the Chinese. And why should they have won in bargaining now what they could not win six years ago? Would they have refused our technical assistance or investments if we declined to break our ties with Taiwan? Indeed, if the current regime is so much more flexible and conciliatory than the one chaired by Chairman Mao, why did they insist upon—and why do we accept—the harshest conditions for normalization of relations? Yes, the Chinese did want a symbolic acceptance of their dominion over Taiwan. But that did not mean that we had to provide it. Surely Peking would not for sheerly symbolic reasons sabotage a liaison with the U.S. that is of enormous strategic importance to China. And if they would, what does that say for them as partners or for us as bargainers at the green table?

One suspects, of course, that it is not merely symbolic recognition of the People's Republic's sovereignty over Taiwan that was at stake. This is why the minimal concessions we obtained from Peking seem no more than a fig leaf covering our betrayal, not so much of the government of Taiwan as of its people. Neither a few defensive weapons sold to Taiwan nor continued trade with it will stop the erosion of will for an independent life among the island's population. Skilled diplomacy, with a bit of backbone, should have been able to provide a way to recognize the reality on the mainland without ignoring the reality of a thriving, independent, pro-Western society on Taiwan.

And what have we gotten for changing the reality we choose to ignore? Not much, it appears. It is unlikely that the Soviets will be tamed or tempered by this diplomatic development. Instead we may find them more belligerent rather than less, a situation which President Carter's scandalously deceptive rendering of Leonid Breshnev's message to him on the subject could not obscure. The China card, once played against Russia, is played for good. It may have made sense as graduate-seminar geopolitics, but it will not work in the real world. Part of the problem is that both Carter and Brzezinski are impatient and impulsive men. They have an idea and they try it. There'll always be other ideas to come. But the larger part of the problem is that they do not know how to bargain. Always seeking an opportunity to demonstrate deftness in negotiations, the president comes out looking, at best, half deft.

In negotiating with the Chinese, for example, we did not try to get them to trade off their very concrete and critical needs against their ideological desires. We did not even try to get them to curb their murderous clients in Phnom Penh. Indeed, one finds at State and among Brzezinski's partisans a barely repressed sympathy for the Cambodians who are, after all, anti-Vietnamese who are, after all, in turn pro-Soviet. The enemy of my enemy is my friend.

In this country, the most exuberant enthusiasts for Carter's card tricks are American corporations. Not chastened by what would have been the sobering experience of post-detente commerce with the Soviets, the American multinationals now see 800 million new customers for everything from Coca Cola to computers: a new market for our entire flotilla of technology and junk. *The Wall Street Journal*, clear-eyed as usual about the illusions that may grip the capitalist class, tried on December 26 to put up some cautionary signs, though they probably won't help. China most likely will not pay us with gold or hard currency, as they will in great measure pay the harder-nosed Japanese. They will pay us with our own credits, deflated dollar after deflated dollar, which will have the side-effect of intensifying the capital crunch at home.

All of this amounts to a pathetic performance for a great power, and yet another blot on the Presidency of its current steward Jimmy Carter.●

WILLIAM AGEE SAYS "WE CAN WAKE THE GIANT"

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. SYMMS. Mr. Speaker, I wish to include in the RECORD a speech delivered by William Agee, chairman, president, and chief executive officer of the Bendix Corp., before the Idaho Forest Industry Council in Boise, Idaho. Mr. Agee is a graduate of Boise State Junior College, the University of Idaho, and Harvard Business School. He also replaced Michael Blumenthal as head of the Bendix Corp. when Blumenthal left the company to become Secretary of the Treasury, and Agee became the youngest chief executive officer of a major U.S. corporation.

Mr. Agee covers some very important points in his speech on what has happened to this country's productivity and what he calls the Federal Government's "War on Innovation" which has been waged through inflation, taxation, economic uncertainty, and regulation. Agee believes, and I agree with him, that our country can and must wake up its economic system and "renew the vision we once had."

The speech follows:

WE CAN WAKE THE GIANT

(Speech by William M. Agee)

Governor Evans, Lt. Governor Batt, distinguished members of the Idaho legislature, fellow adventurers in the forest products industry, ladies and gentlemen.

It's nice to be asked to visit with a few friends from home. I say a few friends knowing that Louise Shadduck could have doubled the size of this audience by inviting all of last year's candidates for governor.

When I was asked to speak at this dinner, I almost refused. I could just hear my colleagues at Bendix begin to chuckle about my well-known affection for this state and this city. I think sometimes I bore them by talking up the merits of Idaho, but they're too polite—or something—to say so out loud. They think of Idaho as insulated from the outside world, not realizing that we all watch the same Walter Cronkite and John Chancellor. And Prime Minister Begin said that negotiating over the Middle East is a lot like dancing in an American discotheque: lots of motion and undulating, but darn little satisfaction.

In any case, it is good to be home, and I've surely got a business reason for the trip. The Bendix Corporation, which does not make washing machines, assuredly is in the forest products business. We changed the name of our forest products company last year from American Forest Products to Bendix Forest Products exactly to underline Bendix's deep, continuing commitment to this great industry.

Beyond the day-to-day worries about what housing starts will be in 1979, I see opportunity. I think the fundamental demographic facts of our time favor a robust forest products industry. I see a less cyclical industry, bolstered by the inalterable demand for housing.

In our industry, as in others, there are many upward pressures on price. Timber is a renewable resource, right enough, but only over time. That contributes to scarcity, as does the absolute demand for lumber that must follow from the post-war baby boom.

Another upward pressure on the price of wood products comes squarely from our social agenda. Over recent years, timber has become scarcer because so many trees have been taken out of the available pool by our national urgency about wilderness. In short, there is an economic cost to the consumer that comes from social accounting and the political response to it.

It seems to me that on balance, Secretary Bergland took a responsible step last month in his recommendations on Rare II. Yes, people in some parts of the country will be uncomfortable with what he proposed, and he may not be right in every detail. But I believe he took a positive step toward moderating the all-or-nothing approach to the wilderness question. He seems to recognize that we must almost always steer the middle course in reconciling the social and economic costs of a piece of legislation.

Part of the strain of being in the forest products business, as I'm sure you know, is convincing the public of what we know to be true. We have said that multiple use is the

most productive approach to forest lands. We've said that we make the fullest use of every tree we take, and that we replace each one. We've said that forests are a truly renewable resource. And yet, we can prove ourselves right on all those points and still not convince those for whom the very idea of wilderness is a cherished dream.

Perhaps now, when there is a growing realization that we must strike a balance between social and economic costs, we can add some ideas to our public information programs. According to the data I see, the dream of wilderness exists mostly in the minds of people with the least chance of ever seeing it. These are urban people, notably in the East, and they think of a wilderness bill as a way to put recreation in the bank. They see themselves, or their children, on vacation and at peace in the unspoiled lap of nature. How can they be against that?

The trouble is, that dream does not square with the word "wilderness" as it is used in our political dialogue. Yes, a few can enjoy the wilderness, if they're willing to take it on by boat, on foot, or on horseback. But for the majority, wilderness means no practical access. I think we need to make that point clear. We might go further by pointing out the huge availability of multiple use lands close to their teeming cities. And believe it or not, my friends, that point has great truth in it. Those in Detroit have Michigan's Upper Peninsula. New Yorkers have the Adirondacks, the Poconos, the Catskills. These realities seem to me more persuasive than a faint dream of wilderness locked up in the West.

Telling the truth in the name of lowering people's expectations is a nationwide political theme right now. Regrettably, we have a climate in which inflation is the major fear. We have a time when we seem bent on talking ourselves into a recession. And we have the reality that we are in a period where we will have slower growth in the economy. I happen to think there *will* be growth, but not at the fancy rates we're used to.

What this climate of caution means to me is that Americans are in a mood to listen to some home truths. These truths will be disagreeable in the short run, but our salvation in the fuller course of time. We are in a sobering-up period, if you like, after the hectic, noisy party of the Sixties and early Seventies.

Let me try a quick review of history. After the Second World War, and the Depression that preceded it, our focus was on getting the economy moving full tilt. The war had stopped up demand, and we were ready for an economic surge. Through the Forties, and most of the Fifties, we got it. In that period, there was not much attention paid to the idea of social cost. We thought very little of what we were doing to our country in the name of economic progress.

Then, after a little hitch in the economy in the late Fifties, the economy began to roll again. But this time, social consciousness was on a steep rise. Being rich as a nation, we began to have time for what one commentator has called "higher grumbles." We felt we could do everything, pay for everything, change everything—and in a very short period of time. The Sixties were a national high, and social costs came to count much more than the fundamentals of economics.

Now, we've reached a time to swing the pendulum back. It is, as I said, a time to tell ourselves some home truths.

We should be telling people right now that we must lower our expectations about the Social Security system. We have, as you know, a huge unfunded liability within this system. The word "billions" doesn't begin to describe it. Congress has religiously jacked up the Social Security tax, most recently to the tune of $227 billion over the next ten years.

That doesn't solve the problem. Now, I'm not suggesting for a moment that we break the social security promise to those in retirement or near it. We promised, and we should pay. But for younger people, who will soon be staggering to pay for a huge population of retirees, we must begin to adjust expectations. In short: the younger you are, the less you should expect to receive from Social Security. In substitution, we should encourage such ideas as the I.R.A., or individual retirement account, and the Keogh program to make personal saving for retirement attractive.

Social Security aside, it's time we put a decided tilt toward savings into our national economic thinking. Now is the time to de-emphasize economic theories that look only at the demand side of the economic equation. The chance to do so is there, because the growing public resistance to taxation and bulky government is evident everywhere—California, Michigan, and certainly here, where you are grappling with what the electorate said last fall. Indeed, across the nation, the people have spoken.

I won't say that I embrace every detail of every tax-cut proposal we saw on ballots across the nation last fall. But directionally, the idea of forcing government to sort out its spending programs and assign priorities to them is right. For so long, we have been so brashly sure that we can do everything, without cost or dislocation. In a fundamental sense, that era is gone, and my guess is that the voters have sensed it before their elected leaders have.

Now we have a backlash about spending and taxation, and we'll pay something for that. There will be interruptions of some government programs, and some valuable services may be hurt in the short run. But the gain that will come from concentrating the minds of government officials seems worth it. Voters, it seems to me, are not calling for no government at all. But they do want a calm, truthful exposition of what we need to spend and why. The call is not for callous indifference to social needs, but for intelligent frugality.

On another front, I see the need for an adjustment in our economic way of thinking. Recently, I've been privileged to serve as chairman of an advisory subcommittee on Economic and Trade Policy for the Department of Commerce. With other private-sector advisory committees, we are taking part in a government-wide Domestic Policy Review of innovation in this country. The question we have tried to answer is: what can the federal government do—or stop doing—to increase the rate of innovation and new business starts in America. For the sad fact is, my friends, that the fire in the belly that American entrepreneurs used to have is close to going out. President Carter, give him credit, recognized this, and ordered the highest level study of the problem.

Political leaders seem to like to declare war on things. We've had the war on poverty, and the moral equivalent of war on several other social ills. From what I've learned from our committee's work, I'd like to suggest that there has been another war going on, and that is the War on Innovation. It's an undeclared war, a war that almost no one set out to fight. No politician sold us on an attempt to crush the entrepreneurial spirit in this country. But effectively, that is what we've been doing for a long time. We have done it with inflation. We have done it with taxation. We have done it with economic uncertainty. And we have certainly done it with regulation.

Now I know that the urge to regulate business can arise from decent and thoughtful impulses to make the entire country better. And I know that we need regulation in many cases. And not every regulatory proposal brought up in the last 50 years has been evil in its result. But I have to say to you that our goal should be: balance and balance and balance. And the total regulatory burden on business, large or small, is now out of balance. I don't think I'm far off in saying that the cumulative cost of government regulation is substantially in excess of $100 billion. Now is the time to ask: what are we getting for that huge stack of dollars?

If the quick outline of history I gave a few moments ago is right, we have bounced back and forth, first paying great attention to economic growth at the expense of social considerations, then reversing ourselves. As a country, we have acted as if there could be no reconciliation of economic and social cost. And I ask myself: why not? We legislate too often as if we were choosing badly between good and evil. Our political rhetoric is such that a businessman who counsels caution and moderation gets described as an evil, polluting fat cat. And on the other side, a concerned citizen who worries, say about the safety of the work environment, gets painted as a subversive employee of the Kremlin. We seem to *hunt* for ways to divide ourselves, and when the rhetoric gets hot—when we get so divided that there must be winners and losers—then we all tend to wind up losing.

We so often legislate in a spirit of crisis and division, and when we do, we invariably overkill the problem we are trying to solve. That, I believe, is what has happened in the arena of government regulation. Clean air? Sure, but at reasonable cost. Safe factories? Of course, but there must be a better way to achieve it than filling the plants with paper and inspectors.

We have a great chance, right now, to calm down and collect our thoughts. I'd like to propose a "peace feeler"—or a cease fire, if you like—in the War on Innovation. Why can't we try, by law, a 12 month period in which we agree that there will be no new regulatory laws promulgated. I mean a temporary but total moratorium. Within that law, let's require that every existing regulatory agency publish their cost to benefit analysis. Let them answer this question: "All things considered, what did the public get from this or that regulation, and what did it cost to get it?" And finally, when the regulators produce their cost/benefit findings, let's make those findings subject to independent judicial review.

We just might wind up counting *all* the social costs of the activities of government. The cost of jobs that didn't get created. The cost of the tax burden. The cost in price increases. The increase in the sheer complexity of being an American citizen. And the cruelest cost of all—the cost of inflation. That's the bottom line. What is the social cost of mortgaged futures? What is the social cost to those living on deteriorating, fixed incomes?

It is time, my friends, that we quit tinkering at the margin in our struggle with inflation. That, in essence, is what wage-price guidelines are about. Up until now that is all that our current leadership has done—tinkered at the margin—using "old economic positions." We must encourage savings, reward investment and nurture innovation. The political climate is right to allow it, and so are the ideas themselves. Today, we see a Democratic President having turbulence within his own party because he is trying to reduce inflation by cutting the federal budget. It might seem tempting for a private-sector Republican like myself to sarcastically congratulate him for trying a Republican idea, but this is no time for cheap shots. He is right in what he's doing, even if he finds the prospect disagreeable. My only worry is that he will not feel able to go far enough.

I said before that we seem bent on talking ourselves into a recession. And yet it's ironic that while we hunker down, waiting for the blow, businessmen from all over the world are battering at this country's doors. They want a piece of our economic action. That is more because of our political stability

than because of our intrinsic economic health—at the moment. But we have plenty of economic muscle left, and they know it.

Since Americans think we can do anything, we tend to get disappointed when we fall short of excellence. We get down on ourselves. That's too bad, because we haven't lost the thread of this country's economic and social greatness. I think of our economic system as a giant. At the moment, the giant has an inflationary fever, and is sleeping it off after taking too much of the wrong kind of economic medicine. If we can strike the right chemical balance with an infusion of older remedies—savings, investment, productivity, de-regulation and innovation—we can renew the vision we once had. The older economic ideas can serve us again. If we try them, we can wake the giant.

Mr. Speaker, would not a 12-month period without any new rules and regulations be a breath of fresh air to Americans. We might even increase productivity for a change.●

ARMS SALES FOR THE YEMEN ARAB REPUBLIC

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1979

● Mr. HAMILTON. Mr. Speaker, in the coming weeks, Congress will be considering several proposed arms sales to the Yemen Arab Republic (North Yemen), the Arabian Peninsula's most populous state. This country is presently ruled by a moderate government with close ties to Saudi Arabia, but it has recently experienced a series of assassinations and considerable instability.

These sales, which involve F-5 aircraft, armored personnel carriers and tanks, represent a substantial increase in American weapons sales to the Yemen Arab Republic. The United States has, in recent years, provided nearly $140 million in arms to help modernize the Yemeni Army. These new proposals for arms to North Yemen, however, will amount to roughly $400 million. These sales are to be financed by Saudi Arabia and may entail transfers to Yemen of some of this equipment from Saudi military inventories, presumably so that Yemen can receive the equipment more quickly.

Congress will need to scrutinize these sales carefully. Some Members may view the sales as the result of an impulsive reaction to recent events in the Persian Gulf area. Others may be concerned about our commitments in this region and the absorptive capacity of the recipient. Many questions need to be addressed.

Although the general composition of this arms package to North Yemen has been known to some members of the Committee on Foreign Affairs for some time, these sales proposals are the first to be presented for a country in the Arabian Peninsula following the recent turn of events in Iran.

I hope we are not reacting to these events in Iran merely by increasing arms sales to friends elsewhere in the region. To be sure, our friends in the area are deeply troubled by developments in Iran, Ethiopia, South Yemen, and Afghanistan. They need reassurance of our political support, but, in this process, arms sales should not be the principal instrument on which we rely to express that support. In the coming weeks and months, we will be observing trends and reassessing policy options in the Persian Gulf and Arabian Peninsula. Our reaction should teach us that large arms sales not lead us to quick fixes such as increased arms sales. The Iranian revolution should teach us that large arms sales are not the sole prescription for protecting U.S. interests.

These arms sales also come at a time when the United States, the Yemen Arab Republic and Saudi Arabia are trying to work out a smoother trilateral arms relationship for the Yemen Arab Republic. Problems have existed with regard to deliveries to the Yemen Arab Republic of the equipment intended for the army. Deliveries are made to Saudi military authorities located in North Yemen, following which the actual dispersal of the equipment to the Yemenis themselves is made after some delays. Unfortunately, none of the parties has had much of a working experience with the first arms package for the Yemeni military to determine whether or not this second package can be successfully integrated.

Mr. Speaker, this unique trilateral arrangement and the Yemeni arms sales program were the subject of recent correspondence between the State Department and Chairman Zablocki and myself. This exchange provides important background to a discussion of the proposed new arms sales package for the Yemen Arab Republic. The correspondence with the State Department follows:

COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., February 1, 1979.

Hon. CYRUS VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: We write you concerning the military sales program we have established for the Yemen Arab Republic which is being supported and financed by the Government of Saudi Arabia.

While we support selling reasonable amounts of military equipment to Yemen, we are concerned about administrative, logistic and quasi-political problems which apparently have existed in the trilateral military relationship which has evolved. While a Memorandum of Understanding may not be necessary or changes in the language of LOAs offered, we would expect that before any further proposed sales for the Yemen are submitted to the Congress under provisions of the Arms Export Control Act that firm understandings be obtained and agreed to by all threee parties on how this trilateral arrangement will work in the future. We would want assurances that some type of informal, but periodic and regularised, trilateral discussions of this program at an apropriate and agreed upon level will occur so that past problems do not reoccur and delay and frustrate the implementation of an important program in the Arabian peninsula.

We appreciate your prompt attention to this matter.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.
CLEMENT J. ZABLOCKI,
Chairman.

DEPARTMENT OF STATE,
Washington, D.C., February 14, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives.

DEAR MR. CHAIRMAN: Secretary Vance was pleased to receive your letter of February 1 expressing your support for and recognition of the importance of the Yemen military assistance program within the context of our interest in the security of the Arabian Peninsula. He has asked that I respond on his behalf.

I share your concern that this program be administered as effectively and efficiently as possible. While in the past there were problems in the administration of this program, on the basis of discussions with the Governments of Saudi Arabia and of the Yemen Arab Republic, a clear understanding now exists on the essentiality of close cooperation by the three parties involved to see that the program is a success. The Government of Saudi Arabia is particularly concerned and supportive of our efforts to ensure that there is proper and effective management.

Having very much in mind the concerns you expressed we have established within our Embassy in Sana a modestly staffed Office of Military Cooperation which is responsible for the administration and coordination of all aspects of the program. It acts as our primary point of contact with both the Yemen Government, including the Yemen President, and the Saudi military training mission in Sana. Although there is no formal structure, discussions on the implementation of the program take place frequently among representatives of the three parties in Sana. Where necessary, problems are referred to our Embassay in Jidda and the U.S. military training mission in Dhahran for discussion with top Saudi officials.

In addition, the accelerated delivery of the Phase I equipment—Howitzers, LAW, Vulcans, vehicles and recoilless rifles—is proceeding in an orderly manner. The equipment is being disbursed to the Yemen Army while US military mobile training teams assist the Yemenis in learning how to effectively handle and maintain the weapons. Transition pilot training on the four F-5B aircraft already approved for transfer is in progress.

I cannot, of course, guarantee that difficulties will not arise in the future, but the relationships that have developed and been agreed upon over the past six months including the personal involvement of Yemen President Salih and the top leadership of the Saudi Government will allow quick resolution of those problems without detriment to the program. US mobile training teams are accompanying equipment as it is delivered to ensure that the Yemenis can develop the capability to handle it effectively. I am confident that the will exists to see the program through to a successful conclusion.

The informal notifications for direct sale of certain defense articles will be sent to Congress shortly. In addition, pursuant to Section 3 of the Arms Export Control Act, notification of the Administration's intent to consent to transfer of certain defense articles from Saudi Arabia to the Yemen Arab Republic will also be sent to Congress in the near future.

If you or your staff want further background explanation concerning the Yemen program, I will be happy to arrange a briefing by appropriate Department officials.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 27, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 28

9:30 a.m.

Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Food and Nutrition Service, Department of Agriculture.
322 Russell Building

Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for Fiscal Year 1980 for the Department of Agriculture.
1224 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for Fiscal Year 1979 for NASA, and S. 357, proposed authorizations for Fiscal Year 1980 for NASA.
235 Russell Building

Foreign Relations
To hold hearings on proposed Fiscal Year 1980 authorizations for foreign assistance program.
4221 Dirksen Building

Judiciary
To hold hearings on S. 241, proposed Justice System Improvement Act.
2228 Dirksen Building

10:00 a.m.

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for FY 80 for the defense establishment.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 332, proposed Consolidated Banking Regulation Act of 1979.
3302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to acheive.
457 Russell Building

Energy and Natural Resources
Energy Regulations Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To hold oversight hearings on the Disaster Relief Act (P.L. 93-288), followed by hearings on proposed authorizations for FY 80 for the Disaster Relief Act.
4200 Dirksen Building

Finance
To continue hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on price impact of oil shortages and U.S. energy planning.
357 Russell Building

Joint Economic
To resume hearings on the President's economic report.
1202 Dirksen Building

10:30 a.m.

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

2:00 p.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.
S-146, Capitol

3:00 p.m.

Appropriations
Public Works Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Tennessee Valley Authority, Appalachian Regional Development Program, and the Appalachian Regional Commission.
S-126, Capitol Building

MARCH 1

9:30 a.m.

Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for FY 80 for the Department of Agriculture.
1223 Dirksen Building

Commerce, Science and Transportation
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Foreign Relations
To continue hearings on proposed FY 1980 authorizations for foreign assistance program.
4221 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Agency for International Development.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Secretary of Energy.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
To continue hearings to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue oversight hearings on the Bureau of Census and to examine the plans and progress of the 1980 decennial census.
5110 Dirksen Building

Human Resources
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4232 Dirksen Building

2:00 p.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for fiscal year 1979, both for the Department of State.
S-146, Capitol

3:00 p.m.

Select Committee on Intelligence
To hold an open, followed by a closed, business meeting.
434 Russell Building

MARCH 2

9:00 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
To resume hearings on the objectives that a national policy on tourism should seek to achieve.
5110 Dirksen Building

Environment and Public Works
To hold hearings to review proposed authorizations for FY 1980 for the Environmental Pollution Agency, with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building

10:30 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on Federal credit programs.
5302 Dirksen Building

MARCH 5

9:30 a.m.
Environment and Public Works
To hold hearings on proposed reauthorization for the Andromous Fish Conservation Act (P.L. 89-304).
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Committee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1318 Dirksen Building

Budget
To resume hearings in preparations for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AM TRAK), and on proposed route restructuring of AMTRAK.
234 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Judiciary.
S-146, Capitol

MARCH 6

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on the Federal responsibilities for radiation protection.
3302 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S-146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on the Federal responsibilities for radiation protection.
3302 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To hold closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act, to be followed by markup of S. 7, to revise and improve certain health care programs of the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Consumer Cooperative Bank, and the National Credit Union Administration.
Room to be announced

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 9

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Selective Service System, Council on Environmental Quality, and the National Commission on Air Quality.
1318 Dirksen Building

2:00 p.m.
Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

Finance
Taxation and Dept Management Subcommittee
To hold hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for Intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 13

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Commerce, Science, and Transportation
To hold a business meeting on pending calendar business.
235 Russell Building

Finance
Health Subcommittee
To hold hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

MARCH 14

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To estimate hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
Health Subcommittee
To resume hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Department of Commerce.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 15

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 354, proposed supplemental authorizations for FY 1979 for NASA, and S. 357, proposed authorizations for FY 1980 for NASA.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Indian Health Service.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Office of Human Development Services, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To resume hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed FY 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee.
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Social Security Administration, Department, of HEW.
S-128, Capitol

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee.
To continue hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To resume overight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcomimttee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the U.S. Geological Survey.
1224 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, proposed Reclamation Reform Act.
3110 Dirksen Building

Finance
Health Subcommittee
To mark up proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, the Reclamation Reform Act.
3110 Dirksen Building

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 23

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimate for fiscal year 1980 for the Environmental Protection Agency, and the Consumer Information Center.
1318 Dirksen Building

Finance
Health Subcommittee
To continue markup on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

MARCH 26

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of Labor, and related agencies.
S-128, Capitol

MARCH 27

9:30 a.m.
Human Resources
To hold hearings on S. 420, proposed National Workers' Compensation Standards Act of 1979.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 28

9:30 a.m.
Human Resources
To continue hearings on S. 420, proposed National Workers' Compensation Standards Act of 1979.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, paralysed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration, the American Battle Monuments Commission, and the U.S. Army cemeterial expenses.
1318 Dirksen Building

APRIL 2

9:30 a.m.
Human Resources
To resume hearings on S. 420, proposed National Workers' Compensation Standards Act of 1979.
4232 Dirksen Building

APRIL 3

9:30 a.m.
Human Resources
To continue hearings on S. 420, proposed National Workers' Compensation Standards Act of 1979.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

APRIL 5

9:00 a.m.
Veterans Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology Policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 11

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

9:30 a.m.
Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

MAY 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, February 27, 1979*

The House met at 12 o'clock noon.

Rev. Leonhard Heinmets, pastor, First Estonian Baptist Church, New York, N.Y., offered the following prayer:

In God we trust, let us therefore pray to Him.

Almighty God, the author of the power and authority of all the nations, we praise You for Your grace and loving kindness to this country.

We praise You for the personal and societal freedoms which have developed in this Nation and which we recognize come from You. Lord, we pray that these freedoms may be spread far and wide and prosper throughout all nations. We especially request that my native country, Estonia, will be able to once again live as a country where freedom and self-determination cheer the hearts of the people.

Father, on this day we beseech You to strengthen America as an example and maker of freedom. Guide her along the path of right judgment.

Bless and guide this elected assembly today to make decisions in accordance with Your will, without regard to any other allegiance.

God, in You we do trust and ask You to bless America.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1902. An act to amend the Bank Holding Company Act Amendments of 1970.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE REVEREND LEONHARD HEINMETS

(Mr. WYDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDLER. Mr. Speaker, it is indeed an honor for me today to note that the opening prayer in the House today was offered by the Reverend Leonhard Heinmets, pastor of the First Estonian Baptist Church of New York City.

I am proud to note also that Reverend Heinmets is a constituent of mine, residing in Valley Stream, N.Y.

Reverend Heinmets was born in Saaremaa, Estonia, on November 4, 1924. His father, Eduard, was a farmer and a Baptist pastor.

In August of 1943, during World War II, Reverend Heinmets left his homeland, escaping in a small fishing boat across the Baltic Sea into Sweden. In Sweden he learned the language and culture of the country and took an active part in church work among both the Swedes and Estonians. After some time in Sweden, he met and married Ines Margareta Johanson and they now have six children—three born in Sweden and three born in America. The family emigrated from Sweden to the United States in January of 1956.

Reverend Heinmets was ordained as a minister of the Gospel of the American Baptist Convention on October 8, 1961, and installed as the pastor of the Estonian Baptist Church in January 1964. The First Estonian Baptist Church was founded in 1919 in New York for the purpose of ministering to the Estonian immigrants in New York City. This church belongs to the American Baptist Churches of Metropolitan New York and the American Baptist Churches in the United States.

Reverend Heinmets has also ministered to the Estonian people in many areas of the United States and Canada.

We are all honored by his presence today.

□ 1205

LISTEN TO OUR SENIOR CITIZENS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I just left a hearing with over 150 senior citizens and representatives of the elderly. I hope that all the Members of the House will be able to look at the transcript of this record as soon as it is available to hear what these people have said.

One of the statements was that the change in the food stamp program passed by the Congress is driving senior citizens and the disabled out of their homes and into institutions.

Let me give an example of two people, a husband and a wife in their seventies whose total income is $380 a month; $195 went for rent, $25 for utilities, and $10 for telephone. They presently receive the grand sum of $62 a month in food stamps. Starting this Thursday it will be cut to $30 a month.

Mr. Speaker, it is my hope that the Congress will act on the food stamp program and act very rapidly.

PERSONAL EXPLANATION

(Mr. ATKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ATKINSON. Mr. Speaker, I regret that due to adverse weather conditions in Ohio yesterday, three United Airlines' flights into Pittsburgh were canceled and I arrived late on the House floor. I was unable to be on the floor and unable to vote on the funding bills yesterday.

Mr. Speaker, had I been in attendance, I would have supported House Resolutions 35, 45, 60, 85, 87, 88, 91, 92, 96, and 98, rollcall votes 4 through 13.

JOHN STEINBECK COMMEMORATIVE STAMP

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, today, in a ceremony in Salinas, Calif., the U.S. Postal Service is issuing a commemorative stamp to honor the late author John Steinbeck.

A recipient of both the Pulitzer Prize and the Nobel Prize for Literature, John Steinbeck is recognized the world over as one of this Nation's greatest authors. During his prolific career as a novelist, playwright, and journalist, Steinbeck made an outstanding contribution to the library of classic American literature.

In his greatest works, he recorded the progress of a nation through times of great hardship and upheaval. But, unlike many others, Steinbeck portrayed these times through the eyes of common people, whose lives were being shaped by changes and events beyond their control.

John Steinbeck had a great love for the plain people in this world. And he had the talent to draw from the faceless masses the vitality and the strength of the individual in a struggle to survive and to maintain basic human dignity.

The fact that this ceremony is being held today in Salinas is a testament to the very special meaning that Steinbeck holds for those of us who have spent our lives in that area, because many of Steinbeck's finest works portrayed the unique history and beauty of his birthplace in Monterey County.

The idea for this stamp was conceived locally, and it has become a reality as the result of a strong community effort.

I am sure that my colleagues will want to join me in honoring one of America's greatest artists, and Monterey County's native son.

□ 1210

FUNDING FOR VETERANS' AFFAIRS COMMITTEE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, this morning I attended a very interesting hearing of the Committee on Veterans' Affairs. We were host to the Blinded Veterans Association, Ronald L. Miller, Ph. D., national president; Military Order of the Purple Heart, Raymond F. Warren, national commander; Paralyzed Veterans of America, Joseph M. Romagnano, president; and Veterans of World War I of the USA, Floyd E. Henderson, national commander.

After hearing the testimony of these veterans, these representatives of the people who have defended our country, I could not but help lament the fact that yesterday—just yesterday—as we sought to provide funds to operate our Committee on Veterans' Affairs, with no increase; we are to receive the same amount as last year, there were 100 Members of this House who voted to deny that committee the funds it needs to care for those who have cared for our country in time of need. Those who voted against funding the Veterans' Affairs Committee yesterday, would have been filled with remorse today had they been present to learn of the problems of those who have defended our America in her time of need.

THE ENERGY CRISIS REVISITED

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, NBC News recently conducted a nationwide public opinion survey. In the area of energy policy, the survey found, and I quote,

> Only 19 percent give Mr. Carter good or excellent marks on energy matters, the lowest level recorded since we first asked this question shortly after Carter took office two years ago.

On April 29, 1977, the New York Times reported that "the bulk of Americans say they have confidence in the way President Carter is handling the energy situation." Thus, in less than 2 years President Carter has lost the confidence of a majority of the American people precisely in an area he himself has given the highest priority.

The Iranian situation has served only to emphasize the glaring deficiencies of this administration in the crucial field of energy.

Suffice it to say that at the present, it can be said of the Carter energy policy what Winston Churchhill said of the philosophy of his peace-at-any-price countrymen: It is "decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all-powerful to be impotent."

THE DRAFT: REBIRTH OF A DISASTROUS IDEA

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, despite the clear prohibition in our Constitution

against involuntary servitude, some of our colleagues are urging the reestablishment of the military draft. Others are advocating "national service," that would force young people to serve civilian bureaucrats for 2 or 3 years, if they did not want to be in the military. Both the draft and national service would be backed up by the threat of prison sentences.

We do need a stronger national defense, which could be achieved with a smaller Armed Forces manned by highly trained, volunteer military technicians, paid appropriately high salaries.

We do not need hundreds of thousands of green draftees toting outmoded rifles and bayonets.

The draft is wrong morally, constitutionally, economically, and militarily. National service is an even worse idea. Either would be a major defeat for individual freedom.

PERTAINING TO CHANGES IN PUBLIC LAW 95–630

Mr. ST GERMAIN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 37) to repeal a section of Public Law 95–630.

The Clerk read as follows:

S. 37

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1104(d) of Public Law 95–630 is repealed.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge the support of my colleagues for the adoption of S. 37 which by repealing section 1104(d) of Public Law 95–630 will eliminate the general summary notice requirement of that landmark act while keeping in place the essential notice requirements of the act at the time actual access to a financial institution customers records is sought by a Federal agency.

Section 1104(d), scheduled to become effective on March 10, 1979, states:

> All financial institutions shall promptly notify all of their customers of their rights under this title. The Board of Governors of the Federal Reserve System shall prepare a statement of customers' rights under this title. Any financial institution that provides its customers a statement of customers' rights prepared by the Board shall be deemed to be in compliance with this subsection.

The notice requirements mandated by 1104(c), 1105(2), 1106(b), 1107(2), 1108(4), 1109 (b)(3) and (c), and 1112(b) expressly provide customers with relevant information about their rights and prescribe specific requirements of the Government, depending upon method employed for access, designed to insure that the individual at time of access has complete knowledge and the opportunity, where appropriate by court process, to resist.

Section 1104(d), while desirable as a basic summary section of the foregoing, has encountered difficulty as a result of regulatory interpretation that the section requires notice to all past and present customers—active and dormant account holders. This is clearly inconsistent with congressional intent which reflects a commonsense approach by requiring notice to current customers. The committee considered the action by the Senate which adopted S. 37 by voice vote on February 9, and after a full hearing on February 21 concurred with the conclusion of the Senate committee that the costs of insisting upon a general notice, even to all current customers, clearly outweighed the general benefits to be derived from such notice. The problem of a number of duplicative notices, notices to owners of defunct or inactive accounts, normally not the recipient of monthly statements, simply does not justify the expense of a general notice and could conceivably detract from the critical significance of specific notices which will be received by a relatively few at the time of access request.

There have been obviously distorted estimates as to potential costs just as there are those who feel that the protection provided by title XI of Public Law 95–630 is being whittled by the committee's recommendation. Neither position is correct. Those who cry "wolf" by exaggerating the costs without adequate documentation think nothing of deluging us with unsolicited, slick, glossy offers of goods and services making it difficult to find the monthly financial statement in the midst of the "junk" enclosures. To those who express concern over whittling down the individuals' rights, I reiterate that there has been no weakening of the specific protection afforded by the title at the point of greatest concern when access is actually sought.

The action of the committee urged upon the House today is a well-reasoned, commonsense response to a practical situation that in the aggregate actually strengthens the title by removing an irrelevant issue.

□ 1220

Mr. Speaker, I support S. 37, a bill may consume to the chairman of the full committee, the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I thank the gentleman for yielding. I am 100 percent in favor of this legislation. I commend Chairman ST GERMAIN and the ranking minority member, the gentleman from Ohio (Mr. WYLIE), and the members of their subcommittee for their leadership in curing an inadvertent wrong. They have averted a veritable blizzard of paperwork that the Congress never intended. They have done so in timely fashion, and we all stand in their debt. I know this bill will be passed by a tremendous margin.

Mr. Speaker, I support S. 37, a bill which would remove a paperwork burden from all financial institutions. It would repeal a provision of the Right to Financial Privacy Act of 1978 which now requires financial institutions to notify all of their customers of their rights under the act.

The Financial Privacy Act also requires the Government to notify customers in most instances when it seeks their financial records, and provides customers with the opportunity to challenge the Government. S. 37 would have no direct effect on these protections. It merely removes the requirement that all customers be notified of their rights at this time.

S. 37 was approved by the Banking Committee by voice vote on February 22. It passed the Senate on February 9 by voice vote. I urge the House to take similar action and send this measure to the President. Quick action is necessary since the notice requirement will go into effect on March 10 unless this bill is enacted.

Mr. ST GERMAIN. I thank the gentleman.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Speaker, I do appreciate all your efforts over the past 2 years to insure that our citizens enjoy the reality of the expectation of privacy in their financial affairs. Your leadership in bringing this corrective action before the House today is further evidence of your commitment to the efficient implementation of the new privacy statutes. As chairman of the Financial Institutions Subcommittee you have been a positive and constructive force in crafting these new protections against the unwarranted invasion of individual's privacy by the Federal Government.

Citizens who wish to avail themselves of their rights under the Right to Financial Privacy Act of 1978 should not suffer excessive expense in lodging their objection to a Government authority's obtaining their records from a financial institution. It is clearly the intent of the committee, in consultation with the Administrative Office of the U.S. Courts, that an individual's challenge be filed in court and calendered on the court's miscellaneous docket. This will dispense with the higher filing fees for filing other kinds of actions. The committee regards that any proceedings following from the customer's filing shall be initiated by the Government which has no liability for the payment of filing fees. As our committee report (95–1383) stated:

> The ultimate burden of proof still rests with the Government (p. 35).

In addition, I ask unanimous consent that a recent letter sent to the Director of the Administrative Office of the U.S. Court by our distinguished colleague from New York, Congressman LAFALCE, be included in our RECORD today. The letter addresses the filing fee issue from the point of view of the intention of the Congress. I would also ask unanimous consent for my letter to the General Counsel of the U.S. Courts to be printed in our RECORD today as well.

The letters follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 23, 1979.

Mr. WILLIAM E. FOLEY,
Director/Administrative Office of the U.S. Court, Washington, D.C.

DEAR MR. FOLEY: It has come to my attention that a potential problem exists in the

administration of the Right of Financial Privacy Act of 1978 at the time a customer files a challenge to government access to his financial records. The final form of this legislation as well as the legislative history indicate that it was the intention of the drafters that the customer challenge process be as simple and easy as possible, so that any individual who wanted to challenge proposed government access would be able to do so. As one of the main drafters of this legislation, I can attest to the fact that this was and is the desire of the Members who worked on this bill.

The problem arises because the law does not specifically state whether a challenge is to be considered a civil or a miscellaneous action in the courts. A motion to quash a summons or a subpoena not a part of another action is presently treated as a miscellaneous proceeding, and the analogy between the two situations is so close that logic dictates the filing of a challenge under PL 95-630 should also be categorized as a miscellaneous action. Also, since it was the intention of the Congress in passing this legislation that the challenge procedures be so simple as to make it possible for any individual to exercise the right to contest government access, it would indeed be incongruous if the Administrative Office of the Courts were to impose a filing fee so large that it would effectively cut off all but the most serious challenges, and would make this process a reality only for the rich. The "chilling effect" which this would have would destroy the fairness which Congress worked so hard to build into this law.

For these reasons, I respectfully urge you to categorize challenges under the Right of Financial Privacy Act of 1978 as miscellaneous actions. I would hope that this could be accomplished through administrative channels.

However, if it cannot, I am prepared to introduce legislation directing that these challenges be miscellaneous actions, so that Congress can be assured that its intent in passing this legislation will be carried out in practice.

Thank you for your interest and attention to this matter. I look forward to your favorable reply.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.

FEBRUARY 23, 1979.

Mr. CARL M. IMLAY,
General Counsel, Administrative Office of the U.S. Courts, Washington, D.C.

Dear Mr. IMLAY: Enclosed is a copy of my statement before the House Banking Committee yesterday during the mark-up of S. 37, which will delete Section 1104(d) of the Right to Financial Privacy Act of 1978. For your purposes, the operative paragraph is indicated and relates to the filing fee issue. The language, which was constructed in consultation with your office, will also be included in the Congressional Record during House consideration of the bill next Tuesday.

I appreciate your cooperation in helping to ensure that citizens will be able to exercise their rights under the new privacy statute for the nominal fee of $1.00. I would appreciate receiving a copy of your letter to the Justice Department clarifying your position as to this matter.

Sincerely,

JOHN J. CAVANAUGH,
Member of Congress.

□ 1225

Mr. CAVANAUGH. Mr. Speaker, there has been some confusion regarding the ability of financial institutions and supervisory agencies to report violations of law and to transfer financial records under the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401–3422.

Section 1113(b) of the law exempts supervisory agencies from the notice, challenge and certification procedures of the law. As they always have, supervisory agencies may continue to examine customer records as part of their legitimate supervisory activities without giving individual customers notice or leaving any certificate with the financial institution.

In addition, the act allows financial institutions and supervisory agencies to report suspected violations of law to appropriate law enforcement agencies. The notification referred to in the act includes the ability to report the nature of the suspected violation, the financial institution and account(s) in which the violation was found, the identity of the customer whose account was examined, and such other information as is necessary to allow the law enforcement agency to evaluate the suspected violation and the need to investigate further. The notification provisions of this law do not allow financial institutions or supervisory agencies to transfer financial records or summaries of financial records to any law enforcement agency—either under the postnotice provisions of section 1112(a) or under the nonindividually identifiable exemption in section 1113(a) unless the customer has been given prior notice, the right to challenge, or the agency has received a court order dispensing with those requirements. But the law does recognize that law enforcement agencies need a certain amount of information about the suspected violation to know whether and how to proceed. Once notified of a suspected violation, law enforcement agencies must proceed on their own to acquire the actual financial records pursuant to the provisions of the law.

Mr. ST GERMAIN. Mr. Speaker, may I say to the gentleman from Nebraska he is absolutely correct in his interpretation on both points as to the intent of the committee—the miscellaneous docket issue as well as the issue involving the duty and responsibility of supervisory agencies to report suspected violations of the law not within the jurisdiction of the examining agency to the appropriate law enforcement agency.

As the gentleman has so ably stated there was clearly no intent to in any way impair the agencies in their notification responsibilities of such violations but we very clearly have placed restrictions upon the indiscriminate transfer of the financial records or summaries of those individuals suspected. The language is clear that upon receipt of such notification the appropriate law enforcement agency must proceed pursuant to applicable provisions of law for the acquisition of such records.

May I reiterate what I said at the time this title was under consideration during the 95th Congress. The gentleman is to be commended for his splendid leadership throughout the long extended deliberations of this landmark title. The diligence which the gentleman has displayed, since the enactment of the law during the regulatory process has made it possible for the committee to focus on problems as they have arisen so that the action we recommend today is possible prior to the effective date of the regulations. This is the type of oversight activity that the respective committees of jurisdiction should be doing on a regular basis and I commend the gentleman for continuing efforts.

I would also be remiss if I did not thank the gentleman from New York (Mr. LAFALCE) for his assistance throughout the consideration of this title, and particularly up to this very point. His testimony before the subcommittee last week when we considered the legislation was invaluable.

I also thank my colleague from Ohio, the ranking minority member of the subcommittee (Mr. WYLIE) as well as all the minority members of the subcommittee who were so cooperative in assisting us to get this corrective legislation to the floor as expeditiously as possible so that we could beat the deadline.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank the gentleman in the well very much for his compliment, and I wish to say it has been a very great pleasure for me to work with him on this bill and I express my high regard for his expeditious handling of this bill.

I would like to address a question either to the gentleman from Nebraska (Mr. CAVANAUGH) or to the gentleman from New York (Mr. LAFALCE) on this question of filing objection to the Government obtaining information under the Privacy Act. There was some mention made about such actions being filed on the miscellaneous docket in the Federal court. I understand the court costs are considerably less if the person does file under the miscellaneous docket.

□ 1230

I think that usually it is desirable if a case is filed that the clerk put it on a miscellaneous docket if that is where the customer wants the case to be filed. We would not at same time want by this colloquy to indicate to anybody that we were precluding an attorney from filing a case on behalf of his client and have it assigned to the regular court docket. It might cost more but at the same time the customer should have the option to choose his docket. He could, it seems to me, get more time in some cases when filed on the regular docket. Also, a case that is filed on the regular docket usually seems to have a higher standing with the court. We are not by our colloquy in any way suggesting that a customer or a lawyer representing a customer under this section would be precluded from his choice under which docket he would want his case filed.

Mr. LAFALCE. If the gentleman will yield, it is my understanding that, based upon the intent of Congress that the right to challenge Government access be easily exercisable, customer challenges to Government access to their records would be filed on the miscellaneous docket of the courts. This also makes sense, since the miscellaneous

docket is intended for those filing which do not require any action by the courts, and a customer challenge would initially fall into this category. However, if the Government chose to pursue the matter further by overcoming the customer challenge, then action by the courts would be necessary, and the action would automatically be moved from the miscellaneous docket to the civil docket. So if a customer or his attorney would prefer that the challenge be filed on the civil docket, for whatever reason, it would be placed on the civil docket at such time as the Federal Government would take up the challenge.

Mr. WYLIE. I thank the gentleman very much and have no problem with that explanation.

Mr. ST GERMAIN. Mr. Speaker, I also would be remiss if I did not express my appreciation to the very distinguished ranking minority member of the full Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. STANTON) for his assistance and cooperation in this matter.

Mr. LAFALCE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from New York.

Mr. LAFALCE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the legislation we have before us today. In a time when much attention is being given to the cost impact of Government-imposed regulations and requirements, it is vital that we also analyze those regulations for their effectiveness and ability to carry out the intended purpose of Congress.

The purpose of the drafters of the Right to Financial Privacy Act of 1979 was to insure that individuals affected by the new law be notified of their rights, as soon as the law became effective. However, not until after the law was passed did the financial industry come to us with cost estimates for compliance with the section. At that point it became necessary to reevaluate the section and its ability to do what the framers intended. This review led to the realization that the information given to the individual customer would be given at a time when he had little or no use for it, and studies had shown that most people would have received a dozen copies of the same notice which would have been extremely costly and certainly unnecessary.

Further, the time when an individual needs information about his rights under a certain law is when those rights are to be exercised, not 5 years beforehand. The act contains detailed notice provisions required to be sent to the individual when the Government seeks access to his financial records. It is my understanding that the agencies will be sending customers even more information and more detailed instructions on how to proceed than is required by the act. This will give the individual the kind of information he needs at a time when he needs it most.

The financial industry has indicated that the costs of compliance with the section in question would be excessive, some estimates going as high as $1 billion. In view of the minimal benefits to individuals which the preliminary notice would provide, this does not seem to be a valuable, cost-effective requirement, and it should be deleted.

Mr. ST GERMAIN. Mr. Speaker, I yield back the remainder of my time.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the closing days of the 95th Congress we made a monumental mistake by including these simple words in the Right to Financial Privacy Act which was added to the Financial Institutions Regulatory Act. The language says:

> (d) All financial institutions shall promptly notify all of their customers of their rights under this title.

In our defense we were working with a very complicated Financial Institutions Regulatory Act to which was added an Electronic Funds Transfer Act and some 18 or 19 other titles. It is to our credit that when we found out that we had made a mistake, we were able to act expeditiously.

What that one sentence would do, as the gentleman from Rhode Island (Mr. ST GERMAIN) has said, would cause all financial institutions to send out notices to all active and inactive account holders of their rights under the Right to Financial Privacy Act; for example, a person might come into town and decide that he wanted to go partying that night, so he deposits some of his money in a bank for safekeeping. Suppose, he becomes involved in an altercation during the evening and is shot in the altercation and dies. His bank account remains in the bank where he put it. The financial institution under this language which I just recited would be required to go to considerable effort to find a way to notify that inactive account holder of his rights if a Government authority wanted to obtain his records. That is a little far-fetched. This has nothing to do with estate implications. But, it also provides for a duplication of notice to account holders which is not needed. Under other provisions of the law, if a Government agency seeks information from a customer's account, there is at least a 10-day prior notice required of that Federal agency. This is appropriate oversight legislation, as the gentleman from Rhode Island (Mr. ST GERMAIN) has said. It will reduce paperwork; it will reduce Government regulation; it will reduce the cost to the private sector as well as to the Government sector.

It is to the credit of the gentleman from Rhode Island (Mr. ST GERMAIN), to the gentleman from Wisconsin, the chairman of the full Committee on Banking, Finance and Urban Affairs (Mr. REUSS), to the gentleman from Ohio, the ranking minority member of the full committee (Mr. STANTON), and to Senator PROXMIRE, that they acted so expeditiously and promptly. I would say of the gentleman from Illinois (Mr. ANNUNZIO) that he should be mentioned for his encouragement.

□ 1235

I would also pay my own compliments to the gentleman from New York (Mr. LAFALCE) and to the gentleman from Nebraska (Mr. CAVANAUGH) for their cooperation in bringing this bill to the House floor today for this very much needed legislation.

Section 1104(d) would have required all financial institutions to notify all of their customers active and inactive promptly of their rights under the Right to Financial Privacy Act of 1978.

The cost of sending the notice required under section 1104(d) has been variously estimated at anywhere from several million dollars up to a billion dollars. Whatever the actual cost might have been, it was clear to the Members who worked on this bill that the benefits, if any, would not have justified the cost which would have been imposed upon the private sector. Repeal of this costly provision will leave intact one of the major achievements of the Right to Financial Privacy Act, which was to break the unfortunate habit which Government has developed of constantly imposing paperwork costs upon private industry. Section 1115 provides that, with certain exceptions, the cost of providing financial records to Government authorities shall be borne by the authority which obtains the records. This provision is evidence of the sensitivity of Congress to the problems of Government-created paperwork burden.

During the floor consideration of S. 37, in the other body, Chairman PROXMIRE of the Senate Banking Committee made an eloquent statement of the need for this bill:

> In the committee's view, these notices are totally unnecessary since the act already requires a Federal agency to provide a person with an extensive disclosure of his rights under the Privacy Act at least 10 days prior to the time his financial records are to be obtained. These notices will adequately inform consumers of their legal rights at the precise time they most need to be informed—that is, when a Federal agency attempts to gain access to their financial records. Since the act already provides for notice of rights at time of access, the committee sees no reasons why financial institutions should be put to the enormous expense of sending out close to one billion notices to all of their customers. At a time when we are seeking to cut down on unnecessary regulation in order to curb inflation we need to be especially sensitive to imposing new requirements on industry. The passage of S. 37 will prevent a senseless cost from being imposed on industry—and a cost that will ultimately be paid by consumers in the form of higher prices and interest rates.
>
> This measure would save those higher costs and higher interest rates and higher prices.

It is to the credit of the persons I have mentioned have come to realize that implementation of section 1104(d) would have entailed huge unintended costs and have acted to repeal the provision in advance of the March 10 deadline.

Mr. STANTON. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to my colleague, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I rise in support of S. 37.

In the course of a single sentence, the Right to Financial Privacy Act hits financial institutions with an added bil-

lion dollars in compliance costs. Needless to say, these added costs will be passed on to the consumer. The misdeeds of the 95th Congress are coming back to haunt us.

Specifically, section 1104(d) of the Right to Financial Privacy Act requires that all financial institutions "promptly notify all their customers of their rights under the title." Unfortunately, the provision has been interpreted to mean notification whether the customer's records are actually sought or not. Worse still, it even applies to closed accounts because many States require accounts to be kept on record years after they have been closed.

After evaluating the impact of the notice requirement, the Consumer Advisory Counsel of the Federal Reserve Board determined that sending hundreds of millions of notices will have a "value remotely commensurate with the expense."

We are operating under a March 10 deadline. If S. 37 does not become law within the next week and a half, we have failed as a committee and we have failed as a Congress to act in the public interest.

With the repeal of section 1104(d), we still safeguard the privacy of the individual because other provisions of the act require a detailed notice when the records of the customer are actually sought.

Mr. WYLIE. Mr. Speaker. I thank the distinguished gentleman for his statement.

I yield to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Speaker, I thank my distinguished colleague for yielding.

I would like to join in the chorus of praise for the chairman of the Committee on Banking, the members of the committee, the chairman of the subcommittee, the gentleman from Rhode Island (Mr. ST GERMAIN); the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WYLIE); and the ranking minority member of the full committee, the gentleman from Ohio (Mr. STANTON).

Mr. Speaker, I am sorry there are not more people here today on the floor of the House and in the Press Gallery, frankly, who can see this Congress, the House of Representatives in this instance, acting in a very reponsible manner. I think this sets the proper tone for the 96th Congress to accept its oversight responsibilities, to be present not only at the launching of a bill, but to monitor the practical impact of the legislation as it moves along.

I rise in support of S. 37 which repeals section 1104(d) of the Right to Financial Privacy Act.

This section of present law is one of the classic cases where Congress has unintentionally socked private industry with unnecessary and overlapping regulations. If allowed to go into effect, this section would add nearly $1 billion to the costs of doing business—costs which would undoubtedly be passed on to the consumer.

Further, consumers would receive no new protection under the section. Instead, they would receive many duplicative pieces of paper which would be meaningless to them. We are already drowning in a sea of paperwork.

Section 1104(d) requires that all financial institutions "promptly notify all of their customers of their rights under this act." Documented estimates indicate that because of this section, some 75,000,000 households will receive an average of 12 separate notices under the act. In major metropolitan areas, some households may receive up to 30 identical notices. In fact, the section was so broadly drafted that notices are even required for closed or dormant accounts.

Mr, Speaker, this is simply regulatory overkill. This section of law is unnecessary and ridiculous. Fortunately, the Banking Committee has been able to isolate this nonsensical section of the law and remove it before it does unnecessary damage to our Nation's economy.

I would hope, however, that this bill will mark the first in a long series of measures which will remove costly and unnecessary Federal requirements that are strangling our Nation's economy.

These costs are passed on to the American consumer who simply cannot afford any more of this so-called protection.

Many in Congress have called for the 96th Congress to focus more attention on its oversight responsibilities.

I strongly support this effort and would hope that this bill will set the tone for the 96th Congress.

The American people are fed up with the kind of waste that this section of the law represents. It is high time for Congress to concentrate more on action and less on rhetoric.

I strongly urge the overwhelming passage of this bill.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for that excellent statement and for his contribution.

● Mr. ROUSSELOT. Mr. Speaker, as a former member of the Banking Committee who participated actively during several Congresses in the consideration of financial privacy legislation, I want to compliment my former colleagues on the committee, especially the distinguished chairman and ranking minority member of the Subcommittee on Financial Institutions (Mr. ST GERMAIN and Mr. WYLIE) for their diligence in bringing this matter to the House floor in time to prevent irreparable harm.

Section 1104(d) slipped into law at a time when the committee and the Congress were dealing with a 260-odd-page bill which ultimately became the Financial Institutions Regulatory Act. It was in an effort to uncover unintended consequences of the FIRA that I insisted that extensive portions of the bill be read aloud at the markup, but we could not read the entire bill aloud, and it proved to be humanly impossible to catch all of the errors in the bill under the conditions in which we were working at the end of the session.

Sometimes an apparently harmless provision can prove to be extremely burdensome and expensive. It is good to see that when Congress makes a mistake, it can admit it and correct it in a timely fashion. Passage of this bill will prevent the development of what could have been—dare I say it?—another RESPA situation—and I urge my colleagues to support it.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to take this opportunity to commend the distinguished chairman and ranking member of the House Banking, Finance and Urban Affairs Committee for their prompt consideration and action on S. 37, to repeal section 1104(d) of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. If enacted, this bill will certainly prevent a senseless cost from being imposed on the financial community which will ultimately be borne by the consumer.

Scheduled to become effective on March 10, section 1104(d) would require every creditor and financial institution to notify all of their customers of their rights under the Right to Financial Privacy Act, even though that act already provides for issuance of a notice of rights at least 10 days prior to the time a Federal agency attempts to gain access to a person's financial records.

The benefits of this provision are minuscule compared to the estimated cost of $1 billion to send approximately 1 billion notices. If implemented, this provision could reduce bank earnings this year by 3 percent. In fact, many domiciles would receive as many as 30 separate privacy notices from current and previous financial institutions since many individuals have multiple accounts and credit cards. Almost all who receive this unnecessary mailing will discard this information as irrelevant and wasteful.

During the last minute crush of legislative business at the close of the 95th Congress, this burdensome provision was able to slide past without the proper scrutiny that it deserved. At a time when Congress has pledged to curb unnecessary regulation, the passage of S. 37 would be an important step in the right direction. Therefore, I urge my colleagues to lend their full support in order to rectify a blatant error which was included in Public Law 95–630.●

● Mr. WEISS. Mr. Speaker, I oppose enactment of S. 37, the Financial Privacy Act amendments, because of the provision in the legislation repealing the requirement that financial institutions notify their customers of rights established under the original Financial Privacy Act.

I supported the original act in the 95th Congress since it represented a major advance in civil liberties and privacy protection. Under the act, financial institutions such as banks and credit card companies were directed to inform customers of their rights by March 10, 1979.

S. 37, the Privacy Act amendments, eliminates this March 10 deadline and exempts financial corporations from complying with notification procedures.

Those of my colleagues who favor repeal of this key provision argue that it would impose a large financial burden on banks and credit card corporations, that it is duplicative and unnecessary, and that it would increase the volume of paperwork in private industry.

Regarding the financial impact of the requirement, the chairman of the House Subcommittee on Financial Institutions, Mr. ST GERMAIN, pointed out on February 21 that—

> . . . some of these arguments about cost have to be taken with a large grain of salt.

The chairman continued:

> All of us are besieged with monthly mailings from banks and credit card companies, peddling everything from quickie car loans to stereo sets. It is often difficult to find the monthly statement among this blizzard of paperwork created by the financial institutions themselves.

I find the gentleman's reasoning compelling. Testimony presented at the subcommittee's hearings clearly indicated that the cost estimates for compliance with the notification provision are quite exaggerated. Representatives from the American Retail Credit Federation said the cost of compliance would be 80 million, while Citibank issued a report placing the total at $1 billion. A representative of the American Bankers' Association offered an estimate of $100 million. A Governor of the Federal Reserve bank speculated that the cost might be $140 million, conceding that he was "guessing."

Banks and credit card corporations generate their own paperwork and costs through unsolicited mailings and intensive advertising campaigns. Surely it is not asking too much for them to spend a modest amount of money to inform their customers of important rights.

Mr. Speaker, we live in an era that is witnessing the withering away of our right to privacy. The repeal of the provision in the Financial Privacy Act requiring notification of rights will accelerate this process and leave Americans more vulnerable to unwarranted snooping. That is why I have voted to defeat S. 37 and to retain this essential protection.●

Mr. WYLIE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the Senate bill, S. 37.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 5, answered "present" 3, not voting 62, as follows:

[Roll No. 14]

YEAS—362

Abdnor
Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonec
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derwinski
Devine
Dingell
Dixon
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fasio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—5

Burton, Phillip
Kildee
Kostmayer
Maguire
Weiss

ANSWERED "PRESENT"—3

Myers, Ind.
Quillen
Winn

NOT VOTING—62

Albosta
Ambro
Anderson, Ill.
Annunzio
Ashley
AuCoin
Barnes
Beard, Tenn.
Bonker
Burton, John
Chappell
Chisholm
Collins, Ill.
Conable
Conyers
Cotter
Coughlin
Crane, Philip
Deckard
Derrick
Dickinson
Dicks
Diggs
Donnelly
Duncan, Oreg.
Ferraro
Flood
Garcia
Giaimo
Goldwater
Gramm
Guyer
Hall, Ohio
Hawkins
Heftel
Hollenbeck
Holtzman
Hubbard
Jenrette
Kogovsek
Leach, La.
Lederer
McHugh
McKinney
Marks
Mottl
Murphy, Ill.
Pepper
Rostenkowski
Santini
Satterfield
Simon
Smith, Nebr.
Snowe
Stewart
Swift
Trible
Ullman
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.

□ 1250

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Anderson of Illinois.
Mr. Hawkins with Mr. Bob Wilson.
Mr. Cotter with Mr. McKinney.
Mr. John L. Burton with Mr. Goldwater.
Mr. Barnes with Mr. Dickinson.
Mr. Giaimo with Mr. Beard of Tennessee.
Mrs. Chisholm with Mr. Conable.
Mr. Chappell with Mr. Coughlin.
Ms. Ferraro with Mr. Guyer.
Mr. Murphy of Illinois with Mrs. Smith of Nebraska.
Mr. Rostenkowski with Mr. Trible.
Mr. Jenrette with Mrs. Snowe.
Mr. McHugh with Mr. Hollenbeck.
Mr. Ambro with Mr. Marks.
Mr. Albosta with Mr. Deckard.
Mr. Charles H. Wilson of California with Mr. Philip M. Crane.
Ms. Holtzman with Mr. Flood.
Mr. Santini with Mr. Diggs.
Mr. Pepper with Mr. Conyers.
Mr. Charles Wilson of Texas with Mr. Kogovsek.
Mr. Ullman with Mr. Swift.
Mr. Simon with Mr. Gramm.
Mr. AuCoin with Mr. Garcia.
Mr. Ashley with Mr. Donnelly.
Mr. Dicks with Mr. Duncan of Oregon.
Mrs. Collins of Illinois with Mr. Hall of Ohio.
Mr. Derrick with Mr. Bonker.
Mr. Heftel with Mr. Stewart.
Mr. Lederer with Mr. Leach of Louisiana.
Mr. Hubbard with Mr. Mottl.
Mr. Satterfield with Mr. Williams of Montana.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1255

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and in-

clude extraneous matters on the Senate bill (S. 37) just considered.

The SPEAKER pro tempore (Mr. RATCHFORD). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

BUM RAP FOR OSHA?

(Mr. GAYDOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, when workplace tragedies occur, too often the responsibility of the Occupational Safety and Health Administration is brought under scrutiny and criticism. Since the passage of the OSHA Act, various spokesmen for business, labor, and the general public have voiced concerns with regard to regulations and enforcement on the part of OSHA officials.

As chairman of the Subcommittee on Health and Safety of the Education and Labor Committee, I have been in contact with Secretary of Labor Ray Marshall and Assistant Secretary for Occupational Safety and Health Dr. Eula Bingham in an effort to clarify many of the misconceptions surrounding OSHA. Since assuming their positions Marshall and Bingham have been diligently pursuing measures designed to upgrade the performance of OSHA. However, notwithstanding the merit of some complaints about OSHA, it appears that OSHA may have received a "bum rap" with respect to the charge that it has not been adequately performing its primary objective of significantly reducing occupationally related fatalities.

It was gratifying to come across an editorial entitled, "Bum Rap for OSHA?" which suggests that, on the contrary, OSHA may deserve a pat on the back for increasing the safety of the American workplace.

Mr. Speaker, at this time I include the editorial by Michael Gorham in the January 19, 1979, issue of the Federal Reserve Bank of San Francisco Weekly Letter to be printed in the RECORD:

BUM RAP FOR OSHA?

Grisly statistic: some 4,760 American workers died at their desks or on the assembly line in 1977. But to put that figure in context roughly 1.8 million Americans died off the job in 1977, which might suggest that the factory or office is actually a much safer place to be than the highways and homes of the nation. Still, one government agency is very concerned about those 4,760 Americans, especially because their deaths represented a 21-percent increase over the previous year.

This agency is the Occupational Safety and Health Administration (generally referred to as OSHA), which was established in mid-1971 to "assure a safe and healthful workplace" for all Americans. Such a charge is no simple matter, and OSHA's efforts to achieve this goal have sometimes antagonized both business people (who complain that OSHA undermines the efficiency of the nation's factories) and labor leaders (who complain that OSHA fails to ensure improved safety and health conditions).

When the Department of Labor report emerged with the 1977 statistics, the media found good copy in the 21-percent rise in fatalities reported for the year. "Big Increase in Work Deaths Mystifies Federal Officials," trumpeted one newspaper. Business Week spoke of the "atmosphere of gloom" that the new report had cast over OSHA.

FATALITIES AND INJURIES

Despite the validity of other complaints about OSHA operations, the agency may have taken a bum rap on that particular charge. To see what has actually happened in the nation's workplaces, we should first look beyond a one year change in the number of fatalities.

While workplace deaths did rise in 1977 by 21 percent, most media reports failed to note that this rise followed an even larger 26-percent decline the year before. Moreover, we should look at a more relevant measure—the number of workplace fatalities as a percentage of the workforce—just as we look at the unemployment rate rather than the number of unemployed. Indeed, this fatality rate was lower in 1977 than in all but one other year of OSHA's existence.

In assessing OSHA's performance, we should remember also that a workplace fatality is a rare occurrence. A much more reliable indicator of the safety and healthfulness of our nation's offices and factories is the work-injury rate, or the number of workplace injuries related to the total number of workers or the total amount of worktime: The large number of work injuries (roughly 1200 times the number of workplace fatalities) makes this a more statistically reliable indicator. Also, since this measure is expressed relative to the size of the work force, it allows us to eliminate the scale effect. It must be noted also that post-1970 data cannot be compared directly with earlier data, since the law that created OSHA liberalized the definition of "work injury," and also established a more comprehensive and mandatory system of data collection. Furthermore, the post-1970 data also include work-related illnesses, but these account for only about 3 percent of the total.

BUSINESS-CYCLE EFFECT

But even more importantly, to assess the performance of OSHA—or any other program for that matter—we must avoid the before-and-after fallacy. The relevant comparison is not between what occurred this year and last year, but between what *did occur* this year with the program and what *would have occurred* this year in the absence of the program. This suggests that if there are other factors systematically influencing the program's target variable, then these factors must be considered.

In the case of work injuries, there is a fairly well established, albeit little known, relationship between the rate at which workers get mangled on the job and the rate of business activity. Studies of the relationship between work injuries and the business cycle have appeared on and off in the economic literature at least since the 1930's, but generally in fairly remote publications.

The logic behind this pro-cyclical pattern in work injuries goes something like the following. During a cyclical downturn in a firm's new orders, the manager is uncertain whether the decline is temporary or will be sustained over a period of time, so he is somewhat reluctant to lay off workers whom he may soon have to rehire. Thus workers get laid off at a slower rate than the rate at which output declines, and there is a consequent slowdown in the general pace of production. But at the slower pace of output there is more time for maintenance and repair of equipment. The result is fewer accidents. In addition, the workers who get laid off are typically the youngest and least experienced group which tends to be the most accident-prone. This shift in composition of the still-working population away from accident-prone individuals also tends to lower the work-injury rate.

During expansions, both these effects work in precisely the opposite direction. Managers are reluctant to rehire workers as rapidly as new orders increase, for fear they may have to turn around and fire them should the increase be only transitory. The result is an increase in pace of production, more pressure on workers and less time for maintenance of machinery. Moreover, new hires are less experienced, and even the skills they do have may be a bit rusty due to extended period out of work. Both of these effects combine to push up the rate at which workers get injured.

MIRROR IMAGE

The work-injury rate is almost a mirror image of the unemployment rate—a reasonable business-cycle proxy—although the statistical relationship between the two series is not always stable (see chart). Roughly speaking, a one-percent (not percentage point) decline in the unemployment rate tends to generate a quarter-percent rise in the work-injury rate, according to our experience over the 1942–70 period. Thus the 9-percent drop in the unemployment rate between 1976 and 1977 (from 7.7 to 7.0 percent) should have led to a 2-to-3 percent rise in the work-injury rate, other things equal. In fact, the work-injury rate in manufacturing actually declined by 0.8 percent and the rate for the whole private sector rose by only 0.8 percent. This suggests that there were almost 1 million fewer workplace injuries in the total private economy in 1977 than would have been expected based upon movements in the business cycle alone. This fact contrasts sharply with the impression left by the "21-percent increase" in workplace deaths headlined by the media.

Indeed, in all but two years of OSHA's existence, the work-injury rate fell by more than would have been predicted by the business-cycle effect. Thus, the work-injury rate in 1977 was roughly 3 percentage points lower than would have been expected from the 1971–77 movement of business activity. This translates into about 2.8 million fewer injuries than we would have expected in the total private economy in 1977 alone. Several factors may have contributed to this improvement, but in absence of evidence to the contrary, OSHA should certainly be able to take some credit for the increasing safety of the American workplace.

What about 1978? We already know that the unemployment rate last year was 14.3 percent below the 1977 figure because of a strong business expansion. This should have caused the work-injury rate to rise by about 3.5 percent if you believe our estimates. The data won't be available until almost year end, but they should show some increase. If the actual injury rate rises by less than 3.5 percent, or if there is an actual decline, OSHA may deserve a pat on the back.—MICHAEL GORHAM.

AMTRAK CUTBACKS QUESTIONED

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, I am disturbed about the proposed elimination of the Southern Crescent, offering rail passenger service between New Orleans, Atlanta, and Washington, D.C., and serving Greenville and Spartanburg, S.C., in my district.

My initial reaction to Secretary Adams' announced Amtrak cutbacks was one of understanding: if we are serious about budgetary restraint, and I am, we must be prepared to tighten our own belts. If the Crescent is not an economically feasible line, we will have to live without it. Naturally, I assumed that the Secretary made his decisions in an even-handed manner, basing his proposals on a uniform set of standards. The more I hear about the Amtrak system reductions, however, the more I wonder.

Congressional Quarterly reports that the final recommendations were markedly different from the preliminary proposal of last May, in that the preliminary proposal would have dropped all passenger train service to Nevada, the home State of our colleague, the chairman of the Senate Commerce Committee, and to West Virginia, the home State of our colleague, the chairman of the House Interstate and Foreign Commerce Committee. The January 31 plan, on the other hand, maintains service to West Virginia and Nevada, and even recommends adding a route to Las Vegas, which has not enjoyed regular passenger rail service since 1968.

Now, Mr. Speaker, I am not accusing the Department of Transportation of playing politics. But, given the fact that Secretary Adams indicated in testimony before the House Appropriations Transportation Subcommittee that the Crescent and the Montrealer were the last two trains that "fell out", I am beginning to question seriously if we were treated fairly.

Figures justifying the Amtrak cutback proposal are difficult to obtain. In a January 31 report, Amtrak itself said:

> The question of what specific routes are to be operated will always be subjective regardless of the efforts made to describe and define economic and social criteria.

Amtrak went on to state,

> We believe there is no statistical method whereby an optimal rail network can be established.

Figures for the Crescent are nearly impossible to analyze, since the line was operated by the Southern Railroad under little more than a caretaker status until February 1, when it became a part of the Amtrak system. Amtrak President Alan Boyd recognized the fact that the Crescent was operating under a disadvantage when he discussed Amtrak's intention to improve service by beginning daily operation of the Crescent and said that decision was "prompted by a determination to give the Crescent every possible advantage to attract new customers."

Mr. Speaker, I believe the justification for the Amtrak route cutbacks, and particularly for elimination of the Southern Crescent, are fuzzy at best. I ask my colleagues, Commerce Committee Chairman STAGGERS and Transportation and Commerce Subcommittee Chairman FLORIO, to examine the DOT proposal with a fine-tooth comb, and on a line-by-line basis to make sure justifications for proposed line terminations are sound, fair and evenhanded.

I am committed to fiscal restraint, Mr. Speaker, but I believe we must pick and choose where cutbacks will occur based on the national interest. It is well recognized that this country needs an adequate rail system for passenger travel, particularly in view of the insecurity of our fossil fuel supply. Let us, then, be very carefully before we cut rail passenger routes by 43 percent with a concurrent savings of only 11 percent.

REINTRODUCTION OF BILL TO CREATE SENIOR CITIZEN INTERN PROGRAM FOR CONGRESS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, today I am reintroducing my bill which would create an official senior citizen intern program within the House and Senate. I am pleased to be joined by 84 of my colleagues.

This proposal has come about as a result of the increasing need for some legislative action to provide for a formalization of the program which we began 7 years ago.

I would emphasize that this intern program is like no other on Capitol Hill. The participants are active, experienced community leaders who come to Washington armed with grassroots knowledge and insight to gain a better understanding of their Federal Government and of the many Federal programs which serve or affect older Americans. The interns return home to share their experiences and information with local leaders and other seniors who are working together to resolve common problems.

It is especially significant to note that unlike other congressional intern programs which affect only the individual, this program touches our constituencies. It is our communities which benefit through the sharing of information about the workings of government—and, ultimately it is we who benefit through strengthened working relationships with those seniors who are active in our districts.

Among other things the bill provides for compensation and specifies that the House and Senate Aging Committees would have the authority for coordinating future programs. And, in recognition of the great dedication of CLAUDE PEPPER, chairman of the House Select Committee on Aging, to the concerns and problems of the elderly throughout the Nation, the bill provides that the program shall be named the Claude Pepper congressional senior citizen intern program.

The 1979 intern program is already set for May 7 through 18 and plans are underway for another successful session. While my office serves as the main coordinator, we will be assisted by Congressman TONY COELHO, Congressman RALPH REGULA, and Congresswoman MARY ROSE OAKAR in the House and Senator WILLIAM ROTH and Senator LAWTON CHILES in the Senate.

Over 150 House and Senate Members will be bringing interns from all across the country. While we do not anticipate passage of the legislation in time for us to rely on the framework of the bill for this year's program, we do hope that a concentrated effort will be made to assure the continuation of the commitment we have made to the elderly.

□ 1215

YOUNG'S CANONIZATION OF KHOMEINI

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, it is fortunate for all of us that we have heard little from Andrew Young lately. Unfortunately, his boss, President Carter, has picked up the slack. The President, however, is not the subject of my remarks today. It seems that Mr. Young, much to the dismay of patriotic Americans, is back in the headlines again.

Certainly we cannot forget his inane observations about the "stabilizing influence" of Cubans in Africa or his anti-American diatribe about political prisoners in the United States. Now, our representative to the United Nations has gone into the canonization business. Who has he proposed be elevated to sainthood? None other than the newly exalted dictator of Iran, Ayatollah Khomeini who is lining them up against the wall as fast as any recent tyrant. Once again, our Ambassador has expressed a thought that never would occur to most of us, that this man is a truly religious man who deserves sainthood.

John P. Roche, in a February 20 column, published in the Washington Star, has discussed this latest outrage at length. Mr. Roche and I rarely agree on domestic economic matters but in this instance, our feelings coincide. Also, Mr. Speaker, Marvin Stone, writing in the February 26 U.S. News and World Report editorial page indicated "We Deserve Better at the U.N."

The Roche article and the Stone column follow:

YOUNG'S CANONIZATION OF KHOMEINI

(By John P. Roche)

If he didn't already have enough problems in the secular world, Andrew Young is now into canonization. The Ayatollah Khomeini, he observed, "will be somewhat of a saint when we get over the panic."

In an ecumenical mood he reflected that "Islam is a vibrant cultural force in today's world and not something that died with the Middle Ages." I know the ambassador is also a reverend, but for the life of me I can't figure out why he can't keep his roles straight. As a teacher of constitutional law, for example, I discuss the Supreme Court's holdings, rather than substituting what I wish it held.

Beginning with George Orwell's premise that "saints are presumed guilty until proved innocent," I would back away fast from elevating the Ayatollah.

There is, after all, a track record that can be inspected and which indicates he is an obscurantist of the first order. Young and others seem to think that if enough people say Khomeini is not an anti-Semite at heart, that he doesn't want to cut the hands off thieves, or wipe out the dissident Bahai sect, the Ayatollah will be mesmerized into being a good guy.

This is another version of the cult of sincerity recently explored here. There is an implicit assumption that bad guys can't be sincere, or be nice to little children and dogs. Incidentally, in that column I accidentally implied that in the 1930s the distinguished Quaker and leader of the American Friends Service Committee, Rufus Jones, was conned by the Nazis. Some pacifists fell into this trap, but not Rufus, who totally rejected violence yet unflinchingly recognized evil and stood against it. I apologize to his memory, and to our shared friends.

Indeed, the Young types could learn a great deal from Rufus Jones and the American Friends Service Committee's role in helping refugees escape Nazi terror. Young and those from his ideological pea-pod refuse to admit that sincerity and evil can go hand in hand, probably because, as moralistic activists, they believe evil should be instantly exterminated.

Yet it is quite possible to say, as I do, that Breshnev and Teng are sincerely evil, that we should take all prudent steps to check their barbarous activities, but not precipitate a nuclear shootout. Or to say with Rufus Jones that evil must be recognized, all steps taken to mitigate its impact, but that the ultimate Christian witness is non-violence.

I hate parsing sentences, but this kind of analysis is essential to understanding our foreign non-policy. Let's move on to Pope Andrew's recognition of Islam: "Islam is a vibrant cultural force in today's world" could mean either too little or too much. Like most truisms, it is true. But I think there is more to it than mere banality. In 1492, for example, one could have said Christianity was a vibrant cultural force in Spain. It sure was: Jews and Moors were forced to convert to Christianity or face exile or death.

I doubt if even the Moslem Anti-Defamation League would challenge as prejudiced the assertion that Islam historically was a harsh, egalitarian and sanguinary desert faith.

The Prophet Muhammed was God's avenger, not a gentle redeemer. Over the centuries sophistication and urbanity have blunted many of the sharper edges of this fighting faith, but what Young & Co. fail to recognize is that the Ayatollah, like the Pakistani and Libyan mullahs, is sponsoring a counter-reformation against precisely these civilizing tendencies.

The source of Young's information, I suspect, was his experience in the "vibrant" movement of the 1960s where frenetic activity far too often substituted for nonvibrant ratiocination—a deliberately dull word for a dull but essential process, thinking. Ah, to be young again: As Mussolini's anthem "The Giovinezza" put it so well: "Youth, youth, thou lovely thing; Time of springtime's blossoming."

But Andy, you are no longer youthful. You are a senior official of the United States Government sentenced to life in a world that defies verbal manipulation.

I submit the Ayatollah is a sincere, crafty, reactionary whose dream is to return Iran to the Middle Ages, and his version of vibrant Islam would be a disaster for modernity, including the extremely modern notion of human rights.

WE DESERVE BETTER AT THE U.N.

(By Marvin Stone)

Andrew Young is at it again. "Only neofascists in this country," he declared recently, "would be willing to support the neofascism of the Smith regime" in Rhodesia.

By these words the U.S. Ambassador to the United Nations hoped to intimidate any members of Congress who might consider voting to permit trade with Rhodesia, now that a black-majority government is in prospect.

The Smith-sponsored surrender of white power is indeed imperfect, more gradual than partisans of immediate turnover would like. It infuriates the two Soviet-backed guerrilla armies, which want to seize control of Rhodesia for themselves. These are the same bandits who, armed with ground-to-air missiles, have shot down two civilian airliners, the latest outrage claiming 59 lives on February 12.

What Smith offers is the only visible alternative to a bloody black-white conflict, to be followed probably by a civil war among blacks. Given the minimum blessing of normal relations with America, the Smith alternative might just succeed. And members of the U.S. Congress have a right to evaluate those chances without the stab of twisted invective.

Young's innuendoes are remarkably like those with which the new and developing nations themselves, in concert with Russia, have belabored the U.S. in the United Nations for many years. Oddly, his latest sally comes at a time when a glimmer of hope can be seen for the American position at the international forum. When Vietnam invaded Cambodia, the United States found itself suddenly in the same camp with the Third World, and the Security Council voted, 13 to 2, to demand removal of the troops. Russia and one satellite, Czechoslovakia, made up the opposition.

Here was a demonstration that the Third World's future does not automatically lie in a monolithic cooperation with the Russian bloc against the United States. If this is a true precedent, it holds high importance in the light of the last decade's misalignment.

Pat Moynihan, now in the Senate, demanded several years ago that someone step in at the U.N. to fight for America's ideals and good name. Tapped for Ambassador, he found the job frustrating but made his presence known. The senator's latest book, *A Dangerous Place*, chronicles the constant verbal aggressions of the anti-U.S. bloc. When there was a report on moves to end colonialism, the U.S. was said to be oppressing Puerto Rico—which in reality is free to choose its own destiny. A conference on feeding hungry peoples? The United States—actually the advocate of giving away its own foodstuffs—was accused of having stolen the world's resources.

Is it too much to hope that our Third World friends will cease such behavior, since they see that their lives do not depend on sandbagging the United States? Habit is distressingly strong, but we should give them every help in breaking it. Such an effort will require a person with special qualities.

This brings us back to Andrew Young. Despite his intolerable misstatements about his own country, or more probably because of them, many of the developing nations consider him an effective Ambassador.

Young never was our idea of the person for the job, nor is he now. He is Carter's choice, so he is there. But the last thing that the majority of Americans want at the United Nations is an Ambassador who feels that the way to woo Third World countries is to denigrate the United States.

What we need—more urgently than ever—is an Ambassador who can carry forward the job of speaking up for America on the floor of the United Nations.

If Andrew Young feels differently, surely there is another place where he can continue his personal crusade, while someone else represents the United States in the United Nations. This country deserves better.

PERSONAL EXPLANATION

(Mr. GUARINI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GUARINI. Mr. Speaker, on rollcalls Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and not having voted due to cancellation of air flights and weather conditions at the airports, I ask unanimous consent that my statement appear immediately after each rollcall in the permanent RECORD after those rollcalls as voting "yeas."

WHY THE DOUBLE STANDARD ON HUMAN RIGHTS FOR IRAN?

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, we have had a full measure of dismaying news from Iran over the past few months. Now, to add to our dismay, comes the information that the new Iranian regime—if you can call it that—has begun to execute military leaders loyal to the Shah. The Iranian military, staunch allies of the United States, displayed remarkable restraint, I believe, during the recent domestic upheavals in their country. The coups d'etat, widely predicted, never materialized.

I call upon the professional liberals and the so-called human rights advocates in the White House and the Department of State to speak out against these travesties. Secret summary trials and secret executions, followed by public display of the corpses, are beneath the human rights standards of all of us. They are not, surely, beneath the notice of our usually quite vocal human rights watchdogs of the administration.

We hear repeated charges of human rights violations in Chile, Argentina, Brazil, Nicaragua, the Philippines, South Korea, and so on—all allies. The administration has even seen fit to lecture Israel on unsubstantiated reports of the denial of human rights in the occupied territories. It is strangely silent, however, on these executions in Iran. Why the double standard?

□ 1300

INTERNATIONAL TERRORISM BILL

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, today I am introducing, along with Congressman BILL JOHNSON, chairman of the Public Works Committee, Congressman HARSHA, ranking minority member of the committee, and my Public Works and Transportation Committee colleagues, Mr. LEVITAS, Mr. MINETA, Mrs. BOUQUARD, Mr. DON CLAUSEN, Mr. FARY, Mr. SNYDER, Mr. YOUNG of Missouri, Mr. SOLOMON, Mr. RAHALL, Mr. APPLEGATE, Ms. FERRARO, Mr. HEFNER, Mr. AMBRO, Mr. ROE, and Mr. ERTEL, a bill to combat international terrorism.

The bill will help protect American citizens at home and abroad against the threats of terrorism. It will add to the

tools available to our Government to prevent terrorist acts and to bring terrorists to justice. It will also help to encourage international cooperation to combat terrorism.

The bill is based on the terrorism bill which the Public Works Committee reported last year. The new bill also includes amendments developed by subcommittees of the Judiciary and Foreign Affairs Committees, which considered the bill in the last Congress, but did not have time to take final action on it. A similar bill has been introduced in the Senate by Senator RIBICOFF.

The bill requires the President to list states which actively support international terrorism and to impose specified sanctions against states on the list. The bill requires the Secretary of Transportation to assess security measures at foreign airports. If these airports do not meet internationally established standards, the Secretary must give notice to the traveling public, and the Secretary is authorized, with the approval of the Secretary of State, to revoke the operating authority of United States and foreign air carriers which use the foreign airport to serve the United States.

Another important provision of the bill requires the "tagging" of cap-sensitive explosives with a material which can be detected prior to detonation and which would allow identification of the source of the explosive following detonation. These provisions do not apply to black and smokeless powders manufactured for use as propellent powders.

The bill amends the U.S. Criminal Code and the Federal Aviation Act to implement the obligations assumed by the United States as a party to the Montreal Convention against aircraft sabotage.

A more detailed section-by-section analysis of the bill is set forth below.

Mr. Speaker, the sponsors of this bill are circulating a "Dear Colleague" letter inviting other Members to cosponsor this important legislation. I urge my colleagues to join in this important effort to protect against the violence and destruction caused by international terrorism.

The analysis follows:

SECTION-BY-SECTION ANALYSIS—ACT TO COMBAT INTERNATIONAL TERRORISM

SEC. 1. Short Title.

SEC. 2. Definitions. "International terrorism" defined as acts designed to damage, threaten the interests of, or obtain concessions from, a state. The acts must either violate certain international agreements, or result in death, bodily harm, forcible deprivation of liberty, or destruction of property. The latter acts must take place in defined circumstances with respect to the place where the act occurs, and the nationalities of the offender and the person against whom the act is directed. The definition of international terrorism excludes acts by military forces in the course of an armed conflict, and acts by other armed groups against military personnel or objectives. However, the latter exclusion does not apply to attempts to obtain nuclear weapons.

"State of support of international terrorism" is defined to include specified means of aiding and assisting terrorists.

SEC. 3. Report of Acts of International Terrorism. Six months after date of enactment and every six months thereafter, the President shall report to Congress on acts of international terrorism. Acts affecting U.S. citizens or interests shall be reported in 30 days. Report must include information on governments which aided the terrorist, on governments which helped to end the incident positively, and on the U.S. response to the incident. If classified information is involved, a classified report shall be submitted.

SEC. 4. List of States supporting international terrorism. Six months after date of enactment and every six months thereafter, the President shall submit to Congress a list of states demonstrating a pattern of support for acts of international terrorism. The list shall also identify states against which sanctions have been applied under Section 6. The President may delete a state from the list, if he determines that the state no longer demonstrates a pattern of support for international terrorism.

SEC. 5. Presidential Authority to Combat International Terrorist Acts. When a state is listed under Section 4, the President (1) shall not provide assistance under the Foreign Assistance Act of 1961, other than International disaster assistance; and (2) shall not sell any defense articles or service or extend any credit under the Arms Export Control Act. When a state is listed, the President shall review applications for licenses under the Arms Export Control Act and the Export Administration Act, and shall deny any application if he determines that denial would reduce the country's support for international terrorism.

The President may suspend any of the foregoing sanctions if, after consultation with appropriate Committees of Congress, he finds that interests of national security requires such suspension. The President is directed to take appropriate diplomatic measures to support the effectiveness of actions taken under this section. The President is directed to inform Congress of all actions taken under this provision.

SEC. 6. Information on Foreign Airport Security. Requires the Secretary of Transportation to conduct an assessment of the effectiveness of security measures at foreign airports used for air service to the United States. The assessment shall determine whether the airport has effective security measures under standards established by the Convention on International Civil Aviation. If the Secretary finds that an airport does not maintain effective security measures he shall notify the foreign government of his finding and make recommendations to eliminate the deficiencies.

If the deficiencies are not remedied in 180 days, the Secretary shall identify such airport by notice in the Federal Register and at U.S. airports receiving scheduled air carrier service. With approval of the Secretary of State, the Secretary of Transportation may revoke, or impose conditions on the operating authority of any U.S. air carrier or foreign carrier with authority to use a deficient foreign airport to provide air service to the U.S.

SEC. 7. Aviation Security Assistance to Foreign Governments. Authorizes the Secretary of Transportation to provide technical assistance concerning aviation security to foreign governments. The Secretary may require the foreign government to reimburse the United States for all or part of the cost of providing such technical assistance.

SEC. 8. Extension of Existing Security Measures. Amends Section 315(b) of the Federal Aviation Act. Section 315(a) requires the FAA Administrator to establish regulations for the screening of passengers by weapon detection procedures. Section (b) allows the Administrator to exempt from these requirements charter flights by certificated air carriers. The terrorism bill amends the exemption authority, so that charter operations by certificated air carriers may not be exempted from security requirements.

SEC. 9. Explosive Taggants. Requires identification taggants and detection taggants to be added to explosive materials under standards promulgated by the Secretary of the Treasury.

One year after enactment, it is unlawful to manufacture or import explosive materials which do not contain identification taggants.

Two years after enactment, it is unlawful to ship in interstate commerce explosive materials which do not contain identification taggants; to resell explosive materials sold as surplus by the United States Government which do not contain identification taggants; and to manufacture or import explosive materials which do not include detection taggants.

Three years after enactment, it is unlawful to ship explosive materials in interstate or foreign commerce, or to dispose of explosive materials sold as surplus by the Government, if these materials do not contain detection taggants.

The Secretary may extend any of these dates if he determines that taggants are unavailable; or that use of taggants would impair the quality of explosive materials, would be unsafe, or would adversely affect the environment.

The requirements for using taggants do not apply to explosive materials used by the U.S. Government for national defense or security purposes or to black and smokeless powders manufactured for use as propellent powders.

SEC. 10. Aircraft Sabotage. Amends the U.S. Criminal Code on destruction of aircraft or aircraft facilities to implement the Montreal Convention. These amendments change the test for various acts of destruction of aircraft from the present requirement that the act be intended to damage or destroy aircraft, to the Montreal requirement that the act be likely to endanger the safety of aircraft in flight. The bill also adds new offenses covered by Montreal, and establishes U.S. jurisdiction over acts of destruction on foreign registered aircraft operated outside of the United States, if the offender is later found in the United States (or, in some cases, if the aircraft subsequently lands in the U.S. with the offender still aboard).

The bill establishes a new felony of conveying threats, of aircraft destruction, if the offender has an apparent determination and will to carry the threat into execution.

SEC. 11. Aircraft Piracy. The bill revises the provisions in the Federal Aviation Act on threats and false information about hijacking. The bill retains the present felony offense of conveying false information on hijacking, willfully, maliciously, or with reckless disregard for the safety of human life. However, the penalty for knowingly conveying false information concerning a hijacking attempt (without malice, etc.) is changed from a criminal penalty to a civil penalty. The bill establishes a new felony offense of conveying threats of hijacking, with an apparent determination and will to carry the threat into execution.

A new civil penalty is established for boarding or attempting to board an aircraft carrying a concealed, deadly, or dangerous weapon. (The criminal penalty for this offense is also retained.)

The bill establishes a new criminal penalty for placing a loaded firearm aboard an aircraft in baggage or other property not accessible to the passengers in flight.

SEC. 12. International Agreements to Combat Terrorism. Urges the President to seek international agreements to assure more effective cooperation in combatting international terrorism, and to implement existing international agreements.

PERSONAL STATEMENT

(Mr. DODD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DODD. Mr. Speaker, on rollcalls Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, not having voted due to cancellation of air flights and bad weather, I ask unanimous consent that the permanent RECORD indicate how I would have voted had I been present. I would have voted in the affirmative on all of the above-mentioned rollcall votes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PROGRAM TO REFORM THE FEDERAL CIVIL JUSTICE SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–59)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

Today I am announcing my program to reform the Federal civil justice system. My proposals are intended to increase the efficiency, cut the cost, and maintain the integrity of our Federal courts. I hope that the same spirit of cooperation which led to the 95th Congress' passage of historic civil service reform legislation, which had similar goals for the Executive Branch, will mark Congressional-Administration efforts in reforming the Judicial Branch.

The American system of justice—and the part our Federal courts play in it—has long been the envy of people throughout the world. An impartial and talented judiciary protects the rights of all Americans, ensuring due process guarantees and fair adjudication of disputes. But the courts cannot perform their traditional and essential function if they are required to operate with inadequate resources, saddled with outmoded procedures, and burdened with more business than they can fairly dispose of within a reasonable time. Nor can our citizens avail themselves of their "day in court" if, as is too often true in these days of rising litigation expenses, the price of participation in litigation is beyond their means.

Delay and expense play a part in our civil justice system. We have long recognized that justice delayed is justice denied. For many injured parties, having to wait a year or two to obtain legal relief in the courts is extremely harmful. The benefits of a legal victory are sometimes outweighed by the costs of achieving it. As litigation expenses and the size of court dockets increase, this seems to be happening with increasing frequency. Legal redress should not consume years of time and thousands of dollars.

These problems are not merely the special concern of a particular economic class or racial group, nor are they limited to certain geographic regions; they affect all segments of American society, in all areas of the country.

I am committed to improving access to justice by ensuring that every person involved in a legal controversy has a readily available forum in which that controversy can be resolved speedily, fairly, and at reasonable cost. To achieve this goal, we must do two things. First, we must develop new means for handling disputes that do not necessarily require full court resolution. Second, we must provide the courts with sufficient resources and improved procedures so that they can function fairly and effectively in those cases that must be brought before them.

I know that the Congress shares my concerns and is equally committed to taking effective remedial action. Last year the Congress made an excellent beginning when it created 152 new Federal judgeships and carefully reviewed a number of other legislative proposals designed to improve the administration of justice. But unless we improve the system of justice itself, we may find that the additional judges have been swallowed up by outmoded procedures and by an ever-rising volume of cases. We must take prompt and effective steps to eliminate the remaining obstacles to efficiency in the justice system, and to increase access to Federal courts by those with Federal claims.

Five of the specific measures by which we hope to accomplish these ends have previously been proposed, in whole or part, by my Administration, in the 95th Congress, dealing with arbitration, United States magistrates, the diversity of citizenship jurisdiction of the Federal courts, the Supreme Court's obligatory jurisdiction, and minor dispute resolution. Both before and during the last legislative session, each of these proposals received a great deal of careful Congressional thought and attention. They are introduced again, some with modifications discussed in the last Congress. Each is now ripe for favorable action.

The arbitration proposal would provide an innovative means for resolving speedily, fairly, and at reduced cost certain types of civil cases in which the main dispute is over the amount of money that one person owes to another. This legislation is modeled on court-annexed arbitration plans that have proved successful in several States, including Ohio, Pennsylvania and New York. It would allow Federal district courts to adopt a procedure requiring that tort and contract cases involving less than $100,000 be submitted to arbitration. This approach has been tested since early last year in three Federal courts and the experiences so far have been quite promising. Both litigants and the courts are benefiting from the procedure. Cases going to arbitration are being resolved faster than they otherwise could be and at significantly less expense to the parties. It is time that these benefits were extended to litigants in all Federal trial courts.

The second major element of our comprehensive civil justice program is a bill to enlarge the civil and criminal jurisdiction of Federal magistrates. These judicial officers, who are appointed by the district courts, constitute a potential resource of great value. If magistrates were given broader authority to decide civil cases and to handle less serious criminal matters, as we have proposed, the capacity of the Federal courts would be substantially increased. The result, especially in districts which currently have large case backlogs, would be speedier and less costly dispositions for the litigants.

The third measure that we regard as essential to improving the civil justice system would curtail the exercise of diversity of citizenship jurisdiction in the Federal courts. Too many cases now jamming the dockets in Federal courts involve solely issues of State law that would be more properly and more efficiently disposed of in State courts. The historical basis for permitting these claims to be heard in Federal court—presumed prejudice toward citizens of one State in the courts of another—no longer appears valid. Moving these State law cases to the State courts where they belong would not create an undue burden on any State, but would enable the Federal courts to concentrate on serving the needs of those whose disputes involve questions of Federal law. Under my proposal, diversity jurisdiction would be abolished totally and cases could be brought in Federal court only where Federal law is involved.

The next component of our judicial reform package is a bill that would permit the Supreme Court to exercise greater control over its own docket. By eliminating the Supreme Court's mandatory jurisdiction, except for appeals in three-judge cases, this proposal would do away with the artificial and out-dated distinction between discretionary review and review of right. The change would enable the Court to focus its limited resources on the cases and issues truly deserving of its attention. This, in turn, would permit speedier clarification of the law, to the benefit not only of litigants in the lower courts but also persons wishing to avoid legal controversies.

The last of the proposals carried over from the previous Congress is a bill to improve the means available to the people of the United States for resolving everyday disputes, such as complaints by neighbors, customers, tenants, and family members. Everyday problems, small or large, if left unsettled, can fester and grow. They can lead to breakdowns in otherwise harmonious neighborhood relationships. They can even lead to crime. This legislation, entitled the Dispute Resolution Act, would provide Federal assistance to the States to improve the institutions that deal with these programs. The programs established by this bill would promote improvements in small claims courts and more widespread use of Neighborhood Justice Centers, a new concept that the Department of Justice is presently testing in Los Angeles, Kansas City, and Atlanta. This legislation would enable the Federal and State governments to work in partnership to improve the delivery of justice to all the people of the United States. No additional funding is being sought; existing funds in the Law Enforcement Assistance Administration will be used to finance these programs.

Passage of these five bills would be a major step in eliminating excessive delays, redtape, and exorbitant costs within the civil justice system. These bills have been discussed in the 95th Congress, and I hope that after further careful examination these bills will be enacted during the 96th Congress. These measures are necessary if we are to derive maximum benefit from the newly authorized judgeships. We will work for their enactment.

In addition to these bills, the Attorney General will transmit to Congress additional proposals to improve the courts which have been developed in consultation with congressional leaders in this area. These new measures would solve a variety of problems relating to administration of the Federal judiciary, as well as practice and procedure in the courts in the following ways:

—Create a new intermediate Federal appellate court on the same tier as the existing courts of appeals. The new court, which would be known as the "United States Court of Appeals for the Federal Circuit", would be formed by merging the Court of Claims and the Court of Customs and Patent Appeals into a single appellate tribunal with expanded, nationwide jurisdiction for appeals in patent and trademark cases as well as other matters. This new forum would induce economies from the combination of the two existing courts. Most important, however, it would expand the Federal judicial system's capacity for definitive adjudication of national law and thereby contribute to the uniformity and predictability of legal doctrine in these areas, which have long been marked by inconsistent appellate decisions, encourage industrial innovation, and in the long run reduce patent and trademark litigation. I further note that a similar need exists for uniformity and predictability of the law in the tax area, where conflicting appellate decisions encourage litigation and uncertainty. The Justice and Treasury Departments will work with Congress to develop an appropriate solution.

—Permit more effective means of rulemaking and administration within the Federal judiciary through the implementation of two proposals. One proposal requires each court of appeals to appoint an advisory committee composed of persons outside the court to make recommendations on the rules of practice and operating procedure within that court. These committees should do much to assist the courts in formulating sounder rules. The other proposal would restructure the membership of the circuit judicial councils, the governing administrative bodies in the eleven judicial circuits. The councils will be made smaller and more efficient and will include district judges in their membership for the first time. If enacted, these proposals will help assure that the Federal courts conduct their business so as to serve the public more effectively.

—Allowing equitable interest on claims and judgments. There is a serious backlog in civil litigation. Sometimes years pass between the time of an injury and the granting of a judgment. More years may pass while that judgment is appealed. Current Federal law is ambiguous about whether and under what circumstances interest may be paid for the period prior to judgment, and permits unrealistically low as well as conflicting rates of interest while the decision is under appeal. Yet such interest may be essential in order to truly compensate the plaintiff or to avoid the unjust enrichment of the defendant. For instance, a plaintiff who is unlawfully deprived of the use of $20,000 in 1976 and who does not receive a judgment until 1979, could have obtained $4,500 in those three years by investing the money at 7% compounded interest. If a judgment on appeal is entered at a rate well below the prime interest rate, the losing party may well profit from the appeal. The bill proposes that where a defendant knew of his potential liability, interest be awarded for the pre-judgment period where necessary to compensate the plaintiff for his losses or to avoid the unjust enrichment of the defendant. Post-judgment interest rates would no longer be left to inconsistent State laws, but along with the new pre-judgment interest standard, would be based on a nationally uniform rate. Litigants would be encouraged to settle cases, and not drag them out needlessly causing additional expense.

—Other measures relating to the sound administration of the Federal judiciary are proposals providing more reasonable terms for chief judges, enhanced integrity for appellate panels, and easier transfer for any case inadvertently started in the wrong Federal court to the proper court without loss of litigants' rights and with savings of time and money.

Finally, I urge the Congress to give serious consideration to improving procedures for litigating class actions, especially for those cases where the alleged economic injury is widespread and large in the aggregate, yet small in its impact on each individual. The Justice Department will continue to have my support in working with Congress to devise class action procedures which will develop methods for courts to handle these complex cases more effectively and at less cost to the taxpayers and the parties involved.

The members of the Judiciary Committees of both houses have shown outstanding leadership in developing answers to the problems facing the justice system. It is now time for Congress as a whole to take action so that the American people will benefit from a more effective civil justice system.

JIMMY CARTER.

THE WHITE HOUSE, *February 27, 1977.*

RECORD NUMBERS OF LOGS SOLD OVERSEAS WHEN OUR DOMESTIC MILLS NEED TIMBER BADLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

Mr. WEAVER. Mr. Speaker, at a time when lumber prices are skyrocketing, at a time when log prices from log sales on our national forests are increasing sharply, we continue to sell record numbers of logs overseas when our domestic mills need this timber badly. Though log exports are from private holdings, their price affects prices on Federal timber.

According to a release by the U.S. Forest Service last week, stumpage prices—that is the log or the tree bid for by our own lumber mills—have increased from $323 per 1,000 board feet to $425 per 1,000 board feet in 1 year, an astronomical increase that is squeezing the profit margins of our mills and threatening in the future large layoffs of our own lumber employees and a diminished lumber supply for our domestic consumption. In this release it was mentioned that the rise of the Japanese yen value against the dollar was a strong contributor to the increased stumpage prices.

□ 1305

The reason is simply this, that the Japanese are now purchasing our logs with yen that is much more valuable against the dollar than it was a year or 2 ago; the logs are the same price to the Japanese as they were a year or 2 years ago, but in dollar amounts they are much higher and our mills must pay in dollar amounts.

Mr. Speaker, I call on and I ask the attention of the House and the Government of the United States to this serious problem. When we face these timber supply problems, why do we continue to export over 3 billion board feet of timber overseas and allow our forests to be depleted and allow our own lumber mills to be squeezed perhaps out of business?

I am often reminded that the big fight today in the timber economy is called wilderness. We have all kinds of people saying that wilderness is the threat to the log supply. Yet in the entire roadless areas of our national forests in the Lower 48 States, 44 million acres produce less timber on an annual cut basis by far than we export now overseas. As a matter of fact, if all 44 million acres of the wilderness areas were put into wilderness, and nobody is even thinking such a thing, as a matter of fact only a small portion of that would be put into wilderness; but if all those areas were put into wilderness, it would amount to probably less than 25 percent of the annualized harvest that is sent overseas.

Mr. Speaker, I ask the attention of the House and the administration to this

problem and ask them to put the log export problem in this perspective.

FTC ACTIVISTS OVERSTEP THEIR AUTHORITY, PERVERT CONSTITUTIONAL PRINCIPLES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, there is an increasing public perception among voters that the present burden of overlapping, interlocking, unreasonable, and sometimes inconsistent Federal antitrust regulation is stifling the free enterprise system. Moreover, it is adding to the costs that consumers have to pay for goods and services. Too much regulation is counterproductive.

As a member of the Judiciary Committee of the U.S. House of Representatives, I am concerned with the fact that in the field of business combinations and mergers, which often lead to greater efficiency and lower prices because of the economies of scale, the Federal Trade Commission is trying to make bigness "bad," even though there is no injury to competition.

The Carter administration and some of the leaders of the Democratic Party are sponsoring new antitrust legislation which may well go beyond the rule of reason which has been the touchstone of antitrust regulation since the original Sherman Act was passed by Congress in 1890. I hope this will lead to full debate of all aspects of our Federal antitrust policies. My mind is open on the subject. We need a lot more public discussion.

I am particularly concerned with the conflict in interpretation being generated by the Federal Trade Commission in what appears to be an unconstitutional effort by that agency to "legislate" by administrative proceeding and extend its jurisdiction and the interpretation of existing Federal antitrust laws. Congress has given the Federal Trade Commission no such authority.

Section 7 of the Clayton Act embodies a worthwhile public policy and first came into the law in 1917. It provides a sensible standard by which businesses which generate jobs and provide the taxes which support our Government can conduct their affairs. Section 7 provides in effect that a merger, combination, or acquisition is only inconsistent with our Federal antitrust policy if "the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly." Over the years the Federal courts have given this policy established by Congress a reasonable interpretation. The U.S. Department of Justice is the Government agency which has primary responsibility for enforcing this law.

However, the Federal Trade Commission is pursuing a policy which stifles legitimate acquisitions by broadening commonly accepted interpretations of such antitrust theories as "potential competition," "line of commerce," and "market concentration" to bring within its jurisdiction and prohibit various business combinations which are perfectly lawful under existing antitrust law because of the mere size of a business. Section 5 of the Federal Trade Commission Act only gives the Commission power to prevent the use of unfair methods of competition, or unfair or deceptive acts or practices in commerce, and no authority to make bigness "bad" per se.

Our Federal courts have made it clear that under our free enterprise system, where competition is encouraged, a successful competitor must not be punished when he wins so long as his business activities and his means of competition have been lawful and not afoul of the antitrust laws. Mere size of a company without evidence of predatory practices aimed at competitors is not unlawful, and should not be.

Primary responsibility for enforcing the law with respect to mergers and other business combinations is vested in the Department of Justice. Congress has not given the Federal Trade Commission any specific authority to intrude into this area. The Commission's jurisdiction is limited to matters involving unfair trade practices. However, the Commission over the years has attempted to extend its jurisdiction in the whole area of business combinations by stretching all of the interpretations. At a time when the dollar is sinking in value as against foreign currency, when our balance-of-trade deficits are sadly out of balance, when American exporters are being barred from foreign markets by not only tariffs but all kinds of devious nontariff barriers, it is time for the Congress to reexamine our antitrust laws to make sure that overzealous Federal bureaucrats are not crippling the free enterprise system by discouraging business combinations which can bring to the consumer lower prices, greater competition, and a greater variety of goods and services without restricting competition or tending to monopoly.

As Congress considers the various proposed changes in our antitrust laws over the next few months, I intend to raise the question of unreasonable antitrust policies being developed by the staff of the Federal Trade Commission. If the law needs to be changed to extend its scope, then that is the exclusive responsibility of Congress under our Federal Constitution, and not the responsibility of the Federal Trade Commission. It is far more in the public interest for the new antitrust theories of the Federal Trade Commission to be debated here in Congress and voted up or down on the merits, rather than to have the staff of the Federal Trade Commission surreptitiously try to "legislate" amendments and extensions of our antitrust laws through the costly and time consuming process of trying to legislate that bigness is "bad" by administrative adjudication.

OVERSIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

● Mr. CLEVELAND. Mr. Speaker, my reason for taking this special order is to explain for the record why I missed voting on the 10 funding resolutions yesterday. Due to the severe icing conditions that prevailed at Logan Airport in Boston, my flight to Washington was delayed by 7 hours.

As a member of the House Administration Committee and the Accounts Subcommittee, I had previously considered these and in my opinion the committee had done a reasonably good job of cutting the funding resolutions which were involved. For this reason, I would have voted affirmatively on the 10 funding resolutions, although admittedly some of our standing committees and select committees are overstaffed.

One encouraging fact which came to light during our hearings on these funding resolutions is particularly noteworthy. At long last the committees are taking their oversight functions more seriously than in years past. The chairman of the Accounts Subcommittee, the gentleman from Indiana, JOHN BRADEMAS, has publicly assured me that we will follow up on the oversight functions of the standing committees and select committees. In other words, the House Administration Committee will join in the oversight parade and this has got to be good news not only for taxpayers, but for all people who want to see our Government work better and work well.●

THE SUGAR STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of Colorado. Mr. Speaker, on at least four occasions in the last 24 months, the President has been advised by his own administration of the unreasonable competition U.S. sugar producers face from unfairly priced imports and the need for effective remedial action, which has not been forthcoming.

Meanwhile, American sugar producers and the industry continue their steady economic erosion. In the last 4 months, five more sugar plants have been closed, including one in my home State of Colorado, and nationally, growers have indicated their intention to decrease this year's plantings by at least 11 percent, thus furthering our dependency on volatile foreign markets.

Last year, the Congress failed to enact sugar legislation. Ironically, the conference report on the Sugar Stabilization Act of 1978 was rejected with the support of sugar producers generally. The reason for the failure of the legislation then was simple—in the predawn hours of our last session, conferees were bullied into acceptance of a conference report written not by themselves but by the White House. Had the House subsequently adopted that conference report, American sugar producers would have been subjected to Government subsidies, which they did not, and still do not, want, while producers of corn and other sweeteners would have been placed at an unfair competitive disadvantage in the sweetener market. Acceptance of the

White House-dictated conference would have also meant a 5-year program which placed a 1-percent annual cap on any increase in the farm price of sugar, while mandating a 7-percent annual increase in one of the costliest components of its production—labor. Under such circumstances, I think it's doubtful the industry would have lasted out the 5-year life of the bill.

It is imperative that an adequate volume of domestic sugar production be maintained. Yesterday, I introduced a bill, H.R. 2394, which is aimed at helping achieve this goal. The legislation is similar to a bill some of us cosponsored early last year with our good friend and colleague, Mr. DE LA GARZA of Texas, and it is also similar to the measure introduced just last week in the Senate by Mr. CHURCH of Idaho.

My bill seeks to assure domestic producers of at least a "break even" price objective in the marketplace, for the 1978 through 1981 crops of sugar beets and sugarcane. This would be accomplished through the imposition of fees and, if necessary, quotas on cheap imported sugar currently being dumped on U.S. markets. The requirement that imported sugar be entered at least at the price objective level will enable domestic producers to obtain roughly the same price for U.S.-grown sugars. Under the bill, there would be no government payments to producers. For the 1978 sugar supply year (which stated October 1, 1978), a price objective of 17 cents per pound raw value for sugar is set. The price objective for the 1979, 1980, and 1981 sugar supply years would be set by the Secretary of Agriculture based on percentage changes in the average cost of production of sugar from sugar beets and sugarcane. The average cost of production for each sugar supply year will be based on the results of cost of production studies the bill instructs the Secretary to perform.

My bill also provides the President with the authority to implement the International Sugar Agreement (ISA), including authority to limit entry of sugar from non-ISA member countries or areas, prohibit the entry of sugar lacking documentation required by the ISA, and require the keeping of relevant records and the making of reports.

If an adequate volume of domestic sugar production is not maintained, processors will not be able to remain in business and should they be forced to close down, the market for all sugar growers will be eliminated. This is what apparently has already happened this year in the State of Washington.

U.S. sugar producers are recognized as the most physically efficient growers of sugar in the world, but they cannot produce the commodity as cheaply as their foreign counterparts because the cost of labor, fuels, fertilizer, and other production inputs is expensive. In addition, American farmers must bear the costly burden of compliance with Federal regulations governing the use of pesticides and other farm chemicals for the protection of the public health and welfare.

The domestic sugar industry contributes over $10 billion to the U.S. economy annually and employs tens of thousands of Americans who earn more than $400 million a year on sugar farms and in sugar processing, milling and refining plants. For every pound of domestic sugar bought, the money remains in this country and benefits our economy. What sense does it make to allow the continued erosion of our domestic sugar industry when the only result can be our total dependence on unreliable foreign supplies, and a worsening of our balance of payments and general economy? ●

LIVING UP TO OUR COMMITMENT TO THE PHILIPPINE SCOUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am introducing legislation to correct a longstanding inequity in our treatment of the survivors of the Philippine Scouts who fought alongside American soldiers during World War II. Although they were a part of the U.S. Army and fought and died along with their American counterparts, they never received the same pay or benefits. This kind of flagrant discrimination was sad reward indeed for their heroic sacrifices. The passage of this legislation would be a clear message to Filipino Americans and people throughout the world that our commitment to justice and equality is not parochial and is basic to our conception of universal human rights.

In the late 1930's, the Philippine Scouts were made a part of the U.S. Army to help defend the South Pacific against totalitarian domination. Gen. Douglas MacArthur described the Scouts as "excellent troops, completely professional, loyal and devoted." They were an elite organization with a high esprit de corps in which membership was considered an honor by Filipinos and the strictest standards were followed in selection.

General Wainwright, who took command of forces on Bataan and Corregidor after General MacArthur moved Army headquarters to Australia, reported that by the beginning of December 1941 the "Philippine Scouts were fit, trained in combat principles and ready to take the field in any emergency."

At the onslaught of the war in the Pacific when the enemy attacked Pearl Harbor and invaded the Philippine Islands, these soldiers became key to the success of our entire South Pacific strategy. It was the continued resistance on Bataan that denied the Japanese an essential base for the projected thrust to the South Pacific. The enemy was forced to retain large army and navy forces in the Philippines, which otherwise could have been employed against Allied shipping of men and materials to Australia and New Caledonia from the United States and the Middle East. Their protracted defense of these islands against incredible odds allowed the United States time to recover from the first blows of the war and begin to send in supplies and reinforcements.

The defenders of Bataan were hopelessly outnumbered and undersupplied. During their entrenchment they endured severe hardships. When they entered Bataan in January they were already in need of new issues of clothing and shoes. General Wainwright reports that most of the soldiers "walked into Bataan barefooted." Disease and starvation were problems dealt with daily. At least 30 percent of the troops had dysentery, and the rest some variety of worm infestation of the bowel. By mid-March at least 75 percent of the command was incapacitated to some extent. But for 4 months they held out, fighting the enemy guerrilla fashion, buying time for an Allied force buildup in Australia.

With all the hardships endured by these soldiers, they never received the comparable benefits they were due. Brig. Gen. W. E. Brougher, commander of the 11th Division on Bataan, pointed out in his prison diary, the moral factor that most disturbed him was "discrimination against Philippine Scouts officers by the U.S. Army Forces in the Far East—in matters of promotion, pay and allowances." For despite their gallant service and tremendous suffering, the Philippine Scouts received only a fraction of the pay and benefits received by their American counterparts. And that discrimination continues today.

It is time to rectify that wrong. The legislation I am introducing is simple and direct. It authorizes pay and benefits for members and survivors of members of the Philippine Scouts at the same rates of basic pay as other members of the U.S. Army of corresponding grades and lengths of service received at that time. It is estimated that the remedial legislation will cost $8 to $9 million. This is a small price to pay in view of the incalculable sacrifices of life and limb made by these brave soldiers. Indeed, it is a small price to pay for hopefully restoring our moral commitment to these soldiers. I urge my colleagues to join in support of this measure which reads as follows:

H.R. 2463

A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army shall pay to each person who served as a Philippine Scout after December 6, 1941, and before December 31, 1946, in a lump sum the difference between the basic pay which he would have received for his military service during that period if the rates of pay of the Philippine Scouts had been the same as the rates of basic pay for other members of the Army of the United States of corresponding grades and length of service, reduced by the basic pay actually received by such person.

(b) In the event a person entitled to payment under subsection (a) is decreased, payment shall be made to the persons, and in the manner, prescribed in section 2771 of title 10, United States Code.

SEC. 2. The retired pay of each former Philippine Scout shall be computed for periods after the effective date of this Act on the basis of the rates of pay prescribed for other members of the Army of the United States of corresponding grades and length of service.

Sec. 2. This Act shall take effect as of the first day of the first calendar month which begins after the date of enactment of this Act.●

EXPORT TRADE ARTICLE NO. 3: GOVERNORS' PRINCIPLES FOR AN EXPORT POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, yesterday I had the pleasure of listening to Gov. George Busbee of Georgia address members of the House Export Task Force and Ways and Means Committee on the "Governors' Principles for an Export Policy."

Governor Busbee is chairman of the National Governors' Association Committee on International Trade and Foreign Relations.

During his remarks Governor Busbee stressed not only the importance of the multilateral trade negotiations, but also the necessity for the United States to develop a coherent export policy. The United States must take steps to eliminate unnecessary barriers and disincentives to trade if we are to truly take advantage of the MTN agreement.

The Governors' Committee on International Trade has drafted a policy statement enumerating eight principles they believe essential for the development of a viable U.S. export policy. These principles along with Governor Busbee's address follow:

REMARKS BY GOV. GEORGE BUSBEE

Mr. Rusk's comments to you have underscored the fact that currently there is not a coherent export policy at the federal level. To some extent, this absence of policy has contributed to our adverse balance of trade and caused the nation's current and potential exporters to doubt the nation's commitments to exports. . . . And to question the wisdom of aggressive pursuit of export markets.

In contrast, other countries, as Dr. Husmagh has pointed out, are actively pursuing coherent export policies which have increased their market share of world exports.

The multinational trade negotiation legislation holds promise for creating a free trade environment that will allow aggressive exporting countries to reach foreign markets with a minimum of artificial barriers. To enjoy the benefits inherent in such a trade agreement, we must have a coherent export policy which parallels those of our competitors, like Germany and Japan.

Barriers to such exports caused by U.S. governmental action which are not essential for the nation's security must be reduced, if not eradicated. Further, efficient promotional programs must be developed which both maximize our competitiveness abroad while minimizing the drain on the federal treasury.

I believe that attempts to reduce these barriers will not meet with success unless we have conviction to undertake deep-rooted reforms. Reforms must eliminate current government insensitivity to export needs and demonstrate to the business community and individual voters that exports are a national necessity. No doubt, many government agencies with vested interests in current systems will seek to retard development of an aggressive export policy . . . including reduction of current government impediments . . . on the grounds such actions might conflict with national security and foreign policy interests. However, as Mr. Rusk has pointed out, a national priority focused on exports is essential for our long-term national security and the strength of our various foreign policies.

Export restrictions may have some legitimacy in terms of the short-term defense and foreign policy interests, but they will, in the long term, be poor tools for preserving such interests, since a weakened economic prowess cannot help but stimulate others to doubt our capacity to pursue our defense and foreign policy objectives.

Dr. Husmagh's presentation illustrates that exports are critical to the economies of many states in terms of revenue, growth and employment, and could become even more important if the disincentives now facing exports in our states are reduced.

I believe special attention must be given to manufacturing involving high technology, since that is where our greatest competitive advantage in foreign markets often exists . . . but this is the same area where the disincentives or barriers to exports tend to be the greatest. These disincentives substantially impair competitiveness by creating delays in the sale process and increasing the costs of our products in foreign markets. For those businesses considering entry in the export market, the vacillations in policies among contending executive branch agenices generate great uncertainty as to the wisdom of making the necessary investment for exports.

The export licensing process under the Export Administration Act symbolizes how current export regulation programs generate disincentives, and how conflicting agency jurisdictions preclude development of coherent policies.

The states have a basic interest in regulatory reform and the development of a coherent national export policy which will make export promotion an essential element of our nation's foreign and defense policies.

We face many obstacles in our drive to become instrumental in increasing U.S. exports abroad, since we now have limited access to the structures causing the impediments.

Our access must be enlarged, and enlarged now. We would be ill-advised to support adoption of a reduction in international trade barriers until we are assured that U.S. government barriers to our own exports are being reduced with equal diligence and speed.

With these imperatives in mind, your Committee on International Trade and Foreign Relations, created last November, made export promotion and the reduction of government disincentives its priority agenda item. We have studied the various impediments as they now exist, have attempted on a preliminary basis to determine their impact on our various state interests, and have identified some areas ripe for immediate reform.

Furthermore, we have explored the feasibility of reform of certain regulatory activities presenting the greatest threat to a vital export policy. On the basis of this work, we have tentatively identified eight basic principles which we feel should guide the future action of governors and the federal government regarding export policy.

Before summarizing these principles, let me emphasize that they were developed with three levels of understanding in mind.

First, states have a broadening set of responsibilities to their people and their commerce which insures citizen well-being. States cannot discharge their responsibilities in the future without a viable role in national policy-making concerning export trade. Thus, reforms must take account of current structures in the federal government which inhibit the states from effectively expressing their requirements and ideas, and otherwise limit substantive interchange between the federal government and the states. This is absolutely necessary if the states are to actively engage in enlightened debate on national issues affecting international trade.

Second, the governors must be instrumental in helping the people to better understand the policy issues facing the country in international trade. This will allow our citizens to express their opinions on MTN and other trade matters to their elected representatives at the federal level, while at the same time engaging in international trade activities in an efficient and effective manner.

Third, to properly formulate state positions on national policy issues and effectively represent those positions at the federal level, we must possess a technical understanding of the processes of the federal government and its capacities for change.

The draft policy statement distributed by our committee for your consideration prior to this meeting enumerates eight principles we believe are essential for the development of a viable export policy which will give U.S. industry parity with foreign competitors in world markets.

First, commerce—including export trade by U.S. citizens—should be impaired on a selective basis only when the benefits of restraint clearly exceed the costs absorbed by both government and the private sector.

Second, laws and regulations affecting export trade must discriminate between fundamental differences in the types of companies, their level of export experience, their size and the destinations for their exports. Such distinctions will maximize the number of companies engaged in exports and will, in the long run, minimize the costs of implementing such regulations fairly and fully.

Third, federal laws and regulations affecting export trade should not be enacted until there are reliable estimates of the consequencies of pursuing a particular objective through diverse regulatory techniques.

Fourth, when two or more agencies are involved in the definition or implementation of laws and regulations affecting exports, the process by which they make decisions affecting exporters should be as efficient as a process involving a single agency decision-making alternative.

Fifth, personnel within administrative agenices charged with implementing export promotion or export regulation programs should be carefully selected to insure that they will perform creatively and effectively in implementing export related goals. Where such personnel standards cannot be insured, administrative agency discretion should be limited.

Sixth, programs and activities involving both national and state government officials must be created and implemented to increase the general public's awareness of the importance of exports to our economic vitality and national security.

Seventh, whenever federal law-making or law implementation activities have a substantial effect on a particular state or region, procedures must be developed to permit such states to represent effectively their interests before federal action is taken.

And eighth, we must develop our laws and implementation policies in ways which preclude foreign entities from using them at a later date to impose further burdens on American export activities, and thus enhance the competitiveness of such foreign entities.

I urge your careful study of the draft export policy prepared by our committee prior to its formal consideration on Tuesday.

This concludes the background session of our seminar, and we now have the pleasure of hearing from representatives of the Administration, Congress and the business community.

Our first speaker, chosen by the President to present a report on the progress made by each cabinet agency in implementing his Export Policy Statement of September 26, 1978, is the distinguished Secretary of Commerce. I had a chance to talk with the Secretary about our common concerns and opportunities in trade and exports while she was in Atlanta recently with Vice Premier Deng Xiaoping. Based on those conversations, I believe she is as committed as we are to simplifying and improving our overall export policy.

May I present to you the Honorable Juanita Kreps, Secretary of Commerce.●

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, we are pleased to introduce the Aviation Safety and Noise Abatement Act of 1979.

The bill is designed to attack the difficult problem of aircraft noise, a problem affecting the viability and growth of the Nation's air transportation system.

The problem of aircraft noise is a national problem.

Over 6 million people are impacted by unacceptable aircraft noise levels and it has been estimated that aircraft noise costs taxpayers around airports some $3.25 billion annually in decreased property values.

The bill I am introducing also provides for increased funding to improve aviation safety and help avert a repeat of last year's tragic midair collision over San Diego.

The bill includes many of the provisions of the noise bill which passed the House last year.

A similar bill has been introduced in the Senate by Senator CANNON.

I look forward to working with my colleagues in the House and the Senate so that we can pass this needed legislation this year.

Title I of the bill provides planning and acquisition funds for airport operators and local communities to implement noise abatement programs.

Title II of the bill establishes increased funding for safety programs for fiscal 1980.

Included in these provisions are increased funding for air navigation facilities and increased funding for reliever airports.

Title III of the bill requires United States and foreign air carriers providing international service to the United States to comply with domestic noise standards, unless the international civil aviation organization reaches an agreement by 1980, adopting standards compatible with present FAA requirements.

This title also allows extension of noise compliance deadlines for air carriers which have made good faith efforts to comply if there is good cause for a failure to comply.

Another waiver provision will encourage the purchase of new technology aircraft which can provide much greater noise reduction than retrofit of existing aircraft.

Mr. Speaker, this legislation deals with aviation problems of great significance. We look forward to working to resolve these problems during the coming year.●

RIGHT TO PRIVACY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, I am today introducing the Omnibus Right to Privacy Act of 1979.

The bill is largely based on the legislative recommendations of the Privacy Protection Study Commission, as outlined in the Commission's July 1977 final report.

I am pleased that Representative BARRY GOLDWATER, Jr., who was a member of the Privacy Commission, has joined with me to sponsor this measure.

I am hopeful that privacy legislation will soon receive a strong endorsement from the White House. The Presidential Task Force on Privacy has been studying the work of the Privacy Commission for the past year and recently forwarded its recommendations to the President. With administration support and cooperation, the 96th Congress should succeed in making great strides to increase and preserve the privacy rights of all Americans.

The last Congress took the first positive steps by enacting the Right to Financial Privacy Act of 1978, as part of Public Law 95-630. Other legislative proposals suggested by the Commission should receive detailed consideration this year.

The Omnibus Right to Privacy Act of 1979 is the same as legislation I introduced in the last Congress, with the exception of the title concerning the confidentiality of medical records. This title has been revised, based in part on hearings held last May before the Subcommittee on Government Information and Individual Rights, which I chair.

The bill covers these areas: First, creation of a Federal Information Practices Board; second, revision of the Privacy Act of 1974; third, limitations on Government access to records about individuals maintained by so-called third party recordkeepers; fourth, confidentiality of social service records; fifth, confidentiality of medical records; sixth, amendments to the Fair Credit Reporting Act dealing with consumer credit, commercial credit, depository institutions, and insurance companies; seventh, amendments to the tax record confidentiality provisions of the Internal Revenue Code; and eighth, revision of the Family Educational Rights and Privacy Act.

The House Government Information and Individual Rights Subcommittee has been examining privacy issues for many years. I invite my colleagues to address any questions concerning the omnibus bill or related privacy matters to the subcommittee.●

PROMOTING CHILDREN'S HEALTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MAGUIRE) is recognized for 5 minutes.

● Mr. MAGUIRE. Mr. Speaker, our children are our most precious resource. The extent to which we as a Congress value and nurture our children's health is a measure of our commitment to the future of this Nation.

I am introducing today, with Congressman WAXMAN, the distinguished new chairman of the Health and Environment Subcommittee, a bill to help us fulfill that commitment and provide for a major improvement in the health care provided to many of our Nation's children. This bill is quite similar to one I introduced during the last session of Congress as well as the child health assurance bill reported out of the Committee on Interstate and Foreign Commerce. Unfortunately, in the crush of business at the end of the session, the Congress was unable to have a final vote on that bill.

However, the Child Health Assurance Act of 1978, with substantial bipartisan support, came out of a growing recognition that many of the children from our poorer families do not have access to even the most basic services for the prevention and treatment of potentially serious health problems. The need for such a program for the prevention of disease and the promotion of health, that provides poor children with a source of comprehensive and ongoing quality health care is even more compelling today.

Congress first recognized this need over 10 years ago when it created the early and periodic screening, diagnosis and treatment program (EPSDT) as part of the medical assistance program for the poor.

However, that program never lived up to the expectations held out for it. The definition of the children to be served was too limited. Inadequate attention was given to coordination with similar programs. Little thought was given to how to best get children involved in health programs theoretically available to them. As a result, even among eligible children, awareness of and participation in the program have been unacceptably low.

Not only has EPSDT had, at best, only moderate success in bringing children in for an initial screening, but the record of actually following up and treating those problems that have been discovered is dismal. It is pointless to simply inform a parent that a child has a high level of lead in his or her blood, or severe dental disease, or a significant vision problem if that child is not given the necessary followup care to correct those problems.

Most importantly, the EPSDT program has failed to provide these children with a continuous source of accessible primary health care. After all, our goal is not simply to have children screened for disease, but to prevent illness and provide for whatever health care needs they may have. For many of these children, the success or failure of this program will make the difference between an active and productive life, or one limited by chronic or disabling illness.

Congress can choose simply to add pieces to a program with a dismal record or to strengthen it at its foundations by developing a child health assurance program that can serve as a model for future comprehensive health programs. My bill, the Child Health Assurance Act of 1979, seeks to strengthen the foundation and remedy the flaws in the existing legislation.

The bill I am introducing establishes a uniform age eligibility limit of 18 years (and 21 years at the State's option) for both children who are covered by and to families with dependent children (AFDC) and for children from intact families who meet federally established income requirements. We should encourage the family to remain a viable institution among our Nation's poor. Children from intact, but poor, families have the same health needs as do children who qualify for AFDC. In addition, a part of the preventative focus of this bill, indigent pregnant women are also made eligible for medicaid services, including pre- and post-natal care.

If prevention is truly our intention, and if meeting the greatest needs of these children is really our purpose, then we must include the dental needs of children. Dental disease is often so virulent in these children that it is physically and mentally debilitating. But dental disease is preventable. My bill provides necessary dental for all medicaid children. Moreover, all assessed children are also eligible to receive treatment for mental illness, mental retardation, and developmental disabilities.

Prevention of disease and maintenance of these children's health are the goals. For this to be accomplished all eligible children must be reached out to, properly assessed, engaged in an ongoing system of quality care and provided with early treatment for those problems that are discovered. The bill I am introducing today will allow the Federal Government to take the necessary leadership and provide positive incentives to reach these goals.

In terms of outreach and followup, States will be required to meet minimum standards to be set by the Secretary of Health, Education, and Welfare. Moreover, the bill rewards effective ways of performing this task.

Research has shown that the most effective way to involve poor people, who have traditionaly been outside the health care system, in preventive health programs is through direct, personal contact with other members of their community. My bill encourages the States to use community-based organizations to perform outreach and followup services by providing a 90-percent Federal reimbursement of the costs of these services. An example of a community organization that does this well is the Tri-City Citizens Union for Program in Newark, N.J. The union operates a successful child health program by linking its clinic with a thorough outreach effort. The clinic serves a 12-block neighborhood in a most depressed urban area. But innovative programs such as the Tri-City Union are not reimbursed either under the current EPSDT program of the administration's proposed child health program.

My bill will encourage the early treatment of health problems by providing 90-percent Federal reimbursement for screening, diagnosis, and noninpatient treatment of all conditions discovered in assessed children and an increase of 10 percent in the Federal matching rate for inpatient services; thus providing a substantial incentive for covering children under CHAP while still maintaining a preference for less costly ambulatory services.

In exchange for these funds, the States will be required to coordinate the various programs providing health services to children and to offer contracts, with reasonable terms, to a wide variety of providers—including community health centers, rural health clinics, Head Start agencies, public health departments, and school systems. These contracts must include provisions for the assessment, diagnosis, referral, and treatment of disorders, but also require outreach and followup, mandate overall medical case management and assure availability of ongoing medical care. In addition a State must develop measures to reduce expensive duplication of preventive services by non-CHAP providers who do not have to provide for a full assessment and arrange for treatment and followup.

A program such as the one I propose may involve some higher short-term costs than the present program. But these costs are slight compared to the long-term cost of treating unchecked and chronic disease.

Furthermore, children currently receive only a miniscule amount of support from the Federal Government for their health care: A mere 8.5 cents of the Federal health dollar. While children account for 47 percent of all medicaid recipients, only 17 percent of all medicaid funds were expended for their care. The entire EPSDT program represents 0.3 percent of all public subsidy for health care.

The parallel concepts of the prevention of illness and the promotion of health have received increasing support from Congress, the administration, and the American health care consumer. In the face of dramatically escalating health care costs, these concepts, properly implemented, offer the potential for significant savings of scarce funds.

For children, the prevention of disease and the maintenance of health are the basic tenets of quality health care. They form the basis upon which a child has the opportunity for optimal physical, intellectual, and emotional growth; the foundation for his or her development into a healthy and productive adult. At no other time of life are the rewards of preventive medicine so clear. We must act quickly, but diligently, before we lose more children to crippling, chronic, disabling, but most of all, avoidable conditions.●

● Mr. WAXMAN. Mr. Speaker, I join my respected colleague from New Jersey (Mr. MAGUIRE) in support of legislation to replace the early, periodic, screening, detection, and treatment program, with a more effective approach to health care for children.

The new legislation, the child health assessment program contains the following provisions:

The Child Health Assurance Act of 1979, would amend title XIX of the Social Security Act (which establishes the medicaid program) to make additional children and pregnant women eligible for medicaid coverage; establish a nationwide minimum income standard for coverage of pregnant women and children, increase the proportionate share of the costs of health assessments and outpatient treatment for medicaid children which is paid for by the Federal Government; provide incentives for more successful operation of health assessment and followup programs by the States; assure that all types of eligible health care practitioners and agencies may serve as CHAP providers for medicaid children; and provide for penalties (in the form of reduced matching of administrative costs) for States which do not meet minimum performance standards in their child health assurance programs (CHAP) and bonuses for those that perform exceptionally well; and for other purposes.

I believe the new legislation is vital to the health of American children. This year, 1979, has been declared the international year of the child by the United Nations. The U.N. is challenging member nations to rededicating themselves to fulfilling the unmet needs of children. Congress will have an opportunity to make 1979 the year of the child for the poor of this country. Far too many children are suffering from diseases which can be prevented by modern medicine. Many of those diseases affect not just children's health, but their ability to learn.

As an example of this problem, there were almost 90,000 cases of mumps, rubella, and measles in 1976. Those diseases are completely preventable. No one questions that the quality of health care in the United States is unsurpassed anywhere in the world. Yet this is just a part of the picture. Quality health care is not available to all our children. Children living in poverty do not have adequate access to health care—and the effects are dramatic. Consider the following:

According to the Department of Health, Education, and Welfare:

The infant mortality rate is 53 percent higher in poverty areas than in nonpoverty areas.

Low-income children miss over 50 percent more school days for health reasons than children who are not low income.

Children from low-income families have over 40 percent more hospitalization episodes.

Children from families earning over $10,000 per year are twice as likely to visit a dentist than are children from families with under $5,000 income.

One statistic is so revealing that it merits special focus. The postneonatal death rate (babies 30 days to 1 year old who die) for infants in poverty areas is almost three times as high as the rate in nonpoverty areas.

Congress is aware of those shocking statistics and has made an attempt to rectify this situation. Over 10 years ago, Congress passed a law establishing an early, periodic, screening, detection, and treatment program (EPSDT). The EPSDT program was designed to provide indigent children with regular examinations and early treatment of disease conditions. The theory behind the program was that if children could be screened at regular intervals, the health problems found could be treated at an early stage, thus keeping health care costs down while keeping children healthy. Vision and hearing tests were included so that school performance would not be adversely affected by health problems. Lead screenings, nutritional screenings, and dental examinations were provided to determine if growth and development was normal.

The rationale for such a program was and is sound. The Selective Service rejected over 15 percent of 18-year-olds due to health reasons. Almost two-thirds of the rejections would not have been necessary if the proper care had been available. The EPSDT was a noble act. Unfortunately, the goals of the legislation were never attained.

In no State was the results more disappointing than in my home State, California. The 1976 figures show that only 2.5 percent of eligible children were screened in California. The story gets worse. Many of the children who should be eligible, are not, children living in foster homes, or in institutions, are excluded from coverage. The group excluded is perhaps the most needy group.

I am aware of the sentiment both locally and nationally to reduce Government spending. I believe that this bill has the potential to save money in the long run. This bill is an investment in our future. One example of the savings that can accrue in the future by a small expenditure of money now, is by immunizing our children. The Center for Disease Control estimates that immunizations from 1963–76 prevented 32,300,000 cases of illness, saving 3,000 lives and averting 10,800 cases of mental retardation. The money saved totalled over $436,000,000.

There are other benefits to a program designed to keep children healthy. If by spending a small amount of money for health care we can keep children in school, we will have a more productive society. As a Member of Congress I do not believe the solution to vision and/or hearing problems in school-age children is to allow them to sit in the front row. We must screen these problems out and treat them before learning problems are created.

It is immoral in a society as advanced as ours is, to have poor children with three times as much heart disease as other children. Poor children have seven times as many visual problems and six times as many hearing problems as do other children. Unless something is done, these children stand almost no chance of breaking out of the welfare system to become productive members of society. If we fail to act now, this Nation's greatest natural resource—our children—will be depleted. Our children cannot afford that, and we as a country cannot afford it.

For the above stated reasons, Mr. Speaker, I am asking for your support in seeking cosponsors for this most important bill.●

PERSONAL EXPLANATION

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. HANLEY. Mr. Speaker, I regret that I was unable to be present in the House yesterday, February 26, to cast my votes on the various committee funding resolutions.

I remained in Syracuse to attend the funeral of my friend, Bishop David Cunningham, who had served the Roman Catholic Diocese of Syracuse for 50 years.●

CONGRESSIONAL TESTIMONIAL TO EDMUND H. FALLON

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, it is ironic that events and men who have played significant roles in their development often meet in denouement.

On Wednesday, February 7, 1979, one of the great leaders in Northeastern agricultural marketing, Mr. Edmund H. Fallon of Syracuse, died. February 7 was also the day that culminated a series of demonstrations in our Nation's Capital designed to highlight inflation's pervasive effect on America's farmers.

Throughout his life Ed Fallon, a native of northern New York, worked to make the production, distribution, and marketing of farm produce efficient and equitable to farmer and consumer alike. To Ed Fallon the economic facts of life were animated by the Great Depression. Today inflation is the prime problem in arriving at "efficient and equitable" production, distribution, and marketing of the farmer's produce.

It is strangely coincidental that Mr. Fallon's death and the dramatization of a "new" farm problem should occur at one time.

The heart attack that felled 71-year-old Edmund H. Fallon, retired chief executive of Agway, Inc., took away a perceptive and respected farm expert—one whose talents we sorely need today.

Ed Fallon was born and raised on a dairy farm in northern New York State. He attended Clarkson College of Technology, where he received a bachelor of science degree in mechanical engineering. He was a past trustee of Clarkson and had been awarded an honorary degree of doctor of business administration by the college.

Fallon joined Cooperative GLF Exchange, Inc., one of Agway's founding organizations, immediately after graduating in 1931. His first assignment was as manager of a feed and farm supply store in Watertown, N.Y. He was promoted to district manager 3 years later and in 1938 was given the task of developing a petroleum service for GLF patrons.

In 1945, Fallon was placed in charge of the GLF retail distribution system. He was appointed general manager of GLF in 1958, the post he held until the formation of Agway Inc., in 1964, when he became the new organization's first executive vice president and general manager. Fallon was instrumental in the formation of Agway, which was created by the merger of three regional farmer cooperatives in the Northeast.

He remained Agway's chief executive officer until 1969, when, at his recommendation, he was named senior vice president in the interest of developing a successor management team for Agway.

During Fallon's years as the cooperative's chief executive officer, the organization became one of the two largest farmer cooperatives in the United States, with sales well in excess of $500 million a year and a membership of more than 100,000 farmers.

Through his efforts, two important farmer-owned and controlled organizations came into being for marketing fruits and vegetables. He was a catalyst in arranging the purchase by farmers of two major New York food processing companies and the formation of their own cooperative, Pro-Fac Cooperative, Inc. A companion organization, Curtice-Burns, Inc., was formed, with Agway as the majority stockholder, to process and sell the grower's products. Curtice-Burns today is one of the Nation's largest food processors, with facilities across the United States.

In 1965, Fallon was appointed by President Lyndon Johnson to the National Advisory Commission on Food and Fiber. Fallon was chairman of a subcommittee that charted world food production and consumption trends through the end of this century.

As an agricultural leader, he was active in numerous farm and agribusiness groups. He was trustee of the American Institute of Cooperation, a director of the National Council of Farmer Cooperatives and the Foundation for American Agriculture, and a member of the board of governors of the Agricultural Hall of Fame.

He was the recipient of the New York Farm Bureau's "Distinguished Service to Agriculture" award in 1970.

In Syracuse he took an active interest in many community activities, including the work of Hiawatha Council, Boy Scouts of America. He headed fund-raising efforts for the Syracuse Rescue Mission and, at the time of his death, had an active role in the local Heart Fund drive.

Fallon was an avid golfer and had been an outstanding athlete in high school and college. He was voted outstanding athlete in his senior year in high school, where he won letters in football, basketball, and baseball. He had letters in football and baseball for 3 years at Clarkson.

As a personal friend of Ed Fallon, let me say, Mr. Speaker, that our region has lost a fine leader, a fine citizen, an outstanding farm leader. But let me also

point out that the legacy he leaves in the form of an "efficient and equitable" farm marketing agency for farmer and consumer deserves the public appreciation of all of us.●

AMENDMENTS TO THE FEDERAL TRADE ACT

(Mr. BROYHILL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BROYHILL. Mr. Speaker, yesterday, February 26, 1979, Mr. RINALDO and I introduced H.R. 2367 which is designed to amend the Federal Trade Commission Act extending the authorization of appropriations for fiscal years 1980, 1981, and 1982, and to provide for a more efficient rulemaking mechanism at the FTC. I am including a copy of this legislation for the benefit of my colleagues. In addition, I am also including a section-by-section analysis of the bill.

H.R. 2367

A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in the Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20 of the Federal Trade Commission Act (15 U.S.C. 58) is amended—

(1) by striking out "and" after "1976;"; and

(2) by striking out "1977. For fiscal years ending after 1977, there may be appropriated to carry out such functions, powers, and duties, only such sums as the Congress may hereafter authorized by law." and inserting in lieu thereof "1977; not to exceed $75,000,000 for the fiscal year ending September 30, 1980; not to exceed $80,000,000 for the fiscal year ending September 30, 1981; and not to exceed $85,000,000 for the fiscal year ending September 30, 1982.".

SEC. 2. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f)(3),".

(b)(1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 46(a)) is amended by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3),".

(2) Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(b)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f)(3),".

(3) The proviso at the end of section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(A) by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3),"; and

(B) by inserting ", in business as a savings and loan institution," after "banking".

(c)(1) Section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) in the first sentence thereof—

(i) by inserting "or savings and loan institutions described in paragraph (3)" after "banks" each place it appears therein; and

(ii) by inserting "or (3)" after "(2)";

(B) in the second sentence thereof, by inserting after "System" the following: "(with respect to banks) and the Federal Home Loan Bank Board (with respect to savings and loan institutions described in paragraph (3))"; and

(C) in the last sentence thereof—

(i) by inserting "each" before "such Board" the first place it appears therein;

(ii) by striking out "such Board finds that (A)" and inserting in lieu thereof "(A) either such Board finds that";

(iii) by inserting "or savings and loan institutions described in paragraph (3), as the case may be," after "banks" the first place it appears therein;

(iv) by inserting after "or (B)" the following: "the Board of Governors of the Federal Reserve System finds"; and

(v) by striking out "the Board" and inserting in lieu thereof "such Board".

(2) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (3), (4), and (5) thereof as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) thereof the following new paragraph:

"(3) Compliance with regulations prescribed under this subsection shall be enforced under section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) with respect to Federal savings and loan associations, section 407 of the National Housing Act (12 U.S.C. 1730) with respect to insured institutions, and sections 6(i) and 17 of the Federal Home Loan Bank Act (12 U.S.C. 1426 (i), 1437) with respect to savings and loan institutions which are members of a Federal Home Loan Bank, by a division of consumer affairs to be established by the Federal Home Loan Bank Board pursuant to the Federal Home Loan Bank Act.".

SEC. 3. (a) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (1), the".

(b) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) is amended by adding at the end thereof the following new subsection:

"(l)(1) Notwithstanding any other provisions of this Act, simultaneously with prescribing any rule under this Act, the Commission shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule shall not become effective if—

"(A) within 90 calendar days of continuous session of the Congress after the date the rule is prescribed, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the rule prescribed by the Federal Trade Commission dealing with the matter of ———, which rule was transmitted to the Congress on ———.', the blank spaces therein being appropriate filled; or

"(B) within 60 calendar days of continuous session of the Congress after the date the rule is prescribed, one House of the Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of the Congress after such transmittal.

"(2) If, at the end of 60 calendar days of continuous session of the Congress after the date on which a rule is prescribed, no committee of either House of the Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of the Congress after such rule is prescribed unless disapproved as provided in paragraph (1).

"(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule involved.

"(4) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of the Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of 30, 60, and 90 calendar days of continuous session of the Congress.".

(c) The amendments made in this section shall apply to any rule of the Federal Trade Commission which has not become final on or before March 1, 1979. If any such rule becomes final after such date, but before the date of the enactment of this Act, such rule shall cease to be in effect and shall be subject to the provisions of section 18(l) of the Federal Trade Commission Act, as added by subsection (b).

SEC. 4. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 21 as section 27 and by inserting after section 20 the following new sections:

"SEC. 21. The Commission, in connection with carrying out any proposed rulemaking under section 18, shall—

"(1) prepare a statement relating to the need for, and the purposes and applicability of, the proposed rule involved in accordance with section 22;

"(2) prepare a statement containing an analysis of regulatory and nonregulatory alternatives to such proposed rule in accordance with section 22; and

"(3) carry out an economic impact analysis of such proposed rule in accordance with section 23.

"SEC. 22. The Commission shall include in the general notice of proposed rulemaking required in section 553(b) of title 5, United States Code—

"(1) a statement which—

"(A) describes in specific terms the need for the proposed rule involved and the purpose which will be served by such proposed rule;

"(B) indicates the legal basis for the prescription of such proposed rule; and

"(C) specifies the scope and applicability of such proposed rule; and

"(2) a statement which—

"(A) describes each regulatory and nonregulatory alternative which was considered by the Commission in connection with preparation of such proposed rule;

"(B) discusses the reasons for selection of such proposed rule as the most effective means for the achievement of the policy goals and purposes of the Commission, taking into account the costs and benefits associated with each regulatory and nonregulatory alternative considered by the Commission; and

"(C) indicates the manner in which the economic impact analysis prepared by the Commission in accordance with section 23 was taken into account in connection with selecting the proposed rule as the most effective means for the achievement of the policy goals and purposes of the Commission.

"SEC. 23. (a) The Commission, in connection with carrying out any proposed rulemaking under section 18, shall prepare an economic impact analysis of the proposed rule involved. Such analysis shall examine—

"(1) the direct and indirect costs associated with compliance with such proposed rule;

"(2) the potential inflationary or recessionary effects of such proposed rule;

"(3) the direct or indirect effects which such proposed rule may have on employment;

"(4) the effects which such proposed rule may have on competition in businesses and industries affected by such proposed rule, with particular attention to any competitive effects upon small businesses;

"(5) the effects which such proposed rule may have on consumer costs, with particular attention to effects upon economically depressed segments of the national population;

"(6) the impact of such proposed rule on productivity in businesses and industries affected by such proposed rule; and

"(7) the impact of such proposed rule on recordkeeping and reporting requirements, including—

"(A) an estimate of the number of, and a description of the classes of, persons who would be required to maintain records, submit reports, and fulfill other information-gathering requirements under such proposed rule; and

"(B) an estimate of the nature and amount of information which would be required to be contained in such reports, the frequency of such reports, and the costs associated with complying with such recordkeeping, reporting, and other information-gathering requirements.

"(b) The Commission shall take the economic impact analysis prepared in accordance with subsection (a) into account in preparing the statement required in section 22(2).

"(c) Copies of each economic impact analysis prepared by the Commission in accordance with subsection (a) shall be made available by the Commission for public inspection and copying during normal business hours, subject to the payment of a reasonable fee to cover any cost of such copying.

"SEC. 24. (a)(1) Each statement prepared by the Commission under section 22 in connection with a proposed rulemaking, and included in the general notice of proposed rulemaking, shall be included by appropriate reference in the publication of the final rule in the Federal Register.

"(2) If the Commission makes any change or alteration in any statement specified in paragraph (1) before publication of the final rule, then the Commission shall include in such publication a detailed explanation of the nature of, and reasons for, each such change or alteration.

"(b) The Commission shall prepare a statement, which shall be signed by the chairman of the Commission and shall be included in the publication of the final rule involved in the Federal Register, indicating that the chairman of the Commission has reviewed such final rule and that—

"(1) such final rule is stated in clear, readily understandable, and unambiguous language which specifically describes the scope and applicability of such final rule;

"(2) such final rule is not in conflict with any existing rule prescribed by the Commission or by any other Federal agency;

"(3) such final rule shall not be interpreted or otherwise construed in such a manner as would make such rule in conflict with any existing rule prescribed by the Commission or by any other Federal agency; and

"(4)(A) such final rule is not duplicative of any existing rule prescribed by the Commission or any other Federal agency; or

"(B) in any case in which such final rule is duplicative of any such existing rule, there is a need for such duplication. In any case in which a final rule is duplicative of any existing rule, the statement required in this subsection shall include a description of such duplication, together with an explanation of the need for such duplication.

"SEC. 25. (a) The Commission shall review each rule prescribed by the Commission not later than 5 years after such rule is prescribed (and not later than the end of each 5-year period thereafter) in order to determine whether—

"(1) such rule continues to be necessary, taking into account technological and other developments, any changes in economic and other conditions, and any changes in the policies and priorities of the Commission, which have occurred since such rule was initially prescribed;

"(2) such rule is carrying out the purposes it was designed to carry out at the time it was initially prescribed;

"(3) such rule is in conflict with, or is duplicative of, any existing rule prescribed by the Commission or any other Federal agency;

"(4) the language of such rule should be simplified or clarified; and

"(5) such rule should be amended or repealed.

"(b) The Commission shall, not later than 5 years after the effective date of this section, review each rule prescribed by the Commission which is in effect on such effective date in order to make the determinations specified in subsection (a) with respect to each such rule.

"(c) The Commission, in making the determinations required in subsection (a) and subsection (b) shall take into account—

"(1) the number and nature of complaints, comments, and suggestions received by the Commission with respect to the rule involved; and

"(2) the nature and extent of any burdens imposed by such rule upon persons required to comply with such rule, as compared to the effectiveness of such rule in achieving the purposes for which it was initially prescribed.

"(d) The Commission shall publish each determination required in this section, together with a summary of the reasons for such determination, in the Federal Register.

"SEC. 26. (a) If the Commission fails to comply with any procedural requirement established in section 21 through section 25, then any person may file a petition for judicial review in an appropriate circuit court of the United States not later than 60 days after such failure to comply.

"(b) Upon the filing of a petition under subsection (a), the court shall have jurisdiction to review the action of the Commission, and if the court finds that the Commission has failed to comply with any procedural requirement the court shall have authority to order the Commission to suspend further rulemaking proceedings relating to the rule which is the subject of the petition, or to order the Commission to suspend further enforcement of the rule, until the Commission is in compliance with the procedural requirements established in section 21 through section 25.

"(c) The judgment of the court in any action brought under this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.".

(b) The amendments made in subsection (a) shall apply to proposed rulemakings of the Federal Trade Commission which commence after the date of the enactment of this Act.

I, along with Mr. RINALDO, introduced H.R. 2367 on Monday, February 26, 1979. The bill contains the following provisions:

Section 1 authorizes appropriations for fiscal years 1980, 1981, and 1982 in the amounts of $75 million, $80 million, and $85 million, respectively.

Section 2 would exempt savings and loan institutions from the Commission's jurisdiction under Section 5 of the Act relating to unfair methods of competition and unfair or deceptive acts and practices, and under Section 6 relating to the FTC's authority to require submittal of information. The provision would also require the Federal Home Loan Bank Board to issue rules which would apply to savings and loans paralleling those issued by the FTC. This regulatory scheme is the same as that which now applies to banks.

Section 3 provides that FTC rules will not go into effect if a concurrent resolution is adopted by both Houses of Congress within 90 days after issuance of a final rule. Alternatively, a rule could be disapproved if either House adopted a resolution within 60 days thereafter. This legislative veto provision is virtually identical to that which the House passed during the 95th Congress.

Section 4 contains requirements designed to enable the Commission to better monitor the impact of its rules. Section 4 would require among other things that the agency, when proposing a rule, prepare a statement spelling out the need for, and purposes and applicability of, the rule. The agency would also be required to consider the regulatory and non-regulatory alternatives and analyze the economic impact of its proposed rules. Section 4 goes on to list elements which the Commission must consider in making the required economic impact analysis.

This provision also requires the Commission to determine that a rule is not in conflict with or duplicative of a rule issued by another agency and to review each rule five years after it has been issued to determine whether the rule continues to be needed and is carrying out the purposes it was designed to carry out at the time it was promulgated. Should the Commission fail to comply with the requirements of Section 4, any person may seek judicial review. Should the court find that the Commission has failed to comply with the requirements of Section 4, it may suspend the rulemaking proceeding, if it is ongoing, or prohibit enforcement of the rule, if it has become final, until the agency does comply.●

PUBLICATION OF RULES OF COMMITTEE ON MERCHANT MARINE AND FISHERIES FOR THE 96TH CONGRESS

(Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a) of the Rules of the House of Representatives, I submit herewith the rules of the Committee on Merchant Marine and Fisheries for the 96th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on February 6, 1979.

RULES OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

RULE I. APPLICABILITY OF OTHER RULES

The Rules of the House insofar as they are applicable shall be the Rules of the Com-

mittees and its Subcommittees. The procedure in the Committee and its Subcommittees shall follow the procedure of the House. Written Rules adopted by the Committee, not inconsistent with the Rules of the House, shall be binding on each Subcommittee of the Committee. Each Subcommittee of the Committee is a part thereof and subject to the authority and direction of the Committee and to its Rules.

RULE II. MEETINGS

(A) The Committee shall meet at 10 a.m., on the first Wednesday of each month in the Committee Hearing Room, Longworth House Office Building, while Congress is in session. However, the regularly scheduled monthly meeting of the Committee may be dispensed with at the discretion of the Chairman, in consultation with the Ranking Minority Member, in the absence of any business to come before the Committee at such meeting. If the Chairman of the Committee is not present at any meeting of the Committee, the Ranking Member of the Majority Party on the Committee who is present shall preside at that meeting.

(B)(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee or a Subcommittee, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than Members of the Committee and such Congressional staff and such departmental representatives as the Members may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open Committee hearings which are provided for by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or a Subcommittee shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(1) may vote to close the hearing for sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Rule XI 2(k)(5) (Rules of the House) or

(2) may vote to close the hearing, as provided in Rule XI, 2(k)(5), (Rules of the House): *Provided, however,* That the Committee or Subcommittee may by the same procedure, vote to close one subsequent day of hearing.

(C)(1) The Chairman of the Committee may call and convene, as he or she considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three Members of the Committee desire that a special meeting of the Committee be called by the Chairman, those Members may file in the offices of the Committee Clerk their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting. The above procedures shall also apply to Subcommittees, except that the number of Subcommittee Members required to request a special subcommittee meeting shall be two, and a majority of the Members of the Subcommittee must file their written notice for a special subcommittee hearing.

(D) The date, time, place and subject matter of meetings of the Committee shall be announced to all Members of the Committee and the public at least one week before the meeting, unless the Chairman in consultation with the Ranking Minority Member determines that there is good cause to begin the meeting at an earlier date. If such determination is made by the Chairman, the Committee shall make public announcement and provide oral and/or written notice to Committee Members at the earliest possible date. Any announcement under this paragraph shall be promptly published in the Daily Digest.

(E) When a duly called Party or Conference of either Party is scheduled on a date and at a time which directly conflicts with a scheduled Committee meeting, the meeting of the Committee shall be cancelled and oral and/or written notice to that effect shall be given to all Committee Members and staff by the Clerk of the Committee, and the Chairman shall reschedule the meeting at the earliest practical time.

(F) No Committee of the House (except Appropriations, Budget and Rules) may sit, without special leave, while the House is reading a measure for amendment under the five minute rule.

RULE III. COMMITTEE PROCEDURE

(A) Unless authorized by the Chairman of the Committee, or a Subcommittee, a witness shall not be permitted to testify or present evidence, and such statement or testimony will not be included in the Committee hearing record, unless seventy-five copies thereof have been delivered to the Clerk of the Committee at least twenty-four hours prior to such meeting. To the extent feasible, statements and testimony of witnesses from Federal and Administrative agencies shall be accompanied, if not previously received, by fifty copies of the Federal agency report requested by the Committee on matters pending before it. The presentation of testimony by any one witness shall not exceed ten (10) minutes. This will be a synopsis of the prepared testimony which will be presented for the record.

(B) Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose. All questioning shall be pertinent to the subject matter of the hearing. In accordance with Rule XI, clause (2)(j)(2), Rules of the House, each Committee Member may request up to five minutes in the first round of questioning to question a witness until each Member who so desires has had such opportunity. After completing his questioning, the Chairman shall recognize the Ranking Majority and then the Ranking Minority Member, and thereafter in recognizing Members present, he shall recognize two Majority Members and one Minority Member alternating in that order, giving preference to the Members on the basis of their arrival at the hearing. Thereafter, additional time may be extended to a Committee Member at the discretion of the Chairman. Written responses to questions propounded by Members and Committee staff counsel, and other data submitted for the record, shall be submitted in triplicate to the Committee Clerk. One copy of such material shall be retained by the Clerk for printing and the remaining copies furnished to the Chief Counsel for transmittal to the appropriate Subcommittee Counsel and to the Minority Counsel. In recognizing Members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the Majority to Minority Members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the Members of the Majority. The Chairman may accomplish this by recognizing two Majority Members for each Minority Member recognized.

(C) One-third of the Members of the Committee shall constitute a quorum for the purpose of transacting Committee business, other than reporting a measure or recommendation when a majority quorum is required, but testimony may be taken and evidence received in any meeting at which there are present not fewer than two Members of the Committee, one of whom should be, whenever possible, a Minority Member. Unless at least two Members are present, at least one of whom is a Majority Member, the meeting must be adjourned.

(D) No point of order shall lie with respect to any measure reported by any Committee on the ground that hearings on such measure were not conducted in accordance with the provisions of Rule XI, Clause 2(g)(1)-(4), Rules of the House; except that a point of order on that ground may be made by any Member of the Committee which reported the measure if, in the Committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

(E) A rollcall vote may be ordered by one-fifth of the Members present. The results of each rollcall vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public, as provided in Rule XI, clause 2(e)(1), Rules of the House. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition and whether by proxy or in person and the names of those Members present but not voting. With respect to each record vote by the Committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting and the names of those members absent, shall be included in the Committee report.

(F) Whenever any hearing is conducted by any committee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing hereon.

(G) The Committee, by majority vote, may permit any of its public hearings or meetings to be televised, broadcast by radio, or photographed subject to the following requirements:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House, relating to the protection of the rights of witnesses.

(3) Not more than six television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(H) A Member may vote by special proxy only on a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. In order to be considered a valid and duly executed proxy, the proxy authorization shall be in writing, shall assert that the Member is absent on official business, or is otherwise unable to be present at the meeting of the Committee and shall designate the person who is to execute the proxy authorization. If it is desired to give a proxy for sessions on succeeding days, it must be so stipulated in the proxy, and if not stipulated, it cannot be voted. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. All executed proxies shall be delivered to the Clerk and kept at the desk during the proceedings of the Committee for which they are given and shall be included in the official records of the meeting after they have been voted. Points of order as to the validity of proxies must be made at the time the proxies are voted.

RULE IV. SUBCOMMITTEES

(A) There shall be five standing Subcommittees as follows: The Subcommittee on Merchant Marine; the Subcommittee on Fisheries and Wildlife Conservation and the Environment; the Subcommittee on Coast Guard and Navigation; the Subcommittee on Oceanography; the Subcommittee on the Panama Canal, together with such other special, select or ad hoc committees as the Chairman or a majority of the Committee may establish or determine to be appropriate for the conduct of Committee business. A Committee Member may temporarily resign from his Subcommittee assignment to serve on another Subcommittee of the Committee in the event of the vacancies on that other Subcommittee. For the 96th Congress, First Session only, and notwithstanding Caucus Rule MV. (B)(b), Members shall be allowed to serve on the Subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries as a sixth subcommittee assignment. Members returning to their Subcommittee assignment at the end of the temporary assignment shall return to their original assignment without prejudice to tenure or seniority.

(B) All legislation and other matters referred to the Committee shall be referred by the Chairman to the Subcommittee of appropriate jurisdiction within two weeks, unless by majority vote of the Majority Party Members of the Full Committee, consideration is to be by the Full Committee.

(C) The Chairman and Ranking Minority Member of the Full Committee shall serve as ex-officio Members of all Subcommittees of which they are not designated as Chairman or Ranking Minority Member and shall have the right to participate fully including the right to vote on all matters before such Subcommittees, but shall not be counted in establishing the requirements of or in determining a quorum. Any other Member of the Full Committee has the privilege of sitting with any Subcommittee of which he is not a member during its hearings or deliberations and participating therein, but shall not have the authority to vote on any matter, nor be counted present for the purpose of determining a quorum, nor raise points of order, and except as the Subcommittee Chairman may permit, participate in questioning under the five-minute rule, unless he is a Member of such Subcommittee.

(D) Subcommittees are authorized to hold hearings, receive evidence, hear witnesses, and report to the Committee for final action, together with such recommendations as may be agreed upon by the Subcommittee, on such matters as the Chairman may refer to a Subcommittee. Available dates for Subcommittee meetings shall be assigned as a result of consultation between the Chairman and Subcommittee Chairmen and as nearly as practicable in relation to and in accordance with workloads: *Provided, however,* That Subcommittees shall not meet at the same time as the Full Committee without express permission of the Chairman of the Committee. The ratio of Majority Party Members to Minority Party Members on Subcommittees and Conference Committees, including ex officio Members, shall be no less favorable to the Majority Party than the ratio of Membership on the Full Committee.

RULE V. COMMITTEE REPORTS/PUBLICATIONS

(A) Records and transcripts of open hearings before the Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records. No more than forty-five (45) days after the conclusion of hearings the transcript shall be closed and no further changes made. Closed session transcripts and records shall be available to Members of the House of Representatives and Merchant Marine and Fisheries Committee staff for inspection in the office of the Committee, but may not be released or divulged to any other person without the consent of the Chairman or a majority of the Committee. In no event shall executive session or markup transcripts and records be taken from the Committee offices by anyone.

(B) All Committee or Subcommittee prints and other material prepared for public distribution shall be approved by the Chairman of the Full Committee prior to such distribution.

(C) The permanent records of the Committee shall be available to all Members of the House for examination.

(D)(1) It shall be the duty of the Chairman to report or cause to be reported promptly to the House any measure approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the Clerk of the Committee a written request, signed by a majority of the Members of the Committee, for the reporting of that measure. Upon the filing of any such request, the Clerk of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(E)(1) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the Committee Report.

(F) The report of the Committee on an approved measure shall include (1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House Rules separately set out and clearly identified; (2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of that report) has submitted such estimate and comparison to the Committee; and (4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause (4)(c)(2) of Rule X of the House Rules separately set out and clearly identified whenever such findings and recommendations have been submitted to the Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Committee's deliberations on the measure.

(G) Each report of the Committee on each bill or joint resolution of a public character reported by the Committee shall, insofar as possible, contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(H) Within twenty-four (24) hours of time of approval of any measure or matter by the Committee (excluding Saturdays, Sundays and Legal Holidays), other than the Committee on Rules, the Members of the Committee must give notice of intention to file supplemental, minority or additional views. Members shall be entitled to not less than three (3) calendar days (excluding Saturdays, Sundays and Legal Holidays) in which to file such views, in writing and signed by that Member, with the Clerk of the Committee. All such views so filed by one or more Members of the Committee shall be included within and shall be a part of, the report filed by the Committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, Minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, Minority, or additional views (and any material submitted under subdivisions (3) and (4) of section F) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a Committee Report unless timely request for the opportunity to file supplemental, Minority, or additional views has been made as provided by this section, or

(ii) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

(I) A measure or matter reported by the Committee shall not be considered in the House until the third calendar day, excluding Saturdays, Sundays, and legal holidays, on which the report of the Committee upon that measure or matter has been available to Members of the House. If hearings have been held on any such measure or matter so reported, the Committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

(J) If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any Member of the Committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if the Committee has duly authorized that Member to offer that motion.

RULE VI. USE OF COMMITTEE FUNDS FOR TRAVEL

(A)(1) Funds authorized for the Committee under Clause 5 of Rule XI of the House Rules are for expenses incurred in the Committe's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee and its employees engaged in carrying out their official duties outside the United States, its Territories or Possessions. No appropriated funds shall be expended for the purpose of defraying expenses of Members of the Committee or its employes in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(a) No Member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(b) Each Member or employee of the Committee shall make to the Chairman of the Committee an itemised report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, and any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than 60 days following the completion of travel with the chairman of the committee for use in complying with the reporting requirements in applicable federal law and shall be open for public inspection.

(2) A substantive report shall be filed with the Chairman within one month of any Committee trip or any trip related to matters of Committee jurisdiction which has been approved by the Chairman.

(B)(1) All voting members of a Subcommittee shall have adequate notice prior to the date or dates fixed for Subcommittee investigations or hearings at locations other than Washington, D.C.

(2) All travel of Members and staff of the Committee or of a Subcommittee, to hearings, meetings, conferences, investigations, foreign conferences and meetings, and all foreign travel, must be authorized by the Chairman prior to any public notice thereof or the actual travel.

RULE VII. COMMITTEE AND SUBCOMMITTEE STAFF

(A) The Committee shall appoint, by majority vote of the Committee, from a list submitted to the Committee by the Chairman, appropriate professional and clerical staff personnel, in accordance with the provisions of Clause 6 of Rule XI of the House Rules.

(B) Each employee on the permanent staff is entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in Section 5316 of Title 5, United States Code, except that two professional staff members shall be entitled to pay at a single per annum gross rate to be fixed by the chairman, which does not exceed the highest rate of basic pay as in effect from time to time of level IV of the Executive Schedule in Section 5215 of Title 5, United States Code.

(C) Subject to the provisions of paragraph G, each Committee staff member, other than a member appointed pursuant to the request of Minority Party Members, is assigned to the Chairman for the purposes of general supervision and control and shall perform such duties as the Chairman may assign. In the case of staff members appointed pursuant to the request of Minority Party Members, the Ranking Minority Member shall exercise general supervision and control, subject to the asignments designated by Minority Party Members in accordance with Clause 6 of Rule XI of the House Rules.

(D) The Committee, by majority vote, may terminate the services of any staff member appointed by the Committee and may, from time to time, take appropriate action to fill any staff vacancies.

(E) When any staff member is assigned directly to Subcommittee staff duties, the staff member shall remain under the general supervision and control of the Chairman of the Committee or Ranking Minority Member of the Committee as appropriate, but under the direct control of the Subcommittee Chairman or Ranking Minority Member, as appropriate, for duty assignment purposes.

(F) From the funds provided for the appointment of Committee staff pursuant to primary and additional expense resolutions—

(1) The Chairman of each standing Subcommittee is authorized to appoint one staff member who shall serve at the pleasure of the Subcommittee Chairman.

(2) The Ranking Minority Party Member of each standing Subcommittee is authorized to apoint one staff person who shall serve at the pleasure of the Ranking Minority Party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the Subcommittee Chairman not to exceed (a) 75 per centum of the maximum established in paragraph (c) of Clause 6 of Rule XI, or (b) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(G) The Subcommittee staff members appointed pursuant to paragraph F are subject to the supervision and control of, and shall be responsible to, the Subcommittee Chairman or Ranking Minority Member of the Subcommittee as appropriate.

RULE VIII. COMMITTEE BUDGET

(A) At the beginning of each session, after consultation with each Subcommittee Chairman, the Chairman shall propose and present to the Committee for its approval a budget of the estimated total amount of funds to be requested under a primary expense resolution submitted in accordance with Clause 5 of Rule XI, for use by the Committee, for such session of the Congress for all anticipated activities and programs of the Committee and of its Subcommittees.

(B) In presenting the budget, the Chairman shall insure that it contains sufficient funds to enable the Committee and each Subcommittee to discharge its responsibilities for legislation and oversight.

(C) Authorization for the payment of additional or unforeseen Committee and Subcommittee expenses may be procured by one or more additional expense resolutions processed in the same manner as set out above.

(D) Once monthy, the Chairman shall require the appropriate staff personnel to prepare a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the Full Committee. Each report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed. This report shall be available upon request to the Committee offices for any Member of the House of Representatives.

RULE IX. POWER TO SIT AND ACT; SUBPOENA POWER; CONTEMPT OF CONGRESS

(A) For the purpose of carrying out any of its functions and duties under this Rule and Rule X of the House of Representatives (including any matters referred to it under Clause 5 of Rule X of the House Rules), the Committee, or any Subcommittee of the Committee, is authorized (subject to subparagraph B(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or any Member designated by such Chairman, may administer oaths to any witness.

(B)(1) A subpoena may be authorized and issued by the Committee or a Subcommittee under subparagraph A(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present. The power to authorize and issue subpoenas is also delegated to the Chairman of the Committee. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

(2) Compliance with any subpoena issued by a Committee or a Subcommittee under subparagraph A(2) may be enforced only as authorized or directed by the House.

RULE X. AMENDMENT OF THE RULES OF THE COMMITTEE

The Rules of the Committee may be modified, amended, or repealed, by a majority vote of the Committee, provided that two legislative days written notice of the proposed change has been provided each Member of the Committee prior to the meeting date on which such changes are to be discussed and voted upon.

PUBLICATION OF THE RULES OF THE COMMITTEE ON APPROPRIATIONS

(Mr. WHITTEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, presently I shall submit for printing in the RECORD the rules of the Committee on Appropriations for the 96th Congress as required by rule XI of the House of Representatives.

I wish to note the new section 10 of the committee rules. This is a provision agreed to by the Democratic Caucus of the committee on January 30, 1979, and subsequently by the full committee in its organizational meeting on February 6, 1979. The provision pertains to the Appropriations Subcommittee chairmanship rights of a Member who is Budget Committee chairman.

Subsequent to the committee action on this subject, we consulted with the Democratic Caucus and were advised that there was some question about the propriety of the proposed section 10 of the committee rules.

Of course, under the language of section 10, this provision would not be effective during the 96th Congress and anything done on this subject must be in accordance with provisions of the manual of the Democratic Caucus of the House. The provisions of this section should therefore be interpreted as representing only the sentiment of the majority members of the committee.

In view of the committee action I hereby submit the committee rules for printing in the RECORD pursuant to clause 2(a)((3) of House rule XI but I felt it appropriate to make this reference to section 10.

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS—COMMITTEE RULES

(Adopted for the 96th Congress on February 6, 1979)

Resolved, That the rules and practices of the Committee on Appropriations, House of Representatives, in the Ninety-fifth Congress, except as otherwise provided hereinafter, shall be, and are hereby adopted as the rules and practices of the Committee on Appropriations in the Ninety-sixth Congress:

The foregoing resolution adopts the following rules:

SEC. 1: POWER TO SIT AND ACT

For the purpose of carrying out any of its functions and duties under Rules X and XI of the Rules of the House of Representatives, the Committee or any of its subcommittees is authorized:

(a) To sit and act at such times and places within the United States whether the House is in session, has recessed, or has adjourned, and to hold such hearings; and

(b) To require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, reports, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman, or any Member designated by the Chairman, may administer oaths to any witness.

(c) A subpoena may be authorized and issued by the Committee or its subcommittees under subsection 1(b) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members of the Committee voting, a majority being present. The power to authorize and issue subpoenas under subsection 1(b) may be delegated to the Chairman pursuant to such rules and under such limitations as the Committee may prescribe. Authorized subpoenas shall be signed by the Chairman or by any Member designated by the Committee.

(d) Compliance with any subpoena issued by the Committee or its subcommittees may be enforced only as authorized or directed by the House.

SEC. 2: SUBCOMMITTEE

(a) The Majority Caucus of the Committee shall establish the number of subcommittees and shall determine the jurisdiction of each subcommittee.

(b) Each subcommittee is authorized to meet, hold hearings, receive evidence and report to the Committee all matters referred to it.

(c) All legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks unless, by majority vote of the Majority Members of the full Committee, consideration is to be by the full Committee.

(d) The Majority Caucus of the Committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee. The Chairman is authorized to negotiate that ratio with the Minority. Provided, however, that party representation in each subcommittee, including ex-officio members, shall be no less favorable to the Majority than the ratio for the full Committee.

(e) The Chairman is authorized to sit as a member of any subcommittee and to participate in its work.

SEC. 3: COMMITTEE STAFF

(a) The chairman is authorized to appoint the staff of the committee, and make adjustments in the job titles and compensation thereof subject to the maximum rates and conditions established in clause 6(c) of rule XI of the Rules of the House of Representatives. In addition, he is authorized, in his discretion, to arrange for their specialized training. The chairman is also authorized to employ additional personnel as necessary.

(b) The chairman of each subcommittee may select and designate a staff member who shall serve at the pleasure of the subcommittee chairman. Such selection shall be subject to the approval of a majority of the majority members of the full committee. Such staff member shall be compensated at a rate, determined by the subcommittee chairman not to exceed 75 per centum of the maximum established in clause 6(c) of rule XI of the Rules of the House of Representatives: *Provided*, That no Member shall appoint more than one person pursuant to these provisions.

(c) The ranking minority member of each subcommittee may select and designate a staff member who shall serve at the pleasure of the ranking minority member. Such staff member shall be compensated at a rate, determined by the subcommittee chairman not to exceed 75 per centum of the maximum established in clause 6(c) of rule XI of the Rules of the House of Representatives or the rate paid the staff member appointed pursuant to subsection (b) of this section: *Provided*, That no member shall appoint more than one person pursuant to these provisions.

(d) The chairman, and the ranking minority member with the approval of the chairman, may each select and designate a staff member at an annual gross salary of not to exceed 75 per centum of the maximum established in clause 6(c) of rule XI of the Rules of the House of Representatives and may each select and designate one additional staff member.

(e) Each member not mentioned in subsection (a), (b), (c), or (d) of this section may select and designate a staff member who shall serve at the pleasure of that member. Such staff member shall be compensated at a rate, determined by the member, not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives: *Provided*, That no member shall appoint more than one person pursuant to these provisions: *Provided further*, That members designating a staff member under this subsection must specifically certify by letter to the

chairman that the employee is needed and will be utilized for committee work.

SEC. 4: COMMITTEE MEETINGS

(a) Regular Meeting Day—The regular meeting day of the Committee shall be the first Wednesday of each month while the House is in session, unless the Committee has met within the past 30 days or the Chairman considers a specific meeting unnecessary in the light of the requirements of the Committee business schedule.

(b) Additional and Special Meetings:

(1) The Chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three Committee Members desire that a special meeting of the Committee be called by the Chairman, those Members may file in the Committee Offices a written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Upon the filing of the request, the Committee Clerk shall notify the Chairman.

(3) If within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request, a majority of the Committee Members may file in the Committee Offices their written notice that a special meeting will be held, specifying the date and hour of, and the measure or matter to be considered. The Committee shall meet on that date and hour.

(4) Immediately upon the filing of the notice, the Committee Clerk shall notify all Committee Members that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered. Only the measure or matter specified in that notice may be considered at the special meeting.

(c) Ranking Majority Member to Preside in the Absence of Chairman—If the Chairman is not present at any meeting of the Committee, the Ranking Majority Member on the Committee who is present shall preside.

(D) BUSINESS MEETINGS

(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee and its subcommittees shall be open to the public except when the Committee or its subcommittees, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed.

(2) No person other than Committee Members and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed.

(3) The provisons of this subsection do not apply to open hearings of the Committee or its subcommittees which are provided for in Section 5(b)(1) of these Rules or to any meeting of the Committee relating solely to internal budget or personnel matters.

(E) COMMITTEE RECORDS

(1) The Committee shall keep a complete record of all Committee action including a record of the votes on any question on which a roll call is demanded. The result of each roll call vote shall be available for inspection by the public during regular business hours in the Committee Offices. The information made available for public inspection shall include a description of the amendment, motion, or other proposition and the name of each Member voting for and each Member voting against, and the names of those Members present but not voting.

(2) All hearings, records, data, charts, and files of the Committee shall be kept separate and distinct from the congressional office records of the Chairman of the Committee. Such records shall be the property of the House and all Members of the House shall have access thereto.

SEC. 5: COMMITTEE AND SUBCOMMITTEE HEARINGS

(a) Overall Budget Hearings.—Overall budget hearings by the Committee, including the hearing required by Sec. 242(c) of the Legislative Reorganization Act of 1970 and Clause 4(a)(1) of Rule X of the Rules of the House of Representatives shall be conducted in open session except when the Committee in open session and with a majority present, determines by roll call vote that the testimony to be taken at that hearing on that day may be related to a matter of national security; except that the Committee may by the same procedure close one subsequent day of hearing. A transcript of all such hearings shall be printed and a copy furnished to each Member, Delegate and the Resident Commissioner from Puerto Rico.

(b) Other Hearings:

(1) All other hearings conducted by the Committee or its subcommittees shall be open to the public except when the Committee or subcommittee in open session and with a majority present determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present at a hearing conducted by the Committee or any of its subcommittees, there being in attendance the number required under Section 5(c) of these rules to be present for the purpose of taking testimony, (1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Clause 2(k)(5) of Rule XI of the Rules of the House of Representatives or (2) may vote to close the hearing, as provided in Clause 2(k)(5) of such rule. No Member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the Committee or its subcommittees unless the House of Representatives shall by majority vote authorize the Committee or any of its subcommittees, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subsection for closing hearings to the public; *Provided, however*, That the Committee or its subcommittees may by the same procedure vote to close one subsequent day of hearing.

(2) Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings.

(3) Each witness who is to appear before the Committee or any of its subcommittees as the case may be, insofar as is practicable, shall file in advance of his appearance a written statement of the proposed testimony and shall limit the oral presentation at such appearance to a brief summary; except that this provision shall not apply to any witness appearing before the Committee in the overall budget hearings.

(c) Quorum for Taking Testimony.—The number of Members of the Committee which shall constitute a quorum for taking testimony and receiving evidence in any hearing of the Committee shall be two.

(d) Calling and Interrogation of Witnesses:

(1) The Minority Members of the Committee or its subcommittees shall be entitled, upon request to the Chairman or subcommittee chairman, by a majority of them before completion of any hearing, to call witnesses selected by the Minority to testify with respect to the matter under consideration during at least one day of hearings thereon.

(2) The Committee and its subcommittees shall observe the five-minute rule during the interrogation of witnesses until such time as each Member of the Committee or subcommittee who so desires has had an opportunity to question the witness.

(e) Broadcasting and Photographing of Committee Meetings and Hearings:

(1) The Chairman is authorized to determine the extent and nature of broadcasting and photographic coverage for the overall budget hearing and full Committee meetings and hearings, subject to the guidelines for such coverage set forth in Sec. 116(b) of the Legislative Reorganization Act of 1970 and Clause 3(f) of Rule XI of the Rules of the House of Representatives.

(2) Unless approved by the Chairman and concurred in by a majority of the subcommittee, no subcommittee hearings or meetings shall be recorded by electronic device or broadcast by radio or television.

(3) Unless approved by the subcommittee chairman and concurred in by a majority of the subcommittee, no subcommittee hearing or meeting or subcommittee room shall be photographed.

(4) Broadcasting and photographic coverage of subcommittee hearings and meetings authorized under the provisions of (2) and (3) above shall be subject to the guidelines for such coverage set forth in Clause 3(f) of Rule XI of the Rules of the House of Representatives.

(f) Subcommittee Meetings—No subcommittee shall sit while the House is reading an appropriation measure for amendment under the five-minute rule or while the Committee is in session

(g) Public Notice of Committee Hearings—The Chairman is authorized and directed to make public announcements of the date, place and subject matter of Committee and subcommittee hearings at least one week before the commencement of such hearings. If the Committee or any of its subcommittee as the case may be, determines that there is good cause to begin a hearing sooner, the Chairman is authorized and directed to make the announcement at the earliest possible date.

SEC. 6: PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a) Prompt Reporting Requirement:

(1) It shall be the duty of the Chairman, except as provided in subsection (3) herein, to report or cause to be reported promptly to the House any bill or resolution approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, a report on a bill or resolution which the Committee has approved shall be filed within seven calendar days (exclusive of days in which the House is not in session) after the day on which there has been filed with the Committee Clerk a written request, signed by a majority of Committee Members, for the reporting of

such bill or resolution. Upon the filing of any such request, the Committee Clerk shall notify the Chairman immediately of the filing of the request. This subsection does not apply to the reporting of a regular appropriation bill prior to compliance with subsection (3) herein or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(3) Before reporting the first regular appropriation bill for each fiscal year, the Committee shall, to the extent practicable and in accordance with Sec. 307 of the Congressional Budget Act of 1974, complete subcommittee markup and full Committee action on all regular appropriation bills for that year and submit to the House a report comparing the Committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

(b) Presence of Committee Majority—No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(c) Roll Call Votes—With respect to each roll call vote on a motion to report any bill or resolution, the total number of votes cast for, and the total number of votes cast against, the reporting of such a bill or resolution shall be included in the Committee report.

(d) Compliance with Congressional Budget Act—A Committee report on a bill or resolution which has been approved by the Committee shall include the statement required by Sec. 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the bill or resolution provides new budget authority.

(e) Inflationary Impact Statement—Each Committee report on a bill or resolution reported by the Committee shall contain a detailed analytical statement as to whether the enactment of such bill or resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(f) Changes in Existing Law—Each Committee report on a general appropriation bill shall contain a concise statement describing fully the effect of any provision of the bill which directly or indirectly changes the application of existing law.

(g) Rescissions and Transfers—Each bill or resolution reported by the Committee shall include separate headings for rescissions and transfers of unexpended balances with all proposed rescissions and transfers listed therein. The report of the Committee accompanying such a bill or resolution shall include a separate section with respect to such rescissions or transfers.

(h) Supplemental or minority Views:

(1) If, at the time the Committee approves any measure or matter, any Committee Member gives notice of his intention to file supplemental, minority or additional views, he shall be entitled to not less than three calendar days (excluding Saturdays, Sundays and legal holidays) in which to file such views in writing and signed by him, with the Clerk of the Committee. All such views so filed shall be included in and shall be a part of the report filed by the Committee with respect to that measure or matter.

(2) The Committee report on that measure or matter shall be printed in a single volume which—

(i) shall include all supplemental, minority or additional views which have been submitted by the time of the filing of the report, and

(ii) shall have on its cover a recital that any such supplemental, minority or additional views are included as part of the report.

(3) Subsection (h)(1) of this section, above, does not preclude—

(i) the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority or additional views has been made as provided by such subsection; or

(ii) the filing by the Committee of a supplemental report on a measure or matter which may be required for correction of any technical error in a previous report made by the Committee on that measure or matter.

(4) If, at the time a subcommittee approves any measure or matter for recommendation to the full Committee, any Member of that subcommittee gives notice of his intention to offer supplemental, minority of additional views, he shall be entitled, insofar as is practicable and in accordance with the printing requirements as determined by the subcommittee, to include such views in the Committee Print with respect to that measure or matter.

(i) Availability of Reports—A copy of the bill and report on each general appropriation bill shall be made available to each Member of the Committee at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in advance of the date on which the Committee is to consider each bill and report.

SEC. 7: VOTING

(a) No vote by any Member of the Committee or any of its subcommittees with respect to any measure or matter may be cast by proxy.

(b) The vote on any question before the Committee shall be taken by the yeas and nays on the demand of one-fifth of the members present.

SEC. 8: STUDIES AND EXAMINATIONS

The following procedure shall be applicable with respect to the conduct of studies and examinations of the organization and operation of Executive Agencies under authority contained in Sec. 202(b) of the Legislative Reorganization Act of 1946 and in Clause 3(b)(3) of Rule X, of the Rules of the House of Representatives.

(a) The Chairman is authorized to appoint such staff and, in his discretion, arrange for the procurement of temporary services of consultants, as from time to time may be required.

(b) Studies and examinations will be initiated upon the written request of a subcommittee which shall be reasonably specific and definite in character, and shall be initiated only by a majority vote of the subcommittee, with the chairman of the subcommittee and the ranking minority member thereof participating as part of such majority vote. When so initiated such request shall be filed with the Clerk of the Committee for submission to the Chairman and the Ranking Minority Member and their approval shall be required to make the same effective. Notwithstanding any action taken on such request by the chairman and ranking minority member of the subcommittee, a request may be approved by a majority of the Committee.

(c) Any request approval as provided under subsection (b) shall be immediately turned over to the staff appointed for action.

(d) Any information obtained by such staff shall be reported to the chairman of the subcommittee requesting such study and examination and to the Chairman and Ranking Minority Member, shall be made available to the members of the subcommittee concerned, and shall not be released for publication until the subcommittee so determines.

(e) Any hearings or investigations which may be desired, aside from the regular hearings on appropriation items, when approved by the Committee, shall be conducted by the subcommittee having jurisdiction over the matter.

SEC. 9: OFFICIAL TRAVEL

(a) The chairman of a subcommittee shall approve requests for travel by subcommittee members and staff for official business within the jurisdiction of that subcommittee. The ranking minority member of a subcommittee shall concur in such travel requests by minority members of that subcommittee and the Ranking Minority Member shall concur in such travel requests for Minority Members of the Committee. Requests in writing covering the purpose, itinerary, and dates of proposed travel shall be submitted for final approval to the Chairman. Specific approval shall be required for each and every trip.

(b) The Chairman is authorized during the recess of the Congress to approve travel authorizations for Committee Members and staff, including travel outside the United States.

(c) As soon as practicable the Chairman shall direct the head of each government agency concerned not to honor requests of subcommittees, individual Members, or staff for travel, the direct or indirect expenses of which are to be defrayed from an executive appropriation, except upon request from the Chairman.

(d) In accordance with Clause 2(n) of Rule XI of the Rules of the House of Representatives and section 502(b) of the Mutual Security Act of 1954, as amended, local currencies owned by the United States shall be available to Committee Members and staff engaged in carrying out their official duties outside the United States, its territories or possessions. No Committee Member or staff member shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(e) Travel Reports:

(1) Members or staff shall make a report to the Chairman on their travel covering the purpose, results, itinerary, expenses, and other pertinent comments.

(2) With respect to travel outside the United States or its territories or possessions, the report shall include: (1) an itemized list showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished and any funds expended for any other official purpose; and (2) a summary in these categories of the total foreign currencies and/or appropriated funds expended. All such individual reports on foreign travel shall be filed no later than sixty days following completion of the travel with the Chairman for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(3) Each Member or employee performing such travel shall be solely responsible for supporting the amounts reported by him.

(4) No report or statement as to any trip shall be publicised making any recommendations in behalf of the Committee without the authorization of a majority of the Committee.

(f) Members and staff of the Committee performing authorized travel on official business pertaining to the jurisdiction of the Committee shall be governed by applicable laws or regulations of the House and of the Committee on House Administration pertaining to such travel, as promulgated from time to time by the Chairman.

SEC. 10: ELIGIBILITY OF COMMITTEE MEMBER SERVING AS BUDGET COMMITTEE CHAIRMAN FOR APPROPRIATIONS SUBCOMMITTEE CHAIRMANSHIP

If the Chairman of the Budget Committee of the House of Representatives is chairman of a subcommittee on the Appropriations Committee when he becomes Budget Committee Chairman or would be eligible to

become chairman of an Appropriations subcommittee under the rules of the Majority Caucus of the House of Representatives during his tenure as Budget Committee Chairman, the Appropriations Committee may nominate such Member to serve as chairman of such subcommittee subject to the approval of the Majority Caucus. But if so elected and confirmed, the Member shall take a leave of absence while Chairman of the Budget Committee, and the responsibilities of the subcommittee chairmanship shall devolve onto a temporary chairman as determined by the Appropriations Committee and the Majority Caucus of the House; *Provided*, That this provision shall not be effective during the 96th Congress.

RULES OF THE COMMITTEE ON AGRICULTURE

(Mr. FOLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FOLEY. Mr. Speaker, pursuant to clause 2(a), rule XI, of the rules of the House of Representatives, I am filing herewith a copy of the rules of the Committee on Agriculture for printing in the RECORD. The rules were adopted by a unanimous voice vote, in the presence of a quorum, on February 1, 1979.

The material follows:

RULES OF THE COMMITTEE ON AGRICULTURE—U.S. HOUSE OF REPRESENTATIVES

I. GENERAL PROVISIONS

a. *Rules of the U.S. House of Representatives.*—The Rules of the House shall govern the procedure of the Committee so far as applicable, and the rules of the Committee shall be interpreted in accordance with the Rules of the House, except that a motion to recess from day to day is a motion of high privilege in the Committee. (See Appendix B for the applicable Rules of the U.S. House of Representatives.)

b. *Applicability to Subcommittees.*—The following rules shall apply to meetings, hearings and other activities of Subcommittees, which are part of the Committee and subject to its authority and direction, only when specifically so stated.

II. COMMITTEE OR SUBCOMMITTEE BUSINESS MEETINGS

a. *Regular and Additional Meetings.*—The Committee shall meet on the first Tuesday of each month while the Congress is in session. The Committee shall also meet at the call of the Chairman at such other times as he considers to be necessary, subject to advance notice to all Committee members. Insofar as practicable, an agenda for all regular and additional Committee meetings, setting forth all the measures and matters to be considered, shall be furnished each Committee member prior to the meeting. Items may be placed on the agenda by the Chairman or a majority of the Committee. If the Chairman determines that any meeting convened by him need not be held, he shall give all members of the Committee notice to that effect as far in advance of the meeting day as practicable, and no meeting shall be held on such day. See Rule VI-e for provisions which apply to meetings of Subcommittees.

b. *Special Meetings.*—If at least three members of the Committee file a written request in the Committee offices that a special meeting be called by the Chairman to consider a specific measure(s) or matter(s), the Staff Director shall immediately notify the Chairman of the filing of such request. If, within three calendar days after the filing of such request, the Chairman does not call the requested special meeting to be held at a time within seven calendar days after the filing of such request, a majority of the members of the Committee may file in the Committee offices their written notice that a special meeting will be held at a specified date and hour to consider a specified measure(s) or matter(s). If such a notice is filed, the Committee shall meet on that date and hour. Immediately upon the filing of such a notice, the Staff Director shall notify all members of the Committee that such special meeting will be held at the specified date and hour to consider the specified measure(s) or matter(s). Only the measure(s) or matter(s) so specified in the meeting notice as filed by the majority of Committee members and transmitted to all Committee members may be considered at a special meeting.

c. *Vice Chairman.*—The Committee shall, by a majority vote, designate one of its members as Vice Chairman who shall perform such duties as the Chairman may direct in the absence of the Chairman.

d. *Presiding Member.*—If the Chairman is not present at any Committee meeting, the Vice Chairman or, in his absence, the ranking member of the majority party on the Committee who is present shall preside at that meeting. If the Chairman is not present at any Subcommittee meeting, the ranking member of the majority party who is present shall preside at that meeting.

e. *Committee and Subcommittee Meetings Prohibited.*—The Committee or any of its Subcommittees may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

f. *Open Business Meetings.*—Each Committee or Subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee or Subcommittee and such congressional staff and departmental representatives as the Committee or Subcommittee may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to Committee or Subcommittee hearings or to any meeting that, as announced by the Chairman of the Committee or Subcommittee, relates solely to internal budget or personnel matters.

g. *Records and Rollcalls.*—A complete record of all Committee or Subcommittee action shall be kept in the form of written minutes, including a record of the votes on any question as to which a rollcall is demanded. A rollcall vote shall be ordered upon demand by one-fifth of the members present. The record of such action and the results of the rollcall votes during each session of the Congress shall be made available by the Committee, upon request, for public inspection during regular office hours in the Committee offices and upon telephone request. The information so available on rollcall votes shall include a brief description of the amendment, motion, order or other proposition; the name of each member voting for and each member voting against such amendment, motion, order or other proposition; whether such vote was by proxy or in person; and names of those members present but not voting. A stenographic record of a business meeting of the Committee or Subcommittee may be kept and may thereafter be published if the Chairman of the Committee determines there is need for such a record. The proceedings of the Committee or Subcommittee in a closed meeting other than rollcall votes shall not be divulged unless otherwise determined by a majority of the Committee or Subcommittee. See Rule IV-f for publication of the minutes of meetings.

h. *Quorums.*—A majority of the members of the Committee or Subcommittee shall constitute a quorum of the Committee or Subcommittee for the purpose of convening meetings, conducting business, and voting on any matter: *Provided*, That the Chairman of the Committee may determine that one-third of the members of the Committee shall constitute a quorum of the Committee at any meeting for such purpose (other than for the reporting of any measure or recommendation, and voting on the authorization of subpoenas and on the closing of hearings and business meetings to the public) if he gives written notice to that effect to the members prior to the meeting.

i. *Proxy Voting.*—A member may vote by proxy on any matter before the Committee or Subcommittee other than the issuance of a subpoena pursuant to Rule III-b. The proxy authorization shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the Committee or Subcommittee meeting, shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy to be effective shall be signed by the member assigning the vote and shall contain the date and time of day the proxy is signed as well as the date or dates during which it is to be effective. The proxy form required by the Committee or Subcommittee is appended to these rules as Appendix A. In order to be cast in a vote it shall be filed with the Committee or Subcommittee during such vote and must be placed on file with the Staff Director. Proxies shall not be counted toward a quorum.

j. *Location of Persons at Meetings.*—No person other than a Member of Congress or Committee or Subcommittee staff may walk in or be seated at the rostrum area of the Committee or Subcommittee unless the Chairman or a majority of the Committee or Subcommittee determines otherwise.

k. *Consideration of Amendments and Motions.*—A member, upon request may be recognized by the Chairman to address the Committee or Subcommittee at a meeting for not more than five minutes on behalf of an amendment or motion offered by himself or another member, or upon any other matter under consideration, unless he receives unanimous consent to extend the time limit. Every amendment, substitute amendment, amendment to an amendment, or amendment in the nature of a substitute made in Committee or Subcommittee that is substantial as determined by the Chairman shall, upon the demand of any member present, be reduced to writing, and a copy there of shall be made available to all members present: *Provided*, That such amendment shall remain pending before the Committee or Subcommittee and may not be voted upon until the requirements of this section have been met.

l. *Points of Order.*—No point of order, other than a point of order that a quorum is not present, against the hearing or meeting procedures of the Committee or Subcommittee shall be sustained unless it is made in a timely fashion either at the commencement of the hearing or meeting or at the time such occasion for a point of order first occurs.

III. COMMITTEE OR SUBCOMMITTEE HEARINGS

a. *Power to Hear.*—For the purpose of carrying out any of its functions and duties under House Rules X and XI, the Committee is authorized to sit and hold hearings at any time or place within the United States whether the House is in session, has recessed or has adjourned, but no Subcommittee shall hold meetings or hearings outside of the House unless permission to do so is granted by the Chairman, or a majority, of the Committee.

b. *Announcement of Hearings.*—The Chairman of the Committee or Subcommittee shall publicly announce the date, place and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the Committee or Subcommittee determines that there is good cause to begin such hearing at an earlier date, in which case the announcement of the hearing shall be made by the Chairman of the Committee or Subcommittee at the earliest possible date. The Staff Director shall notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement has been made.

c. *Power to Subpoena.*—For the purpose of carrying out any of its functions and duties under House Rules X and XI, the Committee is authorized to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. A subpoena may be authorized and issued in the conduct of any investigation or series of investigations or activities by the Committee or by a Subcommittee when authorized by a rollcall vote of the majority of the members of the Committee, a majority being present, except that no proxies may be used to vote on the authorization and issuance of such a subpoena. Authorized subpoenas shall be signed by the Chairman or the Vice Chairman of the Committee or by any other member the Committee may designate. Notice of a meeting to consider a motion to authorize and issue a subpoena shall be given to all members of the full Committee by 5 p.m., of the day preceding the day of such meeting. Compliance with a Committee or Subcommittee issued subpoena may be enforced only as authorized or directed by the House.

d. *Scheduling of Hearings and Witnesses.*—Except as otherwise provided in this paragraph, the scheduling of hearings and witnesses and determination of the time allowed for the presentation of testimony and interrogation shall be at the discretion of the Chairman or a majority of the Committee or Subcommittee. Whenever any hearing is conducted by the Committee or Subcommittee upon any measure or matter, the Committee's or Subcommittee's minority party members shall be entitled, upon request by a majority of them to the Chairman of the Committee or Subcommittee before the completion of the hearing, to call witnesses selected by them to testify with respect to that measure or matter during at least one day of hearing.

e. *Witnesses' Statements in Advance*—Each witness who is to appear before the Committee or Subcommittee shall, insofar as practicable, file with the Staff Director a written statement of the witness' prepared testimony at least two working days in advance of the witness' appearance in order to permit the testimony to be distributed to and reviewed in advance by Committee or Subcommittee members. Witnesses shall provide sufficient copies of their statement for distribution to Committee or Subcommittee members, staff and the news media. The Committee or Subcommittee staff shall distribute such written statements to all members of the Committee or Subcommittee as soon as they are received as well as any official reports from departments and agencies on such subject matter.

f. *Testimony of Witnesses.*—The Chairman of the Committee or Subcommittee or any member designated by him may administer an oath to any witness. Each witness who has been subpoenaed, upon the completion of the witness' testimony, may report in person or in writing to the Staff Director and sign appropriate vouchers for travel allowances and attendance fees. All witnesses may be limited in their oral presentations to brief summaries of their statements within the time allotted to them, at the discretion of the Chairman of the Committee or Subcommittee in light of the nature of the witness and the length of time available.

g. *Questioning of Witnesses.*—Committee or Subcommittee members may question witnesses only when they have been recognized by the Chairman of the Committee or Subcommittee for that purpose. Each member so recognized shall be limited to questioning a witness (or panel of witnesses) for five minutes until such time as each member of the Committee or Subcommittee who so desires has had an opportunity to question the witness (or panel of witnesses) for five minutes, and, thereafter, the Chairman of the Committee or Subcommittee may limit the time of further questioning after giving due consideration to the importance of the subject matter and the length of time available. All questions put to witnesses shall be germane to the measure or matter under consideration. Unless the Chairman or a majority of the Committee or Subcommittee determines otherwise, no person shall interrogate witnesses other than members and Committee or Subcommittee staff.

h. *Open Hearings.*—Each hearing conducted by the Committee or Subcommittee shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however*, That the Committee or Subcommittee may, by the same procedure, vote to close one subsequent day of hearing. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony (1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Rule III(k) or (2) may vote to close the hearing, as provided in Rule III(k). In any event, no member may be excluded from nonparticipatory attendance at any hearing unless the House shall be majority vote authorize the Committee or Subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its meetings to members by means of the above procedure.

i. *Quorum.*—The quorum for taking testimony and receiving evidence shall be two members of the Committee or Subcommittee.

j. *Record of Hearing.*—An accurate stenographic record shall be kept of all testimony taken at public hearings. Any public witness may, during Committee office hours in the Committee offices and within two weeks of the close of hearings examine the transcript of his or her own testimony and make such grammatical or technical changes as will not substantially alter the nature of testimony given. Members of the Committee or Subcommittee shall receive copies of transcripts for their prompt review and correction for return to the Committee. The Chairman of the Committee may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time in which to make such corrections and further delay would seriously impede the consideration of the legislative action which is the subject of the hearing. The record of a hearing closes ten calendar days after the last oral testimony, unless the Chairman of the Committee or Subcommittee otherwise determines. Any person requesting to file a statement for the record of a hearing must so request before the hearing concludes and must file the statement before the record closes. No written statement becomes part of the record and thus publicly available until such time as it has been approved by the Chairman of the Committee or any Committee staff he designates, and the Chairman of the Committee or Subcommittee or his designee may reject any statment in light of its length or its tendency to defame, degrade, or incriminate any person.

k. *Investigative Hearings.*—The Chairman of the Committee or Subcommittee at an investigative hearing shall announce in an opening statement the subject of the investigation. A copy of the Committee rules (and the applicable provision of the House Rules set forth in Appendix B) shall be made available to each witness. Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights. The Chairman of the Committee or Subcommittee may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; but only the full Committee may cite the offender to the House for contempt. Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person—

(1) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of Rule III(h), if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or Subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person;

(2) the Committee or Subcommittee shall proceed to receive such testimony in open session if a majority of the members of the Committee or Subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the Committee or Subcommittee shall afford such person an opportunity voluntarily to appear as a witness; and the Committee or Subcommittee shall receive and the Committee shall dispose of requests from such person to subpoena additional witnesses.

Except as provided herein, the Chairman shall receive and the Committee shall dispose of requests to subpoena additional witnesses. No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee or Subcommittee. In the discretion of the Committee or Subcommittee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee or Subcommittee is the sole judge of the pertinency of testimony and evidence adduced at its hearings. A witness may obtain a transcript copy of his testimony given at a public session or, if given at an

executive session, when authorized by the Committee or Subcommittee.

1. *Broadcasting and Photography.*—Television, film making, live radio broadcasting and still photography of all or part of any Committee hearing or meeting shall be permitted only when the Committee by a majority vote agreed or, if the Committee cannot be polled in a timely manner, when approved by the Chairman of the Committee after consultation with the Ranking Minority Member. Except as otherwise determined by the Committee, television, film making, live radio broadcasting and still photography of all or part of any Subcommittee hearing or meeting shall be permitted only when the Subcommittee by a majority vote agrees or, if the Subcommittee cannot be polled in a timely manner, when approved by the Chairman of the Committee or the Chairman of the Subcommittee after consultation with the Ranking Minority Meber of the Committee or Subcommittee. Any broadcasting, electronic recording, film making, and/or still photography of all or part of a hearing or meeting shall be subject to the provisions of House Rule XI-3(f) which appear in Appendix B.

IV. THE REPORTING OF BILLS AND RESOLUTIONS

a. *Filing of Reports.*—The Chairman shall report or cause to be reported promptly to the House any bill or resolution approved by the Committee and shall take or cause to be taken all necessary steps to bring said bill or resolution to a vote. A Committee report on any bill or resolution approved by the Committee shall be filed within seven calendar days (not counting days on which the House is not in session) after the day on which there has been filed with the Staff Director of the Committee a written request, signed by a majority of the Committee, for the reporting of that bill or resolution. The Staff Director of the Committee shall notify the Chairman immediately when such a request is filed.

b. *Content of Reports.*—Each Committee report on any bill or resolution approved by the Committee shall include as separately identified sections:

(1) a statement of the intent or purpose of the bill or resolution;

(2) a statement describing the need for such bill or resolution;

(3) the results of the rollcall vote on the motion to report such bill or rsolution, including the total number of votes cast for and total number of votes cast against said reporting;

(4) the detailed statement described in section 308(a) of the Congressional Budget Act of 1974 if the bill or resolution provides new budget authority (other than continuing appropriations) or new or increased tax expenditures;

(5) the estimate of costs and comparison of such estimates, if any, prepared by the Director of the Congressional Budget Office in connection with such bill or resolution pursuant to section 403 of the Congressional Budget Act of 1974 and submitted in timely fashion to the Committee;

(6) any oversight findings and recommendations made by the Committee or the Committee on Government Operations or both to the extent such were available during the Committee's deliberations on the bill or resolution;

(7) a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy;

(8) an estimate of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and for its authorized duration for each of the five fiscal years following the fiscal year of reporting, whichever period is less, together with a comparison of these estimates with those made and submitted to the Committee by any Government agency;

(9) the changes in existing law (if any) shown in accordance with Rule XIII, clause 3, of the House Rules;

(10) the determination required pursuant to section 5(a) of Public Law 92-463, if the legislation reported establishes or authorizes the establishment of an advisory committee; and

(11) such other matter as the Chairman of the Committee determines to be useful for public understanding of the intent and effect of the bill or resolution.

c. *Supplemental, Minority, or Additional Views.*—If, at the time of approval of any measure or matter by the Committee, any member of the Committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the Staff Director of the Committee. All such views so filed by one or more members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which shall:

(1) include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report; and

(2) bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of paragraph (1)(3) of House Rule XI, clause 2) are included as part of the report.

This shall not preclude the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph or the filing by the Committee of any supplemental report upon any bill or resolution which may be required for the correction of any technical error in a previous report made by the Committee upon that bill or resolution.

d. *Availability of Hearings.*—If hearings have been held on any reported bill or resolution, the Committee shall make every reasonable effort to have such hearings printed and available for distribution to the members of the House prior to the consideration of such bill or resolution by the House.

e. *Committee Prints.*—All Committee or Subcommittee prints or other Committee or Subcommittee documents, other than reports or prints of bills, that are prepared for public distribution shall be approved by the Chairman of the Committee or the Committee prior to public distribution.

f. *Publication of Minutes.*—The Chairman of the Commmittee, in consultation with the Ranking Minority Member, shall cause to be published as a Committee Print on a periodic basis (and insofar as practicable on a semiannual basis) the minutes of all business meetings and hearings of the Committee and any of its Subcommittees and such minutes shall include a record of the attendance of members, all recorded votes and the action on all amendments and motions relating to legislation.

V. OTHER COMMITTEE ACTIVITIES

a. *Annual Appropriations.*—The Committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. The Committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

b. *Budget Act Compliance: March 15* (See Appendix C).—The Committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

c. *Budget Act Compliance: Subdivision of Allocations* (See Appendix C).—As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the Committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolutions, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

d. *Budget Act Compliance: Recommended Changes* (See Appendix C).—Whenever the Committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process, it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

e. *Conference Committees.*—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall determine the number of conferees he deems most suitable and then recommend to the Speaker as conferees, in keeping with the number to be chosen, the names of those members of the Committee who were primarily responsible for the legislation and, to the fullest extent feasible, those members of the Committee who were the principal proponents of the major provisions of the bill as it passed the House and such other Committee members of the majority party as the Chairman may designate in consultation with the members of the majority party. Such recommendations shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the Committee. In making recommendations of minority party members as conferees, the Chairman shall consult with the Ranking Minority Member of the Committee.

f. *Committee Records.*—All Committee or Subcommittee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman, and such records shall be the property of the House with all members of the House having access thereto. The Staff Director shall promptly notify the Chairman and Ranking Minority Member of any request for access to such records.

VI. SUBCOMMITTEE

a. *Number and Composition.*—There shall be such Subcommittees as specified in clause b of this rule each of which shall be composed of the number of members set forth in such clause, excluding ex officio members. The Chairman may create additional subcommittees of an ad hoc nature as he determines to be appropriate.

b. *Jurisdiction.*—The Subcommittee shall have the following general jurisdiction and number of members:

Commodity subcommittee

Cotton (seven members, five majority and two minority).—Cotton matters generally.

Dairy and Poultry (twelve members, eight majority and four minority).—Dairy, poultry, and bees.

Forests (seven members, five majority and two minority).—Forestry generally.

Livestock and Grains (eighteen members, twelve majority and six minority).—Livestock, wheat, feedgrains generally.

Oilseeds and Rice (seven members, five majority and two minority).—Peanuts, soybeans, oilseeds and rice generally.

Tobacco (seven members, five majority and two minority).—Tobacco generally.

Operational subcommittee

Conservation and Credit (eighteen members, twelve majority and six minority).—Soil and water conservation, small watershed program, commodity futures, agricultural credit generally.

Domestic Marketing, Consumer Relations, and Nutrition (nine members, six majority and three minority).—Marketing orders, domestic marketing, food stamps, nutrition, and consumer programs generally.

Department Investigations, Oversight and Research (ten members, seven majority and three minority).—Foreign agricultural programs (other than Public Law 83-480), agency review and analysis generally, research and pesticides.

Family Farms, Rural Development and Special Studies (twelve members, eight majority and four minority).—Family farming, rural development generally, rural housing and special studies.

c. *Referral of Legislation.*—In the case of any measure or matter not specifically described above, or which includes the jurisdiction of two or more Subcommittees, the Chairman may, unless the Committee by a majority vote decides otherwise, refer such measure or matter simultaneously to two or more Subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any Subcommittee), or divide the matter into two or more parts reflecting different subjects and jurisdiction and refer each part to a different Subcommittee, or refer the matter to an ad hoc Subcommittee appointed by him for the specific purpose of considering that matter and reporting to the Committee thereon, or make such other provisions as may be considered appropriate. The Chairman, with the approval of a majority of the Committee, shall have authority to discharge a Subcommittee from further consideration of any bill, resolution, or other matter referred thereto and have such bill, resolution, or other matter considered by the Committee. All legislation and other matters referred to the Committee shall be referred to the Subcommittee of appropriate jurisdiction within two weeks unless, by majority vote of the members of the Committee, consideration is to be by the Committee.

d. *Service on Subcommittees.*—The Chairman and the Ranking Minority Member shall serve as ex officio members of all Subcommittees and shall have the right to vote on all matters before such Subcommittees, but shall not be counted for the purpose of establishing a quorum. Any member of the Committee may have the privilege of sitting with any Subcommittee during its hearings or deliberations and participate therein, but shall not have authority to vote on any matter, nor be counted present for the purpose of a quorum for any Subcommittee action, nor, except as the Subcommittee Chairman or a majority of the Subcommittee may permit, participate in questioning of witnesses under the five-minute rule, nor raise points of order unless such member is a member of such Subcommittee.

e. *Subcommittee Hearings and Meetings.*—Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it or under its jurisdiction. Subcommittee Chairmen shall set dates for hearings and meetings of their Subcommittees, after consultation with the Chairman of the Committee and one another, with a view toward avoiding simultaneous scheduling of Committee and Subcommittee meetings or hearings whenever possible. Notice of all such meetings shall be given to the Chairman and the Ranking Minority Member of the Committee by the Staff Director. The provisions of Rule II regarding notice and agenda of Committee meetings and of Rule II-b regarding special meetings shall apply as well to Subcommittee meetings.

f. *Subcommittee Action.*—Any bill, resolution, recommendation or other matter ordered reported to the Committee by a Subcommittee shall be promptly reported by the Subcommittee Chairman or any Subcommittee member authorized to do so by the Subcommittee. Upon receipt of such report, the Staff Director shall promptly advise all members of the Committee of the Subcommittee action. The Committee shall not consider any matters reported by Subcommittees until two calendar days have elapsed from the date of reporting, unless the Chairman or a majority of the Committee determines otherwise.

g. *Subcommittee Investigations.*—Except for the Subcommittee on Department Investigations, Oversight and Research, no investigation shall be initiated by a Subcommittee without the approval of the Chairman of the Committee or a majority of the Committee.

VII. COMMITTEE BUDGET, STAFF, AND TRAVEL

a. *Committee Budget.*—The Chairman shall, for each session of the Congress, prepare a budget providing amounts for staff personnel, necessary travel, investigation, and other expenses of the Committee.

b. *Committee Staff.*—The staff of the Committee shall perform such duties as are authorized by law and shall be under the general supervision and direction of the Chairman. Staff assigned to each Subcommittee shall perform such duties as are authorized by law and shall be under the general supervision and direction of the Chairman of the Committee and the Chairman of the Subcommittee. Committee members seeking assistance from the staff shall make their requests through the Chairman or Ranking Minority Member. The Chairman shall insure that each Subcommittee is adequately funded and staffed to discharge its responsibilities.

c. *Committee Travel.*—Funds authorized for the Committee under clause 5 of House Rule XI are for expenses incurred in the Committee's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds shall be expended for the purpose of defraying expenses of members of the Committee or its employees in any country where local currencies are available for this purposes; and the following conditions shall apply with respect to their use of such currencies:

(1) No member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law; and

(2) Each member or employee of the Committee shall make an itemized report to the Chairman within 60 days following the completion of travel showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose, and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed by the Chairman with the Committee on House Administration and shall be open to public inspection.

VIII. AMENDMENT OF RULES

These rules may be modified, amended, or repealed, by a majority vote of the Committee, provided that two legislative days written notice of the proposed change has been provided each member of the Committee prior to the meeting date on which such changes are to be discussed and voted upon.

APPENDIX A

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

PROXY

Anticipating that I will be absent on official business or otherwise unable to be present, I hereby designate the Honorable _____ to cast my votes as hereinafter indicated on the following bill, resolution, or matter:

H.R._____
S._____
Other_____

The proxy may be used on the following days:

_____
_____

My votes shall be cast in such manner as the proxy holder deems appropriate, subject to the following limitations (specify):

_____
_____
_____
_____

_____
(*Signature*)

_____ _____
(*Date*) (*Time*)

APPENDIX B.—EXCERPTS OF HOUSE RULES PERTAINING TO COMMITTEE FUNCTIONS

RULE X

ESTABLISHMENT AND JURISDICTION OF STANDING COMMITTEES

The Committees and Their Jurisdiction

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned to it by this clause and clauses 2, 3, and 4; and all bills, resolutions, and other matters relating to subjects within the jurisdiction of any standing committee as listed in this clause shall (in accordance with and subject to clause 5) be referred to such committees, as follows:

(a) Committee on Agriculture.

(1) Adulteration of seeds, insect pests, and protection of birds and animals in forest reserves.

(2) Agriculture generally.

(3) Agricultural and industrial chemistry.

(4) Agricultural colleges and experiment stations.

(5) Agricultural economics and research.

(6) Agricultural education extension services.

(7) Agricultural production and marketing and stabilization of prices of agricultural products, and commodities (not including distribution outside of the United States).

(8) Animal industry and diseases of animals.

(9) Crop insurance and soil conservation.

(10) Dairy industry.

(11) Entomology and plant quarantine.

(12) Extension of farm credit and farm security.

(13) Forestry in general, and forest reserves other than those created from the public domain.

(14) Human nutrition and home economics.

(15) Inspection of livestock and meat products.

(16) Plant industry, soils, and agricultural engineering.

(17) Rural electrification.

(18) Commodities exchanges.

(19) Rural development.

* * * * *

General Oversight Responsibilities

2. (a) In order to assist the House in—

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability and enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

the various standing committees shall have oversight responsibilities as provided in paragraph (b).

(b)(1) Each standing committee (other than the Committee on Appropriations and the Committee on the Budget) shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect to thereto), and shall on a continuing basis undertake futures research and forecasting on matters within the jurisdiction of that committee. Each such committee having more than twenty members shall establish an oversight subcommittee, or require its subcommittees, if any, to conduct oversight in the area of their respective jurisdiction, to assist in carrying out its responsibilities under this subparagraph. The establishment of oversight subcommittees shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

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(d) Each standing committee of the House shall have the function of reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.

* * * * *

Additional Functions of Committees

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4. (a)(1)(A) The Committee on Appropriations shall, within thirty days after the transmittal of the Budget to the Congress each year, hold hearings on the Budget as a whole with particular reference to—

(i) the basic recommendations and budgetary policies of the President in the presentation of the Budget; and

(ii) the fiscal, financial, and economic assumptions used as bases in arriving at total estimated expenditures and receipts.

(B) In holding hearings pursuant to subdivision (A), the committee shall receive testimony from the Secretary of the Treasury, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and such other persons as the committee may desire.

(C) Hearings pursuant to subdivision (A), or any part thereof, shall be held in open session, except when the committee, in open session and with a quorum present, determines by rollcall vote that the testimony to be taken at that hearing on that day may be related to a matter of national security: *Provided, however*, That the committee may by the same procedure close one subsequent day of hearing. A transcript of all such hearings shall be printed and a copy thereof furnished to each Member, Delegate, and the Resident Commissioner from Puerto Rico.

(D) Hearings pursuant to subdivision (A), or any part thereof, may be held before joint meetings of the committee and the Committee on Appropriations of the Senate in accordance with such procedures as the two committees jointly may determine.

(2) Whenever any bill or resolution which provides new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 is reported by a committee of the House and the amount of new budget authority which will be required for the fiscal year involved if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported as described in clause 4(h) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations with instructions to report it, with the committees' recommendations and (if the committee deems it desirable) with an amendment limiting the total amount of new spending authority provided in the bill or resolution, within 15 calendar days (not counting any day on which the House is not in session) beginning with the day following the day on which it is so referred.

* * * * *

4. (f)(1) Each standing committee of the House shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing program and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII.

(2) Each standing committee of the House shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified to that appropriations therefor would be made annually.

(g) Each standing committee of the House shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(h) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, each standing Committee of the House (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(i) Each standing committee of the House which is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process shall promptly make such determinations and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

* * * * *

RULE XI

RULE OF PROCEDURE FOR COMMITTEES

In General

1. (a)(1) The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

(2) Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules as far as applicable.

(b) Each committee is authorized at any time to consider such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X, and (subject to the adoption of expense resolutions as required by clause 5) to incur expenses (including travel expenses) in connection therewith.

(c) Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of a committee shall be paid from the contingent fund of the House.

(d) Each committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of that committee under this rule and Rule X during the Congress ending at noon on January 3 of such year.

Committee Rules

Adoption of written rules

2. (a) Each standing committee of the House shall adopt written rules governing its procedure. Such rules—

(1) shall be adopted in a meeting which is open to the public unless the committee in open session and with a quorum present, determines by rollcall vote that all or part of the meeting on that day is to be closed to the public;

(2) shall be not inconsistent with the Rules of the House or with those provisions

of law having the force and effect of Rules of the House; and

(3) shall in any event incorporate all of the succeeding provisions of this clause to the extent applicable.

Each committee's rules specifying its regular meeting days, and any other rules of a committee which are in addition to the provisions of this clause, shall be published in the Congressional Record not later than thirty days after the Congress convenes in each odd-numbered year. Each select or joint committee shall comply with the provisions of this paragraph unless specifically prohibited by law.

Regular meeting days

(b) Each standing committee of the House shall adopt regular meeting days, which shall be not less frequent than monthly, for the conduct of its business. Each such committee shall meet, for the consideration of any bill or resolution pending before the committee or for the transaction of other committee business, on all regular meeting days fixed by the committee, unless otherwise provided by written rule adopted by the committee.

Additional and special meetings

(c)(1) The chairman of each standing committee may call and convene, as he or she considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(2) If at least three members of any standing committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within three calendar days after the filing of the request, the chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meetings will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

Ranking majority member to preside in absence of chairman

(d) If the chairman of any standing committee is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

Committee records

(e)(1) Each committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

(2) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto, except that in the case of records in the Committee on Standards of Official Conduct respecting the conduct of any Member, officer, or employee of the House, no Member of the House (other than a member of such committee) shall have access thereto without the specific, prior approval of the committee.

Proxies

(f) No vote by any Member of any Committee or subcommittee with respect to any measure or matter may be cast by proxy unless such committee, by written rule adopted by the committee, permits voting by proxy and requires that the proxy authorization shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Open meetings and hearings

(g)(1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however*, That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by each committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of Rule XI; or

(B) may vote to close the hearing, as provided in clause 2(k)(5) of Rule XI. No Member may be excluded from nonparticipatory attendance at any hearing of any committee or subcommittee, with the exception of the Committee on Standards of Office Conduct, unless the House of Representatives shall by majority vote authorize a particular committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subparagraph for closing hearings to the public: *Provided, however*, That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(3) Each committee of the House (except the Committee on Rules) shall make public announcement of the date, place and subject matter of any committee hearing at least one week before the commencement of the hearing. If the committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

(4) Each committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

(5) No point of order shall lie with respect to any measure reported by any committee on the ground that hearings on such measure were not conducted in accordance with the provisions of this clause; except that a point of order on that ground may be made by any member of the committee which reported the measure if, in the committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

(6) The preceding provisions of this paragraph do not apply to the committee hearings which are provided for by clause 4(a)(1) of Rule X.

Quorum for taking testimony and certain other action

(h)(1) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence which shall be not less than two.

(2) Each committee (except the Committee on Appropriations, the Committee on the Budget, and the Committee on Ways and Means) may fix the number of its members to constitute a quorum for taking any action other than the reporting of a measure or recommendation which shall be not less than one-third of the Members.

Prohibition against committee meetings during five-minute rule

(i) No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, and the Committee on Standards of Official Conduct) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule. For purposes of this paragraph special leave will be granted unless 10 or more Members object.

Calling and interrogation of witnesses

(j)(1) Whenever any hearing is conducted by any committee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to

testify with respect to that measure or matter during at least one day of hearing hereon.

(2) Each committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time of each member of the committee who so desires has had an opportunity to question each witness.

Investigative hearing procedures

(k)(1) The chairman at an investigative hearing shall announce in the opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person.

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statement in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

Committee procedures for reporting bills and resolutions

(l)(1)(A) It shall be the duty of the chairman of each committee (except as provided in subdivision (C)) to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring a matter to a vote.

(B) In any event, the report of any committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request. This subdivision does not apply to the reporting of a regular appropriation bill by the Committee on Appropriations prior to compliance with subdivision (C) and does not apply to a report of the Committee on Rules with respect to the rules, joint rules, or order of business of the House or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(C) Before reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations shall, to the extent practicable and in accordance with section 307 of the Congressional Budget Act of 1974 complete subcommittee markup and full committee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

(2)(A) No measure or recommendation shall be reported from any committee unless a majority of the committee was actually present.

(B) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(3) The report of any committee on a measure which has been approved by the committee (A) shall include the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X separately set out and clearly identified; (B) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(4) Each report of a committee on each bill or joint resolution of a public character reported by such committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(5) If, at the time of approval of any measure or matter by any committee, other than the Committee on Rules, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(A) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(B) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of subparagraph (3)) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a committee print unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(ii) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(6) A measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business), shall not be considered in the House until the third calendar day (or the tenth calendar day in the case of a concurrent resolution on the budget), excluding Saturdays, Sundays, and legal holidays on which the report of that committee upon that measure or matter has been available to the Members of the House. Nor shall it be in order to consider any measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business, or any other committee in the case of a privileged resolution), unless copies of such report and the reported measure or matter have been available to the Members for at least three calendar days, excluding Saturdays, Sundays, and legal holidays during which the House is not in session before the beginning of such consideration: *Provided however,* That it shall always be in order to call up for consideration, notwithstanding the provisions of clause 4(b), Rule XI, a report from the Committee on Rules specifically providing for the consideration of a reported measure or matter notwithstanding this restriction. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

(7) If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any member of the committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if that committee has duly authorized that member to offer that motion.

Power to sit and act; subpoena power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and Rule X (including any matters referred to it under clause 5 of Rule X), any committee, or any subcommittee thereof, is authorized (subject to subparagraph (2)(A) of this paragraph)—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned and to hold such hearings, and

(B) to require, by subpena or otherwise, the attendance and testimony of such witness and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by such chairman, may administer oaths to any witness.

(2)(A) A subpena may be authorised and issued by a committee or subcommitttee under subparagraph (1)(B) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under subparagraph (1)(B) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or by any member designated by the committee.

(B) Compliance with any subpena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

Use of committee funds for travel

(n)(1) Funds authorized for a committee under clause 5 are for expenses incurred in the committee's activities; however, local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds, including those authorised under clause 5, shall be expended for the purpose of defraying expenses of members of the committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(A) No Member or employee of the committee shall receive or expend local currencies for subsistence in any country for any day at a rate in excess of the maximum per diem set forth in applicable Federal law, or if the Member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred by the Member or employee during that day.

(B) Each member or employee of the committee shall make to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than sixty days following the completion of travel with the chairman of the committee for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(2) In carrying out the committee's activities outside of the United States in any country where local currencies are unavailable, a Member or employee of the committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law, or if the Member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred, by the Member or employee during any day.

(3) A Member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside of the United States unless the Member or employee has actually paid for the transportation.

(4) The restrictions respecting travel outside of the United States set forth in subparagraphs (2) and (3) shall also apply to travel outside of the United States by Members, officers, and employees of the House authorized under clause 8 of rule I, clause 1(b) of this rule, or any other provision of these Rules of the House of Representatives.

(5) No local currencies owned by the United States may be made available under this paragraph for the use outside of the United States for defraying the expenses of a Member of any committee after—

(A) the date of the general election of Members in which the Member has not been elected to the succeeding Congress; or

(B) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

BROADCASTING OF COMMITTEE HEARINGS

3. (a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any Member or bring the House, the committee, or any Member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f) The written rules which may be adopted by a committee under paragraph (e) of this clause shall contain provisions to the following effect:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of this rule, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place them-

selves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstrusive manner.

* * * * *

Committee Expenses

5. (a) Whenever any committee, commission or other entity (except the Committee on Appropriations and the Committee on the Budget) is to be granted authorization for the payment, from the contingent fund of the House, of its expenses in any year, other than those expenses to be paid from appropriations provided by statute, such authorization initially shall be procurred by one primary expense resolution for the committee, commission or other entity providing funds for the payment of the expenses of the committee, commission or other entity for that year from the contingent fund of the House. Any such primary expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of the funds to be provided to the committee, commission or other entity under the primary expense resolution for all anticipated activities and programs of the committee, commission or other entity; and

(2) to the extent practicable, contain such general statements regarding the estimated foreseeable expenditures for the respective anticipated activities and programs of the committee, commission or other entity as may be appropriate to provide the House with basic estimates with respect to the expenditure generally of the funds to be provided to the committee commission or other entity under the primary expense resolution.

(b) After the date of adoption by the House of any such primary expense resolution for any such committee, commission or other entity for any year, authorization for the payment from the contingent fund of additional expenses of such committee, commission or other entity in that year, other than those expenses to be paid from appropriations provided by statute, may be procured by one or more supplemental expense resolutions for that committee, commission or other entity as necessary. Any such supplemental expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of additional funds to be provided to the committee, commission or other entity under the supplemental expense resolution and the purpose or purposes for which those additional funds are to be used by the committee, commission or other entity; and

(2) state the reason or reasons for the failure to procure the additional funds for the committee, commission or other entity by means of the primary expense resolution.

(c) The preceding provisions of this clause do not apply to—

(1) any resolution providing for the payment from the contingent fund of the House of sums necessary to pay compensation for staff services performed for, or to pay other expenses of, any committee, commission or other entity at any time from and after the beginning of any year and before the date of adoption by the House of the primary expense resolution providing funds to pay the expenses of that committee, commission or other entity for that year; or

(2) any resolution providing in any Congress, for all of the standing committees of the House, additional office equipment, airmail and special delivery postage stamps, supplies, staff personnel, or any other specific item for the operation of the standing committees, and containing an authorization for the payment from the contingent fund of the House of the expenses of any foregoing items provided by that resolution, subject to and until enactment of the provisions of the resolution as permanent law.

(d) From the funds provided for the appointment of committee staff pursuant to primary and additional expense resolutions—

(1) The chairman of each standing subcommittee of a standing committee of the House is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority party member of each standing subcommittee on each standing committee of the House is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) For the purpose of this paragraph, (A) there shall be no more than six standing subcommittees of each standing committee of the House, except for the Committee on Appropriations, and (B) no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairman and ranking minority party members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under clause 6 of Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(e) No primary expense resolution or additional expense resolution of a committee may provide for the payment or reimbursement of expenses incurred by any member of the committee for travel by the member after the date of the general election of Members in which the Member is not elected to the succeeding Congress, or in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

Committee Staffs

6. (a)(1) Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, each standing committee may appoint, by majority vote of the committee, not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the chairman and the ranking minority party member of such committee, as the committee considers advisable.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct) so request, not more than six persons may be selected, by majority vote of the minority party members, for appointment by the committee as professional staff members from among the number authorized by subparagraph (1) of this paragraph. The committee shall appoint any persons so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members may select other persons for appointment by the committee to the professional staff until such appointment is made. Each professional staff member appointed under this subparagraph shall be assigned to such committee business as the minority party members of the committee consider advisable.

(3) The professional staff members of each standing committee—

(A) shall be appointed on a permanent basis, without regard to race, creed, sex, or age, and solely on the basis of fitness to perform the duties of their respective positions;

(B) shall not engage in any work other than committee business; and

(C) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of each standing committee may be terminated by majority vote of the committee.

(5) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and to the Committee on the Budget.

(b)(1) The clerical staff of each standing committee shall consist of not more than twelve clerks, to be attached to the office of the chairman, to the ranking minority party members, and to the professional staff, as the committee considers advisable. Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, the clerical staff shall be appointed by majority vote of the committee, without regard to race, creed, sex, or age. Except as provided by subparagraph (2) of this paragraph the clerical staff shall handle committee correspondence and stenographic work both for the committee staff and for the chairman and the ranking minority party member on matters related to committee work.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct) so request, four persons may be selected, by majority vote of the minority party members, for appointment by the committee to positions on the clerical staff from among the number of clerks authorized by subparagraph (1) of this paragraph. The committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members, may select other persons for appointment by the committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenograph work for the minority party members of the committee and for any members of the profession staff appointed under subparagraph (2) of paragraph (a) of this clause on matters related to committee work.

(3) Services of the clerical staff members of each standing committee may be terminated by majority vote of the committee.

(4) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and the Committee on the Budget.

(c) Each employee on the professional staff, and each employee on the clerical staff, of each standing committee, is entitled to pay at a single per annum gross rate, to be fixed by the chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code, except that two professional staff members of each standing committee shall be entitled to pay at a single per annum gross rate to be fixed by the chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level IV of the Executive Schedule in section 5315 of Title 5, United States Code.

(d) Subject to appropriations hereby authorized, the Committee on Appropriations and the Committee on the Budget may appoint such staff, in addition to the clerk thereof and assistants for the minority, as it determines by majority vote to be necessary, such personnel, other than minority assistants, to possess such qualifications as the committee may prescribe.

(e) No committee shall appoint to its staff any experts or other personnel detailed or assigned from any department or agency of the Government, except with the written permission of the Committee on House Administration.

(f) If a request for the appointment of a minority professional staff member under paragraph (a), or a minority clerical staff member under paragraph (b), is made when no vacancy exists to which that appointment may be made, the committee nevertheless shall appoint, under paragraph (a) or paragraph (b), as applicable, the person selected by the minority and acceptable to the committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of the professional staff, by whatever title designated) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party members shall designate which of those persons shall fill that vacancy.

(g) Each staff member appointed pursuant to a request by minority party members under paragraph (a) or (b) of this clause, and each staff member appointed to assist minority party members of a committee pursuant to an expense resolution described in paragraph (a) or (b) of clause 5, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibility to him or her of committee records.

(h) Paragraphs (a) and (b) of this clause shall not be construed to authorize the appointment of additional professional or clerical staff members of a committee pursuant to a request under either of such paragraphs by the minority party members of that committee if six or more professional staff members or four or more clerical staff members, provided for in paragraph (a)(1) or paragraph (b)(1) of this clause, as the case may be, who are satisfactory to a majority of the minority party members, are otherwise assigned to assist the minority party members.

(i) Notwithstanding paragraphs (a)(2) and (b)(2), a committee may employ nonpartisan staff, in lieu of or in addition to committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the members of the majority party and a majority of the members of the minority party.

* * * * *

APPENDIX C.—EXCERPTS OF RELEVANT PROVISIONS OF CONGRESSIONAL BUDGET ACT OF 1974

* * * * *

ADOPTION OF FIRST CONCURRENT RESOLUTION

SEC. 301. * * * (c) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before March 15 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House, each standing committee of the Senate shall submit to the Committee on the Budget of the Senate, and the Joint Economic Committee and Joint Committee on Internal Revenue Taxation shall submit to the Committee on the Budget of both Houses—

(1) its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within the respective jurisdiction or functions of such committee or joint committee; and

(2) except in the case of such joint committees, the estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within the jurisdiction of such committee which such committee intends to be effective during the fiscal year beginning on October 1 of such year.

The Joint Economic Committee shall also submit to the Committees on the Budget of both Houses, its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any other joint committee of the Congress may submit to the Committees on the Budget of both Houses, its view and estimates with respect to all matters set forth in subsection (a) which relate to matters within its jurisdiction or functions.

* * * * *

MATTERS TO BE INCLUDED IN JOINT STATEMENT OF MANAGERS; REPORTS BY COMMITTEES

SEC. 302. (a) ALLOCATION OF TOTALS.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays and total new budget authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new budget authority.

(b) REPORTS BY COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to—

* * * * *

(2) every other committee of the House and Senate to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made, (A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction, and (B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection.

(c) SUBSEQUENT CONCURRENT RESOLUTIONS.—In the case of a concurrent resolution on the budget referred to in section 304 or 310, the allocation under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

* * * * *

FIRST CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR PUBLIC DEBT LIMIT IS CONSIDERED

SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year; or

(4) new spending authority described in section 401(c)(2)

(C) to become effective during a fiscal year;

until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301.

(b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution—

(1) providing new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies; or

(2) increasing or decreasing revenues which first become effective in a fiscal year following the fiscal year to which the concurrent resolution applies.

* * * * *

REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR TAX EXPENDITURES.—Whenever a committee of either House reports a bill or resolution to its House providing new budget authority (other than continuing appropriations) or new or increased tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director of the Congressional Budget Office, detailing—

(1) in the case of a bill or resolution providing new budget authority—

(A) how the new budget authority provided in that bill or resolution compares with the new budget authority set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of budget outlays, associated with the budget authority provided in that bill or resolution, in each fiscal year in such period; and

(C) the new budget authority, and budget outlays resulting therefrom, provided by that bill or resolution for financial assistance to State and local governments; and

(2) in the case of a bill or resolution providing new or increased tax expenditures—

(A) how the new or increased tax expenditures provided in that bill or resolution will affect the levels of tax expenditures under existing law as set forth in the report accompanying the first concurrent resolution on the budget for such fiscal year, or, if a report accompanying a subsequently agreed to concurrent resolution for such year sets forth such levels, then as set forth in that report; and

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of the tax expenditures which will result from that bill or resolution in each fiscal year in such period.

No projection shall be required for a fiscal year under paragraph (1)(B) or (2)(B) if the committee determines that a projection for that fiscal year is impracticable and states in its report the reason for such impracticability.

* * * * *

SECOND REQUIRED CONCURRENT RESOLUTION AND RECONCILIATION PROCESS

SEC. 310. * * * (c) RECONCILIATION PROGRESS.—If a concurrent resolution is agreed to in accordance with subsection (a) containing directions to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House a reconciliation bill or reconciliation resolution, or both, containing such recommendations; or

(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations, whether such changes are to be contained in a reconciliation bill or reconciliation resolution, and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House a reconciliation bill or both, carrying out all such recommendations without any substantive revision.

For purposes of this subsection, a reconciliation resolution is a concurrent resolution directing the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be, to make specified changes in bills and resolutions which have not been enrolled.

* * * * *

BILLS PROVIDING NEW SPENDING AUTHORITY

SEC. 401. (a) LEGISLATION PROVIDING CONTRACT OF BORROWING AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(b) LEGISLATION PROVIDING ENTITLEMENT AUTHORITY.—(1) It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(C) (or any amendment which provides such new spending authority) which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill or resolution is reported.

(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

(3) The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new spending authority provided in such bill or resolution.

(c) DEFINITIONS.—(1) For purposes of this section, the term "new spending authority" means spending authority not provided by law on the effective date of this section, including any increase in or addition to spending authority provided by law on such date.

(2) For purposes of paragraph (1), the term "spending authority" means authority (whether temporary or permanent)—

(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts; and

(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

Such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

(d) EXCEPTIONS.—(1) Subsections (a) and (b) shall not apply to new spending authority if the budget authority for outlays will result from such new spending authority is derived—

(A) from a trust fund established by the Social Security Act (as in effect on the date of the enactment of this Act); or

(B) from any other trust fund, 90 percent or more of the receipts of which consist or will consist of amounts transferred from the general fund of the Treasury) equivalent to amount of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(2) Subsections (a) and (b) shall not apply to new spending authority which is an amendment to or extension of the State and Local Fiscal Assistance Act of 1972, or a continuation of the program of fiscal assistance to State and local governments provided by that Act, to the extent so provided in the bill or resolution providing such authority.

(3) Subsections (a) and (b) shall not apply to new spending authority to the extent that—

(A) the outlays resulting therefrom are made by an organization which is (i) a mixed-ownership Government corporation (as defined in section 201 of the Government Corporation Control Act), or (ii) a wholly owned Government corporation (as defined in section 101 of such Act) which is specifically exempted by law from compliance with any or all of the provisions of that Act; or

(B) the outlays resulting therefrom consist exclusively of the proceeds of gifts or bequests made to the United States for a specific purpose.

* * * * *

REPORTING OF AUTHORIZING LEGISLATION

SEC. 402. (a) REQUIRED REPORTING DATE.—Except as otherwise provided in this section, it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year. * * *

(e) EXCEPTIONS.—(1) Subsection (a) shall not apply with respect to new spending authority described in section 401(c)(2)(C).

(2) Subsection (a) shall not apply with respect to new budget authority authorized in a bill or resolution for any provision of the Social Security Act if such bill or resolution also provides new spending authority described in section 401(c)(2)(C) which, under section 401(d)(1)(A), is excluded from the application of section 401(b).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GIAIMO (at the request of Mr. WRIGHT), for this week, on account of illness.

Mr. BARNES (at the request of Mr. WRIGHT), for today, on account of illness.

GENERAL LEAVE

Mr. WYATT. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and include extraneous matter on the subject of the special order taken today by the gentleman from New Jersey (Mr. MAGUIRE).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS of Michigan) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, on February 28.

Mr. CLEVELAND, for 5 minutes, today.

Mr. JOHNSON of Colorado, for 5 minutes, today.

Mr. ASHBROOK, for 15 minutes, today.

(The following Members (at the request of Mr. WYATT) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. JOHNSON of California, for 5 minutes today.

Mr. PREYER, for 5 minutes, today.

Mr. MAGUIRE, for 5 minutes, today.

Mr. GLICKMAN, for 5 minutes, on March 1.

Mr. DRINAN, for 60 minutes, on March 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS of Michigan) and to include extraneous matter:)

Mr. SAWYER.

Mr. VANDER JAGT.

Mr. YOUNG of Alaska.

Mr. SYMMS in two instances.

Mr. ANDERSON of Illinois.

Mr. PAUL.

Mr. HYDE.

Mr. HANSEN in five instances.

Mr. MILLER of Ohio in three instances.

Mr. DORNAN.

Mr. ASHBROOK in two instances.

Mr. GOODLING in two instances.

Mr. LAGOMARSINO.

Mr. CARTER.

(The following Members (at the request of Mr. WYATT) and to include extraneous matter:)

Mr. HUTTO.

Mr. HEFNER.

Mr. ROBERTS.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. MCDONALD in 10 instances.

Mr. WOLFF.

Mr. DASCHLE.

Mr. MINISH.

Mr. PEPPER.

Mr. ROSENTHAL.

Mr. WAXMAN.

Mr. LUNDINE.

Mr. NOLAN.

Mr. PANETTA in two instances.

Mr. HUGHES in five instances.

Mr. GAYDOS.

Mr. JENKINS.

Mr. DELLUMS.

Mr. DRINAN.

Mr. ZEFERETTI.

ADJOURNMENT

Mr. WYATT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p.m.), the House adjourned until tomorrow Wednesday, February 28, 1979, at 3 o'clock p.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1978 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Individual Member/staff travel:											
Carr, Congressman Bob	11/30	12/1	Switzerland	378.45	218.00		[3] 201.00				419.00
Delegation to Far East, Nov. 11-22, 1978											
Badham, Congressman Robert H	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,689.34				6,839.34
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
McDonald, Congressman Larry	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,689.34				6,839.34
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Mollohan, Congressman Robert H	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,689.34				6,839.34
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Nichols, Congressman Bill	11/11	11/13	Taiwan	5,392.50	150.00		[3] 4,801.13				4,951.13
	11/13	11/18	Japan	105,725.00	560.00						560.00
Price, Congressman Melvin	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,689.34				6,839.34
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
White, Congressman Richard C	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,689.34				6,839.34
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Wilson, Congressman Bob	11/11	11/13	Taiwan	5,392.50	150.00		[3] 5,241.57				5,391.57
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Wilson, Congressman Charles H	11/11	11/13	Taiwan	5,392.50	150.00		[3] 4,987.75				5,137.75
	11/13	11/15	Japan	42,290.00	224.00						224.00
	11/15	11/22	Korea	252,000.00	525.00						525.00
Won Pat, Delegate Antonio B	11/11	11/13	Taiwan	5,392.50	150.00		[3] 4,239.66				4,389.66
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Bauser, Edward J	11/11	11/13	Taiwan	4,392.50	122.20		[3] 6,689.34				6,811.54
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Ford, John J	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,689.34				6,839.34
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Tsompanas, Paul L	11/11	11/13	Taiwan	5,392.50	150.00		[3] 6,126.97				6,276.97
	11/13	11/18	Japan	126,870.00	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	36,000.00	75.00						75.00
Scrivner, Peter C	11/11	11/13	Taiwan	5,392.50	150.00		[3] 5,696.18				5,846.18
	11/13	11/15	Philippines		[3] 21.94						21.94
	11/15	11/18	Japan	21,638.00	[4] 132.20						132.20
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
White, Justus P., Jr	11/11	11/13	Taiwan	5,392.50	150.00		[3] 5,886.97				6,036.97
	11/13	11/18	Japan	105,725.00	560.00						560.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000.00	150.00						150.00
Local expenses for entire group	11/11	11/13	Taiwan			20,163.00	[5] 560.86				560.86
	11/13	11/18	Japan				(6)				
	11/18	11/20	Hong Kong			4,755.00	[5] 992.69				992.69
	11/20	11/22	Korea			141,796.00	[5] 295.08				295.08
Committee total					13,550.34		85,855.24				99,405.58

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by the Department of the Air Force.
[4] Lodged in military facilities while in Okinawa, $20.20 (paid by Air Force) and received 1 day's counterpart funds.
[5] Local transportation for entire group paid by State Department.
[6] Costs furnished by State Department for delegations in Japan during this period were grouped together; could not determine individual local transportation expenses charged to HASC delegation.

Jan. 31, 1979.

MELVIN PRICE, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Roger Fauss	11/3	11/20	Great Britain	804.36	1,364.00		1,459.00			804.36	2,823.00
						31.45	63.34			31.45	63.34
Hon. Butler Derrick (White House-sponsored trip).	11/11	11/12	Japan	20,876.00	112.00					20,876.00	112.00
	11/12	11/24	China	1,463.67	900.00					1,463.67	900.00
	11/24	11/25	Hong Kong	723.80	150.00	244.26	50.57			968.06	200.57
Hon. Frank Annunzio	11/19	11/20	Great Britain	45.45	90.00		666.00			45.45	756.00
	11/20	11/27	Italy	441,000	525.00	152,696	201.34			593,696	726.34
	11/27	12/1	Portugal	13,800	300.00					13,800	300.00
Curtis A. Prins	11/18	11/20	Great Britain	90.56	180.00		1,718.70			90.56	1,898.70
	11/20	11/27	Italy	441,000	525.00	152,696	201.34			593,696	726.34
	11/27	12/1	Portugal	13,800	300.00					13,800	300.00
Norman Cornish	12/8	12/11	Brazil	4,583.25	225.00		2,603.10			4,583.25	2,828.10
	12/12	12/16	South Africa	260.37	300.00					260.37	300.00
	12/17	12/21	Brazil	7,638.75	375.00	1,785.00	89.25			9,423.75	464.25
Edwin W. Webber	12/8	12/11	Brazil	4,583.25	225.00		2,603.10			4,583.25	2,828.10
	12/12	12/16	South Africa	260.37	300.00					260.37	300.00
	12/17	12/21	Brazil	7,638.75	375.00	1,785.00	89.25			9,423.75	464.25
Committee total					6,246.00		9,744.99				15,990.99

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. $ equivalent; if U.S. currency is used, enter amount expended.

HENRY S. REUSS, Chairman.

Jan. 31, 1979.

REPORT OF EXPENDITURES FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Herschel F. Clesner	10/30	11/2	Colombia	9,011.25	225.00		567.10				792.10
Hon. Elliott H. Levitas	11/30	12/3	France	1,174.80	267.00		[3] 681.80				948.80
Hon. John W. Jenrette, Jr.	11/13	11/22	Germany	1,488.96	792.00		(4)				792.00
Hon. John N. Erlenborn	11/24	12/2	Khartoum, Sudan		(5)		(4)				0
Committee total					1,284.00		1,248.90				2,532.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. $ equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation costs from Lisbon to Paris to D.C.
[4] Provided by U.S. military.
[5] Paid by the African-American Institute.

JACK BROOKS, Chairman.

Jan. 26, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Bellenson, A. C.	12/11	12/14	Switzerland	485.35	285.00					485.35	285.00
	12/14	12/18	United Kingdom	170.21	340.00					170.21	340.00
	12/18	12/21	France	1,548.60	356.00					1,548.60	356.00
Committee transportation							751.00				751.00
Benker, D.	11/25	12/1	The Sudan	257.48	516.00					257.48	516.00
	12/1	12/2	Spain	4,230	44.24					4,230	44.24
Military transportation							991.16				991.16
Boyer, R.	10/6	10/8	United Kingdom	83.79	166.22	40	79.35			123.79	245.57
	10/8	10/15	Austria	6,927.50	504.00		65.73			6,927.50	569.73
	10/15	10/22	Switzerland	1,165.85	763.00	11	7.31			1,176.85	770.31
	10/22	10/25	Italy	183,150	225.00	8,816	11.20			191,966	236.20
Committee total					3,199.45		1,905.75				5,105.21
	10/25	10/29	Israel	5,511	300.00					5,511	300.00
	10/29	10/31	Jordan	43,200	150.00					43,200	150.00
	10/31	11/2	Syria	585	150.00					585	150.00
	11/2	11/5	United Kingdom	134.06	266.28	20	39.73			154.06	306.01
Commercial transportation							2,083.00				2,083.00
Collins, C.	11/16	11/22	Germany	953.70	510.00					953.70	510.00
Commercial transportation (1 way)							795.00				795.00
Military transportation (return)							396.09				396.09
Collins C.	11/25	12/1	The Sudan	257,480	516.00					257,480	516.00
	12/1	12/2	Spain	5,355	35.08					5,355	35.08
Military transportation							991.16				991.16
de la Garza, E (Kika)	11/14	11/20	France	2,647.75	623.00					2,647.75	623.00
Commercial transportation							1,739.00				1,739.00
Fields, N.	10/27	10/28	France	344.45	83.00					344.45	83.00
	10/28	11/04	Niger	15,150	225.00					45,150	225.00
Committee total					2,858.36		6,043.98				8,902.34
	11/04	11/08	Upper Volta	60,000	225.00					60,000	225.00
	11/08	11/16	Mali	242,437.50	562.50					242,437.50	562.50
	11/16	11/19	Senegal	55,490	256.75					55,490	256.75
	11/20	11/24	Netherlands	734.60	361.03					734.60	361.03
Commercial transportation							2,236.00				2,236.00
Finley, M.	11/12	11/14	Switzerland		290.50		241.81				532.31
	11/14	11/17	Italy		150.00						150.00
	11/17	11/22	United Kingdom		450.00						450.00
Commercial transportation							776.00				776.00
Fowler, W.	11/11	11/12	Japan	20,876	112.00					20,876	112.00
	11/12	11/24	China	1,463.67	800.00					1,463.67	900.00
	11/24	11/25	Hong Kong	723.80	150.00	244.26	50.57			968.06	200.57
Committee total					3,457.78		3,304.37				6,762.12

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27 AND DEC. 31, 1978—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Galey, M.	10/7	10/9	United Kingdom	83.79	166.22					83.79	166.22
	10/9	10/12	Austria	3,463.75	252.00		10.70			3,463.75	262.70
	10/12	10/22	Switzerland	1,665.52	1,090.00					1,665.52	1,090.00
	10/22	10/25	Italy	183,150	225.00					183,150	225.00
	10/25	10/29	Israel	5,511	300.00					5,511	300.00
	10/29	10/31	Jordan	43,200	150.00					43,200	150.00
	10/31	11/2	Syria	585	150.00					585.	150.00
	11/2	11/11	France	2,136	534.00					2,136	534.00
Commercial transportation							2,083.00				2,083.00
Gilman, B. A.	11/17	11/19	Ireland	282	150.00					282	150.00
Commercial transportation						1,155	614.36			1,155	614.36
	11/28	12/2	Mexico	6,780	300.00					6,780	300.00
Military transportation							366.79				366.79
Goodman, M.	11/16	11/24	Indonesia	372,000	600.00					372,000	600.00
	11/24	11/26	Thailand	3,021	150.00					3,021	150.00
Committee total					4,067.22		3,074.85				7,142.07
	11/26	11/30	Bangladesh	3,308.31	211.72	420	26.89			3,728.31	238.61
	11/30	12/1	India	616.50	75.00					616.50	75.00
	12/1	12/6	Nepal	2,370	199.16					2,370	199.16
Commercial transportation							2,842.07				2,842.07
Gulick, L.	11/25	12/4	Egypt	295,000	421.00		158.00			295,000	579.00
	12/4	12/9	Syria	1,107.50	284.00		20.85			1,107.50	304.85
	12/9	12/11	Jordan	38,620	128.00					38,620	128.00
Commercial transportation							1,653.24				1,653.24
Ingram, G. M.	11/14	11/15	Philippines	1,104.75	150.00					1,104.75	150.00
	11/16	11/24	Indonesia	372,000	600.00					372,000	600.00
	11/24	11/25	Thailand	3,021	150.00					3,021	150.00
	11/26	11/30	Bangladesh	3,848.95	231.64	420	26.89			4,268.95	258.53
	11/30	12/1	India	616.50	75.00					616.50	75.00
	12/1	12/6	Nepal	3,556.50	298.87					3,556.50	298.87
	12/7	12/8	France	783.20	178.00					783.20	178.00
Committee total					3,002.39		4,727.94				7,730.33
Commercial transportation							3,139.00				3,139.00
Ireland, A.	11/13	11/18	Japan	126,870	672.00					126,870	672.00
Commercial transportation					2,479.41						2,479.41
Majek, R. R.	11/21	11/29	Switzerland	1,473.70	872.00					1,473.70	872.00
Commercial transportation							1,515.00				1,515.00
Nelson, S. D.	10/27	10/28	France	344.45	83.00					344.45	83.00
	10/28	11/4	Niger	23,376	116.51					23,376	116.51
	11/4	11/8	Upper Volta	53,921	269.60					53,921	269.60
	11/8	11/16	Mali	225,835	523.98					225,835	523.98
	11/16	11/19	Senegal	45,831	212.06					45,831	212.06
Commercial transportation							2,186.00				2,186.00
Committee total					5,228.56		6,840.00				12,068.56
Pitchford, G. E.	10/27	10/28	France	344.45	83.00					344.45	83.00
	10/28	11/4	Niger	45,150	225.00					45,150	225.00
	11/4	11/8	Upper Volta	60,000	225.00					60,000	225.00
	11/8	11/16	Mali	196,937	456.93					196,937	456.93
	11/16	11/19	Senegal	55,490	256.75					55,490	256.75
	11/20	11/24	Netherlands	679.60	334.00					679.60	334.00
Commercial transportation							2,236.00				2,236.00
Rosenthal, B. A.	10/30	11/2	Colombia	9,011.25	225.00					9,011.25	225.00
Commercial transportation							793.00				793.00
	12/7	12/11	Germany	573	300.00					573	300.00
	12/11	12/13	Italy		150.00	107,939	127.57			107,939	277.57
	12/13	12/17	United Kingdom	170.21	300.00			20,502.50	24.38	20,672.71	324.38
Commercial transportation							713.70				713.70
Committee total					2,555.68		3,870.27		24.38		6,450.33
Ryan, L. J. [3]	11/15	11/18	Guyana	839.34	330.00	5,400	2,121.64			6,239.34	2,451.64
Commercial transportation							277.50				277.50
Schlundt, V. M.	10/7	10/9	United Kingdom	83.79	168.00					83.79	168.00
	10/9	10/15	Austria	6,927.50	504.00		65.73			6,927.50	569.73
	10/15	10/22	Switzerland	1,165.85	763.00					1,165.85	763.00
	10/22	10/25	Italy	183.15	225.00					183.15	225.00
	10/25	11/1	Israel	6,894	375.00					6,894	375.00
Commercial transportation							2,083.00				2,083.00
Scholfaert, J.	11/15	11/20	Guyana	887.34	348.63					887.34	348.63
Commercial transportation							277.50				277.50
Committee total					2,713.63		4,825.37				7,539.00
Solarz, S. J.	10/16	10/17	Iran								
	10/18	10/20	Saudi Arabia	240.02	72.71		100.00			240.02	172.71
	10/20	10/24	Egypt	59.75	85.36					59.75	85.36
	10/24	10/27	Syria	877.50	225.00		99.12			877.50	324.12
	10/27	10/28	Lebanon				42.03				42.03
	10/28	10/30	Jordan	54.000	187.50					54.000	187.50
	10/31	11/6	Israel	8,298	450.00					8,298	450.00
Commercial transportation							1,808.00				1,808.00
Committee total					1,020.57		2,059.15				3,069.72
Soriano, R.	11/12	11/14	Switzerland	404.80	250.42					404.80	250.42
	11/14	11/18	Italy	75,850	90.41					75,850	90.41
	11/18	11/20	United Kingdom	55.56	106.68					55.56	106.68
	11/20	11/23	France	741.45	170.45					741.45	170.45
	11/23	12/1	Portugal	17,081.20	364.97					17,081.20	364.97
Commercial transportation							922.00				922.00
Strand, G.	11/25	12/1	The Sudan	201.480	112.24					201.480	112.24
	12/1	12/2	Spain	5,000	18.98					5,000	18.98
Military transportation							991.16				991.16
Van Dusen, M.	11/25	12/4	Egypt	320,000	457.14		158.00			320,000	615.14
	12/4	12/9	Syria	1,062.50	272.44		20.85			1,062.50	293.29
	12/9	12/13	Jordan	68,120	227.82					68,120	227.82
	12/13	12/15	Israel	2,790	150.00		142.00			2,790	292.00
	12/15	12/16	United Kingdom	42.34	75.00					42.34	75.00

See footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Commercial transportation							2, 083. 00				2, 063. 00
Committee total					2, 296. 55		4, 317. 01				6, 613. 56
Ward, J.	11/25	12/1	The Sudan	251. 73	504. 47					251. 73	504. 47
	12/1	12/2	Spain	1, 000	14. 00					1, 000	14. 00
Military transportation							991. 16				991. 16
Wolff, L. L.	11/28	12/2	Mexico	6, 780	300. 00					6, 780	300. 00
Military transportation							366. 79				366. 79
Committee total					818. 47		1, 357. 95				2, 176. 42
Grand total for quarter											73, 559. 70

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Ryan transportation is total cost for a charter plane.

CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations.

Jan. 31. 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Louis Frey	10/13	10/15	France	1, 058. 25	249. 00						249. 00
	10/16	10/18	Sweden	1, 072. 55	225. 00						225. 00
	10/19	10/21	Italy	183, 375	225. 00						225. 00
	10/22	10/23	Spain	10, 455	150. 00						150. 00
	10/24	10/26	Portugal	10, 077. 97	225. 00						225. 00
	10/27	11/3	England	290. 12	602. 00						602. 00
							2, 049. 33				2. 049. 33
Total											3, 725. 33
Ronald D. Coleman	10/23	10/27	Portugal	13, 437. 30	300. 00						300. 00
	10/27	11/3	England	290. 12	602. 00						602. 00
							1, 498. 00				1, 498. 00
Total											2, 400. 00
Donald W. Dalrymple	11/28	12/1	Peru	54, 600	262. 50						262. 50
	12/1	12/4	Colombia	9, 126	225. 00						225. 00
							834. 20				834. 20
Total											1, 321. 70
David S. Abernethy	11/28	12/1	Peru	54, 600	262. 50						262. 50
	12/1	12/4	Colombia	9, 126	225. 00						225. 00
							834. 20				834. 20
Total											1, 321. 70
William D. Braun	12/10	12/17	Mexico	13, 590	600. 00						600. 00
							323. 00				323. 00
Total											923. 00
Kathleen Sagerson	12/10	12/17	Mexico	13, 590	600. 00						600. 00
							323. 00				323. 00
Total											923. 00
Ronald D. Coleman	12/16	12/23	United Kingdom	296. 75	595. 00						595. 00
							1, 487. 00				1, 487. 00
Total											2, 082. 00
Michael J. Ward	11/3	11/13	England	448. 87	900. 00						900. 00
	11/13	11/19	France	2, 269. 50	534. 00						534. 00
	11/19	11/22	Germany	487. 05	255. 00						255. 00
							1, 680. 70				1, 680. 70
Total											3, 369. 70
Hon. Lionel Van Deerlin	11/10	11/12	Taiwan	5, 392. 50	150. 00						150. 00
	11/12	11/18	Japan	126, 870	672. 00						672. 00
	11/18	11/20	Hong Kong	717. 00	150. 00						150. 00
	11/20	11/22	South Korea	72, 000	150. 00						150. 00
Military transport.											
Total											1, 122. 00
Committee total					8, 159. 00		9, 029. 43				17, 188. 43

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

Jan. 31, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Hammerschmidt, John Paul	12/6	12/7	England	129. 77	225. 00		1, 459. 00			129. 77	1, 684. 00
Committee total					225. 00		1, 459. 00				1, 684. 00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HAROLD T. JOHNSON, Chairman.

Jan. 30, 1979

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27 AND DEC. 31, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Maxwell		11/4	United States				787. 50				787. 50
	11/5	11/12	Brazil	10, 942. 40	560. 00					10, 942. 40	560. 00
	11/13		United States				787. 50				787. 50
Wells		11/17	United States				1, 057. 50		20. 00		1, 127. 50
	11/19	11/25	India	4, 998. 00	600. 00	482. 00	57. 86		13. 50	5, 480. 00	671. 36
	11/27		United States				1, 057. 50				1, 057. 50
Wydler		11/9 and 11/11	United States		130. 19		2, 913. 50		22. 00		3, 065. 69
	11/12	11/18	Japan	146, 132	784. 00	14, 800	79. 57			160, 932	863. 57
	11/18	11/21	Philippines	1, 658. 25	225. 00					1, 658. 25	270. 97
	11/21		United States				2, 902. 50				2, 902. 50
Goldwater, Jr.		11/9 and 11/11	United States		121. 61		2, 860. 50				2, 982. 11
	11/12	11/18	Japan	146, 132	784. 00	14, 800	79. 57		45. 97	160, 932	909. 54
	11/18	11/20	Hong Kong	717	150. 00					717	150. 00
	11/20	1/22	Korea	72, 000	150. 00					72, 000	150. 00
	11/22		United States				2, 860. 50		233. 93		3, 094. 43
Dugan		11/9 and 11/11	United States		102. 44		2, 860. 50				2, 962. 94
	11/12	11/18	Japan	146, 132	784. 00	14, 800	79. 57		45. 97	160, 932	909. 54
	11/18	11/21	Philippines	1, 658. 25	225. 00					1, 658. 25	225. 00
	11/21		United States				2, 860. 50				2, 860. 50
Ketcham		11/9 and 11/11	United States		103. 44		2, 860. 50				2, 963. 94
	11/12	11/18	Japan	146, 132	784. 00	14, 800	79. 57		45. 97	160, 932	909. 54
	11/18	11/21	Philippines	1, 658. 25	225. 00					1, 658. 25	225. 00
	11/21		United States				2, 860. 50				2, 860. 50
Wilson		11/9 and 11/11	United States		125. 64		2, 860. 50				2, 986 14
	11/12	11/18	Japan	146, 132	784. 00	14, 800	79. 57		45. 97	160, 932	909. 54
	11/18	11/21	Philippines	1, 658. 25	225. 00					1, 658. 25	225. 00
	11/21		United States				2, 860. 50				2, 860. 50
Scheuer		11/11	United States				3, 511. 72				3, 511. 72
	11/11	11/12	Japan	20, 876	112. 00					20, 876	112. 00
	11/12	11/24	China	121. 97	900. 00					121. 97	900. 00
	11/24	11/25	Hongkong	361. 90	150. 00	244. 26	50. 57			606. 16	200. 57
	11/25		United States				3, 511. 72				3, 511. 72
Byerly		11/11	United States		50. 00		1, 100. 50		7. 00		1, 157. 50
	11/12	11/19	Japan	146, 132	784. 00					146, 132	784. 00
	11/19		United States				1, 100. 50		0. 20		1, 110. 70
Kramer		11/30	United States				503. 50				503. 50
	11/30	12/7	Chile	17, 730. 00	525. 00					71, 703. 00	525. 00
	12/8		United States				503. 50				503. 50
Fuqua		12/5	United States				410. 00				410. 00
	12/6	12/8	England	86. 51	170. 00					86. 51	170. 00
	12/8	12/9	France	391. 60	89. 00					391. 60	88. 00
	12/9	12/11	Germany	439. 30	230. 00					439. 30	230. 00
	12/11	12/13	Italy	126, 750	150. 00					126, 750	150. 00
	12/13		United States				411. 00				411. 00
Wilson		12/1	United States				455. 60		9. 86		465. 46
	12/2	12/8	England	972. 80	335. 25	39. 00	78. 00		241. 82	211. 80	655. 07
	12/8	12/9	France	1, 174. 80	267. 00					1, 174. 80	267. 00
	12/9	12/11	Italy								
	12/11	12/11	Germany	129. 88	68. 00					129. 88	68. 00
	12/11	12/15	Italy								
	12/15		United States				455. 60		5. 95		461. 55
Rudd		12/9	United States				244. 09				244. 09
	12/9	12/15	Mexico	11, 891. 25	525. 00					11, 891. 25	525. 00
	12/15		United States				244. 10				244. 10
Turner		12/9	United States				239. 00				239. 00
	12/9	12/15	Mexico	11, 891. 25	525. 00					11, 891. 25	525. 00
	12/15		United States				239. 00		18. 00		257. 00
Committee total					11, 793. 57		45, 950. 08		766. 14		58, 508. 79

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON FUQUA, Chairman.

Feb. 1, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Congressman Glenn English	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/22	Germany	1,595.11	853	320.00	167.00	729.20	383.79	2,644.31	1,403.89
Congressman Billy Lee Evans	11/13	11/22	Germany	1,158.08	616					1,158.08	616.00
Congressman Benjamin A. Gilman	11/10	11/12	Belgium	6,930.80	202					6,930.80	202.00
	11/12	11/14	Germany	323.51	173					323.51	173.00
	11/16	11/17	Germany	158.95	85					158.95	85.00
	11/19	11/22	Germany	570.35	305					570.35	305.00
Daniel A. Stein	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/22	Germany	1,595.11	853					1,595.11	853.00
David Pickens	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/22	Germany	1,595.11	853					1,595.11	853.00
Dr. James McDonald	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/22	Germany	1,595.11	853					1,595.11	853.00
William G. Lawrence	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/22	Germany	1,595.11	853					1,595.11	853.00
Elliott A. Brown	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/22	Germany	1,535.27	821					1,535.27	821.00
Andrew D. Duskie	11/10	11/12	Belgium	6,518.00	222					6,518.00	222.00
	11/12	11/16	Germany	794.75	425					794.75	425.00
William G. Lawrence	11/28	12/2	Mexico	6,780.00	300					6,780.00	300.00
Alma E. Bachrach	11/28	12/2	Mexico	6,780.00	300					6,780.00	300.00
Elliott A. Brown	11/28	12/2	Mexico	6,780.00	300					6,780.00	300.00
John W. Peplow	11/28	12/2	Mexico	6,780.00	300					6,780.00	300.00
Committee totals					9,646		167.10		983.79		10,196.89

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. $ equivalent; if U.S. currency is used, enter amount expended.

Note: DOD transportation costs chargeable to the Select Committee were: Germany: $5,487.73 (9 personnel); Mexico: $1,027.00 (4 personnel).

LESTER L. WOLFF,
Chairman.

Feb. 1, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY DELEGATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Phillip Burton	11/19	11/24	United Kingdom	227.27	450					45	
	11/24	11/30	Portugal	20,700	450		714.00			1,164	
Jack Brooks	11/19	11/24	United Kingdom	227.27	450					450	
	11/24	11/30	Portugal	20,700	450		714.00			1,164	
Frank Annunzio	11/27	11/30	Portugal	13,800	300		335.00			635	
Charles Rose	11/19	11/24	United Kingdom	227.27	450					450	
	11/24	11/30	Portugal	20,700	450		714.00			1,164	
Bob Wilson	11/26	11/30	Portugal	10,350	225		525.00			750	
Paul Findley	11/19	11/24	United Kingdom	227.27	450					450	
	11/24	11/30	Portugal	20,700	450		714.00			1,164	
				(ret.)	65						
Wm Whitehurst	11/26	11/30	Escudo	10,350	225		525.00			685	
Bob Eckhardt	11/20	11/24	United Kingdom	181.81	360					360	
	11/24	11/30	Portugal	20,700	450		386.00			836	
Dawson Mathis	11/19	11/24	United Kingdom	227.27	450					450	
	11/24	11/30	Portugal	20,700	450		714.00			1,164	
John Jeanette	11/26	11/30	Portugal	17,250	375		335.00			710	
Robert Garcia	11/21	11/24	United Kingdom	136.36	270					270	
	11/24	11/30	Portugal	20,700	450		1,078.00			1,528	
Elliott Levitas	11/19	11/24	United Kingdom	227.27	450						450.00
	11/24	11/30	Portugal	20,700	450		465.00				915.00
Ed Derwinski	11/26	11/30	Portugal	17,250	375		598.52				973.52
Pete Abbruzzese	11/19	11/24	United Kingdom	227.27	450						450.00
	11/24	11/30	Portugal	20,700	450		714.00				1,164.00
Sharon Metts	11/19	11/24	United Kingdom	227.27	450						450.00
	11/24	11/30	Portugal	20,700	450		714.00				1,164.00
Wanda Yamane	11/19	11/24	United Kingdom	227.27	450						450.00
	11/24	11/30	Portugal	20,700	450		714.00				1,164.00
Delegation Expenses									903.31		
Committee total					11,065		9,959.52		903.31		21,937.83

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PHILLIP BURTON.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DONNALD K. ANDERSON, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Donnald K. Anderson	11/11	11/13	Republic of China	5,392.50	150					5,392.50	150
	11/13	11/18	Japan	105,725	560					105,725	560
	11/18	11/20	Hong Kong	717	150					717	150
	11/20	11/22	Korea	72,000	150					72,000	150
Committee total					1,010						1,010

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DONNALD K. ANDERSON.

Dec. 15, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, JOHN E. BARRIERE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 23 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John E. Barriere	10/23	11/7	Canada	1,410.58	1,200					1,410.58	1,200
Committee total					1,200						1,200

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 22, 1979.

JOHN E. BARRIERE.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CHRISTINE E. SULLIVAN, U.S. HOUSE OF REPRESENTATIVES EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Christine E. Sullivan	11/9	11/11	United States		50						150
	11/12	11/18	Japan		100						700
	11/18	11/21	Philippines		75						225
Committee total											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 18, 1978.

CHRISTINE E. SULLIVAN.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

723. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Saudi Arabia for permission to transfer certain U.S.-origin defense equipment and services to the Government of the Yemen Arab Republic, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

724. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the manufacture of certain military equipment in Switzerland (MC-15-79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on Foreign Affairs.

725. A letter from the Director, International Communication Agency, transmitting a draft of proposed legislation to authorize appropriations for the U.S. International Communication Agency for fiscal years 1980 and 1981; to the Committee on Foreign Affairs.

726. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

727. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

728. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Energy Reorganization Act of 1974, as amended, to provide for the statutory creation of the Office of Inspection and Enforcement of the Nuclear Regulatory Commission; to the Committee on Interior and Insular Affairs.

729. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

730. A letter from the Secretary, Foundation of the Federal Bar Association, transmitting the audit report of the Foundation for the fiscal year ended September 30, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

731. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to provide for the protection from unauthorized disclosure of safeguards information and for other purposes; jointly, to the Committees on Armed Services, Interior and Insular Affairs, and Interstate and Foreign Commerce.

732. A letter from the Secretary of Labor, transmitting the annual report for calendar year 1977 on the administration of the Employee Retirement Income Security Act of 1974, pursuant to section 513(b) of the act; jointly, to the Committees on Education and Labor, and Ways and Means.

733. A letter from the Comptroller General of the United States, transmitting a report on the U.S. sugar industry (CED-79-21, February 26, 1979); jointly to the Committees on Government Operations, Agriculture, and Ways and Means.

734. A letter from the Secretary of Energy, transmitting drafts of proposed legislation to provide for the timely management of the spent fuel from nuclear reactors, and to provide for the licensing of Department of Energy facilities primarily used for the receipt and storage of commercial spent fuel; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN:

H.R. 2439. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. ANDERSON of California:

H.R. 2440. A bill to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. HARSHA, Mr. ROE, Mr. LEVITAS, Mrs. BOUQUARD, Mr. CLAUSEN, Mr. FARY, Mr. SNYDER, Mr. YOUNG of Missouri, Mr. SOLOMON, Mr. HAHALL, Mr. APPLEGATE, Ms. FERRARO, Mr. BONER of Tennessee, Mr. HEFNER, Mr. MINETA, Mr. AMBRO, and Mr. ERTEL):

H.R. 2441. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly, to the Committees on Public Works and Transportation, the Judiciary, and Foreign Affairs.

By Mr. ASHBROOK:

H.R. 2442. A bill to amend the National Labor Relations Act to exclude illegal aliens from coverage under the act; to the Committee on Education and Labor.

By Mr. BIAGGI:

H.R. 2443. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. BROOKS (for himself, Mr. FASCELL, Mr. ST GERMAIN, Mrs. COLLINS of Illinois, Mr. PEYSER, Mr. DRINAN, Mr. ENGLISH, Mr. FITHIAN, Mr. MATSUI, Mr. PERKINS, Mr. THOMPSON, Mr. DAVIS of South Carolina, Mr. AKAKA, Mr. BALDUS, Mr. BEDELL, Mr. BLANCHARD, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BOWEN, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CARR, Mr. CAVANAUGH, Mr.

CORCORAN, Mr. CORMAN, Mr. CORRADA, Mr. DASCHLE, Mr. DERRICK, Mr. DIXON, Mr. DODD, Mr. EDGAR, Mr. FAZIO, Mr. FOLEY, Mr. FORD of Tennessee, Mr. GINN, Mr. GORE, Mr. GUDGER, Mr. HARRIS, Mr. HEFTEL, Mr. HOLLAND, Mr. JENKINS, Mr. JENRETTE, Mr. JONES of Tennessee, Mr. KILDEE, Mr. KOGOVSEK, Mr. LOWRY, Mr. MCCORMACK, Mr. MARKEY, Mr. MARRIOTT, Mr. MIKVA, Mr. NEAL, Mr. NOLAN, Mr. PATTERSON, Mr. PRITCHARD, Mr. QUILLEN, Mr. RAHALL, Mr. RATCHFORD, Mr. ROSE, Mr. SHANNON, Mr. SMITH of Iowa, Mrs. SPELLMAN, Mr. STUMP, Mr. SWIFT, Mr. TRAXLER, Mr. UDALL, Mr. ULLMAN, Mr. VENTO, Mr. WEAVER, Mr. WHITLEY, Mr. WIRTH, Mr. WOLPE, and Mr. YOUNG of Alaska):

H.R. 2444. A bill to establish a Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. CARTER:

H.R. 2445. A bill to amend the Social Security Act to encourage philanthropic support for nonprofit hospitals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CONABLE:

H.R. 2446. A bill to amend section 21 of the Second Liberty Bond Act to require the President to submit an alternative balanced budget whenever the regular budget would result in an increase in the public debt limit or a deficit, to require the budget to identify revenue increases attributable to inflation, and for other purposes; jointly, to the Committees on Government Operations and Ways and Means.

By Mr. DRINAN (for himself, Mr. REUSS, and Mr. BEDELL):

H.R. 2447. A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States; jointly, to the Committees on Small Business and Government Operations.

By Mr. ERLENBORN (for himself, Mr. BREAUX, Mr. BUCHANAN, Mr. EDWARDS of Alabama, Mr. LOTT, Mr. ROSE, and Mr. TREEN):

H.R. 2448. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on Education and Labor.

By Mr. FAZIO:

H.R. 2449. A bill to authorize and direct the Secretary of the Department of Health, Education, and Welfare to convey certain lands to D-Q University in fee simple absolute; to the Committee on Education and Labor.

By Mr. FLORIO:

H.R. 2450. A bill to amend title 4 of the United States Code to restrict the authority of any State or political subdivision to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State or political subdivision; to the Committee on the Judiciary.

H.R. 2451. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to include ambulance, first-aid, and rescue squad members as public safety officers eligible to receive certain benefits, and for other purposes; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 2452. A bill to amend section 3012 of title 38, United States Code, to extend to 120 days the period between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency and indemnity compensation or pension; to the Committee on Veterans' Affairs.

H.R. 2453. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to reimburse licensed pharmacists for the cost of drugs furnished by such pharmacists to veterans in accordance with a prescription provided by a Veterans' Administration physician; to the Committee on Veterans' Affairs.

H.R. 2454. A bill to amend title 38 of the United States Code to require that veterans receiving care from the Veterans' Administration for nonservice connected disabilities be charged for such care to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2455. A bill to amend title 3 United States Code, to increase the allowance payable on behalf of dependents of certain service connected disabled veterans; to the Committee on Veterans' Affairs.

H.R. 2456. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 2457. A bill to repeal the provisions of title 23 of the United States Code requiring a national maximum speed limit of 55 miles per hour; to the Committee on Public Works and Transportation.

By Mr. JOHNSON of California (for himself, Mr. HARSHA, Mrs. BOUQUARD, and Mr. FARY):

H.R. 2458. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself, Mr. VANDER JAGT, and Mr. HAGEDORN):

H.R. 2459. A bill to amend the Internal Revenue Code to change the period for the payment of certain taxes; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 2460. A bill to amend the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee payment of principal and interest on, debentures issued by any State or local development company, and to finance the purchase of such debentures through the Federal Finance Bank; to the Committee on Small Business.

By Mr. MAGUIRE (for himself and Mr. WAXMAN):

H.R. 2461. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. ASHLEY, Mr. DINGELL, Mr. JONES of North Carolina, Mr. BIAGGI, Mr. ANDERSON of California, Mr. DE LA GARZA, Mr. BREAUX, Mr. STUDDS, Mr. BOWEN, Mr. HUBBARD, Mr. BONKER, Mr. D'AMOURS, Mr. OBERSTAR, Mr. HUGHES, Ms. MIKULSKI, Mr. AKAKA, Mr. MYERS of Pennsylvania, Mr. WYATT, Mr. LOWRY, Mr. HUTTO, Mr. DONNELLY, Mr. SNYDER, Mr. YOUNG of Alaska, Mr. BAUMAN, Mr. EMERY, and Mr. TRIBLE):

H.R. 2462. A bill to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 2463. A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors; to the Committee on Armed Services.

By Mr. PERKINS:

H.R. 2464. A bill to amend title II of the Social Security Act to make it clear that an individual who loses his or her entitlement to child's insurance benefits by reason of marriage may again become entitled to such benefits if divorced (while still otherwise entitled) before attaining age 22; to the Committee on Ways and Means.

By Mr. PREYER (for himself and Mr. GOLDWATER):

H.R. 2465. A bill to protect the privacy of individuals from governmental and nongovernmental intrusion, and for other purposes; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Education and Labor, Government Operations, Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. QUILLEN:

H.R. 2466. A bill to amend title II of the Social Security Act to provide that widow's insurance benefits shall be payable at age 50, without actuarial reduction and without regard to disability; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 2467. A bill to require that from one-half to 1 percent of any funds appropriated for the construction of certain public buildings be used for artwork for such buildings, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2468. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and in other locations; jointly, to the Committees on Government Operations, and House Administration.

By Mr. STARK:

H.R. 2469. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling while preserving permanently the special allocation for child day care services (with full Federal matching) which is presently in effect; to the Committee on Ways and Means.

By Mr. TREEN (for himself, Mr. BREAUX, and Mr. LIVINGSTON):

H.R. 2470. A bill to establish the Saint Charles Swamp National Wildlife Refuge in Louisiana; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. VANIK:

H.R. 2471. A bill to authorize appropriations for the U.S. International Trade Commission and the U.S. Customs Service for fiscal year 1980, and for other purposes; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 2472. A bill to amend chapter 55 of title 10, United States Code, to allow certain former spouses of members of the uniformed services to receive medical and dental benefits under such chapter, and for other purposes; to the Committee on Armed Services.

H.R. 2473. A bill to amend part D of title IV of the Social Security Act to give the consent of the United States to certain additional garnishment proceedings so as to assist spouses and former spouses of Federal employees in obtaining court-ordered payments; to the Committee on Ways and Means.

By Mr. ANDREWS of North Carolina:

H.J. Res. 230. Joint resolution authorizing and requesting the President to proclaim July 4 of each year as "Independence Day"; to the Committee on Post Office and Civil Service.

By Mr. MAZZOLI:

H.J. Res. 231. Joint resolution designating July 8, 1979, as "Parents' Day"; to the Committee on Post Office and Civil Service.

By Mr. ZEFERETTI:

H. Con. Res. 61. Concurrent resolution concerning the people of Ireland; to the Committee on Foreign Affairs.

By Mr. BROOKS:

H. Res. 140. A resolution to provide for the expenses of investigations, studies, oversight, and functions to be conducted by the Committee on Government Operations; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

44. By the SPEAKER: Memorial of the Legislature of the State of Florida, requesting that Congress call a convention for the sole purpose of considering an amendment to the Constitution of the United States to prohibit the incurrence of national debt except in emergencies; to the Committee on the Judiciary.

45. Also, memorial of the Legislature of the State of South Dakota, requesting that Congress propose, or call a convention for the specific and exclusive purpose of proposing, an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all Federal appropriations made by Congress for any fiscal year not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

46. Also, memorial of the Legislature of the State of Idaho, relative to the domestic sugar industry; jointly, to the Committees on Agriculture, and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HANLEY:

H.R. 2474. A bill for the relief of Gerald Levine; to the Committee on the Judiciary.

By Mr. HUTTO:

H.R. 2475. A bill for the relief of Isaac David Cosson; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 2476. A bill for the relief of Mrs. Frances Parker; to the Committee on the Judiciary.

H.R. 2477. A bill for the relief of Jesus Reveles y Rivera; to the Committee on the Judiciary.

By Mrs. SPELLMAN:

H.R. 2478. A bill for the relief of Dana D. Browdy; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 333: Mr. BROYHILL, Mr. CHAPPELL, Mr. JEFFORDS, Mr. PRITCHARD, Mr. DUNCAN of Tennessee, Mr. CONYERS, Mr. COLLINS of Texas, Mr. VENTO, Mr. PICKLE, Mr. MCCLOSKEY, Mr. WHITEHURST, Mr. WALKER, Mr. LEDERER, Mr. LONG of Maryland, Mr. COTTER, Mr. RODINO, Mr. LAGOMARSINO, Mr. EDWARDS of California, Mr. PRICE, Mr. GUDGER, Mr. EVANS of Indiana, Mr. MONTGOMERY, Mr. ROBERTS, Mr. BUCHANAN, Mr. CLEVELAND, Mr. SAWYER, Mr. WALGREN, Mr. PREYER, Mr. MINETA, Mr. MATHIS, Mr. YATRON, and Mr. GEPHARDT.

H.R. 556: Mr. HANCE.

H.R. 596: Mr. BARNARD, Mr. DAVIS of Michigan, Mr. LEACH of Louisiana, Mr. MARLENEE, Mr. RAILSBACK, Mr. SOLOMON, Mr. WILLIAMS of Ohio, Mr. GAYDOS, and Mr. RAHALL.

H.R. 601: Mr. ERLENBORN, Mr. EDWARDS of Oklahoma, Mr. SHUMWAY, and Mr. LEACH of Louisiana.

H.R. 739: Mr. ABDNOR, Mr. DERWINSKI, Mr. MCDONALD, Mr. BEVILL, Mr. JEFFRIES, and Mr. EDWARDS of Oklahoma.

H.R. 1460: Mr. EVANS of the Virgin Islands, Mr. LEACH of Louisiana, Mr. EDGAR, and Mr. GILMAN.

H.R. 1539: Mr. BARNARD, Mr. BENJAMIN, Mr. BOWEN, Mr. BRODHEAD, Mr. DOWNEY, Mr. EDWARDS of California, Mr. EVANS of Indiana, Mr. GIAIMO, Mr. GILMAN, Mr. JACOBS, Mr. JENRETTE, Mr. LEHMAN, Mr. LOTT, Mr. MAVROULES, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. PATTERSON, Mr. PREYER, Mr. RICHMOND, Mr. ROE, Mr. ROUSSELOT, Mr. THOMPSON, Mr. VOLKMER, and Mr. DERRICK.

H.R. 2119: Mr. MCCLORY, and Mr. KINDNESS.

H.J. Res. 33: Mr. ABDNOR, Mr. AMBRO, Mr. BADHAM, Mrs. BOUQUARD, Mr. BRINKLEY, Mr. CAMPBELL, Mr. CLEVELAND, Mr. COELHO, Mr. COLEMAN, Mr. D'AMOURS, Mr. DONNELLY, Mr. DUNCAN of Tennessee, Mr. ERTEL, Mr. EVANS of Indiana, Mr. GINGRICH, Mr. GINN, Mr. GUDGER, Mrs. HOLT, Mr. HUBBARD, Mr. HUCKABY, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LEACH of Louisiana, Mr. LEE, Mr. LOTT, Mr. MCCLOSKEY, Mr. MATHIS, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, Mr. NATCHER, Mr. NICHOLS, Mr. NOLAN, Mr. PANETTA, Mr. ROUSSELOT, Mrs. SCHROEDER, Mr. SIMON, Mr. SNYDER, Mr. WHITLEY, Mr. CHARLES WILSON of Texas, and Mr. WINN.

H. Con. Res. 15: Mr. COELHO, Mr. RICHMOND, Mr. TAYLOR, Mr. LEHMAN, Mr. PRITCHARD, Mr. BARNARD, Mr. MCCLOSKEY, Mr. EVANS of Indiana, Mr. WINN, Mr. FISH, Mr. MCCORMACK, Mr. CARNEY, Mr. PATTEN, Mr. NOLAN, Mr. JONES of Oklahoma, Mr. AUCOIN, Mr. WEISS, Mr. MAZZOLI, Mr. ROE, Mr. DERWINSKI, Mr. MOAKLEY, Mr. GREEN, Mr. RAHALL, Mr. O'BRIEN, Mr. MITCHELL of Maryland, Mr. OBERSTAR, Mr. AKAKA, Mr. SENSENBRENNER, Mr. KINDNESS, Mr. LEVITAS, Mr. WILLIAMS of Montana, Mr. DUNCAN of Tennessee, Mr. MYERS of Indiana, Mr. CORCORAN, Mr. BUCHANAN, Mr. DRINAN, Mr. LOTT, Mr. LEE, Mr. ROBINSON, Mr. KILDEE, Mr. SABO, Mr. COLEMAN, Mr. SCHEUER, Mr. BERKLEY, Mr. DOWNEY, Mr. OTTINGER, Mr. RHODES, Mr. BALDUS, Mr. MAVROULES, Mr. LONG of Louisiana, Mr. STUDDS, Mr. PANETTA, Mrs. SCHROEDER, Mr. BOB WILSON, Ms. MIKULSKI, Mr. NEAL, Mr. DOUGHERTY, Mr. BEDELL, Mr. REGULA, Mr. LUNDINE, Mr. WOLFF, Mr. MAGUIRE, Mr. CORMAN, Mr. DORNAN, Mr. GRISHAM, Mr. GILMAN, Mr. VENTO, Mr. DAVIS of Michigan, Mr. CORRADA, Mrs. SNOWE, Mr. MONTGOMERY, Mr. TAUKE, Mr. WOLPE, Mr. HARKIN, Mr. DONNELLY, Mr. HUGHES, Mr. MADIGAN, Mr. EDWARDS of Oklahoma, Ms. OAKAR, Mr. CHARLES WILSON of Texas, Mr. RANGEL, Mr. RODINO, Mr. WATKINS, and Mr. WEAVER.

PETITIONS, ETC.

Under clause 1 of the XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

64. By the SPEAKER: Petition of the Oregon Republican State Central Committee, Portland, relative to Federal financing of congressional elections; to the Committee on House Administration.

65. Also, petition of the Board of Directors of the Sierra Club, San Francisco, Calif., relative to solar energy; jointly, to the Committees on Banking, Finance and Urban Affairs, Science and Technology, and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1894

By Mr. BAUMAN:

On page 2, line 21, insert the following new section:

"SEC. 5. Further amendments to the Second Liberty Bond Act (31 U.S.C. 757b) for the purpose of increasing the public debt limit shall not be considered in either the House of Representatives or the Senate preceding the enactment into law of an act requiring the achievement of a balanced Federal budget and establishing a method for achieving such a balanced Federal budget."

EXTENSIONS OF REMARKS

NEWLY APPOINTED CITY MANAGERS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. DELLUMS. Mr. Speaker, professional management of our Nation's cities is more crucial today than in the past, because of the myriad of urban problems we face. Due to the dedication of these appointed administrators, city problems are being tackled and solved.

The International City Management Association, the educational and professional organization of city managers, is holding a reception March 3 in Washington to honor 30 recently appointed minority managers from around the country.

Through its 5-year-old minority executive placement program (MEPP) and its director, Michael C. Rogers, the association has been instrumental in matching qualified minority managers/administrators with openings in city governments around the United States. Since its inception in 1974, the program has aided more than 500 minorities and women to rise in their chosen profession of urban management. There has been an 80 percent increase of minority managers since that time.

Elijah B. Rogers, the new city administrator for Washington, D.C., is the chairman of the association's MEPP advisory board and has been an active participant in association work for many years. He is being honored at the March 3 reception along with minority managers from 13 States.

It is encouraging to know that there is a concerted effort on the part of forward-looking public interest groups to place qualified minorities in positions of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

responsibility in local government administration. The International City Management Association and its executive director, Mark Keane, should be proud of being the forerunner in this endeavor.

I think it appropriate that we recognize the newly appointed managers here and wish them well in their task of helping our cities run better, thus insuring a brighter future for all citizens:

HONOREES

Arizona: Arturo de la Cerda, Winslow; Robert L. Williams, Bisbee.

California: D. Courtemarche, Seal Beach; Clifford Graves, San Diego; Stanley H. Hall, Seaside; Judy Kelsey, Eureka; Lloyd de Llamas, Monterey Park.

District of Columbia: Elijah B. Rogers Washington, D.C.

Florida: Ronald Davis, Riviera Beach.

Georgia: Arthur Cumming, Atlanta.

Illinois: Robert Andrews, Robbins; Eddie L. Carter, Maywood; Harlan D. Mayberry, Park Forest South.

Louisiana: Raynard Rochon, New Orleans.

Michigan: Robert Bobb, Kalamazoo; Pompia L. Durrill, Muskegon Heights; Melvin Farmer, Jr., Benton Harbor; Sylvester Murray, Ann Arbor.

New Jersey: Milton Buck, Newark.

New Mexico: James C. Jaramillo, Albuquerque; Sal Morales, Jr., Silver City; Bob Pineda, Santa Fe.

North Carolina: Richard Knight, Carrboro; Raymond Shipman, Chapel Hill.

Ohio: Robert Fisher, Canton; Frank Wise, East Cleveland.

Texas: Richard Castro, Del Rio; Ralph Garca, Edinburg; Martin Garcia, Pearsall; Roberto Gonsales, Eagle Pass; Gavino Sotelo, Kingsville; Roel Volades, Alice.

Virginia: Manuel Desse, Richmond; Alfred E. Smith, Surry.●

ALASKA LANDS BILL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, I am delighted to join so many Members of the House as an original cosponsor of H.R. 39, the Alaska National Interest Lands Conservation Act of 1979.

After the 95th Congress adjourned without enacting a strong Alaska lands bill, it was imperative that the lands under consideration be protected by Presidential action. I want to commend President Carter and both Secretary Andrus and Secretary Bergland, for their historic actions during that period. By proclaiming national monuments covering 56 million acres of the park, refuge and forest land the House had approved for protection in H.R. 39 last May, the President removed the threat of interim development or of interminable legal hassles over the status of these lands. The additional areas withdrawn by the Secretaries of the Interior and of Agriculture under provisions of the 1976 Federal Land Policy and Management Act also serve to protect the options for ultimate congressional decision.

The record will show that from the outset this has been a bipartisan issue. Presidents and Cabinet officers in administrations of both political parties have worked to develop the basic land protection proposals. The cooperation within the Congress has been complete, and the rollcall votes we took last year demonstrated the overwhelming and completely bipartisan support for a strong Alaska lands bill. Now, in response to calls from Members of Congress from both parties, the President has taken decisive and historic action to protect these lands so that Congress can complete its job without haste and not under the threat of impending development on these lands.

Mr. Speaker, I enthusiastically support this legislation and intend to do all I can to see it enacted in its strong, expansive form.●

ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. HUGHES. Mr. Speaker, the date, February 24, 1979, signifies hope and inspiration for the courageous people of Estonia, who today are subjugated under the yoke of Soviet oppression. It was 61 years ago that the Estonians first cast aside their history of foreign domination, and declared themselves to be an independent, autonomous republic.

The struggle for independence was a long and hard battle. Immediately after independence was declared, the Republic of Estonia was overrun by the German Army, which occupied Estonian territory until the armistice was finalized in November of 1918.

The battle for liberty continued, as the provisional government was forced to defend itself from the Bolshevik army, which attacked Estonian soil to impose Communist tenets upon the newly liberated people. The Estonans adopted the motto, "No compromise with the Communists," and aided by financial support and volunteer forces from England, Finland, Sweden, and Denmark, rallied to overcome the Soviet threat.

The Estonian efforts were rewarded when, in 1920, the Soviet Union forever renounced all rights over the Estonian territory and its inhabitants. For the next 20 years, the Republic of Estonia thrived, developing a rich national culture, and economically prospering.

But this freedom was shortlived. Violating the Peace Treaty of 1920, the Soviets signed the Molotov-Ribbentrop Pact, which again condemned Estonia, along with its Baltic neighbors, Latvia and Lithuania, to the Soviet sphere of influence. In 1940, the Soviet Union forcibly annexed Estonian territory, and subjugated its inhabitants.

The Estonian economy, which blossomed during the years of political freedom, now suffers from the Russian nationalization of all private property. Russification threatens Estonian culture, heritage, and language. Fundamental freedoms have virtually been abolished, human rights violations are rampant, and dissidence is punished by arrest, deportation, and execution.

But the Estonians still refuse to succumb to Russian tyranny and oppression. In the spirit of their first struggle for independence, the Estonian youth continue to resist subjugation, through their demonstrations and appeals to the free world. With each Soviet attempt to quell the thirst for freedom, Estonian nationalism continues to grow even stronger.

In an effort to support the virtuous people of Estonia, the United States does not recognize the annexation of the Republic of Estonia by the U.S.S.R. In accordance with America's quest for the inalienability of human rights throughout the world, I urge the Soviet Union to comply with the Helsinki accords, and to grant the people of Estonia their basic individual liberties and human rights.

The brave people of Estonia deserve international recognition today for their never ending struggle for liberty and freedom from Soviet control. I join them in their hope that some day, their quest for independence will be ended, and the Republic of Estonia will once again take its place among the free nations of the world.●

DR. EDWIN H. ALBANO

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. MINISH. Mr. Speaker, at this time I would like to pay tribute to a man whose life has been spent in dedicated service to his fellow men. I am referring to Dr. Edwin H. Albano, who retired this month as the State of New Jersey's chief medical examiner.

Although he is now officially retired, it is typical of Dr. Albano's commitment to the public that he will continue to serve the people of New Jersey as an unpaid consultant.

Dr. Albano was born in Harrison and raised in Newark, N.J. He has been a lifelong resident of the Garden State. He graduated from Barringer High School in Newark and played the clarinet and violin to finance his medical education at New York University and Bellevue Medical College in New York. Dr. Albano served his internship at Newark Memorial Hospital.

He served for 20 years in the Essex County medical examiners office before becoming New Jersey's first State medical examiner 10 years ago. He will continue to hold his seat on the State board of medical examiners, the regulatory agency that governs New Jersey doctors' practice. Dr. Albano is president of the board.

Mr. Speaker, it is not often enough that we in Congress have the privilege of paying tribute to people like Dr. Edwin H. Albano. It is truly my pleasure to make his accomplishments known to all of my colleagues. Dr. Albano has dedicated his life to the service of his fellow men. He has set an example, not only for others of his profession, but also for all of us to follow.

At this time, I would like to include in the RECORD, an editorial about Dr. Albano that appeared in a recent edition of the Newark Star Ledger:

PHYSICIAN-HUMANIST

For Edwin H. Albano, the practice of medicine has been an avocation as well as a vocation, an unremitting commitment to a profession he has served without a vacation break throughout a long and distinguished career of public service.

A pathologist virtually from the time he graduated from medical school, Dr. Albano became a respected authority in forensic medicine. It was a specialty virtually preordained for a young physician strongly influenced by a revered mentor, the late Dr. Harrison S. Martland, regarded as one of the most accomplished pathologists of his time.

It was a foregone fact that Dr. Albano would succeed his percursor as Essex County medical examiner. And it was only a matter of time before his dogged determination would result in enabling legislation to create a state office of medical examiner.

Naturally, it followed that Dr. Albano would be the most eminently qualified to fill this important post, an agency instrumental in correcting the critical flaws of an antiquated coroner system.

But beyond Dr. Albano's professional eminence, he has been a person of unfailing kindness and compassion. His availability as a friend and physician is legendary in Essex County. He is known as a "doctor's doctor" . . . a lawyer's doctor . . . a judge's doctor . . . a politician's doctor, all professions related to his public service. In actual fact, he was a general practitioner to the man on the street.

Dr. Albano reached the mandatory retirement age of 70 last year. but he was given a year's extension by the attorney general. He officially retired this month, taking with him a personal sense of fulfillment shared by few others . . . and the gratitude of those who have known him as a doctor and a friend.●

TRIBUTE TO TONY GARCIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. LAGOMARSINO. Mr. Speaker, today I would like to pay tribute to Tony Garcia, of Ventura, Calif., secretary-business agent for the Ventura-Santa Barbara Local 4 of the International Longshoremen and Warehousemen's Union for the past 23 years. In recent years, he has also been the local's dispatcher and welfare officer and also served on the committee that helped settle the longest dock strike in west coast history.

Mr. Garcia is a sixth generation Ventura County native, a respected and admired American who for the past 35 years has been a member of the ILWU. There are many reasons why Mr. Garcia is well liked by those who come in contact with him—his rich sense of humor, his down-to-earth manner, his leadership qualities, to name a few. He is a rare combination of a man who possesses the qualities of leadership, friendship, and courage.

Mr. Garcia started working on the docks as a member of the ILWU as a hold man in 1942. World War II was in its early stages, manpower was in short supply, and the longshoremen were an essential part of the war effort. At the height of World War II the small port of Hueneme was teeming with ships and 1,600 longshoremen. Cargo from the port was loaded into ships under the flags of various allied nations for the war effort. In less than 2 years Mr. Garcia had earned a seat on the executive commitee of the local union.

In 1948, Mr. Garcia was severely burned in a home fire accident, and while he was recovering he studied past ILWU contracts and arbitrations, eventually gaining what many of his coworkers saw as an encyclopedic knowledge of union agreements.

In 1956, Mr. Garcia was chosen the winner in a three man race for the union secretary-business agent's position, and he has held the office for 23 of the last 24 years. He was only out of office for 1 year in 1966.

His duties included everything from dispatching men to their jobs and making sure that working conditions were proper. Mr. Garcia was often called to serve on committees to work out problems between the union and the Pacific Maritime Association.

Because of Mr. Garcia's leadership and courage he was chosen to represent the west coast small ports, which include San Diego, Hueneme, Long Beach, and Sacramento, in the 1971–72 134 day shipping strike negotiations. As further evidence of Mr. Garcia's leadership qualities his union sent him to Europe in its' overseas delegate program, established to encourage communication among working people.

Mr. Speaker, the Longshoremen and Warehousemen of Local 46, the Port of Hueneme, and the people of Ventura County owe a great debt to this man who has furthered the causes of the working man.●

THE 100TH ANNIVERSARY OF THE SAN LUIS OBISPO GENERAL HOSPITAL

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to extend my congratulations to all of the people associated with a very important institution in my district—the San Luis Obispo General Hospital. February 14, 1979 was the 100th anniversary of the admittance of the hospital's first patient, and in those 100 years, the residents of the San Luis Obispo area have enjoyed superior medical care.

Of course, the anniversary coincided with Valentine's Day, and everyone likes to think of the hospital as the hospital with a heart. All of the hospital's employees—doctors, nurses, technicians, aides—are responsible for this attitude, and it makes for a great source of comfort and care for people in my district.

At a time when we must look very hard at every government program to eliminate waste, I think it is very important that we remember those public institutions that do serve the public interest. Quality health care is one of the most basic services government can provide to people, and places like the San Luis Obispo General Hospital make a high level of health care for all a reachable goal.

Again, my congratulations to the hospital and all its employees. Let us all hope that the hospital with a heart continues to provide care to the residents of the San Luis Obispo area for yet another century.●

JACOBO TIMERMAN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. DRINAN. Mr. Speaker, I know that my colleagues will be intensely interested in the attached article concerning Mr. Jacobo Timerman, a distinguished journalist in Argentina, who has been mistreated by the authoritarian government of that nation.

When I was in Argentina on behalf of Amnesty International, I spoke at length with Mr. Timerman. Since that time, in November 1976, Mr. Timerman has been unjustly incarcerated and, more recently, detained without justification in Argentina even though his family has gone to Israel.

The attached article by Mr. Stu Cohen is in the winter 1979 issue of Present Tense, the magazine of world Jewish affairs:

THE CASE OF JACOBO TIMERMAN

(By Stu Cohen)

Jacobo Timerman has a great deal to be thankful for. He may be under house arrest, living without his wife and children in a Buenos Aires condominium, but at least he's still alive. As with many other, less well known, opponents of Argentina's military government, the middle-aged, silver-haired publisher might have been "shot while attempting to escape." And not only is Timerman alive, but he has been exonerated of any wrongdoing by a military tribunal, and the civilian Supreme Court has declared his continued detention illegal. (The court decided in July 1978 that his original arrest in April 1977 was illegal.)

But Jacobo Timerman, one of Argentina's most famous publisher-editors, remains a prisoner.

Last October at the Miami, Florida meeting of the InterAmerican Press Association—which represents close to a thousand newspaper publishers throughout the Western Hemisphere—publisher Edward Seaton presented the report of a special I.A.P.A. mission which had gone to Argentina to investigate the Timerman case.

"A professional Argentine journalist for thirty years, a resident of Argentina for fifty of his fifty-five years, Timerman is acknowledged by virtually all of his professional counterparts as perhaps the most important figure in the development of modern journalism in Argentina. His newspaper, *La Opinion*, introduced interpretive journalism to the country and, at its height, was one of the most important papers in Buenos Aires,

with a circulation of 150,000," the report stated.

"Today a colonel runs the paper, and its circulation has dropped to less than 30,000. Timerman's case is special, not because he is a journalist, nor because it [the case] is unique. Many other journalists are being held without charge, especially outside of Buenos Aires, because they are thought to have connections to the terrorists, as Timerman was thought to have had.

"What makes his case different is that he has actually been tried by a military court for subversive crimes and has been cleared—yet he still remains under arrest. His is one of the most highly visible cases [of repression of the press] in Argentina and around the world."

In late November, Peter Galliner, director of the London-based International Press Institute—representing nearly 2,000 leading newspaper editors in sixty-two countries—called Argentina's President, Jorge Videla, urging that Timerman be freed.

And, echoing I.A.P.A.'s sentiments, a Carter administration official told *Present Tense* that Timerman is "important like all other people who are in prison down there. But his is a much more widely known case and, therefore, when you mention Jacobo Timerman [to the Argentine government], they know whom you are talking about."

Jacobo Timerman was born in Poland, the elder son of a poor Jewish couple. When he was five years old his family emigrated to Argentina.

Jacobo Kovadloff, the American Jewish Committee's longtime Argentina representative (and a recent immigrant to the United States after anti-Semitic and political threats forced him and his family to flee their Buenos Aires home), now the AJC's director of South American affairs, and an old and close friend of Timerman's, recalls that "It was a very poor family and they had a hard life, but Jacobo was very intelligent, very clever and he studied hard in school."

As a young man, Timerman was a free-lance journalist for several Argentine literary magazines. In the 1950s, he took a staff position with *La Razon*, a major evening newspaper. Timerman became widely known as a resourceful journalist in 1958 and after Arturo Frondizi was elected president on a nationalist and anti-imperialist platform.

After the election, but before he was to assume office, Frondizi traveled to other Latin American countries for discussions with heads of state. Although Timerman had not been invited to accompany the president-elect, he succeeded in obtaining a ticket on the same commercial flight and, from the perspective of a fellow passenger, sent front-page dispatches to *La Razon* with the first reports of Frondizi's plans for his administration.

"After working for *La Razon* and becoming well known as a journalist," his friend Kovadloff said, "Timerman decided to create a weekly magazine in the style of *Time* and *Newsweek*." With the help of younger journalists, Timerman launched *Primera Plana* in the early 1960s. But with the success of that venture—and with a restlessness that would mark both his career and his political views—Timerman sold *Primera Plana* and founded another news weekly, *Confirmado*. Once again, having made the new magazine a success, he sold it and moved on. This time it was to help produce a new paper, *El Diario*, in the eastern Argentine city of Mendoza. Unlike the earlier journals, *El Diario* was a failure, but Timerman extricated himself before its collapse.

In May 1971, once again with the help of fellow journalists he had known since the 1950s, Timerman began publishing *La Opinion*. Based on the highly regarded Parisian daily *Le Monde*, *La Opinion* was a breath of fresh air in the world of Argentine journalism.

"Among the intellectuals, among the more liberal and moderate people," Jacobo Kovadloff told me, "La Opinion became a necessity. It was one of the first newspapers in which each of the articles was signed by the writer. Timerman was one of the first editors to allow his reporters to do so." And, wrote Andrew Graham-Yool, formerly a reporter for the English-language, century-old Buenos Aires Herald and himself a political exile, "La Opinion was launched with a liberal, a left-of center line, catering to the intellectual community, with a wide coverage of the arts." Also, he pointed out, Timerman declared that his paper would support the Zionist cause.

It was this combination of characteristics—Timerman's rapid rise to prominence, the left-liberal orientation of La Opinion when it began publishing, his avowed Zionism and a certain mercurial cast to his politics—that would result in his arrest and, despite the government's inability to prove its charges, would keep Timerman a prisoner for so long. La Opinion accurately reflected the ferment in Argentine political life—a ferment that swirled about a man named Juan Peron.

In 1943, the military seized control of the Argentine government. Juan Domingo Peron, an army colonel, suspected by many of having been the "brains" behind the coup, was appointed Minister of War. Within a year, he became Minister of Labor and gained the support of the powerful labor movement. However, Peron was forced to resign and was jailed by right-wing military elements. Labor-backed mass rallies prompted his release several weeks later.

In 1946, Peron—a demagogic populist—was elected president. During the next six years he governed the country as the representative of a coalition of forces drawn from the military, the merchant class and essentially, the labor movement.

This coalition of forces had begun to fragment by 1952, when Peron won overwhelming reelection to a second term. The economic situation grew worse, major foreign and multinational firms achieved control of the economy, a divorce law backed by Peron alienated his supporters in the Catholic Church and a growing number of military leaders began to agitate against him. Though several attempted coups were successfully put down, Peron was overthrown in 1955, exiled and replaced by a military government.

Military leaders followed each other to the country's highest offices with bewildering speed until 1958, when Frondizi was elected as the first civilian president in a long time. Timerman began to win recognition as a journalist and publisher during this period.

Like its neighbors, Chile and Uruguay, Argentina is peopled by diverse streams of immigrants who blended with its native population. Spanish Argentines, Italian Argentines, German Argentines, Polish and French and Russian Argentines—each group exists within the mainstream of the society. European immigration continued well into Peron's time. There is a long tradition of connections between Germany and Argentina, and the Argentine army, like that of Chile, has been influenced substantially by Germany. During World War II, Argentina was one of the few Latin American countries to ally itself with Nazism, breaking its ties to the Third Reich only after the Germans lost the War.

"Peron," Kovadloff said, "opened the door to thousands of Nazi leaders, but he also opened the door to thousands of Jewish refugees." The result, of course, has been that Argentine society has maintained an uneasy balance between religious tolerance and occasional outbursts of anti-Semitism directed at its 300,000 Jews, many of whom can trace their Argentine nationality back several generations or more.

Generally, on the surface, Argentina's Jews are accepted by the society's important elements. But as internal political strife and economic dislocation have torn the country apart, latent anti-Semitism has increased in thought and in action. And, according to Timerman and others familiar with his case, this renewed anti-Semitism along with his political beliefs are the main reasons for his imprisonment.

La Opinion was founded during the government of General Alejandro Lanusse, whose programs included repression of several guerrilla movements and liberalization of national political life. The newspaper initially opposed Lanusse and his policies. But in 1972, when the military authorities let it be known that government advertising—the largest block of advertising revenue available to any publisher—would be granted only to publications favorably disposed toward Lanusse, Timerman's policy began clearly to conform to his economic interests.

After the military government announced that general elections would be allowed to take place in 1973 La Opinion switched its support to parties backing Peron. Dr. Hector Caimpora, Peron's personal representative in Argentina, won the election. A guerrilla war soon began between the Montoneros (young, right-wing Peronists who later moved left) and the E.R.P. (the People's Revolutionary Army, the leftist armed wing of Argentina's Revolutionary Workers Party); both also fought the Peronist government. In June, when Peron triumphantly returned to Argentina (and later returned to the presidency), fighting broke out as well between left-wing and right-wing members of his movement.

At this time, Timerman's allegiance switched to Peron himself and to the right wing of the Peronist movement. The paper prospered. In 1974, with cash borrowed from David Graiver, a young Argentine financier, Timerman built a large, modern printing plant.

After Peron's death in July 1974, his wife, Vice President Isabel Martinez de Peron, assumed the presidency. Under her nominal direction of the government (power actually being exercised by Jose Lopez Rega, Minister of Social Welfare), corruption increased greatly, as did inflation and the internal struggle which some observers characterized as a civil war. Lopez Rega established the Argentine Anticommunist Alliance—the "Triple A"—an anti-guerrilla death squad with members recruited from the armed forces, the national police and French Algerian mercenaries. He even diverted government funds to arm the A.A.A. Buenos Aires began to be known among foreign correspondents as the most dangerous city in the world, next to Beirut and Belfast.

Timerman opposed Isabel Peron and her mentor, Lopez Rega, for almost a year, but as rumors of an impending military coup swept through Argentina, he became even more critical of her regime. In February 1976, after Timerman had called for a coup against President Peron and Lopez Rega, La Opinion was closed by the government for ten days. Then another military coup took place and deposed the third Peron regime.

Timerman supported the military junta. According to Graham-Yool, "He celebrated the defeat of the guerrillas—looking away from the horrors of torture, extortion, use of hostages and mass abductions." However, several months later Timerman's euphoric reaction to the junta cooled off. La Opinion (as well as the Buenos Aires Herald) began to report on the atrocities which occurred each day. As a result, he incurred the wrath of the military, particularly the hardline generals. And then the "Graiver scandal" provided those hardliners with the excuse they needed to arrest and silence him.

David Graiver was a major figure in Argentine financial circles, as well as in Europe and the United States. He used his successful banks in Buenos Aires to fund purchases of banks in the United States and Belgium.

When some of Graiver's overseas operations failed, his financial empire began to be closely scrutinized in his home country. The junta maintained that he had been the financial representative of the Montoneros and had banked and invested some $17 million that the guerrillas had piled up through bank robberies and ransoms paid for individuals they had kidnapped. (Argentina's guerrillas, especially the Montoneros, have long been regarded as the best-financed in Latin America.)

Graiver allegedly died in a plane crash in northern Mexico on August 7, 1976. However, the crash is shrouded in mystery and there is little firm evidence of his death. But with Graiver theoretically out of the picture, the military turned its wrath upon those other Argentine citizens who were tied to the elusive financier. In the 1974 Graiver-to-Timerman loan, they believed that they had found all the evidence needed to remove Timerman from the public scene. That Graiver and Timerman were both Jewish only served to confirm the connection, as far as the military was concerned.

("In the eyes of the powerful extreme right, Timerman is a symbol of all they affect to hate," commented James Neilson, assistant editor of the Buenos Aires Herald and correspondent of the London Observer "He is a Jew, an intellectual, a left-of-center liberal.")

At the beginning of April 1977 Edgardo Sajon, La Opinion's production director disappeared. On April 15 Timerman and Enrique Jara, the paper's assistant editor, were arrested by plain clothesmen identified as members of the army's secret police. Although the army acknowledged it had arrested Timerman (and released Jara) little information about him was released for several weeks. At first, he was charged with links to left-wing terrorists; later he was charged with unspecified "economic crimes." Reportedly he was held in an army detention center in the city of La Plata, and tortured. His interrogators' questions ranged from the specifics of the Graiver affair to the current site of meetings of the Elders of Zion to whether Menachem Begin was the ideologist of the Montoneros.

After an initial period of detention and torture, Timerman was moved to a "more comfortable" prison. (A La Opinion staffer visited him there twice in January 1978. When he saw Timerman he started to weep, only to be consoled by the prisoner. The first time, he says Timerman complained of anti-Semitism in Cordoba and the reluctance of Argentine Jewish groups to expose the evil. On the second visit he saw a quieter Timerman. He said Timerman told him, "When the guard told me to follow him I did not know if I was to be tortured, executed or merely to see a visitor.")

Though his family raised questions about his arrest among his professional colleagues—as Graham-Yool points out—"Nobody spoke one good word for Timerman—not any of the hundreds he has helped. All preferred to remember his political contortions, and his wheeling and dealing." In May, when Timerman had been under arrest for several weeks, Robert Cox of the Buenos Aires Herald (who would himself be arrested within a month) wrote: "I find it incredible that I should be the only person prepared to speak up and put in a good word for La Opinion editor Jacobo Timerman. . . . If nobody among the many people he has helped over the years, none of the many partners he has had and nobody on his staff feels moved to say something in his defense, then I feel morally bound to do so." Cox' article broke the circle of silence. La Opinion reprinted the piece and some Jewish community organizations, increasingly anxious, took up the case.

Despite an increasing number of protests over Timerman's continued arrest he was still held even after a military tribunal cleared him of charges arising from the Graiver affair. In November 1977 the junta inexplicably announced that Timerman had been relieved of his Argentine citizenship, including his civil rights and control over his assets. La Opnion and the printing plant were taken over by the military. Timerman remained in prison, charged with vague and unproven "economic subversion."

Last April he was finally released from prison but not as a free man. He was taken to his Buenos Aires home in the fashionable Barrio Norte and placed under house arrest. Late last year, his wife and three children left for Israel—but Timerman remained a prisoner in his home, isolated from everyone. When American Jewish Committee president Richard Maass cabled him before the Jewish New Year, offering "our affection, solidarity and hope that you will soon be free," Timerman replied, "Thank you very much for your words of support. We are living practically in total isolation and your message, the only one received, raised our spirits."

Despite protest from Argentina's Jewish community, international groups such as Amnesty International, the International League for Human Rights, Israel's President Ephraim Katzir and members of the Carter Administration, it does not look as though Jacobo Timerman will be released soon.

President Carter and State Department human rights coordinator Patricia Derian discussed the Timerman case with President Videla as long as a year and a half ago. They received assurances that the three-man junta wanted to free the publisher. Since the July 1978 Supreme Court decision which found Timerman's original and continued detention illegal, protests by United States officials have continued. "Just about every major policy maker has made approaches to the Argentines on behalf of Timerman since [August, 1977]," commented one administration source, "and the most recent contacts were made on November 29, 1978 in the United States." To each of these interventions, the Argentines responded that the question of freeing Timerman "was under active study by the junta."

Why, then, if the junta would like to free Jacobo Timerman is he still a prisoner?

Informed sources in Washington believe that the navy, in the person of Admiral Emilio Massera, former chief of the Argentine navy and a member of the ruling junta, would like to see Timerman released, that the air force is not involved and that the real pocket is in the army among a small but powerful clique of right-wing, anti-Semitic generals, including General Carlos Suares Mason, commander of the First Army, who initiated Timerman's arrest.

"There are some people in the military," said one source, "who see Timerman as a dangerous supporter of the wing of Peronism which led to the crisis that the government suffered in 1976, and which brought the military to power. They believe that he was one of the intellectual fathers of the extremist wing of Peronism. There are three or four generals who are strongly opposed to, violently opposed to, freeing him—no matter what the Supreme Court says, no matter what the Appellate Court says, no matter what a military court of review says. If Timerman goes free, they argue, he will tell the world about the arbitrary arrests and torture commonly practiced and about Argentine anti-Semitism.

"What you'll find," this source stated, "is that until those people who are violently opposed to his being freed are removed from power, or their power is eclipsed while they retain their positions, I don't think you're going to get any action."

On the first day of the new year, Timerman's son married an Israeli in a kibbutz ceremony. His father was not at his side. The government refused all pleas to permit him to attend the wedding. "If he wasn't a Jew, he'd be free now," says a former La Opinion writer, a non-Jew.

And Timmerman? He is a prisoner, in great danger, watching daily from his apartment window as the jets take off from Buenos Aires airport, flying to places he may never see again.●

THE CASE OF THE POOR BUTCHER

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. PAUL. Mr. Speaker, Rhode Island once embarked on the disastrous course of seeking wealth by printing unbacked paper money. What happened is outlined in an article by renowned historian Thomas Boylston Adams, that I would like to bring to my colleagues' attention, since it has so much relevance for today. Mr. Adams is treasurer of the American Academy of Arts and Sciences and former president of the Massachusetts Historical Society.

The article follows:

THE CASE OF THE POOR BUTCHER

(By Thomas Boylston Adams)

(No 12 men would convict a fellow citizen for refusing to do what not one of them would do himself, swap a piece of good meat for a piece of unsecured paper. The great point was made, that an economic theory cannot be forced through at the expense of civil rights.)

When a single interest takes over power in a state, that state is in trouble. The solution is to multiply the interests and divide the power. This was James Madison's theory of government, which he wrote into the Constitution, and it has worked. The contrary has left us some bad examples: the Sans Culottes who took over the French Revolution and the Dictatorship of the Proletariat in Russia. Governments work best when no single doctrine gets too firmly the upper hand, be its name Labor, Capital, Prohibition, Proposition or Cap.

Madison had good opportunity to observe the effects of single interest power at work in the Confederation that preceded the United States. New England was an excellent laboratory. There was the domination of the mercantile and hard money interest in Massachusetts that culminated in the minor civil war of Shays Rebellion. And in Rhode Island the precise opposite took place with the formation of the Country Party, a union of small landholders hellbent to print paper money, extinguish debts and bury the merchants and bankers. In the process they nearly buried the laborers, the artisans, the clerks and themselves, too.

For a short time after the Peace of Paris in 1783 that ended the Revolution, the former colonies seemed to be flooded with specie. But mysteriously, and suddenly, as money will when threatened, it disappeared.

The situation was peculiarly acute in Rhode Island. The smallest colony, it lived by trading with its neighbors, transshipping merchandise to and from the West Indies. It had no back country to provide wanted natural resources like timber and furs. All power was concentrated in a two-level legislature, with both levels elected twice a year. Government was nearly as direct as government can be; a glorified town meeting, the only hitch being that the meeting members were elected by a single class, the freeholders,

those who owned substantial real estate. Everyone else was excluded from the vote.

The farmers formed a Country Party. In the legislature they outnumbered the representatives of the seaports two or three to one. They believed that the stagnation of trade was due to lack of money and that the answer was to print as much as might be necessary. They hit on the figure of 100,000 British pounds.

The merchants screamed fraud and refused to take the paper except at a heavy discount. Infuriated, the Country Party passed a law that anyone who did not take paper at its face value should be fined 100 pounds. On a second conviction the culprit would be ineligible to hold public office. This was aimed directly at the freemen in the legislature who opposed the act. But the paper went right on depreciating and was soon worth barely one-third of face value.

Now John Collins, the Country Party governor, called the legislature into special session to check the opposition of "a combination of influential men against the good and wholesome laws of the state." Great events cast their shadows before! The state was good and wholesome a decade before the guillotine was invented to get rid of inconvenient minorities; a century before the Gulag Archipelago. And the paper money went right on depreciating. Now it was worth one sixth of face value.

So another law was passed: Offenses were to be tried by special courts of judges, no jury allowed, no appeal to any higher jurisdiction. And the judges were appointed by the legislature. The first and last case tried under this statute is famous.

A butcher called John Weeden refused to take a pound note from a cabinetmaker named Trevett in payment for a few pounds of meat. He was defended by James Varnum, a noted lawyer, who, according to tradition, took no fee. There was no defense against the fact, which was established, or the act, which was in accordance with Rhode Island law and the Charter of 1663. But in a noble defense, pressed with great eloquence, Varnum swayed five judges, against their will and their own interest, to the opinion that the law was unconstitutional because it denied the natural right of man to trial by jury, something secured by Magna Carta and courageous effort ever since.

The verdict for the defendant was greeted by "a universal clap" in the crowded Newport courtroom. The reward of the judges was to be summoned before the legislature to explain their decision. Two of them suddenly became ill. The courageous remaining three bravely faced their censors. A judge is "accountable only to God and to his conscience," said Judge Howell. "When the General Assemblies attempt to overleap the bounds of the Constitution the Court has the power and it is *their duty* to refuse to carry such laws into effect." The legislature then proceeded to censor the judges for giving "no satisfactory reason" for their decision. But they were not removed from office. Their decision held.

That killed the law. No 12 men would convict a fellow citizen for refusing to do what not one of them would do himself, swap a piece of good meat for a piece of unsecured paper. The great point was made, that an economic theory cannot be forced through at the expense of civil rights. It is to be feared it did not help the butcher. He went on relief, and what happened to him after we do not know. Probably he, like the judges, who the next year lost their jobs, was a martyr for honesty and the first principle of the common law.

Thereafter the Country Party thrashed about like a landed shark eating its own tail. It made its depreciated paper legal tender, thus repudiating the state debt. Private debts could be liquidated by depositing a bundle of worthless notes with a judge, if the creditor refused to take it. Credit was extinguished. Merchants shut up shop or fled the state, carrying their goods with them. Trade stopped. Rhode Island was a separate nation, neither part of the British Empire nor of the new-formed Union, and starving to death. Finally the tender laws were repealed. Two years later, Rhode Island joined the United States.

President Washington made a good will visit and was received with cannon and bells and oratory. Ever one to let bygones be bygones and walk straight into the future, he said, "It affords me peculiar pleasure to observe that the completion of our Union, by the accession of your state, gives a strong assurance of permanent political happiness to the people of America."

So it was. The two violently opposed interests in the state were lost among the manifold political interests of the nation.●

EXPLANATION OF THE VOLUNTARY HOSPITAL PHILANTHROPIC SUPPORT ACT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. CARTER. Mr. Speaker, in recent sessions of Congress, a great deal of debate has ensued concerning the costs of hospital care. This debate has focused, for the most part, on the need for further regulation of hospitals. Unfortunately, there has been little discussion on how to enhance some of the existing strengths in the health care system. The introduction of the voluntary hospital philanthropic support is one step which I believe will reverse that trend.

Private philanthropy is one of those great strengths of our health care system. Last year Americans voluntarily gave $38.3 billion to charitable organizations, of which about $5.4 billion went to hospitals and health causes, including research. In addition, approximately 45 million Americans donated their time as volunteer workers in such institutions, in a wide variety of capacities. Hospitals and the communities they serve received large benefits from such donations of money and time, because donations allow voluntary, not-for-profit community hospitals to purchase goods and services that would have been unavailable to members of the community had not these donations been made.

Donations aid hospitals in replacing worn out and obsolete facilities when, in a period of high inflation, historical costs accumulated through depreciation are not adequate to protect against inflation.

Donations allow hospitals to engage in valuable medical research, which ultimately can result in the saving of human life.

Donations raise the general quality of care available to the average community and lower the costs to patients and Government.

The willingness of persons in the community to donate their money and time to voluntary, not-for-profit community hospitals results from, and helps to perpetuate, a sense of pride in the accomplishments of community hospitals that Government action can never replace.

It is my strong belief that the benefits to the health care system of private philanthropy must be preserved in any hospital reform act, national health insurance act cost containment act, or future amendments to the Health Planning Act. Yet, certain steps taken in recent years by Federal and State government threaten the very existence of health care philanthropy. In our zest for "reform," we have often paid too little attention to strengths, because the debate has focused almost completely on the curing of weaknesses. However, if in the course of attempting to cure these perceived deficiencies in the health care system, we destroy its strengths, we will have done the American people a serious disservice.

It is the purpose of the Voluntary Hospital Philanthropic Support Act to refocus attention on preserving and enhancing one of the great strengths in the health care field—the willingness of Americans to give to their voluntary, not-for-profit community hospitals. It is intended to correct certain shortsighted actions of administrative agencies which have made it increasingly difficult for hospitals to attract and use for discretionary charitable purposes the donations received from members of the community. It is further intended to insure that Federal, State, and local governments, in their desperation to control costs and find additional sources of revenue, do not apply funds donated for charitable purposes to reduce Government's commitment to pay its share of health care costs.

One example of these shortsighted actions was adopted by the Cost of Living Council during the economic stabilization period of 1972–74. During that time, hospitals were required to spend charitable funds before they could obtain required exceptions, thus weakening the financial ability of hospitals across the Nation to provide needed services. In recent years certain HEW actions have had the effect of requiring the use of charitable funds for operating purposes. And, in addition, several State legislatures have considered legislation which would have the effect of controlling charitable funds. How long will it be before donors realize under such a policy that hospitals are not benefiting from the receipt of such donated funds and stop giving? Not long at all.

In the administration's hospital cost containment bill introduced last year evidence of a policy destructive to philanthropy was again evident. In that bill, donated funds were to be included in the ratio used in determining whether a hospital would be eligible for an exception. In other words, the inclusion of donated funds in that ratio would have made it more difficult to obtain an exception until charitable funds were exhausted. Once again, a hospital was to be penalized, because it received donations. It was for that reason that I introduced an amendment to the hospital cost containment bill to exclude charitable revenues from the proposed

controls. This amendment was accepted by the Commerce Committee.

But even if that bill is dead for now, my general concern for the seeming lack of attention to preserving philanthropic support for hospitals remains. While charitable funds may not be under obvious siege, the failure to perceive the number of smaller steps which in the aggregate threaten the very existence of donations to hospitals may be just as dangerous.

It is this concern that leads me today to introduce the Voluntary Hospital Philanthropic Support Act. This bill establishes a firm policy that the ability of hospitals to attract voluntary donations and all of the ancillary benefits derived from such philanthropy must be preserved. The bill also makes three separate substantive amendments which will, in my view, correct existing deficiencies in the law and will aid in implementing this policy.

EXPLANATION OF AMENDMENTS

The amendments to the Social Security Act contained in section 3 of the bill establish a clear policy that philanthropic support is to be preserved. Subsection (a) of a new section 1134 of the Social Security Act added by this bill specifically establishes a general policy that philanthropic support for health care be encouraged and expanded.

This amendment sends a clear signal to HEW and other administrative agencies interpreting the Social Security Act that Congress is concerned about philanthropic support, that Congress wishes to enhance it, and that HEW and any other administrative agency interpreting the Social Security Act must promulgate its regulations in such a way so as to avoid short-sighted revenue-saving measures which threaten philanthropic support. After the enactment of this amendment, each and every general regulation issued by HEW would have to be promulgated with this new amendment in mind.

Subsection (b) of new section 1134 preserves and enacts into law current HEW policy with respect to designated gifts, grants and endowments, and, also correct certain current deficiencies in HEW regulations which threaten charitable funds. Under current HEW regulations, gifts, grants, and endowments are generally free of control. However, notwithstanding this general policy under such regulations, when a gift made by a donor is designated for operating purposes or is not designated at all, cost-based payers (including medicare and medicaid), require the gift to be offset against a hospital's operating expenses. Accordingly, with respect to the portion of a hospital's services that is supported by Government payments, such a gift, designated or not, does not increase revenues available to the hospital, since such a donation would result in a dollar-for-dollar reduction of payments otherwise due the hospital by Government reimbursement programs.

For this reason, hospitals discourage donors from making gifts for operating purposes. Nevertheless, some donors make such gifts, because they are unaware of this policy. In such cases, HEW policy traps the unwary donor so that instead of having such donor's gift benefit the hospital, as was intended, the gift merely reduces Government payments otherwise due the hospital.

Government has made a commitment under the Social Security Act and other cost reimbursement acts to make payments to hospitals for their operating costs for provision of health care services for a designated group of beneficiaries. The fact that an unwary donor makes a donation to supplement operating costs because he or she thinks that such a donation will help the hospital should not reduce this commitment. New section 1134(b) would correct this current treatment and require the Government to make reimbursements to hospitals without regard to the donor having designated the gift for operating purposes.

In addition, new subsection (b) corrects another provision of existing regulations. Under current HEW regulations, necessary interest expenses incurred by a hospital may be offset by investment income from gifts and grants which are not held separate and are commingled with other funds. While this policy would seem to be generally correct, there is no definition of the phrase "held separate and not commingled" in the regulations, and in some cases this phrase could be interpreted as requiring the hospital to physically separate these funds to meet the regulatory requirement. Such physical separation is impracticable and unnecessarily reduces the hospital's flexibility in the use of these funds. While HEW auditors have often interpreted this provision as requiring only a segregation in the books and records of the hospital, such treatment is far from uniform.

In any case, there is no reason for offsetting necessary interest expense with income from gifts or grants, since hospitals are required by various Federal and State laws to maintain books and records which adequately identify the source of these funds. Accordingly, new subsection (b) would eliminate the requirement for any such offset.

Subsection (c) would preclude any State from imposing restrictions on philanthropic support. Essentially, the subsection would prohibit legislation or regulations which would have the effect of offsetting charitable or similar revenues against allowable operating revenues.

In this period of cost containment, and in desperation to hold down costs, various State legislatures have proposed legislation which would include charitable revenues as revenues subject to State control. This sort of legislation, if adopted generally, would eventually put an end to philanthropic support for hospitals. Accordingly, it would serve no purpose other than to injure hospitals. The Voluntary Hospital Philanthropic Support Act would insure that such policies were not adopted.

Subsection (d) of the bill would insure that private philanthropy for hospitals would be supported and protected in any future action taken by the Federal Government to contain hospital costs. The bill would do so by requiring Federal legislation in this area to meet the same test as that required of State legislation. In other words, no Federal law could have the effect of offsetting charitable or similar revenues against allowable operating revenues.

I strongly believe that it is imperative that we protect philanthropic support of our voluntary hospitals. I further believe that passage of the Voluntary Hospital Philanthropic Support Act would send a signal to hospitals and to the citizens of this country that the Congress is concerned about artificial obstacles which decrease the benefits of private philanthropy. I would hope that my colleagues would support me in this important endeavor.

The text of the bill which I am introducing follows:

H.R. —

A bill to amend the Social Security Act to encourage philanthropic support for nonprofit hospitals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary Hospital Philanthropic Support Act".

SEC. 2. (a) Congress finds that while there continues to be a need to focus on the deficiencies in the health care system and on corrective reform measures that might be taken, there is a need to focus on the enhancement of its strengths. Congress finds that existing philanthropic support for hospitals is a strength which should be preserved and enhanced because—

(1) philanthropy imbues members of the community with a sense of pride in their voluntary non-profit hospitals and creates a setting in which members of the community are willing to devote time and effort to improve health care available in the community in a way that government action cannot replace;

(2) philanthropy allows voluntary nonprofit institutions to conduct research and to engage in other innovative efforts to improve health care in the United States;

(3) philanthropy allows hospitals to replace worn out and obsolete facilities when, in a period of high inflation, historical costs accumulated through depreciation are not sufficient to provide for such replacement; and

(4) philanthropy pays for necessary expenditures that otherwise would have to be paid by patients or by government.

(b) The purpose of this Act is to clarify the intent of Congress in order to encourage philanthropy and voluntarism in the health care field.

SEC. 3. Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"ENCOURAGEMENT OF NON-PROFIT HOSPITAL PHILANTHROPY

"SEC. 1132. (a) It is the policy of the United States that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system. Policies of States that discourage philanthropic contributions to hospitals tend to interfere with the development and operation of hospitals which purchase goods in interstate commerce and provide services in interstate commerce.

"(b) For purposes of determining under titles V, XVIII, and XIX the reasonable costs of services furnished by nonprofit hospitals, gifts, grants, and endowments, and income therefrom, shall not be deducted from any operating costs of such hospitals or otherwise taken into account in determining such reasonable costs.

"(c) No State shall establish a law or regulation respecting the limitations upon the revenues of hospitals which treat, directly or indirectly, as revenues of the hospital any amount which is attributable to—

"(1) a donor designated or restricted grant, gift, or income from an endowment, as defined in section 405.423(b)(2) of title 42 of the Code of Federal Regulations;

"(2) a grant or gift, or income from such a grant or gift, which is not available for use as operating funds because of its designation by the hospital's governing board;

"(3) a grant or similar payment which is made by a governmental entity and which is not available, under the terms of the grant or payment, for use as operating funds;

"(4) the sale or mortgage of any real estate or other capital assets of the hospital which the hospital acquired through a gift or grant and which is not available for use as operating funds under the terms of the gift or grant or because of its designation by the hospital's governing board; and

"(5) a depreciation fund which is (A) created by the hospital in order to meet a condition imposed by a third party for the third party's financing of a capital improvement of the hospital, and which fund is used exclusively to make payments to such third party for the financing of the capital improvement.

"(d) Notwithstanding any other provision of law (except such provisions of law as specifically refer to this provision), no Federal law which provides for the containment or control of hospital costs shall treat, directly or indirectly, as revenues any amounts which such a State law may not treat as revenues under subsection (c).".

SEC. 4. (a) Subsection (b) of section 1132 of the Social Security Act (as added by section 3 of this Act) shall apply on or after the date of the enactment of this Act.

(b) Subsection (c) of such section shall apply to laws and regulations which take effect after the date of the enactment of this Act.●

ESTONIAN INDEPENDENCE DAY

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. GOLDWATER. Mr. Speaker, I take this opportunity to commemorate the bravery and perseverance of the Estonian people on the 61st anniversary of their proclamation of independence.

In November 1918, Estonian independence was challenged when the Bolshevik Army invaded the country. Declaring "no compromise with the Communists," Estonia held its ground and later signed a peace treaty with the Soviet Union stipulating that the U.S.S.R. renounce "voluntarily forever all rights over Estonian territory and people." As history attests, the Soviet Union rarely honors an agreement. In 1940, the Soviets occupied Estonia—an occupation which continues to deny the sovereign rights of the Estonian nation and rigorously suppresses the cultural heritage of the Estonian people.

In 1975, the United States, the Soviet Union and many other countries met in Helsinki and signed a treaty to promote national and human rights for all countries. In spite of this, Estonia remains a captive nation of the U.S.S.R.

Mr. Speaker, I encourage each Member of this House to join me in applauding the dignity and spirit displayed by the Estonian people in their crusade to reestablish an independent, self-governing nation. I sincerely admire the perseverance of Estonians everywhere and hope that freedom and justice will someday be restored to their ancient land.●

POLITICIZING THE OFFICER CORPS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. McDONALD. Mr. Speaker, in a recent interview Maj. Gen. John Singlaub, U.S. Army retired, was interviewed by Mr. Bob Snyder over television. This interview was reprinted by the Manion Forum and the sound version rebroadcast on December 3, 1978. In this discussion with Mr. Snyder, General Singlaub discusses how President Carter's handling of his case contributes to our military people being afraid to have independent views. For further reading on how the Carter administration arrives at decisions, see the article from Harper's magazine, March issue, entitled: "Trumping Asian Allies" by Michael Ledeen, with introductory remarks by the Honorable SAM STRATTON of New York. (See page H569 of CONGRESSIONAL RECORD, of February 13, 1979). This same article was also reprinted in the Atlanta Journal and Constitution of Sunday, February 18, 1979, together with a little footnote, denying the whole story by one Leslie Gelb. It will be recalled that it was Leslie Gelb's copy of the "Pentagon Papers" that found its way rather mysteriously into the hands of Daniel Elsberg. General Singlaub also discusses how the press has played a large role in this sort of thing, starting with Vietnam, where certain press people seemed determined to contribute to our defeat there. I commend this article to the attention of my colleagues:

POLITICIZING THE OFFICER CORPS—CARTER ADMINISTRATION CONSIDERS DISAGREEMENT AN ACT OF DISLOYALTY

(By Gen. John Singlaub, retired, interviewed by Bob Snyder)

DEAN MANION. Through his newsletter, radio and television programs, Bob Snyder is a well-known fighter for American freedom and constitutional government. Those who hear his Tampa, Florida radio broadcasts hear the Manion Forum Footnotes at the same time. From six different locations in Florida, and as far away from there as Grand Forks, North Dakota, Bob and his always distinguished guests may be seen and heard on television. I have appeared on his program and am scheduled to do so again.

The Manion Forum's association with Bob Snyder is very compatible. We seek to inform our audiences about important things that they would not see or hear elsewhere. Recently, Bob Snyder aired a television interview with Major General John Singlaub. With their permission, I am going to give you the sound version of that revealing interchange now. Everybody has read about General Singlaub who was recently fired from his high command in our Army for telling the truth.

Here now is my friend Bob Snyder in the middle of a question to this distinguished soldier.

Mr. SNYDER. When you were in Korea and you brought up the subject of our weakening our strength over there—should we pull troops out of Korea—you evidently hit a very sensitive nerve someplace, a political nerve, an economic nerve, or a military nerve. What was that nerve?

General SINGLAUB. I have to say that I was quite shocked when the President reacted so strongly to a statement that was so universally held by all people in the military whether in Korea or in the United States. It obviously was a very sensitive thing because there should not have been such a direct interference by the President. He completely ignored the chain of command and ordered me directly to report to him. The whole military chain of command was left out of it. I think one of the reasons was that he was involved in a diplomatic ruse here. He had told the Koreans and the Japanese that he would not make a decision on the withdrawal until after they had been consulted.

The reason why I was giving the briefing to this reporter was that the reporter was in Korea from Japan to get the background on the whole withdrawal issue; how the U.S. forces felt about it, how the Korean military and civilian officials felt about it in preparation for this consultation which was to take place the following week. When I made the statement that a withdrawal on the schedule suggested by the President would certainly lead to war, I said that this was the view of the Koreans and that I agreed with it. I also said that, of course, if that decision is made sometime in the future, that the military that are there will carry out that decision in a professional manner.

Mr. SNYDER. General Singlaub, there is some indication that some of the newspapers were aware, prior to your statement, that the President was planning a withdrawal of troops. Are you familiar with that?

General SINGLAUB. Yes. Several reporters have said that the press felt that he had already made his decision. As it turns out, he had, in fact made it, but he was deceiving us in Korea because he told us to go to the Koreans and make sure that they understood that he would not make a decision on the withdrawal until after the consultation which was to take place the following week.

Mr. SNYDER. General Singlaub, that was a very strong statement you just made. You used the word "deceive" which leads me to a question I had planned to ask you. Evidently, General Singlaub, you were at the White House and the President made a statement that he had consulted with the Joint Chiefs of Staff prior to this determination. I understand that you do not believe that the President of the United States, Jimmy Carter, was telling the truth at that time.

THREE WITHDRAWAL PLANS

General SINGLAUB. He certainly did not consult with them in the true sense of the word "consult." He could probably rationalize this in his mind by the fact that he had asked the Joint Chiefs to comment on three withdrawal plans. He never asked them to prepare a plan for withdrawal that would guarantee the security of the Republic of Korea, nor did he ever ask them for their opinion in the desirability, the military desirability, the strategic desirability, of withdrawing the division.

He really asked them to comment on three withdrawal plans—an immediate withdrawal, a withdrawal over a two or three year period, and a withdrawal over a four or five year period. The Joint Chiefs said that all three are unsatisfactory, but of the three, the least undesirable is the third or the slowest withdrawal, which still would involve grave risks for the security of the Republic of Korea.

So, if you look at it honestly, he did not consult with them on the withdrawal. He merely asked them to comment on his ideas on the withdrawal.

Mr. SNYDER. On the issue that he was contemplating, he did not consult with them?

General SINGLAUB. That is correct.

Mr. SNYDER. In other words, the President of the United States really did not tell the truth to you.

General SINGLAUB. That, I am afraid, is correct. He did not.

Mr. SNYDER. General, there seems to be plenty of evidence that military men who are still on duty, prior to retirement, really and truly are being muzzled.

General SINGLAUB. I don't think there is any question about that. It is a phenomenon that has developed in this Administration. In the past, we have always had the opportunity in testifying before a congressional committee, for example, to present the Administration's views, what decision was made by the senior leadership. But then if asked for the personal opinion of a military officer, if a congressional committee said, "General, tell us your personal view on this, how was this decision arrived at," we were not only authorized, we were obligated to give our honest opinion, to give them the truth. That is not taking place now.

This Administration considers that to be an act of disloyalty. If you don't support the complete decision, or in all of your utterances, even under oath before one of these committees, if you don't tell them that you agree with the Administration, you are subject to either being disciplined, or as the current Pentagon expression goes, "you are Singlaubed."

I think it is a dangerous thing to make military decisions without the benefit of the military advice and counsel of the Joint Chiefs, but also to force the senior leadership to support these views. The subordinates of those people know the true feelings of their leaders. They know what the ruling military view is, and to have someone get up there and mouth words of support when, in fact, in his heart, he doesn't feel that way, that is violating what we consider to be one of our most cherished qualities of integrity. When the officer corps loses its integrity, the country is in for some real serious problems.

Mr. SNYDER. General Singlaub, the stories coming out of Korea, your comments about the B-1 and the Panama Canal, the stories that frankly irritated President Carter, those would not have come to light if the media was not so eager and aggressive. Do you feel that you were mistreated by the media?

General SINGLAUB. In the first instance, I think that the reporter who violated the arrangement of being there for an off-the-record background briefing, was very poor. I think the Washington Post eventually discharged him. Some months later he tried to come back into Korea. Interestingly, he had a British Passport at that time and was working for a German magazine. The Koreans spotted him immediately and put him on the next available airplane to Japan.

But, the rest of the media has reported honestly, and I recognize that they sort of hounded me during that year between my incident with the President and my final retirement.

I made a mistake at Georgia Tech. I had been told that the question and answer period would be off the record. I took that at face value, but it turned out that it was not off the record. I can't blame the media for that. That was my own staff and my own naivete. I should have said before answering any questions that I would appreciate having these questions off the record. Otherwise I would be concerned about how the media reported them, and the cadets needed to have answers to some problems that were bothering them.

Mr. SNYDER. General Singlaub, the media—especially TV—has been criticised in combat areas on the basis that they were staging certain scenes. Do you believe that was true in Viet Nam?

General SINGLAUB. They made an effort to find that small incident each day that was against the Republic of Viet Nam and the United States and would enhance the North Vietnamese or Chinese position. It was an incredible thing how they were able to convert, for example, the South Vietnamese and the U.S. had a tremendous victory in the Tet Offensive.

We finally got the North Vietnamese to come out into the open and fight. We literally destroyed the Viet Cong. Yet, by the way in which they reported that, the American people thought that it was a victory for the North and a defeat for the South. It took us weeks and weeks out there to believe that such a victory that we had could be converted into a defeat. We were just stunned to realize that the American people had been convinced that that great victory we had was looked upon as a defeat. We then made further concessions at a time when if we had just shown a good stiff attitude, we could have changed the whole course of the war.

Mr. SNYDER. Because of that type of programming on TV networks, this, in a sense, weakened our resolve to such a degree that perhaps we lost the war in Viet Nam.

General SINGLAUB. I think the irresponsible journalism in Viet Nam contributed directly to the loss of that war. I don't think there is any question about that. There were a half million Americans there at any one time. All those half million Americans were doing an outstanding job. They were winning all of their battles, accomplishing all their missions. Many of those missions were construction missions, not destruction missions.

Yet, each day the press, the written as well as the electronic media, would find some incident where maybe one platoon of 30 people out of a half million Americans did something wrong, they had been ambushed or had some threat of disobedience. They would focus on that, project that small insignificant incident into American homes, night after night after night.

Mr. SNYDER. This was not just one isolated case. This was true of all the networks and many independent stations. Who do you think orchestrated that type of thinking?

General SINGLAUB. It is quite clear that the leader in this was CBS. What motivates CBS I am not certain, but Walter Cronkite has made statements, as you probably know, that "there are lots of people who are concerned about improving our national security. What is really news is those who are trying to cut our defense." I just hate to think of how one individual who was, in fact, ideologically motivated toward the other side, who could have influenced that war so completely.

Mr. SNYDER. That influence would be with one network, but we have so many networks. Is there another source of motivation, another group or whatever, that perhaps truly had a reason why they wanted to lose in Viet Nam?

General SINGLAUB. It is hard to justify the activities of persons like Jane Fonda, not in our government, but what she did to help the enemy.

Mr. SNYDER. Did that hurt the morale of your troops in Viet Nam?

General SINGLAUB. It was not only bad for the people who were in Viet Nam but particularly difficult for those who were in prison camps. I happened to be present at Clark Air Force Base when the first prisoners came out. Along with General Manor, we were the first General Officers to go in and interview the prisoners the following morning. Interestingly enough, one of the first questions that they asked us was "is Jane Fonda in jail?" They were so incensed about what she had done in coming up there and being filmed. Many of the officers had been beaten because they had refused to be photographed with her, and they were really upset.

But, the government, during the debriefing, suggested that they not make this a big public issue and nothing has come of it. There were others who went into North Viet Nam and contributed their prestige to that cause which elevated enemy morale and weakened ours. Certainly, it was a very disillusioning experience for the South Vietnamese to see well respected Americans in North Viet Nam.

Dean MANION. Thank you very much, Bob, and my respects and gratitude to General Singlaub, please, for what he is now doing for our country on public platforms like yours.●

ELECTRICITY FROM HOT WATER

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. GOODLING. Mr. Speaker, I would like to bring to the attention of my colleagues a newspaper article which may have been overlooked as it appeared in the Washington Post after the close of the 95th Congress. This informative piece explores the process by which energy is produced from water temperature differences which exist in tropical oceans. One of the guiding forces in the development of this technology is J. Hilbert Anderson of York. Mr. Anderson and his firm, Sea Solar Power, Inc., deserve a great deal of credit for pioneering efforts in this important alternative to increasingly expensive fossil fuels.

The article follows:

PRODUCING ELECTRICITY FROM HOT WATER—EXPERIMENTAL CALIFORNIA PLANT IS COMPETITIVE, NONPOLLUTING

(By Mark Swann)

At a time when the government seems to have little to show for the million of dollars it has poured into various energy schemes, a small, pioneering West Coast company, using its own money, has quietly developed a method of using geothermal hot water to produce electricity.

Relative to other sources, hot water appears environmentally benign: no strip mining, no air pollution, no wastes. And, unlike some alternatives, this technology appears competitive today and therefore capable of making a contribution to our energy supplies during the 1980s.

An experimental 11,000-kilowatt plant is all but complete in the hot, dry East Mesa region of California's Imperial Valley and will begin operation in December. Its backers, along with many government and academic experts, believe that the plant will open a new era in the development of geothermal energy, power from deep within the earth.

Ten western states, according to the Department of Energy, have large geothermal resources hot enough (above 150 degrees Centigrade) to produce electricity using this kind of technology. Such resources, as contrasted to the lower-temperature resources found under the coastal plains of the southeastern United States, are associated with geologically recent volcanic activity and the meeting of tectonic plates.

The corporate group behind the project is Magma Power and two of its affiliates, Magma Electric, the owner of the plant, and Magma Energy, which developed the process and holds the rights to the patents. Magma Power is the company that opened up the Geysers geothermal area in northern Cali-

fornia. (Unlike this new plant, the Geysers plants—some 600,000 kilowatts to date—are powered by dry steam, the easiest geothermal resource to harness because it actually comes out the wellpipe as usable steam. Geothermal hot water, even at very high temperatures, comes out as a mixture of steam and water. Dry steam is exceedingly rare, the only other known dry steam field in the world being at Lardarello, Italy, which started producing electricity in 1904.)

Heading the project is 81-year-old B. C. McCabe, president of the Magma companies and the man who personally had a big hand in getting the Geysers off the ground in the mid-1950's. The Geysers experience stirred McCabe to drill for steam elsewhere, which he did extensively in several western states. All he found, however, was hot water, apparently in vast amounts. He began to ask around in engineering circles if anyone knew of a new way to use hot water.

McCabe, while not an engineer or chemist, realized long before most experts that hot water could not be widely developed using the conventional "flash" steam method where part of the hot water spontaneously becomes steam on its way up a wellpipe, is processed and then directed through a turbine.

Although there are several "flash" steam plants operating—none of them in the United States—scaling and plugging of the wellpipe by the dissolved solids in the hot water is a serious risk for all but the most pure resources. The piping also must be very large and costly to accommodate steam's large volume.

One of the engineers contacting McCabe was J. Hilbert Anderson, from York, Pa., highly respected for his work in the fields of refrigeration and turbomachinery. Anderson is better known to the general public as the father of ocean thermal energy conversion, or OTEC, where electricity is produced from the small temperature differences found in the tropical oceans. He heads a company of his own which is developing this ocean technology.

Anderson, 69, and McCabe hit it off from the start, each respecting the other's sense of independence and innovation. After a couple of years of Magma-supported research, Anderson had completed the basic development and design of the new technology.

Although McCabe admired and trusted Anderson, he wanted to be absolutely sure of Anderson's designs. So, he announced he would pay $10,000 to anyone who could show where Anderson had gone wrong. There were many hopefuls and no winners.

Obtaining the money for the $9-million plant was another story. Even after the turbine was built and the rest of the plant fully designed, Magma still couldn't afford to build it and wouldn't go to the government for help. What turned the tide, after several years of waiting, was the increased revenue from the Geysers plants whose original pricing contracts had been scaled to be somewhat lower than the costs of coal, oil and uranium, all of which have quadrupled since 1973.

HOW THE PROCESS WORKS

The principles that govern the operation of geothermal hot water plants are the same as for coal and nuclear plants; a source of heat and a place to dump the heat, technically called a heat sink. The heat source in a coal or nuclear plant is provided by the burning of coal or by a controlled nuclear reaction; the heat source in a geothermal plant is aquifer water from several thousand feet in the ground. In all cases, the heat sink is maintained either by a body of water or by evaporation of water into the atmosphere.

Electricity is produced when the heat source boils a liquid and the resulting high-pressure vapor spins a turbine as it expands with great force toward the heat sink. The turbine, actually just a glorified propeller, and the electrical generator are typically built as one unit.

A key difference in the Magma plant is that the working fluid which is boiled and drives the turbine is not water, as in a coal or nuclear plant, but a synthetic refrigerant. After being condensed by the heat sink, it is recycled and reused, again and again. (The "flash" steam method uses the geothermal steam itself to drive the turbine.) Synthetic working fluid systems, also called binary systems, have been brought to a high point of development in refrigeration applications and outperform steam systems at these lower temperatures. They are also cheaper.

The disadvantage of a synthetic working fluid is that there is a requirement for heat exchangers—metal plates or piping to keep the geothermal hot water and the fluid separate yet capable of transfering heat easily. Heat exchangers are expensive to build and have been estimated to run, in this application, as high as 30 percent of the total plant cost. By using a new method of assembly, Anderson was able to build the boiler heat exchangers for the Magma plant for less than half a million dollars, less than $40 per kilowatt.

The use of a synthetic working fluid permits the implementation of Anderson's most important strategy: maintaining the hot water under pressure starting deep within the well pipes, through the heat exchangers and back down the reinjection pipes. This prevents flashing of any kind and guarantees that the dissolved gases, most important carbon dioxide, remain in the hot water. If carbon dioxide comes out of solution, the hot water's chemical equilibrium is altered, usually triggering precipitation and scaling of the dissolved solids.

Another innovative feature of the Magma plant is the addition of a second, smaller turbine which increases plant output 10 percent. The Magma plant also has a new kind of cooling system which will enable the plant to run at higher efficiency.

Even so, the best a geothermal plant can do, because of its lower-temperature heat source, is around 10 percent, compared to up to 40 percent for a modern coal plant. (The Magma plant's hot water is 185 degrees C., for example, or approximately half the temperature of a coal or nuclear plant's heat source.)

A lower efficiency plant, in addition to wasting more heat per kilowatt of electricity generated—and thereby producing more thermal pollution—must also evaporate more water to maintain its heat sink. Anderson believes that the biggest limitation to the widespread development of geothermal hot water will be the lack of cheap, available cooling water.

LESS COSTLY THAN NUCLEAR

The significance of the Magma plant is twofold. First, the plant, if everything goes as planned, will demonstrate that medium- to low-temperature hot water—a plentiful resource in our West and elsewhere in the world—can be technically used.

Second, Magma officials predict that hot-water plants can be built for less than $600 per kilowatt or well under half the cost of a nuclear plant. Considering that Magma developed and built this small experimental plant for less than $900 per kilowatt, they may be on firm ground here. (Production-built hot water plants, incidentally, will probably always be small, around 50,000 kilowatts or enough to power a city of 50,000. Nuclear plants, by comparison, now run between 600,000 and 1.2 million kilowatts.)

Despite the great promise of the technology, serious obstacles stand in the way of its widespread development. Some are economic, others institutional. The cost of geothermal drilling, for example, is roughly three times that of drilling for natural gas and oil despite the use of comparable equipment. This is because geothermal drilling takes place in hard, igneous rock and because geothermal deposits are generally found deeper than oil and gas. The cost of drilling rises exponentially with depth.

In addition, while oil and gas drilling enjoy tax deductions, for the intangible costs (80 per cent of the total) plus a 22 percent depletion allowance, there has been no tax incentive for geothermal drilling.

A measure of the seriousness of the situation is that only 25 geothermal hot-water exploration wells were drilled in 1976 compared to about 32,000 oil and gas wells. Geothermal corporate spokesmen say that tax incentives are a necessity for orderly, rapid geothermal hot water development.

A serious institutional obstacle is that the U.S. Forest Service and the California office of the U.S. Bureau of Land Management have been extraordinarily slow in granting permits for geothermal prospecting. (About 60 percent of the known U.S. geothermal resource lies on federal lands.) In part, this reluctance may be due to an elevated awareness of the environmental problems any kind of power plant can cause. But it also appears that the agencies charged with granting permits are seriously underfinanced and understaffed.

The actual start-up of the Magma plant may serve an opportunity for the Congress and President Carter to reexamine these obstacles and start clearing them away.●

TRIBUTE TO NELSON ROCKEFELLER

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LUNDINE. Mr. Speaker, I join my colleagues today in paying tribute to the late honorable Nelson A. Rockefeller.

In 1971 Governor Rockefeller came to my hometown of Jamestown, N.Y., for the dedication of our new municipal building. Because I was Jamestown's mayor at the time, I had occasion to share a few hours with him that afternoon. I remember his warmth, his vitality, his genuineness.

But most of all, I remember his words—positive words—enthusiastic words—words of hope for a better tomorrow. Our new building, he said, would always stand as a symbol of commitment to the future.

And so will stand the legacy of Nelson Rockefeller, a tireless public servant who helped to shape the future of our Nation, advising five Presidents over a span of 40 years. He helped to construct a basic philosophy on which to build good relations with Latin America during the forties; he helped shape a framework for the United States as we emerged from World War II as a provider of foreign assistance and a prime sponsor of the fledgling United Nations. The following decade found him designing domestic policies as Under Secretary of the new Department of Health, Education, and Welfare. Soon he was back in the international field, however, as President Eisenhower's Special Assistant for Cold War Strategy.

Nelson Rockefeller's attention shifted in the 1950's from national service to a desire to be of help to his home State, New York. He soon began his 15-year tenure as New York's chief executive, and his work was once again devoted chiefly to projects that would insure a better living for New York's future generations. Expansion of the State university system to make education more readily accessible to our youth, improvement of health care delivery systems, setting aside of land for State parks—these are but a few examples of Governor Rockefeller's constant commitment to the future.

The 1970's presented Nelson Rockefeller with an opportunity to once more play an active role in the directions taken by our country. He came out of retirement to accept the Vice Presidency, letting us rely on his stature and his experience as a stabilizing force, expressing gratitude for the opportunity to once again serve his beloved Nation. And with his help, we continued to move forward, to reestablish our optimism and our faith in America's ability to provide a good tomorrow for our citizens.

We will miss Nelson Rockefeller; we will miss his brand of public service. He had a remarkable vision as well as unshakable confidence. He deeply believed in the capacity of our Nation to reach lofty goals because of the productivity of our people. As I pay tribute to him today, I do so knowing that because of his commitments, our future is brighter.

Mrs. Lundine and I extend our deepest sympathy to the Rockefeller family.●

A TRIBUTE TO NELSON A. ROCKEFELLER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BIAGGI. Mr. Speaker, the recent death of Nelson A. Rockefeller saddened many in this Nation. Yet for the people of New York State, the grief was compounded for it was in the Empire State where Nelson Rockefeller gave his best years of public service.

William O'Shaughnessy, president of Radio Station WVOX in Westchester County, New York, delivered a moving eulogy on Nelson Rockefeller on the air this past January 27. This eulogy captured Nelson Rockefeller the man, the "neighbor" as so many in New York would like to remember him. It was perhaps the most personal of the many tributes I heard about Nelson Rockefeller. As Governor of New York, as Vice President of the United States, Nelson Rockefeller strove and succeeded in accomplishments. His contributions to our Nation were numerous and significant. He will be missed, but his legacy will endure for years to come.

I now insert into the RECORD for the benefit of my colleagues William O'Shaughnessy's tribute called simply "Nelson."

NELSON

Saturday is a day for blue jeans and chores around the house, for errands and shopping at the A & P.

It is not the kind of day to get on the radio to announce that Nelson Rockefeller died last night. He deserves better than our Saturday edition.

But last night Nelson Aldrich Rockefeller, a former member of the Westchester County Board of Health, went down at his office in New York. And all night long and into these early morning hours the newspapers and the radio were preparing bulletins and obituaries to tell you this fabulous and restful man's heart had stopped on him.

In cold, clinical, medical language he had a "massive" heart attack. It would have to be a slammer to take out this particular 70-year-old man.

This weekend, there will be a lot written and broadcast in the national media about Nelson Rockefeller. And if you want an objective, arms-length report—you'd better tune elsewhere for you'll not get an unbiased version here at his hometown radio station—or indeed from me. For we were with him at countless political dinners and at ground breakings and dedications. We rode with him over the years in air planes and helicopters and even in golf carts.

It started for us with Louis Lefkowitz and Jack Gilhooley down at Ratner's on Delancey Street in New York City. And it was outside this Jewish delicatessen in a puerto rican neighborhood where I first discovered the Great Squire of Pocantico Hills. As the old men from the neighborhood looked on—this patrician, this aristocrat from Westchester ployed into the crowd of hispanic faces yelling at him "Senor Rocky!"

For ten years we followed Nelson Rockefeller as he dominated New York State politics—settling garbage strikes, battling with John Lindsay, building colleges and a great state university, pushing bond issues, building roads and expressways.

He was always the best story of the day . . . even just sitting on the dias of the Westchester Republican dinner at the old Commodore Hotel with the late Fred Powers and telling his neighbors: "Good to see you . . . nice to see you . . . Wow . . . you look faaabulous!"

He loved to tell them about the time old Boss Ward, the Republican leader, put him on the Westchester Board of Health. And on Thursday past as Henry Kissinger spoke at this year's county dinner, I was reminded of the time Fred Powers gave him a huge replica of the sword of Excalibur which the Wilkinson sword people had made up. And Nelson Rockefeller was like a kid and just *loved* it!

There were so many nights and speeches and so many trips and so many arrivals at the county airport. He would come down out of his Gulfstream, exhausted, in the middle of the night. He might finesse an interview with the networks. But he never waved off a WVOX microphone. When he left Albany he gave us the last question at his final press conference as governor. And when we used the occasion to inquire which of his predecessors staring down at us in the Red Room had "inspired" him, NAR said a lot of great men had been governor of New York, but Teddy Roosevelt had inspired him as a young boy.

And there was the time Air Force Two brought a tired vice president home from a long trip around the world. And as the national press and TV camera crews clamored for interviews, the Governor, as we still called him, made straight for our local station.

And then there was the time we accompanied him on a swing through the Deep South. David Broder and I were watching the Vice President and finishing a drink as Air Force Two, a DC-9, landed with a hell of an abrupt jolt—landing "hot" as the pilots call it—at Columbia, South Carolina. It reminded David Broder and me of our own mortality for a brief, nervous, fleeting moment. But Rockefeller never even winced. He bounded down out of the plane to meet Strom Thurmond and those southern belles in hoop skirts.

On this same trip, down on Mobile Bay, he even charmed old George Wallace and his lady Cornelia. Eastern, patrician, aristocratic, wealthy, yankee Nelson Rockefeller wowed the red necks.

He could never, of course, make the great, *formal* speech in front of a television camera. But in a room, with a crowd, or one-on-one he was superb when he was *informal*.

In 1968, in Miami, he had just delivered an uninspired formal speech to the delegates to the Republican National Convention. He didn't at all come across before the television camera. And then he joined Walter Cronkite in the CBS broadcast booth for a more informal discussion. The great Cronkite was trying hard to be his usual, objective self when Nelson reached over, put his hand on his arm and said: "Just a minute, Walter . . . I'd like to thank *you*, sir . . . for all that *you* do . . . The way you conduct yourself is an inspiration to me . . . and to our country!"

An astonished, but flattered, Walter Cronkite went over like a giant oak.

I'll remember lots of moments with this neighbor of ours. There was the day just before Christmas, in 1974, when he walked into the oval office to be sworn in as Vice President of the United States. And America, which had just been through Watergate, felt good again about itself, having this extraordinary man at center stage for a while.

And I remember Gerald Ford, the president, telling me over drinks in the White House: "Don't worry, Bill . . . I agree with you . . . Nelson and I are a good team . . . he'll be on my ticket . . . *and* we're going to win." That, of course, was before Bo Calloway and the mean, narrow southerners and the Rockefeller-haters started after him. Most men would sell their soul for the vice presidency or to sit in the oval office. He took himself out of it—with style and with grace.

And yet on this morning after he died, it is his sense of humor that keeps coming back to me. I heard him say—on a plane or in a chopper—one day: "My lawyer just sued me!" I didn't understand—until Bobby Douglass, his aide, explained that Louis Lefkowitz, the attorney general, had just brought a suit against Mobil Oil.

And he was in great, good form at his last public appearance here in the county at SUNY Purchase where he showed slides of his art collection to a very tony group—members of the Westchester Arts Council.

He quipped and joked and raised his eyebrows and moved his blocky shoulders and his eyes twinkled and it was vintage Rockefeller. And as he greeted this staid, artsy crowd, an exceptionally well-endowed lady came through the receiving line—rather falling out of a somewhat revealing dress. Nelson's eyes lit up. And when he noticed that Joe Canzeri and I had also tuned in on the display, the Governor threw a sly, mischievous wink to us (and to Happy standing next to him) and said to the lady: "Wow . . . how are *you* . . . yes, sir . . . good to see *you*!"

He was a man of great enthusiasm. He could find humor in almost any situation. But he had to have been hurt by that number done on him and his art reproductions by the reporter in the Times last month. And in the New York Times, James Reston will write a sweet, affectionate column about him—while Anthony Lewis, who shares the same page, will find some way to tell us he never forgave Nelson for Attica. And many Catholics will never understand his stand on abortion. (And, indeed, they wouldn't even pray for him among the formal petitions Sunday at Holy Family Church in New Rochelle. But in the same city, the Christian Brothers of Ireland at Iona Grammar School remembered the soul of Nelson Rockefeller at a mass for fathers and sons.)

There was a big, broad range to his life. He was a high roller who was equally at ease with the Emperor of Japan and the Shah as he was with Meade Esposito of Brooklyn or any Yonkers politician.

As a wealthy man, as a Rockefeller, he had a lot of material things—Kykuit, the

house at Pocantico, an apartment on Fifth Avenue, his newest project in the desert near Brownsville, Texas. He would sit at "21" and jet off to Dorado for vacations or with Happy to visit an Italian princess named Letitia in Rome.

But he also had great enthusiasm for some of the ordinary pleasures. I discovered this the night we flew to Cleveland to campaign for Governor Jim Rhodes. A busy tour had been arranged—TV interviews, a visit to the publishers of the Plain Dealer and a political dinner.

Just before the dinner we stopped at a slightly run-down Sheraton Hotel which was probably the best Cleveland had to offer. There were anti-abortion pickets outside. But the Governor's hosts had laid on the "presidential suite" for a brief rest stop before dinner.

As we cased the room he spotted a portable bar stocked with Dubonnet and milk which suited *him* just fine. I could have used a Canadian Club. And there also sat a gleaming silver tray with oreo cookies all grandly wrapped in cellophane and with a ribbon.

"Wow" . . . said the governor of New York . . . "look at that!" And so there we sat in shirt sleeves eating oreo cookies, Dubonnet and milk in the presidential suite while the pickets chanted below.

He has his name on great, tall buildings now—in Albany and in New York. And he has left around this state a lot of soaring architecture which will remind us and future generations of Nelson Rockefeller. But I will think of him everytime I see a kid eating an oreo cookie.

In countless editorials over the years, I've tried to tell you on this radio station what he has done for our state and for our nation—his accomplishments. They are many and known to you.

But this morning I think I merely want to say I'm glad he was our neighbor—and a friend.

He lit up our lives. Nelson . . . you were faaabulous.

This is a WVOX Editorial of the Air.

This is William O'Shaughnessy.●

MEALS ON WHEELS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. PATTERSON. Mr. Speaker, one of the most serious problems facing American society today is the treatment of the elderly. Many older Americans are unable to leave their homes to obtain even the bare necessities of life. One group that attempts to provide for the elderly that are unable to leave their homes is called "Meals on Wheels." In the city of Buena Park, the "Meals on Wheels" program provides meals prepared by hospitals to people who are physically unable to shop for groceries or prepare their own meals. The meals, which are very nutritional and provided at low cost, are delivered to the homes of seniors by volunteers.

The Buena Park City Council has proclaimed February as "Meals on Wheels Month" in the city. The Buena Park "Meals on Wheels" program will celebrate its fourth anniversary this Friday by installing its new officers. Buena Park Mayor Stan Meyer will install President Rachel Stone, Vice President Shirley Powell, Treasurer Sarah Wilson, Corresponding Secretary Audrey Mason and Recording Secretary Lora Johnson.

Mr. Speaker, I ask all of my colleagues to join me in saluting the Buena Park "Meals on Wheels" program for its dedicated work on behalf of the elderly.●

REINTRODUCTION OF LAW ENFORCEMENT OFFICERS BILL OF RIGHTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. BIAGGI. Mr. Speaker, today, along with my colleague from Pennsylvania, Mr. MIKE MYERS, I am reintroducing my law enforcement officers bill of rights. This is the fifth consecutive Congress in which I have introduced this measure and I am confident that after a decade, this legislation will finally gain congressional approval.

I came to Congress after a 23-year career as a New York City police officer. During those years, I was fortunate to have received many honors and awards for my work. From my first day on the beat to the present I have maintained an active interest in the law enforcement profession and the individual professionals who comprise it. One of the very first bills I sponsored when I came to Congress was the law enforcement officers bill of rights. The version I am introducing today is only slightly revised in language but the original intent is intact.

The intent is clear—the bill seeks to extend to police officers the same guarantees of civil rights and due process as all other Americans enjoy. When police officers become subjects of intradepartmental investigations, they can find their rights to be nonexistant. I have documentation of police officers enduring ceaseless hours of interrogation—being suspended without charge, and being denied counsel rights. My bill establishes a uniform law enforcement officers bill of rights consisting of the following:

First. Law enforcement personnel would have the right to participate in political activities while off duty and out of uniform.

Second. Law enforcement officers under investigation must be notified from the outset the nature of the complaint, all complainants as well as those who will be present during the interrogation, and their legal rights including right to counsel.

Third. All interrogations must be conducted in a reasonable manner and while being conducted no threats of disciplinary action shall be made.

Fourth. The complete interrogation proceeding must be recorded.

Fifth. A law enforcement officer must be notified and given reasons for any punitive action taken against him prior to the effective date of such action.

Sixth. Law enforcement officers have the right to bring civil suits against all those who violate their rights under the bill of rights.

Seventh. No law enforcement officer shall be required to disclose information on personal finances as a basis for promotion.

Eighth. Adequate representation of law enforcement personnel must be provided whenever a police complaint review board is established.

The Congress in the past several years has taken an active and admirable interest in advancing the civil rights of many groups. Legislation nearly passed Congress in 1978 spelling out new rights for institutionalized persons, including prison inmates. Markups of a revised version of this bill is ongoing in the House Judiciary Committee. Does it seem proper that we should work to insure the civil rights of prison inmates before those of law enforcement officers? Are we going to perpetuate the practice of selective morality?

In 1973 hearings were conducted on the law enforcement officers bill of rights. I revised the legislation when I received objections so as to make it more acceptable. Yet there has been no movement on this legislation since that time, except for those actions which I induced. Specifically I offered this bill as an amendment to the 1976 Law Enforcement Assistance Act extension. I pledge that if no action is forthcoming in this Congress in short order, I am prepared to reoffer this as an amendment to the LEAA reorganization bill. It would be done in a manner prohibiting States or localities from receiving LEAA funds unless they had adopted a bill of rights for law enforcement officers.

The law enforcement community has waited patiently for Congress to act on this legislation. Their patience after 10 years is waning. The enactment of the 1976 Public Safety Officers Death Benefits Act was important but law enforcement personnel want protection while they are on the job. They want to be insured at the very least that they will have the same civil and due process rights as those persons they protect. I prophesize to my colleagues that unless substantive action is taken on this legislation there will be an outcry in the law enforcement community.

Obviously I have a deep personal interest in this legislation because of my career as a police officer. Yet I fight this cause as I have so many others—because I abhor discrimination of any kind. In terms of civil rights—police officers are discriminated against—they are second-class citizens—they are impeded in the free exercise of their work.

The idea of a law enforcement officers bill of rights is gaining momentum in this Nation. The States of California, Maryland, and Virginia as well as several major cities have adopted versions of bills of rights. Is it not now time for the Congress to follow suit and enact a uniform bill of rights? This Nation's first line of defense against crime, rests with law enforcement personnel. It is time they were recognized and appreciated. Enactment of my bill will be a giant step in the right direction. I hope I will be joined by many of my colleagues as cosponsors of this important legislation. It enjoys the support of rank and file law enforcement personnel and once official endorsements are received I will place them in the RECORD for all to see.●

ON RECOGNIZING NEW REALITIES: THE ADDRESS BY VICE MINISTER OF FOREIGN AFFAIRS, H. K. YANG OF THE REPUBLIC OF CHINA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. DORNAN. Mr. Speaker, on December 15, 1978, President Jimmy Carter dramatically announced that he was going to sever diplomatic relations with an old and faithful ally, the Republic of China. He declared, furthermore, that he was going to establish diplomatic relations with the Communist regime and terminate the Mutual Defense Treaty with the Republic of China on January 1, 1979. Some Christmas present for the people of Taiwan.

Now, the Communist regime is engaged in a bitter and dangerous war with their ancient enemies, the Vietnamese. Against the battle-hardened young veterans of the Vietnamese Army they are now making considerable headway in their punitive expedition in retaliation for the Vietnamese defeat of Communist China's ally, the bloody regime of Pol Pot in the devastated country of Cambodia. The current demonstration of Chinese conventional power is not, in and of itself, awesome. But consider the possibilities if the Communists on the mainland were armed with the most sophisticated weapons. Consider the impact of their possession of high level technology on the stability of the international balance of power. In their legitimate fears of the Russian Bear, American foreign policy analysts and political scientists who favor the expansion of trade relations between the Chinese Communists and the West are doing nothing less than creating the proverbial Frankenstein monster, an enormous Leviathan which could, realizing its own incomparable demographic strength, break loose from the conventional bonds of international order and go on a rampage through Asia. This is not fancy. It is a very real possibility. In the euphoria of "normalization," the giddy camaraderie excited by Comrade Teng's journey to the shores of our republic, I think that we have lost sight of the awful potential of the new Middle Kingdom.

I am dismayed by the fact that this administration continually indulges in wishful thinking and optimistic theorizing. A classic example of this was the manner in which we broke diplomatic relations with Taiwan. When asked whether the Chinese Communists had given assurances that they would not use force against Taiwan, Secretary of State Cyrus Vance replied that he expressed the hope that such force would not be used and that the Chinese Communists did not offer any contradiction. What did that mean? Silence, on their part, told us nothing. But the President went on to assure the world that Red China had no intention of attacking Taiwan. In fact, the President already cut the ground from under himself when he agreed to Communist China's interpretation in the first place. By recognizing the Communist regime as the sole legitimate government of China, we have logically assumed that Taiwan is an internal affair. The Chinese, quite properly, replied that we had no right to determine how they were to settle their internal affairs.

On January 5, 1979, Vice Premier Teng Hsiao-p'ng publicly acknowledged that the Chinese were not going to restrict themselves to the wishes, hopes, or pleadings of a confused and desperately hopeful American administration. He declared that the Chinese Communists could not rule out the use of force in reuniting Taiwan with the mainland. He reiterated, once more, the point that the question of Taiwan is solely an internal matter.

Under what interpretation of national or international law, the custom and usage of states and nations, could the Carter administration possibly believe that the Chinese Communists have no legal or moral right to use force in the resolution of internal disorder or disturbances? The President had already given the proverbial game away.

The fundamental difference in perception between the administration analysts in the United States and the leaders of the Communist regime on the mainland is that the latter exhibit a fine-tuned understanding of the uses of international power. Using the United States as a platform to warn of the real dangers of Soviet Russian imperialism, it was not surprising that Vice Premier Teng would talk openly of punishing the Vietnamese. He understands the psychological impetus of his new found relationships with the United States. He must likewise grasp the incredibly naive approach of administration foreign policy leaders—who received no concessions whatsoever, even in negotiating the blatant betrayal of an old, trusted, and faithful ally. Such behavior must, I think, excite his contempt.

The Speaker, the President has said that he will veto legislation that would provide long-term assistance to Taiwan. Then, later, it was reported that he would agree to use force in the protection of the Taiwanese. What does that tell us? It tells us what we have suspected all along. This administration has no foreign policy. This administration makes ad hoc decisions and proposals in response to events; but there is little, if any, attempt to control events. There is no vision, no plan, no overall intellectual framework.

Mr. Speaker, does anyone in the White House remember human rights? I mean, does anyone, straining their crania, recall the vaunted importance of the principles of human rights and the dignity of men in our foreign policy. When the President announced his new China policy, he remarked that he was only "recognizing reality"—the reality of the Communist conquest of 900 million human beings. Well, I agree that we ought to "recognize" this reality—all of it, in all of its ugly and heart rendering dimensions.

Yes, Mr. Speaker, let us extend full, complete and unreserved diplomatic relations to reality. According to the Guinness Book of World Records, the regime on mainland China is responsible for more political murders than any other government in human history. Yes, more than Hitler, Pol Pot, or even Stalin. The Walker report published by the United States Judiciary Committee in 1971, estimated that the human cost of communism in China since 1949 ranges anywhere from a conservative estimate of 32,000,000 to a high 61,000,000 human souls. It is worth noting that the Communist Chinese themselves have openly claimed, on several occasions, that they have been engaged in mass executions of so-called class enemies.

As with virtually every major totalitarian political experiment since Lenin seized power in 1917, the force labor concentration camp has become a standard apparatus of repression. While there are no official government estimates of dissidents or prisoners forced into what the Communists call Lao Dong Gai Zao—reformed through forced manual labor—a 1964 estimate published by the Guinness Book of World Records was 16,000,000. Where was Teng Hsiao-ping during this period of Communist rule. He was in the center of the violence, literally wading in the blood of innocent victims. As I said, there is no reason why we ought not to extend diplomatic relations to every facet of reality—even those we boast and toast.

On December 31, 1978, the day before the United States decided to derecognize its veteran friend in war and prosperous trading partner in peace, former Vice Minister of Foreign Affairs for the Republic of China, H. K. Yang, delivered a farewell address. It was a moving speech. It revealed the bravery and determination of the fine people he represents, the very last bastion of the venerable culture of Confucius in the world today.

As I said, I think we ought to examine the whole of reality in all of its heart-rendering dimensions. Mr. Yang's speech, therefore, cannot be overlooked—even from the very high altitudes of the State Department.

I ask my colleagues to read it with full awareness of the tragic history our current administration is writing:

TWIN OAKS ADDRESS BY VICE-MINISTER OF FOREIGN AFFAIRS H. K. YANG OF THE REPUBLIC OF CHINA

(Delivered at the flag-lowering ceremony held at Twin Oaks, Washington, D.C. on December 31, 1978)

It is with a heavy heart that I am here to officiate the ceremony of the lowering of our national flag—the flag of the Republic of China.

I am grateful to all of you—friends and fellow citizens—who are gathered here at Twin Oaks to take one more look at our national flag before it is taken down. Your pres-

ence gives us strength and confidence. Your presence speaks eloquently of the fact that in our fight for a just cause we are not alone.

China and the United States exchanged ministers exactly a hundred years ago. Ever since 1912 when the Republic of China was brought into being, the first republic in Asia, our two countries have maintained close and cordial diplomatic relations. Throughout the long years, in war or in peace, I am not aware of a single occasion when the Republic of China did anything perfidious or wrong to the United States.

Our people, known for their trustworthiness, honesty and loyalty, have always endeavored to live up to the moral and ethical standards they set for themselves in their dealings with the people of the United States. It is therefore only natural that we feel distressed when we realize that our national flag is not to be raised here at Twin Oaks after the end of this year, because President Carter has decided that on January 1st, 1979, the United States will terminate diplomatic relations with us the Republic of China—a loyal friend and ally of the United States, and establish relations with our enemy the Chinese Communist regime.

Beginning tomorrow, relations between the Republic of China and the United States of America shall undergo changes. Surely, there will be modifications and readjustments. Although the names of our respective embassies in Taipei and Washington, D.C. shall go into limbo, yet our many-faceted realistic and meaningful relations in trade and economic development, in cultural and scientific exchanges, in people-to-people interflow will not only continue but also flourish.

The lowering of our national flag does not mean that we are giving up our fight against Communism. Fight we will. We in the Republic of China have the courage not to bow before the brutal forces of Communism. We fight against Communism not only for the seventeen million Chinese living in Taiwan, but also for more than twenty million overseas Chinese living in all parts of the world. And, what is more, we do it also for the 800 million Chinese who have been forced to live under an oppressive, totalitarian Communist regime. Indeed, we are continuing our fight against Communism for all freedom-loving people the world over.

We regret that the United States Government chooses to terminate diplomatic relations with us at a time when our people on the China mainland have begun to question the Communist regime, defiantly and courageously, why the economy on the mainland is not as good as it is in the Republic of China on Taiwan. Through such questions, the people are challenging Communism both as a form of government and as a way of life.

If the raison d'etre of a government is the promotion of the welfare of the people, then I would say that my government, the Government of the Republic of China, can stand the test. For the Chinese people living under my government enjoy a standard of living at least four times higher than that of the people living under the Peiping regime. Moreover, the people in the Republic of China on Taiwan enjoy full freedom while on the China mainland the people are even denied the freedom of silence.

We as a government never pay lip service to grandiose ideas of certain political philosophies. Yet, I am proud to say that under the leadership of President Chiang Ching-kuo, politically ours is an open society; and economically we are moving, quietly but vigorously, in the direction of an egalitarian society. We have confidence in our leadership. We have confidence in our Government. And we have confidence in ourselves. I wish to assure you that, come what may, the Government and people of the Republic of China will continue to strive for freedom and democracy and peace with justice—a just cause to which all of us who are gathered here have long dedicated ourselves.

Dear friends and fellow citizens, we may be facing a long dark night. But as long as we can persevere and keep our chins up—and I am sure we can—we shall be able to come here again soon, with renewed conviction and dedication, to welcome a new dawn and a new era in the relations between the Republic of China and the United States of America.

Before concluding, I should like to assure all of you that with conviction and confidence, WE SHALL RETURN! And we shall return with this same flag—the national flag of the Republic of China.

Thank you.●

THE BETRAYAL OF IRAN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. McDONALD. Mr. Speaker, unfortunately it has become painfully clear that the enormously inept policies of the Carter administration have been the key to the destabilization of the pro-Western Government of Iran and its recent overthrow by Islamic-Marxist revolutionaries. In the following commentary, veteran anti-Communist analyst Hilaire DuBerrier has outlined how for years the Soviet Union, through its Middle Eastern client states such as Libya and also Iraq, have poured all forms of assistance into Iranian revolutionary groups. The article also makes the point that it was our Government's pressure which was brought to bear to force the Shah to leave Iran in January, to be replaced by a Kerensky-like Bakhtiar Government which commanded no loyalty and which was quickly overthrown.

Mr. DuBerrier's column, "Overseas," was published in the February 21 edition of the Review of the News, and follows:

OVERSEAS

When asked, "What is the best form of government?" Solon replied, "For whom and at what time?" In the case of Iran with its diverse tribes and religious fanatics who even today literally cut themselves and each other to pieces in frenzied mourning for the martyrdom of the Imam Hussein who died 1,300 years ago, the answer is a strong government. Certainly the people making up this state so vital to the West are as volatile and as brutal when aroused as any on earth. Iran's Shi'ite Moslem fanatics have not changed since the day before World War I, when an American consul wandered in the street to photograph a religious procession and was hacked to bits on the spot.

REPORT ON IRAN

The old Shah Reza Pahlavi was a rude soldier who understood his people's respect for force and contempt for weakness. Upon deposing the ruling Kajars in 1921 it was his intention to establish a republic; but to the Shi'ite leaders as well as the masses, an Iran without a Shah was unthinkable. Thus the Pahlavi Dynasty was founded.

The 16th day of September 1941 when the old Shah's son, young Mohammed Reza Pahlavi, mounted the Peacock Throne of Persia marked the beginning of a battle that is still far from over which will ultimately lead Iran into a bloodbath which will make millions of Iranians pray for his return. The first threat to destroy the throne was led in 1953 by Prime Minister Mohammed Mossadegh, whose wife was related to the Kajar Dynasty deposed by the Shah's father. When Mossadegh failed, American newspapers shouted that C.I.A.'s Kermit Roosevelt had saved the Shah, a boast which made Mohammed Reza appear to be America's protege and gave the Communists an opportunity to accuse "American imperialists" of meddling. The truth is that a traditionally anti-monarchist America would not have lifted a hand had Mossadegh not nationalized Iran's oil and the British instituted a blockade.

Britain, traditionally the protector of the Persian Gulf and the Emirates which were later discovered to be rich in oil, had long imposed a Pax Britannica from her military base in Aden, at the entrance to the Red Sea. But by 1962 revolt was afoot as Jay Lovestone, former secretary-general of the Communist Party, U.S.A., called on Africans, Arabs, and Communists alike to support independence movements against Britain. Labor unions led by American-trained leaders ground wheels to a stop in Aden with strikes for which the monster International Confederation of Free Trade Unions in Brussels, mobilized international support. The I.C.F.T.U.'s objective was a labor empire formed by "liberated" colonies, led by union bosses trained by American unions, and loyal to those who had formed them. Aden, now the capital of a Communist Yemen and Russia's greatest supply base in the Near East, was the key.

In 1967 Britain threw up her hands in disgust and Iran's Shah assumed the burden of protecting the strategic Gulf and the Emirates. Iranian forces occupied the islands off the coast of Oman and in a crash program the Shah acquired hovercraft capable of transporting troops across the Persian Gulf in an hour. Overnight Iran's militarization began and, as the Shah's threats to the Russian plans became more serious, the alliance of Communists and the narrow clergy, united only in their hatred of the monarch, was consummated.

Some 80 percent of Iran's 35 million people belong to the Shia sect. To the peasants of Ispahan and tribesmen in the Elbours mountains, the craftsmen in Tabriz and the bazaar traders from the Caspian Sea to Baluchistan, the rebel alliance leader Ayatollah Khomeini is seen as a magician whose powers are unlimited.

By thundering against the regime of the Shah of the Ayatollah Khomeini has given the appearance of having brought it down by words. It is no matter that for years sober European officials have watched Libya's Muammar el-Qaddafi pour money into secret camps that have been training Iranian guerrillas, or that they have long monitored a steady stream of broadcasts to Iran from Moscow. The Ayatollah Khomeini had held the spotlight, and in the crisis which Iran has just passed through it meant nothing to his blind followers that their exiled leader in Neauphle-le-Chateau, in France, was surrounded by members of the Soviet-controlled Tudeh party who were flying his incendiary sermons into Iran only so that the churchman might prepare the way for the atheists.

It was the Russians and men like Libya's Qaddafi, aggresively suported by the Leftist professors of Europe and America, who radicalized the many thousands of Iranian students sent abroad. In the ultimate reckoning they made what is referred to as the "dreaded SAVAK," or Secret Police, a necessity. In late January the sister of the SAVAK general who exiled Khomeini in 1963 told your correspondent that a Communist leader arrested at the same time looked the general in the face and said: "When my turn comes, I will not be as kind to you as you have been to me." Even as she was speaking, women in Teheran were already having dirt and even acid thrown in their faces if they went into certain streets without a veil; yet not until it is too late will the Communist organisation that will replace SAVAK be referred to in our press as "dreaded."

But it was the Shah's "New Freedom Policy" which, according to the *London Daily Telegraph* of May 13, 1978, brought on the chain of events which led to the disintegration of Iran. And that, says the *Daily Telegraph*, stemmed from "talks with President Carter, who spent last New Year's Eve in Persia." The President pressured the Shah to liberalize in return for arms sales, and then sent out the C.I.A. to destabilize the regime in favor of a "Liberal" successor. The Reds were quick to take the cue.

President Carter's observation that the Shah seemed likely to fall encouraged the spoilers to step up their attacks. Their assumption that they had Washington with them was strengthened on January 14, 1979, when the London *Observer* (owned by Richfield Oil and the radical Aspen Institute) reported Cyrus Vance's desire that the Shah leave Iran. The *Sunday Telegraph* of the same date wrote that President Carter had made it clear through his Ambassador, William Sullivan, that the Shah should leave the country. And by the time both Air Force General Robert Huyser and C.F.R.-Bilderberger member George Ball had gone to Teheran to request that the Shah pack up and get out, the outcome was no longer in doubt. Huyser directly threatened the military with a break in diplomatic relations and a cutoff of arms if they moved to support their monarch.

The London *Daily Telegraph* observed: "America has been closely involved in bringing it [*the present situation*] about," and added: "The Shah is reported by court sources to be annoyed, to say the least, by the pressure being put on him by the Americans." As far back as November 20, 1978, Marvin Stone had written in *U.S. News & World Report:* "It's a sobering lesson for the U.S. and ironic, too, given the probability that President Carter's human-rights policy may have helped create the crisis in the first place. It is not responsible to assume that the administration's pressure on the Shah to liberalize his rule tended to undermine his authority, enflame the Shi'ites and inflate the expectations of youthful dissidents. In light of this experience, Carter decision-makers must recognize that their human-rights policy is not without risks and that support of the Shah must be unequivocal as he seeks to reverse the slide to disaster."

By January it was too late, and by the time these lines are in print the moment for fiery speeches will have passed. The vendetta which an old man who has been exiled for 14 years has pushed to its climax, regardless of its cost in human and social terms, will have been won—a total triumph. Then the Ayatollah Khomeini will find himself face to face with the Communists for whom he has torn Iran apart.

What happens in the next six months may well change the face of the world. A year from now the whole Western world and most of all the Iranians will wish the Shah were back. He did everything he could to save Iran, and when the good-guy, bad-guy column is drawn up the Shah Mohammed Reza Pahlavi will emerge as one of the best rulers that this century has seen and a man destroyed by an American President he believed to be his friend.●

REGULATION—AT WHAT PRICE?

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. SAWYER. Mr. Speaker, Federal regulatory programs and agencies, the costs they incur, and the benefits they provide are subjects of legitimate and growing concern to the Congress and to the American people. There is clearly an urgent need to assess the costs and benefits of regulatory programs and their alternative before they are put into effect.

I have recently cosponsored legislation to require the preparation and development of economic impact analyses for all rules and regulations. This statement would address the cost/benefit impact of regulations on consumers, businesses, markets and Federal, State and local governments.

The need for this legislation is overwhelming. Each day brings a new horror story about the burden of regulatory costs on the American people. Perhaps the most lucid illustration of the frequency of ill-advised Government regulations is contained in a letter to President Carter, of which I received a copy, from R. C. Gerstenberg of Bloomfield Hills, Mich. I heartily commend the message in this letter to the attention of my colleagues. I hope too, in response to Mr. Gerstenberg that the President will indicate his support for permanent legislation requiring economic impact statements for all Federal Government regulations.

The text of the letter follows:

R. C. GERSTENBERG,
Birmingham, Mich., February 21, 1979.

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I want to compliment you on your State of the Union address, especially its recognition of the treacherous effects of inflation on the U.S. economy. I sincerely hope that your "new foundation" will help us regain our momentum and productivity leadership.

My experience as Chairman of General Motors convinced me that we can only assure the future excellence of our great nation by continued innovation in research and development, high productivity, and most efficient use of our natural resources, supported by a strong free-market system.

However, business today is less and less free to reach new heights. Our ability to compete technologically with foreign industry is constantly being eroded. We are, in effect, merely settling for "defensive technology." Why?

The main reason is often-conflicting, usually over-restrictive, and almost always shatteringly expensive government regulation. Even you may not realize the extent of its detrimental effects upon the way we must conduct business today.

Among the more flagrant examples:

The increased cost of the phosphate NTA dispute which wasted over $50 million because NTA hadn't been properly tested before being offered as a detergent substitute.

The increased cost resulting from attrition of many small but highly specialized foundries—and the resultant loss of jobs in many low-cost small communities—because they lacked the finances to comply with federal standards which are far beyond the real need.

The added cost of $9,844 incurred by an individual in the purchase of a $50,000 median-priced, single-family home for federal, state and local regulations.

An added average cost of $38.88 spent per day per patient in New York State hospitals to meet regulatory requirements.

An increased cost of over 3% in electric utility bills at a typical midwest electric utility to provide $500 million for scrubbers to reduce pollution caused by sulphur consent in coal. (The standard of a reduction of 85% which was written for high sulphur coal also applies to low sulphur coal where there is really no need.)

An increased cost of $2 billion per year to meet OSHA's industrial noise standards, neglecting much less expensive forms of worker protection.

An increase in cost of $200 per car to meet automotive fuel economy standards which were "front-loaded" rather than evenly spaced over the period 1980–1985—thus ordering the bulk of improvements within a short time.

An increased cost of $1.5 billion to build subway ramps and elevators for the handicapped in New York City, even though they could be served better for less by door-to-door transportation with special vehicles.

Even worse, some standards conflict with other existing or proposed regulations. Consider these:

On construction sites, OSHA simultaneously demands that trucks and other heavy-duty vehicles have loud back-up horns, *and* that workers wear hearing protection to cut down noise levels and thus not hear the horns.

DOE has mandated greater industrial use of domestic coal to cut oil imports, even though EPA penalizes companies which pollute the air with coal smoke.

Disclosing financial data concerning inventory adjustments, required by the SEC, violates IRS laws.

Meat-packing plants need stainless-steel surfaces to comply with some Department of Agriculture food-handling standards. These surfaces, however, reflect so much sound that they may cause the plant to exceed OSHA's noise limits.

I agree with you that we must all work together on a foundation that will make government work in the interests of all our people.

In every instance cited above, there is a significant increase in cost which will be passed on to the consumer. The list could go on and on and the national impact on cost and inflation—which you are striving so hard to control—is enormous. Your prompt action in correcting several of the most flagrant and costly excesses would provide hope for all of us. It would also provide the leadership so badly needed to help build the "new foundation" you so earnestly seek.

Sincerely,

R. C. GERSTENBERG.

P.S.—I am taking the liberty of sending copies of this to the members of the Michigan Congressional Delegation because I feel it might be of interest to them as well.●

TAX ADVICE FOR THE ELDERLY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. PANETTA. Mr. Speaker, although inflation is a major problem for all Americans, no one is experiencing inflation on a day-to-day basis more seriously than our senior citizens. With the costs of food, housing, transportation, and health care escalating twice as fast as costs of other goods and services, those individuals living on limited or fixed incomes literally cannot keep up with the cost of living. It is important, therefore, that during this time of fiscal restraint, we do not ignore the needs of the elderly, for it is this group which has already made its contribution to society—a contribution which cannot be measured in dollars and cents.

One way seniors can receive financial aid now is through the tax system. Several deductions, credits, and exemptions are available to relieve some of the pinch of inflation. For example, in addition to a wide variety of medical deductions, a person 65 years of age or older is entitled to an additional exemption of $750. Moreover, if an individual sold a home before July 27, 1978, and was 65 or older before the date of the sale, he or she may exclude the capital gain made from this sale from gross income. Also, a credit of up to $300 may be claimed for expenditures for energy conservation property installed in a principal residence, whether it is owned or rented. And, if a person maintains a household for a child who is under age 19 or is a student or a disabled dependent, that individual may be entitled to an earned income credit of up to $400.

These are just a few of the types of tax assistance that are available to the elderly. I would like to share a more complete list with my colleagues, hoping that this information will prove useful to older Americans throughout the country:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons, designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fare for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, truck, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amounts paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Point—deductible as interest by buyer where financing agreements provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.
Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the President Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualified widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Beside the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—"The zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to deter reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or
(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficent; and electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

SAM BROWN'S ACTION RIP-OFF

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. McDONALD. Mr. Speaker, recent investigations by the House Appropriations Committee have revealed 2 years of massive mismanagement, cronyism, and conflict of interest in the ACTION agency under the direction of Sam Brown and his assistants including Mary King and Marge Tabankin.

Sam Brown has been trying to deflect attention from the mismanagement of ACTION's domestic programs toward another controversy over the Peace Corps, an agency which Brown has indicated he would be happy to have removed from his responsibility. However, this $213 million dollar agency's domestic programs have been shockingly abused, and it is here that attention ought to be focused when ACTION asked for its upcoming appropriation.

To that purpose, I would like to call my colleagues attention to an excellent article detailing the ACTION abuses written by investigative reporter John Rees and published in the January 17, 1979, issue of The Review of the News.

The article follows:

[From the Review of the News, Jan. 17, 1979]

SAM BROWN, CARTER CLOWN—THE KOOK WHO IS SPENDING $213 MILLION OF YOUR MONEY

(By John Rees)

From time to time President Carter's $52,500-a-year ACTION Director, Samuel Winfred Brown Jr., age 35, has been seen in his office wearing a small green button that proclaims, "Robin Hood was right!" This telling slogan is distributed on buttons and bumper stickers by the avowedly socialist Movement for Economic Justice (M.E.J.), which one former ACTION agency professional describes as "Marxists Employed by Jimmy." Embodying as it does Sam Brown's philosophy at ACTION chief over the Peace Corps and Volunteers In Service To America (V.I.S.T.A.), the slogan helps to explain the two years of wild radicalism, mismanagement, cronyism, and blatant conflict of interest that have characterized Brown's tenure as head of this $213 million federal agency.

A year ago, January 18, 1978, to be precise, *The Review Of The News* was the first national journal to expose the serious conflicts of interest and cronyism in ACTION. Now, after an 11-month investigation, the House Appropriations Committee has completed a Report citing repeated instances of ACTION improprieties in areas originally identified by this magazine. The full investigatve Report is to be made public later this month, but Illinois Republican Congressman Robert Michel made excerpts available on December 28th. Representative Michel charged that the investigation confirmed "the existence of widespread mismanagement and a blatant disregard for the agency's mission by its senior executives."

The Illinois Congressman said that "in few, if any, other agencies the size of ACTION will investigators ever find so many open abuses of government contracts, taxpayer dollars, and Congressional intent as have been outlined in the Committee investigators' Report."

One of the ACTION operations subject to strong criticism is its $4 million "National Grants" program. Here the Appropriations Committee Report states that National Grants were not awarded on a competitive basis and that public advertising to solicit sponsors was lacking. "Rather," the Report says, "applications were informally solicited by circulating word about new programs among community action organizations. . . ." Six of the twelve grants thus went to favored Leftist organizations with which ACTION Director Brown had met to "discuss the agency's new direction."

Although ACTION had last January agreed to award grants competitively, after complaints and criticism resulting from our article, Sam Brown delayed implementation of competitive bidding until after the end of the federal Fiscal Year in October. As the Appropriations Committee Report states, "In the interim, noncompetitive awards were made to five national grantees, including two that were signed during the last month of the Fiscal Year (one on the last day)." These grants were "locked in" for two years.

CASH FOR RADICALS

Among these last recipients of ACTION's largess with your tax dollars are the Midwest Academy of Chicago that received a $432,000 award to train 80-odd V.I.S.T.A. volunteers, and the Little Rock based Association of Community Organizations for Reform Now (A.C.O.R.N.), that has an award of $467,000 to pay expenses and salaries of approximately the same number of V.I.S.T.A.s as full-time organizers for A.C.O.R.N.'s 14-state network of projects for radical social change. Not surprisingly, the leaders of A.C.O.R.N. and the Midwest Academy have long been close associates of ACTION Director Sam Brown and his Deputy Associate Director of the V.I.S.T.A. and ACTION Education Programs, Marge Tabankin. Before joining ACTION, Marge was executive director of the Youth Project, a tax-exempt conduit for funds being transferred to various socialist "grassroots" organizers of the radical "communities movement."

The founder of the Midwest Academy, Heather Tobis Booth, and her husband, Paul Booth, were top leaders of Students for a Democratic Society in the mid-1960s who decided like many other S.D.S. activists that the way to create a socialist system in the United States was to organize a "hate the rich" campaign under cover of a "populist" movement for those who have incomes near or below the poverty line. Thus, in effect, the targeted "rich" include the taxpaying middle class on which American society is based.

The Midwest Academy makes its rival, the Industrial Areas Foundation created by the late revolutionary Saul Alinsky, appear positively Rightwing by comparison. The Academy's training manual (used to train activists under the V.I.S.T.A. grant as well as those taking the Academy's "regular" courses in community organizing) includes the following:

"The Third Principle of Direct Action organizing is that it attempts to alter the relations of power between people's organizations and their real enemies. The enemies are often unresponsive politicians, tax assessors, utilities, landlords, government agencies, large corporations or banks."

In other words, the Midwest Academy to which Sam Brown gave $432,000 of your tax money is based on the principle of class warfare as elaborated by Karl Marx, and each organizer passing through the Academy's hands receives such indoctrination as the basis for the strategies and tactics of "direct action" or confrontation politics in which he or she is trained.

Not surprisingly, the congressional investigators found that the criteria that the Midwest Academy was supposed to use to select local projects "were largely disregarded." Instead, "it appears that sponsors were selected on the basis of Midwest's prior acquaintance with the supervisors of the local organizations." That $432,000 is, in short, being used by a clique of radicals to finance revolutionary socialist projects.

Other abuses discovered in the National Grant programs included the fact that the V.I.S.T.A. volunteers were working in areas and with people not in a condition of poverty, contrary both to congressional intent when chartering ACTION and to ACTION's own regulations. The V.I.S.T.A. volunteers were found to be engaged in illegal activities —activities specifically prohibited by ACTION regulations—including union organizing, political campaigning, and lobbying.

Remember, V.I.S.T.A. was foisted on the American taxpayers as a "humanitarian" program to underwrite the expenses of those who would "volunteer" to assist the poor in local drug-abuse programs, as babysitters in "day-care" centers, as teaching aides, in legal-services programs, in prisoner rehabilitation, and in programs for the handicapped, mentally retarded, and insane. The V.I.S.T.A. volunteers, and those in other ACTION programs, are not supposed to be engaged in radical efforts to elect an insurgent slate of steelworkers in a union election; to work on organizing employees (for example, secretaries and clerks) into a radical union; to work as organizers for socialist political candidates in local political campaigns; to lobby for passage or repeal of legislation; or, to finance demonstrations. Under Sam Brown they have been engaging in all of these things.

Sources close to the congressional investigation of ACTION report that A.C.O.R.N., the Midwest Academy, and a women's liberation group in Boston called Nine to Five, all used your tax money from ACTION for union organizing. A.C.O.R.N. used its V.I.S.T.A. volunteers and ACTION money for political campaigning and lobbying in support of the American Agricultural Movement's "farmers strike" last winter and to press for "women's rights" and other legislation. Caught cold, A.C.O.R.N. refused to provide Committee investigators with information, and has now reportedly decided not to reapply for a grant extension on account of "adverse publicity.' That may or may not be enough to prevent criminal prosecution.

Despite his proclamations of openness to the press, ACTION Director Sam Brown last week cancelled a scheduled interview with this reporter at the last minute, denying himself the opportunity to explain how it was that A.C.O.R.N., Ralph Nader's Public Interest Research Group, Nine to Five, and other recipients of his grants qualified for the big tax payoffs they got even though they do not assist the poverty striken and have radically misused the taxpayers' money. And Sam denied himself the opportunity to explain something far more important: Namely, what steps, if any, he is going to take to get back the taxpayers' funds improperly used by these radical groups.

ABOUT A.C.O.R.N.

Let us take a close look at A.C.O.R.N., recipient of $467,000 of your tax money, to illustrate what Sam Brown has been doing.

The A.C.O.R.N. gang was formed in June 1970 as a project of the late George Wiley's militant National Welfare Rights Organization. Wiley and company had found that even in cities with high proportions of Welfare recipients, it was extremely difficult to organize such persons into an effective political movement to take power. Wiley and his Massachusetts organizer, Wade Rathke, a tall, blond dropout from prestigious Williams College, decided to use Arkansas as their target area. At that time some 70 percent of its citizens earned less than $7,000 a year, and there was the added advantage that the state capital and largest city, Little Rock, is relatively small and centrally located, facilitating the formation of a statewide political apparatus. By 1971, A.C.O.R.N.'s political activities there included lobbying the state legislature and the governor's office for legislation and state agency actions.

The people that A.C.O.R.N. is out to radicalize are not Welfare recipients, but those with low to moderate incomes—marginal farmers, the elderly living on pensions or Social Security and choked by inflation, and street people in city neighborhoods. Thus the federally financed A.C.O.R.N. organizers present "consumer issues" in this style: If "the utilities want a rate increase, then make the city or state pass a law against it." "Hospital and medical care is expensive? Then it should be provided free by the government." "You were turned down for a loan for your farm? Then pass a law forbidding a bank to loan money outside its own local area."

In 1974, A.C.O.R.N. conspired secretly to run one of its members for every one of the 467 seats on the Pulaski County (surrounding Little Rock) Quorum Court, the county legislative body whose members are all justices of the peace. Working hard, A.C.O.R.N.'s secret candidates won 190 seats while another 40-odd were captured by what radical organizer Rathke termed "like-minded folks." Thus A.C.O.R.N. has used control of this local legislative body as a lever in its campaign, successful late in 1978, to raise local property taxes and make them sharply more "progressive." Business property, as one might expect of radical socialists, was the main target.

Since 1975, A.C.O.R.N. has moved into 13 additional states including South Dakota, Iowa, Missouri, Tennessee, Louisiana, Texas, Oklahoma, Colorado, Arizona, Nevada, Michigan, Florida, and Pennsylvania. Here is how it works:

Professional organizers are sent into a community by the socialist leaders of A.C.O.R.N. These organizers select a locally "popular" issue—such as pressuring the city to clean up vacant lots to rehabilitate abandoned housing, to provide extra sanitation services, or to put up a traffic light near a school—and then form a local organization, say the "Pretty Park Neighborhood Association." They solicit memberships by household for the created group at $16 per family and suggest that the new association affiliate with A.C.O.R.N., which can provide all sorts of help. In almost every case, the key professional A.C.O.R.N. organizer or a close crony is designated as the local association's representative to A.C.O.R.N. Both the Midwest Academy and A.C.O.R.N.'s own new training school, The Institute, based in New Orleans and Little Rock, emphasize that organizers must operate discretely in the background and not flaunt their manipulations lest they lose control of the captive organization. Then, as soon as an initial success is met—the garbage is picked up or the traffic light is installed—the local group is pushed into a "more advanced" issue, such as joining the anti-nuclear, anti-utilities fight.

Next comes A.C.O.R.N.'s statewide ballot initiatives for "lifeline" utility rate structures and involvement in city council, county, and state assembly campaigns. As a Dade County, Florida, A.C.O.R.N. activist said recently, "Right now we're involved with very local things, but when we get stronger, we'll tackle the bigger things." You see, A.C.O.R.N. has distributed a "People's Platform" calling for the usual socialist "free" programs—a national medical scheme, more federal housing, federal jobs for all, expenditure of federal funds "only on the basic needs of low and moderate income neighborhoods" with local (*i.e.*, A.C.O.R.N.) control of expenditures, and so forth.

Thanks to Sam Brown's grants, you are paying to organize this.

DIRECTOR SAM BROWN

It was entirely predictable that Sam Brown would use his ACTION appointment to channel tax dollars to socialist organizers. Sam first came to public attention in 1967, when as a graduate student at Harvard Divinity School he participated in the S.D.S. "Vietnam Summer" organizing program and declared: "We saw the United States attack Cuba, it attacked the Dominican Republic, it attacked South Vietnam. The Communists are now a fragmented force; the United States is now the great imperialist-aggressor nation of the world."

One might assume that the 24-year-old Brown was just engaging in heated youthful hyperbole except for the fact that he followed it in 1969 by assuring a New York City television audience that he favored a terrorist Vietcong victory in South Vietnam; that as head of the National Moratorium Committee in 1969 he organized mass demonstrations in support of that goal; that in February 1970 he met in Paris with representatives of the Vietcong and the North Vietnamese Government then killing American boys in the field; and, that shortly afterward he closed down his Moratorium Committee to leave the field of anti-Vietnam agitation to the Communist-dominated New Mobilization Committee and its succeeding People's Coalition for Peace and Justice when Madam Binh of Communist Vietnam explained how divisive his Moratorium organization was to the Red's unified agitational and propaganda campaign.

And Brown has not backed down an inch. In September 1977, ACTION Director Brown was a participant in a New York "celebration and welcome" to honor the arrival at the U.N. of the delegation from the Communist "Socialist Republic of Vietnam." After applauding the Vietnamese Deputy Foreign Minister's vitriolic attack on "U.S. imperialism," ACTION's chief told the press: "I am deeply moved. . . . I believe we ought to aid the Vietnamese in their reconstruction."

In a January 1978 interview with *Penthouse*, Brown confirmed that he had been "discussing" sending his Peace Corp volunteers to Communist Vietnam. He also declared of the C.I.A. and F.B.I.: "I take second place to no one in my hatred of the intelligence agencies." Perhaps by way of explanation, Brown told how, before his Senate confirmation in February 1977, "Hell, I couldn't even get into the Executive Office Building after I'd been nominated. . . . Every time I'd walk up to the gate, they'd put my name and birth date into a computer, and it would come up red flags. The guy I needed to see had to come out and sit and talk to me in the lobby. . . ." But afterwards, said Brown, he had no more security clearance problem because, "if the President says you can come in, they turn off the computers."

It is simply incredible that so committed a revolutionary as Sam Brown should have been given a responsible position in the United States Government.

Yet Brown has, even as a federal official, continued to play an active role in radical ventures. One of these, established by Washington's leading Marxist think-tank, the Institute for Policy Studies (I.P.S.), is the National Conference for Alternative State and Local Public Policies (N.C.A.S.L.P.P.). It is designed to increase the effectiveness of New Left community organising; establish the political machines needed to elect more New Leftists to local, state, and (eventually) national offices; and, to coordinate nationally the programs and policies of existing New Left officials.

At the second annual conference of N.C.A.S.L.P.P., in June, 1976, Sam Brown was among those who saw the Carter candidacy as an opportunity for the New Left. As a *New Republic* article on the "Successful Radicals Working In The System" reported Brown's remarks: "If he [*Carter*] keeps his promises to the left, explicit or implicit, the opportunities are great. If he turns out to be as conservative as some people fear, Brown said, 'Our work becomes still more important because the only people out to change things in the long run are here in this room.' "

"In the room" with Brown at the conference were representatives from many of the "communities movement" groups including A.C.O.R.N., Massachusetts Fair Share, Tom Hayden's socialist Campaign for Economic Democracy (C.E.D.), and their financial angels—such as Marge Tabankin's Youth Project. It is important to remember that, according to Marge Tabankin's own statement, she owes her job as V.I.S.T.A./ACTION to five "mutual friends" in the pro-Vietcong movement who also "just happen" to be leaders of the I.P.S. National Conference on Alternative State and Local Public Policies. She identifies them as Lee Webb, an I.P.S. fellow who organized the N.C.A.S.L.P.P. and was S.D.S. national secretary in 1963–1964; the aforementioned Heather Booth; Donald Green; and, Jane Fonda and Tom Hayden, whose California-based Campaign for Economic Democracy has been serving as an N.C.A.S.L.P.P. pilot project in the effort to take over key state Democratic Party organizations.

As reported by this magazine on January 18, 1978, Lee Webb has written that one of the purposes of the N.C.A.S.L.P.P. is to put New Left U.S. officials in contact with their counterparts in such Communist countries as Yugoslavia, Cuba, Romania, and Hungary, as well as with the so-called "Euro-Communist" and Socialist parties in Western Europe which are engaged in United Front electoral tactics. These Marxists are supposed to teach the U.S. officials their methods and programs for use here on Americans.

In July 1978, ACTION Director Sam Brown again participated in two days of workshops and panels at the N.C.A.S.L.P.P. national conference in Minneapolis/St. Paul. Brown said that it was a "special pleasure" to meet in that state, "the center of that richest of American political traditions—a populism rooted in the twin ideals of social justice and economic democracy . . . [that] are a rich and inspiring heritage for the American Left." He called on the group to develop a new national politics based on "distributive economics, decentralized power, and a fundamental and underlying commitment to social justice." Call it "distributive economics" or "economic democracy" or "economic justice," socialism by any name means they take your property and give control of it to their friends.

The sad fact is that ACTION Director Brown manifests the sort of hatred of America's hard-earned prosperity so often exhibited by New Left activists looking to Marxist dictatorships like Vietnam or Cuba or Tanzania or Mozambique as models for America's future. In his *Penthouse* interview last January, this key Carter Administration appointee laid it on the line. "We are so damned wealthy," he said. "As long as we try to hang on to that, we haven't got a chance and morally ought not to have a chance. It is not right for us to have the kind of extravagant, consumptive society we have—it just isn't."

At the same time, Brown described his idea that the Peace Corps volunteers should not go to poverty-ridden Third World countries to make improvements in their way of doing things, but to import Third World ways of doing things here. Two countries that would especially welcome such Peace Corps volunteers, said Brown, are Guinea-Bissau and the People's Republic of Benin, both Marxist-Leninist dictatorships.

PEACE CORPS FUROR

On November 24, Dr. Carolyn R. Payton, a former professor of psychology at Howard University, was forced to resign by Sam Brown after 13 months as head of the Peace Corps. In a speech on December 7th to the

Eastern Association of College Deans in Washington, Dr. Payton blasted Brown and other ACTION administrators for attempting to "impose American intellectual fads" on Third World countries.

Carolyn Payton, who was initially publicized by ACTION as the first woman and the first black to head the Peace Corps, obviously adheres to professional standards notably missing from a Brown coterie that lacks even rudimentary common sense. As Dr. Payton said, "it is wrong to tell a government in the Third World that its efforts to teach its citizens a world language—be it English or French—is an 'elitist idea.'" She pointed out that it is even more arrogant for the Peace Corps "to say to a nation, 'We will no longer teach your children mathematics and science' so that some secrets of Western technology will become accessible to them, but that 'we will teach your peasants numeracy and literacy" so they can count their cows or print their names on a wall.

Dr. Payton charged that the Peace Corps is being used to proselytize the "political ideology" of Brown and his radical clique. "Those now responsible for the Peace Corps," she said, "seems to wish the organization to be engaged in a kind of political activism and advocacy. They would be pleased to have Peace Corps volunteers demonstrate overseas against corporations that engage in practices with which they disagree, or that market products they see as harmful."

And she revealed that Sam Brown and friends are out to use the Peace Corps as a means to send "unemployed black ghetto youth" overseas to "black socialist countries" in order for them to be indoctrinated with the "benefits of life in a totalitarian society." Dr. Payton said she left ACTION so "I am free to sound the alarm."

Sam Brown's response to the revelation of the former Peace Corps director has been to fire William Gaymon, who was her top assistant. Brown's arrogant response to press quires about any plans to clean up ACTION and remedy problem areas was the comment that his "greatest mistakes" had been in personnel, an obvious reference to Dr. Payton.

A Congress which increased the Peace Corps budget from $86 million in Fiscal 1978 to $95 million for Fiscal 1979 would do well to take a full statement from William Gaymon and Dr. Payton, and then ask some very tough questions of Sam Brown

WASTE AND MORE WASTE

The summary of findings of the House Appropriations Committee investigation of ACTION reveals so many instances of mismanagement, waste, apparent featherbedding, and cronyism that President Carter should immediately call for Sam Brown's resignation. Here are more examples:

Since September 1976 there has been a 30 percent increase in the number of senior management positions in ACTION.

Under Sam Brown's "reorganization" program, the number of program offices has increased by 18, and as the Congressional Report concluded, "A bloated headquarters staff is difficult to reconcile with the objective of strengthening the state office role. . . ."

The cost for so-called expert "consultants" has increased by more than $135,000 and an estimated 1,268 staff days. The congressional investigators found that ACTION used its expert/consultant appointment authority in a grossly partisan and political manner.

The hiring of top level ACTION staff has been without regard to their previous salary levels. In six cases, ACTION gave its new staff members salary increases of $15,000 or more!

ACTION has made almost no effort to verify the employment experience of various candidates for its staff positions.

In its National Grants program, that gave grants to the ACTION leaders' friends in the Midwest Academy, A.C.O.R.N., and the like, the average cost for each trained V.I.S.T.A. volunteer is $6,418, compared to $5,748 for a standard V.I.S.T.A worker

In the area of procurement practices, the congressional investigators found that ACTION's program officials were engaged in activities raising "questions of legality" such as encouraging contractors to start work without a contract and meeting with them to pre-arrange both the statements of work to be done and the cost estimates.

ACTION's lack of management concern with budget procedures resulted in some $417,000 being obligated without congressional approval. Furthermore, the violation was not reported to the Congress or to the Office of Management and Budget of the White House.

A number of ACTION officials traveling overseas have been wrongfully given full allowable per diem reimbursement. The congressional investigators have found this to be a widespread practice in ACTION. The agency has also indirectly reimbursed members of its staff who have traveled to foreign countries "for other than official business."

We could continue, but you do get the point. Sam Brown may have decided to "duck" interviews with all but the friendliest reporters, but he and other top ACTION officials will have more trouble evading the questions of outraged members of the House Appropriations Committee.

As an angry Representative Robert Michel has said, "ACTION officials seem intent upon . . . the establishment of their own little state department." After reviewing the improprieties, mismanagement, and misuse of funds, he declared: "If this is any example of how this agency is going to be run in the future, and I believe it is, then we in Congress have no business allowing these practices to continue." He has recommended that the National Grants program be terminated and that ACTION receive no additional funding from Congress until all abuses have been eliminated.

Others in Congress suggest that it might be better, in light of the extent of the abuses at ACTION, to terminate all of ACTION's programs until Sam Brown and his radical friends are removed by their patron the President and the agency is scrubbed of its radicalism and corruption.●

BOB SIKES SPEAKS OUT ON POLITICS, INDUSTRY, FUTURE PLANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. PEPPER. Mr. Speaker, recently, while reading the Beach News of Panama City, Fla., my attention was drawn to an excellent article on the lifework of my friend and our retired colleague, Bob Sikes. This article was written by Felita Darley, a most brilliant young lady and an excellent journalist, who is the daughter of my longtime friend, Mike Darley. Ms. Darley's article on Congressman Bob Sikes is indeed an honor to him and the Members of this Congress. I include this article in the text at this point:

SIKES SPEAKS OUT ON POLITICS, INDUSTRY, AND FUTURE

(By Felita Darley)

In an exclusive interview with the Beach News Congressman Bob Sikes recently revealed some of his most intimate feelings on world politics, industry for Northern Florida, and his plans for the future.

Retiring Congressman Sikes, who after having served Florida as both a state and national legislator for a period of 42 years, is credited with doing more for the state than any one man.

Before launching his political career, Sikes was the editor/publisher of the Okaloosa County News-Journal, and in 1937 he was named president of the Florida Press Association.

The congressman was elected to the Florida Legislature for two terms, and he went on to serve 19 consecutive terms in the U.S. House of Representatives. Sikes has had a perfect batting average; in fact, he's never been opposed by a serious challenger. He has served longer in Congress than any Floridian in history.

Born Robert Lee Fulton Sikes 72 years ago in the neighboring state of Georgia, he came to the Sunshine State as a young man and attended the University of Florida, where he was graduated with a masters degree. He located in the small Panhandle town of Crestview shortly afterwards and published his own newspaper and became active in politics. Elected to the Florida House in 1936, he served in the 1937 and 1939 sessions of the Legislature and was elected to Congress in 1940, where he was to serve for the next 38 years.

Bob Sikes is an unusual man by any standards. He is hale and hearty, and despite his advancing years is in top physical condition. He has an uncanny ability to be able to think on his feet and his mind still is razor sharp. Sikes is one of the hardest working representatives ever to sit in the U.S. House of Representatives and he sets a pace that would kill a good many persons half his age. His normal work day is 12 to 16 hours and he goes seven days a week.

Sikes is strong on national defense and is recognized as an international authority on military matters. He served most of his adult life as an officer in the Army Reserve and retired a few years ago with the rank of major general.

As chairman of the powerful House Subcommittee on Military Construction for many years, Sikes had the last word on a good portion of all the funds spent by the military. And approximately two thirds of the military dollar allocated Florida went to the huge bases located in Sikes' First District.

Eglin Air Force Base and Pensacola Naval Air Station, the two largest military installations of their types in the world, are both located in Sikes' District. So are Whiting Field, located at Milton, and Panama City's two military bases, Tyndall Air Force Base and the Naval Coastal Systems Center. Sikes was responsible for the bases being located where they are and has helped to make them the mammoth installations they are today.

Numerous attempts have been made at various times to either outright close or cut back all the military installations in Sikes' district. However, the venerable old fighter has successfully weathered them all. As a matter of fact, when the smoke cleared from past nation-wide cut backs by the Pentagon, the bases in the First District of Florida usually wound up with more personnel. Sikes in past years had several brawls with the Navy over their attempts to close the local naval installation and he always comes out victorious.

Sikes makes no bones about national defense being his Number 1 priority and he is highly critical of President Carter's position on the military establishment. He had this to say:

"I'm very concerned over the entire defense program. Russia has about 1½ times more weapons than we do. They only have to pay labor half as much as we do, so with the money left over, they buy weapons. Russia has accumulated five or six times more conventional weapons than we have.

"Their tanks are first class and some of their other weapons are either just as good or better than ours. Some of our military is still using World War II and Korea-era type air planes.

"If we were to go into a conventional war against the Russians and their allies, we would be pressed to stop them.

"In the event of a stategic war, such as the Bay of Pigs Crisis, we would not have the same kind of edge over the Soviets as we did in the sixties," Sikes declared.

Sikes disagrees with Carter's veto of another nuclear aircraft carrier and said, "Carter shot us down on the carrier. We aren't keeping up with Russia's defense, and the one thing the Russians respect is military power."

Much debatable SALT II is based on the honor system wherein the Super Powers agree to maintain equal strength. Sikes questions its validity. "SALT II gives the Soviets too much flexibility and has us with tied hands. It disenables us to keep a check on their nuclear power," he explained.

When asked how industry might be attracted to North Florida, he replied, "We need to add more tax incentives like all our neighboring states. Florida has a magic name and everyone wants to come here. If we want to keep industry and get more industry in North Florida, then we've got to lower taxes; if not we will lose the future Miller breweries to sister states."

"Panama City Beach is the leader of tourism in North Florida, but more can be done. The key to it is good roads. We are finally completing 231; it is a step. Bureaucrats have been neglecting us, and we must stand up and fight for better highways," maintained Sikes.

In May of 1971, Congressman Sikes met at the Holiday Inn on the beach with the Army Corps of Engineers to propose a study that could lead to legislation to rebuild the beaches.

As to what the highlight of his near half century career, he said, "One of the most gratifying experiences was having the opportunity to work with eight presidents.

"The greatest of them was Franklin D. Roosevelt. He was a man of unbelievable strength and character. He was crippled with polio and confined to a wheel chair, but none of these affected his will to succeed."

Sikes was also impressed by President Kennedy. "He had the potential to be a truly great president. He had a feel for people and people liked him. The tragic part is that he was only in office for two years," Sikes remarked.

Another of the hats that Sikes wears is that of a great hunter. He has a collection of trophies from all over the world, and an equally impressive selection of guns. They are now on exhibit at the Bob Sikes Library in Crestview.

Sikes will keep a small staff of workers at his home in Crestview a few months after his retirement to assist in his transition to private life. He will pay their salaries.

As to how he thinks his successor, Earl Hutto, will fare, he says, "I think he will do very well. He is a hard worker and very conscientious. The fact that he has won all his elections overwhelmingly reflect this. If there is any way I can help him or my country, I will," Sikes concluded.

Asked about his plans when he retires from Congress at the end of the year, Sikes' eyes flashed and with a broad smile he replied, "The first thing I've got to do is to learn how to live without a schedule. There are all kinds of hobbies I enjoy, like hunting and writing, and I hope to have time to enjoy some of them."

But Sikes was quick to add. "However, I will have time to serve the people of the First District whenever the occasion arises. The people of Northwest Florida are the finest in the world and I intend to always be at their service."

Sikes is known as the "He-Coon" amongst his close friends and admirers. Northwest Florida Crackers call the leader of a coon pack the "He-Coon"; hence Sikes was given his famous nickname because of his great leadership ability and the fact that he takes care of his people.

So, whatever else may happen, it's a certainty that Bob Sikes will go on being the He-Coon of Northwest Florida for a long, long time . . . if not forever.●

HENRY HAZLITT ON FREE MARKET ECONOMICS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. McDONALD. Mr. Speaker, over the past 84 years, Henry Hazlitt has established a reputation as perhaps the most incisive commentator on American economic and political trends, and as the dean of the American supporters of a free market economy. In a recent interview, Mr. Hazlitt had some trenchant observations to make on editorial censorship at the various newspapers and news magazines for which he had worked, which help explain why today we see usually one side of many key issues in the press. I commend Mr. Hazlitt's remarks to the attention of my colleagues.

The article follows:

FREE MARKET ECONOMIST HENRY HAZLITT—AN EXCLUSIVE INTERVIEW WITH THE DEAN OF CONSERVATIVE COMMENTATORS

(By Percy Greaves, Jr.)

Since the passing of his good friend Ludwig von Mises in 1973 at the age of 92, Henry Hazlitt has been the dean of American writers on free-market economics. Born in 1894, Hazlitt started his professional writing career before the passage of the Federal Reserve Act in 1913. Self-educated, he was a veteran student of important trends and events long before the 1929 Depression and the ensuing New Deal departures from the principles of limited government laid down by our Founding Fathers. The author of 16 books, Hazlitt is at 84 working on his 17th. His deservedly most popular book, *Economics In One Lesson*, has been published in eight translations and sold more than 700,000 copies. A newly revised edition, from Arlington House, will appear March 1st ($8.95).

All who would like to reinforce their understanding of what is wrong with our economy would do well also to read Henry Hazlitt's *Foundations Of Morality* and his excellent analysis of Keynesian politics in *The Failure Of The "New Economics."* Those interested in the solution to our current economic problems should also study Hazlitt's latest book, *The Inflation Crisis*. His wide experience, penetrating mind, and remarkable ability to communicate make whatever Henry Hazlitt writes well worth reading.

Q. Mr. Hazlitt, when did you first become aware of the drift away from the free-market principles upon which our system is based?

A. First I became aware of the importance of limited government. I was in my teens or early twenties when I started reading Herbert Spencer. It was his writings that made me aware of the over-extension of government.

Q. Were the ideas of Spencer popular at that time?

A. No. I ran into him by myself, having become addicted to Arnold Bennett's self-improvement books and charmed by his style. He referred to Herbert Spencer as the greatest mind and the greatest philosopher ever. That got me to reading Spencer. Of course, I was also reading the government-oriented stuff. I became aware of economic subjects fairly early because I was only about 18 when I went to work in 1912 for the *Wall Street Journal*.

Q. Then you didn't attend college?

A. Yes, for a short time while I was a full-time student at City College of New York. But I had my mother to support, so I had to quit daytime classes, taking a few isolated courses at night for a couple of years.

Q. How did you develop your interest in economics?

A. When I went on the *Wall Street Journal* the company treasurer, who hired me, told me: "You will be reading railroad reports. After a while you will want to analyze them." Quite to myself I said, "The devil I would." But I soon discovered that there was something called economics. The first book on the subject I remember reading was by Chapman (*Outlines Of Political Economy*, 1911). I have it downstairs. He was a pretty good economist, though his little book was really a sort of condensation of Marshall's *Principles of Economics* (1890, 8th edition, 1920).

Q. You recommend reading Philip Wicksteed (1844–1912), the English free-market economist. When did you run into him?

A. When I got interested in reading economics I would browse in the public library in Flatbush, Brooklyn, and I came upon this volume by Wicksteed called *The Common Sense of Political Economy* (1910). I had never heard of him. As a matter of fact, almost nobody had at that time. I read his book and became absolutely fascinated.

Q. Another important free-market economist of that period you have mentioned is Boehm-Bawerk (1851–1914), teacher of Ludwig von Mises. When did you run into him?

A. Fairly early. That was also a matter of sheer accident, just browsing in the library. As a matter of duty I decided I would read one of the college textbooks. There were essentially three college texts at that time (1912–1913). One of them was Seager's *Introduction To Economics* (1904); another was Seligman's *Principles* (1904, 12th edition, 1929); and, the third one was Taussig's (1911, 4th edition, 1923). I should have taken Taussig, but I dutifully read Seligman and respected it because of its reputation. He was quite an interventionist and that troubled me.

Q. Then you started writing on economics?

A. What happened was that I wrote editorials. How they let me write them, I don't know. I had almost no practical knowledge of finance of any sort, but the *Wall Street Journal* had a system under which you could submit editorials almost anonymously. They had something called "By the Ways," little things of one or two lines, that appeared at the end of the longer editorials. I used to submit a lot of those and the editors used them.

Q. After service as a pilot during World War I you worked for a good many newspapers in New York City?

A. There must have been about a dozen newspapers in New York in those days and I worked for most of them. I was on the *Evening Post* before the war. Then I was on the *Mail* (1921–1923). The owner, Richard Henry Stoddard, called me up one day and asked me whether I could swing from Financial Editor to being an editorial writer. It was practically an order, so I said, "OK." He thought I ought to go down to Washington and get some news background, so he made

me their Washington correspondent to just dig around and write anything I pleased.

Harding was President then and I used to go to his press conferences. Warren Harding took the weight of his responsibilities very heavily. He looked like a President. I hardly even dared ask him questions because I felt like such a neophyte. They were small press conferences in those days, with about eight to ten of us, not at all like the big affairs now. Somebody would ask the President a question and he would say, "Now suppose I lent Jim here," one of the reporters, "a cigar." He would make homely little illustrations like that, and it all seemed very sensible. Then, when I went back to write it, I said to myself, "What a damn fool thing to say."

Q. Did you ever go to any of F.D.R.'s press conferences?

A. No, no.

Q. I went to them for two years. He had a powerful personality.

A. That's one thing I learned about politicians. I had in my mind all these pictures of villains, and one of my chief villains was Senator Robert La Follette, the famous populist. The paper directed me to ask a question of the Senator, so I went to his office and sent in my name. La Follette comes out, a very fatherly gentleman, puts his arm around me, and says: "What can I do for you?" I was only about 26 or 27 then. Suddenly he didn't seem such a villain.

Q. It's amazing the amount of ground your career has covered since those days. After the *Mail* you went to the *Herald*, didn't you?

A. I wrote editorials on the *Herald* (1923–1924) and was then Book Editor on the *Sun* (1925–1929). I particularly remember one interesting experience when I was at the *Herald*. In 1924, Keynes' book *A Tract On Monetary Reform* was published. I had read his book on *The Economic Consequences Of The Peace*, which came out in 1920. It was a book you were supposed to read, and so I read it and respected it. I was impressed by it. I thought Keynes was right in his main contention. So when *A Tract On Monetary Reform* came I decided to review it. I found it incredibly bad and lost all respect for Keynes. Everything was so muddled, so completely muddled. I still have the book downstairs. My interlineations are longer than the text. Anyway, I wrote an editorial about it for the *Herald*, saying how bad it was.

Q. Did Keynes ever react to what you wrote?

A. No, I never met him, though I nearly did. When I was Book Editor of the *Nation* (1930–1933) and also writing their technical economic editorials, Oswald Villard (1872–1949), the *Nation's* owner and editor (1918–1933), announced that Keynes was coming to lunch tomorrow with our staff of only four or five people. I thought, that's fine, I'll meet him. But on the day of the lunch I came down with a terrible cold. So I never went to the office or the lunch.

Q. Was the *Nation* a Leftist journal at that time?

A. Under Oswald Villard it was socialist in a sort of mild way, but it was mainly in favor of free trade.

Q. Did you then consider yourself a little to the Left?

A. Well, I was sort of leaning backwards at that time, reading all these people like Harold Laski and trying to be more flexible than I was. You know.

Q. I went through that same stage. You think: Can I be wrong and all these others be right?

A. That's exactly it! All the most famous writers were Leftist. Long after I came back to the Right I would meet Harold Laski at lunches and we would have very heavy verbal battles.

Q. How did you move on to the *New York Times* from all of this?

A. Well, I was with the *Nation* about four years. Then I got to know Henry Mencken (1880–1956) because I hit him for a review for the *Nation* about once every three months. In that way I began having some correspondence with him. One day he called me up, or wrote me a letter, saying he was going to be at the Algonquin in New York and would I have dinner with him. This was quite unexpected, out of a clear sky. So I went up and we had a long talk. Mencken told me that he was going to give up the *American Mercury*. After ten years, he was tired of it; he wanted to write books, and so on; he thought it needed new blood. Henry said he was looking for an editor and asked whether I would want to be editor of the *Mercury*.

This was such a great honor, as I saw it, that I said I would. Then he said, "Well, I'll be in touch with you." Actually, he didn't get in touch with me until the very time he was quitting. Then he gave me a quick call about it and I said, "Yes." This came so suddenly that I didn't have time to give the *Nation* notice. So I had to work for both for about four weeks and didn't have time to think. That made me get off to a very bad start.

Q. The *American Mercury* was then in Baltimore?

A. It was published by Alfred Knopf, and their editorial office was in New York, but of course H. L. Mencken had run it mainly from Baltimore. He would come in about once or twice a month.

Q. Did your effort at *Mercury* attract the attention of the *Times*?

A. No, what happened was that I didn't get along very well with Alfred Knopf. I was not his choice but Mencken's. Knopf didn't dare countermand Mencken, who had such an international reputation, so he let him appoint me, but the publisher had quite different ideas on what the paper should be. After a very few months, Knopf and I decided that he would look for another editor and I would look for another job. We wouldn't set any definite time for my quitting.

Earlier, I had gone to the *Times* and asked about becoming an editor. Adolph Ochs (1858–1935) was still alive, but I saw Arthur Sulzberger (1891–1968) who was then running the *Times*. Ochs had been sick. Sulzberger said they wanted me very much for the *Times*. They needed somebody who knew economics for the editorial page but were having trouble because of the depression. Ochs had assured everybody on the *Times* that he would not fire anyone. He kept his word—and it was a very costly word to keep. A corollary was that he hadn't taken on any new employees for two years. So Arthur Sulzberger said, "We want you, but I'm afraid to approach this to Mr. Ochs until he feels better." When things didn't work out with *Mercury* I went back to Arthur Sulzberger and the *New York Times* took me on as an editorial writer.

Q. So you were writing editorials for the *Times* from 1934?

A. From 1934 to 1946, right.

Q. They were more friendly to your ideas in the beginning?

A. Oh, yes, yes!

Q. Ochs was more of a Conservative?

A. Yes, and so was Sulzberger. What happened was Mrs. Sulzberger (Ochs' daughter) was always quite a Leftist. She was not active, but she would call up and say, "Mr. Hazlitt, why don't we have an editorial saying so and so?" Some Leftist idea. I would say, "Well, Mrs. Sulzberger, the trouble with that is . . . . ." And I would explain. Then she would say, "Well, you know best." So there wasn't any interference and the paper pretty much published what I wrote.

Q. How did the end come at the *Times*?

A. Well, there began to be disagreements. For example, I opposed the Bretton Woods discussions as they were going on in 1944. I kept criticising them and I was the only editorial writer in town that I knew of who was writing critical things about them. Mostly, everyone else was saying they were a wonderful example of international cooperation, and so on. My editorials on the *Times* were the only sour note.

Then came the news that 43 governments had signed this marvelous document. Arthur Sulzberger called me up to his office and said, "Now, Henry, when 43 governments sign an agreement I don't see how the *Times* can any longer combat this." So, I said, "All right, if you want, but in that case I can't write anything further about Bretton Woods. This is just an inflationist scheme that is going to end badly and I can't support it." That was the beginning.

Oh, then another thing happened. The last couple of years I was there I wrote a Monday column for the financial page. So I began writing on Bretton Woods for the financial column, but not for the editorial page. One day Arthur Sulzberger called me up and said, "Harry, we are thinking of writing—I hope this doesn't offend you—I'm thinking of writing a line at the end of your Monday column saying that the opinions of Mr. Hazlitt are not necessarily those of the New York Times." I replied, "Well Mr. Sulzberger, you can do that. But I have to warn you of one consequence. If the other columns that you print don't have such a line, the assumption will be that their personal opinions do necessarily agree with those of the editor." So he said, "I see what you mean," and he dropped that.

Then for some reason Ralph Robey quit writing the column, "Business Tides," for Newsweek. So Newsweek got in touch with me and made me an offer. It was actually a slight drop in salary from what I was getting on the Times, but I got two things in compensation. My columns would all be signed so I would no longer write anything anonymously. The other thing was that, instead of doing seven or eight pieces a week, I would do only one. Another of the considerations was that I would be free to write elsewhere. I thought I would devote time to books, and so on.

I didn't tell the Times the nature of this offer—I just told them I had taken another offer and they accepted my resignation. Then Arthur Krock (1887–1974) heard about it. At that time, he, Hanson Baldwin and I were about the only three Conservatives left on the Times. So Arthur Krock raised hell at the Times for letting me go and not making me any counteroffer. He thought that I had probably told them about the offer and they had refused to do anything to keep me.

Q. Then you were with Newsweek. . .

A. For twenty years.

Q. You had no problems there?

A. Not until Mrs. Graham took over.

Q. Did they interfere with what you wrote?

A. They didn't. But one time the editor called me up and said, "We are going to have a special space-age issue." The Russians had just sent up the Sputnik. "We would like you to write on the Sputnik." I told him, "You know, my contract calls for no interference with my column—not even suggesting a topic. I'm not very enthusiastic about this. All we know about the Sputnik is what the Russians claim." So the editor said, "Well, if you don't write on it, we'll leave your column out of the paper. Okay?" So I wrote on it, suggesting that we really didn't know by any direct method what the Russians had done or hadn't done. It was the only sour note about the Sputnik in the issue.

Q. They published it?

A. Yes, but within a year they called me in and told me they were going to have Milton Friedman, Samuelson, and the Federal Reserve fellow, Wallich, write columns. So that was about it. They dropped me.

Q. The success of your books has been such that I know our readers would be interested in your experience with publishers. Did you have trouble getting *Economics In One Lesson* published?

A. When I got the idea for that I suggested the idea to Lu Mises, who nodded solemnly and said it's a good idea. He was neither very enthusiastic nor very unenthusiastic. Then I had lunch with Ordway Tead at the Century Club, of which we were both members. He was Business Book Editor of Harper's. I suggested the idea to him and he responded: "That sounds like a very good publishing idea. I'll publish it." I said, "Fine!"

Well, I sent a manuscript to the *Reader's Digest* and they carried two excerpts before publication. When they published the first one I called up Ordway Tead and said, "Ordway, I think that, as a result of this excerpt the *Digest* has printed, there's going to be a big demand for the book. I think you should publish a fairly substantial first printing." He said, "Well, I don't know. Do you think this really can be a big seller?" "Well," I answered, "I hate to go out on a limb on my own book, Ordway, but I think it can sell." He asked, "Can it sell big? Can it do 10,000?" "Oh," I said, "I think it can do that, but I am not going to go out on a limb and make any predictions." Well, anyway, he only published 3,000 copies of it. The first week after the book was out, Frances (Mrs. Hazlitt) called my attention to the fact that it was seventh on the Best Seller list for non-fiction.

Q. With 3,000?

A. Yes. And the second week it was out it was sixth on the Best Seller list. Then the third week it disappeared and it never got back on the list. The reason was there were no books. They didn't go back into print for several months.

Q. How many copies have been sold?

A. They sold 50,000 in hardbound. So far as I know, from the figures I have been able to collect, it sold about 700,000 in all editions—paperback, and so on. There were eight translations.

Q. And a new edition will be available soon?

A. Yes, on March 1st.

Q. It's not coming from Harper's this time?

A. That was a very funny thing. They kept it in print until December 1974. Then, without saying anything to me Harper's let it go out of print. They also cancelled their contract with the paperback people. I asked them about putting it back in paperback and one of their editors dilly-dallied for a long time. Finally, he came back and said, "No, but I'll tell you what. If you bring out a new edition, bringing it up to date, we'll publish it in hardback." So I did that. Then they dilly-dallied some more and never published it in hardback or paperback or anything else. I can't think of any other reason but ideology. They *said* they didn't think it would sell in paperback. Well, it has been selling at the rate of 10,000 a year from the Foundation for Economic Education alone.

Q. Harper's was a reasonably Conservative outfit originally?

A. Originally, yes. And *Harper's* magazine is surprisingly Conservative. But these people who were in charge of my book had decided that they no longer wanted it, yet they kept this hanging over my head. Finally, I got disgusted with the whole thing and I called up Neil McCaffrey of Arlington House and he took it over the telephone. He said, "Fine I'll send you a contract."

Q. Did Harper's publish any other books of yours?

A. No. That's another interesting thing. I sent them whatever the next book was and they just sent it back. That was ideological, too.

Q. Your critical book on Keynes, who published that?

A. Van Nostrand. They also did the first edition of *The Foundations of Morality* and *The Critics of Keynesian Economics*.

Q. You had good relations there?

A. Yes, but they sold out to an outfit that apparently wasn't interested in anything I was doing.

Q. I know Yale never published any more of your books, but didn't you give Mises some help in getting Yale University Press to publish his books?

A. Yes, I gave a big dinner and included Mises and, among others, Alvin Johnson of the New School for Social Research. Johnson was taking on all these German socialists. I tried to get him to take on Mises. Taking Johnson aside I asked him about Mises. He said, "Oh, he's much too far to the Right, much too far to the Right."

Next Lu (Ludwig von Mises) sent me his manuscript of *Omnipotent Government* to read. He also wanted any suggestions I might have about a publisher, so I made a few efforts and nothing happened. Then I happened to be talking with Charlie Merz, who was then editor of the *Times* (1944) where I was still on the editorial page. Charlie said he was a trustee of the Yale University Press, so I told him about Mises' manuscript. He said, "Why don't you send it to (Eugene) Davidson (editor, Yale University Press). Tell him that I suggested it and I'll write Davidson too." So that's what I did. Davidson, of course, liked it. He said, "We'll only publish it if you will undertake to edit it." So that's how it came about. You know, it seems that everybody in the publishing business is a Leftist unless something special happens to them.

Q. Your latest book is, of course, *The Inflation Crisis* from Arlington House ($8.95). Is it going well?

A. It seems to be going quite well. It came out on August 1st. They printed 8,500 on the first printing and in November they notified me that they had gone into another printing. It's had pretty good reviews.

Q. What do you think is going to happen in the inflation picture now?

A. Just more inflation.

Q. They're not going to take your advice and break the government's monopoly of issuing money?

A. No, I think they're just going to accelerate the inflation. The probability is that the government will have about a $50 billion deficit. Even if they had only a $30 billion deficit, that wouldn't be much help.

Q. They have been putting a lot of the deficit "off the Budget." In my judgment the real deficit is the increase in the Debt. That is running between $65 and 70 billion.

A. Have you noticed the things that are "off Budget"? A very haphazard collection of things. Why these are "off Budget" is not explained. They do not even bother to explain the rationale.

Q. Do you think we will go into a "runaway inflation"? Or do you think we will have price controls?

A. I think we will have both.

Q. In that event can Carter be reelected?

A. Either he, or worse! As of now, I doubt that he would be nominated.

Q. Do you think his China policy is popular?

A. No.

Q. In the Democratic Party?

A. Well, I don't know what is going to happen in the Democratic Party. It looks as if they are going to go along—the way they have with every other thing he's done I haven't heard much opposition. But there may be some.

Q. Do you see any hope in the Republican Party?

A. I don't see much.

Q. Then, you're as pessimistic as Ludwig von Mises was?

A. Whenever Frances and I would suggest optimistic ideas to Lu (Mises) he would say, "This is useless." I'm beginning to feel more and more that way myself.

Q. In his last years, I tried to console Mises by telling him he should be happy he had lived the last 90 years and not the next. He felt strongly that practically everybody who understood the situation was very gloomy about it.

A. I just came across a piece I wrote in 1944, for *American Scholar*, on the kind of of world we were going into. I described the workings of the I.M.F. (International Monetary Fund) and all the organizations that were set up at that time with a world of international bureaucracy and said what they were going to lead to. It proved to be an accurate forecast.

Q. Did *American Scholar* ask you for it? Or did you submit it?

A. I was an editor of *American Scholar* at that time.

Q. And not even a college graduate?

A. Through some confusion they thought I was a member of Phi Beta Kappa. When they found out their mistake, they asked me, can you imagine, "Do you mind if we make you an honorary member?" I replied, "I would be very flattered." Instead, they dropped me. Anyway, the last thing that I did for them was to write this piece. They didn't like it, so they got Max Lerner to write an opposing piece on the same issues.

Rereading that article I am amazed at how clearsighted I was as to what was going to happen.

Q. Have you any more books in mind?

A. I am at present working on a political book with the tentative title of *Is Politics Insoluble?* I don't know whether I'll live to finish it or not. The general theme of that book will be whether we can sharply delimit the proper functions of government. And even if we can do that, is there any way that we can hold the politicians within those limits? Once you get democracy, you soon get a majority that nobody can find ways of restricting.

Q. The problem is "eternal vigilance."

A. Yes.

Q. But what we get is eternal vigilance on the part of the people who want to increase their own power.

A. Yes, that's exactly it. That's exactly it. The primary motivation of the politicians is to find ways of keeping themselves in power and of increasing that power.

Q. That's why we have inflation?

A. Yes, indeed.

Q. Is there anything further that you would like to say about the future?

A. I hope I'm wrong!

Q. Thank you very much, Henry Hazlitt. Your experience shows how times have changed. The ideological changes at the *Times* and *Newsweek* are significant. They came during the periods when you were with them. You have witnessed many changes and yet stood fast to the basic principles of limited government and economic freedom. If more of our opinion makers had your zest for analyzing the full effects of political interference with market processes, our country would not be in its present economic predicament.●

A RURAL-URBAN COALITION

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. NOLAN. Mr. Speaker, my staff assistant for agriculture, Randy Henningson, has written an interesting statement regarding the common effort rural and urban Members of Congress must make in order to pass a better farm bill.

Henningson, whose background and academic training is closely related to

agriculture, suggests that urban Representatives will not be more favorably disposed toward farm legislation until rural Representatives acquire a more sympathetic understanding of urban problems.

I commend the statement to my colleagues. The statement follows:

BUILDING A COALITION TO PASS THE FARM BILL

(By Randy Henningson)

For several years, the dwindling number of farm district Members of Congress has eroded the strength of the old Farm Bloc. In order to pass general farm legislation in an urban Congress, obtaining a rule to tie the farm bill together with food stamp legislation became vital. Despite the shotgun wedding of rural and urban interests to carry farm bills through Congress, the results have been inadequate both in terms of farm legislation and food stamp programs. The marriage of convenience failed to reconcile rural and urban interests.

Politics makes strange bedfellows, but Members of Congress from rural districts barely could tolerate their urban spouse. Time and again, farm district Representatives took to the hustings to denounce labor law reform, consumer protection, jobs programs, food stamps, New York City funding bills, etc. Little wonder that Members of Congress from urban districts have any sympathy at all for the farmers' economic distress.

Thanks to the efforts of the American Agriculture Movement, however, increasing numbers of farmers recognize political reality—even if their rural Representatives do not. Farmers realize that urban votes are needed to pass a farm bill. Indeed, farmers are recognizing that the economic problems confronting urban Americans are similar to those faced by farmers.

Farmers know that the increasing concentration of economic and financial power, including monopoly in the food industry, is sapping the resources of working people and farmers alike.

Farmers know that the Nation's policy of promoting imports of cheap, subsidized goods creates economic dislocations which undermine workers and farmers alike.

Farmers know that the high interest, deficit spending and cheap raw commodity policies pursued by the Federal government are saddling the country with an increasing burden of public and private debt, thus increasing the taxes and interest paid by workers and farmers.

Farmers know that the economy cannot be straightened out as long as workers and farmers—the consumers who are victimized by current policy—continue to be at each other's throats.

During the past several weeks, I have talked to farmers from all over the country. The overwhelming majority recognize political reality and they are ready for their Representatives in Congress to do a little horsetrading in order to pass a farm bill. The farmers are wearing a button which says, "Whatever it takes," and they mean it.

The time has arrived for rural Members of Congress to stop attacking labor and stop denouncing Federal aid for cities and urban problems. After all, the Members of Congress from farm districts, not the urban Representatives, have been directly responsible for creating today's Welfare State. Many rural Members of Congress have refused to support a farm bill which will raise farm income in the marketplace enough to bring agriculture into balance with the rest of the economy. By failing to support a farm program which would curb debt-expansion, rural Representatives have fueled inflation and forced tens of thousands of rural people into the cities, thus leading to the massive welfare programs necessary for survival in a severely dislocated economy.

Support for the farmers already is emerging from the cities and from labor groups. On February 12, 1979, D.C. Delegate Walter Fauntroy met with the farmers at the Lincoln Memorial and, speaking for the citizens of the District of Columbia, thanked the farmers for "'opening our eyes' to the real cause for higher food prices—the 'middlemen' and the 'big conglomerates.'"

Last year, the AFL–CIO Executive Council spoke out in support of the American Agriculture Movement's efforts, stating that "Just as we believe that workers are entitled to a fair wage for their labors, we believe farmers are entitled to a fair return for their labors." The AFL–CIO also noted that throughout U.S. history, "alliances between workers and family farmers have forged progressive social and economic programs to benefit average Americans. The traditional bond between workers and family farmers must not be allowed to be severed by cheap political propaganda."

The farmers themselves are working to build the political coalition necessary to pass a farm bill. If Members of Congress from rural districts continue to vote against the legitimate interests of labor and the cities, the farmers will be betrayed by their own Representatives.

The farm district Members of Congress therefore have two tasks before them if they are serious about passing a better farm bill. First, the House Agriculture Committee must report out a better bill. Second, Representatives from rural areas will have to stop playing to the galleries by making cheap shots against labor and the cities.

Farmers want the politics of division to cease and they are ready to forge a durable rural-urban coalition. The city people also are ready. The House of Representatives, particularly the rural Members of Congress, are the chief stumbling block standing in the way of a better farmer program.

As one of the American Agriculture Movement's bumper stickers says: "Lead, follow, or get the hell out of the way."●

THE ECONOMY IN 1979

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from January 3, 1979 into the CONGRESSIONAL RECORD:

THE ECONOMY IN 1979

The standard economic forecast for 1979 something like this: sluggish business conditions at best, recession at worst, with rising unemployment, a moderate decline in interest rates, and continued inflation. The forecast calls for only a mild period of economic distress with things picking up by late 1979. Some experts see a recession (i.e. two successive quarters or more of decline in economic output); others see an advance so sluggish as to be called a "growth recession"—one in which unemployment will rise despite a small gain in real output.

In specific numbers, the standard forecast—the consensus of the nation's business and academic economists—calls for an annual increase of about 2.1% for real gross national product (the sum of all economic activity) over 1978, inflation of about 7.7% and unemployment rising to 6.6%. In the years past the standard forecast has generally been good, except in highly unusual years.

Most of the experts seem to agree that if there is a recession it will be mild and brief, lasting only two to three quarters and, at worst, dragging down real gross national product (GNP) at an annual rate of only 1% to 2%. There are some bright spots in the standard forecast. One is that the dollar should remain stabilized, maybe even rise a bit, making a real change from the panic days of 1978. Because of substantial gains in employment and personal income, the economy is moving along faster today than was expected. The growth rate for the fourth quarter of the year may reach as high as 5%. Some say this means the nation can avoid a recession next year; others say the fall, when it comes will be all the harder. Nonetheless, there is little hard evidence at present to suggest that the nation stands on the verge of a business downturn. Among many forecasters there is an air of inevitability. The business cycle, they say, will always be with us, and this expansion, like all others, will eventually end in a recession.

The standard forecast has been made taking into account the important measures taken earlier by President Carter to deal with our fundamental economic problems of accelerated inflation and continual deterioration of the dollar. These problems were so severe that they threatened damage to the leadership of the nation in world affairs. The corrective measures included the mobilization of $30 billion to rescue the dollar, tight fiscal and monetary policies, and the wage-price guidelines. It is too early to see a reflection of these recent policy actions in the economic statistics, but reactions, including the standard forecasts, have been good, given the economic problems the nation confronts.

Although the computations have not been completed, the President's economists have said that the likely official forecast for 1979 will include inflation at 7.25%, real growth of GNP to something less than 3% and unemployment edging about 6%. As might be expected, this official economic forecast is more optimistic than the standard forecast. Up until a few days ago the President's economic planners felt inflation could be held to a lower range of 6 to 6½%. But two recent developments caused them to make the new prediction. The first was the OPEC oil price increase and the second was the increasing evidence that the economy is growing more strongly than had been expected, producing more inflationary consumer demands.

The striking feature of the President's policy is that he is deliberately aiming for an economic slowdown. He believes not only that a recession is unlikely but that it is not good policy because it would not contribute to the control of inflation. Apparently, he also expects a long period of fighting inflation with slow growth and the economy running below par for five to seven years. He also believes the risks of recession with his economic program are less than the certainty of recession if inflation were allowed to accelerate unchecked. A year ago a target of economic slowdown would have been unthinkable for an American President. But in the past twelve months economic and political thoughts have undergone a wrenching change, principally because inflation has built up a fearsome momentum and threatens the economic stability of the country, as well as all of its social goals. This acceleration of inflation during 1978 has required a sharp alteration in the course of economic policy. The goals remain the same, but it has become clear that those goals for output and employment cannot be achieved without progress against inflation.

In contrast to the President's view, many economists believe a recession might be a good development. Their argument is that a recession performs an unavoidable function by forcing business managers to improve efficiency, by enabling interest rates to come down, and by ringing some of the inflation out of the system. In this view, recessions become a painful but necessary way of restoring economic balance.

To sum up, the last year of the 1970s will not be a banner economic year. Nonetheless, the American economy is fundamentally healthy. It shows few signs of the sort of imbalances that can lead to economic distress. The immediate task is to shift the momentum of inflation downward. If that can be achieved in 1979, a strenthened economy will surely emerge in 1980 and beyond.●

LITHUANIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GILMAN. Mr. Speaker, the 61st anniversary of the Lithuanian independence is an occasion which merits the attention of all of us who cherish national independence, as well as to acknowledge the struggle for fundamental human rights. Today, as in the past, we recognize the Lithuanian people as a symbol of that struggle.

In February 1918, the newly formed Lithuanian Council, which came about as the result of the end of World War I, issued a declaration of independence and formalized a new government on November 11, 1918. Initially, the odds against free-thinking Lithuanian nationalists were quite overwhelming due to the Bolshevik occupation and their creation of a puppet regime. However, with perseverance and calculated risk, the Lithuanians managed to drive the Bolsheviks out in August 1919, which resulted in a peace treaty signed by Soviet Russia in July 1920, which officially recognized Lithuanian independence. In addition, the entire Memel district was detached from Germany and formally incorporated into the new state. During its brief period of independence, Lithuania promulgated a relatively pro-Western foreign policy, while cooling down relations with the Soviet Union, and totally severing diplomatic relations with Poland as a result of several serious border disputes.

Following the outbreak of World War II the Soviets seized the opportunity to undermine Lithuanian independence and increasing prosperity, by occupying Lithuania in 1940 and installing a Soviet Government. The start of this annexation was halted temporarily by the German invasion of Eastern Europe and the U.S.S.R., which, in turn, incorporated all conquered countries into the Reich's Protektorat. With the decline and destruction of the Third Reich came the reoccupation of Lithuania by the Red army; opposition to sovietization of industry and collectivization of agriculture was, and still is, violently suppressed.

Nevertheless, Lithuania's short-lived independence has been fruitful in a number of ways. Having experienced the freedoms that we, as Americans, do has only served to magnify the desire of Lithuanians to permanently acquire national sovereignty and be recognized as a country that seeks to promote and protect the concept of human rights. It is this month, on the 61st anniversary of this struggle that we must admiringly and with staunch support, acknowledge the courage and resiliency of a small nation which has yet to turn away in the face of danger and persecution.

Mr. Speaker, I urge my colleagues to join me in praying for the attainment of independence for a country that has proven to be a milestone in the advancement of the battle against oppression. In the name of the Helsinki accords, and for those who have dedicated their lives to this just cause, it has become imperative that our own country shoulder some of the responsibility of aiding those nations still on the roster of persecution. Let us seek to bring to fruition the hopes and dreams of an independent Lithuania.●

THE HERITAGE AND HERB BRIN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. WAXMAN. Mr. Speaker, it is a signal honor to be the means of calling to your attention a most noteworthy event: The silver anniversary celebration of the Los Angeles Regional Edition of Heritage (Southwest Jewish Press) published and edited by Herb Brin. This happy anniversary will also be celebrated by the paper's three sister editions which serve San Diego, Orange County, and central California.

Inscribed above the masthead of Heritage are the words "Justice, Justice Shalt Thou Pursue . . .". In following this Biblical injunction, Heritage harks back to earlier and tougher American journalism when an editor imprinted his personality on every page of his journal. The personality and character of Heritage is that of Herb Brin, who graduated from the rough and tumble school of Chicago journalism to become one of the most honored Jewish newspapermen in our country. Under his guidance, Heritage has ranged the world to cover the triumphs and tragedies of the Jewish people, from Israel and behind the Iron Curtain, from Tehran and from Madrid.

While Heritage's first responsibility is to the Jewish community, it is not an ethnocentric journal. Herb Brin's burning sense of justice extends to persecuted and disadvantaged people of any origin in America and in the rest of the world.

Heritage may well boast of its quality, having won many awards for journalistic excellence, which include the coveted Smolar Award (three citations), Anti-Defamation League's Communication Award, and Sigma Delta Chi (two citations) among many others.

Besides his journalistic accomplishments, Herb Brin has achieved recognition as a poet through his critically acclaimed volumes "Wild Flowers," "Justice, Justice," and "Conflicts." Herb's poetry and journalism, like the heart and the mind, are separate but complementary facets of his personality. His poetry speaks the language of the people, and they listen. His journalism attacks the inimical forces which hurt the people, and they read.

To Herb Brin and to Heritage, I invite my colleagues to join me in expressing the warmest of congratulations on this 25th anniversary, and the very best of good wishes for the future.●

COMMUNITY HONORS "ROD" L. SULLIVAN

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. GAYDOS. Mr. Speaker, recently the citizens and elected officials of a small community in the 20th District of Pennsylvania gathered together to honor one of their own for 16 years of unselfish and dedicated public service.

Some people, I know, will look at that figure and wonder why it is so significant. After all, there are many public officials in this Nation whose careers span a lifetime. What makes 16 years so exceptional? I will tell you. It is not the time that is extraordinary. It is the man. It is Roger L. "Rod" Sullivan, who is unique!

To begin with, "Rod" had already worked a "lifetime" when he began his official career as a public servant. He had enjoyed a successful career as a building and trucking contractor. He had earned the right to sit back on the proverbial rocking chair and watch the world pass by.

But, that would not be "Rod" Sullivan. That would not be the style for a man who, while earning a living for his wife and family, engrossed himself in making his community a better place to live. "Rod" was a builder. He made things happen.

This was a man who helped build an athletic association and recreation board for the benefit of the borough's youth. This was a man who lent his expertise and experience as a member of the Municipal Building Authority to construct a new borough office. This was a man who did not hesitate to give of himself for his church, St. Eugene's. This was a man who never learned how to say "No" to someone in need.

So it was in 1962 when Liberty Borough found itself without an individual to head its street department that the elected officials turned to Rod Sullivan for help. He responded—as they knew he would.

For my colleagues who may not know what a "street commissioner" is, I will state it is one of the most trying positions in local government. When local roads sprout potholes, an annual malady in Pennsylvania, who is called to patch them immediately if not sooner? The street commissioner. When snow and ice render street impassable, who is called to plow them now? The street commissioner. When summer comes, who is called upon to repair every thoroughfare at the same time? The street commissioner.

Rod Sullivan knew that in 1962. He also knew the borough could not operate without a street commissioner, so he took the job. On a temporary basis. Temporary lasted 16 years. Rod weathered every winter, every storm, every summer and every change in local politics.

Last October, Liberty Borough finally found a replacement for Rod. But, it could not let him go without a formal acknowledgement of the respect and admiration it had for this truly unique gentleman. On January 13, Rod's unsurpassed contribution and concern for the community and its citizens was publicly recognized at a testimonial dinner.

Rod Sullivan is free now to go back to that rocking chair but anyone who knows him knows he will not. If he is needed, Rod will make himself available, regardless of the time, the task or the effort. If the problem involves people, it will involve him.

Mr. Speaker, on behalf of the Congress of the United States I take great pride and pleasure in extending to Roger "Rod" Sullivan our appreciation for his full commitment to his friends and neighbors. I, personally, take this opportunity to wish him and his wife, Berenice, health and happiness in the years to come.●

CONGRESSMAN RAY ROBERTS RECIPIENT OF AMERICAN LEGION'S DISTINGUISHED PUBLIC SERVICE AWARD

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. HEFNER. Mr. Speaker, all of us who serve as members of the Committee on Veterans' Affairs observe on a daily basis the outstanding leadership of the distinguished chairman of our committee, RAY ROBERTS of Texas. In my few years in Congress, I have come to admire RAY ROBERTS for his direction and guidance in bringing to successful conclusions a number of comprehensive programs for veterans and their dependents. There is no question that Chairman ROBERTS is the spokesman for veterans in the House of Representatives.

This leadership has been recognized by the largest veterans organization in the land. The American Legion, at its annual Washington conference of national and State leaders, presented Chairman ROBERTS with its distinguished Public Service Award for 1979 "in recognition of his selfless devotion to the Nation, the preservation of its resources, and his compassionate leadership on behalf of its war veterans."

I commend the American Legion for presenting this award to Chairman ROBERTS. I would like to share the remarks of National Commander John M. Carey, which he made at the presentation ceremony, with the Members of the House:

NATIONAL COMMANDER CAREY'S INTRODUCTION OF CONGRESSMAN RAY ROBERTS, RECIPIENT OF THE 1979 DISTINGUISHED PUBLIC SERVICE AWARD

The man we are about to honor with the "Distinguished Public Service Award for 1979" is one of the truly great citizens and legislators of the great State of Texas . . . the Honorable Ray Roberts.

The American Legion is recognizing Congressman Roberts for his devotion to the Nation, the preservation of its resources, and his leadership on behalf of America's war veterans.

Mr. Roberts began his public service in 1935, as director of the National Youth Administration of Texas under Lyndon Johnson, and five years later joined the staff of House Speaker Sam Rayburn.

Chairman Ray, as he is known to all of us, has an enviable record of service to his community, his country and those who have taken up arms in defense of the Nation. Roberts earned seven combat stars during World War II and later served his country during the Korean conflict, retiring from the Naval Reserve as a captain.

He served for seven years in the Texas State Senate before his election, on January 30, 1962, to fill the vacancy created by the death of Speaker Rayburn. He has served continuously since then as United States Representative for the 4th congressional district.

Mr. Roberts is now in his third term as chairman of the House Veterans' Affairs Committee and also chairs the public works and and Transportation Subcommittee on Water Resources. In his latter capacity he is the author of the "Clean Water Act of 1977", widely considered a landmark piece of legislation.

However, legionnaires best know Chairman Roberts as the man who said "no" to the president when he tried to automatically pardon draft dodgers; who said "no" when administration officials suggested the possibility of relieving the VA of its education, health, compensation and pension programs; and we know him as the man who led the successful fight on the floor of the House that added over $1 billion to the Veterans Administration's budget for FY '79. As you know, many more budgetary battles loom on the horizon and I'm confident Ray Roberts will lead the fight to insure the preservation of the entire VA system.

Chairman Roberts, would you please join me as I read the inscription on your award.

"The American Legion Award for distinguished public service presented to Representative Ray Roberts of the 4th District of Texas in recognition of his selfless devotion to the Nation, the preservation of its resources, and his compassionate leadership on behalf of its war veterans. Signed by National Adjutant Frank Momsen and myself as national Commander."

Ladies and gentlemen, may I proudly present a great legionnaire and a staunch advocate of the 30 million living veterans of America . . . the Honorable Ray Roberts of Texas.●

IN OPPOSITION TO "STANDBY RATIONING PLAN"

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. RITTER. Mr. Speaker, I am in complete opposition to the "standby rationing plan" that President Carter has sent to the Congress.

Gasoline rationing and exorbitant taxes on gasoline are not the answers to the national effort that is necessary to reduce our energy demands and increase our domestic supplies.

I believe we should make every effort to increase our domestic energy supplies before imposing on the American people overly restrictive measures that may be unnecessary to the task of reducing energy consumption to acceptable levels.

Gasoline rationing and exorbitant taxes will result both in bureaucratic nightmares and inequity in enforcement. It is estimated that rationing alone will cost the American taxpayer $1.5 billion a year. That money could be put to much better use developing new energy sources. Additional gasoline taxes will cause an undue burden on those who must drive for their livelihood.

It is only fair that we give the people a chance to prove that they can reduce their own levels of energy consumption to a point consistent with the requirements of the present situation.

I believe we should first tell the people what levels of consumption we could tolerate, and then see if they can meet those levels voluntarily before going to programs that no one looks forward to either administering or following.●

RETURNING TO THE PATH OF CAMP DAVID—AND BEYOND

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. WOLFF. Mr. Speaker, the distinguished Senator from Iowa, and chairman of the Senate Foreign Relations Committee, the Honorable FRANK CHURCH, recently was the honored recipient of the Bnai Zion America-Israel Friendship Medal. In receiving this cherished honor, Senator CHURCH joins the ranks of such notables who have received the award as: Presidents John F. Kennedy, Lyndon Johnson, and Gerald Ford, and Vice President Hubert H. Humphrey.

At the Bnai Zion Annual Award Dinner on February 18, 1979, Senator CHURCH delivered an outstanding address entitled "Returning to the Path of Camp David—and Beyond." I hope my colleagues will pay close attention to these important and insightful remarks by one of America's leading experts in foreign policy.

Senator CHURCH's remarks were as follows:

ADDRESS OF SENATOR FRANK CHURCH AT THE 71ST ANNUAL AWARD DINNER OF BNAI ZION

I am very honored to be here tonight to receive the American-Israeli Friendship Award. To be included in the company of such past recipients as the late Presidents John F. Kennedy, Lyndon B. Johnson and Vice President Humphrey is humbling indeed.

I also note that past recipients of this award have included such distinguished leaders as Former Congressman Celler, Former Congressman Tenzer—who are present tonight—Former President Ford and Former Ambassador Dinitz. Although I am assured that there is no cause-and-effect between the award and the recipients' subsequent transition from public to private life, I hope you will understand why I am a bit apprehensive.

Tonight, I want to share with you some thoughts on the attainment of peace in the Middle East, for it seems to me that we have arrived at a momentous crossroads: Either

Egypt and Israel bring their negotiations to a successful conclusion with the signing of a peace treaty, or the peace process dissolves into mutual recrimination, bitterness and renewed hostilities.

WHY DID CAMP DAVID SUCCEED?

The Camp David Accords must surely be accounted one of the most remarkable achievements of modern diplomatic history. After thirty years of conflict and untold billions expended in fruitless warfare, the leaders of Israel and Egypt agreed at last that the time had come to say: enough. President Sadat, tired of pouring Egyptian blood on the sands of the Sinai, made the courageous decision to seek peace and thus open the way for the economic reconstruction of Egypt. Prime Minister Begin, in turn, abandoned the concept that security is inextricably linked with territory, at least insofar as the Sinai is concerned. Israel thus made far-reaching concessions: It agreed to return all of the Sinai, dismantle Israeli settlements in that area, and evacuate the strategically important Sinai airfields. In this endeavor, the parties were assisted by the patience, common sense and good advice of President Carter.

Moreover, Israel and Egypt acknowledged that what was being negotiated at Camp David was a formula intended to accommodate other parties willing to seriously negotiate peace with Israel. The September 17th Framework for Peace Accord explicitly states that "this framework as appropriate is intended by then to constitute a basis for peace not only between Egypt and Israel, but also between Israel and each of its other neighbors which is prepared to negotiate peace with Israel on this basis."

But the parties went beyond this general statement of intent and agreed in extraordinary detail on a procedure for negotiating civil autonomy for the Palestinian population living on the West Bank. This autonomy plan was to be an interim measure for five years, during which the permanent status of the territory would be determined through negotiations among Israel, Jordan, Egypt and representatives of the Palestinians. In this way, said the Accord, the Palestinians would participate in the determination of their own destiny. And it noted that Jordan would be invited to join in the negotiations relating to "the modalities for establishing the elected self-governing authority in the West Bank and Gaza." The five-year period of autonomy within which the permanent status of the West Bank was to be negotiated was to begin to run, said the Accord, from the date when the self-governing authority, the administrative councils as they were called, were "established and inaugurated." Since neither Jordan nor the Palestinians were parties to the Camp David Accords and had not yet agreed to participate in the West Bank negotiations, the Accords did not—and could not—set a date certain for establishing the self-governing councils.

In effect, then, the Camp David Accord, by stating that the five-year period of autonomy would only commence upon the establishment of the self-governing councils, created a built-in incentive for Jordan, and, indirectly the Palestinians, to join the negotiating process.

WHY IT FALTERED

Unfortunately, in the immediate aftermath of Camp David, we did not follow through with the logic of the strategy that had been adopted. King Hussein, on an American television program, publicly asked fourteen questions seeking clarification of the Accords that had been so laboriously worked out at Camp David. What the Administration should have done, if it had been faithful to the strategy, was to have thanked him politely for his interest, taken the questions under advisement, and told him privately that the answers to his questions could only be found by entering into the negotiations.

Instead, President Carter sent Assistant Secretary of State Harold Saunders to Jordan and the West Bank with written answers to the King's questions, answers which were perceived by Arabs and Israelis alike as indicating that the United States was prepared to support Arab aspirations on the West Bank beyond what was set forth in the Camp David Accords.

Despite the fact that at Camp David, the Israelis had repeatedly emphasized that their total withdrawal from the Sinai should not be interpreted as a precedent for the West Bank, Saunders sought to allay Jordanian and Palestinian misgivings by citing the Sinai as a precedent for what might be anticipated on the West Bank.

In a region where every nuance of meaning can be emotionally charged, Saunders referred to remaining Israeli security personnel as the only presence that would exist at the end of the autonomy period, whereas the Accords referred to Israeli security forces, the implication being that something less than what had been agreed at Camp David would result. And Saunders pushed to the fore the delicate issue that had been deliberately put on the back burner at Camp David, East Jerusalem, by referring to it as occupied territory, a characterization offensive to Israel.

Thus, even before the peace treaty negotiations had begun, the Saunders replies seemed to prejudge the most sensitive West Bank issues in favor of the Arabs and against Israel. This created the impression that the American Government believed that Sadat had not gotten all he should have at Camp David with respect to Israeli concessions on the West Bank.

The results were predictable. The answers to King Hussein's questions did not go far enough for the King or the Palestinians. They were not won over to participate in the negotiations. And Sadat was placed in the untenable position of appearing to have settled for less than he might have obtained.

Accordingly, he reacted by making new demands: firmer linkage between the peace treaty and resolution of the West Bank issue through establishment of a target date for putting in place the self-governing councils, precisely the point that had been left open in the Camp David Accord in order to create pressure on Jordan and the Palestinians to join the negotiations. Moreover, Sadat demanded that a key section of the proposed draft treaty be dropped, Article 6, which, in effect, provided that whatever Agreements Egypt had with other Arab states, the peace treaty between Israel and Egypt took precedence. For Israel, of course, this was the heart of the negotiations. Without Article 6, there was no real peace treaty.

The Saunders Mission thus opened a Pandora's box. It stood the strategy of Camp David on its head: it put first what should have been last—the West Bank issue—and, consequently, made it more difficult to achieve what should have been the priority goal, the signature of a peace treaty between Israel and Egypt.

In order to recoup the situation, Secretary of State Vance undertook a new mission to the Middle East. Although he persuaded President Sadat to drop his demand that Article 6 be deleted from the treaty, the Legal Adviser's office of the State Department issued an opinion setting forth the extraordinary view that Article 6 permitted Egypt, under certain circumstances, to participate in a war against Israel pursuant to its agreements with other Arab states. The Secretary endorsed as "reasonable" Sadat's insistence on a "target date" for establishment of the self-governing councils and his refusal to exchange ambassadors until such councils were in place. The U.S. endorsement of the Egyptian demands for important modifications in the deal that was negotiated at Camp David and embodied in a peace treaty drafted by the United States, enraged Israel and led to bitter charges that the Carter Administration had abandoned its impartiality.

If these tactics had continued, I would say to you tonight that the hope for peace had been irrevocably lost. But that is not the case. For I believe that the Administration now realizes that it cannot force the two sides together again. Ambassador Roy Atherton's recent shuttle diplomacy between Cairo and Jerusalem indicates that there has been a definite change of heart. Guided by the sound strategy underlying the Camp David Accords, Ambassador Atherton treated the concerns of both sides with equal respect, imposed no artificial deadlines, did not digress from the role of impartial mediator and did not publicly reveal American attitudes toward the various proposals.

Although there was some progress made, President Carter has realized the necessity of more intensive negotiations. Thus, in the coming week, Foreign Ministers Khalil and Dayan will be conferring at Camp David along with Secretary Vance. I expect that the upcoming talks will be conducted with the same sense of fairness and conciliation that made possible the original Camp David Accords. President Carter deserves much credit for his perseverance in not allowing the hope for peace to fade away.

Still, there is no magical potion that will produce an instantaneous accord or guarantee the much needed support from the political holdouts—Jordan, the Palestinians, Syria and Saudi Arabia. In the wake of the still reverberating shock waves emanating from the fallen regime of the Shah of Iran, now is the time to create new incentives for peace and cooperation. The United States and its allies should begin now to fashion a policy that will plainly demonstrate to the holdouts that the fruits of peace can be infinitely more attractive than the spoils of war.

Having been a partner in hammering out the accords at Camp David, and having continued to act as mediator in the peace treaty negotiations between Israel and Egypt, it is time we began to consider the kind of relationship we are willing to enter once a treaty has been signed. I believe the United States should then become a partner for an expanded peace, working in tangible ways to strengthen its foundations and to extend its frontiers.

Therefore, I call tonight for a peace-building policy in the Middle East, based upon a strategy that rewards those who work to construct, complete and enlarge the peace.

I urge our allies—Great Britain, France, West Germany and Japan—to participate in this new policy and to share equally in its financial requirements. For they have a vital stake in the stability of the region and the maintenance of peace, conditions which alone can assure the uninterrupted flow of the oil they cannot do without.

Henceforth, the United States and its allies should be prepared to invest generously in the furtherance of peace. We have paid dearly for the wars in the Middle East, and our national interest calls out for an end to the conflict there.

Let us begin our new partnership with the first two peacemakers, Israel and Egypt. We can help Sadat with his pressing economic problems. Take, for example, Egypt's dwindling harvests. Israel's advanced irrigation techniques could be of great help to the Egyptians in making their deserts bloom, as the spectacular success of the Negev proves. The opportunities are ample for the creation of joint projects for water desalinization, reclamation, and solar energy.

In Israel, we must ensure that the cost of peace does not outweigh the burden of war. President Carter took this first step in this direction by recommending special assistance to Israel for the relocation of the military

airfields in the Sinai. We must also be aware that Israel, like Egypt will require help in building up its civilian infrastructure in the Negev to accommodate the new lines of territorial withdrawal.

We should aso declare our willingness to extend the same measure of support to Jordan and Syria, if and when they choose to participate in the building of a regional peace. Once they join in, they can expect our help in alleviating the suffering and in lifting the living standards of their people

Let me close with a few words about the organization you support, B'nai Zion. Spanning more than a lifetime of activity, your organization has emerged as a vital institution safeguarding the integrity and security of Israel. B'nai Zion has also been committed to providing social services in this country and Israel. I commend all of you tonight, for helping the people of Israel to realize another part of their impossible dream. For the impossible may yet be the attainable. A great Jewish historian, Cecil Roth, looked toward a future for the Middle East which is no longer beyond the reach of our years.

"Again," he wrote, "as in the days of Solomon, the area seemed about to become a bridge between East and West, drawing and giving inspiration in both directions. In the changed world in the second half of the Twentieth Century, this could well be part of Israel's function and mission."

Let us pray that we shall see Roth's prophecy fulfilled.●

SOUND BUDGET POLICIES AND PROGRAMS WHICH WORK

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. JENKINS. Mr. Speaker, a recent editorial comment appeared in one of our Georgia newspapers regarding my friend and colleague, DAWSON MATHIS, and his ideas about the Federal budget. The writer reflects a viewpoint shared by many Americans and well articulated by DAWSON MATHIS that Government must be more practical with its revenues and curtail its spending on programs which do not work.

I wish to place in the RECORD the words of this journalist who quotes our colleague on the budget issue:

POINT OF VIEW

(By James A. "Jl" Johnson)

Second Congressional District representative Dawson Mathis, D-Georgia, has sent out a letter to the media which attracted my attention quite well.

In his letter, Mathis explained that on the first day of the 96th Congress last Monday, he joined 100 of his colleagues in co-sponsoring a constitutional amendment that would outlaw deficit spending by the federal government.

Said the Albany resident, "For me this action was certainly nothing new. I have offered similar legislation in every Congress in which I have served. What is new is the large number of members of Congress from all parts of the country who are joining us in the fight."

Simply stated, the amendment proposal says, "The Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total estimate revenues of the United States for such fiscal year."

Now that sounds simple enough. In fact, it sounds down right sensible to me. For far too many years, the feds have gone on the premise that more and more money should be spent on various "deserving" programs and pork barrel legislation than ever could be brought in by taxation or whatever.

Mathis explains it this way. "It would put an end to the free-spending in the Congress because those members who like to vote for every spending program which comes down the pike would also be required to come up with the funds to finance them. The only reason so many programs get funded now is that they are supported by borrowed money and no one has cast a vote on raising taxes just to pay for them."

Somewhere back in my memory, I seem to recall that our President also mentioned something about balanced budgeting when he took office two years ago last week. Apparently, something happened on the way to the budget meetings, because this has been perhaps his most disappointing area for me during his term of office.

All but two states already have some sort of budget balancing law similar to the one which Carter operated with for four years during his Governorship. He's well experienced in "zero-based" budgeting and making ends meet, or at least, he should be.

Mathis points out that the Georgia law has worked well, and when one looks at the figures of budget surplus being sent around the Gold Dome in Atlanta, it would appear that the "pay as you go" way of Georgia is quite worthy of study and consideration in Washington

"The American taxpayer, overburdened though he is, has always been willing to make the sacrifices necessary to pay for what is needed." Mathis continues in his letter. "But he is sick of paying for programs that don't work for people who won't work."

Play that number again, Dawson. You've hit upon a sore spot with millions of Americans who wonder what happened every payday when they look at their paychecks and see so little left. Sure, there's lots of good, sound programs, programs which make life better for those who cannot help themselves like the middle class can.

But do emphasize that last little line—"he is sick of paying for programs that don't work for people who won't work." Need anyone say more?

Mathis sums up his letter with, "Simply put, the time has come to put an end to deficit spending for now and for the future, and a constitutional amendment is the best method for doing that."

Well put, Representative Mathis. You have our support on this project. Nothing could be better than to see the federal government become more practical with our hard earned money. Such things as spending millions and millions of dollars on finding out who shot John Kennedy and a few billions more to study the snail darter in Tennessee are perfect examples of misdirected funds which would certainly go for more practical things—or even better yet—could stay in Decatur County and the thousands of other counties across this country, and help prevent recession because we'd have more money to spend.

The Representative and his colleagues have taken upon themselves a difficult task in trying to reform the spending habits of a Congress which has for far too long been allowed to run rampant with our money. Let's all hope that they succeed in their intentions. Failure would be dismal.●

A TIME FOR QUIET

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ROSENTHAL. Mr. Speaker, noise pollution is a major environmental problem facing our citizens. The issue is a national one, not just a regional one. Aircraft noise affects our suburban and rural areas as well as our cities. Government must coordinate its efforts and take the lead in reducing aircraft noise pollution in this country.

The ideal solution to the problem would be to replace all noisy aircraft as well as to develop an efficient airport system that includes effective zoning measures and other steps to protect the needs, rights, and desires of the surrounding areas. These measures, however, will take many years and billions of dollars to implement. In the meantime, a solution must be found to give the public immediate relief from oppressive aircraft noise. One method is to limit aircraft operations during the hours of normal sleeping time. Toward this end, I have introduced H.R. 170, the Airport Noise Curfew Act. An effective program of curtailed operations would serve as a viable short-term answer providing immediate relief at very low cost to the millions of people plagued by aircraft noise pollution.

The bill would create a Commission to investigate the establishment of curfews on aircraft operations during the normal sleeping hours. The Commission would be composed of the Administrators of the Environmental Protection Agency and the Federal Aviation Administration, two representatives of the aviation industry and five public members. It would report its findings to the Congress within 6 months of its creation. The Commission would make specific recommendations for legislation and all findings would be made public. It would then go out of business.

As conditions vary from airport to airport, I expect that the Commission will recommend night curfews for only certain airports. Some may only need certain runways and flight corridors closed. With this information, the Congress will be better informed and able to act more intelligently and effectively.

The establishment of the Commission will fill the gap between today's problem and enactment of long-range solutions such as engine retrofitting, aircraft replacement, noise contour maps and compatibility studies. These programs will not be completed for many years. Thus, a noise curfew would be a valuable and necessary step toward curtailing aircraft noise pollution.

The cost of such a curfew would be minimal compared to the relief it would bring to the public. No new technology is necessary and safety would not be compromised. Curfews may mean some inconvenience for the airline industry and a small number of passengers, but that must be weighed against the public's right to quiet during normal sleeping hours.

According to an expert from the Division of Urban Affairs of the International Organization for Economic Cooperation and Development, aircraft noise is not only annoying, it is also harmful to the individual's physical and psychological health. The noise impact of a jetliner is

10 times more disturbing during sleeping hours, when it is much more difficult to assimilate sounds, than during the day. In addition, nighttime noise interference can seriously affect a person's efficiency and productivity during the following day.

The fear of homeowners that their property values will decline is another negative result of jet aircraft noise. High noise levels depreciate the market value of residential property and in effect may be creating "environmental ghettos." The neighborhoods surrounding airports should not be allowed to disintegrate to the point where property values reach a critically low level.

Nighttime curfews are already in effect at Narita Airport in Tokyo, Geneva, Zurich, London, Los Angeles, and Newport Beach, Calif. Washington National Airport instituted a curfew from 11 p.m. to 7 a.m. in 1966 for all air carriers. This ban on nighttime travel has worked effectively.

FAA statistics for 2 typical days of operations at LaGuardia Airport, August 5, 1977, and August 4, 1978, indicate the following effects a curfew will have on passengers:

Only 1.6 percent of the total number of passengers flying into and out of LaGuardia Airport on a typical day would be inconvenienced by a curfew between 11 p.m. and 7 a.m., the normal sleeping hours. That amounts to only 705 persons out of a 24-hour total of 44,349 passengers. All of these travelers could miss the curfew by flying 1 hour earlier. In addition, only 14 flights (1.7 percent) out of 844 would have to be changed because of an antinoise curfew and many of these are nonpassenger freight flights.

These are some of the conclusions that can be drawn from an analysis of the FAA reports. I am inserting in the RECORD detailed charts showing operations and passenger statistics for both LaGuardia and John F. Kennedy International Airports.

It is evident that the number of people suffering the discomfort and harm of aircraft noise during sleeping hours is much greater than those who would have to rearrange their travel plans to comply with the curfew. Many airports and passengers throughout the country are involved in similar situations to LaGuardia and Kennedy Airports in New York. Some, like Washington National, have begun to deal with the problem.

I feel that all Americans have the right to a decent night's sleep regardless of where they live. The establishment of curfews is an effective solution to the aircraft noise problem until the more costly, long-range answers show an impact.

The material referred to follows:

LaGUARDIA AIRPORT PASSENGER TRAFFIC BY HOUR—FRIDAY, AUG. 5, 1977

Local time	Deplanements					Enplanements					Total				
	1st class	Coach	Non-rev.	Est.	Total	1st class	Coach	Non-rev.	Est.	Total	1st class	Coach	Non-rev.	Est.	Total
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	88	405	21	10	524	347	1,362	92	0	1,801	435	1,767	113	10	2,325
8	240	638	26	0	904	282	1,418	77	10	1,787	522	2,056	103	10	2,691
9	284	942	45	0	1,271	377	1,242	74	0	1,693	661	2,184	119	0	2,964
10	168	905	69	0	1,142	166	877	66	0	1,109	334	1,782	135	0	2,251
11	284	765	52	0	1,101	278	1,088	77	0	1,443	562	1,853	129	0	2,544
12	260	1,033	57	0	1,350	162	905	56	0	1,123	422	1,938	113	0	2,473
13	213	1,177	64	0	1,454	310	1,153	77	0	1,540	523	2,330	141	0	2,994
14	160	1,090	93	0	1,343	233	1,471	101	0	1,805	393	2,561	194	0	3,148
15	266	1,124	83	10	1,483	231	947	50	10	1,238	497	2,071	133	20	2,721
16	210	1,251	64	0	1,525	263	1,181	65	0	1,509	473	2,432	129	0	3,034
17	308	1,135	44	0	1,487	318	1,380	65	0	1,763	626	2,515	109	0	3,250
18	420	1,262	49	10	1,741	357	1,128	67	10	1,562	777	2,390	116	20	3,303
19	292	1,284	47	0	1,623	366	1,396	60	0	1,822	658	2,680	107	0	3,445
20	305	1,609	72	0	1,986	187	937	42	0	1,166	492	2,546	114	0	3,152
21	240	1,173	56	0	1,469	186	949	46	0	1,181	426	2,122	102	0	2,650
22	96	399	35	0	530	35	127	7	0	169	131	526	42	0	699
23	99	552	28	0	679	7	19	0	0	26	106	571	28	0	705
Total day	3,933	16,744	905	30	21,612	4,105	17,580	1,022	30	22,737	8,038	34,324	1,927	60	44,349

Note: Peak passengers per hour: 3,445. Peak as percent of total: 7.8 percent. Passenger peak hour(s): 19.

LA GUARDIA AIRPORT SCHEDULED OPERATIONS BY HOUR—FRIDAY, AUG. 4. 1978

Hour	Arrivals						Departures						Total operations						
	Dom. PAX	Loc. PAX	Int. PAX	Air taxi	Cargo	Total	Dom. PAX	Loc. PAX	Int. PAX	Air taxi	Cargo	Total	Dom. PAX	Loc. PAX	Int. PAX	Air taxi	Cargo	Total	Percent dist.
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	1	0	1	0	0	0	1	0	1	0	0	0	2	0	2	.24
7	6	3	0	7	0	16	23	6	2	7	0	38	29	9	2	14	0	54	6.40
8	13	4	2	7	0	26	18	3	1	8	0	30	31	7	3	15	0	56	6.64
9	12	3	2	5	0	22	20	5	0	4	0	29	32	8	2	9	0	51	6.04
10	21	3	1	4	0	29	16	1	2	4	0	23	37	4	3	8	0	52	6.16
11	18	5	0	7	0	30	15	6	0	6	0	27	33	11	0	13	0	57	6.75
12	21	3	1	2	0	27	18	1	2	3	0	24	39	4	3	5	0	51	6.04
13	16	3	1	4	0	24	21	4	0	3	0	28	37	7	1	7	0	52	6.16
14	17	2	0	4	0	23	23	2	1	7	0	33	40	4	1	11	0	56	6.64
15	21	2	0	7	0	30	15	3	1	4	0	23	36	5	1	11	0	53	6.28
16	18	5	2	6	0	31	18	2	2	8	0	30	36	7	4	14	0	61	7.23
17	20	4	0	7	0	31	19	6	0	7	0	32	39	10	0	14	0	63	7.46
18	18	2	1	7	0	28	20	2	0	8	0	30	38	4	1	15	0	58	6.87
19	19	4	0	5	0	28	19	4	1	5	0	29	38	8	1	10	0	57	6.75
20	21	3	2	8	0	34	10	4	1	6	0	21	31	7	3	14	0	55	6.52
21	22	2	0	0	0	24	15	1	1	1	0	18	37	3	1	1	0	42	4.98
22	5	3	1	0	0	9	1	2	0	0	0	3	6	5	1	0	0	12	1.42
23	7	1	0	1	0	9	2	0	0	1	0	3	9	1	0	2	0	12	1.42
Total day	275	52	13	82	0	422	273	52	14	83	0	422	548	104	27	165	0	844	100.00
Percent of total:																			
Arrivals/departures	65	12	3	19	1	100	65	12	3	20	0	100	65	12	3	20	0	100	
Operations	33	5	2	10	0	50	32	6	2	10	0	50	65	12	3	20	0	100	

Note: Peak operations per hour: 63. Peak as percent of total: 7.5 percent. Peak hour(s) of operation: 17.

J. F. K. INTERNATIONAL AIRPORT PASSENGER TRAFFIC BY HOUR—FRIDAY, AUG. 5, 1977

Local time	Deplanements					Enplanements					Total				
	1st class	Coach	Non-rev.	Est.	Total	1st class	Coach	Non-rev.	Est.	Total	1st class	Coach	Non-rev.	Est.	Total
0	36	604	40	0	680	4	285	7	0	296	40	889	47	0	976
1	16	275	10	87	388	5	43	0	0	48	21	318	10	87	436
2	25	383	33	0	441	1	13	0	0	14	26	396	33	0	455
3	0	0	0	0	0	13	164	1	0	178	13	164	1	0	178
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	34	703	43	165	945	0	0	0	0	0	34	703	43	165	945
7	87	442	65	81	675	19	316	14	54	403	106	758	79	135	1,078
8	54	199	13	87	353	166	813	65	87	1,121	210	1,012	78	174	1,474
9	1	21	2	108	132	107	1,869	161	375	2,512	108	1,890	163	483	2,644
10	82	347	36	132	597	124	1,301	122	312	1,859	206	1,648	158	444	2,456
11	19	467	56	175	717	51	884	91	78	1,104	70	1,351	147	253	1,821
12	119	0	5	54	178	84	1,256	109	54	1,503	203	1,256	114	108	1,681
13	87	1,010	95	548	1,781	130	252	41	54	477	227	1,262	136	603	2,228
14	177	1,685	131	141	2,144	71	258	14	237	580	248	1,953	145	378	2,724
15	308	1,532	89	1,491	3,420	81	218	24	228	551	389	1,750	113	1,719	3,971
16	378	3,463	208	900	4,949	187	769	101	141	1,198	565	4,232	309	1,041	6,147
17	231	2,468	142	204	3,045	253	1,977	176	0	2,406	484	4,445	318	204	5,451
18	149	1,672	79	225	2,125	202	1,953	159	285	2,599	351	3,625	238	510	4,724
19	196	1,736	120	225	2,277	303	1,875	98	1,710	3,986	499	3,611	218	1,935	6,263
20	71	1,194	109	762	2,136	79	1,410	118	825	2,432	150	2,604	227	1,587	4,568
21	89	910	59	354	1,412	122	2,227	122	141	2,612	211	3,137	181	495	4,024
22	93	438	27	0	558	283	548	51	2,110	1,992	376	986	78	1,110	2,550
23	13	140	9	108	270	5	217	12	0	234	18	357	21	108	504
Total day	2,275	19,699	1,371	5,848	29,193	2,280	18,648	1,486	5,691	28,105	4,555	38,347	2,857	11,539	57,298

Note: Peak passengers per hour: 6,253. Peak as percent of total: 10.9 percent. Passenger peak hour (s): 19.

JFK INTERNATIONAL AIRPORT SCHEDULED OPERATIONS BY HOUR—FRIDAY, AUGUST 4, 1978

Hour	Arrivals						Departures						Total operations						
	Dom. PAX	Loc. PAX	Int. PAX	Air taxi	Cargo	Total	Dom. PAX	Loc. PAX	Int. PAX	Air taxi	Cargo	Total	Dom. PAX	Loc. PAX	Int. PAX	Air taxi	Cargo	Total	Percent dist
0	9	0	0	0	1	10	2	0	0	0	2	4	11	0	0	0	3	14	1.74
1	4	0	1	1	0	6	2	0	1	0	1	4	6	0	2	1	1	10	1.24
2	4	0	1	0	2	7	1	0	0	0	3	4	5	0	1	0	5	11	1.37
3	1	0	0	1	0	2	2	0	0	1	1	4	3	0	0	2	1	6	0.75
4	1	0	0	0	0	1	2	0	0	1	1	4	3	0	0	1	1	5	0.62
5	4	0	0	0	0	4	0	0	0	0	0	0	4	0	0	0	0	4	0.50
6	4	0	3	1	1	9	0	0	0	2	1	3	4	0	3	3	2	12	1.49
7	3	1	3	4	4	15	5	0	4	3	0	12	8	1	7	7	4	27	3.36
8	4	2	1	3	2	12	11	3	6	4	0	24	15	5	7	7	2	36	4.48
9	2	1	4	3	1	11	11	0	12	1	4	28	13	1	16	4	5	39	4.85
10	3	2	3	2	0	10	8	2	10	3	1	24	11	4	13	5	1	34	4.23
11	5	0	3	2	1	11	8	1	3	2	2	16	13	1	6	4	3	27	3.36
12	0	3	2	1	0	6	9	2	5	1	1	18	9	5	7	2	1	24	2.99
13	6	4	5	2	0	17	4	3	2	1	0	10	10	7	7	3	0	27	3.36
14	4	2	12	2	1	21	3	4	4	4	1	16	7	6	16	6	2	37	4.60
15	11	2	17	6	0	36	8	0	2	4	0	14	19	2	19	10	0	50	6.22
16	22	3	17	4	4	50	10	4	6	3	0	23	32	7	23	7	4	73	9.08
17	28	4	12	3	0	39	25	2	4	3	0	34	45	6	16	6	0	73	9.08
18	18	0	7	5	3	25	16	3	11	6	0	36	26	3	18	11	3	61	7.59
19	15	4	14	6	0	39	12	3	20	5	1	41	27	7	34	11	1	80	9.95
20	16	2	9	2	1	30	4	1	19	3	3	30	20	3	28	5	4	60	7.46
21	6	0	7	3	2	18	22	2	8	3	2	37	28	2	15	6	4	55	6.84
22	7	3	1	1	1	13	4	1	7	0	1	13	11	4	8	1	2	26	3.23
23	3	0	1	0	2	6	0	2	2	2	1	7	3	2	3	2	3	13	1.62
Tota day	164	33	123	52	26	398	169	33	126	52	26	406	333	66	249	104	52	804	100.00
Percent of total:																			
Arr vals/departures	41	8	31	13	7	100	42	8	31	13	6	100	41	8	31	14	6	100	--------
Operations	20	5	15	6	4	50	21	4	16	6	3	50	41	8	31	14	6	100	--------

Note: Peak operations per hour: 80. Peak as percent of total: 10.0 percent. Peak hour(s) of operation: 19.●

INDEPENDENCE FOR ESTONIA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ANDERSON of California. Mr. Speaker, today's newspaper headlines draw our attention to new conflicts between nations around the world. They bring us firsthand accounts of the raw military force being used by some foreign countries attempting to impose their dominance over other people. This month marks the 61st anniversary of a more silent fight for freedom. After centuries of foreign rule, 61 years ago on February 24, the people of Estonia declared their independence. Now is a fitting time to recount their long struggle for liberation.

Freedom for the people of Estonia was short lived following their Independence Day. The German Army invaded the country and occupied its lands until the World War I armistice was signed in November 1918. But, more turmoil followed. A Russian Bolshevik army attack followed soon after the signing of that peace document. Though the Russian threat was great and nearly overwhelming, the young nation vowed to resist the Communist invasion. A strong spirit inspired by full support of Estonian citizens gave the young army of the Baltic country a victory in its war of independence. On February 2, 1920, the Republic of Estonia and the Soviet Socialist Republic signed a peace treaty which declared a voluntary renouncement of "* * * all rights over Estonian territory and people."

Subsequent action showed that the Soviets did not intend to honor this agreement. On August 23, 1939, Russia and Germany signed the Molotov-Ribbentrop Pact, an agreement which condemned Estonia to the Soviet sphere of influence. The next year saw the Soviet Army occupy Estonia.

The Soviet dominance has taken from the people of Estonia their most basic human freedoms. Arrests, deportations, executions, and a nationalization of all private property are the consequences of Soviet imposed rule.

The United States now lends moral support to the people of Estonia and its struggle for freedom. We are one of many Western countries which have refused to recognize the forceable annexation of Estonia by the Soviet Union. This is a position quite consistent with our human rights policy.

I take this opportunity to urge the continuance of this stance and ask the administration to continue its efforts on behalf of the freedom-loving Estonians. Our free Nation should be in the forefront in the effort to bring to the people of Estonia the realization of their dream of liberation and the reestablishment of the independent country of Estonia.●

SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. DASCHLE. Mr. Speaker, small business in America is going through a most critical stage. Presently, an average of 10,000 small businesses with liabilities in excess of $3 billion close annually. This is turn has resulted in a reduction from 50 percent in 1960 to 30 percent in 1976 in the percentage of corporate manufacturing assets owned by small and medium businesses. Small business profits as a percent of total corporate manufacturing profits were down to 27 percent in 1976 as opposed to 41 percent in 1960. These are statistics that indicate the declining share of national income and profits that small businesses own. These are also statistics that cannot be ignored.

Benefits provided by small business have been the backbone of our economic system. MIT studies placed the growth rate of hiring among small firms at between 24 and 40 percent, whereas the largest 1,000 corporations in our country contributed a growth rate in hiring of less than 2 percent. And despite the fact that virtually all research and development money goes to large corporations, small business is a proven training ground for new innovation.

We now have a mechanism that will encourage the development and continuation of American small business. This mechanism is the employee stock ownership plan (ESOP). ESOP's were primarily designed to enable employee organizations to buy their companies when they would otherwise be sold outside the company, relocated, or closed. In addition, employee ownership has been proven to increase worker motivation, productivity and provide a source of equity for company growth. The employee ownership plan not only provides a means toward saving businesses and increasing productivity, but also serves to increase employment and limit the undesirable trend to monopolies and oligopolies. It also will reduce the cost of Government by lowering the demand for unemployment compensation, CETA programs, et cetera.

I am proud today to cosponsor the Small Business Employee Ownership Act, which seeks to promote ESOP's by guaranteeing loans normally made available under the business loan program and the procurement assistance program of the Small Business Administration for this purpose. This bill is necessary since the SBA's present regulations prohibit loans to ESOP's. The loan guarantees are contingent on feasibility studies, however, to prevent transfers of estate within friendly hands that do not need the loan guarantees, and to prevent dying companies from being sold to unknowing employees.

Mr. Speaker, I firmly believe that ESOP's are a proven method of restoring the small business sector of our economy. This restoration is essential to the maintenance of a democratic free enterprise system, independent of the inherent dangers of monopolistic control.●

IMMIGRATION INEQUITIES NEED TO BE CORRECTED

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ANNUNZIO. Mr. Speaker, we take great pride in the fact that our Nation is a nation of immigrants—men and women who made their way to our shores for a better way of life and for the freedoms they did not have in their mother countries.

Our Immigration and Nationality Act has been amended many times to further make its regulations more just and equitable. Public Law 89–236, for example, repealed the national origins quota concept as a system for selecting immigrants to the United States and substituted a ceiling on Eastern Hemisphere immigration on a first-come, first-served basis, within various preference categories, and a 20,000 limit per country. Public Law 94–571 further amended the Immigration and Naturalization Act to apply the 7 category preference system, as well as the 20,000-per-country limit, to the Western Hemisphere as well as the Eastern Hemisphere. Public Law 95–412 contained the 2 ceilings in a single worldwide ceiling of 290,000, with a single preference system.

Some foreign nationals are inadvertently still being discriminated against, despite the new limitations. Ireland, for example, was the mother country for millions of our "new seed" immigrants in the last century. These hard-working men and women helped make our Nation great.

Ireland used 6,328 immigrant visas in fiscal 1964 and 1,171 for fiscal 1976. And as far as we know, this reduction was not voluntary. When we realize that since 1820, over 4,721,654 immigrants have come from Ireland, we begin to get a sense of the problem. It seems that the natives of countries highly favored by the national origins quota system almost by definition are more apt to have ancestors buried here than close relatives who can petition for their entry. Because so many Irish came so long ago, the preference quota system—brother or sister of a U.S. citizen for example—rarely applies.

Therefore, I introduced legislation, H.R. 107, to correct this inequitable situation which has gone on for too many years. In 1965, we were assured that upon passage of the new immigration amendments, all nationalities would be treated on an equal footing. History has taught us otherwise. Thousands of deserving immigrants are unable to qualify for visas under the new law and immigrants from those countries have dwindled considerably.

I urge the support of my colleagues for H.R. 107.●

STATEMENT IN OPPOSITION TO THE IRS PROPOSED REVENUE PROCEDURE RELATING TO PRIVATE TAX-EXEMPT SCHOOLS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, I appreciate the opportunity to make this statement regarding the position of the IRS concerning the revenue procedure relating to private tax-exempt private schools. As you know, I strongly opposed the proposed regulations as published in the Federal Register on August 22, 1978, for a number of reasons. In an attempt to sneak in the back door, the IRS has issued a set of revised proposed rules published in the Federal Register on February 13, 1979.

The question of issue at this point is not one of comparing the rules of August 1978 with the revised rules of February 1979, but instead of one of whether or not the IRS is usurping authority in an attempt to set social policy. I am vehemently opposed to the recent action of the IRS crusade to promulgate regulations without expressed statutory or constitutional authority. The mandate of Congress to the IRS is one of collection of revenue, not one of enforcing social policy.

Although the IRS has revised its proposed rules by eliminating the "mechanical" formula and by restricting their scope to private elementary and secondary schools, the fact remains that "reviewable" schools remain subject to the caprice of IRS officials. In addition, the burden of proof still remains with the individual institutions to prove they are not actively practicing discrimination. This precludes a founding cornerstone of our Nation that one is "innocent until proven guilty." The IRS proposed rules present us with a case of "guilty until proven innocent."

I would like to reiterate a point I made in my testimony for the hearings held December 5, 1978. Many private schools do not have the time, the personnel, or the resources to make presentations showing that they are not discriminating on the basis of race or ethnic background. The point is, with these regu-

lations, the burden of proof rests on the accused, not the accuser.

I feel due to the fact that: First the IRS has no explicit mandate with which to set social policy and second although the IRS is implementing its assumed authority in a manner that is antithetical to one of the basic principles of our system of justice, that the proposed rules of August 1978 and the revised proposed rules of February 1979 should be totally withdrawn.●

RIGHT TO WORK—AN ESSENTIAL FREEDOM

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. VANDER JAGT. Mr. Speaker, this great Nation was founded on principles of freedom, and especially freedom of the individual. In the history of the world, there has been no country which cherishes the right to individual liberty to a greater extent than has the United States.

It is with great concern for this tradition of individual freedom that I bring to the attention of this body an alarming account of the personal situation of an individual who has struggled to preserve her freedom. Kathryn L. Jackson, a teacher at the Swartz Creek, Michigan, Middle School, has resisted efforts to be required to join and pay dues to a union with which she does not desire to associate.

Ms. Jackson has faced coercive efforts to force her to join and pay dues to a union which she has not chosen to represent her. As alarming a threat as this situation presents to individual freedom, a danger equally alarming is the implication of coerced unionism in the teaching profession to academic freedom.

Mr. Speaker, I am not blindly opposed to trade unionism. The contributions which trade unions have made to social and economic improvement in this Nation are considerable and are and must be recognized. However, I do stand in opposition to coercive tactics which deprive the individual of the right to choose the type of representation which he or she desires. Is it no less abominable for a union to deny a worker the right to earn a livelihood because of personal opposition to union membership than it is for an employer to deny the same right because of a worker's desire to associate with a trade union?

I think not. Union membership should be a right, not a requirement. Any coercive attempt to force teachers or any other workers to join and pay dues to a union represents a deprivation of individual liberty which I must condemn. In the words of the Englishman Bulwer-Lytton, "Personal liberty is the paramount essential to human dignity and human happiness."

Mr. Speaker, I wish to share with the other Members the article by Kathryn Jackson which was printed in the Flint Journal on Wednesday, January 24, 1979:

IF YOU ASK ME . . . UNIONS FORCE THE FREE TO PAY AGAINST THEIR WILL

(By Kathryn L. Jackson)

In the early 1930s, true labor reform changed the way of life for wage earners. Better working conditions, shortened hours and the demise of the bull-of-the-woods supervision attest to that. Nevertheless it wasn't all good. I saw some of the clubbing of human skulls and other violence that accompanied recognition of the union and Closed Shop, so desperate was labor for relief. But it sacrificed a unique commodity dear to American life: freedom of choice. Not just for himself, but for his neighbor as well. This was not his right. He is forcing fellow workers to foot his bill. He is the free-rider.

While no one will argue that organization was once sorely needed to allow dignity in industry, the ends do not justify the means; then, or now. Forced unionism isn't the answer; it's part of the problem.

To many . . . and I know because my father belonged to the Brotherhood of Railroad Engineers . . . the answer to labor problems was the union IF it was worthy and membership voluntary. Such is not the case. Through coerced membership fees, unions have become a powerful political force, taking away man's individuality and again, his human dignity.

To compare true labor reform to the present so-called labor-reform bill is ignoring the truth which would bring realization that the bill was grossly mismamed.

The fundamental labor law gave labor unions right to organize and bargain with employers, but because unions charged government for 100-percent representation, they then took it upon themselves to force free men and women to pay whether they wanted to be represented by them or not, pleading that it would otherwise be unfair to them. But the hostility of many employees toward organized labor today is dramatized by results of elections supervised by the National Labor Relations Board when votes cast Against union representation were in the majority by thousands.

Many spurn unionism because they believe union bosses foment unnecessary strikes and lawlessness, spend too much time and money in partisan politics, discriminate against minorities and are manipulated by racketeers.

American tradition dictates that each worker may exercise freedom of choice after determining for himself whether a particular union is worthy of his support. But independent-minded workers who oppose a union are compelled to accept it as their bargaining agent when they would like to choose their own; even if it means being represented by a minority organization.

In the teaching profession, coerced unionism has signaled an end to academic freedom for teachers who do not want to be represented by a labor union (National Education Association) which is politically and morally wrong. If teachers continue to demand more (and unions will), retirees will probably be among many citizens to vote "no" on school millage in order to protect his Social Security and retirement income from a bigger tax bite.

Monopoly bargaining has no place in public service jobs. All that a school board has to bargain away is the authority vested in it by you and your tax dollars. While closed shop is morally wrong in industry, in the public sector it is an abomination. The theory that unions resemble government (John Eyor) so "all should pay for their services" is dangerous and outrageous.

I am willing to pay for protective services because they are provided by my government, and I want them. Union is not my government. Thank God. One would have to be blind to corruption, embezzlement, murder, destruction and other criminal acts to believe implicitly in his union. Yet he must also be fully knowledgeable that he aids this deplorable condition by upholding forced union membership.

What union lords say for the press . . . and what they do behind closed doors are dichotomous. The NEA has tried to rid themselves of the Tenure Commission except when they had need of it (the Crestwood debacle), but now they would like to kill it because the commission ruled I cannot be fired for non-payment of union dues. I don't want labor union representation, so I won't pay union dues. Simple as that.

This "free-loader" charge was leveled against me, but I am not a free-loader, I am a freedom-fighter. And the sooner that people who believe the same as I stand up and fight for their freedom, the better chance we have of saving our country from England's plight; a labor government and chaos bordering on anarchy.

We must dedicate ourselves to the principles of freedom of choice: the right to belong to a union, or the same and equivalent right not to belong.●

I. DAVID COSSON

HON. EARL DEWITT HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. HUTTO. Mr. Speaker, on August 11, 1944, Isaac David Cosson and several members of his family were the victims of an accidental bombing by Army Air Corps aircraft on their property, which was located a mile north of Eglin, AFB, Fla. As a result of the accident, four members of the family were killed and five seriously wounded. In the case of I. David Cosson, who was only 12 years old at the time, his spinal cord was severed by shrapnel which struck him between the shoulders, and one leg was injured badly enough to require amputation.

Two private relief bills were passed following this unfortunate accident. One went to the estate of the head of the household, Alfred L. Cosson, who was killed in the accident, and the other went to I. David Cosson. These bills resulted in Private Law No. 282 which was approved December 3, 1945, and Private Law No. 461 which was approved May 10, 1950, for the relief of I. David Cosson. At the time Mr. Cosson refused the $15,000 lump-sum payment fearing that this form of payment would not prove adequate. He was later convinced that he should accept this amount rather than receive no payment at all.

Since that time, David Cosson has been living on various sources of income from temporary jobs he has held, though partially paralyzed and confined to a wheelchair, and most recently, on supplemental social security benefits of only $167 monthly. Now 45, he and his wife Jimmie presently live in Clermont, Fla.

After a thorough review of his situation, one in which he has clearly attempted to improve his situation, I believe Mr. Cosson should now be considered for additional assistance; but as the past has shown, a lump-sum payment does not appear to be the most practical form of payment.

Along these lines, I am introducing private legislation for the relief of I. David Cosson in the form of monthly payments for a gross annual income of approximately $16,000, which will be adjusted to compensate for any economic fluctuations in the economy. As you may notice this figure reflects the approximate median family income in America today.

I feel that it is only just to somehow compensate David for events that he had no power to prevent. Obviously this is a case where the Government should assist an individual in a situation in which he was not at fault, yet which has prevented him from leading a normal and productive life.

I urge you to support me in this humanitarian cause. Naturally, no amount of financial assistance can properly compensate the Cosson family but the least we can do is demonstrate to Mr. Cosson that his country cares and appreciates the tremendous personal sacrifice that was made by his family while our country was involved in World War II.●

PRIVATE SCHOOLS AND THE PROPOSED DEPARTMENT OF EDUCATION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. HYDE. Mr. Speaker, one of the administration's favored projects this session is the creation of a Cabinet level Department of Education.

On February 7, 1979 Alvin Vanden Bosch, chairman-elect of the Illinois Advisory Committee on Non-Public Schools testified before the Senate Committee on Governmental Affairs, and so trenchant was his statement that I would like to share it with my colleagues:

THE DEPARTMENT OF EDUCATION ACT OF 1978

Mr. Chairman and Members of the Committee: I am Alvin Vanden Bosch, chairman elect of the Illinois Advisory Committee on Non-Public Schools (I.A.C.N.P.S.), which is a not for profit, tax exempt corporation. I.A.C.N.P.S. includes some eighteen groups of non-public schools and is representative of some 368,000 elementary and secondary students enrolled in approximately 1,450 non-public schools. (A complete listing of the groups can be found on the enclosed brochure).

I.A.C.N.P.S. is characterized by a diversity of membership which likely illustrates a fairly representative cross section of viewpoints across the nation. A sizable segment of our group has, in previous years, voiced its disenchantment with the establishment of a separate Cabinet level Department of Education. Another group of our membership, committed to the view of complete separation of Church from State, principally accepts no state or federal government aid to elementary and secondary education. A sampling of opinion within I.A.C.N.P.S. reveals that no one is enthralled by the prospect of a Department of Education separate from the present Department of Health, Education and Welfare.

Reasons for this cautious attitude arise from our experience with government bureaucracy, a wariness of the unknown, a basic commitment to the education of children, and an increasing confidence in the effectiveness of non-public education.

When considering only the structure of government and assessing the potential for greater efficiency, it would appear that a separate Department of Education should accomplish more good for more people with less effort. However when one attempts to test the pulse for principal reasons, one gets the uneasy premonition that a separate Department of Education may well provide a more advantageous lobbying position for those interested only in public school education. More than one reference has recently been made to political debts being paid to a public school lobby, which is claiming credit for the recent election of several Senatorial and Congressional members. Some reference was even made to the executive branch lending assistance to instigating grass roots efforts to press for the establishment of such a Department.

Should this be the case, it would seem logical to assume that such a Department could have an overwhelming orientation to public school education interests at the expense of public education interests.

I.A.C.N.P.S. is committed to the fundamental principle that the responsibility for education rests primarily with the parents/guardians of children.

Although some have repeated it so often that they now believe it, we do not agree that the responsibility for education rests with the "State." As a state pursues its legitimate interest in securing an educated citizenry for the benefit of society, a government's responsibility to education is to make every reasonable assistance available to parents so it is possible for them to "educate" their children. Sometimes this means, "Don't get in the way of education." Don't tamper with the process lest the impression is erroneously left that parents only produce children but the "State" educates them.

Our uneasiness arises from a gut feeling that a separate Department of Education will want to "do more" for education thus elongating the already long arm of Government. We are not interested in being helped to death. However, government assistance to parents who take seriously their responsibility for the education of their children does not always result in interference and unproductive bureaucracy. Our experiences in Illinois provide an example if not a model. By virtue of an enlightened State Board of Education, State Superintendent of Education, and State Legislature non-public schools can now achieve a status of official state recognition which is equivalent to that given to public schools but without controlling uniform regulations. Our schools are given opportunity to demonstrate their ability to meet responsibility to education. However, others in states such as Iowa, Michigan, and Ohio are not so fortunate and even within "enlightened" Illinois not all battles are won. Presently one agency is vieing with another for priority in "protecting" the rights of preschool children. All too often with assumed rights come presumed power and mandatory assistance. To succeed in gaining an education, children today need departments of government and bureaus, which are sensitive to the innate rights of parents, children, and schools. Included is the sense to realize that many times helping parents perform their task is more productive than doing it for them. Perhaps more than ever before the welfare of children is best met by having a hearing ear in government. We need more law makers who are willing to listen. Willing to listen not only to public testimony as is being presented today but also willing to listen in less formal situations as legislation is drafted, revised, edited, and otherwise formed. We need people who will get the message.

During the past 12 to 18 months it is becoming apparent that the non-public schools have a new problem—our public image. As the public confidence in public school education, particularly in large metropolitan areas, continues to decline, non-public school enrollments and success become a threat to public school advocates. By some unique reasoning, we are now given dubious credit for robbing public schools of more state and federal aid because we have children in our schools which "belong" to the public school. This threat was obvious during the recent proposed tax credit legislation. The coalition to save public schools became a powerful lobby against non-public schools. As our positive record—our public image—threatens the public school establishment, and as a separate Department of Education could provide an even more powerful lobby for public school advocates, we do not feel, at this point, that establishing such a separate department would be in the best interests of the education of children—whose interests may well become subverted by powerful lobbies protecting job securities and other self interests.

As the debate and discussion continues on the necessity of a separate Department of Education we suggest that it become the publically stated public policy of this committee as well as that of all legislators to support the education of the public rather than to support only public school education. As legislation is drafted, all children are not served equally if membership on advisory councils and other sub-committees is merely divided according to numbers or percentages of public school versus non-public school adherents. They can be served better when legislation is specifically oriented to helping children no matter where they attend school.

As the debate and discussion continues, we stand ready to be shown, ready to cooperate, ready to negotiate, to be involved, and ready to become convinced that establishing a separate Department of Education will serve the educational needs of all children better. So far the evidence needed to convince is less than convincing.●

MILITANTS ADMIT GUN LAWS WON'T HIT CRIMINALS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ASHBROOK. Mr. Speaker, members of the press and other interested parties were treated to an interesting performance at a press conference on January 24 in Washington, D.C. Calling for additional gun control laws, Mr. Michael Beard, executive director of the militant National Coalition To Ban Handguns (NCBH), admitted openly that no laws would prevent criminals from obtaining handguns, or any other weapons they wanted.

At the same press conference, Mayor Diane Feinstein of San Francisco admitted that gun controls would not have prevented the assassination of San Francisco Mayor Moscone and Supervisor Milk.

Somehow, Mr. Beard and Mayor Feinstein still felt compelled to advocate more strict gun control laws.

Mr. Beard's statement recognizes something that those of us opposed to

additional gun control laws have long known—criminals will not obey gun laws any more than they obey other laws.

Having conceded this point, gun control advocates are forced to rely on either emotionalism or misleading arguments to advance their cause. Both were in evidence at the January 24 press conference.

For example, NCBH chose to rely on the argument that most murders are not committed as part of a felony, but between friends and acquaintances—the so-called crimes and passion, and that gun control would prevent this. They do not know, or decide to ignore, the fact that these "friends and acquaintances" are mostly criminals shooting each other.

Studies have frequently shown that most victims and perpetrators have criminal records. For example, the June 26, 1978 New York Times tells of a police study in that city on relationships between murderers and victims. While most did know each other, over 50 percent of the victims and 70 percent of those arrested for murder had prior criminal records. In addition, 42 percent of the victims had detectable amounts of alcohol, drugs, or both in their bloodstream.

These are hardly normal law-abiding citizens. While it is deplorable that pimps, prostitutes, addicts, muggers and other criminals shoot each other, this is not, however, justification for imposing burdensome Federal controls on the law-abiding gun owners, 99 percent of whom will never misuse their firearms.

Given the nature of the gun control debate, it is probably useless for me to point out that those 70 percent of the murder suspects with prior records are prohibited by Federal law from possessing a firearm, or that they could hardly have been in compliance with New York's Sullivan Act, the most strict gun control measure in the country.

Such facts will not impress the true believers in gun control. They are more apt to be guided by Mayor Feinstein, who, in the January 24 press conference, proclaimed "I'm not an expert on gun control legislation. I know that it's necessary. I think there's (sic) some good points."

As to why it is necessary, Mayor Feinstein cited the example of a convicted murderer who was recently released from prison, obtained a gun, and murdered the proprietor of a liquor store in a holdup.

A murderer, who should probably never have been released in the first place, illegally obtained a firearm, robbed a store, and murdered someone in the process. We are told that an additional law, gun control, would have prevented the tragedy. This line of reasoning represents a blind faith in the power of legislation that I find incomprehensible.

The only law that might prevent this type of crime is one that insured that the murderer was unable to menace society again. This approach to crime, of course, horrifies most gun control advocates, who would rather regulate society than punish criminals.

Unfortunately, these arguments will never sway the committed gun controllers. I would hope, however, that everyone else would see the case being made for gun control as it is—intellectually bankrupt, divorced from reality, and dependent upon emotionalism. It is indeed another effort by social planners to exert greater "people control." It is not really, as these people term, "gun control." ●

JAMES E. CRAVENS—A REMARKABLE FEDERAL SERVICE CAREER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ANDERSON of California. Mr. Speaker, throughout the years this body of lawmakers has approved numerous bills which aim to promote the success of this Nation's small businesses and to make available to all, the opportunity to share in the rewards of our free enterprise system. As it is with every Federal policy set by the Congress, the final signature by the President does not guarantee that these new laws and the programs they initiate will be effectively implemented. A law's success or failure depends largely on the capabilities of the Federal workers charged with carrying out Government policy.

Today, I am proud to bring to your attention the career highlights of James E. Cravens, retiring small business specialist of the Long Beach Naval Regional Contracting Office. The creativity and effectiveness he has demonstrated in the performance of his duties have contributed greatly to the attainment of the goals we have established for opening up opportunities to all segments of the business community, especially to small businesses. The summary of his career achievements, which I share here with you, illustrates his strong leadership in fulfilling this Nation's commitments to the prosperity of small and minority-owned business enterprises.

Mr. Cravens began his work in the field of contracting in the private sector. He held positions as sales and contract administrator for the Martin Lumber and Plywood Co. of Los Angeles and as director of material with the Lear Seigler Corp. in Anaheim before joining the Federal service in 1958. From then until 1969 he held assignments as a purchase methods analyst, industrial systems review officer, and procurement analyst before a short return to the private sector followed by a stint with the State of California as a contract grant officer.

In 1971 he became a Federal employee once again, assuming the position of supervisory management analyst with the U.S. General Accounting Office in Los Angeles. He moved to the Long Beach Naval Regional Contracting Office to become a small business specialist GS-1102-12/13 in May 1973, a position he will retire from on March 9, 1979.

During his tenure with the Naval Regional Contracting Office, Mr. Cravens has demonstrated exceptional skills for increasing small business and minority-owned enterprises. His technical talents contracts and subcontracts. His extraordinary efforts and capabilities have placed the Long Beach regional office consistently ahead of all other regional contracting offices in the total dollar value of contracts awarded to minority-owned enterprises. His technical talents were the source of substantial improvements in the overall quality of purchasing operations in the 11th Naval District.

This man's outstanding performance has not gone without formal recognition. The Sustained Superior Performance Award and the Outstanding Performance Ratings were given to him in 1959 and 1960. In 1968 and 1969 he received the Presidential Citation from the National Contract Management Association. Additionally, in 1969 he was cited with NASA's Administration's Certificate. And Jim Cravens was again honored with Outstanding Performance Ratings in 1973, 1977, and 1978.

His accomplishments have gained widespread attention outside the Federal Government, making him a highly sought after lecturer, author, and advisor. Among the groups he belongs to or has spoken to are the United Indian Development Association, the Latin American Manufacturers Association, and the Southern California Small Businessman's Association. He has presented numerous talks before conferences held by the National Contract Management Association and has authored many articles which have appeared in procurement and contracting publications.

I must also add a personal note. Each year my office sponsors a Business Opportunity Conference, an affair which is very popular in my home district because it helps so much to boost the local small business climate. Jim plays an important part in making these events so successful. His experience, and willingness to devote countless hours of time to this project, has made these conferences annual highpoints for the entire south bay small business community. This makes our sponsorship of this event a pleasant and rewarding experience.

Soon, the Naval Contracting Center in Long Beach will be without the services of Mr. Cravens. His absence will certainly be felt. It will be impossible to replace the unique drive and enthusiasm which he brought to the Navy's small business and minority-owned business programs. My wife, Lee, joins me in congratulating him for an impressive Federal service career. We share with his wife, Hazel, and their two children Jerre and James the special pride that comes from knowing that he has served both his community and the Nation well.●

AUTHORIZATION BILL OF THE MARITIME ADMINISTRATION FOR FISCAL YEAR 1980

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. MURPHY of New York. Mr. Speaker, today, I am introducing the

authorization bill of the Maritime Administration for fiscal year 1980.

Pursuant to section 209 of the Merchant Marine Act, 1936, as amended, (46 U.S.C. 1119), the Maritime Administration of the Department of Commerce submits annual authorization requests to the Congress. As the members will recall, funds cannot be appropriated for activities of that agency until authorization legislation has been enacted.

The Congressional Budget and Impoundment Control Act of 1974 requires the Merchant Marine and Fisheries Committee to report this vital legislation by May 15.

This bill would authorize the funds recommended by the administration for the Maritime Administration to carry on the maritime promotional programs mandated by the Congress in fiscal year 1980.

The bill contains three sections.

Section 1 provides that it may be cited as the "Marine Administration Authorization Act for fiscal year 1980."

Section 3 provides authorization authority for certain supplemental amounts.

Section 2 is the heart of the legislation, and sets forth the amounts to be authorized for construction-differential subsidy, operating-differential subsidy, research and development, maritime education and training, and operating expenses. A total amount of $435,040,000 is requested for fiscal year 1980; $61,752,000 less than the amount authorized last year.

Construction-differential subsidy, provided by title V of the Merchant Marine Act, 1936, as amended, is generally based on the difference between United States and foreign shipbuilding prices, and paid to U.S. shipyards. The administration has requested $101 million for fiscal year 1980; $56 million less than the amount authorized last year. This amount, together with $23 million carried forward, will provide a program level of $124 million; sufficient funds to aid in the construction of one lash vessel and three dry bulk vessels.

Operating-differential subsidy, provided by title VI of the Merchant Marine Act, 1936, as amended, is paid to U.S. companies to enable them to operate U.S.-flag ships competitively in the U.S. foreign trade by offsetting the excess of U.S. ship operating costs over comparable foreign ship operating costs. The administration has requested $256,208,000 for fiscal year 1980; about $7 million less than the amount authorized last year.

The Maritime Administration's research and development program develops methods, systems, and equipment to improve productivity and operating efficiency in the U.S. shipbuilding and ship operating industries. The administration has requested $16,360,000 for fiscal year 1980; about $1.2 million less than the amount authorized last year.

The heading in the bill "Maritime Education and Training" contains the following elements: The Federal Merchant Marine Academy, the State marine schools and so-called supplementary training.

The Maritime Administration operates the U.S. Merchant Marine Academy at Kings Point, N.Y., where U.S. citizens are trained to become Merchant Marine officers. Last year $15,523,000 was authorized. This year the administration has requested $17,132,000 to carry on this program.

The Maritime Administration supervises the Government grants and student aid given to the six State marine schools, which are located in Maine, New York, Massachusetts, California, Texas, and Michigan. These schools generally train U.S. citizens to become merchant marine officers. The administration has requested $6,785,000 for this activity in fiscal year 1980, $435,000 less than the amount authorized last year.

Section 216(C) of the Merchant Marine Act, 1936, as amended, authorizes the Maritime Administration to prescribe, conduct and supervise such courses as it may deem necessary to supplement other training facilities. Last year $1,904,000 was authorized for this activity. The administration has requested $1,957,000 for fiscal year 1980.

The heading in the bill "Operating Expenses" pertains to the National Defense Reserve Fleet, and so-called other operating expenses.

The National Defense Reserve Fleet provides an inventory of ships to supplement the active fleet in times of war and national emergency. The administration has requested $6,377,000 for the Maritime Administration to carry on this program; $821,000 less than the amount authorized last year.

Other operating expenses provide for overall Maritime Administration program direction and administration. The administration has requested $29,221,000 for this activity in fiscal year 1980; $108,000 less than the amount authorized last year.

Mr. Speaker, hearings will commence on this very important legislation on March 1, 1979. Careful inquiry will be made into all the requested amounts, and a sound piece of legislation reported to the floor before May 15 of this year.●

RATING PENSIONS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. PICKLE. Mr. Speaker, in her usual succinct manner, Jane Bryant Quinn has prepared a "Pensioner's Guide" rating the major pension systems of this country.

Many, many disagree with her views, or point out that there are valid reasons for some pensions being very attractive—but she delivers an important message for all of us.

Increasing numbers of elderly, trends toward early retirement, inflation, and growing pension benefits all are combining to escalate the amount of money which must be set aside each year to handle the Nation's retirement bill.

If we do not move toward a more orderly national pension system, we in the Congress will face many bloody rocking chair battles.

The article, which appeared in the February 12, 1979, Newsweek magazine, follows:

RATING PENSIONS

(By Jane Bryant Quinn)

The crazy, patchwork, gimcrack pension system in the U.S. is desperately in need of repair. Chiefly, it's unfair—favoring some categories of workers at the expense of others. The benefits available to comparable employee groups depend not on such broad constants as salary range or years of service, but on where you are lucky (or unlucky) enough to work.

You may not realize the true extent to which your old-age security depends on choice of work. Herewith, then, a Pensioner's Guide. Individual plans will differ in detail from the generalities given here (some being better, others worse). But a quick glance at the ratings shows who among us walks away with the best deals.

MILITARY

Four-star-general rank for this plan. Retirees can get half pay after only twenty years of service, and 75 percent of pay after 30 years. Checks are paid as soon as you leave the service (no waiting until late ages, as required by social security and private plans). The Congressional Budget Office found that the average enlisted retiree is only 39 years old; he'll collect his military pension for an estimated 33 more years, during which time he can get another job, qualify for social security and even for a private pension. There are other perks, like access to cheap medical care and low-cost commissaries. Twice a year, retirement benefits are adjusted to stone for increases in the cost of living.

POLICE AND FIRE FIGHTERS

The aristocrats of municipal workers. Typically, their monthly pensions run 3 to 15 per cent higher than those of other city employees, and may be as much much as 50 per cent more. Like the military, they may retire early on full benefits. They also tend to have liberal tax-free disability plans. Last year, a New York City fire fighter, officially disabled and drawing an $11,623 pension, won a marathon race up 85 flights in the Empire State Building.

CIVILIAN MUNICIPAL WORKERS

A study published in 1975 by the Twentieth Century Fund confirmed what you probably suspected: the total retirement pay of state and local workers averages one-third higher than that of their counterparts in private industry. Practically all public-sector workers are covered, as opposed to less than half of those in the private sector. More than half of 70 municipal plans studied by the U.S. Department of Labor from 1975 to 1977 have inflation escalators. Also, municipal workers may have access to tax-favored deferred compensation plans which, in the private sector, are generally reserved for top executives.

FEDERAL AND CIVILIAN EMPLOYEES

Retirement pay is slightly below that paid by three-fifths of municipalities, but above the other two-fifths, according to the Labor Department. There's early retirement on full pension, a biannual cost-of-living adjustment, and generous death and disability benefits.

BIG COMPANY PLANS

Top executives have three- or four-star status, depending on the bonuses, deferred pay, stock options, etc., available to them. The average person, however, doesn't do as well. The median benefit last year for a $15,000 worker, counting pension and social security, was 67 per cent of pay in a conventional plan and 64 per cent in a union plan, according to a study by Bankers Trust Co. There are few automatic cost-of-living escalators, and the "extras" aren't as good as in public plans.

SELF-EMPLOYED PROFESSIONALS

Your social-security contribution is higher than that of a salaried employee. But you can also tax-defer up to $7,500 a year in a Keogh plan, or incorporate and tax-defer even more.

SMALL-COMPANY PLANS

Thousands of small companies have no plans at all; those that do vary widely in liberality. In a group of small-company plans selected by the pension consulting firm A. S. Hansen, Inc., a $20,000, 25-year employee was found to receive anywhere from 28 to 50 per cent of pay, plus social security.

EMPLOYERS WITH NO COMPANY PLANS

No star at all. There's social security, but beyond that you may tax-defer no more than $1,500 a year ($1,750 if your spouse doesn't work) in an Individual Retirement Account.

Every favored group stands ready to defend its special status. But it's hard to see why a fireman's "hazard pay," for example, should include disability pensions for marathon runners. Nor is it right that private-sector workers, with leaner pensions, should be taxed more and more heavily for the fatter cost-of-living pensions common in the public sector.

Today's complaints are only a rumble; tomorrow, they may explode.●

SELF-DETERMINATION FOR ALL OF IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. ZEFERETTI. Mr. Speaker, the people of Northern Ireland are still being deprived of the right to rule their own house. The Irish have had to struggle bitterly and violently for the enjoyment of liberties and rights that the people of any democracy take for granted. Generations of Irish patriots have shed their blood and laid down their lives for the right to determine their own destiny.

When the island was partitioned in 1920, the majority of Irish people finally attained the freedom and democracy they so long desired. However, the minority Roman Catholics of Northern Ireland's six counties, outnumbered 2 to 1 by the Protestants populace, continue to suffer the pain of blantant discrimination and suppression.

The Catholics have been reduced to little more than third-class citizens behind the wealthy upper class and their Protestant middle class neighbors. They have been denied equal opportunity in housing, employment, and other basic rights enjoyed by the Protestants. This policy of outright discrimination has been allowed to continue for decades by a British Parliament whose edicts have contributed to the inequities rather than alleviate them. In 1969, these deep-rooted injustices finally erupted in an onslaught of violence and chaos.

The British response to the disturbances was to send occupation troops to supposedly protect the rights of the majority. Initially, the Catholic population welcomed the troops as a peacekeeping force, but they soon realized that the army had joined the oppressors in attempting to crush their campaign for equal rights under the law. British commanders came to regard the Catholics as the greater threat and, by 1971, British troops sided with the Protestant factions in a virtual state of war against the Catholic minority. 14,000 heavily armed troops on round-the-clock patrols erected checkpoints and barriers between streets and neighborhoods. They initiated the use of roadblocks and indiscriminate body searches on the populace.

Authorities instituted a policy of internment without trial of people suspected of terrorist activity. This classic act of international illegality, often accompanied with torture and even death, was applied almost exclusively against the Catholics.

In 1973, the British Parliament passed the Emergency Provisions Act, calling for the suspension of fundamental civil liberties and gave the Protestant-dominated police force the right to search and detain people without warrant and to intern for lengthy periods of time those persons only suspected of crimes.

Internment in Northern Ireland's concentration camp-type prisons often involved torture. Just 2 years ago Great Britain admitted before the European Court of Human Rights that she had approved the torture of suspects. More recently, the June 1978 report by Amnesty International on human rights violations occurring at the infamous Castlereagh prison in East Belfast cites 78 individual cases of human rights violations by the Royal Ulster Constabulary, which serves as the main auxiliary force for British rule in Northern Ireland. This report by Amnesty International, a highly reputable humanitarian organization awarded with the Nobel Peace Prize, leaves little doubt that police authorities employ beating and other vicious forms of maltreatment in attempting to extract confessions from suspects, many of whom are then released without being charged with any offense.

The original purpose of the British Army's intervention was to gradually put down the violence in hopes that, in a safer climate, the two communities would agree on a new shared administration whose police force would then replace the army. That policy, while well-meaning, has failed miserably. The army's presence is a highly visible reminder of British political domination of the area and, rather than quell the violence, the sight of large numbers of soldiers and arms has instigated the citizenry and merely added fuel to the fire.

As a result, this past decade of sectarian violence in Ulster's six counties has claimed more than 1,800 lives and nearly 18,000 men, women, and children wounded by bullet and bomb. The most shocking aspect of these figures is that many of the casualties were innocent victims of the violence surrounding them.

During this time, although fully aware of the gross injustices inflicted upon the minority in Northern Ireland, the U.S. Government has remained virtually silent. The Carter administration and Congress have made the quest for human rights throughout the world one of our major objectives. This endeavor should be pursued indiscriminately, not in a haphazard fashion that chastises a number of nations and ignores a chosen few, such as Great Britain.

Until our Government moves, there will be no change in Ireland, and I strongly feel that we have it within our power to do something to bring about the necessary changes. Should Congress and the Carter administration serve notice on the British Government that our longstanding relationship is in jeopardy, Britain may take a closer look at her policy of repression.

By ignoring the issue, we are giving implied support to the practice of suppressing the Irish desire for self-determination.

It is clear to me that, unless our Government acts, this mockery of justice will continue. Britain's secretary of state for Northern Ireland, Roy Mason, has made it clear that the British Government will maintain its hard-line approach in dealing with the warring factions. British policy has only further polarized the two communities of Northern Ireland, and the population still regards the troops and police as an army of occupation, not peacekeepers.

Certainly, the work of the Ad Hoc Congressional Committee for Irish Affairs, on whose executive committee I now serve, is having a positive impact. The committee, formed a year and a half ago and now boasting a membership of over 100 Congressmen and Senators, will be conducting a Peace Forum in the near future that will enable all interested parties in the dispute to sit down and discuss a peaceful solution to the conflict. The Peace Forum idea has been discussed for many months, and I am pleased that the ad hoc committee has definitely decided to go ahead with the forum. This decision, which I fully support, was based on the high level of interest found among the various factions in Ireland as well as the unwavering support of leaders in the Irish-American community. I am hopeful that our efforts will contribute toward a just and lasting peace in the Emerald Isle.

However, I want the people of America to know that we are sincere in our endeavor to bring peace to Ireland, free from British domination. Therefore, I have introduced a concurrent resolution in the House of Representatives recognizing "the right of all of the people of Ireland, including the six counties known as Northern Ireland, to control their own political destiny." It also urges the President to "adopt and pursue policies which are wholly consistent with such right."

This measure is a straightforward expression on behalf of the American people, and it is my hope that it will have the support of my colleagues and make an impression upon the administration, the State Department and the British Government.

The people of all of Ireland must be given the opportunity to choose their own form of government. "Ireland unfree, shall never be at peace." ●

AN INTERVIEW WITH REED IRVINE, FOUNDER OF ACCURACY IN MEDIA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. SYMMS. Mr. Speaker, this is an excellent interview with Reed Irvine, chairman of the board of Accuracy in Media. It appears in the January 24 issue of Review of the News published by Review of the News Inc. at 395 Concord Avenue, Belmont, Mass. 02178.

Reed found a need to start this organization to combat irresponsible journalism after being unsuccessful in convincing the networks and newspapers to take on the responsibility themselves. Reed has made considerable contributions in the field of monitoring the media to insure its accuracy and thereby done a great public service. I wish to commend Reed for his work, and I urge my colleagues to read this informative interview.

[From the Review of the News, Jan. 24, 1979]

ACCURACY IN MEDIA'S REED IRVINE

(By John Rees)

Confronted with a particularly rank example of biased newspaper reporting, or warped television production, many Americans now respond: "Reed will do something about it." And Reed Irvine, chairman of the board of Accuracy In Media, usually does.

Born 56 years ago in Salt Lake City, Irvine served during World War II as a Japanese Language Officer in the U.S. Marine Corps, seeing duty in the Pacific and later as a member of the U.S. Occupation Forces in Japan. Afterwards, he attended St. Catherine's College, Oxford, England, as a Fulbright Scholar. And, on his return to the United States, Reed Irvine joined the Federal Reserve Board where for the next 25 years he fought long odds to bring sense and responsibility to our foreign lending programs.

Founding Accuracy In Media in 1969, Mr. Irvine has built AIM's reputation as the most respected media watchdog organization in America. Retirement from the Federal Reserve in 1978 has freed him to devote his full efforts to Accuracy In Media and to become a syndicated columnist and radio commentator in the nation's capital.

Q. Mr. Irvine, what made you decide to form Accuracy In Media?

A. In the latter part of the 1960s we saw serious riots in the cities, turmoil on the college campuses, and violent, politically motivated, confrontations such as the demonstrations in Chicago at the 1968 Democratic National Convention. The news media, in many cases, appeared to be pouring gasoline on the flames, giving an extraordinary amount of publicity to the agitators who were behind many of these disturbances. A lot of the demonstrations were nothing but media events; they would not have occurred if the mass media had not been present to publicize them. There were even cases in which television news crews helped stage demonstrations, providing signs or giving the demonstrators instructions as to what they should do. This irresponsible conduct on the part of journalists was an important factor in the decision to start Accuracy In Media.

I had found that individual protests to the networks and the newspapers didn't do any good. I also found that it was impossible to get the networks themselves, or people who were actively involved in the media, to take the lead in starting an organization to combat irresponsible and misleading reporting. Finally, with a few friends, I decided to go ahead and do what could be done. We hoped that an organization that could focus on specific media misdeeds rather than generalized complaints would have some noticeable impact.

Q. Was there some particularly outrageous example that could be said to have triggered AIM's formation?

A. One of the egregious cases that led up to this decision was the CBS News documentary, "Hunger In America." Among other things, CBS showed a tiny baby which it said was dying of starvation, before the very eyes of the viewer, in a hospital in San Antonio. A reporter in San Antonio subsequently found that the baby had been born prematurely and that it had died of a number of ailments related to its premature birth. Neither the infant nor its mother had suffered from malnutrition. But CBS News refused to inform the public that this tear-jerking scene had been misrepresented, even after it had been asked to do so by a Member of Congress. And the networks continued to distribute this so-called "documentary" for many years.

Q. Did the reporting on the war in Vietnam play any part in your decision to organize AIM?

A. Yes, very much so. We were most concerned about the anti-war bias that became evident in the media, especially at the time of the Tet offensive in February 1968. The Tet offensive was a tremendous defeat for the Vietcong, but our media portrayed it as a defeat for our side. As a result, public opinion tended to turn against the war quite sharply. Even when it became clear, after a few months, that Tet had been a victory for us, the media refused to correct their original error.

One of my favorite horror stories is about Robert Northshield, a producer for NBC News. In the fall of 1968, a member of his staff suggested that since it had become clear that Tet had been a victory, not a defeat, they should do a program pointing that out to correct the record. Northshield thought about it, and then responded: "No, the public perceived it as a defeat, and therefore it was a defeat." That is the first time in history that we won a battle in the field and lost it on television.

Incidentally, the record of media misreporting of Tet has now been thoroughly documented in a book, *Big Story*, by Peter Braestrup. Mr. Braestrup was in Saigon as a reporter for the *Washington Post* at the time of the Tet offensive.

Q. We sometimes hear that there is less media distortion in reporting on local issues than on national or international events, possibly because people are better informed about local affairs. Is that correct?

A. Not entirely. The worst distortion tends to arise when the matter being reported has significant political or ideological connotations. The reporting on the Vietnam War was deeply influenced by the ideological bent of the reporters. Today you get a tremendous amount of distortion in reporting on human-rights issues, with the media tending to focus on such countries as South Africa, Chile, Nicaragua, and South Korea as the bad guys, while saying relatively little about far worse offenders such as Cambodia, Red China, Cuba, and North Korea. On the domestic scene you get a lot of terrible reporting on issues such as nuclear power, largely because this has become an ideological cause. There has been some incredibly misleading reporting on scientific matters that are of considerable importance to the ordinary citizen. I am thinking of issues such as pesticides, such as D.D.T., and products that have greatly increased productivity of meat, such as antibiotic cattle feed and D.E.S. These subjects are often approached even by local reporters with a zealotry that vanquishes all factual evidence.

Q. What is the reason for this distortion along ideological lines?

A. The reason for this is that many reporters crave power. They want to do good—with the "good" being whatever they personally support—and seek to be movers and shakers, not merely reporters of what is transpiring in the world. They often have very naive notions of what "good" is. For example, the young reporter from the *Washington Post*, Charles Krause, who visited Jonestown with Congressman Leo Ryan has admitted in his book *Guyana Massacre* that he thought what the "Reverend" Jim Jones was doing in Guyana was great . . . right up until the time Ryan's party was attacked at the Kaituma airstrip.

Q. In your *AIM Report* you have published an analysis of the role of America's two most influential newspapers, the *Washington Post* and the *New York Times*, in reporting on the Communist slaughters in Cambodia. Would you detail this case for our readers?

A. Our news media as a whole were very slow to expose the terrible genocide committed by the Communists under Pol Pot in Cambodia. The *AIM Report* first brought this out in June 1975, two months after the Communist takeover there. The facts became very apparent in the subsequent months, but almost nothing was said about the reports of mass murder that the refugees were telling.

John Barron and Anthony Paul conducted extensive interviews of those refugees in 1976, and they concluded that by the end of 1976, at least 1.2 million Cambodians had perished as a result of the actions of their Communist rulers since April 1975. This was out of a population of 7.7 million. That same information was available to the *New York Times*, the *Washington Post*, the television networks, but in all of 1976, while this terrible genocide was taking place, the *Washington Post* ran only nine news stories that even alluded to humanrights problems in Cambodia. Yet they found space for 58 stories dealing with human rights in Chile! The *New York Times* was even worse. It had only four stories on human rights in Cambodia and 66 on human rights in Chile. Television was as bad. NBC never mentioned the matter on its evening news. ABC mentioned it once, and CBS twice, during the entire year.

I think that the *Washington Post* was particularly reprehensible in this matter in that it didn't even carry a review of the fine book that Barron and Paul wrote on this subject, *Murder Of A Gentle Land*, until mid-1978, over a year after it was published.

Q. What did AIM do about this?

A. Of course, we exposed the disgraceful failure to report this story. We ran a couple of articles about it in the AIM Report and I wrote about it in my syndicated column. But I also took the matter up with the publishers of the Post and the Times both in letters and in face-to-face encounters. The executive editor of the Post, Ben Bradlee, became so incensed at one letter that I wrote on the subject that he responded in writing, calling me a "miserable, carping, retromingent vigilante." I learned that "retromingent" means "backward urinating." We ran that letter in the AIM Report and I have an enlargement of it on the wall of our office. It illustrates that when the case is weak advocates tend to shout and thump the table.

I think that our criticisms had some impact. The New York Times especially has improved its coverage of Cambodia in the past year. And the Post finally did carry a review of Murder Of a Gentle Land and also Cambodia: Year Zero, another excellent book on this matter that had been published a year earlier in French. CBS did a pretty good

documentary on Cambodia, and regular television news coverage showed some slight improvement.

Q. You and AIM have had some notable successes in calling syndicated columnist Jack Anderson to task for inaccurate stories, including one in which he charged that the Nicaraguan President had misappropriated U.S. funds sent to rebuild after the last major earthquake. Several U.S. Government audits, as I recall, found no misappropriations and no fraud.

A. Yes, we have criticized Anderson numerous times for his inaccuracies. One of the things that we developed was a list of newspapers that carry the various syndicated columnists. This enables us to send letters to many or most of the papers that carry a particular columnist whose errors we are seeking to correct. We have a list of about 500 papers that carry Jack Anderson's column. When we find a serious error in his column, we may send out letters to all 500 of those journals.

Not all of our letters are published, of course, but many are. Also, some of the editors call the matter to Anderson's attention and ask for his explanation. A few years ago, he became so incensed about this that he devoted an entire column to an attack on me personally and on Accuracy In Media.

There was no basis for his charges, and he ended up with egg on his face. He has not said one word about us since, but we have continued to criticise his errors. I have reason to think that this has made him somewhat more careful. Someone who was trying to interest him in doing a certain story told me that Anderson's people explained their caution, saying that if they made a mistake. Accuracy In Media would get after them.

Unfortunately we don't have enough staff to run down all the mistakes that columnists and reporters make. But just as the Internal Revenue Service figures that it keeps a lot of taxpayers honest by random audits of income-tax returns, I think we help keep a lot of reporters honest by investigating and exposing even some of the errors that are made.

Q. From time to time, Accuracy In Media has taken out paid advertisements in some of the major newspapers to make its points. Also I know you were involved in an effort to get proper labeling for propaganda ads by the North Korean Government which were misleadingly set in type in the style of a regular newspaper article. Tell us about that.

A. A few years back, North Korean dictator Kim Il Sung was buying full-page ads in the New York Times, the Washington Post, and some other papers to reproduce his speeches or propaganda statements. We had found that when AIM tried to buy space in those two newspapers to expose errors or omissions of important stories by their reporters, they always insisted on two things: The ads had to be labeled "advertisement," and we had to submit exhaustive documentation for every statement in the ad that they thought might possibly be inaccurate. But this same standard was not applied to Kim Il Sung, the North Korean dictator. He was permitted to make wildly inaccurate statements, as well as statements of highly questionable taste, in his ads. And, in the beginning, they were not even labeled "advertisement."

We succeeded in getting these newspapers to correct that last omission, but have not been able to persuade either the New York Times or the Washington Post to hold Kim Il Sung to the same standard of documentation they demand of Accuracy in Media. AIM's ads have been and are accurate; and it is clear to me that the nit-picking objections of the Times and Post have been mere harrassment designed to discourage AIM from placing ads criticizing editorial and reportorial policies and practices of those newspapers.

Q. Mr. Irvine, we have been very interested in AIM's attempt to get the Washington Post and New York Times to publish the fact that Orlando Letelier, the former Chilean Marxist ambassador and defense minister, was being paid via Cuba as an "agent of influence" for the Soviet K.G.B. Will you tell our readers about this important incidence of news management?

A. The most trouble we have had with an advertisement involved a criticism of the way in which the Washington Post had handled coverage of the documents found in Orlando Letelier's briefcase when this former Cabinet officer in the Allende Government was assassinated in Washington, D.C., in September 1976. The documents showed that Letelier was being paid out of Havana. They also showed that his real objective was to inflict on Chile the same kind of regime that Castro had inflicted on Cuba. And, all the time, he was pretending to be a great champion of human rights.

But the Post tried to whitewash Letelier by running stories and material supplied by Letelier's cohorts at the Institute for Policy Studies and the National Lawyers Guild. AIM tried to get the Post to carry an advertisement exposing its whitewash. The Washington Post put so many obstacles in our path that AIM transferred the ad to the Post's rival, the Washington Star; then, at the last minute, the Star refused to print it.

Next we took AIM's advertisement to the New York Times, which also refused to carry it unless we dropped a paragraph that was essential to the integrity of the ad. Finally the AIM advertisement on the Letelier cover-up was published in the Wall Street Journal, National Observer, and News World.

I might add that the readers of the Review of the News are more fortunate than most other Americans because they had the full story of Letelier's activities as a K.G.B. agent of influence working with the Cuban D.G.I. secret police in your two articles on the matter in 1977.

Q. Did either the Times or Post ever concede the point of those damning documents in Letelier's briefcase?

A. In a way, rather by accident, the Times did; but not the Washington Post. The New York Times actually was even worse than the Post on the Letelier story because it published nothing at all about the incriminating documents found in his briefcase. I asked Mr. Sulzberger, the publisher, why the Times didn't run the story. His answer was that he really didn't know—his subordinates kept telling him it wasn't a story worthy of space in the paper.

Then an amusing thing happened in the spring of 1978. A story about the briefcase papers showed up in the Times in a story about the investigation of the Letelier assassination. I called up the reporter whose by-line was on the story and complimented him for finally getting this into the paper. He was nonplussed and said that the reporter normally responsible for covering the Letelier case was on vacation, and he had been asked to do a story on a break in the investigation. He said he had found the briefcase story in the file and had used it as background. He did not know that publishing that information was a no-no at the Times.

Q. Didn't you personally have a leading role in persuading the National Press Club in Washington to send a protest to Fidel Castro about censorship of the press there and continued jailing of newsmen in Cuba even as other Press Club officials were promoting a "Cuba Night" celebration? Will you tell us about this?

A. I wouldn't say that I played a major role. The idea came from Jack Skelly, Washington correspondent of a Puerto Rican paper, El Mundo. Jack proposed the resolution, and I gave him strong support at the meeting of the board of governors of the Press Club. The resolution asked Castro to free the newsmen who were still being held prisoner in his jails. We also urged the Press Club to invite a Cuban editor who had just been released from prison, after 19 years, to speak. This was all very embarrassing to the club president, Frank Aukofer, the Washington bureau chief for the Milwaukee Journal. Aukofer had been instrumental in arranging for a "Cuban Night" at the club, with the entertainment to be provided by Castro's liaison office in Washington. They were going to fly up a band from Havana that bore the name "Giron," which is what the Cubans call the unsuccessful invasion that we know as the Bay of Pigs.

No one had told the board what "Giron" means in Spanish. This was adding insult to injury. It was as if the Japanese Government were to send us a dance troupe called "Pearl Harbor" or the Germans to send a band to London called "V-2."

Aukofer fought hard to try to postpone the resolution urging the release of the imprisoned newsmen until well after his "Cuba Night." Thanks in part to the fact that the whole disgraceful affair was well publicized in Les Kinsolving's Washington Weekly, which was distributed to very office in the National Press Building, the board stood firm and insisted on sending to Cuba the resolution proposed by Jack Skelly, "Cuba Night" notwithstanding.

Still, I think it is an interesting commentary on the outlook of many reporters in Washington that Castro would be permitted to put on a show at the National Press Club under any circumstances. In addition, two Castro Cubans have spoken at the club in recent months, and that recently released editor we wanted to see invited has yet to appear.

Q. A number of special-interest organizations regularly holds press conferences and distributes press materials that are used over and over again by newspaper reporters and broadcasters virtually without change or checking. Amnesty International is one of these. Will you comment on the accuracy and focus of Amnesty's human-rights proclamations and its media coverage?

A. Amnesty International is very much like the American Civil Liberties Union in that it gets good press and is taken pretty much at face value. That has been especially true since it was awarded a Nobel Prize two years ago. But Amnesty International's published works show a very pronounced Leftist bias. Take their 1975 Report On Torture. It would appear to have been issued mainly in order to attack Chile and Greece. It dealt with the period in which both of those countries were under military rule. About 28 percent of all the country material was concerned with these two nations. By contrast, material on all of the Communist countries combined took up only four percent of the space dealing with individual countries. No less than two pages were devoted to torture in the United States, and another page discussed the blame Amnesty thought we bore for torture in Latin America. More space was devoted to torture in Northern Ireland than to torture in the Soviet Union. More space was given to Israel, including the occupied territory, than to Red China, Cuba, and all of Eastern Europe, excluding the U.S.S.R.

Q. Does Amnesty International's bias extend downward from its leaders?

A. It appears so. For example, Martin Ennals, the Secretary-general of Amnesty International, came to Washington from London last spring to hold a press conference about human-rights problems in South Africa. Ennals showed his organization's typical preoccupation with non-Communist countries when he was asked about the organization's failure to say anything about the massive violations of human rights in Red China which involve, for one, a policy of virtual

genocide against the Tibetian people. He actually excused Amnesty's silence by saying that the Chinese Communists have been "hypersensitive" to criticism.

Of course, in November, Amnesty International announced the appointment of Derek Roebuck, dean of law at the University of Tasmania and a leading member of the Soviet-line Australian Communist Party, as head of A.I.'s research department. Roebuck has announced that despite his appointment "I will still be as much a Communist." Shortly afterwards, Amnesty released a 176-page report on political imprisonment in the People's Republic of China, a report that had been compiled some time ago but not released. I would like to ask Mr. Ennals whether Amnesty International might be trying to balance a pro-Red China bias by hiring a Soviet-line Communist, or whether the organization was sympathising somewhat with the "Gang of Four" that ran China during the dotage of Mao Tse-tung.

I find it most significant that Ennals was unable to say during his Washington press conference how many political prisoners were held by the Communists in Vietnam, nor would he say whether or not the human-rights conditions there had grown worse since the Communist takeover. And when he was asked what Amnesty International was doing for Anatoly Shcharansky, who was then very prominent in the news because of his persecution at the hands of the Soviet Government and its K.G.B., he actually turned to an aide to ask who was Anatoly Shcharansky.

Q. During the past few weeks, there has been an immense amount of material printed about Red China. How do you evaluate this and, more generally, President Carter's rush toward recognition and trade with the Peiping regime?

A. We devoted a recent issue of the *AIM Report* to a rather detailed analysis of the coverage by *Time* and *Newsweek* of Carter's surprise announcement of U.S. diplomatic recognition with Peking and the dumping of our long-time allies on Taiwan. The most interesting finding was the failure of these two national news magazines to mention the fact that our President had acted in violation of two important promises he had made to the American people. One was that he would not carry out secret diplomacy in important matters and then spring the results on the American people as Nixon and Kissinger had done. The other promise was that he would not normalize relations with Red China without getting guarantees of the security of Taiwan.

Carter had made that promise very explicitly in his second debate with President Ford, saying he would not "exclude the American people" from the process of shaping U.S. foreign policy.

What is particularly reprehensible, in my view, is that the only reason for all the secrecy was that Carter and Brzezinski knew that if Congress and the American people had been consulted, they would not have permitted the deal to go through on the terms—totally favorable to Peking—that Carter and Brzezinski wanted. This was in no way a matter of secrecy to protect national security. It was simply a matter of pulling a fast one on Congress and the voters.

Q. Congress apparently expected Mr. Carter to try something like this, don't you think?

A. Yes, certainly, the Congress must have suspected something because both the House of Representatives and the Senate passed a Resolution only last summer providing that they should be consulted *before* any change was made in the status of our mutual defense treaty with the Republic of China on Taiwan.

Q. How have *Time* and *Newsweek* handled the issue of security of the Republic of China on Taiwan?

A. Neither mentioned Red Chinese Deputy Prime Minister Teng Hsiao-ping's statement, made in September, that he had rejected an American government request for a P.R.C. pledge not to use force to subjugate Taiwan. Instead, *Time* reported the Red Chinese leaders "began dropping hints that they were getting ready to accept the U.S. terms." But those secret U.S. terms, hidden from Congress and the American people until Carter was ready to make his announcement, concede to Teng and whoever his successors may be both the legal and moral right to treat Taiwan just as they treat Hunan, Fukien, or any other mainland province.

And that joint communiqué says that the United States recognizes the P.R.C. as the sole legal government of China and that Taiwan is part of China. Although President Carter said he *expects* the Taiwan issue to be settled peacefully, Hua Kuo-feng, who is both Prime Minister of the P.R.C. and Mao's successor as Chairman of the Chinese Communist Party, reiterated that just how Taiwan is subjected to P.R.C. control is "entirely China's internal affair."

The prognosis for the people of Taiwan, if captured, is bleak at best when one considers the millions who have died under Red Chinese rule on the mainland by overwork, malnutrition, and abuse, and by direct execution.

Q. Are there other areas of media misreporting on the Chinese events?

A. Certainly. For one, the media have ignored the overwhelmingly negative public response. I did not see any newspaper or television report of the fact that in the first five days after the President's announcement of December 15th, the White House received over 6,500 calls, letters, and telegrams of which 77 percent were critical of the President's decision. I have noticed that letters to the editors of many newspapers have also been running heavily against the Carter Administration on this issue.

It is obvious to me that Big Media are muting the criticism of Carter's action on China. This is another case in which the American people seem to have more sense than their leaders and most of the pundits.

Teng is making statements that sound very reasonable and conciliatory; yet the government of the P.R.C. is unwilling to put them on paper and formally sign them. Our leaders, in their eagerness to improve relations, have apparently forgotten the number of times in the past that we and other Free World countries have become euphoric just because dictators like Stalin or Khrushchev, or one of the other Communist bigwigs, smiled in our direction.

Some of us can even remember how joyful many people were back in 1938, when Chamberlain got Hitler's assurances that he had no aggressive intentions beyond acquisition of the Sudetenland. "We seek no wider war," said Hitler, and the Second World War followed a year later.

What gets me is the failure of our major news media to drive home the simple reminder that Teng—even should he be sincere in all he says—is a mortal of 74 years who leads a country that has gone through the most incredible gyrations of policy and leadership over the past decade.

Perhaps Teng does want to liberalize the harsh dictatorship of the Communists in China. Certainly the United States should encourage any efforts in that direction. But the people of the Republic of China on Taiwan have every right to be nervous when we ask them to rely solely on Teng's assurances for their freedom.

Q. Well then, Mr. Irvine, how can private citizens help to promote responsible and accurate journalism by newspapers in their own areas as well as by the national media?

A. One of the best things, in my opinion, is to subscribe to the *AIM Report* and follow the suggestions we make concerning letters to be written to criticize specific instances of inaccurate or distorted reporting. I think it is important that we concentrate our efforts rather than use a scattergun approach.

Individuals who have the time and patience systematically to monitor their media can do invaluable work. One effective approach is to make a systematic record of how the media treat certain stories. Watch your local paper or TV station over a period of a month and see how they cover issues such as defense, SALT II, nuclear power, abortion, or whatever interests you. Take note of the stories and the number of them on the different sides of the issue. If you come up with a convincing case of one-sided reporting, take it to the editor. He may be sufficiently impressed to order some changes. I know of at least two cases where individuals working strictly on their own have done this and have brought about fairer coverage in their local media.

Q. Reed Irvine, thank you very much for your views. And let us add that readers who wish to do so may join Accuracy in Media for $15 a year, which is tax-deductible except for the $3 portion that covers subscription to the semi-monthty *AIM Report*. The address of Accuracy in Media is 777 14th Street, N.W., Washington, D.C. 20005.●

HOUSE OF REPRESENTATIVES—*Wednesday, February 28, 1979*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Hear these words from Psalm 51: *Have mercy on us, O God, according to Thy steadfast love; according to Thy abundant mercy blot out our transgressions. Wash us thoroughly from our iniquity, and cleanse us from our sin.*

O God, Redeemer of the world, we confess our past, when we have been selfish or arrogant, when we avoided Your guidance. Forgive us, O Lord, and help us to begin anew in the sure and certain comfort of Your love. Amen.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Maryland will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, before the gentleman from Maryland decides whether, under clause 1, rule I, he would like to ask for a vote on the approval of the Journal, as that rule provides, could the Chair tell us whether or not he will entertain a motion for a call of the

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

House and at what point he might entertain such a motion today?

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

The SPEAKER. The Chair will state it is his understanding the gentleman from Indiana (Mr. BRADEMAS) intends to move a call of the House.

Mr. BAUMAN. So, Mr. Speaker, there will be a call after the 1-minute speeches?

The SPEAKER. The gentleman is correct.

Mr. BAUMAN. I thank the Chair.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

□ 1505

LACK OF LEADERSHIP THREATENS UNITED STATES AND FREE WORLD INTERESTS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, events of the past several weeks paint a dark picture for the United States.

An American Ambassador has been killed in Afghanistan without a strong, substantive response from our Government.

The administration has failed to react in a positive way to Iranian developments, including the sacking of our own Embassy there, in order to protect U.S. interests and our citizens in that country.

Our Government has been unable to exert sufficient influence to prevent a second price increase within a year in OPEC oil prices.

The President's highly publicized Mexico trip projected an unstatesmanlike and unproductive performance throughout the world.

Our intelligence system either failed to forecast the Communist Chinese invasion of Vietnam, or the President would not let that intelligence interfere with Vice Premier Teng Hsiao-ping's public relations tour of our country.

The administration has been unwilling and unable to deal from a position of strength with the Soviets on the strategic arms limitation talks.

Mr. Speaker, this apparent unending series of foreign policy setbacks for the United States stems from a total lack of leadership by the administration.

Vapid rhetoric from the White House and the State Department does not disguise to the world and to our own citizens that we lack direction or a cohesive foreign policy to protect our best interests.

It is imperative for Congress to take all possible steps to fill this noticeable void until new leadership can take command under our constitutional processes.

INTRODUCING PRIVATE BILL TO FACILITATE ADOPTION OF AN INDIAN ORPHAN, RENUKA PAVLA

(Mr. DUNCAN of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. DUNCAN of Oregon. Mr. Speaker, I am introducing a private bill today which I hope will be favorably considered by my colleagues and passed early in the first session of this Congress. The purpose of the bill is to facilitate the adoption of an Indian orphan, Renuka Pavla, by an Oregon family which has opened their hearts and offered their home to this child.

Renuka is a 14-year-old girl who suffers from the effects of residual poliomyelitis, and is currently undergoing surgery and treatment in the Portland, Oreg., Shriners' Hospital.

Early last year a bill was offered by my colleague, Senator PACKWOOD, which, while it was approved by the Senate in mid-August, failed to reach the floor of the House for a vote before the end of the 95th Congress. I have been assured that it was the burden of other legislation before the House Judiciary Committee, rather than any prejudice against the bill, that prevented consideration by this body.

Therefore, by introducing this measure early in this Congress, I hope an opportunity will arise for favorable and timely action.●

DEADLINE DIPLOMACY IS DEAD END DIPLOMACY

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, rumors are circulating in town that the administration is prepared to announce very soon that the initialing of the SALT II Treaty will take place 1 month from now and final signing will take place 2 months from now.

As I say, these are rumors. I hope they are false. This administration has an obsession with setting a date by which an event is supposed to take place.

Remember the welfare reform and energy proposals? The President has sworn to have them before the Congress by a certain date. Needless to say, the complexity of the issues made it impossible for the administration to meet their preconceived deadlines.

Remember the Camp David accords and the rigid schedule for implementation? December 17 was to be the magic date for signing but as of this date the parties are still talking.

Some critics have said the failure to meet that deadline forced the administration to play the China card perhaps too quickly—in view of their incursion across Vietnam's border.

Now we may have the most serious example of deadline diplomacy. The SALT Treaty is not in its final form and it is too important an issue to be resolved by deadline diplomacy. Mr. Speaker, deadline diplomacy is a dead end.

□ 1510

CONGRESS ELIMINATES A BILLION DOLLARS OF UNNECESSARY REDTAPE

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, the House of Representatives to its credit took a significant step yesterday. We eliminated a section of law which would have ultimately cost the American consumer approximately $1 billion.

And for what purpose? Supposedly to protect the consumer. But what benefits were achieved? Was there any protection actually afforded the consumer?

The answer is that no discernible benefit would have been achieved. But it would have been costly. A billion dollars of unnecessary redtape.

The American consumer just cannot afford any more of this type of so-called protection.

The Congress of the United States must begin to take its oversight responsibilities seriously.

We must eliminate unnecessary and costly burdens whether they be mandated by legislation or by regulation. The overwhelming passage of S. 37, I hope, sets the tone for the 96th Congress. We need to look for more ways of eliminating unnecessary and wasteful Federal requirements.

ARE WE IN THE END-STAGE OF THE WELFARE STATE?

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. PAUL. Mr. Speaker, today many sober economists believe we are in the end-stage of the welfare state, as more and more special interest groups clamor for a bigger slice of a shrinking economic pie.

We have run out of money—except the paper dollars being printed in greater and greater quantities. But these dollars do not represent real wealth. Since this is due to an inflationary increase in the money supply, they subtract from real wealth.

Compared to my time here in 1976, I find the lobbyists come in larger, better trained groups, and are much more aggressive. They demand special subsidies for their business, industry, profession, region, or economic group.

When everyone turns to Washington for the solutions to his problems, bitterness and social divisiveness result.

A welfare state that has run out of real money—as ours has—can take one of two roads: into complete socialism or toward a free economy. The choice is up to us.

FEDERAL DEBT LIMIT AT NEW RECORD LEVEL

(Mr. ERDAHL asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. ERDAHL. Mr. Speaker, this Congress is now considering a measure to increase our Federal debt limit to a new record level. The Government and this administration seems committed to saddling the next generation with ever-increasing debts and dollars of decreasing value. When will we learn that we cannot spend ourselves rich any more than a person can drink himself sober.

The interest on our national debt now ranks as the third highest expense of the Federal Government. Just the interest on the projected 1980 fiscal year debt will amount to $57 billion a year. Or, $156 million every day.

The time has come to put on the brakes. Mr. Speaker, we in this Congress must add a new word to our vocabulary, and that word is no. No to this massive, unmanageable and expensive debt, and no to the reckless spending that brought it about and now would expand and perpetuate it.

THE PRESIDENT SHOULD HAVE TAKEN POSITIVE STEPS IN THE WAKE OF THE NATION'S TWO RECENT TRAGEDIES

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, we found out, tragically, that an American Ambassador was shot and killed in Afghanistan. We found out that the American Embassy was sacked in Iran. Yet, we did not take the necessary steps that we might have. Knowing that the President has a nuclear arsenal at his fingertips, I am astounded that we did not enter into a nuclear confrontation because of those two tragedies.

I think we should also point out that the Ambassador to Iran kept four American soldiers there and endangered their lives just to keep the presence of America in that country. I think we ought to take action where we can, including asking Mr. Sullivan to explain why he endangered the lives of those four American soldiers and not merely wonder why the President of the United States did not embark on a course of nuclear conflict.

PRESIDENT CARTER SHOULD BE COMMENDED FOR TRYING TO BRING SENSE AND REASON INTO THE REGULATORY PROCESS

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, President Carter is trying valiantly to bring some sense and reason into the regulatory process and to make the regulators take into account the economic impact of regulations. Although he is not yet going as far as I would like, he is making significant progress in the direction of sanity in regulation.

Therefore, it was with some dismay that I read in the press that a few Members of Congress in both Houses are suggesting that the President does not even have the right to inform appointees in his own administration that they are to take economic impact considerations into account when they write regulations. Rather, I think we should commend the President for this bold and important action, and we should likewise be critical of such of our colleagues who think that the President should not be mindful of economic consequences and also we should be particularly concerned and begin to do something about the elitist members of their staffs, who think that they individually know what Congress intended better than does the Congress itself as a whole.

In addition to whatever other controls we impose, we should at least let the elected President be able to inform his own appointed executive branch bureaucrats that he expects them to use sense and balance in the regulatory process.

□ 1520

THE VOTE IN THE HOUSE TODAY

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, this afternoon I rise to ask the gentleman from the 13th District of Michigan to refrain from voting on the matter before the House today.

The gentleman should follow the precedent of the Honorable John Langley, as described in Cannon's Precedents. Mr. Langley was in a similar position to the gentleman from Michigan. Mr. Langley was reelected while his conviction was on appeal, and he then refrained from voting until his appeal was completed.

I realize the gentleman from Michigan has indicated he intends to vote. But I appeal to him one last time, to consider the honor and dignity of the House. If the gentleman persists in voting we have no alternative but to introduce a motion of expulsion.

Much as Martin Luther said in the 1520's: "Here we stand, we can do no other."

VOTING REPRESENTATION IN THE HOUSE OF REPRESENTATIVES

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, the gentleman from Georgia has just advised the Members of the House that on tomorrow he intends to offer a motion summarily to expel one of the Members of this body, the gentleman from Michigan (Mr. DIGGS).

Apparently the gentleman from Georgia (Mr. GINGRICH) believes that this body should take some action to prevent the gentleman from Michigan (Mr. DIGGS), who represents a constituency that chose him to represent them in the Congress, from voting in the House of Representatives.

If and at such time as the gentleman from Georgia should offer such a motion, it will be my purpose and intent to offer a motion to refer the gentleman's motion to the Committee on Standards of Official Conduct.

In the entire history of our Nation, only three Members of the House have been expelled—and they on charges of treason during the Civil War. Expulsion is perhaps the most extreme action which Members could take against one of their number.

Surely the Membership is not prepared to take action expelling a Member of the House pending the full exercise of his legal and constitutional rights under the law. Surely the Members of the House are not prepared to deny to the people of any congressional district in this country their constitutional right to representation in this Chamber. Surely the Members of the House are not prepared to assert that representation consists of anything less than full voting representation for any congressional district of this country.

Our ancestors in declaring the independence of the United States from Great Britain over 200 years ago declared their faith in the proposition that taxation without representation is tyranny.

It is not up to me to advise the people of any congressional district in Michigan whom they may or may not have as their chosen Representative. That is their choice, and it is a sacred choice. They exercised that choice.

Therefore, if that motion is made tomorrow, I advise the Members that I shall move to refer that motion to the Committee on Standards of Official Conduct. Certainly, the Members of this body at the very least would not wish precipitately to take such extreme action against one of our Members without even so much as an opportunity for that committee to consider the appropriateness and consequences of such action.

□ 1525

REREFERRAL OF H.R. 282 TO COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill (H.R. 282) to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals, and that the bill be rereferred to the Committee on Science and Technology.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 15]

Ambro	Fenwick	Pepper
Anderson, Ill.	Fish	Roth
Andrews, N.C.	Flood	Runnels
Applegate	Giaimo	Scheuer
Archer	Harsha	Seiberling
Ashbrook	Hawkins	Smith, Iowa
Brown, Calif.	Ireland	Solarz
Burton, Phillip	Jones, Okla.	Stark
Clay	Kemp	Steed
Collins, Ill.	Kogovsek	Stokes
Conyers	Long, Md.	Traxler
Daniel, Dan	McDonald	Waxman
Dellums	McKinney	Williams, Mont.
Diggs	Marks	Williams, Ohio
Dingell	Mathis	Wilson, Bob
Drinan	Moorhead, Pa.	
Eckhardt	Patten	

□ 1540

The SPEAKER pro tempore. On this rollcall 383 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 28, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:50 p.m. on Wednesday, February 28, 1979, and said to contain a message from the President wherein he transmits a report by the Secretaries of Defense and Transportation on the Cash Awards Program.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORTS OF SECRETARY OF DEFENSE AND SECRETARY OF TRANSPORTATION ON CASH AWARDS MADE DURING FISCAL YEAR 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with the provisions of 10 U.S.C. 1124, I am forwarding reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1978 to members of the Armed Forces for suggestions, inventions and scientific achievements.

The participation of military personnel in the cash awards program was authorized by the Congress in 1965. More than two million submissions since that time attest to the program's success in motivating military personnel to find ways of reducing costs and improving efficiency. Of the suggestions submitted, more than 325,000 have been adopted, with tangible first-year benefits of more than a billion dollars.

Of the 98,011 suggestions submitted by military (including Coast Guard) personnel during Fiscal Year 1978, 14,830 were adopted. Cash awards totalling $1,001,257 were paid for adopted suggestions during Fiscal Year 1978. These awards were based not only on the tangible first-year benefits of $37,263,734 realized from adopted suggestions during Fiscal Year 1978, but also on many additional benefits and improvements of an intangible nature.

Enlisted people received $820,006 in awards during Fiscal Year 1978, representing 81 percent of the total cash awards paid during the periods. Officers received $181,251 during Fiscal Year 1978.

The attached reports of the Secretaries of Defense and Transportation contain statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions of military personnel during Fiscal Year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1979.*

□ 1545

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 28, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:50 p.m. on Wednesday, February 28, 1979, and said to contain a message from the President wherein he transmits a Social Security Agreement between the United States and the Federal Republic of Germany.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SOCIAL SECURITY AGREEMENT BETWEEN THE UNITED STATES AND THE FEDERAL REPUBLIC OF GERMANY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-60)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed.

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act as amended by the Social Security Amendments of 1977 (P.L. 95-216; 42 U.S.C. 1305 note), I am transmitting the Agreement between the United States of America and the Federal Republic of Germany (F.R.G.), signed on January 7, 1976, the Final Protocol to the 1976 Agreement, also signed on January 7, 1976, and the Administrative Agreement to implement the 1976 Agreement, signed on June 21, 1978.

These U.S.-F.R.G. agreements are similar in objective to the U.S.-Italian social security agreements which I submitted to the Congress on February 28, 1978. Such bilateral agreements, which are generally known as totalization agreements, provide for limited coordination between the United States and foreign social security systems to overcome the problems of gaps in protection and of dual coverage and taxation. In addition to remedying these problems, the 1976 U.S.-F.R.G. Agreement and Administrative Agreement would extend under specified conditions voluntary coverage rights under the F.R.G. system to U.S. citizens who have a prior connection with the F.R.G. system or who reside in the United States and were victims of persecution.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health, Education, and Welfare, which explains the provisions of the Agreement and provides data on the number of persons affected by the agreements and the effect on social security financing as required by the same provision of the Social Security Amendments of 1977.

The Department of State and the Department of Health, Education, and Welfare join in commending this Agreement, Protocol, and Administrative Agreement.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1979.*

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1147, TREASURY AUTHORITY TO WAIVE COUNTERVAILING DUTIES

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96-17) on the resolution (H. Res. 141) providing for consideration of the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 1894, TEMPORARY DEBT LIMIT INCREASE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 133 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 133

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1894) to provide for a temporary increase in the public debt limit, and for other purposes, and all points of order against said bill for failure to comply with the provisions of clause 5, rule XXI, are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments to the bill shall be in order except (1) amendments offered by direction of the Committee on Ways and Means, which shall not be subject to amendment; (2) amendments only changing the date certain on page 1, line 4, or only changing the numerical figure on page 2, line 2, and said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate and germane amendments only changing the date certain on page 1, line 4, or only changing the numerical figure on page 2, line 2; and (3) an amendment to section 4 of the bill printed in the Congressional Record of February 21, 1979, and if offered by Representative Vanik, which amendment shall not be subject to amendment but shall be debatable for a period not to exceed thirty minutes, fifteen minutes controlled by Representative Vanik and fifteen minutes controlled by a Member designated by the chairman of the Committee on Ways and Means. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1550

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, I thank the distinguished gentleman from Missouri, the chairman of the Rules Committee, for yielding me this time, and I take this time to ask the House to vote down the previous question on the rule and to adopt the amendment which will be offered by the gentleman from Maryland (Mr. BAUMAN).

Mr. Speaker, I think I have spent probably as much time on the concept of a balanced budget as any Member of this House. I did have the responsibility of chairing a Democratic Research Organization Committee which took, over 3 years ago, testimony from just about everybody who was anybody in the United States dealing with money. We heard from Dr. Greenspan, who was Chairman of the President's Economic Advisers at that time; and Dr. Burns, Chairman of the Board of Governors of the Federal Reserve System; and Mr. James Needham, president of the New York Stock Exchange; and many others.

All of the witnesses who came before the committee consistently and convincingly said that the cause of our economic problems in the United States was the fact that we had only balanced the budget one time in the last 19 years, and consistently and convincingly the testimony of the witnesses advocated that a step toward a healthy economy in this country was a balanced Federal budget.

Now I do want to ask the gentleman from Maryland a question clarifying the meaning of his amendment. The amendment will read as follows, if the previous question is voted down and the amendment is offered by the gentleman from Maryland:

. . . for the purpose of increasing the public debt limit shall not be considered in either the House of Representatives or the Senate preceding the enactment into law of an act requiring the achievement of a balanced Federal budget and establishing a method for achieving such a balanced Federal budget.

I would point out to the gentleman from Maryland that nearly all of the many, many measures that are pending before the House if Representatives do not actually require a balanced budget. Most of them have an escape valve. Most of them establish a balanced budget as a norm with a two-thirds vote.

□ 1555

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ICHORD. Will the gentleman yield me 1 additional minute?

Mr. BOLLING. I yield 1 additional minute to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I would ask the gentleman from Maryland as a matter of legislative intent, would not a constitutional amendment adopted by the Congress providing that a balanced budget is the norm, but a two-thirds vote would permit an escape from the norm, satisfy the requirements of his amendment.

Mr. BAUMAN. First, to disabuse the gentleman from Missouri, the gentleman from Maryland will yield to monsignor, the gentleman from Ohio (Mr. LATTA) to offer my amendment.

In answer to the question asked by the gentleman from Missouri, the amendment does not presuppose any particular form or method of balancing the budget. It would be the prerogative of the House and Senate to adopt a method which could include an escape clause by a two-thirds vote or three-quarters, or even a majority could waive that requirement. So the language here is not intended to preclude any particular form of balanced budget action by Congress.

Mr. ICHORD. So in effect the amendment says to the Committee on the Judiciary: Bring before this House an amendment that the House can pass upon in this session, and if we do not pass such a constitutional amendment, then we will have to repeal this amendment.

Mr. BAUMAN. Precisely.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) and pending that, I yield myself such time as I may consume.

As those who have listened to the reading of the rule well know, it provides for 1 hour of general debate and a modified rule largely closed but allowing some amendments on a debt limit increase. It also provides upon a request of the Committee on Ways and Means that the gentleman from Ohio (Mr. VANIK) may offer an amendment. If that amendment is offered, time will be divided—30 minutes—between the two sides on that amendment.

Last year it took several different efforts to deal with the debt limit problem. We have fallen into the habit somehow of not passing the debt limit when it first comes up. Everybody understands that it has to be passed ultimately. Everybody understands that it deals fundamentally with the question of paying the bills that we have incurred. It has nothing to do with whether they are right or wrong. We have incurred them, and we go through this charade with increasing frequency. There is an effort to be made to deal with the matter more rationally, perhaps as part of the budget process. I am not sure that that will succeed, but I know that it will be given extremely careful consideration, and I think that the House to be responsible needs to pass this increase. I think it needs to do so now without pretending to the American people that playing around with the debt limit is going to make any difference. If we are going to deal with the problem of fiscal responsibility, we are going to have to deal with it directly. We are not going to be able to do it through this method, and I do not see any particular reason to try to kid the public, which is precisely what we are doing when we play around with the debt limit.

Obviously, I am in favor of the rule and also in favor of the previous question being ordered. I can think of no worse precedent than to vote down the previous question to permit a nongermane amendment not proposed by the committee of jurisdiction. I think in the end it will be a futility. I cannot believe the House will adopt such an amendment, and I know that no matter how sincere my friends over there are who will offer the amendment, it really is not going to have any enormous effect, except perhaps a very little political effect. Based on my study of the past, I have never seen anybody defeated or elected on a vote on the debt limit, or a dozen votes on the debt limit. So I do not think it is going to have any political effect, and I hope we will order the previous question and deal with the rule promptly and then deal with the debt limit question responsibly.

Mr. Speaker, I reserve the remainder of my time.

□ 1600

Mr. LATTA. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, let me say to the freshman Members, you have just heard the same argument that is used every time we have the debt limitation up for an extension. We have already acted irre-

sponsibly. Now we have to act responsibly, or words to that effect.

During the interval, however, the debt keeps going up. At the time or times the opportunities are before this House to act responsibly, the majority acts irresponsibly. There comes a time when they either have to fish or cut bait from a fiscal standpoint.

I think the American people are past the time when they want this Congress to start acting responsibly.

Let me give you a little history on our national debt. It took us 150 years of existence as a nation to get to a $250 billion debt figure. That was not very long ago, 1945.

It took us only to 1962 for our national debt to get to $300 billion. Many of the Members were here when that ceiling was $300 billion. I was here in 1962.

In 1972, just 10 years later, that debt went to $450 billion. Three years later, 1975, and if Members care to follow along, all they have to do is to refer to the second page of the committee report, if they please, and look at these figures. That debt went to $531 billion.

Then in 1976, only 1 year later, the debt ceiling had risen to $627 billion.

Then in 1977, from April 1 through September 30, it went to $700 billion. Now they are proposing to increase the debt limit from $798 billion to $836 billion, and this is not for all of this calendar year. It is only until the end of September 1979. If Members would like to look a little further at what this administration has in store for the American people, they might take a look at page 8. You will find that the administration estimates that by August 29 of next year our debt will have to rise to $900 billion. This is what we are talking about. We are not talking about some charade, as the gentleman from Missouri indicates. We are talking about a fiscal situation that is coming down on us like a bullet and many Members do not seem to realize what is happening, but the American people know. Twenty-eight States of the required 34 have already memorialized this Congress to call a Constitutional Convention to mandate a balanced budget. I, for one, would favor a Constitutional Convention only as a last resort as the delegates could consider every subject under the sun by virtue of such a call and I fear for our Constitution under such a procedure. The only way we can act responsibly is to do something about balancing the budget in this Congress before we have 34 States requesting such a convention.

Let me just say something else.

□ 1605

The American people realize what this deficit spending is costing them. Last year, when we passed our budget resolution, we had $48 billion in it to pay the interest charges on this debt. One year later—not quite a year later—we are considering the administration's budget in the Committee on the Budget, and the interest charge has gone to $57 billion. Our cost has gone from $48 to $57 billion for interest charges in this short period.

This is the third highest item in the budget. Income security programs are first, then national defense, and then interest on the national debt.

Mr. Speaker, the people of this country understand what is happening if we do not, and it is high time that we do something about it.

Now, what are we proposing to do here today? The gentleman from Missouri (Mr. BOLLING) has accurately pointed out that this is a closed rule, and to those Members who are new here, this means you cannot offer any amendments, with the exception of the three amendments the Committee on Rules made in order. So I am going to ask that we vote down the previous question, so that a fourth amendment can be offered.

The amendment is not too restrictive. As a matter of fact, it does not contain all that I would have liked to have seen in it. It does not call for the passage of a resolution dealing with a constitutional amendment; it does not contain any specifics. Let me read it to the Members.

Further amendments to the Second Liberty Bond Act, 31 USC, 757(b). For the purpose of increasing the public debt limit, shall not be considered in either the House of Representatives or the Senate preceding the enactment of an act or the passage of a resolution setting forth a method through which a balanced federal budget shall be required.

Now, is this asking too much? We would be giving the Congress itself until September 30 of this year, 7 months, to do something about this fiscal problem that the American people realize we have but apparently the majority does not recognize or think is important. It is important, and it is high time that we do something about it.

What are we talking about when we refer to this debt. It boggles the mind. A $800 billion public debt means $11,000 of debt for each and every taxpaying family in America. This debt is increasing at the rate of $134,000 every minute, 24 hours a day, 365 days a year. The interest charges on the debt will cost every average taxpaying family $842 this year. Let me repeat that: $842.

So when they settle up with Uncle Sam on April 15, let us keep this figure in mind. Eight hundred forty-two dollars is a considerable amount of money for most taxpayers.

We are not talking about the irresponsibilities that have gone on in the past; we are talking about responsibility at the present time. Ignore the familiar argument that now is not the time to do anything about it. Well, if we give ourselves an ultimatum that something be done within 7 months, maybe something will be done. Hopefully this will happen if we vote down the previous question, and give ourselves an opportunity to do something about it.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. LATTA) has consumed 9 minutes.

The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I only have 1 additional speaker, and I ask that the gentleman from Ohio yield time.

The SPEAKER pro tempore. Does the gentleman from Ohio, (Mr. LATTA) care to yield additional time?

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

□ 1610

Mr. ROUSSELOT. Mr. Speaker, I rise to support the effort to defeat the previous question on the rule for the consideration of H.R. 1894, a bill to increase the temporary debt limit for the Federal Government to $836 billion. This debt ceiling would be composed of the permanent limit of $400 billion and the temporary limit of an additional $436 billion.

As my colleagues know, I have never voted for an increase in the public debt limit and it is not my intention to do so today. However, I do believe that it is essential for this House, on the first important vote of the 96th Congress, to demonstrate a real understanding of and commitment to the balanced budget concept so widely supported by the American people. A simple vote against H.R. 1894 is not enough. We must reject the modified closed rule granted by the Rules Committee and we must insist upon a rule that will allow amendments to be offered which require some positive move by the House in the direction of a balanced Federal budget, this fiscal year—not in 1981—not in 1982.

Mr. Speaker, debating an increase in the debt limit is nothing new to this body. Voting against the increase is considered a free vote for many of my colleagues who want to appear "fiscally responsible." Later, when actual expenditures are under consideration, these Members forget the earlier vote and revert to the old big spending ways with which they are so comfortable.

I am reminded of the debate in this Chamber some years ago on a debt limit increase prior to the creation of the Budget Committees and the establishment of the much-heralded congressional budget process. On June 13, 1973, then chairman of the Ways and Means Committee, Representative Wilbur Mills, expressed the need for "obtaining effective overall congressional control of the budget." The current chairman of the committee, Mr. ULLMAN, agreed that the new budget process should enable the Congress to abandon the debt ceiling ritual. Our distinguished former colleague, Harold R. Collier, of Illinois, also a member of the Ways and Means Committee, joined the majority opinion in stating that our "fiscal woes lie in lack of adequate congressional control over the budget." Everyone welcomed the enactment of the Congressional Budget Act as a "new era" in effective, coherent congressional budget procedures. We were urged, in June of 1973, to support the requested debt limit increase "just one more time" before the new budget process would be in operation. Such fine intentions and expectations we all had.

Since 1973 the Congress has approved increases in the public debt from $468 billion to the proposed $836 billion we are discussing today. The congressional budgetary process has not contributed to fiscal responsibility on the part of

the House and it has not ended the charade of adding to a "temporary" debt limit while leaving the "permanent" limit at the artificially low level of $400 billion. The House rejected efforts, in March of 1978, to include the debt limit in the budget resolutions prepared by the Budget Committee. The move today to defeat the previous question on the rule for H.R. 1894 will give this body yet another chance to do more than pay lip service to the balanced budget sentiment of our constituents.

Should we be successful in defeating the proposed rule, an amendment will be offered that would require Congress to devise a method for balancing the budget before further debt ceiling increases could be approved. We know that the congressional budget procedure has not let to a balancing of expenditures with revenues. In the act's 4 years of existence, we have seen deficits totaling nearly $200 billion. Something else must be done. If Congress does not act, other forces will take over. As my colleagues are well aware, 26 States have already called for a constitutional convention to write into the U.S. Constitution the requirement that, somehow, the Federal budget be brought into balance. Congressional action would certainly be preferred. The Founding Fathers intended Congress to have the power to "lay and collect Taxes * * * to pay the debts and provide for the common defense and general welfare of the United States * * *." By defeating this rule and allowing for amendments to be offered to balance the budget, we will be taking a step toward fulfilling this responsibility.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I want to make it perfectly clear that I am going to vote for the previous question; in other words, I am voting for the administration's position. I would like to point out the reason for this scholarly position. The reason, quite simply, is that I do not think the debt ceiling is the way to control spending. We have already authorized and appropriated the funds.

As an example, let me use my beloved friend, the gentleman from Illinois (Mr. FINDLEY), who will speak to the Members shortly, taking an opposing view.

Last year, I had a little amendment to cut $90 million off of the foreign aid for Syria. The gentleman from Illinois (Mr. FINDLEY) opposed my amendment.

Remember our old friend Ev Dirksen, used to say, "$90 million here, $90 million there, and the next thing you are talking about a lot of money."

This is our problem. We all have sacred cows. I recall some of the Members in the last session who were most vehement in voting to override the President's veto of the public works bill. Yet they are now supporting this position not to increase the debt limit. Well, we saved a few dollars when we sustained that veto. I myself happen to be a proponent of military aid to our allies. That happens to be a program I defend.

□ 1615

We have provided for the authorization; we have provided for the appropriation. So, I say to my good Republican friends, I agree with your rhetoric; I agree that those Democrats sitting there are wild spenders. But I would say the practical position, the necessary position—what I prefer to call the intellectually honest position, is to support this increase in the debt ceiling.

Mr. Speaker, I commend my Republican colleagues for their proper and effective description of the Democrats as big spenders. It is true that over the past four decades, the Democrats who have controlled Congress for 42 out of 46 years have spent our country into the red by more than $800 billion. The public debt is a national disgrace.

The Democrats, rather than earnestly trying to balance the budget, continue to vote one deficit budget on top of another deficit budget. Then when the bills come due, the Democrat big spenders demagog the financial crisis which necessitates increasing the public debt limit and reluctantly vote to increase it.

It is also true, as my colleagues have pointed out, that this Nation is entering the fifth consecutive year of economic growth. The second longest recovery in the postwar history. It is time now to begin balancing the Federal budget.

However, the debt ceiling increase, in my judgment, is a necessary technical procedure to follow. We all know that if the debt limit is not increased, the U.S. Treasury will not be able to pay the legal obligations of the U.S. Government.

The Democratic Congress is the cause of the huge national debt and of the huge deficit. The Carter administration is a willing partner to the classic Democratic tax-and-tax, spend-and-spend, elect-and-elect philosophy.

But I believe that the proper, consistent, and specific vehicles that we should use to eliminate the deficit, balance the budget, and commence reducing the debt are the budgetary and appropriations procedures.

Therefore, while I agree in large part with the oratory of my Republican colleagues, it is my personal judgment that the proper, though reluctant, vote must be one to increase the debt ceiling. All of my votes on the parliamentary situations which will prevail will reflect this conviction.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FINDLEY) to whom the gentleman from Illinois (Mr. DERWINSKI) referred.

Mr. FINDLEY. Mr. Speaker, the motion that the gentleman from Ohio will offer provides an opportunity for what I would classify as believers—and I put myself in that category—believers that we should have a better system, a better system for balancing the Federal budget. Now, if Members do not believe in that position, if they are satisfied with our present method, with our present procedure, with the product that this procedure yields year after year, then I cannot imagine they would want to vote with the gentleman from Ohio seeking to vote down the previous question.

But if, on the other hand, they are not satisfied with the procedure, with the product of the procedure, then I would think they would have good reason to support this motion because it will provide an incentive, a form of directive, to the Judiciary Committee to get on with the job which I think they have begun today, to finish it up by the end of September, to have before this Chamber and the other Chamber a proposal for a better system, whether by statute or by constitutional amendment.

Now, the 7-month period seems to me abundantly adequate. It might be of interest to us to be reminded that the Constitutional Convention of 1787 did all of its work—a highly complicated job—in less than 4 months. Now, here we have a complicated job, to be sure, but contrasted with the complexities that faced the delegates to the Constitutional Convention this is really milk toast. This is easy, an easy job that surely can be disposed of promptly, thoughtfully, well within the 7-month period.

The motion seeks to cause the Congress to act, to act with dispatch, to do it before we once again have to take up the question of debt ceiling. To me, that is a very moderate, a very reasonable, a very statesmanlike approach. Now, I can agree with the gentleman from Illinois, my friend, Mr. DERWINSKI, that this is not the ideal linkage. I wish we lived in an ideal world. I wish we had another way to provide incentive that within a reasonable period of time we will have a chance to vote up or down either legislation or a constitutional amendment dealing with this problem. But, I think we ought to seize every opportunity that comes before us this year to press on with what I think is the highest priority challenge facing our country.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. I have made up my mind that I am going to change my voting on debt ceiling limits this year. For years, under Democrats or Republicans in the White House, regardless of party, I have voted to increase the limit on the public debt because we have incurred the obligations.

□ 1620

This year I feel so strongly that we should move forward with a better procedure looking toward the balanced budget that I have decided to oppose any debt ceiling measure that does not include language of the nature that the gentleman from Ohio would seek to make in order.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, when I came to the Congress 18 years ago in the 87th Congress as my friend and colleague from Illinois did, I came to the conclusion that if the deficits and the national debt were not stopped then, they never would be. I hate to immodestly say that I was right. The debt ceiling in those days was around $200 billion and the increase requests were for chunks of $2, $4, or $6 billion at a time. The principle is the same. Stop it in its tracks—or

it will go on and on. I say to my friend and colleague, "Welcome to the club." Possibly we can all send a message with your help.

Mr. LATTA. Mr Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, a vote on the bill like this bill we debate here today has become almost as commonplace as the process of this House, that of the swearing in ceremony at the beginning of each Congress.

Seemingly with the certainty that the Sun rises in the morning, the Congress of these United States forces a continual upward adjustment of the debt ceiling. Today we calmly consider that the U.S. Government will owe almost $900 billion by the end of this fiscal year. I, like my colleagues here, understand the pressures from constituents that have led to our national addiction to our deficit budgets. Although I hasten to add, I did not vote for the spending programs that the gentleman from Illinois (Mr. DERWINSKI) has mentioned and I have voted for a balanced budget program during my 12 years in Congress. I want to associate myself now with the observations of the other gentleman from Illinois (Mr. FINDLEY), who has been responsible on fiscal policy and I say to him: "Welcome to the club," as the gentleman from Ohio (Mr. ASHBROOK) has just done.

What I do understand is that the red ink budgeting has become very real, and increasing, costs to each and every American.

The easy way out is to blame our national monetary policy for high interest rates. But we fool no one who considers the impact on the market of the competition for available funds the Treasury exerts in financing the public debt. The young married couple who want to buy their first home, the small businessman seeking a fair chance in the marketplace, or the industry trying to modernize its capital stock to meet the competition from abroad and create meaningful and long-term jobs know that dollars which cost more buy less and less and less.

Financing an $836 billion debt creates an unprecedented demand on the credit markets of this country. Each and every consumer, business, school district, or local government that seeks to borrow money pays the price. And ironically, the consumer is forced to pay the price a second time for it is his or her tax dollars that underwrite the interest we pay. Congress has been placed on notice by the American people that we must put our fiscal house in order.

For these reasons I think we should vote against the previous question to show we are serious by voting for the Latta amendment.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Speaker, I rise in support of the motion to defeat the previous question and to urge approval of Mr. LATTA's substitute rule. This amendment includes the requirement that this Congress set forth the methods by which a balanced Federal budget could be achieved.

We, in this body, are all too familiar with the recent national movement to require a constitutional amendment to "balance the budget," currently spearheaded by that demagog from California, Governor Brown, who suggests we do it by a constitutional convention. Capitalizing on the feelings of helplessness and frustration experienced by many citizens when confronted with the size and complexity of its Government, this movement has gained considerable support in recent months. I believe that rather than playing upon people's emotions, it is about time that this Congress took the lead in reducing Federal spending and improving the responsiveness of the Federal Government.

Mr. Speaker, I believe we can accomplish these goals without misleading the American people. Let us face it, there are a number of fiscal gimmicks which this body could employ to "balance the budget." For example, we could make certain kinds of areas "off-budget" items or treat capital expenditures separately from the "operating budget," like many State governments. However, I refuse to believe that these tactics, or the constitutional amendment approach, are in the best interest of the Federal Government or, most importantly, the American people.

Rather than bind this country with a fiscal straitjacket, it is up to this Congress to finally exercise some fiscal discipline. We must have the strength and will to make those difficult decisions, based on informed judgments, to reduce Federal spending. It is my very strong feeling that it is the obligation of this House and not a constitutional convention to assume the responsibility of providing a balanced budget, which has been called for by the administration, this Congress and, most importantly, the people we represent.

Therefore, I urge my colleagues once again to support Mr. LATTA's amendment.

□ 1625

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, once again we meet to conduct Congress annual rites of spring, the raising of the public debt ceiling. I cannot help but take a moment of my colleagues time to reflect on how this debate has become a mere formality. This is even more remarkable when one considers that today the public debt limit will be raised to $836 billion, an increase of $38 billion over last years' figure.

I know that no impassioned plea by myself will prevent passage of this measure. As usual, I will cast my "nay" vote while the majority of my colleagues will say, "Aye." However, I do think that we should at least pause for a moment to consider what this bill really means. Not just to us, but to the average American back home.

Current estimates of our national debt at the end of fiscal year 1979 are in the $839 billion range. Fiscal year 1980 projections indicate that the national debt will be close to $900 billion. The interest of the national debt in fiscal year 1979 will total almost 11 percent of the Federal budget. But what is most disturbing to me is the fact that an estimated $57 billion, yes, $57 billion will go to paying just the interest on the debt. That means that every man, woman, and child will pay his share of $250 per person per year to just service the debt. A family of four will be contributing over $1,000 a year to pay the interest.

Let us stop kidding ourselves. This has gone far enough. We have to put a stop to this totally irresponsible trend. The American people are demanding that we take steps to bring Federal spending under control. I feel very strongly that the balanced budget approach to fiscal planning is the only effective means of solving this problem. From what recent polls say, the large majority of the American people agree with me. A balanced budget would cut down the size of big Government. It would help reduce inflation by ending the ongoing monetization of our national debt by the Federal Reserve and would in the long run free up immense amounts of capital for private individuals and industry—capital which is currently being devoted solely to maintaining the national debt. This would certainly act as a major stimulus for our economy.

So my friends, let us get a hold on this problem. A balanced budget is after all inevitable, for if we fail to act, the people will undoubtedly see fit to do it themselves.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, in the past few years I have introduced amendments to appropriations bills which would reduce those bills a given percentage. At first we were not too successful, but the longer we try the more success we see. In the last Congress we trimmed hundreds of millions of dollars off the fiscal year 1979 budget. It is only such reductions as this that will hold down the national debt.

We hear that the bills for Federal spending must be paid, but this is also a time to reflect on where the money is coming from to cover our national debt.

It took this Nation 150 years to reach its first $250 billion in national debt. But it will take 30 years, from 1950 to 1980, to reach a national debt equal to more than three times that first $250 billion. In the short span of 4 years, 1975 through 1978, the national debt will have increased more than in the 29 years between 1945 and 1974. And those 29 years covered the high spending of the Korean and Vietnam wars, the space program; and the New Frontier, Great Society, and other expensive programs.

For fiscal year 1978, the Federal budget was $450.8 billion, with a $48.8 billion deficit, and a national debt totaling $780.4 billion. The fiscal year 1979 budget estimate is $493.4 billion with a $37.4 billion deficit feeding a national debt of $839 billion. The fiscal year 1980 budget is proposed at $531.6 billion, with a deficit of $29 billion. For 1980 the debt will be $898.9 billion with interest of $65.7 billion. Thus, by 1980, the interest on the Federal debt will account for 12 percent of Federal outlays. This represents a tax burden of $1,185 per each

family of four for interest payments alone.

In 1959, the interest on the debt was $7.8 billion. In 1973, it had reached $24.8 billion, tripling in about 14 years. The 1980 interest payment will be more than an 800 percent increase over 1959, and a 250 percent increase over 1973. That is a payment of about $156 million per day.

Who benefits most from these interest payments? Investing Americans and foreign governments. Working and middle-class Americans receive little return. Foreign ownership of our national debt has risen from $200 million in 1939 to about $134 billion in 1978. Almost none of more than $8 billion interest paid to these foreign governments benefits the U.S. taxpayer, since little U.S. tax is paid.

Interestingly, some of the nations "investing in America" were recipients of massive American aid after World War II. We helped them reconstruct their nations so well that they now loan us money for our day-to-day expenses. Unfortunately, extensive foreign ownership of our national debt is not without its dangers, since it gives foreigners a claim against our goods and services and makes us susceptible to economic disruptions and financial manipulation.

Too few Americans and too few Members of Congress recognize the extent or the dangers inherent in extended deficit spending, or the significance of the mounting national debt. Congress, because it legislates the funding, to a very large degree is responsible for the huge national debt now facing us.

Mr. Speaker, I ask permission to insert into the RECORD several tables which illustrate the extent of the public debt, the cost of interest, foreign investment in our debt, and other related information.

INTEREST

[Functional code 900; in millions of dollars]

Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget authority:					
Interest on the public debt [1]	48,695	59,800	65,700	68,000	67,800
Other interest:					
Interest on refunds of tax collections	317	321	326	332	337
Interest on loans to the Federal Financing Bank	−2,748	−4,101	−5,504	−5,653	−5,073
Other	−2,297	−3,255	−3,500	−3,552	−3,521
Subtotal, other interest	−4,728	−7,035	−8,679	−8,873	−8,257
Total, budget authority	43,967	52,765	57,021	59,127	59,543

PUBLIC DEBT

1958	279.7
1959	287.8
1960	290.9
1961	292.9
1962	303.3
1963	310.8
1964	316.8
1965	323.2
1966	329.5
1967	341.3
1968	369.8
1969	367.1
1970	382.6
1971	409.5
1972	437.3
1973	468.4
1974	486.2
1975	544.1
1976	631.9
1977	709.1
1978	780.4
1979 estimate	839.2
1980 estimate	899.0
1981 estimate	940.3
1982 estimate	951.9

FOREIGN HOLDINGS OF U.S. TREASURY SECURITIES

Question. What are the foreign holdings, by country, of U.S. Treasury securities?

Answer. Outstanding amounts of U.S. Treasury securities held by foreigners as of yearends 1976, 1977, and 1978 are as follows:

ESTIMATED TOTAL FOREIGN HOLDINGS OF MARKETABLE AND NONMARKETABLE TREASURY BILLS, NOTES, AND BONDS REPORTED BY BANKS AND BROKERS AS OF SELECTED YEARENDS 1976, 1977, AND 1978

[In millions of dollars]

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 [1]
Europe:			
Austria	157.1	130.3	52.2
Belgium-Luxembourg	1,137.5	1,211.4	742.1
Denmark	215.5	580.0	1,474.1
Finland	36.4	74.6	49.8
France	3,044.0	3,435.1	6,690.1
Germany	22,275.5	26,001.0	41,086.6
Greece	60.1	75.3	95.1
Italy	1,640.2	4,796.9	3,965.0
Netherlands	2,256.4	2,503.3	2,164.3
Norway	532.9	632.7	791.2
Poland		.6	.7
Portugal	2.4	.2	.3
Spain	1.5	2.2	2.2
Sweden	1,343.1	2,208.6	2,600.3
Europe—Continued:			
Switzerland	5,092.3	7,352.9	14,874.1
Turkey	(2)	(2)	(2)
United Kingdom	1,125.1	12,070.6	6,344.3
U.S.S.R.			
Yugoslavia	13.1	9.0	27.1
Other Europe	448.8	489.9	283.5
Total, Europe	39,381.9	61,584.6	81,043.0
Canada	3,446.7	2,334.8	2,510.0
Latin America and Caribbean:			
Argentina	57.1	15.6	.9
Bahamas	13.5	13.4	4.0
Bermuda	14.1	(2)	19.1
Brazil	5.1	2.4	.3
British West Indies	4.0	6.2	12.6
Chile	.2	.3	2.2
Colombia	231.3	483.1	333.6
Cuba			(2)
Ecuador	5.1	18.6	8.5
Mexico	27.9	25.8	27.4
Netherlands Antilles	125.2	176.6	180.6
Panama	22.7	13.7	15.8
Peru	(2)	2.1	(2)
Trinidad and Tobago		17.1	
Uruguay	.1	(2)	(2)
Venezuela	545.5	490.7	153.0
Other Latin America and Caribbean	146.5	157.2	83.0
Total, Latin America and Caribbean	1,198.3	1,422.9	841.0
Asia:			
China:			
Mainland	(2)	(2)	(2)
Taiwan	258.2	211.6	24.8
Hong Kong	152.9	201.3	221.4
India	451.5	774.5	682.7
Indonesia	96.1	128.4	69.0
Israel	3.6	9.1	(2)
Japan	12,397.3	18,633.1	28,864.0
Korea	80.7	436.7	450.1
Lebanon	(2)	(2)	.2
Malaysia		244.9	190.8
Pakistan		41.9	12.4
Philippines	10.2	30.3	12.0
Singapore	594.2	696.7	622.4
Syria			
Thailand	233.5	234.7	356.4
Middle East oil-exporting countries	9,765.8	13,483.9	10,837.7
Other Asia	418.8	75.1	71.2
Total, Asia	24,452.8	35,202.2	42,415.1
Africa:			
Egypt	1.4	75.4	36.9
Ghana		(2)	12.8
Liberia			1.2
Morocco			
South Africa	18.8	46.8	53.6
Zaire	6.2	7.8	10.1
Africa—Continued			
African oil-exporting countries	1,246.8	1,005.7	1,585.2
Other Africa	108.1	101.8	45.3
Total, Africa	1,381.3	1,237.5	1,745.1
Other countries:			
Australia	1,566.7	734.0	447.2
All other	27.0	21.6	8.0
Total	1,593.7	755.6	455.2
Total, foreign countries	71,454.7	102,537.6	129,009.4
International and regional:			
International	5,570.2	5,319.6	5,251.0
European regional			2.7
Latin American regional	135.6	103.3	51.7
Asian regional	5.4	8.9	.2
African regional	23.1	20.0	17.2
Total, international and regional	5,734.3	5,451.8	5,322.8
Grand total	77,189.0	107,989.4	134,332.2

[1] Preliminary.
[2] Less than $500,000.

Source: Department of the Treasury. OASEP/EI/EIS.

FOREIGN HOLDINGS OF U.S. DEBT SECURITIES

Question. What is the composition of Federal debt held by foreign parties? Who holds there instruments?

Answer. The composition of foreign holdings of U.S. Treasury securities was as follows for yearends 1976, 1977 and 1978:

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31 1978 [1]
Nonmarketable:			
Bills and certificates of indebtedness:			
Dollar	1.7	1.7	7.0
Foreign currency			
Total	1.7	1.7	7.0
Bonds and notes:			
Dollar	19.1	19.3	20.6
Foreign currency	1.5	1.2	1.9
Total	20.6	20.5	22.5

[1] Preliminary.

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 [1]
Marketable:			
Bonds and notes [2]	15.8	38.6	43.3
Bills	39.1	47.2	61.5
Total	54.9	85.8	104.8
Total	77.2	108.0	134.3
Official holdings	70.2	108.5	126.1
Banks and other foreigners	1.3	1.8	2.9
International and regional organizations	5.7	5.7	5.3
Total	77.2	108.0	134.3

[1] Preliminary.
[2] Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey as of Jan. 31, 1977, and on monthly transactions reports submitted by banks and brokers in the United States.

Source: Department of the Treasury.

□ 1630

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I am very pleased with the fact that Japan and Germany did not have the gentleman from Ohio (Mr. MILLER) cut 5 percent out of their foreign aid to us or we would not have that much money.

As one who has consistently supported a balanced budget on the floor of this House with my good friend, the gentleman from California (Mr. ROUSSELOT) I am rather appalled at these parliamentary shenanigans that we would use to get at this issue.

My good friend, the gentleman from Ohio (Mr. LATTA) used to propose amendments to the budget that would have left us with a $40 billion deficit like that was a big deal, when both the gentleman from California (Mr. ROUSSELOT) and I knew that that was not the answer and that the answer was a balanced budget, and to balance the budget then.

I, for one, who has a record on this floor second only to the gentleman from California (Mr. ROUSSELOT) in support of a balanced budget, will vote for the previous question, and then I am not going to vote to raise the debt limit. But that is not the case. The case is, do not try to tie in apples and oranges. Let us deal with a debt limit as a debt limit. Let us deal with a balanced budget as a legislative body.

Unless some Members are trying to cut Jerry Brown off at the pass with his Presidential campaign, there would be no reason for coming up with such a parliamentary backdoor procedure, because if we can do this with a balanced budget, we can do this with taking away our right to bear arms, and God knows what else can happen if we start voting down previous questions. So I would vote ave on the previous question, and let us discuss the debt limit on its own merits. Let us keep that balanced budget always in mind.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I know it is hard for aging liberals who go back to the Roosevelt days to realize times have changed. I have no doubt that we will be hearing in the remaining debate on the other side such catch words as "irresponsibility" and "futility." I suppose no one has ever been defeated or elected on whether he voted to increase the national debt, which has been doubling every 8 years at the current rate. That is probably true. But an awful lot of Members were elected last fall supporting a balanced budget, supporting an amendment to the Constitution to achieve a balanced budget, and you came here to this House with that pledge. The question now is—will you honor it?

More than 150 of us are asking the Committee on the Judiciary to hold hearings on this issue. The legislatures of the States are breathing down our necks, asking us to hold a Constitutional Convention; 28 States have already acted.

So what are the new Members to do when they come here and hear from their leaders that it is not important to vote for a balanced budget? The only rationale I can see to uphold that argument is that there is no connection between a national debt and a balanced budget. But that statement is false and you know it. There is a very firm connection. We have seen that our own congressional budgetary process which we adopted 4 years ago has failed. Congress has come up with $40 billion every year in deficit, and we are now being asked to finance that record of deficits. Some of us feel we do not have an obligation to vote for it because we have not supported the spending.

The issue in this particular amendment, is simply whether we will make honest men out of the majority leadership of this House. They have promised you that we are going to have a right to vote on a balanced budget sometime this year. We have been told by the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), that we are going to get a vote on it.

I do not often quote the Washington Post; in fact, I rarely quote the Washington Post. But here is what they stated last Sunday:

> The Chairman has planned a conscientious, drawn out investigation of the various proposals limiting government spending. "Rodino has launched a turtle," said one aide to the House Leadership.

Turtles sometimes come in ahead of hares. The article says:

> The whole purpose is to get the pressure off Congress.

That is why we need this amendment. Our amendment says we cannot raise the national debt again unless and until Congress provides a method to balance the budget. It comes down to whether you will do what you have pledged to do.

Now I do not think the gentleman from New Jersey (Mr. RODINO) would deceive us. He would never launch a turtle. I have watched him. He is a good Member of this Congress but we must be certain.

I hope we will vote "no" on the previous question. But that is not the true question. The question here today is the issue we all ran on; it is the question I get at the supermarket when I go to the store with my kids; it is the question every citizen who suffers from inflation is asking.

It is the question of their paychecks, the 9-percent inflation that we now suffer. Those are the questions involved here today. Do not hide behind the previous question. I have described the only question.

I urge a "no" vote as a test of the honesty of your pledge to balance the budget.

Mr. JOHN BURTON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I yield 15 seconds of those 30 seconds to the gentleman from California.

Mr. JOHN BURTON. Mr. Speaker, is there any truth to the fact that the Bauman campaign ran into deficit funding problems?

Mr. BAUMAN. It is not only true, but I would like to say to the gentleman, if the gentleman would like to contribute, the address is Post Office Box 1408, Easton, Md.

Mr. LATTA. Mr. Speaker, I yield my remaining 1 minute to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I rise in support of the amended rule which will be offered by my colleague from Ohio (Mr. LATTA).

As has been already discussed, he proposes opening up the rule so that H.R. 1894 could be amended to prohibit Congress from considering any further increases in the public debt limit until such time as a law has been enacted which sets up a method through which a balanced Federal budget may be required.

There are several positive reasons to support this amendment.

First, it addresses the issue of balancing the Federal budget—an issue very much on people's minds these days—but does so without getting snared in the tangled business of amending the Constitution. If Congress responds to the extraordinary pressure now upon it to balance the budget, the snowballing momentum for a Constitutional Convention will diminish.

Second, it does not prohibit increases in the public debt limit after we have put in place a balanced budget mechanism. This is important because balancing the budget does not eliminate the necessity for further debt limit increases. If the fiscal 1980 budget is balanced, the debt will still rise by about $32 billion, under current accounting procedures. Twelve billion dollars of this comes from off-budget items, primarily the Federal Financing Bank. Twenty billion dollars of this is due to laws which require excess trust funds to be invested in Federal securities.

Third, the amendment allows the balanced budget mechanism to include a safety valve which would permit deficit spending if some dire emergency made it necessary.

Fourth, the amendment has a sanction—prohibiting further increases in the public debt. Last year we enacted an amendment by Senator HARRY BYRD which stated simply: "Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts." Nothing has happened or will happen because of that amendment. Both the executive and legislative branches deny that it applies to them. And since nothing happens if outlays do exceed revenues in fiscal 1981, it does not matter much whether they are right or not. The Latta amendment, in contrast, says that until a mechanism is in place, there can be no further debt limit increases.

Finally, this approach gives Congress from now until September 30 to work out a system for balancing the budget. It can either place specific requirements on existing procedures such as the budget process, or it can create an entirely new system. An immediate balancing of the budget is not necessarily required, but Congress would have to map out a specific timetable and procedure for reaching balance within a reasonable time.

In short, this is not an extreme measure. But it does promise to achieve some results, not just more congressional rhetoric.

I urge my colleagues on both sides of the aisle to support this amendment by voting down the previous question on the rule. This approach is more responsible than simply passing another debt limit increase. It is more responsible than amending the Constitution. This approach is more responsible than doing nothing.

● Mr. SENSENBRENNER. Mr. Speaker, in August of last year Congress approved H.R. 13385, raising the public debt limit to $798 billion through March 31, 1979. This was the final bill in a series of four that last year raised the debt ceiling $46 billion. Furthermore, the Treasury Department estimated that the $798 billion ceiling would only cover Government borrowing through mid-February of this year.

My fellow Representatives, if we all permitted such overspending in our personal finances, most certainly a good many of us would be bankrupt by now. The only reason why Congress has been allowed to continue raising the debt ceiling at this ridiculous rate is because the public does not have a clear understanding of just what is involved in raising the debt ceiling.

Yet as Members of Congress, we understand all too well just what takes place when the debt limit is increased. We know that in fiscal year 1979, the debt will have reached such a magnitude as to require an interest payment of $55.4 billion. That breaks down to $151 million each day. We also know that it is not merely a debt that the United States owes to itself. Foreign nations now own $108 billion of our national debt. Japan owns $18.6 billion. In 1976, we paid Japan $800 million in interest on the portion of the debt that they owned. Almost $2 billion was paid to foreign nations for debt interest. We know that 5 cents of each dollar in the 1980 budget that is spent will have to be borrowed. Nine cents of every dollar outlaid in that same budget will be paid as interest.

I have cosponsored legislation to require a balanced Federal budget. This constitutional amendment will attack the very cause of inflation—excessive spending. It is only by seeking to control our Federal debt that Congress can conform to the wishes of the people. The message of proposition 13 was clear—curb Government spending. The time has come for Congress to heed that message.●

● Mr. GOLDWATER. Mr. Speaker, I rise to urge my colleagues to defeat the previous question on the rule to consider the public debt limit increase and thus allow an amendment to be offered which would require the Congress to do something definitive about balancing the Federal budget.

I am not going to take this time to reiterate all the figures involved—although those figures are not just shocking, they are truly frightening. I mean, most people have a difficult time comprehending the reality of $1 billion, let alone the mindboggling figure of $839 billion. What people do comprehend, however, is double digit inflation, keeping up with the cost of basic necessities and the almost impossible task of balancing their checkbook at the end of the month.

I know what my constituents are telling me and I know from the tenor of the letters I am receiving that the average person is reaching the point of desperation in trying to cope with the cost of living. My constituents are not just worried; they are angry—and with good cause.

I, frankly, do not know whether the Federal Government has already spent its way to the point of no return, but if it has not reached that point, it is on the verge.

Time has run out. The crisis is now, and patchwork solutions, such as amendments to the budget resolution and appropriation and authorization bills, are not enough. This Congress had better recognize that inflation is our No. 1 problem and if we do not do something about it, solutions to our other pressing needs are going to be so much hot air.

In closing, I would like to share with my colleagues a portion of a letter I received from a high school student in my district. His name is Colin Patrick Flaherty. He is from Newbury Park, Calif., and I think we ought to heed what he has to say.

> Dear Mr. Goldwater, * * * The issue that is of most concern to me at the present time is inflation. Not only me, but several of my class mates are worrying about what it's going to be like when we have to be the breadwinners of our own families. It really is a scarey thought to think about how you are going to be able to put enough food on the table for your loved ones, and if you will have enough money left over for things such as housing, medical bills, insurance, taxes, etc. People say that we, the younger generation have it much easier than they, the older generation. I'm starting to think that is a bunch of hog wash.
>
> In closing, all I ask is that you strongly consider some of the things that I have said, and that you consider our younger generation as well as the older generation when you do vote.

Mr. Speaker, I ask my colleagues to consider this young man's request. What we do or fail to do in this Congress will have an impact far beyond 1979 or the 1980 election. If we choose to leave our children and grandchildren with the burden of our generation's debt, we had also better leave them with our abject apologies for destroying the bright promise that has thus far been the American dream.●

The SPEAKER pro tempore. All time has expired on the minority side.

Mr. BOLLING. Mr. Speaker, I will be very brief.

Mr. Speaker, this is not the way to do business, to make in order a nonamendment. I am aware that there is another nongermane amendment, but it was requested by the committee, as I understood it, unanimously by the committee that has jurisdiction. That is the only reason it was granted. I do not think that it is anything but a futility to try to get at this amendment. I just simply do not believe that such an amendment is going to be passed. I think it is very important that we maintain the integrity of the legislative process and vote up the previous question.

Mr. Speaker, I now move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 222, nays 197, not voting 13, as follows:

[Roll No. 16]

YEAS—222

Addabbo	de la Garza	Hightower
Akaka	Dellums	Holland
Albosta	Derrick	Holtzman
Alexander	Derwinski	Howard
Ambro	Dicks	Hughes
Andrews, N.C.	Diggs	Hutto
Annunzio	Dingell	Jenkins
Anthony	Dixon	Jenrette
Applegate	Dodd	Johnson, Calif.
Ashley	Downey	Jones, N.C.
Atkinson	Drinan	Jones, Tenn.
AuCoin	Duncan, Oreg.	Kastenmeier
Bailey	Eckhardt	Kazen
Baldus	Edgar	Kildee
Barnes	Edwards, Calif.	Kogovsek
Bedell	Ertel	Kostmayer
Bellenson	Evans, Ga.	LaFalce
Benjamin	Fary	Leach, La.
Bennett	Fascell	Lederer
Bingham	Fazio	Lehman
Blanchard	Ferraro	Leland
Boggs	Fisher	Lloyd
Boland	Fithian	Long, La.
Bolling	Florio	Long, Md.
Boner	Foley	Lowry
Bonior	Ford, Mich.	Luken
Bonker	Ford, Tenn.	Lundine
Bouquard	Fowler	McCormack
Brademas	Frost	McHugh
Breaux	Fuqua	McKay
Brinkley	Garcia	Madigan
Brodhead	Gaydos	Maguire
Brooks	Gephardt	Markey
Brown, Calif.	Gialmo	Matsui
Burlison	Gibbons	Mattox
Burton, John	Ginn	Mavroules
Burton, Phillip	Glickman	Mazzoli
Byron	Gonzalez	Mikulski
Carr	Gore	Mikva
Cavanaugh	Gray	Miller, Calif.
Chisholm	Guarini	Mineta
Clay	Gudger	Minish
Coelho	Hall, Ohio	Mitchell, Md.
Conyers	Hamilton	Moakley
Corman	Hanley	Mollohan
Cotter	Harkin	Moorhead, Pa.
D'Amours	Harris	Murphy, Ill.
Danielson	Hefner	Murphy, N.Y.
Daschle	Heftel	Murphy, Pa.

Murtha	Rodino	Studds
Myers, Pa.	Roe	Swift
Natcher	Rosenthal	Synar
Nedzi	Rostenkowski	Thompson
Nolan	Roybal	Udall
Nowak	Russo	Ullman
Oakar	Sabo	Van Deerlin
Oberstar	Scheuer	Vanik
Obey	Seiberling	Vento
Ottinger	Shannon	Walgren
Panetta	Sharp	Waxman
Patten	Simon	Weaver
Patterson	Skelton	Weiss
Pease	Slack	Whitley
Perkins	Smith, Iowa	Whitten
Peyser	Solarz	Wilson, C. H.
Pickle	Spellman	Wilson, Tex.
Preyer	St Germain	Wirth
Price	Stack	Wolff, N.Y.
Rahall	Staggers	Wolpe, Mich.
Rangel	Stark	Wright
Ratchford	Steed	Yates
Reuss	Stewart	Young, Mo.
Richmond	Stokes	Zablocki
Roberts	Stratton	Zeferetti

NAYS—197

Abdnor	Frenzel	Moorhead, Calif.
Anderson, Calif.	Gilman	Mottl
Andrews, N. Dak.	Gingrich	Myers, Ind.
Archer	Goldwater	Neal
Ashbrook	Goodling	Nelson
Badham	Gradison	Nichols
Bafalis	Gramm	O'Brien
Barnard	Grassley	Pashayan
Bauman	Green	Paul
Beard, R.I.	Grisham	Pritchard
Beard, Tenn.	Guyer	Pursell
Bereuter	Hagedorn	Quayle
Bethune	Hall, Tex.	Quillen
Bevill	Hammer-schmidt	Railsback
Biaggi	Hance	Regula
Bowen	Hansen	Rhodes
Broomfield	Harsha	Rinaldo
Brown, Ohio	Heckler	Ritter
Broyhill	Hillis	Robinson
Buchanan	Hinson	Roe
Burgener	Hollenbeck	Roth
Butler	Holt	Rousselot
Campbell	Hopkins	Rudd
Carney	Horton	Runnels
Carter	Hubbard	Santini
Chappell	Huckaby	Satterfield
Cheney	Hyde	Sawyer
Clausen	Ichord	Schroeder
Cleveland	Ireland	Schulze
Clinger	Jacobs	Sebelius
Coleman	Jeffords	Sensenbrenner
Collins, Tex.	Jeffries	Shelby
Conable	Johnson, Colo.	Shumway
Conte	Kelly	Shuster
Corcoran	Kemp	Smith, Nebr.
Coughlin	Kindness	Snowe
Courter	Kramer	Snyder
Crane, Daniel	Lagomarsino	Solomon
Crane, Philip	Latta	Spence
Daniel, R. W.	Leach, Iowa	Stangeland
Dannemeyer	Leath, Tex.	Stanton
Davis, Mich.	Lee	Stenholm
Davis, S.C.	Lent	Stockman
Deckard	Levitas	Stump
Devine	Lewis	Symms
Dickinson	Livingston	Tauke
Donnelly	Loeffler	Taylor
Dornan	Lott	Thomas
Dougherty	Lujan	Treen
Duncan, Tenn.	Lungren	Trible
Early	McClory	Vander Jagt
Edwards, Ala.	McCloskey	Volkmer
Edwards, Okla.	McDade	Walker
Emery	McDonald	Wampler
English	McEwen	Watkins
Erdahl	Marks	White
Erlenborn	Marlenee	Whitehurst
Evans, Del.	Marriott	Whittaker
Evans, Ind.	Martin	Williams, Ohio
Fenwick	Mathis	Winn
Findley	Mica	Wyatt
Fish	Michel	Wydler
Flippo	Miller, Ohio	Wylie
Forsythe	Mitchell, N.Y.	Yatron
Fountain	Montgomery	Young, Alaska
	Moore	Young, Fla.

NOT VOTING—13

Anderson, Ill.	Hawkins	Traxler
Aspin	Jones, Okla.	Williams, Mont.
Collins, Ill.	McKinney	Wilson, Bob
Daniel, Dan	Moffett	
Flood	Pepper	

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins for, with Mr. McKinney against.

Mr. Pepper for, with Mr. Bob Wilson against.

Until further notice:

Mr. Traxler with Mr. Moffett.

Mr. Flood with Mr. Dan Daniel.

Mrs. Collins of Illinois with Mr. Aspin.

Mr. Jones of Oklahoma with Mr. Williams of Montana.

□ 1655

So the previous question was ordered. The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

TEMPORARY DEBT LIMIT INCREASE

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1894) to provide for a temporary increase in the public debt limit, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1894, with Mr. MCHUGH in the chair.

□ 1700

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the outstanding public debt will reach the present statutory limit about March 9, and it is necessary that Congress act now to enable the administration to pay the Federal Government's bills as they come due. This bill, H.R. 1894, deals with this requirement and two matters which relate to the procedures for financing the debt.

PUBLIC DEBT LIMIT

At the present time, the limit on the amount of public debt is $798 billion, and authority to issue $398 billion of this total is available only temporarily through March 31, 1979. After that date, the temporary authority will expire, and only the permanent authority to issue $400 billion in debt will continue to be available.

Last July, when the House last considered a debt limit, a floor amendment was approved to reduce the committee's recommendation from $814 billion to $798 billion. We did not expect that lower limit to last through March 31, 1979, but we hoped then that the amended debt limit would provide sufficient authority through the end of February. The current outlook is slightly more optimistic—$798 billion is sufficient debt authority for at least the first week into March.

In the bill reported by the Committee on Ways and Means, the public debt limit is raised to $836 billion through the end of this fiscal year. This limit is the same amount that was specified last September in the second budget resolution. Because the administration's recently revised budget estimates for fiscal year 1979 yield an estimated unified budget deficit within $2 billion of the budget resolution, the public debt limit in the committee's bill and in the second budget resolution will accommodate the administration's estimate of needed borrowing authority.

Before this proposed limit expires at the end of September, Congress will complete action on the second budget resolution for fiscal year 1980, and the House will be able to set a public debt limit for next fiscal year that is consistent with the congressional budget perspective.

The Treasury Department has indicated that with the present debt limit it has enough authority to meet financial requirements through about March 9, 1979. Then, the level of outstanding debt will have reached the statutory ceiling; further debt may not be incurred for general financial purposes, to invest trust fund reserves or to finance credit programs through the Federal Financing Bank, although it will be possible to roll over existing debt as it matures. To assure that no further debt is incurred, the Treasury would have to terminate sales of savings bonds. It will be able to pay bills only to the extent that there are funds in the operating cash balance, and payments then can be made only at the same rate revenues from taxes and fees are received.

That arrangement could continue only through the end of March, at the longest, because after March 31, the temporary limit will expire and the public debt limit will revert to $400 billion. In that circumstance, additional financial restrictions go into effect, maturing debt could not be reissued, and when the cash balance runs out, no bills could be paid and no loans repaid. In the first 3 days of each month, about $13 billion in payments must be made under various entitlement programs—the largest of them being the payment of social security benefits. In addition, on each working day there are payrolls to be met and payments made on grants to State and local governments and on contracts for goods and services purchased from private business.

For these reasons, it is necessary that we pass this debt limit increase today.

INCREASE IN LIMIT ON LONG-TERM BOND AUTHORITY

The second issue in the committee bill deals with the authority of the Treasury Department to issue long-term bonds. Since 1970, Congress has allowed the Treasury Department to issue bonds which carry interest rates above the statutory ceiling of 4¼ percent. This ceiling applies to U.S. debt with maturities longer than 10 years which are held by the public. When Congress agreed to an administration request for an additional exception, it acted only with respect to the immediately prospective financial requirements.

At the present time, the exception provides authority for $32 billion of these bonds to be outstanding. The Treasury Department told the committee earlier this month that $40 billion in authority would be needed for the Treasury Department to complete its financing program for fiscal year 1979.

When the committee has accommodated administration requests for an addition to this exception, the addition has been just enough to meet requirements in the immediate future. The committee has been wary of granting too much authority for long-term bond issues when prudent policy calls for the Government to minimize its participation in the long-term bond market. At the present time, however, appropriate debt management policy would have the Federal Government issue long-term debt because it is substantially less inflationary than short-term debt which, because there is a large market for it, is considered as almost the equivalent of money.

Nevertheless, the committee believes it should provide an additional exception only with caution, in order to avoid creating a capricious increase in long-term interest rates.

DISCRETIONARY AUTHORITY TO RAISE SAVINGS BOND INTEREST RATES

The third issue in the committee bill deals with the discretionary authority available to the Treasury Department to raise interest rates on savings bonds. In recent months, the value of redemptions of savings bonds has been greater than the value of sales of the bonds. Generally, money market specialists, inside and outside of the Federal Government, think that the higher interest rates available to savers through banks and savings institutions have become an alternate source of investment for many people. The administration believes that, if this trend continues, an increase in the interest rate of savings bonds above the present 6-percent limit will be required to make U.S. savings bonds an attractive investment once again.

Accordingly, the committee bill grants the Secretary of Treasury his request for discretionary authority to raise the interest rate of U.S. savings bonds from 6 to 6½ percent. This authority may be exercised only with the approval of the President. The committee believes that the administration prefers not to raise this interest rate. Nevertheless, if the administration has this discretionary authority available before the need to use it, it can be exercised quickly if conditions in the money market require that the interest rate on savings bonds be raised. When this authority is used, the higher rate will be paid on all new and outstanding savings bonds.

The Vanik amendment increases the range within which discretionary authority over savings bonds interest rates can be exercised. The committee bill permits increases of an additional one-half percentage point, and the Vanik amendment doubles the size of the range to 7 percent. The amendment does not require that interest rates be raised by that much at any time. It does give the Treasury Department greater freedom to respond to competitive pressures.

It is imperative that we extend the public debt limit to allow the Treasury Department to pay the bills that are coming due under present law. I urge the House to pass this bill.

□ 1710

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as we embark today on the first substantive debate in the 96th Congress, I would like to say to our freshman Members that you are about to be initiated into one of the oldest traditions of the Congress—voting to increase the limit on the public debt. The 96th is barely 6 weeks old, and scheduling the vote this early creates a real chance to beat the current record of seven debt limit votes in a single Congress. Yours may be the first freshman class to vote eight times on the debt limit in one Congress.

I am sorry if this sounds facetious, but I find it difficult to be serious about these votes on the debt limit when Congress deals so cavalierly with fiscal policy. Debt increases, after all, cannot be separated from votes on spending and taxes.

I hardly need to remind you of the surge of popular sentiment in favor of a balanced Federal budget. A great many people seem to feel that using the Constitution is the only way to accomplish this aim. I am sympathetic with their goal, but I do not think the Constitution ought to be burdened with specific details or procedures of fiscal policy. Responsible congressional action, a justification of the representative government in which we believe, would be preferable.

Through the legislative process, we already have plenty of tools at hand to achieve the policies people indicate they favor. The public debt limit is one of the oldest such devices. The Budget Act is a more recent attempt by Congress to gain control over fiscal policy.

Both of these measures could be employed by Congress to balance the Federal budget. The reason why they are not is clear. Congress simply lacks the will and the self-discipline to balance the budget.

Congress has lost its credibility on this issue. People no longer believe Congress will balance the budget. People no longer believe Congress will enact significant cuts in Federal spending. People no longer believe Congress will hold down their taxes against inflation. People no longer believe the empty rhetoric that so frequently echoes in this Chamber. Their scepticism is justified by the actions of Congress in recent years.

Republican Members served notice in the 95th Congress that we would no longer vote for these repetitive increases in the public debt limit. We voted against the high spending levels contained in the concurrent budget resolutions, and we do not feel any responsibility for supporting the debt limit increases necessitated by these budget resolutions. Our decision not to vote for the debt limit increase puts the entire responsibility for voting to pay the Government's bills on the shoulders of those who voted to incur the spending in the first place, in this year's budget.

This responsibility cannot be escaped by trimming off a few billion dollars from the total. That would only bring us back before the August recess for another debt ceiling increase. Breaking the debt increase into very small pieces does not reduce the total—we could vote every Tuesday on the increase necessary to carry us for a week and we would still come out at the same place at the end of the year.

The vote on the debt limit increase before us today really amounts to ratifying the actions taken last September on the second budget resolution. This will not be the case with the next vote on the debt ceiling. Between now and then Congress will outline the fiscal policy for 1980. In a very real sense, our actions on the fiscal year 1980 budget will be our last chance to restore the credibility of Congress as an institution capable of heeding the sentiments of the American people in favor of a balanced Federal budget. If we do not listen to them this time, we may find that the decision will no longer be ours to make.

Mr. Chairman, I reserve the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield 6 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, this is our annual, or semiannual, debt ceiling runaround. By voting today to raise that ceiling by some $38 billion we shall only be putting the final seal of approval on what has already been done months ago during the last Congress by our votes on 1979 appropriations and taxes. Raising the debt ceiling now merely makes an honest woman out of the budget already put in a deficit way.

We should pass this measure as quickly and painlessly as possible. Those Members who have to hold their noses while voting should be excused for doing so. It will be a waste of time to vote against the new debt limit today knowing full well that the Ways and Means Committee would then have to come back again in a few days with a slightly altered version of the same thing. Otherwise by mid-March the Federal Government will be unable to meet its payroll, send out social security checks, pay contractors what they are due, and satisfy grant obligations to States and localities. All of these are unthinkable so we might as well dispose of the matter here and now.

For those Members who, like me, have wanted to reduce the Federal deficit more than has been proposed over the past several years the right course of action is clear: vote for budget resolutions in May and again in September that restrain outlays, and vote during the summer months for tightly controlled appropriations. And also take care not to vote for authorizing too many new projects and expanded programs that set in motion larger expenditures next year and in following years. These are the straightforward ways to attack the deficit and move rapidly toward a balanced budget.

In a way it would be more sensible to handle this matter as a part of the budget resolutions first in May and later in September. The bill before us raises the debt limit to accommodate the spending already voted through September of this year. At that time, in conjunction with the second budget resolution if not as part of it, Congress should adjust the debt ceiling for the ensuing 12 months of fiscal year 1980. This could continue to be done by a separate vote as we have been doing but the debt figure should be the same as that in the second budget resolution which, of course, also contains a revenue floor and both expenditures and deficit ceilings. By doing all of these at about the same time, much confusion and wasted time could be avoided. And we just might not have to go through this charade that we have become accustomed to the last several years.

If developments during the course of a fiscal year for which these various limits have been set warrant, the matter can be reopened for committee and congressional consideration by invoking the provision of the budget act for a third resolution. One hopes, however, that the revenue and expenditure plans and forecasts will be sufficiently accurate that such a reopening will not be necessary.

Along the way another simplifying improvement should be made. The division of the debt limit into a so-called permanent debt limit—$400 billion—and a so-called temporary debt limit—now $398 billion and proposed in this bill to be raised to $436 billion—is largely a fiction, in my view a useless fiction. Legislation to eliminate this division leaving one overall debt limit would be desirable if only to remove a source of misunderstanding. The higher single debt limit figure might also serve to add a little pressure in the direction of tighter budgeting and deficit reduction.

I urge my colleagues to approve the new debt ceiling proposed in this bill, a ceiling made inevitable by spending commitments already made. And then I urge my colleagues to think in terms of adjusting the ceiling, as desirable, and necessary, next May in the provisional first budget resolution and again next September in the binding second budget resolution for the following fiscal year. If we continue to want to have separate votes like this one, on the debt ceiling, so be it. But let us do this consistently with the budget resolution vote and at about the same time.

□ 1720

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL), a member of the committee.

Mr. FRENZEL. Mr. Chairman, the bill before us, the increase in the Federal debt ceiling, is the symbol of the profligacy of the Congress. It is the ghost of spending fast that periodically rises from its resting place to torment us with visions of our spending sins.

I will not vote for it, because it represents the budgets and appropriations I did not support. Those who have supported the excessive budgets of the past several years have obligated themselves to support it. They can vote for it if they wish. I shall not.

And it is unfortunate that many of us who are more fiscally conservative cannot vote for it. Our vote against it is perhaps a feeble protest, but it's the only protest we have left.

The unfortunate part is that Congress has already approved the expenditures. The question today is whether the Government's word is any good. A vote against the bill says Congress refuses to pay our bills. Again, I say, let those who incurred the bills now vote for the borrowing to pay them.

Two other features of the bill are meritorious. The increase in the allowed long-term debt is necessary to achieve borrowing balance, the least disruption to the money markets, and the lowest cost to the taxpayer. The increase in interest allowed for savings bonds is also necessary to keep that vital program strong.

Mr. Chairman, this is a bill that I could strongly support had I voted for the measures that caused the need for the increased borrowing. I did not. Therefore I will not.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, the American people have a right to know that it is the Democratic administration and the Democratic majority in this Congress who are asking for an increase in the public debt ceiling. And, once again, the big spenders in the majority party are practicing their traditional philosophy of spend and borrow. What must the American taxpayer think of us today? I believe the answer to that question is simple. The American taxpayer is thinking and believing that the politicians and bureaucrats in Washington have, once again, turned their backs and closed their ears to a message that is sweeping this country from Maine to Hawaii. That message calls for fiscal responsibility, fiscal restraint, firm control, and cuts in the reckless policies of the Democratic big spenders in this Congress.

The great and beloved Republican statesman and leader from the State of Illinois, the late Senator Everett Dirksen, summed it up in one short, illustrative sentence when he said:

> You throw in a couple of billion dollars here, and a couple of billion dollars there, and before you know it you are talking about real money.

Today we are not talking about a couple of billion dollars. We are talking about an increase in the public debt ceiling of $38 billion. The Democrats have been borrowing and spending us into the red for decades. The time has come for such fiscal and economic irresponsibility to stop, and the American people have the right to know that the Republicans oppose this increase. Indeed, the Republican Policy Committee, which I have the honor to chair, voted unanimously last week to oppose this increase, to vote it down. We are challenging the thoughtful Democrats in this Chamber to do just that, to join us, to join their Republican colleagues, and vote "no" on this bill.

How can we possibly justify saddling not only our present generation but generations for years to come with this stifling public debt? The Democratic big spenders have created a monster. One does not run around spending money here and there, paying bills first and then looking in the bankbook to find that there is not enough money to cover what has been spent. That makes no sense. And increasing the public debt ceiling several times each year makes even less sense. Let us begin looking at our bankbooks first.

To those who argue that the debt ceiling must be raised to pay the Government's bills, we say: "It was not the Republicans who voted this country into an $800 billion debt. It was the Democratic majority." Let those who have danced to the Democratic big spenders' tune now vote to pay the piper.

□ 1725

The gentleman from Virginia referred to this being a vote which did nothing more than make an honest woman. I say to that, let those who enjoyed the political pleasures in the boudoir of that woman that got us the deficit spending, let those political pleasure seekers now vote to pay the bill.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, I hope Mr. SHUSTER will stay around, because I intend to talk about some of the remarks that he made.

I cannot believe my ears—I cannot believe that Mr. SHUSTER would have been before the Ways and Means Committee last year advocating $3 billion of deficit spending just on the highway program.

Mr. SHUSTER. Mr. Chairman, would the gentleman yield?

Mr. GIBBONS. I will be glad to yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman. I am delighted that he brings up this point. Surely, the gentleman knows that highway funds come out of the highway trust fund.

Mr. GIBBONS. I refuse to yield past that point. The highway trust fund that the gentleman wanted to raid last year will produce about $8 billion a year. You wanted to kick the spending up to $11 billion, to $12 billion, to $13 billion, to $14 billion a year.

Mr. SHUSTER. Will the gentleman yield?

Mr. GIBBONS. I refuse to yield any further. You have got plenty of time on your side.

I cannot believe my ears, that the same gentleman that would just get up here and make that speech when just 6 months ago had been before the Ways and Means Committee just pushing real hard to do a lot of deficit spending on the program he was interested in.

I am going to tell all of you in this House, I have voted every way you can think of on this issue. I do not want to demagog. I have voted every way you can, but you know, unless you can stand in the well of this House and say, "I have voted against all the spending programs, I voted to cut all these things," then you know in your own heart that you got to put the money in the bank when the checks start coming in. And, the checks are going to come in on March 7.

If you want to conduct a government Italian style—and I do not mean any disrespect for the Italians—but if you want to conduct a government like they have done, by creating one crisis after another, then you can vote that way; but, I do not choose to vote that way.

Mr. SHUSTER. Mr. Chairman, would the gentleman yield for a question?

Mr. GIBBONS. I will be glad to yield for a question.

Mr. SHUSTER. Is it not true that under Federal law today, there can be no deficit spending in the highway trust fund program because the law requires that the Secretary of the Treasury must certify that the funds must be there? Therefore, it is one of the few programs in which there cannot be deficit spending. Is that not the law?

Mr. GIBBONS. The way you all had it rigged this year, borrowing the money from the future expenditures——

Mr. SHUSTER. Is that not the law?

Mr. GIBBONS. It is fixed by law.

Mr. SHUSTER. Is that not the law?

Mr. GIBBONS. No, it is not the law.

Mr. SHUSTER. It is the law, and the gentleman knows it is the law.

Mr. GIBBONS. It is not the law, but I cannot believe a Member of such stature as Mr. SHUSTER would come here, after urging the kind of spending he did before the Ways and Means Committee last year, and advocate what he has done.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Florida.

Mr. GIBBONS. We can all demagog this issue back and forth any way we want to, but next week the checks are coming in. Of course, I know we will probably vote this down today because that is the charade we always follow. I believe just what Mr. CONABLE has said and just what Mr. FRENZEL has said, this debate should be linked with the actual spending programs that we vote on in the time when appropriations are here on the floor, or authorization programs are here on the floor, or the program having to do with the budget is here on the floor.

We have a disjunctive situation here. We make great economy speeches now, and then we vote any way we want to on all the other programs that we happen to particularly favor. That is not a great way to conduct the Government. The checks are going to start bouncing on March 7 unless there are enough of us here to put the money in the bank.

Mr. CONABLE. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. I thank the gentleman for yielding.

Mr. Chairman, I say to my colleague, the gentleman from Florida, that I am shocked that he can stand in the well of the House and say that there can be deficit spending in the highway program. He knows under present law the Secretary of the Treasury must certify the funds are there. These are funds paid by the motoring public of America, and if the funds are already paid by the highway users, paid through our gasoline tax, the money is already there, paid, and in the trust fund. The only thing worse than taxing people is taxing them and not spending the funds. Under the law the money must be there. Surely, we all know that. It is clear and obvious. It is the law of the land.

The highway trust fund program is one of the few programs which comes before this Congress in which there cannot be under the law deficit spending. So I think that as a matter of record should be made extremely clear.

I would say in conclusion to the gentleman that if he checks my voting record he will surely see that I am not one of those in this House whose cumulative votes for spending add up to the massive deficits which we face in this Congress and in this Nation. I say to the gentleman again it is the Democratic majority which has caused this massive deficit and so let the big spenders now step up to provide a way to solve this fiscal problem.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, there has been a great deal of conversation directed to the freshmen Members of this Congress. I have the privilege once again to be a freshman Member of this Congress. During the time that I sat with my colleagues on the Republican side of the House, I voted for every extension of the debt limit, because I felt that it was foolish; it made no real sense to try to pretend to the public that we did not have to pay our bills. What had to be done and what still has to be done is that the debt limit must be extended.

I would like to say to the freshmen on either side: If they want to register a real feeling about the spending in this Congress, then they should vote when the bills come up that they think are wasteful, that they do not think will do the job, and they should vote against those bills.

I would like to say to some of my colleagues on either side who are opposing the extension that I have fought many times on the floor when an issue of farm subsidies running into billions was under consideration, where the very Members here today are saying we are not going to vote for the extension of the debt, and voted for everyone of those programs.

This is a question of a government paying its bills. It is nothing more than that. Sometimes we do not give the public the credit they are entitled to, but the public understands this. They understand we have bills. Maybe we should not have voted for some programs that we did, but we still have to pay the bills. This is a government that is responsible. If this Congress does not act to keep the Government responsible, it will be our fault and not the public that is at fault, because the public would vote for this. They might say: "Let us not spend more money," but they would say: "Pay your bills."

And that is what I urge the freshmen and all Members to remember on this vote.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. CLINGER).

□ 1735

Mr. CLINGER. Mr. Chairman, as a freshman Congressman, I am deeply disturbed to find myself in the midst of a depressingly regular ritual brought about by congressional overspending. This Congress now finds the bill coming due for last Congress budgeting excesses and proposes to allow our Nation to go yet deeper into debt in order to pay this bill.

These yearly crises ought to be prevented and can be prevented. Congress must exercise more responsibility and self-discipline and refuse to vote for spending programs that cost more money than the Government has. Ours is a Nation that was built on thrift and self-discipline; prolongation of the national debt is a dangerous repudiation of this essential heritage.

It is, indeed, unfortunate that it should be the position of just the minority party to say "no" to repeated deficits. All of us in the 96th Congress must make an effort to heed our constituents' pleas for a cutback in excessive Government spending. Rejecting an increase in the national debt ought to be the first step of many that this Congress takes toward the goal of a sound fiscal policy and a balanced budget, a goal that is earnestly desired by many millions of our fellow citizens.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Chairman, today Members of this body have their first opportunity in this session to express their concern about the growing public debt and the problems created by that growth. For too many years now, the Congress has piled debt upon debt rather than face reality and bring the Federal Government's spending policies into line with its revenues. The results of such past overspending confront us daily in the complaints from our constituents about the near double-digit inflation rate which is depriving them of their earnings and their future security.

The public debt has grown from $222 billion in 1955 to the current limit of $798 billion; and now we are being asked to raise the temporary debt ceiling to $436 billion, thus increasing the total

debt limit to $836 billion. The interest alone on that debt constitutes nearly 10 percent of the total Federal budget.

This very process perpetuates a fraud on the American public. The temporary debt ceiling was characterized as temporary, because it was anticipated that at some point the debt would revert to the $400 billion permanent ceiling. Through years of persistent increases, however, the temporary ceiling has become temporary only in the sense that it remains subject to upward revision. In other words, temporarily high becomes temporarily higher.

Each year, Members are warned that if they do not pass an increase in the temporary debt ceiling, dire consequences will follow.

Mr. Chairman, I submit that we are already experiencing the dire consequences of continuing to play out this charade. The dollar has lost its value at home and abroad; persistent inflation is eroding not only the monetary value of our currency, but the very foundations of our society. People at all levels are beginning to question the traditional ethic that they will be able to get ahead through hard work as they scramble just to stay in place. It is little wonder that the public expresses so little confidence in the Congress when one reviews the actions of this body with respect to the national budget. The congressional budget process was initiated in order to create a coordinated congressional approach to spending. So long as the Congress continues to add program after program and sanctions those increases by voting to raise the debt ceiling, the budget act will remain emasculated. What is needed is a constitutional amendment to prohibit this practice. I have introduced a constitutional amendment to this end and am increasingly convinced that such an amendment is the only way to eliminate Federal deficit spending and inflation. Let us move in that direction today by voting against increasing the national debt.

Mr. ULLMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Chairman, I rise today in strong support of H.R. 1894, the temporary debt limit increase. This bill would provide for a total debt of $836 billion. I would like to take this opportunity to explain what the issues are and what the issues are not on this bill.

First of all, Mr. Chairman, present law calls for the Congress to select a debt limit which will be adequate to finance the Federal Government's budget until Congress decides it wants to review the matter again. Since the debt limit must be consistent with the most recently enacted budget resolution, extensions of the limit must be made with that resolution in mind. We all know that budget resolutions do not have the effect of law, and that is why we are considering this bill today.

The debt limit procedure is not the way for Congress to control the debt. The real way, and the best way, to control spending is through the budget process. In this regard, the Congressional Budget Act of 1974 greatly improved congressional budget procedures and provided a more effective means of controlling the debt. That act requires congressional resolutions on appropriate levels of budget outlays, receipts, and public debt. Today's debt limit extension is only a consequence of our decision last fall on the amounts of Federal taxing and spending for fiscal year 1979. We made these decisions after months of deliberation on what Federal programs should be given what amount of dollars for the next year. It is our duty to set the limit on the debt consistently with these dollar figures. This bill, in calling for a temporary debt ceiling of $436 billion, brings the debt limit in line with the amount called for in last fall's budget resolution.

Mr. Chairman, it is projected that the current debt limit of $798 billion will be reached about March 9. If we do not act quickly to increase it, we will be tying the hands of our Federal Government. The Treasury will not be allowed to borrow to refund securities and to pay the Government's other legal obligations.

Letting the debt ceiling expire will have even more severe consequences. Congress let that happen in 1977 and in 1978. Because the Treasury could not sell bonds during this time, Federal trust funds which invest their money in bonds lost interest in the amount of $1.5 million in 1977, and $1.8 million in 1978. I, for one, do not want to perpetrate a fraud on the American people by telling them I have voted to decrease the public debt while at the same time costing them millions of dollars in lost interest.

Mr. Chairman, this bill also involves two other items of debt management which are equally important. It would increase from $32 to $40 billion the amount of long-term securities which the Treasury can issue at interest rates above 4.5 percent, and it would allow Treasury to set the interest rate on savings bonds up to 1 percent above the 5½ percent maximum. Treasury has worked hard in recent years to get our debt in a better position. The average length of maturity of the Federal debt increased from 2 years, 5 months to 3 years, 4 months between 1977 and 1978. Savings bonds must remain competitive if we are to continue to rely on them for significant financing. This bill addresses these problems along with the debt limit.

Mr. Chairman, everyone knows our Federal Government is operating at a deficit. But we have made significant progress in recent years to get it down, and we must continue to do so. The way to do this is through the budget process, not by crippling the Federal Government by refusing to face up to the decisions we have already made this fiscal year.

□ 1740

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Chairman, I rise in opposition to this legislation which will increase the Federal Government's temporary debt limit. This legislation is numbered H.R. 1894. To me and to many of the American people it should be numbered 1984. For this legislation ignores the demand of the American people to get our economy back on sound footing and to operate from a balanced budget. The "Big Brother" mentality is at it again.

At the heart of our economic problems, in my opinion, is the policy the Federal Government has followed with alarming consistency over the past decade—the policy of spending more money than it takes in.

Since 1970, the national debt has gone from $363 billion to the current level of $798 billion. This is an increase of over 100 percent. We are now paying an incredible $60 billion a year just for interest on the national debt.

This represents over 12 percent of the entire Federal budget for fiscal 1979 that we are spending just to pay for past economic mistakes.

When we talk of reordering priorities, we need look no further than this interest payment on the national debt to see one major area that could stand some reform.

We cannot expect inflation to really be slowed, or the dollar to be really sound, until we decide to stop spending money as if it grew on trees instead of coming out of the taxpayer's pocket.

I hope my colleagues will agree with me and say "Enough, Enough" and vote against this proposal.

□ 1745

Mr. CONABLE. Mr. Chairman, I now yield 3 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I rise in opposition to H.R. 1894. This is the 19th time since 1970 that the Congress has been asked to increase the debt ceiling. Since 1970, the total public debt has increased from $372.6 billion to $791.6, or an increase of $419 billion. Obviously, placing so-called limits on the debt does very little to limit Federal spending. To that degree, the word "limit" seems to be as much a misnomer as the word "temporary."

This Chamber will hear the often made claims that chaos will result unless the debt is increased. However, I submit that another type of chaos will result unless we begin to place restraints on deficit spending. It seems almost paradoxical that some of the same Members who have expressed the greatest fears over a possible Constitutional Convention to draft a balanced budget amendment are the same Members who support this bill. Certainly, if there is any one way to assure ourselves of receiving the requisite 34-State petitions calling for the convening of a Constitutional Convention it is to continue to spend well beyond our means as this measure would allow us to do.

Very few, if any, Members won his or her election to the 96th Congress by expressing support for deficit spending. In fact, I would venture to guess that most won by opposing the irresponsible fiscal policies that created the almost $800 billion debt we now have. Nevertheless, here we are not even 2 months into the Congress and we are asked to

increase the debt limitation. It is of little wonder that over half the States have requested the Constitutional Convention.

We are being asked today to approve a $38 billion increase in the temporary debt limit for the next 8 months. If we continue to increase the total deficit at that same rate, it will be less than 3 years before the total debt is over $1 trillion. A trillion dollar debt is not something that we should support. The only way to prevent that dubious benchmark in our history is by beginning today to refuse to allow further increases in the total debt.

To be sure, our Nation is now at a historical crossroads in its development. For the first time, we are not only running short of energy, but we are attempting massive improvements in our environment. As we all know, these two issues sometimes work against each other. Tremendous capital investments will be necessary by the private sector of our economy if the Federal energy and environmental regulations are to be met. However, deficit spending by the Federal Government makes private investments increasingly difficult in proportion to the size of the deficit.

Our economy simply cannot stand the pressure of energy and environmental expenditures coupled with high Federal deficits. Housing costs are affected by this—so are interest rates. The continued increasing and excessive deficits each year have made the Federal Reserve's responsibility of maintaining control over the money supply more difficult. The fiscal year 1978 Government borrowing took 22 percent of the total funds available in the entire economy. This year the U.S. Government will have to roll over over $150 billion in existing securities which normally results in expanding money supplies and increased inflation. Approximately $38 billion new borrowing is needed to pay current 1979 bills. While this goes on, the Federal Reserve is trying to sustain an economic recovery and restrain inflation. Such a task is extremely difficult, and can fail very easily. Any decrease in the deficit certainly would make the Federal Reserve's job easier.

If we continue with high deficit spending, a recession is highly probable. A recession would bring on new demands for deficit spending to get the economy moving again. Thus, the cycle of recession and inflation would continue.

We must bring the Federal Government's spending habits under control. That seems to be the only way in which we can again have a strong economy. To authorize an additional increase in the temporary debt today will only act as a symbol to the citizens of this Nation that the Congress has yet to hear their demands for a sound fiscal policy. On the other hand, if we refuse to increase the debt, our constituents will, for the first time, know that this Congress is going to take whatever steps are necessary to bring the Federal budget under control.

I strongly urge the defeat of H.R. 1894.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. MOORHEAD).

□ 1750

Mr. MOORHEAD of California. Mr. Chairman, I rise is opposition to H.R. 1894.

H.R. 1894 increases the temporary public debt limit from $398 to $436 billion for a total debt limit of $836 billion through September 30, 1979. The Federal Government now spends $48 billion a year just to pay the interest on our present debt, and we are running up huge deficits each year, more than $30 billion for the coming year.

The gentleman from Virginia (Mr. FISHER) placed the matter in perspective when he said we are passing on the final seal of approval on spending over this last year. I do not approve of the spending that we went through this last year, and I do not believe that many people who are fiscally responsible do. For that reason I oppose this bill. It is my way of saying I do not approve of deficit spending, whether past or future.

The American people are demanding an end to this suicidal spending. The American people are telling us that they are fed up with inflation caused by excessive Government spending. They are fed up with the diminishing purchasing power of their paychecks and their pension checks. They are fed up with a sick economy and a dollar worth less and less abroad. They are fed up with the Government eating up the capital so necessary for business to expand and provide new jobs.

Twenty-nine States have called for a Constitutional Convention for the purpose of proposing an amendment to the Constitution forbidding Federal deficit spending.

In the Congress 76 resolutions, including my own, House Joint Resolution 73, have been introduced proposing a constitutional amendment forbidding Federal deficit spending.

The country is moving toward a more sane and responsible position toward Federal spending. The question is—Will the Congress move in the same direction?

We have the opportunity today to fire the first shot in the war against fiscal insanity by voting down H.R. 1894.

Mr. CONABLE. Mr. Chairman, I now yield 1 minute to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, I rise in opposition to H.R. 1894. This bill would raise the "temporary" public debt limit from $398 to $436 billion.

Mr. Chairman, in opposing this legislation, I am not interested in preventing the Treasury from managing the public debt, nor is it my intention to produce chaos in our financial markets. What I am concerned with is the consistent failure of Congress to recognize the implications of repeatedly voting for increases in the "temporary" debt ceiling.

There is ample evidence that the American people are fed up with deficit spending, and well they should be. It took us 169 years to reach the $280 billion debt level; it required another 13 years to reach the $400 billion mark * * * yet it has taken only 8 short years to more than double this figure: The estimated 1979 national debt is an incredible $839 billion, and by fiscal year 1980 we are expected to reach $900 billion.

I realize that the magnitude of such a figure is hard to comprehend, but what it means is that over 10 percent of the Federal budget—almost $60 billion—will be required just to finance the debt. This can be translated into about $260 per year for every single person in this entire country. Yet we continue to spend beyond our means, and then, as if it were an unrelated process, blithely raise the debt ceiling in order to accommodate our unrestrained spending.

I, therefore, share the view of an increasing number of our colleagues that the debt limit must be directly linked to the budget process. It is time for the fiscal responsibility demanded by our constituents; no longer must Members be allowed to oppose increasing the debt ceiling and thus claim restraint, while at the same time supporting the very spending proposals which will increase the debt.

It is the desire of the American people that the Federal budget be balanced. We should be working to reduce the national debt, not to increase it. It is the desire of the American people that we be honest in our handling of the finances of our country. It is time to do away with the deceptive distinction between the "temporary" and "permanent" debt limit. It is the desire of the American pcople that Congress act in a responsible fashion. I, therefore, urge my colleagues to join in opposing this request for an increase in the public debt ceiling, and to join me in restraining Federal spending.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GRAMM)

Mr. GRAMM. Mr. Chairman, I thank the gentleman from New York (Mr. CONABLE) for yielding this time to me.

I asked to be recognized as a Democratic freshman on Republican time since I sought to speak against this proposal.

It seems to me that in all the discussion of facts and figures the fundamental issue has not been addressed. No one with good sense can argue that we can spend money or authorize the spending of money and then not pay the bill. The question is, under what conditions are we going to pay the bill?

We have heard the analogy made here today of a man whose wife has gone out and squandered their substance. No gentleman is going to fail to pay those bills, but only a fool would pay the bills without demanding some guarantees against future abuses as a price for making that payment.

It seems to me that it is very important that we vote down this proposal which seeks to pay the bill without setting any framework to prevent the reoccurrence of those kinds of deficits. I think think it is important that we defeat this bill and that we substitute a measure to pay the bills but, in doing so, set down a framework to stop this endless process of deficit spending that is driving up prices and stealing from our old and our poor

and from those who are on fixed incomes.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. PASHAYAN).

□ 1755

Mr. PASHAYAN. Mr. Chairman, to increase the debt limit would be for this Congress to signal to the people that nothing has changed in our fiscal policy since the 1930's. And yet, today, we face the extraordinary possibility of a Constitutional Convention for the first time in the history of this republic. The convention is called, technically, for the purpose of balancing the budget; but I think it is far more than that. The people are crying out for a change in fiscal policy, and that is what this convention is all about.

Mr. Chairman, I stand here today to say that we must limit this debt. We must reduce Government spending and we must balance the budget. These are steps that are related to one another. These are great steps, and I should like to see this Congress have the courage to take them.

Mr. CONABLE. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio (Mr. REGULA).

The CHAIRMAN. The gentleman from Ohio (Mr. REGULA) is recognized for 4 minutes.

Mr. REGULA. Mr. Chairman, for the past several weeks we have been conducting hearings in the Budget Committee. Two basic themes have dominated those hearings. The first theme is that of inflation. Without exception, the administration witnesses, the members of the Cabinet and the economists have said that the No. 1 problem in America is inflation, and they outlined a blueprint, in part, to solve that problem.

The word "productivity" has reoccurred in the speech of each witness. The words "capital formation" have reoccurred in each of these speeches. The words "increased research and development," the words "modernize our industrial plant," and lastly, the words "reduce the deficit." Each of these is a recognition that fiscal management by the U.S. Government and by this body is essential to dealing with the No. 1 problem of inflation.

This afternoon, Lou Harris, the pollster, appeared before the Select Committee on Aging. He reported on his poll, an evaluation of what problems concern our senior citizens. The No. 1 problem, again, as reported by Lou Harris to our committee, that is the greatest concern to the senior citizens of this country is inflation. He said:

> It is impossible to scratch very far beneath the surface these days to turn up the dominant worry in America in the late 1970's: Deep concern over the continuing high rate of inflation. Fully 84 percent of all retired people feel that inflation is reducing their standard of living. An even higher 86 percent of currently employed people share the same view.

That is what we are talking about tonight. It is the problem of crowding out, the problem of the Federal Government going into the marketplace and sucking up the capital that is needed to deal with productivity, to deal with capital formation, to deal with increased research and development, to deal with modernization, to deal with the needs of our senior citizens, and the problem of printing money to fund the deficits.

Mr. Chairman, back in 1975, when we had a dip in the economy, the Federal borrowings took up 41 percent of the available capital. We are paying the price for that today in the lack of modernization, in the lack of competitiveness of our industry with others in the world, in the deficit balance of payments that reflect the lack of capital back in 1975.

We are headed down that road again. In 1978, it was 14.3 percent, a reduction, in part, resulting from inflation. The borrowing to fund deficits in large part contributes mightily to inflation. Theme No. 1 is before the Budget Committee.

Theme No. 2 is that many are now coming before the committee and demanding new programs, demanding funds for new programs for all kinds of good social activities. If we continue in the course we are following and have followed in the past years, we are not going to have the funds available after funding the uncontrollables.

In 1979, $52.6 billion of the Federal budget will be used to pay the interest on the national debt. This is more than the entire Federal budget in 1952.

Mr. Chairman, I submit that if we are to have funds available for meaningful social programs, for the type of things that the witnesses are asking us to fund in the Budget Committee, and the things that at this point increase the deficit, we have to look to the day when we reduce the impact on the Federal budget of paying interest.

□ 1800

It is a chicken-and-the-egg proposition, because as the deficits go up, as the debt goes up, the interest rates have to go up to get the capital we need to refinance the debt, to fund the new deficits, and in turn this leaves less for many of the things we would like to do, such as programs for senior citizens, so that the kinds of programs many of us want to support we will not be able to because a larger and larger share of the Federal budget will have to be directed to paying interest on the debt.

In about 2 months each Member of this body will have an opportunity to vote for a reduced budget deficit to be offered by the minority. This will be an ideal opportunity to bring the ever growing Federal debt to a halt.

I hope you will put your speeches into action when it comes time to vote for a responsible budget.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, when I came to this body 2 years ago I think one of the most important things that was facing the American people at that time was whether or not they had faith, an honest faith in their Members representing them. My faith in this body during these 2 years has been increased on many, many issues, but let me tell you today that this is one issue where we fail to measure up. This is one issue that each of us in this House knows, and we tell each other privately that this is something we know has to be done, "but my goodness alive, I am not going to get on record. I have to answer for it for the next 2 years back in my district." The American people are looking for something more than that. The American people are looking first and foremost, as one Member from the minority said earlier today, for intellectual honesty more than anything else. But, we are not measuring up.

Now, I want to say something about my minority friends, and as they well know, I vote with them many, many times. I have always supported defense spending time and time again, increases that they asked for, and now they do not want to pay the bill. They do not want today to pay the bill that they helped run up.

Let me see how they did during the Republican days, when the President was a Republican. Let us look back. Last night, I read—and it is amazing to me—look at 1971, where by a Republican vote of 107 to 59 they raised the debt limit. In 1971, they raised it by 35 billions of dollars, and the Republicans voted 105 to 62 to do it—$35 billion.

And, the very people who have been talking up here today against being responsible voted for it, and I can name them. In the same year, 1972, they raised the national debt limit, and you had to; you were acting responsibly. You raised it from $430 billion to $450 billion, and you voted 92 to 69 to do it. In 1972, you voted to raise the national debt limit by an additional 15 billions of dollars, and you did it with a vote of 141 Republicans to 21 against it.

In 1973, once again you raised it by a vote of 93 to 88. Again, it was raised in 1974 for the first time during the period that I have checked where the Republicans did not support it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia.

Mr. JENKINS. The simple fact is that this is a debt that has to be paid. I do not know about how many of us have increased spending on agriculture. I have always supported the agriculture bill. I am in favor of strong defense. I am in favor of many things, but if you will check my record you will find that this Member from Georgia has probably the most conservative voting record of my freshman group. As a matter of fact, I think the Congressional Quarterly said I was the fifth most conservative Democrat in my class.

□ 1805

I agree with the gentleman. The American people are demanding a reduction in our spending, but here we are flim-flamming, we are truly trying to mislead the American people when we say that we are going to vote against this increase, when we know it has to be done. It is so ironic that if we kill this—we all know we have to pass it at some time—the Treasury has testified that the mere killing of this, so close to March 9, because of the financing requirements will actually cost the taxpayers an additional $1 million.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, I would like to pay my respects to the gentleman from Georgia. If he wishes to clean up the messes made by other people, he has an opportunity to do it in this bill. I think it is a fine responsible position he will take and I want to commend him for it.

Mr. JENKINS. Mr. Chairman, I reclaim my time.

As a matter of fact, the gentleman from New York always voted in each of these measures I have pointed out, each and every time the gentleman from New York, and the gentleman from Arizona (Mr. RHODES) also, on each and every one of the occasions voted "yes" while the Republicans controlled the White House. I am not saying that is irresponsible.

Mr. CONABLE. And who controlled the Congress during that period, may I ask?

● Mr. SOLOMON. Mr. Chairman, I rise to express my strong opposition to H.R. 1894, which would increase the temporary debt limit to $436 billion, leaving an outstanding national debt of $836 billion.

It is abundantly clear to me that the American people are tired of their Federal Government spending at outlandish deficits. Yet here is the Congress, once again, avoiding coming to grips with the need for fiscal responsibility, increasing the "temporary' debt limit. It took the Federal Government 169 years to accumulate a debt of $280 billion. If this legislation passes today, we will have succeeded in tripling that amount in 21 short years.

Year after year, the Congress votes for increased deficit spending then reluctantly—very reluctantly—votes to increase the national debt so the Government can keep functioning. I hope that my colleagues will draw the line today and end this deceptive charade. We must, at long last, make the debt-setting process more fiscally sound, and tie it to a budgetary process which promotes the goal of balanced expenditures and revenues.

Mr. Chairman, our citizens do not want the Congress to take the budget process lightly, yet too often it does. The Congress takes too much pride in reducing its deficits, when it should take pride only in eliminating deficits. I hope that today we will end once and for all the proclivity to raise the debt ceiling, the interest on which takes up about 10 percent of our entire Federal budget. I urge my colleagues to reject H.R. 1894.●

● Mr. LAGOMARSINO. Mr. Chairman, we have been here before. It seems like every time we turn around we are asked to approve a new "temporary" debt ceiling. The only thing temporary about it is that it is bound to be raised again next year, if not next week.

Mr. Chairman, I think it is time we stopped kidding ourselves. We are certainly not kidding the public with this routine. What we are doing here is voting on a budget item. In fiscal year 1980, the American people will be asked to fork over approximately $57 billion for interest on the national debt. That is 10 percent of the entire budget of the United States. It is the third largest item in the budget. Yet what are we getting for that $57 billion? Nothing. No program, no service, no savings. It is money down the drain.

It took the U.S. Government from 1789 to 1971—192 years—to reach $400 billion debt mark; our "permanent" debt, it is called. It has taken only 8 years to double that. I think we better stop right here and find out what is wrong. If I tried to slip this past my accountant, he would put me on a strict budget. And that is what we have got to do here. The means is at hand, in the form of a constitutional amendment requiring a balanced Federal budget. I have introduced one myself, along with many of my colleagues here today.

Certainly it is a course that has popular support. But more than that, it is the only rational thing we can do given the fact of this $800 billion plus in debt.

I urge all my colleagues who have cosponsored the balanced budget amendment, and all those who support such an amendment, to make a show of force here today. Vote "no" on this bill. Send it back to committee. And let our colleagues on the Judiciary Committee know that we will not vote for any increase in the national debt until we have before us and before the legislature of this Nation a constitutional amendment to end further increases in the national debt by requiring a balanced budget.

Do not let this chance slip by.●

● Mrs. KEMP. Mr. Chairman, I rise in opposition to the bill which would increase the public debt ceiling to $836 billion.

I have no doubt that the debt ceiling will be raised, because a majority of the Congress has already tacitly approved the budget deficit which requires it. The Congress performs almost yeary, it is true, the demeaning ritual of defeating the authorization to borrow money it has ordered spent. Last May, many of our colleagues voted in favor of a $51 billion deficit, then voted against, and defeated, the necessary increase in the debt limit a few minutes later. As we all saw, this attempt to finance the deficit by ignoring it served only to hurt social security beneficiaries, Government employees, and purchasers of savings bonds. I hope the majority will refrain from such destructive games this year.

I oppose the deficit expanding budget resolution, and feel justified in opposing the increase in debt to accommodate the excessive deficit. But I intend to make my opposition constructive, rather than obstructive. Like-minded colleagues and I offer an alternative to chronically rising debt, taxes, spending, and inflation.

The public debt, as we all know, has been divided officially for many years between a "permanent" debt, which has remained at $400 billion for the past 7 years, and a "temporary" debt which has increased from $50 billion to $436 billion. The temporary debt limit was originally meant to be a small, extraordinary indebtedness which would be quickly repaid. Today, the "temporary" limit means the level at which the Congress pauses before raising it again.

Mr. Chairman, I suggest that we end this distinction, which implies that the majority of Congress has any intention of repaying part of the national debt until Congress adopts economic policies which make it possible. Under current policy, we are eternally indebted to the public.

But this need not be so. One period in this century stands out in contrast to an otherwise almost unbroken record of climbing public debt. Beginning in 1920, the national debt—which had swelled from $1 billion in 1916 to $26 billion in 1919 because of the First World War—was reduced for 11 consecutive years, by nearly 40 percent in all.

In 1917, the Wilson administration had raised tax rates drastically, imposing an excess profits tax on business, doubling the corporate tax rate, and sharply increasing the personal income tax rates from a maximum rate of 15 percent to one of 77 percent.

In an effort to repay the war debt, the Wilson administration left these high tax rates in place after the war ended. The economy slid into a recession that lasted 2 years, and and the debt remained virtually undiminished.

Under the administrations of Harding and Coolidge, Treasury Secretary Andrew Mellon tried a different approach, starting 1922. Instead of raising tax rates, he lowered them, removing the excess profits tax and reducing personal income tax rates to 57, to 46, all the way to a 25 percent maximum. The economy climbed out of the recession and the twenties began to roar. From 1921 to 1929, real GNP grew by 54 percent without inflation. In fact, under the administration's tight money policy, the Consumer Price Index actually declined. Revenues increased steadily, the standard of living rose—and the national debt was reduced from $24.3 billion to $16.9 billion.

The boom did not end, in fact, until Herbert Hoover unfortunately permitted a massive tariff increase on virtually all imported goods, and then turned the resulting recession into the Great Depression by doubling income tax rates, in a futile attempt to balance the budget.

Since then, many attempts have been made to balance the budget and reduce the national debt. But all of them preferred Hoover's method to Mellon's, and all these attempts have failed. In the past 30 years, the national debt has been reduced exactly three times—in each case for no more than 2 years in a row, and never by even as much as 1 percent of the outstanding debt. Each effort to balance the budget by raising taxes has plunged the country into a recession which only shrank revenues and increased the public debt.

The only way to reduce the Government's debt to the public is to reduce the public's individual debt to the Government. We must pursue the policies which have worked before: increasing after-tax incentives for economic growth and saving, restraining Federal spending, and pursuing monetary policy which maintains the value of the dollar at home and abroad.

With Senator BILL ROTH, of Delaware, and more than 100 fellow Members of Congress, I have already introduced an

economic program which would include two of those three policies. The Kemp-Roth package would reduce tax rates by 30 percent for everyone over 3 years, and then index the tax rates to prevent future tax-rate increases caused by inflation. It would also limit excessive Federal spending by requiring Federal expenditures to grow more slowly than the economy.

The Government can increase incentives for economic growth by reducing the wedge between effort and reward—between the amount of labor a worker must perform and his take-home pay, between a businessman's capital investment and his after-tax return. Lower tax rates increase revenue by broadening the tax base. Economic growth lessens the need for spending on social welfare programs which are necessary to protect people from the Government's economic mistakes, and frees these revenues to be used for other social and defense programs.

The Government can reduce the national debt, as it has before, with policies which promote prosperity, not austerity. Therefore, I cast my vote with a clear conscience, against increasing the public debt limit. First, because I opposed the excessive increase in spending which the debt limit endorses. And second, because there are constructive alternatives: policies for real economic growth.●

● Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to raising the public debt limit. The defeat of this bill will stop not only the proposed $38 billion increase above the present $798 billion debt limit, but it will roll back our debt limit as of April 1 to $400 billion, the so-called permanent debt limit, a very significant reduction.

The American people have sent us a clear message: "We must spend their money more wisely". We must not and cannot let them down by continuing to spend more than we take in.

It is time for us to enter the age of fiscal responsibility. Our constituents must live within their budgets. You and I must live within our budgets. Now it is time for Uncle Sam to stop spending money he does not have, and force him to live within his budget.

This has long been a concern of mine, and I am glad to see the increased awareness of this problem by my colleagues. More than 120 bills have been introduced in this Congress calling for a balanced Federal budget, including House Joint Resolution 18 which I introduced. And, 25 States have called for a constitutional convention to institute a mandatory balanced budget.

We can and must live within a balanced budget. It will take a large effort on our part. In the future, instead of just examining programs to insure they are attaining their goals, we must delve further into the methods used by agencies to reach these goals. We must ask: Are there too many staff, too much paper work, too many trips, unnecessary equipment, and too much building space? We must examine the need for all the studies and contracts that agencies seem to feel are necessary, to insure that they are indeed necessary.

In short, we must insure our goals are being met in the most economical manner possible. Not only must the Government be responsive to the people, but it must provide them with the most benefits, for the least tax dollar.

Allowing the Government to move further toward the trillion dollar debt will not help us achieve this goal. If we are to reach our goal of a balanced budget we must begin now, not 6 months from now.

Therefore, in the name of fiscal responsibility, I urge my colleagues to vote against increasing the public debt limit.●

● Mr. GRASSLEY. Mr. Chairman, the bill now under consideration by the committee (H.R. 1894) would increase the public debt limit of the United States from $798 to $836 billion. I find myself perplexed asking what can I say that has not been said before or will not be said here today?

In January of 1975 I began serving in the House of Representatives. At that time the combined permanent and temporary debt ceiling was $495 billion. Since then the Congress and President have, on 11 separate occasions, acted to increase the national debt limit so that the current figure is $798 billion. My votes have been consistent. I have never voted to increase the debt ceiling. Nothing has happened since July 19, 1978, when the House last considered this subject, that would cause me to change my mind.

Over the years, those who advocate such legislation have sought to justify their actions by trotting out a number of now discredited rationalizations. It used to be that we were told that multibillion dollar deficits do not matter because, after all, we owe it to ourselves. But it does matter—just take a look at the charts and graphs depicting the President's 1980 budget which show the Federal Government spending in excess of $65 billion for debt service.

Now we are told that, yes, indeed, deficit spending and increased Federal Government borrowing in the money markets is bad—but, individual Members have a constitutional duty to support debt limit increases. To that proposition I must vehemently dissent. Perhaps those Members who traditionally support inflationary big-spending bills have a duty to accept the responsibility for their previous actions. But those of us who try to hold the line on spending—and we are a distinct minority in this Chamber and we have been for years—are fully justified in saying "No. It was not our fault. We tried to point out the errors of your ways but you would not listen to us and now you are reaping what you have sown."

So I would urge my colleagues who have been reasonable and prudent with the peoples' money to stick to their principles. A "No" vote on this bill and the authorizing and appropriating bills that will come before the House during the 96th Congress is correct, appropriate and in the long-term interests of the United States.●

Mr. NOLAN. Mr. Chairman, I rise in opposition to H.R. 1894. I oppose increasing the debt ceiling.

Last year, on July 19, 1978, I also voted against raising the debt ceiling. At that time, several of my colleagues and I announced that we would vote against increasing the debt ceiling if we could not get a commitment from the Ways and Means Committee to provide for additional social security funding through general revenues instead of increasing the payroll tax.

Hiking the debt ceiling and the social security payroll tax both hit the average taxpayer the hardest and we did not believe the farmers and workers of this country should have to suffer a double whammy from the Federal Government in the same year.

This year, I again oppose increasing the debt ceiling because the current methods of financing the Nation's debt amount to no more than welfare for the rich: Robin Hood in reverse. In 1979, servicing the national debt will cost taxpayers around $50 billion in interest payments alone. Very little of the interest payments are made to small investors. Rather, over half of the amount goes to a few wealthy individuals, banks and financial institutions at home and abroad.

Funding the national debt through increased borrowing is part of a quiet but revolutionary redistribution of personal wealth—funneling it into fewer hands and increasing the concentration of financial power. The increased taxation required to make interest payments to the wealthy few also sucks up private capital necessary for industrial expansion. Raising the debt ceiling thus consigns the current generation to higher unemployment, higher taxes and inflation while deferring payment of the debt to future generations. We lose and our children lose.

Those who favor raising the budget ceiling claim that we have no other choice. The Government will collapse, they say, if we do not meet our financial obligations by borrowing our way out of bankruptcy. It is an absurd argument.

Three major courses of action exist for bringing the Federal deficit under control:

First, the price supports for agricultural commodities should be raised to 90 percent of parity with a goal of 100 percent of parity in the marketplace. The budget outlays for the loan program thus will be repaid with interest, thus reducing the cost of the farm program to a lower level than current outlays.

When the exchange value of agricultural commodities is at parity, the increased amount of farm dollars creates a market for industrial producer goods. Instead of borrowing or increasing the supply of paper money, parity prices for agricultural commodities add to the national income. The farm dollar has a multiplier effect throughout the economy—generating additional income, employment and tax dollars which will, in turn, reduce borrowing, interest payments and inflation.

Second, the $100 billion plus fat military budget is the most inflationary factor in today's economy. The high level

of military spending, accompanied by countless staggering cost overruns, is unnecessary. Indeed, excessive military spending is harmful because throwing money at the Pentagon has made the military brass fat and sluggish rather than lean and responsive. Inflation and Government spending cannot be restrained if the current wasteful and unproductive military spending levels are continued.

Third, the Government should get out of the borrowing business. To accomplish this objective, Prof. William B. Cannon suggested in 1975 that the following steps be taken:

(1) There should be no new borrowing by Treasury whether for new or refinancing purposes. In FY 1976 this will save the budget $3.1 billion in interest outlays, which is about a 5% contribution to the present budget deficit. If the policy recommended in this paper is followed, namely to balance the budget, there will be no need for borrowing to finance a deficit. But even if a balanced budget is not accomplished, borrowing should be prohibited for the reasons given above. The deficit would be funded by checks issued by Treasury in payment of authorized expenditures.

An alternative or a way to phase into a no-borrowing policy would be to limit the interest paid to 3%. Since the trust funds, by law, have to invest their surpluses in government securities, this requirement would not affect their borrowing levels. The Federal Reserve Board would not be affected either because the Board does not receive interest (in effect). The question is whether non-U.S. government investors would invest under these low interest conditions. If not, then the same end is achieved as under the first proposal. (A limitation on interest paid to government trust funds is not new; from before World War II until the late 1950s, the major trust funds were paid interest, as a deliberate policy, of less than 3%.)

The first (and preferred) alternative above would involve new outlays for redemption of issues coming due in FY 1976 and thereafter. These costs should be financed by: (a) use of holdings of government funds—the extent, probably small, that the interest has been used to pay the outlays of the funds; and (b) the issuance of Treasury checks. These actions should be taken on a planned basis over a several-year cycle. That is, if no new borrowing is allowed in FY 1976, the total debt to be retired is estimated at $538 billion (at the end of FY 1975). The amount of this that comes due in FY 1976 probably will not exceed the $150 billion available from the trust funds. The redemption payments thereafter should be treated as ordinary expenditures in the budget and, assuming a four-year cycle of repayment the requirements will be for gross outlays of about $90 billion a year. The actual net charge on budget would be much less because interest outlays will diminish substantially as the debt is paid and, after the four-year period, the budget will save at least the amount of interest estimated to be paid in FY 1975 ($32.9 billion) for eternity. This point argues for a no-borrowing policy in FY 1976, even if the government funds are not used for redemption purposes and regular outlays are made. In this latter case, however, a limited amount of debt refinancing might have to be allowed to keep budget outlays for the mix debt of redemption and interest payments at a level which is consistent with an overall balanced budget.

(2) A more far-reaching step is conceivable. This would be to couple the no-borrowing policy with a temporary cessation of payment of interest. This would be the equivalent of a special tax on holders of government securities, and a very progressive tax. There is an interesting question of constitutionality involved. However, presumably, a temporary moratorium or deferral of interest payments, as opposed to repudiation, could be sustained, and calculations are needed to show the advantage to the budget of a deferral approach (that is, to calculate the net of the sum of accumulating interest costs and debt redemption costs less reduced interest outlays as the debt is reduced over given time spans).

A 1- or 2-year deferral would save budget $36 billion in fiscal year 1976 and substantially more in fiscal year 1977. These savings would materially contribute to the balancing of the budget in those 2 years, and the time gained would allow for budgetary planning to meet increased outlays accumulating for payment in fiscal year 1978 and following years.

Regardless of whether the above alternatives are acceptable as recommendations for action in connection with the fiscal year 1976 budget, the point should not be lost lost that interest expenditures should be reviewed just as are other expenditures. It should be clear from the above that they are not uncontrollable and are not inevitable components of the federal budget. It should certainly be clear from the above that whether the government has a borrowing program or not is a matter of choice. And the case for not borrowing is compelling. At the minimum the fiscal year 1976 budget should be reduced by $3.1 billion, reflecting the interest saved by not borrowing in fiscal year 1976.[1]

I challenge the Ways and Means Committee and the leadership of both parties to take these recommendations seriously.

Clearly, those who favor raising the debt ceiling are steering the Nation on a course which will be costly in many ways for this and future generations. Likewise, those who jump on the budgetcutting bandwagon but fail to support policies which will increase farm income in the marketplace, reduce wasteful military spending and get the Government out of the borrowing business, also are playing a cruel hoax on the U.S. taxpayer.

The Republic cannot survive without economic democracy. As Dolly Levi said, "Money is like manure. It does the most good when it's spread around." The time is long overdue to redirect our Federal budget policy toward spreading it around.

The CHAIRMAN. The gentleman from Oregon (Mr. ULLMAN) has 2 minutes remaining.

Mr. ULLMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the bill is considered as having been read for amendment. No amendments to the bill are in order except, first amendments offered by direction of the Committee on Ways and Means, which shall not be subject to amendment; second amendments only changing the date certain on page 1, line 4, or only changing the numerical figure on page 2, line 2, and said amendments shall not be subject to amendment except pro forma amendments and germane amendments only changing the date certain on page 1, line 4, or only changing the numerical figure on page 2, line 2; and third an amendment to section 4 of the bill printed in the CONGRESSIONAL RECORD of February 21, 1979, and if offered by Representative VANIK, which amendment shall not be subject to amendment.

The bill is as follows:

H.R. 1894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, during the period beginning on the date of the enactment of this Act and ending on September 30, 1979, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $436,000,000,000.

SEC. 2. Effective on the date of the enactment of this Act, the first section of the Act of August 3, 1978, entitled "An Act to provide for a temporary increase in the public debt limit" (Public Law 95-333), is hereby repealed.

SEC. 3. The last sentence of the second paragraph of the first section of the Second Liberty Bond Act (31 U.S.C. 752) is amended by striking out "$32,000,000,000" and inserting in lieu thereof "$40,000,000,000".

SEC. 4. With respect to interest accrual periods beginning after the date of the enactment of this Act, paragraph (3) of section 22(b) of the Second Liberty Bond Act (31 U.S.C. 757c) is amended to read as follows:

"(3) The Secretary of the Treasury, with the approval of the President, may increase the investment yield on any United States savings bonds above the 5½ per centum limitation contained in paragraph (1) so long as such yield does not exceed 6½ per centum per annum compounded semiannually.".

The CHAIRMAN. The Chair asks the chairman of the Ways and Means Committee: Does the committee have any amendments to offer?

Mr. ULLMAN. Mr. Chairman, there are no committee amendments.

The CHAIRMAN. Are there any other amendments to the bill?

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment to section 4, which is made in order by the rule.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 2, line 19, strike out "6½ per centum" and insert in lieu thereof "7 per centum.".

Mr. VANIK. Mr. Chairman, I just want to take a moment to describe this amendment.

The CHAIRMAN. Before the gentleman proceeds, pursuant to the rule, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes, and the Chair asks the chairman of the Committee on Ways and Means whom he designates to control the other 15 minutes made in order pursuant to the rule.

Mr. ULLMAN. Mr. Chairman, I will control the other 15 minutes.

Mr. CONABLE. Mr. Chairman, may I ask what the ruling is? Is it not true that 15 minutes is given to the majority and 15 minutes to the minority?

The CHAIRMAN. No; that is not true under the rule.

Mr. ULLMAN. Mr. Chairman, I yield 7½ minutes to the minority, and I will control 7½ minutes.

Mr. CONABLE. Mr. Chairman, I thank the chairman of the committee.

[1] William B. Cannon, "Interest on the Public Debt," in *The Problem of the Federal Budget* (1975).

□ 1810

Mr. VANIK. Mr. Chairman, under the bill before us the Secretary of the Treasury is given discretionary authority to raise the interest rate on E bonds to 6.5 percent.

One out of three Americans owns E bonds. More than 16 million Americans buy $8 billion in E bonds each year. As of January, 1979, $80 billion in E savings bonds were outstanding.

Over the past 7 months the redemptions of these bonds have exceeded sales; but, more critically, during the month of January redemptions exceeded sales by over a half billion dollars, $533 million more in redemptions than there were in sales.

If this disparity continues—and I think that this is indicative of a trend—it could cause a tremendous upheaval in the handling of the Federal debt.

What are we talking about? E bonds are the average citizen's participation in the Federal debt. For millions of Americans their savings consist of what they have in a pension plan, in social security, or in the E bond program since they have a payroll deduction which buys the E bond.

Mr. Chairman, I think it is simply unfair to deny those patriotic Americans who buy E bonds a reasonable rate of return. Affluent investors, affluent Americans do not buy E bonds. They buy T bonds, and they get 9.5 percent or as much as 10 percent interest. The person who buys the E bond is limited to the very low rate of return which he gets under the E bond system.

Again, I think it is simply unfair to let the E bond purchaser carry this tremendous burden of subsidizing the interest on the Federal debt which is the obligation of the American people.

Mr. Chairman, I think it is fair and right that we should increase this E bond rate by giving the Secretary of the Treasury the discretionary authority to increase the rate to 7 percent and help bring this interest rate somewhat more commensurate with the interest rates of today.

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the gentleman's amendment, I will say to the gentleman from Ohio (Mr. VANIK).

However, if I may take a moment, I would like to say that I was one of the responsible Republican Members of this Congress who voted to spend a large sum of money for revenue sharing, who voted for large sums of money for CETA, who voted for larger sums of money for defense, who provided large sums of money for public jobs and for veterans, for law enforcement, for agriculture, and certainly for education as well as voting large sums of money to bring new sources of energy on line by R. & D. for the Department of Energy.

I think as a result of that, those of us who voted for those very large sums of money for responsible programs cannot come before this Congress or the American people and tell them that we will not raise the debt limit because to do so is the worst type of demagoguery.

I, for one, am going to vote to raise the debt limit because I believe that is the responsible vote, especially if, in fact, I felt as strongly as I really did for all of those money issues which I have just mentioned as well as others.

Mr. VANIK. Mr. Chairman, I certainly want to thank the gentleman from Pennsylvania (Mr. MARKS) for his comment.

I hope the chairman of the Committee on Ways and Means can accept this amendment, which I think will provide for justice and fairness for those Americans who use the E bond system as a system of savings.

Mr. Chairman, I yield back the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

The administration asks for the authority to increase interest rates to 6.5 percent. The existing ceiling is 6 percent. The committee gave the administration what it asked for.

Let us be clear. Mr. Chairman. The administration indicated that at this time they have no intention of using that authority, but that at some time during this period they may want to use it; and on that basis we gave it to them.

I have no problems with the Vanik amendment personally because it is discretionary with the administration; and should there be the necessity for increasing that amount, I think they would use good judgment in doing it, so, again, I have no problems with the Vanik amendment.

□ 1815

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

I do not feel strongly about this issue, but I would like to express some reservation about the course that the gentleman from Ohio (Mr. VANIK) is embarking on here. Treasury officials came in and said that last year there had been more redemptions than there should be and, therefore, they wished authority to raise the ceiling on savings bonds to 6.5 percent. It is their intention to raise the ceiling to 6.5 percent. The gentleman from Ohio is urging us to raise the ceiling at least to 7 percent. It is within the discretion of the Treasury how high they will raise it, and they say 6.5 percent is all they need.

Under these circumstances it does not seem to me that we ought to encourage a course of action which might result in having to pay more interest on the national debt than the Treasury estimates it needs to pay. Quite frankly, the interest on the national debt is going up by $9 billion in the next fiscal year according to the budget estimates at this point because interest costs are so high already, so I do not believe we should push to get savings bond rates so high that they go beyond what Treasury says they need to have in order to avoid unnecessarily high levels of redemptions. For that reason I oppose the gentleman's amendment. I must acknowledge that I do not believe his amendment will do a great deal of damage because Treasury tells us it is their intent to raise the interest rate only to 6.5 percent in any event, regardless of what ceiling we give to them.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

I simply want to point out that for every E bond purchaser that puts together enough money to buy a T bond, the taxpayers will have to bear the cost of a higher rate of interest. If we lose the E bond market it would increase debt service costs by $3.5 billion a year at present rates, and if we do not maintain a viable and active E bond market in which we can encourage small investors to buy and share the public debt, then I think we are going to pay a lot more to pay for funding the annual cost of carrying the public debt.

Mr. CONABLE. I understand the gentleman's point, Mr. Chairman, but I wish to point out in return that we do not issue E bonds, Treasury does. Treasury says they intend to issue them at 6.5 percent and, as far as I am concerned, I am willing to take the advice of experts on this rather than urging a higher interest rate than may be necessary to achieve their goals with respect to E bond sales.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MCHUGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1894) to provide for a temporary increase in the public debt limit, and for other purposes, pursuant to House Resolution 133, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 194, nays 222, not voting 16, as follows:

[Roll No. 17]

YEAS—194

Addabbo
Akaka
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Bellenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
Danielson
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Evans, Ga.
Fary
Fascell
Fazio
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Guarini
Hall, Ohio
Hamilton
Hanley
Hefner
Heftel
Hightower
Holland
Holtzman
Howard
Hutto
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Markey
Marks
Matsui
Mattox
Mavroules
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stenholm
Stewart
Stratton
Studds
Swift
Synar
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki

NAYS—222

Abdnor
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Biaggi
Bouquard
Bowen
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Forsythe
Fountain
Frenzel
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Harkin
Harris
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Jones, Tenn.
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Maguire
Marlenee
Marriott
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Neal
Nichols
Nolan
O'Brien
Panetta
Pashayan
Paul
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Williams, Ohio
Winn
Wolff, N.Y.
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—16

Alexander
Anderson, Ill.
Clausen
Coleman
Collins, Ill.
Flood
Hawkins
Jones, Okla.
McKinney
Mikva
Moffett
Mottl
Pepper
Stokes
Traxler
Wilson, Bob

□ 1835

The Clerk announced the following pairs:

On this vote:

Mr. Traxler for, with Mr. Mottl against.
Mr. Pepper for, with Mr. Clausen against.
Mr. Hawkins for, with Mr. Coleman against.

Until further notice:

Mr. Alexander with Mr. Anderson of Illinois.
Mrs. Collins of Illinois with Mr. McKinney.
Mr. Flood with Mr. Bob Wilson.
Mr. Jones of Oklahoma with Mr. Moffett.
Mr. Mikva with Mr. Stokes.

Mr. BROWN of California changed his vote from "nay" to "yea."

Messrs. BEREUTER, PANETTA, MICA, and MAGUIRE changed their vote from "yea" to "nay."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1840

DATE FOR RECONSIDERATION OF A BILL TO PROVIDE FOR TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I take this time to ask the distinguished chairman of the Committee on Ways and Means, in view of the vote which the House has just taken with respect to the debt limit extension, at what point would it become imperative that the House again consider this matter in terms of the Government's obligations?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, the Government will run out of borrowing authority on or about the 9th of March. They may have enough cash and enough fiscal alternatives to carry through for 2 or 3 or 4 days after that.

However, one of the problems is that they are going to have to spend about $1 million stopping the flow of all savings bonds and doing some of those things at that point, so I think we ought to be voting on the bill as close to the 9th as possible.

Mr. BRADEMAS. Would it be possible to be voting on the matter on or about or shortly before the middle of March?

Mr. ULLMAN. I cannot guarantee that we would get by and I have no doubt that there would be some additional expense in that kind of delay. I think the Government probably could operate close to the middle of March.

Mr. BRADEMAS. I thank the gentleman from Oregon.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 1894, just considered.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

APPOINTMENT AS MEMBERS OF NATIONAL TRANSPORTATION POLICY STUDY COMMISSION

The SPEAKER. Pursuant to the provisions of title 23, United States Code, section 101, the Chair appoints as members of the National Transportation Policy Study Commission the following Members on the part of the House:

Mr. HOWARD, of New Jersey; Mr. ANDERSON, of California; Mr. FLORIO, of New Jersey; Mr. OBERSTAR, of Minnesota; Mr. SNYDER, of Kentucky; and Mr. SHUSTER, of Pennsylvania.

APPOINTMENT AS MEMBERS OF BOARD OF TRUSTEES OF THE HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

The SPEAKER. Pursuant to the provisions of section 5(b), Public Law 93-642, the Chair appoints as members of the Board of Trustees of the Harry S. Truman Scholarship Foundation the following Members on the part of the House: Mr. SKELTON, of Missouri; and Mr. TAYLOR, of Missouri.

INTRODUCTION OF A BILL TO REINSTITUTE REGISTRATION

(Mr. NICHOLS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, today I am introducing a bill that would reinstitute military registration of 18-year-olds beginning January 1, 1981. During a series of recent hearings by the Military Personnel Subcommittee of the Committee on Armed Services, serious concerns have been raised regarding the capability of the present Selective Service System to select and induct, in a timely manner, sufficient personnel to meet military requirements in the event of a full mobilization. This bill addresses those concerns.

SUMMARY OF MAJOR FEATURES

In addition to reinstituting registration the bill I am introducing would place the Selective Service System—organizationally—within the Department of Defense, except when induction authority is in being. It would require an annual report on the capability of the Selective Service System to meet personnel requirements in the event of a mobilization. Finally, it would require the President to submit recommendations on various specific modifications and improvements to the Selective Service System.

I want to emphasize strongly that this bill would not authorize and does not contemplate a return to a peacetime draft.

Further, introduction of this bill does not imply that I believe the All Volunteer Force concept is a failure. An effective Selective Service System was intended as an essential element of the All Volunteer Force. However, the Selective Service System has failed to maintain its posture as an effective standby component in the all volunteer environment and, consequently, needs to be revitalized.

REINSTATEMENT OF REGISTRATION

The bill requires registration of males who turn 18 on or after January 1, 1981. If this bill is enacted, and if no subsequent changes are made before January 1, 1981, registration and classification would be accomplished under existing law. Local boards would be reconstituted; a male reaching 18 years of age would be required "to present himself for and submit to registration." In other words, "face-to-face" registration.

The bill would further permit the President to suspend registration in the future only for the purpose of modifying registration procedures. Such a suspension could occur only once in any 1-year period and could continue at most 90 days.

REORGANIZATION OF SELECTIVE SERVICE SYSTEM

The bill specifies that the Director of the Selective Service System during benign times would be subject to the direction of the Secretary of Defense. This reorganization from its current status as an independent agency would permit the specialized resources of the Department of Defense to assist in manpower mobilization planning. Further, the change will permit the Selective Service System—as an explicit element of the All Volunteer Force—to compete more efficiently for necessary resources.

However, to ameliorate the criticism that a fair and equitable system may appear to be compromised when authority to select and induct personnel is possessed by the same agency that utilizes those personnel, the bill provides for "folding out" the Selective Service System from the Department of Defense whenever that authority is effectuated. At that time, the Director would be subject to the direction of the President.

It has been alleged that a reorganization at the time of mobilization will significantly hamper the efficient operation of the Selective Service System. This presumes that personnel, property, and records, would be shifted physically, as well as organizationally, at the time of mobilization. I believe that the impact at the time of the fold-out can be minimized by initially establishing the selective service organization outside the physical boundaries of the Department of Defense facilities.

REQUIREMENT FOR ANNUAL REPORT

The bill requires an annual report to the Congress of the manpower requirements needed in the event of a full mobilization and an evaluation of the ability of the Selective Service System to meet those requirements. I envision that preparation of this report would, from time to time, require realistic training exercises involving the Selective Service System, simulating the conditions under which the organization would function during a mobilization.

PRESIDENTIAL RECOMMENDATIONS

Finally, the bill requires that the President submit to the Congress a plan—together with supporting draft legislation—to reform the registration, classification, selection, and induction process, with specific recommendations in several areas. Debate has just begun on this general subject and much of the information needed to insure the most efficient Selective Service System is not yet available.

The President would be required to evaluate the feasibility and desirability of automatic registration—in other words, using existing lists, such as school records, tax returns, motor vehicle registrations, and so forth, for the purpose of registration. Such a system would minimize the burden on the individual to report for a "face-to-face" registration.

Similarly, the President would be required to evaluate the development and implementation of a centralized, automated system for maintaining the records of individuals registered and for issuing induction notices should such authority be provided in the future.

The President would be required to make recommendations regarding legislation to provide Presidential authority to induct during any period when such action would be in the general interest of national defense.

Recommendations would also be required with regard to the registration and induction of women.

It is widely accepted, and I strongly believe, women represent a great untapped national resource and have demonstrated conclusively their ability to function effectively in the Armed Forces. The issue of registration, and even more of induction, of women for military service, is controversial. The bill would require the President's recommendations regarding this issue.

An evaluation would be required of the feasibility and desirability of utilizing the results of the 1980 census to register individuals between ages 18 and 26 who were not registered as of January 1, 1981. Use of the census could also be made in testing possible methods of automatic registration to determine how effective and inclusive such a system would be.

Finally, the President would be required to make recommendations regarding organizational, operational, and procedural changes to the Selective Service System that would make the system more equitable, effective, and efficient.

The bill requires this report by October 1, 1979, or 3 months following date of enactment, whichever is later. Because registration under the current system would not begin until January 1, 1981, the requirement for the report in the latter part of this year will provide the Congress sufficient time to evaluate the recommendations of the President and to enact legislation that will capture the intent of the Congress and improve the operation of the Selective Service System before it is reinstituted.

CONCLUSION

Mr. Speaker, this bill is an insurance policy. The Nation faces serious military threats throughout the world. Our active forces, today, effectively thwart this threat; but, it is a precarious balance which, at any moment may swing to the side of hostilities. In that event, the Nation must mobilize its manpower resources rapidly, equitably, and efficiently. The Selective Service System, today, can do that. This bill represents a first step in providing the assurance that we will be able to mobilize and meet the most realistic requirement.

This insurance, like any insurance, will eventually require some cost, but like any insurance wisely chosen, the potential benefits far outweigh the costs. Similarly, like any insurance policy, it must be purchased in advance of the situation for which it is intended. This bill will enhance this Nation's insurance policy.

THE TENNESSEE-TOMBIGBEE WATERWAY PROJECT

(Mr. BEVILL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BEVILL. Mr. Speaker, the Energy and Water Development Subcommittee of the Committee on Appropriations has completed hearings with the Corps of Engineers on their fiscal year 1980 budget request.

During these hearings, the Secretary of Army, the Chief of Engineers, and the Division Engineer of the South Atlantic Division, among others, appeared before the subcommittee.

The Corps of Engineers, as they always do, presented detailed budget justification data, personal testimony, and answered questions relating to hundreds of projects including the Tennessee-Tombigbee waterway project.

I hope that the Members of this body, the public, and the press will take the time to review the material relating to the "Tenn-Tom" which will be published in the subcommittee's hearings in the near future. I say this because of recent articles in various newspapers and periodicals on the subject of the "Tenn-Tom."

On Sunday, November 26, 1978, the New York Times ran a page 1 feature titled "Documents Indicate Corps Misled Congress on Major Southern Canal."

The story was a detailed description of the allegations made on a variety of issues, in a lawsuit filed on January 26, 1978, attacking the waterway project which will link the Tennessee and Tombigbee Rivers.

Just why the New York Times waited until November to report on a lawsuit filed in January, and then gave it page 1 prominance as though it was current news, is apparently part of a trial by press being carefully orchestrated by the plaintiffs. Newspapers reported the lawsuit factually when it was filed back in January 1978, without the sensationalism evidenced by the New York Times in its November 26 piece.

Without the benefit of discussion with the Corps of Engineers, the editors of the New York Times published a scathing editorial on December 4, 1978, accepting the plaintiffs' allegations as facts, and accusing the Corps of Engineers of deliberately deceiving the Congress on the dimensions of the project being built and on its economic justification. After stating that the case "shows the finaglers at work," the editorial concludes by saying "as for the Corps of Engineers, the time seems right for one last grand demolition."

Testimony of the plaintiffs and defendants had not yet started at the time of the New York Times story. Yet the paper, acting as a self-appointed judge and jury, found the defendants guilty as charged.

Lt. Gen. John W. Morris, the Chief of Engineers, being a defendant in the lawsuit, has followed the advice of counsel and refrained from public discussion of the issues in litigation. But he did meet with the New York Times editorial writer. The latter was amazed that General Morris, on his own initiative, had requested a review of the authority under which the project was being built, a review of the cost and benefits of the project and an Army Audit Agency investigation at a time when there was no court case.

These investigations, made at the specific request of General Morris, have since been reported out of context and widely used to attack the Corps of Engineers.

The New York Times account was printed verbatim by editors of other newspapers who knew less about the facts than the editorial writer of the New York Times did. Similar biased attacks followed in the Washington Post, the Washington Star, and Business Week among others. There is also evidence that the plaintiffs brought reporters to their attorney's office in Chicago for briefings before the start of the trial for the express purpose of promoting a trial in the news media.

When General Morris, the Chief of Engineers, testified before the Appropriations Subcommittee on Energy and Water Development of the House of Representatives, which I chair, I asked him if he had at any time, attempted to deceive or mislead any congressional committee. Knowing General Morris' integrity and competence personally, that was a superfluous question. The answer, of course, was "no."

I asked General McIntyre, the South Atlantic Division engineer, about this. He, too, answered "no."

I also asked the Secretary of the Army if there was any doubt in his mind about the integrity of the corps. He responded that he supported the corps and spoke highly of the corps' honesty and integrity.

I said then, and I repeat now, that I have never declined to let anyone present testimony before our subcommittee. Certainly if any media representative knows of any wrongdoing about any water project in this Nation, we would be delighted for him or her to let us know about it.

But, they do not choose to take this route. They prefer to air their case and try to win it via the news media.

Without discussing the benefit-to-cost ratio of the Tennessee-Tombigbee waterway, which is also in litigation, I want to state for the record that the Corps of Engineers has been most conservative in estimating the benefits of projects.

Take, for example, the major waterways which will be linked by the Tennessee-Tombigbee waterway. Before the Tennessee River navigation project was constructed, it was estimated that it would be justified by an annual movement of 13 million tons of cargo. Today the annual tonnage on the Tennessee River is more than 10 times this projection.

In 1930, the corps projected that the annual tonnage on the Upper Mississippi navigation system would be 9 million tons. Ten years later, more than 63 million tons of cargo moved on the Upper Mississippi in a single year (1940).

The projected annual traffic on the New Orleans to Mobile section of the gulf intracoastal waterway in 1942 was 7 million tons. In 1949, waterborne commerce on that part of the waterway exceeded 60 million tons.

Similarly, waterborne commerce on the Ohio, projected at 13 million tons annually, now carries more than 10 times that volume of commerce.

I would like to conclude my remarks with a tribute to the Corps of Engineers, and particularly to General Morris for providing the people of this country with responsive and responsible services.

The Corps of Engineers provides our country with a service not available to any other country in the world, and, as a matter of fact, their services in civil works are requested by many other countries in the world.

We are, indeed, fortunate to have the U.S. Army Corps of Engineers, and I am proud to serve as chairman of the Appropriations Subcommittee that funds their programs.

□ 1505

THE PEOPLE OF CLEVELAND RESPOND TO THEIR FINANCIAL PLIGHT IN A RESPONSIBLE MANNER

(Mr. STOKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STOKES. Mr. Speaker, I rise to pay tribute to the citizens of the city of Cleveland who yesterday went to the polls and overwhelmingly approved two issues on the ballot. One issue was the question of whether a city asset, the Cleveland Municipal Light Plant should be sold to the Cleveland Electric & Illuminating Co. Clevelanders overwhelmingly disapproved of the sale of their municipally owned asset to a private utility company. By an even larger vote, winning by more than 2 to 1, Clevelanders voted to increase their city income tax from 1 percent to 1½. This in my opinion was an extraordinary feat, particularly at a time when the hue and cry at the Federal level and in other municipalities around the Nation is for cuts in taxes and budgets. The people of Cleveland respond to their financial plight in a responsible manner by taxing themselves in order to maintain the current level of vital services and to avoid default on their financial obligations. I urged my constituents in the 21st Congressional District to vote against the sale of Muny Light and to pass the income tax increase and, therefore, I applaud the vote of confidence they have demonstrated in themselves and the future of our city. These issues required a forthright position and leadership and the mayor of our city Dennis Kucinich provided that leadership to the electorate.

Mr. Speaker, there are two excellent articles recently written about these issues which I would like to bring to the attention of my colleagues:

[From the Washington Post, Feb. 27, 1979]

(By William Gorham)

CLEVELAND: DO NOT LAUGH

However today's referendum turns out, Cleveland will be remembered by many as comic relief in a dreary snowbound winter. A lot of people have been laughing at Cleveland. They won't be laughing tomorrow.

The comic-opera side of Cleveland's predicament disguises the real tragedy that exists there and that is building in other American cities. With the best management in the world, Cleveland would still be in trouble. And cities with similar fiscal characteristics should take heed.

Although most city governments strengthened their finances in 1978, Cleveland's year-end financial nose dive underscores the continued precariousness of some older Northern cities. Many recent articles on Cleveland have focused narrowly on the city's political troubles. The more important question is whether Cleveland's predicament is unique or whether it reflects a trend toward severe city problems or outright fiscal failures in the near future.

This question is crucial at a time when the direction of the overall economy is at best unpredictable and when the safety net for cities—in the form of increased federal

aid—cannot be assured. President Carter last fall put the nation's mayors on notice that their cities could expect little new federal aid in his 1979 budget. Moreover, he asked the cities to support his anti-inflation program, a program expected to cause a slowdown in the national economy. While the president in his 1979 legislative objectives has put forward a program of "targeted" direct aid to cities, assistance generally will be less than in previous years.

Those urban areas most likely to be caught in the vise of reduced federal aid on the one hand and economic slump on the other are predominantly the older, industrial cities of the North—the "Industrial Crescent"—that have the unfortunate combination of deteriorating infrastructures (streets, sewers, water systems), outflows of business and industry, residents and jobs and the inability to capture a broader tax base through annexation.

Cleveland has had these problems in abundance. Recent Census Bureau figures place Cleveland second in the nation—behind New York and before Pittsburgh and Newark—in total population loss. Between 1970 and 1976, the city lost 125,000 residents. Since 1969, industries representing 17,000 jobs a year have moved out. Increasingly, the people left to inhabit the urban core are those with the lowest incomes and the greatest problems and needs.

In fiscal 1977, Cleveland received $93 million in federal aid, but most of that was earmarked for specific programs, not for shoring up the city's financial foundation. The income-tax rate, the subject of today's referendum, is 1 percent—low in comparison with many Northern cities. In addition, Cleveland is situated in a state that doles out few state dollars directly to cities. Though generally unrestricted, such state aid is low—$27 million in 1977 out of a total of $519 million in city expenditures. Like many cities, Cleveland has relied on the infusion of federal dollars to pay for the incremental cost of regular services, rather than for investment in its capital infrastructures, leaving the city perilously vulnerable to the inevitable pendular swings of federal aid.

Are these conditions—deteriorating infrastructures, loss of population and business, and erosion of the tax base—duplicated in other cities? Are they indications of a new wave of city failures? It is true that a number of older industrial cities have experienced extreme population declines in recent years. Buffalo, Cleveland, Detroit, Pittsburgh and St. Louis have all experienced population losses exceeding 20 percent in a 15-year period. And, in cities that tax, fewer citizens mean fewer dollars.

City spending for the maintenance and repair of essential infrastructures among older Northern cities has slowed generally over the last decade. Many of these cities—such as Cleveland, Newark, Pittsburgh and Detroit—have allowed their streets, sewers and water systems to deteriorate as a response to tightening resources. Moreover, federal aid, which could have bolstered this stock of public capital, has often been diverted into ongoing city services such as fire and police protection and financial administration.

These conditions found their locus in Cleveland. The mayor's populist, anti-business stance, coupled with a campaign promise not to increase taxes, locked his city into a certain confrontation with default. Except for Ohio's particularly low level of direct city aid, however, Cleveland's financial picture is mirrored in a number of cities in the North, many of which are living through the same pattern of diminishing central-city populations, reduced numbers of city businesses and escaping tax bases.

The lesson of Cleveland is not that older industrial cities can now heave a sigh of relief, grateful that the financial dragon is not currently at *their* door, or that Cleveland is merely a harmless caricature of urban problems—sad, larger than life but somehow laughable. The more accurate perception is that Cleveland is sounding quietly the alarm that in a nation now hunkering down for a long winter of restrictions on federal aid and a probable economic downturn, many of our cities may find themselves among the most severely affected casualties and the least able to cope.

Faced with these conditions, cities traditionally have had few short-term solutions. And those solutions—increased taxation of individuals and business, and increased federal aid—are becoming less and less practicable, if the message of Proposition 13 and Carter's budget-cutting programs are to be believed. Long-term approaches must attack the underlying causes of fiscal collapse—the tottering infrastructures, the unbalanced budgets, the financial merry-go-round of diverting funds intented to strengthen the enduring asset of city capital to pay for more immediate operating costs.

It is clear that the seeds of acute need already exist in many of our nation's cities. New York's Mayor Edward Koch, Newark's Mayor Kenneth Gibson and Cleveland's Mayor Dennis Kucinich have been wrestling with employee lay-offs and discontinuation of some city services and programs as they attempt to meet their cities' immediate financial obligations and to fashion balanced budgets. These conditions are indeed the hallmarks of an "urban crisis" in our older cities, conditions that will demand new austerity measures and tough-minded decision-making.

Cutting city workforces and programs is difficult for city leaders, particularly during a period of economic uncertainty. But even that is a short-term solution, necessary but not sufficient.

What *may* be sufficient—and even more arduous—is taking action now to sustain workable urban cores in the long term. This means strengthening and maintaining the streets, water systems, transit facilities and other capital investments of cities. And it means taking steps to attract and hold tax-producing private enterprise to city centers. Such measures will require uncommon courage on the part of city leaders and uncommon understanding and forbearance on the part of the electorate. Such uncommon behavior by those in government and the people who elected them would be a crucial element in the efforts of many fiscally weary Northern cities to build more secure and prosperous futures. Full dislosure of city fiscal problems, and avoidance of planting the seeds of tomorrow's fiscal problems in today's budgets, will help avert financial crises of the magnitude of New York in 1975 or the political disarray of Cleveland now.

[From the Washington Post, Feb. 26, 1979]

FERC ACTION ON CLEVELAND POWER LIKELY

(By Larry Kramer)

If Cleveland's electorate votes tomorrow to sell the municipal light system (Muny Light) to the Cleveland Electric & Illuminating Co., it could end the possibility of getting low-cost electric power that the city has been offered.

Sources in the Federal Energy Regulatory Commission have told The Washington Post that a commission administrative law judge is likely to act shortly on a request from Muny Light—which serves 20 percent of Cleveland—to force CEI to transmit power from an upstate New York utility willing to sell to Muny Light.

Although the city is in the midst of a serious financial crisis, Mayor Dennis J. Kucinich has staunchly urged the electorate to vote against the proposed sale of Muny Light, a sale Cleveland's business leaders say is necessary before community financial aid is forthcoming. The issue has become the city's hottest political debate in years.

Muny Light's request on forcing CEI to transmit power dates back to early last year, when Muny Light petitioned FERC to deny CEI's proposed rates for the transmission of power from other sources.

In that case, FERC is considering findings by the Nuclear Regulatory Commission that CEI, which serves the remaining 80 percent of Cleveland, had committed several antitrust violations against Muny Light. Among the alleged violations were the refusal of CEI to allow Muny Light to join a consortium of Ohio power companies in building and using a new nuclear power plant, and a continuing pattern of CEI overcharges to Muny Light for power.

In January 1977, the NRC ordered CEI, as a condition for approving CEI's request for the new nuclear plant, to deliver out-of-state power to Muny Light on fair terms. As of June 1978, the NRC found that CEI was still in violation of that condition.

The FERC source pointed out that if Muny Light is sold, it is likely that the cheaper New York power will never reach Ohio.

"CEI has no reason to buy the cheaper power," the source said. "CEI will always try to sell its own power at the highest cost because it is in their economic interest. The rate structures allow a larger profit on more expensive power."

Utility rates are set by state public utilities commissions, which determine the cost of producing the energy, add a fair profit margin for the utility, and set the rates based on that analysis. Muny Light customers have lower rates than CEI customers because of different rate structures.

If CEI were to purchase cheaper power, the Ohio Public Utilities Commission would have to reevaluate CEI's rates and lower them to reflect the cheaper power.

That action would have a negative effect for CEI stockholders. It would lower the dividends they receive because it would lower CEI's total revenues, which are used to determine the size of the dividend.

A recent article in The Washington Post pointed out another advantage to CEI in buying more expensive power: ties the utility has to the coal companies it buys the more expensive coal from.

And a recent study by consumer advocate Ralph Nader showed that "CEI pays far more for coal than other utilities in Ohio."

According to Nader, Department of Energy data show that last May "CEI paid an average price of $31.75 per ton for high-sulfur coal. The price for comparable coal paid by other Ohio utilities was Ohio Edison, $27.27; Columbus & Southern Ohio Electric, $23.32; Ohio Power, $22.23; Ohio Valley Electric Co-op, $18.25."

After a FERC administrative law judge's decision, expected shortly, on the Muny Light-New York power case, the matter probably will be appealed to the entire commission.

NO MORE GUADELOUPES

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and revise and extend his remarks and include extraneous matter.)

Mr. QUAYLE. Mr. Speaker, David Broder had a very thought-provoking article in today's Washington Post entitled, "No More Guadeloupes."

The thrust of Mr. Broder's column concluded we need more intellectual honesty in our foreign policy. He points out that not less than 2 months ago President Carter met with Western leaders of France, West Germany, and Great

Britain in Guadeloupe. The President departed from those talks commenting on the " 'almost unprecedented harmony that exists among us' and observing 'with gratification' the shifts in a world where, he said, 'former enemies have become friends, potential enemies have sought to avoid violence * * * and existing friendships have been strengthened.' "

As you know, the following events from that glowing report are these:

The shah has now been dethroned, our Embassy in Iran has been stormed, our Ambassador in Afghanistan has been killed, and insulting remarks have been made to our President in Mexico City.

Since Guadeloupe, Teng Hsiao-ping has been to Washington and was received with open arms, only to return home and implement an invasion of Vietnam; Saudi Arabia's Crown Prince Fahd has postponed his scheduled March visit to Washington, and bluntly stated that, contrary to the administration's claim, it was not because of ill health; and now Egyptian President Sadat and Israeli Prime Minister Begin have temporarily declined to join the President at his Camp David summit.

This column accurately portrays our current foreign policy mess. I commend it for the Members' reading:

"NO MORE GUADELOUPES"

(By David S. Broder)

There are two reasons why the words of Sen. Charles McC. Mathias, Jr. (R-Md.) on the subject of American foreign policy deserve to be taken very seriously.

One is that Mathias is a man of balanced, restrained judgment, with wide experience in the world. In his 18 years in Congress, he has been a source of responsible cooperation and criticism in dealing with the foreign policies of five presidents.

The second is that, because of his personal qualities, Mathias is perhaps the single Republican senator most trusted by those Carter administration officials who are, by virtue of their responsibilities, not free to give public voice to their own apprehensions about what is happening in the world—or inside their own government.

Thus, when Mathias says—as he did in an underreported speech the other night—that he is "more alarmed about the U.S. position in the world today than at any time since the Vietnam war," prudent people will listen. When he says that President Carter is pursuing a policy that is "not only bad but dangerous," and when he adds that he found Soviet leaders, on his recent trip to Moscow, "totally confused by the cacophony reaching them from Washington," serious people will not dismiss his warning that the "situation leaves the door open to Soviet miscalculations and invites adventurism."

Mathias is not alone in his expression of concern, of course. Similar sentiments have been voiced by Sen. Jacob K. Javits (R-N.Y.), another man with a long history of responsible bipartisanship, and by many serious Democrats and independents.

Regrettably, the response from the president and his closest associates has been to treat the criticism as if it were frivolous.

Those who have called for clarity in the formulation and strength in the execution of foreign policy have been accused of seeking "macho" policies. "We will not get involved in conflict between Asian communist states," Carter said in Atlanta. "No more Mayaguezes," say his associates, referring to the costly and ill-considered military retaliation by President Ford for the seizure of that U.S. freighter.

But Mathias and those who share his fears—inside and outside the administration—are not looking for mindless muscle-flexing by Carter, or promoting U.S. interventions, either in the internal affairs of such countries as Iran or in border wars in Indochina.

What they—or should I say we?—are desperately hoping for is some sign that Carter knows how to marshal the power and influence of the United States and its allies to protect our vital interests in the world. Instead of being lectured with the slogan, "No more Mayaguezes," we would like to hear someone in authority promise "No more Guadeloupes."

It is forgotten that less than two months ago, Carter met with the leaders of France, West Germany and Great Britain at that Caribbean island for a review of the world. He came away talking about the "almost unprecedented harmony that exists among us," and observing "with gratification" the shifts in a world where, he said, "former enemies have become friends, potential enemies have sought to avoid violence . . . and existing friendships have been strengthened."

As he spoke, the shah was about to be shoved from his throne, and forces were at work that would lead to the frustration of American policy and the humiliation of American leadership everywhere from Mexico City to Afghanistan.

Those who would like to believe that Carter was more hard-headed in private than in public come up against the uncomfortable facts of the subsequent reaction of his partners in Guadaloupe. French President Valery Giscard d'Estaing held a press conference on Feb. 15 in order, The Washington Post reported, "to disassociate himself from U.S. foreign-policy positions on a host of major world issues." A few days later, another Post reporter, in Bonn, assessed the actions of West Germany's Helmut Schmidt as a design to "cultivate closer ties to Moscow."

Since Guadaloupe, Teng Hsiao-ping has used the entree Carter provided him in Washington to deliver rhetorical ammunition to the opponents of Carter's prized strategic-arms treaty with Russia. The Chinese vice premier has shown his appreciation for "normalization" by blithely ignoring Carter's request that he keep his troops out of Vietnam.

Since Guadeloupe, the president has taken himself to Mexico City, where he became the target for another president's lecture on the failings of America. Since then, too, Saudi Arabia's Crown Prince Fahd—the reputed strongman in the country that is the reputed anchor of U.S. policy in that region since Iran became a shambles—brusquely postponed a scheduled March visit to Washington and even more bluntly contradicted the administration's claim that it was because of his ill health.

And now Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin have declined—at least temporarily—to join Carter in a second Camp David summit.

These are real symptoms of what Mathias called the obvious fact that "our foreign policy is in disarray." To dismiss all this by talking about "no more Mayaguezes" is as dangerous as it is dishonest.

□ 1515

LET US VOTE TODAY AGAINST THE TEMPORARY DEBT LIMIT INCREASE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, last fall in the election campaign, candidates for Congress throughout the Nation made statements to the people that they would come to Washington and seek to reduce public spending and regulations. One of the major changes in the 96th Congress to give life to these statements will be presented by the measure to raise the national debt. Through a technicality, it has been divided into two areas. Currently there is a so-called permanent debt ceiling of $400 billion and a temporary debt ceiling of $398 billion more. The issue will be whether or not Congress wants to increase the temporary debt limit to $436 billion which in effect will authorize a total debt of $836 billion.

In 1970, the national debt was $383 billion. In other words, in the last 9 years it has more than doubled. The vast majority of the American people are firmly convinced that the principle cause of inflation in this Nation is the fiscal irresponsibility of the U.S. Congress, and they are absolutely right. Every month the Federal Government, State governments, and local governments go into the money supply that is available throughout the Nation and soak up approximately 70 percent of the credit that is available. In other words, we in the private sector are competing with our governments and we are getting far less than half of the available credit. Is it any wonder that the interest rates are so high?

In order to provide this level of credit, the Federal Reserve Board is required to increase the money supply. But the real culprit is the Congress which is authorizing the spending which causes the Federal Reserve Board to expand the money supply. When the money supply grows at a rate greater than the increase in goods and services in the economy, paper money is printed to finance it, and this is the principle cause of inflation. The heavy Democratic majority in the U.S. Congress, which has run the shop for the past generation, is going to have to accept the responsibility for where we are.

I have no intention of voting for an increase in the national debt limit. It is my feeling that the Members of Congress who have consistently voted for this irresponsible spending should have the privilege of now voting, if they can, to increase the national debt to pay the bills. Anytime this Congress wants to it can live within its means. To do so will require some belt tightening, but that is the only way to deal with inflation in this Nation. Bring the spending in line with the income.

Contrary to the assertions made by the persons running for Congress last November, because the Democrats enjoy such a huge majority in the Congress, it is predictible that this increase in the debt ceiling will be approved. But this debt ceiling approval will be inconsistent with the statements made by most of the Members seeking election to Congress last fall. Two hundred years ago we started down the road of self-government in this country protesting against the excesses of England and its King George III. The contemporary George III is reigning in the U.S. Congress and if we

do not rein the Congress in with an amendment requiring a balanced budget, it is doubtful whether we will be successful in surviving for another 200 years.

SOVIETS DEVELOPING ADVANCED MANNED BOMBER

(Mr. CHARLES H. WILSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, last week, the respected publication Aviation Week and Space Technology reported that the Soviet Union is developing two new intercontinental bombers and extending the range of their operational Tupolev Backfire bomber.

Ironically, the report indicates that one of the new bombers has a variable geometry wing with performance characteristics similar to the United States canceled B–1. To quote the article directly:

WASHINGTON.—Soviet Union is developing two new intercontinental bombers and modifying the Tupolev Backfire bomber with new inlets and engine improvements to extend its range.

One new bomber is being developed with supersonic, low-altitude penetration capability to replace the Backfire and is expected to have an initial operational capability in 1982. It has a variable-geometry wing, an unrefueled range of 7,300 naut. mi. and four turbofan engines with afterburners for dash speeds of Mach 2.3.

The variable-geometry-wing bomber is described by Defense Dept. officials as a bomber with the performance characteristics of the U.S.-canceled Rockwell B–1.

These same officials are raising questions within the Carter Administration over the modification of the Backfire and whether it will be counted, if armed with cruise missiles, under the Strategic Arms Limitations Talks ceiling of strategic nuclear delivery vehicles and the subceiling for multiple independently targetable reentry vehicles.

The Soviets recently have tested the Backfire as a launch platform for a 1,200-km. (648-naut.-mi.)-range cruise missile in development.

The U.S. has excluded the Backfire bomber from the SALT 2 agreement in the belief that the bomber is similar to the USAF/General Dynamics F–111. That U.S. position is causing consternation in the Defense Dept. and Congress because the Backfire is capable of striking a number of targets in the U.S. with nuclear weapons on one-way unrefueled missions.

While the Russians have two new bombers in development, the United States seems almost paralyzed in its efforts to modernize its strategic weapons system. Though it has been less than 2 years since the President decided against producing the B–1, the Air Force in their present budget has requested $5 million for a new manned bomber. If the Aviation Week article is correct, and I am not questioning its reliability it certainly appears that the Soviet's are far more committed to developing their major new strategic systems than the United States. If I may further quote from the Aviation Week article of February 19, 1979:

U.S. reconnaissance satellites detected the modified Backfire B at the Ramenskoye flight test center in August with new inlets that appear to be similar to those used on the MiG–25 Foxbat fighter or the USAF/McDonnell Douglas F–15.

Vertical inlet ramps replace the horizontal inlet ramps on the Backfire B. The top edge of the inlets is extended by 4.8 ft. and the inlet sides taper with the top horizontal edge forward of the lower horizontal edge.

The second USSR bomber development is a replacement for the Tupolev Tu–95 Bear. It is a fixed-wing aircraft with high-bypass-ratio turbofan engines designed to operate at subsonic speeds to provide increased range and payload capability over the Bear. This bomber is scheduled for a 1983 operational capability and could be used to launch cruise missiles against land targets at standoff ranges flying intercontinental missions.

The unrefueled range of the fixed-wing bomber is about 10,000 naut. mi., and it is designed to carry a maximum payload of 41,800 lb.

With the cancellation of the Rockwell International B–1 bomber by President Carter and the advantage of the Soviet air defense system with about 2,600 manned interceptor aircraft and 12,000 surface-to-air missiles, the USAF/Boeing B–52's usefulness is in jeopardy "even with modifications to improve performance," one high level Defense Dept. official said.

"Not only is the ICBM leg of the triad in jeopardy as more accurate Soviet ballistic missiles are deployed, but recent tests of a look-down, shoot-down capability in the new, two-place Super Mig–25 Foxbat further increases the vulnerability of the bomber leg and may be the precursor to a cruise missile defense," the official added.

The administration's rationale for canceling the B–1 was that cruise missiles could perform the same mission at less cost. This has not been substantiated by any of the administration's budget submissions.

For instance, the present Air Force budget includes a request for $436 million for modifications to the B–52 so that it can be adapted to carry cruise missiles, and fitted with a more modern avionics system. This $436 million excludes other costly modifications which will be necessary before the B–52 could carry cruise missiles in an actual mission. Before they are operational as a cruise missile carrier, the B–52 needs new engines, and a program to strengthen and rehabilitate its wings and airframe. The cost of these modifications will be considerable.

Earlier this week, before the Armed Services Subcommittee on Procurement and Military Nuclear Systems, Air Force Deputy Chief of Staff Gen. Tom Stafford testified that:

You (the Committee) know of the Soviet Union's huge expenditures over the past ten years for aircraft and missile procurement. What concerns me more, though, is that they are continuing to funnel vast resources into the production of new systems in order to sustain their aggressive modernization program. Soviet Union production rates now exceed our rates in all significant weapon system categories, be they fighter or bomber aircraft, missile or space systems. This continuous modernization program has resulted in decisive improvements in the quality of their deployed systems.

The Air Force has requested $5 million for a new manned bomber. Another $30 million has been requested for a cruise missile carrier. Still Another $436 million for B–52 modification and rehabilitation. When all of these, and other costs are added up, I believe that we will have purchased weapons inferior to the B–1, yet equally or more expensive. I remain convinced that a major error was made in not building and deploying the B–1.

□ 1845

TRIBUTE TO LATE LT. COMDR. ROBERT GARFIELD HUGHES

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, I would like to enter a tribute to Lt. Comdr. Robert Garfield Hughes, who died while flying his Navy jet aircraft off the coast of southern California January 30 of this year.

Lieutenant Commander Hughes was the son of retired Rear Adm. and Mrs. William Hughes of Birmingham, Ala. He was born in Birmingham in 1945 and attended Bishop O'Connell High School in Arlington and Creighton Preparatory School in Omaha, Nebr. He graduated from the U.S. Naval Academy in 1967. He was designated a naval aviator in 1968, and served with distinction in a number of aviation commands including squadrons stationed aboard U.S.S. *Franklin D. Roosevelt* and the U.S.S. *Kitty Hawk*. He piloted his jet fighter on numerous combat missions in Southeast Asia. On May 6, 1972, while protecting another squadron engaged in a bombing mission, he led a devastating aerial attack against a larger formation of enemy fighters, destroying one of them and driving the others off, successfully protecting the lives of other pilots. For his exceptional heroism, he was awarded the Silver Star Medal.

On the afternoon of his death, Lt. Cmdr. Hughes was not engaged in combat. He was conducting a training mission.

But we must not for a second think his death was in vain. He gave his life for his country by insuring its readiness and thus deterring an enemy. All over the world, thousands of young men and women are carrying out training missions designed to maintain our military combat readiness. Our Nation's very existence could depend upon such training. We are at peace because we are strong and we are strong because of individuals like Lieutenant Commander Hughes.

This fine young man was a hero in every sense of the word. He had known and overcome fear in combat, and he faced with confidence and dedication the everyday hazards of his dangerous profession. Indeed, who can explain such deep inner convictions, courage, and faith in their nation, which enable our naval aviators to launch from and return to their tiny pitching decks in the middle of the vast ocean in darkness and rain, knowing that each second of their existence depends upon their skills and their God. We should give thanks every day of our lives that we have such men as Lieutenant Commander Hughes who will risk their lives in order that our country may remain strong and free.

Bob was a dedicated professional from a strong Navy family—his father, a retired admiral; his brother, Bill, the prospective commanding officer of a nuclear-powered submarine; his brothers Frank and Paul also Navy veterans.

In addition to these loved ones, Lieutenant Commander Hughes leaves behind a wife, three children, and a fourth brother. This Navy pilot, this decorated combat veteran, gave his life for something more precious than wealth. This is a sacrifice that not only has he made. It is one by his grieving family and by all Americans, as we have lost another of our finest.

DEATH BENEFITS FOR RESCUE SQUAD WORKERS

(Mr. GRISHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRISHAM. Mr. Speaker, I am pleased to join today with our colleague, STEVE NEAL, in introducing legislation to correct a serious inequity which has arisen in the Public Safety Officers Benefits Act. This law provides a $50,000 payment to the dependents of any law enforcement officer or fireman who is killed in the line of duty. However, according to regulations which have been adopted by the Law Enforcement Assistance Administration, this benefit is not available to one important group of firemen—those who work for rescue squads. The legislation which we are introducing today corrects this serious flaw.

Because of the many instances in which fire departments and rescue squads work closely together, the present law could cause serious inequities in its implementation. If, for example, a fireman and rescue squadsman were killed while working together to save a person trapped in a burning building, the survivors of the former would be eligible for a Federal payment while the latter's heirs would be ineligible. According to LEAA, rescue squad personnel are covered only when actually involved in fire suppression.

This same bias would occur even if the deaths resulted from a nonfire related rescue attempt. The family of a fireman killed while responding to an automobile accident would be eligible for benefits, but survivors of a rescue squadsman who died at the same time would receive nothing.

The measure which we are introducing today provides a simple solution to the inequity which presently exists. Our bill specifies that rescue squad members will be covered in the same way as firemen. Rescue squad members are defined in the bill so that only those members of groups which serve in a public capacity will be eligible for benefits. Thus, the requirements for eligibility are similar to those for firemen.

Mr. Speaker, I urge prompt consideration of this legislation. Congress needs to extend the program it initiated in 1976 to include all of those in the fire services. The hundreds of rescue squads and their members throughout the Nation deserve the same protection which we have provided for their colleagues in fire departments.

THE ADMINISTRATION SHOULD RETURN TO ITS LONGSTANDING COMMITMENT TO THE PRODUCTION OF COAL AS A SOURCE OF ENERGY

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, as a Member of Congress representing a potential high-energy resource producing district, I am concerned with the role of coal relative to the future energy needs in the United States and the proposed permanent regulations published by the Office of Surface Mining (OSM) of the Department of the Interior in its implementation of the Surface Mining Control and Reclamation Act of 1977 (SMCRA)—a public law which I then and now fully support.

Specifically, I refer to a study conducted by ICF, Inc., of Washington, D.C., entitled "Impacts of DOE Cost Estimates for Discretionary Surface Mining Regulations (Revised)." Basically this report indicates that OSM's estimated incremental costs for discretionary surface mining regulations are not the same. For example, OSM estimates that implementation of the proposed regulations in Appalachia will cost $2.09/ton for surface mining and $0.16/ton for deep mining, while on the other hand, DOE estimates that implementation of these regulations will cost $5.44/ton for surface mining and $2.25/ton for deep mining. Additionally, for the OSM costs, total coal costs will increase by approximately one-half billion dollars in 1985. However, for DOE costs, the increase was over $2 billion. A $1½ billion difference.

Recently, increasing cost of regulations for the coal industry in the United States has caused a slowdown in production and created a competitive disadvantage with foreign energy sources in the world market. Within the bounds of environmental reason, the time for action to reverse this trend is now. In the House Interior Committee of which I am a member, we will be holding oversight hearings on these regulations on March 5 and 6 and for this I wish to commend our distinguished chairman, the gentleman from Arizona, Mr. UDALL.

The first step in this regard is for the Federal Government to agree on the cost of implementation of its regulations. Indeed, without the help of a clearly defined role for coal in the future relative to our energy needs, disagreement within the Federal Government regarding the cost of implementation adds insult to injury.

For example, the DOE's new budget for coal technology R. & D. tells much of the sad story. The coal R. & D. budget drops by almost 13 percent (without accounting for inflation year to year) between what Congress provided in fiscal year 1979 and what DOE wants in 1980; a dip of almost $100 million from $758.7 million down to $662.7 million. I submit that these cutbacks hardly fit into President Carter's proposed "comprehensive national energy plan to cope with a crisis that otherwise could overwhelm us."

Most of all, we need to create an atmosphere of certainty—certainty that the commitment to coal is genuine and longstanding; and certainty that as the industry gears up to meet the directive of three Presidents to double coal production by 1985, the industry will not run into obstacles of inaction, uncertainty, complexity, or markets dried up by ambiguity.

The current uncertain atmosphere surrounding coal adversely affects every facet of coal production and utilization and every facet of life in Appalachia especially for those thousands of coal miners laid off their jobs. It makes almost impossible the kind of long-term planning we need within the coal industry if coal is to resume a role in our energy mix. It discourages investment and expansion and job opportunities among coal mine operators and among the utilities and industries which burn the coal. And it discourages the kind of commitments we will need from private industry to build expensive conversion facilities to gasify and liquefy coal, to provide jobs and to improve every aspect of life in coal producing regions of our country.

The unknown cost of Government regulation and the lack of a clearly defined role in energy production is causing chaos in the coal industry. The alarming conclusion of this can only be higher energy cost and further dependence on foreign energy sources. With the world oil situation what it is today, and with our President calling our energy crisis "the moral equivalent of war," it is indeed time, and I urge this administration to return to its strong commitment to develop our energy resources within this country, clearly define its goal for coal, and indeed more clearly define its entire energy policy.

RETIREMENT OF EDNA MOYER AND BILL MORSE, DEDICATED EMPLOYEES OF THE HOUSE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I take this time to call attention to the Chair and to my colleagues on the floor the fact that today is the last day of faithful service to the House of Representatives of Edna Moyer, who is the Chief of our Official Reporters of Debates in the House of Representatives. I know that she will be disturbed that I am saying anything because it means that her colleagues will have to take down additional remarks, transcribe them, and they will have to be revised, and that only creates more work for the reporters.

I am not sure how aware Members are of the important role played, not only in the life of the House but in statutory interpretation, by the courts concerning our actions, by the people who take down all the words that are said. Surely there have been none more professional, better quali-

fied, and of better humor than Edna Moyer. We all owe her a great debt of gratitude.

Mr. ASHBROOK. Mr. Speaker, will my colleague, the gentleman from Maryland, yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I want to thank my colleague for yielding.

Mr. Speaker, I want to add my commendation to those remarks. I might also point out that if memory serves me right, I think Miss Moyer was the first member of the fairer sex to report our debates and I think the little fear and trepidation that some may have had at that time rapidly vanished because she proved herself to be more than accurate, very friendly, and a very charming addition to the House staff. I think we will all miss her.

Mr. BAUMAN. Mr. Speaker, I would be remiss in not mentioning that today is also the last day of service of Bill Morse, who also has served with great distinction as one of our reporters. We will miss them both.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Speaker, I want to join the expressions of the gentleman from Maryland with respect to Miss Moyer and Bill Morse, our good friends.

Mr. Speaker, I wish to call the attention of the Members of the House to the fact that William L. Morse has retired from his position as a Reporter of Debates.

During my tenure on the bench in Cleveland, Ohio, I knew Bill Morse and came to value his services in his work as a freelance court reporter. Bill was a partner in a Cleveland reporting firm for many years before he joined the House reporting staff. A native of Wisconsin, Bill had, after training in his profession in Chicago, worked as an official reporter in North Dakota. He is the fifth member of the Morse family to have been engaged in the reporting field, having been preceded by a cousin and three uncles, one of whom is still active at the age of 98 and living in retirement in Lancaster, Wis.

Bill will be sorely missed by his fellow staff members. In addition to his reporting duties, he has functioned ably in doublechecking the correctness of parliamentary forms used in the CONGRESSIONAL RECORD, in training other reporters, and in assisting Edna C. Moyer, the Chief Reporter, in her administrative work.

Mr. Speaker, we wish Bill and his wife Betty many happy years of retirement in their new home in Florida.

Mr. Speaker, I also want to pay tribute for the exemplary services to the House of Representatives of Edna C. Moyer, the Chief Reporter, who is also retiring from her important assignment.

I wish Miss Moyer good health and happiness in her new endeavors.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Mr. Speaker, I think it is only appropriate that those of us who use these microphones a lot say, thank you, Edna Moyer and Bill Morse, for what you have done and for your service. We appreciate the accurate job you have done, especially for those of us who talk as much as we do. I am sure there have been many times when you have wished we would cut it short, and so I will now do that. We thank you for your service.

Mr. O'NEILL. Mr. Speaker, today marks the last day of service in the U.S. House of Representatives for Edna Moyer, Chief of the Official Reporters of Debate. Edna began her service with the House in 1966, and she became the dean of the reporters in 1974. We can be proud of the work that the Official Reporters do for the House. Edna personifies their dedication, skill, and diligence. The Official Reporters work under difficult conditions and do a remarkable job of preparing the RECORD of the proceedings of this House. Before coming to the House of Representatives, Edna worked for the Department of State. She had a distinguished career in reporting conferences both in this country and abroad with Secretaries Byrnes, Marshall, Acheson, Dulles, and Rusk.

Edna has earned her retirement, and we wish her well.

Our thanks also go to Bill Morse, another of the Official Reporters, who is leaving today. We wish him well and hope that he will enjoy many happy years in his retirement.

Both Edna Moyers and Bill Morse have served this House with great professional ability and they carry the best wishes of Members as they depart.

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life and times of these two faithful servants of the House of Representatives, Edna C. Moyer and William L. Morse.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

QUICK ACTION REQUIRED BY PUBLIC WORKS AND TRANSPORTATION COMMITTEE TO PRESERVE SECRETARY OF TRANSPORTATION'S AUTHORITY TO APPROVE SAFETY PROJECTS AT AIRPORTS

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, yesterday I introduced a relatively simple bill which originally was requested by Secretary of Transportation Adams in a letter to you and to the President of the Senate on March 22, 1978. My bill is H.R. 2440.

This proposal has been considered in one way or another in other proposed legislation before the Congress; however, to insure passage I believe we need to focus on it as a separate issue. It also should be acted on before our May 15 budget deadline.

The bill would repeal the last sentence of section 14(b)(2) of the Airport and Airway Development Act. That sentence, added in 1976, requires further congressional action before any of the $207.5 million in fiscal year 1980 ADAP discretionary funds can be obligated by the Secretary.

We are about to begin a thorough review of the entire Airport and Airways Development Act in preparation for action to renew its basic authority next year. There now is no current need to review the discretionary fund other than to insure quick action to remove the restriction and insure that the Secretary has full authority to obligate the funds otherwise already authorized for vital airport safety needs. These funds are essential, especially at the nonhub airports.

I anticipate early consideration by the Subcommittee on Aviation which I chair, and expect that because of the support of the administration and the concern in the Congress for safety in the air, we will be able to move quickly to remove this restriction on safety projects for this one year.

I also will propose to the Appropriations Committee that the $60 million cut in this discretionary fund in the proposed administration budget be restored. With at least $2.5 billion in collected taxes in the bank to be used for improvement of the Nation's airports and airways it is unthinkable that funds for safety projects be cut back at a time when the public and the Congress are especially sensitive to ways that safety can be reinforced rather than delayed further.

In that connection I have written the following letter to the Honorable ROBERT DUNCAN, chairman of the Subcommittee on Transportation of the Appropriations Committee:

WASHINGTON, D.C.,
February 28, 1979.

Hon. ROBERT DUNCAN,
Chairman, Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DUNCAN: I would appreciate the opportunity of appearing before your Subcommittee to testify in favor of restoring the $60 million cut that has been proposed by the Administration in the Airport and Airways discretionary fund available to the Secretary for airport safety projects.

The Administration's budget proposal would reduce the discretionary fund from $610 million to $550 million. The Aviation Subcommittee in setting the original $610 million authorization considered this a floor rather than a ceiling. Our Public Works and Transportation Committee consideration of the Aviation Trust Fund established carefully balanced authorization levels for all safety programs, including airport needs, airways facilities, and research and development. We view with concern attempts to upset this careful balance.

This is a very tight budget year and I share concern that increases to the President's budget be scrutinized carefully. I therefore will be very hesitant to encourage any attempt to increase authorizations for

ADAP during FY '80. I cannot conscientiously condone cutting funds that would be available to the Secretary for safety projects which our Committee has carefully considered and found essential, especially when the taxpayers already have banked those funds and have sent a clear message about their concern for safety.

You will want to know that I also have introduced a bill to repeal the last sentence of section 14(b)(2) of the Airport and Airways Development Act. That sentence, added in 1976, requires further Congressional action before any of the $207.5 million in fiscal year 1980 ADAP discretionary funds can be obligated by the Secretary. This has been requested by the Secretary and will accomplish the Congressional objective.

While I anticipate early consideration by the Subcommittee on Aviation, it is my understanding that the sentence does not constrain the Appropriations Committee from approving the entire $207.5 million within the total fiscal year 1980 $610 million level. This language as I understand is a restriction only on the Secretary's authority to obligate the funds and not a restriction on the appropriations process. The amount must be considered in our budget approval process nevertheless.

Sincerely,

GLENN M. ANDERSON,
Member of Congress.

□ 1855

GENERAL LEAVE

Mr. GINGRICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include therein extraneous material on the subject of my special order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXPELLING CONGRESSMAN DIGGS

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, this evening I have asked for this special order to talk briefly about an issue which the House has not debated for 68 years, the question of whether or not a Member should be expelled.

During those years, the oath of office has been repeated countless times. But as we consider this important matter, I think it is appropriate we start by considering that oath again:

I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

Unfortunately, the conviction of one of our colleagues is inconsistent with this oath. This is painful not just because it reflects on one man and his actions—but because it reflects upon this entire House.

Government officials, whether in the legislative or the executive branch, cannot be allowed to steal from the people. If we are to thoroughly investigate the GSA scandal, we must be sure our own house is in order. To do any less, is to fail to: "Defend the Constitution of the United States against all enemies, foreign and domestic."

There is no single issue more important than honesty in our Government. A police state can accept corruption because their government is based upon fear. A free state cannot—because the government of free men depends upon their respect. The government must be worthy to be obeyed.

Therefore if we appear to betray our oath and appear to allow others to act inconsistently with their oath, this strikes at the very heart of our freedoms.

But these truths are not new. Thomas Jefferson wrote about them many years ago:

This I hope will be the age of experiments in government, and that their basis will be founded on principles of honesty, not of mere force. We have seen no instance of this since the days of the Roman Republic nor do we read of any before that. Either force or corruption has been the principle of every modern government.

It is up to each Member of the House to individually consider whether we can allow the experiment Jefferson helped start sink back to a government based on corruption. And that is a much bigger issue than the violation of his oath by one particular Member of this body.

Justice Brandeis talked about this in the case of Olmstead against United States (1928). He said:

Our Government is the potent, omnipresent teacher . . . it teaches the whole people by its example. If the government becomes a law breaker, it breeds contempt for the law; it invites every man to become a man unto himself, it invites anarchy.

Those are the principles this Nation was founded upon. Our oath says we hold true faith to those principles. And we must.

But let us look at it in another light—as a matter of the survival of our institution. Yesterday, one of my colleagues remarked to me they did not think many Members really understood how the people see Congress as an institution. They do not trust us. It is not enough for each Member to be individually trustworthy—and respectable. Our institution has to be trusted and respected as a body. And it is not.

Just a year ago, in January of 1978, a George Gallup sampling placed Congressmen 13th out of 20 occupations and professions. The nationwide 1,500 person sampling broke down this way:

Congressmen:	*Percent*
Very high opinion	4
High opinion	12
Average opinion	47
Low opinion	25
Very low opinion	10
No opinion	2

But it has gotten worse since then.

In April of 1978 a Gallup survey of 1,500 adults rated Congress last in public confidence out of 9 American institutions.

An August 1978 survey of a similar number of adults found Congress last out of 16 institutions, in the category of public confidence. Only 10 percent of those surveyed had "high confidence" in Congress—an alltime low.

In December of 1978, the Des Moines Register polled 591 adults in Iowa, and had them rate 39 governmental, business, religious, and social institutions. Congress ranked 32d in trust.

We can listen to that message—or we can ignore it. There are those who suggest we should pretend nothing happened.

I have requested the gentleman from the 13th District of Michigan refrain from voting precisely because something did happen—he did violate his oath to this House.

Now the only question becomes: What shall we do about this situation?

There are some who say Congress should do nothing. They say let the judicial branch decide his case.

But that branch has already spoken. The other body of representative government in our system, the jury, has spoken. We cannot ignore their finding.

Some say we should wait and do nothing until that branch takes final action.

Justice White answered them in United States versus Brewster:

I would insist that the House (of Congress) develop their own institutions and procedures for dealing with those in their midst.

I have asked the gentleman from Michigan to consider the precedent of a Member who was in a similar position. That precedent is described in Cannon's Precedents, where Representative John Langley was convicted, and then appealed. He was reelected while on appeal, and then refrained from voting until his appeal had been completed.

That route would have allowed us to wait until the Ethics Committee determined what action was appropriate in light of him breaking the oath.

Now we cannot wait. Each of us has to face the question: Should someone who has broken our oath be allowed to vote in our House? So tomorrow I will offer a privileged motion, the motion of expulsion, immediately before the House takes up its other legislative business for the day.

At that point, the House will have to consider whether to refer this matter to the Ethics Committee. But the real issue will remain—can we tolerate a Member who has violated our oath, voting on legislation?

The committee is already investigating this matter. While the committee determines its actions, and while the appeals court waits for the gentleman's appeal, the real question remains—Should the citizens of the United States put up with legislation and expenditures voted on by someone who has violated the oath of office?

One of our former colleagues has commented on this issue.

Many of my colleagues who served with Mr. Wiggins during his years in the House know and respect his legal judgment.

His careful research and thorough deliberation serves as a model for us all. I

would like to share with my colleagues a letter he wrote earlier this year:

JANUARY 10, 1979.

Hon. NEWT GINGRICH,
Member of Congress, Washington, D.C.

DEAR NEWT: I am sorry for the delay in responding to your request for my views with respect to the expulsion of a Member who stands convicted of a felony. For the past several weeks I have been deeply involved in my move to California and have just been unable to address this important question.

There are two aspects to the question posed: Does the House have the power to act under the circumstances? And, if so, should it do so as a matter of sound policy?

The first question is, I believe, free of serious doubt. The source of Congressional power is Article I, Section 5 of the Constitution which authorizes the House "to punish its Members for disorderly Behavior and, with the concurrence of two-thirds, expel a Member."

The power is, on its face, unlimited, save for the requirement of a two-thirds vote. What misconduct constitutes "disorderly Behavior" is left to the sound discretion of the Members themselves. Personally, I believe there are limits to this power, such as the expulsion of a Member because of his race, religion, political affiliation, etc., but this implicit limitation is not involved in the present case. Also, it is at least arguable that expulsion immediately after a Member-elect is seated is tantamount to exclusion and hence contrary to the holding in *Powell* vs. *McCormack*. For reasons that I shall explain later, this argument is not sound in the present case.

Accordingly, as I see it, the issue narrows to one of policy: *Should* the Congress expel a Member convicted of a felony?

I believe it is accurate to say that the basic purpose of the expulsion power is to preserve the good order, dignity, and public esteem of the House of Representatives. I wish it were possible for me to cite authority for this proposition from the *Debates* and other reference material, but my library is scattered between here and Washington and I am, for the moment, unable to do so. The Library of Congress, however, is able to provide background material on the purpose of the Expulsion Clause. These historical purposes must, of course, be kept carefully in mind in deciding whether a felony conviction is proper basis for expulsion.

It is the basic purpose of the Expulsion Clause which distinguishes the case of the improper exclusion of a Member. The House attempted to exclude Adam Clayton Powell because of prior acts of misconduct on his part. Had the effort been successful, Powell would have never been seated and could, therefore, never impacted the good order, dignity, and public esteem of the House. Expulsion, on the other hand, focuses not upon the prior misconduct of a Member, but upon the *present* harm visited upon the body by the membership of one who causes public scorn to be heaped upon the institution. To be sure, the public's attitude may be a result of the prior acts of the Member, but it is the present consequence of those prior acts which justifies the expulsion. And, that present effect can only be felt after the Member-elect is seated.

Almost as an aside, it is far too late in the day to maintain that "disorderly Behavior" is limited to misconduct which may disrupt the proceedings of the House itself. The words "disorderly Behavior" modify both punishment short of expulsion as well as expulsion itself. Precedents clearly establish that the House may punish for conduct occurring anywhere.

Although a Member who stands convicted of a felony may be a model of personal decorum, it is self-evident to me that the mere presence of a criminal in the House of Representatives can adversely reflect upon the dignity and public esteem of the body as a whole.

Some felonies are regarded by the public with such horror and revulsion as to leave little doubt as to the propriety of expulsion in such cases. The conviction of a Member for treason, murder, or rape, for example, would doubtless move the House to act with dispatch against such a Member. Other felonies, however, may be arguably technical in nature and may not discredit either the convicted Member or the House itself to the same degree. Because of this reality that all felonies are not the same, it would be unwise to argue for a uniform policy of expulsion whenever a Member stands convicted of any felony. If a uniform policy is to be desired, then perhaps those felonies involving moral turpitude (an expression with some certainty in the law) should be the standard. For myself, I would rather have individual cases be considered *Ad Hoc*, believing, as I do, that the House would expel only when it was appropriate to do so. Such an *Ad Hoc* approach would not tie the House to a felony standard at all. Some misdemeanor may justify expulsion as well as some conduct not amounting to a crime.

Congressman Diggs has been convicted of multiple counts of a felony which, stripped to its essentials, involves stealing from the public. Whether such an offense is sufficiently serious as to justify his expulsion, I submit to your good judgment. Personally, I believe it does, for the public itself is uniquely the victim of his crime and the circumstances of its commission involve a criminal misuse of the office itself. The case has received wide publicity and it can be assumed that the public is fully aware that the membership of the House includes a convicted thief and that the esteem of the body has been, and continues to be, tarnished as a result.

Several arguments are customarily advanced against expulsion in similar circumstances. The first is the argument that the misdeeds occurred in a prior Congress and the Member was re-elected by his constituents who were fully aware of the conviction and apparently condoned the conduct.

The "prior Congress" defense has been recognized selectively. To be sure, there are precedents which stand for that proposition, but precedents abound as well where the defense has been disregarded. In recent memory, the Wilson, Roybal, McFall and Sikes cases all involve misdeeds occurring in prior Congresses.

Moreover, the "prior Congress" defense is wrong in principle. The power of the House to discipline its Members is wholly independent of the right and power of the electorate to vote for whomever it chooses. A single constituency may have the right to send a scoundrel to Congress, and the House may have a duty to seat him; however, a single constituency has no right to insist that the House, as a whole, tolerate the continued presence of such a person as a Member if, as a consequence, the good order, dignity and public esteem of the body is adversely affected thereby. Were it otherwise, the Expulsion Clause would be rendered meaningless in the precise circumstance in which it was intended to be invoked.

The second argument is that it would be inappropriate to expel a Member convicted of a felony if his conviction is on appeal, because of the possibility that the conviction may be reversed. This argument has some merit in some cases, but it cannot be accepted as a firm rule for all cases.

Most appeals from criminal convictions have nothing to do with the question of criminal culpability. Whether the defendant did or did not do the criminal act is seldom the issue. Claimed errors at trial are the usual basis for appeals and a successful appeal normally results in a new trial. However, expulsion is the political equivalent of the death penalty. It cannot be undone once the decision to expel is made. For this reason, the House should proceed cautiously in expulsion proceedings if an appeal is pending from the conviction.

Again, for my part, if the appeal is technical in nature, and does not challenge the Member's involvement in the criminal act itself, I see no reason to defer expulsion proceedings if the possibility is remote that the Member may subsequently be found "not guilty"—as distinguished from "innocent"—after a new trial.

Another reason why the pendency of an appeal cannot be a uniform bar to expulsion is that the power to expel would be gutted as a result. Appeals can easily be sustained beyond the two year term of a Congress. A Member convicted of the most heinous offense and, in fact, confined to prison, could maintain his seat by the simple expedient of keeping his appeal alive. The framers of our Constitution surely did not provide for the power to expel, knowing that it could be rendered meaningless so easily in the very cases when it was critically needed.

I have been overlong in these views. Fundamentally, it comes down to this: Should the House condone the presence of a Member who stands convicted of a serious felony? I think not. The precedents, however, are otherwise. It is past time to take a fresh look at this issue and the Diggs case provides the opportunity. A full debate in the House, whatever the outcome, would force the body to face squarely a reoccurring and troublesome issue which, by its neglect, seriously impacts the good order, dignity, and public esteem of the Congress.

Sincerely,

CHARLES E. WIGGINS.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I want to commend the gentleman on his remarks, and as one deeply involved in the investigation of the General Services Administration problem, I would say to the gentleman that I think it is tremendously important that the Congress have the reputation of being able to clean up its own House as it has been created over a period of years. We have only recently become aware there may be some problems with respect to the peanut warehouse sale in Georgia. We have seen an allegation in the newspapers. Maybe the Congress is going to have to take a look at that situation.

We had better have our own House in order to move in that particular direction, so I think the gentleman has raised a very important point. I want to go on record as supporting him.

Also, I want to say that as we consider the matter of the gentleman from Michigan (Mr. DIGGS) I think we should consider the words of one of America's finest writers. I am sure many of you have read and admired the work of columnist George Will.

I think his piece on this matter was one of his finest, and I ask you to consider it carefully:

THE UNTENABLE REASONS FOR SEATING DIGGS

(By George F. Will)

Political actions often are less important than the reasons given for them. Consider the case of Rep. Charles C. Diggs Jr.

Diggs, a Michigan Democrat, has been convicted on 29 counts of mail fraud and receiving salary kickbacks from his staff. He has

been sentenced to three years in prison. He is appealing. He also is serving in Congress, having been re-elected since his conviction.

The theory that Diggs should not be expelled from Congress reveals much about the condition of democratic government.

Diggs's conviction ended the obligation to pressure him innocent, so it is unnecessary to suspend judgment pending appeals. Yet Jim Wright (D. Tex.), the majority leader, probably spoke for the majority when he said Diggs should not be expelled even if his appeal fails:

"Membership in the House is not ours to bestow. . . . The constituents are entitled to have the representatives of their own choice."

By choosing the word "bestow," Wright blurs the distinction, suggested by a Supreme Court opinion, between expelling and excluding a member. In the case of Adam Clayton Powell, the court held that, as regards exclusion, Congress is limited to judging members in terms of the qualifications (pertaining to age, citizenship, residency, etc.) prescribed in the Constitution. But in a concurring opinion, Justice William Douglas argued that expulsion of a member, once he has been sworn in, is different: ". . . If this were an expulsion case I would think that no justiciable controversy would be presented, the vote of the House being two-thirds or more."

A House committee has held that the power of expulsion is inherent in legislative bodies, and is necessary to the safety of the state. The Constitution says: "Each house may . . . punish its members for disorderly behavior, and, with the concurrence of two-thirds expel a member."

The power probably is unlimited and unappealable.

The extreme, anti-constitutional and untenable nature of Wright's doctrine is illustrated by this fact: The doctrine implies that the House should not expel a member even for treason or bribery, offenses against the integrity of government, offenses that the Constitution denotes as grounds for impeaching a president. (The House has expelled three members, all in 1861, for the "treason" of supporting the Confederacy.)

Wright's doctrine is grounded not in constitutional reasoning but in a theory of democracy: Democratic "entitlement" allows no restriction on the voters' choice of representation. It follows that no offense is so inconsistent with a member's duties that Congress should respond with expulsion to protect its corporate integrity. All constituencies evidently have an absolute right to send convicts to make laws and oversee their execution.

The fact that the Congressional Black Caucus has rallied to Diggs' defense is important only as a measure of the decline of black leadership. The issue is philosophical, not racial.

If Diggs' constituents elected him to a legislature that made laws only for them, it would be slightly more arguable that he should be tolerated in office. But Congress legislates for the nation, so voters, ever alert to entitlements, should acknowledge, or be made to acknowledge, countervailing obligations to respect Congress' institutional dignity and national responsibility.

That Wright's doctrine is widely accepted demonstrates how attentuated is Congress' and the public's sense of Congress as a corporate trustee of national purposes. Increasingly, voters regard congressmen, and congressmen regard themselves, as ambassadors dispatched to a foreign province, the federal city, where their only duty is to do the bidding of those who dispatched them.

That duty usually reduces them to competing with other ambassadors in the scramble for benefits. Thus the office of representative has lost even the dignity conferred by an elevated theory of its function.

The decay of democratic government, and the permanent economic inflation that is both a cause and a consequence of that, is related to the thoughtless multiplication of "entitlements," and the reduction of democratic theory to a list of entitlements. Most are entitlements to services, but none is as pernicious as the general justifying doctrine that constituents are "entitled" to whatever they can effectively demand.

Wright's rationalization for not expelling a convict from Congress is just a mechanical application of such thinking. But one word describes a democracy that defends an "entitlement" as perverse as that asserted by Diggs' constituents. The word is decadent.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Pennsylvania.

I yield to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I would like to identify myself with the efforts of the gentleman and also in order that we may be aware of the precedents with which we are dealing, I would like to discuss with the membership at this point the matter of the conviction of John W. Langley while a Member of the 68th Congress.

Mr. Langley was convicted of conspiracy charges in the U.S. District Court for the Eastern District of Kentucky. His conviction stemmed from his involvement in a scheme to illegally transport alcohol across interstate lines via truck.

According to a transcript of the March 28 to May 1, 1924 hearings to investigate two Members of Congress, Langley was indicted—and later convicted—for using his influence to have permits to transport alcohol approved by the prohibition officer for the State of Kentucky. The conspiracy in which he was involved made similar arrangements with the prohibition officers of Pennsylvania and Maryland.

It was important to procure Congressman Langley's assistance because alcohol, at that time, was normally transported by rail and, therefore, subject to greater scrutiny. Under the Langley scheme, the alcohol was to be transported via a drug company's transportation permit, ostensibly for use in various pharmaceuticals and liniments requiring alcohol. It could thereby be easily diverted from the trucks to bootleggers for distillation.

Langley was accused of accepting a $6,000 "loan" from one Elias P. Mortimer, actively involved in marketing the illegal alcohol.

I would like in summary to read into the RECORD the report of the Select Committee Appointed To Consider the Qualifications of John W. Langley, reported on December 22, 1925:

The special committee appointed in accordance with the resolution of the House on December 9 to consider the election returns and qualifications of John W. Langley, Member of Congress-elect from the tenth Kentucky district, would respectfully report:

While a Member of the Sixty-eighth Congress, on May 13, 1924, Mr. Langley was convicted of conspiracy in the United States District Court for the Eastern District of Kentucky under section 37 of the Penal Code, and was sentenced to serve a term of two years in the Atlanta Penitentiary. From this conviction a writ of error was taken to the Circuit Court of Appeals for the Ninth Circuit. That court, on November 13, 1925, affirmed the conviction in the district court. A motion for rehearing was filed and decided against the accused on December 4 last. On December 8 a stay of execution of the sentence was ordered by the circuit court, to continue until five days after the first motion day in the United States Supreme Court for the year 1926—January 4—with the further provision that if prior to that date a petition for certiorari should be presented in that court the execution of the sentence should be deferred until a decision should be rendered upon the petition.

□ 1900

At the November election for 1924, Mr. Langley was reelected as a Representative from the tenth Kentucky district. Without an expression of the individual opinions of the members of the committee, it must be said—

And this, Mr. Speaker, is from the report—

that with practical uniformity the precedents in such cases are to the effect that the House will not expell a Member for reprehensible action prior to his election as a Member, not even for conviction for an offense. On May 23, 1884, Speaker Carlisle decided that the House had no right to punish a Member for any offense alleged to have been committed previous to the time when he was elected a Member, and added, "That has been so frequently decided in the House that it is no longer a matter of dispute."

A more serious question arises.

And this is from our reading of the report—

however, in the case of Mr. Langley, in that the House could not permit in its membership a person serving a sentence for crime. It is, however, again in accordance with precedent that final action shall not be taken until a criminal charge has been disposed of in the court of last resort.

The committee are informed that a petition for certiorari on behalf of Mr. Langley has already been filed in the Supreme Court, seeking a reversal of the conviction. There is every prospect of an early disposition of this petition, and the committee recommend that no action be taken at present.

And, Mr. Speaker, I particularly call this to the attention of the membership, as contained in the report:

It is well known that Mr. Langley is not participating in the proceedings of the House, and it is understood that his resignation will be immediately presented in case of the refusal of the petition for certiorari.

The committee do not ask at this time to be discharged from the duties imposed upon them. If there should be unusual delay in action on the petition for certiorari, or other circumstances arise which would seem to require action, the committee desire leave to make a further report to the House.

That is the end of the report filed December 22, 1925.

Mr. Speaker, I say to the gentleman from Georgia (Mr. GINGRICH) that we appreciate very much his taking this special order.

It seems to me that this precedent indicates pretty clearly that a person under conviction, even though he is convicted prior to the session in which he is sitting, if he is out and at liberty on appeal or in some other relationship or situation, should not participate in the proceedings of the House. The prece-

dents indicate that he is permitted to retain his membership in the House, with the understanding, from this precedent, that he would not participate in the proceedings. It would seem to me that very clearly the precedents are violated when a person under conviction for an offense of this nature participates in the proceedings of the House.

Mr. Speaker, I thank the gentleman for yielding.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Virginia (Mr. BUTLER). I think he states very correctly the situation this House finds itself in today.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I wish to speak in support of the effort of my distinguished colleague, the gentleman from Georgia (Mr. GINGRICH), to expel our colleague, the gentleman from Michigan, from the House of Representatives.

I rise reluctantly to speak on this occasion. None of us take any delight in speaking on the downfall of one of our Members.

However, the reality of the situation forces us to consider this matter and consider it now.

This Congress has had no previous opportunity to address itself to this problem. But now that important votes are coming up which affect every congressional district, I believe we can no longer afford to ignore the question of one of our Members and his vote in Congress.

I have heard it said that even though one of our colleagues has been convicted of 29 felony counts connected with his duties in the House, that he should still serve here because his constituents reelected him after he was convicted.

The problem with that line of reasoning is this: When the Member from Michigan votes here in the House of Representatives, he is making law not just for the people in his district, but for every American.

We cannot isolate his influence, or his vote, from that of any other Member here in Congress.

We act collectively to make the laws for everyone.

Given this context, how can we ignore the fact that one of our Members has been convicted of 29 felonies? And what's worse—those felonies directly relate to his duties as a Congressman.

How can we pass laws and have any credibility at all when convicted felons have a voice in making them?

It is up to us to set the standards of membership in the Congress. The Constitution sets only age and residency requirements—the rest is up to us.

And I think that even at the minimum—conviction of 29 felonies is above what most people would set as a minimum standard for serving in Congress.

As to the question of representation for the people of our colleague's district, that could be settled very easily.

Our colleague from Michigan could resign and another election could be held.

If he had done this earlier, there could be someone else standing here right now representing the 13th Congressional District of Michigan—without the threat of expulsion hanging over his head.

But the gentleman from Michigan has not resigned. So he has forced this step upon us. And I believe that we will have no credibility whatsoever among the American people, if we fail to take it.

□ 1905

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from California.

Mr. RAILSBACK. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Illinois.

Mr. RAILSBACK. I thank the gentleman for yielding.

Mr. Speaker, I want to indicate that I think it is very, very difficult for any of us to decide, to deal with, and meet some of the very difficult problems that occur. Thank heavens, such a situation as this occurs very sporadically or periodically. And, as the previous speaker said, I do not think that any of us like to sit in judgment of a colleague.

Mr. Speaker, I really commend the gentleman in the well for at least having the courage and the fortitude to be willing to address what I think is a very difficult issue for all of us.

The other thing I wanted to mention is that it is my understanding that the gentleman sought and has received a letter from one of our previous colleagues, Chuck Wiggins from California, and I have had a chance to look at that letter, which I think is a rather scholorly presentation of his view. I want to commend it to the Members of the House for their consideration. It is my understanding that the gentleman in the well is going to eventually ask unanimous consent to see that that letter is placed in the RECORD.

Mr. GINGRICH. That is correct.

Mr. RAILSBACK. Once again, I want to commend the gentleman for what I think is some courage.

Mr. GINGRICH. I thank my colleague.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. I thank the gentleman for yielding.

Mr. Speaker, I rise to support the position of my colleague, the gentleman from Georgia (Mr. GINGRICH). I take this position based on principle and, regrettably, past experience—and not on the personality of the gentleman from Michigan, whom I have not had the opportunity to meet.

Mr. Speaker, prior to coming to this Congress I served in the senate of the State of Pennsylvania and participated in the historic and regrettable occasion of expelling a member of the senate of the State of Pennsylvania for the first time in the history of our Commonwealth. I think many people know that I am here today as a Congressman from a district where the former Representative has been convicted, pleaded guilty, has brought disgrace and disrespect on this Congress and on my community.

The people of my city, Mr. Speaker, have had it with corrupt politicians and with the system which protects them.

In Philadelphia, we have had a speaker of the Pennsylvania House indicted and convicted, the chairman of our senate appropriations committee indicted and convicted, the majority leader of our city council convicted, the judge of one of our common pleas courts indicted and convicted, the chairman of our redevelopment authority indicted and convicted, and many, many more.

As I say, Mr. Speaker, the people of my district have had it. The issue rises above the individual. The issue is very clear. The individual from Michigan stands as a convicted felon. He has been asked not to vote pending his appeal, but he has voted. We are told that the appeal process has not been completed; yet he has delayed the appeal process. We are told that he has been reelected.

Mr. Speaker, I say to the Members of this House that those arguments are nonsense, sheer and utterly complete nonsense. The political facts of life negate any merit to the reelection argument.

Mr. Speaker, the issue is clear. The people of this Nation will not be deceived, nor will they be misled. It is simply a matter of doing what is right. Regrettably, Mr. Speaker, that is to expel the gentleman from Michigan.

Mr. GINGRICH. I thank the gentleman from Pennsylvania for his comments.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of what I think will be a resolution that will be introduced tomorrow. I have heard the argument said, and the majority leader, the gentleman from Texas, today very eloquently pointed out, that the gentleman has not exhausted his appellate rights, and also he pointed out that last November the gentleman was reelected by the people of his home district and, therefore, he has the right to sit in this Chamber and make laws for the people of this Nation.

□ 1910

But, that argument misses a very basic point that I think must be addressed in this entire issue, namely, there are two options to serving in this House, which I deem a high privilege. One, you have to win a majority of the votes in the district from which you come. Second, you have to pass muster in terms of what conduct that we Members establish and approve by way of our actions as Members of this House. That responsibility in terms of what we, as Members of the House, do should not be taken lightly, but it strikes me that when we have a person who has sustained most of the counts of a felony, stealing of public funds, in his capacity as a Congressman, if we as Congressmen do not address ourselves to that type of conduct, by your silence we are condoning it. We are not only voting for the citizens and for this district in Michigan, but we are voting for the people of this country in terms of standards of conduct we accept and pass on to the next generation as being acceptable for Representatives in this

House. I think for us to do less than that is an act of irresponsibility.

Mr. GINGRICH. I thank the gentleman for his comments.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I want to commend the gentleman from Georgia for taking this initiative. Those of us who have served here for some time, although a brief 6 years in my case, know there is always a hesitancy on the part of Members to deal with any matter that in some way involves another Member or his conduct. But, there are certainly times—and this is one of them, without doubt—when the institution as a whole, its integrity, is the issue. If it had not been for the gentleman from Georgia, who has taken on this task personally when nobody else would, we would not have the issue before the House.

Regrettably, I think there was a tendency on the part of the leadership to try to slide over the matter since many people did not wish to deal with it. This has been the excuse on too many occasions. The gentleman has brought this to issue, and tomorrow we will face that. Certainly, he deserves a great deal of credit, and I hope the people of his district realize the valuable role he is playing in the House.

I thank the gentleman for yielding this time.

Mr. GINGRICH. I thank the gentleman from Maryland.

Mr. BUTLER. Mr. Speaker, will the gentleman yield once more?

Mr. GINGRICH. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding. What I would like to do at this moment, in order that the membership might understand what we are talking about, is to read into the record the indictment of the gentleman who the gentleman from Georgia would expel by his resolution. This is from the U.S. District Court for the District of Columbia:

[U.S. District Court for the District of Columbia, grand jury sworn in on Oct. 13, 1976]

UNITED STATES OF AMERICA VERSUS CHARLES C. DIGGS JR.

(Violations: 18 U.S.C. §1341 (Mail Fraud); 18 U.S.C. §1001 (False Statement)).

INDICTMENT

The Grand Jury charges:

COUNTS 1 THROUGH 11

1. At all times material hereto, Charles C. Diggs, Jr., (hereinafter defendant Diggs), was the duly elected Representative to the United States Congress for the 13th Congressional District of Michigan.

2. At all times material hereto, defendant Diggs maintained an office in Washington, D.C. and offices in Detroit, Michigan for the purpose of conducting business as a member of Congress.

3. At all times material hereto, defendant Diggs was the Chairman of the House of Representatives Committee on the District of Columbia (hereinafter House District Committee).

4. At all times material hereto, defendant Diggs was directly responsible for hiring, supervising, and determining and approving the salaries of all employees in his Congressional offices in Washington, D.C. and Detroit, Michigan and of certain employees of the House District Committee.

5. At various times material hereto, defendant Diggs was an officer and shareholder of the House of Diggs, Inc., a Michigan corporation engaged primarily in the business of embalming and funeral directing, and all other duties attendant thereto.

6. On or about July 1, 1973 and continuing thereafter until on or about March 2, 1977, within the District of Columbia, and elsewhere, defendant Diggs would and did devise and intend to devise a scheme and artifice to defraud the United States or America, and to obtain money and property by false and fraudulent pretenses, representations and promises, which defendant Diggs well knew would be and were false when made.

7. It was a part of said scheme and artifice that defendant Diggs, in order to pay for his personal, business, and House of Representatives expenses, would and did divert and cause to be diverted from the Treasury of the United States a sum in the form of salary kickbacks from certain House of Representatives employees and payments to others on the House of Representatives payroll who performed no work for the House of Representatives.

8. It was further a part of said scheme and artifice that defendant Diggs, as a means of paying various personal, business, and House of Representatives expenses, would and did inflate and increase and cause to be inflated and increased the salaries of Congressional employees, that is, defendant Diggs inflated and increased the salaries of (a) Jean G. Stultz, from her regular per annum pay rates of between fourteen thousand six hundred sixty-seven dollars and eighty-four cents ($14,667.84) and twenty-two thousand seven hundred dollars ($22,700.00) to per annum pay rates of between thirty-three thousand six hundred sixty-seven dollars and eighty-four cents ($33,667.84) and thirty-seven thousand three hundred fifty-five dollars ($37,355.00); (b) Felix R. Matlock, from his regular per annum pay rates of between twelve thousand eight hundred forty-two dollars and fifty-five cents ($12,842.55) and twenty thousand dollars ($20,000.00) to per annum pay rates of between twenty-one thousand seven hundred dollars ($21,700.00) and thirty-seven thousand dollars ($37,000.-00); and (c) Ofield Dukes, from his regular per annum pay rate of twelve thousand dollars ($12,000.00) to per annum pay rates of between thirteen thousand nine hundred dollars ($13,900.00) and thirty-seven thousand dollars ($37,000.00).

9. It was further a part of said scheme and artifice that defendant Diggs would and did place and caused to be placed on the House of Representatives payroll Jeralee Richmond, sometimes referred to as Geralee Richmond, as a means of paying to her approximately twenty thousand dollars ($20,000.00) for her work as an employee of the House of Diggs, Inc.

10. It was further a part of said scheme and artifice that defendant Diggs would and did place and caused to be placed on the House of Representatives payroll George G. Johnson as a means of paying to him approximately nineteen thousand dollars ($19.-000.00) for his work as an accountant for defendant Diggs personally, his family, and the House of Diggs, Inc.

11. It was further a part of said scheme and artifice that defendant Diggs would and did make and cause to be made false and fraudulent statements and representations to the Office of Finance, House of Representatives (hereinafter Office of Finance), that is, that the full amount of the money set forth as salary in Payroll Authorization forms for Jean G. Stultz, Felix R. Matlock, and Ofield Dukes was compensation for their services as House of Representatives employees.

12. It was further a part of said scheme and artifice that defendant Diggs would and did make and cause to be made false and fraudulent statements and representations to the Office of Finance, that is, that the money set forth as salary in Payroll Authorization forms for Jeralee Richmond and George G. Johnson was compensation for their services as House of Representatives employees.

13. It was further a part of said scheme and artifice that defendant Diggs would and did conceal and cause to be concealed from the Office of Finance, among other information:

(a) That defendant Diggs had increased and inflated the salaries of Jean G. Stultz, Felix R. Matlock, and Ofield Dukes in order to pay for various personal, business, and House of Representatives expenses of defendant Diggs;

(b) That defendant Diggs placed Jeralee Richmond on the House of Representatives payroll in order to pay her for her work as an employee of the House of Diggs, Inc.;

(c) That defendant Diggs placed George G. Johnson on the House of Representatives payroll in order to pay him for his work as an accountant for defendant Diggs personally, his family, and the House of Diggs, Inc.

14. On or about the date listed below for each count, within the District of Columbia, defendant Diggs, for the purpose of executing and furthering the aforesaid scheme and artifice and attempting so to do, would and did cause to be placed in a post office and authorized depository for mail matter, mail matter to be sent and delivered by the Postal Service, such mail matter in each instance being an envelope containing a United States Treasury check addressed to the person listed below for each count:

Count, date, and addressee:

Count 1. August 29, 1975. Felix R. Matlock, 4825 Woodward Avenue, Detroit, Michigan 48201.

Count 2. December 19, 1975. Felix R. Matlock, 4825 Woodward Avenue, Detroit, Michigan 48201.

Count. 3. March 31, 1976. Felix R. Matlock, 4825 Woodward Avenue, Detroit, Michigan 48201.

Count 4. November 30, 1976. Felix R. Matlock, 4825 Woodward Avenue, Detroit, Michigan 48201.

Count 5. July 31, 1974. Jeralee Richmond, 24071 Jerome, Oak Park, Michigan 48237.

Count 6. August 30, 1974. Jeralee Richmond, 24071 Jerome, Oak Park, Michigan 48237.

Count 7. September 30, 1975. Jeralee Richmond, 24071 Jerome, Oak Park, Michigan 48237.

Count 8. July 31, 1973. George G. Johnson, 18467 Littlefield, Detroit, Michigan 48235.

Count 9. November 30, 1973. George G. Johnson, 18467 Littlefield, Detroit, Michigan 48235.

Count 10. January 31, 1974. George G. Johnson, 18467 Littlefield, Detroit, Michigan 48235.

Count 11. September 30, 1974. George G. Johnson, 18467 Littlefield, Detroit, Michigan 48235.

(Violation of 18 U.S.C. § 1341.)

COUNT 12

1. The Grand Jury realleges and herein incorporates by reference paragraphs 1 through 13 of Counts 1 through 11 of this indictment.

2. On or about October 15, 1973, within the District of Columbia, in a matter within the jurisdiction of a department and agency of the United States, that is, the Office of Finance, defendant Diggs, in order to further the aforesaid scheme and artifice, knowingly and willfully, would and did conceal and cover up and cause to be concealed and cov-

ered up by a trick, scheme, and device a material fact, that is, defendant Diggs, knowing Jean G. Stults to be receiving her regular fourteen thousand six hundred sixty-seven dollar and eighty-four cent ($14,667.84) per annum salary as an employee of the House District Committee, would and did submit and cause to be submitted a Payroll Authorization form to the Office of Finance, entitling Jean G. Stults, effective October 1, 1973, to receive as an employee of the Congressional office of Congressman Charles C. Diggs, Jr., an additional salary at the per annum pay rate of nineteen thousand dollars ($19,000.00), thereby concealing and covering up the fact that defendant Diggs would and did covertly direct that this additional salary, when received by Jean G. Stults, be kicked back to and applied for the use of defendant Diggs.

(Violation of 18 U.S.C. § 1001.)

COUNT 13

1. The Grand Jury realleges and herein incorporates by reference paragraphs 1 through 13 of Counts 1 through 11 of this indictment.

2. On or about May 13, 1974, within the District of Columbia, in a matter within the jurisdiction of a department and agency of the United States, that is, the Office of Finance, defendant Diggs, in order to execute and further the aforesaid scheme and artifice, knowingly and willfully, would and did conceal and cover up and cause to be concealed and covered up by a trick, scheme, and device a material fact, that is, defendant Diggs, knowing Jean G. Stults to be receiving her regular fourteen thousand six hundred sixty-seven dollar and eighty-four cent ($14,667.84) per annum salary as an employee of the House District Committee, would and did submit and cause to be submitted a Payroll Authorization form to the Office of Finance, entitling Jean G. Stults, effective May 1, 1974, to receive as an employee of the Congressional Office of Congressman Charles C. Diggs, Jr., an additional salary at the per annum pay rate of sixteen thousand two hundred ten dollars ($16,210.00), thereby concealing and covering up the fact that defendant Diggs would and did covertly direct that this additional salary, when received by Jean G. Stults, be kicked back to and applied for the use of defendant Diggs.

(Violation of 18 U.S.C. § 1001.)

COUNTS 14 THROUGH 20

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 13 of Counts 1 through 11 of this indictment.

2. On or about the date listed below for each count, within the District of Columbia, in a matter within the jurisdiction of a department and agency of the United States, that is, the Office of Finance, defendant Diggs, in order to execute and further the aforesaid scheme and artifice, knowingly and willfully, would and did conceal and cover up and cause to be concealed and covered up by a trick, scheme, and device, a material fact, that is, defendant Diggs would and did submit and cause to be submitted a Payroll Authorization form to the Office of Finance, entitling the person listed below for each count, effective on the date listed below for each count, to receive as an employee of the Congressional Office of Congressman Charles C. Diggs, Jr., an inflated salary at the per annum rate listed below for each count, thereby concealing and covering up the fact that defendant Diggs would and did covertly direct that the inflated portion of salary, in excess of that person's regular per annum pay rate, when received by the person listed below for each count, be kicked back to and applied for the use of defendant Diggs.

Count	Date of concealment	Named person	Effective date	Per annum rate	Per month
14	Aug. 16, 1974	Jean Stultz	Aug. 1, 1974	$36,000.00	$3,000.00
15	Oct. 11, 1974	Jean G. Stultz	Oct. 1, 1974	35,574.36	2,964.53
16	Oct. 15, 1975	Jean Stultz	Oct. 1, 1975	37,355.00	3,112.92
17	Sept. 15, 1975	Felix Matlock	Sept. 1, 1975	35,500.00	2,958.33
18	Mar. 12, 1976	Felix M. Matlock	Mar. 1, 1976	$37,000.00	$3,083.33
19	Nov. 14, 1975	Ofield Dukes	Nov. 1, 1975	37,300.00	3,108.33
20	Dec. 8, 1975	Ofield Dukes	Dec. 1, 1975	37,000.00	3,083.33

(Violation of 18 U.S.C. 1001)

COUNTS 21 THROUGH 29

1. The Grand Jury realleges and incorporates herein by reference paragraphs 1 through 13 of Counts 1 through 11 of this indictment.

2. On or about the date listed below for each count, within the District of Columbia, in a matter within the jurisdiction of a department and agency of the United States, that is, the Office of Finance, defendant Diggs in order to execute and further the aforesaid scheme and artifice, knowingly and willfully, would and did conceal and cover up and cause to be concealed and covered up by a trick, scheme and device, a material fact, that is, defendant Diggs would and did submit and cause to be submitted a Payroll Authorization form to the Office of Finance, entitling the person listed below for each count, effective on the date listed below for each count, to receive as an employee of the Congressional Office of Congressman Charles C. Diggs, Jr., a salary at the per annum rate listed below for each count, thereby concealing and covering up the fact that the person listed below for each count was receiving salary as compensation for performing services for defendant Diggs personally, his family, and the House of Diggs, Inc.

Count	Date of concealment	Named person	Effective date	Per annum rate	Per month
21	July 15, 1974	Jeralee G. Richmond	July 1, 1974	$8,500.00	$708.33
22	Aug. 20, 1974	Geralee Richmond	Aug. 1, 1974	25,499.88	2,124.99
23	Jan. 15, 1975	Geralee Richmond	Jan. 1, 1975	9,000.00	750.00
24	July 13, 1973	George G. Johnson	July 1, 1973	23,175.00	2,681.25
25	Sept. 17, 1973	George Johnson	Sept. 1, 1973	7,000.00	583.33
26	Nov. 15, 1973	George G. Johnson	Nov. 1, 1973	$19,500.00	$1,541.6
27	Dec. 3, 1973	George Johnson	Dec. 1, 1973	5,381.28	448.4
28	Jan. 15, 1974	George Johnson	Jan. 1, 1974	30,000.00	2,500.0
29	Nov. 14, 1974	George Johnson	Nov. 1, 1974	12,036.00	1,003.0

(Violation of 18 U.S.C. 1001)

□ 1915

Mr. Speaker, I ask unanimous consent that the entire indictment may be made a part of the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BUTLER. Mr. Speaker, I thank the Chair and I thank the gentleman from Georgia for yielding.

I would add, however, that I have purchased for my own account the transcript of the proceedings and I will be able to demonstrate, if we have an opportunity to debate this motion on expulsion on tomorrow, how the conviction on the 29 counts on this indictment were dealt with and commented upon by the gentleman from Michigan, and I think we will be able to demonstrate, even though he was convicted and even though there is an appeal pending, that the record will demonstrate that the gentleman from Michigan did not seriously question the accuracy of the statements in this indictment.

So with that comment I suggest it is quite appropriate that the motion on expulsion be in order tomorrow and I will be pleased to support it.

□ 1920

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Virginia (Mr. BUTLER).

I hasten to point out that the distinguished majority leader has promised that we would have up to a half hour on our side to debate the issue should he move to refer, and I intend to take no more than 3 or 4 of those minutes. I would hope that other colleagues who might feel it appropriate to speak to that issue before the House tomorrow do so.

Mr. BUTLER. Mr. Speaker, if the gentleman will yield further, I ask unanimous consent to place in the RECORD at this point the text of an article by the gentleman from Georgia (Mr. GINGRICH) which appeared in the Washington Post on Wednesday, February 24, entitled "A Precedent for Charles Diggs."

It is a very appropriate statement of the law in this case and the reasons the gentleman from Michigan (Mr. DIGGS) should not have been voting here today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

The article referred to follows:

[From the Washington Post, Feb. 21, 1979]

A PRECEDENT FOR CHARLES DIGGS

(By Newt Gingrich)

(Congress faces a terrible moral dilemma as it convenes. A senior congressman has been indicted, and then convicted in federal court. The judge sentences him to two years in prison, and the congressman appeals his case. While on appeal, he wins reelection by an overwhelming margin.)

A current event?

No. The particular case is four-decades old. The congressman is John Langley of Kentucky who was convicted for conspiracy in 1924.

But the dilemma is still the same. Does the Congress have a right to set higher standards for its membership than the voters of a particular district? When Langley returned to Congress, a special committee said in effect: Yes. The House could not permit in its membership a person convicted of a crime.

But this posed a second dilemma. Langley was now a convicted felon. He no longer was presumed innocent, but he wasn't yet actually in prison. What privileges should a convicted felon out on appeal have?

Even four decades later I can almost hear the committee offer a thankful sigh of relief. Representative Langley answered the question for them.

Fortunately, Langley had a spark of honor and a sense of what was best for the nation. He decided not to participate in the House while the appeal was going on. So no bill became law because of that convicted felon's vote.

But let's turn to today's headlines. The case of senior Congressman Charles Diggs (D.-Mich.) is so similar it's eery. He has been indicted, convicted and sentenced to three years in prison.

While on appeal he was reelected.

And now the question is—does Charles Diggs have the same sense of honor that John Langley had?

Frankly, I don't think we can tolerate the idea of a convicted felon making law. No doubt there will be some close votes this session. I can imagine Charles Diggs being the deciding vote on a bill that passes 201 to 200.

How can a congressman then go back to the people and ask them to obey what obviously is a controversial law when it was passed by someone who flouts the law?

The legislative precedent and common sense both argue Charles Diggs should refrain from voting. So does an even larger principle.

Thomas Jefferson wrote to John Adams sometime after the nation's founding:

"This I hope will be the age of experiments in government, and that their basis will be founded on principles of honesty, not of mere force. We have seen no instance of this since the days of the Roman Republic, nor do we read of any before that. Either force or corruption has been the principle of every modern government."

There's something wrong if we allow the experiment Jefferson helped start sink back to a government based on corruption. And that something is a much greater wrong than the individual sins of one particular congressman.

The American people deserve laws made by those who respect the law—not those who steal from them. And not those who tolerate such stealing.

Mr. Speaker, I appreciate the opportunity which the House has given me to have this special order. I think this is a very sacred body. The House of Representatives is the people's House. It is that institution of our Government closest to the public. Therefore, if we are to preserve a free society, there is no single part of our Government which must be protected more carefully, defended more vigilantly, and scrutinized more openly.

Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I again thank the gentleman from Virginia (Mr. BUTLER).

AMBIGUOUS TRADE STANCE A SOURCE OF FRUSTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, earlier today I had the opportunity to meet with our distinguished Special Representative for Trade Negotiations, Ambassador Bob Strauss. Our meeting, held in the office of Minority Leader RHODES, concerned the difficulties our negotiating team is having in winning concessions from the European Community on citrus exports.

The citrus industry has been most important to the agriculture interests in my congressional district and the State of California. I have been outspoken on the need of our trade bargainers to assure that our farm exports receive their highest priority during the trade talks. While I would have hoped for a more substantial agreement during the Tokyo round, I have anticipated we could make significant progress with the EEC nations.

After leaving the meeting with Ambassador Strauss, however, I am disappointed that there are no assurances of a favorable offer from Europe on citrus. Mr. Strauss, I must say, has been completely open and frank. He is an extremely astute negotiator, and deserves the highest praise for his ability to steer us through a very complicated and sensitive series of talks. But the ambiguous prospect of eliminating the illegal tariff preferences affecting our citrus exports is a source of frustration—one which, I am afraid to say, could endanger the ratification by Congress of the final trade package.

I realize, Mr. Speaker, that we are dealing with some very adamant and stubborn trade partners. But I have not been pleased with the insistence of the European Economic Community that the United States repeatedly accept compromise after compromise. The EEC has, in violation of article I of the General Agreement of Tariffs and Trade (GATT), extended preferential duties to a number of Mediterranean nations. This is unlawful and discriminatory. We are a "most-favored-nation" trade partner. That designation means that the most desirable tariff rates are to be extended to us. Yet we are charged at a 20-percent rate, while Cyprus, Lebanon, and Spain pay 12 percent, and Algeria, Morocco, and Tunisia pay just 4 percent. Under section 301 of the 1974 Trade Act our interests are supposed to be protected. When such unreasonable barriers are placed on our access to foreign trade markets, it is the obligation of our leadership in the executive branch to enforce our contracts with our trade partners. The EEC is the world's largest importer of fresh oranges, yet our share of exports to Europe has dwindled to about half of what they were just a few years ago. Of what value is an MFN designation if the door is continually being shut on us?

The prestige of our country is on the line. In a few short months we will be asked to give our approval to the treaty agreed upon in Geneva. I understand there are some reservations among the European Community itself about the final result of these talks. There are certainly some reservations on this side of the Atlantic. Whatever it takes, Mr. Speaker, we cannot settle for a trade pact which does not provide for a fair and equitable system of international commerce. Indications are, at this time anyway, that it will be difficult to vote for a trade package as inadequate as this one promises to be. While we still have some time left at the negotiating table, I urge Ambassador Strauss to deliver to our citrus industry the fairness it deserves.

UNITED STATES IS DISGRACED BY ITS WELCOME OF TENG HSIAO-PING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

● Mr. ASHBROOK. Mr. Speaker, the United States disgraced itself by welcoming mass murderer Teng Hsiao-Ping. Not only does he represent a regime that is responsible for tens of millions of murders and has a record for oppression that is outstanding even in the Communist world, but Teng was personally responsible for much of the bloodshed and brutality.

Prof. Richard L. Walker in a study prepared for the Senate Judiciary Committee Internal Security Subcommittee compiled statistics on the number of deaths caused by the Communists in China from 1927 to 1971.[1] The lowest estimate was 34,300,000, the highest was 63,784,000. Teng was active in the campaigns that produced these millions of murders.

During one of the worst of these campaigns, Teng played an open, public role. This was the "political liquidation" period of 1949 to 1958. According to Professor Walker, the State Department provided the low estimate of casualties during this period—15,000,000, other sources estimate 30,000,000.[2]

Teng was an active participant in the slaughter in his various posts: First, Secretary of the South West Bureau of the Communist Party, 1949–52; Political Commissar of the South West Military Area, 1950; Vice Premier of Red China, 1952– ; Secretary General of the Central Committee of the Communist Party, 1954– ; Member of the Politburo, 1955– ; and so forth.

In 1957 Teng played a major role in the trap that led millions of Chinese to their deaths. After 8 years of mass murder, Mao Tse-tung announced a new policy. In a speech on February 27, 1957, Mao advanced the slogans, "let a hundred flowers blossom," "let a hundred schools of thought contend," and "long-term coexistence and mutual supervision."[3] The Chinese people took this new policy to mean an end to persecution, slave labor camps, and executions. They spoke out against the horrors that they had suffered since 1949. But the "liberalization" was temporary. It was meant to trap the dissidents.

Footnotes at end of article.

After some months of free speech and active participation in the political process by the Chinese people, the Communist leaders struck. The arrests and killings resumed. The man chosen by Mao Tse-tung to resume the oppression was Teng Hsiao-ping, the man who is being welcomed by our country.

In a speech made to the Central Committee of the Communist Party, Teng, the General Secretary, announced the new wave of purges. He said:

The spread of Marxism-Leninism and political education must be strengthened, erroneous thinking must be criticised, and *poisonous weeds must be rooted out*. By permitting the emergence of "poisonous weeds" we intend to educate the masses through negative examples, to *uproot the "weeds" and use them as fertiliser* and to steel the proletariat and the masses in struggle.[4] (my emphasis, J.A.)

Teng orchestrated and led the bloodbath that climaxed the "political liquidation" period of Communist atrocities. Later, Teng himself felt the pain of Communist oppression when he lost out during the faction fighting from 1966 to 1973.[5]

In the China ruled by Teng and his associates, terror and persecution continue. Now those who opposed Teng, in the faction fights of the last decade, have replaced the supporters of Teng in the slave labor camps. Supporters of the "gang of four" are brought before mass meetings and condemned to death or slave labor camps. There are no jury trials or rights of the accused in Red China, only mass rallies—in reality lynch mobs—to carry out the will of the Communist Party leadership. Last month Canton Radio reported one such mass rally which sentenced an alleged supporter of the gang of four to 5 years in prison. Instead of a jury trial, a rally of over 1,200 people convicted Pai Chun-feng of embezzlement, graft and, most important, supporting the wrong faction in the internal Communist Party faction fight.[6]

According to an expert observer of the Chinese Communist scene, Richard L. G. Deverall, who represented the American Federation of Labor in Asia for many years, Teng Hsiao-ping was involved in the illegal narcotics traffic of the Red Chinese regime. In 1954 Deverall wrote that Teng had replaced Po I-po as Minister of Finance of Red China in September 1953. The Ministry of Finance, Deverall pointed out, was in charge of the shipment of narcotics to the free world, as a means of raising funds for the economically fragile Communist regime.[7] In 1954 Teng was transferred from his government position to Communist party work.

Before Red China's break with the Soviet Union, Teng was one of the most ardent stooges of the Soviet regime. In 1959, in an article in Pravda, widely reprinted in Red China, Teng wrote:

The Chinese revolution is a component part of the socialist revolution of the world proletariat. It is a continuation of the great October Socialist Revolution. The victory of the Chinese revolution extended the tremendous influence of the October Revolution and is of great significance to world peace and human progress. The revolutionary victory in a country as big as China with a population of 650 million broke through the eastern front of imperialism. It is an extremely heavy blow to the imperialist system. Victorious New China joined the socialist camp headed by the great Soviet Union and greatly added to the ascendancy of the world socialist system.

The unity of the socialist camp headed by the Soviet Union and the unity of the international communist movement with the Communist Party of the Soviet Union at its centre, form the core of ever more extensive international unity. With the holding of the historic Moscow meeting of representatives of Communist and Workers' Parties from various countries of the world in 1957, this core has become even stonger and more consolidated. With such a strong core, the working class of the world, the laboring people of the world, the oppressed nations of the world, the world forces upholding peace and desiring progress, have united even closer, bringing boundless light and hope to mankind.

The great unity of the Soviet Union, China and all the socialist countries and the great unity of the peoples of the whole world are something imperialism and the reactionaries of all countries cannot disrupt. The more viciously imperialism and the reactionaries attack and try to disrupt our great unity, the harder we will work to consolidate and promote it. In the face of our great unity, any struggles on the part of imperialism and the reactionaries will not save them from inevitable destruction. The forces of peace will certainly triumph over the imperialist forces of war; the oppressed nations will certainly overthrow the reactionary rule of colonalism; the socialist system will certainly replace the capitalist system; these are irresistible historical law. Our times are great times of the transition of mankind from capitalism to socialism. Our cause will surely advance from victories to bigger victories. No force on earth can prevent our victory.[8]

While our country welcomed Teng, his government organizes insurgency and terrorism against America's friend, Thailand. The CIA estimates that there are 9,400 Communist insurgents engaged in military operations against Thailand. Another 1,200 Communists are involved in the underground political war against our ally.[9]

The Red Chinese maintain the radio facilities for the insurgents and terrorists, called the "Voice of the People of Thailand." On September 23, 1977, the Far East Economic Review reported that this radio had been moved from Yunnan province in Red China to a Communist controlled area in northern Thailand, so that the terrorists and insurgents could get their orders more quickly and effectively.

The political arm of the Thai Communists is called the Committee for Coordinating Patriotic and Democratic Forces (CCPDF). This front was set up in September 1977. It issues a bulletin in the English language every few months. The bulletin called CCPDF News Service is mailed from Laos.

The Thai insurgents and terrorists received greetings from pro Red Chinese groups all over the world on the first anniversary of the CCPD. In September 1978. Among the greetings were some from groups in the United States, including the Communist Party (Marxist-Leninist), a group controlled by Red China which is actively participating in the welcome to Teng.[10]

The National Lawyers Guild sent the following greetings:

NATIONAL LAWYERS GUILD

The National Lawyers Guild is very pleased to hear of the strengthening of the popular united front forces in Thailand. The revolutionary movement of the Thai people represents an important attack on United States imperialism, already weakened by the heroic victories of the peoples of Vietnam, Laos and Kampuchea.

The National Lawyers Guild, with almost 6,000 members across the United States, has fought as part of the progressive anti-imperialist movements in this country since our founding in 1937. We have been part of the labor struggles, movements for civil rights and against racism, and many other popular movements for over 40 years. Some of the work of which we are most proud has been our work in support of the national liberation movements of the third world fighting against U.S. imperialism. We are honored by our long-standing relationships with the revolutionary forces in Cuba, Vietnam, Palestine, Iran and other countries.

We look forward to building a similar relationship with the people of Thailand. We congratulate you on your victories and look forward to continuing struggle and success.[11]

Mr. Speaker, Congress returned on January 15 to find that the President of the United States, in our absence, has betrayed the trust of the people of the United States and of the rest of the free world, and unilaterally abrogated our Mutual Defense Treaty with the Republic of China. As George Meany, the president of the AFL–CIO pointed out, this action is in direct contradiction to Carter's alleged concern for human rights. Red China, the regime that was accommodated by this act, is the greatest violator of human rights in the world. The horrors of the Soviet Union and Castro's Cuba are surpassed by the Red Chinese oppression of the people of China.

President Carter, by betraying an ally to benefit an enemy, proved that Red China was right in characterizing the United States as a "paper tiger."

The Communists take advantage of weaknesses but retreat before strength. This was forcefully brought to my attention recently when I was rereading some Soviet and Red Chinese radio transcripts that were made some 20 years ago during the Taiwan Straits crisis. You will remember that at that time Red China demanded the surrender of the offshore islands, Quemoy and Matsu. The "normal" shelling of the islands was increased as well as the air attacks. The Communists announced the invasion of the islands as imminent.

Chou En-lai said on September 6, 1958:

The Chinese people's determination to liberate their own territory of Taiwan and the Penghu Islands is unshakable. In particular the Chinese people cannot tolerate the presence in their inland waters along the mainland of an immediate threat posed by such coastal islands as Quemoy and Matsu. No amount of US war provocations can cow the Chinese people; on the contrary, they will only arouse even greater indignation among our 600 million people, and make them even more determined to fight US aggressors to the very end.

The Chinese people have every right to liberate their own territory by all suitable means at a suitable time, and will not tolerate any foreign interference. Should the US Government brazenly disregarding the Chinese people's repeated warnings and the desire of the people of the world for peace, persist in its aggression and intervention against China and impose war on the Chinese people, it must bear the responsibility for all the serious consequences.[12]

Peking Peoples daily of September 19, 1958, threatened us with war:

The U.S. Government is now carrying on its most dangerous military adventure since the Second World War. This adventure is most dangerous because it has selected as its opponent a big country with a quarter of the world's population, a country which had previous engagements with the U.S. and which has since become many times mightier politically, economically and militarily. Furthermore, it must be noted that this country is the ally of the powerful Soviet Union, which has declared that to invade China is to invade the Soviet Union.

The U.S. announcement that it will help the Chiang Kai-shek clique to defend Quemoy and Matsu or to protect the communication lines from Taiwan to Quemoy and Matsu has led the United States into a most precarious situation involving direct armed conflict with China at any moment.[13]

During the morning of October 4, 1958, the Soviet Radio broadcast a statement by a group of "prominent persons" in the United States urging the evacuation of the islands. These included former Senator Lehman, Brig. Gen. Hugh Hester (Ret.), Clarence Pickett, and so forth. That afternoon, Moscow broadcast a list of Congressmen that had urged surrender of the islands. But, that broadcast also referred to a Soviet protest because President Eisenhower had provided the Republic of China with Sidewinder air-to-air missiles. The free Chinese were using them to clear the skies of the Mig's that the Soviet Union had supplied to Red China.

The next day, October 5, 1958, Peng Te-huai, the Red Chinese Minister of Defense, broadcast a statement to the Chinese people on Taiwan. He said:

We all are Chinese. Of all choices, peace is the best. The fighting around Quemoy is of a punitive character . . . Hence the firing of a few shells, just to call your attention.

The crisis was over. A resolute American President had provided a brave ally with the weapons needed for self defense, and the Communists backed off. No more threats to invade or plunge the world into war. Now the Red Chinese even announced suspending the "normal" shelling of the islands for 7 days.

However, Marshal Peng, speaking for Red China warned the free Chinese, "The day will certainly come when the Americans will abandon you." That prophecy has now been fulfilled by President Carter. He has showed all Americans by his act. A broad range of Republicans, Democrats, and independents have condemned this betrayal of a loyal ally. We in Congress should do everything we can to prevent implementation of this shameful policy.

Our other allies have drawn lessons from the betrayal of Free China. In Israel where a future peace with their Arab neighbors depends on American promises the press has pointed out the value of such promises.

The Tel Aviv paper Yedi'ot Aharonot wrote on December 17, 1978:

The one-sided cancellation of the U.S. defense treaty with Taiwan has lit "a red light" in the Israeli Cabinet.

In Jerusalem, fear has been expressed that this might also influence the cabinet's consideration and the consolidation of its moves concerning the continuation of the peace negotiations with Egypt. This may also cause new thoughts regarding our relations with the United States.

Ma'a Riv wrote on the same day:

Anyone who maintains that Israel can sign a peace treaty with Egypt with any kind of formulation and place its confidence in the U.S. commitment to insure our security had better take a long look at President Carter's statement yesterday about the intention of the United States to cancel its defense pact with Taiwan and sever its diplomatic relations with it to pave the road to establishing full relations with the PRC.

Taiwan is guilty of no international crime that would merit the one-sided cancellation of the peace pact with the United States. All that happened was that the United States had made a calculation and found that relations with Peking are more worthwhile. As soon as it reached this conclusion, it did not regard the defense pact as an obstacle that could not be overcome.

In other words, a signed treaty—whether it was signed for a limited duration or without a time limit—has a very clearly-defined validity: it is valid just as long as the two parties are interested in it and want to adhere to it, but since one side no longer wants it, it ceases to exist.

At this hour, when Washington is tearing up a defense pact because it no longer suits its national interest, there is room for second thoughts about the real value of all those verbal promises about the U.S. commitment to Israel's existence and security, which are the foundations of our foreign and security policies.

On December 18 the West German Cologne Radio quoted the newspaper Obendorf Schwazwaelder Bote as saying:

The betrayal of Taiwan is a lesson for Israel and other points in the world which irritate Washington. It is necessary to keep in mind that the Taiwan lobby in Washington was once considered invincible. Lately its influence dropped to naught, however. Who can fail to realize in this context that not only Israel but also Berlin is a sore point in U.S. Policy which someday—at a time not foreseeable today—might be suitable as an object for political barter? Only dreamers now speculate on the subject, but dunces at best will not take note of it at all.

Our allies in West Germany and Israel have good reason not to trust the United States.

The Israelis know of the aid that Red China gives to the PLO terrorists. As late as January 14, 1979, Hua Kuo-feng, the partner in crime of Teng Hsiao-ping sent a message to the PLO National Council. The message addressed to Yasser Arafat expressed full support to the PLO.[14]

Teng Hsiao-ping has been a member of the Chinese Communist Party since 1924. After training in Moscow in 1926, he returned to China as a Communist functionary. He was an active participant in all of the crimes of Chinese Communism. His hands are stained with the blood of millions of people.

FOOTNOTES

[1] Richard Walker, *The Human Cost of Communism in China*, Government Printing Office, Washington, D.C., p. 16.

[2] *Ibid.*

[3] Mao Tse-tung, *On the Correct Handling of Contradictions Among the People*, Foreign Languages Press, Peking, 1957, p. 48.

[4] Teng Hsiao-ping, *Report on the Rectification Campaign*, Foreign Languages Press, Peking, 1957, p. 13.

[5] Chi Hsin, *Teng Hsiao-ping, A Political Biography*, Cosmos Books, Hong Kong, 1978, p. 261.

[6] Foreign Broadcast Information Service Daily Report, January 2, 1979, section I, p. H9.

[7] Richard L. G. Deverall, *Peoples China: Sweat Shop Arsenal*, Tokyo, 1954, p. 417.

[8] Teng Hsiao-ping, *The Great Unity of the Chinese People and the Great Unity of the Peoples of the World*, Foreign Languages Press, Peking, 1959, p. 12–13, 16–17.

[9] *National Basic Intelligence Fact Book*, July 1978, Government Printing Office, Washington, D.C., p. 201.

[10] CCPDF News Service, September 1978.

[11] *Ibid.*

[12] *Oppose U.S. Military Provocations in the Taiwan Straits Area, A Selection of Important Documents*, Foreign Languages Press, Peking, 1958, p. 4, 6.

[13] *Ibid.*, p. 47–48.

[14] Press Release, People's Republic of China Mission to the United Nations, 16 January 1979 entitled "Premier Hua Greets P.L.O. National Council Meeting."●

Footnotes at end of article.

PROVIDING FOR APPOINTMENT OF SPECIAL PROSECUTOR WHEN MEMBERS OF CONGRESS ARE ACCUSED OF FEDERAL OFFENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the Special Prosecutor legislation passed late last session as part of the Ethics in Government Act of 1978. That bill created a mechanism triggering the court appointment of a Special Prosecutor to investigate serious violations of Federal law by high executive branch officials. Members of Congress unfortunately were not included.

My bill closes this loophole. It would trigger the Special Prosecutor mechanism when Members of Congress are accused of violating Federal criminal laws other than petty offenses.

I believe this amendment is needed to reach all situations where a special prosecutor is necessary to insure a full and independent investigation. Congress should not shield itself from such scrutiny. Equally important, the public should be assured that politics will not influence the decision to prosecute any politically influential person—including Members of Congress. I urge the speedy enactment of this legislation.

The text of the bill follows:

H.R. 2518

A bill to provide for the appointment of a Special Prosecutor when Members of Congress are accused of serious Federal offenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 28 of the United States Code is amended by inserting immediately after Section 591(b)(6) the following new subsection:

"(7) Members of Congress (including delegates and resident commissioners).●

TOM CAMPBELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, with the convening of the 96th Congress, I learned that Tom Campbell, who has worked in various capacities in the House of Representatives for 14 years, has now retired to live in Florida.

Tom, at the time of his retirement, was legislative counsel to my colleague, Representative JOHN G. FARY of the Fifth District of Chicago, and prior to joining the staff of Congressman FARY, he was with the House Public Works Committee.

Tom also served as staff director to the late John C. Kluczynski, then chairman of the Select Committee of the House Restaurants. This committee had direct supervision of all House food service facilities which comprised restaurants, catering, cafeterias, carryouts, and coffee shops serviced by a staff of 225 employees, with annual gross sales of over $1.5 million.

Prior to his employment on the Hill, Tom resided in San Francisco, Calif., where he settled to practice law after serving in our Armed Forces for several years during World War II.

Although unsuccessful in his bid for the Democratic nomination for the congressional seat representing the Fifth Congressional District encompassing San Francisco, Calif., he was asked by the late Archbishop John J. Mitty of San Francisco to lead the fight in northern California against legislation to tax nonprofit private schools. This legislation was eventually defeated in a statewide referendum.

Tom is a graduate of Catholic University and of Georgetown University Law School, and spent the greater part of his early life in Washington, D.C.

In his congressional staff work, Tom Campbell consistently gave his very best. He was always capable, dedicated, and loyal, and he has certainly earned the respect and admiration of those who know him.

Whatever his endeavors in the future may be, I know he will excel, and my very best wishes go with him, and his devoted wife, Maggie, in their retirement.●

THE SMALL BUSINESS PROCUREMENT REFORM ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, I would like to draw the attention of my colleagues to a bill which I have recently introduced with the gentleman from Wisconsin (Mr. REUSS) and the gentleman from Iowa (Mr. BEDELL). The Small Business Procurement Act of 1979 (H.R. 2447) would provide the assistance necessary for small businesses to fairly compete with large corporations for Government procurement contracts.

Some 18 months ago, we introduced the Small Business Contracting Reform Act, a bill giving small businesses more equal opportunity to bid on Government contracts through procedural reform and simplification of Federal procurement policy. Much of this legislation was enacted last year as part of Public Law 95-507, an omnibus small business act. However, several provisions of the original bill remain to be enacted, and these issues must now be addressed.

Almost 80 percent of Federal contract dollars go to large businesses. This lopsided figure is especially remarkable in view of the fact that 97 percent of American business concerns are small businesses, employing 41 percent of the work force and producing 43 percent of America's gross national product. The small business is indisputably vital to the Nation's economic prosperity.

In addition, the special character of small business has greatly contributed to the quality of life in America. A study by the U.S. Department of Commerce and the Massachusetts Institute of Technology, for example, indicates that more than half of all commercial innovations and inventions are attributable not to giant corporations, but to individuals and small businesses. Small, independently owned businesses continue to serve our communities, providing through the years a sense of civic responsibility all too seldom found in larger firms.

Yet the small business, so important to American society for so long, has increasingly been taken for granted by the general public and its representatives to Congress. While the Federal Government has provided even the largest corporations with generous subsidies, its procurement policies in connection with small businesses betray an attitude of unhealthy neglect.

As the world's largest single customer, the U.S. Government bears the responsibility for maintaining the economic system from which it procures goods and services. To insure the vitality of free enterprise as we know it, this Congress must insure the future of the Nation's small businesses by allowing them a reasonable opportunity to do business with the Federal Government.

The Small Business Procurement Reform Act would provide such insurance by eliminating many of the unfair procedural advantages currently enjoyed by large businesses in bidding for Federal contracts.

Standing between a small business and any Federal contract on which it wishes to bid is a mountain of paperwork, much of it so complex as to require the services of an attorney. Small businesses, unlike their giant counterparts, cannot afford a highly paid staff specially trained to sort out the jumble of "legalese" found in any set of bid specifications. On their own in unfamiliar territory, small business managers may risk financial ruin over a single misunderstood contract clause. Typically, small firms will give up bidding for Federal contracts and follow a more secure, if less prosperous, course.

With this in mind, H.R. 2447 requires simplification of the bid specification process, including plain-English summaries of all relevant statutes and regulations relating to each Federal contract under $100,000.

But even the most concise and straightforward of bid specifications is useless if the information is never received, or is received too late to allow the preparation of a bid. While small firms rely on either the Commerce Business Daily (CBD) or sporadic mail notices for announcements of Government procurements, large corporate firms are able to carefully plan bids well ahead of schedule with information from their Washington offices.

In order to bring the opportunities for small businesses to obtain information more in line with large corporations, H.R. 2447 provides for a minimum 30-day bidding period on all nonemergency Government procurement contracts after their publication in the CBD. In addition, those contracts set aside for small businesses would be listed promptly in the CBD, and agencies would be required to make concerted efforts to notify small firms of contracts or subcontracts relevant to the companies' stated areas of interest.

The limited resources available to a small business often inhibit its ability to obtain bidding materials when they are available only in Washington or at other inaccessible locations. The Procurement Reform Act requires that bidding materials be available at the greatest practicable number of locations; preferably at the local level.

When agency bid specifications limit bidding to firms located in a specific geographical area or to a "sole source" or specified party, H.R. 2447 requires that these limitations must be openly and clearly justified as a matter of policy. If these restrictions—which severely restrict competition—are in fact necessary to obtain a given product or service, requiring an explanation should impose no unfair burden on the contracting agency.

If the small business has managed to surmount the present obstacles and enters into a contract with the Government, the legal fees involved in any dispute with the agency might easily bankrupt the firm. Thus, a small business is too often in a position where it cannot effectively assert its procedural rights, and can easily be taken advantage of when simple and "resolvable" contract disputes arise. To address this problem, H.R. 2447 would provide arbitration panels for use on a voluntary basis by firms and agencies in disagreement.

The following measures to balance the contract opportunities between small and large businesses are also included in H.R. 2447 and merit careful consideration.

First, each agency must review its large procurement packages, in which small businesses cannot ordinarily compete, and take all practicable steps to subdivide such contracts into smaller components so that small businesses may participate.

Second, each agency must work toward at least 20 percent small business participation in its procurement activities. H.R. 2447, in this important mandate, sets an ambitious but realistic goal for small business involvement in Government contracting.

Third, a Small Business Procurement Advisory Committee would be established in order to further the interests of small businesses through periodic recommendations to the Congress and the Small Business Administration (SBA). This committee, appointed by the SBA Administrator, would make annual reports on Government dealings with small businesses, and would monitor compliance with the procedural safeguards established to protect small firms.

Mr. Speaker, a monopoly of information and access is no less detrimental to competition than a monopoly of any essential resource. Small businesses are asking for a chance to openly compete—not for a Government handout. By guaranteeing a substantial role for small businesses in the nearly $80 billion Government procurement market, this Congress can address a broad spectrum of our country's economic ills at minimal cost to the taxpayers.

For the convenience of my colleagues, a text of the Small Business Procurement Reform Act follows:

H.R. 2447

A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Procurement Reform Act of 1979".

PURPOSES

SEC. 2. The purposes of this Act are—

(1) to provide additional statutory protection to ensure that a fair proportion of Government procurement contracts is let to small business concerns;

(2) to simplify the contracting procedures of the United States which relate to small businesses;

(3) to establish arbitration panels to solve problems arising from the dealings of small business concerns with Federal agencies having procurement authority; and

(4) to establish a Small Business Procurement Advisory Committee to make legislative and administrative recommendations and to provide better representation of small business concerns to the Congress and to the Small Business Administration.

MINIMUM SOLICITATION AND AWARD STANDARDS

SEC. 3. (a) Except as provided in subsection (b), any Government procurement contract with respect to which a notice or amended notice for bidding is published in the Commerce Business Daily shall be open for bidding until the later of—

(1) the end of a thirty-day period beginning on the date such notice or amended notice is so published, or

(2) the date stated in such notice or amended notice as the closing date for such bidding.

(b) Subsection (a) shall not apply to any Government procurement contract to be let by any Federal agency with respect to which the head of such agency personally determines that emergency circumstances prevent compliance with such subsection.

(c) In the case of any Government procurement contract with respect to which a notice for bidding is published in the Commerce Business Daily—

(1) if such bidding is limited to only one person, such notice shall specify the law or rule under the authority of which such bidding is so limited; and

(2) if such bidding is limited to persons located in a certain region of the United States, such notice shall state the basis for so limiting such bidding.

(d) The Secretary of Commerce shall take such steps as may be necessary in order that all Government procurement contracts set aside for small business concerns under section 15 of the Small Business Act, and all awards of contracts to small business concerns, are published in a timely manner in the Commerce Business Daily.

(e) The Secretary of Commerce shall study the feasibility of, and to the extent practicable implement, the notification to any small business concern, on request of such concern, of all Government procurement contracts on which, or on any subcontract of which, such concern may bid.

SMALL BUSINESS PARTICIPATION GOALS

SEC. 4. Section 15 of the Small Business Act is amended by adding at the end thereof the following:

"(m) Notwithstanding subsection (g), with respect to any category of procurement—

"(1) which the Small Business Administration determines can be produced by small business,

"(2) which was procured by a Federal department or agency during any fiscal year, and

"(3) for which less than 20 per centum of the dollar amount involved during such year was furnished by one or more small business concerns,

the head of that department or agency shall, after consultation with the Administration, establish as an interim goal for each succeeding fiscal year (until a fiscal year in which such concerns furnish at least 20 per centum of the dollar value of such item) an increase by at least 10 per centum of the dollar amount of participation by such concerns in the procurement of that item for the preceding fiscal year."

COMPONENT BIDDING ON LARGE SYSTEMS PROCUREMENTS

SEC. 5. Section 8 of the Small Business Act is amended by adding at the end thereof the following:

"(f) The head of each department and agency of the Federal Government shall review its large systems procurements on which small businesses ordinarily cannot compete and take all feasible steps to subdivide such procurements into smaller components on which small businesses can compete and bid."

SIMPLIFICATION OF GOVERNMENT CONTRACTING PROCEDURES

SEC. 6. Section 223 of Public Law 95-507 (92 Stat. 1772) is amended—

(1) by redesignating subsection (b) as subsection (d); and

(2) by adding at the end of subsection (a) the following new subsections:

"(b) In the case of a contract to which subsection (a) applies and which may not exceed $100,000, the Federal agency letting such contract shall (in lieu of complying with paragraph (3) of such subsection) provide a copy and summary of each major Federal law or agency rule with which such concern must comply in performing such contract.

"(c) Documents and information required to be provided under subsections (a) and (b) shall be supplied, to the extent practicable, at the local level."

GOVERNMENT PROCUREMENT CONTRACT ARBITRATION PANELS

SEC. 7. There is hereby established in the Small Business Administration such Government procurement contract arbitration panels as the Administrator deems appropriate. Such panels shall provide an opportunity for resolving disputes between any small business concern and any Federal agency having procurement authority concerning any Government procurement contract which is let to such concern or which may be let to any such concern. Use of such panels shall be voluntary, and decisions of such panels shall be binding only to the extent that such concern and agency agree that such decisions are binding.

SMALL BUSINESS PROCUREMENT ADVISORY COMMITTEE

SEC. 8. (a) There is hereby established the Small Business Procurement Advisory Committee to be composed of thirteen members appointed by the Administrator. The Committee shall advise the Administrator and the Congress on matters relating to Government procurement contracts awarded to, or set aside for, small business concerns.

(b) Members of the Committee shall, while away from their homes or regular places of business in the performance of services for the Committee, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(c) At the close of each calendar year, the Committee shall submit a report to the Administrator and to the Congress on its activities during such year. Such report also shall contain recommendations for new Federal legislation or agency rules which the Committee determines will improve the participation of small business concerns in the performance of Government procurement contracts.

DEFINITIONS

SEC. 9. For purposes of this Act—

(1) the term "Administrator" means the Administrator of the Small Business Administration;

(2) the term "Committee" means the Small Business Procurement Advisory Committee established by section 8;

(3) the term "Federal agency" has the meaning given the term "agency" by section 551(1) of title 5, United States Code; and

(4) the term "Government procurement contract" means any contract for the procurement of any good or service by any Federal agency.●

BEDELL DISCUSSES FUTURE OF UNITED STATES-PHILIPPINES RELATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I recently had the opportunity to visit the Philippines for several days, a visit which I found to be a very rewarding learning experience. Fortuitously, my time in the Philippines roughly coincided with the official announcement of the agreement between the United States and the Philippines to the amendments to the 1947 military bases agreement. I would like to take this opportunity to briefly discuss my general reactions to this agreement in light of the impressions that I gathered during my stay in the Philippines.

On June 25, 1976, I inserted a statement in the RECORD which addressed itself to the wisdom of a continuing high-profile U.S. presence in the Philippines. Conditions have changed since then, but there is also much that remains the same.

In that statement nearly 3 years ago, I voiced my concern that to maintain our presence there would invite charges from Filipinos that the United States was interfering in the internal affairs of their country. I also expressed concern that this continued U.S. visibility could well lead to a situation where U.S. forces

are drawn into active armed intervention in support of Philippine military operations, either within its own boundaries or in response to a perceived "external threat." I believe that recent developments increase the chances of this sort of involvement and that such involvement would not be in the national interests of the United States. For the purposes of this discussion, these "recent developments" can be grouped into two general categories: First, the effect of some of the specific "understandings" that emerged from the just-concluded basing agreement; and second, the implications of the establishment of an Islamic Republic in Iran for the Marcos' government in terms of its ability to maintain stability and control.

First, with respect to the "understandings" contained in the basing agreement, there are several references to U.S. commanders' authority (or obligation, depending on ones perspective) to come to the aid of Filipino military forces. Two such references are particularly disturbing to me.

The first can be found in annex III, paragraph 6, of the material submitted to Congress where the delineation of the territorial boundaries of Clark Air Base and Subic Naval Base facilities and the question of jurisdiction of American commanders as opposed to Filipino base commanders are addressed. One sentence in particular conveys a disconcerting sense of openendedness, with all the potential for unwanted U.S. involvement that this implies. It reads:

> The United States Commander may participate in security activities within the base but outside the United States Facility and off the base in accordance with mutually agreed procedures. The Base Commanders and the United States Commanders shall contribute security forces to carry out the agreed security plan.

Ominously enough, nowhere is there any reference to the type of "mutually agreed procedures" that may be expected, including any restraints on the commitment of U.S. "security forces."

The second disturbing reference to U.S. commanders' authority to commit U.S. forces in support of Filipino forces can be found in the exchange of notes amending the 1947 agreement. In a letter to Foreign Affairs Minister Romulo dated January 6, 1979, the State Department describes the U.S. interpretation of article V of the Mutual Defense Treaty in the following manner:

> However, as provided in Article V, an attack on Philippine armed forces, public vessels, or aircraft in the Pacific *would not have to occur within the metropolitan territory of the Philippines or island territories under its jurisdiction in the Pacific* (emphasis added) in order to come within the definition of the Pacific Area in Article V.

It is not difficult to conceive of circumstances in which, under this or subsequent administrations, this seemingly all-encompassing authority could be interpreted to mean that Filipino engagement in, for example, the Spratley Islands, necessitated U.S. military support. I, for one, believe that such action would be absolute folly and that it would be in our national interest to preclude such a possibility by specifically stipulating limitations on U.S. action.

The second major development that has great relevance to the advisability of implementing the new amendments to the basing agreement and, in the larger sense, commiting the United States to a continued high profile position in the Philippines, involves the implications of the current political turmoil in Iran. As we all know, the political vacuum in Iran has been filled by a provisional government committed to the establishment of an Islamic Republic. While this shift has inarguably had earthshaking repercussions within Iran, it may prove to be even more momentous when judged in terms of its demonstration effect on Moslems the world over.

I believe that U.S. foreign policymakers are dangerously uninformed about the true nature of Islam and what it holds for the future. Indeed, the Iranian experience underlines two of its most important dimensions: First, that the religious fervor of Islam is impervious to the application of traditional military force, no matter how overpowering it may appear to be. And second, that those who would support an Islamic-led insurrection are almost certain to look with disfavor upon another nation that they perceive has served to "prop up" the government which they had opposed. I believe that both of these considerations have considerable relevance to the situation in the Philippines.

From the outset, I want to acknowledge that the Khomenei-led Moslem rebellion in Iran differs in a variety of ways from the uprising in Mindanao and elsewhere in the southern Philippines. Perhaps the most notable difference is the fact that the Shi'ite sect in Iran comprised well over 90 percent of the total population, whereas, in the Philippines, Catholicism is the dominant religion. I do believe, however, that the irrepressible Moslem drive for autonomy will derive a significant boost from the developments in Iran, in terms of the psychological/ideological and material/logistical support.

I further believe that there is a legitimate cause for concern about the ability of the Marcos government to withstand the sustained pressure of continued Moro (Moslem) opposition. That opposition, of course, cannot be considered in a vacuum. It must be viewed within the broader context of general grassroots dissatisfaction among Filipinos with their government. The potential for linkage between these two factors is more than just idle speculation. In fact, the January 31, 1979 edition of the Philippines Herald reported that there have been some contacts between leaders of a major opposition group in the Philippines and the Moro National Liberation Front (MNLF).

In light of the above, it is my belief that the Moslem drive for autonomy could well be the "chisel" that will drive enough cracks in the existing Philippines Government's "facade" to make it crumble. In such an event, it is likely that the United States would be forced to make a painful decision, one that would be costly irrespective to which option was pursued. If, on the one hand, the United States were to decide to back the existing regime with an increased infusion of resources, including direct application of U.S. military forces, such intervention could lead it down the unthinkable path of a Vietnam-style venture. If, on the other hand, the decision was to disengage the United States would likely experience an "Iran-style loss-of-face" being forced to retreat in the face of hostile pressure from a one-time ally.

The question is how likely is it that the Moro uprising represents a sort of a threat to the Marcos regime that makes its continued operation questionable? The recent pronouncement of Khomeini and others underscore the potential for an internationally-supported campaign to promote the spread of Moslem uprisings on an international scale. Realistically this could mean stepped-up support for Moslem insurgent groups like the Moros, thus increasing their effectiveness. (Just recently, on February 1, it was reported that 29 Philippine soldiers were killed by Moslem rebels in the largest clash to date in the 6-year struggle in the south.) A recent article in the San Francisco Chronicle several months ago carried an interview with the rebel Moro leader Nur Misuari who warned that the war would soon be carried into the urban centers of the northern Philippines. An authoritative source was quoted as saying that the Islamic world will back the Moro National Liberation Front to the hilt in order to secure complete Moro autonomy in the southern Philippines. Such a pronouncement must now be regarded as more than an idle threat.

In summary, Mr. Speaker, I believe that there are serious reservations that must be lodged in response to the administration's claim that national security considerations make it imperative that we maintain our Philippine basing presence. Most of these arguments have resolved around geopolitical considerations regarding U.S. ability to project military force in the Pacific region in a way that will meet certain near- to long-range contingencies. Aside from the fact that several scholars who are experts in this field, notable Dr. George McT. Kahin, have presented convincing arguments to the contrary, it seems to me that there are perhaps other, less tangible arguments that deserve to be raised.

The foreign policy debate in this country needs to be expanded in a way that will allow for a more contemporary definition of what is "national interest." Clearly, it is no longer in the interest of the United States to prop up repressive regimes in an attempt to assure "stability" and "order." While I would prefer to abandon this historical policy simply because of the argument to be made for associating ourselves with the principles of right and justice, there are also "realistic" and "pragmatic" justifications to be considered.

Stated simply, military force alone can no longer insure the maintenance of a government. No matter how overwhelming, the military force available to any ruling elite is virtually worthless unless that government has satisfactorily identified, and moved to address, the legitimate needs of its citizenry. The most basic of these needs, of course, is the right to free political expression and to be in control of one's own political destiny. It is not in the national interest of the United States, either short term or long term, to associate itself with a government which refuses to meet these fundamental needs of its people.

It is my firm belief that the present government of the Philippines is failing its people. There is an unmistakable ferment in that country that attests to this failure. I am convinced that it is not in the best interests of the United States to maintain its highly visible military presence in the Philippines. For that reason, I oppose the proposed basing agreement as put forth by the administration, and I believe that the Congress should not approve the funding that it calls for. Finally, I support a move toward gradual disengagement from the Philippines, a course which I believe will enable the United States to maintain healthy relations with its long-time ally. Such a policy is truly in the national interests of the United States, and the Philippines, and of all of our allies.●

THE PENSION CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON), is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, in 1974, we enacted the Employee Retirement Income Security Act, a complex and massive piece of legislation aimed primarily at correcting the abuses which infected the private pension system. Although the statute has on the whole proved beneficial, it is becoming increasingly clear that the private pension system, in combination with social security, remains woefully inadequate to meet the retirement needs of our expanding population of elderly citizens. There is a crisis brewing which poses issues of such difficulty and complexity that we may be tempted to avoid the challenge. But we do so at our peril and at potentially great cost. The House Pension Task Force, of which I am chairman, will be devoting its energies to investigating these issues and developing legislative proposals to create a sound pension system.

I would like to share with my colleagues a Washington Post account, on February 24, 1979, of a recent study by the Social Security Administration demonstrating that private pensions and social security together do not meet our goals for adequate replacement of working wages, and a Newsweek article entitled "The Pension Mess," in the issue of February 26, 1979. Although the latter contains some serious factual errors—for example, Federal pension law does not, as implied, prohibit plan sponsors from imposing more liberal vesting standards than those in the act, it is useful as a comprehensive survey of the imminent problems and the long-range issues we face in this Congress. Together the articles demonstrate that these compel the urgent attention of our Members:

[From the Washington Post, Feb. 24, 1979]

SOCIAL SECURITY FOUND NOT MEETING INCOME GOAL

(By Spencer Rich)

Monthly pension benefits of the average couple equal about three-fifths of pre-retirement wages if the couple is entitled to both Social Security and some other pension, according to a new government study.

But if the couple gets only Social Security, without any other private or public pension, monthly benefits are only about half pre-retirement earnings.

These figures have large implications for a developing dispute over whether Social Security benefits are too high. The figures indicate that pensions for the average couple fall far short of replacing wages lost as a result of retirement.

For example, in 1974 the average pre-retirement earnings of newly retired couples with both Social Security and a non-Social Security pension were $11,315, according to the study, but the typical pension income was only $6,800.

Moreover, the statistics indicate that when the couple gets Social Security only, the amount of wages replaced is lower in practice than the goals set out by Congress for the average husband and wife in retirement.

For the average family, Congress intended the combined husband-wife Social Security pension to replace about two-thirds of former wages. But the figures indicate that in practice, only about half the former wages for such a couple was replaced by the Social Security payments. This is far lower than Congress intended and isn't even as high as the two-thirds goal when a private pension is added.

These are the findings of a new study by Alan Fox of the Social Security Administration, based on retirement histories of couples going on Social Security between 1968 and 1974.

Although every individual's expected pensions must be based on his or her work history, the findings are a rough guide to what anyone can expect to get.

The study showed that nearly half the couples going on the Social Security rolls in 1968–74 received a non-Social Security pension. About 35 percent received a private pension, and 10 percent some form of local government pension.

But most of those getting the second pension were high-income families before retirement. Three-quarters of those with combined family wages of $12,500 a year before retirement got some second pension, but the percentage dropped sharply for those of lower income—to 36 percent in the $6,000-to-$8,000 category and 17 percent in the $4,000-to-$6,000 range.

These figures reflect that normally only the more profitable, better-paying private businesses can afford to set up private pension systems to supplement Social Security.

The study calculated average annual pre-retirement income by finding combined annual wages for the husband and wife during their three highest years of earnings in the decade before retirement. This included earnings in excess of the Social Security taxable wage-base. Very high-income families were excluded to prevent skewing the study.

Then, Social Security pensions plus pensions from private employers or state and local governments were added for the family.

Those figures were used to determine what percentage of pre-retirement gross income was received in pensions.

The study found that in 1974, families with only Social Security (the husband's and wife's benefits combined) got a pension equal to 49 percent of pre-retirement wages, on the average.

Those receiving Social Security plus another pension got 62 percent.

[From Newsweek, Feb. 26, 1979]

THE PENSION MESS

For more than 22 years, John Daniel drove a truck in Chicago and faithfully paid his dues to Teamsters Union Local 705. But when a severe cataract condition forced Daniel to retire in 1973, he got some shattering news: because he had been laid off for a few months in 1960 and 1961, the trustees of his union pension fund ruled that the "break in service" disqualified him from a $400-a-month pension. Daniel fought that decision all the way to the Supreme Court, but the Justices upheld the pension-fund trustees—the decision coming just a few weeks after Daniel died last December.

Thousands of aging Americans like John Daniel are discovering that the pot at the end of a lifetime of work is filled not with gold, but with disappointment. Despite legislation to reform them, many pension systems are still scarred by inequity, poor financing and management and uncertain "vesting"—the worker's theoretical right to collect all or part of the pension money set aside for him. In the private sector, where half of 80 million workers are covered by pension plans, many employees and their families who are "covered" can end up with nothing more than a subsistence social-security check. In the public sector, pensions are often lush—but for that very reason, the plans face an uncertain future as Federal, state and local governmental units struggle to control costs.

FEELING THE PINCH

The real problems, however, lie ahead as the nation's population ages. The number of Americans over 65 is expected to climb from just over 10 percent of the population today to more than double that percentage over the next 40 years or so, placing increasing financial pressure on pension contributors. Some plans are already feeling the pinch. Just last year, an analysis of 279 multi-employer pension plans by the government's Pension Benefit Guaranty Corp. (PBGC) showed that nearly 60 percent of them are so badly structured and financed that they could well go bankrupt in the next ten years. To complicate matters, there is a growing movement in some labor unions to gain more control over the estimated $555 billion in private and public pension funds—a total that has doubled in ten years (chart, page 68) and now represents the largest single source of investment capital in the country.

The immediate upshot is a rash of proposals at the local, state and Federal level to get the pension house in order before it falls down—or at least suffers a severe case of dry rot. "This is a crisis that touches us all now or will touch us in the near future," says Ian Lanoff, administrator of pension and welfare-benefit programs for the U.S. Labor Department. "It is not as dramatic as the energy crisis or as obvious as skies dark with smog, but it is a deeply moving crisis reflecting lost hopes and quiet despair."

The pinch may also test the basic premise of the pension structure—until now, a vast Ponzi game in which future workers and employers will be taxed to provide benefits when the present work force retires. Any such scheme is threatened when the working population fails to grow as fast as the number of pensioners, but there's an added hazard as well: since saving is discouraged, investment can suffer—one reason, many experts think, the U.S. is losing the productivity race. To make sure the economy grows enough to support the aging population, pension plans may now have to be changed to rely more on savings.

Congress made a comprehensive attack on the pension problem in 1974, when it passed the Employee Retirement Income Security

Act (ERISA). Under ERISA, most workers covered by a private pension plan are guaranteed some benefits after 10 years on the job and cannot lose them unless a "break in service" lasts longer than a full year. In addition, it forces pension plans to provide adequate funding and to operate under sound actuarial rules, allows some survivor benefits and sets up a government insurance plan to guarantee pension payments to workers whose employers go out of business.

Most experts feel ERISA has been a big help in firming up the larger pension funds and insuring benefits for their recipients. But ERISA also has serious shortcomings. Perhaps the biggest is that it has actually encouraged many smaller employers—reluctant to meet the costly requirements of the new law—to scrap their pension programs. J. C. Diamond, president of the National Association of Small Retirement Plans, calls ERISA "a piece of overkill legislation." Government figures tend to support Diamond's view; even though 11,000 new plans have been set up since ERISA's enactment, 16,500 plans have folded—partly because of the law's tougher standards.

Moreover, the law requires workers to remain with a given employer for a minimum of ten years before they are vested. That feature was conceived as an improvement, but since the law makes no provision for "portability"—the transfer of a worker's pension rights from one employer to the next—workers who frequently change jobs tend to be penalized.

THE WOMEN SUFFER

Women are especially shortchanged. Many of them enter the labor force only when their husbands are out of work and thus never accumulate vested pension rights. They also tend to work in industries that offer low pension benefits or none at all. And even under ERISA, nonworking wives of husbands earning pension benefits may have trouble collecting them if their husbands die. As Karen Ferguson, director of the Pension Rights Center in Washington, puts it: "If you die too early or in the wrong place or for the wrong reason, your surviving spouse will get nothing."

The effectiveness and equity of pension plans, however, depend as much on how well they are managed as on ERISA's pluses and minuses. Some funds have been plagued by fraud and questionable investments. Perhaps the worst have been those run by the giant Teamsters, where such union dissidents as Detroit's Pete Camarata are protesting what they regard as the looting of funds by pension trustees.

In contrast, the pension plans first negotiated by the late Walter P. Reuther and the auto industry are plainly among the best. At General Motors Corp., for example, the combined pension kitty now amounts to $9.4 billion, most of it earmarked for blue-collar workers represented by Reuther's United Auto Workers Union. These days, after 30 years' service and regardless of age, a UAW member can retire on a pension of $700 a month plus fully paid hospital and medical coverage—an item worth an additional $200 a month at today's rates.

Reuther and the auto companies decided early to assign total control of the funds to blue-ribbon outsiders, such as the Bank of America, Chase Manhattan and Morgan Guaranty. "We have no voice in the investment of pension funds," says Mel Glasser, the UAW's pension director. "Walter wanted to avoid the temptations involved in that." Nor might the union be the only party tempted. In New York City, for instance, "management" effectively used the threat of bankruptcy and wholesale job layoffs to induce city pension funds to invest in new bonds.

THE COSTS KEEP RISING

Still, even the biggest and best-managed pension funds are subject to constant cost pressure—and that pressure is certain to increase in coming years. For example, many unions are now demanding that cost-of-living clauses be included in their pension plans, and there have been other ad hoc pension increases approved unilaterally by management. As a result, the cost of contributions is soaring. Only five years ago, Union Carbide's annual contribution to its pension fund amounted to 10 per cent of its payroll; today, it is 14 per cent. AT&T's pension contribution jumped from 12 per cent of payroll in 1973 to 16 per cent last year.

The growing cost of pension programs has fueled a new concern over what may become a big problem: "unfunded liabilities"—committed pension obligations not covered by money currently in a fund. In part, the problem actually results from pension-reform efforts: by reducing inequities, ERISA also increases the number of retirees drawing from the funds and the amounts they receive. In theory, prosperous companies ought to have no trouble meeting their obligations because they must set aside money now to pay future retirees. But if the number of retirees drawing from the funds increases as dramatically as expected in the decades ahead, pension cost will rise enormously—and the added liabilities would presumably have to be covered.

Shorter term, a sustained economic downturn could place marginal plans in jeopardy. The Pension Benefit Guaranty Corp., the government's insurer of private pension plans, stands ready to pay off for the occasional failure. But some experts believe the PBGC's funding itself may be inadequate. "If there is a [serious] recession, there's no way in the world that the [PBGC] could pay benefits for all of the funds that would fail," says Howard E. Winklevoss, a University of Pennsylvania professor and pension consultant.

If a crunch comes, it may well come first in industries like trucking, coal, shoes and construction, where individual companies have historically shared the pension burden. The advantage to the 8 million workers covered by such multi-employer plans is that if their employer goes out of business, other companies in the system will guarantee benefits. But that is also an Achilles' heel. Because some of the plans are in troubled industries, there are fewer companies around to share the pension load, and some survivors are pulling out in fear of the additional burden they might have to shoulder in the future. Nervous workers also tend to take earlier retirement. "Nobody wants to be the last person in the plan," explains PBGC executive director Matthew Lind. "It's the Titanic atmosphere; everybody want to leave the ship first."

The pension outlook is also growing darker in the public sector, where some expensive chickens are finally coming home to roost. Particularly on the local level, pension plans have tended to be underfunded and badly managed; it was only three years ago, for example, that the New York State Legislature forced the New York City pension system to quit using actuarial tables based on the mortality rate in 1899. At the same time, benefits have been soaring. In New York, for example, policemen, firemen and sanitation men can retire at 50 per cent of their final year's pay—including overtime—after only 20 years of service. In a study, Winklevoss found that some public pension funds in Maryland and New Mexico actually allow some workers to retire with more spendable income than they had when they worked.

RUNNING FOR GLORY?

In many cities, there have also been flagrant abuses of the disability-pension provision, particularly among policemen and firemen. Last year, for example, August Gary Muhrcke, a former New York City fire fighter drawing a tax-free annual disability pension of $11,822, finished first in a race up the 85 floors of the Empire State Building. Six years ago, 30 per cent of all retiring New York City employees qualified for disability pensions; last year, that number had climbed to 40 percent. Over the same period, the hard-pressed city's total contribution to its employee retirement funds soared from $480 million to about $1.3 billion a year, a large factor in New York's rush to near bankruptcy.

Now, the public-pension pendulum may be swinging the other way as more states and local communities realize they have been living far beyond their means. For example, if Massachusetts continues to pay benefits at the current rate, it will be $12.6 billion in the hole in the foreseeable future. Still, it isn't easy to take corrective steps, as the Public Expenditure Research Foundation of Madison found out during a study of public pension programs in Wisconsin. "It is not clear who represents the taxpayer's interests in the field of public-employee pensions," the study concluded. "The majority of individuals responsible for determining benefits are themselves in line for a pension from the plans they are responsible for overseeing."

But pressure from angry taxpayers is forcing an increasing number of public officials to pay heed; in Milwaukee, for example, James Mortier, the city's chief labor negotiator, has proposed a ten-year freeze on public-pension benefits and has urged that any additional payments to the pension fund come not from the city but from the employees themselves. In Washington, Democratic Rep. Frank Thompson of New Jersey and Republican Rep. John Erlenborn of Illinois plan to introduce a bill setting up strict fiduciary standards for all public-employee pension programs.

USING THE CLOUT

In the private pension sector, meanwhile, there are growing cries of "pension power" from some labor unions anxious to use pension money as an organizing and bargaining tool. Last year, for example, the Amalgamated Clothing and Textile Workers Union persuaded several other unions to withdraw pension funds from banks doing business with the anti-union J. P. Stevens Co., a major Southern textile maker.

But for the private plans, the biggest call for reform is coming from ERISA's original Senate sponsors—Republican Jacob K. Javits of New York and Democrat Harrison Williams of New Jersey. In a series of proposed amendments up for a Senate vote this session, they would make it easier for survivors to collect pension benefits and allow workers covered by an inadequate private plan to set up individual retirement accounts at a bank or savings and loan.

Beyond that, a Presidential commission is currently studying the nation's entire pension structure with an eye to further reform. Its work is still two years from completion, but the basic questions the commission is addressing go to the very heart of the matter: what kind of pension coverage does the U.S. want for its retirees—and how much is the nation willing to pay for it? Only if those questions are answered generously can America's growing legion of the aging look ahead with any real sense of serenity.●

RULES OF THE SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 10 minutes.

● Mr. PEPPER. Mr. Speaker, the Select Committee on Aging, which I have the privilege to chair, held its organizational meeting on Tuesday, February 27. At that time the committee adopted its rules for the 96th Congress.

Pursuant to House rule XI, clause 2 (a), I am including in the CONGRESSIONAL RECORD a copy of the rules adopted by the Select Committee on Aging:

SELECT COMMITTEE ON AGING—RULES OF PROCEDURE

RULE NO. 1

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the *Select Committee on Aging* and its subcommittees as well as to the respective chairmen.

The rules of the committee shall be subject to amendment at any time.

[See House Rule XI, 1.]

RULE NO. 2

The regular meetings of the full committee shall be held on the *first Thursday of each month at 2:00 p.m.*, except when the Congress has adjourned or recessed. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2c(2). Subcommittees shall meet at the call of the subcommittee chairmen.

Every member of the committee or the appropriate subcommittees, unless prevented by unusual circumstances, shall be provided with a memorandum at least 3 calendar days prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for the appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority staff may request.

[See House Rule XI, 2(b).]

RULE NO. 3

A majority of the members of the full committee and each of the subcommittees shall constitute a quorum of the committee or subcommittee for the purpose of convening meetings, conducting business, and voting on any matter: Provided, That the chairman of the full committee may determine that one-third of the members of the full committee shall constitute a quorum of the full committee at any meeting for such purpose (other than for the reporting of any measure or recommendation, and voting on the authorization of subpoenas and on the closing of hearings and business meetings to the public) if he gives written notice to that effect to the members prior to the meeting. Any committee member present at a committee meeting may make a point of order that a quorum is not present under the conditions set forth above, but a quorum shall be deemed present unless a member objects to the transaction of business because of the lack of a quorum. Two members shall constitute a quorum for taking testimony and receiving evidence. A majority of the members of the committee must approve any report, or any staff study containing policy recommendations, and the chairman is empowered to obtain that approval in any appropriate manner, including by polling members of the committee in writing. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

RULE NO. 4

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(l)(5). The time allowed for filing such views shall be 3 calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

RULE NO. 5

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present, and shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, it shall apply to any amendments or motions pertaining to that measure or matter.

RULE NO. 6

A rollcall of the members may be had upon the request of any member.

RULE NO. 7

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meeetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

RULE NO. 8

There shall be *Four* (4) subcommittees with appropriate party ratios which shall have assigned or fixed jurisdictions.

[See House Rule XI, 1(a)(2).]

RULE NO. 9

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

RULE NO. 10

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

After approval by the majority caucus, the authorization for the creation of new positions shall be approved by a majority vote of the committee, a quorum being present.

RULE NO. 11

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

RULE NO. 12

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least 1 week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least 2 weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, as far as practicable, submit written statements at least 24 hours in advance of their appearance.

A subcommittee holding hearings in the field may investigate matters that are within the committee's jurisdiction, whether or not the matter being investigated falls within the jurisdiction fixed for that subcommittee.

[See House Rule XI, 2(g), 2(j), and XI, 3(f)(2).]

RULE NO. 13

Meetings for the transaction of business and hearings of the committee shall be open to the public unless closed in accordance with Rule XI of the House of Representatives.

[See House Rule XI, 2(g).]

RULE NO. 14

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to 5 minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, insofar as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

RULE NO. 15

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE NO. 16

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE NO. 17

When approved by a majority vote an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcasts, and still photography, or by any such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

[House Rule XI, 3.]

RULE NO. 18

The chairman of the full committee shall: (a) make available to other committees

the findings and recommendations resulting from the investigations of the committee or its subcommittees as appropriate;

(b) submit to the Committee on the Budget views and estimates, as appropriate, required of standing committees by House Rule X, 4(g); and

(c) prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities. After approval by the majority caucus, a majority of the members of the committee must approve the budget, and the chairman of the committee is empowered to obtain that approval in any appropriate manner, including polling members of the committee in writing.●

IMPACT OF WEEKEND BAN OF GASOLINE SALES ON NEW JERSEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, the proposed ban on gasoline sales singles out the resort and recreational industry to pay for the energy sins of the entire country. In New Jersey, the potential disruption of the shore economy, especially during the summer months, outweighs the uncertain fuel savings which the administration claims would result.

The ban on so-called discretionary driving overlooks the fact that the income generated by weekend travelers to the State constitutes a nondiscretionary source of income for New Jersey residents. In New Jersey, 8 percent of total State taxes and thousands of jobs are generated by the resort industry; along the shore, the importance of these revenues is much greater. According to the U.S. Department of Energy's own estimates, a weekend ban on gasoline sales would almost completely eliminate customers traveling by automobile to the shore area. Even a partial or Sunday ban would have a dampening effect, though the reduction in total vehicle miles traveled would be on the order of only 1.2 percent to 1.6 percent per month. The New Jersey Department of Energy estimates that in this case, motor gasoline savings in New Jersey would amount to only 126,000 to 157,000 gallons per day, or roughly two-tenths of 1 percent of current national daily consumption. Given the current round of price increases and the Government allocation program in place, it would be difficult to justify the additional inequities which a ban would impose.

The administration's proposals are particularly disturbing in view of the fact that it has seriously undermined substantial opportunities for fuel conservation in its fiscal year 1980 budget request. The administration has proposed slashing $300 million per year in Amtrak funding just as rail ridership has surged. It has failed to adequately fund the mass transit programs mandated in the Surface Transportation Assistance Act. It has cut aid to the States for enforcing the 55 mph speed limit, a program which is currently saving 8½ million gallons of oil per day. And the proposed budget for the Department of Energy is meager at best, with serious problems of mismanagement and misplaced priorities still unresolved.

Most importantly, the administration is promoting a one-shot response to a fundamental and long-term problem. It should be focusing on immediate measures to enhance domestic gasoline supplies, such as gasahol production, and should concentrate on ways to replace liquid fuel currently wasted on electrical production with renewable and secure energy sources. Other aspects of the President's standby controls, including banning decorative lighting and imposing lower thermostat settings, may offer partial relief in any supply disruption. Under extreme circumstances, some system of rationing may be required. But any program for dealing with an emergency situation must be borne equally by all segments of the economy. In this respect, the proposed weekend ban is totally deficient.●

RATIONING HURTS FLORIDA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

● Mr. FUQUA. Mr. Speaker, having just suffered through the worst February in memory while trying to conduct the Nation's business in Washington, my colleagues in the Congress must surely be aware of the all-American dream—a mid-winter Florida vacation.

With that as a preface let me discuss the consequences of the administration's proposed energy package and its impact upon Florida and the millions of other Americans who are part-time Floridians.

Of necessity, Florida is an energy intensive State and its economy is directly tied to the price and availability of gasoline for private pleasure travel as well as normal commercial uses.

Pleasure driving in Florida is as inevitably tied to the State's financial health as the availability of heavy commercial fuel is to the production of automobiles, steel, and other manufacturing in the industrialized North.

Specifically, I would like to go on record as opposing both gas rationing as proposed by the administration and the concept of closing gas stations on Sundays.

Mr. Speaker, Florida is a vast State. My district, one of 15 congressional districts in Florida, is more than 300 miles wide and some 150 miles deep with commercial, family, and social ties spanning the district like jigsaw lines on a puzzle. The district is larger than eight States.

It is not unusual for a Floridian living in Monticello to travel 52 miles daily in a round trip to work in Tallahassee; nor for someone in Lake City to make the 120-mile round trip to Jacksonville to work.

To impose an arbitrary, artificial, and ill-conceived rationing system on these individuals is to leave them faced with a choice of abandoning their jobs to remain home, or their families to continue work.

Further, the imposition of gas rationing would deprive literally millions of Americans in the North of the fulfillment of their hard-earned dream—a vacation in Florida.

The effect on Florida of that restricted vacation travel is to deal a mortal blow to the State's largest industry—tourism.

The result would be—as it was during the recessionary adjustment period following the 1973 oil embargo—unemployment in Florida at levels exceeding that in most of the Nation, declining levels of State service forced by budget reductions caused by loss of sales tax revenue, reduced starts in the construction industry because of diminished demand, and general economic disruption and hardship on our citizens.

Compounding this problem is lack of a national policy affecting passenger rail traffic.

I was informed just last week by Alan Boyd, president of Amtrak, that rail passenger service to Florida will be reduced by a third and that the reason for the reduction—which again seriously damages our tourism industry—is that the trains are too popular.

Our transportation policy as of today—according to Mr. Boyd—is to reduce service as much as possible and increase fares significantly to force people to stop using this vital form of transportation.

It is outrageous that we should at one and the same time be advocating gas rationing and depriving our citizens of a viable alternative means of transportation.●

LEGISLATION TO BRING TEMPORARY RELIEF TO ARKANSAS VIS-A-VIS INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, I rise today to join my colleagues from Arkansas (Mr. HAMMERSCHMIDT, Mr. ANTHONY, and Mr. BETHUNE) in the introduction of legislation that will bring temporary relief to a situation existing in Arkansas.

The legislation we are introducing today will allow national banks, federally chartered financial institutions, or federally insured savings and loan associations and savings banks to charge interest on business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, at a rate of not more than 5 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the financial institution is located. Home mortgage, consumer, or other interest rate ceilings established by any State would not be disturbed. The legislation would expire on January 1, 1981.

Mr. Speaker, this legislation will most significantly impact the State of Arkansas. Arkansas' constitution sets the maximum interest rate which may be charged by business borrowers at 10 percent. Most other States exempt business loans from usury ceilings or have ceilings at a level which do not create a problem under current economic conditions.

In response to the credit problems that the Arkansas usury limitations

caused in our State (and at that time in Tennessee and Montana as well), Congress enacted legislation in the 93d Congress, Public Law 93-501, the so-called Brock bill, which included a provision to allow national banks and federally insured institutions to charge on business and agricultural loans of $25,000 or more interest at a rate of 5 percent in excess of the Federal discount rate, regardless of a State's usury laws. The bill had a duration of 3 years (it expired July 1, 1977) and did not affect consumer or home mortgage loans.

The bill we are introducing today differs from the Brock bill only in the respect that other federally chartered financial institutions, including Federal land banks and Production Credit Associations chartered under the Farm Credit Act of 1933, could charge interest rates at the prescribed levels.

It is the position of the Farm Credit Administration, of which Federal land banks and Production Credit Associations are a part, that these lending institutions are not subject to State usury limitations. However, in order to assure that no question arises and to eliminate the practical problem in Arkansas, the legislation includes such federally chartered financial institutions in its scope.

At the time Congress passed the Brock bill, Arkansas' lending institutions were paying up to 13 percent for money bought through the Federal Reserve System. Although many of the State's financial institutions continued to make business loans in anticipation that the rates would go down, it was obvious that this practice could not continue over a long period of time and the financial institution remain solvent.

Arkansas, with the expiration of Public Law 93-501, finds itself in a similar position today. Hardest hit by our usury limitations are construction, agricultural and small buisness firms who cannot channel funds into the State through corporate subsidiaries. Estimates are now being compiled to determine the actual economic loss to Arkansas because of the lack of relief since the expiration of Public Law 93-501.

Arkansas is presently rewriting its State constitution which will be presented to the voters in the 1980 general election. The usury issue will be one addressed in the document.

Given the credit crunch that our State's financial community finds itself in, it is the hope of the Arkansas delegation that Congress will approve this temporary legislation until such time as the Arkansas electorate has voted on a usury provision in the State constitution that will provide permanent relief.●

● Mr. ANTHONY. Mr. Speaker, I, too, join my colleagues from the State of Arkansas in urging support of this bill. It is with reservation that I do so, however, and that reservation should be explained.

In 1874, the people of the State of Arkansas created our State constitution. At that period in our history, over 100 years ago, it was deemed by the people that 10 percent interest was the most any person should have to pay for money borrowed. The importance of that conclusion was such that it was inserted in the constitution, not merely relegated to a rule of law passed by the State legislature or forged by decisions of our State supreme court.

It is also important to emphasize, Mr. Speaker, that the Supreme Court of Arkansas has through the years steadfastly guarded the mandate of our constitutional prohibition against interest in excess of 10 percent. Time and time again the court has found that if a person is charged an amount for borrowing money it is interest, regardless of what it is called: time-price differential, commitment fee, and so forth.

Also, it is the law in Arkansas that if a loan is found to be usurious, not only is the interest and principal of the loan forfeited by the lender, but the agreement itself is void. There have been instances in which the wronged borrower has not only been allowed to not pay back the loan and the interest thereon, but has been allowed to keep the house, automobile, or whatever the collateral was that he borrowed the money to buy.

So, Mr. Speaker, the usury law of the State of Arkansas is not something to be casually pushed aside. Arkansans overwhelmingly agree that 10 percent is enough, and I agree with them. Unfortunately, the economy of Arkansas is affected and determined from without as well as from within the State. The inflation ravaging this Nation has reached such proportions that the banking and lending community cannot continue to survive with the 10-percent limitation imposed on them.

We are asking this Congress to give that lending community temporary relief until once again, in a Constitutional Convention, the people of our State can decide what is and what is not usury.

As stated by my colleagues, this bill does not completely abrogate the 10-percent limitation, but only removes it from business and agricultural loans of $25,000 or more. It is argued, and I hope true, that borrowers of such loans are less apt to overextend themselves by agreeing to interest higher than they can afford, which is exactly the circumstance usury laws strive to avoid.

Thank you.●

● Mr. BETHUNE. Mr. Speaker, the people of Arkansas are saddled with a problem which will only worsen unless action is taken soon to cope with the State's unyielding 10 percent ursury ceiling. The ursury ceiling, written into the 1874 constitution, was created to guard against harsh and unreasonable interest rates. Unfortunately, the constitution has now become a burden for the very people it was designed to protect. As a result many people are hard pressed to obtain loans, builders are not able to obtain credit, lenders cannot make a profit, and in many instances money is flowing to other States.

Arkansans are a proud lot. We like to take care of our own difficulties. But procedures for amending the Arkansas constitution make it totally impossible for us to take action for almost 2 years.

Realizing that something must be done about the constitution, in 1978, the people of Arkansas elected convention delegates to rewrite the entire Constitution. These delegates will submit a new document to the voters in 1980. There is great hope that the voters and the delegates to rewrite the entire constitution. problem by January of 1981. However, these efforts will not help the people now, nor will they help head off the recessionary forces that are anticipated toward the end of this year.

Not only are the people of Arkansas plagued by a restrictive constitution, but we are victims of reckless inflationary policies of the Federal Government. To compensate for repeated cycles the Federal Reserve has chosen to push interest rates sporadically upward—over the State's ceiling.

For example, the Federal Reserve increased the rate of interest on Federal funds as follows:

January 1978, 6.70 percent.
February 1978, 6.78 percent.
March 1978, 6.79 percent.
April 1978, 6.89 percent.
May 1978, 7.36 percent.
June 1978, 7.60 percent.
July 1978, 7.81 percent.
August 1978, 8.04 percent.
September 1978, 8.45 percent.
October 1978, 8.96 percent.
November 1978, 9.76 percent.
December 1978, 10.03 percent.
January 1979, 10.07 percent.

The bottom line is that Federal fiscal and monetary policies have caused high interest rates and a credit crunch in Arkansas.

Today's situation is very similar to 1973 when the Arkansas economy was at a standstill and financial institutions had to pay up to 13 percent for money bought through the Federal Reserve System, but could only charge business and other borrowers 10 percent. At that time, the Congress saw fit to enact Public Law 93-501. This law permitted national banks, and federally insured savings and loan associations and savings banks to charge interest on business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, at a rate of not more than 5 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the institution is located. This law expired in 1977, and therefore, cannot help the people of Arkansas in our present time of need.

Since the failure of Federal policy is the root cause of the Arkansas problem, it is right and proper for the Federal Government to lend a helping hand.

I, therefore, join my colleagues from Arkansas in supporting H.R. 2515, which is very similar to Public Law 93-501. As much as I feel that this is a State problem, which should and ultimately will be resolved by the people of Arkansas, I hope all of my colleagues will join me in support of this bill which will automatically expire on January 1, 1981. The Congress acted before when there was a time of need, and I hope it will act again, to provide relief to Arkansas until the people can make adjustments in the State constitution to overcome this very serious and unfortunate problem.●

TRIBUTE TO CHIEF REPORTER OF DEBATES EDNA MOYER ON HER RETIREMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. I rise to inform the House that a delightful lady is retiring today from her job working on the House floor.

This is Miss Edna Moyer, who is the Chief Reporter for the House. She is one of the charming ladies we see on the floor taking down every word we say.

Miss Moyer has served for 5 years as Chief Reporter and has been on the House staff for 13½ years.

Before working for us Edna was a conference reporter for the Secretary of State. She traveled around the world in this position and met the great people of the world.

We are going to miss Edna Moyer—especially her good work, her wonderful smile, and her sincere love for all of us.

We wish Edna the best in her retirement and hope she will come back to see us here in the House.●

THE MILITARY HEALTH CARE SYSTEM REFORM ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, last year I introduced a bill to reform the military health care system. Today, I introduce this measure to the 96th Congress with the hope that my colleagues will recognize the growing crisis we face in this area. The facts are clear and the inevitable outcome of further delay in adopting these changes is a weakened national defense and a widening of the gap of confidence between those who have served and the system that is not serving them in return.

We cannot afford to continue on the present course which leads us to accept and even encourage the internecine warfare and incredible waste of the present system. Reform is needed. Delay is our enemy. The solution is at hand and we must move forward with resolve to end the wasteful duplication and painful underuse of our presently disjointed military health care system.

I propose a bold restructuring of our approach to providing health care to active duty and retired soldiers and their dependents which will better enable us to meet our commitment to provide for their health care needs while lightening the burden on the pocketbook of the American taxpayer. Paradoxically, while hundreds of military health care facilities throughout the country remain half empty, more and more retirees and their dependents are being forced into private facilities by the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) at a tremendous cost to themselves and to the Government.

The cause of the current crisis is threefold. There are not enough physicians willing to elect a career in the Armed Forces; the number of retirees and dependents entitled to care at military facilities is growing larger every year while the size of our active duty peacetime force is shrinking; and finally, we are saddled with a disjointed military health care system that results in wasteful utilization of limited resources.

The essential elements of my legislation are the following:

First. Unify within the Office of the Secretary of Defense coordination and planning of the entire military health care system.

Second. Introduction into the military health care system of efficient—capitation—budgeting methods to emulate the Kaiser-Permanente plan.

Third. Utilization of private physicians within the military health care system.

Fourth. Introduction of variable incentive pay for successful cost-containment by physicians within the military health care system.

Fifth. Maximization of the use and training of physician assistants, nurse practitioners and others involved in the provision of health care.

Sixth. Improved collection of third party payments for provision of care in military health care facilities.

Specifically, I would like to address each of these areas:

First. My legislation would improve planning and coordination within the military health care system by bringing together within the Office of the Secretary of Defense the now separate systems of the Army, the Navy, and the Air Force. I propose the creation of regional authorities within the Office of the Secretary of Defense to coordinate budgeting, planning, programing, and evaluation of all activities of the military health care system and to coordinate the allocation of resources of the system.

Second. I propose a series of budgetary reforms to emulate the highly successful Kaiser-Permanente plan which has demonstrated the advantages of the prepaid approach. The analog of this approach within the military health care system is the adoption of "capitation" budgeting or budgeting based on the projected cost of providing complete health care to a specific number and mix of eligible beneficiaries. My proposal allows each retiree and dependent to enroll in the military health care system for his complete health care needs.

Third. The military physician shortage threatens to continue due to the very nature of the limited manpower requirements of our peacetime forces. To pick up the slack in the underutilized military medical facilities, we need a public and private partnership. I propose that private physicians be allowed to treat patients at military medical facilities on a case-by-case basis with their fees paid through CHAMPUS. This will encourage greater use of military facilities which are cheaper to the Government and to the retiree than comparable facilities in the private sector.

Numerous problems, centered around CHAMPUS billing and fee schedules, have discouraged many doctors from accepting patients under this program. My legislation calls for a claims officer at each military health care facility to speedily process CHAMPUS claims of physicians who treat patients at the military facility. Another incentive for private physicians to accept a commander's request to treat a patient at a military facility is that the Government will assume his malpractice liability as if while performing that service he were a military physician.

Fourth. Not only is the cost of CHAMPUS increasing at an alarming rate, but inadequate cost containment incentives at military health care facilities also result in an alarming amount of waste. The administration developed the idea of a variable incentive systems to improve performance in the civil service; I propose the creation of a variable performance incentive pay to encourage military physicians to contain health care costs. Although this approach is a departure from traditional methods of reimbursement, it promises to effect tremendous savings to the taxpayer while improving the quality of health care to retirees and dependents.

The variable performance incentive pay I propose would be paid to military physicians only if a surplus remains in the year end budget of their facility. In addition, at least 50 percent of any surplus would automatically be paid to the U.S. Treasury and none of the surplus would be subject to reprograming for purposes other than those directly related to the support of the military medical system. Input from patients, retirees, and dependents will be taken into consideration in evaluating doctor performance to determine the amount of incentive pay they are to receive.

Fifth. Another initiative called for by my legislation that will increase the availability of care at military health care facilities is the directive to the Secretary of Defense to maximize the use and training of physician assistants, nurse practitioners, and similar practitioners. The military's unique experience in training combat medics and other specialists who perform one or more functions typically performed by a physician should be put to greater use in its health care facilities.

Sixth. Finally, I propose that the Secretary of Defense take steps to improve the collection of third party payments for provision of care in military health care facilities. A recent GAO report stated that as much as $230 million a year could be saved if the respective armed services vigorously pursued these claims. My legislation directs the Secretary of Defense to provide for this recovery.

It is encouraging to note that the Armed Forces are presently implementing uniform reporting and recordkeeping which will enable the reforms that I have outlined in my legislation.

Mr. Speaker, the purpose of my legislation is to improve the quality of medical care this Nation is providing our present and former members of the Armed Forces and their dependents. Just as important, it is intended to bolster the commitment this country made to provide these citizens with decent health care services.

There is a crisis today in the military health care system. Insufficient medical personnel, wasteful utilization of limited resources, ineffective and inefficient health care services are all contributing to this crisis. And the price we pay is not only in inadequate health care; it is in a serious erosion of morale and confidence in our military services. It is my hope that this legislation will help restore that confidence and will insure that this Nation will indeed stand by its commitment to provide a strong and secure health care system for those who serve and have served in protecting a strong and secure America.

TRIBUTE TO THE LATE BISHOP DAVID F. CUNNINGHAM OF THE ROMAN CATHOLIC DIOCESE OF SYRACUSE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, one of the moving, building forces of the Roman Catholic Diocese of Syracuse, the Most Reverend David F. Cunningham, died on Thursday, February 22, 1979.

Bishop Cunningham was ordained on June 12, 1926 by the Most Reverend Daniel J. Curley, the third Bishop of Syracuse, at Sacred Heart Cathedral in Rochester. The bishop's first assignment took him to St. Ambrose Parish in Endicott where he was assistant pastor.

In 1929, Bishop Cunningham went to the Catholic University of America in Washington, D.C., where he completed a year of graduate study in the Code of Canon Law.

In 1946, the then Monsignor Cunningham was appointed pastor of St. John the Baptist Church in Syracuse, and in September of that year, he was named vicar general of the diocese.

Four years later, during April 1950, the bishop was named titular bishop of Lampacus and auxiliary to the bishop of Syracuse. He was consecrated into the Episcopacy on June 8, 1950, at the Cathedral of the Immaculate Conception by the late Francis Cardinal Spellman, Archbishop of New York.

On June 21, 1967, he was appointed co-adjutor bishop of Syracuse with the right of succession and on August 4, 1970, Bishop Cunningham was named the sixth Bishop of Syracuse.

Bishop Cunningham's achievements during his years in the priesthood were many and impressive.

Between 1962 and 1965 he participated in the second Vatican council and scored an impressive victory by attending every general council session. In November 1969, he was elected to the advisory board of the U.S. Catholic Conference.

According to Bishop Cunningham, his greatest accomplishments included formation of Episcopal Vicariates throughout the diocese; the work of the seminary review committee in establishing Aquinas House, the diocesan sponsored seminary adjoining LeMoyne College.

Other accomplishments were the response of people in the diocese to appeals for the world's needy people, particularly through the campaign for human development and Catholic relief services; the support for the Catholic school system despite difficult economic circumstances and the development of an outstanding education program in the diocese.

To describe his feelings on 50 years in the priesthood, the bishop said:

> I am very grateful to Our Lord that He has spared me to serve Him and His people of the Diocese of Syracuse, for a majority of years as Auxiliary to Bishop Foery and then as Ordinary. I am very humble to have been allowed that privilege.

And may I add, Mr. Speaker, that Bishop Cunningham's sensible blending of spiritual orientation and administrative skill contributed to the deep respect which not only the Catholic families, but also the thousands on non-Catholic residents of our diocesan area have for him.

Our society is indeed far richer having benefited by the life and vocation of Bishop Cunningham. His passing saddens me and my wife, Rita, having treasured a long-time personal friendship with him.

His kindness, his compassion, his concern for the good of humanity were forever visible. As a spiritual leader, his credentials have indeed impacted the lives of untold thousands. We of the Diocese of Syracuse owe deep gratitude to the Almighty for sending him our way. Certainly he now enjoys the heavenly reward he so richly deserves.●

PUBLICATION OF RULES OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, pursuant to rule XI, clause 2(a) of the Rules of the House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Post Office and Civil Service for the 96th Congress:

RULES OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, 96TH CONGRESS

RULE 1. RULES OF THE HOUSE

The Rules of the House are the rules of the committee and the subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

RULE 2. CHAIRMAN; VICE CHAIRMAN

(a) The ranking majority member is designated as vice chairman of the committee.

(b) The chairman of the committee or of a subcommittee, as appropriate, shall preside at meetings or hearings or, in his absence, the next ranking majority member present shall preside.

(c) In the temporary absence of the chairman of the committee or of a subcommittee, as appropriate, the next ranking majority member of the committee or subcommittee, as appropriate, and so on, as often as the case shall happen, shall act as chairman.

RULE 3. COMMITTEE MEETINGS

(a) A regular meeting of the committee shall be held on the second and fourth Wednesday of each month. The usual time of a regular meeting shall be 9:45 a.m. A regular meeting may be canceled by the chairman of the committee after consultation with the ranking majority member and the ranking minority member.

(b) Additional meetings of the committee may be called by the chairman as he considers necessary.

(c) A special meeting of the committee shall be held in accordance with the provisions of House Rule XI, Clause 2(c)(2).

(d) Regular, additional, and special meetings of the committee for the transaction of business shall be open to the public, except when the committee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public in accordance with House Rule XI, Clause 2(g)(1).

RULE 4. RECORD OF ACTION

(a) A complete record of all committee or subcommittee action shall be kept which shall include a record of the votes on any question on which a record vote is demanded.

(b) There shall be made available for inspection by the public at reasonable times in the offices of the committee, a record of the votes on any question on which a record vote is demanded, a description of the amendment, motion, order or other proposition on which a record vote is demanded, and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(c) A committee or subcommittee report on a bill or resolution of a public character ordered reported by a record vote shall include the number of votes cast for, and the number of votes cast against, the motion to report.

RULE 5. COMMITTEE QUORUM

(a) Except as provided under paragraphs (b) and (c) of this rule, or under House Rule XI, Clause 2(g)(2), one-third of the total membership of the committee shall constitute a quorum for the purpose of transacting committee business.

(b) A majority of the total membership of the committee shall constitute a quorum for the purpose of—

(1) reporting a measure or recommendation in accordance with rule 13(a);

(2) voting to close a meeting under rule 3(d);

(3) authorizing the issuance of a subpena under rule 12(c); and

(4) recalling a bill, resolution, or other matter under rule 9(c).

(c) Not less than two members of the committee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(d) The presence of a quorum shall be determined and announced by the chairman before the committee shall proceed to the transaction of business and shall be recorded in the records of the committee action.

RULE 6. ROLLCALL VOTE

A rollcall vote on any question may be demanded by any member of the committee or of a subcommittee, as appropriate.

RULE 7. PROXIES

A member may vote on any matter before the committee or a subcommittee by proxy. A proxy shall (1) be in writing, signed by the member authorizing the proxy, and show the date and time of day that the proxy is signed; (2) assert that the member is absent on official business or is otherwise unable to be present at the meeting; (3) designate the member who is to execute the proxy authorization; and (4) be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy for motions to recess, adjourn, or other procedural matters.

A proxy may not be used unless a quorum is present, cannot be used to make a quorum, and shall be presented to the chairman at the time the proxy is voted.

RULE 8. ADDRESSING COMMITTEE OR SUBCOMMITTEES

(a) Recognition by the chairman shall first be obtained by any member addressing the committee or subcommittee, as appropriate, proposing a motion, or interrogating a witness.

(b) The 5-minute rule shall apply in the markup of a bill. The 5-minute rule shall apply in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question the witness.

(c) The regular order shall be observed in all proceedings, and all questions and statements in the interrogation of witnesses shall be germane to the legislation or other matters then being considered.

RULE 9. REFERENCE OF LEGISLATION

(a) Each bill, resolution, or other matter referred to the committee, subject to the provisions of this rule, shall be referred to the subcommittee having jurisdiction over its principal subject within 1 week from the date of its referral to the committee unless the chairman of the committee orders that it be held for the committee's direct consideration. If the chairman so orders, he shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in writing of their disagreement therewith.

(b) A bill, resolution, or other matter referred by the chairman of the committee to a subcommittee may be recalled by him for the committee's direct consideration or for referral to another subcommittee. If recalled, the chairman shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in writing of their disagreement with his decision.

(c) A bill, resolution, or other matter referred to a subcommittee may be recalled by a majority vote of the committee, a majority being present, for its direct consideration or for reference to another subcommittee.

(d) A bill, resolution, or other matter referred to the committee may be referred simultaneously by the chairman of the committee to two or more subcommittees for concurrent consideration, for consideration in sequence, or for consideration of particular parts, or the matter may be referred by the chairman to a special ad hoc subcommittee established under rule 21.

RULE 10. STATEMENTS; DEPOSITIONS

Statements, depositions, letters, and such other pertinent matter in appropriate form as may be timely submitted may be accepted for inclusion in printed hearings, records, or documents, or in the permanent files of the committee, by the chairman of the committee or subcommittee, as appropriate, without objection or upon motion duly adopted.

RULE 11. HEARINGS; WITNESSES

(a) Public announcement of the date, place, and subject matter of each hearing to be conducted by the committee, or by a subcommittee, shall be made at least 1 week before the commencement of a hearing, unless the chairman of the committee or subcommittee, as appropriate, determines that there is good cause to begin a hearing at an earlier date in which event such public announcement shall be made at the earliest possible date.

(b) Hearings shall be open to the public except when the committee, or subcommittee, as appropriate, votes to close a hearing in accordance with House Rule XI, Clause 2(g)(2).

(c) Except as otherwise provided in these rules, the scheduling of witnesses and the time allowed for the presentation of testimony and interrogation shall be at the sole discretion of the chairman, unless otherwise ordered by a majority vote of the committee or subcommittee, as appropriate, a quorum being present.

(d) When any hearing is conducted upon any measure or matter, the minority party members of the committee, or subcommittee, as appropriate, upon request to the chairman by a majority of the minority party members before completion of the hearings, shall be entitled to call witnesses to testify on at least 1 day of such hearings.

(e) Each witness who is to appear before the committee, or subcommittee, as appropriate, and who has had appropriate and timely notice of such appearance shall file with the committee, or subcommittee, as appropriate, at least 24 hours in advance of his appearance, at least 35 copies of the statement of his proposed testimony and limit his oral presentation at his appearance to a brief summary of his argument. The requirement of this rule may be waived, in whole or in part, by the chairman, without objection, or pursuant to a motion duly adopted.

(f) A witness may obtain a transcript of his testimony given at a public session or, if given at an executive session, when authorized by the committee or subcommittee, as appropriate.

RULE 12. POWER TO SIT AND ACT; SUBPENA POWER OATHS

(a) The committee and each subcommittee is authorized—

(1) to sit and act at such times and places, whether the House is in session, has recessed, or has adjourned, and to hold hearings; and

(2) subject to paragraph (c), to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary.

(b) The chairman of the committee or of a subcommittee, as appropriate, or any member designated by the chairman, may administer oaths to witnesses.

(c) A subpena may be authorized and issued by the committee or by a subcommittee in the conduct of its functions and duties under House Rules X and XI or under the committee rules when authorized by a majority vote of the committee or subcommittee, as appropriate, a majority being present, or when authorized by the chairman of the committee.

(d) Authorized subpenas shall be signed by the chairman of the committee, or, in his absence, by the vice chairman of the committee.

RULE 13. FILING REPORTS; SUPPLEMENTAL, MINORITY, OR ADDITIONAL VIEWS

(a) No measure or recommendation, including any report or submission required to be made to the House or to the Committee on the Budget by the committee under paragraphs (g), (h), and (i), of Clause 4 of Rule X of the Rules of the House, shall be reported unless a majority of the committee or subcommittee, as appropriate, was actually present.

(b) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(c) It shall be the duty of the chairman of a subcommittee to promptly request consideration in the committee of any measure approved by the subcommittee, and it shall be the duty of the chairman of the committee to schedule such measure for consideration by the committee as promptly as possible.

(d) In the event the report of the committee on a measure which has been approved by the committee has not been filed as prescribed by paragraph (b) of this rule, such report shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the general counsel of the committee a written request, signed by a majority of the members of the committee, for reporting of that measure.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views with the general counsel of the committee. Such views shall be in writing and signed by the member.

(f) All committee, subcommittee, or staff reports printed pursuant to legislative or oversight investigations and not approved by a majority of the members of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report: (This report has not been officially approved by the (subcommittee/committee) and, therefore, may not necessarily reflect the views of all of its members.)

RULE 14. LEGISLATIVE OVERSIGHT

The committee, together with its subcommittees, shall review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

RULE 15. PERMANENT AND SPECIAL STAFFS

(a) The committee staff shall be composed of 18 permanent professional staff members, 12 permanent clerical staff members, and such special staff members as are appointed by the committee.

(b) The chairman of the committee, after consultation with the ranking minority member in the case of minority staff employees, shall have authority to appoint and discharge permanent and special staff members of the committee subject to the approval of the committee.

(c) The chairman of the committee shall have authority to appoint and discharge special subcommittee staff members subject to the approval of the committee, except that the chairman and the ranking minority member of each standing subcommittee shall have the option to appoint one staff member under House Rule XI, Clause 5(d).

(d) The chairman of the committee shall assign the duties and responsibilities, and have the general supervision and control of, the permanent and special staff members of the committee assigned to the chairman. The ranking minority member shall assign the duties and responsibilities, and have the general supervision and control of, the permanent and special staff members of the committee assigned to the ranking minority member.

(e) The chairman of the subcommittee shall assign the duties and responsibilities, and have the general supervision and control of the majority special staff members of that subcommittee.

(f) The chairman of the committee shall fix the rate of pay for each permanent and special staff member except a special staff member appointed under House Rule XI, Clause 5(d).

(g) The appointment of a special staff member may not extend beyond the expiration of the Congress during which the appointment is made.

(h) Staff members of the committee and of the subcommittees shall not engage in any work other than committee or subcommittee business and shall not be assigned any duties other than those pertaining to committee or subcommittee business.

(i) Except as otherwise provided by the committee, the duties and responsibilities of permanent and special staff members shall be performed, and staff personnel affairs and day-to-day operations shall be administered, under the direct supervision and control of the general counsel, who shall be responsible for providing timely, effective, and economical staff services to the committee and its subcommittees.

RULE 16. SPECIAL FUNDS, BUDGET, EXPENSES, AND ACCOUNTS

(a) The chairman of each standing subcommittee shall propose and present to the chairman of the committee, for each session of the Congress, a subcommittee budget of the estimated amount of special funds necessary to carry out the anticipated activities and programs of the subcommittee for that particular session of the Congress.

(b) The chairman of the committee shall review each proposed subcommittee budget and, after consultation with the ranking minority member, shall propose and present to the committee, for each session of the Congress, a committee budget of the estimated total amount of special funds to be requested under a primary expense resolution required under House Rule XI, Clause 5, for use by the committee, both the majority and the minority, for such session of the Congress for all anticipated activities and programs of the committee and of the standing subcommittees.

(c) The general counsel shall establish and maintain records and accounts, consistent with sound accounting practices, of committee and subcommittee special funds and of expenses incurred and paid as obligations of such funds. He shall prepare and submit to each member of the committee, not later than 10 days after the end of each quarter of the calendar year, an itemized report of the amounts of such funds expended and on hand at the end of the quarter. Such quarterly reports shall be made a part of the permanent official records of the committee.

(d) Vouchers for payment of obligations of special funds shall be prepared by the general counsel for signature by the chairman of the committee, except as otherwise authorized by the House, and shall be supported by receipts or other documentation consistent with the requirements of the Committee on House Administration. Signed vouchers shall be returned to the general counsel for entry in the committee accounts and final processing.

RULE 17. BROADCASTING HEARINGS

A hearing conducted by the committee, upon approval by a majority vote of the committee, a quorum being present, or a hearing conducted by a subcommittee, upon approval by a majority vote of the subcommittee, a quorum being present, may be covered in whole, or in part, by television broadcast, radio broadcast, and still photography, in accordance with House Rule XI, Clause 3, subject to the following:

(1) live coverage is to be broadcast without commercial sponsorship;

(2) no subpenaed witness may be photographed, televised, or broadcast against his will;

(3) television coverage shall be limited to four fixed cameras not obstructing committee or subcommittee proceedings or other media;

(4) equipment must be installed prior to the hearing;

(5) lighting shall be at the lowest adequate level;

(6) no more than five still photographers may cover any hearing;

(7) still photographers shall not come between the witnesses and committee members or obstruct the other media during the hearing; and

(8) broadcast and photography personnel shall be orderly and unobtrusive and shall be currently accredited to the Radio, Television Correspondents', or the Press Photographers' Galleries, as appropriate.

RULE 18. AVAILABILITY OF SUBCOMMITTEE REPORTS

A summary and explanation of each measure or matter reported by a subcommittee shall be furnished to each member of the committee at least 3 days in advance of the committee meeting at which such measure or matter is to be considered.

RULE 19. TRAVEL

(a) All members of the committee or of a subcommittee, as appropriate, shall have adequate notice prior to the date or dates fixed for investigations or hearings at locations other than Washington, D.C.

(b) Travel of members and staff of the committee or of a subcommittee to hearings, meetings, conferences, and investigations must be authorized by the chairman of the committee prior to any public notice thereof or the actual travel. Before such authorization is given, there shall be submitted to the chairman of the committee a statement in writing which includes the following:

(1) the purpose of the travel;

(2) the dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) the location of the event for which the travel is to be made; and

(4) the names of members and staff seeking authorization.

(c) A report on the travel (except travel in connection with hearings) of each member or staff member shall be submitted to the chairman of the committee as soon as possible after the trip is completed.

(d) Not later than 60 days after the completion of foreign travel, each member or staff member shall submit to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose, and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. Such reports shall be made available for inspection by the public, as required by House Rule XI, Clause 2(n).

RULE 20. CLASSIFIED MATERIAL

(a) All classified material received by the committee or by a subcommittee shall be deemed to have been received in executive session and shall be given appropriate safekeeping.

(b) The chairman of the committee shall establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any such classified material. Such procedures shall, however, insure access to this information at the committee offices by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

RULE 21. STANDING AND SPECIAL SUBCOMMITTEES

There shall be seven standing subcommittees of the committee. The Subcommittee on Investigations shall have investigative jurisdiction over all matters within the jurisdiction of the committee, and the other six subcommittees shall have legislative and investigative jurisdiction as provided under paragraphs (2) through (7) of rule 22. In addition to the standing subcommittees, the chairman of the committee, or the committee by a majority vote, a quorum being present, may establish such special ad hoc subcommittees and assign to them such jurisdiction as the chairman or the committee deems necessary.

RULE 22. JURISDICTION OF SUBCOMMITTEES

The titles and jurisdiction of the standing subcommittees shall be as follows:

(1) SUBCOMMITTEE ON INVESTIGATIONS. The investigation, review and study, on a continuing basis, of the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

(2) SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS. Compensation, including pay rates and pay systems; dual compensation; classification of positions; leave; allowances; retirement; insurance; health benefits; and other benefits of Federal officers and employees.

(3) SUBCOMMITTEE ON HUMAN RESOURCES. Federal civilian personnel requirements and ceilings; effect of Government reorganizations on Federal personnel; manpower utilization; reductions in force; contracting out; rights of privacy; code of ethics, including financial disclosure and conflicts of interest; and intergovernmental personnel programs.

(4) SUBCOMMITTEE ON THE CIVIL SERVICE. Federal civil service matters, generally, except those matters specifically within the jurisdiction of other subcommittees; Federal labor management relations (excluding the Postal Service); and employee political activities.

(5) SUBCOMMITTEE ON POSTAL OPERATIONS AND SERVICES. The United States Postal Service and the Postal Rate Commission, generally, including operation and administration thereof; postal finances and expenditures (except those relating to matters within the jurisdiction of the Subcommittee on Postal Personnel and Modernization); public service aspects, requirements, and reimbursements; and the United States mails (except those matters specifically within the jurisdiction of the Subcommittee on Postal Personnel and Modernization).

(6) SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION. Postal officers and employees, generally, including their status and appointment; postal management and other personnel requirements and practices; manpower utilization; postal labor management relations; postal facilities and mechanization, including modernization and research and development; mailability of matter; mail transportation; and military mail.

(7) SUBCOMMITTEE ON CENSUS AND POPULATION. The Bureau of the Census, generally; population and demography; statistics collection; reporting and data processing activities of the Government, generally; and holidays and celebrations.

RULE 23. MEMBERSHIP OF SUBCOMMITTEES

(a) The Subcommittee on Civil Service shall have ten members, divided between the majority and minority members in the ratio of six to four. The Subcommittee on Postal Operations and Services shall have 11 members, divided between the majority and minority in the ratio of 7 to 4. The Subcommittee on Census and Population shall have eight members, divided between the majority and minority members in the ratio of five to three.

(b) Except as provided in paragraph (a), each subcommittee shall have six members, divided between the majority and minority members in the ratio of four to two.

(c) The chairman of the committee shall be an ex officio nonvoting member of each legislative subcommittee and the ranking minority member of the committee shall be an ex officio nonvoting member of each subcommittee on which he otherwise does not serve.

RULE 24. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, conduct investigations, receive evidence, and report to the committee

on all matters referred to it. Subcommittee chairmen shall set meeting and hearing dates after consultation with the chairman of the committee and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings whenever possible. A subcommittee may exercise none of the powers or authorities hereinbefore provided with respect to any investigation or other activity which is not within the jurisdiction of the subcommittee or which requires the expenditure of funds in excess of the subcommittee's budget as approved by the committee, except upon authorization by a majority vote of the committee, a quorum being present.

RULE 25. REQUIRED MEETING

Each standing subcommittee, as referred to in rule 22, shall meet for the transaction of subcommittee business from time to time while Congress is in session, at a time and on a day determined by the subcommittee with due regard to the time and dates of the regular meetings of the committee and other subcommittees. All meetings of each subcommittee shall be open to the public except when the subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public in accordance with House Rule XI, Clause 2(g)(1).

RULE 26. SUBCOMMITTEE QUORUM

(a) Except as provided under paragraphs (b) and (c) of this rule, or under House Rule XI, Clause 2(g)(2), one-third of the total membership of a subcommittee shall constitute a quorum for the purpose of transacting subcommittee business.

(b) A majority of the total membership of a subcommittee shall constitute a quorum for the purpose of—

(1) reporting a measure or recommendation to the committee;

(2) voting to close a meeting under rule 25; and

(3) authorizing the issuance of a subpena under rule 12(c).

(c) Not less than two members of a subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(d) The ex officio members of a subcommittee shall not be counted for the purpose of establishing a subcommittee quorum.

RULES OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE FOR 96TH CONGRESS

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOLAND. Mr. Speaker, pursuant to clause 2(a)(3) of rule XI of the Rules of the House of Representatives, I hereby present the rules adopted by the permanent Select Committee on Intelligence for the 96th Congress.

RULES OF PROCEDURE FOR THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

1. CONVENING OF MEETINGS

The regular meeting day of the Permanent Select Committee on Intelligence for the transaction of committee business shall be on the first Wednesday of each month, unless otherwise directed by the chairman.

In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

2. PREPARATIONS FOR COMMITTEE MEETINGS

Under direction of the chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee or subcommittee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee members might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

The staff director shall recommend to the chairman the testimony papers, and other materials to be presented to the committee or subcommittee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the Rules of the House and Rules of the Committee.

3. MEETING PROCEDURES

Meetings of the committee and its subcommittees shall be open to the public except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote in open session and with a majority present that the matters to be discussed or the testimony to be taken at such portion or portions:

1. Will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

2. Will relate solely to matters of committee staff personnel or internal staff management or procedure;

3. Will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual except that, at a hearing which may tend to defame, degrade or incriminate any person, the hearing may be closed to the public consistent with clause 2(g)(2) and clause 2(k)(5) of Rule XI of the Rules of the House;

4. Will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

5. Will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

6. Will violate any other law of the United States or any rule of the House of Representatives.

Except for purposes of taking testimony or receiving evidence for which purposes a quorum shall consist of two committee members, a quorum for the transaction of any other committee business shall consist of eight committee members. Decisions of the committee shall be by majority vote of the members present and voting.

Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

4. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

Notice.—Witnesses required to appear before the committee shall be given reasonable notice, and all witnesses shall be furnished a copy of these rules.

Oath or Affirmation.—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the committee, except that the chairman of the committee or of any subcommittee shall not require an oath or affirmation where he or she determines that it would not be appropriate under the circumstances.

Interrogation.—Committee or subcommittee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman or the presiding member.

Counsel for the Witness.—(A) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his or her appearance before the committee, the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(B) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members of the committee, a majority being present, subject such counsel to disciplinary action which may include censure, removal, or a recommendation of contempt proceedings, except that the chairman of the committee or of a subcommittee may temporarily remove counsel during proceedings before the committee or subcommittee unless a majority of the members of the committee or subcommittee, a majority being present, vote to reverse the ruling of the chair.

(C) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he or she wishes propounded to his or her client or to any other witness and may, at the conclusion of his or her client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee or subcommittee may use such questions and dispose of such suggestions as it deems appropriate.

Statements by Witnesses.—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his or her testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his or her appearance before the committee.

Objections and Ruling.—Any objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair. A transcript shall be made of the testimony of each witness appearing before the committee or any subcommittee during a committee or subcommittee hearing or briefing.

Inspection and Correction.—All witnesses testifying before the committee or any subcommittee shall be given a reasonable opportunity to inspect, in the office of the committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammer and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his or her expense.

Requests to Testify.—The committee or any subcommittee will consider requests to testify on any matter or measure pending before the committee or subcommittee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his or her reputation, may request to appear personally before the committee to testify on his or her own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

Contempt Procedures.—No recommendation that a person be cited for contempt of Congress shall be forwarded to the House unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he or she should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the House.

Release of Name of Witness.—At the request of any witness, the name of that witness scheduled to be heard by the committee shall not be released prior to, or after, his or her appearance before the committee, unless otherwise authorized by the chairman.

5. SUBCOMMITTEES

Creation of subcommittees shall be by majority vote of the committee. Subcommittees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee.

Except for purposes of taking testimony or receiving evidence, for which purposes a quorum shall consist of two subcommittee members, a quorum for the transaction of any other subcommittee business shall consist of four subcommittee members.

There are hereby established the following subcommittees:

(1) Program and Budget Authorization.
(2) Legislation.
(3) Oversight.
(4) Evaluation of Performance.

6. INVESTIGATIONS

No investigation shall be conducted by the committee unless approved by the full committee, a majority being present; provided, however, than an investigation may be initiated—

(1) at the direction of the chairman of the full committee, with notice to the ranking minority member of the full committee, or

(2) at the written request to the chairman of the full committee of at least five members of the committee,

except that any investigation initiated under (1) or (2) must be brought to the attention of the full committee for approval at the next regular meeting of the full committee following initiation of the investigation. Authorized investigations may be conducted by members of the committee and/or by designated committee staff members.

7. SUBPENAS

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records or any other material may be issued by the chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of these rules.

8. STAFF

For the purpose of these rules, committee staff means employees of the committee, consultants to the committee, employees of other Government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

The appointment of committee staff shall be by a majority vote of the committee. After conformation, the chairman shall certify committee staff appointments to the Clerk of the House in writing.

The committee staff works for the committee as a whole, under the supervision of the chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director.

The committee staff shall assist the minority as fully as the majority in all matters of committee business and in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the House.

The members of the committee staff shall not discuss either the classified substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, either during his or her tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or, in the event of the termination of the committee, in such a manner as may be determined by the House.

No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment, not to divulge any classified information which comes into his or her possession while he or she is a member of the committee staff or any classified information which comes into his or her possession by virtue of his or her position as a member of the committee staff to any person not a member of the committee or the committee staff, either during his or her tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the House.

No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to notify the committee, or, in the event of the committee's termination, the House, of any request for his or her testimony, either during his or her tenure as a member of the committee staff or at any time thereafter with respect to classified information which came into his or her possession by virtue of his or her position as a member of the committee staff. Such classified information shall not be disclosed in response to such requests except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the House.

The committee shall immediately consider disciplinary action to be taken in case any member of the committee staff fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

9. RECEIPT OF CLASSIFIED MATERIAL

In the case of any information classified under established security procedures and submitted to the committee by the executive or legislative branch, the committee's acceptance of such information shall constitute a decision by the committee that it shall not be disclosed unless the committee, by rollcall vote, determines that it wishes to disclose publicly a part or all of such information under the procedures set forth in clause 7 of House Rule XLVIII. For purposes of receiving information from either the executive or legislative branch, the staff director of the committee, or the chief counsel in his or her absence, may accept information on behalf of the committee.

10. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials are prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony in conformity with these rules.

Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

Pursuant to clause 7(c)(2) of House Rule XLVIII and to clause 2(e)(2) and clause 2(g)(2) of House Rule XI, members who are not members of the committee shall be granted access to such hearings, records, data, charts and files of the committee and be admitted on a nonparticipatory basis to hearings of the committee which involve classified material, on the basis of the following provisions:

(1) Members who desire to examine materials in the possession of the committee should notify the clerk of the committee in writing.

(2) Each such request by a member must be considered by the committee, a quorum being present, at the earliest practicable opportunity. The committee must determine by record vote whatever action it deems necessary in light of all the circumstances of each individual request. The committee shall take into account, in its deliberations, such considerations as the sensitivity of the information sought to the national defense or the confidential conduct of the foreign relations of the United States, the likelihood of its being directly or indirectly disclosed and such other concerns—constitutional and otherwise—as affect the public interest of the United States. Such actions as the committee may take include, but are not limited to: (i) approving the request, in whole or

part; (ii) denying the request; (iii) providing in different form than requested information or material which is the subject of the request.

(3) In matters touching on such requests, the committee may, in its discretion, consult the Director of Central Intelligence and such other officials as it may deem necessary.

(4) In the event that the member making the request in question does not accede to the determination or any part thereof of the committee as regards the request, that member should notify the committee in writing of the grounds for his or her disagreement. The committee shall subsequently consider the matter and decide, by record vote, what further action or recommendation, if any, it will take.

Whenever the select committee makes classified material available to any other committee of the House or to any member of the House not a member of the committee, the clerk of the committee shall be notified. The clerk shall at that time provide a copy of the applicable portions of these rules and of House Rule XLVIII to such members or such committee and insure that the conditions contained therein under which the classified materials provided are clearly presented to the recipient. The clerk of the committee shall also maintain a written record identifying the particular information transmitted and the committee or Members of the House receiving such information. The staff director of the committee is further empowered to provide for such additional measures as he or she deems necessary in providing material which the committee has determined to make available to a member of the House or a committee of the House.

Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director.

No member of the committee or of the committee staff shall disclose, in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session, or the contents of any classified papers or other classified materials or other classified information received by the committee except as authorized by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the House.

Before the committee makes any decision regarding a request for access to any testimony, papers, or other materials in its possession, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the committee.

11. LEGISLATIVE CALENDAR

The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures—and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

12. COMMITTEE TRAVEL

No member of the committee or committee staff shall travel on committee business unless specifically authorized by the chairman. Requests for authorization of such travel shall state the purpose and extent of the trip. A full report shall be filed with the committee when travel is completed.

When the chairman approves the foreign travel of a member of the committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel of its extent, nature and purpose. The report referred to in the previous paragraph shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13. BROADCASTING COMMITTEE MEETINGS

Whenever any hearing or meeting conducted by the committee or any subcommittee is open to the public, a majority of the committee or subcommittee, as the case may be, may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions and in accordance with the spirit of the purposes enumerated in clause 3 of Rule XI of the Rules of the House.

14. CHANGES IN RULES

These Rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

TAXPAYERS SOLD A BILL OF GOODS

(Mr. GRISHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. GRISHAM. Mr. Speaker, I rise today to express my strong opposition to raising the Federal debt limit by $35 billion.

It is my belief that the American taxpayers have been sold a bill of goods by Congress and the administration. On one hand they have been told that everything will be done by Congress and the administration to hold down the cost of government, yet on the other hand, the Federal Government reaches deeper into their pockets.

My constituents and most all American taxpayers demand one thing from this House: Stop the wasteful spending of their tax dollars and cut the size of government.

That is the responsibility of this House, and I hope my colleagues will join with me in voting against the measure increasing our national debt.●

□ 1850

GENERAL LEAVE

Mr. MAVROULES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special orders today by the gentleman from Arkansas, Mr. ALEXANDER, and the gentleman from Mississippi, Mr. MONTGOMERY.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TRAXLER (at the request of Mr. WRIGHT), for February 28 and March 1, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS of Michigan) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 10 minutes, today.
Mr. BETHUNE, for 1 hour, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. COLLINS of Texas, for 15 minutes, today.
Mr. GREEN, for 60 minutes, today.
Mr. GRISHAM, for 5 minutes, today.
Mr. ASHBROOK, for 15 minutes, today.

(The following Members (at the request of Mr. MAVROULES) to revise and extend their remarks and include extraneous material:)

Ms. HOLTZMAN, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. CAVANAUGH, for 15 minutes, today.
Mr. DRINAN, for 10 minutes, today.
Mr. BIAGGI, for 60 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. RAHALL, for 5 minutes, today.
Mr. PEPPER, for 10 minutes, today.
Mr. HOWARD, for 5 minutes, today.
Mr. FUQUA, for 5 minutes, today.
Mr. ALEXANDER, for 20 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. EDWARDS of California, for 10 minutes, on March 1.
Mr. DRINAN, for 10 minutes, on March 1.
Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS of Michigan), and to include extraneous matter:)

Mr. KEMP in two instances.
Mr. SYMMS in two instances.
Mr. WYDLER in four instances.
Mr. LENT.
Mr. MOORHEAD of California.
Mr. ASHBROOK in two instances.
Mr. SHUMWAY.
Mr. DERWINSKI.
Mr. BEARD of Tennessee.
Mr. PAUL in two instances.
Mr. HINSON.
Mr. SEBELIUS.
Mr. MCCLORY.
Mr. COLLINS of Texas in three instances.
Mr. ROBINSON.
Mrs. HECKLER.
Mr. SOLOMON.
Mr. DORNAN in two instances.
Mr. ABDNOR in two instances.

(The following Members (at the request of Mr. MAVROULES) and to include extraneous matter:)

Mr. MURPHY of New York in two instances.
Mr. STARK.
Ms. MIKULSKI in two instances.
Mr. CAVANAUGH in six instances.
Mr. FORD of Tennessee in two instances.
Mr. WOLFF.
Mr. MOLLOHAN.
Mrs. SPELLMAN.
Mr. MOAKLEY in two instances.
Mr. BEDELL.
Mr. DRINAN.
Mr. HAMILTON.
Ms. OAKAR.
Mr. WAXMAN.
Mr. SHANNON.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. HOWARD.
Mr. ALBOSTA.
Mr. MIKVA.
Mr. NEAL.
Mr. YOUNG of Missouri.
Mr. SKELTON.
Mr. SIMON in two instances.
Mr. GAYDOS.
Mr. BONIOR of Michigan in two instances.
Mr. BREAUX.
Mr. FITHIAN.
Mr. MCDONALD in five instances.
Mr. DELLUMS.
Mr. PATTEN.
Mr. RUNNELS.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1902. An act to amend the Bank Holding Act Amendments of 1970.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 37. An act to repeal a section of Public Law 95-630.

ADJOURNMENT

Mr. MAVROULES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 7 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Thursday, March 1, 1979, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

735. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide a voluntary self-help program designed to assist producers of agricultural products to protect themselves against loss of production when natural or uncontrollable conditions adversely affect production and to assure consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture.

736. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Transportation for: "Grants to the National Railroad Passenger Corporation," for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(1) of the Revised Statutes, as amended; to the Committee on Appropriations.

737. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to remove chaplains from under the cognizance of the Chief of Naval Personnel; to the Committee on Armed Services.

738. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for civil defense programs for fiscal years 1980 and 1981, and for other purposes; to the Committee on Armed Services.

739. A letter from the General Counsel of the Department of Defense, transmitting proposed amendments to the pending bills H.R. 1873, "Department of Defense Supplemental Appropriation Authorization Act, 1979" and H.R. 2122, "Supplemental Military Construction Authorization Act, 1979"; to the Committee on Armed Services.

740. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain changes in the authorities of that act, to authorize the establishment of an Institute for Technological Cooperation, and for other purposes; to the Committee on Foreign Affairs.

741. A letter from Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Loren E. Lawrence and Joan M. Clark, Ambassadors-designate to Jamaica and Malta, respectively, and by members of their families, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

742. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

743. A letter from the Secretary of Agriculture, transmitting a report on the effectiveness of food assistance in meeting basic food needs, pursuant to section 201 of Public Law 95-424; to the Committee on Foreign Affairs.

744. A letter from the Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1980 and 1981 for carrying out that act; to the Committee on Foreign Affairs.

745. A letter from the Acting Deputy Director for Information, Office of Governmental and Public Affairs, Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

746. A letter from the Administrative Director, U.S. Arms Control and Disarmament Agency, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

747. A letter from the Governor, Farm Credit Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

748. A letter from the Executive Director, Marine Mammal Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

749. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

750. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

751. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during January 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

752. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period October 1 through December 31, 1978, pursuant to section 105(a) of Public Law 88-454, as amended [H. Doc. No. 96-61]; to the Committee on House Administration and ordered to be printed.

753. A letter from the Under Secretary of the Interior transmitting a draft of proposed legislation to amend the Revised Organic Act of the Virgin Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

754. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to enable the Secretary of Energy to utilize revenues from power marketing, to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Interior and Insular Affairs.

755. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's determination to extend the period for acting upon the application pending in Docket No. AB-9 (Sub-No. 9F), St. Louis San Francisco Railway Co. Abandonment Between East Lynne and Bolivar, Mo., purusant to 49 U.S.C. 10327(k); to the Committee on Interstate and Foreign Commerce.

756. A letter from the President, National Railroad Passenger Corporation, transmitting the Corporation's second annual report on progress toward completion of the Northeast Corridor improvement project, pursuant to section 703(1)(D) of the Rail Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

757. A letter from the Attorney General, transmitting a draft of proposed legislation to provide for improvements in the administration of justice, greater efficiency in the Federal appellate courts, and more uniform decisions in those courts, and for other purposes; to the Committee on the Judiciary.

758. A letter from the Secretary of the Interior, transmitting the annual report on royalty payments for fiscal years 1977 and 1978 for Federal onshore and Outer Continental Shelf oil and gas leases, pursuant to section 602 of Public Law 95-372; to the Committee on the Judiciary.

759. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1980 and 1981, and for other purposes; to the Committee on Merchant Marine and Fisheries.

760. A letter from the Secretary of Housing and Urban Development, transmitting the annual report of the Federal Disaster Assistance Administration for fiscal year 1978, pursuant to section 316 of Public Law 93-288; to the Committee on Public Works and Transportation.

761. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the efficiency of, and need for, industrial cost recovery, pursuant to section 78(a) of Public Law 95-217; to the Committee on Public Works and Transportation.

762. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

763. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended December 31, 1978, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

764. A letter from the Comptroller General of the United States, transmitting a report on the F-18 Naval Strike Fighter weapon system (PSAD-79-25, February 27, 1979); jointly, to the Committees on Government Operations and Armed Services.

765. A letter from the Comptroller General of the United States, transmitting a report on the Maverick/Close Air Support weapon system (PSAD-79-42, February 27, 1979); jointly, to the Committees on Government Operations, and Armed Services.

766. A letter from the Comptroller General of the United States, transmitting a report on mining law reform and balanced resource management (EMD-78-93, February 27, 1979); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

767. A letter from the Comptroller General of the United States, transmitting a report on the conversion of urban waste to energy (EMD-79-7, February 28, 1979); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Science and Technology.

768. A letter from the Under Secretary of Energy, transmitting the second comprehensive program and plan for Federal energy education, extension and information activities, pursuant to second 506(c) of Public Law 95-39; jointly, to the Committees on Science and Technology, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper Calendar, as follows:

Mr. LONG of Louisiana: Committee on Rules. House Resolution 141. Resolution providing for the consideration of the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties (Rept. No. 96-17). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 118. Resolution to establish a Select Committee on Committees; with amendment (Rept. No. 96-18). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. WRIGHT, Mr. FOUNTAIN, Mr. FASCELL, Mr. DIGGS, Mr. ROSENTHAL, Mr. HAMILTON, Mr. WOLFF, Mr. BINGHAM, Mr. YATRON, Mr. SOLARZ, Mr. BONKER, Mr. PEASE, Mr. MICA, Mr. BARNES, Mr. GRAY, Mr. HALL of Ohio, Mr. WOLPE, Mr. BOWEN, Mr. FITHIAN, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. FINDLEY, Mr. BUCHANAN, Mr. WINN, Mr. GILMAN, Mr. GUYER, Mr. PRITCHARD, and Mrs. PENWICK):

H.R. 2479. A bill to help maintain peace, security, and stability in the Western Pacific, and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI (for himself and Mr. BROOMFIELD) (by request):

H.R. 2480. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain changes in the authorities of that act, to authorize the establishment of an Institute for Technological Cooperation, and for other purposes; to the Committee on Foreign Affairs.

H.R. 2481. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BALDUS (for himself, Mr. KOSTMAYER, Mr. DASCHLE, and Mr. BEDELL):

H.R. 2482. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies which would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration; to the Committee on Small Business.

By Mr. BIAGGI:

H.R. 2483. A bill to amend section 16 of the Urban Mass Transportation Act of 1964, relating to the special needs of the elderly and handicapped; to the Committee on Public Works and Transportation.

By Mr. BINGHAM:

H.R. 2484. A bill to provide for the preservation, interpretation, development, and use of cultural, historic, natural, and architectural urban resources through a system of national cultural parks, to establish a demonstration program to encourage the preservation and management of such resources, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EMERY (for himself, Mr. AUCOIN, Mrs. SNOWE, Mr. BADHAM, Mr. CONTE, Mr. DORNAN, Mrs. PENWICK, Mr. FORSYTHE, Mr. HUGHES, Mr. LAGOMARSINO, Mr. WHITEHURST, Mr. WINN, and Mr. YOUNG of Alaska):

H.R. 2485. A bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets; to the Committee on Ways and Means.

By Mr. HAGEDORN:

H.R. 2486. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

By Mr. HARSHA:

H.R. 2487. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

H.R. 2488. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mrs. HECKLER:

H.R. 2489. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. HEFTEL:

H.R. 2490. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 2491. A bill to amend the Internal Revenue Code of 1954 to provide that an individual who does not itemize deductions may deduct charitable contributions to the extent such contributions exceed $200; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2492. A bill to correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984 the duty provisions applicable to crude feathers and downs; to the Committee on Ways and Means.

By Mr. LEHMAN:

H.R. 2493. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on series E United States savings bonds received by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. LEVITAS (for himself and Mr. ARDNOR):

H.R. 2494. A bill to amend the Public Buildings Act of 1959 relating to leases, alterations and exchanges, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LLOYD (for himself, Mr. AMBRO, Mr. ANDREWS of North Dakota, Mr. APPLEGATE, Mr. BADHAM, Mr. BLANCHARD, Mr. BUCHANAN, Mr. BURGENER, Mr. CARR, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. DEVINE, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. GEPHARDT, Mr. GINN, Mr. GREEN, Mr. HAGEDORN, Mr. HALL of Texas, Mr. HAMILTON, Mr. JACOBS, Mr. JEFFORDS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEE, Mr. LEVITAS, Mr. LOTT, Mr. McDONALD, Mr. MIKVA, Mr. MITCHELL of New York, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. PATTEN, Mr. PATTERSON, Mr. PRICE, Mr. RAHALL, Mr. ROBINSON, Mr. ROSE, Mr. RUNNELS, Mr. SPENCE, Mr. STOKES, Mr. WALKER, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WYATT, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 2495. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. MATHIS:

H.R. 2496. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. MAZZOLI:

H.R. 2497. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. MIKVA (for himself and Mr. BRODHEAD):

H.R. 2498. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property; to the Committee on Ways and Means.

By Mr. NEAL (for himself and Mr. GRISHAM):

H.R. 2499. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide that rescue squad members are entitled to death benefits made available under such act; to the Committee on the Judiciary.

By Mr. NICHOLS:

H.R. 2500. A bill to direct the President to submit a plan for reform of the Selective Service System, to reactivate registration under the Military Selective Service Act beginning in 1981, to place the Selective Service System under the jurisdiction of the Secretary of Defense except when induction authority is in effect under such act, and for other purposes; to the Committee on Armed Services.

By Ms. OAKAR:

H.R. 2501. A bill to amend the Public Health Service Act to provide assistance for counseling of, and preparation and distribution of information for pregnant women; to the Committee on Interstate and Foreign Commerce.

H.R. 2502. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled Justices and judges of the United States, and the removal of Justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1, of the Constitution, and for other purposes; to the Committee on the Judiciary.

H.R. 2503. A bill to amend title II of the Social Security Act to create portability in social security by permitting married couples to elect to combine their earnings in any year for benefit purposes, and to make other changes designed to foster the more equitable treatment of individuals and families under the social security program; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 2504. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the data required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON:

H.R. 2505. A bill to establish an additional Federal judicial district in the State of California; to the Committee on the Judiciary.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 2506. A bill to amend title 37, United States Code, to authorize family separation allowance for members in the pay grade of E-4 and below with dependents; to the Committee on Armed Services.

By Mr. QUILLEN:

H.R. 2507. A bill to extend from 5 to 10 years the period during which individuals becoming eligible for Government pensions may qualify for an exemption from the pension offset provisions of the Social Security Act; to the Committee on Ways and Means.

By Mr. RODINO (for himself, Mr. FLORIO, Mr. GUARINI, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. MINISH, Mr. PATTEN, Mr. RINALDO, Mr. ROE, and Mr. THOMPSON):

H.R. 2508. A bill to create the Energy Corporation of the Northeast and to authorize the Secretary of the Treasury to provide guarantees for the obligations of such corporation and other financial assistance to such corporations; jointly, to the Committees on Interstate and Foreign Commerce, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. SEBELIUS:

H.R. 2509. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Glen Elder unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN:

H.R. 2510. A bill to amend title 5, United States Code, to permit court review in cases involving employees separated under section 8347, title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. STRATTON (for himself, Mr ADDABBO, Mr. BIAGGI, Mrs. CHISHOLM, Mr. GREEN, Mr. HORTON, Mr. LENT, Mr. LUNDINE, Mr. McHUGH, Mr. MITCHELL of New York, Mr. MURPHY of New York, Mr. NOWAK, Mr. PEYSER, Mr. RICHMOND, Mr. SCHEUER, Mr. WYDLER, Mr. ZEFERETTI, Mr. WEISS, Mr. McEWEN, and Mr. DOWNEY):

H.R. 2511. A bill to create the Energy Corporation of the Northeast and to authorize the Secretary of the Treasury to provide guarantees for the obligations of such corporation, and other financial assistance to such corporations; jointly, to the Committees on Interstate and Foreign Commerce, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. VANDER JAGT:

H.R. 2512. A bill to amend title XVIII of the Social Security Act with respect to emergency inpatient hospital services furnished outside the United States; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 2513. A bill to provide vacation leave for residents of Alaska serving a tour of duty in a hardship station in Alaska; to the Committee on Government Operations.

H.R. 2514. A bill to provide that, for purposes of the Internal Revenue Code of 1954, gross income does not include payments by the State of Alaska to (or by reason of) certain individuals who have attained age 65 and who have been domiciled in Alaska for at least 25 years; to the Committee on Ways and Means.

By Mr. ALEXANDER (for himself, Mr. BETHUNE, Mr. HAMMERSCHMIDT, and Mr. ANTHONY):

H.R. 2515. A bill to authorize on a temporary basis certain business and agricultural loans, notwithstanding interest limitations in state constitutions or statutes, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

By Mr. BUCHANAN (for himself and Mr. ERLENBORN):

H.R. 2516. A bill to amend the General Education Provisions Act to limit the period of agency comment on General Accounting Office reports with respect to education programs, and for other purposes; to the Committee on Education and Labor.

By Mr. CAVANAUGH:

H.R. 2517. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; jointly, to the Committees on Armed Services, Interstate and Foreign Commerce, Post Office and Civil Service, and Ways and Means.

By Ms. HOLTZMAN:

H.R. 2518. A bill to provide for the appointment of a Special Prosecutor when Members of Congress are accused of serious Federal offenses; to the Committee on the Judiciary.

By Mr. MURPHY of New York (for himself, Mr. McCLOSKEY, Mr. STUDDS, Mr. PRITCHARD, Mr. BREAUX, Mr. FORSYTHE, Mr. AMBRO, Mr. WYDLER, and Mr. WALKER):

H.R. 2519. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal years 1979 and 1980, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. MURPHY of New York (for himself, Mr. McCLOSKEY, Mr. STUDDS, Mr. PRITCHARD, Mr. AMBRO, and Mr. WALKER):

H.R. 2520. A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal year 1980; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. PANETTA:

H.R. 2521. A bill to amend title 10, United States Code, to promote the maximum efficient utilization of military health care resources and facilities, to contain the cost of military health care, to provide an improved health care program for members and eligible former members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services.

By Mr. PAUL:

H.R. 2522. A bill to prohibit the use of any United States funds to implement the Panama Canal Treaty of 1977 unless the use of those funds for that purpose is hereafter expressly provided for by the Congress and to prohibit the transfer to the Republic of Panama any territory or other property of the United States in the Canal Zone unless the Congress hereafter enacts legislation which expressly authorizes such transfer; to the Committee on Merchant Marine and Fisheries.

By Mr. SEBELIUS:

H.R. 2523. A bill to amend the Helium Act to establish a National Helium Reserve and to develop a national helium conservation policy to encourage and facilitate the conservation of the helium resources of the United States; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN (for himself and Mr. PICKLE):

H.R. 2524. A bill to amend section 361 of the Social Security Amendments of 1977 to facilitate the conduct by the National Commission on Social Security of its studies under that section; to the Committee on Ways and Means.

By Mr. WALKER (for himself, Mr. ASHBROOK, Mr. BAUMAN, Mr. COLLINS of Texas, Mr. DANIEL B. CRANE, Mr. LEACH of Iowa, Mr. PRITCHARD, Mr. REGULA, Mr. SCHULZE, Mr. STANTON, and Mr. SYMMS):

H.R. 2525. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure, for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Ways and Means.

By Mr. EVANS of Indiana:

H.J. Res. 232. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. LLOYD:

H.J. Res. 233. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Ms. OAKAR:

H.J. Res. 234. Joint resolution designating the American rose as the national floral emblem of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. NOWAK:

H. Con. Res. 62. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the commercial killing of newborn harp seals; to the Committee on Foreign Affairs.

By Mr. WALKER (for himself, Mr. BADHAM, Mr. SHUSTER, Mr. HYDE, Mr. QUAYLE, Mr. PAUL, Mr. SOLOMON, Mr. MITCHELL of New York, Mr. LENT, Mr. GRISHAM, Mr. SCHULZE, Mr. McDONALD, Mr. HAGEDORN, Mr. STANGELAND, Mr. ROTH, Mr. SYMMS, Mr. EDWARDS of Oklahoma, Mr. GARNEY, Mr. DANIEL B. CRANE, Mr. ERDAHL, Mr. MYERS of Indiana, Mr. TAUKE, Mr. THOMAS, Mr. BAUMAN, Mr. LIVINGSTON, Mr. BROWN of Ohio, and Mr. DOUGHERTY):

H. Con. Res. 63. Concurrent resolution expressing the sense of the Congress that it is incumbent upon the Attorney General to initiate an investigation in order to determine whether the officially substantiated allegations involving the Chief Executive and at least one former Cabinet level official warrant further investigation or prosecution by a special prosecutor; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

47. By the SPEAKER: Memorial of the Legislature of the State of Colorado, relative to State regulation of mines; to the Committee on Education and Labor.

48. Also, memorial of the Legislature of the State of Idaho, requesting that Congress propose, or call a convention for the specific and exclusive purpose of proposing, an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all Federal appropriations made by Congress for any fiscal year not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 2526. A bill for the relief of Roberto Santiago Galos, his wife, Flora Justina Borjas de Galos, and their children, Giselle Sofia Margarita Galos, Denise Renee Galos, and Leonie Desiree Claudia Galos; to the Committee on the Judiciary.

By Mr. DORNAN:

H.R. 2527. A bill for the relief of Remedios R. Alcudia, Christopher, Ezra and Vermillion Alcudia; to the Committee on the Judiciary.

By Mr. DUNCAN of Oregon:

H.R. 2528. A bill for the relief of Renuka Pavia; to the Committee on the Judiciary.

By Mr. GARCIA:

H.R. 2529. A bill for the relief of Kirsys Martinez; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 2530. A bill for the relief of Manouchehr Fardi; to the Committee on the Judiciary.

By Mrs. SNOWE:

H.R. 2531. A bill for the relief of Russell W. Allen; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 2532. A bill for the relief of Gail Williamson; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 2533. A bill for the relief of Mrs. Kerry Ann Wilson and Jason John Barba; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 114: Mr. LEWIS and Mr. STUMP.

H.R. 154: Mr. BADHAM, Mr. BEVILL, Mr. ABDNOR, Mr. GARCIA, Ms. FERRARO, and Mr. DUNCAN of Tennessee.

H.R. 167: Mr. BEARD of Rhode Island, Mr. HAWKINS, Mr. STUMP, Mr. MURPHY of Pennsylvania, Mr. SMITH of Iowa, Mr. WALKER, Mr. BRODHEAD, Mr. CONYERS, Mr. DANIELSON, Mr. EDWARDS of California, Mr. GUYER, Mr. PREYER, Mr. PEPPER, Mr. PRITCHARD, Mr. RICHMOND, Mr. SEBELIUS, Mr. WHITEHURST, Mr. DRINAN, Mr. EMERY, Mr. ANDERSON of Illinois, Mr. OTTINGER, Mr. McCLORY, Mr. McKAY, Mr. CORMAN, Mr. FLIPPO, Mr. SCHEUER, Mr. CARR, Mr. HARKIN, Ms. HOLTZMAN, Mr. MITCHELL of Maryland, Mr. WEAVER, Mr. WALGREN, Mr. KILDEE, Mrs. SCHROEDER, Mr. BEDELL, Mr. DELLUMS, Mr. ENGLISH, Mr. EDGAR, Mr. WOLPE, Mrs. BOUQUARD, Mr. MAGUIRE, and Mr. BUCHANAN.

H.R. 214: Mr. CLEVELAND, Mr. RUDD, Mr. SHUSTER, Mr. GRASSLEY, and Mr. GINGRICH.

H.R. 215: Mr. DORNAN, Mr. COLLINS of Texas, Mr. YOUNG of Alaska, Mr. MARTIN, Mr. DEVINE, Mr. ICHORD, Mr. DANNEMEYER, Mr. DANIEL B. CRANE, and Mr. SOLOMON.

H.R. 277: Mr. ADDABBO, Mr. AKAKA, Mr. BINGHAM, Mr. CLAY, Mr. CONYERS, Mr. DIXON, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. MAGUIRE, Mr. MOTTL, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. ST GERMAIN, Mr. SCHEUER, Mrs. SCHROEDER, Mr. STUDDS, Mr. VENTO, and Mr. WOLPE.

H.R. 478: Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CONYERS, Mr. HOLLENBECK, Mr. LAFALCE, Mr. LEDERER, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. RANGEL, Mr. RICHMOND, Mr. SCHEUER, Mr. SOLARZ, and Mr. WOLPE.

H.R. 486: Mr. ADDABBO, Mr. AKAKA, Mr. BALDUS, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BUCHANAN, Mr. JOHN L. BURTON, Mr. CONTE, Mr. CONYERS, Mr. DASCHLE, Mr. DIXON, Mr. DONNELLY, Mr. DORNAN, Mr. DRINAN, Mr. EVANS of Georgia, Ms. FERRARO, Mr. FORD of Michigan, Mr. FROST, Mr. GLICKMAN, Mr. JENRETTE, Mr. KINDNESS, Mr. LEDERER, Mr. LONG of Maryland, Mr. McCORMACK, Mr. McKINNEY, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NEAL, Mr. NICHOLS, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PEYSER, Mr. PRICE, Mr. PRITCHARD, Mr. RAHALL, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STUDDS, Mr. TRAXLER, Mr. WAXMAN, Mr. WEISS, Mr. WILLIAMS of Montana, and Mr. ZEFERETTI.

H.R. 490: Mr. BEDELL, Mr. BENJAMIN, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. JOHN L. BURTON, Mr. CARR, Mr. COELHO, Mr. CORCORAN, Mr. D'AMOURS, Mr. DASCHLE, Mr. DOWNEY, Mr. EDGAR, Mr. EVANS of Georgia, Mr. GARCIA, Mr. GRAY, Mr. HOLLENBECK, Mr. KINDNESS, Mr. LAFALCE, Mr. LEHMAN, Mr. MIKVA, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PANETTA, Mr. PASHAYAN, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. RUSSO, Mr. SEIBERLING, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. UDALL, Mr. VENTO, Mr. WEISS, Mr. WOLFF, and Mr. WOLPE.

H.R. 520: Mr. OTTINGER.

H.R. 598: Mr. MYERS of Indiana.

H.R. 758: Mr. SIMON and Mr. NICHOLS.

H.R. 991: Mr. WALKER, Mr. STANGELAND, and Mr. DANIEL E. CRANE.

H.R. 995: Ms. MIKULSKI.

H.R. 1071: Mr. BEDELL, Mr. WHITEHURST, and Mr. MAGUIRE.

H.R. 1149: Mr. STUMP and Mr. TAUKE.

H.R. 1262: Mr. JENRETTE.

H.R. 1293: Mr. CONTE, Mr. DUNCAN of Tennessee, Mr. HUBBARD, Mr. LEWIS, Mrs. BOUQUARD, Mr. DORNAN, Mr. DANIEL B. CRANE, Mr. BUCHANAN, and Mr. SYMMS.

H.R. 1297: Mr. McKINNEY, Mr. MIKVA, Mr. NOWAK, and Mr. COUGHLIN.

H.R. 1439: Mr. MAVROULES, Mr. CHAPPELL, Mr. ALBOSTA, Mr. McCLORY, Mr. ROE, Mr. LEDERER, and Mr. EDWARDS of Oklahoma.

H.R. 1605: Mr. LEDERER, Mr. RICHMOND, Mr. ERTEL, Mr. HOWARD, Mr. VENTO, Mr. COELHO, Mr. MATHIS, Mr. NEAL, Mrs. BOUQUARD, and Mr. WALGREN.

H.R. 1664: Mr. ANDREWS of North Carolina, Mr. GUDGER, Mr. NEAL, and Mr. PREYER.

H.R. 1785: Mr. ST GERMAIN, Mr. HALL of Texas, Mr. FORSYTHE, Mr. DIXON, Mr. MOAKLEY, Mr. BEVILL, Mr. DANNEMEYER, Mr. PRICE, Mr. LEDERER, Mr. GLICKMAN, Mr. EDGAR, Mr. HAGEDORN, Mr. ROE, Mr. PREYER, Mr. REUSS, Mr. WHITEHURST, Mr. PRITCHARD, Mr. FRENZEL, Mr. O'BRIEN, Mr. WINN, Mr. THOMPSON, Mr. REGULA, Mr. WALKER, Mr. MILLER of Ohio, Mr. NEAL, and Mr. MITCHELL of New York.

H.J. Res. 103: Mr. DORNAN, Mr. COLLINS of Texas, Mr. SOLOMON, Mrs. HOLT, Mr. ROBINSON, Mr. DANNEMEYER, Mr. SYMMS, Mr. DUNCAN of Tennessee, and Mr. MILLER of Ohio.

H.J. Res. 137: Mr. MURPHY of Pennsylvania, Mr. VAN DEERLIN, Mr. WHITTAKER, Mr. GARCIA, Mr. BONER of Tennessee, Mr. CONTE, Mr. BROWN of Ohio, Mr. LLOYD, Mr. WON PAT, Mr. SOLOMON, Mr. PRICE, Mr. HYDE, Mr. STOKES, Mr. SCHEUER, Mr. McDONALD, Mr. WHITEHURST, Mr. SPENCE, and Mr. BOB WILSON.

H.J. Res. 202: Mr. BADHAM, Mr. BURGENER, Mr. COLLINS of Texas, Mr. ROBERT W. DANIEL, JR., Mr. GINGRICH, and Mr. LAGOMARSINO.

H. Con. Res. 54: Mr. SOLARZ, Mr. WOLFF, Mr. WOLPE, Mr. RICHMOND, Mr. MILLER of California, Mr. CORRADA, Mr. GUYER, Mr. GRASSLEY, Mr. MURPHY of Illinois, Mr. ROYBAL, Mr. MARKEY, Mr. UDALL, Mr. SABO, Mrs. SCHROEDER, Mr. VENTO, Mr. FLOOD, Mr. FAZIO, Mr. LEACH of Louisiana, Mr. BONIOR of Michigan, Mr. CAVANAUGH, Mr. FLORIO, Mr. CONTE, Mr. MURPHY of Pennsylvania, Mr. CONYERS, Mr. D'AMOURS, Mr. GILMAN, Mr. AMBRO, Mr. WEAVER, Mr. WEISS, Mr. SIMON, Mr. YATRON, Mr. DIXON, Mr. GREEN, Mr. LAGOMARSINO, Mr. NATCHER, Mr. HUBBARD, Mr. NEAL, Mr. YOUNG of Missouri, Mr. CARR, Mr. SCHEUER, Mr. FROST, Mr. BEDELL, Mr. McHUGH, Mr. RANGEL, Mr. EVANS of the Virgin Islands, Mr. MARKS, Mr. RODINO, Mr. PERKINS, Ms. MIKULSKI, Mr. DOWNEY, Mr. MARSOLI, Mr. WIRTH, and Mr. RATCHFORD.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

66. By the SPEAKER: Petition of the Eastern Washington Area Agency on Aging Advisory Council, Spokane, Wash., relative to funding for programs under the Older Americans Act; to the Committee on Appropriations.

67. Also, petition of the Stephen A. Markey Chapter No. 297, National Association of Retired Federal Employees, New Bedford, Mass., relative to the proposed merger of the Federal retirement system with the Social Security System; jointly, to the Committees on Ways and Means, and Post Office and Civil Service.

EXTENSIONS OF REMARKS

ALFRED PASTERNAK, M.D.

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. WAXMAN. Mr. Speaker, it is a special pleasure for me to bring to your attention the accomplishments of Alfred Pasternak, M.D., who was recently honored by Yeshiva Rav Isacsohn of Yeshivath Torath Emeth Academy at its 24th annual celebration last December 3, in Los Angeles.

Dr. Pasternak is a certified diplomate of the American Board of Obstetrics and Gynecology; fellow of the American College of Obstetricians and Gynecologists; Pan American Medical Association (obstetrics and gynecology section); Los Angeles Obstetrical and Gynecological Society; and member of the county, State, and national medical associations. A participant in many philanthropic efforts since his arrival in the United States, he is an active member of Shelters for Israel, of the medical section of Federation Council, of the Board of Directors of the American Friends of Tel-Aviv University. He has most recently devoted his efforts to the works of the Fund for Higher Education in Israel. The fund has been instrumental in construction of various medical facilities at all seven universities in Israel. A wing of the Institute for Hormone Research at the Weizman Institute of Sciences is dedicated in honor of Dr. Pasternak's parents.

In 1976 Alfred Pasternak was awarded the Flame of Truth Award by the Fund for Higher Education in Israel. His abiding interest in Jewish children goes back to his youth—he is the sole surviving student of his hometown cheder in Hungary. He is the son of Simon Pasternak, a successful businessman and prominent civil leader. Members of the Pasternak family were well-known in Hungary as rabbis and physicians. Dr. Pasternak's Yeshiva (cheder) education was interrupted, like that of so many others, by the Nazi occupation of Hungary in 1944. Separated from their family, he and his father suffered the horrors and abuses of Auschwitz and Dornhau concentration camps, but somehow, through a long series of miracles, survived the ordeal and returned to Hungary after being liberated in May of 1945. In the 10 years after his return to Hungary, Dr. Pasternak gained national attention for his brilliant academic achievements. As a senior high school student he won first prize in the National Study Contest in two categories, and as a senior medical student he won first prize in the National Essay Contest. He received his doctorate in medicine, summa cum laude, in 1955. Dr. Pasternak participated as a physician in the abortive 1956 Hungarian Revolution in the hope that he and his family would cease to be second-class citizens upon the demise of the Communist regime. When the revolution was crushed he managed to escape from the country by eluding Hungarian and Russian mine fields, border guards and police, and managed subsequently to arrange for the escape of the surviving members of his family. They arrived in the United States in 1957 among immigrants from Hungary under a special quota established by Congress. Dr. Pasternak was able to surmount language and professional difficulties, and establish his practice in Los Angeles with the aid of a special professional board set up by Cedars of Lebanon Hospital. Dr. Pasternak's contributions to his community add to the luster of his status as a giving person. He honors us with his presence. ●

TELEVISED HOUSE PROCEEDINGS

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. VAN DEERLIN. Mr. Speaker, as the following editorial from the Los Angeles Times indicates, the televising of House proceedings is already returning benefits. Greater public knowledge of the workings of Government must strengthen our democracy—and can do much to improve our rather tarnished public image. I urge that maximum editorial freedom be allowed the participants in this enterprise:

PEERING IN ON THE PEERS

Gavel-to-gavel television coverage of the House of Representatives, which will start a week from today, probably will not shove "Mork and Mindy" from the top of the ratings, but it will permit vast numbers of Americans to observe half of the legislative branch of government in action. The Senate, as always more covetous of its privacy, still refuses to permit TV cameras in its chambers.

The new show, which will be on the air daily for all the hours that the House is in session, will have no name, although Senate critics suggest that "The Congressional Follies" or "The Lower Depths" would be appropriate.

But House Speaker Thomas P. O'Neill, Jr. (D-Mass.) is determined that members shall not grandstand for the cameras, and promises to deal harshly with them if they try.

There was a rehearsal last week of the series that could last even longer than "Gunsmoke." It was seen only on TV monitors in members' offices—as it will be in the future—and we are told that the color picture is amazingly sharp.

But only viewers who have subscription TV will be able to see gavel-to-gavel coverage. Commercial and public television stations plan to use only the most newsworthy debates or roll calls.

The signal will be sent across the country from the RCA Satcom I satellite, which is in stationary orbit 23,000 miles above the equator, and stations will be able to transmit all or part of it live. The cost to cable systems for full coverage will be small—only a penny a month per subscriber.

Much of the business of the House is dull, and not many of its members are spellbinders. For that reason, not many viewers will watch all of the proceedings, but the presence of the cameras—hidden high in the galleries—will remove much of the mystery and distrust that surround the inside workings of government.

If there is a substantial audience—and we hope there will be—the Senate would be under greater pressure to follow suit. But that body, sometimes known as the most exclusive club in the world, has been reluctant since its founding to open its doors to the hoi polloi.

The Senate did not permit the press or even the public to attend its sessions until 1795—and that was 15 years after the House came to the conclusion that the public's business ought to be done in public.

The Comte de Mirabeau, a French statesman of that era, had this to say of the Senate's arrogance: "The peers of American disdain to be seen by vulgar eyes. The music of their voices is harmony only for themselves, and must not vibrate in the ravished ears of an ungraceful and uncourtly multitude."

The House is again showing the way, and this time it should not take 15 years of agonizing for the Senate to decide to follow its example. ●

IN RECOGNITION OF ROBERT G. VIEHMAN

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, as our country was founded by men who were willing to give of themselves so that others may benefit from their knowledge, it is my privilege to bring to the attention of my colleagues one of my constituents who has followed in this fine tradition.

Mr. Robert G. Viehman, assistant vice president and assistant treasurer of the St. Louis Bank for Cooperatives, took 9 weeks away from his busy schedule so that he could share his knowledge with our friends and allies in Thailand. While in Thailand, Mr. Viehman served as a consultant to the Bank for Agriculture and Agricultural Cooperatives, Bangkok, Thailand.

Mr. Viehman's services were requested by the Volunteer Development Corps of Washington (VDC). VDC is a private nonprofit organization whose mission is to coordinate U.S. technology with the needs of developing countries.

In addition to helping to reorganize the bank's accounting system, Mr. Viehman was also instrumental in establishing a communication system that links the bank with its 58 branches throughout Thailand. Mr. Viehman summarized his experience as "personally gratifying." He attributed his favorable impres-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

sion to the people of Thailand, who he found "honest, industrious, and ever-willing to sacrifice for the modernization process."

Contributions such as those made by Mr. Viehman have helped to make our country what it is today. Helping people to help themselves is an ideal that we should always hold dear. It is with this in mind that I call Mr. Viehman to your attention.●

CAMPAIGN FINANCING

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SHUMWAY. Mr. Speaker, I would like at this time to express my opposition to the public financing of congressional campaigns.

Public financing is a concept fraught with danger for our election system, a fact that is well understood by a vast majority of the American people. A large number of my constituents have expressed their deep concern with the idea that their tax dollars could be used to support candidates whom they themselves do not favor. A 1976 poll showed that 67 percent of those questioned opposed public financing on the basis that their tax dollars could be better spent elsewhere.

At a time when we are striving to reduce Federal spending throughout the economy, it makes little sense to institute a system of public financing. Such a system would entail the expenditure of $100 million or more, as well as the rapid expansion of the Federal Election Commission (FEC). Since 1976, there has already been a 60-percent increase in FEC employees, and a 75-percent increase in its budget. Campaign financing would mean a tripling of FEC employees in just 3 years.

I am also concerned with the implicit limitation public financing would impose on a candidate's freedom to communicate with the voters. Further, the limitation on spending mandated by public financing would serve to benefit incumbents. The advantages inherent in incumbency are well known; challengers, as a rule, must spend considerably more than their opponents in order to win a congressional seat.

In limiting outside contributions, public financing would greatly increase the influence of certain interest groups who are able to provide chosen candidates with significant nonmonetary support. The value of get-out-the-vote drives, mass mailings, and voter registration campaigns would certainly be enhanced should public financing be implemented. I see no reason why we should give labor unions and similar organizations an inherent advantage in the election process.

In essence, those who favor public financing assume that financial support of canddiates by special interest groups is, by definition, an activity which should be prohibited. I question this perception. Such interest groups have long represented nearly every segment of American society, and are part of the tradition that Americans are active through their organizations. As long as contributions from such groups are made openly and honestly, each voter has the opportunity at the polls to determine individually and personally whether such support is improper. Additionally, it should be pointed out that there are a number of effective safeguards in place, administered by the Federal Election Commission, the purpose of which is to prevent abuse or improper utilization of contributions made during campaigns.

Mr. Speaker, in 1977, nearly 75 percent of those who filed tax returns with the Internal Revenue Service chose not to check off a dollar for public financing of Presidential campaigns. It is clear that for the above reasons, and no doubt many others, the American people do not accept the arguments of those who favor public financing. I would urge my colleagues in this area, as in all others, to heed the voices of their constituents and to join me in opposing H.R. 1 and all similar proposals.●

REAL WAGE INSURANCE

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SHANNON. Mr. Speaker, by any standard inflation is now considered to be the most pressing national problem. Bringing inflation under control is one of the most important and difficult tasks before us in the 96th Congress. The President has proposed an attack on inflation that is composed of several different approaches. One of the most controversial proposals in the President's program is that of real wage insurance.

Walter Heller, former Chairman of the Council of Economic Advisers, recently made a very eloquent case in support of real wage insurance. I am inserting this editorial in the RECORD for my colleagues' information in order to encourage debate on this issue:

REAL-WAGE INSURANCE

(By Walter W. Heller)

MINNEAPOLIS.—Congressional prospects for enactment of real-wage insurance have been going up and down.

The basic case for it was presented to chairmen Al Ullman of the House Ways and Means Committee and Russell Long of the Senate Finance Committee in a letter from 12 economists (Gardner Ackley, James Duesenberry, David Grove, Walter Heller, Lawrence Klein, Robert Nathan, Arthur Okun, George Perry, Robert Solow, James Tobin, Lloyd Ulman and Sidney Weintraub).

The White House proposal for real-wage insurance would give employee groups that met the Administration's 7 percent limitation on wage increases an income-tax credit if the consumer-price index rose by more than 7 percent. For each percentage point of inflation exceeding 7 percent, up to a 10 percent limit, qualifying employees would get a tax credit of 1 percent of their wages, up to a limit of $20,000. As this credit applies for only one year, while wage increases reach indefinitely into the future, it does not offer dollar-for-dollar compensation for foregone wage increases but it does offer a stronger prospect of decelerating increases in costs and prices and, hence, boosting the real purchasing power of wage earners' paychecks.

The strategic role of real-wage insurance becomes apparent when we review the chain of reasoning that underlies it.

The record of the last decade makes it all too clear that tight monetary and fiscal policies by themselves cannot bring inflation to bay without bringing the economy to its knees. Bitter experience shows that if nothing is done about the self-propelling price-wage spiral, economic slowdown translates at best about five-sixths into fewer jobs and less output and only about one-sixth into less wage and price inflation.

The basic rationale of the wage-price restraint program this year is to change those proportions by translating more of the slowdown into a lower price-wage spiral and less into higher unemployment and lost output.

But in that process, workers and their unions are being asked to sign up "on the come," well before they can see prices moderating. Considering the background of pay increases that have fallen behind price increases, and the foreground of continuing inflationary head winds, one can readily understand why workers might be reluctant to comply with wage standards unless there is some safeguard, some landing net, to assure those who sign up that they will not be penalized by their willingness to stay within the 7 percent ceiling. The innovating plan to give them a tax rebate provides that vital insurance.

It is important to recognize wage insurance not as a form of indexing but as an incentive to comply with the wage guidelines. It is designed to induce unions and workers to join the battle against inflation, not to enable them to live with it by indexing them against it. The point is to deter inflation, not accommodate it.

Vexing problems of definition and administration will face Congressional committees in shaping this legislation. One can readily think of numerous "hard cases that make bad law" in determining who does and who does not qualify for the rebate. The way around this is to stick to broad groupings and resolve doubts generously in favor of the wage earner. The resulting cost in revenue need not be large, and the gain in minimizing complexities can be great.

Apart from administering difficulties, perhaps the greatest question mark hangs over the possible cost of the program. But here the Administration's careful appraisal is reassuring.

Its $2.5 billion cost estimate is based on the assumption that 47 million workers will qualify for real-wage insurance and that inflation will be about 7.5 percent. If the sign-up rate for the program is much greater, this would translate into a lower rate of inflation and thus reduce the program's costs, perhaps to zero. If the sign-up was meager, inflation would be worse, but the number of payments would be much smaller.

If there is a spur to inflation from "external shocks" such as rising oil or food prices, costs would indeed rise above $2.5 billion. But since these shocks would heighten the likelihood of recession, the larger outlay would be a welcome automatic stabiliser.

As Congress grapples with the hard task of converting wage-insurance proposal into legislative reality, one hopes that it will keep three guiding principles uppermost in mind:

Since the use of monetary-fiscal restraint alone would be so costly in jobs and output, it is worth taking some added risks to minimize those costs.

Indeed, the much greater risk would be failure to enact the wage-insurance plan, thus weakening the President's program of wage-price restraints.

Finally, as one tax authority has put it: "It is better to approximate justice than to be clearly unjust."●

NATIONAL ENDOWMENT FOR THE ARTS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MIKVA. Mr. Speaker, in recent years Federal, State, and local governments have become increasingly sympathetic and supportive of the arts. Public support for the arts now enjoys widespread—and well-deserved—support.

On the Federal level funding has increased for the National Endowment for the Arts; artists now qualify for the CETA program; and appropriations for arts institutions have risen. All of these steps will pay enormous dividends for the American people.

It is important, however, that other provisions of Federal law not conflict with the goals of programs for the arts. Currently, there is a provision of the Federal income tax code which is inconsistent with helping the arts.

In the Tax Reform Act of 1969, section 170(e) of the Internal Revenue Code was amended to reduce the deductions available to an artist who donates work to a nonprofit institution. The limitation restricts the amount of deduction to the cost of the materials used to create the work. The effect of this provision is to discourage donations, and make fewer works of art available for public view. Perhaps the greatest unfairness in the current state of the law, however, is the relatively more generous tax treatment provided collectors. A collector who purchases a work of art from the artist and then donates the work to a museum is entitled to a deduction based upon the market value of the work even though the artist can only deduct the value of the materials used in the work.

The bill Mr. BROOKHEAD and I are introducing today will provide for even-handed treatment of artists and collectors. Under the bill, artists will also be allowed to deduct the full market value of their own works when donated to a nonprofit institution if the institution certifies that the work has artistic significance. The more liberal deduction treatment will not be allowed, however, for donations of paper by political figures.

We think that creative artists deserve the same tax treatment for donating their works to a museum during their lifetime as the collectors and purchasers of their work. And, we think this bill will serve a clear public interest, because it will encourage donations and make more art available for all Americans to enjoy.●

BEDELL SUPPORTS LEGISLATION TO CREATE SEPARATE CABINET-LEVEL DEPARTMENT OF EDUCATION

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. BEDELL. Mr. Speaker, yesterday my distinguished colleague, Mr. BROOKS, introducted H.R. 2444, legislation to establish a separate Cabinet-level Department of Education. As a prime cosponsor of this bill, I rise today to affirm my support of this proposal, which addresses the critical issue of our Nation's commitment to assure quality education for all of its citizens.

In the past few years, there has been growing concern expressed by both parents and educators about the problems within our current system of education. A variety of developments, including declining standardized test scores, rising demand for retraining and learning opportunities for students of all ages, unacceptably high dropout rates, and an increase in students who upon graduation from high school lack the basic educational tools and specific skills for productive employment, have resulted in a waning of public confidence in the quality of American education. This is a situation which should not be ignored.

The prime responsibility for education in our country rests on State and local governments. However, the Federal Government also has a responsibility to help both public and private institutions fulfill their commitments to provide the best education possible for their students.

Most people in the education field agree that Federal policy can be most effective in working to meet three of education's most urgent needs: First, to allow educators a stronger voice in the formulation of Federal education policy; second, to achieve better coordination of education programs which are now scattered throughout Federal agencies and departments; and third, to provide for the more effective use of funds for improving education in this country in the years ahead. H.R. 2444 effectively responds to these challenges by creating a separate Cabinet-level Department of Education to direct Federal attention to education issues.

The United States is one of the few countries in the world that does not have a Department or Ministry of Education. At the present time, Federal education programs in the United States are spread out among more than 40 Government agencies. In the Department of Health, Education, and Welfare alone, which is the primary agency responsible for the oversight of Federal education policy, some programs are under the jurisdiction of the Commissioner of Education, while others fall under the purview of the Assistant Secretary for Education. The establishment of a new Department of Education would provide Federal programs with the necessary full-time coordination and leadership they need and deserve.

This consolidation of existing Federal programs and activities would serve both policy and management objectives. Many observers believe that education programs need more accountable management than they currently receive in so large and complex a department as HEW. Placing Federal education programs in one separate department under a Cabinet-level Secretary of Education would not only facilitate more orderly policy development, but it would also help to eliminate duplication in administrative and staff support activities among Federal agencies, and allow improved financial management and more efficient administration of education programs in general.

Another important factor to be considered is that the consolidation of Federal education programs under one roof would provide an opportunity to reduce the massive paperwork requirements of these programs and help resolve conflicts in current Federal regulations. In this way, the proposed Department of Education should help both States and localities increase their efficiency in meeting students' needs by eliminating the wasteful jumble of Federal activities that now serve only to drive up education's administrative costs.

As you know, I have long been wary of proposals to increase the number of departments and agencies in the Federal Government. However, I believe that the establishment of a new Department of Eduction would move us toward the goal of more efficient and effective Government by consolidating the now diffuse network of education programs, and by reducing the costs and redtape involved in the delivery of services and information to State, local, and private agencies. The centralization of Federal programs would also make the Government more effective in implementing such policies as equal education opportunities for the handicapped, and would improve its capacity to generate research and supply information to help individual education systems meet specific needs. Moreover, the efforts of a Cabinet-level advocate in the form of a Secretary of Education with direct access to the President would not only bring education to the forefront of domestic policy discussion, but would also focus the attention of the Nation on education issues.

Previously, one of the objections to the creation of a separate Education Department has been the possibility of greater Federal intervention in education planning and of reduced State and local control. In this regard, the proposed legislation contains specific language which prohibits Federal control over education policies and decisions that are properly the responsibility of States, localities, and public and private institutions. Also, the bill sets up an intergovernmental advisory council to serve as a forum if State and local officials should ever feel that their inde-

pendence was being undermined by Federal actions.

Education activity in this country affects 60 million students, teachers, and education employees, and constitutes a $120 billion public and private enterprise. To me, it is apparent that with so much effort being directed by so many individuals toward the education of our citizens, we must take positive steps not only to achieve greater accountability for our education system, but also to encourage the constant improvement of the quality of the education being provided to Americans from all economic and social backgrounds. I firmly believe that the proposed Department of Education can meet this important need, and I hope that both the House and the Senate will undertake expeditious consideration of H.R. 2444.●

STATEMENT OF CONGRESSMAN LESTER L. WOLFF ON THE PRICE OF HOME HEATING FUEL AND ON GASOLINE RATIONING

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. WOLFF. Mr. Speaker, recent events have emphasized once again that further steps must be taken immediately to insure that adequate energy supplies are made available to our citizens at reasonable prices. I am, in particular, gravely concerned by any suggestion of immediate gasoline rationing and by the announced and projected increases in the price of home heating fuel.

Let me state clearly and unequivocally that I am categorically opposed to any form of immediate gasoline rationing. Although our energy supplies have suffered some restriction due to the situation in Iran, I do not believe that these limitations in any way justify imminent gasoline rationing. I do, of course, believe that it may be prudent to have a standby rationing plan in the event of a national emergency. Furthermore, it is essential that any rationing plan be flexible enough to take into account special circumstances, such as the scarcity of mass transportation and certain employment requirements. In addition, as with all Government programs, we must critically analyze the cost projections of any rationing plan in order to prevent extravagance in the name of conservation. But I repeat, the time for gasoline rationing is not now.

I am also deeply concerned over the announced and projected increases in the price of home heating fuel. The price of this fuel now threatens to make even minimum heat in the winter a luxury. Clearly, this is an unacceptable prospect.

I certainly understand that the actions of other countries in raising the price of oil have contributed to these price increases. But I am also aware that since the time the price of home heating fuel was decontrolled there have been steady price increase. For example, the price of home heating fuel at the refining level subsequent to decontrol has increased at a greater rate than the cost increases which the refiners have been incurring. Furthermore, it has been estimated by the Department of Energy that consumers have paid over $300 million extra for home heating fuel as the result of decontrol. In light of these facts I have written to the Subcommittee on Energy and Power of the Interstate and Foreign Commerce Committee requesting that it hold hearings to explore the possibility of reimposing price controls on home heating fuel. I have also asked that the subcommittee immediately investigate whether the oil companies have been reaping massive windfall profits, which foreign oil suppliers sometimes cite as a justification for their own crude oil price increases.

Finally, I believe that what the current energy situation most emphasizes is the need to develop, on an accelerated basis, alternate forms of energy. We must move the concepts, in particular solar energy, from the drawing boards to the workshop and the marketplace. We must disabuse ourselves of the notions that these are novelties of no practical value. We must look at them for what they are—the hope of the future. We must, once looking at them in that way, act upon our perceptions and bring these dreams into practical reality. We must shatter the fear of being ridiculed, and we must remember the words of Mark Twain that "every man with a new idea is a crank, until the idea succeeds." Let us explore these new ideas for energy, and put our national will behind this most vital search.●

TRIBUTE TO FANNY TUOMI

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Fanny Tuomi, an outstanding citizen and friend from my district in Baltimore.

Fanny's life story represents the struggle of thousands of ethnic women who came to this country around the turn of the century.

She had a strong sympathy for the causes of the poor rooted in her own family situation during her youth.

Knowing little English after she arrived from Finland in 1913, she proudly took a job as a domestic. Fanny was never ashamed of what she did for a living as long as it was honest.

Fanny Tuomi was a dedicated civil liberties worker, far ahead of most women of her time. In her youth, she actively participated in the women's suffrage movement and child labor protests. In her later years she marched for civil rights and the women's strike for peace during Vietnam. She was highly respected in her community for the plays and poetry she wrote and performed at a Finnish club in Baltimore.

Those who knew her will remember her for her ability to unite people together, and for her spirit; for Fanny always said there was never anything a woman should not aspire to.●

VETERANS WITH EMOTIONAL SCARS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. BONIOR of Michigan. Mr. Speaker, for the benefit of all my colleagues, I would like to submit an article which appeared in the Washington Post on February 6. It was written by Coleman McCarthy who has been perhaps the most persistant and compassionate of journalists regarding the problem of Vietnam veterans.

I think that it is unconscionable that 15 years after the beginning of the Vietnam conflict, there is still no psychological program to deal specifically with the problems of Vietnam veterans. One bill has passed the Senate in each of the last four Congresses without even being granted hearings in the House to the best of my knowledge. I would think that this body would have been in the forefront in addressing the problems of those we committed to that war.

With the declaration of Vietnam Veterans Week the week of May 18, an initiative of the Vietnam Veterans in Congress, and the hard work of individuals such as Mr. McCarthy, there is a sympathy building among Americans that can no longer be ignored.

The Vietnam Veterans in Congress last year introduced the Vietnam Veterans Act which we intend to reintroduce this year. Part of that act would establish a psychological readjustment program with adequate funding and enabling Viet vets to use community mental health facilities. This, we consider, is the best solution. However, any steps in the House to establish a readjustment program would be seen as a step forward. Ignoring the problems of veterans that were a direct result of their honest effort to serve is unprecedented in this country. The time is running short to meaningfully reverse that disregard.

VETERANS WITH EMOTIONAL SCARS

Ten years ago, a Vietnam veteran who lost both legs and an arm in combat pleaded with the Senate Veterans' Affairs Committee to pass legislation that would help men coming home from the war with emotional scars. Psychological readjustment problems of a unique kind have been created, he said. Help was needed—fast.

Congress did nothing.

A few days ago, the same veteran went to the same committee with the same message. One difference existed. The veteran, Max Cleland, now heads the Veterans Administration, the third largest federal agency.

In the past two years, during which he has traveled 100,000 miles visiting VA hospitals and offices, Cleland has learned that psychiatric disorders abound. As many as 1.7 million Vietnam veterans might need readjustment counseling. Rates for depression, anxiety, suicide, alcoholism and insomnia are high.

The public learns about the issue in the occasional news story about the Vietnam vet who "goes berserk" in a neighborhood killing spree or by hijacking an airplane. But those are the dramatic exceptions. The common sign of torment is in the individual's inability to keep a job, a marriage or a positive self-image. Destructiveness turns inward.

Society labels such behavior abnormal—"poor fellows, they can't cope"—but many of those who went to Vietnam weren't likely to be coping anyway. The war was fought in disproportionate numbers by the poor, the young and the undereducated.

Any sense of honor their service may have remotely provided was shattered on coming home. Some were spurned as suckers for joining the military, others were ignored by those who didn't want reminders that the lost war was a foreign-policy disaster.

If he were less dogged, Cleland wouldn't be pestering Congress still again. It didn't want to face the psychological costs of the war in the late 1960s and now, with Vietnam four years in the past, the carryover problems of the survivors evoke little more than shrugs.

Aware of the ingrained insensitivity, Cleland isn't asking for much: $10 million for the first year to create a national network of 300 counselors for the veterans. The services would be available for those who do not have a definable mental illness that requires hospitalization but who somehow have been left unwhole by the war. Counseling and out-patient care would be the essence of the program.

It isn't likely that this group of veterans is holding its breath while Congress deliberates. Since 1971, four efforts have been made to create a readjustment counseling program. The Senate approved the idea, but each time the veterans committee in the House has opposed it. The Nixon and Ford administrations came in with their own negative firepower.

If anyone has kept the issue alive, it is Sen. Alan Cranston (D-Calif.). He is disappointed at the indifference of Congress to the Vietnam veteran, but his cause for hope as the legislation rises a fifth time is that a similar bill has been introduced in the House. "I've had extensive conversations with Sen. Cranston," says Rep. David Satterfield (D-Va.), sponsor of the House bill, and who has long been in opposition. "Things have been worked out and the counseling program is a priority now."

Those are encouraging words, except that even 10 years ago the sentiment would have been late. How many lives have been ruined because of congressional inaction? The average age of the Vietnam veteran is 34. In numberless cases, the stress disorders created by Vietnam have been embedded in the psyche for so long that a permanent suffocation of the soul has numbed the personality.

In Virginia Woolf's novel "Mrs. Dalloway," one of the characters is a World War I veteran whose psychic torments are not so different from those borne by today's veterans: "Now that it was all over, truce signed, and the dead buried, he had, especially in the evening, these sudden thunderclaps of fear. He could not feel."

Many Vietnam veterans might not be enduring hard times if they had some sense that the policy-makers who once championed the war were now championing them. But that hasn't happened.

Except for a few veterans groups that focus specifically on Vietnam and some allies in Congress and Max Cleland, who can't do much by himself in the absence of White House support, the vets are on their own. Like the veteran in the Woolf novel, the whole nation cannot feel.●

FUSION RESEARCH

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SIMON. Mr. Speaker, in the magazine Politics Today there was an article about the new breakthroughs in fusion and the importance of fusion to our energy future.

The President's budget for fusion research increased 2.2 percent which means in fact a cut in real dollar terms.

I hope the appropriate committee will take a good look at what is happening here, particularly in view of the international energy problems.

The article follows:

THE ULTIMATE ENERGY SOURCE

(By Jaye Scholl)

(NOTE.—Nuclear fusion is safe, clean and inexhaustible. That's why the federal government is betting $18 billion that it will work.)

Through the hot days and nights of last July, a score of the world's brightest physicists sat bleary-eyed in Princeton University's Plasma Physics Laboratory, peering at green squiggles on oscilloscope screens, watching closed-circuit television pictures of a strange machine with a Russian name, and poring over unending computer printouts. They were trying to discern the dimensions of a source of energy new to the earth—thermonuclear fusion.

There were no black or white results from this experiment, no thermometer to read, no space missions with their countdowns and men on the moon. No one can tell just by looking at the stainless steel, doughnut-shaped machine called a tokamak whether the experiment has failed or succeeded. Instead, temperature must be calculated from information such as magnetic field strengths, gaseous densities and particle velocities. Even computers take a while to make such calculations. But the immediate readings indicated to the Princeton physicists in July that they had made a giant leap forward in the search for energy from atomic fusion.

"You could feel your heart beating faster," one physicist recalled, remembering those early results. "You wanted to believe what you were seeing. But the results looked so extraordinary, caution told you not to."

Days later, there was no doubt left. Scientists at Princeton's Plasma Physics Laboratory had succeeded, for brief moments, in heating a gas to 60 million degrees Celsius, a temperature four times hotter than the core of the sun. And most important of all, the gas, which possesses a natural fury at any temperature but becomes almost uncontrollable at such intense heat, remained stable.

The experiment, after 27 years of work, had pushed scientists a significant step closer to producing energy by the method that powers the sun and stars. Electrically charged hydrogen atoms, if heated sufficiently, will fuse; in the process, some of the matter is converted into energy. Einstein's calculations indicated that the amounts of energy released by this fusion would be huge, as the explosion of the hydrogen bomb demonstrated. Thermonuclear experiments begun in 1951 have sought to generate the energy on a sustained basis, without any explosive bursts. If that can be done, water from the sea could provide the fuel for a safe, relatively clean and limitless supply of energy.

The world learned of the achievement at Princeton during a quiet weekend last August. The stories became national front-page news, unusual for any science story that does not involve a cure for cancer. But the complexities of the experiment and its place in a search that will take a lifetime were lost in the first reports. Some seemed to say that the answer to the energy crisis was around the corner. The scientists' first glow of exhilaration was soured by the need to cool runaway enthusiasm.

By the following Monday, August 14, officials from the US Department of Energy and Melvin Gottlieb, director of the Princeton program, were making joint statements to the press, trying to clear up what quickly was labeled the "confusion over fusion."

As exaggerated as some of the reports were, they gave the fusion energy program publicity. Gottlieb, who reportedly threatened to quit that weekend after being accused by the Energy Department of leaking the news, welcomed the attention despite the distortion of facts. "I think very few people know or had known about fusion," Gottlieb said. "It's a mysterious word that meant nothing to most people. One reason for this is that it's technologically rather complicated. It's not like putting your hand out in the sunlight and feeling the sun." Even the Energy Department's director of the Office of Energy Research, John Deutch, knew relatively little about fusion energy until a year ago when physicists took him on a tour of the Plasma Physics Laboratory at Princeton.

Despite the achievement of a 60-million-degree temperature, the fact is that thermonuclear fusion as an energy source is a long way off. No one involved in the work even bothers to hope that fusion will become available in time to ransom industrial countries from their dependence on petroleum.

Last September, in trying to explain to Congress the significance of Princeton's experiment, Deutch told the House Committee on Science and Technology that fusion energy would not begin to make substantial contributions to the national energy supply until at least the year 2020. Between now and then, Deutch said, research and development for thermonuclear fusion will cost taxpayers $18 billion. By comparison, the Manhattan project, which developed the atom bomb during World War II, cost $2 billion. Despite the expected cost, the federal government plans to pick up the entire bill.

Why is fusion energy so difficult to obtain? After all, nuclear fission power plants were in operation less than 20 years after the first atomic bomb was exploded. Why will it take so long to follow the hydrogen bomb success with nuclear fusion power plants?

The simple answer seems to be that atomic fission takes place from a cold start. Fusion does not occur unless enormous heat is applied. Reportedly, the heat that created fusion in the first hydrogen bomb was applied by detonating an atom bomb. The chief aim of thermonuclear energy research is to find a substitute for an atom bomb as a method of ignition.

Once a fusion reaction is achieved, millions of atoms will join, releasing hundreds of millions of neutrons that head off in different directions like millions of bullets. Where does the usable energy come from? If someone fired a hundred bullets into a block of wood, he would quickly feel the effect of bullets embedding themselves in wood—friction would cause the block to get hot. Heat, whether it comes from oil, gas, coal, wood or neutrons, can be converted into electricity. Thus, a fusion energy power station would send electricity through the power lines already strung across the country.

The potential benefits of thermonuclear power became evident even while the hydrogen bomb was being developed. The research was kept under wraps for years. It was not until 1958 that the secrecy was lifted when an international agreement on peaceful uses of atomic energy was signed. It was then that reporters from the New York metropolitan area rushed to Princeton's laboratory, then just a small building hidden from sight by a cluster of tall oaks. They were told by scientists about the hitherto top-secret work on a program entitled "Project Matterhorn."

The director of the project, Lyman Spitzer, was a Princeton University astrophysicist and mountain climber (hence the project's code name). Spitzer had written to the Atomic Energy Commission in 1951, spelling out an idea he had for reproducing the sun's processes by heating a stream of hydrogen gas, called a plasma.

About the same time, two other laboratories, the Los Alamos Scientific Laboratory in New Mexico and Lawrence Livermore Laboratory outside of San Francisco, also began experiments aimed at achieving controlled thermonuclear fusion. (Over the years, 18 more laboratories have joined the search on a smaller scale. Most of the work was financed by the Atomic Energy Commission, then the Energy Research and Development Administration, and now the Department of Energy). But the first three labs, and particularly Princeton, have dominated the research effort.

Spitzer's idea was to heat the hydrogen plasma in a machine he called a "stellarator." It consisted of a figure-eight-shaped tube surrounded by enormous magnets. The plasma inside the tube would be confined by the magnetic force, thus heating it and keeping it away from the walls of the tube. With a small band of physicists, he worked on ways to heat the plasma, working toward the goal of producing as much energy as it took to run the machine.

More recently, competing theories have been pursued at Lawrence Livermore. One called for laser beams to heat pellets of deuterium, a heavy isotope of hydrogen. The laser beams compress the pellets until they are 100 times more dense than lead. At such densities the deuterium implodes, igniting itself and releasing neutrons. If the research succeeds, scientists in effect will have created small stars on earth. Because the work is so close to hydrogen bomb technology, most of it remains secret. It is heavily supported by the Department of Defense. The chief stumbling block appears to be the need for laser beams far more powerful than anything produced so far.

Researchers at the Los Alamos laboratory are working with another variety of lasers. Los Alamos ranks third in terms of the amount of money it gets for its research.

Princeton's stellarator was improved upon by the Russians when they built their tokamak. (The word *tokamak*, now in universal usage, is derived from the Russian abbreviation *tok a magnet kamera*, meaning "current and magnetic chamber.") For years, the Soviet Union was considered the leader in that branch of fusion research. But Princeton's tokamak is an advance over anything the Russians have.

The US fusion energy program got an injection of federal support when a new consciousness about the pitfalls of nuclear fission reactors developed and the OPEC nations declared an oil embargo in 1973. By 1975, 270 postdoctorate physicists and engineers were working at the Princeton Plasma Physics Laboratory. Most were young men who possessed first-class scientific minds. They came from all over the world. Entire tables were set aside in the laboratory cafeteria for French- or Japanese-speaking physicists. They invaded the local tennis courts and restaurants. It was no longer safe to assume that a scientist who said he worked with plasmas was talking about blood.

Gottlieb took over from Spitzer in 1961. Since then, he has developed a reputation for astute and demanding leadership, as well as an ability to get along well in Washington.

Because the Princeton tokamak is in the forefront of the effort to achieve fusion, it has been targeted for the biggest portion of federal funds. A big new tokamak is under construction on Princeton's Forrestal Campus, a vast green plain alongside U.S. Route 1 at the mid-point on the road from New York to Philadelphia. It bears a price tag of $239 million, and it will be merely another research device, not a full-scale power plant. It is an indication of the large costs involved.

The nation's energy future is heavily dependent on obtaining power through nuclear fusion. Sometime between the years 2020 and 2050, according to the Department of Energy's current estimates, the supply of oil, natural gas, coal and uranium will have dwindled to the point where other energy sources will have to be tapped. There are three major alternatives: solar energy, fission breeder reactors (which can make their own fuel and thus do not depend on rare uranium) and fusion reactors. Of them, the Department of Energy has chosen fusion as one of the most promising long-term solutions to U.S. energy needs.

Part of the attraction of fusion is that a portion of the fuel supply, deuterium, exists in abundance in ocean water. Theoretically, the amount of deuterium in a gallon of water can produce the energy of 300 gallons of gasoline. The second ingredient of the fuel for a fusion reactor, tritium, does not exist naturally, but can be manufactured from lithium.

Fusion reactors would produce some radioactive wastes, but the quantities would be smaller than those from nuclear reactors and would stay radioactive for much shorter periods, tens of years compared with thousands. With fusion, there would be no danger of reactor runaway. If something went out of control, the reaction would just shut off. Nor would there be a possibility of terrorists converting fusion by-products for bomb building. Finally, fusion reactors could be built anywhere without posing any more danger to the surrounding community than oil-burning utility plants.

Solar power, on the other hand, has limited application, despite campaigns representing it as a panacea. It may be a boon to sunny California, but it appears to offer limited usefulness for much of the North.

And breeder reactors, which would be the descendants of the present-day nuclear reactors, have enormous problems to overcome beyond the considerable public opposition to them. In April 1977, President Carter called a halt to construction of the first breeder reactor in this country on the grounds, among other things, that its product could be diverted and used for nuclear weaponry. In addition, plant construction was running more than $2 billion over estimates. Public opposition to breeder reactors might dissipate overnight if the lights started going out, but the fact is breeders may be too expensive to operate.

The United States and the Soviet Union are not alone in the multi-billion-dollar program to harness fusion energy. Every major industrial nation, including Japan and the European countries in a joint effort have entered the fusion research field with large investments.

The United States has the undisputed lead, and according to Deutch, "We intend to maintain it." Gottlieb said the Europeans expect either the United States or Japan to succeed first. "My friends told me Europe doesn't have the will and the Soviet Union doesn't have the technology," said Gottlieb.

But it would not be wise to overemphasize competition among nations. No matter which country gets there first, all stand to benefit. Little of the research has been classified since the international agreement in 1958.

But inside the United States, there is a significant competition underway—for the money that supports the research. This is the race in which the Princeton Laboratory is leading now. But the program has its critics.

A number of complaints came from within the laboratory itself. Fresh young physicists who were counting on the intellectual freedom to follow their own interests, regardless of whether they fed back into the tokamak effort, were disappointed. The pressure to meet federally set deadlines left little opportunity for purely theoretical investigation, which the researchers felt was needed in the active field of plasma physics. Critics in and out of the laboratory began calling Princeton's effort a crash program, a pell-mell rush to move on to the next step without a fundamental understanding of all aspects of physics that lay behind the results.

One of the more outspoken critics has been Ira Bernstein, professor of engineering and applied science at Yale University. Bernstein left Princeton when it became clear the university would not match Yale's offer. Since leaving, he has worked as a consultant to a laboratory working with a competing magnetic fusion program using mirrors instead of tokamaks. Bernstein says he thinks the mirror program has suffered financially because of the emphasis on tokamaks.

"What bothers me is the possible political consequences of exaggerated claims," Bernstein said. "I think the program is very important; it is clearly the long-term solution to energy requirements. But Congress is not stupid. If you keep feeding them exaggerated claims, and don't come through, there may be a day of reckoning, and an impulsive decision to stop the program." Bernstein called the recent experiment at Princeton "a very respectable accomplishment."

"But look," he added, "people are not astonished by this. They are heartened, but not astonished. Some of it is a very primitive notion, that if you pump enough energy, you will heat things up, and that's what they've done. But in order to be ultimately useful, it will have to fit into the power grid, be reliable and economical."

Gottlieb expresses no surprise at criticism by outsiders. "There is always a tendency to attack the leader," he said. Once he and his colleagues worked in relative obscurity. Budgets were low, but so was the pressure. Now, with a $239 million construction project under way, hundreds of employees, and public exposure, the fusion energy program has become highly visible.

Last year the Department of Energy reviewed the U.S. fusion energy effort. A committee of eight consultants, headed by John Foster of TRW, Inc., issued a 16-page report after meeting for a total of five days. Short as it was, the report carried considerable weight as the first official review since the federal government became serious about fusion energy five years ago. The report was issued just a month before the experiment at Princeton.

The committee concluded that the federal government had run a course of "unnecessarily high risk" by commiting itself so lopsidely to laboratories using tokamaks. In addition to Princeton, Oak Ridge National Laboratory, the Massachusetts Institute of Technology, and the General Atomic Company in La Jolla are doing such work.

"The strategy which we recommended for the next several years is to pursue fusion on a broad front," the committee said. "While tokamaks are currently the most advanced scientifically, they seem on the surface to be the most complex of the possible alternative approaches for fusion from the standpoint of engineering."

The committee recommended that the Energy Department give more support to competing theories. This was the first rebuke for Princeton. Although it may not mean less money overall, it could slow the pace of research.

While some plasma physicists want a more deliberate program, other people have suggested pushing full speed ahead. Without question, the most enthusiastic backers include a bizarre group of fusion energy fanatics who belong to the US Labor party.

On the main street of Princeton, where fusion energy research hardly needs promoting, US Labor party members harangue all who will listen about the advantages of fusion and why the federal government has, in their opinion, stalled efforts to develop it. Party members and spokesmen from the Fusion Energy Foundation, a spin-off of the US Labor party, argue that powerful multinationals have cornered the market on uranium, the fuel source for fission reactors. If fusion energy becomes available, they say, the value of uranium will plummet.

But no one really knows why they have fastened on to the fusion energy program for their crusading. "I think they are like the technocrats of the 1930s who believed every social problem could be solved by science," Gottlieb said.

Other less fanatical people have wondered why, if fusion energy has such potential, the federal government doesn't pour more money into the program. But Gottlieb disagrees that billions instead of millions of dollars a year for research would solve the prob'ems any sooner. "It's like watching a baby grow," explained one plasma physicist at Princeton. "Overfeeding it will not make it grow up any faster."

There are simply too many monumental questions left. The problem of how to get rid of impurities in plasma, such as oxygen, carbon and iron, has nagged scientists. They are convinced that a significantly higher temperature could be reached if the impurities were removed. The impurities are like old stones and bricks in a fireplace. They absorb heat but don't produce any, so nobody wants them.

To answer the impurities question, engineers at Princeton ordered a $26 million companion tokamak to test ways of removing unwanted oxygen and carbon. The machine, still gleaming in its newness, may lose its simple majesty as soon as the physicists start their experiments on it. It isn't unusual to see a minor problem solved by applying a piece of aluminum foil, or Scotch tape holding a meter stick against the tokamak's sides. Even devices that cost tens of millions of dollars are subject to the desire for a fast, makeshift adjustment.

The next fusion energy event likely to hit the front pages is scheduled to take place sometime in the mid-1980s, when Princeton's bigger tokamak fusion test reactor is supposed to show for the first time that a man-made fusion reaction can produce as much energy as it consumes—the elusive "break-even point." This prospective happening would be the equivalent of the breakthrough achieved on a University of Chicago handball court in 1942, when Enrico Fermi's atomic pile produced the first self-sustaining atomic fission reaction.

The next scheduled big event, already drawn on government charts, would occur in 1997, the year the Department of Energy plans to make the final decision on where to put its big development money—on tokamaks or on lasers. That would set the stage for the final 20 years' effort to generate electricity to fuel the American economy.

There is an eerie ring to a schedule that plans scientific and financial events beyond the lifetimes of most of those doing the planning. Even if the plans work out, some people wonder about the consequences of a limitless source of energy that would be available to all nations.

"I was once invited to debate the premise that fusion energy represented a real threat because it will be so cheap that man will just go wild," Gottlieb recalls. But he does not see that as a danger. Fusion energy would be widely available but it would be no cheaper than present sources of energy. It would not change the way man lives now. It would simply allow him to continue to live that way.●

CONGRESSMAN ROUSSELOT EXPLAINS WHY DEFICIT FINANCING CAN BE A MAJOR CAUSE OF INFLATION AND PROPOSES A NEW PLAN TO BALANCE THE BUDGET

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ROUSSELOT. Mr. Speaker, there is a never ending debate here in Congress over the causes on inflation, and what we in Congress can do to end the wage-price spiral that has engulfed the Nation. During the past several Congresses, I have introduced, and reintroduced, a balanced-budget resolution because I have maintained that the Federal Government's intentional policy of deficit spending can be a major cause of inflation.

Now, as the call-of-necessity for a balanced Federal budget is gaining momentum across the Nation, it is gratifying to see that even leaders of the Democratic Party are being awakened by the Nation's protest against rising taxes, rising deficits, and rising prices. Notably, Governor Brown, of my own State of California is calling for a Constitutional Convention to draft an amendment requiring a balanced budget in response to this protest. The fact is, however, that the U.S. Congress now has the power to restrain increases in Federal spending, to reduce deficits, and to balance the budget. But the majority in Congress apparently needs a mandate from the people in order to perform in a more fiscally responsible manner.

I am not opposed to the convening of a Constitutional Convention to draft a balanced-budget amendment, but I sincerely hope that if such a convention were convened, that the amendment adopted would include a provision to restrict the Federal Government's ability to balance the budget by raising taxes. It is not, and it has not been our intention to balance the budget by raising taxes, but it has been our intention to stem the growth in the size of the Federal Government, because, as we have seen, a burgeoning Federal Government inevitably leads to burgeoning Federal deficits.

There are two main reasons for opposing Federal deficits. First, deficit financing can be a major contributor to inflation if the deficit is financed by the Federal Reserve Bank's printing presses. When this occurs the money supply increases, but the supply of goods and services in the economy does not. As a consequence, the price level rises because there is too much money circulating in the system compared to the number of goods and services available for sale.

Said in another way, consumers, with more freshly printed paper money in their pockets, are willing to pay more for the products they desire in the marketplace, and producers, knowing of this willingness, charge more. Producers charge more, but do not produce more, because as each and every consumer tries to buy extra products with their extra cash, prices will rise as producers try to get as high a price as possible for each individual item that is already available for sale. This is the way supply and demand works in the marketplace. Therefore, it should be evident that deficit financing does not increase economic activity, although Keynesian economists believe this to be true. Rather, the creation of extra paper dollars, in excess of the amount needed to conduct the normal transactions required in the economic marketplace, merely drives up prices.

The second reason for opposing deficit financing is that if the Federal Reserve Bank did not finance the Government's borrowing, then the deficit would have to be financed with funds borrowed from the private sector. These are funds that would otherwise be used to promote economic expansion in the private economy. Such funds are vital to the creation of new capital and new jobs on our society, but unfortunately, very often these funds are used to finance Government programs of dubious repute. Our economy has been suffering from a capital shortage as a result. The decline in our Nation's productivity is testimony to this fact.

The effect deficit financing has specifically on inflation was discussed in an excellent article which appeared in the January 1979 edition of Reader's Digest entitled "What Really Causes Inflation." The article, authored by Ralph Kinney Bennet points out that controlling the money supply and the size of the Federal deficit is a necessity if we are to be successful in controlling inflation in our economy.

It is a myth, Mr. Bennet points out in his article, to believe that rising wages cause inflation, or that OPEC causes inflation, or that we can control wages and prices, while we continue to wantonly print money. We must recognize, as Mr. Bennet has recognized, that—

> Prices and wages are primarily signals of the changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace.

In other words, when the price of one item rises faster than other items this is a natural reflection of changing supply

and demand conditions in the marketplace.

For example, if the OPEC oil cartel were to increase the price of oil, then the price of oil would rise relative to the prices of all other goods and services in the economy. We would all be poorer to the extent that we could no longer purchase as much oil and all the other items we were accustomed to purchasing before the oil price increase. But the price increase, by itself, should not be considered inflationary. Inflation means that all prices are rising, not due to changing conditions in the marketplace, but rather because the exchange rate between the common denominator, paper money, and "all" the other goods and services available in the economy has changed for the worse. There is more money in circulation, but not more goods and services. All prices must rise when this happens, but oil prices will rise even faster because of OPEC's price raising actions.

Unfortunately, we have been suffering from the worst of both worlds in recent years. The oil cartel has been increasing prices; this has meant a decrease in the purchasing power of American salaries and wages. Simultaneously the Federal Government has run huge deficits which has resulted in excess money creation. So we have become poorer in two ways. We are poorer because of the oil price increase, and we are poorer because of the depreciation of the dollar. The depreciation of the dollar has meant that all prices in the economy have risen, and as prices have risen, wages and salaries have risen, and as wages and salaries have risen, taxes have risen, because of our steeply progressive tax code. Now we are on a treadmill of rising deficits, rising prices, and rising taxes, a treadmill that can only be halted by cutting the growth in Federal spending. If we fail to curtail Federal spending, then surely we will deficit-finance and tax ourselves into economic oblivion.

A PLAN TO BALANCE THE BUDGET

There is, however, an alternative course of action that we can follow. If we index the tax code and restrict the Congress' ability to spend more than the amount it collects after indexing, by requiring, say, a three-fifths majority vote of both Houses of Congress in favor of such an action, then we can balance the budget and actually reduce many of the spending programs which are now heavily influenced by competing special interest groups. I would add to this rule that proposed tax increases should be subject to the three-fifths majority requirement, but that tax cuts, only require, as they do at present, a simple majority of both Houses of Congress. Naturally, in congruence with the spirit of this proposal, unanticipated deficits or surpluses should be matched against receipts or expenditures in the year following their occurrence.

In this way we will be telling the people that it is the sense of Congress that tax cuts do far more to promote economic growth, than spending increases and tax increases. For this reason we have made it easier for ourselves to enact tax cuts than spending increases and tax increases. Spurring economic growth, and in the process expanding the tax base is a far better way to increase tax revenues, than by raising taxes from a shrinking tax base.

This course of action which I am proposing is a novel one, but I am sure that many will agree that it is a wise one. It will enable us to increase spending, but it will make it more difficult to do so. It enables us to decrease taxes, but still requires that the economic justifications for such tax cuts be readily apparent to a majority of both Houses of Congress.

By limiting spending, this plan enables all Members of Congress to feel more comfortable in voting in favor of cutting the heavy burden of taxes that is destroying economic incentive and productivity in our society. It also gets to the heart of the fears many of my colleagues and my constituents are expressing over rising deficits. These fears are justified. Congress has been known in the past to legislate spending programs that are wasteful, tax increases which are economically counterproductive, and tax rebates that do not improve work incentives in the marketplace. It is for this reason that we need a plan to guard against any such proposals, which although well-intentioned, can lead to the kinds of deficits that are ultimately financed by the Federal Reserve Bank's freshly printed dollars, instead of from an expanding tax base.

Mr. Speaker, I would like to review with my colleagues in Congress Mr. Bennet's article in Reader's Digest, because it lucidly describes how Federal deficits can lead to inflation, by inserting it in the RECORD. I call it to the attention of my colleagues as being pertinent to their decisions as Members of that legislative body which is charged with the power to control our Nation's purse strings.

The article follows:

WHAT REALLY CAUSES INFLATION?

(By Ralph Kinney Bennet)

How did the three-bedroom house that sold for $33,000 back in 1969 become a $96,000 house today? How could a family sedan that cost $3,110 a decade ago now come in a smaller size costing $6,474? How is it that the man who retired in 1969 with a $9,000 annual pension and maximum Social Security benefits (benefits up 118 percent over the past ten years) now has 36 percent *less* buying power than he had then?

Inflation is the answer, of course, but what exactly is inflation? What causes the phenomenon that silently robs us of our living, that in the past 40 years has shrunk the value of the dollar to 20 cents?

To understand inflation, one must first understand what is being "inflated." It isn't prices (although they certainly are rising) and it isn't wages (also rising). It is the *supply of money*—currency and bank credit. The real wealth of the nation is the goods and services produced by its people. Money—coined or printed by the government—is merely a convenient symbol of that wealth. We give part of our wealth to the government in taxes. But the government has been spending vastly more wealth than we give it—to date, over $766 billion more. In addition, it has run up future financial commitments (Social Security, pensions, loan guarantees) in excess of $7 *trillion*—more than $71,000 per taxpayer.

How can government spend more than we give it? Usually by "monetizing" its debts, by printing more symbols than there is real wealth. That basic law of economics—the more there is of something, the cheaper it becomes—applies to dollars, too. As former Secretary of the Treasury William E. Simon puts it, "The American dollar is being debased by its own government. The real problem with the dollar is that we're printing too many of them."

This is the root cause of inflation—more money poured into the economy than the economy is worth.

Only when we accept this basic truth can we deal intelligently as citizens with the myths about inflation put abroad daily in press, classroom and government. Here are three of the most pernicious:

MYTH 1. RISING WAGES AND PRICES "CAUSE" INFLATION

Secretary of the Treasury W. Michael Blumenthal perpetuated this myth when he listed among the factors causing inflation "wage settlements that substantially exceed the productivity and real growth of the economy, [and] price increases that bring unjustified excess profits."

In our competitive system, prices and wages are primarily signals of the ever-changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace. If there is only so much money (and credit) in the system, a business cannot ignore supply and demand by arbitrarily raising its prices or by giving in to excessive wage demands. If its prices are too high, people will buy elsewhere. If wage demands are too high, business must refuse to pay them or hire fewer workers at the new rate. Competition itself, then, is supposed to keep a rein on prices.

But this real discipline of the marketplace has been circumvented by government. To pay its bills and finance a broad list of social goals, including "full employment," government generally inflates the money supply. It thereby abets higher wages and prices by fostering the notion that it will always create enough money to pay for them.

And once the money supply has been increasing rapidly for some time, prices seem to have an upward life of their own. Instead of saving, people "buy now," hoping to beat future price raises. Unions seek contracts with cost-of-living clauses. Banks lending money to be paid back in steadily cheapening dollars insist on higher interest rates.

If rising wages, in and of themselves, were inflationary, then West Germany should have one of the most inflationary economies. German workers' wages increased 236 percent in the decade 1967–77, but the inflation rate averaged about four percent annually because the government kept the money supply in balance with the real productive wealth of the economy. U.S. workers during the same period saw their wages increase 101 percent, a rise nearly outpaced by inflation averaging over six percent a year. The fact is, wages for the most part are reacting (in some cases over-reacting) to government-caused inflation.

What about rising prices? It is still popular to characterize the cataclysmic rise in oil prices since the oil embargo of 1973 as a major cause of inflation. But this is simply not true. The high oil prices added to our financial burdens. But they were clearly not the author of inflation.

Consider the experience of Japan and West Germany during the embargo. Unlike the United States, both countries were almost entirely dependent on foreign oil. But during the embargo, both pursued prudent fiscal policies, holding down budget deficits and

keeping a tight rein on the money supply. Result: inflation in both nations *declined*, while soaring to 12.2 percent in the United States as politicians cranked out printing-press money to finance continued deficits ($130.9 billion from 1973 through 1976). This, not an Arab hand on the oil spigot, was the reason for the rising American inflation.

MYTH 2. WAGE AND PRICE CONTROLS WILL "CURE" INFLATION

This popular delusion feeds on the first myth. "Price controls have been imposed repeatedly for more than 2000 years," notes Nobel Prize-winning economist Milton Friedman. "They have always failed." Roman emperor Diocletian used capital punishment in a futile effort to enforce controls in A.D. 301. Thousands died, and the economy was nearly wrecked.

In 1775, the Continental Congress sought to finance our infant government's debt by authorizing the issue of an almost worthless paper money. A disastrous inflation followed. The Pennsylvania legislature sought to stem it with price controls. Many farmers and businessmen refused to sell at the controlled prices. Shortages developed. The army wintering at Valley Forge in 1777–78 could not get badly needed supplies. The army's misery, wrote John Adams, was due largely to "that improvident Act for limiting prices . . . [which] if not repealed will ruin the state and introduce a civil war."

Historical experiences like these underscore the well-known deficiencies of wage and price controls. Such controls . . .

Create shortages

Many businesses cannot or will not produce at the artificially set prices.

Result in a lowering of quality

Former "standard" features on a product becomes costly extras.

Are consistently circumvented. Black markets spring up.

Require a large and expensive bureaucracy to administer them

During World War II— our longest flirtation with controls—the Office of Price Administration (OPA) employed 65,000 bureaucrats who directed an additional 325,000 "price-control volunteers."

But, worst of all, while controls may create an illusion of being effective, they only temporarily hold down wages and prices, while the tremendous pressure of inflation continues to build up. Once the controls are lifted, the market spurts to find its natural level, and a more pronounced and damaging inflation is usually the result.

This country's most recent attempt at controls—the Nixon Administration's "Phase I, II, III and IV" program begun in August 1971—built up pressure for one of the worst inflationary explosions in U.S. history. The rate of growth of consumer prices had been in decline at the time the controls were instituted. This was the result of a cutback in money supply in the waning days of the Johnson Administration. But during the period of controls the Consumer Price Index began a steep climb, reaching almost 13 percent by mid-1974. The disaster was compounded by a harrowing confluence of events—a worldwide crop failure and the Arab oil embargo. Some people still entertain the idea that these factors caused the inflation of 1973–74. The fact is that the Nixon controls were a facade behind which government spending increased sharply.

Why then do governments return to wage and price controls, frequently with popular support? (A recent Gallup poll showed about half the respondents in favor of some form of controls.) The outcry for controls, contends Friedman, "is based on neither experience nor analysis but simply on the 'for God's sake let's do something' syndrome." However, controls are not the answer when they are imposed by a government that at the same time goes deeper into debt while printing more money to pay the bills.

MYTH 3. INFLATION IS "EVERYBODY'S BUSINESS"

According to President Carter, "It's a myth that government itself can stop inflation. Success or failure in this overall effort will largely be determined by the actions of the private sector."

While the President's assertion coincides with some theories of inflation, it contravenes the clear evidence of economic history and practical experience. As Friedman points out, "Government has an effective printing press on which it can turn out green pieces of paper, and as a result government and government alone is the source of inflation." The steady downward trend of the dollar since 1940, notes economic writer Henry Hazlitt, has been accompanied by an awesome growth of American money supply. At the beginning of 1940, U.S. currency and bank deposits totaled $52.7 billion. By January 1978, currency and bank deposits totaled $815.9 billion, an increase of 1448 percent.

Inflation in Western European countries has been routinely running high with two dramatic exceptions—West Germany and Switzerland. West Germany has kept its inflation rate around four percent; Switzerland below two percent in recent years. Both countries have displayed the political courage and citizen discipline to keep a tight rein on their budgets and on the growth of their money supply.

In the postwar era there have been three major instances of inflation being brought under control. West Germany did it in 1948—refusing to "spend" its way to prosperity by running up huge deficits. The United States did it in 1953, under President Dwight D. Eisenhower, whose prudent fiscal policies led to an inflation rate during his Administration of 1.4 percent a year. France accomplished the feat in 1958, when Charles de Gaulle halved the government's budget deficit. In each case, control was achieved by dramatic cuts in government spending and a concomitant dialing down of the money machine.

Unfortunately, neither France nor the United States stuck to its guns. That old predilection of politicians—to give (social benefits) without taking (taxing)—asserted itself. Americans now face a $500-billion-plus budget (more than $60 billion of which the government can pay for only by turning out more phony money) and surging inflation that reached an annual rate of almost ten percent last summer.

The anti-inflation plan unveiled by President Carter last October imposes wage and price guidelines on business and labor as if they were the cause of the problem. "The President did recognize the role of the budget deficit," comments Hazlitt. "But he did not promise to eliminate it—he promised only to reduce it over a period of years. This was practically an assurance that our inflation will be continued."

Clear away the myths and one discovers that the way to stop inflation is to literally *stop inflation*—stop inflation of the money supply beyond the real ability of this country to produce; stop pretending that we have more money than we really do; stop running huge deficits that can be financed only with fiat dollars.

The United States cannot expect a painless extrication from the inflation in which it has found itself for almost 40 years. A broad range of programs will have to be cut back; unemployment is likely to increase temporarily. But, as economic historian and monetary expert Donald Kemmerer warns, "a nation that does not stop an inflation simply because it is politically painful to do so is essentially declaring bankruptcy." ●

CONSUMER FOOD LABELING ACT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to announce my wholehearted support for a bill which is designed to bring about significant changes in the rights and abilities of consumers to make educated choices between the foods they buy. H.R. 42, introduced on January 15, 1979, is entitled the "Consumer Food Labeling Act" and is authored by my colleague from New York, Mr. ROSENTHAL.

The history of Federal oversight and quality control in the food industry began over 40 years ago after a great deal of public outcry about the disease-engendering environment and horrid workplaces in which American foods were produced and packaged. I am reminded in particular of profound effects that work like Upton Sinclair's the Jungle had in creating a public awareness of the need for Government intervention and standard setting.

Now, in the 1970's, significant progress has been made in assuring that the products which we buy at the local grocery store are free from disease-causing agents and originate from kitchens comparably clean to those in our homes. But in the past 40 years, the mass food production, processing, and packaging industry has developed many new technologies which have significantly altered the material ingredients of foods sold under commonly recognized names.

In today's marketplace where the American consumer is confronted with a wide variety of choices in products, the shape of a package and the subtle design of an advertising logo become forces in shaping the consumer's idea of the product. For that reason, I believe that we must move to insure that labels on packages accurately reflect what is contained within the products being sold. I do not believe or condone the idea that the Government should be involved in the activity of actively shaping the opinions of consumers within the auspices of the American marketplace: I believe that the American consumer is the wisest in the world, and if left to their own resources, will ultimately choose the best products. The legislation which I rise to support today will enable American consumers to have access to a wider range of facts on which to base their decision-making process which is the source of strength of their buying power.

More important than the improved power offered to the consumer, H.R. 42 will provide vital information to those Americans who have the need to know what is contained in the foods they eat for health, religious, and moral reasons. One out of four people need to know what their food contains for reasons of health. H.R. 42 will provide our citizens afflicted with heart disease, kidney problems, diabetes, and other syndromes sensitive to dietary habits with a stronger sense of security when they shop for foods.

The Consumer Food Labeling Act proposed under H.R. 42 will require full labeling of the percentage contained of all ingredients. H.R. 42 also includes a Nutritional Labeling Act that will expand the current practice of clearly designating what ingredients are contained in "standardized" and "nonstandardized" products.

H.R. 42 also contains provisions which will require manufacturers to disclose the name and address of their facilities where their products are produced. The "Open Dating of Perishable Food Act" provides H.R. 42 with titles to improve the consumer's knowledge of their purchase's freshness. Finally, provisions of this bill require both clear unit pricing and that producers notify consumers of changes of ingredients in their products.

I believe that it is time for the quality of the food guarantees which the Government uses to protect the American consumer be modernized so that the changes in our processing technologies cannot be used to confound the shopper. I urge the Congress to study carefully the provisions offered in this bill and to move rapidly to expedite its implementation.●

MRS. SALLY CHALGHIAN—MACOMB COUNTY BROTHERHOOD AWARD RECIPIENT FOR 1979

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to pay tribute to a very fine woman in my district by bringing her abundant accomplishments and her fine spirit to the attention of my colleagues.

Mrs. Sally Chalghian has recently been selected by the Macomb County Brotherhood Celebration Committee to receive their annual Brotherhood Award for 1979.

I have known Sally many years and am very much aware of her tireless efforts to engender, support and advance the ideals of brotherhood and justice throughout Macomb County. After moving to the county in 1962, she was elected to the board of directors of the Macomb County Human Relations Association. Her participation and activities since that time are too numerous too identify individually, but her influence and enthusiasm have been felt in many areas. Briefly, they include welfare rights, human rights, education, government, religion, the media and other less definable fields.

Sally commands an enormous amount of respect from her colleagues, her friends, her students and those of us who have worked by her side doing the things which must be done to promote the spirit and reality of brotherhood and justice.

Sally has been a key member of the Northeast Interfaith Center for Racial Justice since it was first established in 1970. She was just recently elected to chair that organization thus becoming the first member of the center's board to win the brotherhood award.

In short, I am exceedingly pleased Sally has been chosen to receive this award. She is an extraordinary woman and is most deserving of our esteem.●

CONFERENCE ON ENERGY CONSERVATION

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Ms. SPELLMAN. Mr. Speaker, within the next few weeks, many of my constituents, groups from my district, will be busily involved learning specifically how they might teach the conservation of energy—one of our country's highest priorities. It is hoped that this experience will have a profound effect on many of the participants who will attend this creative all-day conference, so that they will carry what they learn to their own groups in their own neighborhoods to implement serious energy conservation programs to reduce consumption of our dwindling supplies of fossil fuels.

This model conference on energy conservation will be funded by the Department of Housing and Urban Development in cooperation with the Office of Community Involvement at the Department of Energy. The Council of Jewish Federations originated the concept for this model conference and sought successfully to involve a large number of neighborhood and religious groups. Over 200 persons from the Greater Washington metropolitan area are expected to participate and be joined by dozens of observers from several States who wish to replicate this exciting endeavor.

The Jewish Community Council, directed by Daniel Mann, is coordinating this truly ecumenical effort, welcoming participation by leaders of Catholic, Protestant, and Moslem groups and a great number of community-based neighborhood groups.

Father Geno Baroni, the Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Protection, Department of Housing and Urban Development, and his creative staff, are to be congratulated for their steadfastness in supporting this effort. As a result of this conference, there will be appropriate documentation available which will describe how local agencies or groups can replicate this meaningful effort in their own areas. There will also be a complete compendium of available Federal resources to be used for energy conservation printed and distributed widely to any group interested in following through with this teaching process. A model library of useful Federal pamphlets has been assembled and an appropriate bibliography will be included in the kit.

I cannot emphasize enough how extremely vital it will be for all Federal agencies to take the lead from the Department of Housing and Urban Development as outlined by Assistant Secretary Baroni and the Council of Jewish Federations in encouraging and assisting this type of neighborhood-based energy conservation effort.

Mr. Speaker, I know my colleagues will encourage and abet the kinds of sincere commitment to energy conservation the participants of this significant conference envision as they embark upon their mission.●

JOHN MADDEN—A COACH FOR ALL SEASONS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. STARK. Mr. Speaker, when the 1979 football season gears up in the coming months, the Oakland Raiders will take the field without the expert and inspiring leadership of John Madden.

Coach Madden announced his retirement earlier this year as the result of a medical condition which necessitates his leaving the rigors of professional football coaching.

The absence of John Madden pacing the sidelines will be missed by more than his players and staff. Thousands of fans, particularly young people, will miss watching and learning the fundamentals of football from one of the greatest teachers in the game's history.

The excellence of John Madden's record and accomplishments while coach of the Raiders stands as more than marks in a record book. They are a testimonial to the drive, generosity, and spirit of a man who devoted himself to the improvement and development of other men's careers and talents.

In John Madden's 10 seasons as head coach the Oakland Raiders have totally dominated professional football in terms of consistent victory, compiling a remarkable league record of 103 wins against only 32 losses and 7 ties. John Madden's brilliant winning percentage of .763 is the best mark among the 13 National Football League head coaches to have ever won more than 100 games during the 59-year history of the league. Moreover, Madden is one of only two NFL head coaches in the modern era of professional football to ever win 100 leagues games in his first 10 years as a head coach—and the only one to accomplish this with just one team.

During John Madden's 10 seasons as head coach of the Silver and Black, the Oakland Raiders were in the playoffs all but 2 years, and won 7 Division Championships, including 5 in a row, the American Football Conference Championship and the World Championship of Professional Football. The Raiders—whose consecutive winning seasons now stand at 14, a record topped only once in pro football history—never had a losing season in the 10 memorable years in which John Madden so ably served as head coach.

John Madden's 12 years with the Oakland Raider organization, 10 of which were spent as head coach, will go down as a period of unparalleled success and unforgettable drama—a period in which the Raiders participated in many of the greatest games ever played, had many of the greatest players to have ever performed and rose to a position as one of the most distinguished organizations in sports.

The milestones of the Madden years are meaningful and many—intense national interest, sellout crowds for 10 consecutive seasons, incredible come-from-behind victories, 19 different Oakland Raider players selected for the Pro Bowl, six 10-win seasons, 17 straight games won, the total dominance in winning Super Bowl XI before a record crowd of 103,421 fans and a world-wide television audience of over 130 million people—a coaching career and an association that will proudly be remembered in the annals of sports.

John Madden, now 42 years old, began his professional coaching career with the Raider organization in 1967. That year the Raiders won the American Football League Championship and represented the AFL in Super Bowl II.

He served as linebacker coach for 2 years, prior to taking over as head coach in 1967 when, at 33, he became the youngest head coach in the AFL.

Before coming to Oakland, Madden was defensive coordinator at San Diego State from 1964 to 1966, years during which the Aztecs earned No. 1 ranking among the Nation's small colleges. He originally entered the coaching ranks as an assistant at Hancock Junior College in Santa Maria, Calif. Two years later he was appointed head coach at Hancock where his teams compiled a 13–5 record in 2 seasons and earned a ranking in the Top 10 Junior Colleges in the country.

Success also was part of John Madden's football playing years. He was a two-way starter at tackle on the 1957 and 1958 California Polytechnic College at San Luis Obispo team that compiled a record of 18–2. Voted to the All-Conference team in football, Madden was also a catcher on the baseball squad. He earned a Bachelor of Science Degree in 1959 and a Master of Arts Degree in 1961, both from Cal Poly.

Madden was selected by the Philadelphia Eagles in the 1958 NFL college player draft, but a knee injury in his rookie year ended his playing career.

Born in Austin, Minn. (April 10, 1936), Madden was raised in Daly City, near San Francisco. He attended Jefferson High School where he lettered in both football and baseball.

I wish John Madden, his wife Virginia and his two sons, Mike and Joe, best wishes in the pursuit of a less hectic life and gratitude for the irreplaceable contribution to the sport of football.●

IN MEMORY OF WILLIAM PRICE MOORE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SKELTON. Mr. Speaker, a good friend and a highly respected citizen of Lafayette County, Mo., recently passed away. William P. Moore was a widely known farmer who was successful in his profession, a warm friend, and a devoted family man.

Billy Moore was an elder in the First Presbyterian Church of Higginsville, the first president of the Lafayette County Conservation Club, and the recipient of the Distinguished Service Award by the Soil and Water Conservation District. He is survived by his wife, two sons, and two daughters.

All who knew Billy Moore held him in high regard. He was truly an outstanding citizen of our State. He will be greatly missed.●

NO RISK IS THE HIGHEST RISK OF ALL

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. WYDLER. Mr. Speaker, the question of energy technology development has a very controversial aspect as various technology programs compete for the budget dollar. The most important aspects of the comparisons of these technologies are: First, status of technology development, second, economics relative to conventional technologies, and third, environmental acceptability. One of the most interesting points about the question of environmental acceptability is that to be valid comparisons must be made from the "cradle-to-the-grave," that is, societal risks must be assessed, for example, from mining of ore through disposal of waste for coal and nuclear. A most provocative study by a Canadian scientist concluded that such risk analyses indicate that natural gas is the most attractive fuel, followed by nuclear and that many solar systems are only slightly more benign than the dirtiest of fossil fuels, coal.

Recently, the American Scientist magazine carried an article on the overall question of risk "No Risk is the Highest of All" by Dr. Aaron Wildavsky who is presently with the National Science Foundation. Dr. Wildavsky's article emphasizes a most important point that there are no "riskless" options in technology development. I am including some excerpts from this fascinating article and hope my colleagues will read it so as to better understand the tradeoffs we must make on choosing priorities in technology development. I hope this 96th Congress can make more realistic assessments of the relative benefits of various options and not simply treat "soft" technologies as inherently good.

The excerpts follow:

[Excerpts From Article by Aaron Wildavsky]

NO RISK IS THE HIGHEST RISK OF ALL

ON REDUCING RISK

Risk cannot be reduced for everyone. The sheer supply of resources that have to be devoted to minimizing risk means that surpluses are less likely to be available for unforeseen shocks. What is spent to lessen risk cannot be used to increase productivity. Since there is a scheme of progressive taxation (and perhaps regressive tax avoidance), the costs are borne disproportionately by classes of people whose ability to meet other contingencies must be proportionately reduced. Rather than rely on a prior argument, however, it is desirable to distinguish various ways in which attempting to lower risks actually raises them or, alternatively, displaces them on to other objectives.

The trade-offs become apparent when different government agencies, each in charge of reducing a single risk, insist on opposing policies. In order to reduce accidents, for instance, the Occupational Health and Safety Administration ordered the meat industry to place guardrails between carcasses and the people who slaughtered them; but the Food and Drug Administration forbade guardrails because they carry disease to the workers. Risk management would be easy if all you had to do was reduce one risk without worrying about others.

THE POLITICS OF PREVENTION

Reducing risk for some people someplace requires increasing it for others elsewhere. For if risk is not in infinite supply, it also has to be allocated, and less for me may mean more for you. The distribution of risk, like the allocation of uncertainty, becomes an ordinary object of political contention. Insofar as the argument over risk is about power (who will bear the costs of change?), the observation that it occasions political passions is less surprising.

Most accidents occur at home and most industrial accidents are traceable to individual negligence. Yet remedies are sought in governmental regulations of industry, and the onus for adverse experience is increasingly placed on manufacturers, not on users of products. Indeed, product liability insurance has become such a major impediment to doing business, especially for small firms, that Congress is considering subsidizing the cost. The risks of carelessness in use and/or in manufacture are thus spread among the population of taxpayers.

ON MARKET SOCIALISM

When government seeks to anticipate a wide variety of risks or to mitigate those that do exist, less money is available for investment to create future jobs, or for expenditure to support existing jobs. To some extent, there is a substitution effect, as jobs devoted to production give way to jobs supporting safety. (Whatever happens, the price goes up because consumers pay for safety whether they want it or not.) These jobs, however, go to middle-class professionals and technicians, lawyers, inspectors, clerks, etc., who displace production workers.

REPRISE

Theodore Roosevelt was fond of dividing people into those who pointed with pride or viewed with alarm. On a priori basis, without understanding, there should at any time be ample reason to do both. What I want to know is why the most resourceful society of all times does so little pointing and so much viewing, for asking others to take over risks may be tantamount to inviting them to take away our freedom.●

COMMITTEE ON THE DISTRICT OF COLUMBIA RULES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. DELLUMS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the rules of the House, I submit the rules of the Committee on the District of Columbia,

as adopted by the committee at its organizational meeting, for printing in the RECORD.

The rules follow:

RULES GOVERNING PROCEDURES, COMMITTEE ON THE DISTRICT OF COLUMBIA

A. IN GENERAL

(1) The Rules of the House are the rules of this Committee and each subcommittee so far as applicable, except that a motion to recess from day to day is a motion of high privilege in the Committee and subcommittees.

(2) Each subcommittee is a part of this Committee, and is subject to the authority and direction of the Committee and to its rules so far as applicable. The rules of the Committee shall be the rules of its subcommittees.

(3) No major investigation by a subcommittee shall be initiated without approval of the Chairman of the Committee or the majority of the full Committee.

(4) Any Member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The Chairman may limit to 5 minutes the time of any such member, after giving due consideration to the importance of the subject matter and to the length of time available.

B. REGULAR MEETING DAYS

(1) The full committee will have its regular meetings on the first Monday in each calendar month at 10:00 A.M. When the House is in recess, the regular monthly meeting of the Committee may be dispensed with at the discretion of the Chairman upon notice of such action to all Members of the Committee.

(2) The Committee shall meet, for the consideration of any bill or resolution pending before the Committee or for the transaction of other committee business, on all regular meeting days fixed by the Committee.

(3) Subcommittee chairmen shall set meeting and hearing dates after consultation with the Chairman and other subcommittee chairman with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

C. ADDITIONAL AND SPECIAL MEETINGS

(1) The Chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, the special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the Committee shall notify all members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

D. RANKING MAJORITY MEMBER TO PRESIDE IN ABSENCE OF CHAIRMAN

If the Chairman of the Committee or subcommittee is not present at any meeting of the Committee or subcommittee, the ranking Member of the majority party on the Committee or subcommittee who is present shall preside at the meeting.

E. COMMITTEE RECORDS AND ROLLCALLS

(1) The Committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

A record vote in subcommittee may be had upon the request of any subcommittee member, and in full Committee upon the request of any Committee member.

(2) Records of hearings before the Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records.

(3) All Committee and subcommittee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the chairman of the Committee or a subcommittee; and such records shall be the property of the House and all Members of the House shall have access thereto.

F. PROXIES

A vote by any member in the Committee or in any subcommittee may be cast by proxy, but shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

G. OPEN MEETINGS AND HEARINGS

(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee or subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public; *provided, however*, that no person other than members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by (2) of this rule, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives; notwithstanding the requirements of the preceding sentence, or rule H. (2), a majority of those present, (but not less than two Members voting in the affirmative)

(1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or defame, degrade, or incriminate any person; or

(2) may vote to close the hearing if testimony or evidence to be received would defame, degrade, or incriminate any person;

provided, however, that the Committee or subcommittee may be the same procedure vote to close one subsequent day of hearing.

H. QUORUM

(1) The number of Members to constitute a quorum for the purpose of taking testimony and receiving evidence in full Committee or subcommittee is two.

(2) One-third of the Committee or a subcommittee shall constitute a quorum for other meetings, except that a majority of the Committee or subcommittee shall constitute a quorum for the purposes of reporting a bill and closing a meeting to the public.

I. CALLING AND INTERROGATING WITNESSES

(1) Whenever any hearing is conducted by the Committee or a subcommittee upon any measure or matter, the minority party Members on the Committee or subcommittee shall be entitled, upon request to the Chairman of the Committee or subcommittee by a majority of the minority party Members before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) The Committee and subcommittees shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each Member of the committee or subcommittee who so desires has had an opportunity to question each witness.

(3) Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose.

(4) All questions put to the witnesses before the Committee shall be pertinent to the bill or other subject matter before the Committee for consideration.

(5) Insofar as is practicable, each witness who is to appear must file with the Committee (in advance of his or her appearance) a written statement of the proposed testimony and limit the oral presentation at such appearance to a brief summary of his or her argument.

J. INVESTIGATIVE HEARING PROCEDURES

(1) The Chairman of the Committee or subcommittee at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the Committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman of the Committee or subcommittee may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the full Committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person;

(B) the Committee or subcommittee shall proceed to receive such testimony in open session only if a majority of the members of the Committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the Committee shall:

(A) afford such person an opportunity voluntarily to appear as a witness; and

(B) receive and dispose of requests from person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the Committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee.

(8) In the discretion of the Committee or subcommittee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee or subcommittee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee.

K. REPORTING BILLS AND RESOLUTIONS

(1) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) Any Member at the meeting of the full Committee or any Member of the subcommittee involved may make a point of order that a quorum is not present.

(3)(a) Each Committee report shall include in its text a statement of the reported legislation's intent or purpose, need, the results of motions to report, a five-year cost estimate, oversight statement, inflationary impact statement, any statement required by sections 308(a) and 403 of the Budget and Impoundment Control Act of 1974, Administration or Departmental position (if any), and changes in existing law, in addition to such other provisons as the Chairman deems necessary.

(b) If, at the time of approval of any measure or matter by the Committee, any Member of the Committee gives notice of intention to file supplemental, minority or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

1. shall include all supplemental, minority, and additional views which have been submitted by the time of the filing of the report, and

2. shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted pursuant to the requirements of sections 308(a) and 403 of the Budget and Impoundment Control Act of 1974) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

L. POWER TO SIT AND ACT; SUBPOENA POWER

(1) For the purpose of carrying out any of its functions and duties under these rules, the Committee, or any subcommittee thereof, is authorized—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) subject to (2)(A) of this rule, to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or any member designated by the Chairman, may administer oaths to any witness.

(2) (A) A subpoena may be issued by the Committee or subcommittee under (1)(B) of this rule in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present, and authorized subpoenas shall be signed by the Chairman of the full Committee or by any Member designated by the Committee.

(B) Compliance with any subpoena issued by a Committee or subcommittee under (1)(B) of this rule may be enforced only as authorized or directed by the House.

M. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

Whenever any hearing or meeting conducted by the Committee or any subcommittee is open to the public, the Committee or subcommittee may permit, by majority vote of the Committee or subcommittee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in position which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13 Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

N. COMMITTEE STAFFS

1. Subcommittee staffs: From the funds provided for the appointment of Committee Staff pursuant to primary and additional expense resolutions of the House:

(1) The Chairman of each standing subcommittee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority party Member of each standing subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in 2(c) of this rule or (B) the rate paid the staff member appointed pursuant to 1(1) of this rule.

(4) No Member shall appoint more than one person pursuant to 1(1) and 1(2) of this rule.

(5) The staff positions made available to the subcommittee Chairman and ranking minority party Members pursuant to 1(1) and 1(2) of this rule shall be made available from the staff positions provided under clause 6 of Rule XI of the House unless staff positions are made available pursuant to a primary or additional expense resolution.

2. Committee staffs:

(a) (1) Subject to subparagraph 2(a) (2) of this rule and paragraph 2(d) of this rule, the Committee may appoint, by majority vote of the Committee, not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the Chairman and the ranking minority party Member of such Committee, as the Committee considers advisable.

(2) Subject to 2(d) of this rule, wherever a majority of the minority party Members of the Committee so request, not more than six persons may be selected, by majority vote of the minority party Members, for appointment by the Committee as professional staff members from among the number authorized by 2(a) (1) of this rule. The Committee shall appoint any persons so selected whose character and qualifications are acceptable to a majority of the committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the minority party Members may select other persons for appointment by the Committee to the professional staff until such appointment is made. Each professional staff member appointed under this paragraph shall be assigned to such committee business as the minority party Members of the Committee consider advisable.

(3) The professional staff members of the Committee—

(A) shall be appointed on a permanent basis, without regard to race, creed, sex, or age, and solely on the basis of fitness to perform the duties of their respective positions;

(B) shall not engage in any work other than committee business; and

(C) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of the Committee may be terminated by majority vote of the Committee.

(b) (1) The clerical staff of the full Committee shall consist of not more than twelve clerks, to be attached to the office of the Chairman, to the ranking minority party Member, and to the professional staff, as the Committee considers advisable. Subject to 2(b) (2) and 2(d) of this rule, the clerical staff shall be appointed by majority vote of the Committee, without regard to race, creed, sex, or age. Except as provided by 2(b) (2) of this rule, the clerical staff shall handle committee correspondence and stenographic work both for the Committee staff and for the Chairman and the ranking minority party Member on matters related to committee work.

(2) Subject to 2(d) of this rule, whenever a majority of the minority party Members of the Committee so request, four persons may be selected, by majority vote of the minority party Members, for appointment by the Committee to positions on the clerical staff from among the number of clerks authorized by 2(b) (1) of this rule. The Committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the minority party members may select other persons for appointment by the Committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenographic work for the minority party Members of the Committee and for any members of the professional staff appointed under 2(a) (2) of this rule on matters related to committee work.

(3) Services of the clerical staff members of the full Committee may be terminated by majority vote of the Committee.

(c) Each employee on the professional staff, and each employee on the clerical staff, of the Committee, is entitled to pay at a single per annum gross rate, to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code, except that 2 professional staff members of the Committee shall be entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level IV of the Executive Schedule, section 5315 of Title 5, United States Code.

(d) If a request for the appointment of a minority professional staff member under paragraph (a), or a minority clerical staff member under paragraph (b), is made when no vacancy exists to which that appointment may be made, the Committee nevertheless shall appoint, under paragraph (a) or paragraph (b), as applicable, the person selected by the minority and acceptable to the Committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the Committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of head of the professional staff, by whatever title designated) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party Members shall designate which of those persons shall fill that vacancy.

(e) Each staff member appointed pursuant to a request by minority party Members under paragraph (a) or (b), and each staff member appointed to assist minority party Members of a Committee pursuant to an expense resolution, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibility to him or her of committee records.

(f) Paragraphs (a) and (b) shall not be construed to authorize the appointment of additional professional or clerical staff members of the Committee pursuant to a request under either of such paragraphs by the minority party Members of that committee if six or more professional staff members or four or more clerical staff members provided for in paragraph (a) (1) or paragraph (b) (1) as the case may be, who are satisfactory to a majority of the minority party Members, are otherwise assigned to assist the minority party Members.

(g) Notwithstanding paragraphs (a) (2) and (b) (2), the Committee may employ nonpartisan staff, in lieu of or in addition to committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the Members of the minority party.

3. Members seeking assistance from the staff shall make their requests through the Chairman or the ranking minority Member.

O. REFERRAL OF BILLS, RESOLUTIONS, AND OTHER MATTERS TO SUBCOMMITTEE

(1) All the legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority Members of the full Committee, consideration is to be by the full Committee. If a concurrent resolution of disapproval of a Council Act is introduced in the House during the first 15 legislative days of layover, the resolution shall be referred to the subcommittee of appropriate jurisdiction. If the concurrent resolution is introduced during the last 15 days of congressional layover, the matter shall be kept at the full Committee level with such comments from the subcommittee as they may wish to give.

(2) The Chairman may refer a matter simultaneously to two or more subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee.

(3) Should a subcommittee fail to report back to the full Committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and report that fact to the full Committee for further disposition. In order to permit the full Committee to take timely action on special resolutions, a subcommittee should complete action on a concurrent resolution of approval of a charter amendment under section 303(b) of the Home Rule Act not later than 15 calendar days before the expiration of the 35 day period named in the Home Rule Act. The subcommittee should complete action within 12 calendar days of the introduction of a simple resolution of disapproval of a Council Act relating to titles 22, 23 or 24 of the District of Columbia Code under subsection (c)(2) of section 602 of the Home Rule Act.

P. SUBCOMMITTEES

(1) There shall be the following standing subcommittees:

Fiscal Affairs and Health.
Government Affairs and Budget.
Judiciary, Manpower and Education.
Metropolitan Affairs.

(2) Additional legislative subcommittees may be established by a majority of those voting, a quorum being present, of the full Committee.

(3) Each Member shall be given an equal number of subcommittee assignments insofar as practicable.

(4) Bills shall be assigned to subcommittees in accordance with the subject matter of the subcommittees.

(5) The Chairman of the full Committee shall be an *ex officio* Member of all subcommittees and special subcommittees with the right to vote thereon.

(6) Any Member of the full Committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and to participate but shall not have authority to vote on any matters before the subcommittee unless he is a Member of such subcommittee.

(7) The majority Members of the Committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee and shall authorize a Member or members to negotiate that ratio with the Minority.

Q. GENERAL OVERSIGHT RESPONSIBILITIES

The Committee and each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee or the subcommittee, respectively, and the organization and operation of the Federal and District agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Committee and each subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee or subcommittee, respectively (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis

undertake future research and forecasting on matters within the jurisdiction of the Committee or subcommittee, respectively. Each subcommittee is required to conduct oversight in the area of their respective jurisdiction, to assist in carrying out the full Committee's responsibilities under Rule X2, of the House of Representatives. The establishment of an oversight subcommittee shall in no way limit the responsibility of the subcommittees with legislative jurisdiciton from carrying out their oversight responsibilities.

R. ADDITIONAL FUNCTIONS

(1) The Committee and each subcommittee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph, a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House of Representatives.

(2) The Committee and each subcommittee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

S. POINTS OF ORDER

No point of order, other than a point of order that a quorum is not present, against the hearings of business procedures of the Committee shall be sustained unless it is made in a timely fashion (1) at the commencement of the hearing on meeting, or (2) at the time such point of order first occurs. Any point of order not raised in a timely manner in subcommittee shall not be sustained in full Committee.

T. NOTICE OF MEETINGS AND AGENDA

(1) The Committee and each subcommittee shall make public announcement of the date, place and subject matter of any Committee hearing at least one week before the commencement of the hearing. If the Committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible day. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

(2) The agenda for all Committee meetings, setting out all items of business to be considered, including a copy of any bill or a summary of any bill and of any subcommittee amendments, shall be furnished each Committee Member by delivery to his office at least two full calendar days (excluding Saturday, Sunday and Legal Holidays) before the meeting. This requirement may be waived by a two-thirds vote, a quorum being present, of the Committee.

(3) No bill or other matter shall be brought up for hearing or other consideration except with the approval of the Chairman or by a majority of those voting, a quorum being present; *provided, that* any Member (other than the Chairman) making the motion for consideration under this rule has given 2 days' notice in writing to all Members of the Committee.

U. AMENDING COMMITTEE RULES

The Committee rules may not be amended unless the Member proposing the amendments gives two days' notice (excluding Saturday, Sunday and Legal Holidays) in writing of the text of the proposed changes to all Members.

V. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee.●

WHY WE NEED SPIES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. WYDLER. Mr. Speaker, nothing has been more evident in the events of the last few months as the lack of adequate intelligence information available to our country in events taking place around the world. Information is strength and adequate intelligence is vital to getting such information.

The actions by our country in undermining its own intelligence establishments has been a sorry sight and an activity which amounts to unilateral disarmament. The business of spying is, of course, basically unlawful and unpleasant and yet is vital in a modern world. We are now reaping the harvest of our past excesses in trying to establish a pleasant intelligence service.

The fact is, of course, that we are only hurting ourselves and our country. Nothing could make this clearer than the article written by our former colleague, Melvin R. Laird, who has served in many key positions in our Government. I think it should be read carefully by all of the present Members of the House.

WHY WE NEED SPIES

(By Melvin R. Laird)

Last November President Carter sent an extraordinary handwritten note to his National Security Adviser, to the Director of Central Intelligence and to the Secretary of State. The President expressed extreme dissatisfaction with the quality of information being provided from abroad by American intelligence. He especially was dismayed because he had been grosaly misinformed about the magnitude and significance of internal strife in Iran, whose stability and friendship are essential to the West. As a consequence, we unwittingly pursued policies that worsened the problems there.

Unless there is a swift reversal of present policies, the President can only expect more—and worse—intelligence failures. For, both our principal espionage service (the Central Intelligence Agency) and our primary counterintelligence service (the Federal Bureau of Investigation) have been shattered.

Since 1974 the CIA has been the target of prolonged, sometimes blunderbuss investigations by two Congressional committees and a Presidential commission. While uncovering comparatively few illegalities or "abuses," these investigations provided forums for lurid and wildly false allegations against our intelligence community. Congress and the Administration then overreacted by subjecting the CIA and FBI to severely restrictive legislation and enfeebling edicts. Surveying the wreckage former Secretary of State Henry Kissinger declared: "We have seriously damaged our entire intelligence capability, and I don't believe that what was discovered in the investigation warranted the wanton assault which took place."

Obsolete Resource? Thus besieged, the CIA has also been demoralized by its own leadership policies. A good part of our foreign intelligence-gathering is centered in the clandestine service of the CIA. These men and women are the managers, the case officers, who spot, recruit, direct and communicate with the foreigners around the world who, usually out of idealistic motives, are willing to spy for the United States. Between 1971 and 1976 the number of employes in the clandestine services was reduced by half—perhaps justifiably as part of a general retrenchment after the Vietnam war.

But now, in a misguided attempt to "streamline" and eliminate what CIA Director Stansfield Turner refers to as "excess wood," another 820 people—roughly 20 percent of the remaining force—are being fired. The result, as New York Times columnist William Safire noted, has been "the destruction of the clandestine service; the worst leaks of national secrets in a generation; the replacement of independent analysis by the rubber stamps of fawning yes men; and a series of misjudgments in foreign policy."

Many of the attacks against U.S. intelligence suggest that espionage and the secrecy that must surround it are alien to American traditions. History demonstrates just the opposite—beginning with George Washington who admonished his generals in 1776 "to leave no stone unturned" in collecting intelligence. Presidents Truman, Eisenhower, Kennedy, and Johnson all realized that the successful conduct of government and avoidance of war could depend upon possession of knowledge hidden within the totalitarian societies arrayed against us.

The need is even more acute today. International finance, energy supplies, nuclear proliferation — all levy new demands for knowledge. Warfare or other convulsions in unstable regions of the world can choke our economy by cutting off access to resources upon which we depend. Fanatical bands of terrorists multiply, menacing society's intricate functioning. Meanwhile, the Soviet Union, spending far more on arms than we do, grows ever more powerful.

But, people ask, hasn't modern technology made spies obsolete? Can't we collect all the intelligence we require—much more reliably and efficiently—through satellite reconnaissance and electronic monitoring? The answer is no. Rep. Samuel S. Stratton (D., N.Y.), chairman of the House Armed Forces Investigations Subcommittee, explains why: "Spies in the sky can indeed perform wonders. But there is no technological substitute for the man—or woman—on the spot. Revolutions and terrorist attacks are not customarily developed by machines. In deliberately cutting our intelligence system off from coffee houses, bars and other non-technical places where indications of intentions—as distinguished from capabilities—are most apt to be picked up, we have left ourselves, as in the case of Iran, wide open to being blindsided."

Lead Time. Just how indispensable spies remain can be illustrated in a heretofore-untold spy story. In 1959 an American spy in the Soviet government slipped us a secret manual showing exactly how the Russians installed one of their missile systems. In June 1962 another U.S. spy spotted Soviet missiles being trucked away from Havana harbor. Subsequent sightings by other agents in Cuba compelled resumption of U-2 reconnaissance flights, which proved the Russians were indeed deploying missiles that could have annihilated most U.S. cities. The pressures upon President Kennedy to blow up the missile sites immediately were intense, and might have been irresistible had not the CIA possessed the manual supplied by the Moscow spy three years before.

It turned out that the missiles were being installed precisely according to the manual. By studying site photographs, CIA analysts determined that the missiles were not yet quite ready to fire.

Meanwhile, our agent in Moscow sent another critical report, on long-range missiles

in the Soviet Union. He explained, accurately, that the Russians had not yet perfected an adequate guidance system for their ICBMs as they had for their shorter-range missiles being emplaced in Cuba. All this information enabled President Kennedy to postpone military action long enough to negotiate firmly with the Russians—and force the Kremlin to withdraw the threat from Cuba.

Consider the 1975 incident when two refugees claimed to have seen in the Soviet Union grain silos being built strongly enough to withstand a nearby nuclear blast. It seemed incomprehensible. Why would the Russians go to the extreme expense of bombproofing storage facilities for ordinary grain? Redirecting our reconnaissance, we began to search for such fortified silos. And photo analysts soon spotted them in numerous parts of the Soviet Union—installations previously ignored as of no significance. Then we realized what the silos meant. The Russians were deadly earnest about their nationwide civil-defense program. They were caching, at enormous cost, food for the survivors of nuclear war.

The refugees were not our agents while in the Soviet Union. But the point is the same: human sources can supply vital data that technical sources miss.

Last year, when the Russian-directed, Cuban-led Ethiopian army drove Somali forces from the disputed Ogaden, there were fears that the communists would go on to invade Somalia itself. The prospect was chilling. Having gained control of Ethiopia and South Yemen, the communists, by also seizing strategically located Somalia, could further threaten Saudi Arabia and the flow of oil that is the lifeblood of the industrial democracies. Should the United States respond to such a threat?

Fortunately, in this instance we had an utterly reliable spy in the right place. I am not at liberty to say whether his nationality was Cuban, Ethiopian or Russian. But he accurately informed us that, despite appearances, the Ethiopians would not attack Somalia. The United States thus was spared the hard decision of whether or not to initiate drastic action to save that country.

Once a nation takes military action, aerial photographs and data from sensors and other intercept devices can pretty much tell us what is happening. But by then it may be too late to stop the action except by armed force. Thus we need to know *in advance* what course others intend to pursue. Only human agents can give us this kind of forewarning.

Ultimate Weapon. It is impossible to defend every government official, every utility plant, every mile of transit systems, against stealthy anonymous terrorists who strike at times and locales of their choosing. Only through spies within terrorist groups can we learn of their plans in time to thwart them.

Because of CIA and FBI infiltration of terrorist organizations, we have aborted assassination plots against American leaders, against foreign chiefs of state visting the United States, and against a number of our ambassadors abroad. We have disrupted sophisticated schemes to blow up government buildings in Washington and kill employes working in them. We have averted the shooting down of airliners, the abduction of public officials and seizure of their families as hostages.

Yet, because it is impossible to penetrate every gang, terrorism continues and multiplies in Europe and the Western Hemisphere. Although organized terrorism in this country is still in embryonic stages, in the past four years terrorist bombs have killed 17 people and injured 136 in New York City alone. A single Puerto Rican terrorist group, the FALN, has perpetrated 58 bombings in New York, Washington and Chicago. The Pacific Gas and Electric Co., principal supplier of energy to California, has been the target of 75 bombings and sabotage attempts. In the country as a whole, 324 terrorist bombings have occurred within the last six years.

Our intelligence unmistakably reveals that foreign and domestic terrorist groups are coalescing into a loose, coöperative federation to intensify assaults upon Americans and U.S. installations, here and abroad. To defeat them, we must have spies in their midst.

Finally, we must have spies to protect ourselves against hostile spies. The Soviet Union, its East European satellites and Cuba have mounted a clandestine campaign unprecedented in peacetime history. Its aim: to enlist spies who will betray our most vital secrets and to suborn Americans who can influence public opinion and national policies. In five years, the Soviet bloc has doubled the number of its professional intelligence officers stationed in the United States—to more than 900.

The most efficient means of combating this onslaught is to insinuate our own agents into the hostile intelligence services. Our most significant successes in countering espionage and subversion have been achieved in this way.

In the early 1960s, for example, a series of spectacular espionage cases rocked the West. The assistant chief of the counterespionage division of West German intelligence, Heins Felfe, was discovered to be a Soviet agent placing other spies in critical positions throughout West German society. British intelligence officer George Blake also was unmasked as a Kremlin agent. Other Soviet spies were uncovered in Anglo-American laboratories engaged in sensitive anti-submarine research.

All of these disclosures resulted from the work of one spy, Michal Goleniewski, and a few Americans with the capacity and courage to maintain contact with him. A colonel in Polish intelligence, Goleniewski was recruited by the Soviets to spy on his own countrymen. He ostensibly served the Russians so ably that they trusted him with details of some of their most important operations in the West. All these details Goleniewski shared with his U.S. case officers, who had earned his ultimate loyalty. Thus, one American spy nullified momentous successes of the whole Soviet intelligence apparatus.

Looser Limits. I am convinced that the Administration must halt the ongoing purge of honorable CIA employes. And it must restore their *esprit de corps* by making clear that it regards them as patriotic servants and will back them up in their missions. Congress, which now consumes an enormous share of the energies of the CIA by requiring it to answer to eight committees, should consolidate its oversight efforts. And it should concentrate its scrutiny less upon mistakes made 10 to 20 years ago, more upon what must be done now to protect the nation in the future.

The plight of the FBI is equally deplorable. In 1972 it investigated 17,600 domestic-security cases involving suspected espionage, subversion and terrorism. Last year, because of restrictive legislation and Justice Department guidelines, it investigated fewer than 200! In 1975 the FBI maintained contact with some 1,100 informants cooperating in national-security investigations. Last year it had only 42 informants left! Indeed, communist intelligence officers stationed in the United States now outnumber FBI counter-intelligence personnel by a wide margin. Last year the FBI asked Congress to authorize a modest personnel increase so it could assign more people to counter-intelligence. Congress said no. Instead, it is drafting a charter setting forth guidelines covering all FBI activities.

Among legislators who are deeply troubled by such actions is Sen. Patrick Moynihan (D., N.Y.), a member of the Senate Select Intelligence Committee. "As a liberal," he declares, "I tell you the day will come when we will look back and ask, 'For what purposes did the men of this political generation make it impossible to resist Soviet espionage in this country, and why did they do it?' And we will have a lot to explain."

Spies, today as in the days of George Washington, constitute a weapon. As with all weapons, prudent precautions should be taken to ensure that this one is not misaimed or misused. But intelligence-gathering is a weapon we cannot afford to sheath. If we do, we will increase the chances that some day, because of ignorance, we will have to resort to much more terrible weapons in conflicts that knowledge might have prevented.●

IMPORTS DERAIL DOMESTIC WHEELMAKERS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1979

● Mr. GAYDOS. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of another domestic industry which finds itself "between a rock and a hard place" because of the inadequate trade policies of our Government and the predatory ones practiced by foreign competitors. I refer to the domestic production of railroad wheels.

Indications are there will be a substantial increase in demand for this type of wheel in the next few years. It is anticipated the domestic annual market for railroad wheels will increase 25 percent, to 2 million units, by 1985. However, unless steps are taken now to assist our producers, it is conceivable foreign manufacturers will enjoy the benefits of the boom.

The predicament of U.S. wheelmakers was outlined for me by Mr. John E. Fogarty, president of Standard Steel in Burnham, Pa., a firm which supplies 17 percent of the railroad wheels in America.

I will insert the main text of Mr. Fogarty's letter at the close of my remarks, but, for emphasis, I would like to single out a few points for consideration at this time.

First, Mr. Fogarty writes that all imported railroad parts—except wheels—are subject to a 9-percent U.S. duty. There used to be a duty on wheels, he adds, but "it was apparently bargained away during the Kennedy Round for some unknown reason."

In other words, railroad wheels come into the country duty free, while other nations, Canada for instance, impose a 17-percent tariff on imported wheels of this type.

Second, imported railroad wheels are not included under the "trigger price mechanisms" designed by the administration to guard domestic industry against an adverse impact of foreign steel imports. Again, as Mr. Fogerty notes, such wheels were included in the original TPM program approved by the administration in December 1977, but were not on the official list compiled by the Treasury Department.

It is said this omission is, or may be, related to the fact the trigger price is based on Japanese costs and Japan would not provide the cost data, because only one company there makes the wheels and that firm considers the information proprietary.

Mr. Fogarty also cites two other points I believe are noteworthy. His firm recently sought to determine what opportunities existed to sell wheels in Japan. The company was informed "in Japan all railroad wheels are Japanese wheels." Also, a French firm, heavily supported by the French Government, lost $80 million last year but has announced it will expand its wheelmaking capacity to take advantage of the duty-free American market.

This same French firm, it is reported, also is considering adding an axle line to its facilities. Why? Because under a quirk of our trade laws, imported axles are subject to a 9 percent duty. But the assembly of wheels and axles are duty free.

Mr. Speaker, the specter is raised that unless our Government acts to defend the domestic wheelmakers it may come about that a U.S. firm will find it more advantageous to build a plant abroad. Why not? It could ship its wheels here duty free. It could receive protection from a foreign government against U.S. exports to that country. It could also produce at lower cost, because of the decline of the dollar on international markets.

One recommendation proposed by Mr. Fogarty would be the inclusion of railroad wheels under the same 9-percent tariff imposed on other imported railroad parts. Another is a tightening of this Nation's trade legislation.

I believe Congress should give serious attention to the concerns of the railroad wheel producers. Over the years we have seen what inaction can do. We have watched the dominoes fall in steel, textile, electronics, leather, and mushrooms. Will Congress sit by again?

I, for one, intend to pursue this issue. I do not intend to sit by quietly and watch as another domestic industry is derailed by foreign imports.

The letter follows:

JANUARY 29, 1979.

Thank you for your letter of January 22 requesting information on the business constraints that I perceive from the lack of tariff protection on railroad wheels.

As background, let me state that Standard Steel provides 17 percent (200,000) of the railroad wheels used in the United States. We are therefore concerned about the dramatic increase in foreign railroad wheel imports—upon which absolutely no tariff protection is imposed by our government. Ironically, the "trigger pricing" restrictions recently imposed on raw steel imports are tending to entice foreign producers to export more finished steel products such as railroad wheels to the United States. In this regard, they must view the total lack of U.S. tariff protection on railroad wheels as a most enticing "hole in our dike" because last year they have increased their rate of railroad wheel deliveries in the United States from 13% during 1977 to 20% during the first six months of 1978. A total of 14.4 percent of these imports came from Canada, though a 17% Canadian duty prevents our participation in that market. Thirty-one percent came from Japan. Yet, when one of our sales executives recently visited the New York office of the Japanese National Railway to determine what sales opportunities may exist for us in Japan, we were politely advised that "in Japan, all railroad wheels are Japanese wheels". To complicate matters further, although 53% of these imports came from France, a major "government-supported" French company that lost $80 million last year announced that they are expanding their wheel-producing capacity with the express intention of even further penetrating our "duty-free" market.

Ironically, though there is a 9% duty on railroad axles (as a result of which imports are small), assemblies of wheels and axles are duty-free too. That same French company is now considering installing an axle line and exporting assemblies to the United States to avoid the need to pay the axle duty.

Interestingly, all railroad parts except wheels carry a 9% duty. There used to be a duty on wheels but it was apparently bargained away during the "Kennedy round" for some unknown reason.

To counter such unfair competition, we've been forced to try to balance general inflationary cost increases of 40% since 1974 with a net wheel-price increase of only 13%. We obviously cannot continue such policies indefinitely.

These factors place us in a relatively defenseless position: one we cannot cope with ourselves, one we need government help with, help in the form of equitable tariff protection, or "trigger-pricing" support for our products. Ironically, the "trigger-pricing" program that was approved by President Carter on December 6, 1977, included "trigger-pricing" protection for railroad wheels, but our Treasury Department did not include them on their official trigger-pricing list. We understand that this related to the fact that whereas the trigger list is based on Japanese costs, the Japanese would not provide wheel costs because only one company in Japan makes them and they considered the information proprietary. Apparently Treasury feels they'd be opening a Pandora-Box if they departed from the "Japanese-cost" criteria.

Whereas some action here would be helpful, many seem to be wondering if trigger-prices are in-fact here-to-stay. One Commerce official recommended that all of our eggs shouldn't be in-that-basket.

What we need is for railroad-wheels to be put into the same 9% tariff-basket as all other imported railroad parts. In this regard, everyone we consult seems to recognize that adding a tariff is totally against-the-grain of current Administration policy, and therefore, it has little chance of realization no matter how sound the supporting logic may be. Some say "Forget it. It's out of the question.".

One of two generally accepted positive approaches seems to involve "anti-dumping" action. As you know this is a long, tedious, politically unpopular action that is also very time-consuming and costly. A sound case against Creuse-Loire (the above French company) has been prepared by one of our competitors (who also makes about 200,000 wheels annually). We are considering supporting or joining with them in their intended anti-dumping action. A possible collective "wheel-producer" and USW supporting action is being considered but may not be feasible.

The second supplementary approach being generally suggested involves full support via perhaps some Washington law firm and/or manufacturing-association lobbying-action for stronger, quicker, more effective, and less costly anti-dumping legislation. I must admit we sometimes have a hard time finding time to run our business these days.

As I mentioned in an earlier letter, our manufacturing projections strongly suggest that as a result of a gradual shift to coal-generation by new electric-power generating plants; coupled with an extra-ordinary increase in railroad-car purchases to replace smaller cars, that the annual market for railroad-wheels will increase by 25% to 2,000,000 units by 1985. However, total U.S. manufacturing-capacity (including the output from a possible new Abex plant) may only range about 1,600,000 wheels by that time; creating an annual shortfall of 400,000 wheels.

Without tariff protection from predatory foreign-dumping of railroad wheels, it is unlikely that U.S. companies will invest in the new plant and equipment required to accommodate the 400,000 wheel gap.

The foreigners protect their markets with trade barriers. If our government continues to refuse to protect ours, American labor won't be used to produce the new 400,000 wheel requirement of the U.S. market either.

I say this because if we were sure that our government wouldn't act to protect our industry from inequitable competition, some U.S. company may well decide to accommodate the increasing U.S. need for railroad wheels by building a plant in Canada. Why not? No duty to the U.S. Lower labor-rates on account of the .80/.90 cent Canadian dollar value which is unlikely to get-well-soon, and, protection in Canada from foreign competition.

Candidly, American business in this case seems to be being enticed to build in some other country. We'd much rather be enticed to build—without government aid—in the United States.

Somewhere along the line, our country must act logically on its behalf and cast aside those who say "We want to help but can't. Our hands are tied. Forget it, there's nothing that can be done."●

TRIBUTE TO WILLIAM BOND INGRAM

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. FORD of Tennessee. Mr. Speaker, there is nothing more certain in all the world than the fact that our lives are brief and transient. Given the short period we are here it is most important that we make a contribution to our fellow man and to our society. Unfortunately, some of us are not able to leave our mark in history. Today, I rise to pay tribute to an outstanding citizen of the Eighth District of Tennessee, who indeed left his distinct impression on the great city of Memphis.

William Bond Ingram was an unselfish public servant who gave tirelessly of his time and energies for the common good. The many lives he touched; the many services he rendered, the many deeds he accomplished and the many hopes he gave all represent his contact and aid to the common man.

He served as an attorney for Memphis Light, Gas, and Water Division, as an assistant county divorce proctor and as a city traffic court judge before being elected to one term as mayor in 1963. A courageous. hard-working fighter for the average citizen, he was one of the few people who have ever been able to pull together all the different sectors of the community.

Although he served a most controversial term as mayor, William Ingram never ceased in his efforts to institute the very best administration for the city of Memphis. He made a substantial and positive contribution to the community. His willingness to deal with any issue regardless of the opposition, accorded him the respect of his enemies as well as friends. His concepts, goals, and aims for the city lead many people to say he was before his time.

He was born in Hollandale, Miss., grew up in Brownsville, Tenn., and came to Memphis in 1940. A fighter pilot in World War II and a prisoner of war for 13 months after his plane was shot down over Belgium in April 1944, this distinguished him as, not only a local figure, but a national hero.

His career and reputation as a defender of the rights of the average citizen began with his appointment as a city traffic judge in 1957. During his time on the bench he often sided with the defendants if police could not produce sufficient evidence. Confronted by police for his position, Ingram unwaveringly replied, "If police are supposed to win every case, there's no need for judges."

His last contribution to his fellow citizens was as a delegate to the 1977 Constitutional Convention, where he attempted to allow the consolidation of city and county governments, to be put before the voters of the county, but he failed in this effort.

A champion of the people, William Ingram devoted his lifetime to his Nation, State, and community. He will be long remembered and admired as a crusader for equal justice for all.

His kind is rare these days—he will be sincerely missed by his family, friends, and city.

A most appropriate closing for this tribute is a quote from a Jewish prayer—

The departed who we remember have entered into the peace of life eternal; but he still lives on earth in the acts of goodness he performed.●

NATIONAL CONFERENCE OF CHRISTIANS AND JEWS HONORS GEORGE GREENBERG

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. WYDLER. Mr. Speaker, on Wednesday, January 31, George Greenberg, who is a valued friend of mine from Hewlett, N.Y., was honored by the Queens branch of the National Conference of Christians and Jews for his many years of devoted work and generous contributions to worthwhile causes espoused by all religions.

George Greenberg is certainly deserving of this honor and I congratulate the Queens branch of the National Conference of Christians and Jews on their recognition of this outstanding and dedicated man.

On this occasion, the invocation was delivered by Rabbi Morris Pichols, also of Hewlett. In his invocation, Rabbi Pichols speaks of the challenge which confronts men and women of all faiths, the world over. I would like to share this invocation with my colleagues by inserting it in the RECORD at this point:

Father in Heaven:

As we open this meeting of the National Conference of Christians and Jews this evening we invoke thy blessings upon all of us here assembled. We are mindful of the fact that, though Thou has created us with diversity in physical appearance and in mental abilities, we are fundamentally all Thy children, descendants of one man; united in our determination to combat bigotry and prejudice in our great country and to champion human rights throughout the world.

The more we view the cataclysmic events occurring with increasing frequency in many nations of the world, the more we are committed to the principles of this Conference which embody our nation's faith in cultural pluralism and the sacred rights of our individual liberties. Using these great moral and spiritual qualities that we possess, we must—all of us—regardless of our religious beliefs and color of our skin continue to build bridges of understanding and combat prejudice and bigotry that may weaken the foundation of our pluralistic society.

As we pay tribute to three great men of different religious beliefs here this evening, we are mindful not only of their accomplishments in the world of business but in their personification of the noble ideals of the Conference of Christians and Jews. They represent American pluralism at its quintessential greatness. Grant them and their families, we pray Thee, good health so that they may continue their work for all noble causes.

Tonight is the 32nd Annual Dinner. 32 in Hebrew spells out the word לב which means heart. May God imbue us with a good heart to love all our fellow men. Amen.●

THE NATIONAL OCEAN POLLUTION RESEARCH AND DEVELOPMENT AND MONITORING PLANNING ACT OF 1978

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I have introduced a bill to extend the authorization of Public Law 95-273. Known as the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978, this legislation was considered jointly by the Merchant Marine and Fisheries Committee and the Committee on Science and Technology and signed into law by the President in May 1978.

The purpose of the legislation was to insure that the Federal ocean pollution research and monitoring effort is coordinated and that duplication of such effort among Federal programs relating to pollution research is minimized. Additionally, the bill provided for limited Federal funding for such research to be allocated to activities addressing the most urgent ocean pollution problems. An interagency Committee on Ocean Pollution Research and Development and Monitoring (COPRDM) was formed to carry out these functions and to develop a Federal plan. The 5-year Federal plan for ocean pollution research was originally scheduled to be completed by February 15, 1979. However, because it is a most difficult task to inventory the diverse ocean pollution research, development and monitoring projects underway in the Federal Government, the President's science adviser, Dr. Frank Press, has requested an extension of the deadline to May 15.

The bill which I introduced today would simply extend the authorization for fiscal year 1980 at a level of $5 million. This is the same authorization figure which was in the bill when originally passed in the last Congress. The program appears to be working and the legislation is simply a vehicle for conducting hearings in our committee and in the Science and Technology Committee and I urge favorable consideration when the authorization bill reaches the floor.

It was the intent of our committee that Public Law 95-273 would achieve an effective and coordinated ocean pollution research effort within the Federal Government. We intended that it would unify and create high-level policy directives for the entire governmental ocean pollution research effort and would foster cooperation among agencies, particularly with respect to the dissemination of information concerning the results, findings, and subject matter of continuing ocean pollution research.

There is every indication that these efforts are being achieved although the process is somewhat slower than first anticipated. This program deserves an extension of authorization. The oversight responsibilities of our committees will make certain that the work of the interagency Committee on Ocean Pollution Research continues to accomplish the goals for which it was established.●

MASON M. WARREN—A LEADER IN THE LABOR MOVEMENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ANDERSON of California. Mr. Speaker, the labor movement in this country has its pockets of strength. There are some areas in this Nation where a vast majority of the workers enjoy representation by labor unions. In other places, there exists a great resistance to any form of organizing on behalf of workers. The Southwest is generally such an area. It is the stronghold of the right to work sentiment. But it is this place that has given the Laborer's International Union of North America one of its most effective and able leaders, Seventh Vice President Mason M. Warren. This man's work on behalf of union workers will be recognized soon by the establishment of the Max Warren Research Fellowship at the City of Hope National Medical Center. Today, I would like to share with you his career history to illustrate why he is so deserving of this salute.

Mason Warren, known as "Max" to his friends, is a native of Sulphur Rock, Ark. He grew up there, then moved to Arizona where he became involved in union activities by joining the Laborers' Local 383. This was the beginning of his long participation in the labor movement throughout the Southwest.

As a member of Local 383 he held various positions, including business manager and secretary-treasurer. In addition, he went on special assignment for the Laborers' International Union in 1960. Before this, he also served in 1947 as the recording secretary of Teamsters Local 898.

In Phoenix, Max was active in the Central Labor Council and Building Trades Council. He developed a film that explained the benefits and workings of union representation. His involvement with these groups aided the local effort to inoculate children against polio. This became the only way to make mass immunization successful since visits to family doctors could not handle great numbers of children. Another notable community contribution was his co-chairmanship of the first-ever United Fund Drive, an event that continues to this day.

In 1966, Max received a major promotion by being named the assistant regional manager of the San Francisco region by the union's general president. Later, in 1969, he was appointed regional manager by General President Peter Fosco to succeed Terence J. O'Sullivan.

Recent times have brought other advancements for him. In 1975, Max Warren was elected eighth vice president of the International Laborer's Union and later that same year he was elected to the position he now holds, seventh vice president.

My wife, Lee, joins me in saluting this man's service to the labor movement and the contributions he has made to the betterment of the community. His continued presence will be of great benefit to the Laborers' International Union. We extend to his wife, Jerry, and their children Mitch and Jan, a wish for continued success and happiness.●

LITHUANIAN AMERICANS CELEBRATE 61ST ANNIVERSARY OF INDEPENDENCE

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FITHIAN. Mr. Speaker, I rise today to speak on behalf of the more than 1 million Lithuanian Americans who recently celebrated their independence day.

February 16, 1979, marked the 61st anniversary of the reestablishment of an independent state in Lithuania. The people of Lithuania cannot celebrate this occasion as they should, however, because of the fact that they are under Soviet domination. The people of Lithuania are being denied basic human rights—rights that we have almost come to take for granted in our country. In Lithuania, the freedoms of speech and religious practice are restricted, and the freedom to gain social, cultural, and economic growth are greatly hindered.

The heroic Lithuanians have fought a long and bitter struggle to gain and retain these basic rights of man. On February 16, 1918, the Lithuanian National Council unanimously declared its independence, thus ending hundreds of years of domination and control by foreign powers. To secure this goal, Lithuania signed a peace treaty with the Soviet Union. For 22 years, the nation grew and prospered, and land and educational reforms freed many of the citizens from the shackles of tyrranical domination.

During World War II, Lithuania was one of the first countries to suffer under the aggression of both Hitler and the Soviet Union. As in the past, Lithuania was once again engulfed in a foreign power struggle, and in 1940 the Soviet Union violated the peace treaty and invaded Lithuania. Some 30,000 relentless Lithuanians, revolting against Soviet rule, were deported to Siberia. This revolt lasted for 2 months before a new enemy locked and bolted the door to freedom. The Nazis occupied Lithuania for 3 years, stifling this country's lifeline to liberty. When the tide of the war turned against the Nazis, the Soviets returned once again to dominate Lithuania, as they have until this day. During the years 1944-53, 60,000 Lithuanians gave their lives in battles against the Soviet aggression.

The United States has never recognized the incorporation of Lithuania into the Soviet Union. The Lithuanians are people who should be recognized as well as respected by all freedom-loving people, because they have maintained a steadfast determination for this cause despite overwhelming odds. Today, 61 years after the Lithuanian people declared their independence, we wish to assure them that their deeds will not be forgotten. They are a prime example of man's innate desire to be independent. Their independence day should be a reminder to us all that there are many countries that are not able to practice even the most fundamental human rights, which we cherish so much in the United States.●

CAPITALISM AND DEMOCRACY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, February 28, 1979, into the CONGRESSIONAL RECORD:

CAPITALISM AND DEMOCRACY

Two Hoosiers, one right after the other, came into one of my Indiana offices to talk to me. The first, a prosperous businessman, had a simple message: he wanted the government off his back. He said that taxes, paperwork, and regulation were destroying his incentive, robbing him of time and energy, and lowering his productivity. The second Hoosier, a robust laborer, also had a simple message: he had worked only three of the twelve preceding months, and he desperately needed a job. With tears in his eyes he related to me the hardships that he and his family had experienced because of his inability to find work.

Several questions came into my mind after I had spoken with these two men. Why couldn't the government be more efficient so that the businessman could work without undue interference? What was wrong with a system that couldn't provide a job for a willing worker? How could the government satisfy both men, the one who wanted the government out of his way and the one who wanted the government to be more compassionate?

A few days later I read a speech by Arthur Okun, the respected economist, entitled "Capitalism and Democracy: Some Unifying Principles." In this remarkable speech Mr. Okun made several points which helped me to understand both the plight of my two constituents and the idea behind our system of democratic capitalism. The following points seemed most important.

America is built on two foundations. The capitalistic foundation places highest priority on the efficient incentives of the free market to get the job done. The democratic foundation emphasizes the human values of equality and compassion. Our attention is divided between the two foundations and, as individuals, we attach different weight to the sets of values they represent. Advocates on each side may try to polarize us, but we should recognize that too much stress on one foundation to the exclusion of the other leads to disaster. If we have humanitarianism as our only goal, we threaten the productive capacity of the nation. If we have profit as our only goal, we risk the social cohesion of the nation. In short, each foundation is necessary. Unless we keep this in mind we will always find much to criticize in America.

Capitalism and democracy depend on each other in many ways. Taxes drawn from the market economy finance education, national security, aid to the poor, and most other government programs. Decentralization of power in the private sector results in more political freedom. Goods and services of the market economy are staples of government procurement. On the other hand, the value of contracts, promises to pay, and money itself is based on the power of the government to hold violators of the rules liable. Property rights, the mainstay of the private sector, are established and enforced by the government. Public highways, airports, and schools are part of an infrastructure without which the market economy could not function.

The relationship between capitalism and democracy runs even deeper than the examples suggest. The private sector is the best place to organize production and promote social well-being, but it does not work perfectly. When people take advantage of the market place through fraudulent dealings or monopolistic schemes, the government must step in to set limits. The government intervenes in other ways, too. The market place can bestow large rewards on successful entrepreneurs, but it can also mete out heavy penalties to the "losers", those without jobs, those who are not strong enough to compete, those whose skill or business becomes obsolete. Our democratic commitment to a reasonable degree of equality of opportunity means that the fate of the losers is everyone's concern, and that the deprivation of the losers should be lessened by government action. The real problems are how much assistance we give and how that assistance is administered. Too much assistance undermines the incentives on which the market economy is founded; too little assistance leaves pressing human needs unmet. Good administration stretches the government dollar; poor administration ruins even the best planned program.

Finally, the government looks after the interests of third parties in the market place. This is because the buyer and the seller are usually well protected, while others who are affected by the transaction may not be. Examples of this sort of government intervention are common: a zoning ordinance may forbid the siting of a garbage dump near a residential community, or an environmental regulation may prohibit the pollution of a

river that runs through the middle of a town. Although our record in this area has not been good, our basic approach is sound. Only the give-and-take of the political process can determine when third party interests are important enough to merit protection. Most people agree that we must do better.

There are those who believe that the government should get out of the economy entirely. Others believe that the government should greatly extend and strengthen its economic controls. Neither of these views is sensitive to the balance that must exist between capitalism and democracy. My own view is that we must always seek a balance between the two extremes. The market place must be made more humane and the government more efficient.●

JAMES PRIOLEAU RICHARDS—IN MEMORIAM

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ZABLOCKI. Mr. Speaker, it was with great sadness and regret that I learned of the recent death of one of my most distinguished predecessors as chairman of the Foreign Affairs Committee, the Honorable James Prioleau Richards of Lancaster, S.C.

"Dick" Richards will long be remembered by those of us who were privileged to serve with him as a man of the utmost integrity, whose record as an able and conscientious public servant stands today as his highest tribute.

Even before becoming committee chairman, Mr. Richards' leadership in the field of foreign affairs was firmly established: For instance, early in 1951, at the request of Gen. Dwight D. Eisenhower, then a Supreme Allied Commander, he headed a joint study mission on NATO, which was composed of members of the Foreign Affairs, Appropriations and Armed Services Committees, respectively. Thereafter, he emerged as a strong and authoritative House supporter of the U.S. commitment to the Atlantic Alliance.

On May 15, 1951, following the death of the late Judge Kee, Mr. Richards assumed the chairmanship of the Committee on Foreign Affairs for the remainder of the 82d Congress. After 2 years in opposition, as the ranking minority member, he once again took over as chairman during the 84th Congress and until his retirement in 1956.

Dick Richards' entire public career was dedicated to the service of his country, and he served in many different capacities: As a soldier in France during World War I; as a delegate to the Japanese Peace Conference and the United Nations General Assembly; and following his retirement from Congress, as a Special Assistant to President Eisenhower for the Middle East, with personal rank of Ambassador.

Above all, he combined the qualities of independent judgment, absolute honesty and warm friendship for his colleagues on both sides of the aisle—which won him their universal loyalty and respect.

To the family and friends of James P. Richards—and to the people of the 5th District of South Carolina which he represented so long and so well—I offer my deepest sympathy.●

THE DANGERS WHICH CONFRONT THE FREE ENTERPRISE SYSTEM

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. BREAUX. Mr. Speaker, the Free Enterprise Essay Contest was recently held in my congressional district to give high school students an opportunity to inform citizens of how our economic system works. Ms. Traci Castille of Mercy High School in St. Martinville, La., wrote a remarkable winning essay which adequately points out the benefits of a free economic society.

Mr. Speaker, at this time, I would like to congratulate Ms. Castille and would like to share with my colleagues her winning essay.

The essay follows:

THE DANGERS WHICH CONFRONT THE FREE ENTERPRISE SYSTEM

"America, America, God shed His grace on thee!" How often do we echo these patriotic words and not stop to reflect upon their accuracy. America is the most richly-blessed nation on earth. For years Americans have enjoyed privileges and freedoms that are not only denied, but that are often undreamed of in other countries. The American economic system, known as capitalism, deserves much credit for providing United States citizens with these benefits.

The free enterprise system is carved from the words "private ownership of the means of production." In my opinion, this method of buy-produce-sell-buy is the most efficient system yet devised, and is the system most appropriate to the democratic federal republic of which we are a part. Unfortunately, the free enterprise system has its shortcomings. Along with a few foreign adversaries, the internal imperfections help to categorize the free enterprise system as an "endangered species." They lead open-minded, realistic persons to question the survival of capitalism. Hopefully, through these questions, we will be able to find answers to "the dangers which confront the free enterprise system."

What are the chances for the survival of capitalism in America? Much depends on how well we are able to interpret and deal with the problems that have plagued our economy in recent years. Contrary to public opinion, I believe that the foremost danger lies not in the ever-increasing threat of world communism and ultra-socialism, but within the boundaries of our economy itself. Karl Marx once said, "Capitalism contains within itself the seeds of its own destruction." He may not have been far from correct.

Monopolies, exploitation, inflation, poverty, unemployment, balance of trade deficit—these are all dangers facing capitalism. However, these are secondary flaws. The main problem is consumer ignorance. Although consumers are not actively warned "buyer beware," this weakness does exist. To ignorance we must append apathy. The "I don't know and I don't care" attitude of the average American is a constant hazard to our economy. The United States citizen has become so accustomed to a life of luxuries that he takes for granted the system which makes this way of life possible. Because of his ignorance, he is often unwilling to sacrifice comfort or immediate profit in order to conserve resources. This introduces another threat to the free enterprise system—a depletion of materials around which industry revolves.

The "secondary" internal dangers are by no means to be ignored. They, too, are pressing problems which must be dealt with before their grasp on our economy cannot be loosened. Poverty is a persistent problem and is perhaps our overriding economic issue today. Nearly 15 per cent of all American families do not earn sufficient wages to provide themselves with enough of the necessities of life to maintain a decent standard of living. Closely related to poverty is the constancy of unemployment.

Even our foreign policy plays a role in the free enterprise system. The United States continues to welcome thousands of foreign refugees. This altruistic attitude is praiseworthy, but does little for our economy except to increase the disparity between the number of jobs and the number of jobseekers.

The free enterprise system is a host for the parasitic monopolies that have sprung up over the years. Capitalism tends to reward the larger, more efficient producer while neglecting the "little people." The desire for profit that once motivated businesses to strive to promote an efficient economy and satisfy consumer demand has sometimes turned into a greed for wealth and power that neglects the general good of society.

Another internal weakness is the susceptibility of our economy to periods of recession, depression and runaway inflation. These could aggravate all of the above problems and thus complete a growing cycle of adversity.

These inner weaknesses provide ample opportunity for the iron fist of communism to tighten its grasp on the world. Communism and socialism have already begun to infiltrate the United States. Although the changes they have brought are not drastic, their presence cannot be denied. The 1976 Presidential Election provides a good example of communism and socialism in our country. The ballots in several states listed candidates who were affiliated with one of these parties.

Despite these inherent dangers facing our economic society, the beneficial features far outweigh the negative aspects. As citizens we should become involved in our country's affairs in order to raise our nation above these problems. It can be done. As the great American statesman Cordell Hull once said, "I am certain that, however great the hardships and the trials which loom ahead, our America will endure and the cause of human freedom will triumph."●

ON LITHUANIAN INDEPENDENCE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PATTEN. Mr. Speaker, February 16 marks the 61st celebration of independence for Lithuania.

The Lithuanians are descendents of the Indo-Europeans, whose language has roots as the oldest Indo-European language still spoken today. They are dedicated in their struggle for obtaining basic human rights which Lithuania has been denied.

Despite efforts to stifle their language, culture, and customs, Lithuanians stand strong and united. This struggle represents the intensity by which these people seek independence and self-determination. It is up to us, the American people, to stand with Lithuania on the issue of individual rights.

The Lithuanian people should not be forgotten in hopes that their ideals of freedom and personal liberty become a reality.●

REASSURING FRIENDS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. McDONALD. Mr. Speaker, the louder and more often our President speaks of standing by our allies and friends, the less convinced they become. "Actions speak louder than words" as the old saying goes and no one has seen any action in the White House in a long time on behalf of any of our allies or friends around the world. At this point, I would like to place in the RECORD a Richmond Times-Dispatch editorial that appeared on February 22, 1979 on this topic. The editorial follows:

REASSURING FRIENDS

It is doubtful that President Carter bolstered the confidence of America's friends and allies very much by appending this little rhetorical gimmick—"And you can depend on it"—to the portion of his Georgia Tech address Tuesday pledging to "stand by our friends" and "honor our commitments" throughout the world.

During his campaign for the presidency, Mr. Carter attached those same six little words to many of the promises he made to the American people. He said he would never break a single promise and we could "depend on it." Nonetheless, his administration has broken many of those promises. One of the most blatantly shattered pledges he made in the foreign affairs field was never to establish diplomatic relations with Red China without extracting guarantees of Peking's non-belligerence toward Taiwan, one of the most loyal allies of America.

More than campaign-style rhetoric is required, therefore, to salvage whatever shred of credibility the United States retains as the leader of the Free World. The fall of Iran was the disaster among disasters that has broken a dam and unloosed a torrent of nervous questioning of America's reliability. Consider this sample of what is being said abroad:

In the conservative and traditionally pro-American Paris newspaper, *Le Figaro*, columnist Annie Kriegel, considered perhaps France's leading anti-communist commentator, wrote in a front-page article: "It is clear that the Iranian affair has now consecrated President Carter as the worst president of the United States—which has not lacked for them. . . ."

Using more diplomatic language, French President Valery Giscard d'Estaing is showing his lack of faith in Mr. Carter's leadership by dissociating himself from American policy across a wide range of world issues. He has proposed a summit conference of West European, African and Arab heads of state to deal with common problems. Washington pointedly would not be invited. Mr. Giscard d'Estaing's aim is the creation of a medium-power consortium to deal with problems independently of America, Russia or China.

Don't French governments delight in charting a path as independent as possible of Washington? Oui and non. Under President Charles de Gaulle and his successor, George Pompidou, that was often the case. But President Giscard had moved much closer to American policy than his predecessors. Now events are pushing him back in the Gaullist direction.

But one does not have to look to France to find profound disillusionment with the current leadership in Washington. Consider this remarkable comment the other day by President Mohammed Zia of Pakistan: It's time, he said, that Mr. Carter "act like the president of a superpower."

Clearly, "acts" and not more speechmaking gimmickry are what America's friends and allies are looking for.●

EXTEND THE AUTHORIZATION OF THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I have introduced a bill to extend the authorization of and provide necessary amendments to the Marine Protection, Research, and Sanctuaries Act of 1972, commonly referred to as the Ocean Dumping Act.

This legislation serves three distinct functions, all of which further the public interest in our oceans. First, it establishes the ocean dumping permit program administered by the environmental protection agency (EPA). That program regulates the dumping into the ocean of sewage sludge generated by water treatment facilities which assist municipalities in cleaning up our Nation's waters.

Second, the Ocean Dumping Act authorizes certain types of research by the National Oceanic and Atmospheric Administration (NOAA) regarding both ocean pollution and land-based disposal programs.

Third, the act establishes the marine sanctuaries program under NOAA to protect certain fragile areas in the ocean and to balance competing demands on the limited resources there.

The Merchant Marine and Fisheries Committee has long had a strong interest in determining the effects of ocean dumping on the marine environment. This concern recently led to legislation mandating that the ocean dumping of harmful sludge generated by water treatment facilities be terminated by the end of 1981.

Ocean dumping is a particular concern of mine because it has been a primary method of waste disposal for New York City for almost 50 years. It should be noted that the 1981 termination date poses particular problems for the city. The EPA estimates that nationwide some 15 percent of all municipal compost is dumped in the ocean. Of this amount, more than 70 percent is dumped in the New York bight area.

The time is short for municipalities to respond to the congressional mandate, and the cost may be significant, but the city has given every indication of its responsiveness to the problem and its acceptance of the national interest decisions by the Congress. During this Congress, we will hold hearings on the impact of the termination date on public health and environmental resources. These hearings may lead to our recommendation for certain modifications in the law. It is too early to determine whether further programmatic changes are necessary, consequently the bill which I have introduced today is identical to the legislation which passed the House during the 95th Congress. That bill was the result of the work of the Merchant Marine and Fisheries Committee and the Committee on Science and Technology.

Unfortunately, the Senate did not act on that piece of legislation; consequently, the program presently operates under the authority of a continuing appropriations bill. The legislation introduced today, therefore, contains fiscal year 1979 authorization figures for each title as well as extending such authorization for fiscal year 1980.

Title I of the bill authorizes the appropriation of $6.8 million for fiscal year 1979 and $7.8 million for fiscal year 1980 for EPA to administer the ocean dumping permit program. $7.5 million is authorized for fiscal year 1979 and $9 million for fiscal year 1980 for NOAA to conduct marine pollution research pursuant to its authority under title II. The marine sanctuaries program, in accordance with title III, is appropriated $2 million for fiscal year 1979 and $3 million for fiscal year 1980.

I have introduced this bill today as a vehicle for the committees of jurisdiction to hold hearings on the ocean dumping and marine sanctuaries program. It is a necessary extension of authorization for these programs although additional changes in the program may be necessary as a result of our hearings and markup process.●

JOHN P. HARRINGTON

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mrs. HECKLER. Mr. Speaker, it is a distinct pleasure to bring to the attention of my colleagues the outstanding career of John P. Harrington of Fall River, Mass. Mr. Harrington, who will retire after 32 years of exceptional service as a teacher, administrator, and leader in vocational education will be recognized at a testimonial dinner in his honor this Friday evening.

This is a well-earned tribute. Thanks to the efforts of individuals like John Harrington, vocational education has achieved a revitalized respect in our society. This recognition of the important role of vocational education is overdue, but will open doors to opportunities which would otherwise be closed to our Nation's youth.

Throughout his impressive career, John Harrington has dedicated himself to his students and the cause of vocational education. He has made an important contribution to many lives, and

I share the pride in him that his community is expressing.●

THE FARMERS AND THE SNOW

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. RUNNELS. Mr. Speaker, it was but a few days past that many a temper raged as those working in our Nation's Capital inched their way enroute to their respective places of employment only to find streets barricaded or detoured by the agricultural tractorcade. The farmers' presence in Washington seems to pervade in many discussions and their relationship to traffic patterns as opposed to the cause for which they have so diligently been fighting. But it seems a bit ironic that only a few days ago our traffic was affected, perhaps more appropriately dubbed as paralyzed, by a different phenomenon known to us as snow, and if it were not for the generous assistance of many farmers and their four-wheel-drive vehicles and equipment, this city might still be digging its way out.

I would like to briefly relay my own experience with the storm. Upon returning from my district in New Mexico to what most certainly may prove to be one of the most memorable storms to have ever descended upon this city, I quickly made tracks to my own four-wheel-drive vehicle. When I learned of the calls from area hospitals for assistance from those with these vehicles, I telephoned the hospitals offering my assistance and was advised I should coordinate with the District of Columbia Police Department. Upon telephoning the police department I was advised that the American agricultural movement was in fact coordinating these activities and I should telephone the headquarters office.

In short, it soon became apparent that the farmers were best experienced and equipped to lend a hand which they so generously did. Their help should not go unnoticed nor unthanked. An editorial appearing in the Wednesday, February 12, 1979, Washington Post best capsulizes just how great was the farmers help and we owe them a big hand of thanks. I take this opportunity to commend this editorial to my colleagues whom I hope will also feel that the farmers brought to mind an all too often forgotten principle of camaraderie and friendship.

THE FARMERS AND THE SNOW

We have a few further thoughts to offer you today about those farmers bivouacked down on the Mall with their tractors. When the Great Snow descended upon the city, the tractors and the farm trucks with four-wheel drive had no trouble at all moving around a city that was otherwise almost motionless. Those tractors do not spin, and neither do they slide. They have been hard at work over these past few days, helping a city in distress. We'd like to thank them for it.

They have used their equipment to meet genuine emergencies—getting patients to hospitals and, perhaps even more urgent, ferrying nurses and doctors who are needed there. Some of the tractor drivers worked straight through Monday night and into yesterday. At police headquarters, a line of badly needed cars got buried under the snow and then doubly buried when a city plow went past. The city's tow trucks couldn't rescue them. A farmer with a tractor spent yesterday pulling them out. He wouldn't give his name, but only said that he was from Oklahoma.

You should also know that on Monday a farmer with a plow cleared the alley into this newspaper's loading docks. Not every subscriber got a paper on Tuesday morning, but the score was a good deal better than it would have been without that tractor's help. Our gratitude to the farmers is not entirely disinterested.

The farmers have been as generous and helpful over the past days as they were exasperating and obstructive when they first came to town. Circumstances changed with that snowfall, and they have shown themselves to be the best kind of neighbors in a storm. We take their performance in the blizzard as a reminder of the harsh and uncertain weather in which farmers carry on their daily lives. They are equipped for severe conditions, as most of us in Washington are not, because they have to deal with snow and mud and cold routinely, as we do not. It's a point for city people to remember as they sit down to dinner.

The farmers came here, tractors and all, to remind the capital of a way of life that is in danger. Their remedy is higher support for farm prices. We still think that their remedy is a bad idea, for reasons that threaten the family farm as much as the consumer's budget. But the farmers have successfully recalled to this city values that lie beyond economics.●

CALIFORNIA NEWSPAPER PUBLISHERS AWARD

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MOORHEAD of California. Mr. Speaker, I am pleased to take this moment to recognize an honor recently given to a newspaper in my district.

The recipient of the recognition was the Sunland-Tujunga Record-Ledger, a community weekly of long and distinguished standing. The bestower of the recognition was the California Newspaper Publishers Association.

Last month in San Francisco, Mr. Phil Horwith, publisher of the Record-Ledger, was presented CNPA's prestigious award for "Best Special Edition" in 1978 for weeklies with a circulation above 13,000.

Because there is only one such honor given each year, it is not awarded casually; nor is it an honor easily garnered because within the State there are many, many newspapers in the community category.

The Record-Ledger's honored edition appeared after the destructive and record rains and floods which occurred in California in 1978.

Sunland-Tujunga is a pleasant and predominantly residential community in the foothills of the San Gabriel Mountains. Because recent fires stripped the mountains of vegetation, the following rains created a severe runoff, causing floods and mudslides. The resulting loss of life and property reached tragic proportions.

Following the destruction, the Record-Ledger compiled 80 poignant photographs, many vivid word pictures, and a chronology of events. These items were then meshed into the prize-winning special flood edition.

I have no doubt that this edition, which has had three printings, will serve in the future, as it is presently doing, as the definitive historical record of the Flood of 1978.

That my recognition of the Record-Ledger's excellence follows that of the CNPA in no way diminishes the honor I feel in giving it, for it is recognition well deserved and worthy of repetition.●

WATCH FOR GAS RATIONING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. DERWINSKI. Mr. Speaker, among the many bombshells by the administration of late, was the request for legislation to impose gas rationing. It is obvious that the Department of Energy is attempting to create a panic situation which will justify their schemes to the public.

Alex Seith appropriately addresses this subject in his column in the February 25 Suburban Economist Newspapers, serving southwest Cook County. I should like to add for the benefit of the Members, that this is the Alex Seith who was a Democrat candidate for the U.S. Senate from Illinois. Since that laudable effort, Alex Seith has returned to the practice of law and to his avocation as a columnist specializing in foreign affairs.

I insert his commentary at this point:

WATCH OUT FOR GAS RATIONING

You may not remember the last time America had gas rationing. But if the Department of Energy has its way, the next time America has gas rationing you won't forget it. And you won't like it.

Gas rationing schemes have been churning out of the Department of Energy ever since that sprawling new bureaucracy of 17,000 "civil servants" was created in 1977. Some of the schemes have been hare-brained. Most have gone unnoticed. And all would give the Energy bureaucracy immense power over our everyday lives.

The last time America had gas rationing was during World War II. When the war ended in 1945, so did rationing. President Carter asserted in an April 1977 speech to Congress that energy presents a crisis which is "the moral equivalent of war."

If so, that raises two unpleasant questions. Number 1: Would gas rationing last as long as the so-called energy "war?" Number 2: Can anybody predict when, if ever, the energy "war" will end?

The time to stop gas rationing is before it starts. That's why everyone should pay close attention to the Energy Department's latest—and likeliest—scheme for gas rationing.

Here's the basic plan: You could buy gas only by presenting a coupon for each gallon. You would get coupons two ways—a few

would be free, the rest you would pay for. The free coupons would be sent to you each month by the Energy Department, the "pay" coupons, you would buy from government-designated distributors or any individual who had coupons he did not want to use. You would get about 15 free coupons a month, the rest would cost $1 each.

All gas bought with "pay" coupons would cost you the pump price plus $1.

Picture yourself under this scheme. Your 15 free coupons come in the mail from the Energy Department on the first of the month. At the gas station, you hand in the coupons and pay the pump price. If you need more than 15 gallons of gas in the month you would have to buy more coupons at $1 each. If the pump price gets boosted to $1 a gallon, as the Energy Department predicts, your cost would be $2.

This would be inflation in the extreme. It's bad enough that the cost of living index shows a doubling of consumer prices in the last 12 years. This rationing scheme would more than double the cost of gas instantly by administrative fiat. And the cost could be boosted by further fiat any time the Energy Department decided to raise the price of the "pay" coupons.

The Energy Department wants to force gas saving by high prices. So, what if the Department decided the ""pay" coupons would cost $2 or $3? And what if it cut the allotment of free coupons from 10 to five or zero?

The coupon rationing scheme is riddled with potential unfairness. Will the free coupons be given for each car? Then a family with three cars would get 45 free coupons while a one-car family would get only 15 free coupons. For a family with three individuals working, three cars might be a "necessity." For another family three cars might be a luxury. Who would decide whether the extra cars are a necessity or a luxury?

High prices for gas would hit hardest on those least able to pay. When a family has two or three people working, it probably needs the money to make ends meet. But the huge increase in the cost of gas would leave less money for food, clothing, and other needs. It would mean, in short, a reduction in our standard of living.

Some individuals who use a car on the job might have the increased cost of gas paid by their employers. These individuals would not pay the higher prices at the gas pump. But they would pay later; and so would everyone else. The employer which paid for the gas would have to recover that cost by raising the price of its products. In this way, the higher price of gas would raise the price of nearly everything else.

Similarly, all products moved by truck would have to be raised in price to cover the higher cost of gas. Families already hurting because of having less money, after buying gas would be hurt again because what was left would buy even less.

During the gas rationing of World War II, patriotic billboards asked "Is this trip necessary?" Now, it's time to ask if gas rationing is necessary.●

CARRIE RUGH—FIGURE SKATER PAR EXCELLENCE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. DORNAN. Mr. Speaker, as the opening day of the 1980 Olympics quickly approaches, the citizens of El Segundo have recognized one of its finest residents, Carrie Rugh, as an accomplished world figure skater. We offer our encouragement as she prepares to represent the United States next year in Lake Placid.

Carrie has been a most dedicated athlete, practicing 5 hours a day, 7 days a week in preparation for her chance to bring a gold medal back to her home in El Segundo. Her outstanding achievements have been an inspiration to her fellow classmates at El Segundo High School and serve as an industrious example to all young people pursuing excellence in the world of athletic competition.

She placed third in the National Figure Skating Championships this year, which qualifies her to compete in Vienna, Austria next month.

Mr. Speaker, we can expect great things from Carrie Rugh. I am proud that she hails from my home district. The people of El Segundo have good reason to be excited about her promising future.●

A. B. DICK CO. JOINS TRIBUTE TO THOMAS EDISON

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. McCLORY. Mr. Speaker, earlier this week I made a statement concerning the celebration of the Centennial of Light during 1979. As noted in my remarks, Albert B. Dick III, chairman of A. B. Dick Co., and one of my constituents, serves as a member of the International Committee for the Centennial of Light.

The Edison Centennial News, January 1979 issue, published a statement by Albert Dick—whose company is a direct beneficiary of one of Thomas Edison's earliest inventions. I would like to share his statement with my colleagues at this time. The statement follows:

Since Thomas Alva Edison was one of the most prolific inventors in the history of our country, A. B. Dick Company is honored to join with others in the celebration of the "Centennial of Light." In doing so we wish to underscore the enthusiasm he showed for invention, as we firmly believe that the degree of future comfort, safety, and welfare of the world will be in direct relation to the novel ideas that can be focused on its problems.

Through his inspiration and untiring efforts in the fields of electronics, electromechanical, and chemical engineering, Mr. Edison not only spawned new industries, but also made contributions to mankind which raised our standard of living to new heights. One example is A. B. Dick Company, an early beneficiary of one of his inventions, whose first product, the Edison Mimeograph, was manufactured and sold in 1887 under the Thomas Edison Autographic Printing patent of 1880. This invention by itself not only was the beginning of our company, but also continues to this day to provide benefits which help religious organizations, education, commerce and industry to be more effective.

Today the need for invention, innovation, and discovery is more pressing than ever before to provide answers to the many needs of mankind. The Centennial of Light celebration can serve as a focus for our dedication in providing these answers.●

DO WE NEED A NATIONAL NANNY?

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ABDNOR. Mr. Speaker, in our quest to balance the Federal budget, our attention might well be directed to curbing excesses in some of our burgeoning bureaucracy which never seems at a loss for new ways to promote a theory that the Federal Government knows best.

One place to start was pointed out in this thoughtful editorial of the Yankton (S. Dak.) Daily Press and Dakotan, I commend it to the attention of my colleagues:

[From the Yankton Daily Press and Dakotan, Feb. 20, 1979]

DO WE NEED NATIONAL NANNY?

We happen to think that there is no clearer example of "empire building" by government regulators than the Federal Trade Commission's current crusade to dictate the content of television advertising aimed at children.

To save America from the "menace" of presugared cereals, candy bars and toys that fail to meet a bureaucrat's arbitrary standard of suitability, the FTC is considering:

—Banning all television advertising directed at children under eight years of age.

—Prohibiting commercials for sugared products that might contribute to tooth decay in children under 12 years of age.

—Requiring advertisers to pay for "nutrition" and "health" ads whose content would be determined by the commission.

In short, the Federal Trade Commission proposes to become, in the words of the Washington Post, a great "National Nanny."

The legitimate role of parents get short shrift from the commission. Overlooked is the simple fact that children too young to understand the television commercials or sales pitches rarely do the family shopping. Mom and Dad buy the food. And we happen to think that Moms and Dads are perfectly capable of saying "no" to a child whose vision of dinner is a dozen candy bars or a box of Fruit Loops.

We wonder if it has occurred to the commission that even children who have never watched an hour of television in their lives might still favor a breakfast of ice cream and lollipops?

Admittedly, the FTC staff report on which these proposals are based does mention parents. The report suggests that parental disapproval of a child's television-induced gastronomical fantasies fosters "alienation" and "child-parent conflict."

Bunk! Any responsible parent finds it necessary to say "no" to a child a dozen times a day—and does so without producing neurosis.

As for tooth decay, even the FTC doesn't pretend that there is a direct correlation between watching television commercials and the incidence of dental cavities.

Another real puzzler is how the commission would square its compulsory health and nutrition advertising with its own staff report's conclusion that "the representation that one food is more healthful than another . . . is false and deceptive." But should the proposal be adopted, it would cost food marketers and consumers tens of millions of dollars to find out.

As if all this were not enough to bury the proposals of the FTC bureaucrats under an avalanche of ridicule, it might be well

to remember the First Amendment implications of these potential regulations. If the commission, acting on the basis of a bogus or nonexistent scientific evidence, can ban or restrict cereal, candy and toys, what form of commercial speech is safe from the Washington censors?

Will asparagus marketers have to include a 30-second homily on the need for a balanced diet as the price of getting their ad on the air? What about potatoes? An undiluted diet of spuds surely must contain its own special threat to health. Are teenagers sufficiently cognizant of these dangers to resist a pitch for French fries? And how is the commission to decide which commercials are beamed solely at seven year olds and thus subject to outright prohibition.

There simply is no end to the problems which might be wrought under the precedents inherent in these proposed regulations.

All this is not to say that the FTC should relax its enforcement of existing law against false and misleading advertising. But we do think the agency should give parents a little bit of credit for common sense in raising their own kids.

This year it will cost American taxpayers $66.4 million to maintain the Federal Trade Commission in the style to which it has become accustomed. For this kind of money, we are entitled to something more constructive than a holy war on chocolate bars and breakfast cereal.

Maybe we should let the Dads and Moms raise their kids—not let them be raised by a "National Nanny" who headquarters in Washington.●

RELEASE HILLEL BUTMAN NOW

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. LENT. Mr. Speaker, I would like to call to the attention of my colleagues a most moving letter I have received from Eva Butman, of Israel. Mrs. Butman's husband, Hillel, the Fourth Congressional District's "Prisoner of Conscience," has been imprisoned by the Soviet Union for the past 8 years, because of his desire to emigrate to Israel to join his wife and children. Mrs. Butman's letter contains a heartrending account of the inhuman treatment to which Hillel is being subjected.

Mr. Speaker, it is outrageous that the Communist regime in the Soviet Union not noly denies Hillel the right to join his family in Israel—itself a blatant violation of the Helsinki Accords—but it compounds that violation by subjecting Hillel to cruel and inhuman conditions in prison; treatment which is illegal under the Soviet's own laws and regulations.

As Mrs. Butman's letter mentions, several weeks ago I requested the U.S. Department of State to make a formal protest to the Soviet Union concerning Hillel. The State Department has recently informed me that it will present Hillel's case to the Soviet Union—along with many others—"at the proper time."

Mr. Speaker, Hillel's plight is too urgent to await a proper time. I, therefore, am sending a personal protest to Soviet General Secretary Leonid Breshnev, and to the Soviet Minister of Interior, Gen. Nikolai Shelekov. I am demanding that, in accordance with Soviet law, Hillel be released from his illegal confinement at Chistapol Prison, and, at the very least, returned to a labor camp as was called for in the sentence originally imposed upon him more than 8 years ago. Actually, Hillel deserves to be set free.

I am demanding that Hillel be given the medical treatment he needs, and that he be afforded a proper diet.

Mr. Speaker, since adopting Hillel as my Fourth Congressional District's "Prisoner of Conscience" in October of 1975, I have written a letter to Hillel each week, detailing my efforts to secure his release, and offering what encouragement and support I could. I am informed that Hillel has not been permitted to see one of those letters.

I am demanding that Chairman Brezhnev and General Shelakov obey their own laws and allow Hillel to receive every letter addressed to him.

Mr. Speaker, every Member of the U.S. Congress should be aware of the cruel indignities and violations of human rights which the oppressive Soviet regime inflicts upon its courageous citizens of Jewish faith who seek only the freedom to practice their religion with their families in a country of their choice.

Mrs. Butman's letter offers eloquent testimony as to the persecution which Soviet Jews are forced to endure. I ask every one of my colleagues to read Mrs. Butman's letter, and then to join me in protesting to the Soviet Union against this denial of human rights. I firmly believe our messages can help her husband.

The letter follows:

Hon. NORMAN F. LENT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN NORMAN F. LENT: Thank you very much for receiving me at your office and your constantly pressing my husband's plight. I gratefully received your letter of January 26, containing the photocopy of the Congressional Record, through which I also learned about your speech in the House of Representatives. Today I received your letter of January 30, with the copy of the letter to you from the Department of State of January 26. I am anxiously awaiting your next letter, which should include the "substantive" response.

Quite recently I had a report about my husband's condition. My brother, who lives in Leningrad, visited my husband in Chistopol prison on January 22. He was allowed to stay for 2 hours. It appears that this prison is even much more severe than Vladimir. That has caused Hillel's health condition to deteriorate even more. The food is worse; as a consequence, Hillel is suffering of constant heartburn and pain in his stomach. He is also losing his teeth, probably from scurvy. He tried time and again to get examined by a physician or a change of diet, but has been unsuccessful.

The prison in Chistopol is a place where the prisoners have to work for their keep. The expenses for the food he receives amount to 14 rubles ($12.60) a month, which is deducted from the so-called prisoner's wages. The work-norm is so high that Hillel is unable to keep up with it, he is therefore not allowed to buy additional food for the sum of 3 rubles ($2.70) at the prison canteen.

An additional problem is that, although according to prison regulation, every prisoner is entitled to receive the mail that arrives in his name, Hillel is denied that elementary right.

So far the report.

Anxiously anticipating further development,

Yours sincerely,

EVA BUTMAN.●

CONSTITUTIONAL AMENDMENT TO BALANCE THE FEDERAL BUDGET

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ROTH. Mr. Speaker, the recent proposal to balance the Federal budget, as outlined in a constitutional amendment, is fast becoming the most explosive issue in the new 96th Congress. The bill not only would require a constitutional amendment for a balanced budget, but also would mandate a systematic repayment of the national debt. The reason for the approach is clear: Experience has demonstrated that the Federal Government will not get its financial house in order without the force of law. And we must make the Government fiscally healthy again if we are to curb the raging inflation that threatens our Nation's future. It is the Federal Government's propensity for spending money that causes inflation.

NOT A "QUICK FIX"

This legislation has many critics. Some call the proposal "an ill-considered contrivance," or a "quick fix" that would "handcuff" the Government.

If the critics want to understand why so many responsible people are trying to find a quick fix for the deficit problem, all they need to do is take a look at the record of the much-heralded congressional budget process. The original idea, the critics may recall, was that unintended deficits resulted because spending decisions were made piecemeal with no overview of the budget's economic impact. The Budget Act of 1974 provided a mechanism for setting a spending ceiling and revenue floor before Congress could take any action on appropriations or taxes. Budget Act proponents told us that this process would help balance the budget.

Unfortunately, this has not occurred. The combined deficits for the 3 years immediately following the Budget Act were triple the size of the deficit for the 3 years prior to implementation of the new process. This is even more remarkable considering that the deficits for 1971–73 were at that time the largest in our peacetime history and the source of concern that led to passage of the Budget Act.

NO CONTROL ON BUDGET

Clearly, the budget control process has turned out to be worse than no control at all. The reason is that the budget committees have defined budget control in terms of deficit spending rather than budget balance. Each year, the Congressional Budget Office formulates alternative "low growth" and "high growth" budgets: The first with a small deficit and high unemployment, the latter with a large deficit and low unemployment. The committee than develops a budget that falls between the low growth and high growth alternatives. Although the budget process may be perceived by its proponents as realistic and "appropriate in light of the economy's need for stimulation," the current high rate of inflation and unemployment indicates that the process is ineffective in responding to the economic problems that continue to plague our Nation.

Considering this abominable record of fiscal restraint and the public's growing anxiety about the state of our economy, it is hardly surprising that several Members of the House have given up all hope that the congressional budget process can be an effective balancing mechanism.

BALANCED BUDGET REQUIRED

Recently, 43 Democrats joined in proposing a constitutional amendment requiring a balanced Federal budget as the mechanism for managing the Government's fiscal affairs. As a cosponsor of a similar resolution, I welcome their support and hope it will provide the impetus necessary to expedite action on this important legislation.

Mr. Speaker, I recognize that there are certain problems with the constitutional amendment route. However, I am confident that our bill is sufficiently flexible to allow us to respond to a national emergency. On balance, however, it is the most efficient vehicle for restoring fiscal responsibility to the budget planning process. It is necessary to counter the philosophy that big spending is the only answer to our Nation's problems. Big spending is our Nation's problem and it must be controlled or our security and independence will continue to be threatened.●

COMPREHENSIVE OILSPILL BILL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MOAKLEY. Mr. Speaker, the risks of marine oilspills have risen significantly because of increased dependence on imported oil resulting in greater tanker traffic. The coastline and coastal waters around Massachusetts provide a living for thousands of people. The fishing industry is one of the most important industries in Massachusetts.

The comprehensive oilspill bill, introduced by my colleague GERRY STUDDS, would mandate the payment of funds to cover the costs of cleaning up oilspills and also pay damages to individuals who are out of work as a result. Those who are financially hurt because of the oilspill will also be reimbursed. When the *Argo Merchant*, a relatively small tanker broke up off the cost of Nantucket, the total clean-up costs were estimated to be around $5.2 million. This is a terrifically high cost for just a small tanker.

The fishing industry is not the only industry affected by oilspills. If the shores are coated with oil no tourists will want to vacation along the Massachusetts Cape. The tourist industry will be seriously affected.

In conclusion I back the comprehensive oilspill legislation that will make the owner of a tanker liable to pay clean-up costs and damages to people. This I hope will provide sufficient incentives to the owners of these vessels to take measures to prevent future oilspills.●

NEEDED: BETTER CROP INSURANCE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ABDNOR. Mr. Speaker, with the expiration of the crop disaster program upon us, it is incumbent upon the Congress to carefully examine avenues available for improving it and/or finding acceptable alternatives.

The House Agriculture Subcommittee on Conservation and Credit is currently looking at the possibility of an expanded crop insurance program as an alternative. It was my privilege yesterday to introduce to the committee, Mr. Ervin Haar, a South Dakota family farmer, who has had 33 years experience with both crop insurance and disaster programs.

My introductory remarks and Mr. Haar's statement are submitted for the RECORD:

INTRODUCTORY REMARKS

Chairman Jones and members of the Subcommittee, I am not on your agenda, and I don't want to take time away from my constituent—Mr. Ervin Haar—who is here to give you a farmer's viewpoint.

I do want to take the opportunity to introduce Ervin to you and to endorse his statement.

Mr. Haar will tell you why he feels crop insurance is particularly vital in these inflationary times, and I share his desire that the Federal Crop Insurance Program be expanded.

In my view the Federal program can and should be expanded and improved. I believe this can be done without detriment to private insurors and without added expense to the Federal Government.

My staff and I have discussed this matter in some detail with Mr. Warren Dirks, who is a former Manager of the Federal Crop Insurance Corporation and now resides in Rapid City, South Dakota.

Mr. Dirks assures us that, if an equivalent amount of money to that which has gone into the Disaster Payment Program is put into the Crop Insurance Program, premiums can be reduced and coverage increased to the benefit of all farmers.

It is obvious that the ASCS administered Disaster Payment Program does not adequately cover production expenses. Much like Social Security, it was intended to be a helpful supplement.

If the Federal Crop Insurance Program is expanded and improved, I would hope the large majority of farmers would see fit to come under its coverage.

To preserve the farmers' freedom of choice, however, I believe we should consider extending the Disaster Payment Program and giving each farmer the option of coming under one program or the other—but not both.

To induce farmers to enter the Crop Insurance Program, premiums should be reduced and its superior coverage over that afforded by the Disaster Payment Program should be emphasized.

It should be clear to each farmer not only that he will obtain superior coverage with Crop Insurance but also that he will receive an equal or greater return in terms of Federally appropriated dollars than he would under the Disaster Payment Program.

Perhaps the Disaster Payment Program could then be gradually eliminated and the subsidy for the Crop Insurance Program gradually reduced, as more and more farmers are brought into the latter program.

Opposition to expansion of the Federal Crop Insurance Program has been voiced by the private insurance industry, but I do not believe improvement of the Federal program need necessarily be at the expense of the industry.

I encourage the Subcommittee to strive to build on the strengths of the industry, while at the same time making available to farmers the insurance coverage which, it is evident, can only be provided by the Federal Government.

Chairman Jones and members of the Subcommittee, thank you for your attention to this vital issue.

STATEMENT OF MR. ERVIN HAAR

Mr. Chairman, members of the Subcommittee, ladies and gentlemen, I am Ervin Haar. I am from Onaka, South Dakota, in the north central part of the State. For the past thirty-three years I have farmed grain and livestock in Edmunds County.

My family, including my wife, two sons and one daughter, are all presently engaged in farming. Our four individual family farms represent a total of 7,660 acres.

I am deeply concerned with my children's future in farming. With the high rate of inflation, I feel Federal Crop Insurance coverage has not kept up with inflated costs of production. We very much need an expanded program for all crops in 1980, particularly if the ASCS Disaster Payment Program is allowed to lapse in 1979.

With high priced machinery and operating costs, we need adequate protection to keep the family size farmer on the land.

On January 12th of 1948, which is thirty one years ago, I sold barley for $2.30 a bushel. Now, in 1979, I sell barley for $1.50. That's a difference of 80 cents a bushel less than 31 years ago! Of course, my expenses have not decreased like the barley price. They have increased tremendously over the past 31 years.

That's why we farmers are forced to acquire more acreage to produce more bushels and try to make up the difference between the current low market prices and what we need to cover continually rising expenses. Costs of repairs, land rent, fuel, seed and other costs of putting our crops in the ground are there even if our crops never mature to harvest. We need expansion in the Federal Crop Insurance Program to cover and protect these expenses in case of a crop failure.

Federal Crop Insurance is not a gift or a free handout. We pay our premiums each year even when we have a loss on our crops. When we don't have a loss, our insurance premium payments help to pay a fellow farmer that may have had a loss in another area.

The young farmer, especially, should have Federal Crop Insurance to cover his expenses in case an Act of God prevents him from harvesting his crops. He still has to pay his bills whether he gets a crop or not, and at today's costs a year or two of crop failures can put a young farmer out of business.

I have had Federal Crop Insurance for the past 21 years. I have been pleased with the service of the local Federal Crop Insurance office and personnel. In all my dealings I feel I have been handled fairly and efficiently. I believe strongly in insurance coverage to help us farmers in struggling to meet the high expenses of operating and planting our crops.

I very much support maintaining Federal Crop Insurance as it is—a unit in itself—and not combining it with any other Federal Agency. Federal Crop Insurance has stood 40 years by itself. Lets keep it that way!

I have come here at my own expense, to testify because the need for protection of production expenses will become even more serious in 1980 if the Disaster Payment Program is allowed to expire in 1979. While I

would like to see the Disaster Payment Program extended, I believe that using an equivalent amount of money to reduce premiums and increase coverage would result in an excellent Federal Crop Insurance Program.

While I was getting my notes together for this hearing a young farmer called me on the phone. We talked nearly an hour. He was asking for some help and advice as to how he could get started in farming on his own.

My heart goes out to young farmers. I I know what it was like for a farm family to start from the bottom, with lots of hard work, many long, hard hours, and always stretching that dollar as far as possible.

The financial pressures are felt more keenly by our younger farmers. That's why I feel they should have all the help possible to protect them against loss of crops which they need so badly to meet their payments and operating expenses.

Remember, we need these young farmers! If we lose them, we'll all feel a great loss!

Let's face it. As us older ones fade out of the picture, who's going to take over our farms and our agriculture and produce the food we all need?

My Congressman, Jim Abdnor, informed me of these hearings; and I want to thank you, Mr. Chairman and members of the Subcommittee, for the opportunity to express my viewpoint on an issue of great importance to agriculture and the future of our nation.

Thank you very much!●

NATIONAL HELIUM RESERVE

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SEBELIUS. Mr. Speaker, I introduced a bill today that takes an important step toward insuring a sufficient supply of helium will be available for the advanced technologies of the 21st century.

Helium is found in natural gas and has the unique property of remaining liquid to the lowest temperature yet achieved, thus making it invaluable as a superconductive agent in power transmission, magnetic energy storage, and fusion reactors. Unfortunately, the helium-rich natural gas fields in Texas, Oklahoma, and Kansas are fast depleting, thus necessitating this legislation, for unless the helium from these fields is separated and stored now or a reserve established as my bill provides, this helium will be lost into the atmosphere. Such an eventuality would not be so serious were it not for the fact that to separate helium from the atmosphere under present extraction methods would involve a 150 to 300 times greater cost than current commercial cost of extracting helium from natural gas.

The Federal Government initiated a helium recovery and storage program in 1960. However, Government uses and sales of helium declined sharply within the next 10 years and in 1973 the Federal Government decided to terminate helium purchase contracts. This action resulted in litigation that is still pending before the courts today.

Numerous studies have shown we have sufficient supplies of helium stored in the Cliffside Storage Field near Amarillo, Tex. to meet current needs to the year 2000. These current uses of helium are primarily in the area of cryogenics—for purging and pressuring, for controlled atmospheres and breathing mixtures, in welding and in lesser amounts for leak detection, lifting and heat transfer, and in chromatography.

Future demands, however, are expected to escalate as advanced technologies such as magnetic containment systems for fusion reactors, high temperature gas reactors, laser-based missile defense systems, and many other sophisticated technologies are developed and reach their full potential in the year 2000 and beyond. In order to have the vast amounts of helium that will be necessary for these expanded purposes we must begin to plan now.

My bill does this by placing 36 billion cubic feet of the helium now stored at Cliffside into a reserve to be released upon approval of the Congress. It also establishes a licensing procedure on helium-rich natural gas so that the Department of Interior will have some additional control over the disposition of our helium resources.

I am hopeful this bill will generate a much needed discussion in the Congress on the necessity of conserving and storing helium for the future and what action must be taken to insure that we do not continue to waste this valuable resource.

I for one am unwilling to see our Nation pay the high price that will have to be paid in the next 50 years for our failure to look beyond this century in the conservation of helium. I do not believe my colleagues once they have studied this issue will be willing to see that price paid as well.●

AFGHANISTAN MURDER SHOWS UP PROBLEM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SIMON. Mr. Speaker, one of the significant but unheralded steps forward that President Carter has taken is the appointment of a Presidential Commission on Foreign Language and International Studies.

The United States is the only major industrial nation in the world which does not require foreign language exposure by virtually all students. We are living in yesterday's economic world and if we want to change the balance of payments, that has to be rectified.

There was a recent tragic episode in Afghanistan where U.S. Ambassador Adolph Dubs was killed.

A story in the Washington Star of February 18, 1979, written by Lawrence Malkin tells of U.S. Embassy employees arriving at the hotel first, before either the Afghan police or anyone from the Soviet Union. The article states:

> Embassy officials had a brief chance to seize the initiative because they reached the hotel before Afghan police. But no one in the American party spoke fluent Dari or Pushtu, the two most widely used Afghan languages, or fluent Russian.

No one can say if they had been able to communicate with the kidnappers things would have been different. But they might have been. It is one more in a whole series of events which show that we need a minor cultural revolution in the United States in regard to foreign language studying and teaching.●

THE SOVIET STRATEGIC ADVANTAGE—IT'S REAL

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, in a recent article entitled "The Soviet Strategic Advantage" Mr. Walter Pincus raised a number of erroneous points. The Washington Post printed a response I prepared, but space limitations did not permit me to correct all of the factual inaccuracies raised by Mr. Pincus. I will take the opportunity to make those corrections now.

Contrary to Mr. Pincus' claim that the Soviets have deployed only 100 SS-18 ICBM's, the Soviet Union has, in fact, already deployed twice that number, and their deployment, according to the Chairman of the Joint Chiefs of Staff "is continuing at a rapid pace."

There are several versions of the SS-18, according to Mr. Pincus, some of which carry only one warhead. He, therefore, concludes that the Soviets will not deploy all SS-18's with 10 warheads. The Soviets have, in fact, only recently mastered the SS-18 MIRV prorgam and there is no reason to doubt that the Soviets will in fact deploy the SALT II permitted limit of 308—and possibly 326—SS-18's, each with 10 warheads.

Moreover, since all missiles tested in a MIRV configuration will count under SALT II with the maximum number of warheads tested, even if they are deployed with a single warhead, that alone will provide the Soviets incentive to MIRV the entire SS-18 force.

Mr. Pincus' arguments indicate his belief that allegedly superior U.S. ICBM accuracy compensates for significantly larger Soviet ICBM throw-weight advantages. However, the fourth generation Soviet ICBM systems—the SS-17, SS-18, SS-19—are capable of achieving, and have virtually achieved, the missile accuracy of the U.S. Minuteman III force with the INS-20 guidance system—an accuracy on the order of 0.1 to 0.15 nautical miles. It will not take one missile to knock out one silo—contrary to Mr. Pincus' assertion, but rather only one warhead. Improvements in Soviet land-based missile accuracy and warhead yield-to-weight ratios have brought the Soviets to that position. The argument, therefore, as I mentioned earlier, is simply no longer valid that U.S. ICBM accuracy advantages offset Soviet ICBM throw-weight advantages.

Mr. Pincus states:

> At a time when either side (the Soviets and United States) because of accuracy would need only one or two missiles (he should have said warheads) to knock out the other's missile silo, what difference does it make if they have three to do that job and we have two.

This statement is not only grossly misleading it is also inaccurate. It ignores not only asymmetries in United States-Soviet strategic capabilities but also asymmetries in the respective target structures. For example, the Soviets have 1,500 silos, the majority of which are much harder than our 1,054. The Soviet advantage in MIRVed ICBM warheads (under the provisions of SALT II) is not 3 to 2, but rather more than 3 to 1. This imbalance is significant. Mr. Pincus implies that the United States could credibly attack and destroy Soviet ICBM silos with its land-based missiles. In fact, he says in the early 1970's, we made "300 of our missiles so precise and powerful that they could knock out Soviet missiles."

Mr. Pincus, himself, actually refutes his own statement in a February 11 Washington Post article wherein he states, pursuant to proposed U.S. strategic force acquisitions, that:

> Until now, U.S. officials had shied away from building a strategic missile force that appeared capable of carrying out a first strike against the more than 1,500 Soviet land-based ICBMS.

In fact, the United States does not have the capability to preemptively attack and destroy Soviet ICBM silos. If the United States were to presently use its entire 550 Minuteman III ICBM force (75 percent of U.S. ICBM warheads) the United States could destroy 50 percent of Soviet ICBM warheads, thus leaving 50 percent for retaliation. In the near future the United States is expected to deploy the Mk 12A warhead on some 300 MM III boosters. Such a force, in combination with the remaining MM III warheads could still only destroy about 60 percent of the Soviet ICBM warheads. If the United States also expended all of its Minuteman II warheads—450—in such an attack the exchange ratio would be even worse for the United States. By contrast, the Soviets would be required to expend only about a third of their SALT II permitted ICBM warheads to destroy over 90 percent of U.S. ICBM silos, nonalert bombers, and in-port submarines, and they would retain a significant postattack superiority. A Soviet first strike, then, might appear credible; a U.S. first strike would not.

Overall, the Soviets may lead the United States by a 3-to-2 advantage in their ability to destroy hardened targets, but much of the U.S. hard-target-kill capability rests in an air-breathing force—bombers and cruise missiles—that suffers from prelaunch survivability and penetration problems—unlike the time-responsive Soviet ICBM force, which does not have similar vulnerabilities. Thus, the Soviets could defend their high-value targets with defense systems which our cruise missiles and bombers could not penetrate.

The cruise missile was never intended, and is not capable, of penetrating highly defended Soviet targets. Moreover, with the cancellation of the B-1 we will not have a bomber force that will be able to penetrate Soviet air defenses; it will not be able to come close enough to targets to use the highly effective short range attack missile—SRAM—for defense suppression of highly valued and highly defended targets.

Further, the Soviet warhead advantage is actually much larger if we count the Soviet Backfire bomber in the strategic balance. Thirty Soviet Backfires have the EMT—equivalent megatonnage—of 100 Soviet SS-19's. By 1985 some 400 Backfire bombers could be deployed. Hence, the equivalent of over 1,300 19's—in terms of EMT—will be deployed, not counted under SALT, and not counted in the United States-Soviet strategic force comparison. Additionally, the Soviets have several hundred older ICBM's stored, and they may legally build ICBM's beyond the number of deployed launchers—silos—permitted under SALT. These missiles can be launched from canisters or used for reload in cold-launch ICBM silos in under 12 hours. Thus, an even larger potential disparity exists in United States-Soviet strategic capabilities. Additionally, the Soviets can build and deploy as many SS-20 intermediate range ballistic missiles as they want under SALT II. With one warhead, nearly three times the size of the present U.S. Minuteman III warhead, and nearly twice the size of the future MMIII warhead the SS-20 can destroy targets in the United States.

The U.S. lead in numbers of warheads deployed is thus exaggerated. However, even if the systems—like the Backfire and SS-20—are excluded in United States-Soviet strategic force comparisons, the U.S. lead in total number of warheads deployed is being substantially eroded and will be eclipsed in the next decade with the SALT permitted MIRV'ing of Soviet SLBM and ICBM forces—unless the United States reverses the trend through its own strategic initiatives. Further, Soviet warheads are several times the size of U.S. warheads and can do substantially more damage to soft-area targets than could U.S. warheads.

The so-called U.S. qualitative advantage attributed to U.S. submarines by Mr. Pincus refers to the U.S. ability to maintain more submarines on station than the Soviets do—an advantage that is only meaningful if we need to survive a surprise attack. If the Soviets are not similarly concerned they can, nonetheless, put more of their submarines to sea if they anticipate undertaking a first strike—and we would not attack them simply because they were putting more of their submarines to sea. Nor would such warning improve the level of survivability in our strategic forces beyond the usual levels cited, since we tend to assume we will have warning to put our bombers on alert and those of our submarines that can be put to sea will be put to sea.

Moreover, Soviet submarine missiles now have sufficient range for them to be able to attack the United States from their own ports. They no longer have to be put to sea to attack U.S. targets. The Soviet postattack superiority, after U.S. strategic forces were degraded by a surprise Soviet attack—even if fully generated—would still be decisive for most of the 1980's, and can only be reversed by U.S. strategic initiatives, notably by deploying a survivable land-based ICBM.

The Soviets in fact, by the early 1980's—as noted by Defense Under Secretary William J. Perry—"will have the capability to destroy virtually all of our Minuteman forces and still have a residual ICBM force larger than our Minuteman force was before the strike."

Our submarines tend to be acoustically quieter than Soviet submarines, but, they may be hydrodynamically quieter and the Soviet emphasis in ASW technology is in the nonacoustic area. The Soviets are devoting a great deal of resources to achieving an operational ASW capability; they can already seriously degrade our submarine capability and a full operational Soviet ASW capability is not unlikely over the course of the next decade.

We have more MIRV'ed submarine missiles than the Soviets, but the Soviet SSN-18 has already been tested with 7 warheads and it may have the potential to carry up to 10 warheads. Further, the new Soviet submarine missiles—for the *Typhoon* class submarines—will probably be able to carry the 14 warheads per submarine missile permitted under SALT II.

Our cruise missile technology is superior to Soviet cruise missile technology. But cruise missiles are linked to the survivability of the platform carrying them until they are launched. Once U.S. cruse missiles are launched they must penetrate the most extensive air-defense system deployed anywhere in the world.

Much of the technology to be able to defeat the cruise missiles in air-defense systems is already deployed by the Soviets; certainly the SA-10 embodies that technology. It is unlikely that sufficiently large numbers of U.S. cruise missiles will survive to simply overwhelm Soviet air defenses. And in any event, the cruise missile cannot, by anyone's assessment, penetrate terminally defended targets. Further, there are no limitations on air defenses in the current SALT II agreement. Without a survivable land-based ICBM the U.S. hard target retaliatory capability would thus be severely limited.

The Soviets have many types of cruise missiles deployed. Most recently they have tested a long-range cruise missile (with at least a 1,500 kilometer range) from the Backfire bomber. Without an air-defense system the United States is extremely vulnerable to the threat of the Backfire and its cruise missile (or other cruise missiles) no matter how inferior they might be when compared to those of the United States.

If the SALT II protocol is so unimportant, or if the Soviets do not plan to use the protocol as the basis for SALT III, why is it that the Soviets will not accept SALT II without the protocol. It is clear that the SALT II protocol limitations are viewed as permanent by the Soviets, to be integrated into SALT III, but that the administration recognizes that were these restrictions included in the SALT II treaty the agreement would not be ratified by the U.S. Senate.

The Soviets in a February 13, 1978 Pravda editorial referring to the re-

straints on U.S. cruise missiles in the SALT II protocol, in fact made it very clear that they believe these restrictions must be extended once the protocol expires. As noted in Pravda:

> These figures (U.S. SALT critics) would also like to remove from the limitations sea-launched and surface-launched (morskogo i nazemnogo basirovaniya) cruise missiles. This is in fact a blatant attempt to insure right now that after the 3-year term of the protocol ends there is freedom of action to develop such missiles and increase their agreed range above 600 km, and ultimately to retain the possibility of deploying them outside the United States—that is, as close as possible to the USSR's borders. Comment as they say, is superfluous. It is surely quite obvious that this is yet another attempt to emasculate the limitations already agreed on and to wreck the agreement as a whole.

Mr. Carter, or his successor, if not bullied by the Soviets sufficiently will almost surely be bullied by the U.S. arms control community to integrate the provisions of the SALT II Protocol into the SALT III treaty.

It is true that the United States has nuclear systems in Europe not constrained by SALT II, but in such systems—according to testimony before the House Armed Services Committee by Dr. Fred Ikle, the former Director of the U.S. Arms Control and Disarmament Agency—the Soviets have at least a 2 to 1 advantage, and up to a 4 to 1 advantage, depending on which systems are counted. Moreover, as noted by Gen. Alexander Haig, the U.S. Army Commander-in-Chief, United States European Command:

> In the past 10 years the Soviets have launched theater nuclear force improvements whose aggregate impact has been to transform former western superiority into current Soviet advantages especially in longer range theater nuclear systems.

Mr. Pincus argues the United States could retarget some of its Poseidon boats. It is obvious, however, that U.S. Poseidon boats assigned to the European theater do not provide an additional capability if they are retargeted; it simply means other targets are not covered, targets of obvious importance otherwise we would not have assigned weapons against them.

I truly support the U.S. aircraft carrier force as a projection system, for its role in a conventional conflict, and to contribute to escalation control. But once we are in a nuclear conflict, I am confident the Soviets would allocate the one nuclear armed cruise missile necessary to destroy the carrier. It hardly seems appropriate to include such a U.S. system in the strategic equation when we exclude so many other Soviet systems.

It is true that Pershing II is not limited by SALT II; it is also true, however, that we do not have the system. More importantly, it is unlikely that we have already proposed to the Soviets to withdraw Pershings from Europe in exchange for Soviet tank withdrawals in the MBFR negotiations.

Mr. Pincus dismisses U.S. ICBM vulnerability by arguing that we would have 2 hours to make a decision on whether to launch them—"time enough for any President," says Mr. Pincus, to make a decision. It is doubtful, contrary to Mr. Pincus' view that the United States would have 2 hours to make a decision on whether to launch U.S. ICBM's from under a Soviet attack—20 minutes is much more likely. But whether 20 minutes or 2 hours that is not really the point, and I will elaborate on this in a moment.

Mr. Pincus argues that the U.S. MIRV'ed its forces and improved its ICBM accuracy to illustrate that U.S. strategic programs have not been stagnant. He fails to say the Soviets would not accept MIRV restrictions at SALT I and that had the United States followed the Soviet example in building strategic forces (without restraint) we would not be facing the serious imbalances we face today.

Finally, Mr. Pincus compares U.S. weapons on the drawing board to existing deployed Soviet systems—a familiar ploy, but hardly reassuring to military planners who must consider the availability of operational systems.

Now let me address some of the policy issues raised by Mr. Pincus.

As I mentioned earlier, the present fourth generation Soviet ICBM forces (SS-17, SS-18, SS-19) are capable of achieving, and have virtually achieved, the missile accuracy of the U.S. Minuteman III force with the INS-20 guidance system—an accuracy on the order of .1 to .15 nautical miles. Thus, under the terms of SALT II, the Soviets will be able to deploy over 6,000 MIRV'ed ICBM warheads, with each warhead having the capability to destroy one of the slightly more than 1,000 U.S. ICBM silos, and the other two- or three-hundred U.S. military targets (including bomber fields and submarine facilities) which the Soviets might want to attack. The Soviets could use two ICBM warheads against each U.S. silo and they would also retain a significant postattack superiority. The United States has no similar capability.

The emergence of this Soviet capability is contrary to what is called "crisis stability"—that is, we should not threaten nor have threatened a large portion of our strategic force (such as our ICBMs) which could be destroyed in a surprise attack. For that reason the United States has refrained from deploying such a threat while the Soviets have not. We also do not want to be placed in a position where the survival of our ICBMs is dependent on launching them from under attack. Such a response would lead to an all-out spasm nuclear war and we would lose not 6 million American lives, but 100 million. We, thus, want to be able to control the escalation of any nuclear conflict and terminate any possible hostilities at the lowest threshold level possible. Whether this is possible we do not know, but we must retain that option given the alternative.

It is true that the United States, after absorbing a surprise Soviet attack, would still retain a significant capability in surviving submarines, bombers, and cruise missiles. But, our submarine forces would be primarily limited to attacking so-called Soviet "countervalue" (economic) targets, and our, as mentioned earlier, B-52 bombers and cruise missiles, could not penetrate and attack high-value and highly defended Soviet targets. Such a response would inevitably lead to a Soviet response in kind. Would we dare risk such an attack in the face of overwhelming Soviet strategic superiority? Would such a U.S. capability provide sufficiently a deterrent to prevent an attack on U.S. forces from occurring in the first place? Should we be limited in a response capability that would lead to an all-out nuclear war? Our present policy guidance says we should not be so limited.

In this context, let me also point out that contrary to the "assured destruction" myth, the recent PDM-18 directed studies on nuclear weapons targeting illustrate very clearly that the retaliatory capability of the United States could not significantly retard or prolong reconstitution of the Soviet economic structure, let alone destroy Soviet society as popularly perceived.

The primary purpose of our nuclear forces is, of course, to provide deterrence and a stable strategic environment. We hope to obviate the need for ever having to use our strategic forces by retaining a credible retaliatory capability. Given the significant Soviet strategic advantages whereby they could credibly degrade our offensive strategic forces and destroy 6 to 10—or perhaps even 20 million Americans—and then retain a decisive residual superiority, we might well be deterred from retaliating—knowing we would face the destruction of our society and the Soviets might not. The situation we would then have to fear most is not nuclear conflict, but the use of Soviet nuclear superiority for political, diplomatic, and military leverage. Soviet behavior could become more aggressive and reckless and the risk of accidental conflict would be increased.

It is the emergence of this Soviet threat we have sought—and failed—to constrain through the arms control process. Now that the threat has emerged we cannot simply ignore it without risking the most serious political—and possibly even military—consequences, as has been noted by Defense Secretary Brown.

Until the latter part of the last decade we never really had to focus on what constitutes deterrence because we have substantial superiority. The year 1979, however, represents a turning point.

As revealed in the current DOD posture statement, the strategic capabilities of the Soviet Union have begun to surpass those of the United States, and this Soviet advantage will grow through much of the 1980's.

Mr. Pincus is correct that the United States has options to redress the growing strategic imbalance and restore stability. This is the purpose of the so-called Multiple Aim Point (MAP) ICBM basing system—a proliferation of vertical shelters where in U.S. ICBM's would be randomly moved around. A MAP basing system would restore stability because for the Soviets to successfully destroy U.S. ICBM's, they would have to attack all of the shelters. They would then be forced to expend more warheads than they would destroy, thus theoretically ending

up in a post-attack inferior position. Such a situation would be stable because it would reduce any incentive to strike first.

It is clear that despite what political benefits SALT II may or may not entail, the agreement in and of itself will not enhance stability. United States strategic programs will be necessary to do that. The prospective SALT II agreement, in my view, has several serious deficiencies; but what concerns me most is that the agreement is advanced as obviating the need for U.S. strategic programs that are necessary to maintain a United States-Soviet strategic balance and stability.

Finally, on the issue of whether U.S. restraint has been matched by the Soviets, I think it is important to note Defense Secretary Brown's comment on that subject:

> What concerns me most about the continuing Soviet military build-up is its persistence and how that continues regardless of what the United States does. We build up our forces, they build up theirs. We reduce our forces, they build up theirs . . . if the present trends continue for another five years, I believe the relative military positions (of Russia and the United States) would be a cause of real difficulty for the United States.

That, in my view, sums up very adequately the situation we face today as a Nation. But, I believe there is hope. The Soviet leadership is composed of rational, cautious men. If we show them we are serious, and that we are prepared to meet any threat they might pose, then I believe we will contribute substantially to a peaceful and stable geopolitical environment. That is our objective, and that is what we should set about doing.

Mr. Speaker, I place in the RECORD at this time Mr. Pincus' article, and the abbreviated version of my response which was published in the Washington Post.

THE SOVIET STRATEGIC "ADVANTAGE"

(By Walter Rincus)

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen good examples of this in two recent critical analyses of the pending SALT agreement. Or perhaps I should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warheads SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expect that SS18s may eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8-10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor, the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S. advanced technology permitted small, more accurate warheads to be built.

As U.S. missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—diminishes to almost zero. A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States, deriving from it advantage such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 200 of which are always on 15-minute alert at the end of runways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the Mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation, The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using The Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-'60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60s announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Soviet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missile, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keep us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry, he and The Economist are playing the same game, but with the formidable U.S. force.

1979: A TURNING POINT IN SOVIET STRATEGIC ADVANTAGE

(By Robin Beard)

Walter Pincus' recent article, "The Soviet Strategic 'Advantage,'" [op-ed, Feb. 5] raises several point with which I would like to take issue.

Let me first make some factual corrections. The Soviet Union does not have 100 SS18s deployed, but almost 200. Moreover, the Soviets have only recently perfected the SS18 MIRV program and can be expected to deploy the 308 (and possibly 320) SS18s—each with 10 warheads—as permitted under the terms of SALT II.

The fourth generation Soviet ICBM forces (the SS17, SS18, SS19) are capable of achieving, and have virtually achieved, the missile accuracy of the U.S. Minuteman III force with the INS-20 guidance system—an accuracy on the order of .1 nautical miles. Thus, under the terms of SALT II, the Soviets will be able to deploy over 6,000 MIRVed ICBM warheads, with each warhead having the capability to destroy one of the slightly more than 1,000 U.S. ICBM silos, and the other two or three hundred U.S. military targets (including bomber fields and submarine facilities) that the Soviets might want to attack. The Soviets would also retain a significant post-attack superiority. The United States has no similar capability.

The emergence of this Soviet capability is contrary to what is called "crisis stability"—that is, we should not threaten or have threatened a large portion of our strategic force which could be destroyed in a surprise attack. We also do not want to be placed in a position where the survival of our ICBMs is dependent on launching them from under attack (and we would not necessarily have two hours, as alleged by Mr. Pincus, to make that decision—30 minutes is much more likely). Such a response would lead to an all-out spasm nuclear war and we would lose not six million American lives, but 100 million. We thus want to be able to control the escalation of any nuclear conflict and terminate any possible hostilities at the lowest threshold level possible. Whether this is possible we don't know, but we must retain that option, given the alternative.

It is true, that the United States, after absorbing a surprise Soviet attack, would still retain a significant capability in surviving submarines and bombers and cruise missiles. But our bombers and cruise missiles would still be subject to penetration problems, while our submarines would be limited to attacking so-called Soviet "countervalue" (economic) targets. Such a response would inevitably lead to a Soviet response in kind. Would we dare risk such an attack in the face of overwhelming Soviet strategic superiority; would such a U.S. capability provide sufficiently a deterrent to prevent an attack on U.S. forces from occurring; should we be limited in a response capability that would lead to an all-out nuclear war? Our present policy guidance says we should not be so limited.

In this context, let me also point out that contrary to the "assured destruction" myth, the recent PDM18 directed studies on nuclear-weapons targeting illustrate very clearly that the retaliatory capability of the United States could not significantly retard or prolong the reconstitution of the Soviet economic structure, let alone destroy Soviet society.

The primary purpose of our nuclear forces is, of course, to provide deterrence and a stable strategic environment. Until the latter part of the last decade we never really had to focus on what constitutes deterrence because we had substantial superiority. The year 1979, however, represents a turning point.

As revealed in the current Department of Defense posture statement, the strategic capabilities of the Soviet Union have begun to surpass those of the United States, and this Soviet advantage will grow through much of the 1980s.

Mr. Pincus is correct that the United States has options to redress the growing strategic imbalance and restore stability. That is the purpose of the so-called Multiple Aim Point (MAP) ICBM basing system—a proliferation of vertical shelters wherein U.S. ICBMs would be randomly moved around. A MAP basing system would restore stability because for the Soviets to successfully destroy U.S. ICBMs, they would have to attack all of the shelters. They would then be forced to expend more warheads than they would destroy, thus theoretically ending up in a post-attack inferior position. Such a situation would be stable because it would reduce any incentive to strike first.

It is clear that despite what political benefits SALT II may or may not entail, the agreement in and of itself will not enhance stability. U.S. strategic programs will be necessary to do that. The prospective SALT II agreement, in my view, has several serious deficiencies; but what concerns me most is that the agreement is advanced as obviating the need for U.S. strategic programs that are necessary to maintain a U.S.-Soviet strategic balance and stability.

Finally, on the issue of whether U.S. restraint has been matched by the Soviets, I think it is important to note Defense Secretary Harold Brown's comment on that subject:

"What concerns me most about the continuing Soviet military buildup is its persistence and how that continues regardless of what the United States does. . . . We build up our forces, they build up theirs. We reduce our forces, they build up theirs . . . if the present trends continue for another five years, I believe the relative military positions [of Russia and the United States] would be a cause of real difficulty for the United States."

That, in my view, sums up very adequately the situation we face today as a nation. But I believe there is hope. The Soviet leadership is composed of rational, cautious men. If we show them we are serious, we will contribute substantially to a peaceful and stable geopolitical environment.●

STATE ROLE IN RADIOACTIVE WASTE DISPOSAL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MOAKLEY. Mr. Speaker, during the opening week of the 96th Congress, I introduced legislation (H.R. 1071) which seeks to incorporate States as full partners with the Federal Government in determining future Federal radioactive waste storage sites.

As the law currently stands, individual States do not have clear legal authority to approve or disapprove the location of a Federal radioactive waste repository within their borders. The problem of storing these very toxic, long lasting wastes represents such an important policy decision that I feel it is necessary to guarantee the States a role in the final decision.

The legislation I have introduced is a two-step process. First, the Department of Energy, before investigating any site for construction of a radioactive waste storage facility, must notify the affected State's legislature of this intention. This will give the State the opportunity to monitor and participate in the investigatory process.

Second, when a site is selected by DOE, the Secretary must notify the State's legislature again; which then has 120 days to disapprove the Federal Government's proposal by either, first, resolution or law in the legislature or second, statewide referendum. This bill does not prevent DOE from submitting an amended plan at a later date.

It is the intent of this legislation that by granting a veto power to the States, the Federal Government and the affected State will work as equal partners. This legislation will put the onus on the Department of Energy to convince the State that their plan for a waste repository is safe and fair.

Forty-eight of my colleagues have joined with me in cosponsoring this legislation and 15 States have enacted laws relating to high-level radioactive waste disposal. I would like to share with my colleagues these State laws.

The list follows:

RADIOACTIVE WASTE DISPOSAL LEGISLATION

ALASKA

Radiation Protection Act—AK S-45. A general amendatory bill relating to radiation control in the Department of Health and Social Services. Adds a new section "Facilities Siting Permit Required" which prohibits construction of a nuclear fuel production facility, utilization facility, reprocessing facility, or nuclear waste disposal facility in the State unless a permit is obtained from the Department of Environmental Conservation. No permit can be issued unless the legislature, local government and Governor have approved the permit. (Approved July 17, 1978)

CALIFORNIA

AB-2622. No new nuclear power plant shall be permitted land use in California until the State Energy Commission certifies that the Federal Government has approved and there exists a demonstrated technology or means for the disposal of high-level nuclear waste. The Legislature shall have 100 legislative days during which time either house may adopt a resolution disapproving the findings. The act specifically exempts Diablo Canyon 1 and 2 and San Onofre 1 and 2. (Signed by Governor 6/3/76)

COLORADO

Waste Repository Resolution—CL SM-3. Memorializes the U.S. Congress, the President, and ERDA to exclude Colorado from consideration as a potential site for a high-level radioactive waste repository. (Adopted 6/3/77)

DELAWARE

Support for State Veto Over Waste Repositories—DL HR-124. This House Resolution requests the Delaware Congressional Delegation to support S-2761 which gives the States veto power over waste repositories. (Adopted April 14, 1978)

HAWAII

Radioactive Waste Disposal in the Pacific Ocean—HI SR-68. Expresses concern over the proposed disposal of radioactive wastes in the Pacific Ocean 600 miles north of Hawaii. Requests the U.S. Environmental Protection Agency to halt any plans for undersea disposal until their safety is "proven beyond any shadow of doubt." (Adopted 4/5/76)

Proposal No. 26. To require anyone wishing to construct a nuclear fission power plant or dispose of radioactive material to receive the approval of 2/3 of the members of each house of the legislature. (Passed)

LOUISIANA

Radioactive Waste Disposal Prohibition—LA H-14. Prohibits the use of salt domes in Louisiana as temporary or permanent disposal sites for radioactive wastes. Requires prior notification of the House and Senate Natural Resources Committees and the Department of Natural Resources for suitability testing of salt domes and subsequent notification of the results of the studies so they can "determine the advisability of removing, continuing, or extending the prohibitions and limitations." (Signed by Governor 7/5/77)

Radioactive Waste Disposal Sites—LA SCR-83. A Senate resolution memorializing the U.S. Congress to enact Federal legislation "to require the proper Federal agency to notify both the governor and the legislature of any State of the agency's intention to search for radioactive waste disposal sites within that State." (Adopted 7/11/77)

Waste Repository Ban—LA S-38. Amends the existing law to add ". . . should the local governing authority of the parish or parishes in which said tests to occur, the natural resources committees of the House of Representatives and the Senate of the Louisiana legislature object in writing to the continuation of said tests, then such tests shall cease." (Approved 7/13/78)

MAINE

H-1388. Prohibits construction of nuclear power plants within the State unless the PUC finds that the "U.S. Government, through its authorized agency, has identified and approved a demonstrable technology or means for the disposal of high-level nuclear waste" and that adequate facilities will be in operation at the time they are needed. Other governmental entities which grant permits, licenses, approvals or authorizations for construction of nuclear power plants may process the applications, subject to the PUC's granting of certification. (Signed by Governor 6/22/77)

MARYLAND

Spent Fuel Storage—MD H-426. Would amend the existing State law banning the establishment of "any permanent storage facility, burial ground . . . for the long-term storing of waste nuclear materials within the State . . . except that temporary storage shall not exceed two years." By adding a sentence to enable the Secretary of Health and Mental Hygiene to vary the two-year time limitation if he determines it is in the public interest. (Approved 4/11/78) (The chapter was enacted in 1970.)

MICHIGAN

Ban on Radioactive Waste Disposal Sites—MI S-153, S-686, S-689, S-690. All of these laws ban the State's consent to the acquisition by the Federal Government by purchase, condemnation of any land or building for use in storing, depositing, or dumping of radioactive material. They amend different codes relating to State's jurisdiction over certain lands and buildings. (Signed by Governor 4/13/78, effective immediately.)

Radioactive Waste Ban—MI S-144. States that "Radioactive waste may not be deposited or stored in this state." The ban does not apply to: facilities at educational institutions, spent fuel storage pools at nuclear power plants, mill tailings from uranium mining within the State, medical uses of radioactive material, temporary storage of low-level waste for not more than six months, the storage of waste which was being stored before January 1, 1970. The act takes effect immediately. (Signed 2/14/78)

MINNESOTA

Ban on Radioactive Wastes—MN H-1215. Prohibits the construction or operation of a "radioactive waste management facility" within Minnesota unless authorized by the legislature. Prohibits the transport of wastes into the State for disposal or storage unless authorized by the legislature, except that "radioactive wastes may be transported into the state for temporary storage for up to 12 months pending transportation out of the state." The act is effective immediately. (Signed by Governor 6/2/77)

MONTANA

Radioactive Materials Disposal Ban—MT H-254. Prohibits the disposal in Montana of large quantities of radioactive materials produced in other States. (Signed by Governor 3/21/77)

OREGON

Waste Disposal Facility Ban—OR S-272. Bans the establishment or operation of radioactive material waste disposal facilities within the State. The previous ban would have expired January 1, 1978. (Signed by Governor 7/27/77)

SOUTH DAKOTA

Legislative Approval for Waste Repository—SD H-822. Bans the "containment, disposal or deposit of high-level nuclear wastes, radioactive substances or radioactively contaminated materials or the processing of high-level nuclear wastes" within the State unless prior approval is granted by the legislature. Exempts uranium ore and mill tailings from the provisions of the act. (Signed by Governor 4/16/77)

TEXAS

Radioactive Discharges—TX H-1560. Authorizes the Texas Water Quality Board to regulate the discharge of waste or pollutants into any water within the State; however, no permits shall be issued authorizing the discharge of "any radiological, chemical, or biological warfare agent or high-level radioactive waste." (Signed by Governor 6/15/77)

VERMONT

Legislative Approval for Waste Repository—VT H-261. Bans the construction or establishment of a high-level radioactive waste repository within Vermont, unless the General Assembly approves it, through either a bill or a joint resolution. (Signed by Governor 4/26/77)●

SOVIET RECORD ON HELSINKI—STILL DISMALLY POOR

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. DRINAN. Mr. Speaker, citizens of the Soviet Union who wish to leave that country continue to be manipulated and harassed in complete disregard for the 1975 Helsinki accords. The Soviet Government has continued to manufacture lengthy procedural delays for applicants, charge expensive fees just for submitting the forms, and has neglected to publish regulations concisely stating criteria for ruling on emigration requests. Instead, the Soviet Union has twisted and distorted the provisions of the Helsinki Final Act for their own political ends.

The joint executive-legislative Commission on Security and Cooperation in Europe was created to monitor and encourage compliance with the 1975 Helsinki accords in this country. As one of the main provisions of the accords, families are to be reunited by the lifting of restrictive emigration practices by signatory nations. My able colleague, Mr. FASCELL, chairman of the Commission has written an excellent review on current Soviet compliance with the accords. The article which appeared in the Christian Science Monitor, on February 23, 1979, concludes that in spite of the recent increase in the number of individuals leaving the country, the Soviet record is not very good. The text of the article follows:

SOVIET RECORD ON HELSINKI—STILL DISMALLY POOR

(By DANTE B. FASCELL)

The public attention in the West in recent months has focused on the increasing numbers of Jews being allowed to emigrate from the Soviet Union. Over a four year period, the number of Jews leaving the USSR has increased annually from 13,721 in 1975 to 28,864 in 1978. The figure for emigrating Soviet Germans, cited at 8,500 in 1978 is also encouraging. One might also point to the less publicized emigration patterns for Soviet Armenians who, since World War II, have been allowed freer movement in and out of the country.

Certainly, these statistics are a welcome indication of relaxed Soviet emigration practices, regardless of motivation. But this rise in numbers of certain people being allowed to leave should not blur one's perception of the arbitrary bureaucratic procedures in the Soviet Union which reveal the true nature of Soviet emigration policy.

Despite these recent figures, the fact remains that the Soviets maintain absolute control over movement to and from the USSR. They can, and do, turn the spigot of emigration to suit their particular needs at any given time.

Since there are no published regulations on the criteria for deciding an emigration case, most candidates, whether Jewish or of other ethnic or religious affiliation, have no inkling on how their application will be resolved by authorities. The application process is lengthy, complicated and burdensome. Those brave enough to express a desire to leave are often subjected to official recriminations such as job demotion or loss of employment, expulsion from university or punitive conscription into the armed forces. Denials of permission to leave—never given in written form—are arbitrary and based on such vague justifications as "regime considerations" or "not in the state's interest." There is never any indication as to how long one may have to wait in order to receive permission to emigrate.

Some so-called "refuseniks" have been waiting for permission for as long as nine years. Even when exit permission is granted, the total cost of the necessary documents is prohibitive. Fees required for those wishing to emigrate to Israel, for example, equal one half the average annual wage.

Evidence revealing the continuation of a highly restrictive Soviet emigration policy is convincingly documented in materials reaching the West from groups in the Soviet Union monitoring the 1975 Helsinki accords. These reports, most of them made public through the US Commission on Security and Cooperation in Europe, show clearly that the Soviet Union has done little to honor its pledge in the 35-nation, East-West agreement to facilitate the freer movement of people.

The Ukrainian monitors, for instance, report that it is nearly impossible for Ukrainians to emigrate even for the purposes of family reunification. The Ukrainians maintain, furthermore, that Soviet authorities, capitalizing on their distance from Moscow and Western reporters, are much harsher in their treatment of non-Russian dissidents. Similarly, the Lithuanian Helsinki group has drawn attention to long-divided family cases such as that of Aloyzas Jurgutis, a Chicago resident, whose wife and daughter in Lithuania have sought to join him for four years.

Family reunification, in fact, is the only officially recognized grounds for requesting emigration. The Helsinki Final Act is supposed to foster such reunions, but in an ironic twist, Soviet authorities have used its provisions as the basis for further restricting emigration. Citing the Final Act, it is not

uncommon for officials to deny emigration visas based on "insufficient closeness of relatives." The state claims it has the right to decide which relatives deserve to be together.

Meanwhile, Soviet officialdom turns a deaf ear to the many thousands who would leave the Soviet Union for religious, ethnic, ideological or economic reasons. The Moscow Helsinki group, for example, has documented the plight of evangelical Protestants—Pentecostals, Baptists and Adventists—who want to emigrate from the USSR to escape religious persecution. There are currently about 20,000 evangelical Protestants in the Soviet Union who have publicly declared their desire to go to any country where they can practice their religion freely. Some Americans have agreed to sponsor about 800 Soviet Baptists, Pentecostals, and Orthodox Christians, but none have been granted permission to leave.

Because most of these Soviet citizens have no relatives abroad, they cannot even formally apply to emigrate. Among the most dramatic of these cases is that of the Vashchenko family, Pentecostals from Siberia, who since June of 1978 have refused to leave the American Embassy in Moscow until they are granted permission to emigrate.

The Moscow Helsinki monitors have also documented cases of Soviet workers who want to emigrate because they cannot attain a decent standard of living for their families, no matter how hard they try. One such worker, Leonid Sery, a lathe operator with six children, claims that his family is ill due to malnutrition because he finds it impossible to earn enough money to feed them. Mr. Sery's appeals to the Soviet authorities to allow him to emigrate to the United States and Canada have been futile.

As the cases of the Vashchenko and Sery families illustrate and Soviet dissidents point out, the underlying reason for wanting to leave the Soviet Union beyond that of family reunification—is to escape an essentially repressive society. And those who do apply to emigrate as a result of their frustrated efforts to exercise a broad range of basic human rights, are often subjected to harsh repressions and reprisals.

In good faith, the West should, and does, acknowledge the statistical rates of increased emigration for some groups from the Soviet Union. But these figures should be recognized for what they are and no more. Overall, the Soviet performance in terms of the pledges made at Helsinki is still dismally poor. We must continue to express our displeasure to the Soviets for their treatment of the many people left behind who seek to leave, but cannot within the framework of a closed society.●

ESTONIAN INDEPENDENCE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. PATTEN. Mr. Speaker, on February 24, we marked the 61st anniversary of the Republic of Estonia. Although Estonia is the smallest of the three Baltic countries, it became an important center of industrial activity in Eastern Europe. Despite their influence, Estonians have reaped few rewards. They have been deprived of the most fundamental human rights and thousands have been exiled. Estonia has been striving for its autonomy from Russia since the Revolution of 1905.

Since 1918 the Estonians have rallied for the cause of freedom and their quest for independence is a vital force behind this cause. They have been denied their right for freedom, yet have not lost the drive to attain this dream. The spirit of freedom of 1918 lives among Estonians both here and in their native land and we Americans pay homage to these brave people. Today, Americans who too often take our own freedom for granted, honor Estonians and pray that one day this dream will become a reality.●

IT'S TIME TO END THE HOLY WAR OVER NUCLEAR POWER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. WYDLER. Mr. Speaker, the March 12 edition of Fortune magazine contains an excellent article on the critical issue of the future of nuclear power in this country. This article is the first in a series on the nuclear issue which I feel for the good of the country must be resolved in this Congress. Fortune says:

The nation has probably no more than two years to decide what role nuclear plants should play in the next round of electric-power expansion.

I emphasize this point to my colleagues since the indecisive policy of this administration has the nuclear industry on the ropes. Only one reactor manufacturer of the four makes a profit on the business because the utilities have encountered such resistance to and delays with plant construction.

I strongly recommend this article to my colleagues so that they can understand the consequences of continued national indecision on nuclear power.

[From Fortune magazine, Mar. 12, 1979]

IT'S TIME TO END THE HOLY WAR OVER NUCLEAR POWER

The debate over the production of electric power by the splitting of atoms has acquired the intensity of a religious war. Complex, confusing, and muddied by overstatements from both sides, the dispute involves the energy underpinnings of the nation's economy. It has led to the bitterest environmental confrontation of the Seventies. And it has raised such grave foreign-policy matters as nuclear-weapons proliferation and potential threats from terrorists at home or abroad.

To its adversaries, fission power is a monstrous insult to the natural order of things by arrogant men willing to risk catastrophic releases of radioactivity in order to supply more electricity to a wanton nation that has hardly begun to conserve it. Not only is fission power unacceptably dangerous, say its implacable foes; it is too costly by any reasonable accounting.

The champions of nuclear power see themselves as beleaguered defenders of one of science's newest blessings against the onslaught of an irresponsible counterculture. Fission power, they assert, involves far fewer hazards than other well-entrenched features of modern life, such as air travel, toxic chemicals, and dams built above populous areas. It offers a way to reduce ruinously costly oil imports, to minimize the noxious fumes of polluting coal, and to keep motors running and lights glowing for centuries.

In the middle, between the warring factions, stand millions of citizens who, without hating nuclear power, are understandably wary of a young technology that depends upon the successful containment of material that can inflict wholesale cancer. But they might put up with it for a few generations until the world finds alternatives that are less controversial.

Today the U.S. gets 12½ percent of its electric power from seventy-two nuclear generating plants. That is already enough to make a vital difference when foreign oil supplies are pinched or when coal miners stage a lengthy strike. Another 126 nuclear plants are on order or under construction. When all these facilities come on line in the middle or late 1980's, the nation will generate about a quarter of its electricity from the atom.

Even so, the $5-billion industry that supplies components and erects the plants is in precarious shape now, and faces a death sentence unless it receives more orders. Utilities have placed virtually no new orders for nuclear facilities since 1974 and have canceled or postponed many existing orders. One reason is the recent slowdown in the growth of electric-power consumption. Another more troublesome reason is that utility companies are increasingly hesitant to commit themselves to nuclear plants because they encounter so much resistance and delay. Among the U.S.'s four reactor makers, only Westinghouse, the leader, claims to make a profit on the business. General Electric, Combustion Engineering, and Babcock & Wilcox all lose money.

Opinion polls show that the American public favors nuclear power by about two to one, but that margin may not save it from its determined adversaries. With a low-keyed, unhurried approach, the Carter Administration is trying to forge a nuclear policy acceptable to some of the critics. As the nuclear-power industry sees it, however, the President's activities look less like peacemaking than abject surrender to the enemy.

By Fortune's calculations, the nation has probably no more than two years to decide what role nuclear plants should play in the next round of electric-power expansion. The future of the nuclear industry will depend heavily on the answers that millions of undecided citizens arrive at to four crucial questions:

Is it safe to live near nuclear reactors?

Can atomic wastes be buried without leakage for thousands of years, until their long-lived radioactivity has declined to an innocuous level?

Does the spread of nuclear power greatly increase the likelihood of nuclear war or the theft of bomb material by terrorists?

Is nuclear power a sound economic proposition when it is rigorously costed out?

In the article beginning on the following page, and in subsequent issues, Fortune will examine each of these questions and explore what is being done—or can be done—to resolve them and make nuclear power acceptable. It is time to end that holy war, for a greater evil amid looming energy shortages is national indecision.●

EMERGENCY MEDICAL SERVICES

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. MOLLOHAN. Mr. Speaker, on February 15, I introduced H.R. 2212, the Emergency Medical Services Amendments of 1979. I have maintained a continuing interest in this program since I introduced the first Federal Emergency

Medical Services (EMS) legislation in 1971. Generally, I am pleased with the progress that has been made and firmly believe the program should be extended so that we can continue to improve the quality of emergency medical care throughout our country.

Although coordinated EMS systems have been "on the street" for only several years, recent statistics are revealing that improved emergency care can lower death rates. The prehospital coronary death rate declined 26 percent in Charlottesville, Va., after an EMS system was operational there. In 1968, 70 percent of the seriously injured accident victims in Baltimore were either dead on arrival or died in the hospital. With the emergence of good EMS and the highly respected shock trauma unit in that community, more than 80 percent of seriously injured accident victims now are surviving. Similar dramatic improvements are being noted in burn and spinal cord injury victims in many parts of the country where regional EMS systems are functional.

These kinds of vivid, life-saving results are generating the kind of public support that will be needed to keep EMS systems developed with Federal help operating when Federal dollars no longer are available. In San Diego County, Calif., for example, local leaders threatened to let the EMS program die. But public pressure convinced officials to use local money to continue this service. Not long thereafter, voters in the city of San Diego approved funding needed to keep EMS operating there after Federal funding eligibility had expired.

The Federal EMS program envisions 304 regionally coordinated systems of emergency medical services in every State and in all U.S. territories. To date, 282 of these regional systems have received some assistance under the program. At the end of fiscal year 1978, 96 systems covering 67.2 million people were planned or being planned; 169 systems serving 118.3 million citizens were in some phase of operation development; and 17 systems covering 26.2 million people had completed eligibility under the program. Grants have been made in every State and territory, except American Samoa.

Since 1974, when the first EMS grants were made, a total of $147,160,000 has been awarded to regional EMS entities. However, funding of the program consistently has been below authorized levels. Thus, in 1978, requests for funding exceeded available appropriations by 52 percent. The Department of Health, Education, and Welfare reports a current backlog or interruption of funding for 165 systems previously funded. Development, therefore, has been slower than we would like, but the program is on firm footing and remarkable progress is being made in every section of the country to provide improved emergency medical care.

Good EMS requires more than shiny ambulances and sophisticated gear. It takes trained personnel, cooperation from the medical profession and hospitals, and a commitment from local and State leaders. These ingredients are among the requirements that must be met by all successful EMS applicants. It takes a minimum of 5 years of Federal funding to get an EMS region on its feet; after that, each system is expected to support itself with non-Federal revenues. I did not envision in 1971, nor do I envision now, a Federal EMS program in perpetuity. The objective is to make Federal resources available to help State and local authorities establish good EMS and to have them understand from the outset that the ultimate responsibility for operating and maintaining what has been developed is one they must assume.

HEW has stated in its 1978 annual EMS report that another $327,125,000 would be needed to fund remaining years of eligibility under the program. At this time of severe budget pressures, we must look very carefully at these figures and endeavor to make available the funding levels necessary to insure continuation of EMS. H.R. 2212 authorizes $140,250,000 over the next 3 fiscal years. Based on projections provided by HEW, I would anticipate funding in this range in fiscal years 1983 through 1985 would be required to complete the Federal mission and terminate the program. It is anticipated that the administration will submit legislation continuing the program for the next 3 fiscal years on a "phase out" schedule with the program terminating at the end of fiscal year 1982. I would have to vigorously oppose legislation of this type on the grounds that we would be leaving an excellent program—one that is saving many lives and dollars—dangling and unfinished when its mission can realistically be expected to be completed in 1985.

H.R. 2212 basically is a simple extension of the existing Emergency Medical Services Act (title XII of the Public Health Services Act). However, several modifications should be noted:

(1) Section 1203 is amended to provide the Secretary discretionary authority to make the first implementation grant for a period up to 24 months. This modification grew out of suggestions made by several grant recipients in my State who contend that it is not always possible for a grantee to complete all necessary work in first-year implementation within the normal 12-month period of the grant. In fact, HEW has been forced on numerous occasions to extend the period of the first-year grant beyond 12 months. In justifying this modification, the Director of the Office of Emergency Services for the State of West Virginia told me in a letter dated January 15, 1979:

This standard approach would preclude a regional program being forced at a more critical stage in its development to step aside for a year to "catch up". The best time for this in terms of system development would be in the initial start-up period. The cost of a "delay year" at a later stage (second year of system expansion) would be more expensive in terms of progress and real dollars required for the process at such point in time.

(2) Both sections 1203 and 1204, which authorize implementation grants, are amended to remove the "hardship clause" which permits HEW to grant up to 75 percent Federal funding for system development. This authority has been used rarely and, furthermore, does not well serve the objective of securing a strong local funding commitment to insure proper fiscal foundation for an EMS system. Therefore, the "hardship" funding clause in both sections has been eliminated.

(3) Section 1205 provides authorization for research in emergency medical services. I must note, however, that I am not convinced that research conducted under this provision has been useful or in keeping with the mandates established by the Congress. Thus, it is with some reluctance that I have included continued authority for this activity. I intend to ask the chairman of the Subcommittee on Health and the Environment to schedule appropriate witnesses to review the section 1205 program so an informed judgment can be made about it and about the need for its continuation.

(4) Existing section 1221 language having to do with burn injuries has been stricken. Substituted is language establishing a training fellowship program in burns. The existing section 1221 authority has been used to launch a major study on the status of burn care in the United States and a report is due in 1980. It is my belief that the Congress should await the results of this report before taking further definitive action on any future burn treatment or capital expenditure programs. However, both HEW and the American Burn Association have agreed that there is a critical need for more physicians trained in burn care. Thus, during the period that the Congress is awaiting and evaluating the burn study report, the fellowship program could be implemented to provide a larger number of trained physicians who can help give us the kind of high quality burn care we all envision as being necessary and appropriate.

Mr. Speaker, the emergency medical services program is the best health care bargain we have in the Federal Establishment today. It save lives and it saves dollars. It is a program with widespread public support. It is a program deserving of continuation and of our vigorous support. I shall press for early favorable action on this extension measure since existing authorities expire on September 30, 1979, and I would be pleased to add as cosponsors Members who share my very deep faith in the merits of this vital health care endeavor.

A section-by-section analysis of and the text of H.R. 2212 follow:

SECTION-BY-SECTION ANALYSIS OF H.R. 2212

Section 1. Merely identifies the legislation as the "Emergency Medical Services Amendments of 1979."

Section 2. Provides the Secretary with discretionary authority to make the first implementation grant under Section 1203 for a period up to twenty-four months. The Department of Health, Education and Welfare has been forced on numerous occasions to extend the period of Section 1203(1) (first-year) grants beyond the normal twelve-month period because many grantees discover they cannot accomplish all necessary first-year implementation goals within that short time span. Providing this discretion merely provides the Department with au-

thority to make judgments about the duration of a Section 1203(1) grant based on individual circumstances of grant recipients.

Additional language in this section eliminates "hardship" funding percentages and makes the amount of the Federal share of a Section 1203(1) grant 50 percent and the Federal share of a Section 1203(2) (second-year) grant 25 percent. The "hardship" provision was deleted because it has seldom been used and is deemed unnecessary.

Section 3. Changes Federal funding share (as explained in Sec. 2) to 50 percent of a grant under Section 1204(1) (first-year) and 25 percent of a grant under Section 1204(2) (second-year).

Section 4. Authorizes funding for Sections 1202, 1203 and 1204 in the amount of $40 million for Fiscal Year 1980, $43 million for Fiscal Year 1981, and $46 million for Fiscal Year 1982. Budget authority has been lowered to approximate past levels of appropriations. In Fiscal Year 1979, for example, these three sections carried $70 million in budget authority; however, the overall Title XII appropriation was only $33.7 million. It is hoped that agreement can be reached with the Appropriations Committees to fund Title XII fully at the lower levels authorized in this section.

Also authorized is $3.2 million in Fiscal Year 1980, $3.5 million in Fiscal Year 1981, and $3.8 million in Fiscal Year 1982 to continue grants and contracts under Section 1205 (research).

In addition, this section prohibits funding of any Section 1203 planning grants after Fiscal Year 1981 on the premise that no new starts be initiated that cannot complete funding under the Act prior to the anticipated September 30, 1985, termination of Title XII.

Section 5. Substitutes a "training fellowship" program for the existing Section 1221, "Burn Injuries," program. Funding available under Section 1221 authority is being used for a comprehensive review of the current burn care delivery system. The results of this study will be available in 1980. At that time, Congress may wish to take more comprehensive actions, to address the problems of burn care. In the interim, the "training fellowship" program authorized in this section will permit the training of more physicians in burn care treatment, a need already identified as paramount by the Department of Health, Education and Welfare and the American Burn Association. Each fellowship will be for one year in an amount up to $15,000 that may be supplemented with non-Federal funds. No more than two fellowships may be awarded to any one eligible institution in any single fiscal year. It is intended that eligible institutions include those with "special expertise" in providing burn care and be recognized as such by the Department of Health, Education and Welfare and the American Burn Association as of December 31, 1978. Sec. 5 authorizes $250,000 for each of the next three fiscal years for the "training fellowship" program.

H.R. 2812

A bill to amend the Public Health Service Act to revise and extend title XII of that Act relating to emergency medical services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) This Act may be cited as the "Emergency Medical Services Amendments of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title XII of the Public Health Service Act.

SEC. 2. (a) Section 1203(c)(2) is amended by inserting after "(2)" the following: "The first grant or contract made under this section after the date of the enactment of the Emergency Medical Services Amendments of 1979 to an entity for the establishment and operation of an emergency medical services system shall be available to the entity for establishment and operation costs incurred in the twenty-four month period beginning after the month in which the grant or contract is made.".

(b)(1) Section 1203(c)(3)(A) is amended (A) by striking out "(1)", and (B) by striking out all after "is made" and inserting in lieu thereof "; and".

(2) Section 1203(c)(3)(B) is amended (A) by striking out "(1)", and (B) by striking out all after "is made" and inserting in lieu thereof a period.

(c) Paragraph (4) of section 1203(c) is repealed.

SEC. 3. (a) Section 1204(b)(2)(A) is amended (1) by striking out "(1)", and (2) by striking out all after "is made" and inserting in lieu thereof "; and".

(b) Section 1204(b)(2)(B) is amended (1) by striking out "(1)", and (2) by striking out all after "is made" and inserting in lieu thereof a period.

SEC. 4 (a) Section 1207 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1207. (a) Except as provided in section 1202(g), there are authorized to be appropriated $40,000,000 for the fiscal year ending September 30, 1980, $43,000,000 for the fiscal year ending September 3, 1981, and $46,000,000 for the fiscal year ending September 30, 1982, for the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204.

"(b) There are authorized to be appropriated $3,200,000 for the fiscal year ending September 30, 1980, $3,500,000 for the fiscal year ending September 30, 1981, and $3,800,000 for the fiscal year ending September 30, 1982, for the purpose of making payments pursuant to grants and contracts under section 1205.".

(b) Section 1202 is amended by adding at the end the following:

"(g) No grant may be made or contract entered into under subsection (a) or (b) after September 30, 1981.".

SEC. 5. Section 1221 is amended to read as follows:

"TRAINING FELLOWSHIPS

"SEC. 1221. (a) The Secretary may make grants to hospitals with special expertise in providing care for individuals injured by burns to assist the hospitals in providing fellowships for training in the treatment of such individuals.

"(b) Fellowships under a grant shall be provided in accordance with such regulations as the Secretary shall promulgate. The amount of a fellowship provided under a grant shall be $15,000.

"(c) The amount of a grant under subsection (a) shall be determined by the Secretary, except that in any fiscal year, the amount of a grant to any hospital may not exceed the amount necessary to provide two fellowships. No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(d) For making payments under grants under subsection (a) there are authorized to be appropriated $250,000 for the fiscal year ending September 30, 1980, $250,000 for the fiscal year ending September 30, 1981, and $250,000 for the fiscal year ending September 30, 1982.".●

SOVIET ROLE IN THE IRAN CRISIS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. McDONALD. Mr. Speaker, the role of the Soviet Union in fomenting, backing, and supporting the Islamic Marxist revolution which has overthrown the pro-Western Government of Iran is a topic that the major U.S. newspapers have ignored, despite the fact that major publications in France and England have reported the subject in depth. A notable exception to this virtual U.S. news blackout on the Soviet involvement in the Iranian turmoil has been the Review of the News, whose excellent article I have already discussed in these pages. Now veteran anti-Communist investigative journalist Frank A. Capell has written an excellent article on this subject for his newsletter, the Herald of Freedom.

As Gen. Daniel Graham, until his retirement Director of the Defense Intelligence Agency, pointed out with considerable foresight in January, said just before the fall of the Iranian Government, the coalition revolutionary government headed by Ayatollah Ruhollah Khomeini has no room for moderates and is "a coalition between * * * the fanatic Moslem element and the left-wing PLO-type, thoroughly Soviet-infiltrated far left." General Graham said:

What always happens to a coalition like this is, as history has indicated, that the Left then has a second revolution and throws out the Right.

* * * and when that happens, they will be able to call on Soviet armed Iraq and Afghanistan to make sure it works. Then you are going to have a Soviet heavily-influenced, if not actually dominated government in Iran.

At that point, Oman, which is an oil-rich sheikdom, will fall because it has depended upon the Shah to hold off left-wing efforts to knock them off. Kuwait will be given to Iraq for its assistance. Kuwait is just a bunch of sand floating on a lot of oil. At that point, the rich Saudi Arabians will get into their jet aircraft and fly away to live out the rest of their lives on their foreign investments and the Soviets will own the Middle East oil.

Therefore, I commend Frank Capell's article to those of my colleagues who would like additional information on the Soviet role in the overthrow of the Iranian Government:

SOVIET ROLE IN THE IRAN CRISIS

The fall of the regime of the Shah of Iran is presented by the liberal and leftist media as being due to repression, his secret police and poor government. The truth is that the situation has been brought about through a long-planned, well-constructed Soviet program of infiltration and propaganda. Drew Middleton of The New York Times recently pointed out that military analysts believe Moscow seeks control of Iran. In his comments, Mr. Middleton stated that there are about 4,000 Soviet technicians in Iran, including 1,000 at the Soviet-built Aryamehr steel mill in Isfahan. These are in addition to about 125 diplomats at its embassy in Teheran and in three consulates. These "diplomats" would include officers of the K.G.B., the Soviet state security and intelligence organization, and the G.R.U., the military intelligence service.

Infiltration of Iranian institutions by Soviet agents would not be difficult since thousands of Soviet citizens speak Persian, Iran's dominant language. A division of Persian-speaking Soviet troops is reportedly stationed on the Iranian frontier and agitators from Soviet client states, particularly Iraq, Syria and Afghanistan, are known to have participated in demonstrations against the Shah.

Soviet propaganda has been active in encouraging opposition to the Shah and European intelligence organizations have located a Soviet station broadcasting in Persian and local dialects from the southern Soviet Union. During the weeks of rioting the station beamed instructions on how to organize demonstrations, highly colored descriptions of riots and lessons in the manufacture of guerrilla weapons such as grenades and gasoline bombs.

As for the oppressing of minorities, the exact opposite is true. It is estimated there are between 75,000 and 100,000 Jews living in Iran and they have been there for 2,500 years. These are descendants of the Jews of biblical times. A recent report from Teheran by William Tuohy pointed out that Jews are now deeply apprehensive about what the uncertain political future holds for them in Iran, which is overwhelmingly Moslem. He stated that 600 members of the world's oldest continuing Jewish community, who had gathered in an upstairs room carpeted with Persian rugs at the Central Synagogue for Sabbath services, were uneasy because of a spate of anti-Semitic leaflets, posters and rumors.

Whatever their personal attitude toward the Shah Mohammad Reza Pahlavi, those gathered at the synagogue were aware that the Pahlavi rule had guaranteed Iranian Jews both religious freedom and personal safety. "We've had 50 years of security but we don't know what our fate will be if the Shah is replaced by a strictly Islamic regime. So, many of us therefore are leaving—or thinking of leaving," said one of the Jews. "We've been here for 2,500 years. We are like other Iranians, and the people here have been good to us. But it's difficult to foresee the future because things are changing so fast. I don't think the Iranians would be against Jews as Jews. Under the Iranian law we are a protected minority."

A report from the Institute for the Study of Conflict in London entitled "Campaign to Destabilize Iran," was written by Robert Moss, editor of the Economist's Foreign Report and begins with the fact that Russia has long coveted Iran and that it would be in Moscow's interest to have the Shah unseated. According to the study, Soviet agents have been busy producing disinformation, propaganda and mischief; the K.G.B. has been busy recruiting agents and has successfully infiltrated the army. Opponents of the Shah have been trained in several Soviet-leaning countries, including Algeria, Afghanistan, Cuba and Yemen. Afghanistan, which shares a border with Iran, has become a particularly important jumping-off place. Two Soviet-sponsored training camps have been opened in the northern part of the country to teach tactics and Marxism.

The Soviets have in operation a powerful radio station which continuously broadcasts to Iran in the Persian language. The Soviet station is so powerful that it is picked up by radios in Iran as if it were a local station. The Intelligence Digest of London in a recent report on Moscow broadcasts pointed out:

Moscow has a comprehensive Iranian service, broadcasting direct to the people in Persian. The border between the two countries is 1,500 miles long, and Moscow Radio's powerful transmitters for this service are right on the border, beaming the transmissions to all parts of the country where they can be heard virtually as local broadcasts. In fact, Moscow Radio is virtually a local radio station for several million Iranians.

Since the beginning of the troubles the prolonged daily transmissions have gradually become tirades, warning "our dear friends" against the iniquitous "imperialist meddling." Of late the message is direct: "Dear friends—it really seems that the United States and certain other Western countries do not consider Iran to be a sovereign, independent country whose people have the right to independent self-determination."

Or: "(The Shah's) forces, armed to the teeth, and the Western strategic interests are blocking the realization of democratic freedoms and the securing of social justice in Iran. The West does not conceal its anxiety about the weakening position of the imperialist monopolies in the Iranian oil industry."

The Soviet Union has warned the U.S. not to "incite" the Iranian people at a time when restraint is essential. The following is an example of Moscow Radio's nonincitement of "our dear friends:"

"The events in Iran are worrying the imperialists primarily because they fear losing their influence as well as their control over Iran's natural riches. The imperialists are ready to safeguard their position and in this respect they will do whatever they can including armed intervention. However, it is obvious that the events in Iran are totally of an internal nature. Iran enjoys sovereignty and the people have the right to determine their destiny independently without waiting for anyone's approval."

Most recently a new note has been the demand that the "imperialists" should be thrown out of the country. For example: "It is perfectly logical that the Iranian masses, while struggling for the democratization of social life and the implementation of fundamental reforms, should demand that all Western military and non-military experts and advisers be kicked out."

English translations of some of the Moscow, K.G.B.-controlled propaganda broadcasts in the Persian language follow:

"(1) Dear listeners, events in Iran continue to attract the world's attention, and the propaganda of the Western bourgeoise in describing these events, as with many other events, has deviated from the path of impartiality to that of prejudice. Our commentator writes:

"As soon as serious and critical events take place in a country, the Western press resorts to the story of the danger of Communism. This press has concocted such a story about the recent events in Iran. For example, the British magazine Foreign Report has referred to a clandestine radio in the southern part of the Soviet Union as if it issues secret instructions about the staging and organization of demonstrations, and so forth, for Iranians. In the meantime, the actions and attitudes of opposition personalities toward these propaganda stories concerning interference from the north are being scrutinized. A few days ago at a press conference in Washington, Western correspondents asked Ebrahim Yazdi, who is a supporter of the religious opposition, a question about this. It ought to be clearly said that this was a provocative and prejudicial question, for Soviet policy concerning its neighboring country Iran is clear and obvious.

The Soviet Union maintains the position that Iranian events are merely an internal matter and that issues relating to these events ought to be resolved by the Iranians themselves. When in spite of this, such a question is raised, what is the purpose and point of it? Naturally, putting forward such a question is aimed at diverting public opinion away from the policy of the Western countries, especially of the United States, concerning Iran so that the real culprits responsible for the suffering and difficulties of the Iranians may remain hidden from the public eye.

"As for the direction from which the dangers facing the Iranian people are coming, the Western press, instead of referring to Soviet policy, ought to have referred to the United States and its policy. In this regard, the activities of Robert Byrd, the leader of the Democratic majority in the U.S. Senate who recently went on a confidential mission to Iran, and the activities of the adviser to the U.S. National Security Council who prepares confidential recommendations on Iranian events for the White House, are noteworthy. Finally attention should be drawn to the activity of the American CIA, which often sends uninvited guests to Iran. Thus, the danger to Iran originates from there.

"(2) When the United States speaks of its readiness to defend the rights of Iranians, it means in particular those Iranians who buy a U.S.-made Cadillac at the cost of 1 million tumans. The U.S. Government has in mind particularly those 1,000 families who have amassed fabulous riches because of the corruption and bribery that has engulfed the upper echelon of society. U.S. monopolies defend their rights to loot with every means at their disposal.

"As regards the matters concerning other Iranians, however, one must say that Washington's sweet talk to them about human rights was a promise for the New Year, and the year 1978 which has ended proved this reality with more conspicuous clarity than any other year.

"Apart from that, the past year convincingly proved that the Iranian nation decisively rejects Washington's policy and that of its Iranian associates. As a result of the people's movement, the governments of Amuzegar and Sharif-Emami resigned one after another. Despite the fact that the government of General Azhari came to power, the Iranian people's struggles to vindicate their rights continue to intensify. In the course of the mighty, universal and national movement which has shaken Iran throughout the past year, the people raised their demands for fundamental reforms, whose implementation alone can end the social and economic crisis.

"Nevertheless, using various means the impearialists support the existing rotten and medieval regime in Iran and protect the notorious 1,000 families. The reason for this, in the first place, is that the upper echelon of Iranian society, which is polluted with corruption and bribery, is enriching itself through looting and plundering its own nation, and at the same time it helps imperialist monopolies to become richer by plundering and looting Iran's oil wealth and through unequal trade with your country. In order to gain huge profits and gains, imperialism particularly tries to see rightist and corrupt elements in power in Iran. To achieve this it does not solely rely on New Year promises. These very promises are the cruelties and excesses imposed on the Iranian people through SAVAK, that was set up with the help of the CIA, that is, the American Intelligence Agency, and with the help of an army run by thousands of U.S. advisers and consultants.

"Last year thoroughly and completely showed the hypocrisy and two-faced nature of the American supporters of human rights who use every means possible, including tanks, helicopters, automatic weapons, all kinds of other weapons and American-made tear gas, against an unarmed people who have risen in a just struggle to regain their rights. Describing the result of his visit to Iran last year, Carter said on the first days of the New Year that Americans are welcomed with open arms in Iran. Those who own Cadillacs worth 1 million tumans each! Those who, on New Year's eve, have reserved tables at the most sumptuous and

exclusive restaurants in London, Paris, Miami and Nice! Those who have purchased palaces and villas in Europe and the United States—these indeed would welcome with open arms the CIA and Pentagon agents who are now being sent to Iran in large groups.

"(3) Popular demonstrations took place in Tehran yesterday. Foreign correspondents report that the Iranian people's demonstrations against the present regime and against U.S. intervention in the country's affairs are continuing. Such demonstrations took place yesterday in the cities of Maragheh, Sarab, Azarshahr, Bonab, 'Ajab Shir, Yasd and in other cities. The participants in the demonstrations very decisively condemned the bloody acts of violence perpetrated by the armed forces and the police on the defenseless populations of Mashhad and Qasvin. According to witnesses who have come from Mashhad, the military authorities used heavy tanks and armored cars against demonstrators. The tank drivers fired at unarmed people with cannon and heavy machine guns and crushed them under their tank tracks. Street battles took place in Mashhad over a period of several days, resulting in large-scale destruction and great loss of life. Half the city is controlled by the opposition to the regime, who have embarked on a bitter struggle against the authorities' terrorist operations. The incidents in Mashhad—during which, according to information from certain sources, several thousands were killed and wounded—have aroused a storm of anger and revulsion throughout the country."

On May 6-7, 1976, in Brussels, Belgium, an International Symposium on Iran was held which was attended by representatives of Iran solidarity committees in England, France, West Germany, and France, the British Labour Party and British Tobacco Workers Union. The meeting decided to focus on publicising charges of mass violation of human rights by the Iranian government and an effort to stop the export of weapons to Iran by organizing a boycott by trade unions involved in the exports.

The wavering of the Carter Administration in its support of the Shah was made clear when it was first announced that an American attack carrier would proceed to the area but cancelled after Russian objections. Next was a flight of a dozen F-15 fighter planes to Saudi Arabia supposedly to warn the Russians against any activity in Iran which might affect Saudi Arabia. This, too, was a farce, since the planes were unarmed, as Paul Scott pointed out in his Washington Intelligence Report.

The highly publicized flight of a dozen F-15 fighters to Saudi Arabia is turning into a major sign of U.S. political weakness rather than military strength as originally planned. The reason for this is the deep concern of President Carter and his foreign policymakers that the mission might provoke the Russians while assuring Saudi Arabian officials of our continuing support.

The flight of the unarmed aircraft was a replacement for the cancelled dispatch of a 85-plane atomic-powered carrier task force, which contained ten times more strategic striking power than the F-15 squadron when fully armed. This deliberate downgrading and unarming of the U.S. military "show of force" has not been missed by the Soviets or most of our allies in the Middle East, Western Europe and Asia.

Diplomatic and intelligence reports reveal that the positioning of the unarmed aircraft in Saudi Arabia rather than the larger carrier task force in the Persian Gulf, as recommended by the Joint Chiefs of Staff, is being taken as a sign that the Carter Administration does not want to risk a confrontation with Russia to save Iran. The removal of the aircraft's nuclear tipped missiles and ammunition also has raised questions of whether the Carter Administration would use the aircraft, should that become necessary, to stop future Soviet aggression in the region even to protect our vital interests.

Secretary of State Cyrus Vance in recent public and private statements has not dispelled any of these doubts. In addition to taking credit for the disarming of the aircraft, Secretary Vance has gone out of his way to make clear that the U.S. will go to almost any length to avoid confrontation with the Russians in the Middle East. Vance has taken the position he would resign before returning to a confrontation or "cold war" policy with the Soviet Union. Aides say the Secretary appears more concerned about stopping members of Congress from "poking sticks at the Russians" than their military and political gains in the Middle East. It is Vance's position that the U.S. can do little to keep Iran from continuing its movement to the left under the new government and that the U.S. should support that movement rather than risk war that could involve the U.S. and Russia.

By the Secretary of State's assessment, the alternative to success for the present government of the left moving Prime Minister Bakhtiar is a military takeover. In Vance's view, the U.S. must avoid this since it would bring what he describes as "a violent reaction from Russia" and would wreck all hopes of obtaining a new Strategic Arms Limitation Agreement. This assessment resulted in Vance's public plea to the military in Iran to support the Bakhtiar government, which now includes one Communist minister and soon may have others. The judgment also is behind Vance's public diplomatic shove to get the Shah to leave the country.

Within that context, the flight of the unarmed F-15s to Saudi Arabia is designed to give the American public and its allies the appearance that the U.S. is doing something in the Middle East without provoking the Soviets. This cover policy is being used, according to government insiders, to give the Carter Administration time to see if the Russians are willing to compromise on access to the Middle East oil. A proposal being put forth to Moscow by Vance is that the Russians will be given full access to the oil from Iran and surrounding region if Moscow will keep hands off Saudi Arabia and Kuwait and their vast oil reserves. Whether the Soviets will accept this kind of accommodation from the West is very doubtful since there appears to be no will among Western leaders, including President Carter, to draw a line in the Middle East and then back it up with military force. The disarming of the F-15 fighters can only be taken by the Russians as a clear signal that the Carter Administration lacks the will to defend the West's vital interests in the region.●

LIFE INSURANCE FOR RESCUE SQUAD MEMBERS

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. NEAL. Mr. Speaker, today Representative WAYNE GRISHAM and I are introducing legislation to amend the Public Safety Officers' Benefit Act and correct a serious inequity in that law. This is the same bill I originally introduced during the last Congress. Our colleague, Representative GRISHAM has indicated a strong interest in the bill and I enthusiastically welcome his support.

You may recall that Congress passed legislation in 1976 providing a $50,000 payment to the dependents of any law enforcement officer or fireman killed in the line of duty. Unfortunately, when the Law Enforcement Assistance Administration promulgated regulations for Public Law 94-430, LEAA did not include one important group of public servants who often work side by side with firemen and police officers: rescue squad personnel.

According to LEAA, rescue squad personnel (who frequently are volunteers, by the way) are not covered by the Public Safety Officers' Benefits Act unless they actually are involved in fire suppression. That does not include many of the activities commonly assigned to rescue squad personnel at the scene of a fire, such as search and rescue of trapped persons, forcible entry, lighting, and assistance in cleanup operations. It is significant that in localities which do not have rescue squad units, these same duties are the responsibility of the fire department.

Congress did not intend to say it is more important to fight a blaze in an empty building than to rescue a trapped person in a burning structure; but, by the exclusion of rescue squad personnel, that is how the Public Safety Officers' Benefits Act can be interpreted.

The legislation we are introducing today is very simple. It provides for coverage of rescue squad personnel under the Public Safety Officers' Benefits Act. The measure gained widespread support after I introduced it in the 95th Congress, and the importance of the matter certainly has not diminished.

Rescue squad units almost always are housed with local fire departments; and the units' members frequently work alongside firemen and police officers. We should not deny equal protection to the families of rescue squad personnel, who also are vital public servants, frequently engaged in dangerous work for our protection. Mr. Speaker, I urge my colleagues' support of this legislation.●

STRATEGIC MISREPRESENTATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. SYMMS. Mr. Speaker, even though this body will not be able to vote on the SALT Treaty, I think it is important that we at least be vocal. I wish to submit to the RECORD an editorial which appeared in the Wall Street Journal on February 23, 1979, which outlines some important provisions of the treaty that have been misrepresented by the administration. Specifically, the President stated in his Georgia Tech speech that SALT II would "establish for the first time equal numbers of strategic arms for both sides." This is not really the case, and it is important that Americans understand that numbers will not be equal; in fact, the Soviets will have more strategic weapons than the United States after this treaty is ratified.

This is all outlined in the editorial which reads as follows:

STRATEGIC MISREPRESENTATION

Before President Carter signs the proposed strategic arms treaty, we hope he gets around to reading it, fine print and all. Whether the President knows it or not, the case he argued in his Georgia Tech foreign policy address relies centrally on subtle and not-so-subtle misrepresentations of the treaty's actual provisions.

Take for example the President's assertion: "The emerging SALT II treaty will establish for the first time equal numbers of strategic arms for both sides." That seems simple enough: equal numbers for each side, whatever one is allowed to do the other is also allowed to do. But it tells no little about the negotiations that in the draft treaty a glaring exception breaches this simple principle. The Soviets are allowed to keep their modern large ballistic missiles, and the United States is prohibited from constructing any. This makes the numbers: U.S.S.R.—308, U.S.—0.

More importantly, take another assertion: "The Soviet Union will be required to reduce their overall number of strategic arms. Over 250 Soviet missiles or bombers—10% of their strategic forces—will have to be destroyed or dismantled."

First of all: There are no limits whatever in the treaty on missiles, the things that fly through the air. The limits apply to missile launchers, which are concrete silos in Montana or Siberia. This distinction may be of more than passing importance, since there is no law of physics that says missiles can be fired only from concrete silos.

Nothing in the treaty will require the Soviets to destroy a single missile. Indeed, for all we know the Soviets may have warehouses full of the old missiles they have taken out of silos to replace with new ones. Indeed, there is nothing in the treaty to prohibit the Soviets from turning out new missiles like sausages so long as they store them in warehouses. Recognising the obvious danger, the treaty does say extra missiles cannot be stored "near" launcher sites, and prohibits "rapid" reload systems.

We find these restrictions cool comfort, given the problems with SALT-I's limitations on "heavy" ballistic missiles. The term was never precisely defined, except in a U.S. "unilateral declaration." When the Soviets went ahead with a new missile breaching this definition, the U.S. acquiesced. Even without reloading silos, finally, stored missiles could be erected away from present silo sites, possibly using erectors the Soviets already have for their mobile intermediate-range SS-20 missile. The lack of any limit on actual missiles presents a huge "breakout" problem, raising the possibility of a sudden leap in Soviet strategic power if they decided to abrogate the treaty in some crisis.

Now, it is true that the treaty would require the Soviets to deactivate some silos or destroy some airplanes, though to fit present programs in the limits the U.S. may also have to saw up some mothballed planes. But before anyone accepts Mr. Carter's image of a 10% reduction in Soviet strategic power, he ought to look at what the treaty allows.

The Soviets now have about 2,300 land and sea based missiles, of which about 400 have multiple warheads. They have an active program of replacing older, single-warhead missiles with new multiple warhead ones. The treaty allows each side to have 1,320 multiple-warhead missiles. Obviously this allows enormous latitude for the Soviet program. By the end of the treaty, it will be able to deploy an additional 5,000 nuclear warheads.

Against this program, a reduction of some 250 missile silos or bombers can scarcely be considered significant, let alone a 10% reduction. The reduction will consist of destruction of old bombers and deactivation of launching silos for single-warhead, liquid-fueled missiles of the type the U.S. retired years ago on cost-effectiveness grounds. All that the treaty requires is that the Soviets retire their obsolete weapons instead of keeping them alongside the new ones.

We can understand that the President has to find *some* argument to make on behalf of his treaty, but we can't understand why he has to try to create the impression that it would reduce a threat that will in fact be rapidly increasing. The bald fact is that come 1985 an additional 5,000 nuclear warheads will be targeted on the United States, and the the arms limitation treaty does nothing to prevent it.●

THE STATE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. PAUL. Mr. Speaker, the great French economist Frédéric Bastiat lived in a period similar to ours (1801-50). France was drifting rapidly toward socialism, and his clear description of that drift, and its consequences, though written in 1849, is as fresh as today's newspaper.

Because it has such relevance, I would like to bring this essay, "The State," to my colleagues' attention. It was translated and condensed by the staff of the Foundation for Economic Freedom, headed by Leonard Reed, which has long been one of the clearest voices for freedom in our country.

[From Ideas on Liberty, November 1955]

THE STATE

(By Frédéric Bastiat)

I wish someone would offer a prize—not of a hundred francs but of a million, with crowns, medals, and ribbons—for a good, simple, intelligible definition of the term, *The State*.

What an immense service such a definition would render to society!

The State! What is it? Where is it? What does it do? What should it do? We only know that it is a mysterious being; and, it is certainly the most petitioned, the most harassed, the most bustling, the most advised, the most reproached, the most invoked, and the most challenged of any being in the world.

I have not the honor of knowing my reader, but I would stake ten to one that sometime in the last six months you have designed Utopias, and if so, that you are looking to The State for the realization of them.

But alas! That poor unfortunate being, like Figaro, knows not which plea to hear nor where to turn. The hundred thousand mouths of the press and of the platform cry out all at once—

Organize work and the workmen.
Cover the country with railways.
Irrigate the plains.
Reforest the hills.
Establish model farms.
Colonize Algeria.
Educate the youth.
Assist the aged.
Equalize the profits of all trades.
Lend money without interest to all who wish to borrow.
Emancipate Italy, Poland, and Hungary.
Encourage the arts, and train musicians and dancers for us.
Restrict commerce, and at the same time create a merchant marine.
Discover truth, and put a bit of sense into our heads. The mission of The State is to enlighten, to develop, to ennoble, to strengthen, and to sanctify the soul of the people.

"Wait, Gentlemen! A little patience," says The State beseechingly. "I will try to satisfy you, but for that I must have some resources. I have prepared plans for five or six entirely new taxes, the mildest in the world. You will see how gladly people will pay them."

But then a great hue and cry arises: "No! No! A fine thing—doing something with resources! This is hardly worthy of The State! Instead of loading us with new taxes, we call upon you to repeal the old ones. Decrease the salt tax, the liquor tax, the stamp tax, custom-house duties, monopoly license fees, and tolls."

In the midst of this tumult, the people have changed their government two or three times for failing to satisfy all their demands. To date, everything presenting itself under the name of The State is soon overthrown by the people, precisely because it fails to fulfill the somewhat contradictory features of its platform.

I fear we are, in this respect, the dupes of one of the strangest illusions which has ever taken possession of the human mind.

Man recoils from effort, from suffering. Yet, he is condemned by nature to the suffering of privation if he does not make the effort to work. He has only a choice then, between these two: privation, and work. How can he manage to avoid both? He always has and always will find, only one means: *to enjoy the labor of others;* to arrange it so that the effort and the satisfaction do not fall upon each in their natural proportion, but that some would bear all the effort while all the satisfaction would go to others. This is the origin of slavery and plunder, whatever form it takes—whether wars, impositions, violences, restrictions, frauds, etc., monstrous abuses, but in accord with the idea which has given them birth.

Slavery is subsiding, thank heaven, and our disposition to defend our property prevents direct and open plunder from being easy. However, there remains the unfortunate, primitive inclination in all men to divide the lot of life into two parts, throwing the trouble upon others and keeping the satisfaction for themselves. Let us examine a current manifestation of this sad tendency.

The oppressor no longer uses his own force directly upon his victim. No, our conscience has become too sensitive for that. There is still the tyrant and his victim, but between them is an intermediary which is The State—the Law itself. What could be better designed to silence our scruples and—more important—to overcome all resistance? Thus do all of us, by various claims and under one pretext or another, appeal to The State:

"I am dissatisfied with the ratio between my labor and my pleasures. In order to establish the desired balance, I should like to take part of the possessions of others. But that is a dangerous thing. Couldn't you facilitate it for me? Couldn't you give me a good post? Or restrain my competitors' business? Or perhaps lend me some interest-free capital, which you will have taken from its rightful owners? Or bring up my children at the taxpayers' expense? Or grant me a subsidy? Or assure me a pension when I reach my fiftieth year? By this means I shall achieve my goal with an easy conscience, for the law will have acted for me. Thus I shall have all the advantages of plunder, without the risk or the disgrace!"

All of us are petitioning The State in this manner, yet it has been proven that The State has no means of granting privileges to some without adding to the labor of others.

The State is the great fiction through which everybody endeavors to live at the expense of everybody.

Today, as in the past, nearly everyone would like to profit by the labor of others.

No one dares admit such a feeling; he even hides it from himself. So what does he do? He imagines an intermediary; he appeals to The State, and every class in its turn comes and says to it: "You, who can do so justifiably and honestly, take from the public; and we will partake of the proceeds."

Alas! The State is only too much disposed to follow this diabolical advice; for it is composed of ministers and officials—of men, in short—who, like all other men, desire in their hearts and eagerly seize every opportunity to increase their wealth and influence. The State quickly perceives the advantages it can derive from the role entrusted to it by the public. It will be the judge, the master of the destinies of all. It will take a lot: then much will remain for itself. It will multiply the number of its agents, and increase its functions, until it finally acquires crushing proportions.

But the most remarkable thing is the astonishing blindness of the public while all this takes place. In the past, when victorious soldiers reduced the vanquished to slavery they were barbarous, but they were not foolish. Their object, like ours, was to live at the expense of others; but they succeeded, where we fail. What are we to think of a people who never seem to realize that *reciprocal plunder* is no less plunder because it is reciprocal; that it is no less criminal, because it is carried out legally and peacefully; that it adds nothing to the public good, but rather diminishes it by the amount of the cost of that expensive intermediary we call The State?

And this great illusion we have placed, for the edification of the people as a frontispiece to the Constitution. Here are the first words of the preamble:

"France has constituted itself a Republic to . . . raise all the citizens to an ever-increasing degree of morality, enlightenment, and well-being."

Thus it is France—an *abstraction*—which is to raise the French—or *realities*—to morality, well-being, and so on. Isn't it our blind attachment to this strange delusion that leads us to expect everything from a power not our own? Isn't it suggesting that there is, apart from the French people, a virtuous, enlightened, rich being who can and should bestow its favors upon them?

The Americans develop a different idea of the relationship of the citizens with The State, when they placed these simple words at the beginning of their Constitution:

"We, the people of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain . . ."

Here is no shadowy creation, no *abstraction*, from which the citizens may demand everything. They expect nothing except from themselves and their own energy.

I contend that the *personification* of The State has been in the past and will be in the future, a fertile source of calamities and revolutions. There is the public on one side, The State on the other, considered as two distinct beings; the latter obligated to bestow upon the former, the former having the right to claim from the latter a flood of human benefits. What must happen?

The State has two hands, one for receiving and the other for giving—a rough hand and a smooth one. The activity of the second is necessarily subordinate to the activity of the first. Strictly speaking, The State can take and not give back. This can be seen and can be explained by the porous, absorbing nature of its hands, which always retain part and sometimes all of what it touches.

But that which is never seen, which never will be seen, and which cannot even be imagined, is that The State can return *more* to the people than it has taken from them. Therefore it is ridiculous for us to appear before The State in the humble attitude of beggars. It is utterly impossible for it to confer a specific benefit upon some of the individuals who make up the community, without inflicting a greater injury upon the community as a whole.

Our demands, therefore, place The State in an obvious dilemma! If it refuses to grant the requested benefit, it is accused of weakness, ill-will, and incapacity. If it tries to grant their requests, it is obliged to load the people with increased taxes—to do more harm than good—and to bring upon itself general displeasure from another quarter.

So, the public has two hopes, and The State makes two promises: *many benefits and no taxes*—hopes and promises, which, being contradictory, can never be realized.

Is not this the cause of all our revolutions? For between The State, which lavishly promises the impossible, and the public, whose hopes can never be realized, there come to interpose two types of men: the ambitious and the Utopians. The circumstances give them their cue. These office seekers need only cry out to the people: "The authorities are deceiving you. If we were in their place, we would load you with benefits and exempt you from taxes."

And the people believe, and the people hope, and the people substitute a new government for the old.

No sooner are their friends in charge of things, than they are called upon to redeem their pledge. "Give us work, bread, assistance, credit, instruction, colonies," say the people, "and meanwhile deliver us, as you promised, from the clutches of the tax gatherer."

The new government is no less embarrassed than the former one, for it is easier to promise the impossible than to do it. It tries to gain time which it needs for maturing its vast projects. First it makes a few timid attempts: On one hand, it slightly expands primary education; on the other, it makes a small reduction in the liquor tax. But the contradiction always confronts the administration: If it would be philanthropic, it must attend to its treasury; if it neglects the treasury, it must give up being philanthropic.

These two promises are always and inevitably clashing with one another. To live upon credit, that is, to exhaust the future, is certainly a temporary method of reconciling them—an attempt to do a little good now, at the expense of a great deal of harm in the future. But this procedure calls forth the spector of bankruptcy, which puts an end to credit. What is to be done then? Why then, the new government defends itself boldly. It unites its forces to maintain itself: It smothers opinion, has recourse to arbitrary measures, ridicules its former slogans, declares that it is impossible to govern except at the risk of being unpopular; in short, it proclaims itself *governmental*.

And this is what other candidates for office are waiting for. They exploit the same illusion, follow the same course, obtain the same success, and are soon swallowed up in the same abyss.

The latest manifesto of the Montagnards, which they issued at the time of the presidential election, concludes with these words—*"The State ought to give a great deal to the people, and take little from them."* It is always the same tactics, or rather, the same mistake. The State must:

Give free instruction and education to all the citizens.

Give a general and professional education, as much as possible adapted to the needs, talents, and capacities of each citizen.

Teach every citizen his duty to God, to man, and to himself; develop his perceptions, his aptitudes, and his faculties; teach him, in short, the skill of his trade; make him understand his own interests, and give him a knowledge of his rights.

Place within the reach of all literature and the arts, the heritage of thought, the treasures of the mind, and all those intellectual possessions which elevate and strengthen the soul.

Give compensation for every disaster, fire, flood, etc., experienced by a citizen. (The *et cetera* means more than it says.)

Act as mediator in the relations between capital and labor, and become the regulator of credit.

Give substantial encouragement and effectual support to agriculture.

Purchase railroads, canals, and mines—and doubtless administer them with its characteristic industrial ability!

Encourage useful experiments, promote and assist them by every means likely to make them successful. As a regulator of credit, it will have extensive control over industrial and agricultural associations in order to assure their success.

The State *must* do all this, in addition to the services to which it is already pledged! For instance, it is always to maintain a menacing attitude towards foreigners. The signers of the manifesto say that: "Bound together by this holy union, and by the precedents of the French Republic, we carry our wishes and hopes beyond the barriers which despotism has raised between nations. The rights which we desire for ourselves, we desire for all those who are oppressed by the yoke of tyranny: we desire that our glorious army should, if necessary, again be the army of liberty."

You see that the gentle hand of The State—that good hand which gives and distributes—will be very busy under the direction of these reformers. You think perhaps it will be the same with the rough hand—that hand which penetrates and takes from our pockets?

Do not deceive yourselves. The politicians would not know their trade, if they had not the art, when showing the gentle hand, to conceal the rough one. Their reign will assuredly be the jubilee of the taxpayers!

"It is luxuries, not necessaries," they say, "which ought to be taxed."

Won't it be wonderful that the treasury, in overwhelming us with favors, will content itself with curtailing our luxuries!

This is not all. This party of reformers intends that "taxation shall lose its oppressive character, and be only an act of brotherhood." Good heavens! I know it is the fashion to thrust brotherhood in everywhere, but I did not imagine it would ever be put into the proclamations of the tax gatherer.

Well, I ask the impartial reader, is this not childishness, and more than that, dangerous childishness? Is it not inevitable that we shall have revolution after revolution, if it is once decided never to stop till this contradiction is realized: "Give nothing to The State and receive much from it?"

Citizens! At all times, two political systems have been in existence, and each can justify itself with good reasons. According to one of them, The State should do a lot, but then it should take a lot. According to the other, this twofold activity ought to be limited. We have to choose between these two systems.

But the third system, which partakes of both the others, and consists in exacting everything from The State without giving it anything, is chimerical, absurd, childish, contrary, and dangerous. Those who advocate such a system are only flattering and deceiving you, or at least are deceiving themselves.

As for us, we consider that The State is and ought to be nothing whatever but *Community force* organized, not to be an instrument of oppression and mutual plunder among citizens, but, on the contrary, to guarantee to each his own, and to cause justice and security to reign.●

THE NEA: A WASHINGTON LOBBY RUN RAMPANT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. ASHBROOK. Mr. Speaker, the teachers of our country are under terrific pressure. No one is more aware of the deterioration of scholastic standards, and no one feels it more keenly.

No one is more burdened by bureaucratic paperwork than our teachers, who must devote hours to it every week. It is hard to understand how some teachers get any teaching done while trying to cope with stacks of paperwork. Yet much of the time left to them after paperwork must be devoted to whatever trivia the educational "experts" deem fashionable this year.

Now that the politicians and the experts have done their damage, who will be blamed for the declining standards in schools? The teachers, of course.

Taxpayers are fed up with ever poorer education at ever increasing cost. When they rise up in the tax revolt, whom do politicians threaten to fire? The teachers, of course. In the midst of the tax revolt, is there any threat that the educational bureaucrats here in Washington who make $40,000 a year and more will be cut back? On the contrary. Carter's policy is to hire more of these big money educational bureaucrats at the very moment his fellow liberals all over the country are threatening to lay off teachers and stop salary increases.

Teachers in this country have a real grievance and a real cause for concern.

The National Education Association (NEA) wants to use teacher concern to bolster the liberal establishment against citizens fed up with its failures. The NEA is out to reelect those same liberal politicians who produced the impossible paperwork burden teachers face. The NEA supports without question the educational experts and the educational bureaucracy. Its answer to the failing college entrance examination scores has been to demand that such testing stop. The NEA insists that all such evaluation be turned over to the subjective opinions of experts. In short, it represents neither the teachers nor their real objectives.

Voters will not accept an educational system which continues to get worse while its cost increases. As a result, a head-on collision between parents and taxpayers, on one hand, and liberal politicians and educational establishment on the other, is occurring. A lavishly financed campaign is underway to mobilize teachers in order to thwart the legitimate political reaction of parents and taxpayers.

The NEA's campaign is described in the November 1978 Reader's Digest by Eugene Methvin in an article I will read into the RECORD below. As Mr. Methvin so eloquently puts it:

If the alliance now building among Capitol Hill politicians, the White House and the NEA's power brokers continues to grow, decisions for America's teachers—and for pupils, parents and taxpayers, too—will more than ever be made by a permanent Potomac power elite. Which would deliver a mortal blow to our traditional system of grass-roots control of education.

Teachers are necessary to education. Educational bureaucrats and experts dictating fashion are not. Teachers, taxpayers, and parents are the foundation of an educational system. In the long run, teachers can only lose by becoming the instruments of Washington-based power blocs.

I would now like to read Mr. Methvin's article into the RECORD:

THE NEA: A WASHINGTON LOBBY RUN RAMPANT

(By Eugene H. Methvin)

"Teachers in 1976 earned an A in advanced politics" exclaimed John Ryor, president of the National Education Association, as he addressed the 1977 national convention of his 1.8-million-member union.

And a well-earned A it was. NEA sent 265 members to the 1976 Democratic National Convention, more than any other organization in the nation. That November, NEA endorsees won in 291 of 349 House and Senate contests. For the first time, NEA endorsed a Presidential candidate, Jimmy Carter; and after his victory, President-elect Carter made a prompt personal thank-you call to Ryor. Carter's campaign manager, Hamilton Jordan, said enthusiastically, "The massive support from teachers was crucial to our winning. We turned to the NEA for help and it delivered nationwide."

Now President Carter has delivered for the NEA. Last spring, he formally asked Congress to create a separate Department of Education—a cherished NEA goal—and raised his overall budget so as to make available a record $12.9 billion for federal aid to education, a 46-percent increase since he came into office.

Yet the President appears to understand the problem. "The fight against inflation," he said in a recent speech, "becomes nearly impossible when special-interest lobbyists are successful." Well, certainly the NEA lobbyists were successful, and the political payoff they earned dramtically demonstrates why President Carter has now admitted he will not fulfill his promise to balance the federal budget by 1980. And why, instead, deficits and inflation are soaring, imposing the equivalent of a ten-percent tax on every dollar American families spend this year. It also demonstrates why every American voter needs to bone up on "advanced politics" as practiced by the NEA.

Warns Rep. John Ashbrook (R., Ohio), a veteran member of the House Education and Labor Committee: "An integral part of the NEA design is to siphon ever more control of public education from the grass roots to Washington, close to its own powerful lobbying influence, farther from the parents and taxpayers who elect the school boards and pay the bills."

Young Turks. Fifteen years ago, the NEA was chiefly a staid coffee-and-doughnuts professional association. Most state and local affiliates did not require members to pay national dues. "Strike" was generally a dirty word. But then the American Federation of Teachers (AFT) mounted a militant challenge, and teacher walkouts erupted across the nation. In 1968, afraid it might lose the whole teaching profession to the AFT, the NEA backed its first full-fledged strike.

By the early '70s, a "Young Turk" faction had gained control of the NEA. They wrote a new constitution compelling the payment of national dues, drove out most of the administrators who were also members, dispensed with the trappings of a "professional organization" and launched into full-scale unionism. Using militant strike action, the new NEA has won collective bargaining for 5000 of its 12,000 locals, and leaped headlong into national political campaigns. A succession of NEA presidents have proclaimed its aims:

"We are the biggest potential political striking force in this country," said Catharine Barrett in 1972. "And we are determined to control the direction of education."

"We must reorder Congressional priorities by reordering Congress," Helen Wise told NEA political fund-raisers in 1974. "We must defeat those who oppose our goals."

Promised current NEA president, John Ryor, "We will become the foremost political power in the nation."

At NEA headquarters, five blocks from the White House, Ryor and executive director Terry Herndon, a 39-year-old former teacher, now lead 1.8 million of the nation's 2.2 million public-school teachers. Already they outnumber all other public-employee unions by far, and among all unions trail only the No. 1 Teamsters. With its affiliates, NEA has a combined annual budget of $250 million, more than ten times that of the AFL–CIO. And Ryor and Herndon oversee 1436 professional field organizers, who keep the political and legislative machinery well-oiled.

"Teacher Power." When Herndon became NEA's executive director in 1973, he set about building a huge political machine. One project was to beef up the newly formed Coalition of American Public Employes (CAPE), an umbrella group including the American Federation of State, County and Municipal Employes (AFL–CIO) and several other public-employe unions. Financed largely by NEA, CAPE has organized chapters in 21 states to promote political and legal action. And, come election time, CAPE orchestrates the march of its unions' four million members into political work.

Campaign consultant Matt Reese, hired to help NEA develop its "teacher clout," marveled at the potential: "Teachers are the ideal political organization. They're in *every* precinct." Indeed, NEA averages 4000 members in each Congressional district—and many elections turn on smaller margins than that.

Since 1972, NEA professionals have run an estimated 30,000 teachers through "political-action workshops," in some cases giving them graduate-study credit for taking the program. The union offers political candidates privileged access to these trained battalions. In every state, the NEA has set up political-action committees (PACs). At election time, screening committees quiz candidates, and once PAC endorses a candidate, its chairman uses the NEA "talent-inventory" files to provide campaign managers with volunteers for every imaginable task, from stuffing envelopes and manning telephone banks to chauffeuring voters to the polls. "We can elect friends of education and un-elect foes," boasts Ryor.

Is he right? Sen. Claiborne Pell (D., R.I.), chairman of the Senate education, arts and humanities subcommittee, candidly admits that he owes his 1978 relection to "teacher power": "Before they arrived, I was a two-to-one underdog. Then an army of teachers began knocking on thousands of doors and making thousands of phone calls, and I won by 33,000 votes. You can be sure," he concludes, "that I will continue to fight in Washington for a better deal for education."

"A Good Thing." The teachers' special capacity for organizing and motivating people is awesome—and there is money, too. In 1976, NEA-PAC and the state PACs funneled an estimated $3 million into federal, state and local campaign coffers, with notable effect. For example, the Michigan Education Association helped elect three-fourths of its chosen candidates for the House by pouring $138,000 into their campaigns—$36,000 more than the giant United Auto Workers, long the biggest powerhouse in Lansing.

Writing in the NEA's official journal, the *Reporter*, Bayer has urged every teacher to contribute to the 1978 Congressional campaign: "We've got a good thing going politically. Let's keep it going." By August, NEA-PAC had raised $635,000 to ladle out before Election Day. And NEA's state and local PAC's have raised an estimated $2.5 million for their own war chests.

Calling the Tune. What is NEA's ultimate political and economic powers of the U.S. goal? Herndon is blunt: "To tap the legal, Congress. We want leaders and staff with sufficient clout that they may roam the halls of Congress and collect votes to re-order the priorities of the United States of America."

NEA's drive for a Cabinet education department is part of this reordering. As a separate, Executive Branch pipeline into the budget process, such a department would help to achieve the aim of swelling the federal share of the nation's education spending to a third of the total. NEA's campaign-aid dispensers would also be better able to influence state and local officials.

For example, in 1976 then-Senator Walter Mondale (D., Minn.) and Sen. Alan Cranston (D., Calif.) sponsored an obscure, complex provision that now appears as part of a 161-page law called the Education Amendments of 1976. This provision, largely written by NEA, authorized a new three-year-grant program of up to $200 million for "teacher centers" that would take responsibility for local in-service teacher training and curriculum development. The hooker: Each center had to be run by a "policy board" manned by a majority of teachers (meaning, almost everywhere, NEA members). Neither Senate nor House seems to have held a single hearing to find out whether such centers actually need federal financing—or *why* Washington should try to induce elected school boards to turn over their own statutory duties to non-elected union officials. Crowed the NEA: "For the first time, federal law has cut teachers into policymaking."

Demographic Dynamite. Fueling the NEA's turn to political militancy are radical changes in the composition and prospects of the nation's 2.2 million public-school teachers. In the 15 years between 1961 and 1976, there were relatively few senior teachers from the low-birth years of the 1930s to replace retirees. The gap was eventually filled by young teachers born in the postwar baby boom. But just as these eager fledglings began to pour out of college, school enrollments dropped in response to post-1961 birth declines.

This was a sure-fire demographic recipe for explosion. For several years, school boards avoided reductions. But in 1975–76 they issued layoff notices to 61,000 teachers. Some were rescinded as the boards scraped up additional funds, but the notices had sent a chill through all teachers. That school year, strikes hit a record 203, most of them led by the NEA.

Although the current school year began with 20,000 fewer teachers than last year, public schools now employ 177,000 *more* teachers than in 1969–70, for 2.7 million *fewer* pupils. Says a National Institute of Education school-finance expert: "For years, policymakers have been told, 'More kids cost more money.' Now they're asking, 'Why don't fewer kids cost *less* money?'"

To counter this pressure, the NEA is demanding that class size be limited to 15 pupils (the current mean is 26). This move would require hiring hundreds of thousands of additional teachers. NEA also wants a national $15,000-a-year minimum salary for starting teachers with bachelor's degrees, rising to $24,500 in ten years for those with master's degrees.

"Teachers are more dependent than ever on their ability to concentrate power on the federal decision-makers," proclaims Herndon. "One thing no school board can manufacture is money." But Congress can and does manufacture money, especially when surrounded by special pleaders with political muscle. The legislators can cry "aye" on appropriations "for education," without voting for taxes to pay the bill; those "taxes" then come via inflation.

Power elite. Americans—and teachers above all—should look carefully before rushing heedlong to the Potomac power brokers for educational salvation. Of course, the NEA can more easily move a few dozen key Capitol Hill committeemen, whose election campaigns it has backed, than it can move 50 state legislatures and 16,000 school boards. But is this really in the best interests of teachers?

In his 1976 nomination-acceptance speech, President Carter declared, "Too many have had to suffer at the hands of a political and economic elite who have shaped decisions and never had to account for mistakes." If the alliance now building among Capitol Hill politicians, the White House and the NEA's power brokers continues to grow, decisions for America's teachers—and for pupils, parents and taxpayers, too—will more than ever be made by a permanent Potomac power elite. Which would deliver a mortal blow to our traditional system of grass-roots control of education.●

THE IRS AND THE TAX EXEMPT STATUS OF PRIVATE SCHOOLS AND OTHER CHARITABLE INSTITUTIONS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. DORNAN. Mr. Speaker, the opportunity, indeed, the privilege, to express one's views freely and openly goes to the heart of our political tradition, a tradition characterized by deliberation and that exercise of reason which is the bond of civil society. As the philosopher has said:

> Civilization is formed by citizens locked together in argument. From this dialogue the community become a political community.

Today, Mr. Speaker, Members of Congress are engaged in a dialog, if not indeed, locked in argument, with the Internal Revenue Service over certain fundamental propositions regarding the very nature and function of private, voluntary institutions and associations and their role in a democratic society. Because of the breadth and the complexity of the issues involved as well as the constraints of time for testimony, the focus of my testimony will be on the nature and purpose of tax exemptions and charitable deductions with particular attention to the distinction between Federal assistance, that is, subsidies, and tax exemption. My testimony is in light of the bill that I have introduced, H.R. 1002, which amends the Internal Revenue Code of 1954 to provide that the tax exemption of certain charitable organizations under 501(c)(3) and the allowance of a deduction for contributions to such organizations shall not be construed as the provision of Federal assistance, that is, Federal subsidies. This is to make original legislative intent in this matter unequivocally clear.

Mr. Speaker, one of the governing assumptions of the proposed IRS rulings, and central to this entire controversy (based primarily on the Federal court case of *Green* vs. *Connally*, 330 F. Supp. 1150 (1970)) is that tax exemption, Federal assistance, and Federal subsidies are one and the same thing. Since the IRS equates tax exemption with Federal subsidies, it argues that tax exemption may be denied to private schools and, by logical extension, to other private organizations, if such organizations do not conform to "public policy" (as interpreted, of course, by an unelected IRS official). Implicit in such an assumption, of course, is that nontaxation of certain organizations is somehow an abnormal condition, that the Government has the right and the duty to tax everything that lives and moves and has being. Anything that escapes taxation, according to this logic, is therefore conceived to be enjoying some kind of special privilege or immunity at the expense of the rest of society. I submit, Mr. Speaker, that such an assumption is thoroughly totalitarian in nature and at variance with our entire Anglo-Saxon legal tradition which holds to the proposition that the State is made for man, not man for the State. Let us, for a moment, examine that legal tradition as it relates to the nature and purpose of tax exempt institutions.

While the history of Federal tax exemption for charitable organizations dates back to 1894, the practice of exempting schools and religious organizations can be traced back to the British Statute of Charitable Uses of 1601 and to early state constitutional provisions (see Congressional Research Service—November 7, 1978). In the celebrated Supreme Court case of *Walz* vs. *Tax Commission of the city of New York*, 397 U.S. 664 (1970), Chief Justice Burger in his majority opinion, referring to tax exemption of religious bodies, wrote: "'All of the 50 States provide for tax exemption of places of worship, most of them doing so by constitutional guarantees.

"For so long as Federal income taxes have had any potential impact on churches—over 75 years—religious organizations have been expressly exempt from the tax. Few concepts are more deeply embedded in the fabric of our national life, beginning with pre-Revolutionary colonial times, than for the Government to exercise at the very least this kind of benevolent neutrality toward churches and religious exercise generally, so long as none was favored over others and none suffered interference. It is significant that Congress, from its earliest days, has viewed the Religion Clauses of the Constitution as authorizing statutory real estate tax exemption to religious bodies." (pp. 676–77). If it be objected that the *Walz* case applies only to churches and not to schools, it is important to note that, in his opinion, the Chief Justice employs the phrase "toward churches and religious exercise generally * * *." The Supreme Court case of *Lemon* vs. *Kurtzman*, 403 U.S. 602, 609 (1970) found that Christian education is a religious activity protected by the first amendment. As Justice Douglas noted:

> The raison d'etre of parochial schools is the propagation of a religious faith. (p. 628).

Why, one wonders, should there be such an overwhelming consensus about the desirability of exempting charitable organizations (as defined under 501(c)(3) of the IRS Code), particularly religious organizations and schools? Two reasons, I would argue, may be cited: First, a practical consideration, taking into account the nature and purpose of tax exemption; second, a philosophical consideration which recognizes the vital and dynamic role of voluntary organizations in a democratic society.

The practical justification for exempting charitable organizations from Federal taxation is a recognition of the fact that they are nonprofit, nonwealth producing entities. As Professors Bittker and Rahdert of Yale University point out:

> *The exemption of non-profit organizations from federal income taxation is neither a special privilege nor a hidden subsidy. Rather, it reflects the application of established principles of income taxation to organizations which, unlike the typical business corporation, do not seek profit,"* (Boris I. Bittker and George K. Rahdert, "The Exemption of Non-profit Organizations from Federal Income Taxation," 85 *Yale Law Journal*, at 299, (1976), emphasis added).

To put the matter somewhat differently, the purpose of charitable organizations is not to generate wealth; it is, rather, to pursue common needs and shared interests which more often than not redound to the benefit of the community. To tax nonprofit organizations would be pointless since they are not in any meaningful sense producers of monetary wealth. Moreover, and most importantly, the tax exempt status of nonprofit organizations is not an act of injustice toward the rest of society, requiring it to pick up the added burden. One the contrary, each of the members of such entities already pays his or her share of taxes.

It would, in fact, be "double taxation" if members of nonprofit organizations were to be taxed again for the time, effort, and money contributed to activities from which they derive no monetary gain. Such "double taxation" would, indeed, work to discourage the founding of nonprofit organizations. As the Supreme Court has noted in the *Walz* case (as cited previously):

> Governments have not always been tolerant of religious activity, and hostility toward religion has taken many shapes and forms—economic, political, and sometimes harshly oppressive. Grants of exemption historically reflect the concern of authors of constitutions and statutes as to latent dangers inherent in the imposition of property taxes; exemption constitutes a reasonable and balanced attempt to guard against those dangers . . . *Elimination of exemption would tend to expand the involvement of government by giving rise to tax evaluation of church property, tax liens, tax foreclosures, and the direct confrontations and conflicts* that follow in the train of those legal processes, (pp. 673–4, emphasis added).

We come now to the philosophical and, ultimately, more fundamental, justification for the tax exemption of charitable institutions: The role of voluntary associations in a democratic society.

Mr. Speaker, the prominent role that voluntary associations play in the United States has been commented upon by that keen observer of the American way of life, Alexis de Tocqueville. In his classic work, "Democracy in America," de Tocqueville notes that:

> Americans of all ages, all conditions, and all dispositions constantly form associations. . . . The Americans make associations to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the antipodes; in this manner they found hospitals, prisons and schools. . . . Nothing, in my opinion, is more deserving of our attention than the intellectual and moral associations of America," (Democracy in America, New York: Alfred Knopf, 1966, pp. 106 and 110).

The rich associational life of the United States, Mr. Speaker, provides a vehicle through which individuals may voluntarily participate to attain objectives which neither Government nor business is attaining or perhaps can attain. "Whenever a need is felt, a wrong is seen, a hope is envisioned, citizens can mobilize around it and bring their shared objectives to fulfillment. Without such vigorous voluntary organizations, society would be an amorphous mass of isolated, and therefore weak individuals—which apparently some people would like, for such a society would be much easier to manipulate and control * * * (voluntary organizations) give to democracy its vigor and reverberance. They provide the basis for resisting an oppressive Government and correcting its excesses * * * it is the prerogative of the people, through their voluntary organizations, to scrutinize and stimulate, correct and countervail their Government (Dean Kelley, "Why Churches Should Not Pay Taxes," New York: Harper & Row, 1977, pp. 28–29). Justice Brennan in his concurring opinion in *Walz* (as cited previously) observed:

> Government has two basic secular purposes for granting real property tax exemptions to religious organizations. First, *these organizations are exempted because they, among a range of other private, non-profit organizations, contribute to the well-being of the community in a variety of non-religious ways*, and thereby bear burdens that would otherwise either have to be met by general taxation, or left undone, to the detriment of the community . . . *Secondly, government grants exemptions to religious organizations because they uniquely contribute to the pluralism of American society by their religious activities. Government may properly include religious institutions among the variety of private, non-profit groups that receive tax exemptions, for each group contributes to the diversity of association, viewpoint, and enterprise essential to a vigorous, pluralistic society,* (pp. 687–89, emphasis added).

We come now, Mr. Speaker, to the heart of the problem, the core of the controversy between the IRS and Members of Congress opposed to the proposed ruling. We challenge the assumption on the part of the IRS that tax exemption of organizations under 501(c)(3) of the Internal Revenue Code and the allowance of a deduction for contributions to such organizations, is a form of Federal assistance, that is, Federal subsidies, subject to revocation if not in accord with so-called "public policy." Once again, this is a purely totalitarian assumption which holds that the State or government owns all wealth. As Boris Bittker, Sterling Professor of Law at the Yale Law School points out, when Congress wrote the first modern income tax statutes, the Revenue Act of 1894 and the Revenue Act of 1913, only "net income" was to be taxed, thus excluding all nonprofit organizations, which have no net income. Professor Bittker goes on to explain:

> Neither the "net income" concept nor the "ability to pay" rationale for income taxation can be satisfactorily applied to charitable organizations. If our analysis and conclusions are well founded, *the exemption of these organizations from income tax is not a preference or a special favor, requiring affirmative justification, but an organic acknowledgement of the appropriate boundaries of the income tax itself . . . If non-profit organizations do not have "income" in the ordinary sense, as we have argued, their exemption from income taxation is not properly classified as "government aid" raising an establishment clause problem; it is, rather, a normal or even inevitable corollary of the economic and philosophical foundation on which the income tax itself rests,* (*Yale Law Journal*, as cited previously, pp. 333, 345, emphasis added).

Justice Brennan in his concurring opinion in the Walz case makes a vitally important distinction between tax exemptions and subsidies. Tax exemptions and general subsidies, however, are qualitatively different. Though both provide economic assistance, they do so in fundamentally different ways. A subsidy involves the direct transfer of public moneys to the subsidized enterprise and uses resources exacted from taxpayers as a whole. An exemption, on the other hand, involves no such transfer. It assists the exempted enterprise only passively, by relieving a privately funded venture of the burden of paying taxes. In other words, in the case of direct subsidy, the State forcibly diverts the income of both believers and nonbelievers to churches, while in the case of an exemption, the State merely refrains from diverting to its own uses income independently generated by the churches through voluntary contributions. Tax exemptions, accordingly, constitute mere passive State involvement with religion and not the affirmative involvement characteristic of outright governmental subsidy," (p. 691).

Mr. Speaker, it is of utmost importance to stress the operational distinctions between a tax exemption and a subsidy: First, in a tax exemption, no money changes hands between Government and the organization; second, a tax exemption, in and of itself, does not provide one cent to an organization; without contributions from its supporters, it has nothing to spend. Government cannot create or sustain—by tax exemptions—any organization which does not attract contributions on its own merits; third, the amount of a subsidy is determined by a legislature or an administrator; there is no amount involved in a tax exemption because it is open-ended; the organization's income is dependent solely on the generosity of its several contributors, each of whom freely and individually determine how much she or he will give; fourth, consequently, there is no

periodic legislative or administrative struggle to obtain, renew, maintain, or increase the amount, as would be the case with a subsidy; the energies of the organization are not expended in applying for, defending, reporting, qualifying, undergoing audits and evaluations, et cetera, and the resources of Government are not expended in administering them; fifth, a subsidy is not voluntary in the same sense that tax exempt contributions are. When the legislature taxes the citizenry and appropriates a portion of the revenues as a subsidy to an organization, the individual citizen has nothing determinative to say as to the amount of the subsidy or the selection of the recipient; sixth, a tax exemption does not convert the organization into an agency of State action, whereas a subsidy—in certain circumstances—may (for the preceding enumerations, see Dean M. Kelley, as cited previously, pp. 33–4).

Parenthetically, I might add that the assumption that tax exemption, Federal assistance, and Federal subsidies are synonymous is troublesome for another reason. Recently, tax exempt status has been granted for organizations sympathetic toward such practices as witchcraft, homosexuality, and abortion (see Revenue Rulings 78–305 and 73–569). Are we, in effect, subsidizing such groups while questioning the legitimate and integral function of church related schools (see Supreme Court ruling of Lemon against Kurtzman cited earlier)? And will there truly be minority requirements based on race for organizations oriented toward gay rights, witchcraft, and abortion?

In addition to tax exemption, Mr. Speaker, some organizations benefit from contributions which donors can deduct from their taxable income before paying income tax. Among them are the organizations that are exempt from income tax under section 501(c)(3) of the Internal Revenue Code. When an organization loses its tax exemption, what is usually meant is not that it loses its tax exemption, since it usually qualifies for continued exemption under section 501 (c)(4) or one of the other categories of section 501(c), but that its contributors are no longer able to deduct contributions to it from their taxable income.

Deductibility of contributions is a significant incentive to contributors, particularly those in higher income brackets, and it is justified by the consideration that they do not benefit personally from the contribution in the way that they would from dues paid to a labor union or shares in a credit union. Deductibility means that not only does the Government not claim a share of the contributions made to an organization after they reach the organization, but it abstains from taxing the donor on them before they reach the organization. The Commission on Private Philanthropy and Public Needs, known also as the Filer Commission, a prestigious private group, provides the following justification for the charitable deduction:

The charitable deduction is a philosophically sound recognition that what a person gives away simply ought not to be considered as income for purposes of imposing an income tax. There is no fixed definition of income; it is a concept that acquires meaning by the context in which the term is used. In the context of personal income taxation, the commission believes it is appropriate to define income as revenue used for personal consumption or increasing personal wealth and to therefore exclude charitable giving because it is neither. . . . We think it entirely appropriate, in other words, for the person who earns $55,000 and gives $5,000 to charitable organizations to be taxed in exactly the same way as the person who earns $50,000 and gives away nothing." (*Giving in America: Toward a Stronger Voluntary Sector*, 1975, p. 128; for above discussion of deductions to charitable organizations, see Dean M. Kelley, as cited previously, pp. 34–35).

Finally, Mr. Speaker, I indicated earlier that the core of the controversy between the IRS and Members of Congress involves not only the assumption that tax exemption, Federal assistance, and Federal subsidies are one and the same thing, but that tax exemption would be subject to revocation by the IRS if the practices of organizations falling under 501(c)(3) were not in accord with "public policy" as interpreted by the IRS. The most devastating critique of such an untenable assumption is to be found in the recent Federal district court case (December 26, 1978) of Bob Jones University against United States of America (Federal district court of South Carolina, Greenville division). I respectfully urge all members of this subcommittee to carefully read and reflect upon the singular opinion issued by Judge Robert F. Chapman. I would like, at this time, to cite some highly pertinent passages from the decision.

Judge Chapman pointed out that:

Although the purpose of the government's construction of 501(c)(3) may be considered secular in nature in that it promotes federal public policy, a primary effect is the inhibition of those religious organizations whose policies are not coordinated with declared national policy and the advancement of those religious groups that are in tune with Federal public policy. Instead of all religious organizations being on the same footing as was the case in *Walz*, the Government's construction of the section would saddle the burden of taxation only on those religious organizations whose procedures conflict with Federal public policy. One form of the oppression of religion by government is the taxation of it (Committee for Public Education vs. Nyquist, 413 U.S. 756.793, 37 L.Ed. 2d 948, 93 S.Ct. 2955 (1973)) . . . The construction of 501(c)(3) argued by the government would do away with the general grant of tax exemptions to all religious organizations, which was found in Walz to constitute an act of benevolent neutrality, and, in effect, transforms the statute into a law that provides a special tax benefit, because favorable tax status will be accorded only to some, not all, religious organization. . . . The effect is to strengthen those religious organizations whose religious practices do not conflict with Federal public policy *and to discriminate against those religious groups* whose convictions violate these secular principles. The unavoidable effect is the law's tending toward the establishment of the approved religions, (p. 16, emphasis added).

The intent of congressional legislation regarding section 501(c)(3) is of central importance in this case. Judge Chapman goes on to note:

Defendant (in this case the U.S. Government) *acknowledges that the limitation which it has attached to 501(c)(3)*, that an organization qualifying under one or more of the listed exempt purposes may be denied exemption if its practices violate public policy, *has no support in the language of the section*. The construction which the IRS has placed on 501(c)(3) troubles this Court. * * * This court concludes that defendant's interpretation cannot be sustained, (p. 18, emphasis added).

With regard to the notion of public policy, as being an overriding consideration, Judge Chapman continues:

This Court disagrees with defendant and detects that there does exist a competing consideration underlying 501(c)(3) that must be weighed against public policy limitations. Defendant recognizes in its argument that the legislative intent behind this section was that exemptions should be granted to those organizations formed for the listed purposes, because they provide a reciprocal benefit to the public. *The desire of Congress not to tax religious and educational organizations that, presumptively, benefit society, does represent a competing consideration in this case to counterbalance the presumption against congressional intent to encourage violation of declared public policy.* * * * In the course of defendant's argument that there is no competing consideration to offset the public policy exception, defendant suggests that, because it has determined plaintiff racially discriminates, plaintiff does not benefit the public and, thus, does not merit exemption. The Court considers defendant's logic on this point as somewhat of a non sequitur. * * * *Public policy is many faceted*, one facet of which is that society may provide relief from taxation to those organizations, such as plaintiff religious organization, that are of benefit to the public. The good resulting to the public from these groups depends upon the fulfillment of their purposes. Because one of these organizations may have, in an area of its operations, engaged in conduct, that might not have been completely in line with some other aspect of public policy does not automatically mean that the public no longer benefits from the organization (p. 28, emphasis added).

Now for the most devastating part of Judge Chapman's critique. He cites the Supreme Court case *Commissioner* vs. *Tellier*, 383 U.S. 687 (1966):

We start with the proposition that the federal income tax is a tax on net income, not a sanction against wrongdoing. That principle has been firmly imbedded in the tax statute from the beginning.

He goes on to point out:

The deduction and exemption provisions of the Code, where Congress has been wholly silent, are to be applied equally without regard to whether the taxpayer has committed an illegal act or violated public policy. . . . In these administrative pronouncements the IRS, in effect, announced that it will implement 501(c)(3) on the basis of whether the taxpayer has abided by federal law or public policy. The section is to become the IRS's mechanism for disciplining wrongdoers or promoting social change. The Supreme Court ruled in *Tellier* that use of the tax law for the former purpose is improper and it follows that the same rule would apply to the latter. In addition, *the Court is concerned by the many dangers inherent in defendant's interpretation that exemptions may be revoked for violations of federal public policy. Federal public policy is constantly changing. When can something be said to become federal policy? Who decides? With a change of federal public policy, the law would change without congressional action—a dilemma of constitutional proportions. Citizens could no longer rely on the law of 501(c)(3) as it is written, but would then rely on the IRS to tell them what it has decided it to be for that particular day. Our laws would change at the whim of some nonelected IRS personnel producing bureaucratic tyranny*, (p. 25, emphasis added).

Judge Chapman argues to the point, and conclusively, when he notes that—

It is not permissible to construe a statute on the basis of a mere surmise as to what the Legislature intended and to assume that it was only by inadvertance that it failed to state something other than what it plainly stated, (United States vs. Deluxe Cleaners and Laundry, Inc., 511 F. 2d 926, 929 (4th Cir. 1975). *In enforcing a construction of the statute which is unwarranted by its legislative history or express terms, the IRS has overstepped its authority and usurped that of Congress. . . . It is the province of Congress, not the IRS, to make the federal tax laws. . . . Should Congress desire to change the law, it may do so in keeping with the Constitution. This Court cannot, and will not, approve changes in the law by an administrative agency that completely bypasses the legislative process*, (p. 28, emphasis added).

Mr. Speaker, the noted English author, Lewis Carroll, in his immortal classic, "Through the Looking-Glass," conveys a profound understanding of human nature which is highly pertinent to our own discussion. I would like to quote the following between Alice and Humpty Dumpty:

When I use a word, Humpty Dumpty said, in rather a scornful tone, "it means just what I choose it to mean—neither more nor less." "The question is," said Alice, "whether you can make words mean so many different things." "The question is," said Rumpty Dumpty, "which is to be master—that's all."

The issue at hand is clear, Mr. Speaker. Is Congress or the unelected IRS going to make the Federal tax laws in a republican form of Government? I hope my testimony has been helpful in answering that question unequivocally.●

TRIBUTE TO LEO RYAN

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to pay tribute to my colleague, the late Leo Ryan.

Leo had an independent spirit which always led him to seek information firsthand. Among the investigations he pursued were California prison conditions, an on-scene look at South Vietnam, and a Newfoundland venture to witness the slaughter of baby seals. It was this drive for firsthand information that led to his tragic fate in Guyana.

The lesson to be learned from Leo's outstanding congressional work comes from a statement he made on the eve before his trip to Guyana: "You have to put fear aside and do what you think is right."

I shall greatly miss Leo and am fortunate that I had the experience of working with him in Congress.●

LIBYA, INTERNATIONAL TERRORISM AND AN EXCHANGE ON CAPITOL HILL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1979

● Mr. McDONALD. Mr. Speaker, on February 8 I was among the Members of Congress who took advantage of the opportunity to meet with a leading Libyan Government official, Mr. Ahmed Shahatti, head of the Foreign Liaison Bureau of the General Secretariat of the Libyan People's Congress. Mr. Shahatti also holds what is perhaps an even more significant post, that of secretary-general of the Organization of Progressive Socialists of the Mediterranean Basin (OPS).

Mr. Ahmed Shahatti is the right-hand man of Libyan dictator Col. Muammar Qaddafi and serves as Qaddafi's principal international strategist, theoretician, and organizer of the Libyan international revolutionary terrorist apparatus with which Qaddafi is attempting to export his version of a world socialist revolution. The mechanism for a significant part of that world revolutionary process is Shahatti's OPS, which he has stated is attempting to "establish liaison groups, people to people committees, * * * all over the world," not just in the Mediterranean.

Colonel Qaddafi has been quite specific as to the real purpose of this network of committees, which he describes less "diplomatically" but far more forthrightly as "revolutionary committees." According to Colonel Qaddafi:

The revolution will begin with groups of people * * *. The mission of the revolutionary committees is to be everywhere, secret or public, according to the circumstances of the various countries, to carry out the duty of urging the masses to revolt in order to seize power and destroy any tool in the way, including political parties.

However, the Shahatti version of the purpose of OPS is this:

The strategy of this office is not only to create better communication between Libya and the people on the Mediterranean, but also with the people in other countries in the world. Our main objective is to set up committees to establish peace and progress for all people.

Indeed, since the Government of Libya represented by Mr. Shahatti has said it wants to establish diplomatic and economic relations with our country yet the evidence is that Libya is if anything increasing its support for Soviet-sponsored Marxist terrorist groups, particularly those that have participated in the overthrow of the Government of Iran, I prepared briefing sheets for each of my colleagues who attended the meeting with Mr. Shahatti. The briefing materials included a number of questions I intended to ask him, together with the documentary evidence in the form of statements by the Libyan Information Minister on January 30, 1979, obviously reflecting the current Government of Libya line, and some examples of the rabidly inflammatory broadcasts being made to Iran over the Radio Tripoli transmitter.

I asked Mr. Shahatti:

There have been many reliable reports that members of the Baader-Meinhof Gang, sometimes known as the Red Army Fraction, of West Germany, the Japanese Red Army, the Irish Republican Army and representatives of various Palestinian terrorist groups have been funded by Libya, assisted in their travel towards targets by Libyan security services, and trained in your country.

Without exception, all of the groups that I have named are terrorist organizations. Is it the policy of your government to support international terrorism?

Just as has Colonel Qaddafi, Mr. Shahatti freely admitted that Libya had supported the Irish Republican Army (IRA), but insisted that such support was now ended. However, he falsely denied having supplied assistance to members of the Japanese Red Army (JRA) and the Red Army Fraction (RAF). As for the groups that comprise the Palestine Liberation Organization (PLO), Mr. Shahatti said that Libya supported their "struggle" or goals "in principle."

On the narrow issue of aircraft hijacking, Shahatti allowed that such actions were indeed acts of terrorism, but gave the usual excuse in denying that Libya backed terrorism by claiming that Libya exercised no control over what the individual groups did with materials they gave and saying that he disapproved of some actions committed by these groups.

Shahatti tried to persuade us that we did not really understand what terrorism was, that what Libya supported was "resistance" by "liberation movements" and that those actions were not terrorism because the violence was "against imperialism and all of the colonial regimes in the world."

In other words, for the Libyan regime and its theoreticians, any violence aimed at overthrowing the Western governments of the free world are not terrorism but "resistance to imperialism and colonialism." I maintain that this position is totally unacceptable in a civilized society. All reasonable persons, I believe, will agree with me that "terorism is a violent attack on a noncombatant segment of the community, for the purpose of intimidation to achieve a political or military objective."

Under that definition, the actions of the revolutionary power seekers backed by Libya are clearly terrorists, not "freedom fighters."

I told Mr. Shahatti that I had reliable reports that Libya had given funds to a British Trotskyite group called the Workers Revolutionary League, whose best known member is actress Vanessa Redgrave; and I asked him whether Libya was funding this group's U.S. affiliate, the Workers League, which has taken a very pro-Qaddafi line over the past 2 years, as had the U.S. Labor Party. At this point Shahatti admitted funding the English Trotskyite group, but became most unresponsive when I asked him further about financing U.S. extremist and revolutionary groups.

When pressed still further by inquiries as to what sort of control Libya exercised over the activities of these organizations it funded, Shahatti retreated

into vague demurrers claiming not to be familiar with the details of the groups, the controls exercised, any agreements as to services they might render or other controls.

Asked about the broadcasts of the so-called Radio of the Patriots that broadcast during January the most vitriolic attacks on the United States and called for the overthrow of the former government of Iran that was firm in its friendship for this country as a means of striking at "American imperialism," the Libyan official claimed to be unfamiliar with them although they are broadcast over Radio Tripoli's normal frequencies daily.

In conclusion, I would like to note the statements made by Colonel Qaddafi in an interview published by the Beirut newspaper, Al-Kifah Al-Arabi, on February 7, 1979, but which I did not have available at the time of meeting with Mr. Shahatti. According to Colonel Qaddafi:

The Iranian revolution is a real volcano which erupted in the area***. Its effect can not be prevented, as it is only natural for volcanos to cause earthquakes which cannot be stopped by pacts and alliances. Egypt, Saudi Arabia, the Arab Gulf and most countries surrounding Iran will definitely be exposed to earthquakes and new structures.

The Libyan intent to fully collaborate with the Soviet bloc and its allied radical Arab States—Algeria, the People's Democratic Republic of Yemen (Aden), Afghanistan, Iraq and now Syria—in overthrowing the governments of the Arabian Peninsula, Jordan and Egypt is quite plain.

I believe that this country must pay grave attention to this statement of intent by the Libyan leader and thus must reject any extension of diplomatic recognition or of economic assistance to the current Libyan Government which is manifestly hostile to every aspect of the free world.

For the sake of completeness, and for the information of my colleagues, here are the other questions I prepared for Mr. Shahatti which he declined to answer at the meeting, together with the background material upon which those questions were based.

I asked:

Mr. Shahatti, on January 30, Kuwait Radio broadcast an interview with the Libyan Information and Culture Minister, Muhammad Abu al-Qasim az-Zuwayy, and I quote to you what he said:

Replying to a question regarding reports that Libya exports revolutions and arms to many troublespots in the world, Muhammad az-Zuwway said: "We are proud to be so accused. We assert to the whole world that we provide material, moral and political support to every liberation revolution in the world, but we do not interfere in other countries' internal affairs. Libya has helped and is continuing to help Muslim rebels in the Philippines, the people of Zimbabwe and the revolution in Iran."

The rebels in the Philippines are clients of Red China, in Zimbabwe those that your country are helping are Marxists, working to the directions of Moscow. In Iran, much the same is true with the Soviet Union using the Moslem religion as a cover for their activities.

If you seek friendship and trade with the United States why does your country support our enemies?

And a second question on the same interview: your Minister stated that Libya's relationships with the Soviet Union were "strong" because they aided the "Palestinian people." We know that this aid includes the supply of weapons to the PLO—does this mean that your government advocates terrorism as well as revolution?

Mr. Shahatti declined to answer the issues raised by these questions.

Regarding the anti-American subversive broadcasts being made by the Voice of the Patriots in Persian over Radio Tripoli, I asked the following question:

Mr. Shahatti, the assistance that your country provides to the rebels in Iran includes the beaming of radio propaganda into that country.

In particular, I refer to the Radio of the Patriots that goes on the air daily (at 16:00 hours GMT) from Radio Tripoli. Calls go out from your controlled radio station calling on the Shah's army to revolt against its officers, for the establishment of "workers' assemblies" and encouragement to the strikers and rioters.

Radio of the Patriots also provides Iran with a daily diet of lies about the United States and must take responsibility for some of the attacks on American civilians and our Embassy.

Before we talk to you about trade, may we have your assurance that you will try to stop this "assistance" to Iran and these attacks on our country?

Mr. Shahatti claimed to have no knowledge of the matter. Sample Radio of the Patriots broadcasts and summaries are attached:

RADIO OF PATRIOTS CALLS FOR WORKERS ASSEMBLIES

TA261631 [Editorial Report TA] Radio of the Patriots [Clandestine] in Persian to Iran at 1615 GMT on 24 January concludes the evening's program with a commentary entitled: "The Role of the Workers Assemblies [shurahs-ye enqelabi] in Achieving Victory in the Iranian Revolution." The commentator begins with the observation that "the movement of the masses of the Iranian people" is gaining momentum and spreading its roots, and is continuing the struggle dedicated to the total destruction of the shah's regime and its ties to imperialism.

The announcer says: The "vast strikes and the people's demonstrations" have caused a serious crisis in the ruling class and have shaken the basis of the monarchy and of imperialism. At this time the revolutionary workers must achieve the cooperation of the various struggling strata of society and of the different classes. "At the same time as these strikes, the cresting wave of demonstrations and conflicts in the streets—(which have included) an attack on the American Embassy and on the other imperialist and Zionist installations—has shown the seriousness of the Iranian revolution" against world imperialism, and American imperialism in particular.

The strikes of the oil workers have been a particularly worthy contribution toward the destruction of the regime. During the past few days, the power of the oil workers has been felt beyond the borders of the nation, and they have scored a blow against the imperialism of America, Japan, and others—including the racist regime of South Africa and the Zionists of Israel—all of whom are primary importers of Iranian oil. This past year has taught the workers that they will never be free under the rule of the shah. Now the time has come for the working class to organize for the final struggle.

At this time one key step toward preparing for the final victory is the formation of workers assemblies, which is the essential way to organize the struggle of the working class. The role of the worker is essential in the future of the revolution. "Thus, by establishing the workers council and assemblies [anjomanha va shurahave karkonha] a great historical groundwork" will be prepared for the coming generations of mankind. In circumstances where the relationships in the factory are those of the exploiter and the exploited, the worker does not have freedom and democracy. With the workers councils and assemblies the revolution can spread.

In the historical period of Iran's constitutional struggle, there were numerous examples of councils and assemblies. Of course, the circumstances then and now are quite different, "but still it is essential in the current circumstances to move the Iranian revolutionary movement forward through the formation of workers assemblies [shuraha-ye kargari] in the factories, peasants assemblies [shuraha-ye dehqqani] in the villages, soldiers assemblies [shuraha-ye sarbazan] in the bases and in (?all) the other economic and social organs in Iran. Let the assemblies of the masses of the toiling people of Iran spread!"

RADIO OF PATRIOTS: FORD MIDEAST TRIP REFLECTS PLOT

TA261953 Radio of the Patriots [Clandestine] in Persian to Iran 1615 GMT 26 Jan 79 TA.

[Text] According to reports from (?some) sources of the press association in Kuwait, American imperialism and the treacherous regime of As-Sadat and the runaway shah (?have initiated) a new plot against the struggling masses of the Iranian people. According to reports from these sources, this plot was planned in Aswan (?by using) Gerald Ford, the former president of America, and the runaway shah and Anwar as-Sadat.

These sources confirm that the Ford trip to Egypt took place at the request of Jimmy Carter, the current President of America, and that the plot was (?reviewed and approved) during the quadripartite conference of the leaders of world imperialism on the island of Guadeloupe.

Down with the plots of world imperialism!

BASES

TA291234 [Editorial Report TA] Radio of the Patriots [Clandestine] in Persian to Iran at 1615 GMT on 28 January carries a program of news and comment.

"News: All the respected news agencies and newspapers of the world are continuing to describe and analyze the 1-million-strong demonstrations yesterday of the people of Tehran and the demonstrations in other Iranian cities." These demonstrations have in fact been the referendum of the nation for the total destruction of the monarchy, and they have attracted the support of "all the world's freedom-loving people."

Although no lives were lost yesterday in Tehran, in other cities such as Gorgan, Sanandaj, Tabriz, Rasht, and Abadan the military forces fired on the demonstrators. The latest reports indicate that the shah's news agency has underestimated the number of those killed, and at least five people were martyred in Abadan alone. In Gorgan, four persons were martyred, not one as reported by the regime's news agency. Rasht saw several wounded. The situation in Sanandaj is still very unsettled, and the military forces are on alert and patrolling the streets. The brave people of Tabris are continuing their demonstrations, and in last Friday's bloody demonstrations there five people were cut down by the military fire. According to reports, the brave people of Tehran and other cities are flocking to the hospitals to give blood for their wounded compatriots. "Glory to the struggling cooperation of the people of our nation!"

The report goes on to describe the insurrections within the military ranks, emphasizing reports from Dezful, Hamadan and particularly Esfahan: "Units of the air force in Esfahan have begun a revolt and the men are no longer reporting to their units."

The next item, datelined Tehran, explains that yesterday the American Embassy was surrounded by demonstrators protesting the interference of American imperialism in Iran. Next, mention is made of Prime Minister Bakhtiar's intention to meet with His Eminence Ayatollah Khomeyni. "This decision by Bakhtiar takes place as part of the same plot in which his government and the generals protecting his government decided to close the country's airports and prevent the return of His Eminence the Ayotollah to the nation."

Another news item discusses the closure of the Iranian Embassy in Ottawa by the staff in a gesture of solidarity with the Iranian demonstrators. Further demonstrations of solidarity have been reported by the people of the Greek island of Crete, where the population protested "the transfer of the American bases from Iran to the island." The announcer also scores Washington's open protection and support of the Bakhtiar government by providing the military of Iran with some 20,000 barrels of oil a day. The news portion of the broadcast concludes with a note that Jamaloddin Tehrani, the former chairman of "the so-called Regency Council," has left Paris for Brussels.

The commentary portion of the broadcast begins with a call for revolutionary violence which says:

"The persistent and unending struggle of the people of Iran have shoved the mercenary generals of the runaway shah with their tanks all the way back to the walls of their master's fortress. With firm steps and steady determination the masses are moving toward the sacred objective which lies ahead of them. The distinguishing characteristic of the current struggle of the brave people of our country is its aggressive [ta'arros] nature, aggressive toward a wicked and disrupted enemy who understands nothing but violence [qahr] and heavy handedness [khoshunat]. In dealing with such an enemy the people are responding in the same spirit. Yes! The coarseness of reaction can only be answered with revolutionary violence! (?defenseless) people of our country are doing just that every day. This is the historical imperative of the current struggle of Iran."

The commentator goes on to explain that millions of people are now threatening to take up arms. The people are screaming for an end to oppression. It is the cry of men who have broken the shackles of imprisonment and will no longer tolerate the suppression of the past. "We are going forward! We shall offer up martyrs! With shoulders high [words indistinct] we shall go up against the bullets of the machineguns!"

The threat of millions to carry weapons teaches the daily lesson of the historical imperative which is being promoted by the masses of our nation. The masses have led the most radical struggle against a vile regime, and "revolutionary violence has been one of their fundamental elements. The declaration of the masses that they shall carry arms is the beginning of that (?unique) stage through which all the oppressed and (?defenseless) peoples of the world have passed in their victorious revolutions. [Words indistinct] the revolution is the labor of the masses. And the masses, and only the masses, are the builders of history. This is not a slogan but a truth that the millions of our masses are demonstrating daily through their ongoing struggle in the streets. Yes! Revolution is the labor of the masses and no successful revolution in history ever lacked the element of violence."

"When the ruling reaction has weapons in hand, the mass revolution has no choice but to carry arms. The reaction will never lay down its weapons with kindness and gentleness, but rather due to the finest of the mass revolution."

The announcer then reviews the recent demonstrations of Tehran University and in Rasht. He explains that reports coming from Iran indicate that the probability of further violence is very high. The news of the violent clashes is followed by a reading of the announcement by Khomeyni that he will never meet with Bakhtiar in his capacity as prime minister of Iran.

RADIO OF PATRIOTS URGES MILITARY REBELLION, PEOPLE'S ARMY

TA302040 [Editorial Report TA] Radio of the Patriots [Clandestine] in Persian to Iran at 1615 GMT on 30 January carries a commentary which urges the Iranian military to revolt against its officers and join ranks with the people of Iran in fighting the shah and imperialism. In its analysis of the current situation in Iran the commentary emphasizes that the destruction of the shah's army is not a simple matter and that the revolutionary forces cannot just wait for the soldiers to desert and join their ranks. On the contrary, the revolutionary forces must take an armed and aggressive posture and actively destroy the leaders of reaction.

"In order to draw out the hesitant individuals of the army, the revolutionary forces must initiate a totally committed struggle." "Work must be done within the ranks of the military, of course not among the mercenary and weak commanders of the army, but rather among the mass of the soldiers, among the NCO's and the lower-ranking officers, among those whose class interests make them fellow travelers of the revolution, and who without realizing it or by force have fallen into the trap of this antipeople [zed-e-khalq] organization."

"At the same time, the reactionary commanders of the army must be mercilessly eliminated. They must be identified as the primary and most dangerous enemy of the people. The masses must be armed, and the people must be made to understand the real and inimical nature of the army. An army of the revolution must be created to face the counterrevolutionary [sed-e enqelab] army." The masses must be prepared to destroy the counterrevolutionary army. "The brave response to the shah's antipeople army is not given with flowers. In order to counter the antipeople army of Mohammad Reza Shah, action must be taken with machineguns and against tanks. Bouquets of flowers will not do. (?Ardesuk) and Molotov cocktails must be used against the tanks of Mohammad Reza Shah!"

Yes, dear citizens, these days the army of Mohammad Reza Shah is in the trenches and it must be countered by the people's army in the opposing trenches. "The violence of reaction must be met by the violence of the revolution. Dear listeners, in tomorrow's talk we will speak to you again about the (?heroes from among) the officers and the free and (?noble) NCO's who are up against the antipeople army of the shah, and about the recent spread of rebellion [tamarrod] in its ranks."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 1, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 2

9:00 a.m.

Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.

235 Russell Building

Human Resources

Health and Scientific Research Subcommittee

To hold hearings on proposed legislation authorizing funds through fiscal year 1981 for the National Science Foundation.

6226 Dirksen Building

10:00 a.m.

Environment and Public Works

To hold hearings to review proposed authorizations for FY 1980 for the Environmental Pollution Agency, with a view to making recommendations thereon to the Budget Committee.

4200 Dirksen Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold oversight hearings on the programs of the Office of Federal Procurement Policy.

3302 Dirksen Building

10:30 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on Federal credit programs.

5302 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 5

9:30 a.m.

Environment and Public Works

To hold hearings on proposed reauthorization for the Anadromous Fish Conservation Act (P.L. 89-304).

4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on Federal programs to combat cancer.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend through fiscal year 1984 the Export Administration Act.
5302 Dirksen Building

Budget
To resume hearings in preparations for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

1:00 p.m.
Select Indian Affairs
To hold hearings on proposed authorizations for fiscal year 1980 for the Bureau of Indian Affairs, and on goals and objections of current Indian issues.
5110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980; and on supplemental appropriations for FY 1979, both for the Judiciary.
S-146 Capitol

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on the National Parks Service proposal to increase user and entrance fees for fiscal year 1980.
3110 Dirksen Building

MARCH 6

9:30 a.m.
Government Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on S. 362, proposed sibilities for radiation protection.
3302 Dirksen Building

Judiciary
To hold hearings on S. 332, proposed Competition Improvements Act.
2228 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Agency for International Development.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To reduce hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend through fiscal year 1984 the Export Administration Act.
5329 Dirksen Building

Energy and Natural Resources
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

Finance
To consider those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S-146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on the Federal responsibilities for radiation protection.
3302 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume oversight hearings on Federal programs to combat cancer.
5110 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1970 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Armed Services
Manpower and Personnel
To hold hearings on proposed military procurement authorizations for fiscal year 1980, receiving testimony on the land, air, and naval force structure plans.
212 Russell Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
To continue review of those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

Finance
To continue consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128 Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To hold closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act, to be followed by markup of S. 7, to revise and improve certain health care programs of the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Agency for International Development.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Consumer Cooperative Bank, and the National Credit Union Administration.
Room to be announced

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol

Energy and Natural Resources
To continue review of those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations

which it will make thereon to the Budget Committee.
3110 Dirksen Building

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

Finance
To continue the consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

MARCH 9

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Selective Service System, Council on Environmental Quality, and the National Commission on Air Quality.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume oversight hearings on the programs of the Office of Federal Procurement Policy.
3302 Dirksen Building

2:00 p.m.
Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 12

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on proposed legislation to extend through fiscal year 1984 the Export Administration Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 13

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Agency for International Development.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on proposed legislation to extend through fiscal year 1984 the Export Administration Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold a business meeting on pending calendar business.
235 Russell Building

Finance
Health Subcommittee
To hold hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on nuclear waste management.
6226 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 5, proposed Federal Acquisition Reform Act.
3302 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

MARCH 14

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on roles of women in health and science.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To estimate hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
To consider those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
Health Subcommittee
To resume hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on nuclear waste management.
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Department of Commerce.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 15

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 354, proposed supplemental authorizations for FY 1979 for NASA, and S. 357, proposed authorizations for FY 1980 for NASA.
235 Russell Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
6226 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on roles of women in health and science.
4232 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for International programs, Department of State.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Indian Health Service.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on nuclear waste management.
Room to be announced

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Office of Human Development Services, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To resume hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed FY 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for International Financial Institutions, Department of the Treasury.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Social Security Administration, Department of HEW.
S-128, Capitol

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee.
To continue hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1114 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 22

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the U.S. Geological Survey.
1224 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, proposed Reclamation Reform Act.
3110 Dirksen Building

Finance
Health Subcommittee
To mark up proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, the Reclamation Reform Act.
3110 Dirksen Building

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 23

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on a proposed joint government/industry program of advanced automotive technology development.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimate for fiscal year 1980 for the Environmental Protection Agency, and the Consumer Information Center.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Finance
Health Subcommittee
To continue markup on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

MARCH 26

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of Labor, and related agencies.
S-128, Capitol

MARCH 27

9:30 a.m.
Human Resources
To hold hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Human Resources
Child and Human Development
To mark up S. 239, authorizing funds for programs administered by Domestic Volunteer Service Act (ACTION).
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
S-126, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 28

9:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on health programs administered by the National Institute of Health.
Room to be announced

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the trucking industry economic regulation by the Federal Government.
235 Russell Building

Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
457 Russell Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
235 Russell Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on health programs administered by the National Institute of Health.
4232 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.
6226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for ACTION—International Programs
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration, the American Battle Monuments Commission, and the U.S. Army cemeterial expenses.
1318 Dirksen Building

APRIL 2

9:30 a.m.
Human Resources
To resume hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

APRIL 3

9:30 a.m.
Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for programs administered by the Department of State.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

APRIL 5

9:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
6110 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology Policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 11

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appopriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

9:30 a.m.
Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

APRIL 26

9:30 a.m.
Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

MAY 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

SENATE—*Thursday, March 1, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O Lord our God, may the days of Lent bring to each of us a new awareness of Thy presence, Thy mercy, and Thy forgiveness. Give us penitent hearts. Instill within us the Lenten disciplines of soul-scrutiny, conscience-testing, and self-assessment. Then judge us with love and lift the burden of all that alienates us from Thee and from others. Forgive us when we have failed to seek first Thy kingdom. Forgive us for turning from truth and love and justice. As we walk the way of the cross help us to understand the Gospel better, to love more deeply, to pray more fervently. And when we have completed this journey, bring us to the day of resurrection possessed of a new spirit and a new will to build a better world of peace and justice.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 1, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ARTHUR KUHL

Mr. ROBERT C. BYRD. Mr. President, recently the U.S. Senate has suffered a great loss with the death of one of its most senior employees, Arthur Kuhl.

At the time of his death, Mr. Kuhl was ably serving as the Assistant Secretary of this body, his last post in a career spanning over 25 years. He was truly a product of our American system. Born in the small town of Martin, Minn., he served with distinction in the U.S. Army airborne in the South Pacific during World War II. After serving with the U.S. occupational forces in Japan, he came to Washington, D.C., where he had chosen to make his career. While working on the Capitol Hill Police Force and running an elevator, he financed his own education through Georgetown and George Washington Universities where he received his B.A. in government and his law degree.

The first professional staff job Mr. Kuhl held on the Hill was as an investigator with a Senate Labor Subcommittee. Subsequently, he served 10 years as chief clerk of the Foreign Relations Committee, and in that capacity, he rendered invaluable aid to virtually every Member of the Senate. Of course, all of us are familiar with his most recent duties as the Assistant Secretary of the Senate.

He was a quiet, tranquil, and yet powerful man very much like this Nation's great wildernesses which he loved so much. Arthur had, in the words of William Wordsworth:

> Learned to look on nature not as in the hour of thoughtless youth, but hearing oftentimes the still, sad music of humanity.

Mr. President, we will miss Art Kuhl. Our condolences are expressed to his family. We sympathize with them in their hour and time of trial.

(Remarks by Mr. ROBERT C. BYRD and Mr. TOWER in connection with the nomination of George M. Seignious II, to be Director of the U.S. Arms Control and Disarmament Agency, are printed later in today's RECORD, by unanimous consent.)

Mr. TOWER. Mr. President, I am prepared to yield the floor, but I will reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I am ready to yield back the remainder of the time on the leadership side, if the distinguished Senator from Texas is ready to do so, so that we can get into special orders.

Mr. TOWER. Mr. President, I am prepared to yield back my time, and I do yield back my time.

Mr. ROBERT C. BYRD. I do so, also.

Mr. President, I ask unanimous consent that the order for the recognition of Mr. BUMPERS be vacated. He has asked that this be done.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. The Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

S. 503—PRIVACY ACT AMENDMENTS OF 1979

Mr. JAVITS. Mr. President, I introduce today the Privacy Act Amendments of 1979 relating to the privacy of medical records. Its principal provisions are as follows:

The bill prohibits the disclosure of confidential information by medical care service providers, except as expressly authorized in the bill. Confidential information is defined broadly to include the fact that an individual is receiving or has sought medical care, and any information relating to that individual's treatment or attempt to secure treatment.

The "service providers" covered by the bill are defined to include hospitals, nursing facilities, intermediate care facilities, or ambulatory care facilities that receive medicare or medicaid funds, or any other facilities that receive such funds to which the Secretary of Health, Education, and Welfare may make the act or portions thereof, applicable by regulation. Also included are health maintenance organizations that receive loans, grants, or contracts under the Public Health Service Act. Once an entity is covered by the bill, all of its patient records are covered, regardless of whether the individual patient had his or her expenses reimbursed by medicare or medicaid.

Unlike S. 3450, which applied only to non-Federal facilities, this bill applies equally to federally controlled entities, such as Public Health Service hospitals. On reflection, I now believe that all similar medical records should be treated in the same way, whether the recordkeeper is governmental or nongovernmental.

I wish to make clear that the bill does not apply to recordkeeping by the single practitioner. To my knowledge most of the abuses that have occurred have not been at this level, and I am very reluctant to impose Federal regulation on the family doctor unless and until a need to do so has been demonstrated.

One of the major problems with our current system of recordkeeping is that the patient is denied access to his own records, does not know what is in them when he consents to their disclosure, and has no way of correcting any inaccurate information they may contain. The bill rectifies this situation by providing the patient with the right to see any medical records the service provider maintains on him. If the patient disagrees with an aspect of the record, the bill would permit the patient to add, pursuant to regulations issued by the Secretary, a brief statement presenting his view of the disputed record as disclosed, it would have to be accompanied by the patient's version.

The bill recognizes that there are certain instances when a patient may wish to authorize the disclosure of confidential information about himself. This is usually the case where the individual expects to obtain a benefit, such as reimbursement by an insurance company, in return for disclosure of certain information. Thus, the bill provides a procedure by which the patient may provide such consent. The consent must be in writing, and as specific as possible as to the nature of the data to be disclosed, the use to which it is to be put, and the persons who are to have access to it. Consent may be withdrawn at any time, and may not extend beyond 1 year.

The bill also recognizes that there are a limited number of situations where obtaining an individual's consent is impossible or impractical. The bill spells out those situations in detail, and provides safeguards against the redisclosure of confidential information by persons who receive such information. It is to be noted that the provisions permitting disclosure without patient consent to public health and law enforcement officials pursuant to the statute have been clarified this year to assure that these provisions are not used indiscriminately, just to satisfy official curiosity. Disclosure without consent clearly must be a limited exception, rather than rule.

The bill provides individuals who are aggrieved by an actual or attempted violation of the act with a cause of action in Federal district court for injunctive relief or monetary damages. Further, any person who knowingly and willfully discloses confidential information in violation of the act, fails to grant a patient access to his or her records, or requests or obtains information under false pretenses, is subject to criminal prosecution. Technical violations would not be subject to criminal penalties. Finally, the service provider must satisfy the Secretary of Health, Education, and Welfare that it is in substantial compliance with the act in order to continue to receive medicare or medicaid funds or funding under the Public Health Service Act.

The bill follows the recommendation of the Privacy Protection Study Commission by recognizing that there may be some instances in which disclosure to the patient may, in the judgment of the health professional, harm the patient's condition. In such cases, the health professional may withhold the record from the patient. In such cases, however, the patient has the right to appoint a representative of his own choosing, who must be granted access to the records by the service provider.

One significant change in this bill from S. 3450 is the addition of several sections governing access to medical

records by Federal, State, and local government authorities, pursuant to compulsory process. Since subpenas, summonses, and search warrants must be served on the holder of medical records—the service providers—patients whose records are sought in this manner seldom learn that they are under investigation, and have no opportunity to contest disclosure of the records. For its part, the service provider may or may not have an interest in defending an action designed to obtain its patient's records.

The major purpose of the Government access sections, therefore, is to provide a patient with notice and an opportunity to defend against the release of his medical records when he is the subject of an investigation and his records are sought by compulsory process. This portion of the act would not apply where the Government authority is seeking patient records for purposes other than an investigation of the patient.

The provisions I have included in this bill are adopted from the Financial Right to Privacy Act, which was signed into law last fall. Medical records are of course different from, and even more sensitive than, financial records. I look forward to the hearings on these provisions to determine whether modifications of the Government access formula are necessary and appropriate.

The bill would preempt State and local governments from enacting or continuing in effect laws or regulations that would provide the patient a lesser degree of protection than this legislation.

Finally, the bill contains a new section to make clear that already existing legislation and regulations protecting patients being treated for drug and alcohol abuse are not in any way affected.

Last August, I introduced S. 3450, a comparable bill to protect the confidentiality of personal medical records. While the bill was introduced too late in the session for hearings to be held, it provoked a great deal of discussion and interest as I hoped it would. I received many comments and suggestions aimed at strengthening the protections contained in the bill. I have carefully considered these comments, and where appropriate, have included them in the revised version of the bill that I am introducing today.

One of our most precious rights in a free society is our right to privacy—the right to be free from the inquisitive prying into our most personal affairs by those who are, for one reason or another, curious about us, but who do not have a right to know. This fundamental right, grounded in the Constitution, has been seriously eroded in recent years, until now, nearly every aspect of our lives is open to public viewing by those who have the persistence and desire to learn about us.

Eighteen months ago, the Privacy Protection Study Commission issued its report, "Personal Privacy in an Information Society." It identified a number of areas in which it thought legislation was necessary to halt the erosion of personal privacy, and strike the proper balance between the individual's expectation of confidentiality, and society's need to know certain information about each of us.

The bill I am introducing today seeks to address these concerns in one of the most sensitive areas of recordkeeping examined by the Commission—personal medical records. The Commission pointed out the unique nature of medical records, noting:

> The physician-patient relationship is an inherently intrusive one in that the patient who wants and needs medical care must grant the doctor virtually unconstrained discretion to delve into the details of his life and his person. As a practical matter, because so much information may be necessary for proper diagnosis and treatment, no area of inquiry is excluded. In addition to describing the details of his symptoms, the patient may be asked to reveal what he eats, how much he drinks or smokes, whether or not he uses drugs, how often he has sexual relations and with whom, whether he is depressed or anxious, where and how long he has worked, and perhaps what he does for recreation.

Traditionally, the family doctor learned much of this information about his patient by treating him or her over the years, and retained a good part of it in his memory. The family doctor's discretion was almost always sufficient to protect the patient's medical history from disclosure. Over the last three decades, however, the traditional doctor-patient relationship has been breaking down, and is gradually being replaced by a system whereby medical care is provided often by an impersonal institution, and payment for medical services is made by third parties. Such service-providing institutions, because they lack the extended personal relationship of the family doctor, require far more extensive written records about a patient's condition, in order properly to treat the individual. Simultaneously, the great advances in computer technology that we have seen over recent years have made the collection, maintenance, and dissemination of highly detailed personal medical information far easier than it ever has been before.

Not surprisingly, the existence of a large pool of confidential information about individuals has proved attractive to those who are outside the medical relationship. Insurance companies, employers, the Government, researchers, and credit reporting agencies all have varying degrees of interest in obtaining access to the data. As the Privacy Protection Study Commission noted, it is "Staggering how many people besides the medical care providers who create a medical record have access to it." At the same time the subject of the records is almost unaware of what is in the records, and to whom they are being disclosed.

The system has inevitably led to abuse. The following are representative of the types of problems that have been encountered:

One individual was mistakenly diagnosed as an epileptic. The mistaken diagnosis was placed in her records, and discovered by an insurance company, which then refused her application for insurance coverage.

A couple was denied disability insurance when the insurance company learned they had previously had marital counseling by a local minister. Having been denied insurance, and fearful that "this information is forever available to any insurance company" the couple wants to "add a statement of our side" or to remove the information from any computerized information bank.

Nurses in a New York abortion clinic allegedly sold the names of patients to "pro-life" groups, which then would call the patients at home to "discuss" abortion.

A Texas court recently issued an order allowing both the state and a private plaintiff in a malpractice suit to have access to the medical record of thousands of women who had obtained abortions at a chain of clinics in Texas. The U.S. Supreme Court declined to review the order.

An ex-psychiatric patient wants a divorce, but her husband threatens to use the newly learned information about her psychiatric condition against her in a child custody fight. The husband's father, a lawyer had obtained the psychiatric information "through his own sources."

An individual who was briefly a patient in an Ohio mental institution 10 years ago was denied access to her records. She fears future discrimination in hiring, and feels she has a right to know what is in her files.

Security police in another Ohio mental health center follow the policy of citing or quoting directly from patients' records upon request of any law enforcement or related agency, such as the fire department.

A physician reports harassment by several representatives of an investigative reporting agency. The representatives wanted confidential medical information to be given over the telephone, refusing first to identify who they were working for or why they wanted the information.

Mr. President, there are many other examples of abuses of confidentiality that could be cited. The bill I am introducing today is intended to help eliminate those abuses and to clarify the rights and obligations of the patient, the medical care provider and third parties with respect to medical information. As the medical care relationship continues to change and become less personalized, all parties should know how confidential medical information is to be treated.

Mr. President, I believe legislation on this subject is both timely and necessary, and hope that this bill will, after due consideration, lead to such legislation. I recognize that many of the issues covered in this bill, particularly patient access to their own records, the circumstances under which disclosure without consent is appropriate, and the provisions on Government access are the subject of widely divergent views. As the bill moves through the hearing process, I will carefully consider any suggestions or comments that might help improve it.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis of the bill be printed in the RECORD, together with a recent article that appeared in the Washington Post, entitled "Keeping the Lid on Medical Records."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Privacy Act Amendments of 1979".

AMENDMENTS TO THE PRIVACT ACT

SEC. 2. The Privacy Act of 1974 is amended by—

(1) inserting the heading "TITLE I—GENERAL PRIVACY PROVISIONS" immediately above section 2;

(2) striking out "this Act" each place it appears in section 8 and 9 and inserting "this title"; and

(3) inserting at the end the following new title:

"TITLE II—CONFIDENTIALITY OF MEDICAL RECORDS

"FINDINGS AND PURPOSES

"SEC. 201. (a) The Congress finds that—

"(1) the right to privacy is a personal and fundamental right;

"(2) due to rapidly changing technology, recordkeepers are able to compile and disseminate detailed and highly personal information about individuals;

"(3) the collection, maintenance, use, and dissemination of confidential information about individuals by governmental and private sector organizations may threaten the individual's right to privacy;

"(4) as evidenced by the testimony of the Privacy Protection Study Commission before the Committee on Governmental Affairs of the Senate, existing statutory protection of confidential information between patients and health care service providers is inadequate;

"(5) as evidenced by the report of the Privacy Protection Study Commission—

"(A) in addition to the service provider, the number of people who have access to individually identifiable medical information is very large, although the patient is often denied access to such information, and

"(B) there is a need for the extension of statutory privacy protection to the relationship between patients and service providers; and

"(6) it is essential that patients have the right to exercise more direct control over confidential information relating to their own health care, particularly in light of the availability of such information to third parties and its effect on the individual's ability to obtain employment, insurance, medical care, and other important societal benefits.

"(b) It is the purpose of this title to—

"(1) clearly define the circumstances under which confidential health care information in individually identifiable form may be disclosed, and to whom it may be disclosed;

"(2) provide procedures by which the patient may have access to his own health care information and may take steps to assure the fairness and objectivity of those records; and

"(3) carefully balance the legitimate need of certain governmental and private sector organizations to have access to confidential information with the individual's expectation of, and right to, the confidentiality and privacy of such information.

"DEFINITIONS

"SEC. 202. For purposes of this title, the term—

"(1) 'confidential information' means data or information in any recorded medium created or maintained by a service provider that—

"(A) reveals or contains the fact that an individual is or has been a patient; or

"(B) relates to the health (including dental and mental health) history, diagnosis, condition, treatment, or evaluation of a patient;

"(2) 'patient or former patient' means an individual who consults with, or is examined, interviewed, treated, or is otherwise served by, a service provider with regard to a health condition (medical, mental, or emotional) or social deprivation or dysfunction;

"(3) 'patient identifier' means—

"(A) the patient's name, or other descriptive data from which it could be reasonably anticipated that a person—

"(i) could identify such patient, or

"(ii) be led to other data from which such patient might be identified; or

"(B) a code, number, or other means used to identify the patient in relation to confidential information regarding him;

"(4) 'person' means any individual, court, corporation, association, partnership, State or local government or agency or part thereof, or the Federal Government or agency or part thereof;

"(5) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(6) 'service provider' means—

"(A) a hospital, skilled nursing facility, intermediate care facility or ambulatory care facility, as defined in title XVIII or XIX of the Social Security Act, which has been approved by the Secretary for participation under such title XVIII or certified by a State agency for participation under a State plan approved under such title XIX;

"(B) any entity (other than an individual physician) not described in subparagraph (A) which has been approved by the Secretary for participation under such title XVIII or certified by a State agency for participation under such State plan, but only with respect to the provisions of this title which the Secretary by regulation makes applicable to such entity; and

"(C) a health maintenance organization, medical group, or individual practice association, as defined in title XIII of the Public Health Service Act, which has received a Federal grant, loan guarantee, or contract pursuant to such title, but only with respect to the provisions of this title which the Secretary by regulation makes applicable to such entity;

"(7) 'individuals employed by or affiliated with a service provider' includes—

"(A) persons engaged in good faith in training programs with a service provider, or clinical supervisors employed by the service provider, and

"(B) persons employed by the service provider who are involved in financial auditing or preparation of bills, or who are otherwise engaged in the collection of payments of charges for services to patients;

"(8) 'bona fide medical emergency' means any situation in which the health or safety of the patient or any other individual is in immediate danger;

"(9) 'qualified personnel' means persons whose training and experience are appropriate to the nature and level of the work in which they are engaged; and

"(10) 'law enforcement inquiry' means a lawful investigation or official proceeding inquiring into a violation of, or failure to comply with, any criminal or civil statute or any regulation, rule, or order issued pursuant thereto.

"PATIENT ACCESS TO INFORMATION

"SEC. 203. (a) Except as provided in subsection (c), a service provider shall, within 30 days of a written or oral request by a patient, allow the patient access to his complete health care record, for purposes of inspection and copying. The service provider may not impose a charge for permitting such an inspection, and may not impose more than a reasonable charge (in any event no greater than the charge imposed on third persons) for providing such a copy.

"(b) The service provider shall, in accordance with regulations promulgated by the Secretary, establish procedures which—

"(1) allow a patient or former patient to contest the accuracy or completeness of confidential information pertaining to that individual;

"(2) allow confidential information to be corrected upon request of the patient or former patient when the service provider concurs in the proposed correction;

"(3) allow a patient or former patient who believes that the service provider maintains inaccurate or incomplete confidential information concerning him to add a statement to the record stating what he believes to be an accurate or complete version of that information if the service provider does not so concur.

A statement added under paragraph (3) shall become a permanent part of the service provider's medical record system, and shall be disclosed to any person receiving the disputed information.

"(c) If a service provider determines that disclosure of a patient's or former patient's records to that individual would be detrimental to that individual, the service provider may refuse to disclose such information. Upon such refusal, the service provider shall advise the patient or former patient that he may appoint another individual of his own choice to be his authorized representative. The service provider shall provide access to the confidential information to the authorized representative for purposes of exercising the patient's rights under subsections (a) and (b) if the authorized representative complies with the procedures specified in section 205 (a).

"(d) If a patient or former patient is under twelve years of age, or as a consequence of physical or mental incompetence has been placed under guardianship, his parents, guardian or duly appointed legal representative may exercise all the rights set forth in subsections (a) and (b) on behalf of that individual.

"CONFIDENTIAL INFORMATION

"SEC. 204. Except as provided by this title a service provider shall not, without the authorization, as provided in section 205(a), of the patient or former patient to whom the confidential information pertains—

"(1) disclose or transmit any confidential information together with a patient identifier to any person,

"(2) disclose or transmit a patient identifier to any person, or

"(3) disclose or transmit confidential information if the person disclosing or transmitting such confidential information has reason to believe that the recipient may have a patient identifier for such information.

"AUTHORIZATION OF DISCLOSURE

"SEC. 205. (a) A patient or former patient who is twelve years of age, or older, and not physically or mentally incompetent, may authorize the disclosure of his confidential information. Such authorization shall—

"(1) be in writing and signed by the patient or former patient;

"(2) designate the nature and content of the information to be disclosed, who may disclose such information, and to whom such information may be disclosed;

"(3) designate the use of the disclosed information; and

"(4) designate the expiration date, which shall not exceed one year from the date the authorization was signed.

"(b) If a patient or former patient is under twelve years of age, or incompetent as a consequence of physical or mental disability, the patient's parents, guardian, or legal representative may authorize the disclosure of the confidential information in accordance with the authorization requirements of subsection (a).

"(c) The service provider shall retain a copy of each authorization form, and shall keep a permanent record of each disclosure made pursuant to such authorization, including the nature of the data disclosed and to whom it was disclosed. The authorization form and disclosure records shall be treated as part of the confidential information to which authorization under this section applies.

"(d) A patient or former patient may withdraw such authorization at any time by written notice to the service provider. After receipt of such written notice, or after the expiration of the authorization under subsection (a), the service provider shall not release any additional confidential information concerning such patient or former patient.

"DISCLOSURE WITHOUT AUTHORIZATION

"SEC. 206. (a) Except as provided in subsection (b), no disclosure of confidential information shall be made without authorization.

"(b) Disclosure of confidential information without authorization may be made—

"(1) to individuals employed by or affiliated with a service provider and described in section 202(7)(A), if the performance of their duties requires that they have access to such information;

"(2) to individuals employed by or affiliated with a service provider and described in section 202(7)(B) to the extent that the information is essential to financial auditing or preparation of bills and submission of claims for payment of charges for services to a patient;

"(3) subject to the provisions of subsections (e) and (f), for purposes of audit and evaluation, whether or not such audit or evaluation is required by law;

"(4) subject to the provisions of subsections (d) and (e), to Federal, State and local public health officials, if the service provider is required by law to report specific conditions to such officials;

"(5) subject to the provisions of subsections (e) and (h), to Federal, State or local law enforcement officials, if the service provider is required by law to report to such officials concerning specified items of confidential information that indicate that the patient may have been involved in, or a victim of, a violation of law;

"(6) to the parent, guardian, or legal custodian of a patient—

"(A) less than twelve years of age, or

"(B) physically or mentally incompetent, if the service provider determines that such disclosure is appropriate under the circumstances;

"(7) to medical or law enforcement personnel to the extent necessary to meet a bona fide medical emergency;

"(8) subject to the provisions of subsection (h), to the immediate family or any other individual with whom the patient is known to have a responsible relationship, if the patient is incapable of giving authorization due to a bona fide medical emergency, except that the service provider shall notify the patient at the earliest opportunity that the disclosure was made, and to whom it was made;

"(9) subject to the provisions of subsections (g) and (h), to qualified personnel for use in a biomedical, epidemiologic, or health services research projects, or a health statistics project, if the research plan is first submitted to, and approved by, an appropriate institutional review board and the director of the service provider or his designee; or

"(10) pursuant to an administrative summons, judicial subpoena, search warrant, or formal written request as provided in sections 207, 208, and 209.

"(c) Individuals receiving confidential information under paragraphs (1) and (2) of subsection (b) shall not disclose such information, except as authorized by this title.

"(d) The Secretary shall promulgate regulations to assure that disclosures of confidential information made pursuant to subsection (b)(4) are made under conditions that adequately protect the confidential information from unauthorized disclosure.

"(e) Any organization or agency to which information is disclosed under subsections (b)(3), (4), and (5) shall not disclose such information except to the extent required by Federal law, and shall destroy any patient identifiers in such information and the records containing such information at the earliest opportunity consistent with the requirements of Federal law.

"(f) In the case of a disclosure of confidential information without authorization pursuant to subsection (b)(3), for purposes of an audit or evaluation not specifically required by statute, the Secretary shall, by regulation, establish procedures to assure that adequate safeguards, including a program for removal or destruction of patient identifiers, are established by the user or recipient of confidential information to protect such information from unauthorized disclosure.

"(g) Qualified personnel granted access to confidential information under subsection (b)(9) may not identify, directly or indirectly, any individual patient in any report of such research project, or otherwise disclose the identity of a patient in any other manner.

"(h) If confidential information is disclosed under subsection (b), the service provider shall retain a record of each such disclosure.

"(i) A service provider shall not release confidential information or patient identifiers to a Federal, State, or local governmental authority until such authority certifies in writing that it has complied, or will comply, with the applicable provisions of this title.

"ADMINISTRATIVE SUMMONS OR JUDICIAL SUBPOENA

"SEC. 207. (a) For purposes of section 206(b)(10), a Government authority may obtain confidential information pursuant to an administrative summons or judicial subpoena only if—

"(1) there is reason to believe that the information sought is relevant to a legitimate law enforcement inquiry;

"(2) a copy of the subpoena or summons has been served upon the subject of the confidential information or mailed to his last known address on or before the date on which the subpoena or summons was served on the service provider together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

'Information concerning your health care held by the health care provider named in the attached subpoena or summons are being sought by this (agency or department or authority) in accordance with title II of the Privacy Act of 1974 for the following purpose:

'If you desire that such records or information not be made available, you must:

'1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the patient or former patient whose confidential information is being requested by the Government and either giving the reasons you believe that the confidential information is not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the confidential information.

'2. File the motion and statement by mailing or delivering them to the clerk of any one of the following [ ] courts:

'3. Serve the Government authority requesting the confidential information with a copy of your motion and statement by mailing or delivering them to .

'4. Be prepared to come to court and present your position in further detail.

'5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of ten days from the date of service of this notice or fourteen days from the date of mailing of this notice, information requested therein will be made available. This information may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer.'; and

"(3) ten days have expired from the date of service of the notice or fourteen days have expired from the date of mailing the notice to the patient or former patient and within such time period the patient or former patient has not filed a sworn statement and motion to quash in an appropriate court, or the patient or former patient has complied with the provisions of this section.

"(b) Upon application of the Government authority, the notice to the patient or former patient required under subsection (a), may be delayed by order of an appropriate court if the presiding judge or magistrate finds that—

"(1) the investigation being conducted is within the lawful jurisdiction of the Government authority seeking the confidential information;

"(2) there is reason to believe that the confidential information being sought is relevant to a legitimate law enforcement inquiry; and

"(3) there is reason to believe that such notice will result in—

"(A) endangering the life or physical safety of any person;

"(B) flight from prosecution;

"(C) destruction of or tampering with evidence;

"(D) intimidation of potential witnesses; or

"(E) otherwise seriously jeopardizing an investigation or official proceeding or unduly delaying a trial or ongoing official proceeding to the same extent as the circumstances in the preceeding subparagraphs.

An application for delay must be made with reasonable specificity.

"(c) (1) If the court makes the findings required in paragraphs (1), (2), and (3) of subsection (b), it stall enter an ex parte order, granting the requested delay for a period not to exceed ninety days and issuing an order prohibiting the service provider from disclosing that confidential information has been obtained or that a request for confidential information has been made, except that, if the court finds that there is reason to believe that such notice may endanger the lives or physical safety of a patient or former patient or group of patients, or any person or group of persons associated with a patient or former patient, the court may specify that the delay be indefinite.

"(2) Upon expiration of the period of delay of notification under paragraph (1), the patient or former patient shall be served with, or mailed, a copy of the process or request, together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"'Information concerning your health care held by the health care provider named in the attached process or request was supplied to or requested by the Government authority named in the process or request on (date). Notification was withheld pursuant to a determination by the (title of court so ordering) under title II of the Privacy Act of 1974 that such notice might (state reason). The purpose of the investigation or official proceedings was .'.

"(d) If access to confidential information is obtained pursuant to section 210 (b) (emergency access), the Government authority shall, unless a court has authorized delay of notice pursuant to subsection (b), as soon as practicable after such records are obtained, serve upon the patient or former patient, or mail by registered or certified mail to his last known address, a copy of the request of the service provider together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"'Information concerning your health care held by the health care provider named in the attached request were obtained by (agency or department) under title I of the Privacy Act of 1974 on (date) for the following purpose: . Emergency access to such records were obtained on the grounds that (state grounds).'.

"(e) Any memorandum, affidavit, or other paper filed in connection with a request for delay in notification shall be preserved by the court. Upon petition by the person to whom such confidential information pertains, the court may order disclosure of such papers to the petitioner unless the court makes the findings required in subsection (b).

"(f) For purposes of section 206(b)(10), and in accordance with the notice provided under subsection (a) (3), within ten days of service or within fourteen days of mailing of a subpoena or summons, a patient, or former patient may file a motion to quash an administrative summons or judicial subpoena, with copies served upon the Government authority. A motion to quash an administrative summons or judicial subpoena shall be filed in the appropriate court. Such motion shall contain an affidavit or sworn statement—

"(1) stating that the applicant is a patient or former patient of the health care entity from which confidential information pertaining to him has been sought; and

"(2) stating the applicant's reasons for believing that the confidential information sought is not relevant to the legitimate law enforcement inquiry stated by the Government authority in its notice, or that there has not been substantial compliance with the provisions of this title.

Service shall be made under this section upon a Government authority by delivering or mailing by registered or certified mail a copy of the papers to the person, office, or department specified in the notice which the patient or former patient received pursuant to this title. For purposes of this section, 'delivery' has the meaning stated in rule 5 (b) of the Federal Rules of Civil Procedure.

"(g) If the court finds that the patient or former patient has complied with subsection (f), it shall order the Government authority to file a sworn response, which may be filed in camera if the Government includes in its response the reasons which make in camera review appropriate. If the court is unable to determine the motion on the basis of the parties' initial allegations and response, the court may conduct such additional proceedings as it deems appropriate. All such proceedings shall be completed, and the motion decided within seven calendar days of the filing of the Government's response.

"(h) (1) If, after the proceedings under subsection (g), the court finds that—

"(A) the applicant is not the patient or former patient to whom the confidential information sought by the Government authority pertains, or

"(B) there is a demonstrable reason to believe that the law enforcement inquiry is legitimate and a reasonable belief that the information sought is relevant to that inquiry,

the court shall deny the motion, and, in the case of an administrative summons or court order other than a search warrant, order such process enforced.

"(2) If the court finds, after the proceedings under subsection (g), that the applicant is the patient or former patient to whom the confidential information sought by the Government authority pertains, and that—

"(A) there is not a demonstrable reason to believe that the law enforcement inquiry is legitimate and a reason to believe that the confidential information sought is relevant to that inquiry, or

"(B) there has not been substantial compliance with the provisions of this title,

the court shall order the process quashed.

"(i) A court ruling denying a motion under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom. An appeal of a ruling denying a motion under this section may be taken by the patient or former patient—

"(1) within such period of time as provided by law as part of any appeal from a final order in any legal proceeding initiated against him arising out of or based upon the confidential information, or

"(2) within thirty days after a notification that no legal proceeding is contemplated against him.

The Government authority obtaining the confidential information shall promptly notify a patient or former patient when a determination has been made that no legal proceeding against him is contemplated. After one hundred and eighty days from the denial of the motion, if the Government authority obtaining the confidential information has not initiated such a proceeding, a supervisory official of the Government authority shall certify to the appropriate court that no such determination has been made. The court may require that such certifications be made, at reasonable intervals thereafter, until notification to the patient or former patient that a legal proceeding has been initiated.

"(j) The challenge procedures of this title constitute the sole judicial remedy available to a patient or former patient to oppose disclosure of confidential information pursuant to this title.

"(k) Nothing in this title shall enlarge or restrict any rights of a service provider to challenge requests for confidential information made by a Government authority under existing law. Nothing in this title shall entitle a patient or former patient to assert the rights of a service provider.

"SEARCH WARRANTS

"SEC. 208. (a) A Government authority may obtain confidential information if it obtains a search warrant pursuant to the Federal Rules of Criminal Procedure in the case of Federal courts or comparable rules in the case of other courts.

"(b) No later than ninety days after the Government authority serves the search warrant, it shall mail to the patients or former patient's last know address a copy of the search warrant toegther with the following notice:

'Information concerning your health care held by the health care provider named in the attached search warrant were obtained by this (agency or department) on (date) for the following purpose: . You may have rights under title II of the Privacy Act of 1974.'.

"(c) Upon application of the Government authority, a court may grant a delay in the mailing of the notice required in subsection (b), which delay shall not exceed one hundred and eighty days following the service of the warrant, if the court makes the findings required in section 207 (b). If the court so finds, it shall enter an ex parte order granting the requested delay and an order prohibiting the service provider from disclosing that confidential information has been obtained or that a search warrant for such confidential information has been executed. Additional delays of up to ninety days may be granted by the court upon application, but only in accordance with this subsection. Upon expiration of the period of delay of notification of the patient or former patient, the following notice shall be mailed to the patient or former patient along with a copy of the search warrant:

'Information concerning your health care held by the health care provider named in the attached search warrant were obtained by this (agency or department) on (date). Notification was delayed beyond the statutory ninety-day delay period pursuant to a determination by the court that such notice would seriously jeopardize an investigation concerning. You may have rights under title II of the Privacy Act of 1974.'.

"FORMAL WRITTEN REQUEST

"SEC. 209. A Government authority may request confidential information under section 206(b)(10) pursuant to a formal written request only if—

"(1) no administrative summons or subpena authority reasonably appears to be available to that Government authority to obtain confidential information for the purpose for which such information is sought;

"(2) the request is authorized by regulations promulgated by the head of the agency or department;

"(3) there is reason to believe that the information sought is relevant to a legitimate law enforcement inquiry; and

"(4)(A) a copy of the request has been served upon the customer or mailed to his last known address on or before the date on which the request was made to the service provided together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Information concerning your health care held by the service provider named in the attached request are being sought by this (agency or department) in accordance with title II of the Privacy Act of 1974 for the following purpose:

"If you desire that such information not be made available, you must—

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the patient whose information is being requested by the Government and either giving the reasons you believe that the information is not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the information.

"2. File the motion and statement by mailing or delivering them to the clerk of any one of the following United States District Courts.

"3. Serve the Government authority requesting the information by mailing or delivering a copy of your motion and statement to _____.

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of ten days from the date of service or fourteen days from the date of mailing of this notice, the information requested therein may be made available. This information may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer; and

"(B) ten days have expired from the date of service or fourteen days from the date of mailing of the notice by the customer and within such time period the customer has not filed a sworn statement and an application to enjoin the Government authority in an appropriate court, or the customer challenge provisions of section 1110 have been complied with.

"EXCEPTIONS

"SEC. 210. (a) Nothing in this title prohibits the disclosure of any confidential information which is not identified with or identifiable as being derived from the health care records of a particular patient or former patient.

"(b) Nothing in this title shall apply when confidential information is sought by a Government authority under the Federal Rules of Civil or Criminal Procedure or comparable rules of other courts in connection with litigation to which the Government authority and the patient or former patient are parties.

"(c) Nothing in this title shall apply when confidential information is sought by a Government authority pursuant to an administrative subpoena issued by an administrative law judge in an adjudicatory proceeding subject to section 554 of title 5, United States Code, and to which the Government authority and the patient or former patient are parties.

"(d)(1) Nothing in this title (except sections 206(1) and 216) shall apply when confidential information is sought by a Government authority in connection with a lawful proceeding, investigation, examination, or inspection directed at the service provider in possession of such information or at a legal entity which is not a patient or former patient.

"(2) If confidential information is sought pursuant to this subsection, the Government authority shall submit to the service provider the certificate required by section 206(1).

"(3) Confidential information obtained pursuant to this subsection may be used only for the purpose for which they were originally obtained, and may be transferred to another agency or department only when the transfer is to facilitate a lawful proceeding, investigation, examination, or inspection directed at the service provider in possession of such information, or at a legal entity which is not a patient or former patient.

"(e) Nothing in this title (except section 218) shall apply to any subpoena or court order issued in connection with proceedings before a grand jury.

"(f) This title shall not apply when confidential information is sought by the General Accounting Office pursuant to an authorized proceeding, investigation, examination or audit directed at a government authority.

"SPECIAL PROCEDURES

"SEC. 211. (a)(1) Nothing in this title (except sections 216 and 219) shall apply to the production and disclosure of confidential information pursuant to requests from—

"(A) a Government authority authorized to conduct foreign counterintelligence or foreign positiveintelligence activities for purposes of conducting such activities; or

"(B) the Secret Service for the purpose of conducting its protective functions under section 3056 of title 18, United States Code, the joint resolution entitled 'Joint Resolution to authorize the United States Secret Service to furnish protection to major presidential or vice presidential candidates', approved June 6, 1968 (Public Law 90-331; 82 Stat. 170) or section 202 of title 3, United States Code.

"(2) In the instances specified in paragraph (1), the Government authority shall submit to the service provider the certificate required in section 206(1) signed by a supervisory official of a rank designated by the head of the Government authority.

"(3) No service provider, or officer, employee, or agent of such service provider, shall disclose to any person that a Government authority described in paragraph (1) has sought or obtained access to the confidential information of a patient or former patient.

"(4) A Government authority specified in paragraph (1) shall compile an annual tabulation of the occasions in which this subsection was applicable.

"(b)(1) Nothing in this title shall prohibit a Government authority from obtaining confidential information from a service provider if the Government authority determines that delay in obtaining access to such records would create imminent danger of—

"(A) physical injury to any person;

"(B) serious property damage; or

"(C) flight to avoid prosecution.

"(2) In the instance specified in paragraph (1), the Government shall submit to the service provider the certificate required in section 206(1) signed by a supervisory official of a rank designated by the head of the Government authority.

"(3) Within five days of obtaining access to confidential information under this subsection, the Government authority shall file with the appropriate court a signed, sworn statement of a supervisory official of a rank designated by the head of the Government authority setting forth the grounds for the emergency access. The Government authority shall thereafter comply with the notice provisions of section 207(d).

"(4) The Government authority specified in paragraph (1) shall compile an annual tabulation of the occasions in which this section was used.

"DUTY OF SERVICE PROVIDER

"SEC. 212. Upon receipt of a request for confidential information made by a Government authority under section 206(b)(10) the service provider shall, unless otherwise provided by law, proceed to assemble the confidential information requested and be prepared to deliver the confidential information to the Government authority as provided in this title.

"NOTIFICATION OF DISCLOSURES

"SEC. 213. A service provider shall notify a patient or former patient, in such form and manner as the Secretary may require, of the disclosures of confidential information concerning that patient or former patient that may be made without his authorization, and of the right of access, and any other patient protection, provided in this title. The service provider shall make such notification, unless it cannot reasonably do so under the circumstances—

"(1) when it first records any confidential information concerning that patient; and

"(2) when it first provides services after the effective date of this title.

"USE OF INFORMATION

"SEC. 214. Confidential information originally obtained pursuant to this title by a Government authority shall not be transferred to another authority unless the transferring authority certifies in writing that there is reason to believe that the information is relevant to a legitimate law enforcement inquiry within the jurisdiction of the receiving authority.

"WARNING REQUIRED

"SEC. 215. (a) All written disclosures of of confidential information shall bear the following statement: 'The protection of the confidentality of information contained herein is required by Federal law. This material shall not be disclosed to anyone without authorization as provided by law, and violations are punishable under the law.' A copy of the authorization form specifying to whom, and for what specific use, such information may be disclosed, or a statement setting forth any other statutory authorization for disclosure, shall accompany all such written disclosures.

"(b) Service providers shall insure that all persons in their employ or under their supervision are aware of their duty to maintain the confidentiality of information protected by this title, and of the existence of penalties and civil liabilities for violation of this title.

"CIVIL REMEDIES AND CRIMINAL PENALTIES

"Sec. 216. (a) Any person aggrieved by an actual or attempted violation of this title may, without regard to the amount in controversy, bring a civil action, including an action for a temporary or permanent injunction, in the district court for the district in which he or the alleged violator resides or in which violation occurred. Such action may include a claim for general or special damages, or both, reasonable attorney's fees, reimbursement for reasonable litigation costs and, in cases of willful or grossly negligent violations, punitive damages.

"(b) Any person who, knowingly and willfully—

"(1) requests or obtains, under false pretenses, confidential information concerning an individual from a service provider, or

"(2) discloses confidential information or fails to grant a patient or former patient access to his complete health record, except as provided in this title,

shall be guilty of a misdemeanor, and upon conviction shall be fined not more than $10,000 or imprisoned not more than one year, or both.

"(c) A service provider may not continue to receive Federal funds, grants, loans, or contracts in a program under title XVIII or XIX of the Social Security Act or subchapter XI of the Public Health Service Act, unless such service provider provides adequate assurances and evidence, in such form as the Secretary may from time to time require, of substantial compliance with this title.

"SUSPENSION OF STATUTES OF LIMITATIONS

"SEC. 217. If any patient or former patient files a motion or application under this title which has the effect of delaying the access of a Government authority to confidential information pertaining to such patient or former patient, any applicable statute of limitations shall be deemed to be tolled for the period extending from the date such motion or application was filed until the date upon which the motion or application is decided.

"GRAND JURY INFORMATION

"SEC. 218. Confidential information about a patient or former patient obtained from a service provider pursuant to a subpena issued under the authority of a Federal grand jury—

"(1) shall be returned and actually presented to the grand jury;

"(2) shall be used only for the purpose of considering whether to issue an indictment or presentment by that grand jury, or of prosecuting a crime for which that indictment or presentment is issued, or for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure;

"(3) shall be destroyed or returned to the service provider if not used for one of the purposes specified in paragraph (2); and

"(4) shall not be maintained, or a description of the contents of such records shall not be maintained by any Government authority other than in the sealed records of the grand jury, unless such record has been used in the prosecution of a crime for which the grand jury issued an indictment or presentment or for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure.

"REPORTING REQUIREMENTS

"SEC. 219. (a) In April of each year, the Director of the Administrative Office of the United States Courts shall send to the appropriate committees of Congress a report concerning the number of applications for delays of notice and the number of patient challenges made pursuant to section 207 during the preceding calendar year. Such report shall include the identity of the Government authority requesting a delay of notice; the number of notice delays sought and the number granted under each subparagraph of section 207(b)(3); the number of notice delay extensions sought and the number granted; and the number of patient challenges made and the number that were successful.

"(b) In April of each year, each Government authority that requests access to confidential information of any patient or former patient from a service provider pursuant to section 206(b)(10), 207, 208, 209, or 211, shall send to the appropriate committees of Congress a report describing requests made during the preceding calendar year. Such report shall include the number of requests for records made pursuant to each section of this title listed in the preceding sentence and any other related information deemed relevant or useful by the Government authority.

"PREEMPTION

"SEC. 220. No State or political subdivision of a State may establish or continue in effect any law or regulation that is less stringent than the provisions of this title.

"EFFECTIVE DATE

"SEC. 221. This title shall take effect one hundred eighty days after enactment, and shall apply to all information maintained by service providers regardless of whether that information was first maintained prior to the effective date of this title.

"SAVINGS PROVISION

"SEC. 222. Nothing in this title shall be construed as in any way affecting, modifying, repealing or suspending the provisions of the Drug Abuse Office and Treatment Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act, section 303(a) of the Public Health Service Act, or section 502(c) of the Controlled Substances Act."

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the Act may be cited as the Privacy Act Amendments of 1979.

Section 2 redesignates the existing provisions of the Privacy Act of 1974 as Title I of that Act, and adds a new Title II, entitled "Confidentiality of Medical Records."

Section 201 lists the Act's findings and purposes. The findings note that changing technology and the changing nature of the medical care relationship in this country has resulted in more records being kept than ever before, with less control over them by the patient. The purpose of the Act is to provide a framework to balance society's need to have access to confidential medical information with the patient's fundamental right of privacy.

Section 202 contains the Act's definitions. Confidential information, which the Act is designed to protect, is defined as any recorded information that reveals that an individual is or has been a patient, or relates in anyway to the health or treatment of a present or former patient. Patient identifiers, although a form of confidential information, are separately defined, as any data by which the identity of a patient could be established, or by which the person possessing the identifier could be led to information establishing a patient's identity. The separate definition is necessary because the bill encourages the elimination of patient identifiers obtained pursuant to the bill by parties outside the medical care relationship at the earliest practical time.

This section also contains the definition of "service provider" which establishes the medical entities to which the Act will apply. Included in this definition are hospitals, nursing homes, intermediate care facilities, or ambulatory care facilities that receive medicare or medicaid funds. Further, to the extent that the Secretary of Health, Education and Welfare determines that the Act should be applied to other entities receiving medicare or medicaid funds, such as clinical laboratories, physical therapy clinics, or home health care agencies, or to Health Maintenance Organizations receiving grants, loan guarantees or contracts under the Public Health Service Act, he may make it applicable by regulation. Single practitioners are excluded from coverage.

Section 203 governs patient access to his or her own records. The service provider must permit the patient for purposes of inspection and/or copying within 30 days of a request. The bill directs the Secretary to establish procedures permitting an individual to contest the accuracy of, and correct his or her own records. Where the service provider determines that disclosure of particular records to the patient would be harmful, it may withhold such records. However in such cases, the patient may appoint an authorized representative who must be given access by the service provider, provided that the patient has executed the appropriate consent form.

In the case of patients who are minors under 12 years of age or who are incompetent, all rights set forth in this section may be exercised by the patient's parent, guardian, or legal representative.

Section 204 provides that no service provider may disclose confidential information, except as expressly provided for by law.

Section 205 provides the mechanism by which an individual over 12 years of age or the parents or legal guardian of a minor under 12 may consent to the release of confidential information. Consent must be in writing and signed by the patient, specifically state the information that may be disclosed, and the identity of the individual(s) who may disclose it and to whom it may be disclosed. Consent may not exceed one year in duration, and may be withdrawn in writing at any time. Further, consent forms must be made part of the patient's permanent record.

Section 206 recognizes that there are a limited number of situations in which consent to disclosure cannot be obtained or is impractical, but where disclosure is nonetheless essential. Pursuant to this section, disclosure without consent may be made in any of the following situations:

1. Where disclosure to an individual employed by or affiliated with the service provider is necessary to carry out the individual's duties or for billing purposes; redisclosure by the recipient would be prohibited.

2. For purposes of audit and evaluation of the service provider, under safeguard against redisclosure specified in the bill.

3. Where a statute requires the reporting of specific conditions to public health officials, if the Secretary has determined that such disclosures are necessary to protect the public health, and that adequate safeguards exist against unauthorized redisclosures.

4. Where a statute requires the reporting of items of confidential information relating to a violation of law to law enforcement officials, and it appears that the patient may have been involved in, or a victim of, a violation of law.

5. To the parent or guardian of a minor under 12 years of age where the service provider believes such disclosure appropriate.

6. Where a medical emergency exists presenting an immediate danger to the health and safety of the patient or any other individual disclosure without consent is permissible, provided subsequent notification is provided to the individual whose records are released.

7. To qualified personnel for use in biomedical, epidemiologic, or health services research or statistics projects, provided that the persons to whom such information is released not redisclose it.

8. Pursuant to an administrative or judicial summons or subpoena, in compliance with the provisions on government access to confidential information contained in sections 207–211.

In the case of disclosure to government authorities, the service provider is required to withhold release of confidential information until the governmental authority requesting the information certifies in writing that it has complied with the provisions on government access contained in the bill.

Sections 207–211 are new this year, and describe the requirements applicable to government agencies with respect to obtaining and transferring confidential information. Section 207 provides that, in the case of an administrative or judicial summons or subpoena, the government authority seeking

confidential information pursuant to legal process must have reason to believe that the information it is seeking is relevant to a legitimate law enforcement inquiry. Further, it must provide the patient with the notice specified by the Act, and an opportunity to challenge the release of the information in court. Confidential information may be released to a government authority only after the time for filing a court challenge has passed without objection by the patient, or upon completion of court proceedings.

Subsection (b) recognizes that there are certain circumstances under which prior notification to a patient that his records are being sought is inappropriate. The subsection specifies those conditions and provides that, if a government agency has reason to believe one of them exists, it may apply to a court to delay notification to the patient.

Subsection (c)(1) specifies the procedures involved in delayed notification. If the court makes the necessary findings—that the government agency is acting within its authority, that there is reason to believe that the information sought is relevant to a legitimate law enforcement inquiry, and that one of the conditions specified in subsection (b) exists—it may delay notification to the patient for up to 90 days. Where the court finds that the lives or physical safety of a patient or former patient, or persons associated with a patient or former patient, it may delay notification indefinitely.

Subsection (c)(2) provides the form of notice that a patient must be given when the period of delay has expired. Likewise, subsection (d) provides for the form of notice that must be sent to a patient whose records were obtained pursuant to the provisions for emergency access found in section 210(b)(1).

Subsection (e) provides that all papers filed by the government supporting a request for delayed notification shall be made available to the patient upon his petition unless the court finds that revealing these documents will create one of the conditions listed in subsection (b)(3).

Subsection (f)(h) provides for the format of the court proceedings on a motion to quash a subpoena or summons. A motion may be filed within 10 days of service or fourteen days of mailing the notice required by this section. The petitioner must state that he is a patient or former patient of the health care entity from which confidential information pertaining to him has been sought, and why he believes that the information sought is not relevant to a legitimate law enforcement inquiry, or why there has not been substantial compliance with the Act. After a hearing, which may be in camera if appropriate, and must be completed within 7 days, the court shall either enforce or quash the subpoena.

Subsection (i) provides that a court decision enforcing the suponena may not be appealed except as part of the final order in the underlying legal proceedings in which the confidential information was used, or within thirty days after the patient is notified that no legal proceeding is contemplated against him.

Subsection (j) states that the provisions of this title are the sole remedy available to challenge the release of confidential information.

Subsection (k) is intended to make clear that nothing in the bill effects the rights of the service provider to challenge legal process designed to obtain confidential information.

Section 208 provides that government authorities may continue to utilize search warrants, but must provide notice to the patient or former patient within 90 days of service of the warrant. The section also provides for delay of notification if the conditions specified in section 207(b) are met.

Section 209 authorizes a service provider to release confidential information to a government authority pursuant to a formal written request. This section applies only where the government authority making the requests does not have compulsory process available to it, and has promulgated regulations governing the use of such requests. Notification requirements similar to those in the sections on compulsory process are included. It should be noted that while this section authorizes disclosure by service providers, it does not require that they do so.

Section 210 sets forth the situations in which the Act would not apply. These include situations where the information cannot be traced to a particular patient, when the patient and the government are parties to a judicial or administrative proceeding, where an investigation is aimed at the service provider rather than the patient, and for use in a GAO investigation. Confidential information is also available to grand juries, subject to the provisions of section 218.

Section 211 provides that the Act in inapplicable, (except for sections 215 and 218) to requests for confidential information by the Secret Service or intelligence agencies in the course of their official functions. The section further provides for emergency access to confidential information where the government authority seeking the information believes delay would create imminent danger of physical injury, serious property damage, or flight to avoid prosecution.

Section 212 provides that the service provider is under a duty to comply with a request made pursuant to Section 206(b)(10), dealing with summons, subpoenas, and search warrants.

Section 213 requires a service provider to notify each patient of the disclosures that section 206 of the bill authorizes without patient consent. This notification is to be provided, in such form as the Secretary may require, the first time that the service provider records confidential information.

Section 214 prohibits transfer of confidential information between agencies, unless the transferring agency certifies in writing that there is reason to believe the information is relevant to a legitimate law enforcement inquiry being carried on by the receiving agency.

Section 215 provides that all written disclosures of confidential information be accompanied by a statement setting forth the statutory authorization for disclosure, and warning that unauthorized disclosure is punishable by law. Service providers are directed to take steps to assure that all persons in their employ are aware of the requirements of the Act.

Section 216 contains the civil remedies and criminal penalties for violation of the Act. Persons aggrieved by an actual or attempted violation of the Act may bring a civil action for injunctive relief, or for monetary damages usually required to bring an action in federal court. The bill also provides for criminal penalties of up to $10,000 fine or one year in prison or both for persons who obtain confidential information under false pretenses, or who knowingly or willfully disclose confidential information or refuse to grant a patient access to his or her records, except as provided for under the Act. Finally, this section makes compliance with the Act a precondition for further medicare and medicaid programs and the Public Health Service Act.

Section 217 tolls any applicable statute of limitations during the period between the filing of a motion to quash mandatory process and the court's ruling on that motion.

Section 218 provides certain safeguards when grand juries seek to use confidential information. While their access to such information is not affected by the bill, the information must actually be presented to the grand jury, must be used only for purposes specified in subsection (2), and must be returned to the service provider or destroyed after the grand jury is through and may not be maintained or recorded by any government authority other than the grand jury.

Section 219 requires certain reports to Congress on an annual basis.

Section 220 preempts any state or local requirements that are less stringent than the provisions of this Act.

Section 221 provides that the Act shall take effect 180 days after enactment, and applies to all records maintained by the service provider, even if the information was first recorded or maintained before the Act took effect.

Section 222 makes clear that existing laws and regulations covering the confidentiality of patient records relating to treatment for drug abuse or alcoholism, are unaffected by this Act.

[From the Washington Post, Feb. 11, 1979]

KEEPING A LID ON MEDICAL RECORDS

(By Patricia McCormack)

Someone might be spying on your medical records this minute—but you'll never know.

Medical records are more than just that chart attached to the bed the last time you were in the hospital.

Lumped with medical records are physical exam reports from doctors who check you over for insurance companies.

Plus: files kept by eye doctors, psychologists, psychiatrists and the full range of specialists who ever treated you.

You say the hospital has a foolproof system to protect your privacy? You say the information in the doctors' files is safe? You say the insurance company keeps your physical exam report confidential?

The answer to all three questions: Don't bet on it.

As a result, some of the most personal and intimate details of your life may be in the hands of hundreds of persons you have never met.

Reasons for concern over casual access to medical records—and what is being done about it—were detailed by Mary Joan Wogan, president of the American Medical Record Association, and Jane Rogers, association legislative director.

Wogan is administrator of medical records as Health Sciences Center Hospital in Lubbock, Texas—affiliated with Texas Tech University School of Medicine. Rogers works at AMRA headquarters in Chicago.

The association of 22,000 medical record administrators and technicians considers the issue of confidentiality "an urgent message which must be communicated to consumers."

Some reasons for the urgency:

Not only may your records be disseminated casually but you yourself probably have no knowledge of what is contained in those records.

It is very possible that people have taken the authority to sell your medical histories. Rogers recalled a grand jury investigation in Denver, Colo., a while back over a somewhat similar circumstance. She said it was alleged the Factual Service Bureau Inc. hired persons to pose as medical professionals to obtain medical data later sold to insurance companies.

Persons paying for such spying may use the information to vote a possible loan application, increase your insurance rates or pass you over for a promotion—all due to something in your past.

"We feel casual access is possible because usually the authorization system—involving informed consent from the individual—is not strict enough," Rogers said.

The emergence of the computer's role in the health care system increases the capacity for information storage and transfer and provides a new range of possibility for unauthorized access to patient data.

"For the most part," the association states in a report, "patients are unaware of the full range of purposes for which the record is being used, or of policies governing the release of information.

"Confidential information is being provided to insurance companies, credit agencies, attorneys, employers, educational institutions, law enforcement agencies and others who will use it for non-patient care purposes.

"The privacy protection study commission, in a report to President Carter and Congress on July 12, 1977, concluded that medical records now contain more information, are available to more users, are less well controlled and are used for more non-medical purposes than ever before."

The AMRA is a member of the National Commission on Confidentiality of Health Records.

Association officials recently reviewed and commented on a draft of a legislative proposal President Carter will make to Congress on Privacy of Medical Records. The pending bill is titled "Privacy of Medical Information Act of 1979."

Sen. Jacob Javits, R-N.Y., also has prepared privacy legislation aimed at Senate and floor action early this year.

The association spells out its policies and states as one of its goals:

"Educate the consumers of medical care to their rights of confidentiality, their right to restrict or limit dissemination of identifiable medical information and their right to access to that information."

Its recommendations include:

Protection of the patient from invasion of privacy as a result of indiscriminate and unauthorized access to confidential health information.

Proper authorization procedures in obtaining medical records and protection against release of data irrelevant to the needs of the party making the request.

Appropriate use of medical information once it is disseminated to authorized persons.

Procedures for health organizations and data users in developing more efficient collection and secure storage for data necessary to their effective functioning.

Recommended policies:

While the patient does not have property rights to his medical record, the patient should have the protected right of information and the right to have access to his own medical record.

The patient must be assured that the information shared with health care professionals will remain confidential, otherwise the patient may withhold critical information which may affect the quality of the care provided.

The release of medical information for any purpose other than direct patient care must be done only with the expressed authorization of the patient or his authorized agent.

The establishment of written policies for the collection, storage and dissemination of information.

Ongoing educational programs for all staff and personnel to enforce these policies.

Rogers said the following is the situation with respect to patient access to records:

In California, Illinois and Utah, laws give limited access through the patient's attorney. Patients can have access themselves via laws in Massachusetts, Wisconsin, New Jersey, Louisiana, Mississippi and Connecticut.

In other states, access by patients depends on hospital policy. It is not the general policy for patients to have unlimited access to their records. Doctors may not want their patients to know something that may be considered harmful.

Patients pay for the treatment and the professional service but, legally, the records are hospital property or the doctor's property in cases of non-hospital treatment.

And the medical report to the insurance company, the physical exam that decides if you are a good risk for life insurance?

That belongs to the insurance companies. And it is stored in a giant insurance industry medical information bank—which any other insurance company may tap into.

● Mr. RIBICOFF. Mr. President, I am pleased once again to join my colleague, Senator JAVITS, in sponsoring the Privacy Act Amendments of 1979, a bill to protect the confidentiality of personal medical records. This legislation stems in great measure from the work of the Privacy Protection Study Commission. The Commission found that, contrary to most people's expectations, individual medical records are not private. Insurers, researchers, credit reporting agencies, law enforcement personnel, and auditors are just some of the persons who have access to an individual's medical records. Most diclosures take place without the patient's authorization. Those authorizations that are obtained are often unnecessarily broad. Ironically, one of the few persons denied access to a medical record is the patient himself.

This bill seeks to reverse the modern specified limited exceptions. It seeks to make patient access to his own record the rule, again with some limitations.

This bill is largely the same as S. 3450 which was introduced late in the 95th Congress. It contains, however, a significant addition to S. 3450. For the first time, the bill would establish standards for access to medical records by law enforcement personnel. It would also establish procedures by which an individual could challenge access to his medical records by Government agencies. These provisions of the bill are modeled on the Right to Financial Privacy Act which was enacted into law last year. I am most interested in receiving comments from the public on these new provisions.

Mr. President, the question of how best to protect the confidentiality of medical records is a complex one. An individual's medical records contain the most personal information and should be treated confidentially. At the same time, others have needs for some access to medical records. For example, the Center for Disease Control, the National Institutes of Health, and the Occupational Safety and Health Administration, all need some access to health records for research and for protection of the public and worker health.

A balance needs to be struck between the patient's expectation of confidentiality and the legitimate needs of others for access to those records. This legislation is an attempt to strike that balance. I look forward to refining the bill even further as it moves through the legislative process.●

NEW YORK CITY—THE HEMORRHAGE OF JOBS

Mr. JAVITS. Mr. President, a recent study of employment trends in the New York metropolitan area conducted by the regional office of the U.S. Bureau of Labor Statistics bears out something I have been saying to my colleagues in the Senate for the past 10 years, to wit: New York City is suffering from and deserves help with a devastating and relentless hemorrhage of job opportunities—a decade-long drain which would have crippled any other city in the United States.

According to the Bureau of Labor Statistics, in the period 1969 to 1978, payroll employment in New York City declined by 625,000 or 16.5 percent, from 3.8 million jobs to about 3.2 million jobs. This enormous and chronic loss of income and tax paying capacity in one decade—which would have driven any other city in the United States into bankruptcy—has placed a tremendous burden on the people of New York City, on the city's economy and on its budget and is, in my judgment, chiefly responsible for the imperiled financial situation of New York City.

And with respect to near-term future employment trends in New York City, the February 1979 report ("The Job Future in New York-Northeastern New Jersey") states:

> During the period 1974–85, a total employment loss in the City of 339,000, or nearly 10 percent, is projected. The largest loss is in manufacturing, which is projected to drop to 442,000 jobs in 1985, from its 1974 level of 609,000, a loss of 27 percent. Construction and trade will be the other large job loss sectors, declining 14 percent. Transportation and public utilities, services and public administration are projected to show smaller declines. Of all major sectors, only finance is projected to gain employment, from 425,000 in 1974 to 434,000 in 1985, a rise of 2 percent. This continuing drain on employment opportunities, with losses projected in every sector except finance, bears on New York City's capacity for economic recovery.

Clearly, Mr. President, New York City is highly vulnerable to reductions in Federal assistance that would exacerbate—if that were possible—an already perilous employment situation.

This tide of job losses explains why the welfare and medicaid burden in New York City has been so large in recent years, why local tax revenues have not been adequate to support essential local public services and why continued Federal financial assistance—in the form of long-term loan guarantees; public service employment; targeted fiscal assistance; and fiscal relief from the welfare burden—is so desperately needed.

Mr. President, New York City is in the throes of a truly cataclysmic loss of productive and tax-generating jobs. In the recent debates on CETA, the long-term New York City loan guarantee program, targeted fiscal assistance and other urban-oriented programs, some may have lost sight of the fact that the decline of our cities is an endemic phenomenon. There is a tendency to get hung up on recriminations of fiscal imprudence, waste and poor administration. While perhaps these explain a part of the reason for New York City's fiscal problems, they really miss the essential point: An economic decline of major proportions hitting our older big cities—and New York City the biggest—the hardest. And they are the Nation's major Federal revenue producers.

It is for this reason that Federal financial assistance, particularly Federal jobs programs, need to be targeted more sharply at urban areas that suffer severe job losses. Recent BLS data show that severe unemployment in 1978 characterized such cities as Miami, Tacoma, Philadelphia, Newark and New Orleans, to name just a few. Clearly, while the magnitude of the problem may be far greater in New York City, it is not alone as far as the fact of job losses is concerned.

This is why recently I recommended to Secretary of Labor Ray Marshall, that some substantial part of the enormous carryover in the CETA public service employment program—which may be close to $2 billion out of the fiscal year 1979 appropriation of about $6 billion—be used to hold harmless at their fiscal year 1979 allocations in fiscal year 1980 those areas where unemployment exceeded 6.5 percent in 1978. This proposal would insure that areas which have continued to suffer from persistent severe unemployment, even as the national unemployment picture has improved considerably, would not get caught indiscriminately in the crossfire of the current movement to make draconian cuts in the public service employment program, that is, from the April 1978 actual level of 750,000 jobs to a planned September 30, 1980, level of about 450,000 jobs, a cut of almost half.

There is another very important reason why the cities need to have continued Federal jobs assistance. The Congressional Budget Office estimates (testimony of Alice Rivlin, January 25, 1979) that if Federal spending in fiscal year 1980 is reduced by $15 billion below the levels that would be required to maintain current policy—and, according to CBO, the President has proposed a cut of about $12 billion below current policy—after 8 quarters national unemployment could be about 500,000 higher than where it would have been under current policy.

Mr. President, these three separate but related developments—first, the loss of job opportunities in the cities; second, the proposed budget cuts in the public service employment program; and third, the likelihood that generally tighter Federal fiscal policy will reduce employment by some 500,000 jobs by 1981—together represent a triad of havoc that could shatter the lives of many of the citizens soon to become unemployed.

If the public service employment program is cut as the President has proposed and now hold harmless is established to cushion the blow in the really high unemployment areas of our country; and if the Congress adopts a budget resolution for fiscal year 1980 which incorporates a spending level of nearly $15 billion below current policy; then the resulting private and public job losses—combined with the kind of on-going hemorrhage of jobs I have already described—could indeed bring the hardest hit cities of our country to their knees.

Finally, Mr. President there is the very real danger that, apart from the factors I have just described, an economic recession may hit the United States in fiscal year 1980. If that happens—and many economists now are predicting that it will—there could be significant disproportional effects on those areas of our country where unemployment is already extremely high. The older big cities, particularly in the Northeast, have a high risk exposure right now, and are in a relatively far worse condition for this stage of the business cycle than they have been at any other time in the postwar era. If a recession comes late this year it will hit them very hard.

This danger has been confirmed in a recent study by Richard Syron and Lynn Browne of the Federal Reserve Bank of Boston. They conclude that a recession would have very unequal impacts in different regions of the country. They state:

The East North Central region and New England are more exposed to short term fluctuations than the country as a whole.

The widespread unemployment that is then certain to materialize could, I believe, prove to be an economic and social disaster of major proportions.

The Congressional Budget Office has looked at the unemployment situation that may evolve and concluded as follows:

More restrictive fiscal and monetary policies run a substantial risk of increasing disparities in unemployment rates. To begin with, cuts in spending below current policy in the employment area would have important implications for the level and composition of unemployment in both fiscal year 1980 and thereafter. In the short run, reductions in employment programs appear to have greater effects on employment and unemployment than do similar size cuts in the federal budget in general. Thus, groups that traditionally have had especially high unemployment could be faced with a dual problem in 1979: when the economy softens, the unemployment rates for such groups as blacks and youths would increase more (in percentage points) than for the labor force in general. In addition, if part of the anti-inflation strategy involves large cuts in employment programs, this would have a disproportionate effect on the groups and geographic areas most affected by softness in the economy.

For the intermediate term, targeted training and employment programs and policies may be an essential component of any comprehensive strategy for achieving the reduction in unemployment and inflation called for in the Full Employment and Balanced Growth Act. Since it takes time to build up such programs (or to phase them down), major cuts in existing programs could postpone the implementation of the Full Employment and Balanced Growth Act by several years. (Source: The Fiscal Policy Response to Inflation—CBO 1/79 pp 52–53).

Mr. President, I pray we will have the wisdom and the foresight to act on the facts as I have put them before the Senate. We will not get a second chance if we miss the opportunity this year to make right what is so desperately wrong about the unemployment problem in our country. The unemployed poor of our great cities are looking to us to help stem the tide of pervasive unemployment and to break their shackles of dependence. Let us feel their plight in the coming weeks and not let them down.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the New York Times of February 11, 1979.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW YORK CITY—JOBS

(By Damon Stetson)

A new Federal study of employment in the area of New York City and northeastern New Jersey predicts an increase in white-collar and service jobs and a decline in the blue-collar sector.

The 73-page study, made public yesterday by the regional office of the Federal Bureau of Labor Statistics, projects a total of 3,260,000 job openings for the period from 1974 to 1985, with 1.2 million in New York City. It foresees a decline in overall employment in New York City, but at a much slower rate than in the last nine years.

The figures on job openings represent mainly the replacement of jobs, as opposed to an increase in total employment.

More than two out of three job openings in the area, and three out of four in New York City, will be in white-collar categories, according to the study. Professional and technical occupational groups in the area surpassed all other major classifications in their anticipated rate of gain.

PROJECTIONS NOT PRECISE

But Herbert Bienstock, the regional commissioner for the bureau, warned that such long-term projections were imprecise. He described the study as a kind of "French impressionistic painting of job projections in 1985, as contrasted with a clear black and white photograph."

He said that government policies, economic fluctuations and international developments, together or separately, might alter the validity of the projections.

For example, the construction of the Westway, according to earlier studies, would be expected to generate enough new business activity to create anywhere from 13,400 to 124,600 permanent new jobs in the metropolitan region.

Mr. Bienstock explained that a 333,000 employment increase projected for the area by 1985 would account for about a tenth of the area's job openings for the 11-year period. The remaining nine-tenths of projected job openings, he said, would result from the turnover of workers leaving the labor force because of retirement, illness, death or family obligations.

He said the 1.2 million New York City job openings would all be accounted for by replacement needs, as total employment is expected to decline by 339,000. Lest this be interpreted as an overly pessimistic forecast, he noted that the city's payroll employment dropped by 625,000 in the period from 1969 to 1977, but that the decline had eased in the last two years.

He said that in the period since 1974, the beginning of the study's projection period, "a goodly number" of the job losses included in the city's prospective decline—perhaps as many as 255,000—had already occurred.

In the rest of the area outside the city and in northeastern New Jersey, about two million job openings are expected, with roughly two-thirds resulting from replacement needs and one-third from a projected employment rise of 669,000.

The overall rise in employment in the area is projected at 5 percent by 1985, according to to the report. That is one-fourth of the anticipated national growth of 20 percent.

In each occupational group, the area's growth rate is projected to be lower than the rate nationally. Mr. Bienstock explained that this lower growth rate was mainly attributable to job losses anticipated in New York City. The remainder of the area, the study indicates, is expected to experience growth more closely approximating the national growth.

EIGHT-PERCENT DECLINE IN BLUE-COLLAR JOBS

As a result of the city's probable job losses, Mr. Bienstock said, its share of the area's employment will decline from 52 percent of the total in 1974 to 45 percent in 1985.

The study, in pointing to occupational trends in the area, foresaw an increase of 11 percent between 1974 and 1985 in professional and technical employment, reaching a total of 1,258,000 workers. Clerical workers represent the largest and second-fastest growing occupational group, with a projected increase of 10 percent to 1,727,000 workers.

UNITED STATES-MEXICO QUADRIPARTITE COMMISSION

Mr. JAVITS. Mr. President, on February 11, 1979, I attended a meeting of the Tourism Subcommittee of the United States-Mexico Quadripartite Commission (which is hereinafter described) in Manzanillo, Mexico. I would like to report to my colleagues on the results of that meeting. I was accompanied by my special assistant for economic affairs, Jacques J. Gorlin.

The Mexican delegation to the meeting has was headed by the Secretary of Tourism, Guillermo Rossell de la Lama; former President of Mexico Miguel Aleman; the Director General of FONATUR (The National Tourism Development Fund), Jose Antonio Murillo; and by Bernardo Quintana, President of GRUPO ICA and Mexican cochairman of the Commission. The United States representation included Assistant Secretary of Commerce for Tourism, Fabian Chavez, Jr., Edgar Molina, vice president of Ford Motor Co. and United States cochairman of the Commission, and myself. Over 60 other representatives of the private and public sectors of Mexico and the United States attended the meeting during which issues of mutual concern regarding the development of Mexico's tourism sector were thoroughly discussed.

The timing of this particular subcommittee meeting of the Quadripartite Commission was especially significant in that it occurred immediately before President Carter's meeting of February 14 and 16, 1979, with Mexican President Lopez-Portillo.

The crucial role of the private sectors of the United States and Mexico in the economic development of Mexico was clear and so recognized by the governmental representatives attending the meeting. I understand that Tourism Minister Rossell provided President Lopez-Portillo with a full report on the deliberations and conclusions of the meeting.

Upon my return to the United States, I briefed Secretary of State Vance and Assistant Secretary of State for Inter-American Affairs Vaky. U.S. Government support for the Commission was evidenced also by written greetings, which I personally delivered to the Commission members, from Secretary of the Treasury Blumenthal and Under Secretary of State Cooper. I ask unanimous consent that copies of these letters appear at the conclusion of my remarks.

Since its inception over 3 years ago, the Commission has sought to demonstrate the viability of private United States investment working in association with both governments and Mexican private enterprise in assisting Mexico's economic growth and development especially in project areas which are Mexico's national priorities. As I will describe below, the tourism sector was one of those sectors of the Mexican economy whose development was identified early in the Commission's deliberations by the Mexican members of the Commission as being of high priority. They indicated that since tourism was an important generator of domestic employment (that is, labor intensive) as well as foreign exchange it could help Mexico meet its most serious economic problems.

The priority of the tourism sector already has been recognized by the United States and Mexican Governments; in May 1978, the two governments signed a United States–Mexican Tourism Agreement which pledged cooperation not only in resolving outstanding bilateral issues but also in developing joint programs to foster tourism from third countries.

The Tourism Subcommittee represented the culmination of over 3 years of effort by me to get the commission on its way. In early 1977 I invited a distinguished colleague of ours, the Senator from Texas (Mr. BENTSEN), who accompanied the President on his recent visit to Mexico to join me in the effort. I believe that Senator BENTSEN's State and the country owe him a deep debt of gratitude for his magnificent service in behalf of improving United States-Mexico relations.

Mr. BENTSEN. Mr. President, will the Senator yield just for a minute?

Mr. JAVITS. I yield.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. BENTSEN. The Senator from New York is totally modest in his comments about the quadripartite commission.

He has been the guiding light of it and he has been tenacious in seeing that that work was carried out.

We see a lot of these commissions started with very little result but this is one because of the follow-through by Senator JAVITS from New York we are seeing some absolute concrete results that I think are going to help very substantially in the involvement of the private sector in trying to develop commerce between our two countries and further creation of jobs in Mexico that is necessary for that economy, and he is a man who has shown great perception as to the extreme importance to the United States of Mexico and whatever happens in Mexico is going to spill over on this side and vice versa.

Whether we like it or not our futures are intertwined, and I am very grateful for the work that the Senator from New York has done in that regard and pleased to assist in whatever minor way I can.

Mr. JAVITS. How very gracious and typically modest of the Senator from Texas. He adds an absolutely otherwise unavailable dimension to our effort. I am very grateful to him and believe that the country should also show its appreciation for his fine work.

Mr. President, to continue, we have been joined in this undertaking by representatives of the private sector headed by co-chairmen Quintana and Molina, who attended the Manzanillo meeting, and Ralph Pfeiffer, Jr., of IBM and Antonio Ruiz Galindo, who are the other by cochairman Quintana and Molina, United States and Mexican cochairmen respectively. Also instrumental in the founding of the Commission were J. Irwin Miller of Cummins Engine, G. A. Constanza of Citicorp, and William Hewitt of John Deere. In addition, the following corporations are represented on the Commission: DuPont, Bendix, the Sheraton Corp., Bank of America, ADELA, the Agribusiness Council, Inc., Murden & Co., and McKinsey & Co.

In putting forward the Quadripartite Commission as a vehicle to bring together the United States and Mexican private sectors to assist in Mexico's economic development under a joint governmental umbrella, these business leaders joined in underscoring the need for a special relationship between Mexico and the United States that would facilitate

the economic interdependence that our common border dictated. The nature and size of the issues that face our two governments and the required solutions in such areas as labor-intensive economic development in Mexico, Mexican energy development, and undocumented aliens, cannot be resolved by governments alone and, hence, the need, I believe, for the Quadripartite Commission to provide a necessary element to complement certain major objectives of the official relationship between our two governments.

The Commission's development had been characterized before the Manzanillo meeting by slow progress, notwithstanding the best intentions of both sides. The Commission was launched in June 1975, after an initial meeting that I had with President Echeverria in Mexico. It was subsequently fully supported by President Lopez-Portillo after he took office in 1976.

The thrust of the Commission as a vehicle for economic cooperation was confirmed 6 months later in January 1976, in a meeting in San Antonio where we agreed to form special committees to focus on the vital economic sectors of Mexico. In September and December 1976, I briefed newly elected President Lopez-Portillo in Washington, who was very supportive of the Commission idea.

As a result of my meetings with President Lopez-Portillo, a plenary meeting of the Quadripartite Commission was held in Mexico City in April 1977. The meeting was attended by myself, Senator BENTSEN, Under Secretary Cooper, Under Secretary of the Treasury Tony Solomon, Under Secretary of Commerce Sidney Harmon, senior representatives of the Mexican Government, 13 representative leaders from the U.S. private sector, and 10 representative leaders of the Mexican private sector. The meeting continued our earlier attempts to determine possible areas of participation by the private sectors in joint investment projects which were defined as Mexican national priorities. It was agreed to develop proposals in the areas of tourism, agribusiness, manpower training and technology, manufacturing, and resource development.

Since the main objective of the Quadripartite Commission was to assist Mexico in project areas of its choosing, the U.S. participants awaited the wishes of their Mexican counterparts. In August 1977, the U.S. cochairmen, Ralph Pfeiffer and Ed Molina, and my special assistant, Jacques Gorlin, met with President Lopez-Portillo in Mexico City to gage whether the Government of Mexico was still interested in the Commission. In the intervening period the two sides have had discussions both face-to-face and through diplomatic channels; and the tourism meeting which I attended was the culmination of these efforts.

The meeting provided an opportunity for tourism specialists from both the private and public sectors to focus on outstanding issues that have blocked greater United States-Mexican cooperation in the development of Mexican tourism projects. Representatives of Fonatur and the Ministry of Tourism briefed the Commission members on the potential for Mexico's tourism sector as well as on the specific objectives of Mexico's tourism policy and the role of United States investment in these plans. A frank exchange of views on Mexican legal issues relating to foreign investment and the acquisition of real property interests by foreigners in Mexico took place.

During the course of the meeting, the following issues were identified as posing problems for expanded United States-Mexican cooperation in the tourism sector:

First. The need to expand both the number of U.S. airlines servicing Mexico and the routes into Mexico. It was recommended that a bilateral air agreement be negotiated to permit the United States and Mexican airlines to work more closely in exploiting these opportunities. The Mexican side indicated that the U.S. airlines were not considering increasing their flights to Mexico because of new opportunities afforded in the domestic U.S. market and expressed concern that an exemption from the Sherman Anti-Trust Act may be necessary to permit closer collaboration between the Mexican and U.S. airlines.

Second. The possibility of having U.S. tax legislation which would create a "North American area" exemption to the present law limiting tax deductible foreign conventions to 2 a year when held outside the United States. This limitation, the Mexicans believe, has been counterproductive to the development of their tourism industry.

Third. The need for possible changes in Federal and State securities laws and regulations with respect to the registration of real estate sales and securities to account for the inability under Mexican law to provide proof of clear title for property in Mexico. The Mexican side viewed this as a major limitation on raising capital in the United States for real estate ventures.

Fourth. Article 27 of the Mexican Constitution, which created a "prohibited zone" for foreign ownership of land (all land within 100 miles from any land border and within 50 miles of the sea coasts), is a major impediment to foreign investment according to U.S. participants in the meeting. Although a 1971 Presidential decree, which was later codified in May 1973, by the Mexican Congress in a foreign investment law, has sought to alleviate the problem by permitting legally approved trust deeds of 30 years duration, legal problems dealing with successive trusts beyond the initial 30-year period remain. In addition, the U.S. participants pointed to the absence of long-term credit instruments (mortgages are presently limited to 10 years) as a further disincentive to touristic investments.

Mexico's representatives indicated their awareness of these problems and that they have sought to work within the limitations of the constitution to create new incentives, such as accelerated amortization and tax credits, for such external investment in the tourism sector.

In addition to the plenary session in which these policy issues were discussed, the representatives of the two private sectors made onsite inspections of possible areas for joint tourism investments.

Two joint venture agreements negotiated under the auspices of the Quadripartite Commission between the ICA group and the Sheraton Corp. and between Howard Johnson and the Marcos Russek group of Mexico were signed at the close of the final session of the Commission. These agreements provided tangible evidence of private sector interest in Mexico's economic development.

The Commission plans to expand its work and concentrate its efforts further in tourism as well as in agribusiness and other labor-intensive sectors of the Mexican economy that have been identified by Mexico as priority areas.

The Commission has executive offices in New York, under the executive direction of Jeffrey Peters, and in Mexico City, under the direction of Alberto Velasco, who serves also as an assistant to President Lopez-Portillo.

The importance of this subcommittee meeting transcends the tourism sector and should not be underestimated. The meeting was tangible evidence of the developing interest in the Commission on the part of Mexico. The meeting could not have taken place without the active leadership of Tourism Secretary Rossell and the personal bureau of the President of Mexico. Given the close working relationship between government and the private sector in Mexico, continued Commission activity in other sectors of the Mexican economy will require also the leadership of other Mexican ministers to support the Commission's objectives.

Throughout the development of the Commission in the last 3 years, I have kept Secretary of State Vance and his predecessor, former Secretary of State Henry Kissinger, fully informed about the Commission's work. The State Department has lately recognized the Commission's importance in implementing any United States-Mexico policy for economic development which includes a significant role for the United States and Mexican private sectors. President Carter also has shown the importance that he attaches to continued close United States-Mexican private sector endeavors such as the Quadripartite Commission as a necessary complement to the official relationship between our two governments.

The President and the Congress must even more look to the private sector as a full partner in the implementation of the foreign relations of this Nation. There is priceless expertise in the private sector as well as resources, and we must avail ourselves fully of that knowledge and the willingness to serve the United States that are to be found in the U.S. private sector.

One possible approach relating directly to the vital U.S. relationship with Mexico would be the establishment of a private sector advisory group on Mexico to advise the Department of State which would draw upon the work of the Quadripartite Commission members as well as of other private sector groups which are knowledgable about Mexican affairs.

While it has taken over 3 years to get the Quadripartite Commission off the ground, there is no doubt in my mind that it is highly relevant to the very real economic issues that face—and all too often divide—the United States and Mexico. In a sense, the Quadripartite Commission may have been ahead of its time in recognizing the importance of strong United States-Mexico economic relations and the need for positive efforts on the part of both partners to make that objective a reality. But the times have now caught up and the effort looks most hopeful and worthwhile.

I ask unanimous consent that the letters be printed in the RECORD.

There being no objection the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 6, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR JACK: Thank you for informing me of the February 9–12 meetings of the U.S.-Mexico Quadripartite Commission.

I am happy to hear that the Commission is now looking at joint ventures in the tourism field. As you know, we welcome close cooperation between the United States and Mexico and between their private sectors. We believe the work of this Commission is extremely useful in stimulating and maintaining such cooperation. Please convey my sincere wishes for success to the participants in the upcoming Tourism Subcommittee meetings.

Best regards.

Sincerely,

W. MICHAEL BLUMENTHAL.

UNDER SECRETARY OF STATE
FOR ECONOMIC AFFAIRS,
Washington, D.C., February 8, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: I was pleased to learn from your letter of January 30 that progress is being made by the U.S. private sector in pursuing areas of joint investment in Mexico. This effort by the U.S. private sector representatives appears to be a promising revenue for involving their Mexican counterparts.

Enclosed is a letter which you requested for the meeting of the Tourism Subcommittee.

With best regards,

Sincerely,

RICHARD N. COOPER.

UNDER SECRETARY OF STATE
FOR ECONOMIC AFFAIRS,
Washington, D.C., February 8, 1979.

To the Members of the Tourism Subcommittee:

I wish to extend to you my wholehearted support and best wishes for success in your efforts to promote tourism between our two countries through private investment in specific projects. Successful projects of this sort could serve as a model for joint endeavors by the private sector in other sectors of the Mexican economy. This cooperative effort by U.S. and Mexican free enterprise complements in an important way the cooperation at the Government level now being carried out by the US-Mexico Consultative Mechanism.

President Carter's visit to Mexico, which will take place in a few days, reaffirms the importance he gives to increased official cooperation and consultation between Mexico and the United States. However, governments are able to go only so far in cementing the relations between their countries. Beyond that it is essential to have the sort of people-to-people contact exemplified by your group in its efforts to carry out joint investment projects.

Sincerely,

RICHARD N. COOPER.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 15 minutes.

The Senator from Florida.

RULE 29.5

Mr. CHILES. Mr. President, a major challenge facing the new 96th Congress is how to demonstrate to the people of this country that Government services can be delivered with a minimum of paperwork, redtape, and regulation and that their tax dollars can be spent effectively, and without fraud or abuse.

One way we can begin tackling the paperwork and redtape dilemma faced by almost every American is to begin following our own rules here in the Senate.

We have a rule, Senate rule 29.5, enacted at the beginning of the 95th Congress, which states very clearly that each committee report of each and every public bill and joint resolution contain a statement which spells out the paperwork impact the legislation would have.

The statement—the regulatory impact evaluation—is to tell us who will be affected by the legislation, the impact on personal privacy of individuals, as well as determining the amount of additional paperwork that will result from passage of the bill or resolution.

If an evaluation is impracticable, the committee is to state why. Our rule exempts only the Appropriations Committee from this requirement.

Rule 29.5 also declares that it is not in order for the Senate to consider any bill or joint resolution that does not have that accompanying statement.

We have, however, broken that rule many times.

THE SENATE RECORD

A review by my staff and the Congressional Research Service reveals that 216 of the 688 committee reports which fell under the rule's scope simply ignored rule 29.5.

Almost a third of the reports—31.4 percent—did not even refer to the rule and made no statement whatsoever to the requirement that regulatory, economic, privacy, and paperwork impacts of legislation be considered.

Many of the 216 bills and resolutions are now public law. The fact that 31 percent did not follow the rule is a simple, stark statistic which shows the Senate has not been all that serious about reducing paperwork.

The strategy this rule provides to attack paperwork and excessive regulation must be followed. The Senate cannot tolerate an utter disregard for its own rules.

I plan to bring to the Senate's attention any bill or joint resolution reported to the floor that ignores rule 29.5. A number of other Senators have joined with me in this regard: Senators NUNN, HUDDLESTON, BENTSEN, DOMENICI, ROTH, and DOLE. I invite my colleagues to join with me in monitoring committee reports.

I believe the result will be to reduce the headaches as well as the financial cost of regulatory and paperwork requirements that find their way into reauthorization or new legislation.

By doing this, Mr. President, we will demonstrate to the taxpayers that we in the Senate are serious about reducing paperwork.

I recall the Paperwork Commission's conservative estimate that it cost $100 billion a year to meet the paperwork demands imposed on citizens, State and local governments, and private businesses. Any 1-percent reduction in this growing figure would represent $1 billion.

Senator BENTSEN recently told me that the Joint Economic Committee has found businesses will spend more than $102 billion in 1979 to comply with Federal regulations, an increase of 50 percent since 1976.

Rule 29.5 is a vehicle to discipline the committees of the Senate and to address these costs at their source, where laws are made. We can say all we want to about bureaucrats who run amuck and I believe strongly much can be done through better oversight. But if we are serious about it, Mr. President, we have got to realize that the process starts with us, with the legislation that we initiate. Unless we are willing to follow our rule and do something about it, it is going to be very hard to expect that we can get the bureaucrats or anyone else to pay attention.

Ideally committee work should crank in the analysis of executive branch agencies, interested public groups, and the General Accounting Office in performing evaluations.

Members would then have a better basis to pick the way to do the best job with the least amount of paperwork.

There are limitations to the requirements of the rule. The rule does not, for example, get to amendments made to bills already reported or conference reports. Regulatory, economic and paperwork impacts are not always easy to measure exactly, but a quick look at the

survey results that follow show the Senate has hardly tried to follow its rule.

I think, Mr. President, it is time we start trying to follow rule 29.5.

Mr. President, I ask unanimous consent that survey results of Senate performance on rule 29.5, 95th Congress, and a letter dated February 15, 1979, from the Comptroller General of the United States be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Survey results of Senate performance on Rule 29.5, 95th Congress

(Total number of committee reports reviewed was 688).

	Number of reports	Percentage of reports
Reports which included a separate and specifically designated regulatory impact statement	472	68.6
Reports which did not	216	31.4
Reports which contained a statement explicitly waiving the impact statement requirement	9	1.3
Reports which did not	679	98.7
Reports which stated that the impact statement is based upon information provided by the executive branch	3	0.6
Reports which did not	460	99.4
LENGTH OF THE IMPACT STATEMENT		
One paragraph or less	185	40.0
More than one paragraph but no more than one page	229	49.5
Two to five pages	45	9.7
More than five pages	4	0.9
HOW THE IMPACT STATEMENT CHARACTERIZED THE INDIVIDUALS AND BUSINESSES TO BE REGULATED		
No characterization	316	68.2
Qualitative identification	101	21.8
Quantitative estimate	46	9.9
HOW THE IMPACT STATEMENT ASSESSED THE REGULATORY IMPACT OF THE MEASURE		
Not a regulatory measure	109	23.5
No regulatory impact	152	32.8
No increase in existing regulations	114	24.6
Increase in existing regulations	29	6.3
Decrease in existing regulations	12	2.6
No assessment	47	10.2
HOW THE IMPACT STATEMENT ASSESSED THE ECONOMIC IMPACT OF THE MEASURE		
No significant economic impact	129	27.9
Positive economic impact	56	12.1
Negative economic impact	7	1.5
Mixed economic impact	9	1.9
Discussions of economic impact without assessment	4	0.0
No assessment	256	55.7
HOW THE IMPACT STATEMENT ASSESSED THE IMPACT OF THE MEASURE ON PERSONAL PRIVACY		
No significant impact	291	68.9
Positive impact on privacy	1	0.2
Negative impact on privacy	15	3.2
Mixed impact on privacy	9	1.9
Discussion of impact on privacy without assessment	1	0.2
No assessment	146	31.5
HOW THE IMPACT STATEMENT ASSESSED THE IMPACT OF THE MEASURE ON FEDERAL PAPERWORK		
No significant impact	252	34.4
Positive impact—reduced paperwork	29	6.3
Negative impact—increased paperwork	44	9.5
Mixed impact	19	4.1
Discussion of impact on paperwork without assessment	1	0.2
No assessment	118	25.5
HOW THE IMPACT STATEMENT ASSESSED THE IMPACT OF THE MEASURE ON PRIVATE RECORDKEEPING		
No significant impact	96	20.7
Positive impact—reduced record-keeping	7	1.5
Negative impact—increased record-keeping	33	7.1
Mixed impact	6	1.3
No assessment	321	69.3
Impact statements which include data, specifications, or examples of paperwork or record-keeping to be affected by the measure	26	5.6
Statements which did not	437	94.4

The above data reflects characterizations and evaluations that are necessarily subjective. In many cases, differences of interpretation are certainly possible. Inconsistencies have been minimized, however, by subjecting all reports to review by the same individuals. This report focuses only on separate and specifically designated impact statements. Information pertinent to the requirements of the rule may often be included elsewhere in the texts of committee reports. The only reports accompanying bills and joint resolutions have been excluded from this review are those of the Committee on Appropriations and those that provide for the relief or name persons or entities. Many of the reports that have been examined accompany measures so limited in scope and effect that they would not be expected to have a discernible regulatory impact. A few committee reports have not been available for examination, but they are too few in number to have a significant effect on the data.

Number of reports by committee which did not refer to rule 29.5

Agriculture, Nutrition, and Forestry	0
Armed Services	20
Banking, Housing, and Urban Affairs	30
Commerce, Science and Transportation	0
Energy and Natural Resources	3
Environment and Public Works	13
Finance	0
Foreign Relations	4
Governmental Affairs	6
Human Resources	12
Judiciary	76
Rules and Administration	15
Veterans' Affairs	0
Select-Indian Affairs	34
Select-Intelligence	3
Select-Small Business	0

WASHINGTON, D.C.,
February 15, 1979.

Hon. LAWTON CHILES,
Chairman, Subcommittee on Federal Spending Practices and Open Government, Committee on Governmental Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: As the 96th Congress convenes, controlling the growth of Federal regulatory and paperwork burdens is high on the agenda of issues to be addressed. Because of your interest and prior efforts in this area, I want to share my thoughts with you on what I believe to be potentially one of the most useful tools available to the Senate in achieving that objective. That tool is Senate Rule 29.5.

Rule 29.5, adopted in February 1977, requires that the report accompanying each public bill or joint resolution coming to the Senate floor, except appropriations bills, include an evaluation of the regulatory impact which would be incurred in carrying out the bill or joint resolution. The evaluation should include:

(a) estimates of the numbers and classes of individuals and businesses regulated,

(b) estimates of the economic impact on those affected,

(c) an assessment of the impact on personal privacy of the individuals affected, and

(d) estimates of the amount of additional paperwork, including recordkeeping, which would be required.

The rule provides that, in lieu of such an evaluation, the report should include a statement of the reasons why preparation of the required evaluations is impracticable.

The evidence available indicates that implementation of the rule to date has not been good. I believe this may be due, in part, to a misunderstanding of the rule's intent as to (1) who has responsibility—and capability—for developing the required impact evaluations, (2) at what point in the legislative process the input is required, and (3) the degree of precision expected or possible in the analyses. I would like to give you our views on these points.

We believe that, in most cases, the committee staffs do not have the time or ready access to the required information to prepare the impact evaluations. In our view, the agency which would administer the proposed legislation is the most knowledgeable source for developing the evaluations required by the rule. Input from those who would be affected would also be useful. We also believe that impact evaluations should be available to the committees when legislation is being considered. This would provide the opportunity to consider alternative ways to achieve the desired objectives. However, it must be recognized that the impacts called for in the rule simply cannot be measured with precision. Rough estimates are the best that can be hoped for.

As a further thought along these lines, it might be worthwhile to request the Director of the Office of Management and Budget to ensure that agency testimony or other comments on bills address the impact issues called for by Rule 29.5. Alternatively, the committees could request the agencies under their jurisdiction to address the rule's impact requirements in their testimony and comments. Either of these approaches could aid in putting the agencies on notice to develop the best information they could for the committees' consideration.

Recognizing that the data available will always have limitations, I believe Senate Rule 29.5 can serve an extremely valuable function to assist the legislative committees as they hold hearings and consider comments and testimony from the implementing agencies and those who will be affected by the legislation. Accordingly, I have directed my staff to carry out the following tasks:

Prepare guidelines to assist in developing the required impact evaluations,

Consider and address the Rule 29.5 impact issues in GAO comments on proposed legislation, and

Evaluate, when requested, impact analyses developed for the committees.

The product I envision in the way of guidelines would be one or more booklets including a range of questions to be addressed in impact statements and suggestions on methodology. If we are successful, the results could provide a useful tool for both the committees and the agencies in developing impact statements and considering alternatives to limit the adverse impacts of proposed legislation.

We are routinely asked to provide comments and views on many legislative proposals of a public nature. We will consider and address, to the extent feasible, the Rule 29.5 impact questions in developing our comments on proposed legislation.

Finally, on a request basis and within the limits of our resources, our staff will be available to work with the committees informally to assist in evaluating impact material developed by the executive agencies.

I hope you will find these thoughts useful. We will continue to work with you to assist in accomplishing the objectives of the rule to the greatest degree possible.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. BENTSEN. Mr. President, will the Senator from Florida yield to the Senator from Texas?

Mr. CHILES. Yes.

Mr. BENTSEN. First, Mr. President, I congratulate the Senator from Florida who has developed quite a reputation in his time here in the Senate for his deep concern for the cost of Government in the effective delivery of services to the taxpayers of this country with a minimum of frills and a minimum of expense.

In bringing to the attention of this Senate the lack of enforcement of rule 29.5 he is rendering a further service.

I think it is interesting to note that Senator TALMADGE, our great friend, is here today. He is the author, the sponsor, of 29.5, who understands the burden of the paperwork in this country.

I had a secretary of one of the departments testifying before our committee, and I asked, "Have you followed the rule that the President has asked for every head of every department that they read every regulation that comes out of their department each year?" I was speaking to the Secretary of Commerce, Mrs. Krebs, and she said:

No, I have not. It has been an impossible task for me.

Can you then imagine the responsibilities and the problems of a small businessman? In 1955 you had 10,000 pages of regulations in the Federal Register published. In 1978, you had 70,000 pages of them.

Mr. President, it is particularly appropriate that our distinguished colleague, Senator TALMADGE, should return to the Senate during the discussion of Senate rule 29.5. Senator TALMADGE was the author and sponsor of rule 29.5. This rule will have a significant impact on regulatory costs and inflation if it is adhered to during the 96th Congress.

During the hectic closing days of the 95th Congress, the Senate passed a number of major bills in violation of rule 29.5, which requires that each bill reported by committee for Senate action be accompanied by a regulatory impact analysis. Even during the earlier part of the 95th Congress, when the pace was much more measured, a large percentage of bills—almost a third—got through the Senate without any kind of analysis of their regulatory impact on American taxpayers, consumers, and businesses.

I am very disturbed by this lack of congressional concern for the regulatory costs that are imposed on the private sector when legislation is passed that has not been thoroughly examined.

We must do better during the 96th Congress. If we do not improve—if we continue to pass legislation without examining the regulatory and paperwork impact—we will just end up stimulating more inflation and stifling the entrepreneurship and productivity of American businesses.

In April of last year the Joint Economic Committee published a study showing that businesses will spend over $102 billion in 1979 to comply with Federal rules and regulations, an increase of almost 50 percent since 1976.

In November of last year after the 95th Congress adjourned, the General Accounting Office submitted a report to the JEC showing that American businesses "take about 69 million hours annually at an estimated cost of over $1 billion to respond to the more than 2,100 U.S. reporting requirements" that have been approved by the OMB and GAO under the Federal Reports Act. And this figure, as astonishing as it is, does not even include business forms that have to be submitted to the Internal Revenue Service, the Federal Reserve Board, or the Securities and Exchange Commission.

These growing regulatory costs are a significant cause of inflation. They must be brought under control soon, or our fight against inflation will be much more difficult.

I see little hope right now, though, for a tapering off of regulatory costs unless we adhere to rule 29.5. Otherwise, Congress will continue to enact new laws that give the regulatory agencies more duties and more reasons to issue more and more costly regulations.

At the beginning of the 95th Congress, the Senate passed rule 29.5 to require Senate committees to consider regulatory costs when they report new legislation. In a speech on October 14, 1978, the last day of the 95th Congress, Senator CHILES pointed out that too much legislation was reported without the required regulatory impact analysis. He also pointed out that many of the analyses submitted were perfunctory or useless.

We in Congress complain quite readily about the regulatory costs imposed by the regulatory agencies and their "faceless bureaucrats." Certainly, the agencies must take some of the blame for rising regulatory costs. But how can we force the regulatory agencies to take seriously the task of reducing regulatory costs if we fail to toe the mark ourselves?

During this Congress, rule 29.5 must be complied with much more vigorously and consistently.

The first step toward controlling regulatory costs must be the control of costly legislation. We must all be Horatios at the bridge on this. I look forward to working with Senator TALMADGE and Senator CHILES, and my other distinguished colleagues, to give real meaning to rule 29.5 during the 96th Congress.

Mr. TALMADGE. Mr. President, will the Senator from Florida yield?

Mr. CHILES. I thank my distinguished colleague, and I will yield in just one moment.

I just want to take one moment to express to the Senator from Texas my appreciation for what he is doing in the Joint Economic Committee, and to say that I know the feeling he has for how our private enterprise system must work. If we do not do something in controlling these regulations, especially where they are needless, where they are duplicative or where they gather information, much of which is never even looked at by the people who gather the information, then we suffer a total loss to our economy, totally inflationary, and we have lost credibility with the people out there. I am delighted to have his support in it.

I want to also say that I join in his mention of the Senator from Georgia (Mr. TALMADGE), the father of rule 29.5. It was amended on his motion, and it was overwhelmingly adopted by the Senate on February 1, 1977.

Certainly the wisdom that was shown by the senior Senator from Georgia 2 years ago is coming to everybody's attention, and all of us are joining in. The Senator from Georgia saw the wisdom of this 2 years ago, when he saw that we needed to do something. I think it is very significant to note that the Agriculture Committee provided impact statements in their reports, without exception. I have been told that members of the committee have found that the information generated was very helpful.

The Senator from Georgia has been the pioneer in this. I am delighted to yield to him on this subject that we now follow, a subject that he started.

Mr. TALMADGE. I thank the distinguished Senator from Florida.

THE TALMADGE RULE—2 YEARS LATER

Mr. President, on February 1, 1977, the Senate approved an amendment to rule 29 of the Standing Rules of the Senate to require that a regulatory impact statement be included in the report which accompanies every bill or joint resolution reported to the Senate by any committee of the Senate. The Senate adopted this amendment overwhelmingly on a rollcall vote of 74 to 20.

I would like to commend the Senator from Florida (Mr. CHILES), the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. HUDDLESTON), and my colleague from Georgia (Mr. NUNN) for their efforts in bringing to the attention of the Senate the failure to comply with the requirements of rule 29.5. I applaud the concern my colleagues have shown regarding the need for adherence to this rule, and I pledge my total cooperation in a renewed effort to bring this problem to the attention of the full Senate.

Now, over 2 years after the adoption of my amendment, we should examine the extent to which it has been effective and, if not, what should be done.

Under the amended rule 29, committees must include in their reports on legislation a statement of the regulatory impact which would be incurred in carrying out the bill or joint resolution. This evaluation is to include, first, an estimate of the numbers and types of individuals and businesses who would be regulated; second, a determination of the economic impact of the regulation on the individuals, consumers, and businesses affected; third, a determination of the impact on the personal privacy of the individuals affected; and fourth, a determination of the amount of additional paperwork that will result. The paperwork determination is to include the amount of time and the costs to be required of those affected and an estimate of the recordkeeping requirements that may be associated with the legislation.

Mr. President, I became interested in amending the Senate rules to require a regulatory impact statement because of my own experiences in the legislative process. Time after time since I have been in this body, I have seen the Congress enact broad and sweeping legislation to regulate entire sectors of the economy and great numbers of people. We did so in good faith and with all good intentions. We did so in response to some real or imagined problem which seemed urgent at the time.

In many cases, we failed to thoroughly evaluate who we were regulating and how much it was going to cost the people who were being regulated. We have done this time and time again over a period of several years—piling one regulatory program on top of another—seldom wiping from the books outdated and unnecessary programs—until we have placed an intolerable burden on the people of this country and on the Nation's economy.

We have greatly limited the ability of our economy to grow and we have hindered the ability of industry to increase productivity. We have limited the capacity of the Nation's economy to provide the standard of living that our people have come to expect. Estimates of the cost of complying with Federal regulatory programs run over $100 billion annually.

When our constituents cry out against Government regulation, we blame the bureaucrats. We entertain measures to limit the power of bureaucrats. We talk about increased congressional oversight. All too often we have legislated unlimited mandates for regulation on one hand, while crying bureaucratic interference on the other. We have blamed the bureaucracy. We have blamed everybody but ourselves. Never, with the exception of our improvements to rule 29, have we made an attempt to place the blame where it squarely belongs and put our own house in order.

Certainly, the bureaucrats are partially to blame. It is in the nature of the Federal bureaucracy to constantly seek more power, more funding, and more personnel for itself.

However, the Congress must share equal blame, because no bureaucrat can issue a regulation without a statutory basis for that regulation. No bureaucrat has the personnel to implement a new regulatory program without appropriations by the Congress.

Upon the adoption of this rule in 1977, I wrote to President Carter and to the Director of the Office of Management and Budget to request that the President, by Executive order, require all executive branch agencies to include in their reports on legislation a regulatory impact statement. President Carter has now established a new Regulatory Council to coordinate regulatory policy and to take into account the economic impact and the inflationary potential of Federal regulatory policies. I applaud the President for his efforts in this regard. Unfortunately, the President is being strongly criticized by some Members of Congress for his efforts. I believe that the President has heard the voice of the people speaking on this issue, and I suggest that we in Congress had also better listen to this voice.

Mr. President, I think the last election sent a strong message to many elected officials. The message that the voters sent us was that they are fed up, not only with excessive Government spending, but also with excessive Government regulation.

I hope that the 96th Congress will take concrete action to address both of these issues. I will certainly do my part to see that we do take the appropriate action on these issues. I suggest that the time has ended when we can legislate willy-nilly without any real concern for the regulatory impact, economic cost, or the effect on individual privacy. We have a responsibility as legislators to refrain from any legislation until we can answer these basic questions: First, who will the legislation affect? Second, what will the legislation cost those to be regulated? Third, what will it cost the Government? Fourth, how much new paperwork and redtape will result?

We must insist on answers to each of these questions before we enact legislation.

This year, the final report on Federal regulation issued by the Senate Governmental Affairs Committee recommended that all regulatory agencies be required to estimate and then publicly project cost benefits and other impacts before they can issue a new rule or regulation. Senator RIBICOFF and others have introduced legislation, S. 262, to implement this recommendation.

Other well-considered proposals have also been offered by a number of our colleagues, and they will warrant very thorough study in the months ahead. The Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Kentucky (Mr. HUDDLESTON), my colleague from Georgia (Mr. NUNN), and others have been conscientiously applying their energies to this critical matter, and I look forward to working closely with them as we move toward enactment of vitally needed improvements in this area of regulatory concern.

As has been pointed out by the distinguished Senator from Florida and the distinguished Senator from Texas, the American people are fed up with regulation from the cradle to the grave by every agency of the Federal Government.

As the Senator from Texas has pointed out, many of these regulations are worthwhile, many of them are necessary. But every time we pass a simple law, as the Senator from Florida and the Senator from Texas have pointed out, the Federal agencies write rule after rule, and American businesses today, from the peanut vendor to the largest corporation in America, are overwhelmed with paperwork. It is adding to the inflationary spiral, they tell us, at least $100 billion a year.

It is time for the committees of the U.S. Senate, when we are acting on a bill that has been reported from the committees, to state who is being regulated, the extent of that regulation, and the cost of the regulation.

That will enable the Senate to stop, look, and listen before we pass more laws that will place more burdens on the American electorate. I commend you, and pledge my total cooperation with your effort.

Mr. CHILES. I thank the distinguished Senator very much for his remarks. I know that his support, as in the original adoption of the bill, is going to be very important to this body, in seeing that we begin this discipline with ourselves, and then taking steps to assure that we will be able to enforce it in the bureaucracy.

Mr. DOMENICI. Mr. President, will the Senator yield me 30 seconds.

Mr. CHILES. I am delighted to yield to the distinguished Senator from New Mexico, who has joined in this effort and agreed that he will help in monitoring the bills that come before the Senate to see that we have this rule enforced. The work he has done on the Budget Committee and the other committees on which he has served shows his interest in this effort.

Mr. DOMENICI. I thank my good friend from Florida. I simply wish to congratulate him on his effort. It was my privilege to discuss this matter with him. He has mentioned that I joined with him; I reaffirm that, and wish to say that I am delighted to be here.

I think the real issue, Mr. President, is, if we are going to have a Senate rule that purports to put us on some kind of notice about the expensiveness that might be flowing from one of our bills or resolutions in terms of regulations of our people, the issue is whether we are going to be credible. That is why I came down. I think if we are going to say something in our rules that is supposed to have a salutary impact in this area, we ought to follow it. We ought to protect our people.

So I hope we will get our committees to comply, and I hope they will be serious in their evaluation. I hope we will live up not only to the spirit of the resolution, but also to its letter in considering its implications.

Mr. CHILES. I thank the Senator. I think the Senator from New Mexico

makes a very valid point. It is one thing to put into the law some language to say we have studied the impact, and it is another to have the committees really take this up as part of their deliberations and be conscious that there is going to be an impact, how the bureaucrats are going to treat it, and what kind of regulations the measure leaves it open for them to introduce. If there is some way we can narrow the area, so that if information is available from other sources, we can tell them to use that information, for goodness sake, and not draw up another form.

If the committees just make some kind of boiler plate stamp that they put on there, we will not accomplish much. I think it is going to take more and more of us sitting on the committees, not just policing the floor, to accomplish that.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. TALMADGE. Mr. President, does the Senator from Georgia have 15 minutes allotted to him on this colloquy?

The ACTING PRESIDENT pro tempore. There is 15 minutes allotted to the Senator from West Virginia.

Mr. TALMADGE. I yield 2 minutes of my time at this time to the distinguished Senator from Florida.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHILES. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I congratulate the Senator from Georgia and the Senator from Florida for what they are doing in this area, and also the Senator from Texas for the diligent effort he has made to reduce needless Federal regulations.

It occurs to me that in addition to what the Senator is advocating, it would be well if we could make each department or each agency within each department come up with an estimate, every year, of what it is costing the American people to comply with the regulations and the redtape of their departments.

The Secretary of HEW was in my office the other day, and he said—and I am happy to receive the word—that he has succeeded in reducing the regulations of HEW by about 10 percent.

That is a good sign. But there is still a long way to go. For example, a study was done in California of the work necessary to process one welfare claim. The study concluded that if all the necessary forms were placed end to end, the paper necessary to process one claim would be 70 feet long, or roughly about 70 pages. They concluded that you do not need all that; all you really need is about a 4-page statement, with one blank sheet to put in any relevant additional information that might occur to the person interviewing the applicant. That is a far cry from filling out 70 pages of information.

I am sure that there are many other areas where, if one would just analyze everything being done that is not really necessary, enormous savings could be made, and of course, those savings could be used to help reduce the budget deficit.

Mr. CHILES. I think the Senator raises a very valid point of having some kind of estimate or requirement for the agencies as to what the cost would be. I was sitting in the Budget Committee today, listening to private economists. One of the private economists was testifying just this morning. He said that while we do not ever expect to get the money back for the regulations, it would be sort of nice if the American people knew what kind of a tax they placed on us by virtue of these regulations we have to comply with. The bureaucracy, when they issue one of these regulations, considers that it is sort of free, that we have to do it, they are not going to pay us to do it. As he said:

> We do not feel like we even get credit for the fact that it is costing us umpty dollars in a hidden tax. That is what it amounts to.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. TALMADGE. I yield 1 additional minute to the Senator from Florida, and ask that he yield me 15 seconds.

Mr. ROBERT C. BYRD. Mr. President, may I be recognized under my order?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. I yield the Senator from Florida 5 minutes.

Mr. CHILES. I yield to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I express my deep appreciation to the distinguished Senator from Louisiana and the distinguished Senator from New Mexico for the comments they have made.

Mr. BENTSEN. Mr. President, I ask for 1 minute from the Senator from Florida.

Mr. CHILES. I yield.

Mr. BENTSEN. Let me say that the Senator from Louisiana is absolutely right on the question of regulatory cost and its imposition. I would ask the Senator to look at a piece of legislation I have introduced, that we have a budget requirement on every agency and every department as to how much they can spend. I think it is time we have a budget guideline on how much they can make the people spend. We have no measurement on that, and we ought to be working on it. We ought to be working on a regulatory budget for this country, so that we may have some kind of understanding as to what kind of impact we are going to have in this area. The testimony before our committee last year was such as to indicate that one-half of the loss of increased productivity in this country was the result of that.

I would urge very strongly that the Members of this body take a look at that piece of legislation and see if they cannot support it.

Mr. CHILES. Mr. President, I yield 2 minutes to the distinguished Senator from Kansas, who has also been one of those who has evidenced his support in helping monitor the bills that have come before the Senate, to see that there is an effort to make sure that we do strictly observe Senate rule 29.5. The Senator from Kansas, as a member of the Budget Committee, has on every occasion I have heard, when he had an opportunity to do so, expressed his concern about the growing cost of paperwork and regulations.

Mr. DOLE. I thank my distinguished colleague. I think the statement the Senator from Kansas will make has been made a number of times.

I commend the distinguished Senator from Florida. I would hope that we would follow the rule. Certainly, the Senator from Kansas, as every other Senator in this body, is concerned about paperwork. I would hope that this colloquy this morning will give it more emphasis.

Mr. President, the Senator from Kansas is pleased to offer his support to the effort to monitor committee reports to insure that rule 29, clause 5 of the Senate rules is enforced.

FEDERAL BUREAUCRACY

The Federal bureaucracy is clogged with paperwork. The effective implementation of governmental services is often hindered by the abundance of paperwork and excessive regulation. Congress can prevent the creation of a greater paperwork burden, by evaluating the possible paperwork that proposed legislation may generate. Rule 29, clause 5 of the Senate rules requires that a committee report accompany a bill or joint resolution of a public character. The report should include an evaluation of the amount of additional paperwork that the bill or joint resolution would create. Only the Appropriations Committee is exempt from this requirement.

REQUIREMENTS OF RULE 29.5

Rule 29, clause 5 further requires that committee reports analyze bills or joint resolutions of a public character, to determine which citizens will be affected and the probable economic consequences of regulation.

HISTORY OF RULE 29.5

The Senator from Kansas encourages Members of the Senate to comply with Senate rule 29, clause 5 so that taxpayers dollars can be most effectively allocated. This requirement was incorporated into the Senate rules during the 95th Congress although it was not wholeheartedly enforced. During the 95th Congress almost one-third of the committee reports on public bills and resolutions did not include the required regulatory impact evaluation.

SANCTIONS OF RULE 29, CLAUSE 5

The Senator from Kansas hopes that the Senate follows the direction of Senate rule 29, clause 5 by declaring that it is not in order for the Senate to consider any bill or joint resolution that is not accompanied by the required regulatory impact evaluation.

Mr. TALMADGE. Will the Senator yield me 10 seconds?

Mr. CHILES. I yield.

Mr. TALMADGE. I express my appreciation and commendation to the distinguished Senator from Kansas.

Mr. CHILES. Mr. President, I have a statement from the junior Senator from Georgia (Mr. NUNN) which I would like to have inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR NUNN

I am pleased to join with my good friend Senator Talmadge and other of my distinguished colleagues here today to speak on one of the most critical problems facing our economy, and that is the crushing burden of excessive government regulation and federal paperwork. If we are ever to begin to bring inflation under control and restore our economy to full health, we cannot afford to continue to ignore the effects of the spiraling costs of government regulation to businesses and consumers.

The Commission on Federal Paperwork, established during the 93rd Congress with my full support, has described the costs of Federal paperwork and red tape as a "heavy hidden tax" which must be borne by the American people. I couldn't agree more. This burden falls on everyone's lives, either directly or indirectly, and the tens of billions of dollars that it costs each year to simply fill out and process Federal forms are as much a levy on the incomes of our Nation's citizens as any tax that I know of.

The total cost of federal paperwork is enormous; the Paperwork Commission estimated that it may exceed $100 billion each year. Of this, between $25 and $32 billion falls on private business, and almost $9 billion is shouldered by individuals.

However, the burdens of paperwork go beyond the simple dollar costs of filling out forms. Economic costs result when a school disregards a $4,500 grant because it would have required $6,000 in paperwork; psychological burdens are imposed when a college level reading ability is needed to understand the instructions for the simplest of federal income tax forms; and the cumulative burdens become crushing when one company has to comply with Federal requests for 8,800 reports from 18 different agencies in one year.

The message with respect to levying taxes is: Like shearing sheep, you stop when you reach the skin. I believe that we have reached that very point in terms of the "Hidden Tax" of paperwork. Today, the rules promulgated by the more than 60 Federal agencies with power to regulate our lives are pervasive. Virtually every facet of our society and economy is restricted by unelected bureaucrats who are fast becoming the fourth branch of government. If this trend is allowed to continue, we will find ourselves in a position where everything that is not prohibited is mandatory.

The message that our citizens are sending us is loud and clear: enough is enough! The burdens of Federal Red Tape and paperwork, and the stranglehold of Federal regulations are intolerable.

While there are several steps which should be taken in order to provide relief for the "hidden tax"-payer, I believe that we in the Congress should first get our own house in order. Beginning in the 94th Congress, I joined with several of my colleagues here today in circulating a letter to members of the Senate which announced our intention to question the paperwork impact of legislation reaching the floor of the Senate. Once again, in the 95th Congress, a similar letter was circulated. Several Senators, I am pleased to note, indicated their willingness to help in this effort. Shortly thereafter, during consideration of Senate Resolution 4, the Committee Reorganization Bill, the Senate as a whole gave a similar commitment to this cause when an amendment which I joined my distinguished senior colleague from Georgia, Senator Talmadge, in offering was overwhelmingly adopted. This amendment is now Rule 29, Section 5(A)(1)(D) of the Senate Rules: It requires that each bill reported out of Committee be accompanied by an estimate of the regulatory impact of the measure—both who will be regulated and how much they will be regulated. Under the rule, bills that do not include such statements are not in order for the Senate to consider.

Unfortunately, the Senate's performance during the 95th Congress on this rule was poor. Out of 688 Committee Reports that fall under the rule, 216 did not make any statement whatsoever regarding the Rule's requirements. I have therefore, once again, joined with Senators Chiles, Bentsen, Huddleston and my other good friends here today in alerting our colleagues of our intention to monitor committee reports and bring to the full Senate's attention any committee reports which make no attempt to follow this rule.

It is time to stop paying lip-service to the goal of reducing federal paperwork; I can think of few better times to consider the paperwork and regulatory impact than at the beginning of the legislative process. Committees must therefore begin to request paperwork analyses of executive branch agencies who will be implementing the law, public groups who will have to bear its burdens, and the GAO, who can help to estimate costs. In this fashion, the Senate will have a better basis from which to select the least burdensome way to get a job done.

Last June, I was pleased to take part in a hearing chaired by my good friend, Senator Chiles, Chairman of the Subcommittee on Federal Spending Practices and Open Government of the Senate Governmental Affairs Committee, on Federal efforts to reduce paperwork. At that time, the General Accounting Office offered its assistance in the process of fully implementing Rule 29.5. As I noted at that time, it is time to take the Comptroller up on his offer. I therefore want to reaffirm my willingness to take the cause of the "hidden tax"-payer to the floor of the Senate. We owe our citizens, our businesses, and our state and local governments no less.

THE BURDEN OF PAPERWORK AND REGULATION

● Mr. HUDDLESTON. Mr. President, there can be no doubt that the tremendous burden of paperwork and regulation being pressed upon so many American citizens and American businesses should be of the utmost concern to those of us who serve in the Senate. The paperwork problem is not a new one. However, it is one which we must address if the productivity of our business community is to be protected and the growing suspicion that Government no longer trusts responsible citizens is to be eliminated. Notwithstanding the progress being made on the recommendations of the Federal Commission on Paperwork and despite some gains by the executive branch, it is my very strong feeling that not nearly enough has been done here in the legislative branch to avoid the "hidden taxes" that are imposed by the laws we enact.

A recitation of the outrageous paperwork problems which beset the American public will do no good. What will help and could perhaps turn out to be the biggest step forward in this battle is for the Senate to begin to keep its own house in order.

Specifically I refer to adherence to rule 29, clause 5. As all of my colleagues should be aware, this rule requires that a regulation and paperwork evaluation be included in the committee report accompanying each bill or joint resolution of a public character. To say that we have been lax thus far in complying with this rule would be an understatement. The distinguished senior Senator from Florida, Senator CHILES, in his position as chairman of the Subcommittee on Federal Spending Practices, has made an exhaustive survey of the results of our performance on this rule. I believe that a cursory examination of this survey will prove conclusively that we have been extremely negelectful. I commend Senator CHILES for his efforts in this matter and exhort our colleagues to examine his report.

Recently Senator CHILES, Senator NUNN, Senator BENTSEN, and I contacted Members of the Senate regarding actions which we plan to take relative to rule 29. I sincerely hope that you will review this correspondence carefully and join us in our efforts.

Certainly key questions that need to be answered in complying with rule 29 are:

First, who will have to file and complete reports after the Federal bureaucrats take our legislation and publish their regulations? For instance, we may want to know how a piece of legislation will affect our small business or our elderly citizens.

Second, how long will it take the person affected by the regulations to fill out the required paperwork? Some bureaucrats call this "number of man-hours of reporting."

Third, what steps do the sponsors or floor managers of the bills we question expect a Federal agency to take to limit the number of forms and the amount of time it takes to fill them out? We will also question the costs to the person who fills out the forms. We all know that many of those people who would have to fill out the forms are already hard at work complying with the existing paperwork burden.

Fourth, what steps can be taken to insure that there is no unnecessary duplication in paperwork when the regulatory authority we give an agency already exists somewhere else and may have led to a reporting requirement?

We do not intend to tie up the business of the Senate with our activities. However, it should be made clear to all those involved in the development of committee reports that we mean to assure that the rules of the Senate are followed. Only in this manner can we hope to begin to stem the ominous tide of unnecessary paperwork.●

Mr. CHILES. Mr. President, I yield the floor.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for morning business be extended to not to exceed 60 minutes with statements limited therein to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield 1 minute to the Senator from California.

Mr. HAYAKAWA. I thank the distinguished majority leader.

SENATOR TALMADGE

Mr. HAYAKAWA. Mr. President, may I take a moment first of all to congratulate Senator TALMADGE on his return to the floor, his recovering his health, his strong voice heard again on the floor, and his obvious good looks, indicating that he is in fine, fine health. I welcome him back to the chairmanship of the Agriculture Committee on which we missed him very much.

Mr. McGOVERN. I join with the Senator in those comments.

Mr. TALMADGE. If the Senator will yield, I express my deep appreciation to the Senator from California for his statement, for which I am grateful.

I also express my deep appreciation to the distinguished Senator from South Dakota, who served as acting chairman of the Agriculture Committee during my absence and did an excellent job, for which I am grateful.

Mr. ROBERT C. BYRD. Mr. President, I want to express my appreciation, gratitude, satisfaction, and pleasure in seeing the distinguished senior Senator from Georgia (Mr. TALMADGE) back in the Chamber following his short stay away from the Senate. We missed him. He looks hale and hearty. He has demonstrated once again his very acute mind, his quick and agile way of responding in repartee, and also his clear understanding of the issues being discussed here earlier which, as was indicated, he helped to initiate in connection with the standing rules of the Senate.

Mr. HOLLINGS. Mr. President, I join with the distinguished Senator from West Virginia, our majority leader, in his comments.

Mr. President, for just a moment, I have served in public office now for 30 years. I have known Senator TALMADGE for all those years. We do not have a stronger or wiser voice in my section of the United States than that of the distinguished Senator from Georgia.

The record will show that during those 30 years he has been the most diligent, hardworking fellow in public office I have ever met. If he suffered any illness, it has been from the strain of hard work and dedication on behalf of the people. He is not a philanderer. He is not like some of these youngsters taking trips and doing other things from time to time. He is there working day and night. Perhaps that is one of his faults. He works too hard at it. I am glad to see he is fully recovered and in harness back here in the Senate Chamber. We need his voice, his judgment, and his counsel, particularly in these trying times. He has the experience and has proved himself throughout the years. I join in the remarks of our distinguished majority leader in welcoming him back.

(Mr. FORD assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from South Carolina.

Again, I want to welcome, with all the warmth, appreciation, and pleasure that I can bring to bear with my words, HERMAN TALMADGE on his return to the Senate.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the distinguished Republican leader.

Mr. BAKER. Mr. President, I join my colleagues on the other side in extending to the distinguished Senator from Georgia a very warm welcome.

He is such a fixture in this Chamber, I must say that when I came in this morning and saw him in the Chamber holding forth with his usual strength and eloquence, I hardly felt he had been gone at all.

I am delighted he is back. The Senate is better for it.

I am delighted and happy to see him so well and so vigorous.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. LONG. Mr. President, I join my colleagues in welcoming back the Senator from Georgia.

I have benefited from his friendship. From the day he came here, many times it has been my privilege to lean on him to preside over the committee. He has done much of the very difficult detail work that had to be done on the Finance Committee.

He has been a tower of strength and has demonstrated more good common sense—which I think is probably the greatest and scarcest commodity we have around here—than really any Member of this body during the time he has been here.

I am pleased to say we have managed to make it and keep the business rolling along in his absence, but we are happy to have him back because we have some hospital cost containment bills, hospital legislation, which will require his attention.

Some of us can play a part, but I do not believe there is anyone who more thoroughly understands the problems inherent in health legislation and the hospital containment problems than does the Senator from Georgia.

We are glad to have him back and see him looking like a million dollars.

Mr. CHURCH. Mr. President, I just want to join with the others here this morning in welcoming back the distinguished Senator from Georgia.

He and I came to the Senate at the same time. We have worked together through the years. It just did not seem natural not to have him with us these past few weeks.

I am glad to see him back again looking so hale and hearty.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. I thank the Senator for yielding to me for one sentence on the Senator from Georgia. I may have to leave the floor on a compelling matter.

I have oftentimes referred to the Senator's work as being a "battleax"—a battleax here in the Senate regarding anything he takes after.

I am glad to see this morning that the Senate's battleax is back and in trim shape and form.

Mr. MATSUNAGA. Mr. President, I wish to join with my colleagues in welcoming back the Senator from Georgia (Mr. TALMADGE).

I am privileged to serve on the subcommittee which he chairs, the Subcommittee on Health of the Finance Committee. In this role and in his other positions he has shown farsighted leadership.

It is frequently the case, as Shakespeare said, that "The good is oft interred with the bones." But that can never be the case with HERMAN TALMADGE.

We can never forget the good that HERMAN TALMADGE has done. The programs he has fought for, stand as permanent testimony of our debt to him.

For example, he was the author of landmark legislation in 1970 to expand the national school lunch program; the Talmadge legislation sought to provide meals for every needy school child in the Nation. He also championed the cause of rural development and pushed through the Rural Development Act in 1972 to improve financially small communities and farms. He was instrumental in shaping the 1962 Trade Expansion Act to foster international trade. He has championed the cause—as chairman of the Subcommittee on Health—of medicare cost containment and catastrophic health insurance. He has also authored legislation providing employment and job training to welfare recipients under the work incentive programs.

These are just a few of HERMAN TALMADGE's many achievements which have benefited, and continue to benefit, the entire country. The good he has done will never be interred, his good works stand as living testimony to this honored and revered Senator, HERMAN TALMADGE.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. TALMADGE. Mr. President, I am overwhelmed by the warm, generous, and eloquent statements of my colleagues this morning.

I desire to express my deepest, heartfelt appreciation to the distinguished majority leader, the Senator from West Virginia; the distinguished minority leader, the Senator from Tennessee; the distinguished Senator from South Carolina; the chairman of the Senate Finance Committee, the distinguished Senator from Louisiana (Mr. LONG); my distinguished colleague, the Senator from Idaho (Mr. CHURCH), the chairman of the Committee on Foreign Relations, the distinguished Senator from Mississippi (Mr. STENNIS), the chairman of the Armed Services Committee; my distinguished colleague on the Senate Finance Committee (Mr. MATSUNAGA).

Their generosity, warmth, and friendship mean a great deal to me. I shall always cherish the friendship of these gentlemen, and of all my colleagues in the U.S. Senate.

Mr. DOLE. Mr. President, let me say, as I intended to say a little later on, that I certainly join my colleagues. Having had the high privilege of being the ranking Republican on the Senate Agriculture Committee and working very closely with my distinguished chairman (Mr. TALMADGE), I can say without equivocation or hesitation that I do not know of a fairer chairman than Senator TALMADGE, and I might add, Senator LONG.

But, in any event, having worked very closely in good times and bad times on the Senate Agriculture Committee, as the distinguished Senator from Georgia understands, I do not believe we have

ever had any real partisan differences. I think that has been the strength of the Senate Agriculture Committee—it is a bipartisan effort to approach some of the farmers problems.

The distinguished Senator from Hawaii pointed out the school lunch program, the food stamp program, a whole series of programs that are addressed by that committee.

I know everyone on that committee joins the Senator from Kansas in welcoming the Senator from Georgia back. We need his leadership. We need his insight. We need his input. Above all, we need his support, and he has ours.

I thank the Chair.

Mr. TALMADGE. Mr. President, I desire to express my heartfelt appreciation for the warm words of friendship of the distinguished Senator from Kansas.

As he has stated, he has been the ranking minority member of that Committee on Agriculture, Nutrition, and Forestry for a number of years. He and I have had the privilege of working together hand in glove, trying to improve the income and lot of the people who produce the food and fiber in this country.

I am very proud of the fact that I have served on the Committee on Agriculture, Nutrition, and Forestry now for a little more than 22 years. I have never seen a party line vote on the Committee on Agriculture, Nutrition, and Forestry during that period.

We recognize the fact that agricultural issues are not partisan. Agriculture is a matter that addresses itself above and beyond partisanship. That is the way we operate in the Senate Committee on Agriculture, as the Senator knows and has stated.

Also, in the Subcommittee on Health of the Senate Finance Committee, the distinguished Senator from Kansas is the ranking minority member. We have worked hand in glove, not just this year, not just last year, but for several years on health care costs. We saw the problems in this area even before President Carter took office.

I will introduce on behalf of the Senator from Kansas and myself this morning a bill to try to control the cost of medicare and medicaid.

I appreciate the Senator's cooperation and his friendship greatly.

SPECIAL ORDER

The PRESIDING OFFICER. The Senator is recognized in his own right. The Senator from Georgia has 14 minutes.

Mr. TALMADGE. I yield myself such time as I may require.

S. 505—MEDICARE-MEDICAID ADMINISTRATIVE AND REIMBURSEMENT REFORM ACT OF 1979

Mr. TALMADGE. Mr. President, on behalf of myself and Senator DOLE, I am introducing today the Medicare-Medicaid Administrative and Reimbursement Reform Act of 1979.

This proposal is similar to legislation which I sponsored in the two previous Congress—S. 3205 in the 94th Congress and S. 1470 in the last Congress.

The substance of S. 1470 was subsequently reported by the Committee on Finance as an amendment to H.R. 5285 and passed by the Senate shortly before the end of the last Congress.

Unfortunately, the House did not have time to act on the bill.

The current version of the bill contains a number of provisions that were added to the previous bill by the committee and during its consideration by the Senate.

Like its predecessors, the bill deals with many of the problems we face in the medicare and medicaid programs.

The most pressing of these problems is the continued explosion in the costs of those programs.

Medicare and medicaid will cost the Nation's taxpayers more than $55 billion in fiscal 1980.

That enormous expenditure is up from $44 billion in fiscal 1978 and up from $39 billion in fiscal 1977.

The numbers alone clearly indicate that change is necessary.

The bill makes orderly modifications in various aspects of physician reimbursement, long-term care and general provisions of medicare and medicaid.

Benefit improvements such as dropping the limitation on home health services under medicare and waiving deductible and coinsurance requirements for ambulatory surgery are also included.

Clearly, however, the most significant provision of the committee bill is section 2—reform of hospital reimbursement under medicare and medicaid.

The essence of that reform involves abandoning the present system which has been characterized as: "The more you spend—the more you get paid."

In place of that open-ended approach, the bill provides for a system whereby the reasonableness of a given hospital's costs would be determined by comparing those costs with the average costs in similar hospitals.

It is a system which provides incentive payments as a reward for efficient hospital operation and which reduces payments in the case of inefficient operation.

It is a system which, by means of a health care facilities costs commission, has a mechanism for ongoing refinement and improvement as the "state of the art" of hospital costs comparison develops.

It is a system which provides for orderly extension of reasonable limitations—along with rewards and penalties—to all hospital costs, not just routine costs, as soon as appropriate and equitable methods of comparing those nonroutine costs are developed.

Mr. President, I would like to emphasize that section 2 of the current bill is similar to section 2 of the bill as it was introduced in the last Congress.

It would change the way medicare and medicaid reimburse hospitals.

It is not patterned after the provision that the Senate adopted as a substitute which would have established a system for controlling all hospital costs.

The bill I am introducing does not involve Government in its role as regulator—it is the Government in its role as a purchaser of hospital care, the Government as a prudent buyer.

For example, when the Federal Government purchases automobiles, it tries to buy those cars at the lowest cost it can negotiate.

That is not the same thing as placing price controls on the entire automobile industry.

Regardless of what may be done about overall hospital costs containment, the Government, in its direct expenditure of taxpayer dollars, has an obligation to spend those dollars as reasonably and as efficiently as possible.

That is what the bill seeks to do.

The bill is not designed to limit all hospital revenues.

This is not a bill to indiscriminately cut and gut hospital operations.

This is a bill, Mr. President, which seeks to do no more—and no less—than to reform Government payment methods to hospitals with a system designed to encourage moderation by rewarding efficiency and not paying for inefficiency.

It is also appropriate to point out that, like its predecessors, S. 3205 and S. 1470, it is a bipartisan proposal.

In particular, the many hours of knowledgeable and dedicated effort of Senator BOB DOLE, ranking minority member of the Subcommittee on Health, are noteworthy.

Senator DOLE worked long and hard during the drafting process and, following introduction, the extensive hearings which followed.

The bill reflects his conscientious efforts and concern.

Mr. President, I ask unanimous consent that the bill and a summary description be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare-Medicaid Administrative and Reimbursement Reform Act of 1979".

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CRITERIA FOR DETERMINING REASONABLE COST OF HOSPITAL SERVICES

SEC. 2. (a)(1) The first sentence of section 1861(v)(1)(A) of the Social Security Act is amended by striking out "The" and inserting "Subject to subsection (bb), the".

(2) Section 1861(v) of such Act is further amended by adding at the end thereof the following new paragraph:

"(8) For additional requirements applicable to determination of reasonable cost for services provided by hospitals, see subsection (bb) and section 1127(c)(3).".

(b) Section 1861 of such Act is amended by adding after subsection (aa) the following new subsection:

"Criteria for Determining Reasonable Cost of Hospital Services

"(bb)(1) In order more fairly and effectively to determine reasonable costs incurred in providing hospital services, the Secretary shall, not later than April 1, 1980, after consulting with appropriate national organizations, establish a system of hospital classification under which hospitals furnishing services initially will be classified—

"(A) by size, with each of the following groups of hospitals being classified in separate categories: (i) those having more than 5, but fewer than 25 beds, (ii) those having more than 24, but fewer than 50 beds, (iii) those having more than 49, but fewer than 100 beds, (iv) those having more than 99, but fewer than 200 beds, (v) those having more than 199, but fewer than 300 beds, (vi) those having more than 299, but fewer than 400 beds, (vii) those having more than 399, but fewer than 500 beds, and (viii) those having more than 499 beds;

"(B) by type of hospital, with (i) short-term general hospitals being in a separate category, (ii) hospitals which are primary affiliates of accredited medical schools being in one separate category (without regard to bed size), and (iii) psychiatric, geriatric, maternity, pediatric, or other specialty hospitals being in the same or separate categories, as the Secretary may determine appropriate, in light of any differences in specialty which significantly affect the routine costs of the different types of hospitals;

"(C) as rural or urban; and

"(D) according to such other criteria as the Secretary finds appropriate, including modification of bed-size categories;

but the system of hospital classification shall not differentiate between hospitals on the basis of ownership.

"(2) The term 'routine operating costs' used in this subsection does not include—

"(A) capital and related costs,

"(B) direct personnel and supply costs of hospital education and training programs,

"(C) costs of interns, residents, and nonadministrative physicians,

"(D) energy costs,

"(E) malpractice insurance expense, or

"(F) ancillary service costs.

"(3)(A) During the calendar quarter beginning on January 1 of each year, beginning with 1980, the Secretary shall determine, for the hospitals in each category of the system established under paragraph (1), an average per diem routine operating cost amount which shall (except as otherwise provided in this subsection) be used in determining payments to hospitals.

"(B) The determination shall be based upon the amount of the hospitals' routine operating costs for the most recent accounting year ending prior to October 1 of the calendar year preceding the calendar year in which the determination is made. If, for any accounting year which starts on or after July 1, 1980, a hospital's actual routine operating costs are in excess of the amount allowed for purposes of determining payment to the hospital pursuant to this subsection and subsection (v), only one-half of such excess shall be taken into account in making any determination which the Secretary shall make under this paragraph.

"(C) In making a determination, the routine operating costs of hospitals in each category shall be divided into personnel and nonpersonnel components.

"(D)(i) The personnel and nonpersonnel components of routine operating costs for hospitals in each category (other than for those excluded under clause (ii)) shall be divided by the total number of days of routine care provided by such hospitals to determine the average per diem routine operating cost for such category.

"(ii) In making the calculations required by subparagraph (A) the Secretary shall exclude any newly opened hospital (as defined in the second sentence of paragraph (4)(F)), and any hospital which he determines is experiencing significant cost differentials resulting from failure of the hospital fully to meet the standards and conditions of participation as a provider of services.

"(E) There shall be determined for each hospital in each category a per diem target rate for routine operating costs. Such target rate shall equal the average per diem routine operating cost amount for the category in which the hospital is expected to be classified during the subsequent accounting year, except that the personnel component shall be adjusted using a wage index based upon general wage levels for reasonably comparable work in the areas in which the hospitals are located. If the Secretary finds that, in an area where a hospital in any category is located for the most recent twelve-month period for which data with respect to such wage levels are available, the wage level for such hospital is significantly higher than such general wage level in that area (relative to the relationship within the same hospital group between wages and such general wages in other areas), then such general wage level in the area shall be deemed equal to the wage level for such hospital, only with respect to the hospital's first accounting year beginning on or after July 1, 1980.

"(4)(A)(i) The term 'adjusted per diem target rate for routine operating costs' means the per diem target rate for routine operating costs plus the percentage increase in costs determined under the succeeding provisions of this subparagraph.

"(ii) In determining the adjusted per diem target rate, the Secretary shall add an annual projected percentage increase in the cost of the mix of goods and services (including personnel and nonpersonnel costs) comprising routine operating costs, based on an index composed of appropriately weighted indicators of changes in the economy in wages and prices which are representative of services and goods included in routine operating costs. Where actual changes in such weighted index are significantly different (at least one-half of 1 percentage point) from those projected, the Secretary shall issue corrected target rates on a quarterly basis. At the end of the hospital's accounting year, the target rate shall be adjusted to reflect the actual changes in such weighted index. Adjustments shall also be made to take account of changes in the hospital's classification.

"(B) For purposes of payment the amount of routine operating cost incurred by a hospital for any accounting year which begins on or after July 1, 1980, shall be deemed to be equal—

"(i) in the case of a hospital which has actual routine operating costs equal to or greater than that hospital's adjusted per diem target rate for routine operating costs, to the greater of—

"(I) the hospital's actual routine operating costs, but not exceeding—

"(a) in the case of the first accounting year of any hospital which begins on or after July 1, 1980, and prior to July 1, 1981, an amount equal to the aggregate of (1) 100 percent of the hospital's adjusted per diem target rate for routine operating costs, plus (2) 15 percent of the amount described in clause (1), and

"(b) in the case of any accounting year after the accounting year described in clause (a), an amount equal to the aggregate of (1) 100 percent of the hospital's adjusted per diem target rate for routine operating costs for such year, plus (2) a dollar amount equal to the dollar amount determined under clause (a)(2) for the category of such hospital, or

"(II) the amounts determined for the hospital under division (I) if it had been classified in the bed-size category which contains hospitals closest in bed-size to such hospital's bed-size (with a hospital which has a bed-size that falls halfway between two such categories being considered in the category which contains hospitals with the greater number of beds), but not exceeding the hospital's actual routine operating costs; and

"(ii) in the case of a hospital which has actual routine operating costs which are less than that hospital's adjusted per diem target rate for routine operating costs, to (I) the

amount of the hospital's actual routine operating costs, plus (II) the smaller of (a) 5 percent of the hospital's adjusted per diem target rate for routine operating costs, or (b) 50 percent of the amount by which the hospital's adjusted per diem target rate for routine operating costs exceeds the hospital's actual routine operating costs.

"(C) Any hospital (other than a newly opened hospital) excluded by the Secretary under paragraph (3)(D)(ii), shall be reimbursed for routine operating costs on the basis of the lesser of (i) actual costs or (ii) the reimbursement determined under this subsection.

"(D) On or before April 1 of the year in which the Secretary determines the amount of the average per diem operating cost for each hospital category and the adjusted per diem target rate for each hospital, the Secretary shall publish the determinations, and he shall notify the hospital administrator and the administrative governing body of each hospital with respect to all aspects of the determination which affect the hospital.

"(E) If a hospital is determined by the Secretary to be—

"(i) located in an underserved area where hospital services are not otherwise available,

"(ii) certified as being currently necessary by an appropriate planning agency, and

"(iii) underutilized,

the adjusted per diem target rate shall not apply to that portion of the hospital's routine operating costs attributable to the underutilized capacity.

"(F) If a newly opened hospital is determined by the Secretary to have greater routine operating costs as a result of the cost patterns associated with newly opened hospitals, the adjusted per diem target rate shall not apply to that portion of the hospital's routine operating costs attributable to such patterns. For purposes of this subparagraph a 'newly opened hospital' means a hospital which has not satisfied the requirements of paragraphs (1) and (7) of subsection (e) of this section (under present or previous ownership) for at least twenty-four months prior to the start of such hospital's accounting year.

"(G) If a hospital is determined by the Secretary to have greater routine operating costs as a result of changes in service on account of consolidation, sharing, or addition of services, where such consolidation, sharing, or addition has been approved by the appropriate State Health Planning and Development Agency or Agencies, the adjusted per diem target rate shall not apply to that portion of the hospital's routine operating costs attributable to such changes in service.

"(H)(i) If a hospital satisfactorily demonstrates to the Secretary that, in the aggregate, its patients require a substantially greater intensity of care than generally is provided by the other hospitals in the same category, resulting in unusually greater routine operating costs, then the adjusted per diem target rate shall not apply to that portion of the hospital's routine operating costs attributable to the greater intensity of care required.

"(ii) To the extent that a hospital can demonstrate that it experiences routine operating costs in excess of such costs for hospitals having a reasonably similar mix of patients on account of consistently shorter lengths-of-stay in such hospital, which result from the greater intensity of care provided by such hospital, the excess routine operating costs shall be considered attributable to the greater intensity of care required.

"(I) The Secretary may further increase the adjusted per diem target rate applicable in Alaska and Hawaii to reflect the higher prices prevailing in such States.

"(J) Where the Secretary finds that a hospital has manipulated its patient mix, or patient flow, or provides less than the normal range and extent of patient services, or that an unusually large proportion of routine nursing service is provided by private-duty nurses, the routine operating costs of that hospital shall be deemed equal to the lesser of (i) the amount determined without regard to this subsection, or (ii) the amount determined under subparagraph (B).

"(5) Where any provisions of this subsection are inconsistent with section 1861(v), this subsection supersedes section 1861(v).

"(6)(A) Notwithstanding any other provision of this Act, in the case of any State which has established a reimbursement system for hospitals, hospital reimbursement in that State under this title and under the State plan approved under title XIX shall, with respect to the services covered by such system, be based on that State system, if the Secretary finds that—

"(i) the State has mandated the reimbursement system and it at least applies to the same hospitals in the State, and to the same costs, as the Federal reimbursement reform program established by this subsection;

"(ii) every hospital in the State with which there is a provider agreement under this title or under the State plan approved under title XIX conforms to the accounting and uniform reporting requirements of section 1121 of this Act, and furnishes any appropriate reports that the Secretary may require; and

"(iii) such State demonstrates to his satisfaction that the total amount payable, with respect to inpatient hospital costs, in the State under this title and under the State plan approved under title XIX will be equal to or less than an amount equal to (I) the amount which would otherwise be payable for inpatient hospital costs in such State plan without regard to the incentive payments provided by subparagraph (B)(ii) of paragraph (4), less (II) the amount of any incentive payments which are allowed under the State's reimbursement system in recognition of demonstrated efficiencies.

If the Secretary finds that any of the above conditions in a State which previously met them have not been met for a two-year period, the Secretary shall, after due notice, reimburse hospitals in that State according to the provisions of this Act (other than this paragraph) unless he finds that unusual, justifiable and nonrecurring circumstances led to the failure to comply.

"(B) If the Secretary finds that, during any two-year period during which hospital reimbursement under this title and under the State plan approved under title XIX was based on a State system as provided in subparagraph (A), the amount payable by the Federal Government under such titles for inpatient hospital costs in such State was in excess of the amount which would have been payable for such costs in such State if reimbursement had not been based on the State system (as estimated by the Secretary), the adjusted per diem target rate for routine operating costs (as determined under the preceding paragraphs of this subsection) for hospitals in such State shall be reduced (by not more than 1 percent in any year) until the Federal Government has recouped an amount equal to such excess payment amount.

"(C)(i) The Secretary shall pay to any State in which hospital reimbursement under this title is based on a State system as provided in subparagraph (A), an amount which bears the same ratio to the total cost of administering the State system (including the cost of initially putting the system into operation) as the amount paid by the Federal Government under this title in such State for inpatient hospital costs bears to the local amount of inpatient hospital costs in such State which are subject to the State system.

"(ii) Payments under clause (i) shall be made from funds in the Federal Hospital Insurance Trust Fund.

"(iii) An amount which bears the same ratio to the total cost of administering the State system (including the cost of initially putting the system into operation) as the amount paid under the State plan approved under title XIX in such State for inpatient hospital costs bears to the total amount of inpatient hospital costs in such State which are subject to the State system, shall, for purposes of title XIX, be considered to be an amount expended for the administration of such State plan.".

(c) Part A of title XI of the Social Security Act is amended by adding after section 1126 the following new section:

"HEALTH FACILITIES COSTS COMMISSION

"SEC. 1127. (a) There is established a commission to be known as the Health Facilities Costs Commission (hereinafter in this section referred to as the 'Commission').

"(b)(1) The Commission shall be composed of fifteen members appointed by the Secretary—

"(A) at least three of whom shall be individuals who are representatives of hospitals;

"(B) at least eight of whom shall be individuals who represent public (including Federal, State, and local) health benefit programs; and

"(C) the remainder of whom shall be, as a result exceptionally well qualified to assist in serving and carrying out the functions of the Commission. One of the members of the Commission, at the time of appointment, shall be designated as Chairman of the Commission. The Secretary shall first appoint members to the Commission not later than January 1, 1980.

"(2) The Chairman of the Commission shall designate a member of the Commission to act as Vice Chairman of the Commission.

"(3) A majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(4) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as that herein provided for the appointment of the member first appointed to the vacant position.

"(5) Members of the Commission shall be appointed for a term of four years, except that the Secretary shall provide for such shorter terms for some of the members first appointed so as to stagger the date of expiration of members' terms of office.

"(6) No individual may be appointed to serve more than two terms as a member of the Commission.

"(7) Each member of the Commission shall be entitled to per diem compensation at rates fixed by the Secretary, but not more than the current per diem equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission, and all members of the Commission shall be allowed, while away from their homes or regular places of business in the performance of service for the Commission, travel expenses (including per diem in lieu of subsistence) in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"(8) The Commission shall meet at the call of the Chairman, or at the call of a majority of the members of the Commission; but meetings of the Commission shall be held not less frequently than once in each calendar month which begins after a majority of the authorized membership of the Commission has first been appointed.

"(c)(1) It shall be the duty and function of the Commission to conduct a continuing study, investigation, and review of the reimbursement of hospitals for care provided by them to individuals covered under title XVIII or under State plans approved under title XIX, with particular attention to the criteria established by section 1861(bb) with a view to devising additional methods for reimbursing hospitals for all other costs, and for reimbursing all other entities which are reimbursed on the basis of reasonable cost. These methods shall provide for appropriate classification and reimbursement systems designed to ordinarily permit comparisons (A) of the cost centers of one entity, either individually or in the aggregate, with cost centers similar in terms of size and scale of operation, (B) prevailing wage levels, (C) the nature, extent, and appropriate volume of the services furnished, and (D) other factors which have a substantial impact on hospital costs. The Commission shall also develop procedures for appropriate exceptions. The Commission shall submit to the Congress reports on its progress in addressing these issues at least once every six months during the three-year period following the date of the enactment of this section.

"(2) The Commission shall study appropriate methods for classifying and comparing hospitals which, with respect to any accounting year, derive 75 percent or more (as estimated by the Secretary) of their inpatient care revenues from one or more health maintenance organizations. The Commission shall consider recommending the classification and comparison of such hospitals as a separate category in recognition of the differences in the nature of their operations as compared with other hospitals.

"(3) The Secretary, taking account of the proposals and advice of the Commission, shall by regulation make appropriate modifications in the method of reimbursement under titles V, XVIII and XIX for routine hospital costs, other hospital costs and costs of other entities which are reimbursed on the basis of reasonable costs.

"(d) The Secretary shall provide such technical, secretarial, clerical, and other assistance as the Commission may need.

"(e) The Commission may secure directly from any department or agency of the United States such data and information as may be necessary to enable it to carry out its duties under this section. Upon request of the Chairman of the Commission, any such department or agency shall furnish any such data or information to the Commission.

"(f) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

"(g) Section 14 of the Federal Advisory Committee Act shall not apply to the Commission.".

(d)(1) Section 1866(a)(1) of the Social Security Act is amended—

(A) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and"; and

(B) by inserting after subparagraph (D) the following new subparagraph:

"(E) not to increase amounts due from any individual, organization, or agency in order to offset reductions made under section 1861(bb) in the amount paid, or expected to be paid, under this title.".

(2) Section 1902(a)(27) of the Social Security Act is amended by striking out "and" at the end of clause (A) and by inserting before the semicolon at the end of clause (B) the following: ", (C) not to increase amounts due from any individual, organization, or agency in order to offset reductions made pursuant to the requirements contained in section 1902(a)(13)(D) in the amount paid, or expected to be paid under the State plan".

(e) Section 1902(a)(13)(D) of the Social Security Act is amended to read as follows:

"(D) for payment of the reasonable cost of inpatient hospital services provided under the plan, applying the methods specified in section 1861(v) and section 1861(bb), which are consistent with section 1122; and".

PAYMENTS TO PROMOTE CLOSING AND CONVERSION OF UNDERUTILIZED FACILITIES

SEC. 3. (a) Part A of title XI of the Social Security Act is amended by adding after section 1127 (as added by section 2 of this Act) the following new section:

"PAYMENTS TO PROMOTE CLOSING AND CONVERSION OF UNDERUTILIZED FACILITIES

"SEC. 1128. (a)(1)(A) Before the end of the third full month following the month in which this section is enacted, the Secretary shall establish a Hospital Transitional Allowance Board (hereinafter in this section referred to as the 'Board'). The Board shall have five members, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who are knowledgeable about hospital planning and hospital operations.

"(B) Members of the Board shall be appointed for three-year terms, except some initial members shall be appointed for shorter terms to permit staggered terms of office.

"(C) Members of the Board shall be entitled to per diem compensation at rates fixed by the Secretary, but not more than the current per diem equivalent at the time the service involved is rendered for grade GS-18 under section 5332 of title 5, United States Code.

"(D) The Secretary shall provide such technical, secretarial, clerical, and other assistance as the Board may need.

"(2) The Board shall receive and act upon applications by hospitals, certified for participation (other than as 'emergency hospitals') under titles XVIII and XIX, for transitional allowances.

"(b) For purposes of this section—

"(1) The term 'transitional allowance' means an amount which—

"(A) shall, solely by reason of this section, be included in a hospital's reasonable cost for purposes of calculating payments under the programs authorized by title V, XVIII, and XIX of this Act; and

"(B) in accordance with this section, is established by the Secretary for a hospital in recognition of a reimbursement detriment (as defined in paragraph (3)) experienced because of a qualified facility conversion (as defined in paragraph (2)).

"(2) The term 'qualified facility conversion' means closing, modifying, or changing the usage of an underutilized hospital facility which is expected to benefit the programs authorized under title V, title XVIII and title XIX by (A) eliminating excess bed capacity, (B) discontinuing an underutilized service for which there are adequate alternative sources, or (C) substituting for the underutilized service some other service which is needed in the area and which is consistent with the findings of an appropriate health planning agency.

"(3) A hospital which has carried out a qualified facility conversion and which continues in operation will be regarded as having experienced a 'reimbursement detriment'—

"(A) to the extent that, solely because of the conversion, there is a reduction in that portion of the hospital's costs attributable to capital assets which are taken into account in determining reasonable cost for purposes of determining amount of payment to the hospital under title V, title XVIII, or a State plan approved under title XIX;

"(B) if the conversion results, on an interim basis, in increased operating costs, to the extent that operating costs exceed amounts ordinarily reimbursable under title V, title XVIII and the State plan approved under title XIX; or

"(C) in the case of complete closure of a private nonprofit hospital, or local governmental hospital, other than for replacement of the hospital, to the extent of actual debt obligations previously recognized as reasonable for reimbursement, where the debt remains outstanding, less any salvage value.

"(c)(1) Any hospital may file an application with the Board (in a form and including data and information as the Board, with the approval of the Secretary, may require) for a transitional allowance with respect to any qualified conversion which was formally initiated after December 31, 1979. The Board, with the approval of the Secretary, may also establish procedures, consistent with this section, by means of which a finding of a reimbursement detriment may be made prior to the actual conversion.

"(2) The Board shall consider any application filed by a hospital, and if the Board finds that—

"(A) the facility conversion is a qualified facility conversion, and

"(B) the hospital is experiencing or will experience a reimbursement detriment because it carried out the qualified facility conversion,

the Board shall transmit to the Secretary its recommendation that the Secretary establish a transitional allowance for the hospital in amounts reasonably related to prior or prospective use of the facility under title V, title XVIII and the State plan approved under title XIX, for a period, not to exceed twenty years as specified by the Board, and, if the Board finds that the criteria in subparagraphs (A) and (B) are not met, it shall advise the Secretary not to establish a transitional allowance for that hospital. For an approved closure under subsection (b)(3)(C) the Board may recommend or the Secretary may approve, a lump-sum payment in lieu of periodic allowances, where such payment would constitute a more efficient and economic alternative.

"(3)(A) The Board shall notify a hospital of its findings and recommendations.

"(B) A hospital dissatisfied with a recommendation may obtain an informal or formal hearing, at the discretion of the Secretary by filing (in the form and within a time period established by the Secretary) a request for a hearing.

"(4)(A) Within thirty days after receiving a recommendation from the Board respecting a transitional allowance or, if later, within thirty days after a hearing, the Secretary shall make a final determination whether, and if so in what amount and for what period of time, a transitional allowance will be granted to a hospital. A final determination of the Secretary shall not be subject to judicial review.

"(B) The Secretary shall notify a hospital and any other appropriate parties of the determination.

"(C) Any transitional allowance shall take effect on a date prescribed by the Secretary, but not earlier than the date of completion of the qualified facility conversion. A transitional allowance shall be included as an allowable cost time in determining the reasonable cost incurred by the hospital in providing services for which payment is authorized under this Act, except that the transitional allowance shall not be considered in applying limits to costs recognized as reasonable pursuant to the third sentence of section 1861 (v)(1) and section 1861(bb) of this Act, or in determining the amount to be paid to a provider pursuant to section 1914 (b), section 1933(a)(2), section 1910(i)(3), and section 506(f)(3) of this Act.

"(d) In determining the reasonable cost incurred by a hospital with respect to which

payment is authorized under a State plan approved under title V or title XIX, any transitional allowance shall be included as an allowable cost item.

"(e)(1) The Secretary is authorized to establish transitional allowances only as provided in paragraph (2) and (3).

"(2) Prior to January 1, 1983, the Secretary is authorized to establish a transitional allowance for not more than fifty hospitals.

"(3) On and after January 1, 1983, the Secretary is authorized to establish a transitional allowance for any hospital which qualifies for such an allowance under the provisions of this section.

"(4) On or before January 1, 1982, the Secretary shall report to the Congress evaluating the effectiveness of the program established unde: this section including appropriate recommendations.".

(b) The amendments made by subsection (a) shall apply only to services furnished by a hospital during any accounting year beginning on or after October 1, 1979.

FEDERAL PARTICIPATION IN HOSPITAL CAPITAL EXPENDITURES

(d) Section 1122(c) of the Social Security Act is amended to read as follows:

"(c) The reasonable expenses incurred in carrying out the activities referred to in subsection (b) by the designated planning agencies (disregarding any expenses for which the agency is authorized to be reimbursed from other sources) shall be payable from—

"(1) funds in the Federal Hospital Insurance Trust Fund,

"(2) funds in the Federal Supplementary Medical Insurance Trust Fund, and

"(3) funds appropriated to carry out the health care provisions of the several titles of this Act,

in such amounts as the Secretary finds result in a proper allocation. The Secretary shall transfer money between the funds as may be appropriate to settle accounts between them. The Secretary shall pay the designated planning agencies without requiring contribution of funds by any State or political subdivision thereof.".

(e) Section 1122(d) of such Act is amended to read as follows:

"(d)(1) Except as provided in paragraph (2), if the Secretary determines that—

SEC. 4. (a) Section 1122 of the Social Security Act is amended to read as follows:

"(a) The purpose of this section is to assure that Federal funds appropriated under title V, XVIII, and XIX are not used to support unnecessary capital expenditures made by or on behalf of health care facilities (including those of health maintenance organizations) and home health agencies which are reimbursed under any of such titles and that, to the extent possible, reimbursement under such titles shall support planning activities with respect to health services and facilities in the various States.".

(b) Section 1122(b) of the Social Security Act is amended by striking out "(which shall be an agency described in clause (ii) of subsection (d)(1)(B) that has a governing body or advisory board at least half of whose members represent consumer interests)" and inserting in lieu thereof "(the agency designated under section 1521 of the Public Health Service Act)".

(c) Paragraphs (1) and (2) of Section 1122(b) are amended to read as follows:

"(1) make, and submit to the Secretary together with such supporting materials as he may find necessary, findings and recommendations with respect to capital expenditures proposed by or on behalf of any health care facility (including those of a health maintenance organization) or home health agency in such State within the field of its responsibilities.

"(2) receive from the Health Systems Agencies designated under title XV of the Public Health Service Act, and submit to the Secretary together with such supporting material as he may find necessary, the findings and recommendations of such agencies with respect to capital expenditures proposed by or on behalf of health care facilities (including those of health maintenance organizations) or home health agencies in such State within the fields of their respective responsibilities, and".

"(A) the designated planning agency had not approved the proposed expenditure; and

"(B) the designated planning agency had granted to the person proposing the capital expenditure an opportunity for a fair hearing with respect to the findings;

then, in determining Federal payments under titles V, XVIII, and XIX for services furnished in the health care facility for which the capital expenditure is made, the Secretary shall not include any amount attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of proprietary facilities), other expenses related to the capital expenditure, or for direct operating costs, to the extent that they can be directly associated with the capital expenditure, unless the designated planning agency for the States determines, in accordance with an agreement entered into under subsection (b) or under a certificate of need program which is applicable to such expenditure and which meets the requirements of title XV of the Public Health Service Act, that such capital expenditures are needed and meet criteria adopted by such agency. In the case of a proposed capital expenditure in a standard metropolitan statistical area which encompasses more than one jurisdiction, that expenditure shall require approval of the designated planning agency of each jurisdiction, which shall jointly review the proposal. Where the designated planning agencies do not unanimously agree, the proposed expenditures shall be deemed disapproved. Where the designated planning agencies do not act to approve or disapprove the proposed expenditure within one hundred and eighty days after the submission of the request for approval, the proposed expenditure shall be deemed approved. Any deemed approval or disapproval shall be subject to review and reversal by the Secretary following a request, submitted to him within sixty days of the deemed approval or disapproval, for a review and reconsideration based upon the record. With respect to any organization which is reimbursed on a per capita, fixed fee, or negotiated rate basis, in determining the Federal payments to be made under titles V, XVIII and XIX, the Secretary shall exclude an amount reasonably equivalent to the amount which would otherwise be excluded under this subsection if payment were made on other than a per capita, fixed fee, or negotiated rate basis.

"(2) If the Secretary, after submitting the matters involved to the advisory council established under subsection (i), determines that an exclusion of expenses related to any capital expenditure would discourage the operation or expansion of any health care facility or health maintenance organization which has demonstrated to his satisfaction proof of its capability to provide comprehensive health care services (including institutional services) effectively and economically, or would be inconsistent with effective organization and delivery of health services, or the effective administration of title V, XVIII, or XIX), he shall not exclude the expenses pursuant to paragraph (1).".

(p) Section 1122(g) of the Social Security Act is amended to read as follows:

"(g) For purposes of this section, a 'capital expenditure' is an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance and which (1) exceeds $15,000, (2) changes the bed capacity of the facility, or (3) substantially changes the services of the facility, including conversion of existing beds to higher cost usage. The cost of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the plant and equipment shall be included in determining whether the expenditure exceeds $150,000. For purposes of this section, 'capital expenditure' does not include an expenditure for the purpose of acquiring (either by purchase or under lease or comparable arrangement) an existing health care facility, the utilized services and bed capacity of which are not increased as a result of the acquisition.".

(g) Section 1861(z) of the Social Security Act is amended to read as follows:

"Institutional Planning

"(z) An overall plan and budget of a hospital, skilled nursing facility, or home health agency shall—

"(1) provide for an annual operating budget which includes all anticipated income and expenses related to items which would, under generally accepted accounting principles, be considered income and expense items (except that nothing in this paragraph shall require that there be prepared in connection with any budget an item-by-item identification of the components of each type of anticipated expenditure or income);

"(2) provide for a capital expenditures plan for at least a five-year period (including the year to which the operating budget applies) which identifies in detail the sources of financing and the objectives of each anticipated expenditure in excess of $150,000 related to the acquisition of land, improvement of land, buildings, or equipment, and the replacement, modernization, or expansion of the buildings and equipment, and which would, under generally accepted accounting principles, be considered capital items, and such capital expenditures plan shall be a matter of public record and available in readily accessible form and fashion;

"(3) provide for annual review and updating; and

"(4) be prepared, under the direction of the governing body of the institution or agency, by a committee consisting of representatives of the governing body, administrative staff, and medical staff (if any) of the institution or agency.".

(h) The amendments made by this section shall become effective on January 1, 1980, and shall be effective with respect to determinations made by the Secretary on or after such date.

AGREEMENTS WITH PHYSICIANS TO ACCEPT ASSIGNMENTS

SEC. 5. (a) Title XVIII of the Social Security Act is amended by adding the following new section:

"AGREEMENTS WITH PHYSICIANS TO ACCEPT ASSIGNMENTS

"SEC. 1868. (a) For purposes of this section the term 'participating physician' means a doctor of medicine or osteopathy who has in effect an agreement with the Secretary by which he agrees to accept an assignment of claim (as provided for in section 1842(b)(3)(B)(ii)) for each physicians' service (other than those excluded from coverage by section 1862) performed by him in the United States for an individual enrolled under part B. The assignment shall be in a form prescribed by the Secretary. The agreement may be terminated by either party upon 30-days' notice to the other, filed in a manner prescribed by the Secretary.

"(b) To expedite processing of claims from participating physicians, the Secretary shall establish procedures and develop appropriate forms under which—

"(1) each physican will submit his claims on one of alternative simplified approved bases including multiple listing of patients, and the Secretary shall act to assure that these claims are processed expeditiously, and

"(2) the physician shall obtain from each patient enrolled under part B (except in cases where the Secretary finds it impractical for the patient to furnish it) and shall make available at the Secretary's request, a signed statement by which the patient (A) agrees to make an assignment with respect to all services furnished by the physician and (B) authorizes the release of any medical information needed to review claims submitted by the physician.

"(c)(1) Participating physicians shall be paid administrative cost-savings allowances (as determined under paragraph (2)) in addition to the reasonable charges that are payable.

"(2) The administrative cost-savings allowance shall be $1 for each claim the participating physician submits in accordance with the simplified billing procedure referred to in subsection (b) and these payments shall be treated as an administrative expense to the medical insurance program, except that—

"(A) not more than $1 shall be payable to a physician for claims for services furnished to any particular patient within any 7-day period;

"(B) no administrative cost-savings allowance shall be payable for services performed for a hospital inpatient or outpatient unless:

"(i) the services are surgical services, anesthesia services, or services performed by a physician who, as an attending or consulting physician, personally examined the patient and whose office or regular place of practice is located outside a hospital, and

"(ii) the physician ordinarily bills directly (and not through such hospital) for his services; and

"(C) no administrative cost-savings allowance shall be payable for services which consist solely of laboratory or X-ray services which are for hospital inpatients or outpatients or are performed outside the office of the participating physician.".

(b) The amendments made by subsection (a) shall become effective on July 1, 1980.

HOSPITAL-ASSOCIATED PHYSICIANS

SEC. 6. (a)(1) Section 1861(q) of the Social Security Act is amended by adding "(1)" immediately after "(q)" and by adding, immediately before the period at the end thereof, the following: "; except that the term does not include any service that a physician may perform as an educator, an executive, or a researcher; or any professional patient care service unless the service (A) is personally performed by or personally directed by a physician for the benefit of the patient and (B) is of such nature that its performance by a physician is appropriate".

(2) Section 1861(q) is amended by adding the following paragraphs at the end:

"(2) In the case of anesthesiology services related to the surgical or obstetrical care of a patient, a procedure shall be considered to be 'personally performed' in its entirety by a physician where a physician performs for the benefit of the patient the following activities:

"(A) preanesthetic evaluation of the patient;

"(B) prescription of the anesthesia plan;

"(C) personal participation in the most demanding procedures in this plan, including those of induction and emergence and assuring that a qualified individual, who need not be his employee, acting under such physician's direction, performs any of the less demanding procedures which the physician does not personally perform;

"(D) following the course of anesthesia administration at frequent intervals;

"(E) remaining physically available for the immediate diagnosis and treatment of emergencies; and

"(F) providing indicated postanesthesia care:

Provided however, That during the performance of the activities described in subparagraphs (C), (D), and (E), the physician is not responsible for the care of more than one other patient. Where a physician performs the activities described in subparagraphs (A), (B), (D), and (E) and another individual performs the activities described in subparagraph (C), the physician will be deemed to have personally directed the services if he was responsible for no more than four patients while performing the activities described in subparagraphs (D) and (E), and the reasonable charge for his personal direction shall not exceed one-half the amount that would have been payable if he had personally performed the procedure in its entirety.

"(3) Pathology services shall be considered 'physicians' services' to patients only where the physician personally performs acts or makes decisions with respect to a patient's diagnosis or treatment which require the exercise of medical judgment. These include operating room and clinical consultations, the required interpretation of the significance of any material or data derived from a human being, the aspiration or removal of marrow or other materials, and the administration of test materials or isotopes. Such professional services shall not include professional services such as the performance of autopsies, and services performed in carrying out responsibilities for supervision, quality control, and for various other aspects of a clinical laboratory operations that are appropriately performed by nonphysician personnel.

(3) Section 1861(b) of such Act is amended—

(A) by striking out "or" at the end of paragraph (6),

(B) by striking out the period at the end of paragraph (7) and inserting "; or", and

(C) by adding at the end of the following paragraph:

"(8) a physician, if the services are not physicians' services (within the meaning of subsection (q)).".

(b)(1) Section 1861(s) of the Social Security Act is amended by adding at the end: "The term 'medical and other health services' shall not include services described in paragraphs (2)(A) and (3) if furnished to inpatients of a provider of services unless the Secretary finds that, because of the size of the hospital and the part-time nature of the services or for some other reasons acceptable to him, it would be less efficient to have the services furnished by the hospital (or by others under arrangement with them made by the hospital) than to have them furnished by another party.".

(2) Section 1842(b)(4) of such Act, as added by section 10 of this Act, is amended by adding at the end thereof the following subparagraph:

"(G) The charge for a physician's or other person's services and items which are related to the income or receipts of a hospital or hospital subdivision shall not be considered in determining his customary charge to the extent that the charge exceeds an amount equal to the salary which would reasonably have been paid for the service (together with any additional costs that would have been incurred by the hospital) to the physician performing it if it had been performed in an employment relationship with the hospital plus the cost of other expenses (including a reasonable allowance for traveltime and other reasonable types of expense related to any differences in acceptable methods of organization for the provision of services) incurred by the physician, as the Secretary may determine to be appropriate.".

(c) Section 1861(v) of such Act is amended by adding after paragraph (8) (as added by section 2 of the act) the following new paragraph:

"(9)(A) Where services are furnished by a physician under an arrangement (including an arrangement under which the physician performing the services is compensated on a basis related to the amount of the income or receipts of the hospital or any department or other subdivision) with a hospital or medical school, the amount included in any payment to the hospital under this title as the reasonable cost of the services (as furnished under the arrangement) shall not exceed an amount equal to the salary which would reasonably have been paid for the services (together with any additional costs that would have been incurred by the hospital) to the physician performing them if they had been performed in an employment relationship with the hospital (rather than under such arrangement) plus the cost of other expenses (including a reasonable allowance for traveltime and other reasonable types of expense related to any differences in acceptable methods of organization for the provision of the services) incurred by the physician, as the Secretary may determine to be appropriate."

(d)(1) Section 1833(a)(1)(B) of the Social Security Act is amended by inserting "(except as provided in subsection (l)) immediately after "amounts paid shall".

(2) Section 1833(b)(2) of such Act is amended by inserting "(except as otherwise provided in subsection (l))" immediately after "amount paid shall".

(3) Section 1833 of such Act is amended by redesignating the second subsection (g) thereof as subsection (h) and by adding the following new subsection:

"(l) The provisions of subsection (a)(1)(B) and clause (2) of the first sentence of subsection (b) shall not apply to any physician unless he has entered into an agreement with the Secretary under which he agrees to be compensated for all such services on the basis of an assignment the terms of which are described in section 1842(b)(3)(B)(ii).".

(e) The amendments made by this section shall, except those made by subsection (d), apply to services furnished in accounting periods of the hospital which begin after the month following the month of enactment of this Act. The amendment made by subsection (d) shall be effective July 1, 1979.

USE OF APPROVED RELATIVE VALUE SCHEDULE

SEC. 7. Part A of title XI of the Social Security Act is amended by adding after section 1128 (as added by section 3 of this act) the following new section:

"USE OF APPROVED RELATIVE VALUE SCHEDULE

"SEC. 1129. (a) To provide common language describing the various kinds and levels of medical services which may be reimbursed under title V, XVIII, and XIX of this Act, the Secretary shall establish a system of procedural terminology, including definitions of terms. The system shall be developed by the Health Care Financing Administration with the advice of other large health care purchasers, representatives of professional groups and other interested parties. In developing the system, the Health Care Financing Administration shall consider among other things, the experience of third parties in using existing terminology systems in terms of implications for administrative and program costs, simplicity and lack of ambiguity, and the degree of acceptance and use.

"(b) Upon development of a proposed system of procedural terminology and its approval by the Secretary the system shall be published in the Federal Register. Interested parties shall have not less than six months in which to comment on the proposed system and to recommend relative values to the Secretary for the procedures and services designated by the terms. Comments and proposals shall be supported by information and documentation specified by the Secretary.

"(c) The good faith preparation of a relative value schedule or its submission to the Secretary by an association of health practitioners solely in response to a request of the Secretary as authorized under this section shall not in itself be considered a violation of any consent decree by which an association has waived its right to make recommendations concerning fees. The proposed relative value schedule shall not be disclosed to anyone other than those persons actually preparing it or their counsel until it is made public by the Secretary.

"(d) The Health Care Financing Administration shall review materials submitted under this section and shall recommend that the Secretary adopt a specific terminology system and its relative values for use by carriers in calculating reasonable charges under title XVIII of this Act, but only after—

"(1) interested parties have been given an opportunity to comment and any comments have been considered;

"(2) statistical analyses have been conducted assessing the economic impact of the relative values on the physicians in various specialties, geographic areas and types of practice, and on the potential liability of the program established by part B of title XVIII of this Act;

"(3) it has been determined that the proposed terminology and related definitions are unambiguous, practical, and easy to evaluate, in actual clinical situations and that the unit values assigned generally reflect the relative time and effort required to perform various procedures and services; and

"(4) it has been determined that the use of the proposed system will enhance the administration of the Federal health care financing programs.

"(e) A system of terminology, definitions, and their relative values, as approved by the Secretary, shall be periodically reviewed by him and may be modified. An approved system (as amended by any modification of the Secretary) may subsequently be used by any organization or person for purposes other than those of this Act. Nothing in this section shall be considered to bar the Secretary from adopting a uniform system of procedural terminology in situations where a relative value schedule has not been approved.".

TEACHING PHYSICIANS

SEC. 18. Section 15(d) of Public Law 93-233 (as amended by section 7(c) of Public Law 93-353, the first section of Public Law 94-368, and section 7 of Public Law 95-292) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

CERTAIN SURGICAL PROCEDURES PERFORMED ON AN AMBULATORY BASIS

SEC. 7. Part B of title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"SPECIAL PROVISIONS RELATING TO CERTAIN SURGICAL PROCEDURES PERFORMED ON AN AMBULATORY BASIS

"SEC. 1845. (a) The Secretary shall, in consultation with the National Professional Standards Review Council and appropriate medical organizations, specify those surgical procedures which can be safely and appropriately performed either in a hospital on an inpatient basis or on an ambulatory basis—

"(1) in a physician's office; or

"(2) in an ambulatory surgical center or hospital.

"(b)(1) If a physician performs in his office a surgical procedure specified by the Secretary pursuant to subsection (a)(1) on an individual insured for benefits under this part, he shall, notwithstanding any other provision of this part, be entitled to have payment made under this part equal to—

"(A) 100 percent of the reasonable charge for the services involved with the performance of such procedure (including all pre- and post-operative physicians' services performed in connection therewith), plus

"(B) the amount established by the Secretary pursuant to paragraph (2),

but only if the physician agrees with such individual to be paid on the basis of an assignment under the terms of which the reasonable charge for such services is the full charge therefor.

"(2) The Secretary shall establish with respect to each surgical procedure specified pursuant to subsection (a)(1), an amount established with a view to according recognition to the special costs, in excess of usual overhead, which physicians incur which are attributable to securing, maintaining, and staffing the facilities and ancillary services appropriate for the performance of such procedure in the physician's office, and to assuring that the performance of such procedure in the physician's office will involve substantially less total cost than would be involved if the procedure were performed on an inpatient basis in a hospital. The amount so established with respect to any surgical procedure periodically shall be reviewed and revised and may be adjusted, when appropriate, by the Secretary to take account of varying conditions in different areas.

"(c)(1) Payment under this part may be made to an ambulatory surgical center for ambulatory facility services furnished in conection with any surgical procedure, specified by the Secretary pursuant to subsection (a)(2), which is performed on an individual insured for benefits under this part in an ambulatory surgical center, which meets such health, safety, and other standards as the Secretary shall by regulations prescribe, if such surgical center agrees to accept in full payment of all services furnished by it in connection with such procedure, the amount established for such procedure pursuant to paragraph (2).

"(2) The Secretary shall establish with respect to each surgical procedure specified pursuant to subsection (a)(2), a reimbursement amount which is payable to an ambulatory surgical center for its services furnished in connection with such procedure. The amount established for any such surgical procedure shall be established with a view to according recognition to the costs incurred by such centers generally in providing the services involved in connection with such procedure, and to assuring that the performance of such procedure in such a center involves less cost than would be involved if such procedure were performed on an inpatient basis in a hospital. The amount so established with respect to any surgical procedure shall periodically be reviewed and revised and may be adjusted by the Secretary, when appropriate, to take account of varying conditions in different areas.

"(3) If the physician, performing a surgical procedure (specified by the Secretary under subsection (a)(2)), in a hospital on an outpatient basis or in an ambulatory surgical center with respect to which payment is authorized under the preceding provisions of this subsection, or a physician performing physicians' services in such center or hospital directly related to such surgical procedure, agrees to accept as full payment for all services performed by him in connection with such procedure (including pre- and post-operative services) an amount equal to 100 percent of the reasonable charge for such services, he shall be paid under this part for such services an amount equal to 100 percent of the reasonable charge for such services.

"(d)(1) The Secretary is authorized by regulations to provide that in case a surgical procedure specified by the Secretary pursuant to subsection (a)(2) is performed on an individual insured for benefits under this part in an ambulatory surgical center which meets such health, safety, and other standards as the Secretary shall by regulations prescribe, there shall be paid with respect to the services furnished by such center and with respect to all related services (including physicians' services, laboratory, X-ray, and diagnostic services) a single all-inclusive fee established pursuant to paragraph (2), if all parties furnishing all such services agree to accept such fee (to be divided among the parties involved in such manner as they shall have previously agreed upon) as full payment for the services furnished.

"(2) In implementing this subsection, the Secretary shall establish with respect to each surgical procedure specified pursuant to subsection (a)(2) the amount of the all-inclusive fee for such procedure, taking into account such factors as may be appropriate. The amount so established with respect to any surgical procedure shall periodically be reviewed and revised and may be adjusted, when appropriate, to take account of varying conditions in different areas.

"(e) The provisions of section 1833 (a) and (b) shall not be applicable to expenses attributable to services to which subsection (b) is applicable, to ambulatory facility services (furnished by an ambulatory surgical center) to which the provisions of subsection (c)(1) and (2) are applicable, to physicians' services to which the provisions of subsection (c)(3) are applicable, or to services to which the provisions of subsection (d) are applicable.".

CRITERIA FOR DETERMINING REASONABLE CHARGE FOR PHYSICIANS' SERVICES

SEC. 10. (a) Section 1842(b) of the Social Security Act is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6);

(2) by striking out so much of paragraph (3) as follows the first sentence; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4)(A) In determining the reasonable charge for services for purposes of paragraph (3) (including the services of any hospital-associated physicians), there shall be taken into consideration the customary charges for similar services generally made by the physician or other person furnishing such services, as well as the prevailing charges in the locality for similar services.

"(B)(i) Except as otherwise provided in clause (iii), no charge may de determined to be reasonable in the case of bills submitted or requests for payment made under this part after December 31, 1970, if it exceeds the higher of (I) the prevailing charge recognized by the carrier and found acceptable by the Secretary for similar services in the same locality in administering this part on December 31, 1970, or (II) the prevailing charge level that, on the basis of statistical data and methodology acceptable to the Secretary, would cover 75 percent of the customary charges made for similar services in the same locality during the last preceding calender year elapsing prior to the start of the fiscal year in which the bill is submitted or the request for payment is made.

"(ii) In the case of physician services, the prevailing charge level determined for purposes of clause (i)(II) for any fiscal year beginning after June 30, 1973 may not (except as otherwise provided in clause (iii)) exceed (in the aggregate) the level determined under such clause for the fiscal year ending June 30, 1973, except to the extent that the Secretary finds, on the basis of appropriate economic index data, that such higher level is justified by economic changes. Moreover, for any twelve-month period beginning on July 1 of any year (beginning with 1980), no prevailing charge level for physicians' services shall be increased to the extent that it would exceed by more than one-third the statewide prevailing charge level (as determined under subparagraph (E)) for that service.

"(iii) Notwithstanding the provisions of clauses (i) and (ii) of this subparagraph, the prevailing charge level in the case of a physician service in a particular locality determined pursuant to such clauses for the fiscal year beginning July 1, 1975, shall, if lower than the prevailing charge level for the fiscal year ending June 30, 1975, in the case of a similar physician service in the same locality by reason of the application of economic index data, be raised to such prevailing charge level for the fiscal year ending June 30, 1975.

"(C) In the case of medical services, supplies, and equipment (including equipment servicing) that, in the judgment of the Secretary, do not generally vary significantly in quality from one supplier to another, the charges incurred after December 31, 1972, determined to be reasonable may not exceed the lowest charge levels at which such services, supplies, and equipment are widely and consistently available in a locality except to the extent and under circumstances specified by the Secretary. With respect to power-operated wheelchairs for which payment may be made in accordance with section 1861(s)(6), charges determined to be reasonable may not exceed the lowest charge at which power-operated wheelchairs are available in the locality.

"(D) The requirement in paragraph (3)(B) that a bill be submitted or request for payment be made by the close of the following calendar year shall not apply if (i) failure to submit the bill or request the payment by the close of such year is due to the error or misrepresentation of an officer, employee, fiscal intermediary, carrier, or agent of the Department of Health, Education, and Welfare performing functions under this title and acting within the scope of his or its authority, and (ii) the bill is submitted or the payment is requested promptly after such error or misrepresentation is eliminated or corrected.

"(E) The Secretary shall determine separate statewide prevailing charge levels for each State that, on the basis of statistical data and methodology acceptable to the Secretary, would cover 50 percent of the customary charges made for similar services in the State during the last preceding calendar year elapsing prior to the start of the fiscal year in which the bill is submitted or the request for payment is made. In States with more than one carrier, the statewide prevailing charge level shall be the weighted average of the fiftieth percentiles of the customary charges of each carrier.

"(F) Notwithstanding any other provision of this paragraph, any charge for any particular service or procedure performed by a doctor of medicine or osteopathy shall be regarded as a reasonable charge if—

"(i) the service or procedure is performed in an area which the Secretary has designated as a physician shortage area,

"(ii) the physician has a regular practice in the physician shortage area,

"(iii) the charge does not exceed the prevailing charge level as determined under subparagraph (B), and

"(iv) the charge does not exceed the amount generally charged by such physician for similar services."

(b) Sections 506(f)(1) and 1903(i)(1) of the Social Security Act are each amended by striking out "the fourth and fifth sentences of section 1842(b)(3)" and inserting in lieu thereof in each instance "subparagraphs (B)(ii), (B)(iii), (C), and (F) of section 1842(b)(4)".

(c) The amendments made by this section shall become effective on July 1, 1980.

PAYMENT FOR CERTAIN ANTIGENS UNDER PART B OF MEDICARE

SEC. 11. (a) Section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (E),

(2) by inserting "and" at the end of clause (F), and

(3) by adding after clause (F) the following new clause:

"(G) antigens (subject to reasonable quantity limitations determined by the Secretary) prepared by an allergist for a particular patient, including antigens he prepares which are forwarded to another qualified person for administration to the patient by or under the supervision of a physician;"

(b) The amendments made by subsection (a) shall apply to items furnished after the month of enactment of this Act.

PAYMENT UNDER MEDICARE OF CERTAIN PHYSICIANS' FEES ON ACCOUNT OF SERVICES FURNISHED TO A DECEASED INDIVIDUAL

SEC. 12. (a) Section 1870(f) of the Social Security Act is amended by striking out the matter following clause (2) thereof and inserting in lieu thereof the following: "payment for such services shall be made (but only in such amount and subject to such conditions as would have been applicable if the individual who received the services had not died) to—

"(A) the physician or other person who provided such services, but only on the condition that such physician or person agrees that the reasonable charge is the full charge for the services, or

"(B) the spouse or other legally designated representative of such individual, but only if (i) the condition specified in subparagraph (A) is not met, and (ii) such spouse or representative requests (in such form and manner as the Secretary shall by regulations prescribe) that payment be made under this subparagraph.".

(b) The amendment made by subsection (a) shall apply only to payments made after the month of enactment of this Act.

HOSPITAL PROVIDERS OF LONG-TERM CARE SERVICES

SEC. 13. (a) Section 1861 of the Social Security Act is amended by adding after subsection (bb) (as added by section 2 of this Act) the following:

"Hospital Providers of Extended Care Services

"(cc)(1)(A) Any hospital (other than a hospital which has in effect a waiver of the requirement imposed by subsection (e)(5)) which has an agreement under section 1866 may (subject to paragraph (2)) enter into an agreement with the Secretary under which its inpatient hospital facilities may be used for the furnishing of services of the type which, if furnished by a skilled nursing facility, would constitute posthospital extended care services.

"(B)(i) Notwithstanding any other provision of this title, payment to any hospital for services furnished under an agreement entered into under this subsection shall be based upon the reasonable cost of the services as determined under this subparagraph.

"(ii) The reasonable cost of the services shall consist of the reasonable cost of routine services and ancillary services. The reasonable cost of routine services furnished during any calendar year by a hospital under an agreement under this subsection shall equal the product of the number of patient-days during the year for which the services were furnished and the average reasonable cost per patient-day. The average reasonable cost per patient-day shall be established as the average rate per patient-day paid for routine services during the previous calendar year under the State plan (of the State in which the hospital is located) approved under title XIX to skilled nursing facilities located in such State and which meet the requirements specified in section 1902(a)(28). The reasonable cost of ancillary services shall be determined in the same manner as the reasonable cost of ancillary services provided as inpatient hospital services.

"(2) The Secretary shall not enter into an agreement under this subsection with any hospital unless—

"(A) the hospital is located in a rural area and has less than 50 beds, and

"(B) the hospital has been granted a certificate of need for the provision of long-term care services from the agency of the State (which has been designated as the State health planning and development agency under an agreement pursuant to section 1521 of the Public Health Service Act) in which the hospital is located.

"(3) An agreement with a hospital entered into under this section shall, except as otherwise provided under regulations of the Secretary, be of the same duration and subject to termination on the same conditions as are agreements with skilled nursing facilities under section 1866, and shall, where not inconsistent with any provision of this subsection, impose the same duties, responsibilities, conditions, and limitations, as those imposed under such agreements entered into under section 1866; except that no such agreement with any hospital shall be in effect for any period during which the hospital does not have in effect an agreement under section 1866, or during which there is in effect for the hospital a waiver of the requirement imposed by subsection (e)(5). A hospital with respect to which an agreement has been terminated shall not be eligible to undertake a new agreement until a two-year period has elapsed from the termination date.

"(4) Any agreement with a hospital under this subsection shall provide that payment for services will be made only for services for which payment would be made as posthospital extended care services if those services had been furnished by a skilled nursing facility under an agreement entered into under section 1866, and any individual who is furnished services for which payment may be made under an agreement shall, for purposes of this title (other than this subsection), be deemed to have received posthospital extended care services in like manner and to the same extent as if the services furnished to him had been posthospital extended care services furnished by a skilled nursing facility under an agreement under section 1866.

"(5) During a period for which a hospital has in effect an agreement under this subsection, in order to allocate routine costs between hospital and long-term care services for purposes of determining payment for inpatient hospital services (including the application of reimbursemtnt limits specified in section 1861(bb)), the total reimbursement due for routine services from all classes of long-term care patients, including title XVIII, the State plan approved under title XIX, and private pay patients, shall be subtracted from the hospital's total routine costs before calculations are made to determine title XVIII reimbursement for routine hospital services.

"(6) During any period during which an agreement is in effect with a hospital under this subsection, the hospital shall, for services furnished by it under the agreement, be considered to satisfy the requirements,

otherwise required, of a skilled nursing facility for purposes of the following provisions: sections 1814(a)(2)(C), 1814(a)(6), 1814(a)(7), 1814(h), 1861(a)(2), 1861(i), 1861(j) (except 1861(j)(12)), and 1861(n); and the Secretary shall specify any other provisions of this Act under which the hospital may be considered as a skilled nursing facility.

"(7) The Secretary may enter into an agreement under this subsection on a demonstration basis with any hospital having more than 49 beds, but less than 101 beds, if such hospital otherwise meets the requirements of this subsection.

"(8) Within three years after the date of enactment of this subsection, the Secretary shall provide a report to the Congress containing an evaluation of the program established under this subsection concerning—

"(A) the effect of the agreements on availability and effective and economical provision of long-term care services;

"(B) whether the program should be continued; and

"(C) whether eligibility should be extended to other hospitals, regardless of bed sis or geographic location, where there is a shortage of long-term care beds.".

(b) Title XIX of such Act is amended by adding at the end thereof the following new section:

"HOSPITAL PROVIDERS OF SKILLED NURSING AND INTERMEDIATE CARE SERVICES

"SEC. 1913. (a) Notwithstanding any other provision of this title, payment may be made, in accordance with this section, under an approved State plan for skilled nursing services and intermediate care services furnished by a hospital which has in effect an agreement under section 1861(cc).

"(b)(1) Payment to any such hospital, for any skilled nursing or intermediate care services furnished pursuant to subsection (a) shall be at a rate equal to the average rate per patient-day paid for routine services during the previous calendar year under the State plan to skilled nursing and intermediate care facilities located in the State in which the hospital is located. The reasonable cost of ancillary services shall be determined in the same manner as the reasonable cost of ancillary services provided for inpatient hospital services.

"(2) With respect to any period for which a hospital has in effect an agreement under section 1861(cc), in order to allocate routine costs between hospital and long-term care services, the total reimbursement for routine services due from all classes of long-term care patients, including title XVIII, the State plan, and private pay patients, shall be subtracted from the hospital total routine costs before calculations are made to determine reimbursement for routine hospital services under the State plan.".

(c) Section 1861(j) is amended by inserting "and except as provided in subsection (cc)" after "subsection (a)(2)".

(d) The amendments made by this section shall become effective on the date on which final regulations, promulgated by the Secretary to implement the amendments, are issued; and those regulations shall be issued not later than the first day of the sixth month following the month in which this Act is enacted.

REIMBURSEMENT RATES UNDER MEDICAID FOR SKILLED NURSING AND INTERMEDIATE CARE FACILITIES

SEC. 14. (a) Section 1902(a)(13)(E) of the Social Security Act is amended by inserting "(and which may, at the option of the State, include reasonable allowances for the facilities in the form of incentive payments related to efficient performance)" after "cost related basis".

(b) The amendment made by subsection (a) shall become effective on October 1, 1979.

MEDICAID CERTIFICATION AND APPROVAL OF SKILLED NURSING AND INTERMEDIATE CARE FACILITIES

SEC. 15. (a) Section 1910 of the Social Security Act is amended to read as follows:

"CERTIFICATION AND APPROVAL OF SKILLED NURSING AND INTERMEDIATE CARE FACILITIES

"SEC. 1910. (a) The Secretary shall make an aggreement with any State which is willing and able to do so whereby the State health agency or other appropriate State or local agencies (whichever are utilized by the Secretary pursuant to section 1864(a)) will be utilized to recommend to him whether an institution in the State qualifies as a skilled nursing facility (for purposes of section 1902(a)(28)) or an intermediate care facility (for purposes of section 1905(c)).

"(b) The Secretary shall advise the State agency administering the medical assistance plan of his approval or disapproval of any institution certified to him as a qualified skilled nursing or intermediate care facility for purposes of section 1902(a)(28) or section 1905(c) and specify for each institution the period (not to exceed twelve months) for which approval is granted, except that the secretary may extend that term for up to two months, provided the health and safety of patients will not be jeopardized, if he finds that an extension is necessary to prevent irreparable harm to the facility or hardship to the facility's patients or if he finds it impracticable within the twelve-month period to determine whether the facility is complying with the provisions of this title and applicable regulations. The State agency may, upon approval of the Secretary, enter into an agreement with any skilled nursing or intermediate care facility for the specified approval period.

"(c) The Secretary may cancel approval of any skilled nursing or intermediate care facility at any time if he finds that a facility fails to meet the requirements contained in section 1902(a)(28) or section 1905(c), or if he finds grounds for termination of his agreement with the facility pursuant to section 1866(b). In that event the Secretary shall notify the State agency and the skilled nursing or intermediate care facility that approval of eligibility of the facility to participate in the programs established by this title and title XVIII shall be terminated at a time specified by the Secretary. The approval of eligibility of any such facility to participate in the programs may not be reinstated unless the Secretary finds that the reason for termination has been removed and there is reasonable assurance that it will not recur.

"(d) Effective July 1, 1980, no payment may be made to any State under this title for skilled nursing or intermediate care facility services furnished by any facility—

"(1) which does not have in effect an agreement with the State agency pursuant to subsection (b), or

"(2) with respect to which approval of eligibility to participate in the programs established by this title or title XVIII has been terminated by the Secretary and has not been reinstated, except that payment may be made for up to thirty days for skilled nursing or intermediate care facility services furnished to any eligible individual who was admitted to the facility prior to the effective date of the termination.

"(e) Any skilled nursing facility or intermediate care facility which is dissatisfied with any determination by the Secretary that it no longer qualifies as a skilled nursing facility or intermediate care facility for purposes of this title shall be entitled to a hearing by the Secretary to the same extent as is provided in section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g). Any agreement between such facility and the State agency shall remain in effect until the period for filing a request for a hearing has expired or, if a request has been filed, until a decision has been made by the Secretary; except that the agreement shall not be extended if the Secretary makes a written determination, specifying the reasons therefor, that the continuation of provider status constitutes an immediate and serious threat to the health and safety of patients, and the Secretary certifies that the facility has been ratified of its deficiencies and has failed to correct them.".

(b) Section 1869(c) of the Social Security Act is amended by adding at the end thereof the following sentence: "If the Secretary's determination terminates a provider with an existing agreement pursuant to section 1866(b)(2), or if such determination consists of a refusal to renew an existing provider agreement, the provider's agreement shall remain in effect until the period for filing a request for a hearing has expired or, if a request has been filed, until a final decision has been made by the Secretary; except that the agreement shall not be extended if the Secretary makes a written determination, specifying the reasons therefor, that the continuation of provider status constitutes an immediate and serious threat to the health and safety of patients and if the Secretary certifies that the provider has been notified of such deficiencies and has failed to correct them.".

(c) The amendments made by the preceding provisions of this section shall become effective on the date on which final regulations, promulgated by the Secretary to implement the amendments, are issued; and those regulations shall be issued not later than the first day of the sixth month following the month in which this Act is enacted.

(d) Title XIX of the Social Security Act is amended by adding after section 1910 thereof the following new section:

"CERTIFICATION AND APPROVAL OF RURAL HEALTH CLINICS

"SEC. 1910A. (a) Whenever the Secretary certifies a facility in a State to be a qualified rural health clinic under title XVIII, such facility shall be deemed to meet the standards for certification as a rural health clinic for purposes of providing rural health clinic services under this title.

"(b) The Secretary shall notify the State agency administering the medical assistance plan of his approval or disapproval of any facility in that State which has applied for certification by him as a qualified rural health clinic.".

(e) Section 1866(c)(2) of the Social Security Act is amended by striking out "1910(a)" and inserting in lieu thereof "1910".

VISITS AWAY FROM INSTITUTION BY PATIENTS OF SKILLED NURSING OR INTERMEDIATE CARE FACILITY

SEC. 16. (a) Section 1903 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(r) In the administration of this title, the fact that an individual who is an inpatient of a skilled nursing or intermediate care facility leaves to make visits outside the facility shall not conclusively indicate that he does not need services which the facility is designed to provide; however, the frequency and length of such visits shall be considered, together with other evidence, in determining whether the individual is in need of the facility's services.".

(b) The amendment made by subsection (a) shall become effective on October 1, 1979.

NOTIFICATION TO STATE OFFICIALS

SEC. 17. Part A of title XI of the Social Security Act is amended by adding after section 1129 (as added by section 7 of this Act) the following new section:

"NOTIFICATION TO STATE OFFICIALS

"SEC. 1130. If the Secretary notifies a State of any audit, quality control performance report, deficiency, or any reduction, termination, or increase in Federal matching, under the State plan for any program for which Federal payments are made under this Act, simultaneous notification shall also be made to the Governor of the State and the respective chairmen of the legislative and appropriation committees of that State's legislature having jurisdiction over the program affected.".

REPEAL OF SECTION 1867

SEC. 18. Section 1867 of the Social Security Act is repealed.

PROCEDURES FOR DETERMINING REASONABLE COST AND REASONABLE CHARGE

SEC. 19. (a) Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"EXCLUSION OF CERTAIN ITEMS IN DETERMINING REASONABLE COST AND REASONABLE CHARGE

"SEC. 1132. (a) Except as otherwise provided in subsection (b), in determining the amount of any payment under title XVIII, under a program established under title V, or under a State plan approved under title XIX of this Act, when the payment is based upon the reasonable cost or reasonable charge, no element comprising any part of the cost or charge shall be considered to be reasonable if, and to the extent that, such element is—

"(1) a commission, finder's fee, or for a similar arrangement, or

"(2) an amount payable for any facility (or part or activity thereof) under any rental or lease arrangement, which is, directly or indirectly, determined, wholly or in part as a percentage, fraction, or portion of the charge or cost attributed to any health service (other than the element) or any health service including, but not limited to, the element.

"(b) The Secretary shall by regulations establish exceptions to the provisions of subsection (a) with respect to any element of cost or charge which consists of payments based on a percentage arrangement, if such element is otherwise reasonable and the percentage arrangement—

"(1) is a customary commercial business practice, or

"(2) provides incentives for the efficient and economical operation of the health service.".

(b) Section 506 of such Act is amended by adding at the end thereof the following new subsection:

"(h) For additional exclusions from reasonable cost and reasonable charge see section 1132.".

(c) Section 1842(b)(4) of such Act (as amended by sections 6 and 10 of this Act) is further amended by adding at the end thereof the following new subparagraph:

"(H) For additional exclusions from reasonable cost and reasonable charge see section 1132.".

(d) Section 1861(v) of such Act is amended by adding after paragraph (9) (as added by section 6 of this Act) the following new paragraph:

"(10) For additional exclusions from reasonable cost and reasonable charge see section 1132.".

(e) Section 1903 of such Act is amended by adding after subsection (r) (as added by section 16 of this Act) the following new subsection:

"(s) For additional exclusions from reasonable cost and reasonable charge see section 1130.".

AMBULANCE SERVICE

SEC. 20. (a) Section 1861(s)(7) of the Social Security Act is amended by inserting after "ambulance service" the following: "(including ambulance service to the nearest hospital which is (A) adequately equipped, and (B) has medical personnel qualified to deal with, and available for the treatment of, the individual's illness, injury, or condition)".

(b) The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month which begins more than 180 days after the date of the enactment of this Act, or, if earlier, the effective date of regulations promulgated by the Secretary to implement such amendment.

GRANTS TO REGIONAL PEDIATRIC PULMONARY CENTERS

SEC. 21. (a) Section 511 of the Social Security Act is amended—

(1) by inserting "(a)" after "SEC. 511", and

(2) by adding at the end thereof the following new subsection:

"(b)(1) From the sums available under paragraph (2) the Secretary is authorized to make grants to public or nonprofit private regional pediatric pulmonary centers, which are a part of (or are affiliated with) an institution of higher learning, to assist them in carrying out a program for the training and instruction (through demonstrations and otherwise) of health care personnel in the prevention, diagnosis, and treatment of respiratory diseases in children and young adults, and in providing (through such program) needed health care services to children and young adults suffering from such diseases.

"(2) For the purpose of making grants under this subsection, there are authorized to be appropriated, for the fiscal year ending September 30, 1980, and each of the next four succeeding fiscal years, such sums (not in excess of $5,000,000 for any fiscal year) as may be necessary. Sums authorized to be appropriated for any fiscal year under this subsection for making grants for the purposes referred to in paragraph (1) shall be in addition to any sums authorized to be appropriated for such fiscal years for similar purposes under other provisions of this title.".

(b) Section 502(2) of such Act is amended by inserting "(a)" after "511".

WAIVER OF HUMAN EXPERIMENTATION PROVISION FOR MEDICARE AND MEDICAID

SEC. 22. Any requirements of title II of Public Law 93-348 otherwise held applicable are hereby waived with respect to coverage, or copayments, deductibles, or other limitations on payment for services (whether of general application or in effect only on a trial or demonstration basis) under programs established under titles XVIII and XIX of the Social Security Act. Notwithstanding the first sentence of this section, the Secretary in reviewing any application for any experimental, pilot or demonstration project pursuant to the Social Security Act shall apply any appropriate requirements of title II of Public Law 93-348 and any regulations promulgated thereunder in making his decision on whether to approve such application.

DISCLOSURE OF AGGREGATE PAYMENTS TO PHYSICIANS

SEC. 23. Section 1106 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall not make available, nor shall the State title XIX agency be required to make available to the public, information relating to the amounts that have been paid to individual doctors of medicine or osteopathy by or on behalf of beneficiaries of the health programs established by title XVIII or XIX, as the case may be, except as may be necessary to carry out the purposes of those titles or as may be specifically required by the provisions of other Federal law.".

RESOURCES OF MEDICAID APPLICANT TO INCLUDE CERTAIN ASSETS PREVIOUSLY DISPOSED OF FOR SUBSTANTIALLY LESS THAN MARKET VALUE

SEC. 24. (a) Section 1904 of the Social Security Act is amended by adding at the end thereof the following sentence "The Secretary shall not find that a State has failed to comply with the requirements of this title solely because it denies medical assistance to an individual who would be ineligible for such assistance if, in determining whether he is eligible for benefits under title XVI of this Act, or in the case of an individual who is not included under section 1902(a)(13)(B), in determining whether he is eligible for benefits under title XVI of this Act, or, in the case of an individual who is not included under section 1902(a)(13)(B), in determining whether he is eligible for medical assistance under the State plan, there was included in his resources any asset owned by him within the preceding twelve months to the extent that he gave or sold that asset to any person for substantially less than its fair market value for the purpose of establishing eligibility for medical assistance under the State plan (and any such transaction shall be presumed to have been for such purpose unless such individual furnishes convincing evidence to establish that the transaction was for some other purpose).".

(b) Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (39);

(2) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(41) contain provisions reasonably directed at the denial of eligibility for medical assistance under the State plan to an individual who would be ineligible for such assistance except for the transfer of assets, for substantially less than fair market value; except that such denial shall be made only to the extent authorized under the last sentence of section 1904 or under other provisions of this title.".

(c)(1) The amendment made by subsection (a) shall become effective on October 1, 1979.

(2)(A) The amendment made by subsection (b) shall, except as otherwise is provided in subparagraph (B), become effective on July 1, 1980.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by subsection (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature which begins after the date of enactment of this Act.

RATE OF RETURN ON NET EQUITY FOR FOR-PROFIT HOSPITALS

SEC. 25. Section 1861(v)(1)(B) of the Social Security Act is amended—

(1) in the first sentence thereof, by inserting "a hospital or" immediately after "Such regulations in the case of";

(2) in the second sentence thereof, by striking out "one and one-half times" and inserting in lieu thereof "the percentages, specified in the next sentence, of"; and

(3) by inserting after the last sentence thereof the following new sentence: "For hospital and skilled nursing facility accounting years beginning before July 1, 1980, the percentage referred to in the previous sen-

tence is 150 percent and for subsequent accounting years, the percentage is—

"(i) 150 percent with respect to a skilled nursing facility;

"(ii) 150 percent with respect to a hospital which, during such accounting year, had actual routine operating costs which were greater than the maximum allowable routine operating costs of such hospital as determined under section 1861(bb)(4)(B)(i);

"(iii) 250 percent with respect to a hospital which, during such accounting year had actual routine operating costs which were less than the hospital's adjusted per diem target rate for routine operating costs as determined under section 1861(bb)(4); and

"(iv) 200 percent with respect to other hospitals.".

DEDUCTIBLE NOT APPLICABLE TO EXPENSE FOR CERTAIN INDEPENDENT LABORATORY TESTS

SEC. 26. (a) The first sentence of section 1833(b) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (1), and

(2) by inserting immediately before the period the following: ", and (3) such total amount shall not include expenses incurred for diagnostic tests with respect to which the provisions of subsection (a)(1)(D) are applicable".

(b) The amendments made by subsection (a) shall be applicable with respect to services provided on or after the first day of the first calendar month which begins more than 60 days after the date of enactment of this Act.

PAYMENT FOR LABORATORY SERVICES UNDER MEDICAID

SEC. 27. (a)(1) Section 1902(a)(23) of the Social Security Act is amended by inserting "(A)" before "has entered into" and by inserting before the semicolon at the end the following: ", or (B) during the three-year period beginning on the date of enactment of the Medicare-Medicaid Administrative and Reimbursement Reform Act, has made arrangements through a competitive bidding process or otherwise for the purchase of laboratory services referred to in section 1905(a)(3), if the Secretary has found that (i) adequate services will be available under such arrangements, (ii) such laboratory services will be provided only through laboratories (I) which meet the requirements of section 1861(s)(9), paragraphs (10) and (11) of section 1861(s), and such additional requirements as the Secretary may require, and (II) no more than 75 per centum of whose charges for such services are for services provided to individuals who are entitled to benefits under this title or under part A or part B of title XVIII, and (iii) charges for services provided under such arrangements are made at the lowest rate charged (determined without regard to administrative costs which are related solely to the method of reimbursement for such services) for comparable services by the provider of such services, or, if charged for on a unit price basis, such charges result in aggregate expenditures not in excess of expenditures that would be made if charges were at the lowest rate charged for comparable services by the provider of such services".

(2) The Secretary shall evaluate arrangements made for the purchase of laboratory services under section 1902(a)(23)(B) of the Social Security Act and shall transmit that evaluation to the Congress, together with recommendations as to whether such section 1902(a)(23)(B) should be extended or modified, no later than twenty-four months after the date of enactment of this Act.

(b) Section 1902(a)(28) of such Act is amended by inserting before the semicolon the following: ", and provide that any laboratory services (other than such services provided in a physician's office) paid for under such plan must be provided by a laboratory which during the three-year period beginning on the date of enactment of the Medicare-Medicaid Administrative and Reimbursement Reform Act meets the requirements of section 1861(s)(9), paragraphs (10) and (11) of section 1861(s) or, in the case of a rural health clinic, subsection 1861(aa)(2)(G)".

(c) Section 1902(a)(30) of such Act is amended by inserting before the semicolon following: "; and, in the case of laboratory services referred to in section 1905(a)(3), such payments do not exceed the lowest amount charged (determined without regard to administrative costs which are related solely to the method of reimbursement for such services) to any person or entity for such services by that provider of laboratory services".

(d)(1) The amendments made by subsections (b) and (c) shall (except as otherwise provided in paragraph (2)) apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on or after the first day of the first calendar quarter that begins more than 30 days after the date of enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by paragraph (b) or (c), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

CONFIDENTIALITY OF PSRO DATA

SEC. 28. Section 1166(a) of the Social Security Act is amended by inserting "which identifies (either by name or by inference) an individual patient, practitioner, provider, supplier or reviewer" immediately after "functions".

REMOVAL OF THREE-DAY HOSPITALIZATION REQUIREMENT AND ONE HUNDRED-VISIT LIMITATION FOR HOME HEALTH SERVICES

SEC. 29. (a) Section 1811 of the Social Security Act is amended by striking out "post-hospital".

(b) Section 1812(a)(3) of such Act is amended to read as follows:

"(3) home health services.".

(c) Section 1812(d) of such Act is repealed.

(d) Section 1812(e) of such Act is amended—

(1) by striking out "(c), and (d)" and inserting in lieu thereof "and (c)"; and

(2) by striking out "post-hospital extended care services, and post-hospital home health services" and inserting in lieu thereof "and post-hospital extended care services".

(e) Section 1814(a)(2)(D) of such Act is amended—

(1) by striking out "post-hospital"; and

(2) by striking out "for any of the conditions with respect to which he was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (9) of section 1861(e)) or post-hospital extended care services".

(f) Section 1814(i) of such Act is amended—

(1) by striking out "Posthospital" in the heading thereof; and

(2) by striking out "posthospital" in paragraph (1).

(g) Section 1832(a)(2)(A) of such Act is amended by striking out "for up to 100 visits during a calendar year".

(h) Section 1834 of such Act is repealed.

(i) Section 1861(n) of such Act is repealed.

(j) Section 1861(e) of such Act is amended—

(1) by striking out " subsections (i) and (n)" in the matter preceding paragraph (1) and inserting in lieu thereof "subsection (i)"; and

(2) by striking out "subsections (i) and (n)" in the third sentence and inserting in lieu thereof "subsection (i)".

(k) Section 226(c)(1) of such act is amended—

(1) by striking out "and post-hospital home health services" and inserting in lieu thereof "and home health services"; and

(2) by striking out "or post-hospital home health services" in clause (B).

(l) Section 7(d)(1) of the Railroad Retirement Act is amended by striking out "post-hospital home health services" and inserting in lieu thereof "home health services".

(m) The amendments made by this section shall be effective with respect to services provided on or after July 1, 1980.

PAYMENT FOR DURABLE MEDICAL EQUIPMENT

SEC. 30. Section 1833(f)(3) of the Social Security Act is amended to read as follows:

"(3) For purposes of determining the amount payable with respect to durable medical equipment furnished an individual as described in section 1861(s)(6), the Secretary shall, to the extent feasible, calculate at least annually the reasonable charge on a prospective basis and shall take into account, in addition to the customary charges for such equipment, the acquisition costs of such equipment, appropriate overhead (taking into consideration the level of delivery services and other necessary services actually provided by the supplier), and a reasonable margin of profit."

DEVELOPMENT OF UNIFORM CLAIMS FORMS FOR USE UNDER HEALTH CARE PROGRAMS

SEC. 31. (a) Part A of title XI of the Social Security Act is amended by adding after section 1132 (as added by section 19 of this Act) the following new section:

"DEVELOPMENT OF UNIFORM CLAIMS FORMS

"SEC. 1133. (a) Within the 2-year period commencing on the date of the enactment of this section, the Secretary shall to the maximum extent feasible develop and require to be employed, in the administration of the health insurance for the aged and disabled program established by title XVIII and the medical assistance programs approved under title XIX, uniform claims forms which shall be utilized in making payment for health services under such programs. Such claims forms may vary in form and content, but only to the extent clearly required.

"(b) The Secretary shall require forms developed pursuant to subsection (a) to be utilized in the administration of health care programs (other than those referred to in subsection (a)) but over which he has administrative responsibility, if he determines that such use is in the interest of effective administration of such programs.

"(c) The Secretary, in carrying out the provisions of subsection (a) shall consult with those charged with the administration of Federal programs (other than those referred to in subsections (a) and (b)) and with other organizations and persons that pay for health care, and with the concerned providers of health care services, with the objective of having a broad representation of such programs and plans to facilitate and encourage maximum use by other programs of such uniform claims forms."

(b) The Secretary shall make a report to the Congress, within 21 months after the

enactment of this Act, covering the following points:

(1) his assessment of what his actions will be in carrying out the provisions of section 1133 of the Social Security Act,

(2) the success or lack of success in encouraging third party payors generally to adopt the uniform claims forms required under such section, and

(3) his recommendations as to what action, legislative or otherwise, needs to be taken in order to maximize the use of such uniform claims forms.

COORDINATED AUDITS UNDER THE SOCIAL SECURITY ACT

SEC. 32. (a) Title XI of the Social Security Act is amended by inserting after section 1133 (as added by section 31 of this Act) the following new section:

"COORDINATED AUDITS

"SEC. 1134. If an entity provides services reimbursable on a cost-related basis under title V or XIX, as well as services reimbursable on such a basis under title XVIII, the Secretary shall require, as a condition for payment to any State under title V or XIX with respect to administrative costs incurred in the performance of audits of the books, accounts, and records of that entity, that these audits be coordinated through common audit procedures with audits performed with respect to the entity for purposes of title XVIII. The Secretary shall apportion to the program established under title V or XIX that part of the cost of coordinated audits which is attributable to each such program and which would not have otherwise been incurred in an audit of the program established under title XVIII. Where the Secretary finds that a State has declined to participate in such a common audit with respect to title V or XIX, he shall reduce the payments otherwise due such State under such title by an amount which he estimates to be the amount that represents the duplication of costs resulting from such State's failure to participate in the common audit.".

(b)(1) Section 1902(a) of the Social Security Act (as amended by section 24 of this Act) is further amended—

(A) by striking out "and" at the end of paragraph (40);

(B) by striking out the period at the end of paragraph (41) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (41) the following new paragraph:

"(42) provide (A) that the records of any entity participating in the plan and providing services reimbursable on a cost-related basis will be audited as the Secretary determines to be necessary to insure that proper payments are made under the plan, (B) that such audits, for such entities also providing services under part A of title XVIII, will be coordinated and conducted jointly (to such extent and in such manner as the Secretary shall prescribe) with audits conducted for purposes of such title, and (C) for payment of the portion of the costs of each such common audit of such an entity equal to the portion of the cost of the common audit which is attributable to the program established under this title and which would not have otherwise been incurred in an audit of the program established under title XVIII.".

(2)(A) The amendments made by paragraph (1) shall (except as otherwise is provided in subparagraph (B)) apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on or after the first day of the first calendar quarter which begins more than 30 days after the date of enactment of this Act.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by subsection (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature which begins after the date of enactment of this Act.

(c)(1) Section 505(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of paragraph (14);

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (15) the following new paragraph:

"(16) provides (A) that the records of any entity participating in the plan and providing services reimbursable on a cost-related basis will be audited as the Secretary determines to be necessary to insure that proper payments are made under the plan, (B) that such audits, for such entities also providing services under part A of title XVIII, will be coordinated and conducted jointly (to such extent and in such manner as the Secretary shall prescribe) with audits conducted for purposes of such part, and (C) for payment of the portion of costs of each such common audit of such an entity equal to the portion of the cost of the common audit which is attributable to the program established under this title and which would not have otherwise been incurred in an audit of the program established under title XVIII.".

(2) The amendments made by paragraph (1) shall apply to services provided, under a State plan approved under title V of the Social Security Act, on or after the first day of the first calendar quarter which begins more than 30 days after the date of enactment of this Act.

(d) The Secretary shall report to Congress, not later than March 31, 1981, on actions the Secretary has taken (1) to coordinate the conduct of institutional audits and inspections which are required under the programs funded under title V, XVIII, or XIX of the Social Security Act and (2) to coordinate such audits and inspections with those conducted by other cost payers, and he shall include in such report recommendations for such legislation as he deems appropriate to assure the maximum feasible coordination of such institutional audits and inspections.

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

SEC. 33. Title XI of the Social Security Act is amended by inserting after section 1134 (as added by section 32 of this Act) the following new section:

"ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"SEC. 1135. (a) It is the policy of the Congress that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system and access to health care services.

"(b)(1) For purposes of determining, under title XVIII or XIX, the reasonable costs of any service furnished by a provider of health services—

"(A) except as provided in paragraph (2), unrestricted grants, gifts, and endowments and income therefrom, shall not be deducted from the operating costs of such provider, and

"(B) grants, gifts, and endowment income designated by a donor for paying specific operating costs of such provider shall be deducted from the particular operating costs or group of costs involved.

"(2) Income from endowments and investments may be used to reduce interest expense, if such income is from an unrestricted gift or grant and is commingled with other funds, except that in no event shall any such interest expense be reduced below zero by any such income.".

STUDY OF AVAILABILITY AND NEED FOR SKILLED NURSING FACILITY SERVICES UNDER MEDICARE AND MEDICAID

SEC. 34. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall conduct a thorough study and investigation of the availability and need for skilled nursing facility services covered under part A of title XVIII of the Social Security Act and under State plans approved under title XIX of such Act.

(2) Such study shall include—

(A) an investigation of the desirability and feasibility of imposing a requirement that skilled nursing facilities (i) which furnish services to patients covered under State plans approved under title XIX of the Social Security Act also furnish such services to patients covered under part A of title XVIII of such Act, and (ii) which furnish services to patients covered under such title XVIII also to furnish such services to patients covered under such State plans,

(B) an evaluation of the impact of existing laws and regulations on skilled nursing facilities and individuals covered under such State plans and under part A of such title XVIII, and an evaluation of the extent to which existing laws and regulations encourage skilled nursing facilities to accept only title XVIII beneficiaries or title XIX recipients, and

(C) an investigation of possible changes in regulations and legislation which would result in encouraging a greater availability of skilled nursing services.

(3) In developing such study, the Secretary shall consult with professional organizations, health experts, private insurers, nursing home providers and consumers of skilled nursing facility services.

(b) Within 6 months after the date of enactment of this Act the Secretary shall complete such study and investigation and shall submit a full and complete report thereon, together with recommendations with respect to the matters covered by such study and investigation (including any recommendations for administrative or legislative changes), to the Committee on Finance of the Senate and to the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce of the House of Representatives.

COVERAGE UNDER MEDICARE OF CERTAIN DENTISTS' SERVICE

SEC. 35. (a) Clause (2) of the first sentence of section 1861(r) of the Social Security Act is amended to read as follows: "(2) a doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry by the State in which he performs such function, but only with respect to (A) a function (i) which he is legally authorized to perform as such by the State in which he performs such function, and (ii) which, if perfofmed by an individual described in clause (1), would constitute physicians' services, or (B) the certification required by section 1814(a)(2)(E) of this Act,".

(b) The amendment made by subsection (a) shall be effective with respect to service provided on or after October 1, 1979.

COVERAGE UNDER MEDICARE OF OPTOMETRISTS' SERVICES WITH RESPECT TO APHAKIA

SEC. 36. (a) The first sentence of section 1861(r) of the Social Security Act is amended, in clause (4) thereof, by—

(1) inserting "(i)" immediately after "with respect to", and

(2) inserting immediately after "lenses,"

the following: ", and (ii) any function with respect to aphakia which he is legally authorized to perform as such by the State in which he performs such function,".

(b) The amendments made by subsection (a) shall be effective with respect to services provided on or after October 1, 1979.

STUDY OF CRITERIA EMPLOYED FOR CLASSIFYING A FACILITY AS A SKILLED NURSING FACILITY

SEC. 37. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall conduct a special study, investigation, and review of the criteria presently employed in determining whether a facility is a "skilled nursing facility" as that term is used in paragraph (2) of section 1861(a) of the Social Security Act (relating to definition of "spell of illness"), with a view to determining, and recommending to the Congress, such modifications in such criteria as he may consider appropriate.

(b) The Secretary shall not later than December 31, 1980, submit to the Congress a full and complete report on such study, investigation, and review, together with his recommendations for any modification in the criteria referred to in subsection (a).

AUTHORITY FOR CERTAIN STATES TO BUY-IN COVERAGE UNDER PART B OF MEDICARE FOR CERTAIN MEDICAID RECIPIENTS

SEC. 38. Section 1843 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(1) Any State, which prior to the date of enactment of this subsection—

"(A) has not entered into an agreement under the preceding provisions of this section, may enter into such an agreement at any time within the twelve-month period which begins with the month following the month in which this subsection is enacted, and any such agreement shall conform to the modifications prescribed by the Secretary (as referred to in the third sentence of subsection (b)) and may, at the option of the State, contain any provision authorized under subsections (g) and (h) with respect to modifications of agreements with States entered into under the preceding provisions of this section; or

"(B) has entered into an agreement under the preceding provisions of this section which has not been modified pursuant to the authority contained in subsection (g) or (h), may within the twelve-month period which begins with the month following the month in which this subsection is enacted modify such agreement in like manner as if the date referred to in subsections (g)(1) and (h)(1) were the day following the close of such twelve-month period.".

HEALTH MAINTENANCE ORGANIZATIONS ENROLLING OVER 50 PERCENT MEDICARE OR MEDICAID RECIPIENTS

SEC. 39. Section 1903(m)(2)(C) of the Social Security Act is amended by striking out "the date the entity enters into a contract with the State under this title for the provision of health services on a prepaid risk basis" and inserting in lieu thereof "the date the entity qualifies as a health maintenance organization (as determined by the Secretary)".

SUMMARY: MEDICARE-MEDICAID ADMINISTRATIVE AND REIMBURSEMENT REFORM ACT OF 1979

Section 1.—Title.

Provides for the proposal to be called the "Medicare-Medicaid Administrative and Reimbursement Reform Act of 1979."

Section 2.—Criteria for Determining Reasonable Cost of Hospital Services.

The bill modifies the method of reimbursement for hospitals under the Medicare and Medicaid programs. Under the new method, to be effective with hospital reporting periods that begin after June 30, 1980, reimbursement for most of a hospital's inpatient routine costs (essentially costs other than such ancillary expenses as laboratory, X-ray, pharmacy, etc.) would be related to a target rate based on similar costs incurred by comparable hospitals.

This initial system, described more fully below, would be studied and extended on an as-ready basis. Based on recommendations of a proposed Health Facilities Costs Commission, a permanent system would be developed over time which would establish payment rates and provide incentive payments with respect to all hospital costs and to costs of other institutions and organizations which are reimbursed on a cost basis. Continuing efforts would be undertaken by the Commission to refine and improve the system of classification and comparison so as to achieve the greatest equity possible.

The Secretary would appoint the members of the new Health Facilities Costs Commission on or before January 1, 1980. The Commission would consist of 15 persons who are expert in the health facilities reimbursement area. At least three of the members would be representatives of hospitals and at least eight would be representatives of public (Federal, State and local) health benefits programs.

The method of reimbursement established by the bill for routine hospital costs would be as follows. Comparisons among hospitals would be made by:

1. Classifying hospitals in groups by bed size, type of hospital, rural or urban location, or other criteria established by the Secretary.

2. Including all routine costs (as defined in applying medicare routine cost limits under present law) except for the following variable costs: capital and related costs; costs of education and training programs; costs of interns, residents, and nonadministrative physicians; energy costs; and malpractice insurance costs. When classifying hospitals by type, hospitals which are primary affiliates of accredited medical schools would be a separate category, without regard to bed size.

A per diem target rate for routine operating costs would be determined for each hospital by:

1. Calculating the average per diem routine operating cost for each group of hospitals under the classification system (excluded would be newly-opened hospitals and hospitals which have significant cost differentials because they do not meet standards and conditions of participation as providers of services); and

2. Determining the per diem rate for each hospital in the group by adjusting the labor cost component of the group's average per diem routine costs for area wage differentials. In the first year of the program only, an adjustment would be allowed where the hospital can demonstrate that the wages paid to its employees are significantly higher than the wages other employees in the area are paid for reasonably compared work (as compared to the ratio for other hospitals in the same group and their areas).

Hospitals whose actual routine operating costs fell below their target rate would receive one-half of the difference between their costs and their target rate with the bonus payment limited to 5 percent of their target rate. In the first year, hospitals whose actual costs exceeded their target rate, but were no more than 115 percent of that rate, would be paid their actual costs. Those with costs above 115 percent of their target rate would have their reimbursement limited to 115 percent of the target rate.

In the second and subsequent years of the program, the hospital's maximum payment rate would be increased by the actual dollar increase in the average target rate for its group during the preceding year. In calculating the group averages, one-half of costs found excessive would be excluded from the calculation.

Adjustments to a hospital's target rate would be made for (1) changes in the hospital's classification; and (2) hospitals which manipulate their patient mix or patient flow, reduce services, or have a large proportion of routine nursing services provided by private-duty nurses. Also, a hospital would qualify for any higher target rate that is applicable to the hospitals placed in the bed-size category which contains hospitals closest in bed-size to its actual bed-size.

Exceptions to the target rates would be made for hospitals which demonstrate that their costs exceed their rates because of (1) low utilization justified by unusually high standby costs necessary to meet the needs of a particular area; (2) atypical cost patterns of newly opened hospitals; (3) changed services for such reasons as consolidation, sharing, and approved addition of services among hospitals (e.g., costs associated with low utilization of a new wing); and (4) greater intensity of patient care than other hospitals in the same category. Some hospitals have consistently shorter lengths-of-stay in treating patients than their group average for a reasonably similar mix of patients with comparable diagnoses. To the extent that a hospital can demonstrate that the shorter stays result from an "intensity" of service which makes it necessary for the hospital to incur additional costs, such additional costs per day, to the extent reasonable, should be recognized under the "intensity" exception provision.

Hospitals would be exempted from the proposed cost limits if: (a) the hospital is located in a State which has a hospital reimbursement control system which applies at least to the same hospitals and costs as are subject to the new reimbursement reform system; and (b) the State requests use of its own system and demonstrates to the satisfaction of the Secretary that, using the State's system, total medicare and medicaid reimbursable costs for hospitals in the State will be no greater than if the Federal system had been applicable. A State which exceeds, in the aggregate, the costs which would otherwise have been paid under the Federal programs for any two-year period that would be covered under the Federal limits beginning with the subsequent year. The amount of the excessive payments would be recouped over subsequent periods through appropriate reduction (not in excess of one percent annually) in the cost limits otherwise applicable.

States which obtain a waiver would be reimbursed for the medicare program's proportionate share of the cost of operating the State reimbursement control system. The State's medicaid program would pay its proportionate share of costs which would be matchable with Federal funds as an administrative expense.

Medicare and medicaid would also pay a proportionate share of startup costs of approved State reimbursement control systems. The Federal share of the startup costs would be the same proportion as the Federal payment for inpatient hospital costs in the State bears to the total inpatient hospital costs which are subject to the State system. For example, if the Federal Government pays, through medicare and medicaid, 40 percent of the total hospital costs in the State that are subject to the State system, it would be liable for 40 percent of the State program's startup costs.

Section 3.—Payments to Promote Closing and Conversion of Underutilized Facilities.

The bill provides for including in hospital reasonable cost payments, reimbursement for capital and increased operating costs associated with the closing down or conversion

to approved use of underutilized bed capacity or services in nonprofit short-term hospitals. In the case of for-profit short-term hospitals, reimbursement would be limited to increased operating costs. This would include costs which might not be otherwise reimbursable because of payment "ceilings", severance pay, "mothballing" and related expenses. In addition, payments could be continued for reasonable cost capital allowances in the form of depreciation or interest which would ordinarily be applied toward payment of debt outstanding and incurred in connection with the terminated beds. In the case of complete closing down of a hospital, payments would continue toward repayment of any debt, to the extent previously recognized by the program, and actually outstanding.

The Secretary would establish a Hospital Transitional Allowance Board which shall consider such payments. Appropriate safeguards are to be developed to forestall any abuse or speculation. Prior to January 1, 1983, not more than 50 hospitals could be paid a transitional allowance in order to permit full development of procedures and safeguards. This limited application will also provide Congress with an opportunity to assess the effectiveness and economic effect of this approach in encouraging hospitals to close or modify excess and costly capacity without suffering severe financial penalty.

Section 4.—Federal Participation in Hospital Capital Expenditures.

The bill provides for changes to be made in the current law limitations on medicare and medicaid payments related to hospital capital expenditures. These changes link the procedure directly to the Federal health planning law (Public Law 93-641) and require that the designated planning agency (the State Health Planning and Development Agency as designated under section 1521 of the Public Health Service Act) approve capital expenditures in excess of $150,000 as a condition of medicare and medicaid reimbursement for both capital and direct operating costs associated with those expenditures. The committee believes that regulations developed by the Department to implement this section should allow for speedy replacement of capital plant and equipment in certain emergency situations.

A special procedure is established for approval of proposed capital expenditures in metropolitan areas which include more than one State or jurisdiction. In such cases the designated planning agencies of all the States or jurisdictions in the area must approve the expenditure, or it would be considered disapproved for purposes of reimbursement, subject to review and reversal by the Secretary.

The bill amends Section 1122(g) of the Social Security Act to clarify that notice, approval and reimbursement penalty requirements contained in that section with respect to approval of health care facility capital expenditures do not apply to simple changes of ownership (either by purchase, or under lease or comparable arrangement) of existing and operational facilities which create no new beds or services.

Section 5.—Agreements by Physicians to Accept Assignments.

The bill provides incentives for physicians to accept assignments for all their Medicare claims. Under the bill there would be "participating" physicians, a concept employed by many Blue Shield plans.

A "participating" physician is an M.D. or D.O. who voluntarily agrees to accept the medicare reasonable charge, as payment in full for all services to all his medicare patients. Agreements would be cancellable or concluded on the basis of 30 days' notice. "Nonparticipating" physicians could continue to elect to use the assignment method of billing on a claim-by-claim basis, as under present law.

To expedite payment of claims from participating physicians, the bill provides that the Secretary would establish appropriate procedures and forms whereby: (1) such physicians may submit claims on one of various simplified bases and these claims would be given priority handling by the part B carrier; and (2) such physicians may obtain signed forms from their patients making assignment for all services furnished to them and authorizing release of medical information needed to review the claim.

The bill provides for the payment of an "administrative" cost-savings allowance of $1 per eligible patient to a participating physician covering all services included in a multiple billing listing. Two separate allowances would not be made for billing on two listings of items ordinarily included in a single visit or service; nor for different services which were provided to the same patient within a 7-day period. With respect to inpatient or outpatient hospital care, the administrative allowances would be payable only in the case of a surgeon or anesthesiologist, or attending physician or consultant whose principal office and place of practice is outside the hospital, and only where such physicians ordinarily bill and collect directly for their services. No administrative allowance would be payable in the case of claims solely for laboratory tests and X-rays undertaken outside of the office of the billing physician.

The committee expects the revised procedures to improve program efficiency and encourage more physicians to accept assignment. For example, if a physician who does not accept assignments today, and whose routine office visit charge is $10, became a "participating" physician, he would receive an extra $1 allowance for that visit plus probably save at least another $1 in billing, collection and office paperwork costs. In effect, his net practice income from that visit could increase by 20 percent as a result of "participation". The physicians with the lowest charges (often those in rural or ghetto areas) would benefit most from participation, as the cost-savings allowance and the office administrative cost reduction would represent a greater percentage of their charges.

Section 6.—Hospital-Associated Physicians.

Another section preserves the eligibility of radiologists, pathologists and anesthesiologists to be paid by Medicare and Medicaid on a fee-for-service basis for patient care services which they personally perform or personally direct. The bill provides that reimbursement for the portion of his services which the physician may perform for the hospital as an executive, educator or supervisor would be paid on a basis related to what would be paid in the case of a salaried physician performing similar work for an institution. Percentage or lease arrangements would ordinarily not be recognized for Medicare and Medicaid reimbursement purposes. These provisions were developed with the help of representatives of the American College of Radiology and the American Society of Anesthesiologists. This section will avoid excessive payment to some physicians for services which they do not personally provide.

The provision in present law which permits 100 percent payment for inpatient radiology and pathology tests, instead of 80 percent as is the case with all other physician services under Medicare, would be restricted to physicians who agree to become "participating physicians."

Section 7.—Use of Approved Relative Value Schedules.

The bill authorizes the Secretary to approve the use of terminology systems and relative value schedules by physicians in billing Medicare, Medicaid and for other purposes. The purpose of this amendment is to establish a common language to describe the kinds of services that are covered under public and private health benefits plans and to provide for a more rational basis for evaluating the reasonableness of fees.

Section 8.—Teaching Physicians.

The bill would extend, from October 1, 1978 to October 1, 1979, the implementation date for section 227 of Public Law 92-603. This provision of present law is intended to make it clear that, under Medicare and Medicaid, fees-for-service should be paid for medical care in teaching hospitals only where a bona fide private doctor-patient relationship exists. A further delay in the provision's implementation is needed to afford the Secretary of HEW additional time to consult with members of the medical education community and publish the necessary regulations.

Section 9.—Certain Surgical Procedures Performed on an Ambulatory Basis.

The bill would permit medicare reimbursement on the basis of an all-inclusive rate to free-standing ambulatory surgical centers and to physicians performing surgery in their offices for a listed group of surgical procedures. Such procedures include those which are often provided on an inpatient hospital basis but can, consistent with sound medical practice, be performed on an ambulatory basis. The rate would encompass reimbursement for the facility, physician and related services, including normal pre- and post-operative visits and routine laboratory and other diagnostic tests usually associated with the procedure.

The list of procedures eligible for such reimbursement would be specified by the Secretary following consultation with the National Professional Standards Review Council and appropriate medical organizations including specialty groups. Subsequently, procedures could be added or deleted as experience dictated.

The provision will encourage performance of surgery in generally lower cost ambulatory settings, where appropriate, instead of the more expensive hospital inpatient setting. It anticipates that States will want to monitor the effectiveness of the new benefit with a view toward making similar modifications in their medicaid programs.

Normal review of such claims by Professional Standards Review Organizations, carriers and other present review mechanisms should work to safeguard against inappropriate performance of procedures on an ambulatory basis.

Currently, medicare can reimburse the physician for his professional services in any setting. Also, the institutional costs of ambulatory surgery in a hospital outpatient department can be reimbursed. However, a charge for the use of special surgical facilities in a physician's private office or a free-standing surgical facility that is not hospital affiliated is not reimbursable.

Under the bill the physician performing surgery in his office would be compensated for his special, surgical overhead through the all-inclusive rate if he accepts an assignment; there would be no deductible and coinsurance applied in such cases.

Similarly, reimbursement would be provided for the use of the facilities in an ambulatory surgical center, without deductible or coinsurance, where the center accepts assignment. In the case of an ambulatory surgical center, the overhead allowance could be paid directly to the center and the professional fee could be paid directly to the physician. The deductible and coinsurance would be waived for the physician fees for services performed in connection with listed surgical procedures in hospital outpatient departments and other ambulatory surgical

centers where the physicians accept assignment.

The overhead factor is expected to be calculated on a prospective basis (and periodically updated) utilizing sample survey and similar techniques to develop reasonable estimated overhead allowances for each of the listed procedures which take account of volume (within reasonable limits). The committee does not intend that an individual physician's financial records be audited in order to determine his specific overhead allowance. Again, what is intended is a reasonable estimate of such costs for physicians generally performing such procedures.

Section 10.—Criteria for Determining Reasonable Charge for Physicians' Services.

Medicare currently utilizes more than 200 different "localities" throughout the country for purposes of determining part B "reasonable" charges. For example, one State has 28 different localities. The committee notes that this has led in many instances to marked and unjustified disparities in areas of the same State in the prevailing charges for the same service. Additionally, under present law, all prevailing charges are annually adjusted upward to reflect changes in the costs of practice and wage levels. The effect of present law is to further widen the dollar gap between prevailing charges in different localities.

The bill provides for the calculation of statewide median charges (in any State with more than one locality) in addition to prevailing charges in the locality. To the extent that any prevailing charge in a locality was more than one-third higher than the statewide median charge for a given service, it would not be automatically increased each year. This provision would not reduce any prevailing charges currently in effect. However, it would operate, to the extent given charges exceed the statewide average by more than one-third, to preclude automatically increasing those charges.

Under existing law, medicare allows a new doctor to establish his customary charge at not greater than the 50th percentile of prevailing charges in the locality.

The bill would permit new physicians in localities, designated by the Secretary as physician shortage areas, to establish their customary charges at the 75th percentile of prevailing charges (rather than the 50th) as a means of encouraging doctors to move into these communities. It would also permit doctors presently practicing in shortage areas to move up to the 75th percentile on the basis of their actual fee levels.

Section 11.—Payment for Certain Antigens Under Part B of Medicare.

The bill amends current law to permit payment under Medicare for the preparation by an allergist of a reasonable supply of antigens dispensed or administered under the supervision of a physician.

Current Medicare law does not permit reimbursement for an antigen prepared by a physician unless he also administers it. However, it is a common practice, especially in rural areas, for other dispensary practices to be followed—e.g., for a doctor to refer a patient to an allergist who prepares a supply of antigens for the referring doctor's use.

Section 12.—Payment on Behalf of Deceased Individuals.

The bill would permit payment by medicare to be made to the spouse or other legal representative of a deceased medicare beneficiary on the basis of a nonrecipted bill for care.

Under present law, medicare can only pay a claim on behalf of a deceased beneficiary where the physician accepts an assignment or where the family has actually paid the bill. Where a physician refuses an assignment families have encountered difficulties in raising sufficient cash to pay the bill in order to be eligible for payment by medicare.

Section 13.—Hospital Providers of Long-Term Care Services.

Many rural hospitals are the only source of acute care in their communities and as such are a necessary and vital resource to the people they serve. Although many of these hospitals have recognized that the use of their acute care beds for needed long-term care services during periods of excess bed capacity would be desirable, current program participation requirements under medicare and medicaid have discouraged these hospitals from doing so.

Under present law, a hospital-based skilled nursing facility can participate in medicare and medicaid only if the facility is an identifiable, separate unit within the institution.

This requirement was developed primarily to establish a separate cost center for purposes of program reimbursement. However, it has proven to be administratively burdensome and financially detrimental to many small hospitals. In addition, the identification of specific beds, staffing and other program requirements have not allowed sufficient flexibility in meeting episodic demand for acute beds—an important consideration when working with the small total bed complement characteristic of many rural hospitals.

The bill establishes a simplified cost reimbursement formula which would permit small rural hospitals to avoid the requirement for separate patient placement within the facility and separate cost finding.

Reimbursement for routine SNF services under medicare would be at the average rate per patient-day paid for routine services during the previous calendar year under medicaid to SNFs located in the State in which the hospital is located. Reimbursement under medicaid would be at the rate paid to SNFs and ICFs in the previous year. Reimbursement for ancillary services would be determined in the same manner as under present law.

Reimbursement under the new formula would be allowed in a hospital which (1) has less than 50 beds; (2) is located in a rural area; and (3) has been granted a certificate of need for the provision of long-term-care services.

Since the general staffing pattern in small rural hospitals is relatively fixed due to minimum staffing requirements, there should be opportunities for providing needed long-term-care services at very little additional cost.

The proposed new reimbursement method is optional and hospitals may continue to elect to establish distinct part SNFs as provided for under existing law. In addition, it is not the intention that this provision prohibit States from continuing to use other approved reimbursement methods under State medicaid plans.

The bill provides, that within 3 years after enactment, the Secretary shall report to Congress concerning whether a similar provision should be extended to other hospitals where there is a shortage of long-term-care beds, regardless of number of beds or geographic location.

Section 14.—Reimbursement Rates Under Medicaid for Skilled Nursing Facilities and Intermediate Care Facilities.

The bill allows States the option, when computing reimbursement rates under medicaid to a SNF or ICF, to include reasonable allowances for the facility in the form of incentive payments related to efficient performance.

Present law requires States participating in medicaid to pay SNFs and ICFs on a reasonable cost-related basis. This requirement, added by section 249 of the Social Security Amendments of 1972, gives States the option of using medicare's reasonable cost reimbursement formula for purposes of reimbursing SNFs and ICFs or developing other reasonable cost-related methods of reimbursement acceptable to the Secretary.

There has been considerable controversy over whether the reimbursement mechanisms developed under section 249 may include an allowance in the form of incentive payments related to efficient performances by providers.

There was no intent, in enacting section 249, to preclude such allowances if they are related to efficient provider performance. The proposed clarifying provision would insure that States have the option to include incentive allowances related to efficient performance in reimbursement formulas under section 249 of Public Law 92-603.

Section 15.—Medicaid Certification and Approval of Skilled Nursing and Intermediate Care Facilities.

The bill provides that final determinations of basic eligibility of skilled nursing facilities (SNFs) and intermediate care facilities (ICFs) under medicaid be made by the Secretary.

Under present law the State medicaid agency makes the decision as to whether a SNF or ICF applying to participate in the medicaid program only is qualified to participate in the program. However, for a SNF participating in medicare only, or both medicare and medicaid, the Secretary makes the decision as to whether the facility is qualified to participate in the programs.

State certification of SNFs and ICFs results in lack of uniformity in the application of the Federal standards to which all such facilities are subject.

The bill would establish a uniform health care facility certification process for medicare and medicaid long term care facilities. As under present law, the appropriate State health agency would survey facilities wishing to participate in either (or both) medicare or medicaid. The bill provides, however, that the Secretary make a determination as to eligibility and advise the State if a facility meets the basic requirements for participation as a medicaid SNF or ICF. The Secretary would specify the length of time (not to exceed 12 months) for which approval could be granted.

Facilities dissatisfied with the findings of the Secretary would be entitled to a hearing by the Secretary and to judicial review.

Section 16.—Visits Away From Institution By Patients of Skilled Nursing or Intermediate Care Facilities.

Until recently, HEW policy has limited Federal payments for the cost of reserving beds in skilled nursing facilities (SNFs) and intermediate care facilities (ICFs) for medicaid patients temporarily away from the institution. The regulations permitted Federal funds to be used to reserve a bed for 15 days each time a patient was in a hospital for acute care. They also permitted Federal contributions for a total of 18 days during a 12-month period when patients were visiting their homes or other places for therapeutic reasons.

The Health Care Financing Administration has amended the regulations to remove all limitations on Federal funding of therapeutic absences. Currently, however, there are no requirements in existing law setting forth policies with respect to reserving beds in SNFs and ICFs.

The bill provides that visits outside of the SNF or ICF would not necessarily constitute conclusive proof that the individual is no longer in need of the services of the SNF or ICF. However, the length and frequency of visits must be considered, together with other evidence, when determining whether the individual is in need of the facility's

services. The provision thus prohibits the Secretary from imposing numerical limits. Such matters should be left to professional medical judgment.

Section 17.—Notification to State Officials.

The bill provides, under certain circumstances, for notification of the Governor and appropriate committee chairmen in a State legislature of any audits, quality control performance reports, deficiencies, or changes in Federal matching payments affecting programs authorized under the Social Security Act.

There have been instances where the Governors and chairmen of the appropriate legislative and appropriation committees in State legislatures have not been informed on a timely basis of deficiencies or potential compliance issues involving Federal-State programs authorized under the Social Security Act.

The bill provides that if the Secretary notifies a State of any audits, quality control performance reports, deficiencies, or changes in Federal matching payments under programs authorized under the act, simultaneous notification would also be made to the Governor of the State and the respective chairmen of the legislative and appropriation committees of that State's legislature having jurisdiction over the affected program.

Section 18.—Repeal of Section 1867.

The bill terminates the Health Insurance Benefits Advisory Council.

The original 1965 medicare legislation provided for the establishment of the Health Insurance Benefits Advisory Council (HIBAC). This Council was to provide advice to the Secretary on matters of general policy with respect to the administration of medicare. The Social Security Amendments of 1972 modified the role of the Advisory Council so that its function would be that of offering suggestions for the consideration of the Secretary on matters of general policy in both the medicare and medicaid programs.

In view of the establishment of other advisory groups, and the Secretary's authority to establish ad hoc advisory bodies, the bill would terminate HIBAC.

Section 19.—Procedures for Determining Reasonable Cost and Reasonable Charge.

The bill provides, except under certain specified circumstances, that reimbursement to contractors, employees or related organizations, consultants, or subcontractors at any tier would not be recognized where compensation or payments (in whole or part, in cash or kind) as based upon percentage arrangements.

Such arrangements can take several forms. For example, some involve business contracts for such support services as computer and data processing, financial and management consulting, or the furnishing of equipment and supplies to providers of health services, such as hospitals. Charges for such services are subsequently incorporated into the cost base against which medicare and medicaid make their payment determinations.

The contracts for these support services specify that the remuneration to the suppliers of the services shall be based on a percentage of the gross or net billings of the health care facilities or of individual departments. Other examples involve landlords receiving a percentage of provider gross (or net) income in return for office space, equipment, shared waiting rooms, laboratory services, custodial and office help and administrative services. Such arrangements can be highly inflationary and add costs to the programs which may not reflect actual efforts expended or costs incurred.

The prohibition against percentage arrangements contained in this section of the bill would include payment of commissions and/or finders' fees and lease or rental arrangements on a percentage basis. It would also apply to management or other service contracts or provision of services by collateral suppliers such as pharmacies, laboratories, etc. The percentage prohibition would flow both ways either from the supplier or service agency back to the provider or organization, or from the original provider or organization to the supplier or service agency.

There is no intent, however, to interfere with certain types of percentage arrangements which are customarily considered normal commercial business practices such as the Commission paid to a salesman. Further, the bill does not prohibit reimbursement for certain percentage arrangements such as a facility management contract where the arrangement contributes to efficient and economical operation.

For example, under some existing management contracts, the contractor receives both a percentage of operating expenses as a base management fee, and a share of the net revenues of the institution after all costs have been met. Where the contractor's percentage share of net revenues exceeds the percentage on which the base management fee is calculated, the contractor could have a strong incentive to contain operating expenses. Of course, under such circumstances, the reasonableness of the percentages applicable to the operating expenses would have to be considered in terms of comparison with the costs incurred in the management and/or operation of reasonably comparable facilities which do not utilize such contracts.

Section 20.—Ambulance Service.

Under present law, medicare will pay for ambulance services to the nearest participating institution with appropriate facilities where the use of other means of transportation is contraindicated by the individual's condition. The term "appropriate facilities" means that the institution is generally equipped to provide the needed hospital or skilled nursing care for the illness or injury involved. The individual physician who practices in a hospital is not a consideration.

Occasionally, the nearest hospital with appropriate facilities does not have a physician available to undertake the required specialized care. The present alternatives are to bring the physician to the patient—a possible misuse of physician time—or to transport the patient to the more distinct facility at his own expense.

The bill provides for medicare reimbursement for ambulance services to a more distant hospital when the nearest hospital does not have staff qualified to undertake the required care.

In some areas of the country, particularly rural areas, radiation for cancer therapy is provided by radiation clinics rather than in a hospital. In these areas patients who require transportation by ambulance—where other forms of transportation are medically contraindicated—to a radiation clinic cannot qualify for medicare reimbursement. It is intended that the ambulance benefit be extended to cover patients who require ambulance transportation to receive radiation therapy in clinics in areas where the treatment is not available in a hospital.

Section 21.—Grants to Regional Pediatric Pulmonary Centers.

This section of the bill is identical (except for effective dates) to an amendment approved by the Senate in 1972.

The bill authorizes up to $5 million annually for grants to public or nonprofit private regional pediatric pulmonary centers which are part of (or affiliated with) institutions of higher learning. These grants are to assist institutions in the training of health care personnel in the prevention, diagnosis, and treatment of respiratory diseases and providing needed services for children and young adults suffering from such diseases.

Section 22.—Applicability of Human Experimentation Provision for Medicare and Medicaid.

The bill waives requirements of the human experimentation statute which may otherwise be held applicable for purposes of Medicare and Medicaid. For example, the bill waives such requirements with respect to coverage, or copayment, deductibles or other limitations on payment for services.

The bill further provides that the Secretary, in reviewing any application for any experimental, pilot or demonstration project pursuant to the Social Security Act, would apply any appropriate requirements of the human experimentation law and regulations in making his decision on whether to approve the application.

The provision would apply only to Medicare and Medicaid reimbursement or administrative activities not designed to directly experiment with the actual diagnosis or treatment of patients.

Section 23.—Disclosure of Aggregate Payments to Physicians.

The bill prohibits the Secretary of HEW from routinely releasing medicare information, and provides that State agencies shall not be required to release medicaid information, relating amounts paid to physicians under the respective programs, except as otherwise specifically required by Federal law.

Recent disclosures of physicians receiving large payments under medicare have served unjustifiably to embarrass physicians who serve a large number of elderly patients. The disclosures have also been characterized by a high degree of inaccuracy which has unfairly embarrassed some physicians.

Section 24.—Resources of Medicaid Applicant to Include Assets Disposed of at Substantially Less than Fair Market Value.

The bill requires States to deny medicaid eligibility in cases where an otherwise ineligible aged, blind, or disabled person disposes of significant assets by either giving them away or selling them for less than fair market value in order to establish medicaid eligibility.

Under present law, States which use the SSI criteria in determining medicaid eligibility for the aged, blind, and disabled may not impose transfer of assets restrictions on those applicants. Thus, an applicant who wants medicaid coverage can transfer assets which could be applied to the cost of medicaid-financed services and immediately become eligible for medicaid. This situation damages program credibility by allowing relatively well off individuals to become eligible for medicaid. It also increases program costs, especially for expenditures for institutional care. The aged, blind, and disabled account for some 64 percent of all program expenditures. They are most likely to need hospital, skilled nursing, and intermediate care facility services which comprise two-thirds of medicaid benefit costs.

Some 25 to 30 States are currently imposing restrictions on the transfer of assets on some medicaid groups but not on others. Title IV-A of the act does not prohibit such State eligibility conditions. Further, those States which choose to use the more restrictive standards for medicaid eligibility for the aged, blind, and disabled rather than the SSI criteria can impose the eligibility condition if they did so in January 1972.

The only way a State can impose restrictions on asset transfers by SSI recipients is to use the more restrictive standards of medicaid eligibility for the aged, blind and disabled permitted under section 1902(f) of the Social Security Act. However, most States

do not choose this option because they either contract with the Secretary (the Social Security Administration) under section 1634 of the Social Security Act to do medicaid eligibility determinations of SSI recipients, or rely on the SSI eligibility lists transmitted from the Social Security Administration for making their own medicaid eligibility determinations.

The bill requires States to deny eligibility for medicaid in cases where an otherwise eligible aged, blind, or disabled person disposes of significant assets by giving them away or selling them for substantially less than their fair market value in order to establish medicaid eligibility. Any such transaction will be presumed to be for the purpose of establishing medicaid eligibility unless and until the individual submits adequate evidence to rebut that presumption. States may be allowed some flexibility with regard to procedures which demonstrably are not cost/beneficial, but States will be required to make a good-faith effort to enforce this requirement. Where a State finds that a disposal of assets has occurred, the difference between the fair market value of the asset and the actual amount the individual received for it will continue to be considered as his asset for purposes of medicaid eligibility for a period of 12 months.

This authority would be administered by the States even though other elements of medicaid eligibility may be determined by the Social Security Administration under the agreements entered into pursuant to section 1634 of the Social Security Act. It is expected, however, that the Social Security Administration would agree to reasonable State requests for referral of SSI applicants to appropriate State or county agencies for determination of this additional eligibility factor.

The provision is aimed at abusive situations where assets are sold for substantially less than their fair market value. It is not intended, for example, that the provision would be used to call into question the sale of a piece of land for $1,000 or $2,000 in which the sale price may fall short of the agency's estimate of fair market value by $100 or $200.

Section 25.—Rate of return on net equity for nonprofit hospitals.

The bill changes the allowed rate of return on for-profit hospitals' net equity, which under present law is equal to 1½ times the current rate of return on social security trust funds. The new rate of return multiplier would be: 2½ times for hospitals entitled to an incentive payment under the incentive reimbursement system in section 2 of the bill; 2 times for hospitals that are reimbursed only their reasonable costs; and 1½ times for hospitals with costs in excess of their routine cost limits. The new rates of return would become effective at the same time as the new incentive reimbursement system—*i.e.*, July 1, 1980.

Section 26.—Deductible not applicable to expenses for certain independent laboratory tests.

Legislation enacted in 1972 (section 279 of Public Law 92-603) was designed to avoid the unreasonably high administrative costs that independent laboratories and the medicare program incur in the billing and processing of typically inexpensive diagnostic tests. That provision was intended to reduce these billing and processing costs by authorizing the Secretary of HEW to negotiate payment rates with individual laboratories which medicare would pay in full, without any need for the laboratory to bill the patient for the $60 deductible and 20 percent copayment amounts. The negotiated rates could be no higher than medicare would have paid in the absence of the new provision.

The new billing procedure was never utilized because, as a result of a drafting error, the $60 deductible was retained. Thus, since laboratories still have to bill patients for deductible amounts, and since medicare must still determine each patient's deductible status, the savings to laboratories and medicare cannot now be achieved.

The bill waives the $60 deductible in applying the special laboratory billing procedure, as was intended by section 279 of Public Law 92-603.

Section 27.—Payment for laboratory services under medicaid.

The bill allows a State to purchase laboratory services for its medicaid population through competitive bidding arrangements for a 3-year experimental period.

The committee notes that the Comptroller General, in a July 1, 1978, report to the Congress, recommended that States be given greater latitude in paying for independent laboratory services under medicaid. States have been restrained in adopting cost-saving contract bidding and negotiated rates with laboratories by an interpretation of the present "freedom of choice" provision. That provision was intended to permit medicaid recipients to choose from among any qualified doctors, drugstores, etc. It was not intended to apply to the types of care or services, such as laboratory services, which the patient ordinarily does not choose.

The committee bill allows a State to purchase laboratory services for its medicaid population through competitive bidding arrangements for a 3-year experimental period. Under this provision, services may be purchased only: (1) from laboratories meeting approoriate health and safety standards; (2) no more than 75 percent of the charges for such services are for services provided to medicare and medicaid patients; and (3) only if the laboratories charge the medicaid program at rates that do not exceed the lowest amount charged to others for similar tests. The bill would also make conforming changes in title XIX to provide that medicaid payments generally may be made only to clinical laboratories meeting applicable standards.

Section 28.—Confidentiality of PSRO Data.

In authorizing the PSRO program in 1972, the Congress set forth principles, in section 1166 of the Social Security Act, that were to serve as the basis for regulations governing both the disclosure and the confidentiality of information acquired by PSRO's in the exercise of their duties.

Confidentiality is critical to the success of PSRO's because they rely on voluntary service by local physicians. Should all data acquired by PSRO's be disseminated without safeguards, recruitment of physicians to perform PSRO functions would become increasingly difficult. Moreover, the intent of peer review, as opposed to Government regulation, is to allow the profession to attempt to regulate itself with some degree of privacy and candor. In addition, subjecting PSRO's to the Freedom of Information Act (FOIA) would result in increased administrative burdens, large additional expenses for the defense of lawsuits and great uncertainty and delay in the performance of PSRO functions.

However, on April 27, 1978, the U.S. District Court for the District of Columbia held that a PSRO is an "agency" of the Federal Government for purposes of the FOIA and is thus subject to its disclosure requirements of this later legislation. This decision, which is currently being appealed, means that the data and information in control of the PSRO must be disclosed, on request, unless the particular information to be protected is specifically identified.

Therefore, the bill provides for the confidentiality of PSRO information that identifies an individual patient, practitioner, provider, supplier or reviewer. As under section 1166, as presently worded, information may be disclosed to the extent necessary to carry out program purposes, to assist with the identification of fraudulent and abusive activities, and to assist in the conduct of health planning activities.

It should be noted that the Secretary of HEW in his regular review of PSRO performance can, under present law, evaluate the review activities—including practitioner profiles of practice—and thus safeguard against any general indiscriminate or willful action or inaction by a given PSRO with respect to practitioners.

Section 29.—Repeal of 3-day hospitalization requirement and 100-visit limitation for home health services.

The bill removes the provision in existing law that limits medicare home health benefits to 100 visits per spell of illness under part A and 100 visits per year under part B. In addition, the bill removes the requirement that a beneficiary has to be an inpatient in a hospital for at least 3 days before he can qualify for part A home health benefits.

Under present law, a beneficiary is eligible for 100 home health visits per spell of illness under part A of medicare following an inpatient stay in a hospital of at least 3 days. Beneficiaries are also eligible for 100 home health visits per calendar year under part B of medicare whether or not they had been hospitalized previously. By removing the numerical limit on home health visits and the 3-day prior hospitalization requirement, the committee believes that the home health benefit will become more widely available to eligible persons in need of such care.

Section 30. Payment for durable medical equipment.

Under the medicare law, reimbursement for the rental or purchase of durable medical equipment is based largely on the supplier's customary charge for the item and on the prevailing charge for the equipment in the locality. Medicare has experienced problems with this method of reimbursement because of the lack of uniformity in suppliers' billing and charging practices; differences in the level of services offered by different suppliers; the different approaches medicare carriers follow in calculating allowances for medical equipment; and because equipment charges are not set in a broadly competitive marketplace.

The bill establishes a new reimbursement methodology for medical equipment intended to correct these problems. Under the new method, reasonable charges for durable medical equipment would be calculated on a prospective basis and would take into account, in addition to the customary charges, the acquisition costs of the equipment, appropriate overhead (considering the level of delivery services and other necessary services provided by the supplier), and a reasonable margin of profit.

An additional problem has arisen as a result of the provision of present law which authorizes lump-sum payments by medicare for durable medical equipment where purchase would be more economical than rental. In these, cases the patient is responsible for paying (in addition to any deductible and coinsurance amounts) any difference between the supplier's charge for the item and the medicare allowable charge. This difference can be substantial since the medicare allowable charge is based on charge levels as they existed from 12 to 24 months in the past. The bill would eliminate this lag where the medicare allowable charge is calculated in accordance with the new methodology by permitting the allowable charges to be calculated (no less often than annually) on a prospective basis.

Section 31.—Development of uniform claims forms for use under health care programs.

The bill requires HEW to adopt, to the extent feasible, standardized claims forms for medicare and medicaid within 2 years of enactment. Such forms could vary in a given State for medicaid if the Secretary determined that, in that State, a uniform national medicare-medicaid claims forms could not be utilized.

The bill requires the Secretary, in carrying out the requirements of this section, to consult with those charged with the administration of other Federal health care programs, with other organizations that pay for health care, and with providers of health services to facilitate and encourage maximum use by other programs of the uniform claims forms. The bill further requires the Secretary to report to the Congress within 21 months of enactment on: (1) what actions he will take pursuant to this section; (2) the degree of success in encouraging third parties generally to adopt uniform claims forms, and (3) his recommendations for legislative and other changes needed to maximize the use of such forms.

Section 32.—Coordinated Audits Under the Social Security Act.

The duplication of identical or similar auditing procedures used for the purpose of determining reimbursement under various Federal health benefit programs is costly to both the programs and the entity (such as a hospital, skilled nursing facility, or home health agency) participating in the program.

The bill therefore requires that, if an entity provides services reimbursable on a cost-related basis under title XVIII and titles XIX or V, audits of books, accounts, and records of that entity for purposes of the State programs are to be coordinated through common audit procedures with audits performed for the purposes of reimbursement under title XVIII. Where a State declines to participate in such common audits, the Secretary is to reduce payments that would have been made to the State under titles V or XIX by the amount attributable to the duplicative State audit activity. A State participating in the common audit procedure would continue to receive Federal matching for administrative costs associated with any additional or supplemental audit data or audits that may be necessary under their medicaid and maternal and child health programs.

Section 33.—Encouragement for Health Care of Philanthropic Support.

Under present medicare policy, in determining the reasonable costs of services furnished by a provider of health services, unrestricted grants, gifts and income from endowments are not deducted from reimbursable costs of the provider. The bill provides a statutory base for this policy.

Section 34.—Study of Availability and Need for Skilled Nursing Facility Services Under Medicare and Medicaid.

The bill directs the Secretary of HEW to conduct a study of the availability and need for skilled nursing facility services under the Medicare and Medicaid programs. The study would consider the desirability of requiring facilities that wish to participate in one program to participate in both. The study would also investigate possible changes in regulations and legislation which would result in encouraging a greater availability of skilled nursing services.

In developing the study, the Secretary would consult with professional organizations, health experts, private insurers, nursing home providers and consumers of skilled nursing facility services. A report on the Secretary's findings and recommendations would be due six months after the date of enactment.

Section 35.—Coverage Under Medicare of Certain Dentists' Services.

The bill extends the coverage of dental services under medicare to include any services performed by a doctor of dental surgery or of dental medicine which he is legally authorized to perform in cases where the services would be covered if performed by a physician.

Under present law, medicare covers the services of dentists when they are performed by a licensed doctor of dental or oral surgery only with respect to (1) surgery related to the jaw or any structure contiguous to the jaw, or (2) the reduction of any fracture of the jaw or any facial bone. The law, therefore, excludes from coverage certain nonsurgical procedures which dentists and oral surgeons are professionally trained and licensed to perform even though the same services are covered when performed by a physician.

Section 36.—Coverage Under Medicare of Optometrists' Services With Respect to Aphakia.

The bill authorizes medicare part B reimbursement to optometrists for covered services related to aphakia which are within the scope of licensed optometric practice.

Current medicare law provides reimbursement for diagnosis and treatment of the diseases of the eye when such services are provided by physicians. Certain diseases of the eye result in surgical removal of the lens. The resulting condition, i.e., absence of the lens of the eye, is known as aphakia. Eyeglasses (or contact lenses) which serve as the prosthetic lens for aphakia are covered under the program. In addition to physicians, optometrists are reimbursed under the program for services to aphakic patients. These reimbursable services are limited, however, to dispensing services in connection with the actual fitting and provision of prosthetic lenses. Section 109 of Public Law 94-182 required HEW to conduct a study concerning the appropriateness of medicare reimbursement of services performed (but not presently reimbursed) by optometrists in providing prosthetic lenses for patients with aphakia. In a report transmitted to the Congress on January 12, 1977, HEW recommended that those covered services related to aphakia and within the scope of optometric practice be reimbursable under part B of medicare when provided by optometrists. The bill incorporates this recommendation.

Section 37.—Renewal of Benefits.

Under present law, a beneficiary must remain, for 60 consecutive days, out of an institution which is determined to be primarily engaged in providing skilled nursing care and related services in order to renew his medicare eligibility for additional days of hospital and skilled nursing facility benefits. Regulations of the Secretary establish the criteria which define the institutions where patients cannot renew benefit eligibility. In general these institutions consist of: all skilled nursing facilities which participate in medicare and medicaid, some of the intermediate-care facilities that participate in medicaid, and additional nursing care institutions that participate in neither program.

The intent of the provision was to permit beneficiaries to renew their benefit eligibility once they have ended a spell of illness (and, thus, for at least 60 days, no longer needed skilled nursing).

However, beneficiaries in skilled nursing institutions who have exhausted their benefits are sometimes prevented from renewing their eligibility even though they actually receive little or no skilled care. This is especially a problem in States which require the availability of nurses in institutions that are largely for patients who do not need skilled nursing.

The bill directs the Secretary to review current procedures for applying the benefit-renewal criteria to make sure that they are not too restrictive. The Secretary would report his findings and conclusions to the Congress within 9 months of enactment, together with any legislative recommendations he may wish to propose.

Section 38.—State Medicare "Buy-In."

The medicare law gave States until January 1, 1970, to request enrollment of their public assistance beneficiaries in part B of the medicare program. States that entered into these so-called "buy-in" agreements pay the part B premiums for the public assistance enrollees. The "buy-in" provision was designed to encourage the highest possible participation of the elderly in the part B program. Alaska, Louisana, Oregon, Puerto Rico, and Wyoming did not make timely arrangements to enroll their public assistance beneficiaries in the part B program.

The bill would give the States that wish to do so an additional period of 12 months in which they could elect to make the necessary coverage arrangements.

Section 39.—Health Maintenance Organizations Enrolling Over 50 percent Medicare or Medicaid Recipients.

Present law prohibits a health maintenance organization (HMO), which contracts with a State to provide prepaid health services under Medicaid, from having more than one-half of its members covered by Medicaid and/or Medicare. HMO's are given 3 years from the date of their contract with the State Medicaid program to meet this condition.

Occasionally, because of administrative delays, an HMO may have difficulty signing up nonmedicaid/medicare members by the end of that 3-year period, and thus be forced to reduce its coverage of Medicaid beneficiaries in order to achieve the 50-50 requirements.

This situation would be remedied under the bill by providing that HMO's contracting with States to provide health services under Medicaid would have up to 3 years after the date the HMO is formally found qualified by the Department of Health, Education and Welfare to meet the 50-percent requirement.

Mr. TALMADGE. Mr. President, I yield such time as he may desire to the distinguished Senator from Kansas, the ranking minority member of our subcommittee.

Mr. DOLE. Mr. President, I thank my distinguished colleague.

This is another demonstration of leadership on the part of the distinguished senior Senator from Georgia. It is a matter that has been under consideration, as the Senator just pointed out, not just for a month or a year, but is the result of years and years of tireless efforts on the part of the distinguished Senator from Georgia.

Mr. President, I am pleased to join with the distinguished chairman of the Finance Health Subcommittee, Senator TALMADGE, in introducing legislation providing constructive reform of the administrative and reimbursement mechanisms for the medicare and medicaid programs. As the ranking Republican member of the Finance Committee and its Health Subcommittee, I have a particular interest in seeing that meaningful improvements are made in these programs. Not only do medicare and medicaid present an inpenetrable maze to the providers serving program beneficiaries, they are now a serious burden on the Federal Budget. The legislation introduced today is similar to bills introduced in both the 94th and 95th Congresses. The problems associated with escalating health care costs have increased in recent years, making passage that much more critical.

COST OF HEALTH CARE

During the past 10 years, the number of poor, disabled, and aged enrolled in governmental health programs have greatly increased. The costs of providing benefits for these people also continue to increase. Federal, State, and local governments are now facing serious budgetary problems because of the growing amount of health care services purchased by governmental programs and the rapidly increasing costs of those services; 12.5 percent of our Federal taxes are now spent for health care. Increasing hospital costs present one of the most serious problems. Between 1975 and 1977, hospital costs increased between 14 and 20 percent annually.

It is important to note that there has been an improvement in this situation during the past year due to the voluntary efforts of the health care industry to hold down their costs; but the Government must also do its part by managing its programs in a cost-efficient manner.

During the last congressional session, I indicated my support of voluntary efforts to control hospital costs. I continue to believe that we should avoid heavy-handed Federal regulation whenever possible. The health care industry has devised a program to slow the rate of growth in national health care expenditures, and are meeting established targets, the most recent one falling under 13 percent. However, I am still of the opinion that basic reform in medicare and medicaid to create the necessary incentives for cost control will assist this effort and set us on a path of solving this long term problem.

During hearings on medicare reimbursement reform proposals in the past, I have been exposed to the concerns of those who fear that without some form of hospital cost restraint other national priorities will be downplayed if we are to retain any semblance of fiscal solvency. We are all familiar with the figures which indicate that total health care spending comprised 4½ percent of the GNP in 1950, while today it approaches 9 percent of our gross national product. Medicare and medicaid programs have contributed markedly to the rapid increase in total health care expenditures.

MEDICARE/MEDICAID PROGRAMS

When the medicare/medicaid programs were initially considered, I expressed serious reservations as to their design and their ability to provide the best possible access to health care services for the individuals they sought to assist. I continue to remind you today, as I have in the past, that hindsight now demonstrates that my original observations were not entirely inaccurate. Medicare recipients continue to face rapid increases in out-of-pocket costs and medicaid beneficiaries continue to see curtailment of services initially provided to them. Most individuals today do not need to be confronted with facts and figures to tell them that it is simply costing them more to obtain adequate health care.

RESPONSIBLE ALTERNATIVE

The bill being introduced today builds on our experience of the last two congressional sessions. It has been improved by suggestions we have received and starts us on a road to long-term, sensible cost moderation policy. This proposal demonstrates a recognition that the delivery system itself is not completely responsible for generating inflationary pressures for the cost of health care. Rising labor and supply costs: the need to constantly upgrade equipment and facilities; skyrocketing malpractice premiums; and compliance with a proliferation of new regulations have all played a part in the dilemma we have managed to reach today.

The complexities of this situation have apparently continued to go unnoticed by the administration who has sent the Congress a budget with estimated savings in the medicare-medicaid programs of $1.8 billion for fiscal year 1980. These savings, which are based on the administration's so-called cost containment program, remain unrealistic. Singling out the hospital industry with an arbitrary 9.7-percent cap on revenue increases is inequitable in that these institutions still have no ability to control the price increases in the goods and services which they must purchase and inevitably must be reflected in their costs. The fact is that even if we were to accept the administration's approach, the savings projected in their budget would only be realized if permitted increases for 1980 would be limited to 6.4 percent. There must be more realistic approaches to cost containment which take into account hospitals' individual circumstances and needs.

In my opinion, the proposal we are introducing today represents a responsible alternative to the President's cost containment plan. This bill addresses medicare/medicaid administrative and reimbursement procedures in three major areas: Hospital reimbursement, practitioner reimbursement, and long-term care. The new method of reimbursement for routine operting costs for hospitals would be markedly improved by the incentive system this bill creates. It also simplifies the procedures for practitioner reimbursement and encourages the most appropriate management of patients who require long-term care. If there are savings to be realized from increased efficiency in Federal program administration, then the provisions of this bill are designed to bring them about while maintaining a realistic view of changes which providers are and are not able to make.

OTHER PROVISIONS

Among the various provisions included in this bill I would like to take particular note of several provisions in which I have a special interest. The bill provides for the use of medicare audit findings in the administration of medicaid and the maternal and child health program. Elimination of the present duplication of identical or similar auditing procedures used for the purpose of determining reimbursement under various Federal health benefit programs could save as much as $26.5 million in the coming year. This provision is a classic example of how to cut waste from Government programs. The provision which creates incentives for the establishment and maintenance of physician practices in low-fee physician shortage areas by increasing relative reimbursement levels is particularly important for my own State of Kansas. Kansas contains many areas in which physicians are badly needed, but recruitment efforts have been hampered in part by the discriminating nature of the current medicare reimbursement practices. Hopefully, the change suggested in this legislation will be a positive means of reversing that trend.

A third section of this legislation, in which I have a special interest, is the prohibition of publication of physicians medicare earnings data. In the past, I brought to the attention of this body the inexcusably large number of errors included in the medicare "100,000 club" listing by HEW. This section of the legislation is designed to protect against another unnecessary violation of personal privacy by the publication of another list.

CONCLUSION

It is our intention to hold hearings again as we did during the previous congressional session as refinements of this bill are certainly possible. I am particularly encouraged by the success of some State controlled hospital rate programs and other medicare cost saving initiatives that have occurred in recent months.

My cosponsorship of this legislation does not necessarily reflect a complete embracement of all its provisions, for certainly there is room for difference of opinion and further constructive input. I commend Senator TALMADGE for his dedicated effort at bringing about the kind of reform it will take to achieve some measure of control in our medicare and medicaid budgets. I welcome the opportunity to support the thrust of this reform effort while continuing to remain open to suggestions for its refinement.

It is my firm hope that we, as legislators, can meet our part of the commitment necessary to control the escalating cost of health care. This will only be done with a cooperative approach where providers, intermediaries, beneficiaries, and administrators all come to grips with the fiscal challenges we must face. Is is in the spirit of this joint obligation that I join my colleagues in introducing the Medicare/Medicaid Administrative and Reimbursement Reform Act of 1979.

MAX FRIEDERSDORF

Mr. DOLE. Mr. President, today Max L. Friedersdorf will be sworn in as one of the six Commissioners of the Federal Election Commission. Mr. Friedersdorf is an excellent choice and will prove himself to be a valuable addition to the FEC.

Mr. Friedersdorf has served for 2 years as the Washington staff director of the Senate Republican Policy Committee. He received his bachelor of arts degree from American University in 1963 and his master's of arts degree from American University in 1970. Mr. Friedersdorf has held many positions in Government. For 10 years he was the administrative assistant to Congressman Roudebush of Indiana. In 1970 he became the Director of the Congressional Relations Office of Economic Opportunity. He joined the White House Congressional Relations Office in 1971. From 1975 until 1976 he served as an Assistant for Legislative Affairs to former President Gerald Ford. The Senate Republican Policy Committee will sorely miss Mr. Max Friedersdorf's expertise and wisdom. I am sure my colleagues join me in wishing Max a very successful future as he assumes his new responsibilities at the Federal Election Committee.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Michigan (Mr. LEVIN).

REDUCE OIL CONSUMPTION

Mr. LEVIN. Mr. President, I am very happy to note that the United States will propose at the International Energy Agency's meeting in Paris today and tomorrow that the Agency's 19 members undertake concerted action to reduce oil consumption by 3 to 5 percent. This is the kind of strong action in dealing with our energy problem that the American people have been expecting from our Government, and it would demonstrate to them and to the rest of the world that our commitment to dealing effectively with the problem is more than just rhetoric.

Mr. President, when I raised this issue yesterday at a hearing of the Governmental Affairs Subcommittee on Energy, Nuclear Proliferation and Federal Services, Energy Secretary James Schlesinger stated that the adoption of international conservation measures would be complicated by the fact that not all of the IEA members see eye to eye about the appropriate means for reducing oil consumption. I regret that the Secretary did not see fit to be more candid with the subcommittee about the administration's plans in this regard. Candor is an essential requirement of a cooperative relationship between the administration and the Congress in formulating energy policy. In any event, the IEA's problem is an understandable one; even within our own country, we can expect a heated debate on that controversial issue. But any differences of approach we may have should not be allowed to divert us from the fundamental point: that the instability in the oil markets, and the psychological dangers that carries with it, result from a supply-demand imbalance in crude oil trade, and that in the short term the most effective thing that we, and all consuming nations, can do to redress that imbalance is to reduce our consumption of petroleum products through conservation measures. I hope that all of the industrial nations who are members of IEA can agree on that, and can then proceed to discuss the specific questions of how much of a reduction in oil consumption is necessary and how it should be achieved.

Let me briefly review the oil shortage situation that faces us today. Before the recent disruption of oil production, Iran was exporting about 5 million barrels of oil a day, or somewhat more than 10 percent of the non-Communist world's requirements. Because of step-ups in oil production by Saudi Arabia and other nations, we are facing a world shortfall of about 2 to 3 million barrels a day. The United States is considerably less dependent, percentagewise, on Iranian oil than many other nations, but our national appetite for oil is so voracious, in absolute terms, that we expect to bear a considerable portion of the Iranian shortfall, estimated at about 500,000 barrels per day, or about 2.5 percent of our domestic consumption. This shortfall could rise to as much as 1 million barrels per day if any of the IEA signatory nations invoke the mandatory sharing agreements, as they are entitled to do when facing a shortfall of 7 percent or more.

Because the United States is the largest importer of OPEC oil, it is incumbent upon us to take the lead in any international conservation effort. Moreover, because of the confluence of two important events this month, we have a particularly auspicious opportunity to undertake such an effort. The International Energy Agency (which could be appropriately renamed OPIC, or the Organization of Petroleum Importing Countries) is meeting today and tomorrow in Paris. OPEC will be meeting March 26 in Geneva, presumably to rationalize (and, I fear, to institutionalize at some level) the price increases which have already been adopted by Saudi Arabia, Abu Dhabi, Qatar, Kuwait, Libya, Iraq, and Venezuela.

The OPEC countries have long ago learned, and learned well, one of the basic laws of economics: That price is a function of the relationship between supply and demand. Given the current imbalance between the two, it is clear what the outcome of their meeting will be. But in deciding what price increases to establish over the long term, they will have to consider also the trends for industrial world oil consumption. If the industrial nations of the world demonstrate a real commitment to reducing their oil usage, OPEC will find it much more difficult to adopt a significant price increase.

It is for this reason that we must act now, in concert with other major oil consuming nations, to respond to the challenge of the current shortage. If Americans are called upon to conserve, then let us leverage our conservation effort into a truly international one which would have a much greater impact. I urge the administration to pursue this course vigorously in the IEA forum and elsewhere.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Michigan has 2 minutes remaining.

Mr. LEVIN. I yield that time back to the Chair, Mr. President.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. With all time having been yielded back by the distinguished Senator from Michigan, under the previous order there will now be a period for the transaction of routine morning business not to exceed 60 minutes with statements therein limited to 10 minutes each.

THE RETIREMENT OF OLIVER J. DOMPIERRE

Mr. BAKER. Mr. President, I want to express my appreciation for the extraordinary and devoted service of Oliver J. Dompierre to the U.S. Senate. On yesterday, Dom retired from his position as assistant to the Republican leader after 48 years and 8 months of service to his country. The bulk of that service was with the U.S. Senate, and most of it in the Republican leader's office.

The late Senator Bill Knowland first brought Oliver Dompierre to the leader's office, where he served as administrative assistant to the leader under both Senator Knowland and my father-in-law, Senator Everett Dirksen. When Senator Hugh Scott became Republican leader, he named Dom to be assistant to the Republican leader for floor operations, a position he continued during my tenure as leader until his retirement yesterday.

Oliver J. Dompierre has served the United States in an important capacity during the administrations of nine Presidents. Dom's tenure in the Senate predates that of every Member presently in this body, or in the House of Representatives for that matter. Few Americans have labored so long for the United States Senate, have been such a part of Senate history, nor served the U.S. Senate and the United States of America better.

We shall all miss Dom. And as we salute and applaud him for his exceptional past service, I know my colleagues will join me in wishing Dom, his lovely wife, Randy, and the Dompierre family all the best for the future.

FOREIGN DEBTS OWED THE UNITED STATES

Mr. HARRY F. BYRD, JR. Mr. President, China, Russia, Taiwan, Cuba, Vietnam, and Iran have at least two things in common. One, they owe us money. Two, they are not paying us back.

These countries are not alone.

In recent hearings before the Subcommittee on Taxation and Debt Management of the Finance Committee, of which I am chairman, Assistant Secretary of the Treasury for International Affairs, C. Fred Bergsten, testified that 169 countries and territories plus 19 international institutions and regional groups owe the United States money.

Thus, debtors to the United States exceed the number of countries in the world, which are only 159; membership in the United Nations now totals 151 countries.

The list includes the Vatican City, our own Pacific Island Territories, and countries with which we have no diplomatic relations, such as Cuba. Just about the only country which does not owe the United States money is Albania.

Not only have we lent money to almost every country in the world, last year we had the distinction of lending more money than we received in payments. While we loaned approximately $6.7 billion, the United States received back only approximately $3 billion.

As a result, the amount of debt owed to the United States has increased by $3.7 billion as of this past September. The recipients of this increase include countries such as Korea, Mexico, and Brazil.

The magnitude of this debt deserves close attention. As of September 30, 1978, outstanding World War I debts were $27.5 billion; and post-World War II repayable debts and other foreign credits were $45.7 billion.

The total debt, therefore, is now in excess of $73 billion. This does not include $13.2 billion of contingent liabilities. When this figure is added into the amounts owed to the U.S. Government, we have a potential risk of more than $86 billion.

Private banks now have claims of $200 billion upon foreign countries. Our Government debt exceeds 42 percent of the $200 billion which private banks have lent to foreign countries.

This debt represents American capital which taxpayers have loaned abroad.

These loans are in addition to our foreign aid program in which authorized expenditures are estimated to be $12.3 billion in fiscal year 1979.

Our loans are not gifts. Even though many of the loans are made at low interest rates with liberal repayment terms, repayment is expected.

If not repaid, these loans are just another form of foreign aid—an additional handout abroad, this being on top of our foreign aid grant programs.

In terms of domestic programs, the money which we have lent abroad is approximately one-half of the Pentagon's budget in 1979 and would pay for most Federal social programs.

Despite the size of the debt, there is very little concern in official Washington shown about its collection.

The World War I debt of $27.5 billion is way past due and is no longer carried as an arrearage. Even though the interest rate is less than 4 percent per year on this debt, the interest now exceeds the principal. No effort is made to collect either the interest or the principal.

On debt owed after World War II, total arrearages and delinquencies are $612 million. This is $21 million higher than delinquencies just 1 year earlier. Over 100 countries are now delinquent in paying their debts.

These are delinquencies for 90 days or more. The Treasury has no record as to delinquencies which have been outstanding for over 1 year.

Compared to the zeal of our domestic debt collection agencies, particularly the Internal Revenue Service, concern over collecting foreign debts owed to our Nation is nonexistent.

Although Congress has urged a vigorous debt collection policy, and indeed prohibits foreign aid to countries in default, Treasury and State Department officials testified that they have not actually cut off foreign aid even though foreign debts were overdue.

This lack of enthusiasm is nothing new. In the past, we have settled debts owed to us by the Soviet Union, the Indian Government, and the French Government for little more than 3 cents on the dollar.

The Soviet Union World War II lend-lease debt is instructive of the way in which official Washington works.

The U.S. Government, after writing off nearly $9 billion of lend-lease assistance to the Russian Government during World War II, refused to write off an additional $2.6 billion owed to it.

In 1972, the State Department negotiated what it called a settlement of this $2.6 billion debt.

It agreed to accept in payment $722 million. Russia has paid the United States $48 million, but has not paid any of the remaining $674 million.

The reason the Russians have given for failing to pay the additional money is that they were not granted most-favored-nation status and are therefore not eligible for Export-Import Bank credits.

As a result of this lack of access to U.S. funds provided by the American taxpayer—namely the working men and women of our Nation—Russia has refused to pay the additional $674 million of the debt she owes to the United States.

The settlement of the Russian debt by President Nixon's State Department in 1972 was, in my judgment, one of the most foolish agreements our country has made.

In effect, what our State Department negotiators did was this: They agreed to settle the $2.6 billion debt owed by Russia to the United States for 3 cents on the dollar—plus another 24 cents, provided the American taxpayers loan Russia the money to pay for it.

How foolish can we get?

The Russian debt is important because we are now embarking on trade and diplomatic relations with the People's Republic of China. There is a potential for a similar outcome.

Currently, there are now $196 million in private claims against China. In addition, we have World War II arrearages and unpaid Export-Import Bank loans to China which account for over $150 million.

However, at this time, there is no official policy for the collection of this debt. In fact, there seems to be no total figure as to the amount which the Chinese owe to the U.S. Government. This is the case, even though some of the obligations go back as far as 30 years.

Future negotiations with the Chinese Government must establish a policy for repayment of this debt.

Another example is Iran now owes $37 million principal and interest.

Often, when debts are not repaid, we generously reschedule these debts. As of 1974, the Congress prohibited full forgiveness of debts without a congressional resolution. The alternative to forgiveness is rescheduling. Since 1970, the U.S. Government has engaged in nearly 20 debt reschedulings.

These reschedulings are:

Year	Country	Amount of U.S. debt rescheduled (millions)
1970	Indonesia	$215
1971	India	9
1971	Yugoslavia	59
1971	Egypt	145
1972	Chile	110
1972	Pakistan	51
1972	India	29
1973	Poland	32
1973	Pakistan	23
1973	India	29
1974	Chile	232
1974	Pakistan	196
1974	India	45
1975	Chile	95
1976	Zaire	46
1977	Zaire	68
1978	Turkey	191
1978	Peru	104

The most recent debt reschedulings have been with Turkey and Peru. With regard to Turkey, $191 million of debt falling due from May 20, 1978, through June 30, 1979, was rescheduled.

The history of our debt collection practices is poor. There seems to be no concern for the fact that these monies come from the pockets of American taxpayers.

The Department of State has primary responsibility for collecting foreign debts owed to the United States. It must exercise vigorously this responsibility.

When debts are forgiven or rescheduled, it is the American taxpayer who is losing money.

Periodically, Congress must review and approve programs and expenditures for foreign aid and international financial institutions. Officials in the Treasury and Department of State should be on notice that Congress does not view foreign debts independently from other programs. Congress must not permit foreign countries to avoid paying their debts and still receive foreign aid. Foreign loans should not be turned into another foreign aid grant program.

I wish to share with my colleagues tables showing arrearages and amounts of debt outstanding which were presented to the subcommittee in the recent hearings.

Mr. President, I ask that these tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Total foreign debt outstanding to the U.S. government as of September 30, 1978

[In millions of dollars]

	Outstanding
I. World War I indebtedness [1]	$27,463
World War I credit	25,541
German World War I indebtedness [2]	1,922
II. Post World War I indebtedness on USG credits	45,715
A. Long-term credits	45,013
Foreign assistance and related acts	20,403
Export-Import Bank Act	11,436
Agriculture Trade Development and Assistance Act	7,029
Lend-lease and other war accounts	1,336
Commodity Credit Corp. export credits	1,916
Other credits	2,893
B. Accounts receivable credit	414
Military logistical support	218
Military Sales Act	37
Atomic Energy Act	93
Other	66
C. Short-term credits	288
Commodity Credit Corp.	288
III. Public and private U.S. claims settled by the U.S. Government [3]	32
Grand total	73,210

[1] Includes interest due and unpaid.

[2] Actual indebtedness is denominated in Reichmarks. These figures are estimates only.

[3] Includes 1966 "Freeloc" settlement with France.

Arrearages of 90 or more days on foreign loans and credits of U.S. Government agencies excluding World War I debts)

[In millions of dollars]

	September 30, 1978
I. Extraordinary political arrearages:	
1. Authorities on Taiwan	[1] $107.6
2. Cuba	76.0
3. Vietnam and Cambodia	24.3
4. Unresolved Korean war logistical support	199.7
Total political	407.6
(Percent of overall total)	(67)
II. Major arrearages—Public long-term:	
1. Iran	36.1
2. Zaire	[2] 34.0
Total major arrearages	70.1
(Percent of overall total)	(11)
III. Other major arrearages:	September 30, 1978
A. Public:	
1. Long-term	34.9
2. Short-term and accounts receivable, of which:	84.1
Foreign military sales, logistical support, M.A.A.G.	46.1
Lend-lease	.6
Post Office	18.6
Other	18.8
B. Private:	
1. Long-term	13.0
2. Short-term and accounts receivable	2.1
Total other arrearages	134.1
(Percent of overall total)	(22)
IV. Overall total—Groups I, II, III	612.0

NOTE.—Items may not add to totals due to rounding.

[1] Excludes, as of September 30, 1978, $49.8 million of principal and interest due from the authorities on Taiwan from assets left on the Asian continent, for which Export-Import Bank by agreement with that government has deferred from pressing.

[2] Includes amounts rescheduled by bilateral rescheduling agreement with Zaire. T.I.A.S. No. 8731 (1976). Once implementing agreements have been concluded by the agencies concerned, these amounts will no longer be reported as being in arrears. Negotiations are being finalized to reschedule 1977 arrearages.

CHART 3.—LONG-TERM DEBT OUTSTANDING TO THE U.S. GOVERNMENT BY PROGRAM, EXCLUDING WORLD WAR I DEBT

[In millions of dollars and equivalents]

	Dec. 31, 1974	Dec. 31, 1975	Dec. 31, 1976	Dec. 31, 1977	Sept. 30, 1978
Foreign Assistance Act related programs:					
Development assistance	12,635	12,998	13,435	14,010	14,872
Military sales	1,627	2,270	3,462	4,779	5,531
Export-Import Bank Act	8,126	9,621	10,594	10,949	11,436
Agricultural Trade Development and Assistance Act	5,040	5,721	6,208	6,578	7,029
Other programs [1] [2]	5,352	4,979	5,122	5,294	6,165
(Lend-lease/surplus property and other war accounts)	(1,649)	(1,520)	(1,421)	(1,368)	(1,336)
Total	32,780	35,589	38,821	41,610	45,033

[1] Primarily 1946 British loan, lend-lease and other war accounts, and Commodity Credit Corporation.

[2] Includes 1966 "Freeloc" agreement with France.

CHARTER DAY CEREMONIES

Mr. HARRY F. BYRD, JR. Mr. President, on January 29, Mr. Justice Lewis F. Powell, Jr., of the U.S. Supreme Court, delivered the address at the charter day ceremonies of the Marshall-Wythe School of Law at the College of William and Mary.

The College of William and Mary was the first in our country to establish a chair of law, in 1779. The first occupant of the chair was George Wythe, a distinguished Virginia attorney, one of the leaders in our Revolutionary period and a signer of the Declaration of Independence.

Among his pupils were Thomas Jefferson, John Marshall, and Henry Clay.

On charter day, Mr. Justice Powell spoke eloquently of the accomplishments of George Wythe and the history of the great law school which bears his name and that of his great pupil, Chief Justice John Marshall.

This charter day marked the bicentennial of the establishment of the chair which George Wythe first occupied, and on that occasion commendation to Marshall-Wythe Law School came from the General Assembly of Virginia, the Supreme Court of Virginia, the Supreme Court Historical Society, the American Bar Association, the Virginia State Bar and the Virginia Bar Association.

Mr. Justice Powell added to the plaudits when he said to the students, faculty, and guests at the charter day ceremony:

> You have a heritage possessed by few other law schools: the names of Jefferson, Marshall and Wythe have inspired millions of Americans. For faculty and students privileged to attend your law school, this heritage must be uniquely inspiring.

Mr. President, at this point I shall yield to my distinguished colleague from Virginia and then after that I shall ask unanimous consent on behalf of Senator WARNER and myself to print the full text of Mr. Justice Powell's address in the RECORD.

I yield to my colleague from Virginia.

The PRESIDING OFFICER. The junior Senator from Virginia.

Mr. WARNER. Thank you, Mr. President.

Mr. President, I rise to ask that I join in the remarks of my distinguished senior colleague from the State of Virginia, and we should also, I suggest to Mr. HARRY F. BYRD, JR., note for the record reference to the fact that the dean of the William and Mary Law School is one of my predecessors in this Chamber, the former U.S. Senator from Virginia, William Spong.

I thank the Chair.

Mr. HARRY F. BYRD, JR. I thank my colleague from Virginia.

I wish to say in regard to former Senator Spong that he is doing an outstanding job as dean of the Marshall-Wythe Law School at the great College of William and Mary.

At this point, Mr. President, I ask unanimous consent that the text of Mr.

Justice Powell's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF LEWIS F. POWELL, JR.

I

The invitation to speak on Charter Day at this venerable college was one I could not refuse. Two institutions have made this ancient town famous throughout the civilized world: the College of William and Mary and Colonial Williamsburg Foundation. I have treasured associations with both for many years, and happily they complement and support each other.

It has been said that this restored 18th Century town is "a beacon light of freedom to the world". It also can be said that the town would have shed little light of any kind had it not been a well-spring of our nation's early political history. The college played a key role in that history.

There are many fascinating "firsts" in the history of William and Mary. It is the mother of Phi Beta Kappa. It introduced the first elective system of study in the United States. And even the University of Virginia and Washington and Lee, both proud of their ancient honor systems, would acknowledge that this college also led in recognizing that lying, cheating and stealing have no place—and should not be tolerated—on the campus of an institution of higher learning.

We are gathered here today to talk about a different "first". In 1779 William and Mary established the first American chair of law. This marked the beginning of university-related legal education in America.

At times there has been argument as to where the teaching of our law commenced. Dean John Ritchie, in his recently published admirable history of the first century of the Law School of the University of Virginia, has set the record straight. William and Mary was first. A proprietary law school was opened at Litchfield, Connecticut, five years later, and a chair of law was founded at Harvard about a generation later, in 1818.

II: GEORGE WYTHE

The occupant of the first chair of law was George Wythe. Had he been a lesser figure, there would be little one could say beyond identifying the event. But George Wythe was a towering figure, not in the sense of holding the highest offices, but because of his influence on those who did.

As historians have paid scant attention to Wythe, even his name is largely unknown beyond Virginia. It is appropriately ironic that his portrait was left off of our modern two dollar bill when the Treasury's designer's found that Trumbull's painting of the signers of the Declaration was too crowded for their purpose.

Various reasons have been advanced for Wythe's relative obscurity. In the long reach of history, it is difficult for a lawyer or a professor to leave behind him an enduring reputation unless he has held high office or written extensively. And Wythe did neither of these. Moreover, he was essentially a modest and self effacing man. The Rev. Lee Massey of Fairfax County, who had been a lawyer before taking on the cloth, had an opinion of Wythe that I hesitate to share with you. The Rev. Massey declared that Wythe was "the only honest lawyer he ever knew".

It also was said by some of his contemporaries that Wythe would not accept a case unless he believed his client was in the right, and that he refunded the fee and retired from the case if he discovered that he had been misled. No doubt this attests to Wythe's probity and uprightness. But I must say, if this standard were applied by lawyers today, that a high percentage of clients would go unrepresented, and a good many lawyers would go bankrupt.[1]

However accurate these reports may be, Wythe was admired—even revered—in his time. Following Wythe's death, Jefferson spoke of his friend and tutor:

"No man ever left behind him a character more venerated than George Wythe. His virtue was of the purest tint; his integrity inflexible, and his justice exact; of warm patriotism, and, devoted . . . to liberty and the natural and equal rights of man . . . a more disinterested [meaning impartial] . . . person never lived."

He was one of the most courtly men in Virginia, even in an era when good manners were exalted. He also was gentle and warm with people, and especially with children. Dr. Oscar L. Shewmake, a student of Wythe's life, described him as a gentleman in every respect, "trusted and beloved friend of Presidents, and ministers of state, stray dogs and little children."

Wythe was not merely a human being of rare quality He was a lawyer, judge and scholar—distinguished in each of these endeavors. Although he neither sought nor held the highest offices, he was a conspicuous leader of public affairs.

His teaching career is perhaps best known. Few, if any, teachers in our history have taught such an exceptional group of students. In addition to Jefferson, there were John Marshall; Henry Clay; John Breckenridge, who became Jefferson's Attorney General; Judge Spencer Roane, famous for his decision in *Kamper* v. *Hawkins*, Va. Cas. 20 (1793) that anticipated *Marbury* v. *Madison*; and numerous other persons of prominence in and after the revolutionary era.

Through his pupils, Wythe's influence scarcely can be overstated. It has been said that "the mind of George Wythe, acting through those whom he had taught, dominated the policies of this republic for fully 50 years, and is still a potent force".

The best known of his pupils, of course, is Thomas Jefferson. Through his influence on Jefferson, perhaps one could say that Wythe was the godfather of the Declaration of Independence. We should resist the temptation to make too much of it, but the long and close association between Wythe and Jefferson suggests almost a father-son relationship.

Jefferson did not serve as an apprentice under Wythe. Rather, recognizing Jefferson's genius, Wythe outlined a course of study, and then allowed Jefferson to pursue his studies largely in his own way. This process no doubt contributed to both the depth and original turn of Jefferson's highly discriminating mind.

The young Jefferson was required to probe the origins of Roman, Saxon and English law, and encouraged to read Greek and Latin in the original, rather than translation. Wythe also instructed Jefferson in history, ethics, science and literature, and encouraged him to read Italian and French.[2]

Indeed, the young Jefferson was even instructed in manners and hygiene. In sum, the tutelage under Wythe was the equivalent for Jefferson of the most exacting of university educations—indeed, far more demanding than what is called a university education today.

In acknowledging Wythe's influence, Jefferson referred to his old teacher as "my earliest and best friend. . . . To him I am indebted for first impressions which have had the most salutary influence on the course of my life".

The questions often are asked: how did Wythe become such a wise and influential scholar of the law? Where—and by whom—was he taught? The fact is that Wythe, not extraordinary in the 18th Century, was largely self-taught. He attended a neighborhood private school long enough, as he said, to learn "reading and writing English and the first five (tables) of arithmetic". His self education apparently never ceased. It was after receiving a license to practice law at the age of 20 that Wythe pursued his most serious studies. He is said to have exhausted the Greek and Roman classics without a guide or tutor. He studied thoroughly the origins of English law. To the dismay of opposing lawyers, he used his new store of knowledge in the courtroom, supporting arguments with scholarly quotations.

Jefferson recalled one minor case—long since forgotten—in which Wythe fired a bewildering barrage of authorities at his adversary. He cited Virginia and British statutes, decisions of the British courts, sections of Justinian's Roman Code, Cicero's Orations.

I hardly need add, as noted recently by Chief Justice Burger, that comparable erudition is rarely if ever heard in arguments before the Supreme Court of the United States.

The one negative report about Wythe as an advocate was that, although profound, persuasive and urbane, he was lacking in wit and slow with repartee. As Jefferson said, Wythe was not "quick of apprehension, but with a little time, (was) profound in penetration . . ."

In any case, Wythe was admired and respected by lawyers and laymen alike. He was repeatedly elected to the House of Burgesses, and served on important committees. In 1768, Wythe was elected Clerk of the House, a post he filled until the Revolution.

Wythe was no Patrick Henry in urging revolution, but he did assume leadership when it became clear that British policy was inflexible and unjust. Though he was the last of the seven Virginians to sign the Declaration of Independence—he signed in September—Wythe wrote his name above six signatures that had been affixed in July. He signed his name fully as "George Wythe" rather than G. Wythe—his customary signature. As was said of Charles Carroll of Carrolltown, he wished to identify himself unmistakably as a revolutionary.

Wythe also sought to enlist in the cause. When militiamen appeared on a Williamsburg green near his house, the 49-year-old lawyer put on a hunting shirt, took his musket, and sought to join the young men of the militia. He was gently but firmly rejected, but his ardor for the cause did not cool. It is reported that near the end of the war, Wythe and a couple of hunting companions opened fire with shotguns on a party of British soldiers in boats near Jamestown.

Happily, Wythe's place in history does not depend upon his military record. It was after independence had been won that again he achieved leadership and prominence. He chaired the Committee of the Whole when the Virginia Convention adopted the Constitution, and was one of the leaders of that historic convention.

The college in Williamsburg lost him in 1791 when he moved to Richmond to become the presiding judge of the High Court of Chancery. His service there merits more careful study. At least one of his early decisions is noteworthy. He believed, as did other Virginia lawyers and judges, that the judiciary had authority to determine the law of the land. In the case of *Commonwealth* v. *Caton*, 4 Call (Va.) 5 (1782), he declared:

". . . If the whole legislature . . . should attempt to overleap the bounds prescribed by . . . the people, I, in administering the public justice . . . will meet the united powers at my seat in this tribunal, and pointing to the Constitution, will say to them, 'here is the limit of your authority; and hither shall you go, but no further' ".

This was one of the first recorded judicial assertions of supremacy of the law, and one prophetic of things to come.

To the last hours of his life, this singular man—George Wythe—remained serene, wise and dispassionate. On his death bed, after having been poisoned by a nephew eager to inherit, Wythe spoke of his nephew: "I shall die leaving him my forgiveness".

To this point, I have presented only brief vignettes of the life of one of the most fascinating characters in American history. Perhaps I have said enough to make clear why his stature and influence loom large two centuries after he became our country's first formal professor of law.

III: THE MARSHALL-WYTHE SCHOOL OF LAW

I turn now to what one may fairly describe as Wythe's enduring legacy: the Marshall-Wythe School of Law.

The instruction of law did not commence on this campus at an auspicious time. The British armies were beginning to ravage Virginia. Washington's ragged troops were near starvation, and the outcome of the war was gravely in doubt. Yet Jefferson—then Governor of Virginia—urged the creation of the new chair of law, with Wythe as its occupant.

The timing of this event, 1779, is put in perspective when one remembers that it occurred only 21 years after Oxford established the Vinerian Chair of Law, occupied at the time by Sir William Blackstone.

Wythe's title was Professor of Law and Police—the latter encompassing political science in general. One of the first students to enroll for Wythe's lectures was Jefferson's distant cousin and future adversary, John Marshall—then on furlough from Washington's army. Other students included two of Wythe's successors as Professor of Law. The first, St. George Tucker, was the author of the first American notes on Blackstone's *Commentaries on the Laws of England*. The second was Tucker's son Nathaniel Beverley, whose work, *Principles of Pleading* was an important publication of 1846.[3]

As happened elsewhere particularly in the South, legal instruction ended with the outbreak of the War Between the States. And in the long and dreary decades of Reconstruction, it was difficult for law schools with limited constituencies to open or to operate. It was not until early in this century that President J. A. C. Chandler, as a part of the "renaissance" of this college revived legal education as a formal part of the college's program.

Since gaining independent status following World War II the law school's progress has been notable. I comment briefly on some of the highlights.

Your law school already has attained national recognition of its graduate program in law and taxation with the students of that program being recruited by government as well as the leading law firms. The summer school in England also has attracted favorable attention and students who have attended it are enthusiastic. A contemporary example of the type of innovative thinking by your faculty is the Conference on Environmental Law taking place here this weekend.

The Commonwealth of Virginia is blessed—indeed few states can equal it—in having four first-rate law schools. In addition to Marshall-Wythe the University of Virginia and Washington and Lee are nationally known. The T.C. Williams Law School of the University of Richmond is also a school of high quality that has produced many of the ablest Virginia lawyers. This is not an easy time for law schools. More than 150 are accredited and they graduate some 33,000 young people each year. There is increasing evidence that the needs of our system—as lawyer-oriented as it is—do not require such a large annual infusion of lawyers. The satisfactory placement of graduates is no longer taken for granted.

Paradoxically this apparent "over-supply" comes at a time when the young people graduating from the better laws schools are exceptionally well trained and are highly qualified to serve society—in the law and other roles.

It seems to me that Marshall-Wythe is well situated to confront this challenge. The graduates of the stronger law schools always will be in demand, certainly those with good records. Marshall-Wythe is a strong law school, and it will be stronger.

In Bill Spong, whom I have known well for at least a quarter of a century, you have one of the best law school deans in America. You also have strengthened your faculty and staff, and soon will move into a fine new building appropriate for a school of your quality. The location here of the National Center for State Courts also is a strengthening factor.

In short you merit the commendation that has come to you on this Bicentennial occasion from the General Assembly of Virginia, the Supreme Court of Virginia, the Supreme Court Historical Society, the American Bar Association, the Virginia State Bar, the Virginia Bar Association, and many others.

You have a heritage possessed by few other law schools: the names and careers of Jefferson, Marshall and Wythe have inspired millions of Americans. For faculty and students privileged to attend your law school, this heritage must be uniquely inspiring.

In concluding, I not only add my congratulations and wish you well; I also can say that you have every reason to look forward with confidence to many more generations of service to Virginia and our nation.

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The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 minutes.

A FARM POLICY TO SERVE FARMERS, CONSUMERS, AND THE WORLD'S HUNGRY

Mr. STEVENSON. Mr. President, the conflicts competing for world attention today would once have gone unnoticed as local matters of little concern to others. But the old era has passed. While political, and in some instances religious, differences ignite these conflicts, underlying each one—revolution in Iran, military conflicts in Southeast Asia and the Arabian Peninsula, continuing differences between Israel and Egypt—is the excruciating issue of access to vital resources, including oil.

In the politics of petroleum the industrial nations of Europe are following policies shaped by their dependence on Middle East oil. Last Sunday the Secretaries of the United States Departments of Defense and Energy spoke on national television of plans to enlarge the military presence of the United States in the Middle East to protect the production of oil and its transportation through the Persian Gulf. At the same time, the oil-producing nations are raising prices and limiting production, seeking the best possible return for what they know is a depleting resource, and the only real wealth they have.

Amid the crises we forget that the United States has one enormous resource that is as vital to the world as oil, and is, if we manage it properly, infinitely renewable—our capacity to produce great quantities of food, far more than we ourselves can consume.

We live in a hungry world. Its population is likely to rise by more than 50 percent by the end of the century. World food production, although it has increased somewhat in recent years, will not keep pace with population. Meanwhile, improving economic conditions in some parts of the world are making possible increases in per capita consumption of food. The developing nations are feeling the pressure of rising demand for food and are desperately trying to raise their own production. The Chinese want American technical help with food production and processing. The Soviet Union buys our feed grains to provide more meat for its people. And a leader of the Islamic political movement in Iran

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[1] Of course, as lawyers know, it is the function of the judge or jury—not the lawyers—to determine in a litigated case which of the contesting parties is "right". Each party is entitled to the benefit of counsel. The line is drawn by scrupulous lawyers, not whether the lawyer believes his client to be "right" but rather whether the client deceives—by false testimony or otherwise—either the lawyer or the court.

[2] Wythe identified the scope of his learning and instruction in a notice appearing in the Virginia Gazette in July 1767, reading as follows:

"I propose in October, when the next lectures in law and police will commence, to open a school for reading some of the higher Latin and Greek classics and of the approved English poets and prose writers, and also for exercises in arithmetic".

10 William and Mary Quarterly (First series, Historical and Genealogical Notes, 273, 274.)

[3] It is of more than passing interest to Virginians that Tucker descendants have followed the family tradition as lawyers, professors and deans. Two deans of the Washington and Lee School, late in the 19th and early in the 20th Centuries were Tuckers: Henry St. George and John Randolph—both also serving as President of the American Bar Association.

recently acknowledged that Iran would still need American technology, particularly in agriculture.

World food production and distribution must be improved. But few areas in the world can expect to be self-sufficient in food production. They simply do not have the land and the climate. Increasingly, they must look to the North American continent for basic commodities such as wheat and feed grains.

My concern is that we are mismanaging and squandering this great resource. Instead of recognizing its value, protecting it from depletion, using it to enhance our economic strength, and planning for the future, we are pursuing shortsighted, irrational and, in my view, immoral policies. Other food-producing nations are equally guilty. We are all seeking to protect our farmers in the short-run, neglecting future needs.

In fact, agriculture may be the world's most protected industry. The European Community's common agricultural policy is essentially a complex system of price supports, minimum import prices, stockpiling and export subsidies. It is designed to keep internal farm prices high by insulating them from foreign competition. Quotas, as in Japan, and other nontariff barriers such as artificial quality standards and inspection rules are subtle but effective barriers to farm and nonfarm goods alike.

The United States supports the prices of its grain producers, helping to keep meat and dairy prices high, and then protects its meat and dairy producers from lower cost foreign competition. The current debate over sugar is a classic: We subsidize cane and beet producers to maintain their prices and then protect them from foreign competition by import duties. The consumer pays for the subsidies and for high priced sugar. Because we are maintaining high food prices and are failing to compete effectively in world markets, our farmers are producing surpluses and we face large carry-over stocks. The land set-aside programs intended to reduce production are not working. Production has not been cut proportionately. For example, corn production in 1978 topped 7 billion bushels, a record crop. Yet total payments for all land diversion programs last year cost the taxpayers almost $600 million.

Altogether, farm price support programs will cost over $5 billion in public funds this year. In addition, the American consumer, whose grocery bill went up 10 percent in 1978, may be facing another 10 percent increase this year. The inflation rate, as reported last week, has reached 12 percent, and a major component is the increase in food costs. A sizable portion of last month's increase in food costs went to farmers. Our Government is causing inflation in food prices in order to protect farmers from inflation. Yet, farmers complain, with some justification, that their increased income is offset by inflated costs.

Over the long run the most destructive aspect of our farm policy is its failure to protect the land. Farmers are setting aside their least productive land but squeezing maximum production out of their good land with heavy applications of chemicals and little attention to dangerous losses of topsoil and sinking water tables. Furthermore, our farm policies are encouraging farmers to acquire additional land and machinery, each to justify the other, and driving up the prices of both. We have spent billions for soil and water conservation in recent decades but have achieved little for the long-term protection of our most productive cropland.

I believe the time has come to reconsider our management of the Nation's greatest resource and to develop a coherent policy that will best serve the American farmer, the consumer, and the world's hungry people.

I suggest first that we drop the land set-aside and diversion programs. They are expensive and they do not work well anyway. Furthermore, a policy that pays farmers to refrain from producing food in a hungry world is, it seems to me, immoral. If we must control production during the next few years, we ought to do it by protecting future productive capacity. We should insist that the farmer, in return for fair income protection, devote not only his poorest but some of his best land to long-term conservation measures aimed at saving the topsoil and the water table and preventing stream pollution and sedimentation.

Loan programs should be greatly reduced if not eliminated. Beyond the amounts needed for reserves, the loan programs encourage the creation of huge carry-over stocks. Instead, we ought to work out a target price system that would give farmers a fair return while permitting the market to control commodity prices. To the extent that prices declined, the American consumer, as well as livestock, poultry, and dairy producers, would benefit. Furthermore, we could expect world markets to expand as our prices become more competitive and developing nations are better able to buy. If prices did fall below the targets, deficiency payments to the farmer might be higher, but they could cost less than the $5 billion we now spend for the whole range of price-support activities, not all of which directly benefit farmers. Such a system, unlike our present one, would not raise both public and private costs simultaneously.

Statesmanship will be needed to enhance world agricultural trade and provide continuing assistance for the poor and for emergencies. Breaking down the barriers to trade is a difficult job, best achieved through reciprocal concessions in multilateral trade negotiations. I have stressed to Ambassador Strauss the need for progress on agricultural barriers. If we are to have a trade agreement, it must include concessions that will improve competitive opportunities for American agriculture.

Congress has already provided some of the steps needed to help open new markets. We have directed the Secretary of Agriculture to appoint additional agricultural attachés to work with U.S. industries and trade associations seeking foreign markets. I believe that some of the foreign barriers would be broken down if consumers in other nations could sample U.S. grain-fed meat and other excellent U.S. food products.

We have also responded to some of the financial needs by giving the Commodity Credit Corporation the authority to extend intermediate credit terms up to 10 years to meet foreign competition. And we have made the People's Republic of China eligible for CCC credits.

Other steps are needed. For example, it makes little sense to make CCC credits available to China but not to the Soviet Union. We ought to deal with both nations cautiously and even-handedly, subjecting their eligibility for credit and trade agreements to periodic review of their conduct across the entire range of U.S. interests. I have already introduced such legislation for the Export-Import Bank. The same policy should be developed for the Commodity Credit Corporation. It would create the framework within which political and economic relationships can develop together, keeping the United States neutral as between the two.

In the name of free enterprise we have left the American farmer defenseless in transactions between the international grain traders and such nonmarket economies as the Soviet Union, and now the People's Republic of China. The infamous Russian wheat deals should not be repeated. I suggest that we make the Commodity Credit Corporation our sole trader with the nonmarket countries which have the power to invade our markets quietly when prices are low and then sell when the word is out and prices have risen. CCC could make the deals in Government-to-Government negotiations. It would enter the market, perhaps at harvest when prices are lower and its purchases would help the farmer. No other nation lets its farmers be exploited in these transactions. Why should we? We sell food, as we buy oil, through multinational companies accountable to themselves and sometimes to foreign nations, but never to the American public.

In summary, Mr. President, I believe we must consider American agriculture not simply as the source of a series of economic problems—low farm income, shrinking numbers of family farms, surpluses, deteriorating land, and high food costs—but as a great asset. With wisdom and foresight on our part, it will not only strengthen the Nation but feed millions of the world's hungry people. I intend to introduce legislation to establish a food policy along these lines.

PEACE NEGOTIATIONS BETWEEN EGYPT AND ISRAEL

Mr. MOYNIHAN. Mr. President, I would now like to turn to a matter that absorbs the attention not just of our Nation, but of much of the world at this moment. That is the profound difficulties that have arisen in the United States effort to be a friendly party in the negotiation of a peace between Egypt and Israel. The high hopes of Camp David seem to be fading precipitously just now. I would like to comment on what seems

to me to be a source of the difficulty with the American role.

In this morning's press, specifically the Washington Post, one reads that Prime Minister Begin of Israel has sharply disputed a statement of President Carter's on Tuesday night, "absolutely insignificant differences are now creating insurmountable obtacles" to peace.

The President stated that the differences were "absolutely insignificant." Mr. President, I cannot understand what the President had in mind, or why he would so describe differences which, to my judgment, seem to be of a profound order.

The first question at issue in this treaty is whether or not it is a treaty or whether it is merely a statement of the present disposition of the parties, and not binding in the future. The Israel negotiators have raised what is for them a properly significant question, which is whether or not the agreement they are entering into will be binding on the party they are entering it with.

The party with which they are negotiating—Egypt—clearly is not willing to make that kind of commitment, and yet the President calls this difference "insignificant."

There is, in fact—and this is not meant to be disparaging of either party—a difference between the approach of the Israel Government and the approach of the Egyptian Government in this negotiation. The Israel Government assumes it must abide by whatever it agrees to do. This is a traditionalist view and a legalistic view. It is, on the other hand, the very basis upon which we must pin any hope for maintaining world order.

The Egyptian Government has a very different basis for reviewing what it is undertaking. I would make a further point: In 1971, Egypt entered a treaty with Syria and Libya, creating the Federation of Arab Republics. It was formally endorsed by solemn referendums in each of the three countries.

The Constitution of the Federation of Arab Republics requires that if any one of the countries enters into a treaty with another nation or international organization, it must be ratified by the other two members. Thus, to be specific, any treaty Egypt enters into with Israel must be ratified by Syria and Libya, or it is not valid.

When one inquires at our Department of State about what is the condition of the Federation of Arab Republics, has it ever been dismantled, the answer is no it has not.

Well then, one asks, what is the status of the obligation so entered into? One is thereupon informed that the organization is "moribund," and the parties can no longer be considered bound by it.

What then can Israel be expected to give up to Egypt in return for a treaty with a party which clearly does not consider itself bound by previous agreements, and which the United States does not expect to consider itself bound? It is the United States which, at the highest level, has made it clear that the details of this treaty do not matter. Well, they may not matter to one government, but they matter very much to the other, and this is not an "absolutely insignificant" difference; it is the most profound difference possible.

What has happened in the Middle East, Mr. President, is as clear as a matter could be. It is not simple, but it is clear. Both Egypt and Israel are being sucked into the vortex of Iran, and the capacity of the United States both to sponsor and, in effect, to guarantee an agreement is diminishing daily. Yet there are different consequences for the two parties. The consequences for the two parties are not equal.

The consequences for Egypt include, among other things, the fact that its military potential is more important to the other Arab States than it may have been. For Israel, the consequence is that the Persians have joined the Arabs in their opposition to the very existence of the Israeli State. When he was still in Paris, and being praised by officials of the United States, the Ayatollah Khomeini called for the "elimination" of the state of Israel.

In today's Washington Post you will find, again, a report that yesterday the ayatollah, in a national broadcast, called for his leaders to "root out" the remnants of "American, British, and Zionist colonialism" in Iran.

The threat to the very existence of the state of Israel is posed in the aftermath of the collapse of the most important Islamic power in the Middle East, and the United States acts as if the matter were insignificant in its effect upon the Israeli negotiators.

Mr. President, 10 days ago, on the 19th of February, in New York, I spoke to this matter, and stated what seemed to me to be the very grim prospect for renewed meetings between the Egyptians and the Israelis at Camp David.

I stated that it seemed to me that the prospects were increasingly perilous, and that we had not begun to assess what had to be the impact upon the negotiators.

What I said at that time was:

I have said before that the Soviets show signs of behaving as if they believe they are now the militarily ascendant power—and that our own government is starting to behave as if it also believes this. The Soviet military buildup of the last decade is a fact. Its strategic and diplomatic implications may now be unfolding. A vast umbrella of Soviet strategic, conventional, and naval forces has been created; beneath it, it appears as if the Soviets can employ both internal and external violence with relative impunity, so as to advance their position in world affairs. What seemed unlikely a few years ago has now become routine—Afghanistan, being one form, the Soviet-underwritten invasion of Cambodia by Vietnam another variety.

Now all these developments inform and influence the prospect of diplomacy in the Middle East. It is wrong and dangerous to think otherwise. For there remains in this country—and in Israel—a notion that the relationship between the two countries exists outside the usual framework of world affairs, the notion that there is a "special" relationship. I say to you today, the idea of Israel's exceptionality is increasingly without influence in the councils of government and in the workings of politics at large. And I must say, further, that the current disintegration in the Near East will be used as an argument for a further separation of American and Israeli interests, not as an argument for their strengthening and augmentation.

I ask unanimous consent that the entire address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

In two days (February 21), Foreign Minister Dayan, Prime Minister Mustafa Khalis and Secretary of State Cyrus R. Vance, will meet at Camp David to resume negotiations for a formal peace treaty. The promise of the dramatic breakthrough at Camp David of last September 18 remains a tantalizing mirage on the horizon, still unsuspectible to concrete implementation. The outside observer finds it difficult to assess the possibilities for success. But this much is certain. The atmosphere of the coming round of Camp David talks is much different from that of four months ago.

What was implicit then is explicit now. The structure of Western influence in the strategic Middle East is crumbling before the eyes of the world. The pro-Soviet coup in Afghanistan of last April leads now to the murder of American Ambassador Adolph Dubs—with Soviet "advisors" having planned and helped carry out a reckless attack which resulted in the death of Ambassador Dubs. Still a greater breach of diplomatic procedure was the fact that this action was taken directly against the instructions of American officials in Kabul, the Soviets having refused to even consult with the American Embassy. The political movement directed against the Shah of Iran leads now to a struggle between those committed to a fundamentalist theocracy and those who seek a Marxist totalitarianism. And yesterday in Tehran the new government turned over the Israeli mission to Yasser Arafat who triumphantly proclaimed it the PLO's first embassy. The Iranian vice premier declined to say if the PLO would receive Iranian arms.

Those instruments of influence, customarily available to the United States in past years, appear now as pale reflections of their former selves. We read, for example, that 69 American Marines and six helicopters were mobilized to rescue American nationals in Iran, but that Turkey refused them landing rights. Our Secretary of Defense visited Saudi Arabia February 10 on a mission described as one of reassurance for traditional American friends in the region. Meantime, Boris Ponomarev, a non-voting member of the Soviet Politburo who has as his responsibility liaison with nongoverning Communist parties, "welcomed the victory of socialism in Iran." Usually, it is not the practice of such as Ponomarev to let the cat out of the bag prematurely; yet one senses in such a pronouncement an assertion of Soviet self-confidence, followed by an unstated, though strongly implied parenthesis: And there really isn't a hell of a lot you Americans can—or at least will—do about it.

I have said before that the Soviets show signs of behaving as if they believe they are now the militarily ascendant power—and that our own government is starting to behave as if it also believes this. The Soviet military buildup of the last decade is a fact. Its strategic and diplomatic implications may now be unfolding. A vast umbrella of Soviet strategic, conventional, and naval forces has been created; beneath it, it appears as if the Soviets can employ both internal and external violence with relative impunity, so as to advance their position in world affairs. What seemed unlikely a few years ago has now become routine—Afghanistan, being one form, the Soviet-underwritten invasion of Cambodia by Vietnam another variety.

Now all these developments inform and

influence the prospect of diplomacy in the Middle East. It is wrong and dangerous to think otherwise. For there remains in this country—and in Israel—a notion that the relationship between the two countries exists outside the usual framework of world affairs, the notion that there is a "special" relationship. I say to you today, the idea of Israel's exceptionality is increasingly without influence in the councils of government and in the workings of politics at large. And I must say, further, that the current disintegration in the Near East will be used as an argument for a further separation of American and Israeli interests, not as an argument for their strengthening and augmentation.

The signs of this are already apparent. The Department of State in its report on the human rights situation in countries receiving American assistance (released February 12) has in a certain sense joined the ideological assault directed against Israel. It does not matter that this is something our Secretary of State would not do on his own. It was done for him. It is an assault whose origins you know well. You remember the despicable United Nations resolution of November, 1975, which declared Zionism a form of racism and racial discrimination. In that obscene campaign, originating in the propaganda organs of the Soviet Union, one saw the Orwellian corruption of language at its zenith. Put plainly, this was an effort to equate Israel with Nazi Germany—horrible, almost impossible to absorb in its monstrosity—but that was the Soviet purpose. On November 10, 1975, I said in the General Assembly that "the United States of America declares that it does not acknowledge, it will not abide by, it will never acquiesce in this infamous act." Yet there is a plain and palpable effort, now, to define Israel as a unfit associate for the United States—and on human rights grounds. Not Syria. Not Iraq. Israel.

Why is this happening? It is happening in part because those who make the Middle East policies of the United States come increasingly to believe that the preservation of Democracies as such in the Middle East ought not to be a primary objective of our strategic policy. Instead, they are of the belief that the relationship with Israel is "irrational" in a proper strategic calculus. Sustained not because it is in the logical "national interest" of the United States, but because, and solely because, of the exigencies of domestic politics. They are of the belief that our backing ought to rest with states like Egypt and Saudi Arabia.

They believe, further, that the instability in the region derives primarily from a presumed "abnormality"—namely, that there is no Palestinian state to give political self-expression to the Palestinian Arabs.

If you do not believe this is so—especially as it relates to the question of preserving democracies as such—then you must look at the recent history of Lebanon. Soviet arms and Soviet clients—Syria, the PLO—have destroyed the Lebanese democracy. Indeed, in what is now a depressing pattern, our Ambassador to Lebanon, Francis Meloy was murdered in Beirut in June, 1976. Yet one searches in vain in American policy for something other than tacit acquiesence. And what is more, the defenders of Lebanon's constitutional order became "right wing Christians."

Perhaps it is too hard to imagine that it will become fashionable, sometime, to characterize the Israeli polity in this manner. Or perhaps that time is closer than one thinks. What is undeniable, however, is that there are already ample indications that the American government regards the workings of the Israeli polity with increasing distress. The American government manages to convey an air of studied exasperation with Israel's approach to the peace negotiations. You know the familiar references: "legalistic nitpicking," "interminable cabinet debates," "undue responsiveness to alleged extremist elements," and all the rest. In this view, the Israeli democracy becomes not an asset to the United States, but a bother.

What is lost, of course, is the sense that Israel cares about the terms of the treaty—cares about their precision—precisely because Israel intends to abide by the treaty once it is signed. Indeed, Israel is the only Middle Eastern government involved, directly or indirectly, which understands that commitments of their government are necessarily durable. For Israel is the only Middle Eastern state whose governmental system, whose fundamental political nature, *is* durable—in the sense that it can and will survive changes of governmental leadership.

States where governments and constitutions are as apt to be changed by assassination or military coup as not, tend to regard treaties as documents of convenience, not as long term commitments. The Israelis understand this, even if Americans may not. There is, for example, the case of the merger of Egypt, Libya, and Syria into the Federation of Arab Republics in 1971. That Federation has never normally been dissolved. The Constitution which binds the three states was formally ratified September 1, 1971 and is technically, I suppose, still in force. That Constitution states, inter alia, that the powers of the Federation, as distinct from those of its constituent members, include the following jurisdictions:

". . . prepare the basis of the foreign policy and standardise the policies of the republics in their international relations . . . . ratification of international treaties and agreements with foreign states and international organizations on matters that come under the Federation's jurisdiction." (Constitution of the Federation of Arab Republics, part II, Article 14, parts A and D.)

When one inquires of the State Department as to the meaning of this, as to its implications for the ability of Egypt to conclude treaties at all, one is told that the Federation is "moribund," that such unification schemes speckle inter-Arab history, and are "symbolic." And yet one is forced to ask: what can be more fundamental than a decision by a state to bind itself to another in the manner of the Federation of Arab Republics? Is it the case that Egypt will treat its solemn undertakings with other Arab states as moribund symbols, but its treaty with Israel as a solemn vow? More to the point what would the reaction of the American government be to any Israeli decision to scrap a treaty on the grounds that it had become "moribund," and, that consent to the treaty in the first place had been nothing but a "symbolic" act?

In fact, what is happening here is that Israel's view that law really matters is a kind of implied rebuke to an American government, which acts increasingly as if law doesn't matter. We live in a time when the language of law, especially international law and especially in the United Nations, has become perverted almost beyond recognition. Once again, in the manner of Orwell, naked aggression becomes "national liberation," state-sponsored terrorists become "freedom fighters," and acts of conquest and annexation are routinely acquiesced in. The United States, prime originator of the U.N. Charter and properly its prime custodian, hopes that the impulses that give rise to such behavior, will somehow dissolve of their own accord.

What is ultimately troubling about the posture of the United States toward Middle East diplomacy, however, is that the strategic rationale which underlies the persistent effort to "demystify" Israel is simply wrong. It is a rationale that is not in the strategic interest of the United States, nor of the Europeans nor the Japanese, nor of the "moderate" Arab regimes which still exist in the Region.

The effort to "shore up" Egypt and Saudi Arabia is surely well-taken, but it cannot be achieved at the expense of Israel's security or vitality. This is the point that must be made. If the Saudis, for example, are concerned about the American position in the Middle East, then they must be concerned about Israel. For Israel is *the* American position in the Middle East. If the Saudis or the Egyptians do not yet grasp this, they must be persuaded to. One needs only to remember that last January 13 when the United States ferried 12 F-15 fighter aircraft to Saudi Arabia as a show of support, those airplanes made a somewhat tortuous journey. Spain did not afford refueling privileges, and so they refueled at the Azores. Turkey, as was mentioned above, was not interested in allowing American helicopters to land there, even with the purpose of rescuing *Americans*. And so it goes.

What, exactly, does Saudi Arabia think the United States is going to do for it—without Israel? How do the Saudis believe that pro-Western influences will be brought to bear in the region generally if they urge upon the United States a strategy of pressuring and isolating Israel? Which is the better hope for stability over the longer run—Israel, or some People's Democratic Republic of Palestine?

It is not surprising, I suppose, that the American government is not making this case to moderate Arab States. For it needs, first, to understand it, itself. I see no indication that this is happening. And when one senses that the case is not being made inside the government, one feels obliged to make the case from the outside, as it were.

We must grasp, especially in the light of recent events, that there are powerful forces at work, manipulated by ruthless and brutal men who seek to transform the world order as we have known it. They seek especially the demise of the Democratic societies, for the flourishing of the democracies is the strongest obstacle to their ambitions. They are determined to remove those obstacles, and they have invested billions in acquiring the military power—plain military power—with which to do it. Meanwhile, the democracies have become a small band, outnumbered in quantity, but let us hope not in spirit or intelligence or in will power. It is now for the United States to rediscover—in the Middle East and elsewhere—where its true interests lie.

Mr. MOYNIHAN. Mr. President, I do not think that was a mistaken impression. The weekend that followed, the talks collapsed, and then our President stated that they had done so because of "absolutely insignificant differences, which are now creating insurmountable obstacles" to peace.

I ask, is our Government preparing to blame Israel for the collapse of these talks? Is it, in the pattern I spoke about on the 19th of February, commencing to make the case that intransigence on the part of the Israelis led to the failure of the hopes of Camp David? If so, this is shameful, because it is not true. The Israelis have acted throughout this matter as a party in earnest, pursuing their interests, but doing so in the context of the understanding that whatever they agree to they will abide by; an honorable sense of what the consequences of entering treaty agreements are. There has been no comparable or reciprocal concern on the other side.

In the interval, the position of Israel has been profoundly affected by the collapse of the former Government of Iran, by the coming to power of a government committed to the elimination of the Israeli state, by the open and really brazen assertion by Boris Ponomarev in Moscow that he "welcomed the victory of socialism in Iran," which could only be a phrase suggesting expansionist ambitions.

We have made no allowance for that change whatsoever. To the contrary, we are commencing to blame our own impotence in the Middle East upon the intransigence of Israel.

Mr. President, I do not wish to go beyond that statement save for two things: One, that what seems to be our present situation was foreseeable, and two, that we are in the danger of making a profound mistake if we are to blame our failures on the honorable and legitimate concerns of a small democratic nation in the Middle East, one of the remaining few in an increasingly totalitarian world.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

REBUTTAL OF 12 TREATY TERMINATION ACTIONS ARGUED BY STATE DEPARTMENT

Mr. GOLDWATER. Mr. President, after 2 months of waiting, the Justice and State Departments have finally filed a reply in court to the lawsuit I instituted on December 22, with 25 other Members of Congress, to test the constitutionality of President Carter's attempted abrogation of the defense treaty with Taiwan.

In an effort to support President Carter's totally unprecedented action, the executive branch is repeating its previously expressed claim that there are supposedly 12 precedents for the President's action.

Mr. President, my lawyers will file the appropriate response with the court in the near future as to matters of law. But the so-called precedents are not legal issues. They are matters of historical fact, and I would like to discuss them at this time.

Frankly, I am surprised at the flagrant omissions and distortions of the historical record which are made in the arguments presented on behalf of the President. These arguments are based on research done at the State Department. The President's case, in so far as it rests on these 12 claimed precedents, is filled with factual errors.

In the first place, 2 of the 12 incidents claimed for Presidential treaty termination do not even involve terminations. They are situations where Presidents first gave notice of terminations, but then pulled them back before either treaty was actually terminated.

Next, 2 of the 10 other treaties did not contain notice provisions. Since President Carter is basing the legality of his action on his purported right to give notice under a provision of the defense treaty itself, the two cases are not applicable where no such treaty provisions existed. In fact, these particular two treaties were cancelled after first being denounced by the foreign governments, a far cry from the situation of the Taiwan Defense Treaty where the other country wants the agreement to remain applicable.

That leaves eight incidents. The terminations of three of these treaties were necessitated by inconsistent acts of Congress. In this situation, the President is doing no more than acting under the implied authority of congressional statutes. It is well-settled by American courts that the last expression of sovereign will must control.

Another treaty termination clearly was authorized under no less than four separate acts of Congress. And another was terminated under the clear authority of a treaty later in time.

The final three treaties became inoperative under the well-settled principle of international law which holds that a treaty ceases to be binding when the basic conditions on which it was founded have ceased to exist or have essentially changed.

None of the 12 incidents involved a treaty of mutual defense.

Therefore, none of the incidents cited for Executive authority have anything to do with the Taiwan Defense Treaty. On the other hand, I have identified 51 treaties, which have been terminated with legislative action.

From this, the clear instruction of history is that treaties are generally terminated in the United States only with some form of legislative approval, either by the advice and consent of two-thirds of the Senate, or, as is the case with respect to the repeal of any other law, by a majority of both Houses of Congress, in each case in participation with the President.

Mr. President, my office has compiled a detailed, 27-page discussion of the 12 incidents relied upon the State Department as precedents for President Carter's action, and I ask that the paper be printed at this point in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

ANALYSIS OF 12 TREATY TERMINATIONS ARGUED BY STATE DEPARTMENT

(By J. Terry Emerson)

1. 1815: President Madison's administration exchanged correspondence with the Netherlands which allegedly established that the 1782 Treaty of Amity and Commerce had been annulled.

Analysis: There is strong historical evidence the treaty was not annulled in 1815, but remained in effect. Assuming the treaty was then annulled, the cause was the wartime destruction of one of the governments and nations, not independent Presidential power. Also, President Madison did not give notice of the treaty's termination; the foreign government first denounced the treaty.

Discussion: The Netherlands took the initiative in insisting the treaty of 1782 had expired because of the Napoleonic wars, during which the United Netherlands, with whom the treaty was made, was absorbed into the French Empire, entirely disappearing as a separate nation. After the war, it was transformed into a new nation unlike the original one. According to Samuel Crandall in his Treaties: Their Making and Enforcement, the state thus formed "differed in name, territory, and form of government from the state which had entered into the treaty of October 8, 1782, with the United States." (p. 429)

In response to a letter from the government of the new state, in 1815 Secretary of State Monroe appeared to acknowledge the Netherlands' claim that the treaty had been annulled. However, when Monroe became President, he himself repudiated this interpretation. His Secretary of State John Q. Adams argued in 1818 that the 1782 treaty was still operative. (U.S. Foreign Relations 722 et seq. (1873)) In 1831, the Supreme Court of North Carolina enforced the treaty as law in *University* v. *Miller*, 14 N.C. 188, 193.

At most, the incident is a precedent for termination of a treaty in agreement with the other government. Obviously, in the present case, the Republic of China wishes the 1954 treaty to remain in effect.

It is true that much later in 1873, the State Department informed the Minister of Holland that "The Treaty of 1782 is no longer binding on the parties." However, the State Department did not claim President Madison had terminated it. Rather, in a list of treaties that have been abrogated, which was prepared and published by the State Department in 1889, the Department included the Netherlands treaty under a category entitled "Treaties with Powers that have been absorbed into other nationalities."

The Department explained the termination of the treaty as follows:

The principle of public law which causes Treaties under such circumstance to be regarded as abrogated is thus stated: "The obligations of Treaties, even where some of their stipulations are in their terms perpetual, expire in case either of the contracting parties losses its existence as an independent State, or in case its internal constitution is so changed as to render the Treaty inapplicable to the new condition of things." (U.S. Treaties and Conventions 1776–1887 (1889), at 1236–1236).

Thus, the real ground for termination of the treaty, as interpreted by the State Department itself, is the extinction of the state with whom the treaty was originally made. As explained by most writers on international law, the execution of the treaties of a state are conditioned upon its power to exercise sovereignty and this power is lost when the state is extinguished by forcible annexation or absorption into another state. (*Research in International Law*, American Journal of International Supplement, vol. 29, 1935, p. 1165.)

From this it is clear President Madison did not cause the treaty's annulment by his independent action. The treaty expired automatically under a well-established principle of international law. In contrast, here President Carter seeks to terminate the defense treaty with the Republic of China by his own action and at his own initiative. The two situations are as different as day and night.

2. In 1899, President McKinley gave notice to the Swiss Government of intent "to arrest the operations" of certain articles of the 1850 Convention of Friendship, Commerce and Extradition.

Analysis: The Convention was superseded by a later Act of Congress inconsistent with the earlier treaty. That statute conferred implied authority on the President.

Discussion: The State Department in its memorandum of December 15, 1978, admits the Presidential notice "may have been necessitated by the Tariff Act of 1897." (p. 9) This disqualifies the incident as a precedent for notice where there is no accompanying legislative action.

Following enactment of the Tariff Act of 1897, the United States entered into an agreement with France under authority granted by that law. The Swiss government thereupon claimed the right to enjoy the same concessions for Swiss imports as was granted French products, but refused to make reciprocal con-

cessions. The United States rejected the Swiss demand because, in the words of the State Department memo: "It was contrary to U.S. general policy and to the policy of the Tariff Act to make trade concessions in the absence of a reciprocal arrangement." (p. 9, emphasis added) Section 3 of the Tariff Act denied the President authority to negotiate trade agreements unless "reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States." (30 Stat. 203) Since Congress had passed a law clearly inconsistent with an earlier treaty, the President was compelled to enforce the later expression of legislative will.

This principle has been followed by the Supreme Court. In *Van der Weyde v. Ocean Transport Co.*, the court upheld the validity of executive termination of certain provisions of a treaty with Norway in conflict with the 1915 Seamen's Act, even though Congress had not specifically directed the President to terminate those particular provisions. The Court said it "was incumbent upon the President, charged with the conduct of negotiations with foreign governments and also with the duty to take care that the laws of the United States are faithfully executed, to reach a conclusion as to the inconsistency between the provisions of the treaty and the provisions of the new law." (297 U.S. 114, 118, (1936), emphasis added)

Rather than recognize any general power in the President to terminate treaties, the Court narrowly limited the President's right of termination to the single situation of an inconsistency between the treaty and another law, and then only because he is required to faithfully execute the laws, of which the later in time is superior.

As the Supreme Court has ruled on numerous occasions, nothing in the Constitution gives a treaty any superiority over an act of Congress: "[I]f the two are inconsistent, the one last in date will control the other." (*Head Money Cases*, 112, U.S. 580, 599 (1884); *Whitney v. Robertson*, 124 U.S. 190, 194 (1888); *The Chinese Exclusion Case*, 130 U.S. 581, 600 (1888); *Fong Yue Ting v. U.S.*, 149 U.S. 698, 720 (1893); *La Abra Silver Mining Co. v. U.S.*, 175 U.S. 423, 460 (1899))

Unlike the 1899 incident, there is no subsequent statute which President Carter claims is in conflict with the Mutual Defense Treaty of 1954. To the contrary, there are numerous statutes and treaties which reinforce the purpose of that treaty.

3. In 1920, President Wilson "by agreement" terminated the 1891 Treaty of Amity, Commerce, and Navigation with the Congo.

Analysis: The treaty was terminated following Congressional action affecting that treaty. It was denounced in its entirety by the foreign government, not by notice of the United States.

Discussion: In the Seamen's Act of 1915, Congress ordered President Wilson to notify several countries of the termination of all articles in treaties and conventions of the United States "in conflict with this act." (38 Stat. 1184) The authority of Congress to impose this obligation on the President was upheld by the Supreme Court in *Van der Weyde v. Ocean Transport Co.*, 297 U.S. 114, 118 (1936).

In accordance with this statutory mandate, President Wilson notified Belgium of his intention to terminate Article 5 of the 1891 treaty. (The treaty contained no provision for notice. It was originally concluded with the independent state of the Congo, which later came under Belgian control. The change of governments further weakens the incident as a precedent for termination of the Mutual Defense Treaty since the identical governmental authorities on Taiwan with whom we made the treaty are still in effective control of the treaty covered by that treaty.)

In view of the Congressionally-mandated termination of a substantive article of the treaty, Belgium replied that it wanted to terminate the entire treaty. A month later, Belgium sent a second note instructing the United States that its first note was intended as formal notice of termination of the treaty. In acknowledgement of this notice, the United States regarded the treaty as expiring one year later.

The situation is entirely different from the 1954 Mutual Defense Treaty with the Republic of China. The 1891 treaty was terminated with the agreement of both parties. The Republic of China, however, does not wish to terminate the 1954 treaty.

4. In 1927, President Coolidge gave notice of termination of the 1925 Convention with Mexico on the Prevention of Smuggling.

Analysis: The Convention was terminated during an unsettled period in relations with Mexico which caused a fundamental change in conditions essential to its continued effectiveness. The President did not inform Congress, depriving legislators of an opportunity to challenge his action.

Discussion: In 1927, United States relations with Mexico were unsettled because of alleged religious persecution within Mexico and confiscation of American-owned private and oil lands. In fact, President Coolidge claimed Mexico was smuggling arms and ammunition to revolutionists in Nicaragua, indicating Mexico was not a reliable treaty partner under a Convention relating to the prevention of smuggling of any articles.

During the period from March 1926, the effective date of the Convention, to March 1927, when notice of termination was given, President Coolidge enforced a strict embargo on the shipment of arms and ammunition to Mexico (see proclamation of January 7, 1924, Foreign Relations, 1924, vol. II, p. 428); Secretary of State Kellogg called in the Mexican Ambassador to protest mistreatment of American Catholics in Mexico, including their arrest and expulsion (Foreign Relations, 1927, vol. III, p. 639); the Mexican Government enacted laws for the confiscation of American-owned oil rights and agricultural lands and cancelled drilling permits previously issued to American companies, effectively suspending drilling operations (Foreign Relations, 1927, vol. III, pp. 180–182); Secretary of State Kellogg presented the Senate Foreign Relations Committee with documented evidence of Bolshevik plans to use Mexico as a base of operations against the United States (Foreign Relations, 1927, vol. I, p. 356); and in his annual address to Congress, President Coolidge criticized Mexico on the basis of "the most conclusive evidence," for supplying "arms and munitions in large quantities" to the revolutionists in Nicaragua, contrary to his requests for an embargo on such supplies (Foreign Relations, 1927, vol. III, p. 294).

As President Coolidge summed up the difficulties with Mexico in a speech on April 25, 1927:

"We have had claims against that country running over a long series of years, growing out of the death of many of our citizens and the loss of their property, running into hundreds of millions of dollars. A very considerable portion of these cases has been due to revolutionary activities and other forms of public violence. Public order has never been entirely complete in that country. But lately our difficulties have been increased by the enactment of laws by the Government itself, which we feel threaten the virtual confiscation of the property of our citizens, even where their holdings are under title which have been established for scores of years." (Id. p. 216).

President Coolidge explained that these laws were contrary to an understanding our government had reached with the President of Mexico in 1923, as a result of which we had recognized the government. (Id.)

In the circumstances, there was a dramatic change for the worse in relations between the United States and Mexico from March of 1926 to March of 1927, which made the anti-smuggling convention inapplicable. Although these conditions were not described in the notice of termination due to diplomatic niceties, their existence and effect upon the Convention are undeniable. Obviously, conditions presumed to be necessary for the enforcement of the Convention, stability, public order, and government willingness to implement it, did not exist.

The situation in Mexico in March of 1927 fits the classic circumstances for application of the principle of *rebus sic stantibus*. The doctrine is explained in an opinion by Acting Attorney General Biddle to President Roosevelt in 1941. That opinion holds that a treaty "ceases to be binding when the basic conditions upon which it was founded have essentially changed." (40 Opinions Attorneys' General 121)

Actually, Biddle's opinion is an official admission of the necessity for legislative concurrence in the decision to provide notice under a treaty provision relating to withdrawal. Although his opinion concluded that the International Load Line Convention governing ocean tanker loadage had become inoperative because of war conditions, he rejected any idea that the President alone could give notice under the convention itself. Biddle wrote: "It is not proposed that the United States denounce the convention under Article 25 (47 Stat. 2256), nor that it be otherwise abrogated. *Consequently, action by the Senate or by the Congress is not required.*" (Emphasis added)

Article 25 of the convention provided for withdrawal by any contracting government twelve months after notification to the other parties. The article is similar to Article X of the R.O.C. defense treaty. Thus, it is clear that Biddle believed legislative approval was necessary to authorize presidential action pursuant to the terms of a treaty in circumstances parallel to those asserted by President Carter as the sole ground for his unilateral action. According to the doctrine of the Biddle opinion, President Carter could not exercise the notice provision without further legislative authority. Nor could he invoke the principle of changed conditions as a purported basis of his right to give notice; the Biddle opinion makes it clear that action under the principle of *rebus sic stantibus* is entirely separable and distinct from action under the notice provision of a treaty.

The doctrine of *rebus sic stantibus* can be traced to principles of ordinary contract law. It is an implied condition of a contract (or treaty) known to the Framers of the Constitution and was given judicial recognition by Mr. Justice Davis, in the context of treaty law, in *Hooper* v. *United States*, 22 Court of Claims, 1887, p. 408. The doctrine is universally considered as an exception to the continuing validity of treaties and does not support any general rule of treaty termination by the Executive. (Crandall, Treaties, Their Making and Enforcement, 2d Ed., 1916, pp. 440–442)

President Carter has already rested his action solely upon his interpretation of the notice provision in the defense treaty; but in any event he could not invoke *rebus sic stantibus* as to the ROC treaty. For an essential requirement of the doctrine is that the change in conditions must not be the result of action by the party seeking to involve it. (See 1969 Vienna Convention on the Law of Treaties, Articles 61, 62; Restatement of the Law 2d, Foreign Relations Law of the U.S., 1965, pp. 467–470)

Moreover, the Coolidge incident is not a valid precedent since Congress was not informed of the notice at the time and thus it went unchallenged.

5. In 1933, President Roosevelt withdrew the United States from the 1927 Convention for the Abolition of Import and Export Prohibitions and Restrictions.

Analysis: The 1927 Convention was inconsistent with and had a restrictive effect on the National Industrial Recovery Act of 1933. Therefore, the President applied the later expression of Congressional will. It also was terminated due to a fundamental change in conditions, not the result of any action by the United States.

Discussion: The official papers published in connection with the termination of the 1927 Import-Export Convention prove that the provisions of the National Industrial Recovery Act, a later statute, were instrumental in moving the President to give notice. (W. McClure, 1941, *International Executive Agreements*, p. 18)

On June 19, 1933, Acting Secretary of State Phillips initiated steps towards withdrawal from the agreement by writing the Chairman of the American Delegation to the Monetary and Economic Conference, Cordell Hull, as follows: "This action by the British Government (withdrawal) and certain provisions of the new Recovery Act which authorize the President to license imports and impose embargoes make it imperative that we give immediate consideration to the question of what the United States should do in respect of this Convention." Emphasis added. (Foreign Relations, 1933, vol. 1, p. 784) Thus, Secretary Phillips expressly identified the Recovery Act as one of the developments which made it "imperative" to consider denouncing the convention.

Hull's reply of June 23, 1933, makes it clear that the statute was unmentioned in the U.S. notice not because it was not significant to our decision, but because of diplomatic posturing. He recommended that we withdraw, but in such a way "that it not be construed as evidence of any new decision by the Government to shape its policy on domestic, rather than on international lines." Accordingly, the official notice concealed the relationship of the domestic Recovery Act to our decision as originally emphasized by Secretary Phillips. (*Id.*, pp. 784–785)

The incident stands as no more than an example of the President implementing the latest expression of Congressional intent. Since the President cannot enforce two laws which are in conflict, as the 1927 convention and 1933 statute were, he is compelled to select the one which reflects the current will of Congress. (*Presidential Amendment and Termination of Treaties: The Case of the Warsaw Convention*, 34 U. Chic. L. Rev., 1967, p. 592)

As mentioned, the U.S. Government notice gave as the sole reason for withdrawal the fact that several other nations had already withdrawn, thereby defeating the original purpose and assumption for the convention. Eleven countries out of an anticipated original 19 had ceased to be bound by the convention on June 20, 1933, when the United States gave its notice. Accordingly, our notice stated that while it "had been hoped that the principle embodied in the convention would be widely accepted", the "reverse" has been true.

These circumstances fit the classic example of *rebus sic stantibus*, where a basic set of conditions or expectations were assumed to exist as the basis for carrying out the treaty, but due to changed conditions, those original purposes or expectations are no longer present. When such a fundamental change occurs, the treaty is no longer operative or binding.

The principle was recognized by Mr. Justice Davis, who wrote, in *Hooper* v. *United States*, that a "treaty might be construed as abrogated when material circumstances on which it rested changed." (22 Court of Claims 408 (1887)).

Thus, rather than asserting any general power to withdraw the nation from all treaties having a notice provision, President Roosevelt's 1933 notice itself clearly limits the basis of his action to the change in conditions. As the State Department memo states: "A convention on the abolition of import and export prohibitions and restrictions clearly needed widespread acceptance to be effective . . ." (p. 18)

In contrast to the 1927 convention, there is no change in circumstances which prevents the 1954 Mutual Defense Treaty from being effective. The same regime with which we concluded the treaty remains in effective control of the territory of Taiwan and the Pecadores, regardless of derecognition. The territory governed by those authorities remains a critical and strategic link in the entire chain of Pacific Basin security bases from which the United States supports its national security and the security of allies with whom we have formal defense treaties. And, in view of the current massive invasion by the People's Republic of China across its entire joint border with Vietnam, supported by an invasion force of 250,000 troops, Taiwan's need for protection under the defense treaty is greater than ever.

Even if derecognition were viewed as a basic change, it cannot be invoked as a reason for terminating the 1954 treaty. Under customary international law, a nation cannot use a change of conditions as a ground for terminating a treaty if the change is the result of its own action, inconsistent with the original purposes of the treaty.

In any event, President Carter is not asserting changed circumstances as a ground of his notice; he claims implied authority solely under the notice provision of the treaty. Thus, the 1933 incident has no similarity to the present case.

6. In 1933, President Roosevelt gave notice of termination of the 1931 Treaty of Extradition with Greece.

Analysis: The treaty was not terminated. Notice was withdrawn. The sole basis for the President's notice was violation of the treaty by the other nation, an exception that does not apply to the Republic of China.

Discussion: The incident is not a precedent for Presidential treaty termination because the treaty was not terminated. President Roosevelt did give notice, but withdrew it. Whether he would have completed the termination is speculation; the strongest evidence points to his purpose only of using the threat of termination as pressure for negotiating purposes.

The President's action was initiated because Greece had refused to extradite an individual accused of fraud as required under the extradition agreement. Clearly, his action was founded on the fact the treaty had already been violated by breach of the other party. The President may have power to determine that a treaty has become void in this narrow situation under the principle of traditional contract law whereby a party is released from a contract obligation if the other party is guilty of a substantial breach.

In *Ex parte Charlton*, the Supreme Court appears to have recognized the principle of termination in case of adverse breach. In this case, the Supreme Court held that a violation of the obligation of a treaty which, in international law, would have justified the United States in denouncing it, makes the treaty "only voidable" and not automatically "void." There the court said the Executive Branch chose to waive the right to free the United States from the 1884 extradition treaty with Italy after that country refused to surrender its citizens as agreed under the treaty. (229 U.S. 447 (1931))

The Department of State has previously recognized the existence of an exception to the power to terminate treaties based upon "the principles governing the operation of contracts." (See memorandum prepared by Secretary of State Hughes, October 8, 1931, reprinted in Hackworth, Digest of International Law, 1943, vol. V, pp. 324–326, especially p. 325.) As Secretary of State Rusk testified in 1963, relative to a possible breach by the Soviet Union of limits on nuclear testing, "It is clearly established . . . that where the essential consideration in a treaty or agreement fails through violation on the other side that we ourselves are freed from those limitations." (Hearings before the Senate Comm. on Foreign Relations on the Test Ban Treaty, 88th Cong., 1st Sess., p. 37) Secretary Rusk submitted a legal brief on this exception to the Senate Committee which specifically distinguished between withdrawal by invoking the notice provision of a treaty and the right of voiding the treaty because of a breach by the other government. (See opinion, dated August 12, 1963, of the Legal Adviser, *id.*, pp. 37–40).

Accordingly, the principle of termination because of breach by another party is recognized by the State Department itself as a limited power which is entirely different from any authority conferred by the notice clause of a treaty. Obviously, the principle has no application to the defense treaty with the Republic of China. Here President Carter is purportedly acting solely under the notice provision. He has not attempted to invoke the principle of violation by another party, nor could he. There is no allegation that the Republic of China has failed in any sense whatever to meet its obligations under the defense treaty. In contrast, the 1933 notice by President Roosevelt clearly identified the violation by Greece of the treaty as the reason for the notice.

7. In 1936, President Roosevelt signed a protocol agreeing with Italy to terminate the 1871 Treaty of Commerce and Navigation.

Analysis: The 1871 treaty had become inconsistent with a later Act of Congress which conferred implied authority upon the President. Also, the treaty was terminated in joint action with the other country by a protocol mutually agreed upon. In contrast, the Republic of China wishes to keep in effect the 1954 defense treaty.

Discussion: President Roosevelt's action in agreeing with Italy to terminate the 1871 treaty arose directly out of and was tied to the 1934 trade law enacted by Congress. That law authorized the President to suspend beneficial duties to imports from any country discriminating against our exports. Since American commerce was being subjected to what the State Department described as "highly prejudicial treatment" by the trade control measures of Italy, the Department warned the President he "would be placed in the position of having to choose between the execution of the act and observance of the treaty."

In order to avoid being forced to breach the treaty or ignore the obvious intent of the statute, the State Department advised the President to notify Italy of our intent to terminate the treaty. (G. Hackworth, 5 Digest of International Law 330–331 (1943)).

Thus, the statute conferred implied authority on the President to take action leading to termination of the treaty. In the present case, President Carter has no implied or express authority under a separate statute.

Moreover, instead of giving the initial, formal notice to Italy of the treaty's termination as suggested, President Roosevelt approved a joint protocol entered into between the United States and Italy announcing the intention of each government to terminate the treaty. Thus, the treaty was not cancelled by Presidential notice alone, as is proposed in the case of the 1954 treaty with the Republic of China, but by mutual agreement with the other government.

8. In 1939, President Roosevelt gave notice of termination of the 1911 Treaty of Commerce and Navigation with Japan.

Analysis: The 1911 commercial treaty was clearly terminated pursuant to national policy authorized by the Nine Power Treaty of 1922. Also the 1911 treaty had become inoperative due to wartime conditions.

Discussion: The termination of the 1911 commercial treaty with Japan is not an example of independent Presidential power. Under the Treaty on Principles and Policies Concerning China of 1922, known as the Nine Power Agreement, the United States was bound to participate with other governments in respecting the territorial integrity of China. In the first article of that treaty, the contracting governments pledged to "respect the sovereignty, the independence, and the territorial and administrative integrity of China," promised to give China the opportunity to develop a stable government, and to respect an open door for commerce and industry. (Foreign Relations, 1922, vol. I, pp. 278–279)

As early as February of 1932, Secretary of State Stimson made it clear this treaty was being violated by Japan. He hinted future American action to implement our responsibilities under the treaty and was a well-known advocate of strong economic sanctions against Japan as a means of pressuring her to uphold the Nine Power Treaty and the Kellogg-Briand Pact of 1928, which purportedly renounced war as an instrument of national policy. (See text of letter reprinted in 84 Cong. Rec. 10751–10752; as to Stimson's approach to Japan, see W. Neumann, *America Encounters Japan*, 1963, pp. 196–201)

Partly because Japan was the third largest purchaser of American exports at a time when foreign trade was considered vital to economic recovery, President Hoover and then President Roosevelt refused at first to be pushed into extreme acts of economic warfare against Japan. But continued Japanese aggression and the U.S. commitment to China caused a turn in American policy. (Neumann, *id.*, pp. 212–227)

For in the early 1930's, Japan repudiated the Kellogg-Briand Pact, withdrew from the 1921 treaty restricting naval fleets, and overran Manchuria. After she entered upon all-out war against China in 1937, it was apparent that Imperial Japan had the same designs in the Far East that Nazi Germany had in Europe. (Barck, Wakefield, Lefler, *The United States: A Survey of National Development*, 1950, pp. 899–900)

The outbreak of war in 1937 led to strong public appeals for a boycott of Japanese goods and for the application of other economic pressures which would cause Japan to withdraw from China. President Roosevelt moved in the direction of this changing public opinion when he made his famous "Quarantine" speech on October 5, 1937. In this speech, he declared that war was becoming a contagion whose spread could be stopped only by a "quarantine" against aggressors. The Japanese made a partial answer to this speech on December 12, 1937, when their planes sunk the U.S. gunboat Panay in the Yangtse River, with the loss of two dead and 30 wounded, and destroyed three American merchantmen.

According to historian William Neumann, "the subject of economic sanctions was studied and discussed in the State Department" throughout 1938. (Neumann, *id.*, p. 253) In fact, by the middle of 1938, the State Department informed all manufacturers and exporters of aircraft and airplane parts that it frowned upon the sale of such commodities to countries, as Japan, which indiscriminately bombed civilians. In 1939, this voluntary ban was extended to high octane gasoline. These warnings were heeded by the producers with the result that a virtual embargo on planes, parts and gasoline was raised against Japan. In a similar approach, the State Department gradually ended the extension of credit to Japan by American citizens after 1938. (Barck, Wakefield, Lefler, *id.*, p. 904)

Stanley K. Hornbeck, Adviser on Political Relations to the Secretary of State, was one of the most influential believers in economic pressure as an instrument of American policy in Asia. In December of 1938, he specifically proposed to Secretary Hull the denunciation of the 1911 commercial treaty with Japan in order to clear away legal difficulties to such a program of economic sanctions. (Neumann, *id.*, pp. 240–246, 253)

Thus, in July of 1939, when Secretary Hull finally informed Tokyo that the United States would abrogate the commercial treaty, his action was part-and-parcel of an ongoing American embargo that had already been mounted against Japan, primarily by moral persuasion. Neumann writes that termination of the commercial treaty was necessary to enable the Roosevelt administration "to begin full scale economic war against Japan" as a measure designed to help China. (Neumann, *id.*, pp. 254–255)

In similar vein, Charles E. Neu writes that Roosevelt gave notice so that "the way would be open for trade restrictions" which would warn Tokyo and "strengthen the morale of China." (Neu, *The Troubled Encounter: The United States and Japan*, 1975, p. 163) And James H. Herzog writes that with notice of the treaty's termination, the United States had taken a positive step "which would allow economic sanctions to be used against Japan." He, too, specifically links the notice with Japan's aggression against China. (Herzog, *Closing the Open Door: American-Japanese Diplomatic Negotiations 1936–1941*, 1973, pp. 46–47)

From this, it is undeniable that the notice was an integral part of American policy which took a no-compromise stand on behalf of the territorial integrity of China. Clearly, this policy of morality on behalf of the welfare of China was exactly the type of governmental action contemplated and authorized by the Nine Power Treaty. Thus, President Roosevelt's notice was authorized by a formal treaty ratified with the advice and consent of the Senate.

The aggression by Japan, even against U.S. vessels, also created a fundamental change in circumstances not the result of our personal actions. Absent a Supreme Court decision of the issue, it is not known whether the President acts legally when he invokes the doctrine of *rebus sic stantibus, but* this principle of international law would at least have given President Roosevelt an additional plausible ground for independent action.

In the present case, neither any asserted authority under a related treaty subsequent in time to the 1954 treaty, nor the principle of *rebus sic stantibus* has been invoked by President Carter.

9. In 1944, President Roosevelt gave notice of denunciation of the 1929 Protocol to the Inter-American Convention for Trademark and Commercial Protection.

Analysis: Denunciation of the 1929 Protocol is at most an example of an international agreement becoming inoperative when the basic conditions upon which it was founded have essentially changed and the change is not the result of any action by the nation deciding to withdraw. Moreover, Congress was not informed of the notice and was denied any opportunity to challenge the action.

Discussion: The notice of denunciation of the 1929 protocol expressly stated that it had failed to serve any purpose. Secretary of State Hull explained the United States had decided to withdraw from the protocol "in view of past ineffectiveness and absence of any evidence of future increased activity."

Accordingly, the situation fits the classic case of invoking the principle of international law known as *rebus sic stantibus*, described in an Attorneys' General Opinion of July 28, 1941, as "a declaration of the inoperativeness of a treaty which is no longer binding because the conditions essential to its continued effectiveness no longer pertain." (40 OP. A.G. 119)

Even so, the incident may have been an improper exercise of power by the President. Assuming for the sake of argument, however, that the notice was legally made, the action can be explained under the principles of ordinary contract law. The principle of *rebus sic stantibus* was known to international law authorities at the time of the Constitutional Convention of 1787. Vattel, Grotius and other writers, whose works were read by several of the Framers, each mentioned that one of the implied conditions inherent in public contracts, such as a treaty, was the right of a government to consider itself no longer bound by the agreement when fundamental conditions assumed as the basis of the contract no longer existed.

There is no similar, well-established principle of international law, however, providing that in a government of divided powers as ours, the Executive alone possesses a general power of treaty termination. The principle of *rebus sic stantibus* does not apply to President Carter's notice affecting the treaty with the Republic of China; nor has he sought to invoke the principle. Rather, he is claiming a general power of terminating any treaty which includes a notice provision regardless of any special surrounding circumstances.

Moreover, the State Department memo admits at page 27 that there "was no prior or subsequent communication" of the 1944 notice with the Senate or Congress. Thus, the notice was in effect kept secret from Congress and did not present an opportunity for challenge in the courts.

10. In 1954, President Eisenhower gave notice of withdrawal from the 1923 Convention on Uniformity of Nomenclature for the Classification of Merchandise.

Analysis: The United States withdrew from the 1923 Convention because it had been "rendered inapplicable" by a basic change in conditions not the result of our governments' actions. Also, termination of the Convention was done with the agreement of other parties.

Discussion: The 1954 notice is a classic example of the application of the principle of international law known as *rebus sic stantibus*, discussed above.

The 1923 Convention relied on use of the Brussels nomenclature of 1913 in statistical reporting of international commerce. In the words of the State Department memo, at page 29, "the Brussels system of 1913 had become outdated."

In 1950, the United Nations Economic and Social Council had urged governments to use a new system known as the Standard International Trade Classification instead of the Brussels system. Then in 1954, the 10th Inter-American Conference of American States adopted a resolution on customs nomenclature which specifically declared that "the Brussels nomenclature of 1913 has become outdated and has thereby rendered inapplicable the Santiago Convention on Uniformity of Nomenclature for the Classification of Merchandise . . ." The resolution urged member nations to abandon the 1923 Convention and adopt the new United Nations-sponsored system.

The United States notice of withdrawal from the convention acted upon the wide agreement of other governments, who were parties to it, that the convention was no longer applicable to current conditions. It is obvious a fundamental change of conditions had occurred. If the basic system of statistical reporting had become "outdated" and governments generally wished to adopt a new system to replace the old, and if governments generally viewed this change as having "rendered inapplicable" the 1923 Convention which utilized the earlier reporting system, these facts surely must constitute a fundamental change in the basic conditions upon which the convention was founded.

Unlike the situation as to the 1923 convention, there is no argument by President Carter that a basic element of the Mutual Defense Treaty with the Republic of China has become "outdated." Nor is there any claim the defense treaty has been "rendered inapplicable." To the contrary, it has an even greater significance to the people and authorities of Taiwan after the recognition of the Peoples Republic of China by the United States; and it remains significant to United States security interests in the Pacific Basin.

Moreover, unlike the situation with the 1923 convention, where there was widespread agreement among parties to the convention that it should be abandoned, here the Republic of China wishes to keep the defense treaty in effect. Whatever the President's power may be to act by agreement with other parties to a treaty in denouncing it, this does not create a general power of unilaterally deciding to withdraw from a bilateral treaty when the other nation does not agree or join his action.

One of the specific defects meant to be corrected by the Framers of the Constitution was the unfaithfulness of the United States under the Articles of the Confederation in keeping its treaty obligations. Several of the Framers declared the Constitution was supposed to aid in restoring respect to the United States as a treaty partner. Thus, it is exactly the easy escape from a treaty represented by President Carter's unilateral notice, not in agreement with our foreign treaty partner, that the Framers wanted to prevent.

11. In 1962, President Kennedy gave notice of termination of the 1902 Convention on Commercial Relations with Cuba.

Analysis: The President's action clearly was authorized by several statutes and one other treaty.

Discussion: The termination of the 1902 commercial convention was an integral part of the U.S. economic embargo of Castro Cuba, declared on February 2, 1962, in which we were joined by the Organization of American States. (13 CQ Almanac 295–298, 331, 333 (1962)).

President Kennedy's notice of August 21, 1962, occurred only eight weeks before the naval blockade of Cuba. He had ample authority to impose a trade embargo under provisions of the Foreign Assistance Act of 1961, the Export-Control Act of 1948, the Trading with the Energy Act, and Battle Act of 1954. Termination of the convention was also authorized pursuant to the Inter-American Treaty of Reciprocal Assistance of 1947, which contemplated a "partial or complete interruption of economic relations" as a means of enforcement. Thus, notice of terminating the commercial convention was given pursuant to a national policy authorized and developed with full legislative participation.

Moreover, the notice may have been authorized under implied authority conferred by Congress when it enacted the Tariff Act of 1945 (59 Stat. 410).

Under the specific authority granted by this statute, the United States Government had entered into numerous trade agreements with other nations by executive agreement through the General Agreement on Tariffs and Trade (GATT). Pursuant to authority delegated by the same trade statute, the commercial treaty with Cuba had already been suspended by an executive agreement with Cuba in 1947. Then, only three months before President Kennedy gave notice, Congress itself effectively suspended the operation of the 1902 treaty by enacting section 401 of the Tariff Classification Act of 1962 on May 21, 1962 (76 Stat. 72, 78). In this provision, Congress declared that Cuba was dominated or controlled by the Soviet Union and mandated suspension of tariff preferences for Cuban articles and suspension of the Act of December 17, 1903, and section 316 of the Tariff Act of 1930, both relating to implementation of the 1902 treaty. The fact that Congress specifically addressed the 1902 treaty shortly before notice was given is clear evidence that termination was linked to punitive measures against Communist Cuba.

Assuming, for the sake of discussion, that notice of termination would have occurred even had the United States not instituted an embargo of Cuba, the notice would still have been authorized by the enabling statute which set in motion the GATT process on the part of the United States. Thus, in either event, the President's action was exercised under authority delegated by Acts of Congress. In contrast, there is no past or current statute which is cited as having any plausible bearing on the notice given by President Carter. His notice was given in the absence of any separate, supporting legislative enactment and rests solely on the President's unilateral and self-serving interpretation of the Mutual Defense Treaty.

12. In 1965, President Johnson gave notice of denunciation of the 1929 Warsaw Convention limiting claims by passengers on international air carriers.

Analysis: Our government's participation in the Convention was not terminated; President Johnson withdrew the notice. It is not a precedent for Presidential termination. The Convention was widely viewed in this country as being outdated and, in fact, was being ignored by American courts. At most, the incident is an example of a treaty becoming inoperative due to changed conditions.

Discussion: The United States did not withdraw from the Warsaw Convention. It is pure speculation to assume President Johnson would have denounced the agreement unilaterally. To the contrary, it appears he used the threat of U.S. withdrawal as leverage in negotiations with other nations leading to acceptance of a protocol to the convention favorable to our wishes for a sizable increase in the ceiling on claims awarded to air passengers. The incident is not a precedent for Presidential termination of a treaty because President Johnson did not actually denounce a treaty.

There was strong support in the Senate and the country for U.S. withdrawal from the convention. An unfortunate tragedy had befallen then Senator Capehart, whose son and daughter-in-law were killed in a plane crash in Jamaica on January 21, 1960, leaving four young children orphaned. The survivors were clearly entitled to recover damages against the grossly negligent airline, however the Warsaw Convention limited liability to $8,300. Lawyers for the airline literally waved the convention in Senator Capehart's face in refusing initially to pay a realistic award to his relatives. Only court proceedings eventually forced the airline to settle at a higher amount.

With the personal experience of one of their colleagues much in mind, many Senators were revolted at the deficiencies in the Warsaw Convention. Their attitude was reinforced by testimony before the Foreign Relations Committee by trial attorneys who demonstrated that the convention was "outdated, archaic" and further that the proposed Hague Protocol to the convention was inadequate in lifting airline liability to a sufficient amount.

It was established at the Senate hearings that American courts had successfully avoided the limits of the convention by developing a judicial principle which allowed exceptions to the convention in cases of "willful misconduct" by an airline. The exception had become the norm in U.S. courts and the convention had been effectively replaced by legal practice. (Hearings on the Hague Protocol before Senate Foreign Relations Committee, 89th Cong., 1st Sess., 1965, at 41, 59).

In this setting, there was a basic change in conditions. The convention had become inapplicable in U.S. courts and outdated as practical matter. Moreover, its original purpose had been met. It was adopted to help fledging airlines, now become strong carriers. If President Johnson had denounced it, his action would have been consistent with the principle of international law known as *rebus sic stantibus*, discussed above. The principle has no application to the defense treaty with the Republic of China. Unlike the history of the Warsaw Convention in the mid-1960's, there is no line of consistent judicial decisions disregarding the defense treaty. There is no similarity between the two situations.

Moreover, as Lee S. Kreindler, Chairman, Aviation Law Section, American Trial Lawyers Association, testified at the Senate Committee hearings: "It should be pointed out that the Warsaw Convention is a 'private law' treaty which only regulates rights and liabilities as between private individuals and corporations. It does not involve real interests of governments as such. Whatever reluctance there might be to withdraw from a public law treaty involving the performance of governmental responsibilities, it does not apply to the Warsaw Convention which only regulates rights between private persons." (Hearings at 106)

Thus, there is a critical difference between the Warsaw Convention and the Mutual Defense Treaty. The latter is a "public" treaty involving the performance of governmental duties. Even if, for the sake of argument, the President has power to terminate treaties involving "private rights," it does not follow that he has power to revoke a treaty which involves fundamental policy for the country on a matter of vital interest to all the people.

It is true, 29 Senators joined in sponsoring a Senate Resolution urging President Johnson to denounce the Warsaw Convention. The resolution was introduced several months after he had given notice and anticipated that the notice might be withdrawn. It is wrong to infer from this that the 29 Senators, or majority of the Senate, believed the President possessed authority to denounce the convention absent legislative action. In fact, the very act of introducing or cosponsoring the legislation was an affirmative action which in the normal process of legislative activity would result, if successful, in a grant of authority or ratification by the Senate of Presidential action as required by the Constitution. From this, the logical conclusion is that the Senators sponsoring the resolution believed legislative participation was necessary to fulfill the decision to denounce the convention.

THE CASE AGAINST SALT II

Mr. GOLDWATER. Mr. President, the coming debate on SALT II promises to be a very interesting one and the results of the debate probably as important to the future of peace in the world and the peace of our country as anything we have undertaken in recent years. Mr. Eugene V. Rostow, who is sterling professor of law at Yale, has written a commentary, a very understandable, intelligent argument against SALT II. For the benefit of my colleagues I ask that it be printed at this point in the RECORD.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

THE CASE AGAINST SALT II

(By Eugene V. Rostow)

In human disputation justice is only agreed on when the necessity is equal; whereas they that have the odds of power exact as much as they can, and the weak yield to such conditions as they can get—THUCYDIDES, *History of the Peloponnesian War*

Over the last century, the yearning for peace has given rise—especially Great Britain, the United States, Scandinavia, the Netherlands, and Canada—to the belief that disarmament agreements, or agreements for arms limitation are an important means for securing peace. It would be more accurate to say that settled expectations of peace between nations result in disarmament. When neighbors share the same goals, agreements on arms limitation or disarmament can be of marginal utility. For example, the celebrated agreement between Great Britain and the United States providing that no warships be stationed in the Great Lakes has become the symbol for the general policy of Canada and the United States with respect to their common border. And many countries have had unarmed borders for years without benefit of a formal treaty. But the enthusiastic advocates of arms limitation treaties tend to forget that such agreements cannot achieve their goals when some of the parties pursue quite different policies.

The arguments made for SALT II today are the same as those put forward on behalf of the Washington Naval Treaty of 1922 and the other arms-limitation and arms-reduction arrangements on which the Western governments lavished so much time, attention, and hope during the 20's and 30's.

The Washington Naval Treaty and its progeny did not prevent Pearl Harbor. We, the British, and the French, lulled by the treaty, and hardpressed in any event to find money for naval-building programs, let our navies slide. We did not build our full quotas or modernize our ships. The Japanese and later the Germans, on the other hand, took full advantage of their quotas. We should recall what the phrase "pocket battleship" meant. The pocket battleship, which the Japanese and the Germans used with such great effect in World War II, was a cruiser with the striking power of a battleship—a powerful modern man-of-war built within the tonnage limits of the treaty.

The post-World War I arms-limitation agreements—demilitarization of the Rhineland as well as the various naval agreements—failed to prevent World War II. Indeed, those agreements helped to bring on World War II, by reinforcing the blind and willful optimism of the West, thus inhibiting the possibility of military preparedness and diplomatic actions through which Britain and France could easily have deterred the war. Churchill never tired of pointing out that World War II should be called the "Unnecessary War," a war which Anglo-French diplomacy could have prevented.

Despite this melancholy history, we are told everywhere that the SALT II agreement now in the final stages of negotiation will be "politically stabilizing"; and that the breakdown of the SALT negotiations, or the rejection of the prospective treaty by the Senate, would "end detente," "bring back the cold war," increase the risk of nuclear and of conventional war, and revive "the arms race," which would cost us another $20, $70, or $100 billion.

Emotionally and politically, this is the strongest argument for ratification: that even a bad agreement with the Soviet Union is better than no agreement at all. The issue presented by SALT, Senator George McGovern has said, is that "the alternative to arms control and detente is the bankruptcy and death of civilization." And in a speech in London on December 9, Secretary of State Vance said that "without an agreement, our technological and economic strength would enable us to match any strategic buildup, but a good agreement can provide more security with lower risk and cost. And we recognize that without SALT the strategic competition could infect the whole East-West political relationship, damaging the effort to create a less dangerous world which is at the heart of Western foreign policies.' Since, however, we were infinitely more secure without an arms-limitation agreement during the period 1945-72 than we have been since, the logic of this argument is not immediately apparent.

The claim that a SALT II agreement would be politically stabilizing, and would foster Soviet-American cooperation in other areas, is just as empty. We have had the Interim Strategic Arms Limitation Agreement with the Soviet Union—SALT I—since 1972. Far from stabilizing world politics, the Interim Agreement has been an important structural feature of the most turbulent and dangerous period of the cold war (the period ironically known as "détente").

Thus, during the six-and-a-half years following President Nixon's trip to Moscow in 1972, we have endured a series of major Soviet offensives. First, the Soviet Union defaulted on its obligations as a guarantor of the peace agreements of 1973 in Indochina. These agreements, for which Mr. Kissinger received a Nobel Prize, were treated by the Soviet Union as scraps of paper. The final North Vietnamese invasions of South Vietnam in 1974 could never have taken place without Soviet equipment and other help. Then the Soviet Union, which had promised President Nixon to cooperate with him in seeking peace in the Middle East, violated those promises by supplying, planning, encouraging, and even participating in the Arab aggression against Israel in October 1973.

So far as the 1972 Interim Agreement itself is concerned, Secretary of State Rogers testified to the Senate that we had made a number of unilateral interpretations of the agreement and that we should regard any breach of these policies by the Soviet Union as a violation of the "spirit" of the treaty. All these unilateral interpretations of the agreement were violated by the Soviet Union. We did nothing about them.

But the ultimate absurdity is the claim that SALT II would limit or reduce either arms or arms expenditures. The one thing the 1972 Interim Agreement on Offensive Strategic Arms did not do was to limit Soviet arms development or expenditure, or the growth of the Soviet nuclear arsenal.

The SALT I Interim Agreement was presented to Congress and the country with fanfares from President Nixon, Secretary of Defense Laird, and Mr. Kissinger, as he then was. We were assured that the agreement would slow down the Soviet buildup of strategic offensive weapons; discourage the Soviets from adopting counterforce strategies; and enhance peace and our security in other unspecified ways. But the principal claim made for the agreement was that it would apply "brakes to the momentum of Soviet strategic missile deployments," in Secretary Laird's words.

Yet instead of stabilizing or reducing its strategic offensive strength during the period of the Interim Agreement, the Soviet Union has moved ahead rapidly: far more rapidly, in fact, than had been predicted as possible by American intelligence. It has successfully MIRVed (that is, placed several warheads on a single missile) its ICBM (intercontinental ballistic missile) forces, taking advantage of their greater delivery capacity (throw-weight) to develop missiles with as many as 10 warheads per missile, as compared with 3 on our Minuteman III missile. It has improved the accuracy of its missiles and developed new and improved missiles to replace older ones within its forces. One of the most significant of these developments is the Soviet production of mobile ICBM's. President Carter has said that the Soviet Union has actually deployed mobile ICBM's.

Whether or not this has happened to a significant extent, the experts agree that the Soviet Union could do so quickly and on a large scale. Mobile ICBM's would completely alter the nuclear equation, making ICBM's almost as elusive as submarines, and making it impossible, or much more difficult, to target a nuclear strike against them. The Soviet Union has also adopted "cold-launch" methods which permit a greater throw-weight with a given missile, and the more rapid reloading of a launcher after use.

As a result of these changes, the Soviet strategic nuclear force has been radically enlarged since 1972 in all categories and, according to present estimates, will be far stronger by the early 1980's. At the time of the Interim Agreement, the aggregate throw-weight of the Soviet ICBM's was twice that of the American force. In the early 1980's, it will be about four times as large. The throw-weight of our own ICBM's is unchanged, and is not expected to change during the treaty period.

The Soviet Union is believed to have had 1,600 warheads available to its ICBM force in 1972, compared to our 2,154. In the early 1980's, we shall have the same number, 2,154, but the Soviet figure will rise to between 6,500 and 9,200, even under the limitations expected in a SALT II treaty. The Soviet Union is producing between 150 and 200 ICBM's a year. We make none. The area-destructive power of Soviet warheads will increase by a half; ours by an eighth. The capability of Soviet weapons to knock out hardened (defended) targets, such as missile silos, will have increased tenfold. If our cruise missiles, now under development, fulfill present expectations, ours will have increased fourfold.

In the category of submarines, the Soviets are believed to have had 845 SLBM's (submarine-launched ballistic missiles) at the time of the 1972 agreement, and presently are near the ceiling of 950. Some Soviet SLBM's as as large or larger than our Trident I, which we have not yet introduced. Our figure will not change. In warheads, we are believed still to have a substantial lead. In 1972 we had about 3,000 SLBM warheads; our present figure of 5,400 is not expected to change during the next few years—while it is anticipated that the Soviet figure of 845 will increase some fivefold as they MIRV their SLBM's.

The comparison of bomber forces is more difficult, depending on whether so-called

medium bombers are included. Our heavy bomber force, still based on the out-of-date B-52, is declining, and President Carter has canceled its replacement, the B-1. We had 450 heavy bombers in 1972 to 140 for the Soviet Union, which also had 1,100 "medium" bombers assigned to missions in Europe or Japan, but available for attacks against the United States as well. In addition, the Soviet Union has and is manufacturing a new bomber, the Backfire, two-thirds the size of the B-1. It is not to be counted under the limits established by SALT II, although the State Department concedes that it can be used for intercontinental missions. By 1985, the Soviet Union will have 300 to 400 Backfire bombers. We will have no comparable planes by 1985 beyond our less proficient and much less numerous FB-111's.

While it is difficult to compare the bomber strength of the two nations in the field of intercontinental strategic nuclear weapons, there can be no question about the steady decline of our bomber superiority, which was one of the key premises of the 1972 agreement. That decline is measured not only in the comparison of the planes themselves, but in the development of Soviet air defenses, which we have decided to ignore altogether. The Soviet Union has a large and widespread network of fighter planes deployed for air defense, thousands of SAM's and other anti-aircraft weapons, and at least one anti-ballistic-missile (ABM) system in operation. The Soviets have actively continued ABM research and development since 1972, and presumably would be able to deploy more units on short notice. These defensive measures would exact a heavy toll in the course of any attack, and therefore create doubt about the perceived deterrent effect of our bomber and missile forces.[1]

In short, instead of applying "brakes to the momentum of Soviet strategic missile deployments," SALT I served to increase that momentum. On the United States, SALT I had the opposite effect. Lulled by the treaty—as well as by illusions about "overkill," and by the high hopes we had invested in détente—into thinking that the "arms race" was being brought under control, we allowed ourselves to fall behind in most relevant categories of military power; behind in production; behind in research and development; and behind in programming.

As for the claim that a SALT II treaty will reduce the cost of our own defense programs, General George M. Seignious II, the new director of the Arms Control and Disarmament Agency, said on December 13 that the SALT II agreement, as it seemed likely to emerge, coupled with the further development of the Soviet nuclear arsenal made possible by the agreement, "is going to require additional money to modernize the strategic systems we have." In his final press conference on October 30, 1978, Paul Warnke, the outgoing director of the Arms Control and Disarmament Agency, said that while he believed SALT II would save us money, by restraining certain forms of Soviet expansion we should otherwise have to match, it was not possible to "point to some form of saving" that the treaty would accomplish. For by establishing certain quantitative limits, the treaty would shift Soviet efforts to the quest for qualitative superiority. The effort to match qualitative improvements, based on active research and the development of new technologies, is hardly more economical than the repetitive manufacture of old-model weapons.

Yet the proponents of SALT II claim that the failure to achieve or ratify the treaty would add as much as $100 billion to our defense budgets over a five-year period. Those figures of extra costs if the SALT negotiation fails, or if the Senate refuses to consent to the treaty, are just as fanciful as President Nixon's claims that he had ended the cold war and achieved "détente."

There is no case, then, for SALT II as a step toward peace. The record is clear that the first SALT agreement on the limitation of offensive strategic weapons contributed to an intensification, not a lessening, of tensions between the United States and the Soviet Union throughout the world. The rapid Soviet buildup of new and advanced strategic weapons under the agreement gave rise to charges of "deception," "breach of faith," and indeed of breach of the agreement. And the 1972 Interim Agreement gave the Soviet Union certain great and tangible advantages. For example, we halted the development of our ABM systems, in which we had a technological lead. They, as already noted, have continued their research and development in that important field. There is no reason to believe that the process of continued negotiation with the Soviet Union would change this pattern.

II

According to information now generally available, the SALT II agreement will consist of a Treaty, a Protocol, and a Statement of Principles. The Treaty would expire on December 31, 1985, the Protocol on a date not yet agreed in 1981, either June 30 or December 31. The Statement of Principles concerns the agenda for the negotiations of SALT III and has no terminal date.

The key provision of the SALT II treaty is that each side would be permitted to have the same number of strategic nuclear launch vehicles—2,400 until a date in 1982, and then 2,250. Within this limit, there is a sublimit of 1,320 on the number of launchers carrying multiple independently-targeted reentry vehicles (MIRV's)—ICBM's, SLBM's, and aircraft equipped to carry air-launched cruise missiles (ALCM's) with a range greater than 600 kilometers. At this writing there is still reported to be a dispute between the American and Soviet negotiators as to whether all armed cruise missiles should be covered, or only cruise missiles armed with nuclear weapons.

There are two further sublimits within the category of 1,320 MIRVed launchers: (1) a limit of 1,200 on the number of MIRVed ICBM launchers plus MIRVed SLBM launchers; and (2) a sublimit of 820 on the number of MIRVed ICBM launchers. Within that limit of 820, the Soviet Union would be allowed to have a number of fixed modern large ballistic-missile launchers (MLBM) equal to their present force in this category, either 308 or 326. This force includes the formidable Soviet SS-18's, which we believe now carry up to 10 separate megaton-range warheads. The SS-18 and SS-19 are capable of destroying protected missile housings and command centers. The Soviet SS-18 force by itself could destroy more than 90 per cent of our land-based missile force, which consists of 54 Titans, 450 Minuteman II's, and 550 Minuteman III's, at one blow. The United States now has no such weapons, and the treaty would deny the United States the right to build any during the treaty period.

The treaty contains a number of limits on the modification of existing ICBM's, primarily the rule that any test of an ICBM with more reentry vehicles (RV's) than had previously been tested will cause it to be classified as a "new type"; each side is limited to testing one "new-type" ICBM during the treaty period. The United States has tested 3 RV's on Minuteman III and the Soviet Union has tested 4 RV's on the SS-17, 6 RV's on the SS-19, and 10 RV's on the SS-18. There may also be agreement that no "new-type" ICBM can have more RV's than the maximum already tested for existing ICBM's—10 per missile for the Soviet Union, 3 for the United States. A late rumor suggests that both sides may have the limit of 10. Because of the delays in our MX program, however, there is no possibility that the United States can deploy a "new-type" ICBM prior to the expiration of the treaty.

The Soviet Union has made great progress in fractionising its missiles, including those targeted against Europe which do not come under the treaty. There is agreement that the treaty should establish a limit of 14 RV's per missile for submarine-launched missiles, and of 20 or 35 (not agreed) for the number of cruise missiles on a single aircraft.

United States B-52's and our 4 B-1 test aircraft, and Soviet Bisons and Bears are to be counted as heavy bombers for purposes of the treaty. The Soviet Backfire bomber, much discussed in the negotiations, will not be counted, although it is capable of reaching targets throughout the United States, and is being produced steadily.

The treaty does not attempt to limit the number of missiles or warheads which may be produced and stored. And "reductions" in the Soviet-deployed nuclear force required by the treaty need not result in the destruction of the weapons, but only their transference to a warehouse.

Both sides have agreed that neither side will take any action which would circumvent the purposes of the agreement. This provision raises serious problems with regard to the possible transfer of cruise missiles or cruise-missile technology to our allies. Whether this question has been satisfactorily resolved in the negotiations is not now clear. Similarly, there is agreement that each side would refrain from interfering with the other side's national means of verification. Here, too, damaging controversies have already developed, particularly with regard to Soviet encoding of "telemetry," which would enable them to circumvent our monitoring devices.

The protocol would ban the flight testing or deployment of mobile ICBM's and air-to-ground missiles and the deployment of ground- and sea-launched cruise missiles with a greater range than 600 kilometers during a three-year period. At this time, the provisions with respect to ground- and sea-launched cruise missiles, of special concern to our NATO allies, are reported to be still in negotiation.

III

The provisions of the prospective SALT II treaty are highly technical and are difficult for the layman to judge. But the treaty as a whole can be measured by the layman against our goal in the continuing process of negotiating agreements with the Soviet Union on nuclear arms. That goal is to guarantee a nuclear stalemate—that is, to keep nuclear weapons from being used or brandished in world politics. It is an altogether sound goal, which has been the lodestar of American policy since we proposed the Baruch Plan in the late 40's. The operative principle of both the SALT I Interim Agreement and SALT II, in the American view, is to prevent the development of a situation in which either side might be in a position to gain a great advantage by a first strike—an advantage so dazzling that political leaders might be tempted to seize it.

What, then, do the data suggest by way of an answer to the basic question of how the prospective SALT agreement would affect the adequacy of our second-strike capability?

In attempting to answer this question, we must first realize that the deck now consists almost entirely of Jokers. Nonetheless, the attempt must be made. In formulating

[1] For a fuller discussion of the American-Soviet military balance, see Edward N. Luttwak's article, "Defense Reconsidered," in the March 1977 Commentary.

an answer, we must consider the number and vulnerability of missiles and warheads, their accuracy, their ability to reach key targets, and the effects of active and passive defense programs on the vulnerability of Soviet targets of all kinds.

As mentioned previously, the Soviet Union is continuing to build and modernize its strategic nuclear missile force at an alarming rate—150 to 200 ICBM's a year, compared to a rate of zero for the United States; 6 ballistic-missile submarines a year, as compared to zero for the United States (1½ a year in the 1980's); and 30 to 50 intermediate- to long-range bombers a year, as compared to zero for the United States. The Soviet Union builds missiles of a far greater throw-weight than ours, and can therefore put more or larger MIRVed warheads on each missile than we can, so that even under the proposals we made in March 1977, it could have twice as many ICBM warheads of five times the individual yield of ours. The figures reported in current drafts of the treaty would be even less favorable. And to make matters worse, the Soviets have made rapid advances in catching up on our previous technological advantages in MIRVing, accuracy, and smaller RV's.

With these trends in mind, former Deputy Secretary of Defense, Paul Nitze, who helped negotiate SALT I, concludes that SALT II in its present form will leave the United States without a credibly adequate second-strike capability. In a speech on December 5, he said: "Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBM's by the attacking side than it could have destroyed. By the early 1980's, that situation will have changed. By that time, the Soviet Union may be in a position to destroy 90 per cent of our ICBM's with an expenditure of only a third of its MIRVed ICBM's. Even if one assumes the survival of most of our bombers on alert and our submarines at sea, the residue at our command would be strategically outmatched by the Soviet Union's retained warmaking capability."

In its study, *Is America Becoming Number 2?: Current Trends in the U.S.-Soviet Military Balance*, released on October 5, 1978, the Committee on the Present Danger adds:

"We do not have to assume that the Soviet Union will actually attack U.S. strategic forces. The point is that they will have the capacity to *increase their advantage* with a counterforce first strike. After such a first strike, the United States would still have a capability for a second-strike retaliation against Soviet economic and political targets—in plain words, against their "hostage" cities and industrial centers. If Soviet civil defense failed, we could do "unacceptable damage" to them, but their forces held in reserve would still be greater than ours, and we have no effective civil (or air) defense. Their third-strike potential would make our second-strike less credible. It would leave the U.S. with a dangerously inadequate deterrent."

In presenting SALT II, the administration dismisses such concerns. Spokesmen for the administration concede that Soviet progress in strategic arms and particularly in ICBM's makes our own ICBM force vulnerable, and that our old bombers would have a hard time penetrating Soviet anti-aircraft defenses either to launch cruise missiles or to drop bombs. But, they say we still have a great many MIRVed submarine-launched missiles, and therefore, perhaps, still an edge in the total number of warheads.

Yet our present substantial advantage in warheads is a transient one. The inherent flexibility afforded by large throw-weight Soviet ICBM's and the momentum of the Soviet MIRV program can soon erase the United States advantage in numbers of warheads (unless, that is, we shift gears promptly and on an adequate scale).

Secondly, our increasing reliance on submarine-launched missiles presents problems of its own. Such missiles are still notably less accurate than ICBM's, and therefore less capable of striking at the Soviet missile sites and other military targets than at hitting cities.

In August 1978, the U.S. Arms Control and Disarmament Agency attempted to dispel these doubts in a "dynamic" study of U.S. and Soviet strategic capability through the mid-1980's, and to escape from the logic of what it called "static" measures of the two strategic forces. The study does not measure the capacity of each side to destroy the other, but purports to calculate the capacity of Soviet and American strategic forces to destroy a hypothetical set of 1,500 "hard" (or defended) and 5,000 "soft" (i.e., undefended) targets. It thus assumes away the important disparities between the number and hardness of the targets in each country. The Soviet Union now has more hard targets than the United States, and is rapidly hardening soft targets, while we are standing still, even with regard to command-and-control centers. By the mid-1980's, the Soviet Union will have twice as many hard targets as the United States.

The ACDA study also makes unrealistic assumptions about the destructibility of soft targets as the result of the explosion of a single weapon, whatever its size and yield. It makes inadequate allowance for anti-aircraft and anti-missile defenses and the effect of Soviet civil-defense measures.

But there is a deeper problem with the ACDA analysis, which runs through the whole of the administration's case for SALT II. Our leaders tell us that the Soviet rulers will be restrained by their knowledge of our capability to inflict unacceptable damage on their people and their society if they push us too far.

However plausible this argument may have been up to the time of the Cuban missile crisis, when we still enjoyed overwhelming nuclear superiority, it has long since lost even the appearance of conviction. But Secretary of Defense Brown, Ambassador Paul Warnke, and other official spokesmen for the administration continue to repeat it as gospel. It remains the heart of their argument for SALT II. Indeed, for all practical purposes it is the whole of it.

I have always had the greatest difficulty in accepting this theory—Robert McNamara's theory of mutual assured destruction (MAD)—according to which we and the Soviets would hold each other's cities and people hostage, thus preventing any first strike, and neutralizing nuclear weapons. I find it hard to imagine that the President of the United States would actually order the destruction of Moscow or Leningrad, save under circumstances of the most extreme provocation, such as the actual prior destruction of major American cities. I find such a step nearly inconceivable if our major cities had not been destroyed, and the exchange would result in the immediate destruction of New York and Washington, even if our ICBM's had been destroyed. Secretary Brown's threat to blow up Soviet cities in retaliation for a Soviet first strike against our satellites or our ICBM's would be less than credible if the Soviets had enough weapons left in reserve to blow up our cities and possessed substantial enough reserves to dominate the postwar world. A Soviet arsenal of that size could neutralize our nuclear forces and emasculate our second-strike capability. It would thereby make us vulnerable to Soviet political coercion.

It is this analysis of the diminishing credibility of our threat to blow up the Soviet population which puts the argument of "overkill" into perspective. The possibility of using our submarine forces in an immediate strike against Soviet cities, always dubious, is now close to the margin of futility. The same cannot be said for the growing Soviet capacity to attack our ICBM's and other military targets. If we allow Soviet superiority to reach a certain level, the Soviets will have checkmated our threat to attack their soft targets.

In addition to its reliance on an increasingly dubious second-strike capability against cities and people, SALT II would inhibit us from reestablishing our second-strike capability against hardened military targets—in the current state of the nuclear balance, the retaliatory possibility which has the most credibility as a deterrent, and as an option for action if deterrence fails.

To deal with the threat of a Soviet first-strike capacity, and to restore the strategic balances generally by the early 1980's, will not be easy. The President's decisions to cancel or delay the B-1 bomber, the MX missile, and the Trident submarine make it nearly impossible for those weapons to be available before the late 1980's, even assuming that the decisions against them are reversed. It probably would take nearly as long, and cost nearly as much, to deal with the problem in the short run by reviving the production of Minuteman III's (or B-52's). The Minuteman III production line has been closed recently. And a crash program along these lines or its equivalent, would be prevented by the numerical ceilings established in SALT II.

At this time, it seems probable that the treaty would also prevent the United States from adopting the only feasible "quick fix" for dealing with the problem, the promising plan for deploying missiles using a multiple aim-point system (MAPS), the so-called "shell game." Under this proposal, the United States would construct a large number of vertical protective shelters or silos, each capable of holding an ICBM and its launcher. Some would be empty. The missiles would be moved periodically, to make a first-strike against them highly problematical. According to reports, the Soviet Union has rejected an American inquiry about the compatibility of this idea with the treaty.

These are the basic reasons why critics have said that SALT II would freeze us in a position of inferiority, and deny us an opportunity to redress the balance before the critical period of the early 1980's, when all the indices would have turned against us.

As to the problem of verifiability, several thoughtful students of the subject have expressed the view that technological developments have by now made it altogether impossible to regulate nuclear arms by verifiable arms-control treaties. There is certainly merit in their contention. For example, what are politely called "national means of verification"—satellite photography and electronic surveillance, largely—cannot answer many of the questions posed by the newer technologies. And satellites themselves have become vulnerable, a development Paul Warnke has called "alarming." No camera can tell how many separate warheads are carried by a single missile, or measure its thrust, its accuracy, or the explosive power of the weapons it carries. Nor can it see or otherwise identify the missiles kept in warehouses or factories, although missiles can be fired from such locations as well as from launchers, and can be deployed quickly in crisis situations to change the equations of deterrence.

IV

The administration was campaigning hard to sell the SALT treaty even before it was negotiated. That campaign has given rise to a large number of speeches, memoranda, and articles pleading the case for SALT II. Among them, Jan M. Lodal's recent piece[2] is typical in outlook and more detailed than most in analysis. It invokes three of the same criteria for judgment used here: (1) that the treaty contribute to the stability of the

[2] "SALT II and American Security," *Foreign Affairs*, Winter 1978–79, pp. 245–68.

strategic balance; (2) that it be verifiable by national means; and (3) that it not adversely affect the security of our allies. But Mr. Lodal seems to reach a different conclusion. I say "seems to reach" because his treatment of each issue supports a negative judgment on the treaty; nonetheless, at the end Mr. Lodal says that SALT II cannot "be opposed on its technical merits."

1. In contending that SALT II would contribute to strategic stability, Mr. Lodal points to the fact that the treaty specifies an equal number of launchers for both sides. He does not consider the problem posed by the agreement not to include the Soviet Backfire bomber—which, as already mentioned, can be targeted against the entire United States—in the number of bombers permitted under the treaty. But more important, he ignores the fact that the treaty does not cover the manufacture and storage of missiles. As Paul Nitze has commented, "The basic currency of the negotiations . . . became limits on the number of launchers, not limits on missiles and their characteristics." This, adds Nitze, "has proven to be the wrong currency." Obviously, no situation can be considered stable if it can be changed in hours by the movement of missiles from warehouses to launchers, some of which are already mobile, as Mr. Lodal himself notes.

Mr. Lodal concedes that by the early 1980's the Soviet Union will lead the United States by most measures of nuclear power. We will be ahead only in the relative number of warheads deployed—and that lead will be diminishing rapidly. And Mr. Lodal also admits the main point—that the Soviet Union will soon have the capacity to destroy our ICBM sites, airfields, and other military targets with a fraction of their ICBM force. He argues, however, that by the mid-1980's our airborne missiles, if they are developed successfully, would significantly offset Soviet superiority in ICBM's and thus maintain stability. He does not consider the vulnerability of our bomber-cruise-missile system (based on the aging B-52) to various kinds of attack. In fact, he does not mention Soviet active defenses at all, nor does he consider their grave implications for stability.

Mr. Lodal's position would be that such vulnerabilities are not significant. His ultimate contention is that the possibility of retaliation against Soviet cities and other soft targets, using our submarine-launched missiles, assures strategic stability even in the face of the growth of the MIRVed Soviet ICBM force. He does not mention the disquieting reports, which have now become public, of Soviet gains in anti-submarine warfare.

He does, however, grant that the assumptions of the McNamara doctrine are now subject to "serious argument" and that no President would want to face a crisis with only the options of doing nothing or launching an all-out attack on Soviet cities. Nevertheless, that is exactly the position he accepts. He dismisses the bearing of Soviet civil-defense programs on strategic stability in a footnote, suggesting that we could substantially offset the Soviet advantages derived from their programs of civil defense by using a small number of heavier bombs with high radioactive fallout—a most unattractive possibility, and totally inadequate to boot. And he even contends that after we have deployed cruise missiles and MX—it is hoped by the late 1980's—we could counter a Soviet threat by launching a counterforce first strike of our own. This is the course we refused to consider during the period of our nuclear monopoly. To suggest it now is the counsel of desperation.

Mr. Lodal concludes that unless the Soviet Union agrees early in the SALT II negotiations to significant reduction in land-based ICBM's, "the strategic balance in the mid-1980's is likely to be determined to a much greater extent by the force-deployment programs of the two sides than it is by the provisions of arms-control agreements." Since he also observes that the Soviet Union cannot be expected to make unilateral concessions simply because we have chosen to forgo certain programs of our own, it is difficult to see how Mr. Lodal's argument supports his conclusion that SALT II would contribute to strategic stability.

2. With regard to verification, Mr. Lodal's case is equally mystifying. He does not mention Secretary Brown's public warnings about the Soviet capacity to destroy our satellites. Nor does he mention missiles kept in reserve, which are not covered by the agreement and cannot be verified by national means.

Mr. Lodal takes at face value the provisions in the treaty purporting to limit the number of warheads on missiles and their throw-weights. But he admits that we could not verify compliance with such limits, unless the Soviets should agree to cooperative procedures for verification. As of this writing, they have not done so. Yet Mr. Lodal has confidence in the possibility of Soviet cooperation in verification. He bases this confidence on two instances of Soviet "cooperation"—their agreement to rules through which we might distinguish heavy bombers carrying weapons from those used as tankers; and the Soviet promise not to deploy intercontinental SS-16 ICBM's. The SS-16's are indistinguishable from SS-20's, the mobile, MIRVed, intermediate-range missiles now causing so much alarm in Europe. The SS-20's can easily be converted into SS-16's by adding another stage. This gives the Soviet Union the capacity to break out of the limits of the treaty rapidly. It is hard therefore to understand Mr. Lodal's satisfaction in the Soviet "concession." It hardly makes the counting process verifiable by national means.

3. Mr. Lodal admits that European concern with the implications of SALT II for the defense of Europe is justified in view of the massive Soviet deployment of conventional and theater-nuclear arms (including chemical-warfare equipment) facing Europe. The answer, he says lamely, is that Europe must accept "the proposition that the 'nuclear umbrella' can go only so far in providing security for Europe," and that Europe must improve its conventional forces. And he hopes that the SALT III negotiations will correct the present NATO imbalance, assure European security, and prevent the decoupling of the alliance.

Given the nature of Soviet negotiating habits, it is hard to detect any basis for such hopes. If we could not prevent a weakening of our nuclear relation with Europe during the SALT II negotiations, how could we expect to do so during the SALT III negotiations, when our military position, and therefore our bargaining position, are expected to be weaker?

V

The security implications of nuclear weapons, however, go far beyond the question of intercontinental nuclear exchanges between the United States and the Soviet Union, the subject to which SALT II is confined. The United States nuclear arsenal is the fulcrum on which the possibility of deterrence at every level depends. To change the metaphor, it is the center of a web of relationships which define the political as well as the military power of the United States. The SALT II treaty cannot be judged in isolation, because the universe of nuclear weapons is not a self-contained and disagreeable subject, isolated from the daily business of government. SALT II poses the ultimate question of national security, the connection between military power and political influence.

To repeat it once again, the goal of our nuclear weapons is to deter the use of, or the credible threat to use, nuclear arms in world politics. But the mission of our nuclear forces goes beyond making it too expensive for the Soviet Union to consider launching a nuclear attack against the United States. They must also provide a nuclear guarantee for our interests in many parts of the world, and make it possible for us to defend those interests by diplomacy or by the use of theater military forces whenever such action becomes necessary. The preceding sentence deserves underlining, for most people do not yet realize the many connections between the strategic nuclear balance, on the one hand, and ordinary diplomacy and the use of conventional and other theater forces in aid of diplomacy, on the other. Behind the shield of our second-strike capability, we carry on the foreign policy of a nation with global interests, and defend them if necessary by conventional means or theater forces.

Secretary of State Dulles tried to change this policy by announcing the doctrine of "massive retaliation." We should not fight protracted land wars, he said, in places chosen by the Soviet Union for confrontation, but use our nuclear power instead to strike at the Soviet Union, the source of the danger. It was an empty threat. In fighting border wars, where absolutely vital American interests were not at issue, we were unwilling to consider using nuclear weapons against the Soviet Union, even during the period of our nuclear superiority. This policy is rooted in our national character and the nature of our civilization. It will not change. Even where the defense of Europe is concerned our reflex response to the change in the nuclear balance is to enlarge NATO conventional forces, to reduce the risk that nuclear weapons would have to be used in the event of a Soviet attack.

The Soviet doctrine with regard to the utility of nuclear weapons is quite different. As we are finally beginning to realize, the Soviets are not interested in mutual deterrence and nuclear stalemate. To the Soviets, clear nuclear superiority is the ultimate weapon of coercive diplomacy—the Queen of their chess set, through which they think they could achieve checkmate without having to fight either a nuclear or a conventional war.[3]

Effective American nuclear deterrence alone cannot keep the Soviet Union from using conventional forces, at least against targets they think we regard as secondary, like Korea, Vietnam, or Ethiopia. In most such situations, except for massive attacks on our most vital interests, like Western Europe or Japan, defense has to be provided by conventional forces in the first instance. But the absence of effective American nuclear deterrence—that is, the erosion or neutralization of our second-strike capability—would deny all credibility to our conventional-force deterrent. No one would believe that we would send in the Marines if they could be counter-attacked by locally superior Soviet or satellite troops and our second-strike capability was in doubt.

The point is brought out by a quick review of our experience with the problem since 1945.

In the early postwar years, we had a monopoly of nuclear weapons. And for a decade or so after that—until the middle or late 60's—we had overwhelming nuclear superiority. Nonetheless, in that period we had to deal with a long series of Soviet-managed attacks on our interests, from the early threats to Iran, Greece, and Turkey to the Berlin airlift, the war in Korea, the Cuban missile crisis, the war in Indochina, and the recurrent crises in the Middle East and Africa.

We dealt with those threats by diplomacy or, when diplomacy failed, by the use of, or

[3] See "Why the Soviet Union Thinks It Could Fight and Win a Nuclear War" by Richard Pipes, COMMENTARY, July 1977.

the credible threat to use, conventional forces. But the nuclear weapon was always the decisive factor in the background. During the Berlin airlift, the shadow of our nuclear monopoly kept the Soviets from firing on the allied planes, and then persuaded the Soviet Union to end the blockade. The exercise had too many uncertainties and had become too risky, so the Soviet Union gave it up.

The essence of the problem is illustrated by the Cuban missile crisis of 1962. There, the Soviet Union secretly undertook to introduce land-based nuclear missiles into Cuba, in violation of their assurances to us, and in the face of private and public warnings from the President of the United States. Such action would have altered the basic equation of nuclear deterrence, and gravely affected the credibility and effectiveness of American diplomatic warnings to the Soviet Union. At that time, we had unchallengeable nuclear superority. If there had been a nuclear exchange, the Soviet Union would have suffered about 100 million casualties and the United States 10 million. We had equally obvious conventional-force superiority in the area. If we had invaded Cuba, the Soviet Unioin could not have opposed the invasion effectively with either conventional or nuclear forces. By mobilizing an invasion force in Florida and instituting a limited naval blockade of Cuba, we demonstrated our will to insist on the evacuation of the Soviet missiles from Cuba, at a minimum. Confronted by these realities, the Soviet Union backed down.

Since the late 50's, the Soviet Union has been engaged in a massive military buildup, both in nuclear and conventional forces, designed to reverse the relationships which determined the outcome of the Berlin airlift, the Korean war, and the Cuban missile crisis. It is a buildup without parallel in modern history. Over the last sixteen years it has been proceeding steadily at a rate of at least 4 percent to 5 percent a year in real terms. In strategic weapons, the rate of increase has been at least 8 percent a year. Increases compounded at the rate of 5 percent or 8 percent a year over so long a period make the Soviet military establishment formidable and sinister.

The first result of this Soviet buildup was evident in Vietnam. In the late 60's and early 70's, our nuclear superiority was no longer so evident as it had been at the time of the Cuban missile crisis; indeed, superiority had given way to stalemate. The deterioration of our nuclear advantage led to the erosion of our position and profoundly affected the final stages of the conflict.

There can be no question that since Vietnam our nuclear position has slipped from stalemate to the borders of inferiority. While the experts argue about whether we are already inferior to the Soviet Union in overall nuclear power, they are agreed that if present trends continue we shall be significantly inferior—and soon. Some careful studies contend that the strategic force relationships which dominated the Cuban missile crisis will soon be reversed, unless we undertake a crash program immediately—that in the event of a nuclear exchange we should risk 100 million casualties and the Soviet Union 10 million. Even if the figure were 100 to 20 or 30, it is not difficult to anticipate what would happen if we were to allow such a situation to develop. A perceptive student of the problem has remarked that, confronting such a scenario, even General Curtis LeMay would advise "accommodation." Our foreign policy and our conventional forces would be impotent, and we would acquiesce.

It is the first objective of Soviet policy to achieve such a situation. This—not nuclear war itself—is what our nuclear-weapons program and the SALT negotiations are all about. The Soviets have prolonged the negotiations over SALT II as long as possible—just as Hitler prolonged arms-control negotiations in the 30's—since we continue to mark time in our own military and political programs during SALT negotiations, and obligingly make decisions, like the cancellation of B-1, the postponement of MX and Trident, and the deferring of the enhanced-radiation warhead (the so-called neutron bomb), in the vain hope of inducing similar restraint on the Soviet side. The Soviets view SALT II as a major instrument for lulling American anxieties until it is too late to do anything to reduce them. Meanwhile, they move rapidly and effectively to seize control of the entire Persian Gulf area in the belief that such a position would permit them to bring Europe, Japan, and the Arab world to their knees because the United States would not have the usable military power to oppose it.

Many tend to dismiss the vision of nuclear war as unthinkable. But the vision of Soviet political coercion, backed by overwhelming nuclear and conventional forces, is so far from unthinkable as to have become a likely possibility, thanks to the drift of American foreign and defense policy in the post-Vietnam period.

VI

The debate over ratification of the SALT II treaty requires Congress and the American people to pass judgment on that policy as a whole. It is the only context in which the problem of nuclear arms becomes intelligible.

At the present time our foreign defense policy is rich in contradictions. On the one hand, the President says that all our security treaties will be honored as in our national interest. On the other hand, he refuses to ask for the naval forces which would be necessary to fulfill those treaties, in view of the size of the Soviet navy and other military forces, and the nature of the Soviet Union's policy of indefinite expansion into the military vacuums of world politics. There are many other such paradoxes—the withdrawal of our ground forces from Korea, for example. Does that step mean that the President is prepared to use nuclear weapons if necessary to stop an attack on an area vital to the security of Japan? The list could be extended indefinitely, from our refusal to cooperate in the restoration of a stable monetary system to the passivity of our response to Soviet actions in Africa and the Persian Gulf area.

The actions and vocabulary of the Carter administration in the field of foreign and defense policy derive from two entirely different conceptions of the national interest. On the one hand, many cling to the 19th-century isolationist view, given new life (and a new rhetoric) by the Vietnam catastrophe, that the United States can be safe, perhaps with our Western European friends, as a small, rich, industrialized enclave in a world dominated by hostile forces. The major premise of the alternative theory, which has dominated our foreign policy from Truman's day, is that the United States can continue to develop as a free and open society only in a stable world order, a world of wide horizons, in which aggression is prevented, or defeated when it occurs, by collective security and other arrangements of collective defense; a world in which political, social, and economic progress is sought by international cooperation; and one in which the United States necessarily plays a full and responsible part.

These two conceptions of American foreign policy cannot be reconciled or compromised.

Thus far, however, President Carter has refused to choose between them. In recent months, his words have sounded more Trumanesque, but his actions have remained McGovernite. Many believe that a clear choice would revive the divisions in the nation, particularly in the Democratic party, which exploded with such force during the final stages of the Vietnam war. The President has preferred to let sleeping dogs lie.

That comfortable posture has become impossible. The pressures of Soviet policy at a dozen points around the world, most particularly the bold Soviet thrust in the Persian Gulf region, would make it suicidal to continue on such a course. Yet the SALT II agreement, coupled with our continued retreats and withdrawals, and the inadequacy of our military programs, would also make it nearly impossible for us to restore and stabilize the world balance of power on which our safety as a nation depends.

Some experts in the field assume that we must accept SALT II despite its potential for condemning us to strategic inferiority, because the American people are unwilling to take "the giant strides forward" which would be required to assure nuclear parity and to maintain a credible and usable second-strike capacity. This defeatism is altogether unwarranted. The American people will spend and do whatever is required to assure the safety of the nation, if their leaders tell them the truth, as President Truman did, and explain the central importance of nuclear weapons to our security and to the foreign policies we employ to protect it.

Because the debate over SALT II presents a unique opportunity for telling this truth, it may well become a major turning-point for the future. If, mesmerized by old illusions about disarmament and new ones about détente, we accept the treaty, we will be taking not a step toward peace but a leap toward the day when a President of the United States will have to choose between the surrender of vital national interests and nuclear holocaust. No President should ever be put into such a corner. But if, overcoming these illusions, we permit ourselves to see the SALT II treaty for what it truly is—an expression of American acquiescence in the Soviet drive for overwhelming military superiority—we will give ourselves a last chance to restore the strategic balance that is the only guarantee of peace in the nuclear age and the only context in which the survival of our civilization and its values can be safely assured.

OPPOSING THE RELOCATION OF AMTRAK

Mr. GOLDWATER. Mr. President, the Amtrak service provides a vital transportation link to the communities of northern Arizona which is extremely important because a large part of the economy of northern Arizona is dependent upon the movement of tourists. And there are some times during the year when snowstorms close the roads and airports leaving train travel as the only means of transportation. Because of this, the Coconino County Board of Supervisors is upset to learn of proposed plans to move the Amtrak services out of northern Arizona and has gone on record in a formal resolution in opposition to the proposed change.

I ask unanimous consent that the resolution adopted by the Coconino County Board of Supervisors be printed at this point in the RECORD.

There being no objection, the resolution ordered to be printed in the RECORD, as follows:

A RESOLUTION OPPOSING THE RELOCATION OF AMTRAK

Whereas, the Coconino County Board of Supervisors has recently become aware of the proposed plan to move the Amtrak Services out of northern Arizona and further to the south; and

Whereas, the Amtrak Service provides the vital transportation link to the communities of northern Arizona; and

Whereas, in the wintertime, the roads and airports are closed because of snow storms, the only means of transportation is the train; and

Whereas, all of the transportation plans which have been approved by various cities, counties and state were designed on an integrated plan, including air, highway and rail; and

Whereas, a large part of the economy of northern Arizona is dependent upon tourism, and the removal of Amtrak Services would eliminate a means of transportation of a large number of these tourists.

Now, therefore, be it resolved that the Coconino County Board of Supervisors opposes the removal of Amtrak Services from northern Arizona.

FEBRUARY GOLDEN FLEECE AWARD GOES TO NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Mr. PROXMIRE. Mr. President, the Golden Fleece Award for February goes to the National Highway Safety Traffic Administration for spending $120,126 to build a low-slung, backward steering motorcycle that no one could ride. The bureaucrats gave the taxpayers a bum steer on this one.

AGENCY WARNED BACKWARD MOTORCYCLE UNRIDEABLE

The agency insisted on building the motorcycle in spite of repeated warnings beforehand that the contraption simply could not be ridden by even the most expert motorcycle rider. This is the ultimate example of the taxpayer being taken for a ride.

In September 1977, the agency issued the $120,126 contract to a California firm to design and test a motorcycle with a low center of gravity powered by the front wheel and steered by the back wheel. Agency officials thought this low-slung backward configuration would make the motorcycle safer. However, the agency's own tests completed before the granting of the contract showed that the backward motorcycle would be difficult if not impossible to steer. But the agency insisted upon going ahead and therefore searched for a firm willing to take on this backward concept. There was something magical in the backward angle that the highway boys could not resist.

CONTRACTOR UNABLE TO MAKE MOTORCYCLE RIDEABLE

The contractor dutifully sought to improve the design of the bike, but every computer simulation it ran showed the backward bike was harder to control than the toughest bucking bronc. On January 9, 1978, the contractor reported, "the major problem at this point is the lack of controllability of the rear steered configuration indicated by computer results obtained so far." The persistent and determined agency officials told the contractor to try again.

On February 3, both the contractor and the subcontractor, who were by this time trying to build the backward bike, were ready to give up on the project. They asked the Agency to allow them to stop work on the backward bike design. But again Agency officials insisted upon the backward project going forward and demanded that the bike be built and tested.

In their view, if it was backward, it had to be right. After all, this country has been going forward long enough.

What a perfect answer to a bureaucratic dream, going forward with a backward project. That is even better than going backward with a forward project.

By April 1978, all the building, testing and reviewing were completed, and the contractor reported what everyone except the National Highway Traffic Safety Administration had known all along: That the rear steering motorcycle was completely unrideable whether going forward, backward or sideways. In fact, the bike builders had to add training wheels to the backward motorcycle in order to prevent serious injury to the rider. In some of the tests expert motorcycle riders could not even keep the motorcycle upright for an instant. The longest ride of 2.5 seconds appeared to merely involve the luck of the rider turning the wheel at the right time.

AGENCY INSISTS ON BUILDING LOW SLUNG MODEL

By this time agency officials finally admitted their mistake in insisting upon the completion of the backward motorcycle's testing. However, the bureaucratic urge to compound errors resulted in the agency deciding to continue work on a front steering, low-slung model in spite of warnings raised by the contractor and other experts. While the contractor pointed out the problems of controlling the motorcycle at rest and reduced rider and passenger comfort, the editors of Cycle magazine pointed out even greater dangers of the low slung motorcycle, to wit:

[The contractor] is currently working on a Honda with a seat height comparable to that of an average car—about sixteen to twenty inches. That puts a motorcyclist's head right at headlight level and removes from him one of his great advantages: his ability to see over the tops of cars, and to be seen by the occasional driver.

So here as the supreme machine. It could not work going forward. It did not work backwards. And whichever way it went, if you were driving it, you could not see where you were going. This was the perfect vehicle for a Member of Congress.

Nevertheless, the iron-willed officials of the Agency, insisting that the low slung motorcycle might handle somewhat better than the conventional model, again persisted and a final report on the "Advanced Concept Motorcycle" with a low center of gravity will be submitted shortly by the contractor.

After recent experiences in Iran and elsewhere, they should be able to sell a few thousand of the "don't work forward, don't work backward, can't see where you're going" beauties to the CIA.

For spending $120,126 on a concept which everyone said would not and could not work, the backwards bureaucrats at the National Highway Safety Administration receive this month's Golden Fleece Award.

HUMAN RIGHTS: THE STATE DEPARTMENT'S REPORT

Mr. PROXMIRE. Mr. President, the State Department on February 8 issued a report to the Senate Foreign Relations Committee and the House Committee on Foreign Affairs concerning human rights practices in countries receiving United States aid. Among the report's findings were the conclusions that first world awareness of human rights issues is increasing, and second, that the United States has played a significant role in this increase.

Specifically, the report states:

The Department of State believes the country reports that follow reflect an increased awareness of human rights around the world. As the President noted on December 6, 1978, in commemorating the Thirtieth Anniversary of the Universal Declaration of Human Rights, there is now "an atmosphere of change that has encouraged progress in many places. In some countries, political prisoners have been released. In others, the brutality of repression has been lessened. In still others, there is movement toward democratic institutions of the rule of law."

The report continues:

While we do not take credit for particular instances of human rights progress, we believe we have helped to create an atmosphere in which improvements are more likely to occur.

Mr. President, I am encouraged by the State Department's findings. I believe that they represent an initial step towards implementing the Congressional view of foreign policy, stated in section 502B of the Foreign Assistance Act, "that a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries."

But, Mr. President, we cannot be content with this initial step. We must continue to make concrete efforts to insure world recognition of basic human rights.

What, then, should we do? The State Department report recommends two methods for promoting world concern for human rights.

First, our concern over human rights violations can be reflected in the channeling of our bilateral assistance programs with other nations. As President Carter stated last December:

In distributing the scarce resources of our foreign assistance programs, we will demonstrate that our deepest affinities are with nations which commit themselves to a democratic path of development.

Second, we must make full use of the variety of diplomatic tools available to us. These tools include both direct and frank negotiation with foreign leaders as well as more symbolic acts such as official meetings or visits and tactful issuing of public statements. Whenever possible, we should join together with our allies in promoting international recognition of human rights.

Mr. President, we in the Senate have the opportunity to take a concrete step toward an international recognition of the most fundamental of human rights. The Genocide Convention—a treaty which guarantees the right to live to all racial, ethnical, national, and religious groups—stands unacted on by the Senate. It is this body—and this body alone—which has the power to act on this issue.

Mr. President, we must join with our

allies in condemning the hateful crime of genocide. We must become a party to the Genocide Convention.

RULES OF PROCEDURE, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, in accordance with section 133B of the Legislative Reorganization Act of 1946, as amended, I hereby submit for the RECORD the Rules of Procedure for the Committee on Banking, Housing, and Urban Affairs.

The material is as follows:

RULES OF PROCEDURE FOR THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

(Adopted in executive session, February 23, 1977)

RULE 1.—REGULAR MEETING DATE FOR COMMITTEE

The regular meeting day for the Committee to transact its business shall be the last Tuesday in each month; except that if the Committee has met at any time during the month prior to the last Tuesday of the month, the regular meeting of the Committee may be canceled at the discretion of the Chairman.

RULE 2.—COMMITTEE

(a) *Investigations.*—No investigation shall be initiated by the Committee unless the Senate or the full Committee has specifically authorized such investigation.

(b) *Hearings.*—No hearing of the Committee shall be scheduled outside the District of Columbia except by agreement between the Chairman of the Committee and the ranking minority member of the Committee or by a majority vote of the Committee.

(c) *Confidential testimony.*—No confidential testimony taken or confidential material presented at an executive session of the Committee or any report of the proceedings of such executive session shall be made public either in whole or in part by way of summary, unless specifically authorized by the Chairman of the Committee and the ranking minority member of the Committee or by a majority vote of the Committee.

(d) *Interrogation of witnesses.*—Committee interrogation of a witness shall be conducted only by members of the Committee or such professional staff as is authorized by the Chairman or the ranking minority member of the Committee.

(e) *Prior notice of mark-up sessions.*—No session of the Committee or a Subcommittee for marking up any measure shall be held unless (1) each member of the Committee or the Subcommittee, as the case may be, has been notified in writing of the date, time, and place of such session at least 48 hours prior to the commencement of such session, or (2) the Chairman of the Committee or Subcommittee determines that exigent circumstances exist requiring that the session be held sooner.

(f) *Prior notice of first degree amendments.*—It shall not be in order for the Committee or a Subcommittee to consider any amendment in the first degree proposed to, any measure under construction by the Committee or Subcommittee unless a written copy of such amendment has been delivered to each member of the Committee or Subcommittee, as the case may be, and to the office of the Committee at least 24 hours before the meeting of the Committee or Subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members of the Committee or Subcommittee voting. This subsection shall apply only when at least 48 hours written notice of a session to mark up a measure is required to be given under subsection (e) of this rule.

(g) *Cordon rule.*—Whenever a bill or joint resolution repealing or amending any statute or part thereof shall be before the Committee or Subcommittee, from initial consideration in hearings through final consideration, the Clerk shall place before each member of the Committee or Subcommittee a print of the statute or the part or section thereof to be amended or repealed showing by stricken-through type, the part or parts to be omitted, and in italics, the matter proposed to be added. In addition, whenever a member of the Committee or Subcommittee offers an amendment to a bill or joint resolution under consideration, those amendments shall be presented to the Committee or Subcommittee in a like form, showing by typographical devices the effect of the proposed amendment on existing law. The requirements of this subsection may be waived when, in the opinion of the Committee or Subcommittee chairman, it is necessary to expedite the business of the Committee or Subcommittee.

RULE 3.—SUBCOMMITTEES

(a) *Authorization for.* A Subcommitee of the Committee may be authorized only by the action of a majority of the Committee.

(b) *Membership.*—No member may be a member of more than three Subcommittees and no member may chair more than one Subcommittee. No member will receive assignment to a second Subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one Subcommittee, and no member shall receive assignment to a third Subcommitee until, in order of seniority, all members have chosen assignments to two Subcommittees.*

(c) *Investigations.*—No investigation shall be initiated by a Subcommittee unless the Senate or the full Commitee has specifially authorized such investigation.

(d) *Hearings.*—No hearing of a Subcommittee shall be scheduled outside the District of Columbia without prior consultation with the Chairman and then only by agreement between the Chairman of the Subcommittee and the ranking minority member of the Subcommittee or by a majority vote of the Committee.

(e) *Confidential testimony.*—No confidential testimony taken or confidential material presented at an executive session of the Subcommittee or any report of the proceedings of such executive session shall be made public, either in whole or in part or by way of summary, unless specifically authorized by the Chairman of the Subcommittee and the ranking minority member of the Subcommittee, or by a majority vote of the Subcommittee.

(f) *Interrogation of witnesses.*—Subcommittee interrogation of a witness shall be conducted only by members of the Subcommittee or such professional staff as is authorized by the Chairman or the ranking minority member of the Subcommittee.

(g) *Special meetings.*—If at least three members of a Subcommittee desire that a special meeting of the Subcommittee be called by the Chairman of the Subcommittee, those members may file in the offices of the Committee their written request to the Chairman of the Subcommittee for that special meeting. Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman of the Subcommittee of the filing of the request. If, within 3 calendar days after the filing of the request, the Chairman of the Subcommittee does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the Subcommittee may file in the offices of the Committee their written notice that a special meeting of the Subcommittee will be held, specifying the date and hour of that special meeting. The Subcommittee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all members of the Subcommittee that such special meeting will be held and inform them of its date and hour. If the Chairman of the Subcommittee is not present at any regular, additional, or special meeting of the Subcommittee, the ranking member of the majority party on the Subcommittee who is present shall preside at that meeting.

(b) *Voting.*—No measure or matter shall be recommended from a Subcommittee to the Committee unless a majority of the Subcommittee are actually present. The vote of the Subcommittee to recommend a measure or matter to the Committee shall require the concurrence of a majority of the members of the Subcommittee voting. On Subcommittee matters other than a vote to recommend a measure or matter to the Committee no record vote shall be taken unless a majority of the Subcommittee are actually present. Any absent member of a Subcommittee may affirmatively request that his vote to recommend a measure or matter to the Committee or his vote on any such other matter on which a record vote is taken, be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter and to inform the Subcommittee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman of the Subcommittee any time before the record vote on the measure or matter concerned is taken, the member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee.

RULE 4.—WITNESS

(a) *Filing of statements.*—Any witness appearing before the Committee or Subcommittee (including any witness representing a Government agency) must file with the Committee or Subcommittee (before noon, 48 hours preceding his appearance) 75 copies of his statement to the Committee or Subcommittee. In the event that the witness fails to file a written statement in accordance with this rule, the Chairman of the Committee or Subcommittee has the discretion to deny the witness the privilege of testifying before the Committee or Subcommittee until the witness has properly complied with the rule.

(b) *Length of statements.*—Written statements properly filed with the Committee or Subcommittee may be as lengthy as the witness desires and may contain such documents or other addenda as the witness feels is necessary to present properly his views to the Committee or Subcommittee. It shall be left to the discretion of the Chairman of the Committee or Subcommittee as to what portion of the documents presented to the Committee or Subcommittee shall be published in the printed transcript of the hearings.

(c) *Fifteen-minute duration.*—Oral statements of witnesses shall be based upon their filed statements but shall be limited to 15 minutes duration. This period may be extended at the discretion of the Chairman presiding at the hearings.

(d) *Subpoena to witness.*—Witnesses may be subpoenaed by the Chairman of the Committee or a Subcommittee with the agreement of the ranking minority member of the Committee or Subcommittee or by a majority vote of the Committee or Subcommittee.

(e) *Counsel permitted.*—Any witness subpoenaed by the Committee or Subcommittee to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

(f) *Expenses of witnesses.*—No witness shall be reimbursed for his appearance at a public or executive hearing before the Committee or Subcommittee unless such reimbursement is agreed to by the Chairman and ranking minority member of the Committee or by a majority vote of the Committee.

(g) *Limits of questions.*—Questioning of a witness by members shall be limited to 10 minutes duration, except that if a member is unable to finish his questioning in the 10-minute period, he may be permitted further questions of the witness after all members have been given an opportunity to question the witness.

Additional opportunity to question a witness shall be limited to a duration of 10 minutes until all members have been given the opportunity of questioning the witness for a second time. This 10-minute time period per member will be continued until all members have exhausted their questions of the witness.

RULE 5.—VOTING

(a) *Vote to report a measure or matter.*—No measure or matter shall be reported from the Committee unless a majority of the Committee are actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of the members of the Committee who are present.

Any absent member may affirmatively request that his vote to report a matter be cast by proxy. The proxy shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman any time before the record vote on the measure or matter concerned is taken, any member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee, along with the record of the rollcall vote of the members present and voting, as an official record of the vote on the measure or matter.

(b) *Vote on matters other than a report on a measure or matter.*—On Committee matters other than a vote to report a measure or matter, no record vote shall be taken unless a majority of the Committee are actually present. On any such other matter, a member of the Committee may request that his vote may be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman any time before the vote on such other matter is taken, the member may withdraw a proxy previously given. All proxies relating to such other matters shall be kept in the files of the Committee.

RULES 6.—QUORUM

No executive session of a Committee or a Subcommittee shall be called to order unless a majority of the Committee or Subcommittee, as the case may be, are actually present. Unless the Committee otherwise provides or is required by the Rules of the Senate, one member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony.

RULE 7.—STAFF PRESENT ON DAIS

Only members and the Clerk of the Committee shall be permitted on the dais during public or executive hearings, except that a member may have one staff person accompany him during such public or executive hearing on the dais. If a member desires a second staff person to accompany him on the dais he must make a request to the Chairman for that purpose.

RULE 8.—PUBLIC ATTENDANCE AT MEETINGS

Except in the case of the conduct of hearings (which are provided for in section 112(a) of the Legislative Reorganization Act of 1970), or in the case of any meeting (other than a hearing) to consider the nomination of an individual submitted by the President to the Senate for its advice and consent, all meetings for the transaction of business, including sessions for marking up bills and resolutions, of the Committee and Subcommittees thereof shall be open to the public unless the Committee or Subcommittee (as the case may be) in open session and with a quorum present, by majority vote conducted by rollcall, determines that all or part of the remainder of the meeting on that day shall be closed to the public. In the case of any such meeting with respect to a nomination, the Committee or Subcommittee in executive session may, with a quorum present and by majority vote conducted by rollcall, determine that the meeting for that day shall be open to the public.

* Conforms the Committee's subcommittee selection procedures to those contained in S. Res. 4, the Committee System Reorganization Amendments of 1977.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. George M. Seignious II.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The assistant legislative clerk read the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

Mr. ROBERT C. BYRD. Mr. President, I hope we may be able to get an agreement and vote today no later than, say, 5 p.m., earlier, if possible, on the nomination.

If there is anyone who feels constrained to object to such a request, I hope we will hear from them forthwith and promptly.

For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have not heard from any of the Senators on my side, in writing or otherwise, who have any objection, or indicated they have any objection, to a time agreement on this nomination.

I, therefore, ask unanimous consent that the vote on the nomination occur no later than 5 p.m. today, or earlier; as far as I am concerned, it could be a voice vote.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I would only advise the majority leader that a canvass of our side of the aisle also does not disclose any desire for a record vote, as far as we can ascertain, and I think we may be able to dispose of this matter well in advance of 5 o'clock, and probably by voice vote.

I have conferred with those Senators who voted against reporting the nomination in the committee. I think it is likely that we can conclude this matter after a relatively brief time.

There is one Member on this side, the distinguished senior Senator from Utah, who wishes a half hour. I do not know that it is necessary to include it in the order, if I can have the assurances of the distinguished manager of the nomination of the calendar item that Senator GARN will be entitled to half an hour to make his presentation.

Mr. CHURCH. Of course.

Mr. BAKER. Then I have nothing further. I was sure of that. I appreciate the further assurance.

Mr. President, I have no objection to the request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished chairman of the Committee on Foreign Relations what the situation is with respect to the legislation dealing with Taiwan, the committee report, and so forth.

Mr. CHURCH. Mr. President, the committee report is available, printed, and Senators wishing to obtain it may do so today.

I would think that it should, therefore, be possible to bring up the legislation on Tuesday of next week, if that should be the wish of the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

The 3-day rule will expire on Monday evening, so that the legislation would qualify to be called up on Tuesday.

I wonder if there would be any objection to calling it up on Monday with the understanding that there would be no rollcall votes on Monday, thus giving Senators an opportunity to at least speak to it?

Mr. BAKER. Mr. President, if the Senator will yield to me, I personally have no objection to that, but there would be an objection to that arrangement on this side.

Mr. ROBERT C. BYRD. On Monday.

Mr. BAKER. Yes.

ORDER FOR RECESS TO MONDAY, MARCH 5, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent inasmuch as an agreement has been entered into to vote on Mr. Seignious no later than 5 p.m. today, that when the Senate completes its business today it stand in re-

cess until the hour of 12 noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators. I thank the minority leader and the chairman of the Foreign Relations Committee.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CHURCH. Mr. President, as chairman of the Committee on Foreign Relations, I rise in support of the nomination of George M. Seignious II to be Director of the Arms Control and Disarmament Agency.

Mr. Seignious retired from the Army in 1974 with the rank of lieutenant general to become president of the Citadel. He took office as Director of the Agency on December 1, 1978, under a recess appointment by the President. His nomination was received on January 18.

Unlike his predecessor, the Honorable Paul C. Warnke, who served both as Director of the Arms Control and Disarmament Agency and as chairman of the U.S. SALT delegation, the President has nominated Mr. Seignious to serve in a single post as Director of the Agency. The SALT negotiations are to be conducted by the Honorable Ralph Earle II, who was confirmed by the Senate on May 9, 1977, as alternate chairman of the U.S. SALT delegation and on October 17, 1977, as special representative for Arms Control and Disarmament Negotiations.

As my fellow Senators are aware the selection of a former military man to head the Arms Control and Disarmament Agency charged with primary responsibility for arms control within the executive branch raised a number of questions and occasioned considerable controversy. The Committee on Foreign Relations heard Mr. Seignious in public session on January 25. The following day the committee heard testimony regarding the nomination from seven nongovernmental witnesses.

The committee was careful to allow all persons who expressed an interest in testifying in regard to the nomination an opportunity to do so. The committee weighed carefully the concerns and objections which were raised, as well as the commendations of Mr. Seignious.

The committee's consideration of Mr. Seignious' nomination centered around his qualifications to serve effectively as Director of the Agency and the appropriateness of having a retired military man serve in that capacity. At the first hearing, the committee discussed at length with Mr. Seignious the central questions surrounding his nomination, as well as his own views of the relationship of arms control to national security, the merit of arms control negotiations now under way, and his own views as to the importance of arms control to the United States.

Mr. Seignious' nomination was endorsed strongly by both the senior and the junior Senator from South Carolina (Mr. THURMOND and Mr. HOLLINGS), his home State Senators. Mr. THURMOND told the committee:

> Mr. Chairman, in my opinion the President has selected a competent, experienced, courageous, and outstanding citizen to serve in this capacity. General Seignious has served his country in war, he has served it in peace. He is not just a soldier, he is an educator. I can think of no one who has a finer background to serve in this capacity than he.

The junior Senator from South Carolina reminded the committee that he has known Mr. Seignious for a number of years and has followed his career closely, since their college days together, including Mr. Seignious' tenure from 1974 until last fall as president of the Citadel. Senator HOLLINGS told the Committee:

> Classmates, to a man, would tell you that there could be no more well-rounded gentleman of judgment than General Seignious. If he was one of the military people who was student, unyielding, and was not understanding in his general demeanor or manner, one of us would be here saying that he was entirely too military and that was all he knew and nothing else. But on the contrary, that great diversity that came out of that class and that has followed him over the years would unanimously endorse him today.

Some opponents of the nomination simply do not believe that a general should be allowed to head the Arms Control and Disarmament Agency. They were not basing their opposition so much on any views of Mr. Seignious personally, but on his former rank and the implications of his confirmation. Others argued additionally that Mr. Seignious is not an appropriate choice for the post.

Representing the Federation of American Scientists, Dr. Jeremy Stone, the federation's director, urged the committee to turn down the nomination, first, because of "the question of excessive military influence in the councils of Government"; second, "the question of destroying the Arms Control and Disarmament Agency as a countervailing influence to the Defense Department"; and third, "if these reasons were not enough, we find in this individual an inappropriate personality to lead an embattled agency. He has given already important evidences—some of which the committee is aware, and others of which it is not, although they have appeared before the committee—of being excessively naive."

Having heard all the testimony, pro and con, I believe it is fair to say that most Members concluded that, since the Arms Control and Disarmament Agency statute does not bar active or retired military men from directing the Agency, and, since there is no legislative history to support the contention that it was the intent of Congress to bar military men from this post, it would be wrong to bar Mr. Seignious from this post simply because of his military background.

However, as my fellow Senators are aware, certain prohibitions have been applied to other agencies. Neither active-duty nor retired military officers may serve as Secretary of Defense nor as Deputy Secretary of Defense. Either the Director or the Deputy Director of the Central Intelligence Agency may be an active duty or a retired military officer, but not both. The committee will be exploring at a later date whether some sort of statutory formulation placing certain restrictions on military officers in senior positions in ACDA would be appropriate in the future.

I do believe it is important to note that the committee, in recommending the confirmation of General Seignious, does not intend to set a precedent. I personally think it would be a mistake to have a succession of military officers to direct ACDA. Just as it may not have been appropriate to ban Mr. Seignious from this position, because he is a military man, it would not be appropriate to select future directors, because they are military men.

I should note in this connection that Mr. Seignious, in response to a question from Senator GLENN, said:

> It has always been my intention to have a Deputy drawn from civilian life.

I can appreciate the concerns of many who have devoted great effort to the pursuit of effective arms control. Some of them feel that Mr. Seignious will be close to elements of the national security establishment and not to them. They fear, clearly, that Mr. Seignious will keep them at arm's length. In that regard, it would be very useful to recall one matter which was raised in the hearing with Mr. Seignious Senators explored with Mr. Seignious in detail the circumstances surrounding his joining the Coalition for Peace Through Strength last summer and abruptly resigning. Mr. Seignious told the committee that he was not familiar with the position of the coalition on a number of national security issues when he joined and said that he resigned when he came to the conclusion that the coalition position was inconsistent with his service at that time as a member of the U.S. SALT delegation. Mr. Seignious obviously regrets that incident. I thought it significant, however, that he made the point to the committee, having reviewed his association with the coalition, that—

> . . . I do think that men who are interested in the security of the Nation, such as a lot of the distinguished Americans who are associated with the American Security Council, as am I, can have opposing views. I think that such men should put their talents together rather than being divisive. I was the cause of some of that divisiveness and I regret that.

Mr. President, I concur with Mr. Seignious in his judgment on the importance of putting talents together rather than being divisive. Sound national security policy can be best derived when a multiplicity of views are received and pondered. I hope and expect that Mr. Seignious intends to have a broad constituency as Director of the Agency and to be receptive to all responsible points of view on national security and arms control questions. With such an approach, there is no question in my mind that he would be taking a major step toward distinguished service as Director of ACDA.

The committee considered carefully whether Mr. Seignious, on the basis of his demonstrated character and background, is qualified to serve as Director of the Agency. In the course of our inquiry; we found no reason to conclude that he would not perform creditably

and effectively as Director of the Arms Control and Disarmament Agency. Having found no evidence of any compelling reason not to support his nomination, I believe most Members concluded that the President is entitled to put together his own team. I see no reason to quarrel with the President's judgment that Mr. Seignious would be a valued member of that team.

(The following statements by Mr. ROBERT C. BYRD and Mr. TOWER were made earlier and are printed at this point by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, I want to state my support for the nomination of Gen. George Seignious II to the directorship of the Arms Control and Disarmament Agency.

Mr. Seignious brings to this position extensive experience as a military leader, having held a series of high-level positions in the Pentagon during a 32-year military career. More recently he served as president of the Citadel, in addition to having been a member of the U.S. delegation to the strategic arms talks in Geneva.

Mr. President, there is some similarity in the Seignious nomination to the nomination of Leonard Woodcock as Ambassador to China, which the Senate considered and approved a few days ago.

There were those who sought to use the consideration of Mr. Woodcock's nomination as an occasion for a broader debate on issues relating to China and the future security of Taiwan. Likewise, there have been suggestions that the consideration of the Seignious nomination might be the occasion for debate in regard to the proposed SALT II Treaty.

This is not the time for a SALT debate. That issue is not before us. Indeed, a SALT II Treaty has not been completed at this time. When and if such a treaty is agreed to, I will do all that I can to see that it receives the most thorough-going scrutiny by the Senate and its committees.

The question before us today will be whether Mr. Seignious is a qualified nominee for the ACDA directorship. Would he be an effective leader of this important agency?

Mr. President, I believe that he is suitably qualified and an appropriate nominee for this position. I believe that he will provide ACDA with the effective leadership it needs.

Questions have been raised about the advisability of naming someone with a military background to this post. During its 2 days of hearings and subsequent deliberation on this nomination, the Committee on Foreign Relations came to the view that Mr. Seignious should not be disqualified from serving in this position, because of his military background. I am in complete agreement with the committee in this view. Certainly there is no legal prohibition on having a former military officer serve as ACDA director and in this case, at least, I believe the choice is entirely appropriate.

Therefore, Mr. President, I would urge Senators to concentrate on the issue before the Senate—the nomination of George Seignious II. I believe the nomination should be approved.

Mr. TOWER. Mr. President, I wish to associate myself with the view expressed by the distinguished majority leader that this should not be the occasion for a debate on the merits of SALT II.

I trust that there will be an extensive debate on that subject at the proper time. It is a matter that has to be gone into in great depth with due consideration being given to the implications of ratification on the matter of America's strategic posture into the eighties and the nineties.

I also share the view of the majority leader that General Seignious should not be disqualified, because he is a man of military background and experience. As a matter of fact, I feel a little bit safer knowing that we have a man in charge of the Arms Control and Disarmament Agency who believes that we must maintain a strong strategic posture, and that we cannot take steps toward unilateral disarmament without seriously imperiling the future security of the United States and the free world. Disarmament is something that should not be undertaken lightly.

I am convinced on the basis of my personal conversations with General Seignious, although I may disagree with him on some matters, that certainly his instincts are right and he does have the desire to see that the United States maintain a military capability that is at least comparable to that of the Soviet Union.

So I join with the majority leader in expressing the hope that we do not get into the SALT debate on this issue. This is not the appropriate time.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Texas (Mr. TOWER) for his statement.

Mr. GARN. Mr. President, I speak today on this matter not to oppose the nomination of General Seignious, but I think the Senate's debate on the nomination of Gen. George Seignious to become the Director of the Arms Control and Disarmament Agency provides an excellent opportunity to reflect on the role of ACDA and to address ourselves to those assumptions and theories which provide the basis for the purpose of the administration's negotiating posture in the SALT II talks.

I have had the opportunity to visit with General Seignious. He is a very capable, articulate, intelligent man, and I expect that he will be able to do a good job as head of this Agency. At the same time, I think he is being used as a pawn by the administration in their SALT selling activities.

It appeared to some of us on the Armed Services Committee and on the Arms Control Subcommittee—when we went to Geneva last April, when SALT was supposed to be signed, and in June, and in September, and finally in October it appeared that it was once again getting to the point where it would be signed—that Mr. Warnke had to be released. He was a lightning rod. He had received 40 or 41 votes against him in his nomination proceedings. Therefore, some felt that he would cause difficulty merely by his presence and that the best possible thing the administration could do would be not only to remove Mr. Warnke at that point but also to replace him with a general. How could anyone think that a military man would endanger in any way the security of this country? I do not think General Seignious would.

But the administration needed a new image for their arms control director. They needed a military man to take that position. That is a good SALT-selling technique.

But I do think this is a fitting occasion to review what ACDA has become and what effect it has had on the policy and behavior of the U.S. Government. Perhaps we can give General Seignious some insight into his agency.

About 20 years ago, when deterrence theories and arms control were accepted as important aspects of defense and foreign policy, ACDA was established to insure that arms control issues were considered in the formation of policy. ACDA was to provide expertise for domestic and international arms control deliberations and to manage our negotiating efforts.

However, over the years, ACDA's "expertise" has moved increasingly toward a set of arms control theories which have come to be considered as fact and reality. As with all trends and fads, these fashionable assumptions and theories will undoubtedly someday be replaced—I hope by more realistic concepts. But while they are current, they can do great damage, because they coincide with a period of great danger for this country and they cripple our response to it.

Briefly stated, this approach to arms control holds that the greatest evil that can befall mankind is nuclear war and that any steps are justified to avoid this ultimate disaster.

I do not disagree that possibly the greatest evil that could befall this world is to have nuclear war. But where I disagree is on the question of how we avoid that war.

The fundamental approach of ACDA is to avoid any appearance of preparation for or willingness to fight a nuclear war in order to prevent it. Consequently, the theory goes, our weapons must be designed to attack only the enemy's civilians and industry. As a Navy and Air Force pilot, I was taught that it was the function of military forces to attack the enemy's forces in order to reduce the enemy's ability to inflict damage. Weapons capable of this now seem to be undesirable, because they might make the enemy nervous at the prospect of a disarming attack.

Certainly, we do not want to be destabilizing and upset the Soviet Union.

While there is some merit to the argument, reality requires that there be a balance between opposing forces; one side cannot practice this approach while the other side builds counterforce weapons as the Soviet Union has been doing at an unbelievable rate.

Having declared that nuclear war is unthinkable, fashionable arms controllers naturally refuse to think about it. In their minds, we have entered a new era when old strategies and old wisdom no longer hold. The Roman principle that "If you wish peace, prepare for war" is ignored, as is much of the experience of

mankind in the affairs of nations. Today's arms controllers are unwilling to admit that weakness might invite attack, or that large wars might still be waged under the shadow of full scale nuclear exchanges. Extremists among them believe that a minimal ability to harm the enemy—perhaps, one Poseidon submarine—combined with peaceful pronouncements should suffice to protect our Nation.

Perhaps the greatest mistake is to assume that the Soviet Union accepts these same theories of deterrence, and our "arms-controllers" applaud when Soviet propagandists echo them. The assumption underlying this theory is that our civilians must be kept vulnerable, as we hope theirs are. So we forego ballistic missile defense and civil defense in order that the Soviet Union not mistakenly conclude that we intend to protect our civilians, which might be seen as a step toward the ability to fight a nuclear war. And when the Soviet Union shows signs of protecting its civilians with a very sophisticated civil defense system, ACDA denies the evidence or protests that Soviet measures would be ineffective because we could destroy their shelters or pursue fleeing civilians into the countryside with ground-burst nuclear explosions to shower them with deadly radioactive debris.

This school of arms control has developed into an ideology of assured destruction with zealous advocates who represent themselves as the only people interested in peace. It would be more accurate to describe the so-called strategy of this group not as mutual assured destruction, or MAD, though the term fits, but as self-assured destruction, or SAD. Proponents of forms of self-defense, such as counterforce capabilities, or civil defense, or ballistic missile defense are attacked as warmongers, when they should be considered good citizens who have the courage to suggest clothing the emperor for his health as well as his dignity.

In our dealings with the Soviet Union, we are constantly on the defensive, because this administration is apparently sympathetic to the popular slander that America is what is wrong with the world, that we invented and perpetuate many of the world's worst problems, chief among them the nuclear arms competition. The President and his advisers sometimes seem incapable of disinguishing our actions and motivations from those of Communist dictatorships.

A perfect example of this is a recent interview on foreign policy in which the President said:

> The Soviets take advantage, I believe, of opportunities throughout the world to enhance their own influence in a country or among a region whenever the opportunity arises, at our expense sometimes, sometimes when we do not suffer in the competitive relationship. I have to say that we do the same.

We do the same?

Have we done the same as the Soviets in Iran, Angola, Somalia, Ethiopia, Southern Africa, South Yemen, Afghanistan, and other areas around the world?

In contrast to the President's suspension of moral judgment in these cases are his high moral positions on arms control. For example, he has set as his goal the elimination of all nuclear weapons from the face of the Earth—a worthy goal, and I could agree with him, but this goal was recognized as unachievable when it was first proposed more than 30 years ago. Granted, it has a grand ring to it, and it appeals to mankind's fear of nuclear war. The Soviets recognize this, and they have used it well, making lofty proposals on disarmament while at the same time straining to catch and surpass the United States in nuclear weaponry. And when the United States bargains in SALT, will the Soviets forget that the American President hates nuclear weapons?

I am not suggesting that the President is posturing cynically. He believes what he says, though he may not always understand its ultimate effect and he has proven his sincerity with cancellations and delays of major nuclear weapons systems.

He also believes that the Soviets share his wish for disarmament and peace. After all, they have said so. They have also said that peace must be on their terms, but the administration has chosen not to hear that.

For more than 15 years, the Soviet Union has pursued a relentless expansion of its military forces. The quantitative and qualitative advances made by the Soviets in their nuclear and conventional forces are staggering. Soviet military expenditures have increased at an annual average rate of 4 to 5 percent, a total of 11 to 13 percent of Soviet GNP. By comparison, U.S. defense spending has actually shrunk from 7 percent of GNP in 1965 to 4.9 percent today. And Soviet rubles are spent on teeth.

Over 70 percent of their military budget is spent on hardware, on research and development and procurement, compared to less than 50 percent for the United States.

We have an all-volunteer military that is very expensive, and 55 cents of our military dollar are spent for people, not for airplanes, guns, tanks, or nuclear weapons.

The Carter administration's track record on defense issues is dismal. This administration's contribution to U.S. security has been one of unilateral restraint and disarmament. We have allowed all three legs of our strategic triad of forces to deteriorate to a dangerous degree. The President has unilaterally cancelled the B–1 bomber, delayed production of the Trident submarine, and has only recently decided to proceed with full-scale development of the MX. No decision on how this new missile will be based has yet been reached, despite repeated urgings by the Congress.

Those repeated urgings occurred over a period of 2 years in the Armed Services Committee on the defense authorization bills and in report language asking for a decision by the Defense Department on the basing mode for MX. Because we were ignored by the administration, I introduced an amendment in the Armed Services Committee last year that made it a statutory requirement that they report to us by September 30 of 1978.

However, in order to be able to get it through the House we had to put in an escape clause for the administration, which provided that if they could not tell us by September 30, they could explain to the Congress each month why they have not made a decision. So, faithfully, each month, Chairman STENNIS of the Armed Services Committee, gets a letter with some excuse which states that, despite years of study, they have not been able to make up their minds on the MX basing mode. Meanwhile, the Soviets have several generations of new misiles in deployment or under development.

The President's decisions were taken without the least reciprocity on the part of the Soviets. We seem locked into the view that U.S. constraint will stimulate an equal restraint on Soviet strategic weapons programs.

Back in 1967 we made a unilateral decision that we would not have more than 1,054 deployed ICBM's. The Soviets at that time had approximately 500. In 1979, 12 years later, we have 54 Titans and 1,000 Minuteman II's and III's, and they have more than 1,600 ICBM's.

We cancelled the B–1 bomber; they built the Backfire, and are talking about an additional supersonic penetrating bomber. I could go on and on and on with examples of where we have unilaterally sacrified strategic advantage. And yet there are those in our society who continue to say that all we have to do to stop the arms' race is for us to stop developing arms and the Soviets will follow suit.

I challenge them to show me one example of where the Soviets have followed suit and stopped any weapons system in response to our unilateral restraint in any area. The evidence is lacking. In fact, Soviet spending on strategic weapon systems actually increased since the signing of SALT I in 1972.

In an attempt to set the record straight for the impending debate on ratification of SALT II, I wish to point out that the President has indirectly acknowledged two major points previously the monopoly of those of us in the opposition: That SALT II is linked to other international developments, and that Soviet acquisition of sufficient accurate warheads to threaten our ICBM's would have grave consequences for strategic stability.

Admittedly, the President acknowledges linkage only insofar as it supports SALT II. He asserts that:

> A SALT agreement is a fundamental element of strategic and political stability . . . which can provide the necessary political basis for us to contain the kind of crises that we face today.

Likewise, we are warned of dire consequences if SALT fails. In his mind, SALT can influence global developments, but it can not be influenced by them.

This concept would be valid only if SALT II were without fault, a sort of useful tool that was above criticism, but that is certainly not the case. From what we know of the draft treaty, it is a flawed product of a highly political

process. SALT II depends on external factors, such as Soviet cooperation, for any hope of achieving its objectives. It is not only proper but vital and necessary to consider SALT II in the light of Soviet behavior—and, for that matter, American behavior.

Although President Carter has on occasion seemed to subscribe to the theory of minimum deterrence, he now appears to agree with SALT critics that "vast" increases in Soviet warheads have "grave implications for the strategic balance." Presumably he has realized that the sudden destruction of all our most powerful, accurate, and controllable missiles would affect our military strength and prestige. However, he falls short of admitting that the 5,000–10,000 additional warheads allowed the Soviet Union—under the SALT II he intends to propose—constitute the vast increase he referred to.

If we ever hope to get arms control agreements with the Soviet Union that genuinely contribute to this Nation's security, we must know our objectives, establish principles to reach them, and adhere to those principles.

If we hope to achieve reductions in nuclear weapons, we cannot accept agreements that legitimize immense increases in those weapons.

If we believe equity is essential, we cannot allow the Soviets to have types, sizes, or numbers of weapons that we are not permitted, while allowing them to have equivalents of everything we do have.

If we believe that verification is essential, we must insist that the Soviets tell us the characteristics of their weapons, then not interfere with our monitoring of those characteristics.

If we want crisis stability, we cannot agree to terms that allow the Soviets a first-strike capability against our ICBM's.

If we value NATO, we must not provide wedges for the Soviets to drive between us and our allies in Western Europe.

In 1853, Lord Palmerston observed that "Russian policy tends to impose its will on indifferent and weak governments while it withdraws in the face of active resistance, waiting for the opportunity to come back." George Kennan described these same traits almost a hundred years later, and the new tsars in Moscow have not changed. We ignore this sobering fact only at our own peril.

If the President wants to build a new foundation, SALT would be a good place to start, because the old one is crumbling. We have established a negotiating approach that insures that SALT will not promote military balance or good relations with the Soviet Union. We cannot continue accepting bad SALT agreements with the explanation that the next agreement will remedy the failings of its predecessors. We heard that on SALT I, that "some of the things that we cannot take care of or agree on in SALT I we will take care of in SALT II."

That is one of the things that we hear from the opponents of SALT II. The opponents of SALT II are now telling us, "Yes, there are some problems, but we will take care of that in SALT III," and I suppose in SALT III, if we are still around, we will hear that they will take care of some of the problems in SALT IV!

This treaty is seriously flawed. General Seignious will be in a position to have little or no impact on it. It has already been agreed to; there is no doubt about that in my mind. We are facing serious strategic imbalances. By the mid-1980's, the Soviets have a potential war-winning capability, an ability to knock out our Minuteman III sites. We are cutting off the legs of the triad by cutting off the B–1 bomber, impending the development and deployment of the MX missile, and delaying the development of the Trident, at a time when the Soviets are building up at the most rapid rate in their history.

Now we are being asked to agree to a SALT II treaty that will legitimize and guarantee Soviet superiority in the mid-1980's. This Senator will do everything he can, when the SALT treaty has been signed and when it comes before this body, to see that it is defeated. It must be defeated in the security interests of this country. I intend to participate actively in the lengthy and extensive debate that will occur when this treaty is presented to the Senate. And I am confident that my colleagues in this body will not allow this dangerous treaty to be crammed down our throats by the "SALT-sellers" in the Carter administration.

(The following colloquy occurred earlier and is printed at this point by unanimous consent.)

Mr. PERCY. Mr. President, will my distinguished colleague yield, without interrupting his own comments? Does he mind yielding to the Senator from Illinois for 1 minute?

Mr. GARN. I will be happy to yield as it does not interrupt my comments.

Mr. PERCY. I thank my distinguished colleague. I have a 1:30 meeting.

I wish to say, with all respect for my distinguished colleague who does an admirable job of researching and thinking through his position, I had come to a conclusion, after meeting privately with General Seignious, after questioning him at considerable length in the Foreign Relations Committee hearings and listening to the questioning of others and listening to his own testimony, that in this particular case, without precedent for military personnel taking on this kind of responsibility, we do at this particular time need someone who is well versed in military systems, who thoroughly understands the complexity of the balancing that we are trying to do, who would be perceptive and who would be in close touch with the Joint Chiefs of Staff should there be any concern that our balance is being tipped.

I feel that his military background, plus the absolute assurance that the Senator from Illinois has that General Seignious is taking fully into account, there can be no satisfactory agreement acceptable to the Senate, acceptable to the American people that is not adequately verified and that in any way relative to the Soviet Union weakens the United States. That is a judgment question that we are coming to, and I am not reaching a judgment ahead of time, because we have not been privy to all of the information that we will be thoroughly studying, but in this case I feel comfortable that General Seignious is able to give us an insight into this matter, is able to represent us in these negotiations and that the background that he has qualifies him for his particular position.

I thank my distinguished colleague for yielding to me and again reiterate that the continuity of the speech of my distinguished colleague should not be interrupted by this interjection.

Mr. GARN. I would only reply to my distinguished colleague from Illinois with what I said in my opening statement: That I was not rising to oppose General Seignious. I agree with much of what the Senator has said.

I only say that in my opinion, as a member of the Arms Control Subcommittee for 2 years, and following SALT very closely, that General Seignious will have had no impact on the treaty whatsoever. I wish he would have, rather than his predecessor, Mr. Warnke.

There is no doubt in my mind that SALT II has been essentially complete for at least 6 months. I think that is timed with the departure of Mr. Warnke. My experience in the Soviet Union, and in conversations with Mr. Brezhnev there in January, convinced me that we were only talking about some very small, final details, and the only reason it was not signed in December was because of the recognition of Red China and the Soviets' irritation with the fact that Teng Hsiao-ping was coming to the United States.

So I expect it will be signed soon. I do not really expect that General Seignious will have any impact on it whatsoever because it is essentially complete. I wish he could have had an impact. I wish he had been there rather than Mr. Warnke. So I do not rise to oppose him. I rise to talk about ACDA and the general posture of the United States.

I thank my colleague.

(Conclusion of earlier proceedings.)

Mr. DANFORTH. Mr. President, I understand there is some likelihood that there will not even be a rollcall vote on the confirmation of the nomination of General Seignious. If there is a rollcall vote, from what I understand the vote would be very heavily in favor of his confirmation. If I have to vote on General Seignious' nomination, my inclination would be to vote for it. I have met the general, I think, on two occasions. From what I have seen of him, he appears to be a sensible person, a man with a reasonably sound notion of where he is going.

My only sense of hesitation stems not from the merits of General Seignious, but from the fact that this is something of a foreign policy question. During the time when the nomination of Ambassador Warnke was before the Senate for confirmation, I pointed out that when we vote to confirm or not to confirm the nomination of a person in a foreign policy position, the Senate has an op-

portunity to make its views known on substantive issues under the guise of voting on a confirmation. As a matter of fact, the Constitution of the United States only gives us a couple of explicit ways of participating in the formation of foreign policy. One way is to vote on the confirmation of Presidential nominations for positions related to foreign policy, such as, for example, that of the Director of ACDA, and the other is by voting on the ratification of a treaty, which we will have to do, of course, when SALT is submitted to us.

What I do not want to do at this point is create the impression that by voting for the confirmation of the nomination of General Seignious, I would be triggering any support for the SALT treaty when it arrives in the Senate. I am one of, I guess, a majority or at least a substantial number of Senators who are uncommitted, and genuinely so, on how we will vote when that treaty comes before us. I think it would be premature at this point for me to take a position on the merits of that document.

But beyond the SALT treaty itself, I am a little bit hesitant in connection with this particular nomination, not that I intend to vote against General Seignious, because I will in fact vote for him; but what gives me pause is that this is a foreign policy question, and I have to say to the Senate that this is one Senator who has deep and very much growing concern about the course and the direction, if any, of the foreign policy of the United States of America.

In trying to formulate, in my own mind, an analysis of what our foreign policy is, I have difficulty verbalizing it to myself. It seems to me that when a nation participates in world events, it should have a clear presentation to its own people and to the rest of the world as to where it stands, what it stands for, and where it is going.

I must say that such a clear presentation of a foreign policy has, in the opinion of this Senator, been lacking. I say this not as a partisan attack on President Carter at all. Indeed, I think President Carter is a very nice man, and a very well-meaning and hard-working man. But it seems to me that since the time of the war in Vietnam and since the time of Watergate, which was a problem of my party, we have had difficulty, as a country, coming to grips with exactly what we mean by foreign policy, what it is, what it is all about, and where we are heading, and that the trend in the world is not running in favor of the United States of America or our interests in world events today.

I know that President Carter takes an opposite view, and that Mr. Brzezinski points out that in his view the tide of events is flowing in our favor and against the interests of the Soviet Union. But I must say that I doubt that. When the Government of Iran, once a strong ally of the United States, is toppled, when the American ambassador is kidnapped, the American ambassador in Afghanistan is murdered, the Secretary of the Treasury goes over to China, registers our verbal protests of the Chinese invasion of Vietnam, and is publicly ignored—and in fact at the time he is in China it is announced that maybe China is not going to stay in Vietnam for just a short period of time after all—and when I think we have a situation in our foreign policy today where it is unclear exactly what we stand for, where we are heading, or why, then the trend is not in favor of the United States, and, with respect to military policy in general and strategic policy in particular, again it is unclear exactly what we have in mind, with or without SALT.

Suppose we had SALT; what do we intend to do with respect, for example, to the MX missile, its development and its deployment?

As far as I know, that kind of a clear message has not been given to the Senate, to the Congress, to the American people, or to the world.

So what I am concerned about in this particular vote, if there is a rollcall vote or even if it is just a voice vote, is that the administration will again say to the world:

> Well, everything is just going fine. Our foreign policy is in very good shape. We are heading in the right direction. We have had a resounding vote of confidence from the Senate in our foreign policy.

I would be remiss not to use this opportunity to state that despite my vote on General Seignious, I do not have confidence in our foreign policy. I do not have confidence that we even have a foreign policy. I do not have confidence that we have any sense of where we are going, or why.

I think this is what leadership is all about. If the administration does not provide the leadership, then the Senate should. But I do not want to signal, by this vote, any degree of confidence in where we are heading.

Mr. JAVITS. Will the Senator yield?

Mr. DANFORTH. I yield.

Mr. JAVITS. Notwithstanding that I am joining in confirming the nomination, and I shall support General Seignious for reasons which I shall explain in due course, I do not wish my vote to be taken as a blank check or the imprimatur of approval. I doubt that any of us do. It is my conviction that this situation is so difficult, that we have made so many mistakes, we have been caught flatfooted so many times, that we have been behind instead of in front of events so many times, that some new way of handling the foreign policy of the Nation needs to be developed.

I believe a way which appeals to me, and it is not the solution but it is a solution, is some way in which the Congress and the President can be joined in policy so that when the United States speaks, it speaks for the whole Government, to wit, the legislative, which is so critical, and the executive. This carries with it the need for concurrence by a substantial majority. I would say, as an estimate, two-thirds. Really, policy ought to be made in this country now, considering the troubles we are in, considering the low state in which the President is and we are.

Those of us in opposition like to say that the President is not doing very well. But we are not doing very well either, and probably for many of the same reasons. I believe it will help us both and it will help the Nation. So I am hoping now that we can. It is a great opportunity for Senator CHURCH, the chairman, to really develop again that fortress of strength which was the bipartisan foreign policy. It may be called something else, or it may be a different kind of a coalition.

The Vandenberg bipartisan policy happened to represent a unique blend with a President with whom a great many of the Senate agreed, and that probably had a lot to do with shaping policy before it got to the Foreign Relations Committee. That may not be the technique now.

Again, on the basis of a solution rather than the solution, I welcome any other suggestions. My thought, however, is if we can work out procedures by which it will be clear to the country that when the President and the Congress speak it represents the best fruit of their judgment in the sense that it is the President plus a good, substantial majority, which I define as two-thirds, then I think we will begin to see better policy. I think we would begin to reestablish that credibility in the people of our country which is indispensable to the implementation of policy. After all, who is going to put up this money and who is going to put up these lives that security demands and the survival of freedom demands?

We have to remember that, and we have to remember that that comes only from the base of support, which is the people. I thank my colleague.

Mr. DANFORTH. I have to say that I agree with the comments of the Senator from New York, as I often do in many regards, and I certainly do in this regard.

I believe in a bipartisan foreign policy. As a matter of fact, if we do not have a broad consensus of support for foreign policy, it is very hard to formulate a foreign policy.

I am hardly a student of foreign policy history, but I do believe that it is clear that one of the great tragedies of the war in Vietnam was that the kind of consensus that we always relied on in America for taking a resolute position in the world was the broad consensus that the President had. When the President spoke, he was able to speak with the confidence that he spoke not only for himself and the executive branch, but for the overwhelming majority of those in the Congress and for the country as a whole.

Now we have had, over the period of the last 10, 12, or 15 years, a steady breakdown, a steady erosion of that kind of support for a consistent, comprehensive foreign policy. The result is that right now we just do not have it. We do not have that sense that we have a policy which is comprehensible and comprehensive which the President is articulating on behalf of the administration, on behalf of the Congress, and on behalf of the American people.

It is going to be very hard to regain the position that we had before the war in Vietnam, and it is going to be very difficult. In foreign policy in the old days you could send the troops up San Juan Hill. Now instead of a cavalry we have nuclear weapons. Saber rattling is rattling nuclear weapons. You cannot just move out into the world with the same degree of confidence and, if you make a mistake, "So what?" that you could, say, 50 years ago, not in today's world. But the fact that it is more difficult does not mean that we should not strive to reach some sort of national consensus on where we are heading.

It seems to me to be tragic that the most divisive issues that we have had since I have been in the Senate have been foreign policy issues. One after another, the hot issues last year before the Senate, beginning with the Panama Canal Treaty through the Turkish arms embargo, were foreign policy issues.

If we are going to form a consensus, it seems to me that this is what leadership is all about. And that the job of leadership is to state where we are and where we are heading in a fashion which is understandable and which can be supported by the vast majority of the American people.

I would only suggest that one of the problems with our foreign policy may be that there is just too much razzle-dazzle in it; that there is just too much complexity, sudden moves, hastily called 15-minute television shows, gala performances in Kennedy Center; that there have been too many big media events and too little effort to put together in a less spectacular but sounder and clearer fashion a presentation of a good, purposeful, directed foreign policy.

I really think we lack leadership in this country today. I think that is true with respect to the economy. I think it is true with respect to energy. I think it is true with respect to foreign policy.

I am not faulting the President alone. I am faulting the Congress. I am faulting those of us who are on the floor today.

Mr. JAVITS. Mr. President, I deeply appreciate the Senator's intercession in this debate and this small exchange which we have had.

I can pledge to the Senator that old phrase from the British Parliament, "The way to resume is to resume."

That is what we are going to try to do.

I thank the Senator.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. HEFLIN). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me first address my remarks on the nomination of Lt. Gen. George M. Seignious, the Director of the United States Arms Control and Disarmament Agency, and note the change of command of our Foreign Relations Committee.

I appeared with General Seignious at his hearings before the committee. I want to thank the committee for their deliberate and comprehensive treatment of this particular nomination, the many courtesies extended the nominee, and the thorough way in which they approached it and reported it here to the U.S. Senate. Senator CHURCH and Senator JAVITS have been very helpful and very objective.

As they have indicated already in their comments, the confirmation itself is not any indication whatever of further disposition of SALT II. But that should not forego the fact that they have been very helpful and have done, in my opinion, an outstanding job in bringing this nomination to the floor.

Mr. President, it gives me a great privilege to address some comments with respect to some of the misgivings appearing here in the debate today and in the hearings before the Senate Foreign Relations Committee on the appointment of General Seignious as a general, or any general or officer in the armed services, for that matter, as being fitting to serve as the director of disarmament in our Government.

First, with respect to the earlier remarks by my distinguished friend from Utah (Mr. GARN) about the demise of Paul Warnke, the former Director, and the allusion to the fact that the administration was worried about him—that is, Mr. Warnke—selling the SALT II treaty agreement to the U.S. Senate. Therefore, the call for a military man to come, and under the cover of military approval, thereupon, the Senate would then give its approval. Or at least those, perhaps, of my ilk and kind who believe in the military, who are looked upon, perhaps, on the conservative side of some issues, would say, "Well, if the general himself saw this as a good agreement, then certainly, who am I to question him?"

On that particular score, let me say, here and now, if I voted in the next 2 minutes on SALT II, as I have heard it reported and watched it, and I have watched it very closely, I would vote in the negative.

So I am not appearing under any false colors or clever language or trying to be coy with my colleagues, or anything of that kind. I have followed SALT II and I have followed it very closely because I had the occasion to follow SALT I.

I went with the then distinguished majority leader, Mr. Mansfield, to the Helsinki meetings of the SALT I team. We met in the meeting at that particular time with then Mr. Paul Warnke, and now later and still an opponent to SALT II, with Harold Brown, now the Secretary of Defense, with Ambassador Gerald Smith, who was the Director of Arms Control and the chief negotiator for the SALT I treaty, and others at that particular time, and we thought we had a pretty good agreement, and this is the time of August 1971.

However, the agreement of 1972, confirmed as the SALT I treaty by the United States Senate, submitted by then President Nixon, had all kinds of inequalities, obvious inequalities. Any youngster without any training could look and see the unequal numbers of launchers, submarine launched ballistic missiles, Poseidon ships, and everything else of that kind, ICBM's and everything otherwise.

When we argued at that time, they said, "We know that, but this is only for 5 years and this will really get us on to SALT II and there is a tremendous value," the argument was, "in actually getting the Soviets to negotiate." That, in and of itself, was of tremendous value, and while there were certain inequalities, we had better accuracy, more MIRVing, and everything else, and while they might catch up the thought being it would take them 5 years or more but they did in 1 year.

But, in any event, they said, "We are going to get SALT II and equalize it."

So I looked at SALT II to look for the equalization and, of course, it has not occurred. In fact, it is even again more to the disadvantage of the United States, and I am prepared at this moment to oppose SALT II.

But the appointment of General Seignious is much like Voltaire's approach to the right of free speech and truth. He said, "I may disagree with everything that you say, but I would defend to the death your right to say it."

I may just there disagree with my good friend, Gen. George Seignious, but I would defend to the end his right to serve.

His nomination is not an administration ploy. If it had been a ploy, I have been in the game 30 years and I think I could recognize and see it. I would think that having been the only living Senator now that did vote against SALT I, and since General Seignious is from my State, they would have sort of maneuvered me into the appointment and made me a part of it. They do those kinds of things.

We have a textile arrangement—I do not know if it is announced or not announced. I know one of the maneuvers is to maneuver me into that particular administration position taken as a result of their veto message on my textile bill.

I have gone along with removing my objection to the countervailing duty measure so we can finalize it, but I want to see the implementation. I want to see the agreements on Hong Kong. I want to see the agreement we have with Korea. I want to see the administration carry it out in good faith, and I say that the administration did act in good faith in bringing this about, and I want to see it is carried out in good faith before I make a judgment on the multilateral trade negotiation later this summer.

But I know my good friend, the Ambassador, would love to have me come and say, "Whoopee, now with the textile arrangement we will count on you to help us pass the MTN."

I cannot do that. He knows it.

Similarly, here. Ambassador Strauss spoke to me. I am saying that the administration does know how to maneuver you into the part and to the announcement and to the selection, you might say, of Lieutenant General Seignious. I was never contacted by the White House, and I was never made part of the particular appointment, although no one is more proud of General Seignious and this appointment than I. It points up the fact that the President chose General Seignious not as a ploy but, rather, because of his experience, his judgment, his awareness, and his sensitivity to the disarmament question.

Speakers come in and talk about General Seignious. I quote the distinguished Senator from Utah:

He is very capable, articulate, and intelligent.

I quote again:

At the same time, I think he is being used as a pawn by the administration in their SALT selling activities.

In SALT selling activities, as a man, yes; as a military officer, no. As a man, he has served in other capacities, giving him a particular talent in this field.

General Seignious, early on, as a young colonel in the Army, served with the International Security Affairs Agency, the Defense Security Assistance Agency, and became familiar in that role with the arms question. He served on the American-Brazil Inter-Military Conference as well as in many other capacities.

He learned the value and the danger of arms. As an old-time friend of mine, we crossed paths in Europe. He was with the 2d Armored Division and I was with the 7th Army, and he crossed in front, going across the Danube. He knows war, and he knows arms, and he knows their value and the terrible destruction that results. He also has experience as an adviser to the President of the United States about arms limitation and the SALT II treaty.

I referred earlier to Secretary of Defense Harold Brown. He was the public adviser to the SALT II negotiations prior to the appointment of General Seignious. When Secretary Brown was appointed Secretary of Defense, it was thereupon that President Carter appointed General Seignious as the public adviser and observer at the SALT II negotiations in Geneva and Moscow and Washington, as they continued over the past several years. No doubt he was chosen for various reasons.

General Seignious served as the Berlin commander. You do not just march people around as commander of Berlin. You have to get water and sewer lines, and you have to get public services and bakeries operating. You not only take care of security; you take care of all the political needs of people, as the commander in Berlin. The job has a comprehensive scope.

He served as an advisor to Ambassador—I call him Governor—Averell Harriman, to Paul Warnke, and to Cy Vance, as the negotiating team at the Paris peace treaty accords with Vietnam. He was an advisor there on making peace, and he was recommended by Governor Harriman and Secretary Vance to this post.

We see too often that the media are looking for a story and are not trusting anybody and immediately jump to a wrong conclusion. In this case, it is a wrong one, because the ones who strongly support Senator Hubert Humphrey's move for disarmament, starting back in 1962, for limitations on all arms—the Ave Harrimans, the Cy Vances, the Paul Warnkes—were the ones who recommended General Seignious for this post. The President, as a result of his original recognition of the capabilities of General Seignious, put him in there as a public observer and adviser to the SALT II team.

So when the vacancy occurred at the end of last year, when Mr. Warnke retired to private life, as he said he was going to do at the time he was appointed, it was a natural and normal thing to take someone attuned to the particular treaty, having participated for a couple of years with President Carter's negotiation team in Geneva, and have him come in as Director, with proven administrative capabilities.

When you look for the director of the Joint Chiefs of Staff, you look for the man who is going to run the Defense Department; because the poor Chairman of the Joint Chiefs that four-star general or admiral—in this particular case, General Jones, and it was Admiral Holloway—have to appear and testify, hither and yon. We had a problem in Iran; they have to observe and report on Indochina; and they do many other things.

For the administration, in day-to-day control, you have to have a top individual. Lt. Gen. George Seignious served in an outstanding fashion as director of the Joint Chiefs of Staff. Let me go not only to his capabilities, his awareness, and his familiarity with the problem and his expertise, but also, finally, to the principle of a military man serving. We had this out before the Foreign Relations Committee. I do not think it should be categorical.

I necessarily would look at an arms control role with some question with respect to an Army officer being appointed. That would be a natural thing. I can think of many, many Army officers, good friends of mine, who would not have the balanced judgment and would not have the sensitivity and the feel for a particular role in disarmament. You would not appoint Gen. Curtis LeMay, and I readily acknowledge that. If there is anybody who likes the General LeMay type—and I say that respectfully, because I think we need a little more fire and toughness now than we have—you certainly would not put him in that particular role. He would not have any credibility.

On the other hand, you can look at the record of a civilian and say that he is pretty good and totally competent, that he could handle those particular negotiations. It is a tough role. There are many concerns to be satisfied. In the end, it has to be sold to 100 U.S. Senators and politicians.

So it is not necessarily a civilian or a military man in the job description for Director of the Arms Control and Disarmament Agency. I cannot go along with the idea that, ipso facto, a military man has to be bad.

We have had some of the best in the business, such as General Clay, when he took over Owens-Corning, and General Wood of Sears, Roebuck. I could go right down the list.

The average corporation certainly would not have generals coming in and running their businesses. But there have been outstanding exceptions who have come in and brought these industries and businesses from next to nothing to a very viable, competitive, and very successful private corporate entity.

The most up-to-date example, of course, is Frank Borman. It might be said that he had been studying the blood count and flow and all the various things that go into an astronaut's role. He probably has not been flying a plane too much, because of being engaged as an astronaut, and it might be said that he did not know the ramifications of a worldwide air service. But he has taken Eastern Airlines and has led it to great heights.

Similarly, in the U.S. Senate, we would not say that we want civilian control, and certainly we do not have to have generals and those who have served in the Navy and the Coast Guard coming in and voting on these budgets. That is why we have civilian control. If we are going to have civilian Secretaries, let us not cancel that out by having military officers like General Goldwater and General Thurmond and General Cannon and Colonel Glenn and start making appropriations for these branches of the service.

We do not do that on ourselves. We would be laughed off the floor if we proposed it.

I am not laughing at the proposal of my distinguished colleague from Iowa, Senator CULVER, about his misgivings of the military services, but I know him to be too smart an individual and too broad in his judgment and vision to categorize any particular class or group and say, "Thou shalt not serve."

We have the committee to investigate nominations. The Foreign Relations Committee has done just that. They have gone very, very thoroughly into the qualifications of the nominee.

At this moment I see the distinguished colleague from Wisconsin. He is waiting to perhaps talk on this matter.

Let me yield at this particular time to the Senator from Wisconsin. I will have some further remarks.

I ask unanimous consent that my complete statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HOLLINGS

Mr. President, I rise today to speak in support of the nomination of George M. Seignious II to be Director of the U.S. Arms Control and Disarmament Agency. President Carter has made an outstanding nomination, and I a very pleased that General Seignious has responded affirmatively to the call of the President. Whenever his country has called, whenever duty has summoned him, George Seignious has responded with affirmation, with dedication, and with character.

I have known George Seignious since we attended school together at The Citadel, the military college of South Carolina. And I think the best service I can offer the Senate during consideration of this nomination is to detail something of my own personal experiences with the nominee.

At the Citadel, Obbe Seignious was the top academically, he was the most popular member of the class, and received an appointment directly into the Army. During the Second World War, he served with courage and distinction overseas. In fact, even during the war, our paths crossed. I remember coming up out of the Seventh Army; we crossed the Rhine, and when we came to the Danube, Obbe had left a sign "You are now crossing the beautiful Danube courtesy of the Second Army Division." He had gotten in there ahead of us by a few days.

When the war ended and we all came home, I continued to follow his career with interest. I do not wish to take the time of the Senate in reciting chapter and verse the many assignments he held and the accomplishments he achieved.

Let me just say that in every endeavor he has exceeded even the high expectations we had for him. From his student days, his classmates knew he would excel in the military. The Distinguished Service Medal with 2 oak leaf clusters—the Silver Star—the Joint Services Commendation with 2 oak leaf clusters—these comprise only a partial listing of the recognitions which testify to the accomplishments of his military service. As United States Commander in Berlin, as Commanding General of the Third Infantry Division in Germany, as staff director of the Organization of the Joint Chiefs of Staff, and in the other sensitive and important assignments he has undertaken, George Seignious has always performed with brilliance and commitment.

I would stress the breadth of experience which he has. I mention this in the context of those who argue that the General's background is not what we should have in the post for which he has been selected. When some say they want to write a statute excluding military men, they are totally disregarding what a military man really is in this day and age. They don't just go off to military college, graduate, and then spend the rest of their days in reveille and marching and officers' clubs. Look at their experiences, and his in particular. Thirty years ago he was on the Joint Brazil-United States Military Commission as a junior officer and was already working with civilian personnel in that capacity. Twenty-five years ago he was at the Joint Services Staff College at Latimer House in London, exposed to other than just military education. From 1957–1960 he was executive military assistant to the civilian Secretary of the Army, Wilbur Brucker. In 1968–1969, he was adviser to Governor Averell Harriman, and I know how highly the Governor feels both about this man and the President's appointment of him to this particular post.

When he was Commandant in Berlin, he was of course advising our Ambassador, Kennether Rush, on the most sensitive kinds of questions. I could go on, with his work at the International Security Affairs Agency, the Defense Security Assistance Agency, and his advising on the SALT talks. But the conclusion should be obvious—here is a gentleman of the most sensitive intelligence and the widest kind of experience. He understands the fine points of policy and the nuances of national security.

We all had great pride in him, and we worked hard to realize our hope that he could become President of The Citadel. He did, in 1974, and the college has made tremendous strides under his administration. Always a fine school, The Citadel is today a better institution than it was, and the primary credit goes to the dedicated and untiring effort which he put into his work as President. He came with a vision of what he knew The Citadel could be, and he came with the talent of organizing and inspiring his associates and the community and all concerned to make that vision a reality .

And, again, I don't just refer to the military. I mean the academic and summer school activities. We have women on campus now, and graduate degrees, night school, and everything else characterizing a first-rate university. Let me add that General Seignious knows how to talk to the politicians, too. He has been to our South Carolina General Assembly to obtain funds.

And while it is no doubt frightening enough to appear before Congress in quest of money. I don't know of anything so potentially intimidating than going to the Statehouse in Columbia and asking for money, just when they all got elected on the theme of balancing the budget. That theme, by the way, has a longer history in South Carolina politics than it does here in the Congress.

I hate to see General Seignious leave our college. But he is answering to the call of the President and the persuasion of the Secretary of State and many others. The call he hears is duty, and to that clarion call, he has always answered with certainty.

We still do not have arms control and meaningful arms reductions. Arms control is difficult business, and if ever we are to make real progress, it will take all of our nation's talent and dedication to do so. It will take diplomats, but just as much it will take military expertise and the experience and appreciation which go with that kind of basic knowledge. We don't say military men can't run for Congress. We don't say they cannot serve as President. Why we should turn around on this post and say a military man cannot run the agency to deal with military arms reduction is beyond my power of understanding. To say that would be to bespeak a fundamental misunderstanding of what the military is like and of what those who have seen war most closely understand about the necessity to control arms.

Mr. President, George Seignious is superbly-qualified to discharge the responsibilities of this important post. I am confident that his service will make the Senate proud, and I urge my colleagues to give their wholehearted support to his nomination.

Mr. PROXMIRE. I thank my good friend from South Carolina. He is very accommodating, as always, and I deeply appreciate it.

Mr. President, I oppose the nomination of General George M. Seignious as Director of the Arms Control and Disarmament Agency. I do so for several reasons.

First, the General, as chief spokesman for the U.S. arms control community, is already on record as stating that it should be the policy of the United States to increase its strategic capability even with a successful SALT II treaty. There is great irony in this position. It echos the private and increasingly public statements coming out of the Pentagon—that the United States must build up after SALT just as we would have to build up in the absence of SALT. Specifically, General Seignious seems to have given his approval for the MX. In his first press conference he stated that Soviet weapons buildup under SALT "will produce such an inventory of strategic arms that it doubtlessly will propel the United States into seeking an alternative to the vulnerability of our Minuteman field."

Now of all the new strategic weapon systems on the drawing board, the MX poses the most serious arms control problems. It could encourage the widespread use of deceptive strategies by the U.S.S.R.—thus complicating if not making impossible any future SALT agreements. It would be inordinately expensive—$30 billion by many estimates. It could cause significant environmental damage in its ground-based mode. It may give rise to first strike fears by the Soviets and encourage a reaction that would further complicate the delicate balance of strategic forces. In short, this endorsement of the MX by the future Director of the Arms Control and Disarmament Agency displaces the check and balance between ACDA and the Pentagon that is so important in the forming of national policy.

The confirmation of General Seignious would also continue what is fast becoming the militarization of American policymaking. We have an admiral at the CIA, generals or military leaders at DIA and NSA and now a general for ACDA.

We need to adhere to the policy of civilian control at the helm of our Government.

We have been advised by everyone from Washington to Eisenhower of being sure that we have civilians at the helm of our Government. We have restrictions in the law that state that the Secretary of Defense and his two principal deputies, for example, must be civilians. The same policy should exist for the Arms Control and Disarmament Agency.

We must guard against establishing a pattern of relying exclusively on advice from the military ranks. ACDA is a counterbalance to the Department of Defense and must continue to play that role.

That makes it important that the Director of ACDA not be drawn from the ranks of the military where directly or indirectly he has been associated with the thought process that is largely antithetical to the Arms Control and Disarmament Agency.

After all, it is a rare general or admiral who is not interested in building up the military force, and that is his job; that is his responsibility. To expect him to move from that position to a position of advocating arms control and disarmament is expecting far more than we can realistically expect to have.

It is difficult to be a "team player" as General Seignious calls himself when one must debate within the administration with the Pentagon.

Mr. President, it should be noted that General Seignious cannot hide behind his rank. He is outranked by scores of officers at the Pentagon. Those he will be debating with at the Pentagon will outrank him in every conference. The prestige of the rank will be of little use to him and may be a disadvantage.

Finally, Mr. President, there is a question about the strength with which the general holds to positions and investigates those positions in advance.

That is going to be his job. And we have to rely on a man who has thought carefully about the complications of these treaties before he makes recommendations to us.

He has admitted joining the Coalition for Peace Through Strength—an organization with the goal of disapproving the SALT Treaty. He says he joined on the recommendation of several close military colleagues. He now rejects the aims of this organization. My question is "Is this the kind of close analytical care we need in the review of an admittedly complex SALT Treaty?"

Does this represent an attitude that will prevail after he is Director of the Arms Control and Disarmament Agency? Will his military colleagues have the same influence over him in his new

capacity? As I point out, Mr. President, his military colleagues will in many cases outrank him. Perhaps they will not influence him in that way, I hope not. It could well be that this was an event totally unrelated to his professional responsibilities, but it does raise unanswered questions about his thoroughness and clarity of vision.

For this reason, Mr. President, if there is not a rollcall, and I understand there will not be, I want to be sure that I am on record as opposed to the nomination of General Seignious, and if there is a rollcall, I will vote in the negative.

Mr. President, I think the distinguished Senator from South Carolina wanted to speak further. So on the assumption he will be back momentarily, I yield.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I shall support the confirmation of the nomination of George Seignious to be Director of the Arms Control and Disarmament Agency, and I shall do so on the following grounds:

I do not believe that, with the law as it is—if we change the law that is another matter—there should be any built-in bar to a former military officer becoming the Director of this Agency. Indeed, some of the most devoted and convinced advocates of the reduction of armaments of all kinds have been military people.

Nobody knows the horrors of war better than a professional military officer. I have served, and some of the others here have served, in the Armed Forces. I was not a foxhole soldier, and many others have not been, but you sure see and feel it in an unparalleled way, and it burns itself into your soul. It was heavily attributable to that fact that I went into public life after being mustered out of the Army after World War II.

Second, I believe the decisions coming up make this a proper nomination. With this kind of background and training, he may be very useful to us in terms of the abilities of Mr. Seignious, formerly General Seignious, to add the element of professional knowledge to the consideration of the limitation and disarmament matters which will be before Congress in such a critical way.

Last, the President has decided that Mr. Seignious will be the Director; he will not be the Ambassador negotiating in respect of all five ongoing negotiations, Ambassador Earle being the negotiator already confirmed by the Senate in respect of the SALT negotiations.

Interestingly enough, one of the public witnesses, in my judgment, phrased this matter the best at our hearings, and his testimony is found at page 136 of the hearings. Sandford Zee Persons, vice president of the World Federalist Association, testified as follows:

We hope that with his unique background and first-hand knowledge of war, he—

Meaning Mr. Seignious—

will provide leadership toward the creation of a new world security system, one which will provide truly rewarding and cost effective national security to the United States of America and its citizens, as well as to all our fellow citizens of planet Earth.

I would like to point out how this ties in, also, with the testimony of Mr. Seignious himself. I asked him, at page 36 of the hearings:

Senator JAVITS. What about the substantive proposition? What do you believe, as contrasted with the declaration of the Coalition for Peace Through Strength, regarding military superiority over the Soviet Union?

I would interject, to explain my reference, by pointing out that one of the things which Mr. Seignious was asked to explain was his joining this Coalition for Peace Through Strength, one of the primary objectives of which was military superiority over the Soviet Union.

This is what Mr. Seignious said:

Mr. SEIGNIOUS. Well, I tried to answer that a moment ago by saying that in the broad range of military security there is a lot more than military equipment.

I wish to repeat that phrase:

In the broad range of military security there is a lot more than military equipment.

Again quoting Mr. Seignious:

I think you are explicitly referring to SALT II here and that I subscribed to the fact that military strategic equivalence is what we are negotiating, that we are negotiating from a position that recognizes that neither side should be advantaged or have an advantage over the other through the process of the negotiation.

I then asked:

Senator JAVITS. Do you believe in that as a general, as an American, and as a prospective Director of the ACDA?

Mr. SEIGNIOUS. I believe in it on all counts, and I can say further that it is inconceivable to me that one side can, even if it wanted to, even if it were willing to spend $100 billion, gain a strategic advantage over the other in the strategic central systems. I think it is an impossibility.

That, to me, is the essence of an understanding and balanced view of why these negotiations are a critical element in the security of our country, and it is that kind of thinking which I think the General exhibited to us.

Finally, in answer to a question by Senator BIDEN which is found on page 22 of the record, the questioner asked:

What role do you see for the ACDA as part of the executive branch's national security structure?

He answered as follows—I read just the first two sentences, because I think that tells the story:

It is high time in the structure of government that arms control be recognized as a legitimate form of national security, and if you start with that premise, you must start with another premise, and that is that the agency has to do its homework, it has to be at the seat of government, it has to influence policy, and it has to have a voice.

I like that attitude very much. Arms control must be recognized as a legitimate form of national security.

That has a little analogy to the conservation of gasoline, Mr. President. It has been properly said on this floor, I think, by Senator PERCY, that every gallon saved is a gallon of additional gasoline which we have got without importing it. That is very much the tenor of what Mr. Seignious said in our proceedings.

Finally, I would mention the general's association with this Coalition for Peace Through Strength. He apparently agreed, while still president of the Citadel, which was his last job—a great military school and training institution—on July 7, 1978, to be a member of the Coalition for Peace Through Strength and a member of the American Security Council.

I am not arguing with the purposes of the organization at all; it is a legitimate American organization. But one of the goals of its program was to "stop SALT II," and also one of its declarations was that it would seek to bring the United States into a condition of superiority over the Soviet Union in respect of armed strength.

The only difficulty which one finds with that statement is that it rules out the ability to negotiate any disarmament or arms limitation agreements. Mr. Seignious claims that he joined the coalition "to associate myself" with two members of the senior advisory committee of the Citadel, retired Gen. Lyman L. Lemnitzer and retired Adm. Thomas H. Moorer. He resigned on October 17 of the same year, only a few months after he joined.

When he resigned, he said in his letter:

The content of your position is not a responsible position on SALT II.

Now I taxed him on the inconsistency of joining and then resigning abruptly. I told him it occasioned quite a good deal of comment. This is what he said, and I quote it, because I think it is an essential element of the record:

If I am to be faulted, and I can be faulted, it is because I joined an organization and did not look thoroughly enough at its program . . . so my membership in the Coalition for Peace Through Strength was of short duration. It would have been just as short if I had not been asked to serve as Director of the Agency. I know that I am not immune to the sensitivities and the appearances of this situation. I am very sensitive to this point, and it does not reflect a prudent administrator joining and then unjoining. But that is the extent of my indiscretion.

Mr. President, I feel that it was an indiscretion. I feel that General Seignious has learned something from that experience and that this will be very instructive to him in his work which he will undertake, assuming Senate confirmation.

Upon all those grounds I have stated, Mr. President, I shall vote to confirm this nomination.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, having conferred with the ranking minority member of the committee (Mr. JAVITS), and having learned from him that there is no request on the Republican side for a rollcall on this nomination, and knowing no request by any Senator on the Democratic side for a rollcall, I believe the Senate is prepared to proceed to a vote.

Therefore, I move that the nomination of Mr. Seignious be confirmed.

Mr. THURMOND. Mr. President, I rise today in support of the confirmation of Gen. George M. Seignious II (U.S. Army, retired), as Director of the Arms Control and Disarmament Agency. General Seignious is an experienced and capable man who has continuously demonstrated an outstanding willingness and dedication to serving his country throughout his long and distinguished career. It should also be noted, Mr. President, that General Seignious has served as an educator of eminent distinction as president of the Citadel military college in my home State of South Carolina.

After much debate and careful deliberation, the Senate Foreign Relations Committee recommended to the Senate by a vote of 13 to 2 that General Seignious be confirmed. Although General Seignious and I may, in the coming months, disagree on certain points of a negotiated SALT II treaty, I strongly feel that the Senate should today follow the recommendation of the Foreign Relations Committee and confirm his nomination.

Mr. President, I ask unanimous consent that the statement I made before the Foreign Relations Committee on behalf of General Seignious be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR STROM THURMOND

Mr. Chairman, it is indeed a pleasure to introduce General George M. Seignious, II (U.S. Army, Retired), to this Committee. Throughout his long career, he has always demonstrated an outstanding willingness and dedication to serving his Country.

George M. Seignious, II, was born in Orangeburg, South Carolina, on June 21, 1921. He was graduated from high school in Kingstree, South Carolina, in 1938, and from The Citadel, Charleston, South Carolina in 1942, at which time he was awarded a Regular Army Commission as a second lieutenant of Infantry.

General Seignious' service during World War II was with the 10th Armored Division at Camp Gordon, Georgia, and in the European Theater of Operations; from platoon leader to operations officer, 20th Armored Infantry Battalion, and assistant operations officer of the division. He returned to the United States in March 1946.

In 1947–1948 General Seignious (then Major) attended the advanced course of the Armor School, Fort Knox, Kentucky. He was then assigned with the Joint Brazil-United States Military Commission in Brazil, where he served as armored training officer; assistant chief of staff, Armored Unit; and acting assistant chief of staff, Intelligence and Operations. In November 1949 he was moved to Headquarters, Caribbean Command, Quarry Heights, Canal Zone. He served as assistant plans and operations officer, assistant intelligence officer, and aide-de-camp to the commander-in-chief Caribbean.

He returned to the United States in early 1951 and served as operations officer and executive officer of the 714th Tank Battalion, Fort Bragg, North Carolina. From August 1951 to May 1952 he was commanding officer of the 44th Tank Battalion, Fort Bragg, North Carolina, and Fort Irwin, California.

In July 1952, he was assigned to the Office of the Joint Chiefs of Staff as assistant executive secretary, JCS, where he served until June 1955.

From August 1955 to February 1956 he attended the Joint Services Staff College, Latimer House, England. In March 1956 he was assigned to the Army Section, Military Assistance Advisory Group in Spain, as chief Training Branch, Plans and Training Division, where he served until June 1957.

He returned to the United States and from July 1957 to August 1960 served as military assistant and executive to Secretary of the Army Wilber M. Brucker. He attended the National War College, graduating in June 1961.

General Seignious served the next four years in Europe as commanding officer, 11th Armored Calvary Regiment, U.S. Army, Europe; chief, Plans and Requirements Branch, Operations Division, Headquarters, U.S. Army, Europe; and chief of staff, 3rd Armored Division, U.S. Army Europe.

In July 1965 he was promoted to brigadier general and assigned to the Office of the Assistant Secretary of Defense (International Security Affairs) as the director, Policy Planning Staff, and military member of Secretary Rusk's delegation of ANZUS and SEATO in 1966.

From November 1966 to August 1967, he was assigned to the 2d Infantry Division, Eighth United States Army, Korea, as assistant division commander for maneuver to assist in operations and control in the violation of the Demilitarized Zone by the Communists.

He returned to the United States in September, 1967, was promoted to major general, and assumed the duties of deputy director, Plans and Policy Directorate (J-5), Joint Staff, Organization of the Joint Chiefs of Staff.

On June 19, 1968 the President appointed him to replace General Andrew J. Goodpaster as the military adviser to Governor Harriman and Ambassador Vance at the Paris Peace Talks of Vietnam.

On March 19, 1969 he became commander general, 3d U.S. Infantry Division in Germany.

Major General Seignious assumed the duties of United States commander, Berlin on February 28, 1970, where he remained until May 13, 1971. He was advisor to Ambassador Kenneth Rush during the successful Quadripartite negotiations on Berlin in 1971.

Lt. Gen. Seignious became the deputy assistant secretary of defense, International Security Affairs (Military Assistance and Sales), on July 31, 1971, and with the establishment of the Defense Security Assistance Agency on September 1, 1971, he assumed the attendant duties and title of director, Defense Security Assistance Agency.

Effective June 12, 1972, Lt. General Seignious became the director, Joint Staff, Organization of the Joint Chiefs of Staff.

Lt. General Seignious returned to his Alma Mater to become President of The Citadel on August 1, 1974.

During his long and distinguished career, General Seignious has received numerous awards which include: Distinguished Service Medal with 2 oak leaf clusters; Silver Star; Bronze Star with 2 oak leaf clusters: Legion of Merit with 3 oak leaf clusters; Joint Services Commendation Medal; Army Commendation with 2 oak leaf clusters; American Campaign; Europe, Asia, Middle Eastern Campaign; Army Occupation (Germany); World War II Victory; Combat Infantry Badge; National Defense Service Medal with 1 oak leaf cluster; and Armed Forces Expeditionary Medal (Korea).

While President of The Citadel, President Jimmy Carter on September 20, 1977, named General Seignious delegate-at-large on the United States delegation to the Strategic Arms Limitation Treaty (SALT) negotiations at Geneva.

On December 4, 1978, General Seignious was sworn in as Director of the Arms Control and Disarmament Agency.

Mr. Chairman, as the wisdom of this Committee has been demonstrated many times in the past, I am confident of your careful consideration of General Seignious and equally sure that your judgment will be sound. Although General Seignious and I may, in the coming months, disagree on certain points of a negotiated SALT II Treaty, he is an experienced and capable man, who, in my opinion, should be confirmed as Director of the Arms Control and Disarmament Agency.

Mr. PELL. Mr. President, I am concerned that a military officer, Gen. George Seignious II, has been chosen by the President to direct the Arms Control and Disarmament Agency, although I will not oppose his confirmation.

As chairman of the Subcommittee on Arms Control, Oceans, International Operations, and Environment of the Committee on Foreign Relations, I have a particular interest in and responsibility for the Arms Control and Disarmament Agency. It is a small agency with a very limited budget. Yet, we expect that Agency to take the lead in making sure that arms control initiatives are considered as alternatives to or as complements to new weapons programs as a means of enhancing our national security.

If the Arms Control and Disarmament Agency is to be effective, it must have strong, intelligent, and capable leadership that will bring an effective advocacy of arms control to bear on national security issues. In this regard, I have reservations that a former military officer is the right kind of person to pursue alternatives to weapons programs, although I have the highest regard for General Seignious as a person.

As my fellow Members are aware, General Seignious was an active duty military officer for 32 years, until his retirement in 1974 as a lieutenant general. Yet, I am persuaded that the Agency, as a general rule, should have civilian leadership. Such a policy would be completely consistent with that applied to the Secretary and Deputy Secretaries of Defense since the inception of the Department of Defense after World War II.

I do not make this point, because of a belief that military officers are by nature unqualified to serve in this position. I do believe, however, that it will be difficult for military officers to become strong advocates of arms control against a background in which arms control has received very limited attention and consideration and in which their general efforts have been directed to more and better weapons.

I expect that the Committee on Foreign Relations will be considering later this session legislation which would impose certain restrictions upon military officers

holding the positions of Director and Deputy Director of the Agency in the future. I support such legislation as I believe that an effective rule should be imposed which would insure that an arms control point of view is effectively represented in the highest positions of the Agency.

No matter what the outcome of that deliberation, I have concluded that, despite my reservations about General Seignious' military background, he should not be affected. There is no law now which would prohibit his service, nor is there any evidence in the legislative history of an intent by Congress to bar active or retired military officers from this position. Accordingly I believe it would be unfair to General Seignious to subject him to a standard which does not presently exist.

Moreover, because of my particular responsibilities in regard to the Arms Control and Disarmament Agency, I was especially careful during the Foreign Relations Committee's hearing to satisfy myself that General Seignious deserved to be an exception to what I believe should be the general rule. General Seignious appears to be a fine person, a man of intelligence, character, and integrity. Accordingly I will support his nomination as an exception with the hope and expectation that he will be able to rise above his background and prove himself to be of unique value as a champion of arms control during his tenure as Director of the Arms Control and Disarmament Agency.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by the Senator from Tennessee (Mr. SASSER), who is in support of the nomination, be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement follows:

STATEMENT BY SENATOR SASSER

I support the confirmation of General George Marion Seignious II as Director of the Arms Control and Disarmament Agency. This appointment comes at a critical juncture in U.S. defense and foreign policy, and I believe that General Seignious is uniquely qualified to assume the post of Director of ACDA.

The challenge before us as a nation is to reduce the possibility of global nuclear holocaust, while maintaining a strong national defense to deter aggression and protect our interests and our allies. This is a very delicate balance. Achievement of that balance demands priority consideration of the factors included in the legislative mandate for ACDA: "This organization must have the capacity to provide the essential scientific, economic, political, military, psychological, and technological information upon which a realistic arms control and disarmament policy must be based."

I believe a key word here, in terms of the selection of General Seignious, is "realistic." He knows what it means to need the firepower, the equipment and the support to meet the enemy. And he knows what it means to send troops to their death. My good friends and colleagues from South Carolina, Senator Thurmond and Senator Hollings, have testified before the Foreign Relations Committee, and have convinced me, that General Seignious is acutely sensitive to both sides of the paradox of military leadership. And herein we find the balance required of any individual seeking to balance our realistic defense needs with our will to survive in the nuclear age.

Referring again to the ACDA mandate, I have complete confidence in General Seignious to spearhead the agency's scientific, economic and technological mission for he has presided with great imagination and success at the Citadel, where he served as President for the past four years. I have complete confidence in General Seignious to analyze the military and psychological ramifications of arms control, for among the awards he has earned during his distinguished military career are the Distinguished Service Medal with two oak leaf clusters, the Silver Star, the Bronze Star with two oak leaf clusters, and the Joint Services Commendation with two oak leaf clusters.

His experience as Deputy Assistant Secretary of Defense for International Security Affairs; Director of the Defense Security Assistance Agency; Director, Joint Starr, Organization of the Joint Chiefs of Staff; and Delegate-at-Large on the United States Delegation to the Strategic Arms Limitation negotiations at Geneva has provided him with the political background to deal very effectively in that arena.

President Carter has chosen well. He has recognized the vital need at this point in our history to select an individaul with broad-based qualifications and personal involvement with the issues at hand. President Carter has had the good fortune to find such a man in General George Seignious, who is also a gentleman of character who will represent the American people with honor and dedication to duty. I am honored to support his nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency. (Putting the question.)

So the nomination was confirmed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

Mr. HELMS. Will the Senator withhold that?

The PRESIDING OFFICER. Does the Senator withhold his call for a quorum?

Mr. CHURCH. Yes; I am happy to withhold.

The PRESIDING OFFICER. The Senator from North Carolina.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Since nothing is before the Senate, Mr. President, under the rule no Senator can speak. I ask unanimous consent that there be a period for the transaction of routine morning business, with statements limited therein to 10 minutes each, and that the period not extend beyond 20 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

S. 519—ACADEMIC FREEDOM ACT OF 1979

Mr. HELMS. Mr. President, the policy of Congress against Federal intervention in the American system of higher education is consistent and long standing. Congress has recognized on many occasions that the fundamental premise of academic freedom is academic autonomy. On numerous occasions Congress has enacted laws to guarantee the autonomy of higher education. Even when Congress substantially increased Federal financial assistance to education in legislation such as the Higher Education Act of 1965, it provided:

Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by an educational institution.

Yet, in the face of this clear intent of Congress to prohibit Federal intervention in the operation of America's colleges and universities, Federal bureaucrats have entangled college administrators and professors in a web of Federal regulations, reports and controls which have caused educators across the country to warn that the very existence of independent education in the United States is being threatened. These educators point with concern to the emergence in reality, if not yet in name, of a new and unauthorized national "Ministry of Education." I believe, Mr. President, it is time for Congress to fulfill its responsibility and regulate the Federal regulators, before Federal regulation of colleges and universities becomes Federal strangulation. Therefore, I am today introducing legislation to reduce the adverse effects of Federal regulation in interpreting congressional enactments which go beyond the scope of such legislation and impose upon academic freedom.

PAPERWORK MEASURED BY THE POUND, NOT THE PAGE

America's colleges and universities are laboring under a staggering amount of federally required paperwork. Government demands upon collegiate institutions to gather, analyze, and transmit information in confusing and sometimes contradictory form is increasing each year. Federal bureaucrats are producing a constant flood of new and revised laws, regulations, and guidelines that often leave college administrators confused, frustrated, and exhausted. Today, Federal paperwork is measured by the pound, not the page. For example, one report from the University of North Carolina in Greensboro to the Office of

Civil Rights weighed more than 12 pounds.

Recently, the Southern Association of Colleges and Schools studied the impact of Federal regulation on its member colleges. The report found that the cost of compliance with Federal regulations required some institutions to spend as much as 50 cents to administer every Federal dollar received. Other stated that they must spend more to comply with Federal regulations than they do to operate many academic departments. One college reported spending over $2 million in a single year merely to comply with various Federal requirements. The response of one administrator was typical:

All of us agree that for the most part the ideas behind the regulations are good and worthy; the difficulty is that when bureaucrats begin to write regulations, they become extremely complicated and, in many instances, difficult to administer as well as expensive in time and effort. They are becoming so numerous that they involve a genuine encroachment on the freedom of action of the private colleges.

This destructive governmental interference with academic freedom is not peculiar to universities located in Southern States. Bureaucratic regulatory overkill is nationwide. Derek Bok, president of Harvard University, asserted recently that 60,000 hours of faculty time at Harvard were spent complying with Federal regulations during 1975. Administrators at North Carolina State University estimate that, during the same year, their faculty and staff spent at least 61,000 hours in complying with Federal regulations.

Change magazine recently estimated that the cost to institutions of higher education of federally mandated programs reached $2 billion in 1976. This $2 billion figure is shocking in itself, but the real cost to colleges is revealed when it is remembered that the total amount of voluntary private contributions to institutions of higher education that year was approximately $2 billion. Change also estimates that for every new bureaucrat added to oversee university compliance another 150 university administrators must be hired to keep up with the increased workload.

Terry Sanford, president of Duke University, observes:

The avalanche of recent Government regulations threatens to dominate campus management. At the present rate, it is not difficult to imagine a day when facilities and administrators spend all their time filling out Government forms. It is just preposterous. The regulators must be regulated.

Over 25 years ago, President Eisenhower warned that "the prospect of domination of the Nation's scholars by Federal Government, project allocation, and the power of money is ever present, and is gravely to be regarded." Today, American educators too often echo President Eisenhower's warning. Charles Saunders of the American Council on Education recently asked:

Is regulation strangulation? The question aptly conveys our uneasy awareness that government legislation and court decisions are increasingly influencing the shape of higher education in America. . . . In practice, federal regulations too often impede and subvert the educational process by stifling diversity and imposing costly, burdensome, and unnecessary requirements.

During 1976, four private universities located in Washington, D.C.—American, Georgetown, Catholic, and George Washington—issued an unprecedented public declaration of independence from Federal control resolving to—

. . . affirm our intention to maintain institutional independence from any external intervention which threatens the integrity of our institutions, including refusal of Federal funds which carry such threats.

The cost of implementing Federal regulations adversely affects minority students as well. For example, at Duke University the cost per student of implementing federally mandated social programs has increased from $58 in 1968 to $451 in 1975. The cost of compliance has affected other private universities even more drastically. To take another example, the cost at Georgetown University has risen from only $16 per student in 1965 to $356 in 1975. This increase in the cost of attending college most affects minority and low-income students. These students can lease afford any increase in the cost of attending school. Minority and low-income students are most dependent upon financial aid. The millions of dollars which are today spent implementing Federal regulations could be spent providing thousands of minority and low-income students with a college education.

A recent study by the American Council on Education of the cost of complying with Federal regulations at six institutions of higher learning in the United States found that the combined cost for only six colleges is approximately $10 million. And this $10 million figure does not include the cost of implementing those regulations which apply particularly to educational institutions under title IX of the Education Amendments of 1972 and the so-called Buckley amendment regarding student privacy. If the cost of these programs are also added, the cost per student would be much greater.

The cost of developing and implementing affirmative action and equal employment opportunity programs constitutes a substantial share of the total cost of Federal regulation. The impact is substantial on both large State universities and small junior colleges. For example, at the University of Illinois equal employment and affirmative action requirements consume 64 percent of all funds spent to comply with Federal mandates, and at Miami-Dade Junior College 40 percent of all compliance funds are used for that purpose. Simply developing an affirmative action plan can cost hundreds of thousands of dollars. For example, a single affirmative action plan cost $400,000 to develop at the University of California at Berkeley, while the one developed at the University of Michigan cost $350,000.

The total amount of money actually spent by such institutions to comply with all regulations usually runs into the millions of dollars. In 1975, the University of Illinois spent $1,302,545; Georgetown University spent $3,603,243; and Duke University spent $3,618,070. And according to the report of the American Council on Education, the cost impact of affirmative action programs "has only just begun to be felt."

No only do compliance requirements cost millions of dollars, but they also divert existing resources from their intended purposes. At the University of North Carolina at Greensboro, compiling 10 reports required by HEW "swamped" the University's computer facilities. The director of institutional research recalled: "All other uses of the computer stopped. For a 6-month period we did nothing but HEW reports."

Federal law affecting higher education generally directs Federal bureaucrats to enforce its provisions among institutions of higher learning "receiving Federal financial assistance." Hence, what constitutes a "recipient institution" under the regulations adopted pursuant to and within the scope of Federal law determines, in large part, the extent of the bureaucracy's power under the statute. HEW has interpreted the word "receive" in such a fashion as to gain control over almost every aspect of university life in the United States.

The HEW regulations provide that not only does "Federal financial assistance" include grants and other funds given directly to the institutions themselves or to one of their programs or activities, but also scholarships, loans and other funds made directly to students. For example, title IX provides that Federal agencies administering its provisions may withhold or terminate "Federal financial assistance" to institutions which do not comply with their implementing regulations. The immense power such a provisions grants Federal regulators is obvious. HEW and other Federal agencies have used this power to impose affirmative discrimination by requiring quotas and goals under the threat of the termination of Federal funds for noncompliance. However, the Federal bureaucracy has not found this provision sufficient to implement many of its regulations which have proved widely unpopular and of questionable legality.

In 1975, HEW adopted regulations implementing title IX which took the position that all educational programs and activities of a "recipient institution" benefited from Federal financial assistance to any program or activity. The regulation defines "recipient" as any institution that "operates an education program or activity which receives or benefits from such assistance." This assertion by HEW, that it may regulate all aspects of all education activities of an institution of higher education which receives Federal funds for any program, has allowed HEW, without congressional authorization, to direct almost every aspect of university life in almost every college in the United States. According to Dr. Dallin Oaks, president of Brigham Young University and director of the American Association of Presidents of Independent Colleges and Universities, the effect of this HEW action is such that—

• • • if an educational institution has received even indirectly, a single dollar of federal money, every decision, activity, facility, educational policy or communication of that institutions is subject to review and regulation by the Department • • • The Department has therefore taken the position that if a college or university receives some direct or indirect financial assistance for its department of chemistry it must accept government supervision of all of its other academic departments, its dormitories, its admissions and financial aids policies, and every other aspect of its operations.

HEW has adopted a philosophy of regulation regarding higher education described by Kingman Brewster, president of Yale University, as "now that I have bought the button, I have a right to design the coat." Many private universities have refused Federal assistance in the form of grants and other aid on the grounds that such assistance must necessarily entangle them in Federal controls. They hold that the Constitution's first amendment freedoms create a wall of separation between Government and academia. Indeed, the U.S. Supreme Court has recently stated:

The right of freedom of speech and press includes not only the right to utter or print, but • • • the freedom of the entire university.

Many colleges have never accepted Federal assistance and, therefore, fell outside title IX enforcement provisions regarding the loss of Federal funds. To overcome these obstacles, HEW has gone beyond the intent and scope of title IX.

Thus, HEW interpreted a "recipient institution" to include an institution whose students receive Federal assistance in the form of scholarships, loans, grants, or other funds. Under the HEW formulation a college with a student who receives Federal assistance, also "receives" such assistance. Such a holding not only distorts the purpose of such assistance, but it also distorts the meaning of the word "receive" itself.

According to the legal encyclopedia, "Corpus Juris Secondum," volume 72, page 643, the word "receive" is defined in reference to "a change of possession, as when one parts with the control of a thing and another takes and accepts it."

Clearly under the conventional and legal definition, the act of receiving Federal financial assistance is complete when the student receives the assistance, whether it be in the form of veterans educational benefits or national student defense loan. The impropriety of HEW's application of the term is evident when applied to other situations. Applying HEW's interpretation, Nobel Prize winner, Prof. Milton Friedman has pointed out:

The corner grocer and the A & P are "recipient institutions" because some of their customers receive social security checks. The New York Times and The Chicago Tribune are federal contractors because welfare recipients buy papers.

As Professor Friedman concludes:

No argument is too silly to serve as a pretext for extending still further the widening control over all of our lives that is being exercised by government.

Yet the results are anything but funny. Many private colleges and universities have, as a matter of academic or religious principle refused Federal assistance suspecting that Federal control would soon follow. In the case of title IX, administrators of religious colleges like Dr. Willis Weatherford of Berea College, observe that HEW's implementing regulations would force the college to violate its religious principles in regard to the subjects of marriage, abortion, and pregnancy. Others agree with Dr. George Roche of Hillsdale College, that—

Rather than allow such a federal takeover of our campus, we are prepared to refuse compliance with the government edicts.

However, this position should not underestimate the power of the Federal Government to harass and even destroy institutions which refuse to comply. There are many institutions with such a large number of students receiving Federal assistance, that should this regulation be allowed to stand, their only alternatives, according to Prof. Virgil Mitchell will be to "obey the Federal Government or cease to exist."

AMERICAN ASSOCIATION OF PRESIDENTS OF INDEPENDENT COLLEGES AND UNIVERSITIES ENDORSES THE ACADEMIC FREEDOM ACT OF 1979

Mr. President, I am pleased to announce that the Board of Directors of the American Association of Presidents of Independent Colleges and Universities has endorsed the Academic Freedom Act of 1979.

Although the provisions of this bill are not restricted to private colleges and universities, it is apparent from many of the examples which I have just discussed that the adverse impact of Federal regulation is often most greatly felt by these schools. Unlike their counterparts in the public sector, private colleges do not have the ability to pass along to the taxpayers of their State the increased costs of Federal regulation. Recently, many small private colleges have closed their doors and gone out of existence, in part due to the spiraling costs of Federal intervention.

Additionally and perhaps most importantly, private colleges and universities are least likely to possess the resources necessary to withstand this Federal assault and preserve their institution's independent existence. Dr. Dallin H. Oaks, president of the American Association of Presidents of Independent Colleges and Universities, stated in an address to the Western College Association, in regard to academic freedom:

An institution which lacks freedom from government interference in the management of its educational functions cannot protect its faculty from government interference in theirs.

The board of directors of the American Association of Presidents of Independent Colleges and Universities adopted the following resolution:

The proposed Academic Freedom Act of 1979 is a sound legislative corrective for serious problems that beset the private sector of higher education. We support it in principle and request congressional hearings in which AAPICU and its members can give suggestions on specific phraseology.

CONCLUSION

Mr. President, the Academic Freedom Act of 1979 would do much to solve the problem of Federal entanglement in higher education. First, it requires that any Federal agency issuing a rule affecting institutions of higher education must adopt an education impact statement which shall determine whether any information sought under the rule is already available from or being gathered by another Federal agency, and also assess the cost and time involved by institutions in complying with such rule. Second, it provides for the maintenance of educational standards by prohibiting a rule which would directly or indirectly require, promote, or encourage the abandonment or reduction of academic requirements for admission to any undergraduate or graduate degree program. In addition, it would prohibit any rule which would directly or indirectly encourage or promote the abandonment of any graduate or undergraduate degree program itself. Third, it provides an exemption from Federal regulation for any institution which, during the last fiscal year, does not receive more than $300,000 or 5 percent of its annual current funds budget in Federal assistance. Fourth, it provides that Federal regulations may apply only to those educational programs or activities which are direct recipients of Federal financial assistance. Fifth, it limits the power of a Federal agency to terminate financial assistance only to a program which is in noncompliance with a lawful regulation and prohibits that program from being used as the basis for terminating assistance to other programs of the institution which are in compliance with that regulation. Sixth, it provides that scholarships, loans, grants, wages, or other funds extended to an institution on behalf of students or extended directly to students shall not be construed as Federal financial assistance to that institution. And, seventh, it provides that no Federal financial assistance shall be terminated, withheld, or otherwise encumbered on the basis that the institution is in noncompliance with a Federal regulation when the institution has sought judicial review and until all appeals of such action have been exhausted.

Mr. President, I ask unanimous consent that the Academic Freedom Act of 1979 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Academic Freedom Act of 1979".

FINDINGS

SEC. 2. The Congress finds that—

(1) the excessive demands on time which administrators and teachers of institutions of higher education must utilize in order to responsively reply and conform with regulations, reporting, requirements, compliance proposals, and other administrative regulations adversely affects the financial resources of such institutions and the educational quality of such institutions;

(2) increasing Federal intrusion into the curriculums and grading, admission, and hiring policies of institutions of higher education in the United States is endangering the academic freedom of such institutions;

(3) the diversity and independence of higher education in the United States, founded on the philosophy of local autonomy and service to a local community, offers Americans the greatest freedom to pursue their education and exercise their first amendment freedoms; and

(4) it is necessary and proper that the Congress pursuant to the powers granted to it by the Constitution of the United States, including, but not limited to, the first and fourteenth amendments thereof, should take action to enhance and to promote its long standing protection of academic freedom among institutions of higher learning.

DEFINITION

SEC. 3. As used in this Act the term:

(a) "Regulation" means any rule, guideline, interpretation, order, or requirement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy and includes recordkeeping or reporting requirements imposed by any agency or authority of the United States.

(b) "Institution of higher education" means an educational institution in any State which—

(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) is legally authorized within such State to provide a program of education beyond high school;

(3) provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(4) is a public or other nonprofit institution; and

(5) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner of Education pursuant to section 601(e) of the Elementary and Secondary Education Act of 1965 or licensed by the State in which it is operated.

(c) "Federal financial assistance" includes, but is not limited to, grants, loans, and any other payments made out of appropriated funds including funds made available under any contract to which the United States is a party or with respect to which the United States is a beneficiary.

EDUCATION IMPACT STATEMENT

SEC. 4. Notwithstanding any other provision of law, no regulation affecting any institution of higher education in the United States, promulgated on or after the date of enactment of this Act, shall become effective unless a copy of such agency causes to be published in the Federal Register a copy of such proposed regulation together with an educational impact assessment statement which shall—

(1) determine whether any information required to be transmitted under such regulation is already being gathered by or is available from any other agency or authority of the United States; and

(2) assess the cost and time involved in complying with such regulation by institutions of higher education which would be affected thereby.

Notwithstanding the exception provided under section 553(b) of title 5, United States Code, such statement shall be based upon the record established under the provisions of section 553 of title 5, United States Code, compiled during the rulemaking proceeding regarding such regulation.

MAINTENANCE OF EDUCATIONAL STANDARDS

SEC. 5. No agency or authority of the United States shall promulgate or enforce any regulation under any Act of Congress or pursuant to any Executive order which directly or indirectly requires, promotes, or encourages, the abandonment or reduction of academic requirements for admission to any program or activity, or to any undergraduate or graduate degree program of such institution of higher education, or the abandonment of any undergraduate or graduate degree program.

HIGHER EDUCATION FINANCIAL ASSISTANCE LIMITATION

SEC. 6. (a) As used in this section the term "current funds budget" means all anticipated operating revenues, expenditures, transfers, and allocations applied to all operations and activities for the educational and general functions and auxiliary enterprises of any institution of higher education, including anticipated uses of current funds, revenues for purposes other than current operations, and restricted current funds.

(b)(1) No institution of higher education shall be deemed to be the recipient of Federal financial assistance under any equal employment opportunity law or order, when the total Federal financial assistance received by such institution during the last fiscal year does not exceed $300,000 or 5 per centum, whichever is greater, of such institution's annual current funds budget.

(2) Nothing contained in this subsection shall prohibit the maintenance and filing of records in compliance with laws governing the normal financial administration of such Federal financial assistance.

(c) No officer or employee of the United States shall have the authority to issue any regulation pursuant to any Act of Congress or Executive order with respect to educational programs or activities of any institution of higher education which is the recipient of Federal financial assistance unless such educational program of such institution is the direct recipient of such Federal financial assistance.

(d) Termination of, refusal to grant, or to continue Federal financial assistance to education programs or activities of any recipient institution of higher education or to any such institution pursuant to the provisions of any Act of Congress or any Executive order shall apply only to the specific program or activity in which a finding of noncompliance with a lawful regulation with respect thereto has been made. A finding of such noncompliance in one program or activity of such an institution to which Federal financial assistance has been extended does not empower or otherwise authorize any officer of the United States administering such assistance to terminate such assistance to other educational programs or activities conducted by the recipient institution of higher education or to such recipient institution itself.

(e) For purposes of this section, scholarships, loans, grants, or wages or other appropriated funds extended to any institution of higher education for payment to or on behalf of students admitted to such institution, or extended directly to such students for payment to such institution, shall not be construed as Federal financial assistance to such institution for any purpose under any Act of Congress or any Executive order, even where such assistance to such institution constitutes a reimbursement for the administration of other funds or other substitutable funds.

JUDICIAL REVIEW

SEC. 7. No Federal financial assistance granted to any institution of higher education which is a party to any action in the courts of the United States alleging in whole or in part the failure of such institution to comply with any regulation or that any regulation is unlawful or otherwise improper in its substance or in the administration or application thereof may be terminated, withheld, or otherwise encumbered until all appeals of such action have been exhausted.

Mr. HELMS. Mr. President, I send the bill to the desk in connection with the statement I have just made and ask that it be given immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. A parliamentary inquiry, Mr. President. Does that request require a unanimous-consent?

The PRESIDING OFFICER. It would take unanimous consent to consider the bill at this time.

Mr. BAYH. I do not want to be discourteous to my friend from North Carolina. I do not have any idea what is in it and if we are going to consider it immediately——

Mr. HELMS. I merely wanted to get on the calendar.

Mr. BAYH. If the Senator from North Carolina objects, I will accept his objection.

Mr. HELMS. I will not object.

The PRESIDING OFFICER. The clerk will read the title of the bill.

The assistant legislative clerk read as follows:

A bill (S. 519) to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations, or orders with respect to institutions of higher education.

Mr. BAYH. Mr. President, I object.

The PRESIDING OFFICER. Is there objection to its immediate consideration?

Mr. BAYH. I object, with all deference to my friend from North Carolina.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. HELMS. No, Mr. President, objection was heard to its immediate consideration. I beg the Chair's pardon.

The PRESIDING OFFICER. The Chair stands corrected.

First reading having occurred, the bill will remain at the desk pending its second reading on a different legislative day.

Mr. HELMS. That is correct.

I thank the Chair.

S. 520—CONSTITUTIONAL CONVENTION PROCEDURES ACT

Mr. HELMS. Mr. President, I send another bill to the desk and ask that it be stated and I ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to Article V of the Constitution.

Mr. BAYH. Mr. President, reserving the right to object, one can gather from the title what the subject of it is.

I think that perhaps I am chairman of the committee that has jurisdiction

over that matter. I am very familiar with it. It is very complicated and a very important piece of legislation.

I certainly, with all respect to the Senator from North Carolina, would object to its immediate consideration.

The PRESIDING OFFICER. Objection having been heard to its immediate consideration, the bill having been read once will be held at the desk pending its second reading on the next legislative day.

Mr. HELMS. I thank the Chair.

Mr. President, before I yield the floor, I want to assure the distinguished Senator from Indiana that he has this bill available to his subcommittee. I, indeed, hope he will give it immediate consideration, or its consideration as soon as practicable and possible in terms of the time the Senator has.

I will further add that this bill is the same legislation that has passed the Senate twice under the sponsorship of our former distinguished colleague from North Carolina, Mr. Ervin.

It has been changed only slightly to update it.

Again, I do hope the Senator from Indiana and his subcommittee and the full Judiciary Committee will give it consideration as soon as it may be possible.

I thank the Chair and I yield the floor.

JUVENILE CRIME

Mr. HEINZ. Mr. President, while many Americans have expressed concern for their own safety and well-being due to an increase in criminal activity in their communities committed by youth, it is pleasing to know that in some cities in this country there are concerned dedicated people who are willing to do more than worry about that problem.

A recent article appearing in the New York Times described the quiet, effective work of David and Falaka Fattah, two Philadelphians who are working in their community to bring a sense of peace and unity to troubled youth. They have, through their caring and understanding of the problems of young people, managed to bring about . dramatic decrease in the number of gang deaths in a city which once averaged 39 such deaths a year.

The author of the article, "A Local Approach to Curbing Juvenile Crime," is Robert L. Woodson, a resident fellow at the American Enterprise Institute for Public Policy Research and former director of the National Urban League's criminal justice department. His challenge to the traditional criminal justice system—to observe and learn from the successful programs established by those working at the community level like the Fattah's—deserves serious consideration as proven, results-oriented, alternatives to the research-oriented activities funded by the Justice Department in the past.

Mr. President, I ask that the full text of Mr. Woodson's article be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LOCAL APPROACH TO CURBING JUVENILE CRIME

(By Robert L. Woodson)

WASHINGTON.—In the mid-1960's, Philadelphia, plagued with youth-gang violence for several decades, had the unenviable reputation as the "youth-gang capital of America." Each year an average of 39 black youths died on the streets and hundreds more were left maimed for life. As gun warfare raged, the general crime rate continued to soar upward and innocent bystanders were often felled by stray bullets.

The number of gang deaths declined in 1978 to one. In addition, the crime rate is also abating now, and west Philadelphia is coming back to life, almost solely because of the efforts of a couple named David and Falaka Fattah, who are founders of the House of Umoja, a unique neighborhood organization (the word "umoja" means "unity" in Swahili). With unorthodox ideas, no formal training in social work and virtually no Government support, the Umoja program has taken embraced some of Philadelphia's toughest gang members in a new concept of peace. Umoja is by no means the only such neighborhood program in the United States dealing directly and successfully with the needs of troubled youngsters.

In Puerto Rico, the community service center of Ponce, organized by untrained, nonprofessionals, has worked for the last seven years with young people to unite them in a common effort to rid their community of crime. The center tries to provide hope instead of despair to its young and poor with programs of job development and other activities geared to uplifting the spirit of the community.

In Hartford, Conn., recently, an unusual dance was organized by members of six or seven gangs—not allies but rivals. The proceeds were used, by agreement, for a Halloween party for younger children and to buy food for a number of elderly people.

Last year, the New York State Legislature appropriated $5 million for the State Division for Youth in order to fund local juvenile-delinquency-prevention programs. Over 900 applications were received from neighborhood organizations requesting a total of $70 million, clearly indicating high interest in addressing the problem of youth crime. Considering that the state spends more than $67,000 per year for each youth in its maximum-security prisons, directing funds to a local organization, aside from being a more sensible approach to curbing youth crime, is also less expensive.

All too often this interest and creative and effective indigenous neighborhood efforts are ignored by criminal-justice professionals and policymakers because they fail to understand or refuse to accept phenomena outside their own theoretical beliefs or because these programs require skills that they do not possess. Perhaps it is this attitude possessed by many professionals that has led to the failure of the Federal program to combat youth crime.

A review of the activities of the Justice Department's delinquency-prevention program reveals a pattern of waste, inefficiency and appalling lack of sensitivity to self-help endeavors in high-crime communities. As of 1978, $181 million was appropriated by the Congress for the delinquency-prevention office for use by states in locally-initiated programs to combat youth crimes, but because of bureaucratic conflicts states were unable to spend the funds. At present, $144 million remains unspent and out of the reach of needy youths.

Instead of encouraging such local efforts in high-crime areas, the juvenile-justice office has concentrated on the de-institutionalization of "status offenders"—those youngsters who are truants, runaways or who have committed other acts that would not be considered crimes if the youngsters were adults.

Most of the Federal Government's money has been spent on consulting firms, on the expansion of criminal-justice bureaucracies and in support of university-based researchers who have offered little in the way of solutions except the continued "academisation" of the youth-crime issue.

The trend also has been to fund programs away from major metropolitan high-crime areas. For example, the state of Washington, with fewer than 500,000 youths between the ages of 14 and 19, received a total of $1.6 million from the Office of Juvenile Justice. Pennsylvania, with a youth population of over 1.3 million, received a total of $444,629 in grants.

The net result is that those youths who have committed minor offenses are being screened out of the criminal-justice system, but, at the same time, the more troubled youths in inner-city areas are receiving no help, and in fact are left to the adult criminal-justice system.

If no answers to the youth-crime problem are forthcoming from the programs undertaken by the Office of Juvenile Justice, policy-makers and politicians and the American public understandably will conclude that the noncoercive crime-control programs do not work. Support will build for regressive legislation for longer and longer sentences for younger and younger children. The punitive measures designed for the small group who commit violent acts will be extended to youths charged with nonserious delinquent acts. The result will be that we will continue to fund our fears while failing to mount an effective effort to address the problem of youth crime.

INDEPENDENCE OF LITHUANIA

Mr. HEINZ. Mr. President, the declaration of the independence of the sovereign state of Lithuania is now being celebrated in its 61st year. Regrettably that celebration will be in spirit only as the independence of Lithuania lasted only 22 years.

Since 1940 more brave people have been placed under the yoke of oppression and dominance of the Soviet Union. The Soviet occupation of Lithuania for the past 38 years has by no means lessened the aspirations of these brave people to preserve their national identity and heritage. This unusual showing of solidarity is worthy of our attention in view of the burdens that the Lithuanians have been forced to bear. Since the Soviet invasion, it has been estimated that close to 200,000 Lithuanians have been deported to Siberia.

While the great majority of these deportations occurred during the Stalin years, Soviet harassment and persecution of Lithuanians has by no means vanished. Within the last few years there have been numerous reports seeping out of occupied Lithuania of "kangaroo" courts convicting Lithuanians for "crimes against the state." In these cases individuals were attempting to exercise freedom of speech and religion, which we here in America hold so dear and essential.

Sentencing following these unwarranted convictions, in many cases, reached tens of years in slave labor camps.

Balys Gajauskas, a notorious victim of the Soviet's unrelenting terror against the Lithuanian people, was sentenced last year to 10 additional years in labor camps and 5 years of exile. This most recent "crime" was the collection of historical materials that dealt with the Lithuanian anti-Soviet guerrilla movement in 1948–51.

Viktoras Petkus, who has been detained by Soviet authorities since 1977 and faces in all probability stiff sentencing in a Soviet court, has in the past been involved in verifications and implementation of the Helsinki accords as a member of the Lithuanian Helsinki Group.

Petrus Plumpa, a strong advocate of both religious and political freedom in Lithuania, was sentenced to 8 years strict regime for his alleged printing of the Chronicle of the Lithuanian Catholic Church.

Most of the Lithuanian dioceses are ruled not by bishops, but administrators, thanks to Soviet religious persecution, illustrated by the banishment of Bishops Julijus Steponvicius and Vincentas Sladkevicius from their dioceses for over 15 years thus far without trial.

As you have heard, Mr. President, Soviet policy has attempted to lessen Lithuanian religious and nationalistic zeal by state doctrine and subtle discrimination. Their attempts have fortunately not broken the will and determination of the Lithuanian people to preserve their identity and heritage.

We here in the United States must herald these brave people and support their endeavors. In the era of human rights, it is most important that the full implementation of such agreements as the Helsinki accords as supplemented by the Belgrade Conference and the United Nations Universal Declaration of Human Rights be implemented to the fullest. We must strongly oppose Soviet harassment of all individuals such as Viktoras Petkus who support and verify the implementation of those accords which the Soviet Union has accepted.

The United States must continue to speak out in favor of the Lithuanians and all of the peoples of the Baltic States. America's credibility as a free and Democratic country depends on our continuing firm commitment to the oppressed people of Lithuania. Independence and personal freedoms are virtues that we must consistently strive for. May the people of Lithuania continue in their quest for such freedoms as well.

PROPOSED REGULATIONS OF THE FEDERAL ELECTION COMMISSION

Mr. PELL. Mr. President, on February 16, 1979, the Federal Election Commission transmitted to the Senate proposed regulations governing the Presidental Primary Matching Fund, chapter 96 of title 26, United States Code.

The Commission is permitted to prescribe these proposed regulations in final form if they have not been disapproved by either the Senate or the House of Representatives within 30 legislative days. According to 26 U.S.C. section 9039 (c)(3), a legislative day is a calendar day when both the Senate and House are in session. Through February 26, 1979, only 4 legislative days will have expired. In exercising its disapproval power, should it choose to do so, the Senate has the statutory right to disapprove any provision or series of interrelated provisions stating a single separable rule of law (26 U.S.C. § 9039(c)(4)).

The proposed regulations governing the Presidential Primary Matching Account represent the first part of the FEC's effort to rewrite and update regulations governing Federal elections, last undertaken 3 years ago.

Since that time, numerous FEC advisory opinions and court decisions have been handed down, necessitating revision and clarification of FEC policies. The experience gained by the Commission in administering the campaign laws has given the Commission a better idea of how to implement and interpret the Federal Election Campaign Act more fairly and efficiently. In redrafting regulations to chapter 96 the Commission conducted public hearings on operation of the Presidential Primary Matching Fund during the 1976 campaign. These hearings provided a forum for candidates and parties to express their views on revision of regulations in this area.

By promulgating new regulations section by section instead of all at once, the Commission is giving the public and Congress a better opportunity to review and comment. Likewise, candidates and other filers with the Commission will have ample time to understand the rules governing campaign financing before the election year begins.

The revised regulations to the Presidential Primary Matching Fund further refine the following aspects of chapter 96: Definitions, eligibility for payments, entitlements, expenditure limitations, certifications by the Commission, payments, and examinations and audits. Copies of the proposed regulations are available from the Committee on Rules and Administration, 310 Russell Senate Office Building (224–5647), or from the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463 (800–424–9530). Members of the Senate and the public are requested to forward any comments they may have with respect to these proposed regulations to the committee.

WILLIAM J. LYNCH

Mr. PELL. Mr. President, this Saturday night in Providence, R.I., the State Council, Knights of Columbus, will present their biennial Hope Award.

In the words of the K of C, this award is presented to an individual who "by his or her life and labor and humanitarian influence has made an exceptional and significant contribution to the building of a better Rhode Island community."

Mr. President, I can think of no person more deserving of this honor, no person who more fully meets the requirement that his or her life have been dedicated to helping others in our State, than this year's recipient: William J. Lynch.

Some may suspect that my view is biased because Bill Lynch served on my staff in Providence for the past 7 years. But I am sure that the thousands of Rhode Islanders whose lives have been touched, whose burdens lightened, whose problems alleviated by Bill Lynch will surely agree this award is most fitting.

For 30 years Bill Lynch has dedicated his life in the most selfless and tireless way to helping others. From the moment he joined the staff of the late Congressman John Fogarty in 1949 until his retirement at the end of 1978, his was a life of commitment and compassion.

His personal philosophy was best expressed in his own words in a recent article marking his retirement: "It's been personally a very, very satisfying career because it has involved people," Bill said. "You get a real bang out of it when you help people who don't have anywhere to go."

And possibly no person in memory in my State has actually, personally helped as many people as Bill Lynch. He never thought of people as "cases" or his work as "casework", but as people with problems and he approached every one of those problems with unshakeable commitment to help.

And help he has. He has helped find jobs for an untold number of Rhode Islanders. He has helped eliminate the problems which many thousands of Rhode Islanders have experienced with social security, veterans programs, immigration laws, and a myriad of other Federal programs.

And for Bill Lynch the challenge of helping people had no 9 to 5 limit. People called and came to his home seeking his help. People approached him on weekends, at church, at the meetings of the many philanthropic organizations with which he served, and even in his favorite tavern. And every one of them received the same courteous and compassionate commitment to help.

Mr. President, to me Bill Lynch is the personification in my life of the old fashioned Irish politician: He believed that the business of politics was helping people and he conducted that business with a style and a dedication that may never be matched.

This tribute by the Rhode Island State Council, Knights of Columbus, could not be more fitting and I applaud the council on their perfect choice.

I ask unanimous consent that a recent article in the Evening Bulletin of Providence marking the retirement of Bill Lynch be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Providence (R.I.) Evening Bulletin, Dec. 29, 1978]

"UNBELIEVABLE GUY" LEAVES LIFE OF SERVICE

(By S. Robert Chiappinelli)

PROVIDENCE.—To put it in strictly journalistic terms: William J. Lynch, 72, retired today from the staff of Sen. Claiborne Pell.

To put it in human terms is a lot more difficult and requires a lot more space for Bill Lynch has been, in the words of Thomas G. Hughes, administrative assistant to Sen.

Claiborne Pell, "like the fifth member of Congress in Rhode Island."

"We tend to think people come to senators and congressmen for help," Hughes said. "We have a huge number of people who walk into our office and want to talk to Bill Lynch. If he's not there they don't want to be helped."

"He's just an incredibly compassionate guy," said John A. Cummings, Pell's executive assistant who has worked with Lynch for the last three years and has seen him help countless people get jobs and solve government snafus.

Bill Lynch, a former aide to the late Rep. John E. Fogarty, is one of the last of the political breed that never missed a wake or funeral, always was ready to help a constituent and knew just about everyone and everything in government.

"He's just an unbelievable guy," Hughes said. "He's the most natural Irish, compassionate politician I have ever known. I'm constantly astounded in the 30 or so years he's worked for the federal government the things he's done for people."

Rep. Edward P. Beard said today that no files could hold the list of people that Lynch has helped over the years.

"This guy for 30 years gave everything," Beard said of Lynch, whom he also described as almost an additional member of the Rhode Island Congressional delegation. "This closes a chapter of an era of dedication that it's hard to duplicate," Beard said.

"I don't think they're going to make them like that anymore," said Charles J. Fogarty, brother of the late congressman and district director of the Small Business Administration here where Lynch worked for five years.

"He's that old style," Fogarty said. "He never misses a wake or a funeral. He's just the old school."

Fogarty also describes his friend as a great student of the English language who does a lot of writing. "Words flow out of him," Fogarty said. "Any letter he sends under Congressional seal it's a masterpiece."

"His reputation knows no bounds," Cummings said. "He's just an amazing man. that's all. He knows people in every little city and town and hamlet in this state."

Senator Pell was planning to take Lynch and the rest of the staff out to lunch today in recognition of Lynch's service but at 11:45 a.m. Lynch was still working.

"I got three more cases right here on my desk and when I get these completed I will have worked right up to the deadline and I can leave with a clear conscience," he said.

"It's been personally a very, very satisfying career because it has involved people," said Lynch. "You get a real big bang out of it when you help people who don't have anywhere to go," he added.

"I came up the hard way myself," explained Lynch, whose father worked for about 60 years as a gardener at the Swan Point Cemetery and whose mother worked in a factory to put him through college. That gave him an appreciation of the needs of people, Lynch said.

Lynch, a graduate of the old Providence Technical High School and Providence College, joined Representative Fogarty's staff in 1949 and served with him until Fogarty's death in January, 1967.

For five years after that he worked for the Small Business Administration in Rhode Island and then in 1971 he joined Pell's staff.

He praised the competence of the Pell staff and said his boss had the same kind of overriding concern for people that Fogarty did. "That's why I've been so happy, I've worked for two wonderful bosses," the Smithfield resident said. Friends say Lynch has remained unassuming despite countless accolades and at least four testimonials, including one in which 1,300 people crammed into Rhodes on the Pawtuxet. "I think if they had another testimonial, they couldn't hold it inside," Fogarty said, referring to the large number of people who would want to attend.

Lynch, who is a former two-time district deputy of the Knights of Columbus, a member of the board of directors of the Big Brothers of R.I. Inc. and active in numerous other volunteer organizations, says he will have plenty to keep him busy in retirement.

The real question seems to be what will happen to the people he has served so personally over the years.

"I don't know what people are going to do who have just been used to picking up the phone and calling him," Fogarty said.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of February 26, 1979, the Secretary of the Senate on February 27 and February 28, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on February 27 and February 28, 1979, are printed at the end of the Senate proceedings.)

PRELIMINARY PROPOSALS FOR INITIAL FUEL ASSURANCE—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 28

Under authority of the order of the Senate of February 22, 1979, the Secretary of the Senate, on February 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to Section 104(b) of the Nuclear Nonproliferation Act of 1978, enclosed is a report on Preliminary Proposals on Initial Fuel Assurances.

As indicated in the report, we are continuing our assessment of alternative fuel assurances schemes and will inform you of any proposals as these assessments are concluded. The current alternatives envision uranium stockpiles with size ranges between 2 million and 10 million separative work units. Present estimates of the costs for these program alternatives, based on the current market value of the uranium fuel and the enrichment services, are approximately a half billion to more than 2 billion dollars.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1979.*

REPORT ON THE INTERNATIONAL EXCHANGE-OF-PERSONS PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 29

Under authority of the order of the Senate of February 22, 1979, the Secretary of the Senate, on February 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In response to Section 203 of the Foreign Relations Authorization Act (P.L. 95-426), I take this opportunity to inform you of the Administration's current plans to increase exchange-of-persons activities administered by the International Communications Agency (USICA). A significant expansion of financial support for these activities is contained in the FY 1980 budget submission for USICA. The Administration's review of the USICA-administered cultural and educational exchange programs has also produced an agenda of important questions to be addressed in the year ahead. I enclose a detailed report on these matters provided to me by the Director of USICA.

As I stated in my message transmitting Reorganization Plan No. 2 of 1977: "Only by knowing and understanding each other's experiences can we find common ground on which we can examine and resolve our differences . . . As the world becomes more and more interdependent, such mutual understanding becomes increasingly vital." Because direct personal contact is such an effective and lasting form of communication, exchange-of-persons activities are fundamental to the achievement of these objectives.

Unfortunately, the vital long-term role played by these programs in our international affairs is too often obscured by more visible, more immediate, but frequently less fundamental matters. The recent administrative reorganization which established USICA affords an excellent opportunity to reexamine this important dimension of our international relations.

The reassessment is complex and difficult, but nonetheless essential to the development of a sound program. Because some critical data will require more time to collect, our reassessment will require a good deal of work beyond that already accomplished. However, some preliminary conclusions are reflected, already, in USICA's plans for FY 1979, its proposed budget for FY 1980, and planning levels for subsequent years.

Including domestic and overseas staff costs, the USICA FY 1979 budget for exchange programs is approximately $75 million. The FY 1979 allocation represents a program increase of $4-350,000 over FY 1978. Over sixty percent of the increase is allocated to already established programs with particular emphasis on projects involving African and Middle Eastern Countries. Initiatives being financed from increased funds include new projects with the People's Republic of China, the Hubert H. Humphrey Fellowship program, and additional counseling services for foreign students seeking admission to, or already attending, U.S. universities.

For FY 1980, an additional $4,450,000 is being proposed for the first full year of the Humphrey Fellowship program; an increase of $800,000 is being requested to extend and improve student counseling services; and an additional $350,000 is planned for exchanges with China.

For the period FY 1981-83, annual program increases of $5 million are currently being projected. The plan, thus, calls for a total increase in exchange programs of approximately $25 million over the period FY 1979-83. For this same period, further increases of over $30 million are projected to cover overseas costs increases.

This plan will, of course, be reevaluated on an annual basis. Final budget proposals and areas of priority emphasis will be subject to our continuing assessment of these programs, as well as to international developments and the Administration's over-all budgetary goals.

Finally, I should like to emphasize the Administration's readiness to work with the Congress on strengthening these programs. We need your counsel; we welcome your advice; we look forward to your support.

JIMMY CARTER.

THE WHITE HOUSE, *February 23, 1979.*

PROPOSED FEDERAL CIVIL JUSTICE REFORM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 30

Under authority of the order of the Senate of February 26, 1979, the Secretary of the Senate, on February 27, 1979, received the following message from the President of the United States, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

Today I am announcing my program to reform the Federal civil justice system. My proposals are intended to increase the efficiency, cut the cost, and maintain the integrity of our Federal courts. I hope that the same spirit of cooperation which led to the 95th Congress' passage of historic civil service reform legislation, which had similar goals for the Executive Branch, will mark Congressional-Administration efforts in reforming the Judicial Branch.

The American system of justice—and the part our Federal courts play in it—has long been the envy of people throughout the world. An impartial and talented judiciary protects the rights of all Americans, ensuring due process guarantees and fair adjudication of disputes. But the courts cannot perform their traditional and essential function if they are required to operate with inadequate resources, saddled with outmoded procedures, and burdened with more business than they can fairly dispose of within a reasonable time. Nor can our citizens avail themselves of their "day in court" if, as is too often true in these days of rising litigation expenses, the price of participation in litigation is beyond their means.

Delay and expense play a part in our civil justice system. We have long recognized that justice delayed is justice denied. For many injured parties, having to wait a year or two to obtain legal relief in the courts is extremely harmful. The benefits of a legal victory are sometimes outweighed by the costs of achieving it. As litigation expenses and the size of court dockets increase, this seems to be happening with increasing frequency. Legal redress should not consume years of time and thousands of dollars.

These problems are not merely the special concern of a particular economic class or radical group, nor are they limited to certain geographic regions; they affect all segments of American society, in all areas of the country.

I am committed to improving access to justice by ensuring that every person involved in a legal controversy has a readily available forum in which that controversy can be resolved speedily, fairly, and at reasonable cost. To achieve this goal, we must do two things. First, we must develop new means for handling disputes that do not necessarily require full court resolution. Second, we must provide the courts with sufficient resources and improved procedures so that they can function fairly and effectively in those cases that must be brought before them.

I know that the Congress shares my concerns and is equally committed to taking effective remedial action. Last year the Congress made an excellent beginning when it created 152 new Federal judgeships and carefully reviewed a number of other legislative proposals designed to improve the administration of justice. But unless we improve the system of justice itself, we may find that the additional judges have been swallowed up by outmoded procedures and by an ever-rising volume of cases. We must take prompt and effective steps to eliminate the remaining obstacles to efficiency in the justice system, and to increase access to Federal courts by those with Federal claims.

Five of the specific measures by which we hope to accomplish these ends have previously been proposed, in whole or part, by my Administration, in the 95th Congress, dealing with arbitration, United States magistrates, the diversity of citizenship jurisdiction of the Federal courts, the Supreme Court's obligatory jurisdiction, and minor dispute resolution. Both before and during the last legislative session, each of these proposals received a great deal of careful Congressional thought and attention. They are introduced again, some with modifications discussed in the last Congress. Each is now ripe for favorable action.

The arbitration proposal would provide an innovative means for resolving speedily, fairly, and at reduced cost certain types of civil cases in which the main dispute is over the amount of money that one person owes to another. This legislation is modeled on court-annexed arbitration plans that have proved successful in several States, including Ohio, Pennsylvania and New York. It would allow Federal district courts to adopt a procedure requiring that tort and contract cases involving less than $100,000 to be submitted to arbitration. This approach has been tested since early last year in three Federal courts and the experiences so far have been quite promising. Both litigants and the courts are benefiting from the procedure. Cases going to arbitration are being resolved faster than they otherwise could be and at significantly less expense to the parties. It is time that these benefits were extended to litigants in all Federal trial courts.

The second major element of our comprehensive civil justice program is a bill to enlarge the civil and criminal jurisdiction of Federal magistrates. These judicial officers, who are appointed by the district courts, constitute a potential resource of great value. If magistrates were given broader authority to decide civil cases and to handle less serious criminal matters, as we have proposed, the capacity of the Federal courts would be substantially increased. The result, especially in districts which currently have large case backlogs, would be speedier and less costly dispositions for the litigants.

The third measure that we regard as essential to improving the civil justice system would curtail the exercise of diversity of citizenship jurisdiction in the Federal courts. Too many cases now jamming the dockets in Federal courts involve solely issues of State law that would be more properly and more efficiently disposed of in State courts. The historical basis for permitting these claims to be heard in Federal court—presumed prejudice towards citizens of one State in the courts of another—no longer appears valid. Moving these State law cases to the State courts where they belong would not create an undue burden on any State, but would enable the Federal courts to concentrate on serving the needs of those whose disputes involve questions of Federal law. Under my proposal, diversity jurisdiction would be abolished totally and cases could be brought in Federal court only where Federal law is involved.

The next component of our judicial reform package is a bill that would permit the Supreme Court to exercise greater control over its own docket. By eliminating the Supreme Court's mandatory jurisdiction, except for appeals in three-judge cases, this proposal would do away with the artificial and out-dated distinction between discretionary review and review of right. The change would enable the Court to focus its limited resources on the cases and issues truly deserving of its attention. This, in turn, would permit speedier clarification of the law, to the benefit not only of litigants in the lower courts but also persons wishing to avoid legal controversies.

The last of the proposals carried over from the previous Congress is a bill to improve the means available to the people of the United States for resolving everyday disputes, such as complaints by neighbors, customers, tenants, and family members. Everyday problems, small or large, if left unsettled, can fester and grow. They can lead to breakdowns in otherwise harmonious neigh-

borhood relationships. They can even lead to crime. This legislation, entitled the Dispute Resolution Act, would provide Federal assistance to the States to improve the institutions that deal with these programs. The programs established by this bill would promote improvements in small claims courts and more widespread use of Neighborhood Justice Centers, a new concept that the Department of Justice is presently testing in Los Angeles, Kansas City, and Atlanta. This legislation would enable the Federal and State governments to work in partnership to improve the delivery of justice to all the people of the United States. No additional funding is being sought; existing funds in the Law Enforcement Assistance Administration will be used to finance these programs.

Passage of these five bills would be a major step in eliminating excessive delays, red tape, and exorbitant costs within the civil justice system. These bills have been discussed in the 95th Congress, and I hope that after further careful examination these bills will be enacted during the 96th Congress. These measures are necessary if we are to derive maximum benefit from the newly authorized judgeships. We will work for their enactment.

In addition to these bills, the Attorney General will transmit to Congress additional proposals to improve the courts which have been developed in consultation with Congressional leaders in this area. These new measures would solve a variety of problems relating to administration of the Federal judiciary, as well as practice and procedure in the courts in the following ways:

—Create a new intermediate Federal appellate court on the same tier as the existing courts of appeals. The new court, which would be known as the "United States Court of Appeals for the Federal Circuit", would be formed by merging the Court of Claims and the Court of Customs and Patent Appeals into a single appellate tribunal with expanded, nationwide jurisdiction for appeals in patent and trademark cases as well as other matters. This new forum would induce economies from the combination of the two existing courts. Most important, however, it would expand the Federal judicial system's capacity for definitive adjudication of national law and thereby contribute to the uniformity and predictability of legal doctrine in these areas, which have long been marked by inconsistent appellate decisions, encourage industrial innovation, and in the long run reduce patent and trademark litigation. I further note that a similar need exists for uniformity and predictability of the law in the tax area, where conflicting appellate decisions encourage litigation and uncertainty. The Justice and Treasury Departments will work with Congress to develop an appropriate solution.

—Permit more effective means of rulemaking and administration within the Federal judiciary through the implementation of two proposals. One proposal requires each court of appeals to appoint an advisory committee composed of persons outside the court to make recommendations on the rules of practice and operating procedure within that court. These committees should do much to assist the courts in formulating sounder rules. The other proposal would restructure the membership of the circuit judicial councils, the governing administrative bodies in the eleven judicial circuits. The councils will be made smaller and more efficient and will include district judges in their membership for the first time. If enacted, these proposals will help assure that the Federal courts conduct their business so as to serve the public more effectively.

—Allowing equitable interest on claims and judgments. There is a serious backlog in civil litigation. Sometimes years pass between the time of an injury and the granting of a judgment. More years may pass while that judgment is appealed. Current Federal law is ambiguous about whether and under what circumstances interest may be paid for the period prior to judgment, and permits unrealistically low as well as conflicting rates of interest while the decision is under appeal. Yet such interest may be essential in order to truly compensate the plaintiff or to avoid the unjust enrichment of the defendant. For instance, a plaintiff who is unlawfully deprived of the use of $20,000 in 1976 and who does not receive a judgment until 1979, could have obtained $4,500 in those three years by investing the money at 7% compounded interest. If a judgment on appeal is entered at a rate well below the prime interest rate, the losing party may well profit from the appeal. The bill proposes that where a defendant knew of his potential liability, interest be awarded for the pre-judgment period where necessary to compensate the plaintiff for his losses or to avoid the unjust enrichment of the defendant. Post-judgment interest rates would no longer be left to inconsistent State laws, but along with the new pre-judgment interest standard, would be based on a nationally uniform rate. Litigants would be encouraged to settle cases, and not drag them out needlessly causing additional expense.

—Other measures relating to the sound administration of the Federal judiciary are proposals providing more reasonable terms for chief judges, enhanced integrity for appellate panels, and easier transfer for any case inadvertently started in the wrong Federal court to the proper court without loss of litigants' rights and with savings of time and money.

Finally, I urge the Congress to give serious consideration to improving procedures for litigating class actions, especially for those cases where the alleged economic injury is widespread and large in the aggregate, yet small in its impact on each individual. The Justice Department will continue to have my support in working with Congress to devise class action procedures which will develop methods for courts to handle these complex cases more effectively and at less cost to the taxpayers and the parties involved.

The members of the Judiciary Committees of both houses have shown outstanding leadership in developing answers to the problems facing the justice system. It is now time for Congress as a whole to take action so that the American people will benefit from a more effective civil justice system.

JIMMY CARTER.

THE WHITE HOUSE, *February 27, 1979.*

REPORT ON THE CASH AWARDS PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 31

Under authority of the order of the Senate of February 26, 1979, the Secretary of the Senate, on February 28, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with the provisions of 10 U.S.C. 1124, I am forwarding reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fscal Year 1978 to members of the Armed Forces for suggestions, inventions and scientific achievements.

The participation of military personnel in the cash awards program was authorized by the Congress in 1965. More than two million submissions since that time attest to the program's success in motivating military personnel to find ways of reducing costs and improving efficiency. Of the suggestions submitted, more than 325,000 have been adopted, with tangible first-year benefits of more than a billion dollars.

Of the 98,011 suggestions submitted by military (including Coast Guard) personnel during Fiscal Year 1978, 14,830 were adopted. Cash awards totalling $1,001,257 were paid for adopted suggestions during Fiscal Year 1978. These awards were based not only on the tangible first-year benefits of $37,263,734 realized from adopted suggestions during Fiscal Year 1978, but also on many additional benefits and improvements of an intangible nature.

Enlisted people received $820,006 in awards during Fiscal Year 1978, representing 81 percent of the total cash awards paid during the periods. Officers received $181,251 during Fiscal Year 1978.

The attached reports of the Secretaries of Defense and Transportation contain statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions of military personnel during Fiscal Year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1979.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Kurt W. Muellenberg, of Maryland, to be Inspector General, General Services Administration; which was referred to the Committee on Governmental Affairs.

ENERGY CONSERVATION CONTINGENCY PLANS—MESSAGE FROM THE PRESIDENT—PM 32

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

As required by Section 201 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261, I am hereby transmitting to the Congress for its approval the following three energy conservation contingency plans: Emergency Weekend Gasoline Sales Restrictions, Emergency Building Temperature Restrictions and Advertising Lighting Restrictions. I have also today directed the Secretary of Energy to publish these conservation plans in the *Federal Register*, as the final step in my prescribing these plans as required by Sections 202 and 523 of the EPCA.

The plans which I am transmitting are the product of extensive plan development and refinement. They can be effective tools in reducing consumption of energy in the event of a severe energy supply emergency. Work on the development of contingency plans is continuing and any additional measures will be transmitted for approval pursuant to Section 201 of the EPCA upon their completion.

Together with the Standby Gasoline Rationing Plan which I am also transmitting to the Congress today under separate letter, these energy conservation contingency plans could help mitigate the effects upon the United States of a severe energy supply interruption. These measures, along with voluntary conservation efforts and other measures contained in existing legislation and the Department of Energy's present contingency programs, will provide the government with several options to deal with energy emergencies of varying types and degrees of severity. Such flexibility is essential if we are to prevent unnecessary hardship to our citizens and harm to our economy in the event of future curtailments of our energy supplies.

As required by Section 201(f) of the EPCA, each energy conservation contingency plan is accompanied by an analysis which assesses the economic impacts of the plan.

The procedures for approval by Congress of a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the plan. The EPCA does not specify the form which the resolution of approval is to take. It is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of these plans be in the form of a joint resolution. If this procedure is followed, the plans themselves, agreed to by Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of these plans.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1979.*

STANDBY GASOLINE RATIONING PLAN—MESSAGE FROM THE PRESIDENT—PM 33

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents, which were referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

As required by Section 201 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261, I am hereby transmitting to the Congress for its approval a Standby Gasoline Rationing Plan. I have also today directed the Secretary of Energy to publish the Plan in the *Federal Register*, as the final step in my prescribing a gasoline rationing plan by rule, as required by Sections 203 and 523 of the EPCA.

The Standby Gasoline Rationing Plan which I am transmitting today is the result of an extensive rulemaking proceeding in which over 1,100 comments from citizens throughout the United States were received and considered. I believe this plan, which would be implemented only in a severe energy supply emergency, would equitably allocate gasoline supplies and minimize economic hardships to the maximum extent possible without undue administrative costs and complexity.

Together with the energy conservation contingency plans which I am also transmitting to the Congress today under separate letter, the Standby Gasoline Rationing Plan would help mitigate the impact of a severe energy supply interruption. These measures, along with voluntary conservation efforts and other measures contained in existing legislation and the Department of Energy's present contingency programs, will provide the government with several options to deal with energy emergencies of varying types and degrees of severity. Such flexibility is essential if we are to prevent unnecessary hardship to our citizens and harm to our economy in the event of future curtailments of our energy supplies.

As required by Section 201(f) of the EPCA, the Standby Gasoline Rationing Plan is accompanied by an analysis which assesses the economic impacts of the Plan.

The procedures for approval by Congress of a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the plan. The EPCA does not specify the form which the resolution of approval is to take. It is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly urge that Congressional approval of this plan be in the form of a joint resolution. If this procedure is followed, the plan itself, agreed to by Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of this plan.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1979.*

AGREEMENT BETWEEN THE UNITED STATES AND THE FEDERAL REPUBLIC OF GERMANY ON SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT—PM 34

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Finance and the Committee on Foreign Relations, jointly, by unanimous consent:

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act as amended by the Social Security Amendments of 1977 (P.L. 95-216; 42 U.S.C. 1305 note), I am transmitting the Agreement between the United States of America and the Federal Republic of Germany (F.R.G.), signed on January 7, 1976, the Final Protocol to the 1976 Agreement, also signed on January 7, 1976, and the Administrative Agreement to implement the 1976 Agreement, signed on June 21, 1978.

These U.S.-F.R.G. agreements are similar in objective to the U.S.-Italian social security agreements which I submitted to the Congress on February 28, 1978. Such bilateral agreements, which are generally known as totalization agreements, provide for limited coordination between the United States and foreign social security systems to overcome the problems of gaps in protection and of dual coverage and taxation. In addition to remedying these problems, the 1976 U.S.-F.R.G. Agreement and Administrative Agreement would extend under specified conditions voluntary coverage rights under the F.R.G. system to U.S. citizens who have a prior connection with the F.R.G. system or who reside in the United States and were victims of persecution.

I also transmit for the information of

the Congress a comprehensive report prepared by the Department of Health, Education, and Welfare, which explains the provisions of the Agreement and provides data on the number of persons affected by the agreements and the effect on social security financing as required by the same provision of the Social Security Amendments of 1977.

The Department of State and the Department of Health, Education, and Welfare join in commending this Agreement, Protocol, and Administrative Agreement.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message received yesterday from the President of the United States, transmitting a Social Security Agreement between the United States and the Federal Republic of Germany, be jointly referred to the Committees on Finance and Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL OF NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the nomination of Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment, which was received by the Senate during the recess on February 27, be jointly referred to the Committees on Human Resources and Veterans' Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that nominations to the office of Inspector General, established by Public Law 95–452, in various Government departments and agencies be referred in each case to the committee having substantive jurisdiction over the department or agency, and if and when reported in each case, then to the Committee on Governmental Affairs for not to exceed 20 days.

It is my understanding this has been cleared with the minority all the way around.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of February 26, 1979, the Secretary of the Senate on February 28, 1979, received a message from the House of Representatives which reported that the House has passed S. 37, an act to repeal a section of Public Law 95–630, without amendment.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 11:21 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 37. An act to repeal a section of Public Law 95–630; and

H.R. 1902. An act to amend the Bank Holding Act Amendments of 1970.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. ZORINSKY).

The message also announced that, pursuant to the provisions of 23 United States Code 101, the Speaker has appointed Mr. HOWARD, Mr. ANDERSON of California, Mr. FLORIO, Mr. OBERSTAR, Mr. SNYDER, and Mr. SHUSTER as members of the National Transportation Policy Study Commission on the part of the House.

The message further announced that, pursuant to the provisions of section 5 (b), Public Law 93–642, the Speaker has appointed Mr. SKELTON and Mr. TAYLOR as members of the Board of Trustees of the Harry S. Truman Scholarship Foundation on the part of the House.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 1, 1979, he presented to the President of the United States the following enrolled bill:

S. 37. An act to repeal a section of Public Law 95–630.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–614. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years; to the Committee on Agriculture, Nutrition, and Forestry.

EC–615. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, on a soil survey and land classification of lands in the Panoche Water District and Westlands Water District, Central Valley Project, California; to the Committee on Appropiations.

EC–616. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to remove chaplains from under the cognizance of the Chief of Naval Personnel; to the Committee on Armed Services.

EC–617. A communication from the General Counsel of the Department of Defense, reporting, pursuant to law, on requested supplemental appropriations for the Department of Defense for fiscal year 1979; to the Committee on Armed Services.

EC–618. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for civil defense programs for fiscal years 1980 and 1981, and for other purposes; to the Committee on Armed Services.

EC–619. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues on the Maverick/Close Air Support Weapons Systems Program; to the Committee on Armed Services.

EC–620. A communication from the Comptroller General of the United States, transmitting pursuant to law, a report on the major issues, concerning the F–18 Naval Strike Fighter weapon system; to the Committee on Armed Services.

EC–621. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Army's Standoff Target Acquisition System; to the Committee on Armed Services.

EC–622. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues concerning the Navy's wide aperture array sonar program; to the Committee on Armed Services.

EC–623. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the financial condition and operations of the Railroad Rehabilitation and Improvement Fund and the Obligation Guarantee Fund; to the Committee on Commerce, Science, and Transportation.

EC–624. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal year 1980 and 1981 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–625. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1980 and 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–626. A communication from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the Northeast Corridor; to the Committee on Commerce, Science, and Transportation.

EC–627. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the utilization of the authority granted in 14 U.S.C. 475 (a), (b), (c), and (d) to designate and rent inadequate quarters, lease housing, and hire quarters, for calendar year 1978; to the Committee on Commerce, Science, and Transportation.

EC–628. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report of activities pursuant to the Emergency Rail Services Act of 1970, and an evaluation of the financial condition of railroads which have outstanding certificates guaranteed under the Act; to the Committee on Commerce, Science, and Transportation.

EC–629. A communication from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on legislative recommendations; to the Committee on Commerce, Science, and Transportation.

EC–630. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, the Commission's determination to extend the period for acting upon the application pending before the Commission in Docket No. AB–9 (Sub-No. 9F), St. Louis, San Francisco Railway Company Abandonment Between East Lynne and Bolivar, Missouri; to the Committee on Commerce, Science, and Transportation.

EC–631. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend Title I of the Marine Protection, Research and Sanctuaries Act, as amended, for two years; to the Committee on Commerce, Science, and Transportation.

EC–632. A communication from the Under Secretary of the Interior, transmitting a draft of proposed legislation to amend the Revised Organic Act of the Virgin Islands, and for other purposes; to the Committee on Energy and Natural Resources.

EC–633. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, the eighth annual report on the operation of the Colorado River; to the Committee on Energy and Natural Resources.

EC–634. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to enable the Secretary of Energy to utilize revenues to carry out

his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Energy and Natural Resources.

EC–635. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Mining Law Reform and Balanced Resources Management," February 27, 1979; to the Committee on Energy and Natural Resources.

EC–636. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, report entitled (1) "Petroleum Market Shares: Report on Sales of Refined Petroleum Products" and (2) "Petroleum Market Shares: Report on Sales of Retail Gasoline"; to the Committee on Energy and Natural Resources.

EC–637. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "Report of Review and Revision of Royalty Payments for Fiscal Years 1977 and 1978 for Federal Onshore and Outer Continental Shelf (OCS) Oil and Gas Leases"; to the Committee on Energy and Natural Resources.

EC–638. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a report entitled "Appropriate Federal Actions to Mitigate Economic Impacts Due to Expansion of Redwood National Park," January 1, 1979; to the Committee on Energy and Natural Resources.

EC–639. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Colorado State University, Fort Collins, Colorado, for a research project entitled "Load Haul Dump Tree Clump Transplanter Attachment"; to the Committee on Energy and Natural Resources.

EC–640. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, an annual report of the Federal Disaster Assistant Administration for fiscal year 1978; to the Committee on Environment and Public Works.

EC–641. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled "EPA 1978 Needs Survey, Cost Estimates for Construction of Publicly-Owned Wastewater Treatment Facilities"; to the Committee on Environment and Public Works.

EC–642. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend provisions of the Noise Control Act of 1972, as amended for two years; to the Committee on Environment and Public Works.

EC–643. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Resource Conservation and Recovery Act, as amended, for two years; to the Committee on Environment and Public Works.

EC–644. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstrations for fiscal years 1980 and 1981; to the Committee on Environment and Public Works.

EC–645. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend a provision of the Federal Water Pollution Control Act, as amended; to the Committee on Environment and Public Works.

EC–646. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of Title XIV of the Public Health Service Act for two years; to the Committee on Environment and Public Works.

EC–647. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to provide for the protection from unauthorized disclosure of safeguards information, and for other purposes; to the Committee on Environment and Public Works.

EC–648. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend the authorization for appropriations to carry out the Endangered Species Act of 1973, as amended; to the Committee on Environment and Public Works.

EC–649. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report on the study of the efficiency of, and the need for, Industrial Cost Recovery (ICR); to the Committee on Environment and Public Works.

EC–650. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the Child Support Enforcement program; to the Committee on Finance.

EC–651. A communication from the Special Representative for Trade Negotiations, reporting, pursuant to law, on the reviews and hearings conducted during the preceding six-month period; to the Committee on Finance.

EC–652. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Actions Needed to Stop Excess Medicare Payments for Blood and Blood Products," February 26, 1979; to the Committee on Finance.

EC–653. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Sugar and Other Sweetners: An Industry Assessment," February 26, 1979; to the Committee on Finance.

EC–654. A communication from the Administrator, Agency for International Development, Department of States, reporting, pursuant to law, a determination that it would further the foreign policy interests of the United States to provide a $20 million commodity import program loan to Zambia from funds of the Southern Africa Program of the Economic Support Fund; to the Committee on Foreign Relations.

EC–655. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmiting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–656. A communication from the Chairman, Japan-United States Friendship Commission, transmitting, pursuant to law, the Commission's second annual report, covering fiscal year 1978; to the Committee on Foreign Relations.

EC–657. A communication from the Director, International Communication Agency, transmitting a draft of proposed legislation to authorize appropriations for the U.S. International Communication Agency for the fiscal years 1980 and 1981; to the Committee on Foreign Relations.

EC–658. A communication from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes; to the Committee on Foreign Relations.

EC–659. A communication from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain change in the authorities of that Act, to authorize the establishment of an Institute for Technological Cooperation and for other purposes; to the Committee on Foreign Relations.

EC–660. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the Energy Reorganization Act of 1974, as amended, to provide for statutory creation of the Office of Inspection and Enforcement of the Nuclear Regulatory Commission; to the Committee on Governmental Affairs.

EC–661. A communication from the Comptroller General of the United States, transmitting, pursuant to law, report entitled "Conversion of Urban Waste to Energy: Developing and Introducing Alternate Fuels From Municipal Solid Waste," February 28, 1979; to the Committee on Governmental Affairs.

EC–662. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, with respect to the scope of the specialized or technical services provided to State or local governments by NASA during calendar year 1978 under Title III of P.L. 90–577; to the Committee on Governmental Affairs.

EC–663. A communication from the Assistant Executive Secretary, Federal Deposit Insurance Corporation, transmitting pursuant to law, a report on changes to existing systems and request for waiver of sixty-day advance notice, Privacy Act of 1974; to the Committee on Governmental Affairs.

EC–664. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting a draft of a proposed amendment to section 201(a)(1) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5841(a)(1); to the Committee on Governmental Affairs.

EC–665. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Department of Justice Should Improve Its Equal Employment Opportunity Programs," February 23, 1979; to the Committee on Human Resources.

EC–666. A communication from the Director of Information, Department of Energy, transmitting, pursuant to law, a report relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC–667. A communication from the Administrative Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC–668. A communication from the Staff Secretary, National Security Council, reporting, pursuant to law, relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC–669. A communication from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC–670. A communication from the Attorney General, transmitting a draft of proposed legislation to provide for improvements in the administration of justice, greater efficiency in the federal appellate courts, and more uniform decisions in those courts, and for other purposes; to the Committee on the Judiciary.

EC–671. A communication from the Chairman, National Transportation Safety Board, reporting, pursuant to law, relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC–672. A communication from the Executive Director, Marine Mammal Commission, transmitting, pursuant to law, a report re-

lating to the Freedom of Information Act; to the Committee on the Judiciary.

EC-673. A communication from the Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, a report relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC-674. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relating to the Freedom of Information Act; to the Committee on the Judiciary.

EC-675. A communication from the Secretary, Foundation of the Federal Bar Association, transmitting, pursuant to law, its financial report for the fiscal year ending September 30, 1978; to the Committee on the Judiciary.

EC-676. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report relating to a scientific study to determine if there is a casual relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders; to the Committee on Veterans' Affairs.

EC-677. A communication from the Secretary of Labor, transmitting, pursuant to law, the 1977 annual report on the administration of the Employee Retirement Income Security Act of 1974; to the Committee on Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that an annual report transmitted by the Secretary of Labor, relative to the Employee Retirement Income Security Act of 1974, be referred jointly to the Committees on Human Resources and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-678. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to extend certain provisions of the Toxic Substances Control Act for two years; to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Administrator of the U.S. Environmental Protection Agency, relative to extending certain provisions of the Toxic Substances Control Act, be referred jointly to the Committees on Commerce, Science, and Transportation, and Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-679. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to provide for the timely management of the spent fuel from nuclear reactors; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of Energy, relative to the proposed Spent Nuclear Fuel Act of 1979, be referred jointly to the Committees on Energy and Natural Resources, and Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-50. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE CONCURRENT RESOLUTION No. 31

"Whereas, Agriculture is the largest industry in the State of Texas and the nation and is the largest employer of our people; and

"Whereas, We are blessed with rich resources of land, water, and climate, along with farm families who have the ability and eagerness to produce food and fiber in sufficient quantity to feed and clothe their fellow citizens and share with a hungry world; and

"Whereas, The low price agricultural policy of our federal government is causing disastrously low prices to producers, inflated food prices to consumers, and windfall profits for commodity speculators and multinational corporations; and

"Whereas, Our productive land, America's most valuable and cherished asset, which thousands of our young men fought and died protecting, now is being taken away from our family farmers and ranchers through bankruptcy, in many cases falling into the hands of nonresident alien investors; and

"Whereas, A healthy agriculture, earning fair and equitable prices, never causes inflation or unemployment but instead creates an unending supply of new wealth for the nation; now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring, That the 66th Legislature of the State of Texas hereby call upon the Congress of the United States of America to bring about an end to this most serious condition which prevails in rural America today by insisting that Secretary of Agriculture Bob Bergland implement the 1977 farm program to its fullest extent, by raising loan levels to 90 percent of parity along with any necessary set-aside, all as provided for in the current law; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM-51. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 13

"Whereas, The overwhelming endorsement by California voters of Proposition 13 has spurred a nationwide taxpayer's revolt against high taxes and excessive government spending; and

"Whereas, While numerous local governments and states, including Texas, are sincerely responding to citizen demands for tax limitations coupled with responsible spending, the federal government, where budget restraint is most needed, has reacted to the message of Proposition 13 in a halfhearted and disappointing manner; and

"Whereas, The federal budget is increasing at an alarming rate, several times that of inflation, as seen by a 140 percent increase since 1970; and

"Whereas, The federal government through many years of deficit spending has incurred a national debt of astronomical and dangerous proportions; the gross national debt is currently estimated to be almost $800 billion, over twice the figure for 1962 and about 40 percent of the nation's gross national product; and

"Whereas, Statutorily imposed "permanent" debt ceilings, repeatedly raised by Congress, have proved to be no impediment to the monstrous growth of the national debt; this disgraceful legacy for future generations has swollen by $177 billion over the past three years and has fostered an interest payment of $50 billion for this year; and

"Whereas, Persistent deficit financing is a major factor contributing to income-robbing inflation, high interest rates, and an unstable, unpredictable economy, and results in the funding of government programs of questionable benefit and need; and

"Whereas, Texas' enviable financial position among state governments is largely due to its "pay-as-you-go" constitutional provision restricting deficit spending by the legislature; and

"Whereas, During the 1977 regular session, this legislature adopted House Concurrent Resolution No. 31 memorializing congress to initiate a constitutional amendment that would similarly prevent deficit spending and therefore halt the growth of the national debt, the greatest threat to this nation's future well-being; now, therefore, be it

"Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the 65th Legislature, 2nd Called Session, hereby reaffirm the provisions of House Concurrent Resolution No. 31 calling for an amendment to the United States Constitution requiring a balanced annual federal budget and hereby request the Texas congressional delegation to sponsor this vital amendment; and, be it further

"Resolved, That this amendment require the achievement of a balanced budget within a reasonable period after adoption and establish a procedure for amortizing the national debt; and, be it further

"Resolved, That the Governor of Texas be hereby requested to actively seek the sponsorship of the amendment by the Texas congressional delegation and to use the financial resources of his office to promote support for the amendment; and, be it further

"Resolved, That the governor, lieutenant governor, and speaker of the house be hereby requested to contact government leaders of other states to solicit and encourage support for the amendment; and, be it further

"Resolved, That the lieutenant governor and speaker of the house be authorized to designate separate or joint committees or individual legislators to represent them and the state in this endeavor and that reasonable expenses incurred by them or their designees in efforts to initiate the amendment be paid from the contingent expense fund of the appropriate house; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM-52. A resolution adopted by the Board of Supervisors of the City and County of San Francisco, urging the Registrar of Voters to convey to President Jimmy Carter and the leadership of the Congress the text and vote on Proposition V; to the Committee on the Budget and the Committee on Appropriations, jointly, pursuant to order of January 30, 1975.

POM-53. A resolution adopted by the City Council of New Bedford, Massachusetts, relating to fishing; to the Committee on Commerce, Science, and Transportation.

POM-54. A petition from a citizen, relating to diplomatic relations with Taiwan; to the Committee on Foreign Relations.

POM-55. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 113

"Whereas, in nineteen hundred seventy-four the General Assembly enacted legislation to provide for subsidies for the adoption of children who are handicapped or have other special needs and who are in the custody of local boards of welfare; and

"Whereas, as of December one, nineteen hundred seventy-eight, subsidies have been authorized for one hundred twenty-four children in Virginia (*only twelve of which were granted to cover medical costs*), and (*only thirty-seven out of a total number of one hundred twenty-five*) local welfare agencies participate in the program; and

"Whereas, a major problem attributed to the underutilization of State-subsidized adoption programs is the exclusion from coverage by Medicaid of children who are adopted, except for a child with special needs who is adopted by a family which is financially eligible for Medicaid; and

"Whereas, a significant number of children in foster care have serious handicaps which can preclude their adoption because of the potential adoptive parent's inability to handle the financial burden of the medical treatment needed by the child; *unless state and local governments can assume financial responsibility for such costs which were covered by Medicaid prior to the child's adoption; now, therefore, be it*

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to amend *appropriate federal laws* to provide Medicaid eligibility after a final order of adoption is entered for children who have handicaps (*requiring medical care*) and other special needs (*which constitute barriers to adoption of the child, regardless of the income level of the adoptive parents*) and, be it

"Resolved further, That the Clerk of the Senate of Virginia is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and the members of the delegation to the Congress of the United States from this Commonwealth in order that they may be apprised of the sense of this Body."

POM-56. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Governmental Affairs:

"SENATE JOINT RESOLUTION No. 114

"Whereas, local governments have become increasingly dependent upon real and personal property taxation as a source of revenue to provide the services required of its citizens; and

"Whereas, the real and personal property tax base is drastically reduced in many local jurisdictions by the presence of substantial amounts of nontaxed federally-owned real property, machinery and equipment; and

"Whereas, the presence of such federally-owned property directly increases the burden of taxation on the remainder of local property owners; and

"Whereas, the Advisory Commission on Intergovernmental Relations has identified payments in lieu of taxes as one of the major needs of local governments throughout the country, and is presently conducting a study of the over-all impact of the federal presence on local government taxation; and

"Whereas, Congress has provided for payments in lieu of taxes for counties by the adoption of Public Law 94-565; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the General Assembly of Virginia hereby memorializes the Congress of the United States to adopt legislation authorizing and funding a method of payment in lieu of taxes for federally-owned property within local governmental jurisdictions; and, be it

"Resolved further, That the Clerk of the Senate is hereby instructed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and to the Members of the Virginia Delegation to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-57. A resolution adopted by the Legislature of the State of Illinois; to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 28

"Whereas, the Illinois House of Representatives believes that the United States Constitution should permit a moment of silent prayer in the classrooms of the public schools of this nation; and

"Whereas, A moment of silent prayer of reflection is a positive act which adds to the growth of an individual; and

"Whereas, We believe that a moment of silent prayer is denominationally neutral and is not the manifestation of an official religion or an interference with the free exercise of any person's religion or system of belief; and

"Whereas, Affording a student in the public schools a moment of silent prayer provides students the option of using this time for such purposes or not, without fear of reprisal or comment by teachers or peers; and

"Whereas, There are many manifestations in our public life of belief in God; and

"Whereas, Such belief has been part of the leaven stimulating the growth of this nation; therefore, be it

"Resolved, by the House of Representatives of the Eighty-first General Assembly of the State of Illinois, That we respectfully petition the Congress of the United States to propose an amendment to the Constitution of the United States to permit a moment of silent prayer in the public schools; and, be it further

"Resolved, That copies of this resolution be transmitted to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States and to each member of the Congress from this State."

POM-58. A resolution adopted by the Legislature of the State of Illinois; to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 29

"Whereas, The Illinois House of Representatives believes that the United States Constitution should permit the singing of Christmas carols by students of public educational institutions; and

"Whereas, The singing of Christmas carols is an expression of the goodwill and joy which the season heralds and the holiday urges us to share with each other; and

"Whereas, We believe that the singing of Christmas carols in the public schools is denominationally neutral and not the manifestation of an official religion or creed; and

"Whereas, The singing of carols during the Christmas season in this nation's schools has traditionally been part of our great heritage; therefore, be it

"Resolved, by the House of Representatives of the Eighty-First General Assembly of the State of Illinois, That we respectfully petition the Congress of the United States to propose an amendment to the Constitution of the United States to permit the singing of Christmas carols in the public schools; and, be it further

"Resolved, That copies of this resolution be transmitted to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress from this State."

POM-59. A memorial adopted by the Legislature of the State of Florida; to the Committee on the Judiciary:

"SENATE MEMORIAL

"Whereas, it is estimated, as of August, 1975, that the federal debt at the end of the 1975 fiscal year will be $558.637 billion, and

"Whereas, the fiscal year deficit for 1976 will be the largest in our history, between $70 and $80 billion, and

"Whereas, the growing debt is a major contributor to inflation, lagging economic investment, excessive interest rates, and the resulting unemployment, and

"Whereas, the economic welfare of the United States and its citizens depends on a stable dollar and sound economy, and

"Whereas, the National Conference of State Legislatures passed Resolution No. 11 at its Annual Business Meeting on October 10, 1975, urging the Congress to take prompt and affirmative action to limit federal spending, and

"Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress, now, therefore,

"*Be It Resolved by the Legislature of the State of Florida:*

"That the Legislature of the State of Florida does hereby make application to the Congress of the United States pursuant to Article V of the Constitution of the United States to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

"*Be it further resolved,* That a copy of this memorial be transmitted to the presiding officers of the Senate and the House of Representatives of Congress, the members of the Congressional delegation from the State of Florida and to the presiding officers of each house of the several state legislatures."

POM-60. A memorial adopted by the Legislature of the State of Florida; to the Committee on the Judiciary:

"HOUSE MEMORIAL No. 2801

"Whereas, the United States Government has, over the past three decades, embarked on a course of continuous and ever increasing deficit spending, and

"Whereas, the public debt engendered thereby now far exceeds 300 billion dollars, and current budget proposals include provision for a further deficit of 43 billion dollars, and

"Whereas, such national debt is, in and of itself, a major contributor to the very inflation to which the United States is committed to eradicating, and

"Whereas, this massive national debt is inimical to the public welfare, limiting the amount of credit available to private citizens, thus curtailing opportunities for needed economic growth, and

"Whereas, continued fiscal irresponsibility can only result in an eventual financial debacle of the sort recently experienced by New York City, and

"Whereas, payment of the massive interest required to service national debt imposes an undue hardship on the citizenry, particularly those on fixed incomes, and

"Whereas, the ability of the Federal Government to avoid the difficult budgetary choices posed by zero debt financing has resulted in a lack of objective budgetary analysis, and thus the funding of unnecessary or inefficient programs, now, therefore,

"Be it Resolved by the Legislature of the State of Florida:

"That pursuant to Article V of the Constitution of the United States, the Legislature of the State of Florida does hereby apply to the Congress of the United States for a convention to consider the following amendment to the United States Constitution:

"Section 1. Except as provided in section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

"Section 2. There shall be no increase in the national debt, and the existing debt, as it exists on the date on which this amendment is ratified, shall be repaid during the one hundred-year period following the date of such ratification. The rate of repayment shall be such that not less than one-tenth of the debt shall be repaid during each ten-year period.

"Section 3. In times of national emergency, declared by the concurrent resolution of three-fourths of the membership of both Houses of Congress, the application of section 1 may be suspended, provided that such suspension shall not be effective past the two-year term of the Congress which passes such resolution. If such a national emergency continues to exist, a suspension of section 1 may be reenacted pursuant to the provisons of this section. National debt incurred pursuant to this section shall be repaid under the provisons of section 2; provided, however, that the repayment period shall commence upon the expiration of the suspension under which it was incurred.

"Section 4. This article shall apply to fiscal years that begin six months after the date on which this article is ratified.

"Section 5. Congress shall provide by law for strict compliance with this amendment.

"Be it further resolved that the purview of any convention called by the Congress pursuant to this resolution be strictly limited to the consideration of an amendment of the nature as herein proposed.

"Be it further resolved that this application by the Legislature of the State of Florida constitutes a continuing application pursuant to Article V of the United States Constitution, until such time as two-thirds of the Legislatures of the several states have made similar application, and the convention herein applied for is convened.

"Be it further resolved that a duly attested copy of this resolution be immediately transmitted to the President of the United States, to the Secretary of the United States Senate, to the Clerk of the United States House of Representatives, to each member of the Florida delegation to the United States Congress, and to the presiding officer of each house of each state Legislature in the United States."

POM-61. A joint resolution adopted by the Legislature of the State of South Dakota; to the Committee on the Judiciary:

"A JOINT RESOLUTION

"Whereas, with each passing year this nation becomes more deeply in debt as its annual expenditures frequently exceed annual available revenues, so that the public debt also steadily increases to a size of inordinate proportions; and

"Whereas, unified budgets do not necessarily reflect actual spending because of the exclusion of special spending outlays which are not included in the budget nor are subject to the statutory legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, we believe that fiscal irresponsibility at the federal level, with the inflation which results primarily from this policy, is the greatest threat which faces our nation, and that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing such amendments:

"Be it resolved by the Senate of the State of South Dakota, the House of Representatives concurring therein:

"That the Legislature does hereby make application to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the Legislature of the state of South Dakota hereby requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency, as defined by law, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

"Be it further resolved, that alternatively, this Legislature hereby makes application under said Article V of the Constitution of the United States and with the same force and effect as if this Resolution consisted of this portion alone and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring in the absence of a national emergency, as defined by law, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

"Be it further resolved, that this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose; and

"Be it further resolved, that this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made applications for similar relief pursuant to Article V, but, if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Joint Resolution then this petition for a Constitutional Convention shall no longer be of any force or effect; and

"Be it further resolved, that this Legislature also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution, or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution; and

"Be it further resolved, that copies of this Joint Resolution be sent by the Secretary of State to each member of the South Dakota Congressional Delegation; and

"Be it further resolved, that the Secretary of State is directed to send copies of this Joint Resolution to the presiding officers of both Houses of the Legislature of each of the other states in the Union, the Clerk of the United States House of Representatives, Washington, D.C. and the Secretary of the United States Senate, Washington, D.C."

POM-62. A joint resolution adopted by the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION

"Be it resolved by the Legislature of the State of New Mexico:

"Whereas, with each passing year this nation become more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under article 5 of the constitution of the United States, amendments to the federal constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the congress shall call a constitutional convention for the purpose of proposing amendments; we believe such action vital;

"Now, therefore, be it resolved by the Legislature of the State of New Mexico that this body proposes to the congress of the United States that procedures be instituted in the congress to add a new article to the constitution of the United States, and that the legislature of the state of New Mexico requests the congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

"Be it further resolved that, alternatively, this body makes application and requests that the congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the federal constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

"Be it further resolved that this body also proposes that the legislatures of each of the several states comprising the United States apply to the congress requesting the enactment of an appropriate amendment to the federal constitution; or requiring the congress to call a constitutional convention for proposing such an amendment to the federal constitution; and

"Be it further resolved that copies of this resolution be sent by the secretary of states to the members of New Mexico's delegation to the congress of the United States; and

"Be it further resolved that the secretary of state of this state is directed to send copies of this joint resolution to the secretary of state and presiding officers of both houses of the legislature of each of the other states in the union, the clerk of the United States house of representatives, Washington, D.C. and the secretary of the United States Senate, Washington, D.C."

POM-63. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Finance:

"SENATE JOINT MEMORIAL No. 104

"Whereas, the production of sugar beets and of beet sugar is important in the State of Idaho and makes significant contributions to the State's and the Nation's economy; and

"Whereas, legislative and administrative actions taken thus far have not been adequate to restore the needed stability to sugar markets for domestic producers; and

"Whereas, sugar beet producers and beet sugar processors are not receiving prices for their product which allow them to remain in business on a profitable basis; and

"Whereas, the loss of sugar beet growing and beet sugar processing would have serious repercussions on the economy of the nation since it would mandate the importing of sugar from abroad, drive the domestic price of sugar up, further increase the U.S. balance of trade deficit, and continue to weaken the already depressed dollar on world money markets; and

"Whereas, the loss of the domestic sugar industry would mandate U.S. farmers to convert their land to other crops and further depress farm prices which would make farm families unable to make a living from their land as well as cause the countless other workers who find employment in sugar mills and processing to face unemployment and cause welfare costs to rise; and

"Whereas, legislation introduced during the 2nd Session of the 95th United States Congress would have remedied many of the economic problems of sugar beet producers and beet sugar processors if it had passed.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we respectfully request and urge the Congress of the United States to consider and enact legislation which will insure the continued existence, stability and profitability of the total domestic nutritive sweetener industry, and that the President sign and administer such legislation.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Secretary of Agriculture, Robert Bergland, and the President of the Senate and the Speaker of the House of Representatives of Congress and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-64. A concurrent resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 7

"Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or ability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, believing that fiscal irresponsibilities at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states the Congress shall call a Constitutional Convention for the purpose of proposing amendments. We believe such action vital.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring, that the Legislature proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the legislature requests the Congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

"Be it further resolved, that, alternatively, the Legislature makes application and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

"Be it further resolved, that this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the Legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution then this petition for a Constitutional Convention shall no longer be of any force or effect; and

"Be it further resolved, that this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose; and

"Be it further resolved, that this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or require the Congress to call a Constitutional Convention for proposing such an amendment to the Federal Constitution; and

"Be it further resolved, that the Clerk of the House of Representatives be and he is hereby directed to forward copies of this resolution to the Secretary of State and presiding officers of both Houses of the Legislatures of each of the other States in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Congress of the United States representing the State of Idaho."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment and an amendment to the title:

S. 245. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes (together with additional views) (Rept. No. 96-7).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 233. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes (Rept. No. 96-8).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 42. A resolution authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry for inquiries and investigations (Rept. No. 96-9).

S. Res. 81. A resolution authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations (Rept. No. 96-10).

S. Res. 57. A resolution authorizing additional expenditures by the Committee on Banking, Housing, and Urban Affairs for inquiries and investigations (Rept. No. 96-11).

S. Res. 73. A resolution authorizing additional expenditures by the Committee on the Budget for inquiries and investigations (Rept. No. 96-12).

S. Res. 26. A resolution authorizing additional expenditures by the Committee on Commerce, Science, and Transportation for inquiries and investigations (Rept. No. 96-13).

S. Res. 60. A resolution authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations (Rept. No. 96-14).

S. Res. 43. A resolution authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations (Rept. No. 96-15).

S. Res. 52. A resolution authorizing additional expenditures by the Committee on Finance for inquiries and investigations (Rept. No. 96-16).

S. Res. 75. A resolution authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations (Rept. No. 96-17).

S. Res. 79. A resolution authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations (Rept. No. 96-18).

S. Res. 31. A resolution authorizing expenditures by the Committee on Human Resources for inquiries and investigations (Rept. No. 96-19).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. Res. 48. A resolution authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations (Rept. No. 96-20).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 66. A resolution authorizing additional expenditures by the Committee on

Veterans' Affairs for inquiries and investigations (Rept. No. 96-21).

S. Res. 69. A resolution authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations (Rept. No. 96-22).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. Res. 65. A resolution authorizing expenditures by the Special Committee on Aging (Rept. No. 96-23).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 76. A resolution authorizing additional expenditures by the Select Committee on Intelligence (Rept. No. 96-24).

S. Res. 70. A resolution authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations (Rept. No. 96-25).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 44. A resolution authorizing the printing of the committee print entitled "Study on Federal Regulation, Framework for Regulation, Appendix to Volume VI" as a Senate document (Rept. No. 96-26).

S. Res. 45. A resolution authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume VI, Framework for Regulation," as a Senate document (Rept. No. 96-27).

S. Res. 51. A resolution authorizing additional expenditures by the Committee on Finance for routine purposes (Rept. No. 96-28).

S. Res. 53. A resolution authorizing additional expenditures by the Committee on Appropriations for routine purposes (Rept. No. 96-29).

S. Res. 82. A resolution authorizing additional expenditures by the Committee on Armed Services for routine expenses (Rept. No. 96-30).

S. Res. 86. An original resolution to pay a gratuity to Mary Lucy Kuhl Haworth, Frances T. Kuhl, Pius A. Kuhl, James H. Kuhl, and Richard A. Kuhl.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE—16TH CONGRESSIONAL DELEGATION TO THE PEOPLE'S REPUBLIC OF CHINA: TRAVEL AUTHORIZED BY MAJORITY LEADER, FROM JAN. 2 TO JAN. 16, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan Cranston:									
Japan	Yen	10,991	45.51	642	2.66			11,634	48.17
People's Republic of China	U.S. dollar		975.00						975.00
Transportation to/from PRC [1]					2,897.40				2,897.40
Senator James Abourezk:									
Japan	Yen	18,113	75.00	642	2.66			18,755	77.66
People's Republic of China	U.S. dollar		975.00						975.00
Transportation to/from PRC [1]					2,897.40				2,897.40
Senator Gary Hart:									
Japan	Yen	12,972	53.71	642	2.66			13,614	56.37
People's Republic of China	U.S. dollar		1,050.00						1,050.00
Transportation to/from PRC [1]					2,897.00				2,897.00
Senator Richard Lugar:									
Japan	Yen	11,080	45.88	642	2.66			11,722	48.54
People's Republic of China	U.S. dollar		975.00						975.00
Transportation to/from PRC [1]					2,897.40				2,897.40
Senator Charles McC. Mathias, Jr.:									
Japan	Yen	10,990	45.51	642	2.66			11,632	481.7
People's Republic of China	U.S dollar		975.00						975.00
Transportation to/from PRC [1]					2,897.40				2,897.40
Staff: Allyn Kreps:									
Japan	Yen	12,613	52.23	642	2.66			13,255	54.89
People's Republic of China	U.S. dollar		975.00						975.00
Transportation to/from PRC [1]					2,897.40				2,897.40
Total			6,242.84		17,400.36				23,643.20

[1] Transportation to/from PRC by military aircraft (equivalent commercial rate).

Feb. 6 1979.

ALAN CRANSTON, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE—COMMITTEE ON APPROPRIATIONS (AMENDED REPORT): TRAVEL AUTHORIZED BY SENATOR WARREN G. MAGNUSON, CHAIRMAN, FROM JAN. 1 TO DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles McC. Mathias:									
Japan	Yen	10,990	45.51	642	2.66			11,632	48.17
Peoples Republic of China	Dollar		975.00		[1] 2,897.40				3,872.40
Balance forward			8,064.22		10,810.32				18,874.54
Total			9,084.73		13,710.38		0		22,795.11

[1] Transportation to and from Peoples Republic of China by military aircraft (equivalent commercial rate).

Feb. 13, 1979.

WARREN G. MAGNUSON, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE—COMMITTEE ON GOVERNMENTAL AFFAIRS, TRAVEL AUTHORIZED BY SENATOR ABE RIBICOFF, FROM DEC. 3 TO DEC. 17, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Theodore J. Jacobs: [1]									
United Kingdom	Pound	129.40	254.60					129.40	254.60
France	Franc	1,903.10	432.30					1,903.10	432.30
Switzerland	Sw. franc	486.65	285.00					486.65	285.00
Sweden	S. kroner	1,120.90	253.60	208	47.29			1,329.90	300.89
Total			1,225.50		47.29				1,272.79

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE—COMMITTEE ON GOVERNMENTAL AFFAIRS, TRAVEL AUTHORIZED BY SENATOR ABE RIBICOFF, FROM DEC. 3 TO DEC. 17, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
FROM NOV. 18 TO NOV. 24-28, 1978									
Leonard S. Spector: [2]									
Switzerland	Sw. franc	102	61					102	61.00
Austria	Aus. schilling	4,421	309					4,421	309.00
Italy	Lt. lire			255,800	309.19			225,900	309.19
Ellen S. Miller: [3]									
Switzerland	Swiss franc	115.40	69.77	4.54	2.75	60.36	36.50	180.30	109.02
Austria	Schilling	4,399.03	316.24	347.75	25.00	584.22	42.00	5,331.00	383.24
England	Pound	85.39	169.07					85.39	169.07
Total			925.08		336.94		78.50		1,339.52
FROM MAY 24 TO JUNE 6, 1978									
Arthur H. House:									
Switzerland	Franc	693	351.86	40	20.31	56	28.43	789	400.60
United Kingdom	Pound	205.55	378.75	5.00	9.21	11.46	21.12	222.01	409.08
United States	Dollars				12.50				12.50
Total			730.61		42.02		49.55		822.18
FROM FEB. 10 TO FEB. 21, 1979									
Dwight H. Perkins:									
Japan	Yen	12,980	54.15					12,980	54.15
China (People's Republic)	Yuan eq.	1,014.60	600.00					1,014.60	600.00
					1,860.40				1,860.40
Thomas Bernstein:									
Japan	Yen	15,448	64.44					15,448	64.44
China	Yuan eq.	1,014.60	600.00					1,014.60	600.00
					1,860.40				1,860.40
Dorothy Fosdick:									
Japan	Yen	17,031	71.04					17,031	71.04
China	Yuan eq.	1,014.60	600.00					1,014.60	600.00
					1,853.40				1,853.40
Total			1,989.63		5,574.20				7,563.83
FROM JAN. 7 TO JAN. 18, 1978									
Ellen S. Miller: [4]									
Netherlands	Guilders	346.16	150.00					346.16	150.00
Germany	Marks	168	70.00					168	70.00
France	Francs	1,007.50	214.36					1,007.50	214.36
England	Pounds	152.69	296.22					152.69	296.22
Brian Conboy: [5]									
Netherlands	Guilders	346.16	150.00					346.16	150.00
Germany	Marks	160	70.00					168	70.00
France	Francs	1,007.50	214.36					1,007.50	214.36
England	Pounds	152.69	296.22					152.69	296.22
Total			1,461.16						1,461.16

[1] Returned $14.50 (55.90 francs, 6.20 Sw. kroners, 0.21 pence, Great Britain pounds).
[2] Returned $217.
[3] Returned 372.10 shillings ($26.76), 6.10 pounds ($12.20).
[4] Returned 153 marks, 50 francs, 1 pound.
[5] Returned 156 marks, 54 francs, 7 pounds, 6 guilders.

Jan 25, 26, 1979.

ABE RIBICOFF, Chairman.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE—JAMES A. SHARP, JR. (SENATOR DONALD W. RIEGLE, JR.), TRAVEL AUTHORIZED BY MAJORITY LEADER, FROM NOV. 29, TO DEC. 2, 1978

Name and country	Name of currency	Per diem		Transportation		Other Purpses		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Mexico	Pesos (22.60 Pesos per U.S. dollar).	6,780	300	None	None	None	None	6,780	300

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

Foreign currency (pesos) (total) 6,780.00

JAMES A. SHARP, Jr.
United States-Mexico Commission on Drug Abuse.

Dec. 28, 1978.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JAVITS (for himself, Mr. RIBICOFF, Mr. COHEN, Mr. LEVIN, Mr. MATHIAS, and Mr. SASSER):

S. 503. A bill to amend the Privacy Act of 1974 to provide for the confidentiality of medical records, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and if and when ordered reported by one committee, the other committee has not to exceed 30 days.

By Mr. BAKER (for Mr. PACKWOOD):

S. 504. A bill to amend section 21 of the Second Liberty Bond Act to require the President to submit an alternate balanced budget whenever the regular budget would result in an increase in the public debt limit or a deficit, to require the President to identify revenue increase attributable to inflation, and for other purposes; read the first time and, by unanimous consent, ordered held at the desk.

By Mr. TALMADGE (for himself and Mr. DOLE):

S. 505. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. BAYH, Mr. METZENBAUM, Mr. JAVITS, and Mr. HEINZ):

S. 506. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. DOLE (for himself and Mr. TALMADGE):

S. 507. A bill to amend the Social Security Act to provide for improvements in the medicare and medicaid programs; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. TALMADGE, Mr. HEINZ, Mr. RIBICOFF, Mr. MOYNIHAN, and Mr. COCHRAN):

S. 508. A bill to amend the Social Security Act to provide that the Administrator of the Health Care Financing Administration henceforth shall be appointed by the President by and with the advice and consent of the Senate; to the Committee on Finance.

By Mr. RIBICOFF (by request):

S. 509. A bill to amend title 5, United States Code, to provide survivor benefits to certain dependent children; to the Committee on Governmental Affairs.

S. 510. A bill to establish a Department of Education, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA:

S. 511. A bill to amend section 457 of the Internal Revenue Code of 1954 to extend to deferred compensation plans maintained by tax exempt organizations the treatment conferred upon such plans maintained by State and local governments by the Revenue Act of 1978; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 512. A bill exempting employees serving 60 days or less from the financial reporting requirements of the Ethics in Government Act of 1978; to the Committee on Governmental Affairs.

S. 513. A bill to extend for 2 years at its present level the program of general revenue sharing provided under the State and Local Fiscal Assistance Act of 1972; to the Committee on Finance.

By Mr. BELLMON:

S. 514. A bill to amend the Emergency Petroleum Allocation Act of 1973 to exempt from price controls economically marginal crude oil production; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON:

S. 515. A bill to establish interest rates on SBA disaster loans for disasters occurring between October 1, 1978, and October 1, 1982; to the Select Committee on Small Business.

By Mr. BELLMON:

S. 516. A bill to count injection wells as wells for stripper purposes; to the Committee on Energy and Natural Resources.

By Mr. RANDOLPH (for himself, Mr. TALMADGE, Mr. STONE, Mr. DURKIN, Mr. THURMOND, and Mr. STAFFORD):

S. 517. A bill to redesignate May 30 of each year as Memorial Day and to make such a day a legal public holiday; to the Committee on the Judiciary.

By Mr. BUMPERS:

S. 518. A bill to amend the Poultry Products Inspection Act so as to restrict the authority of the Secretary of Agriculture to regulate the speed of processing poultry on the basis of state, region, or other area, or on the basis of a lack of inspectors; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS:

S. 519. A bill to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations, or orders with respect to institutions of higher education. Read the first time.

S. 520. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution. Read the first time.

By Mr. THURMOND (for himself, Mr. KENNEDY, and Mr. HOLLINGS):

S. 521. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn, or fiber, and for other purposes; to the Committee on the Judiciary.

By Mr. BAYH (for himself, Mr. MATHIAS, Mr. SCHMITT, and Mr. BUMPERS):

S. 522. A bill to amend title 28 of the United States Code to change the composition of the judicial councils, and to provide procedures within the judicial councils of each circuit for the processing of complaints and for the administration of disciplinary action, if necessary, with respect to the conduct of the Federal judiciary within that circuit; to the Committee on the Judiciary.

By Mr. HART:

S. 523. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. MORGAN:

S. 524. A bill to establish a Solar Energy Development Bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr RIEGLE (for himself and Mr. WILLIAMS):

S. 525. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes; to the Committee on Human Resources.

By Mr SCHWEIKER:

S. 526. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government; to the Committee on Finance.

By Mr. KENNEDY (by request):

S. 527. A bill to authorize appropriations for activities for the National Science Foundation for fiscal years 1980 and 1981, and for other purposes; to the Committee on Human Resources.

By Mr. TSONGAS:

S. 528. A bill for the relief of Bernard Robert Pages; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 529. A bill for the relief of Bing Yu Cheng; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 530. A bill for the relief of Ivan Mauricio Mas-Jaccard and Carmen Mas-Jaccard, husband and wife, and Clifford and Jonny Mas-Jaccard, their children; to the Committee on the Judiciary.

By Mr. BAKER:

S.J. Res. 42. A joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on the Judiciary.

By Mr. DURKIN:

S.J. Res. 43. A joint resolution to proclaim March 21, 1980 "National Energy Education Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. RIBICOFF, Mr. COHEN, Mr. LEVIN, Mr. MATHIAS, and Mr. SASSER):

S. 503. A bill to amend the Privacy Act of 1974 to provide for the confidentiality of medical records, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and if and when ordered reported by one committee, the other committee has not to exceed 30 days.

(The remarks of Mr. JAVITS when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. BAKER (for Mr. PACKWOOD):

S. 504. A bill to amend section 21 of the Second Liberty Bond Act to require the President to submit an alternate balanced budget whenever the regular budget would result in an increase in the public debt limit or a deficit, to require the President to identify revenue increases attributable to inflation, and for other purposes; read the first time and, by unanimous consent, ordered held at the desk.

ALTERNATIVE BUDGET ACT OF 1979

Mr. BAKER. Mr. President, on behalf of the distinguished junior Senator from Oregon (Mr. PACKWOOD), I send a bill to the desk and ask for its first reading.

The PRESIDING OFFICER. The bill will be read the first time by title.

The legislative clerk read as follows:

A bill (S. 504) to amend section 21 of the Second Liberty Bond Act to require the President to submit an alternate balanced budget whenever the regular budget would result in an increase in the public debt limit or a deficit, to require the President to identify revenue increases attributable to inflation, and for other purposes.

Mr. BAKER. Mr. President, I ask unanimous consent that a statement by Senator PACKWOOD, together with the text of the bill, be printed in the RECORD.

There being no objection, the statement and text of the bill were ordered printed in the RECORD, as follows:

STATEMENT BY SENATOR PACKWOOD

Each month we get the bad news on inflation, and each month concern mounts over the primary cause of inflation: the growth of federal spending and the need to reduce draining federal deficits. There is no problem more important to the American people—there is no problem more important to this Congress. If a balanced budget is to be more than a goal which eludes us year after year, we must take concrete steps now, realistic steps now.

Today, I am introducing a bill which I believe would be a responsible, realistic step to stop the needless growth of government debt. In addition, this bill will, for the first time, require disclosure of the tax increases imposed on all Americans by inflation. The companion bill in the House of Representatives is being introduced by the distinguished Representative Barber Conable (R-N.Y.).

TRUTH IN SPENDING

The bill has three major provisions. The first provision requires the President to submit a balanced budget in any year in which the recommended Presidential budget calls for a deficit. This also applies if the budget calls for raising the public debt limit to a dollar figure higher than that provided in the temporary debt limit.

The purpose of this provision is to provide the information needed to work towards a balanced budget. The alternative budget would clearly state the differences between the recommended Presidential budget and the balanced budget. This would enable Members of Congress to see which additional cuts would be the best targets for savings.

This provision will provide a detailed roadmap for reducing federal deficits. It will put—for the first time—the full talents of government budget officials behind developing a balanced budget. Then, depending on economic conditions, Congress would be able to pare spending as needed.

Adoption of a responsible federal budget is a shared responsibility of both the Congressional and Executive branches. It would be unrealistic for Congress to begin the process of developing a balanced budget after the Executive branch budget is proposed.

Preparation of the federal budget begins at the program and agency level within departments. Budget officials in each department and independent agency then make requests and recommendations to the Office of Management and Budget then prepares the final Executive budget for the President's approval. It is forwarded to Congress in January. Spending levels and program effectiveness are considered throughout this Executive branch review. This bill would, in effect, harness these resources to produce a balanced budget. It is not realistic to skip this phase of the budget process if we are serious about achieving a balanced budget.

Preparation of an alternate balanced budget can increase the government's flexibility in dealing with changed circumstances that occur between submission of the Presidential budget in January and adoption of the First Concurrent Resolution in May. For example, this year, President Carter submitted a budget providing a $29 billion deficit. Less optimistic economic assumptions or additional financial burdens of the government, such as costs associated with the Camp David accord, could cause this estimate to increase. But if Congress had before it an alternate balanced budget identifying the best ways to cut $29 billion of federal expenditures, it could more easily hold to the $29 billion figure.

This proposal is not a new idea. Congress in 1909 added to the law the requirement that the President submit spending reduction alternatives for any year the Secretary of the Treasury projects a deficit.

Specifically, the Sundry Appropriations Act of 1909 provided that, in a year for which a deficit is projected, the President shall—

"* * * advise the Congress how in his judgment the estimated appropriations could with least injury to the public service be reduced so as to bring the appropriations within the estimated revenues, or, if such reduction be not in his judgement practicable without undue injury to the public service, that he may recommend to Congress such loans or new taxes as may be necessary to cover the deficiency." P.L. 60-328, sec. 7.

The Congressional debates in 1909 on this provision contain arguments that are still valid today:

"Mr. SMITH of Iowa. The object of this is simply to put upon the President of the United States, who is the head of all the departments, a measure of responsibility to see that the estimates are cut within the revenues, or else call upon him to propose a bond issue or new taxes covering the deficiency, and thereby take the odium that it would bring to his administration.

"Mr. FINLEY. Does not the gentleman think that it is the business of Congress to cut the appropriations to fit the revenues?

"Mr. SMITH of Iowa. It is important that we should have Congress, as well as the Executive, to state where the cut ought to be made. It is possible for Congress to do much in that direction; but the President, being the head of all the departments, can greatly aid in pointing out where these reductions can be made with the least injury to the public service." Cong. Rec.—House, Feb. 26, 1909, page 3310.

Unfortunately, the requirement that the President submit spending reduction alternatives is no longer in the law. The successor statute, 31 U.S.C. 13, drops the requirement that the President submit an alternative balanced budget. The Packwood-Conable proposal reinstates this requirement.

LIVING WITHIN OUR BUDGET

Another section of this bill helps to avoid increases in the deficit or spending during a fiscal year beyond that which was projected at the beginning of the fiscal year. It does this by requiring the President to submit spending reduction alternatives to Congress during any year that spending or the deficit increases beyond that projected in the Second Concurrent Resolution on the Budget. Similarly, the President would be required to submit a spending reduction plan in any year that the public debt limit is required to be increased to an amount greater than that provided in the Second Concurrent Resolution on the Budget, if attributable to reduced revenues or exceeding spending limits provided in the Second Concurrent Resolution.

This provision does not dictate spending reductions. This is because there may be situations where it is in the Nation's interest to increase spending or incur deficits during a fiscal year, such as in response to a recession However, the purpose of this provision is to assure that Congress has the information it needs to stick to the budget. Today, government budgetary officials are not required to provide them with information to make the choice.

The provision, if in effect today, could have a dramatic effect on spending during the current year, fiscal year 1979. This is because spending has grown by $2-3 billion since adoption of the Second Concurrent Resolution in September, 1978. The primary cause for the increase is the increase in interest rates and the resultant increased cost in borrowing funds to finance the deficit provided for the year. In other words, Congress is going to be faced with making a dramatic increase in this year's spending simply because the cost of paying for the deficit has increased. Congress may or may not adopt spending cuts to offset this increase; but it ought to be given the choice.

TRUTH IN TAXING

The third provision of the bill is designed to help break the cycle of unlegislated tax increases caused by inflation. Inflation causes "taxation by stealth," in the words of former O.M.B. Deputy Director Paul O'Neill. Inflation erodes the value of the personal exemption, the standard deduction, it pushes low, middle and upper income taxpayers into higher and higher tax brackets, and it makes a mockery of other fixed dollar limits provided in the Internal Revenue Code.

The enormous revenue gains attributable to inflation have permitted Congress to adopt so-called "tax cuts" almost annually. However, these tax cuts are frequently less than the unlegislated tax increase attributable to inflation.

This bill addresses this problem by requiring the President to include in his annual budget an estimate of the amount of tax increase which will occur because of inflation. The President would be required to indicate the amount of such tax increases, and to indicate its distribution by income group and family size. The estimate by the President would include revenue gain attributable to loss in value of fixed dollar limits in the Internal Revenue Code and any other factor which the Department of the Treasury can reasonably take into account.

The President would also be required to recommend whether or not these unlegislated tax increases should be permitted to go into effect. These recommendations would then be considered in connection with Congressional deliberations on the budget.

We must make controlling spending and taxing a priority. This bill is a means to that end. It will change the rules of the game to help achieve these goals.

Representative Conable and I welcome any suggestions for improving this bill.

S. 504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alternative Budget Act of 1979".

SEC. 2. (a) Section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) is amended by inserting "(a)" after "Sec. 21". and by adding at the end thereof the following new subsection:

"(b)(1) Whenever the budget for a fiscal year transmitted by the President to the Congress under section 201 of the Budget and Accounting Act, 1921, (hereinafter referred to as the 'Budget'), which, if adopted, would result in an increase, either permanent or temporary, in the limit prescribed by subsection (a), or would result in a deficit, the President shall also transmit an alternate budget providing for a level of outlays which, if adopted, would not result in an increase in such limit or in a deficit. Such alternate budget shall be transmitted at the same time and manner, and shall be in the same form, as the Budget and, except as provided in paragraph (2), shall be in such detail as the President determines necessary to carry out the purposes of this subsection.

"(2) An alternate budget for a fiscal year transmitted under paragraph (1) shall include a clear and understandable explanation of the differences between the Budget and the alternate budget.

SEC. 3. After the House of Representatives and the Senate have agreed to the concurrent resolution on the budget for a fiscal year required under section 310 of the Congressional Budget Act of 1974 (31 U.S.C. 1331), if the President determines that—

(1) the statutory limit on the public debt will have to be increased during such fiscal year to an amount in excess of the amount set forth in such concurrent resolution, or

(2) the amount of deficit for such fiscal year will exceed the amount of deficit set forth as appropriate in such concurrent resolution, or

(3) the amount of total budget outlays for such fiscal year is expected to exceed the amount of total budget outlays set forth as appropriate in such concurrent resolution,

he shall submit to the Congress a plan for reducing outlays during such fiscal year by an amount equal to the greater of the excess determined under paragraph (1) or the excess determined under paragraph (2).

SEC. 4. (a) In the budget transmitted to the Congress under section 201 of the Budget and Accounting Act, 1921, for each fiscal year, the President shall set forth the increases in estimated receipts under the internal revenue laws for such fiscal year over such receipts for the fiscal year in progress which are attributable to—

(1) inflation, and

(2) tax increases first effective during the fiscal year which result from—

(a) provisions of existing law, or

(b) legislation proposed by the President.

The President shall indicate the total amount of such increases, and also classify them by income level and family size.

(b) The President shall also recommend any changes in the internal revenue laws which he considers advisable to offset such increases in receipts.

SEC. 5. This Act shall become effective beginning with the fiscal year beginning on October 1, 1980.

Mr. BAKER. Mr. President, I ask unanimous consent that the bill be held at the desk pending further disposition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

By Mr. TALMADGE (for himself and Mr. DOLE):

S. 505. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; to the Committee on Finance.

(The remarks of Mr. TALMADGE when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. MATHIAS (for himself, Mr. BAYH, Mr. METZENBAUM, Mr. JAVITS, and Mr. HEINZ):

S. 506. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

FAIR HOUSING AMENDMENTS ACT OF 1979

● Mr. MATHIAS. Mr. President, last year the National Committee Against Discrimination in Housing, conducted a housing survey of the practices of 3,000 brokers and rental agents in 40 metropolitan areas. The survey, conducted under contract with HUD, found that discrimination in the sale and rental of housing continues to exist 10 years after the passage of the Civil Rights Act of 1968.

I will cite here just one example of discrimination recounted by the NCDH testers. I have omitted the name of the city in which the incident occurred:

In one real estate office in (name of town omitted) the black auditor got no reponse from the agent. The secretary was told to tell the auditor that the company handled only commercial and industrial real estate. However, the white auditor was asked to be seated, offered a business card and asked questions about the kind of home she wished to purchase. The agent offered to obtain financing for her, and even picked her up the next day so they could look at homes together. She was shown three homes, all in her price range and with good financing available. One white auditor reported that the agent "said I must have been from out of town to be requesting 'East Side' housing" . . . said it was "against the law for her to make references to 'mixed neighborhoods' but thought I'd better know first—she didn't want me to be walking in 'cold' and then coming down on her because she was showing me 'mixed areas.'" The auditor was shown homes in "non-mixed" areas.

The NCDH survey documented that based on race equal treatment was not accorded persons seeking housing. Subsequent analysis by HUD showed that equal treatment was extended to blacks as well as whites in only 30 percent of the rental market and only 10 percent of the sales markets surveyed by the National Committee Against Discrimination in Housing.

Under title VIII of the Civil Rights Act of 1968, the Department of Housing and Urban Development has very weak powers to enforce the fair housing law of the land. Essentially HUD's powers are confined to documenting instances of discrimination and attempting to bring the two parties together for conciliation. HUD lacks a "big stick" of enforcement powers which could serve as an incentive to the disputing parties to reach a mutually acceptable settlement.

The Government Accounting Office in a report in February of 1978, made the following findings about HUD's fair housing efforts:

The Department's efforts to resolve discrimination complaints in the private sector have also been ineffective. GAO reviewed 332 complaints received by three regional offices between January 1, 1973, and April 30, 1976, and found that the Department was unable to resolve 247 for lack of clear evidence of discrimination. In 57 cases the Department was able to determine that discrimination occurred; 36 cases were resolved. Twenty-one of the 36 received housing and/or monetary compensation.

Since that time, HUD has made a significant reduction in its housing discrimination caseload and has expedited the disposition of pending cases.

However, the Secretary of HUD was quite candid in her testimony on this subject last year. I quote Secretary Harris:

The lack of adequate enforcement power has been the most serious obstacle to the developmtnt of an effective fair housing program within HUD. Our present authority is limited to a purely voluntary process of "conference, conciliation, and persuasion." I will not dwell upon the ironies associated with a law that mandates HUD to investigate and to establish the existence of violations of law, and then limits the Secretary to asking the discovered lawbreaker whether he wants to discuss the matter. Simply put, "conciliation" all too often has proved inadequate means of securing compliance with the substantive provisions of Title VIII.

Based on this evidence, I am again introducing, on behalf of Senators BAYH METZENBAUM, JAVITS, and HEINZ, a bill strengthening HUD's enforcement powers under Title VIII of the Civil Rights Act of 1968. An identical bill is being introduced today in the House by Representatives DON EDWARDS and ROBERT F. DRINAN. And I am pleased to report that this legislation has the support of the administration. I ask unanimous consent that the text of a letter to me from Mr. Stuart Eizenstat, Assistant to the President for Domestic Affairs and Policy, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, February 22, 1979.

Hon. CHARLES MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: Thank you for your recent letter to the President in which you indicated your intention to introduce legislation to improve the enforcement of national fair housing policy.

The President shares your concern and has pledged to work with you to correct the inadequacy of the current law. In the written State of the Union Message transmitted to the Congress on January 25 the President stated the following:

"* * * we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

"I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy. My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration."

We look forward to working closely with you to see that the proposed legislation becomes law.

Sincerely,

STUART E. EIZENSTAT,
Assistant to the President for Domestic Affairs and Policy.

Mr. MATHIAS. Mr. President, title VIII specifically prohibits discrimination in the sale or rental of housing because of race, color, religion, national origin, or sex. This legislation authorizes HUD to enter Federal suits for relief on behalf of individual complainants; provides HUD with cease and desist authority; establishes within HUD an administrative hearing process; and provides for the court award of civil penalties.

At present, HUD has no power to issue cease and desist orders, which can serve to maintain the status quo of a housing unit in question while HUD attempts to resolve the complaint through conciliation. The bill provides HUD with such powers.

It spells out the alternative routes which a person alleging a discriminatory housing practice can pursue at the Federal level. It gives the complainant the option of taking his/her complaint to district court or of filling a formal complaint with HUD where an administrative hearing would be held. This bill further insures that HUD refers those cases to State and local agencies which HUD has determined have "substantially equivalent" rights, remedies, and procedures to those of title VIII. At present, 8 such States are designated by HUD.

Once a complainant has come to HUD, this legislation provides that HUD may, with reasonable cause, issue cease-and-desist orders; subpena documents and witnesses; issue interrogatories; make findings of fact and conclusions of law; order relief; and impose a civil penalty.

The complainant is also given the option of commencing a civil action up to 3 years after the alleged discriminatory housing practice. In such cases, the court can appoint an attorney for the plaintiff, and award monetary relief, declaratory relief, and/or punitive damages. The prevailing party in cases before HUD or the courts may also be awarded reasonable attorneys' fees.

Over 80 percent of the Nation's housing is covered by title VIII. The remainder is covered by the Civil Rights Act of 1866 with respect to racial discrimination. Our bill clarifies the definition of those who are covered by title VIII to include the physically or mentally impaired.

I would point out that the sponsors of this bill do not intend that any person selling or renting housing must modify that housing to accommodate such mentally or physically impaired persons. Rather, we wish to make clear that housing so designed for such handicapped persons must be made available on a nondiscriminatory basis. Clearly, the intent is not to retrofit the entire Nation's housing stock to accommodate handicapped persons. We encourage the new construction or modification of existing housing to meet those needs and will continue to work for incentives to bring such housing into being.

Lastly, this bill continues to exempt single, shared units from title VIII coverage, insuring that persons in individual apartments and houses have the right to choose those with whom they share common facilities.

Within HUD, the responsibility for implementing title VIII is delegated to the HUD regional offices. Each regional office has an Assistant Regional Administrator for Fair Housing and Equal Opportunity who have staffs for compliance, field support, and evaluation. A little over half of this staff's time is spent on enforcement of title VIII and practically all that effort relates to processing of complaints.

The Department of Housing and Urban Development reports continuing progress in reducing its fair housing complaint backlog. During fiscal year 1978, HUD processed 3,910 title VIII complaints, substantially reduced its processing time, and virtually eliminated its case backlog. Of those 3,910 complaints, the Department successfully conciliated 341 cases or 8 percent of the cases referred to it. This data indicates the weakness of the conciliation powers with which HUD is now vested. If it had a bigger stick; namely, powers to go to court on behalf of individual complainants, I think those conciliation cases would move along a good deal more quickly and many more would be resolved.

I think my colleagues would agree that the time has come for HUD to have the authority to take positive action in the field of fair housing and equal opportunity.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Fair Housing Amendments Act of 1979".

SHORT TITLE FOR 1968 ACT

SEC. 2. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the comma at the end of the enacting clause the following: "That this Act may be cited as the Civil Rights Act of 1968.".

SHORT TITLE FOR TITLE VIII

SEC. 3. Title VIII of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the title's catchline the following new section:

"SHORT TITLE

"SEC. 800. This title may be referred to as the 'Fair Housing Act'.".

AMENDMENTS TO DEFINITIONS SECTION

SEC. 4. (a) Section 802(f) of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out "section 804, 805, or 806" and inserting "this title".

(b) Section 802 of such Act is amended by adding at the end the following:

"(h) 'Handicap' means, with respect to a person, (1) a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment.

"(i) 'Aggrieved person' includes any person who is adversely affected by a discriminatory housing practice that has occurred, is occurring, or is about to occur.".

MODIFICATION OF OWNER-OCCUPIED EXEMPTION

SEC. 5. Section 803 of the Act entitled "An Act to prescribe penalties for cetrain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended—

(1) by inserting "and before the date of the enactment of the Fair Housing Amendments Act of 1979," immediately after "1968," in subsection (a)(2);

(2) by striking out "Nothing in section 804 (other than subsection (c))" in subsection (b) and inserting in lieu thereof the following: "Before the date of the enactment of the Fair Housing Amendments Act of 1979, nothing in section 804 (other than subsections (c) and (e))"; and

(3) by adding at the end the following:

"(d) After the date of the enactment of the Fair Housing Amendments Act of 1979, subject to the provisions of section 807, the prohibitions set forth in section 804 of this title shall apply to all dwellings, except that the prohibitions set forth in section 804(a), (b), and (d) shall not apply with respect to the renting of space within a single family dwelling unit by the occupant of such unit to any other person or persons.".

DISCRIMINATORY HOUSING PRACTICE AMENDMENTS

SEC. 6. (a) The catchline of section 804 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by adding at the end the following: "AND OTHER PROHIBITED PRACTICES".

(b) Section 804 of such Act is amended by inserting ", 803(d)," immediately after "803(b)".

(c) Section 804 of such Act is amended by adding at the end the following:

"(f) For a person in the business of insuring against hazards to refuse to enter into, or discriminate in the terms, conditions, or privileges of, a contract of insurance against hazards to a dwelling because of the race, color, religion, sex, handicap, or national origin of persons owning, or residing in or near, the dwelling.".

(d) Sections 804, 805, and 806 of such Act are each amended by inserting "handicap," immediately after "sex," each place it appears.

(e) Section 805 of such Act is amended by—

(1) inserting "(a)" immediately after "SEC. 805.";

(2) inserting "of persons residing in the vicinity of such dwelling, or" immediately after "or national origin"; and

(3) by adding at the end the following:

"(b) After the date of the enactment of the Fair Housing Amendments Act of 1979, it shall be unlawful for any person or other entity to refuse to buy a debt, or negotiable evidence of a debt, secured by real property because of the race, color, religion, sex, handicap, or national origin of persons residing in or in the vicinity of such real property.".

FUNCTIONS OF SECRETARY

SEC. 7. (a) Section 808(d) of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting "(including any Federal agency having regulatory authority over financial institutions)" after "urban development".

(b) Section 808(e)(3) of such Act is amended by inserting "financial and" immediately before "technical".

ENFORCEMENT CHANGES

SEC. 8. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out sections 810 through 814 and inserting in lieu of the matter so stricken the following:

"ENFORCEMENT BY SECRETARY; PRELIMINARY MATTERS

"SEC. 810. (a)(1) Whenever an aggrieved person, or the Secretary on the Secretary's own initiative, files a charge alleging a discriminatory housing practice, the Secretary shall serve a notice of the alleged discriminatory housing practice on the party charged (hereinafter in this title referred to as the 'respondent') within 10 days after such filing, and shall make an investigation thereof. Such charges shall be in writing under oath or affirmation and shall contain such information and be in such form as the Secretary requires. An aggrieved person shall file a charge under this section with the Secretary not later than one year after the alleged discriminatory housing practice occurred or terminated. The Secretary may also investigate housing practices to determine whether charges should be brought under this section or new rules should be made under this title.

"(2)(A) In connection with any investigation of such charge or of a housing practice, the Secretary shall, at reasonable times, have access to, and the right to copy, any information that relates to such charge or housing practice. The Secretary may issue subpenas to compel such access to or the production of such information, or the appearance of persons, and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Secretary may administer oaths.

"(B) Upon written application to the Secretary, a respondent shall be entitled to the issuance of a reasonable number of subpenas by and in the name of the Secretary to the same extent and subject to the same limitations as subpenas issued by the Secretary under clause (A) of this paragraph.

"(C) Witnesses summoned by subpena of the Secretary under this title shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts. Fees to a witness summoned by a subpena requested by the respondent shall be paid by the respondent.

"(D) The Secretary or other party at whose request a subpena is issued under this title may enforce such subpena in appropriate proceedings in the United States district court for the district in which the person to whom the subpena was addressed resides, was served, or transacts business.

"(E) Any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if in such person's power to do so, in obedience to the subpena or lawful order of the Secretary under this title, shall be fined not more than $1,000 or imprisoned not more than one year, or both. Any person who, with intent thereby to mislead the Secretary shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document produced pursuant to the Secretary's subpena or other order, or shall willfully neglect or fail to make or cause to be made full, true, and correct entries in such reports, accounts, records, or other documents, or shall willfully mutilate, alter, or by any other means falsify any documentary

evidence, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(3) Whenever a charge alleges a discriminatory housing practice within the jurisdiction of a State or local public agency certified by the Secretary under this paragraph, the Secretary may, before taking any action with respect to such charge and with the consent of the aggrieved person, refer such charge to that certified agency. Except with the consent of such certified agency, the Secretary shall, after that referral is made, take no further action with respect to such charge. No agency may be certified under this paragraph unless the Secretary determines that the substantive rights protected by that agency, the procedures followed by that agency, and the remedies available to such agency, are substantially equivalent to those created by and under this title. Before making such certification, the Secretary shall take into account the current practices and past performance, if any, of such agency.

"(4) The Secretary and other Federal agencies having authority to prevent housing discrimination shall cooperate and seek to avoid duplication of effort in the exercise of their several authority. The Secretary and such other Federal agencies shall notify each other of any allegation of housing discrimination which may be within their respective responsibilities. The Secretary or such other Federal agency shall, upon such notification, take additional appropriate action.

"(b) If the Secretary determines any time after the filing of a charge that prompt action is necessary to carry out the purposes of this title, the Secretary, after notice and opportunity to be heard has been given the respondent, may order temporary or preliminary relief pending the final disposition of such charge. The Secretary may enforce such an order in appropriate proceedings in the United States district court for the district in which the party to whom such order was made resides, was served, or transacts business.

"(c) If the Secretary determines, after an investigation under this section, that reasonable cause exists to believe the charge is true, the Secretary shall file an administrative complaint under section 811(a) of this title or refer the matter to the Attorney General for the filing of an appropriate civil action under section 813(b) of this title.

"ENFORCEMENT BY SECRETARY; HEARING PROCESS

"SEC. 811. (a) Upon filing an administrative complaint, the Secretary shall cause a copy of such complaint to be served on the respondent, together with a notice of opportunity for a hearing on the record at a place and time (not less than 30 days after the service of such complaint) specified in such notice. Any resolution of a charge or complaint by means of conciliation shall require the consent of the person who filed the charge, and any such resolution following the service of a complaint under this subsection shall also require the approval of the Secretary. The respondent shall have the right to file an answer to the administrative complaint and to appear in person or otherwise and give testimony at a hearing on the record. Any aggrieved person shall be allowed to intervene in the proceeding, to appear in person or otherwise, to obtain the issuance of a reasonable number of subpenas in the manner set forth in section 810 of this title, and to present testimony. After the conclusion of such hearing, the person conducting the hearing shall make findings of fact and conclusions of law, and may issue an order providing such relief as may be appropriate, and may impose a civil penalty of not to exceed $10,000. Any order issued under this subsection is subject to review and modification by the Secretary.

"(b) The findings of fact and conclusions of law made with respect to a final order issued under subsection (a), together with a copy of such order, shall be served on each aggrieved person and each respondent in the proceeding.

"(c) Any petition for judicial review of a final order under subsection (a) shall be filed in the appropriate court of appeals not later than 60 days after the entry of such final order by the Secretary. Such judicial review of a final order shall be in the manner provided under chapter 158 of title 28 of the United States Code. For the purposes of judicial review of such an order, any aggrieved person shall be deemed a party in the administrative proceedings reviewed. The findings of the Secretary shall be conclusive if supported by substantial evidence in the record considered as a whole. No objection not urged before the Secretary (or other person holding the hearing) shall be considered by the court unless the failure or neglect to urge such objection should be excused because of extraordinary circumstances.

"(d) 1) Any person who violates a final order of the Secretary under subsection (a) shall be subject to a civil penalty assessed by the Secretary of not more than $1,000 for each day during which such violation continues after the date on which such final order becomes unreviewable.

"(2) For the purposes of paragraph (1) of this subsection, a final order becomes unreviewable—

"(A) if a petition for review has not been filed in the appropriate reviewing court, on the day 60 days after the entry of such final order, or

"(B) if such a petition is so filed within such 60-day limit, on the date on which the last appellate court's decision becomes final and not subject to any further appellate proceeding.

"PRIVATE ENFORCEMENT

"SEC. 812. (a)(1) An aggrieved person may commence a civil action in an appropriate United States district court or State court at any time not later than three years after the alleged discriminatory housing practice occurred or terminated.

"(2) After an aggrieved person has commenced a civil action under this section, the Secretary may not commence or continue proceedings toward the issuance by the Secretary of a remedial order based on such charge.

"(3) An aggrieved individual shall not commence a civil action under this subsection with respect to a charge made by that individual to the Secretary if the Secretary (or a State or local agency to which the Secretary refers such charge) has commenced the hearing on the record with respect to that charge.

"(4) upon timely application, the Attorney General may intervene in such civil action, if the Attorney General certifies that the case is of general public importance.

"(b) Upon application by an aggrieved person, any trial or appellate court may, in such circumstances as it deems just, appoint an attorney for such person and may authorize the commencement or continuation of the action without the payment of fees, costs, or security.

"(c) If the court finds in a civil action under this section that an alleged discriminatory housing practice has occurred, is occurring, or is about to occur, the court shall award such relief as may be appropriate, which may include money damages, equitable and declaratory relief, and, in the case of a willful violation, punitive damages.

"ENFORCEMENT ROLE OF ATTORNEY GENERAL

"SEC. 813. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title and such denial raises an issue of general public importance, the Attorney General may bring a civil action in an appropriate United States district court.

"(b) The Attorney General may bring a civil action in an appropriate United States district court (1) to enforce any final order under section 811(a) of this title that is referred for enforcement by the Secretary; (2) to collect any civil penalty assessed by the Secretary under section 811 of this title; and (3) to remedy any discriminatory housing practice (A) with respect to which the Secretary has made a finding that reasonable cause exists under this title and (B) which the Secretary refers to the Attorney General for enforcement under this subsection.

"(c) The court may award such relief in any civil action under this section as is authorized in section 812(c) of this title in cases brought under that section.

"(d) A person may intervene in any civil action commenced under this section which involves an alleged discriminatory housing practice with respect to which such person is an aggrieved person.

"ATTORNEY FEES AND OTHER COSTS AND EXPEDITION OF PROCEEDINGS

"SEC. 814. (a) In any action or proceeding under this title, the court, in its discretion, may allow a prevailing party (other than the United States with respect to attorney fees) reasonable attorney fees as part of the costs, and the United States shall be liable for such costs the same as a private person. Such costs may also be awarded upon the entry of any interlocutory order which determines substantial rights of the parties.

"(b) In any administrative proceeding based on a charge under section 810(a) of this title, the Secretary may award to any prevailing party (other than the United States with respect to attorney fees) reasonable attorney fees as a part of a final order under section 811(b) of this title.

"(c) Any court in which a proceeding is instituted under this title shall assign the case for hearing at the earliest practicable date and cause the case to be in every way expedited.".

INTERFERENCE, COERCION, OR INTIMIDATION

SEC. 9. Section 817 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out "section 803, 804, 805, or 806." and inserting "this title." in lieu thereof.

CONFORMING AMENDMENT TO TITLE IX OF 1968 CIVIL RIGHTS ACT

SEC. 10. Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting", handicap (as defined in section 802 of this Act)," immediately after "sex" each place it appears.

CONFORMING AMENDMENTS TO TITLE 28 OF UNITED STATES CODE

SEC. 11. (a) Section 2341(3)(B) of title 28 of the United States Code is amended by inserting "or the Secretary of Housing and Urban Development, as the case may be" immediately after "the Secretary of Agriculture".

(b) Section 2342 of such title 28 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof; and

(3) by adding immediately after paragraph (6) but before the final sentence, the following:

"(7) all final orders of the Secretary of Housing and Urban Development under the Fair Housing Act.".●

Mr. BAYH. Mr. President, more than 10 years ago, the Senate passed a bill which became Public Law 90-284, the Civil Rights Act of 1968. Title VIII of that act was designed to insure that all Americans had an opportunity to get good and decent housing. This fair housing law was supposed to end forever the practice of racial or ethnic discrimination in housing. The promise of that law has never been kept. The fact that we are here once again to introduce a bill to amend title VIII, is further evidence that this law and others related to it have failed to achieve their goals of open decent housing for all Americans.

The President recently pointed out in his state of the Union message the need for legislation to amend title VIII, and his domestic policy staff has recently confirmed the President's commitment of support for the legislation Senator MATHIAS and I are introducing today. The President said in his message that—

. . . we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy. My administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

Why is it that the President, the Secretary of Housing and Urban Development and the Attorney General have joined with the Senator from Maryland and myself to call for a revision of a law that plainly outlawed discriminatory housing practices 11 years ago? It is because the law was stripped of any real enforcement power back in 1968. As the law now stands, a person who is subject to housing discrimination bears the burden of litigation to end the discriminatory acts the law prohibits, except in cases where the Attorney General finds a pattern or practice of housing discrimination. The Government's duty is merely to identify and forbid any practice, including those in mortgage financing, that would tend to discriminate against persons, because of race, color, religion, sex, or national origin. The law only requires the Secretary to study and report on this type of discrimination and its effects. Even if a violation is found, the Secretary can only seek to conciliate the opposing parties. If this conciliation fails, the Government withdraws its protective and, heretofore, helpful arm and leaves the plaintiff to act on his own. Not only does he lose the help of the Government sworn by law to protect him, but he finds in most cases he must pay to have his rights upheld, for the law requires a plaintiff to be both discriminated against and destitute before attorneys' fees will be awarded. In short, the law provides neither for the Attorney General to vindicate the rights of plaintiffs in housing discrimination cases, nor for plaintiffs to act as "private Attorneys General" as is the case under all other civil rights laws. As the law now stands, it is little wonder housing discrimination like that just described by the Senator from Maryland, still exists and continues to threaten to undo all the gains made for racial justice in the 25 years since Brown.

While housing discrimination is a far more subtle force than discrimination in voting or in public accommodations, it is an underlying factor in most continuing segregation. It is housing discrimination that has tied black Americans to the ghetto. It is housing discrimination that has robbed communities of its leaders and the monetary strength needed to help themselves. It is housing discrimination that has kept the handicapped from living their own lives and realizing their full potential. It is housing discrimination that has turned the neighborhood school effectively into a method of continuing segregated education. In short, it is housing discrimination that continues to keep the American people, black, white, hispanics, ethnics, women, and the handicapped, apart and unequal.

The bill we are introducing today would provide remedies to end this inequality. The Mathias-Bayh bill would make the following changes in title VIII:

First. It would provide HUD with "cease-and-desist" power and (in the alternative) standing to go to court through the Attorney General to enforce the fair housing laws;

Second. It would also give Justice the power to intervene in individual court actions (brought by individual aggrieved persons);

Third. It would retain justice's present authority to bring "pattern and practice" suits;

Fourth. It would provide an aggrieved person with two enforcement routes—one, administrative, through HUD, and the other judicial, through the Federal courts (with rights of appeal in both cases);

Fifth. It would allow attorneys' fees for prevailing parties under both enforcement mechanisms; and

Sixth. It would expand the law's reach by adding handicap as a protected class and by removing most of the so-called "Mrs. Murphy" exemptions from the law.

Therefore, I am pleased to join with the Senator from Maryland (Mr. MATHIAS), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Ohio (Mr. METZENBAUM) in renewing our effort to end this invidious discrimination by sponsoring S. 506. I believe that this is a first step on a long legislative road in the Senate and the Congress that will need to be traveled to end housing discrimination once and for all.

Mr. President, I would like at this time to announce that the Subcommittee on the Constitution of the Committee on the Judiciary will hold hearings on S. 506 on March 21, 22, and 27, 1979.

Mr. President, I ask unanimous consent that a section-by-section analysis of S. 506 be inserted in the RECORD at this point.

Mr. President, I also ask unanimous consent that a letter from the Assistant Attorney General, in support of S. 506 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE FAIR HOUSING AMENDMENTS ACT OF 1979

Section 1. Provides that the short title of this Act will be the Fair Housing Amendments Act of 1977.

Section 2. Provides in the law that the short title of the 1968 Act (which is being amended) will be the Civil Rights Act of 1968. This simply establishes in the law itself the short title which is usually used when referring to the 1968 Act.

Section 3. Provides that the short title of Title VIII of the 1968 Act shall be the Fair Housing Act. Again, this simply establishes in the law a title normally used when referring to Title VIII.

Section 4(a). Broadens the definition of "discriminatory housing practice" to include any violation under the Act and not merely those made illegal under Section 804, 805, or 806.

Section 4(b). Provides a definition of handicap (identical to that used in other federal laws, including the Rehabilitation Act of 1973); defines "aggrieved person," thereby clarifying issues of standing in fair housing cases.

Section 5. Narrows the owner-occupied exemption in present law which allows discrimination generally in the sale or rental, by owners of single family dwellings and in the rental of units in owner-occupied dwellings with four or less independent units. The new exemption, to apply prospectively, would apply only to a single-family by an occupant of the dwelling in which space is being rented.

Section 6. Subsection 6(a). Amends the catchline of section 804 of the Act by indicating that other practices, in addition to discrimination in the sale or rental of housing, will be made unlawful in section 804, as amended.

Subsection 6(b). Amends section 804 of the Act by providing that the new and narrower owner-occupied exemption, discussed above, exempts certain housing from the section 804 prohibitions dealing with the sale or rental of housing.

Subsection 6(c). Amends section 804 of the Act by making it unlawful for insurance companies and their agents to refuse to write home insurance because of the race, color, religion, sex, handicap or national origin of the owners, residents or neighbors of the home.

Subsection 6(d). Amends sections 804 by adding "handicap" as another prohibited ground for discriminating in housing activities covered in section 805. Thus, discrimination in the sale, rental, financing, insuring, location, etc., of housing because of handicapped status, will be prohibited. However, it is not intended that this bill require retrofitting to remove architectural barriers, although reasonable accommodations (at the expense of the buyer of lessee) would have to be permitted.

Subsection 6(e). Amends section 805 of the Act by explicitly prohibiting the practice of mortgage redlining by the primary and secondary mortgage market. Although there is precedent indicating that redlining is already prohibited under Title VIII, this amendment is proposed solely for purposes of clarification.

Section 7(a); This provision clarifies the inclusion of the federal financial regulatory as an executive agency of responsibility to administer their programs in a manner affirmatively to further the purposes of the Federal Fair Housing Act. The Federal Home Loan Bank Board, the Comptroller General, and the Federal Deposit Insurance Corpora-

tion agree with this interpretation of existing law, but clarification is needed.

Section 7(b). Amends section 808(e) (3) of the Act by giving HUD the authority to provide financial as well as technical assistance to public and private civil rights organizations seeking to remedy housing discrimination.

Section 8. Revises the enforcement mechanisms in the Act. Under present law HUD has only the authority to investigate and conciliate violations. This section would give HUD the authority to issue cease and desist orders through administrative proceedings.

The new section 810 and 811 added by this section of the bill, provides for the filing of housing discrimination charges with HUD by the Secretary and by aggrieved persons. HUD is authorized to investigate such charges and when reasonable cause exists to believe that the charges is true, the HUD Secretary must either refer the charge to Justice for suit, refer the charge to a certified state or local agency, or file an administrative complaint (based on the charge) on which there shall be notice and opportunity for a hearing.

A final order of the HUD Secretary is appealable in an appropriate court of appeals and, in such an appeal, the findings of the Secretary shall be conclusive if supported by substantial evidence.

The Secretary is authorized to assess civil penalties against persons who violate final orders of the Secretary once those orders become unreviewable.

The new section 812, added by this section of the bill, outlines private judicial enforcement rights. An aggrieved person may file a civil action to remedy a discriminatory housing practice. The statute of limitations is lengthened. However, such a suit may not be filed if the aggrieved person has filed the charge with HUD, and a hearing on the record has commenced by HUD or the state or local agency (to which HUD has referred the charge).

The court, in cases brought by aggrieved persons, may appoint an attorney and authorize the commencement of actions without fees. The Attorney General may intervene in such cases, where the case involves issues of general public importance.

The new section 813, added by this section of the bill, outlines the enforcement role of the Attorney General. The Attorney General is authorized to file on the Attorney General's own initiative, civil actions intended to remedy pattern or practice violations or to remedy violations against groups of persons when the issues involved are of general public importance.

The Attorney General may bring civil actions necessary to enforce the Secretary's final orders, to collect any civil penalties assessed by the Secretary, and to remedy discriminatory housing practices when the Secretary has found reasonable cause and referred the matter to the Department of Justice.

The new section 814, added by this section of the bill, provides that attorney fees may be awarded to prevailing parties in both judicial and administrative proceedings.

Section 9. Amends section 817 of the Act by broadening that section to provide a civil remedy for interferences with or intimidations relating to the exercise of rights granted by the title. Present law technically provides such remedies only for violations of sections 803, 804, 805, and 806 of the Act.

Section 9 of the bill redesignates the present sections 803, 804, 805, and 806 of the Act as "this title."

Section 10. Conforms Title IX of the 1968 Act (criminal penalties for intimidations) to add "handicap" as a basis for a criminal violation.

Section 11. Amends Title 28 of the United States Code to provide for judicial review of HUD Secretary orders in the court of appeals.

WASHINGTON, D.C.,
March 1, 1979.

HON. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: The Department of Justice was pleased to receive your letter of February 15, 1979, advising that you planned to introduce a revised version of H.R. 3504 from the last Congress. The draft which you enclosed with your letter, we understand, represents a great deal of staff work in redrafting and, of course, it benefits from the hearings on fair housing which were held in both Houses of Congress last year.

We are pleased to note the current proposal contains improvements over the bill introduced last year. The proposed administrative procedures do not carry the same risk of unconstitutionality as did the procedures in the previous bill, and the removal of the questionable "economic" discrimination provision makes the proposed draft bill a much more desirable measure. The bill still contains the broadened remedies which we supported last year.

Most significantly, the proposed draft provides important improvements in enforcement powers under Title VIII which the President noted in his written State of the Union Message are essential for fulfilling our fair housing objectives.

One particular problem I would like to bring to your attention at this point is the lack of clarity in the bill in the scope of the proposed protection for handicapped persons. We noted in testimony last year that the problems of handicapped persons are generically different from those of racial minorities and, therefore, adding "handicap" in a series with race and color would make interpretation and litigation unduly complex. Perhaps putting handicap protections in a separate section specifically addressed to identified kinds of discrimination would be a useful effort. We will be prepared to provide more detailed comments and suggestions about other concerns when we present our testimony on this bill.

Undoubtedly, there will be modifications of the bills as they proceed through the Congress, and we may wish to take a position on various issues as they arise. In this regard, we hope we can be of assistance in refinement of the bills as the respective committees begin their work on them. Except as noted, I can advise you that the Department of Justice strongly supports the enhanced enforcement powers to achieve fair housing represented by your draft bill.

PATRICIA M. WALD,
Assistant Attorney General,
Office of Legislative Affairs.

Mr. HEINZ. Mr. President, I am pleased to join my colleagues, Senator MATHIAS and Senator BAYH, in introducing the Fair Housing Act Amendments of 1979.

The promise of decent shelter has been an enduring dream for all Americans, but the reality for too many citizens has been otherwise. Despite the commitment of this Nation under the Housing Act of 1949 to provide every American family a decent home and suitable living environment as soon as feasible, many of our fellow citizens, particularly those who are female heads of family, handicapped, or minority, have encountered hatred rather than a decent shelter.

Since the Civil Rights Act of 1966, the Congress has demonstrated its intent to guarantee equal rights in housing. Unfortunately, the demonstrations of purpose have been more impressive than the results. In 1962, President Kennedy issued Executive Order 11063, directed at newly constructed housing financed with FHA or VA insured or guaranteed loans. This order applied to less than 1 percent of the housing market. Title VI of the Civil Rights Act of 1964 added a prohibition against discrimination in low-rent public housing and urban renewal programs. Finally, in the year of Dr. Martin Luther King's tragic death—the same year as the issuance of the Kerner Commission report—the Fair Housing Act, title VIII of the 1968 Civil Rights Act, was signed into law. This act covered dwellings operated by the Federal Government, those under State and local agencies receiving Federal assistance, as well as dwellings purchased or leased through conventional financing. Under this law, an extensive range of discriminatory housing activities was expressly forbidden.

Specifically, the Fair Housing Act prohibited:

A refusal to sell, rent, negotiate for sale or rental, or otherwise make a dwelling unavailable to any person after a bona fide offer has been made;

Discrimination in the terms, conditions, or privileges of sale or rental, or in the provision of services or facilities in connection with sales and rentals;

Representation of a dwelling as unavailable for inspection, sale, or rental, when in fact it is available;

Interference, coercion, or intimidation of any person exercising rights granted by this act;

Blockbusting;

Steering;

Denying persons access to multiple listing services; and

Discrimination in the financing of housing.

The Fair Housing Act was an impressive, concerned, and serious response to the Kerner Commission report which forecast two Americas: One white and one black. After devastating riots whose emotional impact was far greater than the physical damage, the act appeared a determined and sympathetic effort to heal and restore the Union in the tradition of Abraham Lincoln.

The response was auspicious. The most important section granted enforcement authority to the Attorney General on pattern and practice cases. The remedies available to the Justice Department included injunctive relief and restraining orders. In my estimation, this section of the legislation has been the single most effective action taken by the Congress against discrimination in housing since the Civil Rights Act of 1966.

Unfortunately, this long-awaited and much-heralded fair housing law, for all its strength, has been singularly ineffective in assisting the individual victims of discrimination in our country. For the individual who is handicapped, for the mother with four children to raise, for the black American, for the Indian, housing discrimination is but another barbed-wire fence preventing access to what are minimal human rights. The powerlessness of the Department of Housing and Urban Development to provide meaningful assistance in these cases is distressing. It is in behalf of these persons and their lives that I

join in seeking a more equitable answer, a more human approach.

For an aggrieved individual, there are few avenues for redress. Despite Congress clear intent to prohibit the insidious indignity of discrimination with regard to access to shelter, it is widespread and prevalent. While the law provides a substantive remedy in cases of pattern and practice fair housing violations, it provides no such enforcement powers for individual cases.

Under existing law, the Department of Housing and Urban Development maintains a hotline for housing discrimination complaints. Once a complaint is received, HUD may undertake an investigation. Should the investigation demonstrate that the individual problem brought to its attention is part of a larger pattern or practice, it may refer the matter to the Justice Department. If the investigation discloses that it is an individual incident, HUD may either seek to resolve the matter through conciliation or through referring the case to a State or local fair housing agency.

The situation from the other perspective, that of the victim, is grim, indeed. Of the complaints received, many cannot be investigated. For those which are investigated, and where valid grounds are disclosed, HUD may request a conciliation conference. But the alleged violator is under no obligation to attend. If the violator does attend, there is no obligation or incentive to accept conciliation. Of 3,391 complaints received in 1977 by HUD, only 298 were successfully resolved.

Given the impotence of existing legislation to respond to this issue through the Government, an individual does have one other route to pursue a remedy—private litigation. If seeking enforcement of the Federal law through the Government is discouraging, however, this method is even more so. The victim bears the burden of proof not only of demonstrating a violation of title VIII, but also that he or she is destitute. Otherwise, the victim bears all costs and attorney's fees. Because it is all that any person can do to meet rising housing costs—and this is especially true for those who are most likely to be the victims of housing discrimination—the litigation route is prohibitive. Moreover, even for those willing to shoulder this burden, there is neither substantive success nor is there a substantive deterrent to the violator. The outcome of litigation is likely to come long after a home has been sold or rented to another, and the maximum punitive damages of $1,000 are nearly meaningless to a major builder or apartment owner.

Evidence of inadequacies of the enforcement powers of existing legislation is overwhelming. Because there is so little recourse under existing law, there is not any means to determine the magnitude of this problem. Suffice it to say that the U.S. Civil Rights Commission, the General Accounting Office, the American Bar Association, and numerous other groups have indicated that the implementation of title VIII has had little impact on our Nation's housing discrimination problems, examples of which I ask unanimous consent to have printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXAMPLES OF DISCRIMINATION CITED BY TESTERS

In Oklahoma City, the black auditor was very impressed with the kindness and courtesy of the agent. "She seemed unbothered about showing me houses where no blacks apparently live," the auditor reported. However, the auditor didn't realize that although the down payment mentioned to her for a particular house was 20% of the purchase price, the white auditor was told it was 10%. In the same city, a black auditor was greeted by a secretary in a real estate office. As the secretary was showing the auditor the listing book, the agent arrived. He apparently panicked. He did show the black auditor one house, but said the other house wouldn't be ready for inspection for an hour. He arranged to meet the auditor at the real estate office; however, when she arrived, she was told he'd gone on to the house. She drove to the house but there was no agent, and a "sold" sign appeared in the front yard. And the agent had never asked her name or given his.

And another black auditor in Oklahoma City twice found doors locked at a small realty company. Not unusual—but in her words, "I waited 10 minutes, I believe. Before I could get out of the driveway the shades went up."

In Nassau County, New York, the black auditor reported she was told "no agent was available, two other people at desks were not sales-persons, one at funeral, another sick, and he couldn't leave the office." He didn't ask her to sit down, and suggested she look in another neighborhood which is 60% black.

In Westbury, New York, the agent got a computer printout of the multiple listings for the white auditor, but not for the black one. He took the black auditor to see a house, which he then claimed he couldn't find. The white auditor reported that the "agent asked if I knew this was an integrated area . . . said the areas he was showing me had some blacks but he couldn't tell their houses from the others . . . said Westbury School System wasn't as good as East Meadow because it had so many blacks."

One black auditor was only shown one house because the salesman said he had just returned from vacation and didn't know what was available. A black auditor was kept waiting for an hour before being shown unsuitable houses. She was also asked if her husband was going to live with her. A white auditor reported that when a white agent was late for an appointment, the agent explained that the previous day had been hectic. "She said she had had one black person waiting for her when she opened the office, and three telephone calls during the day from 'black people' she could tell by their voices. She has to be very careful because they could be from the state department or civil rights group." Her caution was wasted. The black person waiting for her was indeed an auditor, and the agent did clearly discriminate. (She could only find two houses to show her, she kept her waiting, and she didn't show her the homes in white neighborhoods that she showed to the white auditor.

One agent had the black auditor follow her in his own car, because she didn't want to be seen showing a home to a black in a white ethnic neighborhood. That was after telling him at great length about a black family that got bombed when they moved into that neighborhood.

The price of a house in Rye City, New York, was $83,000 to the white auditor on June 13, and $87,000 to the black auditor on June 16. Same agent. One black auditor had a white broker say to a salesman, "I won't let her go into one of those prejudiced neighborhoods (Bronxville, N.Y.); near me in East Mt. Vernon is a lovely Tudor house just right for her."

An agent in Riverside, California, in the same area showed both the black and white auditors the same house—but the black auditor was told the down payment was 20 percent, while the white was told it was 10 percent.

In Savannah, Georgia, a white auditor was told by an agent, "This area is not all, shall we say, caucasian." She also told her she wouldn't want to live in the downtown area because she would have to buy burglar bars.

In Saginaw, Michigan, the price of a house went up by $7,600 when it was shown to the black auditor. On June 22 at 3:15 p.m., it was $41,900 (to the white auditor) and on June 23 at 10:15 a.m., it was $49,500 (to the black auditor). It was the same agent.

A white auditor was asked if he was married to a black woman, since he had requested to look at homes in an integrated neighborhood.

In Woburn, Massachusetts, an agent absolutely refused to show a black woman auditor any houses, despite the fact she called for an appointment first. The agent claimed she would only show houses to husbands and wives together, yet another agent in the same small office had shown homes earlier that day to a white female auditor who was alone.

In Atlanta, Georgia, a white tester went first. She and the agent spotted a house as they were driving around and went to look at it. They found it to be overpriced, but later that afternoon, the same agent showed the house to the black tester and told her that the down payment was 10 percent instead of the 5 percent the white tester had been quoted.

Mr. HEINZ. Mr. President, the people of this country believe that this is the land of the free. No human being in this country should suffer the indignity of not being permitted to make a free choice as to his or her family's place of shelter. What I am seeking is protection against those few who would mock our intent and who would detract from those who adhere to our laws.

The President announced an urban policy when he took office, and he directed his staff to seek a massive infusion of Federal aid to our urban areas. Injecting money is a Band-Aid approach which ignores the reality of the expanding curtain of discrimination around our metropolitan areas. Census Bureau statistics demonstrate that metropolitan areas in the United States are expanding at a rate of approximately one-half million acres per year, but the white populations of these same areas are decreasing proportionately. The percentage of whites in urban areas is expected to decrease from 40 percent in 1970 to a projected 25 percent by the year 2000. Families headed by women comprised 20.7 percent within cities by 1977, as opposed to just over 10 percent in the suburbs. The proportion of poor people rose from 34 percent in the cities in 1970 to 38 percent in 1978. This segregation and division of America is neither a matter of free choice nor economics. It is a pattern predicted by the Kerner Commission report which called for action 11 years ago, action which is still needed today.

I do not believe that we are helpless or that these problems are insoluble, or that more money will make them go away. I do believe that if a woman is widowed and has the burden of bringing up her family, she should be entitled to

equal housing opportunities. I believe that if a person is born black or brown or Catholic, or Polish, or Jewish, or whatever, that the fact of birth should not preclude equitable choice of shelter. I believe that if a person is handicapped, if anything, we should go out of our way to insure that person the same right as anyone else to live where he or she wants to. The degradation of any victim because of the inadequacy of existing law is insupportable against our concepts of justice and compassion. I believe we can and should do better.

Granting the administration the power to initiate civil action against a party which violates title VIII is a means by which 27 States have sought to act in the absence of congressional and Presidential leadership. Simple justice demands that the Federal Government have the same means through which to make the law tear down the barriers which have confronted so many in the housing market. Commenting on the inability of the Government to make title VIII meaningful, former HUD Secretary Carla Hills said:

> Respondents know all too well that HUD has no meaningful enforcement power. Many have virtually ignored our conciliation efforts because they have no inducement to cooperate. In effect, the present law, in relying on conciliation, is an invitation to intransigence.

The legislation which I am sponsoring provides two avenues to equitable remedies. In the event that a victim decides to pursue the course of private litigation, the existing law would be changed to permit the prevailing party to be eligible for reasonable attorney fees, thus enabling an aggrieved party to undertake this personal route in an affordable manner. The second major change would be to provide HUD with enforcement powers. Under this change, the Secretary could subpena the alleged violator in order to hold an administrative hearing. If, as a result of the hearing, the Secretary determined that there had been discrimination, she would be empowered to refer the case to the Justice Department or to act in behalf of the victim. If she deemed prompt action necessary, she could order temporary relief, pending final hearings, after which she could impose a civil penalty not to exceed $10,000. This final determination would be appealable to Federal court within a 30-day period.

Our cities do not need to be a patchwork of future problems and antagonisms. The practices in some cities of steering potential renters and buyers based upon complicated written and unwritten classifications breaking down potential buyers and renters into upward of 20 classifications has no place in this country. Through this means, housing discrimination has become so subtle and insidious that some of these lists would prevent Members of the U.S. Senate from purchasing homes in some neighborhoods of this Nation's suburbs. Apartheid is untenable in a free society no matter how sophisticated or subtle it might be.

I would like to add, Mr. President, that I do have one concern with regard to this legislation, and it is my hope that the Congress will give this concern careful consideration in the deliberative process. Although I share the view that immediate action is necessary to prevent an incident of blatant housing discrimination and thus concur in the need for a mechanism to prevent a discriminatory action which would effectively preclude a victim from the rental or purchase of housing; nevertheless, I am apprehensive about any legislation which, in effect, permits an administrative agency to be accuser, judge, jury, and enforcer. This bill necessarily gives government the ability to enforce the law, and the ability to move quickly. Without that ability, however, the object of the victim's search would be forever lost.

I view this measure as sensitive to our citizens' many concerns about government today. It will not, like so much Federal legislation, inundate the Federal courts with costly, time-consuming litigation, nor will it instill a massive bureaucratic response. It will make conciliation a meaningful process. It will provide an incentive for a respondent to reach agreement with the victim. And it will alert those who have chosen to flout the Civil Rights Act of 1968 that we are serious and will not permit the fragmentation of our society.

Perhaps Stephen Vincent Benet most aptly expressed my hope and concern when in 1943 he wrote:

> Remember that when you say
> "I will have none of this exile and this stranger
> For his face is not like my face and his speech is strange,"
> You have denied America with that word.

I hope the Senate will act promptly on this measure. It is a significant step, a positive step, and a fair step.

By Mr. DOLE (for himself and Mr. TALMADGE):

S. 507. A bill to amend the Social Security Act to provide for improvements in the medicare and medicaid programs; to the Committee on Finance.

MEDICARE-MEDICAID MISCELLANEOUS AND TECHNICAL AMENDMENTS OF 1979

Mr. DOLE. Mr. President, on behalf of Senator TALMADGE and myself, I am introducing today legislation which consists of a series of relatively minor, noncontroversial medicare-medicaid provisions, most of which have been, at one time or another, approved by either the Senate or the House.

Although many of these provisions are also contained in the Talmade-Dole medicare and medicaid administrative and reimbursement reform proposal, we are introducing this legislation as a separate proposal in order to expedite action on these relatively minor medicare-medicaid changes.

Taken together, these changes will have a negligible effect on program expenditures for fiscal year 1979 or fiscal year 1980. Several of the provisions will, in fact, produce significant savings. Others are directed toward improvements in program administration and equity in reimbursement for certain covered services.

Mr. President, I ask unanimous consent that a brief description of these provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRIEF DESCRIPTION OF THE PROVISIONS OF THE MEDICARE-MEDICAID MISCELLANEOUS AND TECHNICAL IMPROVEMENTS AMENDMENTS OF 1979, AS WELL AS ACTION PREVIOUSLY TAKEN BY THE CONGRESS ON THESE PROVISIONS

Hospital providers of long-term care services.—Encourages better use of underutilized beds of small rural hospitals by providing for a simplified cost reimbursement formula under Medicare which avoids the current requirement for separate patient placement within the facility and separate cost finding. This is the so-called "swing bed" amendment. (Status: Passed by House, H.R. 13817; passed by Senate, H.R. 5285.)

Ambulance services.—Permits Medicare payment for ambulance services to a more distant hospital when the nearest hospital does not have staff qualified to undertake the required care. (Status: Passed by House, H.R. 13097; passed by Senate, H.R. 5285.)

Coordinated audits under the Social Security Act.—Provides for Medicare to share its audit findings with the Medicaid and the Maternal and Child Health programs where these programs reimburse the same entity on the basis of its reasonable costs. (Status: Passed by House, H.R. 13817; passed by Senate, H.R. 5285.)

Coverage under Medicare of certain dentists' services.—Extends coverage of dental services under Medicare to include any services which may be performed by a doctor of dental surgery or of dental medicine legally authorized to perform such services if they would be covered when performed by a physician. (Status: Passed by House, H.R. 13097; passed by Senate, H.R. 5285.)

Flexibility in application of standards to rural hospitals.—Authorizes the Secretary of HEW to apply Medicare standards to rural hospitals more flexibly to take into account the availability of qualified technical personnel, the scope of services furnished, and the economic impact of structural standards which if rigidly applied would result in unreasonable financial hardship for a rural hospital; but only to the extent that such differential application of the standards does not jeopardize or adversely affect the health and safety of patients. (Status: Passed by House, H.R. 13817; extends similar provision in current law.)

Payment for certain antigens under Part B of Medicare.—Amends present law to provide for direct payment to allergists for preparation of a reasonable supply of antigens which would be dispensed or administered by or under the supervision of physician. (Status: Passed by House, H.R. 13097; passed by Senate, H.R. 5285.)

Payment under Medicare of certain physicians' fees on account of services furnished to a deceased individual.—Permits payment by Medicare for care directly to the spouse or other legal representative of a deceased Medicare beneficiary on the basis of a nonreceipted bill. Under present law, Medicare can only pay where the physician accepts an assignment or where the family has actually paid the bill. Thus, in some cases where a physician refuses an assignment, families have encountered difficulty in raising sufficient cash to pay the bill in order to be eligible for payment by Medicare. (Status: Passed by House, H.R. 13097; passed by Senate, H.R. 5285.)

Coverage under Medicare of optometrists' services with respect to Aphakia.—Authorizes Medicare Part B reimbursement to optometrists for services related to aphakia which are within the scope of licensed optometric practice, and which are covered under present law when provided by a physician.

(Status: Passed by House, H.R. 13097; passed by Senate, H.R. 5285.)

Removal of three-day hospitalization requirement and one-hundred visit limitation for home health services.—Removes the requirement in existing law that limits Medicare home health benefits to 100 visits under Part A and 100 visits under Part B. In addition, the bill removes the requirement that a beneficiary has to be an inpatient in a hospital for at least three days before he can qualify for Part A home health benefits. (Status: Passed by House, H.R. 13097; passed by Senate H.R. 5285.)

Repeal of section 1867.—Terminates the Health Insurance Benefits Advisory Council. (Status: Passed by Senate, H.R. 5285.)

Deductible not applicable to expenses for certain independent laboratory tests.—Waives the $60 deductible in applying special laboratory billing procedures under Medicare. Corrects drafting error in section 279 of P.L. 92-603. (Status: Passed by Senate, H.R. 5285.)

Resources of Medicaid applicant to include certain assets previously disposed of for substantially less than market value.—Requires States to deny Medicaid eligibility in cases where an otherwise ineligible aged, blind, or disabled person disposes of significant assets by either giving them away or selling them for less than their market value in order to establish Medicaid eligibility. (Status: Passed by Senate, H.R. 5285.)

Extension of period for funding of State Medicaid fraud control units.—Extends for two years (until October 1, 1982) the period when 90 percent Federal matching is available for the funding of State Medicaid fraud control units. No State may receive such matching for longer than three years.

Certification and utilization review by podiatrists.—Provides that podiatrists acting within the scope of their practice would be recognized by Medicare for purposes of physician certification and participation as physicians in utilization review. (Status: Passed by House, H.R. 13097.)

Physician treatment plan for speech pathology.—Repeals the existing Medicare requirement that a physician establish a detailed plan of treatment for speech pathology services. (Status: Passed House, H.R. 13097.)

Presumed coverage provisions.—Repeals existing Medicare provisions authorizing, by type of diagnosis, presumed periods of coverage for skilled nursing facility and home health services. (Status: Passed House, H.R. 13097.)

Surgical procedures performed on an ambulatory basis.—Permits Medicare reimbursement on the basis of an all-inclusive rate to free-standing ambulatory surgical centers and to physicians performing surgery in their offices for a listed group of surgical procedures. Such procedures include those which are often provided on an inpatient hospital basis but can be consistent with sound medical practice, be performed on an ambulatory basis. (Status: Passed by Senate, H.R. 5285.)

Confidentiality of Professional Standards Review Organization data.—Provides for the confidentiality of PSRO information that identifies an individual patient, practitioner, provider, supplier or reviewer. (Status: Passed by Senate, H.R. 5285.)

Payment for laboratory services under Medicaid.—Allows a State to purchase laboratory services for its Medicaid recipients through competitive bidding arrangements for a 3-year experimental period. (Status: Passed by Senate, H.R. 5285.)

Chiropractors' service.—Deletes the requirement for an X-ray to be used to demonstrate the existence of a covered service. (Status: Passed by House, H.R. 10397.)

HMO enrollment of Medicare-Medicaid Recipients.—Provides that HMO's contracting with States to provide health services under Medicaid be required to have no more than 50 percent of their members covered under Medicaid and/or Medicare by no later than 3 years after the date the HMO is formally found qualified by the Department of Health, Education, and Welfare, rather than three years from the date that the HMO contracts with a State as required by existing law.

Demonstration projects for training and employment of AFDC recipients as homemaker and home health aides.—Provides demonstration projects whereby persons now on the welfare rolls can be formally trained as homemaker home health aides to maintain the independent living capacity of persons who would otherwise require Medicaid supported institutional care.

By Mr. DOLE (for himself, Mr. TALMADGE, Mr. HEINZ, Mr. RIBICOFF, Mr. MOYNIHAN, and Mr. COCHRAN):

S. 508. A bill to amend the Social Security Act to provide that the Administrator of the Health Care Financing Administration henceforth shall be appointed by the President by and with the advice and consent of the Senate; to the Committee on Finance.

ADMINISTRATOR OF THE HEALTH CARE FINANCING ADMINISTRATION

Mr. DOLE. Mr. President, today, joined by my colleagues, Senators TALMADGE, HEINZ, RIBICOFF, MOYNIHAN, and COCHRAN, I am introducing a bill which will require Senate confirmation of the Presidential appointee for the job of Administrator of the Health Care Financing Administration. This agency of the Department of Health, Education, and Welfare is responsible for the administration, coordination, and policymaking for medicaid, medicare, and certain quality assurance programs.

BACKGROUND OF HEALTH CARE FINANCING ADMINISTRATION

Reviewing the agency's background underscores the importance of its chief administrative official. The Health Care Financing Administration was originally proposed some 3 years ago as part of S. 3205 and again in the 95th Congress as a section in S. 1470. These provisions provided for Senate review and confirmation of a Presidential appointment but the concept of the agency was embraced by the administration prior to congressional action. The agency was established administratively rather than legislatively. The rationale behind its creation was to provide a means of orderly consolidation and coordination of the medicare and medicaid programs.

The Administrator of the Health Care Financing Administration is actually a successor to a previous position—Administrator of the Social and Rehabilitation Service—a position which required Senate confirmation because of its medicaid responsibilities. Since the creation of this new agency, there have been serious difficulties, both administrative and bureaucratic. However, in recent months, there appears to have been a marked improvement in the functioning and effectiveness of this agency which means so much to so many.

ADMINISTRATOR'S QUALITIES

The principal official of this agency should be an individual experienced and knowledgeable in management, health care, and health care financing. It will be important for the person to have a full awareness of the sensitivity and complexity of the agency's responsibilities. In addition to being able to work effectively with the executive branch, this person must also relate directly with the Congress, facilitating its legislative mandates in the financing of health care.

CONCLUSIONS

Requiring Senate confirmation of the Presidential appointee for the job of Administrator of the Health Care Financing Administration is certainly appropriate, considering the responsibilities of this agency's $50 billion a year programs. The board mandates given to the Health Care Financing Administration which includes coordinating medicaid, medicare, and the professional standards review organizations are on a par with the Social Security Administration, whose Commissioner is confirmed by the Senate.

I believe that it is vital that Senate confirmation be required in the future. The Congress has a direct responsibility to participate in this decision that affects so many millions of poor and older Americans.

By Mr. RIBICOFF (by request):

S. 509. A bill to amend title 5, United States Code, to provide survivor benefits to certain dependent children; to the Committee on Governmental Affairs.

SURVIVOR BENEFITS TO CERTAIN DEPENDENT CHILDREN

● Mr. RIBICOFF. Mr. President, at the request of the administration, I am introducing legislation to amend the Civil Service Retirement Law to extend eligibility for civil service survivor benefits to all dependent illegitimate children of a deceased Federal employee or retiree.

I ask unanimous consent that the text of the bill, and letter from the Director of the Office of Personnel Management and the statement of purpose and need be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8341(a)(3) of title 5, United States Code, be amended to read as follows:

"(3) 'child' means—

(A) An unmarried dependent child under 18 years of age, including (i) an adopted child, and (ii) a stepchild or recognized natural child, and (iii) a child who lived with and for whom a petition of adoption was filed by an employee or Member, and who is adopted by the surviving spouse of the employee or Member after his death;

"(B) such unmarried dependent child regardless of age who is incapable of self-support because of mental or physical disability incurred before age 18; or

"(C) such unmarried dependent child between 18 and 22 years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

"For the purpose of this paragraph and subsection (e) of this section, a child shall be

deemed dependent on the employee or Member if, at the time of the employee or Member's death, the employee or Member was either living with or contributing to the support of such child. The Office of Personnel Management shall prescribe regulations to further define dependency for purposes of this section. A child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year and while he is regularly pursuing such a course of study or training, is deemed to have become 22 years of age on the first day of July after that birthday. A child who is a student is deemed not to have ceased to be a student during an interim between the school years if the interim is not more than 5 months and if he shows to the satisfaction of the Office of Personnel Management that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the semester (or other period into which the school year is divided) immediately after the interim."

SEC. 2 Section 8901(5) of title 5, United States Code, is amended to read as follows:

"(5) 'member of family' means the spouse of an employee or annuitant and an unmarried dependent child under 22 years of age, including—

"(A) an adopted child; and

"(B) a stepchild, foster child, or recognized natural child or such an unmarried child regardless of age who is incapable of self-support because of mental or physical disability which existed before age 22.

"For purposes of this paragraph, a child shall be deemed dependent on the employee or Member is either living with or contributing to the support of such child. The Office of Personnel Management shall prescribe regulations to further define dependency for purposes of this section."

SEC. 3 This Act shall take effect upon enactment except that no benefits under chapter 89 of title 5, United States Code, authorized by this Act shall be payable for any period prior to the date of enactment.

OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., February 8, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I submit for the consideration of Congress, and recommend favorable action on, the attached draft bill to amend the Civil Service Retirement law to extend eligibility for civil service survivor benefits to all dependent illegitimate children of a deceased Federal employee or retiree. Also attached is a statement of purpose and justification for the proposed bill.

We believe this proposal is necessary in view of several recent court decisions which have declared the present provision, allowing survivor benefits only to those illegitimates living with the decedent at the time of death, unconstitutional. These decisions have been based on the principle that a statute providing replacement of support lost through the death of a parent may be overinclusive, i.e., it may presumptively award benefits to some children not actually dependent, but it is not constitutionally permissible for the statute to be underinclusive; i.e., to presumptively deny, without opportunity to show actual dependency, benefits to other subclasses of dependent children. The present Civil Service Retirement statute is underinclusive in that it denies survivor benefits to dependent illegitimates who have not resided with the deceased. Since recent court decisions have awarded civil service survivor benefits to dependent illegitimates who did not live with the decedent, immediate consideration of this legislative proposal is imperative.

The Office of Management and Budget advises that from the standpoint of the Administration's program, there is no objection to the submission of this proposal to the Congress.

A similar letter is being sent to the Speaker of the House.

Sincerely yours,

ALAN K. CAMPBELL,
Director.

STATEMENT OF PURPOSE AND JUSTIFICATION

The attached proposed legislation would amend the Civil Service Retirement and Health Benefits laws to extend eligibility for civil service survivor and health insurance benefits to all dependent illegitimate children of a deceased Federal employee or retirees.

The Civil Service Retirement law provides monthly survivor annuity benefits to children of those deceased employees who have completed at least eighteen months of Federal civilian service and to children of deceased annuitants. "Child" for survivor annuity purposes includes:

(A) an unmarried child under 18 years of age, including (i) an adopted child, and (ii) a stepchild or recognized natural child who lived with the employee or Member in a regular parent-child relationship, and (iii) a child who lived with and for whom a petition of adoption was filed by any employee or Member, and who is adopted by the surviving spouse of the employee or Member after his death; 5 U.S.C. 8347(a)(3)(A).

(Further subsections of the statute not relevant to this proposal are omitted).

The legislative purpose of the "living with" provision required of the illegitimates is unclear. Prior to July 18, 1966, a recognized illegitimate child was eligible for survivor benefits if he or she received more than one half support from and lived with the employee or annuitant in a regular parent child relationship. Public Law 89-504, approved July 18, 1966, eliminated the half support requirement in order to "permit children of a working mother to receive a survivor annuity in the event of her death." S. Rep. No. 1187, 89th Cong., 2d Sess., 5 (1966). This seems to be the only statement in the legislative history of the reason for eliminating the half support requirement.

This elimination did accomplish its purpose of enabling illegitimates to receive a survivor annuity in the event of their mothers' death. However, one practical effect of this provision, both before and after this amendment is to deny survivor benefits to many illegitimate children whose fathers were the deceased employees or annuitants because many illegitimates live with only their mother. This denial of benefits is so even when the illegitimate is receiving substantial or even full support contributions from the non-resident parent (whether father or mother). This statute, then, designed to pay benefits to dependent children, actually conclusively denies survivor benefits to some dependent illegitimates.

Recent court decisions expanding the rights of illegitimates have cast doubt on the constitutionality of this conclusive denial of survivor benefits to some dependent illegitimates. The Supreme Court, when considering the rights of illegitimate children, has carefully examined the statutes involved in each case and has generally required that any discrimination on the basis of legitimacy (or even between classes of illegitimates) actually further a permissible state purpose. A mere statement by the state or Federal Government of the legislative purposes that the statute in question is designed to further has not been sufficient; the Court has looked behind the proffered objectives to determine if the statute actually does accomplish the purpose for which the law was enacted. The need of administrative agencies to draw arbitrary lines in order to lessen administrative problems of proof is recognized, but the Court has stated several times that this need cannot be made into "an impenetrable barrier that works to shield otherwise invidious discrimination." *Trible* v. *Gordon*, 45 U.S.L.W. 4395 (U.S. Apr. 26, 1977); *Gomez* v. *Perez*, 409 U.S. 535,538 (1973). *Weber* v. *Aetna Casualty and Surety Co.*, 406 U.S. 164 (1972).

Of several recent Supreme Court cases, two decisions considered the constitionality of two sections of the Social Security Act somewhat analogous to the survivor provisions of the Civil Service Retirement law. In *Jimnez* v. *Weinberger*, 417 U.S. 628 (1974), the Court ruled that denial of disability benefits to certain illegitimates solely on the basis of birth after the onset of disability was violative of the claimant illegitimate childrens' right to equal protection. The statute did not allow these illegitimates the right to prove actual dependency. (The Government's stated legislative purposes were to provide support for dependents of the disabled and to prevent spurious claims.) The Court found that these purposes were not rationally related to the classification here, and the statute was declared unconstitutional.

Another section of the Social Security law withstood the court's scrutiny, however, in *Matthews* v. *Lucas*, 427 U.S. 495 (1976). The dispute in this case was the result of Social Security's denial of benefits to two illegitimate children who could not prove actual dependency on the deceased wage earner at the time of his death.

The Social Security Act provision in question in *Lucas* provides survivor benefits to all dependent children of a deceased wage earner. Dependency is presumed (i.e., no proof is required) for all legitimate and some illegitimate children. If an illegitimate is not in one of the groups deemed dependent, however, eligibility for benefits may be established by proof of actual dependency. The plaintiffs in this case argued that their right to equal protection was violated because all legitimates (and some illegitimates) were automatically entitled to benefits even if they could not actually prove dependency. Social Security contended that the purpose of the benefit statute was to replace support lost by the death of the wage earner, that the classifications were designed to minimize spurious claims and to facilitate administrative determination and that the statute promoted these objectives.

The Supreme Court held the statute constitutional, stating that the classifications, although not perfect, were reasonably drawn to qualify entitlement to benefits upon a child's dependency at the time of the wage earner parent's death. Some leeway is allowed for administrative convenience, especially when the statute errs on the side of overinclusiveness (i.e., awarding benefits to some children actually not dependent). No dependent illegitimate was conclusively denied benefits: any such child had the chance to prove actual dependency. The court ruled that Congress could rationally presume that there is less of an assumption of dependency of illegitimate than of legitimate children; some distinction on this basis is permissible.

In summary, what the Supreme Court appears to find objectionable is the idea of an irrebuttable presumption; i.e., illegitimates (or even certain sub classes of illegitimates) conclusively denied benefits with no opportunity at all to satisfy eligibility requirements. The statutory benefit may be overinclusive, but not underinclusive. If the law for instance, is designed to replace support, it must not exclude any classes of dependent illegitimates, although illegitimates may be required to meet burdens of proof not required of legitimates. The prohibition is not against discrimination *per se* (as in requirements of proof). The prohibition is against

impermissible discrimination (conclusive denial).

The *Jimenez* and *Lucas* cases were precedents discussed by the Court of Claims in *Gentry* v. *United States*, 546 F. 2d. 343 (Ct. Cl. 1976), the first case to consider the constitutionality of 5 U.S.C. 8341(a)(3)(A). Gerald Gentry, the illegitimate son of a deceased civil service annuitant, was denied survivor benefits by the Commission because he did not meet the "live with" requirement of 5 U.S.C. 8341(a)(3)(A). Gentry claimed his father had contributed to his support. He took his case to the Court of Claims, contending that the statute's denial of benefits to all illegitimates except those living with their deceased parent at the time of death, even if the non-resident deceased parent had contributed to the child's support, violated the equal protection guaranteed him by the fifth amendment.

The Government argued that the statute was designed to replace support for dependent natural children, and that a second purpose of the live with requirement was to prevent spurious claims of parentage.

The Court of Claims found that the Government's stated objectives (which were the same objectives of the Social Security Statute claimed by the Government in *Jimenez* v. *Weinberger, supra*) could not be achieved by the statute as written. Applying the principles set out in *Jamenez* v. *Weinberger, supra*, the court found that many dependent illegitimates were excluded by the Civil Service retirement statute simply because they did not live with the parent who contributed to support. Nor could the statute as written achieve its purpose of preventing spurious claims because the potential for such claims was exactly the same for both included and excluded classes of illegitimates. The Court rejected the argument that application of *Matthews* v. *Lucas, supra*, in the *Gentry* case warranted a finding that the statute was constitutional. The Court said *Matthews* mandated no such result—a different statutory scheme was involved in that case, and one in which all dependent children could prove eligibility for survivor benefits. It concluded that since the Civil Service Retirement law conclusively excluded certain dependent illegitimates from being eligible for survivor benefits, it was unconstitutional; administrative convenience was not sufficient to make the discrimination permissible.

The effect of this declaration of unconstitutionality was limited to the individual before the Court—Gerald Gentry. Gentry had in fact asked for a declaratory judgment that the live with requirement of 5 U.S.C. 8341(a)(3)(A) was unconstitutional. With respect to this issue the Court stated:

Our authority to issue a declaratory judgment is limited . . . We are authorized to do so only where 'it is tied and subordinate to a monetary award.' . . . And of course we can do so where it is explicitly authorized, as in certain tax cases . . . That portion of plaintiff's petition asking for a declaratory judgment is dismissed. (p. 20, slip opinion—Citations are omitted.)

The Court expressed reservations about the Government's characterization of the purposes of the annuity statute's survivorship provisions. However, the case has been remanded by the Court of Claims to the Commission for a determination of Gentry's status as the recognized supported natural child. But when considering the Government's motion for rehearing in the *Gentry* case, the Court expressed further doubt that dependency was even a real purpose of the Civil Service Survivor benefit provisions. The Court acknowledged that it had left open the extent of dependency to be required or whether dependency could be required at all. However, this issue was not ripe for determination until the Commission made a decision on plaintiff's eligibility. The Government's motion for rehearing (on the ground that a Supreme Court case decided after the original *Gentry* decision changed the outcome) was denied.

The *Gentry* case was quickly followed by other decisions which uniformly declared the "living with" requirement unconstitutional. On November 30, 1977, a three judge court in *Proctor* v. *United States*, 448 F. Supp. 418 (D.D.C. 1977) enjoined the Commission from applying the living with requirement. And a recent decision in the class action of *Jenkins* v. *United States*, No. 78-0317 (D.D.C., 1978) will, if the Commission does not appeal the decision require payment to any eligible illegitimate whose parent died after February 24, 1972.

The present statute can no longer be administered as it is written. The proposed legislation, therefore, is designed to conform to the above judicial decisions.

We believe that a dependency requirement should be made clear in the definition of child for survivor annuity purposes found in 5 U.S.C. 8341(a)(3) and have drafted the proposed legislation to reflect this. For consistency, a similar change is also proposed in the definition of family member for purposes of coverage under the Federal Employees Health Benefits Program. The legislation we are proposing aims, through use of language along the lines of the Social Security statute upheld in *Matthews* v. *Lucas, supra, to* achieve the purpose of replacing the support lost by the death of a parent. It presumes that all legitimates and certain classes of illegitimates are dependent. Only those illegitimates who neither lived with nor received support from the decedent are not dependent children. This would allow all illegitimates to prove actual dependency if they cannot meet the presumption of dependency raised by the fact that they lived with their deceased parent at the time of death.

Our actuary reports that no estimate of the cost of this bill can be made since the number of possible eligibles is unknown.●

By Mr. RIBICOFF (by request):

S. 510. A bill to establish a Department of Education, and for other purposes; to the Committee on Governmental Affairs.

DEPARTMENT OF EDUCATION ORGANIZATION ACT

● Mr. RIBICOFF. Mr. President, at the request of the administration, I am introducing legislation to establish a Department of Education.

I ask unanimous consent that the text of the bill and the accompanying message from the President of the United States be printed in the RECORD.

There being no objection, the bill and message were ordered to be printed in the RECORD, as follows:

S. 510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Organization Act".

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DEFINITIONS

SEC. 2. (a) As used in this Act, unless otherwise provided or indicated by the context, the term "Department" means the Department of Education or any component thereof; the term "Secretary" means the Secretary of Education; and the term "Under Secretary" means the Under Secretary of Education.

(b) As used in this Act, the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege or activity.

(c) As used in this Act, unless otherwise provided or indicated by the context, the term "State" includes the District of Co-

lumbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands and the Trust Territory of the Pacific Islands.

(d) As used in this Act, unless otherwise provided or indicated by the context, the words "private" and "private educational" refer to independent, nonpublic and private institutions of elementary, secondary, higher and postsecondary education.

(e) As used in this Act, unless otherwise provided or indicated by the context, the terms "office" and "unit" include any office, institute, council, unit, organizational entity or component thereof.

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress of the United States finds that:

(a) education is fundamental to the development of individual citizens and the progress of the Nation as a whole;

(b) there is a continuous need to ensure equal access for all Americans to educational opportunities of a high quality;

(c) the primary responsibility for education resides with States, localities and private institutions;

(d) the American people benefit from a diversity of educational settings, including public and private schools, libraries, museums and other institutions, the workplace, the community and the home;

(e) the current structure of the executive branch fails to recognize the importance of education and does not allow sufficient Presidential and public consideration of education issues;

(f) there is a need for improvement in the management of Federal education programs to support more effectively State, local and private institutions in carrying out their educational responsibilites;

(g) there is a need for improved coordination of Federal education and related programs; and

(h) there is no single, full-time, Federal education official directly accountable to the President, the Congress and the people.

PURPOSES

SEC. 102. The Congress therefore declares that the establishment of a Department of Education is in the public interest and will promote the general welfare of the United States. Establishment of this Department will help ensure that education issues receive proper treatment at the Federal level and will enable the Federal Government to coordinate its education activities more effectively. The major purposes of the Department are:

(a) to strengthen the Federal commitment to ensuring access to equal educational opportunity for every American;

(b) to support more effectively States, localities and public and private institutions in carrying out their responsibilities for education;

(c) to promote improvements in the quality and usefulness of education through federally supported research, evaluation and the sharing of information;

(d) to improve the management and efficiency of Federal education activities;

(e) to increase the accountability of Federal education programs to the President, the Congress and the public;

(f) to encourage the involvement of the public, parents and students in Federal education programs; and

(g) to improve the coordination of Federal education programs.

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 103. No provision of law relating to a program administered by the Secretary or by any other officer or agency of the executive branch of the Federal Government shall be construed to authorize the Secretary or any such officer or agency to exercise any direction, supervision or control over the curriculum, program of instruction, administration or personnel of any educational institution, school or school system; over any accrediting agency or association; or over the selection of library resources, textbooks or other instructional material by any educational institution or school system, except to the extent authorized by law.

TITLE II—ESTABLISHMENT OF THE DEPARTMENT

ESTABLISHMENT

SEC. 201. (a) There is hereby established an executive department to be known as the Department of Education. There shall be at the head of the Department a Secretary of Education, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level I of the executive schedule under section 5312 of title 5 of the United States Code. The Department shall be administered, in accordance with the provisions of this Act, under the supervision and direction of the Secretary.

(b) There shall be in the Department an Under Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level III of the executive schedule under section 5314 of title 5 of the United States Code. The Under Secretary shall act for and exercise the functions of the Secretary during the absence or disability of the Secretary or in the event the office of Secretary becomes vacant. The Secretary shall designate the order in which other officials shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Under Secretary or in the event of vacancies in both of those offices. The Under Secretary shall also be responsible for intergovernmental relations in the Department.

PRINCIPAL OFFICERS

SEC. 202. (a) There shall be in the Department six Assistant Secretaries reporting directly to the Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level IV of the executive schedule under section 5315 of title 5 of the United States Code. An Assistant Secretary shall head each of the Offices created by sections 203, 204 205, and 206 of this Act.

(b) In addition, there shall be in the Department six officers reporting directly to the Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level V of the executive schedule under section 5316 of title 5 of the United States Code.

(c) The officers created by this section shall perform, in accordance with applicable law, such of the functions delegated to or vested in the Secretary or in the Department as the Secretary shall from time to time prescribe (in accordance with the provisions of this Act), including, but not limited to, the following functions:

(1) congressional relations functions;

(2) public information functions;

(3) management and budget functions;

(4) planning, evaluation and policy development functions; and

(5) encouraging and monitoring involvement of parents, students and the public in departmental programs.

(d) Except as otherwise provided by this Act,

(1) when the name of a person to serve as an officer created by either subsection (a) or subsection (b) is submitted to the Senate for confirmation, the President shall designate the particular functions that person shall exercise upon taking office; and

(2) notwithstanding the provisions of paragraph (1) of this subsection, the Secretary may from time to time allocate or reallocate functions of the Department among the subordinates of the Secretary and name and rename the titles of the offices they hold.

OFFICE FOR CIVIL RIGHTS

SEC. 203. (a) There shall be established in the Department an Office for Civil Rights headed by an Assistant Secretary for Civil Rights who shall be one of the Assistant Secretaries created by section 202(a) of this Act.

(b) Notwithstanding the provisions of section 422 of this Act, the Secretary shall delegate to such Assistant Secretary all functions, other than administrative and support functions, vested in the Secretary by section 301(a)(3) of this Act.

(c) The Assistant Secretary for Civil Rights shall make annual reports to the Secretary and to the Congress summarizing the compliance and enforcement activities of the Office for Civil Rights and identifying significant civil rights or compliance problems as to which such Office has made a recommendation for corrective action or as to which, in the judgment of the Assistant Secretary, adequate progress is not being made.

(d) Notwithstanding any other provision of law, the reports required by or under this section shall be transmitted to the Secretary and the Congress by the Assistant Secretary for Civil Rights without further clearance or approval. The Assistant Secretary shall provide copies of the reports required under subsection (c) to the Secretary sufficiently in advance of their submission to Congress to provide a reasonable opportunity for comments of the Secretary to be appended to the reports when submitted to Congress.

(e) In addition to the authority otherwise provided by this section, the Assistant Secretary for Civil Rights, in carrying out the provisions of this section, is authorized—

(1) to collect or coordinate collection of data necessary to ensure compliance with civil rights laws within its jurisdiction;

(2) to select, appoint and employ such officers and employees, including staff attorneys; as may be necessary to carry out the functions of the Office, subject to provisions governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, relating to classification and General Schedule pay rates; and

(3) notwithstanding any other provision of this Act, to obtain services as authorized by section 3109 of title 5 of the United States Code at daily rates not to exceed the equivalent rates prescribed for grade GS-18 of the General Schedule by section 5332 of such title.

OFFICE OF POSTSECONDARY EDUCATION

SEC. 204. There shall be in the Department an Office of Postsecondary Education headed by one of the Assistant Secretaries created by section 202(a) of this Act. The Assistant Secretary shall administer such functions affecting postsecondary education, both public and private, as the Secretary shall delegate to the Office and shall serve as the principal advisor to the Secretary on matters affecting public and private postsecondary education.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

SEC. 205. There shall be in the Department an Office of Elementary and Secondary Education headed by one of the Assistant Secretaries created by secion 202(a) of this Act. The Assistant Secretary shall administer such functions affecting elementary and secondary education, both public and private, as the Secretary shall delegate to the Office.

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 206. There shall be in the Department an Office of Education Research and Improvement headed by one of the Assistant Secretaries created by section 202(a) of this Act. The Assistant Secretary shall administer such functions and programs of the Department concerning research, development, demonstration, dissemination, evaluation and assessment activities as the Secretary shall delegate to the Office.

FUNCTIONS RELATING TO EDUCATION OF OVERSEAS MILITARY DEPENDENTS

SEC. 207. There shall be in the Department an office to administer functions relating to the education of overseas dependents of personnel of the Department of Defense the director of which shall be one of the officers created by section 202 of this Act.

GENERAL COUNSEL

SEC. 208. There shall be in the Department a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level IV of the executive schedule under section 5315 of title 5 of the United States Code.

OFFICE OF INSPECTOR GENERAL

SEC. 209. (a) Section 2(1) of the Inspector General Act of 1978 is amended by adding "the Department of Education," after "the Department of Commerce,".

(b) Sections 11(1) and (2) of such Act are amended by adding "Education," after the word "Commerce,".

EXECUTIVE LEVEL POSITIONS

SEC. 210. The number of executive level positions published pursuant to section 5311 (b)(1) of title 5 of the United States Code is hereby increased by 14.

INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION

SEC. 211. (a) There is hereby established an advisory committee to be known as the Intergovernmental Advisory Council on Education (hereinafter referred to as the "Council").

(b) The Council shall—

(1) provide a forum for representatives of Federal, State and local governments and public and private educational entities to discuss educational issues;

(2) make recommendations for the improvement of Federal education programs;

(3) promote better intergovernmental relations; and

(4) submit a report, biennially or as frequently as the Council deems it necessary, to the President and the Secretary reviewing the impact of Federal education activities upon State and local governments and public and private educational institutions, including an assessment of compliance with section 103 of this Act and of any change in the Federal role in education, and assessing both the extent to which Federal objectives are achieved and any adverse consequences of Federal actions.

(c)(1) The Council shall have twenty members, appointed by the President as follows:

(A) six elected State and local officials with general government responsibilities;

(B) five representatives of public and private elementary and secondary education, including board members, administrators and teachers;

(C) five representatives of public and private postsecondary education, including board members, administrators and professors; and

(D) four members of the public, including parents of students and students.

(2) The Under Secretary shall be an *ex officio* member of the Council.

(3) Each member shall have a term of four years: *Provided*, that no member serving pursuant to subparagraph (1)(A) of this subsection may serve on the Council beyond the period that such member holds an office qualifying such subparagraph: *Provided further*, that the President shall divide the initial appointments to the Council into four groups of five members each for initial terms of one, two, three and four years.

(4) The President shall from time to time designate one member to chair the Council.

(d) The Council shall nominate and the Secretary shall appoint an executive director for the Council.

(e) The Secretary shall furnish such staff, services and support as shall be necessary for the operation of the Council.

INTERDEPARTMENTAL EDUCATION COORDINATING COMMITTEE

SEC. 212. (a) There is hereby established an Interdepartmental Education Coordinating Committee (hereinafter referred to in this Act as the "Committee").

(b) The Committee shall study and make recommendations for assuring effective coordination of Federal programs, policies and administrative practices affecting education, including—

(1) consistent administration and development of policies and practices among Federal agencies in the conduct of related programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities and repetitive collection of data;

(3) full and effective cooperation with the Secretary on such studies and analyses as are necessary to carry out the purposes of this Act; and

(4) coordination of related programs to assure that recipients of Federal assistance are efficiently and responsively served.

(c) The Committee shall be composed of the Secretary, who shall be the Chair, and representatives from those Federal agencies, commissions and boards that the President may from time to time deem appropriate with regard to the matters under consideration.

(d) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Director of the Office of Science and Technology Policy and the Executive Director of the Domestic Policy Staff may each designate a staff member to attend meetings of the Committee.

(e) The Secretary may establish subcommittees of the Committee to facilitate coordination in important areas of Federal activity.

(f) The Secretary and each Federal agency represented on the Committee under the provisions of subsection (c) of this section shall furnish necessary assistance to the Committee.

TITLE III—TRANSFERS

TRANSFERS FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 301. (a) There are hereby transferred to and vested in the Secretary—

(1) all functions, programs and offices vested in the Assistant Secretary for Education (or in the Office of such Assistant Secretary) or in the Education Division of the Department of Health, Education, and Welfare, or in any officer or component thereof;

(2) all functions, programs and offices vested in the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare:

(A) under the General Education Provisions Act;

(B) under the Elementary and Secondary Education Act of 1965;

(C) under the Emergency School Aid Act;

(D) under the Higher Education Act of 1965;

(E) under the Education Amendments of 1978;

(F) under the Act of August 30, 1890 (7 U.S.C. 321–328);

(G) under the Environmental Education Act;

(H) under the National Defense Education Act of 1958;

(I) under the Education of the Handicapped Act;

(J) under part 8 of title V of the Economic Opportunity Act of 1965;

(K) under subparts I and II of part C of title VII and part B of title VIII of the Public Health Service Act;

(L) under the National Commission on Libraries and Information Science Act;

(M) under the Vocational Education Act of 1963;

(N) relating to Gallaudet College, Howard University, the American Printing House for the Blind and the National Technical Institute for the Deaf;

(O) under the Model Secondary School for the Deaf Act;

(P) relating to the telecommunications demonstration program under subpart A of part IV of title III of the Communications Act of 1934;

(Q) under section 2030(k) of the Federal Property and Administrative Services Act of 1949; and

(R) under the Alcohol and Drug Abuse Education Act;

(3) all functions of the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare delegated to or vested in the Office for Civil Rights of such Department relating to functions transferred by this section;

(4) any advisory committee and authority for any advisory committee established by statute in or under the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare, giving advice or making recommendations that primarily concern education: *Provided*, That the Secretary may terminate or combine one or more of such advisory committees;

(5) the Institute of Museum Services in the Department of Health, Education, and Welfare and all functions vested in such Institute;

(6) the Advisory Council on Education Statistics and all functions vested in such Council; and

(7) the Federal Education Data Acquisition Council and all functions vested in such Council.

(b) There are hereby transferred to the Inspector General of the Department that portion of the Office of Inspector General of the Department of Health, Education, and Welfare that relates to functions transferred to the Secretary by this Act.

TRANSFERS FROM THE DEPARTMENT OF LABOR

SEC. 302. (a) There are hereby transferred to and vested in the Secretary all functions of the Secretary of Labor or the Department of Labor under section 303(c)(2) of the Comprehensive Employment and Training Act of 1973.

(b) The Secretary is authorized to conduct the functions transferred by subsection (a).

(c) Section 303(c)(3) of the Comprehensive Employment and Training Act is redesignated as subsection (d) and amended to read as follows:

"(d) For the purposes of carrying out subsections (b) and (c) of this section, the Secretary shall reserve from funds available for this title an amount equal to not less than 4⅝ percent of the amount allocated pursuant to section 202(a).".

TRANSFERS FROM THE DEPARTMENT OF DEFENSE

SEC. 303. (a) Notwithstanding the provisions of section 601 of this Act, there shall be transferred to and vested in the Secretary, at such time and in such manner as the President may designate, but not later than three years after the effective date of

this Act, all functions and offices vested in the Secretary of Defense or the Department of Defense by the Defense Dependents' Education Act of 1978.

(b) Notwithstanding the provisions of section 422 of this Act, the Secretary shall delegate to the director of the office created by section 207 of this Act all functions, other than administrative and support functions, vested in the Secretary by subsection (a) of this section.

(c) Not later than one year after the effective date of this Act, the Secretary, after consultation with the Secretary of Defense, shall transmit to the Congress a plan for effecting the transfer of functions under this section and administering those functions. In designing this plan, the Secretary shall also consult with representatives of sponsors of students enrolled in overseas dependents' schools and of professional employee organizations and administrators of such schools.

TRANSFERS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 304. (a) There are hereby transferred to and vested in the Secretary all programs relating to science education of the National Science Foundation or its Director established prior to the effective date of this Act pursuant to section 3(a)(1) of the National Science Foundation Act of 1950, except such programs, as determined by the Director of the Office of Management and Budget (after consultation with the Director of the Office of Science and Technology Policy), that relate to (1) fellowships and traineeships integral to the support of scientific research and development, (2) ethical, value and science policy issues, or (3) communicating information to practitioners of science and technology and to nonscientists. Except as provided in section 301(a)(1) of this Act, no mission-oriented research functions or programs of the National Science Foundation nor of any other Federal agency shall be transferred by this Act.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs, the Secretary shall consult, as appropriate, with the Director of the National Science Foundation.

(c) Nothing in this section is intended to repeal or limit the authority of the National Science Foundation or the Director of the National Science Foundation under section 3(a)(1) of the National Science Foundation Act of 1950 to initiate and conduct programs not established prior to the effective date of this Act.

TRANSFERS FROM THE DEPARTMENT OF JUSTICE

SEC. 305. There are hereby transferred to and vested in the Secretary all functions vested in the Attorney General, the Department of Justice or the Administrator of the Law Enforcement Assistance Administration (or any successor agency thereto) with regard to the student loan and grant programs known as the law enforcement education program and the law enforcement intern program authorized by subsections (b), (c) and (f) of section 406 of the Omnibus Crime Control and Safe Streets Act of 1968.

TRANSFERS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 306. There are hereby transferred to and vested in the Secretary all functions relating to college housing loans vested in the Secretary of Housing and Urban Development or the Department of Housing and Urban Development by title IV of the Housing Act of 1950.

EFFECT OF TRANSFERS

SEC. 307. The transfer of a function, program or office from an officer or agency to the Secretary or to the Department includes any aspect of such function, program or office vested in a subordinate of such officer or in a component of such agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5 of the United States Code.

(b)(1) Notwithstanding the second sentence of section 5108(a) of title 5 of the United States Code, the Secretary may place at grad levls GS–16, GS–17, and GS–18 a number of positions in such grades equal to the number assigned and employed on the day preceding the effective date of this Act in connection with functions transferred under this Act.

(2) Notwithstanding the second sentence of section 3104 of title 5 of the United States Code, the Secretary may establish within the Office created by section 206 of this Act all scientific, professional and technical positions outside the General Schedule assigned and employed on the day preceding the effective date of this Act in connection with functions, offices and programs transferred under this Act.

(3) Appointments under this subsection may be made without regard to the provisions of sections 3104 and 3324 of title 5 of the United States Code, if the individual appointed in such position is an individual who is transferred in connection with a transfer of functions, offices or programs under this Act and, immediately before the effective date of this Act, holds a position and duties comparable to those of the position to which appointed hereunder.

(4) Except as provided in subsection (c), the authority of the Secretary under this subsection to appoint personnel without regard to sections 3104, 3324 and 5108(a) of title 5 of the United States Code shall cease with respect to any position when the person first appointed to fill such position leaves such position.

(5) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position as he or she occupied on the day before the effective date of this Act.

(c) The Secretary may appoint, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service, up to 112 scientific, technical or professional employees of the Office created by Section 206 of this Act and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be equal to or in excess of the rate of pay currently paid for GS–16 of the General Schedule of section 5332 of title 5 of the United States Code.

(d) Subject to section 3134 of title 5 of the United States Code, but notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for 15 limited term appointees. The Secretary shall appoint individuals to such positions as provided by Section 3394 of title 5 of the United States Code. Such positions shall expire on the latter of three years after the effective date of this Act or three years after the initial appointment to each position;

(e) Notwithstanding the transfer of functions effected by section 303 of this Act (and the consequent transfer of personnel), personnel performing such functions shall have commissary and post exchange privileges in facilities of the Armed Forces.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code at rates not to exceed the daily rate prescribed for grade GS–18 of the General Schedule under section 5332 of such title for persons in Government service employed intermittently.

PART B—GENERAL PROVISIONS

GENERAL AUTHORITY

SEC. 421. In carrying out the functions or conducting offices or programs transferred by this Act, the Secretary, or any officer or employee of the Department, may exercise any authority or part thereof available by law (including appropriation Acts) with respect to such function, office or program to the official or agency from which such function, office or program is transferred.

DELEGATION

SEC. 422. Except as otherwise expressly provided in this Act, the Secretary may delegate any function, office or program vested in the Secretary to such officers and employees of the Department as the Secretary may designate and may authorize such successive redelegations of such function, office or program within the Department as the Secretary may deem to be necessary or appropriate.

REORGANIZATION

SEC. 423. The Secretary is authorized to establish, alter, consolidate or discontinue such organizational units or components within the Department as the Secretary may deem to be necessary or appropriate. Such authority shall not extend to the abolition of organizational units or components established by this Act, or to the transfer of functions, offices or programs vested by this Act in such organizational unit or component.

RULES

SEC. 424. The Secretary is authorized to prescribe such rules and regulations as the Secretary may deem necessary or appropriate to administer and manage the functions, offices and programs vested in the Secretary or the Department in accordance with chapter 5 of title 5 of the United States Code.

CONTRACTS

SEC. 425. Subject to the provisons of the Federal Property and Administrative Services Act of 1949, the Secretary is authorized to make, enter into and perform such contracts, grants, leases, cooperative agreements or other similar transactions with Federal or other public agencies (including State and local governments) and private organizations and persons, and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out functions and programs vested in the Secretary or the Department.

REGIONAL AND FIELD OFFICES

SEC. 426. The Secretary is authorized to establish, alter, discontinue or maintain such regional or other field offices as the Secretary may deem to be necessary or appropriate to perform functions and programs vested in the Secretary or the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 427. (a) The Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities (but only to the extent that operation of schools and related facilities by the Department is authorized by this Act), laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property, or any interest therein, as the Secretary deems necessary; and to provide by contract or otherwise for eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned from similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 428. (a) The Secretary is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) dining facilities;

(4) audio-visual equipment, accessories and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for school-age dependents of employees to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2), (3) and (4) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriations or funds that bear all or a part of the cost of such work or services or to refund excess sums when necessary.

USE OF FACILITIES

SEC. 429. (a) With their consent, the Secretary may, with or without reimbursement, use the research, equipment, services and facilities of any agency or instrumentality of the United States, of any State, or of any foreign government, in carrying out any function or program vested in the Secretary or in the Department.

(b) In carrying out his duties, the Secretary, under such terms, at such rates and for such periods (not exceeding five years), as the Secretary may deem to be in the public interest, is authorized to permit the use by public and private agencies, corporations, associations or other organizations, or by individuals, of any real property, or any facility, structure or other improvement thereon, acquired pursuant to sections 427 and 428, under the custody and control of the Secretary for Department purposes. The Secretary may require permittees under this section to recondition and maintain to a satisfactory standard, at their own expense, the real property, facilities, structures and improvements involved. This subsection shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949.

(c) Proceeds from reimbursements under this section may be credited to the appropriations or funds that bear all or a part of the cost of such work or services or to refund excess sums when necessary, except that such proceeds may be credited to a working capital fund otherwise lawfully established, including a fund established pursuant to section 432 of this Act and used under the law governing such fund.

(d) All interests in real property acquired pursuant to this Act shall be acquired in the name of the United States Government.

COPYRIGHTS AND PATENTS

SEC. 430. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to, the Department:

(a) copyrights, patents and applications for patents, designs, processes and manufacturing data;

(b) licenses under copyrights, patents and applications for patents; and

(c) releases, before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 431. The Secretary is authorized to accept, hold, administer and utilize gifts, bequests and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests and devises of money and proceeds from sales of other property received as gifts, bequests or devises shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

WORKING CAPITAL FUND

SEC. 432. (a) The Secretary, with the approval of the Director of the Office of Management and Budget, is authorized to establish for the Department a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be deductible in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone and other communications services; office space; central services for document reproduction, and for graphics and visual aids; and a central library service.

(b) The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates that will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the Treasury as miscellaneous receipts any surplus of the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities and unpaid obligations relating to the services which the Secretary determines, with the approval of the Office of Management and Budget, will be performed.

FUNDS TRANSFER

SEC. 433. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year may be thus increased or decreased by more than ten percent.

SEAL OF DEPARTMENT

SEC. 434. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 435. (a) The Secretary shall, as soon as practicable after the close of each fiscal year, make a single comprehensive report to the President for transmission to the Congress on the activities of the Department during such fiscal year. Such report shall include a statement of goals, priorities and plans for the Department together with an assessment of the progress made toward the attainment of those objectives, the more effective and efficient management of the Department and the coordination of its functions.

(b)(1) In preparing and developing the report required by subsection (a), the Secretary shall, to the maximum extent practicable, consult with members of the public, including representatives of parents, students, educators, State and local governments, private institutions, other organizations and individuals. The Secretary shall hold such public hearings in the District of Columbia and in such other locations as the Secretary deems appropriate to maximize public participation.

(2) The Secretary may reimburse any person for expenses reasonably incurred in the course of consultation or hearings under paragraph (1) if such person—

(A) has made or is likely to make a material contribution to the work of the Department; and

(B) could not otherwise participate fully and effectively in such consultation.

(3) For purposes of this section, the term "person" shall have the same meaning as in section 551(2) of title 5 of the United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 436. Subject to any limitation on appropriations applicable with respect to any function or program transferred to the Department or the Secretary, there are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act and to enable the Department and the Secretary to perform any function or conduct any program or office that may be vested in the Department or the Secretary. Funds appropriated in accordance with this section shall remain available until expended.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 437. Except where inconsistent with the provisions of this Act, the General Education Provisions Act shall apply to functions transferred by this Act to the extent applicable on the day preceding the effective date of this Act.

TECHNICAL ADVICE

SEC. 438. (a) The Secretary is authorized, upon request, to provide advice, counsel and technical assistance to applicants or potential applicants for grants and contracts and other interested persons with respect to any functions or programs of the Secretary or the Department.

(b) The Secretary may permit the consolidation of applications for grants or contracts with respect to two or more functions or programs administered by the Secretary or the Departemnt: *Provided*, That such packaging or consolidation shall not alter the statutory criteria for approval of applications for funding with respect to such functions or programs.

TITLE V—TRANSITIONAL, SAVINGS AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL

SEC. 501. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records and unexpended balance of appropriations, authorizations, allocations and other funds employed, held,

used, arising from, available to or to be made available in connection with the functions, programs, offices or portions thereof transferred by this Act, subject to section 202 of the Budget and Accounting Act of 1950, shall be transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions expressly specified by statute or reorganization plan to carry out functions, offices or programs transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level I, II, III, IV, or V of the executive schedule (5 U.S.C. 5312–5316) on the effective date of this Act, shall be subject to the provisions of section 503 of this Act.

EFFECT ON PERSONNEL

SEC. 502. (a) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions pursuant to this title shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer to the Department.

(b) Any person who, on the day preceding the effective date of this Act, holds a position compensated in accordance with the executive schedule prescribed in chapter 53 of title 5 of the United States Code and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed in such prior position shall continue to be compensated in such new position at not less than the rate provided for the previous position, for the duration of the service of such person in the new position.

AGENCY TERMINATIONS

SEC. 503 (a) The following offices shall terminate upon the transfer of functions or programs pursuant to this Act:

(1) the Education Division of the Department of Health, Education, and Welfare (but not the National Institute of Education);

(2) the Office of the Assistant Secretary for Education of the Department of Health, Education, and Welfare;

(3) the Office of Education and the Office of the Commissioner of Education of the Department of Health, Education, and Welfare; and

(4) the Office for Dependents' Schools of the Department of Defense.

(b) Each position which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rate prescribed for level IV or V of the executive schedule (5 U.S.C. 5315–5316), in an office terminated pursuant to this Act shall also terminate.

(c)(1) The director of any office in the Department the director of which was required prior to the effective date of this Act to report to the Commissioner of Education or the Assistant Secretary for Education of the Department of Health, Education, and Welfare shall report to the Secretary.

(2) The Secretary is authorized to delegate reporting requirements vested in the Secretary by paragraph (1) of this subsection to any officer or employee of the Department.

INCIDENTAL TRANSFERS

SEC. 504. (a) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized and directed

(1) to make such determinations as may be necessary with regard to the transfer of functions, programs, offices or portions thereof that relate to or are utilized by an officer, agency, commission or other body, or component thereof, transferred by this Act; and

(2) to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records and unexpended balances of appropriations, authorizations, allocations and other funds held, used, arising from, available to or to be made available in connection with such functions, programs, office or portions thereof, as the Director may deem necessary to accomplish the purposes of this Act.

(b) The Director shall provide for terminating the affairs of all offices terminated by this Act and for such further measures and dispositions as the Director deems necessary to effectuate the purposes of this Act.

(c) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized and directed, at such time as the Director of the Office of Management and Budget shall provide, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions transferred by this Act.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates and privileges that—

(1) have been lawfully issued, made, granted or allowed to become effective in the performance of functions or programs which are transferred under this Act to the Department after the date of enactment of this Act, and

(2) are in effect at the time this Act takes effect,

shall continue in effect according to their terms until lawfully modified, terminated, superseded, set aside or revoked.

(b)(1) The provisions of this Act shall not affect any proceedings (including, but not limited to, notices of proposed rulemaking) or any application for any license, permit, certificate or financial assistance pending at the time this Act takes effect before any department, agency, commission or component thereof, functions, offices or programs of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions, offices or programs so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until lawfully modified, terminated, superseded, or revoked. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary is authorized to promulgate regulations providing for the orderly transfer of such proceedings to the Department.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect; and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions or programs of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions or programs of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate byy reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof, in his official capacity, is a party to a suit, and under this Act any function, office or program of such department, agency or officer is transferred to the Secretary or any other official, then such suit, insofar as it relates to such function, office or program, shall be continued with the Secretary or other official, as the case may be, substituted.

SEPARABILITY

SEC. 506. If any provision of this Act, or the application thereof to any person or circumstances is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

REFERENCE

SEC. 507. With respect to any function or program transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department, commission or agency or any oncer or office the functions or programs of which are so transferred shall be deemed to refer to the Secretary, other official or component of the Department in which this Act vests such functions.

AMENDMENTS

SEC. 508. (a) Section 19(d)(1) of title 3 of the United States Code is amended

(1) by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services"; and

(2) by inserting immediately before the period at the end thereof the following: ", Secretary of Education".

(b) Section 101 of title 5 of the United States Code is amended—

(1) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(2) by adding at the end thereof the following: "The Department of Education.".

(c) Section 5108(a) of title 5 of the United States Code is amended by striking out "10,777" and inserting in lieu thereof "10,838".

(d) Section 5312 of title 5 of the United States Code is amended by adding at the end thereof the following:

"(15) Secretary of Education.".

(e) Section 5314 of title 5 of the United States Code is amended by inserting immediately after paragraph (4) thereof the following:

"(5) Under Secretary of Education.".

(f) Section 5315 of title 5 of the United States Code is amended—

(1) by striking out paragraph (17) and inserting in lieu thereof

"(17) Assistant Secretaries of Health and Human Services (4).''; and

(2) by inserting immediately after paragraph (24) thereof the following:

"(25) Assistant Secretaries of Education (6).

"(26) General Counsel, Department of Education.

"(27) Inspector General, Department of Education.".

(g) Section 5316 of title 5 of the United States Code is amended by striking out paragraph (41) and by inserting in lieu thereof the following:

"(41) Officers, Department of Education, (6).".

(h) Subchapter II of chapter 53 of title 5 of the United States Code is further amended by striking out "Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Health and Human Services".

(1) The Comprehensive Employment and Training Act of 1973 is amended as follows:

(1) Section 111(a) shall read:

"SEC. 111(a). The Secretary of Labor shall consult with the Secretary of Health and Human Services with respect to arrangements for services of a health or welfare character under this Act. The Secretary of Labor shall consult with the Secretary of Education with respect to arrangements for services of an educational nature under this Act, and the Secretary of Education and the Secretary of Health and Human Services shall solicit the advice and comments of appropriate States agencies with regard to, respectively, education and health and welfare services. Such services shall include basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions."

(2) Section 127(b) is amended by striking out "and the Secretary of Health, Education, and Welfare" in the first line and inserting in lieu thereof ", the Secretary of Education and the Secretary of Health Human Services".

(3) Section 311(g) is amended by striking out "Health, Education, and Welfare," and inserting in lieu thereof "Health and Human Services, Department of Education,";

(4) Section 314 is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Education";

(5) Section 438(a)(2) is amended by striking out the words "Health, Education, and Welfare," and inserting in lieu thereof the words "Education, Secretary of Health and Human Services,";

(6) Section 502(a) is amended by

(A) striking out the number "15" and inserting in lieu thereof "16"; and

(B) striking out the words ", Health, Education, and Welfare," in paragraph (1) and inserting in lieu thereof the words "Education, Secretary of Health and Human Services,".

(j) Section 5 The Alcohol and Drug Abuse Education Act is amended—

(1) by inserting after the word "Secretary" in the first sentence, the words ", the Secretary of Health and Human Services,"; and

(2) by striking out the words "of Health, Education, and Welfare" in the second sentence and inserting in lieu thereof the words ", Department of Health and Human Services,".

(k) Section 1411 of the Defense Dependents' Education Act of 1978 is amended:

(1) by inserting in subsection (a)(1) thereof after the words "Assistant Secretary")" the word "and principal officer of the Department of Education responsible for the office established pursuant to section 207 of the Department of Education Act,".

and by striking out in such subsection the word "Chairman" and inserting in lieu thereof "Co-chairmen";

(2) by adding in subsection (a)(2) thereof after the word "Secretary," the words "and the principal officer of the Department of Education responsible for the office established pursuant to section 207 of the Department of Education Act,";

(3) by striking out all of subparagraphs (A) and (B) of subsection (a)(3) thereof, inserting in lieu thereof the new subparagraph (A) which shall read—

"(A) the Secretary of Educaton,"

and relettering subparagraphs (C), (D), and (E) of paragraph (3) as (B), (C), and (D), respectively; and

(4) by adding to subsection (c) thereof a new paragraph (2) which shall read—

"(2) make recommendations to the Director and to the Secretary of Education on the orderly transfer of the functions of under the Dependents' Education Act of 1978 to the Secretary and Department of Education,"

and renumbering paragraphs (2), (3) and (4) of subsection (c) as paragraphs (3), (4), and (5), respectively.

(1) Section 103(c)(2)(B) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence:

"The Secretary of Health and Human Services shall transmit the information required by this subparagraph to the Secretary of Education not later than February 1 of each year."

REDESIGNATION

SEC. 509. (a) The Department of Health, Education, and Welfare is hereby redesignated the Department of Health and Human Services, and the Secretary of Health, Education, and Welfare or any other official of the Department of Health, Education, and Welfare is hereby redesignated the Secretary or official, as appropriate, of Health and Human Services.

(b) Any reference to the Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Human Services, the Secretary of Health and Human Services, respectively, except to the extent such reference is to a function or program transferred to the Secretary under this Act.

TRANSITION

SEC. 510. With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees and other personnel of the departments and agencies from which functions, offices or programs have been transferred to the Secretary, and funds appropriated to such functions, offices or programs, for such period of time as may reasonably be needed to facilitate the orderly implementation of this Act.

TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

EFFECTIVE DATE

SEC. 601. The provisions of this Act shall take effect one hundred eighty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act, (1) any of the officers provided for in title II of this Act may be nominated and appointed, as provided in such title, and (2) the Secretary may promulgate regulations pursuant to section 505(b)(2) of this Act. Funds available to any department or agency (or any official or component thereof), the functions, offices or programs of which are transferred to the Secretary by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this title and other transitional and planning expenses associated with establishment of the Department or transfer of functions, offices or programs thereto until such time as funds for these purposes are otherwise available.

INTERIM APPOINTMENT

SEC. 602. In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have taken office on the effective date of this Act, and notwithstanding any other provision of law, the President may designate any officer in the executive branch to act in such office until the office is filled. While so acting, any such officer shall receive compensation at the rate provided under this Act for the office in which he or she acts.

To the Congress of the United States:

I am sending to the Congress today my proposal to establish a Department of Education.

There is a compelling need for the increased national attention a separate Cabinet department will bring to education issues. Our Nation's pluralistic education system, considered the most competent and open in the world, faces many problems and challenges: a decline in public confidence in the quality of education; unacceptably high rates of high school dropouts and of young people who lack basic educational tools and specific skills for productive employment; and increasing demands for retraining and learning opportunities.

The primary responsibility for education in our Nation lies with State and local government. The Federal government has a limited, but critical responsibility to help public and private institutions meet these challenges: to ensure equal educational opportunities; to increase access to postsecondary education by low and middle income students; to generate research and provide information to help our educational systems meet special needs; prepare students for employment; and encourage improvements in the quality of our education. The achevement of each of these goals will be enhanced by a new Department of Education.

Through our legislative and budget initiatives of the past two years, this Administration has given high priority to meeting these educational commitments. My budget for FY 1980 provides for $13.3 billion in education outlays, about a 45 percent increase above the level when I came into office. Last year, we established a legislative framework, the Middle Income Student Assistance program, to help solve one of our major education problems—the growing cost of a college education. The establishment of a Cabinet Department of Education will reflect the continued high priority my Administration places on education.

A Department of Education will bring our Nation's educational challenges and the Federal government's role in meeting them to the forefront of domestic policy discussion. Such discussion is vital to an activity that directly affects 60 million students, teachers and educational employees and constitutes a $120 billion public and private enterprise.

Establishing a separate Department will create, for the first time, a Cabinet-level advocate for education with direct access to the President, the Congress, and the public.

Second, it will give Federal education programs the full-time, high-level leadership and management that they cannot receive in a structure so large and complex as the Department of Health, Education, and Welfare. This will allow the Federal government to fulfill its responsibilities in education more effectively. It will eliminate duplication in the administrative and staff support activities within the Office of the HEW Secretary and the Education Division. It will allow improved financial management and more efficient administration of education programs. Separation of the education functions from HEW will also promote improved management of its closely-related health and welfare responsibilities.

Third, it will provide greater accountability. Submerged beneath HEW's dominant functions of health and welfare, Federal education programs lack full-time accountability at the Cabinet level. With a separate Department of Education, one Cabinet member will report directly to the President and be accountable to the Congress and the American people for the conduct of Federal education policies.

Fourth, it will provide simpler, more reliable, and more responsive support to states, localities, public and private institutions, given them a direct line of Cabinet-level contact with the Federal government.

Fifth, the new Department will allow better coordination of education programs with related Federal activities, such as em-

ployment programs and research. It will also allow high-level consideration of the impact of other Federal policies, such as tax and energy, on education institutions and students.

Under the proposal I am submitting today, the Department of Education will include more than 150 programs and 16,200 employees. With a budget of more than $13 billion, this Department will be larger than five other Departments including Energy, Commerce, Justice, Interior, and State.

In addition to the 140 programs in the Education Division of the Department of Health, Education, and Welfare, the new Department of Education will handle educational activities now carried out by several other departments. These include: the U.S. Department of Agriculture School, certain science education programs of the National Science Foundation, the overseas dependents' schools of the Department of Defense, the college housing loan program of the Department of Housing and Urban Development, the Law Enforcement Education and the Law Enforcement Internship Program of the Department of Justice, and the Migrant Education programs of the Department of Labor.

The proposed legislation establishes within the Department of Education separate Offices for Civil Rights, Elementary and Secondary Education, Postsecondary Education and Educational Research and Improvement, each headed by an Assistant Secretary. It establishes an office to administer functions related to the education of overseas dependents of Department of Defense personnel, an Inspector General, and a 20-member Intergovernmental Advisory Council on Education, appointed by the President, to promote better relations with the various levels of government and private institutions.

I urge the Senate and the House of Representatives to act promptly on this important proposal.●

By Mr. MATSUNAGA:

S. 511. A bill to amend section 457 of the Internal Revenue Code of 1954 to extend to deferred compensation plans maintained by tax exempt organizations the treatment conferred upon such plans maintained by State and local governments by the Revenue Act of 1978; to the Committee on Finance.

EXTENSION OF DEFERRED COMPENSATION PLAN PROVISIONS TO EXEMPT ORGANIZATIONS

Mr. MATSUNAGA. Mr. President, today I am introducing a bill to extend section 457 of the Internal Revenue Code, which authorizes unfunded deferred compensation plans for State and local governments, to tax exempt organizations.

The Congress enacted section 457 of the Internal Revenue Code as part of the Revenue Act of 1978. This provision resolved a heated controversy between State and local governments on the one hand and the Department of the Treasury on the other.

Since 1960, the Treasury has sanctioned deferred compensation plans under its administrative interpretation of the constructive receipt and cash equivalency doctrines. However, the Treasury subsequently viewed the growing use of deferred compensation arrangements as undermining effective tax administration. In a letter to Chairman RUSSELL LONG dated May 4, 1977, Treasury Secretary Michael Blumenthal noted the use of such plans where employees apparently were in constructive receipt of compensation. Secretary Blumenthal also noted that State and local governments and tax exempt organizations could establish such plans for their workers without meeting the nondiscrimination rules and the contribution limitation imposed by the Employee Retirement Income Security Act (ERISA) for qualified pension plans.

The Treasury sought to change its administrative practices by issuing proposed regulations on February 3, 1978. The regulations would have subjected deferred amounts to current taxation.

The proposed regulations alarmed many employers who utilized these deferred compensation arrangements. The new administration's position reversed the Internal Revenue Service practice of sanctioning such plans. Moreover, the proposed regulations, it was believed, contravened the principle of constructive receipt.

In reaching a suitable legislative compromise, the Congress enacted section 457 of the code; this provision permits continued deferral of compensation for State and local government workers subject to a percentage limitation and set dollar limitation.

The Revenue Act of 1978 also retained the unfunded deferred compensation plan for private, taxable entities. These taxable entities forego the tax deduction for compensation deferred by the individual worker. Consequently, the taxable corporation extends deferred compensation arrangements only to a relatively few highly compensated workers. These individuals do not need ERISA protection afforded under qualified plans; also, in many situations, there is an element of negotiated risk, since the worker's claim for deferred compensation is that of an unsecured creditor.

The Senate version of the Revenue Act of 1978 covered tax exempt organizations under that provision for private, taxable entities. This approach found little support in conference with the House Ways and Means Committee. Consequently, the provision for tax exempt organizations was deleted from the final version of the Revenue Act.

Thus, the Revenue Act provided for State and local government deferred compensation plans as well as for private, taxable corporation's deferred compensation arrangements. However, no provision was made for unfunded deferred compensation arrangements utilized by tax exempt organizations.

My bill seeks to provide for tax exempt organizations by covering them under the arrangement for State and local governments. It answers the needs of these organizations who are now faced with great uncertainty in providing for their employees. I therefore urge quick Senate action on this measure.

By Mr. MOYNIHAN:

S. 512. A bill exempting employees serving 60 days or less from the financial reporting requirements of the Ethics in Government Act of 1978; to the Committee on Governmental Affairs.

Mr. MOYNIHAN. Mr. President, I rise to introduce a bill to amend the Ethics in Government Act of 1978. I believe this bill is welcomed by the distinguished chairman of the Governmental Affairs Committee, as it will put into effect what I understand was intended all along of those who worked on the act in the Senate. I refer to the exclusion from the act's public financial disclosure requirements of those who serve in their appointed capacities for 60 days or less. There are in the act as passed ample indications that this was the intent of the Congress, but as happens on occasion in a complex piece of legislation some confusion has arisen over the implementation of the act's detailed provisions in this regard. I hope that this bill will set at least some of these matters straight.

In fact, two concerns about the act have recently surfaced. The first derives from those provisions which in certain respects restrict for a time the employment and activities of those who have served as senior public officials and who then return to private life. I was myself concerned that in passing the act last year, we might, in trying to prevent conflicts of interest, have erred in a direction which would ultimately discourage many of our ablest citizens from active participation in Government.

Of course, I was pleased and reassured when our esteemed colleagues, the senior Senator from Connecticut and the senior Senator from Illinois, moved speedily last week to dispell any doubts about the proper interpretation of the relevant conflict of interest provisions, and to allay the fear that these provisions may have been drafted too loosely.

The memorandum of understanding published in the RECORD on February 21, jointly by the Senate and House leaders of the conference on the 1978 act, is most welcome in specifying the intended focus of the act's conflict of interest provisions. I thank my distinguished colleagues for their ready and helpful guidance toward resolving these uncertainties. It is also my understanding, I should add, that the director of the newly established Office of Government Ethics will soon issue regulations which will further clarify matters. This is all to the good.

The second concern about the act is as I have mentioned: That in providing for the full public disclosure of the financial interests of nominees and appointees to high government posts—and of their immediate family members—we have unintentionally, or at least unnecessarily, included those who serve for limited periods and in limited capacities, notably as members of various part-time advisory bodies; that in so doing we have inadvertently stepped beyond the public's right to be informed and into the citizen's right to privacy; and that the resulting situation is one where many accomplished citizens, whose public service is to be sought after for the country's good, will stand back and deny us the benefit of their learning and experience.

The bill I am introducing would amend the 1978 Ethics in Government Act to exclude from the act's public financial disclosure requirements any who serve in their appointed capacities for 60 days or less during a calendar year. The bill's provisions apply to employees in each of

the three Federal branches, and require those whose service exceeds 60 days to meet the act's disclosure requirements on the 61st day. I hasten to add that this bill in no way limits the ability of the President or a congressional committee to require full disclosure to them of all pertinent facts about a candidate. Should any questions arise about a particular individual, the President or a committee of course remain free to require that individual to make the disclosure public before further considering his or her candidacy. But it would preserve the privacy of many individuals who are named to advisory and consultative positions.

It is plain that we must both preserve the free exchange of ideas between the public and private spheres, and also safeguard that very separation of the public and private arenas which defines a free society. I believe this bill will help the 1978 Ethics in Government Act to maintain this balance, and I ask my colleagues to regard it favorably.

I ask unanimous consent to have printed in the RECORD an article in Newsweek for March 5, 1979.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(From Newsweek, Mar. 5, 1979)

A FEDERAL BRAIN DRAIN

Donald Fredericksen, director of the National Institutes of Health, is thinking about leaving the government soon. So is Hale Champion, Under Secretary of Health, Education and Welfare. Ernest Boyer, commissioner of education, who planned to resign next year, may quit much sooner. Already, two Securities and Exchange Commission officials have resigned, and Joseph Califano has warned that 100 top staffers in HEW alone might follow. The reason: a tough new conflict-of-interest law set to go into effect July 1 that will restrict what public servants can do after they leave Uncle Sam's employ. "Companies and law firms are saying, 'This is the last train out'," complains one top agency official. "After July 1, we're all parlahs."

For decades, government service has been a "revolving door." Hundreds of talented people are recruited every year from businesses, law firms and universities for stints in Federal agencies, and later return to the private sector in high-paying jobs. All too often, critics charge, they pull their regulatory punches out of fear of offending prospective employers. Once out of government, they may use their public know-how and know-who for private ends. They know where the loopholes are and can pull strings in their old agencies. Watchdog groups have long warned that the revolving door poses possible conflicts of interest, and candidate Jimmy Carter vowed to break up the "sweetheart arrangements" between the regulators and the industries they regulate.

Rebellion.—Last year, at Carter's urging, Congress passed the Ethics in Government Act to prevent former government employees from turning their public service to private advantage. But two provisions in that law seem so strict that they have sparked a rebellion in the Federal ranks. The new law states that for two years after leaving office, former high-ranking bureaucrats may not "aide, assist, counsel, advise or aide in representing" anyone on any governmental matter that they had responsibility for in office. And for one year, those ex-officials can have virtually no contact with their former agencies at all. Penalties range up to a $10,000 fine and two years in prison, and the ex-bureaucrat and his new employer can be blacklisted from further dealings with the government.

Some Federal officials charge that the new law punishes them simply for having served in the government. And nonprofit institutions may be especially hard hit since they are so dependent on government grants. "Because of the 'cooling off' period. I wouldn't be able to go back to my old job and even informally assist someone in a research grant," say Fredrickson, who was president of the National Academy of Science's Institute of Medicine before joining NIH. "I'd have to stay in liquid nitrogen for two years." Some agency heads worry that the restrictions will discourage top people from accepting government posts, leaving the agencies strapped for technical experts. "This probably would have deterred me from joining the SEC," says Albert Sommer, a former commissioner who now practices securities law. "You will see a substantial exodus from the SEC."

Ethics? Califano and Defense Secretary Harold Brown—who have both made round trips through the revolving door—have objected to Carter. "The law with respect to the nonprofit world should be changed or postponed until Congress can think it through," says Califano. "I don't think it was intended to kick off a major brain drain." Even some congressmen are having second thoughts. "I think it had much more in it than we realized," says Sen. Daniel Moynihan of New York. "In the name of ethics in government, we are making service to government impossible for ethical people."

Much depends on the handiwork of one bureaucrat—Bernhardt Wruble, director of the new Office of Government Ethics, who is translating the law into specific regulations. He contends that once the regulations are issued, many fears will prove unfounded. "People will be able to return to top-ranking positions and function," he says. "But the law will prevent them from giving someone the scoop on Joe Jones, head of research grants." Counters one agency official: "Who wants to keep five pages of regulations in his desk drawer for easy reference every time he has to make a decision?" In the end, the regulations may be so finely drawn they will catch few influence-peddling ex-officials, but make life after government frustrating for the rest.

By Mr. MOYNIHAN:

S. 513. A bill to extend for 2 years at its present level the program of general revenue sharing provided under the State and Local Fiscal Assistance Act of 1972; to the Committee on Finance.

Mr. MOYNIHAN. Mr. President, I am today introducing a bill to extend the State and Local Fiscal Assistance Act of 1972 in its present form and at its present levels for 2 years beyond its current expiration date of September 30, 1980. This program, commonly known as general revenue sharing, represents one of the most creative accomplishments of American federalism in the past decade. It is based on a simple but fundamental fact: The progressive nature of Federal taxation is such that as the economy grows the revenues of the Federal Government grow faster than do the revenues of State and local governments. In order to preserve a balanced Federal system, it is of central importance that we preserve the ability of State and local government to respond to their distinctive circumstances in their own ways. In that spirit, the idea began to be developed in the Kennedy and Johnson administrations that the Federal Government ought to direct a portion of its growing revenues to States and localities without the restrictions and specification required in categorical programs. This was a large idea. It was developed and advanced by such distinguished political economists as Walter Heller and Joseph Pechman. In time, it was proposed to Congress by President Nixon and adopted in its present form in 1972.

In recent weeks, we have begun to see in many quarters a willingness to revise some of our most fundamental governmental arrangements and to undo some of our hardest won achievements so as to accommodate the politics and economics of the next 18 to 36 months. It is not necessary here even to speak of those who would amend the Constitution of the United States for that purpose. It is not necessary to speak of those who say we should sharply reduce Federal spending but who are unwilling or unable to say which forms of spending should be reduced. I have the utmost respect for those who are courageous enough to specify a particular program and suggest those who are courageous enough to specify a particular program and suggest that it be reduced or eliminated. That is a responsible act performed by responsible public officials. It is the proper subject for public debate and political decisionmaking.

In the case of general revenue sharing, it is my view that the program is important and should be continued. The conception of federalism which underlies it, and the durable economic trends on which it is based, seemed valid to me. It may be the case that some States and localities are experiencing surpluses in their current budgets and it is indisputably the case that the Federal Government is experiencing a deficit. But these surpluses are mostly cyclical. Some reflect different accounting practices more than they represent true differences in fiscal condition.

We must not overlook the long-term trends. Even with revenue sharing, State and local taxes as a percentage of personal income more than tripled between 1961 and 1977. The Federal income tax has remained almost constant in this respect. Notwithstanding the rapid increases in their taxes, many of which are burdensome and regressive in impact, States and localities have grown more dependent on revenues from Washington. Had the Federal Government kept its aid at the levels experienced before enactment of revenue sharing, State taxes would have risen still further, or services would have diminished or—more likely—the Federal Government would have stepped in with yet more detailed and complicated categorical efforts to replace State effort and thereby inevitably to reduce the ability of the States to manage their affairs.

This ought to not happen. At least it ought not to happen casually. If it is to happen, it must be the result of a sustained and serious an examination of the proper workings of a Federal system as that which produced revenue sharing. In that spirit I suppose that we agree now to continue the present arrangement for

an additional 2 years, and I seek the support of my colleagues for that proposition.

By Mr. BELLMON:

S. 514. A bill to amend the Emergency Petroleum Allocation Act of 1973 to exempt from price controls economically marginal crude oil production; to the Committee on Energy and Natural Resources.

DEEPER QUALIFIED STRIPPER WELLS

● Mr. BELLMON. Mr. President, according to a recent (January 8) nationwide Harris public opinion poll, 65 percent of all Americans interviewed said they favored "deregulation of price of all oil produced in the United States, if this would encourage development of more oil production here at home." That is a very encouraging development. It shows once again Mr. President, that the American people understand basic economics better than politicians think they do. It shows that most Americans are more concerned with "supply" than they are with "price."

Mr. President, there can be no doubt that price deregulation would result in more oil production here at home. Congress has not yet repealed the Laws of supply and demand. The trouble we have had in recent years is that there are people high and influential in this Carter administration who feel that those laws are not "fair." They believe that it is not fair for a producer to get what his product is worth. To them, "high" prices can be "allowed" when costs of production are high and when increased supplies are needed. Today Mr. President, I am introducing a bill that ought to satisfy even those in this administration who feel that prices ought to be dictated by Government, rather than by natural economic law. I propose a realistic definition of a "stripper" oil well.

Mr. President, at present, many old and economically marginal oil fields are being prematurely abandoned. There are things oilmen can do to keep a well producing that is running dry, but those cost money. You cannot expect a producer to keep a well producing if he loses money doing so. And you cannot expect a producer to employe enhanced recovery techniques if it looks like he will wind up losing money in the long run.

In recognition of the facts, the Congress approved an amendment by my former colleague, Dewey Bartlett, excepting stripper well oil from price controls. The problem is, a stripper well was too narrowly defined. Presently, a stripper well is one which has produced crude oil at a maximum feasible rate throughout a 12-month qualifying period of no more than 10 barrels a day, on the average.

Obviously Mr. President, it costs much more to produce oil from a deep well than it does from a shallow well. The present definition of stripper well makes no distinction as to the depth of the well. The bill I am introducing today will bring some reality to the situation by increasing the qualifying production threshold with the depth of the well.

Specifically Mr. President, the bill I am introducing today would define a stripper well to mean 20 barrels from an average production depth of greater than 2,000 feet; 25 barrels from an average depth of greater than 4,000 feet; 30 barrels from an average depth of greater than 6,000 feet; and finally, 35 barrels from an average production depth of greater than 8,000 feet.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 609. Section 8 of the Emergency Petroleum Allocation Act of 1973, as amended, is amended by adding at the end thereof the following new paragraph:

"(k)(1) The first sale of deep stripper well crude oil shall be exempt from the regulation promulgated under section 4(a) of this Act.

"(2)(A) For purposes of this subsection, 'deep stripper well crude oil' means crude oil produced and sold from a property whose maximum average daily production of crude oil per well during any consecutive twelve-month period beginning after December 31, 1975, exceeds ten barrels but does not exceed—

"(i) twenty barrels from an average producing depth greater than two thousand feet but not greater than four thousand feet;

"(ii) twenty-five barrels from an average producing depth greater than four thousand feet but not greater than six thousand feet;

"(iii) thirty barrels from an average producing depth greater than six thousand feet but not greater than eight thousand feet;

"(iv) thirty-five barrels from an average producing depth greater than eight thousand feet.

"(B) To qualify for the deep stripper well crude oil exemption under this subsection, a property must be producing crude oil at the maximum feasible rate throughout the twelve-month qualifying period and in accordance with recognised conservation practices.

"(3) For purposes of this section, the President shall include in the computation of the actual weighted average first sale price of crude oil produced in the United States in any month subsequent to the month of enactment of this subsection, the actual volume of deep stripper well crude oil and such actual volume shall be deemed to have been sold at a first sale price which equals the average price for which such crude oil would have been sold if the exemption under this subsection had not been in effect.

"(4) The provisions of this subsection shall take effect on the first day of the first full month which begins after the date of enactment of this subsection."●

By Mr. JOHNSTON:

S. 515. A bill to establish interest rates on SBA disaster loans for disasters occurring between October 1, 1978, and October 1, 1982; to the Select Committee on Small Business.

SBA DISASTER LOANS

● Mr. JOHNSTON. Mr. President, today, I am introducing a bill to reduce the interest rates on SBA disaster loans for disasters occurring between October 1, 1978, and October 1, 1982. The disaster loan interest rates in this bill are 5 percent for both homeowners and other victims of disasters. My bill provides homeowners 5-percent disaster loan interest rates on the first $55,000 of damage to personal property and identical interest rates to businesses on the first $250,000 of damage. Loans in excess of these ceilings will be one-fourth of 1 percent plus the average annual interest rate on the public debt outstanding at the end of the previous fiscal year.

The disaster loan interest rates in this bill are substantially similar to the interest rates established last year in the conference report on H.R. 11445, the omnibus amendments to the Small Business Act and the Small Business Investment Act. As you will recall, the President vetoed this legislation last Congress partially because it contained excessively deep interest rate subsidies. My bill eliminates this contentious issue by limiting the interest rate to homeowners to 5 percent.

Mr. President, I hope that Congress maintains its tradition of taking expeditious action to help people and communities suffering physical disasters. I trust that Congress will continue to demonstrate its concern for the plight of disaster victims such as the victims in Bossier City, La., who recently suffered through a catastrophe of exceptional proportions. I consider the interest rate subsidy on disaster loans contained in my bill to be an investment in the people of Bossier City and other communities throughout our Nation that suffer similar catastrophes. I am confident that our Nation is guaranteed a return on this investment and I urge my colleagues to expeditiously pass this legislation.●

By Mr. BELLMON:

S. 516. A bill to count injection wells as wells for stripper purposes; to the Committee on Energy and Natural Resources.

● Mr. BELLMON. Mr. President, there has been a lot of talk, lately, about the emergence of what might be called a fourth independent branch of the Federal Government. If there were such a branch, and if the Constitution provided for such a branch, I suppose it would be called the regulatory branch.

It is true Mr. President, that the Congress has set up a number of independent regulatory agencies, but it has always been the intention of Congress that these agencies reside in the executive branch. The President is supposed to have some control over them. They are supposed to pay some attention to the rulings of the judicial branch.

Mr. President, I am sure that many of my colleagues will have more to say on this issue, both pro and con, as this session continues. But today, I want to give a little background for the introduction of a simple bill aimed at increasing domestic crude oil production and reducing costly oil imports.

Mr. President, if an oilman has a field that is about to play out, there are things that he can do to increase production above what would be that field's natural decline curve. Those things are called "enhanced recovery techniques," and they cost money. One technique is to cease production on several of the wells and force water or chemicals

down those wells into the field. Those introduced fluids will drive more oil out the other wells than they would have otherwise have produced.

Mr. President, whenever conditions merit the employment of these techniques, it is in the national interest that oilmen employ them. All oil produced in excess of what would have been produced anyway saves us from having to import that oil. Enhanced recovery techniques would not ordinarily be employed until average production from the wells on that field had gotten fairly low. Now, Congress has exempted "stripper" properties or wells from price controls. A "stripper" well is presently defined as one having produced an average of 10 barrels a day or less, when producing at a maxmium feasible rate, over a 12-month period. The question arises as to how one treats the wells that have been taken out of production and used as injection wells.

Mr. President, on October 31, 1977, the Senate, by an overwhelming 62 to 24 vote, expressed the view that oil producers should be able to count injection wells as wells for purposes of determining whether a producing property qualified as a stripper property. The Federal Energy Administration (now the Economic Regulatory Administration within the Department of Energy) had not been allowing producers to count those injection wells as production wells.

On January 26, 1978, the U.S. District Court for the District of Kansas ruled that FEA had illegally excluded injection wells from the definition of well in the statutory stripper exemption. On March 9, 1978, I and 23 of my Senate colleagues wrote the Secretary of Energy, which now housed FEA, and urged him not to appeal that district court ruling. I shall include that letter for the RECORD. We pointed out what the view was of the overwhelming majority of the Senate on the question of injection wells.

We received a reply from Mr. Eric Fygi, acting general counsel, on March 29, 1978, and I include a copy of that letter for the RECORD. Mr. Fygi informed us that DOE had already filed an appeal, and that in his opinion, DOE interpretations were consistent with the intent of Congress. Mr. President, I believe Mr. Fygi and the administration need to receive a clear signal from the Congress on this matter.

Recently, Mr. President, I read that Secretary Schlesinger was considering allowing the counting of injection wells as one means of increasing domestic production of oil without allowing complete decontrol of all oil. If Mr. Schlesinger really means that, Congress should help him out. If he cannot get the regulators in his own Department to pay any attention to him, and they will not pay any attention to the courts, maybe they will pay some attention to the Congress.

Therefore, I introduce today a bill which would include in the count of the total number of wells on a properly, all wells producing crude oil and all wells utilizing for the purpose of injecting water and/or other materials into a producing reservoir for the purpose of enhancing crude oil recovery in determining stripper status. Mr. President, I ask unanimous consent that the bill and the letters be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 610. Section 8(1)(2) of the Emergency Petroleum Allocation Act of 1973, as amended, is amended by adding the following new sentence at the end thereof:

"Included in the count of the total number of wells on a property shall be all wells producing crude oil and all wells utilizing for the purpose of injecting water and/or other materials into a producing reservoir for the purpose of enhancing crude oil recovery."

WASHINGTON, D.C.,
March 9, 1978.

HON. JAMES R. SCHLESINGER,
Secretary, the Department of Energy,
Washington, D.C.

DEAR DR. SCHLESINGER: On October 31, 1977, the Senate included in the energy tax bill, by an overwhelming 62–24 vote, an amendment expressly confirming that crude oil producers should be able to count injection wells as wells for purposes of determining whether a producing property qualified as a stripper well property. As you know, crude oil produced from a stripper well property has been exempted by statute from the crude oil price control regulations administered by the Department of Energy. The Senate amendment to include injection wells in the well count of a property recognizes that the costs of operating and maintaining such wells are significant and that these wells are absolutely essential to the production of crude oil in secondary recovery projects.

Recognizing that roughly two thirds of discovered reserves remain in the ground, extending the lives of these projects, which further enhance recovery, is vitally important for this nation.

On January 26, 1978, the United States District Court for the District of Kansas held that the Federal Energy Administration (in FEA Ruling 1974–29) had illegally excluded injection wells from the definition of well in the statutory stripper exemption. The court's decision, therefore, is consistent with the intent of Congress as expressed in the recent Senate-passed amendment.

As you are aware, a large number of stripper well properties are operated by small, independent producers who are able, because of the stripper price exemption, to recover valuable crude oil reserves which would otherwise be forever lost.

The free market price for stripper well crude oil is the financial incentive which motivates those producers to keep these wells on production and to incur all the expenditures necessary to recover the last drop of oil from each property. Without that incentive, domestic barrels are replaced by foreign barrels and our nation's dependence on OPEC for crude oil grows even larger. Allowing injection wells to be counted for purposes of qualifying a property for the stripper well price exemption would, as expressed in the Senate amendment and confirmed by the Court, prolong the lives of many marginal secondary recovery projects, thereby reducing our dependence on foreign energy.

The Department of Energy could take a small but positive step toward the development of a sound energy policy by not seeking to reverse the Kansas Court decision and by rescinding Ruling 1974–29. This would extend the effect of the Senate amendment and the Court's decision to all producers.

In view of the recent actions of the Senate in this regard and the strong substantive comments of the Kansas Court, we urge you to take the necessary steps to allow all producers to include injection wells in the well count for qualifying a property for stripper classification.

Sincerely,

J. Bennett Johnston, Jr., Lloyd Bentsen, Dale Bumpers, Mike Gravel, Dewey Bartlett, Clifford P. Hansen, Malcolm Wallop, Henry Bellmon, John Tower, Dick Stone, Gary Hart, Lawton Chiles, Floyd K. Haskell, James A. McClure, Charles H. Percy, John Melcher, Russell Long, James B. Pearson, Kaneaster Hodges, Jr., Jennings Randolph, Pete Domenici, Bob Dole, Mark O. Hatfield, and Wendell Ford.

DEPARTMENT OF ENERGY,
Washington, D.C., March 29, 1978.

Hon. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: This is in response to your letter of March 9, 1978, in which you suggested that the Department of Energy refrain from appealing the January 26, 1978 decision of the United State District Court for the District of Kansas in *Energy Reserves Group, Inc., et al.* v. *FEA*. That decision held FEA Ruling 1974–29 to be null and void. The ruling interprets the stripper well exemption, 15 U.S.C. § 757(1) and the implementing regulation, 10 C.F.R. 212.54, and states that injection wells are to be excluded from the well count when determining whether a property qualifies as a stripper well property and thus whether the oil produced from that property is exempt from price controls. Although the ruling was interpretative, the District Court concluded that the ruling had a substantial impact and declared the ruling void because the Department issued the ruling without following the notice and comment procedures required by the Administrative Procedure Act for promulgation of substantive regulations.

The Department appealed the Kansas decision on March 16, 1978. That decision raises the important question of what procedures, if any, must be followed prior to issuing interpretative rulings. It therefore could have a substantial impact on the validity of numerous interpretative rulings issued in the past by the Federal Energy Administration and on this Department's ability to function as an efficient administrative agency.

In addition, we believe that the ruling is in accord with congressional intent in enacting the stripper well exemption. Since Congress has neither modified nor criticized the manner in which the agency has consistently and publicly implemented the statute, despite repeal and re-enactment of the statute in the Energy Policy and Conservation Act of 1975 and the Energy Conservation and Production Act of 1976, we believe that our view is correct.

I appreciate and share your concern that domestic crude oil production be maintained and that valuable stripper well production in particular, not be lost. However, there has been no indication in these lawsuits that these producers require the exempt crude oil price to maintain production or to keep producing stripper wells from shutting down.

Although the Kansas court's decision applies only to the plaintiffs before that court, several other oil companies have since filed suits seeking the same relief. We think, therefore, that a prompt resolution of the issue by the Temporary Emergency Court of Appeals will be in the public interest.

I hope this information is helpful.

Sincerely,

ERIC J. FYGI,
Acting General Counsel.●

By Mr. RANDOLPH (for himself, Mr. TALMADGE, Mr. STONE, Mr. DURKIN, Mr. THURMOND, and Mr. STAFFORD):

S. 517. A bill to redesignate May 30 of each year as Memorial Day and to make such a day a legal public holiday; to the committee on the Judiciary.

MEMORIAL DAY

● Mr. RANDOLPH. Mr. President, I am introducing today for myself and Senators TALMADGE, STONE, DURKIN, THURMOND and STAFFORD a bill which will restore May 30 as the date for the observance of Memorial Day of each year.

Memorial Day, also known as Decoration Day is supposed to be a special day set apart from other days of the week. It is the day we stop to remember the men and women that have lost their lives in service to their country.

As we know, in 1968 Congress passed the Monday holiday law, Public Law 90–363, which moved the Federal celebration of Memorial Day from May 30 of each year to the last Monday in May. It had been celebrated on May 30 of each year since the year 1868.

Interest in this legislation has resulted from the confusion caused by the change in date. Many States continue to observe May 30. The American people seek to celebrate May 30, and it is fitting that the official day be May 30 and that Congress should enact appropriate legislation.

It was my privilege to sponsor similar legislation, S. 3220 during the 95th Congress.

As drafted this measure would become effective in 1981. It is felt that this delay should provide ample time for the necessary changes that must be made in returning Memorial Day to its original date.

The bill has the full support of the major veterans organizations: The American Legion, Disabled American Veterans and the Veterans of Foreign Wars.

It is my hope that this legislation will receive the same support and favorable action that a similar Veterans Day bill received in the 94th Congress.

Mr. President, I ask unanimous consent that the bill and letters and resolutions of support by the major veterans organizations be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective January 1, 1981, section 6103(a) of title 5, United States Code, is amended by striking out "Memorial Day, the last Monday in May." and inserting in lieu thereof "Memorial Day, May 30.".

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D.C., January 11, 1979.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works and, Member, Committee on Veterans Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the 1.85 million men and women of the Veterans of Foreign Wars of the United States and the 610,000 members of our Ladies Auxiliary, permit me to commend you upon your reintroduction of legislation to return Memorial Day to May 30, as opposed to the last Monday in May, as established by Public Law 90–363, known as the Monday Holiday Act.

Memorial Day was established to honor those brave men and women who gave their lives in defense of our great Republic and who are no longer with us to share the benefits of their sacrifices. As Dr. Henry Nelson Snyder, President Emeritus of Wofford College, stated, "Whenever a people forgets its worthy past, the day will come when it will not have a past worth remembering."

In view of the foregoing, our 79th National Convention held in Dallas, Texas last August passed Resolution No. 102, to "Return Memorial Day to May 30", a copy of which is enclosed.

Assuring you of the full support of the Veterans of Foreign Wars of the United States, and with best wishes and kindest personal regards, I am

Sincerely,

ERIC SANDSTROM,
National Commander-in-Chief.

Enclosure.

RESOLUTION NO. 102: RETURN MEMORIAL DAY TO MAY 30

Whereas, many States have passed legislation returning Memorial Day to its rightful place of May 30; and

Whereas, the purpose of Memorial Day is to commemorate the memory of our honored dead of all wars; and

Whereas, legislation is now pending before the Congress of the United States to officially declare May 30 as Memorial Day; now, therefore

Be it resolved, by the 80th National Convention of the Veterans of Foreign Wars of the United States, that we go on record as supporting legislation that will officially restore May 30 as Memorial Day throughout the nation.

DISABLED AMERICAN VETERANS,
Washington, D.C., January 12, 1979.

Hon. JENNINGS RANDOLPH,
U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: The delegates to the most recent National Convention of the Disabled American Veterans held in San Francisco, California in August of last year approved a resolution (copy attached) calling for the enactment of legislation which would restore the date of May 30 of each year as the official Federal observance of Memorial Day.

Changing the date of Memorial Day merely for the creation of a "long weekend holiday" has, we believe, greatly detracted from the significance of the day that was originally set aside to honor the memory of those Americans who sacrificed their lives in the military service of their country.

If you concur in these sentiments, Senator Randolph, the DAV respectfully requests that you introduce and support legislation in the 96th Congress which would return the traditional date of May 30 of each year to Memorial Day.

Thank you very much for your kind attention to this letter and its most important request.

Sincerely,

JOHN F. HEILMAN,
National Legislative Director.

RESTORE MEMORIAL DAY TO MAY 30

Whereas, the Congress of the United States has enacted legislation designating the last Monday in May as Memorial Day; and

Whereas, this has detracted from the significance of the day set aside to honor the memory of those who sacrificed their lives in the military service of their country; NOW

Therefore, be it resolved by the Disabled American Veterans in National Convention assembled in San Francisco, California, August 13–18, 1978 that the Congress of the United States be respectfully requested to rescind its action setting the last Monday in May as Memorial Day and to reestablish May 30 as Memorial Day.

THE AMERICAN LEGION,
Washington, D.C. January 12, 1979.

MR. NED MASSEE,
Dirksen Senate Office Building, Washington, D.C.

Dear Ned: We are pleased to learn that Senator Randolph plans to re-introduce a bill which would re-establish May 30 as the federally-recognized Memorial Day. Our organization continues to support this effort as we have done throughout the ten years since legislation was enacted to place the observance on the last Monday in May. Our official position on the matter is contained in the enclosed Resolution No. 96.

We have reviewed Senator Randolph's remarks in the Congressional Record on June 22, 1978 when he introduced S. 3220. His comments regarding the issue at that time were quite appropriate and we have nothing to recommend which would modify his presentation when introducing the new bill.

Again, we appreciate your continued interest in restoring the traditional observance of Memorial Day.

Sincerely,

E. PHILIP RIGGIN,
Assistant Director,
National Legislative Commission.

THE 60TH NATIONAL CONVENTION OF THE AMERICAN LEGION, NEW ORLEANS, LOUISIANA, AUGUST 22–24, 1978

Resolution no. 96.
Committee Americanism.
Subject Memorial Day, May 30.

Whereas, Memorial Day was established following the Civil War to be observed on May 30th each year; and,

Whereas, The time-honored tradition of observing Memorial Day on May 30th has been eroded to make a long holiday weekend thus causing Memorial Day to now be observed on the last Monday of May; and

Whereas, The change in holiday observances to the last Monday of some months has caused a diminished observance and defies time-honored traditions; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in New Orleans, Louisiana, August 22, 23, 24, 1978, that The American Legion call upon the Congress of the United States to restore Memorial Day to the proper day of observance on May 30th of each year.●

By Mr. BUMPERS:

S. 518. A bill to amend the Poultry Products Inspection Act so as to restrict the authority of the Secretary of Agriculture to regulate the speed of processing poultry on the basis of State, region, or other area, or on the basis of a lack of inspectors; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. BUMPERS. Mr. President, the poultry industry is of tremendous importance to the economy of my State. Arkansas continues to lead the Nation in the production of broilers. In 1977, the value of the 569.5 million broilers produced in Arkansas was over $477 million. Only soybeans bring in more income to Arkansas than the broiler industry. But Arkansas poultry processors

have been operating at a significant disadvantage with their competitors in the east.

A few months ago it came to my attention that USDA inspectors at poultry processing plants, primarily east of the Mississippi River were allowing birds to be processed at a much faster per-minute rate than those primarily west of the Mississippi. In many cases processing plants in the east could run 10 birds per minute faster than plants in the west using identical equipment. The Arkansas Poultry Federation has estimated that this discrimination could be costing Arkansas poultry processors as much as $3.5 million per year.

Last summer I contacted the Department of Agriculture and requested an explanation of this situation. The only explanation I received was that the USDA regional meat and poultry inspection offices were given wide discretion in the type of poultry processing line speed rates that they could set. There was also a suggestion that USDA was suffering from a shortage of inspectors. The Agriculture Department initiated a study to discover the cause of this discrimination—but as of yet no answers have been given and the problem still exists.

At this time the State of Arkansas and the Arkansas Poultry Federation have filed suit against the USDA to force an end to this obviously unfair situation. This problem should never have had to be placed before our already overworked court system. The situation should have been corrected by USDA when it was discovered that rank discrimination existed, but now it seems to have become entangled in the bureaucratic web with no end in sight.

That is why I am introducing a bill to forbid the Secretary of Agriculture from proscribing on the basis of state, geographic region, or the availability of inspectors, line speeds that differ in the quantity or volume of poultry that may be processed within any specified period of time by any processing plant.

Mr. President, this is not, repeat not, an Arkansas problem. Poultry producers and processors in most of the States west of the Mississippi River are effected; including Arkansas, Kansas, Louisiana, Missouri, Oklahoma, New Mexico and Texas. They, too are losing millions of dollars while being forced to operate their equipment at below maximum capacity because of some directive that no one in USDA can explain.

I urge my colleagues to join me in expeditiously passing this legislation and ending this discrimination.●

By Mr. HELMS:

S. 519. A bill to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations, or orders with respect to institutions of higher education. Read the first time.

(The remarks of Mr. HELMS when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. HELMS:

S. 520. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution. Read the first time.

(The remarks of Mr. HELMS when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. THURMOND (for himself, Mr. KENNEDY, and Mr. HOLLINGS):

S. 521. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn, or fiber, and for other purposes; to the Committee on the Judiciary.

LOSSES INCURRED BY THE BAN ON TRIS

Mr. THURMOND. Mr. President, today I am introducing a bill to provide for the payment of losses incurred as a result of the ban on the chemical Tris. I am pleased to have as cosponsors the Senator from Massachusetts (Mr. KENNEDY) and the junior Senator from South Carolina (Mr. HOLLINGS).

The bill introduced today is identical to the legislation that was vetoed by President Carter last year. That bill, S. 1503, had undergone extensive consideration and debate in both the House and Senate. Unfortunately, the measure was vetoed by the President on November 8, 1978, for reasons that ignore the injustice that has been done to the textile industry.

Mr. President, this legislation seeks to correct economic losses sustained by the ban of the chemical flammability retardant Tris by the Consumer Product Safety Commission on April 8, 1977. To more fully understand the predicament caused by this action, a brief account of the history of the Tris ban may be appropriate at this point.

In 1971, the Secretary of Commerce issued mandatory flammability standards for children's sleepwear in sizes 0–6X under the Flammability Fabrics Act. This regulation, FF–3–71, virtually mandated the use of Tris or an acceptable substitute in all polyester, acetate, and triacetate fabrics. Objections of the textile industry that chemical flame retardants had not been sufficiently tested for safety were not given any significant consideration by the relevant Government agencies. Subsequently, Tris was tested for sensitivity and toxicity under generally accepted standards and was found to be safe.

In February 1977, the National Cancer Institute published preliminary, unverified results of tests indicating that when Tris was fed daily in massive doses to cancer-prone rats and mice over extended periods of time, these rats and mice developed cancer. These testing procedures had not been previously applied to nonconsumable articles, such as children's sleepwear. Although there is no direct evidence linking Tris to cancer in humans, based in large part on its very preliminary data, the Consumer Product Safety Commission issued regulations declaring Tris and all fabrics, yarns, and fibers treated with Tris, and all apparel treated with Tris intended for use by children, to be "banned hazardous substances" under the Federal Hazardous Act.

As a result of these discoveries, the CPSC announced on April 7 that it was banning the sale of any children's clothing containing Tris. The ban also included any Tris-treated fabric for sale to consumers for use in children's wearing apparel. Tris-treated children's garments which were purchased by consumers, that were not yet washed, were also banned.

The ban took effect on Friday, April 8, when notice of action was published in the Federal Register. It means that any of the affected products in interstate commerce or introduced into interstate commerce are banned and must be repurchased from retailers and distributors by any manufacturer or others who sold it. Consumers who had purchased, but not washed any Tris-treated children's garments or uncut fabric, would also be entitled to a full refund of the purchase price.

Mr. President, the cost to apparel manufacturers of repurchasing all unsold or unwashed children's garments made from fabric containing Tris and disposing of unsold inventories of childrens' garments made from fabric containing Tris, has been estimated to be over $50 million.

In a statement by the American Apparel Manufacturers Association before the special hearing panel on July 26, 1977, the amount of the loss was stated to be $150 million. The AAMA now believes the actual losses suffered by all children's sleepwear manufacturers to be about $50,100,000. This includes garments, uncut fabric in apparel plants, and the "to-date" indirect costs, such as transportation, administration, and storage. Of course, some smaller additional costs will be incurred as storage costs continue and potential disposal costs appear.

The harm to industry is catastrophic and irreparable. It imposes an immediate obligation upon the apparel manufacturers to repurchase the garments they have sold, and leaves the entire industry without adequate recourse or remedy by which the losses resulting from the ban may be recouped. Some apparel manufacturers face bankruptcy because their losses as a result of the ban could exceed their net worth.

Mr. President, many other firms will suffer severe financial impairment and be forced to lay off employees. This results because the manufacturers involved have acted in good faith to meet the flammability standards mandated by the Federal Government, and it is unfair to require them to bear the brunt of this bureaucratic bungle and to make their employees suffer economic hardship as a result of a possible, and in fact, resulting layoffs. It is this mistake, this arbitrary and inequitable decision, that has prompted me and Senator KENNEDY to introduced this legislation.

This legislation is not intended as a "bailout," but in fact, it is only legislation that would confer jurisdiction on the U.S. Court of Claims to determine the dollar value and render judgment for losses sustained by producers, processors, manufacturers, distributors, deal-

ers, or other persons as a result of actions taken by the Federal Government under the Hazardous Substance Act relating to the ban on apparel, fabric, yarn or fiber containing Tris.

The legislation introduced today is identical to legislation that passed in the House and the Senate last year, and was sent to the President. The bill contains a number of limitations on the claims that may be made by those injured by the Tris ban. For example, the court shall consider the following factors in determining the validity of claims under this legislation:

First. The degree to which reasonable alternatives to Tris (2,3-dibromopropyl) phosphate existed at the time the Federal Government established the applicable mandatory Federal flammability standard referred to in subsection (a).

Second. Whether it would have been feasible, or reasonable, for the claimant to have tested Tris (2,3-dibromopropyl) phosphate for chronic hazards at the time the Federal Government established such flammability standard.

Third. The degree to which the Federal Government, prior to establishing such flammability standard, tested Tris (2,3-dibromopropyl) phosphate for toxicity, or other health hazards, and disseminated the results of these tests.

Fourth. The degree of good faith demonstrated by a claimant in seeking to comply fully with such Federal flammability standard.

Fifth. The extent to which a claimant may have relied in good faith on assurances from suppliers that the products containing Tris (2,3-dibromopropyl) phosphate were safe.

Sixth. The degree to which a claimant acted reasonably in using Tris (2,3-dibromopropyl) phosphate for the time period that such substance was used.

Seventh. The degree to which a claimant, in good faith, complied with actions taken by the United States under the Federal Hazardous Substances Act on April 8, 1977.

Mr. President, as I mentioned earlier in my statement, on November 8, 1978, President Carter vetoed the bill S. 1503, which had passed both the House and Senate. In his veto message on this legislation, the President said "S. 1503 would establish an unprecedented and unwise use of taxpayer's funds to indemnify private companies for losses incurred as a result of compliance with a Federal standard." This objection to S. 1503 by the President was based on the advice given to him by the Department of Justice.

Although the Justice Department did, in fact, advise the President in this case that passage of S. 1503 would set an unwise precedent, the Department of Justice has also indicated in the past with respect to similar legislation that such a precedent would not be set. In the 92d Congress, legislation was introduced that would have authorized the Court of Claims to enter judgments against the United States for persons who had suffered losses resulting from the Food and Drug Administration's ban on cyclamates. However, the Department of Justice supported the cyclamate legislation both before the House Judiciary Subcommittee and the Senate Judiciary Subcommittee that had responsibility for that legislation. Representatives from the Department of Justice stated that the cyclamate situation was an extraordinary one, and that relief was appropriate because the Government had assured producers and users that cyclamates were safe for use. Despite the Justice Department's support for cyclamate legislation in 1971 and 1972, it has now taken an opposite position in 1978 with respect to the Tris legislation. Since both claims for relief stem from actions by the Federal Government that were relied on by private industry, it is difficult for me to understand why the Justice Department's position has changed so markedly since then.

The President in his veto message also echoed the Department of Justice's argument that a regulating agency should authorize payments rather than the Court of Claims. The purpose, however, of relying on the Court of Claims is to insure that the party seeking compensation be required to prove his losses before a body that has experience in deciding the legitimacy of claims against the Federal Government. A law which allowed a regulating agency to make payments would probably result in greater, rather than lesser, expense to the Federal Government.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

In summary, Mr. President, the basis for the industry's claim for indemnification rests upon the "double-edged" aspect of Government regulation. That is, the Department of Commerce on the one hand, required the industry to use a chemical like Tris in sleepwear and, when in good faith the industry did so, the Consumer Product Safety Commission banned the Tris-treated sleepwear. This is just one example of layer of regulation being placed upon layer of regulation, and as the long arm of the "over-regulators" continues to grow, the image of Government as a responsible and responsive unit shrinks even smaller.

The passage of Tris legislation in this Congress would not be an irresponsible move at all. It simply recognizes the fact that private industry has been over-regulated by the Federal Government, and in so doing, has been put to an economic loss that is not its fault. This legislation has been carefully crafted both in the House and the Senate to eliminate any chance of a windfall, or a cost to the Federal Government that is not justified.

Mr. President, I would not be honest with my colleagues if I did not indicate that this legislation will effect a number of apparel and textile industries in my State of South Carolina. It will also effect industries of this kind in a number of States throughout the country. Senator KENNEDY has joined me in the sponsorship of this legislation because he has recognized the adverse impact of the Tris ban and the resulting economic losses to the apparel and textile industry.

Senator KENNEDY and I, as the chairman and ranking minority member respectively of the Senate Judiciary Committee, intend to call for prompt action on this legislation. I urge my colleagues to support it once it is reported by the Judiciary Committee to the floor of the Senate.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 521

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Court of Claims shall have jurisdiction to hear, determine, and render judgment upon any claim for losses sustained by any producer, manufacturer, distributor, or retailer of children's sleepwear, or by any producer, converter, manufacturer, distributor, or retailer of fabric, yarn, or fiber contained in or intended for use in children's sleepwear, as a result of the actions taken by the United States under the Federal Hazardous Substances Act on April 8, 1977, and thereafter relating to apparel, fabric, yard, or fiber containing Tris (2,3-dibromopropyl) phosphate: *Provided, however,* That such children's sleepwear and such fabric, yarn, or fiber contained in or intended for use in children's sleepwear was subject to the requirements of or for use in compliance with the mandatory Federal flammability standard FF3-71, or FF5-74, at the time of its manufacture.

(b)(1) In determining the validity of any claim under this Act and the amount of the losses sustained for which such a claim is brought, the court shall consider the following factors:

(A) The degree to which reasonable alternatives to Tris (2,3-dibromopropyl) phosphate existed at the time the Federal Government established the applicable mandatory Federal flammability standard referred to in subsection (a).

(B) Whether it would have been feasible, or reasonable, for the claimant to have tested Tris (2,3-dibromopropyl) phosphate for chronic hazards at the time the Federal Government established such flammability standard.

(C) The degree to which the Federal Government, prior to establishing such flammability standard, tested Tris (2,3-dibromopropyl) phosphate for toxicity, or other health hazards, and disseminated the results of these tests.

(D) The degree of good faith demonstrated by a claimant in seeking to comply fully with such Federal flammability standard.

(E) The extent to which a claimant may have relied in good faith on assurances from suppliers that the products containing Tris (2,3-dibromopropyl) phosphate were safe.

(F) The degree to which a claimant acted reasonably in using Tris (2,3-dibromopropyl) phosphate for the time period that such substance was used.

(G) The degree to which a claimant, in good faith, complied with actions taken by the United States under the Federal Hazardous Substances Act on April 8, 1977.

(2) In determining the amount of the losses for which a claim is brought under this Act, the amount of such losses shall not include lost profits, proceeds from distress sales, attorney's fees, or interest on any such loss resulting to any producer, converter, manufacturer, distributor, or retailer of such children's sleepwear, or to any producer or manufacturer of fabric, yarn, or fiber.

(c)(1) The measure of losses for producers or manufacturers of children's sleepwear shall be the cost of producing goods referred to in paragraphs (1) and (2) of this subsection, held in stock on the date of enactment of this Act, less the fair market value, if any, of such goods and less the amount of any reimbursement received.

(4) In addition to the losses determined

under paragraphs (1), (2), and (3) of this subsection, a claimant may also be compensated for unreimbursed costs of transportation paid for the return of such sleepwear garments, fabric, yarn, or fiber.

(d) No claim under this Act may be brought as a class action nor may any claim under this Act be brought by two or more parties unless damages are claimed to be jointly recoverable or are disputed among the parties claimant.

(e) Upon payment of any claim under this Act, by court judgment or by settlement, the United States shall be subrogated to the claimant's rights to recover losses or assert a claim against any person or organization relating to the subject matter of the claim paid by the United States. The claimant shall execute and deliver instruments and papers and take whatever steps are necessary to secure such rights in the United States in order to be entitled to the entry of a judgment by the Court and payment under this Act, and the failure of the claimant to perform such acts or take such steps shall constitute cause to deny the entry of such judgment and payment. The failure of the claimant to perform such acts or manufacturing the sleepwear garment plus the cost of the fabric, yarn, or fiber used for such production or manufacture, held in stock on the date of enactment of this Act, less the fair market value, if any, of the sleepwear garment or the fabric, yarn, or fiber. If the sleepwear garment or the fabric, yarn, or fiber has been resold after April 8, 1977, but prior to such date of enactment, then the measure of losses shall be the cost of producing or manufacturing the sleepwear garment plus the cost of the fabric, yarn, or fiber less the proceeds from any such sale.

(2) The measure of losses for producers, converters, or manufacturers of fabric, yarn, or fiber shall be the cost of producing, converting, or manufacturing the fabric, yarn, or fiber plus the cost of the raw materials used for such production, converting, or manufacture, held in stock on the date of enactment of this Act, less the fair market value, if any, of the fabric, yarn, or fiber. If the fabric, yarn, or fiber had been resold after April 8, 1977, but prior to such date of enactment, then the measure of losses shall be the cost of producing, converting, or manufacturing the fabric, yarn, or fiber plus the cost of the raw materials used for such production, converting, or manufacture less the proceeds from any such sale.

(3) The measure of losses for distributors and retailers shall be the distributor's or the retailer's purchase price for to take such steps shall not limit or adversely affect the right of the United States to act as subrogee or assignee to the full extent of its payments under this Act. Any purported limitation on the right of the United States to act as assignee or to become subrogated to the rights of a claimant shall be without any effect, to the extent that the United States has made payments under the Act.

(f) Any claim under this Act shall be barred unless commenced within two years after the date of enactment of this Act.

By Mr. BAYH (for himself, Mr. MATHIAS, Mr. SCHMITT, and Mr. BUMPERS):

S. 522. A bill to amend title 28 of the United States Code to change the composition of the judicial councils, and to provide procedures within the judicial councils of each circuit for the processing of complaints and for the administration of disciplinary action, if necessary, with respect to the conduct of the Federal judiciary within that circuit; to the Committee on the Judiciary.

JUDICIAL COUNCIL AMENDMENTS AND DISCIPLINE ACT OF 1979

Mr. BAYH. Mr. President, today Senator MATHIAS and I are joined by our colleagues, Senators SCHMITT and BUMPERS, in offering the Judicial Discipline Act of 1979. With the aid of advice by judges, scholars, and judicial administrators around the country, we propose a legislative solution to the problem, on the one hand, of maintaining judicial independence to render decisions without fear, and on the other, of allowing for the discipline of misconduct which interferes with a judge's duties on the bench.

In proposing such legislation at a time when 152 new district and circuit court of appeals judges will be joining the Federal judiciary, we are acutely mindful of the constitutional mandate that the Federal judiciary be independent, secure in their lifetime tenure and removable only by impeachment proceedings in the Congress. The intention of the writers of the Constitution on this score was made abundantly clear by Hamilton in the Federalist No. 79:

> Judges are liable to be impeached for malconduct by the House of Representatives, and tried by the Senate; and, if convicted, may be dismissed from office, and disqualified for holding any other. This is the only provision on the point which is consistent with the necessary independence of the judicial character, and is the only one which we find in our own Constitution in respect to our own judges.

Judges were to be independent because "the courts of justice are to be considered as the bulwark of a limited Constitution against legislative encroachments * * * (N)othing will contribute so much as (permanent tenure of judicial offices) to that independent spirit in the judges which must be essential to the faithful performance of so arduous a duty." As the constitutional scholar, Philip Kurland, has reminded us in recent times, "The provisions securing the independence of the judiciary were not created for the benefit of the judges, but for the benefit of the judged." In my own mind, this "independent spirit in the judges" has priority over all other considerations as we approach any legislative proposal dealing with judicial discipline.

Impeachment, the sole constitutional means of removal, must remain the primary means of discipline, and as I emphasized on the floor of the Senate last year, it is the duty of both Houses to see that the impeachment and trial process work. In the first instance, of course, it is clearly the responsibility of the Senate to play its role in the selection process well, a task which I am glad to see is being addressed with unprecedented thoroughness by the Judiciary Committee.

Impeachment may not have been as ineffective a means of discipline as it has been accused of being. Although only 4 judges have been impeached and convicted, 55 have been charged on the floor of the House, 33 have been impeached, and 22 have resigned rather than face Senate trial. Yet, especially in the last decades, Congress has increasingly been asked to consider other means of disciplining judicial misbehavior. The reasons behind the search for further disciplinary procedures are speculative at best and yet surely numbers have something to do with it.

First, there are growing numbers of judges. No longer is the Federal bench the small handful of jurists which existed at the beginning of our life as a nation. With the passage of the omnibus judgeship bill in the 95th Congress the number of Federal district and appeals courts judgeships reaches 647. By simple commonsense and the laws of chance it is plausible that there will be more instances of misconduct, although it is by no means clear that there exists any more than the rarest instances of unfortunate behavior.

Second, it is undisputed that the rapidly growing volume of laws touches a far greater number of citizens' lives in the past 30 or 40 years than in the first century and a half of our country's existence. It is, therefore, understandable that as more Americans are affected by the administration of the courts, they become more conscious of the behavior of the members of the bench.

S. 1423, the Judicial Tenure Act, was an expression of this concern, and was passed by the Senate in the last Congress. Senator MATHIAS and I opposed the measure in Judiciary Committee and on the Senate floor on the grounds that by providing for removal of Federal judges by means other than impeachment the bill was unconstitutional, and further posed a serious threat to judicial independence. At the same time, however, we were not unmindful of the concerns that procedures should exist to deal with serious incidents of judicial misconduct. The bill we offer today would amend 28 U.S.C. 332 to give authority to the judicial councils of the circuits to discipline serious misconduct by a judge in their circuit, by granting such statutory powers to the councils, the Congress would be answering the question raised in *Chandler* v. *Judicial Council of the Tenth Circuit*, 398 U.S. 74 (1970). Chief Justice Burger writing for the majority said:

> Standing alone, §332 is not a model of clarity in terms of the scope of the judicial councils' powers or the procedures to give effect to the final sentence of §332. Legislative clarification of enforcement provisions of this statute and definition of review of Council orders are called for.

In our work on the Judicial Discipline Act we have attempted to address satisfactorily the same questions we felt were raised in S. 1423. The first of these is precisely what sort of conduct should be subject to any form of discipline other than removal by impeachment. Under our bill, the Judicial Councils would have the authority to address complaints about misbehavior by a judge of that circuit which impairs "the efficient, expeditious and fair administration of the business of the courts." This standard is intended to cover misconduct directly affecting the judges' work and his court—not his conduct in his private life unless it had a bearing on his work

as a judge. The merits and procedures of a litigated case, of course, are not proper grounds for a complaint.

Our second concern was that the Congress erect the least intrusive or burdensome mechanism necessary to achieve its purpose, on the theory that the more complex the structure, the more likely it would be to create its own problems. In this bill, we have simply clarified the powers of the existing judicial councils to handle certain kinds of situations. We have tried to simplify procedures as much as possible, and leave sufficient area for the informal resolution of complaints, while at the same time insuring that every complaint be dealt with. Upon reaching its decision and taking disciplinary action, the Council is required to make a complete report of the case including complaint, hearing transcript and findings, to the House of Representatives, thus providing a channel of complaints to the House, the institution constitutionally designated to remove unacceptable federal judges.

Third and most important, we have attempted to finish the impact of any disciplinary proposal on a judge's independence, since his independence is the ultimate protection of those who are judged. We have attempted to provide the fullest protection possible to the individual judge. Therefore, it is required under the bill that any complaint be accompanied by affidavit, thereby encouraging responsible complaints. Frivolous complaints will be dismissed immediately. The judge complained of is afforded full due process protections in this hearing before the Council. Finally, he has the right of review from any of the Council's actions through appeal to the Supreme Court on writ of certiorari.

We cannot pretend that the bill we offer today is perfect. The issues inherent in the area of judicial discipline are complex and difficult ones, most of which have never been answered before. I believe, however, that the bill we introduce today is a reasonable and balanced approach to an area in which sensitive considerations of independence of Federal judges are weighed against the responsibilities demanded of American institutions. We intend to hold broad and thorough hearings in the coming months to explore these issues in depth. Our Federal judiciary deserves the fullest debate in the Senate on this important matter. So in fact does the general public.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Council Amendments and Discipline Act of 1979".

SEC. 2. Section 332 of title 28, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1) The chief judge of each court of appeals of a circuit shall call at least twice in each year and at such places as he may designate, a council of the circuit, consisting of the following members:

"(A) the chief judge of the court of appeals for the circuit, who shall preside;

"(B) such number, not to exceed seven, of courts of appeals judges of the circuit in regular active service as is fixed by vote of a majority of all such judges, to be chosen by seniority; and

"(C) the number of district court judges of the circuit in regular active service equal to the number of courts of appeals judges fixed in paragraph (B), to be chosen by seniority, except that no more than one district court judge from any one district shall serve on the council unless such service is necessary to attain the number of district court judges required by this subparagraph.

"(2) Each member shall serve for a term of three years, and shall be succeeded by judges in regular active service next in seniority, unless there are no judges in regular active service who have not yet served on the council. In the event of the death, resignation, retirement, or disability of a member, a replacement shall be chosen by seniority, to hold office for the remainder of the term.

"(3) Each member, unless excused by the chief judge of the circuit, shall attend all sessions of the council.";

(2) by amending subsection (d) to read as follows:

"(d) Each judicial council is authorized to make all necessary and appropriate orders for the effective, expeditious, and fair administration of the business of the courts and the just determination of litigation within its circuit. Matters relating to routine administration and management of any court within the circuit, including the circuit court, are not required to be considered by the council unless such matters involve an impediment of justice. Each council is authorized to hold hearings, to require by subpena the attendance of witnesses and the production of books, papers, documents, records, and other tangible things specified in the subpena, and to administer oaths. Each subpena shall be issued by the clerk of the circuit court under the direction of the chief judge or his designee in accordance with the provisions of Rule 45 of the Federal Rules of Civil Procedure. Each court and judge of the circuit shall promptly carry into effect all orders of the judicial council."; and

(3) by adding at the end thereof the following new subsection:

"(g)(1) Any person claiming that the conduct of a judge of the United States is conduct which interferes with or impairs the effective, expeditious, and fair administration of the business of the courts or the just determination of litigation within the circuit in which that judge serves, may file a complaint with the chief judge of the circuit. In any case in which the chief judge is the subject of the complaint, the next senior circuit judge of that circuit shall perform the duties of the chief judge under this subsection. Each complaint shall be in writing and shall be accompanied by supporting affidavits.

"(2) The chief judge of that circuit shall, within thirty days of receipt of such a complaint, review the complaint and shall dismiss by written order any complaint which is frivolous, which relates to the merits of any decisional or procedural ruling of a judge and would have the effect of a collateral attack upon such ruling, or which alleges conduct which does not interfere with or impair the effective, expeditious, and fair administration of the business of the courts or the just determination of litigation within that circuit.

"(3) In any case in which the chief judge does not initially dismiss a complaint under paragraph (2), the chief judge shall transmit a copy of the complaint to the judge whose conduct is the subject of the complaint and notify that judge of his right to submit, within fourteen days from the time of such notification, affidavits in his own behalf. Upon a request made by the judge who is the subject of the complaint and for good cause shown, the chief judge may grant a reasonable extension of the fourteen-day period. Within fourteen days after receipt of any affidavits filed by the judge, the chief judge shall review the judge's affidavits together with the complaint and the complainant's supporting affidavits and shall—

"(A) dismiss the complaint for any of the reasons set forth in paragraph (2);

"(B) attempt to redress the matter specified in the complaint through any informal means available; or

"(C) upon a finding that the alleged conduct warrants further investigation or after a determination that the matter cannot be redressed through informal means, refer the complaint to the full judicial council for a hearing on the matter.

"(4) In any case in which the chief judge dismisses a complaint under paragraph (3)(A), the chief judge shall notify the complainant of that action and the reasons for the dismissal. The complainant may, within thirty days after notification of the decision to dismiss the complaint, request that the judicial council review such decision. The decision of the judicial council shall be final and shall not be subject to review or appeal. In any case in which the chief judge refers the complaint to the judicial council for a hearing under paragraph (3)(C), the chief judge shall transmit a copy of the complaint with a written explanation of his findings which justify that referral to the council.

"(5) Unless the judge who is the subject of the complaint gives his written consent, all papers, documents, records, deliberations, and investigations under paragraphs (1) through (4) are confidential and may not be disclosed by any person. Upon the referral of a complaint by the chief judge under paragraph (3)(C) to the judicial council for a hearing, the contents of the complaint; the findings of the chief judge, and all proceedings before the council shall be public.

"(6) For the purposes of all proceedings conducted under this paragraph and paragraphs (7) through (10), each judicial council is vested with the judicial powers of a Federal court. The judicial council shall hold a hearing on each complaint that is referred under paragraph (3)(C) by the chief judge, and shall prescribe by rule such procedures as are necessary to conduct such hearings and dispose of such claims. In prescribing those procedures, the council shall guarantee that the judge who is the subject of the complaint be given adequate notice of the hearing and an opportunity, with or without the assistance of counsel, to be present and to present testimony and witnesses on his own behalf.

"(7) Each hearing shall be recorded verbatim by shorthand, by mechanical means, or by electronic and recording by an official court reporter. The court reporter shall transcribe and certify the record of the proceedings.

"(8) After a hearing in accordance with the procedures established under paragraphs (6) and (7), the judicial council may proceed in accordance with any one or more of the following:

"(A) order that the complaint be dismissed;

"(B) request that the judge voluntarily retire;

"(C) order that, on a temporary basis, the judge be relieved of any duties with respect to cases presently assigned or that no further cases be assigned to the judge; or

"(D) order the censure of the judge.

"(9) Any action taken by the judicial council under paragraph (8) of this subsection shall be made by a majority of the members of the council and shall be supported by clear and convincing evidence on the record. Each order and recommendation shall be in writing and the complainant and any judge affected by such order or recommendation shall receive a copy. Within ten days after notification of an order under paragraph (8), the judge may file a petition for writ of certiorari to the Supreme Court under section 1254 of this title.

"(10) Whenever a judicial council takes any action under paragraph (8), with the exception of dismissal under (8)(A), it shall prepare and submit a written report to the House of Representatives which includes the complaint made against the judge, the action taken by the council, a copy of the transcript of the hearing, and specific findings made by the council. A copy of the report shall be forwarded to the judge under inquiry and to the complainant.

"(11)(A) The judicial council may utilize existing staff employed by the circuit or may request the Director of the Administrative Office of the United States Courts to procure personal services of experts and consultants, as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the council in any particular case under this subsection.

"(B) Each judicial council shall prepare an annual report to the Congress showing the number of complaints and the action taken on each complaint.".

SECTION-BY-SECTION ANALYSIS

The bill amends 28 U.S.C. § 332, the Judicial Councils of the Circuits. Subsection (a) is amended to restructure the judicial councils, to a maximum of 15 members, providing equal representation of district court judges. The council shall consist of the chief judge of the court of appeals for the circuit, as many as seven courts of appeals judges to be chosen by seniority, and an equal number of district court judges, also chosen by seniority, only one of which is from a given district. Each member serves for a term of three years. If his term is interrupted for any reason, a replacement is chosen by seniority.

Subsection (d) is amended to give authority to the council to make orders "for the effective, expeditious and fair administration of the business of the courts". On ordinary, day by day business of either district or appeal courts, however, council consideration is not required, unless an impediment to justice is involved. The councils are provided with specific subpoena powers in accordance with Rule 45 of the Federal Rules of Civil Procedure, and the authority to administer oaths.

A new subsection (g) is added to deal with the disciplinary authorities and procedures of the councils.

Under this subsection any person can file a complaint with the circuit chief judge about a judge of that circuit, alleging that his or her conduct "interferes with or impairs the effective, expeditious and fair administration of the business of the courts." If the chief judge is the subject of the complaint, the next senior judge receives the complaint. Each complaint must be accompanied by a supporting affidavit.

In paragraph (2), the chief judge may dismiss the complaint if it is frivolous, if it refers to the merits of a ruling made by the judge, or if it does not go to conduct interfering or impairing "the effective, expeditious and fair administration of the business of the courts." If he does not dismiss the complaint, the chief judge under paragraph (3) notifies the judge about whom the complaint is filed, and gives the judge the opportunity to file his own affidavits. Upon reviewing the complaints and all affidavits the chief judge may take one of the three actions in paragraph (3): he may, again, dismiss the complaint; he may attempt to remedy the matter in an informal matter; or he may refer the complaint to the council for a hearing, accompanied by a written explanation of his findings.

Paragraph (4) specifies that a chief judge dismissing a complaint must notify the complainant and give his reasons for dismissal. The complainant may then ask for review of the decision by the council. The decision of the council is final.

Paragraph (5) explains that until this point in the proceedings all information and investigations are confidential. Upon referral to the council for hearing, complaint findings, and proceedings are public.

Paragraphs (6) through (10) deal with the actions of the council on referral of a complaint about judicial misconduct. Sitting for the purpose of these paragraphs as a federal court, the council conducts a hearing on a referred complaint which provides due process protections to the judge who is the subject of the complaint (paragraph 6 and 7). Following the hearing, the council under paragraph (8) may take one or several actions: order that the complaint be dismissed; ask the judge to voluntarily retire; order that, on a temporary basis, the judge be relieved of present cases, or that no further cases be assigned; or finally, order censure.

Paragraph (9) provides that any action by the council shall be made by majority vote, and shall be supported by clear and convincing evidence. The complainant and the judge affected by the orders received copies of any order. After notification of an order, the judge may file a petition for writ of certiorari to the Supreme Court under 28 U.S.C. § 1254.

Under Paragraph (10), the council is required to prepare and submit a written report to the House of Representatives on any case on which it has taken disciplinary action. Copies of the report are given to the judge under complaint and the complainant. The report contains the complaint, a transcript of the hearing, and the findings and actions of the council.

Under Paragraph (11), existing staff may be used by the council in carrying out its duties in a particular case, or the council may request additional help of the Director of The Administrative Office of the Courts. An annual report shall be prepared by the Council to the Congress showing the number of complaints filed during the year and the action taken on each.

● Mr. MATHIAS. Mr. President, today I join with Senator BAYH in offering the Judicial Council Amendments and Discipline Act of 1979. The primary purpose of this proposal is to clarify the authority of the several Federal Judicial Councils to deal with questions of alleged judicial misconduct.

Last year, Senator BAYH and I joined with a number of our colleagues in opposing S. 1423, the Judicial Tenure Act, a bill which provided for the removal of Federal judges by means other than impeachment. We opposed S. 1423 for three reasons.

First, we agreed with the overwhelming majority of legal scholars who have concluded that the Founding Fathers intended that Federal judges only be removed by impeachment, and that any legislatively devised removal scheme must, therefore, fail to pass constitutional muster.

Second, we believed that the bill posed a direct and serious threat to the independence of the Federal judiciary.

Third, we were concerned that the bill would work an unwarranted, radical, and violent alteration of our constitutional framework; and we thought that, if changes were needed in existing disciplinary procedures, they could be achieved by means less drastic than those provided under the Judicial Tenure Act. In fact, during the Senate debate last year, Senator BAYH suggested a number of possible alternatives to S. 1423, including strengthening the powers of the Judicial Councils and the Senate's taking greater care in the exercise of its advise and consent powers under article II, section 2 of the Constitution regarding the selection and examination of judicial nominees.

Despite these objections, the Senate, on September 7, 1978, passed the Judicial Tenure Act by a vote of 43 to 31. Fortunately, the House of Representatives did not act on the bill prior to the close of the 95th Congress.

The months since Congress adjournment have given us, and others, notably, the Judicial Conference of the United States and Senator KENNEDY, time to review the entire subject of disciplining judicial misbehavior. Senator BAYH and I have used the time to examine the efficacy of existing judicial disciplinary procedures, with special emphasis upon the feasibility of clarifying the authority of the judicial councils to deal with instances of judicial misconduct.

The bill Senator BAYH and I introduce today is the product of our efforts over the past several months. In developing this proposal, we have found the question of disciplining judicial misconduct to be complex, involving numerous constitutional and public policy issues. We are now convinced that Congress should undertake a broad, thorough and expeditious examination of the myriad issues raised by any legislative effort in this area.

No such examination of this subject has been made since 1970, when the Judiciary Subcommittee on Separation of Powers, under the leadership of Senator Ervin, held 4 days of hearings on judicial independence. Instead, in the intervening years, Congress has focused its examination of the question almost exclusively on the Judicial Tenure Act. Little, if any, attention has since been given to the possibility of alternative approaches. It is now time for Congress to broaden its approach; the bill we introduce today will do just that.

Any broad review of judicial disciplinary procedures must address a number of fundamental questions inherent in any judicial discipline proposal, be it the Judicial Tenure Act or the Judicial Council Amendments and Discipline Act of 1979. Among these questions are:

The nature and extent of the problem of judicial misconduct;

What type of disciplinary mechanism would best remedy such problems as may exist;

The impact of such proposals on the independence of the Federal judiciary; and

Whether or not impeachment is the sole constitutional means of disciplining Federal judges.

Moreover, there are a number of more specific questions that must be consid-

ered regarding any legislative effort to strengthen the powers of the Federal judicial councils, including the bill Senator BAYH and I have introduced today. Among them are:

Under what circumstances should a Federal judge be subjected to the disciplinary powers of the councils? Should the standard be, as provided under our bill, when the judge's conduct interferes with or impairs the effective, expeditious, and fair administration of the business of the courts or the just determination of all litigation within the circuit in which the judge serves? Or, should more specific categories of judicial misconduct be delineated in the proposal?

What remedies should be available to the councils to deal with judicial conduct actionable under the legislation and what enforcement powers should the councils have to insure compliance with their orders?

Should the councils be constituted as Federal courts for purposes of dealing with allegations of judicial misbehavior?

Should appellate review of the orders of the judicial councils lie with the Supreme Court, or should review be placed in another body, such as the Judicial Conference?

Is the language requiring the dismissal of complaints, which amount to a collateral attack on a judicial ruling, sufficient to deal with charges made by disappointed litigants, or is additional or revised language necessary?

None of these questions will be easy to answer. The task of responding to them will require our best efforts, as well as those of Federal jurists, legal scholars, and other interested persons. But, it cannot be ignored.

As Congress proceeds with its comprehensive and long-delayed examination of judicial disciplinary procedures, one point must always be uppermost in our minds: the importance of insuring that the time-honored and constitutionally recognized principle of judicial independence be preserved. It is a principle worth preserving. It is not a new principle. It is an ancient one. Its origins can be traced back long before the Constitution of the United States was written. It is more than 2,000 years old.

Herodotus, the Greek historian, in his history of ancient Persia, wrote:

> The royal judges are men chosen from among Persians, who continue in office until they die or they are convicted of some injustice. They determine causes between the Persians, and are the interpreters of the ancient constitutions and all questions referred to them.

Our Founding Fathers were worldly individuals. They were the scholars. They knew of Herodotus and they were aware that, by grafting judicial independence into the Constitution, they were embodying the wisdom of the ages into the organic law of our Nation.

We must not ignore the lessons to be gleaned from history. We must be faithful to the constitutional government ordained by our Founding Fathers. Above all, we must be certain that if we opt for greater judicial control, we will not sacrifice judicial independence.●

By Mr. HART:

S. 523. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

UNIFORMED SERVICES HEALTH PROFESSIONALS SPECIAL PAY ACT OF 1979

● Mr. HART. Mr. President, our military health care system is currently faced with a critical shortage of physicians and other health care professionals. Recent Department of Defense statistics indicate that the three military services are in need of approximately 2,034 physicians to meet their requirements.

Last August, I introduced legislation to help provide a means for the Department of Defense to attract and retain qualified military health professionals to meet the medical requirements of Armed Forces. Since then, the military services have fallen behind their authorized military physician strength by over 900 physicians. The Army alone has fallen 20 percent below its 5,273-physician requirement. Furthermore, these figures do not reflect the severe shortages which exist in certain medical specialities such as radiology, anesthesiology, and internal medicine.

Mr. President, this critical shortage of qualified military health professionals raises serious questions about the ability of the military to provide wartime medical support for the men and women of our Armed Forces. In addition, shortage of military medical personnel severely limits the military health care systems' ability to fulfill its secondary mission to provide medical services as a condition of service to active duty, dependents, and retired beneficiaries.

The physician shortage in the military services has been caused by a combination of factors, including the termination of the doctor draft in 1973, the diminishing pool of "Berry plan" physicians, and the increasing difficulties in retaining physicians once their initial obligation is completed.

Because of the shortage, as well as increasing medical costs, military medical facilities have been forced to reduce services for active duty dependents and retired beneficiaries. In turn, there has been a corresponding increase in the use of the civilian health and medical program of the uniformed services (CHAMPUS). CHAMPUS not only costs eligible beneficiaries more, but it also results in additional costs to the taxpayer, since such medical services provided by civilian hospitals and physicians are higher on a fee-for-service basis.

In addition to the reductions in medical services provided at military medical facilities, many military hospital commanders have been forced to hire civilian physicians on a contract basis to meet essential operating requirements of their facilities.

These contract services do not come inexpensively. For example, nearly $8 million was spent for contract radiology services alone in the last fiscal year. As the physician shortage worsens, more money will have to be spent hiring civilian physicians to meet the needs of the military services. This is, at best, a stopgap solution because these civilian physicians cannot be deployed in the event of military mobilization.

The shortage in military medical services has also had a profound effect on the attitudes of service members. According to Department of Defense officials, health care benefits have been consistently cited by service members as one of the most important factors in military career decisions. The deterioration of military health care services will make it even harder to recruit and retain a qualified all-volunteer force in the future.

At present, the military is authorized temporarily to offer variable incentive special pay programs for health professionals. These special pay programs have six different methods of disbursement and confusing eligibility criteria which diminish their effectiveness. For example, variable incentive pay is not available to medical officers serving their initial active duty obligation.

Similarly, medical officers trained under the health professional scholarship program are not eligible for incentive pay under the current program until the Federal assistance they have received is paid back through a specified period of military service. Uneven and inequitable requirements like these seriously undermine the armed services' effort to maintain a staff of qualified physicians.

The legislation I am proposing would correct these inequalities and replace the current temporary special pay program with a stable, long-term health professionals special pay program. It would give the military services the needed tools to enhance recruitment and retention of qualified health care professionals.

Although this bill will not bring the pay of military medical officers up to civilian levels, it will make a career in the military health service substantially more attractive than it is now.

The major provisions of the bill include:

First, primary special pay for physicians, dentists, optometrists, and veterinarians called or ordered to active duty for a period of at least 1 year. This special pay is based on years of creditable service and varies from $1,200 per year to a maximum of $11,000 per year.

Second, special incentive pay would be offered physicians and dentists in selected specialties. To be eligible for this pay, the health professional must sign a written agreement to remain on active duty for a period of at least 1 year. The service Secretaries can authorize up to an additional $8,000 as incentive pay for selected medical specialties where severe shortages exist.

Mr. President, this bill will provide an effective incentive to persuade health professionals to enlist in our Nation's military services without having to suffer extreme financial hardships. It will also give the military the needed tools necessary to improve its health services. We must insure that our military health care system effectively and economically meets its mission requirement to provide the high quality medical care which its eligible beneficiaries deserve.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniformed Services Health Professionals Special Pay Act of 1978".

SEC. 2. (a) Chapter 5 of title 37, United States Code, relating to special and incentive pays for members of the uniformed services, is amended by striking out sections 302, 302a, 302b, and 303 and inserting in lieu thereof the following:

"§ 302. Special pay: medical officers

"(a)(1) Except as provided in paragraph (2), a commissioned officer who is an officer of the Medical Corps of the Army or the Navy, an officer of the Air Force designated as a medical officer, or a medical officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to primary special pay at the following applicable rate:

"(A) $1,200 per year, if the officer has less than five years of creditable service under subsection (c);

"(B) $7,000 per year, if the officer has at least five but less than eight years of creditable service under subsection (c);

"(C) $9,000 per year, if the officer has at least eight but less than fourteen years of creditable service under subsection (c); or

"(D) $11,000 per year, if the officer has fourteen or more years of creditable service under subsection (c).

"(2) A commissioned officer described in paragraph (1) who is serving in the pay grade of 07, 08, or 09 is entitled to primary special pay at the following applicable rate regardless of the number of years of creditable service such officer may have under subsection (c):

"(A) $6,000 per year if the officer is serving in a pay grade of 09;

"(B) $7,000 per year if the officer is serving in a pay grade of 08; or

"(C) $10,000 per year if the officer is serving in a pay grade of 07.

"(3) The annual rate of primary special pay to which an officer is entitled under paragraph (1) or (2) shall be increased by—

"(A) $9,000 for any period during which the officer is not undergoing medical internship or residency training, as determined under regulations prescribed under section 302d(a); and

"(B) $2,000 if the officer is board certified, as determined under regulations prescribed under section 302d(a).

"(b)(1) Subject to paragraph (2) and under regulations to be prescribed under section 302d(a), an officer who is entitled to primary special pay under subsection (a)(1) and who is not undergoing medical internship or residency training may be paid incentive special pay in an annual amount not to exceed $8,000.

"(2) No officer shall be eligible for incentive special pay under this subsection unless the Secretary concerned has determined that the officer is qualified in the medical profession.

"(3) To be eligible for incentive special pay under this subsection for any year, an officer must first execute a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

"(4) In developing the Budget for any fiscal year for transmittal to the Congress under section 201(a) of the Budget and Accounting Act, 1921, the President shall limit the amount to be paid during that year for incentive special pay under this subsection to an amount equal to not more than 10 percent of the amount to be paid in that year for primary special pay under subsection (a).

"(C) For purposes of this section, creditable service of an officer of the Medical Corps of the Army or the Navy, an officer of the Air Force designated as a medical officer, or a medical officer of the Public Health Service is computed by adding—

"(1) four years;

"(2) all periods which the officer spent in medical internship or residency training during which the officer was not on active duty; and

"(3) all periods of active service in the Medical Corps of the Army or Navy, as an officer of the Air Force designated as a medical officer, or as a medical officer of the Public Health Service.

"§ 302a. Special pay: dental officers

"(a) (1) Except as provided in paragraph (2), a commissioned officer who is an officer of the Dental Corps of the Army or the Navy, an officer of the Air Force designated as a dental officer, or a dental officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to primary special pay at the following applicable rate:

"(A) $1,200 per year, if the officer has at least four years of creditable service under subsection (c) and is undergoing dental internship training, as determined under regulations prescribed under section 302d(a);

"(B) $2,000 per year, if the officer has at least four but less than seven years of creditable service under subsection (c), and is not undergoing dental internship training, as determined under regulations prescribed under section 302d(a);

"(C) $7,000 per year, if the officer has at least seven but less than fourteen years of creditable service under subsection (c); or

"(D) $9,000 per year, if the officer has fourteen or more years of creditable service under subsection (c).

"(2) A commissioned officer described in paragraph (1) who is serving in the pay grade of O-7 or O-8 is entitled to primary special pay at the rate of $7,000 per year regardless of the number of years of creditable service such officer may have under subsection (c).

"(3) The annual rate of primary special pay to which an officer is entitled under paragraph (1) or (2) shall be increased by—

"(A) $3,000 for any period during which the officer is not undergoing dental internship or residency training, as determined under regulations prescribed under section 302d(a); and

"(B) $3,000 if the officer is board qualified in a dental specialty, as determined under regulations prescribed under section 302d(a).

"(b)(1) Subject to paragraph (2) and under regulations prescribed under section 302d(a), an officer who is entitled to primary special pay under subsection (a)(1) and who is not undergoing dental internship or residency training may be paid incentive special pay in an annual amount not to exceed $8,000.

"(2) No officer shall be eligible for incentive special pay under this subsection unless the Secretary concerned has determined that the officer is qualified in the dental profession.

"(3) To be eligible for incentive special pay under this subsection for any year, an officer must first execute a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

"(4) In developing the Budget for any fiscal year for transmittal to the Congress under section 201(a) of the Budget and Accounting Act, 1921, the President shall limit the amount to be paid during that year for incentive special pay under this subsection to an amount equal to not more than 5 percent of the amount to be paid in that year for primary special pay under subsection (a).

"(c) For purposes of this section, creditable service of an officer of the Dental Corps of the Army or the Navy, an officer of the Air Force designated as a dental officer, or a dental officer of the Public Health Service is computed by adding—

"(1) four years;

"(2) all periods which the officer spent in dental internship or residency training during which the officer was not on active duty; and

"(3) all periods of active service in the Dental Corps of the Army or Navy, as an officer of the Air Force designated as a dental officer, or as a dental officer of the Public Health Service.

"§ 302b. Special pay: veterinary officers

"(a) A commissioned officer who is an officer of the Veterinary Corps of the Army, an officer of the Air Force designated as a veterinary officer, or a veterinary officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to special pay at the following applicable rates:

"(1) $1,800 per year, if the officer has less than three years of creditable service under subsection (b);

"(2) $2,400 per year, if the officer has at least three but less than six years of creditable service under subsection (b);

"(3) $3,000 per year, if the officer has at least six but less than ten years of creditable service under subsection (b); or

"(4) $4,200 per year, if the officer has ten or more years of creditable service under subsection (b).

"(b) For purposes of this section, creditable service of an officer of the Veterinary Corps of the Army, an officer of the Air Force designated as a veterinary officer, or a veterinary officer of the Public Health Service is computed by adding—

"(1) all periods which the officer spent in veterinary residency training during which the officer was not on active duty; and

"(2) all periods of active service in the Veterinary Corps of the Army, as an officer of the Air Force designated as a veterinary officer, or as a veterinary officer of the Public Health Service.

"§ 302c. Special pay: optometry officers

"(a) A commissioned officer who is an officer of the Army, Navy, or Air Force designated as an optometry officer or who is an optometry officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to special pay at the following applicable rate:

"(1) $1,800 per year, if the officer has less than three years of creditable service under subsection (b);

"(2) $2,400 per year, if the officer has at least three but less than six years of creditable service under subsection (b);

"(3) $3,000 per year, if the officer has at least six but less than ten years of creditable service under subsection (b); or

"(4) $4,200 per year, if the officer has ten or more years of creditable service under subsection (b).

"(b) For purposes of this section, creditable service of an officer of the Army, Navy, or Air Force designated as an optometry officer or of an optometry officer of the Public Health Service is computed by adding—

"(1) all periods which the officer spent in optometry residency training during which the officer was not on active duty; and

"(2) all periods of active service as an optometry officer.

"§ 302d. Special pay: health professionals; general provisions

"(a)(1) The Secretary of Defense, with respect to the Army, Navy, and Air Force, and the Secretary of Health, Education, and Welfare, with respect to the Public Health Service, shall prescribe regulations for the administration of sections 302, 302a, 302b, and 302c.

"(2) For purposes of sections 302, 302a, 302b, and 302c, the terms 'board eligible', 'board qualified', and 'initial residency training' shall have such meanings as shall be prescribed in regulations issued by the Secretary of Defense.

"(b) Special pay authorized under sections 302, 302a, 302b, and 302c is in addition to any other pay or allowances to which a member is entitled, and the amounts set forth in such sections shall not be included in computing the amount of any increase in pay under any other provision of this title or in computing retired pay, severance pay, or readjustment pay.

"(c) Special pay under sections 302(a), 302a(a), 302b, and 302c shall be paid monthly.

"(d) An officer who voluntarily terminates his service on active duty before the end of the period for which a payment was made to such officer under section 302(b) or 302a(b) shall refund to the United States an amount which bears the same ratio to the amount paid to such officer as the unserved part of such period bears to the total period for which the payment was made.

"(e) The special and incentive pays to which an officer of the health professions of the uniformed services is entitled under sections 302 through 302c are to be adjusted each year by the same percentage rate that the monthly basic pay and allowances of members of the uniformed services is adjusted pursuant to section 8 of the Act of December 16, 1967 (Public Law 90-207; 81 Stat. 654).".

(b) Sections 311 and 313 of title 37, United States Code, are repealed.

(c) Section 306(c) of such title, relating to exclusions from special pay for officers holding positions of unusual responsibility, is amended by striking out "302 or 303" and inserting in lieu thereof "302, 302a, 302b, or 302c".

(d) The table of sections at the beginning of chapter 5 of such title is amended—

(1) by striking out the items relating to sections 302, 302a, 302b, and 303 and inserting in lieu thereof the following:

"302. Special pay: medical officers.
"302a. Special pay: dental officers.
"302b. Special pay: veterinary officers.
"302c. Special pay: optometry officers.
"302d. Special pay: health professionals; general provisions.";

and

(2) by striking out the items relating to sections 311 and 313.

SEC. 3. Unearned amounts received by officers under the provisions of sections 311 and 313 of title 37, United States Code, on the day before the effective date of this Act shall be recouped by the United States from the officer concerned on a pro rata basis. An officer receiving pays under the provisions of any of the sections amended or repealed by this Act shall continue, under regulations prescribed by the Secretary of Defense, to be entitled under the amendments made by this Act to an annual amount of special pay equal to not less than the annual amount to which such officer would have been entitled had such sections not been amended or repealed by this Act.

SEC. 4. This Act shall become effective on October 1, 1979.●

By Mr. MORGAN:

S. 524. A bill to establish a Solar Energy Development Bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR ENERGY BANK ACT

● Mr. MORGAN. Mr. President, today I am introducing legislation that will create a Solar Energy Development Bank to offer long-term, low-interest loans to homeowners and businesses for the purchase and installation of solar energy equipment.

The Solar Bank is designed to encourage the widespread use of solar energy, enabling the homeowner to overcome one of solar's great obstacles—the high initial cost. A loan program offers the added advantage of allowing the homeowner to make a monthly cost comparison between solar and the energy it would replace. The Bank would make use of the best in our private enterprise system by helping create a market for which industry would compete and innovate. It could have an enormous impact on the development of solar energy and, what's more, could do so without burdening taxpayers with another cumbersome bureaucracy. Its staff would be minimal. Loans would be made and serviced by private lending agencies using private capital, with the Solar Bank compensating the lender for the low interest rate charged.

The Solar Bank speaks to some of the most serious problems facing us today, including price inflation caused by imported oil, and it could help us move toward our goal of energy independence, thereby enhancing our national security. It is considered a top priority item by solar advocates and has been endorsed by the solar coalition. The Solar Bank concept, in fact, is one of the policy options being advanced in the President's solar energy domestic policy review.

Obviously, at this time of mounting inflation, budgetary restraint takes precedence over new programs. Yet last year's testimony by the Office of Technology Assessment indicated that the Solar Bank could essentially pay for itself. This bill would have the effect of redirecting the funds that pay for imported oil into investments in the U.S. economy. This would not only promote the use of solar energy, and therefore reduce our dependence on foreign oil, but it would also tend to stimulate the industries involved in the research and production of solar energy equipment. This stimulation of solar technology may well turn out to be one of the most beneficial impacts of this bill aside from reducing our energy problems.

I might point out that federal subsidies for nuclear, oil, coal, and hydroelectric energy have totaled over $80 billion since 1950. On the other hand, solar energy has received no such massive subsidization. If we want to utilize solar energy to its potential, a potential that according to President Carter, "could meet as much as one fourth of our energy demands * * * by the end of this century," we must be willing to give it the boost that it deserves, and that it needs to compete against other energy sources.

I urge my colleagues to consider this legislation favorably, and I ask you to cosponsor and support it.●

By Mr. RIEGLE (for himself and Mr. WILLIAMS):

S. 525. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes; to the Committee on Human Resources.

DRUG ABUSE PREVENTION, TREATMENT, AND REHABILITATION ACT OF 1979

● Mr. RIEGLE. Mr. President, today I am introducing, along with Mr. WILLIAMS, the Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1979. This bill extends the legislative authority for the National Institute on Drug Abuse for the next 3 fiscal years, and updates the law with respect to Federal coordination of drug abuse policy.

I am particularly pleased to be joined in sponsoring this bill by Mr. WILLIAMS, the chairman of the full Human Resources Committee, who shares my determination to improve the effectiveness of Federal dollars spent for drug abuse prevention and treatment.

The Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1979 brings the law in accordance with actual practice by eliminating references to the Office of Drug Abuse Policy, which was formerly located in the Executive Office of the President. Because we are concerned that Federal drug policy be coordinated at the level of top policymakers, however, the functions formerly performed by ODAP are retained, to be performed by the President acting through the Domestic Council unless an alternative mechanism is established by Executive order.

Because the subcommittee wants the benefit of a hearing record before we set authorization levels for the next 3 fiscal years, this bill authorizes such sums as may be necessary to carry out the functions of the act. Following our subcommittee hearings on March 2, the subcommittee will set specific authorization levels.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Drug Abuse Office and Treatment Act of 1972.

SEC. 2. Section 101 is amended—

(1) by inserting "(in cooperation with employers, employee associations, social service organizations, and associations of concerned individuals)" after "programs" in paragraph (8); and

(2) by inserting at the end thereof the following new paragraphs:

"(11) Shifts in the usage of various drugs and in the Nation's demographic composition require a Federal strategy to adjust programs and techniques in order to meet new needs and priorities on a cost-effective basis.

"(12) Drug and alcohol abuse indicate the need for prevention and information programs designed to reach the general population and members of particularly vulnerable groups such as youth, older Americans, and families of drug abusers.".

SEC. 3. Title II is amended to read as follows:

"TITLE II—DRUG ABUSE POLICY COORDINATION

"Sec.
"201. Concentration of Federal effort.
"202. Designated drug representative.
"203. Officers and employees.
"204. Employment of experts and consultants.
"205. Acceptance of uncompensated services.
"206. Notice relating to the control of dangerous drugs.
"207. Statutory authority unaffected.
"208. Annual report.
"209. Appropriations authorized.

"Sec. 201. Concentration of Federal effort.

"(a) The President, acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order, shalal establish a system for making recommendations with respect to policies for, objectives of, and establishment of priorities for, Federal drug abuse functions and shall coordinate the performance of such functions by Federal departments and agencies. Recommendations under this subsection shall include recommendations for changes in the organization, management, and personnel of Federal departments and agencies performing drug abuse functions in order to implement the policies, priorities, and objectives recommended under this subsection.

"(b) To carry out subsection (a), the President, acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order, shall—

"(1) review the regulations, guidelines, requirements, criteria, and procedures of Federal departments and agencies applicable to the performance of drug abuse functions;

"(2) conduct, or provide for, evaluations of (A) the performance of drug abuse functions by Federal departments and agencies, and (B) the results achieved by such departments and agencies in the performance of such functions; and

"(3) seek to assure that Federal departments and agencies, in the performance of drug abuse functions, construe drug abuse as a health problem requiring treatment and rehabilitation through a broad range of community health and social services.

"(c) Federal departments and agencies engaged in drug abuse functions shall submit to the President, through the Domestic Council or through such other mechanism as may be set forth by Executive Order, such information and reports as may reasonably be required to carry out the purposes of this title.

"Sec. 202. Designated drug representative.

"(a) The President shall designate a single officer or employee of the Domestic Council, or of such other mechanism as may be established by Executive Order to carry out the purposes of this title, to direct the activities required by this title. The officer or employee so designated shall serve as the President's representative on drug abuse functions and the location of such designee in the Executive Office of the President or elsewhere shall not be construed as affecting access by the Congress, or committees of either House, (1) to information, documents, and studies in the possession of, or conducted by or at the direction of, such designee, or (2) to personnel involved in carrying out the purposes of this title.

"(b) The President may direct the officer or employee designated under subsection (a) of this section to represent the Government of the United States in discussions and negotiations relating to drug abuse functions.

"Sec. 203. Officers and employees.

"In carrying out the purposes of this title, the President, acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order, may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to perform the functions vested in him by this title. At the discretion of the President, any officer or employee engaged in carrying out the purposes of this title may be allowed and paid travel expenses, including per diem in lieu of subsistence, in the same manner as is authorized by section 5703 of title 5, United States Code, for individuals employed intermittently.

"Sec. 204. Employment of experts and consultants.

"In carrying out the purposes of this title, the President, acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order, may procure services as authorized by section 3109 of title 5, United States Code, and may pay a rate for such services not in excess of the rate in effect for grade GS-18 of the General Schedule. The President, acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order, may employ individuals under this section without regard to any limitation, applicable to services procured under such section 3109, on the number of days or the period of such services, except that, at any one time, not more than six individuals may be employed under this section without regard to such limitation.

"Sec. 205. Acceptance of uncompensated services.

"In carrying out the purposes of this title, the President, acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order, is authorized to accept and employ in furtherance of the purpose of this Act voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

"Sec. 206. Notice relating to the control of dangerous drugs.

"Whenever the Attorney General determines that there is evidence that—

"(1) a drug or other substance, which is not a controlled substance (as defined in section 102(6) of the Controlled Substances Act), has a potential for abuse, or

"(2) a controlled substance should be transferred or removed from a schedule under section 202 of such Act, he shall, prior to initiating any proceeding under section 201(a) of such Act, give the President, through the Domestic Council or through such other mechanism as may be set forth by Executive Order, timely notice of such determination. Information forwarded to the Attorney General pursuant to section 201(f) of such Act shall also be forwarded by the Secretary of Health, Education, and Welfare to the President through the Domestic Council or through such other mechanism as may be set forth by Executive Order.

"Sec. 207. Statutory authority unaffected.

"Nothing in this title shall be construed to limit the authority of the Secretary of Defense with respect to the operation of the Armed Forces or the authority of the Administrator of Veterans' Affairs with respect to the furnishing of health care and related services to veterans.

"Sec. 208. Annual report.

"The President, acting through the Domestic Council or through such other mechanism ash may be set forth by Executive Order, shall submit to the Congress, prior to March 1 of each year, a written report on the activities conducted to carry out the purposes of this title. The report shall specify the objectives, nature, and results of such activities, and shall contain an accounting of funds expended under this title.

"Sec. 209. Appropriations authorized.

"For purposes of carrying out this title, there is authorized to be appropriated such sums as may be necessary for each fiscal year ending prior to October 1, 1982.".

SEC. 4. This title shall become effective on October 1, 1979, or upon enactment, whichever is later.

SEC. 5. (a) Section 302 is amended by striking out "Director of the Office of Drug Abuse Policy" and inserting in lieu thereof "representative designated under section 202 of this Act".

(b) Section 304 is amended by striking out "Director of the Office of Drug Abuse Policy" and inserting in lieu thereof "President, through the Domestic Council or through such other mechanism as may be set forth by Executive Order".

(c) The first sentence of section 409 (a) of the Drug Abuse Office and Treatment Act of 1972 is amended—

(1) by striking out "and" after "1978"; and

(2) by inserting "and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982," after "1979,".

SEC. 6. Section 409(e) is amended—

(1) by inserting "with attention to assuring representation of minority and poverty groups, women, youth, and the aged," after "affected by drug abuse" in paragraph (3);

(2) by inserting the following before the semicolon in paragraph (4): ", and set forth in detail the changes in emphasis among such functions resulting from shifts in demographic and drug abuse patterns within the State";

(3) by striking out "and" at the end of subparagraph (5)(A);

(4) by striking out "by" after "drug dependence by women and" in subparagraph (5)(B);

(5) by inserting the following after "drug dependence by women": ", youth, older individuals, residents of urban and rural areas"; areas";

(6) by inserting the following at the end of subparagraph (5)(B): "(C) provide assurances satisfactory to the Secretary that, insofar as practicable, the survey conducted pursuant to subparagraph (A) is coordinated with and not duplicative of the alcohol abuse and alcoholism survey conducted pursuant to section 303 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970;";

(7) by inserting "(A)" after "in the State" in paragraph (7);

(8) by inserting the following before the semicolon in paragraph (7): ", (B) to review and comment on the plan prior to its submission to the Secretary, and (C) to submit to the Secretary as an appendix to the plan such comments as such political subdivisions believe are relevant to approval of the plan under paragraph (f)";

(9) by inserting "(A)" after "(9)";

(10) by inserting after subparagraph (9)(A) the following new subparagraph:

"(B) provide that the Comptroller General of the United States or his duly authorized representatives shall have access for the purpose of audit and examination to the records specified in subparagraph (A);";

(11) by inserting "and of the extent to

which other State programs and political subdivisions throughout the State are concerned and dealing effectively with the problems related to drug abuse and drug dependence" after "under the plan" in paragraph (10);

(12) by striking out "and" at the end of paragraph (12);

(13) by redesignating paragraph (13) as paragraph (17); and

(14) by inserting after paragraph (12) the following new paragraphs:

"(13) contain, to the extent feasible, a complete inventory of all public and private resources available in the State for the purpose of drug abuse and drug dependence treatment, prevention, and rehabilitation, including but not limited to programs funded under State and local laws, occupational programs, voluntary organizations, education programs, military and Veterans' Administration resources, and available public and private third-party payment plans;

"(14) provide assurance that the State agency will coordinate its planning with local drug abuse planning agencies, with State and local alcoholism and alcohol abuse planning agencies, and with other State and local health planning agencies;

"(15) provide assurance that State certification, accreditation, or licensure requirements, if any, applicable to drug abuse and drug dependence treatment facilities and personnel take into account the special nature of such programs and personnel, including the need to include nonmedical aspects of treatment and the need to acknowledge previous experience when assessing the adequacy of treatment personnel;

"(16) provide assurance that the State agency—

"(A) will foster and encourage the development of drug abuse and drug dependence prevention, treatment, and rehabilitation programs and services in State and local governments and in private businesses and industry;

"(B) will make available to all business concerns and governmental entities within such State information and materials concerning such model programs suitable for replication on a cost-effective basis as are developed pursuant to section of this Act; and

"(C) will furnish technical assistance as requested to such business concerns and governmental entities; and".

Sec. 7. Section 410(a) is amended—

(1) by inserting the following after "development" in paragraph (1): ", demonstration, and evaluation";

(2) by inserting "and detoxification" before "techniques" in paragraph (5);

(3) by inserting the following before the semicolon in paragraph (6): ", including supportive services to prevent relapse into drug abuse or drug dependence"; and

(4) by inserting the following before the period in paragraph (6): ", with particular emphasis on replicating effective prevention and treatment programs in areas of the greatest need for such programs".

Sec. 8. Section 410(b) is amended by adding at the end thereof the following new sentence: "For each succeeding fiscal year ending prior to October 1, 1982, there are authorized to be appropriated (1) such sums as may be necessary for grants and contracts under paragraphs (3) and (6) of subsection (a) for drug abuse treatment programs, and (2) such sums as may be necessary for grants and contracts under such subsection for other programs and activities."

Sec. 9. Section 413(a) is amended—

(1) by striking out "Civil Service Commission" and inserting in lieu thereof "Office of Personnel Management";

(2) by striking out "Director" and inserting in lieu thereof "President (acting through the Domestic Council or through such other mechanism as may be set forth by Executive Order), with the Secretary (acting through the National Institute on Drug Abuse).";

(3) by inserting "and in accordance with the provisions of subpart F of part III of title 5, United States Code, as amended by the Civil Service Reform Act of 1978" after "other Federal agencies and departments" and

(4) by inserting "and their families" after "Federal civilian employees".

Sec. 10. Section 413(b) is amended to read as follows:

"(b)(1) The Secretary, acting through the National Institute on Drug Abuse, shall be responsible for fostering and encouraging similar drug abuse prevention, treatment, and rehabilitation programs and services in State and local governments and in private industry.

"(2) Consistent with such responsibility, the Secretary acting through the National Institute on Drug Abuse, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities, taking into account the number of employees, geographical location, proximity to other concerns and entities, and availability of existing services from public agencies and private organizations. With respect to small business concerns, the Secretary, acting through the National Institute on Drug Abuse, shall consult with the Small Business Administrator in the development of model programs affecting such concerns.

"(3) With respect to busines concerns and governmental entities which employ individuals represented by labor organizations, such model programs shall be designed to operate through the collective bargaining process.

"(4) The Secretary, acting through the National Institute on Drug Abuse, shall disseminate information and materials to single State agencies designated pursuant to section 409 of this Act, and shall provide technical assistance to such agencies as requested.

"(5) To the extent feasible, model programs developed pursuant to this section shall be capable of coordination with model programs developed pursuant to section 201 (b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1978.".

Sec. 11. (a) Title IV is amended by adding at the end thereof the following new section:

"Sec. 414. (a) Drug abusers who are suffering from personal, emotional, or social conditions shall not be discriminated against in admission or care, solely because of their drug abuse or drug dependence, by any private or public social service, mental health, intermediate care, rehabilitation, or other service-related facility which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b) The Secretary shall issue regulations not later than 12 months after the enactment of this section for the enforcement of the policy of subsection (a) with respect to the admission and care of drug abusers in facilities covered by this section. Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a facility which receives support of any kind from any program administered by the Secretary and subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such facility from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which a facility covered by subsection (a) receives support of any kind, with respect to the suspension or revocation of Federal support for any facility found to violate such subsection.".

(b) The table of sections at the beginning of title IV is amended by adding at the end thereof the following new item: "414. Admission of drug abusers to social services.".

Sec. 12. Section 502 is amended by inserting at the end thereof the following new subsection:

"(d) On the request of any State, the Secretary shall make available technical assistance for the purposes of developing and improving systems for data collection; program management, accountability, and evaluation; certification, accreditation, or licensure of treatment facilities and personnel; monitoring compliance to Federal requirements of hospitals and other facilities; and developing demonstration projects or implementing through such State's insurance regulatory process a requirement that will constitute significant progress toward coverage of drug abuse and drug dependence by health insurance plans equivalently with other chronic health conditions. Insofar as practicable, such technical assistance shall be provided in such a manner as to improve coordination between activities funded under this Act and under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970."

Sec. 13. Section 503 (a) is amended—

(1) by striking out "to create, develop, and test" and insert in lieu thereof the following: ", investigations, experiments, demonstrations, and studies, into"

(2) by inserting "the creation, development, and testing of" after "(1)", "(2)", and "(3)", respectively;

(3) by striking out "and" at the end of paragraph (2);

(4) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(5) by inserting after paragraph (3) the following new paragraph:

"(4) the social, behavioral, and biomedical etiology, treatment, mental and physical health consequences, and social and economic consequences of drug abuse and drug dependence."

Sec. 14. Section 503 (b) is amended—

(1) by striking out "and" after "1978,"; and

(2) by inserting before the period a comma and the following: "and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1982,"

Sec. 15. Section 503 is further amended by adding at the end thereof the following new subsection:

"(c) In carrying out the program described in subsection (a) of this section, the Secretary, acting through the Institute, is authorized to—

"(1) collect and make available through publications and other appropriate means, information as to, and practical application of, the research and other activities under the program;

"(2) make available research facilities of the Public Health Service to appropriate public authorities, and to health officials and scientists engaged in special study;

"(3) make grants to universities, hospitals, laboratories, and other public or nonprofit institutions, and to individuals for such research projects as are recommended by the National Advisory Council on Drug Abuse, with particular emphasis on investigating polydrug abuse (including the relationship between abuse of alcohol and other drugs);

"(4) secure from time to time and for such periods as he deems advisable, the assistance and advice of experts, scholars, and consultants from the United States or abroad;

"(5) promote the coordination of research programs conducted by the Institute, and similar programs conducted by other agencies, organizations, and individuals, including all National Institutes of Health research activities which are or may be related to the problems of individuals suffering from drug abuse or drug dependence or the drug abuse or dependence of members of their families;

"(6) for purposes of study, admit and treat at institutions, hospitals, and stations of the Public Health Service, persons not otherwise eligible for such treatment;

"(7) provide to health officials, scientists, and appropriate public and other nonprofit institutions and organizations, technical advice and assistance on the application of statistical methods to experiments, studies, and surveys in health and medical fields; and

"(8) adopt, upon recommendation of the National Advisory Council on Drug Abuse, such additional means as he deems necessary or appropriate to carry out the purposes of this section."

Sec. 16. Section 317(e)(1) of the Public Health Service Act is amended—

(1) by inserting the following before the period in the third sentence: ", including officers or employees of State and local drug abuse agencies"; and

(2) by inserting at the end thereof the following new sentence: "Appointed members may serve after the expiration of their terms until their successors have taken office."

Sec. 17. (a) The Drug Abuse and Treatment Act of 1972 is amended by striking out the title of the Act each place it appears and inserting in lieu thereof the following new title of the Act:

"Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972".

(b) Whenever reference is made in any other Federal law, regulation, ruling, or order to the Drug Abuse Office and Treatment Act of 1972, the reference shall be considered to be made to the Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972.

SECTION BY-SECTION ANALYSIS

Sec. 1. Short Title.

Sec. 2. Congressional Findings.

Amends findings to emphasize need of cooperation with employers, employee associations, social service organizations, and associations of concerned individuals as well as law enforcement and health programs; notes need to adjust programs to changing demographic and drug use patterns; emphasizes prevention programs for general population and vulnerable groups including youth, older Americans, and families of drug abusers.

Sec. 3. Drug Abuse Policy Coordination.

Amends Title II to eliminate references to former Office of Drug Abuse Policy and substitute references to President, acting through the Domestic Council or through such other mechanism as may be established by Executive Order; emphasizes need for wide range of community health and social services; requires Presidential designation of single representative to direct activities under Title II; authorizes (pending hearings) such sums as may be necessary to carry out functions under Title II.

Sec. 4. Effective Date.

Sec. 5. Formula Grants Authorization.

Substitutes reference to representative designated under section 3 for reference to Director of Office of Drug Abuse Policy; authorizes (pending hearings) such sums as may be necessary for State formula grants for next three fiscal years.

Sec. 6. State Plans.

Amends requirements for State plans to assure representation of minority and poverty groups, women, youth, and the aged; requires description of plan changes necessitated by shifts in demographic and treatment needs for youth, older individuals, and residents of urban and rural areas; requires assurances that drug abuse and drug dependence survey is coordinated with alcohol abuse and alcoholism survey required by Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; provides municipalities opportunity to review and comment on State plan and to forward comments to Secretary; authorizes Comptroller General to obtain access to records; requires evaluation of effectiveness of other State and local programs addressing problems related to drug abuse; calls for inventory of public and private resources related to drug abuse prevention, treatment, and rehabilitation; requires coordination with other drug, alcohol, and health planning agencies; requires certification, accreditation, and licensure requirements to take into account medical as well as nonmedical aspects of treatment and previous experience of personnel; requires State encouragement of occupational programs.

Sec. 7. Project Grants and Contracts.

Includes demonstration and evaluation along with development of occupational programs; includes detoxification along with drug maintenance; emphasizes replication of effective prevention and treatment programs in areas of greatest need.

Sec. 8. Project Authorization.

Authorizes (pending hearings) such sums as may be necessary for project grants and contracts for next three fiscal years.

Sec. 9. Federal Civilian Employees.

Reconciles Act with Civil Service Reform Act by recognizing Office of Personnel Management and requiring compliance with statutory collective bargaining procedures; makes families of Federal employees eligible for services.

Sec. 10. Occupational Programs.

Instructs Secretary to develop model occupational programs, which shall be consistent with those developed in alcoholism field.

Sec. 11. Service-Related Facilities.

Prohibits discrimination, solely because of drug abuse or drug dependence, by social service, mental health, intermediate care, rehabilitation, or other service-related facilities supported wholly or in part by Federal funds.

Sec. 12 Technical Assistance.

Authorizes provision of technical assistance to States in areas of data collection; program management and evaluation; certification, accreditation, or licensure; compliance with Federal requirements by hospitals and other facilities; developing demonstration projects or implementing through insurance regulatory processes mechanisms for covering drug abuse under health insurance plans equivalently with other chronic health conditions; and related areas where NIDA and NIAAA activities may be parallel.

Sec. 13. Research Encouragement.

Expands encouragement of research to include investigations, experiments, demonstrations, and studies into social, behavioral, and biomedical aspects of drug abuse, and consequences thereof.

Sec. 14. Research Authorization.

Authorizes (pending hearings) such sums as may be necessary for research for next three fiscal years.

Sec. 15. Methods of Encouraging Research.

Itemizes activities that may be utilized to encourage research, including dissemination of information, use of Public Health Service facilities, grants approved by National Advisory Council on Drug Abuse (emphasizing investigation of polydrug abuse, including alcohol), use of experts and consultants, promotion of coordination with research conducted by other agencies, and provision of technical assistance.

Sec. 16. National Advisory Council on Drug Abuse.

Calls for inclusion of officers or employees of State and local drug abuse agencies; authorizes appointed members to serve until their replacements take office.

Sec. 17. Title of 1972 Act.

Changes title of Drug Abuse Office and Treatment Act of 1972 to Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972.●

By Mr. SCHWEIKER:

S. 526. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government; to the Committee on Finance.

PROFESSIONAL STANDARDS REVIEW ORGANIZATION

● Mr. SCHWEIKER. Mr. President, I am today reintroducing a bill to clarify that Professional Standards Review Organizations (PSRO's) are not subject to the full range of information disclosure requirements of the Freedom of Information Act.

Similar legislation I introduced last session gained broad support and was, with minor modifications, reported favorably by the Senate Finance Committee as part of H.R. 5285, the Medicare-Medicaid Reimbursement Reform Act. In the parliamentary activity of the closing hours of the last session, Senate action on the provision was postponed.

Mr. President, my bill is made necessary by a decision of the U.S. District Court for the District of Columbia on April 25, 1978, holding that a PSRO is an "agency" of the Federal Government for purposes of FOIA and is thus subject to its disclosure requirements. Section 1166 of the Social Security Act sets forth principles on the basis of which HEW is to promulgate regulations governing both disclosure and confidentiality of information acquired by PSRO's in the exercise of their duties. Since the court decision may have the effect of subordinating the delicately balanced requirements of the PSRO law to the more sweeping provisions of the Freedom of Information Act, (FOIA) I believe it is necessary that Congress affirm its original intent on this important matter.

As my colleagues are aware, PSRO's are independent peer review organizations authorized by the Social Security Act amendments of 1972 to determine

whether services reimbursable under medicare, medicaid, and the Maternal and Child Health programs conform to appropriate professional standards, are medically necessary and, in the case of hospital or other institutional services, are rendered in an appropriate setting.

PSROs may also extend their activities to a broader range of health care services. The PSRO program is administered by the Secretary of HEW, who is charged with designating PSRO areas across the country and entering into contractual agreements with qualified organizations to perform PSRO functions. Where the PSRO determines that health care services do not conform to applicable standards, reimbursement under Federal programs may be denied. The law provides for hearings and secretarial review of PSRO determinations, as well as sanctions for cases that voluntary and educational efforts fail to resolve.

Mr. President, one of the primary purposes of the 1972 PSRO legislation was to allow private, professional organizations to review the quality and appropriateness of medical care. The legislative history of the PSRO statute notes that "it is preferable and appropriate that organizations of professionals undertake review of members of the profession rather than for Government to assume that role." The D.C. District Court's conclusion that PSROs are agencies of the Federal Government and thus subject to FOIA is clearly inconsistent with Congress' belief in passing the original legislation that private, nongovernmental agencies should perform quality and utilization review functions.

The decision would also effectively supplant the Social Security Act's directive to HEW to develop specific regulations governing the disclosure of information acquired by PSROs. Proposed regulations under this authority were published in the Federal Register on January 15, 1979 after an extensive ecort to solicit the views and concerns of all interested parties.

It would be hard to exaggerate the detrimental impact on the developing PSRO movement of subjecting these non-governmental organizations to the broad requirements of FOIA. PSROs rely on voluntary service by local physicians. Should all data acquired by PSROs be disseminated without safeguards, recruitment of physicians to perform PSRO functions would become increasingly difficult. Moreover, the intent of peer review, as opposed to Government regulation, is to allow the profession to attempt to regulate itself with some degree of privacy.

Confidential discussions separating appropriate concerns from unfounded allegations are essential ingredients of this process. In addition, subjecting PSROs to FOIA would result in increased administrative burdens, large additional expenses for the defense of lawsuits, and great uncertainty and delay in the performance of PSRO functions. Indeed, the District acknowledged its potentially detrimental impact: "* * * The court is well aware * * * that the peer review mechanism which Congress wisely established in enacting the PSRO program, will experence a severe setback, if not a fatal blow, should PSRO records become generally available through FOIA. But, the remedy for alleviating these justifiable concerns lies with Congress, not the courts."

Mr. President, I am well aware that the decision of the D.C. District Court is being appealed and also that further litigation may determine that PSROs fall into one or more of the various exceptions to the Freedom of Information Act's requirements. However, I think it important that Congress respond to the court's invitation to clarify its intent on this matter. Specific regulations under section 1166 of the Social Security Act are a more sensitive approach to the difficult disclosure issues surrounding PSROs than wholesale application of the Freedom of Information Act than through the courts, particularly since Congress never intended PSROs to be Government agencies. I hope that through passage of this legislation, Congress can affirm its original intent and avoid prolonging the disruption and uncertainty which the court decision has caused in the PSRO community.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"STATUS OF PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS

"SEC. 1174. A Professional Standards Review Organization shall not be considered to be an agency of the Federal Government by reason of the functions performed by such organization under this Act.".●

By Mr. KENNEDY (by request):

S. 527. A bill to authorize appropriations for activities for the National Science Foundation for fiscal years 1980 and 1981, and for other purposes; to the Committee on Human Resources.

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS, 1980 AND 1981

● Mr. KENNEDY. Mr. President, I am introducing today by request the administration's bill authorizing funds for the National Science Foundation. The budget request for fiscal year 1980 totals $1.006 billion, of which $828.3 million is allocated for the support of basic research. The budget proposed by the administration would provide an increase of 8.4 percent over the fiscal year 1979 program level, with real growth in the Foundation's programs expected to be just under 1 percent. For fiscal year 1981 the administration has requested an open ended authorization. The following table summarizes the budget allocations proposed by the administration:

NATIONAL SCIENCE FOUNDATION—BUDGET SUMMARY

[Obligations in millions of dollars; fiscal years]

Budget activity	1978 actual	1979			1980 new obligational authority	Differences, 1980/79	
		1979 program funded by Congress	Prior year funds carried over	Current plan		New obligational authority	Total program
(1)	(2)	(3)	(4)	(5)	(6)	(6−3)	(6−5)
Research and related activities appropriation:							
Mathematical and physical sciences and engineering	$248.5	$263.2	$4.5	$257.7	$295.7	$32.5	$28.0
Astronomical, atmospheric, Earth, and ocean sciences	211.6	223.0	.5	223.5	243.3	20.3	19.8
U.S. Antarctic program	48.4	[1] 51.1	0	51.1	55.0	3.9	3.9
Biological, behavioral, and social sciences	141.8	155.7	.5	156.2	173.5	17.8	17.3
Applied science and research applications	55.1	55.5	[2] 7.3	[2] 62.8	62.4	6.9	−.4
Scientific, technological, and international affairs	23.8	24.3	.9	25.2	25.8	1.5	.6
Program development and management	48.7	54.8	3.1	57.9	59.6	4.8	1.7
Subtotal	777.9	827.6	16.8	844.4	915.3	87.7	70.9
Science education activities appropriation:							
Scientific personnel improvement	31.7	32.8	0	32.8	32.9	.1	.1
Science education resources improvement	27.9	29.1	0	29.1	29.1	0	0
Science education development and research	8.9	11.7	0	11.7	15.3	3.6	3.6
Science and society	5.4	6.4	0	6.4	7.4	1.0	1.0
Subtotal	73.9	80.0	0	80.0	84.7	4.7	4.7
Special foreign currency appropriation	5.4	4.0	0	4.0	6.0	2.0	2.0
Total, NSF	857.2	911.6	16.8	928.4	1,006.0	94.4	77.6

[1] Includes $625,000 proposed supplemental for increased paycosts of Antarctic logistics support. [2] Includes $6,900,000 fiscal year 1978 deferral.

Hearings on this legislation will be held on Friday, March 2 at 9:30 a.m. in room 6226 of the Dirksen Senate Office Building.●

By Mr. BAKER:

S.J. Res. 42. A joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on the Judiciary.

THE AMERICAN MARIGOLD

Mr. BAKER. Mr. President, I rise today, as I have at the beginning of each Congress since 1971 to offer a resolution to designate the marigold as our national flower. Each time I do so, I am aware that my efforts to extoll the virtues of this lovely flower may seem feeble in comparison to the lush verbiage with which Senator Dirksen was able to instill in thousands of other Americans his love for ths hardy, cheerful, and truly American blossom.

As those of my colleagues who served with Senator Dirksen in the Senate will recall, passage of a joint resolution establishing the American marigold as our national floral emblem was, for many years, one of Senator Dirksen's fondest dreams.

Since his death in 1969, I have proposed the resolution in each new Congress, exactly as he originally introduced it, both to honor his memory and to express my own support for the marigold, which I feel is unique in its rich history and its embodiment of many of the basic virtues of the American spirit—humility, strength of character, endurance, and hope.

As the text of the resolution points out, we have adopted the American eagle and the American flag as national symbols. Moreover, each of the 50 States and every other major country in the "free" world has chosen a floral emblem. I feel that the American marigold could most appropriately be our floral symbol. It is not the national flower of any other country nor is it the State flower of any of our States. Yet it grows today in profusion in each State, having originally been introduced into this country by European colonists during the 18th century and nourished since that time by seed growers to attain a greater hardiness, a wider variety of colors, and larger flowers.

I am pleased that the marigold has a growing number of admirers throughout the Nation. The legislatures of three States, Georgia, Indiana, and Illinois, have approved resolutions recommending its adoption as our national flower. Moreover, the Marigold Society of America, which was founded last year, boasts members from 26 States and Canada. Mrs. Charlotte Bass, president of the society, succeeded in obtaining over 10,000 signatures on a petition urging Congress to consider the marigold resolution, and she continues to travel tirelessly throughout the United States sharing with thousands her enthusiasm for the "friendship flower."

In 1975 I had the pleasure of participating in the Annual Marigold Festival at Winterville, Ga. This small community located near Athens, adopted the marigold as its official flower in 1971. Since that time, the Annual Marigold Festival has been made the focus of a remarkably successful effort at restoration, renovation, and community development. I am constantly surprised and pleased at the way in which the "friendship flower" has succeeded in strengthening the American spirit of cooperation and volunteerism in Winterville and other communities around the country.

One of the most eloquent supporters of the marigold is my good friend Mr. David Burpee of the W. Atlee Burpee Co. in Doylestown, Pa. I would like to share with my colleagues Mr. Burpee's summary of reasons why the marigold, more than any other flower, deserves to be honored as our national floral emblem.

Mr. President, I ask unanimous consent that the text of my resolution and Mr. Burpee's comments be printed in the RECORD.

There being no objection, the joint resolution and comments were ordered to be printed in the RECORD, as follows:

S.J. RES. 42

Whereas the peoples of the world have from time immemorial adopted emblems—flags, birds, flowers—for their countries, representatives of their national virtues; and

Whereas the people of the United States have similarly adopted emblems—the American flag and the American eagle—to represent the virtues of this country; and

Whereas each of the fifty sovereign States of the United States, in addition to its State flag, has a floral emblem which it cherishes as its own; and

Whereas the United States is the only major "free" country in the world without a floral emblem; and

Whereas the American marigold represents the character of the United States more appropriately as an emblem than does any other flower in that it is an American native and native of nowhere else in the world; grown in abundance in the home gardens of every State in the Union yet not the floral emblem of any State in the Union; grown easily and quickly from seed; already acknowledged as a symbol of religious faith; a flower in its very appearance representing not just beauty but a rugged humility of character; and, like the American eagle and the American flag, an exclusively American emblem, unclaimed by any foreign nation: Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the flower commonly known as the American marigold is hereby designated and adopted as the national floral emblem of the United States, and the President is requested to declare such fact by proclamation.

REASONS WHY THE AMERICAN MARIGOLD SHOULD BE THE FLORAL EMBLEM OF THE UNITED STATES OF AMERICA

There are many reasons why the American Marigold (Tagetes erecta), the Friendship Flower, should be the Floral Emblem of the United States.

Let me tell you some of them: The Marigold is native to Southwestern United States and to Mexico. It grows well and is popular in every state of our Union from Florida to Maine and from Hawaii to Alaska and also in every civilized country of the world. And it is known as the Friendship Flower.

The Marigold is not the state flower of any one of our states and is not the national flower of any foreign nation and as it is American, it can truly represent the United States of America.

The Rose is the national flower of England and is considered a symbol of warfare,—The War of the Roses. The Rose is also the national flower of six other nations, two of which are behind the Iron Curtain. The Rose would not be appropriate as our national flower.

When Cortes conquered ancient Mexico, he found Marigolds growing there. The gorgeous golden Marigolds were so beautiful Cortes took seed with him back to Spain. In Spain the beautiful golden Marigolds became the favorite flower of the devout to place at the altar of the Virgin Mary and because of that they were called Mary's Gold and then became known as Marigolds.

Then seed of Marigolds was taken to every civilized country of the world. They were so easy to grow everywhere and so beautiful, they became popular everywhere.

In India Marigolds became, and still are, the favorite flower to put in leis to place around a person's neck to indicate friendship and because of that they have become known as friendship flowers.

It is my thought that since we are the only great nation in the world that does not have a floral emblem, that especially when world affairs are so troubled, it would be very desirable to name as our National Floral Emblem the American Marigold, the Friendship Flower. It would indicate that we desire to be friends with all the peoples of the world and through friendship, it would perhaps help to deter future wars.

I urge you to support the American Marigold for the National Floral Emblem of the United States of America.

By Mr. DURKIN:

S.J. Res. 43. A joint resolution to proclaim March 21, 1980 "National Energy Education Day"; to the Committee on the Judiciary.

NATIONAL ENERGY EDUCATION DAY

● Mr. DURKIN. Mr. President, I am today introducing a joint resolution to declare March 21, 1980 "National Energy Education Day" (NEED). That day will kick off a substantial effort to expand energy education with schools across our country, and I urge my colleagues' support.

We are all generally familiar with the gravity of the energy crisis: Our increasing dependence on uncertain supplies of cartel priced foreign oil threatens our national security, undermines the dollar abroad, and contributes to inflation. We are daily bombarded with new evidence of it, especially in New Hampshire and New England where oil and gas prices are skyrocketing. But few of us are well informed about the most elementary facts about energy.

In an effort to encourage a greater public knowledge about energy, I am introducing this resolution to establish the National Energy Education Day in March of 1980. A recent study by HEW's National Center for Education Statistics underscores the need for greater public knowledge about energy. HEW discovered that between two-thirds and nine-tenths of those surveyed wanted more information about energy. The survey also found that Americans are woefully ignorant about the most basic energy facts.

I was particularly shocked to learn that half of those questioned did not know that between 30 and 60 percent of the oil we use is imported. I have a list which details some of the gaps in the American people's knowledge about energy, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENERGY—KNOWLEDGE AND ATTITUDES, A STUDY BY THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS, DECEMBER, 1978

51% Americans surveyed age 16–35 don't know coal is largest fossil fuel reserve in U.S.

86% of same group don't know that coal is primary energy source in producing largest portion of electrical energy in U.S.

68% same group optimistically believe that improved technology will make it possible to convert all energy released by burning fuel into useful work.

47% plus did not know that energy produced by solar, tides, geothermal, Alaskan oil, or wind means will account for less than one-third of our energy needs by 1986.

54% did not know that crude oil accounts for the largest percentage of energy consumed in U.S.

70% Americans surveyed did not know approximate number of years of oil supply (domestic).

(a) 68% did not know relationship between population and energy consumption in U.S. (6% world population—30% world energy consumption).

(b) 36% plus did not know that energy consumption increasing more quickly than population. (68% did not know same for coal consumption).

76% did not know waste heat emitted by nuclear as well as fossil fuel plants.

50% don't know/understand definition of O.P.E.C. or G.N.P.

77% didn't know that heating water consumes more energy in a year than refrigerating/cooling food, drying clothes, lighting home.

71% didn't know percentage of total energy consumption, accounted for by heating home.

Mr. DURKIN. Mr. President, in the years ahead the American people will be called upon to make many difficult choices about our energy future. Unless we are better informed about the nature of our energy situation, we will not be able to cope with the complex problems that lie ahead.

It is especially important that our young people learn about energy problems and some ways to cope with them, because they will have as many if not more energy problems to cope with as we approach the 21st century. My own three children must and will understand the energy world they will deal with, and I am pleased to see that students all over New Hampshire will also learn more about energy. The State education officials in New Hampshire have already decided to participate in National Energy Education Day, and to strengthen the energy curriculum throughout the State. I commend the education officers and teachers in New Hampshire for their concern about energy and for their farsightedness in emphasizing it in the schools.

National Energy Education Day is only a small step toward educating the American people about the extent of the problem we face. But if we fail to educate ourselves and especially our young people, about the problems we face, we will only have ourselves to blame if we make the wrong choices.

Congressman GERALD SOLOMON is introducing a companion resolution in the House of Representatives and I hope both Houses will move quickly on this resolution so that schools can begin their planning.

I invite the support of my colleagues for this joint resolution, and ask unanimous consent that the joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 43

Whereas, inexpensive and abundant energy permitted our great nation to rise to a position of preeminence in the world community of nations; and

Whereas, events of recent years have shown that traditional energy resources are in potentially short supply and these massive changes in the world energy production and distribution system have made this subject a focal point of domestic and foreign policy.

Whereas, the development of new energy technologies, including solar energy and other renewable resources, promise to reduce our dependence on insecure and hostile foreign cartels; and

Whereas, these fundamental changes require the update of our educational system at all grade levels to prepare our youth to meet the new demands which are being created; and

Whereas, a National Energy Education Day (NEED) will bring together teachers, school officials, parent groups, to help Nation's children understand the international energy crisis; and

Whereas, NEED must be a total educational effort, the start of an ongoing process which can demonstrate that to ignore the plight of an energy shortfall and to fail to seek sound remedies would be an error; now, therefore, be it

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, that March 21, 1980, is proclaimed "National Energy Education Day" to commence an ongoing program of energy education in schools, both public and private, at all grade levels, and the President is authorised and requested to issue (A) a proclamation calling upon the general public and education institutions of the United States to observe this day with appropriate activities and ceremonies, and (B) to direct all appropriate Federal agencies to cooperate with and participate in, the celebration of "National Energy Education Day".●

ADDITIONAL COSPONSORS

S. 50

At the request of Mr. HATFIELD, the Senator from Oregon (Mr. PACKWOOD), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 50, the Beverage Container Reuse and Recycling Act of 1979.

S. 75

At the request of Mr. DOLE, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 75, a bill to allow deductions for pension funds.

S. 102

At the request of Mr. TOWER, the Senator from North Carolina (Mr. MORGAN) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 102, to postpone the increase in minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938.

S. 192

At the request of Mr. BUMPERS, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Oklahoma (Mr. BOREN), the Senator from Vermont (Mr. LEAHY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 192, to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors.

S. 195

At the request of Mr. BUMPERS, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 195, to extend provisions relating to payment under the Social Security Act for the services of physicians rendered in teaching hospitals.

S. 200

At the request of Mr. DANFORTH, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 200, the Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.

S. 208

At the request of Mr. WALLOP, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 208, to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on the sale of real property situated in the United States.

S. 230

At the request of Mr. JAVITS, the Senator from Maryland (Mr. SARBANES), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Iowa (Mr. JEPSEN), the Senator from Montana (Mr. BAUCUS), the Senator from Rhode Island (Mr. PELL), the Senator from New Mexico (Mr. SCHMITT), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 230, the Nurse Training Amendments of 1979.

S. 233

At the request of Mr. CANNON, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 233, to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes.

S. 240

At the request of Mr. RIBICOFF, the Senator from Wyoming (Mr. WALLOP) and the Senator for Montana (Mr. BAUCUS) were added as cosponsors on S. 240, the Federal Computer Systems Protection Act.

S. 260

At the request of Mr. BAYH, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 260, to create a National Institute of Justice.

S. 262

At the request of Mr. RIBICOFF, the Senator from Vermont (Mr. STAFFORD) and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of S. 262, the Reform of Federal Regulation Act of 1979.

S. 267

At the request of Mr. MOYNIHAN, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 267, to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such cards.

S. 268

At the request of Mr. DURKIN, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 268, the Soft Drink Bottlers' Protection Act of 1979.

S. 326

At the request of Mr. BUMPERS, the Senator from Alabama (Mr. STEWART) was withdrawn as a cosponsor of S. 326, the Taxpayers' Bill of Rights Act.

S. 333

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 333, the Omnibus Antiterrorism Act of 1979.

S. 356

At the request of Mr. BELLMON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 356, a bill to encourage the establishment of an International Grain Exporting Stabilization Commission.

S. 378

At the request of Mr. BELLMON, the Senator from Alaska (Mr. STEVENS) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 378, a bill to authorize the Robert A. Taft Institute of Government Trust Fund.

S. 414

At the request of Mr. BAYH, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 414, the University and Small Business Patent Procedures Act.

S. 418

At the request of Mrs. KASSEBAUM, the Senator from North Dakota (Mr. YOUNG) and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 418, the Agricultural Parity Equity Act of 1979.

S. 427

At the request of Mr. THURMOND, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 427, to amend the Federal Alcohol Administration Act to require health warning labels on bottles containing certain alcoholic beverages.

S. 451

At the request of Mr. SCHWEIKER, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 451, the Diabetes Research and Training Amendments and National Diabetes Advisory Board Extension Act of 1979.

S. 475

At the request of Mr. WALLOP, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 475, to authorize the Secretary of the Interior to construct hydroelectric powerplants at various existing water projects.

SENATE RESOLUTION 83—SUBMISSION OF A RESOLUTION RELATING TO NATIONAL WATER RESOURCES POLICIES

Mr. WALLOP (for himself, Mr. MCGOVERN, Mr. BAUCUS, Mr. BURDICK, Mr. CANNON, Mr. CHURCH, Mr. CRANSTON, Mr. DECONCINI, Mr. DOLE, Mr. GARN, Mr. GRAVEL, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HUDDLESTON, Mr. LAXALT, Mr. MCCLURE, Mr. MELCHER, Mr. PRESSLER, Mr. SIMPSON, Mr. STENNIS, Mr. STEVENS, Mr. YOUNG, and Mr. ZORINSKY) submitted the following resolution, which was referred to the Committee on Environment and Public Works:

S. RES. 83

Whereas, there is need for development and implementation of a comprehensive national water resources policy which fully assesses the needs of the States, regions, and the Nation, and which provides for differences in topography, geology, hydrology, and other criteria concerning water resources; and,

Whereas, the management expertise in water resources now exists in most of the States, the authority and domain over most water resources in the United States has historically been, and is now vested in the individual States, and the States have expressed concern with implementation of Federal water resources policies; and,

Whereas, any national water resources policy should recognize the States' primary role in water management; and,

Whereas, the 1965 Water Resources Planning Act authorizes and delegates to the executive branch the establishment of certain Federal water resources policies; and,

Whereas, on June 6, 1978, the executive directed the unilateral implementation of certain water policies, some of which may alter the burdens, benefits, and responsibilities of recipients of, or applicants for, Federal assistance, licenses, permits, and water supply, or result in the assumption by the Federal Government of water resources related functions now exercised by the States; and,

Whereas, the executive has stated a willingness to work with Congress, State, and local government, and the public to assure proper implementation of national water resources policies; and

Whereas, the responsibility for, and the authority over Federal policy is clearly vested under the Constitution with the legislative branch: Now, therefore, be it

Resolved, That it is the sense of the Senate that our water resource, and the policies which guide the important but limited Federal role with regard to it, are of serious concern to the Nation. To the greatest extent possible, national water resource policies developed by the executive branch should only be implemented through Congressional action, after public and State review. Those executive policies which would alter requirements of Federal assistance, permit, license, or water supply programs, or usurp or diminish water resources related functions now exercised by the States, shall not be implemented through unilateral executive action, but shall be subject to Congressional concurrence.

Mr. WALLOP. Mr. President, today I am joined by the distinguished Senator from South Dakota (Mr. MCGOVERN) and 23 other of my colleagues in submitting a resolution reaffirming the Senate interest in our national water resources policies and insisting that Congress be a part of the continued development and implementation of those policies.

When option papers for the National Water Resources Policy Study were published in July 1977, and last year when President Carter announced several proposals to significantly change our Nation's water resources development policies, the impact of possible changes were of concern to all of us.

Those water policies are of no less concern in the 96th Congress. At this time, task forces have been assembled in the Executive to identify the steps necessary for implementation of the President's proposals. Some elements are already recognized to require legislative initiatives, and draft bills are being prepared which relate to those portions of the policy which can only be implemented through statutory changes. Elements of that policy are reflected in the administration's budget, and they will appear in appropriations requests. However, certain elements may be implemented through administrative avenues. Significant policy changes may still be unilaterally implemented within the executive through regulation and Executive order.

This resolution seeks to reaffirm the Senate's desire that water policies developed by the executive, receive, to the greatest extent possible, congressional review, thereby affording public and State review and the opportunity to comment. We firmly believe that such an opportunity for review is fundamental to the ultimate success of any new water resources policy.

It should be clear that this resolution does not seek to condemn the administration for attempting to develop a new, comprehensive water policy. The resolution is intended neither to criticise nor support particular portions of the President's policy. Each Senator will no doubt find fault, with or support, various of the proposed policies.

It should not be concluded from this resolution that we have failed to recognize the increased efforts of the administration to open water policy to broader scrutiny and solicit public, State, and congressional comment. Those in the administration charged with developing and implementing those policies, particularly Assistant Secretary of Interior Guy Martin, and his staff, should be complimented for their increasingly successful efforts to have all sides heard and be aware of the progress of water policy development.

However, it is certain that this openness is due in no small way to the interest of the Senate and its resolve that national water policies not be developed and implemented wholly within the confines of the executive. This resolution is a reaffirmation of that interest, nothing more.

Every Senator and Member of Congress, and in fact every citizen, should be concerned with the water resources policies of the Federal Government. Each region and State is dependent to one de-

gree or another on the water resources programs of Federal agencies. National water policy is not solely a "western" issue. It is not a partisan issue.

A computer search of the United States Code reveals that the term "water supply" appears in 114 separate sections, reflecting precisely the pervasive influence of the Federal Government.

We have Federal programs to assist us with almost everything we do with water. The Federal Government will help us locate groundwater and drill for it, or make it fall from the clouds. We can obtain assistance in impounding it, making it safe to drink, and delivering it to our homes and offices. They will help us divert it, apply it to crops, and return it efficiently without erosion to the streams. After we have used it, there is a Federal program which will help us collect it from our homes and businesses, transport it to plants for treatment, and discharge it. Federal programs will keep us from being washed away by it, help us make it more beneficial for transportation, fish and wildlife, recreation, aquaculture, hydropower production, domestic use, and industry. Many Federal agencies will investigate, research, study and categorize water, and others will regulate how we mine with it. There are Federal standards for keeping it clean, and for when, where, and under what conditions we may place Earth into it. In short, Mr. President, the Federal role with regard to water resources, though constitutionally and properly limited, is pervasive, indeed.

Many of the President's water policy recommendations will impose significant new requirements upon those who rely upon Federal assistance for water supply treatment, or flood control protection.

I support the principle of State cost-sharing for water resources development. Increasingly the States must provide for their own economic development and environmental protection. Cost-sharing should be based upon the premise that State and Federal Government have a share in the heavy burden of water resources development. Burdens will certainly be shared, but the recovery of costs through direct payments and the regional economic benefits which water resources development will also be shared. The prime rationale for State cost-sharing is the fostering of increased State participation and the establishment of sound and workable priorities by all concerned parties.

Much support will also be found for certain water conservation measures. Increasingly, we must realize that we live in a limited world, and can no longer waste any natural resource, including water. However, the administration's working definition of water conservation notably excludes storage of water in times of surplus for use in times of need.

The absence of storage from the administration's working definition or conconservation is a prime example of why national water resources policies must be subjected to congressional review. National water resources policies must be comprehensive, flexible, and above all equitable. They cannot seek to apply uniform definitions to the diverse, climatic, and hydrologic situations which exist in this country.

Seventy percent of the annual runoff in Wyoming's streams occurs during the months of April, May, June, and July, and is the result of snow-melt runoff. Our average rainfall is less than 13 inches per year. Will identical policies be useful to both Wyoming and Louisiana? None but the foolish would think so.

National policies must be equitable, certainly. They must be comprehensive, of course. But they must also take into account the diversity which exists in this Nation. Only to the extent that any national water resources policy is considered by Congress will that be taken into consideration. Water resources policies implemented through unilateral Executive action can never be termed truly national policies. If criticism and opposition are confronted rather than avoided, new policies will endure and will themselves be applied rather than circumvented.

Mr. President, I yield to my colleague, the distinguished Senator from South Dakota.

Mr. McGOVERN. Mr. President, I thank my distinguished colleague from Wyoming (Mr. WALLOP) for his remarks upon our submission of this Senate resolution in behalf of 23 of our colleagues here in the Senate.

This resolution addresses itself to the President's national water policy initiative. The fact Senator WALLOP and I worked to put it together should be evidence that it is not a partisan resolution. A review of its cosponsors should be further evidence that it is bipartisan in nature.

Still closer analysis will also prove that this is not simply a "Western States" water policy resolution. It has initial cosponsors and tentative pledges of support from Members representing States on both sides of the Mississippi River. This is as it should be as what is at issue here is not Western water policy, or any other water policy cutting along regional lines. What is at issue is the future course of this Nation's water policy.

Mr. WALLOP made it clear in his introductory remarks that this resolution should not be construed as an effort to condemn the administration for their efforts to date in revising the national water policy. I want to reinforce that notion.

This resolution is not an effort on our parts to retrumpet the "War on the West" battle cries which reverberated at different times during the 95th Congress. We recognize that President Carter and his administration were sensitized to that perception many times in the last 2 years. This is ample evidence that they are now providing opportunities for comment by public, State, regional, and congressional representatives. In fact, they are taking their Water Policy Task Force groups to several regional meetings to get closer to the grassroots in setting out what it is they have accomplished to date and to receive comment as to how their future course can now be fine tuned.

The sponsors of this resolution are in a sense commending the administration for following that course, but even more importantly it urges them to stay on track in working toward that end.

We are not introducing this resolution to pick a fight. We are introducing it to reaffirm how best they can keep from getting into one. We are asking that to the greatest extent possible, the administration take pains to allow congressional review of their work before they finalize their policy and begin to unilaterally implement it.

We do not take issue with the fact that much of the President's initiatives can be implemented by him through executive action. We note that the administration is cognizant that portions of their proposed policy will require legislative action.

It is important for the administration to remember that the public "perception" of the course they use to implement their water policy initiatives will be all important. The President's recommendations impose significant new burdens and requirements upon the several States and water users. To one degree or another they alter the role States play in exercising their own water policy prerogatives.

In view of the administration's "public participation" record, they can to a degree claim that State and public opinion has shaped the recommendations which will result from their Water Policy Task Force effort. But, if this is really the case, then there should be no administration hesitancy in providing Congress, States, and public one last look at the elements of the policy before they are "locked in." What this resolution does is express the Senate's desire that such a final forum be provided on those portions of the water policy recommendations which eventually become apparent as being "controversial" to one degree or another, or perhaps more properly those areas where the Senate is expressing a desire to take a final close look at the administration's proposals.

I do not think this is an unreasonable request. We are not asking to review all elements of the water policy initiative, nor do we want to. But Senator WALLOP, this resolution's cosponsors, and I feel in order for the resulting policy to be properly deemed "the national water policy," in order for it to be effective and to endure, it must have broad-based support. Anything short of this will result in the policy being referred to as "the President's national water policy"—making it sound as though it is subject to the whim of each passing administration.

What President Carter has done is initiate a new look at the way the business of water development is conducted. If the result of this effort is perceived as being biased, shortsighted, or implemented without consultation by the peoples' elected representatives in Congress, I believe it will be receiving unwarranted criticism. This would be a disservice to those who have labored so mightily to shape the new policy.

This then is the thrust of this resolution—to urge the administration to consult with the Congress to the greatest extent possible and to be wary of any radical change in altering the States' rights in the water development field.

Mr. President, this resolution says the Senate wishes to play a significant role in helping formulate and implement the new national water policy. If the administration will take it in the spirit it is offered, I believe the result will be a truly representative national water policy.

SENATE RESOLUTION 84—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL PRINTING

Mr. MUSKIE submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 84

Resolved, That there shall be printed for the use of the Committee on the Budget 1,000 copies of its report on the First Concurrent Resolution on the Budget for Fiscal Year 1979.

SENATE RESOLUTION 85—SUBMISSION OF A RESOLUTION PROVIDING FOR A BUST OF CARL HAYDEN

Mr. GOLDWATER (for himself and Mr. DECONCINI) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 85

Resolved, That in honor of Carl Hayden, who served in the United States Congress longer than any other man in history, the Commission on Arts and Antiquities of the United States Senate (hereinafter referred to as the "Commission") is authorized and directed to provide for the design and sculpture of a marble bust of Carl Hayden. The Commission is further authorized and directed, subject to the provisions of S. Res. 382, Ninetieth Congress, agreed to October 1, 1968, to accept such bust on behalf of the Senate and to cause such bust to be placed in an appropriate location within the Senate wing of the Capitol or any of the Senate Office Buildings, or any room, space, or corridor thereof.

SEC. 2. Expenses incurred by the Commission in carrying out this resolution, which shall not exceed $3,000, shall be paid out of the contingent fund of the Senate on vouchers approved by the Chairman of the Commission.

Mr. GOLDWATER. Mr. President, it is again my deep honor to submit a resolution providing that a bust of Carl Hayden shall be placed in the Capitol or Senate Buildings. I am joined in the resolution by my colleague from Arizona, Senator DECONCINI.

Mr. President, I should point out that the Senate approved this resolution as an amendment to House Concurrent Resolution 96 on October 1, 1976, the last day of the 94th Congress. Unfortunately, the papers arrived too late in the House Chamber for final approval before adjournment. I urge that we finally complete that action this year.

Mr. President, I am certain all of my colleagues, including newly elected Senators, are aware that Carl Hayden served in the Senate and Congress longer than any other person.

Carl Hayden served in Congress 57 consecutive years, with 42 in the Senate. This is an unparalleled record that will probably never be matched.

Mr. President, Carl Hayden was born in Haydens Ferry, now Tempe, Ariz., on October 2, 1877. After serving as a member of the Tempe town council and as sheriff of Maricopa County, he was elected Arizona's first Congressman upon statehood in 1912. He served in the House for eight successive terms from February 1912 to March 1927, and then was elected to seven succeeding terms in the Senate, from March 1927 to January 1969.

Now, I might say that Carl Hayden's great accomplishments are not as well known as they shall become in time, largely because of his modest character.

Carl Hayden was not a show horse; he was a work horse.

But his accomplishments were of national stature and included joint authorship of the constitutional amendment giving the vote to women and the original law setting up the Interstate Highway System.

It is fitting that we take this action to honor his memory, and I urge approval of the resolution.

SENATE RESOLUTION 86—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 86

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Mary Lucy Kuhl Haworth and Frances T. Kuhl, sisters of Arthur M. Kuhl; and Pius A. Kuhl, James H. Kuhl, and Richard A. Kuhl, brothers of Arthur M. Kuhl, an employee of the Senate at the time of his death, a sum to each equal to one-fifth of one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 87—SUBMISSION OF A RESOLUTION REEATING TO THE ALLOCATION OF ENERGY SOURCES FOR TRAVEL AND TOURISM

Mr. WARNER (for himself and Mr. INOUYE) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 87

Whereas in the 93rd Congress the Senate unanimously agreed to a Resolution (S. Res. 281) expressing the sense of the Senate that in any allocation of energy supplies or other actions by Federal departments and agencies to alleviate the energy shortage, proper consideration should be given to the provision of adequate supplies of energy to all segments of the travel and tourism industry in view of the industry's importance to the nation's economy and social well-being;

Whereas S. Res. 281 was necessitated by proposed and actual energy conservation measures of the Federal government in 1974, which failed to consider the interests of the travel and tourism industry, and were imprudently discriminatory and caused substantial unnecessary injury to the national economy as a consequence;

Whereas once again there are conflicting reports issuing from different agencies within the Federal government as to whether there is an imminent threat of an energy crisis;

Whereas once again despite the lack of a clear understanding of the national energy supply the Federal government is proposing mandatory conservation measures (including week-end closing of gasoline service stations and gasoline rationing) without considering the sense of the Senate as expressed in S. Res. 281, or that the gasoline requirements of individual states and regions are often distinct and different;

Whereas once again therefore it is necessary to state that travel and tourism expenditures in the United States in 1978 totaled approximately $149,000,000,000;

Whereas once again therefore it is necessary to state that travel and tourism expenditures directly and indirectly provide employment for approximately five million Americans;

Whereas once again therefore it is necessary to state travel and tourism is one of the top three industries in 46 of our 50 states;

Whereas once again therefore it is necessary to state that the leasure activity provided for Americans by the travel and tourism industry is essential for a sound and healthy society;

Whereas once again therefore it is necessary to state that the travel and tourism industry is a major economic and social force in the United States;

Whereas once again therefore it is necessary to state that the continued viability of the travel and tourism industry depends upon the ability of international transport and of domestic public and private transport systems including automobiles, recreation vehicles, airlines, motor coach operators, sightseeing companies, cruise lines, hotels, motels and travel agencies to provide in a safe, economic and efficient manner those goods, facilities, and services which support the travel and tourism industry;

Whereas once again therefore it is necessary to state that the possibility of an energy shortage poses a serious threat to the travel and tourism industry, and consequently to the national economy and that of many states, areas and cities: Now, therefore, once again be it

Resolved, That in any allocation of energy supplies or other actions by Federal departments and agencies to alleviate the energy shortage, proper consideration should be given to the provision of adequate supplies of energy to all segments of the travel and tourism industry in view of the industry's importance to the Nation's economy and social well-being; and that such allocation or other action allow each state flexibility to design its own program with specific curtailment measures to meet the national energy conservation objectives.

Mr. WARNER. Mr. President, I submit a Senate resolution from myself and the distinguished senior Senator from Hawaii (Mr. INOUYE), once again to express the sense of the Senate with respect to the allocation of necessary energy sources to the travel and tourism industry.

Mr. President, in view of the submission from the President of the United States to the Congress of his standby conservation plans and, in particular, the possibility of restricting weekend sales of gasoline, I am today sending a letter to the chairman of the Senate Commerce Committee, of which I am a

member, asking for immediate hearings on this subject.

I ask unanimous consent to have that letter printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I thank the Chair.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 1, 1979.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science and Transportation, United States Senate, Washington, D.C.

DEAR MISTER CHAIRMAN: On Tuesday, the Nation learned of the President's Standby Conservations Plans, which include emergency weekend gasoline sales restrictions, severe limitations on outdoor advertising, and a program for gasoline rationing. Because the force and effect of these plans will fall heavily—and in some instances almost totally—on the Nation's travel and tourism industry, I respectfully request that hearings on those portions of the President's overall energy conservation program be held as soon as possible by the Senate Commerce Subcommittee on Merchant Marine and Tourism.

Past experience mandates this Congressional oversight. During the 1973–74 Arab oil embargo, the closing of gasoline filling stations on Sundays as a conservation measure brought disproportionate hardship on the travel and tourism industry—hardship far greater than on any other segment of the United States economy. Because of that policy, at least 90,000 people—in travel-oriented jobs—were thrown out of work, 179,000 others were placed in employment jeopardy, and industry revenues totaling $717 million were lost. Sunday—a family day—is the lifeline of the small travel operator.

While it would be difficult, on the basis of the 1973–74 experience, to precisely project the harm that would be caused to the travel and tourism industry by limiting closings to weekends, one projection is certain: the harm will be much greater if the President exercises his authority to extend the closing of service stations beyond Sundays to full weekends—from noon on Fridays to midnight Sundays.

There is sound evidence that many firms engaged in tourism in my own state of Virginia suffered a drop-off of as much as 50 per cent of their business because of the 1973–74 Sunday-closing policy.

As you know, Mister Chairman, travel and tourism rank first, second or third in importance to the economies of 46 of the 50 states. It is second in Virginia, trailing only manufacturing. The Nation's travel and tourism industry is an important part of the United States economy, with earnings of $149 billion annually and supporting 5 million jobs.

If there is, indeed, an energy crisis—and that is a question much under debate on Capitol Hill and even within the Administration—it is my firm belief that conservation measures must be applied as evenly as possible across all segments of the economy.

A single industry, such as travel, must not be subjected to the major brunt of such conservation. While travel must bear a fair share of any burden caused by an energy conservation plan, so must all other segments of the economy. If closings are essential, they should be done on a rotational basis, which would spread the burden to all segments of the economy. Moreover, any plan calling for station closings should allow the states to select the closing times for the stations within their jurisdictions.

Further, such weekend restrictions tends to impact most severely upon one economic segment—the middle- to low-income families who have only the weekend and the family car for their limited pleasure.

The Congress must note that, of the four energy conservation plans presented by the President, three of them will impact disastrously on the travel and tourism industry. Weekend closing of service stations, severe limitations on outdoor advertising, and stringent gasoline rationing, when coupled together, place an unfair burden on one industry.

It is for these reasons, Mister Chairman, that I respectfully request the earliest possible hearing on these matters before the Subcommittee on Tourism, so that the Congress as a whole and the public can be fully informed.

Respectfully,

JOHN W. WARNER.

Mr. WARNER. Mr. President, I express my appreciation to the chairman of the Committee on Commerce, Science, and Transportation, Senator CANNON, and the chariman of the Commerce Subcommittee on Merchant Marine and Tourism, Senator INOUYE, for their expressed support of the travel and tourism industry and their willingness to schedule hearings at an early date on this resolution by the Commerce Committee, as was done in the 93d Congress on a very similar issue.

This will enable the U.S. Senate to review, among other matters, the factual history of the 1974 restriction on gasoline sales on one segment of our economy, namely, the tourism and travel industry.

In my judgment, and in the judgment of others, that segment of our economy unduly bore the brunt of the closing of gasoline stations in 1974. If it is necessary that this Nation once again go to such measures, I would hope that this industry, while it must bear its fair share of the burden, should not be unduly penalized as it was the last time.

Therefore, I hope that the Senate, in its wisdom, will seek an alternative means by which this burden can be borne more evenly by the economy as a whole.

SENATE CONCURRENT RESOLUTION 8—SUBMISSION OF A CONCURRENT RESOLUTION PROVIDING FOR IMPARTIAL OBSERVERS OF THE FORTHCOMING ELECTION IN RHODESIA

Mr. MCGOVERN (for himself and Mr. HAYAKAWA) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 8

Whereas the conflict in Rhodesia has reached a critical stage; and

Whereas the Rhodesian Government has announced its intention to hold an election on April 20, 1979, to install a new government; and

Whereas Congress has specified in the International Security Assistance Act of 1978 that the holding of such an election is one of two conditions to be fulfilled to the satisfaction of the President before economic sanctions against Rhodesia may be lifted; and

Whereas it is the intention of Congress to provide assistance in determining whether such election is free and fair; and

Whereas Congress intends that this assistance should in no way be regarded as implicit or explicit support by the United States Government of the provisions of the so-called internal settlement or of the Rhodesian Government; and

Whereas Congress supports ongoing diplomatic efforts to achieve a peaceful negotiated settlement in Rhodesia: Now therefore be it Resolved by the Senate (the House of Representatives concurring),

SEC. 1. That the President pro tempore of the Senate and the Speaker of the House of Representatives, acting jointly and after consulting with the Majority Leaders and Minority Leaders of the Senate and the House of Representatives, shall appoint two individuals to serve as cochairpersons of a team of observers of the election in Rhodesia to be held on April 20, 1979. The cochairpersons shall select not less than 25 and not more than 50 other individuals to serve on the team of observers. All individuals appointed or selected to the team of observers shall be from private life or members of national private organizations or associations, and no individual who is serving as an officer or employee of the United States Government may be appointed or selected.

SEC. 2. (a) It shall be the duty and function of the team of observers to observe the election in Rhodesia to be held on April 20, 1979, and to report thereon to the Congress. Such report shall be submitted by the cochairpersons as soon as possible after such election has been held.

(b) The report submitted under subsection (2) shall include the views of the team of observers, or individual members thereof—

(1) as to whether all of the people of Rhodesia and all organized political groups were given a fair opportunity to participate fully in the election without regard to ethnic identity or political affiliation; and

(2) on the extent of public participation in the election, including the extent to which disruptions in the election process due to guerrilla activities may have affected public participation in the election and the extent to which eligible voters expressed opposition by voluntarily refraining from voting in the election.

SEC. 3. The cochairpersons and members of the team of observers shall serve without compensation but shall be reimbursed for transportation expenses and travel expenses when away from their homes in performance of their duties. The amount of travel expenses for which reimbursement may be made shall be the same as may be paid to an employee of the Senate serving on the staff of a committee, except that reimbursement may be made for actual and necessary travel expenses incurred while in Rhodesia and in traveling to and from Rhodesia.

SEC. 4. The expenses of the team of observers in carrying out this concurrent resolution, which shall not exceed $175,000, shall be paid from the contingent fund of the Senate upon vouchers signed by the cochairpersons and approved by the Committee on Rules and Administration of the Senate.

Mr. MCGOVERN. Mr. President, at this point I send to the desk on behalf of myself and the distinguished Senator from California (Mr. HAYAKAWA) a resolution relating to the forthcoming election in Rhodesia.

Mr. President, in the next few months, the United States will face a crucial foreign policy decision with regard to its policy toward Africa. That decision will be whether or not to lift economic sanctions against Rhodesia following the holding of an election in that country on April 20, 1979.

The Rhodesian sanctions issue has caused a great deal of controversy in the past. It is likely to cause considerable

debate in the near future. In anticipation of this debate, I am today introducing a concurrent resolution with the cosponsorship of Senator HAYAKAWA which I hope will contribute a measure of reason as well as a substantial amount of information, to a dispute that has been clouded in the past by partisan politics and emotional rhetoric that have not been conducive to the formulation of a sound foreign policy in southern Africa.

This resolution provides for Congress to send a team of impartial, professionally qualified international observers recruited from private life to monitor the Rhodesian election in April and report back to Congress on their findings. Their function, quite simply, will be to provide an objective, comprehensive, and thorough evaluation of whether or not the Rhodesian election is free and fair. It will not be the function of the observers to determine whether economic sanctions should be lifted against Rhodesia that is properly a foreign policy decision to be made by the President.

This resolution will give force one way or another to making a judgment that I think can be relied upon as to whether, in fact, a valid election has taken place in Rhodesia.

However, under legislation enacted last year, the President is obliged to make a determination on this issue based on his evaluation of two conditions. The so-called Case-Javits amendment to the International Security Assistance Act of 1978 stipulates that the United States shall not enforce sanctions against Rhodesia after December 31, 1978, provided that the President determines that—

First, the Government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and

Second, a government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally-recognized observers.

In order for the President to make a determination regarding the second condition, he must have access to information from reliable and credible observers. This type of information may possibly be provided by ad hoc groups who may send their own teams of observers to Rhodesia. Press reports will undoubtedly also be useful. But there is no guarantee that these observers will be impartial. Their presence may only fuel the debate further, heightening dissention and confusing the issue for both the executive and legislative branches of Government.

It is my hope, and that of Senator HAYAKAWA who is cosponsoring this resolution, that the team of observers sent to Rhodesia under the terms of this resolution will scrutinize the electoral laws and survey the electoral process with as high a degree of professionalism and objectivity as possible. Upon receipt of the observers' report, Congress will forward it on to the President for his consideration in making his determination with respect to the lifting of sanctions.

There are a number of points to clarify with regard to the idea of sending an observer team to Rhodesia. First, the sending of election observers is in no way to be interpreted as a gesture of support for the Rhodesian Government or for the provisions of the internal settlement. It is offered here as a means of assessing public opinion, much as the British Commission led by Lord Pearce in 1972 was a means of testing African public opinion on a previous plan for majority rule. The Pearce Commission Report was a decisive and authoritative judgment of a previous proposal for political change in Rhodesia. It is our hope that the observer team launched by Congress will fulfill a similar role in the context of current proposals for majority rule.

Second, it should be clarified that Senator HAYAKAWA and I continue to hold very different views of the present Rhodesia situation, and of the role of an election under current circumstances. Senator HAYAKAWA believes that the election offers a realistic opportunity to measure public opinion and could pave the way to end the Rhodesian conflict. My view is that it is unlikely that a legitimate election can be held in Rhodesia given the hostilities taking place and the fact that the election will not be supervised by a neutral administration. In addition, the election does not appear to me to be an adequate means of ending the war.

Nevertheless, Senator HAYAKAWA and I share some common ground in agreeing that the President and Congress should have available for their deliberations an accurate and unbiased report on the Rhodesian election, should it take place. It is in this respect that the distinguished Senator from California and I are working together to provide the machinery that may contribute to the formulation of a sound and reasonable foreign policy position by the United States toward the Rhodesian dispute.

Third, I want to clarify that this is exclusively a congressional initiative that does not have the endorsement of the administration. The findings of the observer team will not be binding on the President. Obviously, he will have available reports from several sources that he may wish to take into account in making his determination within the terms of the Case-Javits amendment. Congress should not restrict the range of information that the President may utilize in making his decision. However, the observer team appointed under this resolution will carry a measure of prestige and stature that will make its findings of unquestionable significance.

Fourth, it is my belief that the selection of the individual observers is absolutely critical to the success of this effort. The members of the observer team should be professionally qualified persons drawn from private life whose reputations for integrity are unassailable. They should not be political appointees or party representatives. They should be nonpartisan and apolitical in their judgments.

Under the terms of this resolution, Congress will appoint two cochairpersons. These persons will then recruit a qualified team containing not less than 25 and not more than 50 other Members whose expenses will be paid from the contingent fund of the Senate.

Once the cochairpersons are appointed, Congress shall have no further involvement in the operations or deliberations of the observer team, other than to provide financial support. This is necessary to preserve the objectivity and independence of the team.

The Government of Rhodesia has agreed to provide transport services and security arrangements for the observers at its own expense. Our estimate is that the cost of a full team for a 2-week period should not exceed $175,000, a small price to pay for a step that may go a long way toward resolving a major foreign policy problem for the United States.

Mr. President, there have been suggestions by some that this approach of sending an observer team to Rhodesia does not go far enough. Others maintain that it goes too far. Senator HAYAKAWA and I share the view that the best role for Congress to play at this time is to provide the means to obtain accurate and fair information on the Rhodesian issue, without prejudging its outcome. Our proposal does not pick winners or endorse particular solutions to the conflict. To the contrary, it is conceived as a neutral act, the object of which is to make an impartial evaluation of the upcoming election so that we may cut through the confusion and controversy which this issue has thus far generated in Congress.

Mr. President, I would like to announce in this connection that the Senate Foreign Relations Committee will be conducting hearings on Rhodesia on March 5 and 7. At that time, we will be exploring fully the state of the Rhodesian conflict, U.S. policy, and the desirability of sending an observer team to Rhodesia.

Finally, Mr. President, I ask unanimous consent to insert in the RECORD an article on this issue of Rhodesia written by the previous chairman of the Africa Subcommittee of the Senate Foreign Relations Committee, Senator Dick Clark. His work on Africa earned the respect and admiration of all who had the privilege of working with him. In this essay in the New York Times he describes the significance of Congress' role in the Rhodesian dispute and the importance it will have on U.S. policy toward Africa as a whole.

I also ask unanimous consent that an estimate of expenses for observers in the Rhodesian election under this resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AFRICAN POLICY'S BIG TEST

(By Dick Clark)

WASHINGTON.—Few foreign-policy initiatives have represented as sharp departures from the past, contained as many innovative ideas or demand as much diplomatic skill and patience as the Carter Administration's policy toward Africa.

Whereas over the last two decades, United States policy waivered between the poles of benign neglect and erratic anti-Communism, a fresh start was made in 1977. Midway through President Carter's first term, that policy is now being sorely tested.

High priority was attached to the new Carter policy, which stressed the importance of African-nationalist aspiration and which took a tough stance against racism in Southern Africa.

To give teeth to this policy, concrete plans were formulated with our Western allies to bring majority rule to Rhodesia and Namibia through peaceful negotiations and free elections. After months of patient diplomacy, a United Nations formula acceptable to all the participants in the Namibian conflict seems close to implementation. Similar results, however, have not been forthcoming in the Rhodesian dispute.

It is on this issue that the acid test of Carter's Africa policy is likely to come this year, a product of mounting public criticism over the United States role in the deteriorating Rhodesian situation. While there are some in this country who feel that the Administration has not gone far enough in pressing for a Rhodesian settlement that includes all parties, others—whose views are well represented in Congress—believe that President Carter has gone too far by insisting on the participation of the guerrilla forces.

Rhodesia, it has been reported in the press, was to tap this sentiment by launching a high-powered lobbying campaign on Capitol Hill to lift economic sanctions. Domestically, the expected Rhodesian sanctions vote will provide a way to measure public confidence in Carter's Africa policy as a whole. It will go to the roots of domestic criticism and to the heart of the debate over the limits of American influence. Internationally, its consequences would reach far beyond the borders of Rhodesia.

Of all the African issues, Rhodesia has the longest history of Congressional concern. In 1977, after many unsuccessful efforts, Congress repealed the Byrd Amendment, which allowed trade with Rhodesia in violation of United Nations sanctions. In 1978, Congress barely resisted an attempt to rescind that repeal by enacting the compromise Case-Javits Amendment, which tied the lifting of sanctions to two conditions: a willingness of the Rhodesian Government to attend an all-parties conference and the installation of a new government chosen through free elections. This year, Congress will decide whether to uphold the balanced formula carefully laid down by the 95th Congress or to lift sanctions unilaterally, bringing the United States full circle to a period when our power and prestige in Africa were minimal.

On the surface, the debate will revolve around the question of which side to support in the tragic conflict. But few members of Congress are familiar with the complexities of the Rhodesian war or have clearer perceptions of American interests in the dispute. In reality, the debate will be more of a trial of the Administration's performance, an assessment of the ability of the team that conceived the African policy to defend it against the anti-Administration, anti-terrorist and anti-Soviet impulses that are shaping public attitudes on American foreign policy today. In my view, this is the fundamental issue at stake, not the elements of the conflict itself.

But therein lies the irony of the entire episode. For in the event that sanctions are lifted, it will have little or no impact on the outcome of the Rhodesian controversy. It would come at the 11th hour, when the prospects of peace in Rhodesia and the influence of the United States Government there will be at their lowest point ever. But the damage to American foreign policy will have been done. A sanctions-lifting vote could seriously cripple if not fatally discredit the entirety of Carter's Africa policy, shattering African expectations of America's commitment to racial justice.

The political credibility generated by the Carter Administration in Africa over the last two years stands at the crossroads. It could go up in a puff of smoke by one Congressional vote on the single issue that has traditionally been the bellwether of United States-African relations.

Estimate of expenses for observers in Rhodesian election

Airfare:	
New York-Johannesburg-New York	$1,626
Johannesburg-Salisbury-Johannesburg	202
Multiplied by 52 (assuming full observer team allowed under the terms of the resolution)	95,056
Expenses:	
Room and board (estimate provided by Rhodesian Government is $30 per day. At the full rate of $75 per day normally allotted for congressional travel) ($75 x 52)	3,900
For 2 weeks	54,600
Total: Airfare and expenses for 52 observers for 2 weeks	149,656

Mr. HAYAKAWA. Mr. President, the resolution which my distinguished colleague, the Senator from South Dakota, and I are submitting today addresses an issue of historical significance. The elections which are scheduled to take place in Rhodesia not only will be a decisive event for that country's future, but they will also have a lasting impact on the development of the African continent and indeed on the foreign policies of the major powers.

I am certain that the proposed resolution will be carefully considered by our colleagues in both houses. Presumably, it will also attract broad public attention. I would not be surprised at all kinds of speculation about this unusual and certainly unexpected alliance between the senior Senator from South Dakota and the junior Senator from California, who are often at odds on political issues. Actually there is nothing strange in this alliance. What brought us together? The answer is simple. We have both made a conscientious effort to ascertain the facts about Rhodesia, and the facts stare us in the face. We have ideological differences, to be sure, but on this issue, commonsense unites us.

Last year, we both visited Rhodesia and some of its neighboring countries. We both spoke to the leaders of the opposing factions. We both scrutinized the general conditions surrounding the Rhodesian problem. It became clear to us that the so-called internal settlement is by no means an ideal or perfect solution. There are some features in it which both of us do not particularly like. But we also found that the British-American plan is at a hopeless impasse. The plan stands and falls on an all-parties conference, by which is meant the full participation in the conference of Joshua Nkomo of ZAPU and Robert Mugabe of ZANU. The former refuses to attend a conference because he believes that he and his guerrilla army can prevail by force of arms; the latter refuses because he says he is a Marxist-Leninist who does not believe in participatory democracy. There is not the slightest hope at the present time, therefore, that the feuding groups would be willing even to set down together and to engage in any meaningful negotiations, although the Executive Council of the Rhodesian Government has repeatedly expressed its willingness to attend an all-parties conference with no preconditions.

Finally, I have no confidence whatsoever that Joshua Nkomo and Robert Mugabe are men under whose leadership Rhodesia could become a democratic and well-governed country. I may add that the term "Patriotic Front" is one of these misnomers deliberately chosen because of its propaganda value. Neither Nkomo nor Mugabe are freedom fighters. What unifies these men temporarily is the lust for power. Everybody who knows them agrees that, should they ever win the upper hand, they will promptly be at each other's throats in a civil war that could go on for decades.

To summarize, looking at the unfortunate Rhodesian situation, there is a possibility that the internal settlement, in spite of its shortcomings, might work, and that the forthcoming elections could be a step in the right direction. Moreover, since there is no better solution in sight, we believe that the planned election of April 20 deserves serious consideration. Our resolution therefore proposes a dispatch of a team of observers to the Rhodesian elections.

In this connection I would like to state an important caveat. The proposed dispatch of observers must not be construed to be an implicit or explicit support of the internal settlement. No individual who is serving as an officer or employee of the U.S. Government may be appointed as an observer. All individuals selected will come from private life or national private organizations. Upon their return, they will report to Congress, which not only has the right but actually an obligation to know what kind of elections we shall be talking about. Everybody in this Chamber is aware of the risks and dangers inherent in conflicting reports. Suppose the only reports we got were propagandistic, the executive council claiming that the election was a great success, and the guerrilla leaders claiming that it was a huge failure and a fraud. Senator MCGOVERN and I are in agreement that we need a clear, objective and unbiased report of how the election was conducted and what were the results. This is the aim of the present resolution.

AMENDMENTS SUBMITTED FOR PRINTING

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION—S. 241

AMENDMENT NO. 70

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. LAXALT submitted an amendment intended to be proposed by him to S. 241, a bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes.

COMMUNITY VICTIM ASSISTANCE PROGRAMS

● Mr. LAXALT. Mr. President, today I am submitting legislation to create within the Law Enforcement Assistance Administration an Office of Community Victim Assistance Programs. My intent in introducing this bill is to improve LEAA programs which assist victims of crime, and institutionalize such programs as an ongoing mandate of LEAA.

LEAA has, during its 10 years of existence been of significant aid to victim witness programs across the United States, and has helped to establish many of those offices. However, the LEAA's support of such programs has dwindled in recent years, resulting in the cancellation of many programs which had been extremely successful. It is my hope that with passage of this bill LEAA will have a continuous and ongoing program of aiding victim witness assistance programs, both within the criminal justice system and those which are community related, that it will assist to expand victims compensation and restitution programs, and provide information relating to a number of other programs aiding the victims of crime.

The victims of crime are the forgotten link within the American criminal justice system. Where every conceivable kind of aid and assistance is given to criminal defendants, including free legal representation, counseling, rehabilitation, and a host of other services, the persons victimized by criminals are, for the most part, left to try to function on their own. As many of the victims are elderly or poor people, in many cases they are unable to function, and the victimization which itself may have only taken a few minutes continues on for months and years. I do not criticize the fact that the perpetrators are given substantial services at the taxpayers' expense—such an attitude is, it is said, the mark of an enlightened society. However, I do believe that those persons victimized should receive at least some assistance at the taxpayers' expense to help them through what is often the most traumatic experience of their lives.

The Law Enforcement Assistance Administration is the primary agency of the Federal Government responsible for aiding State and local governments in their fight against crime and in attempting to preserve order in American society. Thus, if the State and local governments, and community victims' programs as well, are to make any headway in assistance to victims on an orderly basis, with a corresponding increase in successful prosecution, the LEAA is the logical place from which such programs should be administered, and in fact should be actively engaged in such programs itself.

In addition to the actual assistance to governmental and community victim assistance programs, my bill requires LEAA to provide information relating to programs designed to prevent crimes involving victims, and requires it to place emphasis upon the impact which both preconviction and post-conviction release programs may have on the victims of crimes.

Additionally, LEAA will be required to aid in the development of legislation involving crime victims, particularly on a State level, and to render assistance and information regarding civil actions brought by victims of crimes against the perpetrators and third parties whose negligence may have resulted in injuries to crime victims, to aid in programs and activities designed to reduce intimidation of victims and witnesses of crimes.

Finally, and perhaps most importantly, the bill requires that the Law Enforcement Assistance Administration make recommendations to the Director of the Office of Justice Assistance Research and Statistics for the designation of funding for such programs.

Mr. President, I can think of virtually no other area where the Federal Government has such a binding obligation to assist its citizens than in helping them to recover from the trauma caused by crimes against their persons and their property. The cost to the taxpayers of such assistance is comparatively slight, but the impact on the lives of those concerned can be as significant as anything else that the Federal Government might do in their lifetimes. Additionally, of course, such programs have a very significant impact on prosecution, which is the reason that the criminal justice system exists in the first place.

Accordingly, I am proud to introduce this bill, and hope that many of my colleagues will join as cosponsors and in helping me to see that it becomes part of the Law Enforcement Assistance Administration program.●

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT—SENATE JOINT RESOLUTION 28

AMENDMENT NO. 71

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

NOTICES OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I would like to announce, for the information of the Senate and the public, the hearing schedule of the Committee on Veterans' Affairs for the month of March.

On March 6 at 11:30 a.m. in room 318 of the Russell Building, the committee will conduct a hearing to receive the Veterans of Foreign Wars legislative recommendations for the 1st session of the 96th Congress from Eric Sandstrom, commander-in-chief.

On March 12 at 9:30 a.m. in room 4232 of the Dirksen Building, the committee will hold a joint hearing with the Human Resources Committee on the nomination of Dr. Dennis Wyant to be the Deputy Assistant Secretary of Labor for Veterans' Employment.

On March 22 at 9:30 a.m. in room 6226 of the Dirksen Building, the committee will continue hearings on S. 330, the proposed Veterans' Administration Adjudication Procedure and Judicial Review Act. Testimony will be heard from representatives of the Veterans' Administration and various organizations that have an interest in the issue of judicial reveiw of VA decisions.

On March 29 at 9:30 a.m. in room 6226 of the Dirksen Building, the committee will receive the legislative recommendations for the 1st session of the 96th Congress from the American Veterans of World War II, Korea, and Vietnam (AMVETS), Paralyzed Veterans of America, Veterans of World War I, Blinded Veterans Association, and the Military Order of the Purple Heart.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. BUMPERS. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Parks, Recreation, and Renewable Resources Subcommittee.

The hearing is scheduled for Monday, March 5, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building. The purpose of the hearing is to receive testimony from the National Park Service on its proposal to increase entrance and visitor fees by some $12.6 million in fiscal year 1980.

I have scheduled this hearing to aid the subcommittee in the preparation of the March 15 report to the Senate Budget Committee.

For further information regarding the hearing, you may wish to contact Mr. Thomas Williams of the subcommittee staff at 4-7145.●

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

● Mr. BAUCUS. Mr. President, on behalf of the Senator from Ohio (Mr. METZENBAUM), I wish to announce that the Judiciary Subcommittee on Antitrust and Monopoly will hold a markup on S. 390, the Antitrust Procedural Improvement Act of 1979, on Friday, March 9, 1979. The markup will begin at 9 a.m., in room 5110, Dirksen Senate Office Building.●

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Tennessee (Mr. SASSER), I wish to announce that the Subcommittee on Intergovernmental Relations of the Senate Committee on Governmental Affairs will hold a hearing on March 7, 1979, in Washington, and on March 10 in Memphis, Tenn., to examine the impact of the Natural Gas Policy Act of 1978 on American consumers.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements for inclusion in the record should be mailed to Lucinda Dennis, Subcommittee on Intergovernmental Relations, 508 Carroll Arms, 301 First Street, N.E., Washington, D.C. 20510.

ADDITIONAL STATEMENTS

FEDERAL LAND WITHDRAWALS IN ALASKA

● Mr. GRAVEL. Mr. President, there is increasing pressure on the Congress to set aside huge parcels of Federal land into very restrictive categories in order to preserve their wilderness nature.

The Alaska withdrawals made last year by President Carter and Interior Secretary Andrus are the most dramatic—and, I would add, outrageous—to date. The Secretary withdrew in excess of 100 million acres in Alaska—about the size of California. And the President designated 56 million acres of that land as national monuments.

Other Federal land withdrawals are also on the horizon: Wilderness designations in national forests throughout the country under the RARE II recommendations; and wilderness review for all roadless Federal lands of more than 5,000 acres.

I think it has been assumed in Congress that there was broad support across the country for withdrawals of these kinds, which restrict or prohibit all kinds of development. But in fact, a recent poll by Cambridge Reports shows that this is not the case.

The poll demonstrates that a majority of Americans want to see energy exploration on Federal lands. A full two-thirds say exploration must be done before most land is committed to wilderness status. And a plurality—45 to 35 percent—even think that the United States already has set aside enough land for wilderness.

Mr. President, these findings come from a very highly respected public opinion firm, and they are radically different from what many in Congress have assumed the national opinion to be.

I ask that the summary of the findings be printed in the RECORD.

The findings are as follows:

CAMBRIDGE REPORTS, INC.,
Cambridge, Mass., February 8, 1979.

MEMORANDUM

Recently the question of what to do with Federally-owned wilderness lands has become increasingly controversial. The debate over Alaskan lands embroiled the last Congress and further controversy over both Alaskan lands and land in the lower 48 states can be expected in the coming session.

On the one side stand the conservationists, some of whom at the most extreme end argue for virtually no entry at all by anyone into wilderness lands. On the other end of the spectrum stand energy and other industries that argue for development of resources on those lands with varying degrees of safeguards.

The Fourth Quarter 1978 Cambridge Report 17 survey—conducted between November 26 and December 20, 1978—included a series of questions examining public perceptions of wilderness lands and attitudes toward development of resources in wilderness areas. This memorandum represents a preliminary draft of our analysis of these survey results. An edited version of the text presented here will appear in our final report on the Fourth Quarter survey.

We looked briefly at this question in the last *Report* and saw that a majority of respondents favored some exploration, at least, of energy resources on Federal lands in Alaska. Repeating the question, we see essentially no change from last quarter.

Recently there has been a debate over what to do with Federally owned wilderness lands—particularly in Alaska. Some people say these lands may contain vast amounts of oil, gas and uranium needed for energy development and that they should be explored. Other people say these are protected wilderness areas and should not be explored. Would you favor or oppose exploring the Federal wilderness lands for energy resources?

(In Percent)

	R17 1978 IV	R16 1978 III
Favor	58	60
Don't know	14	18
Oppose	28	22

Demographic breakdowns, which are included in an appendix to this memorandum, show that higher-income and better-educated respondents are more in favor of exploring than other people. Older respondents are also much more favorable to the idea than younger people.

This quarter we also expanded the questioning to ask respondents what they felt about the general issue of exploring and surveying Federal lands in general. As the table shows, whatever they may feel about ultimate use, most respondents are in favor of exploring such lands.

Recently there has also been a debate over wilderness lands throughout the country in general. Some people say that wilderness lands should be surveyed before they are restricted in order to determine whether or not energy or mineral resources exist on them. Other people say we have to preserve wilderness lands regardless of potential use and that the surveys themselves would damage the wilderness. Do you think we should survey wilderness areas or not before deciding what to do with them?

	Percent
Yes	67
Not sure	14
Yes	67

Again, the demographic breakdowns show wealthier respondents are more likely to favor exploration though essentially majorities in every group do. Men are somewhat more likely than women to favor exploration.

We then asked respondents whether they favored or opposed a number of specific uses of wilderness lands. As the table shows, people supported all the possible uses we proposed except for surface mining of coal. Dam building for flood control won the greatest support of those approved activities, but most other "developmental" ideas also won support.

I'm going to read you some activities that might be carried out on Federally-owned wilderness lands and I'd like you to tell me whether you would favor or oppose allowing each of them.

[In percent]

	Favor	Don't know	Oppose
Constructing roads to permit people to have access to the lands	54	13	33
Cutting down timber, as long as land was reforested under government guidelines	62	11	27
Building dams to control floods and generate electricity	71	9	20
Constructing underground mines to develop coal	55	14	31
Surface mining to develop coal	39	13	48
Drilling for oil and natural gas	64	11	25
Building recreation areas, such as parks, to permit more use of the land	66	10	23
Mining for mineral resources	53	15	32

While we present the demographic breakdowns in the appendix for all the possible developments, since some readers may be particularly interested in the details of a particular one, there is little point in examining each in detail since they tend to show the same patterns. In each case, higher-income and better-educated people tend to be more development oriented than poorer and less-educated respondents. Younger people tend to be more skeptical of development than older and middle-aged respondents. Finally, political conservatives tend to be slightly more favorable to development than moderates and liberals, though in many cases the differences might be considered smaller than expected.

Retreating from the specific to the general, we asked respondents the broader question of whether or not the United States has protected enough wilderness land or whether it needs to protect more. As the table shows, a plurality of Americans do feel that we have protected enough, though over one-third of the public wants to do more.

Just in general, do you think the United States has preserved enough wilderness land or should the U.S. attempt to protect additional areas of wilderness from development?

	Percent
Preserved enough wilderness land	45
Don't know	19
Protect additional areas of wilderness	35

Not surprisingly, the demographic breakdowns show virtually identical patterns to those we have seen on previous questions.

Given the general desire to develop new energy sources rather than pay higher prices for existing supplies, even when we repeated the question about oil and gas exploration in the context of a Congressional proposal we again found majority support for going ahead with exploration.

Recently there have been proposals before Congress to close additional areas of Federally-owned wilderness land to any kind of development, including searches for new oil and gas. Do you favor or oppose allowing exploration for oil and gas on Federally-owned wilderness land?

	Percent
Favor	56
Don't know	16
Oppose	29

Again, demographic breakdowns show that higher-income and better-educated respondents are more likely to back exploration. Older respondents are more likely to back exploration than younger ones. Men are more in favor of looking for oil and gas than are women.

Furthermore, as the next question shows, nearly two-thirds of the opponents of such exploration either change to supporters or become undecided if they feel that wilderness areas might be the only place to look for new energy resources. Thus, only 10% of the whole population—35% of the original 29%—are firmly in opposition to exploration under these circumstances.

(If oppose exploration for oil and gas). If it were shown that virtually all of the hope for new gas and oil discoveries in the United States were in these Federal lands that would be closed to exploration development, would you still oppose exploring these lands for resources or not?

	Percent
Yes	35
Not sure	23
No	42

When the question was expressed in another way, in terms of national choice, we again found a large majority opting for energy development.

If it came down to a simple choice between developing new energy resources and preserving wilderness areas, which do you think the nation would choose?

	Percent
Developing new energy sources	67
Don't know	14
Preserving wilderness areas	19

Finally, we asked respondents specifically again about drilling for oil and gas in the Western United States. As the table shows, a majority support such activities.

Would you favor or oppose limited drilling for oil and natural gas in the wilderness areas of the western United States?

	Percent
Favor	60
Don't know	14
Oppose	26

Demographic breakdowns show that higher-income and better-educated Americans are as usual more inclined to back drilling than other people. Men are more likely to back drilling than women; whites are more likely to back it than blacks. Interestingly, while majorities in both the Central and Pacific regions (i.e., the western United States) back drilling, opposition is greater in these two areas than other places.

APPENDIX A: DEMOGRAPHIC DATA

Recently there has been a debate over what to do with Federally-owned wilderness lands—particularly Alaska. Some people say that these lands may contain vast amounts of oil, gas and uranium needed for energy development and that they should be explored. Other people say that these are protected wilderness areas and should not be explored. Would you favor or oppose exploring the Federal wilderness lands for energy resources?

[In percent]

	Favor	Don't know	Oppose
Overall	58	14	28
Total household income:			
0 to $3,999	49	19	32
$4,000 to $6,999	49	19	32
$7,000 to $9999	58	11	31
$10,000 to $12,999	58	15	28
$13,000 to $14,999	62	11	27
$15,000 to $19,999	61	14	25
$20,000 to $24,999	58	16	27
Over $25,000	68	6	26
Age:			
18 to 25	45	15	41
26 to 35	58	14	28
36 to 45	63	16	22
46 to 55	68	10	22
56 to 65	62	11	26
Over 65	58	17	25
Sex:			
Female	56	17	27
Male	60	11	29
Race:			
White	59	13	28
Black	53	23	25
Head of household:			
Yes	61	13	27
No	56	15	30

Favor or oppose exploring Federal wilderness lands for energy resources

Overall	58	14	28
Education:			
Some grade school	54	22	24
Some high school	52	20	29
High school graduate	58	13	29
Technical/vocational	71	7	23
Some college	61	10	30
College graduate	63	12	25
Graduate school	65	13	22
Religion:			
Protestant	60	13	27
Catholic	59	15	25
Jewish	45	27	28
Other	45	11	45
None	59	3	38
Political ideology:			
Liberal	57	9	34
Moderate	59	16	26
Conservative	62	11	27
Urban/rural:			
Urban	60	13	27
Suburban	59	14	27
Rural	53	15	31
Areas:			
Northeast	55	23	21
Industrial	64	12	24
Midlands	58	13	29
South	58	17	25
Central	56	8	36
Pacific	54	10	36

Recently there has also been a debate over wilderness lands throughout the country in general. Some people say that wilderness lands should be surveyed before they are restricted in order to determine whether or not energy or mineral resources exist on them. Other people say we have to preserve wilderness lands regardless of potential use and that the surveys themselves would damage the wilderness. Do you think we should survey wilderness areas or not before deciding what to do with them?

[In percent]

	Yes	Not sure	No
Overall	67	14	19
Total household income:			
0 to $3,999	58	21	21
$4,000 to $6,999	66	15	20
$7,000 to $9,999	67	13	21
$10,000 to $12,999	67	14	20
$13,000 to $14,999	82	7	12
$15,000 to $19,999	66	11	23
$20,000 to $24,999	69	13	18
Over $25,000	73	9	19
Age:			
18 to 25	61	14	26
26 to 35	67	15	18
36 to 45	69	16	14
46 to 55	75	11	14
56 to 65	67	10	23
Over 65	66	15	18
Sex:			
Female	64	17	19
Male	71	11	19
Race:			
White	68	13	19
Black	60	23	17
Head of household:			
Yes	71	11	18
No	63	17	20

Should we survey wilderness areas or not before deciding what to do with them

Overall	67	14	19
Education:			
Some grade school	58	21	22
Some high school	64	16	21
High school graduate	69	14	17
Technical/vocational	78	8	14
Some college	68	12	21
College graduate	78	10	11
Graduate school	68	14	18
Religion:			
Protestant	70	13	17
Catholic	67	13	20
Jewish	58	26	17
Other	56	21	23
None	66	10	24
Political ideology:			
Liberal	65	10	24
Moderate	70	13	17
Conservative	71	12	18
Urban/rural:			
Urban	68	14	18
Suburban	68	14	18
Rural	64	15	21
Areas:			
Northeast	66	21	13
Industrial	70	14	16
Midlands	67	11	21
South	69	15	16
Central	67	8	24
Pacific	61	12	27

Would you favor or oppose constructing roads to permit people to have access to Federally-owned wilderness lands?

[In percent]

	Favor	Don't know	Oppose
Overall	54	13	33
Total household income:			
0 to $3,999	52	15	33
$4,000 to $6,999	54	13	33
$7,000 to $9,999	56	13	31
$10,000 to $12,999	54	14	33
$13,000 to $14,999	59	9	32
$15,000 to $19,999	55	12	33
$20,000 to $24,999	53	10	37
Over $25,000	63	8	29
Age:			
18 to 25	48	13	40
26 to 35	57	13	31
36 to 45	51	15	34
46 to 55	59	11	31
56 to 65	57	11	33
Over 65	56	16	27
Sex:			
Female	52	16	32
Male	56	10	34

[In percent]

	Favor	Don't know	Oppose
Race:			
White	54	12	34
Black	60	17	23
Head of household:			
Yes	57	12	32
No	62	15	34
Education:			
Some grade school	54	20	26
Some high school	50	14	36
High school graduate	56	12	31
Technical/vocational	64	12	24
Some college	50	13	38
College graduate	56	14	30
Graduate school	61	6	33

Favor or oppose construction of roads giving people access to federally owned wilderness lands

Overall	54	13	33
Religion:			
Protestant	56	12	32
Catholic	53	14	33
Jewish	57	21	22
Other	36	8	56
None	55	11	34
Political ideology:			
Liberal	57	9	34
Moderate	53	15	32
Conservative	56	11	34
Urban/rural:			
Urban	59	12	29
Suburban	52	15	33
Rural	47	13	40
Areas:			
Northeast	59	18	22
Industrial	58	11	31
Midlands	49	11	41
South	58	15	27
Central	49	8	42
Pacific	46	17	38

Would you favor or oppose cutting down timber on Federally-owned wilderness lands, as long as this land was reforested under government guidelines?

[In percent]

	Favor	Don't know	Oppose
Overall	62	11	27
Total household income:			
0 to $3,999	49	14	38
$4,000 to $6,999	66	9	25
$7,000 to $9,999	57	9	34
$10,000 to $12,999	59	11	30
$13,000 to $14,999	70	8	23
$15,000 to $19,999	61	11	29
$20,000 to $24,999	66	9	25
Over $25,000	64	10	27
Age:			
18 to 25	54	12	34
26 to 35	64	9	27
36 to 45	61	11	28
46 to 55	68	11	20
56 to 65	63	11	27
Over 65	62	11	27
Sex:			
Female	59	13	28
Male	65	8	26
Race:			
White	63	10	28
Black	55	21	24
Head of household:			
Yes	64	10	25
No	58	12	29
Education:			
Some grade school	56	19	26
Some high school	62	12	26
High school graduate	64	9	27
Technical/vocational	70	9	21
Some college	57	9	34
College graduate	65	12	24
Graduate school	66	9	25

Favor or oppose cutting down timber on federally owned wilderness lands, as long as land was reforested

Overall	62	11	27
Religion:			
Protestant	63	10	27
Catholic	64	9	27
Jewish	60	21	20
Other	53	12	35
None	50	12	39
Political ideology:			
Liberal	64	9	27
Moderate	62	11	27
Conservative	63	9	28

[In percent]

	Favor	Don't know	Oppose
Urban/rural:			
Urban	60	11	30
Suburban	62	11	27
Rural	67	10	23
Areas:			
Northeast	70	12	17
Industrial	67	7	26
Midlands	54	14	32
South	65	13	22
Central	62	4	34
Pacific	45	17	38

Would you favor or oppose building dams to control floods and generate electricity on Federally-owned wilderness lands?

[In percent]

	Favor	Don't know	Oppose
Overall	71	9	20
Total household income:			
0 to $3,999	65	12	23
$4,000 to $6,999	75	13	12
$7,000 to $9,999	77	5	17
$10,000 to $12,999	72	9	19
$13,000 to $14,999	81	6	13
$15,000 to $19,999	66	6	28
$20,000 to $24,999	68	5	27
Over $25,000	72	7	21
Age:			
18 to 25	69	7	24
26 to 35	67	12	20
36 to 45	74	8	18
46 to 55	72	7	21
56 to 65	70	6	24
Over 65	74	12	15
Sex:			
Female	69	10	21
Male	72	8	20
Race:			
White	71	8	21
Black	69	19	12
Head of household:			
Yes	73	9	19
No	69	9	22
Education:			
Some grade school	70	12	18
Some high school	74	10	16
High school graduate	72	8	19
Technical/vocational	79	5	16
Some college	68	7	26
College graduate	66	12	21
Graduate school	66	6	28

Favor or oppose building dams to control floods and generate electricity on Federally-owned wilderness lands

	Favor	Don't know	Oppose
Overall	71	9	20
Religion:			
Protestant	72	9	20
Catholic	72	9	20
Jewish	66	20	15
Other	60	10	30
None	70	6	23
Political ideology:			
Liberal	74	9	18
Moderate	69	10	21
Conservative	71	7	22
Urban/rural:			
Urban	70	9	21
Suburban	71	9	21
Rural	73	9	18
Areas:			
Northeast	73	12	15
Industrial	72	10	19
Midlands	69	8	23
South	74	9	18
Central	75	6	20
Pacific	58	10	33

Would you favor or oppose constructing underground mines on Federally-owned wilderness lands to develop coal?

[In percent]

	Favor	Don't know	Oppose
Overall	55	14	31
Total household income:			
0 to $3,999	48	22	30
$4,000 to $6,999	60	11	29
$7,000 to $9,999	57	13	30
$10,000 to $12,999	54	11	35
$13,000 to $14,999	54	17	29
$15,000 to $19,999	49	13	38
$20,000 to $24,999	57	9	34
Over $25,000	61	11	28
Age group:			
18 to 25	46	18	37
26 to 35	54	12	34
36 to 45	55	15	30
46 to 55	58	14	29
56 to 65	56	12	32
Over 65	61	14	25
Sex:			
Female	51	17	32
Male	59	11	31
Race:			
White	55	13	32
Black	51	25	24
Head of household:			
Yes	58	12	29
No	51	16	34
Education:			
Some grade school	55	21	24
Some high school	54	16	31
High school graduate	58	12	31
Technical/vocational	55	9	37
Some college	50	13	37
College graduate	56	17	28
Graduate school	60	8	32

Favor/oppose constructing underground mines

	Favor	Don't know	Oppose
Overall	55	14	31
Religion:			
Protestant	55	14	31
Catholic	55	15	30
Jewish	57	20	22
Other	49	8	42
None	43	8	49
Political ideology:			
Liberal	51	9	40
Moderate	53	19	28
Conservative	60	10	31
Urban/rural:			
Urban	56	13	32
Suburban	55	15	30
Rural	53	15	32
Areas:			
Northeast	60	14	27
Industrial	59	13	28
Midlands	58	12	30
South	53	19	28
Central	54	9	37
Pacific	41	17	43

Would you favor or oppose surface mining of Federally-owned wilderness lands to develop coal?

	Favor	Don't know	Oppose
Overall	39	13	48
Total household income:			
0 to $3,999	43	14	43
$4,000 to $6,999	44	19	37
$7,000 to $9,999	43	11	45
$10,000 to $12,999	38	13	50
$13,000 to $14,999	42	11	48
$15,000 to $19,999	37	11	53
$20,000 to $24,999	40	7	54
Over $25,000	41	7	52
Age:			
18 to 25	25	14	61
26 to 35	38	12	50
36 to 45	37	14	49
46 to 55	45	12	42
56 to 65	43	9	48
Over 65	49	14	37
Sex:			
Female	37	15	48
Male	41	11	48
Race:			
White	38	12	51
Black	49	21	31
Head of household:			
Yes	41	13	46
No	34	14	52
Education:			
Some grade school	40	19	41
Some high school	46	14	40
High school graduate	41	11	48
Technical/vocational	42	10	48
Some college	32	13	56
College graduate	38	12	50
Graduate school	35	9	57

Favor or oppose surface mining on Federally owned wilderness lands to develop coal.

	Favor	Don't know	Oppose
Overall	39	13	48
Religion:			
Protestant	41	13	46
Catholic	36	15	49
Jewish	52	5	44
Other	32	10	56
None	78	5	85
Political ideology:			
Liberal	38	9	59
Moderate	42	13	46
Conservative	39	12	43
Urban/rural:			
Urban	44	12	44
Suburban	34	12	54
Rural	38	17	46
Areas:			
Northeast	49	14	37
Industrial	39	9	53
Midlands	36	13	52
South	45	18	37
Central	35	9	56
Pacific	29	15	57

Would you favor or oppose drilling for oil and natural gas on Federally-owned wilderness lands?

	Favor	Don't know	Oppose
Overall	64	11	25
Total household income:			
0 to $3,999	62	13	25
$4,000 to $6,999	67	11	22
$7,000 to $9,999	70	8	22
$10,000 to $12,999	66	10	24
$13,000 to $14,999	69	11	21
$15,000 to $19,999	65	11	24
$20,000 to $24,999	63	8	30
Over $25,000	64	10	26
Age:			
18 to 25	51	14	35
26 to 35	63	11	26
36 to 45	64	14	22
46 to 55	73	9	18
56 to 65	65	10	25
Over 65	71	10	19
Sex:			
Female	60	14	25
Male	68	8	24
Race:			
White	64	10	26
Black	64	20	16
Head of household:			
Yes	68	10	23
No	60	13	27
Education:			
Some grade school	65	13	22
Some high school	63	13	24
High school graduate	70	10	21
Technical/vocational	75	7	18
Some college	57	9	34
College graduate	61	17	22
Graduate school	62	7	31

Favor or oppose drilling for oil and natural gas on federally owned wilderness lands

	Favor	Don't know	Oppose
Overall	64	11	25
Religion:			
Protestant	68	10	22
Catholic	62	13	25
Jewish	61	15	24
Other	45	13	42
None	52	8	39
Political ideology:			
Liberal	63	7	30
Moderate	65	14	21
Conservative	68	9	24
Urban/rural:			
Urban	65	11	24
Suburban	63	11	26
Rural	64	12	24
Areas:			
Northeast	69	9	23
Industrial	68	11	21
Midlands	60	15	25
South	65	13	22
Central	66	7	27
Pacific	53	13	34

Would you favor or oppose building recreation areas, such as parks, to permit more use of the Federally-owned wilderness lands?

[In percent]

	Favor	Don't know	Oppose
Overall	66	10	23
Total household income:			
0 to $3,999	57	13	31
$4,000 to $6,999	71	11	19
$7,000 to $9,999	76	9	15
$10,000 to $12,999	69	8	24
$13,000 to $14,999	69	16	15
$15,000 to $19,999	66	11	23
$20,000 to $24,999	64	4	33
Over $25,000	68	5	27

[In percent]

	Favor	Don't know	Oppose
Age:			
18 to 25	63	11	26
26 to 35	67	10	23
36 to 45	66	11	23
46 to 55	69	10	21
56 to 65	67	5	28
Over 65	68	12	20
Sex:			
Female	66	11	22
Male	66	10	25
Race:			
White	66	9	25
Black	68	18	14
Head of household:			
Yes	67	10	23
No	65	10	24
Education:			
Some grade school	61	16	22
Some high school	66	10	24
High school graduate	68	9	23
Technical/vocational	66	11	23
Some college	62	10	27
College graduate	75	8	16
Graduate school	63	12	25

Favor/oppose building recreation areas

	Favor	Don't know	Oppose
Overall	66	10	23
Religion:			
Protestant	67	9	23
Catholic	68	17	21
Jewish	65	16	19
Other	52	11	37
None	61	9	29
Political ideology:			
Liberal	72	8	20
Moderate	65	12	24
Conservative	66	8	26
Urban/rural:			
Urban	68	10	22
Suburban	67	10	24
Rural	62	13	26
Area:			
Northeast	75	8	17
Industrial	70	8	22
Midlands	63	8	29
South	59	16	26
Central	70	8	22
Pacific	60	14	26

Would you favor or oppose the mining of Federally-owned wilderness lands for mineral resources?

[In percent]

	Favor	Don't know	Oppose
Overall	53	15	32
Total household income:			
0 to $3,999	50	20	30
$4,000 to $6,999	59	14	27
$7,000 to $9,999	58	15	26
$10,000 to $12,999	48	18	34
$13,000 to $14,999	53	14	33
$15,000 to $19,999	52	11	37
$20,000 to $24,999	56	7	38
Over $25,000	56	12	33
Age:			
18 to 25	45	14	41
26 to 35	48	16	37
36 to 45	56	17	26
46 to 55	57	12	31
56 to 65	57	11	33
Over 65	62	17	22
Sex:			
Female	51	17	32
Male	55	13	32
Race:			
White	52	14	34
Black	63	23	14
Head of household:			
Yes	56	14	29
No	50	14	36
Education:			
Some grade school	49	24	27
Some high school	53	13	35
High school graduate	57	14	29
Technical/vocational	50	18	32
Some college	49	12	39
College graduate	59	16	25
Graduate school	50	10	40

Would you favor or oppose the mining of Federally-owned wilderness lands

	Favor	Don't know	Oppose
Overall	53	15	32
Religion:			
Protestant	55	14	31
Catholic	54	16	30
Jewish	51	18	30
Other	37	17	47
None	37	14	49
Political ideology:			
Liberal	50	12	38
Moderate	56	15	29
Conservative	56	12	32
Urban/rural:			
Urban	57	13	30
Suburban	49	16	35
Rural	52	16	32
Area:			
Northeast	62	16	23
Industrial	55	13	32
Midlands	49	13	38
South	56	17	27
Central	51	11	38
Pacific	42	19	39

Just in general, do you think the United States has preserved enough wilderness land or should the U.S. attempt to protect additional areas of wilderness from development?

	Preserved enough wilderness land	Don't know	Protect additional areas of wilderness
Overall	45	19	35
Total household income:			
0 to $3,999	43	19	38
$4,000 to $6,999	46	17	37
$7,000 to $9,999	44	17	39
$10,000 to $12,999	44	21	35
$13,000 to $14,999	45	19	36
$15,000 to $19,999	36	21	44
$20,000 to $24,999	49	17	34
Over $25,000	53	15	32
Age group:			
18 to 25	28	20	52
26 to 35	46	16	38
36 to 45	48	26	27
46 to 55	53	18	29
56 to 65	46	18	36
Over 65	54	17	28
Sex:			
Female	42	24	34
Male	49	14	37
Race:			
White	46	17	36
Black	37	33	30
Head of household:			
Yes	49	16	35
No	40	23	37
Education:			
Some grade school	45	26	28
Some high school	40	23	37
High school graduate	49	18	33
Technical/vocational	41	16	42
Some college	41	15	44
College graduate	50	21	29
Graduate school	50	14	36

Do you think the United States has preserved enough wilderness lands

	Preserved enough wilderness land	Don't know	Protect additional areas of wilderness
Overall	45	19	35
Religion:			
Protestant	46	19	35
Catholic	47	19	34
Jewish	48	25	27
Other	33	22	45
None	32	16	52
Political ideology:			
Liberal	41	15	45
Moderate	44	22	34
Conservative	51	16	34
Urban/rural:			
Urban	46	19	35
Suburban	42	21	37
Rural	49	17	33
Area:			
Northeast	50	27	24
Industrial	49	19	33
Midlands	44	15	42
South	48	21	31
Central	31	15	54
Pacific	47	16	37

Recently there have been proposals before Congress to close additional areas of Federally-owned wilderness land to any kind of development, including searches for new oil and gas. Do you favor or oppose allowing exploration for oil and gas on Federally-owned wilderness land?

[In percent]

	Favor	Don't know	Oppose
Overall	56	16	92
Total household income:			
0 to $3,999	48	17	34
$4,000 to $6,999	52	21	26
$7,000 to $9,999	53	13	34
$10,000 to $12,999	58	14	28
$13,000 to $14,999	55	17	28
$15,000 to $19,999	57	15	28
$20,000 to $24,999	59	10	32
Over $25,000	63	11	26
Age:			
18 to 25	46	16	38
26 to 35	54	18	28
36 to 45	56	16	27
46 to 55	64	12	24
56 to 65	60	13	27
Over 65	55	17	28
Sex:			
Female	52	19	30
Male	60	13	27
Race:			
White	57	14	30
Black	50	30	20
Head of household:			
Yes	59	14	28
No	51	19	30
Education:			
Some grade school	55	25	20
Some high school	47	15	38
High school graduate	58	19	24
Technical/vocational	69	8	24
Some college	54	9	37
College graduate	63	12	25
Graduate school	60	13	28

Allowing exploration for oil and gas on wilderness land

	Favor	Don't know	Oppose
Overall	56	16	29
Religion:			
Protestant	58	14	28
Catholic	53	19	27
Jewish	58	18	24
Other	40	13	47
None	50	12	38
Political ideology:			
Liberal	55	13	32
Moderate	55	18	38
Conservative	59	12	29
Urban/rural:			
Urban	54	17	29
Suburban	57	15	29
Rural	58	13	29
Areas:			
Northeast	52	27	22
Industrial	62	13	25
Midlands	56	13	32
South	56	16	28
Central	50	11	39
Pacific	53	16	32

[If oppose.] If it were shown that virtually all of the hope for new gas and oil discoveries in the United States were in these Federal lands that would be closed to exploration development, would you still oppose exploring these lands for resources or not?

[In percent]

	Yes	Not sure	No
Overall	35	23	42
Total household income:			
0 to $3,999	40	22	38
$4,000 to $6,999	39	25	35
$7,000 to $9,999	24	33	43
$10,000 to $12,999	35	33	32
$13,000 to $14,999	23	36	41
$15,000 to $19,999	35	9	57
$20,000 to $24,999	31	23	46
Over $25,000	39	15	46
Age group:			
18 to 25	28	28	44
26 to 35	45	15	40
36 to 45	36	21	43
46 to 55	27	22	51
56 to 65	38	25	37
Over 65	35	30	35
Sex:			
Female	35	25	39
Male	36	20	44
Race:			
White	35	22	43
Black	37	27	36
Head of household:			
Yes	35	23	43
No	35	24	41
Education:			
Some grade school	39	23	37
Some high school	26	31	42
High school graduate	35	28	37
Technical/vocational	40	13	47
Some college	39	17	44
College graduate	33	14	53
Graduate school	43	8	49

Still oppose explanation of Federal lands

	Yes	Not sure	No
Overall	35	23	42
Religion:			
Protestant	35	22	44
Catholic	32	26	43
Jewish	28	31	42
Other	45	35	21
None	55	5	40

[In percent]

	Yes	Not sure	No
Political ideology:			
Liberal	36	18	46
Moderate	42	23	35
Conservative	31	26	44
Urban/rural:			
Urban	30	20	40
Suburban	28	30	42
Rural	39	17	44
Area:			
Northeast	22	24	54
Industrial	27	22	50
Midlands	42	28	30
South	31	18	51
Central	50	20	30
Pacific	38	31	31

If it came down to a simple choice between developing new energy resources and preserving wilderness areas, which do you think the nation should choose?

[In percent]

	Developing new energy sources	Don't know	Preserving wilderness areas
Overall	67	14	19
Total household income:			
0 to $3,999	48	27	26
$4,000 to $6,999	65	13	22
$7,000 to $9,999	65	14	20
$10,000 to $12,999	72	10	18
$13,000 to $14,999	75	14	11
$15,000 to $19,999	67	12	21
$20,000 to $24,999	69	14	17
Over $25,000	72	9	19
Age group:			
18 to 25	60	14	26
26 to 35	67	15	19
36 to 45	64	18	18
46 to 55	77	11	12
56 to 65	65	12	24
Over 65	69	14	17
Sex:			
Female	63	17	20
Male	70	12	18
Race:			
White	68	13	19
Black	58	22	20
Head of household:			
Yes	69	13	18
No	64	15	21
Education:			
Some grade school	63	19	18
Some high school	64	15	21
High school graduate	66	15	19
Technical/vocational	73	17	10
Some college	69	12	19
College graduate	71	12	18
Graduate school	69	10	21

[In percent]

Choice between developing new energy sources and preserving wilderness areas			
Overall	67	14	19
Religion:			
Protestant	69	14	17
Catholic	64	14	22
Jewish	64	15	22
Other	64	11	25
None	61	19	20
Political ideology:			
Liberal	65	14	21
Moderate	68	14	19
Conservative	68	13	19
Urban/rural:			
Urban	68	13	18
Suburban	65	14	21
Rural	66	17	17
Areas:			
Northeast	63	18	19
Industrial	71	10	19
Midlands	71	13	16
South	69	14	17
Central	66	14	20
Pacific	56	19	25

Would you favor or oppose limited drilling for oil and natural gas in the wilderness areas of the western United States?

[In percent]

	Favor	Don't know	Oppose
Overall	60	13	26
Total household income:			
0 to $3,999	48	13	39
$4,000 to $6,999	48	20	32
$7,000 to $9,999	57	14	30
$10,000 to $12,999	64	13	23
$13,000 to $14,999	64	16	19
$15,000 to $19,999	60	10	30
$20,000 to $24,999	66	11	23
Over $25,000	65	8	27
Age:			
18 to 25	51	15	35
26 to 35	59	16	25
36 to 45	64	13	23
46 to 55	70	9	21
56 to 65	58	12	30
Over 65	59	16	25
Sex:			
Female	55	17	28
Male	65	11	24
Race:			
White	61	13	26
Black	51	22	28
Head of household:			
Yes	63	12	25
No	55	16	29
Education:			
Some grade school	59	20	21
Some high school	53	14	32
High school graduate	61	14	25
Technical/vocational	66	9	25
Some college	58	11	32
College graduate	70	16	14
Graduate school	69	7	25

Favor or oppose limited drilling for oil and natural gas

Overall	60	14	26
Religion:			
Protestant	62	12	25
Catholic	59	17	24
Jewish	66	16	19
Other	46	10	44
None	51	9	40
Political ideology:			
Liberal	50	13	28
Moderate	60	16	24
Conservative	63	10	27
Urban/rural:			
Urban	59	14	27
Suburban	63	13	24
Rural	58	14	28
Areas:			
Northeast	57	22	21
Industrial	66	13	21
Midlands	64	12	24
South	62	12	26
Central	55	7	38
Pacific	52	16	32

●

MR. REX SHURTZ RECOGNIZED FOR ACT OF HEROISM

● Mr. DECONCINI. Mr. President, I am always greatly pleased whenever I am able to recognize someone from my home State of Arizona in front of my honored colleagues in the Senate. In this particular case, I should like to recognize Mr. Rex Shurtz of Safford for an act of heroism which undoubtedly saved in excess of 2,000 lives. During the great flood of 1979, which inundated and destroyed a great deal of property in eastern Arizona, Mr. Shurtz was informed upon coming home from work that the water level behind the Graveyard Wash Dam was unusually high. He ventured out, at considerable personal risk, to check the situation. He heard a gurgling noise, traced it down, and found a flaw in the dam. He immediately informed the proper officials of Graham County who rushed to the scene. Over 2,000 persons were safely evacuated from the area, the county repaired the leak, and those people were returned to their homes without further incident. Mr. Shurtz' actions unquestionably saved the lives of these people, and he deserved recognition for his act of heroism. Mr. President, I wish it to be printed in the RECORD, in order that this unselfish action may be recorded in the annals of our Congress.●

ALL-VOLUNTEER FORCES

● Mr. JEPSEN. Mr. President, there is a growing feeling in Congress and in this country that the All-Volunteer Force is not working as well as it should. The costs of maintaining an All-Volunteer Force are substantial and with the general trend of inflation they could be staggering in the near future.

Moreover, current population trends suggest that as we enter the 1980's, it will become increasingly difficult to man the All-Volunteer Force at an adequate level, even assuming a bigger increase in the number of women who enter the service. Finally, it seems fairly evident to all that the All-Volunteer Force was never designed to and indeed it could never provide the people needed in case of a major conflict.

With this in mind, I wish to print in the RECORD an article written by Curtis W. Tarr. Mr. Tarr was former director of the U.S. Selective Service System. He is a resident of Moline and a personal friend of mine. His writing is insightful; his assessment of the future of the All-Volunteer Force is sobering. I commend it to the attention of my colleagues.

The article follows:

BRIDGE GAPS IN MILITARY MIGHT

(By Curtis W. Tarr)

Recently, critics of the All-Volunteer Force have sharpened their knives for attack upon the ability of the armed services to supply the people for an adequate defense by voluntary means.

We hear rumblings of complaint in Congress, in military organizations (particularly those people responsible for recruitment), and among disparate voices across the land. Thus it is appropriate to assess the attempts of the military forces to carry out the program that President Nixon considered one of his most important contributions to the American society.

At the end of 1978, the United States had 2,049,000 people in active units, down 12,000 from the previous year because of programmed reductions. The services recruited 357,000 in the same year to maintain all units essentially at full strength.

The turnover of 18.7 percent was the lowest since 1966, generally a good sign indicating a more seasoned force with less concentration upon basic training. Enlistments in 1978 were 18 percent less than 1977 reflecting the higher reenlistment of people already in the forces.

Finally, except in the Air Force, a high percentage of young people entered service with a high school diploma or its equivalent than in any other year since the All-Volunteer Force began in 1973. Thus the raw statistics for 1978 look encouraging.

Women who make up 7 percent of the armed forces today were 12 percent of the enlisted accessions for 1978, an attempt by the services to open more opportunities to them. Blacks, who are 17 percent of total strength, accounted for 23 percent of the enlistments, nearly double the cross section of that age black youth in the American population. The Army now is 27 percent black and drew 34 percent of its enlistments from black youth. These numbers certainly attest to the limited economic opportunities for blacks elsewhere in America.

Some argue that only a representative force is adequate to carry out the nation's policies. My own view is that proper leadership of qualified people will achieve national goals regardless of the racial characteristics of the force.

The situation in the nation's reserve forces offers less encouragement. Reserve strength at 788,000 people in 1978 was down 2 percent from the previous year because of recruiting difficulties. Since the shortages are not spread evenly among units, some are considerably below strength.

Reserve units in 1978 recruited 201,000 young people, 70,000 of whom had no prior military service. In this latter group, those with a high school diploma or equivalent dropped from 45 percent to 39 percent (compared with 85.3 percent of recruits in the active Army). Among the 70,000, 16 percent were women, and 28 percent were blacks.

Experience in 1979 tempers earlier optimism. During the first quarter, each of the services fell short of its goals, the Air Force for the first time. The services together recruited only about 90 percent of the people needed to meet their requirements.

It still is too early to determine a trend and what will develop in the future. But it is clear that continuing shortages in recruitment soon will have an impact upon force structure.

Through 1978, volunteerism served the nation well, particularly in the active forces. We cannot be certain if it will do so in 1979. But those who wish to restore the draft need to remember that the draft never operated ideally. For now, the nation and the armed services must do everything possible to make volunteerism successful. It is not likely that Congress soon would grant to President Carter the authority to induct. The reserve forces have a special problem. Increased incentives and leadership appear to be the only practical resources to attract the people in the near future that the reserve units require.

Should any action now be taken?

Yes, I recommend that the president reactivate the registration and classification of young men for possible service during a national mobilization. No qualified observer ever has suggested that volunteers could provide the people the armed services would require for a major war.

Waiting to establish a draft system with registration and classification could invite intolerate delays in a time of national disaster. With such a system operating, inductions could begin shortly after the declaration of a national emergency.●

THE GREAT SNOW OF 1979

● Mr. KENNEDY. Mr. President, I would like to bring to the attention of my colleagues James J. Kilpatrick's inspirational reflections on the great snow of 1979—an historic event which brought our all too busy lives to a temporary halt and united us as families, neighbors, and communities as we "weathered the storm" and renewed our respect for nature's awesome power.

As the snow fell, it was eloquent in its silence, and Mr. Kilpatrick's own eloquence reminds us, in the words of Alexander Pope, that—

We are but parts of one stupendous whole, whose body Nature is, and God the soul.

I ask that the complete text of James J. Kilpatrick's article, "Important Things in a Great Snow," which appeared on Saturday, February 24 in the Washington Star, be printed in the RECORD.

The article follows:

IMPORTANT THINGS IN A GREAT SNOW

(James J. Kilpatrick)

SCRABBLE, Va.—A week has passed since the Great Snow of '79 fell upon us. The event thus has slipped into the classification of stale news, but the snow is worth writing about nonetheless. There were lessons here, and they are worth remembering.

Ordinarily, those of us in the Washington area have to apologize for our snows. Compared to the blizzards of Nebraska, the travails of Buffalo and the disasters of Chicago, our worst winter ills are the merest sniffles. In the usual course of events, we endure a few hours of snarled traffic; then the slush turns to worse slush and that's it.

The snow that began falling on Sunday afternoon was something else entirely. This was a snow to make a man quietly proud, a snow to mark births and deaths by.

It started as a powdery mist. By mid-afternoon two or three inches had accumulated on top of the six inches February already had delivered.

In early evening the storm picked up speed and muscle. At some point past midnight, this snow decided to go for a record.

Peering outside, one saw great waterfalls of snow, high curtains of snow; the heavens were one vast flour sifter turning at top speed. By late morning on Monday, it had stopped.

In Washington, the snow was reckoned officially at 18.7 inches. Here in the Blue Ridge Mountains, our yardstick said 21 inches. Before dawn Monday morning the wind began gusting at 20 to 25 miles an hour. We awoke to feast upon massive scallops of whipped cream, towering dunes of crisp meringue, rolls of hay iced like angel food cakes. A five-foot drift 50 feet long, made the driveway impassable. For the first time in 12 years we were literally snowed in.

In Washington, city dwellers saw the best and the worst of human nature. Ordinarily Washingtonians communicate as stiffly as so many strangers in an elevator. Now the anonymity receded. In the common exhilaration, human beings reached out—however briefly—to touch other human beings.

Members of the American Agricultural Movement, who had been making the city's life miserable with their tractorcades of protest, suddenly became heroes. They put their great waddling machines to work. It was a good day. After night fell, reports of looting began to sift in, soot staining the purity of the snow, but there were not so many of these in Washington.

Here in the mountains we learned old lessons all over again—which, come to think of it, is what one usually does with old lessons. We absorbed the beauty and the power of nature; we wondered at the awesome energy of a storm. In our isolation we learned the meaning of good conversation, loving companionship.

Mainly, the Great Snow of '79 taught us the unimportance of so much that surrounds us. A yard stick that measures snowfall measures values also. To be effectively prevented from doing many things is to discover how many things do not need to be done. At the very least it is to discover how many things do not need to be done right now. A vast deal of the busywork that engages us can be put off.

What is important? It is important to thrust through banks of snow to fill the bird feeders. It is important to keep firewood dry lest the electric power go out. Sooner or later it will be important to dig ourselves out to Rudisill's Mill Road and thence to the highways beyond. But not right now.

For now, it suffices to talk a while, to be silent for a while, to see images in licking flames and darkening embers. We learn from the squabbling sparrows, the grosbeaks, cardinals, bluejays, juncoes, doves, quail, finches, starlings. They flutter about the feeding stations like flung confetti at a winter party, scraps of colored paper on a white and brown collage.

We are as dependent as the birds and as independent as they also. We depend, of course, upon all the unknown hands that somewhere are performing the hard, essential work of clearing roads and restoring power. But to turn inward to one's own resources is to discover a kind of curious freedom.

For a little while no outside commitments, no distance compulsions, can break through the drifted snow. By ourselves, in and of ourselves, we survive. It is not a bad reflection for a snowbound afternoon.●

OPPOSITION TO PROPOSED STANDBY ENERGY CONSERVATION AND GASOLINE RATIONING PLANS

● Mr. TOWER. Mr. President, President Carter Tuesday proposed several standby energy conservation measures designed to enable us to cope with severe petroleum shortages resulting from foreign supply interruptions or U.S. compliance with international energy obligations. Each of these measures requires the affirmative approval of Congress within 60 days of submittal.

I intend to vote against approval of these proposed standby energy conservation and gasoline rationing plans. My opposition is based in part on the fact that these mandatory measures tend to discriminate most against those States and regions which have done the most to supply this Nation with the energy it needs. The primary basis for my opposition, however, is that these are measures for crisis management only, and can in no way contribute to an improved domestic energy supply situation.

I believe it is clear that Federal intervention designed to solve our energy supply problems has, in fact, only aggravated those problems and made their solution more difficult. It has been 5 years since the 1973–74 Arab oil embargo and yet we are today experiencing shortages of gasoline and other refined products and continue to be dangerously vulnerable to foreign supply cutoffs.

That 1973 embargo precipitated the enactment of hastily considered emergency oil price and allocation controls designed to regulate the shortage, and in each year since the Congress and the Federal agencies have conspired to add layer after layer of additional regulation. Controls imposed to regulate the shortage have only served to make it worse.

I believe the time has come to break the chain of regulatory-induced energy shortages which simply serve to bring on more regulation and more severe shortages. I believe the time is now to remove the costly and counterproductive price and allocation controls on gasoline and to quickly phase out controls on domestic crude oil.

Decontrol would not be painless, but neither are mandatory gasoline ration-

ing and other mandatory energy-saving measures of the kind recommended by the President. Decontrol has costs, but so do perpetual shortages and overregulation, and the direct and indirect costs of continued regulation are substantial.

Decontrol of crude oil and gasoline would, however, have real and substantial benefits. The relaxation of these controls would not only stimulate energy development to reduce U.S. foreign dependence and help assure adequate fuel supplies, but would also improve our balance of trade and tend to lessen unemployment by creating real jobs.

In short, the continuation of these costly and economically destructive oil price controls is a luxury this country cannot afford. I thus again urge the President to move forward now to decontrol gasoline and set the stage for a gradual, but rapid, phaseout of all price and allocation controls on domestic crude oil.

Until the Carter administration begins to attack the root causes of our energy supply problem in this manner—by substantially reducing the burden of Federal regulation—I cannot acquiesce in the approval of any additional mandatory conservation measures of the type being proposed. I urge my colleagues to join me in opposition to these ineffective short-term measure until real progress is made toward a solution to the problem.●

ALLEGATIONS OF DELIBERATE MANIPULATION OF PRODUCTION ARE GROUNDLESS

● Mr. JOHNSTON. Mr. President, on December 11, 1978 the Committee on Energy and Natural Resources held a hearing to secure information why certain major refiners were requesting from the Department of Energy the authority to allocate their available supplies of gasoline to wholesalers and marketeers.

An important witness was a representative from the Oil, Chemical, and Atomic International Union. OCAW is the union whose membership keeps our domestic refineries running. Mr. President, the substance of the gentleman's testimony turned out to be an allegation that there was no shortage but instead whatever situation did exist was:

> Purposely created for one reason—to manipulate oil price increases and to frighten the American people so that price controls would be lifted.

This allegation was indeed a serious one. The committee asked the Department of Energy to investigate. Subsequently, the Department contacted and sent agents into the named refineries to check production records and other sources. Mr. President, the Department in its report back to the Energy Committee reported that there were no grounds to substantiate these allegations of deliberate manipulation of production. I shall submit this report for printing in the RECORD at the conclusion of my remarks.

Mr. President, also testifying at the hearing was Mr. Jack O'Leary from the Department of Energy who stressed the fact that the rate of growth of demand for unleaded gasoline was outstripping the domestic refiners' ability to produce the needed supply. Although unleaded supplies would be tight this summer, the real shortage loomed in the early 1980's if our existing capacity was not expanded and retrofitted to produce more unleaded gasoline. Also present were witnesses from the Environmental Protection Agency and a representative from a major refiner. There was a healthy exchange among these witnesses as to the institutional problems impeding the needed expansion of our domestic refining capacity. I encourage this public debate more often. I also intend to introduce soon this session a bill to encourage the expansion of our domestic refining industry to meet our domestic needs. I hope to work very closely with my Senate colleagues and all persons interested in defining and putting into statutory form a unified national refining policy.

The testimony follows:

COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C., December 14, 1978.

Hon. JAMES R. SCHLESINGER,
Secretary,
Department of Energy,
Washington, D.C.

DEAR MR. SECRETARY: On Monday, December 11, 1978, the Committee on Energy and Natural Resources held a hearing on motor gasoline supply at which allegations were made which I believe should be promptly investigated by the Department of Energy. Specifically, the prepared statement of an official of the Oil, Chemical and Atomic Workers claimed that certain domestic refiners were operating at less than full capacity at a time when the companies owning these refineries were expressing concerns to DOE about possible gasoline shortages. As you know, the testimony of DOE, presented by Deputy Secretary O'Leary, was that domestic refineries are, and have been, running at near capacity.

Subsequent to the hearing the OCAW wrote to me with additional details about their allegations. A copy of their letter is attached. Because of the intense interest in this matter by the public and its relevance to the subject of the Committee's hearing I think it important that the factual situation with respect to these allegations be fully clarified as promptly as possible. I am, therefore, asking that DOE provide the Committee with a full report on the recent operation of the refineries named in the OCAW letter on or before the close of business, Friday, December 22, 1978.

Questions about this request should be directed to Benjamin S. Cooper or James T. Bruce at 224-9894.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

OIL, CHEMICAL AND ATOMIC WORKERS INTERNATIONAL UNION,
Washington, D.C., December 14, 1978.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: The following is the additional material that you asked for in connection with the statement of H. J. McClain, which was read into the record of the Energy Committee hearing of December 11th.

1. The refinery unit referred to on Page 3 of the McClain statement is turning out 22,000 barrels per day of unleaded product, where the unit capacity is 42,000, is at Mobil, located in Beaumont, Texas.

2. The four refineries that Director McClain made spot checks on were: Texaco (Port Arthur); Union Oil (Port Neches); Mobil (Beaumont); and Shell (Deerfield and Norco).

3. Shell (Deerfield). The production of unleaded gasoline is controlled by the throughput of the catalytic reformer units (CR). There are two reformer units at this refinery.

CR No. 1 has input capacity of 20,000 barrels/day (B/D) and output capacity of 18,000 B/D. During the period November 28, 1978 to December 8, 1978, this unit ran from a low of 9,200 B/D input and 7,955 B/D output to a high of 11,000 B/D input and 9,600 B/D output.

On December 9, 1978, the unit was shut down because of gasoline leaks. It was placed back in service December 13, 1978.

The capacity of CR No. 2 is not known exactly but it is in excess of 30,000 B/D input and more than 25,000 B/D output. On November 1, 1978, this unit was operating at 28,000 B/D input and 23,200 output with octane number of 99.5. On November 9, 1978, the throughput of the unit was cut back from the above figure to 16,600 B/D input, and 13,100 B/D output with octane number of 101.0. This rate was maintained for two weeks and then was raised to 20,000 B/D input.

On November 28, 1978, the throughput of the unit was cut back because there was no room in storage for the finished product. The levels in the storage tanks were the same as in mid-June, which is normal high point for the year in preparation for the summer driving season.

4. Mobil (Beaumont). There are two hydroformers at this refinery. Their capacity is 42,000 B/D each and for several weeks they have been running at between 21,000 and 22,000 B/D each. The unit which blends unleaded gasoline is running one 8-hour shift instead of the normal two 8-hour shifts.

5. Texaco (Port Arthur). This refinery has three hydroforming units, each of 28,800 B/D capacity. As of the present No. 2 and No. 3 are running at 27,000 B/D and 28,800 B/D. No. 1 is running at 14,400 B/D. The product has an octane number running between 80 and 91. This situation has not changed in the past six months. If demand were not being met, the throughput of No. 1 could be raised. Workers usually hear about demand problems but have heard of no problems with unleaded.

6. Union Oil (Port Neches). The unleaded gasoline production of this refinery is well below capacity. Detailed data is not available at this time.

Yours sincerely,

L. CALVIN MOORE,
Director of Citizenship-Legislative Department.

DEPARTMENT OF ENERGY,
Washington, D.C., February 1, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: On January 10, 1979, the Economic Regulatory Administration (ERA) forwarded to your office written responses from four oil companies (Texaco, Union, Mobil, and Shell) concerning the claim by the Oil, Chemical and Atomic Workers International Union (OCAW) that these refiners operated at less than full capacity at a time when unleaded gasoline supplies were tight. As a follow up, ERA representatives visited Texaco's Port Arthur refinery, Union's Beaumont refinery, Mobil's Beaumont refinery, and Shell's Deer Park refinery to verify their responses and to review their gasoline production situation. A copy of the report summarizing ERA's findings is enclosed.

ERA is satisfied with the findings concerning the operations of the above refiners. Their description of the refinery operations as well as actual operating records, inspected by the ERA representatives, support the statements made by these four refiners that they did make every effort to maintain maximum gasoline production and meet their customers' demands. In no case was there evidence that the refiners were holding back gasoline production or supplies.

If you have any further questions on this matter, please let us know.

Sincerely,

HAZEL R. ROLLINS
(For David J. Bardin, Administrator, Economic Regulatory Administration.)

Enclosure.

DEPARTMENT OF ENERGY,
Washington, D.C., January 31, 1979.

From Terrence S. Higgins.

Subject Report on refinery visits conducted to investigate OCAW statements to the Senate Committee on Energy and Natural Resources concerning motor gasoline supplies.

During the December 11, 1978, Motor Gasoline hearings before the U.S. Senate Committee on Energy and Natural Resources the Oil, Chemical and Atomic Workers International Union (OCAW) presented a statement claiming that refiners were operating at less than full capacity at a time when unleaded gasoline supplies were tight. Subsequent to the hearing, the OCAW, in their December 14, 1978 letter, supplied the Committee with additional details about its allegations. On December 14, 1978, Senator Henry M. Jackson, Chairman of the Committee, forwarded a copy of the OCAW letter to the Department of Energy (DOE) and requested that DOE investigate these allegations.

In response to Senator Jackson's request the Economic Regulatory Administration (ERA) wrote to the four oil companies cited (Texaco, Union, Shell, and Mobil) asking them to comment on the statements of OCAW. ERA forwarded copies of the refiners' responses to the Committee on January 10, 1979 (copies attached).

As a follow up, Terrence Higgins and Glen Andrea of ERA, visited Texaco's Port Arthur refinery, Union's Beaumont refinery, Mobil's Beaumont refinery and Shell's Deer Park refinery to verify their responses and to review their gasoline production situation. The ERA representatives gave each of the refiners the opportunity to discuss their operating philosophy and their specific operations during the past months. The ERA representatives then reviewed operating records, internal correspondence, etc. which supported the refiners' position. The specific findings for the four refiners are summarized below:

TEXACO

Texaco operated its Port Arthur refinery for maximum gasoline production up until the beginning of October when maximum furnace oil operations were established to meet anticipated demands. However, in response to unseasonal gasoline demand, maximum gasoline operations were reestablished in mid-October and continued through the remainder of 1978. Throughout the summer and fall Texaco operated at maximum reforming severity and used maximum allowable lead in leaded gasoline in order to optimize the use of available octane to increase unleaded gasoline production.

In its December 14, 1978, letter, the OCAW stated that the Port Arthur refinery had three 28,000 B/D hydroforming units operating at 14,400 B/D, 28,800 B/D, and 28,000 B/D. OCAW stated further that increases in gasoline demand could be met by a corresponding throughput increase in the first of these units.

According to Texaco, Port Arthur has three reformers with a capacity of approximately 20,000 B/D each. These units were successively down for planned maintenance from August through November. When running, each of the units operated at maximum capacity.

UNION OIL

Since the summer, Union Oil's Beaumont refinery ran at maximum crude capacity and produced maximum gasoline.

Union Oil confirmed the statement made by the OCAW that unleaded gasoline production from the Beaumont refinery was below capacity. The refinery is equipped to make 100 percent unleaded gasoline. The actual amount of unleaded gasoline production is continually adjusted to meet sales demand. During 1977, Union Oil marketed only leaded premium and unleaded regular grades of gasoline but because of low sales they resumed leaded regular production in 1978. Union Oil was able to meet all of its unleaded demand in 1978.

MOBIL

The Mobil Beaumont refinery has been producing maximum gasoline since this past summer. All downstream gasoline-producing units were operated at capacity. In August 1978, Mobil expanded its unleaded production capability by reactivating an idle isomerization unit which had been shut down since 1974.

In its letter, the OCAW stated that Mobil had two 42,000 B/D hydroformers which had been running between 21,000 and 22,000 B/D each. There are actually three reformers at the Beaumont plant with a total capacity of approximately 90,000 B/D. According to operating records the combined throughput for these reformers was 91,700 B/D in November and 85,900 in December.

The OCAW letter stated further that the unit which blends unleaded gasoline was run one 8-hour shift instead of the normal two 8-hour shifts. Mobil has two blender units in the Beaumont refinery, one for leaded and one for unleaded gasoline. These units are capable of blending up to 400,000 B/D while the refinery gasoline production capacity is only 180,000 B/D. The blenders operate only as required to meet product shipping schedules. These schedules are staggered and thus the units are manned 24 hours per day. During the months of November and December each of the blenders averaged over 16 hours per day of operation.

SHELL

Shell has maintained maximum production of unleaded gasoline through the summer and fall. Its overall gasoline volume was reduced slightly by the shutdown of a hydrocracker in late October. This shutdown was part of the refiner's Olefin plant expansion and octane improvement plan. The shutdown reduced leaded regular gasoline production; however, following the startup of the Olefin plant facilities, high octane by-product will be produced, which will increase unleaded gasoline production capability.

The statement by the OCAW claimed that Shell's unleaded gasoline production was controlled by the throughput of the Deer Park reformers which were running below capacity. According to Shell less than one-third of the Deer Park reformate can be used in their unleaded gasoline because volatility specifications limit the blending volume of this high-boiling-range component. All the available high-octane, low-volatility components produced in the refinery are blended to produce Shell's unleaded gasoline along with the maximum permissible volume of reformate. Any excess reformate produced is then used for leaded gasoline.●

MEDICARE HOME HEALTH AMENDMENTS OF 1979

● Mrs. KASSEBAUM. Mr. President, the "Medicare Home Health Amendments of 1979" meets an extremely important need for the growing number of elderly individuals in our society. I am therefore pleased to join my colleagues, Senators DOMENICI and PACKWOOD, in cosponsoring this measure.

At a time when the cost of health care has put an increasing strain on the financial resources of all Americans, our elderly are experiencing particularly severe difficulties. Not only are they in greater need of medical attention than other segments of the population, but they are also faced with the dilemma of meeting health care expenses with fixed, and generally limited, incomes. The medicare program has, of course, eliminated many of the financial barriers to care for the elderly. At the same time, the program's reimbursement structure has heavily favored institutional over in-home services. In far too many cases, medicare reimbursement policies have resulted in the unnecessary and costly institutionalization of our elderly.

Failure to reduce this institutional bias in the medicare program bears a high price tag for both the Federal Government and for the elderly. The Federal costs, borne by increasingly frustrated taxpayers, are well known to all of us. It takes only a brief glance at the growth in the Federal health budget over the past decade to understand why health cost containment has become a priority for Government, providers, and private citizens alike. The nonmonetary cost to the elderly cannot be easily quantified, surely many lose a sense of security and well-being associated with staying in their own homes when they are required to enter a medical facility merely to assure compliance with reimbursement regulations.

Given this situation, lawmakers have a particular obligation to examine cost-effective alternatives to current health delivery patterns. Home health care should certainly be included among those alternatives, in that it can prevent unnecessary reliance on expensive hospital and nursing home care. Unfortunately, it is not possible to place precise dollar figures on the amount of money we might save if home health services were more readily available to our elderly. The experience of home health providers across the country, however, suggests the cost-saving potential of this type of care. For example, a diabetic self-care program in Los Angeles reduced the number of patients experiencing diabetic coma and led to a 50-percent drop in emergency room visits. It is estimated that this program reduced patient costs by $1.7 million in just 2 years.

The legislation I am cosponsoring takes a reasonable and balanced approach toward expanding home health services under medicare. It would eliminate the perverse incentive to admit individuals to hospitals or prolong their stays to qualify them for medicare-reimbursed home health care, and would make appropriate service available to individuals who could benefit from such care but do not require hospitalization. It prevents the need to remove patients from their homes in cases where they require more than the limit of 100 visits per

year currently reimbursed under medicare. A number of other provisions serve to improve the quality of care, limit abuse of the program, and control costs. I am confident that enactment of this legislation would have a positive impact on the delivery of home health services and on the lives of many older Americans.●

ARTHUR KUHL

● Mr. MELCHER. Mr. President, last Friday family and friends attended burial services in Helena, Mont., for Arthur Kuhl who, until his death Monday, February 19, was our Assistant Secretary of the Senate. Among his friends who were not able to attend the services, I count the present Members of the U.S. Senate and many former Senators. Art Kuhl will be greatly missed by all of us who have known him and benefited from his dedication to the work of the Senate. He was highly competent and unfailingly ready to assist Members in any way he could.

Arthur Kuhl was born 53 years ago and was brought up in Baker, Deer Lodge, and Helena, Mont., graduating from Helena High School. His military career included service with the U.S. Army in the Philippines during World War II, and in Japan with the occupation forces.

Following the war, he worked here in the U.S. Capitol as an elevator operator and Capitol policeman in order to put himself through college at Georgetown University. Having successfully completed his studies there, he went on to earn a law degree from George Washington University.

He began his career with the U.S. Senate in 1953, and served for years in positions of high responsibility. The mere recitation of his record of service cannot do justice to his dedication and accomplishments as a Senate employee and officer for he was one of those very competent, always obliging persons who took on every assignment and service that was taken to him.

From 1953 to 1954 he was an aide to Senator James E. Murray, one of the most respected Senators Montana has ever elected to this body.

In 1954 Arthur became the chief clerk for the Committee on Labor and Public Welfare; he served as an investigator for that committee in 1955 and 1956.

In the spring of 1956, he served briefly on the staff of the Committee on Interior and Insular Affairs, then took a 2-year assignment as chief clerk for a Special Senate Committee on Foreign Aid Programs. His excellent work in that position led to a staff position with the full Foreign Relations Committee from 1958 to 1965, and appointment as the chief clerk of that committee from 1966 to 1977.

He then moved up to the office of Assistant Secretary of the Senate. Typical of his dedication to that job were the circumstances of his death: while terrible weather conditions kept most Senators and Senate employees at home Monday, Art felt it his duty to get to work. He was stricken by a heart attack while making his way on foot through the snow to the Senate.

I know all Senators join me in extending condolences to his sisters, Frances Kuhl and Mrs. Vern Hayworth, and to his brothers, James, Pius, and Richard. The Senate has lost a dedicated officer, and though we are poorer for his loss, we are richer for having had the benefit of his distinguished service.●

SUNSET LEGISLATION

● Mr. MATHIAS. Mr. President, one of the most important pieces of legislation passed by the Senate in the last Congress was the Sunset Act. Unfortunately, our action came so late in the session that the House of Representatives could not complete action before adjournment. The result is that we do not yet have this important law.

I cosponsored the legislation when it was introduced and I am proud to cosponsor it once again in this 96th Congress. I consider it vital. The concept of this legislation is irresistible; the need for it irrefutable.

The mood of the country is, at the very least, troubled: some would say rebellious. Rising inflation and the perception that Government is bloated and inefficient have raised demands for reform. Cries are heard throughout the country for an end to waste and for severe cuts in Government spending.

Sunset is a logical, responsible, and orderly response to this public concern. We in Congress should commit ourselves to reexamining every cent we now spend. We should make sure every Federal dollar is being used as effectively and efficiently as possible.

Mr. President, this type of legislation is long overdue. It provides for automatic termination of Federal programs unless Congress determines, through a review process, that they should be reauthorized or reenacted. The bill simply requires Congress to do its job better and more thoroughly. It requires Congress to reconsider past policies and programs in a way that will allow us to shift resources away from programs we no longer need or from those that are not working well. We need to free up those resources and to put them to work in new, more effective ways.

The Senate Budget Commmittee recently calculated the cost of 31 new program initiatives likely to be before Congress over the next 5 years. It found that between 1980 and 1983 the cost of these new programs could run as high as $416 billion in new spending. When we factor in our rate of growth, as the Budget Committee found, we can fairly project that $120 billion in additional revenues would be needed to pay for these new programs.

We cannot raise taxes to pay for new programs. The American people are already groaning under the tax load. Equally out of the question is increasing the budget deficit. But neither can we ignore the legitimate demands of the future, except at our peril.

What we can do, and what we must do, is to reconsider what we spend now and to realine our spending with our changing national priorities. That is what Sunset is all about. It is a process to help us put sense in our spending and bring inflation under control. The Sunset approach is vastly preferable to arbitrary, mindless, across-the-board budget cuts that inevitably fall most heavily on the weak shoulders. It offers us an orderly approach to legislation that will benefit all Americans equally.

Mr. President, the Senate should take the opportunity to reaffirm once again its strong support for the Sunset Act.●

RULES OF PROCEDURE OF COMMITTEE ON RULES AND ADMINISTRATION

● Mr. PELL. Mr. President, pursuant to section 133B of the Legislative Reorganization Act of 1946, as amended, I submit the Committee on Rules and Administration Rules of Procedure, as adopted by the committee on January 31, 1979, to be printed in the RECORD.

RULES OF PROCEDURE OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

(Readopted with amendments January 31, 1979)

TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 301, Russell Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Paragraph 7(b) of rule XXV of the Standing Rules of the Senate, as amended by S. Res. 9, 94th Cong., Nov. 5, 1975.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business and committee business will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any member of the committee from raising appropriate non-agenda topics.

TITLE II—QUORUMS

1. Pursuant to sec. 133(d) 6 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to sec. 5(a) of rule XXV and sec. 133(d) of the Legislative Reorganization Act of 1946, 4 members shall constitute a quorum for the transaction of business, including action on amendments to measures prior to voting to report the measure to the Senate.

3. Pursuant to rule XXV, sec. 5(b) 4 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Under no circumstances, may proxies be considered for the establishment of a quorum.

TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Secs. 133(b) and (d) of the Legislative Reorganization Act of 1946, as amended.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of recording a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Sec. 133(d) of the Legislative Reorganization Act of 1946, as amended.)

TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorized to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the senatorial long-distance telephone regulations and the senatorial telegram regulations.●

SORRY, NO CREDIT

● Mr. JAVITS. Mr. President, I would like to share with the Members of the Senate, an article which appeared in the New York Times on Wednesday, February 21, 1979. The article, "Sorry, No Credit" by Prof. Noel Capon highlights some of the discriminatory biases inherent in many statistical systems designed to determine credit worthiness of applicants.

Pursuant to the passage in 1974 of the Equal Credit Opportunity Act, and to its subsequent amendments, large credit-giving companies turned to "point scoring" as a fair means to grant or deny credit to individuals. Assignment of points for age, place of residence, length of time in present employment, occupation—to name a few criteria—was viewed as a way to avoid discrimination and bias so often associated with individual credit reviews.

Yet, merely because a machine assigns points to the data supplied and tabulates the final result or score, does not mean that a system is fair. Use of zip codes, for example, can mask potential discrimination based on race. Assigning lower points to minority neighborhoods reduces the possibility for those with good credit histories who live within that zip code area to gain credit approval. Further, occupational categories are broadly conceived and inclusion in one group might unjustly lower one's total score.

I encourage my colleagues to read Professor Capon's article on this subject as it relates directly to problems which we in the Congress can correct. I have cosponsored a bill with Senator LEVIN, S. 15, which would prohibit the use of zip codes as a determinant of credit worthiness. Hearings will be held in the near future, I understand, and I would hope my colleagues will taken an interest in the efforts to see that the Equal Credit Opportunity Act is, indeed, implemented to give all credit applicants an equal chance to obtain credit. I ask that Professor Capon's article be printed in the RECORD.

The text of the article is as follows:

[From the New York Times, Feb. 21, 1979]

SORRY, NO CREDIT

(By Noel Capon)

BOSTON.—Appearing before the Federal Trade Commission in Washington, Bloomingdale's department-store chain agrees to pay $50,000 in civil penalties for alleged sex discrimination against women in its evaluation of credit applications; in San Francisco, a Federal judge denies Standard Oil of California's request for dismissal of a suit brought up by a woman who alleges denial of credit on the basis of sex and marital-status discrimination; Montgomery Ward faces credit lawsuits in Delaware and North Carolina. Despite passage of the Equal Credit Opportunity Act in 1974 and its amendments in 1976, the National Consumer Finance Association was told recently that new investigative hearings on consumer credit might be in the offing. What's up?

What's up in consumer credit is point scoring, a computer-based method used by most major retailers, banks, and oil, travel and entertainment credit-card companies to assess consumers' credit-worthiness. Point-scoring systems attempt to discriminate statistically between good and poor credit risks by assigning points to personal situations.

For example, a home phone may be worth 10 points, no phone 2 points; living in one part of town 25 points, in another, 8; owning (or purchasing) a home 20 points, renting 3. Other frequently rated variables are age of automobile, time at employment, time at address, occupation, and maintenance of checking and savings accounts.

An applicant supplies the required personal data on a credit application form. A total point score above the target either earns credit automatically or the applicant's credit history is factored into the decision. A score less than the target results in automatic denial of credit, regardless of credit performance, which is never checked.

Creditors' rush to introduce point scoring resulted from cost-reduction benefits and from passage of the Equal Credit Opportunity Act, which proscribed discrimination on certain illegal bases and prescribed use of supposedly demonstrably and statistically sound, empirically derived point-scoring systems.

The Congress liked these systems because they were objective; they replaced credit managers' judgment with sets of statistical relationships. However, the benefits accorded by objectivity may well be overshadowed by costs not foreseen when the law was enacted.

First, certain uses of point scoring may be illegal. The personal data used, though apparently neutral, may be intimately and highly related to personal characteristics that are illegal to look into under the law. Zip code and owning or renting information may involve racial discrimination; owning and renting information may involve marital-status discrimination; time at employment may discriminate against women. The systems are also biased, since, contrary to the law, creditors use neither random samples of applicants, nor acceptable alternatives, to develop systems.

In addition, the systems do not meet the law's criterion of objectivity.

The occupation groups are crude, judgmentally formed aggregates of individual occupations: For instance "production worker" may include lathe operator, dressmaker and TV repairman. Some creditors "doctor" objectively developed systems to make the point assignments more palatable to credit managers. They also override their systems by awarding credit to rejected applicants who complain, thus discriminating against those who meekly accept credit denial.

For systems that do meet objectivity requirements, problems are equally severe. For instance, the point assignments for time at address and time at employment are often illogical. In a "typical" system, the points awarded for time at address are, less than one year, 5 points; one to two years, 0 points; two to three years, 5 points; three to five years, 0 points; five to nine years, 5 points; 10 years or over, 20 points!

Creditors argue that point scoring can be valid only if all criteria that relate statistically to payment performance are used. One major retailer has already demonstrated that persons whose last name begin with "B" and "K" are good risks. On that basis, hair color and left- and right-handedness could be used.

Most of the personal characteristics used

make no sense, but advocates of point scoring are unconcerned about such niceties. Statistical prediction, they believe, is the sole criterion for choice of a system. Although within their own organizations they allocate jobs and budgets on the basis of work performance, they see no contradiction in removing knowledge of an applicant's credit performance from the credit decision. They are thus prepared to reject applicants who may have excellent payment records.

Point-scoring systems may destroy themselves when credit applicants, learning that information on forms is often never checked, decide to supply data that will earn credit, even if untrue. Before that happens, perhaps Congress will hold hearings to learn the real impact of point scoring.●

FIFTEEN ELDERLY BLACKS RECEIVE LIVING LEGACY AWARDS

● Mr. CHILES. Mr. President, all older Americans are members of a minority group in one real sense—they represent 11 percent of our total population.

Many elderly persons today share mutual problems and concerns, including inflation, inadequate income, transportation inadequacies, and barriers to participate fully in our society.

But for aged members of minority groups, these difficulties are oftentimes intensified.

Yet, we have numerous examples of the outstanding contributions by older minority members to improve our society in all walks of life, despite great adversity and challenges.

Last Friday, President Carter, in conjunction with the National Caucus on the Black Aged, honored 15 older blacks, ranging in age from 64 to 93 years old, for their achievements in science and health, religion, the performing arts, education, sports, business, government, civil rights and other endeavors.

The recipients of these living legacy awards shared several common qualities, despite their diverse backgrounds. They all demonstrated courage and perseverance throughout their lives. In addition, they provide an inspiration for today's black youth, as well as all Americans.

The National Caucus on the Black Aged initiated its Living Legacy Awards program on February 1 as a part of Black History Month. The purpose is to make our Nation aware of the substantial contributions of older black persons.

Mr. President, I ask that a press release describing the Living Legacy Award ceremonies and a biographical summary of the recipients be printed in the RECORD.

The material follows:

LIVING LEGACY AWARD RECIPIENTS
BIOGRAPHICAL DATA

Margaret Walker Alexander, 64, native of Birmingham, Alabama, for Literature. Honored for her contributions, her works include: For My People, Prophets for a New Day, October Journey and Jubilee (a novel).

Septima Clark, 91, of Charleston, South Carolina, being honored for Human Services. Ms. Clark is a former school teacher whose integrationist philosophy caused her to be fired from the public school system and to lose her retirement pay.

Dr. W. Montague Cobb, 75, of Washington, D.C., for Science and Health. A learned physician and professor of anatomy, Dr. Cobb was on the medical faculty at Howard University for 46 years and headed Howard's Anatomy Department for 23 years. He has authored 650 publications. Dr. Cobb is President of the National Board of Directors of the NAACP, a position he has held since 1976.

The Rev. Dr. Gloster B. Current, 65, of Long Island, New York, for Continued Service in Retirement. Prior to his retirement in May, 1978, he served for 30 years as Director of Branches and Field Administration for NAACP and organized 1,000 chapters. Following retirement, he was elected by branches of the NAACP to its National Board, received a grant from the Ford Foundation to write the history of NAACP from his unique historical vantage point and most recently appointed Bishop of New York Conference of the United Methodist Church as Interim Pastor of the Westchester United Methodist Church.

Malvin R. Goode, 71, of New York City, for Communications. First Black TV newsman for a network—ABC-TV. Native of White Plains, Va., worked 14 years for the "Pittsburgh Courier" and 13 years as news broadcaster for various Pittsburgh broadcast outlets.

The Hon. Augustus F. Hawkins, 72, of Los Angeles, California, for Politics. Congressman Hawkins represents the 29th District (Los Angeles). He and the late Senator Hubert H. Humphrey co-authored the Humphrey-Hawkins full employment bill which was passed in the final days of the first session of the 95th Congress.

The Rev. Martin Luther King, Sr., 80, of Atlanta, Georgia for Religion. He comes from a long line of Baptist ministers. His father, Rev. Alfred D. Williams founded Ebenezer Baptist church where "Daddy" King and his famous son, Martin, Jr., pastored. He has had courage in the face of great personal adversity, namely the assassinations of both his wife, Alberta, and his son, Dr. Martin Luther King, Jr.

Dorothy Maynor, 69, of New York City, for the Performing Arts. The native of Norfolk, Virginia is a concert contralto. She debuted at Town Hall in 1939 and won the Town Hall Endowment Series Award. She is an RCA recording artist. After retiring from the stage 15 years ago, founded the Harlem School of the Arts, where she's still active.

Dr. Benjamin E. Mays, 84 of Atlanta, Georgia, for Education. The President Emeritus of Morehouse College in Atlanta, Georgia. Mays' philosophy of education had a profound influence on the success of countless distinguished men of Morehouse. His students included the Rev. Dr. Martin Luther King Jr. Since his retirement from Morehouse, he has been serving as President of the Atlanta (Ga.) Board of Education.

Jesse Owens, 65, of Chicago, Illinois, for Sports. Set records in track and field that stood for a quarter century. First athlete to win four Gold medals at the Olympics. That outstanding feat occurred at the Berlin Olympics in 1936.

Rosa L. Parks, 66, of Detroit, Michigan, for Social Action. Her determination not to budge from the seat she rightly occupied in the "colored" section of the bus, sparked the Montgomery Bus Boycott on December 1, 1955. The Boycott thrust young Baptist Minister, the Rev. Martin Luther King, Jr., into the forefront of the civil rights—passive resistance movement.

A. Phillip Randolph, 90, of New York City, for labor. Organized Blacks who worked as sleeping car porters on the nation's railways into a union known as the Brotherhood of Sleeping Car Porters. Became its President and retained that position until his retirement in 1968. In 1957 became a Vice President of the AFL-CIO and still serves on its Executive Council. Organized and directed the March on Washington in 1941 which led President Franklin D. Roosevelt to appoint the First Fair Employment Practices Committee.

Asa T. Spaulding, Sr., 75, Durham, North Carolina; for Business. Former President of North Carolina Mutual Life Insurance Company. Became a member of the Board of Directors of Howard University in 1961 and served until 1976. Was Board Chairman when he retired three years ago. Still serves as consultant to Howard U. President Dr. James Cheek. Active in local politics in Durham County. Serves as Chairman of his precinct.

James Van Derzee, 93, of New York City, for Fine Arts. The Dean Emeritus of Black Photographers in America. Self-taught photographer whose works represent a comprehensive survey of Afro-American life during the Harlem Renaissance. Largest single contributor to "Harlem on My Mind" exhibition at the Metropolitan Museum of Art in 1969. Won the American Society of Magazine Photographers Award in 1969. Became a "Fellow for Life" of the Metropolitan Museum of Art in 1970.

Robert C. Weaver, 72, of New York City, for Government. Has the distinction of being the first Black man to hold a cabinet position in the U. S. Government. The former secretary of the U. S. Dept. of Housing and Urban Development entered government in 1933 and held many advisory and administrative positions. He is the author of four books and holds 30 honorary degrees from institutions throughout the nation.

Charles H. Wesley, 82, of Wilberforce, Ohio, for Social Sciences. Distinguished educator and the author of numerous books on Negro history and the histories of fraternal societies. Retired President of Central State University in Wilberforce. He is the recipient of numerous honors and awards.

Roy Wilkins, 78, of New York City, for Civil Rights. Executive Director of the NAACP from 1964 until his retirement in August, 1977. He has been affiliated with the NAACP in various leadership positions for nearly a half century, representing the organization during the Philadelphia Transit Strike negotiation in 1943. He began his illustrious career as a journalist, serving as editor and newspaper columnist for Crisis Magazine and wrote articles for many other journals.

LIVING LEGACY AWARD RECIPIENTS HONORED AT WHITE HOUSE

WASHINGTON, D.C.—Fifteen of the nation's most distinguished Black elders are being honored at the White House today (February 23) for their outstanding contributions to American society. These older Black Americans, who range in age from 64 to 93, are recipients of Living Legacy Awards given by the National Caucus on the Black Aged, Inc.

NCBA's Living Legacy Program is a celebration of life in Black America, its resources, leaders and the contributions older Black citizens have made to the advancement of our country in all areas of civic and social life, according to Dr. Dolores Davis, Executive Director of the National Center on Black Aged, and creator of the program.

President Carter will confer the awards during a special luncheon and ceremony in the State Dining Room. Those being honored are Septima Clark for Human Services; Dr. W. Montague Cobb for Science and Health; the Rev. Dr. Gloster Current for Continued Service in Retirement; Malvin R. Goode for Communications; Cong. Augustus Hawkins for Politics; the Rev. Martin Luther King, Sr. for Religion; Dorothy Maynor for the Performing Arts; Dr. Benjamin Mays for Education; Jesse Owens for Sports; Rosa L. Parks for Social Action; Dr. Asa T. Spaulding for Business; James Van DerZee for the Fine Arts; Dr. Robert C. Weaver for Government; Dr. Charles H. Wesley for Social Sciences and Roy Wilkins for Civil Rights. Two other recipients who will be unable to attend the ceremony are: A. Phillip Randolph for Labor and Margaret Walker Alexander for Literature.

"We feel these older Black persons represent the highest virtues of humanity," explained Dr. Aaron Henry, Chairman of the National Caucus. "They exemplify the Black man's determination to survive against unique and oft-times oppressive odds, and are sterling examples to the Black youth of America that these odds can be overcome with dignity and preservation of self-worth," he added.

Davis pointed out that this is the first time in the nation's history that older Black Americans as a group have been invited to the White House to receive acclaim for their lifelong talents and contributions. More than 100 representatives of civic, social and aging organizations will be guests at the historic ceremony which begins at 12 noon.

NCBA launched its Living Legacy Awards program on February 1 in conjunction with the first day of Black history month. The purpose of the program is to promote a positive view of Black aging in America; to sensitize the nation's citizens to the significant contributions of older Black persons, and to record for Black progeny the experiences of these outstanding citizens.

"Like our African ancestors before us, we believe in honoring our elders while they live. They are at the one end of our cultural continuum, our youth at the other . . . and we continue to revere and honor them," said Davis.

The experiences and wisdom of these Black elders, who will serve as "Living Legacies" will be recorded and provided to the Black youth of America as oral histories. NCBA is planning to compile a volume of oral histories stemming from dialogue between each award recipient and a younger person for whom the elder has served as mentor.

The recipients will serve as prototypes for more than 100 elderly Black persons who will be honored at a Gala during NCBA's national conference in May. All major national Black organizations will be asked to participate by identifying and nominating resourceful elderly Blacks from their communities to be honored.

The National Caucus on the Black Aged, Inc. (NCBA) was founded in September, 1970 by the late Hobart C. Jackson to ensure that the 1971 White House Conference on Aging would include information on the critical and special needs of aging and aged Blacks. The Caucus, incorporated in Pennsylvania in 1972 as an advocacy organization, established the National Center on Black Aged in 1973 to conduct research and training and to direct national demonstration projects in the field of aging. Working together, the NCBA's are the only two national organizations devoted exclusively to solving the problems of the Black elderly.●

STUDY MISSION TO LATIN AMERICA

● Mr. MATHIAS. Mr. President, President Carter's recent trip to Mexico highlights for us, once again, the vital importance of our relations with our neighbors to the South. All too often we have operated on the assumption that Latin America does not require consistent, sensitive, and high level attention. During my recent trip to both Mexico and Brazil, I realized how badly this assumption needs to be reevaluated. The report prepared on this trip may be useful to my colleagues. I, therefore, ask that it be printed in the RECORD.

The report follows:

STUDY MISSION TO LATIN AMERICA

In November 1978, I went to Brazil and Mexico as a member of the Committee on the Judiciary to investigate several matters of interest to the Committee. In Brazil, I attended a conference which brought together both government and private sector representatives from all over Latin America. In Mexico, I devoted much of my attention to the subject of oil. I was accompanied on this trip by Mr. Casimir Yost, a member of my staff.

Both of these trips helped to underscore for me the great importance of our future national interests of developments taking place south of our border. This report is intended to highlight some of these developments. It focuses on Brazil and Mexico, two countries which will be of particular importance to the United States in the years ahead.

(It is important that in focusing increased attention on our southern neighbors we not neglect the continuing critical importance of our relations with Canada, our northern neighbor.)

Every new Administration arriving in Washington must grapple with the special problems and opportunities that Latin America poses for U.S. policymakers.

Unfortunately, too often our policies toward our neighbors to the south have flowed from skewed impressions which we have found it convenient to hold regarding Latin American countries and their relative significance for U.S. national interests. We have, in recent years, operated on the assumption that Latin America does not require sustained high level U.S. attention. Rarely have Latin American concerns found their way to the top of a U.S. administration's priority list. (The Panama Canal Treaties have been an obvious exception in recent years.) When guilt occasionally intrudes on our policy of neglect, it is easily relieved by a combination of slogans, money and state visits.

To the degree that we do think of South and Central America, it has generally been as an undifferentiated mass which can be dealt with in a paternalistic manner. We delight in telling Latin Americans what concerns us about them. But key individual relationships with southern neighbors have suffered and continue to suffer either from being ignored or from being lumped as part of a general Latin American problem or issue, or worse as part of a so-called "global issue".

Ever since the enunciation of the Monroe Doctrine, we have, to one degree or another, separated our Latin American relationships from our relations with other countries. More recently, however, a number of Latin concerns have been lumped under "global" headings. We have tried to deal with trade issues and other questions of interest to Latin Americans in multilateral forums where South and Central Americans vie with Africans and Asians for our attention. The special U.S. concern for Latin America, which was at the foundation of the Monroe Doctrine, has been eroded.

Of course, Latin American perceptions of us are also important in understanding how our relations have evolved over the years. The checkered history of past U.S. interventions in that part of the world has not been forgotten. The continued fact of our preponderant economic and military power is not ignored. Our southern neighbors are ever conscious of being in bed with an elephant which may, unthinkingly, roll over and crush them. The motives behind our every move receive a scrutiny in Latin America that most people in this country would find amazing.

There is much that we can do to bring our perceptions into focus with reality and perhaps in the process dampen some Latin American fears of our intentions.

We can begin by understanding the enormous variety that exists in Latin America today. There are sharp variations in language, heritage, and economic development between the countries of Latin America. Brazil and Mexico, for example, speak different languages, have different roots in Europe, yet both are "middle income" powers with the potential to play major roles on the world scene in the decades ahead. Other South and Central American countries are in varying stages of economic development. Our recognition of these differences in our attitudes and policies can be important.

Economic clout is coming to the Americas. Venezuela was a founder of OPEC. Brazil has the eighth largest market economy in the world. Mexico sits on potentially huge petroleum reserves. Brazil and Mexico alone account for one-quarter of our trade with the non-OPEC Third World. These countries are destined to play important roles on the world scene in the decades ahead.

Yet, even understanding these factors will not help us if we do not address the issues which concern Latin Americans. State visits, while flattering, are ultimately no substitute for substance. The issues on which friends in the Americas want our action are tough but ultimately important to both sides. Specifically, they want concrete action on debt question and commodity issues. They want improved access to capital markets to spur their development. They want improvement in the terms of trade. Above all, they want to be able to sell their produce to us. Until we confront these issues, we will be seen as largely unresponsive to their concerns.

These issues relate to the improved status of many Latin American countries as middle-income countries. At a time when our foreign assistance is increasingly being channeled to the poorest countries of the world, many nations in South and Central America are ineligible. What they do need is action on issues such as those listed above which will permit them to become more fully functioning members of the world economic community.

Our responses on these issues will come partially through multinational forums and multinational agreements. Trade issues, for example, are an integral part of the general North/South dialogue. South and Central American concerns are part of these more generalized discussions. In concentrating on these global concerns, however, we run the risk of compromising increasingly important bilateral relationships. Two nations of particular importance are Brazil and Mexico.

BRAZIL

I was last in Brazil in March 1977 when, it is safe to say, Brazilian/U.S. relations were at their lowest point in many years. The two most visible irritants were our public criticisms of alleged Brazilian human rights violations and our overt attempt to stop the consummation of Brazil's nuclear reactor contract with West Germany.

Lurking somewhat further in the background other issues troubled the U.S./Brazil relationship. The new Administration in Washington seemed intent on sacrificing bilateral relationships on the altar of "globalism". Moreover, voices in Washington continue to criticise what they claimed was the repressive nature of Brazil's political system.

When I returned to Brazil in November 1978, I found our relations to be on a sounder footing. The irritants which had been troublesome in early 1977 remained to some

degree, but were being discussed in a more constructive and private manner. I was particularly pleased to find that the domestic political scene in Brazil was evolving in a progressive direction. I arrived the day after their congressional elections had been held. This is just one example of a gradual Brazilian effort to open the political process to opposition elements. While the pace of this effort remains uncertain, the direction is positive.

Brazil has traditionally had close relations with the United States. We have valued Brazil's support of Western positions in world forums. In the economic field, 21 percent of Brazil's exports go to the United States, we supply 18 percent of Brazil's imports, and our banks supply close to a third of Brazil's debt. In each of these categories, we are Brazil's largest partner.

However, Brazil is determined to chart an independent course from that of the United States. It is determined to play a role on the world scene commensurate with its size (fifth largest country in the world), population (sixth most populous with 115 million inhabitants), and economic clout (eighth largest Western economy with a 1977 GNP of $167 billion).

Seen in this light, Brazil's reaction to our interference in their nuclear reactor deal with West Germany was predictable. They viewed this deal not only as a means to alleviate Brazilian dependency on imported energy but as a clear illustration of Brazil's enhanced role in the world. Brazil wants to control the full nuclear fuel cycle and thereby enter the select nuclear club. Our interference was taken as an affront to her dignity and sovereignty.

This is not to say that Brazil does not have problems—some of which might benefit from our help. It has been unable or unwilling to grapple with terrific income distribution disparities. The annual inflation rate approaches 40 percent and indexing of wages only partially alleviates the resulting problems. A huge foreign debt ($40 billion) incurred to fuel rapid economic development in the late 60's and 70's hangs over Brazil. Debt servicing alone runs $5 billion a year. Brazil relys on its export earnings to generate the foreign exchange necessary to service her debt and pay for her imports. These earnings, of course, depend upon the health of the international economy. Moreover, since 1973, Brazil's energy import costs have risen dramatically.

Brazil finds herself perched percariously somewhere between the underdeveloped Third World and the developed West. She cannot, for example, join the Third World chorus for debt relief because she will rely on new debt herself in the future. She is eager to take a leadership role in the Third World arena but not at the expense of her own interests.

For the United States to deal with Brazil constructively, we must be willing to address ourselves to the issues—largely economic—which concern her. Brazilians recognize that their fate is, in part, tied to ours. An economic recession in our country would inevitably have negative repercussions in Brazil. What Brazilians want and need, however, is U.S. movement on commodity, trade, and technology transfer issues. If Brazil's economy is to maintain its impressive growth rate, her commodities must be traded in a more predictable pricing environment. She must have access to our markets and to our technology.

There is a general feeling in Brazil that our response on these issues has been inadequate. There is some feeling among Brazilians that, on the issues they consider important, they don't like being merely part of a larger U.S. "global" foreign policy. Brazil's Foreign Minister, Azeredo Da Silveira put the case very delicately in a recent speech. "Under the pressing demands of its global interests and responsibilities," he said, "the United States sometimes transplants to its Latin American policies values not necessarily applicable to the region."

We stand to gain from a more positive relationship with Brazil. Brazil is indeed, to use Dr. Brzezinski's words, "a new influential." Movement on economic issues can provide benefits for both countries. There are no easy answers to the problems which trouble our relationship. We are concerned, with good reason, about nuclear proliferation. Yet, this and other problems on our agenda with Brazil can be worked out constructively if we treat Brazil as a partner in the solutions.

MEXICO

When I visited Mexico in 1977, I met with President Jose Lopez Portillo. The President was determined at that time to establish more positive ties with the United States and to put his country on a sound economic footing. On my return to Mexico in November 1978, I found that President Lopez Portillo had achieved a measure of success on both of his goals, but that problems remain and new problems have arisen.

U.S./Mexican relations continue to be plagued by difficult but not insoluble differences. Neither country seems able to articulate what in fact the nature of the ties between our two peoples should be. Mexicans bridle at talk in our country of a "special relationship" which carries paternalistic overtones. On the other hand, neither do they want to be treated as just another Third World country. History, quite clearly, has had its impact on Mexican thinking. Past U.S. interventions in Mexican affairs are far from forgotten. There is an underlying Mexican suspicion of U.S. intentions.

The United States faces a similar dilemma. We have been unable to decide on a clear, consistent policy toward Mexico. Instead, a number of departments of the U.S. Government have formulated their own Mexican foreign policies. Actions have been taken by agencies of the U.S. Government on issues of vital concern to Mexico with relatively little analysis being given to the possible negative consequences of these actions to the general relationship. The impression given is that the general relationship doesn't matter, that only individual issues are of concern. I am certain that this is not the impression we want to create, but it is the one that exists. Two examples will suffice as illustration.

In 1977 the Mexican Government petroleum agency, PEMEX, conducted protracted negotiations with six U.S. gas companies regarding a major deal whereby Mexico would provide gas for the U.S. market. So confident were the Mexicans that the deal would go through that they commenced work on a gas pipeline to the U.S. border. Then in late 1977 the U.S. Department of Energy abruptly refused to approve the deal on pricing grounds and it fell through. President Lopez Portillo, who had overcome considerable internal opposition to negotiate with the U.S. in the first place was left, in his own words, "hanging by his paintbrush." The ladder had been pulled from under him. The harm done to our Mexican relations both by the substance and by the manner of implementation of DOE's decision was most unfortunate.

In October 1978, the U.S. Immigration and Naturalization Service announced without forewarning even to our Ambassador in Mexico City, that the fences located at key entry points for illegal aliens on the U.S./Mexican border would be rebuilt and strengthened. What was a minor news event in the United States was an issue of major proportions in Mexico. The so-called Tortilla Curtain had banner headlines south of the border.

In recognition that U.S./Mexican relations could use some high level attention, the Administration initiated a long overdue review of our policies toward our southern neighbor last fall. It remains to be seen what the practical results of this review will be. Suffice it to say that if our relations with Mexico are not "special", they are nonetheless different from virtually every other country in the world. There is increasing understanding that in some way these differences must receive their proper weight.

These differences include the fact that we have a 2,000 mile undefended border with Mexico. Moreover, there are over 7 million Mexican/Americans living in the States close to Mexico. Hispanic culture is an increasingly important component of our national culture. We do a massive $9 billion trade with Mexico—our fifth largest trading partner. Over 60 percent of Mexico's imports come from the United States. Practically speaking our ties with Mexico are close and are growing closer. It is often only in the actions of our governments that the closeness of our relations has not been reflected.

There is a tendency in this country to take our relations with Mexico for granted. We do so at our risk. There are developments, positive and negative, on the Mexican scene which could have important consequences for the United States.

Looking at the negative first—Mexico has one of the most unequal income distribution systems in the world. As much as 50 percent of the Mexican work force may be unemployed or underemployed. From 600,000 to 800,000 new workers enter the job market every year, but only some 150,000 new jobs per annum are being created. These problems arise out of one of the highest birth rates in the world—2.9 percent annual increase. Mexico's fertility rate is put at 6.1 children per woman in 1973–75 versus 1.8 in the U.S. Mexico's population of 65 million is projected to double by the year 2000. Half of this population is 16 years or younger. Mexico City is adding 750,000 people per year to its population of 13 million and may shortly become the biggest city in the world.

Population growth and massive unemployment contribute to a dangerous social time bomb. Illegal entry into the U.S. job market has acted as a safety valve. Even with the continued availability of this safety valve—far from certain—any Mexican government must grapple with very difficult human problems in the decades ahead. The ambitious Mexican family planning program will only have a long term impact. Dangerous social unrest cannot be ruled out. The implications of such unrest for U.S. interests cannot be ignored.

The news is not all bad, however, thanks to the discovery of sizable petroleum deposits in Mexico. I spent two days in November 1978 touring Mexico's southern fields and meeting with Pemex officials, including the Director Jorge Diaz Serrano. These officials are well-qualified and highly responsible. They were prudently conservative in their estimates of Mexico's hydrocarbon resources but found it difficult to contain their enthusiasm.

Petroleum reserves are labeled in descending order of certainty as proven, probable, and potential. Mexico has just officially increased its proven figure from 20 to 40 billion barrels putting it, according to Pemex, as Number 6 in the world behind the Soviet Union, Saudi Arabia, Iran, the United States and Kuwait. Probable reserves are estimated by Pemex at 44.6 billion barrels. Potential reserves are estimated to be from 200 to 300 billion barrels. At present, Mexico produces about 1.1 (mbd) billion barrels per day and exports a bit less than half of this. This production figure is expected to double by 1980 with about 1.1 mbd available for export. It is estimated that Mexico could have from 3 to 4.5 mbd production by 1985 depending on its production decisions.

Quite clearly this largely unexpected windfall will provide Mexico with a substantial foreign currency cash flow in the 1980's and beyond. How these funds are utilized will be of critical importance to Mexico's future. Whether Mexico will be able to use its wealth to generate the jobs necessary to alleviate the country's unemployment situation remains to be seen. Mexican government officials are aware of the pitfalls associated with their sudden oil wealth and appear determined not to repeat the mistakes of Venezuela and Iran.

Mexico could, by 1985, provide from 15 to 30 percent of U.S. petroleum import needs. However, important caveats must be attached to this projection. Many factors will go into Mexico's final decisions on petroleum production, beyond the convenient availability of the U.S. market.

In making their production decisions, Mexican government officials will have to weigh carefully the financial absorptive capacity of the Mexican economy. Aggravated inflation would be dangerous. Furthermore, in producing crude oil, Mexico is left with the problem of what to do with the resulting associated gas. The absorptive capacity for natural gas in the domestic Mexican market is limited. By turning down a Mexican gas deal, we may be persuading Mexican officials to put a relatively low ceiling on crude oil production. There are, after all, powerful voices in Mexico which say that the country's petroleum resources should be conserved underground for future generations. There are other voices which maintain that Mexico should move away from its close ties (i.e. dependence) on the U.S. market.

These are ultimately decisions that only the Mexicans themselves can make. These decisions are more apt to be taken with some thought to U.S. interests if the general U.S./Mexican relationship is a positive one. Those interests, as events in Iran only underscore, include having a geographically secure source of petroleum given our continued reliance on imported energy.

RECOMMENDATIONS

Energy is only one facet of a much larger relationship. Both the Mexicans and the United States must give careful thought to what this relationship means to both countries. We are, after all, connected by ties that are closer and growing closer. Many of our problems are shared. The solutions to these problems must be shared as well.

There are, however, specific actions which can be taken by the United States which would be constructive.

First, we can bring some improved sense of coordination and compatibility to the actions of our various departments of government toward Mexico. This goes beyond merely having a Mexico "coordinator." It means examining trade-offs and making uncomfortable choices. There has to be better understanding at the senior levels of our government of the linkages between decisions taken in such diverse areas as energy, immigration, and trade and the type of cooperation we can expect from Mexico in the future on issues we consider important. In short, the tone of our relationship must change and ultimately only the President can insure that occurs.

Second, we must not hold unrealistically high hopes regarding the Mexican petroleum bonanza. As I suggested above, Mexico will make its own production and marketing decisions on the criteria it considers important. We can, however, create a better atmosphere for those decisions if our dialogue with Mexican officials on energy matters is full and frank. There is no excuse for the President of Mexico ever to feel that the ladder has been pulled from under him at the last minute.

Third, on the subject of illegal immigration, I want to reiterate what I said following my trip to Mexico in 1977. Rather than applying unilateral regulations designed only to stem and reverse the tide of illegal immigrants, the U.S. should consider ways to encourage the Government of Mexico to initiate large-scale labor-intensive development programs in Mexico's rural areas, where most of the migrants originate. It seems clear that the Government of Mexico will need significant outside help if it is to address the task of absorption and resettlement without incurring a massive problem of social and political unrest. Relief measures that could also be considered include the exemption of the products of a Mexican rural development/resettlement plan from U.S. tariffs or other trade restrictions for a given period. While this idea could become unwieldy in practice (how to discriminate between "new development" products and others, for example), efforts should be made to find and establish concrete economic incentives for Mexicans to remain within their own development areas.

On this increasingly difficult issue, Mexican/U.S. relations are at a threshold. There are no easy solutions, indeed there may be only partial solutions. But, one thing is certain, the problem cannot be satisfactorily resolved by unilateral measures. Legislation, not reinforced by strong and effective programs to provide relief for persons who may be returned across the border, will create a grave threat to the stability of Mexico, a stability which is of vital concern to our own country.●

DELAWARE'S CHIEF JUSTICE LAUDS PUBLIC SERVICE

● Mr. BIDEN. Mr. President, the Delaware State Bar Association recently honored four distinguished Delawareans—former Gov. Elbert N. Carvel, and former U.S. Senators J. Caleb Boggs, J. Allen Frear, and John J. Williams—for their long and productive terms of service to the people of Delaware and the Nation.

The Honorable Daniel L. Herrmann, chief justice of the Delaware Supreme Court, was the principal speaker for the occasion. His remarks addressed the personal and public values of public service, as exemplified by the careers of the guests of honor.

Mr. President, I submit Chief Justice Herrmann's remarks for the RECORD as follows:

REMARKS OF CHIEF JUSTICE DANIEL L. HERRMANN

It is a privilege for me to participate today in this salute to four very distinguished Delawareans—all of whom I have counted as personal and greatly valued friends for many years—and all of whom I have held in highest esteem as public servants par excellence of our beloved State.

For their unquestionable integrity, for their reverence of the law, for the courage of their convictions, for their constant and unswerving devotion and dedication to the public welfare—not in terms of months or years—but in terms of decades and lifetimes—we pay tribute today to those four Delawareans the likes of whom, I daresay, we could not match today by any other four of equal stature and public regard.

As an aside, let me point out that two of our honorees, during their combined 16 years of governorships, appointed more good State judges than any other two governors I can think of. Indeed, one of our honorees had the good judgment to appoint me twice; and another of our honorees had the good judgment to accept my resignation from the Bench once.

And two of our honorees had much to do with the appointment of fine Federal judges of our U.S. District and Circuit; and one of those two as the nationally acclaimed "conscience of the Senate"—had much to do with putting a lot of Federal Judges to work on the various prosecutions his sensational one-man Senate investigations initiated over the years.

And we tender our acclamations to those distinguished sons of Delaware not only for what they contributed to the public weal in the 1940's, the 50's and 60's, but also for their continuing efforts and accomplishments in various civic and governmental capacities, even unto this year 1978.

Many lines of comparison could be drawn among the four whom we honor here today. But there is one common theme that stands above all others in their careers—the theme of sacrifice pro bono publico.

The careers of the men we honor today teach us all several important lessons. They exemplify the proposition that we must not believe that the statements of national purpose, as set forth in our basic national documents, are self-executing; that we must not believe that proclaiming ourselves "one nation under God", or that our verbal devotion to "equal justice under law", without more, is enough.

Their lives, dedicated as they have been to great public service, should make us realize that participation in turning those words into deeds is an exciting experience; should make us realize that each of us, no matter what our position in life may be, should participate in that process if the pledges of our great national documents are to be fulfilled and if our freedom is to be maintained.

Today, we face a crisis of confidence in our instruments of self-government, as the result of events which have occurred, in our times, in government at all levels.

We have seen trusted public officials lacking in commitment to the ethics and the high ideals of public office. We have seen moral corrosion, lack of concern for principle, a contempt for the fundamentals of our form of government and its sensitive institutions.

We are experiencing a disenchantment with government, a disillusionment with public officials that is critical to the point of becoming a national psychosis.

The careers of the men whom we delight to honor today should remind us that we must have a restoration and regeneration. We must knit ourselves together, to relearn the essential lessons of our past, to remember who we are.

We need to create a basis for the restoration of faith and confidence; to redevelop the capacity to hope and to trust. Most of all, we need once again to be able to trust our leaders and one another.

The single greatest error of our citizenry today, I believe, has been an unwillingness to participate in man's most difficult and most important activity—the business of self-government.

This reproach is not only to those who should have taken public office but declined. It is lodged also against those who have abandoned to others the vital business of choosing, of guiding, and of influencing those who do run our governmental affairs for us.

To refuse participation in public affairs is inexcusable; it is a rejection of the first law of nature: self-preservation.

Yet, too many have run out on the job—and out of a guilty conscience, have contrived a defense structure of simulated scorn of those in government and public office.

Many centuries ago, the Athenian philosopher Plato made a statement that has lived through the ages. He said: "The punishment that wise men suffer for indifference to public affairs is to be ruled by unwise men."

And from Rome's Cato we inherit this:

"To say that private men have nothing to do with government is to say that private men have nothing to do with their own happiness or misery; that people ought not to concern themselves whether they be naked or clothed, fed or starved, deceived or instructed, protected or destroyed."

Public life is, in many respects, a hard and demanding undertaking. But public life enables one to write one's own entry on the record of the affairs of men; and this, in the final analysis, is one of the most exhilarating and most exciting experiences of all.

I profoundly believe—and I am confident that our honorees today will agree—that in public service, honorably and faithfully rendered, there is a personal satisfaction and a personal reward unsurpassed in any other endeavors.

In public service lies a sure way for each of us to make a personal contribution to the preservation of our liberties, to the strengthening of our free institutions, and to the brightening of the prospects of Americans everywhere. Our goal should be to influence history, not merely to observe it. And the men, to whom we pay tribute here today, exemplify that proposition very well, indeed, by their lifetimes of public service. They chose, as Goethe put it, to be a hammer in life—not merely an anvil.

The careers of our honorees teach that it is not enough to lend our talents merely to discussing the issues and deploring their solutions and playing the armchair general and Monday morning quarterback; that it is not enough to retreat to suburbia where we can control our television sets and quickly tune out any serious documentary or discussion; that it is not enough to win our wars against crabgrass.

In a democracy, no government is better than the men and women who compose it; no government is stronger, or wiser, or more just than its people.

This event today, and the presence of these three eminent Delawareans, should remind us that we have an obligation to apply our education and talents to the solution of the public problems of our time:

The problems of civil rights and race regulations;

The problems of the courts and the administration of justice;

The problems of the aging and of equal opportunity for all;

The problems of pockets of chronic unemployment and unfair wages amidst the wonders of automation;

The problems of equal educational standards;

Of housing and urban renewal;

Of monopoly; mental illness; and taxation.

My friends, as Adlai Stevenson once said, "it is not the years in your life, but the life in your years that count."

Life is measured by more than the amount of money we make over the years, or the size of our houses, or even the number of children we may succeed in raising and educating.

It is measured by the contribution we've made over the years to the society of which we are a part and to which we owe so much, and by the reputation we leave behind for service to others.

Yale University's Kingman Brewster said not long ago that "Power and wealth can both be achieved by sheer acquisitive manipulation. But success (he said) even to the powerful and to the wealthy, is measured by the extent to which they feel that by what they have done, they have added something to the fulfillment of others."

And so—Senator Williams, Governor Carvel, and Senator Boggs: If you were concluding these remarks, I believe each of you might say something like the following to this assemblage:

At some stage of your lives, ladies and gentleman, come out of the comforts of private life into the turmoil, and the satisfactions, and the disappointment of public life.

We advise you to take life standing up boldly, not sitting down complaining, yawning, and waiting for a pension. You have a better chance than most to give a lot and, therefore, to take a lot out of life.

You must not stand aside from the great decisions of the times. For those tasks and those exciting opportunities, use the equipment that God and society have given you, and that your own industry each day improves.

Revert back to the memorable challenge of John F. Kennedy: "Ask not what your Country can do for you; ask what you can do for your Country!"

And Senator Williams, Governor Carvel and Senator Boggs—I believe you might close by saying something like this:

And what will your compensation be, you may ask, when it's all said and done?

Perhaps it will be a full life in the light of reality—instead of a half-life in the false glare of illusion. Perhaps it will be an awareness of personal worth which comes with purposeful living—wealth not easily entered in a bankbook.

Perhaps it will be the reward of a parent or a grandparent in the next Century when a child asks "Why are Americans still free when so many others in the World are not?"

For many it will be enough to know that they have been men and women of their time, and not fugitives from it.

For all, it may be enough to know that individual action is possible, that one has been capable of it, and that the individual is still, just as has always been the case, this State's and this Country's greatest source of strength.●

YOUTH ART MONTH

● Mr. WALLOP. Mr. President, on this first day of March I would like to recognize and express my support of the past observances of March as "Youth Art Month."

Senate Joint Resolution 19 is a resolution designating March 1979 as a time when new emphasis and understanding of the value in art education for children is recognized. This resolution was introduced in the Senate on January 23 and referred to the Judiciary Committee. Unfortunately the committee was not able to act on this resolution in time to allow the President to issue a proclamation proclaiming March as Youth Art Month. I feel it is necessary and appropriate to call attention to its importance just the same.

The Judiciary Committee is planning to amend Senate Joint Resolution 19, substituting the year 1980 for the present wording of 1979. By establishing a year's leadtime it is my hope that both Houses of Congress will have completed action on this measure and have it sent to the President for his signature well in advance of March of 1980.

Since 1961, Youth Art Month has been recognized by many States and associations. A national observance would enhance its importance and provide a means for coordinating the commemorative efforts, however, with or without the passage of legislation Youth Art Month continues to speak out on the need for educational emphasis on the arts for our children.●

AMENDMENT NO. 66 TO SENATE JOINT RESOLUTION 1—A BALANCED FEDERAL BUDGET

● Mr. DECONCINI. Mr. President, on February 26, I submitted an amendment to Senate Joint Resolution 1, printed amendment No. 66. I would like to clarify what that amendment is since it was not printed in the RECORD at that time.

Printed amendment No. 66 is identical to Senate Joint Resolution 2, a constitutional amendment submitted by myself and Senators GOLDWATER and STONE requiring a balanced Federal budget except in times of national emergency. It is my belief, Mr. President, that there is substantial sentiment in this Chamber and throughout the Nation for such a limitation. The American people, acting through their State legislatures, should be given an opportunity to address this issue and to make the vital decisions that it will entail. Frankly, I believe that unless Congress moves quickly in this matter we will be faced with the realistic prospect of a Constitutional Convention.

At this point, Mr. President, the prospect that a balanced budget constitutional amendment will be reported from the full Judiciary Committee or even its Subcommittee on the Constitution seems rather dim. It is for that reason that I have taken the unusual step of proposing to add a measure of such importance as a floor amendment. Let me reiterate that if we do not act, the American people will.

I ask that the text of the amendment be printed in the RECORD.

The text of the amendment follows:

S.J. RES. 2

SEC. 2. The following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imports, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Government during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".●

RULES OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, pursuant to section 133B of the Legislative Reorganization Act of 1946, as amended, I submit herewith the rules of the Committee on Governmental Affairs.

RULES OF PROCEDURE ADOPTED BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS, PURSUANT TO SECTION 133B OF THE LEGISLATIVE REORGANIZATION ACT OF 1946, AS AMENDED [1]

RULE 1. MEETINGS AND MEETING PROCEDURES OTHER THAN HEARINGS

A. *Meeting dates.* The committee shall hold its regular meetings on the first Thursday of each month, when the Congress is in session, or at such other times as the chairman shall determine. Additional meetings may be called by the chairman as he deems necessary to expedite committee business. (Sec. 133(a), Legislative Reorganization Act of 1946, as amended.)

B. *Calling special committee meetings.* If at least three members of the committee desire the chairman to call a special meeting, they may file in the offices of the committee a written request therefor, addressed to the chairman. Immediately thereafter, the clerk of the committee shall notify the chairman of such request. If, within three calendar days after the filing of such request, the chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the committee members may file in the offices of the committee their written notice that a special committee meeting will be held, specifying the date and hour thereof, and the committee shall meet on that date and hour. Immediately upon the filing of such notice, the committee clerk shall notify all committee members that such special meeting will be held and inform them of its date and hour. If the chairman is not present at any regular, additional or special meeting, the ranking majority member present shall preside (Sec. 133(a), Legislative Reorganization Act of 1946, as amended.)

C. *Meeting notices and agenda.* Written notices of committee meetings, accompanied by an agenda enumerating the items of business to be considered, shall be sent to all committee members at least three days in advance of such meetings. In the event that unforeseen requirements of committee business prevent a three-day notice, the committee staff shall communicate such notice by telephone to members or appropriate staff assistants in their offices, and an agenda will be furnished prior to the meeting.

D. *Open business meetings.* Meetings for the transaction of committee or subcommittee business shall be conducted in open session, except that a meeting or portions of a meeting may be held in executive session when the committee members present, by majority vote, so determine. The motion to close a meeting, either in whole or in part, may be considered and determined at a meeting next preceding such meeting. Whenever a meeting for the transaction of committee or subcommittee business is closed to the public, the chairman of the committee or the subcommittee shall offer a public explanation of the reasons the meeting is closed to the public. This paragraph shall not apply to the Permanent Subcommittee on Investigations.

E. *Prior notice of first degree amendments.* It shall not be in order for the committee, or a subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the committee or subcommittee unless a written copy of such amendment has been delivered to each member of the committee or subcommittee, as the case may be, and to the office of the committee or subcommittee, at least 24 hours before the meeting of the committee or subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours' written notice of a session to mark-up a measure is provided to the committee.[2]

F. *Agency comments.* When the committee has scheduled and publicly announced a mark-up meeting on pending legislation, if executive branch agencies, whose comments thereon have been requested, have not responded by the time of the announcement of such meeting, the announcement shall include the final date upon which the comments of such agencies, or any other agencies, will be accepted by the committee.[3]

RULE 2. QUORUMS

A. *Reporting legislation.* Nine members of the committee shall constitute a quorum for reporting legislative measures or recommendations. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.) [4]

B. *Transaction of routine business.* Five members of the committee shall constitute a quorum for the transaction of routine business, provided that one member of the minority is present.[4]

For the purpose of this paragraph, the term "routine business" includes the convening of a committee meeting and the consideration of legislation pending before the committee and any amendments thereto, and voting on such amendments.[4] (Rule XXV, Sec. 5(a), Standing Rules of the Senate.)

C. *Taking sworn testimony.* Two members of the committee shall constitute a quorum for taking sworn testimony; *Provided, however,* That one member of the committee shall constitute a quorum for such purposes, with the approval of the chairman and the ranking minority member of the committee, or their designees. (Rule XXV, Sec. 5(b), Standing Rules of the Senate.)

D. *Taking unsworn testimony.* One member of the committee shall constitute a quorum for taking unsworn testimony. (Sec. 133(d)(2), Legislative Reorganization Act of 1946, as amended.)

E. *Subcommittee quorums.* Subject to the provisions of section 5(a) and 5(b) of Rule XXV of the Standing Rules of the Senate, and section 133(d) of the Legislative Reorganization Act as amended, the subcommittees of this committee are authorized to establish their own quorums for the transaction of business and the taking of sworn testimony.

F. *Proxies prohibited in establishment of a quorum.* Proxies shall not be considered for the establishment of a quorum.

RULE 3. VOTING

A. *Quorum required.* No vote may be taken by the committee, or any subcommittee thereof, on any measure or matter unless a quorum, as prescribed in the preceding section, is actually present.

B. *Reporting legislation.* No measure or recommendation shall be reported from the committee unless a majority of the committee members are actually present, and the vote of the committee to report a measure or matter shall require the concurrence of a majority of these members who are actually present at the time the vote is taken. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

C. *Proxy voting.* Proxy voting shall be allowed on all measures and matters before the committee, or any subcommittees thereof, except that, when the committee, or any subcommittee thereof, is voting to report a measure or recommendation, proxy votes shall be allowed solely for the purposes of recording a member's position on the pending question and then, only if the absent committee member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be addressed to the chairman of the committee and filed with the chief clerk thereof, or to the chairman of the subcommittee and filed with the clerk thereof, as the case may be. All proxies shall be in writing and shall contain sufficient reference to the pending matter as is necessary to identify it and to inform the committee as to how the member wishes his vote to be recorded thereon. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

D. *Announcement of vote.* (1) Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

(2) Whenever the committee by rollcall vote acts upon any measure or amendment thereto, other than reporting a measure or recommendation, the results thereof shall be announced in the committee report on that measure unless previously announced by the

[1] These rules of procedure govern the full committee and its subcommittees. Additional rules governing the procedure of the Permanent Subcommittee on Investigations begin on p. 17.

[2] Amended Oct. 1, 1975.

[3] Amended Oct. 1, 1975.

[4] Amended Feb. 4, 1977.

[5] Amended Nov. 7, 1973.

committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment thereto by each member of the committee who was present at that meeting. (Sec. 133(b), Legislative Reorganization Act of 1946, as amended.)

(3) In any case in which a rollcall vote is announced, the tabulation of votes shall state separately the proxy vote recorded in favor of and in opposition to that measure, amendment thereto, or recommendation. (Sec. 133 (b) and (d) Legislative Reorganization Act of 1946, as amended.)

RULE 4. CHAIRMANSHIP OF MEETINGS AND HEARINGS

The chairman shall preside at all committee meetings and hearings except that he shall designate a temporary chairman to act in his place if he is unable to be present at a scheduled meeting or hearing. If the chairman (or his designee) is absent ten minutes after the scheduled time set for a meeting or hearing, the senior Senator present of the chairman's party shall act in his stead until the chairman's arrival. If there is no member of the chairman's party present, the senior Senator of the committee minority present shall open and conduct the meeting or hearing until such time as a member of the majority enters.[6]

RULE 5. HEARINGS AND HEARING PROCEDURES

A. *Announcement of hearings.* The committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date. (Sec. 133A(a), Legislative Reorganization Act of 1946, as amended.)

B. *Open hearings.* Each hearing conducted by the committee, or any subcommittee thereof, shall be open to the public unless the committee, or subcommittee, determines that the testimony to be taken at that hearing may (1) relate to a matter of national security, (2) tend to reflect adversely on the character or reputation of the witness of any other individual, or (3) divulge matters deemed confidential under other provisions of law or Government regulations. (Rule XXV, Sec. 7 (b), Standing Rules of the Senate.)

C. *Radio, television, and photography.* The committee, or any subcommittee thereof, may permit the proceedings of hearings which are open to the public to be photographed and broadcast by radio, television or both, subject to such conditions as the committee, or subcommittee, may impose. (Rule XXV, Sec. 7 (c), Standing Rules of the Senate.)

D. *Advance statements of witnesses.* A witness appearing before the committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least one day prior to his appearance, unless this requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for failure of compliance. (Sec. 133A(c), Legislative Reorganization Act of 1946, as amended.)

E. *Minority witnesses.* In any hearings conducted by the committee, or any subcommittee thereof, the minority members of the committee shall be entitled, upon request to the chairman by a majority of the minority to call witnesses of their selection during at least one day of such hearings. (Sec. 133A (e), Legislative Reorganization Act of 1946, as amended.)

RULE 6. COMMITTEE REPORTS

A. *Timely filing.* When the committee has ordered a measure or recommendation reported, following final action, the report thereon shall be filed in the Senate at the earliest practicable time. (Sec. 133(c), Legislative Reorganization Act of 1946, as amended.)

B. *Supplemental, minority, and additional views.* A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views. (Sec. 133(e), Legislative Reorganization Act of 1946, as amended.)

C. *Draft reports of subcommittees.* All draft reports prepared by subcommittees of this committee on any measure or matter referred to it by the chairman, shall be in the form, style, and arrangement required to conform to the applicable provisions of the Standing Rules of the Senate, and shall be in accordance with the established practices followed by the committee. Upon completion of such draft reports, copies thereof shall be filed with the chief clerk of the committee at the earliest practicable time.

D. *Cost estimates in reports.* All committee reports, accompanying a bill or joint resolution of a public character reported by the committee, shall contain (1) an estimate, made by the committee, of the costs which would be incurred in carrying out the legislation for the then current fiscal year and for each of the next five fiscal years thereafter (or for the authoried duration of the proposed legislation, if less than five years); (2) a comparison of such cost estimates with any made by a Federal agency; or (3) a statement of the reasons for failure by the committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Sec. 252(a), Legislative Reorganization Act of 1970.)

RULE 7. SUBCOMMITTEES AND SUBCOMMITTEE PROCEDURES

A. *Regularly established subcommittees.* The committee shall have six regularly established subcommittees, as follows:

Permanent Subcommittee on Investigations.

Intergovernmental Relations.

Government Efficiency and the District of Columbia.

Federal Spending Practices and Open Government.

Energy, Nuclear Proliferation and Federal Services.

Civil Service and General Services.

B. *Ad hoc subcommittees.* Following consultation with the ranking minority member, the chairman shall, from time to time, establish such ad hoc subcommittees as he deems necessary to expedite committee business.

C. *Subcommittee membership.* Following consultation with the majority members, and the ranking minority member, of the committee, the chairman shall announce selections for membership on the subcommittees referred to in paragraphs A and B, above.

D. *Subcommittee meetings and hearings.* Each subcommittee of this committee is auauthorized to establish meeting dates and adopt rules not inconsistent with the rules of the committee.

E. *Subcommittee budgets.* Each subcommittee of this committee, which requires authorization for the expenditure of funds for the conduct of inquiries and investigations, shall file with the chief clerk of the committee, not later than January 10 of that year, its request for funds for the 12-month period beginning on March 1 and extending through and including the last day in February of the following year. Each such request shall be submitted on the budget form prescribed by the Committee on Rules and Administration, and shall be accompanied by a written justification, addressed to the chairman of the committee, which shall include (1) a statement of the subcommittee's area of activities; (2) its accomplishments during the preceding year; and (3) a table showing a comparison between (a) the funds authorized for expenditure during the preceding year, (b) the funds actually expended during that year, (c) the amount requested for the current year, and (d) the number of professional and clerical staff members and consultants employed by the subcommittee during the preceding year and the number of such personnel requested for the current year. (Sec. 133(g), Legislative Reorganization Act of 1946, as amended.)

RULE 8. CONFIRMATION STANDARDS AND PROCEDURES

A. *Standards.* In considering a nomination, the Committee shall inquire into the nominee's experience, qualifications, suitability, and integrity to serve in the position to which he or she has been nominated. The Committee shall recommend confirmation, upon finding that the nominee has the necessary integrity and is affirmatively qualified by reason of training, education, or experience to carry out the functions of the office to which he or she was nominated.

B. *Information concerning the nominee.* As a requirement on confirmation, each nominee shall submit on forms, prepared by the Committee, the following information:

(1) A detailed biographical resume which contains information relating to education, employment and achievements;

(2) A financial statement which lists assets and liabilities of the nominee; and

(3) Copies of other relevant documents requested by the Committee, such as a proposed blind trust agreement.

At the request of either the Chairman or the Ranking Minority Member, a nominee shall be required to submit a certified financial statement compiled by an independent auditor.

Information received pursuant to this subsection shall be made available for public inspection; provided, however, that tax returns shall, after review by persons designated in subsection (C) of this rule, be placed under seal to ensure confidentiality.

C. *Procedures for Committee inquiry.* The Committee shall conduct an inquiry into the experience, qualifications, suitability and integrity of nominees, and shall give particular attention to the following matters:

(1) A review of the biographical information provided by the nominee, including any professional activities related directly to the duties of the office to which he or she is nominated;

(2) A review of the financial information provided by the nominee, including tax returns for the three years preceding the time of his or her nomination;

(3) A review of any actions, taken or proposed by the nominee, to remedy conflicts of interest; and

(4) A review of any personal or legal matter which may bear upon the nominee's qualifications for the office to which he or she is nominated.

For the purpose of assisting the Committee in the conduct of this inquiry, a Chief Investigator shall be designated by the Chairman and a Minority Investigator shall be designated by the Ranking Minority Member. The Chairman, Ranking Minority Member, and the designated Investigators shall have access to all investigative reports on nominees prepared by any Federal agency, including the Federal Bureau of Investigation. The Committee may request the assistance of the General Accounting Office in conducting an audit of financial information provided by nominees.

[6] Adopted December 9, 1974.

D. *Report on the nominee.* After a review of all information pertinent to the nomination, a confidential report on the nominee shall be submitted to the Chairman and the Ranking Minority Member. The report shall detail any unresolved or questionable matters that have been raised during the course of the inquiry. Copies of all relevant documents and forms, except any tax returns, submitted pursuant to subsection (B) shall be attached to the report. The report shall be kept in the Committee office for inspection by Members of the Committee.

E. *Hearings.* The Committee shall conduct a public hearing during which the nominee shall be called to testify under oath on all matters relating to his or her suitability for office, including the policies and programs which he or she will pursue while in that position. No hearing shall be scheduled until at least 72 hours after the following events have occurred: the nominee has responded to prehearing questions submitted by the Committee; and the report required by subsection (D) has been submitted to the Chairman and Ranking Minority Member, and is made available for inspection by Members of the Committee.

F. *Action on confirmation.* A mark-up on a nomination shall not occur on the same day that the hearing on the nominee is held. In order to assist the Committee in reaching a recommendation on confirmation, the staff shall make an oral presentation to the Committee at the mark-up, factually summarizing the nominee's background and the steps taken during the pre-hearing inquiry.

G. *Application.* The procedures contained in subsections (C), (D), (E), and (F) of this rule shall apply to persons nominated by the President to positions requiring their full-time service. At the discretion of the Chairman and Ranking Minority Member, those procedures may apply to persons nominated by the President to serve on a part-time advisory basis.[7]

RULES OF PROCEDURE FOR THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS, OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS ADOPTED BY THE SUBCOMMITTEE ON INVESTIGATIONS

APRIL 17, 1977

1. No public hearing connected with an investigation shall be held without approval of either a majority of the subcommittee or a majority of the full Committee on Governmental Affairs. The ranking minority Member shall be kept fully appraised of preliminary inquiries, investigations and hearings. Preliminary inquiries may be initiated by the subcommittee staff upon the approval of the Chairman of the subcommittee and notice of such approval to the ranking minority Member or the minority counsel.

2. Subpenas for attendance of witnesses and the production of memoranda, documents and records shall be issued by the Subcommittee Chairman or by any other Member of the subcommittee designated by him.

3. The Chairman shall have the authority to call meetings of the subcommittee. This authority may be delegated by the Chairman to any other Member of the subcommittee when necessary. The Chairman shall not schedule any hearings or series of hearings outside the District of Columbia without giving at least 48 hours' notice thereof to the Members of the subcommittee.

No public hearing shall be held if the minority Members unanimously object, unless the full Committee on Governmental Affairs by a majority vote approve of such public hearing.

4. If at least three Members of the subcommittee desire the Chairman to call a special meeting, they may file in the office of the subcommittee a written request therefor, addressed to the Chairman. Immediately thereafter, the clerk of the subcommittee shall notify the Chairman of such request. If, within 3 calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within 7 calendar days after the filing of such request, a majority of the subcommittee Members may file in the office of the subcommittee their written notice that a special subcommittee meeting will be held, specifying the date and hour thereof, and the subcommittee shall meet on that date and hour. Immediately upon the filing of such notice, the subcommittee clerk shall notify all subcommittee Members that such special meeting will be held and inform them of its date and hour. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

5. For public or executive sessions, any two Members of the subcommittee shall constitute a quorum for the administering of oaths and the taking of testimony in any given case or subject matter. With the permission of the Chairman and the ranking minority Member, one Member of the subcommittee shall constitute a quorum for the administering of oaths and the taking of testimony in any given case or subject matter, in public or executive sessions, effective until such time as the subcommittee by majority vote determines otherwise.

Five (5) Members of the subcommittee shall constitute a quorum for the transaction of subcommittee business other than the administering of oaths and the taking of testimony.

6. All witnesses at public or executive hearings who testify to matters of fact shall be sworn.

7. If, during public or executive sessions, a witness, his counsel, or any spectator conducts himself in such a manner as to prevent, impede, disrupt, obstruct, or interfere with subcommittee present during such hearing the Chairman or presiding Member of the subcommittee present during such hearing may request the Sergeant at Arms of the Senate, his representative or any law enforcement official to eject said person from the hearing room.

8. Counsel retained by any witness and accompanying such witness shall be permitted to be present during the testimony of such witness at any public or executive hearing, and to advise such witness while he is testifying, of his legal rights. *Provided, however,* That any Government officer or employee being interrogated by the staff or testifying before the committee and electing to have his personal counsel present shall not be permitted to select such counsel from the employees or officers of any governmental agency. This rule shall not be construed to excuse a witness from testifying in the event his counsel is ejected for conducting himself in such a manner so as to prevent, impede, disrupt, obstruct, or interfere with the orderly administration of the hearings; nor shall this rule be construed as authorizing counsel to coach the witness, answer for the witness or put words in the witness' mouth. The failure of any witness to secure counsel shall not excuse such witness from attendance in response to subpena.

9. Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the counsel or Chairman of the subcommittee 24 hours in advance of the hearings at which the statement is to be presented unless the Chairman and the ranking minority Member waive this requirement. The subcommittee shall determine whether such statement may be read or placed in the record of the hearing.

10. A witness may request, on grounds of distraction, harassment, or physical discomfort, that during his testimony, television, motion picture, and other cameras and lights shall not be directed at him, such requests to be ruled on by the subcommittee Members present at the hearing.

11. An accurate stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. The record of his own testimony whether in public or executive session shall be made available for inspection by witness or his counsel under committee supervision; a copy of any testimony given in public session or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be made available to any witness at his expense if he so requests.

12. Interrogation of witnesses at subcommittee hearings shall be conduced on behalf of the subcommittee by Members and authorized subcommittee staff personel only.

13. Any person who is the subject of an investigation in public hearings may submit to the Chairman of the subcommittee questions in writing for the cross-examination of other witnesses called by the subcommittee. With the consent of a majority of the Members of the subcommittee present and voting, these questions shall be put to the witness by the Chairman, by a Member of the subcommittee, or by counsel of the subcommittee.

14. Any person whose name is mentioned or who is specifically identified, and who believes that testimony or other evidence presented at a public hearing, or comment made by a subcommittee Member or counsel, tends to defame him or otherwise adversely affect his reputation, may (a) request to appear personally before the subcommittee to testify in his own behalf, or, in the alternative, (b) file a sworn statement of facts relevant to the testimony or other evidence or comment complained of. Such request and such statement shall be submitted to the subcommittee for its consideration and action.

If a person requests to appear personally before the subcommittee pursuant to alternative (a) referred to herein, said request shall be considered untimely if it is not received by the Chairman of the subcommittee or its counsel in writing on or before thirty (30) days subsequent to the day on which said person's name was mentioned or otherwise specifically identified during a public hearing held before the subcommittee, unless the Chairman and the ranking minority Member waive this requirement.

If a person requests the filing of his sworn statement pursuant to alternative (b) referred to herein, the subcommittee may condition the filing of said sworn statement upon said person agreeing to appear personally before the subcommittee and to testify concerning the matters contained in his sworn statement, as well as any other matters related to the subject of the investigation before the subcommittee.

15. All testimony taken in executive session shall be kept secret and will not be released for public information without the approval of a majority of the subcommittee.

16. No subcommittee report shall be released to the public unless approved by a majority of the subcommittee and after no less than 7 days' notice and opportunity for comment by the minority Members of the subcommittee unless the need for such notice and opportunity to comment has been waived in writing by a majority of the minority Members.

17. All staff members shall be confirmed by a majority of the subcommittee. After confirmation, the Chairman shall certify staff appointments to the Financial Clerk of the Senate, in writing.

18. The minority shall select for appointment to the subcommittee staff a Chief

[7] Adopted March 20, 1978.

Counsel for the minority who shall, upon being confirmed, work under their supervision and direction; who shall be kept fully informed as to investigations and hearings, have access to all material in the files of the subcommittee, and, when not otherwise engaged, shall do other subcommittee work.

[S. Res. 370, as amended by S. Res. 425. 95th Congress, 2d Sess.]

A resolution authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations.

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Governmental Affairs, or any subcommittee thereof, is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,242,900, of which amount not to exceed $77,055 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interest against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and long-standing causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquility within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents; and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of of alternative energy supplies:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1978, through February 28, 1979, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.●

THE DESIRABILITY OF MATCHING WORK FORCE AND WORK PLACE

● Mr. STEVENSON. Mr. President, our urban policies should encourage changes in residential patterns to facilitate the natural flow of workers to workplace. We should encourage a large portion of the disadvantaged to migrate from central cities to suburbs and nonmetropolitan areas where there is a growing number of jobs in industry and business. At the same time, we should encourage many of the affluent to move into urban centers where white-collar jobs are concentrated.

Unfortunately, current policies ignore both the importance of societal dynamics and the lessons of history. Though migration spurred by opportunity is evident throughout our history, current policies often serve to impede the natural growth of society, locking the poor into deteriorating pockets of central cities and sentencing the affluent to long and wasteful trips between suburbs and downtown offices.

Two recent articles provide clear evidence of the desirability of matching work force and workplace. The first article, in the Chicago Defender, points out that the most important factor in ending housing discrimination in the suburbs is the movement of industry and business to those areas and away from central cities. This has provided employment for large numbers of disadvantaged urban dwellers, some of whom are beginning to settle in suburbs near their jobs.

The second article, in the Chicago Tribune, summarizes a northeastern Illinois Planning Commission report which shows that daily trips of Chicago area commuters are approximately 20 percent longer today than in 1970.

Mr. President, I ask that these articles be printed in the RECORD.

The articles are as follows:

[From the Chicago Defender, Jan. 22, 1979]

FAIR HOUSING FOR BLACKS IN SUBURBIA BECOMING A REALITY—JOB OPPORTUNITIES IN OUTLYING AREAS ATTRACT BLACKS

The wall of discrimination against black families in the suburbs is still in place but not for long. It's being assailed in several powerful ways, for it no longer suits the times.

Fair housing laws, on the books since the sixties, are at last having their inevitable effect. According to the Northern Illinois Planning Commission, no Chicago suburb will now admit to any racial discrimination. The Gatreaux decision mandating public housing in the suburbs has moved housing authorities to experiment—successfully—with rent supplements outside the city.

And HOPE, Inc., a powerful fair housing group in DuPage County, is fighting an expensive and time consuming lawsuit in federal court against the county's board of commissioners, charging unlawful use of county ordinances concerning lot sizes, room sizes and cost of housing, to discriminate against low income people. U.S. Federal Judge Hubert Will is expected to rule on the case by the first of the year. If the ruling is favorable, as HOPE thinks it will be, it will be a tool for striking down housing discrimination, and the effect will be nation wide since the suit is in the federal court.

But by far the strongest factor in breaking down housing discrimination in the suburbs is the move of industry and business into outlying areas, and its need for workers. Suburbanites who wooed business into their towns find their fine taxpaying industries can't exist without a good labor pool. And if they want labor, there must be affordable homes for the workers to live in.

Black workers are already commuting in large numbers to the suburbs for jobs. From 1960 to 1970 "Reverse commuting" by city residents to the suburbs spread from small areas on the edge of the city to the entire city. (See accompanying map).

With that sort of mass movement in and out of the suburbs every day, it's only a matter of time before the workers find ways to live closer to their jobs.

One of the most practical and immediate aids to help suburbs accept black residents is a ring of fair housing groups that has been established throughout the suburban area. These groups perform many key services that promote fair housing and increased diversity of the housing stock.

They try, and often succeed, to turn around the climate of discrimination in their area. They exert pressure on local officials to eliminate discriminatory practices and ordinances. They put pressure on local housing authorities and developers to provide more low income housing. And they work with black people who want to move into the suburbs to find homes they can afford within the existing market.

Ted Brzyski, director of NIPC's housing study, maintains, "The whole housing ball game is in the Chicago suburbs now." He said in compiling the NIPC housing plan for the region he found that housing in the suburbs "isn't all that much more expensive. By the time you subtract the $50 a month for commuting and allow for the fact that you get more for your housing dollar in the suburbs than in the city, not to mention good schools, picturesque countryside and places where children can play, suburban housing is a better buy than city housing."

Brzyski emphasizes that "It takes a lot of ingenuity and help for blacks to find homes out there, but it can be done."

He mentioned Bellwood, Maywood, Hazelcrest and Evanston as areas with large black communities. Park Forest, Park Forest South and Oak Park are integrated communities with active fair housing programs and a commitment to staying racially diverse.

But Brzyski said the real frontier for integrating communities in the suburbs lies in the areas farthest from the city line where, so far, there is no threat of immediate inundation by minority people. Unfortunately, all black suburbs, such as Robbins and Phoenix, face most of the problems that plague inner-city black neighborhoods, he said.

Bernard Kleina, director of HOPE, INC. and the West Suburban Fair Housing Center says, "You can still expect a 50 percent chance of discrimination when blacks seek to buy or rent in Du Page County. So we provide an escort service to make sure that there is no discrimination."

Kleina says, "The cost of rental housing in the suburbs, while it is very high, is not that much greater than the cost of rental housing in the city. It's often newer and better maintained. And the density of the suburbs is less than in the city."

He added that black families no longer have to feel like pioneers when they move to the suburbs because almost every suburb has some minority families now.

NIPC's housing plan calls for 294,600 very low income homes for 587,597 families in the region right now. By 1985 NIPC says the region should have 440,260 units of lower income housing. The distribution would be as follows:

Subregion—Total estimated lower income housing needs through 1985, suburban Cook

North	33,992
Northwest	29,936
West	27,235
South	18,262
Southwest	25,051
Suburban Cook Total	134,476
DuPage	26,656
Kane	14,255
Lake	28,061
McHenry	5,934
Will	11,065
Chicago	219,813
N.E. Ill. Total	440,260

A good example of how a suburb can be comfortably integrated is Park Forest, at the far south end of Cook County. The town of 30,000 was one of the first of the planned communities built just after World War II

When black families moved into the formerly all white village, there was some stir, said Peter Garreteon, a Park Forest realtor active in the local fair housing center. "But after the first five or six families settled, race ceased to be an issue." All areas of the village are integrated * * *.

Park Forest and its sister community, Park Forest South, offer good quality homes at affordable prices, excellent schools and a well maintained community for all races.

Oak Park on the West Side of the county is just now attempting to integrate by design. Rather than attempt to close blacks out, or than flee to further-out white suburbs, Oak Park people committed themselves to creating a stable integrated community.

NIPC says, "There is little doubt that stability has been maintained. Property values have increased and there has been no 'flight of the whites'. Oak Park offers large older homes and apartments in a stable, well-established urban setting just outside Chicago's city limits."

Homes for very large families are at a premium everywhere in suburbia. The housing stock for very low income families is especially scant, but efforts are being made to increase it.

Betty Nicholson, acting director of the South Suburban Housing Service, says, "There are just no apartments available for very large families in our area.

"And any really low-cost housing out here must be subsidized in one way or another because of high building costs."

[From the Chicago Tribune, Jan. 25, 1979]

ENERGY BATTLE BEING HURT BY LONGER RIDE TO WORK

One symptom of the spreading out of jobs from city to suburbs has alarming implications for the nation's energy situation.

Motorists in the Chicago area are driving longer distances nowadays, about 20 per cent longer, than they did in 1970.

The 1978 Regional Data Report by the Northeastern Illinois Planning Commission shows that 13.14 car miles were driven in 1976 for every man, woman, and child in the area.

Back in 1970 the figure was 11 miles.

Max Dieber, NIPC demographer, cautions that housing sprawl may be as much to blame as job sprawl. And, he notes, area residents are more affluent than they were in 1970.

Nevertheless, the steady increase in per capita miles occurred despite whopping increases in the price of gasoline, automobiles, and auto insurance.

One study by the University of Illinois at Chicago Circle found that Cook County residents consume far less energy each year (about 282 million BTU's) than residents of less densely populated areas like Lake County (485 million BTUs).

Another study found that the average Chicago driver burns only 7.5 gallons of gas each week, compared to 15 gallons a week used by drivers in thinly populated McHenry County.●

INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

● Mr. KENNEDY. Mr. President, after many years of distinguished service, John F. Thomas steps down today as director of the 33-nation Intergovernmental Committee for European Migration. For 10 years he has led ICEM through some of the more difficult as well as some of the most productive years of ICEM's history.

Named to succeed him is James L. Carlin, recently Deputy Assistant Secretary of State for Refugee and Migration Affairs.

As chairman of the former Subcommittee on Refugees, and from my work in the refugee and migration field, I have come to know both these men. And I know that even as we honor the long service of John Thomas, and his important contributions to ICEM, we can also be confident today that his record of leadership and service will be continued under Jim Carlin.

In the days ahead, ICEM will face many challenges as an organization, both budgetary as well as structurally. I pledge my continued support for current efforts to make ICEM more responsive to today's migration and refugee needs, and for streamlining its staff and revitalizing its role in the international migration and refugee field.

Mr. President, I ask that the announcement today from ICEM on the new director, and a statement on the distinguished service of John Thomas to ICEM, be printed in the RECORD.

The material follows:

NEW ICEM DIRECTOR TAKES OFFICE

James L. Carlin, a top-ranking administrator of U.S. Government refugee-migrant assistance programs overseas, took office at Geneva today (March 1) as Director of the 33-nation Intergovernmental Committee for European Migration (ICEM).

He succeeds John F. Thomas, who is retiring after serving as ICEM's Director since 1969. Both men are from Minneapolis.

Mr. Carlin, 57, former Deputy Assistant Secretary of State for Refugee and Migration Affairs, has worked more than 30 years in his field; he is regarded as one of the foremost international experts in the resettlement of refugees and migrants. The Council of ICEM elected him to a five-year term last November on nomination of the U.S. Administration supported by members of Congress concerned with refugee maters.

ICEM, with headquarters in Geneva, was established in 1951 to cope with then-dominant European problems. Expanding its operations over the years to meet new refugee situations, the organization has relocated more than 2.36 million persons in new homes and currently has programs in 31 countries around the world. Largest at present involve refugees in East Asia from Viet Nam, Cambodia and Laos, and the continuing flow of refugees from Eastern Europe to the West. ICEM expects to organize the movement and resettlement—in the United States and many other countries—of more than 120,000 persons in 1979.

A special ICEM program, involving smaller numbers of people, recruits and places highly-qualified personnel to aid in the economic and social development of less-industrialized nations, particularly in Latin America.

Although outside the United Nations system, ICEM works in close cooperation with the specialized U.N. agencies, especially the U.N. High Commissioner for Refugees (UNHCR) and with other international, regional and national humanitarian organizations including voluntary agencies.

Mr. Carlin has represented the United States at many sessions of international organizations including the governing bodies of UNHCR and ICEM. He is married to the former Annemarie Aeberhard of Geneva.

DIRECTOR OF ICEM HONORED BY THE UNIVERSITY OF MINNESOTA (USA)

John F. Thomas, Director General, Intergovernmental Committee for European Migration (ICEM) was honored by the University of Minnesota with the 1978 Outstanding Alumni Achievement Award. The award will be presented to Mr. Thomas on 20 May 1979 in Minneapolis. Dr. C. Peter Magrath, President of the University noted that Mr. Thomas was being singled out by his Alma Mater in recognition of his 33 years of service in the field of refugees and migration. As the University has granted over 286,000 degrees since its founding in 1873, the honor is a coveted one.

Mr. Thomas began his career in the refugee field on leaving the United States Army where he held the rank of Captain to join the United Nations Relief and Rehabilitation Agency (UNRRA) in 1945. His first post as Welfare Officer was in Displaced Persons' camps in Germany. He has actively participated in most of the major refugee situations occurring since 1945 including the Hungarian crisis in 1956, the out-movement of Asians from Uganda, the United States Cuban Refugee Program, the United States Refugee Program in South Vietnam and the Indochina Refugee Migration Program. Mr. Thomas became Director of ICEM which has its Headquarters in Geneva, Switzerland in 1969.

ICEM is an international organization which undertakes migration programmes on behalf of its 33 Member Governments in four continents. Over its 26-year history ICEM has assisted some 2,265,000 people to find new homelands abroad. 1,300,000 were refugees from different parts of the world and 965,000 were European Nationals who emigrated to overseas countries.

ICEM presently carries out migration movements of a large number of Indochinese refugees in cooperation with the United Nations High Commissioner for Refugees and the International Voluntary Agencies; movements of Jews and other migrants from the USSR; movements of persons authorised to leave Chile and other Latin American countries, as well as refugees from the Middle East and North Africa. Other migration programmes include recruitment in Europe and placement in Latin America of highly qualified European professionals and technicians to ensure a practical transfer of technology to these countries. The reunification of separated refugee and migrant families also represents an important task undertaken by the organization. In 1978, over 70,000 migrants and refugees will benefit from ICEM services.●

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, section 133B of the Legislative Reorganization Act of 1970, as amended, requires each standing, select, or special committee of the Senate at the beginning of each session to publish in the CONGRESSIONAL RECORD the rules that the committee has adopted to govern procedures within the committee.

Thus, pursuant to that requirement, I ask that the current rules of the Committee on Veterans' Affairs be printed in the RECORD.

The material is as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

I. MEETINGS

(a) Unless otherwise ordered, the committee shall meet on the first Wednesday of each month. The chairman may, upon proper notice, call such additional meetings as he deems necessary.

(b) Meetings of the committee or a subcommittee shall be open to the public except that, subject to the provisions of paragraphs (b) and (d) of rule 25.7 of the Standing Rules of the Senate, a portion or portions of any such meeting may be closed to the public if the committee so elects by a record vote of a majority of the members of the committee present.

(c) The chairman of the committee or of a subcommittee, or the vice chairman in the absence of the chairman, or the ranking majority member present in the absence of the vice chairman, shall preside at all meetings.

(d) No meeting of the committee or any subcommittee shall be scheduled except by majority vote of the committee or by authorization of the chairman of the committee.

(e) The committee shall notify the office designated by the Committee on Rules and Administration of the time, place, and purpose of each meeting. In the event such meeting is canceled, the committee shall immediately notify such designated office.

II. QUORUMS

(a) Subject to the provisions of paragraph (b), five members of the committee and four members of a subcommittee shall constitute a quorum for the reporting of legislative matters. Three members of the committee or a subcommittee shall constitute a quorum for purposes of transacting any other business.

(b) In order to transact any business at a committee or subcommittee meeting, at least one member of the minority shall be present. If, at any meeting, business cannot be transacted because of the absence of such a member, the matter shall lay over for a calendar day. If the presence of a minority member is not then obtained, business may be transacted by the appropriate quorum.

(c) One member shall constitute a quorum for the purpose of receiving testimony.

III. VOTING

(a) Votes may be cast by proxy. A proxy may be written or oral, and may be conditioned by personal instructions. A proxy shall be valid only for the day given except that a written proxy may be valid for the period specified therein.

(b) There shall be a complete record kept of all committee action. Such record shall contain the vote cast by each member of the committee on any question on which a "yea" and "nay" vote is requested.

IV. SUBCOMMITTEES

(a) No member of the committee may serve on more than two subcommittees. No member of the committee shall receive assignment to a second subcommittee until all members of the committee, in order of seniority, have chosen assignments to one subcommittee.

(b) The committee chairman and the ranking minority member shall be ex officio nonvoting members of each subcommittee of the committee.

(c) Subcommittees shall be considered *de novo* whenever there is a change in committee chairmanship and, in such event, subcommittee seniority shall not necessarily apply.

(d) Should a subcommittee fail to report back to the committee on any measure within a reasonable time, the chairman may withdraw the measure from such subcommittee and so notify the committee for its disposition.

V. HEARINGS AND HEARING PROCEDURES

(a) Except as specifically otherwise provided, the rules governing meetings shall govern hearings.

(b) At least 1 week in advance of the date of any hearing, the committee or a subcommittee shall undertake, consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946, as amended, to make public announcement of the date, place, time, and subject matter of such hearing.

(c) The committee or a subcommittee shall require each witness who is scheduled to testify at any hearing to file such witness' testimony with the committee not later than 24 hours prior to the witness' scheduled appearance unless the chairman and ranking minority member determine there is good cause for failure to do so.

(d) The presiding officer at any hearing is authorized to limit the time allotted to each witness appearing before the committee or subcommittee.

VI. GENERAL

All applicable requirements of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the committee and its subcommittees.

VII. AMENDMENTS TO THE RULES

The rules of the committee may be changed, modified, amended, or suspended at any time, provided, however, that not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose. The rules governing quorums for reporting legislative matters shall govern rules changes, modifications, amendments, or suspension.●

THE OVERABUNDANCE OF FEDERAL REGULATION

● Mr. BOREN. Mr. President, one of the major causes of inflation and one of the major concerns of small business persons and individual citizens in this country is an overabundance of Federal regulation in virtually all aspects of American life.

For this reason, I am joining as a cosponsor of S. 265, by Mr. DOMENICI. The measure, entitled "Equal Access to Justice Act," provides compensation for attorney fees and costs to small businesses or individuals who prevail in either administrative or judicial litigation against the Federal Government when the Government cannot substantiate its position.

As I travel around my own State of Oklahoma I find that the most pressing issue on the minds of my constituents is the whole problem of dealing with the Federal bureaucracy, which citizens feel is growing and is dominating their lives. Surveys show that the American people in general feel the unresponsiveness of the Federal bureaucracy to be a major domestic problem.

Likewise, the overabundance of Federal regulations is a contributing cause of inflation.

Wasteful, unnecessary Government regulations add to business costs and are forcing prices up.

In a hearing in April 1978, a witness before the Joint Economic Committee estimated that the cost to business of meeting Federal regulations in 1979 would amount to more than $100 billion.

To put this figure into an even more staggering perspective, compare this $100 billion with the total amount of Federal income and corporate taxes received by our Government last year—some $350 billion. Thus, compliance with Federal regulations this year will total almost one-third of what it cost all citizens and all businesses to pay their Federal taxes last year.

This $100 billion figure amounts to almost $500 for every person in our country, and almost $2,000 for the typical family of four.

S. 265 is a first step toward discouraging the promulgation of needless and costly Federal regulations.

It will, I believe, encourage citizens and small business persons to challenge unfair regulations in court. Presently, prohibitive costs often cause many to fail to vindicate their rights by engaging in court proceedings.

With these costs being made the responsibility of the agency whose regulations are challenged, more citizens will have the incentive to go to court.

The problem of overregulation must be tackled. I support S. 265 and urge my colleagues to vote for its passage. We must reform our Federal bureaucracy to help cope with inflation. Above all, we must tackle this problem in order to bring our Government back into the hands of the people.●

RULES OF PROCEDURE FOR THE COMMITTEE ON THE BUDGET

● Mr. MUSKIE. Mr. President, I submit for the RECORD the rules of procedure for the Committee on the Budget.

The rules of procedure are as follows:

RULES OF PROCEDURE FOR THE COMMITTEE ON THE BUDGET

I. MEETINGS OF THE COMMITTEE

1. The Committee shall hold its regular meeting on the first Thursday of each month. Additional meetings may be called by the Chairman as he deems necessary to expedite Committee business.

2. Each meeting of the Committee on the Budget of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the Committee or subcommittee, as the case may be, determined by record vote of a majority of the members of the Committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(b) will relate solely to matters of the Committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

II. QUORUMS

1. Except as provided in paragraphs 2 and 3 of this section, a quorum for the transaction of Committee business shall consist of not less than one-third of the membership of the entire Committee; provided, that proxies shall not be counter in making a quorum.

2. A majority of the Committee shall constitute a quorum for reporting legislative measures or recommendations; provided that proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn or unsworn testimony a quorum of the Committee and each subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy if the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

IV. HEARINGS AND HEARING PROCEDURES

1. The Committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the Committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date.

2. A witness appearing before the Committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least one day prior to his appearance, unless this requirement is waived by the Chairman and the ranking minority member, following their determination that there is good cause for failure of compliance.

V. COMMITTEE REPORTS

1. When the Committee has ordered a measure or recommendation reported, following final action the report thereon shall be filed in the Senate at the earliest practicable time.

2. A member of the Committee who gives notice of his intention to file supplemental, minority or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views.

(NOTE. On February 6, 1979, the Committee voted to adopt an experimental procedure for the first round votes of the markup of the First Concurrent Resolution for FY 1980. Under this procedure, no Senator will be permitted to vote by proxy for such first round votes.)

PUBLIC SUPPORT FOR SALT GROWS TO 81 PERCENT

● Mr. CRANSTON. Mr. President, last June, an ABC News-Harris poll found that public support for SALT had risen steadily from 59 percent in 1976 and 66 percent in 1977 to an impressive 75 percent in 1978. A recent NBC-AP poll shows that public support for a new SALT agreement has continued to grow to the high point of 81 percent. And opposition to an "agreement which would limit nuclear weapons" dropped to a low of 14 percent. Just as encouraging were the responses to the more detailed questions asked by NBC and AP. They demonstrate widespread public understanding of the danger of nuclear war and SALT's relationship to U.S. national security. The poll found 80 percent of the respondents favored a SALT II agreement, because it would reduce the chances of war and/or slow down the arms race. And 57 percent felt that SALT II would strengthen our national security and only 27 percent thought we would be weaker with SALT.

As a Senator who believes the SALT II Treaty—when it is completed—should be weighed by its contribution to our national security, I am encouraged by these poll results. They show that Americans understand the grave dangers of the strategic weapons buildup, and accept the principle that the world will be more secure with limitation and reduction of those weapons than with unrestrained competition.

The President can continue his efforts to reach a good, verifiable, SALT II

agreement knowing that he is supported strongly by the American people.

Mr. President, I ask that the NBC-AP poll results on SALT be printed in the RECORD.

The poll is as follows:

FEBRUARY NATIONAL POLL

Following are highlights of the latest national telephone survey conducted jointly by NBC News and The Associated Press. This poll was taken on February 5–6, 1979. It included questions on President Carter's performance, relations with China, the proposed SALT II agreements with the Soviet Union, the U.S. economy, the federal budget and other matters. A total of 1,600 adult Americans were interviewed in this survey.

SALT II AGREEMENT

Public support for a new SALT agreement has reached a high point of 81%. Only 14% say they oppose a new pact and 5% are not sure of their views. The public clearly has fewer doubts about signing a new agreement than does the U.S. Senate, which must ratify any proposed document by a two-thirds vote. Many Washington observers believe the new pact will face strong and determined opposition in the Senate later this year.

Most Americans who favor the SALT agreements do so because they think it will reduce the chances of nuclear war. 60% of all SALT supporters cite this reason for backing the new agreement with the Soviets. The fear of such a war remains at relatively high levels, with nearly one-third of the public believing nuclear conflict involving the U.S. is likely in the next three years.

In addition to reducing the chances of war, some SALT supporters—30% of the total—say SALT will slow down the arms race. Another 10% of the pro-SALT respondents think the treaty will lead to lower defense spending and 5% think a new agreement will add to U.S. stature in the eyes of the world. Five percent say they are not sure why they support an agreement.

By a decisive 57% to 27% margin, Americans think the ratification of a new SALT document will strengthen, rather than weaken, U.S. security.

THE SOVIETS

On a related topic, fully two-thirds of the public—66%—think the Soviet Union poses the greatest threat to world peace today. 17% say China is the largest threat and 10% think the United States is the greatest threat to peace.

Finally, 44% of the public say President Carter has not been tough enough with the Soviets in his dealings with them, while 42% think the President has set the right tone in negotiating with the Russians. Only 2% say the President has been too tough and 12% are not sure of their views.

FOREIGN AFFAIRS

Limit nuclear weapons

Do you favor or oppose a new agreement between the United States and Russia which would limit nuclear weapons?

	Percent
Favor	81
Oppose	14
Not sure	5

Reasons for limiting nuclear weapons

Why do you favor such a treaty? Is it because the treaty would reduce the chances of war, or because it would slow down the arms race, or because it would cut defense spending, or because it would increase the status of the United States in the world?

	Percent
Reduce chances of war	60
Slow down arms race	20
Cut defense spending	10
Increase U.S. status	5
Not sure	5

Effect on national security

Do you think any such agreement limiting both sides' weapons would strengthen our national security or weaken it?

	Percent
Strengthen our security	57
Weaken our security	27
Not sure	16

Carter and Soviets

Do you think that President Carter has been too tough on the Soviets, not tough enough, or do you think he has set the right tone in his dealings with the Soviets?

	Percent
Too tough	2
Not tough enough	44
Right tone	42
Not sure	12

LOU BACHMAN RETIRES AS MANAGING EDITOR OF BRISTOL PRESS

● Mr. RIBICOFF. Mr. President, Lou BACHMAN, one of the best newspapermen I have ever known, has retired as managing editor of the Bristol Press. In a 40-year career in journalism, Lou Bachman earned the respect and admiration of his fellow reporters and his readers. He very much deserves his reputation for responsible, accurate, perceptive, and enterprising reporting and editing.

A friend of Lou Bachman expressed my own feelings about this fine journalist when he said of Lou:

For his qualities as a courageous craftsman in his chosen field of journalism, as a sensitive citizen of his beloved Bristol, and for his dedication to the highest standards of the profession, we salute Lou Bachman for his years of service with profound appreciation.

Lou has been a friend of mine for many years. The Bristol Press will continue to publish according to its own high standards and the standards set by Lou Bachman. Lou is an original, one of those persons who, once met, is never forgotten. And his impact and personality at the Bristol Press will be missed.

I wish Lou Bachman a happy and productive retirement.

Mr. President, I ask that an editorial from the February 5, 1979, Bristol Press and a February 3, 1979, news article on Lou Bachman's retirement be printed in the RECORD.

The material follows:

EDITOR LOU BACHMAN BOWS OUT

It was a little over two months ago, on December 1st, when the Lou Bachman retirement story broke. "A Feisty Lou Bachman Bows Out" was the head to the announcement of upcoming notable changes on the news and editorial side at The Press.

The February 1st retirement date seemed like some time off, back in early December. We still had that comfortable feeling. For so many years a goodly number of us at The Press felt reassured to have Lou Bachman on deck, in his strategic role at the helm in the news department. We knew he would steer the right course no matter what rough seas might develop. Now we face the reality. The nine weeks since December 1st have passed all too quickly.

During his almost 40 years at The Press, Lou Bachman did a great deal more than acquit himself on the job as a topflight journalist. Friends and admirers from near and far have sent in comments and tributes during these past few weeks. Lou's good deeds have been acknowledged and recognised on numerous occasions.

We could fill the equivalent space of many a "Downtown" column if we were to try to chronicle just a modest measure of "Mr. Downtown's" achievements and community services. While Lou was a strong party man in the political field, he was at the same time a friend and counselor to politicos on both sides of the aisle.

This special quality of Lou's that endeared him to many an individual was highlighted this past week in a resolution approved by the General Assembly. Governor Ella Grasso read the resolution during her surprise visit to The Press management team retirement luncheon for Lou last Friday.

State Senator Steve Casey (D.) and State Representative Ed Krawiecki (R.) collaborated in the preparation of the resolution honoring Lou Bachman's retirement and were responsible for having it introduced and approved by both houses of the General Assembly. Both of these youthful legislators had found it advantageous on more than one occasion this past year during their political campaigns to stop in and talk at some length with Press Editor Lou. He was as interested in talking with them as he had been in past years in talking with their dads, the later Mayor Jim Casey and former State Representative Ed Krawiecki, Sr. Thus here was an example of Lou's ability to bridge the generation gap as well as party labels, as the resolution pointed out.

Governor Grasso had some mighty nice things to say about Lou Bachman as she and her husband Tom came over to Chippanee last Friday noon to help honor her good friend of many years standing. While she chided him for his move out of the state, she gave a touching and dramatic tribute to Lou when she said, "I come here as Ella Grasso, who never would have been governor if it had not been for Lou Bachman." She was referring to the fact that Bachman was the first newsman to propose Mrs. Grasso for governor (as he did in his Downtown column) when she was Sixth District Congresswoman.

On the day Lou Bachman officially signed off his almost four decades with The Press, January 31, there was a Letter to the Editor in the Readers' Corner column on the Op-Ed page from which we want to quote. The letter was from a good friend of Lou's, Albert E. Jabs, former Bristol resident, now a professor at Vorhees College, Denmark, S.C. Jabs is the son of former Republican party stalwart Al Jabs, from the old First District.

Here is the quote from that mighty fine letter. We join with Professor Al Jabs when he writes about Lou Bachman in this manner:

"For his qualities as a courageous craftsman in his chosen field of journalism, as a sensitive citizen of his beloved Bristol, and for his dedication to the highest standards of the profession, we salute Lou Bachman for his years of service with profound appreciation."

In our 107 years as Bristol's newspaper (we will reach our 108th birthday on March 9, 1979), The Press and the community have benefited from some strong talent in the news department.

Those of us who have been fortunate enough to be fellow travelers with Lou Bachman would not hesitate to add his name to the select list of outstanding Press editors.

GRASSO ATTENDS DINNER SALUTING RETIRING EDITOR

Gov. Ella Grasso joined members of the Press management team Friday in honoring Lou Bachman, who retired earlier this week as the paper's managing editor.

Mrs. Grasso and her husband Tom were surprise guests at the Chippanee Country Club luncheon which was attended by Press management personnel and their spouses. Bachman and the governor have been close friends for years. The veteran journalist, who is ending a 40-year career, was the first state newsman to propose Mrs. Grasso as a gubernatorial candidate while she was serving as Sixth District congresswoman.

"I come here today as Ella Grasso who never would have been the governor if it had not been for Lou Bachman," she said.

The governor had high praise for Bachman, saying, "They say that people are not irreplaceable, but I don't believe that anymore. Lou is one of those people who can't be replaced."

Mrs. Grasso chided Bachman concerning his plans to retire to a neighboring state. She vowed, "I will take the Governor's Horse Guard and the Foot Guard and attack at dawn and take you home where you belong."

The governor also read a joint resolution introduced before the Connecticut General Assembly commending Bachman for his service to city and state. The resolution was the combined effort of State Senator Steven Casey and Representative Edward Krawiecki, Jr.

It read in part: "Whereas, you have bridged the different generations of this city and state on both sides of the political aisle, with sound advice and genuine concern for the city and state you loved so dearly . . ."

Other presentations were made to Bachman by Don Gordon, managing editor; Joseph Zerbey, operations manager, and Publisher E. Bartlett Barnes, who also served as master of ceremonies for the informal affair.

Bachman's son John extended greetings from the family and Clarkson Barnes, former co-publisher of the Press, reminisced on his 35-year association with Bachman in the Press newsroom.●

MEDICARE HOME HEALTH AMENDMENTS OF 1979

● Mr. CHILES. Mr. President, I introduced recently with Senator DOMENICI, ranking minority member of the Committee on Aging, and other Senators, S. 489, a bill to make important changes in medicare's home health program.

During 1976, approximately 644,000 aged and disabled persons received medicare home health benefits. To qualify, an individual must be covered by medicare and must be in need of skilled nursing care or physical or speech therapy. Care must be prescribed by a physician and the patient must be confined to his or her home. Services must be provided by an agency which is certified to participate in medicare. To be eligible for home health services under part A hospital insurance, a beneficiary must also have been hospitalized for a period of not less than 3 days prior to receiving home health service must be for treatment of the same condition for which hospitalized.

The Medicare Home Health Amendments of 1979 would take important and realistic next steps to make home health care more available to older Americans, provide additional assurances of quality of care, and strengthen safeguards against provider fraud and abuse.

First, the bill would remove the requirement under part A that a patient be hospitalized for at least 3 days before becoming eligible for home health services.

Most medicare beneficiaries are covered by both part A and part B and therefore would be eligible for home health services under part B without prior hospitalization if all other eligibility criteria were met. For the approximately 900,000 beneficiaries who do not have part B insurance, however, this restriction has either meant: one, a complete denial of home health, no matter what the need, or two, an inappropriate and costly period of hospitalization for the sole purpose of establishing eligibility for home health services.

Removal of this restriction would make home health services available to many without part B coverage; prevent additional, unnecessary hospital charges to medicare; and change the prevalent image of home health care as simply a continuation of acute, inpatient hospital care to the community service it is intended to be.

Second, the bill would eliminate restrictions on the number of home health visits allowed under both part A and part B.

Current law limits visits to 100 per benefit period under part A, and 100 per calendar year under part B. Most home health beneficiaries do not exhaust the total allowed visits now, and do not need additional visits. Consequently, this change would not increase program costs significantly. But removing this restriction will ease a hardship for those who need additional visits and are denied service, because other resources are not available. It will also help prevent the situation I have observed in Florida and elsewhere in which public and voluntary home health agencies, such as visiting nurse associations, have been forced out of business entirely because they continue to provide services to patients who cannot pay and have exhausted medicare benefits.

Since the number of visit limitations were originally meant to be a control on unneeded visits, however, the bill would also require the Secretary of Health, Education, and Welfare to monitor changes in utilization patterns and institute other cost and utilization control mechanisms in the program.

Third, the bill would add occupational therapy services as a qualifying service for home health eligibility.

Occupational therapy is now an allowable home health benefit, but a patient must also be in need of skilled nursing or physical or speech therapy to be eligible. With this change, a need for occupational therapy alone could be met. This would mean that stroke patients, or persons with vision problems, for instance, who do not need skilled nursing care could remain in their homes with some help in adjusting to their new physical limitations. It would also mean that a recovering stroke victim, for instance, who is receiving both skilled nursing visits and occupational therapy would be able to continue with needed therapy services after the skilled nursing care is no longer required.

Fourth, the Secretary of Health, Education, and Welfare would be required to develop additional standards to insure service quality and appropriateness of care. Specifically addressed are requirements for training and supervision of home health aides, who spend the most time with homebound patients.

Additional areas I would like to see considered are guidelines for patient evaluation of service, patients' rights, patient assessment, and service availability.

Many home health agencies have already developed excellent standards of care, well beyond what is required by medicare. This proposal, therefore, would probably not necessitate changes for the majority of home health agencies.

Additional guidelines within medicare however, would insure the same quality of service from all participating agencies.

I have been concerned by reports describing great potential for patient abuse, because of inadequate training and supervision of some home care personnel. In most cases abuses have occurred under title XX and medicaid, rather than medicare. Quite clearly, additional actions must be taken by the Department, or by Congress, to insure quality of care within these programs. An important first step, however, can be taken within medicare, and the areas addressed will put us in a better position to evaluate options for other home care services.

The demand for home health care is growing, and we can expect it to continue with an expanding aging population. The needs are real, and we must be ready to meet them. We still do not have, however, the necessary controls in place to make sure that the same abuses we have seen in nursing homes and elsewhere do not occur in Federal home health programs.

Hearings I have chaired for the Federal Spending Practices Subcommittee, as well as hearings before the Committee on Aging and the House Ways and Means Committee, provide compelling evidence that some home health agencies have found it all too easy to profiteer under medicare.

We have found:

Excessive costs for salaries and fringe benefits, sometimes disguised as other costs;

Questionable, profitable contracts for supportive services;

Improper cost allocations;

Billings for services never received; and

Alterations of bills and receipts to increase medicare reimbursement.

This bill mandates a number of actions to help detect and deter such practices, building upon previous authority given to the HEW Secretary in the 1972 amendments to the Social Security Act and the Medicare-Medicaid Antifraud and Abuse Amendments, Public Law 95–142.

First, home health agencies would be required to provide a statement to the patient, listing services provided, personnel, and charges.

One common abuse is provider billings to medicare for services not rendered. This simple change would put the patient in a position to notify medicare if services being charged to the program were not received.

Second, the HEW Secretary would be required to develop and publish specific guidelines for allowable line-item ad-

ministrative and service costs for home health agencies.

Section 223 of the 1972 social security amendments established authority for the Secretary to set specific cost guidelines, within the meaning of "reasonable" costs, for all medicare-reimbursed services, including home health. A commitment has been made by the Department to establish guidelines for average costs per visit, based on total agency costs and total agency visits.

We need to look very carefully at specific administrative costs, however, and this bill would carry this process one step further.

Cost guidelines for items such as medical director salaries and contracts for supportive services, such as fiscal management, coupled with the uniform reporting requirements already authorized under Public Law 95-142, will enhance audit capability and improve detection of patterns of high costs, overutilization, and abuses of program funds. Specific administrative cost guidelines, with uniform reporting requirements, would also enable valid comparisons of costs from agency to agency for the first time.

As we have reportedly seen, however, efforts to maintain effective cost controls are sometimes beyond what was originally anticipated. We do not yet have good estimates of the costs which might be involved, both to providers and to medicare, with extensive additional reporting and audit requirements. For this reason, this bill does not require major changes to the reporting systems now being developed by the Secretary. We must carefully weigh the costs involved against the benefits we expect to derive from a better capability to detect abuse.

Third, designation of regional home health intermediaries, to serve home health agencies only, would be required.

Medicare intermediaries and carriers now process claims, determine allowable charges and reasonable costs, and perform the major audit function for all medicare reimbursements, including hospitalization, skilled nursing home care, medical services, and home health.

Claims for home health services represent a very small proportion of medicare reimbursements, about 2.5 percent during 1979. The result has been relative inattention given to home health by intermediaries.

Establishing home health intermediaries would recognize that home care is uniquely different from medicare's institutional benefits and make it possible to develop special home health expertise and knowledge within the intermediary system. With the improved guidelines for evaluating service quality and cost efficiency mandated in this bill, the creation of home health intermediaries would improve our ability to detect patterns of program abuse. It would also mean improved service to home health agencies and reduce the difference in interpretation of allowable services and costs which have occurred regularly from agency to agency and from one part of the country to another.

The Medicare Home Health Amendments of 1979 do not provide a complete solution to the many challenges we face in shaping an adequate home care policy for this Nation, but these are important steps which can and should help considerably in improving the existing situation.●

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

● Mr. CHURCH. Mr. President, in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I am submitting the rules of the Committee on Foreign Relations for publication in the RECORD:

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

(Adopted February 28, 1979)

RULE 1—COMMITTEE AND SUBCOMMITTEE MEETINGS

(a) Regular meeting day.—The regular meeting day of the Committee on Foreign Relations for the transaction of Committee business shall be on Tuesday of each week, unless otherwise directed by the Chairman.

(b) Each meeting of the Committee on Foreign Relations, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee or a subcommittee on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committees staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct; to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

A closed meeting may be opened by a majority vote of the Committee.

(c) Quorum requirements.—(1) A majority of the membership of the Committee shall constitute a quorum for reporting any measure or recommendation to the Senate. No measure or recommendation shall be ordered reported from the Committee unless a majority of the Committee members are actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken.

(2) A quorum for the transaction of Committee or subcommittee business, other than for reporting a measure or recommendation to the Senate or the taking of testimony, shall consist of one-third of the members of the Committee or subcommittee, including at least one member from each party.

(3) For the purpose of taking sworn or unsworn testimony at any duly scheduled meeting a quorum of the Committee and each subcommittee thereof shall consist of one member.

(d) Proxy voting.—Proxy voting shall be allowed on all measures and matters before the Committee. However, proxies shall not be voted for the purpose of reporting a measure or matter except when the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be in writing.

(e) Subcommittees.—Unless otherwise authorized by law or Senate resolution, subcommittees shall be created by majority vote of the Committee and shall deal with such legislation and oversight of programs and policies as the Committee directs. Legislative measures or other matters may be referred to a subcommittee for consideration in the discretion of the Chairman or by vote of a majority of the Committee. If the principal subject matter of a measure or matter to be referred falls within the jurisdiction of more than one subcommittee, the Chairman or the Committee may refer the matter to two or more subcommittees for joint consideration.

The Chairman of the Committee shall be an ex officio member, without vote, of each subcommittee.

(f) Subcommittee meetings.—Except when funds have been specifically made available by the Senate for a subcommittee purpose, no subcommittee of the Committee on Foreign Relations shall hold hearings involving reporting expenses without prior approval of the Chairman of the full Committee or by decision of the full Committee. Meetings of subcommittees shall be scheduled after consultation with the Chairman of the Committee with a view toward avoiding conflicts with meetings of other subcommittees insofar as possible. Meetings of subcommittees shall not be scheduled to conflict with meetings of the full Committee.

(g) Announcement of meetings.—The Committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearings, unless the Chairman of the Committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date.

(h) Assignments to subcommittees.—Assignments of members to subcommittees shall be made in an equitable fashion. No member of the Committee may receive assignment to a second subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one subcommittee, and no member shall receive assignments to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

(i) Staff attendance at meetings.—A Member may have one member of his personal staff, for whom that Member assumes personal responsibility, accompany and be seated near him at committee meetings. Attendance of Committee staff at meetings shall be limited to those designated by the Staff Director or the Minority Staff Director.

Each member of the Committee may designate members of his personal staff, who hold a Top Secret security clearance, for the purpose of their eligibility to attend executive sessions of the Committee. The Committee, by majority vote, or the Chairman may limit staff attendance at specified meetings.

(j) Reporting requirements.—

(1) When the Committee has ordered a measure or recommendation reported, the report thereon shall be filed in the Senate at the earliest practicable time.

(2) A member of the Committee who gives notice of his intentions to file supplemental, minority, or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the chief clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views.

(3) The results of all rollcall votes taken in any meeting of the Committee on any measure, or amendment thereto, shall be announced in the Committee report. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the Committee.

RULE 2—NOMINATIONS

(a) Waiting requirement.—Unless otherwise directed by the Chairman and the ranking minority member, the Committee on Foreign Relations shall not consider any nomination until six days after it has been formally submitted to the Senate.

(b) Public consideration.—Nominees for any post who are invited to appear before the Committee shall be heard in public session, unless a majority of the Committee decrees otherwise.

(c) Required data.—No nomination shall be reported to the Senate unless (1) the nominee has been accorded a security clearance on the basis of a thorough investigation by executive branch agencies; (2) in appropriate cases, the nominee has filed a confidential financial statement with the Committee; (3) the Committee has been assured that the nominee does not have any interests which could conflict with the interests of the government in the exercise of the nominee's proposed responsibilities; and (4), for persons nominated to be ambassador or minister, the Committee has received a complete list of any contributions made by the nominee or members of his immediate family to any Federal election campaign during the year of his or her nomination and for the four preceding years.

RULE 3—WITNESSES

(a) General.—The Committee on Foreign Relations will consider requests to testify on any matter or measure pending before the Committee.

(b) Presentation by witnesses.—If the Chairman so determines, the oral presentation of witnesses shall be limited to ten minutes. However, written statements of reasonable length may be submitted by witnesses and other interested persons who are unable to testify in person.

(c) Filing of statements.—A witness appearing before the Committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least 48 hours prior to his appearance, unless this requirement is waived by the Chairman and the ranking minority member following their determination that there is good cause for failure to file such a statement.

RULE 4—COMMITTEE TRAVEL

(a) Approval procedure.—No member of the Committee on Foreign Relations or its staff shall travel abroad on Committee business unless specifically authorized by the Chairman, who is required by law to approve vouchers and report expenditures of foreign currencies, and the ranking minority member. Requests for authorization of such travel shall state the purpose and, when completed, a full substantive and financial report shall be filed with the Committee. Any proposed travel by committee staff for a subcommittee purpose must be approved by the subcommittee chairman and ranking minority member prior to submission of the request to the Chairman and ranking minority member of the full Committee.

(b) Travel by personal staff.—A member of the personal staff of a member of the Committee may travel with that member with the approval of the Chairman and the ranking minority member of the Committee. During such travel, the personal staff member shall be considered to be an employee of the Committee.

(c) Foreign travel by Committee staff.—When the Chairman and the ranking minority member approve the foreign travel of a member of the staff of the Committee not accompanying a member of the Committee, all members of the Committee shall be advised, prior to the commencement of such travel, of its extent, nature, and purpose. The report referred to in the first paragraph of this section shall be furnished to all members of the Committee and shall not be otherwise disseminated without the express authorization of the Committee.

(d) Staff travel in U.S.—All official travel in the United States by the Committee staff shall be approved in advance by the Staff Director, or in the case of minority staff, by the Minority Staff Director.

RULE 5—TRANSCRIPTS

(a) General.—The Committee on Foreign Relations shall keep verbatim transcripts of all Committee and subcommittee meetings and such transcripts shall remain in the custody of the Committee, unless a majority of the Committee decides otherwise. Transcripts of public hearings by the Committee shall be published unless the Chairman determines otherwise.

(b) Maintenance and security of classified transcripts:

(1) The Chief Clerk of the Committee shall have responsibility for the maintenance and security of the classified transcripts.

(2) A record shall be maintained of each use of the classified transcripts.

(3) Classified transcripts shall be kept in locked combination safes in the Committee offices except when in active use by authorized persons. They must never be left unattended and shall be returned to the Chief Clerk promptly when no longer needed.

(4) Transcripts classified secret or higher may not leave the Committee offices except for the purpose of declassification.

(5) Classified transcripts other than those classified secret or higher may leave the Committee offices in the possession of authorized persons with the approval of the Chairman. Delivery and return shall be made only by authorized persons. Such transcripts may not leave Washington, D.C. unless adequate assurances for their security are made to the Chairman.

(6) Extreme care shall be exercised to avoid taking notes or quotes from classified transcripts. Their contents may not be divulged to any unauthorized person.

(c) Use of classified transcripts. The following persons are authorized to use classified transcripts:

(1) Members and staff of the Committee in the Committee rooms.

(2) Senators not members of the Committee, by permission of the Chairman, and designated personal representatives of members of the Committee with appropriate security offices, or, in the Committee's Capitol office, with the permission of the Chairman.

(3) Members of the executive departments involved in the meeting, in the department's offices, or, in the Committee's Capital office, by permission of the Chairman.

(d) Declassification of executive transcripts and other executive records:

(1) Any executive transcript or classified Committee report, or portion thereof, may be declassified by the Committee less than 12 years after the date on which such transcript or record was made if—

(A) the Committee by majority vote approves; and

(B) each member of the Committee who participated in any meeting at which such transcript was made, approves of such declassification, except that the Committee may by majority vote declassify such transcript in the absence of such approval.

(2) Any such transcript, classified Committee report, or portion thereof, shall be declassified on a date 12 years thereafter unless the Committee by majority vote disapproves.

RULE 5—REGULATION FOR THE USE OF CLASSIFIED MATERIAL (OTHER THAN TRANSCRIPTS)

Receipt and distribution of classified material.—

(a) All classified material received or originated by the Committee shall be logged in at the Committee's offices in the Dirksen Senate Office Building, and except for material classified as "Top Secret" shall be filed in the Dirksen Senate Building offices for Committee use and safekeeping.

(b) Each such piece of classified material received or originated shall be card indexed and serially numbered, and where requiring onward distribution shall be distributed by means of an attached indexed form approved by the Chairman. If such material is to be distributed outside the Committee offices, it shall, in addition to the attached form, be accompanied also by an approved signature sheet to show onward receipt.

(c) Distribution of classified material among offices shall be by Committee members or authorized staff only. All classified material sent to members' offices, and that distributed within the working offices of the Committee, shall be returned to Room 4229, Dirksen Senate Office Building. No classified material is to be removed from the offices of the members or of the Committee without permission of the Chairman. Such classified material will be afforded safe handling and safe storage at all times.

(d) Material classified "Top Secret," after being indexed and numbered, shall be sent to the Committee's Capitol office for use by the members and authorized staff in that office only or in such other secure Committee offices as may be authorized by the Chairman or Staff Director.

(e) The Staff Director is authorized to make such administrative regulations as may be necessary to carry out the provisions of these regulations.

RULE 6—STAFF REGULATIONS

The following provisions shall apply concerning the staff:

(a) The staff works for the Committee as a whole, under the general supervision of the Chairman of the Committee, and the immediate direction of the Staff Director; provided, however, that such part of the staff as is designated Minority Staff, shall be

under the general supervision of the Ranking Minority Member and under the immediate direction of the Minority Staff Director.

(b) Any member of the Committee should feel free to call upon the staff at any time for assistance in connection with Committee business. Members of the Senate not members of the Committee who call upon the staff for assistance from time to time should be given assistance subject to the overriding responsibility of the staff to the Committee.

(c) The staff's primary responsibility is with respect to bills, resolutions, treaties, and nominations.

(d) The staff and the committee also have a responsibility under section 136 of the Legislative Reorganization Act which provides that ". . . each standing Committee . . . shall review and study, on a continuing basis, the application, administration, and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of the committee." The staff also has a responsibility to the Committee for carrying out the mandate of Senate Rule XXV which provides that, in addition to specific areas of jurisdiction, the Committee ". . . shall also study and review, on a comprehensive basis, matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy of the United States, and matters relating to food, hunger, and nutrition in foreign countries, and report thereon from time to time."

In the case of foreign relations, there is an additional responsibility deriving from the advice and consent clause of the Constitution. By the same token there are limitations deriving from the President's special constitutional position in regard to foreign relations.

(e)(1) In addition to carrying out assignments from the Committee and its individual members, the staff has a responsibility to originate suggestions for Committee or subcommittee consideration. The staff also has a responsibility to make suggestions to individual members regarding matters of special interest to such members.

(2) It is part of the staff's duty to keep itself as well informed as possible in regard to developments affecting foreign relations and in regard to the administration of foreign programs of the United States. Significant trends or developments which might otherwise escape notice should be called to the attention of the Committee, or of individual Senators with particular interests.

(f) In carrying out the responsibilities in subsection (f), the staff shall bear in mind the workload of Senators and not deal in trivia but limit itself to broad questions of basic policy or specific matters which point up a question of basic policy.

(g) The staff shall pay due regard to the constitutional separation of powers between the Senate and the executive branch. It therefore has a responsibility to help the Committee bring to bear an independent, objective judgment of proposals by the executive branch and when appropriate to originate sound proposals of its own. At the same time, the staff shall avoid impinging upon the day-to-day conduct of foreign affairs.

(h) In those instances when Committee action requires the expression of minority views, the staff shall assist the minority as fully as the majority to the end that all points of view may be fully considered by members of the Committee and of the Senate. The staff shall bear in mind that under our constitutional system it is the responsibility of the elected Members of the Senate to determine legislative issues in the light of as full and fair a presentation of the facts as the staff may be able to obtain.

(i) The staff shall regard its relationship to the Committee as a privileged one, in the nature of the relationship of a lawyer to a client. In order to protect this relationship and the mutual confidence which must prevail if the Committee-staff relationship is to be a satisfactory and fruitful one, the following criteria shall apply:

(1) Members of the staff shall not be identified with any special interest group in the field of foreign relations or allow their names to be used by any such group.

(2) Members of the staff shall not accept public speaking engagements or write for publication in the field of foreign relations without specific advance permission from the Staff Director, or, in the case of minority staff, from the Minority Staff Director. In the case of the Staff Director and the Minority Staff Director, such advance permission shall be obtained from the Chairman or the ranking minority member, as appropriate. In any event, such public statements should avoid the expression of personal views and should not contain predictions of future, or interpretations of past, Committee action.

(3) The staff shall under no circumstances discuss with anyone the proceedings of the Committee in executive session or conversations with individual Senators without specific advance permission from the Committee or the Senator concerned.

RULE 7—PROVISIONS OF LEGISLATIVE REORGANIZATION ACT AND SENATE RULES

In addition to the foregoing, the Committee on Foreign Relations is governed by the standing rules of the Senate and the rules and procedures set forth in the Legislative Reorganization Act of 1946, as amended.

RULE 8—AMENDMENTS

These Rules may be modified, amended, or repealed by a majority of the Committee, provided that a notice in writing of the proposed change has been given to each Member at least 48 hours prior to the meeting at which action thereon is to be taken.●

ONSITE ENERGY PRODUCTION

● Mr. DURKIN. Mr. President, so preoccupied have we become with managing the day-to-day crises of the energy problem that we often miss the slower, less glamorous energy events that mean much more as solutions to the energy crisis. The emergence—or reemergence I should say—of onsite energy production and industrial cogeneration promises to reduce our demand for foreign oil. The more than 700 percent increase in the price of oil in the last 10 years has led large users of power—factories, hospitals, schools, apartment complexes—to turn to onsite generation of electric power combined with the use of waste heat for space heating. Congress has taken some interest in this area, and I hope this interest will spread and deepen.

This trend toward onsite generation and cogeneration represents a return to the pattern of energy generation which predominated in America before World War II. As utilities abandon the declining block rates which no longer reflect the higher cost of new energy, large users will find it increasingly economical to turn to onsite energy production: In my own State of New Hampshire the return to onsite energy production has taken the form of renovating the hundreds of small dams which formerly provided many communities with power.

The revival of onsite energy production has made possible, and in turn been made more possible by the use of cogeneration. Cogeneration simply means the use of formely wasted energy for secondary tasks. Cogeneration occurs when waste industrial process steam is used to generate electricity or when waste steam is used for space heating.

Cogeneration has been opposed by many utilities which are accustomed to being the sole producer of electricity in an area. Their opposition is ill-founded, and I hope it will cease.

There are recent developments in New York City which point to the promise and problem of onsite power production. Consolidated Edison now faces competition from a new generation of onsite diesel power generators which provide both electricity and space heat for large building complexes at competitive rates.

Fortune magazine on December 31, 1978, carried an article which describes these recent developments which will soon spread to much of the rest of the country. I ask that this article be printed in the RECORD, and I commend it to my colleagues.

The complete article follows:

THE LITTLE ENGINE THAT SCARES CON ED

(By Tom Alexander)

Like telephone companies and railroads, electric utilities have traditionally been viewed as natural monopolies—institutions that serve society most efficiently if they are the sole regulated source of the services they provide. But railroads have long since encountered competition from trucks, airlines, and pipelines; telephones now compete against microwave and satellite systems. Recently, one of the nation's biggest manufacturers of diesel engines, Cummins Engine Co., set out to provide some back-door competition for the second-oldest electric utility in the U.S., New York's Consolidated Edison Co.

For over a year now, Cummins Cogeneration Co., a small division of the Columbus, Indiana, manufacturer, has been concentrating on selling co-generation plants in New York City and its environs. These diesel-powered electric generators designed so that the waste heat from both their exhausts and cooling system can be recaptured and used. Equipped with such plants, energy users can cut themselves loose from Con Ed and not only make all their own electricity for less money than the utility charges, but heat and cool their buildings in the bargain. So far, Cummins, has managed to sell the system to only four large customers, but some fifty others are interested and ten have signed contracts for engineering studies.

Cummins might reasonably have expected its enterprise to nettle Con Ed, but it apparently never anticipated that the elephantine utility would react as though its very survival was threatened. Nor did Cummins foresee the confusion and disarray that its marketing effort would stir up in New York City officialdom, which is torn between its desire to reduce the city's outsized energy costs and its fear of seeing Con Ed hurt.

There is nothing new about co-generation. Many different technical methods have been devised, all of them capitalizing on the fact that generating electricity wastes about twice as much energy in the form of heat as can be turned into electricity. This inefficiency has been recognized since the earliest days of electrical generation, and in the early decades of the century scores of local power companies sold steam produced in conjunction with electricity for space heating or for industrial use.

One of the oldest and still one of the world's biggest co-generation companies, in fact, is Con Edison itself, which pipes steam

to some 2,324 customers—mostly office buildings and large apartment houses—in central and lower Manhattan. But Con Edison's steam prices have been rising steadily, among other reasons because of increasing taxes, driving away customers at an accelerating rate. So the utility sees a double threat in the little Cummins division's invasion of its market.

NO JOB FOR THE JANITOR

Co-generation acquired additional cachet as an energy-conservation measure when President Carter mentioned it prominently in a 1977 speech promoting his energy plans. Stimulated by government research grants and prospects of double the normal 10 percent investment tax credit, at least a dozen companies besides Cummins, including General Motors, Caterpillar Tractor, and International Harvester, are currently marketing co-generation sets or trying to develop them. Unlike Cummins, most of the other companies have been content merely to make equipment, leaving it to others to install, run, and maintain the whole system.

Cummins tried that arrangement for a while in the Sixties, but after some bad experiences stopped taking orders because so many of its co-generation plants were breaking down while in use. The company concluded that few architects, engineers, and contractors had sufficient experience to design and install a co-generation system, and once put in place, the complex apparatus was often inexpertly operated and maintained. "A company will spend $5,000 on an office copier and routinely sign a maintenance contract with Xerox," says Thomas R. Casten, general manager of Cummins Co-generation. "But they'll spend $250,000 on a total energy plant and let the janitor maintain it."

As Casten tells it, one inexperienced contractor installed a Cummins system in the Virgin Islands, planning to use the by-product heat to desalt seawater. But the contractor laid plastic seawater pipes in a trench alongside hot-water pipes. The plastic melted and split, seawater leaked into the boiler, and the boiler exploded.

CONTRADICTING THE EXPERTS

Casten's interest in co-generation was roused after he was appointed director of corporate strategy for Cummins Engine in 1974. His main job was to figure out what a diesel-engine maker would do twenty-five years in the future when, as many experts were then predicting, the oil that fuels the engines would be running out. After nine months on the job, Casten decided that this underlying assumption was wrong. Oil won't run out in twenty-five years, he concluded, but will merely be harder to get and therefore more expensive; much of it will probably have to come from such unconventional sources as tar sands, shale, or coal, but oil will remain an important source of energy.

Casten proposed that Cummins turn the long-term threat to its livelihood into a new opportunity by becoming the I.B.M. of co-generation. The company, he argued, should not only build equipment that would make optimal use of high-priced oil, but also design, install, and maintain entire co-generation systems.

One of diesel co-generation's big advantages, says Casten, is the steadily improving technology of small, mass-produced, high-speed diesel-power plants that have been developed in recent decades, mainly for such equipment as trucks, cranes, and power shovels. In earlier times, he says, diesel generators for large installations usually employed huge, slow-turning engines originally developed for ships. While longer lived and slightly more efficient than smaller units (the small, fast-running engines must be rebuilt after about 25,000 hours, or three to four years, of use) the large engines cost far more per horsepower of output, and they occupy a lot more space in a building.

But what gives the little diesels their greatest appeal is a striking reversal in the economics of electric-power generation. Until the late Sixties, big central plants provided more kilowatts per dollar invested. Not anymore. Today, co-generation units cost between $300 and $600 per kilowatt of output—a half or even a third what it costs to build new central electric-power stations and their associated transmission and distribution networks. A variety of factors have made the big plants much more expensive—mandatory safety and environmental requirements, regulatory delays, low production volumes, costly onsite fabrication, and high interest rates during construction. And largely because of the OPEC inflation of oil prices, operating costs of the big plants are higher than those of plants that also utilize wasted heat.

AN OBVIOUS BATTLEGROUND

"It took me three years to convince our management that it was not really a paradox to burn oil to save oil," says Casten. Having sold his idea, Casten picked New York City as the obvious first battleground in his campaign. Con Ed's customers pay about twice as much for their electricity as the average consumer elsewhere, and half again as much as those in the next highest-priced large city, Boston. Part of that high price may be a result of Con Ed's notorious managerial shortcomings, which New Yorkers love to belabor. To be fair, however, Con Ed does have some singular problems. Because of air-pollution restrictions, Con Ed's power plants must burn costly low-sulfur boiler fuel. Threaded through Manhattan's obdurate granite, Con Ed also has the world's most extensive—and expensive—tangle of underground cables and steam pipes, many of them timeworn. And the differential between the daytime peak and the nighttime slack in demand for power is greater than the average utility has to cope with. New York has comparatively few two and three-shift industries, and it has a large commuter population that leaves at night while the apartment dwellers who remain consume less electricity than the national average.

Worst of all, Con Ed has long been regarded by the city's fathers as the local equivalent of cartoonist Al Capp's lovable, kickable Shmoo: an almost inexhaustible source of goodies. The company is forced to collect some 7.5 percent of the city's tax revenues in the guise of utility bills. More than 27 percent of the average Con Ed customer's bill consists of federal, state, and local taxes. Per kilowatt-hour sold, those taxes run from two to twelve times the burden borne by utility customers in other major cities.

A SIX-YEAR PAYOFF

By now, the city has come to recognize that towering utility bills play a significant role in driving manufacturing and other businesses out of New York City; the exodus has cost the city 610,000 jobs since 1969, a loss that now deprives the city of some $200 million a year in tax revenues. Right across the Hudson River, New Jersey has been wooing companies with promises of utility bills half as high as Con Ed's. In response, the city's Office of Economic Development has been actively promoting co-generation as one answer to New York's forbidding energy costs.

Toward that end, the development office has secured a $3-million federal Housing and Urban Development grant, which it in turn plans to lend at low interest to help energy-intensive electroplating and plastics companies to install co-generation. The city is arranging loans covering 45 percent of the cost of five installations. Cummins Co-generation and H.O. Penn Machinery Co., a co-generation equipment distributor, have lined up loans for another 45 percent of the cost; the buyers will put up the final 10 percent.

Cummins has also sold plants to Saw Mill River Tennis Courts in Westchester County, a Cummins Engine distributor in the Bronx, and Seal-Kap Packaging Co. in Queens. But it was a deal that Cummins made in the heart of Manhattan that stirred Con Ed into action.

In late June, the Tishman Speyer Silverstein Partnership, renovating a thirty-story office building at 11 West Forty-second Street, made plans to stop using Con Ed's power lines and steam and supply all the building's needs with a 5,600-kilowatt Cummins system at a cost estimated at about $2.5 million. Such an installation should save enough money to pay for itself (before taxes) in less than six years.

Con Ed officials were aghast. If a substantial number of its other customers followed the Tishman example, the utility envisaged the possibility of losing an eighth or more of its power market and as much as a third of its steam market.

The utility immediately asked for a hearing before the mayor's Energy Policy Advisory Group, a blue-ribbon citizens' panel New York's Mayor Edward Koch had set up to help reconcile the energy, environmental, and economic needs of the city. Appearing before the group in early October, Bertram Schwartz, a Con Ed senior vice president, urged the city to impose a moratorium on all new co-generation facilities, at least until the city had assessed all the implications.

THE BACKLASH OF A SALES DECLINE

Among other things, Schwartz argued that Cummins's machines would deepen the nation's dependence upon imported oil and increase air pollution in Manhattan, where it is already the worst in the region. Schwartz contended that instead of stemming the job exodus from the city, co-generation might increase it. For any decline in electric sales would force Con Ed to redistribute the burden of its fixed costs—roughly two-thirds of its total costs—among the rest of its customers.

Schwartz also warned that private co-generation would deprive the city of some of those hefty tax revenues from Con Ed. In fact, he asserted, if it weren't for avoiding the taxes included in Con Ed's rates, co-generation would have little appeal for most of its customers.

All this is disputed by Casten of Cummins, who contends: "Con Ed's rates are so high that co-generation would still benefit many users even if Con Ed paid *no* taxes or got all its fuel for nothing." That may sound like braggadocio, but the savings that Cummins predicts for several co-generation projects (see table, facing page) do exceed the fraction of the utility bill that consists of taxes.

As for the effects on New York City's tax revenues, Casten argues that the savings from co-generation would mean higher profits to be taxed, greater willingness of industries to stay in the city, and therefore more taxes over the long run. And as for oil consumption, Casten points out that Con Ed itself generates more than two-thirds of its electricity from oil, while diesel co-generation provides a less wasteful way of using oil. Schwart acknowledges that this may be true in the short run, but he notes that the utility hopes eventually to replace its oil-burning plants with coal or nuclear facilities.

AN ENVIRONMENTAL PUZZLE

It seems clear that the most critical unknown affecting co-generation's future in New York City is its environmental impact. At the moment, New York's air complies with

federally mandated air-quality standards for all regulated pollutants except particulates. While conceding that diesels would emit less sulfur dioxide per kilowatt-hour of electricity than its own oil-fired plants, Con Ed cites figures from the federal Environmental Protection Agency showing that diesels emit ten times more oxides of nitrogen, six times more particulates, and twenty times more carbon monoxide.

In addition, Con Ed points out, the tall smokestacks on its plants project hot plumes of pollutants high into the atmosphere, where they are diluted and carried out of the city before falling to earth. In contrast, private co-generators would emit cooler, heavy plumes of pollution just above building-top levels. The downdrafts that swirl among Manhattan's massed skyscrapers would probably carry the fumes down into the city's canyons.

Casten disputes Con Ed's use of the EPA data, which appear to have been derived from tests on diesel engines that undergo repeated acceleration and varying loads. He says that Cummins's own measurements show that the constant-running engines used in co-generation produce less emissions than Con Ed's oil-fired plants for all pollutants except oxides of nitrogen. He also argues that regulators ought to (but don't) take account of the fact that co-generation uses a good deal less fuel to provide the same amount of useful energy.

In truth, nobody really seems to know what co-generation on a large scale would do to air quality, least of all the city itself. Last July, when Tishman and Seal-Kap applied to New York's Department of Environmental Protection for permits, the pollution bureaucracy did what bureaucracies generally do in controversial circumstances—they delayed taking action. All parties concerned had their eyes on November 1, when new state environmental-quality regulations were to take effect, requiring discouragingly elaborate environmental-impact analyses for all large projects. Some presumed that these regulations could delay the permit process for months or years until the air-pollution issue was finally resolved.

FIVE MINUTES BEFORE THE DEADLINE

After four months of waiting for their permits, Tishman and Seal-Kap threatened to go to court and get a writ of mandamus ordering the city to issue the permits. The permits were finally issued five minutes before the close of business on the day before the new rules took effect.

Both Judith Friedlaender, an assistant to the mayor who handles environmental affairs, and Peter J. Solomon, deputy mayor for economic policy and development, acknowledge that the delay in issuing the permits reflected the city's quandry over co-generation: the worry over environmental effects and fear of losing taxes and damaging Con Ed on one hand, versus their pet notion of exploiting co-generation to help businesses cope with higher energy costs on the other. They call the city's decision to issue the two permits an experiment in environmental and social policymaking.

A NUDGE FOR EFFICIENCY

The cautious go-ahead for co-generation also amounts to an experiment to determine what effect a whiff of competition might have on both regulated monopolies and the government agencies that regulate them. Because decisions by public rate-setting bodies have so much impact on a utility's profits, the average utility manager's job depends more upon whether he allows the lights to go out than whether he allows costs to go up. The rate-setting commissions, in turn, normally give a lot of weight to the concept of allowing utilities a reasonable return on their capital investment. The result is a system that promotes increasing capital outlays.

The presence of private co-generation in a utility's marketing area ought to serve both as a yardstick and as a lever to induce utilities to strive for maximum operating efficiency. The prospect of competition already has affected Con Ed's behavior. Shortly after the co-generation loans to electroplaters and plastics molders were proposed, the utility offered to reduce the rates that it charges small manufacturers facing economic difficulties—without raising rates for other customers.

Even though they compete, co-generation and central-station utilities actually play complementary roles. It should be possible to exploit this situation not only to the benefit of both but to the benefit of society as a whole. The greatest economic burden that utilities—and their customers—face is expanding capacity to meet rising demand, while maintaining an adequate standby reserve. In the topsy-turvy utility economics of the Seventies, every new customer and every increase in peak demand adds to the costs every other customer must pay.

A DOUBLE DOSE OF IDLE CAPACITY

At the same time, every co-generation installation in the New York area has large amounts of excess generating capacity that stand idle most of the time because each plant must have backup equipment for use in case of a breakdown. Logically, Con Ed would provide power in such emergencies, but it charges such high rates that most cogenerators in the New York area find it cheaper to cut themselves off entirely from the utilitiy's lines.

The compliant New York State Public Service Commission lets Con Ed charge a backup rate that amounts to about 85 percent of what a customer would pay if he had no co-generating plant, and he must pay it even if he uses no electricity or steam at all in a given month. The rate is based on the full cost to Con Ed of maintaining the generating and transmitting capacity that would be required to serve all the customer's needs.

The rate arguably bears little relationship to Con Ed's actual costs. For one thing, most co-generation systems have several generating units, not all of which are likely to fail simultaneously. More important, in an area with many co-generators, no more than a small fraction of the total capacity is likely to be out of action at any one time. Rather than pay Con Ed's lofty backup rates, most co-generators in the New York area install their own standby generators, even though in some cases they may have to invest more than twice as much as they would if they had a utility backup.

There is no good reason why the two systems—public utilities and private co-generators—cannot share capacity to their mutual benefit. An electric wire can carry power as readily in one direction as in another. So in principle co-generators and utilities should be able to function interchangeably as buyers and sellers of power. In midwinter and midsummer, for example, a co-generation system that heats or cools a building will produce more electricity than the building can use. That surplus power could be sold to electric utilities straining to meet seasonal peak loads. If utilities bought power from co-generators, they could defer investment in some expensive new plants.

To be sure, these arrangements face a number of technical and economic obstacles. For one thing, any power entering a utility grid has to be precisely in phase with the 60-cycle alternating current that all systems use. But comparatively inexpensive technology can surmount this problem, as witness the fact that practically all U.S. and Canadian utility power plants are now interconnected in a grid in which power flows back and forth as demand fluctuates from one region to another.

TIME TO RESHAPE RATES

The main economic barrier is that a utility's daily demand peaks tend to coincide with those of most co-generators. To overcome that problem, the rates utilities charge for power could be reshaped to induce all consumers to flatten or shift their peak demands. Rates that utilities pay co-generators for power could be designed to induce them to operate their standby equipment at times when it is needed.

Many sections of the country already have some form of peak-load pricing, in which rates rise more or less in step with demand. California has ordered utilities to offer co-generators "equitable" standby rates, reflecting the fact that not all co-generation systems are likely to require backup power at the same time. Some utilities in Georgia and Texas are even promoting co-generation by their customers as a way to share their peak-load burden.

The spread of co-generation seems likely to be reinforced by economics as well. It is doubtful that the arrangement will make much sense in the foreseeable future for most one-family houses. The capital cost of the equipment is too large for small consumers to reap much, if any, saving. But the cost-benefit scale tips the other way for large users of power. For one thing, the bigger the co-generation installation, the less backup gear per kilowatt is needed as insurance against breakdowns. Moreover, as electrical demand grows, utility companies will increasingly meet it with power generated at high-cost new plants. Cummins expects electric utility rates to rise by about 9 to 11 percent annually throughout the U.S. for some years to come. With that in mind, Cummins' Casten cheerfully predicts: "In time, we'll be competitive across the country."

SHARING THE BENEFITS

In the interest of both economic efficiency and fairness, taxes, subsidies, and environmental regulations surely should favor neither one mode nor the other. But everyone should be able to benefit from co-operation between public and private generators. Private systems could be built smaller and cheaper, yet enjoy greater reliability; public utilities could defer costly outlays necessary to meet peak loads for the whole nation, that should mean cheaper power, reduced fuel consumption, less pollution, lower oil imports, less capital invested in idle equipment.

Co-generation has opened up an opportunity for the kind of creative experimentation that is facilitated by our federal system, with its three tiers of government. Right now, when a great many electric utilities still have the luxury of some surplus generating capacity, is a good time for the experimentation to begin.

RULES OF THE SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, in accordance with the requirement to publish the rules of each Senate Committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I submit for the RECORD the rules of the Special Committee on Aging.

RULES OF THE U.S. SENATE SPECIAL COMMITTEE ON AGING

(As originally adopted June 12, 1963, as amended February 28, 1973, and as amended further February 28 and March 11, 1977)

Rule 1. Convening of meetings. The Committee shall meet at the call of the Chairman, to the extent practicable, at least four times a year to (1) plan future activities, (2) evaluate progress on projects already under way, and (3) discuss use of Committee funds. Special meetings may be called by a majority of Committee (or any subcommittee designated by the Committee)[1] members upon written notice to the Clerk of the Committee. The Clerk shall, to the extent practicable, give at least 24 hours notice to every member of the meeting, time, and place.

Rule 2. Presiding officer. The Chairman of the Committee (or any subcommittee designated by the Committee)[1] or, if the Chairman is not present, the ranking Majority member present shall preside at all meetings.

Rule 3. Quorum. A majority of the Committee (or any subcommittee designated by the Committee)[1] shall constitute a quorum sufficient for the conduct of business at executive sessions. One member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony at hearings.

Rule 4. Subcommittees. Subcommittees may be established and their size determined by vote of a majority of all members of the Committee. The Chairman of the full Committee and the Ranking Minority Member shall be ex officio members of all subcommittees. Party membership of each subcommittee shall be proportionate to Party membership on the full Committee. Each subcommittee is subject to these rules and any limitations imposed by the full Committee and is authorized a) to hold and report hearings; b) to conduct business within its jurisdiction; and c) to require by subpoena or otherwise the attendance of witnesses and the production of documentary evidence.

Rule 5. Agenda and voting at meetings. The business to be considered at any meeting of the Committee (or any subcommittee designated by the Committee)[1] shall be determined by its Chairman and any other measure, motion, or matter substantive or procedural within the jurisdiction of the Committee (or by any subcommittee designated by the Committee)[1] shall be considered at such meeting and in such order as a majority of the members of such Committee indicate by their votes or by presentation of written notice filed with the Clerk. Voting by proxy shall be permitted in the full Committee (or any subcommittees designated by the Committee).[1]

Rule 6. Right to counsel. Any witness subpoenaed to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

Rule 7. Amendment of rules. The rules of the Committee may be changed, modified, amended, or suspended at any time, provided, however, that not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose.

Rule 8. Reports. Committee (or any subcommittee designated by the Committee)[1] reports offering Committee (or any subcommittee designated by the Committee)[1] findings and recommendations shall be printed only with the prior approval of a majority of the full Committee (or any subcommittee designated by the Committee).[1] The printing, as Committee (or any subcommittee designated by the Committee[1] documents, of materials prepared by staff for informational purposes of the printing of materials not originating with the Committee (or any subcommittee designated by the Committee)[1] or staff shall require consultation with Minority staff; these publications shall have the following language on the cover of the document: "Note: This document has been printed for information purposes. It does not offer findings or recommendations by this Committee" (or any subcommittee designated by the Committee).[1]

Wherever feasible, staff reports shall be coordinated and produced in cooperation with other appropriate Congressional units.●

[1] Committee members on March 11, 1977, decided to conduct business and hearings as a Committee as a whole, without subcommittees. However, the option to establish temporary subcommittees at any time for special purposes remains.

RULES OF PROCEDURE OF COMMITTEE ON ARMED SERVICES

● Mr. STENNIS. Mr. President, in compliance with section 133(B) of the Legislative Reorganization Act of 1946, as amended, I submit herewith the Rules of Procedure of the Committee on Armed Services, to be printed in today's RECORD.

ARMED SERVICES COMMITTEE RULES OF PROCEDURE

1. *Regular Meeting Day and Time.* The regular meeting day of the committee shall be each Thursday at 10:00 a.m., unless the committee or the chairman directs otherwise.

2. *Additional Meetings.* The chairman may call such additional meetings as he deems necessary.

3. *Special Meetings.* Special meetings of the committee may be called by a majority of the members of the committee in accordance with section 133(a) of the Legislative Reorganization Act of 1946, as amended by section 102(a) of the Legislative Reorganization Act of 1970.

4. *Open Meetings.* All meetings of the committee shall be open to the public except executive sessions for marking up bills or for voting or unless the committee by majority vote provides otherwise.

5. *Presiding Officer.* The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member present at the meeting or hearing shall preside unless by majority vote the committee provides otherwise.

6. *Quorum.* (a) A majority of the members of the committee are required to be actually present to report a matter or measure from the committee.

(b) Except as provided in subsections (a) and (c), and other than for the conduct of hearings, six members of the committee shall constitute a quorum for the transaction of such business as may be considered by the committee.

(c) Three members of the committee, one of whom shall be a member of the minority party, shall constitute a quorum for the purpose of taking sworn testimony, unless otherwise ordered by a majority of the full committee.

(d) Proxy votes may not be considered for the purpose of establishing a quorum.

7. *Proxy voting.* Proxy voting shall be allowed on all measures and matters before the committee. The vote by proxy of any member of the committee may be counted for the purpose of reporting any measure or matter to the Senate if the absent member casting such vote has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

8. *Announcement of votes.* The results of all rollcall votes taken in any meeting of the committee on any measure, or amendment thereto, shall be announced in the committee report, unless previously announced by the committee. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the committee who was present at such meeting.

9. *Hearings.* (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the committee, or any subcommittee thereof, at least 1 week in advance of such hearing, unless the committee or subcommittee determines that good cause exists for beginning such hearing at an earlier time.

(b) Hearings may be initiated only by the specific authorization of the committee or subcommittee.

(c) Hearings shall be held only in the District of Columbia unless specifically authorized to be held elsewhere by a majority vote of the committee or subcommittee conducting such hearings.

(d) Each hearing held by the committee shall be open to the public except when the committee determines that the testimony to be taken at such hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or regulations.

(e) Witnesses appearing before the committee shall file with the clerk of the committee a written statement of his proposed testimony at least one day prior to a hearing at which he is to appear unless the chairman and the ranking minority member determines that there is good cause for the failure of the witness to file such a statement.

(f) Confidential testimony taken or confidential material presented in a closed hearing of the committee or subcommittee or any report of the proceedings of such hearing shall not be made public in whole or in part or by way of summary unless authorized by a majority vote of the committee or subcommittee.

(g) Any witness summoned to give testimony or evidence at a public or closed hearing of the committee or subcommittee may be accompanied by counsel of his own choosing who shall be permitted at all times during such hearing to advise such witness of his legal rights.

(h) Each subcommittee of the committee shall (1) fix the number of members that shall constitute a quorum of such subcommittee for the purpose of taking sworn testimony, (2) determine the circumstances under which subpoenas may be issued, and (3) the member or members over whose signature subpoenas may be issued.

10. *Nominations.* Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 7 days before being voted on by the committee. Each member of the committee shall be furnished a copy of all nominations referred to the committee.

11. *Real Property Transactions.* Each member of the committee shall be furnished with a copy of the proposals of the Secretaries of the Army, Navy, and Air Force, submitted pursuant to section 2662 of title 10, United States Code, and with a copy of the proposals of the Director of the Office of Emergency Preparedness, submitted pursuant to section 43 of the act of August 10, 1956 (50 U.S.C. app. 2285), regarding the proposed acquisition or disposition of property of an estimated price or rental of more than $50,000. Any member of the committee objecting to or requesting information on a proposed acquisition or disposal shall communicate his objection or request to the chairman of the committee within 30 days from the date of submission.

12. *Legislative Calendar.* (a) The clerk of the committee shall keep a printed calendar for the information of each committee member showing the bills introduced and referred to the committee and the status of such bills. Such calendar shall be revised from time to time to show pertinent changes in such bills, the current status thereof, and new bills introduced and referred to the committee. A copy of each such revision shall be furnished to each member of the committee.

(b) Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate

department or agency of the Government for reports thereon.●

RULES OF THE COMMITTEE ON APPROPRIATIONS

● Mr. MAGNUSON. Mr. President, on behalf of the Committee on Appropriations and in compliance with the requirements of title 2 U.S.C. 190-a(2), I ask that a copy of the rules of our committee for the 96th Congress be printed in the RECORD.

RULES OF THE COMMITTEE ON APPROPRIATIONS

I. MEETINGS

The Committee will meet at the call of the Chairman.

II. QUORUMS

1. Reporting a bill. A majority of the members must be present for the reporting of a bill.

2. Other business. For the purpose of transacting business other than reporting a bill or taking testimony, one-third of the members of the Committee shall constitute a quorum.

3. Taking testimony. For the purpose of taking testimony, other than sworn testimony, by the Committee or any subcommittee, one member of the Committee or subcommittee shall constitute a quorum. For the purpose of taking sworn testimony by the Committee, three members shall constitute a quorum, and for the taking of sworn testimony by any subcommittee, one member shall constitute a quorum.

III. PROXIES

Except for the reporting of a bill, votes may be cast by proxy when any member so requests.

IV. ATTENDANCE OF STAFF MEMBERS AT CLOSED SESSIONS

Attendance of Staff Members at closed sessions of the Committee shall be limited to those members of the Committee Staff that have a responsibility associated with the matter being considered at such meeting. This rule may be waived by unanimous consent.

V. BROADCASTING AND PHOTOGRAPHING OF COMMITTEE HEARING

The Committee or any of its subcommittees may permit the photographing and broadcast of open hearings by television and/or radio. However, if any member of a subcommittee objects to the photographing or broadcasting of an open hearing, the question shall be referred to the Full Committee for its decision.

VI. AVAILABILITY OF SUBCOMMITTEE REPORTS

When the bill and report of any subcommittee is available, they shall be furnished to each member of the Committee twenty-four hours prior to the Committee's consideration of said bill and report.

VII. POINTS OF ORDER

Any member of the Committee who has in charge an appropriation bill, is hereby authorized and directed to make points of order against any amendment offered in violation of the Senate rules on the floor of the Senate to such appropriation bill.●

LONG-TERM SOURCES FOR U.S. OIL

● Mr. KENNEDY. Mr. President, the shutdown of oil production in Iran awakens attention to both short- and long-term solutions to a tight oil market. Dr. Lawrence Goldmuntz of Carnegie Mellon University and a former Deputy Assistant Secretary of Interior has brought back into focus ideas which have been the subject of Joint Economic Committee hearings and which I have advocated during the past 3 years which deserve reexamination.

In a paper prepared for presentation at a February 25 conference sponsored by the American Professors for Peace in the Middle East and four Washington area universities, Dr. Goldmuntz suggests that a long-term oil crisis can be avoided by:

First. Significantly increasing United States and world development in oil exploration and development in non-OPEC countries;

Second. Increasing development of heavy oils and oil in tar sands such as is found in Utah, California, Canada and—in huge quantities—in Venezuela;

Third. Increasing U.S. purchases of oil from Western Hemisphere sources through the use of long-term Federal Government purchase agreements, and

Fourth. Creation of Federal authority to purchase oil from OPEC and reselling it in the U.S. market through traditional channels;

Dr. Goldmuntz lays particular stress in the value that a long-term contract would have to a country struggling to produce oil for the first time. Such a contract would, itself, serve as a basis for financing new or upgrading old facilities within the private market, without cost to the U.S. taxpayers.

In addition Dr. Goldmuntz also discusses the need to greatly increase investment guarantees for drilling and development companies operating in areas where political stability and security of contract cannot be guaranteed, doing so through the Overseas Private Investment Corporation. The objective is an important one and OPIC is now making modest steps in this direction. Substantial increases in the use of this authority should be considered.

Mr. President, I ask that Dr. Goldmunts's remarks be printed in the RECORD.

The remarks follow:

ENERGY: IMPLICATIONS FOR PUBLIC POLICY

(By Dr. Lawrence Goldmuntz)

U.S. energy policy for a considerable period has been based in part on false premises that have contributed to unfortunate consequences. One false notion is that the world is running out of oil and that most of the world's oil is in the Middle East.

An unfortunate consequence of this premise is that the free world is now more dependent on oil production in Mideast countries than necessary. These countries have such a high per capita income that they quite reasonably do not wish to increase production. Because of this concentration of developed resources, these countries can obtain their needed revenues simply by increasing prices without increasing production. Furthermore increasing production would make them more delectable morsels for their hungry neighbors. And finally, wealthy Mideast countries have difficulties containing OPEC price increases, even assuming this is their objective, since they are militarily weak as compared to their more populous and less wealthy neighbors who want higher prices. Yet if it is possible to discern a U.S. international oil policy, it is to urge increased production from the very countries that have no incentive to do so. Furthermore, poorer countries that have oil resources—such as Mexico, Venezuela, Argentina, Nigeria Sudan, Vietnam, China, for example—have not developed their resources to the absorption capability of their economies. All of their resources can be produced profitably at present prices, which may not have been the case only ten years ago.

The usual analysis of world oil resources deals only with the proven and probable reserves of conventional oil. A proven reserve is a field that has been defined and drilled with the needed development wells and is producing and has a predictable lifetime. A probable reserve is a field that is adjacent to a proven field and has had sufficient geophysical surveys accomplished and exploratory wells drilled so that its eventual production capability is predictable. Proven or probable reserves are a conservative but not the only meaningful statistic in support of long-range energy policy.

A more thoughtful analysis includes identified potential reserves of conventional oil as well as identified heavy oil resources that can be produced economically at present prices. A potential reserve is a field where geophysical work has indicated structures that have been productive in the past. Heavy oil, not generally counted in recoverable oil reserves, is a viscous tar-like hydrocarbon frequently loaded with sulphur, vanadium and nickel. There are huge deposits (3 trillion barrels in-place) along the Orinoco River in Venezuela, 165 billion barrels in-place near Cold Lake in Alberta and at least 200 billion barrels in-situ near Lake Athabasca. Only 15–20% of this in-place resource can be recovered by using the lowest cost process. This is steam injection to lower the viscosity of the heavy oil so it can flow to the surface. Furthermore, the heavy oil must be processed to remove the impurities and lower the viscosity.

These huge heavy oil resources can now be produced economically at the world price for petroleum. For example, Imperial Oil—a subsidiary of EXXON—has proposed to Alberta, a five billion dollar heavy oil extraction and upgrading facility that would produce 1.3 billion barrels of a high-grade low-sulphur crude over the 25 year lifetime of this project at an internal rate of return of more than 15%. Only a small portion of the total heavy oil resource near Cold Lake would be exploited in this project. Similar techniques are applicable to the enormous Venesuelan resources of heavy oil along the Orinoco.

EXXON has designed a process to upgrade that heavy crude at a cost of approximately five dollars per barrel. The steam injection and gathering costs in the Orinoco are approximately three to five dollars per barrel. This leads to a production cost of eight-to-ten dollars per barrel for a product that sells for $13–14 on the world market. One might ask if the production costs of a high quality crude are only $8–10 per barrel and the market price is $13–14 per barrel, why isn't it being produced? Oil companies are afraid to make the $500 million investment necessary for the 100,000 barrel per day upgrading facility in a nation which may expropriate their installations. Furthermore Venesuela has decided that rather than invest the $500 million in a heavy crude upgrading facility, they would prefer to invest in exploration for higher quality, lighter crudes along the northeast shore of Venesuela and in the Orinoco delta.

Whether an oil reserve is proven or potential is as much a result of politics as it is of geology. Consider Mexico—if the oil companies and Mexico had managed to get along and the expropriation of 1938 and subsequent stagnation until 1972 had not occurred—a large portion of Mexico's potential reserves of 200 billion barrels would be proven and producing today, perhaps at the level of Saudi Arabia—and Mexico's per capita income would now be much greater than its current level of $1,300 which can be compared to Kuwait's per capita income of $13,000.

The geographic locations of identified potential reserves are also determined not only by nature's endowment but by the economic and political relationship that private oil companies have been able to develop with host countries. Unless someone is willing to pay for exploration, no matter how great the potential, it does not become an identified reserve nor can it be developed to a proven and probable status. Therefore the published proven and probable reserves of a geographic area represent both geology and the oil industries' estimate of the security of its investment and the potential profitability of exploring, developing and exporting the producing countries' resource. For the last four decades it has not been profitable, even possible, for oil companies to operate in Mexico. Furthermore, it has taken a long time before the national oil company, Petroleos Mexicanos (PEMEX), had the finances, skill and political independence to develop the Mexican resource. Therefore it should not be a surprise that these resources remained undiscovered and unexploited for the greater part of the last four decades.

If one omits potential resources and heavy oil and considers only proven and probable reserves, then the world has enough oil to last thirty years and the U.S., Canada and Latin America have somewhat less than one half of the resources of the Middle East. However, if one adds the identified potential resources of conventional oil and the identified resources of heavy oil recoverable at current prices to the proven and probable reserves, then one finds that the world has enough oil to last one century at current consumption levels and that the U.S., Canada and Latin America have double the resource of the Middle East. A century's worth of oil—that is not exactly a resource crisis. The future lies with heavy oil and with potential, as well as proven and probable reserves of conventional oil. U.S. policy can impact this future.

Furthermore, while one cannot be certain of potential reserves, they are more likely to be underestimated than overestimated because of uneven exploration around the globe. For example, in the U.S. there are 1.2 wells per square mile of potentially oil bearing basin, while in Latin America, Africa and Asia there are only 0.01 wells per square mile of basin. Using these and other statistics, Dr. Bernardo Grossling of the U.S. Geological Survey suggests that we may be blessed with as much as six trillion barrels of conventional oil as compared to the usual estimate of only two trillion barrels.

Thus oil availability is not yet a resource problem, it is, however, a political problem. Would further U.S. involvement in the international oil market exacerbate or ameliorate the poor distribution and anticompetitive aspects of the present international oil market? Can international and bilateral policies be devised that address the mutual concerns of the oil-rich and the oil importing nations? What should the U.S. do? While oil companies might like to have a more competitive international oil market and a greater diversity of resources they do not have that responsibility or perhaps the ability to develop oil reserves in those countries that serve the strategic or social interests of the U.S. They are certainly not insensitive to this requirement, but it may be impossible for them—as in the case of Mexico—or imprudent for them—as in the case of Argentina or Namibia.

One suggestion is that an instrumentality of the United States Government, perhaps the Secretary of the Department of Energy, should be authorized to negotiate long-term petroleum supply contracts with certain oil-rich or potentially oil-rich countries so as to:

1. Improve the security of U.S. supply, especially during military crises.

2. Improve the North-South economic dialogue by trading with the poorer nations among oil-rich or potentially oil-rich exporting countries.

3. Moderate international oil pricing.

The military cannot assure delivery to U.S ports during even limited conflict scenarios of eight million barrels per day from the Persian Gulf, Africa or Indonesia. Oil pipelines to Mexico, as well as less exposed tanker routes to Latin America and Venezuela, should be major U.S. security objectives.

Moreover, recent events in Iran demonstrate that it is essential to diversify our sources of supply even if it were possible to assure oil deliveries during emergencies from current sources. The major oil companies have contract obligations to sell minimum quantities of oil—lifting agreements—with the countries that have granted them concessions. They might have difficulty unilaterally diversifying their resource base substantially without a Federal requirement toward this objective. Also the major oil companies do have substantial sunk costs in their current sources of supply. While these must be respected to minimize unfair economic burdens, they are impediments to attempts to diversify sources of U.S. imports. Therefore, Federal import preferences or allocations are probably necessary to further diversify our sources of supply as rapidly as possible.

Obviously a policy of purchasing oil from those countries that need income would be socially desirable. It would even satisfy those countries that are the core of OPEC—Saudi Arabia, Kuwait, the Arab Emirates—who insist they do no wish to increase production. The North-South economic dialogue could be improved by appropriate allocations of the U.S. market to poorer countries.

While it is not possible to predict international oil prices with precision, it is certainly to the economic benefit of the free world to accelerate the development of additional resources. The greater the potential production of oil, the more chance there is to moderate international oil pricing. U.S. purchase orders should be used to accelerate the development of potential resources.

The Secretary of the Department of Energy should be entitled to allocate U.S. imports of petroleum in the national interest. His authority should extend up to some limit of total present and projected U.S. imports—perhaps 25%—and up to some limit in time—perhaps 20 years and at prices that reflect, hopefully, some concession with respect to world prices at U.S. ports based on the length of the contract, the proximity of the country to the U.S., and the relative economic status of the nation involved.

The Secretary of the Department of Energy should have the authority not only to enter into these long-term contracts with appropriate suppliers, he should have the authority to "lay-off" his purchases on those companies that import oil. His leverage in this regard could derive from an authority that enables him to require oil importers to accept a pro-rata portion of his long-term purchases for their own imports before they could be allowed to import from other sources.

An advantage of such long-term Federal purchase agreements with an exporting country is that they are fungible instruments. A nation can finance oil field developments, upgrading facilities and pipelines with the commercial international banking community using the long-term purchase order of the U.S. government as the basis for loans. Thus it is not necessary for the U.S. government to advance funds to underdeveloped countries for them to exploit their resources, the existence of long-term U.S. purchase orders should facilitate international loans to those countries with potential oil resources. This arrangement has the advantage of broadening the credit or investment in an underdeveloped country from a single company or country to the international banking community. A violation of the agreement becomes a more serious matter to the offender.

Another U.S. policy option to diversify sources of oil imports would be to clearly divorce oil development in a country from political recognition of that country. American companies have not been permitted by the U.S. to return to their off-shore locations in Vietnam. The French, German and Italian governments have permitted their companies to operate. Oil is where nature put it—and it is sometimes controlled by unpleasant fellows. The U.S. has not recognized Angola, yet U.S. companies are producing their oil. A perfectly reasonable objective of an integrated coherent U.S. international oil policy is to have U.S. firms operating in Vietnamese waters, no matter whether we have formal diplomatic relations with them.

One further policy option which would encourage exploration and development in politically risky areas is the provision of risk insurance for the oil industry. The Overseas Private Investment Corporation (OPIC) has instituted such a program, only within the last two years. Under this program they will not insure investments in OPEC countries. Also on an overall basis, they are restricted from operating in countries that are judged to violate human rights. Therefore they would not underwrite any risk in Argentina. Unfortunately Argentina is estimated to have substantial potential resources, particularly offshore. In the framework of a rational U.S. international oil policy, are the human rights records of China, Libya or Iraq, for example, so different from that of Argentina, that we can rationally refuse to underwrite risks in Argentina while accepting all the Chinese, Libyan and Iraqi oil we can obtain?

So far OPIC has underwritten one project in Ghana and one in Jordan. The risk insurance in Jordan is evidently based on the fact that Jordan is not a member of OPEC. Is it conceivable that Jordan would not be influenced by OPEC's pricing policies? Is this the area of the world where additional oil production serves U.S. strategic interests?

Neither the human rights nor the OPEC restriction on OPIC operations seems to make much sense. Argentina is excluded evidently by the human rights restriction. Venesuela would be excluded by the OPEC restriction. But bringing on the production of Venezuelan heavy oil should be a prime objective of a coherent U.S. international oil policy, and this may require the kind of insurance that OPIC can provide.

These policy options are not inconsistent with the program of the World Bank to aid underdeveloped countries to explore for oil resources. In each of these options, it is important that Federal roles and expenditures not be used to displace roles and risks that the private sector will assume. It is also important that the Federal role be exercised to promote a better geographical distribution of U.S. imports, an improved North-South dialogue and a more complete exploitation of the world's prospective oil horizons.

A U.S. international oil policy that provides some Federal stimulus and exerts some Federal control over the source of imports to the U.S. could in time correct some unfortunate consequences of present U.S. energy policy. The responsibility for such a policy should be focused and managed and evaluated by objective. That objective should be to receive at least 50 percent of our oil imports in five years from those countries that serve uniquely our strategic, economic and social interests.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I submit for the RECORD the notifications I have received.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 1, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-4 concerning the Department of the Army's proposed Letter of Offer to Greece for defense articles and services estimated to cost $145.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620c(d) of the Foreign Assistance Act of 1961, that this action is consistent with Section 620c(b) of that statute.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA.

[Transmittal No. 79-4]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Greece.

(ii) Total estimated value: Major Defense Equipment* $139.9 million; other, $5.6 million; total, $145.5 million.

(iii) Description of Articles or Services Offered: Six hundred (600) conversion kits to convert the M48 tank to the M48A3 model plus concurrent spare parts and search lights.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: February 1, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., January 30, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-6 concerning the Department of the Navy's proposed Letter of Offer to the Netherlands for defense articles and services estimated to cost $16.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA.

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

[Transmittal No. 79-6]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: The Netherlands.

(ii) Total Estimated Value: Major Defense Equipment* $8.9 million other, $7.1 million; total, $16.0 million.

(iii) Description of Articles or Services Offered: Twelve (12) MK-48 Torpedoes and spare parts.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: January 30, 1979.

UNDER SECRETARY OF STATE FOR SECURITY ASSISTANCE, SCIENCE, AND TECHNOLOGY,
Washington, D.C., January 11, 1979.

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended, and the authority vested in me by section 6(b)(1) of Department of State Delegation of Authority No. 104, as amended, I hereby certify that the provision of 600 kits to convert the M48 tank to the M48A3 model, plus concurrent spare parts and search lights, to the Government of Greece is consistent with the principles contained in Section 620C(b) of the Foreign Assistance Act of 1961, as amended.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the above-named articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

LUCY WILSON BENSON.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 14, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-8 concerning the Department of the Army's proposed Letter of Offer to the Federal Republic of Germany for defense articles and services estimated to cost $28.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

WALTER B. LIGON,
Acting Director.

[Transmittal No. 79-8]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: The Federal Republic of Germany.

(ii) Total Estimated Value: Major Defense Equipment* $25.4 million; other $3.2 million; total, $28.6 million.

(iii) Description of Articles or Services Offered:

One hundred thousand (100,000) rounds of 90mm tank gun ammunition.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: February 15, 1979.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. President, Section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that Act in excess of $25 million, or in the case of major defense equipment as defined in the Act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the Chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the Committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the record in accordance with previous practice.

I wish to inform Members of the Senate that four such notifications were received on February 5 and 13, 1979.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, Room S-116 in the Capitol.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 5, 1979.

Dr. HANS BINNENDIJK,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, United States Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an African country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 5, 1979.

Dr. HANS BINNENDIJK,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an East Asian country estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 13, 1979.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country tentatively estimated to cost in excess of $25 million.

Sincerely,

WALTER B. LIGON,
Acting Director.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on February 26, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 26, 1979.

Dr. HANS BINNENDIJK,
Committee on Foreign Relations, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES.●

LITHUANIAN INDEPENDENCE DAY

Mr. BAYH. Mr. President, on February 16, the Lithuanian community in this country and around the world paused to commemorate the 61st anniversary of the Declaration of Independence of Lithuania. It is most appropriate that we in the United States take note of this anniversary, and reflect for a moment on the importance of the continuing efforts to achieve self-determination among the people of Lithuania.

I am sure that each Member of the Senate who has reviewed, as I have, the report issued by the Lithuanian-American community on "The Violations of Human Rights in Soviet Occupied Lithuania, A Report for 1977" is extremely conscious of the need to continue to call to public attention the attitude of the Soviet Government. With the signing of the Helsinki accords in 1975, new hope was born that the demonstrated disregard for fundamental human rights by the Soviet Government would not be repeated. Regrettably, the promise of the Helsinki accords has not been fulfilled, and the continuing pattern of human rights violations by the Soviet Union is a matter of deep concern to all freedom-loving men and women. The lessons of the past have taught us that we can never afford to take human rights for granted; the efforts of the Lithuanian people reemphasize that where the hope for freedom lives, the struggle, even in the face of overwhelming opposition, will go on. As we recall the plight of modern Lithuanian prisoners of conscience Viktoras Petkus, Balys Gajauskas, Algirdas Zypre and others, and salute those people of the Baltic States who have given so much over the years to maintain their national identities and cultures, we again affirm the commitment of the United States to support the cause of international human rights.

At this time, I would like to call the Senate's attention to the text of a resolution adopted by members of the Lithuanian American Council of Lake County, Ind., in observation of Lithuanian Independence Day.

I ask unanimous consent that a copy of the resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

That February 16, 1979, marks the 61st anniversary of the restoration of independence to the more than 700-year-old Lithuanian State;

That the Soviets are intensifying their action in Iran and the Middle East. They are aiming, with the aid of Cuban troops and unlimited supply of modern weapons, to subjugate the new nations in Africa. Moscow is expanding its colonial empire. What happens when a country becomes a Soviet colony could be judged from the oppression of Lithuania, which became one of the first colonies of Soviet imperialism. Disregarding the Soviet obligation in the peace treaty of 1920 to respect Lithuanian independence and breaking the non-aggression pact of 1926, the Soviet Union occupied Lithuania on June 15, 1940. Moscow began its rule of terror, russification, oppression, and exploitation.

That the Congress of the United States of America after a thorough investigation declared that the occupation of Lithuania was carried out by force and fraud and the United States does not recognize the incorporation of Lithuania into the Soviet empire.

That the Lithuanian American citizens are grateful to the United States for this support and consolidating their efforts to regain independence for the land of their forefathers, under the guidance of the Lithuanian American Council, Inc., and other patriotic organizations, this month will be commemorating the declaration of Independence of Lithuania which took place on February 16, 1918. Lithuanian Americans are striving to arouse public opinion against Soviet tyranny and oppression in the land of their fathers.

Now, therefore, be it resolved

That we are grateful to President Carter for his struggle for human rights, which should also include the rights of nations to live free and independent lives;

That at the Madrid Conference of 1980 the signatories of the Helsinki agreements would condemn the colonial regime in the Baltic States, supporting the aims of these nations for freedom and independence;

That in expressing our gratitude to the United States administration and the Congress for their firm position of the non-recognition of the Soviet occupation and annexation of Lithuania, we request them to use every opportunity in international forums and in direct negotiations with the Soviet Union to strongly support the Lithuanian aims for independence.

RULES OF THE SELECT COMMITTEE ON INTELLIGENCE

Mr. BAYH. Mr. President, section 133B of the Legislative Reorganization Act requires each standing, select, or special committee of the Senate to publish its rules in the CONGRESSIONAL RECORD not later than March 1 of each year. I ask unanimous consent that the Rules of the Select Committee on Intelligence be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

SELECT COMMITTEE ON INTELLIGENCE, U.S. SENATE

RULES OF PROCEDURE

Rule 1. Convening of meetings

1.1 The regular meeting day of the Select Committee on Intelligence for the transaction of committee business shall be on the first Wednesday of each month, unless otherwise directed by the chairman.

1.2 The chairman shall have authority, upon proper notice, to call such additional meetings of the committee as he may deem necessary and may delegate such authority to any other member of the committee.

1.3 A special meeting of the committee may be called at any time upon the written request of five or more members of the committee filed with the clerk of the committee.

1.4 In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

1.5 If five members of the committee have made a request in writing to the chairman to call a meeting of the committee, and the chairman fails to call such a meeting within seven calendar days thereafter, including the day on which the written notice is submitted, these members may call a meeting by filing a written notice with the clerk of the committee who shall promptly notify each member of the committee in writing of the date and time of the meeting.

Rule 2. Meeting procedures

2.1 Meetings of the committee shall be open to the public except as provided in Senate Resolution 9, 94th Congress, 1st session.

2.2 It shall be the duty of the staff director to keep or cause to be kept a record of all committee proceedings.

2.3 The chairman of the committee, or if the chairman is not present the vice chairman, shall preside over all meetings of the committee. In the absence of the chairman and the vice chairman at any meeting the ranking majority member, or if no majority member is present the ranking minority member present shall preside.

2.4 Except as otherwise provided in these rules, decisions of the committee shall be by majority vote of the members present and voting. A quorum for the transaction of committee business, including the conduct of executive sessions, shall consist of six committee members until that date of the sine die adjournment of the 1st session of the 95th Congress, and thereafter, shall consist of five committee members, except that for the purpose of hearing witnesses, taking sworn testimony, and receiving evidence under oath, a quorum may consist of one Senator.

2.5 A vote by any member of the committee with respect to any measure or matter being considered by the committee may be cast by proxy if the proxy authorization (1) is in writing; (2) designates the member of the committee who is to exercise the proxy; and (3) is limited to a specific measure or matter and any amendments pertaining thereto. Proxies shall not be considered for the establishment of a quorum.

2.6 Whenever the committee by roll call vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

Rule 3. Subcommittees

Creation of subcommittees shall be by majority vote of the committee. Subcommittees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee and by such other rules they may adopt which are consistent with the rules of the committee.

Rule 4. Reporting of measures or recommendations

4.1 No measures or recommendations shall be reported, favorably or unfavorably, from the committee unless a majority of the committee is actually present and a majority concur.

4.2 In any case in which the committee is unable to reach a unanimous decision, separate views or reports may be presented by any member or members of the committee.

4.3 A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three working days in which to file such views, in writing with the clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report.

Rule 5. Nominations

5.1 Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 14 days before being voted on by the committee.

5.2 Each member of the committee shall be promptly furnished a copy of all nominations referred to the committee.

5.3 Nominees who are invited to appear before the committee shall be heard in public session, except as provided in rule 2.1.

5.4 No confirmation hearing shall be held sooner than seven days after receipt of the background and financial disclosure statement unless the time limit is waived by a majority vote of the committee.

5.5 The committee vote on the confirmation shall not be sooner than 48 hours after the committee has received transcripts of the confirmation hearing unless the time limit is waived by unanimous consent of the committee.

5.6 No nomination shall be reported to the Senate unless the nominee has filed a background and financial disclosure statement with the committee.

Rule 6. Investigations

No investigation shall be initiated by the committee unless at least five members of the committee have specifically requested the chairman or the vice chairman to authorize such an investigation. Authorized investigations may be conducted by members of the committee and/or designated committee staff members.

Rule 7. Subpenas

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records or any other material may be issued by the chairman, the vice chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman, vice chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of Senate Resolution 400, 94th Congress, 2d session, and a copy of these rules.

Rule 8. Procedures related to the taking of testimony

8.1 *Notice.*—Witnesses required to appear before the committee shall be given reasonable notice and all witnesses shall be furnished a copy of these Rules.

8.2 *Oath or a affirmation.*—Testimony of nesses shall be given under oath or affirmation which may be administered by any member of the committee.

8.3 *Interrogation.*—Committee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman, vice chairman, or the presiding member.

8.4 *Counsel for the witness.*—(a) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his appearance before the committee the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(b) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject such counsel to disciplinary action which may include warning, censure, removal, or a recommendation of contempt proceedings.

(c) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he wishes propounded to his client or to any other witness and may, at the conclusion of his client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee use such questions and dispose of such suggestions at it deems appropriate.

8.5 *Standards by Witnesses.*—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his appearance before the committee.

8.6 *Objections and Rulings.*—Any objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair.

8.7 *Inspection and Correction.*—All witnesses testifying before the committee shall be given a reasonable opportunity to inspect, in the office of the committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his expense.

8.8 *Requests to Testify.*—The committee will consider requests to testify on any matter or measure pending before the committee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his reputation, may request to appear personally before the committee to testify on his own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

8.9 *Contempt Procedures.*—No recommendation that a person be cited for contempt of Congress shall be forwarded to the Senate unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the Senate.

8.10 *Release of Name of Witness.*—Unless authorized by the chairman, the name of any witness scheduled to be heard by the committee shall not be released prior to, or after, his appearance before the committee.

Rule 9. Procedures for handling classified or sensitive material

9.1 Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

9.2 Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials is prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony, and in conformity with Section 10.3 hereof.

9.3 Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

9.4 Whenever the Select Committee on Intelligence makes classified material available to any other committee of the Senate or to any member of the Senate not a member of the committee, the clerk of the committee shall be notified. The clerk of the committee shall maintain a written record identifying the particular information transmitted and the committee or members of the Senate receiving such information.

9.5 Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director and minority staff director.

9.6 No member of the committee or of the committee staff shall disclose in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session including the name of any witness who appeared or was called to appear before the committee in executive session, or the contents of any papers or other materials or other information received by the committee except as authorized by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the Senate.

9.7 Before the committee makes any decision regarding the disposition of any testimony, papers, or other materials presented to it, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the members of the committee or the committee staff.

Rule 10. Staff

10.1 For the purpose of these rules, committee staff means employees of the committee, employees of the members of the committee assigned to the committee, consultants to the committee, employees of other government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

10.2 The appointment of committee staff shall be confirmed by a majority vote of the committee. After confirmation, the chairman shall certify committee staff appointments to the financial clerk of the Senate in writing.

10.3 The committee staff works for the committee as a whole, under the general supervision of the chairman and the vice chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed, and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director. The minority staff director and the minority counsel shall be kept fully informed regarding all matters and shall have access to all material in the files of the committee.

10.4 The committee staff shall assist the minority as fully as the majority in the expression of minority views, including assistance in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the Senate.

10.5 The members of the committee staff shall not discuss either the substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial, or otherwise, either during his tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the Senate.

10.6 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to abide by the conditions of the nondisclosure agreement promulgated by the Senate Select Committee on Intelligence pursuant to section 6 of Senate Resolution 400 of the 94th Congress, 2d Session.

10.7 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment, to notify the committee or in the event of the committee's termination the Senate of any request for his testimony, either during his tenure as a member of the committee staff or at any time thereafter with respect to information which came into his possession by virtue of his position as a member of the committee staff. Such information shall not be disclosed in response to such requests except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the Senate.

10.8 The committee shall immediately consider action to be taken in the case of any member of the committee staff who fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

Rule 11. Preparation for committee meetings

11.1 Under direction of the chairman and the vice chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee member might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

11.2 The staff director shall recommend to the chairman and the vice chairman the testimony, papers, and other materials to be presented to the committee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the rules of the Senate and rules of the committee.

Rule 12. Legislative calendar

12.1 The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures; nominations referred to the committee and their status; and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

12.2 Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

Rule 13. Committee travel

13.1 No member of the committee or committee staff shall travel abroad on committee business unless specifically authorized by the chairman and vice chairman. Requests for authorization of such travel shall state the purpose and extent of the trip. A full report shall be filed with the committee when travel is completed.

13.2 When the chairman and the vice chairman approve the foreign travel of a member of the Committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel, of its extent, nature and purpose. The report referred to in rule 13.1 shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13.3 No member of the committee staff shall travel within this country on committee business unless specifically authorized by the staff director as directed by the committee.

Rule 14. Changes in rules

These rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on Monday?

The PRESIDING OFFICER. No, there are not.

Mr. ROBERT C. BYRD. I thank the Chair.

SUPPORT OF RETENTION OF FORT JACKSON AND PARRIS ISLAND AS MILITARY TRAINING FACILITIES IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise in behalf of myself and the junior Senator from South Carolina (Mr. HOLLINGS) to call to the attention of the Senate a resolution unanimously approved by the South Carolina Senate and House of Representatives urging retention of the Army and Marine training bases in our State.

Fort Jackson, the Army's main infantry facility, is located at Columbia, S.C., and Parris Island, one of the largest Marine Corps recruit training bases is situated near Beaufort in South Carolina.

Mr. President, the South Carolina congressional delegation was shocked last spring to learn that these outstanding facilities were included in a training realinement study. Since that time our investigations give us great confidence that both will be retained, as these installations are among the most cost effective and efficient in the country.

It is with pleasure that I call to the attention of the Senate a concurrent resolution approved by both Houses of the South Carolina legislature which supports the efforts of the congressional del-

egation, and I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION

Whereas, the United States Government has recently undertaken a review of the facilities and operations at Fort Jackson and Parris Island; and

Whereas, recent studies have shown that these installations are two of the most efficiently operated facilities in the nation, accomplishing their training missions in a cost-effective and cost-efficient manner; and

Whereas, in this time of increased emphasis on fiscal responsibility together with a strong national defense, the continued operation of Fort Jackson and Parris Island is one of the most attractive alternatives available when taking into account all divergent considerations; and

Whereas, the members of the General Assembly believe that the maintenance of these two facilities at their present or expanded level of utilization would be good business in terms of meeting both the economic and military goals of our nation.

Now, therefore, Be it resolved by the House of Representatives, the Senate, concurring:

That the members of the General Assembly do hereby voice their grave concern and opposition to any action by the United States Government, or any department or agency thereof, which results in any curtailment in the size or mission of the Fort Jackson and Parris Island military training installations, because any such curtailment would damage our nation's fiscal and defense goals.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, the Secretary of Defense and each member of the South Carolina Congressional Delegation in Washington, D.C.

REQUEST FOR THE POSTMASTER GENERAL TO INVESTIGATE CERTAIN POST OFFICES IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise in behalf of myself and the junior Senator from South Carolina (Mr. HOLLINGS) to call to the attention of the Senate a resolution unanimously approved by the South Carolina Senate and House of Representatives. The resolution requests the Postmaster General to investigate several post offices in South Carolina to determine if they are complying with federally mandated standards regarding access by the handicapped.

Under current law, the U.S. Post Office is required to establish standards to insure that physically handicapped persons have access to post office buildings. It has come to the attention of South Carolina officials that a number of post offices still have inadequate provision for handicapped individuals. They are, therefore, requesting this investigation.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION

Whereas, it has come to the attention of the General Assembly that many post office buildings in South Carolina do not have facilities to allow physically handicapped persons to have ready access and use to such buildings; and

Whereas, the United States Code provides that the United States Postal Service shall establish such standards to insure that physically handicapped persons have access to post office buildings.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the Postmaster General be requested to investigate the possible non-compliance of certain post office buildings in Williamsburg County with the federally mandated standards by which all physically handicapped persons shall have easy access to such buildings.

Be it further resolved that a copy of this resolution be sent to the Postmaster General and to members of the United States Senate and House from South Carolina.

POLICY ON NUCLEAR FUEL REPROCESSING

Mr. THURMOND. Mr. President, we are all aware that President Jimmy Carter indefinitely deferred commercial reprocessing on April 7, 1977.

Although there has been ample evidence based on foreign commitments to reprocessing that the President's policy is a failure, the administration has continued to hold fast.

Recently, however, I have noticed instances where administration spokesmen have begun to qualify what was once a hard-line position. One example of this was a February 5, 1979, letter to me from Dr. John Deutch, Acting Assistant Secretary for Energy Technology in the Department of Energy.

Dr. Deutch's letter to me was in response to a November 30 letter I had written to President Carter regarding possible use of the Barnwell nuclear fuel plant in South Carolina for spent fuel storage. In his reply, Dr. Deutch stated:

> The Barnwell facility has spent fuel storage capability as an essential feature of a reprocessing plant. The use of that capability or its expansion would not interfere with the operation of the facility to reprocess fuel. Moreover, if future reprocessing were to be undertaken, then storage of spent fuel at or near a reprocessing facility would have logistics advantages. As you know, the Administration's policy at present is to indefinitely defer reprocessing because of nonproliferation concerns. However, no final determination has been made on the reprocessing option.

This statement represents to me a very open minded, flexible position on reprocessing and even holds out the hope that Barnwell might some day be used for that purpose. However, the President's budget for fiscal year 1980 contains no funds to continue the ongoing R. & D. program at Barnwell and, indeed, there are no funds for any reprocessing work at all in the budget. The reprocessing column has a zero in it.

Mr. President, I hope that Senator HENRY JACKSON, chairman of the Senate Energy and Natural Resources Committee, and his colleagues, will have an opportunity to explore further this open-minded approach with Dr. Deutch when he appears before that committee in the near future.

Mr. President, I ask unanimous consent that my letter to President Carter and the reply from Dr. Deutch be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C., February 2, 1979.

Hon. STROM THURMOND,
U.S. Senate,
Committee on Armed Services,
Washington, D.C.

DEAR SENATOR THURMOND: Because your November 30, 1978, letter to the President pertains to work sponsored by the Department of Energy (DOE), we have been asked to answer it on the President's behalf. We appreciate your views on away-from-reactor storage of spent nuclear fuel and the Barnwell Nuclear Fuels Plant (BNFP).

The Administration favors two approaches to spent fuel storage. First, substantial spent fuel storage capacity can be provided in existing reactor storage basins. The capacity of these basins can be, and in many cases has been, increased by reracking the present storage pools to provide higher density storage. With existing reracking technology, storage basin capacities can be safely and economically increased to 2.5 to 4 times present levels. The Administration encourages utilities to make the maximum practical use of reactor site storage and is conducting research and development on methods of providing even higher density storage in an economical, safe manner. Even with high density storage, however, the capacity at reactors will not be sufficient to meet growing storage needs.

The second part of the storage solution is the establishment of away-from-reactor (AFR) storage facilities. Certainly, AFR storage is only an interim measure until such time as repositories are available for permanent disposal of spent fuel or until reprocessing is considered a viable option. Presently, DOE is considering a number of options for providing necessary AFR storage capacity. For meeting near term needs, several existing facilities, including Barnwell, are under consideration. For longer term needs, new facilities or expansions to existing facilities are possible.

The Barnwell facility has spent fuel storage capability as an essential feature of a reprocessing plant. The use of that capability or its expansion would not interfere with the operation of the facility to reprocess fuel. Moreover, if future reprocessing were to be undertaken, then storage of spent fuel at or near a reprocessing facility would have logistics advantages. As you know, the Administration's policy at present is to indefinitely defer reprocessing because of nonproliferation concerns. However, no final determination has been made on the reprocessing option.

The uses of BNFP for processing fuel from the N Reactor at Richland and other uses of BNFP, such as safeguards training, were previously addressed in DOE/ET-0040 "Barnwell Nuclear Fuels Plant Applicability Study." A copy of Volume II of this study entitled: "BNFP-Utilization Alternatives, Evaluations and Conclusions," is enclosed for your information. DOE is presently performing a more in-depth analysis of Barnwell's possible defense program applications with the assistance of the Barnwell plant operator, Allied General Nuclear Services (AGNS). The AGNS analysis will be used by DOE to help provide a basis for the decision yet to be made in this matter.

The Department recognizes the importance of a cooperative effort between the Administration, the Congress, and the state in all matters related to nuclear waste management. The meeting that you initiated on December 5, among Representative Spencer, Representative Campbell, Mr. Schlesinger and me, was a positive step toward better mutual understanding of each other's views and objectives. We look forward to similar consultations in the future.

Sincerely,

JOHN M. DEUTCH,
Acting Assistant Secretary for Energy Technology.

WASHINGTON, D.C.,
November 30, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In view of recurring reports that the Department of Energy may recommend the Barnwell Nuclear Fuel Plant in South Carolina as a site for the storage of spent nuclear fuel rods, I want to express my opposition to any such plan for permanent storage at this facility. I believe, first, that each state, insofar as possible, should provide its own temporary storage sites for commercial spent fuel until a permanent site can be determined. Second, such a permanent site should be on sparsely populated, government-owned land well away from inhabited or well-traveled areas.

In my opinion, the Barnwell plant operated by Allied General Nuclear Services, is too useful for conserving and developing energy to be used as a storage site. Instead, the nuclear fuel reprocessing which was originally planned for the Barnwell plant should go forward, particularly in the light of recent safeguards against possible conversion of the fuel into explosives, and since reprocessing eliminates much of the nuclear waste.

Further, I would urge in the study of Barnwell's possible defense applications, now underway, that consideration be given to the plant's use as a reprocessing site for military production of reactor fuels. The Barnwell plant is contiguous to the Savannah River Plant now performing similar defense work. This could be done along with the important work on fuel cycle research and development currently underway at Barnwell. Consideration should also be given to utilizing this facility for safeguards training.

Finally, I would request that prior to any decision on use of the Barnwell facility by your Administration that consultations be held with the Governor, South Carolina Congressional Delegation and the appropriate State legislators.

I believe these significant considerations should be paramount in my future decisions about this important facility.

With kindest regards,

Respectfully,

STROM THURMOND.

FUTURE OF THE FREE ENTERPRISE SYSTEM

Mr. THURMOND. Mr. President, during the first few weeks of this 96th Congress, we have heard many excellent statements in this Senate Chamber about the state of our national economy. Some statements dealt with the critical and complex problems related to inflation. Others dealt with the opportunities and the challenges for us to provide the legislative leadership that the American public expects from us to deal effectively with these economic matters. Certainly these discourses are entirely appropriate and laudable; they have provided a much needed forum for our careful and deliberate consideration of basic and fundamental economic issues that confront our Nation today.

Mr. President, I have been privileged to join into these discussions on several occasions and, I trust, have made some meaningful contributions to our total body of thought concerning these issues. My purpose in rising here today, however, Mr. President, is not to speak further on these issues myself but to direct the attention of my colleagues to a truly outstanding address, titled, "The Future of the Free Enterprise System," by the Honorable Arthur F. Burns.

Dr. Burns, former Chairman of the Board of Governors of the Federal Reserve System, is currently a distinguished scholar in residence at the American Enterprise Institute for Public Policy Research. This particular address by Dr. Burns, recently published in the January/February 1979 issue of Professional Corporation magazine, was the basis of his lecture upon receipt of the Frank E. Seidman Distinguished Award in Political Economy, presented last fall at Southwestern at Memphis.

In this address, Dr. Burns presents a thorough and thought-provoking analysis of the background, development, and characteristics of the free enterprise system. He gives particular emphasis to the sharply changing economic conditions that we have experienced in recent years and, most importantly for our consideration here, he provides economic policymakers with some of his thinking about the future of the free enterprise system in America.

Toward the end of his address Dr. Burns comments specifically on our current problem of inflation and he suggests a prescription for a balanced attack to bring inflation under control. He includes suggestions for action with respect to the Federal Reserve, the Federal deficit and balancing the budget, restraints on Federal salary increases and compensation to top corporate executives, the need for productivity councils and centers, the blunting of cost-raising measures that we have allowed to flourish in our economy, and the postponement of some target dates that have been set for environmental and safety regulation.

Dr. Burns states his conviction:

> That inflation is a disease that can be brought under control; but that will happen only when the will to do so becomes strong enough.

He concludes with the warning that—

> . . . if the present worldwide inflation continues, a command economy may eventually be the bitter fruit of this generation's complacency and neglect. It is the duty of each of us to do what we can to prevent this from happening.

Mr. President, this is, indeed, an outstanding contribution by Dr. Burns and in order to share this interesting and informative address with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FUTURE OF THE FREE ENTERPRISE SYSTEM

Prediction of the economic future has always been a hazardous task. Noting this fact, a distinguished economic historian, Werner Sombart, once remarked that "it is precisely the most gifted men who have made the most fundamental mistakes" in predicting the economic future. While I am by no means sure that "gifted men" are more prone to misjudge the future than are ordinary mortals, there is ample evidence that judgments of the future even by the ablest economists have often been mistaken.

Karl Marx, who revolutionized economic and political thinking over much of the world, provides an outstanding example.

Marx believed that certain tendencies inherent in capitalism would ultimately lead to its destruction. In his vision, small business firms would gradually disappear as capitalism evolved. The concentration of production in a diminishing number of large enterprises would be accompanied by concentration of wealth in fewer and fewer hands. The middle class would thus be destroyed and the masses proletarized. Inadequate consumption would lead to recurring epidemics of overproduction and depression of increasing severity would follow. As the misery of the proletarial deepened, resistance to capitalist exploitation would intensify and become more militant. With such powerful tendencies at work, the capitalist order was bound to collapse; it was only a matter of time when the capitalists would be expropriated and all instruments of production socialized.

Thus according to Marx's theory, the failure of capitalism in its later stages to meet even elementary economic needs of the working masses would inevitably lead, although not without intense struggle, to the replacement of free enterprise by a socialistically planned regime.

In our own century, another great economist, Joseph Schumpeter, brilliantly challenged Marx's analysis. Schumpeter saw in capitalism a highly efficient engine of mass production and mass consumption. In his view the capitalist spirit expresses itself characteristically through innovation—that is, developing new commodities, devising new technology, harnessing new sources of supply, devising new market strategies, and forming new types of organization. The competition of new products and new ways of doing business against old products and customary procedures—that is the essence of the capitalist process. This competition of the new against the old is what really matters in the business world; it has been continuing at a rapid pace, and it accounts for the vast improvement in living standards wherever capitalism has flourished. Indeed, not only economic improvements, but the major achievements of modern times in the sciences and arts are, directly or indirectly, the products of capitalism.

Being a student of business cycles, Schumpeter was well aware of recurring business slumps and their spells of unemployment. But he regarded recessions as temporary phenomena that paved the way, so to speak, to more effective utilization of resources and therefore to still higher standards of living. He went on to argue, nevertheless, that the great economic and cultural achievements of modern capitalism did not assure its future; on the contrary, the very success of capitalism would eventually cause its replacement by a socialist civilization. He thus accepted Marx's conclusion but not the analysis on which it was based.

According to Schumpeter, capitalism would be destroyed by factors growing out of its own inner processes. As business corporations became larger, they would become bureaucratic and impersonal. The entrepreneurial function of innovating would be largely assumed by trained specialists. Increasing affluence would provide both the means and the will to expand social programs and thus lead to a growing role for government. The intellectual class created and nourished by capitalism would become increasingly hostile to its institutions. Animosity toward free enterprise would be exploited by government officials seeking additional power for themselves. The general public would fail to support free enterprise because the issues

debated in the public arena are much too complex and often involve long-range considerations that go beyond popular concern. Even businessmen would become increasingly willing to accept the teachings of their detractors. In this social and political environment, capitalist enterprise would in time be undermined and finally replaced by socialism.

Thus, Schumpeter arrived at precisely the same conclusion as Karl Marx. But whereas Marx attributed the eventual coming of socialism to the failure of capitalism, Schumpeter attributed it to the outstanding success of capitalism.

When we turn from the theories of Marx and Schumpeter to recorded experience, several facts immediately stand out. First, we find that the nations practicing socialism in Marx's and Schumpeter's sense had either banished free enterprise under external military pressure, as in the case of Eastern Europe, or had undergone an internal revolution without ever developing a significant degree of free enterprise as in the case of the Soviet Union and mainland China.

Second, we find that greater economic success has been generally achieved in nations that extensively practice free enterprise than in nations where it is prohibited or severely limited. The economic performance of the United States, West Grmany, and France has been more impressive than that of the Soviet Union or East Germany or Poland. Likewise, the economic performance of Japan, Taiwan, or Brazil has clearly surpassed that of India, Sri Lanka, or Egypt.

Third, although Marx's analysis continues to appeal to many intellectuals, his elaborate theoretical structure has been discredited by experience. Instead of bringing economic misery to the masses, capitalism has produced vast improvements in their economic condition. True, socialism has triumphed in some countries, but the triumph was achieved in a far different way than Marx had envisaged. On the other hand, Schumpeter's theory that capitalism would eventually be destroyed by its very success in improving the lot of people cannot be dismissed so readily. His prognosis may or may not turn out to be valid. But there is no denying that much of what has happened in recent decades in countries that boast of practicing free enterprise fits rather closely his theoretical model.

Let me speak more specifically about one prominent feature of Schumpeter's analysis—namely, the expanding role of government in economic life. The broad trend of American economic development has been toward increasing emphasis on the service industries, and the government has become the channel through which much of the public's demand for services is satisfied. As our economy has undergone industrialization and urbanization, there has been a steady increase in the interdependence of people—that is, in their reliance on the wisdom and enterprise, and also in their exposure to the folly and indolence of their neighbors. In such an environment, social and economic problems often arise that cannot be adequately handled by private enterprise and governmental activities therefore tend to expand.

The spread of political democracy has accentuated the trend toward seeking governmental solutions of economic and social problems. With more people in the lower-income groups taking advantage of the right to vote and with advocates of all sorts active in legislative halls, demands on the government have been mounting—to eliminate or regulate private monopoly, to conserve natural resources, to strengthen trade unions, to raise minimum wages, to protect the environment, to improve housing conditions, to protect unwary consumers, to subsidize agriculture or other industries and so on and on.

The range of governmental activities has thus been steadily expanding and so, too, has the cost. In 1929, governmental expenditure—that is, the combined total of federal, state, and local spending—amounted to 11 percent of the dollar value of our nation's entire production of goods and services. The corresponding figure rose to 20 percent in 1940, 23 percent in 1950, 30 percent in 1960, 35 percent in 1970, and 37 percent in 1977.

The sharply rising trend of governmental spending has, of course, involved a steady increase in that part of the nation's labor force that works directly or indirectly for the government. Our government affects the economy not only by employing people but also by purchasing supplies and equipment from private industry. In addition, vast sums of money are transferred by the government to individuals not involved in current production—that is, beneficiaries of public retirement funds, unemployment insurance, medicare, aid to veterans, food stamps, etc. And our government also affects the economy by guaranteeing a variety of private loans and by regulating numerous industrial, commercial, and financial practices.

All these activities, particularly transfer payments and governmental regulation, have grown by leaps and bounds in recent years. Transfer payments, which were merely 3 percent as large as the nation's total wage and salary bill in 1930, rose to 11 percent by 1965 and reached 21 percent in 1977. The *Federal Register*, which records governmental regulations, ran to 3,400 pages in 1937, but swelled to about 10,000 pages in 1953 and to 65,000 pages in 1977. At least 90 federal agencies are now involved in issuing governmental regulations. Funds allocated for regulation in this year's federal budget amount to $4.5 billion—more than twice the expenditure in 1974. This figure, of course, omits the expenditures on regulation by our state and local governments. And it also omits the enormous costs of compliance imposed on private industry. According to a recent investigation by the Center for the Study of American Business at Washington University, these compliance costs amounted to $63 billion in 1976.

The proliferation and increasing cost of governmental activities in our country have resulted in a growing burden of taxation—higher income taxes, higher sales taxes, higher property taxes, and higher social security taxes. Even so, the willingness of our government to raise revenue by taxation has fallen distinctly short of its propensity to spend.

Since 1950, the federal budget has been in balance in only five years. Since 1970, a deficit has occurred in every year. Budget deficits have thus become a chronic condition of federal finance; they have been incurred in years when business conditions were poor and also when business was booming. Not only that, but the deficits have been mounting in size. In the fiscal year now ending, the deficit is likely to exceed $60 billion when "off-budget" outlays are included in the total—as they indeed should be. Instead of vanishing or diminishing as the economy improves, which was once accepted practice, the deficit has been increasing in the course of the current economic expansion.

The persistence of substantial deficits in our federal finances is mainly responsible for the serious inflation that got under way in our country in the mid-sixties. Let us never forget the simple fact that when the government runs a budget deficit it pumps more money into the pocketbooks of people than it takes out of their pocketbooks. That is the way a serious inflation is typically started and later nourished. And when the deficit increases at a time of economic expansion, as it has been doing lately, we should not be surprised to find the rate of inflation quickening. Of course, other factors—particularly money creation by our central bank and the power wielded by trade unions—have played their part in the inflationary process.

The growing intervention of government in economic affairs that has taken place in the United States has been matched or exceeded by similar developments in other countries that we think of as continuing to practice free enterprise. The causes of this increasing penetration of government into the economic life of individual countries have been broadly similar—namely, industrialization and urbanization, increasing interdependence of people, faster communication through radio and television, rising expectations of people, wider participation of citizens in the political arena, and increasing reliance on government for the solution of economic and social problems.

The degree of government participation in economic life has thus been increasing in every industrial country outside the Socialist sphere. To cite some examples; government expenditure in the United Kingdom amounted to 34 percent of the gross domestic product in 1962 and to 44 percent in 1975. Corresponding figures in the case of West Germany are 34 and 42 percent; in the case of France, 36 and 40 percent; in the case of Canada, 29 and 41 percent; in the case of Australia, 24 and 32 percent. A similar trend appears also in Japan; but it is worth noting that governmental spending amounted to only 23 percent of the gross domestic product of Japan in 1975—a substantially lower figure than in any other major industrial country.

Like the United States, other industrial countries have experienced the persistent budget deficits which accompany the rapid expansion of government activities. Indeed, loose governmental finance and rapid inflation have often been practiced more intensively outside the United States, and they have recently become characteristic features of major economies that still boast of free enterprise.

The worldwide inflation that has been under way since the late 1960s has become a serious threat to the free-enterprise system. The fact that inflation masks underlying economic realities makes it all the more insidious. For example, the trend of retail trade and housing starts began to weaken in the United States early in 1973, but many members of the business community paid little attention to that ominous development. Nor did they recognize that standard accounting practices, which rely on historical costs in reckoning inventories and capital consumption, were resulting in enormous overstatements of their profits. Caught up in the euphoria of inflation, they built up inventories out of all proportion to actual or prospective sales, and thus set the stage for the subsequent sharp decline of production and employment. What happened in the United States was paralled in greater or lesser degree in European industrial countries and in Japan.

The corrosive effects of inflation go far beyond the distortion of businessmen's perspective. Inflation erodes the purchasing power of everyone's money income. Inflation weakens the willingness of many people to save for the future. Inflation drives up the level of interest rates. And once businessmen become aware of the illusory element in profits, inflation adds to uncertainty about the future. In an inflation-ridden environment, businessmen have no good way of judging what their costs of production may turn out to be, or what prices they may be able to charge, or what profits, if any, will accrue when they undertake new investments. The risk premium that attaches to calculations of prospective profits from new investments therefore goes up. This discourages business capital investment and hampers the improvement of productivity.

Nor is that all. As the effects of inflation spread across the economy, they in time weaken the capital market. The classical view that inflation tends to favor business profits and therefore higher stock prices no longer fits today's world of powerful trade unions, high interest rates, and a governmental bias toward consumption. Recent experience in the United States and in other countries has demonstrated that persistent inflation adversely affects stock prices as well as bond prices. Even now, despite the recent upsurge in stock prices, the Dow-Jones industrial average is below the level reached in 1965; and in view of the huge rise in the general price level since then, the stock market has obviously suffered a severe depression.

As a result of the disappointing performance of the stock exchanges, the interest of investors in equity securities has greatly diminished during recent years. Some wealthy individuals, seeking a refuge from inflation, have turned to investing in works of art or in real estate or in foreign currencies, gold or other commodities. Many members of the middle class, being similarly disillusioned with equities, have sought an inflation hedge by purchasing a home or an extra house when they already owned one. But the many millions who lack financial sophistication, and even some who possess it, have found no better way to protect themselves against the ravages of inflation than to let cash pile up in the form of bank deposits or other liquid assets—with the result that the purchasing power of their monetary savings has generally kept eroding.

Many professional money managers, likewise discouraged by the behavior of common stock prices, have found solace in the high yields that have become available on corporate and government bonds. And they have also displayed some tendency to shorten the maturity of their investments, so that they could shift to higher-yield securities if faster inflation served to raise interest rates another notch or two in the future. With institutional as well as individual investors switching from common stocks to other investments, brokerage firms and investment-advisory services have suffered reverses. Numerous firms of this type have closed down their operations or sold out to more enterprising members of their industry. These in turn have reacted to the declining interest in equities by becoming department stores of finance—that is, by offering to their troubled customers stock options, commodity futures, municipal-bond funds, money-market funds, tax shelters and so on, in addition to the more traditional services. Adjustments of this type have enabled some brokerage and advisory firms to survive and even to prosper.

But what matters most for the future of our economy is the erosion of investor interest in equity issues. In 1965, corporate shares constituted over 43 percent of all financial assets of American households; by 1977, they were down to 25 percent. Between 1970 and 1975 the number of individual shareowners in our country fell from about 31 million to 25 million. More significant still, this decline was concentrated among young and middle-aged people. Net purchases of equity issues by private pension funds have also slumped in recent years. So-called "equity kickers," once a prominent feature of loans placed by insurance firms, have practically vanished. As a result of this declining interest in equities, the supply of venture capital has drastically diminished in our country. Public issues by small firms have dwindled and we rarely hear nowadays of the formation of new high-technology companies.

If the scepticism about equities that has marked recent years continues in the future, it will become difficult even for some well-established corporations to finance their long-term investment projects. This difficulty will be accentuated if internally generated funds continue to provide a reduced share of total financing needs—as has been the case during the past decade of high inflation. Furthermore, if business firms are forced to rely more heavily on short-term funds, the corporate economy will become more vulnerable to financial strains in the future. In such an environment, a business recession could be even more disruptive than the recession we recently experienced.

In short, the changes wrought by inflation have already weakened the framework of our economic system. They threaten to do so to a greater degree if the inflationary bias of the economy is extended. I judge from the sluggishness of stock exchanges in other major industrial countries during the past decade that, with the exception of Japan, their experience has been similar to that of the United States. If inflationary trends should persist, the economies of these countries will also face a very uncertain future.

Serious as these longer-range economic consequences of inflation appear to be, there is even greater reason for concern about its impact on social and political institutions. Inflation has capricious effects on the distribution of income and wealth among a nation's families and businesses. Inflation eventually leads to recession and extensive unemployment, and such adversities are generally followed by new measures of governmental intervention. Inflation robs people who in their desire to be self-reliant have set aside funds for the education of their children or their own retirement. Inflation hits many of the poor and elderly especially hard. More ominous still, by causing disillusionment and breeding discontent, inflation excites doubts among people about themselves, about their government, and about the free- enterprise system itself.

Such anxieties tend to spread from one country to another. In particular, when the value of our own dollar depreciates in foreign exchange markets, as has happened again during the past two years, confidence in the international economy, as well as in our own, tends to weaken. The ultimate consequence of persistent inflation may therefore be a decline in both the scope and the efficiency of free enterprise on a worldwide scale.

I have already observed that inflation ultimately leads to recession. In turn, extensive unemployment creates an environment that is favorable to new or larger welfare programs and other increases in governmental spending—increases that often outlast the recession. Again, it is at least partly because of inflation that workers, particularly when they are well organized, can achieve increases in wages that far exceed improvements in productivity. It is at least partly because of inflation that the statutory minimum wage keeps rising—thereby causing unemployment among young people and breeding crime. It is at least partly because of inflation that many of our cities have suffered physical and cultural deterioration. And, needless to add, the poverty that persists in the midst of our plenty is in no small degree attributable to inflation.

The burden of taxes has also risen because of inflation. Although deficits at the federal level of government have become our way of life, taxes have increased along with expenditures. Indeed, federal revenues fell below 90 percent of federal expenditures in only seven years since 1946. Since our individual income tax is highly progressive, the tax burden on workers goes up, just as if Congress had legislated higher taxes, even when real wages remain constant—that is, when wages in dollars simply keep pace with increases in the consumer-price level. The corporate income tax, to be sure, is essentially proportional; but under conventional accounting techniques, inflation creates phantom profits on which corporations have been paying many billions of dollars in taxes. And the consequences of inflation for the capital-gains tax have been still more drastic. A recent study by Professor Martin Feldstein of Harvard indicates that in 1973 individuals paid taxes on more than $4.5 billion of capital gains from corporate shares; but when the costs of the shares are adjusted for increases in the general price level, it turns out that these individuals actually experienced a real capital loss of nearly $1 billion.

At the beginning of this article, I reviewed the theories of capitalist evolution by Marx and Schumpeter. It is interesting to observe that while Marx visualized numerous developments that would weaken capitalism, persistent inflation was not among them. Nor was this threat to our free-enterprise system foreseen by Schumpeter. Nor, for that matter, was it foreseen by Keynes; both he and his early followers were concerned about vanishing investment opportunities and unemployment, not about inflation. These failures of economic vision counsel humility in any judgments about the future; and yet, I keep wondering whether the inflationary development that Schumpeter had failed to foresee may not be reinforcing the very processes on which he dwelt so provocatively.

Ours is still a dynamic and prosperous economy, but the prosperity around us has become uneasy and even joyless to many thoughtful citizens. Inflation is certainly our nation's main economic problem, but it is by no means the only economic problem. Unlike earlier times when we were troubled either by inflation or by unemployment, we have experienced in recent times a disconcerting rise of the general price level even when unemployment was extensive. And our social economy has been beset by other problems—among them a growing burden of taxes, excessive governmental regulation, excessive power of labor, restrictive business practices, depressed busines profits, deteriorating central-city areas, decline of the work ethic, and widespread crime. Not all of these ills can be ascribed to inflation. And yet, this factor has had a more ramifying influence on our economy than may appear at first glance.

Human nature inevitably takes its toll. If intense effort or large financial risks are no longer compensated by the possibility of earning large rewards, the effort and the risks will be less readily undertaken. That is the condition toward which we have been generally moving. And it is precisely because a grim future may eventually become our lot and that of other nations still enjoying freedom that big government and the disease of inflation that comes in its train must be resisted by an alert citizenry. This need is now more widely appreciated than at any time since World War II, but it is not yet understood widely enough.

There are some faint flickerings, however, that the American people are becoming less passive about the dangers facing our nation. The recent tax revolt of California citizens may be a symptom of a general awakening of the middle class. Of late many politicians have been vying with one another in proclaiming inflation as our *number one* problem. Trade unions have been unable to persuade Congress this year that their market power needs strengthening. Much is heard these days in congressional halls about the importance of reducing business taxes. A move to cut back rather than increase the tax on capital gains has won widespread support. And of late we have even witnessed some minor reductions within the still swelling total of federal expenditures.

These are interesting and promising events. As yet, they are much too tenuous and uncertain to justify extrapolation. They, never-

theless, suggest that the time may be right for a serious attack on the inflation that has been plaguing our country. That will not be an easy task, but it will be even harder if we hesitate or delay. Once an economy has become engulfed by expectations of inflation, economic policy makers no longer have very good choices. Still, much can, in time, be accomplished with determined leadership.

Restrictive monetary and fiscal policies, if pushed far enough, are always capable of bringing inflation under control; they might, however, also unsettle the economy by bringing on extensive unemployment. To minimize that risk, it would be wise to supplement monetary and fiscal policies with carefully selected structural policies. A prescription for a balanced attack on the inflation problem might therefore run as follows in today's environment: first, that the Federal Reserve, continue its present moderately restrictive monetary policy without interference by the Congress or the White House; second, that the budget for next year permit a substantial cut in the federal deficit and that the move toward budgetary balance be completed within the following two years; third, that this and next year's increase in the salaries of federal employees be scaled down to one-half the figure suggested by wage-comparability studies; fourth, that the President cut his own salary by, say, 10 percent and call on all presidential appointees and members of the Congress to do likewise; fifth, that the President reinforce these examples for the nation by calling on top corporate executives to refrain from any increase in their compensation over the next two years; sixth, that a national center be promptly established for encouraging the organization of productivity councils across the nation, factory by factory and shop by shop, with a view to cooperation by management and labor in raising output per man-hour; seventh, that we make a start towards blunting the cost-raising measures that we have allowed to flourish—such as tariffs, import quotas, farm-price supports, and minimum-wage laws, and that we also postpone the target dates that have been set for environmental and safety regulations.

In the course of my remarks this evening I have dwelt on the corrosive influence of inflation because I consider this the greatest danger to our free-enterprise system. I am convinced that inflation is a disease that can be brought under control; but that will happen only when the will to do so becomes strong enough. In our country there is a powerful political constituency behind each of the government's spending programs, behind every tariff and import quota, behind every regulation that protects a particular group from the pressures of competition. We have powerful political constituencies in favor of perennially easy credit. We have powerful political constituencies in favor of other public or private arrangements that benefit some groups but raise prices to everyone. Our urgent need now is for a nationwide constituency that will fight for the paramount interest that we, as a people, have in a dollar of stable purchasing power.

Other nations—notably, Germany, Switzerland, and Japan—have demonstrated that inflation can be unwound. Even Great Britain has recently succeeded in reducing its inflation rate sharply. If we and other inflation-ridden nations succeed in curbing inflation within the framework of our basic institutions, we may yet experience a true economic renaissance in the Western world. On the other hand, if the present worldwide inflation continues, a command economy may eventually be the bitter fruit of this generation's complacency and neglect. It is the duty of each of us to do what we can to prevent this from happening.

RECORD OPEN UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to insert statements in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until Monday at 12 noon, the President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during that same period of recess the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR COMMITTEES TO HAVE UNTIL 3 P.M. TOMORROW TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until 3 p.m. tomorrow to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS AND ORDER FOR ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. BENTSEN be recognized for not to exceed 15 minutes and that I may have then 15 minutes, following which there be a period for the transaction of routine morning business for not to exceed 1 hour with Senators permitted to speak up to 5 minutes each therein, and that they may have good weather if at all possible Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MARCH 5, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 o'clock meridian on Monday.

The motion was agreed to, and at 3:35 p.m., the Senate recessed until Monday, March 5, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 27, 1979, under authority of the order of the Senate of February 26, 1979:

THE JUDICIARY

Gabriele Anne Kirk McDonald, of Texas, to be U.S. district judge for the southern district of Texas, vice a new position created by Public Law 95-486, approved October 20, 1978.

DEPARTMENT OF LABOR

Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment, vice Roland Ray Mora, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Benjamin W. Heineman, Jr., of Illinois, to be an Assistant Secretary of Health, Education, and Welfare, vice Henry Jacob Aaron, resigned.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The following-named persons to be members of the National Advisory Council on Women's Educational Programs for terms expiring May 8, 1981:

Sister M. Isolina Ferre, of Puerto Rico, vice Agnes M. Dill, term expired.

Anna Doyle Levesque, of Rhode Island, vice Katherine K. Burgum, term expired.

Susan Margaret Vance, of Illinois, vice Theresa Aragon de Shepro, term expired.

IN THE AIR FORCE

Lt. Gen. Howard M. Fish, U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. John R. Kelly, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Executive nominations received by the Senate February 28, 1979, under authority of the order of the Senate of February 26, 1979.

DEPARTMENT OF STATE

Dick Clark, of Iowa, to be an Ambassador at Large and U.S. Coordinator for Refugee Affairs.

DEPARTMENT OF THE INTERIOR

June Gibbs Brown, of Colorado, to be Inspector General, Department of the Interior (new position).

DEPARTMENT OF AGRICULTURE

Thomas F. McBride, of the District of Columbia, to be Inspector General, Department of Agriculture (new position).

DEPARTMENT OF LABOR

Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor (new position).

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Charles L. Dempsey, of Virginia, to be Inspector General, Department of Housing and Urban Development (new position).

VETERANS ADMINISTRATION

Allan L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration (new position).

Executive nomination received by the Senate March 1, 1979:

GENERAL SERVICES ADMINISTRATION

Kurt W. Muellenberg, of Maryland, to be Inspector General, General Services Administration (new position).

CONFIRMATION

Executive nomination confirmed by the Senate March 1, 1979:

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Thursday, March 1, 1979*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Father, Lord of Heaven and Earth, help us to appreciate the majesty of your creation. Though we are occupied with the necessary details of daily tasks, remind us of the fullness and the beauty of life around us. While we see evil and selfishness, yet we see joy and love, while we see pain and hurt, we see, too, your healing and strength.

Encourage us always to strive for the highest and the best, not with pride of self-importance, but with the clear knowledge that personal fulfillment comes from service and caring for those about us. In the name of the Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

BARREL FOR BUSHEL

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, the United States can be the OPEC of grain. We export over half the grain in world markets. Yet we continue to allow our grain to be sold for less than the cost to our farmers while we pay sharply higher prices for oil and other goods. Our dollar, our balance of payments, our farmers, our taxpayers, and Treasury all suffer.

It is possible to raise our grain prices to foreign customers, indeed, to barter for oil and other goods, but only if we institute a national grain board to approve such sales and arrange such barter.

Such a board could also time sales after determining what the Russian or Chinese crops were like—instead of allowing the secretive Soviets to swoop in and steal our grain as they have twice done—and we could barter with China for oil.

I am reintroducing my national grain board bill—it had over 100 cosponsors several years ago. It will not cost the taxpayers a cent; in fact, it will make money for the Treasury and for farmers by setting the highest reasonable prices the market will bear.

In 1970, oil and wheat sold for the same price, $1.50 a barrel, $1.50 a bushel. Now oil is $15, wheat is $3.50.

It is time we started looking out for our own interests, time we got a barrel for a bushel.

THE DIFFERENCES ARE PROFOUND, NOT "INSIGNIFICANT," BETWEEN ISRAEL AND EGYPT

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker it is nothing less than tragic that, as Prime Minister Begin arrives in this country once again, he and President Carter seem to be operating on completely different wavelengths. President Carter has characterized the differences that remain between Egypt and Israel as "insignificant"; Prime Minister Begin says the issues are "grave, relating first of all to our future security."

I can understand President Carter's obvious frustration at the deterioration of the situation since the Camp David accords. His achievement at Camp David was great, and it must seem almost unbearable that it now seems to be slipping away. But that is the fact of the matter, and it does not help for the President to characterize the current differences between the parties as "insignificant."

What the Israelis—and everybody else—thought they had achieved at Camp David was assurance that, in return for substantial and irrevocable sacrifices of territory, they would have total peace with Egypt, and that this was not dependent on the success of contemplated negotiations with respect to the West Bank and Gaza. Even Sadat at that time seemed to confirm that understanding. Today, presumably because of intolerable pressures from other Arab States, it is clear that that is no longer Sadat's position.

The grim fact—which cannot be glossed over—is that today the Israelis are prepared to go ahead with the Camp David agreements, the Egyptians are not. That premise should underlie the current Carter-Begin talks; if it does not, I do not see how they can be useful.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON H.R. 2439

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill (H.R. 2439) rescinding certain budget authority recommended in the message of the President dated January 31, 1979, and transmitted pursuant to the Impoundment Control Act.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

GASOHOL TECHNOLOGY

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, with all the publicity of closed service stations, ration coupons, and other severe conservation measures being proposed by the administration, I wish to alert my colleagues to the fact there is a technology available to us to at least partially prevent the more serious of these measures, and at the same time build upon our own bountiful renewal resources—and that technology is alcohol fuels, or gasohol.

While gasohol is no panacea or salvation to our energy problem, it is the only substitute for gasoline that could be used in existing automobiles on a blended basis. Time and time again, Department of Energy personnel have testified to congressional committees that if we were subjected to another embargo, or other shortage, there is only one liquid fuel substitute that could be used in automobiles and other vehicles—only one—and that is alcohol.

It is time to shift our mentality from more and more regulation, to a policy of encouraging alternatives which are technologically feasible, environmentally safe, and provide a positive boost to our balance of payments.

The mixture of alcohol and driving generally is considered a "no-no." But alcohol fuels in the gas tank could be one of fruitful solutions to our liquid fuels crisis.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

IMPACT OF FOOD STAMP REDUCTION

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, the media in the country today has been spelling out in practically every newspaper the impact that is now taking place on food stamp recipients due to new regulations that went into effect today.

I am happy to report, Mr. Speaker, that this past week 67 Members of this Congress, Republicans and Democrats, have now joined in cosponsoring the legislation I have now offered and we are anticipating many more.

I am also pleased to report that Senator MOYNIHAN from New York is introducing this legislation into the Senate.

As an example of what this really means, I have a 77-year-old woman with a $282 total income a month. She has a 55-year-old daughter who is disabled and a psychiatric patient with an income of $192 a month.

She has a mortgage of $151; taxes, $75; utilities, $73; $10 phone.

She has been receiving $50 a month in food stamps As of today, she is cut to zero. She is eliminated from the program completely.

Mr. Speaker, I hope we can get more Members to join, because we will pass this legislation that I am proposing.

□ 1110

MALTESE-AMERICAN SOCIAL CLUB OF SAN FRANCISCO

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PHILLIP BURTON. Mr. Speaker, on Saturday, February 24, 1979, the Maltese-American Social Club of San Francisco, Inc., celebrated at its headquarters at 1789 Oakdale Avenue, San Francisco, the 50th anniversary of their founding.

First called the Maltese Club of San Francisco, the club was formed in February 1929. During the next two decades the club grew and became the focal point of the social life of Maltese-Americans. The club organized soccer teams, bands, social functions, and dramatic presentations in the Maltese language.

In the troubled period of the war years with the devastating suffering on Malta, the club activities took on new emphasis. Many events were held for the Malta War Relief Fund.

On October 26, 1945, the organization changed its name to the Maltese-American Social Club of San Francisco. In June, 1949 the club received its corporation status under that name. A 20-year dream of members became a reality when the club purchased its present premises on July 6, 1949, premises which it had been leasing since the late 1930's.

With its permanent home established in 1949, the Maltese-American Social Club of San Francisco continued to grow and to serve. During the fifties, sixties, and now in the seventies the club has remained the focal point and meeting place for the Maltese-American community. It provides social activities, sponsors athletic teams, conducts citizenship classes and has been a source of help to many Maltese immigrants in their desire to become U.S. citizens and to become an integral part of the bay area community.

This is a happy anniversary marking 50 years of service to the community. I wanted my colleagues in the House to know of this outstanding group and to join with me in extending to Mr. Joseph Grech, president of the Maltese-American Social Club of San Francisco and to its officers and members, our heartiest congratulations and best wishes for continued success.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I would like to associate myself with the gentleman's remarks and offer my best wishes to the members of the Maltese-American Social Club headquartered at 1789 Oakdale Avenue, in San Francisco.

□ 1215

PRESIDENT URGED TO FIRE MR. UTGOFF IF QUOTED REMARKS ARE TRUE

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, it was with utter amazement that I read the remarks of one Victor A. Utgoff, quoted in George Will's February 22 column. Mr. Utgoff, a staff member of the President's National Security Council, reportedly said that:

> Even if the United States could attain strategic superiority it would not be desirable because I suspect we would occasionally use it as a way of throwing our weight around in some very risky ways. It is in the U.S. interest to allow the few remaining areas of strategic advantage to fade away.

If those are indeed Mr. Utgoff's perverse views, President Carter should repudiate them immediately. I urge the President to determine whether Mr. Utgoff was correctly quoted. If indeed he was, I hope the President will fire Mr. Utgoff, as I suggested in a February 26 letter. If Mr. Utgoff's views were to prevail, our liberty and that of our allies would "fade away" just as Mr. Utgoff hopes our few remaining areas of our strategic advantage will "fade away."

I hope that the other body will examine any SALT Treaty which the Carter administration might present in light of Mr. Utgoff's alarming remarks.

CALL OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 18]

Ambro	Brown, Calif.	Drinan
Anderson, Ill.	Chisholm	Edwards, Okla.
Andrews, N.C.	Clay	English
Beard, R.I.	Conyers	Evans, Del.
Bevill	Davis, S.C.	Fithian
Bonker	Donnelly	Flood
Fountain	McKinney	Scheuer
Fowler	Mathis	Shelby
Garcia	Mikva	Stanton
Giaimo	Moffett	Steed
Harsha	Motti	Traxler
Hawkins	Murphy, N.Y.	Wampler
Hubbard	Neal	Waxman
Jeffords	Ottinger	Williams, Ohio
Long, Md.	Pepper	Wilson, Bob
Lee	Pritchard	Wilson, Tex.
McCormack	Reuss	
McDonald	Rodino	

□ 1130

The SPEAKER. On this rollcall 380 Members recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

□ 1135

PRIVILEGES OF THE HOUSE—PROCEEDINGS AGAINST CHARLES C. DIGGS, JR.

Mr. GINGRICH. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 142) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES 142

Resolved, That CHARLES C. DIGGS, JR., a Representative from the Thirteenth District of Michigan, is hereby expelled from the House of Representatives.

MOTION OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WRIGHT moves to refer House Resolution 142 to the Committee on Standards of Official Conduct.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Mr Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. GINGRICH).

Mr. GINGRICH. I wish to thank the distinguished majority leader for yielding to me and for approaching this very, very difficult question.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield for a moment?

Mr. GINGRICH. I yield to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

Let me make it clear that in my yielding to the gentleman from Georgia, and in any subsequent yielding, it will be for purposes of debate only.

Mr. GINGRICH. I appreciate that. I thank the gentleman from Texas.

Mr. Speaker, the question of referral and the question potentially of expulsion are agonizing matters to every Member of this House. It is a particularly agonizing matter for anyone who believes in the sanctity of the House of Representatives as the people's House. But the question is not, as it was posed yesterday, one of summary expulsion versus referral. The fact is that yesterday a convicted felon voted on $38 billion in additional debt limit. The fact is that if the House votes to refer, we are voting to permit for an indefinite period a convicted felon to vote on the laws of the United States.

The question I would pose to the membership is, If during this indefinite period one of these bills is passed in this House by a one-vote margin, how then will we go home, if that one-vote margin is the vote of a convicted felon, and uphold the sanctity of the laws of the United States?

Mr. Speaker, I yield back the remainder of my time.

Mr. WRIGHT. Mr Speaker, I yield 8 minutes to the gentleman from Virginia (Mr. BUTLER.)

□ 1140

Mr. BUTLER. Mr. Speaker, above all else, I want to deal fairly with our colleagues At the same time, we have a responsibility to ourselves, to this institution, the House of Representatives, to respect it and not to tolerate those things which might bring it into disrepute. The charges, the specifications on which the gentleman from Michigan was tried and convicted in the U.S. district court are not in themselves the basis for disciplinary action by the House. This action is totally separate and apart from these proceedings and have a different aim; namely, the protection of the good name of this institution. The gentleman from Michigan is not on trial, but this institution is.

The question is: Do we have the courage and the will to discipline ourselves? On October 7, 1978, almost 5 months ago, the gentleman from Michigan was convicted of all 29 courts in an indictment charging him with a scheme of salary kickbacks as a means of paying his personal expenses extending over a period of more than 3 years, involving innumerable, multiple transactions, the effect of which was to defraud the U.S. Government of more than $100,000 during years when his annual taxable income exceeded $70,000.

The gentleman was sentenced on November 30 to 3 years in the penitentiary. He has given notice of intention to appeal and he is at liberty on bond pending that appeal.

Yesterday on a special order I read into the record a 1924 report of an ad hoc select committee to report concerning the qualifications of Representative John W. Langley. The committee declined to make a recommendation of punishment pending final deposition of his appeal, because Mr. Langley was pursuing promptly the process of appeal. He had agreed not to participate in the proceedings of the House pending his appeal and to resign his position when that became final.

That is what the gentleman from Michigan should have done, but he has not. He should not be voting. The precedents of the House so provide. Unfortunately, these precedents are being ignored and this comes before us because the gentleman from Georgia has the sense of duty and the initiation and courage that he has and I commend him for that.

Certainly a man is innocent until proved guilty. It would be grossly unfair to say that the jurors' verdict requires expulsion while the conviction is under challenge.

I will tell you, however, that I have read the testimony of CHARLES DIGGS under oath before the court and in my opinion he affirmatively stated and admitted sufficient acts to constitute grounds for his expulsion today. Here again, I would prefer it to be determined with the recommendation of the appropriate committee and under more regular procedures await that process; but when the gentleman from Michigan insists on continued participation, then I have no choice but to share the facts I have now.

Bear in mind, I have not read the entire record. I make no representation about that. I only deal with what the gentleman from Michigan (Mr. DIGGS) had to say on the charges against him. There are 29. My time is limited. I will only deal with samples, but I represent that these are fair samples.

PARLIAMENTARY INQUIRY

Mr. MITCHELL of Maryland. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from Maryland will state the parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Speaker, the Member in the well is going to attempt to read from a transcript in a trial. Ordinarily, I would have no objection to that if this body had constituted itself as a body to try Mr. DIGGS. It has not done so. I have strenuous objections to reading any portion of that transcript when this body is not so constituted to receive that information.

Number two. Mr. Speaker, in doing so, if he is permitted to do so, is not the Member usurping authority of the Committee on Standards of Official Conduct?

I strenuously object to the reading of any portion of this transcript.

The SPEAKER. The gentleman objects to the reading?

Mr. MITCHELL of Maryland. Yes, I do, Mr. Speaker; any portion of the transcript, whether it is printed in the RECORD or not, I do not care. I object to its being read before this body as presently constituted.

The SPEAKER. The gentleman from Virginia can continue to debate, but he cannot continue to read without the permission of the House.

Mr. BUTLER. Mr. Speaker, may I have the permission of the House to read from the transcript?

Mr. MITCHELL of Maryland. Mr. Speaker, I object to granting permission for the reading of the transcript.

The SPEAKER. The question is: Shall the gentleman from Virginia be permitted to read the document? The question is on that matter.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Maryland demands the yeas and nays.

Those in favor of taking this by the yeas and nays will arise.

In the opinion of the Chair, a sufficient number have arisen. The yeas and nays will be ordered.

□ 1145

PARLIAMENTARY INQUIRIES

Mr. WRIGHT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized. The Chair will recognize the gentleman for a parliamentary inquiry.

Mr. WRIGHT. Mr. Speaker, under the circumstances in which my motion pends before the House, my motion being a motion to refer the gentleman's resolution to committee, and on which I have been recognized for 1 hour on that motion and having yielded time expressly for purposes of debate only, is it within the rules of the House, Mr. Speaker, for us to entertain another motion or another vote in the interim prior to the previous question being ordered on my motion?

The SPEAKER. The time of the gentleman from Texas (Mr. WRIGHT) on his motion to refer will not continue to run during this vote. The gentleman from Maryland (Mr. MITCHELL) objected to the reading of a paper containing testimony that was presented in a trial, and a vote has been ordered on that subsidiary or procedural question.

Mr. RHODES. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman from Arizona (Mr. RHODES) will state his parliamentary inquiry.

Mr. RHODES. Mr. Speaker, I am confused as to what an "aye" vote and a "no" vote would mean. Would the Chair explain it to the Members?

The SPEAKER. The Chair will state that an "aye" vote would permit the document to be read, and a "no" vote would not permit the document to be read.

Mr. RHODES. I thank the Speaker.

Mr. MITCHELL of Maryland. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Maryland (Mr. MITCHELL) will state his parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Speaker, what I was suggesting was not that the document be not read.

Mr. ROUSSELOT. But you did.

Mr. MITCHELL of Maryland. No, I did not. If I may be heard, Mr. Speaker, what I said was as to those portions of the document that quote from a transcript of a trial, I am objecting to that because this body is not constituted to receive that information as of this time.

Mr. ROUSSELOT. Regular order, Mr. Speaker.

The SPEAKER. The Members will kindly be seated.

Mr. WOLFF. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. Will the gentleman from New York (Mr. WOLFF) kindly withhold his parliamentary inquiry at this time?

The Chair will state for the Members that there is an expulsion resolution before the House and there is a motion offered by the gentleman from Texas (Mr. WRIGHT) to refer this resolution to

a committee. The gentleman from Virginia (Mr. BUTLER) has been reading certain documents from the Court, and there has been an objection to this reading.

The question comes now—and a sufficient number of Members have risen for the offering of the yeas and nays—as to whether or not the gentleman from Virginia shall be allowed to read that document from the Court at this time in this proceeding. Under normal circumstances, the Chair rules that the objection was in order, so the question comes to a vote without debate.

Those in favor of letting this document be read will vote "aye," those who are opposed will vote "no," and the vote will be taken by electronic device.

For what purpose does the gentleman from New York (Mr. WOLFF) rise?

Mr. WOLFF. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLFF. Mr. Speaker, does the motion mean that the entire proceedings must be read, or is it confined to selected portions the gentleman wants to read?

The SPEAKER. The Chair will state that the gentleman from Virginia (Mr. BUTLER) has a prepared document, and he has been allotted 8 minutes by the gentleman from Texas (Mr. WRIGHT). He could read as much of the document as he has within those 8 minutes.

The Members will proceed to vote. Those in favor will vote "aye," those opposed will vote "no."

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 353, nays 53, not voting 26, as follows:

[Roll No. 19]

YEAS—353

Abdnor
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
Lungren
McCormack
McDade
McDonald
McClory
McCloskey
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Shamansky
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Taube
Taylor
Thompson
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—53

Addabbo
Akaka
Anderson, Calif.
Ashley
Bailey
Bellenson
Biaggi
Bolling
Bonior
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Clay
Collins, Ill.
Conyers
Corman
Daschle
Dellums
Diggs
Dingell
Edwards, Calif.
Evans, Ga.
Ford, Mich.
Ford, Tenn.
Garcia
Gonzalez
Gray
Holland
Lederer
Leland
Lowry
Mathis
Mikulski
Mitchell, Md.
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Oakar
Ottinger
Rangel
Richmond
Rosenthal
Roybal
Scheuer
Seiberling
Shannon
Stack
Stewart
Stokes
Wilson, C. H.
Zeferetti

NOT VOTING—26

Albosta
Anderson, Ill.
Beard, R.I.
Chisholm
Dixon
Evans, Del.
Flood
Fountain
Fowler
Giaimo
Hawkins
Hubbard
Jeffords
McKinney
Moffett
Mottl
Pepper
Rahall
Rodino
Roe
Stanton
Thomas
Traxler
Waxman
Wilson, Bob
Wilson, Tex.

□ 1205

POINT OF ORDER

Mr. RHODES. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman from Arizona will state it.

Mr. RHODES. Mr. Speaker, the electronic device by which the House votes indicates that the gentleman from Michigan (Mr. DIGGS) has voted on the question which the House just considered. I would like to make a point of order against the vote by the gentleman from Michigan (Mr. DIGGS) based on rule VIII, clause 1, which of course states:

> Every Member shall be present within the Hall of the House during its sittings, unless excused or necessarily prevented; and shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question.

In making the point of order, I submit that the gentleman from Michigan clearly has a personal interest in the question just decided.

The SPEAKER. The Chair is ready to rule on the gentleman's point of order. For the information particularly of the new Members as to how the pending vote came about, it is stated in the Rules of the House that a Member cannot read from a document upon which the House will not vote without the permission of the House. In this instance the gentleman was going to read from the records of the court. The gentleman from Maryland (Mr. MITCHELL) objected. This has happened in the past.

It was on December 19, 1974, that there was an objection to the reading from a paper by the gentlewoman from New York, Mrs. ABZUG, and the House voted that she could read from the paper.

The gentleman from Arizona (Mr. RHODES) has addressed himself in an inquiry to the Chair on the application of rule VIII, clause 1, providing that each Member shall vote on each question unless he has a direct personal or pecuniary interest therein.

Speaker Clark held that the question of whether a Member's interest was such as to disqualify him from voting was an issue for the Member himself to decide and that the Speaker did not have the prerogative to rule against the constitutional right of a Member to represent his constituency.

Speaker Blaine stated that the power of the House to deprive one of its Members of the right to vote on any question was doubtful.

The Chair has been able to discover only two recorded instances in the history of the House where the Speaker has declared Member disqualified from voting. The last decision occurred over 100 years ago.

Because the Chair severely doubts his authority to deprive the constitutional right of a Member to vote, and because of the overwhelming weight of precedent, the Chair holds that each Member should make his or her own determination whether or not a personal or pecuniary interest in a pending matter should cause him to withhold his vote. The point of order is overruled.

So the gentleman from Virginia (Mr. BUTLER) was allowed to read.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair recognizes the gentleman from Virginia (Mr. BUTLER).

□ 1210

PARLIAMENTARY INQUIRY

Mr. RHODES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Virginia, who has the floor, care to yield for that purpose?

Mr. BUTLER. No, sir, Mr. Speaker.

Mr. RHODES. Mr. Speaker, I withdraw the parliamentary inquiry.

Mr. WRIGHT. Mr. Speaker, will the gentleman from Virginia yield to me for questions, if I will compensate him for such time as they may take?

Mr. BUTLER. The price is right.

Mr. WRIGHT. In order that we may be precise and understand that from which the gentleman proposes to read, is this a court-certified transcript of the trial proceedings?

Mr. BUTLER. If I may respond to the gentleman, what I have done is this: Yesterday I caused to be printed in the RECORD at our special order the indictment. And what I have with me today is a copy of that portion of the transcript which was prepared by the official court reporter; her name is Mrs. Judith B. Moore and we purchased this copy from her. The copy has not at this point in time been certified, but we do have her representation that this is an accurate report of what took place in the proceedings and I am prepared to accept that, subject, of course, to whatever corrections the gentleman can offer.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman. The answer is that it is not a court-certified transcript, but it is a transcript the gentleman has purchased from a court reporter.

Mr. BUTLER. Can the gentleman suggest where else I might purchase it?

I say to the gentleman that the transcript of the court proceedings has not yet been certified.

Well, I cannot represent whether they have or have not. All I did was ask the attorney to go to the lady who prepared the transcript and sell me a copy and I do notice that her certificate is in the back of it, but it is not signed; but I do make representations that it has been represented to me that this is this lady's recollection of what took place, because she took it down just like every one of the court reporters we have here.

Mr. WRIGHT. Of course. The gentleman also is aware, I am sure, he having been subjected to this as all of us have, that—and I shall yield the gentleman additional time—those who to the best of their ability take down our remarks sometimes fail to put them down correctly and verbatim, and the gentleman must correct them, is this not correct?

Mr. BUTLER. That is certainly a fair statement and I would not represent anything to the contrary; but I would like to take notice, as the gentleman from Arizona has just done, that the gentleman from Michigan is here present today. I am sure that the gentleman from Texas will yield him time to correct anything that is inadvertent or in error by the court reporter employed for that purpose.

Mr. WRIGHT. Let me simply ask the gentleman one additional question and I shall not intrude further upon the time I have yielded.

Does the gentleman not feel, in all fairness and in all honesty, that in effect he is asking this body to evaluate a selective portion of the transcript of that lengthy file; he is in effect asking us to sit as jurors in the evaluation of evidence presented in a trial when we do not have access to all the evidence? Does the gentleman feel that is a fair position in which to put the Members?

Mr. BUTLER. I could not be more grateful for the gentleman's question than any ever asked, because I will state in answer to the question, I share the same reservations about acting as jurors. I am not asking us to act as jurors. What I am reading to this body is what the gentleman from Michigan said under oath at his own trial. What I am saying to you is that when I get through reading this, you will conclude that the gentleman from Michigan has said, "Yes, I violated the rules of this House and I don't care."

I think that is wrong and that is why I am objecting to your motion to refer. That is why I am going to have to vote for the resolution when the proper time arises.

Mr. WRIGHT. Mr. Speaker, I yield an additional 4 minutes to the gentleman from Virginia.

□ 1215

Mr. BUTLER. As I mentioned earlier, Mr. Speaker, the entire indictment is printed in the special order we had on yesterday. A typical allegation of the 29 counts appears in paragraph 8(b). It reads:

> Defendant Diggs, as a means of paying various personal, business and House of Representatives expenses would and did inflate and increase and cause to be inflated and increased the salaries of Congressional employees, that is, defendant Diggs inflated and increased the salaries of . . .
>
> (b) Felix R. Matlock from his regular per annum pay rates of between $12,842.55 and $20,000 to per annum pay rates of between $21,700 and $37,000.

Typical of Mr. DIGGS' response to these charges against him is his testimony on the Matlock allegations. On direct examination by his own attorney Mr. DIGGS stated:

> Mr. Matlock paid the office expenses and related expenses for the Detroit District office.
>
> Q. Was he reimbursed for those expenses through his salary?
>
> A. Yes sir, that's correct.
>
> Q. Was there any indication from him that he was unwilling or did not wish to engage in that form of filling out his expenses which he would be compensated for through salary payment?
>
> A. Not at all and I have known Mr. Matlock since about 1950 and have had very close relationships with him and if he at any time had felt that he didn't want to make his salary available to pay those expenses he would have been able to say it and would have said it to me.

The indictment also charges that DIGGS inflated the salary of Jean G. Stultz from her regular rates between $15,000 and $23,000 to between $33,000 and $37,000.

Mr. DIGGS' testimony reveals that this money was used in part to pay for a $2,500 portrait of himself as a new committee chairman.

> Q. Did there come a time when she paid for the portrait?
>
> A. She paid for the portrait.
>
> Q. Was her salary increased?
>
> A. Yes.
>
> Q. By you?
>
> A: Well, I signed the Payroll Authorization forms, yes by me.
>
> Q: Now you say she paid that expense from her increased salary?
>
> A: That's correct.
>
> Q: Did she pay any other expenses that you can recall during that period of time?
>
> A: Well, as I recall, the portrait was paid in two payments. And on page 103—
>
> Q: Did there come a time when she began to pay as well for you what you would call personal expenses?
>
> A: Yes, she did.
>
> Q: Can you tell us how that came about?
>
> A: Well, as I mentioned, I was in very dire financial straits. She was handling all of my personal affairs, all of my personal business and she was dealing with the creditors and I said, "Can you help me out?" She said, "Yes. I'm prepared to help you out." And that's what she did.
>
> She began to pay my personal bills, not all of them, because I was paying obviously some of them. She began to pay some of my personal bills out of her salary and make her salary available for that particular purpose.
>
> Q. If you understood that the money was coming from her salary that she was paying for these various money orders and cashiers checks for your expenses didn't you question the large amount of money that she was paying? You have $1,400 being paid in one month; you have $1,200 being paid in another month; you have got another $1,200 that third month from a woman who is taking home $2,100.
>
> Didn't you question that at all, the amount of those monies?
>
> A. No, I did not question, Mr. Kotelly, and Mrs. Stultz did not question it, which is more important.

Now, I assume a defendant's lawyer saves his best questions until last. These are the last five questions asked Mr. DIGGS by his own lawyer.

The SPEAKER. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

Mr. BUTLER. Mr. Speaker, will the gentleman from Texas (Mr. WRIGHT) yield me 3 additional minutes?

Mr. WRIGHT. Mr. Speaker, may I inquire, has the gentleman from Virginia (Mr. BUTLER) consumed 12 minutes at this point?

The SPEAKER. The gentleman has consumed 12 minutes.

Mr. WRIGHT. Mr. Speaker, there are others who have asked to be heard out of the 30-minutes portion that would be available to the gentleman's side. If the gentleman from Virginia (Mr. BUTLER) would withhold, let me see if I can accommodate others. I am loathe to shut the gentleman off. I think the gentleman will agree that I have been generous.

Mr. BUTLER. Mr. Speaker, I agree that the gentleman from Texas (Mr. WRIGHT) has been quite generous with me and with the time. I would have some other thing that I would point out, but if there are others who want to be heard, I would not insist on further time.

Mr. RHODES. Mr. Speaker, the gentleman from Texas (Mr. WRIGHT) may

yield whatever time he would allot to me to the gentleman from Virginia (Mr. BUTLER).

Mr. WALKER. Mr. Speaker, whatever time the gentleman from Texas would allot to me he may yield to the gentleman from Virginia (Mr. BUTLER).

Mr. WRIGHT. Mr. Speaker, since both the gentleman who have sought to be heard have yielded, I yield an additional 3 minutes to the gentleman from Virginia (Mr. BUTLER), and that constitutes one-half the time that normally would be available to the gentleman's side for argument, referring to the gentleman from Virginia (Mr. BUTLER).

The SPEAKER. The gentleman from Virginia (Mr. BUTLER) is recognized for 3 minutes.

□ 1220

Mr. BUTLER. Mr. Speaker, I will read rather quickly. These are the last five questions asked Mr. DIGGS on his direct examination by his own attorney:

Question: Mr. DIGGS, I want to ask you, on the occasion when you signed the payroll authorization form and placed Jeralee Richmond on your Congressional payroll, was it your intent to violate any laws of the United States?

Answer: No sir.

Question: When you authorized the payroll and salary payment to George Johnson for payment of salary to him, was it your intent at any time to violate any law of the United States?

Answer: No, sir.

Question: Now, when you increased the salary of Jean Stultz and she received additional salary in which she paid some personal bills and many of your offices expenses, was it your intention at that time to violate any laws of the United States?

Answer: No, sir . . .

Question: When you increased the salary of Mr. Matlock, in which he paid office expenses and was reimbursed through his salary account, was it your intent at that time to violate any laws of the United States?

Answer: Absolutely not . . .

Question: And when Mr. Dukes billed you for expenses he incurred in representing you both here and in Detroit to bill the additional amount and his salary was increased by you through the payroll authorization form, was it your intent to violate any laws of the United States?

Answer: Absolutely not . . .

Mr. Speaker, this is clear throughout, this was done with the knowledge of Mr. DIGGS, it was done for the purpose—and he admits it was done for the purpose—of inflating salaries to pay his expenses. This is a fair sample of the testimony of Mr. DIGGS. He admits by his own testimony that he inflated the salaries of his own employees and used the funds so generated to pay his personal and business expenses. That is wrong, and we all know it.

I repeat what I said earlier: The appropriate thing for Mr. DIGGS to do would be for him to decline to participate in the proceedings of the House until the committee could make its recommendation to the House.

However, when he continues to vote on weighty matters, it demeans the Congress of the United States and us, its Members, if we continue to tolerate that.

In my judgment, our Founding Fathers had such a circumstance in mind when they provided that Congress may expel a Member by a vote of two-thirds of its membership.

It is my intention to vote against the motion to refer, and for the motion to expel, because I think it important to do what I can to restore the confidence of the American people in this institution.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Speaker, I rise to support the motion to refer this matter to committee. And if I may take the time of the House to review for a moment what the facts are in the case before us, this very delicate and important matter that could be politicized beyond anything that I have seen or been a part of since being a Member of this Congress. I first suggest that a jury found Congressman DIGGS guilty of certain criminal charges—and there is no dispute about that.

No. 2, Congressman DIGGS, a Member of this House, duly elected by the electors of his district, has exercised his absolute right of appeal, a right which is as important as his right to trial, because one without the other is meaningless.

No. 3, there is no rule of this House, nor, as far is I know, has there ever been, that makes it mandatory for us to expel a Member, because he has been convicted and before his right of appeal has been exhausted.

If this House had such a rule, then I would be in front of the Members suggesting that there is no doubt but what should happen. The House does not have such a rule. And to point its finger at Congressman DIGGS and make an example of him, rather than send it to a committee whose responsibility it is to report to the Congress, if I may say so, is not due process.

May I suggest that Congressman DIGGS deserves due process in this House, fairness in this House, not because he is black and not because he is not white, but because he is a Member of this body elected by the people of his district. And under the rules of this House we do not have a right to exclude him without fairness and due process. More than that, we have no right on either side of the aisle to politicize for political reasons alone this particular situation.

My own personal feelings about the guilt or innocence of Congressman DIGGS is not important.

The SPEAKER pro tempore (Mr. BROWN of California). The time of the gentleman from Pennsylvania has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania for purposes of debate.

Mr. MARKS. I thank the gentleman.

What is important—and that is why what Mr. BUTLER did, CALDWELL BUTLER did a most respected Member of this House, seemed a bit out of order—what is important is that we determine what is a fair procedure under the rules as we have applied them to white and to black, to Republicans and Democrats in the past, and I suggest to you that that gentleman sitting there, who has gone through hell and high water up to this date, deserves the same consideration as you would ask for yourself.

Ladies and gentlemen of this august body, may I suggest that you think about that last statement a little bit, in determining what should be done in fairness for Congressman DIGGS. I thank the majority leader for yielding me this time.

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding to me. For the benefit of some of the newer Members, let me just make one or two observations, if I may. I wonder how this House holds together sometimes. We often stand as diametric opposites in terms of economic issues, in terms of philosophies, and so forth. We argue each other endlessly, but at the end of all of that, somehow or another we remain friends. We are not killing each other.

I think the reason we are able to do that is that we know every Member who speaks is carrying out his constitutional duty to represent the people of his district, and it does not matter whether I like it or you like it—he is carrying out his duty. Take that a little further. If you carry out your duty in terms of representing your people, then in effect you are saying these people have the right to elect and choose whom they would. I would not be happy if a member of the Ku Klux Klan, who had lynched a black man, was elected as a representative of Congress. I would not be happy about it, but I would accept that as the will of the people.

There is a process—there is a process in this House. It is no great secret that I did not think Richard Milhouse Nixon was the greatest President we ever had, but we followed a process. We did not come to the floor and say, "We will conduct impeachment hearings in the whole House." We did not do that. We recognized a time honored process, and that is all I am asking to happen in this case. I support the motion to refer because it is inconsonance with the process.

Let me make just one other brief observation, if I may. I am not a lawyer; some of you are. I would be awfully disturbed to find that a transcript that has not yet been completed; even the defendant and his lawyers have not seen it; that portions of that transcript were read before this body, which was not constituted as a jury. There is something—there is something terribly wrong if that transcript got out before the defendant's attorneys had a chance to see it, or the defendant. There is something terribly wrong with that, and I would ask that the lawyers ruminate on my concern.

Two things: The will of the people—that is what this House is all about, and if the people want to elect Hitler or a Klansman, that is their right, and you and I do not have any right to quarrel with it. The other: process, let us do the right thing; let us follow the will of the people and let us follow the process, and support this motion.

□ 1230

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. KOSTMAYER. Mr. Speaker, I tried as best I could to get the gentleman from Michigan (Mr. DIGGS) to refrain from voting. He, in my judgment, has been arrogant in continuing to insist on voting. I think that if he had stopped voting and if he had not insisted on continuing he would not have brought this matter to this point at this time and I would not be here prepared to vote to expel him from this House. However, he persisted. He did it, and he was arrogant about it, and he was wrong.

When Mr. Dowdy of Texas was here, he voluntarily gave up the right to vote. That is the least the gentleman from Michigan could do.

My friend, the gentleman from Pennsylvania (Mr. MARKS) says that we ought to be fair. I cannot imagine that we could be any fairer than we have been, and I cannot imagine that if an average American had stolen $70,000, we would extend to him the kindnesses and the fairnesses and the decencies which we have extended to the gentleman from Michigan.

The gentleman from Maryland (Mr. MITCHELL), my friend, brings up the case of President Nixon. He had not been convicted of 29 counts of taking kickbacks. I think that we have no alternative now. It is not a question of disfranchising a district. If he is expelled, there will be a special election. That district will have a new Congressman in this House shortly.

It is not a question of guilt or innocence. The gentleman from Michigan is guilty. He was adjudged guilty by a jury. The presumption of innocence expired on the day he was convicted.

The question is, What is our standard to be? How flexible are we to be? How limited are we to be in dealing with a man whose record otherwise is exemplary and for whom I have enormous respect, but who, by his own admission, has stolen from this body?

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, I am deeply troubled by the comments of my colleague, the gentleman from Pennsylvania.

Mr. MARKS. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Speaker, may I ask the gentleman which colleague?

Mr. MIKVA. The gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. MARKS. I thank the gentleman very much. I appreciate it.

Mr. MIKVA. I will address myself to the remarks of the gentleman from Pennsylvania (Mr. KOSTMAYER). I am troubled, because it seems to me that he is mixing apples and oranges. He is talking about the question of whether the gentleman from Michigan (Mr. DIGGS) has been convicted, and he has. But then the gentleman from Pennsylvania (Mr. KOSTMAYER) says, "Therefore, he should not vote."

Mr. Speaker, I do not know how that follows. As I read the Constitution—and I am sure other Members read it the same way—a Member of Congress votes. That is one of our primary functions here.

Then the gentleman says, "Therefore, we ought to expel him."

Why? Are we judging his moral character? Probably given the fact that a jury of his peers has already adjudged him guilty, he would fail on that score; but the Constitution specifically says what the standards are for service in this House. They say one has to be a certain age, one has to be a resident of the State from which he is elected, and one has to be a citizen. However, the Constitution does not say anywhere that a person has to be of good moral character, or that the other members should judge his moral character.

We have the power to expel; but that power, it seems to me, has traditionally been exercised and only properly been exercised when it has to do with someone who makes it impossible for this House to function. We can function with people of immoral character. That happens to be a fact of life.

If we are going to require a character test, I do not think we can just stop with people convicted by a jury. We may have to run other kinds of character tests. I do not know where we could stop those tests.

Therefore, Mr. Speaker, it seems to me that the question of expulsion and conviction by a jury and the question of voting and conviction by a jury are totally unrelated because, as I read the Constitution of the United States, a gentleman is elected by the people of his district, and he serves and he votes by their sufferance, not by ours.

□ 1235

Mr. WRIGHT. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I would like to associate myself with the remarks of the distinguished colleague from Illinois (Mr. MIKVA). In addition to that, I would like to note when we get to the item of conviction our colleague, the gentleman from Michigan (Mr. DIGGS) has an appeal and that conviction is not final.

I think those of us who have practiced law understand the enormous difference between a conviction or a decision in a trial court and whatever disposition may be made in the appellate court. I would further like to reaffirm that we do have a process, a more thoughtful process; to wit, that of referring to a committee of our peers an item such as this, so that this process is not only respected but our judgment is also a little more discreet, a little more refined, and a litte more rational.

For all of these reasons I support our distinguished majority leader, the gentleman from Texas (Mr. WRIGHT), and associate myself with the remarks of the gentleman from Illinois (Mr. MIKVA).

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, notwithstanding the gentleman's generous offer to yield his time, I have 3 minutes that I could yield to the gentleman from Arizona, the distinguished minority leader.

Let me inquire of the gentleman if that is sufficient time for the gentleman?

Mr. RHODES. If the gentleman will yield, I hope so.

Mr. WRIGHT. I yield 3 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, shortly after learning of the conviction of the gentleman from Michigan (Mr. DIGGS), I made the statement that the matter should be taken up by the Committee on Standards of Official Conduct, and that if nobody else made the proper complaint to start that committee into operation, I would do so myself. Such a complaint has been made, and it is my understanding that the Committee on Standards of Official Conduct have hired counsel and that investigations are going forward in this matter. I think that is absolutely proper and that it should be done.

I suggest, however, that the experiences of today indicate that there is probably an intermediate action that that committee should consider. The precedent for this action is what was done in the Dowdy case. A resolution was proposed which stated that it was the sense of the House that the gentleman in question should refrain from voting. Mr. Dowdy announced he would refrain from voting, pending appeal. However, a similar resolution of general application was adopted in the following Congress.

The gentleman from Michigan was convicted prior to the election of 1978, but he was not sentenced prior to that election. His appeal has not been heard.

The presumption of innocence, as it applies to Mr. DIGGS, is gone. Until that presumption is revived, I think the gentleman from Michigan should very properly, and that the House should insist that this be the case, refrain from voting.

The situation that confronts all of us points up the fact that there are a lot of us who think that not only do the people of the district of Michigan represented by the gentleman from Michigan have a voice in this, but the people in my district have a voice, the people in all of our districts have a voice, as to who shall vote on matters which this body considers affecting all of the people of the United States. I think that the precedent of the House that reelection expunges all previous sins in all cases is absolutely wrong. I hope that the Committee on Standards of Official Conduct will address that matter. I believe that if a person is convicted of a felony and the conviction stands, then until a subsequent election is had after appeal has been taken and denied, the person should not be a voting Member of this House. Naturally, if the appeal is successful, the presumption of innocence is revived and the Member is restored to all his rights.

I propose to support the motion of the gentleman from Texas (Mr. WRIGHT) to refer this matter to the Committee on Standards of Official Conduct. I do not feel that the committee has had a chance to work its will. I have every reason to believe it would proceed expeditiously. However, I would like to serve notice on the Members of the House and on the members of the committee, without threatening anybody, that if the matter is not resolved as expeditiously as the

majority of us believe it could be resolved, then I personally, if I have to, will introduce a motion of expulsion. I think it is necessary for us to proceed, but to proceed in an orderly way.

□ 1240

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida (Mr. BENNETT), the chairman of the Committee on Standards of Official Conduct.

Mr. BENNETT. Mr. Speaker, I intend to support the motion to refer the matter to the Committee on Standards of Official Conduct.

The first action that I took, in fact, it was before I became chairman, the first action looking forward to becoming chairman was to prepare my statement for the first thing that was to be said in the initial meeting of the committee this year; and I circulated that among the Members of Congress. In that statement I asked for unanimous support for the appointment of subcommittees for the gentleman from Michigan (Mr. DIGGS) and the gentleman from Pennsylvania (Mr. FLOOD) and the appointment of attorneys for the conduct of these committees. So before any other business was transacted by the committee in its starting up this year the first business of the committee was to set up those two committees to act on the matters of our colleagues, Mr. FLOOD and Mr. DIGGS. Lawyers were authorized and have been employed.

I spent about an hour yesterday talking to the lawyer who represents the committee that is handling the Diggs matter, to assure that it is going to be expeditiously handled. I asked him for a time frame. I said that I would like to know about how long this is going to take, how long he thinks it will take. He is a very able attorney, and he said he felt there was certainly a good chance for it to be handled within 30 or 40 days, almost certainly within 60 days.

He did not want to unduly restrict himself, because this is a matter of doing justice and doing it properly; but he made that estimate to us and assured me that the matter is being handled by the subcommittee and staff in a very expeditious manner.

If this motion is not handled expeditiously in our committee, I would certainly support a move to take it out of the hands of the committee.

There is no indication that we are not going to go forward with it expeditiously. There is no dissent in the committee about looking into the matter thoroughly. I think it will be handled expeditiously and thoroughly in that committee; and I support the pending motion.

Mr. WRIGHT. Mr. Speaker, I yield myself such time as I may consume.

The decision we shall make in a few moments is a question of utmost gravity. It is not a decision to be made lightly. The question we shall resolve in our vote goes to the very roots of our heritage and to the most sacred and most basic rights vouchsafed to every American citizen.

I should like for us to consider four things, four thoughts. The first one is the total irretrievable severity of expulsion. To expel a Member from the U.S. House of Representatives would be unquestionably the most severe punishment that this House could bestow.

In the entire history of the United States, only three Members have been expelled, and they are for treason. All three were expelled in the year 1861, during the Civil War. They had left the Congress, returned to their native Southern States and had been elected to the Congress of the Confederacy. They were expelled on the grounds of treason. Nobody else ever in history has been expelled.

The last time a motion was entertained on the House floor to consider the expulsion of a Member involved a gentleman from California (Mr. Hinshaw) who also had been convicted of a crime.

There is absolutely nothing partisan in any sense about this long and unbroken chain of traditions. The gentleman from Michigan is a Democrat. The gentleman from California was a Republican. A resolution was offered to expel Mr. Hinshaw after the Committee on Standards of Official Conduct had recommended against expelling him even though he had been convicted of a crime. The motion to lay that resolution on the table prevailed by an overwhelming bipartisan vote.

□ 1245

Mr. RHODES. Mr. Speaker, will the gentleman yield briefly?

Mr. WRIGHT. I will yield if the gentleman feels I have unfairly represented the facts.

Mr. RHODES. No, the gentleman has not unfairly represented them, except that the rest of the story is that Mr. Hinshaw did not vote after his conviction.

Mr. WRIGHT. All right, Mr. Speaker, I will address myself to that, if the gentleman wishes, at a later point.

At this point all we are considering is the question of whether this House should expel the gentleman from Michigan. That is all that is before us, and my motion is to refer that resolution to the Committee on Standards of Official Conduct. That is what we must decide, not whether we in our own finite judgment think the gentleman from Michigan should or should not vote on this or that issue. That is not before us. That is not what we are voting on today. We are voting on the question of whether to refer the matter to the Committee on Standards of Official Conduct for its recommendations.

I hope we understand that first fundamental principle of the grave severity of the punishment of expelling a duly elected Member of the U.S. House of Representatives. And I hope we understand that in the long chain of history this House has refrained from exerting that extreme punishment in all but those three cases named.

The second thing I want us to think about is the question of constitutional due process under law. It applies to every American citizen; it applies to the gentleman from Michigan. The gentleman from Michigan has not exhausted his rights of appeal, and whereas one of those who recommend his expulsion has suggested that the presumption of his innocence may no longer exist, can we discard the possibility of his innocence? Are we so almighty wise, and do we know so much about this case that we can presume to say there is no possibility that his conviction will be remanded or that it will be successfully appealed?

I would suggest that our memories are quite short if we should so conclude. I think instantly of four public officials in very recent times against whom initial legal action was taken and higher legal authority removed that action and exonerated them, at least in part if not in whole. One involved a Member of the Senate from Florida, Senator Gurney; another involved the Governor of Maryland, Mr. Mandel; another involved our former colleague from New Jersey, Mr. Helstoski; and the other involved a former colleague from California, Mr. Reinecke. In every one of those instances higher legal authority found that initial action had been improperly taken against him.

So, in recognition of this, would it not be premature and terribly presumptuous of us to conclude that there is no possibility that he ultimately may be found innocent?

Now, the third thing I want us to consider goes to the question of the due process of this House. We have been asked to consider, how high are our standards? Let us think about our standards. Are our standards high enough that we demand for others, even for those which whom we may disagree, the same rights that we would insist on for ourselves? Are our standards high enough that we insist upon the due process that has been established in this Chamber?

The question before us here is not whether we approve of those deeds with which Mr. DIGGS has been charged and of which a trial court found him guilty; the question is whether we are prepared to defend his right to due process in this Chamber.

□ 1250

We created a Committee on Standards of Official Conduct for this express purpose. We have just heard the distinguished chairman of that committee recite to us that the committee already is in the process of considering what if any action would be appropriate in the case of the gentleman from Michigan. Are we to short-circuit that process? Are we to deny the gentleman from Michigan his day in court in our Chamber, notwithstanding whatever may have occurred with respect to the judicial branch?

Are we to forsake those sacred rights vouchsafed to every Member when we created that committee? Those rights include the right to be heard in his own defense, the right to be represented by an attorney if he wishes, the right to be presented with a bill of particulars.

And so I ask the Members to consider, in the third place, the rights of due process and the sanctity of this Chamber.

And, finally, most important of all, most sacred of all, I ask the Members to consider the fundamental constitutional rights of the people of the district represented by the gentleman from Michigan.

I do not suppose any of us would contend that this House is an undiluted collection of saints. I am not sure that we were really supposed to be that. But we are a representative body, and that we must continue to be.

To expel the gentleman from Michigan would not be to punish the gentleman from Michigan. To expel him would be to punish and deny some one-half million American citizens who have chosen him as their spokesman in the Congress of the United States.

In an unbroken chain of precedents, going back to the year 1799, 180 years of precedent in this Chamber, Congress has held that when a Member's constituents are aware of what he has done and have reelected him nevertheless, so far as our court is concerned, that is the final appeal. That is the sacred court that we honor in this country.

We fought the war for independence, proclaiming our belief in the proposition that taxation without representation is tyranny. One of the gentlemen today has suggested we would not deny representation to the constituents of the gentleman from Michigan if we said they could not have him, that they could elect someone else. Oh, but that is not the same. Representation quite clearly implies the right to be represented by the person of their own choice, not of my choice and not of your choice.

There are gifts within the power of this House to give, such as the chairmanship of a committee. Having the power to bestow these gifts, we also possess the power to withhold or to take them away. We have indeed done so on numerous occasions. In the present occasion, Mr. DIGGS has foregone both a committee chairmanship and a subcommittee chairmanship. But we do not possess the power to grant to any human being the right to serve in this body. That is not a power given to us. That gift is not ours to bestow. And we would be arrogant in the extreme if we were to presume that our judgment on the question of this Member's fitness to serve should override the rights of his constituency. Under the Constitution of the United States, that power of choice lies with the people. That is where it belongs and that is where, please God, it shall forever remain if we are to be a representative democracy.

In the Diggs case, the people have overwhelmingly reelected him following his highly publicized trial and conviction.

In the Dowdy case, the one to which the gentleman from Arizona referred, it was suggested that the gentleman from Texas, Mr. Dowdy, after conviction of a crime, and not having gone back to that ultimate court, his constituency, should refrain from voting.

He was not required to refrain from voting. It was suggested that he refrain from voting until such time as his constituents might have the opportunity to decide whether he was an appropriate representative for them. And in that instance, let me read to the Members from the conclusion of the report of the Committee on Standards of Official Conduct. In the Dowdy case, they were suggesting that it would be nice if he would refrain from voting, expressing a wish he would refrain from voting. But even then, they said this:

□ 1255

Precedents without known exception hold that the House will not act in any way against a Member for any actions of which his electorate had full knowledge at the time of his election.

And that is an unbroken precedent going back to 1799, when the House refused to expel a Member named Matthew Lyon on the ground that notwithstanding the offense of which he had been convicted, his constituents, knowing of it, had of their volition chosen him as their representative in the Congress.

To say that they are entitled to be represented but not to have a vote is to deny them representation. What good is it? What good is it to have a representative who sits here in the Chamber but is denied legally the right to participate as a Member? That does not primarily deny him; that denies his constituents the most sacred right the Constitution grants.

Prof. Gerald McLaughlin of Fordham, writing in the Fordham Law Review in 1972 on the subject of congressional self-discipline and the power to expel, to exclude and to punish, concluded that:

* * * the power of Congress to expel, to exclude, or to punish a member is itself limited by the people's right to elect whomever they wish to represent them.

I shall quote finally from the case of Powell versus McCormack in 1969, in which the Supreme Court held as follows:

A fundamental principle of our representative democracy is, in Hamilton's words, "that the people should choose whom they please to govern them. * * *" As Madison pointed out at the (Constitutional) Convention, this principle is undermined as much by limiting whom the people can select as by limiting the franchise itself.

And so, we have been asked by the gentleman from Georgia to consider the sanctity of the House. Yes, I ask you to consider the sanctity of the House. Consider the sanctity of the House. Consider the sanctity of the Constitution. Consider the sanctity of the Bill of Rights. Consider the sanctity of all the presumptions that go with that phrase, "due process," and you will vote for my motion to refer this resolution to the Committee on Standards of Official Conduct, where it will be considered deliberately and expeditiously.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. WRIGHT).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GINGRICH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 322, nays 77, answered "present" 5, not voting 28, as follows:

[Roll No. 20]

YEAS—322

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hall, Tex.
Hamilton
Hanley
Hansen
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Holland
Holt
Holtzman
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thompson
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—77

Abdnor
Anthony
Archer
Badham
Bafalis
Barnes
Bauman
Bereuter
Bethune
Burgener
Butler
Campbell
Carney
Clinger
Coleman
Courter
Daniel, R. W.
Dannemeyer
Davis, Mich.
Dougherty
Edgar

Emery	Lagomarsino	Russo
Findley	Lee	Schulze
Gingrich	Lewis	Shelby
Goldwater	Loeffler	Shumway
Goodling	Lott	Shuster
Grassley	Lujan	Snowe
Grisham	Lungren	Solomon
Hagedorn	McClory	Stangeland
Hall, Ohio	Mica	Stenholm
Hammer-schmidt	Miller, Ohio	Stockman
	Moorhead, Calif.	Stump
Hance		Symms
Hillis	Murphy, Pa.	Tauke
Hinson	Paul	Trible
Hopkins	Quayle	Walker
Ireland	Ratchford	Whittaker
Jeffries	Ritter	Williams, Ohio
Kindness	Robinson	Thomas
Kostmayer	Roth	
Kramer	Runnels	

ANSWERED "PRESENT"—5

Hollenbeck	Sensenbrenner	Young, Fla.
Livingston	Spence	

NOT VOTING—28

Alexander	Harsha	Rodino
Anderson, Ill.	Hansen	Rousselot
Beard, R.I.	Horton	Stanton
Breaux	Hubbard	Traxler
Chisholm	McKinney	Watkins
Evans, Del.	Marlenee	Waxman
Flood	Mitchell, N.Y.	Wilson, Bob
Fountain	Motti	Wilson, Tex.
Fowler	Pepper	
Giaimo	Rahall	

□ 1315

Mr. ALBOSTA changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1425

PERSONAL EXPLANATION

Mr. EVINS of Delaware. Mr. Speaker, I was not present for the vote on rollcall No. 20, but had I been present I would have voted for referral of the matter relating to Congressman DIGGS to the Committee on Standards of Official Conduct.

RE-REFERRAL OF H.R. 104, PROVIDING UNIFORM STANDARDS FOR TRUCKS IN INTERSTATE COMMERCE, TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill (H.R. 104) to provide for uniform standards for trucks carrying freight in interstate commerce, and for other purposes, and that the bill be re-referred to the Committee on Public Works and Transportation.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES WITH RESPECT TO THE POSSIBLE EXECUTION OF FORMER PRIME MINISTER BHUTTO

Mr. WOLFF. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 135) expressing the sense of the House of Representatives with respect to the possible execution of former Prime Minister Bhutto, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 135

Whereas the people of the United States and the people of Pakistan have long had friendly and mutually beneficial relations; and

Whereas the continued development and prosperity of Pakistan is important to the people of Pakistan, to Pakistan's friends in the United States, and the peace of the world; and

Whereas the judicial proceedings in the case of former Prime Minister Bhutto have led to a sentence of death, implementation of which might precipitate unnecessary confrontation between supporters of Mr. Bhutto and the Government of Pakistan; and

Whereas the President of the United States has communicated to the President of Pakistan his deep concern about the death sentence for Mr. Bhutto, and has urged the President of Pakistan to grant clemency: Now, therefore, be it

Resolved, That the House of Representatives supports the appeal of the President of the United States to the President of Pakistan for clemency in the case of former Prime Minister Bhutto; be it further

Resolved, That the House of Representatives considers that a demonstration of clemency by the President of Pakistan in commuting Mr. Bhutto's death sentence would be a statesmanlike and humane gesture; and be it further,

Resolved, That the President of the United States should convey this resolution immediately and in the most urgent possible terms to the President of Pakistan.

The SPEAKER. The gentleman from New York (Mr. WOLFF) is recognized for 1 hour.

Mr. WOLFF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to introduce on behalf of my colleagues on the Foreign Affairs Committee, and the Subcommittee on Asian and Pacific Affairs our plea to the Government of Pakistan that the life of former Prime Minister Ali Bhutto be spared.

As is well known to the House, Mr. Bhutto has been under sentence of death for more than a year. President Carter, and leaders throughout the world have expressed their hope that President Zia will extend mercy to Mr. Bhutto.

More than a year ago, the Subcommittee on Asian and Pacific Affairs wrote to the Government of Pakistan urging our concern that Mr. Bhutto be spared in the name of mercy.

We make our plea today, and ask the endorsement of this body, purely as a humanitarian gesture, a plea for mercy. In no way do we ask the House, or the American people, to pass judgment for or against Mr. Bhutto. That is the sole prerogative of the people of Pakistan.

But the humanitarian concerns represented by our plea are the common prerogative of all people of good will, regardless of national boundaries.

It is my hope that President Zia will receive our petition in the spirit in which it is offered, and that the House will add the voice of Congress, and the American people, to those already raised throughout the world.

I urge the adoption of the following resolution as amended:

H. RES. 135

Whereas the people of the United States and the people of Pakistan have long had friendly and mutually beneficial relations; and

Whereas the continued development and prosperity of Pakistan is important to the people of Pakistan, to Pakistan's friends in the United States, and the peace of the world; and

Whereas the judicial proceedings in the case of former Prime Minister Bhutto have led to a sentence of death; and

Whereas the President of the United States has communicated to the President of Pakistan his deep concern about the death sentence for Mr. Bhutto, and has urged the President of Pakistan to grant clemency: Now, therefore, be it

Resolved, That the House of Representatives supports the appeal of the President of the United States to the President of Pakistan for clemency in the case of former Prime Minister Bhutto; be it further,

Resolved, That the House of Representatives considers that a demonstration of clemency by the President of Pakistan in commuting Mr. Bhutto's death sentence would be a statesmanlike and humane gesture; and be it further,

Resolved, That the President of the United States should convey this resolution immediately and in the most urgent possible terms to the President of Pakistan.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Resolution 135, as amended, expressing the sense of the House of Representatives with respect to the possible execution of former Prime Minister Bhutto, which was agreed to by the full Committee on Foreign Affairs last Tuesday.

The resolution is a humane gesture which endorses President Carter's appeal to the President of Pakistan for clemency in the case of former Prime Minister of Pakistan Zulfikar Ali Bhutto. The resolution does not, as the subcommittee chairman, our colleague, the gentleman from New York (Mr. WOLFF), has stated, presume to make a judgment of guilt or innocence of the charges brought against Mr. Bhutto. It is, instead, a demonstration of a compassionate nature to urge the sparing of a human life.

Mr. Speaker, I urge the adoption of House Resolution 135, as amended.

□ 1320

Mr. WOLFF. I thank the gentleman for his comments.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. GOODLING), who introduced the resolution.

Mr. GOODLING. I thank the gentleman for yielding.

Mr. Speaker, I would like to bring to the attention of the House the measure which I introduced earlier this week, House Resolution 135, which calls for the House of Representatives to express support of President Carter's appeal for clemency on behalf of former Pakistani Prime Minister Bhutto. President Carter's appeal was made as soon as the Pakistan Supreme Court handed down its confirmation of Mr. Bhutto's death

sentence. This resolution underlines the President's appeal and brings the House in line with a good many world leaders who have also made such an appeal.

When I introduced this resolution, I in no way meant to act in the judicial sense of declaring former Prime Minister Bhutto guilty or innocent. Rather I think it is appropriate here to express the sense of this body that clemency for Mr. Bhutto would be an act of statesmanship and that alternative punishments would be preferable, in this case.

There are alternatives to death for Mr. Bhutto—exile in friendly Islamic countries, perhaps—as that punishment has been determined as being in order by Pakistan's judicial system. I believe that it cannot be counter to our national interest to make an appeal for clemency for Mr. Bhutto. Whether we do or not might make no difference or it might make all the difference.

Although no mention of it is made in the resolution, I think many of my colleagues are aware of the volatile political situation in Pakistan, and indeed, in the entire region which includes Iran and Afghanistan. The execution of Mr. Bhutto's sentence of death could provide the spark to ignite a fractionalized and explosive situation—the detonation of which, would not bode well for the United States, or the Western World.

Mr. Speaker, as I mentioned, this measure does not, anywhere in its text, barge into the internal affairs of Pakistan. It merely expresses the concern of this body that clemency be exercised in the case of former Prime Minister Bhutto. It was unanimously passed by the Foreign Affairs Committee.

The State Department has been aware that this resolution is being introduced and considered; I am assured that they would favor this action.

Mr. WOLFF. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BROOMFIELD), the ranking minority member of the full committee.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Resolution 135, which supports the appeal of the President of the United States to the President of Pakistan for clemency in the case of former Prime Minister Ali Bhutto.

I firmly believe that a demonstration of clemency by the President of Pakistan—in commuting Mr. Bhutto's death sentence—would not only be a humane gesture, but also a statesmanlike act.

As my colleagues well know, in July 1977, the Pakistan military overthrew Mr. Bhutto's government, which had just won an overwhelming majority vote in the parliamentary election. The new regime proceeded to impose martial law and postponed elections until late 1979. Moreover, since the takeover, Ali Bhutto has been tried and sentenced to death.

To be sure, the present regime has abused the human rights of many Pakistani people and in particular, the individual rights of Mr. Bhutto.

According to an Amnesty International report of April 1978, cruel and unusual punishments have been used against political prisoners in Pakistan. On several occasions, Mr. Bhutto himself has angrily complained about the treatment he has received in jail during the course of his trial.

The report also criticized the present Pakistani Government's martial law restrictions on political activity, free expression, and civil court system.

Finally, Amnesty International's report also urged that the death penalty not be imposed on Mr. Bhutto.

I urge my colleagues, however, to support the resolution we have before us for reasons beyond the important consideration of human rights. Many nations, including the United States, Great Britain, Saudi Arabia, and Turkey, as well as such world leaders as Pope John Paul II, are particularly concerned that Ali Bhutto's execution would well set the stage for the escalation of a civil war. Furthermore, the execution of former Prime Minister Bhutto by the current regime could cause sufficient unrest which might trigger political insurgency which the Soviets could exploit. The Soviets have long coveted a warm water port on the Arabian Sea which would serve their interests well in controlling the passage of oil to Western nations.

The execution of Ali Bhutto would not only exemplify the plight of human rights conditions, but also the precarious profession of politics in Asia. Equally important, the execution of Mr. Bhutto could result in yet another upheaval in the already troubled "crescent of crisis."

For these reasons, I urge my colleagues to adopt House Resolution 135

Mr. WOLFF. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

The SPEAKER pro tempore. The Clerk will report the preamble.

The Clerk read as follows:

Whereas the people of the United States and the people of Pakistan have long had friendly and mutually beneficial relations; and

Whereas the continued development and prosperity of Pakistan is important to the people of Pakistan, to Pakistan's friends in the United States, and the peace of the world; and

Whereas the judicial proceedings in the case of former Prime Minister Bhutto have led to a sentence of death, implementation of which might precipitate unnecessary confrontation between supporters of Mr. Bhutto and the Government of Pakistan; and

Whereas the President of the United States has communicated to the President of Pakistan his deep concern about the death sentence for Mr. Bhutto, and has urged the President of Pakistan to grant clemency:

AMENDMENT TO THE PREAMBLE OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Speaker, I offer an amendment to the preamble.

The SPEAKER pro tempore. The Clerk will report the amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. WOLFF: In the third whereas clause, strike out the comma in the next to the last line on page 1 and all that follows through "Pakistan" in the second line on page 2.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. DAVIS of South Carolina, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–19) on the resolution (H. Res. 111) providing funds for the expenses of the Committee on Standards of Official Conduct, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION TO PROVIDE FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DAVIS of South Carolina, from the Commitee on House Administration, submitted a privileged report (Rept. No. 96–20) on the resolution (H. Res. 112) to provide for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF WELFARE AND PENSION PLANS TASK FORCE UNDER JURISDICTION OF COMMITTEE ON EDUCATION AND LABOR

Mr. DAVIS of South Carolina, from the Commitee on House Administration, submitted a privileged report (Rept. No. 96–21) on the resolution (H. Res. 114) providing funds for the expenses of a welfare and pension plans task force under the jurisdiction of the Committee on Education and Labor, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON AGRICULTURE

Mr. DAVIS of South Carolina, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–22) on the resolution (H. Res. 117) to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Agriculture, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION RELATING TO COMPUTER SERVICES

Mr. DAVIS of South Carolina, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–23) on the resolution (H. Res. 129) providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the

investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR COMMITTEE ON RULES

Mr. DAVIS of South Carolina, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–24) on the resolution (H. Res. 130) providing funds for the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

□ 1325

TEMPORARY EXTENSION OF COUNTERVAILING DUTY WAIVER AUTHORITY

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 141 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 141

Resolution providing for the consideration of the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments to the bill shall be in order except amendments recommended by the Committee on Ways and Means and said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. McKAY). The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Tennessee (Mr. QUILLEN), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 141 provides for the consideration of H.R. 1147, a bill to extend the authority of the Secretary of the Treasury to waive countervailing duties on imported goods from foreign countries whose governments have subsidized their production. The countervailing duty is designed to compensate for the advantage of lower priced imported products over domestic goods which are higher in price.

Under the provisions of the Trade Act of 1974, the Treasury Department had authority to waive countervailing duties on subsidized products when certain conditions are met. This waiver authority expired on January 3, 1979. The extension of the authority would be retroactive to January 2, 1979, and would remain in effect temporarily—until September 30, 1979, or until legislation to implement the multilateral trade negotiations is enacted or disapproved by Congress, whichever occurs first.

Mr. Speaker, the extension of the waiver authority at the present time would apply to approximately 12 products and would amount to about $40 million in duties on about $567 million worth of goods. There may be waivers of countervailing duties in a few other pending cases as well.

There seems to be little opposition to this temporary extension of the authority to waive countervailing duties. The extension is a critical matter to U.S. trade policy. Our talented Special Trade Representative Robert Strauss has negotiated tough new international trade rules. The countervailing duty waiver was a 4-year authority established under the Trade Act of 1974 to create an international climate conducive to negotiating an international code on subsidies practices.

The issue of countervailing duty waivers has become important to the successful conclusion of the multilateral trade negotiations. Leaders in the European communities have taken the position that conclusion of the negotiations is contingent upon the continuation of waiver authority during the 90-legislative-day period during which Congress will consider the implementation of the trade agreement. Should Congress in the interim disagree with any individual application of the waiver of duties, a House disapproval resolution is provided for under section 331(a) of the Trade Act.

We should therefore now act to extend this waiver authority in the interest of progress toward an international trade agreement.

House Resolution 141 provides for a closed rule, with 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The bill will be considered as having been read for amendment after general debate. No amendments will be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. If the committee offers amendments, they will be technical in nature. No substantive amendments will be offered. The rule further provides for one motion to recommit.

The policy of disallowing amendments in this case is a wise and practical policy. The legislation provides a temporary authority which we hope will lead the way to a new international trade agreement which will improve our Nation's trade posture in the world. It would be unwise to open the Tariff Act to amendment at this critical juncture in time, when a major new agreement is almost to be concluded.

Mr. Speaker, I urge the adoption of the resolution, and I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, I rise in support of the rule making in order the consideration of H.R. 1147, a bill providing for a temporary extension of countervailing duty waiver authority by the Secretary of the Treasury. This is a 2-hour, closed rule with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule allows only committee amendments which would not be subject to amendment, and one motion to recommit.

I am not aware of any controversy regarding the rule, and the bill itself was reported out of committee by a rollcall vote of 29 to 1, demonstrating broad bipartisan support.

Mr. Speaker, it is necessary to provide this extension of duty waiver authority so that the Congress has a full opportunity to consider the results of the multilateral trade negotiations which are nearing their conclusion.

There are now 12 outstanding countervailing duty waivers covering some $600 million in imports, largely European agricultural products. The authority to waive the imposition of these duties expired on January 2, 1979. The Secretary of the Treasury is now requiring affected importers to post bond, letters of credit, or other financial assurances and these measures are a hindrance to normal trade. H.R. 1147 will extend until September 30, 1979, the authority to waive the duties, and this is essential for the conclusion of the present negotiations.

Mr. Speaker, I urge the adoption of the rule and the passage of the bill.

Mr. LONG of Louisiana. Mr. Speaker, having no requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1330

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1147, with Mr. KILDEE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the Committee on Ways and Means, in reporting H.R. 1147, is responding to the President's request that the Congress extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties under certain conditions.

H.R. 1147, as amended by the Committee on Ways and Means, amends section 303(d) of the Tariff Act of 1930 (section 331(a) of the Trade Act of 1974) to extend retroactively the 4-year period during which the Secretary of the Treasury may waive the imposition of countervailing duties from January 3, 1979, to September 30, 1979, or until legislation to implement the international agreement or agreements on subsidy practices negotiated in the multilateral trade negotiations is enacted or either House of Congress defeats such implementing legislation, whichever date occurs first.

The Committee on Ways and Means carefully considered this bill, and the circumstances and need for the bill is described in the committee report (Rept. No. 96–15).

The situation we find ourselves in is that the negotiations in Geneva have not been concluded, and our trade partners, particularly the European Communities, are unwilling to conclude the negotiations unless the U.S. Congress acts to continue the waiver authority.

H.R. 1147, then, is procedural legislation which sacrifices no U.S. economic interests; rather it would eliminate a roadblock to the conclusion of the negotiations.

Mr. Chairman, the Committee on Ways and Means has been carefully monitoring the multilateral trade negotiations as required by the Trade Act of 1974. The Subcommittee on Trade has begun to examine the agreements which the President outlined in his notification to the Congress on January 5, 1979. These agreements, the result of over 4 years of hard negotiations, can benefit the United States and the world economy, by providing new international rules and disciplines for more fair and expanded world trade.

If the negotiations fail, however, the results could be disastrous for the U.S. economy and a body blow to international economic cooperation and world prosperity.

Due to the urgency of the President's request and of the circumstances involved, I strongly urge the House to approve H.R. 1147.

Mr. VANDER JAGT. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I rise in support of H.R. 1147. As my colleague has ably described, this bill would extend until September 30, 1979, at the latest, the authority of the Secretary of the Treasury to waive countervailing duties under appropriate circumstances.

Mr. Chairman, this is not the first time we have had to deliberate on this question. At the end of the last Congress, the House passed legislation that would have done what this bill would do. The measure failed full congressional approval last October for reasons largely unassociated with the underlying substance of the bill. The measure is before us again, so early in the session, because of its great importance to the national interest.

As has been said already and quite likely will be said several times during this debate, passage of this legislation is of importance because it is a critical prerequisite to the successful conclusion of the multilateral trade negotiation. Whether we like it or not, the fact of the matter is that there are certain disruptive elements in the negotiations that are opposed to its liberalizing and disciplining effects. These elements have undertaken strategies designed to frustrate the progress in Geneva. One of their consistent ploys has been to refuse further cooperation under the threat of what they view as our improper imposition of countervailing duties. Thus, by extending the Secretary's authority to waive countervailing duties through September 30 or until the measure is disposed of by us, we derail the retrogressive efforts of some of our trading partners and assure that the work of the past 5 years has a full opportunity to reach conclusion.

But there are those in this body who oppose this legislation for the very reason that they have strong reservations about the substance of the emerging MTN agreement. It should be understood that this legislation has no bearing on what will or will not be a part of the final MTN package. What this legislation does do, as I have said, is assure that the negotiation will be completed and, most importantly, that this body will have an opportunity to review in some detail all the provisions of the final agreement and that each of us will have an opportunity to make our views about it known.

Support for this bill has come from a broad spectrum of the trade impacted community. At the hearing before the Trade Subcommittee the National Fisheries Institute, the American Importers Association, the Emergency Committee for American Trade, and the League of Women Voters all endorsed passage of this measure. Opposing testimony was given by the AFL–CIO but, it was largely based on apprehensions about the emerging MTN agreement. In addition, the opposing voices of the textile community are now silent because of the satisfactory arrangement they recently reached with our MTN negotiators.

All in all, there is no substantial opposition to this legislation because it is limited in scope, limited in harmful impact, and because it opens the way for the closing phase of the negotiation. Consequently, I strongly urge the passage of H.R. 1147 so that we can get on to the more important matter of evaluating the merits of the completed MTN agreement.

□ 1335

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Trade of the Committee on Ways and Means, the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, H.R. 1147 would extend the 4-year period during which the Secretary of the Treasury may waive the imposition of countervailing duties retroactively from January 3, 1979, to September 30, 1979, or until legislation to implement an international agreement or agreements on subsidy practices negotiated in the multilateral trade negotiations is enacted, or either House of Congress defeats such implementing legislation, whichever date comes first. The Committee on Ways and Means amended the termination date from October 20 to September 30 to avoid any budgetary implications in fiscal year 1980.

The bill would allow waivers to continue on the 12 cases subject to waivers as of the January 2 expiration date, and countervailing duties to be waived on new determinations between now and September 30 which meet the statutory preconditions. Those conditions include a requirement that the foreign subsidizing government take adequate steps to reduce substantially or eliminate the adverse effects of the subsidy on the U.S. domestic industry. The Secretary of the Treasury must revoke the waiver when he finds its conditions are no longer met, and either House of Congress may disapprove exercise of the waiver authority in individual cases.

The President requested this bill in a message to the Congress on January 15. Its purpose is to enable conclusion of the multilateral trade negotiations. The European Community has made it clear it will not formally approve the results of the MTN, including an international agreement on subsidies/countervailing duties until Congress insures continued application of the waiver authority for the period of its consideration of the agreements and their implementing legislation this year.

Congress provided the waiver authority under the Trade Act of 1974 to create a climate conducive to negotiating internationally agreed rules to discipline the use of subsidies which distort agricultural and industrial trade and disadvantage our producers and workers and provides a mechanism for taking actions against such subsidies without threatening major trade disputes. In its implementation of that agreement, the U.S. Government can assure domestic producers and workers that quick and

decisive action will be taken against trade distorting and injurious subsidies affecting competition in our market and abroad. Such decisive actions have been sorely lacking in the past.

H.R. 1147 merely removes a procedural roadblock to completing the MTN. Unless Congress approves it, however, it will never have the opportunity to consider the agreements on subsidies and other nontariff barriers, on their merits, which have the potential benefits of further liberalizing world trade and establishing agreed rules and mechanisms for its fairer conduct.

As you know, Congress nearly passed a waiver authority extension at the end of last session. The Ways and Means Committee and its Trade Subcommittee have carefully considered the issues involved as part of its continual close monitoring of the MTN and its implementation. We concluded this bill is essential and urge your vote in support.

□ 1340

Mr. Chairman, I yield such time as he might desire to my distinguished colleague, the gentleman from South Carolina (Mr. HOLLAND), who was very helpful in working out before we approved this agreement a very important settlement of the textile apparel issue.

Mr. HOLLAND. Mr. Chairman, I thank the chairman, the gentleman from Ohio, for yielding.

Mr. Chairman, the measure we have before us today is one that was vigorously and effectively opposed by the interests in this Congress representing textile and apparel districts. Through a period of weeks of negotiations, Mr. Chairman, the Office of the Special Trade Representative, Department of Labor, and the Commerce Department and, yea, even the State Department, have managed to assure the textile and the apparel interests in this Nation that this administration intends to do something to preserve that industry. Acting on that assurance, we have withdrawn our opposition to this measure, because under this measure there are included textile and apparel items upon which countervailing duties are being waived.

We have requested and have been assured by Mr. Strauss, and the fact that this agreement was reached at all is a tribute to his negotiating ability, we have his assurance that within a very short time, "as soon as possible, within a matter of days," that the President will meet with the textile and apparel interests and will make public this administration's position.

Relying upon that assurance, I personally in the textile caucus and all the others representing management, labor, organized and unorganized, have withdrawn our opposition; but I think it appropriate to serve notice that we are going to have a trial period between now and when the MTN comes to the House of Representatives for approval and that notice is the same notice served upon us by the European Economic Community that they would not conclude the negotiations without this extension.

I think notice should be candidly and honestly served that we do not think we can approve the MTN without performance under the administration's assurances given under so many forms.

I thank my chairman of the subcommittee. I urge passage of this measure.

Mr. VANIK. Mr. Chairman, I want to commend my distinguished colleague who heads the textile caucus for his splendid cooperation and vigorous concern for this industry that is so vital to a great part of America.

Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I thank the chairman of the subcommittee.

For the record, I would like to state unequivocally that the Steel Caucus, consisting of approximately 135 Members of this House, gave this matter serious consideration.

I would like the record to fully show that the administration has asked for this legislation, and has described it as necessary and indispensable legislation. In that context, on behalf of the Steel Caucus, we are happy to support it at this time.

I would like the record to further show that the caucus as a whole appreciates the administration's actions some year and a half ago when the administration did respond to a very serious international problem involving trade in carbon steel. I would also point out for the record that because of the administration's prompt response, the specialty steel industry has experienced some relief from the situation that existed some 2 or 3 years ago. In light of these observations, hopfully, MTN will materialize in the near future and then we will have a chance to debate this agreement in detail.

□ 1345

Based upon the administration's urgent request for this legislation, we support it, and we look forward to further cooperation between the Subcommittee on Trade and the Steel Caucus.

Mr. Chairman, I wish to conclude by stating to the chairman of the subcommittee that we appreciate the job that has been done to date. I assure the gentleman he is going to have our support.

Mr. VANIK. Mr. Chairman, I wish to express my gratitude for the fine statement made by the gentleman from Pennsylvania (Mr. GAYDOS), the distinguished chairman of the Steel Caucus.

I think the Steel Caucus has done an excellent job. I attribute the development of the trigger price mechanism to the vigorous interest and the constant sympathy and perusal of this matter by the Steel Caucus. I think it shows that there is a way of using our combined political strength to be sure that we resolve the problems that occur.

I certainly want to express my gratitude to the gentleman from Pennsylvania (Mr. GAYDOS) and the Steel Caucus for providing such close surveillance of the issue and for providing support. We need this support, and I am very grateful for it. We expect to continue to work with the Steel Caucus on these problems.

Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia (Mr. FISHER), a distinguished member of the Subcommittee on Trade.

Mr. FISHER. Mr. Chairman, I would like to take this opportunity to speak about H.R. 1147, which was introduced by my colleague, the chairman of our Trade Subcommittee, the Honorable CHARLES A. VANIK. I am pleased to be a cosponsor. This legislation would extend until September 30, 1979, the waiver of countervailing duties on a number of products being imported into this country. I would like to stress the importance of its passage to my colleagues in the House.

For many years now, countervailing duties have been imposed by governments as protective measures against what are considered to be unfair export subsidy practices by other governments. Under the Trade Act of 1974, the President was given the authority to waive countervailing duties on imports under certain circumstances. This Presidential authority was to expire 4 years after the enactment of the 1974 Trade Act, since that was considered long enough to conclude the new multilateral trade agreement. It has taken a little longer to conclude the matter; the process of getting agreement of 98 countries to half a dozen separate codes that make up the MTN's has proved to be a difficult one.

Since the 1974 Trade Act, there have been approximately 40 instances in which imports have been classed as countervailable, and on which countervailing duties have been levied. In 18 of these instances where the exporting country has substantially reduced its subsidies or has taken steps to do so, the President has exercised his authority to waive the duties as a gesture of good faith pending the outcome of the Tokyo Round agreement. Unfortunately, although this round of multilateral trade negotiations has taken longer than four years, the President's authority to waive countervailing duties expired on January 3 of this year.

In my judgment, an extension of the countervailing duty waiver for nine additional months would have little or no detrimental effect on the U.S. economy. The long-term benefits to our economy, however, could be considerable. Without an extension of the countervailing duty waiver, several key parties to the multilateral trade negotiations have said they would consider withdrawing their support. This would jeopardize the entire package of negotiated agreements, conceivably making it imposible to conclude them. Even worse, the whole future of an expanding international trade and investment system would be threatened and the risk of a lapse into extreme protectionism would be increased.

With an extension of the countervailing duty waiver, the MTN agreements could be completed, and Congress would have an opportunity to study the agreements and the benefits that they may contain for U.S. trade. That is really all

that is at stake here—to extend the countervailing duty waiver long enough to look at the final MTN agreements. The multilateral trade negotiations promise to lower nontariff barrers to international trade and to give U.S. producers greater access to foreign markets. In my opinion, the potential of these benefits greatly outweighs the loss of a limited countervailing duty revenue. For this reason, I urge my colleagues to vote "aye" on H.R. 1147, the countervailing duty waiver extension bill, when it comes before the full House.

Mr. VANIK. Mr. Chairman, I thank my distinguished colleague, the gentleman from Virginia (Mr. FISHER), a member of the Committee on Ways and Means.

Mr. Chairman, I yield such time as he may desire to the gentleman from New York (Mr. ZEFERETTI).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of H.R. 1147. I believe it is important to pass this legislation if only to successfully complete the negotiations in Geneva so that Congress has a full opportunity to consider the results of the multilateral trade negotiations.

I do not believe countervailing duty waivers is harming any American industry in particular, however I think it is important to look at the large trade deficit that is seriously crippling our economy. In January alone our trade deficit was over $3 billion. This is obviously hurting the American dollar and increasing the rate of inflation. We need to enact legislation that will protect U.S. industry and U.S. workers and in particular we need strong language to stop Government subsidies that help produce cheaper materials for export. We need to eradicate the practice of other countries giving special subsidies to lower the cost of industrial exports in foreign markets. Subsidy exports is an unfair trade practice that is despised by all competitors whether the products show up in domestic or foreign markets. We desperately need a code to prohibit all subsidies on industrial products.

We have been told and I sincerely hope the language in the multilateral trade negotiations will be strong and contain no loopholes that will allow this practice from taking place. President Carter has assured us that countervailing authority is essential for the successful conclusion of the multilateral trade negotiations in Geneva and that U.S. producers will be adequately protected from the adverse effect of subsidized competition. If there is any question that U.S. manufacturers and textile workers in particular will not be protected, a number of years of work in Geneva will be in jeopardy.

I believe our huge trade deficit is being aggravated by two loopholes which are present in our tariff laws. I am referring to items 806.30 and 807.00. These two items, first, help expand industry abroad and increase imports at the expense of our economy and, second, allow for the practice of importing products manufactured in our country, assembling them in a foreign land, and then permitting them to reenter the United States at a lower rate. I have introduced legislation to correct these loopholes and would hope that the Committee on Ways and Means would look closely at this measure and schedule hearings as soon as possible. In the textile industry these loopholes have cost at least 500,000 jobs directly and indirectly. These items have been a forerunner for transfer of production abroad at an additional loss of hundreds of thousands of more jobs annually.

Of further concern to me is the potential this will cause for the United States to become completely dependent on foreign countries for essential textile products. This is true not only of apparel for our people, but of basic industrial textile products that are used in the rubber, computer, erospace, and defense industries. We have only to look today at our almost complete dependence on foreign oil, and the prices we pay for that commodity, to see what a future dependency could hold for us.

Yes, we must keep goods flowing between nations. But we must find a fair and equitable formula for the admission of imports—one that will not sacrifice this Nation's textile and apparel industries.

Mr. VANDER JAGT. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the distinguished chairman of the Committee on Ways and Means and the distinguished ranking minority have well outlined the urgency for this legislation and its absolute necessity.

I would like to commend the chairman of the Subcommittee on Trade for the great skill with which he has overcome the problems that have developed along the way and for the widespread support that we have received for this legislation. The gentleman has done a very fine job in fashioning the bill and in solving many of the problems that have plagued us.

As has been stated, this bill has really passed the Senate two times and the House once in the closing hours of the last session, but in the typical confusion of those hours of closing sessions, the House bill and the Senate bill never got pieced together under one number, even though there was no disagreement really between the Senate and the House. Therefore, the temporary authority to waive the countervailing duty expired in January, throwing into jeopardy and making virtually impossible the conclusion of the MTN negotiations.

So even those most concerned about the subject matter here, subsidized imports into the United States, should really be very enthusiastic over this temporary authority to waive, because that is the subject matter, among other things, within the MTN, and the only way we can get a look at what protections there are is to bring those negotiations to a conclusion. Even those who are concerned about the substance of the MTN should be enthusiastic in their support of this legislation, because without it we will not be able to take a look at what the final package is. To have labored for almost 5 years, with over 90 nations participating, and then to have come almost to the destination and then turn around and not even get a look at the destination simply does not make any sense at all.

□ 1550

I think we owe it to the American people, to agriculture, to business, to industry, to labor, to find out whether this package is going to be harmful or helpful to our American economy. And the only way we can take a look at it is to have this extension.

So I hope that foe and friend alike of the MTN will join and make the passage of this legislation almost unanimous today.

Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, it is essential that we pass this bill today so we can get the treaty signed and get it before the Congress.

In 1974, when we passed the Trade Act, we put in the waiver as a means of helping our negotiators develop the Tokyo Round of negotiations. We intended that that waiver would be in effect until the negotiations were complete. They are almost completed now, and it is certainly our intention to extend it, as it was intended to be extended. The House and the Senate both passed extensions previously, and it seems that both bodies realize the necessity for this. Without it we cannot get the treaty, and we do want the treaty before us so we can examine it carefully.

Mr. Chairman, I would like to pay my respects to the gentleman from Ohio, the chairman of the subcommittee, and his counterpart, the gentleman from Michigan, for their splendid work, and also to Ambassador Strauss, who has negotiated so well for this country.

Mr. VANDER JAGT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. SCHULZE).

Mr. SCHULZE. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to this legislation which would retroactively extend the Secretary of the Treasury's power to waive the collection of countervailing duties.

According to the administration, this waiver is necessary in order to complete the MTN and failure to extend the provision would result in a collapse of these negotiations. While I personally do not share this belief, I realize that this House will in all likelihood vote to accept the President's recommendation and extend the waiver.

Nevertheless, I believe it is important to set the record straight in terms of this action. From my perspective, Congress is being asked to save the MTN because of a lack of forceful negotiations on the part of our trade representatives. While I do not doubt the sincerity of Ambassador Strauss, we should have concluded these negotiations some months ago. Had this happened we would not have to extend this waiver now.

After all, the countervailing duty law is a legal method of offsetting subsidies.

Subsidies have been recognized as an unfair trade practice according to both international trade rules and U.S. law. In addition, it is important to remember that the European negotiators in Geneva were well aware that the waiver authority was a temporary measure to be implemented during the course of these trade talks. However, this agreement became the hostage of European demands to extend the waiver authority.

At one time, we prided ourselves on our ability to negotiate from a position of strength. While it is much more difficult to achieve this posture in today's multifaceted world, I do not believe we should crawl on our knees to Geneva and present to the Europeans all their demands on a silver platter.

Extension of this waiver, will in my judgment, weaken confidence in our ability to effectively deal with unfair trade and will encourage subsidies for the next 9 months.

In return for your support, Ambassador Strauss has promised Congress and the American people that he will forcefully conclude negotiations in Geneva. In addition, he has indicated that 98 percent of the treaty provisions have been successfully completed and that this treaty will be beneficial to the American people.

As Members of Congress, we have an obligation to protect the interests of our constituents and to preserve their jobs. While we can hope that the MTN will provide needed relief to American firms suffering from foreign predatory price structures, our obligation to our constituents will not end with a yes or no vote on the countervailing duty issue.

Instead, we must actively investigate the language of this agreement and insure that Ambassador Strauss is in fact presenting to the American people a document worthy of their full support.

In my judgment, any trade legislation must be dedicated to the principle that free trade must mean fair trade. That free competition must also mean fair competition. It is not free trade and it is not fair trade if Americans play by the rules and our foreign competitors do not.

I hope you will join me in opposing this legislation which is contrary to this principle.

Thank you, Mr. Chairman.

□ 1355

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. SCHULZE. I am happy to yield to the gentleman from New York.

Mr. CONABLE. May I ask the gentleman, has he decided to oppose the MTN at this point?

Mr. SCHULZE. Can the gentleman give me the completed MTN package?

Mr. CONABLE. No, I cannot. I am——

Mr. SCHULZE. Therefore, I cannot give him an answer to that question. I certainly have an open mind and will retain an open mind on the MTN package.

Mr. CONABLE. Does not the gentleman agree that the probable result of turning down this legislation would be that some of the proposed signatories would not sign the MTN, and we would never have the chance to decide whether it was in our Nation's interest or not?

Mr. SCHULZE. I am not convinced that that is a true fact of life, and as perhaps the gentleman knows, I am quite concerned that this deadline has been turned around and used against us in this negotiation. We should have used this, as a tough negotiator, to say that we have got to get an agreement hammered out. Ambassador Strauss has testified before our subcommittee that it is 98 percent complete. Why could we not have completed that other 2 percent in this short period of time?

Mr. CONABLE. If the gentleman will yield further, I do not believe Ambassador Strauss has been in any way delinquent in pushing these negotiations. It has been, of course, a difficult negotiation involving more than 90 sovereign nations. A great many compromises have been necessary. As the gentleman knows also, it is a very complex package. I fail to see that we can have any substantive advantage from failing to give this temporary stay of a power which is evidently of great concern to some of the other signatories to the treaty.

I urge the gentleman to reconsider his position. It is my hope, of course, that he will support the MTN ultimately, and that we will find that it is in the Nation's interest, but we cannot do that if we now abort these proceedings by failing to extend the waiver of countervailing.

Mr. SCHULZE. If the gentleman had listened to my remarks, he would have understood me to say that I think passage is a foregone conclusion.

Mr. CONABLE. If the gentleman will yield further, I did listen to his remarks very carefully, and I am trying very hard to understand them.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. VANDER JAGT. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Pennsylvania (Mr. SCHULZE).

Mr. GAYDOS. Mr. Chairman, will be gentleman yield?

Mr. SCHULZE. I yield to my colleague from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I thank my colleagues for yielding to me. I just want to observe that I share his concern about some of the provisions of that legislation if and when it is presented to this body. However, I do want to point out that I think the administration, being convinced of the necessity for this legislation at this time, certainly deserves our support. They did respond to the crisis in the domestic steel industry when they established a trigger price mechanism.

Mr. SCHULZE. Is the gentleman satisfied with the response of that mechanism?

Mr. GAYDOS. Not entirely, but it is better than nothing, and no one ever promised a rose garden. Further I think the administration has shown through its best action that it is responsive and sensitive to our needs, as indicated by the trigger price mechanism, and also the administration's decision last year to retain import quotas on specialty steel.

□ 1400

Therefore, I think we should support the administration, since they made a convincing case that they need it at this time, in order to conclude the negotiations which are taking place in Geneva. I do and I will continue to share my good friend's concern, about this matter and I agree that we have to take a very close look at the trade package when it is submitted for consideration to the Congress.

Mr. SCHULZE. Mr. Chairman, let me respond to the gentleman from Pennsylvania (Mr. GAYDOS) by saying again that I think this measure will pass and without too much other opposition.

However, if I were our negotiator in Europe at this time, quite frankly, I would like to go back over there, this having passed by one vote in the House and perhaps it came out of committee by one vote and passed by a very narrow margin in the Senate. Therefore, as a negotiator in this international card game, I could go back and say, "You cannot push too far. We have given as much as we can. If anything, we have to sweeten the pot a little and get everything we can in these multilateral trade negotiations."

Mr. Chairman, I want this bill to come out as the best package for business, for the employers and for the employees of the United States of America. I want it to be a good package.

Mr. VANDER JAGT. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 1147. The balance of trade battle may well be won or lost on the issue of American agriculture exports, with this in mind, I understand from trade negotiator Bob Strauss that the negotiations with the EEC are not going well for citrus and other important California specialty crops. We must remove the excuse that those nations might use to sabotage the negotiations. We must pass this legislation to help assure at least the chance for a fair and equitable agreement.

It is important to remember that the trade package also contains important codes aimed at eliminating foreign practices such as subsidies and restrictive standards which have been used by foreign nations to damage U.S. industry. Adoption of these codes can go a long way toward removing the discriminatory practices which would otherwise necessitate countervailing duties.

At a time when the U.S. trade deficit is growing at an alarming rate, we must seek every means to reverse that trend. The trade package offers the potential to improve the U.S. trading position and we must not condemn the trade negotiations to defeat before we even know what the final outcome will be. I do not know if I will support the final version of MTN or not, but let us preserve our options.

Mr. Chairman, I strongly urge my colleagues to support the extension of the countervailing duty waiver.

Mr. VANDER JAGT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, some of us who are not members of the Committee on Ways and Means have a few questions; and I hope my colleague, the gentleman from Ohio (Mr. VANIK), will bear with me and possibly respond to some of the inquiries I have.

I have heard that this bill is a prerequisite. I sat there and I heard that passage is imperative, that it is absolutely necessary. I heard that it will throw the MTN negotiations into jeopardy if it is not passed. At the same time, I heard that the outcome of what is in the MTN will not substantially be affected by what we do today.

Is it fair to say that some European nations have announced they will not sign trade agreements with the United States unless this bill is passed? Is that fair to say?

Mr. VANIK. If the gentleman will yield, Mr. Chairman, yes, that statement has been made.

Mr. ASHBROOK. Therefore, that is basically the reason for our dealing with this issue in this way?

Mr. VANIK. No. The reason for our having to deal with this issue of extending the countervailing duties is that the Secretary of the Treasury has had this authority. While there is an imposition of countervailing duties pending, he may use this authority as a means of negotiating out the problem. That is really the reason this language is in the Trade Act in the first place, to make it possible to avoid trade confrontations and obtain an international agreement on subsidies. However, it is true that the Europeans have made it very, very clear that they feel that they cannot conclude the multilateral trade negotiations until this issue is resolved, because it does involve some very special European interests.

□ 1405

There are only 12 countervailing cases, and they are in a very limited area.

Mr. ASHBROOK. Looking down the road—and I thank my colleague for responding—and listening to my colleague, the gentleman from South Carolina (Mr. HOLLAND), and my colleague, the gentleman from Pennsylvania (Mr. GAYDOS), I am interested in some areas.

Mr. VANIK. If the gentleman will yield further, I think we have some steel problems in the gentleman's area.

Mr. ASHBROOK. Certainly.

Mr. VANIK. And there are some problems with the trigger price mechanism. It is not working perfectly, and we are trying to deal with those problems, but I think that in this mechanism of working out the trigger price system, we have gotten pretty much of that problem worked out. There is also in the MTN a steel agreement which involves world discussions on world steel capacity, and there are efforts being made to apprise everyone in the world, particularly the less developed countries, that excess capacity will probably have a difficult time finding a market in that there are limitations in the market.

Mr. ASHBROOK. Looking down the road on the MTN, it is my understanding under the 1974 act that when the 16 or more agreements are concluded, they will be submitted to Congress in one package.

Mr. VANIK. That is right.

Mr. ASHBROOK. Not in several bills.

Mr. VANIK. That is right.

Mr. ASHBROOK. It is also my understanding—and I wish the gentleman would correct me if I am wrong—the Congress will really have no opportunity to amend in any way that factor.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

That is because it is set right out in the Trade Reform Act. In other words, we do not have the opportunity to renegotiate a package that has taken 5 years to negotiate.

If the gentleman will yield to me, I also would like to deal with the issue of countervail to some extent. Our law does not require that subsidies of imports into our market must cause injury to American interests before the President is required to countervail, in other words, to impose new countervailing duties. Generally, the practice in other lands has been to require the injury test, and that has been a matter of dispute between us and particularly the European nations. The MTN will resolve this dispute through a series of compromises, but while they were working on this, the European countries wanted to be sure that we would not be using our law to impose countervailing duties even though there was no injury in our country to American interests as a result of the subsidization.

We agreed during the pendency of our effort to resolve this dispute to permit the President to waive the requirements of the law which would otherwise have made him impose countervailing duties. The assumption was that the waiver of countervail would be coterminus with the negotiations, but the negotiations still have a little way further to go, and the time ran out on January 3. The result was that the Europeans felt they were being reasonable in asking us to extend the waiver of countervail power in the President until at least the completion of Congress full opportunity to study and to vote on the MTN.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VANDER JAGT. I yield 2 additional minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. But it is my understanding under the 1974 act when the MTN comes back, if they combine all 16 packages in one——

Mr. CONABLE. In one implementing piece of legislation.

Mr. ASHBROOK (continuing). Even the Committee on Ways and Means can do nothing except vote yes or no, up or down.

Mr. VANDER JAGT. That is correct.

Mr. CONABLE. That is correct.

Mr. VANIK. If the gentleman will yield, excepting we have jurisdiction over the implementing legislation.

Mr. CONABLE. If the gentleman will yield, yes. We will have the power to draw the legislation for implementation of the agreement. We have a 90-day period within which to do that, and that is the period within which we are now, so there is some time for some input into the wording of the agreement.

Mr. ASHBROOK. That is my next question. Although I think our input will probably be to stand here and have somebody tell us what we will do as a prerequisite at another time—I guess I worry a little bit about that—as the gentleman points out, now we are more than halfway through the 90-day period that began on January 8 and ends April 4. Since my constituents, and I assume the constituents of the gentleman from Pennsylvania (Mr. GAYDOS) the gentleman from South Carolina (Mr. HOLLAND) and others would be affected by these proposed agreements, where are the agreements that I can see in order to make a proper congressional input during this 90-day period? There is no agreement on input.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

The 90-day period is a minimum, and we have plenty of time to do our work.

Mr. ASHBROOK. Is the gentleman saying it will be extended?

Mr. VANIK. It is a minimum time requirement on the President's sending up the package, during which he must consult.

Mr. CONABLE. If the gentleman will yield, we have another 90-day period thereafter within which the MTN is to be considered.

□ 1410

Mr. ASHBROOK. After they have finalized, we have 90 days?

Mr. CONABLE. Yes, an additional 90 days after completion, 60 days in the House and 30 days for the Senate. There can be a gap between these 90-day periods as well. There will be time, and let me suggest there will be other things being done during the period of time when we are drawing the implementing legislation. What will be happening, of course, is that the STR, Ambassador Strauss' staff will be meeting with the various trade groups and industry groups that are interested in the outcome of this, so that there will be widespread understanding of the implications of the agreement.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. VANDER JAGT. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for his usual learned explanation.

I think the only point I would make or answer I would have is that it should be

very clear to my colleague from Pennsylvania and my colleague from South Carolina that the Congress would be in a much stronger position to avoid trade concessions harmful to American labor, harmful to American business, if we could have agreements separate. By putting all 16 together, you have all 16 together in a package, you can comment on it and it is an up and down vote and come back here in a few months.

I say to my colleague from Pennsylvania and my colleague from South Carolina, we are going to be expressing grave reservations about what is in these 16 or so agreements. We will have one vote on it. We have already said, in effect, that the Congress has taken them in this whole field. We are now with our back to the wall. It is a prerequisite, a last card we have to throw in today, rightly or wrongly, but it is the last card we have to throw in as a legislative branch. The package will come back and it will be up or down and there we go again.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. VANDER JAGT. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from South Carolina.

Mr. HOLLAND. Mr. Chairman, I understand the gentleman's answer and his concern of having all 16 in a package. That gives us a problem in one way, but I can assure the gentleman that unless there is widespread support among the business community in this country, in my humble opinion, having all 16 together would also make it easier to defeat.

Mr. ASHBROOK. Time will tell, I will say to my colleague.

Mr. VANIK. Mr. Chairman, I want to say to my colleague, we are in the process of consultation with the Special Trade Representative. We expect the agreements will be concluded by the end of March or early April. At that time we are going to have an ample opportunity. We have the 90 days of consultation now, but we will have ample time to look at the agreements. As a matter of fact, I am planning to have some regional meetings around the country in a few places to give the various affected communities of America an opportunity to have an open and frank discussion of what the agreement is. The rules under which he handle this bill are set forth in the Trade Act and they are special rules. The majority leader introduces the implementing legislation and we have an appropriate time to discuss it; but I want to assure the gentleman we will have ample time to discuss this legislation.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. VANIK. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. ASHBROOK. Mr. Chairman, the first 90 days does not really amount to much. To those of us in the Committee on Ways and Means, I would like to comment on what is in the final MTN, but I cannot find out what are the final 90 days, except to send a letter to Mr. Strauss; that we cannot do, we cannot do that.

Mr. VANIK. Mr. Chairman, I want to assure the gentleman we will have hearings on the proposal during the 90 days of consultation, and you will have an opportunity to give us input at that time.

Mr. VANDER JAGT. Mr. Chairman, I have no further requests for time.

Mr. VANIK. Mr. Chairman, I yield such time as he might desire to my distinguished colleague, the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I thank the gentleman from Ohio, the distinguished chairman of the Subcommittee on Trade, for yielding.

As you know, Mr. Chairman, I expressed my concern about this legislation when it was before your subcommittee. I did so because I was genuinely concerned about the impact that some of our trade policies have had on industries in the United States.

□ 1415

In particular, I wanted the subcommittee to fully understand the impact that the waiver of the countervailing duty has had on the Deer Park Baking Co., which is located in my congressional district.

I contended at that time, and I still believe, that our Government's first priority should be to protect the American businesses which are struggling to compete against subsidized foreign imports being dumped in this country. We have sanctions to protect our industries, and I think they should be properly enforced and not selectively waived, as has been the case with butter cookies.

I am not giving up the fight to help Deer Park regain its competitive position in the butter cookie industry, a market which, incidentaly, has dwindled from 60 percent down to 6 percent just in the past 6 years. However, I do think it would be in the best interests of the country that we do act expeditiously on this legislation, although I may personally have major problems with the way Treasury has handled this waiver authority.

I do believe that we have to move along with the multilateral trade negotiations, and for that reason I have not endeavored to defeat the legislation on the floor. Rather, I would seek the assurance of the subcommittee chairman at this time that he will personally intercede, as he has done in the past, with Ambassador Strauss and the Treasury Department to seek some solution to the butter cookie problem. There are roughly 200 jobs in jeopardy in the very near future if Deer Park cannot maintain its competitive position. Further, Deer Park is the only manufacturer of butter cookies in the entire country at this time.

Mr. VANIK. Mr. Chairman, I want to assure my distinguished colleague, the gentleman from New Jersey (Mr. HUGHES) that the fact that this is a small industry does not detract from our need to be aware of how it might be affected.

I want to assure my colleague that I will continue to bring this matter to the attention of Ambassador Strauss, our trade representative, and I want to say that the Subcommittee on Trade will direct the Treasury Department to reexamine this case, I certainly understand that while it is a small matter, it is important to the gentleman's producers, and I certainly hope we can work out a solution which will remove the problem which is faced by the company in the gentleman's community.

There is one thing that has come to my attention, and that is that there is the Japanese Trading Co. which is interested in trading some of this kind of product in Japan, and I certainly hope that the gentleman's producer will follow through in an effort to develop a new market for the very fine product which is produced in his district. I want to assure the gentleman we are certainly going to be mindful of the problem, and we are going to try to work out a satisfactory solution.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for his statement.

If the gentleman will yield further for one more observation, I appreciate the suggestion that perhaps Japan might be interested in butter cookies. The Deer Park Baking Co. is fully aware of that possibility. I thank the subcommittee chairman for that suggestion.

Mr. VANIK. Mr. Chairman, it is one of the results that come about in this negotiation process. I want to express to the gentleman my assurance that we will do what we can.

Mr. HUGHES. Mr. Chairman, I thank the gentleman.

● Mr. EMERY. Mr. Speaker, I am opposing H.R. 1147, a bill to extend the Secretary of the Treasury's authority to waive countervailing duties, because I believe that serious attention should be paid to how the Secretary has used that authority in the past.

Maine and New England's fishing industries have seriously suffered as the result of an influx of Canadian fishery products—products which are harvested by Canadian vessels, and landed and stored in harbor and port facilities, all of which have enjoyed extensive subsidies from the Canadian Government. The result is a flooding of New England's markets with Canadian fish which are sold at a price at which our fishermen cannot possibly compete.

Documentation of the effect of past Canadian subsidies has been submitted to the Treasury Department by attorneys for the National Federation of Fishermen and the Point Judith Fishermen's Cooperative. Despite these efforts, the Secretary continues to waive countervailing duties on these products and continues to ignore the economic effect of subsidized fishery products in U.S. markets on the U.S. fishing industry.

Consequently, I am opposing H.R. 1147 in order to call attention to the problems often created by the Secretary's waiver authority. I feel that where an American industry is obviously suffering from the inability to compete with a subsidized foreign product and where that industry is being ignored by those very Federal agencies having the ability to rectify the situation, additional authority over the imposition of tariffs should not be granted.●

Mr. BIAGGI. Mr. Chairman, I rise in opposition to H.R. 1147. I do so notwithstanding the commendable efforts which have been ongoing since last year between the administration, the committee, and representatives of the textile and apparel industries. The net result was an agreement negotiated between all sides for an import controls agreement. It has lessened their objections to this legislation.

However it has not eliminated my objections. My opposition to this bill is similar to my opposition to yesterday's attempt to increase the public debt limit—why must we continue a clearly bad precedent. The reasons given that we should support this extension of countervailing duties is to insure completion of the multilateral trade negotiations in Geneva. To me, this is an insufficient reason on several counts. The first and most fundamental is—we have no certainty that this agreement will pass Congress. This observation is based on concerns I have heard that the proposed agreement may not be in the best interests of the United States. Therefore taking this assumption, what logic is there in voting to extend these waivers and giving imported trade interests a $40 million dollar "forgiveness" on duties?

This Nation just several weeks ago was shocked when the Commerce Department announced that we had achieved our worse balance-of-trade deficit in history—$29 billion. The question we must ask today is—how much larger must this deficit grow before we take steps to stop it. Nowhere in the committee report is it estimated how much more this legislation will add to the trade deficit. Nowhere in the report is it estimated how many more American manufacturing jobs might be lost by enacting this legislation.

I am certain that my colleagues are aware that imports have decimated a number of American industries, most notably the textile and apparel industry. Upwards of 400,000 jobs have been lost in the past decade by imports. This has fueled the flames of inflation as much as any other factor.

It is time for the Congress to establish its priorities for this year. Either we are committed to reducing inflation or we are not. Either we are committed to giving the U.S. worker an advantage in world trade or we are not. Either we are committed to reasserting this Nation as a leader and not a follower in the trade negotiations or we are not. The United States is rapidly getting an image and it is not a good one. We are capitulating as never before in far too many arenas. In this instance, this legislation is being proposed because the Council of European Countries insists that it will not formally approve the multilateral trade agreement unless we extend the waivers on countervailing duties. This constitutes glorified blackmail. I want no part of it. I would prefer responding to the wishes of the American worker producing footwear or cheese or canned hams or textiles. I will respond to these workers by voting against H.R. 1147 and I urge my colleagues to follow suit.

● Mr. ABDNOR. Mr. Chairman. I rise in opposition to H.R. 1147. Much has been made of the fact that Congress should extend the President's authority to waive countervailing duties as a sign of good faith to our European trading partners. At the same time, little concern has been shown today for our domestic producers who under such conditions as contained in H.R. 1147 will be forced to compete with imported products subsidized by foreign governments.

The argument has been made that expeditious passage should be given to H.R. 1147 as a means to insure that the European Community will agree to the conditions of the multilateral trade negotiation package. Proponents of extending the authority to waive countervailing duties seek passage of H.R. 1147 under the guise that today's vote will have no effect on the ability of Congress to analyze the pros and cons of the MTN. I strongly reject this rationale and insist that H.R. 1147 must be considered strictly on its own merits.

Foreign subsidized goods place domestic producers at a competitive disadvantage which both directly and indirectly threatens to injure their opportunities to grow and prosper. This fact must take precedent over the threats of foreign nations.

I urge my colleagues to reject H.R. 1174 and insure that American producers are allowed to offer their products to the consuming public on an equal basis with foreign subsidized competitors.●

The CHAIRMAN. If there are no further requests for time, pursuant to the rule, the bill is considered as having been read for amendment. No amendments to the bill are in order except amendments recommended by the Committee on Ways and Means, and said amendments shall not be subject to amendment.

H.R. 1147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303(d) of the Tariff Act of 1930 (19 U.S.C. 1303(d)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) The four-year period referred to in paragraph (2) is extended from January 2, 1979, until whichever of the following dates first occurs:

"(i) The date on which either House of Congress defeats on a vote of final passage, in accordance with the provisions of section 151 of the Trade Act of 1974, implementing legislation with respect to a multilateral trade agreement or agreements governing the use of subsidies.

"(ii) The date of the enactment of such implementing legislation.

"(iii) October 20, 1979.

"(B) Any determination made under this subsection by the Secretary that was in effect on January 2, 1979, shall remain in effect until whichever of the following dates first occurs:

"(i) The date to which the four-year period is extended under subparagraph (A), notwithstanding any provision to the contrary in any such determination.

"(ii) The date such determination is revoked under paragraph (3).

"(iii) The date of adoption of a resolution of disapproval of such determination under subsection (e)(2).".

SEC. 2. The amendment made by the first section of this Act shall take effect January 3, 1979.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 15, strike out "October 20," and insert "September 30,".

The committee amendment was agreed to.

The CHAIRMAN. If there are no further committee amendments under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties, pursuant to House Resolution 141, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SCHULZE

Mr. SCHULZE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the legislation?

Mr. SCHULZE. I am, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SCHULZE moves to recommit the bill, H.R. 1147, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The motion to recommit was rejected.

□ 1420

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THREE ENERGY CONSERVATION CONTINGENCY PLANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-62)

The SPEAKER pro tempore (Mr. FARY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

As required by Section 201 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261, I am hereby transmitting to the Congress for its approval the following three energy conservation contingency plans: Emergency Weekend Gasoline Sales Restrictions, Emergency Building Temperature Restrictions and Advertising Lighting Restrictions. I have also today directed the Secretary of Energy to publish these conservation plans in the *Federal Register*, as the final step in my prescribing these plans as required by Section 202 and 523 of the EPCA.

The plans which I am transmitting are the product of extensive plan development and refinement. They can be effective tools in reducing consumption of energy in the event of a severe energy supply emergency. Work on the development of contingency plans is continuing and any additional measures will be transmitted for approval pursuant to Section 201 of the EPCA upon their completion.

Together with the Standby Gasoline Rationing Plan which I am also transmitting to the Congress today under separate letter, these energy conservation contingency plans could help mitigate the effects upon the United States of a severe energy supply interruption. These measures, along with voluntary conservation efforts and other measures contained in existing legislation and the Department of Energy's present contingency programs, will provide the government with several options to deal with energy emergencies of varying types and degrees of severity. Such flexibility is essential if we are to prevent unnecessary hardship to our citizens and harm to our economy in the event of future curtailments of our energy supplies.

As required by Section 201(f) of the EPCA, each energy conservation contingency plan is accompanied by an analysis which assesses the economic impacts of the plan.

The procedures for approval by Congress of a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the plan. The EPCA does not specify the form which the resolution of approval is to take. It is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of these plans be in the form of a joint resolution. If this procedure is followed, the plans themselves, agreed to by Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of these plans.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1979.*

STANDBY GASOLINE RATIONING PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-63)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

As required by Section 201 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261, I am hereby transmitting to the Congress for its approval a Standby Gasoline Rationing Plan. I have also today directed the Secretary of Energy to publish the Plan in the *Federal Register*, as the final step in my prescribing a gasoline rationing plan by rule, as required by Sections 203 and 523 of the EPCA.

The Standby Gasoline Rationing Plan which I am transmitting today is the result of an extensive rulemaking proceeding in which over 1,100 comments from citizens throughout the United States were received and considered. I believe this plan, which would be implemented only in a severe energy supply emergency, would equitably allocate gasoline supplies and minimize economic hardships to the maximum extent possible without undue administrative costs and complexity.

Together with the energy conservation contingency plans which I am also transmitting to the Congress today under separate letter, the Standby Gasoline Rationing Plan would help mitigate the impact of a severe energy supply interruption. These measures, along with voluntary conservation efforts and other measures contained in existing legislation and the Department of Energy's present contingency programs, will provide the government with several options to deal with energy emergencies of varying types and degrees of severity. Such flexibility is essential if we are to prevent unnecessary hardship to our citizens and harm to our economy in the event of future curtailments of our energy supplies.

As required by Section 201(f) of the EPCA, the Standby Gasoline Rationing Plan is accompanied by an analysis which assesses the economic impacts of the Plan.

The procedures for approval by Congress of a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the plan. The EPCA does not specify the form which the resolution of approval is to take. It is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly urge that Congressional approval of this plan be in the form of a joint resolution. If this procedure is followed, the plan itself, agreed to by Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

I urge the prompt and favorable consideration by the Congress of this plan.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1979.*

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader, the gentleman from Indiana (Mr. BRADEMAS) as to the program for the balance of the week and next week.

Mr. BRADEMAS. Mr. Speaker, if the distinguished minority leader will yield——

Mr. RHODES. I yield.

Mr. BRADEMAS. I shall be glad to announce that the program for the House of Representatives for the week of March 5, 1979, is as follows:

On Monday, March 5, the House meets at noon. There will be no legislative business.

On Tuesday, March 6, the House meets at noon on the Private Calendar. There are no bills under suspension. The House will consider H.R. 2439, the budget rescission bill for fiscal year 1979.

On Wednesday, March 7, the House will meet at 3 p.m. to consider a series of six House committee funding resolutions, to be followed by the following:

H. Res. 13, to reestablish Select Committee on Narcotics Abuse and Control;

H. Res. 38, to reestablish Select Committee on Population;

H. Res. 118, to establish Select Committee on Committees.

On Thursday, March 8, the House will meet at 11 a.m. on H.R. 2479, the United States-Taiwan Relations Act, subject to a rule being granted.

The House will not be in session on Friday, March 9.

The House will adjourn by 5:30 p.m. on all days except Wednesday, and any further program will be announced later.

Mr. RHODES. May I ask the gentleman from Indiana as to the probability that there may be another vote occurring on the debt ceiling increase?

Mr. BRADEMAS. That is not impossible, I will say to the distinguished minority leader.

Mr. RHODES. I thank the gentleman. But, the gentleman has no idea at this time as to when this might occur?

Mr. BRADEMAS. No.

Mr. RHODES. I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 5, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday, March 5, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1105

THE SOVIET STRATEGIC ARMS BUILDUP

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, the March 1979 issue of the Armed Forces Journal, published this morning, charges that between June 1978 and January 1979 the Pentagon "covered up an unprecedented unexpected and massive Soviet strategic arms buildup."

Specifically, the Journal charges that—

> The Pentagon knew throughout this period that the Soviets were continuing to deploy new warheads and ICBM's at about twice the forecast rate; that Russia was developing and flight testing a new long-range air-to-surface cruise missile, and testing it off Backfire; and that Soviet warheads and ICBM's were not only becoming more accurate, but more accurate than had been predicted.

The Journal charged that the Pentagon, during 1978, denied legitimate press inquiries about these improvements, and moreover, failed to disclose these developments to the Congress as they occurred. With reference to the new air-to-surface cruise missile, the Journal charged that—

> Secretary Brown knew far back in 1978 that the Soviets were developing the missile * * * yet would not admit its existence even to Congress as recently as last January [1979] in his only comprehensive public survey of the strategic balance.

In fact, Mr. Speaker, the Armed Services Committee's 1979 posture hearings record shows that Secretary Brown did not in fact present the details on this missile to the committee itself when he appeared before us.

The Journal article concludes that—

> These discrepancies raise serious questions about the accuracy, timeliness, and integrity of the Carter Administration reporting to the American public and to Congress on the US/USSR strategic balance and White House efforts to sell the new SALT II agreement.

In view of the fact that a new SALT II agreement is now reported to be scheduled for initialing within the next 2 weeks, I believe these serious charges need to be examined in full at the earliest possible moment. Certainly, any failure to have given Congress full and accurate information on any unusual Soviet military buildup over the past 12 months is a serious breach of Pentagon responsibility, and raises even more grave questions on the eve of the possible signing of a new SALT II agreement by the President.

Specifically, the information said to have been suppressed relates to three separate aspects of dramatically increasing Soviet combat power:

First, was a report, received last July 1978 by the Journal, of the deployment "in the past 6 months [of] between 200-300 more new strategic nuclear warheads or modern missiles than U.S. intelligence estimates last [1977] October said would probably be fielded by now." The Journal said these new warheads represented an increase of "20 percent in warhead deployments in 1 year."

Second, were reports of "more accurate warheads and ICBM's than those being replaced."

Third, the Journal said it had information that the Soviet Union carried out in 1978 seven or eight actual tests of "a new long-range air-to-air surface missile to increase the Backfire bombers standoff distance" yet Defense Secretary Harold Brown "would not admit its existence even to Congress as recently as last January [1979] in his only comprehensive public survey of the strategic balance."

Mr. Speaker, these are very serious charges. They go to the heart of the issues the Congress, and especially the Senate, will be considering if any SALT II treaty is presented for the purpose of ratification.

Therefore, Mr. Speaker, I have today requested the chairman of the Committee on Armed Services, the distinguished gentleman from Illinois (Mr. PRICE) to convene an emergency meeting of the full committee to examine these charges. On the basis of the Journal article I have suggested that both Secretary Brown and the Assistant Secretary for Public Affairs, Thomas B. Ross, be requested to appear as primary witnesses.

No doubt these witnesses will argue that the details of these Soviet advances could not be released to the news media, even the Armed Forces Journal, because of security considerations. This may well be true. But certainly there can be no such excuse when it comes to advising in timely fashion the appropriate committees of Congress. It is not satisfactory to give the Armed Services Committee an update on Soviet capabilities only on a once-a-year basis. Our committee should be kept advised of any significant changes in the military situation as it progresses, so that Congress, as trustees of the people's interests, have an opportunity to respond in time—not just be caught flatfooted on new and ominous developments, as was the case in Iran, for example.

Mr. Speaker, this is not the first time the Pentagon has failed to give Congress timely notice of very important, and ominous defense information that we should have known in order properly to discharge our responsibilities. It was not until the Army Times published details of a major intelligence error in assessing the military capabilities of North Korea that the DIA and the CIA finally gave a couple of members of the committee a briefing on the subject. Had that report not surfaced in Army Times I daresay we would still not know how different the actual situation in North Korea was from the bland information being passed out to us by the administration.

Congress must vigorously protect its right to know—and in timely fashion. And I certainly hope we will begin here.

Under leave to extend my remarks, Mr. Speaker, I enclose the article from the Armed Forces Journal which appeared on the streets this morning:

PENTAGON COVERED UP UNPRECEDENTED 1978; U.S.S.R. STRATEGIC ARMS BUILDUP

(By Benjamin Schemmer)

From last June thru late January, the Pentagon's official spokesman covered-up an unprecedented, unexpected and massive Soviet strategic arms build-up, which leaked in part to the press soon after it became known to senior DoD officials, but went unreported because the spokesman said that a story revealing the build-up was wrong. Some of the data in the story *was* wrong—but not the most important revelations in it.

JOURNAL REVELATIONS, JUNE '78

The story, given to the Pentagon in early June on a "confirm or deny" basis, was to have appeared in last July's *Journal* and reported in its lead sentence that:

"Russia has deployed in the past six months between 200-300 more new strategic nuclear warheads or modern missiles than U.S. intelligence estimates last October said would probably be fielded by now."

It added that "among the ominous Soviet deployments detected in recent months" were "more accurate warheads and ICBM's than those being replaced," and revealed that "Russia has a new long range air-to-air surface missile to increase the Backfire bomber's 'stand off' distance."

PENTAGON REVELATIONS, JANUARY '79

Late in January, Defense Secretary Harold Brown admitted in his Fiscal Year 1980 "Annual Report" that:

"The Soviets are now estimated to be introducing new missiles with more accurate warheads and improving the accuracy of their warheads more rapidly than we expected about a year ago." Elsewhere in his report, Brown acknowledged that Soviet "force loadings" (independently targetable nuclear weapons carried by deployed strategic missiles and bombers) "have increased by around 1,000 since last year." Brown did *not* say so, but that represents a *20% increase in warhead deployments in one year.* (The rate of increase has to be calculated from other data nearby in Brown's report.)

Late in January, Defense Secretary Harold Brown's report also did not reveal that Russia was *testing* a new, long range cruise missile. He said only that "they *may* be developing a long range cruise missile of their own design." [Italics added for emphasis.] Since Brown's statement on the military balance was released January 24th, however, news that the Soviets, in fact, have *tested* a 1200km range (600nm) cruise missile has

leaked out elsewhere, made prominent headlines, and been confirmed by the Pentagon.

AFJ has learned that seven or eight such tests were made in 1978. Some of them were made from the Backfire. The Soviets have made at least three more flight tests of the new air-to-surface missile this year.

The Soviet arms build-up and the Pentagon's cover-up of it continue.

Brown's statement in his Annual Report that the Soviets "*may* be developing a new long range cruise missile" amounts to pure dissembling. He knew far back in 1978 that the Soviets were developing the missile *AFJ* wrote of last June, yet would not admit its existence even to Congress as recently as late January in his only annual comprehensive public survey of the strategic balance.

These discrepancies raise serious questions about the accuracy, timeliness, and integrity of the Carter Administration reporting to the American public and to Congress on the US/USSR strategic balance, and White House efforts to sell the new SALT II agreement.

At the time *AFJ* killed its July story on these arms developments, the Carter Administration was still working to obtain a SALT II agreement by mid-August.

Between last June and December further *Journal* queries were made of the Pentagon, both on and off the record, about unexpected or major new Soviet strategic arms developments and deployments. They elicited official and informal replies from the Pentagon public affairs office that said outright, in some cases, and clearly implied in others, that no new or surprising changes had been detected by American intelligence.

In fact, however, the Pentagon knew throughout this period that the Soviets were continuing to deploy new warheads and ICBM's at about twice the forecast rate; that Russia was developing and flight testing a new long range air-to-surface cruise missile, and testing it off Backfire; and that Soviet warheads and ICBMs were not only becoming more accurate, but more accurate than had been predicted.

The extent to which the June cover-up was, and is now, intentional and Administration-directed, or the result of superficial, erroneous and possibly cavalier work on a grave national security matter, is not clear—in part because of Pentagon footdragging since *AFJ* asked it in early February to clarify and explain its denials of last June, and in part because the Pentagon insists that more recent corroborative information on Soviet strategic developments is "classified."

The spokesman behind the cover-up is Thomas B. Ross, Assistant Secretary of Defense for Public Affairs. Ross is a Presidential-appointee confirmed by the Senate who was the first person recruited by Harold Brown in 1977 for the Carter Administration's new Pentagon team.

Ross used to be a reporter for the Chicago *Sun Times*, thrives in his government post (by protocol, he outranks all four star generals and admirals except for the Joint Chiefs of Staff), and readily acknowledges that he doesn't miss his old deadlines a bit.

Now, the only deadlines he misses belong to the reporters he is paid to keep informed. $42,500 a year, so that America will have an accurate and timely picture of how well his boss is protecting the nation's security.

As the Pentagon's official spokesman, Ross serves as the Administration's principle conduit for information to the press and public on world-wide military developments and changes in strategic balance. Other than Brown, he is the principal on whom Pentagon reporters are to ultimately rely for accurate and official (if often not-for-attribution) clarification of such official pronouncements as Brown's Annual Report.

FOOTDRAGGING

When *AFJ* asked Ross to reconcile his denial of *AFJ*'s story last June with the "revelations" in Brown's Annual Report (and his office's subsequent confirmation of the cruise missile tests), Ross professed being unaware of any Brown statements that contradicted his earlier demands, and had to be shown them.

Yet, he had been asked about them almost a week before; assured *AFJ* he was "working on" the issue; and finally asked *AFJ* to "hold off" a few more days so he could get better data." By that time, Ross and *AFJ* were aboard Brown's aircraft headed for the Mideast. When *AFJ* showed him aboard the plane the discrepancies in black and white, side-by-side, and reminded him again that *AFJ* was under deadline, Ross acknowledged he hadn't done enough homework," but assured *AFJ* he would check again—this time by phone or teletype to the Pentagon from the Mideast—and provide an explanation. *AFJ* had to ask twice again over the next few days if the discrepancies had been reconciled but was told that an aide was still "working" on it. was "supposed" to "have had the answers by now," etc., etc. A few hours after the last such *Journal* reminder in Tel Aviv on February 15th, the aide asked *AFJ* harshly to "get off the boss' back" and wait until our next (April) issue for the answers. *AFJ* stood on Ross' repeated assurances of an answer in time for this issue. (The unresponsiveness is mitigated in part, given the intervening preoccupation of Secretary Brown and his Mideast entourage with the crisis in Iran—but that preoccupation lasted only a few days.)

Two weeks after Ross was asked to reconcile the story he persuaded AFJ to kill last June with Brown's January revelations, and more than one week after assuring AFJ he would "check again" . . . and *still* hasn't! Yet his office was able to have a courier fly to Cairo, in time for him and Brown to read them on the flight back to the U.S. copies of the Pentagon *Current News* or "Early Bird" and other press clippings through the period Friday, February 16th.

[Brown in 1979 says the Soviets "*may be* developing a new long-range cruise missile" [emphasis added]—one he knew months ago had been flight tested 7 or 8 times in 1978.]

IF AFJ WAS WRONG, AND STILL IS, HOW DID THIS HAPPEN?

After reporting that Russia has deployed 200–300 more warheads or missiles than had been expected, the story which DoD convinced AFJ not to print last June-July noted in its lead paragraph:

"All have a significant counter force capability—that is, accuracy, explosive power or other features improved to the point that, should Russia decide to launch a pre-emptive nuclear attack, would threaten the survival of US strategic defense retaliatory systems like Minuteman ICBMs or B–52 bombers on ground alert."

Pentagon spokesmen who said last June that the story was not correct now say they "do not agree with this theory," and that even today. "The article is no more accurate than it was last June."

If that is so, both disclaimers lead one to marvel:

Why does Secretary Brown's latest estimate of how many Soviet and U.S. strategic weapons might survive a nuclear exchange differ so dramatically from the ones he gave last year? Those two estimates, provided in DoD's "Annual Report" in chart form without much explanation of their significance, and no explanation of why they differ so, are reproduced below exactly as Harold Brown presented them in January 1978 and January 1979. Brown himself calls them "an appropriate measure" of "how our forces might perform in response to a hypothetical Soviet attack."

[Charts not printed in RECORD.]

The two charts compare surviving U.S. and Soviet forces (including Polaris Poseidon SLBMS) after a Soviet pre-emptive strike against U.S. strategic systems on day-to-day alert; and a retaliatory strike by surviving U.S. forces against whatever Soviet forces were not used in the surprise attack.

Last year, Brown's chart estimated that as many Soviet as U.S. forces would survive such an exchange beginning about the end of Fiscal Year 1980, or by about September–October of 1980. (In last year's estimate, U.S. forces thereafter regained their advantage, presumably as the new cruise missile began deploying on B–52s.) This year, Brown's latest report shows that the crossover point has moved ahead one year. By the end of FY 79—or only seven months from now—more Soviet than U.S. weapons would survive such an exchange.

Moreover, this year's data shows the trend is even more threatening in scope than in rate of exchange. Last year, it was estimated that by end-FY 83, about 25–30% more U.S. weapons would survive a nuclear exchange than would Soviet weapons. This year, Brown's chart shows the opposite 35% more Soviet weapons would survive than U.S. ones, a four-fold difference in one year. Nor could the U.S. redress that balance until late 1986, the new estimates show.

To the best of *AFJ*'s knowledge, none of the discrepancies between the two estimates, much less the magnitude of the new strategic imbalance, have been noticed elsewhere in the press. Because the Pentagon laid the charts out on different scales and in slightly different format (as shown here), the changes are not readily noticed.

Whatever happened to the strategic balance on Harold Brown's way to the printers, it's an unusual way to sell SALT II.

. . . AND MORE UNDISCLOSED SOVIET STRATEGIC ARMS GAINS

There's a lot more the administration has learned but not made public about recent Soviet strategic arms gains. Their implications could influence profoundly Congress' action on the proposed FY 80 defense budget as well as its debate on a SALT II accord, if the Administration obtains one. Among the more important recent intelligence findings:

Russia is building a new, very deep diving titanium-hull strategic-missile launching submarine—called "Typhoon," but in yards which it covered over about two years ago so that construction progress can no longer be monitored easily with conventional (e.g., reconnaissance satellites) verification means. (Under present SALT agreements, covering the submarine construction facility does not represent "interference" with technical verification means—the SALT accords provide only that actual deployment be detectable.)

If the Soviets succeed in joining the new titanium hull sections with the structural integrity theoretically possible, Typhoon would be the deepest diving submarine ever built. In theory, it might be able to dive so deep as to render some major U.S. anti-submarine warfare systems (both active and passive) ineffective. However, qualified analysts are skeptical that the Soviets could build Typhoon in a way that would fully exploit its theoretical strength large, load-bearing titanium sections are very hard to join, as the U.S. found out building the swing-wing F–111 bomber. However, the Soviet Union is acknowledged to be well ahead of the rest of the world in this technology.

(The name "Typhoon" first came up several years ago in a conversation between Leonid Breshnev and Senator Henry Jackson; Breshnev reportedly told Jackson, "If you build your Trident, we'll build our Typhoon.")

Typhoon is a "follow-on" to Russia's new Delta class of ballistic missile launching submarines, the third version of which recently deployed with a 7,500 km range missile dispensing three independently targetable warheads. Russia has about 29 operational Delta class subs, and 33 older SLBM subs.

Russia during the past year has been "exercising" its operational ICBM forces at about three times the rate at which the U.S. "troop tests" its Minuteman missiles and launch crews. (Minuteman missiles are periodically "pulled" from their launch silos and tested for reliability and accuracy from the Pacific Missile Test Range, using operational crews.) Why Russia is conducting so many more operational readiness tests of its ICBM force is not clear.

Russia has been flight testing new or improved strategic missiles during the past year at from five to seven times the rate of U.S. similar tests, an indication that the rate of new Soviet strategic weapon deployments cannot be expected to abate.

There is evidence that Russia is upgrading, or soon may, its newer SLBM force from three independently-targetable warheads per missile to between 10 to 12 warheads each.

The accuracy of Soviet ICBMs is improving far more rapidly than intelligence estimates had predicted. Official DoD sources acknowledge this to be true, but insist the Soviets have not "deployed" the more accurate warhead.

The U.S. ability to rapidly detect such deployments is questionable. *AFJ* is told, because this country still relies principally on the so-called KH–11 "Big Bird" reconnaissance satellite to detect changes in Russia's strategic posture. Operational manuals for the KH–11 ("secured" in CIA's operations center) were passed to the Soviet Union in a recently publicized major national security breach, and other missing copies of the manual are still unaccounted for.

The Soviets now have a number of new "battle management" phased array radars for their 64 Galosh anti-ballistic missile launchers protecting Moscow from ICBM attack. Brown's January "Annual Report," however claimed (on page 69) that "Soviet active defenses have not changed appreciably during the past year." Four pages later, Brown adds casually that "as permitted by the ABM treaty of 1972, the Soviets continue an active ABM [anti-ballistic missile] research and development program. The main efforts appear to be going toward improving large phased-array detection and tracking radars, and toward developing a new interceptor." The new interceptor, *AFJ* is told, is very similar to the US' hypersonic Sprint ABM missile, and the new battle management system now mothballed near Grand Forks, ND: that is much more than a "detection and tracking" radar. It is a system management radar that sorts decoys and off-course warheads from immediate threats, prioritizes threats, and guides defensive missiles accordingly.

Brown's most trusted consultant on intelligence and technical affairs, Dr. Eugene Fubini, personally led the team which at Brown's request, recently evaluated the improved Soviet ABM system. Fubini's conclusion that the new radars were in fact a "battle management system" were known to Brown, *AFJ* is told, before Brown completed the FY 1980 "Annual Report" calling them "detection and tracking radars."

INTRODUCTION OF LEGISLATION PROVIDING FOR PROCEDURES TO OPERATIONALIZE A CONSTITUTIONAL CONVENTION

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, today I am introducing legislation to provide procedures for calling a constitutional convention for purposes of proposing amendments to the Constitution of the United States.

As you may know, Mr. Speaker, 28 States have applied for the calling of a constitutional convention for purposes of proposing a balanced budget amendment to the Constitution of the United States.

Two-thirds of the States must make application to Congress, in order for Congress to call a convention, and moment by moment the impetus for a balanced budget resolution grows. It is very conceivable that the necessary 34 States will apply for this Convention call by the middle of 1980.

In 1974, the American Bar Association produced a study entitled "Amendment to the Constitution by the Convention Method Under Article V." This study was a very welcomed addition to the literature on this important subject, and produced exceptional draft legislation to provide for the procedures that the State legislatures and Congress should follow for an orderly application of the Convention-call mechanisms contained in article V of the Constitution.

The Senate passed a form of these procedures in the 92d and 93d Congresses. However, the House did not act on either occasion. Now that our door is being knocked upon by the States, it is time that the Congress enact the procedures that should be followed on the occasion of a constitutional convention call.

The legislation I am introducing today follows similar patterns as advocated by the ABA and as passed by the Senate, with several important changes, which will streamline and better facilitate the Convention-call process. I would like to describe the major elements of this legislation at this time.

First. The State legislatures would be required to adopt a resolution following the rules of procedure that govern the enactment of a statute by the legislature, except that the signature of the Governor would not be required for approval or transmittal to the Congress.

Second. The secretary of state of the State, or an official of such State who is charged by law with the functions of that office, would transmit copies of the application to the President of the Senate and the Speaker of the House.

Third. The President of the Senate and the Speaker of the House, within 10 legislative days, must report to their respective bodies that they have received such documents, and at that time have the documents printed in the CONGRESSIONAL RECORD along with a cumulative listing of all other States which have applied to the Congress for a convention of the same subject within 7 years.

Fourth. When two-thirds of the States have applied for a convention on the same subject within 7 years, a convention will be deemed as called unless a resolution of disapproval is adopted by both Houses of Congress within 90 legislative days. If the resolution of disapproval is not adopted within the alloted time, a constitutional convention will be deemed called, and must convene within 1 year.

Fifth. Delegates to the Convention will be selected according to State law and each State will be allowed as many delegates as they have congressional representatives; that is, Missouri has 10 House Members and 2 Senator, for a total of 12 congressional representatives.

Sixth. The Convention is restricted to acting upon only the subject which the necessary number of applying States have requested a convention call.

Seventh. Other provisions are included to provide for the Convention site and personnel matters.

Eighth. As provided under article V of the Constitution, the Congress must approve the amendment which is produced in the Convention by simple majority. Three-fourths of the States must then ratify such proposed amendment, as provided in the Constitution.

HONEST BUDGETING ACT OF 1979

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HOLT. Mr. Speaker, today, I am introducing the Honest Budgeting Act of 1979. I am pleased that this bill already has 52 cosponsors.

This proposal is as simple as it is important. The Honest Budgeting Act of 1979 would return us to a true unified budget, as envisioned by the President's Commission on Budget Concepts. After extensive study, the Commission recommended that—

> The budget should include all programs of the Federal Government and its agencies.

The concept was first realized in the 1969 Federal budget. Unfortunately, we have strayed from that principle. We now have six off-budget Federal agencies.[1] The outlays of these agencies are, by law, not reflected in the budget's totals.

This year, outlays of off-budget agencies will total $12 billion; in 1980, the Administration's budget calls for another $12 billion. The 1980 figure is 41 percent of the estimated official budget deficit. With the public's attention riveted to the size of Government and the size of the deficit, I wonder how fast these off-budget agencies would be restored to the budget if they were running a surplus instead of a deficit.

In addition to violating the basic tenet of the unified budget concept—that the budget should reflect all governmental activities—off-budget agencies have other, more tangible and detrimental effects. First of all, significant activities of the Federal Government are hidden from the American people. In the budget just transmitted last month, activities of the off-budget agencies are relegated to the depths of the budget tomes—page

[1] The six are: The Federal Financing Bank (which is, by far, the major off-budget agency), the Rural Electrification and Telephone revolving fund, the Rural Telephone Bank, the Pension Benefit Guaranty Corporation, the Postal Service fund, and the U.S. Railway Association.

307 of the budget and page 1137 of the appendix. Thus, while they are discussed in the budget documents, they are nevertheless not reflected in the budget's totals. Including off-budget activities in the administration's 1980 budget would mean an outlay level of $544 billion instead of $532 billion, and a deficit of $41 billion instead of $29 billion.

But in addition to hiding these activities from the American people, we in Congress do ourselves an injustice because these activities also escape our scrutiny in the congressional budget process. How can we expect to determine national spending priorities—the purpose of the congressional budget process—when $12 billion of spending is missing? Until all off-budget agencies are restored to the budget, we can at least reduce the deceit they cause. As provided in section 301 of the Budget Act, I plan to offer a bipartisan amendment to the first budget resolution for fiscal year 1980 that would explicitly recognize the existence of off-budget agencies.

In drafting this bill I have recognized the tough political realities of returning off-budget agencies to the budget immediately. Even though the Government is spending the money anyway, explaining a sudden $12 billion jump in the deficit would not be easy. Therefore, and to insure bipartisan support, I am recommending that the provisions of this bill become effective for the 1983 fiscal year.

Mr. Speaker, with all the discussion surrounding a balanced budget, what meaning would a balanced budget have if part of the Government's activities are hidden from the budget? If we are to have more than one budget—for example, a capital budget, a credit budget, an operating budget—they should be in addition to one honest, unified budget.

Finally, Mr. Speaker, I wish to commend the Congressional Budget Office for their excellent recent studies on Government credit programs and off-budget Government activities. Because off-budget activities are primarily credit activities, I am glad to see the CBO venturing into this important area.

Mr. Speaker, I urge the Members' support.

MORE DOMESTIC OIL PRODUCTION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, today I come to the floor once again to appeal to my colleagues and the Federal Government to take constructive steps to increase domestic production of our energy resources. The answer is to decontrol the price of crude oil.

For all my years in Congress, I have spoken out strongly about the problem of our dependency on foreign sources of oil. As if we needed another example of the problems that can be caused by this immense dependency, the newest one is the shutdown of Iranian oil production as a result of the revolution.

President Jimmy Carter has now called on the Energy Committee for mandatory allocation through rationing, and gasoline sales on Sunday will be banned.

Iran supplies to this country only 5 percent of our total consumption. Libya supplies 6 percent of our consumption and the instability of the leadership of that country is well known. What if Libya were to precipitously cut off our oil supply?

The solution to the problem is to develop our domestic resources, and provide an incentive to explore for, develop, produce, and refine more oil in this country. My bill to decontrol oil prices provides a step in that direction, for it will provide a needed economic incentive. This is what produces oil, not officious intermeddling by the Federal Government.

In the past years, the energy policy adopted by this government has centered around price controls, more Federal regulation, more taxation and forms, and allocation. All of these measures have served only to retard exploration and development of oil, not to enhance it. The new rationing plan will cost $350 million with all the headaches from thousands of bureaucrats.

We remember when the free worlds oil supplies were cut off by the Suez crisis of 1956 and again by the Arab-Israeli war of 1967. But back in 1967 we produced 87.2 percent and imported only 12.8 percent. The situation today is that we import 43 percent of our U.S. petroleum supply, with 48 percent of our petroleum supply coming from domestic crude and 9 percent from natural gas liquids.

In 1969, my first full year in the Congress, I presented a statement to the Cabinet Task Force on Oil Import Control. At the time we were importing roughly 21 percent of our crude requirements which I said was still too high, and in this statement 4 years before the Arab oil embargo became a reality, I said the following:

> If we had to depend on any foreign country or regions for a large portion of our oil supplies, the United States would have to be at the goodwill of these foreign governments. What if producing countries were to withhold petroleum exports to the U.S. if they did not agree to our foreign policy? The United States cannot allow itself to be victimized by the threat of a petroleum boycott.

In that same statement in 1969, I said this about oil prices and foreign dependency:

> As soon as the self-sufficiency of the United States fell by a significant amount the world demand would be greater and thus the world price of crude could be expected to rise. Moreover, the growing dependence upon foreign oil would strengthen the bargaining power of the producing nations, who can probably be expected to seek the highest possible price for their oil. The oil producing nations have already formed an Organization of Petroleum Exporting Countries (OPEC) which has higher prices as its primary objective.

At this time I made this statement in 1969, the well-head price of U.S. crude was $3.09, but the price of Iranian crude at this time was $1.79 and Saudi Arabia crude was $2.17. The hue and cry by the liberals was to import more crude, because the customer would benefit from these lower prices. Just as I had predicted, as soon as we lost a large measure of our self-sufficiency OPEC raised their prices substantially.

When the oil embargo did come, Congress passed the Emergency Petroleum Allocation Act in 1973 calling for price controls and allocation authority. Once again, this time on the floor of the House on October 16, 1973, I said:

> Facing this dilemma, Congress shuts its eyes to the real problem. Instead of developing means of producing additional oil and gas supplies within our own country, here we are today talking about how to allocate our energy resources through some type of confused bureaucratic system.
>
> Simply creating this allocation bill does not solve problems. All it does is provide more bureaucrats to confuse it.

By 1975 the energy policy of the Nation still neglected producing more domestic oil, but once again had under consideration price controls and allocation in the form of the Energy Policy and Conservation Act (EPCA). I, once again, took to the floor on July 15, 1975, of the House to urge that something be done to provide incentives for increased production. Among other things I said:

> On the other side, we have the Arab countries which represent only the Arabs. We build up through this bill and through our past controls a system where we pay for the old oil within our country of $5.50 a barrel, and yet the Arabs, have old oil over there, and we pay them $12 per barrel. There is no way in the world it makes common sense, and it can lead to disaster for this country.
>
> We cannot continue to drill and explore, or continue to develop at a low price base.

Once again, Congress failed to take positive action on incentives for increased production. Then in 1977, we received from the President his national energy plan (NEPA) which, instead of incentives for increased oil production, called for a crude oil equalization tax (COET) on domestically produced crude oil to go up to the world price through taxation. COET was not passed.

I was a member of the Subcommittee on Energy and Power, the Interstate and Foreign Commerce Committee, the House's Ad Hoc Committee on Energy and a member of the Energy Conference all of which considered this legislation in 1977 and 1978. I said the following in my views to the ad hoc committee's report:

> There are two ways to close the gap between U.S. oil consumption and production. One is to import oil from OPEC countries and the second to increase domestic production. The second way is obviously better, but we must have a pricing structure which allows us to accomplish this. Oil price decontrol is really the only answer, and I strongly advocate a return to free market pricing. Our national oil pricing policy should be providing incentives to seek and produce more oil, and not the disincentives of taxation and price control. Decontrol of oil prices will reduce our reliance on foreign sources of oil; it will reduce the drain of dollars flowing to foreign countries; it will cost the consumer less in the long run; it will provide producers with adequate incentives to drill and produce more oil; it will provide the capital needed for exploration and development; it will restore the system of free market pricing which made the U.S. the greatest country in the history of the world; it will insulate us from the threats of future oil embargoes; it will produce more oil; it will enhance the conservation effort; and it will stimulate the switch to coal.

Today America has two choices on oil. President Carter's plan is to ration gasoline. This makes a bad problem even worse.

The only solution that will put oil and gas in balance is to deregulate the prices so that we pay the same price for American oil and gas that we do for foreign oil.

Remember, oil and gas is the only commodity under price control and it is America's serious shortage.

SSI LEGISLATION

(Mr. PEASE asked and was given permission to address the House of 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, there are times when the American people use the electoral process to send a message to their Representatives. So it was in the off-year elections of 1978. The message was clear: "Stop wasteful spending and make the Government operate more efficiently."

Today I am introducing a pair of bills which are consistent with this mandate and which highlight just one area in which the Congress can exercise more fiscal responsibility. Senator CHARLES PERCY of Illinois is introducing companion legislation in the Senate.

Current Federal law allows aliens to collect Supplemental Security Income (SSI) benefits after being in the United States just 30 days, without the aliens having contributed to the economy or having paid taxes. Lest you think this is an insignificant loophole, the General Accounting Office completed a study last year which showed that in just five States aliens were collecting at least $72 million a year in SSI payments. The GAO report, which included the recommendations of the State Department, the Social Security Administration in the Department of Health, Education, and Welfare, and the Immigration and Naturalization Service of the Justice Department, found that 8 percent of all aliens apply for SSI benefits within the first month after they arrive in the United States, 41 percent within 6 months, and 63 percent before the end of their first year here.

Most aliens, before they are admitted to the United States for permanent residence, are required to have American sponsors. These sponsors file affidavits of support promising to provide for the alien's needs should they become indigent.

But these affidavits are not legally binding under current law. The truth of the matter is that many sponsors file the affidavits merely to get the alien into the country. Once here, sponsors counsel the alien to enroll for SSI benefits or other types of public assistance, and the money often finds its way back to the sponsor, in the form of rent for rooms provided or payment for food and clothing.

Briefly, the following are but a few examples of abuse highlighted in the GAO report:

A 64-year-old alien in Sunnyvale, Calif. applied for and received SSI benefits within 4 months of arrival in the United States, even though his daughter had promised to support him. She annually earns over $25,000 and lists assets worth over $130,000.

In August of 1976 a naturalized American citizen from Rochester, N.Y., was granted approval to have her two parents and eight brothers and sisters admitted to the United States. Four months later, three of them applied for and received SSI benefits because of a disabling disease contracted before leaving for the United States. They now receive $350 each month in SSI payments.

Three months after entering the United States, a couple from San Francisco began receiving monthly benefits of $338 despite the fact that their son-in-law signed an affidavit of support insuring that the couple would not become public charges. The son-in-law told officials that he would stop supporting the couple once they began receiving welfare benefits. He discontinued assistance soon after the couple began receiving SSI. As a result, the couple's benefits were increased to $522 per month.

Unfortunately, these abuses by some aliens and their sponsors reflect badly on the vast majority of legal aliens who contribute so much to our society and who want only a chance to become productive American citizens.

A comparatively recent Supreme Court ruling has made it possible for the Congress to correct this oversight and to curtail costly abuse of the SSI program. On June 1, 1976, in the case of Mathews against Diaz, the Supreme Court held that the Congress has no constitutional duty to provide all aliens with the public assistance benefits provided to U.S. citizens. The court also ruled that a residency requirement for aliens is permissible in determining eligibility for public assistance. Prior to the 1976 ruling, no action had been taken to close the SSI loophole because a 1971 court ruling held that State laws establishing residency requirements violated the equal protection clause of the Constitution and encroached upon exclusive Federal jurisdiction over immigration policy.

My two bills, which I sponsored early in the 95th Congress, provide a fair approach to closing the loophole and to protecting the interests of all parties concerned—the alien, the sponsor and the American taxpayer.

The first bill amends the Social Security Act to restrict payment of SSI benefits to U.S. citizens to the legally admitted aliens who have lived in the United States for at least 5 years. There are two notable exceptions to the 5-year residency requirement however. One is for those aliens who become blind or disabled while in this country.

The second is for those aliens who are refugees as a result of having been paroled into the United States, having been granted asylum by the Attorney General, or otherwise determined by law. In this way refugees such as the Indochinese "boat people" or those from the Soviet Union could qualify for SSI benefits if necessary soon after their arrival in the United States.

The second bill amends the Immigration and Nationality Act to make the financial obligation that a sponsor assumes on behalf of the incoming alien, in an affidavit of support, a legal obligation—in the sense of a binding contract—not just a moral obligation as it is under current law.

The legal obligation of the sponsor to financially support an alien would be limited to the first 5 years the alien is in the United States. If the alien becomes a public charge during that time, the sponsor would have a legal obligation to provide a minimum standard of living—125 percent of the Census Bureau poverty threshold appropriate to the alien's marital and family status—for the alien.

To enforce this legal obligation, this bill would empower district attorneys acting on behalf of the U.S. Attorney General, the alien himself, or States acting through the appropriate officer to file a civil suit in Federal district court against the sponsor to force him to provide financial support.

The SSI program was created in the early 1970's as a joint Federal-State program to help poor persons who are aged, blind, or disabled. It has proven to be a very worthwhile program in helping meet the needs of America's poor. It was never intended to provide for the world's aged, blind, and disabled.

These bills underscore the fact that it is possible for the Congress to exercise more fiscal responsibility without having to resort to draconian measures.

TRIBUTE TO FATHER ANTHONY DAL BALCON

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, a wise man once wrote that "work is love made visible" and that if you cannot "work with love * * * it is better that you leave your work." I rise today, Mr. Speaker, to draw my colleagues' attention to a resident of my district whose work truly is love and whose love is most visible in the community of Mitchellville, Md.

That individual, Mr. Speaker, is Father Anthony Dal Balcon, who for the past 12 years has been unselfishly devoting his life to others as the administrator of the Villa Rosa Home for the elderly in Mitchellville.

Villa Rosa is a most remarkable facility, filled with love and warmth and a genuine concern for the well-being of the senior citizens, principally of Italian origin, who reside there. Many people will tell you Father Anthony, the only administrator the home has known, is a primary reason—perhaps the primary reason—this is so.

Born in Italy, Father Anthony was ordained a priest of the Missionaries of St. Charles in his native land and came to the United States in 1949. He was an assistant pastor in New York for 8 years and spent 7 years as a free-lance missionary in the West before returning to New York in 1964 as a pastor and Vicar Provincial of the Missionaries of St. Charles.

It was in this second period in New York that Father Anthony experienced first hand the plight of many elderly Americans. He saw how some are forced to live out their lives in loneliness and helplessness and he dedicated his efforts to helping these individuals, both spiritually and financially.

It was these experiences, moreover, that brought Father Anthony to the Villa Rosa Home a few years later. The home was completed under the leadership of the archbishop of Washington on land bequeathed by Rev. Nicholas De Carlo, founder and first pastor of the Holy Rosary Church in Washington. The Missionaries of St. Charles were given the responsibility of operating the home in 1967.

Under Father Anthony's careful, caring stewardship, Villa Rosa not only flourished but became known throughout the Washington area for the warmth and love that is found there. At times, as many as 150 people have been waiting for admittance to the home and it was this demand that led to completion last summer of two new wings that almost doubled the home's capacity.

As with most Villa Rosa projects, this expansion, which brought 41 additional beds to the facility, bore the distinct imprint of the home's hardworking administrator, Father Anthony Dal Balcon.

But Father Anthony's achievements have not solely involved Villa Rosa. He helped establish a management seminar series for nursing home administrators at Maryland University in 1969 and he was awarded a permanent license as a nursing home administrator by the Governor of the State. He has been active in the health facilities association and on the Governor's Commission on Nursing Home and Peer Review Committee. In addition, he has been active in numerous fraternal organizations in Prince Georges County.

Mr. Speaker, this coming weekend, many of Father Anthony's close friends and associates will gather to honor this most dedicated and loving man at a testimonial dinner given by the Christopher Columbus Lodge, Sons of Italy, in Prince Georges.

I will be honored to be present at this dinner to pay tribute to an individual who believes as I do that our senior citizens are among our most precious natural resources.

I know my colleagues here today will want to join me in recognizing the many fine achievements of a man who has given so much to so many for so long. I know, too, they will want to wish him well in all his future undertakings. And most of all, Mr. Speaker, I know my colleagues will want to join me in offering my heartfelt thanks to Father Anthony Dal Balcon for the work he has done and will continue to do at the Villa Rosa Home. His work is truly "love made visible."

□ 1430

LEGISLATION TO HELP BALANCE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, balance the budget. That is a call we are all hearing from many sectors, and I am convinced it is one we should heed. The question we need to answer is how best to achieve that goal.

As of now, I have not cosponsored any of the numerous proposals calling for specific constitutional amendments to require that the Federal budget be balanced. But that is not because I disagree with the concept. Rather, I am concerned that any proposal which might move through the legislative process should be carefully considered and thoughtfully drafted. After all, it is the basic law of the land, our Constitution, we are talking about here. Still, I do think we should begin the process for considering the possibility of an amendment. To that end, I joined in a letter to Chairman RODINO of the House Judiciary Committee urging that the committee initiate hearings on the proposals to amend the Constitution to mandate a balanced budget. I am pleased that those hearings are forthcoming; I intend to follow them closely.

Regardless of the speed with which the Congress considers the various proposals and decides on a proper course of action, should a proposed constitutional amendment be sent to the State legislatures for ratification, it would take some time to complete the entire process. Staggered legislative sessions in the States would mean several years' delay at least. I feel sure that most of those calling for a balanced budget do not want to wait that long. And, if the reason we need to bring Federal spending into line is to trim our spiraling inflation rate—as I think it is—then we cannot afford to wait to get an amendment approved before we set a timeframe and process for actually reaching the goal of a balanced budget.

Therefore, I think it would be prudent of the Congress to move ahead to expeditiously enact legislation establishing a timetable for bringing the budget into line and for retiring the Federal debt. In others words, we should proceed with legislation which would achieve the same goal as a constitutional amendment but with less delay and which could in fact serve as implementing legislation should a constitutional amendment subsequently be approved. Such legislation should also look ahead to provide for keeping the budget in balance as demands for new programs come along.

Today, I have introduced a bill which I feel can serve these goals. My proposal would require that the budget resolutions we approve be in balance beginning with those for fiscal year 1982. The legislation would require that deficits in the budget resolutions continue the downward trend we began in the last resolution by reductions of at least one-third and two-thirds of the fiscal 1979 deficit in fiscal years 1980 and 1981, respectively. After the budget is brought into line, my proposal would provide for gradual retirement of the Federal debt as of October 1, 1983, plus interest accrued thereon.

The fluctuating economic and international conditions of the last few years make painfully clear the fact that situations often change with remarkable speed. As a result, compelling reasons do periodically develop for authorizing programs and appropriating dollars in the midst of a fiscal year which go beyond what was anticipated when the budget resolutions were finalized. It makes sense to me to provide the flexibility to permit future Congresses to respond to such situations as they see fit, provided they maintain the fiscal integrity of the budget. To do that, my legislation borrows from and modifies an idea of Will Rogers. He once said:

> We will never get anywhere with our finance till we pass a law saying that every time we appropriate something, we got to pass another bill along with it stating where the money is coming from.

He had a point: Unless we somehow tie new costs to specific funding we will not be able to remain fiscally responsible.

Let me explain specifically how my proposal would put the Will Rogers idea into law. First, whenever the Congress enacts legislation which would necessitate expenditures in excess of the ceilings set in the applicable budget resolution—which, as I explained earlier, would be legally required to be in balance beginning in fiscal 1982—the same authorizing bill would be required to specify a means of covering the additional costs involved. Any of a number of options could be specified to cover the cost: New levies or increases of specific taxes, imposition or increases in some sort of user fee, reduction or cancellation of other programs receiving an equal or greater amount of Federal funding, or any number of other options which might be devised. The relevant appropriations bill—which actually provides the funding over the budget authority—would be required to include provisions modifying the current public laws governing the means of funding set out in the authorizing legislation to actually generate—or save—the needed dollars.

Under this proposal, the Congress could decide that the most appropriate means of funding a certain expenditure over the budget ceiling is by short-term borrowing. However, the bill would impose quite stringent requirements on borrowing to assure that it is used only in the most critical situations. First, legislation authorizing Federal borrowing could only be approved by a two-thirds affirmative vote of both Houses of the Congress. Second, the legislation allowing the borrowing would be required to specify a means of repaying the debt incurred plus debt financing costs and a timetable for completion of the repayment in no more than 3 years. Finally, my bill would require that any short term debts accrued under this provision would remain in segregated accounts until they are retired.

What these procedures for financing programs over the budget limits are designed to do is to force the Congress to "bite the bullet." It will drive home the point that there is a cost associated with program expansions and new programs. That could not be more clear than by simply tying the program expansions or additions and the new cost together at the authorizing and appropriating stages. Hopefully, this point will be made not only in the Congress but also among the many special interests who continually ask for special treatment or funding of favored programs. This mechanism should make it easier to say "no," and some of the pressure for more and more Federal spending might be relieved if the people who ask for new or expanded programs are made to realize that they are also asking the Congress to legislate at the same time a means of picking up the tab.

Legislation to bring the budget into line must, I am convinced, provide flexibility to deal with economic realities. In discussing the President's current budget proposals, one point that many have made is that administration revenue projections might be overly optimistic. Even the most reasonable revenue estimates can become unrealistic with a sudden economic down turn. And, if that occurs in the midst of a fiscal year, it would likely throw even the best planned balanced budget out of line. That is a problem with which we must live, but it is also one the long term effect of which we can minimize. My legislative proposal would do that by requiring that whenever such unanticipated deficits develop as a result of revenue shortfalls, they must be retired in the immediately following fiscal year.

One last provision of my bill that I need to point out is similar to one included in all of the constitutional amendments that have been proposed. Most specify that budgets may be out of balance in times of war or national emergency. My bill would instead require that balanced budget resolutions continue to be approved during those periods. However, timetables established under the legislation, including those for retiring the Federal debt accrued before a balanced budget was achieved and for repaying short term debt subsequently incurred, could be rescheduled during years in which the Nation is at war or in a state of national emergency. To proceed with such rescheduling, annual concurrent resolutions to that effect would need to be passed by a two-thirds vote of each House. Allowing such rescheduling, coupled with the mechanism built into the bill to permit borrowing in critical situations, my bill retains the flexibility to deal with crises without rejecting the balanced budget principle as a base of operations.

If we are going to put the Federal fiscal house in order in time to do some good, we are going to have to be willing to consider creative ideas. Will Rogers had one that could hardly be more applicable to our problems today. It would be a tribute to him if we adopted his idea, and I am convinced it is an answer that has the potential to work.●

FAIR HOUSING AMENDMENTS ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, today I join with Congressman DON EDWARDS, chairman of the Judiciary Subcommittee on Civil and Constitutional Rights in introducing the Fair Housing Amendments Act of 1979. As my colleague has stated, extensive hearings and studies have made it clear that the problem of housing discrimination is a national disgrace, and the existing means to cure that problem are wholly inadequate. Consequently, we believe this legislation should be afforded the highest priority, a commitment which is shared by the President of the United States and civil rights organizations. Accordingly, hearings will be held on this bill early in this session, and we intend to move promptly for its enactment.

To facilitate an understanding of this major piece of legislation, I wish to insert at this point a copy of the Fair Housing Amendments Act of 1979.

H.R. 2540

A bill to amend title VIII of the Act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Fair Housing Amendments Act of 1979".

SHORT TITLE FOR 1968 ACT

SEC. 2. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-234, approved April 11, 1968) is amended by inserting immediately after the comma at the end of the enacting clause the following: "That this Act may cited as the Civil Rights Act of 1968.".

SHORT TITLE FOR TITLE VIII

SEC. 3. Title VIII of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the title's catchtline the following new section:

"SHORT TITLE

"SEC. 800. This title may be referred to as the 'Fair Housing Act'.".

AMENDMENTS TO DEFINITIONS SECTION

SEC. 4. (a) Section 802(f) of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out "section 804, 805, or 806" and inserting "this title" in lieu thereof.

(b) Section 802 of such Act is amended by adding at the end the following:

"(h) 'Handicap' means, with respect to a person, (1) a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment.

"(i) 'Aggrieved person' includes any person who is adversely affected by a discriminatory housing practice that has occurred, is occurring, or is about to occur.".

MODIFICATION OF OWNER-OCCUPIED EXEMPTION

SEC. 5. Section 803 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended—

(1) by inserting "and before the date of the enactment of the Fair Housing Amendments Act of 1979," immediately after "1968," in subsection (a)(2);

(2) by striking out "Nothing in section 804 (other than subsection (c))" in subsection (b) and inserting in lieu thereof the following: "Before the date of the enactment of the Fair Housing Amendments Act of 1979, nothing in section 804 (other than subsections (c) and (e))"; and

(3) by adding at the end the following:

"(d) After the date of the enactment of the Fair Housing Amendments Act of 1979, subject to the provisions of section 807, the prohibitions set forth in section 804 of this title shall apply to all dwellings, except that the prohibitions set forth in section 804(a), (b), and (d) shall not apply with respect to the renting of space within a single family dwelling unit by the occupant of such unit to any other person or persons.".

DISCRIMINATORY HOUSING PRACTICE AMENDMENTS

SEC. 6. (a) The catchline of section 804 of the Act entitled "An act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by adding at the end the following: "AND OTHER PROHIBITED PRACTICES".

(b) Section 804 of such Act is amended by inserting ", 803(d)," immediately after "803(b)".

(c) Section 804 of such Act is amended by adding at the end the following:

"(f) For a person in the business of insuring against hazards to refuse to enter into, or discriminate in the terms, conditions, or privileges of, a contract of insurance against hazards to a dwelling because of the race, color, religion, sex, handicap, or national origin of persons owning, or residing in or near, the dwelling.".

(d) Sections 804, 805, and 806 of such Act are each amended by inserting "handicap," immediately after "sex," each place it appears.

(e) Section 805 of such Act is amended by—

(1) inserting "(a)" immediately after "SEC. 805.";

(2) inserting "of persons residing in the vicinity of such dwelling, or" immediately after "or national origin"; and

(3) by adding at the end the following:

"(b) After the date of the enactment of the Fair Housing Amendments Act of 1979, it shall be unlawful for any person or other entity to refuse to buy a debt, or negotiable evidence of a debt, secured by real property because of the race, color, religion, sex, handicap, or national origin of persons residing in or in the vicinity of such real property.".

FUNCTIONS OF SECRETARY

SEC. 7. (a) Section 808(d) of the Act entitled "An Act to prescribe penalties for cer-

tain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting "(including any Federal agency having regulatory authority over financial institutions)" after "urban development".

(b) Section 808(e)(3) of such Act is amended by inserting "financial and" immediately before "technical".

ENFORCEMENT CHANGES

SEC. 8. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out sections 810 through 814 and inserting in lieu of the matter so stricken the following:

"ENFORCEMENT BY SECRETARY; PRELIMINARY MATTERS

"SEC. 810. (a)(1) Whenever an aggrieved person, or the Secretary on the Secretary's own initiative, files a charge alleging a discriminatory housing practice, the Secretary shall serve a notice of the alleged discriminatory housing practice on the party charged (hereinafter in this title referred to as the 'respondent') within 10 days after such filing, and shall make an investigation thereof. Such charges shall be in writing under oath or affirmation and shall contain such information and be in such form as the Secretary requires. An aggrieved person shall file a charge under this section with the Secretary not later than one year after the alleged discriminatory housing practice occurred or terminated. The Secretary may also investigate housing practices to determine whether charges should be brought under this section or new rules should be made under this title.

"(2)(A) In connection with any investigation of such charge or of a housing practice, the Secretary shall, at reasonable times, have access to, and the right to copy, any information that relates to such charge or housing practice. The Secretary may issue subpenas to compel such access to or the production of such information, or the appearance of persons, and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Secretary may administer oaths.

"(B) Upon written application to the Secretary, a respondent shall be entitled to the issuance of a reasonable number of subpenas by and in the name of the Secretary to the same extent and subject to the same limitations as subpenas issued by the Secretary under clause (A) of this paragraph.

"(C) Witnesses summoned by subpena of the Secretary under this title shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts. Fees to a witness summoned by a subena requested by the respondent shall be paid by the respondent.

"(D) The Secretary or other party at whose request a subpena is issued under this title may enforce such subpena in appropriate proceedings in the United States district court for the district in which the person to whom the subpena was addressed resides, was served, or transacts business.

"(E) Any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if in such person's power to do so, in obedience to the subpena or lawful order of the Secretary under this title, shall be fined not more than $1,000 or imprisoned not more than one year, or both. Any person who, with intent thereby to mislead the Secretary shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document produced pursuant to the Secretary's subpena or other order, or shall willfully neglect or fail to make or cause to be made full, true, and correct entries in such reports, accounts, records, or other documents, or shall willfully multilate, alter, or by any other means falsify any documentary evidence, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(3) Whenever a charge alleges a discriminatory housing practice within the jurisdiction of a State or local public agency certified by the Secretary under this paragraph, the Secretary may, before taking any action with respect to such charge and with the consent of the aggrieved person, refer such charge to that certified agency. Except with the consent of such certified agency, the Secretary shall, after that referral is made, take no further action with respect to such charge. No agency may be certified under this paragraph unless the Secretary determines that the substantive rights protected by that agency, the procedures followed by that agency, and the remedies available to such agency, are substantially equivalent to those created by and under this title. Before making such certification, the Secretary shall take into account the current practices and past performance, if any, of such agency.

"(4) The Secretary and other Federal agencies having authority to prevent housing discrimination shall cooperate and seek to avoid duplication of effort in the exercise of their several authority. The Secretary and such other Federal agencies shall notify each other of any allegation of housing discrimination which may be within their respective responsibilities. The Secretary or such other Federal agency shall, upon such notification, take additional appropriate action.

"(b) If the Secretary determines any time after the filing of a charge that prompt action is necessary to carry out the purposes of this title, the Secretary, after notice and opportunity to be heard has been given the respondent, may order temporary or preliminary relief pending the final disposition of such charge. The Secretary may enforce such an order in appropriate proceedings in the United States district court for the district in which the party to whom such order was made resides, was served, or transacts business.

"(c) If the Secretary determines, after an investigation under this section, that reasonable cause exists to believe the charge is true, the Secretary shall file an administrative complaint under section 811(a) of this title or refer the matter to the Attorney General for the filing of an appropriate civil action under section 813(b) of this title.

"ENFORCEMENT BY SECRETARY; HEARING PROCESS

"SEC. 811. (a) Upon filing an administrative complaint, the Secretary shall cause a copy of such complaint to be served on the respondent, together with a notice of opportunity for a hearing on the record at a place and time (not less than 30 days after the service of such complaint) specified in such notice. Any resolution of a charge or complaint by means of conciliation shall require the consent of the person who filed the charge, and any such resolution following the service of a complaint under this subsection shall also require the approval of the Secretary. The respondent shall have the right to file an answer to the administrative complaint and to appear in person or otherwise and give testimony at a hearing on the record. Any aggrieved person shall be allowed to intervene in the proceeding, to appear in person or otherwise, to obtain the issuance of a reasonable number of subpenas in the manner set forth in section 810 of this title, and to present testimony. After the conclusion of such hearing, the person conducting the hearing shall make findings of fact and conclusions of law, and may issue an order providing such relief as may be appropriate, and may impose a civil penalty of not to exceed $10,000. Any order issued under this subsection is subject to review and modification by the Secretary.

"(b) The findings of fact and conclusions of law made with respect to a final order issued under subsection (a), together with a copy of such order, shall be served on each aggrieved person and each respondent in the proceeding.

"(c) Any petition for judicial review of a final order under subsection (a) shall be filed in the appropriate court of appeals not later than 60 days after the entry of such final order by the Secretary. Such judicial review of a final order shall be in the manner provided under chapter 158 of title 28 of the United States Code. For the purposes of judicial review of such an order, any aggrieved person shall be deemed a party in the administrative proceedings reviewed. The findings of the Secretary shall be conclusive if supported by substantial evidence in the record considered as a whole. No objection not urged before the Secretary (or other person holding the hearing) shall be considered by the court unless the failure or neglect to urge such objection should be excused because of extraordinary circumstances.

"(d)(1) Any person who violates a final order of the Secretary under subsection (a) shall be subject to a civil penalty assessed by the Secretary of not more than $1,000 for each day during which such violation continues after the date on which such final order becomes unreviewable.

"(2) For the purposes of paragraph (1) of this subsection, a final order becomes unreviewable—

"(A) if a petition for review has not been filed in the appropriate reviewing court, on the day 60 days after the entry of such final order, or

"(B) if such a petition is so filed within such 60-day limit, on the date on which the last appellate court's decision becomes final and not subject to any further appellate proceeding.

"PRIVATE ENFORCEMENT

"SEC. 812. (a)(1) An aggrieved person may commence a civil action in an appropriate United States district court or State court at any time not later than three years after the alleged discriminatory housing practice occurred or terminated.

"(2) After an aggrieved person has commenced a civil action under this section, the Secretary may not commence or continue proceedings toward the issuance by the Secretary of a remedial order based on such charge.

"(3) An aggrieved individual shall not commence a civil action under this subsection with respect to a charge made by that individual to the Secretary if the Secretary (or a State or local agency to which the Secretary refers such charge) has commenced the hearing on the record with respect to that charge.

"(4) Upon timely application, the Attorney General may intervene in such civil action, if the Attorney General certifies that the case is of general public importance.

"(b) Upon application by an aggrieved person, any trial or appellate court may, in such circumstances as it deems just, appoint an attorney for such person and may authorize the commencement or continuation of the action without the payment of fees, costs, or security.

"(c) If the court finds in a civil action under this section that an alleged discriminatory housing practice has occurred, is occurring, or is about to occur, the court shall award such relief as may be appropriate, which may include money damages, equitable and declaratory relief, and, in the case of a willful violation, punitive damages.

"ENFORCEMENT ROLE OF ATTORNEY GENERAL

"SEC. 813. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title and such denial raises an issue of general public importance, the Atorney General may bring a civil action in an appropriate United States district court.

"(b) The Attorney General may bring a civil action in an appropriate Unittd States district court (1) to enforce any final order under section 811(a) of this title that is referred for enforcement by the Secretary; (2) to collect any civil penalty assessed by the Secretary under section 811 of this title and (3) to remedy any discriminatory housing practice (A) with respect to which the Secretary has made a finding that reasonable cause exists under this title and (B) which the Secretary refers to the Attorney General for enforcement under this subsection.

"(c) The court may award such relief in any civil action under this section as is authorized in section 812(c) of this title in cases brought under that section.

"(d) A person may intervene in any civil action commenced under this section which involves an alleged discriminatory housing practice with respect to which such person is an aggrieved person.

"ATTORNEY FEES AND OTHER COSTS AND EXPEDITION OF PROCEEDINGS

"SEC. 814. (a) In any action or proceeding under this title, the court, in its discretion, may allow a prevailing party (other than the United States with respect to attorney fees) reasonable attorney fees as part of the costs, and the United States shall be liable for such costs the same as a private person. Such costs may also be awarded upon the entry of any interlocutory order which determines substantial rights of the parties.

"(b) In any administrative proceeding based on a charge under section 810(a) of this title, the Secretary may award to any prevailing party (other than the United States with respect to attorney fees) reasonable attorneys fees as a part of a final order under section 811(b) of this title.

"(c) Any court in which a proceeding is instituted under this title shall assign the case for hearing at the earliest practcable date and cause the case to be in every way expedited.".

INTERFERENCE, COERCION, OR INTIMIDATION

SEC. 9. Section 817 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out "section 803, 804, 805, or 806." and inserting "this title." in lieu thereof.

CONFORMING AMENDMENT TO TITLE IX OF 1968 CIVIL RIGHTS ACT

SEC. 10. Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting ", handicap (as defined in section 802 of this Act)," immediately after "sex" each place it appears.

CONFORMING AMENDMENTS TO TITLE 28 OF UNITED STATES CODE

SEC. 11. (a) Section 2341(3)(B) of title 28 of the United States Code is amended by inserting "or the Secretary of Housing and Urban Development, as the case may be" immediately after "the Secretary of Agriculture".

(b) Section 2342 of such title 28 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof; and

(3) by adding immediately after paragraph (6) but before the final sentence, the following:

"(7) all final orders of the Secretary of Housing and Urban Development under the Fair Housing Act.".●

FAIR HOUSING AMENDMENTS ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. EDWARDS) is recognized for 10 minutes.

● Mr. EDWARDS of California. Mr. Speaker, today I have introduced with my colleague, Mr. DRINAN, the Fair Housing Amendments Act of 1979, a comprehensive revision of title VIII of the Civil Rights Act of 1968. An identical bill has been introduced in the Senate, sponsored by Senators BAYH and MATHIAS. This joint effort reflects our deep commitment to the enactment of legislation that will help cure the deficiencies in existing Federal fair housing law. As he stated in his supplemental state of the Union message, President Carter shares this concern:

[W]e need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy.

My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

The bill is a successor to title II of H.R. 3504, introduced in the 95th Congress by myself and Congressman DRINAN. Last year, the Subcommittee on Civil and Constitutional Rights, which I chair, held 7 days of hearings on that bill. Those hearings established beyond any doubt the need for a significant reform of existing law to deal with the persistent and pervasive problem of housing discrimination. Furthermore, there was a clear and strong consensus in favor of the proposed enforcement mechanisms of H.R. 3504—improved access to the Federal courts and a complementary and powerful administrative enforcement scheme within the Department of Housing and Urban Development.

We received supportive testimony from the Secretary of HUD, Patricia Harris, the Assistant Attorney General for Civil Rights, Drew Days, and numerous representatives from organizations concerned with fair housing enforcement. Altogether we heard from over 17 witnesses, and received extensive comments from over 60 organizations. The bill introduced today reflects an understanding of the problems of coverage and enforcement which we gained from those sources. We believe that the Fair Housing Amendments Act of 1979 proposes only those changes which are of the highest priority for effective and efficient fair housing protection. We also believe the proposed enforcement mechanism is fair to both complainants and respondents and fairly accommodates often competing goals.

ENFORCEMENT POWERS

The heart of the revised enforcement scheme lies in the creation within HUD of administrative powers. Under existing law, HUD is charged with a leading role in insuring that title VIII is implemented, yet it is provided with no enforcement authority except the pallid responsibility to conciliate. The only alternative has been expensive and time-consuming litigation instituted by victims or the Attorney General, and as described below, even these avenus have contained barriers that severely limited their usefulness. Furthemore, the majority of fair housing violations involve limited factual and legal issues, and relatively small financial losses. Thus, litigation—through private suits or Justice Department representation—is ill suited to meet this need. A major goal of a HUD administrative enforcement mechanism is to provide a fair, speedy, and inexpensive remedy for these victims of housing discrimination.

Under this bill, HUD will be empowered to receive and investigate complaints, conduct hearings, and issue remedical orders, including temporary or preliminary relief. Judicial review of these orders would be available on an appellate level.

At the same time, HUD will have a responsibility to coordinate and facilitate fair housing enforcement by other governmental entities. Where State and local agencies enforce laws of substantially equivalent coverage and remedies, referrals may be made. Where Federal agencies, such as the Federal Home Loan Bank Board, share responsibility for achieving fair housing, coordination and avoidance of duplication is required.

The sponsors also recognize, however, that in some instances, direct access to the courts is the only meaningful avenue of redress. Experience in fair housing as well as with other civil rights laws has taught us that the role of private litigants and the Department of Justice is vital for maintaining a vigorous and creative approach to enforcement of the law.

Consequently, the bill provides that the Secretary of HUD and the aggrieved person may choose between the administrative and judicial forums. To insure that access to the courts is not unduly restricted, the bill also makes significant procedural changes. The statute of limitations is lengthened from a mere 180 days to a more realistic 3 years. The situation under which attorneys' fees and costs are awardable is made comparable to that found in other civil rights laws.

The role of the Attorney General is also clarified and enlarged. Under this bill, the Department of Justice will have the authority to bring suits at the request of the Secretary of Housing and Urban Development—where there has been a finding of reasonable cause, upon a violation of an administrative order, or to collect a civil penalty imposed by

the Secretary. In none of these instances would there need to be a pattern or practice of discrimination, the present limitation on Justice law suits. In addition, the Attorney General would be permitted to seek monetary damages in its pattern and practice litigation, a remedy which the Fourth Circuit Court of Appeals has held the Department lacks.

This bill, then, permits a maximum of flexibility in enforcement—a complaint may be resolved in a variety of forums; checks and balances are built in to protect the parties from bureaucratic inaction and the expense of adjudication. However, care has been taken to minimise duplication of effort and preclude the possibility of multiple and possibly inconsistent orders in the same case. Thus, for example, if the aggrieved party files a charge with the Department of Housing and Urban Development, and if that charge goes to an administrative hearing, the party is thereafter barred from commencing a de novo civil action. Likewise, if the aggrieved files a suit prior to any such administrative hearing, no further action can be taken on an administrative level.

In a similar vein, the bill provides that if a charge is referred by HUD to a State or local fair housing agency, HUD is precluded from taking further action on that charge.

In sum, then, we believe we have successfully addressed the valid criticisms made in the context of civil rights enforcement, to the effect that enforcement has been uncoordinated, duplicative, ineffective, and inconsistent.

EXPANDED COVERAGE

In addition to changes in enforcement, the bill also seeks to correct several substantive problems in the fair housing law. First, the owner-occupied exemption in existing law is modified. Under the present statute, an owner of a dwelling with four or less units may discriminate under title VIII if such owner occupies one of the units—although such discrimination is illegal under the Civil War civil rights statutes. To make the remedies under title VIII parallel with these older laws, the bill narrows the exemption to cover only rooms rented in a single family unit. The revision also allows the renter, as well as an owner, to claim the exemption, thus eliminating the artificial distinction between owners and tenants contained in the present statute.

Second, the fair housing amendments add "handicap" to the list of proscriptions. It is intended that this provision will permit handicapped individuals to have the same protection as that afforded to the other protected classes in title VIII. Thus, although this law will not mandate retrofitting to eliminate architectural barriers, it will assure that the unfounded prejudices against this group will no longer be legally sanctioned.

Finally, two provisions are added which clarify that title VIII is intended to reach "redlining" practices. Mortgage redlining—the practice of lenders in denying mortgage loans because of the racial or ethnic composition of the neighborhood in which the dwelling is located—has been held to be within the prohibition of section 805 of existing law by courts—Laufman against Oakley—the Department of Justice, the Federal Home Loan Bank Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. However, the coverage is sufficiently uncertain to merit this clarifying change. We have also made the logical extensions of this principle. First, the secondary mortgage market is explicitly brought within this structure—an interpretation that is presently held by the FHLBB. Secondly, redlining is prohibited with respect to its impact on all the protected categories; that is, including religion, sex, and handicap.

A similar amendment is made regarding the writing of hazard insurance. As with mortgage lending redlining, it has been the practice of some insurance underwriters to refuse to enter into contracts of insurance because of the racial, ethnic or religious composition of the neighborhood surrounding the dwelling. Unjustifiable discrimination in the terms of home insurance because of the sex or handicap of owners and occupants has also been a serious problem. While the Department of Justice has argued that such refusals are covered under title VIII, it is sound legislative policy to make it perfectly plain and thus this change is also included in this bill.

CONCLUSION

The need for these amendments, already has been established. The problem of housing discrimination is even worse than is apparent. In testimony before my subcommittee last year, for example, the National Committee Against Discrimination in Housing stated that its recent survey documented that—

> A vast residue of discrimination remains * * * [E]qual treatment was accorded whites and blacks in only 30 percent of the responses in the rental market and in only 10 of the sales market.

The need for effective enforcement mechanisms inevitably follows from a rcognition of the problem. And as Secretary Patricia Harris testified:

> The lack of adequate enforcement power has been the most serious obstacle to the development of an effective fair housing program within HUD. Our present authority is limited to a purely voluntary process of 'conference, conciliation, and persuasion.' I will not dwell upon the ironies associated with a law that mandates HUD to investigate and to establish the existence of violations of law, and then limits the Secretary to asking the discovered lawbreaker whether he wants to discuss that matter. Simply put, 'conciliation' all too often has proved inadequate means of securing compliance with the substantive provisions of Title VIII.

So that a short description is readily available to all, I wish at this point to insert a section-by-section analysis of this bill:

SECTION-BY-SECTION ANALYSIS OF THE FAIR HOUSING AMENDMENTS ACT OF 1979

Section 1. Provides that the short title of this Act will be the Fair Housing Amendments Act of 1979.

Section 2. Provides in the law that the short title of the 1968 Act (which is being amended) will be the Civil Rights Act of 1968. This simply establishes in the law itself the short title which is usually used when referring to the 1968 Act.

Section 3. Provides that the short title of Title VIII of the 1968 Act shall be the Fair Housing Act. Again, this simply establishes in the law a title normally used when referring to Title VIII.

Section 4(a). Broadens the definition of "discriminatory housing practice" to include any violation under the Act and not merely those made illegal under Section 804, 805, or 806.

Section 4(b). Provides a definition of handicap (identical to that used in other federal laws, including the Rehabilitation Act of 1973); defines "aggrieved person," thereby clarifying issues of standing in fair housing cases.

Section 5. Narrows the owner-occupied exemption in present law which allows discrimination generally in the sale or rental by owners of single family dwellings and in the rental of units in owner-occupied dwellings with four or less independent units. They new exemption, to apply prospectively, would apply only to a single-family dwelling, by an occupant of the dwelling in which space is being rented.

Section 6. Subsection 6(a). Amends the catchline of section 804 of the Act by indicating that other practices, in addition to discrimination in the sale or rental of housing, will be made unlawful in section 804, as amended.

Subsection 6(b). Amends section 804 of the Act by providing that the new and narrower owner-occupied exemption, discussed above, exempts certain housing from the section 804 prohibitions dealing with the sale or rental of housing.

Subsection 6(c). Amends section 804 of the Act by making it unlawful for insurance companies and their agents to refuse to write home insurance because of the race, color, religion, sex, handicap or national origin of the owners, residents or neighbors of the home.

Subsection 6(d). Amends sections 804 by adding "handicap" as another prohibited ground for discriminating in housing activities covered in section 805. Thus, discrimination in the sale, rental, financing, insuring, location, etc., of housing because of handicapped status, will be prohibited. However, it is not intended that this bill require retrofitting to remove architectural barriers, although reasonable accommodations (at the expense of the buyer or lessee) would have to be permitted.

Subsection 6(e). Amends section 805 of the Act by explicitly prohibiting the practice of mortgage redlining by the primary and secondary mortgage market. Although there is precedent indicating that redlining is already prohibited under Title VIII, this amendment is proposed solely for purposes of clarification.

Section 7(a): This provision clarifies the inclusion of the federal financial regulatory agencies as executive agencies with responsibility to administer their programs in a manner affirmatively to further the purposes of the Federal Fair Housing Act. The Federal Home Loan Bank Board, the Comptroller General, and the Federal Deposit Insurance Corporation agree with this interpretation of existing law, but clarification is needed.

Section 7(b). Amends section 808(e)(3) of the Act by clarifying HUD's authority to provide financial as well as technical assistance to public and private civil rights organizations seeking to remedy housing discrimination.

Section 8. Revises the enforcement mechanisms in the Act. Under present law HUD has only the authority to investigate and conciliate violations. This section would give HUD the authority to issue appropriate orders, including cease and desist orders and civil penalties through administrative proceedings.

The new sections 810 and 811 added by this section of the bill provide for the filing of housing discrimination charges with HUD by the Secretary and by aggrieved persons. HUD is authorized to investigate such charges and, when reasonable cause exists to believe that the charge is true, the HUD Secretary may either refer the charge to Justice for suit, refer the charge to a certified state or local agency, or file an administrative complaint (based on a charge) on which there shall be notice and opportunity for a hearing.

A final order of the HUD Secretary is appealable in an appropriate court of appeals and, in such an appeal, the findings of the Secretary shall be conclusive if supported by substantial evidence.

The Secretary is authorized to assess civil penalties against persons who violate final orders of the Secretary once those orders become unreviewable.

The new section 812, added by this section of the bill, outlines private judicial enforcement rights. An aggrieved person may file a civil action to remedy a discriminatory housing practice. The statute of limitations is lengthened. However, such a suit may not be filed if the aggrieved person has filed the charge with HUD, and a hearing on the record has commenced by HUD or the state or local agency (to which HUD has referred the charge).

The court, in cases brought by aggrieved persons, may appoint an attorney and authorize the commencement of actions without fees. The Attorney General may intervene in such cases, where the case involves issues of general public importance.

The new section 813, added by this section of the bill, outlines the enforcement role of the Attorney General. The Attorney General, on his own initiative, may institute civil actions intended to remedy pattern or practice violations or to remedy violations against groups of persons when the issues involved are of general public importance.

The Attorney General also may bring civil actions necessary to enforce the Secretary's final orders, to collect any civil penalties assessed by the Secretary, and to remedy discriminatory housing practices when the Secretary has found reasonable cause and referred the matte to the Department of Justice.

The new section 814, added by this section of the bill, provides that attorney fees may be awarded to prevailing parties in both judicial and administrative proceedings.

Section 9. Amends section 817 of the Act by broadening that section to provide a civil remedy for interferences with or intimidations relating to the exercise of rights granted by the title. Present law technically provides such remedies only for violations of sections 803, 804, 805, and 806 of the Act.

Section 9 of the bill redesignates the present sections 803, 804, 805, and 806 of the Act as "this title."

Section 10. Conforms Title IX of the 1968 Act (criminal penalties for intimidations) to add "handicap" as a basis for a criminal violation.

Section 11. Amends Title 28 of the United States Code to provide for judicial review of HUD Secretary orders in the court of appeals.●

A CALL FOR REPEAL OF 25TH AMENDMENT TO U.S. CONSTITUTION

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, today I reintroduced a resolution which I have introduced for not less than five consecutive Congresses.

I do so with a sense that this type of action has a tendency to be construed as frivolous or in a spirit of levity or lacking general widespread present interest or support, thus being susceptible to the suspicion that perhaps it has really no serious intended purpose in its introduction. I wish to dispel that kind of impression.

Mr. Speaker, the resolution is very simple. It calls for the repeal of the 25th amendment to the U.S. Constitution.

I was a Member of the Congress at the time that this resolution calling for the 25th amendment was deliberated here on the floor of the House, if "deliberated" can be the word. To my surprise, it was very quickly and rapidly put through with the necessary, in fact, more than necessary, two-thirds vote; and it subsequently received the same kind of treatment in the Senate. Again to my further surprise, it received very quick treatment by three-fourths of the legislatures of the Nation.

During the debate at that time I was the only Member who actually gave reasons for intending to vote against that resolution. There was a total of just about 29 Members who, on the record, voted "no" in the House. I was concerned then, but I never dreamed that there was the slightest, remotest chance that anything would happen during my lifetime which would give rise to the possibility of those fears being fulfilled.

During the debate on that amendment I said that it seemed to me that it evoked the worst features of the old Roman Senate intrigue, and even later in history, those of the Third French Republic. I further said that the capacity for mischief and the undoing of our democratic representative processes were great, as I could see it, not in the immediately foreseeable future, but at some future unpredictable time of passion and calamity, not unlike some which the country had already undergone, particularly during the Civil War period.

□ 1435

Of course, things have happened since then that should disturb us and I feel should make this a matter of urgent priority for the Nation. I consider the continuing existence of the 25th amendment in the Constitution of the United States has the most potential of danger and of a grievous nature for the sustaining of a viable democratic and representative form of government. Most of my colleagues and almost all of the constituents, including teachers of political science or civics, seem to be unaware of the actual content of the 25th amendment. They are all familiar with the first paragraph, but I find complete ignorance about the content and the nature of the second paragraph which I consider to be the most dangerous. I think we ought to be concerned, particularly since that very awesome period occurred in which events I never dreamed would happen in my lifetime happened—a crooked Vice President compelled to resign, the resignation of a President, the Nation ending up for the first time in its history with an unelected President and two unelected Vice Presidents, something so abhorrent as reflected in the proceedings of the Constitutional Convention to the Founding Fathers of the Nation that I am sure they would be gravely concerned if they were alive today.

During the first 10 years of our national existence, the country did not even bother to have such an Office as the Presidency. It had the Congresses, the Continental Congresses, but it had no such thing as the Office of the President, and when it did deliberate on that office during the deliberations of the Constitutional Convention, it was obviously a matter of great concern to those who were involved in writing the Constitution and after great trepidation, finally fixed on that article II and the executive branch of the Presidency. But, unlike the prevailing thinking among the leadership in the House and Senate, and particularly among the Committee on the Judiciary at the time in 1965, our Forefathers who wrote the Constitution were not unmindful of the things that were being given as justification for the 25th amendment. The First Congress in 1791 acted in pursuance of that foresight in fulfilling the mandate that was indicated in the second article of the Constitution where they were trying to provide for an orderly succession if need be.

So the First Congress passed the first law having to do with the procedures in case of succession, and they provided that if something happened to a President and there was a year and a half or more left in his term, that an election should be called in order to go back to the people. This was discarded in the 20th century and again in the third succession law of 1947. But this was never mentioned in the debate, and as far as I can recall, it was not even referred to in the proceedings of the Committee on the Judiciary as reflected in its report.

The thought was extended and it prevailed that nothing had really been done to take care of these events, or at least could, if something happened to the President, the inability to fill the Office of the Vice President—as we did for a year or so under President Johnson after the assassination of President Kennedy—or the disability of the President as in the case of Woodrow Wilson who vegetated for about 15 months while he was still President. My answer to that then, as it is now, is that the Republic survived, and just the emergencies that we had in 1973–74, in that period, clearly indicate our concern about the continued existence in its present form of the 25th amendment is a legitimate concern and that it should entail the highest priority of the lawmakers. I must confess that this is not so. I know of no other Member who has introduced a similar resolution at least in this Congress thus far or even in the past. In one Congress I believe the gentleman from Pennsylvania Mr. Dent did.

But let us go into some of the reasons briefly, and then I will conclude. We must remember that at the height of the

catastrophe of 1974 General Haig and Secretary of State Kissinger did discuss the possibility of invoking the 25th amendment.

□ 1440

Now, what did that mean? Well, we mean that under the second paragraph of the 25th amendment it is possible for the majority, in the words of the constitutional amendment, of the governing body to declare a President disabled.

Now, what do we mean by the governing body? It is not a constitutional phrase, other than as it appears in that amendment. Well, obviously, then, it has reference to the Cabinet, because I recall asking that question of then Chairman Celler of the Committee on the Judiciary and it was obvious that the word intended was cabinet, but since cabinet is not a constitutional phrase and since cabinets are not provided for by the Constitution, but are something that exist by tradition, precedent, and custom, they used the phrase governing body. If the majority of the governing body concludes that a President is disabled or cannot perform his duties as President, they declare him disabled. Then the Vice President becomes acting President. Of course, he can follow the procedure of filling the Vice Presidency, but it does not say if he was acting Vice President or not. That was followed in the case of Gerald Ford and Nelson Rockefeller, but it also provides that at that point it is possible for the Congress to appoint a commission of three persons. It does not say who, what qualifications or restrictions, it just says three persons shall constitute the commission and that commission then shall determine when and if at all that disabled President is able to resume his duties.

Now, what a tremendous potential for mischief that is and what a continuing threat to the stability of our administrative branch of the Government, if not indeed the whole structure of our Government. Yet it never ceases to amaze me how this apparently is not registering with the majority of the lawmakers or the citizens to any visible or discernible degree of concern.

The fact that General Haig and Secretary of State Kissinger thought of invoking the 25th amendment in the latter part of 1974 ought to show us that this potential is certainly there and still alive and kicking and that with this great vagueness we ought to go back and listen to those who have studied and analyzed this.

For example, we as Members of Congress are entitled to a very beautiful tome or book, which is the analytical copy of the Constitution of the United States. It is a document that is officially ordered published by the Congress. It is a great thing, but if we read the analyst and his comment on that particular amendment, you will find that he says that well, this is an imperfect amendment. It was never thought of as the final word on this subject matter. It was an effort, and obviously it is an imperfect effort, and it needs some further thought and revision; but nobody apparently seems to agree with that in or out of the Committee on the Judiciary, either in the House or in the Senate; at least, there has been no sentiment publicly expressed to that effect.

There has been no visible desire other than occasionally from the political scientists who write for periodicals that specialize in political science matters and have made oblique reference to the need for some attention in this matter, if not outright repeal of the 25th amendment.

I feel that unless we do strip the Constitution, or at least that deleterious portion of the 25th amendment, that we will continue to confront very serious and dangerous crises in the desire to maintain the form and the structure of the Government we are inured to.

There is no question in my mind that there will be times again of passion and of emotion as seen, in fact, this very afternoon in the House.

□ 1445

Fortunately, the level of the tone of consideration was restrained. But I recall a similar occurrence during the time of the Adam Clayton Powell matter when it was to no avail to invoke the limitations of constitutional restraint and inhibition that lay in this House of the Congress. The House did act unconstitutionally. And so we always have this as a perennial callus.

I think in offering this amendment it must be stressed and underlined that I do so with utter solemnity, in complete seriousness, and with a very deep and pervading feeling of foreboding and fear that I do not think can be dissipated until such time as the people of the United States, represented in the Congress, remove what I consider to be this dangerous rope and appendage to our Constitution.

Mr. Speaker, I yield back the balance of my time.

THE ATHLETICS OPPORTUNITIES ASSISTANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, today, I am joining with my colleagues from the State of New York, Mr. JACK KEMP and Mr. ROBERT MCEWEN, in introducing the Athletic Opportunities Assistance Act of 1979.

This bill will enhance the opportunities for a Federal employee to represent the United States in international athletic events. In essence, this bill, while not providing a direct Government subsidy, will entitle an Olympic athlete credit for up to 90 days in which he (or she) as a member of the U.S. team is preparing for such competition.

Historically, until recently, our Nation provided no financial support for U.S. teams in the Olympics. As a result, the United States has lacked a fully developed sports program due to the fact that many athletes have never had the opportunity to realize their full potential. Instead, they are forced to choose between a Government career and the honor of representing our Nation in such athletic endeavors. This bill will create favorable circumstances in which a Federal employee will be able to participate in high caliber competition. In addition, it is my hope that this legislation will encourage private industry to aid athletes in a similar manner, should they desire to represent the United States in such competition.●

UNITED STATES DEPARTMENT OF AGRICULTURE RESTORATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WAMPLER) is recognized for 30 minutes.

● Mr. WAMPLER. Mr. Speaker, I rise today to introduce a bill designed to restore the U.S. Department of Agriculture to its traditional and essential role in the overall scheme of governmental affairs.

This action is necessitated by the fact that the American agricultural establishment, while still dynamic economically, has lost its political and social clout. The result: The USDA is in danger of dismemberment to the point that its capabilities to insure the production and marketing of food, fiber, and forest products, so basic to life itself, are in jeopardy.

The forces at work in and out of the executive branch to downgrade the traditional roles of USDA desire to further dismember the Department by severely curtailing the independence of the food, fiber, and forest product producers, the processors and the overall market sectors of agriculture. They would replace this time-proven free enterprise/cooperative system with a new and untried one based on strong centralized planning and complex regulatory controls—all of which would mandate food distribution programs and require specified labeling and nutritional values for all food products. This action would be accomplished under the guise of implementing a campaign promise of President Carter to reorganize departments and agencies of the Federal Government.

Equally damaging, those promoting these changes would separate the management of the Forest Service and certain critical aspects of the Soil Conservation Service from USDA and place them in a new Department of Natural Resources in the theory that these resources must be protected and conserved to improve the environment. This proposition ignores the pure economic implications that could arise from these separations, the severe product losses that could result if we were to separate soil and water enhancement and use-management from food, fiber and forest product production, and the losses in coordination and cooperation between the Federal Government, the State, and the private sectors that could occur.

I have no basic quarrel with President Carter's commitment to reorganization of the Federal establishment. Certainly there are some operations of Government that need greater emphasis, some that need reduced emphasis, and some which should be abolished. If these actions are his intent, he has my support. However, as I have indicated by introducing my bill today—which I have given the short title "The Department of Agriculture Restoration Act of 1979"—we should not dismantle or further diminish USDA's functions—we should strengthen and restore them to a proper position of eminence in Government and society.

Let us examine the USDA functions that need strengthening as well as those activities scattered among a number of Federal departments and agencies which have an agricultural related function and could best be integrated into and coordinated in USDA.

First, non-Federal forest lands include four-fifths of the Nation's commercial forests. They are mostly intermingled with other rural lands with 60 percent in farms or other small, nonindustrial ownerships. Future increases in supplies of forest products must come primarily from these lands. Also, USDA programs extend to 90 percent of the Nation's land area. Forestry activities involve eight separate USDA activities—each with special expertise. About 40 percent of Federal expenditures for private land forestry come from USDA agencies other than the Forest Service. National forest management, soil and water conservation, management of grazing lands in the national forests, technical assistance, loans, research, cost-sharing incentives to plant trees, rural conservation and development, and so forth, all are oriented toward advancing forestry as a part of American agriculture. All are aimed at the protection and management of renewable natural resources. Improved management is essential if we are to meet the total national requirement for forest products and grazing lands from all classes of ownerships.

Closely tied to the management of our forest lands is the problem of the present division of public range management responsibilities between the Bureau of Land Management (BLM) of the Department of the Interior and USDA's Forest Service. This division has created serious problems for stockmen, which use these Federal grazing lands in the production of meat and wool fibers, and has caused a deterioration of our range resources.

Federal rangeland, which also contains substantial amounts of timber, is a basic resource for the livestock industry. The Forest Service and the Bureau of Land Management have jurisdiction over 300 million acres of public domain that is managed for livestock grazing, along with other public uses, such as timber, minerals, oil and gas. The ranges administered by both agencies frequently are contiguous. Currently, some 13 million head of livestock use them annually and grazing fee receipts amount to about $25 million per year. Approximately 5 percent of the Nation's beef cattle and 40 percent of its sheep utilize Federal grazing lands and Western ranchers depend upon the availability of this land to supplement their private grazing resources. By transferring the range management and forest activities of the BLM to the Forest Service (leaving the oil and gas leasing, the administration of mining claims, and coastal-shelf activities in the Department of Interior), we could consolidate range and forest management activities under a single authority, extend USDA's technical and research services to management efforts for the entire public range and realize substantial economies by combining field service staffs.

Second, the country's productive land and water resources provide the foundation for American agriculture. The growing population of the United States and the world will depend on these resources for the production of food, fiber and forest products into the indefinite future. Competing nonagricultural resources must be protected from destruction and deterioration and their capabilities to produce agricultural products must be enhanced so that they will be able to meet future food, fiber and forest products needs.

The direction of land and water is now split among many agencies at the Federal, State and local levels. This has contributed to the currently uncoordinated pattern of land and water enhancement and use which is inefficient, imposes substantial social costs, and has failed to heighten the productivity of these vital natural resources.

Secretary of Agriculture Bergland pointed out the broad range of USDA activities in this area in a memorandum to Mr. William Harsch, Deputy Associate Director, Natural Resources/Environment Division of the President's reorganization project, on October 21, 1977. The Secretary said:

> Whatever the semantics, when land and related water resource management is viewed as the shared responsibility of government and private owner-managers, the Department of Agriculture is centrally involved far beyond the functions of the Forest Service and Soil Conservation Service. Department of Agriculture programs and policies affect the conservation and use of farmland, rangeland, woodland and forests comprising about 90 percent of the land area of the United States.
>
> Major functions of the Department of Agriculture which affect soil and water resource management on private lands include:
>
> Technical assistance for soil and water conservation.
>
> Federal cost-sharing and credit assistance to agricultural producers for soil and water conservation.
>
> Research and extension programs to develop and encourage use by private landowners of new technologies for production of food and fiber consistent with soil and water conservation.
>
> Research activities in natural resources economics.
>
> Federal-State-private cooperative programs in the conservation and use of forestry resources.
>
> Surveys and classifications of land for agricultural uses, and for the preservation of prime agricultural lands.
>
> Assistance to landowners for control of non-point sources of pollution.
>
> Policies to divert land temporarily from intensive agricultural use which is particularly susceptible to soil erosion.

Secretary Bergland's memo continues:

> These functions cut across the Department of Agriculture and involve the areas of jurisdiction of three Assistant Secretaries and the Director of Economics, Policy Analysis and Budget. They are also linked with the basic economic stabilization policies for the agricultural sector which are administered by the Agricultural Stabilization and Conservation Service, and with the neutral risk protection programs of the Department of Agriculture.
>
> In administering these programs and policies, the Department of Agriculture works closely with individual landowners and operators, local units of government, and other local decisionmakers to orient the Federal programs to local needs and capabilities. Most U.S. farmers and small landowners participate in conservation programs through nearly 3,000 Soil and Water Conservation Districts, which cooperate under formal agreements with the Department of Agriculture. Through these arrangements, the Department of Agriculture offers the private rural landowner a rather complete array of financial technical assistance for the conservation and use of agricultural and forestry resources.
>
> Another example of the public-private sharing of natural resource management responsibility is the arrangement which provides about 1,550 scientist years of research effort on forest and rangeland renewable resources. The Forest Service conducts 930 scientist years of this research. Through the Regional and National Agricultural Research Planning System, the Forest Service cooperates with universities in planning and conducting an additional 620 scientist years of research. The knowledge and technology developed by this research is disseminated through cooperative efforts of the Department of Agriculture and other Federal departments and agencies: State agricultural experiment stations, State extension services, State foresters and other State officials, and schools of forestry.

Mr. Speaker, that's the conclusion of the quote from Secretary Bergland's memo.

By transferring the Office of Water Research and Technology and the Bureau of Reclamation of the Department of Interior into USDA, we will be able to effectively coordinate the functions in those agencies relating to the development of new or improved technology and methods for solving or mitigating existing and projected State, regional, and nationwide water resource problems. We will also be able to integrate more efficiently the location, operation, and maintenance of the development and storage diversion of waters to use in the reclamation (through irrigation) of arid and semiarid lands in the Western States. Since the agriculture establishment uses most of the water and soil available in our country for the production of food, fiber and forest products, it would seem most advisable to bring all of these functions together under the one department that has the greatest interest in their development and usage.

Third, the Federal Government conducts three primary food regulatory activities—inspection, grading, and labeling. The roots of its authority were established in 1906 with passage of the Meat Inspection Act and the Food and Drug Act. As consumption of processed food became more widespread and as agrichemical residues and food additives became of more concern in all foods, Congress revised and amended food regulation laws. In 1978, four cabinet de-

partments and one independent commission spent $488 million and 17,110 man-years on inspection, grading, labeling and related activities.

The inspection of food products involves examination of both the finished products and the manufacturing practices used to make sure that foods are safe and wholesome. The Food, Drug, and Cosmetic Act of 1938 makes HEW's Food and Drug Administration (FDA) responsible for developing standards for processing nonmeat foods, for inspecting plants, and for sample-testing products to insure that standards are met and products are wholesome.

USDA's Food Safety and Quality Service (FSQS) inspects meat and poultry plants under authority set forth in the Wholesome Meat Act of 1967. This act extended coverage of the 1906 act to include meat plants engaged only in intrastate commerce in States whose standards could not meet Federal ones. The Treasury Department's Bureau of Alcohol, Tobacco, and Firearms (BATF) inspects distilleries, wineries, breweries, and the Commerce Department's National Marine Fisheries Service (NMFS) shares inspection of certain fish processing plants with FDA.

The grading of food differentiates the quality levels of any given commodity according to uniform national standards. It facilitates trade between growers and wholesale buyers who may be in distant parts of the country. For this reason, the Agricultural Marketing Act of 1946 was set up to promote grading. FSQS has the responsibility for grading meat, poultry, fruits, and vegetables. Grading of fish is handled in conjunction with NMFS inspection activities. Under the authority of the U.S. Grain Standards Act, USDA's Federal Grain Inspection Service (FGIS) administers grain standards and inspection functions, which are essentially grading. It is responsible for grading peas, beans, and rice.

Labeling regulations, taken broadly, cover all requirements concerning produce specifications, standards, definitions, additives, misbranding, adulterations and residues. The agency responsible for inspecting the commodity is also usually responsible for the labeling regulations for that commodity. Accordingly, requirements for meat and poultry product labels are administered by FSQS under the authority of the Meat and Poultry Inspection Acts. Nonmeat product labels are governed by the Food, Drug, and Cosmetic Act of 1938. In general, the acts require products to be labeled with the name and place of business of the manufacturer or distributor, as well as an accurate statement of the product, its quantity, and ingredients.

Federal food inspection and grading programs have similar objectives, but they employ widely varying approaches to achieve them. These differing approaches illustrate the problems in inspection and grading programs that should be considered in any reorganization proposal.

These differences in program characteristics lead to the following problems:

Patchwork inspection: Food inspection and grading agencies apply differing authorities and approaches with varying degrees of effectiveness and efficiency to achieve common objectives.

Organizational barriers: The organizational placement of food regulatory agencies compromise their independence, fragment their resources and inhibit their effectiveness.

Inadequate evaluation of risks: Food regulatory agencies have difficulties proving prompt, consistent, and scientifically sound decisions on the safety of substances added to food. These difficulties are caused in part by statutory and scientific obstacles; however, they also have organizational causes.

Confusing product formulation and information: Federal food information requirements—product definitions, grades, labels, and advertising—are confusing, redundant, and sometimes contradictory. They reflect unclear organizational jurisdictions and fail to meet either industry or consumer needs. Food regulatory agencies lack a uniform and systematic policy on the roles that health, nutrition and economic information play in food regulation.

Any solution to unsnarl this complex situation should standardize enforcement powers, equalize penalty provisions and clarify Federal, State and local food regulatory roles. Such a solution should merge the food inspection, grading, and labeling functions of the Departments of Health, Education, and Welfare, Agriculture and Commerce into a single department. The major advantages of such a merger can increase the efficiency and effectiveness of the current system through a time-phased integration of inspection, grading and labeling activities. A top level merger of existing organizations that defers working-level integration will permit acceptable reorganizations to employees and unions involved; provide a single decision point for food regulatory policies, strategies and resource decisions; establish a visible single contact point for both industry and consumers, and provide improvement in the quality and consistency of decisions on food safety.

The fourth and last measure for consideration is the integration of our aquatic food sources in this overall program to restore USDA to a position of eminence in governmental affairs.

Aquatic foods provide 26 percent of the animal protein (excluding milk) consumed by the world's population. In many countries, fish are the most important source of animal protein. Aquatic foods are nutritionally equivalent in protein to avian or mammalian stock and they provide a full complement of essential amino acids and are low in saturated fat. Current U.S. per capita consumption of aquatic food is about 12.8 pounds per year and it is expected to reach 15 pounds by 1985. Although the nutritional value of aquatic foods can be demonstrated, their future availability in sufficient quantity to meet expected demand is less certain. The United States has never made a serious attempt to integrate aquatic food activities with land-based food production programs.

If we harvest the same species as we have in the past, total world production cannot exceed 100 million metric tons per year without damaging the source of supply. Current world landings now exceed world beef and veal production (about 40 million metric tons per year). The U.S. demand for aquatic foods is generally met by four sources: First, capture fisheries; second, aquaculture; third, imports; and fourth, recreational fishing.

The United States has great potential as a fish producing nation. It has the fourth longest coastline and the third largest continental shelf area of any nation in the world. U.S. waters are among the richest and most productive in the world.

In 1977, the total catch off U.S. shores was 4.3 million tons, but the U.S. share of it was only 56 percent. In fact, in the extended U.S. jurisdictional zone from 3 to 200 miles offshore, foreign fleets took in 70 percent of the catch and the United States took in only 30 percent. All foreign fishing took place in this extended zone.

Fisheries off the U.S. coast are located in three ocean zones: The territorial sea, which extends to 3 miles off the coastline; the contiguous zone, covering 3 to 200 miles offshore; and the high seas. The Fisheries Conservation and Management Act of 1976 (FCMA) established the contiguous zone and gave the Federal Government jurisdiction over it. States have jurisdiction over the territorial sea bordering their coastlines, but sometimes they delegate it to local governments—cities, towns, counties.

The controlled culture and harvest of aquatic animals and plants provides another means of producing fish or shellfish. Total worldwide aquaculture production amounted to about 6 million metric tons in 1975 and accounted for about 10 percent of the world's fish production.

Aquaculture has developed most in countries with high levels of technology and risk capital, rather than in poor and protein-short nations. Of the 1975 world production of 6 million metric tons, the U.S. produced only about 65,000 metric tons. This rate of development is slower than had been anticipated and has led to disappointment in aquaculture's contribution to our aquatic food production. Nonscientific factors are generally more responsible for this slow development than a lack of technical information. Nonetheless, Federal efforts have concentrated on solutions to scientific problems and neglected the real problem—institutional constraints. U.S. production could reach 250,000 metric tons by the year 1985 and, with proper support, it could exceed 1 million metric tons by the year 2000.

Because the combined production of U.S. fisheries and aquaculture fails to meet domestic demand, we import substantial amounts of aquatic foods. In

1977, the United States exported about $520 million worth of fish products but it imported $2.6 billion worth, yielding a net trade deficit of about $2 billion. In spite of our abundant and productive fisheries and good potential for aquaculture, the U.S. annual trade deficit in aquatic foods and products is increasing.

A total of 13 agencies in three major departments and nine other separate agencies conduct fisheries and aquaculture programs in the Federal Government. These agencies spend more than $200 million on fisheries and about $24 million on aquaculture.

There are numerous problems associated with developing a meaningful aquatic food source in the United States. They are:

Problem 1.—The United States has no overall policy to guide the development of fisheries and aquaculture. Congress and the President have initiated fisheries policies through statute, resolution, and reorganization, but all have dealt with only parts of the whole. There is no clear framework within which a coherent fisheries policy can be developed and implemented. The complexity of the problem increases when we consider how fisheries are affected by other ocean-related activities such as defense, transportation, deep sea mining, ocean dumping of waste, pollution control, energy extraction, and recreation. The 22 agencies I mentioned earlier, plus other Federal agencies, and 14 congressional committees and 17 subcommittees are involved in the ocean, fisheries, and aquaculture areas. This dispersed effort makes a coherent national policy difficult and adversely affects our ability to manage our captive fisheries.

Fisheries tend to take a "back seat" in overall oceans policy planning. When policy issues involving the oceans are resolved, the interests of fisheries are often "traded away". The agencies representing these interests have little effect on broad policymaking because of their low placement within their departments.

Their lack of status within the Government also makes them ineffective supporters for the U.S. fishing industry at the international level. U.S. efforts to compete with foreign fishing fleets in our own waters have been unsuccessful. The United States has 28 conventions and agreements with more than 20 nations whose fleets fish within our 200-mile contiguous zone. Despite the sound concept and good intent of these conventions and agreements, overfishing by foreign nations has not been prevented. The enormous task of renegotiating 28 agreements points up the need for a cohesive national effort. The agencies with know-how in the fisheries area do not have the visibility and priority to deal with this problem.

Other nations give greater priority to their fishing industries and, consequently, represent them more effectively. When the United States renegotiates international fishery agreements, our negotiating teams face foreign ministers of fisheries or ministers of agriculture and fisheries. But in the United States all the major maritime functions of our executive branch are initiated and conducted at levels below the Cabinet. All maritime advisors available to the President are subcabinet officials.

Problem 2.—Our fisheries and acquaculture effort is fragmented and this causes jurisdictional and management problems.

Fisheries: The FCMA (Public Law 94-265) established eight Regional Fisheries Councils to formulate and implement comprehensive fishery management plans. But the Councils have no jurisdiction in States territorial waters. Important species span or migrate between State and Federal waters. Thus, species under Federal control that are primarily harvested in State waters are not subject to Federal regulations. Stocks also migrate between the jurisdictions of individual States.

This Federal-State division of jurisdiction has often led to conflicting, overlapping, and restrictive regulations which impede the economic development of the U.S. fishing industry.

Fisheries management is difficult when only one Government entity is involved, but becomes even more difficult when there are several involved. The problems proliferate when States, cities, towns, and counties try to protect their local interests and political concerns.

The jurisdictional overlaps within the Federal Government itself only add to management problems. Anadromous species (salmon) spawn in fresh water, mature in salt, and return to fresh to renew the cycle. Because the Fish and Wildlife Service (FWS) is responsible for fresh water, including restocking programs, and NOAA has jurisdiction over marine waters, both agencies conduct research and hatchery programs for salmon. The Forest Service also becomes involved because it owns areas where some salmon spawning occurs.

Even though the Great Lakes are fresh water, Congress classifies them as oceans, and NOAA is responsible for oceans. But FWS has research, conservation, and development authority over fresh water. So both FWS and NOAA maintain research facilities in the Great Lakes. Because of this ocean classification, the University of Wisconsin is now a Sea Grant College and supported by NOAA's Office of Sea Grant (OSG)—a third research effort.

When the Government must resolve conflicts between fisheries interests and conservation efforts, the confused jurisdictional lines between agencies make this more difficult. Disputes over who has jurisdiction over the sea turtle show how absurd interagency squabbles can become in the fisheries area. After years of bitter negotiation between FWS and NMFS, the following agreement was reached by the two agencies: NMFS has sole jurisdiction over sea turtles when they are in a marine environment, but FWS has sole jurisdiction when turtles are on land. Both FWS and NMFS have authority when the turtles are on or close to nesting beaches.

Aquaculture: The Federal Government cannot manage its aquaculture programs effectively because they have overlapping jurisdictions and no single program has the authority or resources it needs to produce results. Jurisdiction over aquaculture is split among three major Departments (USDA, Interior, and Commerce).

In general, USDA's FWS research expertise in fresh water finfish and anadromous species is probably the best in the world. But aquaculture has not benefited because FWS technology has not been transferred effectively to aquaculture programs. In theory, aquaculture should also benefit from extension efforts by USDA, Interior, and NOAA—but, in practice, aquaculturists tend to be ignored.

NMFS and OSG efforts in marine aquaculture offer potential for the long-range research and development the industry requires. The record of these two NOAA agencies in aquaculture is commendable, but it is limited to marine species (except in the Great Lakes).

Fresh water aquaculture has been a low priority item in USDA. Although major agencies of the Department conduct aquaculture activities, no overall program has existed. With the passage of Public Law 95-113 (the Food and Agriculture Act of 1977) and the publicity given to acquaculture, USDA has taken steps to coordinate its aquaculture activities. Its primary success may be in extension, finance, and marketing.

Generally, the Federal effort has lacked the "critical mass," needed to guide and support aquaculture. With some notable exceptions, jurisdiction is divided between fresh and marine water programs. Numerous legal constraints impede aquaculture's progress—many of which could be removed by a properly coordinated Federal program. Public Law 95-113 has been interpreted as giving lead agency status for aquaculture to USDA, but this interpretation is disputed by NOAA and other marine interests. Various bills before Congress would either support USDA or NOAA on this issue.

The solution to these problems is to consolidate all major fisheries and aquaculture functions in the Department of Agriculture. The advantages to such a consolidation in USDA would be to enhance program coordination, the decisionmaking process, and policy formulation; eliminate fragmentation; and bring together all food production in a single department and facilitate the integration of aquatic foods in the USDA service programs.

The purpose of my bill, then, are to obtain more efficiency and cost effectiveness in the Federal Establishment and to assure the American people that we have good food on our table, clothes on our backs, lumber and fiber to put a roof over our heads, furniture to sit on and a bed to sleep on at the lowest possible cost. To accomplish this it is necessary that we integrate and coordinate into the executive department—under the Secretary of Agriculture—all programs relating to the production and market-

ing of food, fiber and forest products as well as programs relating to the development of water and soil resources. This will enable us to obtain necessary increases in production and improve the marketing and the quality of food, fiber and forest products.

Under this proposal, the Secretary of Agriculture, acting through existing organizational units of his department, would be provided with the added tools to more efficiently coordinate, integrate, and administer all programs related to increasing the quality and production as well as the marketing of the food, fiber, and forest products of this Nation.

This will also be of enormous benefit to our domestic economy and our foreign trade balances as well as to the economic conditions of families engaged in farming.

To accomplish these goals my bill does the following:

Maintains the title of the Department of Agriculture. This action reemphasizes the purpose of USDA and inherently restores to the department its primary role of securing the Nation's food, fiber, and forest products supply for the future. It also assures that we will continue agricultural production in such quantity as to permit our Nation to engage in international trade at levels necessary to benefit our overall economic well-being—specifically, our agricultural sector.

Transfers the following major activities, personnel, and operating funds to the Department of Agriculture:

First. From the Department of Commerce, "the National Marine Fisheries Service" that relate to matters other than mariné mammals, endangered species, anadromous species, and the Pribilof Islands, and "the Office of Sea Grants" that relate to aquaculture or the Marine Advisory Service.

Second. From the Department of Health, Education and Welfare, the organizational unit referred to as "the Bureau of Foods" of the Food and Drug Administration that relates to foods and the organizational unit referred to as "the Bureau of Veterinary Medicine" of the Food and Drug Administration.

Third. From the Department of the Interior, "the Bureau of Land Management" that relates to range management or to forest management, the organizational unit referred to as "the Bureau of Reclamation," "the Division of Fisheries Research" of the Fish and Wildlife Service, and the organizational unit referred to as "the Office of Water Research and Technology."

Fourth. In addition, my bill would create a new position of Under Secretary of Agriculture for Domestic Agricultural Affairs, complementing an action of the last Congress which established the post of Under Secretary of Agriculture for International Affairs and Commodity Programs, designed to emphasize in law the importance Congress attaches to the exporting and marketing of agricultural products. While not mandating specific duties, my bill will clearly show that the Congress intends that the new Under Secretary concentrate on first, producing and marketing food (including the products of aquaculture), fiber and forest products in the United States and in its territories and possessions; second, encouraging efforts to insure that producers of food, fiber, and forest products receive adequate economic returns in exchange for their commodities; third, expanding research programs involving agricultural technologies and increasing efforts to teach such technologies to producers of food, fiber, and forest products to improve the quantity and quality of their commodities; and fourth, insuring that land and water resources are developed to provide means to produce food, fiber, and forest products adequate to meet the continuing needs of domestic and foreign consumers.

At the same time, the legislation I propose would establish the post of Assistant Secretary of Agriculture for Science and Education to administer title XIV of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (Public Law 95-113)—an area presently neglected by this administration.

Many of the provisions in my bill had strong support in the "Food and Nutrition Study—Final Report" by the President's reorganization project, dated December 19, 1978, and in S. 2519 introduced in the last Congress by Senators MCGOVERN and DOLE. However, I believe this bill improves on their recommendations and should be seriously considered as an alternative to the proposals now being considered by the President.

Mr. Speaker, I shall shortly forward a "Dear Colleague" letter to each Member of the House, urging them to join me as cosponsors of this bill. Although I am flexible on several points in it, I am committed to the basic thrust of this legislation—to restore to the Department of Agriculture the basic responsibility for which it was established 117 years ago—and to revive its role of insuring that American agriculture production remains No. 1 in the world.●

PROTECTING THE SMALL SAVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognised for 10 minutes.

● Mr. KEMP. Mr. Speaker, I am introducing a bill today which proposes some long overdue action to protect the small saver, who is penalized for investing in his own future, the future of his family, and the future of the country. The bill is designed to exclude from taxable gross income the first $1,000 of interest on savings account deposits in home lending institutions.

The need for this kind of legislation is obvious. Over the past 30 years personal saving has accounted for 65 percent of the Nation's net private saving. It is this private saving that adds to the country's capital stock, translating someone's better idea into higher productivity, more jobs and a higher standard of living.

Yet the long-term American trend of 6 to 6.5 percent saving of disposable income is the lowest in the industrialized world. The Japanese save 24.9 percent, the Germans 15.2 percent, and this is a large part of the cause of their strong economic growth, high productivity, and low inflation rates. At the same time, the rate of saving in the United States reached a 30-year low of less than 5 percent by the end of 1978.

We do not have to look very far to find the reason. Anyone who wants to put part of his or her earnings into a savings account faces a triple disincentive which makes immediate consumption much more attractive. Earned income is taxed away at marginal income tax rates which become higher every year as inflation pushes everyone into higher tax brackets on the same or declining real income. The interest on this saved income is taxed once again at the same high tax rates, and often pushes the individual into a higher tax bracket. On top of all this, U.S. bank regulators place an extra penalty on the small saver.

Regulation Q, as it is called, puts a ceiling on the interest rates payable on regular thrift accounts. That ceiling of 5.25 percent is only half the going market rate for those who can afford to save large amounts of money, and only about half the rate of inflation.

In other words, in addition to the marginal tax rate on income, which begins at 14 percent and averages more than 20 percent, and the same tax rates on the interest on saved income, regulation Q places a 40- to 50-percent tax rate on thrift at current rates of inflation, which the administration informs us will continue for many years, under current policies. Besides losing money simply by placing it in a savings account, our citizens are taxed twice for the privilege.

My bill aims to straighten this tilt of the Federal tax system against saving by restoring some of the incentive to save. Unless we reverse the antisaving bias of economic policy for the past 40 years, we will continue to experience further declines in productivity, high inflation, weak export trade and domestic production, slow economic growth, and all the other symptoms of anemic capital formation.●

ENERGY FRONT—GOOD NEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 20 minutes.

● Mr. CLEVELAND. Mr. Speaker, today, the northern New England Congressional Delegation released the Rural Energy Source Report prepared by the New England Congressional Caucus. The study was principally authored by Mr. Geoffrey Bentley, a congressional fellow on loan from the AVCO Corp.

I wish to take this opportunity to commend Mr. Bentley for his exhaustive research and for providing us with a study which should encourage everyone concerned about the energy problem.

The study concludes that New England could produce over 10 percent of its total energy from alternative energy

sources such as wood, small-scale hydro, solar and wind by the mid-1980's. For the Northern New England States, the potential is far greater. For example, New Hampshire could derive a total of 22.6 percent of its energy needs from wood and small-scale hydro alone, displacing the equivalent of 8.4 million barrels of oil annually. For Vermont and Maine, the comparable figures are 41.5 percent and 56.4 percent, respectively, representing a total annual savings of 45.2 million barrels of oil.

The importance of this study is evident. The OPEC petroleum price increase and the more recent price increases by several countries, coupled with the situation in Iran, continue to drive home to all of us how important it is for us to encourage the development of alternative energy sources.

Hopefully, this report will spur the Congress and the White House to pay increased attention to wood, hydro, solar, and wind power. In my opinion, the well-being of this country depends on it. Already without any help, New England is meeting more than 2 percent of its total energy needs from alternative sources, the annual equivalent of 12 to 14 million barrels of oil.

The executive sumary of the Rural Energy Source Report follows:

NEW ENGLAND RURAL ENERGY SOURCES—EXECUTIVE SUMMARY

OVERVIEW

New England has significant potential in its rural energy sources. Wood and water are often referred to as the region's indigenous energy resources. They are renewable, plentiful and particularly well suited for rural or decentralized application. The use of wood and water involves "ready-now" technologies—direct combustion to produce heat and steam from wood and existing dams to generate electricity from falling water. Furthermore, they are cost-competitives with conventional energy supplies.

Direct solar and wind have many of the same attributes as wood and water. They are renewable, available at no purchase cost and well suited for rural use. Solar-thermal can be used for domestic hot water and space heat while photovoltaics can convert sunlight into electrical energy. Passive solar and solar hot water are commercial technologies, but present economics are only beginning to allow the use of direct solar as an alternative to fossil and nuclear fuels. Wind energy is a source of electricity, and is less developed than direct solar.

Today New England is relatively sparing in its use of the four "solar" technologies—wood, small-scale hydro, direct solar and wind. Rural areas have benefitted from these energy sources more than densely populated regions, but even here much progress must be made. Wood is the clear leader both in terms of present usage and near-term potential (Table I). It is possible that by the mid-1980's, energy from wood could provide over 9 percent of the region's energy supplies. Reclamation of existing small-scale hydroelectric dams could add another 1 percent, with direct solar and wind energy showing little contribution in the near-term.

TABLE I.—PRESENT AND NEAR-TERM IMPACT OF WOOD, HYDRO, DIRECT SOLAR AND WIND

[Estimates only, subject to stated assumptions]

	Equivalent annual oil savings (percent of total energy demand [1])				
	Wood	Small-scale hydro	Direct solar	Wind	Total
Present:					
Space heat, domestic hot water (all sectors)	10,000,000 bbl (2 percent)		M1,000,000 bbl (solar-thermal).		10,000,000 to 11,000,000 bbl (M2 percent).
Electrical generation (utility sector)	M1,000,000 bbl	2,000,000 bbl [2] (0.4 percent).	Negligible (photovoltaics)	Negligible	2,000,000 to 3,000,000 bbl (M1 percent).
Near-term potential (mid-1980's)	55,000,000 bbl [3] (9.3 percent).	9,000,000 bbl [4] (1.5 percent).	1,000,000 bbl [5] (0.2 percent).	M1,000,000 bbl	65,000,000 to 66,000,000 bbl (M11 percent).

[1] Assumes 3 quads per year at present, 3.4 quads by 1985.
[2] Use of all wood wasters and all excess growth from commercial species except unused commercial timber. No contribution from noncommercial species.
[3] Conventional hydro electric dams of less than 15 MW of installed capacity.
[4] Restoration of 1907 existing dams—New England River Basins Commission preliminary findings.
[5] Many possible scenarios—1 such is 700,000 dwelling units which are 50-percent dependent on solar energy for domestic hot water.

Maine, New Hampshire and Vermont are the major users of energy from wood. It is estimated that over 50 percent of the homes in these states burn cordwood for space heat with 20 percent of all households relying on wood as their primary fuel. Furthermore, the use of wood to cogenerate electricity and useful heat is a technology whose impact is just being felt in many industrial and commercial applications, especially in the wood and paper operations of northern New England. The present use of wood (2 percent of total energy demand) is fairly evenly divided between residential and industrial users.

The use of hydro energy in New England has declined dramatically since the turn of the century. Of the over 9,000 hydropower dams operating in 1900, there are fewer than 300 small-scale hydroelectric facilities (less than 15 megawatts generating capacity) operating today. Most are in Maine and New Hampshire—providing onsite power to industrial users and selling peak load power to utility companies.

There is limited information on a state-specific basis of the current use of direct solar and wind energy in New England. Estimates are that 6,000 dwelling units are of solar design or use solar equipment, and that wind machines number in the hundreds.

Northern New England will be the major beneficiary of wood and hydro energy in the future (Table II). Over 50 percent of Maine's energy demands could be met by wood in the mid-1980's, with Vermont and New Hampshire following at 39 and 18 percent, respectively. Approximately 4 percent of northern New England's energy requirements could be met by the restoration of over 1,300 hydroelectric dams in these three states. Massachusetts also has a significant hydroelectric potential with a possible savings of nearly 1 million barrels of oil a year through the restoration of 284 small-scale dams.

TABLE II.—WOOD AND HYDRO POTENTIAL FOR THE MID-1980'S

[Same assumptions as stated in table I. Hydro potential does not include any contribution form existing, developed hydroelectric dams]

	Wood			Small-scale hydro		
	Forest area (percent)	Equivalent annual oil savings [1] Million barrels	Equivalent annual oil savings [1] Percent	Existing undeveloped dams	Equivalent annual oil savings [1] Million barrels	Equivalent annual oil savings [1] Percent
CT	60	1.5	1.1	204	0.3	0.3
ME	90	32.1	50.9	537	3.4	5.5
MA	59	4.4	1.7	284	.9	.4
NH	86	6.8	18.3	590	1.6	4.3
RI	60	.6	1.6	113	.2	.5
VT	76	9.1	38.9	171	.6	2.6
Total	81	54.5	9.3	1,907	7.0	1.2

[1] Percent of total energy demand in 1985.

The preponderance of small-woodlot owners in New England presents an institutional constraint to developing the full potential of energy from wood. The present use of wood for residential space heat and industrial application is at such a level that these barriers to supply are not now critical. However, as 1,000 tons per day wood-fired electrical generating units come online in the mid to late 1980's, sources of supply could be a problem unless land access and use is assured.

Although direct solar and wing energy will not be major sources of supply in the mid-1980's, they offer a long-term potential for the region. These resources will tend to be developed in the higher wind and solar radiation areas of coastal and southern New England, and will compliment the wood and hydro energy resources of northern New England.

WOOD

Wood is New England's most abundant energy resource with over 80 percent fo the region covered by forest. For the northern tier states, the forest coverage is 86 percent.

The total energy content of all commercial

forests is nearly 19 quads or over six years of energy demand for the region. This is the energy equivalence of over 3 billion barrels of oil.

The annual available surplus from commercial species of wood is over 0.6 quads, or 20 percent of the total energy of the region today. Although it is not economically sensible at this time to harvest this quantity of wood for energy use, this figure represents the available potential without adversely affecting the forest balance. If unused commercial grade timber is eliminated as an energy source, the annual resource potential is in excess of 0.3 quads (equivalent oil savings of 55 million barrels), or 11 percent of the current total energy demand. Both energy estimates would probably double if noncommercial species were included. Uses of wood range from direct combustion for useful heat and steam for electrical generation to methanol production for the transportation sector.

Today wood is burned extensively in home wood stoves and furnaces for space heat. The impact of wood burning in the industrial sector is equally significant (estimated equivalent annual oil savings of 5 million barrels), with cogeneration of useful heat and electricity particularly well suited to remote users. Estimates are that cogeneration could save up to 30 percent of the fuel which would otherwise be needed to produce heat and electricity independently.

The Burlington, Vermont municipal electric department is one major industrial user of wood. They are burning a mixture of 75 percent wood chips and 25 percent oil in a 9 megawatt (electric) converted coal boiler. Wood requirements will increase from the relatively modest 140 tons per day at present to 1,000 tons per day in 1983 as a new 50 megawatt wood-fired generator comes online. Wood supplies may have to come from as far away as 50 miles.

The Department of Energy has recently declared wood combustion a "ready-now" technology deserving of Resource Manager status. Congress has also encouraged the development of energy from wood. The FY 79 budget authority for the Fuels from Biomass program is $42.4 million, a more than four-fold increase in two years. (Although biomass covers all types of organic matter, the mainstay of the program is energy from wood.) Most of the funds have been earmarked for thermo-chemical gasification research and development aimed at producing medium-BTU synthesis gas from wood. The National Energy Act provides incentives for methanol production by exempting "gasohol" blends from the 4c per gallon Federal excise tax. There will be an effort in the 96th Congress to extend the tax credit provision of energy legislation to cover purchase and installation of wood stoves.

The President's FY 80 budget request is $87.8 million. The increase is largely in activities with intermediate-term potential such as medium-BTU gas production from wood, and in long-range research of biomass energy systems for the year 2000 and beyond. Low-BTU gasification and direct combustion programs are reduced in funding, and there is no budget request for the Lincoln, Maine 50 megawatt (electric) wood-burning project.

SMALL-SCALE HYDRO

Small-scale hydroelectric development at existing dams has arrived. Or more appropriately, it is an obsolete technology whose time has come again.

Preliminary estimates suggest an upper limit, potential annual savings of between 7 and 19 million barrels of oil from reclamation and retrofit projects of small-scale hydroelectric dams. This would represent between 1 and 4 percent of the region's energy demands. It would also mean at least quintupling the present contribution of 2 million barrels of oil (equivalency) from conventional hydroelectric sources at small-scale dams operating in New England today.

Costs for small hydro are uncertain—but the Belfast Maine project may be the best indicator yet. An existing 20 foot dam has been refurbished and retrofitted to provide a capacity potential of 100 kilowatts at an investment cost of $440 per peak kilowatt. The breakeven operating cost of this online facility is 2.3c per kilowatt-hour. The lower limits cited by the Department of Energy for retrofit projects are $500 per kilowatt, and 3c per kilowatt-hour.

There are difficulties and time delays in buying adequate insurance, negotiating power selling agreements with utility companies, meeting environmental objections, and obtaining permits. For most developers of small hydro, resources are limited and therefore delays or additional requirements make operations economically risky. The adoption of a short-form by the Federal Energy Regulatory Commission should aid in reducing the paper work and processing time required for application and licensing.

The Federal Government has been supporting this energy supply alternative. The Department of Energy has declared it a "ready-now" technology worthy of increased commercialization efforts. Budgets for demonstration funding in recent years have backed this up, with $9.5 million of the total budget authority of $28 million for FY 79 going to field-test programs. The feasibility and construction loan program, passed by Congress as part of the National Energy Act, should give New England site developers opportunities for low-interest financing of dam reclamation and retrofit projects.

The budget request for FY 80 is down $10 million—the reduction coming in nonrecurring items of the engineering development subprograms. The Administration's position is that engineering development is now the role of the private sector, and government funding should be concentrated on ensuring rapid commercialization of available technology. Finally, there is funding requested for feasibility loans, but none for construction loans as authorized by the 95th Congress.

DIRECT SOLAR

The total energy content of sunlight is enormous. More solar energy falls on buildings than is used inside them. The entire New England region's energy consumption is about equal to the solar energy falling on 1 percent of its land.

Many schemes for capturing and harvesting this energy are currently in various stages of development, and nearly all of these systems have been shown to work. Environmental problems are almost non-existent. The principal problem is cost—although the sun is free, solar equipment is not.

Solar-thermal, or the direct use of solar heat, is the most developed with passive solar (no external power) and solar hot water having been declared "ready-now" technologies by the Department of Energy. Moreover, these systems are economically competitive today, particularly when compared with electric resistance heating. Other solar systems will not become competitive in most applications until there are significant increases in the world price of oil.

At present, on the order of 6,000 New England dwelling units have some form of solar installation—many of which have come as a result of federal solar demonstration projects. Estimates of the near-term impact of direct solar energy in New England are highly speculative. Some energy observers believe that by the mid to late 1980's as many as 500,000 to 1 million units may have solar equipment or design, and an equivalent annual oil savings of 1 million barrels may be realized. An important element in whether this goal can be achieved is the commitment to market-pull incentives by the Federal Government and private sector. Tax credits and low-interest loans as mandated by the National Energy Act are a step in this direction, although it appears that the tax credit provisions do not extend to passive solar installations.

The direct solar budget authority for FY 79 is $383 million. Of this total, nearly one-third or $118 million is for photovoltaics. The overall budget growth from FY 78 to FY 79 is 26 percent, with most of this coming in the solar-electric (photovoltaics) area.

The President's budget request for FY 80 is $430 million and reflects a 12 percent increase over FY 79. Photovoltaics is the major budget item at $130 million, although no funds have been requested for the federal photovoltaics demonstration program. The major budget reductions are in solar technology projects for active heating and cooling systems, and in demonstration projects for both active and passive systems. Major increases are requested for research and development of passive solar-thermal systems, solar-electric systems, and the construction of the Solar Energy Research Institute in Golden, Colorado.

Current federal policy appears to be based on the assumption that solar-thermal systems have developed to the point that further improvements and adaptations can be made by the private sector. The budget growth area for the Department of Energy is solar-electric (photovoltaics) and not solar-thermal. In particular, the Solar Photovoltaics Act of 1978 calls for an accelerated program of research, development and demonstration of solar photovoltaics. The intent is to spend $1.5 billion over a 10 year period and to establish a competitive, commercial photovoltaics industry. The direct conversion of sunlight into electrical energy by solar cell technology on a commercial basis is a worthwhile (and achievable) goal. The concern is that demonstration projects and consumer-implementation programs for ready-now technologies may not receive equal federal support.

WIND

At present, wind power is 2 to 3 times more expensive than conventional sources of energy. Therefore, it appears that questions of wind system commercialization are still somewhat premature. There are fundamental design and fabrication efforts which must succeed before wind power becomes an attractive economic alternative.

It may be that the most likely and least costly wind system is one which couples directly to the local electric grid without a storage medium. When the wind machine is producing, wind energy is used to meet demand and the excess is sold to the grid. When onsite demand exceeds wind energy supply, power flows from the grid to the consumer. The consequences are clear. Wind power is only one component of a hybrid system—with backup electricity available from commercial sources. The technical and institutional problems of selling to and buying from public utilities must be resolved to make this system work. Here, equitable rate structure arrangements may be more difficult to resolve than the electrical interface problems.

There are two island communities in New England that should receive the bulk of their electrical supplies from wind energy by mid-1979. A privately-financed, 200 kilowatt (80 foot diameter blades) wind machine is already being tested on Cuttyhunk Island in Massachusetts. On Block Island, Rhode Island, the Department of Energy is constructing a 200 kilowatt (125 foot diameter blades) windmill for advanced development and test of a system suitable for remote application.

The Federal Government has demonstrated its commitment to developing low cost, dependable wind systems by increasing the technology budget by nearly 250 percent in

3 years to a level of $60 million in fiscal year 1979. Furthermore, the National Energy Act contains tax credit provisions for residential installation of wind equipment.

The budget request for FY 80 is $67 million, or an increase of 10 percent from the budget authority level granted for FY 79. Cost reduction through engineering research and development is still the primary goal of the wind program, with demonstration projects and incentives-oriented commercialization efforts planned as future activities.

COST

For many remote or onsite applications, rural energy sources are cost-competitive with conventional forms. For example, wood and solar-thermal can be used for space heat and domestic hot water with at least marginal savings in fuel costs in many cases. However, conventional, centralized sources of energy supply are generally less expensive for the generation of electricity—the bell-weather for energy-economic visability (Table III).

TABLE III.—CURRENT COSTS FOR ELECTRICAL GENERATION

[1977 average cost for all New England users equals 4.5 per/kWh]

	Wood (direct combustion)	Small-scale hydro	Solar-electric (photovoltaics)	Wind	Conventional		
					Coal	Oil	Nuclear
Dollars per peak kilowatt (new construction)	900	500–2,000	12,000	1,500	750	----------	1,000
Typical use factor (percent)	70	45	10	15	75	75	70
Cents per kilowatt-hour (current)	[1] 3.3	[1] 3–7	[1] 70	[1] 10–15	[1] 7	[1] 3.5	[1] 7

[1] Retrofit operations.
[2] User costs.

The price gap between electricity from wood and small-scale hydro on one hand, and from conventional sources on the other hand, has closed significantly. In fact, when distribution and transmission expenses are added to busbar (electrical generating) costs of conventional sources, there are areas of New England in which wood and hydro are less expensive alternatives. Electricity from photovoltaics and wind must be reduced in cost to be competitive at current prices for conventional fuels.

FEDERAL SUPPORT

The Department of Energy has declared wood combustion, small-scale hydroelectric generation, passive solar and solar hot water as "ready-now" technologies worthy of commercialization support. It may take another 5 to 20 years before other forms of direct solar and wind become cost-competitive alternatives for conventional fuels.

Congressional and Administration initiatives have given strong impetus to these four technologies (Table IV). Direct solar and wind have received the greatest funding support—reflecting the higher research, development and demonstration requirements of these long-term energy alternatives. The percentage budget increases in past fiscal years have come primarily in the solar-electric technologies of photovoltaics, small-scale hydro and wind systems, and in the wood gasification area. Indeed, there has been virtually no growth in the solar-thermal budget appropriations—apparently reflecting the belief that heating and cooling technologies have developed to the point that further improvements and adaptations can be made by the private sector.

Major commercialization or market-pull incentives are provided as part of the National Energy Act. These include solar tax credits and low-interest loans, feasibility and construction loans for small-scale hydro, and exemption for "gasohol" from the 4 cents per gallon Federal excise tax. In addition, on the regional level, institutions such as the Northeast Solar Energy Center are charged with the commercialization function of assisting businesses and entrepreneurs in bringing their technical ideas to the marketplace.

The President's budget request for FY 80 shows growth in all areas except direct combustion of wood, low-BTU gas production from wood, small-scale hydro, and solar-thermal. The requested reductions are based on the belief that these "ready-now" technologies do not need engineering development assistance from the Federal Government.

TABLE IV.—FEDERAL INITIATIVES TO ACCELERATE SOLAR TECHNOLOGIES

	Wood	Small-scale hydro	Direct solar	Wind
Budget authority (fiscal years 1978 and 1979).	$42.4 million, fiscal year 1979; $20.8 million, fiscal year 1978 (104 percent increase).	$28.0 million, fiscal year 1979; $10 million, fiscal year 1978 (180 percent increase).	$383.4 million, fiscal year 1979; $303.7 million, fiscal year 1978 (26 percent increase).	$60.7 million, fiscal year 1979; $36.7 million, fiscal year 1978 (65 percent increase).
Budget request (fiscal year 1980)	$57.8 million (36 percent increase)	$18 million (36 percent decrease)	430 million (12 percent increase)	$67 million (10 percent increase).
Significant congressional and administration actions during the 95th Cong.	$21.9M in fiscal year 1979 for gasification developments. Gasohol exempt from 4¢ gal Federal excise tax. National Alcohol Fuels Commission	Feasibility and construction loan program ($10M in fiscal year 1979). Feasibility and demo program ($9.5M in fiscal year 1979). Short-form for licensing	Tax credits and low-interest loans	Tax credits.
	"Ready-now" technology	"Ready-now" technology	Solar equipment in Federal buildings and military construction projects. Long-term photovoltaics commitment—$118.5M in fiscal year 1979. "Ready-now" technologies—passive solar and domestic hot water.	$9.5M in fiscal year 1979 for small-scale system development.

[1] Fuels from biomass (primarily wood) figures.

TEXTILES SHOULD BE EXEMPTED FROM TARIFF REDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, as the Multilateral Trade Negotiations come to a close in Geneva, great interest is developing concerning the kind of trade agreement the administration has negotiated and its likely impact on the health of U.S. industries. Of particular concern, is the possible damage which a broad range of tariff reductions will have on our textiles and apparel industry.

This important and vital industry is already in serious trouble. These problems derive substantially from our "open door" policy toward foreign goods which has permitted huge increases in textile and apparel imports. From 1975 to 1976 alone, textile and apparel imports increased an average of 34 percent. In 1977, the trade deficit in the industry reached a record of $3.4 billion. This record was topped, however, by 1978's deficit of $5.2 billion.

It is important to note that 80 percent of the textile/apparel trade deficit comes from trade with Asian countries—Japan, Taiwan, Hong Kong, and Korea. The reasons behind the trade imbalance are clear. While the average wage for our 2.3 million textile and apparel workers is $4.84 per hour, many of these countries pay very low wages. In addition, many of these low-wage exporting countries subsidise their exporters through special income tax breaks, lower cost financing and regional investment schemes.

Given this unfair competition, it is little wonder that our oldest and largest manufacturing industry—an industry which is vital to the health of the Nation through the provision of one in eight manufacturing jobs—is seriously threatened. And what does the Government plan to do about it? It plans on reducing U.S. textile tariffs so that more textile-exporting countries can target the U.S. market. If the current Geneva trade talks lead to a 50-percent reduction in U.S. textile tariffs, the loss of some 500,000 U.S. textile apparel jobs can be anticipated by 1990.

Additionally, the indirect effect of lost jobs in supplier industries, such as fibers, and consequently, less spending by those who are out of work could mean more than 2 million jobs lost by 1990. What this means is that imports of textiles and apparel could grow 140 percent by 1990, capturing 35 percent of our domestic market.

Can this country really afford the continued weakening of our textile industry? I say no. Therefore, I have cosponsored H.R. 460 which will insure that the United States does not support the dangerous policy of lowering tariffs on tex-

tile and apparel imports at a time when 2.3 million fellow Americans need protection.

These people and their industries form a most essential part of our national economic life, and therefore, merit our attention to insure their continued well-being. I urge the support of my colleagues for H.R. 460.●

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentlemanf rom New York (Mr. BINGHAM) is recognized for 45 minutes.

● Mr. BINGHAM. Mr. Speaker, I am today introducing a bill to extend and revise the Export Administration Act of 1969 to strengthen and streamline the Nation's export controls.

The Export Administration Act is the principal statute authorizing export controls on civilian products. The controls have three purposes: First, to restrict the export of goods and technology which would contribute to the military potential of another nation in a manner detrimental to U.S. national security (national security controls); second, to further the foreign policy of the United States and fulfill its international responsibilities (foreign policy controls); third, to protect the domestic economy from the excessive drain of scarce resources and reduce the inflationary impact of foreign demand (short supply controls).

These controls are implemented by means of export licenses issued by the Department of Commerce after consultation with other interested agencies including the Departments of Defense, State, and Energy, the Arms Control and Disarmament Agency, the Central Intelligence Agency, and others. The Commerce Department receives an increasing number of export license applications each year; this number is expected to reach about 70,000 this year.

The vast majority of these applications fall into the national security category because they involve the export of advanced technology and products. While some of these involve direct exports to the Soviet Union, the People's Republic of China, and Eastern Europe, most involve exports to free-world destinations which the United States seeks to control in order to guard against reexport to Communist countries.

Foreign policy controls are of lesser importance in terms of the number of transactions affected, but this number is growing rapidly as new controls are applied. Major current uses of the foreign policy control authority of the act include: Partial authority for trade embargoes now in effect against Cuba, Vietnam, Cambodia, North Korea, Rhodesia, and Uganda; controls on the export of crime control equipment to most non-NATO destinations; controls on the export of oil production equipment to the Soviet Union; controls on the export of equipment which might contribute to the nuclear capabilities of other countries in violation of our nonproliferation policy; and controls on the export of products which might contribute to the offensive military capabilities of other nations in a manner inimical to U.S. foreign policy—for example, the military capabilities of Taiwan vis-a-vis the People's Republic of China.

Short supply controls are the least common form of control. Currently, only crude oil and energy-related petroleum products are subject to such control.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has had jurisdiction over the Export Administration Act since the 94th Congress. In extensive hearings and staff investigations held since that time, the subcommittee has discovered serious problems in the implementation of the act. These can be summarized as follows:

First, too any products are subject to control. As technology advances at ever-increasing rates, more and more items at the top of the technology spectrum come under control. Meanwhile, however, controls are not as rapidly removed on the lower-technology items. That is why the Commerce Department expects to receive 70,000 license applications this year—up 20,000 from 4 years ago. Lost in a growing blizzard of paper, the Department and its advisory agencies are unable to devote the amount of time necessary to evaluating the really critical technology transfers. We know we are controlling a lot that need not be controlled. We are not certain we are adequately controlling what really needs to be controlled. This is a dangerous situation that cannot be permitted to continue. We must learn to focus our limited export control resources on critical technologies and products.

Second, foreign policy controls are proliferating at an alarming rate, usually for laudable purposes, but seemingly without sufficient consideration to the economic cost of the controls and to whether or not the objective of the controls is achievable. We must, I believe, be prepared to use export controls where necessary to support fundamental goals of U.S. foreign policy such as nonproliferation. However, the state of our economy is not such that we can afford controls that accomplish nothing.

Third, the licensing system itself is a morass. Under the Export Administration Act, it is the intent of Congress that export license applications be approved or disapproved within 90 days. Increasingly, this deadline is not being met. The reason for expediting action on the applications, obviously, is better to enable U.S. companies to compete with their foreign competitors, many of whom are not subject to such stringent licensing requirements. While license applications need to be given all necessary consideration, it is equally true, as former Secretary of State Dean Rusk observed when he testified on this subject before the subcommittee, that papers do not gather wisdom simply by lying on desks all over town. Yet that is precisely what happens. Under the existing system, virtually any agency can request to review an application and keep it as long as it likes. It is not uncommon for an application to be lost in an agency for 6, 12, or 18 months. Meanwhile, orders are canceled and given to foreign competitors, and U.S. companies lose hard-won reputations as reliable suppliers. It is both necessary and possible, without requiring overly hasty licensing decisions, to require that the papers keep moving, and that decisions are made in a timely fashion.

Finally, the so-called COCOM system, under which our allies are supposed to cooperate with us in applying comparable controls for national security purposes, is in serious need of revamping. COCOM is a completely secret and completely informal understanding, and U.S. firms are convinced that many of our COCOM partners, through interpretation or evasion, manage to export products and technology to the East for which our Government does not grant licenses. This does nothing for our national security; it merely loses businesses for our country.

The bill, accordingly, would make four fundamental reforms. First, it would significantly reduce the number of products for which individual export licenses are required for each export transaction. Other, administratively simpler licensing procedures would be established for groups of lower technology products, thereby freeing up resources to concentrate on the more important products and technology on a case-by-case basis.

Second, it would establish criteria and procedures for the application of foreign policy controls, including the opportunity for a congressional veto of such controls.

Third, it would establish a system of suspense points in the licensing process, at which an application would either have to be decided or escalated to higher levels for further consideration. No agency would be cut out of the action. But no longer would an agency be permitted to delay action on an application merely by pigeonholing it in some bureaucrat's in-box for months or years.

Fourth, it would call upon the President to enter into negotiations with a view to establishing COCOM as a treaty embodying formal and public export control commitments by the parties to the treaty. In this way, we will all know what the rules of the game are. Such a treaty would significantly reduce uncertainty over whether or not the COCOM partners are fully cooperating in applying export controls.

The bill would also make many other reforms in the licensing system, which are described in the section-by-section sumary which follows. The bill constitutes the first fundamental reworking of the Export Administration Act since the act was passed 10 years ago. It would increase both the effectiveness and the efficiency of export controls. I urge all of my colleagues to give the bill careful consideration and support.

SECTION-BY-SECTION SUMMARY—EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

SECTION 1: SHORT TITLE

Section 1 provides that the Act may be cited as the "Export Administration Amendments of 1979".

SECTION 2: FINDINGS

Section 2 revises the findings in section 2 of the Export Administration Act so as to take account of the country's current economic problems and to place greater stress on the increased importance of exports, while preserving, in paragraph (6), the findings that some exports do need to be restricted.

SECTION 3: POLICY

Section 3 revises the policies in section 3 of the Export Administration Act so as to make it clear that the policy is to permit exports so far as possible, and to restrict exports only in exceptional circumstances and only after full consideration of the economic impact of the restrictions. The three purposes of export controls—military security, foreign policy, and short supply—are carried over from the Act but restated somewhat. Some policy statements from the Act, such as paragraph (5) on foreign boycotts, are unchanged.

SECTION 4: EXPORT LICENSES; TYPES OF CONTROLS

Section 4 adds three new sections to the Export Administration Act, numbered 4, 5, and 6.

The new section 4 establishes and defines three kinds of export licenses. Two are already in use under the authority of the Export Administration Act: a Validated License, which is a license requiring a specific application and authorizing a specific export, and a General License, which is a standing authorization to export a certain category of items without specific application. The third is new: a Distribution License, which is a license authorizing the export of a certain category of items to specified consignees, under specified conditions, without specific application. A Distribution License would be an intermediate type of license in the sense that it imposes more conditions than a General License but fewer than a Validated License. The intent of the bill, established in Section 5, is that Validated License requirements should be replaced by Distribution License requirements for routinely approved exports where there is significant foreign availability, thereby decreasing paperwork and facilitating exports. Section 4 also establishes the currently existing Commodity Control List in the law, and provides that no authority to export may be required under the Act except as necessary to carry out the policies of the Act.

The new section 5 provides for the imposition of export controls for military security purposes.

Subsection (a) provides that military security controls shall be exercised by the Secretary of Commerce in consultation with the Secretary of Defense, that notice of the imposition of such controls shall be published in the Federal Register, and that any denial of an export license application on military security grounds shall clearly state the grounds for the denial.

Subsection (b) preserves an existing provision of the Act that export control policy toward individual countries under this section shall not be determined exclusively on the basis of a country's communist or noncommunist status, but also on the basis of other factors.

Subsection (c) provides that military security controls may be applied only to technology which is critical to the military security of potential enemies and to products the export of which would transfer such technology, and only when the U.S. possesses capabilities significantly greater than potential enemies and when our allies either do not match our capabilities or have agreed to impose comparable controls.

Subsection (d) requires the Secretary of Commerce, in consultation with the Secretary of Defense, to maintain a list of items controlled for export for military security purposes, and to provide by regulation for periodic updating of the list.

Subsection (e) provides that the Secretary of Commerce: (1) may require a validated license for purposes of military security controls only for items whose export requires COCOM approval or with respect to which the U.S. has a monopoly; and (2) shall continually review foreign availability, shall approve any validated license application where there is foreign availability and shall remove validated license requirements where the Secretary determines that foreign availability exists.

Subsection (f) provides that the Secretary of Commerce may require a distribution license for purposes of military security controls only for items which, under the COCOM agreement, may be exported at the discretion of the individual COCOM member countries, or with respect to which the U.S. has a monopoly.

Subsection (g) requires that the Secretary of Commerce set up an "indexing" system for the systematic removal of licensing controls to take account of the obsolescence of technology and products.

Subsection (h) continues the existence of the industry-government Technical Advisory Committees already set up under the Act, and strengthens their role in determining foreign availability.

Subsection (i) calls upon the President to seek to negotiate a COCOM treaty to replace the current informal COCOM arrangement, and provides that U.S. participation in COCOM shall cease unless such a treaty is submitted to the Senate or the President reports that he has been unable to negotiate such a treaty.

The new section 6 provides for the imposition of export controls for foreign policy purposes.

Subsection (a) provides that foreign policy controls shall be exercised by the Secretary of Commerce in consultation with the Secretary of State, that notice of the imposition of such controls shall be published in the Federal Register, and that any denial of an export license application on foreign policy grounds shall clearly state the grounds for the denial.

Subsection (b) provides criteria which the President shall take into account in applying foreign policy controls.

Subsection (c) requires the Secretary of Commerce to consult with affected U.S. industries before imposing foreign policy controls.

Subsection (d) requires the President to attempt to secure the objectives of proposed foreign policy controls by negotiation before imposing the conrtols.

Subsection (e) provides for notification to Congress of any imposition of foreign policy controls, and for a congressional veto of any such controls by concurrent resolution within 60 days of such notification.

Subsection (f) exempts controls imposed pursuant to treaty commitments from the requirements of this section.

Subsection (g) provides that the export of food and medicine may not be controlled for foreign policy purposes.

Subsection (h) provides that this section does not authorize the imposition of a total trade embargo.

Subsection (i) requires the President to seek through negotiation the cooperation of other nations in imposing controls comparable to those imposed under this section.

Subsection (j) requires the Secretary of Commerce, in consultation with the Secretary of State, to maintain a list of items controlled for export for foreign policy purposes, and to provide by regulation for periodic updating of the list.

SECTION 5: LICENSE PROCESSING PROCEDURES

Section 5 creates a new section 10 of the Act setting forth procedures for processing export licenses. The basic purpose is to end inordinate licensing delays by providing a series of suspense points under which an application would have to be either decided or escalated to higher levels.

Subsection (a) provides that the Secretary of Commerce has general responsibility for making licensing determinations, subject to subsequent provisions for interagency consultation and for appeal by other agencies of the Secretary's decisions.

Subsection (b) provides that other interested agencies may determine which types and categories of applications they wish to review.

Subsection (c) provides for early screening of applications by the Commerce Department, with a view to separating the vast majority of applications which are routine and can be decided unilaterally by Commerce, from those few which are problematic and must be referred to other agencies.

Subsection (d) provides that within 30 days, Commerce must either decide an application or refer it to other agencies for review.

Subsection (e) provides that such other agencies must either submit their recommendations to Commerce within 30 further days or forfeit the right to be heard.

Subsection (f) provides a further 30 days, after interagency review, for Commerce to make a determination and issue or deny a license. Any agency which has made a recommendation to the Commerce Department may appeal the decision of the Department to the Secretary of Commerce prior to the end of this 30-day period.

Subsection (g) provides yet a further 30-day period, in the case of an appeal under subsection (f), for the Secretary of Commerce to consult with appealing agencies, make a determination, and issue or deny the license. Any agency which has made a recommendation to the Commerce Department may appeal the Secretary's decision to the President prior to the end of this 30-day period.

Subsection (h) provides a final 30-day period, in the case of an appeal under subsection (g), for the President to reach a determination on the appeal. In the absence of such determination, the decision of the Secretary of Commerce stands.

Subsection (i) provides that, at any point in the above process at which the U.S. government approves an application, such application may, if required under the COCOM agreement, be submitted to COCOM for up to 30 days. A similar 30-day time limit is provided for U.S. consideration of other countries' license applications submitted under the COCOM agreement.

Subsection (j) provides that an applicant may seek injunctive relief in the event of any violation of the procedural provisions of this section.

Subsection (k) requires all concerned agencies to keep accurate records on all applications they consider.

SECTION 6: CONFIDENTIALITY PROVISIONS

Section 6 amends the confidentiality provisions of the Export Administration Act, principally to clarify that the provision requiring submission of information to Congress upon request applies retroactively.

SECTION 7: REPORT TO CONGRESS

Section 7 amends the reporting provisions of the Export Administration Act to conform to the amendments made by this bill.

SECTION 8: RULES AND REGULATIONS

Section 8 provides authority to issue regulations.

SECTION 9: DEFINITIONS

Section 9 draws a distinction between products and technology and provides other definitions.

SECTION 10: AUTHORIZATION OF APPROPRIATIONS

Section 10 prohibits appropriations for export administration without prior authorization, and authorizes funds for fiscal years 1980 and 1981.

SECTION 11: TERMINATION DATE

Section 11 extends the effectiveness of the Export Administration Act to September 30, 1983.

SECTION 12: TECHNICAL AMENDMENTS

Section 12 makes technical amendments to the Export Administration Act.

SECTION 13: TECHNICAL AMENDMENTS TO OTHER ACTS

Section 13 makes technical amendments to other Acts.

SECTION 14: SAVINGS PROVISIONS

Section 14 continues in effect administrative actions taken under the Export Administration Act until they are superseded under the amendments made by the bill.

SECTION 15: EFFECTIVE DATE

Section 15 provides that the bill shall take effect on October 1, 1979.●

A TRIBUTE TO C. M. BATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, I think it is a well-known fact that many employees of Congress provide years of unselfish service to Members and their staffs, and that, all too frequently, their dedication and hard work goes unnoticed.

For that reason I am particularly pleased to call attention to Mr. C. M. Bates, who, as you know, recently retired as Superintendent of the House of Representatives. His devotion to duty has made our jobs easier. He has made us more effective and more efficient.

From his first job with the Congress beginning in 1942 as an elevator operator to the time he became Superintendent in 1972 and continuing until the present, Mr. Bates has been an outstanding example for all congressional employees.

Mr. Speaker, I am grateful for the service he has provided. I wish him well in his retirement.●

LEGISLATOR'S TAX "HOME"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, under present law, an individual is allowed a deduction for traveling expenses—including amounts expended for meals and lodging—while away from home in pursuit of his or her trade or business. These expenses are deductible only if they are reasonable and necessary for the individual's business, and directly attributable to it. Ordinarily, for purposes of the deduction for traveling expenses, an individual's "home" generally means his or her principal place of business or employment. Where an individual has more than one trade or business, the determination as to the location of his or her "home," for purposes of deducting travel expenses, is a factual matter.

This rule of present law with respect to the determination of the location of an individual's tax "home" has created uncertainty and confusion for a number of individuals, including State legislators. To eliminate uncertainty as to the locality of a State legislator's tax "home", Congress in the Tax Reform Act of 1976 provided that such an individual could elect to have his or her residence within the legislative district that he or she represents treated as his or her tax "home". The act also provided a formula for determination of a limitation on deductible expenses under this election which restricted total deductions to amount equal to the number of legislative days multiplied by the Federal Government per diem for that area.

Initially, this provision was effective only for years beginning prior to 1976, but later was extended twice to include taxable years beginning before 1977, and then to taxable years beginning before 1978. This election allows State legislators to deduct ordinary and necessary business travel expenses similar to those allowed to individuals in other trades or businesses. However, in the absence of further congressional action, State legislators will have to revert to a situation where the location of their tax "homes" will be determined on a case-by-case factual basis for taxable years beginning after 1977. In certain situations strict application of a factual test could yield the unusual and awkward result of the State capitol being considered a legislator's "tax home", with the resulting denial of business expense deductions while there, but allowing living expense deductions at his permanent home in the district he represents.

The bill I am introducing today with Mr. CORMAN, Mr. LEDERER, and Mr. DUNCAN of Tennessee extends the election for State legislators, initially provided by Congress in 1976, for taxable years beginning after 1977. Thus, State legislators will continue to be allowed to deduct those ordinary and necessary travel expenses generally allowed as deductions in the case of other businesses.

The bill also extends an identical rule, as to the deductibility of business travel expenses, to Members of Congress. Although present law treats a Member's tax "home" as being in the jurisdiction from which he or she is elected, it limits a Member's deduction for business travel living expenses to $3,000.

This provision was enacted originally in 1952, and has not been adjusted since that time. The bill modifies this present law limitation on the deductibility of a Member's business travel expenses, and brings it into line with that currently applicable to other business taxpayers, including State legislators. Thus, under the bill a Member is allowed an annual business travel deduction equal to the amount of the aggregate per diem, permitted in the case of Federal workers in Washington, D.C., multiplied by the number of the Member's legislative days for the taxable year.

The temporary provision for State legislators which was originally included in the Tax Reform Act of 1976 is extended for 1 additional year—through 1978—and the permanent rule applying to both Federal and State legislators, will apply for 1979 and subsequent years.●

COAL-TAR BASED HAIR DYE PROTECTION

● Mr. SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MAGUIRE) is recognized for 5 minutes.

Mr. MAGUIRE. Mr. Speaker, I am introducing today a bill to amend the Federal Food, Drug, and Cosmetic Act to treat coal-tar-based hair dyes the same as other cosmetics under the act in order to provide the public with uniform protection for all cosmetic products.

Under the present law, coal tar hair dyes are exempt from the adulteration provisions of this act. Based on data obtained last year from studies conducted by the National Cancer Institute, the General Accounting Office has stated that "many coal tar hair dyes contain known or suspected carcinogens that pose a potential hazard to the consumer because they may be absorbed through the skin and scalp."

However, the exemptions in the Food, Drug, and Cosmetic Act do not now permit the Food and Drug Administration effectively to regulate coal tar hair products.

For reasons which have nothing to do with public health and safety, FDA is specifically prohibited from banning or restricting the use of those hair dyes with coal tars. Given the existing evidence of the potential of these products for causing cancer, a continuation of this special exemption is unacceptable.

The amendment I am introducing would repeal the hair dye exemption in order to strengthen regulations of coal tar dyes and, thereby, provide a greater measure of protection for users.●

THE REAL PROPERTY TAX COMPENSATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, I am pleased to join my colleague from New York (Mr. LENT) in cosponsoring the Real Property Tax Compensation Act of 1979.

Our bill would provide relief for the taxpayers who live in communities which are financially burdened with a great number of tax-exempt properties owned by foreign representatives living in the United States.

With the United Nations' building located in New York City, the New York metropolitan area has become the principal place of residence for foreign embassies and delegates working at the United Nations, and for other international organizations.

Due to our country's role as host to foreign representatives and international organizations, bilateral and multilateral treaties to which the United States is a party have evolved which grant certain foreign governments are desirable and necessary; however, they should not be at the expense of the local taxpayers who must carry the burden of financing municipal and school district services for their tax-exempt neighbors.

This problem was brought to my attention by the city of New Rochelle, N.Y., which, due to its location in Westchester County (only 15 miles from New York City), contains 19 such tax-exempt foreign properties. The total assessed valuation of these lands is $860,350 which represents a rather significant portion of New Rochelle's total assessed valuation of $393,187,186.

If taxes were being leveled on these properties, New Rochelle would receive an additional $34,274 to finance its essential services. The school district would receive an additional $54,505; Westchester County, $17,758; and the sewer district would collect an added $3,687.

Similar losses of potential tax revenue due to ownership of property by foreign representatives are being felt in many other communities as well. The village of Scarsdale, N.Y. contains six pieces of property owned by foreign governments from which it would otherwise be gaining $32,650 in tax revenues. Six homes in Mt. Vernon owned by representatives of foreign countries will cost that city $20,713 in lost revenues this year, and the town of Mamaroneck will lose $16,807 because of the two properties owned by foreign governments exempted from its tax roles. The village of Pelham gains no tax revenues from $73,550 of assessed property within its borders because of ownership by foreign governments, and the city of Rye is forced to allow $24,600 assessed property to remain untaxed for the same reason.

This legislation would allow for communities like New Rochelle, Scarsdale, Mt. Vernon, Mamaroneck, Pelham, and Rye to be reimbursed by the Secretary of the Treasury an equal amount of the real property tax revenue that the community would have received during the previous calendar year had these taxes been collected.

In these inflationary times, it is very difficult for local units of government, many of which are experiencing declining tax bases, to pay the cost of services rendered to tax-exempt representatives of foreign governments. The Federal Government has provided this tax-free privilege to foreign representatives and should assist communities in supporting services to these people.●

INTRODUCTION OF A BILL ON COAST GUARD HIGH SEAS DRUG ENFORCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BIAGGI) is recognized for 30 minutes.

Mr. BIAGGI. Mr. Speaker, today I and my distinguished colleagues from New York, BEN GILMAN and LESTER WOLFF, are introducing a bill designed to facilitate increased Coast Guard drug interdiction on the high seas.

The magnitude of maritime drug smuggling today is staggering. In just 5 years, Coast Guard drug seizures have increased from 21 vessels with 50,000 pounds of contraband on board—to 165 vessels last year, carrying 3.5 million pounds of illegal cargo, including all types of drugs, worth $1.5 billion. Marihuana, smuggling alone is now a $15 billion industry.

As chairman of the Coast Guard Subcommittee and as a member of the House Select Committee on Narcotics Abuse and Control, I have been active in investigating international drug trafficking and emphasizing the Coast Guard's role in drug interdiction. The measure we propose implements a specific recommendation made by the Select Committee on Narcotics Abuse and Control, following field hearings in Florida last year.

Through an inadvertent loophole in the law (created in 1970), simple possession of narcotics on board U.S. vessels on the high seas was deleted as a statutory offense. I and my colleague from New York (BEN GILMAN) introduced separate legislation last year to remedy this deficiency.

In Coast Guard Subcommittee hearings I chaired last year, witnesses from the Drug Enforcement Administration, the Coast Guard, and the U.S. Customs Service recommended expansion of the bill's provisions to encompass offenses committed by U.S. citizens on board foreign vessels—and over all drug-related offenses occurring on vessels subject to the jurisdiction of the United States. The expanded version of this bill addresses these additional issues.

Recent Federal court decisions have upheld and clarified the authority of the Coast Guard to board U.S. vessels and vessels subject to the jurisdiction of the United States on the high seas. Likewise, the prosecution of foreign nationals legally apprehended on the high seas by the Coast Guard for conspiring to smuggle narcotics into the United States by vessel has been upheld.

The courts, however, have gone as far as they can go in interpreting existing law. Congress must now act to expand the authority of the Coast Guard and other Federal law enforcement agencies over international drug traffickers operating on the high seas—thus facilitating their prosecution in U.S. courts.

In order for maritime law enforcement to constitute a real deterrent to drug smuggling, it must be certain, credible, and effective. By assuring that all smugglers apprehended by the Coast Guard can be successfully prosecuted under U.S. law, the overall effectiveness of Federal drug enforcement should be significantly increased.

Mr. Speaker, at this time, I insert in the RECORD the names of the bill's 50 cosponsors:

COSPONSORS

Mr. Biaggi (for himself, Mr. Gilman, Mr. Murphy of New York, Mr. Wolff, Mr. Akaka, Mr. Anderson of California, Mr. Bafalis, Mr. Barnard, Mr. Bauman, Mr. Beard of Tennessee, Mr. Breaux, Mr. Buchanan, Mr. Corrada, Mr. Donnelly Mr. English, Mr. Erdahl, Mr. Evans of Delaware, Mr. Evans of Virgin Islands, Mr. Fascell, Ms. Ferrara, Mr. Flood, Mr. Gudger, Mr. Guyer, Mr. Hollenbeck, Mr. Hughes, Mr. Hyde, Mr. Ichord, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lee, Mr. Livingston, Mr. Lott, Mr. Mica, Mr Mitchell of Maryland, Mr. Montgomery, Mr. Moore, Mr. Murphy of Illinois, Mr. Neal, Mr. Oberstar, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Railsback, Mr. Rangel, Mr. Rosenthal, Mr. Roe, Mr. Snyder, Mr. Stack, Mr. Treen, Mr. Whitehurst, and Mr. Zeferetti).

H.R. 2538

A bill to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) It shall be unlawful for any person, knowingly or intentionally, to possess, manufacture, distribute, dispense, or unlawfully import, on board a vessel of the United States or a vessel subject to the jurisdiction of the United States, a controlled substance as defined in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812).

(b) It shall be unlawful for a citizen of the United States, knowingly or intentionally, to possess, manufacture, distribute, dispense, or unlawfully import, on board any vessel a controlled substance as defined in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812).

(c) It shall be unlawful, except as provided in section 1002 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 952), for any person on any vessel within or without the United States, to attempt or conspire to import or transport a controlled substance into the United States; or to attempt or conspire to facilitate the import or transport of such a substance.

(d) It shall be unlawful to transfer a controlled substance from any vessel to a vessel of the United States, or a vessel subject to the jurisdiction of the United States, either within the territorial seas of the United States or on the high seas.

(e) Any person who violates subsection (a), (b), (c), or (d) of this section shall be sentenced in the same manner as a person would be sentenced for possession of a controlled substance under section 1010 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 960).

SEC. 2. As used in this Act—

(a) "high seas" means all waters beyond the territorial sea of the United States and beyond the territorial sea of any foreign nation.

(b) "vessel of the United States" means any vessel documented or numbered under the laws of the United States or owned in whole or in part by a citizen of the United States, unless the vessel has been granted nationality by a foreign nation in accordance with Article V of the Convention on the High Seas, 1958.

(c) "vessel subject to the jurisdiction of the United States" includes:

(1) any vessel without nationality or any vessel assimilated to a vessel without nationality, in accordance with paragraph (2) of Article VI of the Convention on the High Seas, 1958;

(2) any vessel, within the customs waters as defined in section 401 of the Tariff Act of 1930, amended (19 U.S.C. 1401); or

(3) any vessel on the high seas registered in a foreign nation when that nation authorizes the United States to assert jurisdiction over that vessel for the purposes of enforcing this Act.

□ 1450

Mr. GILLMAN. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank my distinguished colleague from New York, the chairman of the Subcommittee on Coast Guard and Navigation (Mr. BIAGGI) for yielding and commend him for taking out this special order to introduce our proposed Coast Guard seaborne drug interdiction measure.

As the gentleman from New York knows, this proposed legislation is a revision of H.R. 10371 and H.R. 10698, measures that he and I respectively authored during the 95th Congress and measures that were supported by the Select Committee on Narcotics Abuse and Control in its recent report on drug trafficking in south Florida.

Our revised proposal has two primary purposes: First, it would prohibit any person on board a vessel subject to the jurisdiction of the United States or a U.S. citizen on board any vessel from possessing, manufacturing, distributing, dispensing, or importing—including the attempt or conspiracyy to import—any drug that is scheduled under the Comprehensive Drug Abuse Prevention and Control Act of 1970. Second, the measure would prohibit the transfer of a controlled drug from any vessel to a vessel subject to U.S. jurisdiction on the high seas, thereby prohibiting the "mother ship" technique popularized during the 1920's and early 1930's by prohibition rumrunners. Through the "mother ship" technique, the "mother vessel" remains outside the U.S. customs inspection waters—the 12-mile customs zone—and unloads contraband cargo to a small, inconspicuous vessel that then mingles among the tens of thousands of recreational boats in U.S. waters. From there, these deadly drugs are scattered by organized crime's intricate operational networks to virtually every city, town and school district in this country, injecting our citizens with despair and misery, reaping billions of dollars in untaxed profits from these sordid transactions.

Mr. Speaker, our Nation's borders have become an open sieve for narcotics trafficking. Illicit drugs are no longer trickling into the United States—it is a tidal wave of epidemic proportions. Federal, State, and local law enforcement officials are seizing marihuana and cocaine, not by the pounds but by the tons, in boatloads and planeloads. Peter Bensinger, the able Administrator of the Drug Enforcement Administration (DEA), has estimated that the vile business of drug trafficking in the United States amounts to as much as $45 billion per year.

In 1978, the U.S. Coast Guard participated in the seizure of 172 vessels, the arrest of 865 drug traffickers and the seizure of more than 3.5 million pounds of marihuana worth more than $1.4 billion, compared to the seizure in 1977 of 57 vessels, the arrest of 304 drug traffickers and the seizure of 1.2 million pounds of marihuana—or approximately 34 percent of the 1978 marihuana seizure—worth nearly $430 million.

Under the leadership of its distinguished chairman (Mr. WOLFF), the Select Committee on Narcotics Abuse and Control, of which I am a member, found trafficking in south Florida that marihuana and cocaine smuggling has reached a staggering $7 billion a year for that area alone, a volume that far exceeds south Florida's biggest legitimate business—tourism.

Hardly a day goes by that narcotics traffickers are not able to penetrate our borders, infect our citizens with their deadly drugs and reap millions of dollars in untaxed profits. For example on January 17 of this year, the Coast Guard and U.S. Customs Service seized 10,000 pounds of marihuana worth $7,260,000 from a drug trafficking vessel operating in the Gulf of Mexico. On January 21, U.S. Customs patrol officers seized at New York's Kennedy International Airport 5.5 pounds of heroin worth more than $2.9 million; two days later, in Wodbine, Ga., Federal DEA agents, Customs patrol officers and the local police seized 60,000 pounds of marihuana worth an estimated $21,780,000, and on that same day in Brooklyn, N.Y., law enforcement officials seized 4.9 pounds of cocaine worth an estimated $1,334,760. On January 24, a U.S. Customs inspector in Reno, Nev., seized 3.8 pounds of cocaine with an estimated $587,294. On February 1, in Miami, Fla., a U.S. Customs agent with an alert dog captured 72 pounds of cocaine worth an estimated $19,612,800; 2 days later, in Darien, Ga., Federal and local law enforcement agents seized 40,000 pounds of marihuana worth more than $14.5 million. On February 6, Federal agents seized 15,000 pounds of marihuana worth more than $5.4 million in Marathon, Fla.

During the first 57 days of this year, from January 1 to February 26, the Coast Guard participated in the seizure of 8 vessels, the arrest of 45 drug traffickers, and the seizure of 232,805 pounds of marihuana worth an estimated street value of $86,570,000. For January 1979, the U.S. Customs Service seized 16.6 pounds of heroin, valued at $8,862,806; 58.4 pounds of cocaine, valued at $15,908,160; 1,766 pounds of hashish, $7,731,193; and 335,857 pounds of marihuana, valued at $212,983,262.

Obviously this is not a complete listing of daily narcotic seizures throughout the United States. These seizures are only the tip of the trafficking iceberg. No one knows just how much of narcotics trafficking there is in this country or the voluminous amounts of drugs that daily penetrate our borders, escaping interdiction by Federal, State, and local law enforcement agents. We all recognize that the drug trafficking problem in this country and throughout the world is herculean. It is a multibillion dollar industry conducted by highly organized, well-financed international criminal syndicates whose corrupt tentacles reach into every region of the world, undermining the political, economic, and social structure of society. Its toll in lives and property is costly. Last year there were approximately 4,000 youths who succumbed to an overdose of drugs and last year narcotics abuse and trafficking cost our Nation's taxpayers an estimated $10 billion.

□ 1455

Mr. BIAGGI. Mr. Speaker, is it not also a fact that a large number of so-called legitimate people, especially in the Southeastern area of our Nation, actively engage in financing undertakings of this type?

Mr. GILMAN. Yes, we found that not only in the Southern part of our Nation, but in the Chicago area, that the drug trafficking was related to some legitimate purposes, and a great deal of the money was being laundered through the banks back into Mexico. Millions and millions, over $200 million, was being returned to Mexico inside of the 1 year from the drug trafficking.

Mr. BIAGGI. So, law enforcement officials should direct attention to the so-called legitimate people or the good people of the community who might be engaged in this activity, as well as the actual traffickers.

Mr. GILMAN. It is an area which we should be pursuing even further.

In November of 1977, the Narcotics Select Committee held hearings at the U.S. Mission to the United Nations in New York on international narcotics control— hearing that I, along with Messrs. WOLFF and BIAGGI participated. I was impressed by the testimony of Rear Adm. Norman C. Venzke, Chief of the Office of Operations and Director of the Enforcement of Laws and Treaties Program of the U.S. Coast Guard, who stated:

> The general revision of drug laws which produced the Comprehensive Drug Abuse and Control Act of 1970 omitted the provision making the possession of quantities of drugs by US. vessels on the high seas a Federal crime. Consequently, Coast Guard drug law enforcement action against U.S. vessels at sea beyond the 12-mile customs zone now requires the proof of conspiracy to import beforce law enforcement action can be properly undertaken.

Mr. Speaker, our legislative proposal is designed to help plug that 12-mile zone loophole by prohibiting circuitous avoidance of U.S. jurisdiction and by subjecting the convicted violator to an imprisonment of not more than 15 years, a fine of not more than $25,000, or both. A subsequent conviction would subject the violator to imprisonment of not more than 30 years, a fine of not more than $50,000, or both—penalties that are stipulated by the Comprehensive Drug Abuse Prevention and Control Act of 1970.

I understand that the Subcommittee on Coast Guard and Navigation will be holding hearings on this measure later this month. I commend the committee for acting swiftly on this legislation and hope that other colleagues will join with us and the more than 50 cosponsors in helping to plug this loophole— a loophole through which significant amounts of drugs are smuggled onto this Nation's shores.

If our Nation is going to effectively interdict narcotics trafficking then the statutes under which our law enforcement agencies operate must be perfected to permit our dedicated law enforcement agents to properly perform their dangerous tasks. This legislative proposal is a step in that direction—it would improve our legislative arsenal in the war on narcotics trafficking by providing the Coast Guard with the necessary authority to interdict drug traffickers on the high seas and to penalize the convicted traffickers with stiff penalties. Accordingly, I urge my colleagues to support this measure.

□ 1500

Mr. BIAGGI. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for his statement and his support. I would like to, for the record, acknowledge his activity in this area as well as that of the chairman of the Select Committee on Narcotics, the gentleman from New York (Mr. WOLFF), who has been indefatigable in his pursuit of wrongdoers and in seeing solutions which might help ameliorate the cancer of our society today.

● Mr. WOLFF. Mr. Speaker, I welcome this opportunity to offer my support to this proposed legislation and I want to congratulate my distinguished colleagues from New York, Chairman BIAGGI of the Subcommittee on Coast Guard and Navigation, and Mr. GILMAN for their foresight in trying to augment the Coast Guard's efforts to interdict narcotics and illicit drugs on the high seas.

Last June, during hearings before the Select Committee on Narcotics Abuse and Control which I chair, it was made apparent that serious problems exist with respect to the ability of Federal law enforcement authorities to intercept illicit narcotics on the high seas. At that time, we expressed our deep concern over this situation and in a telegram to President Carter at the close of those hearings, the committee advised that the south Florida region was in the midst of a "catastrophic and overwhelming drug disaster." As a result of what was seen in south Florida, the select committee recommended that legislation be enacted to regulate the transfer of a controlled substance between vessels on the high seas. In addition, the committee advocated the enactment of legislation which would permit the Coast Guard to board a stateless vessel on the high seas if there appear reasonable grounds to believe that the vessel contains an illegal cargo of controlled substances destined for U.S. shores. This language is largely embodied in the bill that Mr. BIAGGI has introduced and I believe therefore would go a long way toward providing Federal officials with a necessary tool to combat this veritable drug invasion, which has not appreciably altered since June.

I believe it is impossible to effectively repel this kind of a drug assault if Federal and local enforcement officials are only able to interdict less than 10 percent of the incoming contraband. But it must be noted that these authorities have often been handcuffed by both poor equipment and laws which place roadblocks before them in their attempts to deny drug traffickers access to our shores.

As my distinguished colleagues from New York realize, the primary method by which drug traffickers import their illicit products into the United States is by the "mother ship" technique whereby smaller high-speed boats approach larger vessels on the high seas in order to unload the contraband and bring it back to shore for distribution. It is not uncommon for coastal freighters to steam through the Gulf Stream off the Florida coast with 50-ton payloads of marihuana, their courses set for secret coordinates off the Bahamas where the small fast boats are waiting. Sometimes these vessels are found abandoned. Ships flying no national flag and bearing fictitious names, have been scuttled by their crews when Coast Guard cutters have given chase. But more frequently, scores of these ships are unloaded without incident.

Recently, in order to secure the bulk of their illegal cargo, some smugglers have deviously tipped off authorities where portions of their shipments are coming in. Still others have made a science of studying the movements of the U.S. Coast Guard. Some traffickers have even given up the high seas, taking instead to the air—a ploy cocaine smugglers have used for years.

Mr. Speaker, it is essential that the Congress continue to have input in the war against drugs and it is my understanding that Chairman BIAGGI has scheduled hearings before his subcommittee in the very near future. I am pleased to be a primary cosponsor of this measure and I hope that my colleagues will follow suit and add their support to this vitally important legislative initiative.●

GENERAL LEAVE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. MIKVA. I was called from the Hill and unavoidably detained yesterday when the House voted on H.R. 1894, the final approval to raise the limit on the public debt. Had I been present, I would have voted "yes."

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL NOON SATURDAY, MARCH 3, 1979, TO FILE REPORT ON H.R. 2479, UNITED STATES-TAIWAN RELATIONS ACT

Mr. KOGOVSEK. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until noon Saturday, March 3, 1979, to file a report on H.R. 2479, United States-Taiwan Relations Act.

This matter has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PEAT POWER: PEAT-FUELED DEMONSTRATION POWERPLANT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, today, I am introducing legislation to authorize the expenditure of $67 million over a 6-year period to defray approximately one half the cost of a 150 megawatt peat fueled pilot power plant. Funding for fiscal year 1980 would amount to $2 million. The proposed electrical generating facility, the first of its kind in the United States, would be constructed, with the assistance of the Department of Energy, by the North Carolina Electric Membership Corp. The corporation would assume an equal share of the cost of the $134 million project.

Aside from coal, peat is the most abundant fossil fuel found in this country. It is cleaner to burn than coal and easier to mine, or in this case harvest, and it appears to be cost competitive with both coal and nuclear power. In addition, it has been demonstrated that after the peat has been harvested, the land can be reclaimed as productive farmland. Currently, the Soviet Union, Ireland and Finland are the only large scale users of peat.

Of course, there are some inherent problems associated with using peat as a fuel. The most obvious is that it is composed of up to 90 percent water. Special harvesting techniques as well as a boiler able to burn rather moist fuel must be designed to make the process cost competitive. The North Carolina Electric Membership Corp. is confident that it can solve these problems and is willing to invest over $67 million in the project. Indeed, it has already spent several hundred thousand dollars in plant design and feasibility studies.

Mr. Speaker, I do not have to remind you of how vulnerable our Nation has become because of its heavy reliance on foreign fuels; the Iranian situation has driven that point home once again. It is imperative, therefore, that we develop our domestic energy sources to their fullest. When you consider that North Car-

olina alone contains the energy equivalent in peat of an estimated 5 billion barrels of oil, you can begin to understand the enormous potential of this resource and what it can mean for our country. This demonstration project could in fact transform peat from a "potential" into a "reality," bringing us a good deal closer to our goal of energy independence.

Yet, Mr. Speaker, the fiscal year 1980 DOE budget for fossil fuels, totaling nearly one-half billion dollars, contains not a single dollar for peat research or commercialization. My proposal is aimed at filling a serious gap in our energy program. It is a small investment in a resource that promises to demonstrate the viability of a major source of energy for the near future. I strongly urge my colleagues to support this bill and enact it into law.●

HEARINGS ON PUBLIC FINANCING OF CONGRESSIONAL ELECTIONS ANNOUNCED BY CHAIRMAN FRANK THOMPSON, JR., OF HOUSE ADMINISTRATION COMMITTEE

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, the preliminary hearing schedule on H.R. 1 and other bipartisan legislation providing for public financing of congressional elections was announced today by Representative FRANK THOMPSON, JR., of New Jersey, the distinguished chairman of the House Administration Committee. Hearings will begin on Thursday, March 15.

"Public financing legislation," Mr. THOMPSON said, "is the number one priority matter for our Committee this year."

Mr. Speaker, I share Mr. THOMPSON's view and look forward to working closely with him on this important legislation.

Mr. THOMPSON also said:

The results of the 1978 Congressional elections with the shocking pattern of multi-hundred thousand dollar campaigns makes it of the most vital importance that Congress enact a workable public financing law before the 1980 balloting. If truly representative government is to be preserved, we must halt the recent trend of "seat buying" in Congress resulting from the infusion of millions and millions of special interest campaign money in what have been traditionally local Congressional races.

Mr. Speaker, data recently compiled by the Federal Election Commission on 1978 campaign spending show that total spending by congressional candidates reached the record high total of $192.2 million.

"It is high time that we return the electoral process to the people," Mr. THOMPSON asserted in his statement announcing the schedule of hearings on this legislation.

He added: "Some form of public financing of congressional campaigns through a voluntary tax checkoff system that worked so well in the 1976 Presidential election is the best way to reverse this trend that makes too many individual candidates dependent upon the special interests groups that bankroll their campaigns."

LEGISLATION PROPOSED

Mr. Speaker, H.R. 1 would offer Federal grants on a matching basis, paid out of the fund established by the $1 income tax checkoff, to House candidates in general elections. Any candidate would have a choice whether or not to accept Federal funds. Those candidates opting for public financing would receive matching grants for each $1 of private contributions they raise, up to a maximum of $60,000 in Federal funds. However, they would have to agree to spend no more than $195,000 from all sources during the campaign. Those candidates who chose not to participate in the public financing program would have no spending limit, but would receive no Federal matching funds.

Mr. Speaker, similar legislation was narrowly defeated on the House floor in the last Congress, but the average spending by congressional candidates in the 1978 campaign increased by some 30 percent over 1976 general election campaign spending by such candidates. This is an important factor, Mr. THOMPSON feels, in persuading a majority of House incumbents that they would be better off under the public financing law rather than being saddled with rapidly escalating campaign costs each election year.

HEARINGS SCHEDULED

The House Administration Committee hearings will commence on Thursday, March 15, with the Federal Election Commission and other witnesses testifying on the impact of public financing on campaign law administration.

Subsequent panels of witnesses will address themselves to the following subjects:

The impact of public financing on House candidates (March 20);

The impact of public financing on special interest groups (March 21);

The impact of public financing on political parties (March 22);

The impact of public financing on the political process (March 22); and finally

The impact of public financing on constituent groups (March 27).

Details about witnesses scheduled to appear on each day, the times and room numbers of the hearings will be announced later.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Ms. HOLTZMAN (at the request of Mr. WRIGHT), for February 11 through 27, on account of official business.

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 30 minutes, today.

Mr. NEAL (at the request of Mr. KOGOVSEK), for 5 minutes today, and to include extraneous matter.

(The following Members (at the request of Mr. SENSENBRENNER) to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. WAMPLER, for 30 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. CLEVELAND, for 20 minutes, today.

(The following Members (at the request of Mr. KOGOVSEK) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BINGHAM, for 45 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. PHILLIP BURTON, for 60 minutes, today.

Mr. GLICKMAN, for 5 minutes, today.

Mr. MAGUIRE, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mrs. HOLT.
Mr. SOLOMON.
Mr. MICHEL.
Mr. DERWINSKI.
Mr. CLINGER.
Mr. BETHUNE.
Mr. LAGOMARSINO in four instances.
Mr. HYDE.
Mr. GILMAN.
Mr. GREEN.
Mr. JEFFORDS.

(The following Members (at the request of Mr. KOGOVSEK) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mrs. BYRON in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. RATCHFORD.
Mr. HOLLAND in five instances.
Mr. FOWLER in two instances.
Mr. MAGUIRE.
Mr. WAXMAN.
Mr. ALBOSTA.
Mr. BRODHEAD.
Mr. RODINO.
Mr. OTTINGER in three instances.
Mr. HARRIS.
Mr. NOLAN.
Mr. BIAGGI in six instances.

ADJOURNMENT

Mr. KOGOVSEK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, March 5, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

769. Communication from the President of the United States, transmitting amendments to requests for supplemental appropriations for fiscal year 1979 for the Department of Defense–Military [H. Doc. No. 96–64]; to the Committee on Appropriations and ordered to be printed.

770. A letter from the Secretary of Housing and Urban Development, transmitting the fifth annual report on the HUD coinsurance program, pursuant to section 244(f) of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

771. A letter from the Director of Administration, Department of Energy, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

772. A letter from the staff secretary, National Security Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

773. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

774. A letter from the vice president for Government affairs, National Railroad Passenger Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

775. A letter from the Secretary of Transportation, transmitting the annual report on the Secretary's activities under the Emergency Rail Services Act of 1970, and an evaluation of the financial condition of railroads which have outstanding certificates guaranteed under the act, pursuant to section 10 of the act; to the Committee on Interstate and Foreign Commerce.

776. A letter from the Secretary of Transportation, transmitting a report on the financial condition and operations of the Railroad Rehabilitation and Improvement Fund and of the obligation guarantee fund during fiscal year 1978, pursuant to section 515 of the Railroad Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

777. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend the authorization for appropriations to carry out the Endangered Species Act of 1973, as amended; to the Committee on Merchant Marine and Fisheries.

778. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1980 and 1981 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

779. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Panama City beaches, Florida, in partial response to a resolution of the Senate Committee on Public Works adopted April 20, 1970, and pursuant to section 111 of Public Law 90–483 [H. Doc. No. 96–65]; to the Committee on Public Works and Transportation and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 111. Resolution providing funds for the expenses of the Committee on Standards of Official Conduct; with amendment (Rept. No. 96–19). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 112. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia; with amendment (Rept. No. 96–20). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 114. Resolution providing funds for the expenses of a welfare and pension plans task force under the jurisdiction of the Committee on Education and Labor; with amendment (Rept. No. 96–21). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 117. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Agriculture; with amendment (Rept. No. 96–22). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 129. Resolution providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives; with amendment (Rept. No. 96–23). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 130. Resolution providing funds for the Committee on Rules; with amendment (Rept. No. 96–24). Referred to the House Calendar.

Mr. WHITTEN: Committee on Appropriations. H.R. 2439. A bill to rescind certain budget authority contained in the message of the President on January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974 (H. Rept. No. 96–25). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 2534. A bill to provide for a temporary increase in the public debt limit, and for other purposes; to the Committee on Ways and Means.

By Mr. ALBOSTA (for himself and Mr. DRINAN):

H.R. 2535. A bill to amend the Tariff Schedules of the United States to suspend for a temporary period the duty on certain alloy tool steels used for making chipper knives; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 2536. A bill to amend the Internal Revenue Code of 1954 to provide that individuals will not be required to make declarations of estimated tax if the amount of estimated tax is less than $500; to the Committee on Ways and Means.

By Mr. BAUMAN (for himself, Mr. FINDLEY, and Mr. HILLIS):

H.R. 2537. A bill to suspend until December 31, 1982, a portion of the duties on strontium nitrate; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. GILMAN, Mr. MURPHY of New York, Mr. WOLFF, Mr. AKAKA, Mr. ANDERSON of California, Mr. BAFALIS, Mr. BARNARD, Mr. BAUMAN, Mr. BEREUX, Mr. BUCHANAN, Mr. CORRADA, Mr. DONNELLY, Mr. ENGLISH, Mr. ERDAHL, Mr. EVANS of Delaware, Mr. EVANS of the Virgin Islands, Mr. FASCELL, Ms. FERRARO, Mr. FLOOD, Mr. GUDGER, Mr. GUYER, Mr. HOLLENBECK, Mr. HUGHES, Mr. HYDE, Mr. ICHORD, Mr. LAGOMARSINO, Mr. LEACH of Louisiana, Mr. LEE, Mr. LIVINGSTON, Mr. LOTT, Mr. MICA, Mr. MITCHELL of Maryland, Mr. MONTGOMERY, Mr. MOORE, Mr. MURPHY of Illinois, Mr. NEAL, Mr. OBERSTAR, Mr. PANETTA, Mr. PATTEN, Mr. PATTERSON, Mr. RAILSBACK, Mr. RANGEL, Mr. ROSENTHAL, Mr. ROE, Mr. SNYDER, Mr. STACK, Mr. TREEN, Mr. WHITEHURST, Mr. ZEFERETTI, and Mr. BEARD of Tennessee):

H.R. 2538. A bill to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BINGHAM (for himself, Mr. ZABLOCKI, and Mr. PEASE):

H.R. 2539. A bill to provide for continuation of authority to regulate exports; jointly, to the Committees on Foreign Affairs and Rules.

By Mr. EDWARDS of California (for himself and Mr. DRINAN):

H.R. 2540. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself, Mr. VAN DEERLIN, Mr. NEAL, Mr. MONTGOMERY, Mr. PRICE, Mr. DRINAN, Mr. PEASE, Mr. MATHIS, Mr. GLICKMAN, Mr. DERRICK, Mr. PATTEN, Mr. JENKINS, Mr. GUYER, Mr. HOWARD, Mr. BEDELL, Mr. GINN, Mr. ROSE, Mr. BEVILL, Mr. MICHEL, Mr. MCDONALD, Mr. ROE, Mr. MIKVA, Mr. CORCORAN, Mr. JENRETTE, Mr. TAYLOR, Mr. HUGHES, Mr. MCEWEN, Mr. HAGEDORN, Mr. GUDGER, Mr. COUGHLIN, Mr. PANETTA, Mr. MAGUIRE, Mr. FLOOD, Mr. FOUNTAIN, Mr. SIMON, and Mr. RINALDO):

H.R. 2541. A bill to require the Federal Communications Commission to insure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service; to the Committee on Interstate and Foreign Commerce.

By Mr. FISHER (for himself and Mr. BAFALIS):

H.R. 2542. A bill entitled "Tax Credit for the Elderly Improvement Amendments of 1979"; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 2543. A bill to provide lump sum death benefits for certain Federal law officers and firefighters killed in the line of duty, and for other purposes; jointly, to the Committees on Education and Labor, Post Office and Civil Service, and Judiciary.

By Mr. GLICKMAN:

H.R. 2544. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to eliminate

budget deficits by providing that (after a 2-year phasing-down period) Federal expenditures shall not exceed Federal revenues, and to provide for the gradual elimination of the Federal debt; jointly, to the Committees on Government Operations and Rules.

By Mr. HANSEN:

H.R. 2545. A bill to provide that the lake referred to as the Ririe Lake on Willow Creek, in Bonneville County, Idaho, shall hereafter be known as Oscar Johnson Lake; to the Committee on Public Works and Transportation.

By Mr. HARRIS:

H.R. 2546. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mrs. HOLT:

H.R. 2547. A bill to amend title 10, United States Code, to reduce the cost-sharing required of participants in the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) for inpatient medical care provided on an emergency basis; to the Committee on Armed Services.

By Mrs. HOLT (for herself, Mr. BADHAM, Mr. BAFALIS, Mr. BARNARD, Mr. BAUMAN, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. BURGENER, Mr. CARTER, Mr. COLLINS of Texas, Mr. CONABLE, Mr. CORCORAN, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DERRICK, Mr. DERWINSKI, Mr. DORNAN, Mr. FRENZEL, Mr. GIBBONS, Mr. GINGRICH, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GRADISON, Mr. GUYER, Mr. HYDE, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEACH of Louisiana, Mr. LEE, Mr. LOTT, Mr. MADIGAN, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MOORE, Mr. MYERS of Indiana, Mr. O'BRIEN, Mr. REGULA, Mr. RHODES, Mr. ROE, Mr. RUDD, Mr. SENSENBRENNER, Mr. SHUSTER, Mr. SIMON, Mr. SOLOMON, Mr. SYMMS, Mr. WAMPLER, Mr. WHITEHURST, Mr. WINN, Mr. YOUNG of Alaska, and Mr. EDWARDS of Oklahoma):

H.R. 2548. A bill to provide for the inclusion of certain Federal entities in the budget totals, effective with the 1983 budget; to the Committee on Government Operations.

By Mr. HOWARD (for himself, Mr. DOUGHERTY, Mr. MAZZOLI, Mr. OTTINGER, Mr. NEAL, Mr. GUARINI, Mrs. BOUQUARD, Mr. EVANS of the Virgin Islands, Mr. FROST, Mr. HUTTO, Mr. BUCHANAN, Mr. GILMAN, Mr. LONG of Louisiana and Mr. SHUSTER):

H.R. 2549. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. ROSTENKOWSKI (for himself, Mr. CORMAN, Mr. LEDERER, and Mr. DUNCAN of Tennessee):

H.R. 2550. A bill to extend the provisions of law relating to the business expenses of legislators, and for other purposes; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself, Mr. NOLAN, Mr. BALDUS, Mr. AKAKA, Mr. ANDREWS of North Dakota, Mr. BROWN of California, Mrs. BYRON, Mr. CONTE, Mr. CORRADA, Mr. DICKS, Mr. ERTEL, Mr. FLORIO, Mr. GILMAN, Mr. HARKIN, Mrs. HECKLER, Mr. HUGHES, Mr. JENRETTE, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. MARKEY, Mr. MARKS, Mr. MCCLORY, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. OTTINGER, Mr. PERKINS, Mr. PRITCHARD, Mr. RICHMOND, Mr. SAWYER, Mr. STANGELAND, Mr. THOMPSON, Mr. WALKER, Mr. WEAVER, Mr. WINN, Mr. BONKER, Mr. OBERSTAR, Mr. SIMON, Mr. YATRON, Mr. LOWRY, Mr. MCCORMACK, Mr. MOFFETT, and Mr. SWIFT):

H.R. 2551. A bill to establish internal Federal policy concerning protection of certain agricultural land; to establish a Study Committee on the Protection of Agricultural Land; to establish a demonstration program relating to methods of protecting certain agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture.

By Mr. KEMP:

H.R. 2552. A bill to exclude from gross income the first $1,000 of interest received from savings account deposits in home lending institutions; to the Committee on Ways and Means.

By Mr. MCDONALD:

H.R. 2553. A bill to amend the Internal Revenue Code of 1954 to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns, and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. MAGUIRE:

H.R. 2554. A bill to amend the Federal Food, Drug, and Cosmetic Act to treat hair dyes the same as other cosmetics under such act; to the Committee on Interstate and Foreign Commerce.

By Mr. NEAL:

H.R. 2555. A bill to authorize the appropriation of funds for a demonstration peat-fueled electrical generating plant located in North Carolina; to the Committee on Science and Technology.

By Mr. NEDZI (for himself and Mr. WHITEHURST) (by request):

H.R. 2556. A bill to authorize construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. PEASE (for himself, Mr. GOLDWATER, Mr. WHITEHURST, Mr. WHITLEY, Mr. HIGHTOWER, Mr. REGULA, Mr. LAGOMARSINO, Mr. RAHALL, Mr. BENJAMIN, Mr. AUCOIN, Mr. GRISHAM, Mr. BEVILL, Mr. VENTO, Mr. MCDONALD, Mr. DORNAN, Mr. STUDDS, Mrs. BOUQUARD, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. DICKS, Mr. HYDE, Mr. STANGELAND, Mr. ERTEL, Mr. BEILENSON, Mr. DANNEMEYER, Mr. WALKER, Mr. GOODLING, Mr. LEE, Mr. BROYHILL, Mr. GEPHARDT, Mr. ROBERT W. DANIEL, Jr., Mr. ALBOSTA, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. HEFTEL, Mr. HOLLENBECK, Mr. LIVINGSTON, Mr. MOLLOHAN, Mr. ASHLEY, Mr. BARNARD, Mr. STUMP, Mr. EDWARDS of Oklahoma, and Mr. BEARD of Tennessee):

H.R. 2557. A bill to amend the Immigration and Nationality Act to provide that an immigrant shall not be admitted into the United States without a 5-year financial sponsorship statement, except as the Attorney General provides; to the Committee on the Judiciary.

By Mr. PEASE (for himself, Mr. GOLDWATER, Mr. WHITEHURST, Mr. WHITLEY, Mr. FORSYTHE, Mr. HIGHTOWER, Mr. REGULA, Mr. LAGOMARSINO, Mr. RAHALL, Mr. ICHORD, Mr. BENJAMIN, Mr. AUCOIN, Mr. GRISHAM, Mr. SENSENBRENNER, Mr. BEVILL, Mr. VENTO, Mr. MCDONALD, Mr. DORNAN, Mrs. BOUQUARD, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. GUDGER, Mr. DICKS, Mr. HYDE, Mr. STANGELAND, Mr. ERTEL, Mr. BEILENSON, Mr. DANNEMEYER, Mr. WALKER, Mr. GOODLING, Mr. LEE, Mr. BROYHILL, Mr. LONG of Maryland, Mr. LEACH of Iowa, Mr. VOLKMER, Mr. GEPHARDT, Mr. ROBERT W. DANIEL, JR., Mr. ALBOSTA, Mr. LEDERER, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. HEFTEL, Mr. HOLLENBECK, Mr. LIVINGSTON, Mr. MOLLOHAN, Mr. ASHLEY, Mr. BARNARD, Mr. STUMP, Mr. EDWARDS of Oklahoma, and Mr. BEARD of Tennessee):

H.R. 2558. A bill to amend title XVI of the Social Security Act to provide that certain aliens may not qualify for SSI benefits unless they not only are permanently residing in the United States but have also resided continuously in the United States for at least 5 years; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 2559. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for preventive services furnished in the screening, testing, diagnosis, and treatment of individuals for hypertension; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 2560. A bill to provide payment for drugs and biologicals under part B of the medicare program and with respect to post-hospital home health services; to the Committee on Ways and Means.

H.R. 2561. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2562. A bill to amend title XIX of the Social Security Act to require the provision of preventive examinations for hypertension and drugs for the treatment of hypertension under the medicaid program; to the Committee on Interstate and Foreign Commerce.

H.R. 2563. A bill to amend section 317 of the Public Health Service Act to provide for services for the treatment of hypertension under preventive health services grants; to the Committee on Interstate and Foreign Commerce.

H.R. 2564. A bill to provide health and social services in a congregate setting in federally assisted housing projects for the elderly and handicapped; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2565. A bill to amend the Older Americans Act of 1965 to provide expanded counseling assistance for the elderly, and for other purposes; to the Committee on Education and Labor.

H.R. 2566. A bill to promote the provision and availability of necessary health services for the elderly by requiring the inclusion of specified preventive and home health services under the medicaid program, and making various improvements in the administration of such program, providing assistance to demonstration and pilot projects for home health and supportive services, and authorizing grants for annual health fairs and mobile geriatric health units, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2567. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits under medicare, to remove the prior hospitalization, skilled nursing care, homebound, and deductible requirements applicable to home health care under medicare, to include periodic chore services under home health services under medicare, to provide coverage of community mental health center services under medicare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2568. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

H.R. 2569. A bill to eliminate the benefit reduction which is provided for supplemental security income recipients in certain long-term care institutions when such institutions do not meet the standards established by States under section 1616(e) of the Social Security Act, to authorize payments to States to cover the cost of training and compensating personnel to inspect such institutions, and for other purposes; to the Committee on Ways and Means.

H.R. 2570. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 2571. A bill to amend the Social Security Act to improve and make more effective the provision of nursing home services under the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 2572. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself and Mr. WAMPLER):

H.R. 2573. A bill to amend the Higher Education Act of 1965 to provide for grants and studies relating to preretirement education; to the Committee on Education and Labor.

By Mr. PREYER:

H.R. 2574. A bill to amend the Federal, Food, Drug, and Cosmetic Act to revise certain labeling and notice requirements of that act respecting colored margarine and colored oleomargarine; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON):

H.R. 2575. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized, for procurement of aircraft, missiles, and naval vessels and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 2576. A bill to authorize appropriations for fiscal year 1980 for conservation, development, and use of naval petroleum reserves and naval oil shale reserves; to the Committee on Armed Services.

By Mr. RUNNELS:

H.R. 2577. A bill to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 2578. A bill to establish Indian Resources Development Institutes; jointly, to the Committees on Education and Labor, and Interior and Insular Affairs.

By Mr. RUNNELS (by request):

H.R. 2579. A bill to transfer certain rights-of-way to the Elephant Butte Irrigation District of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHELBY:

H.R. 2580. A bill to suspend for a 3-year period the duty on 2-Methyl, 4-chlorophenol; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.R. 2581. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

H.R. 2582. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 2583. A bill to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (by request):

H.R. 2584. A bill to amend title 5, United States Code, to provide survivor benefits to certain dependent children; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS:

H.R. 2585. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980 and 1981; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. DEVINE) (by request):

H.R. 2586. A bill to provide for the timely management of the spent fuel from nuclear reactors; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. VOLKMER:

H.R. 2587. A bill to provide procedures for calling a constitutional convention for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 2588. A bill to authorize the Secretary of Agriculture to perform additional functions conducive to increasing the production, improving the marketing and the quality of food, fiber, and forest products and conducive to improving the economic condition of families engaged in farming, and for other purposes; jointly, to the Committees on Agriculture, Interior and Insular Affairs, Interstate and Foreign Commerce, and Merchant Marine and Fisheries.

By Mr. YOUNG of Alaska:

H.R. 2589. A bill to provide paid leave to Federal and District of Columbia government employees while they are preparing for or participating in certain international athletic competitions as members of the official team of the United States; jointly, to the Committees on the District of Columbia and Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res. 235. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 25th amendment of that Constitution; to the Committee on the Judiciary.

By Mr. MCEWEN:

H.J. Res. 236. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

H.J. Res. 237. Joint resolution proposing an amendment to the Constitution of the United States with respect to participation in voluntary prayer or meditation in public buildings; to the Committee on the Judiciary.

By Mr. PHILIP M. CRANE:

H. Con. Res. 64. Concurrent resolution expressing the sense of the Congress with respect to the strategic importance of Israel to the United States; to the Committee on Foreign Affairs.

By Mr. GINGRICH:

H. Res. 142. Resolution to expel Charles C. Diggs, Jr., of Michigan; to the Committee on Standards of Official Conduct.

By Mrs. FENWICK:

H. Res. 143. Resolution amending the Rules of the House of Representatives to prohibit the consideration of major spending or revenue-reducing bills during the last 5 days of a session, and to prohibit the consideration of more than one such bill on the same day at any time; to the Committee on Rules.

By Mr. PEPPER:

H. Res. 144. Resolution amending clause 6 of rule XI of the rules of the House with respect to staffing of the Select Committee on Aging; to the Committee on Rules.

By Mr. YOUNG of Florida:

H. Res. 145. Resolution to amend rule X of the rules of the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 2590. A bill for the relief of Rogelio Libadia Bernal; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 2591. A bill for the relief of Richard B. Fort; to the Committee on Armed Services.

By Mrs. FENWICK:

H.R. 2592. A bill for the relief of Irene Waring; to the Committee on the Judiciary.

By Mr. GREEN:

H.R. 2593. A bill for the relief of Mariana de Jesus Roca and Francisco Rubira Roca; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 2594. A bill for the relief of Lunette Joyce Clarke; to the Committee on the Judiciary.

H.R. 2595. A bill to require the Foreign Claims Settlement Commission to reopen and redetermine the claim of Henry Gray against the Government of Poland, and for other purposes; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 85: Mr. MCEWEN, Mr. ROE, Mr. MAGUIRE, and Mrs. BOGGS.

H.R. 365: Mr. BERKLEY, and Mr. BEARD of Tennessee.

H.R. 596: Mr. LEDERER.

H.R. 785: Mr. JONES of North Carolina, Mr. DAN DANIEL, Mr. JENRETTE, Mr. HORTON, Mr. GUYER, Mr. MURPHY of Pennsylvania, Mr. STARK, Mr. PATTERSON, Mr. STOKES, Mr. CLEVELAND, and Mr. LEDERER.

H.R. 1481. Mr. CLEVELAND, and Mr. MAGUIRE.

H.R. 1507: Mr. LUNDINE, Mr. WALGREN, Mr. JENRETTE, Mr. FLOOD, Mr. MURTHA, Mr. GEPHARDT, Mr. EDGAR, Mr. ROE, Mr. HEFTEL, Mr. AKAKA, Mr. FRENZEL, Mr. CHARLES WILSON of Texas, and Mrs. FENWICK.

H.R. 1642: Mr. GRAMM, Mr. GUYER, Mrs. BOUQUARD, Mr. GINGRICH, Mr. GUDGER, and Mr. HAGEDORN.

H.R. 1913: Mr. BROODHEAD, Mr. RANALL, Mr. SABO, Mr. RICHMOND, Mr. ZEFERETTI, Mr. HOLLAND, Mr. BARNARD, Mr. DERWINSKI, Mr. HORTON, Mr. WYATT, Mr. BEVILL, Mr. LUKEN, Mr. HALL of Texas, Mr. GINN, Mr. BUCHANAN, Mr. WAMPLER, Mr. CORRADA, Mr. THOMAS, Mr. DUNCAN of Tennessee, and Mr. BEARD of Tennessee.

H.R. 1931: Mr. ANDREWS of North Carolina, Mr. ARCHER, Mr. BAUMAN, Mr. BEILENSON, Mr. BUTLER, Mr. COLLINS of Texas, Mr. DANIEL B. CRANE, Mr. DERRINSON, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. GOODLING, Mr. GUYER, Mr. HANSEN, Mr. HINSON, Mr. KRAMER, Mr. McDONALD, Mr. MONTGOMERY, Mr. ROBINSON, Mr. ROUSSELOT, Mr. SESELIUS, Mr. STOCKMAN, Mr. WHITEHURST, Mr. WINN, and Mr. YOUNG of Florida.

H.R. 1964: Mr. BAUMAN, Mr. BENJAMIN, Mr. CLEVELAND, Mr. COUGHLIN, Mr. DANNEMEYER, Mr. DORNAN, Mr. BELENSON, Mr. FORSYTHE, Mr. GINGRICH, Mr. GRASSLEY, Mr. GUYER, Mr. HUGHES, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEE, Mr. LOTT, Mr. LUJAN, Mr. LUNGREN, Mr. REGULA, Mr. SENSENBRENNER, Mr. SIMON, Mr. SOLOMON, Mr. STANTON, and Mr. TAUKE.

H.J. Res. 56: Mr. DECKARD.

H.J. Res. 114: Mr. PRITCHARD, Mr. HOLLENBECK, Mr. BURGENER, Mr. MURPHY of Pennsylvania, Mr. DANNEMEYER, Mr. LUKEN, Mr. WALKER, Mr. GOODLING, Mr. STARK, and Mr. CLEVELAND.

H. Res. 81: Mr. CHARLES WILSON of Texas, Mr. DORNAN, Mr. CLEVELAND, Mr. DUNCAN of Tennessee, Mr. WALKER, and Mr. ROBINSON.

EXTENSIONS OF REMARKS

DAVID DINSMORE COMEY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. OTTINGER. Mr. Speaker, just a few weeks ago I was sorry to learn of the untimely, accidental death of David Dinsmore Comey, a leader of the American movement for a sensible energy policy. His leadership was acknowledged even by those his actions discomforted, and his loss is great to all of us.

The Ithaca Journal paid tribute to David Comey in its lead editorial on January 12, 1978. That editorial, "A man with a mission can affect all our lives," expresses thoughtfully the significant impact David Dinsmore Comey had on thousands of Americans and the great contribution he made to our society. He did affect all our lives, and he will be missed.

The editorial follows:

[From the Ithaca (N.Y.) Journal, Jan. 12, 1979]

A MAN WITH A MISSION CAN AFFECT ALL OUR LIVES

David Dinsmore Comey began life as a child of privilege, a graduate of Exeter and Princeton, a scholar on Soviet science. He became a man with a mission, and that seems to have happened by more than chance.

Back in 1968, as he told it, he assured an Ithaca friend who found himself living near the proposed site for a nuclear power plant, "Don't worry, these things are safe." But he began hearing about the potential for thermal pollution of the lake, and just to be sure he telephoned officials in Washington and Albany—who told him he could assume that all protective criteria would be met.

David Comey was not that easily satisfied. In fact he was, as he said, infuriated. He went to a fateful meeting at the Co-op Food Store, to sit in a corner and listen. And by meeting's end, when no other leadership came to light, he was drafted as executive director of the new Citizens' Committee to Save Cayuga Lake.

The battle he waged over Bell Station was unique. While other towns fought nuclear power plants on emotional grounds, the strategy here was to demand cooling towers and other safeguards, ask for more scientific data, circulate reports about nuclear plant costs and reliability. The approach suited a college town, a town that loved debate.

Midway in the campaign, in 1970, David Comey left for Chicago. "A bigger lake, bigger polluters to fight, a much bigger budget to fight them with," he said of his new job as environmental research director for Business and Professional People for the Public Interest.

There he blossomed as a crusader. Urbane and articulate, he enjoyed wheeling and dealing with the bureaucracy, utility officials and experts in the field. Once asked what made him tick, he said with a grin, "I have a low threshold for B.S."

He traveled widely to testify at hearings on nuclear plants, far beyond Lake Michigan. He could translate science into layman's language, and he exploited humor in his safety campaigns. When Japanese crewmen used their socks to plug radioactive leaks on a nuclear-powered ship, he took out ads urging Americans to "send a sock to the Atomic Energy Commission." More seriously, he disputed the AEC's objectivity, and his demands that the agency open their accident records to full view landed him on the front page of the New York Times.

But he did not lose sight of Bell Station. In June 1973 New York State Electric & Gas Corp. neared a final decision on filing its formal application, and he returned here to promote intervention in the proceedings. Two weeks later the utility company, perhaps already dismayed by the 1,000-person turnout at a public hearing and now threatened with a lengthy legal process, abandoned the project.

Meanwhile, David Comey's growing expertise in nuclear energy won him an audience when he criticized the fallibility of safety mechanisms to prevent nuclear accidents. He was named to committees on toxic substances by the federal Environmental Protection Agency. In 1974 he received that agency's first Environmental Quality Award, for "services that immeasurably improved the design and safety review of nuclear reactors."

There was other recognition. When the AEC was dismantled with formation of the new Nuclear Regulatory Commission, the Wall Street Journal remarked: "The new commission apparently will pay closer heed to the David Comeys than did the AEC."

Perhaps the most flattering tribute came in backhanded style from Nuclear Industry, a corporate trade journal. "Electric utilities building or planning nuclear power plants would probably do well to try to understand David Dinsmore Comey," the journal said. "He has developed into probably the most formidable—because perhaps the most rational or at least most sharply focusing—foe of nuclear power."

Wherever one stands on nuclear energy, we cannot help but admire the energy and dedication of David Comey. His influence was felt, and his cautious approach to the awesome potential of nuclear power, for good or bad, was constructive. His accidental death at the age of 44 was a tragic loss to the public, but he made his time alive count.●

GEN. DANIEL "CHAPPIE" JAMES, JR.

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. FOWLER. Mr. Speaker, Gen. Daniel "Chappie" James, Jr., was truly an American hero. He served his country through three wars and nearly 35 years in the military and became the first Black American to attain the rank of four-star General.

I have recently received a letter from a constituent, Mr. Claude C. George, who was a close personal friend of General James. I would like to take this opportunity to insert Mr. George's correspondence in the CONGRESSIONAL RECORD.

JANUARY 24, 1979.

Representative WYCHE FOWLER,
Longworth House Office Building,
Washington, D.C.

MY DEAR REPRESENTATIVE FOWLER: I realize that there is not enough time nor space to express adequately, the profound effect that Chappie had on America and those whose lives he touched.

However, one great sage from our past wrote that, "Man should be afraid to die until he has made some contribution to humanity." "Chappie" James, Jr. was such a man. Our friendship began over 40 years ago at Tuskegee Institute in Alabama. I have known General James as a close personal friend, former college roommate, fellow athlete, student leader and humanitarian. Although General "Chappie" James received many honors and firsts as a military leader, his greatest achievements revolved around his strong commitment to being a top-notch fighter pilot and his love for America. In spite of the fact that when he joined the Air Force, Black soldiers were segregated and denied the same rights and privileges as their white counterparts, "Chappie" never lost faith in his country and remained loyal during periods when most men would have faltered. General James was a true American. A man's man, A soldier's soldier. A true believer in the hopes, dreams and promises of America.

General James expressed his commitment and unswerving love for America when he admonished those around him who busied themselves in denunciation of his country when he stated—"We are trying to get away from the business of being so busy practicing our rights to dissent that we forget our responsibility to contribute."

As a lasting tribute to such a great General, the establishment of a Memorial Center at Tuskegee Institute in his honor would be a refulgent symbol for others to emulate.

Therefore, I felt that it was incumbent upon me to share with you and your fellow Congressmen, my impressions of a man whose accomplishments should be printed indelibly in the annals of American and international history.

Sincerely,

CLAUDE C. GEORGE.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AN EXCEPTIONAL CITIZEN

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. RODINO. Mr. Speaker, it is not often that I have the chance to tell my colleagues about a truly exceptional citizen—a person who has meant a great deal to the lives of thousands of individuals and the well-being of whole communities. Today I am especially proud that the outstanding person of whom I am speaking is from New Jersey's 10th District.

Dr. Edwin A. Albano is retiring this year at the age of 71, and he takes with him many proud memories. After graduating from medical school Ed Albano decided on a career of service to the residents of New Jersey, and his long, distinguished career epitomizes selfless devotion to bettering the human condition. Young doctors in New Jersey look on Dr. Albano as an inspiration for their professional lives.

While his official title has been "medical examiner" he has been simply an excellent doctor and a decent human being to everyone who has known him. It has been a privilege for me to have his friendship for over five decades.

Mr. Speaker, I want to take this opportunity to wish Ed Albano all best wishes as he looks back on a career filled with human compassion and understanding.

Mr. Speaker, the Newark Star-Ledger printed an editorial on February 26, 1979, describing Dr. Albano's special meaning to New Jersey's citizens. I would like to include a copy of the editorial in the RECORD, as follows:

[From the Newark (N.J.) Star-Ledger, Feb. 26, 1979]

PHYSICIAN-HUMANIST

For Edwin H. Albano, the practice of medicine has been an avocation as well as a vocation, an unremitting commitment to a profession he has served without a vacation break throughout a long and distinguished career of public service.

A pathologist virtually from the time he graduated from medical school, Dr. Albano became a respected authority in forensic medicine. It was a specialty virtually preordained for a young physician strongly influenced by a revered mentor, the late Dr. Harrison S. Martland, regarded as one of the most accomplished pathologists of his time.

It was a foregone fact that Dr. Albano would succeed his precursor as Essex County medical examiner. And it was only a matter of time before his dogged determination would result in enabling legislation to create a state office of medical examiner.

Naturally, it followed that Dr. Albano would be the most eminently qualified to fill this important post, an agency instrumental in correcting the critical flaws of an antiquated coroner system.

But beyond Dr. Albano's professional eminence, he has been a person of unfailing kindness and compassion. His availability as a friend and physician is legendary in Essex County. He is known as a "doctor's doctor" . . . a lawyer's doctor . . . a judge's doctor . . . a politician's doctor, all professions related to his public service. In actual fact, he was a general practitioner to the man on the street.

Dr. Albano reached the mandatory retirement age of 70 last year, but he was given a year's extension by the attorney general. He officially retired this month, taking with him a personal sense of fulfillment shared by few others . . . and the gratitude of those who have known him as a doctor and a friend.●

CONSTITUTIONAL CONVENTION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to submit for the benefit of my colleagues, the following editorial on a constitutional convention to amend the Constitution to require a balanced Federal budget. The editorial appeared on Monday, February 5, 1979 in the Santa Ravia Times, Santa Maria, Calif.

WHAT ALTERNATIVE?

What would be worse: A chance that a Constitutional Convention may rewrite the Constitution, or letting Congress and the Executive branch continue in their non-problem solving way?

The question of a Constitutional Convention to rework our system has been with us for some time, but it has been only since Governor Brown gave his open support has their been a clear focus on a convention to put into the Constitution a provision requiring balanced federal budgets.

The doomspeakers are putting down the idea of a convention since, they claim, almost any subject under the sun can be brought up. They see an end to civil rights gains, an anti-abortion amendment, etc. coming from such a conclave.

Nonsense, say the experts. A convention can be called for a specific item of consideration and held to that. And that subject would be a balanced budget and the method by which taxation occurs.

The alternative is hardly worthwhile. We have been with the present system for decades, with only a worsening of the situation. Congress cannot by its own nature bring itself to meaningful changes in either taxation or budgeting. For example, one needs only to point to the recent tax "revision" by Congress. What does tax "revision" mean? Simply a shift of taking money from one source that may be slightly different than the original source. The result: The same, or higher, tax takeout, with only a slight shift on whom the burden falls.

Tax money is the lifeblood of government, and Congress is unacustomed to solving problems other than by throwing money at them. The fact that this approach doesn't work seems to have been lost on the majority, particularly the liberal element. It does, however, buy votes, and that is the name of the game, where the majority of Congress—the entire House of Representatives—has to stand for re-election every two years.

Proposition 13 and similar enactments in other states signal that Americans are fed up with the current practice and want something done about it. Nearly half the nation's states has endorsed a Constitutional convention, and when the magic number is reached, we believe a convention should be called. It is the democratic way of doing things. After all, what other choice do we have?●

THE DEPARTMENT OF ENERGY AND THE UPDATED GASOLINE ALLOCATION FORMULA

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. BRODHEAD. Mr. Speaker, I rise to protest the Department of Energy's action last week by which the base period for gasoline allocations was updated from 1972–73 to 1977–78. While this little understood action might seem perfectly logical, its effects will be to further strengthen the hold of refiners on the retail marketing of gasoline.

Since the Arab embargo, approximately 50,000 service stations have closed. Countless other independent distributors have been forced to close or merge with larger companies. These closures and mergers occurred during a period of Government controls designed in part to protect the competitive viability of these independent small businessmen.

One of the reasons for the reduction in the service station population has been the ability of the refiners, with their superior legal and accounting talent, to circumvent the regulations to the detriment of the independent marketing segment of the petroleum industry. Many of the marketers that have managed to survive questionable practices by the refiners may have received their fatal blow with the Department of Energy's announcement last week.

The Department of Energy has in effect legitimized refiner actions designed to depress demand for gasoline by independent marketers.

How did these refiners suppress independent marketer demand? There are many ways. One refiner refused to sell leaded regular to its jobbers and dealers at a time when that grade made up over three-quarters of the jobber's business. Another refiner enforced stringent credit terms, which failed to recognize that the cost of gasoline has more than doubled in the last 5 years, on its distributors. Another company engaged in a discriminatory pricing policy which the Department of Energy has decided through a remedial order to be a circumvention of the allocation regulations.

In practical terms, what does all of this mean? Consider the case of a jobber from my district supplied primarily by Union Oil, the company which stopped selling leaded regular gasoline in 1974. This jobber sold approximately 28 million gallons of gasoline in the base year 1972–73. This number became his base period allocation. When Union Oil stopped supplying leaded regular, however, his gallons dropped enormously. During the new base year, 1977–78, this

jobber sold only approximately 14 million gallons. This new allocation level was chosen despite the fact that Union Oil has since that time once again begun to sell leaded regular to its customers and the jobber has gotten his sales near 1972–73 levels. This jobber is being penalized for an action totally outside his control. He could not find a new supplier because other companies were tied, through the allocation act, to specific customers and would not give an allocation to a new purchaser. It was also not a question of this jobber's inefficiency. He had to be a magician to survive in the marketplace by selling half of the gallons he sold previously at margins controlled by the Federal Government. This base period update promulgated by the Department of Energy locks him into the same untenable position he has suffered through for nearly 5 years.

What relief is available? In its regulations the Department of Energy states that some inequities may result from this regulation and that relief should be sought from the Department's Office of Hearings and Appeals. The regulation adds, "We expect such cases to be limited in number."

I seriously doubt that the cases will be limited in number. There are many independent small businessmen throughout the country who are adversely affected by this regulation. For some of these individuals the exceptions process does not even exist. They lack and cannot afford the sophisticated legal talent necessary to be successful in an exceptions process.

But what is the outlook for those who do seek exceptions relief? Gloomy at best. In its fiscal year 1980 budget request, the Department of Energy says each petition referred to the Office of Hearings and Appeals is acted upon within an average of 110 days. By the end of 1980 OHA's backload is expected to be nearly 900 cases. These estimates were made before these regulations were promulgated. How long will it take small businessmen to get relief through this process?

To its credit, the Department of Energy has solicited comments and will hold a public hearing on this action in late March. Unfortunately, these comments come after the fact.

I am, therefore, today urging the Administrator of the Department of Energy's Economic Regulatory Administration, David Bardin, to delay the effective date of this regulation until public comments are received and until a realistic assessment of this regulation's impact can be made. I hope my colleagues in the House will do likewise.●

IN RECOGNITION OF THE PASSING OF CHARLES SWEENEY

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. RATCHFORD. Mr. Speaker, my hometown, Danbury, Conn., saw the passing last week of one of its great citizens, Charles Sweeney. Charlie was a part of an increasingly rare breed—a public servant who spent a lifetime serving his city and State without concern for notoriety or self-aggrandizement. In the 1940's Charlie served as minority selectman and as first selectman in Danbury, then becoming deputy commissioner and commissioner of the State Department of Public Works.

He was totally involved with and dedicated to many elements of the Danbury community. He served several terms on the board of education and was an active member of many service-oriented clubs.

Danbury will miss Charlie Sweeney. But the example he set for all public servants will live on.●

IMPROVING CHAMPUS FOR MILITARY RETIREES AND FAMILIES

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mrs. HOLT. Mr. Speaker, I have been concerned for sometime about the inequities of health care for military retirees and their dependents. Health care in general is woefully inadequate for the Armed Forces. Defense Department witnesses before the House Armed Services Committees have pointed out the dire shortage of doctors and other health care professionals in the military. Consequently, both active duty and retired military personnel are forced to use CHAMPUS (Civilian Health and Medical Program for the Uniformed Services) which is creating additional financial burdens for them.

In the case of retirees and their dependents, who rate a lower priority for direct military health care, the use of CHAMPUS is even more inequitable. It costs them more. It is really unfair that retirees, whose incomes are substantially reduced upon retirement, are the ones that have to bear the heavier burden in health care costs, after we committed to them to provide care for them and their dependents as a condition of their service.

Active duty dependents using CHAMPUS for inpatient care in a civilian hospital need to pay only $25 for each admission to a civilian hospital, or the higher amount that they would have to pay for using a Government hospital—at the current daily rate of $4.65. On the other hand, a military retiree or his dependent in the same situation would have to pay 25 percent of the total hospital bill under cost-sharing.

Mr. Speaker, a constituent of mine was admitted to the Annapolis General Hospital last year and she was hospitalized there for 30 days. The bill came to $18,000 and her copayment came to $4,500.

The bill that I am introducing today will remove the inequity in a limited way because I am mindful of the need to keep costs low. It will realine emergency inpatient care only under CHAMPUS for retirees and their dependents so that the cost-sharing formula will be the same as that of active duty dependents.

I urge my colleagues to cosponsor my bill. The text of the bill is as follows:

H.R. —

To amend title 10, United States Code, to reduce the cost-sharing required of participants in the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) for inpatient medical care provided on an emergency basis

Be it enacted by the Senate and House of Representatives, of the United States of America in Congress assembled, That section 1086(b) of title 10, United States Code, relating to contracts for medical care for retired members of the uniformed services and their dependents, is amended—

(1) by inserting "nonemergency" in clause (3) before "inpatient care"; and

(2) by adding at the end thereof the following new clause:

"(4) For emergency inpatient care—

"(A) in the case of a person covered by section 1074(b) of this title, the greater of $25 or the amount that would have been charged under section 1075 of this title had the care being paid for been obtained in a hospital of the uniformed services; and

"(B) in the case of a person covered by section 1076(b) of this title who is eligible for health benefits under this section, the greater of $25 or the amount that would have been charged under section 1078(a) of this title had the care being paid for been obtained in a hospital of the uniformed services."

SEC. 2. The amendments made by the first section of this Act apply to health care provided after September 30, 1979.●

WHY THERE IS NO MOVEMENT IN THE NORTHERN IRELAND CRISIS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. BIAGGI. Mr. Speaker, as chairman of the Ad Hoc Congressional Committee for Irish Affairs I wish to bring to the attention of my colleagues two recent editorials which appeared in the Irish Times. The first entitled "Mason's Choice" focuses on perhaps one of the main actors in the entire Northern Ireland issue—Secretary of State Roy Mason. The editorial suggests that Mr. Mason has reached the point of being totally unable to positively contribute to the peace process in the North. The Irish Times joins with others who are speculating on Mr. Mason's imminent departure.

The second editorial entitled "Initiative" explores an issue of supreme importance to myself and the ad hoc committee. Where will the initiative that will bring peace to Northern Ireland come from. The Irish Times suggests that a Dublin initiative is in the works. There is some credence to this claim as both Prime Minister Lynch and Foreign Minister Michael O'Kennedy have made major statements on the Northern Ireland situation in recent weeks. The Times feels strongly that an initiative is not forthcoming from Great Britain. The editorial states:

It may be that Britain can never solve this problem and that only international intervention, by the United Nations, or America would bring us peace at last. Britain may have to be pushed into this.

The ad hoc committee has proposed an initiative for peace in Ireland. On February 1 the executive committee of the ad hoc committee voted unanimously to sponsor a Congressional Irish Peace Forum beginning the week of May 14. We will invite all sides to participate in the forum most particularly representatives of both the British and Irish Governments. We hope they come willingly. The fact is America in general and the ad hoc committee in particular with its over 100 Members of Congress, is viewed as an honest broker by all sides in Ireland. We wish to exploit this assessment to advance the movement toward peace and justice in Ireland. I hope for the active support of my colleagues in this endeavor. The ad hoc committee sees America as playing a vital role in the peace process. Yet we stress that our role would be to contribute to peace not impose peace. The decision on the future of Ireland can only rest with the people of Ireland.

The two Irish Times editorials follow immediately:

INITIATIVE?

Now with the coming in of the spring, the days will stretch a bit, and after the feast of Brigid the Fianna Fail Government will hoist its flag and go . . . not into the heart of Co. Mayo but into Antrim, Down, Armagh, Tyrone, Derry and Fermanagh.

So the reports go. The Government apparently has an initiative on the North in hand. Why it is leaked out now, how much it is a serious effort, how much a routine protest, remains to be seen; but if it is a genuine initiative and not just a regulation sounding-off, it may be timely in view of Britain's coming election. It will at least try to inject the Irish question into that debate. There is not much hope, but the endeavor must be made.

It is easy to be cynical and to look back. For fifty years or more the simple initiative of getting into a car and going up north to see what was happening was open to every Fianna Failer; not many bothered to do it. The same went for most of us. Let that lie.

Today the whole picture has changed, and it must be wondered if even the Government realises how much.

One of the great planks in the old Unionist argument at the time of Home Rule, one that was used to play on the fears of the Protestant workers of Belfast in particular, was that Home Rule would cut that city off from its industrial market in Britain; ships couldn't be sold; the tobacco industry would languish; all the mills would be hit—and the humming enclave of the North would descend to the peasant depths of the pastoral South.

Many who were sceptical about the Home Rule propaganda were made uneasy by this argument. No Government here ever addressed itself seriously to the Belfast Protestant workers. They might not have existed as far as all of us down here were concerned. Yet one of the Young Irelanders, a century and a quarter ago, recognized the worth of these people.

Belfast had no natural resources, no coal, no iron, no raw materials at all, it might be said; yet it made a success of shipbuilding. Said Thomas Francis Meagher, or Meagher of the Sword as he is also known, addressing the people of Belfast: "Your faith has been as singular as that of Robinson Crusoe and your ingenuity in making the most of a desert island has been no less remarkable." What was to prevent any other part of Ireland doing the same?

Today the North's traditional industries are in the shadows, and, while new capital is being injected there and new skills learned, the EEC has brought to the Republic such strength in its agricultural base that not only farmers in the North but any who can assess the economy as a whole are aware that the boot may now be on the other foot. Ireland's soil, Ireland's climate, the Republic's energy—dynamism Roy Jenkins called it recently—may yet lift all of the people out of the old rich-man/poor-man/arguments into something better.

The EEC has lifted the burden of poverty from this part of the country and may yet help to raise the standards for the million and more on the other side of the Border. It would be foolish to claim that much of this has penetrated to the routine Unionist voters of the Shankill or other strongholds, though one significant sign of the times is the new awareness of the Protestant paramilitaries.

UDA schemes for an independent Ulster may be dismissed as maneuvering for a better bargaining position rather than a serious long-term attempt to settle the problem, but they show some thought, they show a determination to break with a past in which they the common people, were cast as the cannon fodder of higher interests, British and Northern Irish.

The Northern Protestant is not weakening, but he is seeing his position more clearly, and, hopefully, the Dublin Government is cleansing its own heart of old shibboleths and is learning.

There remains Britain, a country without power, without apparent diplomatic energy or inititiative. It may be that Britain can never solve this problem, and that only international intervention, by the United Nations, or America, would bring us peace at last. Britain may have to be pushed into this. For Dr. Owen to air his views on Rhodesia and other disputed territories around the world, while remaining impotent and inarticulate over Ireland, is not so much hypocrisy as an indication of the anaemia of Britain's diplomatic force.

Britain may not be finished. It should be no joy to us to see her fortunes decline. But today her inertia threatens not only ourselves but our children and our children's children.

So, a genuine initiative is always worthwhile.

MASON'S CHOICE

The EEC poll on likely voting patterns in the North in the European elections caused little stir when it was "leaked" last week. It was clearly of little consequence: such polls are often untrustworthy, and particularly in a case like this, when fewer than 200 people gave their opinions.

But Mr. Mason chose, in a weekend interview on London local radio, not only to use the poll's dubious conclusions as the basis for his analysis of recent political developments, but also to welcome the finding that support for the Official Unionist Party is growing. This is the "moderate" Unionist party, he told the listeners.

Apart from the offense such a remark might give to members of Mrs. Anne Dickson's Unionist Party of Northern Ireland, which was founded by Brian Faulkner to bring Unionism into partnership with the other political groups in the North, the damage it has wrought on relations between himself and the SDLP is incalculable.

One of the few advances of the last decade in Northern Ireland was the breaking-up of the monolithic Unionist Party, which for half a century ensured that the reactionary policies of "not an inch" and "no surrender" dominated the political representation of the majority community. Mr. Harry West's party yearns still for the days of Brookeborough. It has set its face stonelike against partnership either within the North or between North and South. It has for years now been bent on a return of Stormont-based Unionist power, or, failing that, integration with Britain.

For Mr. Mason now to call the party of Mr. West and Mr. Powell "moderate" is to endorse its intransigence, and encourage its leaders to hold out for an eventual British Government capitulation to its demands. And the SDLP can only draw the conclusion that the principle of political reconciliation has at last been scrapped by the Northern Ireland Office.

But the Secretary of State has finally written himself off as a serious, concerned arbiter of Northern Ireland politics by his comparison, on the same programme, of the SDLP with Mr. Paisley's Democratic Unionist Party, as the two extremes in local politics. This is shallow and grossly misleading, and insulting to a party which has struggled hard to ensure that an alienated nationalist population could find a means of constructive political expression.

It is distressing to witness a Labour Secretary of State underwriting the politics of "not an inch", but such an attitude is also positively dangerous, because Mr. Mason is in effect telling the SDLP that they have now been jettisoned by the British Government.

A British general election is approaching, and Mr. Mason may not be around for much longer. When he finally departs, he will leave behind the sorry record of a bankrupt approach to Irish politics. It is inconceivable that if Labour should win the election, he will be allowed to return to Stormont Castle.●

WHY WE NEED SPIES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. MICHEL. Mr. Speaker, our former colleague, who is also a former Secretary of Defense, Mel Laird, has written an informative and provocative article about the decline in our Nation's intelligence-gathering ability. "Why We Need Spies" contains material about U.S. intelligence gathering never before published. Mel Laird tells us—and documents his claim—that the CIA and FBI have been "shattered." I urge you and all our colleagues to read this important report.

At this time I insert in the RECORD, "Why We Need Spies," Reader's Digest, March 1979, by Melvin R. Laird.

[From the Reader's Digest, March 1979]

WHY WE NEED SPIES

(By Melvin R. Laird)

Our intelligence services, under repeated assault, have been gravely impaired. Unless we halt the destruction, warns a former Secretary of Defense, we could lose one of our most effective safeguards against war, terrorism and internal subversion

Last November President Carter sent an extraordinary handwritten note to his National Security Adviser, to the Director of Central Intelligence and to the Secretary of State. The President expressed extreme dissatisfaction with the quality of information being provided from abroad by American intelligence. He especially was dismayed because he had been grossly misinformed about the magnitude and significance of internal strife in Iran, whose stability and friendship

are essential to the West. As a consequence, we unwittingly pursued policies that worsened the problems there.*

Unless there is a swift reversal of present policies, the President can only expect more—and worse—intelligence failures. For, both our principal espionage service (the Central Intelligence Agency) and our primary counterintelligence service (the Federal Bureau of Investigation) have been shattered.

Since 1974 the CIA has been the target of prolonged, sometimes blunderbuss investigations by two Congressional committees and a Presidential commission. While uncovering comparatively few illegalities or "abuses," these investigations provided forums for lurid and wildly false allegations against our intelligence community. Congress and the Administration then over-reacted by subjecting the CIA and FBI to severely restrictive legislation and enfeebling edicts. Surveying the wreckage, former Secretary of State Henry Kissinger declared: "We have seriously damaged our entire intelligence capability, and I don't believe that what was discovered in the investigation warranted the wanton assault which took place."

Obsolete Resource? Thus besieged, the CIA has also been demoralized by its own leadership policies. A good part of our foreign intelligence-gathering is centered in the clandestine service of the CIA. These men and women are the managers, the case officers, who spot, recruit, direct and communicate with the foreigners around the world who, usually out of idealistic motives, are willing to spy for the United States. Between 1971 and 1976 the number of employes in the clandestine services was reduced by half—perhaps justifiably as part of a general retrenchment after the Vietnam war.

But now, in a misguided attempt to "streamline" and eliminate what CIA Director Stansfield Turner refers to as "excess wood," another 820 people—roughly 20 percent of the remaining force—are being fired. The result, as New York *Times* columnist William Safire noted, has been "the destruction of the clandestine services; the worst leaks of national secrets in a generation; the replacement of independent analysis by the rubber stamps of fawning yes men; and a series of misjudgments in foreign policy."

Many of the attacks against U.S. intelligence suggest that espionage and the secrecy that must surround it are alien to American traditions. History demonstrates just the opposite—beginning with George Washington, who admonished his generals in 1776 "to leave no stone unturned" in collecting intelligence. Presidents Truman, Eisenhower, Kennedy and Johnson all realized that the successful conduct of government and avoidance of war could depend upon possession of knowledge hidden within the totalitarian societies arrayed against us.

The need is even more acute today. International finance, energy supplies, nuclear proliferation—all levy new demands for knowledge. Warfare or other convulsions in unstable regions of the world can choke our economy by cutting off access to resources upon which we depend. Fanatical bands of terrorists multiply, menacing society's intricate functioning. Meanwhile, the Soviet Union, spending far more on arms than we do, grows ever more powerful.

But, people ask, hasn't modern technology made spies obsolete? Can't we collect all the intelligence we require—much more reliably and efficiently—through satellite reconnaissance and electronic monitoring? The answer is no. Rep. Samuel S. Stratton (D., N.Y.), chairman of the House Armed Forces Investigations Subcommittee, explains why: "Spies in the sky can indeed perform wonders. But there is no technological substitute for the man—or woman—on the spot. Revolutions and terrorist attacks are not customarily developed by machines. In deliberately cutting our intelligence system off from coffee houses, bars and other nontechnical places where indications of intentions—as distinguished from capabilities—are most apt to be picked up, we have left ourselves, as in the case of Iran, wide open to being blindsided."

Lead Time. Just how indispensable spies remain can be illustrated in a heretofore-untold spy story. In 1959 an American spy in the Soviet government slipped us a secret manual showing exactly how the Russians installed one of their missile systems. In June 1962 another U.S. spy spotted Soviet missiles being trucked away from Havana harbor. Subsequent sightings by other agents in Cuba compelled resumption of U-2 reconnaissance flights, which proved the Russians were indeed deploying missiles that could have annihilated most U.S cities. The pressures upon President Kennedy to blow up the missile sites immediately were intense, and might have been irresistible had not the CIA possessed the manual supplied by the Moscow spy three years before.

It turned out that the missiles were being installed precisely according to the manual. By studying site photographs, CIA analysts determined that the missiles were not yet quite ready to fire.

Meanwhile, our agent in Moscow sent another critical report, on long-range missiles in the Soviet Union. He explained, accurately, that the Russians had not yet perfected an adequate guidance system for their ICBMs as they had for their shorter-range missiles being emplaced in Cuba. All this information enabled President Kennedy to postpone military action long enough to negotiate firmly with the Russians—and force the Kremlin to withdraw the threat from Cuba.

Consider the 1975 incident when two refugees claimed to have seen in the Soviet Union grain silos being built strongly enough to withstand a nearby nuclear blast. It seemed incomprehensible. Why would the Russians go to the extreme expense of bomb-proofing storage facilities for ordinary grain? Redirecting our reconnaissance, we began to search for such fortified silos. And photo analysts soon spotted them in numerous parts of the Soviet Union—installations previously ignored as of no significance. Then we realized what the silos meant. The Russians were deadly earnest about their nationwide civil-defense program. They were caching, at enormous cost, food for the survivors of nuclear war.

The refugees were not our agents while in the Soviet Union. But the point is the same: human sources can supply vital data that technical sources miss.

Last year, when the Russian-directed, Cuban-led Ethiopian army drove Somali forces from the disputed Ogaden, there were fears that the communists would go on to invade Somalia itself. The prospect was chilling. Having gained control of Ethiopia and South Yemen, the communists, by also seizing strategically located Somalia, could further threaten Saudi Arabia and the flow of oil that is the lifeblood of the industrial democracies. Should the United States respond to such a threat?

Fortunately, in this instance we had an utterly reliable spy in the right place. I am not at liberty to say whether his nationality was Cuban, Ethiopian or Russian. But he accurately informed us that, despite appearances, the Ethiopians would not attack Somalia. The United States thus was spared the hard decision of whether or not to initiate drastic action to save that country.

Once a nation takes military action, aerial photographs and data from sensors and other intercept devices can pretty much tell us what is happening. But by then it may be too late to stop the action except by armed force. Thus we need to know *in advance* what course others intend to pursue. Only human agents can give us this kind of forewarning.

Ultimate Weapon. It is impossible to defend every government official, every utility plant, every mile of transit systems, against stealthy anonymous terrorists who strike at times and locales of their choosing. Only through spies within terrorist groups can we learn of their plans in time to thwart them.

Because of CIA and FBI infiltration of terrorist organizations, we have aborted assassination plots against American leaders, against foreign chiefs of state visiting the United States, and against a number of our ambassadors abroad. We have disrupted sophisticated schemes to blow up government buildings in Washington and kill employes working in them. We have averted the shooting down of airliners, the abduction of public officials and seizure of their families as hostages.

Yet, because it is impossible to penetrate every gang, terrorism continues and multiplies in Europe and the Western Hemisphere. Although organized terrorism in this country is still in embryonic stages, in the past four years terrorist bombs have killed 17 people and injured 136 in New York City alone. A single Puerto Rican terrorist group, the FALN, has perpetrated 58 bombings in New York, Washington and Chicago. The Pacific Gas and Electric Co., principal supplier of energy to California, has been the target of 75 bombings and sabotage attempts. In the country as a whole, 324 terrorist bombings have occurred within the last six years.

Our intelligence unmistakably reveals that foreign and domestic terrorist groups are coalesing into a loose, cooperative federation to intensify assaults upon Americans and U.S. installations, here and abroad. To defeat them, we must have spies in their midst.

Finally, we must have spies to protect ourselves against hostile spies. The Soviet Union, its East European satellites and Cuba have mounted a clandestine campaign unprecedented in peacetime history. Its aim: to enlist spies who will betray our most vital secrets and to suborn Americans who can influence public opinion and national policies. In five years, the Soviet bloc has doubled the number of its professional intelligence officers stationed in the United States—to more than 900.

The most efficient means of combating this onslaught is to insinuate our own agents into the hostile intelligence services. Our most significant successes in countering espionage and subversion have been achieved in this way.

In the early 1960s, for example, a series of spectacular espionage cases rocked the West. The assistant chief of the counter-espionage division of West German intelligence, Heinz Felfe, was discovered to be a Soviet agent placing other spies in critical positions throughout West German society. British intelligence officer George Blake also was unmasked as a Kremlin agent. Other Soviet spies were uncovered in Anglo-American laboratories engaged in sensitive anti-submarine research.

All of these disclosures resulted from the work of one spy, Michal Goleniewski, and a few Americans with the capacity and courage to maintain contact with him. A colonel in Polish intelligence, Goleniewski was recruited by the Soviets to spy on his own countrymen. He ostensibly served the Russians so ably that they trusted him with details of some of their most important operations in the West. All these details Goleniewski shared with his U.S. case officers, who had earned his ultimate loyalty. Thus, one American spy nullified momentous successes of the whole Soviet intelligence apparatus.

Looser Limits. I am convinced that the Administration must halt the ongoing purge of honorable CIA employes. And it must restore their *esprit de corps* by making clear that it regards them as patriotic servants and will back them up in their missions. Congress, which now consumes an enormous share of the energies of the CIA by requiring it to answer to eight committees, should consolidate its oversight efforts. And it should concentrate its scrutiny less upon mistakes made 10 to 20 years ago, more upon what must be done now to protect the nation in the future.

The plight of the FBI is equally deplorable. In 1972 it investigated 17,600 domestic-security cases involving suspected espionage, subversion and terrorism. Last year, because of restrictive legislation and Justice Department guidelines, it investigated fewer than 200! In 1975 the FBI maintained contact with some 1100 informants cooperating in national-security investigations. Last year it had only 42 informants left! Indeed, communist intelligence officers stationed in the United States now outnumber FBI counterintelligence personnel by a wide margin. Last year the FBI asked Congress to authorize a modest personnel increase so it could assign more people to counterintelligence. Congress said no. Instead, it is drafting a charter setting forth guidelines covering all FBI activities.

Among legislators who are deeply troubled by such actions is Sen. Patrick Moynihan (D., N.Y.), a member of the Senate Select Intelligence Committee. "As a liberal," he declares, "I tell you the day will come when we will look back and ask, 'For what purposes did the men of this political generation make it impossible to resist Soviet espionage in this country, and why did they do it? And we will have a lot to explain."

Spies, today as in the days of George Washington, constitute a weapon. As with all weapons, prudent precautions should be taken to ensure that this one is not misaimed or misused. But intelligence-gathering is a weapon we cannot afford to sheath. If we do, we will increase the chances that someday, because of ignorance, we will have to resort to much more terrible weapons in conflicts that knowledge might have prevented.●

* See "Oil and Turmoil in Iran."

PERSECUTION OF THE CATHOLIC CHURCH IN LITHUANIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. DERWINSKI. Mr. Speaker, recently, the Department of State's Human Rights office issued reports on the human rights practices in those countries receiving U.S. aid. Since the United States does not provide direct aid to the Soviet Union, the State Department did not comment on human rights violations in the U.S.S.R.

I would like to direct the attention of the Members to an article in the Christian Science Monitor of February 21, discussing the persecution of the Catholic Church in Lithuania, a situation this is continually ignored by the Department of State human rights experts.

The article follows:

[From the Christian Science Monitor, Feb. 21, 1979]

POLISH POPE HEARTENS LITHUANIANS—NEW VOICE AND HEART FOR "CHURCH OF SILENCE"

(By David K. Willis)

At 7:30 a.m. the winter air is cold and dark. About 50 people crunch across the snow to worship amid the sculptures and the marble of the baroque Peter and Paul Cathedral. About 40 are elderly women, heads wrapped in shawls, reading handwritten or typed prayer books. Only a few are men. . . .

In a tiny apartment off one of Vilnius's narrow medieval streets, a woman sits beneath a color photo of the Pope from across the border in Poland, John Paul II, waiting for a nightly 15-minute broadcast from Vatican Radio. . . .

Government officials insist the Pope is not popular—but Roman Catholic priests say that the Pope has given voice and heart to the "Church of silence" behind the Iron Curtain. . . .

Here on the western edge of the Soviet Union, near the Polish border, lives the biggest concentration of Roman Catholics in the country, now given prominence by a new Pope who has been quoted as saying, "half my heart is in Lithuania. . . ."

A BATTLEGROUND OF BELIEFS

It is extremely difficult in a three-day visit for Westerners to discover just how much encouragement the Pope's election has given to believers, how much concern to the authorities.

But it is easy to see and feel that Lithuania, a former empire and now a Soviet Baltic state about the size of Holland and Belgium combined, remains the biggest battleground between Catholicism and communism in the Soviet Union.

The proportion of believers here is lower than in neighboring Poland. No one seems to know just how much lower. One official told me less than half (42 percent) of the population was Catholic, yet some priests say the actual number is closer to 75 percent.

Lithuania's population today is given as almost 3.4 million. Most estimates are that between 50 and 60 percent of the people are Catholics—upward of 1.7 million.

It is clear the Pope's accession has heartened many, though whether this will draw in new believers, or give the church here more leverage against the communist state, remains to be seen.

RESPONSIVE CHORDS STRUCK

"The Pope spoke in Lithuanian after his accession," one Vilnius resident recalled. His comments were cautious, but his meaning was that Pope John Paul II had struck responsive chords both of religion and of nationalism here.

Lithuanians in western areas closest to Poland saw the accession on television, relayed from Rome via Poland. Priests say they are delighted that a man with so much experience of communism is now head of their church.

Late last year five priests openly formed a Catholic Committee for the Defense of Believers' Rights, asked the Pope to approve it, and came to Moscow to tell Westerners that John Paul II now spoke for the "church of silence."

The church is still a large part of Lithuania's national identity. Government officials here, predictably, play down its influence.

Asked if the Pope might one day visit Lithuania, one official said, "there is no talk of it. It would be regarded as the visit of a head of state, but. . . ."

FEW EXPECTED TO TRAVEL

Nor did he think that many Lithuanians would seek permission to go to Poland to see the Pope when he visits there.

Referring to unusually heavy snow in Lithuania this winter, he added, "If the amount of snow or rain depended on [the visit] we would do our best to have him here. . . ."

He dismissed the church as a dying entity: "Both my grandmothers believed, but my sisters and I do not."

The church does have difficulties. Priests numbered 772 in 1974, Westerners estimate, but now are down to between 700 and 750. About 20 die each year, but the country's only Catholic seminary, in the historic capital of Kaunus, graduates only 6 to 10 a year.

Government officials told us in Kaunus 10 would graduate this year, out of a total of 73 students. Before World War II (when Lithuania was independent) about 20 graduated each year.

Lithuania has five bishops, but two have been in exile for 17 years. The church says virtually no religious literature has been published since 1945 (Moscow took over in 1940).

SKITS RIDICULE RELIGION

Children of believers are forced to take part in school skits ridiculing religion, some priests say, and discrimination is said to exist in factories, offices, and universities.

Priests also say 80 percent of children received their first communion last year. "About half the people believe," said one source. "About 80 percent ask for religious weddings, and about 55 ask for a religious funeral."

According to Yenina Balnotye, deputy chairman of the Vilnius City Council for culture, publications, education, and sport, 11 Catholic churches exist in Vilnius today, tended by 24 priests. She declined to estimate the number of believers.

Despite one recent official writers' summation of the state view here that "religion has never been a positive element in the formation of spiritual [mental] culture," Catholics continue to listen to Vatican Radio and to pursue their worship.●

ISRAEL MERITS UNITED STATES SUPPORT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. SOLOMON. Mr. Speaker, the recent turmoil in Iran has shown just how quickly political instability can manifest itself, with results extremely detrimental to national interests of the United States. Because of the events in Iran, Israel's strategic importance to the United States has taken on a new dimension, and it is vital that the United States maintain its commitment to the security and stability of the State of Israel.

A column in the Washington Star of February 26 by Alan M. Tigay, editor of the Near East Report, points out very clearly just how important, strategically, Israel is to the United States. I commend his column to the attention of my colleagues.

[From the Washington Star, Feb. 26, 1979]

AN ALLY NOT VALUED TO ITS MERIT

(By Alan M. Tigay)

The White House not long ago put together a task force to find ways to improve the ability of American intelligence gatherers to predict political instability in countries of critical importance to the United States. The need for such a study is obvious in light of

the way Iran's turmoil took the Carter administration by surprise.

But one lesson from the Iranian crisis should be clear without another intelligence review—the importance of Israel to U.S. interests in the Middle East.

Yes, Saudi Arabia is more important to the United States in the post-shah Middle East; so are Egypt and Jordan. But unlike those countries, no study is needed to demonstrate Israel's political stability, military strength and self-reliance, democracy and—most important in light of recent events—its record of changing governments peacefully.

No other American friend in the area can make those claims and none is likely to enter Israel's league as far as stability is concerned for a long time.

The problem the State Department has always had in attaching too much importance to Israel is that, despite its stability and reliability, it is the enemy of every other nation in the region, including some reasonably friendly countries that have huge oil reserves.

Rather than viewing Arab oil wealth as an argument for downplaying Israel's importance to the U.S., however, the administration should view it as an incentive for using its influence to move Israel and its more moderate neighbors closer together for the sake of peace and regional stability, not to mention U.S. interests. The administration has had some success in moving Israel, and Egypt together but has failed dismally with the rest of its presumed friends in the Arab world.

Over the years Israel has given the United States immense strategic rewards. Foremost has been intelligence, the area where Washington seems to have made major blunders in Iran. There have been reports, in fact, that Israeli intelligence warned us more than a year ago of the shah's impending fall, but that the reports were discounted.

Israel is also a deterrent to Soviet designs in the region. "The ability of the U.S. to protect its security interests in the Middle East is closely linked, if not dependent on, the maintenance of a potent Israeli military capability in the area," said a letter sent to President Carter last month by 170 retired generals and admirals.

"A U.S. interagency study on the global military balance concluded recently that, in the event of a nonnuclear conflict in the Middle East, Israel, by itself, 'might deter Soviet combat forces intervention or prevent completion of such deployment,' " the letter asserted. "If not for the proven capability of the Israeli armed forces, we would be forced now to station a significant number of men and substantial materiel in that region."

The benefits America derives from Israel accrued out of a tiny initial investment—in the form of political recognition in 1948—that was based more on emotion than strategic consideration. Large-scale U.S. aid didn't reach Israel until this decade. Israel developed its intelligence, its military and its democracy on its own. This contrasts with other regimes—Iran and South Vietnam come to mind, but there are others—that virtually have owed their existence to the United States and which, despite much larger initial investments from Washington, have had a nagging tendency to crumble.

The Carter administration has consistently expressed a general commitment to Israel's security. When Ambassador Ephraim Evron recently presented his credentials, the president commented on Israel's strategic importance to the United States. Nevertheless, the strategic aspect of U.S.-Israel relations has not been reflected in the administration's policies.

Intermittent pressure on Israel during the peace negotiations, the clear tilt toward Egypt and Saudi Arabia, and the apparent failure to recognize Israel's enhanced strategic importance in view of the upheaval in Iran all suggest that, despite occasional statements to the contrary, the administration sees the Jewish state as a strategic liability.

U.S. policymakers have yet to learn all the lessons of Iran. While Carter's statement on Israel at Evron's welcoming ceremony was an encouraging sign; more such signs are needed. For if the administration doesn't recognize a truly stable ally when it sees one, it is unlikely to benefit from an intelligence study on predicting events in the grayer areas of global stability.●

TEACHER MOBILITY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. HARRIS. Mr. Speaker, teachers today are as mobile as other Americans, moving for many personal and professional reasons. Many teachers choose to move across State lines whether across the country or within multi-State metropolitan areas such as New York, Washington, Philadelphia, St. Louis, Memphis, and Louisville. Teachers who exercise their right to teach in distant or adjoining States do so at the price of sacrificing their retirement rights because retirement benefits are not often transferable from State to State.

Because there is no established retirement criteria, teachers may decide against crossing State lines to teach, even though their skills may be needed in a neighboring system in another State. Teachers who move may choose not to retire when they are first eligible. Rather, they keep teaching to accumulate additional years of credit—years they have lost because retirement credits were not transferable between States.

It is time the Congress recognized the regional nature of many of our school districts, and took positive steps to address the problem of teacher mobility between States. I am introducing today, the Mobile Teachers' Retirement Assistance Act of 1979, legislation which would assist States and localities in preserving the retirement benefits of public school teachers who teach in more than one State. The bill would enable teachers who have taught in two or more States to retire at the end of their careers with benefits approaching the amount they would have received by teaching in a single State for their entire career. The following concepts are incorporated in this bill, which would:

Permit teachers to purchase up to 10 years of lost out-of-State retirement credits;

Require participating States to provide vesting of retirement benefits in not more than 5 years;

Require no more than one year of in-State service for each year of out-of-State service credit granted;

Provide that the teacher's payment for out-of-State service shall not exceed 25 percent of the total cost of the out-of-State credit;

Provide a Federal payment for each year of credited out-of-State service equal to 50 percent of the total cost, provided that if the teacher has not reached age 60 at retirement the cost shall be determined as if the teacher were age 60;

Require a State payment which shall not be less than 25 percent of the total cost;

Provide that the cost to the Federal Government, the State government, and the teacher shall not exceed the necessary reserve to make benefit payments, and

Stipulate that such payments to a State retirement system must not be used for other purposes than to make benefit payments under the existing laws of the State.

The Mobile Teachers' Retirement Assistance Act is not compulsory in nature. It is an incentive bill which recognizes State prerogatives in education and the importance of the State retirement system as the primary vehicle for providing retirement benefits to educators. At the same time, it provides a common program throughout the Nation, thereby allowing teachers to provide for their future retirement while they are actively employed. This important legislation has the support of many of the teachers in Virginia who have moved here from a different State to accompany a spouse to the area or in search of professional advancement. The bill would help teachers alleviate a serious and growing problem, and deserves the support of the friends of public education everywhere.●

H.R. 1964—FEDERAL CONSTITUTION CONVENTION AMENDMENT ACT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. HYDE. Mr. Speaker, public interest in amending the Constitution to require a balanced budget is mounting. Twenty-eight States have already submitted such a convention call; only six more are needed to comply with article V.

One fear shared by many is that such a procedure would result in a runaway convention that might end up rewriting many sections of our Constitution. To allay these fears, I have introduced H.R. 1964, the Federal Constitution Convention Amendment Act. My bill is virtually the same as the Ervin bill which passed the Senate unanimously in 1971 and 1973.

Although I sponsored similar legislation in the last Congress, hearings were not held because the Democratic leadership did not want to provide momentum to the proliferating convention calls. Apparently that feeling still prevails, with the attitude of Subcommittee Chairman DON EDWARDS expressed on page 275 of the February 17 Congressional Quarterly:

> We have never felt it was significant enough to hold hearings.

And.

> Anything that encourages this sort of utilization of Article V is unwise.

I strongly disagree, and as the ranking Republican on the Subcommittee on Civil and Constitutional Rights, chaired by Congressman EDWARDS, I intend to move for hearings at the earliest possible date.

Congress has an obligation to adopt procedures for a constitutional convention, in compliance with article V, before two-thirds of the States apply for a constitutional convention. The chaos everyone fears can be prevented by serious and timely consideration of this or similar legislation.

It is useful to note that such legislation was urged by the Advisory Commission on Intergovernmental Relations in 1971, and the same conclusion was reached by the American Bar Association's study committee in 1973.

To those who shrink from this method of amending the Constitution because since our first convention it has never been used, the words of Abraham Lincoln, in his first Inaugural Address (1861) are instructive:

> Many worthy and patriotic citizens are desirous of having the national constitution amended . . . I fully recognize the rightful authority of the people over the whole subject, to be exercised in either of the modes prescribed in the instrument itself; and I should . . . favor rather than oppose a fair opportunity being afforded the people to act upon it. I will venture to add that to me the convention mode seems preferable, in that it allows amendments to originate with the people themselves, instead of only permitting them to only take or reject propositions originated by others, not especially chosen for the purpose and which might not be precisely such as they would wish to either accept or refuse.

It is more than ironic that so many who are outspoken in their dedication to the democratic process are so fearful of letting the people, through the convention process, have significant input in shaping their Constitution. This is particularly interesting because any proposals that are adopted by the convention (under my bill a two-thirds vote of the delegates is required) must, as any amendment proposed by Congress itself, be ratified by three-fourths of the States. Thus, any amendments would require and obtain the extraordinary majority demanded by article V.

When feminists demanded an extension of time for ratifying the ERA, their proposal swept through this same process with mind-boggling speed.

But when essential legislation such as this is proposed, great disinterest characterizes those who have exclusive access to the levers of powers.

What it all amounts to is the growing conviction by more and more citizens that if Congress will not or cannot check Federal spending, then a more responsive and representative body (that is, a constitutional convention) will.

Those who resist this legislation are resisting democracy in action, and exhibiting a sad lack of trust in the people they loudly proclaim to protect. They confuse virtue with elitism and disserve the Founding Fathers who adopted article V as well as those citizens today whose frustrations take the form of calls for a constitutional convention.

The concept of government of the people, by the people, and for the people is too radical for our liberal congressional leaders, who fear a balanced budget as much as a nuclear holocaust.

So long as this Congress pretends to intellectual honesty, its leaders cannot deplore calls for a constitutional convention as unleashing a "rogue elephant" and at the same time, refuse to build the cage for this elephant that H.R. 1964 and other similar legislation will provide.

H.R. 1964 has 25 cosponsors as of this date, including 3 distinguished Democrats. Twenty-eight of the necessary thirty-four States have called for a convention.

What are we waiting for?

The list of cosponsors and States follow:

Co-sponsors of H.R. 1964, Federal Constitution Convention Amendment Act—sponsored by Rep. Henry J. Hyde, Illinois:

Robert E. Bauman, Maryland.
Adam Benjamin, Indiana.
James Cleveland, New Hampshire.
Lawrence Coughlin, Pennsylvania.
William E. Dannemeyer, California.
Robert Dornan, California.
John Erlenborn, Illinois.
Edwin Forsythe, New Jersey.
Newt Gingrich, Georgia.
Charles Grassley, Iowa.
Tennyson Guyer, Ohio.
William J. Hughes, New Jersey.
Thomas Kindness, Ohio.
Ken Kramer, Colorado.
Robert Lagomarsino, California.
Gary A. Lee, New York.
Trent Lott, Mississippi.
Manuel Lujan, New Mexico.
Dan Lungren, California.
Ralph Regula, Ohio.
James Sensenbrenner, Wisconsin.
Paul Simon, Illinois.
Gerald Solomon, New York.
J. William Stanton, Ohio.
Thomas J. Tauke, Iowa.

As of February 26, 1979, following States have submitted a convention call on a balanced budget:

Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Iowa, Kansas, Louisiana, Maryland, Mississippi, Nebraska.

Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wyoming.●

IMPROVEMENT OF PROGRAM TO PROVIDE TRANSPORTATION FOR THE ELDERLY AND HANDICAPPED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. BIAGGI. Mr. Speaker, yesterday I introduced H.R. 2483 to make a small but vital change in the section 16(b)(2) program of the Urban Mass Transportation Act of 1964. This program provides private nonprofit organizations with funds to purchase vehicles to transport the elderly and handicapped. My legislation would set aside up to 20 percent of the funds for operating expenses giving a preference to those organizations which have already received funds from this program.

This legislation is both modest and logical. It was prompted by an investigation I conducted in my home city of New York where buses and vans provided under the 16(b)(2) program were sitting idly in garages because there were no funds available to meet operating expenses ranging from paying drivers to maintenance costs. Obviously this defeats the whole purpose of the program and constitutes a waste of taxpayer money.

My bill would allow for the program to absorb a limited amount of the operating expenses. In some areas of the Nation, operating costs can exceed the purchase costs of vehicles. I placed a provision in my legislation giving a preference in the distribution of these operating expenses to those organizations who have received vehicles but who are unable to meet all the costs of operation.

It was my amendment in 1970 to the same Urban Mass Transportation Act which made it national policy that the elderly and handicapped have the same rights to mass transportation as other groups. The 16(b)(2) program is an example of our commitment to these groups. My legislation seeks to make the program even more responsive by guaranteeing that the funds provided achieve their desired purpose to provide transportation services for the elderly and handicapped.

This is a cost effective bill making improvements in a cost effective program. The alternative to being provided those transportation services might be institutionalization or isolation these individuals. The vehicles purchased under the 16(b)(2) programs help transport elderly and handicapped to programs where vital social and human services are dispensed.

I cited my city of New York as being affected by a lack of funds for operating 16(b)(2) vehicles. I am certain other areas of the Nation are similarly affected. I am chairman of the Subcommittee on Human Services of the House Select Committee on Aging and I am considering holding hearings on this legislation and would like to assess how much of a problem this is nationally. If my colleagues have any information about the 16(b)(2) program in their areas, please advise me. In addition I hope Members will join as cosponsors of this bill.

I wish to close by inserting a letter I received from the Handicapped Adults Association, Inc., in Co-op City in the Bronx, which discusses the problem my bill hopes to solve:

HANDICAPPED ADULTS ASSOCIATION, INC.,
Bronx, N.Y., January 19, 1979.

Re: Operating funds proposed for UMTA Sec. 16(b)(2) vehicles.

Hon. MARIO BIAGGI,
Congressman, U.S. House of Representatives, Bronx, N.Y.

DEAR CONGRESSMAN BIAGGI: We have recently learned of your proposal (see newspaper clipping enclosed) to assist or cover operating costs on the specially equipped vehicles used for the transportation needs of the disabled and elderly. Our organization has one (1) such vehicle serving the residents of Co-op City, and an application has been submitted for a second vehicle which is needed. However, we also find the operating costs to be prohibitive, yet we do have the support of the entire community despite the fact that we are a moderate-income development laboring under the economic effects of the inflation and other pressures.

We would be interested in obtaining a copy of your bill and will gladly comment to you on our reaction. Meanwhile, if we can be of any assistance, please do not hesitate to call on us.

May we wish you success in all undertakings in this new year and we will await your reply.

Sincerely yours,

ANNA L. CAPELL, *President*.●

AIRCRAFT NOISE POLLUTION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. ROSENTHAL. Mr. Speaker, aircraft noise pollution is not only annoying, but it threatens the physical health of persons on the ground as well as their psychological and social balance. In addition to damaging hearing, aircraft noise has been linked to cardiovascular disease, diabetes, arthritis, fetal damage, increased heart rate and high blood pressure. It interferes with sleeping, listening to the radio and television, communicating, reading, and many of our other daily functions. It depreciates the market value of residential property and disrupts schools and businesses.

The din of commercial jet traffic over Queens continues to adversely affect the health of my constituents, despite the fact that the Quiet Fleet Rule has been in effect since December 1976 and the Quiet Communities Act was signed into law last November. I strongly believe, as do my constituents, that strict FAA surveillance of the airlines' compliance with noise regulations is essential. Until all aircraft are manufactured according to the legal specifications for the reduction of noise, the FAA must require the airlines to report on the progress and specific plans for achieving real noise reduction. A rollback of the 1985 deadline for noise limitation must not be permitted to occur.

In addition, the International Civil Aviation Organization is expected to bring international aircraft service under noise level control within 3 years. The airports in densely populated Queens accommodate many international flight arrivals and departures daily. In the event that an agreement is not reached by the deadline, the FAA must be prepared to establish noise level controls for international flights also.

With the present technology available and the industry's financial resources, the airlines can be reasonably expected to meet the FAA standards for noise abatement without any additional burden on the taxpayer. The airlines, now enjoying record profits and patronage, are quite capable of financing either retrofitting of present engines with sound-deadening material or installing new engines, as well as fleet replacements.

Curbing aircraft noise pollution requires immediate steps as well as long-range measures. For well over a decade, I have been active in legislative efforts to control aircraft noise. In 1966, I was instrumental in the attempts to create an Office of Aircraft Noise Control and Abatement in the Department of Transportation. My current legislation, H.R. 170, the Airport Noise Curfew Act, calls for the creation of a nine-member commission to investigate the establishment of nationwide curfews on airport and aircraft operations during normal sleeping hours. It is at just such times that the need for peace and quiet is most essential for the health and well-being of the public. A curfew on aircraft operations would provide an effective, immediate remedy to the problem of aircraft noise that is so disturbing to millions of Americans who live near our Nation's airports.

The number of complaints about aircraft noise has been growing markedly in my district. It is not enough for Congress to pass new legislation or simply contact the FAA about noise severity. The needs of Queens residents for a bona fide aircraft noise control program can no longer be ignored.

We must emphatically bring the problem to the attention of the Federal and local authorities: The FAA, EPA, DOT, Port Authority and airlines. I am, therefore, sponsoring a conference on aircraft noise in Queens, on March 29, 1979. This conference will bring together representatives of appropriate government agencies and the community in an open forum to seek solutions to this intolerable situation.●

A FEDERAL INITIATIVE?

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from January 10, 1979, into the CONGRESSIONAL RECORD:

A FEDERAL INITIATIVE?

Is the day coming when the American people will vote directly on issues before the nation?

Whether the issue is property tax reform or the rights of homosexual persons, the ballot is being increasingly used to make legislation in states and localities across the country. There are initiatives in which the voters propose and enact their own laws, and referendums in which they approve or disapprove the actions of legislatures. In the November election there were 350 such proposals on the ballot in 37 states and scores of cities and counties. Of the statewide proposals, 40 were initiatives made possible by direct citizen petition (the largest number in an off-year election in three decades), while the remainder were referendums proposed by legislatures. In a recent poll Hoosiers have shown their support for the initiative and referendum processes by an overwhelming margin of 65% to 5%, with 30% undecided. Similar national polls show the same heavy majority on the side of those processes.

Current interest in the initiative and referendum processes probably stems from the people's feeling that they are not getting their money's worth in government services for the taxes they pay. It is one manifestation of the search for a more responsive government. To some extent the interest may be a sign of the people's distrust of elected officials. Also, much of the interest has been generated by single interest groups. These groups believe strongly about an issue and favor direct intervention by the voters when legislatures do not respond to them in the "right" manner.

The initiative process—the more direct of the two ways in which the voters themselves make legislation—is presently in effect in 23 states (Indiana is not one of them). However, many people would like to see that process at work at the federal level. Although the Constitution gives Congress and the President sole responsibility for the enactment of federal legislation, several members of Congress have sponsored a constitutional amendment which would permit citizens, after collecting 2.5 million signatures in ten states, to require a nation-wide vote on their proposal during the next congressional election. The proposal would become law if a majority of voters cast their ballots in favor of it. The question is whether such a constitutional change is warranted.

Many worthy arguments can be advanced on both sides of the issue. On the one hand, the initiative process might have its drawbacks. The Founding Fathers set up a form of government in which the people do not decide the issues themselves, but rather choose representatives who deliberate on, and then decide, the issues. Legislative procedures such as hearings, formal debate, and amendment are not part of the initiative process, so the deliberative aspect of lawmaking would be restricted by it. Also, today's issues are highly complex, and it may be neither fair nor reasonable to ask the voters to spend the time and energy necessary to make informed decisions on all of them. Another problem is that one can easily imagine an initiative process dominated by small, well financed groups that know how to use the media effectively.

On the other hand, the initiative process would have its advantages. At the foundation of the American political system is trust in the judgment of the people and confidence in the discriminating power of the voters. Any process designed to give the people a greater voice thus has an obvious appeal, particularly at a time of voter apathy and public cynicism about government. The initiative process could help to reverse the trend toward less citizen participation in government. It might stimulate the federal government to action in areas where it has been reluctant to move. Another factor is the widespread approval of the concept in the polls.

Proponents of the federal initiative have one more argument to put forward: the initiative process has worked well in states and localities, so why should it not work just as well at the federal level? I find this argument compelling, but I must confess to certain misgivings. Federal law is made in Congress, a two-chambered body where representation is apportioned both by population (the House) and state (the Senate). To permit citizens themselves to legislate by a majority vote overall, however, would be a departure from a process that has served us reasonably well for 200 years. The initiative would give urban states an even greater legislative power than they have now. Rural states, of course, would see their power diminished.

I favor the increased use of the initiative process in states and localities. I would like to see Indiana adopt it. At the federal level, Congress should begin a careful examination of the issues raised by it. I believe that the initiative process symbolizes the trust the American political system puts in people. It merits serious consideration if for no other reason than that.●

THE WORLD'S LARGEST CONCENTRATION CAMP

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the vaunted human rights policy of this administration suffered its most critical

setback when the President decided to extend diplomatic relations to the People's Republic of China. The following John P. Roche column, entitled "The De Facto Warden" underscores the fact that the United States has now recognized a regime which is, as Mr. Roche concludes, "the world's largest concentration camp." The article follows:

THE DE FACTO WARDEN

(By John P. Roche)

"You Americans," a Polish friend sadly observed some years ago, "think history starts anew every morning." His particular complaint was that Eastern Poland, his ancestral homeland, had been casually handed to the Soviet Union at the end of World War II and his family shipped off with nothing but the clothes on their backs to land formerly German. He could not in any case return to his new "home": he was a veteran of the Polish army that fought with us in Italy, "a reactionary fascist" in the lexicon of the Polish communist regime.

The frenzy over the visit of Chinese Vice Premier Teng Hsiao-ping, which stopped just short of strewing palms in his path, reminded me of this somber insight. One might have thought Teng was a long-persecuted advocate of human rights, a Messiah come to redeem Chinese communism of its totalitarian character. In fact, he was the chief organizer of one of the greatest purges in history, the "Rectification Campaign" of 1957–58.

It began with roses—quite literally. On June 18, 1957, Mao's "Hundred Flowers" speech, made in February, was released to the people. In it the chairman admitted that perhaps the liquidation of 800,000 alleged counter-revolutionaries (a gross underestimate according to knowledgeable Sinologists who put the count in millions) had been a bit severe. To summarize a four hour speech, he went on to call for open debate within a framework of "centralized guidance" and coined the slogan "Let a Hundred Flowers Blossom and Let a Hundred Schools of Thought Contend."

The obviously unanticipated response was seismic. A million flowers bloomed including one notable cactus-blossom: a professor at Peking University stated baldly in the *People's Daily* that "to kill communists and overthrow you cannot be called unpatriotic, because you communists are no longer of service to the people. Even if the Communist Party is destroyed, China will not perish."

Four days later Chou En-lai shadowed by Teng, his chief capo, decided to close the playground: he told all non-communist Chinese they would be "enemies of the people" if they criticized the government. This took over 95 per cent of the population out of play at one swoop. Shortly thereafter students were told critics of the regime would be subjected to severe penalties, "rightists" were discovered spreading "fantastic anti-Socialistic views," and the elite hit the panic button.

Chou En-lai, an urbane, cynical survivor whom Mao never purged because he was useful and quite prepared to be No. 2, seldom handled dirty jobs in person. What was called for in 1957–58 was not a minor league operation but a purge of millions. Chou called for his faithful hit man, Teng, who threw himself into liquidating rightists with the same bouyant zeal to which we have recently been exposed. God alone knows how many million intellectuals, teachers, small entrepreneurs, and other "antisocial" elements went to the wall. Ironically, survivors have just been "rehabilitated" by the same man who sent them down! He smiled his charming smile and said, in effect, "I cannot tell a lie: Mao did it."

To say this is not to argue President Carter should have had him arrested for trial in Nuremberg, or that the United States should not recognize the Chinese Peoples Republic. It is to call for a realistic assessment, not a love affair. Teng has been running around the United States trying to gin up a war with the USSR. I share his view of Moscow as I do Moscow's of him, but no matter how sincerely I despise Soviet totalitarianism I'm not going on a Chinese sponsored polar bear hunt. If he and the Soviets want to fight it out, let's watch on television.

In short, anyone who thinks we are playing a "Chinese card" against this brilliant, dedicated old gangster suffers from the sin of innocence. No matter how nice Teng and Cho Lin were to Shirley MacLaine, Jimmy and Rosalynn, Fritz and Joan, and the other starry-eyed members of the White House cast, the vice premier is still the de facto warden of the world's largest concentration camp and thus an implacable enemy of the fundamental values of our society.●

A BILL TO SUSPEND THE DUTY ON CHIPPER KNIFE STEEL

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. ALBOSTA. Mr. Speaker, today I am introducing legislation to suspend the import duty on chipper knife steel. This is a special type of tool steel required by domestic manufacturers in far greater quantities than can be obtained on the domestic market. The finished product is subject to much lower duties when imported. This places our manufacturers at a very significant disadvantage. I would like to insert in the RECORD an extension of my remarks covering the matter in more detail.

This bill would add a new item 911.29 to the appendix of the Tariff Schedules of the United States (TSUS) providing for duty-free treatment of column 1 (MFN) imports of chipper knife steel entered, or withdrawn from warehouse, for consumption before July 1, 1981. Imports of chipper knife steel are now dutiable under TSUS item 608.52 at a column 1 rate of duty of 10.5 percent ad valorem plus additional duties on the chromium, molybdenum, tungsten, and vanadium content of such steel.

Chipper knife steel is principally used as a raw material for the production of chipper knives.[1] Chipper knives are used in heavy equipment that chip trees and other wood into pulp and wood fiber products. The wood chips produced by chipper knives are being put to an increasing variety of uses, including the treatment of sewage, the production of paper and corrugated boxes, and landscaping. Wood chips are also being considered as a new energy resource.

Chipper knife steel is not produced domestically in quantities that are anywhere near sufficient to satisfy the demands for chipper knife steel by U.S. chipper knife manufacturers. The insufficient production of chipper knife steel by the domestic specialty steel industry was the principal basis for President Carter's decision—announced April 5, 1978—to exempt chipper knife steel from the quotas on specialty steel imports.[2] The President decided to exempt chipper knife steel from the specialty steel quotas after taking into account the advice of the U.S. International Trade Commission, the Office of the Special Representative for Trade Negotiations, and the Cabinet Departments that are represented on the interagency trade policy committee. In addition, the tool and stainless steel industry committee—and spokesgroup for the U.S. specialty steel industry—notified President Carter that it did not oppose the exclusion of chipper knife steel from the quotas on specialty steel products. An exemption from the quotas was essential to the survival of U.S. chipper knife manufacturers, since they must rely heavily on imports of chipper knife steel to meet their raw materials requirements.[3]

Domestic chipper knife manufacturers face strong competition from imports of finished chipper knives from Finland, Sweden, Germany, Austria, and Japan. Several domestic chipper knife manufacturers have been forced to leave this market because of foreign competition and others have been forced to curtail production. Only six U.S. firms continue to manufacture chipper knives and of these only four are American-owned.[4]

A chief reason for the competitive advantage of foreign chipper knife imports over domestic products is that the duty on finished chipper knives, under TSUS item 649.67, is only 5 percent ad valorem, whereas the duty domestic chipper knife manufacturers must pay to import their requirements of chipper knife steel exceeds 10.5 percent ad valorem. This difference between the rate of duty on finished chipper knives and the rate of duty on chipper knife steel gives a major competitive advantage to foreign chipper knife manufacturers, since the cost of chipper knife steel represents almost 80 percent of the cost of manufacturing chipper knives. In essence, this discrepancy in duties constitutes a subsidy to foreign manufacturers by the U.S. Government. The elimination of the duty on chipper knife steel could greatly strengthen the ability of U.S. chipper knife manufacturers to compete with chipper knife manufacturers abroad.

Because of its distinctive chemical composition, chipper knife steel can be readily distinguished from other alloy tool steels. The definition of chipper knife steel contained in this bill is identical to the definition used by President Carter in Proclamation 4559, by which he exempted chipper knife steel from the specialty steel quotas. This definition of chipper knife steel was jointly formulated by representatives of the Office of the Special Representative for Trade Negotiations, the U.S. International Trade Commission, and the U.S. Customs Service. The tolerances for each element of chipper knife steel are narrowly drawn by this definition so as to insure that it applies to no type of alloy tool steel other than chipper knife steel.

CONCLUSION

The suspension of the duty on chipper knife steel will eliminate an unnecessary charge on a raw material that is not produced domestically in sufficient quantites and for which there is a growing

demand. By reducing the effective cost of chipper knife steel to domestic manufacturers, this duty suspension will help make domestic chipper knives more competitive wth foreign imports. A more competitive domestic chipper knife industry will directly benefit the manufacturers of chipper knives, their employees, and their customers, who can expect that the elimination of duties will translate into lower prices. Thus, a duty suspension on chipper knife steel will indirectly benefit the economy as a whole by reducing prices and increasing domestic employment.

FOOTNOTES

[1] Chipper knife production accounts for more than 95 per cent of domestic consumption of chipper knife steel.

[2] Presidential Proclamation 4589, 43 Fed. Reg. 14,429 (April 5, 1978) [ATTACHMENT I].

[3] According to an unofficial estimate in September, 1977, imports of chipper knife steel accounted for approximately 75 per cent of total domestic consumption. This proportion has probably increased in succeeding months since a major domestic producer of chipper knife steel (Universal-Cyclops of Pittsburgh, Pennsylvania) apparently has shifted its production to other types of specialty steel.

[4] The other two domestic chipper knife manufacturers are subsidiaries of foreign-based conglomerates.●

JOHN MOSS, THE MAN WHO PERFECTED OVERSIGHT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. OTTINGER. Mr. Speaker, many of us in the House expressed our regrets last fall when we began really to understand the impact that the loss of John Moss would have upon us.

John Moss was one of the most exemplary Congressmen I have ever had the privilege of knowing, and I surely wish he had not decided to leave us try to do things on our own. His will be a hard act to follow, but at least for those of us who have been working wtih him, we have some method, some necessity and, most important of all, some sense of outrage, all of which are essential ingredients of any effort even to try to emulate John Moss.

Earlier this month, Ward Sinclair wrote a superb review of the Moss record in Congress; it appeared in the Washington Post on January 14. I heartily recommend "The Man Who Perfected Oversight;" it probably should be required reading at the beginning of every new Congress.

The article follows:

THE MAN WHO PERFECTED OVERSIGHT

(By Ward Sinclair)

It never fails. Just when they find a use for the wheel, the inventor is not around to explain it. So it goes on Capitol Hill where this year's reinvention of the wheel is something called "oversight."

The papers will be full of talk this year about the 96th Congress being the Oversight Congress. The sense of that term is that enough laws have been passed, enough Big Issues confronted and it is now time for a pause. They will go back and study what they have wrought.

The truth of the matter is that oversight is one of the lesser understood and least exercised functions of Congress. It is overseeing the functions of government and the actions of its officials. In a word, it is investigation. All congressional committees have an oversight role, but few take it seriously. It is messy, it takes time and concentration and, should one dare a cynical thought, it has little appeal to the young and chi-chi Boob-Tube Babies who increasingly inhabit the House and Senate.

So whatever the meaning, oversight is "in" and now that Congress is about to rediscover this wheel, the past master of the art—and be not mistaken it is an art—has gone home to retirement in Sacramento.

At noon on Jan. 3, for the first time since 1953, John E. Moss was no longer the representative from California's 3rd District. Too bad. For if this is in fact the Oversight Congress, as its leaders have proclaimed, Moss would have been in hog heaven had he stayed.

In many ways, at least in recent times, John Moss had to be considered the inventor of oversight. For two decades, his subcommittee investigations put a relentless light on almost every imaginable kind of federal and corporate misdeed. Moss flayed, groused, flayed, pestered and then flayed some more as he charged along on his legislative Rocinante.

IMPRINT ON GOVERNMENT

But why John Moss? Why this mild, not very colorful, onetime appliance dealer and real estate salesman from the Central Valley? The best answer seems to be that Moss somehow figured that a congressman was supposed to come here and take names and kick tail. So he did, to a fare-thee-well.

By the time Moss left Washington he had achieved something that others can lay only spurious claim to: an imprint on the way life is lived in the United States, an imprint on the way government governs.

Almost single-handedly, over enormous resistance, Moss championed the Freedom of Information Act of 1966 that opened government files to the public. Subsequent amendments in 1975 refined the law further and opened the process even more. Most of his colleagues and admirers agree the FOIA was the brightest of the gems Moss left behind.

But the laws broadening the scope of the Federal Trade Commission, tightening securities regulation, establishing automobile and tire-safety standards, providing product-warranty protection and setting up a Consumer Product Safety Commission are among the other major legacies. The list is more impressive because Moss never was chairman of a full committee, the usual power base of the super-doer.

The subcommittee level, to which he was limited by the seniority system was where Moss as overseer compiled his lengthy record as the House's gadfly. His last assignment, as chairman of the Commerce Committee's subcommittee on oversight and investigations, gave him rein to look into almost anything that tweaked his pique.

In the 95th Congress, in 1977 and 1978, the inquiries and investigations rolled at floodtide: the world uranium cartel, FBI foreign security surveillance, Air Force contract shenanigans, accountants' practices, hospital care and unnecessary operations, natural gas shortages, drug costs, college athletics, HEW birth-control policy, pesticide regulation all came under the subcommittee's investigative eye.

The results then, as before 1975, when Moss directed oversight investigations by other Commerce subcommittees, often meant hearings that attracted the press and reports that made Moss a front-page name all over the country.

ASSESSING THE RECORD

In a world where ego-tripping is *de rigeur*, there's an almost sour grapes view among some of Moss' old House Democratic colleagues, conceding that he did some big things but that all in all he wasn't the most effective congressman a district might have. To be sure, Moss made enemies, not a few of them in the House, where he violated the old-boy codes by calling the drones by their real names. His detractors—mostly Republicans and corporate captains—liked to say he was arrogant and unfair, publicity-happy, a power-crazy left winger.

One day before he left for home, Moss looked back to ponder the record. The criticism, if anything, mostly amused him. He treated it the same way he treated critical reactions to his votes: "Too many people want to be popular around here. I don't really give a damn. If it's the right vote, it will become popular."

The notion that he was antibusiness or a shill for the lefties amused him equally. "Actually" he said, "I am very conservative. People who want to dismantle the regulatory machinery of government are not conservatives, as many of them claim. They are very radical. That machinery is there because abuses occurred: the FTC, the Federal Reserve, the Securities and Exchange Commission, the Interstate Commerce Commission. These things, you just don't tear down and destroy. Those cries come from people who claim regulation is onerous."

Typical of his don't-give-a-damn attitude was what Moss did in early 1973, when those early rockets from Nixon's Watergate started bursting. Moss called on the House to get the machinery ready to deal with a presidential impeachment. The House, typically, decided to wait awhile after less blunt but more timorous souls prevailed.

"The leadership told me I was premature," Moss recalled, "but the thing of concern to me was that the House do its job . . . The pardon of Nixon [by Gerald Ford] interfered with the role of the House. The House should have completed its impeachment action. We were less than we should have been on that occasion. I don't think the country would have been hurt by an impeachment. I like nice clean pages of history."

PRAISE FROM NADER

Ralph Nader, who is not given to soaring praise of your public servant, thinks the clean pages of history will show Moss to be "one of the greatest members of Congress of this century." Before Nader was inspiring legions of young idealists into their own oversight of corporate and governmental waywardness, Moss had been there already, "Nobody perfected oversight as John Moss did," Nader said.

The curious thing is that Moss came to Congress in 1953 with none of the polished tools one might expect a bulldog investigator to have. He did have, however, a high indignation level, a basic sense of right and wrong and a belief that Congress was intended to be something more than a rubber stamp for vested interests.

He was born in Utah, the son of a coal miner, but moved to California with the family as a boy. He attended a Sacramento college for two years, then went into business and Democratic politics. He was a state assemblyman for two years before his election to Congress in 1952.

His victory that year was by four-tenths of one percentage point and, as Moss remembered it, "By all that was holy, I was surely destined to be a one-termer." He seemed to seal his fate when he voted against California's interests, citing constitutional grounds, on the controversial Tidelands oil legislation. "With that, the opposition savored victory. But, in 1954, I got 62 percent of the vote. People said they admired my courage and that became a rule with me—to vote the way I think I should vote."

So with relative electoral security at home and armed with his idea that he was a part of the most representative segment of the federal government, Moss was a natural for the investigative work his subcommittee did. Before there was such a thing as "consumerism," Moss was practicing it on Capitol Hill. "I just have a strong feeling that when I buy something I am committing my dollars and my confidence to a product and I have a right to get a commitment of quality. It is wrong to sell people things that are dangerous to them in normal use."

The trouble with Congress, he continued, is that not enough of its members are looking much beyond the next election—they're too busy with their political careers to let sensitive and potentially damaging issues get in the way.

"Congress is not doing the kind of work that ought to be done. We ought to be monitoring the executive branch much more closely here. Take the General Services Administration. That is an incredible situation. What were the committees with the proper jurisdiction doing when these scandals were occurring? That is where the failure occurs."

BELIEF IN CONGRESS

Michael Lemov, a Washington attorney who once was Moss' chief counsel on consumer oversight, remembers him as "a brave man in a town of compromisers . . . While he was not a lawyer, he knew as much law as there was to be known about legislation. He also had a great belief in Congress as an institution. Whenever he took up the gavel, he felt he was representing an institution created by the Congress, and he was very strict and demanding in public as a chairman."

"In private," Lemov went on, "he was gentle and fair—revered by his staff—and he would never end a meeting until the other side had finished its presentation. Never blew his top, never raised his voice."

In public, with the gavel in hand, though, Moss gave another impression. He could be downright nasty with witnesses who spouted mumbo jumbo. He was unforgiving of malefactors and curt with bureaucrats who didn't want to share information with Congress.

"You have to hold a tight rein on a hearing," was the way Moss explained that. "Maybe I was too tight . . . But I think if we are to preserve our system, we have to be certain that nothing shatters the integrity of this institution."

Moss had a simple formula for conducting his subcommittee inquiries. He hired the brightest investigators he could find and then let them go where the leads took them. He made up his mind that he would be prepared to take "all the heat your opponents can put on you."

"Every Congress needs an SOB who ignores courtesy and convention. Moss did it without compromise. It's pretty glib to call a man courageous, but he was. He was persona non grata to a lot of members of the House—and that is what made him so essential around here," said one of his admirers.

Thomas Greene, a young lawyer from Sacramento who was Moss' last general counsel, said the congressman's "secret," such as it was, was that "he always perceived himself as a man from Sacramento—never a part of the Washington establishment, never got into the big power game. He never said he was a crusader. He would feel uncomfortable saying that. But he had a sense of where he was going. In that area of the country, you can't be too outrageous and continue to be elected."

John Moss did his thing and now he's gone, maybe to teach in California, maybe to go back into business, but, at 63, not regretting for a minute that he could walk away from Washington cold turkey.

"You actually do represent the people when you come here. You are selected to speak for them and it *is* a great opportunity. But Congress should not be a career, and staying here should not be more important than the quality of your work." ●

TREATY TERMINATION

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. FOWLER. Mr. Speaker, Prof. Albert B. Saye, Richard B. Russell professor at the University of Georgia and a well-known constitutional scholar, has carefully analyzed the President's decision to terminate the defense treaty between the United States and Taiwan. I would like to share with my colleagues his thought-provoking views as expressed in a letter to the editor, New York Times, January 3, 1979. He states:

TO THE EDITOR

The suit filed by Senator Goldwater challenging the authority of President Carter to terminate America's defense treaty with Taiwan may serve a useful purpose. We need a reaffirmation by the Supreme Court of the principle that the Constitution of the United States vests primary responsibility for the conduct of foreign policy in the President. Goldwater's suit could be used by the Court appropriately for an opinion clarifying the haze now clouding relations between the executive and legislative branches of our Government in this important area.

The Constitution reflects a competition between the concept of an executive subordinate to a supreme legislative power and the concept of an executive autonomous and self-directing within a broad range of power. This is most evident when we have the anomaly of a Republican President and a Democratic Congress, or vice versa. A notable example was the tension between President Nixon and the 93d Congress. The War Powers Resolution of Nov. 7, 1973 (87 Stat. 555), and the Budget and Impoundment Control Act of July 12, 1974 (88 Stat. 297), are the most extreme examples of Congressional assertion of supremacy over the President in our entire history. Passed in a moment of crisis, they are both hard to live with on a long-time basis. The constitutionality of many of their provisions is highly debatable.

The extraordinary circumstances in the case of Nixon v. United States (1974) together with the guarded language used in the opinion of the Court suggest caution in interpreting that decision as a broad precedent for limitations upon Presidential power. Chief Justice Burger noted that President Nixon's claim of confidentiality was a generalized one: "He does not place his claim of privilege on the ground they are military or diplomatic secrets."

The conduct of foreign relations is in general a function primarily of the executive in almost all governments; and our Constitution wisely provides: "The executive power shall be vested in a President of the United States of America." In the opinion of the Supreme Court in United States v. Curtiss-Wright Export Corporation (1936) Justice Sutherland wrote:

"Not only . . . is the Federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of power is significantly limited. In this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as a representative of the nation. He *makes* treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, 'The President is the sole organ of the nation in its external relations, and is sole representative with foreign nations.'"

ALBERT B. SAYE.●

ENVIRONMENTAL PROTECTION AS ECONOMIC BOON

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. OTTINGER. Mr. Speaker, much has been said over the past several months suggesting, erroneously, in my view, that environmental and health regulation is inflationary.

On the contrary, it is clear that environmental regulation is a positive benefit to our society, not just because it makes life more livable, but because it contributes directly to employment and to economic growth.

Recently, Eckhardt C. "Chris" Beck, the Environmental Protection Agency's regional administrator in New York City—who has been doing a superb job of enforcing laws we in Congress have passed and, at the same time, balancing enforcement with benefit—gave an extremely thoughtful speech. I commend to the attention of my colleagues Chris Beck's address in Trenton, N.J., entitled, "The Emergence of Environmental Protection as an Economic Boon," in which he outlines some of the direct benefits which have accrued to our economy from environmental regulation.

The address follows:

THE EMERGENCE OF ENVIRONMENTAL PROTECTION AS AN ECONOMIC BOON

The following is an address by EPA Regional Administrator Chris Beck to the 5th Annual Environmental Congress of the Association of New Jersey Environmental Commissions on October 21, 1978 in Trenton, New Jersey. We feel the ideas he expressed at the meeting should be shared with our Region II Report readers.

I would like to preface my remarks today by first saying that I am fully aware and deeply appreciative of the job this organization performs. You are the ones who translate policy into action, planning into results. The environmental movement in New Jersey, as far as I'm concerned, is completely dependent upon the type of grassroots leadership and sophisticated managerial skills which you bring to bear. You have my complete gratitude, and I thank you for a job well done.

I would like to speak to you today about a subject of deep concern to environmentalists, to the people of New Jersey, and to all Americans. That subject is—in keeping with the theme of this conference—the economics of environmental protection. To be sure, environmental protection comes with its price tag. Over a 1973–1982 time frame, $325 billion will be authorized by Federal legislation. My own EPA Regional Office—taking construction grant funds into account—oversees a budget in excess of a half billion dollars for this fiscal year alone. As the late Senator Everett Dirksen once said,

"A billion here and a billion there, and pretty soon you're talking about real money."

There are some people who have justifiably wondered aloud if it is wise to make such enormous outlays for environmental upgrading and protection. EPA has often been accused of economic villainy. Accused of creating unemployment. Accused of creating inflation. Accused of forcing companies to make nonproductive capital outlays. We have often stood indicted of these crimes. But we have yet to be convicted. I feel that valid reasons exist which explain why our accusers have never made their charges stick. And I would like to explore some of those reasons.

Let's begin with an accusation which is most commonly heard. And one which is most general in nature: Environmental concerns run directly against the grain of the best interests of industry. Take the Boeing Company, for instance. It is truly one of the Giants of American business. Boeing, you may recall, once lost a bone-crunching battle with environmentalists to build a pet project—the supersonic transport jetcraft. But that was seven years ago. Today, through its manufacture of solid waste recycling fixtures and other pollution control equipment, sales in the company's Environmental and Energy Division are expected to climb to $100 million this year, with environmental products directly accounting for about 30 percent. This is not an isolated event. More than 600 American companies—including some notorious polluters—are now cashing in on the environmental movement. In other words, these companies once viewed environmental concerns as a scourge against profits. Today, the same environmental concerns are being viewed as a rich source of profits.

Which brings me to the accusation that EPA programs create unemployment. 75,000 jobs have already been created nationally in this newly-established pollution-control industry—one which most Wall Street analysts classify as "bullish" with an extremely bright future.

Additionally, EPA's multi-billion dollar wastewater treatment plant construction program has already created 95,000 jobs nationwide. And many more will continue to be added as the program moves forward. In New Jersey, for example, total construction grant funds committed could reach upward toward $2 billion by 1982, representing thousands of much-needed jobs in this State.

The construction grants program also creates thousands of secondary jobs through the subcontracting and support services which it requires. In all, the President's Council on Environmental Quality estimates that as many as 700,000 environmentally-related jobs now exist. And for the record, EPA monitoring conducted since 1971 shows roughly 22,000 jobs lost due to plant closures blamed even in part on environmental factors. Many of these plants, it must be pointed out in all fairness, were old, poorly managed, and fated to close anyway. When one compares 22,000 jobs lost against 700,000 jobs created in a still-growing market, the accusation that environmental protection costs jobs must be dismissed. The charge, simply, is not based in fact. Quite the contrary. And, in fact, we have heard conspicuously little lately about EPA costing people their jobs.

Instead, environmentalists find themselves attacked on another flank. This time, the charge is that environmental protection is inflationary. But here again, the facts seem unable to substantiate the charge upon closer examination.

According to the leading macroeconomic forecasting firm of Chase Econometrics, all EPA regulations currently add modestly to the annual Consumer Price Index. This increment is currently placed at a level of about .3 to .4 percent. This means, first of all, that even if EPA were to take Draconian measures of cutting back its regulations by, say, a full 20 percent, the net effect on the Consumer Price Index would only be a reduction of less than .1 percent.

Secondly, and more importantly perhaps, the Consumer Price Index—like the Gross National Product—fails to take into account any benefits produced by EPA regulations. These benefits include improved public health, reduced property damage, increased crop yields, improved recreational opportunities and many other immeasurable gains which contribute to an improved quality of life in this country. As long as environmental outlays yield benefits at least equal to their costs, the simple rule of thumb is that they cannot be regarded as inflationary.

Senator Ed Muskie illustrates this point with the following story: People in the United States once survived nicely with no greater amenity than out-houses. Today, with indoor plumbing, the average modern bathroom can tack as much as $3,000 onto the cost of a home. But if it's worth it to you to keep from walking out into the snow every time nature calls, you don't regard the cost of an indoor bathroom as being inflationary. Of public expenditures, for instance, we might not think of a police department's rape prevention program as being inflationary. Or a cancer research effort. Or the building of a cultural facility like the Lincoln Center.

Why then, has environmental protection been singled out for this dubious distinction? This seems especially unfair, since—as I have tried to point out—environmental policies in this country are now creating major economic benefits and opportunities.

Allow me to cite two examples of this principle as it applies to New Jersey. One comes in the area of solid waste management. The other comes in the area of air pollution control. Regarding solid waste management, consider these three facts:

1. Conventional solid waste disposal methods are becoming increasingly expensive for municipalities.

2. Conventional solid waste disposal methods continue to place the quality of water resource reserves in jeopardy, and

3. Fuel and energy are becoming increasingly expensive.

These three facts suggest to me that the term garbage, or even the term solid waste, is obsolete. They should be replaced by the term "urban ore". Burning mixed municipal wastes from larger U.S. urban areas could generate energy equal to as much as 400,000 barrels of oil per day—nearly a third of the projected flow from the Alaska pipeline, enough to provide lights for all our Nation's homes and commercial buildings!

Furthermore, recovery of the materials from residential and commercial solid wastes could provide 3 percent of the Nation's lead, 5 percent of its copper, 7 percent of its iron, 8 percent of its aluminum, 19 percent of its tin, and 14 percent of its paper. Urban ore, in fact, is probably worth more as a natural resource than its counterpart components in the ground, since the technology is now in place for economically mining it. In Hempstead, Long Island, the private sector in cooperation with the municipality is now operating the largest refuse-to-energy plant in America now up and running. In Bridgeport, Connecticut, a similar plant will soon be operating which promises great savings to its users, and great profits to its operators. In new Jersey, plans are being readied on several fronts to produce energy from municipal refuse. In Newark, Camden and Logan Township and other areas, possibilities are being aggressively explored by both the public and private sectors to cash in on the economic benefits and opportunities which are inherent in the area of solid waste management.

Similarly, high-minded environmental policy can be a boon to commerce in the field of clean air. I am speaking specifically of our need to develop quality transportation control plans. Because of their compactness, cities like Newark carry inherent advantages for moving goods and services and people with a minimum expenditure of time and energy. The way people and goods are moved directly impacts urban sprawl, our ability to carry on business efficiently, the quality of our neighborhoods, and more. In other words, transportation control plans carry with them the potential to make our commercial districts less congested by unnecessary traffic, easier to get to through means other than our cars, and therefore more attractive and ultimately, more profitable.

Anyone here who has ever spent a good part of their Saturday shopping spree inside of the Holland Tunnel instead of Manhattan's shops knows what I'm talking about.

Some people have said that transportation controls do not make sense. That they are unworkable. But if this attitude prevails, we will be wasting a real opportunity. Already, gasoline is heading toward a dollar a gallon. Already, parking places are impossible to find, and parking garages charge exorbitant rates. Already, between the potholes and the fenderbenders, a trip into a city is a living lesson in the depreciation of a car's value. My question to you is, "Without transportation control planning, are our cities workable? Do they make sense?"

Environmentalists should not be at a loss for input as the implementation stage of this program draws near. Plans are due from the States by the first day of 1979, and thereafter we will be working as expeditiously as possible to see our intentions take flesh. Congress has taken major steps to insure full public participation in this process. Unfortunately, I have spoken to environmental groups who not only had no idea about what should go into a transportation plan, they were not even aware that the process for formulating these plans was in progress. I am sure this will not be the case in New Jersey, which I find to be a particularly progressive environmental State.

Senator Pete Williams and Congressman Jim Howard are the prime authors of a bill, the Surface Transportation Assistance Act of 1978, which is currently sitting on President Carter's desk. This bill would make the alternative of mass transit more attractive by allowing the use of some interstate highway funds to be channeled over to the mass transit side. I should also add in this vein that the Clean Air Act makes $50 million available to help the State's improve both mass transit, and therefore economic opportunities. Through these efforts, and your input, effective transportation control plans can go a long way toward revitalizing our urban areas and therefore our economy.

In conclusion, I would like to leave you with an observation of America made back in 1835 by De Tocqueville. The quote, of course, represents a Frenchman's view of the New World. Among his mostly-flattering impressions of life in this Nation, De Tocqueville wrote, "I know of no country, indeed, where the love of money has taken stronger hold on the affections of men." How much truth is in this, I don't know. But I do know that the politics of realism call on us to accept the fact that the profit motive will always be an integral aspect of American life. For environmentalists to succeed, we must capitalize on the fact that economic and environmental goals are not only compatible, but in many cases can feed and grow off of one another.

EPA is doing everything in its power to make sure that the economic impacts of our regulations are measured well in advance, and that no unnecessary costs are created above the basic needs to protect human health and the environment.

For instance, recent regulatory reforms in both the air and water programs will save millions of dollars in select industries, while doing nothing to jeopardize the protection of our resources. These reforms should be appreciated by many industries, including the New Jersey glass manufacturers. This Administration is pledged to such reform in the regulatory process. Also, EPA is making sure that none of its regulations leads to unfair business competition. New source performance standards for air pollution sources, for instance, are being applied uniformly throughout the country, like all EPA standards. There is no advantage to be gained by a firm's moving from State to State in a search for more lenient pollution control standards. I remain keenly sensitive to the unusual position EPA finds itself in regarding the topic of economic development, particularly in New Jersey. We realize that such development is an essential ingredient of local and State life. But so is clean air. So is good health. So is the need to live in a Garden State. I am convinced we can have both, that we must have both. And I am pledged to that mission, and open to your active participation in it.

Thank you.●

FAMILY FARMERS AND SUGAR POLICY

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. NOLAN. Mr. Speaker, the House Agriculture Committee currently is holding a new round of hearings on sugar legislation.

One of our sugar beet farmers from Minnesota, Anne Kanten, prepared testimony for the hearing but was unable to deliver her statement. Mrs. Kanten focuses on what the lack of adequate sugar legislation will mean for sugar producers at home and abroad. Her comments deserve a wider audience and I commend her statement to my colleagues. The statement follows:

ANNE KANTEN—STATEMENT BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

I am a sugar beet farmer from Minnesota—on land homesteaded by a great-grandfather who came across western Minnesota prairie land in the 1860's. The roots in that land are deep, emotional and filled with struggle.

The last 4 years with our farmer owned sugar co-operative, have not been easy. We have witnessed chaos in the international sugar trade with no clear support for U.S. producers from our own government. In addition, the meagre support levels—below cost of production—for other agricultural commodities spelled economic disaster for farm families in our part of Minnesota.

Last year, you heard reams of testimony and you will hear many more hours of testimony this week that will prove our domestic sugar industry is in deep trouble. You must accept that as a hard fact. But this government of ours—this place reels with facts. The facts, the numbers, the percentages are frightening to me because so many times in the maze of numbers people "fall between the cracks."

In my few moments I would like to make two points on behalf of people, because I believe we were created as an expression of a caring relationship—that as individuals, as institutions, as governments around this chaotic globe, we have a responsibility to each other. I have a Latin American friend who advocates "Liberation Theology," because it speaks to "little people in little places." I would ask my government and my congressman to be sensitive to the needs of "little people in little places" because it is little people coming before this committee and other government agencies that make this nation.

Myself. My family.

As a farmer, as part of a farm family, I've been involved in hard decisions, I have spent long hours in tractors and sugar beet trucks and I have learned to cope with disasters such as hail and drought. All that is part of the business, and I can accept it as part of the farmer's challenge. But I am also the wife of a sugar beet farmer and the mother of a 22 year old sugar beet farmer. What these last few years of economic stress have done to our family has been hard for "Mom" to accept.

Since 1975, it has meant borrowing to plant, fertilize, and harvest the crop. It has meant hours of building and rebuilding machines to cut investment costs. It has meant long, long hours of family work to cut labor costs. It has been agonizing, worrisome and frustrating to continue experiencing higher costs, with no expectation of higher sugar prices. We have to live with fear, the constant fear of what all that means. It means being forced off the land.

Do you know what that does to a farmer—a farmer whose years of wisdom in crop production, in management skills, and just plain hard work are just—"washed down the tube" in higher interest rates, inflated costs and no price for the product?

How many congressmen would be willing to go to the bank each January and borrow, at 10% interest, enough capital to pay their rent, and living expenses simply for the privilege of working the long hours that they do, with no indication that their wages will even come close to paying off their loan? Perhaps you could pay the interest, but how long could you maintain pride in your personhood and in your work under these humiliating conditions?

My son has had 2 years of vocational school with courses in production agriculture. He has farmed for 2 years on rented acres and he worked with our family operation. His debt load is $40,000 because farm commodity prices have been too low. His 1978 farm operation netted a minus $4,000. I am grateful that FmHA will finance him, but I weep for him. FmHA is a totally dehumanizing experience in Chippewa County, Minnesota. At a time when he should be building a future on the land, his early years have been a destructive experience.

As a wife and mother, I find it difficult to cope with forces destroying people and families on our American farms.

Question: At a time when we produce only about 50% of the sugar this nation needs, why shouldn't we be able to build a strong U.S. sugar industry? Or do we wish to be totally dependent on imported sugar?

Besides my family, I would like to speak for a moment on behalf of my sisters—also involved in sugar production. They speak Zulu, Portuguese and Spanish dialects and they come from West Africa, the Caribbean, and the Philippines. They are little people in little places. But, depending on the nation, women are responsible for 40%–80% of all agricultural production in developing countries.

And it is the women as well who have suffered generations of exploitation, injustice and starvation of their families on behalf of corporate profit and in the name of trade and development. Fifty percent of our imported sugar comes from the Philippines, Brazil and the Dominican Republic. Cash cropping of sugar in these countries and many other developing countries contributes substantially to hunger and malnutrition. There is much more profit to be made in growing sugar for export than growing food for people.

Many nations heavily in debt to the IMF and foreign banks are caught in a vicious cycle. In order to make interest payments, sugar exports are heavily subsidized by the governments of exporting nations. Earnings go to wealthy land owners, the political elite and foreign investment. The little people who produce the labor earn perhaps $1.50–$2.00 a day. In the tangled web of profit taking, nations produce what they do not consume and consume what they do not produce and the suffering of women and their families is indescribable.

I see no conflict in my appeal for people:

1. That my family be given an income producing price level for domestic sugar, and

2. That developing nations be given just and fair returns for their labor.

The Carter administration, which has made human rights the highest of priorities, needs to seriously address human rights in the international sugar trade.

We cannot become the "dumping ground" for all sugar produced under these inhumane, evil, destructive conditions. The U.S. plays a major role in influencing the agricultural production patterns that many developing nations pursue, for we are both the leading importer and the supplier of both public and private agriculture investments and assistance.

Comment: It is apparent in some nations that U.S. encouragement of agricultural export crops has forestalled land reform, retarded domestic food production, increased dependency and had a negative nutritional impact on the poor—all the while it destroys a domestic sugar industry.

Our domestic sugar industry must remain a strong, viable industry with strong labor provisions, so that we might continue to produce at a fair and stable equitable price and speak to the injustices of the industry. That legislation we ask of this committee and Congress.●

HIGH SEAS DRUG ENFORCEMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. BIAGGI. Mr. Speaker, today I hoist to the yardarm a bill to curb a new menace among the perils of the sea—seaborne drug smuggling. From an imperceptible trickle a mere 5 years ago, we are now engulfed in a surging tide of illegal drugs transported by air and sea from Latin America and elsewhere to our shores.

Recalling the ringing declaration of "war at sea on the pirates of the Caribbean" 260 years ago by the then newly appointed Royal Governor of New Providence (now the Bahamas), the Honorable Woods Rogers, I introduce this vitally needed legislation to rid these same waters of a new breed of international outlaw—the drug smuggler—provided with risk capital for illegal ventures by the same kind of financiers who fitted out those earlier pirates and privateers.

The purpose of this proposed legislation is to facilitate increased enforcement by the Coast Guard of customs and drug laws related to the importation of controlled substances by vessel into the United States.

Since its establishment in 1790, the Coast Guard has been the primary Federal maritime law enforcment agency—responsible for enforcing Federal law on the high seas and waters subject

to the jurisdiction of the United States. Its authority is found in 14 U.S.C. 89 and extends to U.S. vessels and vessels subject to the jurisdiction of the United States.

However, the general criminal jurisdiction of the United States is limited by the statutory definition of "special maritime and territorial jurisdiction" (18 U.S.C. 7 (1948)). The exercise of this authority—to board and apprehend persons on board U.S. vessels on the high seas without the necessity for any particularized suspicion of smuggling—was recently upheld in the case of *United States* v. *Warren*, 578 F. 2d 1058 (C.A. 5 1978). Authority to try foreign nationals apprehended by the Coast Guard for conspiring to smuggle drugs into the United States was upheld in the companion case of *United States* v. *Cadena*, No. 77-5395 (C.A. 5 1978).

In 1973, the Coast Guard reported its first modern day seizure of a vessel on the high seas for smuggling large quantities of narcotics and dangerous drugs into the United States. From a mere half dozen arrests that year, by the end of 1978 the Coast Guard was seizing a vessel almost every other day—for a total of 165 vessels for the year—along with 3.5 million pounds of contraband worth a staggering $1.5 billion.

The magnitude of the seaborne drug smuggling problem is immense. Given market demand projections for illegal drugs, the dimensions of the seaborne drug smuggling problem can be estimated with some degree of reliability—at current, albeit optimistic interdiction rates approaching 10 percent.

Some 130,000 pounds of contraband a day must be smuggled into the United States to meet the demand. Eighty percent of this is brought in by vessel—the remainder by aircraft. Virtually all of it arrives by dedicated carrier. Most frequently, "mother ships"—from 100 to 300 feet in length and almost all foreign flag or without nationality—comprise the sea leg of the Latin American connection. No legitimate commercial cargo is carried on board these vessels.

Marihuana is not the only controlled substance smuggled into the United States by vessel. Nor are the rusty "mother ships"—highlighting the network newscasts—the only type of vessel used for smuggling. Our intelligence indicates that almost all types of narcotics have been successfully smuggled by practically every type of vessel from private yacht and commercial fisherman to foreign cruise ship. Just last November, a trawler was seized in New York harbor with 10 million quaaludes on board—with a street value of $75 million.

Who are the users at the other end of this illicit pipeline? No longer are they the junkies of the inner cities—they are the youth of the United States. Ninety-five percent of regular drug users are under the age of 25. It is to meet their increasing demand that the $15 billion drug smuggling industry—all of it untaxed—has evolved.

Drug smuggling directly affects our national well-being. While drug abuse visibly affects the health and morality of our youth, the cancer of corruption of our criminal justice system and political institutions is far more clear and present.

This black market in drugs coexists alongside our domestic economy, sapping its energy and vitality while contributing nothing to national economic growth or to the quality of life. In fact, it now significantly impacts upon our negative balance of payments position in the global economy. In sheer magnitude, marihuana smuggling alone approximates twice the gross national product of a country the size of Ireland. Legitimate corporations, banks, law enforcement personnel and agencies, public officials * * * all are susceptible to the corrupting tentacles of the illegal drug empire.

The only effective response, as with other threats to our national security, is to emphasize enforcement along our maritime borders. The task of patrolling these sea frontiers, falling mainly upon the Coast Guard, is understandably immense. The Lower 48 contiguous States alone include 100 thousand miles of shoreline, virtually all of it easily accessible to the smuggler. The Coast Guard and its facilities are already heavily taxed by the mandate of Congress to surveil and patrol the 2¼ million square miles of ocean encompassed by the Fisheries Conservation and Management Act of 1976—the 200-mile bill.

To this existing responsibility, only recently shouldered, seaborne drug smuggling imposes an additional burden of waging a two-ocean peacetime war at sea, although most of the major maritime traffic routes terminate in the soft underbelly of the United States along our gulf and southeastern Atlantic coasts.

For its part, the Coast Guard has dusted off old tactics, shaken the cobwebs from its thinking about maritime law enforcement, and unspiked its guns. It is, in fact, waging a modern-day drug war at sea off our coasts.

The Coast Guard Subcommittee under my direction has been thoroughly studying the problem of maritime drug smuggling, assisted by the General Accounting Office. The preparation and submission of this measure to the Congress is a first step in a proposed shift of direction in Federal drug enforcement emphasis toward border interdiction.

This year, the combined Federal effort in drug law enforcement will exceed three-quarters of a billion dollars. Much of this expenditure is devoted to street level "buy-busts" by Federal narcotics agents. Narcotics squads have their place. I know. My quarter-century of experience confirms this. However, the "biggest bang for the Federal buck," next to eradicating the foreign sources of illegal drugs, is their interdiction at the border.

Every law enforcement professional knows that the central element of narcotics trafficking is its conspirational nature. After leaving their point of origin, drugs are only visible at the time they cross national borders, usually in bulk, and then not again until they reach the noncomplaining user.

Considerations of efficiency and effectiveness in Government operations—already touted as "twin paradigms" of the 96th Congress, mandate that we take a closer look at improving our Federal capabilities in border interdiction. The Coast Guard is responding with a typical "can do" attitude.

Despite the dimensions of the challenge posed, Coast Guard morale is high and increase proportionately with vessel seizures on the high seas. What is most frustrating for the Coast Guard—and for other Federal, State, and local law enforcement personnel—is to see the smugglers go unpunished. It is this specific problem which the legislation I introduce today is designed to correct.

Today, most U.S. citizens arrested for drug smuggling at sea are never prosecuted. Fewer still serve any time. Sentences meted out are discouragingly light. Virtually all foreign nationals, taken into custody by the Coast Guard on the high seas, are deported or repatriated to their country of origin at taxpayer expense.

As a former policy officer, I can personally attest that the greatest disappointment to a policeman is to have a "bust" go down successfully and then have the perpetrators go free on some loophole in the law.

This legislation will close a long-standing loophole (battening down the proverbial legislative hatches, if you will) that exempts simple possession of controlled substances by U.S. citizens on board U.S. vessels on the high seas from criminal prosecution.

In 1970, when the pendulum last swung from drug enforcement to drug abuse, the Congress—in passing the Comprehensive Drug Abuse Prevention and Control Act—inadvertently repealed existing law (21 U.S.C. 184(a)). This provision made it a felony for any person to possess a narcotic drug on board a vessel of the United States at any time. Its replacement—21 U.S.C. 955—limits this prohibition against possession of a controlled substance on board a vessel to those vessels arriving in the United States or the customs territory of the United States.

Ironically, therefore, the only criminal offense applicable to smugglers apprehended beyond the territorial sea is a new conspiracy statute incorporated in the 1970 act as 21 U.S.C. 959.

This section was intended to permit the indictment and extradition of major foreign traffickers where all the elements of a conspiracy—including overt acts of manufacture and distribution—occur outside U.S. territorial jurisdiction.

Despite its initial success application to convict several well-known traffickers for offenses committed abroad, in the high seas setting there is considerable difficulty in proving the necessary intent to distribute controlled substances inside the United States. Smugglers rarely mark their intended course on their sailing charts and otherwise avoid providing evidence that their cargo is intended for domestic distribution.

If that is not enough, high seas drug enforcement is further hampered by the growing monopolization of the "mother ship" trade by foreign smugglers. Thus, plugging the loophole in existing law at this time would only reach the "load boats" or high-speed shuttle craft of domestic registry used to unload "mother ships" at sea. These vessels are far too

fast and numerous for the Coast Guard to successfully interdict them on the high seas. Therefore, the long arm of the law must be extended to encompass the "mother ships" themselves. The proposed bill does this to the extent to which it can be accomplished under the existing framework of international law.

Whether the target is the U.S. citizen, skillfully evading prosecution, or the foreign smuggler, operating with impunity beyond the reach of U.S. law, the problem of jurisdiction is central to any attempt to improve the legal regime applicable to high seas drug enforcement. Any such domestic initiative is fraught with international implications.

Jurisdiction, in essence, is the competency of a nation to prosecute and punish an individual for an offense made criminal by the nation asserting jurisdiction. Extraterritorial jurisdiction is the application of this dual competency beyond a nation's borders, including its territorial sea over which it is sovereign.

Any attempt at expanding enforcement jurisdiction must recognize that, although a nation may prescribe a rule or law applicable to any category of persons, where they may commit an offense against that nation's laws, the nation may be limited by domestic or international law in the ability to enforce that law against different classes of persons. Applicable rules governing enforcement, or personal jurisdiction, on the high seas are found in both international and municipal jurisprudence.

Enforcement authority over our own citizens anywhere in the world is grounded in the universally recognized concept of nationality—and therefore does not involve questions of international law (*Skiriotes* v. *Florida*, 313 U.S. 59 (1940)).

The United States exercises jurisdiction over domestic-flag vessels by virtue of the fundamental principle underlying the doctrine of freedom of the high seas, commensurately obligating states to exercise authority over vessels flying their flag. This authority extends to offenses by U.S. citizens on board U.S.-flag vessels—even within foreign territorial waters where the local sovereign has not claimed jurisdiction (*U.S.* v. *Rodgers*, 150 U.S. 249 (1893)).

It is in the assertion of jurisdiction over aliens on board vessels other than our own that the mix of legislative considerations necessarily must include both domestic and international implications.

The United States has long held that it has the inherent right to exercise extraterritorial jurisdiction over persons committing offenses contrary to its law by virtue of their impact upon our vital national interests. The seminal opinion indelibly establishing this proposition in domestic law was enunciated by none other than Chief Justice John Marshall in the case of *Church* v. *Church*, 6 U.S. 187 (1804).

The test of reasonableness—formulated in that decision for the legitimate exercise of extraterritorial jurisdictional authority—alternately condemns such actions when they unnecessarily vex and harass foreign lawful commerce and justifies them when they are reasonable and necessary to secure (domestic) laws from violation. His litmus test approach for predicting the likelihood of acceptability in the international community of such intrusions upon the concept of freedom of the high seas is as valid today as it was to a young nation struggling for survival amid foreign rivals for high seas supremacy. Only now, the audible limits of likely counterclaims have been reduced to the muted contents of diplomatic protests.

The protective principle announced in that decision was later utilized in support of the enactment of the Anti-Smuggling Act of 1935 (19 U.S.C. 1701 et seq.)—in response to prohibition era rum running. In fact, this internationally recognized precept was revived in 1970 to justify the application of the uniquely American crime of conspiracy to international narcotics trafficking.

A basis in international law for limited expansion of domestic jurisdiction over seaborne drug smuggling is provided by the Single Convention on Narcotic Drugs, 1961 (18 T.I.A.S. 6298) and by the Convention on Psychotropic Substances, 1971 (not as yet ratified by the U.S.).

In combination, these twin conventions document universal recognition of the threat posed to individual nations by international drug smuggling. Both treaties obligate signatory nations to adopt special control measures to prevent illicit drug trafficking, and to cooperate with other nations in the institution of such measures.

There is, accordingly, adequate foundation in international law for a domestic initiative to broaden the prescriptive authority defining offenses involving international drug trafficking on the high seas as it affects the United States. Indeed, the legislative history of the Comprehensive Drug Abuse Prevention and Control Act of 1970 reveals a clear intent to implement pre-existing obligations undertaken by the United States in the international community by the passage of that legislation

Given the significance of illegal narcotics trafficking into the United States, the approach taken in this proposed legislation incorporates restraint, It recognizes legitimate limitations upon individual action by the United States, embodied in universally recognized principles of international law. Yet it does not lose sight of the fact that these same constraints influence only our ability to enforce domestic law extraterritorially—and not our competence to prescribe penalties for these very same universally recognized offenses, wherever they occur.

It is the mark of a great nation that, when it projects power in the protection of its vital interests, it acts with precision—but once having determined to do so, it proceeds boldly without reluctance.

In the exercise of the power to extend the scope of its jurisdiction to encompass persons who, by their actions, give rise to detrimental consequences within the United States—Congress is the final authority with respect to perceived conflicts with international law.

In applying existing law to foreign nationals apprehended on the high seas for smuggling narcotics into the United States, the courts recognize this inherent power conferred upon the Congress by the Constitution (*United States* v. *Cadena*, 579 F. 2d—(C.A. 5 1978)). However, the courts cannot fill a statutory void—only the legislative branch of Government can do that.

In revising this legislation, originally introduced in the last Congress applicable only to U.S. vessels, I have acted with great care in extending the scope of enforcement of its substantive provisions to certain vessels in circumstances where they may be subjected to the legitimate assertion of U.S. extraterritorial jurisdiction.

The instances under which vessels may become subject to the jurisdiction of the United States are in accordance with universally recognized principles of international law, by prior consent of the flag state, or by operation of the law.

The Geneva Convention on the High Seas, 1958—in codifying the doctrine of freedom of navigation on the high seas—imposes corollary obligations upon flag states and the vessels whose flag they fly in furtherance of maintaining the public order of the oceans.

In order to claim the protected status of exclusive flag state jurisdiction on the high seas, article 5 of the Convention requires that there must exist a genuine link between the vessel and the flag state, equated to effective control over the vessel's movements and operations in international commerce and navigation. The vessel thereafter may legitimately fly the flag of only one state—except in the case of a real transfer of ownership or registry.

A vessel not so entitled is without nationality. A vessel violating this international framework by flying more than one flag or by a false claim of flag state protection may be assimilated to a vessel without nationality. Under article 22 of the Convention, a warship (for example, a Coast Guard cutter) may board a merchant vessel on the high seas to verify its nationality. If found to be without nationality, the warship may arrest and seize the vessel, subjecting it to the jurisdiction of the flag of the warship for slavery, piracy, or for contravention of domestic law (*United States* v. *Klintock*, 18 U.S. 144 (1820); *United States* v. *Holmes*, 18 U.S. 412 (1820)).

The Geneva Convention on the Territorial Sea and the Contiguous Zone recognized the existence of a 12-mile contiguous zone surrounding the Nation for the purpose of enforcing domestic customs laws. This principle, in our jurisprudence, has its origins in the very act which established the U.S. revenue marine in 1790—the lineal forebearer of the modern-day Coast Guard. Thereafter, any vessel found within this zone is deemed to have constructively consented to the assertion of U.S. jurisdiction in the application of its antismuggling statutes.

In another instance, the United States may legitimately assert jurisdiction over a foreign-flag vessel on the high seas that enjoys flag state protection, applying its own domestic law to the vessel seized when the seizure is made by the

Coast Guard, acting as an agent for the foreign nation pursuant to prior consent.

Such authority is exercised domestically in accordance with Presidential Directive NSC-27 of January 19, 1978 which establishes the approval procedure for the Coast Guard to board, inspect, and seize—on a case-by-case basis—foreign vessels on the high seas, with the advice and concurrence of the foreign nation concerned.

Expansion of this mechanism of case-by-case approval to a more general approach on a country-by-country basis could be effectuated by either an informal exchange of notes between the countries or by bilateral treaty. I have frequently advocated that this be done.

Lastly, with passage of this important legislation, those nations that have been reluctant to seek extradition of drug smugglers, arrested by the Coast Guard on the high seas, may now promptly initiate such requests. In addition, several Latin American countries have provisions in their domestic law revoking flag state protection for vessels engaged in illicit narcotics trafficking. Prompt enactment of this legislation might stimulate them to initiate such proceedings domestically, thereby removing flag state protection for smuggling craft and rendering them susceptible to the assertion of jurisdiction over them by the United States by operation of law.

Armed with this new authority—but facing a responsibility as old as the agency itself—I am confident that the Coast Guard will win the drug war at sea.

Not too long ago, on a street in New York, I saw a bumper sticker on a patrol car—no doubt placed there by a zealous member of New York's finest. It read: "Cops do it with authority." Let us give our uniformed maritime patrolmen the authority they need to uphold the law on the high seas.

I urge prompt consideration and passage of this vitallly needed legislation by my colleagues in the Congress.●

THE GASOLINE SHORTAGE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to insert an editorial concerning the energy problem from the Los Angeles Herald Examiner into the CONGRESSIONAL RECORD for the benefit of my colleagues.

THE GASOLINE SHORTAGE

The government is talking gasoline shortage again, largely because of the oil field strike in Iran. That strike has cut world oil supplies by 10 percent, and American supplies by 5 percent. American losses have been partially covered by increased Saudi production, but the Saudi oil comes with strings attached.

For one, the Saudis are doing us a favor—and they know it—so they're charging us considerably extra for the oil we're getting. For another, Saudi hints they may soon cut production have forced world oil prices as high as $6 per barrel above established OPEC prices. And finally, most of the Saudi crude is "sour," or heavily sulfured, which means that domestic refiners can't turn it into gasoline.

Iranian oil was largely light, or low in sulfur content. So while we've been able to cover more than half our net Iranian losses, we haven't been able to replace the light crude favored by gas refiners.

Hence the speculation about gas Shortages, government rationing, and the rest of the apocalyptic rhetoric coming from Energy Secretary James Schlesinger these days. The Iranian scenario parrots the one note song Schlesinger has been singing since taking office, and he's not letting anyone forget it. That song goes: World oil supplies are dwindling, oil consumption is increasing, and American dependence on unreliable sources of foreign crude is growing. In light of which, Schlesinger says, we must conserve, and conserve some more.

We wholeheartedly support energy conservation. But frankly, we think the secretary's suggestion that we "conserve" fuel by closing gas stations on Sundays is the most fatuous thing he's done since he scotched the Mexican gas deal.

What it reveals is the secretary's bias against energy decontrol, or any other measure which would ultimately stimulate energy supplies. This is in keeping with Schlesinger's approach to the energy "crisis," which has consistently been to give consumers a good regulatory drubbing for making demands on the system. Such an approach will perpetuate the energy crisis, but it will not solve it.

The gas shortage, if it occurs, will result from two factors. First and foremost are federal price controls on gas. Nearly as important are federal price controls on domestic crude oil.

Gasoline controls have severely limited investment in new refinery capacity. We need new refineries to handle the sour crudes now dominating the market, but to date we haven't gotten them. They are unprofitable to build. Instead the government, through an unusually hare brained scheme, has encouraged the proliferation of small refineries which can neither handle the sour crudes, nor produce the unleaded gas also in short supply. Unleaded gas will continue to be in short supply until price controls which make it unprofitable to manufacture are lifted.

Simultaneously we continue to hold prices artificially low on domestic crude supplies. This puts us in the untenable position of subsidizing expensive foreign imports with cheap American crude—imports we regularly denounce as inflationary, and a threat to our national security.

Wage and Price czar Alfred Kahn recently came out against decontrol of crude prices, explaining it would have an inflationary effect. But we find it difficult to understand why it is less inflationary to be held hostage to inflated OPEC price demands than it is to stimulate domestic supplies by permitting a reasonable return on investment.

Another way to reduce crude oil imports, of course, would be to encourage industries currently using oil to switch to coal or gas. One of the great hopes for such a move was the aforementioned Mexican gas deal, which Secretary Schlesinger turned thumbs down on because of the price. The Mexicans, you see, wanted $2.60 per thousand cubic feet for their gas. That works out to the equivalent of $15.60 per barrel oil, which isn't bad, given the thermodynamic efficiency of gas. But Schlesinger wouldn't have any of it. He prefers, it seems, world spot oil prices of $21 per barrel, and the purchase of Algerian Liquefied Natural Gas (LNG) at $4.60 per thousand cubic feet.

We contend that the only logical way to force the public to conserve gasoline is to decontrol crude oil and gasoline prices, thereby permitting prices to rise until they reflect true costs. Current price controls make gas cheaper, in adjusted dollars, than it was during the Arab embargo. And even at that time, gasoline was one of the last nickel bargains around. Today those prices remain artificially low. But crude oil isn't cheaper; labor isn't cheaper. So is it any surprise that we're using more of the stuff than we can "afford," and affording so much of it that under controlled prices we're running out of gas? We think not.

Since we are once again confronted with the specter of gas rationing, it is worth remembering what actually happened during the notorious "embargo" of 1973. As it turned out, crude oil supplies didn't decrease during the embargo. In fact, they actually increased. What diverted them, on their way to consumers in long lines at the gas stations, was a federal crude oil allocation system—which is still in effect; a refinery shortage caused by uncertainty over price controls, which are still in effect; and a host of government price regulations on gas at the pump which are still, need we say it, in effect.

So make no mistake: The embargo of 1973 was a disaster only insofar as it resulted in the creation of the Department of Energy. If we are the victims of another gas shortage in the months to come, it will be because we are still victimized by federal price controls which originally wrecked the 1973 scenario.●

SAVE YOUR VISION WEEK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. WAXMAN. Mr. Speaker, I would like to direct my colleagues' attention to a Presidential proclamation declaring March 4 to 10 as "Save Your Vision Week."

The 96th Congress should encourage preventive health care initiatives of this kind. This year Congress will act on the administration's hospital cost containment program to slow the accelerated rate of inflation in our health care system. Yet persuading Americans to take more responsibility for their fitness and well-being by getting regular checkups, eating a balanced and moderate diet, and exercising regularly may be one of the best "brakes" we can apply to our spiraling health costs.

"Save Your Vision Week" is just such an initiative. It reminds us of the importance of regularly scheduled eye examinations to diagnose and arrest potentially disabling eye conditions before they become difficult and expensive to treat.

Vision care in this country has come a long way since the 18th century when people selected eyewear from a barrel of spectacles. Today it includes a battery of diagnostic tests of many vision skills, a thorough internal and external eye examination to determine the absence or presence of symptoms of eye disease, and, when needed, individualized treatment with precise lenses, vision training or both. Vision skills for seeing at close ranges, for using the two eyes together as a team, for perception, for recognizing colors and for seeing to the side without turning can now be tested.

Each year 140,000 workers suffer eye injuries. In addition, many of the 2.3 million disabling injuries workers suffer

on the job could be the result of vision problems that cause workers to miss seeing something they should have spotted—a machine's warning light or gage, a step or hole, or other danger.

Vision changes constantly and the changes are usually gradual and subtle. As a result regular vision examinations are important to every person—child, adult, or senior citizen. Yet millions of Americans do not realize they are not seeing as well as they should.

Commonsense tells us that preventive health initiatives such as "Save Your Vision Week" are a sensible way to deal with holding down health care costs. For too long our cost-reimburement hospital-oriented health care system has emphasized treatment of conditions which could have been prevented. We must do whatever we can to reverse this extravagant pattern, which has resulted in national expenditures for health care of $182 billion dollars in 1978. These expenditures form an ever increasing share of the Gross National Product, rising from 6.5 percent in 1968 to 8.9 percent in 1978.

I conclude my remarks by having reprinted in the CONGRESSIONAL RECORD President Carter's Proclamation on "Save Your Vision Week":

SAVE YOUR VISION WEEK, 1979—BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Good eyesight, like so many of life's blessings, is too often taken for granted. Today, millions of Americans must cope with the burden of impaired vision. In many of these cases, visual loss could have been prevented had only simple precautions been taken.

Through periodic eye examinations, for example, certain potentially blinding and disabling eye conditions can often be found in time to be cured or arrested. Regular eye examinations are particularly important for children who may not realize that their vision has been impaired. For some people who have already lost vision, sight can be restored through modern eye care. Special aids and magnifiers can frequently help the partially-sighted make the most of their remaining vision.

Besides taking advantage of professional eye care services, there is much we can do on our own to help save sight. We can protect our eyes from accidents at work and during recreational activities. We can encourage the sensible use of household products, appliances, and cosmetics and avoid abuse of drugs and alcohol. And we can be alert to the signs of eye problems among family and friends. With proper care and attention, more than half of the serious vision problems that affect both young and old can be prevented.

To focus the attention of all Americans on the importance of good vision, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week of March of each year as Save Your Vision Week.

Now, therefore, I, Jimmy Carter, President of the United States of America, designate the week beginning March 4, 1979, as Save Your Vision Week. I urge all Americans to observe this period by considering what they can do to take care of their eyes and protect them from disease and injury. I invite vision care professionals, the communications media, educators, and all public and private organizations which support sight conservation to participate in activities which will teach Americans about eye care and encourage them to preserve or make the most of their vision.

In witness whereof, I have hereunto set my hand this fifth day of February, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.●

DO NOT BLAME INFLATION ON OPEC

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. KEMP. Mr. Speaker, having revealed today that the January trade deficit of $3.1 billion is the largest in 11 months, and knowing that oil-producing countries seek substantial price increases because of events in Iran, our Government will be tempted once again to blame our trade problems and the dollar's devaluation on OPEC and other external forces, and to assert that remedies are beyond its control.

Warren Brookes recently analyzed the problem, and found that oil imports have little to do with the weaknesses of our international trade and the dollar. I submit his article, which appeared February 6, 1979, in the Boston Herald American, for consideration by my colleagues. I believe it is essential background before considering the administration's invitations to raise taxes, to authorize the further curtailment and rationing of energy supplies, to endorse the idea that inflation is caused by workers working and business doing business, and to adopt an "anti-inflation" program which attacks workers instead of inflation.

The U.S. Government has caused the country's domestic and international economic problems. First, with burdensome tax and regulatory policies which discourage production for export and domestic trade. Second, by inflating and devaluing the dollar in the belief that it will cure the balance-of-payments deficit, when in fact it worsens the problem and reimports the inflation we have been exporting for years. Third, by curbing and rationing energy, which makes energy scarce and expensive, when it need be neither.

These are exactly the wrong policies. We must instead reduce tax rates and regulations and otherwise increase economic incentives for production. We must adopt a monetary policy which guarantees a constant price for the dollar. And we must deregulate domestic oil and natural gas production to insure cheap and plentiful supplies.

The article follows:

THE TRADE DEFICIT—EXPLODING THE CARTER MYTHS

(By Warren Brookes)

For the past two years President Carter has successfully pawned off two myths on the media and the American public.

First that the primary cause of our mounting trade deficit (and falling dollar) is rising oil imports.

Second that a falling dollar will help to correct this situation by making American goods cheaper in overseas markets and cutting down on high-priced imports.

Last week, both of these silly ideas blew away in a blizzard of international trade data, sweeping in from the Department of Commerce which showed that:

Even though our imports of oil dropped by nearly $3 billion (or 7 percent), our trade deficit actually rose by $2 billion: (See Table 1)

Even though the dollar has lost 27 percent of its value against the currencies of Japan and Germany, our trade deficit with those nations actually rose by 57 percent in 1978.

The nation with whom we had our biggest trade deficit was not Saudi Arabia, or Nigeria, but Japan, which doesn't sell us a barrel of oil—and imports 100 percent of its own.

In other words, if our oil imports had merely stayed the same in 1978, instead of falling by 7 percent, our trade deficit would have risen by $5 billion.

So, contrary to the Carter myth, OPEC is not the primary cause of our becoming trade deficit. The primary cause lies in the mounting failure of U.S. exports of both manufactured goods and agricultural commodities to keep pace with our total imports of all goods and services, of which petroleum's share is now actually declining.

Indeed, as Table 1 clearly shows, petroleum's share of our imports has sharply declined since 1975, even as our trade balance has gone from a surplus of $9 billion, to a deficit of $29 billion.

To put it another way, since 1975 our petroleum imports have gone up by about $12 billion, but our trade balance has worsened by $38 billion. This means that petroleum imports account for only 33 percent of our trade deficit, now look very bad indeed. last three years. The rest (67 percent) arises from the nation's worsening trade position with our non-petroleum trading partners.

During 1978, for example, our trade balance with Japan worsened from a deficit of $8 billion to $11.6 billion (even though the dollar lost nearly 28 percent of its value against the yen).

Our trade deficit with West Germany rose from $1.3 billion to $3 billion, even though the dollar lost over 21 percent of its value against the mark.

Thus, over half ($14.6 billion) of our total trade deficit is with countries that import 100 percent of their oil, and against whose currencies the dollar has lost more than 25 percent of its value.

This tends to make Treasury Secretary Blumenthal's appalling (but successful) efforts to "talk down" the value of the dollar during 1977 as a means of improving our trade deficit, now looks very bad indeed.

Yet, in fairness, during the last six months, the excessively cheap price of the dollar has indeed caused an upswing in U.S. exports, and a mild levelling of imports, which the Dept. of Commerce thinks will mean a much more favorable trade balance in 1979. Let us hope so. They have been wrong for three years in a row.

But one thing is abundantly clear: President Carter can no longer blame the nation's massive trade deficits on petroleum. He must look elsewhere for the scapegoat.

If he is intellectually honest, he will find it in two related areas: rapidly rising inflation and rapidly slackening productivity.

In 1978, the nation's basic inflation rate rose by more than 40 percent from 6.8 to 9.2 percent—while the nation's productivity growth reached its lowest level in 40 years, a paltry 0.4 percent.

This deadly combination meant that the unit labor costs of U.S. export merchandise rose by more than 9 percent, a colossal blow to our competitive position.

The plain truth is that the rest of the free world's labor forces are now out-producing us by a wide margin, with productivity gains in Japan and Germany of well over 3½ to 4½ percent. This explains why the real income of workers in virtually every Western nation is now rising much faster than it is here. They are producing more, at lower cost, than we are—and that is

having a very damaging effect on the U.S. competitive position in world markets.

It is a serious situation, and it arises from two areas which Mr. Carter has not yet begun to address: a tax system which is severely punishing every increase in productivity and a steady weakening in the nation's basic capital investment growth.

Indeed, virtually every proposal Mr. Carter has made on tax reform so far has pushed in the opposite direction, trying to increase the tax penalty on capital formation and to raise the tax rates on productivity.

This, combined with the devastating impact of inflation on capital formation in this country, has created a situation in which U.S. labor unit costs are rising three and four times as fast as those in the rest of the world.

This is the primary reason for our basic trade deficit problems, and they won't be solved until Mr. Carter gives up his foolish preoccupation with oil imports and starts concentrating on the more basic questions of productivity, and capital formation.

TABLE I.—*U.S. balance of trade 1975–78*

[Billions of dollars]

	Exports	Imports	Oil	Trade balance
1975	$107.1	$98.0	28%	+$9.1
1976	114.7	124.0	28%	−9.3
1977	121.2	147.7	28%	−26.5
1978	143.6	+172.1	25%	−28.5

Source: U.S. Department of Commerce.●

URBAN POPULISM

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. STOKES. Mr. Speaker, yesterday I brought to the attention of my colleagues the fact that on Tuesday, February 27, 1979, Cleveland voters had overwhelmingly voted against the sale of their municipal light plant to the Cleveland Electric Illuminating Co., a private utility. My own research on this issue had led me to urge my constituents to vote against the sale of this asset to CEI. I based my decision upon the findings of the U.S. Nuclear Regulatory Commission which has documented the abuses and anti-trust violations by CEI against the Cleveland Municipal Electric Light Plant over a long period of years. Even though this was a local election its consequences have ramifications far beyond the borders of our city. These consequences are projected in an article which appeared in today's Washington Post entitled "Signaling a New Era of Urban Populism" which I bring to the attention of my colleagues:

SIGNALING A NEW ERA OF URBAN POPULISM

(By Larry Kramer)

In defeating a referendum to sell Cleveland's municipal power system (Muny Light) on Tuesday, voters of that city have signaled what may be a new era of urban populism: an era that could have a major impact on how, and by whom, our cities are governed.

In supporting Mayor Dennis Kucinich's fight to keep Muny Light under city ownership, the voters also endorsed recent charges by the Nuclear Regulatory Commission that the privately owned utility in town—Cleveland Electric & Illuminating (CEI)—had done all it could to sabotage Muny Light and force its sale to CEI.

Several federal bank regulatory agencies and the Justice Department are investigating the role of the city's largest bank, Cleveland Trust, in Cleveland's Dec. 15 default on nearly $15 million in notes held by Cleveland Trust and five other banks.

It has been alleged that Cleveland Trust—which has a financial interest in CEI—attempted to force the city to sell Muny Light to CEI before it would roll over the city's $15 million debt. Although Cleveland Trust held only about $5 million of that debt, the five other banks followed suit.

The Cleveland vote has fueled those federal investigations. And now at least one congressional committee is planning hearings in May into CEI and Cleveland Trust's relationship and allegations that they tried to hold the city up.

The vote is also the second major victory in recent weeks for advocates of public-owned power.

Earlier this month, 10 small cities in the Midwest won a $12.1 million judgment against the American Electric Power System and two of its subsidiaries. The 10 cities had alleged that A.E.P. was trying unfairly to force their municipally owned utilities out of business in order to take over their operations.

In a statement released yesterday, Alex Radin, executive director of the American Public Power Association, said the Cleveland vote has "national significance."

"Nationally, the vote should be a signal to power companies elsewhere that they will not be rewarded for anticompetitive activities," he added. "Municipal electric systems throughout the nation can benefit from the action by the City of Cleveland in its fight against practices which have been branded by the NRC as anticompetitive."

Cleveland's vote against the sale of Muny Light also will mean that the city can pursue its $330 million antitrust suit against CEI, which would have been settled as part of a sale.

In that suit, the city alleges CEI attempted to drive Muny Light out of business with several types of anticompetitive and monopolistic practices.

In a telephone interview last night, Kucinich said his victory "should be a signal to neighborhood groups and cities across the country that coalitions built on economic issues are winners."

Kucinich says he is now planning to sell up to $15 million in municipal bonds in small denominations—as low as $100 each—to the public in an attempt to raise money to pay the city's debt. At Tuesday's election, the voters helped by approving a Kucinich plan to increase the city income tax from one to 1.5 percent.●

THE MATTER OF EXPULSION

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. JEFFORDS. Mr. Speaker, the matter of expulsion is obviously one which gives everyone serious concern. I voted today to refer the matter to the Standards of Official Conduct Committee. I did this because I believe that once a person has been elected, subsequent to the people having knowledge of the offense for which he has been convicted, they have that right to choose him again.

On the other hand, the Congress may and should have the ability to limit his participation by stripping him of seniority and positions of responsibility within the Congress. However, if the people desire him to vote for them, they should have that option.

Vermont history indicates that we all should exercise caution in this area as to establishing cut and dry criteria. Below is a summary of Vermont's Congressman, Matthew Lyon. It is a clear indication that sometimes a Member, although convicted, may be right, and the Congress that created the law, wrong.

The situation concerning Matthew Lyon, a former Congressman from Vermont, is as follows:

On October 5th, 1798, a Federal Court in Rutland returned an indictment against Lyon, who in the meantime announced his candidacy for a second term in the upcoming 1798 election. The indictment charged Lyon violated the Sedition Act by publication of a letter he wrote from Philadelphia, which Lyon claimed was dated July 7th, seven days before Adams had signed the Sedition Act. It appeared in a Federalist newspaper in Windsor Vermont on July 25th. In the Letter, Lyon is quoted as saying "Whenever I shall ... see every consideration of the public swallowed up in a continual grasp for power, in an unbounded thirst for ridiculous pomp, foolish admiration, and selfish avarice; when I shall behold men of real merit daily turned out of office for no other cause than independence of sentiment; when I shall see men of firmness, merit years, abilities, and experience, discarded on their application for office, for fear they possess that independence and men of meaness preferred for the ease with which they take up and advocate opinions, I shall not be their humble advocate."

On October 6th, the Federalist Marshall, Jabez G. Fitch, arrested Lyon on a bench warrant, and on October 7th, a Saturday, Lyon pleaded not guilty. He was then placed in jail and his trial was set for October 9th. Lyon was not a lawyer, he had no representation—Judge Paterson made two basic rulings—first that Lyon could not question the Sedition Act's constitutionality, and secondly, it was no defense that Lyon's letter was written and postmarked on dates which were before President Adams had signed the Sedition Act into law. On the same day as the trial at 9 o'clock in the evening the jury returned a verdict of "guilty"—Court handed a sentence fining Lyon $1,000 and 60.98 in court costs and imprisonment of four months. Marshall Fitch respected Lyon's request to return to his home for papers and his request that he be housed in a jail in Rutland county near his home in Fair Haven, rather he was sent to an unheated dungeon in Vergennes a confinement which was originally built for horse thieves and runaway Negroes, which was lighted only by a small half-moon hole in the door through which a plate could pass and a barred window 20'' x 16''—where for six weeks in the middle of winter he had no heat, until finally he was given a stove.

While serving his term in prison he was overwhelmingly reelected—On February 9, 1799 his prison term was up, but his $1,000 fine had not been paid—Senator Mason, from Virginia, together with Jefferson, Madison and Monroe raised the money and came to Vermont with his saddle bags filled with gold, also, the Green Mountain Boys raised the same amount, and Lyon's wife, the daughter of Thomas Chittenden did the same. They all arrived on the scene to pay the fine. But on that date Marshall Fitch had in his pocket another warrant to arrest Lyon on another violation of the Sedition Act, but the secret indictment was not so

secret and upon leaving his cell, Lyon cried out "I'm on my way to Congress" this statement apparently gave him constitutional immunity from arrest—he then jumped unto his wife's sleigh and headed for Philadelphia, followed by Senator Mason and Green Mountain Boys—his procession back to Philadelphia looked according to historical accounts, like the return of a conquering Roman Army. The procession stretched for twelve miles and his supporters carried a banner stating "This day satisfied Federal vengeance—On February 20th he arrived in Philadelphia and immediately a resolution asking for his expulsion, on grounds that he "had been convicted of being a malicious and seditious person, of a depraved mind and wicked and diabolical disposition, guilty of public libels against the presidents, with intent to bring the government of the United States into contempt, was introduced. This resolution received 49 votes to 45, not ⅔, therefore was not adopted.

But Lyon had his revenge, because this election saw Jefferson and Burr received the same electoral votes, therefore the election was thrown into the House—two states were equally divided with Congressman Morris from Vermont, a Burr supporter, while Lyon supported Jefferson—there was strong feeling that the attempt to expel Lyon was to give the election to Burr—somehow it was arranged that Morris would be absent and Lyon cast the vote electing Jefferson.

One other point the Rutland Herald refused to publish in 1798, communications of any kind in favor of Lyon, so Lyon began his own publication "The Scourge of Aristrocracy and Repository of Important Political Truths." The publication lasted only one year, but was filled with anti-English—anti-monarchy statements leaving one with the impression that Federalist considered themselves to be aristocrats.●

SOVIET CASH KEEPS COMMUNIST JOURNALS ALIVE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. McDONALD. Mr. Speaker, a book recently appeared in France with documentation on what many suspected and some already knew, namely that Soviet banks abroad serve as a conduit for funds to the local Communist parties as well as convenient sources of funding for various illegal projects. In addition, these Soviet or Narodny banks as they are called, occasionally, even indulge in legitimate loans. A detailed review of this book entitled "Les Secrets de la Banque Sovietque en France" by Jean Montaldo appeared in the London Daily Telegraph of February 21, 1979. The real boss of these banks, as the book reveals, is the Central Committee in Moscow. The book lists chapter and verse on disbursement of rubles to various Communist publications in France in order to keep them solvent. So much for "Eurocommunism" and the independence of the French Communist Party. The article follows:

SOVIET CASH KEEPS FRENCH COMMUNIST JOURNALS ALIVE

(By Michael Field)

Moscow is still financing the French Communist party despite its alleged "independence" and occasional doctrinal squabbles with the Russian "mother party."

Its Press and publications division, in difficulties like much of the newspaper world, received, in less than six months, an injection of tens of millions of francs through a Russian bank in Paris.

Some of the bare facts of French Communist party financing are exposed in detail and backed up with incontrovertible documentary evidence in a book published this week entitled "The Secrets of the Soviet Bank in France," by Jean Montaldo, a Paris journalist.

The "Soviet bank" is the Banque Commerciale pour L'Europe du Nord, known briefly as "Eurobank" which is 99.7 per cent owned by two Moscow banks, the State Bank (Gosbank) and the Foreign Trade Bank (Vneshtorgbank). The remaining 0.3 per cent of shares are held by Frenchmen considered "reliable" by Moscow.

"The Soviet Union enjoys the exorbitant privilege of having here a state bank disguised 'in French colours.'" M. Montaldo says, ironically using the expression chosen by M. Marchais, the Communist secretary, to describe his brand of "socialism."

THE REAL BOSS

The chairman and managing director of Eurobank is M. Guy De Boysson, a former Communist Deputy who belongs to a distinguished French aristocratic family. But the real boss, as revealed in the book, is Mr. Vladimir Ponomarev, second cousin of Mr. Boris Ponomarev, the Central Committee member responsible for relations with foreign Communist parties.

Vladimir Ponomarev is, however, subordinated to the Russian Ambassador in Paris, who regularly summons him to the Embassy without ceremony.

Copies of ledgers and statements are reproduced in the book. They reveal that the funds of the French Communist party and of the Communist-controlled General Confederation of Labour (CGT) and the majority of well-known Communist figures in France are all handled by the Russian bank, in a total of over 290 accounts.

The biggest balance on Oct. 26, 1978, the day on which M. Montaldo had access to the bank's files, was that on account No. 05316–6 in the name of M. Georges Gosnat, member of the Central Committee and party treasurer, whose current account showed a credit of 2,682,634 francs (£313,026).

The total holdings of the CGT, which has never announced to its members that its funds are deposited with a Russian bank and therefore available on microfilm in Moscow, were, on that day 10,558,469 francs (£1,231,793).

CREDIT FACILITIES

The Soviet bank in Paris grants credit facilities to the money-losing French Communist Press and propaganda machine of a kind they could never obtain elsewhere and keeps them "artificially alive, despite their lack of readers and advertising," M. Montaldo says.

In this way, despite some disputes with the French party over tactics, Russia ensures complete fidelity to its foreign policy and can rely on *L'Humanité* and the other Communist papers to present America, West Germany, France, Japan and China as the "baddies" with Russia and its friends, Vietnam, Cuba, Ethiopia and Afghanistan, as good.

According to one document produced, *L'Humanité*, the party's daily newspaper, had a credit balance of 1,622,000 francs (£189,284) in August last year, of which 1,500,000 francs (£175,029) consisted of a short-term commercial loan by the Soviet bank.

Similar financial aid, some of it on an even bigger scale, has gone to the party's centralised newspaper and book distribution organisation, in the property company which owns the building and presses of *L'Humanité*, the party's publicity office, and a whole series of publishing and distribution organisations owned by the party. They could not continue to function without this "generosity."

DISSIDENTS' DIFFICULTY

M. Montaldo also shows how two "dissident" Communist publications which ran into financial difficulties, did not receive Soviet credit.

The book also contains many details of the international operations of the Russian bank in Paris and its links with the Moscow Narodny Bank in London, and shows how it operates as a world-wide "Marxist multinational." It is the biggest foreign bank in France.●

OUR FOREIGN POLICY PROBLEM

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following article by George Will appeared in the Washington Post on February 2, 1979. Mr. Will concisely summarizes what many of us in Congress have felt about President Carter's foreign policy efforts for quite some time. That is, the inability of the President to make decisions, and to stand by those decisions, is having a disastrous effect upon our relationships with both our foes and allies.

The article follows:

THE ADMINISTRATION'S UNPREDICTABLE VOICE

(By George F. Will)

It is said that a good scare is worth more than good advice. Perhaps the Carter administration's performance scares the administration as much as it scares the many people who are coming to regard it the way Rossini regarded Wagner: "Wagner has beautiful moments but awful quarter hours."

The invasion of Vietnam is another blemish on the administration's China transaction. In the fountain of concessions that led to "normalization," the administration did not even ask Peking for a pledge not to use force against Taiwan, because it knew Peking would refuse. But when Vice Premier Teng was in Washington, U.S. officials made bold to hint that they hoped he would abstain from invading his neighbors.

Teng was the toast of Washington, a cute Chinese panda—a Teddy Bear, some said. Subsequently, a lot of people have died so Teddy Bear could score points against the Soviets. The administration trusts Teddy Bear to behave better toward Taiwan.

This has been called "the surprised administration." It is said on its behalf that these are unpredictable times. Perhaps that thought will assuage the growing number of people who regard the administration the way W. S. Gilbert regarded a British railway: "Saturday afternoon, although occurring at regular and well-foreseen intervals, always takes this railway by surprise."

On some matters, the administration doesn't know its own mind. On others, it knows its mind too well. In its promiscuous multiplication of contradictory views about the oil crisis, or the not-a-crisis, or whatever, the administration resembles the unfortunate woman of whom it was said that her features didn't seem to know the value of teamwork. But in its general foreign policy, the administration is decipherable.

The elements of a nation's strength are its tools for influencing events (capital, technology, food or weapons—for example, an aircraft carrier in the right place at the right time), and the will and skill to use the tools. The administration lacks the last two,

so perhaps it does not matter much (except to the next administration) what it is doing to the tools. John Lehman, former deputy director of the Arms Control and Disarmament Agency, writes:

"The president tells us that 'our commitment to South Korea is undeviating and is staunch' as he withdraws U.S. ground forces from Korea. Unilateral cancellation of the B1 bomber is made 'in the interest of providing the U.S. with a strong, efficient, cost-effective national defense.' The MX missile and Tomahawk cruise missile are postponed in order to meet SALT concession and then we are told that these SALT concessions are perfectly acceptable because the weapons are not yet ready for deployment. The Nimitz aircraft carrier is vetoed as too vulnerable and expensive while the administration's own studies show it to be the least vulnerable and most cost-effective ship in the world."

The administration's defense budget involves a real decline, disguised by strange assumptions about a low inflation rate. But as a political payoff, the carrier Saratoga will be overhauled at the Philadelphia Navy Yard, where the job will cost $80 million more than necessary. Hear the administration's real voice, from Victor Utgoff, who deals with strategic arms limitation matters for the National Security Council:

"Even if the United States could attain strategic superiority it would not be desirable because I suspect we would occasionally use it as a way of throwing our weight around in some very risky ways. . . . It is in the U.S. interest to allow the few remaining areas of strategic advantage to fade away."

More interesting than the implication that strategic superiority is beyond America's capacity, more interesting even than the admission that America's strategic advantages are "few," is the idea that these few are too many. Packed into that idea is the highly political "lesson" of Vietnam and the related revisionism of some historians of the Cold War: The United States has been a source of mischief; U.S. arms-control policies should limit U.S. arms; the general aim of U.S. foreign policy should be to make U.S. actions less "risky."

The administration should be delighted. In Afghanistan, Iran, Turkey and Mexico, in SALT negotiations with the Soviets as in "normalization" negotiations with the Chinese, the United States certainly is not throwing its weight around.●

SENATE—*Monday, March 5, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Honorable CARL LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God whose children we are, whose will we seek to discover, and whose work we would do, we give Thee hearty thanks for the noble succession of unselfish patriots who have served here and elsewhere in our Government. Make us worthy successors that the heritage be not diminished. Spare us from a shallow philosophy and from mediocre workmanship. Deliver us from the sins and diseases which eat like a canker into our national life, from pride and prodigality, from self-seeking and preying upon others, from wasteful spending and from insane arming. Give us a good conscience in the use of money and the control of power.

Open our minds to learn; open our hearts to love; open our hands to give and make us a nation whose God is the Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 5, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Oklahoma.

DEATH OF FORMER SENATOR DEWEY F. BARTLETT OF OKLAHOMA

Mr. BOREN. Mr. President, it is my sad duty on behalf of myself and Senator HENRY BELLMON to inform the Senate of the death last Thursday evening of a great American and a great Oklahoman, former Senator Dewey F. Bartlett. By his death, many have lost a friend and the Nation has lost one who put public service ahead of self-interest.

The funeral service for Senator Bartlett will be held tomorrow at 11 a.m. in Tulsa, Okla., at Christ the King Catholic Church.

Senator BELLMON has remained in Oklahoma for the services. If he were present he would join me in making these remarks.

I do not need to recite for the Senate the many accomplishments of Dewey Bartlett. He was an able member of the Oklahoma State Senate where he represented Tulsa County; later he served as Governor of Oklahoma. It was my privilege to serve in my first term in a public office as a member of the State legislature during the administration of Dewey Bartlett as Governor. His personal standards of honesty and integrity left a lasting mark on the State government of Oklahoma. After serving as Governor, he was elected in 1972 to represent Oklahoma in the U.S. Senate. As a Senator he made important contributions particularly in the fields of energy, Indian policy, and national defense.

His courage and determination in the face of his last illness are an example for all of us. He was unfailingly kind and encouraging to others who suffered from the same affliction. In spite of his illness he maintained a 91-percent attendance record during his term in office. He never lost interest in serving the people and in doing the best job possible.

Dewey Bartlett has been described by some as being stubborn. In truth, he was stubborn in holding to principle. A stubborn commitment to principles in which one sincerely believes is surely an accurate definition of integrity. Our Nation could use more of Dewey Bartlett's kind of integrity. I know I speak for many in this body and across the Nation in extending our sincere sympathy to Mrs. Ann Bartlett and the members of the Bartlett family. Dewey Bartlett will be greatly missed.

Mr. President, for myself and Senator BELLMON, I send to the desk a resolution of condolence, expressing the sympathy of the Members of the Senate to the members of the Bartlett family and our admiration for former Senator Dewey Bartlett's distinguished service to the Nation, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 88

Resolved, That the Senate has heard with profound sorrow and extreme regret the announcement of the death of the Honorable Dewey F. Bartlett, who served in the United States Senate from the State of Oklahoma from 1973 until 1979.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased, together with a transcript of remarks made in the Senate in praise of his distinguished service to the Nation.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

A LOSS FOR OKLAHOMA AND THE NATION

Mr. ROBERT C. BYRD. Mr. President, I was saddened to learn last Friday morning of the death of former Senator Dewey Bartlett of Oklahoma. I am sure that I speak for all his friends in the Senate in extending condolences to his family and his many admirers throughout the State of Oklahoma.

Dewey Bartlett was a son of America's heartland. As such, he reflected, shared, and fostered values that are revered by millions of his fellow citizens. During his tenure in the U.S. Senate, and over the entire course of his public and private careers, he sought to serve the best interests of his neighbors, the residents of his home State, and the people of the United States.

Senator Bartlett entered politics after a successful career in ranching, farming, and business. From 1963 to 1967, he was a member of the Oklahoma State Senate. Subsequently, he was elected Governor of Oklahoma. In 1972, he was selected by the citizens of Oklahoma to represent them in the U.S. Senate, where he served until his retirement last year.

Dewey Bartlett took great pride in his Oklahoma origins, and his patriotism was unexcelled. His record as Governor and Senator was marked by a concern for the disadvantaged, the unemployed, and the underemployed. He believed in the possibilities of free enterprise, and worked unstintingly to make the opportunities of American citizenship a reality for more and more people in this country. He made a unique contribution to the Senate during his term of service, and in his passing, our Nation and the citizens of Oklahoma have lost a genuine friend and a courageous public servant.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I have seldom had a friend in the Senate to whom I felt as close as I did to our departed colleague, Dewey Bartlett, and it was with deep personal grief that I learned of his death last Thursday night.

Dewey was one of the finest, most decent, most beloved men ever to have served in the U.S. Senate.

He was, in addition, one of the Nation's leading authorities on defense and energy issues, and his passing is a great loss to the country, particularly at a time when both these issues are of crucial importance and urgency to the American people.

Dewey and I first met in 1967, when I spoke at the Oklahoma Republican State Convention in Oklahoma City. I was in my first year in the Senate, and Dewey was Governor of Oklahoma at the time. As the years went on, we became not only colleagues in the Senate but very special friends, as well.

My deepest sympathy goes to Ann Bartlett and her family, and I know that sentiment is shared by my colleagues in the Senate, who so admired Dewey Bartlett as a man who could keep his good humor in the face of personal adversity and who was unfailingly more concerned with the welfare of his friends than with his own.

There are not many men I have known in my life for whom I held a greater affection or more respect. The Senate lost a great talent when he chose not to run for reelection. We have lost a great colleague and friend with his death.

Mr. HELMS. Mr. President, as is always the case when one loses a beloved friend, I spent this past weekend pondering a panorama of recollections about Dewey Bartlett—instances which were measurements of his gentility, his courage, his dedication, his love for America.

A thousand little vignettes swept by: Dewey's comments at prayer breakfast one Wednesday morning in which he acknowledged everyone's Christian duty to love his fellow man—even, as Dewey put it with a twinkle in his eye, "that guy who almost caused me to have a wreck this morning when he cut in front of me in heavy traffic."

Dewey Bartlett never had difficulty in sharing his zest for life. But I am not sure he ever realized how much he helped all the rest of us, who loved him, to maintain a bit of perspective about life.

I recall how willing he was to make calls to another dear friend of mine in Raleigh who had been stricken with a malignancy, as Dewey had been. They never met, but they shared a concern for one another, and they shared a love, because each of them cared.

And I remember, Mr. President, watching Dewey as he worked on this Senate floor. His smile in defeat was as predictable as his smile in victory. In every matter, he cast his vote on the basis of duty and responsibility, and there was never an occasion—not even once—when he allowed political expedience to overcome principle.

Mr. President, one of Dewey Bartlett's major legislative concerns was the restoration of America's traditional legal protection to unborn children. Dewey Bartlett and I had been sworn in as Senators just a few days before the Supreme Court's fateful abortion decisions in 1973. I can remember discussing with him how the Court's action would force upon the American people a reexamination of their basic moral principles and to consider the ultimate value of each individual life.

Soon thereafter, Senator Bartlett joined a number of Senators in sponsoring a human life amendment to the Constitution and was the first Senator to sponsor an amendment to the Departments of Labor and Health, Education, and Welfare appropriation bill to end taxpayer funding of abortion. Indeed, last August, one of his final speeches on the Senate floor was in support of the Hyde amendment, or the Bartlett amendment as it was known before that, to end the use of Government money to promote the evil of abortion. Toward the end of his own personal struggle with the ultimate question as to the value of human life, Dewey Bartlett eloquently implored his colleagues to give all human life a chance.

Mr. President, Dewey Bartlett was one of the most remarkable men I have ever known. To say that I miss him is a woeful understatement. And this is one of those times when I wish I possessed the eloquence to pay adequate tribute to him. He was a great American, a wonderful friend, a splendid Senator—and, most of all, a blessed worker in the vineyards of the Lord.

To his dear wife, Ann, and to the rest of his family, Dorothy and I extend our deepest sympathy.

● Mr. GOLDWATER. Mr. President, in the past several days this country has experienced a very sad loss of one of its outstanding men. Dewey Bartlett, who had been Governor of Oklahoma, a Member of the U.S. Senate, and a captain in the U.S. Marine Corps, certainly served his country more thoroughly than most men who traveled through life. I had the extreme pleasure of sitting next to him in this Chamber and serving with him on the Armed Services Committee. He was a man of extreme courage as evidenced by the way he accepted the fate that he knew was his. He was a man of rare intelligence but, more important than that, I believe, he was a man dedicated to his country, who was unafraid to work for his country and whose contributions to our freedom were more than we often see from our citizens. I am going to miss him as a personal friend, but the country is going to miss him as an example of what Americans should aim to be during the course of their lives.●

Mr. WALLOP. Mr. President, my friend Dewey Bartlett has died. Those of us who saw the valiant struggle for life he waged the last 2 years will not soon forget the example of courage and sense of duty he daily laid before us. All of us will miss him, and all of us are the better for what he was.

Any man would have forgiven a choice to live his final months closer to his family than the incredible burden of Senate duties permits. Dewey Bartlett chose duty above self, and none will deny that his duty was magnificent. Not only was he present, but he was effective. He fought for his State, his country, its military power, its energy resources, its small businessmen, its working men and women.

He was ever present during the closing 40-odd hours of continuous session when the 95th congress was brought to a close.

When the public looks to national leadership and finds it wanting, it overlooks men like Dewey Bartlett. He loved his family, his State, and his country and served all three. He was the essence of integrity, courage, and duty. Now he is gone from among us, but his memory and example remain as tributes to the qualities America seeks and needs to guide her.

TRIBUTE TO DEWEY BARTLETT

Mr. DOLE. Mr. President, death has robbed me of a good and valued friend, and taken from the people of Oklahoma and the Nation a public servant of rare distinction. For Dewey Bartlett is gone, and all who struggle to make politics a career of honor and selflessness must mourn his passing.

He was an unusual politician, a man who refused to be pigeonholed and who

never took the obvious or easy way out. He was a conservative whose vision of the future was strikingly true, a man who believed that the only thing worse than a hard heart was a soft head. And he brought to Government a passion for justice within a society of maximum individual freedom.

As a member of the Oklahoma State Senate, he was father to that State's vocational education system. As Governor, he created the Governor's Full Employment Commission. He appointed Oklahoma's first black judge, and he met monthly with a youth advisory committee to bring into play the idealism and commitment of the young.

As a Member of the Senate, he stood front and center for an America strong enough to enforce its best ideals. His efforts on behalf of our Armed Services were tireless. So, too, was his conviction that free enterprise could produce enough energy to make us independent of international cartels.

Dewey Bartlett believed in building bridges: Between black and white, young and old, business and consumer, Government and governed. He carved a career out of old virtues—bedrock honesty, a probing mind, a firm conviction that any problem could be solved, if only we could address it with all the resources at our command.

He believed that our day in the Sun was far from over, that the raw courage which transformed the prairies of Oklahoma could yet resolve the festering problems that afflict us in this complicated and confusing world.

Dewey Bartlett believed that we should strive to be all that we could be. His life exemplified the heights to which a capable and determined man could rise. He left Oklahoma a better place. But his passing leaves us all the poorer. To his wife Ann and his three children, to the people of the State he loved so long and so well, I extend my deepest sympathy. We have all lost a man who meant much.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 88) was unanimously agreed to.

THE PERFORMANCE OF SENATOR ROBERT C. BYRD AT THE GRAND OLE OPRY

Mr. BAKER. Mr. President, some months ago it was my privilege to discuss with the distinguished majority leader the obvious underutilization of his talents as a musician, and suggested the premier and No. 1 forum for the illumination of that proficiency would be the Grand Ole Opry in Nashville.

I represented to Senator BYRD of West Virginia that the Grand Ole Opry was, indeed, the graduate school and the ultimate training for men and women who have great hopes and expectations for their future musical career.

It was with particular pleasure, then, that I learned that Senator ROBERT BYRD had accepted an invitation to appear and perform at the Grand Ole Opry in Nashville.

That is not the purpose for this recitation. I am rather here, Mr. President, to report to our colleagues that Senator BYRD performed with such great distinction that I have had to revise my appraisal of the Grand Ole Opry that it, indeed, was honored and privileged to have him as a consummately skilled musician who requires no further training, and to say that all of those in attendance were so gratified by his performance that we may live in jeopardy that there will be no more Saturday sessions so that the majority leader can travel to Nashville each week and perform in that forum.

Seriously, Mr. President, it was a great honor for all Tennesseans and for that distinguished aggregation known as the Grand Ole Opry to see our colleague and majority leader agree to accept this invitation. We are happy he did, and we are honored that he represented himself, the State of West Virginia, and indeed the entire country with such great distinction.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. BAKER. I will be happy to.

Mr. ROBERT C. BYRD. I will be very brief, Mr. President, because Senator BENTSEN is waiting for recognition under his order. I will have more to say about the Grand Ole Opry later.

I thank the distinguished minority leader for his very gracious remarks and his very gracious invitation to come down to the State of Tennessee and visit the Grand Ole Opry. Having visited there, I must say that I guess I have some of the same feelings that Solomon had after visiting the Queen of Sheba. He heard all of these wonderful stories but after he got through visiting the Queen of Sheba he said the truth has not yet been told.

One has to go there to really see this great country music hall of fame and be a part of the wonderful rapport the Opry stars showed to me all the time I was there. It was a very gracious welcome on the part of all the people, by my fellow musicians and others. It was very wonderful.

Mr. BENTSEN. Will the Senator yield at this moment on that subject?

Mr. ROBERT C. BYRD. Yes.

Mr. BENTSEN. I was delighted to see the majority leader on the stage in Nashville at the Grand Ole Opry. We will be looking forward to extending an invitation to the majority leader to come to the epitome of that kind of a performance to attend Luckenbach in Texas.

Mr. ROBERT C. BYRD. I am simply overwhelmed.

Mr. BAKER. Mr. President, the Grand Ole Opry is shivering in its boots at that kind of an invitation.

Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes remaining.

THE SEARCH FOR PEACE

Mr. BAKER. Mr. President, I have earlier today commended the recent efforts of President Carter to continue the search for peace in the Middle East. Since the achievement of the Camp David accords in September, the process of codifying those accords has been difficult and, at times, extremely discouraging. The President has throughout remained steadfast in his pursuit of peace and I admire his perseverence.

Today, at noon, President Carter announced that the Cabinet of Israel, at the recommendation of Prime Minister Begin, has accepted proposals offered by the United States to break the negotiating impasse. The President will further announce that on Wednesday of this week he will travel to Cairo to discuss these proposals with President Sadat.

Although we should be under no illusion that the road to a treaty between Israel and Egypt will now be easy, these developments offer great promise. As I have before, I offer again my support and best efforts in any way that may be helpful in this immensely significant endeavor.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I, too, commend President Carter in his unstinting efforts to keep the Camp David spirit alive and well. He talked to me, likewise, earlier today, to indicate that he was going to announce at noon today the fact that the Israeli Cabinet had approved by a close vote its support for certain treaty proposals. The President also spoke to me of his plans to go to Egypt on Thursday, Friday, and Saturday of this week, and of his intention to visit Jerusalem. He indicated that Mr. Begin would be cutting short his own visit here in order that he might return home and make preparations for the President's visit.

The President is to be highly commended. I support him. I hope that the leaders of Israel and Egypt will agree upon a treaty, because the security and the stability of the Middle East are so important, not only to those two countries but also to the whole region and, over and above that, the peace of the world and the security interests of our own country. I hope that a treaty can emerge between Egypt and Israel, and that steps leading to a comprehensive peace on all fronts then may continue.

I thank the Chair.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas is now recognized for not to exceed 15 minutes.

THE REGULATORY CALENDAR IS A FIRST STEP TOWARD A REGULATORY BUDGET

Mr. BENTSEN. Mr. President, the Federal Register usually contains a lot of bad news and a little good news. The Federal Register, which is the daily Government publication containing the full texts of all rules and regulations of the Federal regulatory agencies, has good

news when it announces regulations which protect the environment or the health and safety of our people in a way that minimizes waste and unnecessary costs. It contains good news when there is an announcement of an improvement in the regulatory process. It contains good news when there is an announcement of a rescission of a poor or badly written regulation.

On the other hand, it contains bad news when it announces regulations that are wasteful, regulations that duplicate or conflict with the regulations of other agencies, regulations that involve unnecessary paperwork, and regulations which fail to achieve their objectives in the least costly way.

Too often the news is bad. But the Federal Register of Wednesday, February 28, 1979, contained good news. On that day, the Regulatory Council published the first Calendar of Federal Regulations—a complete list of all the major regulations currently being developed by all the regulatory agencies of the executive branch, as well as the major regulations being developed by many of the independent regulatory agencies.

I welcome the publication of the Calendar of Federal Regulations because it is a necessary first step toward the development of a regulatory budget.

REGULATORY BUDGET

On January 15, 1979, I introduced legislation to create a regulatory budget—S. 51, the Regulatory Budget Act of 1979. Such a regulatory budget would put an annual cap on the compliance costs each agency could impose on the private sector through its rules and regulations. The process for establishing the annual regulatory budget would resemble the process currently used to set the fiscal budget—we would have a proposed budget from the President and annual budget resolutions from the budget committees. This would make it possible to coordinate the regulatory and fiscal budgets.

We need a regulatory budget in order to reduce the inflationary impact of unnecessary, excessive and conflicting Government regulations. Our health, safety and environmental programs are very important. They have brought immense benefits to millions of Americans. We do not want to retreat or turn back the clock—the American people want protection in these areas. But they do not want waste, and they do not want Government bureaucrats pushing up inflation through wasteful and unnecessary Government regulations.

During the past 15 years, we have made immense strides in health, safety and environmental protection. But our gains have not come cheaply. Last April, the Joint Economic Committee published a study showing that the annual cost of Government regulations will come to over $102 billion in fiscal 1979, up 40 percent just since 1976. The Commerce Department's Bureau of Economic Analysis reports that capital spending by businesses just to meet the requirements of environmental regulations comes to more than $7 billion annually—or more than 5 percent of total capital spending. The Joint Economic Committee has also published a recent GAO report showing that American businesses spend 69 million hours annually at a cost of over $1 billion satisfying more than 2,100 Government reporting and recordkeeping requirements. This GAO study only covered requirements that have been approved by GAO or OMB under the Federal Reports Act and thus excluded the very heavy paperwork burdens imposed by the Internal Revenue Service, the bank regulatory agencies and the SEC. It also did not include the paperwork burden imposed by the Government on individuals, farms, or State and local governments.

In addition, the recent growth of regulatory programs and the proliferation of new regulatory agencies has lead to regulations which are often duplicative, conflicting, and excessively wasteful. Witnesses appearing before the JEC last spring provided numerous examples of instances where compliance with one regulation required violation of another. This not only puts businesses in jeopardy, both legally and financially, it also reduces respect for the law and the Federal Government. Small businesses are often hardest hit by the morass of conflicting and duplicative regulation because they cannot afford the necessary legal advice.

We have to bring some order to the regulatory process. Although a vast number of bills have been introduced that would improve public participation in the regulatory process or improve the economic analysis of proposed regulations, there is just no substitute for a budget to give Congress and the American people a good handle on what the Government is doing.

Until recently, the present fiscal budget provided a fairly complete picture of the impact of Government on the economy. Almost all Federal activity involved spending and taxing, and these show up in the budget. But with the recent growth in regulatory programs—where businesses and individuals incur costs to achieve important social goals—the Federal budget no longer conveys a complete picture of the Government's economic impact.

Because much spending for social purposes occurs in the form of regulations, and does not appear in the budget, Congress has lost its ability to decide where additional resources could best be used. Right now, we can make rational choices between spending on low-income housing and spending on national defense, because both of these are in the budget. But we cannot make rational decisions on whether to devote more resources to cleaning up the environment or to improving workplace safety, because spending on these goals is not in the budget. Also, we cannot balance between more spending on the environment and more spending on housing, again because our spending on the environment is not in the budget. A regulatory budget would restore the ability of Congress to set our national priorities.

A regulatory budget would also provide an incentive for agencies to achieve their regulatory goals cost-effectively. With a cap on total compliance costs, agencies would search for less expensive ways of achieving regulatory goals, so that they could accomplish the maximum amount for the allowable compliance cost. Right now, with no cap on private sector compliance costs, agencies have no incentive to eliminate waste and inefficiency. As a result, too many regulations have contributed unnecessarily to inflation and lower productivity because they have not been developed in a way which minimizes waste. We do not want to cut regulatory benefits. The benefits of most of our regulatory programs are enormously important. But we want to cut out waste and inefficiency.

REGULATORY CALENDAR

The regulatory calendar, which was published yesterday in the Federal Register by the Regulatory Council, is an important development toward a regulatory budget. For the first time, we have a complete list of all the major regulations being developed by the regulatory agencies. Not only do we have the title of the regulation, but also a summary of expected benefits and costs, the economic implications of the proposed regulations, and major alternatives under study. These would all be important elements of a regulatory budget, and the regulatory calendar will help sharpen their usefulness.

Here is what the Regulatory Council says about the regulatory calendar:

> The first edition of the Calendar of Federal Regulations represents the newest and one of the most promising tools for the President, the Congress, the regulators, and the public to understand and shape the way we implement national regulatory policy goals. For the first time, we will have a comprehensive catalog of important Federal regulations while they are under development. . . .
>
> Most important, we will have this information much earlier in the regulatory process, at one time and in one place.

According to the Regulatory Council, the Calendar of Federal Regulations will improve the regulatory process in four ways. It will help identify areas of potential duplication, overlap or inconsistency. It will help identify economic sectors facing multiple regulatory activity. It will help in the developement of consistent analytical and decision-making methods. And it will help in the assessment of regulatory benefits.

Of course, this is a lot to ask. If it goes some of the way toward achieving some of these goals, it will certainly contribute to the development of a regulatory budget. But it is no substitute for such a budget. No existing regulations are included and it provides no incentive other than the possibility of agency embarrassment for the elimination of waste and unnecessary costs.

The regulatory calendar published yesterday is more than 100 pages long. I will not try to publish it in the RECORD. But I do think my colleagues and the American people should know what the regulatory agencies have in mind for us during the next few months, and so I ask unanimous consent that the table of contents of the calendar be printed in

the RECORD. I hope my colleagues will take a look at the regulatory calendar because the regulations listed will have a major impact on all Americans.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

REGULATIONS ON THE REGULATORY CALENDAR

CHAPTER 1—HEALTH AND SAFETY

U.S. Department of Agriculture

National School Lunch Act and Child Nutrition Amendments of 1977

Regulation by the Secretary of Agriculture of food sold on school premises in competition with the National School Lunch Program ---- 11391

Department of Health, Education, and Welfare

Medicare-Medicaid Anti-Fraud and Abuse Amendments

Uniform reporting systems for health services facilities and organizations -- 11393

Social Security Act

Life Safety Code in hospitals, nursing facilities and intermediate care facilities ---- 11394

Conditions of participation for skilled nursing facilities and intermediate care facilities ---- 11394

Department of Labor

Federal Mine Safety and Health Act of 1977

Mandatory safety standards for surface coal mines and surface areas of underground coal mines ---- 11395

Regulations providing for automated temporary roof support standards -- 11396

Requirements for construction and maintenance of impoundments and tailings piles at metal and nonmetal mines ---- 11396

Requirements to provide self-contained (oxygen-generating) self-rescuers to underground metal and nonmetal miners ---- 11396

Safety and health standards for construction work on mine property --- 11397

Regulations setting forth requirements for safety and health training for mine construction workers -- 11398

Occupational Safety and Health Act of 1970

Identification, classification and regulation of toxic substances posing a potential occupational carcinogenic risk ---- 11398

Occupational exposure standards to hexavalent chromium ---- 11399

Occupational exposure to pesticides -- 11399

Department of Transportation

Federal Aviation Act of 1958

Flammability standard for crewmember uniforms ---- 11400

Wind shear equipment requirements -- 11401

Federal Railroad Safety Act of 1970

Alerting lights display—locomotives -- 11401

Motor Carrier Act

Hours of service of drivers ---- 11402

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Mr. BENTSEN. Mr. President, I really believe that the Carter Administration is making a very serious effort to try to turn back this tide. In 1955, we had 10,000 pages in the Federal Register; today, there are over 70,000 pages in it. There is no way that small businessmen or an individual can possibly keep up with the new laws that they are subjected to and how they are to comply with them.

I introduced a Federal regulatory budget to try to put an annual cap on how much these agencies can make us spend. We put a budget on them as to how much of the taxpayers' money they can spend, but the open-ended thing has been how much they are going to make us spend. The idea of what the economic impact is going to be on individuals

across this country in small business or on the cost of living, the kind of frustration that is going to come about because of it—that kind of regulatory budget would go a long way toward bringing some economic justice and a curb on inflation in this country, and I am very hopeful that my colleagues will support it.

I think this regulatory calendar is a major step forward, because it lets us know across the country what all the agencies are promulgating, so we can try to find a way to cut out the conflict and the overlap before they finally become regulations themselves, before they finally get their feet set in concrete on each of these.

I urge my colleagues to be supportive of these kinds of efforts at cutting back on the intrusion of Government into our personal lives.

ENERGY FOR WHAT?

Mr. BENTSEN. Mr. President, during the past 4 years, the junior Senator from North Carolina has earned an enviable reputation as one of the best informed, hardest working, and most effective Members of this body.

While Senator MORGAN is known primarily for his outstanding work on the Armed Services and Banking Committees, he has also taken an active interest in small business and agricultural policy.

Senator MORGAN was in Houston on February 20 to address the National Rural Electric Cooperative Association. I believe the Senator's speech on that occasion reflects his ability to master complex subject matter and communicate creative, sensible ideas in respect to energy policy.

I commend my colleague on an excellent address and ask unanimous consent that Senator MORGAN's remarks "Energy for What?" be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ENERGY FOR WHAT?

It is a special thrill for me to be here in Houston today for the 37th Annual Meeting of the National Rural Electric Cooperative Association.

The reason why I was especially pleased to accept this speaking invitation has to do with what rural electrification has meant to me. I can remember when we turned on electric lights for the first time in my home on rural route #1, in Lillington, North Carolina. Having those lights was meaningful to our lives beyond description. For once we could read late at night without special strain.

Indeed, the people in this great hall are among the finest in America. I owe, along with the rest of the nation, a special debt to folks like Walter Harrison of Georgia who has attended every one of your 37 meetings and is now leaving your Board of Directors.

The people that have gathered these past few days in the nation's oil capital know the importance of energy. They know that it is energy that runs through the social and economic fiber of the nation. They know that it is energy which powers the movement of goods and people, which our factory gates open and which permits a small boy growing up in Lillington, North Carolina, to read until the wee hours of the night.

Energy is much on the minds of America's people tonight. There is talk of rationing of petroleum, the closing of gasoline stations on Sunday. We have lived with this type of discussion since the days of the Arab oil embargo in 1973. Yet, I find it interesting to note that it is a cut-off in supplies from Iran—which total only five percent of our oil consumption—that has brought on renewed discussion of gasoline rationing.

As we face declining supplies of fossil fuels, it becomes essential that we scrutinize what we use our energy for while aggressively searching for new sources.

We who come from Rural America have to be especially concerned about energy questions. We all have heard various scenarios about energy questions. We all have heard various scenarios about our energy future—including scenarios forecasting migration from rural areas to cities in order to conserve energy. Those who have not thought about those frightening scenarios only need think back to the days of the Arab oil embargo when many of the energy giants cut-off energy supplies to rural areas, pleading high transportation costs. Indeed, it was farmer cooperatives that saved the day in many rural areas of our country.

In Washington I serve as Chairman of the Senate Rural Housing Subcommittee. This responsibility and privilege, coupled with my own special background of having lived in Rural North Carolina, provides me with a strong responsibility and challenge in confronting our energy future.

In meeting this task, I have often focused on the social and economic forces which have shaped the State of North Carolina today. Certainly the strongest force has been the existence of tobacco. Because of tobacco, the Tarheel State has more farmers than any other state but Texas. We also have the smallest farm size of any significant farm state.

Indeed, tobacco has meant that North Carolina has had an opportunity for strong small towns and villages during a period of time when the very existence of Rural America was threatened in most states.

A second force which has shaped the State of North Carolina has been rural electrification. When the Rural Electrification Administration was first established in the early part of the Great Depression, only one in ten rural citizens had electricity. Today, over four decades later, nearly every rural home and farm has electric power.

The Rural Electrification Administration came into being only after a long period of neglect of rural areas by the private, investor owned utilities. Many of these private utilities said it was not feasible to electrify Rural America, but enterprising R.E.A. efforts led to many innovations which brought costs down.

The private, investor owned utilities resisted the Electric Membership Corporations and opposed in Congress the efforts to expand R.E.A.'s funding and authority.

Today, many of the antagonisms between the private, investor owned utilities and the Rural Electric Co-ops have been eliminated. Indeed, today the Co-ops and the investor owned utilities have many mutual interests, not the least of which surrounds the question of nuclear power in America's future.

As we enter the 1980's, Rural Co-ops stand at a turning point in their development. The task of rural electrification is largely complete. This, though, does not mean that there is no future role for either R.E.A. or the Rural Electric Co-ops. Indeed, I believe that this joint partnership has never faced a greater challenge.

I believe that R.E.A. and the Co-ops must fulfill a vital and innovative role if we are going to continue to have a strong Rural America.

Just as the Co-ops provided a unique response to the great problem of the 1930's—rural underdevelopment—so too can they play a vital role in spearheading the move to alternative and renewable energy sources.

By alternative and renewable energy sources, I mean such sources as solar, wind, wood, and low-head hydro, the latter being the placement of generators on existing dams which can generate tremendous amounts of electricity with a minimal amount of investment. These types of sources of energy, combined with balanced development of nuclear power will make up America's energy future as I see it.

The R.E.A. and Rural Electric Co-ops can move to the forefront of renewable energy development without major new laws or institutional changes. In fact, a re-emphasis on the "co-operative" part of Rural Co-ops can help solve one of the great energy crises of our time, the dilemma of how to connect supplies of energy produced by renewable energy sources into the electric energy grid that criss-crosses the landscape of America.

Just as the animosity between the Co-ops and the private investor owned utilities proved ultimately to be an obstruction to energy development, so too today the heated conflict between advocates of electrification and on-site energy enthusiasts threatens to needlessly complicate and delay the development of renewable energy sources. On both sides short-sighted thinking threatens progress and cooperation that are so desperately needed. Those who see renewable resources as our complete salvation—the alliance of environmentalists and solar enthusiasts—jealously guard against any intrusion of the utilities or Rural Electric Co-ops into renewable energy development. The renewable energy forces believe, wrongly, I am convinced, that solar and renewable sources can meet all of America's energy needs. There is also the mistaken view that renewables and electricity distribution systems are competitors or separable. In fact, they are and should be complementary.

Unfortunately, it is not only the environmentalists and solar advocates who are wrong. Equally wrong, in my opinion, are those individuals who see solar and renewable energy sources as unrealistic and a threat to the success of energy progress.

In fact, the goals of the two groups are quite inevitably intertwined. The Rural Electrics cannot achieve their basic goal—providing electricity at a price people can afford—with the development of renewable sources of energy. Likewise, solar and wind and other alternative sources of energy will never be viable without a carefully redesigned rate structure.

At this point I want to emphasize and explain both of these points. The importance of utility rate structure to the development of renewable sources is an often overlooked fact.

Most all solar and wind systems generate power irregularly. On cold winter nights the sun doesn't shine and on windless days the wind mills don't turn. At other times solar and wind suffer from an overabundance of energy: on windy days a farm or home with a wind mill would be able to generate more power than needed; the extra power would have to go elsewhere. Obviously, how much the wind-mill owner receives for his excess power will be very important in determining the economic success of his wind-mills.

Similarly, the Co-ops will be dependent on the phase-in of renewables to halt the upward soar of electric rates. Here I believe that the historical trends are unmistakable. Ten years ago, you could generate a kilowatt hour with as little as a hundred dollar investment. Today, it is likely to cost one thousand dollars to build the capacity from conventional sources to generate a kilowatt hour. Although rates have risen rapidly this ten fold increase in the cost of electricity from

new generating capacity has been hidden from the consumers because the newer and higher price power has been averaged in with the much greater amount of old, cheap power. This upward trend in the cost of new generating capacity shows no signs of ending.

Renewables, which ten years ago were quite uneconomic, are now competitive with the higher priced electricity generated from new capacity. The cost of renewables has fallen and will probably continue to fall or at least level off. While—barring a major breakthrough—renewable energy sources will never be as cheap as older electricity, there is every reason to believe that they will grow increasingly superior in cost to electricity from newly constructed generating plants.

I am certain that most of the people that are here today can appreciate the points I make. It is no accident that the National Rural Electric Cooperative Association, led by your very capable Executive Vice President Bob Partridge, has mounted an impressive and extensive public education campaign shepherding the need for solar energy development. Clearly, it will be people such as Bob that will be at the forefront of the type of partnership that I think is essential for the type of balanced energy development I believe our country needs.

While I have outlined how I think energy sources can be converged to meeting our needs, I think that it is essential that constraints from other directions be faced and analyzed. A recent issue of your magazine, Rural Electrification, has dealt with some of these concerns in its December issue. That specific issue asked the question, Too Much Protection?, on the cover.

This issue covered, far more comprehensively than I could address here, the problem of too much regulation. I think that everyone recognizes that Congress has been capable of over-reaction on a number of issues. You should not blame Congress. Indeed, often Congress is faced with making fundamental decisions shaping the future of America with very limited knowledge. If Congress guesses correctly, all well and good. If Congress misses the mark, then you, the people of this nation pay the price.

I think that Congress has acted with good intentions in passing the Clean Air and Clean Water Acts. Certainly, everyone wants a clean environment. But when these laws were passed during the years of the Great Society, Congress either felt that the cost could be absorbed by ever increasing economic growth or that the costs would clearly be in the public interest. Today, a different mood prevails. The American people demand to know the cost of regulation and that the costs and benefits be carefully weighed before regulations are imposed.

The mood that prevails today I believe will contribute to a better tomorrow. Indeed, I think that the prospect for tomorrow has been made more promising by this renewed balance.

In the beginning of my speech, I asked the question, "Energy for What?" I hope that I have helped answer this question. Energy—from a combination of energy sources—for smooth and balanced growth, especially in Rural America. I applaud your organization for its thoughtful and future oriented role. It is such constructive action that makes me much more optimistic than I thought was possible just a few short years ago. I encourage you to continue to look to Rural America's future needs. With your help, we will have a stronger and more successful Rural America.

I thank you for this opportunity to share some thoughts with you.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, has the Senator completed?

Mr. BENTSEN. I yield to the majority leader.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield a brief period of his time, if he has completed his remarks, to the Senator from Arkansas (Mr. PRYOR) who needs a little time and did not have a previous order?

Mr. BENTSEN. I am delighted to yield to my distinguished colleague, the Senator from Arkansas, who has taken such a leadership role so early in his tenure here. I observed that the other day, on the job he did, with some very effective work on the rice program in this country.

Mr. PRYOR. I thank the Senator.

(The remarks of Mr. PRYOR made at this point in connection with the introduction of legislation are printed in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

SPECIAL ORDER

Mr. BENTSEN. Mr. President, unless the majority leader desires some of the remainder of my time, I am prepared to yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Chair now recognizes, under the previous order, the Senator from West Virginia for a period of not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, are there other orders for the recognition of Senators, other than mine?

The ACTING PRESIDENT pro tempore. No, there are not.

Mr. ROBERT C. BYRD. Would the distinguished Senator from Kansas like to have some time?

Mr. DOLE. Yes, to make a statement.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Kansas as much of my time as he desires.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

(The remarks of Mr. DOLE are printed under tributes to former Senator Bartlett).

Mr. DOLE. Mr. President, I thank the distinguished majority leader for yielding.

Mr. ROBERT C. BYRD. The Senator is welcome.

Mr. President, I yield now to the Senator from Michigan (Mr. LEVIN) as much time as he needs from the order.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Michigan is recognized.

AUSCHWITZ RECONNAISSANCE PHOTOGRAPHS

Mr. LEVIN. Mr. President, I make this statement on behalf of myself and Senator BOSCHWITZ. Mr. President, the Central Intelligence Agency has recently released aerial reconnaissance photographs depicting the layout of the Nazi death camp at Auschwitz. The photographs, taken in 1944 and 1945, provide further evidence that Allied authorities were aware of the slaughter taking place at Auschwitz during the latter years of the war, which makes even more disturbing the fact that no direct attempt was ever made to disrupt it.

The question of why the Allies did not undertake any military action against the camp or the rail lines used to transport prisoners to it has been a painful one throughout the postwar years. The just released photographs do not by any means represent the first evidence that the Allies were aware of the Auschwitz death camp. As historian David Wyman relates in his article "Why Auschwitz Was Never Bombed" (Commentary, May 1978), information about the camp was confirmed by a detailed report of two escapees, which reached the Allies in June 1944.

Despite repeated appeals that the United States direct bombing raids at the rail lines or the murder installations at the camp, the War Department consistently refused, on the grounds that—

> The suggested air operation is impracticable for the reason that it could be executed only by diversion of considerable air support essential to the success of our forces now engaged in decisive operations.

Wyman points out, however, that more than 2,800 bombers struck targets in the region around Auschwitz between July and November 1944, and it seems clear that some of the bombing raids could have included the camp, or been diverted to it when poor conditions obtained at the primary targets.

The release of the reconnaissance photographs should assist in a reexamination of the decisions made by American and Allied authorities, in light of the information that was available to them. No purpose would be served by an attempt to assign blame retrospectively for the failure to take steps which might have saved so many lives. I do think, however, that we could learn a great deal about how our society and its decision-makers react to humanitarian crises. The vicissitudes of the current administration's human rights policies demonstrate that we as a Nation still have not resolved the critical problem of how humanitarian concerns should be interrelated with what are perceived to be our overriding political and military interests. This conflict is nowhere more poignantly illustrated than in our reaction to the inestimable tragedy of the Nazi holocaust.

Because these questions need to be restudied, I applaud the President for his decision to turn the photographs over to the Holocaust Commission. I hope the President will direct all Federal agencies to release all information which bears upon these events, so that we may reconstruct with greater accuracy the historical record of that era, and draw from it lessons which may help guide our future conduct.

Mr. President, I ask unanimous consent that an article on this subject from the Washington Post of February 23, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

1944 PHOTOS SHOWED AUSCHWITZ CAMP

(By Thomas O'Toole)

Allied aerial reconnaissance photographs revealed the existence of the Nazi death camp at Auschwitz more than a year before the end of World War II, which raises anew the

question of why the Allies never bombed the camp or the rail line that took victims to the camp.

Aerial photos taken of Auschwitz by American and British reconnaissance planes from April 4, 1944 to Jan. 14, 1945, clearly show the camp's gas chambers and crematoria where victims' bodies were burned. Several photos show prisoners undergoing disinfection and standing in line to be tattooed. One photo shows a line of 1,500 prisoners being led into the camp from 85 railroad boxcars parked at the end of the rail line just outside the camp gate.

The photographs, along with a scholarly treatise titled "Holocaust Revisited," have just been turned over to the National Archives by the Central Intelligence Agency, which also passed the photographs on to the White House. It is understood that after seeing the photographs, President Carter sent them to Elie Wiesel, chairman of the Holocaust Commission and a survivor of Auschwitz.

Just why the CIA passed the pictures on to the archives is not clear. The authors of the CIA report accompanying the pictures said: they were moved to research and write the report after seeing the television serial, "The Holocaust."

"My hope is that we stimulate the interest of historians in the use of photographs taken through aerial reconnaissance," Dino A. Brugioni, one of the authors of the CIA report, said yesterday. "It is an untapped source of history."

The immediate reaction to release and publication of the photographs may be primarily one of anger. Jewish scholars have long asked why the Allies did not bomb Auschwitz or the rail line leading to it, a question that is sure to be brought up again with the release of the pictures.

"A recurring question since World War II has been why the United States rejected requests to bomb the gas chambers and crematoria at Auschwitz or the railroads leading to Auschwitz." University of Massachusetts historian David S. Wyman wrote in Commentary magazine last May. "Such requests began to be numerous in the spring of 1944."

Proponents of such an attack recognized that it would have killed many of the inmates, but the Germans were going to kill them anyway and destroying the camp might have saved other intended victims.

Destruction of the rail line would have hampered the transport of nearly 1 million Hungarian Jews, who were being moved to Auschwitz at the time.

On April 10, 1944, two Auschwitz escapees named Rudolf Vrba and Alfred Wetzler passed on detailed information to Jewish leaders in Switzerland that Auschwitz was a death camp for Jews. The Swiss Jews informed American diplomats in Berne that 12,000 Jews were being murdered every day at Auschwitz, information that reportedly reached Washington by June 1944.

A crucial question about the aerial reconnaissance pictures of Auschwitz is whether they were ever passed on to Washington by the U.S. Strategic Bombing Survey in Britain and Italy, where the planes were based that took the pictures.

The pictures of Auschwitz were almost an accidental byproduct of photographs taken of an I. G. Farben plant producing synthetic fuels less that five miles away. The plant was repeatedly bombed in the last year of the war by American and British planes.

There is little question that the Auschwitz photographs revealed the existence of a death camp. The question is whether the photo interpreters looking at the pictures recognized it as such and notified their superiors.

"Photo interpreters were unaware of Auschwitz at the time," Brugioni said. "They were looking for details of the Farben plant alongside Auschwitz, nothing else."

He explained that during World War II, photo interpreters were given no historical or social background by which to judge pictures. He said they were usually in a hurry to make judgments and often used shortcuts in making them.

"For instance, there's a picture in the Auschwitz file that shows prisoners being herded toward the camp," Brugioni said. "During the war, any time a line of people were seen in a picture it was labeled, 'mess hall' ".

The pictures turned over to the archives by the CIA have lain in cans of aerial film stored at a Pentagon repository in Suitland, Md., for 30 years. The CIA acquired the film after "Holocaust" raised the Auschwitz issue last year.

The pictures illustrate what have been until now only "eyewitness accounts of the death process at Birkenau," which was the murder section of the Auschwitz camp, according to the CIA report. The pictures of the four gas chambers and crematoria at the camp "appear to be historically unique," the CIA report said.

"As far as we have been able to determine," the report's authors write, "no other photography of these facilities exists. The Birkenau gas chambers were special access facilities, even for most Nazis, and all photography was forbidden. The extermination facilities at the camp were destroyed by the Nazis prior to the camp's being liberated by the Red Army in January 1945."

Situated in a remote area south of Warsaw in Poland, the Auschwitz death camp was first opened in June 1940 to receive Soviet prisoners of war. It later became the main death camp for European Jews. By one count, 2.5 million Jews were killed at Auschwitz.

Mr. LEVIN. Mr. President, another of this Nation's more recent reactions to the holocaust, the investigation and prosecution of suspected Nazi war criminals, further demonstrates this country's ineffective response to this terrible tragedy. Despite congressional direction, the Immigration and Naturalization Service has not seen fit to wholeheartedly investigate and prosecute the hundreds of persons who were involved in the holocaust and who have entered this country illegally since then.

Congress has made it clear that funds are to go to prosecution and investigation of these cases. I find it inconceivable that the INS has been so recalcitrant on this matter.

Mr. President, it is imperative that the funds allocated to the Special Litigation Unit of INS be released immediately by the Justice Department so the Unit can begin to fully prosecute the over 175 credible cases which it is currently working on. Because our time is rapidly running out, we must act aggressively on these cases. The persons involved in these crimes must not be allowed to continue their lives in the United States with the false security they now have.

ORDER OF BUSINESS

Mr. LEVIN. Mr. President, I yield back the remainder of my time to the Senator from West Virginia, and I thank him for his courtesy.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

VOCATIONAL EDUCATION IS WORKING IN WEST VIRGINIA

Mr. ROBERT C. BYRD. Mr. President, since 1963, the Federal commitment to vocational education has served as a stimulus in the development of the current vocational education system. However, the bulk of that commitment is carried by the States. Federal funding for vocational education programs in 1977–78 amounted to $534 million. These funds were matched by $4.4 billion in State and local funds to provide programs enrolling more than 16 million students. The States have the final word about the shape and implementation—within Federal guidelines—of their vocational education programs.

I support the concept of State responsibility for education because State governments are best able to understand the education needs of their communities. In my own State of West Virginia, vocational education programs have been instituted to help students develop job skills which are applicable to the particular businesses and industries in the State.

Since 1963, the programs have progressed rapidly. In the last 10 years, programs have been expanded, modernized, and made more responsive to emerging job opportunities in the State. In 1968, there were seven vocational education centers in the State, with 66,000 people enrolled. A decade later—during 1977–78—152,995 people participated in vocational education and related jobs programs at over 50 centers throughout the State.

Enrollment continues to increase and additional centers are under construction. While the Federal allocation for vocational education programs was $5.3 million in fiscal year 1978, West Virginia spent $35 million and the local governments contributed $15 million.

Vocational education in West Virginia has made a significant contribution toward resolution of the problems of unemployment in the State. The unemployment rate for vocational graduates is less than half of what it is for high school graduates in general.

Moreover, vocational education programs in West Virginia are keeping pace with changing manpower needs. Mine training, for example, has been expanding during the last 3 years in order to meet the growing need for coal. In many instances, West Virginia has taken the initiative to implement programs which go a step further than Federal mandates. For example, in 1975 the State mandated 80 hours of orientation and safety training for persons in coal mines, which is in excess of Federal law. Since then, vocational education programs have trained 29,000 persons in mine safety. In 1976, the State mandated that emergency medical technicians be present in every section of every mine at all times. In order to be certified, the State requires that enrollees receive training experience in excess of that required by the national program. During 1977–78, vocational education trained 6,031 persons in this field.

Vocational education programs in mining keep up with advanced technology. For example, a new curriculum to train persons as mine electricians is based on the newer solid state electrical panels being used today. The new solid state controls are much more efficient and economical, but their growing use has created a need for trained technicians to maintain them. It is being met in vocational education courses which teach students how to troubleshoot electronic mine machinery.

In mine mechanics, students get practical experience in shops similar to those in the industry itself. They get instruction in mining laws, 80-hour orientation, and a trip underground. Safety, too, is a major part of the program.

Public service training programs have been growing rapidly in West Virginia to help Federal, State and local agencies meet employment needs and to help West Virginians take advantage of new employment opportunities. There are courses offered in law enforcement, emergency medical technician training, fire science and prevention, and waste water treatment programs.

In 1977–78, vocational education enrolled 1,725 persons in firefighting courses, 388 persons in law enforcement courses and 195 persons in waste water plant operations. Other programs include health, agriculture, business, industry, and home economics.

The major reason people enroll in vocational education programs is to learn a skill that will earn them a living. The main ingredient in each program is to give students the necessary skills to get a job. In West Virginia, vocational education programs are doing this. Nearly everyone who completes a vocational program finds a job. Eighty-seven percent of graduates from high school programs find jobs. Ninety-three percent of graduates from postsecondary programs finds jobs.

I support vocational education in West Virginia, Mr. President, and I commend the West Virginia Department of Education, local education boards, and the many groups and individuals too numerous to name for their efforts and accomplishments in providing vocational education programs which meet the needs of businesses and industries in the State.

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes.

THE RETIREMENT OF ROBERT C. HOUGH

Mr. ROBERT C. BYRD. Mr. President, the retirement of Robert C. Hough on February 28, 1979, from his position as Deputy Sergeant at Arms brings to a close a long career of service to the Senate. First appointed as a page by Senator Harry F. Byrd, Sr., Mr. Hough was advanced to Chief Page and then in June 1943 to Assistant in the Radio News Gallery. He held this position until his enlistment in the U.S. Navy on August 28, 1944.

After serving in North Africa and Sicily, Mr. Hough received an honorable discharge from the Navy on August 15, 1946, and resumed his work for the Radio News Gallery. From this time on Bob Hough's dedication to the Senate was unbroken. On January 1, 1957, he was placed in charge of the Radio and Television News Gallery, making arrangements for coverage of the committees, other Senate activities, and the national convention which he attended from 1944 through 1972.

The Senate appointed Mr. Hough Deputy Sergeant at Arms on July 1, 1972. Merely to describe the tasks that were his responsibility—the security of the Senate, arranging for funerals and all other special ceremonies—does not tell the whole story of his man and his work for the Senate.

Robert Hough was one of the first to arrive in the morning and the last to leave at night. He could be observed daily on the Senate floor, his arms folded, his eyes scanning the galleries to make sure all was in order. He always comported himself in the manner best fitting his responsibilities. He was deliberate in attending to his duties, always doing his job with a singlemindedness, a sense of purpose.

Mr. President, I do not think it would be hyperbolic to say that Robert Hough loved the U.S. Senate. From the time of his service as a page through his service as Deputy Sergeant at Arms, Mr. Hough's dedication never waned. I would like to commend him for the exemplary work he has done and for the spirit of willingness which he brought to his duties. I know that he will be missed and that my wishes for a pleasant and fulfilling retirement are shared by all members of the Senate.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 1 hour, with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IDAHO LEGISLATURE STRONGLY ENDORSES NUCLEAR POWER

Mr. McCLURE. Mr. President, captions such as "Gasoline Rationing," "One Dollar Per Gallon," and "Homes Without Heat" fill the national headlines more frequently with each passing day. When will we realize that our Nation's dependence on unstable, foreign oil supplies is a severe problem and cannot—and will not—be solved by conservation measures alone?

We in the Congress must get busy and place as a top priority making this Nation energy self-reliant. The Idaho State Legislature has the right idea. In a recent joint memorial they represent support for energy conservation and call specifically for the use of nuclear power to be integrated into the electrical power system. They urge the administration and Congress to act now to put an end to Federal restrictions and penalties making it next to impossible to get nuclear powerplants built and on line.

Nuclear power plants are unquestionably one of our major hopes for meeting future energy needs and, indeed, present ones. Nuclear energy offers mankind—throughout the world—the means of coping with an ever increasing need for electricity combined with an ever decreasing supply of fossil fuels. Until such time that fusion, solar energy and other renewable energy sources can assume a major share of the electrical load, nuclear fission can, if given the chance, provide for the increased need.

The Idaho National Engineering Laboratory in Idaho is making an outstanding contribution to the United States with its pioneering and continuing contribution to reactor technology. We should use this valuable research to get the benefit of the taxpayer dollar investment in this abundant source of clean energy. Idahoans live and work daily with nuclear energy and fully endorse its existence and use. Other Americans should follow this example.

I join my State legislature in calling for an immediate reform of unnecessary, bureaucratic restrictions on the nuclear industry. I ask unanimous consent that the Idaho Senate Joint Memorial No. 102 be printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

SENATE JOINT MEMORIAL No. 102

Whereas, the Senate and the House of Representatives of the State of Idaho support energy conservation whenever sound and economically possible; and

Whereas, the President of the United States has requested everyone to join in an attempt to make our country energy-independent; and

Whereas, the people of Idaho support the full development of all safe, nonpolluting forms of electrical energy; and

Whereas, the use of nuclear power could be integrated into the electrical power system as a source of future energy for Idaho; and

Whereas, the federal government has adopted stringent nuclear safety regulations; and

Whereas, construction of nuclear plants and the provision of adequate energy provides jobs for citizens during and after construction of the plants.

Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we most respectfully urge the President of the United States and the Congress of the United States to act now to put an end to all administrative delays in order to provide for the earliest possible granting of neces-

sary licensing and construction permits for nuclear power plants.

Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the President of the Senate, the Speaker of the House of Representatives of Congress, and to the Senators and Representatives representing this State in the Congress of the United States.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EXON). Without objection, it is so ordered.

TAIWAN ENABLING ACT

Mr. ROBERT C. BYRD. Mr. President, the 3-day rule on the Taiwan legislation would not expire until the close of today. I have discussed the item with the distinguished Republican leader (Mr. BAKER), and we have reached an understanding that consent will be given to taking up that legislation today, which would thus waive the 3-day rule, with the understanding that the Senate would then go over until Wednesday to resume consideration of the legislation. This would allow Senators to make speeches today on the legislation, and we would also accommodate a considerable number of Senators who are planning to attend the funeral services of our late friend and former colleague Senator Dewey Bartlett.

So, with that understanding, if the distinguished minority leader agrees, I would like to call up the legislation now and recess until, say, 1:30 p.m. today to allow the distinguished Senator from Ohio (Mr. GLENN) to be here to make his opening statement when we resume the session but, in the meantime, I believe Senator CANNON has filed a statement on another matter on which we should call a quorum and accommodate him. Let us go out, say, for 30 minutes and then come back, and it will be only for Senator GLENN making his opening statement then, and other Senators can make statements, and then we will go over until Wednesday.

Mr. BAKER. Mr. President, will the Senator yield

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I think that is a good arrangement. I told the distinguished majority leader earlier that I thought there were a great number on both sides of the aisle, a great number of our colleagues on both sides of the aisle, who wanted to travel to Oklahoma tomorrow to attend the funeral services for Senator Bartlett. This arrangement would not only accommodate them but would put the Senate on the track toward the orderly consideration of the bill at hand. So altogether I think it is a good practice, that is, to call up the matter now, if the majority leader wishes to, and then the Senate will go over, after we finish statements and the like on the bill today, until Wednesday when we will resume the consideration of the bill at that time.

I would not have any objection if the Senator wishes to call up the resolution.

Mr. ROBERT C. BYRD. Mr. President, I, therefore, ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 14, S. 245.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there objection? The Chair hears none, and without objection morning business is closed.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 245) to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Taiwan Enabling Act".

TITLE I

SEC. 101. (a) Whenever any law, regulation, or order of the United States refers or relates to a foreign country, nation, state, government, or similar entity, such terms shall include, and such law, regulation, or order shall apply with respect to, the people on Taiwan.

(b) Except as provided in section 205(d) of this Act, the term "people on Taiwan", as used in this Act, shall mean and include the governing authority on Taiwan, recognized by the United States prior to January 1, 1979 as the Republic of China; its agencies, instrumentalities, and political subdivisions; and the people governed by it in the islands of Taiwan and the Pescadores.

SEC. 102. (a) No requirement for maintenance of diplomatic relations with the United States, or for recognition of a government by the United States as a condition of eligibility for participation in programs, transactions, or other relations authorized by or pursuant to United States law, shall apply with respect to the people on Taiwan.

(b) The rights and obligations under the laws of the United States of natural persons on Taiwan and the Pescadores, and of the organizations and other entities formed under the law applied on Taiwan, shall not be affected by the absence of diplomatic relations between the people on Taiwan and the United States or by lack of recognition by the United States.

SEC. 103. The instrumentality referred to in section 109 of this Act and the authorities on Taiwan shall have access to the courts of the United States, provided that the United States and the American Institute in Taiwan have access to the courts on Taiwan. In the case of any action brought in any court of the United States on behalf of or against the people on Taiwan prior to the effective date of this Act, the authorities on Taiwan shall continue to represent the people on Taiwan.

SEC. 104. For all purposes, including actions in all courts in the United States, the Congress approves the continuation in force of all treaties and other international agreements entered into between the United States and the Government recognized as the Republic of China prior to January 1, 1979, and in force until December 31, 1978, unless and until terminated in accordance with law.

SEC. 105. Whenever authorized or required by or pursuant to United States law to conduct or carry out programs, transactions, or other relations with respect to a foreign country, nation, state, government, or similar entity, the President or any department or agency of the United States Government is authorized to conduct and carry out such programs, transactions, and other relations with respect to the people on Taiwan, in accordance with applicable laws of the United States.

SEC. 106. (a) Programs, transactions, and other relations conducted or carried out by the President or any department or agency of the United States Government with respect to the people on Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through the American Institute in Taiwan, a nonprofit corporation incorporated under the laws of the District of Columbia (hereinafter "the Institute").

(b) To the extent that any law, rule, regulation, or ordinance of the District of Columbia or of any state or political subdivision thereof in which the Institute is incorporated or doing business impedes or otherwise interferes with the performance of the functions of the Institute pursuant to this Act, such law, rule, regulation, or ordinance shall be deemed to be preempted by this Act.

SEC. 107. In carrying out its activities, the Institute shall take all appropriate steps to strengthen and expand the ties between the people of the United States and all the people on Taiwan and to promote full human rights for all the people on Taiwan.

SEC. 108. Whenever the President or any department or agency of the United States Government is authorized or required by or pursuant to United States law to enter into, perform, enforce, or have in force an agreement or arrangement relative to the people on Taiwan, such agreement or arrangement shall be entered into, or performed and enforced, in the manner and to the extent directed by the President, by or through the Institute.

SEC. 109. Whenever the President or any department or agency of the United States Government is authorized or required by or pursuant to the United States law to render or provide to, or to receive or accept from, the people on Taiwan, any performance, communication, assurance, undertaking, or other action, such action shall, in the manner and to the extent directed by the President, be rendered or provided to, or received or accepted from, an instrumentality established by the people on Taiwan.

SEC. 110. Whenever the application of a rule of law of the United States depends upon the law applied on Taiwan or compliance therewith, the law applied on Taiwan shall be considered the applicable law for that purpose.

SEC. 111. (a) For all purposes, including actions in all courts in the United States, recognition of the People's Republic of China shall not affect the ownership of, or other rights or interests in, properties, tangible and intangible, and other things of value, owned or held on December 31, 1978 or thereafter acquired or earned by the people of Taiwan, except, however, diplomatic real properties situated in the United States which were acquired prior to October 1, 1949.

(b) Any contract or property right or interest, obligation or debt of, or with respect to, the people on Taiwan heretofore or hereafter acquired by United States persons, and the capacity of the people on Taiwan to sue or be sued in courts in the United States, shall not be abrogated, infringed, modified, or denied because of the absence of diplomatic relations between the people on Taiwan and the United States or the lack of recognition of a government by the United States.

SEC. 112. (a) Notwithstanding the $1,000 per capita income restriction in clause (2) of the second undesignated paragraph of section 231 of the Foreign Assistance Act of 1961, the Overseas Private Investment Corporation ("the Corporation") in determining whether to provide any insurance, reinsurance, loans or guaranties for a project, shall not restrict its activities with respect to investment projects in Taiwan.

(b) Except as provided in subsection (a) of this section, in issuing insurance, reinsurance, loans or guaranties with respect to investment projects on Taiwan, the Corporation shall apply the same criteria as those applicable in other parts of the world.

(c) Not later than five years after the date of enactment of this Act, the President shall report in writing to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives concerning the desirability of continuing this section in force in light of economic conditions prevailing on Taiwan on the date of such report.

SEC. 113. The President is authorized and requested, under such terms and conditions he determines, to extend to the instrumentality established by the people on Taiwan and the appropriate members thereof, referred to in section 109, privileges and immunities comparable to those provided to missions of foreign countries, upon the condition that privileges and immunities are extended on a reciprocal basis to the American Institute on Taiwan at not less than the level authorized herein with respect to the instrumentality referred to in section 109.

SEC. 114. (a) It is the policy of the United States—

(1) to maintain extensive, close, and friendly relations with the people on Taiwan;

(2) to make clear that the United States' decision to establish diplomatic relations with the People's Republic of China rests on the expectation that any resolution of the Taiwan issue will be by peaceful means;

(3) to consider any effort to resolve the Taiwan issue by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States; and

(4) to provide the people on Taiwan with arms of a defensive character.

(b) In order to achieve the objectives of this section—

(1) the United States will maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system of the people of Taiwan;

(2) the United States will assist the people on Taiwan to maintain a sufficient self-defense capability through the provision of arms of a defensive character;

(3) the President is directed to inform the Congress promptly of any threat to the security of Taiwan and any danger to the interests of the United States arising therefrom; and

(4) the United States will act to meet any danger described in paragraph (3) of this subsection in accordance with constitutional processes and procedures established by law.

TITLE II

SEC. 201. Any department or agency of the United States Government is authorized to sell, loan, or lease property, including interests therein, to, and to perform administrative and technical support functions and services for the operations of, the Institute upon such terms and conditions as the President may direct. Reimbursements to departments and agencies under this section shall be credited to the current applicable appropriation of the department or agency concerned.

SEC. 202. Any department or agency of the United States Government is authorized to acquire and accept services from the Institute upon such terms and conditions as the President may direct. Whenever the President determines it to be in furtherance of the purposes of this Act, the procurement services by such departments and agencies from the Institute may be effected without regard to such laws and regulations normally applicable to the acquisition of services by such departments and agencies as the President may specify by Executive order.

SEC. 203. Any department or agency of the United States Government employing alien personnel in Taiwan is authorized to transfer such personnel, with accrued allowances, benefits, and rights, to the Institute without a break in service for purposes of retirement and other benefits, including continued participation in any system established by law or regulation for the retirement of employees, under which such personnel were covered prior to the transfer to the Institute: *Provided*, That employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, shall be currently deposited in the system's fund or depository.

SEC. 204. (a) Under such terms and conditions as the President may direct, any department or agency of the United States Government is authorized to separate from Government service for a specified period any officer or employee of that department or agency who accepts employment with the Institute.

(b) An officer or employee separated under subsection (a) of this section shall be eligible upon termination of such employment with the Institute to reemployment or reinstatement in accordance with existing law with that department or agency or a successor agency in an appropriate position with attendant rights, privileges, and benefits which the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the President may prescribe.

(c) An officer or employee eligible for reemployment or reinstatement rights under subsection (b) of this section shall, while continuously employed by the Institute with no break in continuity of service, continue to be eligible to participate in any benefit program in which such officer or employee was covered prior to employment by the Institute, including programs for compensation for job-related death, injury or illness; for health and life insurance; for annual, sick and other statutory leave; and for retirement under any system established by law or regulation: *Provided*, That employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, shall be currently deposited in the program's or system's fund or depository. Death or retirement of any such officer or employee during approved service with the Institute and prior to reemployment or reinstatement shall be considered a death in service or retirement from the service for the purposes of any employee or survivor benefits acquired by reason of service with a department or agency of the United States Government.

(d) Any employee of a department or agency of the United States Government who entered into service with the Institute on approved leave of absence without pay prior to the enactment of this Act shall receive the benefits of this title for the period of such service.

SEC. 205. (a) The Institute, its property, and its income are exempt from all taxation now or hereafter imposed by the United States (except to the extent that section 204(c) of this Act requires the imposition of taxes imposed under chapter 21 of the Internal Revenue Code of 1954, relating to the Federal Insurance Contributions Act) or by any State or local taxing authority of the United States.

(b) For purposes of the Internal Revenue Code of 1954, the Institute shall be treated as an organization described in sections 170(b)(1)(A), 170(c), 2055(a), 2106(a)(2)(A), 2522(a), and 2522(b).

(c)(1) For purposes of sections 911 and 913 of the Internal Revenue Code of 1954, amounts paid by the Institute to its employees shall not be treated as earned income. Amounts received by employees of the Institute shall not be included in gross income, and shall be exempt from taxation, to the extent that they are equivalent to amounts received by civilian officers and employees of the Government of the United States as allowances and benefits which are exempt from taxation under section 912 of such Code.

(2) Except to the extent required by section 204(c) of this Act, service performed in the employ of the Institute shall not constitute employment for purposes of chapter 21 of such Code and title II of the Social Security Act.

(d) For the purpose of applying section 102 of this Act to the Internal Revenue Code of 1954, and to any regulation, ruling, decision, or other determination under such Code, the term "people on Taiwan" shall mean the governing authority on Taiwan recognized by the United States prior to January 1, 1979, as the Republic of China and its agencies, instrumentalities, and political subdivisions; except that when such term is used in a geographical sense it shall mean the islands of Taiwan and the Pescadores.

(e) The Institute shall not be an agency or instrumentality of the United States. Employees of the Institute shall not be employees of the United States and, in representing the Institute, shall be exempt from section 207 of title 18, United States Code.

SEC. 206. (a) The Institute may authorize any of its employees in Taiwan—

(1) to administer to or take from any person an oath, affirmation, affidavit, or deposition, and to perform any notarial act which any notary public is required or authorized by law to perform within the United States;

(2) to act as provisional conservator of the personal estates of deceased United States citizens; and

(3) to render assistance to American vessels and seamen.

(b) Acts performed by authorized employees of the Institute under this section shall be valid, and of like force and effect within the United States, as if performed by any other person authorized to perform such acts.

TITLE III

SEC. 301. In addition to funds otherwise available for the provisions of this Act, there are authorized to be appropriated to the Secretary of State for the fiscal year 1980 such funds as may be necessary to carry out such provisions. Such funds are authorized to remain available until expended.

SEC. 302. The Secretary of State is authorized to use funds made available to carry out the provisions of this Act to further the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis. The Secretary may provide such funds to the Institute for expenses directly related to the provisions of this Act, including—

(1) payment of salaries and benefits to Institute employees;

(2) acquisition and maintenance of buildings and facilities necessary to the conduct of Institute business;

(3) maintenance of adequate security for Institute employees and facilities; and

(4) such other expenses as may be necessary for the effective functioning of the Institute.

SEC. 303. Any department or agency of the United States Government making funds available to the Institute in accordance with this Act shall make arrangements with the Institute for the Comptroller General of the United States to have access to the books and records of the Institute and the opportunity to audit the operations of the Institute.

SEC. 304. The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act. Such rules and regulations shall be transmitted promptly to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives.

TITLE IV

SEC. 401. (a) The Secretary of State shall transmit to the Congress the text of any agreement to which the Institute is a party. However, any such agreement the immediate public disclosure of which would, in the opinion of the President, be prejudicial to the national security of the United States shall not be so transmitted to the Congress but shall be transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate injunction of secrecy to be removed only upon due notice from the President.

(b) For purposes of subsection (a), the term "agreement" includes—

(1) any agreement entered into between the Institute and the Taiwan authorities or the instrumentality established by the Taiwan authorities; and

(2) any agreement entered into between the Institute and departments and agencies of the United States.

(c) Agreements and transactions made or to be made by or through the Institute shall be subject to the same Congressional notification, review, and approval requirements and procedures as if such agreements were made by or through the department or agency of the United States on behalf of which the Institute is acting.

SEC. 402. During the two-year period beginning on the effective date of this Act, the Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, every six months, a report describing and reviewing economic relations between the United States and the people on Taiwan, noting any interference with normal commercial relations.

TITLE V

SEC. 501. This Act shall have taken effect on January 1, 1979.

SEC. 502. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

ORDER FOR RECESS UNTIL 11 A.M. ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. on Wednesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, at 1:16 p.m., the Senate took a recess for 30 minutes.

The Senate reassembled at 1:46 p.m., when called to order by the Presiding Officer (Mr. EXON).

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. GLENN. Mr. President, I thank the Chair.

Mr. President, S. 245, the bill that has been laid before the Senate regarding the Taiwan enabling legislation, known as the Taiwan Enabling Act, provides for U.S. relations with the people on Taiwan to be conducted through the American Institute in Taiwan, a private organization which is funded by the U.S. Government and whose trustees are appointed by the Secretary of State. This is something new for this country. Although it is a unique approach for the United States, it has worked successfully for Japan since it normalized relations with the People's Republic of China in 1971.

The original bill sent to the Senate—while sound in its basic structure and approach—was deficient in several important respects. The Foreign Relations Committee added a substantial number of amendments to remedy these shortcomings.

Since consideration and debate on this bill will start on Wednesday, I do not intend to describe in detail at this time all the changes we made. Furthermore, the committee report includes a full discussion of the amendments adopted.

That report is out now and available for all Senators to review, along with their staffs, prior to the start of debate on this enabling act on Wednesday.

The Taiwan Enabling Act as amended by the committee is, I believe, a constructive measure that the committee has adopted and one that will continue to be mutually beneficial for the people on Taiwan and the United States.

Mr. President, I will save the remainder of my remarks on this until we open the session on Wednesday. As I understand it, this will be the pending business when the Senate comes into session on Wednesday.

Mr. President, I believe the distinguished Senator from New York (Mr. JAVITS) has some remarks he would like to make today.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. JAVITS. Mr. President, I would like to give the frame of reference in which we will be considering this matter today. Then I, too, will go into a great many of the details when we return on Wednesday.

As to the frame of reference, let me say first, to characterize what is happening, we must not miss the forest for the trees. The People's Republic of China probably has a population of somewhere between 800 million and a billion people and occupies an enormous strategic area on the continent of Asia. It really dominates the continent of Asia. It is, by all rights of culture and heritage as well as population and area, one of the three great entities of government on Earth.

I say that we should not miss the forest for the trees; it is a historic breakthrough that a nation, the central theme of whose propaganda and foreign policy was "hate the United States; hate the running dogs of imperialism; hate the bloodthirsty warmongers in Vietnam and everywhere; hate the suppressors of the people," should now become the friend of the United States, at least in terms of a regularized diplomatic relationship.

As I say, we do not want to make smaller what is a monumental achievement for our country. It shows steadiness and fortitude in our dedication to freedom and; our expression of that freedom in the struggle for human rights for people everywhere. Although we have had our frustrations and our disastrous mistakes, if we stick to it, we are on the right track; and it is others who ultimately will come around and see that if they really want a true and dependable friend, a powerful one, there is only one in the world, and that is the United States.

So I look first in the frame of reference for this historic breakthrough, the normalization of our relations with the People's Republic of China.

I express to Senator GLENN my great pleasure that he will be managing this bill. I think it is very appropriate that a man of his background, who has done so much in his own career both for the security of the Nation and for the adventure of the Nation, should be managing this great adventure in the Senate.

In respect of Taiwan, which is another area of the frame of reference, here are 17 million people who have developed a highly articulated society. It is not the democracy we would like to see—not remotely They have lived under abnormal conditions, and the people who came over from the mainland are still the dominant factors among the authorities of Taiwan. Nevertheless, they have found a way to develop a system of society and of economics and, indeed, of government which is unique to Asia, in the sense that it now has the second highest standard of living in all of Asia, second only to that of Japan and far superior to that of the People's Republic of China, which will take decades to get to the same point.

As to the people whom we admire and whom we cultivated as friends ever since 1949, 30 years, what many of us were deeply concerned about, including myself—I have been to Taiwan and experienced this situation—was that in our desire to do the big thing, which is to normalize relations with the People's Republic of China under conditions we could live with and they could live with, we would open the door to permitting these 17 million to be suppressed, suffocated, overrun, absorbed. We would not

wish to find that what they have created on Taiwan would disappear in the enormous mass which was the People's Republic of China.

So that illustrated to us here in the Foreign Relations Committee, who brought this bill to the floor, another facet of American policy—the need, notwithstanding our recognition of the great desirability of dealing on a normal basis with the People's Republic of China, to preserve and establish at the same time the conditions for preserving this great and responsible and successful entity which is represented by Taiwan. It is my profound conviction—and I shall hope to prove it, together with Senator GLENN and my other colleagues as we debate these issues—that we have contrived that successfully.

Now let me say one further thing which it is important for us all to have in focus. To develop normalization with the People's Republic took a period of time. I was the delegate to the United Nations from the Senate in 1970, and that was the first moment that the United States announced a review of our People's Republic of China policy.

Mr. President, that was Nixon's doing, and I think that should be placed upon the record. He personally felt that the time had come to begin to open that door; and as I was the delegate who was charged with that responsibility, I think it is only fair to state that. Of course, he had a most admirable and most effective Secretary of State to implement that policy, in Henry Kissinger.

So it took well over 8 or years in steps including the establishment of liaison offices to develop the conditions under which this finally was accomplished.

Also, Mr. President, one should not for one moment confuse its accomplishment with any euphoria or illusion by me and other Senators—I have little doubt that Senator GLENN shares this view with me—about the Chinese system, the People's Republic system, that is is anything but completely authoritarian. There are no illusions. Everybody you see who takes you around the People's Republic—my wife and I have been there—has exactly the same mind. Nobody thinks differently—at least, not for the record, or not that any foreigner can hear. There is still plenty of thought control and plenty of people sent out to the country to "cool it off," as it were, in hard labor in the fields.

So we have no illusions that we are dealing with a beneficient society, any more than we have illusions about Taiwan, as I just expressed, which still has a form of autocratic government—to wit, essentially the people who came over from the mainland.

However, Mr. President, these societies are willing to open up. Taiwan has made a success for all the people, a great success, in their development; and it seems to have a very stable and well-satisfied population with respect to its accomplishments.

With respect to the People's Republic, as Vice Premier Teng showed when he came here, they are willing to operate on a far more open basis than Communist states generally are.

I assume that our journalists will be welcome there; they are there already. They may not see and hear everything, but they certainly can poke around. Their journalists will be welcome here. Generally speaking, one will have a better grip on what is happening and how this enormous mass of people are developing and what they are thinking and what their aspirations are—again, without illusion. For example, a few days after Teng left here, the Chinese invaded Vietnam. I am sure we do not like it, nor would we ever like to see any nation with whom we are friendly an aggressor. So I cannot say that it is an open book, that we know all about it; but there is a material improvement, and there promises to be more improvement if we have a normal relationship with them.

This applies, also, in the economic field, in which the People's Republic is now dedicated to modernization. Again, modernization must mean greater enlightenment, greater openness, a greater willingness to cooperate with the world in things which are effective and beneficial to the world; and if I know our people, that is all we want. We are not looking for any special edge or any special thing—just so long as people have a chance to breathe and a chance to develop.

So these are the frames of reference within which we will consider this issue.

On Wednesday, I shall detail for the Senate, as I am sure will Senater GLENN, how this matter was negotiated; how it developed step by step from conditions which the People's Republic set, which were impossible for us to accept; how, finally, our executive department and the President sought to make progress in working out these conditions; to what extent they did or did not satisfy the People's Republic; and then what we in the Foreign Relations Committee felt was our obligation—particularly on the issue of Taiwan but also on the other issues which had to be tested here.

For example, Senator GOLDWATER has instituted a suit challenging the power of the President to terminate the treaty with the Republic of China on Taiwan. We will be discussing that and the legal basis for the American Institute on Taiwan and for the Institute of Taiwan in the United States and the extension of certain privileges and immunities to those who are engaged in those two institutes. All of these problems we will discuss as well as how we handle the danger of the threat of the use of force against Taiwan in order to subdue, subjugate, or suppress it.

Finally, Mr. President, we will deal with the issue of whether or not we are adequately consulted as there is a law on the books that calls for adequate consultation with us and what may or may not have been the shortcomings of the administration in respect of its actual negotiation of these terms.

So as I see it, this is a curtain raiser to a historic debate as well as a very historic event for our country, and I am very pleased that the leadership on both sides has seen fit to call this matter up as promptly as they have. I am very hopeful that we in the Foreign Relations Committee may satisfy the Senate so that perhaps this very week we may pass this bill.

I yield the floor.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Ohio is recognized.

Mr. GLENN. I thank the Chair.

Mr. President, in his usual excellent fashion the Senator from New York, who played such a vital role in this bill in committee and in the formation of the final language that we bring to the Chamber today, has established a frame of reference that I think puts this whole thing in its proper context.

With regard to his reference to mainland Chinese population, I am told by our demographic experts in the Library of Congress that they estimate mainland China surpassed 1 billion people last July. That is about one-fourth of the total human race. And, moreover, it is a nation of largely unexplored and untapped resources, amidst an increasingly resources-hungry world.

I submit, Mr. President, if one drew an axis or an arc from Tokyo to Canberra, Australia, and took a swath of territory across the globe by 500 or 800 miles on each side of that axis. with one-third of the total human race involved and with untold resources along such an axis, then that area would have a profound import in shaping foreign policy for much of the remainder of the world, perhaps for the next couple of decades.

I think it is notable that over the past several years trade with that part of the world has increased tremendously. For the last 6 years, the United States of America has engaged in more trade with the Far East than with our traditional and historical trading partners in Europe, whose lands comprise the heritage of most of our citizens. Sixty billion dollars last year went in trade to the Far East, and that was in prenormalization period. No one can even estimate how much this trade will increase in the years ahead as we move into a more normal relationship with these 1 billion people and as their trade expands.

My home State of Ohio, as an interior State and as the fifth largest trading State in this country, conducts $6.9 billion worth of trade for industrial products. That means that about one out of every eight industrial jobs in Ohio is dependent on the export market, and there are $957 million worth of agricultural product exports.

I cannot say specifically what percent of either one of those figures goes to the Far East, but I am sure a great deal of it does.

We might note that this will be the first time since World War II that we will have had diplomatic relations with both China and Japan. We are truly moving very rapidly into a new era in foreign relations, particularly in the Far East.

The distinguished Senator from New York discussed the rapid change in China, the situation on human rights, and many things that we still do not agree with completely, but I am more concerned around the world with the trends in human rights than I am the absolutes.

I think when we expect the nations that we deal with around the world to affirm our ideas of the Jeffersonian "one-man one-vote, go west, every man an entity unto himself" type democracy, we sometimes expect too much too fast.

I am not saying that the developments that we have observed within the Republic of China mean that they have solved all their problems completely, but we do see some changes; changes that were started back under Chou En-lai in the process of opening up. Perhaps those changes were even viewed as threatening by Chairman Mao and the Red guards that were loosed upon China—with all the infamy that took place during that time period and all the people who were executed as a result of those policies and the attacks by the Red guards across China. Nevertheless, we come back now and find that Chou En-lai's colleague, Vice Premier Teng Hsiao-ping, is continuing policies from the days which had been violently interrupted. Perhaps this is a long-term trend that has little chance of being reversed. I, for one, find it very difficult to believe that we could have had anything but virtual agreement with most of the top leadership in the People's Republic of China in addition to Vice Premier Teng Hsiao-ping to see this drastic change and see the very definite move forward, with the four normalizations that they have spelled out: science and technology, industry, agriculture, and defense. In fact, some of the latest trends in China can now be seen in the form of increased communications: The wall posters all over Peking, not just on Democracy Wall, but on virtually every wall in Peking; changes in dress, a lot of color in the dress in the streets in Peking these days, as we saw when we were there in January; people being encouraged to buy radios so they can listen to the English language broadcasts and improve their language, color TV's in hotel rooms in Peking can now be found with one channel always devoted to the English language instruction in the evening.

These are just little indications that I think are really a significant drastic change, and I hope along with everyone in this country this will be a permanent change.

We are still concerned, of course, about Taiwan. I, for one, was very critical of the President and of the administration for what the distinguished Senator from New York has already mentioned: the secret nature of the negotiations after we had specifically written into legislation last year in the Military Assistance Act a requirement for consultation.

And I failed to see that we were adequately consulted even though there have been sporadic contacts over the last year. Those contacts don't qualify as adequate consultation, as I think the administration was aware.

So I am disappointed at that, and I was disappointed that there was not more effort made to get security guarantees for Taiwan. We have perhaps taken our independent route here in the Senate in expressing our concerns that there will be peaceful resolution of the one China problem across the Straits of Taiwan, one China that both sides admit to, and one China that both sides support. Nevertheless we, in addition to the administration, have expressed—along with this legislation in this Taiwan enabling act that we bring out of committee today—our independent view that we fully expect there to be a peaceful resolution of that situation across the straits.

We will save additional remarks on this, Mr. President, until Wednesday, when we will have an extended debate on this issue. I am sure there will be a number of amendments brought up on Wednesday and we will look forward to a healthy discussion.

I think that what we have brought out of committee is a good bill. We look forward to a full debate, accepting the committee amendments, and resuming the debate on Wednesday since we will not be in session tomorrow in honor of our ex-colleague, Senator Dewey Bartlett.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GLENN. Certainly.

Mr. JAVITS. I think there is one thing we ought to add to our preliminary opening, and I would like to have Senator GLENN be kind enough to comment on it as well.

This is the first time this matter is up in Congress, and as we are taking a greatly increased role in the foreign policy of the Nation, I would like to lay this down as a proposition which others can debate as well as myself.

I would like to reject any concept that we are playing the Chinese card vis-a-vis the Soviet Union. I think it is very important that our good faith in that be complete and that the Soviet Union be made to feel that it has nothing whatever to fear from our normalization of relations with the People's Republic of China. On the contrary, this is auspicious for the peace of the world, and that is the way we mean it. I hope that nothing we do, in the executive department or here in Congress, will give the Soviet Union any substantive cause—now, they may choose a cause, that is their propaganda way—for suspicion that we and the People's Republic are ganging up against them.

We should reject that. We should adjure that in every way that is open to us in the utmost good faith. If they choose to take it that way, they will be the loser, not we, in terms of their own tranquility and their own peace of mind.

For myself, as one Senator in the drafting of this bill, whatever I have contributed I have really had that very much in my mind and, as I say, I am very pleased that the Senator yielded to me, because I think we will both comment on that point.

Mr. GLENN. I certainly appreciate the comments of the distinguished Senator from New York.

I yield the floor.

Mr. HELMS. Mr. President, the concept of the American Institute in Taiwan contains at its heart a fatal flaw which cannot be eradicated. That flaw is, in turn, a reflection of the calculated ambivalence of the new China policy—an ambivalence which can be explained only by fundamental intellectual dishonesty.

The Institute is an attempt to yoke together two logically contradictory propositions under a semantic gloss in order to avoid the inherent consequences of our actions. The new China policy seeks to deny the juridical existence of the sovereignty exercised by the Government of the Republic of China, while at the same time reaping benefits which can be conferred only by recognizing that sovereignty. Moreover, in a move which is even more reprehensible, it pretends to preserve those benefits at the same time that it contemplates the eventual extinction of the liberty and independence which is the moral basis of human dignity. The denial of sovereignty is the denial of the inherent right of self-defense, and is itself a form of immoral coercion.

Seduced by the glittering phantasm of personal triumph, the architects of the new China policy rashly promised the rulers of Peking that our support of the sovereignty of the Republic of China would be withdrawn. Having done so, the same architects want to evade, before the American people, the moral responsibility of handing over 18 million people to "peaceful reunification" with the mainland. It is as though Herod tried to pretend to himself that the head he was offering to the insatiable Salome was made of paper.

Unfortunately, the real head of Taiwan is already on the platter. The Institute is a device to distract the people on Taiwan from that soreness around the neck, and to convince them that everything is just the same. The committee struggled manfully to resolve the logical inconsistencies of the administration bill with the brutal reality of the deed. Although many changes were made on a practical level to warp the structure of the Institute back to the demands of the real world, the fatal flaw remains.

THE FATAL FLAW

That fatal flaw goes back to the announcement of President Carter on December 15, 1978, when he said:

> The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China.

The key word in that sentence is "acknowledges." The use of the word "acknowledges" has been described by administration spokesmen as stopping short of "accepts." In other words, the United States takes note that the Government of the People's Republic of China claims to have sovereignty over Taiwan, but the United States takes no position on whether or not the United States agrees with the claim of the People's Republic of China. The implication is that the United States draws back, on the brink, of recognizing the People's Republic of China's claim to sovereignty over Taiwan and the territories actually administered by the Government of the Republic of China. The further implication, essential to the concept of the Institute, is that the Government of the Republic of China retains some residuum of sovereignty, a de facto exercise of sovereignty, if not de jure.

But is that residuum of sovereignty

enough to support the operation of the Institute?

By failing to take a position on the crucial issue, the logic of the new China policy collapses.

If the position of Peking is correct, that is to say, the position that the United States "acknowledges," then Taiwan is juridically part of China and the exercise of sovereignty by the ROC is a rebellion against the legitimate authority of the PRC. If the position of Peking is correct, then the fact of that rebellion is a domestic matter, an internal affair which Peking may resolve as it sees fit. Under international law, Peking would have the perfect right to extinguish the rebellion either by negotiation or, should negotiations fail, by economic or military pressures.

Moreover, if the position of Peking is correct, then the United States has no right under international law to interfere in an internal affair of the PRC. Under international law, the United States cannot have a "people to people" relationship that is not conducted under the authority of the central government of the PRC. We would have no right to object to any economic or diplomatic pressures applied by the PRC to induce "reunification." And, most emphatically, we would not have the right to supply weapons, or go to war, as President Carter claims, to support the purported rebellion against the de jure sovereign authority in Peking.

That this is Peking's view is born out by the press conference of the PRC Prime Minister, Hua Kuo-feng, in Peking on December 16. When asked whether the United States would be permitted to continue providing Taiwan with access to military equipment for defensive purposes, he said:

> During the negotiations the U.S. side mentioned that after normalization it would continue to sell limited amounts of arms to Taiwan for defensive purposes. We made it clear that we resolutely would not agree to this. In all discussions the Chinese side repeatedly made clear its position on this question. We held that after the normalization continued sales of arms to Taiwan by the United States would not conform to the principles of normalization, would be detrimental to the peaceful solution of the Taiwan issue and would exercise an unfavorable influence on the peace and stability in the Asia and Pacific regions. So our two sides had differences on this point.

This attitude was further confirmed by Ambassador Leonard Woodcock, as quoted in an article in the Washington Post by Jay Mathews, datelined Peking, January 1, 1979. The article said:

> Woodcock said he is certain, however, that the Chinese will continue to oppose such arms sales for the record. The first time Washington agrees to a major sales of arms after the mutual security treaty with Taiwan expires in a year, Woodcock said, he expects the Chinese to make an official protest.

It is, therefore, highly significant that the administration later revealed that it had also promised Peking that the United States would sell no defensive armament to Taiwan during 1979. In other words, no arms would be sold during the final year remaining of the Mutual Defense Treaty, a period during which treaty obligations required the United States to defend Taiwan. Left indeterminate was the question of whether we would sell arms after the end of the abrogation period of the treaty. In short, the United States promised that we would supply no arms during the period when we were juridically obliged to supply arms; the only period that the United States left open for the supply of arms to Taiwan was the period which, in the Peking view, it would be illegal for the United States to supply arms under international law.

Clearly, then, the success of "normalization" depends upon both the PRC and the United States exercising restraint in fulfilling the logic of their positions. If the United States insists on preserving the independence and sovereignty of the ROC Government (that is to say, the people on Taiwan) through the supply of arms, then the PRC must decline to insist upon the logic of its view of sovereignty. If the PRC insists on its view of the rights of sovereignty, then the United States must refrain from fulfilling its promises to the people on Taiwan. If the United States "acknowledges" the position of the PRC, then sooner or later one side or the other must concede.

DOES THE UNITED STATES ACCEPT?

But suppose by the term "acknowledges" the United States merely notes, but does not "accept" the PRC view that the PRC has de jure sovereignty over Taiwan and the territories controlled by the Government of the ROC? In that case, then, the logic of the U.S. position would permit the development of another sort of relationship with the governing authorities on Taiwan. If the United States does not accept the PRC claim to sovereignty over Taiwan, then it is appropriate for the United States to continue a relationship with the people on Taiwan, and with the governing authorities there. It would be appropriate to continue our agreements, including cultural, economic, and military relationships.

Moreover, if the United States does not accept the PRC claim to sovereignty over Taiwan, then our attitude toward the PRC should be entirely different. If the Government of the Republic of China retains even a residual de facto sovereignty over the territory it now governs, then the PRC's refusal to foreswear the use of force as the ultimate pressure to induce unification takes on another light entirely. In that case, the ROC is, indeed, a "state," and the PRC's use of force or the threat of force is a violation of international law and the United Nations Charter. Despite the PRC's refusal to rule out the threat of force, the ROC remains an independent state, with all the privileges and immunities of an independent state. If the United States does not "accept" the PRC view, then it is incumbent upon us to state categorically that we do not.

Indeed, the Institute bill, as it emerges from committee, makes a straightforward case that the United States. or at least the Committee on Foreign Relations of the U.S. Senate does not accept the People's Republic of China view. It should be noted that—

First. In section 101(b), the term "people on Taiwan" is defined as including the governing authority on Taiwan recognized by the United States prior to January 1, 1979, as the Republic of China;

Second. In section 102(a), the rights and obligations under the laws of the United States of natural persons on Taiwan and the Pescadores shall not be affected by the absence of diplomatic relations;

Third. In section 103, in the case of any action brought in any court of the United States on behalf of or against the people on Taiwan prior to the date of enactment of the act, the authorities on Taiwan shall continue to represent the people of Taiwan;

Fourth. In section 104, for all purposes, including actions in all courts in the United States, Congress approves the continuation in force or all international treaties and other agreements entered into between the United States and the Government recognized as the Republic of China prior to January 1, 1979;

Fifth. In section 106, programs and other relations conducted by the President or the U.S. Government with respect to the people on Taiwan shall be conducted by the Institute;

Sixth. In section 108, whenever the President or the Government is authorized or required by or pursuant to the U.S. law to enter into any agreement or arrangement relative to the people of Taiwan, such arrangements shall be conducted through the Institute.

Seventh. In section 110, whenever the application of a rule of law of the United States depends upon the law applied on Taiwan, the law on Taiwan shall be considered the applicable law for that purpose;

Eighth. In section 111, for all purposes, recognition of the People's Republic of China shall not affect the ownership of tangible and intangible properties owned by the people on Taiwan on January 1, 1979;

Ninth. In section 12; OPIC guarantees are continued with regard to U.S. private investments in Taiwan;

Tenth. In section 113, the President is authorized to extend diplomatic immunity to the instrumentality established in the United States by the people on Taiwan.

Eleventh. In section 114, Congress states that it is the policy of the United States that the People's Republic will refrain from the use of force in the resolution of the Taiwan issue, and that the United States will provide the people on Taiwan with arms of a defensive character.

All of these provisions demonstrate clearly that the United States intends to consider the governing authorities on Taiwan to be seized of the exercise of sovereign authority over the territories controlled on January 1, 1979, and that the American Institute on Taiwan is tantamount to an official diplomatic mission of the United States. This position is reinforced by the explicit provisions of section 114 regarding defense. The ultimate attribute of sovereignty is self-defense. Indeed, the test of sovereignty is whether a nation pos-

sesses the capability, either alone or in conjunction with allies, of defending itself against aggression from another power. The claim of the United States to provide the people on Taiwan—that is to say, according to section 101(b), a category that includes the Republic of China Government—with weapons of a defensive character even in the absence of a mutual defense treaty after 1980, is tantamount to a declaration by Congress that the Republic of China governing authorities legitimately exercise sovereign authority and power. Indeed, the implicit acknowledgement by the President of the United States that the Mutual Defense Treaty will continue until December 31, 1979, despite the recognition of the People's Republic of China as "sole government of China" on January 1, 1979, is legally tantamount to recognition of Repulbic of China sovereignty.

This view is buttressed by the provisions of title II, which establishes the Institute as a surrogate diplomatic mission under U.S. law, and gives the employees of the Institute rights which are derived from their former status as employees of the U.S. Government, including the diplomatic service. Indeed, although section 205(2)(e) states that "the Institute shall not be an agency or instrumentality of the United States," that section must be read in conjunction with the whole title, which takes pains to establish the Institute as a beneficiary of the President's directives (sections 201 and 202), as an entity which has part with other departments and agencies of the U.S. Government as regards personnel benefits (section 203), as an entity whose personnel may return to other Government agencies as if it were an agency of the United States and continue to participate in contributions towards U.S. Government compensation and pension systems, and accrue time in U.S. Government programs for their terms of service. In short, for all practical purposes, the Institute is treated as a U.S. Government agency, despite the attempt to establish its status otherwise.

Even from a financial point of view, title III establishes clearly that the funding of the Institute comes from U.S. Government appropriations, and the Secretary of State is authorized to use such funds to carry on through the Institute the same functions he would carry on through a diplomatic mission. Indeed, the Institutes' expenditure of such funds is made contingent upon an audit by the Comptroller General of the United States. The fact that the Institute is a creature of Congress is emphasized by section 401(c) which provides that any agreements made by or through the American Institute in Taiwan shall be subject to the same approval as though the agreements were made directly by a department or agency of the United States.

No one can deny, therefore, that, despite disclaimers, the Institute is a veritable agency of the U.S. Government, providing a direct relationship with the people on Taiwan, including, of course, the governing authorities which the United States recognized as the Government of the Republic of China until January 1, 1979. All that is lacking is official recognition of that status.

DOES THE INSTITUTE SUFFICE?

The Institute gives much of the substance of diplomatic relationship without the official recognition of such a status. But is that enough? Will that suffice for our relationship with the Republic of China Government in the long run?

The new China policy places the United States in the moral position of an ambitious man who divorces his first wife to marry a socially prominent and attractive second wife, all the while promising wife No. 1 that they will continue to live together as though nothing had happened. Such an anomaly cannot lead to stability or fulfillment; in fact, it is bound to become a destabilizing element if the expectations of the new partner are not fulfilled.

The whole question of the future security of Taiwan is cast into a deep shade by the failure of the administration to secure commitments and practical arrangements that would guarantee Taiwan's freedom of action. More deeply disturbing is not simply the failure to obtain such guarantees; the most damaging blow is the admission that Taiwan's future was conceded in advance to the will of Peking. The testimony of Ambassador Woodcock before this committee was startling in its revelation f the abject capitulation of the United States before the rulers of Peking:

> It had been the American position that we were seeking a guarantee of the nonuse of force in the settlement of the Taiwan question. I personally came to the conclusion—and I am now speaking in personal terms—that to insist upon that would be to run into a roadblock because it was, in essence, the negotiation of sovereignty. It isn't a question of how we look upon the situation. The Chinese in Peking and the Chinese in Taipei both insisted that there was one China. It was a question of trying to negotiate directly a guarantee of the nonuse of force by a sovereign government against what in the mind of that government is its own province.
>
> So central to our negotiations beginning in the period of July, 1978, was our insistence and our expectancy that it would be settled on a peaceful basis, but recognizing the roadblock of the sovereignty issue, which would have led the negotiations nowhere.
>
> I think in a very practical sense, I myself am convinced that we have the best possible assurance in that regard, and I think the statements particularly of Vice Premier Teng Hsiao-ping, beginning in late November of 1978, reiterated forcefully to the Nunn senatorial delegation, of which Senator Glenn was a member, in early January, 1979, that we are getting the most positive response from the Chinese government in this regard.
>
> The CHAIRMAN. At any time during the negotiations over the period that you were in Peking, was the matter of an express commitment by Peking against the use of force in settling the Taiwan question posed?
>
> Ambassador WOODCOCK. Not by me, sir. No.

Keeping in mind that the Ambassador was the sole channel for the negotiations which led to "normalization," we must conclude the following:

First. Peking considers that it has sovereign authority over Taiwan.

Second. The use of force is the ultimate determinate of sovereignty.

Third. Peking's ultimate sovereignty over Taiwan was a nonnegotiable item for Peking.

Fourth. The U.S. view of Peking's sovereignty over Taiwan is irrelevant to Peking's intention to assert that sovereignty.

Fifth. The United States, in refusing even to attempt to negotiate the question, conceded the ultimate disposition of Taiwan to Peking's authority.

Sixth. The United States encourages the incorporation of Taiwan into the People's Republic of China by peaceful means.

Seventh. The United States would be displeased if force were used to bring about unification, but we expect that "unification" by some means would be the "settlement" of the Taiwan question.

A "DECENT INTERVAL" FOR TAIWAN

These conclusions, which flow indisputably from Ambassador Woodcock's testimony, can leave no particle of doubt that the new China policy has already surrendered the legal and moral status of Taiwan to the Communist rulers of Peking. All that is retained is a pragmatic, under-the-table relationship, designed to provide a temporary umbrella, a "decent interval," as it were, to shield the people on Taiwan from an immediate blow, to give time to phase our American capital investment there if necessary, and to bamboozle the American people.

The impact of the new China policy is that both Peking and the United States agree that Taiwan has only one option: To come under Communist hegemony, to use the word that Peking always applies to the Soviet Union. The only question remaining for Taiwan is a question of timing. We are saying that Taiwan has no right to refuse indefinitely. And to help Taiwan to negotiate quickly, both the PRC and the United States hold the ultimate levers: the PRC retaining the right to use force, and the United States retaining the right to supply defensive weapons. Our right to supply weapons conceivably could be continued at such a level as to force the PRC into a better deal for Taiwan and for American investment there; but it could also be withheld if Taiwan were recalcitrant and refused to be absorbed into the Communist system. The execution of the new China policy so far ought to be a warning to the people on Taiwan that the present leadership of the United States is willing to subordinate the human rights and dignity of the people on Taiwan to other considerations.

It is for this reason that I have found widespread concern among my colleagues over the exact nature of the security guarantees to Taiwan. The question turns upon whether the policy of the United States is to support the indefinite autonomy of the people of Taiwan, or whether our security assistance is to support the interests of the new China policy. The information, at first suppressed, that no new weapons would be supplied under the Mutual Defense Treaty during the last year of its existence is further evidence that the architects of the new China policy are seeking to avoid any real test of our true intentions.

The notion that Taiwan's social, economic, and political autonomy could be preserved within the sovereignty of the PRC will hardly bear the least examination. The notorious example of Tibet, which concluded a written agreement with Peking guaranteeing its religious, social, and political systems, demonstrates the extent to which Peking will perpetrate cultural genocide. The example of Hong Kong, obstensibly under British rule, but in reality dominated by PRC finance, trade, kickbacks and corruption, survives because it fulfills a special need to which Taiwan would be superfluous. Rather, Taiwan could expect to become the victim of economic and political subversion—pressed from without by restrictions and boycotts, and assaulted from within by seducing business leaders with special deals and economic dependencies. Once political control were established, key leaders and cultural figures would disappear for "reeducation."

Nor should our enthusiasm for China's "four modernizations"—one of which is the modernization of the Chinese military capability—blind us to the fact that no amount of capital expenditure or political pragmatism will bring about modernization without the element which has been found essential wherever substantial economic progress has been made in the world. The essential element is personal freedom.

China is a totalitarian country whose extreme poverty is matched by its poverty of freedom. An authoritarian country can progress if it allows a large measure of economic freedom to its citizens; but a totalitarian country, by definition, is one in which every decision for every citizen is dictated by political considerations. Upward of 65 million Chinese died to establish that political dictatorship; even today reliable estimates say that between 7 and 25 million Chinese are in forced labor camps at the present time.

Such a system is inherently unstable. The purges and counter-purges in the leadership circles have been matched by a continuing history of uprisings and local rebellions. The instability of the present system is evident in the fact that Teng Hsiao-ping, the controlling personality, is not No. 1 in either the heirarchy of the Communist Party or of the state. He himself was purged twice, and rehabilitated three times. His present consolidation of power extends back no more than 18 months. Moreover, his power rests solely upon the strength of the military commanders who sheltered him when he was purged by Mao. The impotence and disarray of the central government is evident when one considers the fact that Mao could not arrest Teng so long as Teng was in the protection of the provincial military commanders.

Nor is there any established mechanism for the transfer of power from a leader who is now 74. Nor is there a legal framework for the protection of human rights. A study by the Library of Congress shows that Chinese laws are not codified, and that the directives of the party or of local personalities are superior to the rule of law. Taiwan could not expect that any written guarantees of the freedom of the people on Taiwan would be carried out.

TWO GOVERNMENTS IN ONE CHINA

The new China policy is predicated upon the expectation that Taiwan will eventually come under the domination of the Communist government in Peking. The Institute provides a restraining mechanism for slowing down that process; if strengthened, it could help thwart that process completely.

Hopefully, the Institute can provide a bridge to a more realistic China policy. The reality is that China has two governments which each effectively control different parts of Chinese territory. A realistic policy would recognize each government as competent in the territory it controls. There is no need to recognize the claim which each makes to the territory controlled by the other, nor is there any need to deny such claims. Above all, the United States should refrain from actions which would tend to coerce "unification."

The new China policy is despicable not because it tries to deal with mainland China, but because its aim is to consign the people on Taiwan to a fate which they would not freely choose. It attempts to retain the substance of sovereignty for Taiwan while conceding the juridical basis for sovereignty to the Communist rulers of Peking. Insofar as the Institute retains the substance of a relationship with a soverign power, the Institute should be encouraged and strengthened. For the decision of the President of the United States is not determinative de jure of the existence of a sovereign state. The Republic of China remains a sovereign state as long as it effectively controls its own territory. As long as a small nation retains the help of allies who will back up its sovereign powers with a defense capability, it can retain its independence. The Institute, for the time being, can perform that function.

Congress must keep a close oversight on the Institute to insure that it is used to preserve Taiwan's independent options, not to destroy them. Congress must avoid complicity in the new China policy.

Had not the actions taken by the President in withdrawing diplomatic representation with the Republic of China been so precipitate, nor the legislation considered by this committee in pursuance of the President's actions so unprecedented, there would be no need to submit these additional views.

However, the President has in fact engaged in actions of an unprecedented nature, and seeks congressional ratification of his actions through legislation, S. 245.

It is worthwhile, therefore, to review the major background issues with regard to S. 245.

THREE MAJOR ISSUES

Three major issues were raised by the President's actions of December 15, 1978.

First, the President derecognized a longtime ally and friend, the Republic of China. This precipitate action not only was unnecessary, it came at the worst possible time. As the world looked to the United States for a demonstration of resolve and fidelity after a period of growing setbacks for American interests, the world saw instead vacillation, weakness and betrayal of friendship in the derecognition of the Republic of China.

It is not up to the Congress to change that action. The President may choose the nations he wishes to recognize, and which he does not. The issue of derecognition may well be a matter to be dealt with in the 1980 Presidential elections. That is a more proper forum for settlement of that issue.

The second issue raised by the President's actions of December 15, 1978, is the termination of a mutual defense treaty with an ally in time of peace.

Needless to say, this unprecedented action has not gone without notice by allies and opponents alike around the world. Despite administration protestations to the contrary, many of our allies rightfully question the value of the United States' mutual security commitments. Newspaper reports that the Ambassador to the United States from one nation bordering the Indian ocean littoral has sought to be moved to Moscow, because "that is where the power is" cannot be brushed aside as reportage of a mere diplomatic aberration. How much the Presidential decision to abandon the people on Taiwan affected the Ambassador's decision one only can speculate; but it is difficult to believe that it had no effect.

The Congress may not be the proper forum to deal with the specific issue of termination of the treaty, per se; although Congress certainly must deal with the broader issue of the defense of the people on Taiwan. Already, a court suit has been undertaken to deal with the particulars of the treaty termination matter. Its outcome will say much about the scope of the President's power to terminate a treaty with an ally, unilaterally and without prior consultation with and approval by the Congress. At a time when the American public is wary of overextension of Executive power, a proper resolution of the issues raised in the suit will do much to define the limits of Executive power.

The final issue raised by the President's actions of December 15, 1978, is the protection of the interests of the people of the United States in Taiwan, and the concurrent protection of the legitimate interests of our friends and allies, the people of the Republic of China on Taiwan.

This, Congress most properly can and must address. Congress begins that process with consideration of S. 245, proposed by the administration to set up an unofficial relationship with the Republic of China, or—as it now is termed—"the people on Taiwan."

The legislation proposes to set up what amounts to a legal fiction: The United States will recognize the Republic of China as a legal, sovereign entity in all matters except those in which the Republic of China or the people of the Republic of China on Taiwan must deal with the United States on an official basis. This borders on being a charade, and is given the legitimacy of law by

S. 245 in order to accommodate the President in his policy of derecognition of the Republic of China. That the Congress is willing to make such an accommodation, this political favor to the President, I cannot understand, especially in view of the questionable nature of basis underlying the legislation proposed by the administration.

In spite of this legislation, there are many issues which need to be addressed by the Congress, so as not to jeopardize our valuable relations with the people on Taiwan. Foremost is the continuing interest of the people of the United States in the security and defense of the people on Taiwan. Nor should the value of Taiwan to legitimate U.S. and allied security interests in the Pacific be overlooked. Close scrutiny should be made of the People's Republic of China, not only in terms of what good can come of the new U.S. relations with that nation, but also what pitfalls exist for U.S. policymakers.

Protection of U.S. interests in Taiwan certainly will require much fine tuning of the legislation now before the Congress. Such is to be expected, given the haste in which the whole matter has been considered.

THE PROCESS OF "NORMALIZATION"

Congress came to deal with the so-called Taiwan issue and the legislative proposal now before us, because of President's Carter's "normalization" of U.S. relations with the People's Republic of China.

It was a hasty action. By early December, the President's much-publicized Camp David initiative was coming to naught. His December 17 deadline for a final peace agreement would come, and pass, with no agreement.

It was at this time, with imminent failure in the Middle East the headlines across America, that the rush began for "normalization."

Although under a congressional mandate to consult with the Congress over any possible termination of the mutual defense treaty with the Republic of China, and under a personal mandate—a campaign pledge—to conduct foreign affairs in the open, the President and his men moved headlong towards full recognition of Peking, on Peking's terms.

Peking's terms became the only terms for recognition, because of the need the President felt to accomplish "normalization" quickly. Thus, it was learned later, the President did not even attempt to seek a pledge from Peking not to use force to "liberate" Taiwan or seek reunification with the island-nation.

Congressional consultation flew out the window. Almost as an afterthought some congressional leaders were invited to the White House a few bare hours before announcement of the President's decision of "normalization" to hear the President's decision. So much for consultation.

The Republic of China was not even accorded that much courtesy. According to U.S. Ambassador Unger's testimony before the committee, the leadership of the Government of the people on Taiwan was awakened at 2 a.m.—in the early hours of the morning—and told of the President's decision.

Thus, no attempt was made to ease the fact of recognition. No contingency plans were able to be made on Taiwan; hence, the popular outbursts of feeling on Taiwan, and resultant violence.

Lacking prior consultation, major issues that could have been addressed jointly by the Congress and President with the Peking Government were left to be handled by Congress alone, with the Executive alternately pleading and threatening lest anything short of the fait accompli it presented to the Congress be adopted.

Nor was it possible for any congressional consideration to be given, nor input, concerning the nature of the U.S. relationship with the Peking government. Events in Vietnam, with the possibility of Soviet intervention, cast a new light on the nature of the regime that the United States is dealing with in Peking, as did the anti-Soviet, belligerent rhetoric of Vice Chairman Teng during his visit.

THE BENEFICIARY OF NORMALIZATION: THE PRC

With whom are we dealing in the PRC?

Like a novice playing poker for the first time, we have placed all of our bets on Vice Premier Teng. Right now, he appears to be holding all of the right cards. And so he did, several years ago, too, when President Ford held discussions with him. "The most powerful man in China," he was represented as being back then. Ninety days later, he was out of power, purged.

There is a naive hope in the administration that such will not happen again; that, somehow, U.S. policy will help Teng shore up his power base and line of succession. Other administrations held similar views of omnipotence. The Kennedy and Johnson years had their Vietnam and the Nixon and Ford administrations had Iran.

But right now, Teng has power, it is believed. Whether Teng's successors will continue his policies—economic, modernization, toward Taiwan, et cetera—is a matter of serious concern.

The China Teng rules has, perhaps, the worst human rights record in the history of modern times. One witness before the committee recited figures—from 50 to 64 million persons killed during the struggle for power that brought to power the elite that now governs China—the magnitude of which boggle the mind. So many deaths are beyond comprehension. Spoken on so large a scale, the story overlooks the human suffering that accompanied those deaths.

If this were only a historical event, there are some who might be willing to excuse it all. But it is not just a fact of past history; the misery continues even today. One need not look just to organizations like Amnesty International for clearly documented charges of gross human rights violations by the current Peking regime; the President, himself, one witness informed the committee, is reported to have had a detailed briefing on the sad state of human rights observance in the PRC more than a year ago. Yet, he proceeded with "normalization, as far as can be determined, without a whisper about China's human rights record.

China has a huge population, the largest nation on Earth, a billion people, give or take a few million. Unfortunately, China is economically backward, with serious questions about its potential for modernization before the end of the century. Nor are the signs good for bringing off an economic miracle such as the one accomplished on Taiwan over the past 30 years. China does not possess the infrastructure to bring about the miracle: It has no free economy or free labor, and very little incentive for the individual. Trade with the people on Taiwan is enormous: Today, the Republic of China is our eighth largest trading partner, surpassing Saudi Arabia and other oil producers who so often are charged with causing such large trade deficits. Trade with Taiwan is two-way trade, and valuable to the United States; it is trade of one industrial power with another. Trade with the PRC, on the other hand, is very small by comparison; the PRC is a backwards nation industrially, offering no real potential for mutually beneficial trade for years to come.

The PRC remains territorially ambitious. One need witness only the recent incursion into Vietnam for an example. PRC imperialism extends to the radical regime in Cambodia, where the PRC finds an acceptable client-state relationship much to its liking. And who forget Tibet, or the Indian border war of past years?

Strategically, the PRC is of questionable importance to the United States. If one is to give credence to the theory that the PRC "ties down a large Soviet force in their common border, the PRC would do so with or without U.S. recognition, no matter the terms. Of greater concern to the United States should be the ability of the PRC to drag the United States into a potential conflict situation with the Soviet Union, or into a surrogate war.

The old Chinese stratagem, playing the near barbarian (the U.S.S.R.) off against the far barbarian (the United States), continues to hold sway in the minds of Peking's strategists.

One need witness only the language of Vice Premier Teng on his U.S. visit to see that stratagem verbalized.

Thus, the question arises, what is the real U.S. interest in the PRC? Is it so great that the United States need accept Peking's terms for recognition?

More importantly, is the interest of the PRC in having a U.S. ally, economic and political, so great that the PRC can accommodate whatever status Taiwan wishes to have short of political control of the mainland?

The PRC needs the United States far more than the United States needs the PRC, a fact completely overlooked by the administration in its negotiations, so-called, with the PRC concerning the Taiwan issue.

TAIWAN AN ALLY AND LONGSTANDING FRIEND

As America's eighth largest trading partner, the Republic of China remains an important economic asset of the United States. One expert has told me that withdrawal of Taiwan's funds from the banks in New York would precipitate a severe economic situation, forcing some banks to face possible bankruptcy as a result. Thus, many would not want to antagonize Taiwan too harshly.

Strategically, Taiwan serves as an important intelligence resource for the United States off the coast of mainland China. While some may contend that a larger U.S. presence in the PRC will facilitate intelligence gathering and obviate, somewhat, Taiwan's importance, many do not agree with that conclusion. One need only consider the restrictions on movement in the Soviet Union to see how the other major totalitarian state in the region deals with human intelligence gathering. The Taiwan post is important for the United States, and will remain so. Nor should anyone be deluded into believing that such intelligence gathering is unnecessary, now that the United States has opened up full relations with Peking.

We must not forget that Peking views any relationship with the United States as only a matter of necessity—again, playing off the far barbarian against the near one. Peking's relationship with the United States still remains an adversary one over the long haul, as even top China hands in the Carter administration are quick to admit.

With rumored new missile capability under development, with a missile possibly able to reach the United States said to be part of the Chinese strategic nuclear delivery program, the United States has every need to be wary of Peking's long-term intentions. Thus, the need continues for a Taiwan base, not only for intelligence gathering, but as an advance base for U.S. forces in any emergency, either on the mainland, or in Japan or Korea.

Some may have forgotten that the Japanese attack on Pearl Harbor was launched from Taiwan, in part. Strategically, Taiwan sits in an important location, serving as a vital choke point for shipping around the coast of China. This includes not only commercial shipping so vital to U.S. allies Japan and Korea; but also Soviet naval ships bound for action in the Southern Pacific or Indian Ocean.

Thus, the United States continues to have important economic and strategic interests in Taiwan.

TAIWAN'S SECURITY NEEDS

The committee has attempted to provide the people on Taiwan with some security assurances in section 114 of S. 245, the legislation it has reported to deal with the Taiwan issue.

While the section gives some hope to the people on Taiwan, it is an insufficient guarantee of their security. What is needed is a forthright statement by the Congress that the proper security needs of the people on Taiwan will be met.

What are those needs? All are based on the supply of advanced U.S. defensive weaponry to the people on Taiwan. Basic to the needs of the people on Taiwan is an all-weather fighter. Mentioned prominently are the F5–G and the F–16 or F–4, all of which have an all-weather capability. With such a fighter, the people on Taiwan could protect their airspace from foreign incursions well into the 1980's.

Second, the people on Taiwan need sufficient antiship weaponry, including antisubmarine warfare (ASW) weapons. This is critical to the credibility of any deterrence of an amphibious assault on Taiwan, or an attempted blockade of shipping to the island. Mentioned prominently here are such weapons as the Sea-Sparrow and the Harpoon antiship missiles, as well as ASW helicopters.

Other types of defensive weaponry supplied in such amounts as to give the people on Taiwan a credible deterrent capability are necessary if Taiwan is to have the security it feels it needs. Without such security, there can be no basis from which to begin talks from "reunification"—which appears to be the goal of the Carter administration in its dealings with the people on Taiwan. Nor can the United States be assured that Taiwan will not take some sort of desperate action lacking such supply and commitment from the United States.

Faced with U.S. acquiescence in the eventual "reunification" with the mainland and concommitant withholding of needed U.S. defensive weaponry, Taiwan well could seek allies elsewhere, or go nuclear.

Is there anyone in Congress who wants to force Taiwan into the Soviet camp, or the nuclear club?

But both eventualities could take place.

A desperate nation often takes desperate measures. Taiwan in the nuclear club would be subject to economic blackmail by other nations desiring nuclear weapons. Who can say that, perhaps, Saudi Arabia or Libya, might seek to trade oil so badly needed by the people on Taiwan for Taiwan's nuclear technology. Without a firm U.S. commitment to Taiwan's defense and security, with a steady supply of defensive weaponry as proof of that commitment, Taiwan well could fall prey to such economic blackmail. Similar blackmail could come from South Africa, perhaps, which supplies Taiwan with large amounts of uranium needed by Taiwan for its electricity-generating nuclear reactors. The potential is there, and dangerous it is.

Or, Taiwan might decide that the Soviet Union well could be a partner of convenience, much like Peking finds the United States at present.

These are unpleasant scenarios, but well within the realm of possibility for the people of Taiwan if they feel abandoned by their longtime ally, the United States.

President Carter has stated that the United States could go to war to protect the people on Taiwan. There is no need for such useless flag-waving, for committing American soldiers where such commitment is not necessary. And it should be unnecessary for the United States to commit one American soldier to the defense of Taiwan and its people, if the United States merely supplies the people on Taiwan with the weaponry they need to defend themselves.

Congress can commit that weaponry in the legislation now before it, or by other legislative means. Congress can, and should, make a commitment to the security of the people on Taiwan, a commitment of such strength and force as to leave no doubt in Taipei or Peking as to what the people of the United States feel about the security of the people on Taiwan.

The public supports such a commitment; a recent survey finds that a large majority of Americans feel that the United States should continue to supply the people on Taiwan with the defensive weaponry they need.

Thus, any commitment, both in words and action in supplying weaponry to the people on Taiwan not only is consistent with U.S. interests in Taiwan and the Pacific, but also meets with the approval of the public.

Certainly, it fulfills a moral obligation of the people of the United States to the people on Taiwan.

Mr. McGOVERN. First of all, I commend Senator GLENN and Senator JAVITS for their leadership on the Taiwan Enabling Act, and I express my appreciation not only for what they have said on the floor today but the leadership they provided in our Committee on Foreign Relations.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. PRYOR). The Chair, on behalf of the Vice President, pursuant to section 1024 of title 15, United States Code, appoints the Senator from Maryland (Mr. SARBANES) to fill the vacancy of the majority party membership on the Joint Economic Committee.

The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, appoints the Senator from South Dakota (Mr. McGOVERN) to the Commission on Security and Cooperation in Europe, in lieu of the Senator from Iowa, Mr. Clark, retired.

The Chair, on behalf of the Vice President, pursuant to Public Law 86–420, appoints the Senator from Texas (Mr. BENTSEN) as chairman of the Senate delegation to the Mexico-United States Interparliamentary Conference, to be held in Mexico in May 1979.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President of the Senate pro tempore, pursuant to Public Law 93–618, and upon the recommendation of the chairman of the Committee on Finance, appoints the following Senators as Official Advisers to the U.S. dele-

gation to negotiations relating to trade agreements: Senators LONG, TALMADGE, RIBICOFF, DOLE, and ROTH; and as alternate Official Advisers to the above negotiations: Senators BYRD of Virginia, NELSON, GRAVEL, BENTSEN, MATSUNAGA, MOYNIHAN, BAUCUS, BOREN, BRADLEY, PACKWOOD, DANFORTH, CHAFEE, HEINZ, WALLOP, and DURENBERGER.

ORDER WAIVING PASTORE RULE AND LIMITING SESSION TO NO LATER THAN 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield to me?

Mr. McGOVERN. I do not have the floor.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senator seek recognition and that he then yield to me.

Mr. McGOVERN. Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the remainder of the day Senators may speak out of order for the remainder of the 3 hours under the Pastore rule—that Senators may speak out of order—and I ask unanimous consent that the session go no later than 5 p.m. today, at which time it stand in recess under the order over until 11 a.m. on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. With this understanding, Mr. President, Senators may speak out of order until the Pastore rule has expired, if they so desire, and following that time they may speak on the Taiwan legislation or other subjects, and that at no later than the hour of 5 p.m. today the Senate will recess over until Wednesday. There will be no rollcall votes today.

I thank the Chair and I thank the distinguished Senator.

PRIVILEGE OF THE FLOOR

Mr. McGOVERN. Mr. President, I yield now to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Jack Robertson and Rick Rolf of my staff be accorded the privileges of the floor during the discussion of the SALT II question.

The PRESIDING OFFICER. Without objection, it is so ordered.

ARMS CONTROL OR ARMS RACE—PRESIDENT CARTER MUST CHOOSE

Mr. McGOVERN. Mr. President, I join in expressing strong concern, that is shared by Senator HATFIELD, of Oregon and Senator PROXMIRE, of Wisconsin, relative to SALT treaty and the accompanying terms that are being suggested with reference to the approval of that treaty.

I find it a sad obligation to contemplate a negative vote on the SALT II treaty which reportedly is now in the final stages of negotiation. But that may be the only recourse left to those of us who believe the objective of real arms control is more important than the illusion this treaty presents.

No one can seriously dispute the view that SALT II is a piddling accomplishment when measured against the mammoth nuclear arsenals of both the United States and the Soviet Union. The most persuasive argument for it is that it is the middle stage in a logical arms control progression: SALT I was supposed to freeze the quantitative race; now SALT II establishes the principle of "equal aggregates"; SALT III, we are told, will get on with the business of phasing down these ominous stockpiles of weapons.

That is a nice, neat description. Unfortunately, something entirely different has been happening and seems to be in the offing. SALT has not controlled the arms race. Instead, it has only channeled the race in new directions. We have not yet had a President who had the commitment nor the courage to instruct his subordinates that arms control, as opposed to arms competition, would be the clear and undisputed policy of his administration.

At the outset, when President Carter was talking about "banishing nuclear weapons from the face of the Earth," I thought it might be different. But now I see an administration that seems ready to move ahead on even the most outlandish arms production schemes, because of the risk that some Senators who oppose arms control will not support SALT II.

The administration actually seems anxious to throw out the arms control baby, if only it will be permitted to keep this tepid bathwater of a treaty. It might be understandable if it was just aggressive, well-planned salesmanship. But I think that is clearly not the case.

I think both the content of our arms planning and our approach in the negotiations have been infected by a yearning to disarm the hardliners—by embracing their cause.

The design of this treaty is not to achieve the best arms control framework; rather, our diplomats have been told to negotiate around and protect the Pentagon's wish list for a whole new crop of strategic weapons.

The M-X missile is a glaring case in point. It might have been possible to deal with the supposed threat to our ICBM's in the SALT III negotiations. We could propose, for example, that both sides make parallel deep cuts in their newer ICBM's, moving toward land-based missile disarmament. Failing in that, we could have restructured our retaliatory forces to defeat any such threat, perhaps with a mobile Minuteman. Instead, the administration has requested nearly $1 billion in new money for a silo-busting M-X system which would complete our own first strike threat against the Soviet ICBM's which constitute three-fourths of all of their strategic forces.

Of all the possible options, the administration has chosen the one best suited to poison the atmosphere and raise grave complications for SALT II, and for any real hope of arms control and reduction. On several occasions in recent weeks I have asked administration spokesmen why, if our objective is simply to overcome the potential vulnerability of our ICBM's, we are designing a system which will have the accuracy and the throwweight and will be built in sufficient numbers to threaten the entire Soviet ICBM force with a first strike. I have yet to hear a sensible answer to that question.

What will we do with this new capability? Are we planning a wholesale surprise attack? That is the one, lunatic scenario in which such a counterforce system might conceivably be useful. For if we are planning it as a retaliatory weapon, the Soviet ICBM's it is designed to kill will be long gone when it arrives. And we have abundant capability for flexibility targeting, including retaliation against military and command targets, in the existing force structure.

I sometimes wonder if the President is even aware that he has proposed such a system, masquerading as a moderate and prudent answer to anticipated Soviet programs. It is a measure of how far we have come that just a decade ago, President Nixon was giving the Congress explicit assurance that our MIRV warheads, which were just then moving into production, would not have enough accuracy to kill hardened targets altogether, those assurance helped avoid an amendment by former Senator Brooke which would have limited our MIRV's to less than a hard-target kill capability.

Now those assurances from the Nixon administration are out the window, and President Carter is asking and I am sure he is sincere, for a new missile whose very purpose is to knock out hardened silos. And that new departure in the arms race is presented just when we are expecting a new arms control treaty.

I hope the President will not abandon his comment to arms control. It would be a curious time to do so, when the latest polls are showing that 81 percent of the American people support it. I hope he will begin thinking seriously about SALT III and the postures we need to take now, which will be necessary if it is to succeed.

But in any case, I cannot fit the SALT II treaty, the M-X missile, and some of these other systems in the same package. I cannot support a strategy which would sacrifice our long-term hopes for comprehensive arms control in order to win a few hardliners' votes for a very modest interim step which has significant merit only if a comprehensive agreement comes next.

The President must deal with the conflicting pressures in his administration and decide whether he is for or against genuine arms control. My ultimate decision on the SALT II agreement will depend on that choice.

Mr. President, I yield to the Senator from Oregon (Mr. HATFIELD), who has taken the lead in this expression of concern on behalf of the three Senators who are now discussing this subject.

SALT II AND THE ARMS RACE

Mr. HATFIELD. Mr. President, I am pleased to join with my distinguished colleagues, Mr. PROXMIRE and Mr. McGOVERN, today to raise a number of questions which are critical to the future survival of this Nation and the strategic

stability of the world. More specifically, the questions we will raise are necessary to the education of an American public which has been besieged for over 30 years with esoteric arguments against the need for arms control, deliberately made more complex than they need be, and cloaked in terms like "stability," "survival," and "strength," all designed to make Americans feel unpatriotic should they dare to question the motives these slogans embody. I have stated publicly that my position on the upcoming SALT II treaty is continually moving toward a "no" vote. This has caused some of my well-intentioned friends in the arms control community to wonder why. Their concerns are quite legitimate and I have the utmost respect for this view.

They say that even if the SALT II treaty does represent a failure of serious arms restraint, it must be passed to preserve the SALT process, the importance of which at this point in time is to foster cooperation and understanding between the United States and the U.S.S.R. on a more general level, I stand here today asking "whatever happened to arms control?"

It was not long ago when my colleagues and I came to this Chamber to vote on the SALT I treaty. We were told then, as we are being told now, that our support was necessary for an inadequate agreement that allowed an array of "bargaining chips," new weapons systems born as a result of U.S. technological superiority. These weapons, we were told, would set the stage for a tougher bargaining posture intended to persuade the Soviet Union to adopt a more conciliatory policy. This scenario would, in turn, eventually lead to a meaningful SALT II agreement actually reducing the level of mutual terror.

Having no other alternative, the so-called doves joined ranks with the so-called hawks who were placing their bets on the hope that these weapons would be developed. As history clearly shows, those who advocated MIRV and other qualitative advances, foresaw, correctly, that the result would be more weapons systems.

Under SALT I the United States boosted its stockpile of strategic warheads from 4,600 in 1972 to 9,000 today. The number of Soviet warheads also roughly doubled in the same period of time from 2,100 to 4,000. Under SALT II U.S. warheads are projected to increase to some 10,154 plus from between 2,000 to 3,600 cruise missiles. The Soviet arsenal will be more than doubled to 8,124 warheads.

The fact that this quantum growth in strategic warheads has occurred under a process known as strategic arms limitation is more than just a bit ironic. It adds considerably to the notion that the treaties may in fact only institutionalize the arms race while not presuming to effectively control qualitative and quantitative improvements.

I refuse to stand passively by, once again, and vote for a treaty on the ground that it is the "only game in town." It seems that as long as we call something a Strategic Arms Limitation Treaty enough times, people begin to believe that it must be true.

I am convinced that we face an even more critical juncture now than we did 7 years ago when the SALT I agreement was to be ratified. Because today, Americans faced a paradoxical situation, uncomfortably reminiscent of George Orwell's "double speak." We have a President who pledged, and I think sincerely, that he would take steps toward the elimination of nuclear weapons from the face of the Earth by the end of the century. This same President stated in an address 2 weeks ago that—

> The SALT agreement will also permit us and our allies to pursue all the defense programs we believe we may eventually need—the MX missile; the Trident submarine and missiles; air, ground and sea launched cruise missile carrier aircraft; and a new penetrating bomber.

The proposed development of a new generation of nuclear weapons, unwarranted as it may be, lends only a superficial glimpse of the misguided course we pursue. These weapons being developed by both sides are the result of a new dimension of strategic policy. They are "hard target, prompt, counterforce weapons" to be used against enemy silos; the manifestation of a new thrust of Pentagon thinking that, above and beyond "mutual assured destruction," we need the capacity to fight and win nuclear wars.

From this point of view the primary advantages of a counterforce option are said to be that it serves as a deterrent to attacks on the cities of the United States and its allies, and that it provides a means of retaliating in ways other than massive attack against cities, thus enhancing the credibility of our deterrent force. Defense strategists have come to believe that it seemed less than credible to our NATO allies that a Soviet attack on one or more of them without a direct attack on the United States would necessarily be followed by a U.S. strike against Soviet cities, thus subjecting our own cities to destruction by a Communist second strike.

It is also argued by military planners that in the event of a Soviet nuclear attack, an American President might find himself unable to order large-scale destruction of another nation's society. A "counterforce" strategy, it is argued, would thus provide for a flexible and controlled strategic response to nuclear provocation or limited attacks without the total destruction of a "countervalue" strategic response. This development of hard target counterforce weaponry threatens to not only destroy the single concrete success of the SALT process—the ability to verify the location and number of nuclear warheads, but to destroy the fragile measure of stability we now enjoy by giving both nations great incentive to launch a preemptive nuclear attack against one another in times of world crisis.

The American people and the Congress are being led to believe that the array of new weapons programs allowed under SALT will contribute to the President's ability to respond to a nuclear attack in a way that would avert the total destruction of society by increasing the number of less destructive options he has with which to retaliate. This is deceptive logic for a number of reasons. Such thinking is partially based on the grounds that the Soviet Union can launch a limited nuclear attack on this Nation's land-based ICBM's without a significant number of civilian casualties. First, the assumption that a limited nuclear war is possible with negligible civilian casualties is a dangerous gamble at best and suicidal pact at worst. The number of civilian deaths resulting from an attack on our land-based ICBM's is likely to be in the range of tens or twenties of millions. The Soviets know this and they also know that just two of our relatively invulnerable Poseidon submarines can destroy every large and medium sized city in the Soviet Union.

These assumptions imply that the United States does not already have the capacity for "flexible response." The truth is that U.S. strategic forces have for years had the capability—both in weapons and in planning—for a retaliatory response that can be suitably measured depending on the level and evolution of enemy provocation. Indeed, our present forces exceed the requirements for attacking a broad range of targets at all levels of intensity, and could retain this capacity with reductions in the arsenal.

William H. Kincaid, executive director of the Arms Control Association, and an expert in strategic studies, points to other myths in a candid analysis of the fallibility of the "vulnerability" alarmists. He states that—

> The total Minuteman force is only hypothetically vulnerable to what is termed a "disarming" attack, because to destroy it would require a technically perfect attack which involves simultaneously placing and bursting two re-entry vehicles at the optimum height and proximity above each hardened silo without creating the "fratricide effect" (one detonation prevents or reduces the effect of another).

In view of the fact that no one has ever tested a perfectly orchestrated nuclear attack involving some 2,000 separate reentry vehicles, the probability of failure is very high and its consequences immeasurably grave for the attacker. Furthermore, whatever American policy may be. Soviet planners can never discount the possibility that U.S. missiles will be launched in time to leave only empty silos over which Soviet reentry vehicles would detonate uselessly.

The enormous uncertainty of achieving a perfect, very large-scale nuclear attack on ICBM's on the first try, the prospect of failure and the promise of devastating retaliation no matter what the outcome of the ICBM attack is more than enough to dissuade an adversary from attempting such an insane feat. Prudent military planners, whether Soviet or American, do not stake their careers, their parties, or their nation's futures on a single cosmic throw of the dice. This is especially true when even a perfect throw would only trigger penalties of the most destructive kind.

If missile accuracy improves, as is the consuming preoccupation of both sides at present, Minuteman silos will continue to be theoretically vulnerable to a virtually perfect attack, even if Soviet missile

numbers and sizes are reduced. Hence, arms control can make a positive contribution to removing any lingering doubts about Minuteman survivability by mutually restraining accuracy improvements through test limits and other qualitative constraints. Such controls are cost free, would quiet first-strike tensions and would help to stabilize the nuclear balance, a prerequisite to obtaining significant reductions in missile size and numbers. However, priority in the strategic arms limitation talks must be given to these controls on accuracy improvements. Once deployed, these improvements will not be foregone because, unlike limits on size and numbers, their elimination could not be verified.

The administration has yet to spell out one political goal that exists today or that could exist in the future that would be worth the risk of a surprise nuclear first strike. And yet, no one challenges Defense Secretary James Schlesinger's 1975 statement that—

> Under no circumstances could we disavow the first use of nuclear weapons. . . . If one accepts the no first use doctrine, one is accepting a self-denying ordinance that weakens deterrence.

Critics of SALT II continually point to the dangers of a Soviet first strike against the U.S. ICBM force. Confronted with this perception, these critics then advocate a variety of highly expensive weapons systems which horrendously complexify arms control and verification efforts. What these critics either cannot or choose not to confront is the Soviet perception of our developing first-strike capabilities.

As has been explained, U.S. defense planners see these new missiles as providing a "counterforce" option in the event of a Soviet decision to only use some of their missiles against elective targets in a surprise first strike. The Soviet planners on the other hand, must take into account that the increased U.S. accuracy with MARV, MX (and ultimately Trident II) vastly increases the U.S. capability to theoretically destroy Soviet land-based missiles. Since Soviet ICBM's carry 80 percent of their nuclear arsenal, as opposed to the some 50 percent carried by U.S. ICBM's, Soviet planners must be at least as anxious as we over the intent of these new programs. But the Soviet planners cannot limit their concern simply to the survivability of their land-based missiles. As a result of major U.S. breakthroughs in submarine detection and monitoring, the United States has developed a capability of tracking and destroying Soviet submarines.

To the Soviet planner the $5 billion U.S. antisubmarine warfare program (ASW) able to chart operational movements of the noisy Soviet subs through the sound surveillance system (SOSUS), poses an immediate threat to the sea-based leg of the Soviet triad. There is no similar Soviet threat against U.S. submarines. Those submarines in port, a Soviet planner might hypothesize, might well be destroyed in the event of a "counterforce" U.S. first strike. Those 10 to 15 submarines always at sea, the Soviets might hypothesize, might be tracked and destroyed by the U.S. ASW program.

A Soviet planner must perceive a great danger, indeed, in U.S. advances in related systems capable of helping coordinate and launch a U.S. first strike. More complex computer and other software breakthroughs allow for better U.S. control over the timing of the imagined U.S. ICBM and SLBM attack. The "fratricide" effect is kept minimal through heightened computer control. The overcentralized Soviet monitoring system is, as the Soviet planner knows, far too susceptible to "blinding" by U.S. antisatellite systems. This may heighten insecurity and increase the chances of a launch on warning—or force the Soviets to move into development of ballistic missile defense systems. This in turn would negate controls under SALT I and void the fundamental concept of "mutual assured destruction."

Into this scenario, a Soviet planner like our own must also take into account a renewed U.S. civil defense program, and new developments in the area of space warfare. In addition, thousands of tactical nuclear weapons in Europe might also be brought to bear against residual Soviet targets in the event of a limited or total U.S. attack.

But, it will be argued, such a scenario is nonsense. The United States has no intention of ever initiating a nuclear war.

This is correct, but irrelevant. Just as our planners must use the theoretical possibility of a Soviet attack against our own missile force as reason to demand new weapons systems and technological responses, so too must we expect that an equal or greater threat facing Soviet planners might produce new complexity in their military systems.

I am becoming increasingly convinced that the course we will legitimize by signing a SALT II treaty threatens to destabilize and increase the complexity of the arms race to such an extent that any meaningful SALT III agreement, one that is finally aimed at a reduction in our nuclear arsenals, will be impossible to negotiate.

Both the Soviet Union and the United States were the recipients of devastating surprise attacks during World War II. This seems to have created among defense planners what former Secretary of Defense James Schlesinger has termed "surprise attack fixation." This is the tendency to direct an inordinate amount of focus on what the Soviets might do. It is not difficult to dream up thousands of alarmist scenarios. The problem is that such daydreaming is invariably transmitted into official policy as what the Soviets will do. Any analysis of Soviet military thinking reveals a similar morbid preoccupation with an unexpected attack.

After more than 2 years in office, the Carter administration has failed to produce a program that departs from the contradictory mindset we have been locked into since the beginning of the SALT process. The simultaneous pursuit of arms control and counterforce improvements moves us at a mind boggling pace toward a total breakdown of deterrence. This may lead eventually to the inescapable conclusion that initiating an unwanted nuclear first strike may be the lesser of two evils.

Instead of charting a course which reconciles these two contradictions, both sides negotiate a movable parity, ridding the mutual arsenals of technologically obsolete weapons while allowing ourselves to be held hostage by the technological imperative of weapons development. Under the current doctrine of "force matching," proposed weapons which would be rejected upon objective analysis are instead placed in the bargaining reservoir to avoid creating an impression of "weakened will" or "lost resolve" through perceived imbalance. Counterforce is clearly destabilizing when held by one nation. When two nations strive to possess this capability, they have chosen to flirt with the dangerous illusion of fighting and winning nuclear wars.

When this illusion finds life under the label of strategic arms limitation, we invite a future of increased tension and international danger.

The PRESIDING OFFICER. The Senator from Wisconsin.

SALT II—TOO HIGH A PRICE

Mr. PROXMIRE. Mr. President, I congratulate the distinguished Senator from South Dakota and the distinguished Senator from Oregon on their statements.

The Senator from Oregon obviously has laryngitis. He came out of a sickbed because he felt strongly about his speech. And he is so right. There is no issue which confronts the Congress and the country which is more important than stopping the arms race.

It is not just a matter of economics. That is the least of it. The important issue, of course, is survival, and survival is unquestionably at stake, whether or not we can achieve an agreement with the Soviet Union overwhelmingly in the interest of both countries. And yet if we achieve an agreement, as the Senator from Oregon has pointed out so ably, an agreement which is a myth, which gives the appearance of some kind of limitation and there is no limitation—as a matter of fact, it is a tremendous expansion of our arms—obviously, the effect of that kind of an agreement is completely negative.

Mr. President, the cost of SALT II may be too high. How can one measure "too high"? The answer comes in several categories.

First is the financial cost.

MX

One of the great ironies of the SALT II agreement, as presently known, is that it will make the world safe for the MX. SALT will be the vehicle for justifying, rationalizing the MX program. Consider that the MX, in the deployment pattern favored by the Air Force, will consist of 200 new missiles secretly pirated among 4,000 widely separated new silos requiring at least 4,500 3-acre plots of land with the appropriate road and electronic connections. Total cost—at least $30 billion

for the land-based mode, perhaps $40 billion for the air-based deployment.

Recently, experts from the American Enterprise Institute, a conservative organization and an organization very concerned with our military strength, and the Brookings Institute testified before the Senate Budget Committee that our military deterrent would not be significantly undermined if the MX were delayed or even eliminated. This represents a broad spectrum of informed opinion critical of the MX.

CONTINENTAL AIR DEFENSE

SALT II will also encourage pressures for a new continental air defense system comprised of an advanced interceptor such as the F–15, a new radar and ground control intercept system, plus a ground-to-air missile system along the lines of Patriot. We may also see the AWACS incorporated into this system. The cost of this development could well be the $15 billion range or even higher. The justification for this continental air defense system will be the allowance in SALT II of continuing production of the Backfire bomber. There is also undocumented talk at the Pentagon of an advanced Soviet bomber. Both events will spur interest in and pressure for a regeneration of the air defense system first built in the 1950's and then phased out during the missile age.

NEW BOMBERS

The Air Force is also pushing for a new manned penetrating bomber. No sooner than the ink was dry on the President's decision to cancel the B–1 the Air Force started an internal campaign for resurrecting a new strategic bomber. The Secretary of the Air Force has testified that there are funds in the fiscal year 1980 budget to "provide the option for a new modern bomber for the 1980's" and to "define a new strategic bomber." The interim plan is to modify a number of FB–111's to the FB–111B design while proceeding with active consideration of a second generation supersonic bomber for the 1990's. Not only will both programs be allowed under SALT II but they will be encouraged as part of the modernization package in the post-SALT environment. The cost of the FB–111B program will be in the area of $7 billion. The cost of a new manned penetrating bomber is almost impossible to estimate now but could well run as high as $30 billion.

NO SALT DIVIDEND

In addition, there will be no SALT dividend from the new agreement.

Many people argue that one of the persuasive reasons to adopt SALT is that it would ease the arms race, ease the burden of defense spending, and reduce the inflationary pressures, which is the No. 1 problem of this country now. But defense budgets are projected to rise by 3 percent in constant dollar terms throughout the 5-year program—with or without SALT.

We have concentrated heavily on what is going to happen in 1980, with a 3-percent increase in real terms for defense spending. What is foreseen by the administration is a 3-percent increase every year for 5 years in real terms. In nominal terms, that means 10 percent, or probably, unfortunately, more.

It may be argued that without SALT there will be an additional $1 to $2 billion annually in strategic programs. But what cannot be argued is that SALT will reduce the military budget obligation on our taxpayers. It will not.

During a recent speech, the President stated "the Soviet Union will be required to reduce their overall number of strategic arms. Over 250 Soviet missiles or bombers—10 percent of their strategic forces—will have to be destroyed or dismantled. At the same time, because we are now well below the agreed ceiling, we could substantially increase our own operational strategic forces."

In other words, while the Soviets destroy or dismantle some older, useless ICBM's or bombers, the United States continues on its way with every major offensive and defensive program on the books. Even the restrictions on the cruise missile and mobile missile are defined in such a way as to not interfere with our research programs. That is all we plan for the cruise anyway.

NO SUBSTITUTE FOR REDUCTIONS

Nor do I argue here for unliteral restraint. I argue for bilateral cutbacks—actual meaningful reductions in the awesome firepower of both nations' arsenals.

The way to meet the threat of land-based missile vulnerability is to reduce the number of accurate land-based missiles on both sides; to place restrictions on the number of land-based MIRV-ed systems on both sides; to cut back to 500 ICBM's. Then there will be little or no threat to each nation's missile silos. The cruise missiles are not an effective first strike weapon system. Submarine-launched ballistic missiles are not accurate enough to threaten land-based missiles. We would restore a sense of sanity to the arms race.

Instead of meaningful restrictions, however, what we have is a rechanneling of the arms race, a redirection, a change in emphasis where each side will end up employing deceptive techniques that pose omnious challenges to any future arms control agreements.

It is not SALT, it is not a strategic arms limitation treaty, it is a strategic arms rechanneling treaty. SART, I guess, would be a better acronym.

The basis of SALT I and SALT II is the unilateral capability of each side to identify the number and types of offensive strategic weapons of the adversary. It has been important to each party not to employ devices which would blur that capability to calculate the threat. Now, however, we are faced with an MX basing mode that would deliberately introduce deception into the nuclear calculus. If the U.S.S.R. were to counter with deceptive plans of its own, our military expert undoubtedly would call for massive increases in defense spending in view of the possibility of cheating. Maybe they do not have only 200 missiles shuttling back and forth underground or from one silo to the next—perhaps there are missiles in each silo. Are there more stored underground waiting for emplacement during a crisis? The variations are endless and each is threatening.

Under these circumstances, Mr. President, I find it difficult, if not impossible, to support the proposed SALT II treaty. Clearly, we must negotiate actual reductions before the legitimate fears over the arms race can be dissipated.

Mr. President, I ask unanimous consent that the joint letter to the President, the statement of principle, articles from the New York Times and Washington Post, and a press release from the Senate Budget Committee be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 2, 1979.

The Honorable JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: After considerable thought we have concluded that the proposed SALT II treaty is very difficult, if not impossible, for us to support. Your recent argument that it constrains the momentum of Soviet programs while allowing the United States to build up does not give us confidence that the treaty embodies a true step toward arms reductions. It appears simply to redirect the arms race into new arenas of technological exploitation.

We have agreed on the attached statement of principle, which will guide our future disposition on this matter.

We hope you and your advisors will give some consideration to our concerns about the MX and the absence of a "SALT dividend."

Sincerely,

GEORGE MCGOVERN,
U.S. Senator.
MARK HATFIELD,
U.S. Senator.
WILLIAM PROXMIRE,
U.S. Senator.

U.S. SENATE,
COMMITTEE OF APPROPRIATIONS,
Washington, D.C.

We are concerned that the price of SALT II may be too high.

If the acquiescence of the Joint Chiefs in support of SALT II requires the commitment to the MX missile system, a manned penetrating bomber, a nationwide air defense system and increasing defense budgets in succeeding years, then we believe that SALT is as much a form of arms diversion as arms control.

The military establishments on both sides exert strong institutional pressures for increasing military spending with or without arms control treaties. Agreements which encourage the redirection of arms races rather than curtailing them are at best transitory and at worst a dangerous illusion of security.

We reserve the right to vote against any SALT proposal that does not fundamentally curb the arms race.

[From the Washington Post, Mar. 5, 1977]

THREE LIBERALS ASSAIL CONCESSIONS TO SALT CRITICS

(By Fred Barbash)

Three liberal senators—Mark Hatfield (R-Ore.), George McGovern (D-S.D.) and William Proxmire (D-Wis.)—announced yesterday that they now find it "very difficult, if not impossible," to support ratification of the strategic arms limitation treaty (SALT II) now being worked out with the Soviets.

Reminding President Carter that the margin of victory when the Senate votes on ratification "could be" three votes, the sena-

tors said they believed the treaty, coupled with administration plans to proceed with the development of several new weapons systems, may represent "a redirection of the arms race rather than" a curtailment.

The statement, in effect, formally notified Carter that he risks the loss of liberal support for the treaty should he go too far in reassuring conservative senators.

The three indicated that Carter already may have stepped over the line in his Feb. 20 foreign policy speech at Georgia Tech when he said SALT II will allow the United States to "pursue all the defense programs we believe we may eventually need," including the MX missile.

In a letter to the president, the three senators said that "your recent argument that it [the treaty] constrains the momentum of Soviet programs while allowing the United States to build up does not give us confidence that the treaty embodies a true step toward arms reductions."

Hatfield called the president's posture "contradictory at best and deceptive at worst."

McGovern said "it appears as if the Carter administration is ready to sacrifice our long-term hopes for comprehensive arms control in order to win a few hardliners' votes for a very modest interim step in the SALT II agreement.

"The design of this treaty," he said, "is not to achieve the best arms control framework; rather, our diplomats have been told to negotiate around and protect the Pentagon's wish list for a whole new crop of strategic weapons."

A two-thirds vote of the Senate will be required for approval of SALT II. Getting those votes is a major preoccupation of the Carter administration in this session of Congress.

Much of the White House's effort has been spent in trying to convince critics—in the Pentagon as well as outside the government—that the treaty will not handicap the United States in its strategic relationship with the Soviets. The promise of the MX missile—a new weapon designed to be moved from one location to another to prevent destruction—has been a primary administration argument in dealing with these critics.

The MX is also at the heart of the Proxmire-Hatfield-McGovern warning. "The price of SALT II may be too high," Proxmire said. "One of the great ironies of the proposed agreement is that it will make the world safe for the MX. SALT will be the vehicle for justifying the MX program, which will cost at least $30 billion for the land-based mode and perhaps $40 billion for the air-based version.

"What we need," Proxmire continued, "are real reductions in the land-based missiles on both sides."

Administration sources suggested that such pressure from the liberal flank may be useful to them by creating a counterforce to the heavy conservative lobbying underway against SALT II.

Ultimately, according to this view, liberals such as McGovern, Hatfield and Proxmire will vote in favor of ratification despite their specific objections.

LIBERAL SENATORS SAY ARMS PACT WOULD NOT CURB WEAPONS RACE

(By Richard Burt)

WASHINGTON.—Three liberal senators criticized the projected new Soviet-American treaty on strategic arms today, saying that the accord did not go far enough to limit nuclear arsenals.

In a letter to President Carter last week, Senators George S. McGovern, Democrat of South Dakota, Mark O. Hatfield, Republican of Oregon, and William Proxmire, Democrat of Wisconsin, said: "After considerable thought, we have concluded that the proposed SALT II treaty is very difficult, if not impossible, for us to support."

The letter was made public today along with a joint statement in which the senators complained that the White House was prepared to "pay too high a price" by planning new weapons to get the support of Senate conservatives for the accord, known as the strategic arms limitation treaty.

"We reserve the right to vote against any SALT proposal that does not fundamentally curb the arms race," the statement said.

TREATY COULD BE COMPLETED SOON

Administration officials have reported that a treaty limiting Soviet and American missiles and bombers through 1985 could be completed during the next few weeks. The White House has defended the proposed agreement from attacks by conservatives who have argued that the accord would give too many advantages to Moscow and would lack checks to prevent Soviet cheating.

White House aides said that they fear that in trying to satisfy conservative critics of the accord by sponsoring new weapons projects, Mr. Carter has risked alienating liberal supporters of arms control in the Senate. The liberal senators "think we have taken them for granted," said an aide.

Mr. Carter has promised that he would not sign any treaty that woud weaken American security. In a speech last month at the Georgia Institute of Technology, Mr. Carter stressed that under the projected agreement, the United States could still pursue new arms initiatives.

Referring to Mr. Carter's remarks in Georgia, Senators McGovern, Hatfield and Proxmire questioned whether the treaty would slow the arms race. "Your recent argument, that it constrains the momentum of Soviet programs while allowing the United States to build up, does not give us confidence that the treaty embodies a true step toward arms reductions," the senators told Mr. Carter.

"REDIRECT ARMS RACE"

They said that the accord "appears simply to redirect the arms race into new arenas of technological exploitation."

In separate statements also made public today, each of the senators voiced strong criticism of the Administration's defense program.

Meanwhile, Administration aides ackowledged that in recent days, both Washington and Moscow had made concessions to make the projected treaty all but complete. The aides said that last week, Moscow moved closer to accepting Washington's definition of how much each side would be allowed to modernize existing types of missiles.

The aides also said that the two sides were close to agreeing on two other technical issues: whether cruise missiles could be fitted with multiple warheads, and how unarmed pilotless aircraft would be limited by the treaty.

The officials said that Washington had recently agreed to a request by Moscow that the United States be prohibited from employing cruise missiles equipped with multiple warheads. But they said that the Administration was resisting range or numercial limits on unarmed pilotless weapons, and that Moscow was likely to permit deployment of these drones under the treaty as long as they are tested without bombs.

BROOKINGS AND AEI DEFENSE EXPERTS AGREE THAT MX MISSILE IS DISPENSABLE

WASHINGTON.—The chief foreign policy experts for the American Enterprise Institute (AEI) and the Brookings Institution joined in advising the Senate Budget Committee today that our military deterrent would not be significantly undermined if the controversial MX mobile missile system were delayed or possibly even eliminated.

Although John Steinbruner of Brookings and Dr. Robert Pranger of AEI were presenting their own views, and not necessarily those of their institutions, Brookings is considered to be a center of liberal thought while AEI is a focal point for conservatives. Each man directs foreign policy studies at his respective institution.

When asked where they would cut defense budget if a cut were necessary, both men focused on strategic forces. Pranger testified that the MX system is not necessary for a sound U.S. strategic policy, while Steinbruner emphasized that existing land-based missiles are not as vulnerable as the Administration claims.

Pranger argued that termination of the MX project would have $12.9 billion in fiscal years 1980 through 1984, with even larger savings beyond 1984.

Although both witnesses noted the steady improvement of Soviet forces, both emphasized that American military capabilities remain at a very high level. Steinbruner insisted that it is "an absurd proposition" to suggest that the Soviet have gone far beyond American military capabilities.

The Brookings expert argued that "real military strength depends on a great deal more" than increases in defense spending. Strategic choices and alternative allocations of funds are far more important, he said; and perceptions are among the most crucial factors.

Arguing that excessive American "hand-wringing" regarding our strategic position in the world is communicating unfortunate messages abroad. Steinbruner stated that world opinion about American power is largely a reflection of our own self-confidence or lack of it. "They believe of us what we believe of ourselves," he said.

In a similar thrust, Pranger testified that "we should project self-confidence" and take the conceptual jolt which would be required to establish key changes in tactical and strategic thinking as opposed to increases or decreases in spending. If we can communicate the impression that "we are creative and we are imaginative in our leadership, that might be more impressive than simply increasing the defense budget," Pranger said.

If the defense budget must be cut in order to meet national economic and fiscal needs, Pranger said, the MX is not the only piece of the budget which could safely be factored out. Progress in the Mutual and Balanced Force Reduction (MBFR) talks would justify cut-backs in NATO upgrading, and such upgrading should be delayed pending results of those talks, Pranger said. That delay could save $4 billion.

Pranger also advised that the termination of F-14 procurement, a faster withdrawal of U.S. forces from Korea, and studies of cost-overruns and service duplication could bring about further substantial savings.

Mr. PROXMIRE. Mr. President, I am happy to yield to my friend from Oregon.

Mr. HATFIELD. Mr. President, I commend the Senator from Wisconsin for a very potent statement and I associate myself with those comments which he has brought before the Senate.

I think it is very important to make an observation on this morning's press coverage of the SALT debate, in which some unknown White House source indicated that he felt that the position set forth by the Senator from Wisconsin, the Senator from South Dakota, and myself was perhaps a strategy move to try to strengthen the SALT II agreement when it once comes to the Hill; that, after all, they expected all three of us to be in a camp of supporters of the SALT II agreement. I wonder if the Senator would care to comment on that interpretation, the reasons the three of us raise these questions, and the seriousness with which we address this issue.

Mr. PROXMIRE. I thank my friend from Oregon. My response is that I feel that I can only support a strategic arms limitation treaty that is a limitation treaty. It has to be a limitation treaty. It has to do what it says it is supposed to do, not be a treaty which coincides with an explosion of arms spending, the greatest increase in arms spending that we have had, in my memory, in peacetime.

After all, it seems to me that that is a circumstance that makes it impossible for me to support the arms treaty. I say that with great reluctance, because, as I started out to say, there is no more important problem, no more important issue, no more urgent action on the part of this country than to achieve an arms control agreement with the Soviet Union because, absent that, the arms race continues. If the arms race is going to continue with such a treaty, I do not think we should deceive ourselves or the American people.

Mr. HATFIELD. Would the Senator not also agree that we are raising these questions not only with a seriousness of purpose, to address the issues, but also from the standpoint of signaling to the White House that they cannot take our votes for granted in support of the treaty if it survives; and that this is not an exercise that we are engaging in merely for staging or for setting up props to the drama of arms limitation. We are very serious about raising these questions at this time.

Mr. PROXMIRE. I could not agree with the distinguished Senator from Oregon more. We are extremely serious in this. We have sent to the White House our statement of principle, which I have just put into the RECORD. We stand by that.

I feel very strongly, as the Senator from Oregon has expressed the opinion, that the only way I can support a strategic arms limitation treaty is if it does what it says it is supposed to do: limit arms.

Mr. HATFIELD. I know the Senator has no doubt had similar communications from our colleagues in the area of political thinking that has been seeking arms limitation, that if, somehow, we do not buy this agreement, there is nothing else as an alternative. I have responded to this basically by saying that it seems to me that this is the time to call for SALT III and to move on with a very serious challenge to the Soviet Union for a mutual diminution of arms, rather than continuing this process of providing for higher ceilings to institutionalize the arms race.

Mr. PROXMIRE. I would agree with the Senator.

I say that I was very impressed by the statistics he gave us pointing out SALT I has not restrained it. Quite the contrary. Under SALT I, we have a tremendous increase in strategic arms in this country and in the Soviet Union.

What has it done? It was supposed to be a treaty limiting arms. Now I suppose we will be told, "Well, SALT II will not do it, but wait for SALT III."

It seems to me we cannot continue to buy that kind of philosophy.

The Senator from Oregon, I think, has made a devastating case on SALT II, that perhaps we can stand for the first one, but that is it.

We want a limitation treaty that limits, not explodes, rechannels, or redirects, our military technology.

Mr. HATFIELD. As I understand the Senator, there is, in effect, a possibility of going back to the drafting boards. We do not have to buy a product merely because it is here. But to say, in effect, "Go back to the drafting board and come up with a better product, one that really is a limitation, not one extending or expanding the arms race," and that has happened before in the political institutions of this country and every country.

I do not think we have always had to buy the first product that has come out of any shop of effort.

Would the Senator agree to that?

Mr. PROXMIRE. I agree wholeheartedly.

Mr. HATFIELD. I would also like to speak to the Senator's comments that stimulated my thinking on this point.

It seems to me we have to demilitarize our relationship with the Soviet Union in order to understand the real political issues that exist between us.

I was very moved by an article written by Richard Barnett in which he calls for a 3-year moratorium on all arms by the Soviet Union and the United States, during which time we should seek to demilitarize our relationships and analyze what the political goals of both countries really are.

When one begins to analyze those goals even today, and look at the routine, one can see the Soviet Union has, of course, the integrity of its homeland as its No. 1 concern, this is followed by the desire to dominate eastern Europe and the eastern Asian area, and of course it has a global perspective.

But if we look at that global record of their political impact or influence, we can see the Soviet Union has not really had a great deal of success, particularly as they have been excluded in the Middle East and Africa.

It seems to me, before we can really enjoy what it is all about in terms of arms limitation, we have to begin a fundamental assessment of the political relationships and goals of these two superpowers. I am always amazed by reports of increasing Soviet arms that so many Americans have cranked up in their thinking. Inevitably, they say that all of the increase must be aimed at us, forgetting the Soviet attitude toward China that almost reaches the point of total paranoia.

Therefore, it seems to me, to get a meaningful arms control program, we will have to get a clear understanding of these political objectives.

Mr. PROXMIRE. I would like to have an opportunity to read that Barnett article—I do not want to give the impression I have thrown in the sponge, I am sure the Senator from Oregon has not, either, on SALT II—and I hope very much it is possible to do so.

But I think what the Senator from Oregon and the Senator from South Dakota and the Senator from Wisconsin are saying today is that we cannot vote for a treaty which is a sham. We cannot take a position which gives the deceptive notion we are holding down the arms race when we are doing nothing about that.

At the same time, I think there is hope the administration will agree to a SALT treaty that means business and then we will not follow policies like the MX, and another manned penetrating bomber, that will enormously burden the American people.

It is questionable as to whether or not it would improve our security, but destabilize the situation and create a future race with the Soviet Union that will also be very burdensome and with far less security on both sides.

Mr. HATFIELD. I thank the Senator from Wisconsin.

WISCONSINITE RECEIVES JACK ANDERSON HALL OF HEROES AWARD

Mr. PROXMIRE. Mr. President, Jack Anderson's column from the Washington Post on Friday, March 2, contains an article extolling the bravery of a 35-year-old Government scientist for his courageous exploit in extricating three Australians and all their scientific gear from the brink of an Antarctic crevasse. Mr. Anderson has named David Schneider, a Government map expert and a native of Wisconsin, as his first nominee to a modern day Hall of Heroes. This exploit was not Mr. Schneider's only act of courage; 3 months afterward, he was responsible for the survival of himself and four companions caught in a 12-day-long Antarctic blizzard, 120 miles from base camp.

Mr. President, Mr. Schneider represents the kind of courageous and rugged individual who built this country. Competent in his field and resourceful under stress, he is also the kind of individual which our country needs to survive and move forward.

I second Mr. Anderson's nomination and congratulate him for his efforts to shine a spotlight of praise on those among us of whom we can all be most proud. I ask unanimous consent that the Jack Anderson article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. SCIENTIST IS UNSUNG HERO OF ANTARTIC

(By Jack Anderson)

In the frozen hell of Antarctica, three Australians trapped in a snow-going tractor were teetering on the brink of icy death. A young scientist, David Schneider, inched his way across 10 agonizing feet of treacherous ice to their rescue. One misstep could have sent them all plunging to the bottom of a glacial abyss.

In subzero temperature, the 35-year-old government map expert extricated the three Australians from the cab of their vehicle,

which was tilted over a 60-foot-deep crevasse. Painstakingly, he hauled them to safety. For his courageous exploit, Schneider is our first nominee to a modern-day Hall of Heroes, which we are establishing to honor those whose unselfish acts of valor might otherwise go unrecognized.

Schneider's challenge came on May 18, 1974. With three fellow scientists, he had set up a remote encampment on the South Pole icecap to conduct ice-drilling experiments. That day their routine was disrupted by a barely audible bleep of distress on their radio.

The faint SOS came from a three-man Australian crew out of Casey Station base camp. Their snow caterpillar had skidded and toppled across a deep crevasse, wedging the men inside the vehicle. Without hesitation, Schneider and an Australian colleague raced to their own snow cat and set off to the rescue.

A native of Wisconsin, Schneider is no stranger to snow. But the conditions that day were almost unimaginable—a "whiteout" in which all depth perception is lost and the eye can see only a few feet ahead. The thermometer read 20 below zero.

"We found them with a lot of luck," Schneider recalled. "We weren't even sure we were headed in the right direction until we came across their tracks."

On the scene, Schneider ventured on foot to the trapped Australians. They were staring from their vehicle into the frozen pit beneath them, almost afraid to breathe. The ice-glazed surface concealed other treacherous cravasses, and Schneider had to find bridges of solid snow to reach the helpless men, "you get so you can tell from the sound whether it's safe or not," Schneider explained. "If there's a hollow crunch, you figure there's a crevasse."

The slender American finally reached the disabled vehicle, canted at a 70-degree angle over the ravine. He pulled himself to a rear door, pried it open with an ice axe and threw a rope to the occupants so he could haul them out.

Schneider wasn't finished yet. The Australians' caterpillar contained $50,000 worth of scientific equipment, so he and the others scaled down the sides of the crevasse to lash the tractor securely until heavy rescue equipment could arrive.

Only then did Schneider take the three men he had rescued back to Casey Station. Asked what they did to celebrate, the laconic Schneider told us: "There wasn't much to celebrate with. There was no liquor allowed at Casey Station, and we were alloted only six cans of beer a month."

Now working at the government's map-making center in Rolla, Mo., Schneider is reticent about his Antarctic experiences. In fact, when we first sought him out, he neglected to mention a later heroic exploit during his months at the South Pole. We learned of it from one of the three Australians he saved, Paul Varma, who headed the polar party at Casey Station.

In August 1974, the middle of Antarctica's winter, Varma assigned Schneider to lead a trek inland toward the South Pole. The expedition was caught in a punishing blizzard 120 miles out and was snowbound for 12 days.

The stranded party lost radio contact with the base camp. It was restored only after Schneider devised a way to radio another station nearly 1,000 miles away. Varma highly praised Schneider for maintaining the morale and well-being of his four companions "during this period of extreme anxiety and isolation."

When we prodded his memory on the August escapade, Schneider finally volunteered some information. "That was even scarier than the other," he told our associate Sam Fogg. "The wind was so great, we couldn't see more than six feet, and could move from one tent to another only by hanging onto guide ropes."

A friend of Schneider's told us that the modest government scientist does have an Achilles heel. As a surveyor in the Louisiana bayou country years ago, he had a really bad time. Our nominee for the Hall of Heroes is afraid of snakes.

Footnote: In this age of the cynical anti-hero, self-sacrifice is supposedly out of fashion. But we're convinced there are many Americans who risk their lives to help their fellow man. We're looking for stories of these unsung heroes. If you know of one, write to The Hall of Heroes, P.O. Box 2300, Washington, D.C. 20013.

SENATE RESOLUTION 59—SMALL SAVERS EQUITY RESOLUTION OF 1979

Mr. PROXMIRE. Mr. President, on February 6, I introduced Senate Resolution 59, the Small Savers Equity Resolution of 1979. Senate Resolution 59 has for its purpose the elimination of discrimination against the small saver in the issuance by financial institutions of money market certificates of deposit now available in minimum denominations of over $10,000 only.

In my statement I set forth the case in support of Senate Resolution 59. Since then I have received a number of letters from savings and loan associations in opposition to Senate Resolution 59. I am sure other Senators have been sent such letters.

For the enlightenment of my colleagues, I ask unanimous consent to have printed in the RECORD a letter which I received from one financial institution supporting Senate Resolution 59 and enclosing a bulletin from the savings and loan industry trade association which is responsible for this seemingly "grass-roots" opposition to Senate Resolution 59 by savings and loan associations.

The fact is that even the savings and loan industry admits that the current regulation authorizing money market certificates of deposit is discriminating against the small saver. The public interest is not well served by discriminatory regulations which impact largely on the elderly, the less affluent and the young. Senate Resolution 59 will encourage the regulators to do their homework when they issue regulations in the future.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CASCO BANK & TRUST CO.
Portland, Maine, February 16, 1979.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: It was very pleasing to learn that you had introduced "Sense of the Senate" resolution 59 to reduce the minimum denomination for Money Market CD's from $10,000 to $1,000. This is great news for literally hundreds of thousands of smaller savers who cannot come up with the $10,000 current minimum and who are therefore eclipsed from the benefits of higher rates.

You might be interested in the enclosed analysis of our own savings accounts which we prepared last year at the time the new Money Market Certificates were authorized. As you can see, out of 18,819 customers of this bank, only 1,212 have sufficient balances to qualify for the $10,000 minimum. Adoption of your proposed $1,000 minimum would expand the number eligible to seven times this number. I suspect that these statistics are representative of the entire banking industry.

It is hard to imagine that your efforts on behalf of these thousands of people, who are now "left out" by the existing regulations, would not succeed; yet I know that the organized interests will be fighting you. The enclosed copy of a communication by the Federal Savings League of New England, just brought to my attention, makes that clear. Unfortunately, the smaller savers are not organized to counter such activity.

Nevertheless, please know that at least one banker (I'm sure there are others) applauds your efforts and hopes for your success. If there is anything at all I can do to abet those efforts, please call upon me.

Very truly yours,

JOHN M. DAIGLE,
President.

CASCO BANK & TRUST CO. STATEMENT SAVINGS & 90-DAY NOTICE ACCOUNTS, ANALYSIS BY SIZE OF ACCOUNT, JULY 1978

Size of account	Number of accounts	Percent of total	Balances (thousands)	Percent of total
$100 to $999	10,082	54	$3,949	7
$1,000 to $2,499	3,897	21	6,144	11
$2,500 to $4,999	2,079	11	7,345	14
$5,000 to $9,999	1,549	8	10,727	20
Total under $10,000	17,607	94	28,165	52
$10,000 and up	1,212	6	26,168	48
Grand total	18,819	100	54,333	100

FEDERAL SAVINGS LEAGUE
OF NEW ENGLAND, INC.,
Boston, Mass., February 7, 1979.

IMMEDIATE ACTION

TO MEMBERS: The following "hot line" was received today from the United States League:

"Senate Bank Chairman Proxmire has introduced 'Sense of the Senate' resolution 59 to reduce minimum denomination in Money Market CD's from $10,000 to $1,000. Proxmire also plans legislation to gradually raise all "Q" ceilings. U.S. League will oppose both. All member mailing being sent with details and request for constituent response to senators."

The ramifications of this need no explanation. It is absolutely essential that every member communicate immediately with his two United States Senators and Senate Bank Chairman Proxmire. It is also appropriate to send similar communications to your Congressman. You must also communicate vociferously to the Federal Home Loan Bank Board.

This is an obvious attempt to eliminate alleged discrimination against the small saver. A concerted, grass roots effort is mandatory.

This is a very real threat and your immediate action is required.

Sincerely,

PETER S. MORTON,
President.

AUSCHWITZ: A NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, last Friday there was a front-page feature article in the Washington Post on some newly discovered allied aerial reconnaissance photographs of Auschwitz Prison Camp. The first photographs were taken in April 1944, more than a year before the end of the war. They clearly show several gas chambers and crematoriums. The photographs also show prisoners on the way to the gas chambers.

Mr. President, 2.5 million Jews are reported to have been killed at Auschwitz; 12,000 each day. While aerial photographs were being taken, nearly 1 million Hungarian Jews were being transported in boxcars to Auschwitz. By June 1944, Washington knew all about Auschwitz, yet the rail line leading to the camp, as well as the gas chambers, were never bombed. Why is this? Why did we overlook the wholesale murder of millions of Jews?

Thirty-five years later, Auschwitz is history. But for some, the memory of Auschwitz—the memory of having witnessed genocide—is terrifyingly vivid.

The Auschwitz photographs are a painful reminder not only of the danger and destruction of genocide, but of our responsibility to ourselves and, moreover, to humanity.

We must act now to ratify the only international treaty which deals with the prevention and punishment of mass-murder—the Genocide Convention.

I ask unanimous consent that the text of the February 23 Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

'44 PHOTOS SHOWED AUSCHWITZ CAMP

(By Thomas O'Toole)

Allied aerial reconnaissance photographs revealed the existence of the Nazi death camp at Auschwitz more than a year before the end of World War II, which raises anew the question of why the Allies never bombed the camp or the rail line that took victims to the camp.

Aerial photos taken of Auschwitz by American and British reconnaissance planes from April 4, 1944, to Jan. 14, 1945, clearly show the camp's gas chambers and crematoria where victims' bodies were burned. Several photos show prisoners undergoing disinfection and standing in line to be tattooed. One photo shows a line of 1,500 prisoners being led into the camp from 85 railroad boxcars parked at the end of the rail line just outside the camp gate.

The photographs, along with a scholarly treatise titled "Holocaust Revisited," have just been turned over to the National Archives by the Central Intelligence Agency, which also passed the photographs on to the White House. It is understood that after seeing the photographs, President Carter sent them to Elie Wiesel, chairman of the Holocaust Commission and a survivor of Auschwitz.

Just why the CIA passed the pictures on to the archives is not clear. The authors of the CIA report accompanying the pictures said they were moved to research and write the report after seeing the television serial, "The Holocaust."

"My hope is that we stimulate the interest of historians in the use of photographs taken through aerial reconnaissance," Dino A. Brugioni, one of the authors of the CIA report, said yesterday. "It is an untapped source of history."

The immediate reaction to release and publication of the photographs may be primarily one of anger. Jewish scholars have long asked why the Allies did not bomb Auschwitz or the rail line leading to it, a question that is sure to be brought up again with the release of the pictures.

"A recurring question since World War II has been why the United States rejected requests to bomb the gas chambers and crematoria at Auschwitz or the railroads leading to Auschwitz," University of Massachusetts historian David S. Wyman wrote in Commentary magazine last May. "Such requests began to be numerous in the spring of 1944."

Proponents of such an attack recognized that it would have killed many of the inmates, but the Germans were going to kill them anyway and destroying the camp might have saved other intended victims.

Destruction of the rail line would have hampered the transport of nearly 1 million Hungarian Jews, who were being moved to Auschwitz at the time.

On April 10, 1944, two Auschwitz escapees named Rudolf Vrba and Alfred Wetzler passed on detailed information to Jewish leaders in Switzerland that Auschwitz was a death camp for Jews. The Swiss Jews informed American diplomats in Berne that 12,000 Jews were being murdered every day at Auschwitz, information that reportedly reached Washington by June 1944.

A crucial question about the aerial reconnaissance pictures of Auschwitz is whether they were ever passed on to Washington by the U.S. Strategic Bombing Survey in Britain and Italy, where the planes were based that took the pictures.

The pictures of Auschwitz were almost an accidental byproduct of photographs taken of an I. G. Farben plant producing synthetic fuels less than five miles away. The plant was repeatedly bombed in the last year of the war by American and British planes.

There is little question that the Auschwitz photographs revealed the existence of a death camp. The question is whether the photo interpreters looking at the pictures recognized it as such and notified their superiors.

"Photo interpreters were unaware of Auschwitz at the time," Brugioni said. "They were looking for details of the Farben plant alongside Auschwitz, nothing else."

He explained that during World War II, photo interpreters were given no historical or social background by which to judge pictures. He said they were usually in a hurry to make judgments and often used shortcuts in making them.

"For instance, there's a picture in the Auschwitz file that shows prisoners being herded toward the camp," Brugioni said. "During the war, any time a line of people were seen in a picture it was labeled, 'mess hall'."

The pictures turned over to the archives by the CIA have lain in cans of aerial films stored at a Pentagon repository in Suitland, Md., for 30 years. The CIA acquired the film after "Holocaust" raised the Auschwitz issue last year.

The pictures illustrate what have been until now only "eyewitness accounts of the death process at Birkenau," which was the murder section of the Auschwitz camp, according to the CIA report. The pictures of the four gas chambers and crematoria at the camp "appear to be historically unique," the CIA report said.

"As far as we have been able to determine," the report's authors write, "no other photography of these facilities exists. The Birkenau gas chambers were special access facilities, even for most Nazis, and all photography was forbidden. The extermination facilities at the camp were destroyed by the Nazis prior to the camp's being liberated by the Red Army in January 1945."

Situated in a remote area south of Warsaw in Poland, the Auschwitz death camp was first opened in June 1940 to receive Soviet prisoners of war. It later became the main death camp for European Jews. By one count 2.5 million Jews were killed at Auschwitz.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

THE DRINKING-DRIVER PROBLEM

Mr. PELL. Mr. President, I invite the attention of my colleagues to a recently released General Accounting Office report entitled, "The Drinking-Driver Problem—What Can Be Done About It?" This report carries a very disturbing message: Based on presently available information, there is no evidence that Federal, State, and local efforts to stem the drinking driver are having any impact on the number of alcohol-related traffic fatalities.

The General Accounting Office assessed the major Federal initiative in this area, the National Traffic Safety Administration's alcohol safety action project (ASAP). The GAO found that there is no evidence of a significant reduction in the number of drinking-driver accidents and fatalities in the areas where ASAP programs were conducted. Although Federal, State, and local governments are spending over $100 million each year on various drinking-driver programs, the GAO concluded that alcohol continued to be the largest single factor leading to fatalities, resulting in about 25,000 alcohol-related traffic deaths annually at an estimated economic cost of over $5 billion.

I very much hope that grim picture contained in the GAO report will serve as the foundation for new Federal initiatives aimed at the drinking driver. On February 9, I introduced a bill which would require the States, as a condition of receiving Federal highway safety funds, to adopt stricter laws dealing with those convicted for driving while intoxicated. I am convinced that strong deterrent Federal legislation of the kind contained in my bill is needed if we are serious about this problem.

The need for deterrent legislation is borne out by the GAO's conclusion that social acceptance of drinking and driving is the primary obstacle to solving the drinking-driver problem. The GAO noted a general public attitude of indifference toward the problem and a belief that drinking and driving is unacceptable only when it results in an accident which affects a friend or relative. The report calls for a massive effort at public education to start changing social attitudes about drinking and driving, and I could not agree more that this should be done. I believe, however, that the Federal Government should go beyond spending more money on public education programs and begin to take a hard look at a Federal statute that will produce uniform stiff sanctions in all the States. Unfortunately, this is a problem where past experience has taught us that public education and rehabilitation programs for drinking drivers are not enough. Stronger criminal statutes are needed to reverse the public indifference and present acceptance of drinking and driving. I commend the GAO for reminding us again of the need for stronger Federal involvement in the area of alcohol and highway safety.

RETIREMENT OF COACH DAVID R. GAVITT

Mr. PELL. Mr. President, one of America's premier college basketball coaches and a distinguished Rhode Islander has just completed his last season as head coach at Providence College. David R. Gavitt, who has retired from coaching to devote full time to his duties as Athletic Director at this fine Dominican institution, compiled an incredible 209–85 record in his 10 years as coach of the Friars.

Over the last decade, he led Providence College to the heights of college basketball. Coach Gavitt's teams enjoyed eight consecutive 20-win seasons, and appeared in eight consecutive post season tournaments. These included participation in the NCAA Final Four in 1972 and 1973, the coveted dream of every coach, and the NIT finals in 1974 and 1975. During his tenure, Providence was rated in the national top 20 polls on numerous occasions and defeated no less than 23 teams that were nationally ranked when the Friars played them.

Dave is widely recognized by his peers as an outstanding coach and teacher. He is a director of the National Association of Basketball Coaches; a director of the Amateur Basketball Association-USA, which coordinates international competition for U.S. collegians; he has been selected an unprecedented five terms as the New England Coach of the Year, and—in 1973—Eastern Coach of the Year.

He is also highly respected for his work with young people. He has conducted clinics throughout the world and Nation for the U.S. Armed Forces, the NCAA and others. Although he has helped produce four All-American players at Providence, his greatest joy as a coach takes place on the practice floor with his teams and in clinics. He conducts clinics each summer throughout Rhode Island in conjunction with municipal recreation departments.

But Dave's greatest challenge as a coach is yet to come. All Rhode Islanders are deeply honored that Dave Gavitt has been selected to coach the U.S. Olympic basketball team in the 1980 Moscow Games. This is truly the highest honor a coach can achieve and we wish him well in this difficult task.

I am pleased to recognize the unique abilities and achievements of Dave Gavitt. I wish him, his wife, Julie, and their sons, Danny and Corey, the best of success.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of March 1, 1979, the Secretary of the Senate, on February 2, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 2, 1979, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:03 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties; to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself and Mr. WALLOP):

S. 531. A bill to amend the Federal Meat Inspection Act to allow the interstate movement of all meat food products which are processed by federally inspected establishments and which are derived from meat has been slaughtered or processed at certain State-inspected establishments; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PRYOR:

S. 532. A bill to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HEINZ (for himself, Mr. BAYH, and Mr. HATCH):

S. 533. A bill to establish a reasonable and fair preference for domestic products and materials in Government procurement and in procurement with Federal funds, and to establish procedures to insure that, if purchased, only fairly traded foreign products and materials are procured by the Government or with Federal funds; to the Committee on Governmental Affairs.

By Mr. MCCLURE:

S. 534. A bill to provide that the lake referred to as the Ririe Lake on Willow Creek, in Bonneville County, Idaho, shall hereafter be known as Oscar Johnson Lake; to the Committee on Energy and Natural Resources.

By Mr. SCHMITT (for himself, Mr. CANNON, Mr. FORD, Mr. PRESSLER, and Mr. THURMOND):

S. 535. A bill to regulate commerce by providing for the safe transportation of nuclear waste and radioactive nuclear reactor fuel, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAYH:

S. 536. A bill to discourage the use of painful devices in the trapping of mammals and birds; to the Committee on Environment and Public Works.

By Mr. DURENBERGER:

S. 537. A bill to authorize construction of a project for flood control and other purposes on the South Fork Zumbro River at Rochester, Minn.; to the Committee on Environment and Public Works.

By Mr. HEINZ (for himself and Mr. MOYNIHAN):

S. 538. A bill to amend the Tariff Act of 1930 with respect to the imposition of countervailing duties, and for other purposes; to the Committee on Finance.

By Mr. DOMENICI:

S. 539. A bill to authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo reclamation project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States; to the Committee on Energy and Natural Resources.

By Mr. MCCLURE (for himself, Mr. RANDOLPH, Mr. DOMENICI, Mr. GRAVEL, and Mr. STAFFORD):

S. 540. A bill to amend the Act of August 8, 1972 (Public Law 92–367) to provide Federal assistance to the States for the development and implementation of effective dam safety programs, in order to protect human life and property; to the Committee on Environment and Public Works.

By Mr. BAKER (for himself and Mr. SASSER):

S. 541. A bill to amend the Internal Revenue Code of 1954 relating to estate taxes to provide that the election to use the alternate valuation date may be made on a return that is filed late; to the Committee on Finance.

By Mr. CULVER (for himself, Mr. NELSON, Mr. MCGOVERN, Mr. RIEGLE, Mr. HEINZ, Mr. HELMS, Mr. PERCY, and Mr. SCHMITT):

S. 542. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes; to the Committee on Finance.

By Mr. WEICKER:

S. 543. A bill to establish a program to improve the commercial fisheries of the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. CRANSTON, Mr. RIEGLE, and Mr. JAVITS):

S. 544. A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; to the Committee on Human Resources.

By Mr. CHAFEE:

S. 545. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction for depreciation allowed with respect to certain small business property; to the Committee on Finance.

By Mr. JAVITS (for himself and Mr. MOYNIHAN):

S. 546. A bill for the relief of Beatrice Braude; to the Committee on the Judiciary.

By Mr. GARN:

S. 547. A bill for the relief of Tso Tung Tang; to the Committee on the Judiciary.

By Mr. MCCLURE:

S. 548. A bill for the relief of Luis Sandoval-Miramontes; to the Committee on the Judiciary.

S. 549. A bill for the relief of Kenjie Okuma; to the Committee on the Judiciary.

S. 550. A bill for the relief of Frank Norman Addeman; to the Committee on the Judiciary.

By Mr. GARN:

S. 551. A bill for the relief of Fred W. Sloat of Salt Lake City, Utah; to the Committee on the Judiciary.

By Mrs. KASSEBAUM:

S. 552. A bill for the relief of Diego Rodriguez, M.D. and Elisa Rodriguez, husband and wife; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself and Mr. WALLOP):

S. 531. A bill to amend the Federal Meat Inspection Act to allow the interstate movement of all meat food products which are processed by federally inspected establishments and which are derived from meat which has been slaughtered or processed at certain State-inspected establishments; to the Committee on Agriculture, Nutrition, and Forestry.

HELP FOR SMALL BUSINESS MEATPACKERS

Mr. BENTSEN. Mr. President, I am today introducing a bill which I feel is instrumental in protecting the small businessman's right to free trade. The small businessman has a time-honored position in this Nation's history books, yet his existence is often threatened as much by Government overregulation as by competition from larger businesses.

The overtightening grip of Government regulations must not be allowed to strangle the small businessman. The small businessman does not ask for unfair advantages. He does not ask for artificial constraints on his larger competitors, and neither do I. But I do believe that one of our highest priorities should be the freeing of the small businessman from the shackles of Government regulations which bar him from competing fairly in an open market.

One such inequity is glaringly apparent in the meatpacking industry. This industry consists of firms ranging in size from 5 or 10 animals per week to firms that process thousands of animals per day. All of these firms serve a need. The smaller firms, which can offer a personalized and often unique service to both producer and consumer, are a vital part of the industry. There are thousands of such firms throughout this country, but in the last few years many of them have been forced to close. They have not closed because of poor management or lack of need for their services. Rather, these small, usually State-inspected meat plants have found the artificial barrier of a Federal law limiting the market for their products. State-inspected meatpacking plants may sell their product to a local wholesaler, a local retailer, or another State-inspected plant. They cannot legally sell anything to a federally inspected plant for fear that it might become mixed with the Federal products.

Mr. President, the goal of that law is to insure the wholesomeness of meat moving in interstate commerce. That goal is a worthy one. However, the law as it now stands is completely unjust, because many of the State inspection systems are just as rigorous as the Federal system and many of these small, State-inspected plants are certified by the U.S. Department of Agriculture as having standards as good as the Federal plants. It is for this reason that I am bringing this vital matter to the attention of the Senate. The Congress needs to strike down these needless barriers to free competition and cease this unwarranted discrimination against the small businessman.

If passed, this bill would allow State-inspected meatpacking plants, in States that have been certified as having inspection requirements that are "at least equal to" Federal requirements, to sell their product to federally-inspected plants. This will allow the smaller plants to sell partially processed meat to the big plants for further processing. It will also provide the small plants with new outlets for meat byproducts, and it will give the large plants a new source of supply. This will increase both competition and efficiency throughout the industry, and it will help put an end to the destruction of the smaller plants.

This is important not only to the affected businessman, but to the industry as a whole. By limiting the markets of the smaller, State-inspected plants, we are reducing their economic efficiency and thus contributing to their demise. This, in turn, increases the concentration of a few large packing plants and results in less competition. Many cattlemen are concerned about this situation, and, we in Congress should be concerned also.

Mr. President, the loss of our smaller packing plants is a very real problem. It is also a reality that Government regulation is contributing to the loss of these plants. We must act now to improve this situation. Consumer, cattlemen, and packer alike will benefit from the increased competition.

That would be of great assistance to the small businessmen of this country and I urge my colleagues to take a look at this bill that I am introducing today, along with Mr. WALLOP, of Wyoming, and urge their support for it.

By Mr. PRYOR:

S. 532. A bill to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes; to the Committee on Governmental Affairs.

PENSION POLICY COMMISSION ACT

Mr. PRYOR. Mr. President, today, at the request of the administration, I am introducing a bill to continue the work of the President's Commission on Pension Policy.

The President's Commission on Pension Policy was established by Executive Order 12071 (July 12, 1978) as amended by Executive Order 12100 (November 17, 1978). The purpose of the Commission is to conduct a comprehensive review of the Nation's Federal, State, and local retirement, survivor, and disability systems and to develop a coordinated national policy for future growth of retirement systems that can be used as a guide by public and private programs.

Mr. BENTSEN. Will the Senator yield on that for just a moment?

Mr. PRYOR. I am more than happy to yield to the distinguished Senator from Texas.

Mr. BENTSEN. I say to my good friend that I have a very deep interest in that particular subject, chairing that Subcommittee on Finance. One of the concerns I see at the present time and that we ought to try to head off is that we see various groups who say those pension funds ought to be used to achieve certain objectives for the membership at the present time. That means objectives that do not necessarily coincide with the safety of the fund or to obtain the highest yield commensurate with safety that can be. It seems to me that the primary obligation is a fiduciary responsibility on the part of the people administering those funds to try to be certain that when the people retire, those savings are returned to them and that they do return to them the realization of financial security that they were anticipating; that they not be used and diverted for some objective of the moment of the membership who are contributing to the fund at that time.

This is a very major point and it is going to be a point of great contention before Congress before this session is over.

Mr. PRYOR. If the Senator will allow me, I think the Senator is absolutely correct. The Senator has pinpointed some of the most pressing problems within our

pension system. I think that we can point with some pride to the fact that the President has been able to gather together a commission of the caliber that he has to continue this work for the next 2 years of looking at our pension programs throughout this country.

The purpose of this legislation is to provide a statutory basis for the Commission and to continue the work of the Commission for a 2-year period. The Commission was established on September 21, 1978, and has already begun to seek the advice of experts and organizations in the pension field and to assess the conditions of existing programs. The President has appointed Mr. Peter McColough, chairman of the board and chief executive officer of Xerox Corporation, as the Chairman of the 11-member Commission, whom I had the pleasure of meeting just last week. He gave me some ideas about the progress he hopes to obtain within this commission and their activities in the coming 2 years.

Mr. President, I believe that the work of the Commission is of paramount importance to the Nation and to the American people. In recent years the significance of public and private pensions in our lives has increased at a dramatic rate. As the number of people over 65 has grown, the effect of pension programs on the Nation's economy has expanded. Today, over 27 percent of the Federal budget is used to pay retirement and disability benefits and almost 20 percent of the population receive pension benefits.

I think it is entirely appropriate that this Commission now have statutory authority, that it be allowed to proceed for the next 2 years, continuing its much needed study.

In order to give the Commission the necessary authority and support to devise a national retirement policy, I am introducing legislation, at the request of the administration, to provide a 2-year statutory basis for the Commission. During this 2-year period, the Commission will make periodic reports to the Congress, identify needed reforms to meet both present and future national policy goals, and devise a national retirement policy that can help guide all programs.

Once again, I thank the distinguished Senator from Texas for allowing me this time and I thank him for his very appropriate remarks on this subject.

Mr. President, I ask unanimous consent that the text of the bill, together with the letter of transmittal to the President from the Director of the Office of Management and Budget, James T. McIntyre, Jr., be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pension Policy Commission Act."

SEC. 2. (a) The President's Commission on Pension Policy, established by Executive Order No. 12071, hereinafter referred to as the "Commission", is hereby authorized to continue in operation for two years following the enactment of this Act. During this time the Commission shall issue reports on problems facing the Nation's retirement systems and formulate recommendations for a national retirement income policy.

(b) The Commission shall submit its final report, including its recommendations and findings, to the President and the Congress. The Commission shall cease to exist 90 days after submission of its final report. All reports and papers of the Commission shall be delivered to the Administrator of General Services for deposit in the Archives of the United States.

SEC. 3. (a)(1) The terms of office of the 11 persons first appointed by the President as members of the Commission, including the chairman, are for the duration of the Commission, and a vacancy in the membership shall be filled in the manner in which the original appointment was made.

(2) A quorum of the Commission shall consist of six members, except that the Commission may establish a lower number as a quorum for the purpose of taking testimony The Commission is authorized to establish committees, and to delegate authority to them, when necessary to carry out its functions.

(3) Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall continue to receive the salary of their regular positions when engaged in the performance of duties of the Commission.

(4) When engaged in the performance of duties of the Commission, members of the Commission who are not full-time officers or employees of the United States may be compensated at the maximum daily rate for GS-18 of the General Schedule.

(5) All members of the Commission who are not otherwise employed by the Federal Government shall be reimbursed for travel expenses, including per diem in lieu of subsistence incurred in the performance of duties of the Commission, as authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

(6) All members of the Commission who are not otherwise employed by the Federal Government will be covered by the Federal Employees' Compensation Act (title 5, United States Code, 8101 *et seq.*).

(b) Subject to such rules as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service and to the Senior Executive Service, and without regard to the provisions of chapter 51, subchapters III and VIII of chapter 53, section 4507 of chapter 45, and chapter 54 of that title, relating to classification and pay, is authorized to:

(1) appoint an Executive Director who shall be compensated at a rate not to exceed the rate in effect for Level V of the Executive Schedule set forth in section 5316, title 5, United States Code;

(2) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees be compensated at a rate in excess of the rate provided for employees in GS-17 of the General Schedule; and

(3) procure such temporary and intermittent services of experts and consultants as are necessary, as authorized by section 3109, title 5, United States Code.

(c) The Executive Director and all members of the staff of the Commission will be covered by the Federal Employees' Compensation Act (title 5, United States Code, 8101 *et seq.*).

(d) The Commission is authorized to accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703, title 5, United States Code, but such personnel shall not be deemed Federal employees except for injury compensation under chapter 81 of title 5, and for tort claims under title 28, United States Code.

(e) Upon request of the Commission, the head of any executive department, agency or independent establishment of the United States is authorized to detail on a nonreimbursable basis any of the personnel of such agencies to the Commission to assist it in carrying out its duties under this Act.

(f) Financial and administrative services (including those related to budget and accounting, financial reporting, personnel, and procurement) shall be provided to the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission, in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services.

SEC. 4. (a) Upon the request of the Commission, the head of each executive department, agency or independent establishment of the United States that has an interest in or a responsibility with respect to the areas of the Commission's work shall appoint a liaison officer who shall work closely with the Commission and its staff in matters pertaining to this Act.

(b) In carrying out its duties, the Commission may seek the advice of individuals and groups interested in retirement, survivor, and disability policies including, but not limited to, State and local governments, public and private organizations working in the retirement, survivor, and disability areas.

(c)(1) The Commission or, on authorization of the Commission, any committee of two or more members, may hold hearings and sit and act at such times and places as the Commission or such authorized committee may find advisable, and the provisions of section 1321, title 28, United States Code, shall apply to witnesses invited to appear at hearings, and per diem and mileage allowances to witnesses shall be paid from funds appropriated to the Commission.

(2) The Commission is authorized to secure from any executive department, agency or independent establishment of the United States, information necessary to carry out its functions. Upon request of the Commission, the head of any executive department, agency or independent establishment shall furnish such information to the extent provided by law.

(d) The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) The Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of research and surveys, the preparation of reports, and other activities necessary to the discharge of its duties and responsibilities.

SEC. 4. There is authorized to be appropriated the sum of $2,000,000 to carry out the provisions of this Act, to be available until expended.

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, D.C., February 13, 1979.

Hon WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for consideration by the Congress is a draft bill, "To continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes."

The purpose of this bill is to provide a statutory basis for the President's Commission on Pension Policy, which was established by Executive Order No. 12071 on July 12, 1978. The purpose of the Commission is to conduct a comprehensive review of retirement income programs in the United States, and develop national policies for these programs that can be used as guidelines by the public and private sectors. The Commission can make an important contribution in addressing the gaps and overlaps that exist among the private, Federal, State and local retirement systems. Moreover, there is a growing concern that many of these systems are not adequately planned or funded, given the projected demographic changes and resource constraints the United States will face in the future.

The recent growth in social security and State and local retirement benefits and the effects of the Employee Retirement Income Security Act (ERISA) have focused national attention on the impact of retirement programs on the economy. Outlays for retirement and disability programs account for almost 30% of the Federal budget and an increasingly large share of the GNP. Payroll taxes and contributions to pension systems are an increasing burden on the income of our work force. Over the long run the ratio of retired people to working people in America is rising significantly, increasing the burden on the labor force of financing retirement benefits. These and other changes require that a careful evaluation be made of private, Federal, State and local retirement programs in the United States, and their interrelationships.

The Commission on Military Compensation reported its recommendations concerning the military retirement system last year. A number of other studies and Commissions are also authorized or underway to look at particular retirement programs, such as the Advisory Council on Social Security, the Study of Universal Coverage for Social Security, and the National Commission on Social Security recently established by Congress. In addition, there are a number of groups both in and outside the Government that conduct research on specific retirement problems such as the congressional study of State and local retirement systems mandated under ERISA, and the Department of Labor's research on private pension programs. The objective of the President's Commission on Pension Policy is to build on these individual studies to provide a comprehensive analysis of the retirement income systems of the U.S.

This comprehensive analysis should not preclude consideration and adoption of proposals for immediate changes related to retirement systems. It will be at least two to three years before the Pension Commission's recommendations could be considered; therefore, the work of the Commission should not delay specific legislation to correct obvious defects or inequities in present laws concerning retirement systems.

The work of the Commission as set forth in the enclosed legislation will be neither expensive nor demand a large staff. The Commission is composed of eleven members appointed by the President of the United States, one of whom is the chairman. The members will be served by a staff of approximately 15, including an executive director. The bill provides an appropriation authorization of $2 million for the Commission, to be available until expended. The budget transmitted to the Congress on January 22, 1979 requests a $2 million supplemental appropriation for fiscal year 1979 for this purpose.

The Commission is working closely with Federal agencies and experts in the retirement field. Agencies undertaking retirement-related research have been asked to notify the Commission, so that it can coordinate its activities with other ongoing studies and thus avoid duplication of effort. The Commission will also keep the interested congressional committees regularly informed of its work.

The Commission would have two years to submit its final report from the date of enactment of the bill. The Commission's interim and final reports will address, but not be restricted to, the following areas of concern:

(1) present overlaps and gaps among the private, Federal, State and local sectors in providing income to retired, surviving, and disabled persons;

(2) the financial ability of present private, Federal, State and local retirement income systems to meet their future obligations;

(3) appropriate retirement ages, the relationship of the annuity levels to past earnings and contributions, and the role of retirement programs in private capital formation and economic growth;

(4) the implications of the recommended national policies for the financing and benefit structures of the retirement income programs in the public and private sectors; and

(5) the specific reforms and organizational changes in the present systems that may be required to meet the goals of the national policies.

These reports will provide the Administration and the Congress with a comprehensive inventory of information on the retirement income systems in the U.S., and an agenda of needed reforms for both the public and private pension systems.

I urge the Congress to give prompt and favorable consideration to this proposal.

Sincerely,

JAMES T. MCINTYRE, Jr.,
Director.

By Mr. HEINZ (for himself, Mr. BAYH, and Mr. HATCH):

S. 533. A bill to establish a reasonable and fair preference for domestic products and materials in Government procurement and in procurement with Federal funds, and to establish procedures to insure that, if purchased, only fairly traded foreign products and materials are procured by the Government or with Federal funds; to the Committee on Governmental Affairs.

BUY AMERICAN ACT OF 1979

Mr. HEINZ. Mr. President, last year I chaired 4 days of hearings on the Buy American Act before the Governmental Affairs Subcommittee on Federal Spending Practices and Open Government. At that time I was concerned that despite this congressional mandate, significant purchses of foreign goods are made with Federal funds. My concerns were not unfounded. Witnesses told us of numerous cases of Federal dollars going to foreign firms including:

The Minnesota Highway Department which let a $3.75 million contract for a bridge using Japanese steel where the next lowest bidder, who would use American steel, was only $30,000 higher, thanks to a Buy American Act which does not cover this 90-percent federally funded project.

Bethlehem Steel which lost 45 jobs because it lost a bid by $34,000 (less than 3 percent) to a firm which used Japanese steel to make rails for the Massachusetts Bay Transportation Authority under an UMTA grant.

A French manufacturer who boasted of selling to the U.S. Government below its cost of production.

This inquiry into the Buy American Act also revealed the significant benefits of that law to the U.S. economy and to Federal, State and local tax treasuries. A study I commissioned from the Congressional Research Service concluded that a $1,000 procurement placed with an American rather than a foreign firm yields $1,700 in gross economic activity and $552 in new tax receipts for Federal, State, and local treasuries.

Based on the record of these hearings, then, it is clear that a preference in procurement for domestic goods is an important element of our fiscal policy. Such a preference stimulates economic activity and employment. This is the nature and purpose of the Buy American Act passed in 1933.

But to some extent, that act has failed in its purpose. The cases of foreign goods purchased with Federal funds is gross evidence of that failure.

The Buy American Act was passed in 1933 when world trade was virtually at a standstill. Its loosely worded provisions provide only minimal guidance as to its ultimate meaning and significant latitude for interpretation. The law then has taken on far different meanings over the years to the point that present interpretation tends to circumvent congressional intent. For example, Federal grants to States and localities are not covered under present interpretation of the Buy American Act though nothing in the law precludes their coverage. Another example is the definition of "domestic good." Today, up to 49.9 percent of a good purchased by the Federal Government can be foreign in origin and still be considered American even though the law states that a good, to be considered domestic, must be made from components "substantially all" mined, produced, or manufactured in the United States.

These hearings also explored the relationship between the Buy American Act and international trade. We found that free and fair trade does not exist in Government procurement. This is especially evidenced by restrictive buy-national policies and other nontariff barriers imposed by other nations which tend to completely exclude competition from American firms. Such practices include closed bidding systems, bureaucratic prejudice and outright exclusion. A witness at our hearings told us how one Italian Government-owned company told him that if they ever needed to go outside Italy for their needs they would let him know. Another company trying to break into the Japanese market was completely rebuffed. It is quite obvious that our own Buy American Act is minor compared to other nation's policies. The effect is that Federal funds are used to purchase foreign products whereas domestic producers of similar products are excluded from competing abroad.

Evidence of other unfair trading practices was also presented at the hearings. It is probable, for example, that firms in other countries are dumping their products on the U.S. Government. Between June 1976 and October 1977, four fed-

erally funded bridges were built with Japanese steel at bids of up to 37 percent below domestic bids. It is inconceivable that Japanese producers are not dumping this steel at such predatory prices. In another case concerning a bid to supply electrical equipment to the Massachusetts Transportation Authority, one Japanese company accused another of dumping. The firm accused of dumping had bid 23 percent lower than any of the other three companies who were all within 5 percent of each other.

We also have evidence that foreign government subsidized products are being purchased with Federal funds. Breda, an Italian manufacturer, is supplying subway cars to the Greater Cleveland Rapid Transit Authority. Breda is also owned by EFIM, an Italian state owned holding company. As a member of EFIM, Breda therefore enjoys the following privileges: Lower risk due to its backing by the state, easier access to money markets because of state loan guarantees, and reduced corporate taxes. Similarly the French Government offers 14 tax and 8 nontax incentives to exporters which place American firms at a severe disadvantage in their own market.

Now the United States has laws on the books to protect domestic firms against such unfair trade practices. However, the U.S. Government presently has no way of insuring that Federal funds are not used to purchase unfairly traded goods. Because of the peculiarities of Government procurement, these unfair trade laws do not protect domestic firms against unfair foreign competition for Government contracts. Foreign firms can use almost any weapon in their arsenal to compete for Federal dollars and our own American firms can do little to defend themselves against predatory competition.

The nature of Government procurement is such that each bid is an independent event. A foreign firm is free to quote any price on a Government contract and remain almost immune from a dumping investigation because of the near impossibility of proving a history of selling below cost. In fact, our procurement practices encourage the quoting of dumped prices because of the emphasis on sealed bids. While the Federal Government should purchase at the lowest possible cost, it is grossly inconsistent with our trade policies to allow the purchase of dumped goods.

On the basis of these hearings, therefore, Senator BAYH, myself and others introduced S. 3284, the Free and Fair Trade in Procurement Act of 1978. In addition to clearing up ambiguities arising from the present law, that bill, if passed, would have done two things which directly attack the fundamental problems with the Buy American Act identified in the hearings.

First, the bill established a minimum price preference for domestic goods. It would have provided American suppliers a basic edge over foreign suppliers which is needed to insure that American economic activity and employment will be stimulated by Federal procurement instead of unemployment and economic dislocation.

That bill also would have given the Federal Government mechanisms which might have insured that it does not purchase unfairly traded goods.

Today, Senators BAYH, HATCH, and I are introducing a similar measure. Some changes have been made, but the objectives of this bill are the same as those of S. 3284. The Buy American Act of 1979 reaffirms the policy that domestic firms should be preferred suppliers on Government contracts. This preference is consistent with the economic benefits of purchases from American, rather than foreign firms.

But far more importantly, this bill gives the Federal Government mechanisms which, I believe, will insure that it does not purchase unfairly traded goods. Under the provisions of this bill, a domestic firm is authorized to bring an action under our fair trade laws if he suspects a foreign firm is violating such laws in bidding on a Government contract. No contract can be awarded until the action is resolved; and if the foreign bid is found to be unfair, the foreign firm cannot be awarded the proposed contract.

It is about time that our unfair trade laws apply to Government procurement. These mechanisms will do that.

Opponents of the Buy American Act, and previous efforts to strengthen that law, will probably also oppose this bill. They will cite the many benefits of international trade and the role of the Buy American Act as a barrier to those benefits. They will argue that domestic preference should be reduced rather than strengthened.

They will certainly point to the multilateral trade negotiation package which is expected to include an International Government Procurement Code. This Code is supposed to open up the procurement of signatory governments to worldwide competition through the mutual reduction of domestic preference statutes and practices. In effect, this means the reduction in scope of our Buy American Act in return for open procurement systems in other countries.

Proponents of this Code assert that the United States has far more to gain from this Code than it has to lose. They argue that since other nations' domestic preferences are more onerous than our Buy American Act, a mutual reduction of these preferences will open up more procurement worldwide to competition from U.S. firms than these firms will have to give up because of the removal of the Buy American Act.

While I can agree with the ultimate objectives of this Code, Mr. President, I am skeptical. I am skeptical that the Code will succeed. First, we are negotiating from a position of weakness. Because we have so much to gain by opening up other nations' procurement systems, it follows that these nations have so much to lose. Some firms in some of these countries already have a market with the U.S. Government. Through this Code they only stand to lose their own national government's procurement; and not gain what they already have; ours.

We are negotiating from a position of weakness, as well because we are negotiating away overt rules while other nations are negotiating away behavior, customs, or cultural biases. The Buy American Act is a law, a rule of the game, that is known by all prospective bidders, and is uniformly administered without prejudice. Other countries, buy national practices are, by their nature, prejudiced and covertly discriminatory. They are rooted in intangibles. As in the old adage, our Buy American Act is a rule of law; other nations' practices are rules of men. I am skeptical that we can change the latter to our economic benefit.

The proponents of the code will point to this Buy American Act of 1979 and say, as they said about S. 3284, that it is untimely in view of the soon-to-be-presented Procurement Code. They will say that Congress should not consider this legislation because it directly contravenes the objectives of the code. They will say that Congress would be premature to consider this legislation until they consider the pros and cons of the code.

Mr. President, what code are we talking about? By the time we get an International Government Procurement Code, it will be too late. Under the Trade Code, it can do only one thing with it—vote it up or down. But we would not exactly have that luxury either, because we can only consider it as part of the whole MTN package. If the Congress decides that this code is inconsistent with the fiscal purposes of Federal procurement policy, it cannot vote it down without negating any benefits the rest of the package may contain.

Therefore, rather than being untimely, this legislation is precisely timely. It is timely because it presents an alternative for consideration by the Congress. It is timely because legislation to implement the provisions of the code is presently being drafted.

I am concerned about that legislation. I am concerned about the domestic preferences in procurement that may not be covered by the code. If these preferences amount to no more than those contained in the Buy American Act, our hearings are proof that that is inadequate. I am also concerned that, if the code is accepted by the Congress, firms will still be able to use all the weapons in their trade arsenal to subvert the code. If firms in other countries are allowed to dump their products on U.S. Government procurement, or continue to use Government subsidies as an unfair economic advantage, any benefits which the code may afford American companies will be completely negated.

This is an important and timely issue which goes to the foundation of Government economic policy. I urge its serious consideration as an alternative and a supplement to the International Government Procurement Code.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Buy American Act of 1979".

FINDINGS; PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the United States is committed to fair international trade;

(2) consistent with national fiscal policies, this policy should be applied to all procurement with Federal funds;

(3) fair trade does not exist in international government procurement because of restrictive buy-national policies and other non-tariff trade barriers over and above reasonable preferences consistent with national fiscal policies;

(4) the United States Government has no procedures to ensure that when it does so, it purchases only fairly traded foreign goods;

(5) purchases of foreign goods with Federal funds, in the absence of fair trade, has contributed to unemployment in this country which results in significant social costs;

(6) Government procurement is consistent with fiscal policy if one of its purposes is to stimulate economic growth; and

(7) Government procurement results in significant returns in Federal, State, and local taxes which far outweigh the short-term increase in costs which may accompany a domestic preference in procurement. (b) The purposes of this Act are—

(1) to provide a reasonable and fair minimum preference in Government procurement and procurement with Federal funds to domestic materials and articles; and

(2) to establish procedures to ensure that when purchased, only fairly traded foreign materials and articles are procured by the Government or procured with Federal funds.

PREFERENCE FOR DOMESTIC MATERIALS AND ARTICLES

SEC. 3. (a) Except as provided in section 5, in the procurement of materials and articles by Federal agencies or with Federal funds, only domestic materials and domestic articles shall be procured, unless—

(1) domestic materials or domestic articles of satisfactory quality are not available in sufficient quantity, as determined under regulations prescribed by the Administrator; or

(2) the cost of the domestic material or domestic article is excessive in comparison to the cost of similar foreign materials or foreign articles, as determined under section 6.

(b) Except as provided in section 5, every contract entered into by any Federal agency, or by any person or government if Federal funds are to be paid under the contract, for the construction of any public building or public work, shall require that only domestic materials and domestic articles shall be used in such construction, unless—

(1) domestic materials or domestic articles of satisfactory quality are not available in sufficient quantity, as determined under regulations prescribed by the Administrator; or

(2) the cost of the domestic material or domestic article is excessive in comparison to the cost of similar foreign materials or foreign articles, as determined under section 6.

(c) For purposes of subsection (a), materials or articles shall be considered to be procured with Federal funds only if 50 percent or more of all sums paid for such materials or articles are derived, directly or indirectly, from Federal funds. For purposes of subsection (b), Federal funds shall be considered to be paid under a contract only if 50 percent or more of all sums to be paid under such contract are derived, directly or indirectly, from Federal funds.

SUBCONTRACTS

SEC. 4. (a) Except as provided in section 5, each contract entered into for the procurement of any material or article by any Federal agency or with Federal funds (within the meaning of section 3(c)) shall specify that any subcontract thereunder for any materials or articles which accounts for 10 percent or more of the final delivered price of the procured material or article shall be subject to the requirements of section 3(a) and the restrictions of section 9.

(b) Except as provided in section 5, each contract entered into by a Federal agency, or by any person or government if Federal funds are to be paid under such contract (within the meaning of section 3 (c)), for the construction of any public building or public work shall specify that any subcontract thereunder for any materials or articles which acounts for 10 percent or more of the total construction price shall be subject to the requirements of section 4(b).

EXCEPTIONS

SEC. 5. Sections 3, and 4 shall not apply to—

(1) contracts for the procurement of materials and articles for use outside the United States, contracts for the construction of public buildings or public works outside the United States, or subcontracts under such contracts; or

(2) any contract or subcontract if the procurement or use of domestic materials or domestic articles under such contract or subcontract is determined to be inconsistent with the public interest, under regulations prescribed by the Administrator, by the head of the Federal agency concerned or, if there is no Federal agency concerned, by the person specified by regulations prescribed by the Administrator.

DETERMINATION OF EXCESSIVE COST

SEC. 6. (a) The Administrator shall issue regulations which provide that, for purposes of section 3, the cost of any domestic material or domestic article shall not be considered to be excessive if such cost does not exceed the sum of (1) the cost of similar foreign materials or foreign articles (including any applicable duty) and (2) the differential determined under subsection (b).

(b) The differential referred to in subsection (a) is an amount (as determined by the Administrator) which is a percent of the cost of the domestic material or domestic article.

(c) In determining the differential under subsection (b) the Administrator shall consider the economic effects (including the tax benefits) of purchasing domestic materials or domestic articles.

(d) In determining the differential under subsection (b) the Administrator is further authorized to establish one differential to be applied to all domestic materials or domestic articles, separate differentials for each class of domestic materials or domestic articles, or higher differentials to be applied to domestic materials or domestic articles which are procured from small business concerns or concerns located in labor surplus areas.

CERTIFICATIONS BY CONTRACTORS SUPPLYING FOREIGN MATERIALS AND ARTICLES

SEC. 7. (a) No contract or subcontract for the procurement of foreign materials or foreign articles may be entered into under authority of section 3(a)(2), and no contract or subcontract for the construction of a public building or public work in which foreign materials or foreign articles will be used may be entered into under authority of section 3(b)(2), unless the contractor or subcontractor, as the case may be, certifies that he has been assured in writing by the foreign supplier of such materials or articles that (1) such materials or articles are not being supplied at below their cost of production and (2) such foreign supplier is not in violation of the antitrust laws of the United States.

(b) If the Administrator determines, after notice and hearing, that a person has falsely certified under subsection (a), such person shall, in addition to any other penalty, not be eligible to be awarded any contract or subcontract entered into under authority of section 3 (a)(2) or (b)(2) for a period of three years from the date on which such determination becomes final. The provisions of chapters 5 and 7 of title 5, United States Code, shall apply to proceedings under this subsection.

AWARDING OF CONTRACTS FOR PROCUREMENT OR USE OF FOREIGN MATERIALS AND ARTICLES

SEC. 8. (a) No competitive bid contract or subcontract to which section 3(a) applies may be awarded for the procurement of foreign materials or foreign articles unless the provisions of this section have been complied with. No competitive bid contract or subcontract to which section 3(b) applies may be awarded in which foreign materials or articles are to be used unless the provisions of this section have been complied with.

(b) If under one or more qualified bids on a contract or subcontract to which section 3 applies foreign materials or foreign articles would be procured or used and such bid or bids (hereinafter referred to as the "low foreign bid or bids"), after the application of such section and section 6, are lower than the qualified low bid under which domestic materials or domestic articles would be procured or used (hereinafter referred to as the "low domestic bid"), the contracting officer shall notify the person making the low domestic bid of the identity of the person or persons making the low foreign bid or bids, and the details of such bid or bids.

(c)(1) If the person making the low domestic bid believes that the foreign materials or foreign articles which have been or will be imported to fulfill the low foreign bid or bids involve or will involve a violation of any section listed in paragraph (2), or that with respect to similar domestic materials or domestic articles the foreign country or instrumentality of origin of such foreign materials or foreign articles is engaging in any acts or practices described in section 301(a) (1), (2), or (4) of the Trade Act of 1974, he may commence a proceeding or proceedings under any of such sections. If such person decides to commence such a proceeding with respect to the low foreign bid, or with respect to each low foreign bid if there are two or more, and notifies the contracting officer of such decision within 5 days after he receives notice under subsection (b), the contract or subcontract shall not be awarded pending the commencement of such proceeding or proceedings. If such person commences such proceeding or proceedings and notifies the contracting officer of such commencement within 30 days after giving notice under the preceding sentence, the contract or subcontract shall not be awarded until a final decision has been rendered in such proceeding or proceedings.

(2) The sections referred to in paragraph (1) are—

(A) section 201 of the Antidumping Act, 1921,

(B) section 303 of the Tariff Act of 1930,

(C) section 337 of the Tariff Act of 1930, and

(D) section 301(a)(3) of the Trade Act of 1974.

(d)(1) If there is only one low foreign bid and in a proceeding commenced under subsection (c)(1) with respect to such bid there is found to be a violation of a section referred to in subsection (c)(2), or of sections 301(a) (1), (2), or (4) of the

Trade Act of 1974, the contract or subcontract shall, notwithstanding any other provision of law, be awarded to the person making the low domestic bid. If no such violation is found, such contract or subcontract may be awarded to the person making the low foreign bid.

(2) If there are two or more low foreign bids and in each proceeding commenced under subsection (c)(1) with respect to such bids, there is found to be a violation of a section referred to in subsection (c)(2), or of section 301(a)(1), (2), or (4) of the Trade Act, the contract or subcontract shall, notwithstanding any other provision of law, be awarded to the person making the low domestic bid. If such a violation is not found in each such proceeding, the contract or subcontract may be awarded to the person making the lowest low foreign bid with respect to which no violation is found.

DEFINITIONS

SEC. 9. For purposes of this Act—

(1) The term "Administrator" means the Administrator for Federal Procurement Policy.

(2) The term "construction" includes alteration and repair.

(3) The term "domestic material" means any unmanufactured article or material produced or mined in the United States.

(4) The term "domestic article" means any manufactured article at least 75 percent or substantially all of the delivered price of which is attributable to—

(A) domestic materials,

(B) component items manufactured in the United States, and

(C) the cost of manufacture (including assembly, packaging, and delivery) in the United States. For purposes of this paragraph, any material which is not produced or mined in the United States in sufficient quantity or of satisfactory quality and any component item which is not manufactured in the United States in sufficient quantity or of satisfactory quality, as determined under regulations prescribed by the Administrator, shall not be taken into account.

(5) The term "foreign material" means any unmanufactured article or material produced or mined outside the United States.

(6) The term "foreign article" means any article which is not a domestic article.

(7) The term "Federal agency" means any instrumentality of the Government of the United States (including the National Railroad Passenger Corporation and the Consolidated Rail Corporation), the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any possession of the United States.

(8) The term "Federal funds" means funds appropriated out of the Treasury of the United States.

(9) The term "United States", when used in a graphical sense, includes any Commonwealth, possession, or other territory subject to the jurisdiction of the Government of United States.

REGULATIONS

SEC. 10. The Administrator is authorized to issue such regulations as he determines necessary to carry out this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this Act.

EFFECTIVE DATE

SEC. 12. The provisions of this Act shall take effect on the date of its enactment, but sections 3 through 9 shall apply only with respect to contracts and subcontracts under such contracts entered into more than one year after the date of the enactment of this Act.

SECTION BY SECTION ANALYSIS

Section 2. Findings and Purpose: The Governmental Affairs Subcommittee on Federal Spending Practices and Open Government held three days of hearings in March and April, 1978, on the Buy American Act and its implementation. The testimony given at these hearings led to three major findings. The first was that federal procurement serves purposes other than merely to purchase the goods and services the government needs to operate. It also serves a fiscal purpose to stimulate employment and economic growth.

The second major finding was that where significant purchases of foreign goods are made with federal funds, there is strong evidence that those foreign goods may be unfairly traded. Possibly the goods are being dumped (i.e., traded at less than fair market value) in the United States, government subsidized, or that other countries discriminate against American producers.

The third major finding is related to the second. The Federal Government has no way of protecting itself against purchasing unfairly traded goods. Due to the peculiarities of government procurement, our fair trade laws do not apply to procurement.

Therefore, the purposes of this bill are two:

(1) To provide a minimal preference for domestic goods to account for the fiscal purpose of government procurement, and

(2) To provide the Federal Government a mechanism for ensuring that, when purchased, only fairly traded goods are purchased with federal funds.

Section 3. Preference for Domestic Materials and Articles: Section 3(a) establishes the policy that, with certain strictly defined exceptions, only American made products may be purchased with federal funds. Section 3(b) extends this policy to construction contracts for public works projects.

Section 3 also has the effect of establishing a domestic preference policy to any purchase by states and localities with at least 50 percent federal funding. That is, any purchase by a state or locality 50% of the cost of which is funded with federal dollars, must be made from American producers.

This preference does not apply, however, if the product cannot be obtained domestically in sufficient quantity or quality, or if the cost of the domestic product is considered excessive.

Section 4. Subcontracts: This section extends the preference for domestic goods to subcontracts which form 10 percent or more of the total delivered price of the end product. There are certain products which are used in goods purchased with federal funds but which are never purchased by governments directly. The cost of such components are often less than 25 percent of the final delivered price. Therefore, under the definition of domestic article, these goods could always be purchased from foreign sources, whether or not they are fairly traded, with no preference for domestic suppliers.

This section, then, attempts to provide these kinds of suppliers with the same protections against unfair foreign competition in government procurement as prime contractors.

Section 5. Exceptions: Purchases for the procurement of goods to be used outside the United States and purchases inconsistent with the public interest are excepted from the provisions of the bill.

Section 6. Determination of Excessive Cost: As under the present Buy American Act, foreign goods may be purchased if the cost of similar domestic goods is excessive. However, unlike the Buy American Act, this section provides some guidance as to how to determine whether the cost of the domestic goods is excessive.

Under the provisions of this section a determination must be made on every contract on which foreign firms have bid. The domestic bids will be considered excessive if they are higher than the sum of the lowest foreign bid plus a differential.

The differential is defined as an amount which is a percentage of the lowest domestic bid. The Administrator for Federal Procurement Policy will issue regulations to specify the percentages to be used in agency determinations. In establishing these percentages, the Administrator must consider the economic effects, including the tax benefits, of federal procurement. This requirement is founded in the numerous studies which indicate that federal procurement from domestic, rather than foreign, firms yield significant tax receipts.

The Administrator is further authorised to establish either one percentage for all products, or different percentages for different products or classes of products. Also, the Administrator may consider establishing higher percentages for procurement from small businesses or firms located in areas of high unemployment.

Section 7. Certifications by Contractors Supplying Foreign Materials and Articles: A contractor will be required to certify that he is not supplying goods to the Federal Government at below their cost of production (i.e., that he is not dumping) and that he is not in violation of the antitrust laws of the United States. Any contractor who falsely certifies to that effect shall be debarred for a period of three years from any government procurement where federal funds are spent.

Section 8. Awarding of Contracts for Procurement on Use of Foreign Materials and Articles: This section establishes procedures which will ensure that, if federal funds are used to purchase foreign products, only fairly traded foreign goods are purchased. Under the provisions of this section, any domestic firm is authorized to bring an action under the fair trade laws if he suspects a foreign firm is violating such laws in bidding on any contract.

Section 9. Definitions: This section details the definitions of various terms used throughout the bill. Of particular importance are the definitions of domestic article and federal agency.

A domestic article is defined to mean any final good delivered to the government 75% of the total delivered cost of which can be directly attributed to United States sources. The 75% definition includes the costs of components, assembly, transportation and delivery.

The definition, however, specifies that those components of a good supplied to the government which cannot be produced in the U.S. in sufficient quantity or quality are not to be considered in determining whether the good is foreign or domestic. Therefore, less than 75% of the cost of a government purchased product may actually be attributable to domestic sources (due to components which cannot be obtained in the U.S.). However, it is the policy embodied in this definition that substantially all of the cost of products purchased with federal funds must be derived from U.S. sources if the product is to be considered domestic for purposes of this legislation.

Federal agency includes not only any instrumentality of the Federal Government (as defined in the U.S. Code) but also specifically includes AMTRAK and Conrail which are not presently covered by the Buy American Act.

Section 10. Regulations: The Administrator for Federal Procurement Policy is authorized to administer the provisions of this bill.

● Mr. BAYH. Mr. President, today I am joining with Senator HEINZ in sponsoring the Buy American Act of 1979. This legislation is a further refinement of nearly 2 years of study and work aimed at nationalizing and improving domestic preferences in government procurement policies. The introduction of this legislation is particularly timely since our own Government is now in the conclusive phases of nailing down an International Government Procurement Code which will, hopefully, provide some equity and reciprocity in gaining access to foreign government procurements for U.S. manufacturers. While the bill we introduce today does not make explicit reference to those negotiations, it will be helpful in providing future leverage in dealing with those governments who are not yet willing to open their own government procurement process in those areas where our own firms can be competitive. In the event that Code is not as satisfactory as it should be, this bill also represents a vehicle to assure that we will retain discretion to strengthen the "Buy American" laws applicable to those entities such as the transportation sector which may be exempted from coverage under the Code.

The need for such an upgrading of domestic preference statutes is apparent. First of all, Federal procurement serves purposes other than merely to purchase the goods and services the Government needs to operate. It also serves a fiscal purpose to stimulate employment and economic growth. The tax receipts generated from productive expenditure of public funds in this country are significant. A Congressional Research Service study concluded that for every $1,000 the Federal Government procures from the private sector, about $552 eventually comes back in the form of tax revenues

The advent of widespread predatory pricing and illegal "dumping" from foreign suppliers has also mandated improvement of the present laws. As the hearings on the "Buy American Act" held by the Governmental Affairs Subcommittee on Federal Spending Practices and Open Government showed last year, there is storng evidence that foreign goods purchased directly or indirectly by the U.S. Government may be unfairly traded. Think of it a moment: the U.S. Government may actually be abetting the practice of dumping.

I have joined earlier this year in sponsoring the Fair Trade Act of 1979 to speed up and improve our antidumping laws and the process of collection of dumping duties by the U.S. Customs Service. However, I feel very strongly that it is high time we recognized this very serious problem and moved to correct it by reforming our fair trade laws and the Federal procurement process.

Finally, in order to accomplish a rectification of the present situation, we have to make sure the Federal Government can protect itself against purchasing unfairly traded goods. The Buy American Act of 1979 does this by providing the lowest domestic bidder with the specific avenue of redress if it is believed that a foreign bid is an unfair one. A summary of how this is to be done is provided in a section-by-section analysis of the bill.

This Nation's own commitment to fair trade and access to the markets of our trading partners on a reciprocal basis is served by the Buy American Act of 1979 because for the first time we are recognizing the realities of the international marketplace and how our procurement policies should relate to them. Those realities have compelled U.S. manufacturers to compete against not just the firms of countries such as Japan or France, but their governments as well. The domestic preferences provided in this act will help to offset that inherent and unfair disadvantage and put greater weight in our efforts to negotiate further reductions of nontariff barriers which have deprived U.S. businessmen an opportunity to compete for foreign government contracts where they can do so effectively.

Mr. President, I would only add that this effort today is by no means a "protectionist" measure aimed at excluding totally the opportunity for foreign suppliers to service some U.S. Government procurement markets. What we will insist upon, however, is that such trade is fair and that we do not overlook the fact that government procurement is meant to serve the fact that government procurement is meant to serve the broad economic interests of our Nation and the American people.●

By Mr. MCCLURE:

S. 534. A bill to provide that the lake referred to as the Ririe Lake on Willow Creek, in Bonneville County, Idaho, shall hereafter be known as Oscar Johnson Lake; to the Committee on Energy and Natural Resources.

OSCAR JOHNSON LAKE

● Mr. MCCLURE. Mr. President, I am introducing this bill to name the reservoir behind Ririe Dam, Oscar Johnson Lake in honor of Mr. Oscar Johnson, an Idaho pioneer whose ranch was inundated by the waters of Ririe Dam. The Corps of Engineers newly constructed Ririe Dam is located in Bonneville County, Idaho, and was the Johnson home for over 65 years. Being an advocate of flood control and irrigation projects, he graciously conceded his cattle ranch so that Ririe Dam might be built for the public benefit.

Much of the land owned by Oscar Johnson was homesteaded by his family and other Idaho pioneers. When Oscar Johnson was 16 his father passed away leaving Oscar to support the family. He then began ranching by purchasing 35 acres and eventually other homesteads to form the 5,000-acre Willow Creek Ranch that the reservoir has taken. Members of the Johnson family still make their home in eastern Idaho today.

Oscar Johnson is a fine example of the strong and honest character that settled this part of Idaho. He was progressive in his thinking, hard-working, and well respected citizen of the community. It was with his single efforts alone that the downtown section of Idaho Falls was saved from a flood in 1962. He spent several nights on a small wooden bridge pushing ice blocks under the bridge so that a build-up would not occur and wash out another downstream bridge causing considerable damage to the Idaho Falls business center.

He had dedication to land and water resource conservation as well as a love for the outdoors and its wildlife. It is fitting that part of his ranch that rests on the edges of the reservoir now houses wildlife under the management of the Fish and Wildlife Service.

It should also be noted that Ririe Dam is named after another Idaho pioneering family whose ranch was located below and where the dam now stands. It is only just that both families be represented by name on this water project for even though it affected dramatically their way of life, they both supported it for its many benefits to their Idaho neighbors.

The mayor of Idaho Falls, Idaho, and other prominent area residents endorse this proposal.

I would hope the Senate would take into account the Idaho pioneering history involved and consider this legislation to make the Ririe Dam reservoir the Oscar Johnson Lake.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of the late Oscar Johnson of Idaho, whose ranch formed much of Ririe Lake, the lake referred to as the Ririe Lake on Willow Creek, Bonneville County, Idaho, shall hereafter be known and designated as the "Oscar Johnson Lake". Any law, regulation, map, or record of the United States in which such lake is referred to shall be held and considered to refer to such lake by the name of the "Oscar Johnson Lake".●

By Mr. SCHMITT (for himself, Mr. CANNON, Mr. FORD, Mr. PRESSLER, and Mr. THURMOND):

S. 535. A bill to regulate commerce by providing for the safe transportation of nuclear waste and radioactive nuclear reactor fuel, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NUCLEAR WASTE TRANSPORTATION SAFETY ACT OF 1979

● Mr. SCHMITT. Mr. President, the safe management of nuclear waste is one of the most difficult and emotional policy issues that face our Nation. In some ways, the waste management problem is unlike other public policy decisions. People who are elected to office for a few years are being asked to make judgments on highly technical matters whose consequences may stretch out for generations.

Congress has not ignored the waste management problem. During the 95th Congress, 12 different House and Senate committees held a total of 45 days of hearings on nuclear waste related issues.

At my initiative, the Science, Technology, and Space Subcommittee of the Senate Committee on Commerce, Science, and Transportation held 4 days of hearings and received testimony from 43 witnesses on waste management issues. One day of our hearings concentrated on the transportation aspects of waste management. This hearing clearly showed a lack of adequate activity that has been devoted to the transportation issues and the need for a coordinated ef-

fort between the Federal Government and State and local governments.

Once we establish a comprehensive nuclear waste management plan, transportation will be the link in the waste management chain that will have the highest public visibility.

Of the 32,000 hazardous material incident reports submitted to the Department of Transportation during the 5-year period between 1971 and 1975, only 144 of these involved radioactive materials and only 36 of those showed a potential public exposure to radiation. This record is encouraging, but we must be prepared for the higher volume of shipments that will result from the implementation of the President's or any other spent fuel policy and the establishment of one or more long-term storage facilities.

The interim, above-ground storage of commercial spent fuel rods must be guaranteed by the Federal Government while at the same time waste reprocessing technology is developed that can economically and safely recycle this valuable resource. Above-ground storage of these rods is a safe, proven technology and is a practically and economically more attractive alternative than below-ground semipermanent disposal.

Mr. President, last week the administration sent Congress its legislation intended to implement the announced Spent Fuel Policy of October 1977. Whereas this is a constructive step toward solving our nuclear waste problems, the administration's bill does not address the transportation aspect of fuel management. I am taking the opportunity today to fill a gap in the administration's waste management plan by introducing the Nuclear Waste Transportation Act of 1979.

These areas of deficiency came to light during the Commerce Committee's waste transportation hearing.

ABSENCE OF A LEAD AGENCY

First, there is no agency which has the ultimate responsibility for regulating the transportation of nuclear materials. The Department of Transportation and the Nuclear Regulatory Commission have overlapping regulatory jurisdiction. At present, this confusing jurisdictional overlap is resolved through a memorandum of understanding between the two agencies. It is questionable that this arrangement will be able to work under the pressure of future increases in volume of transportation of wastes and increases in public concern over the safety of shipments.

EMERGENCY RESPONSE PLAN

The past safety record for the shipment of radioactive materials is probably the best of all hazardous materials. Nevertheless, serious accidents involving other materials, such as chlorine and propane, have caused concern that we do not have an adequate emergency response capability for hazardous materials in general. The formulation of an emergency response capability for dealing with radioactive shipments would go far to alleviate public anxiety and ease the mounting pressure to place State and local restrictions on radioactive shipments. It also may form the basis for a more comprehensive hazardous waste transportation policy in the future.

INADEQUATE INVENTORY OF SHIPPING CASKS

The number of shippings casks available today is sufficient to transport only one-third of the spent fuel produced each year by our operating power plants. There is no "technical shortage" of shipping capacity today because in the absence of a national waste management plan we have to deal with the shortage of safe shipping casks for spent fuel and accommodate the long lead times necessary to design, build and license new casks.

NUCLEAR WASTE TRANSPORTATION SAFETY ACT

Mr. President, today I am introducing on behalf of Senators CANNON, FORD, PRESSLER, THURMOND, and myself the "Nuclear Waste Transportation Safety Act of 1979." This act represents a necessary step toward resolving some of the transportation problems associated with the shipments of nuclear wastes and spent fuel.

First of all, the act removes the confusing jurisdictional overlap between the Department of Transportation (DOT) and the Nuclear Regulatory Commission (NRC) by designating the DOT to be the lead agency for overseeing transportation safety. The NRC will retain its responsibility for certifying the safety of shipping casks and packages.

Next the act charges the Secretary of Transportation with the responsibility of formulating a plan to react to shipping accidents or malevolent acts directed toward the transportation of nuclear materials. The Secretary is also instructed to prepare an annual report which includes a compilation of radioactive materials transportation data that will be useful in making changes in package designs and shipping procedures which could improve safety. The annual report will include an up-to-date assessment of the inventory of shipping packages and the Secretary's projection of future needs for such packages.

The act authorizes State grants which would provide funds for the governments of impacted States to prepare an independent analysis of the transportation aspects of any plan to develop a spent fuel or nuclear waste repository.

Finally, the act requires prior notification and assurances that any spent fuel or nuclear waste which is imported into the United States will be transported in packages and using procedures that are consistent with those used for domestic shipments.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 535

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Waste Transportation Safety Act of 1979".

SEC. 2. In order to enhance the safety and simplify the regulation of the transportation of nuclear waste and radioactive commercial spent fuel, it is declared to be the policy of Congress that the Department of Transportation has the principal responsibility for regulating, monitoring, and ensuring the safety and security of such transportation. The Congress further declares that the efforts of the Department of Transportation in fulfilling this responsibility may be best be conducted by appropriate consultation with the Nuclear Regulatory Commission.

SEC. 3. Section 103 of the Hazardous Materials Transportation Act (49 U.S.C. 1802) is amended to read as follows:

"DEFINITIONS

"SEC. 103. As used in this title, the term—

"(1) 'commerce' means trade, traffic, commerce, or transportation, within the United States, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, commerce, or transportation described in clause (A);

"(2) 'commercial spent fuel' means any reactor fuel which has become radioactive as a result of its use and irradiation in an operating commercial nuclear reactor;

"(3) 'emergency situation' means any situation involving the shipment of nuclear waste or commercial spent fuel which could lead to dangerous exposure of the public or property to radiation or an attempt to divert or interfere with a shipment of nuclear waste or commercial spent fuel;

"(4) 'hazardous material' means a substance or material in a quantity and form which may pose an unreasonable risk to health and safety or property when transported in commerce;

"(5) 'nuclear waste' means any radioactive material, or combination of materials, other than commercial spent fuel, which is deemed to have no immediate commercial value or application;

"(6) 'radioactive material' means any material or combination of materials which spontaneously emits ionizing radiation and has an estimated specific activity greater than 2 nanocuries per gram of material;

"(7) 'Secretary' means the Secretary of Transportation, or his delegate;

"(8) 'serious harm' means death, serious illness, or severe personal injury;

"(9) 'shipment' means any movement of nuclear waste, commercial spent fuel, or radioactive materials by any mode and any loading, unloading, or temporary storage incidental thereto, excluding the receipt, possession, use, and transfer of nuclear waste, commercial spent fuel or radioactive materials within the boundaries of a facility licensed by the Nuclear Regulatory Commission;

"(10) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, or Guam;

"(11) 'transports' or 'transportation' means any movement of property by any mode, and any loading, unloading, or storage incidental thereto;

"(12) 'transuranic waste' means any nuclear waste which is measured or assumed to contain a concentration of chemical elements with an atomic number higher than 92 and a specific activity greater than 10 nanocuries per gram; and

"(13) 'United States' means all of the States.".

SEC. 4. Section 104 of the Hazardous Materials Transportation Act (49 U.S.C. 1803) is amended by adding immediately after the first sentence thereof the following new sentence: "The materials so designated shall include commercial spent fuel and transuranic waste in quantities greater than 1 kilogram.".

SEC. 5. The Hazardous Materials Transportation Act (49 U.S.C. 1801 et seq.), as amended, is further amended by—

(1) redesignating section 115 thereof as section 118; and

(2) inserting immediately after section 114 thereof the following new sections:

"NUCLEAR MATERIALS TRANSPORTATION

"SEC. 115. (a) RESPONSIBILITIES.—The Secretary shall have the primary responsibility for the safety, regulation, and logistical aspects of the shipment of nuclear waste and commercial spent fuel, except that the primary responsibility for regulating and certifying the safety of shipping casks and packages shall remain with the Nuclear Regulatory Commission.

"(b) EMERGENCY RESPONSE PLAN.—(1) Within 18 months after the date of enactment of the Nuclear Waste Transportation Safety Act of 1979, the Secretary shall formulate and send to the Congress a national emergency response plan to deal with emergency situations that may occur during the shipment of nuclear waste, commercial spent fuel, or other radioactive material. Such plan shall include provisions for a program of educating State and local officials with respect to the possible hazards associated with such shipments, and the steps that should be taken in case of an accident or emergency situation which occurs during any such shipment. The emergency response plan shall define clearly the role of Federal, State, and local governments in responding to an emergency situation. Such plan shall include estimates of the cost of the equipment and the training of emergency reponse personnel that the Secretary determines necessary in order to prepare local officials to deal promptly with the immediate problems associated with an emergency situation. The Secretary shall make recommendations to the Congress concerning funding or other assistance which the Federal Government might supply to local governments in order to improve their ability to respond to an emergency situation.

"(2) In developing the emergency response plan, the Secretary shall consult with those State and local governments which he believes will be significantly affected by shipments of nuclear waste, commercial spent fuel, or other radioactive material.

"SHIPMENTS WITHIN STATES; STATE GRANTS

"SEC. 116. (a) NOTIFICATION.—Any person, or Federal, State, or local government entity proposing to develop a long-term storage or disposal facility, including a test disposal facility, which would result in nuclear waste or commercial spent fuel being transported within a State, shall notify the Secretary within 60 days of selection of a site for such a facility. Such notification shall list the States within which nuclear wastes or commercial spent fuel will be shipped during transport to the facility. The Secretary shall notify the Governors of the States within which the nuclear waste or commercial spent fuel is proposed to be shipped within 10 days after the Secretary has received such notification.

"(b) APPLICATION BY STATES.—Upon receipt of notification pursuant to subsection (a) of this section, a State may apply to the Secretary, in such form as the Secretary may by regulation prescribe, for a grant which shall be issued in accordance with the provisions of subsection (c) of this section.

"(c) AUTHORITY.—The Secretary is authorized to provide grants to any State to assist it in conducting an independent State review of the safety and logistics of shipment associated with any proposal to develop a long-term storage or disposal facility, including a test disposal facility, which would result in nuclear waste or commercial spent fuel being shipped within that State.

"(d) ADMINISTRATION OF GRANTS.—Within 6 months after the date of enactment of the Nuclear Waste Transportation Act of 1979, the Secretary shall promulgate regulations for the issuance of grants under this section. Such regulations shall include provisions governing the amount of any such grants, except that no single grant approved pursuant to this section may exceed $50,000. Such regulations shall take into consideration the proposed level of State review and the continued development of the proposed facility. Any sums received by the State in excess of its actual cost shall be returned to the Department for further distribution for other grants provided pursuant to this section.

"FOREIGN SHIPMENTS

"SEC. 117. (a) NOTIFICATION.—Any person, or Federal, State, or local government which proposes to accept nuclear wastes or commercial spent fuel from any source outside of the United States shall be required to notify the Secretary, at least 90 days before arrival of the nuclear waste or commercial spent fuel, of—

"(1) the amount, form and quantity of nuclear wastes or commercial spent fuel that will be imported into the United States;

"(2) the mode of shipment, the routing, and destination of the shipment; and

"(3) a detailed technical description of the safety and other characteristics of the proposed shipping containers.

"(b) REPORTS.—The Secretary is directed to analyze and report to the Congress within 45 days of any notification made pursuant to subsection (a) of this section on the adequacy of the safety and logistical considerations involved in the shipment of such nuclear waste or commercial spent fuel from any source outside of the United States.

"(c) SAFETY.—The Secretary is directed to ensure that any foreign nuclear waste or commercial spent fuel that is shipped to the United States from a source outside of the United States is packaged in containers that are licensed or certified by the Secretary to be safe for shipment within the United States. The Secretary shall also ensure that the shipment procedures for any such containers are consistent with those for such shipments within the United States.".

SEC. 6. Section 109(e) of the Hazardous Materials Transportation Act (49 U.S.C. 1808 (e)) is amended by—

(1) striking "and" at the end of paragraph (5) thereof;

(2) redesignating paragraph (6) as paragraph (10) thereof and inserting after paragraph (5) thereof the following new paragraphs:

"(6) a review of the safety requirements associated with the shipment of nuclear wastes, commercial spent fuel, and other radioactive materials, and recommended action for any safety-related research or changes in shipping mode or procedure which might significantly enhance the safety and security of such shipments;

"(7) a compilation of shipment data (including number of accidents, number and volume of nuclear waste, commercial spent fuel, and other radioactive material shipments), and other information that can aid risk assessment, can be used for improved container and vehicle design, or can indicate changes in procedures and practices which would make significant improvements in the safety of shipments;

"(8) recommendations for Federal routing guidelines or requirements which might alleviate the need for State and local governments to place additional restrictions on shipments of nuclear waste, commercial spent fuel, or radioactive materials;

"(9) an assessment of the Nation's inventory of containers, packages, and vehicles that are suitable for the shipment of nuclear waste or commercial spent fuel and a comparison of this inventory with the projection of future shipment requirements; and".

SEC. 7. Section 118 of the Hazardous Materials Transportation Act, as redesignated by section 5 of this Act, is amended by—

(1) inserting "(a)" immediately before the first sentence thereof; and

(2) adding at the end thereof the following new subsections:

"(b) There are authorized to be appropriated to the Secretary not to exceed $3,500,000 for each of the fiscal years 1980, 1981, and 1982 for the purposes of sections 115 and 117 of this title.

"(c) There are authorized to be appropriated to the Secretary not to exceed $2,500,000 for each of the fiscal years 1980, 1981, and 1982, for the purposes of section 116 of this title.".●

By Mr. BAYH:

S. 536. A bill to discourage the use of painful devices in the trapping of mammals and birds; to the Committee on Environment and Public Works.

● Mr. BAYH. Mr. President, today I am introducing a bill to discourage the use of painful trapping devices. This legislation is identical to S. 2223 which I introduced in the 95th Congress and represents my continued concern about the unnecessary pain inflicted upon trapped animals. I am hopeful the Members of the 96th Congress will realize the great lessening of pain which this bill could provide the thousands of animals intentionally or accidently caught in traps annually and that this legislation will receive favorable consideration.

A perceptive editorial on the horrors of trapping appeared in the February 13, 1979, New York Times. Written by Mr. John B. Oakes, former senior editor of the New York Times, the editorial observes that most purchasers of fur coats are ignorant of the circumstances surrounding the procurement of animal pelts. Most are unaware that these furs are evidence of the many hours or even days of pain and suffering inflicted upon the animals. Mr. Oakes stresses that ridicule of the "do-gooders" does not disguise the fact that much unnecessary and extremely intense pain is inflicted upon these animals. I agree with his thesis that the vanity of the consumer does not justify this intense cruelty.

The controversy surrounding trapping should not be perceived as a rural issue. Trapping occurs in heavily populated areas as well as sparse areas of the country. Recently traps were illegally set in Glover-Archibold Park, a popular recreational area in Washington, D.C. utilized by persons of all ages and numerous domesticated animals. In one recent instance a woman was walking her dog on a well-traveled path in this park when the dog was caught in a steel jaw leghold trap. Although unable to free him herself, she was able to get help within minutes. Not all animals are so fortunate.

The steel jaw leghold trap is the device that causes the most concern for me and others worried about the mistreatment of animals. This device, the most widely used trap in the United States, was developed in the 1820's and is designed to capture and hold an animal until the trapper arrives to kill it.

Two factors make leg-hold traps work. First, the jaws of the trap close quickly in order to prevent the animal from removing its foot and escaping. Second, the traps must have sufficient resistance to prying so the animal cannot spread the jaws and free itself.

In time the leg of the animal caught

in a steel jaw trap may become numb from loss of blood circulation. When first captured, however, the animal is subject to intense agony. Even after the blood circulation has been slowed, there will be intermittent periods of pain and numbness as long as the trap remains locked around the animal's leg.

As painful as the leg-hold trap is in its clamping and holding action, its greatest cruelty lies in the fact that the trapped animal is held fast for hours, perhaps even days, before being killed or released, or dying slowly on its own.

The animal's initial reaction to trapping often will be repeated attempts to bite or pull the affected limb free, resulting in torn ligaments and flesh, broken teeth, and other injuries. In many instances, animals will chew off their legs in order to escape. Known as "wring-offs" the wounded escapees are easy prey for other animals. Those that avoid predators face a slow death from gangrene, shock, loss of blood, and infection.

The suffering of trapped animals is not confined to furbearers; the steel jaw does not discriminate. Dogs, cats, birds, deer, domestic stock, and even endangered species are being caught and killed in these devices. The Canadian Government has reported that the number of unwanted birds and mammals "accidently" caught in leg-hold traps is twice the catch of target animals.

Trapping is primarily conducted by amateurs who are interested in recreation or a source of supplemental income. According to Argus Archives, a publication on humane issues, the single greatest portion of trappers in the United States consists of high school students. Only 1 percent of all trappers can be classified as experienced profsesionals. Thus, for the most part trapping is a hobby, for weekend sportsmen whose traps are left unattended during much of the week, and for children who are unlikely to check their lines during the inclement weather which usually accompanies trapping seasons.

It is recognized that a market for wild animal pelts does exist, and that it would not be possible for the United States to ban leg-hold traps unless inexpensive, alternative traps are available. There are commercially available traps capable of less painfully capturing or instantaneously killing animals. For instance, the Conibear series of traps is competitive with leg-hold and other traps, but their purpose and design are radically different from those of the leg-hold; the Conibear is designed to kill an animal instantly by breaking its back or neck.

Several years ago the Department of Interior decided that the use of steel jaw leg hold traps to capture bears was inhumane and ordered all field people to switch to a leg snare trap, which is relatively more humane. I applauded this action at that time and do not understand why the use of the snare has not been extended to smaller animals such as the coyote. One cannot help but wonder why the steel jaw trap is inhumane to bears, but is not inhumane to coyotes, foxes, and so forth. The Interior Department conducted research and claims that the leg snare is not effective in catching the smaller animals as the leg hold trap. However, it is my feeling that necessity is the mother of invention. If it was announced that the Department would no longer be using the steel jaw trap, I am sure the Department and/or private industry would produce an effective leg snare immediately. There are several companies selling leg snares at the present time which they claim are as effective as the steel jaw, although the Department does not agree. Until an incentive exists to encourage the use of a more humane trap, the antiquated steel jaw will continue to be used and animals will continue to suffer needlessly.

The feasibility of banning leghold traps is already well established. The States of Florida and Hawaii have taken such action and in New Jersey and Alabama the use of leghold traps is so restricted as to require an almost total dependence on instant kill and humane capture devices. In addition, several other States have considered similar legislation in recent years.

While there has not been enough experience to fully evaluate the impact of such laws in the United States, other countries provide us with ample evidence that wildlife management programs will not be significantly retarded by passage of this legislation. Eleven countries prohibit the use of leg-hold traps, including England, West Germany, Chile, and Denmark.

More humane trapping methods can and must be adopted. For too long government and wildlife management agencies have ignored and evaded the question of humane trapping. It is time to begin to promote the development and use of painless, selective methods of wildlife control and leave behind the antiquated methods of the past.

In the 92d and 93d Congresses I introduced legislation to discourage the use of painful trapping devices. I was pleased that on November 17 and 18, 1975, the Subcommittee on Fisheries, Wildlife Conservation, and the Environment of the Committee on Merchant Marine and Fisheries held hearings on the 12 bills pending on the subject in the 94th Congress. These are the only hearings ever held in either House of Congress on trapping. I submitted testimony along with 75 other interested people. Because of the many facts brought up during those hearings, the bill I introduced in the 95th Congress and the bill I am introducing today is a modified, much improved, bill than the legislation introduced during the 92d and 93d Congresses.

I believe that the bill will not harm the trapping industry but at the same time will insure that only the most humane methods of trapping will be used.

I want to emphasize that the bill will not inhibit predator control programs of farmers. The bill itself states in its findings that—

It is the policy of Congress to prevent this unnecessary suffering through discouraging the use of such traps and devices, but in a manner which shall not prejudice the right of private landowners to protect private property of domestic animals against damage and depradation.

The legislation I am introducing today is very similar to H.R. 953 introduced by Congressman GLENN ANDERSON and 63 of his colleagues.

It would establish an advisory commission of seven members appointed by the Chairman of the Council on Environmental Quality to advise the Secretary of Interior with respect to regulations promulgated under this act. Such regulations shall prescribe acceptable methods of trapping and shall designate the specific traps designed to capture in the most humane manner possible.

In addition to establishing national trapping standards, the bill has several other provisions:

First, only acceptable means of trapping as prescribed by the Secretary and the Advisory Board would be allowed on Federal lands.

Second, the bill would prohibit the interstate commerce of unapproved traps.

Third, it would prohibit the interstate commerce of products taken from animals captured with unapproved traps.

Fourth, this legislation would require that a trap must be checked once every 24 hours and that identification markings appear on each one. I include the visitation provision because my own State of Indiana and 21 other States require it. Also 27 States require the name, address, and phone number of the trapper to be clearly indicated on the trapping device.

I ask unanimous consent that the bill and a copy of Mr. Oakes editorial be printed at this point in the RECORD.

There being no objection, the bill and editorial were ordered to be printed in the RECORD, as follows:

S. 536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress finds and declares that vast numbers of wild and domestic mammals and birds, including family pets and valuable hunting dogs, are needlessly maimed and exposed to prolonged and painful suffering through the use of steel leghold traps, and other painful, sublethal devices used to trap or otherwise capture mammals and birds. It is the policy of Congress to prevent this unnecessary suffering through discouraging the use of such traps and devices, but in a manner which shall not prejudice the right of private landowners to protect private property or domestic animals on private property against damage and depredation.

SEC. 2. As used in this Act the term—

(1) "trap" means any trap, snare, net, or other device designed to trap or capture any mammal or bird;

(2) "approved trap" means the most humane capture method available for any species as determined by the Secretary's review of trapping, research data, demonstrating that the device causes the minimum of pain and distress;

(3) "person" means any individual, partnership, association, corporation, or other entity; and

(4) "interstate or foreign commerce" shall have the same meaning as that provided under section 10 of title 18, United States Code.

SEC. 3. (a)(1) As soon as practicable following the date of the enactment of this Act, but in no event later than one hundred and twenty days following such date, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall, in consultation with the affected heads of other departments and agencies of the United States, issue, and revise from time to time, regulations relating to the trapping and capturing of mammals and birds thereon. Such regulations shall prescribe acceptable means and methods for trapping and capturing mammals and birds on the Federal lands in a humane manner. Such regulations shall contain standards and criteria setting forth the type of trap determined by the Secretary to be the most humane capture method available, and which, to the extent practicable, minimizes the possibility of trapping mammals and birds not intended for capture. Regulations promulgated pursuant to this section shall be published in the Federal Register. The Secretary is authorized to conduct such tests as may be necessary to enable him to carry out his duties under this Act.

(2) Any person violating any such regulation shall be fined not more than $500 or imprisoned not more than one year, or both.

(b)(1) An advisory commission of seven members shall be appointed by the Chairman of the Council on Environmental Quality, to consult with, and to advise and make recommendations to, the Secretary with respect to traps designed or intended for use in trapping or capturing mammals or birds, including regulations of the Secretary. The commission shall further supervise any and all tests carried out pursuant to subsection (a) of this section.

(2) Members of such commission shall receive no compensation as such for their service as members of the commission but may be reimbursed for expenses actually incurred by them in the performance of their duties under this Act.

SEC. 4. (a)(1) Any person engaged in the trapping or capturing of mammals and birds on Federal lands is required to pass a proficiency test to obtain a permit for such activities.

(2) Persons under the age of sixteen years are prohibited from the trapping or capturing of mammals and birds on Federal lands unless accompanied by an adult who has obtained a permit for such activity.

(b) Whoever sells, ships, transports, or carries, or causes to be sold, shipped, transported, or carried, in interstate or foreign commerce, any trap designed or intended for use in trapping or capturing mammals or birds, or both, which is not an approved trap, shall be fined not more than $5,000 or imprisoned not more than one year, or both; and such trap shall be forfeited to the United States.

(c)(1) Interstate or foreign shipment of any hide, skin, or feathers taken from a mammal or bird which has been captured on any lands with a trap other than an approved trap, or any product made from such hide, skin, or feathers, shall be prohibited. The Secretary of the Interior shall publish regulations for the enforcement of this subsection. Any person violating the regulations of this subsection shall be fined not more than $5,000 or imprisoned not more than one year, or both; and such hides, skins, feathers, or products thereof shall be forfeited to the United States.

(d) Whoever, upon any of the Federal lands, places or causes to be placed any trap other than an approved trap for the purpose of trapping or otherwise capturing any mammal or bird, or who, having so placed or caused to be so placed an approved trap, fails to inspect and empty such trap or fails to cause such trap to be inspected or emptied according to regulations promulgated by the Secretary of the Interior, shall be fined not more than $5,000 or imprisoned not more than one year, or both; and such trap shall be forefited to the United States. The Secretary of the Interior shall publish regulations for the enforcement of this subsection. Such regulations shall designate the minimum period during which devices for trapping and capturing animals and birds are to be inspected and emptied. In any event, the goal of the Secretary is to provide for inspection and clearance of trapping and capturing devices at least once per 24-hour period in those areas designated by the Secretary. Such regulations shall designate that each device for trapping or capturing of wildlife be clearly marked with the name, address, and phone number of the person owning the device. Such regulations shall provide for reporting the number of all wildlife trapped or captured by species, including those nontarget species not retained for use.

SEC. 5. In any violation of subsection (d) of section 4 of this Act involving the placing or causing to be placed of any trap other than an approved trap upon any of the Federal lands, the appropriate Secretary shall, with respect to any person so convicted of such violation, immediately take such action as may be necessary to suspend, revoke, or otherwise terminate any lease, license, contract, permit, or other agreement involved in or connected with such violation, between such person and the United States.

SEC. 6 (a) On and after the effective date of this section, no action involving the trapping or capturing of animals and birds shall be carried out on any Federal lands unless such action is (1) otherwise authorized by or pursuant to any Federal law, (2) carried out in accordance with a program or activity conducted or supervised by Federal or State personnel, designed for the purpose of conserving or controlling, predatory or other wild mammals or birds, (3) carried out by means of an approved trap, and (4) in compliance with regulations promulgated pursuant to sections 3 and 4 of this Act.

(b) Any person violating this section shall be fined not more than $5,000 or imprisoned not more than one year, or both.

SEC. 7. On and after the effective date of this section, no Federal agency shall (1) engage in any program or activity which aids, subsidizes, or encourages the trapping or capturing of wild mammals or birds for recreational or commercial purposes, or (2) assist, financially or otherwise, any State or political subdivision thereof in connection with any program or activity of that State or subdivison involvng the trapping or capturing of wild mammals or birds for recreational or commercial purposes.

SEC. 8. Notwithstanding the provisions of section 7 of this Act, the Secretary is authorized to enter into cooperative agreements with any affected State or political subdivision of a State pursuant to which the Secretary shall be authorized to assist such State or subdivision financially or otherwise to enable it to comply with the requirements of this Act. Such financial assistance may be provided in such amounts, in such manner, and subject to such conditions as the Secretary may prescribe.

SEC. 9. (a) Subsection (a) of section 4, sections 5 and 6, regulations promulgated by the Secretary pursuant to sections 3 and 4 shall take effect upon the expiration of the one-hundred-and-eighty-day period following the date of the enactment of this Act.

(b) Subsections (b), (c)(1), and (d) of section 4 shall take effect upon the expiration of the twenty-four-month period following the date of the enactment of this Act.

SEC. 10. The Attorney General of the United States is authorized to pay any individual an amount not to exceed $10,000 for information and services furnished by such individual concerning any violation of this Act. Any officer or employee of the United States or of any State or local government who furnishes information or renders service in the performance of his official duties shall not be eligible for payment under this section.

SEC 11. There are authorized to be appropriated such sums as may be necessary to carry out the foregoing provisions of this Act.

SEC. 12. There is authorized to be appropriated to the Secretary of the Interior the sum of $500,000 for use by him in conducting research into the development of methods of instant killing, completely painless restraint, or other humane means of capture or control, of wild mammals and birds, and to evaluate existing methods of such capture and control.

[From the New York Times, Feb. 13, 1979]

TRAPPED

(By John B. Oakes)

The men and women who carelessly toss the furry skin of a wild animal across their shoulders—just as their ancestors did in the forest of Northern Europe and Asia several thousand years ago—may not know it, and if they do, surely prefer not to think about it, but with few exceptions what they're really doing is flaunting evidence of many hours or even days of torture suffered by each wild animal whose pelt they wear.

There is no escape from this ugly fact, nor can it be hidden either by ridicule of the "do-gooders" who are trying to put a stop to this anachronistic form of cruelty or by the false claim that abolition of the steel leghold trap will destroy the fur industry.

For those who prefer facts to emotion on this touchy subject, a look at the facts will show that:

The steel leg-hold trap, as normally used on land throughout the United States and Canada, is a monstrously brutal method of capturing wild animals.

The overwhelming preponderance of wild (as distinct from ranch-raised) animals whose pelts are used in the American fur industry are caught by the steel leg-hold trap although more humane, if more expensive, alternatives are available.

Use of this trap has already been outlawed or restricted in a number of fur-producing countries and in a few American states.

The recent shift in fashion toward "fun" furs has raised the demand (and prices) for pelts of relatively common wild animals, usually taken by this barbaric device.

When the steel trap is sprung on an animal's leg, the traumatic effect has been compared to that of a car door smashing a human finger caught between the hinges. But (unless the trap has been set underwater, in which case the animal fairly quickly drowns) the agony does not end there; it only begins.

The trapped animal will almost certainly thrash wildly about in terror, rage, pain and panic, breaking its teeth on the steel trap or the chain that holds it in place. Occasionally the victim will succeed in gaining freedom, after hours of struggle, by wrenching or biting off its own foot at the point where the steel jaws have already dug into the bone. This is known in the trade as "wring-off" and the animals that thus leave one paw behind them are the lucky ones.

The others—the vast majority of the millions trapped on land each year—are eventually worn out by the struggle and lie inert and exhausted without food or water, until the trap line is visited, which may easily be two, three or more days later. At that point, the victim at last is put out of its misery, usually by clubbing or strangulation—provided it has not already starved or frozen to death. It has been estimated by Government trappers (and the United States Government is the biggest single trapper of all with its indefensibly wasteful predator-control program) that about 75 percent of the

unwanted animals caught in traps set for other species are so badly injured that they have to be destroyed.

More than six and one-half million muskrats and three million raccoon were trapped and killed in the United States in 1976–77; nearly 175,000 coyotes; 21,000 badgers, etc. etc.—to a total of more than 16 million wild animals in that year alone, taken by an estimated two million trappers, licensed and unlicensed.

Various substitutes for, or modifications of, the leg-hold trap have been tried but are not in general use in this country, except perhaps for an "instant kill" trap that has its own dangers and defects.

Nearly a dozen countries, including Denmark, Norway, Sweden and the United Kingdom, forbid use of the steel leg-hold trap. So, to a limited degree, do a few American states, including New Jersey, where a battle is going on right now to extend the prohibition to all counties in the state. Senators Harrison A. Williams of New Jersey and Birch Bayh of Indiana have introduced comparable legislation at the Federal level.

The fur industry itself has been enjoying an economic revival in the last few years, sparked in part by the new emphasis on "fun" furs trapped in the wild. The rise and use of wild-animal furs (80 percent of which in the United States are caught in the steel leg-hold trap) accounts for a significant part of what today has become a $700 million business.

That's why it's becoming more urgent than ever that the abominable cruelty of the leg-hold trap and the needless suffering it entails be brought to the attention of otherwise sensitive men and women who through ignorance or indifference don't hesitate to wrap themselves in the skin of an animal that probably died under frightful torture.●

By Mr. DURENBERGER:

S. 537. A bill to authorize construction of a project for flood control and other purposes on the South Fork Zumbro River at Rochester, Minn.; to the Committee on Environment and Public Works.

● Mr. DURENBERGER. Mr. President, I urge strong support and quick action on a bill of great importance to the people of Rochester, Minn., and vicinity. This bill authorizes the construction of a flood control protection program on the South Fork of the Zumbro River.

The need for this flood control construction was highlighted last July when 7 inches of rain in less than 6 hours sent flood waters 6 feet deep on a rampage through the city of Rochester. This disastrous flood left five people dead and caused an estimated $50 million worth of property damage.

Since 1951, the South Fork of the Zumbro River has left its banks 11 times, including major floods in 1955, 1962, 1965, and 1974. Rochester is subject to substantial damage of periodic flooding from the Zumbro River because it meanders through the heart of the city and because four tributaries all merge within the city. One-third of Rochester is located on the flood plain.

I urge my colleagues to immediately authorize flood control construction for Rochester based on the plans substantially approved by the Army Corps of Engineers' Board of Review on April 5, 1978. The Corps has said that if the flood project it is planning had been constructed prior to last July's disastrous flood, property damage would have been minimal.

The recommended plan for construction consists of 9.3 miles of channel modifications, 2.6 miles of levees, interior drainage facilities, continued maintenance of flood regulations, flood insurance eligibility, flood warning system, and fish and wildlife compensation measures as well as recreational developments.

The overall flood protection plan for Rochester and vicinity includes a complementary plan now being developed by the Soil Conservation Service. It calls for a system of seven headwaters reservoirs and land treatment measures.

The safety of Rochester citizens depends on passage of this long overdue bill. The potential for serious flooding always exists, especially this spring when there is a heavy snow cover on the ground.●

By Mr. HEINZ (for himself and Mr. MOYNIHAN):

S. 538. A bill to amend the Tariff Act of 1930 with respect to the imposition of countervailing duties, and for other purposes; to the Committee on Finance.

LEGISLATION TO STRENGTHEN U.S. TRADE LAWS

● Mr. HEINZ. Mr. President, this week the Finance Committee begins a series of consultations with Special Trade Representative Robert Strauss and other administration officials on the Multilateral Trade Negotiations and proposed implementing legislation. Since that legislation will not be amendable once it is formally submitted, congressional input will have to be provided early through the consultation format.

To that end the Senator from New York (Mr. MOYNIHAN) and I are today introducing legislation which embodies a series of proposed implementing provisions for the MTN subsidies code. Though we might ultimately seek enactment of this bill, which is in the form of amendments to our current countervailing duty law (section 303 of the Tariff Act of 1930) and our trade discrimination law (section 301 of the Trade Act of 1974), at this point we offer the amendments to the administration as suggested provisions to be included in the implementing legislation.

I cannot emphasize enough, Mr. President, the importance of these negotiations and our forthcoming consideration of the codes and their implementing legislation. Through these negotiations we have, hopefully, established a set of rules of the game, a code of international economic behavior. As a Nation which has always approached its international economic relations with transparency and a belief in the primacy of law, we have potentially much to gain from encouraging other nations to do the same.

Whether these codes achieve that objective, of course, is another issue, as is whether or not the implementing legislation that will accompany their submission adequately reflects our principles and priorities. The Senator from New York and I have given considerable thought to this problem, and the legislation we are introducing today is intended both to further the principles we feel it is vital to establish, and to promote worldwide adherence to the rule of law.

We are quite prepared to deal with our trading partners on fair and equal terms and make reciprocal concessions. We are not, however, willing to continue facing an onslaught of subsidized and unfairly traded imports into this country without adequate countermeasures. The MTN itself will help to prohibit some unacceptable practices, but others remain, and international enforcement, a critical part of the process, is still weak, though stronger than in the past.

It is critical, if the MTN is to mean anything to us, that we write a strong implementing bill to demonstrate to our trading partners our determination to insist on fair trade before we support free trade. To that end we are offering this legislation.

Basically the bill is designed to regularize our trade investigation procedures, insure full and aggressive U.S. investigation of unfair trade practices followed by vigorous enforcement, and provide a framework for our use of the strengthened international dispute settlement apparatus of the GATT.

The legislation regularizes trade procedures by formalizing the investigatory procedure and increasing its transparency. Decisions by the administering authority and the reasons for them would be made public, as well as information compiled on foreign subsidy practices, which would enable more affected parties to file complaints.

A procedure for allowing petitioners to obtain access to confidential data under a court protective order is established, and a system is developed for an orderly review of countervailing duty determinations if a question is raised as to the continuing extent of the subsidy or of the domestic injury.

The bill also regularizes our procedures by clearly defining several key terms used both in U.S. law and in the subsidies code. Section 1(g) provides a clear definition of bounty or grant—that is a subsidy—and provides an illustrative list. Section 1(c) defines material injury (the term used in the code) as more than de minimis, and provides an accompanying definition of the term "industry" which is crucial to defining injury.

It is important to point out in this context that our bill, like the subsidies code itself, contains an injury test. That has been agreed to by our negotiators, notwithstanding the fact that the subsidy practices in question are unfair regardless of injury, and it is our intent to insure a firm test of injury that does not set standards so high that they are impossible to meet.

The bill is also designed to insure more vigorous and effective investigation and enforcement. In the past, for example, only subsidies alleged in the petition for investigation were pursued, even though others, possibly more harmful, were uncovered during the investigation. Similarly, information provided by foreign governments or manufacturers has

often been taken at face value without verification, despite experience that it is not always accurate. Our bill will correct both those defects.

The bill also removes references in the law to the Secretary of the Treasury and instead uses the term, "administering authority." This change reflects widespread unhappiness in the business community and in Congress over Treasury's administration of this law, which many feel has been unnecessarily lax. This issue came up during Trade Subcommittee hearings on February 21 and 22, and material submitted for the record details some examples of Treasury Department failure that have given rise to these concerns. Mr. President, I ask unanimous consent that the material cited be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADMINISTRATION OF THE COUNTERVAILING DUTY STATUTE BY THE TREASURY DEPARTMENT

In response to the request of Senator Heinz at the International Trade Subcommittee's hearings on February 22, 1979, the Ad Hoc Subsidies Coalition of 33 organizations herewith submits the details of our charges regarding the Treasury's Department's administration of the countervailing duty statute.

We find that the Treasury Department has been guilty of the following practices:

1. Treasury has missed statutory deadlines.
2. Treasury has reduced the calculated amount of a subsidy, and hence the countervailing duty, in questionable ways.
3. Treasury has accepted unverified information from foreign representatives as a basis for its determinations.
4. Treasury has changed rulings without adequate opportunity for interested parties to comment.
5. Treasury has stretched the authority of the Trade Act of 1974 with regard to the granting of waivers.

These charges are detailed in the following sections.

1. Treasury Has Missed Statutory Deadlines.

One of the important changes intended to strengthen the countervailing duty statute as incorporated in the Trade Act of 1974 was the 12 month time limit established for the Treasury Department's consideration of countervailing duty petitions.

This time limit was established as part of the legislative "deal" which gave the Secretary of the Treasury authority to waive countervailing duties under certain circumstances. Under the amendment, the Treasury Department has six months from the time of receipt of a valid petition to make a preliminary determination with respect to the existence of foreign countervailable practices and then it has an additional six months in which to make a final determination. Notwithstanding the statutory time limits, Treasury has missed deadlines, particularly for preliminary determinations which deadlines are consistently missed as in the case of Swedish rayon staple where the preliminary determination came three months after the six-month deadline.

Two cases in particular come to mind, one involving Argentine leather apparel where the statutory deadline for a final determination was January 21, 1978 and the other involving Argentine footwear, where the deadline was February 11, 1978. The decisions on both products were finally issued on January 17, 1979; that for leather apparel was negative and the decision on Argentine footwear was affirmative. Thus, Treasury took twelve months and eleven months longer, respectively, than mandated in the statute to make its determinations in these two cases.

The effect of failing to make determinations within the statutory deadline is to deny petitioners due process, particularly where considerable time has elapsed since the deadline. Thus, when an affirmative decision is finally made, petitioners have suffered from Treasury's failure to institute countervailing duties earlier. When a negative determination is finally made, a petitioner has been denied the opportunity to challenge such determinations at an earlier date, in accordance with Section 516 of the Tariff Act of 1930, as amended.

Even a simple publication in the *Federal Register* of a notice of appeal of Treasury's countervailing duty determinations encounters delay despite the provision in Section 516(d) of the Tariff Act of 1930 that such publication be made upon receipt. On December 15, 1978 the Amalgamated Clothing & Textile Workers Union filed with Treasury notice of its intent to appeal six such determinations. Treasury did not publish notice to this effect in the *Federal Register* until February 27, 1979. The appeal process cannot move forward without such notice. Once again due process has been delayed by Treasury.

2. Treasury Has Reduced the Calculated Amount of a Subsidy, and Hence the Countervailing Duty, in Questionable Ways.

Treasury has pursued a policy which they justify as provided for in the countervailing duty statute of reducing the gross amount of subsidy by various offsets. Although in most cases the reductions are in the form of indirect taxes related to the product which receives the subsidy, Treasury has found some rather exotic items with which to reduce the subsidy. These include, in the case of the waiver on handbags from Colombia, the effects of the devaluation of the foreign currency on the grounds that the Colombian Government allows as much as nine months to elapse before subsidies are paid. In this case Treasury even reduced the subsidy by the cost of the interest on the money not received by Colombian handbag producers and exporters during this nine-month period. Treasury describes this offset in the *Federal Register* of May 2, 1978 as "the present value effect of the (exporter's tax certificates) resulting from the inflationary impact on . . . delayed payment." Furthermore, since these exporter's tax certificates are sold in the Bogota Stock Exchange, Treasury also allowed a "discount paid by holders of (exporter's tax certificates) in the stock exchange, thus effectively not providing full value of the (exporter's tax certificates) once sold." It is interesting to note that several of these offsets were disallowed in a more recent case involving Colombian textiles and apparel, but Treasury has not bothered to go back to its earlier decision to recompute the countervailing duties on Colombian handbags. The Colombian handbag case is not untypical.

It is so important to recognize that the reductions which Treasury makes in the subsidy through subtracting the indirect taxes related to the products ignore completely the fact that in virtually all of the foreign countries concerned these indirect taxes would have been borne by the manufacturer even in the absence of the subsidy program, and that the subsidy program clearly is intended to give the foreign manufacturers an edge in selling to the U.S. This is exactly what the countervailing duty statute is aimed at offsetting, but Treasury nevertheless goes on deducting these indirect taxes to the point where many negative or *de minimis* determinations result or the countervailing duty is significantly smaller than it should be.

3. Treasury Has Accepted Unverified Information From Foreign Representatives as a Basis For Its Determinations.

Treasury makes most of its determinations with regard to the size of a countervailing duty or a waiver of a countervailing duty on the basis of data submitted by foreign governments and by foreign firms or associations of firms. In neither case are the data verified by Treasury. Admittedly, it is difficult for Treasury to verify data submitted by foreign interests, but at least an effort should be made to assure the American petitioner that, indeed, the data on which a determination is made by Treasury are reliable. Treasury says that it must take the word of a foreign government. Yet in a case involving Argentine footwear, the word of a foreign government was not good enough. It reneged on a commitment which had been made to Treasury. In that particular case, Treasury said "but they had a change of governments in Argentina." Unfortunately the new government in power did not bother to advise Treasury that it had reversed the commitment made by its predecessors, and Treasury did not reopen this case for a considerable period of time after the subsidies were reinstated. When Treasury finally acted five and a half years after the initial petition was filed, it imposed a countervailing duty of less than 1 percent.

As the result of a request through the Freedom of Information Act, it has been learned that although Treasury waived countervailing duties on Uruguayan handbags and footwear at the end of January 1978 based on certain assurances from the Uruguayan Government, the factual information on which to base the waiver was not available to Treasury at the time of the waiver action. On May 15, 1978 the Minister of the Uruguayan Embassy in Washington was told by Treasury that in October 1977 Treasury had requested of the Uruguayan Government "a detailed description . . . of the laws providing for the various offsets accepted by Treasury . . . as well as a detailed itemization of how the offsets were calculated for each of the product sectors." That had not yet been furnished by the Uruguayan Government as of mid-May 1978.

Treasury pointed out that the Uruguayan Government had promised in December 1977 to furnish by the following month "a detailed enumeration of the program to eliminate the entire 'reintegro' system by 1981 . . ." That, too, had not been furnished by the Uruguayan Government by mid-May 1978.

Apparently a copy of the December 28, 1977 decree of the Uruguayan Government reducing the "reintegro" was also not submitted in January 1978 before Treasury waived the countervailing duties. At least Treasury was still inquiring about it from the Uruguyan Government in mid-May 1978.

4. Treasury Has Changed Rulings Without Adequate Opportunity For Interested Parties to Comment.

Even when Treasury once announces a net subsidy, taking into account the reduction for indirect taxes, it continues to amend those calculations mostly on the downside based upon new information which it receives from the foreign government. For instance, in the case of Spain, Treasury announced a 4 percent countervailing duty on unwrough zinc in April 1977. In June 1978, Treasury reduced the existing countervailing duty on zinc and on several other Spanish products subject to U.S. countervailing duties by revising its method for calculating indirect tax subsidy offsets. This action was taken after consultation with Spanish authorities but without consultation with U.S. industries involved. Despite the controversy Treasury aroused over the basis for this reduction, Treasury reduced the countervailing duty but without suspending the liquidation of entries until all views could be heard.

Treasury later realized the views of the

U.S. industries had merit and that it had made a mistake on its revised method for calculating the countervailing duties. Six months later Treasury reverted to the basis of calculations it used prior to June 1978 with the effect that the countervailing duty was now raised again, although not quite to the original levels.

In the interim, between June 15, 1978 and January 17, 1979, because Treasury had not suspended the liquidation of entries on Spanish zinc, nonrubber footwear, and bottled olives, importers benefited from a lower rate of countervailing duty which gave them a windfall they certainly did not merit.

It is of interest to note that the American Footwear Industries Association had requested Treasury to reconsider and revise upward the 3 percent countervailing duty on Spanish footwear some four years ago. It has never received a reply to its request.

While Treasury acted speedily, without consultation with domestic industry, to reduce duties in the Spanish cases, and without suspension of liquidation, it took Treasury almost five months to revoke a waiver and institute a countervailing duty in a case involving Uruguayan leather apparel and almost eleven months to revoke waivers on Uruguayan footwear and handbags. (The waiver action on leather apparel is discussed more fully below.) But in these cases where Treasury was acting to impose duties, it suspended liquidation of entries to give the Uruguayan Government more time to protest Treasury's action.

Thus, on the downside, Treasury appears to act with haste, but on the upside, Treasury clearly takes its time.

5. Treasury Has Stretched the Authority of the Trade Act of 1974 With Regard to the Granting of Waivers.

The Trade Act and the temporary four-year waiver authority which expired January 3, 1979, provided the Secretary of the Treasury with authority to waive the imposition of countervailing duties when he determines that:

1. adequate steps have been taken to reduce substantially or eliminate the adverse effect of the bounty or grant on domestic producers;

2. that there is a reasonable prospect that trade agreements to reduce or eliminate nontariff barriers will be entered into; and

3. the imposition of countervailing duties would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Treasury Department officials have consistently interpreted these three criteria—all of which must exist before a waiver can be issued—so loosely as to permit them to justify any action administratively decided upon.

In one case, involving the imposition on January 12, 1976 of a 14 percent countervailing duty on Brazilian handbags, the Secretary of the Treasury undertook subsequently to waive this duty as part of a "package agreement" on trade issues which he personally negotiated during a visit to Brazil in May 1976. That waiver on Brazilian handbags was made effective July 1, 1976. Can it be said that at that time there was a "reasonable prospect" that successful trade agreements were to be entered into? Could it have been said in May 1976 that the imposition of the additional duty was "likely to seriously jeopardize the satisfactory completion of such negotiations?" Hardly, on both counts.

A recent glaring example of a new horror story is that related to Treasury's finding that Uruguayan subsidies on leather wearing apparel were equivalent to 12 percent of the f.o.b. price for export to the United States.

In its final determination issued January 30, 1978, Treasury noted an intent to waive the imposition of countervailing duties on the basis that it had received assurances from Uruguay of a phase-down of only one subsidy—the "reintegro" program of cash rebates which alone amounted to 20 percent or more of the value of the goods exported. However, because leather wearing apparel from Uruguay entered the United States free of duty under the Generalized System of Preferences, the International Trade Commission was called upon (as required by Section 303(b) of the Trade Act) to determine whether Uruguayan subsidies on leather wearing apparel injured the United States industry. Following a comprehensive investigation, the ITC in April 1978, announced a unanimous injury finding. Nonetheless, even in the face of such a unanimous decision by the Commission with respect to the subsidized Uruguayan leather apparel, the Treasury Department carried out its planned waiver, which was duly announced in the Federal Register of June 30, 1978.

Treasury justified its waiver on the basis of Uruguayan assurances that it would phase out its major "reintegro" subsidy program by January 1, 1979. In agreeing to waive the countervailing duty on this basis, Treasury did not require the Government of Uruguay to reduce or eliminate other countervailable trade practices which the Treasury had determined to, exist in Uruguay. Treasury's justification for permitting a waiver while the Uruguayans would leave these subsidies intact, was that they were very small, perhaps in the order of 2 percent, whereas the major subsidy program, which provided a subsidy of at least 20 percent was netted down to around 12 percent.

The domestic industry argued with Treasury officials that they were ignoring an additional subsidy benefitting Uruguayan tanners equal to 8 percent of the value of the leather content in various products exported. Treasury decided differently. However, more recently, Treasury discovered that, indeed, it had made a mistake and that the 8 percent subsidy on the leather content of products exported to the United States was a countervailable duty. Thus, instead of a residual of 2 percent after the scaling down of the major subsidy, Treasury found that the remaining subsidy on Uruguayan leather apparel added up to a total of 13.3 percent. It decided to impose this subsidy effective November 13, 1978 and revoked its former waiver.

Even after Congress failed to extend the countervailing duty waiver authority last October, Treasury went ahead and waived the countervailing duty of almost 38 percent on Brazilian textiles and apparel on assurances that subsidies would be reduced by half by January 1, 1979 and by the remaining half by January 1, 1980. In the interim of one year, Brazil is being allowed to continue subsidies of a substantial amount without having countervailing duties applied, to the detriment of American firms and workers.

CONCLUSION

The foregoing documents that our group considers to have been a mismanagement of the countervailing duty program by the Treasury Department. This record does not support the assertion of the Secretary of the Treasury to the Joint Economic Committee on January 31, 1979 that Treasury does its "best to administer the statute fairly and efficiently." It is for these reasons that our group of 33 organizations believes that the administration of the countervailing duty statute should be removed from the Treasury department.

Mr. HEINZ. I should also note in passing, Mr. President, that removing enforcement of these laws from the Treasury is consistent with growing support for a complete reorganization of our trade functions. Senators ROTH and RIBICOFF have introduced legislation to create a Department of International Trade and Investment which I am pleased to cosponsor. The distinguished majority leader has indicated he is developing his own legislation along similar lines. An OMB task force labored long and hard on recommendations to the same end. I am confident, Mr. President, that trade reorganization is an idea whose time has come and that one of these proposals will shortly be approved, reflecting the same widespread dissatisfaction with the status quo that is implied in our bill.

Finally, our legislation amends section 301 of the Trade Act of 1974 to conform our law to the international dispute settlement mechanism established in the Subsidies Code. While effective enforcement of our domestic unfair trade laws is essential, the entire problem is inevitably a multilateral one that demands collective solutions. The negotiation of the code itself is a major step in that direction, but in addition it is imperative that we obtain in the process a strong dispute settlement mechanism so that our rights can be adequately protected and enforced multilaterally and so that all nations accustom themselves to the idea of an economic world grounded in law rather than blatant self-interest and discrimination. To that end our section 301 amendment continues to allow for domestic investigations of alleged unfair practices or discriminatory treatment, but it also provides for simultaneous referral to the GATT on a dual time frame which permits the President to act in light of both an STR recommendation and the recommendations of any GATT panel that might be constituted. In this manner we preserve our right of action while bringing in the GATT process at an earlier stage and permitting it to operate as well.

Mr. President, this is a long and detailed bill reflecting what I am afraid are complicated and entailed issues. It is vital, however, that the Congress master these issues because a significant part of the world's—and our Nation's—economic future is going to be determined by the MTN codes and their implementing legislation. Our trade deficit alone is graphic evidence of the importance of the MTN to us and of our need to examine what the Administration has agreed to with great care. The Senator from New York and I offer this proposal both as a reflection of our own examination of the subsidies code and in an effort to stimulate discussion among our colleagues. Speaking for myself, I believe it is absolutely essential that provisions such as those we have proposed be included in the implementing legislation if the code is to have any meaning. Senator MOYNIHAN and I will be working to that end, and we welcome the support of our colleagues.

Mr. President, I ask unanimous consent that a summary of the bill and its text be printed at this point in the RECORD.

There being no objection, the bill and

summary were ordered to be printed in the RECORD, as follows:

S. 538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. AMENDMENT OF COUNTERVAILING DUTY PROVISIONS

(a) Investigation of Bounties or Grants Not Specifically Plead.—Paragraph (3) of section 303(a) of the Tariff Act of 1930 (19 U.S.C. 1303 (a)) is amended by adding at the end thereof the following new sentence: "If, in the course of his investigation, the administering authority discovers the existence of any bounty or grant not set forth in the petition, he shall include such other bounty or grant within the scope of his investigation.".

(b) Suspension of Liquidation During Investigation.—

(1) Paragraph (4) of such section (19 U.S.C. 1303(a) (4)) is amended—

(A) by striking out "six months" and inserting in lieu thereof "three months".

(B) by striking out "twelve months" and inserting in lieu thereof "six months",

(C) by striking out "Secretary" and inserting in lieu thereof "administering authority", and

(D) by adding at the end thereof the following: "If the preliminary determination of the administering authority is affirmative, he shall require, under such regulations as he may prescribe, the suspension of liquidation of the article or merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the preliminary determination in the Federal Register (or such earlier date, not more than 120 days before the date of publication under paragraph (3) of notice of investigation, as the administering authority may prescribe), and such suspension of liquidation shall continue until the administering authority has made public—

"(i) an order directing the assessment and collection of duties pursuant to an affirmative final determination, or, in the case of articles or merchandise for which a determination by the Commission is required, an affirmative determination by the Commission under subsection (b); or

"(ii) a negative final determination.".

(2) The first sentence of section 303 (c) of such Act (19 U.S.C. 1303 (c)) is amended by inserting before the period the following: ", and with respect to any article or merchandise subject to suspension of liquidation under subsection (a) (4)".

(C) Injury Determination Required in All Cases; Procedure and Rules for Determination.—

(1) Paragraph (2) of section 303 (a) of such Act (19 U.S.C. 1303 (a)) is amended to read as follows:

"(2) If the international obligations of the United States require a determination of injury before the imposition of duty under this section, then duties may be imposed under this section only after an affirmative determination by the Commission under subsection (b) (1).".

(2) Paragraph (1) of section 303 (b) of such Act (19 U.S.C. 1303 (b)) is amended to read as follows:

"(1) (A) Whenever the administering authority initiates an investigation under subsection (a) with respect to an article or merchandise upon which duty may be imposed under this section only after an affirmative determination by the Commission, he shall notify the Commission and transmit to the Commission such information concerning the importation of such article or merchandise as is available to him. Within four months after receipt of such notification, the Commission shall determine whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States.

"(B) In reaching its determination under subparagraph (A), the Commission shall be guided by the provisions respecting injury determinations of Article VI of the General Agreement on Tariffs and Trade and the Arrangement in respect thereof and the following criteria:

"(i) The requisite injury to the domestic industry may be the result of either an increase (whether absolute or relative to domestic production or consumption) in subsidized imports or the effect of subsidized imports on prices in the domestic markets for like or directly competitive products.

"(ii) Any impact of the subsidized imports on the industry concerned that is more than de minimis shall be considered material.

"(iii) It is not necessary that the subsidized imports be the principal cause of injury nor should the injury from subsidized imports be weighted against other factors which may be contributing to injury to an industry.

"(iv) In any event, an affirmative determination by the Commission shall be required whenever subsidized imports of an article from a country or countries, like or directly competitive with an article produced by an industry in the United States, exceed 5 percent of the domestic market, or are increasing, either absolutely or relatively, at a higher rate than all other imports of the like or the directly competitive article.

"(v) In any case in which there is outstanding, on the date of the determination under subsection (a)(4), a finding of injury or threat thereof by the Commission pursuant to section 201 (d) (1) of the Trade Act of 1974, and a Presidential determination to provide import relief under section 203 (a) of such Act, with respect to the articles tentatively determined to have been subsidized pursuant to the preliminary determination under subsection (a) (4), then such imports shall be presumed to have caused injury to the domestic industry if imports of like or directly competitive products from the country cited in the complaint have increased either absolutely or relative to domestic production or consumption since the date of the final determination of the Commission under section 201(d)(1). Such presumption shall remain in effect for the duration of import relief granted pursuant to section 203(a).

"(C) For purposes of subparagraph (A), in determining the domestic industry producing an article like or directly competitive with an imported article, the Commission—

"(i) shall, in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production,

"(ii) shall, in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article, and

"(iii) may, in the case of one or more domestic producers, who produce a like or directly competitive article in a geographic area of the United States and whose production facilities in such an area for such article constitute a significant portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

"(D) The Commission's final determination shall be published in the Federal Register and shall state with particularity the basis for the determination in respect to the provisions of subparagraph (B).".

(d) Bounty or Grant Not to Be Reduced or Offset for Export Charges or Taxes.—Paragraphs (1) and (5) of section 303(a) of such Act (19 U.S.C. 1303(a)) are each amended by striking out "net" each place it appears.

(e) Start-Up Bounty or Grant to Be Treated As If It Were Paid or Bestowed Over Foreign Amortization Period of Facility.—Paragraph (5) of section 303(a) of such Act (19 U.S.C. 1303(a)) is amended by adding at the end thereof the following new sentence: "In the case of any bounty or grant related to the acquisition of depreciable assets for start-up or expansion activitives, the administrating authority shall determine or estimate the amount of such bounty or grant as though it were paid or bestowed in full over a period of time, beginning with the first importation with respect to which a countervailing duty would be imposed, equal to the period of depreciation or amortization applicable to such assets under the tax laws of the county of origin. The amount of any other bounty or grant, paid or bestowed in connection with start-up or expansion costs, shall be determined or estimated in the same manner.".

(f) Administering Authority to Publish Reasons For Determination.—The second sentence of section 303(a)(6) of such Act (19 U.S.C. 1303(a)(6)) is amended by inserting before the period the following: "together with a detailed statement of the reasons for his determination".

(g) Definition of Bounty or Grant.—Subsection (a) of section 303 of such Act (19 U.S.C. 1303) is amended by adding at the end thereof the following new paragraph:

"(7) For purposes of this section, the term 'bounty or grant' means any payment, remission of charges, furnishing of commodities or services at less than market price or value, or preferential treatment which benefits the manufacture, production, or distribution of any class or kind of article imported from the country concerned, or any other thing of value, including, but not limited to—

"(A) loans, export credit, guarantees, or export insurance extended on more favorable terms than are available from private institutions under free-market conditions,

"(B) currency retention schemes or similar practices which involve bonuses on exports or reexports,

"(C) the remission of direct taxes or social welfare charges calculated in relation to exports, or extended to firms or industries on a selected basis, or excessive rebates of indirect taxes,

"(D) the operation of any government-owned or government-controlled enterprise at a loss from operations over a significant period of time, and

"(E) the bearing, by the government of the country concerned, of any cost or expense relating to manufacture, production, or distribution of any article, including costs and expenses associated with research and development, transportation, quality control, acquisition or rental of plant and equipment, acquisition of raw materials, advertising, export market research, or administrative activities.".

(h) Verification of Information Required.—Subsection (a) of section 303 of such Act (13 U.S.C. 1303) is amended by adding at the end thereof the following new paragraph:

"(8) The administering authority shall verify all information submitted to him in connection with an investigation under this section for purposes of determining or estimating a bounty or grant. In publishing his determination, the administering authority shall report in detail the methods and procedures used to verify such information. If the administering authority is unable to verify the accuracy of information provided to him, he shall accept the information provided in the petition submitted to him, or such other information as he may gather

which he determines to be accurate, as the basis for his determination or estimate.".

(1) Semiannual Reports on Possible Bounty or Grant Practices.—Section 303 of such Act (19 U.S.C. 1303) is amended by adding at the end thereof the following new subsection:

"(f) Semiannual Report on Possible Foreign Subsidy Practices.—Not less frequently than twice each year, the administering authority shall publish in the Federal Register a report describing any practice engaged in by a foreign country which may constitute a bounty or grant (as defined in subsection (a) (7)). Each such practice shall be described in sufficient detail to enable interested parties to determine whether a petition under subsection (a) should be filed.".

(j) Conforming Amendments.—

(1) Section 303 of such Act (19 U.S.C. 1303) is amended—

(A) by striking out "Secretary of the Treasury (hereafter in this section referred to as the 'Secretary')" in subsection (a)(4) and inserting in lieu thereof "administering authority", and

(B) by striking out "secretary" each place it appears and inserting in lieu thereof "administering authority".

(2) Section 516 of such Act (19 U.S.C. 1516) is amended—

(A) by striking out "Secretary" each place it appears and inserting in lieu thereof "administering authority", and

(B) by striking out "Secretary's" in subsection (b) and inserting in lieu thereof "administering authority's".

SEC. 2. ACCESS TO INFORMATION CONCERNING FOREIGN SUBSIDY PRACTICES; ACCESS TO CONFIDENTIAL INFORMATION.

Title III of the Tariff Act of 1930 (19 U.S.C. 1303 et seq.) is amended by inserting immediately after section 303 the following new section:

"SEC. 303A. ACCESS TO CONFIDENTIAL INFORMATION.

"(a) In accordance with the provisions of this section, an interested party (as defined in section 516 (h)) of this Act) which is a petitioner for, or otherwise a party to, an investigation being conducted under section 303 may obtain information obtained or developed by the administering authority in that investigation which is not otherwise available to the interested party under section 552 of title 5, United States Code, because it is information described in subsection (b) (4) of that section.

"(b) The United States District Court for the District of Columbia shall have jurisdiction over actions brought under this section. Upon application made by such an interested party, and after notification of all parties to the investigation and the party or parties from which the information was obtained by the administering authority, and an opportunity for a hearing on the record before the court with respect to the application, the court may issue an order directing the administering authority to make all or a part of the requested information available to the requesting party if the court finds that—

"(1) the administering authority has denied that party such information on the ground that it is information described in section 552(b)(4) of title 5, United States Code, and cannot otherwise be obtained under section 552 of such title,

"(2) the requesting party is a party to the investigation in connection with which the information was obtained or developed, and

"(3) all parties to that investigation have been notified, in advance of the hearing under this section, of the request made under this section and of their right to appear and be heard.

"(c) In ordering the administering authority to make information available to a requesting party under this section, the court shall—

"(1) prohibit disclosure of the information in any form, including summaries, extracts, and similar forms, by the requesting party except to the extent authorized in writing by the party from which the information was obtained by the administering authority,

"(2) require the signature of the requesting party or its legal representative on an agreement not to violate the prohibition described in paragraph (1), and

"(3) require the return of the information and all copies thereof to the administering authority immediately after a final determination is made by that authority in the investigation.".

SEC. 3. REVIEW OF INJURY DETERMINATIONS.

Title III of the Tariff Act of 1930 (19 U.S.C. 1303 et seq.) is amended by inserting immediately after section 303A (as added by section 2 of this Act) the following new section:

"SEC. 302B. REVIEW OF INJURY DETERMINATIONS.

"(a)(1) Upon application made by an importer more than thirty-six months after the publication of an affirmative determination of injury under section 303(b) with respect to an article or merchandise, the administering authority, if it finds good cause, shall ask the Commission to determine—

"(A) whether the bounty or grant (as defined in section 303(a)(7)) to which the determination related continues to be paid or bestowed with respect to such article or merchandise, and

"(B) whether the importation of such article or merchandise, without the duty imposed under section 303(a) on the importation of such article or merchandise, would injure, or be likely to injure, or prevent the establishment of, and industry in the United States.

"(2) The Commission, within three months after receiving the request and after such investigation as it deems necessary, shall notify the administering authority of its preliminary determination.

"(b)(1) The review for which subsection (a) provides may be begun by the administering authority upon application made by an importer after only twelve months following the publication of the affirmative determination of injury if the petitioner affirmatively shows that—

"(A) there is no evidence of current material injury (or the threat of material injury) to, or of the current prevention of establishment of, an industry in the United States from the importation of the article or merchandise to which the determination related.

"(B) there is no likelihood that, in the absence of the duty imposed under section 303(a), such injury or prevention will recur in the near future during the remainder of the period for which the duty was imposed, and

"(C) any continued bounty or grant (as defined in section 303(a)(7)) with respect to such article or merchandise will have no adverse effect on the affected industry in the United States.

"(2) For purposes of paragraph (1)—

"(A) the affirmative showing under subparagraph (A) shall establish the absence of price undercutting, the absence of the prevention of price increases or other evidence of price suppression or depression, and the decline of imports of the article or merchandise with respect to which the bounty or grant (as defined in section 303(a)(7)) is bestowed (either absolutely or relative to domestic production or consumption), and

"(B) the affirmative showing under subparagraph (C) shall include evidence on every factor taken into account by the Commission in making its original affirmative determination of injury (under section 303(b)).

"(c) If the determination of the Commission as to either question under subsection (a)(1) is negative, and if the administering agency determines that there has been a clear demonstration of substantial and sustained improvement in all relevant aspects of those conditions in the affected industry which were taken into account in the original affirmative determination of injury, then the administering agency shall publish in the Federal Register a notice of its preliminary determination, inviting public comment on any issues presented, and, unless waived by the original petitioner under section 303, shall conduct a hearing not earlier than thirty days after the date of publication of such notice.

"(d) After the notice and hearing provided for which subsection (c) provides, the administering authority, if it finally determines that the answer to either of the questions set forth in subsection (a)(1) is negative, shall suspend the duty previously imposed under section 303(a) with respect to such article or merchandise.

"(e) Upon application by the initial petitioner under section 303, or by an interested party with respect to that petition, made after a suspension of duty under this section the administering authority may suspend shall terminate the suspension of duty effective for the remainder of the period for which the duty was initially imposed if the petitioner shows that * * *

"(f) Any interested party may apply to the administering authority for the termination of suspension of any duty suspended under this section. Upon receipt of such an application, the administering authority shall publish in the Federal Register notice of a hearing with respect to the termination of the suspension and conduct such hearing, permitting any interested party to appear and testify. If the petitioner shows that the importation of the article or merchandise to which the duty applied is injuring, or threatening to injure, or is preventing the establishment of, an industry in the United States, then the administering authority shall terminate the suspension of the duty imposed under section 303(a) with respect to such article or merchandise. In proceedings conducted under this subsection, it shall be conclusively presumed that any material injury to an affected industry in the United States has been caused by the importation of the article or merchandise on which the suspended duty was imposed.".

SEC. 4. PETITIONS BY TRADE ASSOCIATIONS, UNIONS, AND OTHER INTERESTED GROUPS; CHANGES IN SCOPE OF JUDICIAL REVIEW.

(a) Broadened Class of Petitioners.—

(1) In general.—Section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) is amended—

(A) by striking out "American manufacturer, producer, or wholesaler" in subsections (a) and (b) and inserting in lieu thereof "interested party",

(B) by striking out "such manufacturer, producer, or wholesaler" in subsections (a) and (d) and inserting in lieu thereof "such interested party",

(C) by striking out "an American manufacturer, producer, or wholesaler of merchandise of" in subsection (d) and inserting in lieu thereof "an interested party with respect to",

(D) by striking out "such manufacturer's, producer's, or wholesaler's" in subsection (d) and inserting in lieu thereof "such interested party's",

(E) by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) Interested Party Defined.—For purposes of this section, the term 'interested party' with respect to any class or kind of merchandise, means—

"(1) an American manufacturer, producer, or wholesaler of such merchandise,

"(2) a labor organization or group of workers concerned with the manufacture, production, or wholesale of such merchandise, and

"(3) a trade or business association whose members include such manufacturers, producers, or wholesalers.", and

(F) by striking out "AMERICAN MANUFACTURERS, PRODUCERS, OR WHOLESALERS" in the caption of such section and inserting in lieu thereof "AMERICAN INTERESTED PARTIES".

(2) Conforming amendments.—

(A) Subparagraph (A) of section 303(a)(3) of such Act (19 U.S.C. 1303(a)(3)) is amended by striking out "any person" and inserting in lieu thereof "an interested party (as defined in section 516(h) of this Act)".

(B) Subsection (a) of section 514 of such Act (19 U.S.C. 514) is amended by striking out "American manufacturers, producers, and wholesalers" and inserting in lieu thereof "interested parties".

(b) Changes in Scope of, and Time for, Judicial Review.—Subsection (d) of section 516 of such Act (19 U.S.C. 1516) is amended—

(1) by striking out "or" at the end of paragraph (1),

(2) by inserting "or" at the end of paragraph (2),

(3) by inserting after paragraph (2) the following new paragraph:

"(3) as to the rate or amount of antidumping or countervailing duties to be assessed,",

(4) by inserting before the period at the end of the first sentence the following: ", and the reasons for desiring to contest the determination", and

(5) by striking out "Upon receipt" in the second sentence and inserting in lieu thereof "Within 30 days after receipt", and

(6) by striking out "Within 30 days after such publication," in the last sentence and inserting in lieu thereof "More than 30 days, but not more than 60 days, after such publication,".

SEC. 5. UNFAIR TRADE PRACTICE DETERMINATIONS.

(a) Determinations by Special Representative for Trade Negotiations.—Subsection (d) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended to read as follows:

"(d)(1) Whenever the Special Representative for Trade Negotiations receives information which he has reason to believe is reliable and accurate that a foreign country or instrumentality is engaging in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) with respect to a class or kind of merchandise, he shall conduct an inquiry into the unfair trade practice with respect to that class or kind of merchandise and, within 30 days after receiving the information, determine whether to conduct an investigation into the matter. For the purpose of making his inquiry, the Special Representative may request the assistance of an industry affected by the unfair trade practice which is the subject of the inquiry, but may not require the production of more information than is reasonably available to that industry.

"(2)(A) Upon complaint filed by any interested party with the Special Representative for Trade Negotiations alleging any such restriction, act, policy, or practice, the Special Representative shall conduct a review of the alleged restriction, act, policy, or practice, and shall, within 30 days after receipt of the complaint, determine whether good cause exists for instituting a formal investigation of the complaint.

"(B) If the Special Representative determines under subparagraph (A) that good cause exists for instituting a formal investigation, he shall—

"(i) notify the executive secretary to the contracting parties to the General Agreement on Tariffs and Trade of his preliminary determination, and

"(ii) institute a formal investigation to determine whether the foreign country or instrumentality named in the allegation is engaging in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) with respect to a class or kind of merchandise.

In conducting the formal investigation under this subparagraph, the Special Representative shall, under regulations prescribed by him, afford reasonable notice to interested parties and to the foreign government or instrumentality involved, hold public hearings on the subject matter of the investigation, and afford such parties, governments, and instrumentalities an opportunity to be present, to present evidence, and to be heard at such hearings.

"(C) The Special Representative shall conclude any formal investigation commenced under subparagraph (B) within 3 months after the date of his preliminary determination under subparagraph (A), and shall submit to the President within 30 days after the conclusion of the investigation, a report of his determination under subparagraph (B). If the determination of the Special Representative under subparagraph (B) in any investigation is affirmative, he shall include in his report to the President an estimate of the amount of impairment of United States commerce attributable to the practice with respect to which the determination was made, and his recommendation for Presidential action under subsection (a). Within 30 days after receipt of the recommendation of the Special Representative, and taking into account any recommendations made by any advisory panel of foreign experts convened by the contracting parties to the General Agreements on Tariffs and Trade which are received before such 30th day, the President shall take the action recommended by the Special Representative unless the President determines that such action would be contrary to the interests of the United States.

"(D) Any notice issued or determination made under this paragraph by the Special Representative, the President, or and such advisory panel of foreign experts, including the findings and recomendations of the Special Representative, shall be published in the Federal Register. Whenever the Special Representative makes a determination under subparagraph (B)(ii) he shall report that determination, whether affirmative or negative, including a full statement of the reasons for his determination, and publish that report in the Federal Register.

"(3) Upon receipt of a written request from an interested party (as defined in section 516(h) of this Act) for information concerning the nature and extent of subsidy practives of a foreign government which is a signatory to the Code on Subsidies and Countervailing Duties with respect to an article or merchandise, the Special Representative shall request the information from such government within 10 days after receiving the request.".

(b) Conforming Amendment.—Subsection (e) of such section is amended—

(A) by striking out paragraph (1) and (2) and inserting in lieu thereof the following:

"(1) the Special Representative shall provide for appropriate public hearings concerning the taking of action with respect to such product or service, including an opportunity for the presentation of views through testimony and written submissions,

"(2) the Special Representative shall publish in the Federal Register, within 30 days after the conclusion of such hearings, his final recommendations to the President on such action, and",

(B) by striking out "he may" in paragraph (3) and inserting in lieu thereof "the President may",

(C) by striking out "thereafter promptly provide an opportunity" in the second sentence and inserting in lieu thereof "thereafter promptly direct the Special Representative to provide an early opportunity", and

(D) by striking out "The President" in the last sentence and inserting in lieu thereof "The Special Representative".

SEC. 6. EFFECTIVE DATE.

The amendments made by sections 1, 2, 3, and 4 of this Act apply only to investigations initiated, applications made, and petitions filed after the date of enactment of this Act.

SECTION-BY-SECTION SUMMARY, COUNTERVAILING DUTY AMENDMENTS

Sec. 1(a) Investigation of bounties not specifically plead. Under present practice an investigation would consider only bounties or grants specifically referred to in the petition. This subsection would require the administering authority to include other bounties or grants that might be discovered during the investigation.

Sec. 1(b) Suspension of Liquidation during investigation. Under present law duties are assessed only prospectively. This subsection would conform practice to the Antidumping Act and require suspension of liquidation from the point of preliminary determination (or retroactively up to 120 days before the investigation was begun.) The investigating period is also shortened to 6 months with a preliminary determination after 3 months.

Sec. 1(c) Injury test. Requires and defines a "more than *de minimis*" injury test which must be met before duties can be imposed, even if a bounty or grant is determined to exist.

Sec. 1(d) Bounty or grant not to be reduced or offset for export charges or taxes. In calculating a countervailing duty, Treasury currently deducts from the subsidy import duties and taxes paid by the foreign industry, even though they are paid in any case. This subsection would end that practice.

Sec. 1(e) Treatment of start-up bounties or grants. This subsection would help counter start-up subsidies by 1) requiring payment of a countervailing duty regardless of when the subsidy was detected; and 2) requiring that in calculating the duty the subsidy be treated as spread over the amortization period for plant and equipment in that country and that industry.

Sec. 1(f) Publication of reasons for determination. Requires published decisions to be accompanied by a detailed statement of the reasons for them, conforming practice to the Antidumping Act.

Sec. 1(g) Definition of bounty or grant. More clearly defines the terms and includes an illustrative, but not limiting, list of such practices.

Sec. 1(h) Verification of information. Present practice is often to accept statements made during an investigation at face value. This subsection would require verification, and if that were impossible, generally resolve uncertainties in favor of the petitioner.

Sec. 1(i) Reports on subsidy practices. Requires semiannual report describing any foreign practice which may be a bounty or grant under this section. Each practice must be described in sufficient detail to enable interested parties to determine whether to file a petition.

Sec. 1(j) Administering authority. Deletes references to the Secretary of the Treasury and substitutes "administering authority" reflecting growing support for reorganization of government trade functions.

Sec. 2 Confidentiality. Would enable designates of a petitioner to obtain access to confidential information filed by a foreign source, pursuant to a protective order from federal district court, consistent with the intent of footnote 1 on page 4 of the MTN subsidies code.

Sec. 3. Review of injury determinations. Provides for review of injury determinations on request after 3 years, sooner (but at least after one year) with the submission of a

petition demonstrating positively that injury no longer exists and is unlikely to recur. Provides for reimposition of duties, should they be suspended pursuant to such a petition, and if injury subsequently recurs.

Sec. 4(a) Petitioner eligible to seek judicial review. Broadens class of petitioners who can seek judicial review by including trade associations, unions, and other interested parties who at present can file a petition, but cannot seek judicial review.

Sec. 4(b) Class of petitioners. Makes clear that those eligible to file petitions alleging a bounty or grant include unions, trade associations, and other interested parties, and expands the scope of judicial review to include determinations on the amount of duties.

Sec. 5. Section 301 amendments. Conforms section 301 of the Trade Act of 1974 to the international dispute settlement provisions of the subsidies code. Requires the administering authority to pursue petitions for requests for information on subsidy practices from other signatories. Provides a time table for considering petitions alleging unfair trade practices by other code signatories, for requesting the GATT to act on such allegations, and for Presidential action pursuant to a determination that such practices have occurred, with due time and consideration allowed for GATT recommendations. Proceedings would generally be open and notices and determinations made would be public.

Sec. 6. Effective Date. Makes the first 4 sections of the bill effective to cases occurring after date of enactment, thus preventing the reopening of current cases.●

By Mr. DOMENICI:

S. 539. A bill to authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo reclamation project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States; to the Committee on Energy and Natural Resources.

VERMEJO CONSERVANCY DISTRICT

● Mr. DOMENICI. Mr. President, I rise today to introduce a bill to authorize the Secretary of the Interior to enter into an amended contract with the Vermejo Conservancy District in Maxwell, N. Mex., of the remaining repayment obligation for the construction of the project.

This bill is identical to legislation which passed the Senate after full hearings in the 95th Congress. Unfortunately, it was late in the session and the House of Representatives did not have an opportunity to consider the measure before adjournment.

The need for this legislation was demonstrated during the hearings on this bill last Congress, and I will briefly outline the problem as it was described in that hearing. The Vermejo Conservancy District is unable to meet the repayment obligation established in the basic repayment contract. Virtually all income derived from the project is needed for operation and maintenance with little left over to apply toward the repayment of capital costs. The effect of this legislation would be to cancel the entire remaining construction obligation of approximately $2 million and transfer the title to the project facilities to the district with the understanding that the project will continue to be operated for the benefit of all authorized project purposes.

Mr. President, I hope that the Senate will act quickly on this bill so that the residents of Maxwell do not have to continue to face this extreme hardship.

I ask unanimous consent that the favorable report of the Department of the Interior be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 26, 1978.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department with respect to a bill, S. 876, "To authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo reclamation project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States."

The Department recommends the bill be enacted with certain modifications proposed herein.

The bill would authorize the Secretary to amend contract No. 178r-458 dated August 7, 1952, as amended, to relieve the Vermejo Conservancy District of its remaining repayment obligation of $2,065,099 plus delinquency and penalty charges of about $30,000. The proposed bill would also transfer to the Vermejo Conservancy District all rights, title, and interest in or to the project facilities. The bill further provides that the District, to the extent practicable, shall continue to operate and maintain the facilities of the Vermejo project for the benefit of all authorized project beneficiaries in accordance with authorized project purposes. S. 876 would amend the authorizing legislation for the Vermejo project of September 27, 1950, as amended.

The Department does not ordinarily favor the course of action proposed in S. 876 and has not often done so. Where a significant sum of the Federal taxpayers' money has been spent for the benefit of a specific group of beneficiaries, and where the law calls for repayment from those beneficiaries, we strongly believe that a fair repayment should be obtained. There are special circumstances in this case, however, which we believe justify some legislative relief, similar to that proposed in S. 876 but with the modifications suggested in this report and the attached amendment. There are strongly competing considerations in this case.

Since 1955 when the Vermejo project was declared to be complete the district and its water users have had the use and benefit of some $2 million of Federal money expended by the Bureau. The water users paid only operation, maintenance and replacement costs (OM&R) during the 10-year development period through 1965. Reduced payments and relief from capital payments were granted during the first 7 years of capital payments. From 1966 through 1975, the water users have repaid only about $43,000 towards amortizing the debt. This represents an average assessment of less than $0.60 per irrigable acre or less than $0.10 per acre for the total conservancy district which includes 49,000 acres.

On the other hand, water deliveries to irrigators, the principal benefit of the project, have consistently fallen far short of original estimates and plans, particularly in the recent dry years, and in 5 of the past 7 years water available to irrigators has been less than 10 percent of the targeted 20,000 acre-feet per year. In fact, in 1977, there were no project water deliveries. The total acreage under irrigation has declined from 4,940 acres in 1974 to 1,845 acres in 1976, and we believe to 0 last year. Total gross crop income has declined from a high $291,700 in 1973 (or $67 per harvested acre, $39 per irrigable acre) to $12,960 (or $7.02 per harvested acre and $1.76 per irrigable acre) in 1976; no cash crop at all has been reported for 1977. Water deliveries have totaled 3,689 acre-feet so far this year, indicating some improvement.

Our proposal represents a fair balance, we believe, of these considerations.

We recommend that the proposed bill be modified to provide the Secretary discretionary authority to negotiate an amendatory contract with the Vermejo Conservancy District that would permit deferral of payments on the district's current repayment obligation for an indefinite period but would not eliminate the obligation, and would require repayment be made toward the capital cost in those years when water supply and crop returns are favorable and repayment is determined to be feasible by the Secretary. The obligation would continue until repaid, or for the useful life of the facilities, while recognizing the financial difficulties of the District. Delinquency assessments and other special charges on the debt under the existing contract would be relieved.

Because of unanswered questions that still exist with respect to the repayment ability of the District, and because of the prospect of possible favorable years in the future, we believe that the District's contract obligation should not be terminated but merely deferred. In order to avoid unreasonable uncertainty in future dealings of the District, the amended contract could be negotiated with a specific ceiling that would limit the maximum payment that could be required of the District in a given year.

On the other hand, we strongly recommend that title to the project works, except fish and wildlife lands and any attendant water rights, revert to the District and that the United States should be relieved of all responsibility and liability for ownership, upkeep, rehabilitation, or all types of failures in the system. Continued upkeep of project facilities must be the sole responsibility of the District. Additional Federal expenditures on this project should be avoided or kept to a minimum as it is unlikely that any repayment would ever be obtained.

The Vermejo Project is situated in northeastern New Mexico, in the Canadian River Basin, and lies approximately in the center of Colfax County. The Vermejo Conservancy District includes a total of some 49,000 acres of land, of which 7,379 acres are irrigable, lying in a general northwesterly direction from the village of Maxwell, New Mexico. Maxwell is located 27 miles south of Raton, the county seat.

The Vermejo Project works include Vermejo Diversion Dam, Vermejo Canal with appurtenant structures, Eagle Tail Canal Headworks, Eagle Tail Canal with appurtenant structures, Stubblefield Dam and Reservoir, Dam and Reservoirs Nos. 2, 12, and 13, and a lateral distribution system serving 7,379 acres.

The project is located in an open basin, bounded on the northeast by high mesas and on the west and northwest by high mountains. The elevation is about 6,000 feet above sea level; and the terrain is gently rolling interspersed by a large number of depressions, some of which receive the discharge of small water courses and form natural lakes. Chico Rico Creek and Vermejo River, tributaries of the Canadian River, comprise the two main sources of the project water supply.

The first irrigation development on the project area was in 1888 by the Maxwell Land

Grant Company, which diverted water from the Vermejo River. In 1903, the Vermejo Ditch Company, owned by the Maxwell Land Grant Company, took over and did some development work. In 1908, the Maxwell Irrigated Land Company took over the system and developed a source of water from Chico Rico Creek.

In 1912, the water users organized the Maxwell Ditch and Reservoir Company and operated until 1935 when the organization went into bankruptcy, and the Maxwell Irrigation Gompany was organized. In 1952, the Vermejo Conservancy District took over the project system, which was in a very deteriorated condition.

The Bureau of Reclamation first became involved in the affairs of the Vermejo Project when it made a reconnaissance investigation in 1944 at the request of the Maxwell Irrigation Company. This investigation was completed early in 1945, and work was started on a feasibility report. The project was authorized by Public Law 848 dated September 27, 1950.

Construction work was started in the spring of 1953 and was essentially completed early in 1955. This work consisted of the enlargement and rehabilitation of three off-stream, on-project reservoirs, and the rehabilitation and construction of new headworks for the diversion dam on the Vermejo River. New structures along the Vermejo Canal were constructed and the first mile of the Vermejo Canal was rebuilt. New structures and headworks were constructed on the Eagle Tail Canal, which brings water from the old Hebron Dam on the Chico Rico Creek. On the project, the main distribution system was rehabilitated by constructing many new structures and minor surface drains. In accordance with the terms of the repayment contract, the district cleaned the Vermejo and Eagle Tail Canals, the lateral system, and rehabilitated operating roads.

Repayment Contract No. 178r-458 provided for a maximum repayment to the United States of $2,010,080. This contract was amended August 31, 1954, to increase the obligation of the district by $97,863.33, the amount of principal and interest due on Reconstruction Finance Corporation bonds, making a total obligation of $2,107,943.33. Repayment has been troublesome from the start. The contract was amended on November 13, 1962, to extend the development period from 7 to 10 years. An amendment to the contract dated November 18, 1964, provided for annual construction installments of $2,213.70 for 1966, 1967, and 1968. In 1968, the contract was further amended to defer part of the construction installments and fixed the obligation at $3,690, or 50 cents an acre, for the years 1969 through 1973. After that time, payments were to be made using a variable formula taking into account parity concepts and current gross crop values produced on the project. The 1974 payment of $12,688 computed under that formula was made on time and the district paid $5,000 of its 1975 billing which totaled $16,842. The remaining 1975, 1976, 1977, and 1978 payments totaling $26,634 are delinquent. Annual operation and maintenance assessments, which have averaged about $6 to $8 per acre of irrigated land, have been regularly paid by the water users.

S. 876 would relieve the Vermejo Conservancy District of its contract responsibilities to repay costs owed to the United States Government for construction and rehabilitation of the Vermejo Project works. The principal cause for the district's difficulties in meeting its annual payments appears to have been inadequate water supplies, which have in turn resulted in very low crop production. The only available long-term streamflow records for the Vermejo watershed taken at Dawson, New Mexico, indicate a declining trend in total runoff. The average water supply for the project has been far short of what was originally expected at the time of project authorization, as is demonstrated in the table below:

Year	Irrigated acreage	Acre-feet: Total deliveries	Acre-feet: Per acre
Planned	7,379	[1] 20,000	
1972	4,912	1,800	0.37
1973	5,083	7,700	1.51
1974	6,262	1,770	.28
1975	5,422	1,200	.22
1976	2,748	1,845	.67
1977	0	0	0

[1] Includes rainfall and natural runoff in addition to deliveries through project works.

Because of the drought, no water was available for delivery in 1977. Silt has also hampered project operations. Stream diversions include an extremely large quantity of silt, which adds to the maintenance problems of canals, laterals and other main supply works and results in rapid sedimentation of the storage reservoirs.

One indicator of the disappointing economic situation in the project is that gross crop income figures have fallen below the feasibility estimates done in 1957 and 1964. The gross crop income reported for the project from 1955 through 1976—a period of 22 years—has averaged $176,195. The harvested areas have averaged about 4,100 acres during this period. The best income year was in 1970, when $341,271 was reported for 4,687 acres. In 1976, a meager $12,960 was earned on 1,845 harvested acres in that low water year. The worst year was 1977, when no irrigation water was delivered and no irrigated cropland was harvested. There is obviously a high-correlation between water deliveries and crop production.

Low reservoir storage during the early part of the growing seasons has consistently deterred project farmers from fertilizing and planting crops and proceeding with other improvements. Runoff continues to be unpredictable. It may occur in significant quantities, well spaced throughout the year. Or it may come in one high intensity storm lasting only a few days.

The area of the Vermejo Conservancy District is substantially a range livestock growing area. The project contains about 7,300 acres of irrigable land of the total 49,000-acre area within the district. While we fully recognize the difficulties the project has incurred since its inception, and we believe this should be recognized in legislation, we do not at this time have a satisfactory understanding of the possible relationship between the livestock operations on non-project district lands and the agriculture operations on the irrigated lands in the project, nor of possible land ownership and management relationships between project lands and non-project lands within the district.

We believe that the project has also suffered from inconsistent objectives and activities under the soil bank program and through development of upstream impoundments through Soil Conservation Service assistance. It appears that these impoundments may have retarded runoff into the project area, and some may be on District lands. Participation in soil bank programs by land owners in the district, both on and off the irrigated lands, has in some instances impeded the development of efficient land ownership and cropping patterns and land development needed for irrigation.

In determining possible repayment capabilities of the district in future years under a modified contract, these issues, as well as the more immediate factors of water availability and delivery, agricultural output and other factors in a given year, will have to receive further consideration.

The sad story of the Vermejo Project is a good example of the need for an adequate understanding of the economic and environmental ramifications of a reclamation project before it is authorized and funded. Based on our current understanding of the hydrology and soil characteristics of the area and the potential of the area for economic production of crops, this project probably should not have been authorized. The fact that we find ourselves faced with a decision to defer and possibly write-off costs owed the United States because a project has not lived up to its expectations is evidence of the need for a more sound approach to evaluating and authorizing projects.

We believe that our proposed amendment to the bill would allow the Secretary sufficient flexibility to obtain repayment, when possible, up to the ability of the water users to pay or to defer payments. We intend to work with the water users to secure such an arrangement. Such a contract could be completed in less than 1 year. Delinquency assessments and other associated penalties will be cancelled. Only the remaining outstanding repayment obligation after the enactment of this bill will be considered for future repayment.

Attached to this report is our suggested markup of the bill. We recommend S. 876 be modified accordingly and enacted.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DANIEL BEARD,
Acting Assistant Secretary.●

By Mr. McCLURE (for himself, Mr. RANDOLPH, Mr. DOMENICI, Mr. GRAVEL, and Mr. STAFFORD):

S. 540. A bill to amend the act of August 8, 1972 (Public Law 92-367) to provide Federal assistance to the States for the development and implementation of effective dam safety programs, in order to protect human life and property; to the Committee on Environment and Public Works.

STATE DAM SAFETY AND INSPECTION ACT

● Mr. McCLURE. Mr. President, I am reintroducing along with my colleagues, Senators RANDOLPH, DOMENICI, GRAVEL, and STAFFORD, the State Dam Safety and Inspection Act designed to augment the States' responsibility for dam safety and to address the concern of the growing number of unsafe dams in our country. We have recently witnessed the failures of the Bureau of Reclamation's Teton Dam in Idaho and the private Toccoa Falls Dam in Georgia and have learned that action can be taken to help prevent such disasters.

In considering any dam safety legislation, we must recognize that no dam can ever become totally free of risk. What is important in any effective safety effort is a wise evaluation of that risk, the monitoring of that risk and its minimization to the greatest practical degree, given the restrictions of cost. We must seek to develop State programs that assure such maximum protection.

This legislation builds upon the existing authority of the 1972 Dam Safety Act by creating a better, more systematic, long-term approach to dam safety. It encourages the States to move forward

in implementing effective dam safety programs, supported with Federal assistance. Its thrust is to underscore the basic responsibility of the States, but unfortunately, a responsibility that only a few States have fully accepted by administering their own dam safety programs. Some State programs have been ongoing for nearly 100 years. The problem is that most States either have no dam safety program or an unfunded one. This legislation encourages those States where participation now is lacking or minimal to develop such efforts. And it will assist States in building on programs already in place.

The 1972 Dam Safety Inspection Act has been effective to the extent of providing us with an inventory of dams in the country and establishing a one-shot inspection program of those dams. The inventory, taken on dams having a height of 25 feet or more or with a capacity of at least 50 acre-feet of storage, identified the existence of approximately 50,000 dams, 45,000 of which are non-Federal structures. Merely with regard to location, not stability, 20,000 of these have been determined high hazard. The inspection program, carried out by the Corps of Engineers in cooperation with the States, has been underway for 1 year, but already has begun to alert us to the serious number of private dams throughout the country in need of rehabilitation for safety purposes.

While this legislation is not designed to directly finance the repair or replacement of unsafe structures in emergency situations, it will assist both State programs and private dam owners in a variety of ways to help them correct dam safety problems. Funds would be distributed to the States to boost their own programs and technical assistance would be available to them. A revolving loan fund for repairs for private dams would be available to private owners as well as Federal guarantees or reinsurance on liability insurance. Both of these programs are available to dam owners if the State has an approved dam safety program under the bill.

Specifically, this bill adds several new sections—section 7 through 14—to the existing authorities under the Dam Safety Act (Public Law 92-367), which authorized a one-time inspection of existing dams. To give my colleagues a better perspective on the bill, let me review these proposed new sections:

The current Federal program is strictly Federal authority, although it is being administered with State cooperation. Under this bill, in section 7, the Corps of Engineers would be authorized to distribute among the States $15 million in each of the fiscal years 1980, 1981, and 1982. Part of the money would be distributed equally, the other portion on the basis of the number of dams in each State. Grants, however, would be limited to 50 percent of a State's program costs.

Section 8 established the standards for approving State programs. My bill, as does existing law, requires such a program only for dams that are 25 feet or higher. But it would be hoped that State programs would encompass smaller dams, depending on local situations.

State programs would have to provide preconstruction review of plans for new dams, a preoperation safety check, plus ongoing inspections once every 2 years thereafter. The State program would have to provide authority to require changes or modifications in a dam, or its operation, if the dam were found to be in danger of failure. The State would also have to develop emergency procedures in the event of a dam failure and have authority to see to it that dam repairs will be made by the dam owners. Each State program must include some form of emergency fund or the ability to get emergency moneys to be available to breach a dam or take other emergency corrective action, if necessary.

State programs under my bill would be deemed approved 120 days following submission, unless the corps finds that the program fails to meet the requirements of this section.

A Dam Safety Review Board is established under section 11. The Board would review the existing Federal dam safety procedures and standards used on Federal dams, as well as the implementation and effectiveness of approved State dam safety programs. The corps would have the authority to withdraw approval of a State plan, based on the Board's recommendation. This Board, composed of three Federal, two State, and two other non-Federal experts, also will review the plans and specifications for all Federal dams for safety purposes.

Section 9 addresses the need for assuring the availability of dam liability insurance. This is a growing problem, because as a result of recent dam failures, liability insurance is no longer available or too costly for dam owners to obtain. This section authorizes the Federal Government to provide insurance companies with reinsurance or guarantees on any dam liability insurance, but only in States which have an approved program. There is much discussion on how legislation should address the insurance question and this section is merely an attempt to begin trying to resolve the problem.

Section 10 establishes a revolving fund of $20 million for loans to dam owners to assist them in making any required repairs or replacements to a dam, if the owner can demonstrate that other funds are not reasonably available.

Section 11 establishes the Dam Safety Board mentioned earlier.

Section 12 requires Federal dam building agencies to consult fully with the State on the design and safety of any Federal dam built there, and to allow State officials to join Federal inspectors on safety inspection of those Federal dams. This is not a State veto, but assures reasonable cooperation among States and Federal authorities. States will have full authority over dams on Federal property.

Section 13 provides $2,500,000 over 4 years for training of State dam safety inspectors.

Section 14 directs the corps and the National Bureau of Standards to undertake research to develop improved techniques and equipment for rapid and effective dam inspection, augmenting work the Bureau is now undertaking on techniques, such as portable microwave units to make a safety profile of dams. There is $4 million appropriated for this section.

Many of the ideas for this program have grown from the fine program conducted by the State of Idaho, a program that dates back into the 19th century. Idaho presently spends about $200,000 yearly on dam safety, utilizing six full-time persons to make preconstruction reviews, plus visual inspections at least every 2 years checking for seepage, cracks, or changes in the structure.

Throughout the past year I have had contact with the States on this legislation and have been especially appreciative of the support and assistance of the Western States. Because most of the Western States have histories of adequate dam safety programs designed to fit their own needs, I want to make certain this legislation does not usurp nor jeopardize these existing State programs, but assists the States in bettering their dam safety efforts. The Western States Water Council, representing the Western Governors, have enacted a resolution stating very clearly their position on this issue and this specific legislation. I agree with their position and ask that a copy of their resolution be printed in the RECORD. They have made some specific suggestions in the form of amendments to this bill that should be carefully considered by Congress before we enact dam safety legislation.

Hearings were held on S. 2437, the same bill being reintroduced today, on February 3 and March 17, 1978, before the Environment and Public Works Committee. The bill passed the Senate in June 1978, but no action was taken on it in the House, because of time problems. I trust the Senate will see fit to pass this legislation quickly this session so we can get the State programs on line so the increased demand for dam safety assistance in all the States can be met.

I am proud that this bill is the kind of preventative, long-reaching, reasonable approach that we always talk about but never seem to get around to passing before a crisis is upon us. We have the opportunity now to implement this effective, necessary, cooperative Federal-State program before it is once again, too late. The consequences of another dam disaster are to great to not initiate immediate action to try and prevent such a tragedy.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of Public Law 92-367 is amended by repealing the final sentence.

SEC. 2. Section 2 of Public Law 92-367 (86 Stat. 506) is amended by striking the "and" after "inspection" and striking the period after "property" and inserting the following: "and (5) dams located within a State having an approved program under section 8 of this Act.".

SEC. 3. Public Law 92-367 (86 Stat. 506) is amended further by adding at the end thereof the following new sections:

"SEC. 7. There is authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the 'Secretary'), $15,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982. Sums appropriated under this section shall be distributed annually among the States on the following basis; one-third equally among those States that have established dam safety programs approved under the terms of section 8 of this Act, and two-thirds in proportion to the number of dams located in each State that has an established dam safety program under the terms of section 8 of this Act to the number of dams in all States with such approved programs. In no event shall funds distributed to any State under this section exceed 50 per centum of the reasonable cost for implementing *an approved* dam safety program in such State.

"SEC. 8. (a) In order to encourage the establishment and maintenance of effective programs intended to assure dam safety to protect human life and property, the Secretary shall provide assistance under the terms of section 7 of this Act to any State that establishes and maintains a dam safety program which is approved under this section. In evaluating a State's dam safety program, under the terms of subsections (b) and (c) of this section, the Secretary shall assure himself that such program includes the following:

"(1) a procedure whereby, prior to any construction, the plans for any dam will be reviewed to provide reasonable assurance of the safety and integrity of such dam over its intended life;

"(2) a procedure to determine, during and following construction and prior to operation of each dam built in the State, that such dam will be operated in a safe and reasonable manner;

"(3) a procedure to inspect every dam within such State at least once every two years;

"(4) a procedure for more detailed and frequent safety inspections, if warranted;

"(5) the State has or can be expected to have authority to require those changes or modifications in a dam, or its operation, necessary to assure the dam's safety;

"(6) the State has or can be expected to develop a system of emergency procedures that would be utilized in the event a dam fails or for which failure is imminent together with an identification for those dams where failure could be reasonably expected to endanger human life, of the maximum area that could be inundated in the event of the failure of such dam, as well as identification of those necessary public facilities that would be affected by such inundation;

"(7) the State has or can be expected to have the authority to assure that any repairs or other changes needed to maintain the integrity of any dam will be undertaken by the dam's owner, or other responsible party; and

"(8) the State has or can be expected to have authority and necessary funds to make immediate repairs or other changes to, or removal of, a dam in order to protect human life and property, and if the owner does not take action, to take appropriate action as expeditiously as possible.

"(b) Any program which is submitted to the Secretary under the authority of this section shall be deemed approved one hundred and twenty days following its receipt by the Secretary unless the Secretary determines that such program fails to reasonably meet the requirements of subsection (a) of this section. If the Secretary determines such a program cannot be approved, he shall immediately notify such State in writing, together with his reasons and those changes needed to enable such plan to be approved.

"(c) Utilizing the expertise of the Board established under section 11 of this Act, the Secretary shall review periodically the implementation and effectiveness of approved State dam safety programs. In the event the Board finds that a State program under this Act has proven inadequate to reasonably protect human life and property, and the Secretary agrees, the Secretary shall revoke approval of such State program and withhold assistance under the terms of section 7 of this Act until such State program has been reapproved.

"SEC. 9. (a) In order to assure that owners of dams will be able to obtain liability insurance at reasonable rates, and to protect persons located downriver of dams, the Secretary, or the head of any agency of the United States designated by the Secretary, shall provide to any insurer, subject to conditions established by regulation, reinsurance or guarantees of any insurance provided to the owner of a dam to protect such owner from liabilities incurred in the event of the failure of such dam. Reinsurance or guarantees provided under this section shall reimburse an insurer for those liabilities in excess of an amount agreed upon between the Secretary, or his designee, and the insurer.

"(b) Any reinsurance or guarantees provided under this section shall be available only in a State which has an approved dam safety program under the terms of section 8 of this Act.

"(c) Agreements on reinsurance or guarantees under this section shall provide that the failure of the owner of any dam to carry out expeditiously any modification or procedure required by a State under the terms of its dam safety program shall result in the cancellation of any reinsurance or guarantee provided by the Secretary, or his designee.

"(d) There is authorized to be appropriated such sums as may be necessary to carry out this section.

"(e) Not later than eighteen months after enactment of this Act, the Secretary and the Secretary of the Treasury shall report jointly to the Congress with an analysis of the effects of this section, together with any recommendations for a more comprehensive dam safety insurance program to assure the availability of insurance to owners of dams inspected under a State program approval under section 8 of this Act, in an effort to lessen or eliminate the need for any disaster assistance in the event of the failure of such a dam.

"SEC. 10. There is authorized to be appropriated and remain available the sum of $20,000,000 to be placed in a revolving fund by the Secretary, such funds to be available for loans, on terms established by the Secretary, to any owner for any dam required to make repairs, to replace, or to make other safety improvements in such dam under any safety program approved under section 8 of this Act, if such owner can demonstrate to the Secretary that other funds are not reasonably available.

"SEC. 11. (a) There is authorized to be established a Federal Dam Safety Review Board (hereinafter referred to as the 'Board'), which shall be responsible for reviewing the procedures and standards utilized in the design and safety analysis of dams constructed and operated under authority of the United States, and to monitor State implementation of this Act. The Board shall review as expeditiously as possible the plans and specifications on all dams specifically authorized by Congress prior to initiation of construction of such dam, and file an advisory report on the safety of such dam with the appropriate agency, the appropriate State, and the Congress. The Board is authorized to utilize the expertise of other agencies of the United States and to enter into contracts for necessary studies to carry out the requirements for this section. There is authorized to be appropriated to the Board such sums as may be necessary to carry out this section.

"(b) The Board shall consist of seven members selected for their expertise in dam safety, including one representative each from the Department of the Army, the Department of the Interior, and the Department of Agriculture, plus four members, appointed by the President for periods of two years on a rotating basis, who are not employees of the United States. At least two members of the Board shall be employees of the States having an approved program under section 8 of this Act. The Chairman of the Board shall be selected from among those members who are not employees of the United States.

"SEC. 12. The head of any agency of the United States that owns or operates a dam, or proposes to construct a dam in any State, shall, when requested by such State, consult fully with such State on the design and safety of such dam and allow officials of such State to participate with officials of such agency in all safety inspections of such dam.

"SEC. 13. The Secretary shall, at the request of any State that has or intends to develop a dam safety program under section 8 of this Act, provides training for State dam safety inspectors. There is authorized to be appropriated to carry out this section $1,000,000 for the fiscal year ending September 30, 1980, and $500,000 during each of fiscal years ending September 30, 1981 and September 30, 1982.

"SEC. 14. The Secretary, in cooperation with the National Bureau of Standards, shall undertake a program of research in order to develop improved techniques and equipment for rapid and effective dam inspection, together with devices for the continued monitoring of dams for safety purposes. The Secretary shall provide for State participation in such research and periodically advise all States of the results of such research. There is authorized to be appropriated to carry out this section $1,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.".

PROPOSED RESOLUTION OF THE WESTERN STATES WATER COUNCIL CONCERNING DAM SAFETY LEGISLATION

The Western States Water Council has been actively discussing various programs and proposals that relate to dam safety and federal and state responsibilities. All of the western states have ongoing dam safety programs. Many of these programs have been in existence for three quarters of a century and all of the states are fearful that existing federal programs and proposed federal initiatives might move to usurp states' responsibilities, rights and prerogatives in these areas.

The western states are not collectively supportive of federal dam safety legislation at this time. However, because there are federal proposals being considered it was determined that it would be appropriate for the western states, collectively, to identify the type of federal legislation that they feel would be acceptable if federal legislation is to be enacted.

The western states have examined the legislation passed by the Senate in the 95th Congress that is identified by Calendar Report No. 765 and the western states find that if federal dam safety legislation is to be enacted, many of the concepts found

within that legislation are favored by the states. The Western States Water Council urges, however, that if this legislation is to be considered by the 96th Congress that certain amendments be made to that legislation.

In the first paragraph of Section 8(a) the states urge that the language in that paragraph be amended so that a governor might certify that the state has an adequate program if a governor so chooses in lieu of certification by the Secretary of Army. Further under Section 8(a) of the previously passed legislation, the concepts should be changed so that states can instead of will be able to review the construction and operation of dams and further, the inspection of dams should be on a regular basis rather than on a federally prescribed period of time.

Under Section 8(a)(6) states should only be required to accomplish what would be set forth in that paragraph through the word "imminent" and the remainder of that paragraph should be stricken so as not to prescribe in detail exactly how states might choose to operate their dam safety program.

The western states believe that Section 8(a)(8) should be changed to read that the states should have or can be expected to have authority and capabilities if the owner does not take action to take steps necessary as expediently as possible in order to protect human life and property.

Section 13 of the Senate adopted legislation the states believe should be added to allow the states to request from federal entities both technical and administrative advice and assistance on a wide spectrum of dam safety concerns.

With respect to the concept of a Federal Dam Safety Review Board, as identified in Section 11, the states feel that if a governor is given the authority to identify whether or not the state has an adequate dam safety program, then the value and the need for such a Federal Dam Safety Review Board is greatly lessened. From the state point of view the board could best be used to examine federal programs in dam construction and inspection and to act as an appeal board for states from decisions made by the Secretary of Army.

With respect to the concept of insurance or reinsurance as identified in Section 8 of the Senate enacted legislation, the states recognize that there is a significant need for owners and citizens to be protected by an adequate insurance program. Further, the states recognize that often it is difficult for this insurance to be obtained at a reasonable rate. However, the states feel that for this to be offered as proposed in the legislation without giving a governor the prerogative of identifying whether or not his dam safety program is an adequate one gives federal officials too much authority and too much leverage if they try to force states to implement a federal dam safety program instead of a state program that might reflect the choices and prerogatives of the states. Therefore, the states would urge that the Congress consider many procedures that might be available to provide adequate protection in the event of a failure of a dam, but further that the Congress recognize that the needed protection should not ever be held in ransom until a state adopts a program that some federal administrator might perceive is the appropriate program to be implemented in a state or across the nation.

In summary, the states are concerned that federal legislation could be enacted in such a way that states' rights and prerogatives to administer dam safety programs might be lost either through direct usurpment of rights or by incentives that are offered to insure the implementation of a federal program.

The states urge the Congress to be most sensitive to these issues and to consult with all states that have or choose to have a viable dam safety program before proceeding with federal legislation.

III. DAM SAFETY

The Western Governors' Conference recognizes that the hundreds of dams across the west play a significant and vital role in the promoting of water conservation, managing water resources, and enhancing the economy of the western states. It is further recognized that inadequately constructed and poorly maintained dams, many of which are decades old, can, however, pose serious threats to public property and to the health and safety of the citizenry.

Western states have the power to protect the public from the dangers posed by unsafe dams. Western states have dam safety statutes, many of which were instituted around the turn of the century. The western states are continually working to upgrade the effectiveness of their dam safety statutes and programs. Several have adopted dam safety standards to be used in the administration of their dam safety programs.

The Western Governors recognize the power of the federal government to establish national goals for the achievement of dam safety, are aware of existing federal statutes and are keenly interested in current legislative proposals now before Congress.

The Western Governors' Conference urges the federal government to recognize and implement the following principles relating to dam safety:

1. States have the primary and lead role in the implementation and administration of dam safety programs, including inspections and the establishment of standards.

2. Federal programs and legislation should not impose upon the prerogatives the states have exercised in the past in the area of dam safety.

3. The proper role for the federal government is to assist western states in determining dam safety needs and establishing goals. The federal government should provide support to state dam safety programs through funding, training and research.

To provide for the adoption of the above principles the Western Governors' Conference instructs the Western States Water Council to:

1. Advise the federal officials of the position of the Western Governors' Conference,

2. Monitor the efforts of the federal government in dam safety, and

3. Report to Western Governors important actions taken or anticipated to be taken by the federal government.●

By Mr. BAKER (for himself and Mr. SASSER):

S. 541. A bill to amend the Internal Revenue Code of 1954 relating to estate taxes to provide that the election to use the alternate valuation date may be made on a return that is filed late; to the Committee on Finance.

● Mr. BAKER. Mr. President, I am introducing today with my distinguished colleague from Tennessee (Mr. SASSER) a bill identical to S. 3381, which we sponsored in the 95th Congress. Unfortunately, that measure was introduced so late in last year's session that the Committee on Finance did not have an opportunity to consider it fully prior to adjournment. It is my hope that this bill will receive attention from the committee during the 96th Congress, and I ask unanimous consent that the introductory remarks which I made last year and a technical explanation of the bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mr. President, I am today introducing a bill which would alleviate an inequity in the Internal Revenue Code relating to the evaluation of property for estate tax purposes.

I am referring to the rule which permits the estate of a decedent to use the "alternate valuation date" for purposes of computing the value of the estate for estate tax purposes. This rule, which has its origin in the economic decline of the 1930's, is intended to prevent the inequity of imposing the estate tax on the date of death value of property, if that value declines shortly after the date of death.

The current rule is that the estate may elect to value the property of the decedent as of the date 6 months after the decedent's death instead of at the date of death. Thus, if the decedent's property declines in value during that six month period, the estate tax may be computed on the lower actual value of the property. This is an eminently fair rule which avoids the harsh result of paying an estate tax which is based on a valuation of the property which is greater than the actual value at the time the tax falls due.

One problem with the existing rule is that the alternate valuation date may be used only if it is elected on an estate tax return that is filed within the prescribed time. Thus, even where there is reasonable cause for the failure to file the return within the prescribed time, the alternate valuation date may not be used. Moreover, if the estate tax return is just one day late, and even if the delay is due to reasonable cause, the estate may not use the alternate valuation date.

It is also incongruous that the penalties specifically provided for the late filing of a return do not apply if there is reasonable cause for the late filing, while in such a case the alternate valuation date election is absolutely precluded. Yet, the penalty of the loss of the alternate valuation date may be more severe than the penalty specifically provided for late filing.

The effects of this provision of the Federal estate tax law are illustrated by the case of the estate of one of my Tennessee constituents. In this case, Mr. President, the value of the estate declined severely during the six months following death, yet the alternate valuation date election was denied because the estate's co-executor was recovering from open heart surgery at the time the return was due, and the return was filed late. As a result, the death tax due actually exceeds the value of the estate.

I do not believe that this harsh result serves any legitimate policy of the tax law. This bill would not change any of the specified penalties for the late filing of a return. It would merely permit the estate to elect the alternate valuation date on a late return. I believe this alternate valuation date is intended to and should apply if the decedent's property has severely decreased in value, even if, for some reason, the return is filed late.

Mr. President, my staff has discussed this measure with staff at the Treasury Department, and it is my understanding that, although the Department does object to making the proposed change applicable to open cases, it has no objection to making the prospective change in the law contained in the bill. I believe that this measure will redress a glaring inequity in existing law, and I urge my colleagues to consider it favorably.

TECHNICAL EXPLANATION

This bill would amend section 2032(c) of the Internal Revenue Code in order to permit an election to use the alternate valuation date for estate tax purposes on an estate tax return which is filed late.

The general rule for estate tax purposes is that the value of the decedent's property is determined as of the date of death. The alternate valuation date election under section 2032 of the Code permits an estate to compute its estate tax liability using the value of the decedent's property as of the date 6 months after the date of death. The purpose of this provision is to prevent the inequity which would result from paying taxes on the date of death value when there is a severe decline in the value of the property shortly after the date of death. Otherwise, the estate tax could conceivably be greater than the value of the decedent's property at the time the tax is due.

Section 2032(c) currently provides that the alternate valuation date election can only be made on a timely filed estate tax return. If the return is late for any reason, including reasonable cause, the election cannot be made.

There is no reason for this harsh penalty for late filing. No tax avoidance can be achieved if the election can be made on a late return, and no administrative problems are foreseen if the rule is changed to permit an election on a late return. Moreover, it is incongruous that the specific severe penalties for filing a late return and for late payment of the tax may under existing law be excused if there is reasonable cause for the late filing or payment, while the alternate valuation date election, which is intended to be helpful to estates in distress, is absolutely precluded if the return is late, even if there is good reason for the late filing.

The bill would amend section 2032(c) to permit an alternate valuation date election on a late return. This rule cannot result in any planned tax avoidance because the due date of the return (9 months after date of death) is in all cases after the alternate valuation date (6 months after date of death). The values on the alternate valuation date are thus fixed on the due date of the return, and delay in the filing of the return therefore cannot change the tax consequences which would have resulted if the return had been timely filed.

In summary, the only effect of precluding the alternate valuation date election on a late return is to impose the loss of this election as an additional penalty for filing the late return—a penalty which is unrelated to the policy of the alternate valuation date election, and which cannot be excused even for reasonable cause. There is no administrative or tax policy reason for such a result, and this bill would remedy that situation.

Because of the remedial nature of this bill, it should apply to all cases which are not barred by the statute of limitations on the date of enactment.●

By Mr. CULVER (for himself, Mr. NELSON, Mr. MCGOVERN, Mr. REIGLE, Mr. HEINZ, Mr. HELMS, Mr. PERCY, and Mr. SCHMITT):

S. 542. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes; to the Committee on Finance.

PRODUCT LIABILITY SELF-INSURANCE

● Mr. CULVER. Mr. President, I am today introducing legislation designed to help small businesses better protect themselves and their customers from the rising costs and declining availability of product liability insurance. It would permit businesses to claim a deduction from taxable income for contributions to a reserve account used exclusively to pay product liability related costs.

I believe it is a useful and necessary complement to legislation which I introduced last year and which Congress made part of the Revenue Act of 1978. That amendment to the IRS Code permitted operating losses due to product liability to be "carried back" and applied against taxable income for the previous 10 years—7 years longer than the carryback period for most business losses.

According to this bill, businesses with a severe product liability problem—defined in the legislation as an inability to obtain $1 million of conventional coverage for 3 percent of annual gross sales—could claim deductions for funds contributed to a reserve account if they are limited to 5 percent of annual gross sales. The total account would not be allowed to accumulate beyond 15 percent of average annual gross sales. For businesses which do not meet the "severe problem" definition, the comparable figures would be 2 percent and 10 percent. In order to target the tax benefits to smaller firms which are feeling the brunt of the problem, as well as to keep revenue losses to a minimum, there would be absolute caps on annual contributions of $100,000 for severely affected firms and $25,000 for other companies. Funds in the accounts could be utilized only to pay product liability losses and related costs such as legal expenses, and strict penalties are imposed for other uses.

Mr. President, in September 1976 I chaired a hearing by the Senate Small Business Committee on the general nature of the product liability problem. That was the first inquiry made by a congressional committee into the subject, and I doubt there were many people here who even understood what the term meant. Even fewer of us had a real understanding of the difficulties small business owners were encountering in obtaining insurance coverage for product liability.

Since that time, a detailed and substantial public record has been compiled. Small Business Committees in both the House and Senate, the Senate Commerce Committee, the Senate Finance Committee and the House Ways and Means Committee have all held hearings into various aspects of the problem area. In addition, a major Federal interagency task force conducted an extensive 18-month study and issued a comprehensive report in 1978. What all these investigations have documented can be summarized in three conclusions.

First, in the last few years, insurance premiums for product liability—financial responsibility for injuries caused by products which a firm manufactures, distributes, or sells—have doubled and tripled on an annual basis for entire industries. For many individual firms, increases running as high as thousands of percent have not been uncommon.

Second, according to the best available data, these increases generally have not been justified by claims and settlements experience. Instead, in the judgment of the interagency task force on product liability, insurers have been "panic pricing."

Third, this situation has unfavorable effects both on businesses and consumers. Many firms, particularly smaller ones, are watching skyrocketing premium costs erode their scarce capital. Other risk "going bare"—carrying no insurance at all—with the consequent danger of bankruptcy in the event of a substantial adverse settlement. Consumers face the Hobson's choice of higher prices charged by businesses paying the increased premiums or inadequate compensation for injuries if firms are without coverage.

Fundamental causes of the problem and long-range solutions to it, according to the interagency task force, may well involve tort law, insurance ratemaking procedures, and product design and manufacturing practices. A number of efforts—inside and outside Government—to address these areas are now underway. To cite just one example, the Department of Commerce in January issued a draft uniform product liability law as a model for State reform efforts attempting to balance the legitimate interests of products sellers and products users. Whatever the merits or ultimate success of any of these efforts, it is clear that their final design and implementation will require years to achieve. Until then, it makes sense to take action to insure that a major product liability settlement neither drives a firm out of business nor leaves an injured consumer without financial compensation.

In enacting my amendment to extend the carryback period from 3 to 10 years, as part of the Revenue Act of 1978, Congress acknowledged the severity of the product liability problem and the wisdom of establishing a responsible mechanism to provide short-term financial relief. Under the terms of this new provision of the Internal Revenue Code, firms faced with a major product liability settlement can, in effect, use taxes previously paid to satisfy at least part of their liability. For firms in such a position, this amendment will prove a very useful addition.

For many other companies, however, product liability problems do not involve large individual settlements but rather nonavailability of insurance when proof of coverage is required as a condition of doing business by many customers. A large number of still other companies are seeking some way of bringing disproportionately high premiums down to more affordable levels.

This bill would address both those concerns and would give product manufacturers and sellers a measure of flexibility in protecting themselves and their customers. Some firms which are without any insurance could set aside funds sufficiently to cover—at least partially—potential losses. Others could use the reserved funds for increased deductibles, allowing companies to lower their premium costs. A reserve of dollars accumulated over time which could be utilized only to pay product liability costs might well fulfill the requirement of a product seller's trading partners that they be able to cover adverse settlements. In general, the existence of a responsible alternative to conventional insurance coverage would act as a competitive device to bring current unreasonably high rates down to more affordable levels.

When the Department of Commerce

proposed this measure as the best short-term remedy for product liability in a 1978 options paper, it listed many of the arguments I have just mentioned as reasons for adopting the approach. But it enumerated another advantage as well. Consumers are likely to benefit from safer products. The Commerce Department pointed out that with their own funds directly at risk—rather than the risk being to a third party—manufacturers were likely to intensify their efforts to eliminate unsafe products. In addition, I might note, companies which pay exorbitant insurance rates for product liability, pass them on to their customers as higher prices. To the extent that this bill exerts a competitive pressure to bring the rates down, it can make at least a small contribution to our fight against inflation. It is significant, Mr. President, that when the Department of Commerce solicited comment on this kind of proposal from interested members of the public, a wide range of both business and consumer groups gave it strong support. It also won the backing of insurance brokers.

In closing, I wish to make clear that product liability coverage is not just a problem for isolated firms in a few industries. Sporting goods manufacturers, pharmaceutical companies, makers of industrial equipment, machine tool builders, producers of farm equipment, and manufacturers of products as diverse as outboard motors, ladders, and perfume have all felt its impacts—and that is an abbreviated list. Helping these kinds of businesses protect themselves and their customers better from financial or physical injury is the purpose of this legislation. I hope the Senate will give it prompt and close consideration.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this bill may be cited as the "Product Liability Partial Self-Insurance Act".

SEC. 2. (a) Section 165 of the Internal Revenue Code of 1954 (relating to losses) is amended by redesignating subsection (i) as (j) and by inserting immediately after subsection (h) the following new subsection:

"(i) Self-Insurance for Product Losses and Expenses.—

"(1) General rule.—In the case of a taxpayer engaged during the taxable year in a trade or business which involves the manufacture, importation, distribution, lease, or sale of a product or products with respect to which the taxpayer may incur any product liability, at the election of the taxpayer, there shall be allowed as a deduction under subsection (a) the sum of—

"(A) any amounts transferred by the taxpayer for such taxable year to his product liability trusts, including net income earned on the corpus of that trust and net gains realized from the sale or exchange of trust assets so transferred, and

"(B) any amounts paid by the taxpayer for such taxable year to a captive insurer with respect to the product liability of the taxpayer.

"(2) DETERMINATION OF AMOUNT.—

"(A) TAXPAYER WITH SEVERE PRODUCT LIABILITY INSURANCE PROBLEM.—In the case of a taxpayer who has a severe product liability insurance problem (as defined in paragraph (11)) for the taxable year, the maximum amount for such taxpayer determined under paragraph (1) shall not exceed the smallest of—

"(i) 5 percent of the gross receipts of the taxpayer for such taxable year from the manufacture, importation, distribution, lease, or sale of such product or products with respect to which the taxpayer may incur any product liability.

"(ii) the amount which when added to the sum of—

"(I) the balance of the taxpayer's product liability trust, and

"(II) the net contributions of the taxpayer to his captive insurer, if any, equals 15 percent of the taxpayer's average yearly gross receipts from the manufacture, importation, distribution, or sale of such product or products during the base period, or

"(iii) $100,000.

"(B) OTHER TAXPAYERS.—In the case of a taxpayer who does not have a severe product liability insurance problem for the taxable year, the amount determined under paragraph (1) shall not exceed the smallest of—

"(i) 2 percent of the gross receipts of the taxpayer for such taxable year from the manufacture, importation, distribution, lease, or sale of such product or products with respect to which the taxpayer may incur any product liability,

"(ii) the amount which, when added to the sum of—

"(I) the balance of the product liability trust, and

"(II) the net contributions of the taxpayer to his captive insurer, if any,

equals 10 percent of the taxpayer's average yearly gross receipts from the manufacture, importation, distribution, lease, or sale of such product or products during the base period, or

"(iii) $25,000.

"(C) BASE PERIOD.—For the purpose of this paragraph, the term 'base period' means the shorter of—

"(i) the period beginning with the most recent preceding taxable year for which the taxpayer elected to have this subsection apply which is immediately preceded by a taxable year for which the taxpayer did not so elect and ending with the current taxable year, or

"(ii) the 5-fiscal-year period of the taxpayer which ends with or within the taxable year.

"(3) DISALLOWANCE OF DEDUCTION FOR CERTAIN LOSSES.—In determining the amount of the deduction allowable for the taxable year under subsection (a) to a taxpayer who has elected to have this subsection apply, no deduction shall be allowed for any product liability loss sustained by the taxpayer during the taxable year except to the extent that the aggregate amount of such losses during such year exceeds the sum of—

"(A) the amount in the product liability trust of the taxpayer at the beginning of such taxable year, plus

"(B) the aggregate amount of payments by the taxpayer to such trust within the taxable year which are allowable as a deduction under paragraph (1).

"(4) USE OF FUNDS OF TRUST FOR INAPPROPRIATE PURPOSE.—

"(A) IN GENERAL.—If any amount in a product liability trust is, during a taxable year, used for any purpose other than the purpose set forth in paragraph (9)(C)(iii)—

"(i) an amount equal to the amount so used shall be included in the taxable income of the taxpayer for the taxable year, and

"(ii) the liability of the taxpayer for the tax imposed by this chapter for such taxable year shall be increased by an amount equal to 10 percent of the amount so used.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to amounts paid out of any product liability trust not later than the 15th day of the third month following the close of such taxable year to the extent the amount of such payment is not more than the excess of—

"(i) the aggregate amount of payments by the taxpayer to such a trust for the taxable year, over

"(ii) the maximum amount of such payments which may be deducted under paragraph (2).

"(5) TIME WHEN PAYMENTS TO TRUSTS DEEMED MADE.—For the purposes of this subsection, a taxpayer shall be deemed to have made a payment to his product liability trust on the last day of the preceding taxable year if the payment is made on account of such taxable year and not later than the 15th day of the third month following the close of such taxable year.

"(6) PAYMENTS TO TRUST TO BE IN CASH OR CERTAIN OTHER ITEMS.—No deduction shall be allowed under paragraph (1) with respect to any payment to a taxpayer's product liability trust other than a payment in cash or in items in which the assets in said trust may be invested under paragraph (10).

"(7) SPECIAL RULE FOR CONTROLLED GROUPS.—

"(A) IN GENERAL.—For the purpose of paragraph (2)—

"(i) in the case of any taxpayer who, during a calendar year, is a member of a controlled group of corporations, only gross receipts properly attributable under section 482 to such taxpayer for such year shall be taken into account; and

"(ii) the aggregate deductions under this subsection taken by all of the members of a controlled group of corporations for each taxable year shall be limited to the amount that would be permitted under paragraph (2) if all the component members of such group were considered to be a single taxpayer.

"(B) DEFINITION OF CONTROLLED GROUP.—For the purpose of subparagraph (A), the term 'controlled group of corporations' has the meaning given such term by paragraphs (1), (2), and (3) of subsection (a) of section 1563, except that the determination of whether a taxpayer is a component member of a controlled group of corporations at any time during a calendar year shall be made on December 31 of such year.

"(C) CONTROLLED GROUPS CONTAINING PERSONS OTHER THAN CORPORATIONS.—Under regulation prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to groups of taxpayers under common control where one or more of such taxpayers is not a corporation.

"(8) Election termination, and withdrawal of funds.—

"(A) Making election; terminating account.—The Secretary shall prescribe by regulations—

"(i) the time, manner, and conditions under which the election under paragraph (1) shall be made by a taxpayer;

"(ii) the time, manner, and conditions under which a taxpayer may terminate his product liability trust, and the funds accumulated therein, if any, may be distributed to the taxpayer without being subject to the penalty under paragraph (4); and

"(iii) a taxpayer may withdraw all, or any portion of, the funds from his product liability trust without penalty under paragraph (4).

"(B) Special requirements.—The regulations prescribed by the Secretary regarding the election under paragraph (1) shall require the taxpayer to indicate whether he is

electing to transfer all, or any portion, of (i) the net income earned on amounts previously transferred to his product liability trust and (ii) the net gains realized on the sale or exchange of trust assets to that trust. Such amounts which the taxpayer does not elect to transfer to his product liability trust may be withdrawn from that trust without penalty under paragraph (4).

"(C) Withdrawal of funds.—The regulations prescribed by the Secretary regarding the withdrawal of funds from a taxpayer's product liability trust without penalty under paragraph (4) shall permit such withdrawals when the taxpayer has no outstanding product liability claims or lawsuits asserted against him and no reasonable expectation that any product liability claims and lawsuits will be asserted against him.

"(D) Inclusion in income.—Amounts distributed to a taxpayer from his product liability trust without penalty under this paragraph shall be included in the net income of the taxpayer in the taxable year in which the distribution is made.

"(E) Other regulations.—The Secretary shall prescribe such other regualtions as may be necessary to carry out the purposes of this subsection.

"(9) Definitions.—For purposes of this subsection—

"(A) Product liability.—The term 'product liability' has the same meaning as in section 172(i)(2).

"(B) Product liability loss.—The term 'product liability loss' means any loss attributable to the product liability of the taxpayer.

"(C) Product liability trust.—The term 'product liability trust' means any trust—

"(i) established in writing which is created or organized under the laws of the United States or of any State (including the District of Columbia) by the taxpayer;

"(ii) the trustee of which is a bank (as defined in section 581) or another person (other than the taxpayer or any component member of a controlled group of corporations, within the meaning of paragraph (7), of which the taxpayer is a member) who demonstrates to the satisfaction of the Secretary that the manner in which that other person will administer the trust will be consistent with the purposes for which the trust is established;

"(iii) the exclusive purpose of which is to satisfy, in whole or in part, the product liability losses sustained by the taxpayer and the expenses incurred in the investigation, settlement, and opposition of any claims for compensation against the taxpayer with respect to his product liability, and to pay the administrative and other incidental expenses of such trust in connection with the operation of the trust and the processing of claims against the taxpayer;

"(iv) the assets of which will not be commingled with any other property other than in a common trust fund (as defined in section 584) and will only be invested as permitted in paragraph (10); and

"(v) the assets of which may not be borrowed, used as security for a loan, or otherwise used by the taxpayer for any purpose other than those described in clause (iii).

"(D) Captive insurer.—The term 'captive insurer' means any insurer wholly owned or partially owned, directly or indirectly, by the taxpayer which is licensed to provide product liability insurance to the taxpayer under the laws of a State of the United States, including the District of Columbia, and which is, directly or indirectly, owned or controlled by the taxpayer or by an association of which the taxpayer is a member.

"(E) Net contributions of taxpayer to captive insurer.—The term 'net contributions of taxpayer to his captive insurer' means the sum of all premiums paid by the taxpayer to his captive insurer for product liability insurance, less all amounts paid by his captive insurer for claims against the taxpayer for compensation with respect to the product liability of the taxpayer.

"(10) RESTRICTIONS ON INVESTMENT OF ASSETS.—The assets of a product liability trust may not be invested in anything other than—

"(A) public debt securities of the United States,

"(B) obligations of a State or local government which are not in default as to principal or interest, or

"(C) time or demand deposits in a bank (as defined in section 581) insured by the Federal Deposit Insurance Corporation, a savings and loan association insured by the Federal Savings and Loan Insurance Corporation, or an insured credit union (as defined in section 101(6) of the Federal Credit Union Act) located in the United States.

"(11) SEVERE PRODUCT LIABILITY INSURANCE PROBLEM.—A taxpayer has a severe product liability insurance problem for a taxable year if, for such taxable year—

"(A) the taxpayer is unable to obtain a premium quotation for product liability insurance, with coverage of up to $1,000,000, from any insurer other than a captive insurer; or

"(B) the lowest insurance premium quotation for product liability insurance, with coverage of up to $1,000,000, obtained by the taxpayer was equal to more than 2 percent of the gross receipts of the taxpayer for such taxable year.

"(12) DEDUCTIBILITY OF AMOUNTS PAID TO CAPTIVE INSURER AS AN ORDINARY AND NECESSARY BUSINESS EXPENSE.—The deductibility, in whole or in part, of amounts paid by a taxpayer to a captive insurer for product liability insurance coverage under this subsection shall not affect the deductibility of such amounts under section 162 (relating to ordinary and necessary business expenses), except that such amounts shall not be deducted more than once.

"(13) DISCHARGE OF INDEBTEDNESS OF TAXPAYER BY PRODUCT LIABILITY TRUST.—For the purpose of section 61 (relating to gross income), the payment by the trustee of a taxpayer's product liability trust of product liability losses sustained by the taxpayer, expenses incurred in the investigation, settlement, and opposition of any claims for compensation against the taxpayer with respect to his product liability, or other expenses permitted to be paid by the trustee of such trust under paragraph (9), shall not be included in the gross income of the taxpayer.".

(b) Accumulated Earnings Tax.—Paragraph (4) of section 537(b) of the Internal Revenue Code of 1954 (relating to the accumulated earnings tax) is amended to read as follows:

"(4) Product liability loss reserves or insurance.—Amounts accumulated in a taxpayer's product liability trust and amounts paid by a taxpayer to his captive insurer for liability insurance shall be treated as amounts accumulated for the reasonably anticipated needs of the business of the taxpayer to the extent those amounts are deductible under the rules of section 165(i). The accumulation of reasonable amounts, in addition to amounts deductible under section 165(i), for the payment of reasonably anticipated product liability losses (as defined in section 172(i)), as determined under regulations prescribed by the Secretary, shall be treated as accumulated for the reasonably anticipated needs of the business.

(c) Effective Date.—The provisions of this Act apply to taxable years beginning after December 31, 1978.●

By Mr. WEICKER:

S. 543. A bill to establish a program to improve the commercial fisheries of the United States; to the Committee on Commerce, Science, and Transportation.

COMMERCIAL FISHERIES DEVELOPMET ACT

● Mr. WEICKER. Mr. President, I am pleased today to introduce the "Commercial Fisheries Development Act."

Similar to previous legislation that I have introduced, this bill addresses the growing need to build a strong and viable domestic commercial fishing industry.

Despite the fact we are blessed with the world's fourth largest continental shelf, and almost 20 percent of all the foodfish in the world, the commercial fishing industry has failed to grow over the past 25 years. During this period, U.S. fish catch remained static, while this Nation's consumption for fish products doubled, resulting in a trade deficit of $1.5 billion.

Now, with the enactment of the 200-mile limit law, the domestic industry has a tremendous opportunity to reach its full economic potential. Foreign catches have been dramatically reduced. For instance, the 1977 foreign catch, 1.7 million tons, was about 1 million tons less than the 1976 foreign catch and approximately half that of the peak year, 1974.

Even so, consumption of 70 percent of the seafood in this country is provided by imports. The trade deficit in fisheries alone was $2.5 billion this year. It is one of the largest deficits attributed to a single industry in the United States. This annual national trade deficit is a disgrace; it is both demoralizing and dangerous to the future of our country and must be attacked immediately.

The "200-mile law" will go a long way to help the domestic fishing industry to overcome some of these problems. It gives our fishermen first choice over the rich grounds of the U.S. Continental Shelf.

Indeed, there has been a resurgence of activity and interest in the industry. In New England, alone, 35 vessels were constructed in 1977. Recent studies project that, with the enforcement of the 200-mile limit, domestic fishing industry catches will double in 5 to 7 years.

Despite this favorable outlook, private lending institutions are still reluctant to invest. The risks and uncertainties associated with the industry will continue to dampen investments by the private sector. As Clinton Wynn, vice president of Rhode Island Hospital Trust National Bank, stated at a Senate Small Business Committee hearing:

> Although we envisioned increased investments in the fishing industry from the private sector, we think that these funds may not be adequate enough for the immediate and future needs of the industry.

As a result, I fear that the large, rich segments of the industry, those that can provide adequate capital, will dominate the industry. Additionally, foreign investors already threaten to dominate certain segments of the industry.

The great majority of commercial fishing has traditionally consisted of small businessmen. Most cannot easily raise capital and are considered high business risks. I believe that if the small fishermen is not helped he will succumb to the foreign and large U.S. interests.

Mr. President, it is clear that the Government has an important role to play in

insuring the orderly development of commercial fisheries in the United States. Today several Federal agencies, including the National Marine Fisheries Service, Department of Agriculture, and the Small Business Administration provide some form of financial assistance to the fishing industry. However, these have not proven to be adequate to help the industry grow.

Few funds are available for instance, to shoreside facilities, including processing plants, dockage, storage areas, and so forth. These all being key to the growth of the industry, most small fishing ports have inadequate facilities to support fishing.

This proposal is designed to meet the demands of the future and make the industry a strong, prosperous internationally viable enterprise.

In order to improve the productive capacity of our Nations commercial fisheries, it is essential that we develop the industry in a manner that will increase operational efficiency, boost the rate of return on investment, encourage the harvesting of underutilized species, and insure the perpetuality of the species. A strong fishing industry will mean jobs at home and a more favorable balance of payments situation.

To achieve these objectives, this legislation would authorize the creation of a new office—the Office of Commercial Fisheries within the National Oceanic and Atmospheric Administration—to administer a wide-ranging commercial fisheries development package. For the first time, the Federal Government would establish a coordinated and comprehensive approach to commercial fisheries development.

One part of this development package would consist of a fisheries loan guarantee program and a low-interest loan program to encourage development of underutilized species. Coupled with this, a research and development program would be established for new fisheries.

Mr. President, under the existing Merchant Marine Act, loan guarantees are presently available only for fishing vessel construction. A loan guarantee authority of $75 million is available for this limited purpose. In creating a comprehensive fisheries loan guarantee program, the legislation I have introduced would remove vessel construction from the merchant marine loan guarantee program.

Under this bill, the new Federal fisheries loan guarantees could be used for the construction or rehabilitation and purchase of shoreside facilities as well as fishing vessels. A maximum of $750 million of Federal loan guarantees would be available for fisheries with the Government authorized to guarantee up to 87½ percent of the principal on the loan.

The Merchant Marine Act would also be amended to include in its tax deferred capital construction funds, shoreside facilities. Thus, owners of processing plants would enjoy the same tax advantages as vessel owners. It would allow these owners to defer a portion of their income from taxation provided that the proceeds from such funds are used for construction or rehabilitation of shoreside facilities or fishing vessels.

Species such as cod, haddock, and flounder are not likely to provide growth in the industry. These species have been heavily fished for years by foreign and domestic fleets. The results have been significant decreases in their standing stocks.

We must turn to other species most of which are now sought by foreign interests and are underutilized in the United States.

Fishing for underutilized species is considered very high risk. Vessels and processing plants are not likely to be initially built by private investment to market these species unless some incentives are provided.

Many of our underutilized species are considered delicacies in Europe, Japan, Russia, and elsewhere. There is a great potential for domestic involvement in the international export market. This would involve the development of facilities to freeze blocks of fish for foreign consumption.

In recognition of these economic facts of life, this proposal would establish a low interest Federal loan program for harvesting or processing of underutilized species.

The interest rate on the loan would be no greater than the current borrowing rate and no less than 3 percent with a maturity of up to 25 years in the case of fishing vessels, and 30 years for loans pertaining to fisheries facilities.

Mr. President, as in any new venture, the development of new fisheries will require unique marketing and promotion techniques. New fish products will have to overcome consumer skepticism. Vessels and fisheries facilities will have to adapt in order to effectively handle underutilized species. To assist the industry in this adjustment period, this legislation would create title II, a fisheries research and development program. Title II would be designed to promote increased yields of fish products, create better ways of preserving and processing fish, particularly underutilized species and increase both domestic and foreign markets for U.S. fish products.

A Fisheries Development Board, consisting of industry members, including fishermen, producers, and processors, would be established to participate in the program. The Board would review and submit recommendations to the Secretary on development and research projects.

Industry must play a major role in any fishery development program. They have the knowledge and experience to keep such programs on the right track.

As well as meeting the immediate needs of new fisheries, the bill directs the Secretary, within 1 year, to enact a long-range research and development program through basic scientific research, the Secretary will seek to determine; the sustainable yield, life histories, behavioral patterns, and stock distribution of underutilized species.

The provisions of title II would be paid by expanding and transferring Saltonstall/Kennedy (S/K) funds to the research and development program. S/K funds are excise taxes on imported fish products and therefore funding of this program would not be a burden to the taxpayer. In addition S/K funds need to be strengthened in terms of fishery development. Recent proposals by the administration would eventually remove the funds from existing fishery development programs.

This legislation also would establish a 4-year pilot program to improve fishermen's cooperatives. By their very nature, fishermen are a diverse and independent group. However, by joining together for a common economic purpose, they would become a more effective force in the marketplace. The bill would provide management and technical assistance necessary for creating and maintaining cooperatives.

Mr. President, today the New York Times reports that despite favorable global weather patterns and resultant bountiful harvests of crops over the past few years, nations, such as the Soviet Union, China, India and Bangladesh, are still buying record amounts of wheat, corn and soybeans from the United States. It is obvious to me that food is going to play a far more important role in the future of this Nation. We simply must increase our future outlooks on food production, both for our own sakes and to assist in the welfare of the world's poor that face the horrors of global famine.

I believe that this legislation addresses a small but important segment of our future food production and would adequately assist the industry to properly grow.

In any event, I hope that Congress will meet the challenge before us and consider a comprehensive approach to assisting the commercial fish industry in this session.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commercial Fisheries Development Act".

SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares that—

(1) the commercial fisheries of the United States are an important industry providing a significant number of jobs and revenue to the national economy;

(2) by more effectively utilizing resources in the Fishery Conservation Zone, the economic potential of this industry will be realized;

(3) the existing United States commercial fishing fleet and facilities are inadequate to meet the current and future national need and demand for fisheries products or to provide for full domestic utilization and resources in the Fishery Conservation Zone;

(3) Federal development programs for commercial fisheries are inadequate to meet present and future national needs and to stimulate full domestic utilization of resources in the Fishery Conservation Zone; and

(4) many species in the Fishery Conservation Zone are commercially underutilized by the domestic fishing industry.

(b) PURPOSE.—It is the purpose of this Act—

(1) to increase the capability and efficiency of the commercial fisheries industry of the United States;

(2) to strengthen the competitive position of the United States commercial fisheries industry with respect to foreign harvesters and processors, thereby resulting in increased economic stability in the domestic industry and full domestic utilization of fish available in the Fishery Conservation Zone;

(3) to conserve and manage fish under United States jurisdiction in the national interest;

(4) to provide for increased financial assistance, including access to developmental capital, for the United States commercial fisheries industry;

(5) to encourage increased development of domestically underutilized species through research, development, and promotion:

(6) to provide for the institutional framework that will assist the commercial fisheries industries in solving its problems;

(7) to provide technical and consulting assistance to the United States fishing industry to establish fisheries cooperatives;

(8) to provide for effective coordination of Federal manpower training programs in commercial fisheries; and

(9) to provide a central office to effectively administer Federal commercial fisheries development programs.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(1) "Board" means the Fisheries Development Board established pursuant to this Act;

(2) "citizen of the United States" means any person who is a United States citizen by law, birth, or naturalization, any State, any agency of a State or a group of States, or any corporation, partnership, or association organized under the laws of any State which has as its president or other chief executive officer and as its chairman of the board of directors, or holder of a similar office, a person who is a United States citizen by law, birth, or naturalization, and which has at least 75 percent of the interest therein owned by citizens of the United States. Seventy-five percent of the interest in the corporation shall not be deemed to be owned by citizens of the United States—

(A) if the title to 75 percent of its stock is not vested in such citizens free from any trust or fiduciary obligation in favor of any person not a citizen of the United States;

(B) if 75 percent of the voting power in such corporation is not vested in citizens of the United States;

(C) if through any contract or understanding it is so arranged that more than 25 percent of the voting power may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; or

(D) if by any other means control of any interest in the corporation in excess of 25 percent is conferred upon or permitted to be exercised by any person who is not a citizen of the United States;

(3) "commercial fisheries industry" means all commercial aspects of taking, processing, handling, distributing, or marketing of fish and fish products;

(4) "fish" means any species of living aquatic resources excluding aquatic mammals and birds;

(5) "fish products" means any product which is made wholly or in part from any fish or portion thereof, except products which contain fish only in small proportions and which are exempted from definition as a fish product by the Secretary;

(6) "fishery" means the business, organized activity, or act of fishing for a particular stock or species of fish;

(7) "fisheries facilities" means new or used landing, receiving, processing, storage, and distribution facilities, together with all necessary equipment, including land where appropriate;

(8) "fishing" means the catching, taking, harvesting, or attempted catching, taking, or harvesting, of any fish for commercial purposes;

(9) "fishing vessel" means any new or used vessel, boat, ship, or other type of craft, together with all necessary gear and equipment, which is commercially used for, or of a type which is normally commercially used for—

(A) fishing, or

(B) aiding or assisting in the performance of any activity relating to fishing, including preparation, supply, storage, refrigeration, transportation, or processing of fish;

(10) "forced economic distress" means action caused by Federal regualtion, as promulgated by the Secretary of Commerce pursuant to the Fisheries Conservation and Management Act, that forces a fishery to cease or curtail operations on a long- or short-term basis;

(11) "Governments' cost of money" means, as determined by the Secretary of the Treasury, the average market yield on outstanding United States Treasury obligations of comparable maturity;

(12) "person" includes an individual, a public or private corporation, a partnership or other association, or a Government agency;

(13) "process", "processed", and "processing", with respect to fish or fish products, means to harvest, handle, store, prepare, produce, manufacture, pack, transport, or hold such products;

(14) "Secretary" means the Secretary of Commerce;

(15) "States" means any State of the United States, the District of Columbia, or any Commonwealth, Territory, or possession of the United States; and

(16) "underutilized species" means a fish species or group of fish species that are identified as available but either not domestically harvested or domestically harvested at insignificant levels pursuant to criteria set forth by the Secretary.

TITLE I—COMMERCIAL FISHERIES DEVELOPMENT FUND

SEC. 101. GUARANTEES OF OBLIGATIONS FOR COMMERCIAL FISHERIES

(a) COMMITMENTS.—(1) The Secretary may, subject to the provisions of this section, guarantee, or make a commitment to guarantee, the payment of interest on, and the principal amount of, any obligation issued by an obligor for any of the following purposes:

(A) The financing and refinancing (including reimbursement of amounts previously expanded) of the cost of constructing, reconstructing, or reconditioning commercial fishing vessels and fisheries facilities except that no reimbursement may be guaranteed under this section later than 5 years after the date of construction, reconstruction, or reconditioning.

(B) The financing of the acquisition of used vessels or fisheries facilities in connection with their reconstruction or reconditioning.

(C) The refinancing of any existing obligation issued for any of the purposes specified in subparagraph (A) whether or not guaranteed under this section, including any obligation incurred for the purpose of obtaining temporary funds.

(D) Guarantees and commitments to guarantee may be made under this section without regard to section 3679 (a) of the Revised Statutes of the United States (31 U.S.C. 665 (a)).

(2) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including any interest which may accrue between the date of default under a guaranteed obligation and the payment in full of the guarantee.

(3) Any guarantee, or commitment to guarantee, made by the Secretary under this section shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee, or commitment of guarantee, so made shall be incontestable.

(4) The aggregate unpaid principal amount of all obligations guaranteed under this section and outstanding at any one time shall not exceed $750,000,000.

(b) CONDITIONS OF OBLIGATION.—(1) Obligations guaranteed under this section—

(A) shall have an obligor approved by the Secretary as being responsible and possessing the ability, experience, financial resources, and other qualifications necessary for the adequate operation and maintenance of the commercial fishing vessels or fisheries facilities;

(B) shall be in an aggregate principal amount which does not exceed 87½ percent of the actual cost, or the depreciated actual cost, as determined by the Secretary, of construction, reconstruction, or reconditioning;

(C) shall have maturity dates satisfactory to the Secretary, but not to exceed 25 years;

(D) shall provide for payments by the obligor satisfactory to the Secretary; and

(E) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percentage per annum on the unpaid principal as the Secretary determines to be reasonable except that the Secretary may allow a rate of interest higher than otherwise allowable when the obligee conducts the basic economic feasibility and credit investigation for the Secretary's review and agrees to finance, on an unguaranteed basis, not less than 20 percent of the cost of construction, reconstruction, or reconditioning.

(2) No obligation shall be guaranteed under this section unless the obligor conveys or agrees to convey to the Secretary such security interest as the Secretary may require to reasonably protect the interests of the United States.

(c) FEES.—(1) The Secretary may charge a fee for any obligation guaranteed under this section, the amount of which shall be established by the Secretary by regulation but which may not exceed 1 percent per annum of the outstanding principal balance of the obligation. Fee payments shall be made by the obligor to the Secretary when moneys are first advanced under a guaranteed obligation and at least 60 days before each anniversary date thereafter.

(2) The Secretary shall charge and collect from the obligor such amounts as he may deem reasonable for the investigation of the application for any guarantee, for the appraisal of properties offered as security for any guarantee, and for the inspection of such properties during construction, reconstruction, or reconditioning. Such charges shall not aggregate more than one-half of 1 percent of the original principal amount of the obligation to be guaranteed.

(3) All fees and other amounts received by the Secretary under the provisions of this subsection shall be deposited in the Fund established pursuant to section 103.

(4) Obligations guaranteed under this section, and agreements relating thereto, shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Secretary), liens and releases of liens, payments of

taxes, and such other matters as the Secretary may prescribe.

(d) DEFAULT AND PAYMENT.—(1) In the event of a default, which has continued for 30 days, in any payment by the obligor of principal or interest due under any obligation guaranteed under this section, the obligee or his agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 90 days from the date of such default, payment by the Secretary of the unpaid principal amount of said obligation and of the unpaid interest thereon to the date of payment. Within such period as may be specified in the guarantee or related agreements, but not later than 30 days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment; except that the Secretary shall not be required to make such payment if before the expiration of such period he finds that there was no default by the obligor in the payment of principal or interest or that such default has been remedied before any such demand.

(2) In the event the obligee does not make a demand on a defaulted installment before 90 days from the date of such default, that portion of the guarantee which represents the defaulted installment shall be lost but the remainder of the guarantee shall continue in full force and effect.

(3) Payments required to be made by the Secretary under paragraph (1) shall be made by the Secretary from the Fund established pursuant to section 103.

(4) In the event of any payment by the Secretary under paragraph (1), the Secretary shall have all rights in any security held by him relating to his guarantee of such obligations as are conferred upon him under any security agreement with the obligor. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary may, under such terms and conditions as the Secretary prescribes or approves, complete, recondition, reconstruct, repair, maintain, operate or sell any property acquired by him pursuant to a security agreement with the obligor.

(5) After any default referred to in paragraph (1) the Secretary shall take such action against the obligor or any other parties liable thereunder that in his discretion, may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the obligee and the obligee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary may accept a conveyance of title to and possession of property from the obligor or other parties liable thereunder that, in his discretion may be, property for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Secretary receives through the sale of property an amount of cash in excess of any payment made to an obligee under paragraph (1) and the expenses of collection of such amounts, he shall pay such excess to the obligor.

(6) Whoever, for the purpose of obtaining any loan or advance of credit from any person with the intent that an obligation relating to such loan or advance of credit shall be offered to or accepted by the Secretary to be guaranteed, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage relating to an obligation guaranteed by the Secretary, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of the Secretary under this section, makes, passes, utters, or published any publishers, or causes to be made, passed, uttered, or published any statement, knowing the same to be false, or alters, forges, or counterfeits, or causes or procures to be altered, forged, or counterfeited, any instrument, paper, or document, or utters, publishes, or passes as true, or causes to be uttered, published, or passed as true, any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income shall be punished by a fine of not more than $25,000, or by imprisonment for not more than 2 years, or both.

(e) REGULATIONS.—The Secretary shall promulgate such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this section.

(f) DEFINITIONS.—For purposes of this section—

(1) the term "actual cost" of commercial fishing vessels or fishing facilities, as of any specified date, means the aggregate, as determined by the Secretary, of—

(5A) all amounts paid by, or for the account of, the obligor with respect to such facility on or before that date; and

(B) all amounts which the obligor is then obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of such vessel or facility.

(2) The term "depreciated actual cost" means the actual cost depreciated on a straightline basis over the useful life of the property involved as determined by the Secretary.

(3) The term "obligation" means any note, bond, debenture, or other evidence of indebtedness issued for one of the purposes specified in subsection (a).

(4) The term "obligee" means the holder of any obligation.

(5) The term "obligor" means any person primarily liable for payment of the principal of or interest on any obligation.

(g) AMENDMENT TO MERCHANT MARINE ACT OF 1936.—Section 1104 of the Merchant Marine Act of 1936 is amended—

(1) in subsection (a)(1) by striking out "(D) in the fishing trade or industry; or (E)" and substituting "or (D)"; and

(2) by striking out subsection (d) and substituting the following:

"(d) No commitment to guarantee an obligation shall be made by the Secretary of Commerce unless he finds, at or prior to the time such commitment is made, that the property or project with respect to which the obligation will be executed will be, in his opinion, economically sound, and no obligation, unless made pursuant to a prior commitment, shall be guaranteed unless the Secretary of Commerce finds, at or prior to the time the guarantee becomes effective, that the property or project with respect to which the obligation is executed will be, in his opinion, economically sound.".

SEC. 102. HIGH-RISK LOANS FOR COMMERCIAL FISHERIES.

(a) AUTHORIZATION.—The Secretary is authorized to make long-term, low-interest loans—

(1) to provide capital for the construction, rehabilitation, purchase, or operation of fisheries facilities that enhance opportunities to harvest and process underutilized species;

(2) to provide capital for the construction, rehabilitation, purchase, or operation of fishing vessels for harvesting underutilized species, including vessels under 5 net tons; and

(3) to provide capital for the cost of vessel modifications and fishing equipment to be used for experimental fishing purposes.

(b) LIMITATION.—Loans pursuant to this Act shall be made only to citizens of the United States.

(c) INTEREST RATE.—Any loan made pursuant to subsection (a) shall be provided at an interest rate, to be determined by the Secretary in accordance with the purposes of this section, no greater than the Government's cost of money and no less than 3 percent depending upon the degree of risk inherent in the loan project. Minimum interest rates shall be employed as an incentive when the risk is highest. Loan maturities shall not exceed 25 years for loans pertaining to fishing vessels and 30 years for loans pertaining to fisheries facilities. The Secretary, subject to the specific limitations in this Act, may consent to the modification, with respect to the rate of interest or time of payment of any installment of principal, or the security, of any loan made pursuant to this title.

(d) Security Requirement.—Loans shall be approved only upon furnishing of such security or other reasonable assurance of repayment as the Secretary may require considering the objectives of this Act. The proposed collateral for a loan must be of such a nature that, when considered with the integrity and ability of the management, and the applicant's past and prospective earnings, repayment of the loan will be reasonably assured. The Secretary shall recognize that the risk assumed for loans made pursuant to this section will often be higher than ordinary.

(e) Before approving any loan pursuant to this title relating to a fishing vessel or a fisheries facility, the Secretary shall determine that the applicant does, or will, possess the ability, experience, resources, and other qualifications necessary to operate and maintain such vessel or facility.

(f) ECONOMIC DISTRESS LOANS.—The Secretary is authorized to make loans to provide financial assistance to commercial fishermen to alleviate forced economic distress. Such loans shall be made on the basis of regulations promulgated by the Secretary which will assure rapid and timely assistance where and when needed in the commercial fisheries industry.

(1) Such loans shall be made in accordance with criteria established by the Secretary for transferring vessel operations, temporarily or permanently, into alternative fisheries operations.

(2) The amount of such loans will be determined by the Secretary based on the extent of the economic distress and the needs of the Nation.

(3) The amount of interest, if any, on such loans shall be determined by the Secretary, but shall not be greater than the Government's cost of money.

SEC. 103. EXTENSION OF CAPITAL CONSTRUCTION FUND, MERCHANT MARINE ACT, 1936, TO FISHERIES FACILITIES

(a) CAPITAL CONSTRUCTION FUND.—Subsection (a) of section 607 of the Merchant Marine Act, 1936 (46 U.S.C. 1177) is amended to read as follows:

"(a) AGREEMENT RULES.—Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)), or one or more fisheries facilities (as defined in subsection (k)(9)), may enter into an agreement with the Secretary of Commerce under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the 'fund') with respect to any or all of such vessels or fisheries facilities. Any agreement entered into under this section shall be for the purpose of providing—

"(1) replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States, or

"(2) replacement, additional, or reconstructed fisheries facilities in the United States, and shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary of Commerce may by regulations prescribe or are set forth in such agreement; except that the Secretary of Commerce may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year (computed in the manner provided in subsection (b)(1)(A)) which is attributable to the operation of the agreement vessels or fisheries facilities or from the sale or marketing of fish or fish products (as defined in paragraphs (11) and (12) of subsection (k)).".

(b) CEILING ON DEPOSITS.—Subsection (b) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or which is attributable to the operation of the agreement fisheries facilities or from the sale or marketing of fish or fish products" before the comma at the end thereof;

(2) in subparagraph (B) of paragraph (1) by inserting "or fisheries facilities" after "vessels"; and

(3) in subparagraph (C) of paragraph (1) and in paragraph (2) by inserting "or fisheries facility" after "vessel" each place it appears.

(c) QUALIFIED WITHDRAWALS FROM THE FUND.—Subsection (f) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or a fisheries facility," after "vessel"; and

(2) in subparagraph (C) by inserting ", a fisheries facility," after "reconstruction of a qualified vessel".

(d) TAX TREATMENT OF QUALIFIED WITHDRAWALS.—Subsection (g) of section 607 of such Act is amended—

(1) in paragraphs (2) and (3) by inserting "fisheries facility," after "vessel," each place it appears; and

(2) in paragraph (4) by inserting "fisheries facilities," after "vessels,".

(e) DEFINITIONS.—Subsection (k) of section 607 of such Act is amended by adding at the end thereof the following new paragraphs:

"(9) The term 'fisheries facilities' means new or used landing, receiving, processing, storage and distribution facilities, together with all necessary equipment, including land where appropriate.

"(10) The term 'agreement facility' means any fisheries facility which is subject to an agreement entered into under this section.

"(11) The term 'fish' means any species of living aquatic resources excluding aquatic mammals and birds.

"(12) The term 'fish products' means any product which is made wholly or in part from any fish or portion thereof, except products which contain fish only in small proportions and which are exempted from definition as a fishery product by the Secretary.".

SEC. 104. COMMERCIAL FISHERIES DEVELOPMENT FUND.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a Commercial Fisheries Development Fund (hereinafter referred to as the "Fund"). The Fund shall be available to the Secretary as a revolving fund for the purpose of carrying out, and administering this title The Fund shall consist of—

(1) any sums appropriated to the Fund;

(2) any fees received by the Secretary in connection with any guarantee made under section 101;

(3) recoveries and receipts received by the Secretary under security, subrogation, and other rights and authorities under sections 101 and 102; and

(4) moneys deposited pursuant to the last sentence of subsection (b) of section 101.

All payments made by the Secretary to carry out the provisions of this title (including reimbursements to other Government accounts) shall be paid from the Fund, only to the extent provided in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of this title shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(b) FUND OBLIGATIONS.—If at any time the moneys in the Fund are not sufficient to pay any amount the Secretary is obligated to pay under subsection (d)(1) of section 101, the Secretary shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amounts as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations to be issued hereunder and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Seretary of the Treasury of such notes or other obligations shall be treated as a public debt transaction of the United States. Moneys borrowed under this subsection shall be repaid by the Secretary from the Fund.

SEC. 105. AUTHORIZATION FOR APPROPRIATIONS.

(a) GUARANTEES.—There is appropriated to the Fund, without fiscal year limitation, $10,000,000 to provide initial capital to carry out the provisions of section 101 of this title, including its administrative costs.

(b) LOANS.—There is hereby appropriated to the Fund, without fiscal year limitation, $25,000,000 as initial capital to carry out the provisions and administrative costs of section 102 of this title and there are authorized to be, without fiscal year limitation, further sums for such purpose not to exceed $100,000,000.

SEC. 106. ADMINISTRATION.

There shall be in the National Oceanic and Atmospheric Administration a Director for an Office of Commercial Fisheries Development. Such Director shall be a qualified individual who is, by reason of background and experience, especially qualified to carry out the implementation and administration of this Act and such other provisions of law relating to commercial fisheries as the Secretary determines appropriate. There shall be in such Office a fisheries financing unit which shall administer title I of this Act.

SEC. 107. REPEAL AND TRANSFER OF EXISTING PROGRAMS.

(a) REPEAL.—Section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 743c) is repealed. All outstanding loans shall be administered under the jurisdiction of the Office created by section 106.

(b) TRANSFER OF PROGRAMS.—(1) The Secretary shall transfer the existing Fishing Vessel Capital Construction Fund program from the National Marine Fisheries Service to the jurisdiction of the Office created by section 106.

(2) All assets and liabilities of the programs terminated pursuant to subsection (a) shall be transferred to and become a part of the Fund.

TITLE II—FISHERIES RESEARCH AND DEVELOPMENT PROGRAM

SEC. 201. PROGRAM.

The Secretary shall establish within 1 year after the date of enactment of this Act a fisheries research and development program for the purpose of research, development, and promotion of commercial fisheries which shall include but not be limited to—

(1) increase markets for fish and fish products both nationally and internationally, particularly for underutilized species;

(2) increase yields of fish products, to make underutilized species more appealing to the consumer, and to create better ways to preserve and process fish and other similar purposes;

(3) upgrade existing fish markets;

(4) encourage changes in markets from overutilized species to less utilized species;

(5) carry out demonstration fishing and demonstration processing and marketing of underutilized species;

(6) develop new catching, handling, and processing techniques for underutilized species; and

(7) carry out all such other economic, scientific, and commercial research, development, and promotion as is necessary to encourage full and optimum domestic use of fisheries resources.

SEC. 202. GRANTS AND CONTRACTS.

(a) AUTHORIZATION.—The Secretary is authorized to make grants and enter into contracts with any citizen of the United States in accordance with rules and regulations promulgated by the Secretary in order to conduct the provisions of this title.

(b) RULES AND REGULATIONS.—Such rules and regulations shall include provisions for—

(1) solicitation of proposals for the purpose of carrying out this title;

(2) selection of proposals consistent with the purposes of this Act;

(3) review of the proposals by the Board with recommendations to the Secretary; and

(4) Federal grants up to 75 percent of the total cost of conducting such research, development, and promotion.

(c) APPROVAL.—This Secretary shall approve or disapprove, funds, contracts, and administer applicable research, development, and promotion projects with a potential near-term commercial benefit which have been submitted by the Board.

(d) EFFECT UPON OTHER PROGRAMS.—Nothing in this title shall conflict with any other Federal, State, or local government programs established for the purposes of conservation, protection, or management of living or nonliving marine resources.

SEC. 203. FISHERIES DEVELOPMENT BOARD.

(a) ESTABLISHMENT OF BOARD.—The Secretary shall establish within 90 days after the date of enactment of this Act a Fisheries Development Board composed of commercial fishermen and producers, handlers, and processors of fisheries products each of whom shall have an alternate, selected by the Secretary, in such a way that all regional interests are fairly represented. The regions and member States for purposes of this title shall be identified by the Secretary.

(b)(1) BOARD MEMBERSHIP.—Any person

selected to be a member of the Board by the Secretary shall qualify by submitting a written acceptance to the Secretary.

(2) If a member of the Board is absent from a meeting of the Board, the alternate shall act in his place. In the event of death, removal, resignation, or disqualification of a member his alternate shall act for him until a successor for a member is selected and qualified.

(3) The members of the Board and alternates when acting as members shall be reimbursed for necessary expenses as approved by the Board and shall receive compensation at the daily rate for GS-18 of the General Schedule.

(4) The members of the Board shall be appointed for 3-year terms on a staggered schedule with one-third of the members replaced each year, except that such replacement shall begin 3 years after the establishment of the Board.

(5) The Secretary may appoint, and assign duties to, an Executive Director and such other full- and part-time administrative employees as the Secretary determines are necessary to the performance of its functions.

(A) Upon the request of the Board, and after consultation with the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to assist in the performance of the functions under this Act.

(B) The Secretary shall provide such administrative and technical support services as are necessary for the effective functioning of the Board.

(C) The Administrator of General Services shall furnish the Board with such offices, equipment, supplies, and services as he is authorized to furnish to any other agency or instrumentality of the United States.

SEC. 204. POWERS.

The Board shall have the following powers:

(1) to select from among its members as pursuant to this title;

(2) to make bylaws and operating procedures, with the Secretary's concurrence, to effectuate the terms and provisions of this title that pertain to the administration and operation of the Board.

SEC. 205. DUTIES.

The Board shall have the following duties:

(1) to select from among its members a Chairman and such other officers as may be necessary;

(2) to carry out the provisions of section 201 by organising, evaluating, and submitting research, development and promotion projects to the Secretary;

(3) to review and submit recommendations to the Secretary on any research, development, and promotion plans or projects pursuant to the provisions of this title;

(4) to assist with the contracting of projects approved by the Secretary;

(5) to keep and maintain such books and records as are necessary to administer its duties;

(6) to cause its books and records to be audited by a public accountant at least once each fiscal year; and

(7) to submit an annual report to the Secretary and the Congress of its activities pursuant to this Act during the previous fiscal year; including recommendations and suggestions concerning the provisions of this title.

SEC. 206. LONG-RANGE DEVELOPMENT PLAN.

(a) ESTABLISHMENT OF PLAN.—The Secretary shall establish within 1 year after the date of enactment of this Act, a long-range plan for the domestic development of underutilized fisheries resources, including research, development, and promotion carried out by the Secretary.

(b) RESEARCH AND DEVELOPMENT.—The Secretary shall carry out with the advice of the Board, a long-range program of basic research, development, and promotion with emphasis on underutilized species.

SEC. 207. TRAINING PROGRAMS STUDY AND REPORT.

The Secretary is authorized and directed to conduct a comprehensive study regarding the adequacy of existing Federal and State training programs designed specifically to train individuals regarding the commercial fisheries industry. The Secretary shall submit to the President and the Congress, within 1 year of enactment of this Act, a final report on the findings, conclusions, and recommendations of the study. Such report shall include—

(1) a recommended national commercial fisheries industry education program;

(2) future manpower needs of the Nation in various sectors of the commercial fisheries industry;

(3) recommendations for changes in the organization and involvement of Federal departments and agencies needed to effectively implement the national commercial fisheries industry education program; and

(4) recommendations concerning additional legislation required to effectively implement the national commercial fisheries industry education program.

SEC. 208. MARKET STUDY AND REPORT.

The Secretary is authorized and directed to conduct a comprehensive study concerning the marketing, processing, distribution, and sale of fish and fish products. Within 1 year of enactment of this Act, the Secretary shall submit to the President and the Congress a report on the findings, conclusion, and recommendations of the study. Such report shall contain recommendations regarding means to improve the operations of such marketing, processing, distribution, and selling mechanisms.

SEC. 209. AMENDMENT OF THE SALTONSTALL-KENNEDY ACT.

(a) AMENDMENT.—(1) The Saltonstall-Kennedy Act (15 U.S.C. 713c-3) is amended to read as follows:

"SEC. 2. (a) There shall be appropriated for each fiscal year, beginning with the fiscal year commencing October 1, 1979, an amount equal to 75 percent of the gross receipts from duties collected under the customs laws on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals, and any products thereof, including processed and manufactured products during the calendar year which includes the first day of the fiscal year involved. Such amounts shall be maintained in a separate fund of the Treasury of the United States which shall be available for the purposes of carrying out the provisions of title II of the Commercial Fisheries Development Act.

"(b) There shall be further appropriated to such fund for each fiscal year, beginning with the fiscal year commencing October 1, 1979, an amount equal to the fees, penalties, fines, and forfeitures assessed pursuant to sections 308, 309, and 310 of the Fishery Conservation and Management Act of 1976 collected during the calendar year which includes the first day of the fiscal year involved. Such amounts shall also be used for the purposes of carrying out the provisions of title II of the Commercial Fisheries Development Act.".

(2) The amendment made by paragraph (1) of this subsection shall take effect October 1, 1979.

(b) EXCEPTION.—Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) is amended by striking out the period at the end of the first sentence and substituting the following: "; except that, beginning with the fiscal year commencing October 1, 1979, the provisions of this section shall not apply to duties collected under such laws on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals, and any products thereof, including processed and manufactured products.".

(c) The amendments made by this section shall not be construed to indicate any intent on the part of the Congress to reduce the amounts of funds appropriated annually for the use of the National Marine Fisheries Service.

SEC. 210. SANITARY SEAFOOD PROGRAM.

(a) The Secretary shall submit to the President and Congress within 1 year from the enactment of this Act a plan to establish a national health and sanitary program for the control of handling, processing, marketing, and sale of seafoods.

(b) Such plan shall make specific recommendations concerning the extent of the program; head agency to administer the program and the extent of consolidation or termination of present programs.

(c) Such plan shall recommend regulations to insure that all seafood in the United States reaches the consumer in the best possible sanitary condition and of the highest quality.

TITLE III—FISHERIES COOPERATIVE SERVICE ASSISTANCE

SEC. 301. FISHERIES COOPERATIVE SERVICE PROGRAM.

(a) ESTABLISHMENT OF PILOT PROGRAM.—The Secretary in consultation with the Secretary of Agriculture, shall establish within 60 days after the date of enactment of this Act a pilot program of comprehensive service for the purpose of assisting fishing interests in the planning, administering, and formulating of fisheries cooperative organizations.

(b) PLAN IMPLEMENTATION.—The Secretary shall authorize the Office of Commercial Fisheries Development to develop plans and conduct actual field operations to implement fisheries cooperative services for a period of 4 years.

SEC. 302. SERVICES BY THE SECRETARY.

For the purposes of this title, the Secretary is authorized and directed to—

(1) provide research, management, marketing, and education assistance to cooperatives to strengthen the economic position of fishermen and related occupations;

(2) direct consultation with fisheries cooperative leaders and Federal and State agencies to improve organization, leadership, and operations and to give guidance to further development;

(3) assist fishermen to obtain supplies and services at lower cost and to get better prices for the products they sell;

(4) advise fisheries cooperatives on improving services and operating efficiency in order to benefit their members and communities;

(5) encourage international fisheries cooperative programs; and

(6) provide research planning and advice on the establishment of new fisheries cooperatives.

SEC. 303. REPORT.

The Secretary, in collaboration with the Secretary of Agriculture, shall submit an annual report on the activities conducted pursuant to this title to the President and to the Congress. A final report shall also be submitted to the President and to the Congress at the end of the 4-year program with specific recommendations for the establishment of a permanent fisheries Cooperative Service to be administered by the Secretary.

SEC. 304. FISHERIES DEVELOPMENT PROGRAM REPORT.

The Secretary shall submit to the President and Congress within 180 days after the enactment of this Act a report on the status of all existing federally funded programs relating to the objectives and purposes of this Act. The report shall include, but not be limited to—

(1) recommendations for increasing the effectiveness of such programs; and

(2) recommendations for additional means and measures necessary to implement and effectuate a comprehensive, coordinated, and effective United States fisheries development program.

SEC. 305. AUTHORIZATION FOR APPROPRIATIONS.

(a) There is authorized to be appropriated to the Secretary sums not to exceed $500,000 to carry out the provisions of section 210.

(b) There are authorized to be appropriated to the Secretary without fiscal year limitation the sum of $1,000,000 to provide funds to carry out a 4-year pilot fisheries cooperative service program pursuant to this title.

(C) There are authorized to be appropriated to the Secretary without fiscal year limitation the sum of $300,000 to provide funds to carry our the provisions of section 304.●

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. CRANSTON, Mr. RIEGLE, and Mr. JAVITS):

S. 544. A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; to the Committee on Human Resources.

HEALTH PLANNING AMENDMENTS OF 1979

● Mr. KENNEDY. Mr. President, I rise to reopen a very significant matter—that of reauthorization and extension of the health planning and resource development Program as established by Public Law 93-641 in 1975. I know of no greater opportunity this Congress will have—early in its first session—to improve and support one of the most impressive cost containment programs in the health field: The very effective local and State planning effort. The 205 health systems agencies and the 56 State health planning agencies, which seemed to make good conceptual sense when authorized 4 years ago, are now vividly demonstrating their work—in containing costs and reallocating resources. As we discovered in last year's hearings, the practice of health planning is maturing, and we now have enough data to document its very positive impact. The time to strengthen and extend that act is now.

In 1977, the Congress gave a 1-year extension to Public Law 93-641. That 1-year extension gave us the needed time last year to do a thorough examination of the way the program was developing, to consider many possible amendments, and to agree on the best course for the next 3 years.

The Senate used that time well. The Human Resources Health Subcommittee held comprehensive hearings on the matter, developed and refined a good bill, after soliciting the views of over 400 organizations and individuals, and reported it out unanimously. On July 27, 1978, the full Senate debated it on the floor, accepted some good amendments, and by unanimous voice vote, passed S. 2410, the Health Planning Amendments of 1978.

Unfortunately in the heavy crush of business at the conclusion of the last Congress, the full House was not able to consider the companion bill to S. 2410 and thus the renewal process was carried over to this new Congress.

With particular pride, and strong personal commitment, I am pleased now to introduce S. 544, which is cosponsored by Senators SCHWEIKER, WILLIAMS, JAVITS, RANDOLPH, PELL, CRANSTON, and RIEGLE.

This bill is very similar to the bill that passed the Senate last July. The modifications include changes in relevant dates and a modification in the requirements for State certificate of need programs regarding the acquisition of expensive capital equipment. These latter changes are in sections 136, 142, and 153. The bill I present to you today is highly significant in three essential dimensions:

First, it will further strengthen local decisionmaking in the allocation of health care resources; it keeps the major decisions in the hands of those most affected—consumers, providers, local and State government officials, the third-party payors—in short, all those who ultimately foot the bill for quality health services, or pay the price of untreated illness if the services are not there.

Second, it will help contain the still too rapidly rising costs of health care resources.

And third, it is a prelude and adjunct to the kind of national health insurance program I believe we can all support—one which assures the availability and accessibility of quality health services to all populations in this country, at a cost we can afford.

I would like now to clarify the reasons why I believe the Congress should act on this bill with all dispatch and also highlight the major objectives of the bill.

First, let us put the matter of health planning in some perspective. Last year, this country spent approximately $180 billion on health care, including all capital investment, health services, drugs, equipment, research, manpower training, et cetera. That came to about $830 per capita. This year those figures will be significantly higher, approaching $1,000 per capita.

Also last year, this country spent approximately $165 million on health planning, including funds from all sources—Federal, State, local, private, et cetera. That comes to about 77 cents per capita. In short, we spent significantly less than $1 per capita to improve decisions on the expenditure of more than $800 for every man, woman, and child in this country.

When I say "improve decisions, I mean several things, things that are the very essence of what the health planning program is about:

I mean a local decision structure in which every one has an opportunity to participate—indeed it is dependent upon the effective participation of citizen volunteers;

I mean decisions that are made within the framework of a community-wide and community-developed, long-range plan for sensible investment decisions;

I mean a plan that recognizes real constraints on resources—a reality-based plan that will not condone every added expenditure desired by every hospital and every physician;

I mean a program which keeps most regulatory powers needed to enforce the plan in the hands of State government, not the Federal Government.

You might then ask: What has that improved decisionmaking process accomplished? Although the health planning agencies were established and "conditionally designated" by the HEW Secretary less than 3 years ago, it is now becoming possible to see the results of their efforts.

A recent survey of the planning agencies' performance in reviewing new capital investment projects covered the 2-year period from the summer of 1976 to the summer of 1978. The first report of that survey, which analyzed data on the first 139 health systems agencies surveyed, provides some interesting statistics:

These 139 HSA's, which cover about 60 percent of the population of the country, reviewed more than $7 billion in proposed capital investments, in spite of the fact that many of these agencies did not begin such review until 1977.

Of that $7 billion, one quarter was deemed unnecessary and was not allowed to go forward. In other words, more than $1.8 billion of unneeded capital investment expenditures was prevented.

Pitting the cost of these HSA's and the relevant State agencies against the result, we find that for each dollar spent on health planning, $8 in proposed capital investments were denied—an impressive rate of return indeed.

If we further consider the operational costs that will not now be incurred in conjunction with $1.8 billion of unneeded capital projects, the savings are magnified many times again. For we know that annual operating costs approximate 50 percent of the capital costs.

It should be noted that these savings have occurred in the absence of any supportable claim that the quality of health care has suffered in any way.

In fact, many people have expressed concern that the health systems agencies are too "dominated" by hospital and physician interests on their governing boards even though those provider interests are numerically in the minority. If that is true, we can look forward to even better performance as the consumer participants become more experienced, knowledgeable, and develop a better understanding of the very complex world of medical care.

As I indicated earlier, the bill that I am introducing today modifies sections 136, 142, and 154 of the bill that passed the Senate during the last session. These changes concern the requirements for State certificate-of-need programs.

Mr. President, as you know, the thrust of certificate-of-need programs is to provide a mechanism for representative citizen committees to restrict the development of costly, unnecessary, or duplicative health resources within a community through a review of capital expenditures of institutional health

care facilities. There is clear and unquestionable evidence indicating that there are approximately 100,000 more hospital beds in the United States than are needed and also that there is surplus capacity of certain other hospital services.

Even though there was no evidence in 1974 to indicate excessive or duplicative HMO capacity, the original health planning legislation included a requirement that certificate of need extend to all facets of health maintenance organization development.

The HMO, as an organized health care system, provides a comprehensive range of prepaid health services to its members often at costs 20 to 40 percent below traditional fee-for-service providers. HMO's are at the forefront of innovation in health care delivery and have led in providing preventive health services and using health care resources efficiently.

The Federal Trade Commission, the Department of Health, Education, and Welfare, and various university-sponsored studies have provided evidence that the success of group practice prepayment programs has even resulted in innovative responses from traditional health care insurers and providers in broader benefit packages, reduced premiums, discounted hospital rates, and new organizational delivery modes.

By mandating that States include the review of HMO's under their certificate-of-need programs, the Congress intended to encourage the development and expansion of HMO's as a cost-effective health resource. Contrary to congressional intent, the CON process has been used by anti-HMO interests to block the initial establishment of HMO's and to delay the growth of enrollment by restricting the modernization or construction of prepaid group practice physician offices for ambulatory health care services.

The CON has been used to protect the status quo and thwart HMO development. Unlike their fee-for-service counterparts, HMO physicians in certain States must seek CON approval for parking lots, administrative computer capacity, leased office space, expansion of services or indeed any facet of HMO operation.

Last session this inequity was partially corrected with the passage of Public Law 95-559. This law amended section 1122 of the 1972 Social Security amendments. That new law requires the review of HMO hospital expenditures in the same manner as the review for non-HMO hospital capital expenditures, and deletes the requirement for the review of non-hospital-based capital expenditures such as HMO establishment and development of ambulatory care facilities.

This provides for a consistent Federal policy with respect to fee-for-service and HMO providers. The provisions included in the bill I am introducing today would conform the planning efforts mandated by Public Law 93-641 to those in section 1122 by requiring that in order for a State certificate-of-need program to be in compliance, it cannot cover the establishment of ambulatory facilities of an HMO. This provides for consistent Federal policy in the 1122 and certificate-of-need programs. It does not affect the requirement for the review of proposed use of Federal funds for HMO's.

In those instances of Federal subsidies through the HMO grant and loan programs, HAS's would still be required to review and then recommend approval or disapproval funds for development. The proposal also requires State certificate-of-need programs to include provisions for the review and approval for the purchase of noninstitutionally based diagnostic and therapeutic equipment valued at over $150,000 if the equipment is to be used for inpatients of hospitals.

Mr. President, the purpose of this amendment is to eliminate the discrepancy in the requirements for State certificate-of-need programs, where the private establishment of an HMO and its development of outpatient facilities and services are required to be covered, but that for the similar fee-for-service noninstitutional services are not. It recognizes the past abuses of the planning process. The development of HMO's and the elimination of the discriminatory provisions of current law have the support of labor, big business, the health insurers, many legal and university researchers, consumer groups, and provider groups.

Mr. President, I want to emphasize further that the return from health planning in terms of its cost effectiveness, while very impressive in itself, is not the whole story. We can be very proud of the gains made by these agencies, and the citizens who guide them, in creating positive changes in the character of the health care systems in their communities:

In promoting the development of new resources where there are none, as in medically underserved areas;

In raising the public consciousness as to the need for preventing illness, through better immunizations, better nutrition, increased physical fitness, and so on;

In bringing together the many fragmented parts of a community health care system through cooperative linkages between and among these parts, such as sharing of resources, arrangements between ambulatory care centers and nearby hospitals, and closer linkages between the mental health care systems and the rest of the health care delivery system.

This bill is intended to support and extend the basic character and structure of the health planning program. It is working well, and we should be very wary of any alterations that might disrupt its progress, inadvertently or otherwise.

Mr. President, the many amendments in the bill go a long way toward improving the planning process; and the most significant nontechnical changes we are proposing would accomplish the following:

Assure that the role of HEW in developing national guidelines is restricted to offering guidance and suggestions, and does not permit mandating the outcome of a local planning process.

Enhance the effective participation of the States' Governors in the further development of the program.

Direct more explicit attention and resources to the planning needs of rural areas—where the planning task is more often one of developing new capacities rather than, as in most urban areas, modifying existing capacities.

Assure that States' certificate-of-need decisions are made consistent with the plans developed by the local and State planning agencies—not by the Federal Government.

Promote increased and more effective participation of citizen volunteer members of planning agency governing boards by providing technical assistance and staff resources to these members as well as providing added liability protection from groundless suits.

Assure meaningful comparison of competing projects by allowing simultaneous consideration of similar projects, rather than the current "first come, first served" method.

Provide grants to States to support the voluntary closure, conversion, or merger of unneeded services and facilities.

Assure that State certificate-of-need programs do not discriminate against health maintenance organizations.

Develop better integration of planning for mental health, alcohol, and drug abuse programs into the overall health planning effort.

Assure that the local processes of HSA board selection and decisionmaking do not allow for self-perpetuation or the development of conflicts of interest in considering new projects.

Changes in the law designed to achieve those objectives, and many other more technical changes as well, grew out of the extensive hearings we held on this program last spring. There is a lengthy written record available to describe and explain each of them. I invite every one of my colleagues to examine that record, to ask any questions that appear to remain unanswered, and to join with me in pressing for prompt action by the full Senate.

Prompt enactment of this legislation is a compelling matter, not simply to avoid unnecessary confusion at the State level and within State legislatures, but more importantly because the best means we now have must be applied to combat the astounding increases in health care costs and to assure that all Americans will have access to high-quality health care. The Senate will undoubtedly be considering other approaches to pursuing some of the same objectives, but here, in the health planning program, we already have an effective mechanism that is working—and we need to send a message of confidence and support to the many thousands of citizens who are spending their countless hours of efforts in making this work as well as it is. With more support from us it will work even better.

Mr. President, I ask unanimous consent that a section-by-section summary of this bill be printed in the RECORD.

The material follows:

SECTION-BY-SECTION ANALYSIS

S. 544 amends titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

Section 1. Provides that the bill may be cited as the Health Planning Amendments of 1979, and that references in this act to amendment or repeal of a section or other provision will refer to a section or other provision of the Public Health Service Act.

TITLE I—REVISION AND EXTENSION OF NATIONAL HEALTH PLANNING AND DEVELOPMENT AUTHORITY

National Council on Health Planning and Development

Section 101(a). Amends section 1503(b)(1) to expand the membership of the Council from 15 to 20 members, to include as an ex officio member of the Council the Assistant Secretary for Rural Development of the Department of Agriculture, and to provide that at least 8 Council members will be consumers, including members of urban and rural medical underserved populations.

Section 101(b). Amends section 1511(a) to permit the Governor of any State involved in an interstate health systems agency to request redesignation of an interstate health service area made up of an entire standard metropolitan statistical area (SMSA). Present law requires that all Governors involved must agree to split the SMSA if it is to be split. The Secretary of HEW retains the final authority.

Section 101(c). Amends section 1501(b)(1) to insure that the National Guidelines for Health Planning include standards for supply, distribution, and organization of health resources that reflect the unique circumstances and needs of medical underserved populations including rural communities.

Redesignation of health service area boundaries

Section 102. Amends section 1511(b)(4) to direct the Secretary to review on his own initiative, or at the request of any Governor or health systems agency, the boundaries of health service areas and to redesignate those boundaries if he finds that they no longer meet the requirements of section 1511(a) or if the boundaries for a revised health service area meet the requirements of section 1511(a) in a significantly more appropriate manner in terms of the efficiency and effectiveness of health planning efforts. Provides that when the Secretary acts on his own initiative, he is to consult with the Governor of the appropriate State or States, the chief executive officer or agency of the political subdivisions affected by the revision, the appropriate health systems agency and Statewide Health Coordinating Council. Requires similar consultation among affected parties when the boundary redesignation request originates with a Governor or HSA and further stipulates that in such cases, the request include comments on the proposed revision made by such affected individuals and entities. No proposed revision of the boundaries of a health service area shall comprise an entire State without the prior consent of the Governor. Before making any change, the Secretary is required to give notice and an opportunity for a hearing on the record by all interested persons and must make a written determination of his findings and decision. Further requires that the Secretary, by January 1, 1979, establish by regulation criteria for revision of health service area boundaries.

Section 103. Repeals section 1511(c) which gives priority for designation of health service areas which formerly had an area wide Comprehensive Health Planning Agency under previous health planning authority.

Conflict of interest

Section 104(a). Amends section 1512(b) to expand and clarify conflict of interest provisions for HSA members and staff. Direct HSA's to adopt procedures (in accordance with regulations of the Secretary) to insure that no member, employee, consultant, or agent participate in any matter regarding any persons, institutions, organizations, or other entity with which such individual has or has had within the past three years any substantial direct or indirect employment, fiduciary, competitive, medical staff, ownership, or other financial interest.

Section 104(b). Amends section 1524(b) to provide conflict of interest provisions for SHCC members and staff on same basis as that set forth above for HSA's.

HSA staff

Section 105(a). Amends section 1512(b)(2)(A) to add requirements for HSA staff to assure expertise in financial and economic analysis, public health and disease prevention, mental health planning and development, and use of mental health resources. Further provides that HSA's must have staff meeting these and other existing requirements to the extent practicable.

Section 105(b). Amends section 1512(b)(2)(A) by expanding the requirements that the functions of planning and of development of health resources include mental health resources.

Section 105(c). Amends section 1512(b)(2)(A) to add a new requirement that at least one HSA staff member be assigned responsibility for providing the consumer members of the HSA governing body with such assistance as they may require to effectively perform their functions.

Selection process for HSA members

Section 106. Amends section 1512(b)(3) to set forth the broad outlines for the process to be used by the HSA in selecting members of its governing body and subarea councils. The selection process that assure that members are selected in accordance with the requirements of subparagraph (C) pertaining to composition of the governing body, that there is opportunity for broad participation by residents of the health service area and that such participation will be encouraged and facilitated, and that HSA members do not select other members of the HSA. The selection process is to be made public and reported to the Secretary.

Responsibilities of public HSA's

Section 107(a). Amends section 1512(b)(3)(A) to provide that an HSA that is a public regional planning body or unit of general local government not be required to delegate to a separate governing body for health planning the exclusive authority to appoint and with cause remove members of the governing body for health planning or establish personnel rules and practices for staff or approve the agency's budget or any combination of those activities.

Public officials on HSA's

Section 107(b). Amends section 1512(b)(3)(C)(iii)(I) to revise requirement that HSA's include public elected officials and other representatives of governmental authorities by providing that HSA's must include public elected officials and other representatives of units of general purpose government. In the latter case, individuals would have to be appointed by a unit of general purpose government or a combination thereof.

Reimbursement of HSA members for expenses

Section 108. Amends section 1512(b)(3)(B)(vi) to allow HSA's when appropriate to make advances to HSA members for their reasonable costs incurred in attending meetings and performing any other duties and functions of the health systems agency.

Confidential meetings and records pertaining to personnel issues

Section 109(a). Amends section 1512(b)(3)(B)(viii) to exclude from the open meeting requirement meetings or portions thereof called to discuss the performance or remunerations of an HSA employee which, if public, would constitute a clearly unwarranted invasion of the personal privacy of such individual. Extends similar scope of protection to HSA personnel records and data.

Section 109(b). Amends section 1512(b)(6)(A) to restrict the Secretary's access to HSA personnel records and data the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Section 109(c). Amends section 1522(b)(6) to extend to employees of the State health planning and development agency the same kind of protection afforded HSA employees under section 109(a) above.

Section 109(d). Amends section 1532(b)(10) to provide that procedures and criteria for reviews of proposed health system changes restrict public access to HSA and State agency personnel records and data.

HSA governing body composition

Section 110. Amends section 1512(b)(3)(C)(i) to remove the stipulation that consumers on HSA boards cannot have been providers of health care within the 12 months preceding appointment. Also clarifies that major purchasers of health care include but are not limited to unions and corporations.

Section 111(a). Amends section 1512(b)(3)(C)(ii) to permit HSA participation by providers whose principal place of business is within the respective health service area, although their residence may be elsewhere.

Section 111(b). Amends section 1512(b)(3)(C) to clarify that providers or consumers of health care also include providers or consumers of mental health care.

Section 112(a). Amends section 1512(b)(3)(C)(ii) to clarify that the term physician includes both doctors of medicine and osteopathy.

Section 112(b). Amends section 1531(3)(A) to clarify that the term physician includes both doctors of medicine and osteopathy.

Section 112(c). Amends section 1531(3) to redefine provider of health care to include provider of health or mental health care.

Section 113. Amends sections 1512(b)(3)(C)(ii) to broaden the provider of health care definition pertaining to HSA governing body composition by adding two additional provider categories for "non-professional health workers" and "other providers of health and mental health care."

Section 114(a). Amends section 1512(b)(3)(C)(iii)(II) to provide flexibility (but not mandate) for increased nonmetropolitan representation on HSA boards by assuring that the percentage of representatives from nonmetropolitan areas is "at least" equal to the percentage of residents in such nonmetropolitan areas.

Section 114(b). Amends sections 1512(b)(3)(C)(iii)(III) to clarify that "ex officio" means nonvoting.

Section 115. Amends section 1512(b)(3)(C)(iv) to mandate that subcommittees or advisory groups of HSA boards have a consumer majority.

Liability suits

Section 116(a). Amends section 1512(b)(4) to revise and broaden scope of protection against personal liability suits and to provide protection for consultants and agents of the HSA, as well as members and employees. Provides that no such individual will be considered liable if he could have reasonably believed he was acting within the scope of official duties and acted without gross negligence or malice toward any person affected by it.

Section 116(b). Amends section 1524 to provide protection against person liability suits for SHCC members, employees, consultants, and agents identical to that provided under section 116(a) above to HSA's.

Requirements for executive committees

Section 117. Amends section 1512(b)(6) to add requirements that any executive com-

mittee of the HSA or any other entity appointed by the governing body or executive committee of the HSA and any subarea council shall conduct its business meetings in public (except for meeting or portions thereof called to discuss the performance or remuneration of an individual employee which, if public would constitute a clearly unwarranted invasion of the personal privacy of such employee), give adequate notices of its meetings to those persons who have requested such notice, and make its records and data available, upon request, to the public (other than personnel records and data regarding an individual employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of such employee).

Requirements for health plans of HSA's and State agencies

Section 118(a). Amends section 1513(b)-(2) to increase the material to be included in the health systems plan (HSP) of an HSA. In addition to other requirements, the HSP must include a description of institutional health services needed for the well-being of persons receiving care within the health service area, including at a minimum, the number and type of medical facilities, rehabilitation facilities, nursing homes, beds and equipment needed to provide acute in-inpatient, psychiatric inpatient, obstetricial inpatient, neonatal inpatient, long term care, and treatment for alcohol and drug abuse, and the extent to which existing medical facilities, rehabilitation facilities, nursing homes, beds, and equipment are in need of modernization or conversion to new uses, and the extent to which new facilities and equipment need to be constructed or acquired. Similar information would have to be provided on other noninstitutional health services, specifically the number and type of health maintenance organizations, outpatient (including primary care) facilities, rehabilitation facilities, facilites for treatment of alcohol and drug abuse, and other medical facilities, and home health agencies and equipment needed to provide public health services and outpatient care.

Section 118(b). Amends section 1523(a)(4)(B) to require that certificate of need decisions be consistent (except in emergency circumstances that pose a threat to public health) with the State health plan.

Section 118(c). Amends section 1524(c)(A) to require that the State health plan prepared by the SHCC have the concurrence of the Governor.

Section 118(d). Amends section 1524(c)(2) to require that the State health plan contain information similar to that set forth above for the plans developed by HSA's. Stipulates that the State health plan must be coordinated with the State mental health plan developed pursuant to the Community Mental Health Centers Act, the State alcohol abuse plan developed pursuant to the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and the State drug abuse plan developed pursuant to the Drug Abuse Office and Treatment Act of 1972. The State health plan is also to address the resource requirements of manpower, facilities, equipment, and funds necessary to provide access, availability and quality services at reasonable cost to persons receiving care within the State, including at a minimum, the types of facilities and services enumerated above the HSA's.

Section 118(e). Amends section 1524(c)(2) to stipulate that until a State health plan is in effect, the Secretary may not make any grant to the State health planning and development agency pursuant to section 1525.

Section 119(a). Amends section 1513(b)(2) to expand the public hearing requirement of HSA's for amending as well as establishing the health systems plan.

Section 119(b). Amends section 1513(b)(3) to extend the public hearing requirement to the establishment, review, and amendment of the annual implementation plan, as well as the HSP.

Section 119(c). Amends section 1513(b)(2) to require that the HSP include identifiable alcohol abuse, drug abuse, and mental health components, and address specifically the needs of all medical underserved populations in the health service area.

Section 119(d). Amends section 1513(b)(2)(C) to delete the requirement that the HSP is consistent with the national guidelines issued by the Secretary under section 1501.

Section 119(e). Amends section 1513(b) to require that the HSA shall submit to the SHPDA, the SHCC, and the Secretary a detailed statement of the reasons for any inconsistencies between its HSP and AIP and the national guidelines.

Technical assistance

Section 120. Amends section 1513(c)(2) to mandate HSA's to provide technical assistance in obtaining and filling out necessary forms to applicants applying for projects needed to achieve the HSP. Permits HSA's to also provide other technical assistance.

Carryover of grant funds

Section 121(a)-(d). Amends sections 1513(c)(3), 1516(a), 1525(a), and 1526(c)(1) to allow for carryover of grant funds for HSA's and State agencies and for area health services development funds and State rate regulation projects. Provides that in the event a grant is renewed, it may be carried forward to the subsequent grant period without being deducted from the subsequent grant award.

Coordination HSA/State agency activities

Section 122(a). Amends section 1513(d) to provide that an HSA will also coordinate its activities with entities which review rates and budgets of health care facilities in the health service area and with appropriate area agencies on aging, local and regional alcohol abuse, drug abuse, and mental health planning agencies.

Section 122(b). Amends section 1522(b)(7)(A) to provide that the State agency coordinate its activities with such rate and budget review entities in the State.

Appropriations review

Section 123(a). Amends section 1513(g) to clarify that HSA appropriateness review should, at a minimum, address the issues of accessibility, financial viability, cost effectiveness, costs and charges to the public and quality of services provided.

Section 123(b). Amends section 1513(e)(1)(B) to clarify that grants or contracts under titles IV, VII, or VIII of the PHS Act should not be reviewed by the HSA's unless they are to be made, entered into, or used to support the development of health resources or the delivery of health services that would make a significant change in the health services offered within the health service area.

Section 124. Amends section 1513(g)(1) to focus but not limit the scope of mandated HSA appropriateness review to at least those services included in the State health plan.

Technical assistance

Section 125. Amends section 1514 to require the Secretary to provide technical assistance to agencies that have the potential to become HSA's as defined in the law.

Section 126(a)-(b). Deletes the last sentence of section 1515(b) and the last sentence of section 1515(c)(2) in order to eliminate the priority for HSA designation of former 314(b) agencies and regional medical programs formerly authorized under title IX.

Extension of full designation periods for HSA's

Section 127(a)-(d). Amends sections 1515(c)(1) and 1515(c)(3) to extend the period of full designation agreements of HSA's from 1 year to 3 years, and to permit the Secretary, if he finds an HSA has not been performing satisfactorily, to terminate it or return it to a conditional status for 1 year, after which time the agency must either be automatically terminated or returned to full designation after appropriate consultation.

Section 128. Amends section 1515(d) to provide a conforming amendment pertaining to HSA designation agreements.

HSA funding levels

Section 129(a)-(b). Amends sections 1516(b)(2)(A)(1) and 1516(b)(3) to provide that minimally funded HSA's shall receive at least $250,000 in the fiscal year ending September 30; 1980, $270,000 in fiscal year 1981, and $290,000 in any succeeding fiscal year.

Section 129(c). Amends section 1516(c)(1) to authorize appropriations of $150 million for fiscal year 1980, $175 million for fiscal year 1981, and $200 million for fiscal year 1982.

Section 129(d). Amends section 1516(d) to provide that, of the amounts appropriated under section 129(c), the Secretary may use not more than 5 percent of such amounts to increase grants in such fiscal year to a health systems agency to assist it in meeting extraordinary expenses including but not limited to those that may occur when HSA's are located in more than one State or serve a large health service area or a large rural or urban medical underserved population.

Section 129(e). Amends section 1516(c)(2) to conform with sections 129 (a) and (b).

Section 130. Amends section 1516(b) to allow minimally funded health systems agencies to be eligible for federal matching funded as are other HSAs.

Extension of full designation periods for State agencies

Section 131(a)-(b). Amends section 1521(b)(3) and 1521(b)(4) to change designation requirements for the State agencies from annually to every 3 years and to permit the Secretary the option of either terminating or returning a fully designated SHPDA to conditional status for a 1-year period for nonperformance of its functions. After the 1-year period, the Secretary must either fully designate the SHPDA or terminate its agreement after appropriate consultations.

Penalty for States not in compliance

Section 132. Amends section 1521(d) to provide that a State without a State agency designation agreement in effect by September 30, 1980, would be subject to a 25-percent reduction in the amount of any allotment, grant, loan, loan guarantee, and any contract under this act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 for the development, expansion, or support of health resources until such time as an agreement is in effect. Such amounts would be reduced by 50 percent if no agreement were in effect by September 30, 1981, by 75 percent after September 30, 1982, and by 100 percent after September 30, 1983.

Judicial review of State agency decisions

Section 133(a). Amends section 1522(b) to provide for judicial review of a final decision rendered by a State agency under a certificate of need or appropriateness review. Any person adversely affected by such a decision may within a reasonable period of time after the decision is made and any review is made by the State reviewing agency (other than the SHPDA) designated by the Governor, obtain judicial review of such a decision in an appropriate State court. The State agency decision is to be affirmed unless it is found

to be arbitrary or capricious, or was not made in conformity with the applicable law.

Section 133(b). Amends section 1522(b)(13)(A) to require that appeals of State agency decisions be performed in a timely manner.

Section 134. Amends section 1522(c) to effect a conforming change proposed under section 131 changing annual designation of the SHPDA to triannual.

Technical assistance

Section 135(a). Amends section 1523(a) to require SHPDA's to provide technical assistance in obtaining and filling out the necessary forms to individuals and public and private entities for the development of projects and programs.

State health plan

Section 135(b). Amends section 1523(a)(2) to require that the preliminary State health plan include an identifiable alcohol abuse, drug abuse, and mental health component to be prepared by the respective alcoholism, drug abuse, and mental health authorities, respectively, designated by the Governor. The alcohol abuse, drug abuse, and mental health components of the HSP's submitted by HSA's for inclusion in the State health plan may, as found necessary by the respective State authorities, contain revisions of such components to achieve their appropriate coordination or to deal more effectively with statewide alcohol abuse, drug abuse, and mental health needs. The remainder of such preliminary State plan may, as found necessary by the State agency, also contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide needs. The preliminary State health plan will be submitted to the SHCC for approval or disapproval and for use in developing the final State health plan.

Certificate of need

Section 136(a). Amends section 1523(a)(4) to clarify the Secretary's role in approving certificate of need programs by revising the current provision calling for a program satisfactory to the Secretary and substituting a requirement that the program be consistent with standards established by regulations of the Secretary. Requires the certificate-of-need program to provide enforcement procedures and penalties. Further requires the program to conduct a periodic review at least every 24 months of the progress being by an institution granted a certificate of need. Requires a certificate of need to be withdrawn if (in the absence of unforeseen and unavoidable circumstances) substantial progress is not being made toward making the service or facility for which the certificate was issued available for use. Also requires that issuance of a certificate of need be based solely on the record established in administrative and judicial proceedings (as provided for in this title) held with respect to an application.

Provides that no certificate of need program shall have provisions for the review and determination of need of services, facilities, equipment, and organization of health maintenance organizations and the entities through which their services are provided except for new institutional health services of hospitals controlled directly or indirectly by health maintenance organizations and diagnostic or therapeutic equipment (as that term is used in section 1531(5)) of health maintenance organizations.".

Section 136(b). Amends section 1523 to require that:

(1) State certificate of need programs shall provide for review and determination of need prior to the acquisition of diagnostic or therapeutic equipment (as that term is used in section 1531(5) which will not be owned by or located in a health care facility if—

(A) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

(B) the State Agency finds, within 30 days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the equipment will be used to provide services on a regular basis for inpatients of a hospital.

(2) Before any person enters into a contractual arrangement to acquire such diagnostic or therapeutic equipment which will not be owned by or located in a health care facility, such person shall notify the State Agency of the State in which such equipment will be located of such person's intent to acquire such equipment. Such notice shall be made in writing and shall be made at least 30 days before contractual arrangements are entered into to acquire the equipment with respect to which the notice is given.

Section 132. Amendments section 1523(a)(5) to provide a technical and conforming amendment which clarifies the role of the HSA in States with approved certificate-of-need programs. Would, in effect, delete requirements of section 1523(a)(5) once there is an acceptable certificate of need program in place.

Statewide Health Coordinating Council (SHCC)

Section 13(a)-(b). Amends sections 1524(c)(1) and 1513(b)(2) to direct the SHCC to establish in consultation with the HSA's and the State agency a uniform format for HSP's and AIP's.

Section 13(c). Amends section 1524(b)(1) to clarify that consumers and providers of health care include consumers and providers of mental health care, for purposes of SHCC composition. Further amends section 1524(b)(1)(D) to provide, for ex officio representation of the Veterans' Administration on the SHCC when the State has at least one VA facility, rather than at least two such facilities as currently provided.

Section 13(d). Amends section 1524(c)(6) to mandate that the SHCC review State plans pursuant to section 409 and 410 of the Drug Abuse Office and Treatment Act.

Section 138(e). Amends section 1524(b)(1) to require that the SHCC include consumer members who are members of rural and urban medically underserved populations, if such populations exist in the State.

Authorization levels for State agencies

Section 139. Amends section 1525(c) to increase authorization levels for grants to State health planning and development agencies. Authorizes $40 million for fiscal year 1980, $45 million for fiscal year 1981, and $50 million for fiscal year 1982.

Section 140. Amends section 1526(e) to extend authorizations for grants for State rate regulation experiments as follows: $6 million for fiscal year 1980, $7 million for fiscal year 1981, and $7 million for fiscal year 1982.

Definitions

Section 141(a). Amends section 1531(3)(A) by striking "substance" and inserting in lieu thereof "alcohol and drug" and by including rehabilitation facilities among the institutions included in the "provider of health care" definition.

Section 141(b). Amends section 1531(3)(B)(1) to allow consumers who serve on governing boards of other health organizations and agencies to be considered as consumers, rather than indirect providers, for the purposes of this act.

Section 142. Amends section 1531(5) to broaden State certificate-of-need requirements by redefining "institutional health services" to mean health services provided through health care facilities as defined in regulations of the Secretary, including but not limited to private and public hospitals, rehabilitation facilities, and nursing homes if such services entail annual operating costs of $50,000 or more; and diagnostic or therapeutic equipment, acquired through purchase, rental, lease, or gift, valued at the time of acquisition in excess of $150,000, used in the delivery of health care services by a health care facility. In determining whether diagnotic or therapeutic equipment has a value in excess of $150,000, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment will be included.

Procedures and criteria for review

Section 143. Amends section 1532(a) to stipulate that procedures and criteria for review by HSA's and State agencies must provide that applications be submitted in accordance with established timetables, that reviews be undertaken in a timely fashion, and that applications for similar types of services and facilities be considered in relation to each other no less often than twice a year. Reviews of similar types of institutional health services affecting the same service area must be considered in relation to each other. This section also provides that HSA's and State agencies must cooperate in the development of procedures and criteria to the extent appropriate to the achievement of efficiency in their reviews and consistency in criteria for such reviews.

Section 144(a-b). Amends sections 1532(b)(2) and section 1524(c) to clarify that failure of a HSA or State Agency or SHCC to complete a review within the period prescribed for the review may not be deemed by such an entity to constitute a negative finding, recommendation, or decision with respect to the subject of such review.

Section 144(c). Amends section 1532(b) to provide that for HSA and State agency reviews of certificate of need applications and reviews of appropriateness of services, and where appropriate for other reviews, each participant may present evidence and arguments orally and/or by written submission; each participant may cross-examine any other participant who makes a factual allegation relevent to such review; a hearing record is to be maintained; HSA and State agency decisions are to be based solely on the hearing record; and there will be a prohibition on ex parte contracts with individuals voting on the review process.

Section 145. Amends section 1532(b)(1) to require timely written notification to all affected parties at the beginning of a review and to require that all persons who have asked to be placed on a mailing list maintained by the HSA or SHPDA be notified of certain reviews by such agencies.

Section 146. Amends section 1532(b)(7) to provide for a timely notification of providers of health services and other persons of certain information.

Section 147. Amends section 1532(b)(8) to specify that public hearings are to be held prior to any decision made in the course of HSA or State agency review if requested by persons directly affected by the review.

Section 148(a). Amends section 1532(c)(9)(B) to provide that in the case of a construction project, HSA and State agency review will consider the probable impact of the project on the costs and charges of providing health services not only by the person proposing such construction project (as currently provided) but also "on the costs of providing health services by other persons."

Section 148(b). Amends section 1532(c) to provide that in addition to existing criteria the HSA and State agency must consider, in the case of existing services or facilities, the quality of care provided by such services or facilities in the past and the extent to which such proposed services will be accessible to

all the residents of the area to be served by such services.

Section 148(c). Amends section 1532 to establish criteria under which the certificate of need applications of HMO's will be reviewed and approved. Applications of Federally qualified HMO's for new institutional health services must be approved by the State agency if it finds (in accordance with criteria prescribed by the Secretary) that approval is required to meet the needs of present HMO members and new members who can reasonably be expected to enroll, and if the HMO is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its institutional health services in a reasonable and cost-effective manner consistent with the basic method of operation of the HMO and which makes such services available on a long-term basis through physicians and other health professionals associated with it.

Centers for health planning

Section 149(a)–(b). Amends section 1534 (a) and 1534(b)(1) to require the Secretary to enter into grants with the Centers for Health Planning, rather than allowing the existing option of grants or contracts.

Section 149(c). Amends section 1534(c)(2) to require the types of assistance and dissemination of information to HSA's and State agencies explicitly set forth in subsections (a) and (c) of section 1534 in order to be eligible for grants from the Secretary. Adds a requirement that Centers develop and disseminate methodologies to educate new HSA board members and staff and continuing education for present HSA members and staff and State agency staff.

Section 149(d). Amends section 1534(d) to extend the authorization for the Centers for Health Planning as follows: $12 million for fiscal year 1980, $15 million for fiscal year 1981, and $18 million for fiscal year 1982.

Comment authority

Section 150. Amends section 1535 to broaden the comment authority to any interested party. This would pertain to the process undertaken by the Secretary to review in detail at least every 3 years the structure, operation, and performance of each HSA and SHPDA. The Secretary is directed to consider the comments of any interested person.

Coordination with mental health activities

Section 151(a)–(b). Amends section 2(a)(3)(B) of Public Law 93–641 and section 1502 in order to insure more effective coordination of the planning efforts at the local and State level between the planning entities designated under the Community Mental Health Centers Act and the Health Planning and Resources Development Act of 1974 and to insure the more effective coordination of health and mental health services. Adds a Congressional finding that lack of effective coordination between the mental health care system and the physical health care system, both by providers and planners, has promoted fragmentation, lack of continuity, and inappropriate utilization of health resources. Further notes the lack of attention to and emphasis on the behavioral aspects of physical health care and status. Adds to the list of national health priorities the following:

Promotion of those health services which are provided in a manner cognisant of the emotional and psychological components of the prevention and treatment of illness and the maintenance of health;

The elimination of inappropriate placement in institutions of persons with mental health problems and improvements in the quality of care provided to persons with mental health problems for whom institutional care is appropriate; and

The assurance of access to community health centers and other mental health care providers for needed mental health services and the emphasis on outpatient care as a less restrictive alternative to inpatient mental health services.

Indian self-determination

Section 152(a). Amends section 1513(e) to provide for Indian self-determination as related to health planning by inserting after the term "Indian tribe" the phrase "(as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act.)"

Review of Federal funds

Section 152(b). Amends 1513(e) to require that when an HSA is requested to review a proposed use of Federal funds, other than those specified in section 1513(e)(1)(A), to support the development of institutional health services intended for use in the health service area, the health systems agency must, within 60 days of receiving such a request, submit its views on such proposed use to the Federal department ro agency involved and to the appropriate committees of Congress.

Indian self-determination

Section 152(c). Amends section 1513(e) to add a new requirement for HSA's having an Indian tribe or intertribal Indian organization located within such agencies health service areas. HSA's are directed to carry out their functions in a manner that recognizes tribal self-determination and are to seek to enter into agreements with the tribes or organizations on matters of mutual concern, as defined in regulations of the Secretary.

Definitions of health maintenance organization, medical underserved population, and rehabilitation facility

Section 153. Amends section 1531 to add new definitions of the term "health maintenance organization" for purposes of this act. The term "health maintenance organization" means an entity which has had an approved application for assistance under section 1304, or a public or private organization organized under State laws, which (1) provides or otherwise makes available to enrolled participants health care services, including at least the following basic health care services: usual physician services, hospitalization, laboratory, X-ray, emergency and preventive service, and out-of-area coverage; (2) is compensated (except for copayment) for the provision of the basic health care services listed in paragraph (1) to enrolled participants on a predetermined periodic rate basis; and (3) provides physicians services primarily (i) directly through physicians who are either employees or partners of such organization, or (ii) through arrangements with individual physicians or one or more groups of physicians (organized on a group practice or individual practice basis). Provides that for purposes of section 1532(d), as added by section 148(c) above, a health maintenance organization means an entity determined by the Secretary to be a qualified health maintenance organization pursuant to section 1310(d) of the PHS Act.

Further provides that the term "medical underserved population" has the same meaning as such term has under section 330(b)(3) of the PHS Act.

Defines the term "rehabilitation facility" as follows: a facility operated for the primary purpose of providing rehabilitation services to handicapped individuals and providing singly or in combination one or more of the following services for handicapped individuals: (A) rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be described by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

Section 154. Amends section 1513(b)(2)(A) to clarify the phrase "healthful environment" by adding "(primary with regard to health care equipment and health services provided by health care institutions, health care facilities, and other providers of health care and other resources)".

Effective dates

Section 155. Provides that amendments made by this title will take effect on the date of enactment of this Act, except for the following: amendments made by section 104, 105(a), 105(b), 106, 107, 113, 114(a), 118, 119(c), 134(b), 135, 137(a), 137(b), 137(c), and 148(a) will take effect one year after the date of enactment and the amendments made by sections 143 and 148 take effect six months after enactment, except that on or that the date of enactment of this Act health systems agencies, State agencies, and SHCCs may make the organizational and related changes required and may act in accordance with the changes in their functions made by such amendments.

TITLE II—REVISION AND EXTENSION OF HEALTH RESOURCES DEVELOPMENT AUTHORITY

State medical facilities plan

Section 201. Amends section 1603(3) to require that the Governor as well as the SHCC approve the State medical facilities plan.

Authorization levels

Section 202. Amends section 1613 to provide that the Secretary may make funds appropriated for use in fiscal year 1976 under this section but not expended available through September 30, 1980, to carry out the purposes of section 1625(d) pertaining to special project grants for public hospitals with safety hazards or accreditation problems.

Section 203. Amends section 1622(e)(2) to authorize for appropriations such sums as may be necessary for fiscal year 1980, fiscal year 1981, and fiscal year 1982 for loans and loan guarantees.

Section 204. Amends section 1625(d) to authorize appropriations for grants for construction or modernization projects under section 1625 as follows: $75 million for fiscal year 1980, $100 million for fiscal year 1981, and $125 million for fiscal year 1982.

Section 205. Amends section 1640(d) to authorize appropriations for grants for area health services development funds under section 1640(a) as follows: $40 million for fiscal year 1979, $70 million for fiscal year 1980, and $130 million for fiscal year 1981.

Voluntary discontinuance of unneeded hospital services

Section 206. Amends title XVI to add at the end the following new part:

Part G—Program to Assist and Encourage the Voluntary Discontinuance of Unneeded Hospital Services

New section 1641. Provides that the Secretary will, by April 1, 1980, establish a program under which financial assistance and encouragement will be provided for the consolidation of duplicative hospital services and the discontinuance of unneeded hospital services.

Assistance under the program

New section 1642(a)(1). Permits any hospital in operation on the date of enactment of this part to apply for a debt payment and an incentive payment if it intends to discontinue providing inpatient health services, for an incentive payment if it intends to discontinue an identifiable unit of the hospital providing inpatient health services, or for a conversion payment if it intends to convert an identifiable part of the hospital into providing ambulatory care services, long-term care services, or any other services designated by the Secretary. In the case of conversion, the State agency which would have jurisdiction over such services must determine, after considering recommendations of the appropriate HSA, that such services are needed.

New section 1642(a)(2). Provides that the incentive payment authorized above may be used for (A) the planning, development (including the cost of construction and acquisition of equipment), and delivery of ambulatory care services, home health care services, long-term care services, or other services (designated by the Secretary) for the community served by the applicant for such payment, which services the State agency has determined are needed, after considering the recommendations of the appropriate HSA; (B) if the applicant has merged with another hospital, preparation of that hospital to serve patients of the closed hospital; (C) reasonable (as determined under guidelines prescribed by the Secretary) termination pay for personnel who lose employment because of discontinued inpatient services, or for retraining of such personnel, and assisting them in securing employment; or (D) any combination of these activities.

New section 1642(b). Provides that an application of a hospital for such assistance must include the following information:

Description of the service (or services) to be discontinued or the part of the hospital to be converted;

an evaluation of the impact of such change on the provision of health care in the health service area where the hospital is located;

if the services of a hospital unit or all hospital services are to be discontinued or converted, an estimate of the change in the applicant's revenues resulting from such change;

with respect to incentive payments for discontinuance of all hospital services, a description of the activities for which such payment is intended, the means with which (including any Federal financial assistance the applicant intends to apply for) and the manner in which the applicant will carry out such activities, the amount to be expended, and identification of the person (if it is not the applicant) responsible for making expenditures;

with respect to incentive payments for discontinuing identifiable hospital units, a description of the use the applicant will make of such payment;

an evaluation of the impact of such discontinuance or conversion on the employees of such hospital; and

such other information as the Secretary may by regulation require.

Provides that a hospital having an application under this subsection approved by the Secretary is entitled to receive the payments applied for.

New section 1642(c). Provides that the health systems agency for the health service area in which the applicant is located will determine the need for the service proposed to be discontinued or part of the hospital to be converted. The HSA will make a recommendation to the State agency respecting approval by the Secretary of such applicant's application. HSA determinations will be based on criteria developed pursuant to section 1532(c).

New section 1642(d). Provides that the State agency, after considering the HSA's recommendation under subsection (c) above, will make a recommendation to the Secretary regarding approval by the Secretary of such an application. A State agency recommendation will be based on the need for the service to be discontinued or part of the hospital to be converted, and other criteria the Secretary may by regulation prescribe, and will be accompanied by the HSA's recommendation with respect to approval of such application.

New section 1642(e). Directs the Secretary to consider recommendations of the State agency and HSA and prohibits him from approving an application which a State agency has recommended against.

New section 1642(f). Directs HSA's and State agencies, in considering the need for the services to be discontinued, to give special consideration to the unmet needs and existing access patterns of urban or rural poverty populations.

New section 1642(g). States that for purposes of this title, the term "hospital" means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which satisfies paragraph (1) and (7) of section 1861(e) of such act, but does not include a Federal hospital.

Amount of payments

New section 1643(a). Provides that the amount of a debt payment for discontinuance of all inpatient services is the sum of the lesser of (A) the total outstanding financial obligation attributable (as determined under regulation) to the acquisition of equipment and facilities of the hospital, or (B) the amount of unexpended depreciation attributable (as determined by regulation) to such equipment and facilities, less the fair market value (as defined by the Secretary) of the equipment and facilities, plus any other expenses (as defined by regulation) resulting from the financial obligation of the applicant being satisfied before due.

New section 1643(b). Provides that incentive payments to a hospital for discontinuance of all of its services would include an amount not in excess of the amount reported by the hospital under section 1642. If a hospital is discontinuing a unit, the incentive payment would equal an amount not in excess of 30 percent of the charges reported as attributable to that unit in the previous hospital accounting fiscal year pursuant to generally acceptable accounting principles prescribed by regulations of the Secretary.

New section 1643(c): Provides that conversion payments would equal 50 percent of the reasonable (as determined by criteria established in regulations) cost of the conversion approved in the application.

New section 1643(d). Provides that the debt, incentive, and conversion payment to which a hospital is entitled will be paid in a single payment.

New section 1643(e). Precludes the Secretary from making a payment under this section until the Secretary of Labor has certified that fair and equitable arrangements have been made to protect the interests of employees affected by the discontinuance of services against worsening of their positions with respect to their employment including but not limited to, arrangements to preserve the rights of employees under collective-bargaining agreements; continuation of collective-bargaining rights consistent with provisions of the National Labor Relations Act; reassignment of affected employees to other jobs; retraining programs; protecting pension, health benefits, and other fringe benefits of affected employees; and arranging adequate severance pay, if necessary. Procedure for certification by the Secretary of Labor shall conform to standards established by him by regulation.

New section 1643(f). Authorizes appropriations for payments under this part in the following amount: $50 million for fiscal year 1980, $100 million for fiscal year 1981, and $150 million for fiscal year 1982.

Study

New section 1644. Directs the Secretary to make a study of the first 25 applications approved under section 1642 to determine their effect on the elimination of unneeded hospital services. The Secretary will report the results of such study to the Congress together with his recommendations for any revisions in the program which he determines to be appropriate, including any revision in the authorization of appropriations for such program.

Effective date

Section 207. Provides that, except as provided in section 206, the amendments made by this title will take effect on the date of enactment.

TITLE III—MISCELLANEOUS AMENDMENTS

Section 301. Amends section 314 of the PHS Act by repealing subsections (a), (b), and (c).

Section 302. Repeals title IX in its entirety.

Section 303. Provides that the amendments made by this title will take effect on the date of enactment of this act.

● Mr. SCHWEIKER. Mr. President, I am today joining with Senator KENNEDY in introducing a bill to amend the Health Planning Act of 1974, Public Law 93–641. As ranking Republican of the Human Resources Committee and its Subcommittee on Health and Scientific Research, I am committed to an integral planning process whose strength lies at the State and local levels. I firmly believe that only through the joint participation of consumers, providers, and pertinent governmental agencies in the planning process can we begin to achieve quality health care at a reasonable cost.

As you know, Mr. President, the Senate passed a similar bill, S. 2410, last session. This bill updates and modifies that legislation. In developing these amendments, a bipartisan effort coalesced to address the problems we identified. We worked long and hard to insure that all those groups involved with or affected by the health planning process could express their views. We received over 300 responses to our letter containing questions on the effectiveness of the existing planning structure to meet local health needs.

In addition, we held extensive meetings with various interested groups. In February 1978, the Subcommittee on Health and Scientific Research held 3 days of hearings on this legislation. Testimony was received from legislators, the administration, providers, consumers, union leaders, government leaders, and planning professionals. Moreover, written statements from scores of additional witnesses were included in the record.

Several of the initial provisions of S. 2410 met with concern and even opposition. Amendments were introduced, debates were waged, and everyone's voice was heard before the final bill was passed. While the House failed to produce similar legislation, the efforts of the last session were not in vain. With minor modifications, we now have a set of amendments to the health planning

law which have withstood the scrutiny of our Senate colleagues.

The amendments build upon and strengthen rather than tear down the planning mechanisms currently in place. We were mindful of the progress made in the original act's implementation and have done little to disrupt HSA operations. Nevertheless, substantial changes in the structure of the planning process are made.

First, we have rightfully reinforced the role of State government in controlling health planning. The Governor will have final veto power over the State health plan. He may also request changes in existing HSA boundaries. The State plan will not be bound by Federal guidelines nor will the Department of Health, Education, and Welfare have authority to approve the plan. Response to the Federal guidelines proposed in 1977 demonstrated that the public will not tolerate Federal control or intervention when it comes to planning local health needs.

Second, certificate of need decisions must conform to the State health plan. Planning, unless it is tied to certificate of need, is of little value. Periodic review of certificate of need decisions is established to monitor their progress. Moreover, several procedures and criteria have been stipulated to tighten the States' control. I am convinced these steps are essential to maintain the integrity of the planning process.

Third, a positive incentive toward realining our health care resources was added to the bill. For the first time HSA's will be asked to identify unneeded services and facilities. The act provides authorization for grant moneys to be made available to those institutions who agree to eliminate such facilities or convert inpatient services to ambulatory or long term care activities. The grant funds are intended to compensate for the costs involved in the terminations or conversions. I think it is important to note that this is a voluntary program which carries no authority to "condemn" property.

Fourth, I am pleased to note that the bill contains improved provisions to better integrate the health maintenance organization concept with the principles of health planning. These are a slightly modified version of the language approved by the Senate last session carefully tailored to meet certain objections we encountered in discussion with the House. Under existing law, HMO's are subject to certificate-to-need requirements for virtually all phases of their operation. The activities of fee-for-service providers, on the other hand, are seldom covered by CON laws. This situation has increasingly frustrated the growth of HMO's, despite the fact that their internal cost containment incentives ideally equip them to meet many of the problems the Planning Act was designed to solve, and despite a clear congressional policy to encourage the availability of HMO's to the American public. The bill's provisions would go a long way toward equalizing the treatment of HMO's and fee-for-service providers under the Planning Act. They represent the final step in full enactment of the legislative package introduced last year as the Schweiker-Kennedy Health Maintenance Act amendments of 1978.

There are other significant provisions in the legislation. Planning efforts for mental health, alcohol and drug abuse have been coordinated to avoid duplication. Criteria have been developed which assure representation and emphasize the particular health needs of rural and medically underserved areas on HSA's. Certificate-of-need requirements have been extended to medical equipment valued over $150,000. Acquisition of medical equipment by any health care institution is covered by this provision whereas equipment in a physician's office is subject only if used to provide services for inpatients of a hospital on a regular basis. A tougher provision passed the Senate last year covering all medical equipment over $150,000 regardless of location. The amended version in this bill I believe is a realistic approach which addresses itself to duplication of expensive medical equipment for inpatient services.

In summary, Mr. President, I believe the amendments contained in this bill move the integrity of the planning process well ahead and alleviate some of the glaring problems of the current system. Perhaps more importantly, the bill protects and enhances the principle of local planning. I think it is in the best interests of this country to give the planning process at the local level an opportunity to work. I urge my colleagues to join Senator KENNEDY and me in supporting this important legislation.●

ADDITIONAL COSPONSORS

S. 32

At the request of Mr. PRESSLER, the Senator from Mississippi (Mr. COCHRAN), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 32, to modify the method of establishing quotas on the importation of certain meat, and for other purposes.

S. 52

At the request of Mr. BENTSEN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 52, the Regulatory Conflicts Elimination Act of 1979.

S. 53

At the request of Mr. BENTSEN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 53, the Independent Agencies Regulatory Improvements Act of 1979.

S. 54

At the request of Mr. BENTSEN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 54, the Regulatory Cost Reduction Act of 1979.

S. 55

At the request of Mr. BENTSEN, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 79

At the request of Mr. BAKER, on behalf of Mr. HELMS, the Senator from Texas (Mr. TOWER), the Senator from Michigan (Mr. RIEGLE), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 79, a bill to restore the gasoline tax deduction.

S. 104

At the request of Mr. SCHMITT, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 210

At the request of Mr. RIBICOFF, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 210, a bill to establish a Department of Education.

S. 262

At the request of Mr. RIBICOFF, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 262, the Reform of Federal Regulation Act of 1979.

S. 268

At the request of Mr. DURKIN, the Senator from South Dakota (Mr. PRESSLER) was withdrawn as a cosponsor of S. 268, the Soft Drink Bottlers' Protection Act of 1978.

S. 414

At the request of Mr. BAYH, the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 414, the University and Small Business Patent Procedures Act.

S. 421

At the request of Mr. TALMADGE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 421, to provide for demonstration projects for training and employment of recipients of benefits under programs of aid to families with dependent children, as homemakers and home health aides.

S. 505

At the request of Mr. TALMADGE, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 505, the medicare-medicaid administrative and reimbursement reform bill.

SENATE JOINT RESOLUTION 1

At the request of Mr. BAYH, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of Senate Joint Resolution 1, to provide for the direct popular election of the President and Vice President of the United States.

SENATE RESOLUTION 49

At the request of Mr. SCHMITT, the Senator from South Carolina (Mr. THURMOND) and the Senator from Alabama (Mr. STEWART) were added as cosponsors of Senate Resolution 49, a resolution to disapprove Amtrak route terminations.

SENATE RESOLUTION 78

At the request of Mr. HATFIELD, the Senator from New Hampshire (Mr. DURKIN), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of Senate Resolution 78, with respect to the immediate need for energy preparedness in the United States, in light of world oil supplies and the situation in Iran.

SENATE RESOLUTION 89—SUBMISSION OF A RESOLUTION DESIGNATING THE HUGH SCOTT ROOM IN THE U.S. CAPITOL

Mr. HATFIELD submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 89

Resolved, that Room S-120 in the U.S. Capitol is designated as the Hugh Scott Room.

SENATE RESOLUTION 90—SUBMISSION OF A RESOLUTION RELATING TO THE NATIONAL SCHOOL LUNCH PROGRAM AND THE CHILD NUTRITION ACT OF 1966

Mr. MCGOVERN (for himself and Mr. DOLE) submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 90

Whereas the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966 have grown steadily since their creation;

Whereas the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966 have never been comprehensively studied and assessed;

Whereas there has been insufficient evaluation of the programs success in meeting their statutorily established goals;

Whereas there are limited national data upon which to project the potential consequences of modifications in the programs administered under these Acts;

Whereas the General Accounting Office has, on several occasions, recommended the development of an adequate analytical capability at the Department of Agriculture to evaluate the child nutrition programs;

Whereas the President has proposed significant reductions and redistributions in his budget request for these programs for fiscal year 1980 that would require legislation; and

Whereas the General Accounting Office after months of analysis testified before the Committee on Agriculture, Nutrition, and Forestry on February 27, 1979, that "The Department had little convincing evidence to support their proposed modifications in the school lunch program": Now, therefore, be it

Resolved, That the Secretary of Agriculture is hereby requested to conduct a study of the programs administered under the National School Lunch Act and the Child Nutrition Act of 1966. The study is to include, but not be limited to, consideration and assessment of (1) program costs, including procedures to implement uniform accounting methods for full cost accounting; (2) actions necessary to develop a national survey data base on these programs suitable for making projections of program participation and cost through simulation or other techniques; (3) the composition and income of families participating in the programs; (4) the effect of program participation, by income category, on the participants' nutrient intake and health; (5) whether the existing levels of program benefits are appropriate for the participants' needs; (6) whether the statements of policy contained in the National School Lunch Act and the Child Nutrition Act of 1966 should be modified; (7) the feasibility of using the school lunch room as a nutrition education classroom; (8) the contribution of the programs to the agricultural economy, including commodity by commodity and regional analyses; (9) the options for dissemination of information on successful school food service operating procedures; and (10) the need for legislative changes on the items specified for consideration herein.

SEC. 2. The Secretary is requested to report on the progress of the study to Congress by January 31, 1980, and submit a final report to Congress by March 21, 1981.

SEC. 3. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of Agriculture.

AMENDMENTS SUBMITTED FOR PRINTING

TAIWAN ENABLING ACT—S. 245

AMENDMENTS NOS. 72 THROUGH 78

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted seven amendments intended to be proposed by him to S. 245, a bill to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.

NOTICES OF HEARINGS

INITIATIVES TO REDUCE U.S. DEPENDENCE ON IMPORTED OIL

● Mr. JACKSON. Mr. President, on Monday, March 12, 1979, the Committee on Energy and Natural Resources will hold a hearing on possible initiatives to reduce U.S. dependence on imported oil. The committee's letter of invitation to the Secretary of Energy indicates several measures to reduce energy consumption and increase energy supply which will be analyzed. I ask unanimous consent that a copy of this letter be included in the RECORD at the conclusion of my remarks. Note that the time and place of the hearing has been changed from that indicated in the letter. The hearing is now scheduled for 9:30 a.m. in room 318 of the Russell Senate Office Building.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. March 2, 1979.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Energy,
Washington, D.C.

DEAR MR. SECRETARY: On Monday, March 12, the Committee on Energy and Natural Resources will hold a hearing to discuss possible initiatives to reduce the dependence of the United States on imported oil. This hearing will begin at 10:00 a.m. in Room 3110 of the Dirksen Senate Office Building.

The purpose of this hearing is to provide an overview of the potential for increased domestic production of oil and alternate fuels, substitution of alternative fuels for petroleum in existing uses, and energy conservation in the near term as well as the prospects for additional measures to reduce our oil import dependence over longer time periods. At the hearing we would like you to present

(1) your estimates of the magnitude of energy supply increases or demand reductions, and the lead time associated with specific initiatives;

(2) identify any institutional or other obstacles to the realization of increased energy supply security; and

(3) indicate your recommendation as to the priority to be assigned actions which could be taken to accomplish early reductions in oil import dependence.

Attached is a list of measures which your testimony should discuss. Please feel free to include discussion of any additional measures you think appropriate. You will note this list omits nuclear energy initiatives. This has been done because the Committee assumes that the administration will submit legislation addressing Federal policy for nuclear energy.

In accordance with the standing rules of the Committee, it is requested that you provide the Committee staff with at least 10 advance copies of your remarks by close of business Friday, March 9, and 100 copies at the time of your appearance. Questions about this hearing should be addressed to D. Michael Harvey, Chief Counsel to the Committee, at 224-0611.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

MEASURES

NEAR TERM

Substitution of natural gas for oil;

Substitution of coal for oil;

Variances for use of higher sulfur fuel oil;

Wheeling of electric power based on coal, hydro or nuclear to regions where electricity is produced by burning oil;

Mandatory energy conservation;

Use of MMT in leaded gasoline;

Deferral of planned phasedown in the lead content of gasoline;

Production of crude oil from Federal leases at the maximum efficient rate of production or at the temporary emergency production rate (as defined in sec. 106 of P.L. 94-163);

Diversion of crude oil shipments designed for the Strategic Petroleum Reserve;

Pumping of oil stored in the Strategic Petroleum Reserve;

Shipment of Alaska and/or California crude oil on foreign flag VLCC tankers to Caribbean refineries for ultimate use on the U.S. East Coast;

Swaps of Alaska and/or California crude oil with Mexico or Japan;

Demonstration of short term energy conservation in Federal facilities and reduction in transportation use by Federal employees;

Accelerated weatherization of residences.

OTHER

Increased crude oil production from the Alaska North Slope;

Increased crude oil production from the Naval Petroleum Reserves;

New price incentives for marginal wells, oil from tertiary recovery and newly discovered oil;

Gasoline decontrol;

Substitution of gasohol;

Increased imports of natural gas and crude oil from Canada and/or Mexico;

Additional subsidies for energy conservation and use of solar heating and cooling in residential and commercial buildings;

Demonstration of solar energy and energy conservation in Federal buildings;

Accelerated leasing on the Outer Continental Shelf and other Federal lands;

Development of Naval Petroleum Reserve-4 in Alaska;

Demonstration of oil shale, coal liquefaction and solvent refined coal technologies;

Expedited energy production and transportation facilities siting at Federal, State and local levels;

Bio-gas from existing sources of urban, municipal, and agricultural waste.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services may meet during the session of the Senate on Wednesday, March 7, beginning at 2 p.m. to hold a hearing on fiscal year 1979,

Department of Defense supplemental military authorization request. This has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I have two other unanimous-consent requests that have been cleared on both sides of the aisle.

I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to consider Amtrak authorization and route restructuring legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS AND RECREATION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Parks and Recreation Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider the National Park Service proposal to increase entrance and visitor fees in fiscal year 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. GLENN. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate today to consider the Bureau of Indian Affairs budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. TALMADGE. Mr. President, I wish to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet Wednesday, March 7, at 10 a.m. for its regular committee business meeting in room 324, Russell.

The committee agenda will include consideration of the nomination of Dale Ernest Hathaway to be Under Secretary of Agriculture for International Affairs and Commodity Programs. This is a new position created by Public Law 95-501, the Agricultural Trade Act of 1978, to emphasize the significance of increasing American agricultural exports. Mr. Hathaway has been serving as Assistant Secretary of Agriculture for International Affairs and Commodity Programs since April 6, 1977, and with the passage of Public Law 95-501 his position has been upgraded.

The committee will also consider pending business.

Anyone wishing to submit testimony on Mr. Hathaway's nomination should contact Denise Alexander, committtee hearing clerk, at 224-0014.●

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

● Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust and Monopoly will hold 2 days of hearings to investigate the debit insurance industry. The hearings are scheduled for March 12 and March 16, 1979, and will begin at 9:30 a.m. in room 2228, Dirksen Senate Office Building on both days.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT HEARING POSTPONEMENT AND CHANGE

● Mr. CRANSTON. Mr. President, the hearing on domestic violence that was scheduled by the Subcommittee on Child and Human Development for Wednesday, March 7, has been postponed until further notice. On that date, however, the subcommittee will continue hearings on the ACTION Agency reauthorization (S. 239 and S. 374) in room 4232, Dirksen, beginning at 9:30 a.m.●

ADDITIONAL STATEMENTS

THE SMALL FARMER IN AMERICA

● Mr. CULVER. Mr. President, for too long we have heard pessimists forecasting the demise of the small farmer. Now things are looking up for the two-thirds of American farmers classified as small, meaning that they sell less than $20,000 worth of agricultural products per year. Among other developments, the U.S. Department of Agriculture has made help to the small farmer one of its top 1979 priorities.

An editorial from a recent issue of Agricultural Research magazine describes some steps being taken to meet the needs of the small farmer and protect him from the ravages of developers, high costs, low market prices, and other hazards. Technology is also being developed specifically for the special conditions affecting small agricultural operations, many of which are carried out by retirees, 40 hours-per-week jobholders, the otherwise unemployed, handicapped, and home gardeners.

This past summer a total of more than 400 farmers and spouses served as delegates to five regional small farm conferences sponsored by USDA, the Community Services Administration, and ACTION. Among topics discussed at the workshops were access to capital and credit, marketing, production and management, land and water, additional income, farm family living, and alternate energy sources. Following the conference, priority decisions were reached based on concerns voiced at the meetings.

The Agricultural Research editorial summarizes the small farmer's position in America and I ask that it be printed in the RECORD.

The editorial follows:

AN ENDANGERED SPECIES?

(By Robert W. Deimel)

Once the mainstay of American economic, social and family life, the small farmer today occupies a space on a precipice. He stands between a proud heritage and his own uncertain future—an oracle demanding big farms, big machinery, and big production to feed an insatiable country and world.

The number of American farms had remained approximately stable between 1900 and 1940—about 6.4 million. Since 1940, that number has dwindled to 2.7 million. Within the agricultural sector, large operations have come to assume consistently greater importance. In 1950, 100,000 of the largest farms produced 26 percent of this counrty's agricultural production. Today, the largest 155,000 operations produce nearly 60 percent of our total agricultural sales.

About two-thirds of the farmers in America are classified as small; that is, they sell less than $20,000 worth of agricultural products per year. Collectively, these farmers control 31 percent of all farm assets, and they use those assets to produce about 11 percent of the nation's farm output.

The needs of the small farmer are different from those of the larger producers; to recognize and then to serve those needs requires a sensitivity to the differences in methods of management, availability of resources and other parameters within which the small farmer must operate. This magazine has reported, within the last year, research which can specifically help the small farmer. For example; a low-cost pecan harvester for small orchards; a new variety of blueberry specifically suited to small acreages, and pick-your-own operations; a new, disease-resistant tomato; and a new, dwarf apple tree which requires less pesticides than a normal size tree. These developments are all especially applicable to the small operator. Pilot extension programs (in which paraprofessionals work with small farmers) in several states are reaching these people with research information in production, management and marketing.

But far more significant than these fruits of SEA's research and extension activity is the renewed commitment this Department has made to the small farmer. Over the last three months, USDA officials have been meeting with small farmers from every state in an effort to develop proposals for programs to aid the small operator.

Is the American small farmer an endangered species? Hardly. At a time when no one is entirely independent, he is the most nearly autonomous representative of American agriculture. Perhaps the self-sufficiency of the original farmers who comprised much of this country two centuries ago exists in some farmers today. And, given the vicissitudes inherent in a changing society, that same desire for self-determination is a part of the most nearly independent of these, America's small farmer.●

EXPLOSIVES TAGGING PROGRAM VITAL TO ANTITERRORISM

● Mr. JAVITS. Mr. President, Senator RIBICOFF and I recently reintroduced S. 333, a bill to combat the serious problem of international and domestic terrorism. On February 8, Senator DURKIN, joined by seven colleagues, entered a statement in the RECORD supporting the bill, but expressing strong opposition to one of its provisions, requiring the tagging of black and smokeless powders.

I welcome their support of the bill, but wish to set the record straight on the issue of tagging black and smokeless powder. The concept and purpose of tagging is straightforward. The bill would authorize the Secretary of Treasury to require each manufacturer of explosive materials—including black and smokeless powder—to utilize a tracer element in his product which can be used to identify explosives after detonation (identification taggant). In the event of a terrorist incident, the identification taggant would enable law enforcement authorities to trace the distribution chain of any explosive used in the incident, thus providing valuable assistance in apprehending those responsible. It also would require the insertion of taggants which

would allow the presence of explosives to be detected prior to detonation (detection tagging).

In his statement, Senator DURKIN makes the following arguments aimed at exempting black and smokeless powders from the tagging requirements:

First. Tagging represents a regulatory burden on gun owners who use black and smokeless powder.

Second. Tagging will have little impact on law enforcement, while requiring complex recordkeeping.

Third. The technology for tagging is inadequate.

Fourth. Tagging will significantly raise the cost of black and smokeless powder.

Mr. President, these points are not valid objections for the following reasons.

1. REGULATORY BURDEN ON GUN OWNERS

To the extent that tagging may pose a regulatory burden, it would be on the manufacturers of black and smokeless powder—not the consumers. Currently, licensed manufacturers, distributors, and dealers are required to keep records for 2 years on all ammunition, including smokeless powders they manufacture, distribute or receive for sale. Only minor modifications to existing recordkeeping would be required to accomplish the objectives of the tagging program.

Manufacturers of explosives, or any other product that is potentially hazardous, must act in a socially responsible manner. I see nothing wrong with requiring those who profit from the sale of explosives to take reasonable steps to minimize the dangers from the product.

As to gun owners and others who might purchase black and smokeless powders, however, the bill imposes no burdens. Not one extra form need be filled out, and not one extra procedure need be complied with. But, should any black and smokeless powder be used in a terrorist incident, the law enforcement authorities will have a powerful investigating tool at their disposal.

2. IMPACT ON LAW ENFORCEMENT

Tagging black and smokeless powders will have a real effect on law enforcement. Even the de minimus recordkeeping requirements that would be necessary to implement a tagging program might not be justifiable if there were no demonstrable law enforcement benefit from such a program. But a review of the available statistics clearly demonstrates that tagging of black and smokeless powders has the potential of becoming a critical element of any effort to reduce terrorist bombings.

Black and smokeless powders account for approximately 1 percent of the total explosives manufactured in the United States. Yet, in the years 1975-77 black and smokeless powders were used in 21 to 26 percent of all criminal bombing incidents, and were responsible for 18.8 percent of the casualties and 19.3 percent of the fatalities from these incidents. These casualty and fatality figures, which are so much greater than the relatively small supply of black and smokeless powders would lead one to expect, clearly indicate that these substances are critical to a tagging program. Further, it is not unreasonable to expect that if they were exempted from a tagging program terrorist bombers would shift from other types of tagged explosives to the easily available black and smokeless powders.

TECHNOLOGY

A word needs to be said about the safety of a tagging program. Obviously, no tagging program should go forward if it endangers law abiding users of black and smokeless powders. But there is no reason to expect that tagging will harm either the user or his equipment. Thus, suitable indentification taggants for black and smokeless powders have already been established. In the case of black powders, tests are essentially completed.

These tests establish conclusively that no manufacturing or environmental problems result from tagging, nor does the inclusion of a taggant make the slightest difference in the way the guns using tagged powders, function. In the case of smokeless powders, contracts for similar tests have been entered into, and I would expect results to be the same.

In the case of detection taggants, more work is underway. But we should provide the Secretary of the Treasury now with the authority to develop and implement a program of detection taggants when they become available, so that delay will be minimized. It should be noted that a provision of S. 333, section 303(t), requires the Secretary to take into account the availability and environmental and safety effects of taggants before implementing a tagging program.

Finally, much has been made of the alleged cost of a tagging program, and the resulting inflationary impact. The figures I have seen on identification tagging, however, lead to just the opposite conclusion—that identification tagging is very cost effective. In March 1978, a report prepared for the Department of the Treasury estimated the total annual cost of placing an identification taggant in black and smokeless powders at $500,000. Even if this figure were assumed to be conservative, it does not take a sophisticated cost-benefit analysis to establish that the taxpayer will be better off with a tagging program than without one when one examines the costs associated with bombing incidents. For example, the FBI and New York City Police have spent more than 1,000,000 manhours investigating the infamous Laguardia Airport bombing, which cost 11 lives, and have yet to determine what kind of explosive was used, who made it, or who sold it. Tagging could make much of this information instantly available.

One incident like the LaGuardia bombing, and the program more than pays for itself.

Further, there is nothing more valuable and priceless than a human life. If tagging black and smokeless powders costs $500,000 but saves the live of even one innocent bystander, then it is worth every penny. If a potential terrorist knows there is a strong possibility his black or smokeless powder bomb could be traced back to him via explosives taggants, then we will go far to prevent senseless terrorist destruction and slaughter.

Mr. President, opponents of this measure have sought to label it as a "gun control" provision. It is in no sense such a provision. It does not restrict the availability of weapons, nor does it reduce the availability of black and smokeless powders. Its effect on the law-abiding user of black and smokeless powders is nil.

What this provision does accomplish, however, is crucial. It provides a tool to apprehend terrorists who use any explosive in bombing incidents. Since black and smokeless powders are used in such a significant percentage of bombing incidents, its deletion from the tagging program would undermine efforts to bring terrorist bombings under control. In fact, it is unusual to find any piece of legislation where the benefits so clearly outweigh the costs as they do here. I urge my colleagues to support me in keeping this important provision in the bill.●

TWISTED HISTORY

● Mr. McGOVERN. Mr. President, after the last Congress had adjourned, the December issue of the Churchman magazine published a very interesting article reporting on remarks by former Army Chief of Staff William C. Westmoreland. The article was written by Prof. John Fried, an authority on the legal aspects of our involvement in Vietnam. He examined remarks made by General Westmoreland at the Humanist Society of Metropolitan New York.

I was particularly interested in Professor Fried's systematic dismantling of General Westmoreland's rather absurd conclusions regarding the Christmas bombing of Vietnam in December of 1972. In one of the wildest leaps of historical misinterpretation I have ever seen, General Westmoreland alleged that the bombing caused Hanoi—at last—to begin negotiating seriously. The truth is that the bombing gained nothing, that it was conducted as a last stop to President Thieu of South Vietnam, and that its one accomplishment was to increase the amount of reconstruction aid that President Nixon was obliged to promise in order to compensate for the additional damage.

I have long been concerned about the fact that we have been so anxious to put this painful experience behind us that we have tended to ignore the lessons it has to teach us. That concern is especially acute now, when even normally rational voices have been suggesting that a spasm of violence would somehow repair our prestige in the world. Therefore, I commend Professor Fried's article to the attention of my colleagues, and I ask that it be printed in the RECORD.

The article follows:

REWRITING THE VIETNAM WAR

(By John H. E. Fried)

After a period of "forgetting" Vietnam, various signs indicate a new debate about the war and its lessons. Recently, a leading revisionist, William C. Westmoreland, 1968–1972 Army Chief of Staff and from April 1964 to

March 1968 our Field Commander in Saigon, under whom U.S. forces peaked to 549,000, presented his interpretation of the meaning of Vietnam to the Humanist Society of Metropolitan New York (a chapter of the American Humanist Association). These views, he underlined, were based on "considerable introspection by the military." His talk was reproduced in edited form in the October 1978 issue of *The Retired Officer Magazine* (circulation 280,000).

"Some day, but not soon," the retired four-star general began, "history will put that tragic affair into proper perspective. Those of us who fought there were in the main proud to have fought for what we believed was the principle of freedom . . . but our honorable country betrayed and deserted that little country, after we had enticed it to our bosom: a shabby performance for America, a blemish on our history, a possible blot on our future. Our international credibility has been damaged . . . there are lessons to be learned."

Our "post-World War II concern for unchecked Communist movement into insecure and unstable areas around the world" led, he explained, from the Truman doctrine to Kennedy's famous inaugural. And Kennedy "greatly increased our military effort with advisers and Green Berets and American-manned helicopters and fighter aircraft."

But then, he said, Johnson missed an ample opportunity to extricate us from the still semi-covert war. After Diem's overthrow, "political chaos prevailed in South Vietnam for over two years . . . We could in my opinion have justifiably withdrawn our support at that time [late 1963 into 1964] in view of a demonstrated lack of leadership and unity in South Vietnam."

Instead, Johnson "expanded our military efforts to avoid inevitable defeat," into overt war. However—Westmoreland's leitmotif—thereupon "the war was controlled by a 'no-win' policy" to accommodate a "misguided minority opposition . . . masterfully manipulated by Hanoi and Moscow." Thus, it came about that "smokescreens were thrown up weekly by partisan politicians, intellectuals, the media and crusading groups"; "cliches such as 'illegal war' and 'immoral war' were spread; and draft resisters and anti-war demonstrators showed 'unconscionable conduct'." All this "unwittingly encouraged the enemy to hang on," until he would "win the war politically in Washington."

Particularly after the January 1968 Tet offensive (which, he indignantly insisted, the media distorted) there was a "lack of resolve, of understanding of warfare, a blissful ignorance of the language the Communist understand." The proof was that "in late 1972" when "B-52's with so-called 'smart bombs' were used for the first time in North Vietnam" (the Christmas bombings of Hanoi and Haiphong) Hanoi's delegates "came to the conference table and actually wept" and "for the first time in 1973 negotiated seriously." Before that, the conference "sat in Paris for over four years and decided one thing, and one thing only: the size of the conference table!"

He concluded with some broad statements:

"First, we over-extended ourselves in the post-World War II period, economically, militarily, psychologically and politically. A day of reckoning was inevitable."

"Our policy-makers should have perceived the problems involved in trying to impose our political and economic concepts on an alien society," which society should have been "systematically studied beforehand."

"We must be leery of undeclared wars."

"If we go to war . . . we need heed the old Oriental saying, 'It takes the full strength of a tiger to kill a rabbit' and use appropriate force to bring the war to a timely end." (In his memoirs, A Soldier Reports, Westmoreland is more concrete: During the great Khe Sanh battle he commanded in early 1968, "and even more so now" (writing in 1976), he though it "a mistake" not to consider the use or even threat of "a few small tactical nuclear weapons" although "no one could say so with certainty" that it would have ended the war quickly.)

When in the debate, veteran war-protester Roger Baldwin exclaimed, "I don't buy this line. We had agitators and dissenters in every war since Washington's time!", Westmoreland replied, "You are known as a wise man, and deservedly so. I agree with you."

Westmoreland's analysis contains unbridgable contradictions which is charactertistic of an influential school of thought. But it admits that we established ourselves in that area uninvited ("We chose Vietnam. They did not choose us!"); that the purpose of our 20-year intervention was to impose our ideology on a faraway people, of whom we knew nothing; that the war was undeclared; that we should at least have quit after a decade when our Diem client regime (cynically called "fascistic" by CIA expert General Lansdale who helped in setting it up) had bequeathed only chaos; that the war was unwinable as our global over-extension was bound to come to an end. If all this is true (plus the omitted cardinal fact that we broke our pledge not to disturb by force the 1954 Geneva Agreement) would it have been proper for any country through such methods as search-and-destroy actions, napalm, chemical defoliation, Phoenix program, uprooting of millions of peasants, and automatic battlefield techniques, to impose its own ideology abroad?

Westmoreland's clinching argument is that, just as the Christmas bombings ended four years of frivolity in Paris, "we could have put that type of pressure on Hanoi after we defeated them in the Tet offensive and the enemy would then [1968] have been forced to negotiate on our terms, and thousands of lives could have been saved."

The reasoning, possibly seductive to the uninitiated, is faulty on several grounds. (1) If Le Duc Tho wept over the unprecedented Christmas bombings, so did the world; but it is untrue that they made him negotiate seriously only in 1973. They left virtually unchanged the agreement arrived at in October. (2) The protraction of the talks until then was due, first, to our absurd insistence to exclude from them Saigon's rival regime, the PRG, although it held large parts of the South, and Saigon/PRG settlement was the central issue; and our refusal to replace Thieu by anybody else, although he had vowed never to stop fighting the PRG, regardless of any settlement. (3) Westmoreland is not sure that even nuclear weapons would have worked. (4) Above all, the proposition still hides the war's crowning tragedy that even long before 1965, when President Johnson put our war dead at "some 400," we could have had a treaty essentially similar to that of 1973. In the early 1960's, the NLF and Hanoi announced their readiness to accept our principal war aim: a separate South Vietnam state (with reunification indefinitely postponed) under a Saigon/NLF coalition regime. We sacrificed most of 55,000 war dead and $150 billion in war costs to maintain a Thieu or Thieu-type client regime in parts of the South.

An analogous hidden secret answers Westmoreland's charge that we finally allowed those areas to be "gobbed up" by the North because the U.S. Senate's "instrument of surrender" refused funds for resumption of combat activities by U.S. military forces in the area two years after the cease-fire. The regret is that we did not open a new Vietnam war—which might still go on? Even when our man Thieu's forces crumbled under the final counter-offensive to Thieu's "bloody war in violation of the Paris accords" (Senator McGovern's words), the PRG and Hanoi, through French Premier Chirac, again offered, and Washington again rejected, a separate South Vietnam state. (For details, see Saigon CIA man Frank Shepp's book *Decent Interval*.)

General Westmoreland underlined his conclusion that lessons must be drawn. Hence his assertion that Vietnam is "a blot on our future" and damages our "credibility" in the world bodes ill.●

ECONOMIC POLICY: CONFUSING DEMANDS WITH REALITY

● Mr. GARN. Mr. President, there has been a lot of discussion in the press recently about the lack of U.S. foreign policy. With many actions that the administration does take turning out counterproductive, perhaps inaction may not be all bad. Some policies are worse than nothing.

Unfortunately, Mr. President, U.S. economic policy has taken a similar pattern. The practice of trying to be all things to all people has resulted in economic policies that seek all things for everyone, but which are likely to produce nothing for anyone, except greater economic hardship. On the one hand, the President declares inflation the greatest domestic problem, while on the other hand the administration proposes a Federal budget with a $29 billion deficit and calls it "austerity." Words just do not mean what they used to. I still have difficulty understanding the concept of "voluntary controls."

I hope, Mr. President, that my colleagues mean what they say when they so firmly announce themselves opposed to wage-price controls. Former Labor Secretary and Director of the Cost of Living Council, John Dunlop, had some experience with wage-price controls. This is what he wrote in the latest issue of Regulation magazine:

With nine years of experience administering wage and price controls in the United States, I am simply not an advocate.

This is what I hear said all over town. I hear it from the White House; I hear it in the Congress. Wisdom would suggest that we learn our past lessons without having to repeat them.

What makes me doubtful, Mr. President, is that I have learned a few things as a Senator. I have learned that there are campaign speeches and that there are actions once in office, and that the two do not always coincide. I have learned that it is difficult for many legislators to resist putting their hands into the Federal purse and rewarding their constituents for their wisdom in putting them in office. I have learned that a Federal debt ceiling is something that the Congress raises whenever it is about to mean anything. I have learned that it is much easier to legislate dreams than to deal with the problems of economic reality. That is why I am doubtful, Mr. President, of the willingness of the Congress to apply meaningful fiscal restraint. To quote from former Secretary Dunlop again, I agree with him that—

No one confuses demands with reality to the extent that politicians do in the economic arena.

Mr. President, I have not just spoken about governmental restraint, but I have exercised my vote as a U.S. Senator in the sometimes successful effort to bring about that restraint. I challenge all who were elected on such a platform to carry out their mandate.

Mr. President, I ask that the article by John Dunlop be printed in the RECORD, and I commend it to my colleagues.

The article follows:

NEW APPROACHES TO ECONOMIC POLICY

(By John T. Dunlop)

It was the best of times. From 1900 to the 1970s there was unprecedented economic growth and unprecedented improvement in the living standards of the common man in advanced democratic countries. Real wages were increased three to five times, weekly hours of work were reduced by 25 to 35 percent, and life expectancy went up sharply. Average years spent in education grew substantially. These countries became welfare states offering a spectrum of public and private policies designed to protect workers, employees, and citizens from the risks of illness, retirement, accidents, disabilities, and involuntary idleness, and to facilitate access to housing, education, and training. Collective bargaining and worker participation in the decisions of the work place grew to major importance.

Then suddenly, in comparison, it seemed the worst of times. The advanced democratic societies confronted markedly higher energy costs, adverse impacts from the insistent aspirations of developing countries, conflicts and incongruities among their economic plans, slow growth, and continuing inflation and unemployment. In the eight years from 1970 to 1977 consumer prices in the United States rose at 6.5 percent per year and unemployment averaged 6.3 percent. The fact that real hourly earnings in the private sector had not recovered by 1977 to the 1973 levels created doubt that the economy or economic policy-makers could ever again produce a doubling of living standards every generation.

Perhaps the experience of the 1970s—this climateric, watershed, or aberration as you like—has its roots in the premise that economic policy is somehow capable of determining and, by its own will, producing desirable results with regard to growth, unemployment, and inflation. In any event, the premises of government's role in economic policy require brief comment.

POLITICS, POLICY, AND GOVERNMENT PENETRATION

A prime role of the political process is to aritculate the common aspirations of the people. This function is not to be demeaned by technicians or administrators, but neither are the aspirations to be confused with reality or with the possible. In collective bargaining, the parties each develop their bargaining proposals or dream books, but in mature relations no one confuses demands with reality to the extent that politicians do in the economic arena.

Economic policy has been historically conceived in the main as concentrated upon fiscal and monetary measures. Economic growth, unemployment, and inflation have been assumed to be shaped through these classical policy instruments, while the rest of the economy has been assumed to be dominated by private decisions adapted to the general economic environment shaped by general government policies.

The economy of the 1970s, however, has been characterized by significant growth in direct government involvement in individual markets and in the decisions of enterprises and groups. The detailed involvement of public agencies in pricing (as in agriculture, in public utilities, and through incomes policies), the vast expansion of regulation in the areas of health, safety, pensions, environment, standards of service, and discrimination, the detailed negotiations of international trade arrangements, and the regulation of wages and working conditions now far exceed previous experience. Given this unparlleled expansion in the scope and detail of government penetration into private decisions, including collective bargaining, previous assumptions about government and economic policy are probably no longer valid.

At least two features of this new penetration, at any rate in the United States, deserve attention. First, there have come to be so many new political and legal centers of decision-making, uncoordinated by the market or by a central political force, that they have created vast uncertainties that private parties have been unable to comprehend or incorporate into viable plans. Consider the state of legislation, regulation, and litigation relating to energy or to the environment, and it becomes clear that the uncertainty of private decisions has been enormously increased. Second, the deep penetration of government regulation introduces a short-term perspective, reflecting the tendency for political considerations to change frequently and for government policy officials to have a short tenure in office.

Since government economic policies today (beyond general fiscal and monetary measures) include a host of specific measures and regulations, without central direction, the notion that government is a single or coordinated decisionmaker defies reality, at least in the United States. The result is a new, strange, and often hostile economic environment for growth, employment, and price stability.

The traditional tools of macroeconomic analysis do not suit a world of pervasive and penetrating government. When product and labor markets already reflect governmental interventions, they do not readily respond to general fiscal and monetary policies. Indeed, the whole complex of internal and external governmental interventions so complicates analysis that prediction of the consequences of general policies becomes hazardous, and the general economist, whether attached to the Treasury, a central bank, or an economic planning agency, becomes less useful.

NEW APPROACHES TO ECONOMIC POLICY-MAKING

The approach of the last generation has been dominated by aggregate technical economic concepts—among them the Philips curve and Okun's law. But in the 1970s aggregate quantities and relationships have often proved misguided, if not treacherously misleading.

To put it briefly, economic policy-making would do well to adopt an approach characterised by five somewhat neglected elements. This approach should supplement, not displace, appropriate fiscal and monetary policy.*

(1) Analysis needs to be sectoral as well as aggregative. Agriculture, energy, housing, industrial goods, and health services, for instance, must be understood not only separately but in their reactions upon other sectors. The elements of wage and benefit setting, price determination in various sectors, and the consequences of direct governmental regulations and tax measure must be incorporated in the analysis.

(2) The approach must be institutional as well as analytical. To prescribe regarding wages without an understanding of collective bargaining and the policy-making processes of large nonunion enterprises and all small businesses is to invite wide errors, unreality, and unnecessary hostility.

(3) The approach must be political, to a degree, as well as economic—"political" in the sense of being grounded in the art of the possible, and particularly the possible consensus among large elements of the relevant groups. This is not to rule out an occasional good fight but to emphasize that the political process can tolerate relatively few serious contests.

(4) The approach must involve both domestic concerns and, as never before, an international perspective. Inflation in some major elements has been a worldwide phenomenon; economic growth in many countries is significantly affected by the domestic and trade policies of trading partners.

(5) There must be less resort to direction ("command and control") and regulation and more to consensus building and persuasion. Consensus building requires not merely broad general public support but participation and de facto acceptance by major interest groups—including large and small businesses, labor, and others. The politics of the electoral process (including television) may yield vote pluralities but only consensus building with major groups can produce the capacity to govern in the field of economic policy.

POLICY AND PROGRAM AREAS

There is an enormous world of studies, reports, and pronouncements on the subject of growth, unemployment, and inflation in our times. My present purpose is to give a view on these issues which reflects my experience, without being unduly concerned as to the general acceptability of these judgments.

Inflation is not just a single malady with a single treatment. Each period of rising prices and wages in the postwar world has been quite distinctive. In 1946–48, there was a pent-up surfeit of liquid assets searching for scarce goods in the aftermath of war. In 1950–51, there was a sudden change of price expectations in world primary markets as a consequence of the sudden onset of the Korean War. In the late 1950s, there were cost pressures arising from large wage settlements that carried over to periods of soft demand and higher agricultural prices. In the late 1960s, there was insufficiently tight fiscal policy in the face of large expenditures associated with the Vietnam War. In 1972–73, there was a variety of factors including agricultural developments, monetary policy, the oil embargo, and the dollar devaluation. The basic point is that policy must recognize the special features of each period of inflation. A single prescription is not likely to be appropriate.

There are important structural respects in which the economy has now entered a period of greater inflationary pressures. It has been recognized for some years that money compensation always moves upward in the modern society, the social costs of downward adjustments being too great. But it has not so clearly been recognized that periodic bursts of inflation in agricultural prices, housing costs, and local taxes get more and more "baked in" with higher property values rather than being generally reversible. Lower rates of productivity (arising from a variety of factors including changes in the composition of the labor force), social charges for environmental and other concerns, higher energy prices, and low capital formation all contribute to compensation increases being translated into higher prices.

I agree that governments should regularly discuss basic issues (the course of prices and wages, unemployment, economic growth, and appropriate policies) with the organizations

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* As George P. Shultz has noted, "The great vice of wage and price controls is not so much that they work poorly or that they are an inappropriate response to inflation as it actually occurs in our economy, but rather that they induce government to relax monetary and fiscal policy" (in George P. Shultz and Kenneth W. Dam, *Economic Policy beyond the Headlines*).

representing business and labor—though I have difficulty with the 1977 statement of the OECD committee of experts that links the discussions with a target or guideline for wages and prices, which I oppose. But whatever that maligned term "incomes policy" may mean in the United States, there appears little likelihood—in the absence of a genuine emergency—of policy agreement among labor, management, and government in the foreseeable future. Moreover, if incomes policies simply try to reduce wages or price increases, leaving everything else the same, little if anything can be accomplished. The successful voluntary programs are those that induce changes in the underlying factors, something that requires consensus.

In the United States, formal government controls with a tripartite board are a more likely course of development than the sort of structural changes that would be required in the national levels of labor and management organizations to make an incomes policy based on these organizations at all administrable. With nine years of experience administering wage and price controls in the United States, I am simply not an advocate.

Rather, on the wage and benefit side, we should seek to bring about (1) reform in the structure of bargaining so as to reduce rivalries and "leapfrogging," (2) the elimination of outdated work rules, practices, and manning requirements, (3) reform in methods of wage payment, (4) the improving of productivity in other ways, (5) the recasting of fringe benefit packages and their financing, (6) improvements in labor supply and training, and (7) specialized agreements to meet the problems of particular branches or plants in an industry. Programs of this sort take time to develop and require cooperation and trust and personnel with detailed sectoral knowledge. They cannot be imposed by government jawboning or armtwisting. They can be developed only by persuasion and by imaginative and patient leadership.

On the price side, the future course of prices can be affected by (1) giving early attention to capacity needs, as revealed by discussions of potential bottlenecks; (2) encouraging government programs that enhance rather than restrict supply; (3) stimulating investment and cost-reducing outlays; (4) attending to the "interface" areas where manufacturing, transportation, and finance meet; and, particularly, (5) attending to government activities and regulations which create uncertainty and increase costs unnecessarily.

Let me turn briefly to other areas. The last decade has certainly demonstrated that unemployment is not a simple target of policy. The labor force is susceptible to a variety of short-run and long-run influences that make prediction and policy prescription most difficult. No single aggregate unemployment figure is appropriate as a guide to economic policies. Instead, we will need to look at labor market conditions by age, skill, locality, industries, and degree of disadvantage. It is not the aggregate measures but the wealth of detail that is relevant to appraising potential shortages and inflationary pressures arising within the relatively few decisive markets.

The targeting of public programs on particular categories of the labor force may be appropriate policy, but greater involvement of the private sector in job creation is necessary if good, continuing jobs are to be developed. Existing public service programs are in the main unsatisfactory, save as a method of income maintenance. We need new forms of nongovernmental organizations to provide training and to encourage job creation for the hard-to-employ.

With respect to growth, the stagnation of the economy since 1973 reflects, no doubt, many short-term and structural factors. The two elements that appear most significant to me are uncertainty in government policies on a variety of fundamentals (including energy, the environment, and regulatory conditions) and the resulting tendency for low levels of investment in modern plant and for concentration of investment outlays on machinery and equipment rather than on longer-run plant and developmental expenditures. In this climate of uncertainty, government economic policies, including fiscal stimulus, cannot have the favorable effects on the economy they have been presumed to produce.

Finally, I would note the unusual amount of controversy over international trade policy in the United States, reflecting deep concern over, first, trade involving Asian and Communist countries (particularly with regard to shipping and advanced technology items with security implications) and, second, trade involving labor-intensive items which threaten to displace large groups of relatively low-paid workers. The U.S. labor force includes very large numbers of low-productivity workers who cannot easily be converted to more productive activity and who are not willing to settle for displacement pay in various forms. Economic policy in this area requires imaginative attention to work out problems with those affected, not to mention skillful negotiations with our trading partners abroad. I fear we do not well understand how explosive these issues are.

THE WATERSHED

The 1970s, in my view, constituted a watershed of economic policy, the difference in the United States deriving from the new and pervasive role of government and its adverse effects on growth and inflation. While there was, no doubt, "an unusual bunching of unfortunate events unlikely to be repeated on the same scale" (in the words of the 1977 OECD report), my judgment is that the difficulties are more fundamental. They relate to (1) the methods of making economic policy and (2) the substance of the decisions derived from the political process and from its massive new penetration into all manner of heretofore private economic activities. Neither private businesses nor collective bargaining agents nor governments have yet adapted—together or separately—to this new state of affairs: they seem to believe it is still the "best of times." ●

THE PRESIDENT'S STANDBY PLAN FOR RESTRICTING WEEKEND SALES OF AUTOMOBILE GASOLINE

● Mr. CANNON. Mr. President, last week, President Carter submitted to the Congress three standby energy conservation plans and a standby gasoline rationing plan. Over the past several weeks, I have been particularly concerned over the development of the plan for restrictions of gasoline sales on weekends.

This standby plan was authorized pursuant to the Energy Policy and Conservation Act of 1975, Public Law 94–163, to meet the emergency needs of petroleum supply interruptions here and abroad. At his press conference on Tuesday of last week, the President said that he had "no present intention" of implementing any of the four standby plans and that their eventual enactment was dependent on the Iranian situation and any future energy supply crises.

The weekend restriction of gasoline sales in Nevada would simply decimate my State's economy, which depends overwhelmingly on our No. 1 industry: tourism. In 1978, more than 20 million tourists visited Nevada by automobile, most of them on weekends; 69 percent of the 5.4 million visitors to Las Vegas from southern California last year arrived by automobile; 52.4 percent of all Las Vegas visitors arrived by auto. For Reno, this figure for the entire visitor population arriving by car was even higher, 79.8 percent. The economic analysis prepared by the Department of Energy on this proposal states:

Historical sites of the East, ski areas in many states, and the resort areas of Nevada and New Jersey all depend on weekend visitors to contribute a substantial portion of their sales. Many of these areas are over 200 miles round trip from metropolitan areas; the plan would almost completely eliminate customers traveling by automobile.

I am gratified that the Department of Energy has recognized this reality by building exemptions into the plan for States with a comparable savings program or where "special circumstances" exist. This action, of course, reflects the geographical considerations required by Congress in the formulation of energy conservation and contingency plans under Public Law 94–163, specifically 42 U.S.C. section 6262(b).

This exemption is crucial to maintaining the healthy economy of Nevada and provides the flexibility for State energy planning efforts, as I have been stressing to the Department over the past several weeks. The plan will permit States to implement conservation programs without straitjacketing them into mandatory weekend closures. Other universal closings or gas sale restrictions on a weekday could be in force. Alternate fill-up days depending on even and odd license plate numbers could be adopted. If "special circumstances" exist, a complete exemption might be appropriate as long as alternative energy conservation actions have been take by the State.

This is not to say that an exemption should be sought in order to shirk individual State responsibility for energy conservation. There is no question but that we, as a nation, are in this together and sacrifices will have to be made whenever the world's oil pipelines are running slow or not at all. But there is no need to stop weekend gas sales in every region and State in the Union in order to conserve fuel, provided that equivalent savings steps are taken. Conservation need not wreak economic havoc on any particular region of our country to be effective. In actuality, weekend gas sale restrictions would be a small fraction of energy savings. The 246,000 barrels of oil saved per day represents only 13 percent of our Nation's total daily appetite of 19 million barrels. With such small savings, it would be eminently unfair to place a disproportionate share of the burden of that savings upon one industry.

Many Americans and Senators east of the Mississippi may not fully appreciate the severe travel demands of the wide-open spaces of the West, particularly in a rural State such as Nevada. While the major urban areas of our country, such as New York City, may not be severely impacted by weekend visitors who arrive by auto, these weekend travelers are the lifeblood of Nevada's tourist industry. The nearest urban areas to Nevada are

hundreds of miles away in California. For example, 48 percent of the visitors to Las Vegas last year came from southern California, 3.7 million people. A weekend visitor to Las Vegas must travel 724 miles round trip from San Diego or 580 miles round trip from Los Angeles, the nearest population centers to that southern Nevada city. Reno's urban neighbors in the San Francisco Bay Area face up to a 442-mile round trip.

In its study of this standby plan, DOE acknowledges that most cars in the United States could not complete a 300-mile trip on one tank of gas. It is plain to see that most of our California visitors could get to Nevada's resort cities, but could not get out when they would normally head home on Sundays. Rather than becoming Nevada residents, I suspect that most, if not all, of these weekend travelers would simply stay home in the first place. DOE admits as much:

A basic assumption in the present report is that nearly all weekend round trips for social and recreational purposes in excess of 300 miles would be eliminated as a result of the plan. Trips over 300 miles are generally outside the range of a full tank of gas for most automobiles in the U.S. (Economic Analysis, 2.4.1).

The economc analysis of this measure, as prepared by the Department of Energy, readily admits the dire consequences of weekend closures in Nevada and other tourist States. Among its other conclusions:

It is expected that the Weekend Gasoline Sales Restrictions Plan would sharply curtail weekend auto travel over 300 miles. (Economic Analysis, 4.2);

The total drop in person-nights spent in indoor commercial lodging due to the proposed restrictions is estimated at 92.7 million person-nights per year. . . . (meaning) annual gross revenue losses to the industry of $1.391 million or 10.5 percent of estimated gross 1981 revenues. (4.2.1);

Rather than being spread evenly across the entire lodging industry, the brunt of the reductions would be borne by lodging establishments concentrated geographically along major interstate highways and in resort/recreation areas, for which weekend lodgers constitute a much larger proportion of the total business. In extreme cases during the 1973–74 limitations on Sunday gas sales, motels along the major interstates and primary highways reported weekend occupancy as low as three to five percent of normal levels. (4.2.1);

In an industry that in 1976 employed over a million full- and part-time workers, a proportional cutback in employment would mean some 100,000 additional unemployed. (4.2.1);

The reduction in weekend driving is estimated to cost the restaurant industry approximately $3.7 billion in revenues. . . . Restaurants that cater to weekend travel or recreation areas will undoubtedly experience substantial losses. (4.2.2);

Tourist expenditures for recreation and entertainment while on weekend automobile trips are estimated to have been about $2 billion in 1976. . . . (and) would decline by about $1 billion in a 1981 economy. (4.2.3);

Exhibit 5.2 displays information on the importance of tourism to state economies. In addition to being strongly impacted by an oil supply restriction, states with high percentages of travel-generated employment will be additionally damaged by weekend restrictions on gasoline sales. (5.2.2). Exhibit 5.2 reveals that Nevada has the second largest percentage of state taxes generated by travel in the United States;

Nevada is listed first among the "states most dependent on tourism. (5.2.2);

Many of the states that depend on tourism for employment and sales revenue also depend on tourism for state tax receipts. Nevada is listed second among the states "most likely to lose significantly (that) depend heavily on travel generated taxes to support local public services. (5.2.2).

Seldom have I read a Government analysis that so eloquently damns its own proposal. The cumulative impact of this DOE analysis clearly illustrates and concedes the tremendous impact on the State of Nevada of mandatory weekend closures of gasoline outlets. This is a frightening prospect that has thousands of my constituent worried.

I have no doubt that, should an exemption be sought from this plan, Nevada will meet the challenge and need for energy conservation by other means. The people of Nevada, as with many of their fellow westerners, fully appreciate the need to conserve our precious natural resources. Nevadans met this challenge during the oil embargo of 1973–74 and are prepared to sacrifice again.●

A CLOSE LOOK AT MULTILATERAL TRADE NEGOTIATIONS

● Mr. McGOVERN. Mr. President, the Department of Agriculture and the Office of the Special Trade Representative have appeared in the Congress to tell us of their work over the past few years in MTN negotiations. Generally they have displayed great enthusiasm for so-called concessions which would benefit the agricultural community. I questioned Ambassador Woelff carefully when he appeared before the Senate Agricultural Committee and found that the claimed $3.8 billion for agriculture included $770 million which Japan will not levy on soybean exports. Japan has not levied any import duties on soybeans for 4 years, but the fact that they had given up their right to levy was classed as a $770 million gain. Closer questioning indicated that the concessions gained would not conceivably result in greater agricultural exports.

It seems only prudent that the Congress look on these trade proposals with a critical eye and I am one of those who intends to give the proposals the closest scrutiny. In this regard I was impressed with the testimony of Mr. Robert Lewis of the National Farmers Union given on February 21, 1979, submitted to both the House and Senate subcommittees dealing with international trade questions. Mr. Lewis is a respected economist and puts the questions with regard to MTN in a very readable and understandable statement.

Mr. President, I ask that the statement of Robert G. Lewis entitled "Trade Agreements Raise Questions" be printed in the RECORD.

The statement follows:

STATEMENT OF ROBERT G. LEWIS

Presenting a statement of our views on the trade agreements now being negotiated poses a troubling problem for me, and for the Farmers Union.

The Farmers Union throughout its history has championed the Reciprocal Trade Acts and the other international economic policies and programs which, interacting together, lifted the world out of the collapse of the 1930's, sustained our country and our allies through World War II, and then propelled victors and vanquished alike into the longest and richest era of rising and spreading economic prosperity the world has ever known. Trade agreements were not the prime movers in this achievement, but they took some of the sand out of the economic and commercial gears and facilitated the great economic growth of the era.

I think the most important thing about these past trade agreements was that they constituted a commitment of spirit and will on the part of the "market economy" countries, and demonstrated their confidence in the evolving system of global cooperation and advancing welfare that they shared.

Today there are three aspects of the current trade negotiations that are troubling.

PROVISIONS NOT YET PUBLICIZED

First, we do not yet know what the agreements will provide.

Secret negotiations are still underway, and from all that we can learn, many crucial decisions are still up in the air. The content of the agreements has not yet been made public. We think that the Administration is premature in rushing concerned parties, through its advisory committee system and otherwise, into endorsing agreements that are not yet completed so as to further its campaign for approval by Congress.

We will not be rushed to judgment, and we urge that the Congress do likewise. The Trade Act permits ample time for scrutiny by the public and deliberation by the Congress. If necessary, Congress can act to extend the time. The trade agreements will make far-reaching changes in existing laws and procedures that are of fundamental importance to many farmers and other citizens, and there should be full disclosure and full debate before decisions are made.

Secondly, some of what we do know about the pending agreements is disquieting, to say the least.

Despite bold claims down through the past several years that this negotiating round would be "agriculture's turn", much less appears to have been achieved in comparison to what is being paid to expand the volume and value of farm product exports from the United States.

"BENEFITS" HAVE THEIR PRICE

Let's examine some of the claims, and measure them against the price:

Spokesmen for the Administration make much of the idea that the agreements will "affect" about $3 billion a year in agricultural trade.

For one thing, that is a small fraction of the roughly $27 billion-a-year volume of present U.S. agricultural exports.

Even more important, "affected" does not mean at all that additional exports would be created. It means only that the procedures by which trade is conducted would be altered in some way, possibly without any perceptible effect upon the volume being traded or the price that will be paid to the American farmer who produced the commodity.

JAPAN WON'T TAX SOYBEANS

For example, one of the most valuable "concessions" being negotiated relates to our exports of soybeans to Japan. Japan has charged no duty on U.S. soybeans imported into that country for the past four years. The American negotiators appear to have won a "concession" from the Japanese that the no-duty admittance of soybeans will be continued permanently. This one "concession", counts for $770 million (one-fourth) in the $3,000 million total, because it "af-

fects" that yearly volume of U.S. soybeans sold to Japan.

Another big set of "concessions", with "affected" trade valued at $400 million, is fruits and vegetables. Citrus—produced by only 30,000 farmers in four states—is the biggest "winner" among these commodities.

"Affected" trade in livestock and products is valued at $900 million, but the only actual potential increases in exports so far identified is a projected 24,000 ton per year increase in sales of high quality beef in Japan and Europe. That is barely one-third as much as the increase in beef imports into the United States ordered by President Carter last year.

MILK PRODUCERS PAY "PRICE"

These examples measure up short in terms of actual change in trade flow in comparison to the outstanding "price" that it is contemplated would be paid for the agreements—by dairy farmers.

When the trade negotiations are completed later this year, the waiver of the American countervailing duty law is scheduled to expire. The federal courts held shortly before the waiver was adopted as an amendment to the Trade Act of 1974 that this law means what it says and must be enforced. Enforcement of that law will require the United States to impose a "countervailing duty" upon any imported articles if the country of export has paid a subsidy to get it exported.

Almost all imports of cheese into the United States except those from New Zealand and Australia are subsidized. Farmers in other exporting countries get more for their milk and cheese made there costs more than in the United States. It is impossible for exporters in those countries to sell much cheese in America, other than small quantities of high-quality "specialty" cheeses, unless the country government pays subsidies of 40 to 60 cents per pound. Enforcement of the countervailing duty law would stop all such imports.

The United States government has reported that imports of cheese from New Zeland and Australia and of the types of "specialty" cheese that could be imported without subsidies totals about 53 million pounds per year. That or a little more is all the imported cheese American dairy farmers would need to face if the countervailing duty law were enforced.

But the agreements being negotiated provide for making the countervailing duty law practically a dead letter. Enforcement of the law would be suspended unless and until "proof of injury" to American farmers could be made to the government's satisfaction.

Moreover, the import quota for cheese would be set at a new higher level about 500 percent greater than the probable level of imports of cheese if the countervailing duty law were in effect.

The net "price" would cost to American dairy farmers would be annual imports of around 190 million pounds of competing cheese each year above what they could expect if the agreements were rejected and the waiver of the countervailing duty law expired. The new "quota" for cheese imports would be 32 million pounds larger than the present quota plus non-quota imports while the waiver of countervailing duties is in effect.

IS AGREEMENT WORTH COST?

Although the actual effect on increasing exports has not yet been estimated and probably can never be measured accurately, the "concessions" being negotiated for soybeans, citrus fruits, high quality beef, tobacco, and other agricultural commodities have significant value to their producers and to farmers generally. Approval of the trade agreements has even greater value to the general public, for a turn-down would be a shattering blow to the world's economic and political psychology. The question is whether the benefits outweigh the costs, and whether dairy farmers are being tapped to pay more than their share.

Almost any importation of dairy products directly displaces an equivalent volume of milk and its products into the price support purchase program, and is thus directly related to the level of producer prices that the government will be willing to maintain. We content that any subsidized importation of cheese would constitute an "injury," and should thus be barred.

But we have no confidence that an "injury test" would be administered faithfully and rigorously. We consider that any such concession in the trade agreements would be all but tantamount to negation of the countervailing duty statute, and that dairy farmers should be compensated accordingly.

The direct and practical means for compensating dairy farmers for the cost to them of admitting subsidized dairy products into our market should be to guarantee that domestic milk prices will not be permitted to be depressed unfairly. This can be done under the price support program, by raising the minimum level of support from 80 percent of parity to 90 percent.

If the Agreements are approved, enforcement of the countervailing duty law, the function of which relates directly to the purposes and operations of the dairy price support program, should be administered in the U.S. Department of Agriculture by the same agency charged with responsibility for administering the price support program.

FARMERS GET NO "ADJUSTMENT" AID

In considering the compensatory benefits to be provided for dairy farmers if the agreements now under consideration should be approved, account should be taken of the fact that farmers whose incomes are reduced by import competition are not eligible for any of the trade adjustment allowances, payments, training and relocation aid, low interest loans, and the like that are offered to businessmen and workers who are injured by import competition.

Firms damaged by import competition may receive loans at low interest rates of up to $3 million. Workers who lose their jobs can receive allowances of up to 70 percent of their normal pay for as long as a year and a half, plus allowances and services for training, seeking a new job, and relocating to a new community.

GRAIN "GIVE-AWAY" CONTINUES

Another disquieting aspect of the agreements as we understand them is that there appears to be no provisions for ending the sale in export of American grain at artificially-low prices below the farmer's cost of production.

We are selling our wheat for the cheapest price in the world.

More than three-fourths of the wheat that is produced and consumed in all the world brings higher prices to its producers than the "world market" price that we get paid for our exports. Some get prices four or five times as high.

Consumers in all the countries that buy American wheat pay these higher prices for all that their own farmers produce. Then if they need more, their governments buy some from us and mark up the price to the higher level their own farmers get when they resell it to their own consumers.

This senseless policy is forced upon all of the grain exporting countries by the United States by virtue of our predominant size in the grain export market. More than half of all the grain that moves into world trade comes from the United States. Canada, next biggest, ships one-fourth as much. Australia and Argentina combined ship only one-fourth as much.

The big winners, albeit inadvertent, are our leading economic rivals in Europe and Japan, and the Soviet bloc countries which buy our grain on the cheapest real terms in history while we spend hundreds of billions on military defenses against them. Japan makes a profit for its national treasury of $5 per bushel on all the American wheat it buys when it re-sells to its own flour millers. The Europeans skim off nearly $4 per bushel.

"WORLD MARKET" PRICE ARTIFICIAL

Even the one-fifth of the world's wheat crop that is produced in the United States, Canada, and Australia cannot be produced at the "world market" price, and the governments take special steps to pay their farmers something extra, either out of their national Treasuries, or by charging their domestic consumers higher prices.

Just a few weeks ago, Canada raised the minimum price of wheat for domestic consumption to $3.40 a bushel. Australia charges flour mills $3.67 per bushel for wheat to be consumed at home—$1.30 a bushel more than the advance payment that is made to Australian farmers for wheat to be exported.

In the United States, it is commonly believed that wheat producers receive deficiency payments to raise their total receipts from wheat to $3.40 per bushel. The truth is that farmers are required to keep 20 percent of their wheat land out of work in order to get the payments, so that the payments are really "unemployment compensation" for their set-aside acreage. Even so, the system provides somewhat more in total take-home pay than the "world market" would yield by itself.

That leaves Argentina—the only place on earth where farmers probably live and die on nothing more than the "world market" price for their wheat.

That is just a shade over one percent of the world's wheat! And if it can be said that the Argentina farmers and their poverty-blighted rural workers receive their full "cost" out of what they get, they are the only producers on earth whose cost of production is covered at the "world market" price at which the United States government unwisely forces our own farmers and those in other exporting countries to sell their grain.

Apparently there is no significant change to be made in the anamalous "world market" for grain. There will be no significant dent made in the barriers that prevent American grain from competing in every country. Nor will there be any agreement for raising and maintaining grain prices in world trade to fair levels adequately compensating farmers for their production costs.

This is the biggest disappointment, and the biggest failure, of the trade negotiations.●

THE OMNIBUS ANTITERRORISM ACT OF 1979

● Mr. RIBICOFF. Mr. President, I join with my distinguished colleague in strongly supporting that title of the Omnibus Antiterrorism Act of 1979 (S. 333) which requires an explosives tagging program.

That provision would be terribly incomplete and ineffective without the requirement for taggants in black and smokeless powders.

We are not talking about "big brother" government here. Were talking about life and death, security and destruction. It is that simple an issue. To exempt black and smokeless powders from a tagging program would be to drop one out of every five bombings in the "unsolved" file. Our law enforcement personnel would be left virtually powerless to investigate and trace these bombings to their terrorist origins.

If we mandate the tagging of all explosives but open a loophole for black and smokeless powders, we will not be attacking terrorism at one of its roots. Soon thereafter, all would-be terrorists will know their chances of being tracked down after using black and smokeless powders in bombs will be very poor.

I think the explosives tagging provision of the bill is one of the most important. It will be one of the foundations of a strong, effective antiterrorism policy. I intend to work to make certain all explosives are covered.●

MUSKIE DEFENDS ENVIRONMENTAL REQUIREMENTS

● Mr. CULVER. Mr. President, I would like to draw my colleagues' attention to the speech by Senator EDMUND S. MUSKIE, chairman of the Senate Subcommittee on Environmental Pollution, which he delivered February 14, 1979 at the University of Michigan.

As you know, the distinguished Senator from Maine has had a long and outstanding association with development of our Nation's efforts to protect the environment. In fact, most of our major environmental laws and programs were established under his guidance. These statutes have been based on extensive hearings throughout the country and formulated after serious debate and consideration in committee and on the floor.

In his speech last month, Senator MUSKIE discerningly documented a new attack on our environmental laws that is being proposed under the guise of regulatory reform. This new threat comes from the proposed requirement that cost-benefit analyses be done on all environmental regulations, regardless of their justified health basis or congressional requirement. Controlling pollution has costs that can be easily quantified in dollars, but the costs of pollution in lost jobs, health problems, and wasted resources cannot be easily calculated in monetary terms.

The Senator from Maine has set this issue in realistic context and demonstrates that some budgetary policy and environmental programs are not in inevitable conflict.

Recently, numerous unprotected hazardous waste dumpsites have been identified in several States, including my own State of Iowa. The cost of preventing similar problems and developing the appropriate controls may not be insignificant. Any purely economic review of proposed regulations would not identify the attendant health threats and could well conclude that the necessary protection is not justified from an economic standpoint.

There is no other Member of the Senate more concerned than Senator MUSKIE that regulations be developed only when necessary and in a fair and equitable manner. In this regard, he has reintroduced Sunset legislation, which I have cosponsored, to require a periodic review of the purpose and effectiveness of current programs. We cannot let the urgent need for cost-effective regulations and regulatory reform ignore the benefits of a cleaner environment.

Mr. President, I ask that this address be printed in the RECORD.

The address follows:

REMARKS OF SENATOR EDMUND S. MUSKIE

I would like to speak with you tonight about what I believe is the principal threat to the environment, as we close in on the environmental decade of the 1970's.

It is not a new pollutant.

It is not a new industry.

It is not a new interest group.

It is a new mood.

It is the mood of the anti-regulators who claim it is too costly and burdensome to protect people from the hazards of pollution.

No one supports regulation for its own sake. But the mood of antiregulation seems to make no distinction betweeen good and bad regulations. The actions flowing from this attitude are often blind and negative. The mood is having two principal effects:

First, it may undo much of the environmental progress resulting from tough regulations that flow from strong laws.

Second, it may divert attention away from new, important environmental problems—problems which need legislation.

I am glad to have a chance to focus on this issue today, because you can help. You can help document environmental values and the benefits of environmental protection. In some cases, you may be able to help quantify those values.

The environment is under attack from people who only believe numbers and figures. To counter their efforts, we will need better evidence of health effects, better evidence of trends in environmental degradation, and better techniques to measure pollution and its impact.

I

A current problem demanding such attention is the dumping of hazardous waste materials. New legislation appears to be necessary to provide the proper controls and enforcement powers for the government to halt this destructive practice. The Environmental Protection Agency has discovered hundreds of abandoned hazardous dump sites around the country. In most cases the government does not have the authority to take action against the owners of these sites.

Burying hazardous wastes has proved unwise and foolish. We must develop procedures and techniques to render hazardous wastes harmless prior to disposal.

This is an issue that Congress should be addressing with vigor this year, but the mood of anti-regulation may provide too great an obstacle unless the mood is subdued.

EPA has estimated that 46 million tons of waste each year can be designated as hazardous—and 90 percent, or 41 million tons, are subject to improper disposal. One site at Montague, Michigan, will cost anywhere from $50 to $300 million dollars to clean up.

The most startling new revelation of uncontrolled dumping of hazardous substances in an area in Kentucky, now called, "The Valley of the Drums." It is only one of 800 abandoned chemical dump sites nationwide. A businessman who took liquid wastes from chemical companies and filled the valley with thousands of drums of deadly chemicals. An estimated 100,000 drums may be scattered in the valley which drains into the Ohio River.

The companies whose drums are oozing into this valley include many who should know better: The Washington Post recently listed Union Carbide, Ford Motor Company, Cellanese Polymar Specialties Company, Monsanto, DuPont, Ashland Chemical Company, and Chevron Oil Company as contributors.

The Congress enacted the Resource Conservation and Recovery Act in 1976. The Environmental Protection Agency has recently proposed rules required by that law to guard against dumping of poisonous chemicals. Those rules have gone through a two-year development in the Environmental Protection Agency. They have been scrutinized for costs, for practicality, and for effectiveness in providing environmental protection.

II

But a new and troublesome event has occurred in the development of these and other regulations.

A group of economists has been set up in the White House to second-guess such regulations. Chemical companies are clearly disturbed at the possible costs that may result from efforts to regulate hazardous wastes. A key issue is whether substantial exemptions will be created, so that some sites will not have to comply with safe practices, and companies producing those wastes will not bear the costs of the proposed regulations.

Yearly we face new opponents of environmental efforts. This is the year of the anti-regulators. They are cloaked in the language of narrow, academic, cost-benefit analysis.

Perhaps the best example of the assault on regulations is occurring in the form of a draft bill being circulated by Federal agencies. The draft legislation is called a "Regulatory Reform" bill.

The draft would require the Environmental Protection Agency to develop a new economic review for every significant regulation, rule, policy, or practice now in existence. That alone would stop the Agency from doing anything else—from providing any new protection, even where new rules are required by existing laws. The draft bill would override every existing environmental statute.

It would set aside public health standards.

For example, the Clean Air Act currently requires that levels of acceptable air quality must be established solely on the basis of health. These standards establish a national goal. States and communities adopt steps to attain that goal, with cost-effectiveness used as one of the criteria in choosing the steps to be taken.

But under this draft legislation, that would no longer be the case. The health standard itself would be eliminated. Instead, a standard would be established on the basis of a cost-benefit analysis. This standard would have to be based on the "least burdensome" alternative.

There is no mention of whether that alternative would be enforceable, whether it would be a practical alternative, or whether it would put less burden on the public than on a polluting industry.

The draft bill requires the creation of a new bureaucracy in every agency—a bureaucracy to second-guess and water down Congressionally-mandated regulations.

This draft bill is a bone tossed to industry by bureaucraitc economists. In this case, the bone appears to be the environmental health of the nation.

Already in place, now awaiting this draft legislation, is the President's new Regulatory Council. The Council is an obvious symbol of the new anti-regulation, anti-government attitude. Ironically, it creates another new government bureaucracy.

All through the White House and in all the agencies which develop regulations, "cost-benefit analysis" is probably on every memo and everyone's mind.

The new Regulatory Council will develop lists of the "most significant" upcoming regulations from all the agencies which might have significant economic impact. But the Council is only one of a number of new bureaucracies spawned by the White House to look at environmental regulations. Also in existence is the Regulatory Analysis Review Group, operating out of the White House Office of the Economic Advisers. This Group will make its own studies on proposed regulations which are estimated to cost $100 million or more. That's not all. The White House also has the Council on Wage and Price Stability, which will study and comment on regulations before they are implemented.

It gets confusing.

All too often the discussion of environmental pollution and economic well-being are plagued by a distorted concept of costs. A key problem is that the investment costs of economic projects are emphasized, while the damage of environmental degradation is discounted.

Controlling pollution has costs that can be measured in dollars and cents—and you can bet industry will always magnify these costs.

Pollution itself, however, has costs that can only be measured in lost jobs, lost health, lost recreation, and fewer options for the future. How do we measure these in dollars and cents on an economist's graph?

These new regulatory reviews have been used as an economic veto of environmental, health and safety regulations—regulations which have already completed full reviews. Next week my Subcommittee on Environmental Pollution will hold hearings to determine the merit, legality, and political ramifications of intervention by White House economists in the development of environmental regulations.

Let me make it clear that I encourage cost-effective programs and regulations. I have introduced Sunset legislation again this year in order that we might review the purpose and effectiveness of on-going programs and terminate them if they do not measure up.

But I don't believe Congress has ignored its responsibility to take costs into consideration during the long debates on environmental legislation. That is one reason why we have stressed performance standards in the laws instead of design standards—so the laws could be carried out in the most effective manner . . . as long as they are actually carried out. These laws do not need to be second-guessed by bureaucratic economists.

Congress determined that public health required certain levels of environmental control. Congress made the health balancing judgment. Congress gave the program administrative flexibility as to method of achievement—not as to deadline and not as to the basic goal.

The battle created by attempts to choke off environmental regulations threatens the success of old laws and the hope for new and necessary statutes.

I am concerned that all these efforts to second-guess, and third-guess, environmental rules may have a "chilling" effect on aggressive efforts to curb pollution.

We must not allow the attacks of analysts who emphasize industry costs and ignore broad societal values to deter efforts to provide needed environmental programs.

The people of Love Canal lived above a burial ground of toxic waste near Niagara Falls. Extemely high rates of miscarriage and birth defects in the area are being blamed on contact with these leaked chemicals. High rates of liver cancer, hyperactivity, and seizure-inducing nervous diseases are also linked to the hazardous waste.

Environmental hazards can be as close as one's own backyard.

It is staggering to know that 90 percent of this State's population, 8 million people, are carrying toxic PBB chemicals that have caused death in cattle and liver cancer in rats.

At the beginning of the environmental movement in 1970, the task before us was the identification of our most urgent ecological and health problems. Almost a decade later, the harder job remains. We must implement the laws we wrote to solve those problems.

III

Clear examples exist where the use of narrowly defined economists could have a negative impact on environmental protection and enhancement.

Last month, Douglas Costle, Administrator of the Environmental Protection Agency, announced that he would relax the oxidant, or ozone standard. It is a decision which will affect the health of millions of Americans.

One of the most important health standards established in the Clean Air Act is the level of oxidant, which is the key element of smog. The Act requires that the EPA Administrator establish a public health standard for air pollution which is solely, I *repeat* solely, based upon medical evidence of the effects of these pollutants.

It seems that Mr. Costle, under pressure to ease the standard, was also influenced by the economic voices from within the Administration, who believe that the easier-to-determine costs of implementing the ozone standard are more important than the less specific public health benefits.

So, the allowable level of smog was raised by 50% last month. This still did not please the petroleum industry, which filed a suit to raise the allowable level even further. General Motors warned that employee layoffs and widespread inflation will result if an even weaker standard is not adopted.

This is the same company which, in 1967, said before my Subcommittee that the controls they were developing would solve the air pollution problem, and said that by 1980, they could have atmospheric levels of pollution "back where they were in 1941."

Some say that Mr. Costle has opened Pandora's Box. Why, they argue, should *any* environmental law be implemented when standards might be lessened at a later date?

Recently there have been calls by industry to reopen the Congressional debate on the entire Clean Air Act. The Act was amended in 1977, and only now have some of the most important provisions begun to be implemented. Yet, various segments of industry and labor gathered in San Francisco last month to begin an exerted effort to further delay the implementation of the Act.

Bleak pictures have been painted of the incapacity to deal with a law which allows each State to create its own plan for meeting the national ambient air standards by 1982. A false impression is given of an environmental law which is unbending and unflexible.

The 1970 Act was examined and reexamined and, in 1977, Congress did several things to make the Clean Air Act more flexible.

First, we extended deadlines to give communities more time in which to develop clean-up plans.

Second, more time was given to the auto industry to achieve statutory standards, overcome technical problems and deal with fuel economy problems.

Third, more time was given to the stationary sources of air pollution in order to achieve applicable emission limits.

I see no reason to reopen the legislative debate on the Clean Air Act when its implementation is just getting underway.

IV

Pressure from the anti-regulators, who demand absolute proof of broadscale damage before acting, will slow down our efforts to deal with other long-range problems.

Acid rain is an example. Sulfur dioxides and oxides of nitrogen are being spewed into the atmosphere from the combustion of coal, gasoline, and natural gas at an alarming rate. Pollution from the Midwest and the East Coast has increasingly made its way to the Northeast where chemical transformations have resulted in sulfuric and nitric acid falling from the atmosphere in rain and snowfall.

Acid precipitation has negatively affected the timber and fish population in Scandinavia. Evidence is growing that more and more areas in America are being affected in the same manner. With the loss of fish, timber and tourism in New England, and my home State of Maine, wouldn't we be delinquent to stand idly by and wait to see how much damage we would withstand before we acted?

But the steel mills and coal-burning plants which create this pollution will be well-represented in Washington with good lobbyists.

Who will defend the right of an individual New England farmer to earn a living without pollution

Do we leave this job to economists tucked into the nooks of the Executive Office Building at the White House?

V

The battle over environmental priorities and spending limitations will continue—the mood of the 96th Congress seems to be with the anti-regulators and against new spending. As Chairman of the Senate Budget Committee, I, too, am very concerned about what we can and cannot afford to spend as a nation.

But I am optimistic that the American public will continue to hold the same values displayed in 1970 when we, in Washington, heard you say "we have had enough pollution." There are many hopeful signs:

First, a poll by a private research organization has shown that the public support for cleaning up the environment has not weakened. Fifty-three percent of those polled believe that "protecting the environment is so important that requirements cannot be too high and improvements must be made regardless of cost." Only one person in ten believes pollution control costs more than it is worth.

Second, a $375 million clean water bond was approved, almost without notice in the press, by the citizens of California on the same ballot with Proposition 13.

Third, a report by a private consulting firm, released last month by the President's Council on Environmental Quality, said that the cost of cleaning up air and water pollution will add less than two-tenths of a percentage point to the inflation rate over the next eight years. And, at the same time, such controls will cause the unemployment rate to drop by three-tenths of a percentage point during the same period.

Fourth, although I have some specific concerns with the fiscal year 1980 budget for the Environmental Protection Agency, overall I am pleased with the 6% increase for regulatory programs, at a time when the President has provided an austere Federal budget.

Thomas Paine wrote in the early days of our democracy that:

"The more perfect civilization is—the less occasion has it for government."

I certainly cannot argue with that.

No mattter how hard we try, however, our American civilization will not be perfect. There will always be a new problem which needs solving—just around the corner.

If the mood of anti-regulators dominates, health benefits will more than likely be discounted during discussion of such problems.

But, we cannot discount the absence of lung disease.

We cannot discount the value of a home in a smog-free community.

We cannot discount a neighborhood free of hazardous waste.

This spring, my Senate Subcommittee on Environmental Pollution will begin dealing with legislation designed to curb the spread of hazardous substances through the environment. And next week, the White House economists will appear before the Subcommittee to explain what role they plan to play in this and other environmental issues.

These are battles that will flow into the next decade. I enlist your efforts in those struggles.

Thank you.●

REGULATORY REFORM

Mr. RIBICOFF. Mr. President, today my distinguished colleague, Senator BENTSEN, has been added as a cosponsor to S. 262, the Reform of Federal Regulation Act. S. 262 now has 24 cosponsors, including 6 committee chairmen.

It is particularly gratifying to have Senator BENTSEN's support in this matter. His knowledge of the strengths and weaknesses of the regulatory process will significantly add to our consideration of this legislation. As chairman of the Joint Economic Committee, Senator BENTSEN is well equipped to assist us in making certain that Federal regulation is both efficient and effective.

I welcome the Senator's participation, and I look forward to working with him closely on this important bill.

Mr. RIBICOFF. Mr. President, I ask that the Senator from Texas (Mr. BENTSEN) be added as a cosponsor of S. 262, the Reform of Federal Regulation Act of 1979.

S. 505—MEDICARE-MEDICAID ADMINISTRATIVE AND REIMBURSEMENT REFORM BILL

Mr. TALMADGE. Mr. President, on Thursday of last week when I reintroduced my medicare-medicaid administrative and reimbursement reform bill, I inadvertently omitted as a cosponsor and in my remarks regarding colleagues who had had important input into this legislation the name of my colleague, the distinguished junior Senator from Georgia, the Honorable SAM NUNN.

Senator NUNN was a cosponsor of S. 1470, last Congress version of my medicare-medicaid reform bill, and he, as acting chairman of the Permanent Subcommittee on Investigations of the Senate Committee on Governmental Affairs, played an indispensable part in helping to ferret out waste, mismanagement, and fraud in these programs. As much as anyone else, he is also responsible for the enactment and signing into law of the Talmadge medicare-medicaid antifraud and abuse bill.

I, therefore, ask that Senator NUNN be added as an original cosponsor of S. 505.

SPECIAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders have been recognized under the standing order, Mr. BUMPERS be recognized for not to exceed 15 minutes, that Mr. TSONGAS be recognized for not to exceed 15 minutes, and that I also have a 15-minute order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS ON WEDNESDAY; ORDER FOR RESUMPTION OF TAIWAN ENABLING ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators on Wednesday, there be a brief period for the transaction of routine morning business, for not to exceed 10 minutes, with statements therein limited to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate then resume the consideration of the Taiwan Enabling Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION TO BE TAKEN DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 11 a.m. on Wednesday, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore of the Senate be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during that same period the Secretary of the Senate may be authorized to receive messages from the President of the United States and/or the other body and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING SENATORS UNTIL 4 P.M. TODAY TO SUBMIT STATEMENTS AND INTRODUCE BILLS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may be authorized to submit statements for the RECORD and bills for introduction until 4 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

PROGRAM

Mr. BAKER. Mr. President, while we have just a moment, I wonder if the majority leader will outline for me the schedule as it is now provided for on Wednesday or after the Senate concludes its business today?

Mr. ROBERT C. BYRD. Yes, I am glad to.

Mr. President, the Senate will convene on Wednesday at 11 a.m. After the two leaders or their designees have been recognized under the standing order, there will be some orders for the recognition of Senators, I believe three in number at this point, after which there will be morning business, not to extend beyond 10 minutes with Senators permitted to speak therein up to 2 minutes each, after which the Senate will resume its consideration of the Calendar Order No. 14, S. 245, the bill to promote the foreign policy of the United States through the mutual maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.

It is hoped that Senators will offer their amendments that day and that votes could be had thereon.

I anticipate that there will be rollcall votes on Wednesday on amendment and/or motions in relation to that legislation.

If business is not completed on that bill on Wednesday, the Senate will continue on the bill on Thursday, and I assume that the Senate should be prepared to stay into the evenings, if necessary, in order to complete action on that bill hopefully Wednesday and Thursday.

Mr. BAKER. Mr. President, I thank the majority leader for that information, and I am pleased that we are able to recess or adjourn the Senate today over until Wednesday so that we can show our respect for our former colleague and departed friend, Senator Dewey Bartlett of Oklahoma, and I thank the majority leader for arranging the affairs of the Senate so we may accommodate that.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader for his fine cooperation.

RECESS UNTIL 11 A.M. WEDNESDAY, MARCH 7, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, and as a further mark of respect to the memory of our late departed friend and former colleague, Dewey Bartlett, of Oklahoma, that the Senate stand in recess until the hour of 11 a.m. on Wednesday.

The motion was agreed to, and at 3:15 p.m., the Senate recessed until Wednesday, March 7, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate, March 2, 1979, under the authority of the order of the Senate of March 1, 1979:

DEPARTMENT OF STATE

Richard Elliot Benedick, of California, Coordinator for Population Affairs, for the rank of Ambassador.

THE JUDICIARY

Joyce Hens Green, of Virginia, to be U.S. district judge for the District of Columbia, vice a new position created by Public Law 95-486, approved October 20, 1978.

POSTAL RATE COMMISSION

James H. Duffy, of Maryland, to be a Commissioner of the Postal Rate Commission for the term expiring November 22, 1984, vice Carlos C. Villarreal, term expired.

IN THE COAST GUARD

The following graduates of the Coast Guard Academy to be permanent commissioned officers in the Coast Guard in the grade of ensign:

Christopher Alan Abel
Jon David Allen
Michael B. Amonson
Edward Gregory Andersen
Rodrick Morris Analey
Francis Joseph Arland
David Clark Aurand
Robert Copeland Ayer
Edward English Baker
William Jeffrey Belmondo
Herbert Allen Black III
Jay P. Blinkinsop
William George Boehm
Mark Gregory Boucher
Peter John Boynton
Kevin Andrew Buford
Neil O. Buschman
Vincent Max Michael Campos
Kenneth Carvalho
David Lee Chilton
Jeffrey Rittler Clayton
Kevin S. Cook
John Thomas Costello
Daniel D. Cronin
Marc Charles Cruder
Edwin Hassel Daniels, Jr.
Stephen Joseph Danscuk
Charles Nelson Dickerson
Richard J. Digiovanna
Curtis Lee Dubay
Francis Anthony Dutch
Dane Sherman Egli
Steven William Ellis
Mark Allen Feldman
Gilbert William Fonger
John Ewen Frost
Kevin Eugene Gates
George Anthony Gianopoulos III
Timothy Ray Girton
James Sebastian Gosso
Keith Cullen Gross
Wayne Scott Harral
Richard William Hatton
Kurt John Heins
Evan Van Dorn Hensley
Joseph Thomas Ahern
Eric McCaslin Amberg
Carl Kenneth Andersen
John Joseph Andrasejewski
George Gregory Arbutina
Neal Joseph Armstrong
John Michael Avallone
Steven Victor Bain
Douglas Glenn Becker
Mark Peter Blace
Michael Louis Blair
Mark Boe
Bennett Thomas Bonomi
Richard Louis Boy, Jr.
Bruce Duane Branham
Michael Justin Burgard
Jay Joseph Butler
Steve Thomas Carter
Mark Benton Case
Davin Richard Cilley
Christopher James Conklin
Robert Frederick Corbin
Paul Howard Crissy
James I. Crowley
Douglas Scott Daeffler
Philip Thomas Daniels
Stephen Jerome Darmody
Patrick John Dietrich
Carlton Jennings Ditto
Larry E. Duerr
William Allen Dyson
Thomas Kenneth Ehnt
Scott H. Evans
Mark Jeffrey Fiebrandt
Earl Lawrence Foutch, Jr.
Ronald Adriaan Gan
Scott Dominick Genovese
Gerald R. Girard
Jeffrey Scott Gorden
William Robert Grawe
John Grant Hansen
Chet A. Hartley
Steven Lynn Hein
Michael John Hejduk
Mark Evan Hesse
Steven Lewis Holcomb
David Guy Holman
John Stuart Howard
Bradley Matthew Jacobs
Michael Keith Jesmonth
Charles S. Johnson, Jr.
Leland Lowell Jones
P. Christopher Kelly
David Rice King
Gregory Albert Kmiecik
John Harry Korn
Kevin Don Krumdieck
Dan Larson
Timothy John Leahy
Keith D. Lepage
John Edward Long
Allen Lotz
Kevin Lee Maehler
Daniel Robert May
John David McCann, Jr.
Robert Emmett McKew, Jr.
David A. Medina
Norris Edward Merkle
Glenn Gorden Miller
Kevin Paul Mizak
Donald A. Moore, Jr.
Kurt William Nancarrow
Patrick J. Nemeth
Daniel Kiesel Oliver
Robert Charles Parker
Walter Frank Pawul, Jr.
Charles D. Pratt
David Fenton Quick
Kevin Anthony Redig
Glen Arthur Robbins
Anthony Henry Rose
Norbert Daniel Rudek
John Harrison Russell
Edward Robert Saleeby
Joel F. Sassoer
Michael Joseph Scanlon, Jr.
Frans Patrick Schiffmann
George Herman Self III
Randell Battelle Sharpe
Stephen Lloyd Sielbeck
Emil Sikorsky III
Mark Antonio Sinnen
David Darrow Skewes
Robert Samuel Spears, Jr
Patrick Hoy Stadt
Jeffrey David Stieb
Jeffrey Owen Stull
Francis Joseph Sturm
John Hilary Sweeney
Dan S. Takasugi
Neil Edward Van De Voorde
Thomas Patrick Vieten
George Dean Walker, Jr.
Dana Edward Ware
Mark Phillip Watson
Douglas James Wianiewski
Donald Robert Wright
Dennis Michael Holland
Jeffrey David Holmgren
Shane Charles Ishiki
Charles William Jenkins
Eric Michael Jewess
Phillip John Johnson
William Hollis Jones
Patrick Thomas Kelly
Kenneth Lee King, Jr.
Thomas Lee Koontz
Mark Andrew Kowalski
Douglas Bruce Lane
Paul Kevin Larson
Frank Herman Leidy
Kevin Erven Lodeen
Eric R. Longfellow
James Kipling Louttit
David Andrew Masiero
Matthew Samuel McBride
David Peter McDede
David Brian McLeish
Jeffrey Wayne Mehr
Michael McPherson Millar
Vincent Brien Mitchell
Robert Emmett Mobley
Frank E. Mullen
Roy Andrew Nash
Robert William Nutting
Richard Michael O'Rourke
Kenneth Brion Parris
Jeffrey Roland Pettitt
Richard John Preston, Jr.
Rodney Doyle Raines III
Charles Rice
Everett Freemont Rollins III
Bruce Maynard Ross
Steven Paul Rudolph
Larry James Ryan
Frank John Sarna
Kenneth L. Savoie
Richard Raymond Schaefer
Donald Robert Seers
William Jeffrey Semrau
Philip M. Shook
Michael Jeffery Sigmon
Alexander Otto Simonka, Jr.
David William Sinnott
Timothy Vladimir Skuby
David Carl Spillman
Robert Glenn Stephens
James Best Stricker III
Donald Lee Sturdivant, Jr.
David Harlen Sump
Michael Scott Swegles
Scot Thomas Tripp
Bruce Eric Viekman
Thomas John Viglienzone
Terrence William Walsh
Jon Michael Watson
William Douglas Wiedenhoeft
John Douglas Wolch
James Westly Wright

IN THE ARMY

The following-named officers for reappointment in the active list of the Regular Army of the United States, from the Temporary Disability Retired List, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army and colonel, Army of the United States

Hamilton, George B., 130-14-2100.
Parker, Brandon L., 416-26-9007.

The following-named officer for appointment in the Regular Army, by transfer in the grade specified, under the applicable provisions of chapter 335, title 10, United States Code:

To be major, Regular Army and lieutenant colonel, Army of the United States

Gray, William T., 387-34-7537.

The following-named officers for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3284 through 3294:

To be major

Amsberry, William E., 568-54-4929.
Araki, Norman G., 575-38-1893.
Danna, James A., 266-52-0402.
Sedge, Roy K., 374-44-8580.
Vitori, Robert A., 169-32-3274.

To be captain

Adams, Michael L., 324-38-0453.
Baker, Marx M., 018-38-1723.
Ball, Michael B., 304-52-1231.
Basilio, Gil D., 563-88-4183.
Berman, Fredoric R., 215-46-2296.
Christensen, Mary J., 517-52-2810.
Coker, Michael E., 450-66-6597.
Corbin, William R., 308-46-5499.
Denucci, Donald J., 391-44-2740.
Dixon, James D., 406-58-5112.
Griffin, Jere M., 577-66-3404.
Hartke, Larry W., 510-42-2491.
Ice, Judith A., 507-50-0455.
Jennings, Bonnie L., 526-78-9630.
Kendall, James J., III, 223-66-7906.
Kotler, Lawrence M., 261-90-0342.
Kuhar, Kenneth, 345-40-0239.
Mollen, Allen J., 230-64-4125.
Montoya, Ralph G., 585-28-2069.
Moore, Craig A., 177-34-1190.
Naleski, Gary J., 216-50-3883.
Nemmers, Theresa M., 503-58-5504.
Newsome, Andrew J., 319-42-3481.
Patterson, Adrian C., Jr., 577-66-9579.
Patterson, James O., 251-78-7663.

Pike, Charles W., 246-58-3864.
Render, Philip J., 146-42-2037.
Rominger, Olivia S., 079-40-3505.
Ryder, John T., 456-72-0805.
Schoch, Roger E., Jr., 177-42-5089.
Schumpert, Warren W., 451-74-3462.
Smith, Charles T., 433-62-0238.
Sweet, Maria T., 454-86-3481.
Tabor, Michael W., 223-64-1145.
Thornton, Linda J., 145-36-4052.
Vogler, Jennie L., 569-64-4310.
Weigum, Larry M., 502-44-3918.
Winn, Mary E. B., 503-54-5234.
Woolford, Farrel J., 527-62-0710.
Worthington, Ronald T., 033-32-0356.

To be first lieutenant

Ackerman, Candace P., 559-84-5512.
Almachar, Estelita, 527-76-4517.
Allen, Thomas F., 198-42-1677.
Anderson, Craig E., 471-62-6432.
Berlin, Marlene J., 339-44-5443.
Best, Marcia, 244-78-1717.
Boyle, Virginia A., 089-42-2076.
Brandt, Barbara J., 186-38-2164.
Buchanan, Mary E., 429-90-6830.
Campbell, Robert W., 228-66-5141.
Carter, Linda S., 264-88-4065.
Chang, Jeffrey C., 022-42-8933.
Coleman, Charlyn A., 514-56-3168.
Collins, Patrick C., 516-60-4018.
Corley, Ellen C., 250-92-0722.
Dalton, Philip H., 400-60-0872.
Dauer, Samuel D., 348-38-9618.
Dutton, Marie H., 327-46-7238.
Floyd, Dennis R., 332-36-8940.
Fox, Susan D., 449-88-6460.
Gant, Stephen J., 309-52-5105.
Girling, Allan J., 283-80-7071.
Graves, Janet D., 105-42-7578.
Guerin, Richard D., 213-46-3807.
Harris, Roy A., 264-90-1158.
Harrison, Frederick J., Jr., 222-28-5176.
House, Richard C., 467-88-3720.
Hudgins, Carolyn A., 241-98-5256.
Klossner, Evelyn, 398-58-0376.
Kratz, David A., 518-50-6937.
Ledford, Gordon L., 369-42-8209.
Lilly, Dietlinde M., 213-68-7341.
Lowry, Rebecca A., 263-82-0982.
Meyer, Barbara L., 235-84-9403.
Miller, Christine A., 387-60-1506.
Odom, James D., 310-42-5882.
Partrich, Gale L., 869-42-5952.
Paul, Mary C., 400-66-7384.
Petersen, Mark K., 540-54-3741.
Reaves, James R., Jr., 422-54-2106.
Riddle, Wendy H., 537-56-1503.
Rosenberg, Valerie E., 433-80-9116.
Saindon, Pamela M., 003-44-3110.
Sanders, Jimmy, 247-90-0413.
Schoch, Janet M., 265-08-6798.
Shanahan, Terry P., 444-52-3030.

To be second lieutenant

Gaulé, David A., 483-72-9135.

IN THE NAVY

The following temporary captains of the U.S. Navy for permanent promotion to that grade, pursuant to title 10, United States Code, sections 5780, 5782, and 5791.

LINE

Adams, Thomas Curtis
Ailes, Robert Heber
Alexander, Sherman George
Allen, John Elton
Allison, William Rush, Jr.
Anderson, Edwin Knowles
Anderson, James Bruce
Andrews, Bobie
Androski, Frank Nicholas
Apple, John DuBell, Jr.
Armstrong, Clarence Ervin, Jr.
Arnold, Thomas Francis
Arthur, Stanley Roger
Ausley, Joe Henry, Jr.
Baker, Robert Cathcart
Barnes, James Albert
Barnes, James Harold
Barrish, Paul David
Bauman, John Morton
Beach, Milton David
Beard, Percy Morris, Jr.
Beasley, Charles Jahns
Betts, Roger Sherman
Beving, Duane Ubbe
Bigler, William Walter
Bilicki, Daniel Robert
Box, Roger Elden
Breland, Edgar Allen
Brickell, Charles Hennessey, Jr.
Brisbois, Marshall Bartlette
Bronson, Hiram Sherman, III
Brown, Donald Dare
Bruyere, Thomas Edgar
Burdick, Howard Frederick, Jr.
Burke, Thomas Jerome, Jr.
Burkel, John Faubel
Burrows, Donn Talbott
Bush, Vernon Royce
Butterworth, Frank Willoughby, III
Byng, Weston Hamilton
Caccivio, John David
Camacho, Richard George
Campbell, Thomas Gordy
Canada, Donald Edward
Carre, David Morey, Jr.
Carson, James Thompson
Carswell, Michael Stuart
Casey, Richard Francis
Chang, Ming Erh
Charneco, Carlos Mario, Jr.
Chase, Henri Bertram, III
Christenson, William Charles
Christopher, Richard Vernon
Chumley, Sylvester George
Clay, Jack Delano
Cloud, Bruce Larry
Cole, Charles William, Jr.
Coleman, Douglas Connor
Colgan, John Gerard
Coll, William Anthony
Connelly, James Henry, Jr.
Cooke, Vincent Edward
Cooper, David Stuart
Cooper, Estill Allen, Jr.
Covey, Edward John
Cramer, Dean Edward
Crater, George Howard, Jr.
Cullen, Charles William
Curry, Thomas Hugh
Cyr, Byron Alton
Dahl, Lowell Duane
Darling, David Donald
Darnell, Jack
Davis, Harry Leland
Dean, Robert Victor
Dearie, Cyril Glennon
Dennison, William Earl
Deshler, William Albert
De Weese, Everette Dale
Dickerson, Kenneth Alvin
Di Loreto, Lucio
Doerr, Peter James
Dominique, William Andrew
Doremus, Robert Bartsch
Dorsey, James Francis, Jr.
Duncan, John Gard
Dungan, David Anthony
Dunleavy, Richard Michael
Dunmire, Rance Dwaine
Eaves, James Sylvester
Eckert, John David
Egerton, James White
Ehret, James Daniel
Erie, Carl Richard
Estes, Edward Dale
Eytchison, Ronald Marvin
Eyler, Armand Tise, Jr.
Fantry, William Thomas, Jr.
Featherston, Rex William
Felkins, Charles Gerritt
Fellowes, John Heaphy
Fensl, George John, Jr.
Ferrarini, Richard Lewis
Fink, George Edward
Finley, John Lawrence
Fitzgerald, Maurice Dwight
Fitzwilliam, Peter Kaufmann
Flanary, Thomas Neale, II
Flannery, Gerard Joseph, Jr.
Flather, Charles Randolph
Fournier, Paul Robert
Fox, Robert Francis
Frey, Robert Dean
Früchtenicht, Richard Del
Fries, Charles Leslie
Gallotta, Richard Arnold
Gauthey, Jules Richard
Gesling, Marion Lee
Giacchino, Louis Frank
Gibson, James Carson, Jr.
Giuliani, Leonard Edmond
Gluse, Michael Robert
Gore, James Roy
Graves, William Sheakley
Green, Gerald Edward
Green, Richard Francis
Green, William Henry
Greer, Robert Eugene
Hacker, Benjamin Thurman
Hahne, Dayton Roy
Hall, Robert Alton
Hamilton, Edward Allan
Hamlin, George Ames, Jr.
Hammon, Colin Paul
Hanson, Morton Howard
Harbrecht, Raymond John
Harmon, Jack Emory
Harscheid, David George
Hatch, Ross Riepert
Hayman, Douglass Frederick, Jr.
Heisinger, Duane Lawrence
Hekman, Peter Maynard, Jr.
Hendrickson, Claude Francis, Jr.
Hesse, Gerald Herman
Hickerson, James Martin
Hodge, William Robert
Hoffman, Chauncey Frazier
Hohensiein, Clyde Gilbert
Hollandsworth, Paul Firm, Jr.
Holm, John Peter
Honsinger, Vernon Chapin
Hood, Joseph Williams, Jr.
Horne, Roger Bigelow, Jr.
Hoyes, Donald James
Hueber, Fred Paul
Huhn, Samuel Peter
Hullander, Robert Arel
Husted, Murl Edwin, Jr.
Hutton, James Leo
Jarratt, Guy Carleton, III
Jauss, Charles Walter
Jeremiah, David Elmer
Johns, Clifford Murdock
Johnson, James Edward
Johnson, Jerome Lamarr
Johnson, Wendell Norman
Johnston, Donald Hendrie, Jr.
Johnston, Donald Whayne
Jones, Jerry Elmer
Karn, Alvin Reuben, Jr.
Keegan, Arthur Edwin
Kerslake, Ronald William
Ketchum, William Harold
Kinert, John Henry
Kinney, Ben Jack
Kinney, Charles Herbert
Kirkpatrick, John Henry
Klein, Harry Lawrence
Komisarcik, Adam
Kralik, Simon Cornelius
Kramer, Theodore Roosevelt, Jr.
Krekel, Lyman Edward
Kruger, Allen Ladon
Kuykendall, Herbert Brent
Lacy, William Anthony
Lambert, Russell Gale
La Motte, Francis John
Langelier, Wilfred Etienne, Jr.
Lanning, Richard James
Larison, John Dereamer, Jr.
Laurance, James Douglas
Lawson, Ramsay
Leblanc, James Bernard
Leeds, Rene Wesley
Lees, Forrest Alexander, Jr.
Lenhardt, Harry Fehl, Jr.
Lewin, Theodore Edwin
Lewis, Harold Stephen
Lown, Paul Clinton
Lund, John Robert
Lynch, Robert Benedict, Jr.

MacCabe, Van Lorin
Majors, William Tyree
Maloney, John Joseph
Maston, Joseph Harold, III
May, James Laurence
McBride, Michael Alexander
McClenahan, Tom Porter
McCracken, David Jerome
McDivitt, Ronald Merrell
McEachen, Angus Dougald, III
McGarry, John Gordon
McGrath, James Joseph
McHugh, John Thomas
McKenzie, John Henry, Jr.
McClellan, Charles Anthony
McMorris, John Allen, II
McQuesten, John Theodore, Jr.
Mecaughey, Robert William
Melvin, Edmund Waller
Mercer, William Charles
Meyer, "J" "D"
Miller, Forrest Ray
Miller, John Albert
Miller, Robert Howard
Minton, David Carson, III
Mirise, Kerry Winston
Monk, Samuel William
Montgomery, George Cannon, Jr.
Mook, Joseph
Moore, Paul Michael
Morrison, Orrin Lee
Mortimer, Edmund Craig
Mosier, Richard Anthony
Munsey, William David
Murray, Paul Anthony
Nelson, Carl Alfred
Newman, Alvin Simmerman
Nicholson, Harry Evans
Norrington, Charles Gilbert
O'Connell, Jerome Arthur
O'Connor, William Joseph Michael
O'Donnell, Daniel Tanner
Onhaiser, Jerry Eugene
Orrik, David Neil
Owens, Ramon Ronald
Owens, Robert Spencer
Palmer, Philip Maynard
Pasquinelli, Francis Chris
Pate, Zachariah Taylor, Jr.
Patton, James Matthew
Peek, Robert Franklin
Pellock, Lyle Edward
Pendleton, Benjamin Lewis
Periolat, John Joseph
Perry, Albert Joseph
Perry, Leonard Gordon
Peterson, Karl Lawrence
Peterson, Peter Clauson, Jr.
Petree, Noel Harper, Jr.
Petrich, Horst Alfred
Phillips, Richard Wayne
Phillips, Ronald Morris
Pingel, Leon John
Poindexter, John Marian
Polfer, Clarence Ronald
Powell, Wendell Wynne
Powell, William Charles
Presley, Jack Cole
Purdy, Dale Claude
Rabuck, Leo Vincent
Ransom, James Patterson, II
Reese, Franklin White, III
Rentschler, Richard Lee
Rettig, Godfrey Aloysius
Rich, Willis Scott
Richardson, Fred Douglas, Jr.
Riefler, George Breese
Roberts, Ned Cooper
Robertson, Hollis Eugene
Rodgers, Robert Dennis
Rowsey, James Melvin, Jr.
Russ, William Marcellus, Jr.
Russell, Kay
Ryan, Gerald Frederick
Sage, Robert Allen
Salo, Lennart Reino
Sayers, Samuel Lee
Schaffert, Richard William
Scheyder, Ernest John
Schilling, George Frederic
Schulze, John Milton, Jr.
Scott, George Wilkinson
Scott, Philip John
Scruggs, Richard Mitchell
Sechrest, Edward Amacker
Seesholtz, John Richard
Severance, Laverne S., Jr.
Shannon, Philip Martin
Shapero, Allen Leonard
Sharp, Gail "J"
Shearer, Oliver Vassar, Jr.
Shinn, Robert Allen
Short, Benjamin Francis
Shulick, John, Jr.
Shultz, Theodore Byers
Simpson, George Thomas Kortes
Skelly, Arthur Richard
Smetheram, Herbert Edwin
Smith, John Peter
Smith, William Cody
Soriano, Joseph Ronald
Spencer, Barry Williamson
Spink, Peter Joseph
Spoto, Victor Samuel
Stechmann, Donald Henry
Stephenson, Paul Dean
Stevens, William
Stocking, Sigurd Irvin
Stone, Lowell Perry
Stouffer, John Willoughby, II
Sullivan, Eugene Joseph, Jr.
Sullivan, William Kenneth
Sumner, Donald Morbeck
Swan, Robert Sheridan
Swan, William Ralph
Swinnerton, Ronald Hugh
Talbert, Joseph Truitt, Jr.
Tarbuck, Richard Ray
Taylor, Lawrence Hammond, Jr.
Taylor, Robert Charles, Jr.
Teachout, David Stanley
Terrell, Jerry Lee
Tettelbach, Frederick Morley
Theodorelos, Pete "J"
Thibault, George Edward, Jr.
Thomas, James Grant
Thorpe, Gordon Lewis
Thurber, John Davis
Tibbitts, Barrick Frank
Timberlake, David Winburn
Tinker, Charles LeRoy
Titus, Edward DuFour, Jr.
Tracy, William Kenwood
Treiber, Maurice Lamar
Ulmer, Donald Milton
Wales, George Edward
Ward, Compton Eugene
Watson, John
Way, Edward Richard
Weir, Richard William
White, Richard Farrell
Whittaker, Robert Leroy
Wilbern, Jack Martyn
Winter, Richard Arthur
Wise, Stephen Ames
Wolfe, Robert Eugene
Woolam, John Edson
Wright, Harry Wallace
Wright, Joseph Martin Pickett, Jr.
Zipperer, William Ray
Zirbel, William Donald

SUPPLY CORPS

Abele, Robert Burke
Ault, William Upshur
Barnett, Andrew Flowers, Jr.
Bosco, Clement, Jr.
Buckley, John Edwin
Bulluck, Edgar Glenn
Connolly, George Sylvester, Jr.
Daddona, John Michael
Dolenga, Harold Edmond
Evans, Lloyd Robert
Fitzpatrick, Edmond John, Jr.
Frampton, Robert Traylor
Gerstenberger, Wayne Walter
Goslin, Thomas Clinton, Jr.
Harmon, Robert Grant
Hummel, Don Franklin
Hurst, Harvey Richard
Kruse, William Ernest
Langer, Gerald Delane
Maldonado, Teodosio
McKinnon, Daniel Wayne, Jr.
McNall, Phillip Freeman
Morgan, Richard Escott
Olivier, Denny Royce
Olson, Gene Paul
Peters, William Anthony
Pistolesi, Vincent James
Raymond, James Arthur
Rounds, Richard Norman
Shaughnessy, John Michael
Smith, Franklin Dean
Starrett, William Ivan, Jr.
Walsh, Richard Sheridan
Willis, John James
Young, Jack Leslie

CHAPLAIN CORPS

Elder, Robert Macrum
Gaughan, Geoffrey Edward
Jerauld, Philip Eldredge
MacCall, Harry Franklin, III
McDermott, Thomas James
McPhail, Clark Buckeridge
Murphy, Milton Gaylord
Running, Paul Harrisville
Voth, Murray Howard

CIVIL ENGINEER CORPS

Cerreta, Ralph Michael, Jr.
Collins, Allan Wayne
Dickpeddie, John Irvine
Ford, James Edward
Groff, James Burton
Johnson, Don Paul
MacDonald, Malcolm John
McHugh, Robert Joseph, Jr.
Newcomb, Frank Miall
Petersen, Norman William
Quinn, Robert Emmet, Jr.
Schade, Robert Ashton, Jr.
Shanley, John Joseph, Jr.
Shirley, Ronald Gene
Shumate, James William
Wilson, Robert Burns

JUDGE ADVOCATE GENERAL'S CORPS

Abernathy, Kenneth Lee
Fasanro, Michael Francis, Jr.
Palmer, William Ronald
Redding, Robert Marshall
Toms, James Edwin
Wade, Manley Burt

MEDICAL SERVICE CORPS

Barboo, Samuel Harvard, Jr.
Gallagher, Thomas Joseph
Myers, James Ivan
Nichols, Lloyd Barden
Palmer, Jack Junior
Pittington, Francis Calvin
Wilcox, James George

NURSE CORPS

Barker, Elizabeth Anne
Butler, Phyllis Ann
Dunn, Dorothea Jean
Gampper, Mary Elizabeth
Jones, Kathaleen Rae
Moris, Patricia Joan
Nickerson, Lois Elva
Shaw, Joan Sandra
Steinocher, Anne Marie

The following temporary captains of the Naval Reserve for permanent promotion to that grade, pursuant to title 10, United States Code, sections 5783, 5911, and 5912.

LINE

Bell, William Frederick
Best, William Vernon
Borgardt, Elmer Gilbert
Class, William Horton
Dawson, Allan J.
Dearing, Paul Wayne
Dellinger, David Worth
Falkenstein, Timothy Oleary
Fare, Claude Lee
Flanigan, Mark
Francis, Jon Kenneth
Greech, Billy Sims

Griffin, Donald Allen
Hamel, Donald Rodolphe
Harris, Donald Earl, Jr.
Hood, Warren Wheeler
Kelly, Theodore Alanson
Lavin, Lawrence Michael
Lockeman, George Franklin, Jr.
McCarthy, John Dillon
McDermitt, Carrol
McGirr, Francis William, Jr.
Murphy, Warren Tuttle, Jr.
Newton, William Preston
Pacalo, Nicholas
Prater, James
Ready, George Eugene
Rogstad, Allen Rockwell
Taylor, Otis Wintfred, II
Woodall, Elliott Arnold

SUPPLY CORPS

Chancler, Robert Thomas
Flaush, Donald Anthony
Roethe, Edward Albin

Executive nominations received by the Senate March 5, 1979:

DEPARTMENT OF STATE

Francis J. Meehan, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

RENEGOTIATION BOARD

William Mays Burkhalter, of Maryland, to be a member of the Renegotiation Board, vice Rex M. Mattingly, resigned.

IN THE ARMY

The U.S. Army Reserve officer named herein for appointment as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be brigadier general

Col. Albert Bryant, 427-34-3786.

HOUSE OF REPRESENTATIVES—*Monday, March 5, 1979*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. BRADEMAS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
March 1, 1979.

I hereby designate the Honorable JOHN BRADEMAS to act as Speaker pro tempore on Monday, March 5, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Gracious Lord, we ask Your blessing on us at the beginning of this new week. Grant us the gifts of Your Spirit that we may serve You and all the people.

Give us vision to care not only for the day, but for the future, give us wisdom to know the lasting from the trivial, give us patience with one another, and give us courage to speak the truth. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

NATIONAL GRAIN BOARD

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, year after year we export more grain and generally get lower prices. Meanwhile, we pay more for imports such as oil.

We can do something about this. We can institute a National Grain Board to bargain and barter for our grain. Now, international grain companies handle almost all sales. A National Grain Board would permit private sales forces to operate, but would approve prices and terms.

We need free trade, yes, but we also need fair trade. A National Grain Board can achieve this for our balance of payments, our farmers, our taxpayers, and Treasury. A National Grain Board need not cost the taxpayer a cent. Indeed, it can make money through barter or sales.

Canada and Australia, our two major coexporters, now have such grain boards. So does Brazil for soybeans. It is in our interest to do the same. Nations such as Japan would be interested in paying higher prices if long-term contracts could be assured, which only a National Grain Board could do.

Russia and China, two oil exporters who buy large quantities of grain, could be required to pay more for our grain, just as we pay more for oil. They need our grain. Why give it to them at cheap prices? Since 1972—the year of the great Russian grain steal—our exports have actually increased; yet prices have fallen sharply from their peaks made after the Russian purchases.

Despite the excellent season, countries overseas bought a record amount of wheat, corn, and soybeans from the United States last year. They bought twice as much as they did during the 1972–73 winter, when the Soviet Union sparked panic buying with its purchase of a record 1.1 billion bushels of grain, of which two-thirds came from the United States.

The United States exported a record 4.2 billion bushels of grain and soybeans last year, twice the 2 billion sold in 1972 and 25 percent more than was shipped in 1972, according to recent Agriculture Department reports.

The export figures for 1978 showed wheat sales at 1.25 billion bushels, compared with 891 million the year earlier; corn sales of 1.95 billion, against 1.58 billion, and soybean exports of 770 million, against 593 million in 1977.

In 1972, China imported almost 180 million bushels of grain, of which 75 percent came from Canada and the rest from this country. The next year, Peking imported about 290 million bushels, with 25 percent coming from Canada—then almost sold out—60 percent from the United States and the rest from Australia and Argentina.

Last year, China imported a record 351 million bushels of grain, or a third more than the previous year. The United States and Canada each supplied a third of these imports, while Australia filled the rest.

I plan to introduce the bill—a single one-page piece of legislation creating a National Grain Board within the Commodity Credit Corporation and giving it power to make, barter, and approve grain sales. I urge the House to act on it.

REPORT ON RESOLUTION PROVIDING FOR ESTABLISHMENT OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 96–27) on the resolution (H. Res. 13) providing for the establishment of the Select Committee on Narcotics Abuse and Control, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION ESTABLISHING A SELECT COMMITTEE ON POPULATION

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 96–28) on the resolution (H. Res. 38) establishing a Select Committee on Population, which was referred to the House Calendar and ordered to be printed.

PERMISSION TO FILE REPORT ON H.R. 90, 1979 OMNIBUS SMALL BUSINESS BILL

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that the Committee on Small Business may have until midnight tonight to file a report on H.R. 90, the 1979 omnibus small business bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE 1979 OMNIBUS SMALL BUSINESS BILL

(Mr. SMITH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. SMITH of Iowa. Mr. Speaker, after we adjourned last fall, the President pocket vetoed H.R. 11445, the omnibus small business bill of 1978.

On January 15, I reintroduced, with Representative McDADE and Representative CONTE, ranking minority members on the committee, as cosponsors, a new omnibus small business bill including most of the provisions which were included in H.R. 11445. Last year the House passed this 1978 omnibus bill by a vote of 310 to 72 and subsequently adopted the conference report 396 to 10. The committee considered this measure last Thursday and ordered it favorably reported with minor amendments by a recorded vote of 25 to 2.

The 1979 version of this bill, H.R. 90, contains those provisions of the bill which originally passed the House which were also contained in the conference report, except that it reflects the changes in those topics which were agreed to by the conferees. H.R. 90 does not include the new provisions which were added by Senate amendments, some of which were found objectionable by the White House.

Title I of H.R. 90 sets program levels for fiscal years 1980–82; makes miscellaneous and technical amendments to the Small Business Act and the Small Business Investment Act of 1958; and continues Federal loan assistance to disaster victims at low interest rates.

Title II provides guidelines for awarding contracts under SBA's Small Business Development Center Program. This program provides short courses and other help so very small businesses can handle the bookkeeping and paperwork required and better cope with new Government-imposed rules and regulations.

Title II sets the framework for a White House Conference on Small Business to be held in 1980 and to be preceeded by State and regional conferences.

The SBA Federal disaster assistance loan program expired last October 1. The bill provides that for disasters occurring between October 1, 1978, and October 1, 1982:

Homeowners would pay 3 percent on loans up to $55,000 and the average cost of money to the Federal Government, currently 7⅜ percent, on loans above that amount; and

All others would pay 5 percent interest on loans up to $250,000 and cost of money to the Federal Government on loans above that amount.

Victims of some 52 natural disasters occurring since last October 1, have been forced to pay a higher interest rate on SBA loans because the law providing reduced interest rates expired. Reinstatement of the lower interest rate SBA loans to disaster victims is essential not only to provide assistance to the disaster victims, but also to help the affected communities recover. This can be done at a net cost of less than $1 per year per person in the United States and there is no way this protection has ever been provided so cheaply and efficiently under any other government or private program. This program does not contain any "forgiveness of indebtedness" which was provided in some earlier years and which resulted in fraud and abuse. Losses on loans under this disaster assistance program thus far have been only 1.66 percent and are not expected to eventually exceed 3.2 percent which is even less than the loss on regular SBA business loans.

I believe that this new bill (H.R. 90) corrects most of the administration's objections which have merit, objections which were primarily to Senate amendments to the 1978 bill. I think the President should have signed last year's bill, and I cannot conceive that the President would veto this bill. It is the highest priority small business bill and should be passed as soon as posible.

Attached is a list of those Members who are cosponsors of this major small business bill. As of this date, there are 143 cosponsors.

The list follows:

COSPONSORS ON H.R. 90 (1979 OMNIBUS SMALL BUSINESS BILL), BY MR. SMITH OF IOWA, MARCH 1, 1979

1. Mr. Abdnor.
2. Mr. Addabbo.
3. Mr. Akaka.
4. Mr. Anderson of Illinois.
5. Mr. Andrews of North Dakota.
6. Mr. Annunzio.
7. Mr. Bafalis.
8. Mr. Baldus.
9. Mr. Barnard.
10. Mr. Bevill.
11. Mr. Biaggi.
12. Mrs. Boggs.
13. Mr. Boland.
14. Mrs. Bouquard.
15. Mr. Bowen.
16. Mr. Brodhead.
17. Mr. Burgener.
18. Mr. Cavanaugh.
19. Mr. Cheney.
20. Mr. Clausen.
21. Mr. Clinger.
22. Mr. Cleveland.
23. Mr. Conte.
24. Mr. Corman.
25. Mr. Corrada.
26. Mr. Coughlin.
27. Mr. Courter.
28. Mr. Daschle.
29. Mr. Davis of Michigan.
30. Mr. de la Garza.
31. Mr. Dixon.
32. Mr. Donnelly.
33. Mr. Duncan.
34. Mr. Edgar.
35. Mr. Edwards of Oklahoma.
36. Mr. English.
37. Mr. Erdahl.
38. Mr. Ertel.
39. Mr. Evans of Georgia.
40. Mr. Fazio.
41. Ms. Ferraro.
42. Mr. Findley.
43. Mr. Fithian.
44. Mr. Flood.
45. Mr. Ford of Tennessee.
46. Mr. Forsythe.
47. Mr. Fowler.
48. Mr. Frenzel.
49. Mr. Frost.
50. Mr. Fuqua.
51. Mr. Gaydos.
52. Mr. Ginn.
53. Mr. Glickman.
54. Mr. Gonzalez.
55. Mr. Goodling.
56. Mr. Gray.
57. Mr. Grisham.
58. Mr. Guyer.
59. Mr. Hagedorn.
60. Mr. Hall of Ohio.
61. Mr. Hall of Texas.
62. Mr. Hanley.
63. Mr. Hefner.
64. Mr. Hollenbeck.
65. Mr. Howard.
66. Mr. Hughes.
67. Mr. Ichord.
68. Mr. Jenrette.
69. Mr. Johnson of California.
70. Mr. Johnson of Colorado.
71. Mr. Jones of Oklahoma.
72. Mr. Kindness.
73. Mr. LaFalce.
74. Mr. Leach of Iowa.
75. Mr. Leach of Louisiana.
76. Mr. Lederer.
77. Mr. Lee.
78. Mr. Lloyd.
79. Mr. Long of Maryland.
80. Mr. Lott.
81. Mr. Luken.
82. Mr. McDade.
83. Mr. McEwen.
84. Mr. McKay.
85. Mr. Maguire.
86. Mr. Markey.
87. Mr. Mathis.
88. Mr. Mavroules.
89. Mr. Mitchell of Maryland.
90. Mr. Mitchell of New York.
91. Mr. Moakley.
92. Mr. Montgomery.
93. Mr. Murphy of Pennsylvania.
94. Mr. Murphy of Illinois.
95. Mr. Natcher.
96. Mr. Nichols.
97. Mr. Nolan.
98. Mr. Nowak.
99. Mr. Oberstar.
100. Mr. Ottinger.
101. Mr. Patten.
102. Mr. Patterson.
103. Mr. Pepper.
104. Mr. Perkins.
105. Mr. Price.
106. Mr. Prichard.
107. Mr. Rahall.
108. Mr. Regula.
109. Mr. Rinaldo.
110. Mr. Reuss.
111. Mr. Richmond.
112. Mr. Roberts.
113. Mr. Russo.
114. Mr. St Germain.
115. Mr. Sebelius.
116. Mr. Sensenbrenner.
117. Mr. Simon.
118. Mr. Slack.
119. Mrs. Spellman.
120. Mr. Staggers.
121. Mr. Stangeland.
122. Mr. Steed.
123. Mr. Stokes.
124. Mr. Stratton.
125. Mr. Stump.
126. Mr. Tauke.
127. Mr. Thomas.
128. Mr. Traxler.
129. Mr. Trible.
130. Mr. Udall.
131. Mr. Watkins.
132. Mr. Whitehurst.
133. Mr. Whitten.
134. Mr. Williams of Montana.
135. Mr. Charles H. Wilson of California.
136. Mr. Charles Wilson of Texas.
137. Mr. Winn.
138. Mr. Wolff.
139. Mr. Won Pat.
140. Mr. Yatron.
141. Mr. Young of Florida.
142. Mr. Young of Missouri.
143. Mr. Zeferetti.●

FOOD STAMP ADJUSTMENT NEEDED

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, in the last week 78 Members of this Congress, Republicans and Democrats alike, have joined together in an effort to lift the shelter limit on food stamps as it affects senior citizens and disabled people in our country. It is obvious that the Congress now recognizes the problem that has been created by the new regulations and is moving forward.

Let me give the Members an example for today. A 69-year-old woman with a total monthly income of $270 pays in rent and utilities $222 a month. She has been getting the grand total of $46 in food stamps and as of last week was cut to $20.

Mr. Speaker, I urge the Members on both sides to contact my office so we can by a large number get the people we need to change this regulation.

Mr. Speaker, I yield back the remainder of my time.

□ 1205

SALT WITHOUT RATIFICATION?

(Mr. CARR asked and was given permission to address the House for 1 minute.)

Mr. CARR. Mr. Speaker, the law is clear: SALT II cannot be binding upon the United States unless ratified by Congress, whether as a treaty or as an executive agreement.

Now President Carter has indicated that, should SALT II not be ratified, he would nevertheless not request weapons outside its bounds so long as the Soviets also observe these bounds on an informal basis. In one sense, he would appear to be circumventing the ratification process. But in another sense, there is no legal requirement for him to request funding for any given defense program.

I suggest we place the matter in perspective by considering that, for the next 2 or 3 years at least, it will make no difference to U.S. defense programs whether we have SALT II or not. There is no military requirement or rational military plan to go outside the bounds of SALT II; we can do so only if we deliberately set out to violate SALT for the sake of violating it.

Where does this leave those who oppose SALT on the grounds that it will weaken our defenses? Seems to me it leaves them looking a bit silly.

HEARINGS ON THE SELECTIVE SERVICE SYSTEM

(Mr. WHITE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITE. Mr. Speaker, the Subcommittee on Military Personnel of the Committee on Armed Services has been reviewing in some detail the state of this Nation's mobilization capability with particular emphasis on manpower.

The situation is not comforting. The Active Forces are reasonably healthy although the military medical care system is desperately in need of assistance. Also, recruiting, in an all volunteer environment, which has always been a real challenge, is beginning to experience what may be serious difficulties.

The Reserve Forces are also experiencing serious deficiencies in manpower. Shortfalls of 135,000 exist in units, and from 300,000 to 500,000 in the back-up manpower pool.

The Congress has been initiating efforts to address the Reserve problems. More attention and effort by the Congress will be required. Better management by the Department of Defense will help.

The condition of the Selective Service System compounds the other shortages in mobilization manpower, and undercuts the credibility of our national security posture.

The Selective Service System is simply incapable of meeting the demands of this Nation if we have to mobilize in an emergency. There should be no disagreement on this point. We need and have always needed a capable standby selective service mechanism to make the All-Volunteer Force viable.

It is time to re-create this capability and strongly consider a return to peacetime registration and classification.

The Subcommittee on Military Personnel has scheduled a series of hearings on legislation in this general area for the week of March 12.

The hearings will permit Members of Congress and outside organizations with an interest in selective service legislation to present their views. Members of Congress who are the principal sponsors of legislation on this subject will be notified of these hearings. Anyone else wishing an opportunity to testify should contact the staff of the Subcommittee on Military Personnel at 225–7560.

THE LATE AMBASSADOR JAMIL M. BAROODY OF SAUDI ARABIA

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I regret that I must call the attention of the House to the death of Ambassador Jamil M. Baroody of Saudi Arabia, who was the dean of United Nation's diplomats.

Ambassador Baroody was an outstanding international diplomat, of whom it can be said that he was a "legend in his lifetime." He had served as the Ambassador of Saudi Arabia to the United Nations since 1947, longer than any other diplomat serving at that world body. He made his mark as a debater, skilled parliamentarian, and a man with a constant feel for the temper of U.N. deliberations.

He was one of the few United Nations ambassadors who engaged in spontaneous oratory, and his independence in speaking out on major issues set him apart from the normal United Nations' diplomat.

In the death of Ambassador Baroody, the United Nations has lost its most colorful and dynamic representative; and in addition, it has lost a historian, scholar, and diplomat of unusual magnitude.

Prior to his service to the United Nations, Mr. Baroody had represented the Government of Lebanon in diplomatic assignments and was a professor at Princeton University during World War II.

My wife, Pat joins with me in extending our sincere condolences to Mrs. Lorraine Baroody and the Ambassador's family. The world has lost a great diplomat and we have lost an old friend.

CAPITOL PAGE SCHOOL BASKETBALL TEAM

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, as the basketball season draws to a close, and the major college and professional teams prepare to face each other in the various tournaments and playoffs which are about to start, we should stop and congratulate a team a little closer to home.

This past weekend the Capitol Page School won the Jewish Day School Invitational tournament. This was an 8-team single elimination tournament, which the pages won by defeating the host team, Jewish Day School, by a score of 49 to 31.

In addition to winning the title, two players were singled out for their achievements. Tod Threadgill was named to the all tournament team, and Herb Harris was named the Most Valuable Player.

Mr. Speaker, because of the long hours the pages work here after starting school every morning at 6:15, they can only practice 2 nights a week. This type of training schedule only enhances their victory.

I would like to congratulate coach Joe McGrath and all the players for the fine job they did in winning this tournament.

The Capitol Page School Basketball team for the 1978–79 season includes:

Mark Workman, Herb Harris, Todd MacKander, John Harris, Kirk Carraway, Bassanio Winston, Todd Threadgill, Mike McGaughey, Jimmy Nowell, Bert Ralston, Fred Beale, Jim Neidert, Lawrence Tolliver, Van East, and coach Joe McGrath.

A KIND OF DIPLOMATIC MASOCHISM

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, I was astonished to read in this morning's Washington Post an article by columnists Rowland Evans and Robert Novak which states that top State Department officials actually invited Soviet diplomats to sit in on a State Department briefing during the Iranian crisis. If this article is true—and I certainly hope that it is not—it is yet another appalling example

of the incredibly inept leadership of the U.S. foreign policy.

I simply fail to understand why the Carter administration is so vitally concerned with treating the Soviet Union and other nations—which before President Carter was elected, were considered to be our adversaries—as if they had been allies of the United States for years. The damage now being done to American prestige and interests around the world will take years to repair; indeed, some of that damage may be beyond repair. Without a strong and immediate demonstration of concern from Congress, I have no doubt that the Carter administration will continue in its "experiments in diplomacy," as the chief of the Soviet desk in the State Department terms this latest fiasco.

Mr. Speaker, I am inserting this Evans and Novak article into the CONGRESSIONAL RECORD in the hope that my colleagues will begin to understand that the entire Carter foreign policy is an "experiment in diplomacy":

A KIND OF DIPLOMATIC MASOCHISM

(By Rowland Evans and Robert Novak)

Just when Soviet broadcasts were raising anti-American passions among Marxist guerrillas in Tehran to highest pitch, the No. 2 Soviet diplomat here was invited to be an unprecedented guest at a routine, two-hour staff meeting of the State Department's Bureau of Soviet Affairs on the department's sixth floor.

Vladilen Vasev, minister-counsellor under Soviet Ambassador Anatoly Dobrynin, arrived at the 9 a.m. staff meeting with one aide on Feb. 2. Before he left, he treated the 20-odd U.S. diplomats and a half a dozen officials from the Commerce Department and the International Communications Agency to a standard, wholly predictable anti-United States, anti-Carter administration lecture.

With other developments in Jimmy Carter's confused handling of his Soviet problem, this strange invitation unintentionally symbolizes a State Department compulsion to prove to the Kremlin that, no matter what anyone else is saying, it is really and truly loved in Carter's Washington. "But what is transmitted to Moscow," one American long skilled in dealing with the Russians told us, "is not love, but obsequiousness and even fear, and that is bad."

The extraordinary invitation to Vasev was specifically approved by Dr. Marshall Shulman, Secretary of State Cyrus Vance's Soviet adviser, and at least one other top official. It caused a furious reaction among the few insiders who found out about it in the Carter administration, particularly in the Pentagon and Dr. Zbigniew Brzezinski's National Security Council staff.

Indeed, we found no officials anywhere—including experienced Soviet experts—who, when informed of Vasev's attendance at the staff meeting, were not astonished and angered. William Shinn, chief of the Soviet desk, told us it was simply an experiment in diplomacy with no sequel planned.

U. Alexis Johnson, who was the department's top career diplomat and Shinn's boss in arms-control talks with the Russians a few years ago, said he had "enormous regard" for career diplomat Shinn. Now retired, Johnson told us: "I simply cannot understand this."

That lack of understanding goes to the heart of Vance-Shulman diplomatic management of the frayed U.S.-Soviet connection. The invitation to Vasev seems clearly tied to the Vance-Shulman policy—often, but not always echoed by Carter—of putting the brightest face on a clearly deteriorating picture: In this case, despite incendiary anti-American broadcasts in Iran, show Vasev how hard Carter is trying to get along, and the Soviets will follow suit.

To much of official Washington beyond the paneled chambers of Vance and Shulman, that policy invites not reciprocity but Soviet audacity. Worse, it betrays a kind of diplomatic masochism that lies just under the administration's surface attitude of occasional hard-headed diplomacy. This ambivalence reinforces the Carter-Vance-Shulman refusal to link strategic arms talks to Soviet expansion throughout Africa and South Asia; it informs the Kremlin that the more successful it is in weakening U.S. influence in the world, the harder the United States will try to make a deal with Moscow. Examples are numerous:

Item: Despite severe presidential protests over Soviet treatment of Anatoly Scharansky (jailed as an alleged American spy) along with trials of other Soviet dissidents last year, not a single piece of drilling equipment, from the controversial Dresser Industries deal on down, has been cancelled. Yet, hundreds of noisy hours were consumed in top-level meetings to arrange legal procedures to halt some of those technology sales, creating a hard-line public image.

Item: Despite bogus or "disinformation" documents carrying the Soviet imprint and now surfacing in such U.S.-allied capitals as Athens, Rome and Bangkok—designed to defame the United States—the Vance-Shulman team avoids protests to Moscow.

Item: The White House removed the usual net assessment of U.S.-Soviet military strength from the first draft of the Joint Chiefs of Staff annual "posture" statement in January. It showed bad deterioration in relative military strengths over the year and might therefore have acted as a further prod to higher defense spending, offending Moscow, history's greatest weapons procurers.

Item: Inadvertently or not, in his Feb. 27 press conference, Carter junked the careful formulation of U.S. displeasure for Vietnam's Soviet-backed "invasion" of Cambodia and China's "frontier penetration" in Vietnam. Those were Carter's words on Feb. 20 at Georgia Tech and Brzezinski's on the March 1 CBS "Morning Show." But in his press conference, Carter equated the two events with the same language, thus muting the anti-Soviet signal.

The record is strewn with examples, some quite ridiculous, such as the intentional refusal of the White House biography of dancer Mikhail Baryshnikov (prepared for his Feb. 25 performance there) to mention that he is a Soviet defector.

Given these sub-rosa signals—from special guest at the Soviet desk's regular staff meeting to the doctored record of a famed Soviet defector—the view from the Kremlin window must show a Jimmy Carter desperately eager to buy. That may explain the rising cost of doing business with the U.S.S.R.

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THE PRESIDENT SHOULD APOLOGIZE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, during the Presidential campaign of 1976, candidate Jimmy Carter promised to cut defense spending. President Ford said the kind of cuts Carter talked about were not realistic and quite dangerous considering the growing Soviet military strength.

Candidate Carter did not listen to President Ford. He told Americans that Ford was asking too high a price for defense.

Now we hear from Secretary of Defense Brown that Mr. Carter "certainly has a more positive view of defense needs as a whole than he did when he came to office." The Wall Street Journal reports the administration has "gradually come to see the Soviet military buildup as more offensive than defensive."

I am glad to hear that the administration is facing the facts. This is exactly what President Ford was saying in 1976 while Jimmy Carter was talking about taking away billions of dollars from defense.

President Carter owes a public, formal apology to President Ford and to the American people for the uninformed, irresponsible, demogogic and harmful nonsense candidate Carter was spouting about defense needs back in 1976. He simply did not know what he was talking about.

Now he is learning—"gradually". We pray it is not too little, too late.

A TRIBUTE TO THE LATE SAMUEL KRAKOW, RED CROSS DIRECTOR

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SPELLMAN. Mr. Speaker, I have lost a dear friend—and the thousands upon thousands of people whose lives he touched and whose lives he enriched by his caring have also lost a dear friend.

Samuel Krakow has died, Mr. Speaker, and those of us who respected and loved him mourn his passing.

Sam retired just 4 years ago from his position as director of the office of international services of the American Red Cross to travel and enjoy life with his wife, Mary. Their son, Howard, and lovely daughter-in-law, Sherri, had presented them with two grandchildren and his cup runneth over. But Sam was not content to just sit back and count his blessings—he wanted to show others that they, too, had much to live for, and so he embarked on organizing clubs and study groups for the many retired citizens of his community, seeing to it that they kept fit, active, and were of service to their fellow man. Sam had visions of a united world of love, and my family, who for over 30 years thought of him as a relative, will miss the contagious excitement for life and devotion he transmitted to others.

Sam joined the American Red Cross staff in 1943, and was later assigned overseas as a field representative, working with the British 8th Army and the American 5th Army in Italy during World War II. His assignments took him to Scandinavia after the war where he served as regional supervisor of Red Cross operations, including programs in Norway and Finland and liaison with the Swedish Red Cross.

He returned to Red Cross headquarters in Washington as an international relations officer in 1947, and in 1953 was sent on a 4-month temporary duty to Japan, Okinawa, and Korea. The work he performed on program development of the Korean Red Cross was so outstanding that on his return to this country an entire radio network program was presented, based on the assistance Sam gave the Koreans in their time of great need. In this play, Lloyd Nolan starred as Sam Krakow, and those of us who knew Sam were delighted with the program.

In addition to attending national and international conferences, Sam made special missions to Africa and the Middle East and was assigned to Cuba during the Bay of Pigs' release of prisoners.

In 1965, Sam, at the behest of the State Department, went on a special mission to the Dominican Republic to help set up a medical relief program after a revolt there. He also was a member of a Red Cross delegation that made an attempt in 1969 to negotiate the release of U.S. war prisoners in Vietnam.

Sam's travels were extensive, and wherever he went he gained the respect as well as the friendship of the many people he met. He served as an unofficial, but certainly excellent, ambassador for our country.

Just after his death, when we were trying to find words of comfort for his family, we received their note which was sent to aid us. It expresses, in a most eloquent way, the family's love for Sam and for Sam's many friends:

FEBRUARY 9, 1979.

DEAR FRIENDS AND RELATIVES OF SAM KRAKOW: It turns out that he wasn't perfect after all. Last night at 10:30, he died.

But, unlike a lot of us who had the feeling that he might be something at least slightly more than mortal, he seemed to realize very early in life that he wasn't going to live forever.

Perhaps that's why he crammed every day so full of love and fun and warmth and music and happiness and generosity. Which is why it seems out of place to dwell on the sorrow of his death—knowing that he had such a good time during his life.

He lived with the hope that the world would be a better place for his having lived in it. And there is no question that his hope has been realized.

So we think you will understand why we prefer not to commemorate his death—instead we choose to rejoice in his living. If his life moves you to some kind of action, we ask that you make a donation to the charity of your choice, or, even better, do as he did, and make a donation of your time and talents in the service of others.

Although this is, understandably, a difficult time for all who knew and loved him, there is no need for sympathy among his family and friends throughout the world. That sympathy should be reserved for those who did not have the opportunity to know him as we did.

As a final request, in remembrance of his life, we urge you to do what we are doing: think of him often. It will make you feel good.

Love,

MARY KRAKOW,
HOWARD KRAKOW,
SHERRI KRAKOW.

And so, Mr. Speaker, I rise in sorrow at his death, yet in pride for having known this fine man, this humanitarian, this beloved father and husband who gave warmth, pleasure, and comfort to so many. I know my colleagues join me in extending to his family—Mary, Howard, Sherri, his father and brother, and his grandchildren—the heartfelt sadness we all feel because Sam Krakow is no longer with us to brighten our lives.

NATIONAL GUARD LIABILITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 10 minutes.

● Mr. EMERY. Mr. Speaker, I have today introduced legislation which would permit the Secretaries of the Army and Air Force to prescribe regulations governing pecuniary liability for lost, damaged, or destroyed property that would apply uniformly to Regular, Reserve, and National Guard members of their services.

Under current law (32 U.S.C. 710), if Federal property issued to the National Guard is "lost, damaged, or destroyed through negligence, the money value of the property or the damage thereto" must be "charged to the State—to be paid from its funds—or to the member to whom the loss, damage, or destruction is charged * * *."

The statute permits no exercise of discretion by the service Secretaries. Liability must be imposed if negligence in any degree, including simple negligence, is determined to have caused the loss, damage, or destruction.

And the statute is construed as permitting the State and the guardsman to be held jointly.

The laws applicable to the other components of the Army and Air Force, that is, members on active duty, and members of the Army Reserve and Air Force Reserve on active duty for training and inactive duty training, provide great latitude. Those members are covered by sections 4832 and 9832 of title 10, which permit the Secretaries of the Army and Air Force to "prescribe regulations for the accounting for property and the fixing of responsibility for that property." The only exception to this broad authority is spelled out in subsection (e) of sections 4837 and 9837 of title 10 which requires "The amount of any damage, or cost of repairs, to arms or equipment caused by the abuse of negligence of a member—who had the care of, or was using the property when it was damaged shall be deducted from his pay."

Moreover, in the case of members on active duty—but not members of the National Guard performing training or duty under title 32—the Secretaries of the Army and Air Force can remit or cancel any part of an elisted members indebtedness to the United States (B-140923, 39 Comp. Gen. 415).

Accordingly, under current Air Force regulation, members of the Air Force on active duty, and of the Air Force Reserve (except where 9837 requires charging the member for simple negligence), are not held liable for loss or damage due to ordinary or simple negligence. Liability is imposed only in case of gross negligence or willful misconduct.

Until recently, the Army too imposed pecuniary liability only in case of gross negligence or willful misconduct. Under current regulations, liability is imposed for simply negligence, but not above 1 month's basic pay.

Accordingly, under current law, a member of the Army National Guard or Air National Guard may be held pecuniarily liable for the total value of Federal property lost or damaged as a result of his simple negligence, while his active Army counterpart could only be held liable for so much of the value of the property as does not exceed 1 month of his basic pay, and his Air Force active duty counterpart would not be held at all. And, as indicated above, the active duty Army or Air Force member who is found liable may have that indebtedness canceled or remitted.

Also, there is no parallel in laws applicable to the Army and Air Force for the imposition of financial responsibility upon the States.

While members of the National Guard performing training or duty under title 32 are not in active Federal service, the duty they perform is governed by training instructions and directives of Federal authorities, and, as sections 3686 and 8686 of title 10 provide "shall be considered military training, duty, or other service, as the case may be, in Federal service as a Reserve of the Army [Air Force]." This training is frequently performed at locations outside their home State, and is identical to that performed by counterpart units of the Army and Air Force Reserve. The control exercised by the States at such times is theoretical only, and there is no more basis for imposing liability upon them at such times than for imposing liability upon commanders of active duty and reserve personnel who are responsible for loss or damage of Federal property.

The amendment proposed by the National Guard Association of the United States would eliminate the requirement to hold members for simple negligence, and instead provide that the standard of care should be uniform within the Army and within the Air Force for each of those service's components. It would authorize the cancellation or remission of indebtedness. It would impose liability upon the States only when the National Guard is performing duty under State law and under actual State control, and not when performing training or duty under Federal authority; that is, title 32 of the United States Code.

Mr. Speaker, this legislation has the support of the National Guard Association and I urge my colleagues to support this bill.

Mr. Speaker, I am also enclosing a copy of this legislation:

H.R.—

A bill to amend title 32, United States Code, with respect to accountability and responsibility for United States property issued to the National Guard

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 710 of title 32, United States Code, is amended as follows:

(1) Subsection (b) is amended to read:

"(b) The Secretary of the Army may prescribe regulations for accounting for property issued to the Army National Guard and the fixing of responsibility for that property. The Secretary of the Air Force may prescribe reg-

ulations for accounting for property issued to the Air National Guard and the fixing of responsibility for that property. So far as practicable the regulations prescribed under this section shall be uniform as among the components of each Service."

(2) Subsection (c) is amended to read:

"(c) Under regulations prescribed by the Secretary concerned, liability for the money value of lost, damaged or destroyed property may be charged to a member or members of the Army National Guard or the Air National Guard when in like circumstances a member or members of the active Army or Air Force would be so charged, or to a State or Territory, Puerto Rico, the Canal Zone or the District of Columbia when the property is lost, damaged or destroyed incident to duty directed pursuant to the laws of, and in support of the authorities of, such jurisdiction. Liability charged to a member of the Army National Guard or the Air National Guard shall be paid out of pay due the member for duties performed as a member of the National Guard, unless the Secretary concerned shall for good cause remit or cancel that liability. Liability charged to a State or Territory, Puerto Rico, the Canal Zone or the District of Columbia shall be paid from its funds or from any non-Federal funds."

SEC. 2. The analysis of chapter 7 of title 32, United States Code, is amended by amending the item relating to section 710 to read as follows:

"710. Accountability for property."●

THE DANGER OF ANOTHER ARAB-ISRAELI WAR REMAINS THREAT TO WORLD PEACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 10 minutes.

Mr. ZABLOCKI. Mr. Speaker, it is with profound regret that we have received the news over this past weekend of the apparent breakdown in the Middle East negotiations. We must recognize, I believe, frankly and realistically, that we are approaching a moment of critical importance in the history of the Middle East—with ultimate consequences as yet unknown. The danger of another Arab-Israeli war remains a threat to world peace which I sincerely hope and pray may be avoided. Given the volatile situation which currently exists in the Middle East and in the Persian Gulf in particular, there is also a danger that this present impasse will only encourage those who are determined to establish an Islamic crescent from India to the Israeli border.

It is a time, Mr. Speaker, for sober reflection and reassessment, but not for despair. It is also a time to commend and support our President for his courageous and persistent efforts to bring about a peaceful settlement of a difficult and sensitive problem. If he succeeds—against many odds—the world will be the winners, and if he fails, his loss will be ours to bear in equal measure.

The President is about to take another dramatic initiative in behalf of peace—his prospective trip to Israel and Egypt later this week. We know that the President has put forward a new set of proposals which both governments are now in the process of considering. I know that I join all Members of this body, on both sides of the aisle, in wishing the President every success—which is crucial to the interests of this country and to the peace and welfare of the world.

And finally, Mr. Speaker, let us recognize that in a situation of this kind, no American President can perform instant miracles. Only if both parties to the negotiations can agree on certain fundamental issues is a solution really possible.

The effort is clearly worthwhile and I commend the President of the United States for assuming the risks which such a move inevitably involves. It is a move which I believe merits our understanding—and our fullest support.

TREASURY VRM PROPOSAL IS INFLATIONARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, whatever goes up must come down. Or so we have always thought. This traditional belief is quickly being shattered for thousands of California homeowners, who have just been informed that the interest on their mortgages is going up for the second time in less than a year. These individuals are the holders of variable rate mortgages (VRM's), a type of home loan whose interest rate fluctuates with current market conditions. Lured, or sometimes forced into accepting these mortgages, homeowners are likely to continue watching their monthly payments grow, or their maturity date fade farther into the future. If the Department of Treasury has its way, millions more will be exposed to and trapped by this alternative to the traditional fixed payment mortgage. On the same day it was announced that VRM's in California will rise as much as one quarter of a percent in April, the Treasury issued a report recommending that all federally insured thrift institutions be granted the authority to issue VRM's in States which currently permit them. Currently, Federal savings and loan associations are permitted to offer the new type of mortgage only in California. At a time when the administration is waging its war on inflation, it appears to retreat when the banking community complains that its profits are being squeezed. The fixed payment mortgage has been one of the few hedges against inflation for most Americans. While the prices of goods and services skyrocketed all around them, consumers could at least be comforted by the fact that the payments on their home would remain level. By allowing VRM's; the Government has let the cost of purchasing a home join the inflationary spiral at a time when it is most important to hold down prices.

In order to protect future homebuyers from the snare of VRM's, I have proposed the American Dream Act, H.R. 38, which would prohibit financial institutions from offering this type of mortgage. A man's home should be his castle, and he should not be kept locked in its dungeon, unable to escape from the banks which hold him hostage. I intend to push for early hearings on this bill, so that homeowners in the future will not have to receive notices in the mail that the cost of living in their home will go up once again.

Financial institutions defend the use of VRM's by claiming that they create a more equitable sharing of the inherent risks caused by fluctuations in interest rates and the cost of funds. But experience has shown that all the burden has been shifted over to the consumer, who is pitted against sophisticated institutions in a match to see who can better predict future interest rates. The result, as could be expected, is that no VRM has ever had its interest rate lowered. And the recent announcement of rate hikes hardly spells the end of the upward climb. Financial analysts anticipate another round of increases in October, and possibly a fourth in April 1980.

The plan put forward by the Treasury merely compounds a problem the Government has created. It argues that the authority to issue VRM's is necessary if thrifts are to keep pace with the rising cost of funds which is confronting them. But it is the Government which is largely responsible for this increase in the cost of funds, because it has permitted thrifts to offer short-term certificates of deposit at extremely high rates. These 6-month CD's have attracted billions of dollars into thrifts, but also raised the cost of funds significantly. Instead of allowing the thrifts to offer such high-yielding certificates, which results in higher mortgage rates, the Government should alter the policy which is partially responsible for the initial problem of disintermediation. This is the imposition of taxes on interest earned on deposits. By eliminating these taxes, more people will be attracted to S and L's even at lower rates, which will result in a lower cost of funds, and thus a decrease in interest rates on home loans.

The Treasury's recommendation reflects an attitude that consumers, not big business, should bear all the burdens of inflation. Alternative policies do exist which negate the necessity for variable rate mortgages. This alternative instrument imposes an unfair burden on consumers who risk paying thousands of extra dollars to thrifts and banks as interest rates continue to rise. It is time to prove again that what goes up can, and will come down.●

SENIOR CITIZENS HEALTH INSURANCE REFORM ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 10 minutes.

● Mr. PEPPER. Mr. Speaker, on behalf of myself and Mr. JAMES H. SCHEUER, the distinguished chairman of the Subcommittee on Consumer Protection and Finance of the Committee on Interstate and Foreign Commerce, I am introducing a bill to help end the serious abuses in the sale of health insurance to the elderly.

A few weeks ago the House Select Committee on Aging made public the results of its detailed investigation into abuses in health insurance which is sold in supplementation to medicare. Our investigation focused on nine States and the District of Columbia. As part of our investigation, we wrote to every State insurance commissioner and to 250 insurance companies. We wrote to every major trade association in the insurance field and we polled thousands of senior citizens. We also used senior citizens as investigators. Senior citizens who were already overinsured were asked to call salesmen to advise them about their insurance needs. Out of 50 confrontations, only 8 salesmen did the honest thing and report that our cooperating senior citizens already had too much insurance. The remaining 42 salesmen tried to sell from 1 to 8 additional policies.

Our investigation revealed that major scandals have erupted in the sale of medicare supplementary insurance in half of the States and yet only six States have specific laws or regulations designed to protect the elderly.

We concluded that abuses were widespread. Among the most common is overselling. Another technique is called "twisting." This involves an agent suggesting that a senior citizen drop an existing policy in favor of a new one. The result is generally harmful to the elderly who generally must wait months or even years before the new policy becomes effective. The agent benefits because he obtains the high first-year commissions paid to encourage new sales. We learned that agents often tell the elderly, "My company bought your company and I am now free to tell you the insurance I sold you last year is no good. You need this new policy." Agents compile lists of willing victims which they describe as "gooses" or "gophers." These individuals are visited again and again by the same agents. There are examples that would make your blood boil. For example, our recent hearings revealed that one woman was sold no less than 71 different health and life insurance policies over the past 4 years. She had to mortgage her Illinois farm in order to keep up with the payments.

While not all senior citizens have been victimized this way, it is apparent that a large number of our elderly have been sold duplicative insurance. In studying the matter, we concluded that the root cause of the problem is the ever-shrinking medicare coverage. Seniors must continually pay more and more to participate in medicare, and medicare is paying less and less of the bill. As a result, more and more senior citizens are turning to insurance. They believe that the insurance which they buy will fill the gaps. Insurance is often sold to them by salesmen who falsely promise that it will pay for everything that medicare will not. The reality is that no presently offered medicare supplementary policy will provide them with the comprehensive coverage they think they are buying. This insurance, by definition, is designed to pay the copayments and deductibles—the out-of-pocket costs—of participating in medicare, and little else.

It is, therefore, tragic to learn that senior citizens are going without food and medicine in order to keep up the payment on several medicare supplementary insurance policies with little value. One medicare supplementary policy is a good idea but anything more is a questionable purchase.

The tragedy is further compounded by the fact that some companies that offer these insurance policies are greedy. They begin with a product of limited economic value. They encourage overselling and they return precious few of the hard-earned dollars back to their policyholders. We have discovered that some companies return as little as 20 to 30 cents on the premium dollar back to their insured in the form of claims. The remainder of the money is burned up in overhead or goes to pay exorbitant commissions to agents or is simply retained as profit.

We found the problem to be most prevalent among companies which specialized in the sale of insurance to individuals (as opposed to groups). These companies quite often limit their sales to the elderly.

In short, Mr. Speaker, we have a full-scale scandal on our hands. We offer the rough estimate that about $1 billion a year is wasted on duplicative and unnecessary insurance. It is for this reason that I am introducing the Senior Citizens Health Insurance Reform Act of 1979. I believe that the Congress must act immediately to correct problems which have resulted from the administration of the Federal medicare program.

Before citing the specific provisions of the bill, I would like to acknowledge the assistance of the health insurance industry. We could not have discovered the abuses I have referred to without the assistance of the industry and that of aggressive State insurance commissioners, such as the Honorable Bill Gunter of my State. No one should get the impression that I am criticizing the entire insurance industry. Most of the major insurance companies do not sell medicare supplementary health insurance or they sell only group policies with which we had little problem. We also found little to criticize in Blue Cross/Blue Shield policies. Blue Cross and Blue Shield return about 90 percent of the premium dollar to their insured. I want to express my appreciation to the industry for its help. I will count on its continued support to help bring about the enactment of the bill I am offering today.

The bill calls upon the Secretary of Health, Education, and Welfare to establish Federal minimum standards and to certify those health insurance policies which are in conformance with these standards. The insurance companies could then advertise the fact of Federal certification and display an emblem as approved by the Secretary. Once approved, the certification would remain in effect provided the company files an affidavit with the Secretary no later than December 31 of each year which certifies that the policy continues to be in compliance with all Federal standards. Insurance companies would be obligated to provide the Secretary with data and information in order that the Secretary might determine the compliance with law and regulations.

My bill provides that it shall be unlawful for an insurance company to provide false or misleading information for purposes of obtaining or maintaining Federal certification.

The bill makes it a felony for any salesman to pretend that he is a representative from medicare as a means for getting in the door or for inducing the elderly to buy insurance. It also makes it unlawful to knowingly sell duplicative insurance and for a company to sell insurance through the mail which has not been approved by the State insurance commissioner of the State into which the policies are mailed. The penalties provided for conviction of these acts would be a fine of up to $25,000 or imprisonment for up to 5 years or both.

The last idea was suggested by Commissioner Al Lewis of New York who told our committee he had great difficulty regulating some aspects of mail order insurance. He asked our committee to stop mail order sale of insurance which his State bars. Asked how the companies avoid regulation he said:

> They set up fake trusts. The trust doesn't exist * * *. They set up a trust for the sole purpose of selling by mail a policy that is delivered, the certificate is delivered to the trust, and the person can buy it in my state * * *. If it is not a proper policy that could be sold in the state, it should not be sold through the U.S. mail.

My bill calls upon the Secretary of HEW to establish minimum Federal regulations within 18 months of enactment. The Secretary is asked to share with the States a list of all federally approved policies and to work with the States to encourage them to offer for sale only those policies which meet Federal minimum standards.

While, for the most part, the bill allows the Secretary to establish these minimum standards, there are several requirements which we believe are important enough to be written into law. First, such policies must supplement both parts A and B of medicare. Second, the policies must be written in simplified language and printed in 10-point or larger type. Third, the use of preexisting condition clauses as an excuse for not paying claims would be limited to 60 days. Fourth, policyholders must be given a 30-day, no-loss right of cancellation—a right to return the policy and get their money back. Finally, the policies must provide the insured with a reasonable economic benefit in that at least 75 percent of the premiums collected from the sale must be returned in benefits to the insured.

These are high standards for some but they are much lower than what is the general standard of the industry. For example, in 1977 the average health insurance company returned 80 percent of premiums back to their insured. Blue Cross and many of the largest and most reputable insurance companies in America are at or over the 90 percent mark.

Mr. Speaker, I am hopeful that this bill can be enacted immediately.●

LEGISLATION TO CLARIFY AUTHORITY OF NUCLEAR REGULATORY COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I introduce today, with my colleague Mr. BINGHAM, a bill clarifying the authority of the Nuclear Regulatory Commission to license facilities used for the receipt and storage of commercial spent nuclear fuel. The Energy Reorganization Act currently provides for NRC licensing of facilities used for storage of commercial high-level radioactive waste. Spent nuclear fuel is the form high-level waste is in when it is removed from a nuclear power reactor. It is in the interest of clarity, however, to indicate in the regulatory statute that facilities for storing high-level waste in that particular form fall under the licensing provision.

This amendment of the Energy Reorganization Act was proposed by the Department of Energy and has been suggested and encouraged by the Nuclear Regulatory Commission. It is companion to an administration proposal for the construction and operation of spent fuel storage facilities. Clarification of the NRC's licensing authority will assist in the speedy and safe development of these facilities, which will further our national objectives of a strictly managed nuclear industry at home and the curbing of nuclear weapons proliferation abroad. I encourage the support of my colleagues in this matter.●

MALTESE-AMERICAN SOCIAL CLUB OF SAN FRANCISCO—50 YEARS OF SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, on Saturday, February 24, 1979, the Maltese-American Social Club of San Francisco, Inc., celebrated at their headquarters at 1789 Oakdale Avenue, San Francisco, the 50th anniversary of their founding.

First called the Maltese Club of San Francisco, the club was formed in February 1929. During the next two decades the club grew and became the focal point of the social life of Maltese-Americans. The club organized soccer teams, bands, social functions and dramatic presentations in the Maltese language.

In the troubled period of the war years with the devastating suffering on Malta, the club activities took on new emphasis. Many events were held for the Malta War Relief Fund.

On October 26, 1945, the organization changed its name to the Maltese-American Social Club of San Francisco. In June 1949, the club received its corporation status under that name. A 20-year dream of members became a reality when the club purchased its present premises on July 6, 1949, premises which it had been leasing since the late 1930's.

With its permanent home established in 1949, the Maltese-American Social Club of San Francisco continued to grow and to serve. During the fifties, sixties, and now in the seventies, the club has remained the focal point and meeting place for the Maltese-American community. It provides social activities, sponsors athletic teams, conducts citizenship classes and has been a source of help to many Maltese immigrants in their desire to become U.S. citizens and to become an integral part of the bay area community.

This is a happy anniversary marking 50 years of service to the community. I wanted my colleagues in the House to know of this outstanding group and to join with me in extending to Mr. Joseph Grech, president of the Maltese-American Social Club of San Francisco, and to its officers and members, our heartiest congratulations and best wishes for continued success.●

THE U.S. SECURITY RELATIONSHIP WITH TAIWAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, at various times in our debate over normalization of U.S. relations with the People's Republic of China, the termination of the United States-Republic of China Mutual Defense Treaty, and the establishment of a basis for continuing relations between the people of the United States and the people on Taiwan, I have noticed a tendency on the part of some Members to describe the past U.S. security commitment to Taiwan in very sweeping, almost absolute terms. I do not believe that this approach is either helpful to our discussion or historically accurate, and I believe that a good deal of unnecessary confusion could be avoided if we would keep in mind some of the basic historical realities of this relationship.

The following points seem to me to be particularly relevant:

First. There was no formal security relationship between the United States and the Republic of China during its first 5 years on Taiwan.

The decision of the Chinese nationalist leaders in 1949 to evacuate to Taiwan and reconstitute and continue their operations on the islands was a decision reached entirely on their own in the aftermath of the collapse of their authority on the mainland and the consolidation of control there by the Communist side. The U.S. Government played no part in this decision and no role in the transfer of the nationalist forces and administration to Taiwan. Secretary Acheson, in his controversial but nonetheless authoritative statement of early 1950 which placed Korea outside the basic U.S. defense perimeter, put Taiwan in the same category. Shortly after the onset of the Korean war, this policy vis-a-vis Taiwan was modified by President Truman's announcement that Taiwan would come under the protection of the 7th Fleet. Nevertheless, despite a continuing and active interest in the evolving security situation in the region, there was no formal or mutually agreed security relationship between the United States and the Republic of China Government on Taiwan until the end of 1954.

Second. The U.S. decision in 1954 to enter into a mutual defense treaty with the R.O.C. was based primarily on overall U.S. security and political interests rather than bilateral considerations.

The conclusion of the treaty in December 1954 was the result of a general U.S. reappraisal of our security posture in the aftermath of the Korean war. It was the last of the series of mutual security treaties pushed through by Secretary Dulles in the Asian region during this period—treaties with Japan, Korea, the Philippines, and Australia/New Zealand as well as the Southeast Asia Collective Defense Treaty (SEATO) completed in September 1954. The United States-Republic of China treaty thus became one link in the whole chain of treaties with states on the periphery of the Sino-Soviet region.

It should also be remembered that the treaty was concluded during a period of open military confrontation in the region. The Korean war had involved direct conflict between mainland Chinese and American troops. Communist Chinese military operations were actively being mounted against nationalist-held islands in the Formosa Strait, a campaign which triggered the introduction and passage of the "Formosa Resolution" in the Congress in January 1955. And the belligerence on the part of the Communist Chinese reflected in these actions was generally considered in the United States to be part of an overall Sino-Soviet strategy directed at bringing down the Western world. The underlying purpose of the whole series of defense treaties was to deter what was seen as worldwide Sino-Soviet adventurism.

It is also worth noting in this context that the conclusion of a United States-Republic of China treaty at this time was one means of explicitly erasing the uncertainty caused by Acheson's 1950 statement placing Taiwan outside the U.S. security perimeter. Had the post-Korean war defense pacts excluded Taiwan, this could well have further tempted the militant mainland leadership to think that the United States would have been indifferent in the fact of an attack on Taiwan.

Third. The mutual defense treaty did not constitute an unqualified or immutable U.S. military commitment to the Republic of China.

The extent of the U.S. commitment and the degree of identity of purpose between the United States and the Republic of China reflected in the treaty were clearly limited. The language of the treaty carefully avoided any implication of U.S. endorsement of the nationalists' declared objective of regaining the mainland by force. U.S. concern lest the defensive guarantees in the treaty embolden the Republic of China to move against the mainland also is evident in the exchange of notes which accompanied the treaty, in which the Republic of China undertook not to use force outside the areas already under its control without advance U.S. agreement.

It is indisputably clear that the commitments undertaken in the treaty were not irrevocable. The termination clause built into the treaty provided that either party could withdraw on 1 year's notice. Further, this action could be taken at the absolute discretion of the withdrawing party; no other conditions were specified. The present U.S. action terminating the treaty is thus in complete conformity with the terms of the treaty.

Fourth. The present situation is dramatically different from that which prevailed when the mutual defense treaty was concluded.

The "Sino-Soviet bloc" has long since been superseded by the Sino-Soviet conflict; the most immediate danger to international peace now posed by the relationship between these two states is that of conflict between them rather than any combined threat against the non-Communist world. The present leaders of Communist China are actively pursuing improved relations and expanded economic ties with the West, a far cry from the armed confrontation of the Korean war period. And Chinese military activity in the Formosa Strait has moderated over time and, with the establishment of normalized relations with the United States, has given way to expressions of People's Republic of China interest in a negotiated reunification involving a remarkable degree of autonomy for Taiwan.

At the same time, Taiwan is now economically stronger, politically more mature, and militarily far better able to defend itself than was the case in the early 1950's. Further, the U.S. stress on the Taiwan issue throughout the prolonged negotiations with the People's Republic of China over normalization, including our explicit intention to continue providing arms to Taiwan, has left the People's Republic of China in no doubt as to our continuing interest in Taiwan's security even after termination of the defense treaty. Thus the termination of the treaty now does not carry with it overtones of again appearing to exclude Taiwan from the area of U.S. security concern in the Pacific.

There is obviously room for honorable men to disagree on various aspects of the U.S. relationship and policy with regard to China. However, I would hope that to the maximum extent possible our discussion could be based on mutual agreement as to the factual background. I hope that these remarks will make a contribution to such an understanding.●

HAVE A HEART FOR RUDY

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, I rise to pay tribute to the people of Barstow, Calif., and to share with the Members of the House of Representatives the dramatic human story which unfolded in this community within my congressional district over the weekend. It is a story which demonstrates clearly that those qualities which make our country the greatest in the history of man are alive and well.

Rudy Lara is 31 years of age. He has two children and his wife is a librarian. In 1974, Rudy had open heart surgery. His son suffers from hemophelia. The Lara family is a modest family—beset with more than their fair share of problems. But their spirit is a reflection of the pioneer-like character which can be seen in the people who make up rural America.

A short time ago, the Lara family learned that if Rudy was to live, he must undergo a heart transplant. He was to be admitted to Stanford University Hospital. Then it was learned that their group health insurance plan excluded heaft transplant surgery and that the hospital would require $60,000 before accepting Mr. Lara as a patient.

That is where our story begins. It is a story of human caring. It is a story of our national medical crisis. It is a story of the spirit and the love of the community of Barstow for its fellow man.

Learning of the plight of one of their fellow citizens, the people of Barstow responded immediately. Building their effort around the campaign theme—"have a heart for Rudy," citizens from every walk of life became involved. Students made buttons to display the theme. Business people contributed the day's earnings from their cash registers. Service clubs sold newspapers for $1 to add to the fund. Children collected money from door to door. The city council, the school district, the chamber of commerce—everyone became involved.

The climax came on Saturday, March 3, when Barstow College public television and radio station KIOT gave the entire day for a hometown radio-telethon committed to raising at least the $60,000 to provide Rudy Lara with a new heart.

As Barstow moved closer and closer to that Saturday, virtually everyone who touched the community could feel the ground swell of concern and support. At the last moment, there was a confluence of effort that brought forth levels of response beyond the wildest of dreams:

Blue Shield, the insurance company for the school district where Mrs. Lara is librarian, decided only hours before the telethon was to begin, that they would waive the contract clause which excludes heart transplants. Their action assured that at least a portion of the hospital and surgery costs would be covered.

On Friday afternoon, Stanford University Hospital agreed to accept Rudy as a patient.

While the telethon was taking place, Lt. Gen. Charles Pixley, Surgeon General of the U.S. Army, responded to calls for help from the heart team at Loma Linda University. It was their belief that only a plane from the Army Medical Air Lift Wing could provide the needed safety in transporting Mr. Lara from southern California to Stanford.

With a crescendo, the people of Barstow reached their goal and went beyond. By Saturday evening, the pledges were over $105,000 and still climbing. At 10 a.m. Sunday morning, that airplane of mercy lifted off the pad at Norton Air Force Base with Mr. and Mrs. Rudy Lara aboard headed for northern California.

Foolish that we should believe in miracles. Who says people do not care. Who says the system does not work. Well, Mr. Speaker and my colleagues, just ask Mr. Rudy Lara and his family. With the good Lord looking over your shoulder, and the people of Barstow behind you, anything is possible.

And how is Rudy going to repay the people of his hometown? He said it just the other day, "By getting up and walking out of that hospital!"

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. EDWARDS of Oklahoma (at the request of Mr. MICHEL), on Tuesday, March 6, 1979, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DECKARD) to revise and extend their remarks and include extraneous material:)

Mr. EMERY, for 10 minutes, on March 5.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. ZABLOCKI, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. PEPPER, for 10 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. PHILLIP BURTON, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DECKARD) and to include extraneous material:)

Mr. SOLOMON.
Mr. SYMMS.
Mr. GOODLING.
Mr. CONABLE.
Mr. YOUNG of Alaska in two instances.
Mr. LAGOMARSINO in three instances.
Mrs. HOLT in two instances.
Mr. ANDREWS of North Dakota.
Mr. BROYHILL.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. MURTHA.
Mr. MOLLOHAN.
Mr. MAZZOLI in two instances.
Mr. ERTEL.
Mr. DE LA GARZA in 10 instances.
Mr. HUTTO in five instances.
Mr. ASPIN.
Mr. PHILLIP BURTON.

March 3, 1979, on account of official busi- instances.

Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in 10 instances.
Mr. SKELTON.
Mr. HAMILTON.
Mr. DRINAN.
Mr. NEDZI.
Mr. AKAKA.
Mr. MAVROULES in two instances.
Mr. EDGAR.
Mrs. SCHROEDER.
Mr. CARR.
Mr. BLANCHARD.
Mr. LEHMAN in two instances.
Mr. HAWKINS.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 1, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 1902. To amend the Bank Holding Company Act Amendments of 1970.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 6, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

780. A communication from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1979 for the Small Business Administration (H. Doc. No. 96–66); to the Committee on Appropriations and ordered to be printed.

781. A communication from the President of the United States, transmitting his annual report on international agreements sent to Congress after the expiration of the 60-day period specified in Public Law 92–403, pursuant to 1 U.S.C 112b(b); to the Committee on Foreign Affairs.

782. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to provide for the advance payment of station housing allowances for members of the uniformed services assigned overseas; to the Committee on Armed Services.

783. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Kenya (transmittal No. 79–9), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

784. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense articles and services to Thailand (transmittal No. 79–11), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

785. A letter from the Secretary of Housing and Urban Development, transmitting a study of the developmental needs of small cities, pursuant to section 113 of Public Law 95–128; to the Committee on Banking, Finance and Urban Affairs.

786. A letter from the mayor of the District of Columbia, transmitting the annual report of the Office of Emergency Preparedness of the District of Columbia for fiscal year 1978, pursuant to section 6 of Public Law 81–686; to the Committee on the District of Columbia.

787. A letter from the District of Columbia Auditor, transmitting copies of three reports entitled "Regulation of Emergency Medical Transportation," "Payroll Verification–D.C. Department of Labor," and "Annual Report on Depository Activities, fiscal year 1978," pursuant to section 455 of Public Law 93–198; to the Committee on the District of Columbia.

788. A letter from the Secretary of State transmitting the annual report on Americans incarcerated abroad for fiscal year 1978, pursuant to section 108 of Public Law 95–105; to the Committee on Foreign Affairs.

789. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

790. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to Kenya (transmittal No. 79–9), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

791. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense articles and services to Thailand (transmittal No. 79-11), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

792. A letter from the Secretary of the Treasury, transmitting the sixth annual report of the Office of Revenue Sharing, covering fiscal year 1978, pursuant to sections 105(a)(2) and 121(f) of the State and Local Fiscal Assistance Act of 1971, as amended; to the Committee on Government Operations.

793. A letter from the Director, Office of Management and Budget, Executive Office of the President, and the Acting Secretary of the Treasury, transmitting the fifth annual report on fiscal and budgetary information and controls, pursuant to section 202 (f) of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

794. A letter from the Under Secretary of State for Management, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

795. A letter from the Assistant Secretary for Administration, Department of Commerce, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

796. A letter from the Acting Chairman, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

797. A letter from the Chairman, Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

798. A letter from the Chairman, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

799. A letter from the General Counsel Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

800. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

801. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a report of the Federal Open Market Committee of the Federal Reserve System on the Committee's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

802. A letter from the Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

803. A letter from the Chairman, Foreign Claims Settlement Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

804. A letter from the president, Inter-American Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

805. A letter from the Freedom of Information/Privacy Officer, Interstate Commerce Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

806. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

807. A letter from the Administrator, National Credit Union Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

808. A letter from the Chairman and the General Counsel of the National Labor Relations Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

809. A letter from the Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

810. A letter from the Director, Office of Personnel Management, transmitting a report on the Civil Service Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

811. A letter from the Postmaster General, transmitting a report on the Postal Service's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

812. A letter from the Information Officer, Postal Rate Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

813. A letter from the Acting Chairman, Renegotiation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

814. A letter from the Administrator, Small Business Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

815. A letter from the president, United States Railway Association, transmitting a report on the Association's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

816. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation concerning the Pinelands National Reserve, N.J.; to the Committee on Interior and Insular Affairs.

817. A letter from the Chairman, United States Water Resources Council, transmitting a draft of proposed legislation to amend title III of the Water Resources Planning Act of 1965 (Public Law 89–80), as amended; to the Committee on Interior and Insular Affairs.

818. A letter from the Acting Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

819. A letter from the Assistant General Counsel, Department of Energy, transmitting notice of a meeting relating to the International Energy Program to be held on March 7, 1979, in San Francisco, Calif.; to the Committee on Interstate and Foreign Commerce.

820. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision within the initially-specified 7-month period in docket No. 36746 (Sub-No. 74), Ferric Sulphate, Copperhill, Tenn., to Kitalou, Tex., and requesting an extension to May 25, 1979, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

821. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

822. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

823. A letter from the Associate General Counsel for Legislation, Interstate Commerce Commission, transmitting a copy of the comments of the Commission's staff to the Office of Management and Budget on S. 299, the proposed "Regulatory Flexibility Act," pursuant to section 201(j) of the Budget and Accounting Act of 1921, as amended (90 Stat. 60); to the Committee on the Judiciary.

824. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting volume I of the Committee's findings and recommendations on Federal organization for oceanic and atmospheric affairs; to the Committee on Merchant Marine and Fisheries.

825. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce; to the Committee on Post Office and Civil Service.

826. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting a draft of proposed legislation to amend section 606 of the Disaster Relief Act of 1974, as amended, to authorize the appropriation of additional sums for fiscal years 1981, 1982 and 1983, and for other purposes; to the Committee on Public Works and Transportation.

827. A letter from the Administrator of General Services, transmitting a revised prospectus proposing alterations at the U.S. Post Office-Courthouse, 300 NE., First Avenue, Miami, Fla., pursuant to section 7 (a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

828. A letter from the Comptroller General of the United States, transmitting a report on the Army's advanced attack helicopter and Hellfire missile programs (PSAD–79–33, February 20, 1979); jointly, to the Committees on Government Operations, and Armed Services.

829. A letter from the Comptroller General of the United States, transmitting a report on the Army's Copperhead and the Navy's 5-inch and 8-inch guided projectile programs (PSAD–79–34, February 20, 1979); jointly, to the Committees on Government Operations, and Armed Services.

830. A letter from the Comptroller General of the United States, transmitting a report on the Navy's torpedo development and improvement programs (PSAD–79–36, February 21, 1979); jointly, to the Committees on Government Operations, and Armed Services.

831. A letter from the Comptroller General of the United States, transmitting a report on the Joint Tactical Information Distribution System (PSAD–79–39, February 28, 1979); jointly, to the Committees on Government Operations, and Armed Services.

832. A letter from the Comptroller General of the United States, transmitting a report on the capability of the Navy's F–14A/Phoenix weapon system to meet the current or postulated threat to the Naval fleet (PSAD–79–44, February 28, 1979); jointly, to the Committees on Government Operations, and Armed Services.

833. A letter from the Comptroller General of the United States, transmitting a report on the need to clarify policy on export controls (ID–79–16, March 1, 1979); jointly, to the Committees on Government Operations, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted March 3, 1979*]

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 2479. A bill to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan (Rept. No. 96–26). Ordered to be printed.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 13. Resolution providing for the establishment of the Select Committee on Narcotics Abuse and Control; with amendment (Rept. No. 96–27). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 38. Resolution establishing a Select Committee on Population (Rept. No. 96–28). Referred to the House Calendar.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 90. A bill to amend the Small Business Act and Small Business Investment Act of 1958; with amendment (Rept. 96–29). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 or rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES:

H.R. 2596. A bill to amend chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act), to permit awards of reasonable attorneys' fees and other expenses for public participation in Federal agency proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. CONABLE (for himself, Mr. FRENZEL, Mr. GIBBONS, Mr. GRADISON, Mr. JONES of Oklahoma, Mr. MOORE, and Mr. SCHULZE):

H.R. 2597. A bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 2598. A bill to amend the Federal Trade Commission Act to provide that the Commonwealth of Puerto Rico shall be subject to the provisions contained in such act; to the Committee on Interstate and Foreign Commerce.

By Mr. EDGAR (for himself, Mr. FLOOD, Mr. LEDERER, Mr. SHANNON, and Mr. YATRON):

H.R. 2599. A bill to create the Energy Corporation of the Northeast and to authorize the Secretary of the Treasury to provide guarantees for the obligations of such corporation and other financial assistance to such corporations; jointly, to the Committees on Interstate and Foreign Commerce, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. EMERY (for himself, Mr. WHITEHURST, Mr. MONTGOMERY, Mr. ICHORD, Mr. JENRETTE, Mr. ROBINSON, and Mr. NICHOLS):

H.R. 2600. A bill to amend title 32, United States Code, with respect to accountability and responsibility for U.S. property issued to the National Guard; to the Committee on Armed Services.

By Mr. FLORIO (for himself, Mrs. FENWICK, Mr. HOLLENBECK, Mr. FATTEN, Mr. GUARINI, Mr. RINALDO, Mr. MAGUIRE, and Mr. ROE):

H.R. 2601. A bill to designate the proposed new Veterans' Administration medical center in Camden, N.J., as the Carlton R. Rouh Memorial Veterans' Medical Center; to the Committee on Veterans' Affairs.

By Mr. PEPPER (for himself and Mr. SCHEUER):

H.R. 2602. A bill to direct the Secretary of Health, Education and Welfare to institute a program of voluntary certification for health insurance policies sold in supplemen-

tation of medicare; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON):

H.R. 2603. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980, and for other purposes; to the Committee on Armed Services.

By Mr. ROUSSELOT:

H.R. 2604. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 2605. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

By Mr. SCHEUER:

H.R. 2606. A bill to amend the Toxic Substances Control Act to extend the authorization of appropriations contained in such act; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 2607. A bill to authorize and direct the Secretary of the Interior to construct additional drainage facilities for the Kansas-Bostwick Unit, Pick-Sloan Missouri Basin program; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H.R. 2608. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (by request):

H.R. 2609. A bill to increase the appropriations ceiling for title I of the Colorado River Basin Salinity Control Act (act of June 24, 1974; 88 Stat. 266), and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2610. A bill to amend the Water Resources Planning Act (79 Stat. 244, as amended); to the Committee on Interior and Insular Affairs.

By Mr. UDALL (for himself and Mr. BINGHAM):

H.R. 2611. A bill to provide for the licensing of Department of Energy facilities primarily used for the receipt and storage of commercial spent fuel; to the Committee on Interior and Insular Affairs.

By Mr. BOB WILSON (for himself and Mr. JOHNSON of California):

H.R. 2612. A bill to amend the Trade Act of 1974 to improve procedures relating to the determination of certain unfair foreign trade practices; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 2613. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

H.R. 2614. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. PREYER:

H.J. Res. 238. Joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979, as "National Meals on Wheels Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

49. By the SPEAKER: Memorial of the Legislature of the State of Texas, relative to agricultural policy; to the Committee on Agriculture.

50. Also, memorial of the House of Representatives of the State of Hawaii, relative to establishing a strategic petroleum reserve capacity for the State of Hawaii; to the Committee on Interstate and Foreign Commerce.

51. Also, memorial of the Legislature of the State of Arkansas, requesting that Congress propose, or call a convention for the specific and exclusive purpose of proposing, an amendment to the Constitution of the United States to require a balanced Federal budget in the absence of a national emergency; to the Committee on the Judiciary.

52. Also, memorial of the Legislature of the State of Texas, reaffirming its earlier call for an amendment to the Constitution of the United States requiring a balanced annual Federal budget; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAN DANIEL:

H.R. 2615. A bill for the relief of Mrs. Frances M. Butler; to the Committee on the Judiciary.

By Mr. MAZZOLI:

H.R. 2616. A bill for the relief of McNamara Construction of Manitoba, Limited, of Willowdale, Ontario, Canada; to the Committee on the Judiciary.

By Ms. MIKULSKI (by request):

H.R. 2617. A bill for the relief of Rosario Bautista; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. COLEMAN.

H.R. 90: Mr. CHENEY, Mr. CLINGER, Mr. COURTER, Mr. DAVIS of Michigan, Mr. EDWARDS of Oklahoma, Mr. JENRETTE, and Mr. STUMP.

H.R. 279: Mr. ANDERSON of California, Mr. BEDELL, Mr. BONIOR of Michigan, Mr. CARR, Mr. LAFALCE, Mr. MAGUIRE, Mr. MATSUI, Mr. MOAKLEY, Mr. ROYBAL, Mr. SCHEUER, Mr. SEIBERLING, and Mr. WOLPE.

H.R. 281: Mr. ANDERSON of California, Mr. ATKINSON, Mr. BEDELL, Mr. BONIOR of Michigan, Mr. BUCHANAN, Mr. CARR, Mr. HOLLENBECK, Mr. LAFALCE, Mr. MAGUIRE, Mr. MATSUI, Mr. MINETA, Mr. MOAKLEY, Mr. ROYBAL, Mr. SCHEUER, Mr. SEIBERLING, Mr. WAXMAN, Mr. WEISS, and Mr. WOLPE.

H.R. 300: Mr. ANDERSON of California, Mr. ATKINSON, Mr. AUCOIN, Mr. BONIOR of Michigan, Mr. CARR, Mr. HOLLENBECK, Mr. LAFALCE, Mr. MAGUIRE, Mr. MATSUI, Mr. MOAKLEY, Mr. ROYBAL, Mr. SCHEUER, Mr. VENTO, Mr. WEISS, and Mr. WOLPE.

H.R. 1843: Mr. BEDELL, Mr. BONIOR of Michigan, Mr. BUCHANAN, Mr. CARR, Mr. EDWARDS of California, Mr. MINETA, Mr. MOAKLEY, Mr. ROYBAL, Mr. SCHEUER, and Mr. WEISS.

H.R. 2036: Mr. SOLARZ, Mr. EDGAR, Mr. LEACH of Louisiana, and Mr. MAZZOLI.

H.J. Res. 14: Mr. PHILIP M. CRANE, Mr. HILLIS, Mr. TREIBLE, Mr. GOODLING, Mr. WATKINS, Mr. ROTH, Mr. JEFFRIES, Mrs. SNOWE, Mr. YATRON, Mr. BEVILL, Mr. STACK, Mr. MARLENEE, Mr. APPLEGATE, Mr. WON PAT, Mr. GRADISON, Mr. BOB WILSON, Mr. CARTER, Mr. DANNEMEYER, Mr. DECKARD, Mr. DAN DANIEL, Mr. EVANS of Georgia, and Mr. MYERS of Indiana.

H.J. Res. 39: Mr. GINGRICH and Mr. MCDONALD.

H.J. Res. 201: Mr. GINGRICH and Mr. GINN.

H. Res. 106: Mrs. BYRON, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. FORD of Tennessee, Mr. EDGAR, Mr. LEACH of Louisiana, Mr. MAGUIRE, Mr. MARKEY, Mr. HARRIS, and Mr. RINALDO.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

68. By the SPEAKER: Petition of the board of supervisors of the city and county of San Francisco, Calif., relative to defense spending; to the Committee on Government Operations.

69. Also, petition of the National Water Supply Improvement Association, Ipswich, Mass., relative to the Federal desalination program; to the Committee on Interior and Insular Affairs.

70. Also, petition of the National Association of Regulatory Utility Commissioners, Washington, D.C., relative to the tax treatment of the cost of removal upon retirement of a public utility plant, and the treatment of investment tax credit; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

SHRINERS ARE BEHIND-THE-SCENES CIVIC CLUB

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. MATHIS. Mr. Speaker, I rise today to praise one of my constituents who has spent a lifetime helping his fellow man through his work with the Shrine clubs. His work was recently praised in an article in the Thomasville, Ga., Times-Enterprise which I insert at this time:

SHRINERS ARE BEHIND-THE-SCENES CIVIC CLUB

(By Wendy Freedman)

Their work is inconspicuous—until one sees the youngsters the Shriner's Club here has helped.

The club does not hold weekly luncheon meetings, hear guest speakers or send bulletins to newspapers.

But when a burn victim here needs help, those in the know think immediately of the Shriners and the club's ambassador-at-large, Joseph N. Rosolio.

Rosolio, a 77-year-old Thomasville businessman, has the often-thankless job of asking people to remember the Shriners in their wills, talking distraught parents into accepting free medical care and arranging transportation for patients.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

To Rosolio, however, wearing a hat that looks like an upside down flower pot has its rewards.

"Having no children of my own, I love children and love to help children in distress," he said.

And even though doctors will say, 'See Joe Rosolio, he'll help your child,' Rosolio prefers to talk about the Shriners than himself.

He'd rather talk about the 85 other Shriners in Thomas County, the organization's 19 orthopedic hospitals and three burns institutes and the people who have been helped by the hospitals.

"If we hear of someone (in need), we are anxious to help," Rosolio said.

Currently the Thomas County Shriners have placed two youngsters from Thomasville and one from Moultrie in hospitals.

One boy from Ochlochnee needed an operation to correct curvature of the spine, he said.

"The mother was crying. The operation would cost around $25,000. She didn't have the money. So someone said, 'Call Joe.'

"The parents were afraid to take charity, I was told," Rosolio said. "I said to bring them to my store and I would talk to them. I said, 'People leave money for this. If you don't use it someone else will. Would you deprive your boy of this operation?' "

The boy went and his height has already increased three inches, Rosolio said.

Rosolio has become a master of diplomacy in convincing skeptical parents that accepting charity is the right thing to do in these cases.

"I explain a child will not benefit without the facility," he said. "Parental attitudes change when they see the improvements in their children."

The improvements are sometimes just short of miracles.

He recalled a Cairo woman who was burned in a fire seven years ago. She is to be married this month, he said.

"Her whole body was scorched and charred," he recalled.

Branda Greene had stood too close to her family fireplace when she was 13.

She was burned over more than 59 percent of her body and spent five months at the Shriner's Burns Institute in Galveston, Texas.

After being unconscious because of burn poisoning as well as needing plastic surgery and skin grafts, Miss Greene is now a Valdosta State College student.

She wrote Rosolio a letter last year to thank him for his help.

"In most cases I don't know them before the accident or operation," he said, "But afterwards they stop by."

Rosolio, a member of the Hasan Temple, Albany, is ambassador for the South Georgia area district which covers a 100-mile radius and 4,000 members.

To qualify for membership in the Shriners one must first join the Ancient Order of Masons.

The Shriners' dues support the hospitals.

The organization did not previously solicit contributions but with the high cost of medical care, found it necessary, Rosolio said.

"It's hard to say how a person gets interested," said the Mason of 54 years and Number One Thomasville Shriner in 1977.

But once interested, the Shriners have become more than a hobby for at least one member.

The funny hats, exalted titles and diamond stick pins mean a way of life which has saved youngsters from personal tragedy.

Any crippled or burned child from infancy to age 15 whose parents' or guardians are unable to pay for necessary medical care is eligible for treatment in the burns or orthopedic centers.●

CHILD OF THE SEVENTIES: A UNIQUE CHILD

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. ROTH. Mr. Speaker, the child of the seventies is a unique child. That theme is woven through an excellent essay by Kathleen Ann Hoida, of Luxemburg, Wis., one of my constituents.

Miss Hoida is the Wisconsin winner of the 1978–79 Veterans of Foreign Wars "Voice of Democracy" scholarship program.

It is reassuring to know that young people such as Kathleen have grasped the real meaning of America's past, present, and future. She has clearly articulated the problems as well as the great possibilities for the United States, placing them in their proper perspective.

I am pleased to bring Kathleen's essay to the attention of my colleagues, with the hope that they will pause for a few minutes to read the words of a very "unique child of the seventies."

VFW VOICE OF DEMOCRACY WISCONSIN WINNER, KATHLEEN ANN HOIDA

America. For two hundred years we've laughed with her, cried with her. We've fought for her freedom and we've fought to keep her free. She was built on the principle that all men are created equal. To us she means baseball, hotdogs, apple pie and Chevrolet. But to the millions of immigrants who have been greeted by the Statue of Liberty in the New York Harbor, America means freedom from persecution and hopes of a better life ahead.

Men with stamina, insight and courage made America what she is today. Men with a dream to fulfill. Men caring for their fellow men. That word, caring. It's a simple six letter word, but it encompasses a vast spectrum of words and deeds so characteristic of our American heritage.

George Washington proved he cared when he accepted the presidency of a young and inexperienced nation.

Good old American ingenuity and the wanting to better life for the American people led Eli Whitney to invent the cotton gin in 1793, and McCormick to invent the reaper some thirty years later.

Abraham Lincoln proved he cared for his fellow man when he instituted the Emancipation Proclamation.

Trace this caring through the years:

The Truman Doctrine and the Marshall Plan together pumped millions of dollars into war torn countries.

Disaster relief teams equipped with medicines and supplies rushed into earthquake stricken Nicaragua.

It was America who did not close her doors to the many Viet Nam refugees.

And today, organizations such as Hope, VISTA, and Care are serving the needy both at home and abroad.

It makes me proud to say I'm an American when I see organizations like the American Red Cross helping people in time or disaster. But it makes me even prouder to see private citizens taking up a collection for a family who has lost everything they own in a disastrous fire.

Certainly, there have been chapters in our History books we are not proud of, for they show the pictures of slavery and depression. But to err is human and by past mistakes we have profited and found courage to face the monumental task of caring for our fellow man. This heritage, I believe, will be passed on by my generation. The child of the 70's is a unique child. He is well educated and protected with the greatest medical technologies the world has ever seen. He has seen the social and economic upheavals of the 60's: The Civil Rights Movement, the Viet Nam War, bombings, and demonstrations. He is strengthened and taught a valuable lesson through their examples. America will survive but only if we take an active voice—not an apathetic and uncaring attitude.

Why do I care about America? How do you put into words the gratitude one feels for being able to vote, for being able to choose my own career, to worship in the church of my choice, to form my own opinions and to make them known. How do we thank the men who defended America when at war or those who did not return home at war's end?

I care for America because I'm indebted to those men who fought for our country and those who continue to fight to keep it free.

I care for America because she strives toward giving people an equal opportunity.

I care for America because being able to call myself an American citizen is an heirloom passed down to us by our forefathers. It's only right that we cherish this gift—it's priceless.

I care for America because in 200 years we've seen this nation rise from a young and inexperienced nation to fifty united states. We've suffered and celebrated with her and felt those growing pains. Now the child of the 70's is faced with the monumental challenge of preserving the heritage our forefathers lived, worked and died for. It's our turn now. Through caring and taking an active voice we will preserve a nation that our children will be proud of. America. I care for her. I'm proud to call her my home.●

NORTH DAKOTA VFW VOICE OF DEMOCRACY WINNER

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. ANDREWS of North Dakota. Mr. Speaker, I am again pleased and proud to submit for the RECORD the winning North Dakota entry in the Voice of Democracy contest sponsored by the VFW and its auxiliary.

Vanessa Tronson of Hillsboro, N. Dak., is this year's winner in our State. The daughter of Mr. and Mrs. Forrest Tronson, Vanessa plans to pursue a career in home economics. She has been an outstanding student and has served as president of the FHA district chapter.

Vanessa's essay stresses the importance of freedom as made possible by our Constitution and way of life. Her words are concise and constructive and they leave no doubt that Vanessa is one young person who appreciates and understands the meaning of being American.

The essay follows:

1978–79 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—NORTH DAKOTA WINNER—VANESSA TRONSON

I care about America because America cared for me first! America produced the first free people and America made its people the most prosperous and powerful people in the world.

When the words free or freedom are mentioned, what immediately comes to your mind? Is it the fact that we have the freedom to go to whatever church we prefer, the

freedom to read whatever we like, or the freedom to say whatever we think? I'm sure these three and many other freedoms would come to mind, but what about the freedoms we take for granted such as:

The freedom to live without fear;

The freedom to raise our children as we see fit;

The freedom to give to charity, and

The freedom to try to make a profit.

These last freedoms are the ones that we as Americans should be the most proud of; yet usually we find ourselves overlooking them. Our forefathers gave us these freedoms because they knew there had to be more to life, and they felt that through such freedoms we as Americans could live a fuller life. Don't you think it is our duty to thank our forefathers by acknowledging these freedoms and in turn being proud to be Americans? America is built on pride, and in order to keep America on top, it is necessary for we as Americans to continue to be proud of our heritage. When I said America is built on pride, I meant it literally, for to me the P is for Participation, R for Responsibility, I for Integrity, D for Determination, and E for Enthusiasm.

Without these five elements, surely our forefathers could not have brought the colonies together and freed them from Mother England, and I care enough about America to keep these five elements alive and working in our society today by the simple action of PRIDE!

Before, I not only said that America produced the first free people, but also that America made its people the most prosperous and powerful people in the world. This is another reason why I care about America. America is the only country that you can actually gain something by working. What I'm trying to say is, have you ever heard of anyone in the USSR working their way up the social ladder? No, and I doubt you ever will because in the USSR their social ladder has two rungs—one at the top and one at the bottom, but in America, the ladder is full of rungs just inches apart, and there are even elevators for those who take the right opportunities and use their talents to the greatest potential.

We know as Americans that if we do strive for something, we will be the ones who gain and this propels us to do our best, while in other countries the citizens merely do enough to get by. This is why America's people are the most prosperous and powerful. We have a drive that is just not found in other countries, and in order to keep this drive alive we have to be proud of what we do and make something to be proud of. This is a two-way street. Now do you understand? America cared enough about us to let us make our own choices. My choice is to care about America because America cared for me first.●

THE PRICE IS HIGH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to insert the following article in the CONGRESSIONAL RECORD which appeared in the Los Angeles Times, January 28, concerning the visit of Vice-Premier Teng Hsiao-ping of the People's Republic of China. The author, George Bush, presents a sobering assessment of the impact of Teng's visit. The article follows:

TENG'S AMERICAN VISIT: THE PRICE IS HIGH

(By George Bush)

What's inside the Chinese fortune cookie?

That's a question that many Americans may be asking as we await the celebrated visit this week of Teng Hsiao-ping, vice premier of China, and the opening of a new era in U.S.-Chinese relations.

To listen to White House officials over the past five weeks, the President's decision to recognize the People's Republic of China should yield three important benefits:

—It should create a strong new network of interests that will curtail Soviet expansion in Asia and reduce the Soviet threat to Western Europe;

—It should open the door to a vast expansion of trade with China;

—And, says the Administration in a distinctly lower key, it should enhance Taiwan's prospects for a secure, peaceful future.

How glorious it would be if all this were true, but it is not—and the Administration knows it is not. As one who once represented the United States in Peking and believes we should be friends with that nation, I have long argued that there are distinct benefits to be realized from normalizing relations with China. Those benefits, however, will be more modest than the Administration pretends. Indeed, they will be far less than they could have been had not the Administration caved in during the negotiating process.

Before we are caught up in all the glamor of Teng's visit, we ought to engage in a hard, realistic assessment of what's involved in this new relationship, and the steps that must still be taken in U.S. foreign policy.

Administration spokesmen talk about their "playing of the Chinese card" (a term the Chinese themselves must find offensive) guaranteeing strategic benefit for the United States in relation to the Soviet Union. The idea is that normalizing relations with China will drive the Soviets to make concessions.

Sadly, the Soviets are not intimidated in the weeks that have followed the President's China announcement. Russian radio transmitters have continually beamed inflammatory messages into Iran.

Soviet Communist Party chief Leonid Brezhnev has also backed out of a planned trip to Washington this month and an early-1979 conclusion of the SALT talks, to show his displeasure at the idea of being upstaged by Teng's visit. And in southern Asia, some 100,000 Vietnamese troops—armed to the teeth by the Soviets—marched into Cambodia and quickly swept aside the pro-Chinese government. It was naked aggression, conceived, in part, to humiliate China.

The fact is that the Chinese, though they have a large standing army, are no overall match today for the military juggernaut of the Soviet Union. It is a delusion to believe that our new formal relations with the Chinese, at least in the foreseeable future, will shift the global balance of power in our favor or will cause the Soviets to pull back.

The Chinese can and should play a useful role in helping to stabilize much of Asia. For many years, Chinese troops posted along the southern rim of the Soviet Union have tied down a fourth of the Soviet army. But we should not expect that full normalization has added a new, magic dimension to containing the Soivets' quest for "hegemony," China's favorite phrase.

Similarly, we should be realistic about commercial prospects with China. With a towering trade deficit—approximately $33 billion last year—it is natural that the President's spokesmen should emphasize their hope for opening naw markets in China. Yet the euphoria surrounding this subject is as superficial as the reaction of English mill owners a century ago: "If we could just add one inch to the length of every Chinese shirt; we could keep the mills running forever!"

There is little doubt that trade and investment opportunities with the People's Republic will increase after normalization, just as they did before. Prior to President Carter's move to normalization, American firms reported progress on long-pending contracts in, among others, the hotel and ore-processing industries. Moreover, there is hope of oil deposits, though nobody knows how much, where or when. It is in our interest and China's to help the People's Republic to develop their oil resources, and in this regard, talks between the United States and China were already well along the way before normalization.

As the Chinese themselves well know, real moderinzation of the Chinese economy will not come easily or soon. Serious weaknesses exist in the Chinese transportation system and other parts of the industrial infrastructure. Per capita income is only $350 a year. The education and technical skills of the population are also limited.

Further, even if they could absorb more of our goods, it is unclear what they could sell us in return over the next few years.

As President Carter and Teng Hsiao-ping discuss these matters this week, they will no doubt address the question of most-favored-nation status, as have most of our major trading partners. With firm guarantees of the security of Taiwan from the Chinese, in the overall negotiations, I would favor the extension of most-favored-nation status to China. By law, however, both the Chinese and the Soviets are now precluded from that status. To grant it to the Chinese, either the 1974 Trade Act must be amended, or special legislation passed; in either case, a snub of the Soviets would be difficult to avoid.

All in all, we should expect only modest gains in our trade with the Chinese. Total trade between our countries runs about $1 billion a year today. No matter how swiftly it grows over the next five years, it would still be significantly less than our current trade with Taiwan, which exceeded $6 billion in the first 11 months of 1978.

Moreover, the Administration seems unwilling to acknowledge that much of this expansion would have occurred even in the absence of formal diplomatic ties. Over the past year and a half, before recent negotiations began, the Chinese were ardently seeking Western technology and our sales to China were rapidly rising. Over the past four months, the commercial pace has again accelerated and many American companies have begun making serious plans for trading with and investing in the mainland. In truth, it was exactly this Chinese eagerness for trade that gave the United States unprecedented leverage in our negotiations over recognition—leverage that we carelessly tossed aside.

Even if the strategic and economic benefits of this deal were tremendous, however, they would hardly justify the way that we handled the third and final issue upon which recognition turned: the future of Taiwan.

For nearly three decades, the United States has firmly guaranteed the safety and security of Taiwan, a pledge that has been repeated by every postwar President. During that time, the people on Taiwan have created a relatively free government and an economy that is the envy of developing nations. Our unwillingness to terminate our treaty with Taiwan offered hope to small countries that wanted to remain free. Our allies in the Southeast Asia Treaty Organization (SEATO) as well as Israel, particularly, noted our determination that the solution to the Taiwan problem be peaceful.

In the negotiations that followed President Nixon's China visit in 1971, the American government always insisted on some guarantee of a peaceful solution to the Taiwanese question. Incredibly, it turns out that the Carter Administration has accepted all of the demands of the Chinese on recognition but has capitulated on our single demand regarding Taiwan. Carter even admitted a few days ago that he asked for the Chinese to guarantee a peaceful solution but, when they refused, he cut the deal anyway. For those who want their Presidents to stand tough in international negotiations—SALT, for instance—that was a very discouraging admission.

Taiwan, apparently, can't count on us for a continued arms supply. When the recognition decision was first announced, the President indicated that the United States would continue to sell arms to Taipei. Then authoritative Peking officials said such arms sales would be unacceptable. In response, National Security Adviser Zbigniew Brzezinski said that Peking and Washington had "agreed to disagree" on the matter, something he inexplicably represented as a concession by the People's Republic. Belatedly, under intense questioning, the State Department revealed only a few days ago that the only arms guaranteed to Taiwan would be those already in the pipeline, and that Washington had agreed with Peking not to furnish new arms to Taiwan in 1979—a year when the U.S. defense treaty with that country is still in effect. What kind of security and arms assistance is that?

The U.S. deal with China is, in fact, both morally shabby and politically inept. The Canadians, for instance, got a better deal eight years ago. The United States gave all, and got nothing—and in the process, broke a commitment that a loyal friend deems essential to its very survival.

As Peter Berger, a professor of sociology at Rutgers, wrote last year, "If there is one universal, indeed primeval principle of morality, it is that one must not deliver one's friends to their enemies."

Berger was writing at the time of refugees fleeing from Vietnam in their small, makeshift dinghies. "These boats," he said, "bear a message. It is a simple and ugly message. Here is what happens to those who put their trust in the United States."

On Dec. 15, President Carter announced normalization of relations. Some euphorically accepted this as a major breakthrough, though in essence the Carter Administration accepted normalization on Chinese terms.

Later, however, many of us who favor better relations with China, but place the maintenance of U.S. credibility worldwide above that, spoke out.

At year's end, Teng made some very helpful statements as to the future of Taiwan. He discussed the fact that Taiwan could continue its form of government once reunification took place, could maintain its army, social system and its economy.

A major requirement of our foreign policy now—one that rivals in importance the talks with Teng Hsiao-Ping this week—is to restore our credibility with regard to Taiwan to the greatest extent possible.

President Carter apparently wants to protect our relations with Taiwan by setting up a semi-private corporation that would act as an unofficial entity in dealing with the "authorities of Taipei." The Taiwanese reject that idea, for they still consider themselves a sovereign state. There is also a significant juridical problem here, for there is no precedent or legal basis for a group of private individuals—or a corporation—to extend binding security commitments to another people. The Executive Branch and the Congress have to do this. Trade might be handled that way, but not defense pacts. We must press the Chinese to put into formal agreement Teng's recent statements on the future of Taiwan.

Beyond that, American diplomacy faces an even larger task: to repair our reputation around the world as a strong, reliable ally in the face of growing Soviet adventurism.

Throughout the postwar period, America's credibility—along with America's military might—has been the glue holding together the non-Communist world. Increasingly in recent years, however, the United States has staked out a clear, unequivocal position, has invited others to join us and then, as counterpressures have built up, has suddenly, inexplicably buckled.

Taiwan was only the latest example. We have also done diplomatic summersaults in Rhodesia. We have twisted and turned in the Middle East. We have left our European allies uncertain about our commitments to a strong military presence. We have bobbed and weaved on human rights. And we have been excessively hesitant about Iran.

Understandably, there is now grave concern in many areas of the world about whether America has the will and the leadership to stay the course against Soviet pressures.

The Administration's maneuvers on the question of China only add to that sense of worry. The extravagant claims of economic and political benefits from new links with Peking, the vagueness of the arrangements with regard to Taiwan, the unseemly haste of the President's action—all of these raise serious doubts whether we are pursuing a coherent strategy in foreign affairs.

There are good and ample reasons for the United States to be friendly with the Chinese. We have great respect and genuine friendship for the Chinese people. We have common commercial interests. We have common strategic interests. And certainly, after the way we were out-traded on normalization, we should respect their adherence to principle.

But China is interested in us largely as a credible deterrent to the Soviet Union. We can't be credible if we vacilate on our principles.

My view is that we should extend to Teng Hsiao-ping a warm and courteous welcome. He is strong, he is tough, he is able, and, after all, he is a Chinese leader who really wants better relations with the United States. He has taken enormous political risks to reach out to the West. We should use these talks to impress upon him a real understanding of the U.S. role in the world. We must impress him with our determination to keep our commitments and should press him to find some formula to guarantee a peaceful solution to the Taiwan question.

Teng has been to the Soviet Union many times. He is deeply concerned about the Soviets' lack of credibility, for, in his view, the record shows that the Soviet Union has not kept its word. Let's not give him cause to further question our credibility by failing to press for some guarantee that will demonstrate to all nations who want our help that we stand for freedom and peace, and that we will protect others who share our view.

China does not want war today. We do not want war. Clearly then, despite the enormous complexities of the Taiwan question and despite China's view of this matter as a purely internal issue, we must press for some guarantee that whatever solution lies ahead will be peaceful.●

NATIONAL NUTRITION WEEK

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of all Members of Congress the designation of March 4–10 as National Nutrition Week. The American Dietetic Association has declared this week as a time for the general public to learn about the latest information about nutrition and food selection for good health.

For over 30 years, the association has sponsored an extensive program of studies and projects in nutrition, food quality, food service systems, and dietetic education programs.

The 247 affiliated associations establish academic qualifications to guarantee the professionalism of dieticians.

In keeping with the goal of good nutrition, the Louisville Dietetic Association has planned a broad range of activities of interest to children and adults alike during National Nutrition Week. Films, radio shows, open houses, and displays will provide information for the community.

I encourage every Louisville area person to take a greater interest in their—and their family's—nutrition habits. Our total personal health is closely related to our total personal nutrition.●

HANDGUN VIOLENCE CLAIMS 455 LIVES IN JANUARY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. DRINAN. Mr. Speaker, the criminal misuse of firearms in this country continues to be a problem of major proportions. The Congress can no longer avoid its clear responsibility to protect the public safety by allowing gun-related crimes to go unchecked. It is time for the Congress to enact tough and effective gun control laws that will put an end to this tragic and scandalous level of violence that permeates life in America.

In a recent bulletin published by Handgun Control, Inc., it has been revealed that 455 media-reported deaths occurred in the month of January—as the result of handgun violence. In the months ahead, I will continue to speak out on this most important issue. I hope that my colleagues will join with me in this effort to stop the proliferation and misuse of firearms. The report of Handgun Control, Inc., follows:

ROLL OF HANDGUN DEAD

America's handgun war continued unabated in the beginning of 1979. According to newspaper accounts, at least 455 American civilians were killed in handgun violence during the month of January. The Handgun Body Count includes the deaths of 20 children under the age of 13 and 34 adults over the age of 60.

The National Handgun Body Count is published each month by Handgun Control, Inc. Handgun Control, Inc. is a citizens' lobby formed by victims of handgun violence to seek passage of a national law to control these deadly weapons.

The National Handgun Body Count is analogous to the Vietnam Body Count. Few Americans realize that more American civilians were murdered with handguns here at home during the Vietnam War than there were American soldiers killed in combat. While the Vietnam War is over, America's handgun war rages on.

This Handgun Body Count is based on a compilation of news reports of handgun violence appearing in the nation's daily and weekly newspapers during that month. The

figure includes murders, suicides, and accidents by handguns. Casualties for January include:

Fort Lauderdale, FL: Emira Scott, 2, was shot to death by an eleven year old. The eleven year old fired a .22 caliber bullet into the little boy's head believing the handgun was a toy.

Dallas, TX: Rodney Joe Stephens, 29, was shot to death after an argument with a fellow construction worker over a $5 loan.

La Mesa, CA: Charlotte Ann Clark was shot to death with a .22 caliber revolver when she and her husband were robbed of a wallet and some jewelry.

Philadelphia, PA: Julia Wallen, 54, co-owner of the Diamond Wallpaper Co. was fatally shot in an apparent robbery.

Memphis, TN: Esaw Harvey, 52, was killed when a shoot-out erupted at a crowded downtown cafe after a man stepped on another man's foot.

ALABAMA (21)

George Anderson, Mobile.
Michael Bethune, Birmingham.
Theodore Bush, Mobile.
Patricia Carr, Bay Minette.
Quasim El-Amin, Montgomery.
Mack Eldridge, Birmingham.
Brenda Huffman, Minnette.
James Lang, Mobile.
Carl McGinnis, Pratt City.
Felton Montford, Birmingham.
Leroy Moore, Birmingham.
Murphy Owens, Moulton.
John Porth Jr., Gulf Shores.
Ervin Reid, Oneonta.
Ruby Robinson, Eufaula.
Vernon Ward, Atmore.
Tommy Wesson, Birmingham.
Unidentified man, Birmingham.
Unidentified woman, Birmingham.

ALASKA (2)

Mohammad Alayoubi, Fairbanks.
Ann Louise Stewart, Anchorage.

ARIZONA (6)

Chana Alderman, Tucson.
Francisco Barienta, Phoenix.
Gregory Curtis, Paradise Valley.
John Dunbar, Tempe.
Betty Jenkins, Scottsdale.
Robert Williams, Phoenix.

ARKANSAS (12)

Freddie Brewer, Portand.
Valton Brinson, Hope.
Worley Burks, Malvern.
Ronnie Edwards, Zion.
L. D. Hayes, Marked Tree.
David Helms, Oil Trough.
Bernard Jones, Little Rock.
Allen Miller, Gurdon.
Anthony Moss, Dermott.
Timothy Tompkins, Benton.

CALIFORNIA (83)

Norman Alexander, San Luis Obispo.
Laura Avolos, Harbor City.
Stephen Bianucci, Morgan Hill.
Francis Burkhard, Los Altos.
Charles Bystrom, San Rafael.
Lary Carroll, Wallace.
Arturo Cervantes, Long Beacr.
Charlotte Clark, San Diego.
John Cromer Jr., Somis.
Charles Deal, Brawley.
Curtis Ford, San Bernardino.
Louarna Gillis, Los Angeles.
Antanacio Gomes, San Diego.
Jerry Granillo, Los Angeles.
Claudia Hanson, Malibu.
Major T. Hensen, El Monte.
Thomas Hufnagel, San Francisco.
Levina Jackson, Arcata.
Mark Johnson, San Francisco.
Gabino Mendoza, Stockton.
Larry Mercy, Oakland.
Helen Mestler, Hemet.
Mike Mihan, Oak Run.
Leroy Moody, Los Angeles.
Rene Moreau, Los Angeles.
Sandra Morris, Los Angeles.
Daniel Nack, Oxnard.
Harold Nakano, Atwater.
Boris Naumoff, San Francisco.
Willian Newton, Yuba City.
Louis Olio, Fontana.
George Palmer, Los Banos.
Carol Pendray, Sonora.
Joseph Pittman, Huntington Beach.
Ted Reddick, Ceres.
Roger Reed, Twentynine Palms.
Gail Roger, Daly City.
Robert Ryan, Costa Mesa.
Maria Souza, Santa Clara.
James Urquhart, Brawley.
Jay Valentine, Hollywood.
Rudy Villa, San Diego.
Louis Viscarra, Los Angeles.
Gary Watson, Oakland.
Elgin Webb, Fremont.
Daniel Whealton, Santa Clara.
Unidentified male, Costa Mesa.
Unidentified male, Los Angeles.
Unidentified boy, San Francisco.

COLORADO (3)

Katherine Baker, Denver.
Leslie Cargill, Pagosa Springs.
Donald Schneider, Grand Junction.

CONNECTICUT (4)

Yves Lafiamme, Willimantic.
Marlys Manning, Trumbull.
Rosetta Scott, Hartford.
Earl Tweedie, Stamford.

DELAWARE (1)

Sherman Myers, Wilmington.

DISTRICT OF COLUMBIA (7)

Rose T. Dole.
James Gardner.
Robin Gleaton.
Gregory Hawkins.
Barry Leibowits.
Robert West.
Unidentified male.

FLORIDA (29)

Rosa Barnes, Lakeland.
Martin Baum, Stuart.
Freeman Bradley, Dania.
Joe Brock, Homestead.
Brenda Compton, Hollywood.
Roscoe Givens, Jr., Sanderson.
Mitchell Hobbs, Winter Haven.
Bobby Holland, Homestead.
Eugene Lento, Fort Lauderdale.
James Lewis, Lakeland.
Erma Moore, Kissimmee.
Louis Naimoli, Fort Lauderdale.
Christopher Fyle, Fort Lauderdale.
Joyce Reed, Orlando.
Clyde Revell, Jr., Sopchoppy.
Maida Richards, Winter Haven.
Rubin Sanchez, Lantana.
John Shaw, Sarasota.
James Small, Jacksonville.
Robert Stanton, Miramar.
James Stillman, Daytona Beach.
Robert Timberlake, Jr., St. Petersburg.
James Walton, St. Petersburg.
Verida Walton, St. Petersburg.
Mackey Wilson, Fort Lauderdale.
Unidentified male, Fort Lauderdale.

GEORGIA (22)

Hubert Atkins, Jr., Acworth.
Lemuel Clark, Columbus.
Claude Collie, Atlanta.
Lillie Cummings, Milledgeville.
Vernon Curry II, Mount Vernon.
Angelo Favors, West Point.
Bernice Favors, Atlanta.
Annette Garnto, Augusta.
Pamela Gregory, Macon.
James Hannah, Augusta.
Kattie Henderson, Atlanta.
James Hill, Thomasville.
Kenneth Lloyd, Aiken.
Phil Merritt, Atlanta.
Willie Miller Jr., Thomasville.
James Mitchell, Statesboro.
James Nelson Jr., Dublin.
William Schmidt, Brunswick.
Tim Tarpley, Columbus.
George Vann, Columbus.
Unidentified Boy, Roswell.

IDAHO (3)

Anna Farias, Heyburn.
David Nylander, Twin Falls.

ILLINOIS (26)

Gregory Davis, Chicago.
Marvin Fourt, East St. Louis.
Jose Guiterrez, Chicago.
Donnie Harris, Mt. Erie.
Jerome Henderson, Chicago.
Hederstene Holley, Elgin.
Marilyn Johnson, Chicago.
Santo Lopez, Chicago.
Gwendolyn McGee, Elgin.
George McGregot, Chicago.
Jose Mendiola, Sauk Village.
Bijam Moshkelgosha, Chicago
Kathy Passmore, Chicago.
Robert Plochocki, La Salle.
Christopher Rajca, Chicago.
John Rajca, Chicago.
Theodis Rayford, Chicago.
Bennie Russo, Chicago.
David Santander, Chicago.
Isaac Santos, Chicago.
Wanda Shaw, Carrollton.
Earl Teets, Chicago.
Elizabeth Teets, Chicago.
Gary Teets, Chicago.
Unidentified Child, Chicago.

INDIANA (5)

Joseph Andert, Elkhart.
Donald Meade, Warsaw.
William Scott, Fort Wayne.
Bruce Thomas, Terre Haute.

IOWA (1)

Kenneth Carter, Des Moines.

KANSAS (3)

Dudwig Dulka, Leavenworth.
Gregory Essman, Topeka.
Delmer Terry, Kansas City.

KENTUCKY (10)

Davy Cotton, Madisonville.
William Fanning, Catlettsburg.
Johnny Gordon, Danville.
Elmer Isaacs, Richmond.
Louella Johnson, Lexington.
Raymond McCallister, Greensburg.
William Rourk, Versailles.
Glenn Terry, Hazard.
Norman White, Frankfort.
Eugene Wyrick, Cythiana.

LOUISIANA (49)

George Akers Jr., New Orleans.
Barnaby Almarales, New Orleans.
Jeannette Andrepont, Baton Rouge.
Horace Broussard, New Orleans.
Cecil Bryant, New Orleans.
Veaster Carron, Port Barre.
Kenneth Carter, New Orleans.
Daisy Clark, New Orleans.
Lamar Cook, Oak Grove.
Rebecca David, Lake Charles.
Robert Ebler, New Orleans.
Jimmy Fisher, New Orleans.
Joseph Gauthier, Washington.
Larry Glover, Leesville.
Joe Graham, Lake Providence.
Jim Guess, New Orleans.
Ervin Guillory, Ville Platte.
Dorothy Hancock, New Orleans.
Carmen Harper, New Orleans.
Samuel Hudson, Oak Grove.
Albert Jones, New Orelans.
Sharon Jones, New Orleans.
Barbara Kringer, Baton Rouge.
John Littleton, Monroe.
Ollie Meadows, Joyce.
Raymond Pablo, New Orleans.
Bobby Parish, Shreveport.
Joseph Sanders, Monroe.
Michael Sanders, Shreveport
Leola Scott, Laplan.
Joseph Seraphine, Baton Rouge.

Mrs. Billy Shell, Joyce.
Jeffrey Sherry, New Orleans.
Henry Silver, New Orleans.
Ralph Smith, Bogalusa.
Michael Taylor, Port Allen.
Wesley Thomas, Jr., Shreveport.
Fred Thompson, New Orleans.
Nadine Van Acker, New Orleans.
Reine Ward, New Orleans.
Ann Weill, Baton Rouge.
Frank Williams, New Orleans.
Preston Wyatt, Shreveport.
Unidentified woman, New Orleans.
Unidentified male, Monroe.
Unidentified male, Monroe.

MARYLAND (16)

Joseph Brandon, Baltimore.
Pleasant Broadus, Baltimore.
Hattie Dixon, Baltimore.
Roosevelt Evans, Baltimore.
Melvin Fox, Hyattsville.
Fannie Holly, Kentland.
Dwight Ingram, Baltimore.
Sonia Knudson, Baltimore.
David Livengood, Oakland.
Robert McNeill, Hyattsville.
Ray Overfelt, Baltimore.
William Simmons, Baltimore.
Betty Smith, Baltimore.
Andre Stokes, Baltimore.
Alan Trimakas, Baltimore.
Flora Washington, Columbia Park.

MISSISSIPPI (2)

Ronnie Patterson, McComb.
Konstance Somerville, Vicksburg.

MISSOURI (14)

Ladell Barnes, Kansas City.
Matthew Brannan, Holts Summit.
Larry Cadero, Kansas City.
John Cox, St. Louis.
Marvin Fourte, Phillipsburg.
Patricia Gibson, St. Joseph.
Harold Ingram, Wood River.
Steven Drumm, St. Louis.
John Maddox, Dexter.
John Meadows, Kansas City.
Jacqueline Shipley, St. Louis.

NEBRASKA (2)

Zemrie Allen, Lincoln.
Ward Williamson, Lincoln.

NEVADA (2)

Frederick Merrill, Henderson.
James Stevens, Henderson.

NEW HAMPSHIRE (1)

Max Boynton, South Pomfret.

NEW JERSEY (4)

Jeffery Griggs, Asbury Park.
Randolph Miller, Newark.
Oscar Royster, Elizabeth.
Joseph Rybka, Hackensack.

NEW MEXICO (4)

Canuto Alarid, Santa Fe.
Robert Sisneros, Alcalde.
Rosita Trujillo, Santa Fe.
Rubin Wells, Albuquerque.

NEW YORK (5)

Giovanni de Costanza, N.Y. City.
Craig Madden, N.Y. City.
Aaron Miller, N.Y. City
Cornell Moon, Yonkers.
Joseph Page, Buffalo.

NORTH CAROLINA (9)

Larry Dameron, Morgantown.
Aubrey Lee, Fayetteville.
Randall Norris, Brevard.
Carl McGinnis, Birmingham.
Billy Wellborn, Deep Gap.
Barbara Yokely, Gumtree.
Gerald Yokely, Gumtree.
Michael Yokely, Gumtree.
William Yokely, Gumtree.

NORTH DAKOTA (2)

Robyn Josephson, Hazen.
Russell Josephson, Hazen.

OHIO (7)

Ralph Britton, Cleveland.
Gerald Kaye, Cleveland.
Gust Mentzelos, North Canton.
Patricia Mentzelos, North Canton.
William Motley, Cleveland.
Joy Nagy, Mansfield.
Willie Seay, Cleveland.

OKLAHOMA (7)

Roy Akehurst, Ada.
W. E. Biggs, Oklahoma City.
Susan Galemore, Bartlesville.
Dale Gray, Oklahoma City.
Wilma Speaks, Oklahoma City.
Ivan Witty, Shawnee.
Unidentified male, Tulta.

OREGON (3)

Jerome Bernard, Oregon City.
Michael Montgomery, Portland.
Robert Stimson, Eagle Point.

PENNSYLVANIA (21)

Gregory Allen, Philadelphia.
Roland Beauford, Philadelphia.
Larry Burgess, Philadelphia.
Michael Cifelli, Philadelphia.
Joseph Dancey, Philadelphia.
Pamela Guidon, Steel City.
James Harvey, Philadelphia.
Fredrick Hetzel, Philadelphia.
Van Johnson, Philadelphia.
Zedric Jones, Philadelphia.
Clarence Leitzel, Freeland.
Larry McCauley, Philadelphia.
Larry Moore, Homewood.
James Morrow, Philadelphia.
William H. Mullelly, Philadelphia.
Joseph Palian, Philadelphia.
Glen Richardson, Pittsburgh.
Michael Smith, Philadelphia.
Joseph Trahey, Philadelphia.
Julia Wallen, Philadelphia.
Marcel Woods, Pittsburgh.

SOUTH CAROLINA (1)

William Coulette, Columbia.

TENNESSEE (24)

Sharon Anderson, Knoxville.
Kenneth Brooks, Lafayette.
John Burk, Memphis.
Danny Collier, Waverly.
Morris Dunahoo Jr., Nashville.
Esaw Harvey, Memphis.
Allen Joe, Memphis.
Mary Johnson, Memphis.
Robert Johnson, Shelbyville.
Robert Johnson, Memphis.
Louis Lacroix, Memphis.
Leroy Lawhorn, Memphis.
Hobson Looney, Memphis.
William Manus, Nashville.
James McCullough, Memphis.
Bertha Nelson, Memphis.
Henry Reed, Nashville.
Norman Roake, Nashville.
Barry Robert, Memphis.
Barry Simmons, Memphis.
George Weaver, Memphis.
Harry Wilcox, Chattanooga.
Wayney Williams, Nashville.
Unidentified male, Nashville.

TEXAS (37)

Joe Banda, San Antonio.
Iva Byrd, Lufkin.
William Cage, El Paso.
Towanda Carson, Wichita Falls.
Abel Colazso, San Antonio.
William Courtney, El Paso.
Bobby Craddock, Denton.
Raymond Dalrymple, Fort Worth.
Michael Evans, Tyler.
Maria Flores, Fort Worth.
John Garcia, Snyder.
Leonard Garcia, San Antonio.
Mary Garner, Gladewater.
William Garner, Gladewater.
Elmer Green, Big Spring.
Bobby Hill, Lufkin.
Wendell Hooker, Carthage.
Albert Lawlis, Houston.
Bennet Mays Sr., Beckville.
Barbara McCauley, San Augustine.
David Morales, Richmond.
Manuel Pedrosa, Dalhart.
Joseph Pelich, Fort Worth.
Gilbert Rico, Luling.
Manuel Sierra, Freeport.
Rodney Stephens, Dallas.
Kimberly Strickler, Houston.
Donald Townsend, San Antonio.
Louis Valigura, Forestburg.
Eugene Vandervilt, Big Spring.
Roger Ward, Corsicana.
Charles Watkins, Texarkana.
Ron Weitinger, Houston.
Michael White, Houston.
Coral Williams, Fort-Worth.
Unidentified male, Dallas.
Unidentified boy, Houston.

UTAH (1)

Bruce Bannister, Annabella.

VERMONT (1)

Roger Willard III, Burlington.

VIRGINIA (14)

John Bell, Fairfax.
Harry Blakey, Fredericksburg.
Christopher Buckingham, Springfield.
Lynn Craft, Wise.
Edward Hall Jr., Wise
James Hess, Honaker.
Otis Payne, Meherrin.
Jesse Robertson, Norfolk.
Lynn Robertson, Norfolk.
Margaret Sanderson, Chesterfield.
Maude Thompson, Marion.
Buxton Wade, Suffolk.
Bishop Wright, Collinsville.
Unidentified male, Norfolk.

WASHINGTON (4)

Tony Nelson, Shelton.
David O'Neal, Lacey.
James Staudacher, Spokane.
Unidentified male, Seattle.

WISCONSIN (8)

Jamie Jones, Milwaukee.
Alfred Knutson, La Crosse.
Barbara Kringer, Milwaukee.
Donald McVicar, Chippewa Falls.
Alvin Nicholson, Milwaukee.
Gerod Nowak, Milwaukee.

LATE ADDITIONS

Harry Rumpf, Milwaukee, Wis.
Shirley Keith, Dallas, Tex.
Albert Gibson Jr., Fort Pierce, Fla.
Cecil Thomas, Fort Pierce, Fla.
Manuel Martinez, Hinsdale, Ill.
John Conley, Little Rock, Ark.
Charles White, Decatur, Ala.
Junior Henderson, Courtland, Ala.
Debra Smith, Tampa, Fla.
Wanda Thorla, Shreveport, La.
Timothy Montgomery, Washington, Mo.
Robert Jackson, Frederick, Okla.
Karen Bay, Neenah, Wis.
Harry Nolan, Lilbourn, Mo.
Pam Atkins, Evansville, Ind.
Gene May, Albuquerque, N. Mex.
Barbara Burch, Amite, La.
Dean Carter, Oroville, Calif.
Young Hoi, Oroville, Calif.
Jim Ferguson, Idaho Falls, Idaho.
Alberta Morgan, Lompoc, Calif.
James Knight, Neosho, Mo.
James Horne, Houston, Tex.
Harold Parks, Ashdown, Ark.
Alfonso De La Rosa, El Paso, Tex.
Dennis Bates, Terra Bella, Calif.
Rene Petrosky, New Braunfels, Tex.
Elizabeth Vickers, New Braunfels, Tex.
Unidentified male, Albuquerque, N. Mex.
Unidentified boy, Roswell, Ga.

SOMERSET BOROUGH CELEBRATES ITS 175TH ANNIVERSARY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. MURTHA. Mr. Speaker, I am very pleased to insert into the CONGRESSIONAL RECORD some remarks commemorating today as the 175th anniversary of the incorporation of Somerset Borough.

By action of the Pennsylvania General Assembly the borough was fixed as the county seat and the seat of justice, with three courthouses in its history. The borough has withstood the destruction of three major fires.

Somerset Borough has grown and changed in that time and certainly holds a very warm spot in the heart of all of us from the area. It has often been called "the Roof Garden of Pennsylvania" because of its beautiful surrounding mountains and countryside.

The area around the town has been a center for agriculture, coal mining, and fine maple sirup, but more recently it has become internationally known as a resort area, both in summer and winter. Somerset Borough has benefited from the tourists and visitors to the area, and those individuals have become friends of this beautiful community.

Somerset Borough has a rich historical background and continues to expand and grow with the future. It is a pleasure for me to insert these remarks into the CONGRESSIONAL RECORD showing its outstanding past and promise for a wonderful future.●

STUDY OF HOUSE COMMITTEE MEMBERSHIPS

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. CARR. Mr. Speaker, Alan Katz, a capable intern on my staff just completed a study of the 96th Congress House committee rankings by age of Members and terms of service by Members. Although I made no particular interpretations of the data, it does point out that the turnover rates of the committees vary greatly. For the interest of Members and students of the Congress I include Mr. Katz's chart in the RECORD:

House committee on—	Rankings by mean service length	Rankings of committees by mean age	Member's average age	Member's average length of service (terms)
Rules	(1)	4	51.6	5.80
Appropriations	(2)	1	55.5	5.59
House Administration	(3)	3	52.6	5.04
International Relations	(4)	6	50.8	4.97
Armed Services	(5)	9	49.3	4.44
Merchant Marine and Fisheries	(6)	15	47.1	4.32
Judiciary	(7)	2	53.9	4.29
Budget	(8)	12	47.9	4.28
Small Business	(9)	8	49.4	4.16
Ways and Means	(10)	7	49.7	4.14
Government Operations	(11)	12	47.9	4.10
District of Columbia	(12)	5	51.0	3.80
Education and Labor	(13)	10	49.0	3.56
Interstate and Foreign Commerce	(14)	13	47.8	3.40
Banking, Finance and Urban Affairs	(15)	14	47.5	3.17
Interior and Insular Affairs	(16)	17	46.4	3.00
Veterans Affairs	(17)	11	48.1	2.97
Agriculture	(18)	16	46.7	2.95
Public Works and Transportation	(19)	10	49.0	2.70
Science and Technology	(20)	16	46.7	2.54

Note: Average length of service (in terms) may vary because of incomplete terms. Lengths of individual terms of service and seniority may differ because of our inclusion of previous terms of service.●

LIBYAN SUPPORT FOR LATIN AMERICAN TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. McDONALD. Mr. Speaker, for some years now it has been well known that the Libyan military dictatorship headed by Col. Muammar Qaddafi has become the major middleman for the distribution of Soviet arms to many terrorist groups in the Middle East, Asia, and Western Europe. Not only is Libya providing facilities for the training of foreign terrorist groups, but it also provides extensive logistical support necessary for terrorists to reach their goals. This logistical support has included money, false identity documents, passports, the use of Libyan diplomatic pouches for smuggling weapons to terrorists, propaganda, and the use of Libya as a safe haven for fugitive terrorists.

Among the groups that have received Libyan support are the Japanese Red Army, the Irish Republican Army (IRA), the Basque ETA in Spain, the Moro National Liberation Front in the Philippines, the Palestine Liberation Organization (PLO) and its member groups, and the so-called "Carlos group" of West German and Palestinian terrorists led by Venezuelan Ilich Ramirez. Furthermore, Libya has backed revolutionary groups attacking the governments of Egypt, the Sudan, Chad, Ethiopia and Iran, among many more.

Based on an implacable hatred of the Western European countries and the United States, Colonel Qaddifi and his regime have found no ideological impediment to extensive and close collaboration between their Socialist People's Libyan Arab Jamahiriyah and the Soviet Union and its satellites in Eastern Europe and Cuba. The Soviet Union, which clearly prefers to have its clients be their proxy in direct sponsorship of terrorist groups, has found most useful the Libyans' frenetic zeal for destabilizing by violence and terrorism not only the countries of Western Europe and the United States, but also the governments of the free world's allies and trading partners in the Third World. Furthermore, Libya's collaboration with the Soviet bloc extends further to the diplomatic arena and to the close work of the Libyan secret policye (Mukhabarat) with the KGB which has been reported extensively by the European intelligence community.

Since 1976, when Libya commenced formal diplomatic relations with Cuba, Libya has moved noticably closer to the Soviet camp. Now that Cuba is so heavily extended in Africa and the Middle East as surrogates for the Soviet Union and perhaps cannot readily spare the manpower to train and back scores Latin American terrorist groups, Libya is moving into this field. The groundwork for this involvement of Libya in Latin American revolutionary affairs was laid early in 1977 when Cuban dictator Fidel Castro made a 10-day state visit to Libya at the time Qaddafi changed the country's name from "Libyan Arab Republic" to the "Socialist People's Libyan Arab Jamahiriyah."

A variety of agreements were signed pledging Libyan and Cuban cooperation in support of terrorist "liberation movements" in many countries, and politically in what is referred to as the "Non-Aligned States" movement which include Vietnam, North Korea, Mongolia, Cuba, Libya, Ethiopia, Algeria, the People's Democratic Republic of Yemen (Aden) and other Soviet clients. Castro's visit was followed by a state visit by General Omar Torrijos, the Panamanian dictator alined with Castro who received pledges of solidarity and support for his campaign to take control of the Panama Canal and Canal Zone.

Since that time, Libya has begun to take a Cuba-like role with Latin American revolutionaries. The "World Conference of Solidarity with the People of Chile" held inLibya under the sponsorship of the World Peace Council (WPC), an internationally active organization controlled by the International Department of the Central Committee of the Communist Party of the Soviet Union and by the KGB which promotes Western disarmament while providing logistical support to terrorist groups, brought together representatives not only of the Havana and East Berlin-based Marxist Chilean Unidad Popular parties, but also representatives from their support groups in Western Europe and the Americas and members of other Latin American Marxist revolutionary groups. The

conference also provided the occasion for Libyan officials and PLO representatives to meet with and evaluate the Latin American revolutionaries.

Now that conference has been followed by a January 25 to February 1, 1979, meeting in Benghazi, Libya, promoted by Libya as the "first conference of the revolutionary progressive organizations and movements" of Latin America.

Reportedly, representatives of more than 100 groups, including "all the liberation movements and progressive forces in Latin America," attended. Predictably, Libya has not announced a full list of those attending the conference, but among the groups who took part were the Montoneros of Argentina who have active exile groups in Rome, Paris, Spain and Sweden; the Frente Sandinista de Liberacion Nacional (FSLN) of Nicaragua; revolutionaries from Costa Rica who have been acting in a support capacity for the FSLN and closely related revolutionary terrorist groups in El Salvador and Honduras; and parties of the deposed Unidad Popular of Chile, including the militant United Popular Action Movement (MAPU) and the terrorist Movement of the Revolutionary Left (MIR).

The presence of the MIR in Libya is of particular significance. The MIR terrorists, Castroite communist ideologically but in its earlier stages with strong Trotskyite links, was trained and armed by the Cuban DGI and even some North Korean instructors who entered Chile under the Allende government, acting under the direction of the Soviet KGB. With strong ties to the leftwing of Salvador Allende's Chilean Socialist Party and with Allende's nephew among the top MIR leadership, the MIR was to form the nucleus of President Allende's "auto-coup" to seize absolute dictatorial power in Chile.

In 1974, after Allende's Unidad Popular coalition had been desposed by a military coup, theMIR became a founding member of the Junta de Coordinacion Revolucionaria (JCR), the Revolutionary Coordinating Committee formed by the MIR of Chile, the People's Revolutionary Army (ERP) of Argentina, the Tupamaros of Uruguay, and the Army of National Liberation (ELN) of Bolivia. Originally operating primarily in Argentina, the JCR is now based in Havana.

The JCR took its name from a phrase in Che Guevara's speech read to the 1966 Tricontinental conference in Havana, and it has encouraged other Latin American revolutionary terrorist groups to form similar coordinating committees, particularly in Central America.

According to Radio Tripoli, the purpose of the Latin American conference was exactly that: "the drawing up of a unified plan of struggle aginst fascism and imperialisms of all types in America." And Radio Tripoli quoted Libyan Foreign Affairs officials as having noted that this unification of strategy for Latin American revolutionaries had been recommended at the December Chile Solidarity meeting.

However, another aspect of the conference appears to have been to coordinate transnational terrorist attacks by the Latin American terrorists against Israel and Jewish targets in Latin America on behalf of the Palestine Liberation Organization. According to an Ecuadorean press account, one of those believed to be attending the conference was Greek Catholic Archbishop Hilarion Capucci, who had been sentenced to a 12-year prison term in Israel for smuggling guns for the PLO. He was released by an agreement between the Vatican and Israel, and had been living in Caracas, Venezuela. However, the Archbishop violated the terms of his release by returning to Syria for the meetings of the PLO's political front, the Palestine National Council (PNC).

The PLO, World Peace Council, and Latin American terrorist networks came together in Mexico, in February 1978, and gave public indications of preparations for transnational terrorist activities involving mutual support. On February 5, 1978, the day following the close of the WPC's "Latin American Peace Conference" in Mexico City, the FSLN's chief representative to Cuba, Jose Benito Escobar, and Issam Sli of the PLO's Marxist Popular Democratic Front for the Liberation of Palestine (PDFLP) signed a joint communique of support and solidarity. The two terrorist leaders found common cause in denouncing Nicaragua for buying ammunition from Israel and for maintaining diplomatic relations. Shortly afterward, there were reports that PLO members had offered to "volunteer" to assist the FSLN, which has already been receiving various forms of support, apparently including Panamanian "volunteers," from its supporters in Costa Rica, Panama and Venezuela.

There can be no question that these activities of Qaddafi and company are totally unacceptable to the American people and to the U.S. Government. When Libya ceases to back international terrorism and when it ceases to sponsor subversion against its neighbors, then and only then should the United States consider establishing diplomatic and economic relations with Libya.

I would also like to point out to my colleagues an article on the important role in the terrorist PLO taken by Archbishop Capucci written by Lester Kinsolving, who is an ordained Episcopal priest as well as editor of the Washington Weekly. Reverend Kinsolving's article on the involvement of radical Christian religions with the PLO was published in the March 6 edition of the Washington Weekly.

The article follows:

ARCHBISHOP JOINS P.L.O.—BREAKS POPE'S PROMISE

(By Lester Kinsolving)

While The Vatican does not recognize Israel, Pope Paul VI recognized Israel's President long enough to write asking him a favor. On Oct. 31, 1977, His Holiness wrote a letter addressed to "His Excellency Ephraim Katzir, President of the State of Israel" which noted:

"We are deeply concerned at the present serious health condition of Archbishop Hilarion Capucci, Melchite Patriarchal Vicar of Jerusalem, detained in an Israeli prison."

The Papal letter did not specify the nature of the "serious health condition" of Archbishop Capucci, whose Melchite, or Greek Catholic rite is one of the Eastern Rite, or Uniate bodies in the Middle East which while retaining much autonomy, are in communion with the Vatican and acknowledge the Pope as their ranking Patriarch.

Pope Paul's letter also did not mention why Capucci was detained. For Capucci had been arrested, tried, and convicted after Israeli intelligence halted his Mercedes Benz automobile on the way to the West Bank in 1974, and discovered under the seats, in the trunk and inside the door panels of this ecclesiastical vehicle: ten hand grenades, two revolvers, four Russian submachine guns and and a number of plastic bombs.

Even more weapons and explosives were found in Capucci's East Jerusalem residence—after which Capucci signed a confession that he had not only been a smuggler of guns and bombs, but was the paymaster of the terrorist organization Al Fatah.

Israeli intelligence had more reason to suspect the latter admission, in view of Capucci having reported what The Jerusalem Post called "the biggest burglary in Israel's history." For on April 5, 1977, four months prior to his arrest, the Archbishop reported that his residence had been robbed of $250,000 in foreign currency, as well as $2,250 in jewelry and other valuables.

This was acutely embarrassing to the Vatican, on two counts: (1) It is against Israeli law to possess so much foreign currency. (2) On that same April 5th, Pope Paul issued a 13-page exhortation to the world's 800 million Roman Catholics, in which he noted:

"Unfortunately the Church in the Holy Land is lacking in material means. . . . It is not possible to ask the local faithful for sufficient help, since many of them have barely enough to keep themselves alive.

Despite this, Pope Paul wrote to President Katzir:

"We therefore ask your Excellency to be so good as to make use of your prerogatives of clemency as President of the State of Israel in favor of Archbishop Hilarion Capucci, and to have him released from prison, and we are confident that his release will not be detrimental to the State of Israel."

President Katzir, now retired, might have pointed out to the Pope that had Capucci been caught by his native Syria in the act of running guns and bombs for Israel, he would have suffered the same fate as famed Israeli spy Eli Cohen: a televised public hanging in a city square of Damascus. Katzir might even have had a subordinate return the Papal plea, with the envelope marked "Addressee Unrecognized By Sender." Instead, Katzir replied to the Pope five days later:

"Fully recognizing the significance and the importance of your request and the weight which attaches to your expression of confidence that the matter will not be detrimental to the State of Israel, I hereby accede to that request."

Three days later, the released Archbishop was in Rome being very detrimental to the State of Israel, by telling the Beirut daily Al-Nahar that his gun and bomb running "was a duty imposed upon me by God and my conscience."

The Vatican decided that it might be wise (despite "serious health conditions") to send this Archbishop on a trip—to Latin America, to visit Melchite churches. Capucci arrived in Caracas and promptly informed the Venezuelan newspaper Momento that he felt justified in "having recourse to violence in order to seize my rights."

Two months later, Capucci appeared on Venezuelan TV to announce that he had asked Venezuela's president for permission to open a Venezuelan office for the Palestine Liberation Organization.

One year later, after his South American tour, Capucci arrived in Damascus and was elected to the Executive Council of the P.L.O., despite the fact that there is no organization in existence which is more totally "detrimental to the State of Israel."

Thus far, the Vatican has rather limply announced that Capucci's Damascus appearance was made without authorization. There was no word that Capucci will be ordered out of the Middle East, or out of the PLO, or into a monastery, or excommunicated for breaking what he knew to be the Papal promise, under which his twelve-year prison term was reduced to three years.

From Pope John Paul II comes no word as to whether he will back up the promise of a predecessor—even though the honor of the Papacy is at stake.

Honorable Catholics throughout the world will certainly want the Holy Father's credibility to be better than a former Anglican (Episcopal) Archbishop in Jerusalem, the Rt. Rev. Najib Cuba'in. For in 1969, when one of his priests, the Rev. Elia Khoury, helped blow up Jerusalem's Supersol supermarket (killing two Hebrew University students and wounding dozens more) Archbishop Cuba'in wrote the Israel authorities:

"It is clear that the Rev. Elia Khoury has taken upon himself not to associate in any illegal or terrorist activities against the State of Israel. Knowing him well, I am sure he will keep his promise."

In June of 1974, the Rev. Elia Khoury (who was deported in 1969 and is now Archdeacon of Aman—and financially supported by U.S. Episcopalians who contribute to his diocese) was elected to the Executive Council of the PLO.●

THE PRESSMAN FAMILY FINALLY WINS FREEDOM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. LEHMAN. Mr. Speaker, far too seldom does a Member of this body have the privilege and satisfaction of receiving a letter such as the one which arrived in my office recently.

The letter I speak of was written by Galina Pressman on behalf of herself, her daughter Jane, 15, and her husband Mikhail. The Pressmans are Soviet Jews who for 3 years sought permission to leave their native Russia.

From the time they applied for an exit visa the Pressman family underwent a severe change in their lives. Mikhail, an economist, had been a city planner in Kiev until he requested that the Soviet Government allow his family to leave. He was fired and was subsequently forced to find employment sweeping floors in a jewelry factory.

Who can say what effect this persecution, so common for Soviet Jews wishing to emigrate, has had on the family? Galina Pressman saw her husband's education discarded and her daughter's adolescence victimized by antisemitism.

For the Pressmans, unlike the many other Jewish families still in the Soviet Union who seek to leave, the saga of persecution and harassment in their lives is hopefully over. They are now in Rome after having finally received exit visas.

In spite of all the hardship, however, this family has taken the time to write a letter of thanks to the many Americans, including Members of Congress, who spoke for them and other families, urging the Soviets to grant the Jews of Russia the fundamental right to a life of their choice in the place of their choice.

This action by the Soviet Government in freeing Galina, Jane, and Mikhail Pressman is welcomed. We only look to the day when the unknown hundreds and perhaps thousands of others like the Pressmans will also see their wishes granted.●

RECOGNIZING TWO GOVERNMENTS OF ONE CHINA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following article by my colleague in the Senate, the Honorable JESSE HELMS, discusses what I believe to be the primary problem created by President Carter's decision to recognize the People's Republic of China. As Senator HELMS eloquently notes, the reality of Asian politics is that there are two Chinas, and it is ridiculous for the United States to insist that only one "People's Republic of China" is worthy of recognition.

Although I believe that some sort of "normalization" was inevitable, essential and necessary diplomatic move, the United States is in the same position as before; our official policy is to ignore an important Asian regime, and a longtime friend, that has substantial influence and importance in world affairs. As I have stated on several occasions, I favor the "two-Germany" solution to the Chinese problem, so that the United States can properly recognize the realities of Asian politics which are evident to all of us.

I commend the following article to my colleagues:

RECOGNIZING TWO GOVERNMENTS OF ONE CHINA

(By Jesse Helms)

President Carter believes that his action in switching diplomatic recognition from Taipei to Peking is "recognizing simple reality." But reality is not that simple. The reality is that China is one country, with one part of its territory controlled by Taipei and the other part by Peking. If the president is interested in recognizing reality, he should recognize both governments.

Our unimaginative China experts apparently convinced the president that he was faced with an either/or situation. But the fact is that recognition of both governments would not prejudice the claims each makes to the territory controlled by the other. The United States has never endorsed the claim Taipei makes to the mainland; the Mutual Defense Treaty of 1954, for example, specifically limits our obligations to the territory of Taiwan and the Pescadores. The 1972 Shanghai communique clearly contemplated the settlement of the Taiwan question by the Chinese themselves. It did not contemplate that the United States would intervene in the situation by complete capitulation to Peking's view.

It is all the more surprising, therefore, that the president's unilateral statement of Dec. 16 adopts the exact language demanded by the P.R.C. in Shanghai, namely, acknowledgment that Peking is "the sole legal government of China." This is a dangerous fiction, since it presumes the eventual incorporation of Taiwan into the territory controlled by Peking—by bloody military conquest or by peaceful assimilation through diplomatic and economic pressure after "a decent interval."

The people on Taiwan have no guarantee that the United States will not scuttle their economic interests, just as we have now scuttled their political interests. They have no guarantee that their former ally (that's us) will not withdraw the nuclear-fuel sales needed to keep their electrical generators going, or cease to supply military equipment and spare parts when demanded by Peking.

White House talk about "business as usual" with Taiwan is obscene when the president knows that daily life for a Chinese on the mainland is life stripped of family, religious, property, economic, intellectual, cultural, philosophical and political rights. Even the right to eat on the mainland is on a short leash: The barely sufficient ration for each registered household is valid only in the community where the regime says a person must live.

Nor can it be argued seriously that the people of Taiwan will be protected by our unspoken agreements with Peking (or should they be called unspoken non-agreements?). The fantasy that Peking is moving toward stability, moderation and modernization is dispelled by recent events. Two months after former secretary of state Henry Kissinger held his first secret meeting in Peking with Chou En-lai, Lin Piao died in a plane crash fleeing from his attempt to assassinate Mao Tse-tung. One month after President Ford held discussions with Teng Hsiao-ping, represented then as "the most powerful man in China," the anti-Teng campaign was launched which brought Teng's downfall and eclipse within 90 days. Three years later, Teng is back.

President Carter's crude *coup d'etat* while the Senate was out of session strikes at the heart of the constitutional role of the Senate in foreign policy. The advise-and-consent power is not limited to treaties and ambassadors. The Senate is unique in that it partakes not only of legislative functions, but of judicial and executive functions as well. The Federalist Papers conceived of the Senate as a sort of cabinet of advisers for the president, who would help him reach a national consensus on foreign affairs. When the states gave up their powers to conduct foreign policy, they were to be compensated by the participation of their senators in the formation of a national outlook.

What could the Senate have contributed to the China policy? The president could then have realized that there was virtually no opposition to the recognition of Peking as such. The opposition is to the recognition of Peking as the sole government of China.

The president would also have discovered that there was no anxiety in the Senate to rush to recognition at any cost. He would have found, no doubt, that there is a firm conviction in the Senate that Peking is obsessed with the Soviet threat and would have come to reasonable terms fairly soon in any case. He would also have come upon a great deal of dismay over a policy apparently designed to benefit only two special-interest groups in the United States: The big businessmen whose greed is such that they want to make quick profits out of Chinese slave labor, and administration ideologues anxious to bring prestige and financial support to international socialism so as to deter the Soviets from attacking us.

Taiwan has been Shanghaied. The United States should move quickly to repair the damage. We should ignore both Taiwan's self-defeating demand that no nation can have relations with both Chinese governments, and Peking's blood-price that Taiwan be jettisoned. We should move to recognize both governments in the territory each controls—not "two Chinas" but "one China with two governments."

The minimum is that there be government-to-government relations with Taiwan, even if Congress has to establish such relations through a special commission. In addition, Taiwan's representatives here must be freely chosen and have a status tantamount to diplomatic immunity. Finally, Taiwan's security must be bolstered by an immediate sale of high-performance aircraft, such as the F16.●

THE GAS-RATIONING PLAN

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mrs. HOLT. Mr. Speaker, in a recent meeting of the House Budget Committee, I asked James Schlesinger, Secretary of Energy, about the cost of administering and enforcing the gasoline-rationing plan. He said the cost would be $2 billion a year.

I then asked him whether the rationing plan could ever be made to work effectively, and Mr. Schlesinger replied that this would require "patriotic cooperation." He said that the gasoline rationing of World War II started to break down after 9 months.

I recall that World War II was a period of intense American patriotism in which the overwhelming majority of people were willing to make sacrifices to support the war effort. Today the Congress is being asked to approve a gas-rationing plan to cope with an artificial energy shortage created mostly by foolish Government policy.

The administration and the Congress have pursued a policy of preaching conservation and maintaining price controls. Any rational person knows that conservation and price controls are contradictory.

It is impossible to have meaningful conservation of any resource or product when its price is regulated below the market level. It is equally impossible to control prices below market levels and have adequate production.

The most elementary understanding of economics tells us that the price of any product should reflect its true value, the demand in relation to supply. We also know that rising prices and profits generate more investment and production.

So, what is the policy of the U.S. Government? We have price controls, which throughout all history have always produced shortages and/or illegal transactions.

To show the people that their Government is working hard to solve the energy problem, the Carter administration and the Congress created a Department of Energy costing the taxpayers $8 billion a year.

It does not produce energy. It produces regulations that discourage production. The cost of the Department alone is a drain on capital which could find more productive use in the private economy.

President Carter's Department of Energy has now given us the standby energy conservation and gasoline-rationing Plans, which are a tribute to all those who want all power concentrated in the Federal Government.

Let us be very clear about the import of these plans. An attempt by Government to control energy distribution is an attempt to totally control the economic life of the country.

Rationing and other allocation schemes would require a huge and expanding enforcement bureaucracy, but the heavy oppression of Government control would only produce a vast expansion of illegal activities.

Rationing could produce such rampant corruption that the remaining public confidence in Government would collapse, and what would come next?

Price controls followed by rationing followed by expansion of harsh and despotic enforcement machinery—this is a logical progression. I cannot believe that a people whose highest value is freedom would tolerate this.

The only efficient way to achieve energy conservation and stimulate investment in energy production of all kinds is deregulation of prices and repeal of other restrictive controls.

Many alternative sources of energy will be produced when they become economically competitive with petroleum, and the investment will be made when the price is right.

The American people must be told bluntly by our leaders that the days of cheap energy are gone forever, but we can have adequate energy supply if we are willing to pay the price.

In a free economy, price provides the discipline for conservation and production. Price controls prevent conservation and discourage production. Rationing expands Government instead of supply.●

SCIENCE AWARDS TO BRONX SCIENCE HIGH SCHOOL STUDENTS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. BINGHAM. Mr. Speaker, I am proud to announce that four students from the Bronx High School of Science, Arani Bose, Ken Liu, Samuel Shaffer, and Brian Frederick Sheppard, are among the 40 Washington, D.C., trip winners of the 38th Annual Talent Search for the Westinghouse Science Scholarships and Awards.

Since the date of its founding in 1938, Bronx High School of Science students have been outstanding. Ninety percent of the students who continue on to college, graduate with degrees in math, science, or other related fields. Furthermore, 70 percent of these same students continue their educations and earn doctor of medicine or doctor of philosophy degrees.

The accomplishments of the staff and the students at the Bronx High School of Science enhance and enrich not only the community which I represent, but also communities across the Nation. I have been astounded at the number of successful and influential people I meet in other cities who graduated from Bronx Science. Some of these include Secretary of Defense Harold Brown, Dr. Thomas W. Matthew, first black American neurosurgeon and founder of Negro, a black self-help organization; Harrison Goldin, the Comptroller of New York City; Professor Leon Cooper of Brown University who received the Nobel Peace Prize for Physics in 1972; and Victor Gilinsky, U.S. Nuclear Regulatory Commissioner.

I commend the students and the faculty of this fine school for their dedication in achieving and maintaining such high standards of academic excellence.●

ALLEGATIONS OF SYSTEMATIC ISRAELI TORTURE ARE GROUNDLESS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. LEHMAN. Mr. Speaker, the recent widely publicized allegations of systematic torture of Arab prisoners by the Israeli Government are unreasonable and are not based on evidence by any recognized authority.

In my opinion, the International Red Cross is the most authoritative source as an independent agency charged with monitoring such violations of human rights. The International Red Cross is notified within 14 days of imprisonment of any individual from the administered territories and is entitled to conduct its own medical examinations. In addition, representatives of the Red Cross are able to regularly visit those imprisoned. Officials of the Red Cross have refuted the accusations of mistreatment on grounds that no evidence of systematic ill-treatment of prisoners in Israel's jails exists. Edward M. Mezvinsky, U.S. delegate to the Human Rights Commission of the United Nations, reported that the Red Cross found absolutely no evidence of any systematic mistreatment of Arab prisoners in Israel. The State Department's human rights report concurs in this judgment.

While no one denies that instances of individual mistreatment may have occurred, there is overwhelming evidence that such occurrences have been very few in number. This is notable in light of the intensification of terrorist activities in Israel during 1978. One hundred twelve incidents occurred within Israel's boundaries, 73 of them in Jerusalem. Fifty-four deaths and 315 injuries resulted from these terrorist activities in 1978. With the increasing daily threat against the lives of all Israeli citizens, who enjoy no human rights in the eyes of terrorists, Israel's human rights record is remarkable.

The misleading publicity was based on two cables sent by a former foreign service officer assigned to the U.S. Consulate in Israel. The reliability of this source has been seriously questioned. There are simply no facts supporting the

assertions made in the cables. Ms. Alexandra Johnson, the foreign service officer who authorized the cables, held interviews with only 29 Arab prisoners, several of whom were motivated in their responses by their desire to be granted visas to the United States.

Systematic torture is abhorred by the Israeli Government and its use is a criminal offense. Israel has fully cooperated with the International Committee of the Red Cross and with various other international groups who monitor the treatment of Arab prisoners. Allegations of torture in Israel have also been examined by a team of French jurists which concluded that these accusations have no factual basis.

Reports that have no substantive basis but receive such wide publicity should be suspect at a time when the sensitive peace talks are being revived. Unsubstantiated reports of abuse nevertheless have a harmful effect on Israel's image and undoubtedly affect her bargaining position at the talks. Such accusations merely cloud the real issues and distract us from the significant problems not yet resolved in the peace talks. Nevertheless, I am convinced that these human rights accusations are untrue and that a secure peace treaty for Israel with Egypt is still a possibility.●

SOCIALIZED MEDICINE NOT THE ANSWER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. SYMMS. Mr. Speaker, most of my colleagues are aware of my long-standing opposition to attempts which are now being made in both the House and the Senate to introduce legislation which would abolish the American health care system as we now know it. Socialized medicine, in my opinion, will only open a Pandora's box of bureaucratic ills which, once in place, cannot be easily remedied.

I would commend to my colleagues a letter published in the Arizona Republic, November 11, 1978, by Sally Anne Hayes of Peterborough, Ontario. As the letter states, socialized medicine has not been the cure-all some had hoped for. Indeed, it has caused the quality of health care in Canada to plummet.

CANADIAN HEALTH PLAN IS CALLED FAILURE

On Oct. 9, Sen. Edward Kennedy was seen on Canadian and American television blatantly praising socialized medicine and using six unfortunate Canadians to help bolster his argument that the United States should adopt a national health scheme. Newspaper reports included his premise that national health care is a human right and his claim that "the plan is working fine in Canada and other countries."

This nonsense cannot go unchallenged. After almost 10 years of socialized medicine in the province of Ontario under OHIP, consider the following:

Our medical profession is all but enslaved; health costs soar, but the helpless Ontario citizens are forced to continue paying for this burgeoning monster because we are allowed no alternative to the government monopoly on health insurance; both patients and doctors are accused of abusing the "system"; the amount of government meddling, bureaucratic build-up and administrative costs is mind-boggling; many of our doctors have now or plan to opt out of OHIP and others are leaving the country in ever-increasing numbers; our hospitals which have all been taken over by the province now face shutdowns, strikes, cutbacks and insurmountable red tape; our ambulance costs have risen dramatically; many nursing homes have already been closed and the rest are being threatened with the same treatment if they do not measure up to the government dictates.

Yet Kennedy has the unmitigated gall to try to con the American people into believing that our government scheme is "fine." Don't you believe it! It is not fine. It is not even fair. It is bad, and things are getting worse.

As Leonard Peikoff wrote in 1962, "Consider the reports coming out of England, Holland, Hungary, and all the rest of the countries which have embraced socialized or semi-socialized medicine. The degrees and details vary; the essence of the pattern remains the same: First the government announces free medical care for everyone—then there is a sudden, insatiable, endless stampede . . . for medical attention—then the doctors, crushed by impossible overloads abandon, in despair, the attempt to treat each patient's problems thoroughly and conscientiously; increasingly, doctors turn into traffic directors, routing people out of their offices in three- to five-minute appointments per patient . . . meanwhile the bureaucrats, dismayed by the endless flow of money pouring into the bottomless pit of patients, begin to clamp down more and more severely— . . . the restrictions and the forms in triplicate multiply . . ."

Unfortunately for us, Peikoff can now add Canada to his list.

As hard as Kennedy and others might try to convince you differently, the outcome of socialized medicine is just this predictable. If the government is paying the bill, then a bureaucracy must be set up in order to account for the public funds being spent. As a logical consequence, it will ultimately be the government who will decide who deserves and receives its funds, what a particular service is worth, what services are necessary, and indeed the conditions will be made. And, as all of us know from firsthand experience, government agencies are not the epitome of efficiency and sympathy.

Not only has Kennedy erred in assessing the Canadian situation, but he is also wrong in his basic assumption that medical care is a human right. What about the rights of those who are forced to provide this service? When my tap is broken, I have no absolute claim on the services of a plumber. In a free country, that workman decides whether or not he will look after my need. The services of a doctor are no different, in spite of the fact that they may be much more crucial to me. Because I am ill, I should have no legal claim to any other free man's services, nor is it moral to ensure, by law, that all my fellow citizens must pay for my recovery. Yet this is exactly what a public health scheme does. It enslaves some for the benefit of others. And if we calmly sit back and allow some, indeed any, of our fellow citizens to be reduced to servitude for our benefit, then we deserve no less than the same treatment when the state decides that our services are somebody else's human right.

Government-run medicare is not humane, nor is it economical or even in the best interests of its citizens. Bondage never is. Many of your fellow Americans and doctors are fighting to avoid the same plight that we now have in Canada. Many are escapees of socialized medicine from other parts of the world. Help them. For in doing so, you are helping yourself to avoid our fate. Medical skills are too precious for you to risk losing your doctors when they finally get fed up with government bureaucrats telling them how, when and where they shall work. For no matter how expensive the private health plans seem to you, they are cheap compared to the cost in taxes and liberty that you will pay under a government scheme.●

ISRAEL MERITS UNITED STATES SUPPORT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. SOLOMON. Mr. Speaker, the recent turmoil in Iran has shown just how quickly political instability can manifest itself, with results extremely detrimental to national interests of the United States. Because of the events in Iran, Israel's strategic importance to the United States has taken on a new dimension, and it is vital that the United States maintain its commitment to the security and stability of the State of Israel.

A column in the Washington Star of February 26 by Alan M. Tigay, editor of the Near East Report, points out very clearly just how important, strategically, Israel is to the United States. I commend his column to the attention of my colleagues:

AN ALLY NOT VALUED TO ITS MERIT

(By Alan M. Tigay)

The White House not long ago put together a task force to find ways to improve the ability of American intelligence gatherers to predict political instability in countries of critical importance to the United States. The need for such a study is obvious in light of the way Iran's turmoil took the Carter administration by surprise.

But one lesson from the Iranian crisis should be clear without another intelligence review—the importance of Israel to U.S. interests in the Middle East.

Yes, Saudi Arabia is more important to the United States in the post-shah Middle East; so are Egypt and Jordan. But unlike those countries, no study is needed to demonstrate Israel's political stability, military strength and self-reliance democracy and—most important in light of recent events—its record of changing governments peacefully.

No other American friend in the area can make those claims and none is likely to enter Israel's league as far as stability is concerned for a long time.

The problem the State Department has always had in attaching too much importance to Israel is that, despite its stability and reliability, it is the enemy of every other nation in the region, including some reasonably friendly countries that have huge oil reserves.

Rather than viewing Arab oil wealth as an argument for downplaying Israel's importance to the U.S., however, the administration should view it as an incentive for using its influence to move Israel and its more moderate neighbors closer together for the sake of peace and regional stability, not to mention U.S. interests. The administration has had some success in moving Israel, and Egypt together but has failed dismally with the rest of its presumed friends in the Arab world.

Over the years Israel has given the United States immense strategic rewards. Foremost has been intelligence, the area where Washington seems to have made major blunders in Iran. There have been reports, in fact, that Israeli intelligence warned us more than a year ago of the shah's impending fall, but that the reports were discounted.

Israel is also a deterrent to Soviet designs in the region. "The ability of the U.S. to protect its security interests in the Middle East is closely linked, if not dependent on, the maintenance of a potent Israeli military capability in the area," said a letter sent to President Carter last month by 170 retired generals and admirals.

"A U.S. interagency study on the global military balance concluded recently that, in the event of a non-nuclear conflict in the Middle East, Israel, by itself, 'might deter Soviet combat forces intervention or prevent completion of such deployment,'" the letter asserted "If not for the proven capability of the Israeli armed forces, we would be forced now to station a significant number of men and substantial materiel in that region."

The benefits America derives from Israel accrued out of a tiny initial investment—in the form of political recognition in 1948—that was based more on emotion than strategic consideration. Large-scale U.S. aid didn't reach Israel until this decade. Israel developed its intelligence, its military and its democracy on its own. This contrasts with other regimes—Iran and South Vietnam come to mind, but there are others—that virtually have owed their existence to the United States and which, despite much larger initial investment from Washington, have had a nagging tendency to crumble.

The Carter administration has consistently expressed a general commitment to Israel's security. When Ambassador Ephraim Evron recently presented his credentials, the president commented on Israel's strategic importance to the United States. Nevertheless, the strategic aspect of U.S.-Israel relations has not been reflected in the administration's policies.

Intermittent pressure on Israel during the peace negotiations, the clear title toward Egypt and Saudia Arabia, and the apparent failure to recognize Israel's enhanced strategic importance in view of the upheaval in Iran all suggest that, despite occasional statements to the contrary, the administration sees the Jewish state as a strategic liability.

U.S. policy makers have yet to learn all the lessons of Iran. While Carter's statement on Israel at Evron's welcoming ceremony was an encouraging sign; more such signs are needed. For if the administration doesn't recognize a truly stable ally when it sees one, it is unlikely to benefit from an intelligence study on predicting events in the grayer areas of global stability.●

NAC HONORS DIX HILLS STUDENT

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. AMBRO. Mr. Speaker, last Saturday, I had the pleasure of attending the National Academy of Sciences' 38th Annual Science Talent Search Exhibition here in Washington. It is with great pride that I point out that among the 40 high school students who won this national competition in scientific scholarship is a young man from my own congressional district on Long Island, Ernest M. Moy of Dix Hills.

A student at Half Hollow Hills High School, Ernest's truly outstanding academic achievement in the field of science is a credit not only to himself, but also to his parents and his school's faculty which has done such a remarkable job in educating this most talented young American. To be recognized by the distinguished National Academy of Sciences is something in which Ernest Moy can take great pride.

As a member of the House Science and Technology Committee, I work on almost a daily basis with the most eminent scientists this Nation has produced. Their contributions to our American way of life are too numerous to list, but I believe all Members of this Chamber will agree that without their diligence and their talent, this Nation would be much different than the magnificent place it is today.

There is no doubt in my mind that it is just a matter of a few years before Ernest Moy of Dix Hills, L.I., joins the American scientific community as one of its most promising members, if that indeed is his choice. The recent designation by the National Academy indicates that his abilties are commensurate with that challenge.●

HOSPITAL COST CONTAINMENT

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. BROYHILL. Mr. Speaker, President Carter will send Congress today his revised legislative proposal to control hospital costs. As many of my colleagues from the 95th Congress will recall, this is an issue which was heavily debated in the House and Senate last year. Numerous hospital cost control proposals were under consideration in four separate subcommittees. But, no resolution was reached due to the complexity and controversial nature of the subject matter.

With the introduction of the President's new bill today, we can expect another long debate in the Congress over the merits of interjecting additional Federal regulation into the private, health care sector. My constituents tell me that they want less Government intervention. They also tell me that they want a balanced Federal budget. While I certainly recognize the need to control rising health care costs, I must admit that I have little faith when Government officials talk about cutting costs; they never mention that Government itself is one of the chief contributors to those costs.

For this and many other reasons, I support the industry's "voluntary effort" to address the problem of rising hospital costs. I believe we should give the industry ample time to continue to prove itself without the undue threat of Federal control "hanging over its heads." It seems to me that we should foster the industry's efforts and not hinder the progress with the prospect of Federal controls being triggered in.

In addition to the "voluntary effort" I would also like to take this opportunity to bring to my colleagues' attention another private sector alternative to curbing health care inflation. Appropriately, it comes from the National Chamber of Commerce of the United States. The chamber's program, called health/action, provides detailed, practical recommendations on how business can help apply private, voluntary solutions to health care problems at the local level, thereby improving health and containing costs. Generally, the chamber's health/action program recommends that a greater effort be made by business to help instill more competition, cost consciousness and individual responsibility for health into the health care system.

The health/action program is explained in a two-part kit: First, national health care strategy, a series of five reports sponsored by the National Chamber Foundation and conducted by Inter-Study of Minneapolis, a leading public policy research firm; and second, health/action, a guide for business and community leaders to help start and follow through on the recommendations from the five strategy reports.

These health/action kits are being made available to business leaders across the country. For my colleagues who would be interested in reviewing the kits in more detail, I would suggest that you contact Jan Ozga of the chamber at 202/659-6108. In the interim, and over the course of this week and part of next, I am going to insert in the RECORD summaries of each of the five reports beginning tomorrow with report No. 1 "How Business Interacts with the Health Care System." I hope that this information will be useful and informative for my colleagues in their understanding of the complex field of health care. Additionally, I hope that this material will be useful to Members of Congress as they study the President's cost control bill and the other legislative alternatives which have as their basis some form of added Federal regulation.

At this point, I am having included in the RECORD a listing of reasons for rising health care costs in order to prefix the report summaries which will follow in the next 5 legislative days. This summary, as well as those for the five reports, have been prepared by the chamber and are available in the complete set of health/action kits.

SOME REASONS FOR RISING HEALTH CARE COSTS

The United States has an excellent but expensive health care system. Most supporters and critics of the system agree on this point. According to the Congressional Budget Office, there are three major causes for rising health care costs: higher prices (55 percent), higher utilization rates (35 percent), and population increases (10 percent). These factors, in turn, are related to the following underlying problems:

Government Programs. Although rising steadily for at least a quarter of a century, health care costs skyrocketed after 1966, the very year the federal government implemented tax-supported Medicare and Medicaid, making more health services financially available to elderly and poor persons. These persons traditionally require more health services than other members of society. As a result, for the first time the increase in the cost of medical care surpassed the increase in the cost of living. Although in the future there may be fewer poor persons, the number of persons 65 and over is expected to increase.

Hospitals. More than 40 percent of the nation's health care dollar pays for hospital bills. Some hospitals oversupply and overtreat in their effort to provide quality care. In some cases, this is influenced by reimbursement policies of health insurance; in other cases, an oversupply of resources con-

tributes to the problem. There may be as many as 200,000 empty beds in United States hospitals, half of which may be totally unnecessary to meet normal requirements. It costs an estimated $20,000 a year to maintain each of these beds. Also, in an effort to attract physicians and provide the best possible care, some hospitals have bought expensive diagnostic and treatment equipment. This machinery not only is costly to buy, but it is expensive to operate and staff. And, in some cases, it duplicates similar units in neighboring facilities.

More than 42 percent of all hospital board members are business people. Are they making the same sound management decisions for hospitals as they do for their own businesses?

Physicians. About 20 percent of the nation's health care bill goes for doctors' bills. However, about 70 percent of all health care decisions are made by physicians. Rightfully, these decisions have focused more on the quality than on the cost of services. However, more care may not necessarily mean better care. Also, the threat of malpractice suits has forced doctors to practice defensive medicine, such as ordering more tests, prescribing more drugs, and conducting more procedures than may be necessary. Such practices and the higher cost of malpractice insurance also drive up costs.

Many physicians tend to specialize in specific disease-oriented services and to locate in major metropolitan areas, creating medically underserved rural and inner city areas and describing the availability of primary care practitioners. Incentives often are lacking for physicians to practice in needy areas. Again, business is the major private financer of physicians services and should have a role in influencing policies and programs to help correct problems associated with the geographic and specialty distribution of physicians.

Health Insurance. More than 90 percent of all Americans have some protection against financial losses due to illness or injury. This percentage includes private and public health insurance. But health insurance has tended to encourage the use of the more expensive hospital care rather than outpatient services. Not enough policies provide coverage for preventive or outpatient services.

Since reimbursement is generally made after-the-fact, there is little or no incentive to curb costs. Under the present system, the more health services provided, the greater the total reimbursement.

More than 80 percent of all health insurance is bought through the workplace, with employers paying about 70 percent of the cost. Thus, business is a major participant in this development.

Delivery Systems. Between health care providers and insurance reimbursement lies the issue of how care is delivered. Increasingly, savings are being demonstrated by prepaid group medical practices, also called health maintenance organizations (HMOs). Here patients pay doctors to keep them healthy, not just to treat them when they are sick. Also, because more care is delivered in an outpatient setting, hospitalization is reduced. Thus, the HMO deals not only with delivery, but with the organization and financing of health services.

Yet, despite the advantages of HMO-like operations, government policy and private involvement have often retarded the growth of such plans, which is just the opposite of what is intended. The original stringent federal HMO law is a case in point. Business is in a prominent position to improve this situation, and, because of federal law, will eventually be drawn more into this issue.

Government Regulations. In 1977 it cost business nearly $2.8 billion to comply with regulations issued by the Labor Department's Occupational Safety and Health Administration (OSHA). Millions of dollars more were spent complying with the Life Safety Code requirements imposed by the Department of Health, Education, and Welfare. These are only two of the many agencies which have a costly impact on the health care industry.

Inflation. As in the rest of the economy, inflation plays a major role in higher costs, including items such as increased salaries for personnel and higher overhead such as utility costs. But, equipment and techniques have improved over the past 10 years, so long-term cost comparisons can be misleading.●

THE ENERGY SHORTAGE

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

●Mr. MAVROULES. Mr. Speaker, energy is a matter growing in importance with each passing day, and it must be acknowledged not with words, as in the past, but with firm, well-directed action. Time is running out, however. The need to resolve the ever-larger threat of energy shortage is upon us today.

The Arab oil embargo of 1973–74, the subsequent, continuing price escalation of crude oil, and now the Iranian oil shortage should be enough to alert us that our energy house is not in order, our efforts have been half-hearted and unconvincing, and have fomented an atmosphere of panic. Needless to say, our economy has suffered as well.

But we have not learned from these events. Each new initiative by the administration seems to make us more dependent on outside energy sources and farther removed from a study of energy alternatives like coal and the sun. In human terms, each new initiative seems to take a pound of flesh from each and every American in terms of dollars, comfort and convenience. The President's recent gas rationing and sales restriction plan is a case in point.

Today, I ask that we begin a new dialog of the crucial issue of energy self-sufficiency, but this time with purpose and direction. I ask, additionally, that we enter into this task with open minds for fresh ideas and a concern, finally, for what is best for our great land.

The answers to our energy problems have not appeared, for the hard questions have yet to be asked. But before those of us participating in this dialog can ask these questions, the barricades surrounding the free flow of energy information must be brought down. Toward that end I commend to my colleagues the following articles, respectively, from the New Republic and the Saturday Review, both of which I found informative and also instructive: "The Oil Crisis that Isn't" by S. Fred Singer and "Solar Energy: Our Bungled Energy Policy" by Steven Ferrey:

THE OIL CRISIS THAT ISN'T

(By S. Fred Singer)

Anyone who isn't confused about whether there is an Iranian oil crisis has not been listening to the US government. President Carter and Treasury Secretary Blumenthal say no crisis is yet at hand. Energy Secretary James Schlesinger says not only that conservation is necessary, but that government fuel allocations, Sunday gas station closings and even rationing are on the horizon. Senator Jackson, who often echoes Schlesinger's sentiments, is predicting dollar-a-gallon gasoline. Who's right? I say the president is closer than Schlesinger, whose dramatic statements are in danger of misleading Congress and panicking the public. The cutoff of Iran's oil exports has set the Chicken Little crew of assorted academic, journalistic and government doomsday prophets to work, smacking their lips and wringing their hands. Maybe this is it, they say. Maybe God, or rather Allah, is finally punishing us for our sinful, wasteful ways.

But there is no crisis, nor need there be one in the future, unless we make one ourselves. And we surely will do just that if we resort to such controls as mandatory allocations and rationing. These would be designed to maintain a system of price controls in the US while world prices of crude oil rise. This price gap is a sure prescription for "shortages." We should have learned from the Arab oil embargo of 1973-74 that intervention with the market for oil and oil products causes all kinds of fearful dislocations, real shortages, economic harm, and many inconveniences. We should remember that Holland and Israel, which were nominally embargoed by the Arabs, never had lines at gas stations, but they had no price controls on oil either.

Let us review some facts about the present oil cutback. Iranian exports have dropped from about five million barrels per day (mbd) to zero for several weeks now. It could be months before substantial exports are resumed. Even when they are, some experts guess that exports will remain below three to four mbd—not just because Khomeini wants to save oil for future generations, but because the wells won't produce more without skilled Western technicians. In the meantime, however, other countries, principally Saudi Arabia, have increased their production to take advantage of the shortfall; they sell their additional oil at much higher prices on the spot market—and at great profit. Taking into account this additional production, the net shortfall for the world at present seems to be about two mbd, which neatly matches the reported drawdown of oil stocks, reported at two mbd. The current "shortage" should therefore be close to zero.

To gain some perspective on these numbers, consider that total world production, (and consumption), is about 60 mbd. Normal OPEC production is over 30 mbd, and US consumption is nearly 20 mbd. The world shortfall of two mbd is only some three percent of production. If everyone would reduce oil consumption to 97 percent of last years then there should be no problem.

If the Iranian cutoff persists for a very long time, something like the following will happen. The market will balance itself, but at a price approximately 10 percent above what it would have been otherwise. World consumption will decrease by perhaps one to two percent and some additional production will come in. A 10 percent increase in the price of oil is nothing to sneeze at. It amounts to about $1.40 per barrel (of 42 gallons). But it is not a calamity either, because it only comes to about three cents per gallon of gas when the price increase is passed through on a dollar-for-dollar basis. In the U.S. where only half of the oil is imported, the effective increase will be less than three cents. It will be even less if we figure out how to use our great current surplus of natural gas to substitute for oil in various energy applications, such as heating and electricity generation.

If the facts are so unthreatening, you might ask, then why are some oil companies already reporting, shortages and promising reduced allocations in the future? Why is Shell rationing gasoline? Why do some companies complain that they may have to close down their refiners for lack of oil? There is an answer for everything: these companies, large or small, want something—usually relief from regulations or often just more money. Note that while Standard Oil of California reports shortages, Standard Oil of Ohio reports that it has "oil coming out of its ears" (*The Wall Street Journal*, February 2). While Exxon warns of problems ahead, some oil production is shut in in California, and much more oil could be gotten out of Alaska by installing more pumps along the pipeline.

Shell Oil is rationing unleaded premium gasoline, but that has nothing to do with the Iranian cutback. It has a lot to do with the fact that gasoline prices have been regulated in such a way that Shell has not been able to build the necessary refinery capacity. Small oil refineries now are pinched for oil and clamoring for government allocations. But their problem is that they had been buying oil on the spot market because they made more money that way. Now that spot prices have gone up above contract prices, they want government help. It's a familiar story, just like that of the farmers demonstrating at the Department of Agriculture.

It certainly is strange that so many oil companies warn of cutbacks in deliveries of 10 to 20 percent when the world shortfall is only three percent. Perhaps they find it more profitable to sell some oil on the spot market in countries where there are no price controls; certainly they could lose money by importing higher-cost spot oil into the United States. The Gulf Oil Company imports from Iran but has not announced any cutbacks. "I find it difficult to conceive of physical shortages or rationing," says Warren B. David, Gulf's chief economist. He says that the international oil companies "are still flexible enough to transfer oil around," and he thinks the world could do without Iran's oil for the next few years, if Arab producers maintain their output.

But what if Saudi Arabia stops its extra production and Iran remains shut in? That would be serious, but not a calamity. The price would rise some more—about another 10 percent. But what if all of OPEC were to stop its production? Now, that *would* be the equivalent of the sky falling—calamitous, but not very likely.

Fortunately, we have some independent indicators of how serious the world situation actually is. Countries that drew huge quantities of their oil from Iran—South Africa (90 percent), Japan (20 percent) and Israel (60 percent)—have not flown into a panic. They are all buying oil elsewhere, even if it costs slightly more, and even if the cost must be passed on to consumer. Significantly, the Israelis have not raised the matter; US oil guarantees under the 1975 Sinai agreement whereby they gave back captured oil wells to Egypt. There are other indicators of a non-crisis: the strategic petroleum reserve on the US gulf coast is not being tapped by the Department of Energy, nor does DOE have plans to do so. The oil-sharing arrangement of the International Energy Agency has not been activated, yet, though one shouldn't exclude this possibility, only because bureaucracies the world over want to prove their worth by showing activity.

As is normally the case, the consumer countries are sharing the world shortfall in production through the usual market mechanism of prices, using private and national oil companies and many oil brokers. Clearly South Africa and Japan are bidding oil away from other consumers by offering a little more money on the spot market. Spot prices are reported to be as much as 2. percent above long-term contract prices. This is not a cause for worry. During the 1973–74 embargo, spot prices ranged up to 800 percent above the contract prices. Of course, if spot prices for the incremental oil stay up high, they will put pressure on contract prices and gradually force them up—but by a lot less.

The US buys only five percent of its oil from Iran. In addition, we have a glut of natural gas. And we have huge coal supplies. Why, then, does the Department of Energy want to conjure up a crisis when there isn't one? Is it yet more self-justification by the bureaucracy? Or is Schlesinger, the CIA and Pentagon veteran, intrigued by international crises? Do the regulators want more attention, more money and more political power?

All of these motivations may play a part, but I suspect that this crisis is being conjured up to create a political climate in which it is easier to push through policies which the bureaucracy deems to be important. Ever since Jimmy Carter uttered his famous "MEOW" (Moral Equivalent of War) in April 1977, there has been agitation for a National Energy Plan—really any kind of plan, just as long as it could be said that the government got an energy plan out of Congress. The plan itself keeps changing, with most of the original items abandoned. After insisting for two years on a price regulation scheme for oil that is even more onerous than what we have now, DOE now reportedly wants to deregulate oil, perhaps adding a large severance tax to siphon off "windfall profits." This is not a bad idea even though some people, including the editors of *The Washington Post*, hold the droll view that controls cannot be lifted when prices are rising. Anyway, Senator Jackson has promised us one-dollar gasoline *plus* mandatory allocations; so there is really nothing to lose by freeing prices. Another major DOE goal, also worthy, is to persuade Congress to repeal the law forbidding export of Alaskan oil. This would make way for an eventual doubling of Alaskan production, and full production in California. If Alaskan oil could be exported, it could be swapped for Mexican or other oil to be shipped to the East Coast—with everyone gaining in the transaction. Still other DOE objectives, involving considerable emotion, have to do with slowing down environmental regulations on coal burning, and delaying the phase-out of lead additives in gasoline in order to conserve oil. All these goals, some good, some less so, may be achievable in a crisis atmosphere.

So the Iranian cutback does have some uses. The DOE has been a little slow to catch on to the fact that the cutback in Iran was potentially larger than the 1974 Arab embargo. But now it has found that a "crisis" pays, and is pursuing it with great vigor. The oil companies can also be relied upon to blame shortcomings on the Iranian "crisis," and OPEC, of course, has already used the cut in Iranian production as a pretext for announcing a price increase of 14½ percent for 1979. (Because of expected inflation, the real price rise is expected to be only about five percent.)

There is another use for the Iranian oil cutoff—a political one which may have major significance for us. An important lesson can be drawn from the present Iranian experience, namely, that a future oil embargo is not likely to hurt the US, or other Western nations for that matter. Right now we have an embargo in every respect but name. During the height of the Arab oil embargo, the shortfall in oil production was only two mbd, which is about the present situation. The only essential difference—and an important psychological one—is that nobody refers to the Iranian cutoff as an embargo. Therefore it has made far less impact on the world except to raise oil prices slightly.

The sooner we can demonstrate to everyone that an oil embargo would be largely ineffective, the sooner the world can get on with its business and pursue more rational policies. The Iranian oil cutoff provides such a demonstration, and it should dispel, once and for all, the fear of an embargo, which has so strongly dominated the thinking of governments and of the public over the last five years. This fear now turns out to be largely unwarranted, though it encourages both political and economic blackmail.

The throughout observer will raise the following question: if the Iranian oil shortfall is equivalent to or greater than the Arab embargo of 1973–74, then why doesn't the world price of oil triple or quadruple? Basically, in 1973 the world oil market switched from a reasonably competitive market controlled by a monopoly. But once one has achieved a monopoly, there is no way of doing it again. Even monopolies must obey the laws of supply and demand. In the last few days Kuwait has predicted that the world price would indeed triple—and by April 1979. But it won't. Any price rise will depress world demand for oil and at the same time stimulate more production, producing a glut and holding prices down. Even if Saudi Arabia ceased *all* its production, about eight mbd, the consequence would only be a world price rise of about 50 percent.

Why did the Arab oil embargo produce shortages in the US, as evidenced by long lines at gasoline stations, and won't the current Iranian shortfall have the same effect? The question is complicated but, briefly stated, the horrendous side effects of the embargo were due primarily to the panicky actions of the US government—well-intended but wrongly applied. The price controls that existed at the time (and still exist, but in a different form), for a while made it uneconomic to import oil. The government also ordered refineries to produce more heating oil and less gasoline. Finally, it allocated gasoline administratively, giving surpluses to some regions and deficits to others, rather than letting the market allocate gasoline by price. When the government eventually allowed prices to rise, it did so on the first of every month; not surprisingly, distributors and gas stations would "run out" toward the end of the month, holding their supplies for the coming price increase. It is also a documented fact that US oil stocks were greater at the end of the Arab embargo, in April 1974, than they were during the height of the embargo. Stocks were considerably higher during the embargo than they were a year earlier. So much for shortages! Yet despite this dismal record, the regulators want us to take another chance on mandatory allocations and other kinds of controls.

To cover a final aspect of the Iranian "crisis", what should one make of the Iranian government's announcement that it will not sell oil to Israel? This is mostly internal propaganda designed to appease Islamic extremists, and has little practical significance. Oil is quite a fungible substance, as the Arabs learned during the 1973 embargo. Once Iranian oil is put back on the world market, it will displace some other oil, which will then be "swapper out" by oil traders to supply Israel. Even a permanent cut in Iranian production could not harm any particular country, though it would raise world oil prices. One thing is sure; a cut will reduce Iran's oil income and cause severe problems for the Khomeini government.

The Iranian oil experience may be salutary if it convinces the public that the much-vaunted "oil weapon" is in fact an empty threat. We now have an embargo, in effect, but no huge price jump, no real short-

ages, no disruption of the economy—even in countries which bought most of their oil from Iran. The analogy to the emperor's new clothes is quite appropriate. Perhaps that is why the Arabs have never "unsheathed" their "oil weapon" since 1974. Their scabbard really is empty, but until we believe it, they will continue to behave as though it contains a dagger.

SOLAR ECLIPSE: OUR BUNGLED ENERGY POLICY

(By Steven Ferrey)

America is testering on the brink of an energy revolution. Our first great step forward, from wood to coal, ushered in the Industrial Revolution and built our cities. Our second, the harnessing of electricity, provided the dramatic innovations of lighting, air conditioning, and automation. The third, the use of petroleum to power the automobile, created unprecedented individual mobility, spreading our population across the continent. And now our fourth—solar energy—"could perhaps do more to improve the material well-being of mankind, without increasing his tensions, than any other good available," says leading alternative-energy authority William Heronemus.

But America is testering. While environmental groups, aided by a number of congressional leaders and local officials nationwide, have been strongly promoting a radical expansion of solar research and development, the overlord of official policy, the Department of Energy, together with some of the massive oil and gas companies that have been hedging their bets with large nuclear investments, has put up a stiff resistance against this upstart technology. Experts throughout the energy field agree that solar's time will come; but whether that time begins now, or is to wait until the next century, is being decided today in Washington. President Carter claims to be a solar enthusiast, and Energy Department Secretary James Schlesinger has spoken in a guarded way about the virtues of a solar future. But an attachment to traditional energy sources, above all to nuclear energy, has left solar underfunded and underplanned, and has afflicted the solar industry with acute sales anemia.

Only five years ago, solar power was regarded as a Buck Rogers concept belonging to the 21st century. But the Arab oil boycott of 1973, and the subsequent doubling of oil prices, suddenly made alternative energy sources a great deal more attractive. The logic of solar is ineluctable: Two weeks of sunshine contain as much potential energy as all known global reserves of fossil fuels; solar energy leaves no position behind; and the sun's rays are inexhaustible.

The last few years have seen remarkable progress with a host of solar technologies. It is now cheaper to supply 10,000 homes with solar water-heating facilities than to build a new generating facility to heat their water electrically. Solar space-heating follows close behind. Homes in which walls and floors act as solar collectors may incur only half the heating costs of conventional structures, with little additional expense for construction. Over 50,000 solar dwellings already exist. California Governor Jerry Brown plans to solarize 1.5 million of that state's 7 million homes by 1985.

The technological mysteries that shrouded solar energy less than a decade ago have been dispelled. The question that must be faced today is not whether solar devices can be fabricated, but whether they can be made at competitive costs. Even this final barrier grows less imposing by the day. A recent study by Cornell University economist Duane Chapman indicates that solar technologies already provide cheaper heating than new synthetic fuels, nuclear plants, or Alaskan gas, if one deducts the subsidies, primarily in the form of tax breaks, enjoyed by these latter. The cost of photovoltaic cells, which convert solar energy directly to electricity, has decreased by 20-fold since they were first used a few years ago to power American space satellites. Leading solar experts believe that five years of mass production could reduce photovoltaic prices yet another 20-fold. Congress takes this estimation so seriously that last October it passed a bill directing the government to stimulate mass production by spending $1.5 billion on photovoltaic cells over the next decade. Moreover, solar enjoys widespread support: A 1978 Harris poll revealed that 94 percent of Americans favor rapid development of solar power.

Yet the Carter administration has done little to substantiate its official advocacy of solar. The Department of Energy has not only declined to initiate any major solar legislation, it has actually opposed a number of such bills when they have appeared in Congress. The DOE has also adopted a remarkably dim view of solar's immediate future: While the President's Council on Environmental Quality has predicted that solar resources could meet 25 percent of U.S. energy needs by the year 2000, DOE has only recently raised its projection from 8 percent to 12 percent. And finally, a remarkably high proportion of the research and development funds that the department allots to solar power have been given to the large energy conglomerates, who tend to be less innovative than smaller firms, and might be inclined to stifle, rather than nourish, a competitive technology.

For an industry still in its infancy, the most crucial inducement to growth is R and D funding; and here DOE has shown itself to be extremely reluctant to make a commitment to solar. The fiscal year 1978 budget, the first over which the new administration could exercise any real control, devoted only 16 percent of its R and D monies to renewable resources. DOE's proposed 1979 R and D budget of $2.7 billion originally included less than $400 million for solar, a sum that would actually have cut funding if another $100 million had not been added later. The additional funds were included only after the budget met severe bipartisan criticism in Congress. About 1980 figures appear to follow the same pattern. Although Schlesinger stated that the solar budget would be doubled in 1980, he reportedly requested only $750 million and received $600 million.

DOE's lukewarm commitment seems hard to explain in the face of solar's tremendous promise. But the department has another darling: nuclear power, once the grand destiny of atomic development, which is now apparently facing extinction.

Although DOE's primary concern remains the exploration and extraction of such traditional fuels as coal, oil, and natural gas, nuclear energy has always held the place of privilege among the more novel energy sources. The same 1979 budget that provided $500 million for solar devoted $1.2 billion to nuclear R and D. The nuclear breeder reactor program, which Carter has vowed to terminate, will still receive more money this year than all solar projects combined.

Even with these substantial subsidies, the nuclear industry is rapidly becoming an anachronism. A recent analysis by Rand Corporation statistician William Moos shows the construction costs of nuclear plants to be doubling every five years. At this runaway rate of inflation, a nuclear power plant begun today could be a hopeless economic proposition by the time it was completed. That syndrome is already at work: In the last four years the nation's utilities have canceled 22 nuclear-plant orders while placing only four that remain feasible.

If nuclear's economy looks bad, its safety record is even more worrisome. After extensive hearings last year, the House Government Operations Committee concluded that "There is no demonstrated technology . . . for permanently and safely disposing of this waste. So long as this problem remains unresolved, the public's health and safety and the viability of nuclear power in this country are threatened." Six states, including California and New York, have already imposed moratoria on any future construction of nuclear facilities. Department of Energy deputy secretary Jack O'Leary observes somberly that "Unless something happens quickly, nuclear power in this country is dead."

Yet dire predictions of this sort have not deflected DOE from its nuclear course. O'Leary himself pledges that legislation to speed the construction of nuclear power plants will be the administration's "top energy priority of 1979." In addition, the administration proposes to be the exorcist for the as yet undisposable commercial nuclear waste material.

Exactly how long the Energy Department can continue to feed the one industry from the plate of the other remains to be seen, but a recent attempt to do so has turned into the most embarrassing incident in the agency's brief life. President Carter's energy legislation, passed last September, requires DOE to guide a state-by-state effort to change electricity rates so as to encourage conservation and solar energy use. Solar enthusiasts considered this a major breakthrough—that is, until last November, when DOE handed over responsibility for the development of the program, along with a half a million dollars, to a company knee-deep in both electric utilities and nuclear power, Stone & Webster.

Since that time, consumer groups have uncovered one conflict of interest after another in the awarding of the contract. In 1977, two of Stone & Webster's wholly owned subsidiaries received $94 million worth of consulting fees from the very utilities whose interests are affected by this program. Stone & Webster Engineering is dependent for a significant portion of its business on the management of nuclear power plant construction for utilities. Another subsidiary actually engages in joint ventures with these utilities, and vice-presidents of Stone & Webster simultaneously serve as officers of at least one utility. It is well known that these same utilities lobbied fiercely to defeat the pricing reforms, designed to give a boost to solar, in Carter's energy legislation. Besides all this, Whitney Stone, chairman of the executive committee, along with two of his sisters, is the largest noninstitutional shareholder in the Virginia Electric & Power Company. It all adds up to appointing the wolf to guard the sheep.

Stone & Webster made no disclosure of these or other possible conflicts, as required by federal law. Given the company's respectable reputation, DOE never asked about possible conflicts, even though many are documented in their own files. The 1974 Federal Energy Administration Act requires that contracts involving a conflict of interest be either terminated or balanced so as to achieve fairness; but after public interest groups notified DOE of the problem, the agency did nothing. Now the issue threatens to become a major public embarrassment; at the time of this writing, several congressmen and public interest groups had called for a congressional investigation of the contract.

What is behind this conspicuous neglect is nothing so spectacular as scandal or collusion; it is rather the fact that the officials presiding over this great historical change have been unwilling or unable to break old alliances. President Carter's choice to head the Energy Department, James Schlesinger, served Presidents Nixon and Ford as chairman of a pro-nuclear Atomic Energy Commission (AEC). Schlesinger has mixed general hortatory comments about solar's potential with grim forecasts of its immediate prospects. Last summer he described solar development to a policy review group as "a necessary adventure in American life if we are to preserve the rudiments of our lifestyle and the flourishing of our economy." Yet, while agreeing that solar's competitiveness is severely hampered by the subsidies given to oil and gas, Schlesinger has deprecated solar energy by saying that its "cost-effectiveness is limited by and large to certain household uses . . . The solar contribution in the household sector alone, while significant, will never resolve our national energy problems."

Schlesinger's top aides have equally lengthy backgrounds working with traditional energy sources. General counsel Lynn Coleman worked for John Connally's law firm, where he lobbied before government agencies on behalf of Exxon, Mobile, Shell, Texaco, and Union Oil. Deputy Secretary Jack O'Leary is a hard-liner from the AEC. O'Leary gratified the American Public Power Association in a speech last October with the news that solar power had no place in the 20th century. This contradiction of official policy induced Congressmanu Richard Ottinger (D-New York) to write to President Carter demanding O'Leary's resignation.

Of course, solar energy can't be ignored forever, and the energy giants know it. While on the one hand they do their best to deride this upstart—a recent Mobile ad characterized solar energy as pure fantasy—on the other, they have quietly begun buying their way into the field. Among the 10 companies earning the largest solar revenues in 1977 were Exxon (through its Daystar and Solar Power subsidiaries), General Electric, General Motors, Alcoa, and Grumman. Such giants as Westinghouse, Bechtel, and Lockheed are not far behind. Oil companies have also begun to acquire major solar firms. In addition to Exxon's acquisitions, leading solar companies such as Tyco Laboratories and SES Systems have been taken over by Mobile and Shell, respectively.

DOE, meanwhile, has encouraged this trend by handing out contracts for gargantuan-scale space-age ventures to giant firms, energy conglomerates foremost among them. It is currently funding a $123 million "power tower" designed by McDonnell Douglas Corporation in California's Mojave Desert, despite strong criticism of the project as "economically unpromising" from the White House Office of Science and Technology Policy.

Even more exotic is federal research aimed at launching a two-mile-wide solar satellite into space. At a staggering cost which could approach $25 billion the satellite would beem collected solar energy by microwave radiation back to a 55,000 acre earth receiving station. The solar satellite, promoted by a consortium of aerospace companies, has been soundly criticized by public groups as an outrageously expensive attempt to monopolize the sun.

This attraction to the superproject and the giant corporations poses several grave problems, outside of the intrinsic quality of the projects themselves. First, it tends to stifle innovation by reversing the slow, evolutionary process that leads to technological breakthrough. As Jerry Plunkett, head of the Montana Energy Institute and frequent solar expert witness in Congress, observes, "Solar R and D is completely misdirected. DOE wants to build a 747 before they'll fly any plane at all." Plunkett goes on to point out that the majority of technological innovations have come not from the giant laboratories but from "unrecognized inventors" working independently. Furthermore, as the solar field becomes more and more concentrated, the sort of competition that stimulates invention will wither away.

The second problem, however, may prove even more critical. Until the development of solar appears to be inevitable, it will remain more profitable for the energy conglomerates to throttle, rather than promote its development. Their oil and gas investments will not be threatened in the foreseeable future but these same companies also dominate the nuclear field. According to a 1977 Washington *Post* story assembled from government figures, five oil and gas companies control 62 percent of uranium-processing facilities, while 12 such firms own 51 percent of the known uranium in American fields. An abandonment of nuclear projects would clearly constitute a painful separation for these companies.

The Department of Energy now claims to have seen the light, although it has barely raised the solar budget, and failed to cut nuclear, for 1980. Last summer the President convened a special Cabinet-level Domestic Policy Review (DPR) to advise him of methods to speed the competitive commercialization of solar energy. These recommendations will soon result in a major solar policy statement by the President.

But even this step in the right direction may prove unsteady. Solar authorities were discouraged by the version of the DPR solar report released to the public. Expert Amory Lovins called it "a largely vacuous and uncreative exercise in ducking the big issues that are the focus of internal debate and will . . . go to the President for decision."

The executive branch continues to stand in the way of congressional attempts at boosting solar power. Bills to make loans to small solar businesses, to develop inexpensive mass-produced photovoltaic solar cells, and to solarize new military housing recently were enacted into law despite administration resistance. Congressman Robert Drinan labels the administration's position as "Hypocrisy . . . characterized by glowing rhetoric on solar energy, but little meaningful action."

In these early days, we enjoy an unprecedented opportunity to guide the course of our own energy revolution, perhaps the last such transition upon which the nation will have to embark. The administration's misguided solar policy has not only obstructed this great change, but may have fumbled an irretrievable opportunity to direct technological change for the public good.●

INTERIOR COMMITTEE PASSES A GOOD ALASKA LAND BILL

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, for the past 2 years, the Congress has wrestled with the problem of how to manage Federal lands in the State of Alaska. The issue is complex and the potential rewards are tremendous: Millions of acres to be set aside for protection and management of fish, wildlife, recreation, and scenic values; minerals, oil, and gas, and timber resources to improve our balance of trade and sustain our Nation in this time of crisis; settlement of the land entitlement dispute which will give both the State of Alaska and Alaskan Natives their land; and continued opportunity for hunting, fishing, and maintenance of the Alaska way of life.

In the last hours of the last session, a delicate compromise was nearly achieved, one which at that time had the support of myself, Representatives UDALL and SEIBERLING, Senators STEVENS, JACKSON, and DURKIN, and Secretary of the Interior Cecil Andrus. Unfortunately, one Senator objected and no bill passed the Congress.

This year, we once again have the chance to pass an Alaska lands bill that meets the legitimate national interest and still protects the rights of Alaskans. On Thursday, March 1, 1979, the House Committee on Interior and Insular Affairs reported out a bill which sets aside nearly 100 million acres as national parks, national forests, national wildlife refuges, national recreation areas, and wild and scenic rivers. In addition, the bill allows for properly managed development of natural resources and fulfills the promise made to the State of Alaska by the Alaska Statehood Act.

Mr. Speaker, I want my colleagues to know that the bill reported by the Interior Committee is the same as that carefully crafted compromise which nearly succeeded last year. It sets aside nearly 100 million acres as conservation units; it meets the needs of the Nation and of the people of Alaska. This is a bill which we can all support, and I urge my colleagues to do so when it reaches the floor.

The following is a summary of the bill which was reported by the Interior Committee:

SUMMARY OF ALASKA LANDS BILL REPORTED BY HOUSE INTERIOR COMMITTEE

The following summarizes the Alaska lands bill favorably reported by the House Interior Committee on February 28. The official bill number is still H.R. 39 because the reported bill was adopted as an amendment in the nature of a substitute. However, the measure is printed as H.R. 2199 introduced by Rep. Huckaby (D-La.) This bill represents the compromise agreement reached by Messrs. Udall, Seiberling, Durkin, Andrus, Stevens, Jackson, Hansen, and Young last October.

LAND DESIGNATIONS

The bill affects a total of 120.6 million acres of land in Alaska or nearly 33 percent of the State. It creates (a) 20.5 million acres of Parks, (b) 21.6 million acres of Preserves, (c) 4.7 million acres of National Recreation Areas, (d) 44.9 million acres of Wildlife Refuges, (e) approximately 1.5 million acres of Wild and Scenic Rivers, (f) adds 3 million acres to existing Forests, and (g) establishes 3.4 million acres of Conservation Areas. Total "new lands" set-aside are 99.6 million acres.

In addition, approximately 19 million acres of existing Forests, Parks, and Refuges are reclassified as Wilderness areas. Within the 99.6 million acres of "new lands", 32 million acres are also designated Wilderness; total Wilderness is 51 million acres. Lastly, 2 million acres within the existing Tongass Forest are reclassified as Special Management Areas.

The following chart illustrates the various land designations:

Parks	20.5
Preserves	21.6
National recreation areas	4.7
Refuges	44.9
Forests	3.0
Wild and scenic rivers	1.5
Conservation areas	3.4
Total	99.6

Existing parks	5.0
New parks	22.7
Existing refuges	11.0
New refuges	9.1
Forests	3.0
Total	50.8
Existing forest reclassified for special management	2.0
New set-asides	99.6
Existing areas reclassified wilderness	19.0
Existing forest reclassified for special management	2.0
Total	120.6

NATIONAL PARK SERVICE UNITS

Title II adds 44.6 million acres to the National Park Service system; this represents 170 percent increase in the total U.S. Park system. Park units total 21.6 million acres and include major units such as the 4.8 million acre Gates of the Arctic Park and the 8.5 million acre Wrangells-St. Elias Park.

The measure also creates 21.6 million acres of Preserves to be managed by the Park Service. The only difference between a Park and a Preserve is that sport hunting is permitted in the latter. Major Preserves include the 3.1 million acre Gates of the Arctic Preserve, the 5.4 million acre Noatak units, and the 1.1 million acre Misty Fiords area.

Lastly, three National Recreation Areas under Park Service direction are established. These units total 2.5 million acres and are established in the north Wrangells (1.24 million acres) and two in the Noatak area (1.27 million acres). More developed recreation and regulated mineral leasing can occur in NRA's per the Secretary's discretion. However, resource development activities are specifically prohibited in the Noatak NRA's.

WILDLIFE REFUGES

Title III sets aside 44.9 million acres of new Wildlife Refuges. It achieves this by creating eight new Refuges amounting to 21 million acres and expanding four existing units by 23 million acres. Major units include the 9.4 million acre addition to the Arctic Wildlife Range, the 13.85 million acre addition to the Yukon Delta Refuge, and the new 7.9 million acre Yukon Flats Wildlife Refuge.

WILD AND SCENIC RIVERS

Title V adds 8 rivers outside of conservation units to the Wild and Scenic Rivers System; these designations affect approximately 1.5 million acres. Within conservation units, 19 rivers are added to the Rivers system. Overall the bill establishes 27 Wild and Scenic Rivers in Alaska.

In addition, 14 rivers are designated for future study. When studies are completed, these rivers may be added to the System.

FORESTS

Title IV adds approximately 3 million acres to existing National Forests in Alaska. In addition, the Seward National Recreation Area of 1.2 million acres is created within the present Chugach National Forest.

BLM UNITS: CONSERVATION AREA & NRA'S

Title XV establishes three Conservation Areas totaling 3.4 million acres. Units established are the Baird Mountains, the Chandalar Area, and along the Steese Highway. Conservation areas are patterned after the California Desert and Kings Ranch units created in California. The BLM is directed to prepare a land use plan for each unit which protects specified values (i.e. caribou migration routes, fisheries habitat, etc.) and permits compatible units. Resource development *may* occur within these units per the land use plan.

In addition, the bill designates a 1 million acre White Mountains National Recreation Area under BLM jurisdiction.

WILDERNESS—GENERAL

The bill designates a total of 51 million acres of Wilderness. This represents an instant 265 percent increase in the National Wilderness Preservation System. Wilderness designations occur within the following units: (a) 28 million acres—Parks/Preserves, (b) 20 million acres—Wildlife Refuges, and (c) 3 million acres—Forest.

WILDERNESS—SOUTHEAST ALASKA

Title VI of the bill sets out the complex Wilderness package for Southeast Alaska's Tongass National Forest; the bill provides sufficient timber to maintain existing jobs and closes 25 percent of the Forest to development; and creates the option of adding another 2 million acres to Wildnerness in ten years. Within the Tongass, 2.9 million acres are classified Wilderness and another 1.1 million acres are redesignated a National Preserve under the Park Service (Misty Fiords). These designations close 25 percent of the Forest to all forms of development.

Another 2 million acres are classified as Special Management Areas. The timber within these areas may be included in the Allowable Cut determination but no timber harvest can occur on these lands for ten years without specific Congressional authorization. Moreover, these areas are statutorily closed to mineral entry.

The Secretary of Agriculture is directed to assure an annual allowable cut of 520 million board feet (the level needed to sustain existing jobs). In addition, he is to ascertain whether this 520 MMBF goal can be met after the ten-year period without harvesting in the Special Management areas.

He is also to study the Wilderness potential of these Areas and report to Congress with his recommendations in ten years.

Essentially, if the projections done by the industry and the State of Alaska are correct, it will be necessary to log in some of the Special Management Areas after the ten year period to provide 520 MMBF. If the environmentalist predictions are right, it will be possible to reclassify these Areas of Wilderness without eliminating any existing jobs.

OIL AND GAS

The bill affects oil and gas resources in the following fashion:

(a) It excludes the coastal plain of the Arctic Game Range from Wilderness and directs a 6-year study of the area's oil and gas potential but stipulates that no drilling can occur without Congressional approval;

(b) In Refuges in Alaska (open to oil and gas leasing under present law), the Secretary is directed to approve or reject lease applications within a specified period of time (basically 3 months after an EIS is finished);

(c) Directs a Federal study of the entire North Slope of Alaska to ascertain its oil and gas potential;

(d) It directs the Secretary to establish a program to facilitate oil and gas leasing on non-North Slope on-shore Federal lands in Alaska outside of conservation units; and

(e) It encompasses approximately 30 million acres of land with oil and gas potential within its Parks, Refuges, etc.

MINERALS

The bill statutorily withdraws approximately 115 million acres of lands in Alaska from mineral entry. In addition, 9 million other acres will be subject to new mineral leasing provisions (i.e. BLM Conservation Areas). Furthermore, it closes roughly 50 percent of the lands rated Highly Favorable for minerals by the U.S. Bureau of Mines.

It does not include any of the seven world class mineral discoveries in Alaska identified by the Stanford Research Institute in Wilderness, Parks, or other single use units; H.R. 39—1979 included 4 of the 7 in Wilderness. Furthermore, it places a number of the most highly rated mineralized areas in State ownership or in flexible use units such as Conservation Areas and NRA's.

The bill also authorizes Federal mineral assesments on all lands in Alaska. Moreover, the President is directed to conduct a study and report to Congress re the advisability of private mineral exploration and development on such lands.

Finally, Section 1305 authorizes the President to recommend opening certain withdrawn lands in Alaska for resource development under emergency circumstances. No opening can occur, however, without specific Congressional approval.

TIMBER

For information regarding timber resources in Southeast Alaska, see the "Wilderness-Southeast Alaska" section.

The bill creates no interior Forests but does provide that timber harvest for local and regional use only shall be permitted, under Fish and Wildlife Service control, in specified portions of the Arctic Wildlife Range Addition and the Yukon Flats Refuge.

STATE LANDS

The boundaries established by the bill exclude virtually all existing valid State lands; H.R. 39 included over 6 million acres of these lands within its boundaries. Moreover, approximately 5 million acres of lands the State selected in November, 1978 to fulfill its Statehood Act land grant are denied by this measure.

Title VIII of the bill provides for expedited transfer of lands to the State of Alaska. Red tape has kept the State from receiving the lands it was granted 21 years ago in the Statehood Act. Title VIII eliminates the red tape and provides for legislative transfer of the specified lands.

NATIVE LANDS

The Native corporations have received title to less than 5 million acres of their 44 million acre entitlement. Title VIII also provides for legislative transfer of lands to the Native corporations.

SPORT HUNTING

The bill closes 20 million acres in Alaska to sport hunting. Although it keeps open many of the prime sport hunting areas, some very important areas are closed by the bill. For example, the portion of the Wrangell Mountains which has produced 2 of the 3 world record sheep is classified as a Park.

ACCESS AND TRANSPORTATION

The bill contains the following provisions re access and transportation:

(a) Access to in-holdings for economic and other purposes is assured;

(b) Traditional modes of travel shall be permitted to continue in all withdrawals; and

(c) Re major rights-of-way—

(i) Special transportation planning is to be done jointly by the State, DOI, and DOT,

(ii) Any application for a major right-of-way must be identified in this plan before it can be approved,

(iii) The Secretary is to render decisions on right-of-way applications according to 9 specified criteria; and

(iv) certain Secretarial decisions are subject to Congressional review.

COOPERATIVE MANAGEMENT—BRISTOL BAY

The bill establishes a comprehensive planning and management program for the entire Bristol Bay area which covers approximately 15 million acres (this acreage is not factored into the totals which appear on pages 1 and 2 of this paper).

The Federal Government, the State and the natives are to work together to produce a joint management plan for the region. This plan will have to be implemented by subsequent action by Congress and the State of Alaska. In the interim, Federal lands in the area will be managed by the Fish and Wildlife Service. If no plan is agreed to, the Secretary is directed to prepare his own plan for Federal lands and submit it to Congress.

MISCELLANEOUS

Native Claims Act Amendments—The bill includes 13 amendments to the 1971 Alaska Native Claims Settlement Act which have been agreed to by the Natives, the State, and the Administration.

BLM Wilderness Reviews—The bill exempts Alaska from Section 603 of FLPMA which provides that all roadless tracts over 5000 acres in the public domain shall be studied for Wilderness potential.

"No more" Provision—Section 1209 stipulates that no funds may be expended by the Executive Branch regarding any activities or studies relating to additional land withdrawals for environmental purposes in Alaska without a concurrent resolution of Congress. Studies authorized in this bill are exempt from this section.●

SHOULD 3.1-PERCENT INCREASE IN PRESIDENT CARTER'S MILITARY SPENDING BUDGET BE PEGGED TO NATO'S RECOMMENDATIONS?

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. ASPIN. Mr. Speaker, President Carter's budget for fiscal year 1980 calls for military spending to rise 3.1 percent, above and beyond inflation. This is in keeping with the NATO Defense Planning Committee's pledge, made at the ministerial session in May 1977, for "all member nations" to aim for an annual real increase in defense spending "in the region of 3 percent."[1]

Critics contend that, in a period of tax revolt, a growing Federal deficit, and reduced spending for social programs, this is no time for substantial increases in the military budget. Administration officials, on the other hand, argue that 3 percent real growth on defense is vital for national security since, if the United States were to renege on this promise, the other NATO nations would break the pledge as well and alliance unity would falter considerably.

The administration's perspective raises a number of questions. First. Why was this pledge made among the NATO nations, and why did they settle on 3 percent as the "magic number"? Second. What does 3 percent real growth mean? Third. Is measuring real growth in the budget the best way to go about assessing the strength either of a military posture or of a commitment to an alliance?

First. Why 3 percent real growth?

The NATO ministers pledged 3 percent real growth primarily, or ostensibly, in response to perceptions of a growing Soviet military threat.[2] As Secretary of Defense Harold Brown stated last October before the House Armed Services Committee:

> In view of the steady and long-standing military build-up in the past of the Soviet Union, resulting from their increase in defense spending of 4 to 5 percent in real terms each year for nearly 20 years, we must bolster our own defenses and encourage our NATO allies to do the same for the NATO Alliance. Why 3 percent? I suppose you could say why is it not much more?[3]

The NATO "Ministerial Guidance" was even more emphatic on this matter, asserting that the Soviets have been annually increasing their defense spending, in real terms, by "about 5 percent."[4]

Real growth in Soviet defense spending can be derived from the most recent data published by the Central Intelligence Agency. Each year, the CIA estimates Soviet defense spending—for that year and for the prior decade—both in terms of U.S. dollars and Russian rubles.

In dollars, the Agency estimates how much it would cost the United States to reproduce the Soviet military, using U.S. military pay rates, operating costs, profit margins, technology, and so forth. Because of the huge disparities in efficiencies, pay scales and level of technology between the United States and Soviet military establishments, the CIA makes no pretense that such an estimate reflects either the actual capabilities or priorities of the Soviet military.

The inadequacy of this measure becomes apparent when one realizes that if we resumed the draft and reduced pay scales to draft levels, the Soviet "dollar" defense budget would plummet even further because they have more men.

In rubles, the CIA has a tougher job because a ruble is essentially whatever a Soviet Economic planner says it is, and because the value of a ruble in one sector of the economy may differ from its value in another.[5] However, when traced over time, one can observe, at least roughly, the trends in Soviet military growth.

On average, over the past decade, the CIA estimates that the Soviets have increased military spending, in real terms, by about 3 percent in dollars and about 4 percent in rubles.[7] Growth has been larger in rubles than in dollars because an increasing share of Soviet growth has gone into higher-technology weapons systems. Technology is relatively cheap and manpower relatively expensive in the U.S. military—when measured in dollars—while the reverse is true for the Russian military—when measured in rubles.

Furthermore, this growth has not been constant, but has fluctuated rather widely. In fact, in 7 of the past 10 years growth has fallen under 3 percent.

TABLE 1.—*U.S.S.R. overall defense spending—Real growth level*

[1977 dollars]

	Percent
1968	+6.8
1969	+2.4
1970	+1.7
1971	+2.7
1972	+2.7
1973	+4.6
1974	+3.1
1975	+2.1
1976	+2.9
1977	+2.1

Derived from CIA, *A Dollar Cost Comparison of Soviet and U.S. Defense Activities, 1966–1977;* and the same *1977–1978.* Dollars are used because no such level of detail is available or inferable from ruble estimates.

In other words, the Soviet leaders have not decided upon some constant real-growth figure as a budgetary guide. Rather, the level of growth has been shaped by cyclical fluctuations in their weapons procurement and modernization schedules. This is particularly noticeable if one examines the growth rates of particular sectors within the Soviet defense budget.

TABLE 2.—SOVIET DEFENSE REAL GROWTH—BY SECTOR

	Procurement (percent)	Peripheral nuclear forces	Ground forces	Tac air forces
1968	+5.1	0	16.1	−9.3
1969	+1.9	−9.1	0	0
1970	+1.1	−13.3	4.8	+34.5
1971	+2.5	+3.8	6.1	+30.8
1972	+2.8	+3.7	2.9	+25.5
1973	+7.5	+3.6	3.3	+10.9
1974	+4.1	0	1.4	−9.9
1975	+.6	+3.4	1.8	−3.1
1976	+4.0	+6.7	2.2	−6.5
1977	+3.8	+9.4	1.3	+5.2

Note: Derived from CIA, "Dollar Cost Comparison of Soviet and U.S. Defense Activities, 1967–1977." Dollars are used because because no such detail is available or inferable from ruble estimates.

These figures raise a key question: has this growth primarily been allocated to areas threatening to NATO? According to U.S. intelligence estimates, this has not been the case.

TABLE 3.—ALLOCATION OF REAL GROWTH, SOVIET DEFENSE SPENDING, 1967–77

[In percent]

	Dollars	Rubles
NATO-related	15	15
Intercontinental nuclear	15	20
China border	45	35
Research and development	25	30
Total	100	100

Derived from CIA, "A Dollar Cost Comparison of Soviet and U.S. Defense Activities, 1967–1977"; the same for 1977–1978; CIA, "Estimated Soviet Defense Spending: Trends and Prospects," June 1978; and from further information provided to Representative Les Aspin by the CIA's Military Economic Analysis Center, February 1979. Ruble figures are less precise than dollar estimates.

The estimates for the first three items do not include their share of research and development funding. It is not known exactly how much of Soviet R. & D. has gone into, say, NATO-related items. Therefore, the estimate that 15 percent of the past decade's growth has been devoted to threatening Western Europe is a minimum estimate; if the proper share of R. & D. is included, the actual figure could be as high as 30 or 35 percent.

In any event, the share of growth devoted to NATO would still fall short of the share allocated to the Chinese border where the lion's share of additional Soviet military spending has obviously been dedicated. According to U.S. intelligence officials, the Soviets consider China to be their No. 1 threat.[8] In the half decade from 1967 to 1972, the Soviets doubled the number of divisions deployed in the Far East, from about 20 to 40 and increased by five times their tactical air power in that region.[9] The buildup in the Far East slackened between 1972 and 1977. For example, in that half decade the Soviets added only four divisions in the Far East. As table 2 shows, this trend corresponds to Soviet spending generally on ground forces and tacair—higher in the first half of the decade, slackening thereafter. The growth of the Soviet budget, in other words, has been driven primarily by the desire to secure the Chinese border, rather than to threaten Western Europe.

Of the part of the growth that has constituted a threat to NATO, a "substantial portion," according to Secretary Brown, can be seen as an attempt to recover from the Soviets' "cheap rocket deterrence" policies of the early

Footnotes at end of article.

1960s, when Nikita Khrushchev cut back on "obsolete" ground forces, relied more exclusively on nuclear missiles for deterrence, and tried to recycle the savings from reduced military spending to the consumer-oriented light industries.[10] The period from 1967 onward in the Soviet Union has been likened to the post-1961 period in the United States, when defense policymakers shifted from a strategy of "massive retaliation" to one of "flexible response," involving the buildup and modernization of conventional forces in Western Europe rather than relying solely on nuclear weapons to deter Soviet adventurism.[11]

In sum, the trends do indicate fairly consistent real growth in Soviet military spending. However: First, the level of growth has fluctuated widely, frequently falling below 3 percent; second, only a portion—and by no means the largest portion—of this growth has threatened NATO; and third, a substantial amount of the portion of the buildup threatening NATO has been dedicated to making up for lost time during the Khrushchev years.

In other words, it is questionable whether Soviet real growth averaging 3 percent should have substantial impact on how the United States plans its own defense budget.

Second. What does a U.S. 3 percent real growth policy mean?

If we pledge to boost defense spending 3 percent, that means 3 percent of what? This is not so elementary a question as it may appear. The defense budget can be measured in several ways—outlays, total obligational authority, new obligational authority, budget authority, authorization, appropriation—and it is not at all clear from the NATO Ministers' Communique just what reference-point is to be used in calculating 3 percent real growth.

Most analyses of the total defense budget come down to examining two basic measures: Outlays, the amount of money to be spent; that is, checks signed during the coming fiscal year, including some money that had been appropriated in previous years, and total obligational authority, the money appropriated in that fiscal year, not all of which will be spent during the year.

Is growth over the previous year to be measured in outlays or total obligational authority (TOA)? And is the entire defense budget to be used as the base, or just that portion of the budget devoted directly to the defense of NATO? This year, an unusual additional uncertainty has emerged. The administration has requested a special supplemental for fiscal year 1979 of $2.16 billion for force modernization and readiness. Should the 3 percent real growth for fiscal year 1980 be based on a fiscal year 1979 budget that includes this supplemental or not?

The Carter administration has chosen the following route: Apply 3 percent real growth to the entire budget, not just to that portion directly applicable to NATO; to outlays, not to total obligational authority (TOA); and to a baseline that includes the entire supplemental for the fiscal year 1979 budget.

ENTIRE BUDGET VERSUS NATO-RELATED

The European NATO countries spend virtually their entire defense budgets to defend Western Europe; it is only reasonable that their entire budgets be held to the pledge of 3 percent real growth. However, the United States has numerous commitments, not all of them related to NATO. Just what is and is not NATO-related in our budget? The Defense Department has historically answered this question in a politically opportunistic fashion. In 1971 and 1972, when several Members of Congress, most notably Senator Mike Mansfield, attempted on grounds of economy to reduce NATO spending by withdrawing U.S. troops from Western Europe, then-Secretary of Defense Melvin Laird assured them that the total cost of the NATO commitment—including support and dedicated naval costs—amounted to only $14 billion—17.7 percent of Defense TOA for fiscal year 1972.[12] Now, when the Pentagon wants to increase the entire defense budget on the basis of a NATO commitment, it appears that virtually everything in the defense budget is in some way related to NATO.[13]

One way to define the NATO-related part of the budget is to count only those Army and Air Force programs that could be deployed fairly promptly in Western Europe, along with those Naval programs dedicated to sea-control missions—if a NATO war lasts longer than 30 days, reinforced supplies and materiel would have to be sealifted. Since the point of this exercise is to determine how much of the budget would be increased by 3 percent if just the NATO-related portion were included, one would not count those parts of the budget for which 3 percent real growth would not be militarily meaningful—that is, personnel and retirement pay.

Using this methodology, about $38.6 billion—or 60 percent of the "force-related" fiscal year 1979 budget and about 30 percent of the total defense budget—can be considered "NATO Force-related." About $42.4 billion of the fiscal year 1980 budget is "NATO Force-related."

I will go into detail on this estimate toward the end of my statement.

OUTLAYS VERSUS TOA

The administration's fiscal year 1980 defense budget release contains the following table: [14]

TABLE 4

	Outlays (billions)	TOA
Fiscal year 1979 (fiscal year 1979 dollars)	$111.9	$125.7
Fiscal year 1979 (fiscal year 1980 dollars)	119.1	133.2
Fiscal year 1980 (fiscal year 1980 dollars)	122.7	135.5

This table shows that the administration budget produces a 3.1 percent real growth in outlays, but only 1.7 percent in TOA. Those who want the United States to spend even more money on defense complain that outlays are less relevant than TOA as an indicator of defense commitment. After all, $36.6 billion—or about 30 percent—of fiscal year 1980 outlays consists of money appropriate in prior years.[15] TOA, on the other hand, reflects what the United States is deciding to do this year, which is, presumably, more significant. There may be some basis to this criticism, in part legitimized by the administration's pointed emphasis on the importance of fine graduations in the overall budget. On the other hand, since our NATO allies calculate their budgets only in terms of outlays, the United States should also look at outlays, it could be argued, otherwise there would be no grounds for comparability.

Upon further inspection, however, it appears that direct NATO-related spending—as defined above—will increase by more than 3 percent real growth even in TOA.

Footnotes at end of article.

TABLE 5.—ACTIVE NATO-RELATED FORCES—TOA

[In millions of dollars]

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Total
Army:									
Fiscal year 1979	950	765	1,511	1,273	1,093	634	2,399	2,775	11,400
Fiscal year 1980	946	1,251	1,889	1,115	1,130	792	2,696	3,086	12,905
Percent change [1]	(−0.4)	(63.5)	(25.0)	(−12.4)	(3.4)	(24.9)	(12.4)	(11.2)	(13.2)
Air Force:									
Fiscal year 1979	6,814	1,351	.....	458	549	1,399	2,478	3,952	17,001
Fiscal year 1980	7,368	1,809	.....	492	619	1,599	2,865	4,263	19,015
Percent change [1]	(8.1)	(33.9)	(...)	(7.4)	(12.8)	(14.3)	(15.6)	(7.9)	(11.8)
Navy:									
Fiscal year 1979	820	538	2,635	.....	1,192	321	~1,200	3,453	~10,155
Fiscal year 1980	836	595	2,164	.....	1,146	409	~1,500	3,871	~10,525
Percent change [1]	(2.0)	(10.6)	(−17.9)	(...)	(−3.9)	(27.4)	(~25)	(12.1)	(3.6)

[1] Current dollars; i.e., not real growth.

NOTES

For Army and Air Force: (1) Aircraft; (2) Missiles; (3) Combat vehicles and weapons; (4) Ordnance, vehicles and related equipment; (5) Electronics and Communication; (6) Other procurement; (7) Research, development, testing and evaluation (R.D.T. & E.); (8) Operations and maintenance (O. & M.).

For Navy: Same, except that (2)=weapons of all kinds and (3)=ships.

Total, all services, (1)-(7): Fiscal year 1979, ~38,550; fiscal year 1980, ~42,440; percent change (current dollars; i.e., not real growth, (10.1).

Derived from: DOD, "Fy 1980 Department of Defense Budget," Jan. 22, 1978, encl., p. 18; DOD, "R.D.T. & E. Program for Fy 1980;" DOD, "Program Acquisition Costs By Weapon System for FY 1980" and "for FY 1979;" House Appropriations Committee, report, "Department of Defense Appropriation Bill," 1979, July 27, 1978, section on R.D.T. & E.; Secretary John Stetson (Air Force), statement to House Armed Services Committee, Feb. 1, 1979, p. 57; information on 5-yr Defense program provided by DOD.

NATO-related spending rises 10.1 percent, as shown in the table. Adjusting for the overall DOD inflation rate of 6.4 percent, NATO Force-related spending increases 3.7 percent over and above inflation's bite. Allowing for the anticipated inflation rate on manufactured equipment of 7 percent, real growth is still 3.1 percent.

The implication here is that the fiscal year 1980 budget not only fulfills but exceeds the NATO pledge to increase defense spending by 3 percent, in real terms, in either TOA or outlays, if one examines that portion of the budget directly related to NATO forces. The rest of the budget, therefore, does not have to be treated as sacrosanct. It can be cut and the portion directly devoted to NATO would still constitute more than 3 percent real growth, however defined.

WITH VERSUS WITHOUT SUPPLEMENTAL

In projecting 3 percent real growth, the administration presumes that the supplemental will be passed by Congress in its entirety. This $2,160.4 million supplemental includes numerous items for strategic systems, readiness funds, nonnuclear combat, theater nuclear forces, command-control-communication, shipbuilding and conversion, and technology base. As such a list suggests, this supplemental will almost certainly not stand untouched by congressional adjustment, particularly since: First, supplementals are traditionally seen as devices for coping with an emergency, and there is no clear and present danger; and second, many of the items requested in the supplemental were rejected by Congress last year, and there is no reason to believe that the Armed Services Committees are any more eager to accept them this year.

Since the 3.1 percent real growth for fiscal year 1980 assumes full funding of the supplemental, the more one cuts from the supplemental, the more one can hold defense spending down, while still maintaining 3 percent real growth, in fiscal year 1980. Of the $2,160 million request, $491 million will be spent in fiscal year 1979 outlays, while the other $1,669 million—more than three-quarters of the total—will be spent in fiscal year 1980 outlays or perhaps even later.[16] If Congress rejects the supplemental entirely, that means as much as a $1.66 billion cut in fiscal year 1980 outlays automatically, or a total fiscal year 1980 outlays budget of around $121 billion, instead of 122.7 billion. This constitutes 2.2 percent real growth—subtracting the $491 million in outlays for the fiscal year 1979 supplemental from the base on which 3 percent growth is calculated.

Deleting the supplemental, however, would cut $2.16 billion from the fiscal year 1979 base for TOA, leaving $123.5 billion. As a consequence, the fiscal year 1980 TOA of $135.5 billion would mean 3.3 percent real growth.

In other words, by cutting out the fiscal year 1979 supplemental, Congress could grant the administration greater than 3 percent real growth in TOA, were TOA deemed more relevant than outlays. Administration officials would, no doubt, argue that cutting the supplemental will weaken national defense. If so, they would be ironically confirming the proposition that percent-of-real-growth is a poor indicator of actual military commitment or capability.

Third. Is measuring real-growth a good way to assess anything?

The NATO Ministers probably thought that they would me simplifying matters by agreeing to a 3 percent real growth pledge. It appeared to be something that would be highly visible and easy to understand. It turns out, however, to be highly complex, open to wide and varying interpretation, allowing in some instances a fairly substantial cut in the administration's defense budget to result, strangely, in higher levels of real growth, and allowing one to arrive at various conclusions of just how much a fiscal year 1980 budget would total within the constraints of "3 percent real growth."

Is there some way to approach the issue of NATO commitment that is better than this way?

First, it must be pointed out that there are some ways to add to the defense budget that contribute to NATO and some ways that do not. The budget contains numerous items for which real growth would not affect military capability generally, much less NATO strength. The fiscal year 1979 budget included the following items of this sort:

TABLE 6

[In millions]

	TOA [1]
Military personnel [2]	$27,213.2
Civilian payroll	19,419.0
Military retired pay	10,138.8
Military construction	4,000.1
Inflation	1,030.5
Currency revaluation	529.8
Commissary subsidy phase-out	315.3
Claims	87.5
Overseas transportation of exchange goods	71.7
Advertising	54.1
Vehicle leases	10.9
Food technology	6.0
Contingencies	2.5
XIII Winter Olympics	1.9
White House helicopter	1.9
Court of Military Appeals	1.8
Total	62,865.0

[1] Figures for Outlays are not available in such detail; however, on such items, Outlays tend to be about the same as TOA.

[2] Nobody argues that the United States needs more military personnel. Thus, any real increases in the budget would be for pay raises—which is contrary to the President's anti-inflation policy and which would have little impact on military capability.

Source: DoD, *FY 1979 Congressional Action on DoD Appropriation Account and Item*, FAD 728/79, Oct. 24, 1978; and further information from DoD/Comptroller.

This amounted to 50 percent of the TOA for fiscal year 1979. Yet, spending more on these programs would not produce any additional military capability. Indeed, the Defense Department is reducing the amount, in real dollars, allocated to military personnel and civilian payroll. These accounts, therefore, should be removed from the budget before calculating 3 percent real growth—unless one explicitly accepts the fact that overall 3 percent real growth really means 6 percent real growth—on average—on those programs for which real growth might be militarily meaningful.

These sorts of examples are only the most obvious of distinctions among various types of military spending. Others can be spotted upon closer inspection. Take two items from the fiscal year 1980 budget: first, $1.5 billion for a single Trident nuclear ballistic-missile submarine; second, $77 million for 16,805 TOW antitank guided missiles.[17] Those TOW missiles will augment the strength of NATO to a far greater extent than that single Trident sub, even though the United States is spending 19 times as much this year on the Trident.

Another case in point: Over the period fiscal year 1971–78, Congress cut, on average, $5,133 million from the administration's Defense appropriations request each year. The cuts ranged from about $2.5 billion in fiscal year 1971 to $8.9 billion in fiscal year 1976. Of these cuts, on average, $2,507 million—or 48.8 percent—consisted of reductions in the categories of postponements and deferrals made by the armed services or the administration, or in the category financial adjustments. Many of these "cuts" are made at the administration's request.

Footnotes at end of article.

TABLE 7.—CONGRESSIONAL CHANGES BY CATEGORY, FISCAL YEARS 1971–78 [1]

[Dollars in millions]

Fiscal years	Substantive		Noncritical		Postpone and deferrals		Adjustments		Total, dollars
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	
1978	−1,442	48.0	−299	10.0	−570	19.0	−692	23.0	−3,003
1977	−2,517	62.1	−261	6.4	−659	16.2	−620	15.2	−4,056
1976	−3,890	43.8	−1,477	16.6	−684	7.7	−2,824	31.8	−8,874
1975	−3,081	45.8	−478	7.3	−1,036	15.4	−2,115	31.5	−6,719
1974	−2,608	44.8	−172	3.0	−1,950	33.4	−1,096	18.2	−5,825
1973	−1,839	29.9	−159	2.6	−1,610	26.1	−2,551	41.4	−6,160
1972	−1,681	42.9	−70	1.8	−351	9.0	−1,815	46.3	−3,917
1971	−903	36.0	−125	5.0	−512	20.4	−967	38.6	−2,507

[1] Numbers may not add due to rounding.

Source: Richard Cronin, "Analysis of Congressional Changes to the FY 1978 Defense Budget," CRS Sept. 26, 1978, p. 7.

Postponements and deferrals refer to congressional actions trimming appropriations in a particular year, but not cutting the overall program. For example, the Defense Department requests 15 bombers this year and 15 next year; Congress stretches that out to 10 this year, 10 next year, and 10 the following year. The end result is no different, but the budget totals in any particular year are changed. Financial adjustments are mostly trims made at the Pentagon's own request. An example of this category is the instances when a service has said that recruiting has improved and it no longer needs as much recruiting money as requested. Since several months elapse between the drafting of the administration's budget and congressional action, there are many of the changes. The biggest financial adjustment came when Congress "cut" aid for South Vietnam after South Vietnam had ceased to exist. Also in this category is the refusal of Congress to appropriate funds to cover anticipated inflation; when and if that inflation materializes, funds are indeed appropriated.[18]

If fiscal year 1980 is a typical year and Congress "cuts" $2 or $3 billion as a result of postponements, deferrals, and financial adjustments, real growth may indeed be reduced to less than 3 percent—in outlays, TOA, or probably both. Such reductions would have no effect, however, on the military readiness or capability of the United States, nor would it mean any sluggishness in the contribution to NATO. Yet, if the administration is so bent on linking military strength and commitment with 3 percent real growth, what will happen if, as is very likely, such budget changes lead to budget cuts? Would the Defense Department hesitate to inform Congress about delays and cancellations in weapons programs, fearing that too many reductions of this sort may lead to less than 3 percent real growth? Would the Defense Department request still another supplemental to bring real growth up to 3 percent? Would massive reprogramings of funds be requested?

What all this shows is that policies based on particular dollar amounts can easily lead to a peculiar fetishism that potentially places a high premium and great incentive on spending for its own sake. Concern for efficiency lapses when an agency has a high spending goal to achieve. As such, this sort of budget policy leads to wasteful spending.

Finally, what if the actual inflation rate in fiscal year 1980 exceeds administration expectations—as is quite likely? If the overall DOD inflation rate is 7 percent instead of 6.4 percent, for example, real growth in outlays would be 2.5 rather than 3.1 percent. In such an event, the NATO governments might feel deceived—even though the level and quality of military forces funded in the budget would remain the same. Such is the absurdity and potential political danger of concentrating so heavily on particular dollars amounts, rather than on the forces they are buying and what they can accomplish.

Obviously, the budget is very confusing. Still, a general conclusion can be reached: Whatever perspective is assumed from the outset, 3 percent real growth does not represent a meaningful symbol for increased commitment to the NATO Alliance. Aggregate budget totals reveals nothing about what lies inside those budgets. Commitments to an alliance—or to any military function—should be based not on aggregate budgets or any other static indicator, but on specific programs and capabilities and how they relate to particular standards of performance and mission. If budgets are to be shorthand indicators of anything, they must be disaggregated to such an extent that one might as well talk about what is being purchased rather than how much it costs. Listed below is such a disaggregation, merely a partial list of programs in the fiscal year 1980 budget that will augment NATO considerably. All of them are invisible to those who merely glance at the overall TOA, outlays, or even general purpose forces budget. Yet this list certainly conveys more about the degree of American contribution to NATO than any figure concerning overall real growth in the defense budget.

TABLE 8.—TOA

[Current dollars: dollar amounts in millions/unit number]

	Fiscal year— 1979	Fiscal year— 1980	Percent increase
Anti-armor:			
A-10 aircraft	$803/144	$855/144	(1)
TOW conversion, AH-1	185/137	257/160	39/17
TOW antitank missiles	49/10, 920	77/16, 805	57/54
Assault breaker (R. & D.)	25	66	164
WAAM (R. & D.)		21	(New)
Armor:			
XM-1 tank	369/110	648/352	76/220
Infantry fighting vehicle	39/0	100/0	157/0
Cavalry fighting vehicle	(R. & D.)	70/89	(New)
Air defense:			
Patriot	67/0	426/155	533/(New)
Roland	56/75	283/410	409/447
Suppression:			
HARM (anti radar)	(R. & D.)	55/80	(New)
General support rocket system	(R. & D.)	62/1, 764	(New)
Air superiority:			
F-15 aircraft	1, 304/78	966/60	(1)
F-16 aircraft	1, 370/145	1, 563/175	14/21
Adv. med.-range air-air missiles (R. & D.)	37	55	49
Sensors:			
Remotely piloted vehicles (R. & D.)	18	49	171
Standoff target acquisition (R. & D.)	37	67	80
Quick strike reconnaissance (R. & D.)		10	(New)
Airlift: CRAF modification	29/5	74/9	158/60
Theater nuclear:			
Pershing II missile (R. & D.)	60	149	141
Ground-launched Cruise (R. & D.)	33	44	34
Ammunition:			
M198 howitzer	50/187	70/263	39/41
M240 armor machine gun	8/2, 970	12/2, 970	49/375
XM252 mortar		11/780	(New)
Vehicle rapid fire weapon system		37/310	(New)

[1] No increase, but continued replacement, on schedule, of F-4 squadrons. In fiscal year 1980, 4 F-4 squadrons will be replaced and augmented by 2 F-15 squadrons, 2 A-10 squadrons, and 3 F-16 squadrons.

Source: DOD "Program Acquisition Costs By Weapons System for FY 1980."

The merits of these specific programs are immaterial for the purposes of this analysis. Nor is the intent here to assess systematically the NATO-Warsaw Pact balance.[19] The point is that the United States is obviously going to great efforts to augment NATO strength, and has been doing so particularly in the past few years.

Since 1975, the United States has increased the number of troops stationed in Western Europe by 9,500. Combat-to-support ratios have significantly increased, allowing the formation of two additional combat brigades, now stationed in northern Germany. Airfields throughout Western Europe can now fuel and supply aircraft from virtually all NATO countries. U.S. prepositioned stocks, which dipped after 1973 due to diversions to Israel during the Yom Kippur war, are now back to prewar levels.

The United States has added 47,000 antitank guided missiles to the NATO inventory over the past 2 years, and has upgraded its tanks, added more helicopters and artillery battalions, deployed four additional F-111 squadrons, introduced new close-air-support and air-intercept fighter planes, and is improving airlift capabilities so as to reinforce existing forces in Europe with an additional 5 divisions and 60 tactical air squadrons within 1 week—compared with the ability to augment by 1 division and 40 tacair squadrons today.[20]

The Allies have agreed to a "long term defense program," involving cooperation on improving readiness, reinforcement, reserve mobilization, electronic warfare, air defense, logistics, theater nuclear modernization, maritime posture, command-control-communications, and rationalization of arms production.[21]

Certainly this very incomplete list is not only a more meaningful, but also a far more politically impressive sign of American contribution to NATO than the symbolic 3 percent growth pledge. Furthermore, while these new programs require resources, they do not necessarily require 3 percent real growth in the entire defense budget.

CONCLUSION

Three percent real growth is simply not a rational plank on which to base a defense budget. The basis of the 3 percent figure—that the Soviets have been increasing their budgets by this amount for the past decade—is not precisely correct, nor does it have much meaning, given the differences in efficiency, economic structure, and military mission between the United States and U.S.S.R. The pledge for 3 percent real growth does not specify what the baseline of real growth must be, allowing for substantial flexibility within the constraints of the pledge. Even if Congress approves 3 percent real growth as a guideline for budgetary policy, typical deferrals and delays in weapons programs or an unexpected rise in the inflation rate—both of which are almost certain to occur—will erode real growth to a point below 3 percent, even while military capability is not eroded in the least. This alone provides ample illustration that linking military capability with a particular dollar figure is absurd.

To kneel before the altar of 3 percent real growth—to hold any particular number as sacrosanct—is to revere the simple symbols while ignoring the principles which they represent. Emphasis on percent-growth estimates divert attention from the real world of weapons systems, capabilities, and mission requirements—in short, from what defense policy should be all about.

THE "NATO FORCE-RELATED BUDGET"

The "force-related" budget is that portion for which real growth would be militarily meaningful, that is, excluding accounts for civilian payroll, military retired pay, inflation, currency revaluation, and so forth.

Many items in the fiscal year 1979 budget are not, strictly speaking, NATO-related. These include the following:

TABLE A-1

[In millions]

	TOA
Trident O. & M.	$127.7
Minuteman transporter roads	5.0
Loring Air Force Base O & M	18.9
Ballistic millile defense R. & D.	114.0
NMCS-wide support communications	4.6
Other strategic R. & D., Army	132.0
Trident II, R. & D.	5.0
Trident R. & D.	273.8
ELF	20.0
SSBN-X	3.0
Trident (adv. proc.)	198.0
Other strategic, Navy	381.0
ABRES R. & D.	105.0
Strat. bomber enhancement	58.3
Missile surveillance Tech	3.9
Warning info. correlation	4.1
Integrated nudents	9.1
B-1 R. & D.	55.0
Cruise missile carrier R. & D.	20.6
KC-135 squadrons	10.5
Minuteman squadrons	54.1
Adv. B-52 defense avionics	3.5
Other strategic, Air Force	709.9
Navy aircraft	3,538.5
Navy weapons	1,418.0
Navy conv. shipbldg and conversion	927.0
Other procurement, Navy	2,509.0
U.S. Marine Corps	356.0
Navy conventional R. & D.	~2,600.0
	~13,645.5

Taken from House Appropriations Committee, Report, *Department of Defense Appropriation Bill, 1979*, July 27, 1978.

This breakdown touches upon an area of some contentiousness. Included in the non-NATO force-related list are all naval forces that are not dedicated to sea-control missions. Sea-control forces include such items as the E-2C early warning plane, the EA-6B electronic warfare jet, the P-3 and S-3 anti-submarine planes, the HARM, Tomahawk and Sparrow missiles, the DDG-2 destroyer, FFG's—guided-missile frigats—T-AGOS Surtass ships, all attack submarines, CAPTOR mines, fleet-communications satellites, and the like. Purely power-projection forces—for example, the DDG-47 Aegis destroyer, attack aircraft and more planes for large aircraft carriers in high-threat areas—have not been included because enough of them already exist for NATO missions and because, for instance, sending in an aircraft carrier to attack, say, the Soviet coastline would not be militarily prudent.[22]

Breaking down Navy R. & D. into NATO and non-NATO is more problematic because it is difficult to tell what early-stage R. & D. programs are going to develop into, and many programs may have NATO and non-NATO use. The method here was to go down the complete list of R. & D. appropriations for fiscal year 1979 and count as NATO-related everything that could be used for sea-control in a North Atlantic war. The uncertainty of the estimate reflects the uncertainties involved in the task. All R. & D. specifically for strategic, meteorological and obviously power-projection systems are counted as non-NATO.

Some may quibble over details of these estimates. Still, Naval forces generally may only be indirectly related to NATO, since a European war might not last as long as 30 days before terminating or going nuclear, in which case the sealift of reinforcements would not be necessary—and it is the defense of Western Europe during these first 30 days that most concerns administration officials. Indeed, when in October 1977 Secretary of Defense Harold Brown asked Congress to restore a list of items that had been cut by the Armed Services and Appropriations Committees, he argued that these items were vital for NATO. Naval forces comprised only about 10 percent of the total request in dollars—even though, omitting the Congress inclusion of a nuclear aircraft carrier that was unwanted by the administration—and which was eventually removed from the Defense bill after President Carfen vetoed it—the House Appropriations Committee had cut more from Navy procurement—$707.3 million—than from any other budget line, except Army procurement—$744.6 million.[23]

A more difficult issue still involves the operations and maintenance (O. & M.) account. What share of this should be counted as "force-related", what share "NATO-related"? Most of O. & M. is spent on personnel and for items that are necessary for the maintenance of the soldier but not directly related to combat; for example, laundry, food, and so forth. The military requirements for many of these items remains fairly constant; the amount of money necessary for their maintenance rises with inflation but no more. It would, thus, be very misleading to include the entire O. & M. budget, since for many of its items, 3 percent real growth would be unnecessary and even wasteful. This may not be the case if the Defense Department thought that more of these services and support personnel are necessary for the defense effort, but nobody has testified that this is the case.

Furthermore, in recent years, U.S. forces in Europe have increased their "tooth-to-tail"—or combat-to-support—ratios. That is, the Defense Department has altered the force structure so as to trade in some support for some direct combat forces. This reduces the expense of O. & M., but does not cause a reduction in combat capability; indeed, it redresses what some have seen as an imbalance and a potential weakness in the military forces. This is still another reason why including the entire O. & M. budget in the accounting would be misleading.

Although finding a "right" technique can only be a rough and approximate process, I have decided to count just those O. & M. funds for central supply and maintenance—spare parts, fuel, and other combat-related material—and for direct NATO missions—such as O. & M. for airlift/sealift. When Defense Department officials talk about "readiness funds," this is primarily what they mean; this is the portion of O. & M. that is most meaningful and most directly related to the augmentation of NATO forces. Here I have counted as NATO-related all Navy funds for central supply and maintenance because there is simply no observable way to separate sea-control from power-projection forces in the O. & M. account, and present—thought not additional power-projection forces may have some NATO-related function.

FOOTNOTES

[1] NATO Press Service, *Final Communique: Ministerial Guidance, 1977*, Annex, p. 4.

[2] *Ibid.*, Annex, pp. 1–4.

[3] *Hearings before the House Armed Services Committee on H.R. 1309, H.R. 1310, H.R. 14042, H.R. 11945, S. 3373*, September 13, 1978, pp. 38, 135 (on Committee file).

[4] NATO Press Service, *op. cit.*, Annex, p. 1.

[5] See Hearings, Joint Economic Committee, *Allocation of Resources in the Soviet Union and China—1978*, Pt. 4, p. 59; *—1977*, Pt. 2, pp. 70, 80; *—1976*, Pt. 2, pp. 19, 22, 53; *—1975*, Pt. 1, pp. 25, 93. Cf. CIA, *A Dollar Cost Comparison of Soviet and U.S. Defense Activities*, 1968–1978, January 1979, p. 11; Harold Brown, DoD, *Annual Report, FY 1980*, pp. 7, 37.

[6] CIA, *Estimated Soviet Defense Spending: Trends and Prospects*, June 1978, pp. 13–14; Hearings, Joint Economic Committee, *op. cit.*, *—1976*, Pt. 2, p. 53.

[7] CIA, *A Dollar Cost Comparison of Soviet and US Defense Activities, 1968–1978*, p. 3; CIA, *Estimated Soviet Defense Spending: Trends and Prospects*, p. 1.

[8] For example, see testimony by Gen. Samuel Wilson, then-Director of the DIA, in Hearings, Joint Economic Committee, *op. cit.*, *—1976*, Pt. 2, pp. 104–05.

[9] CIA, *Estimated Soviet Defense Spending: Trends and Prospects*, p. 4; and past annual volumes of *The Military Balance* (London: International Institute for Strategic Studies).

[10] Harold Brown, DoD, *op. cit.*, p. 35.

[11] John Erickson, "Soviet Military Power," *Strategic Review*, Spring 1973, Special Supplement, pp. 2–24.

[12] See, e.g., *Hearings Before the House Armed Services Committee on H.R. 3818*, FY 1972, March 9, 1975, pp. 2325, 2597–98; and *The American Commitment to NATO*, A Report of the Special Subcommittee on NATO

Footnotes at end of article.

Commitment, House Armed Services Committee, August 17, 1972.

[10] Defense Secretary Harold Brown suggested this claim in Hearings, Senate Appropriations Committee, *Department of Defense Appropriations, FY 1979*, Pt. 1, pp. 450–51.

[11] DoD, *FY 1980 Department of Defense Budget*, January 22, 1979, Enclosures, p. 1.

[12] DoD, *Financial Summary Tables for Fiscal Year 1980*, p. N–1.

[13] Information from DoD, February 1979.

[14] DoD, *Program Acquisition Costs By Weapon System for FY 1980*, pp. 48, 73.

[15] Cf. Richard P. Cronin, *An Analysis for Congressional Reductions in the Defense Budget, Fiscal Years 1971–1976*, Congressional Research Service (CRS), September 16, 1976; and Cronin, *Analysis of Congressional Changes to the FY 1978 Defense Budget*, CRS, September 26, 1978.

[16] For an excellent guide to analyses of the theater balance, see Jim Blaker and Andrew Hamilton, *Assessing the NATO-Warsaw Pack Military Balance*, Congressional Budget Office (CBO), December 1977.

[17] Harold Brown, DoD, *op. cit.*, pp. 47–49, 142ff; *FY 1979*, pp. 6–7.

[18] Ibid., *FY 1980*, p. 48.

[19] For an extended analysis of sea-control missions, see Dov Zakheim, *The U.S. Sea Control Mission: Forces, Capabilities and Requirements*, June 1977; cf. also General Accounting Office, *Implications of the National Security Council Study "US Maritime Strategy and Naval Force Requirements" on the Future Naval Ship Force*, December 19, 1977.

[20] See Harold Brown, Letter to Rep. Melvin Price, Chrman., House Armed Services Committee, September 12, 1978; and House Appropriations Committee, Report, *Department of Defense Appropriation Bill, 1979*.●

THE UNFAIR INTERNATIONAL TRADE PRACTICES ACT OF 1979

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. CONABLE. Mr. Speaker, today, along with Messrs. FRENZEL, SCHULZE, MOORE, GRADISON, GIBBONS, and JONES of Oklahoma, I am introducing H.R. 2597, the Unfair International Trade Practices Act of 1979. H.R. 2597 would greatly facilitate prompt and reliable enforcement of existing U.S. laws which were designed to protect American industry and labor from the harmful effects of internationally proscribed trade practices.

Over the past several years the Ways and Means Committee, largely through the trade subcommittee, has held hearings on and has been closely monitoring the enforcement and administration of our countervailing duty and antidumping laws. The plain and consistent result of this protracted oversight activity has been that these and similar U.S. laws have been erratically administered, and inadequately enforced.

Domestic industries and labor organizations alike have complained that owing to a lackadaisical attitude and a generally cumbersome bureaucracy, the Treasury Department has clearly failed the spirit of the laws we have passed which seek to assure that the American people and our economy will not have to suffer from unfair trading practices of those who wish to compete in our market. Moreover, the Treasury Department, in some instances has exercised its otherwise legitimate discretionary enforcement authority in such a way that comes all too close to outright failure to comply with the very letter of the law.

On the eve of the completion of one of the most significant multilateral trade liberalizing undertakings in trade negotiating history, in the midst of one of the most serious sequences of American trade deficits, during this period of delicate economic conditions, it is incredible to us that domestic laws are not vigorously enforced which enjoy international acceptance and which would offer an important measure of insulation from the harms of dumped and subsidized imports. This circumstance is especially disturbing to those of us who have been longtime supporters of a policy of open and free trade because we feel such a policy is in the long-term best interest of all sectors of our economy. But such a liberal trade policy and the benefits such a policy yields cannot easily survive when those few laws designed to protect U.S. industry are not enthusiastically enforced in general, but especially when these measures are underutilized in times of economic strain. Indeed, such neglect and lack of resolve promotes those forces in opposition to a system even more open.

The evidence supporting such harsh criticism of this and previous administration's enforcement of our international trade laws is unequivocal. We need only note a few more recent cases to make the point plain: the events necessitating the imposition of the trigger price mechanism for steel imports; the time it has taken to begin collecting duties on Japanese televisions found to have been dumped in 1971; the circumstance of the manmade fiber industry, the hand tools industry, metal fasteners, bicycles, and the valve industries. All of these cases and the industries involved have met with considerable difficulty in obtaining adequate enforcement of existing measures to stave off the harmful effects of unlawful trading practices. In many instances the result of the dilatory administration of the laws has been disasterous. Although the plight of the domestic CB radio industry and the color TV industry may be extreme examples of the consequence of current enforcement policy, the domestic chemical, semiconductor, computer, and aircraft industries are all standing in the wings with little to comfort them.

While I enthusiastically await the results of the multilateral trade negotiations, which are in the final stage, and look forward to the significant improvements that will result in the world trading system because of it, I also recognize that little domestic support can be won for the liberalizing changes the MTN will bring so long as there is reservation about the resolve of the executive branch to enforce laws requiring foreign traders to deal fairly in our market. And, although I eschew the protectionist approach to dealing with the problems of import competition, I wholly support the view that our laws which are consistent with international practice and which compel fair behavior in our market must be vigorously enforced. Our industry and labor communities must have confidence that when they are faced with abuse there is both the means and the will on the part of government to render appropriate redress. It is out of this belief and out of these concerns that this legislation is introduced. We wish to amend the relevant international trading laws so that consistency and predictability can be restored to their administration and so that adversely affected parties will look with confidence to the assistance these laws can provide.

Mr. Speaker, this is the sole purpose of the legislation I am introducing today. The bill is not intended to expand the scope of the existing unfair trade laws. Instead, it seeks to simplify, clarify, and make more reliable the procedures under which domestic industries can obtain proper relief from unfair trade practices. I and my cosponsors urge the support of our colleagues for this legislation.●

VOLUNTARY CITIZEN FINANCING FOR THE ARTS AND HUMANITIES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. RICHMOND. Mr. Speaker, on January 15, 1979, I reintroduced legislation which would provide individuals an opportunity to make voluntary financial contributions, in connection with their income taxes, for the advancement of the arts and humanities.

Since its first introduction in 1975, the funding concept embodied in the arts and humanities bill, H.R. 1042, has received enthusiastic support both from the professional arts and humanities communities and the general public. My office has received over 83,000 favorable letters and more than 100,000 signatures on supportive petitions. During the 95th Congress, 158 of my colleagues agreed to cosponsor the bill.

The arts and humanities bill, H.R. 1042, as it was reintroduced on January 15, 1979, is a serious attempt to generate the funding required to provide all American communities with equality of access to quality cultural programs. In only 4 short weeks, the following 103 Members of the House of Representatives have cosponsored this legislation precisely because they agree with its innovative approach:

LIST OF COSPONSORS

Joseph Addabbo, Daniel Akaka, Douglas Applegate, Les AuCoin, Alvin Baldus, Mario Biaggi, Jonathan Bingham, William Boner, David Bonior, Marilyn L. Bouquard, David Bowen, John Buchanan, Tony Coelho, John Conyers, Baltasar Corrada, Norman Dicks.

Charles Diggs, Thomas Downey, Robert Edgar, Geraldine Ferraro, Hamilton Fish, Daniel Flood, James J. Florio, Harold Ford, Richard Gephardt, Ben Gilman, Bo Ginn, Barry Goldwater, Jr., Herbert Harris, W. G. (Bill) Hefner, Edward Hillis, Harold Hollenbeck.

Frank Horton, James J. Howard, Bill J. Hughes, Andy Ireland, James M. Jeffords, John W. Jenrette, Jr., Ed Jones, Walter Jones, Dale E. Kildee, Peter H. Kostmayer, Claude (Buddy) Leach, Jim Leach, Raymond Lederer, Gary A. Lee, William Lehman, Gillis W. Long, Michael E. Lowry, Stanley Lundine, Andrew Maguire, Ed Markey, Dawson Mathis.

Jim Mattox, Robert T. Matsui, Nicholas Mavroules, Paul N. McCloskey, Jr., Matthew F. McHugh, George Miller, Norman Y. Mineta, Don Mitchell, Joe Moakley, Toby Moffett, Austin J. Murphy, John M. Murphy, Michael Myers, William Natcher, Richard M. Nolan, Richard L. Ottinger, Charles Pashayan, Jr.

Claude Pepper, Carl D. Perkins, Richardson Preyer, Melvin Price, Joel Pritchard, Nick Joe Rahall II, Tom Railsback, Charles B. Rangel, Peter W. Rodino, Benjamin S. Rosenthal, John H. Rousselot, Edward Roybal, James H. Scheuer, James F. Sensenbrenner, James M. Shannon, Stephen J. Solarz.

Gladys Spellman, Neal Smith, Pete Stark, Sam Stratton, Frank Thompson, Jr., Bob Traxler, Bruce F. Vento, Doug Walgren, Henry A. Waxman, James H. Weaver, Ted Weiss, Pat Williams, Larry Winn, Tim Wirth, Gus Yatron, Robert Young, Leo C. Zeferetti.

H.R. 1042 seeks to utilize the Federal income tax returns to conduit contributions to both the National Endowment for the Arts and the National Endowment for the Humanities.

The bill requires that two pledge boxes be placed directly on the first page of the 1040 income tax forms, permitting taxpayers to make voluntary, tax deductible contributions to the National Endowment for the Arts, the National Endowment for the Humanities or both. These contributions must be made in addition to income tax payments, or in lieu of refunds. Moneys raised in this manner are to be used for fellowships to artists, scholars and for direct support grants to community groups, organizations and institutions. No funds collected may be used for Federal administrative expenses. The bill stipulates that congressional appropriations shall not be affected by revenue raised from citizen contributions, thereby safeguarding and upholding the concept of Federal financial responsibility as well. In its newly expanded form, the bill prescribes a fund distribution method designed to maximize benefits to the contributors while protecting grant recipients as well.

In 1973 and 1975 Louis Harris conducted surveys entitled "Americans and the Arts." These surveys indicated clearly the strong willingness of the American taxpayer to contribute financial support. The polls show that 64 percent of the adult public would be willing to pay an additional $5 a year while 36 percent would pay an additional $50. Utilizing these statistics and projecting them over 83 million taxpayers, one could reasonably assume that $1,743,120,000 annually would be contributed to the National Endowments should this legislation be enacted.

The arts and humanities bill was conceived in response to the evidence of this survey in order to provide a simple and direct method for citizens to demonstrate their support. More recent local surveys in Peoria, Baltimore, and Chicago validate earlier statistics as still representative of the feelings of the public. This is particularly significant inasmuch as other nonprofit areas of our economy have mechanisms available to them to reach the average worker and solicit contributions.

The arts and humanities communities do not have universal collection mechanisms. A key to understanding this approach is to realize that in 1978 over 84 million tax returns were filed. Sixty-six million taxpayers received refunds averaging $488.74. A person anticipating this refund could easily donate some portion of it to one or both Endowments. In addition, for those who choose, this contribution could be itemized as a deduction the following year. The loss to the Treasury would be negligible. The money derived from this source of funding could in effect help to eliminate the National Arts and Humanities deficit and allow for much-needed expansion and development.

Recent evidence indicates that the sole hope for future solvency depends upon increased financial support from private citizens. Increased public support must keep pace with broadened public appeal for cultural activity nationwide. Otherwise, more time and energy will be devoted to the fight for survival—and not to the development of the creative potential.

It is a sad fact of life for the arts and education that revenues from tuition, gifts, tickets, royalties, or related services result in only half of the necessary expenditures. Whereas other nations such as England, Germany, Sweden and even the Soviet Union strongly support their arts and education through government subsidies, in our Nation, the struggle for fiscal solvency intensifies. Despite the fact that the Federal Government has appropriated $295 million for both national endowments, it is not enough, not at a time when well over $1 billion is necessary.

Each year, Mr. Speaker, thousands of performances, museums and library hours are cut, while publications are canceled due to lack of funds. It is indeed rare that a national arts organization goes on tour and is not received by full houses and standing ovations. Community cultural centers are bravely attempting to meet the needs of all citizens including the old, young, and the handicapped. The ethnic richness of America inspires the development of organizations which express our cultural pluralism in meaningful and dignified ways. Many library and museum programs include films, concerts, lectures in addition to complete media and reference centers as well. Community, State, and private institutions of higher learning report a burgeoning interest by students in arts and humanities subjects. One of our major schools of medicine has added a humanities component for its third-year students to help surmount the trend to become specialized technocrats. And yet, in the lower schools, widespread fiscal retrenchment of arts courses and enrichment programs have escalated the tragic decline of cognitive skills among our children.

For the past 4 years the bill simply outlined the following concept for collecting private contributions:

First. That a checkoff box for voluntary tax-deductible contributions be placed on the 1040 Federal tax forms;

Second. That contributions would be earmarked for either the National Endowment for the Arts or the National Endowment for the Humanities, or both equally;

Third. That none of the moneys raised in this manner would be used for NEA of NEH administrative purposes; and

Fourth. That moneys raised in this manner shall not affect the amount annually appropriated by the Congress for the National Endowments.

H.R. 1042 as reintroduced January 15, 1979, has been expanded to provide the distribution formula for contributions which seeks equity for the donor and the recipient as well. When the bill becomes law, funds generated by the checkoff will be distributed by the endowments, with consideration for the State of origin. Currently, the arts and humanities agencies in each State are quite different. All State arts agencies are governed by the State legislatures, with professional paid staffs to administer State and Federal appropriations. Conversely, State humanities agencies are not governed by the State legislatures, receive no State funds, and often have voluntary boards or staffs.

In fact, the State humanities agencies are funded entirely by the NEH in Washington. In some States humanities "committees" are just being organized. For this practical reason, funds earmarked for the two endowments must be handled differently.

Of the funds contributed to the National Endowment for the Arts, 50 percent will revert to the State for distribution by the official State arts agency; the other 50 percent will be distributed by the NEA with instructions to benefit the area of origin. The funds at Federal and State levels will be divided into specific categories in precise proportions: In general, 30 percent of the arts moneys must be spent on the performing arts, 30 percent on the visual arts, and 40 percent on all other art forms—including architecture, photography, environmental arts, expansion arts programs and special new programs. This formula was derived so as to stabilize existing cultural activity of proven quality and continuity, while also encouraging funding for new groups, and innovative programs.

Of the funds contributed to the National Endowment for the Humanities, 20 percent will revert to the State for distribution by the State humanities agency, while 80 percent will be distributed by the NEH with instructions to benefit the area of origin. The 80/20 formula is presently mandated by Congress to provide "seed money" to strengthen grassroots programs such as fellowships, public policy forums, research in local history, workshops, and film festivals. Both local arts and humanities agencies may use not more than 5 percent of these checkoff funds to cover administrative costs. Limited budgets in some States necessitate this

inclusion to insure responsible administration.

Applicants for funds generated by H.R. 1042 will not be required to match amounts for which they apply with cash or in-kind services. Therefore, theoretically, grants awarded could cover 100 percent of specific project costs.

Funds may be used for construction and renovation, general operating expenses, and all other areas presently fundable under guidelines of both endowments.

Consultations with both national impact organizations and grassroots organizations have resulted in the following budget stipulations:

If an organization's operating budget—

Does not exceed $500,000 it can receive up to 25 percent of its budget from these funds.

Is between $500,000 and $2,000,000, 20 percent.

Is between $2,000,000 and $5,000,000, 15 percent.

Exceeds $5,000,000, 10 percent.

In all cases, these percentages are in excess of what is currently permissible.

The arts and humanities bill, H.R. 1042, offers the willing donor a convenient opportunity to contribute dollars without exorbitant fund raising overhead, and without depleting the Federal treasury. H.R. 1042 would simply amend the tax forms, thus making it possible to collect contributions from the previously unapproached, but willing small donor. The method is simple and convenient. Its outreach is universal. H.R. 1042 requires no new administration, no added budget drain, no increased taxes and minimal Federal paperwork, simultaneously reaching every American household. This simple, pressure-free method will result in massive new funds and engender widespread citizen patronage, interest and participation.

From my own experience as chairman of the board of Carnegie Hall for 16 years, from my service as chairman of the finance committee of the New York State Council on the Arts, as a founder of Young Audiences, and from my tenure in the House of Representatives, I understand the urgent needs of our cultural institutions, and I am aware of the willingness of the public to guarantee their survival. The arts and humanities are intrinsic to the survival of our democracy. If we are to insure the climate vital to the development of the American "creative potential," we must protect our greatest national resource, the talent and brains of our most creative people. With the same urgency as those who fear for the physical environment, we must act to enhance and protect America's cultural environment. Citizen involvement is mandatory and long overdue. Those who believe that all American communities must have equality of access to quality humanistic endeavors are urged to support the arts and humanities bill.

The following individuals and organizations are among those who have supported the bill in the 94th and 95th Congresses—institutional affiliation listed for purposes of identification only.

I urge my colleagues to join with me in insuring hearings before the Ways and Means Committee and the Education and Labor Committee to which the bill has been jointly assigned.

The material follows:

ORGANIZATIONS, COMPANIES, UNIONS

Actors Equity.
Alabama State Council on the Arts and Humanities.
Albright-Knox Art Gallery.
American Association of Community and Junior Colleges.
American Association of Museums.
American Composers Alliance.
American Crafts Council.
American Dance Guild.
American Federation of Musicians, Local 802.
American Federation of Television and Radio Artists (AFTRA).
American Guild of Authors and Composers (AGAC).
American Guild of Musical Artists (AGMA).
American Guild of Organists, N.Y. City Chapter.
American Guild of Variety Artists (AGVA).
American Music Center.
American Music Conference.
American Musical and Dramatic Academy.
American Society of University Composers.
American String Teachers Association.
Art Academy of Cincinnati.
Art Libraries Society of North America
Artist's Rights Today (A.R.T., Inc.).
Artists Equity Association of Washington, D.C.
Artists Equity of New York.
Artists for Economic Action.
Arts Council of North-West Essex (N.J.).
Arts Council of Tampa-Hillsborough County (Fla.).
Arts Council of Rockland County (N.Y.)
Association of American Dance Companies
Association of Community College Trustees.
Atlanta Art Workers Coalition, Limited.
Atlanta College of Art.
Atlantic Richfield Company.
Atlanta Symphony Orchestra.
Black Spectrum Theatre (N.Y.).
Black Theatre Alliance.
Brooklyn Arts and Culture Association.
Buffalo Craftsman, Inc.
California Dance Management.
Casa Hispana de Bellas Artes (Calif.).
Catskill Symphony Orchestra.
Center for the Study of Alternative Futures.
Center for the Study of Community Colleges.
Chicago Screen Educators' Society, Board of Directors.
Childrens Theatre Association.
Cleveland Modern Dance Association.
Clinton Historical Museum Village (N.J.).
College Art Association of America.
Connecticut Commission on the Arts.
Connecticut Historical Commission.
Contemporary Art/Southeast.
Cultural Executives Council, Inc.
Cummins Engine Co. (Columbus, Ind.).
Dance Magazine.
Delta Omicron International Music Fraternity.
Dennis Wayne Dancers.
Denver Symphony Orchestra Members.
Department of Studio Arts, University of Minnesota.
Detroit Area Film Teachers.
Directors Guild of America, Inc.
District of Columbia Commission on the Arts and Humanities.
East Bay Review of the Performing Arts.
Educational Film Library Association.
Elinor Coleman Dance Ensemble.
Eliot Feld Ballet.
Genesis Galleries, Ltd.
Georgia Council For the Arts and Humanities.
Greater Tampa Chamber of Commerce, (Fla.).
Hebrew Actors Union.
Hudson County Cultural and Heritage Affairs (N.J.).
Idaho Alliance for Arts in Education.
Indiana v. School of Music Faculty.
International Alliance of Theatrical Stage Employees and Moving Picture Operators of U.S. and Canada (IATSE).
International Conference of Symphony and Opera Musicians (ICSOM).
International Native American Council for Arts.
International Theatre Institute of the U.S., Inc.
Iowa Arts Council.
Italian Actors Union.
James River Art League (Va.).
Joan Kerr Dance Company (Philadelphia).
Kauai Academy of Dance and Music (Hawaii).
League of Professional Theatre Training Programs.
League of Resident Theatres (LORT).
Los Alamos Arts Council.
Members of the Denver Symphony Orchestra.
Memphis Arts Council.
Michiana Arts and Sciences Council.
Michigan Dance Association of Community and Junior Colleges.
Michigan Water Color Society.
Mid-America Arts Alliance.
Mid-Iowa Arts Association.
Minnesota American String Teachers Association.
Minnesota Dance Theatre and School.
Missouri Association of Community and Junior Colleges.
Montgomery County Arts Council (Md.).
National Art Education Association.
National Assembly of Community Art Agencies.
National Association of Composers, USA
National Association of Music Merchants.
National Association of State Directors of Art Education.
National Association of Teachers of Singing.
National Council of Arts Administrators.
National Guild of Community Schools of the Arts, Inc.
National Society of Literature and the Arts.
Nebraska Arts Council.
New Jersey State Council on the Arts.
North Carolina Alliance for Arts Education.
North Carolina Music Educators Association.
Northwest Film Study Center.
Oregon Music Educators Association.
Organic Theatre Company of Chicago.
Pacific Northwest Dance (Seattle).
Paramount Pictures.
Pennsylvania Ballet Company.
Pennsylvania Council on the Arts.
Philadelphia Art Alliance.
Philadelphia Arts Exchange.
Philadelphia College of Art.
Professional and Administrative Staff of the Museum of Modern Art (New York City).
Puppetry Guild of Greater New York, Inc.
Reuben Mack Association.
Reich Music Foundation.
San Diego Dance Theatre, Inc.
Screen Actors Guild (SAG).
Screen Extras Guild.
Seattle Opera Association.
Society of American Archivists.
The Asia Society.
The Associated Actors and Artists of America.
The Authors Guild, Inc.
The Authors League of America.
The Brevard Arts Council (Fla.).
The CF Martin Organization.
The Capezio Foundation.
The College Music Society.

The Community Film Workshop of Chicago.
The Cultural Education Collaborative of Boston.
The Dramatist Guild.
The Family.
The Great-American Children's Theatre Company.
The Hymn Society of America.
The Junior League of Harrisburg, Inc.
The League of New York Theatres and Producers, Inc.
The Memphis Academy of Arts.
The Mime Workshop.
The National Center for Urban Ethnic Affairs.
The New Museum (NY).
The New Shakespeare Company (CA).
The Puppeteers of America.
The Shakespeare Players, Inc.
The Society of American Archivists.
The State Historical Society of Wisconsin.
Theatre Memphis.
Theatre Vanguard.
University of Idaho School of Music Faculty.
University Resident Theatre Association.
Virgin Island Council on the Arts.
Washington State Arts Commission.
Westport Weston Arts Council (Conn).
WNCN Listener's Guild, Inc.
Writers Guild of America, West, Inc.
Yale Center for British Art.
Young Audiences.
Young Filmakers, Inc.

INDIVIDUALS

Edward Albee.
Eddie Albert.
Richard Anusczkiewicz.
Harold Arberg (Dir. Arts & Humanities, USOE HEW).
Paul B. Arnold (Pres. Nat'l Assoc. of Schools of Art).
Martina Arroyoa.
Lewis M. Bachman (Exec. Dir. American Guild of Authors/Composers).
Richard Barr (Pres. League of NY Theaters & Producers).
Silva Barsumyan (Dir. Union City Public Library).
William Baumol, Economist.
George Bayliss (Dean, School of Art, University of Michigan).
Kenneth Beachler (Dir. MSU Office of Cultural Affairs).
Michael Bennett.
Elmer Bernstein (Pres. Composers & Lyricists Guild of America, Inc.).
Leonard Bernstein.
Theodore Bikel (Pres. Actors' Equity).
John Bitterman (Dir. Georgia Council for the Arts & Humanities).
Anthony A. Bliss (Exec. Dir., Metropolitan Opera Assn.).
Martin Bookspan.
Michael Botwinick (Dir. Brooklyn Museum).
Gene Boucher.
Oscar Brand (Songwriters Hall of Fame).
John Brooks (Pres. The Authors Guild, Inc.).
Michael Brotman (Dir. Krannert Ctr. for Performing Arts, Urbana, Ill.).
Firman H. Brown, Jr. (Chmn. Dept. Drama-Speech, Ithaca College).
G. David Brumberg (Dir. NY Historical Resources Ctr., Cornell University).
Gilbert A. Brumgardt (Dean, Art & Letters, Towson State University, Md.).
Robert Brustein (Dir. Yale Rep. Thtr.).
Jane Bucci (Dir. American Composers Forum).
Peter C. Bunnell (Dir. The Art Museum, Princeton University).
Burt Burda (Chmn. Idaho Alliance for Arts in Education).
Joseph C. Burke (Pres. College at Plattsburgh, SUNY).
William E. Busta (Dir. Dacotah Prairie Museum).
Sarah Caldwell.
Dr. Richard Caliner (Pres. Council of Art Dept. Chmn. SUNY).
Alan Cameros (Treasurer, Museum Trustees-American Assn. of Museums).
Frank V. Carioti (Exec. Dir. Old Town Players Workshop Theatre, Chicago).
Harry Chapin.
Ric Collier (Dir. The Boise Gallery of Art).
Earl L. Collins (Co-chmn. Wisconsin Alliance for Arts Education).
Sergiu Commissiona (Music Dir. Baltimore Symphony Orchestra).
Aaron Copeland.
Arthur G. Cosenza (Gen. Dir. New Orleans Opera).
Geri Critchley (Experiment in International Living, D.C.).
Cassandra Crowley (Wilkes-Barre Ballet Theatre).
David Crownover (Exec. Dir. Philadelphia Arts Alliance).
Wade Curry (Dean Arts & Services-Trenton State College, NJ).
Paul Curtis (Dir. American Mime Thtr.).
George Cuttingham (Pres. American Academy of Dramatic Arts).
Morton da Costa.
Elisworth Davis (Mgr. Dir. Hartford Ballet).
Elaine de Gaetani (Pres. Delaware Valley Arts Alliance, NY).
John de Lancie (Dir. Curtis Inst. of Music).
Norman dello Joio.
Angele Del Rossi (Exec. Prod. Paper Mill Playhouse, NJ).
Agnes DeMille.
William Denton (Exec. Dir. Illinois Arts Council).
Walter Diehl (Internat'l Pres. IATSE).
Barry Diller (VP Paramount Pictures).
Benedict Di Salvo (Dir. Oklahoma Arts & Humanities Council).
Thea Dispeker.
Walter Drake.
Donn Dresselhuys (Chmn. Milwaukee Symphony Orchestra).
John Duffy (Meet the Composer).
Timothy Duncan (Dir. Pennsylvania Ballet).
Maurice Edwards.
Paul H. Elicker (Pres. SCM Corp.).
Arthur Ephross (Southern Music Co.).
Jean Erdman.
Patricia Ewald (Performing Arts Program Coordinator AFL/CIO).
Julia Fenton (Editor Atlanta Artworkers Coalition).
Hans-Joachim Finke (Regional Conf. of Historic Agencies).
Avery Fisher (Board Mem. Lincoln Center).
Robert Fitzpatrick (Pres. Cal. Inst. of the Arts).
Henry Fonda.
Jane Fonda.
Joan Fontaine.
Lukas Foss.
Muriel Francis (Pres. New Orleans Philharmonic Symphony Orchestra).
Doris Freedman (Public Arts Council, NY).
Robert Freeman (Dir. Eastman Sch. of Music).
Tom Frost (CBS Records).
Albert Fuller (Dir. Aston Magna Fdtn. for Music).
Eugene Garfield (Chmn. & Pres. Inst. for Scientific Information).
Robert Glenn (Prod. Shakespeare Festival of Dallas).
Joseph Goldin (Dir. Cultural Resources Council, Syracuse NY).
Kenneth L. Graham (Chmn. Theatre Arts Dept. University of Minnesota).
Jack Gravelee (Chmn. Speech & Theatre Arts Dept., Colorado State U.).
Louis Bush Hager (Pres. American Academy of Dramatic Arts).
John A. Hague (Dir. Nat. American Studies Assn.).
James Hall (Pres. Empire State Coll.).
Wynn Handman (Pres. Am. Place Thtr.).
R. Philip Hanes.
John Hersey (Pres. Authors League of Am.).
Hiram R. Hersey (Dir. PA Counc. on the Arts).
John Hightower (Pres. South St. Seaport Museum).
Joseph Hill.
Margaret Hillis (Dir. Chicago Sym. Chorus).
Lois Hobbs (Pres. Nat'l Sch. Orchestra Assn.).
Harlan Hoffa (Head Div. Art & Music Ed. The Pennsylvania State U.).
Jeffrey Hoffeld (Dir. Newburgh Museum, NY).
Beverly Hoffman (Exec. Dir. Staten Island Council on the Arts).
Celeste Holm.
Thomas P. Hoving.
Dale Huffington (Pres. Am. Thtr. Assn.).
Karel Husa.
Bernard Jacobs (Pres. of Shubert Organization).
Jasper Johns.
Mari Jo Johnson (Adm. Dir. Consortium of Jazz Orgs. & Artists).
Harold J.T. Isenberg (Pres. Fed. of Catholic Teachers).
Anthony Keller (Dir. Conn. Commission on the Arts).
David L. Kest (Dean of Humanities, De Anza College, Ca.).
Kathleen Kilillea (Dir. Arts Exchange NH).
Lincoln Kirstein (NYC Ballet).
Robert Klotman (Former Pres. MENC).
Lillian Knapp (Colbert Arts Management).
Ed Koch (Mayor of NYC).
Al Kochka (Exec. Dir. NJ State Council on the Arts).
Andre Kostelanetz.
Leo Kraft (Pres. Am. Music Ctr.).
Max Larsen (Dean, The Univ. of Nebraska at Lincoln).
Roger Larson (Dir. Young Filmakers).
Peter Laskovski (Dir. The Shaker Museum, NY).
William J. Leffin (Dean, College-Letters & Science Univ. of Wisconsin).
Nat Leftowitz (Chmn. of Bd. Wm. Morris Agency).
Ira C. Lehn (Dean Conservatory of Music, Univ. of the Pacific).
David C. Levy (Dean, Parsons School of Design).
Harvey Lichenstein (Exec. Dir. Brooklyn Academy of Music).
Viveca Lindfors.
Lorin Maazel (Dir. Cleveland Orchestra).
Stanley S. Madeja (CEMREL, Inc.).
John Mahlman (Exec. Dir. NEAE).
Delbert Mann (VP Directors Guild of AM.).
Leonard Marcus (Editor High Fidelity Magazine).
Stanley Marcus (Chmn. Nieman-Marcus).
Richard Marshall (Gen. Dir. The Charlotte Opera Assn.).
Keith J. Martin (Dir. San Diego Ballet School).
Mary Martin.
Robert Martin (Arts Writer, Tampa Times).
Anthony Mazzocchi (Leg. Dir. Oil Chemical & Atomic Workers Internat'l Union).
Goldwin McClellan (Business Committee on the Arts).
Keith McPheeters (Dean, Sch. of Fine Arts & Architecture, Auburn U.).
Ann Meara.
Peter Mennin (Pres. Julliard School, Lincoln Ctr.).
Dina Merrill.
Robert Merrill.
Bea Miller (Pres. Theater Memphis).
I. Irwin Miller (Chmn. Cummins Engine Co.).

James Moeser (Dean, U. of Kansas).
Henry Moran (Exec. Dir. Mid-America Arts Alliance).
Robert Motherwell.
Lowell B. Nesbitt.
Frederick W. Ness (Pres. Assn. of American Colleges).
Louise Nevelson.
Joseph Noble (Pres. AAM).
Kathleen Nolan (Pres. Screen Actors Guild).
Gerald O'Grady (Dir. Media Study, Buffalo NY).
Frederick O'Neal (Internat'l Pres. Associated Actors & Artists of America).
David Oppenheim (Dean School of the Arts NYU).
Martin Oppenheimer (Member, Bd. of Directors NY City Ctr.).
Eugene Ormandy (Dir-Philharmonic Orchestra).
Dr. Robert Pace (Ed. Dir. Nat'l Piano Fdtn.).
Joseph Papp.
Judith Peiser (Dir. Ctr for Southern Folk Lore).
Bennard B. Perlman (Prof & Chmn, Art Dept. Community College at Baltimore).
Itzhak Perlman.
Solly Pernick (Pres. IATSE Local No. 1).
Roberta Peters.
Bernt Pettersen (Pres. Envision Film. Boston).
Sheffield Phelps (Pres. Pacific MW Dance Co.).
William W. Pisenti (Pres. Irate Taxpayers Committee).
Carl Pistilli (Artistic Dir. Children's Theater Assn.).
Jeno Platthy (Pres. Third Internat'l Congress of Poets).
Mrs. John A. Pope (Pres. Internat'l Exhibitions Fdtn, D.C.).
Dennis Power (Dir. Santa Barbara Museum of Natural History).
Jacinto Quirarte (Dean, Coll. of Fine & Applied Arts U. of Texas at San Antonio).
Robert Rauschenberg.
Ann Reinking.
William Reynolds (Pres. Coll. Music Soc.).
Jerome Robbins.
Cliff Robertson.
Charles Robinson (Dir. Hudson Coun. Cultural & Heritage Affairs).
Donald P. Robinson (Dean NY Chapter, American Guild of Organists).
Dorothy Rodgers.
Mary Rodgers.
Richard Rodgers.
Peter Rodrigues (Dir. The Mexican Museum, S.F. California).
Leonard Rose.
James Rosenquist.
Peter J. Rosenwald (Dance Critic, Wall St. Journal).
George Sadek (Pres. Coll. Art Assn. of Am.).
Eva Marie Saint.
Terry Sanford (Pres. Duke U.).
Archie A. Sarazin (Mgr. Dir. Milwaukee Performing Arts Ctr.).
Robert Sarnoff.
John C. Sawhill (Pres. NYU).
Louis Scheeder (Producer Folger Theatre).
Sam Scheer (Am. Craft Council).
William Scheide (Dir. Bach Aria Group).
Donald Schoenbaum (Mgr. Dir. Guthrie Theatre, Minneapolis, MN.).
Gerald Schoenfeld (Schubert Fdtn.).
Gunther Schuller.
Thomas Schutte (Pres. Phil. Coll. of Art).
Pete Seeger.
Irving Segall (Pres. Internat'l Conf. of Symphony & Opera Musicians).
Rudolph Serkin.
Robert Shaw (Music Dir. & Conductor Atlanta Sym. Orchestra).
Leo Shmeitsman (Pres. The Am. Art Theatre & Motion Picture Inst.
Catherine Finene Shouse (Chmn. Exec. Comm. Wolf Trap Farm for the Perf. Arts).
Elie Siegmeister (Pres. Nat'l Council for the Creative Arts, Libraries & Museums).
Beverly Sills.
James Sjoland (Dir. Comprehensive Arts in Education Planning).
Joseph Sloane (Chmn. NC Art Comm).
James P. Smith (Dir. Fed. of Public Programs in the Humanities).
Oliver Smith (Co-Dir. American Ballet Theatre).
Patricia M. Smith (Mgr. San Francisco Chamber Music Soc.)
Peter Smith (Dir. The Hopkins Ctr., Dartmouth).
Thomas Smith (Dir. Ohio Hist. Soc.).
W. Thomas Smith (Exec. Dir., The Hymn Society of America).
Teri Solomon (Exec. Producer, The Great American Children's Theatre Co.).
Stephen Sondheim (Pres. Dramatics Guild, Inc.).
George Sorenson (Chmn. Dept. of Theatre Arts, Texas Christian Univ.).
J. J. Spain (Pres. American Fed. of Musicians Local 6).
David Spatola (Exec. Dir., Siouxland Arts Council, Sioux City, Iowa).
Dennis Stark (Pres. RI Historical Society).
Janos Starker.
Eleanor Steber.
Henry Steinway (Pres. Steinway & Sons).
Isaac Stern.
George Stevens Jr. (Dir. Am. Film Inst. Kennedy Ctr. for the Perf. Arts).
Robert Stevens (Chmn Kennedy Ctr. for the Perf. Arts).
John W. Stewart (Dean College of Fine Arts-Univ. of Montevallo, Alabama).
Joseph Stockdale (Dean of Theatre Arts, College at Purchase NY).
Charles Strouse.
Robert Suderburg (Chancellor NC School of the Arts).
Alfred Terlizzi (Pres. Capezio Ballet Makers).
Paul E. Thoms (Pres. the Internat'l Music Honor Soc.).
De Lloyd Tibbs.
Ramsi R. Tick (Pres. ORS Arts Fdtn. Buffalo NY).
Bette Uris (Exec. Arts Council of Rockland County, NY).
Benita Valenti.
William A. Valentine (Mayor of Rome, NY).
Melvin Van Peebles.
Robert Vaughn.
Charlene Victor (Exec. Dir. Brooklyn Arts & Cultural Assn.).
Edward Villella.
John Vincent (Pres. Nat'l Assn. of Composers, USA).
Joseph Vincent (Exec. Dir. Hist. Soc. Rome NY).
Edmond L. Volpe (Pres. College of Staten Island).
Paul R. Weidner (Prod. Dir. Hartford Stage Co.).
Dean Charles Well (Bloomington, IN).
William Wewer (Exec. Dir. Penn. Historical & Museum Comm.).
Richard Westenburg (Music Dir. Cathedral of St. John the Devine).
Hollis C. White (Dean-School of Fine Arts & Commerce, Southern IL Univ.).
Kaye Calfee Wideman (Pres. Delta Omicron Internat'l Music Fraternity).
Naj Wikoff (Dir. Dutchess County (NY) Arts Council).
Charlotte Wilcox (Gen. Mng. Nat'l Thrt. Co.).
Ronald A. Wilford (Pres. Columbia Artists Management).
Arnold K. Williams (Supervisor of Music & Art, Public Schools of Gary, Indiana).
Harold Williams (Dean Grad. Sch. of Management UCLA).
Lael J. Woodbury (Dean College of Fine Arts & Communications, Brigham Young Univ. UT).
Willis Woods (Dir. Art Seattle Museum).
Charles Woolfolk (Asst. Dean Douglass Coll. Rutgers U).
David Young (Pres. American Community Theatre Assn.).
M. J. Zakrzewski (Exec. Dir. Alabama State Counc. of the Arts & Humanities).
Paul Zukofsky.●

STATEMENT TO PRESIDENT CARTER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mrs. SCHROEDER. Mr. Speaker, how women look and act is regrettably, more newsworthy than what we think and do. Issues and decisions which affect all our lives continue to be dominated by men and made with insufficient and often biased information. To alleviate this inequity, to widen this narrow perspective toward half the population, to balance the information, I resubmit for the RECORD the "Statement to President Carter January 12, 1979" of the National Advisory Committee For Women, which was lost in the shuffle during the Abzug incident. It is the content of this report, not the uproar over its submission to the President, that is of importance to women.

In addition, with the permission of Ms. Ellen Goodman I submit her column from the Rocky Mountain News February 24, 1979 in which she speaks to this issue of style versus content:

STATEMENT TO PRESIDENT CARTER
JANUARY 12, 1979

Mr. President, this is the first meeting between you and the National Advisory Committee for Women, which you appointed on June 20, 1978. We represent a broad cross-section of citizens of many backgrounds and walks of life as well as the the major women's organizations in our country.

As you know, we were to have met on November 22, but our Committee felt that it could not fulfill its responsibilities to you in the brief time then allotted to us. We appreciate the opportunity for a somewhat fuller discussion today. We expect it to be the first in a series of regular meetings with you and Administration officials in which we can give you advice, guidance and information on the priorities that concern women.

We offer to share fully with you the benefit of our knowledge about women's issues, our experience and particular insights, and our close contacts with women in communities and organizations all across our land.

As your direct link with women, who are a majority of the population, we are prepared to do everything we can to help you carry out the commitment you made in 1976 to erase discrimination and make women's equality a central issue of your Administration. We recall your statement that you wanted to do for women's rights what President Johnson did for civil rights, and we are willing and able to assist you in reaching that goal.

We believe that in order to carry out our responsibilities to American women and to this Administration, we must be included as full participants with your Administration in setting national priorities, developing public policy and determining budget allocations and expenditures.

We are guided by the recommendations in the National Plan of Action adopted at Houston in November 1977, which you have

properly described as "a national agenda to achieve women's full rights and equality."

The foundation on which all of our proposals rest is the Equal Rights Amendment. The success of our efforts to end continuing and pervasive discrimination against women in employment, education, health and all other aspects of our lives depends on including in our Constitution a firm guarantee of full equality for women.

You joined in the strong and successful effort to win ERA extension, and we know we can count on your continued help in the campaign to get three more states to ratify this landmark amendment. Final ratification of ERA requires that it be seen as a national priority for all the American people, who have repeatedly expressed majority support for it, and as a political priority for their elected representatives.

Your leadership of a joint effort by governors, legislators and other political representatives in behalf of an ERA victory is urgently needed to assure that the most glaring human rights defect in our Constitution is finally eliminated, and we ask you to stress the importance of the ERA in your forthcoming State of the Union message.

There is an enormous amount of work still to be done on ERA and on the other issues outlined in the National Plan of Action. This agenda represents the unmet economic, political and social needs of women and the long-term interests of all Americans.

As we noted in our letter to you on November 21, "what happens to us affects the whole nation."

When the cost of living rises, we feel the squeeze. When social programs are cut, we bleed. When wrong priorities are set, we make the sacrifices.

We fully share your concern about inflation, which is reducing the living standards of millions of Americans. Women are on the front line in the daily battle with rising prices. Whether we are married, single, divorced or widowed, whether we work outside or inside the home, whether we must support ourselves or entire families, it is usually the woman who does the food shopping, pays the rent, gas and electric bills, and struggles each day to make ends meet.

But we are also concerned that your anti-inflation program, with all its good intentions, will impose additional and disproportionate burdens upon women because of possible increases in unemployment rates, slashes in social and other human needs programs, postponement of comprehensive national health insurance, absence of child care programs so urgently needed by working women, and the failure to address the problem of widespread poverty and the financial plight of our cities, where a majority of women and all Americans live. In fact, it has been estimated by leading economists that if the entire amount needed to maintain current human services were included in this budget, the inflationary impact would be something approximating three-tenths of 1 percent.

We are concerned that your stabilization program lacks effective controls for profits or any controls on interest rates, dividends, capital gains, and unearned income from tax shelters. Commodity speculators remain free to drive up food prices; energy rates and fuel costs continue to go up; and there is no mechanism for halting rapid increases in rents.

We are concerned, too, at the proposed 10 percent increase in the military budget when military costs already account for the biggest slice of the discretionary federal spending pie and essential domestic programs are underfunded. The 3 percent increase in military outlays, described as a commitment to our NATO allies, must be weighed against the commitment you made to the voters in your election campaign to reduce military expenditures.

Increases in military spending, which have occurred in an unbroken pattern for the past 40 years, must be weighed against the fact that we are at war with no one and no one can seriously contend that there is an imminent threat of war against the United States. On the contrary, the recognition of China and the impending SALT agreement should provide the basis for decelerating an arms race that is seriously draining our economy and undermining our consumer goods technology and market.

We oppose burdening our economy with monstrously expensive new weapons programs, and we urge you to make cuts in the enormous fat, waste, and profiteering in the defense industry where non-competitive bidding is the standard practice and where fixed price contracts become transformed into cost-plus contracts. We would suggest that your Administration appoint a commission to investigate military extravagance and make specific proposals for substantive cuts and cost-savings. We will fully support you in that effort.

Stuart Eizenstat spoke recently of the duty to meet "new realities never imagined even 10 years ago." He also stated at his meeting with members of our Committee on December 20 that the increased participation of women in the labor force has "profound implications" for the development of public policy. He admitted that the government has not "sensitized itself" to that issue yet and has been negligent in failing to develop public policy on women's changing role in the economy.

We agree, and we feel it is our responsibility to help sensitize this Administration and the Congress to the realities of women's lives today and to bring about new patterns of policy-making in which women's views and participation are an important element.

With 49 percent of women in the labor force and 90 percent of women working outside the home at some periods of their lives, it is important that all public policies and actions be examined carefully for their impact on women, including anti-inflation measures, employment programs, social security coverage, welfare reform, national health insurance and health services, affirmative action enforcement, services to the disabled, increased opportunities for minorities, and expanded child care programs.

Millions of American women and their children live in poverty, and millions more are only a step away from poverty. With the increasing number of female-headed households, the problem of the poor is rapidly becoming a women's problem.

We call your attention to these realities:

Women are 63 percent of the 16 million Americans living below the poverty level, and Black, Hispanic, Asian American and Native American women make up 20 percent of these poor.

Women are 42 percent of the labor force, but 50 percent of the total unemployed. Two-thirds of all so-called "discouraged" workers—the hidden unemployed—are women. The national unemployment rate for women is 7 percent, as compared to 5 percent for men; and unemployment among minority women is twice as high as for white women. Among minority teenage women, it is a shocking 36.8 percent.

Women are segregated into low-paying occupations, with 80 percent of the women's work force clustered at the bottom of the pay scale.

For the past 20 years the wage gap between women and men has remained unchanged, with women averaging about 60 cents an hour for every dollar earned by men.

There are not enough job training programs for working women, unemployed women, displaced homemakers, minority women, disabled women, and women on welfare.

There is inadequate enforcement of anti-discriminatory laws and executive orders designed to help women break out of their occupational ghettos. Aggressive enforcement is particularly needed to overcome the chilling effects of the Bakke decision.

Day care centers are available for only 2 percent of the six million pre-school age children whose mothers work and for millions of other children whose mothers are locked into dead-end, welfare subsistence.

Millions of minority women, in addition to bearing the burden of discrimination, suffer disproportionately from poverty, unemployment, low-paying jobs, inadequate health and maternity services, poor education, and poor housing.

Older women, a majority of our senior citizens, have a median income of $2,800 a year, only half the income of men in their age group. Five million disabled women suffer special discrimination in their search for education, job training, employment, and independence. Poverty afflicts higher than average numbers of the 34 million women living on farms, in migrant camps, on Indian reservations, and in rural areas, where the residents account for 40 to 50 percent of poor Americans.

We urge you to look at your Administration's priorities and budget, and consider whether they are sensitive enough to the needs of these women. We do not believe they are.

We turn now to some specific comments on aspects of your wage-price policy and budget restraints. The greatest impact of the 7 percent wage guidelines will fall most heavily on working women, only 11 percent of whom are members of unions. Without organized efforts to press for catching up with male earnings and promotion rates, women will fall further behind. Employers can be expected to use wage controls as an excuse to keep their pay and benefits low.

We also believe that the $4.00 per hour low-wage exemption standard is too low considering the inadequate earnings of most working women. If the minimum hourly wage exemption were comparable to the standard provided under the legislation and court interpretations governing the Nixon control program, adjusted for inflation, all workers earning under $5.50 per hour would currently be exempted. The low-wage exemption should be raised to at least the $5.50 per hour, which reflects the pay level needed to meet the Bureau of Labor Statistics urban lower family budget. Furthermore, the proposed real wage insurance benefit, which provides a rebate to individuals claiming a higher inflationary impact than 7 percent, is likely to have little benefit for most women, who lack union protection and assistance in pressing their claims.

It is imperative that the guidelines also be revised to make clear that written exemptions are permitted for equity pay increases, back pay awards, maternity and pension benefits designed to comply with new laws and equal employment opportunity settlements.

Setting the pay increase figures for federal workers at 1½ percent below the control figure for other workers will have a disproportionate effect upon women because the federal government is the largest single employer of women. Cuts in federal assistance to cities will also have an adverse effect upon women and minorities who look to local government as a major source of jobs.

We welcome the reported restoration of $1.2 billion in the proposed cut in CETA funds, but we oppose *any* cuts in this minimal jobs program.

We object to the reported reduction in Title VI public service employment jobs from the 600,000 authorized by Congress to 350,000 in 1979 and 200,000 in 1980. Women hold only 37 percent of the 550,000 jobs currently covered by Title VI, and the projected cut will

reduce the already meager number of public service jobs available to them.

We also object to the 50 percent reduction in the commitment of $5 million from Title III of the new program for displaced homemakers. Making up for this cut by transferring $2.5 million from Title II funds means that fewer jobs will be available for the economically disadvantaged, the majority of whom are women. Title II funds should be kept intact to assist the millions of women who live below the poverty level.

Cuts in Title III discretionary funds will also adversely affect women, as will the failure to provide any increases—even allowing for inflation—in the Work Incentive Program (WIN).

A $4.5 million cut in job research and evaluation programs will prevent the implementation of two new amendments designed to examine the discriminatory effects of wage classification systems and the incentives needed to get employers to apply job-sharing, wage-sharing principles.

A $200 million cut in welfare demonstration projects hurts a program that is needed as a basis for fundamental reform of the welfare system, which affects mostly women.

These reductions in the Administration's only major jobs program and cuts in vocational education, together with policies that most economists agree will lead to increased unemployment, are an unacceptable attack on the already low economic status of American women.

Another facet of participation by women in the economy is as business owners. Since issuance of the President's Interagency Task Force on Women Business Owners report, no action has been taken on the funding needed to implement the recommendations to provide technical assistance to women business owners and to insure that they get a fair share of federal funds. Action is particularly important in view of your statement when you signed Public Law 95–507 that you would "soon announce new steps to aid women entrepreneurs and businesses owned by women."

We are also concerned about the lack of guarantees for adequate funding to enforce anti-discrimination laws in employment and education, including Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, the Equal Pay Act and Age Discrimination in Employment Act, Section 504 of the Rehabilitation Act, and Executive Order 11246.

If centuries of sexual discrimination and occupational segregation are to be overcome, the effort must start in the public schools. Congress authorized $80 million for the Women's Educational Equity Act, of which $65 million was to go to the states for use in public school districts to establish sex equity education and programs. However, instead of this $65 million, the budget allocates only $9 million for individual and group grant demonstration projects. We urge full restoration of the authorized $65 million.

On the HEW budget, we welcome the reported partial or complete restoration of funds for maternal and child health care, nurse practitioner support, aid for drug and alcohol abuse, preventive health services for American Indians and Alaskan Natives, and teenage pregnancy. In this International Year of the Child, we especially urge full funding for all programs which have the highest impact on mothers and children.

The amount designated by OMB for family planning services does not allow for the continued development of these essential programs. The Committee believes that $14 million should be restored for family planning services to the $164 million level requested by HEW. It has been documented that one dollar invested in family planning services in one year saves federal, state and local government a minimum of $1.80 a year later, a cost-benefit ratio unmatched in any other public program.

We also take this opportunity to state the strong opposition of the overwhelming majority of this Committee's members to the continued Medicaid ban on abortion payments, the continued erosion of the Constitutional right to reproductive freedom and the developing attack within Congress on family planning programs as a whole.

As a result of the Congressional ban and stringent HEW regulations, there has been a 98 percent decline in Medicaid abortions. Women have died, women have suffered irreparable health damage, and women have been forced to bear children they cannot support, and those being victimized are poor women. We object to abuse of the Congressional appropriation mechanism to deny large numbers of American women their constitutional rights. We urge this Administration to change its position on Medicaid funding and to take vigorous action to restore the right to abortion for military personnel, Peace Corps volunteers, and their dependents. The ultimate goal of the anti-abortion minority is to overturn the 1973 Supreme Court decision through a Constitutional amendment. This move must be strongly opposed by the Administration to assure that abortion remains a safe and legal option.

At the same time, we request adequate funding for the staffing and program implementation of the new HEW regulations on sterilization. This is especially essential to protect minority women, including Blacks, Hispanics, Asian Americans, American Indians, Alaskan Natives, and disabled women from sterilization abuse. Published reports within the Indian community charge that more than one-fourth of all American Indian women of childbearing age have been sterilized under federally-funded programs.

We strongly favor action in 1979 on a comprehensive national health insurance system, which is of particular importance to women and children. Women encounter widespread discrimination in coverage of maternal and child health care, preventive health services, reproductive health, abortion and family planning services, and they look to the development of high quality, equitable and comprehensive health care services as a major and long-overdue responsibility of government. Unfortunately, our present patchwork health insurance system does not recognize preventive health measures as good for the individual and as an enormous cost saving to the taxpayers.

We also express our concern about the fate of funding for the Comprehensive Rehabilitation Services Amendments of 1978, and particularly Title VII, which sets up a new program providing for the creation of Centers for Independent Living for the disabled. At least $80 million must be committed to these programs for Fiscal Year 1979 and $100 million for Fiscal Year 1980.

The large numbers of disabled individuals who live in institutions and nursing homes, who are jobless, and who are denied appropriate education and access to transportation should not be tolerated in a country that is concerned with human rights and respect for the individual.

Although we have discussed only a few aspects of the budget, we wish to emphasize again our belief that in making budget allocations and comparing military and domestic priorities our concept of American security must embrace how our citizens live from day to day.

Genuine security requires opportunities for all Americans to have a decent standard of living, jobs, adequate housing, education and health care. It requires a plan to eliminate poverty, to protect the middle class, and to open doors to millions of women, minorities, low-income and disabled people who seek a fuller share of this nation's wealth. Budget planning and allocations should not impose new burdens on these groups, while exempting the monopolies, the rich and the military establishment.

Finally, we wish to discuss several issues that will not cost the taxpayer or the government another penny:

We are deeply troubled that little progress has been made in meeting your often stated commitment to correct the gross imbalance of women and minorities in the federal judiciary.

Only six women have been nominated for the 66 vacancies that existed prior to adoption of the Omnibus Judgeship bill. Of the 117 new District Court positions created by this legislation, only four women have been named among the 47 nominations made to date by U.S. Senators. This includes nominees from 15 states. Only three—Michigan, Texas and Massachusetts—presented women's names. Nominations for the remaining 70 District judgeships have not yet been submitted. For the 35 new Court of Appeals judgeships, none of the 13 panels has submitted nominations to the Justice Department.

We urge you, Mr. President, to make clear to the members of the Senate and to the chairs and members of the Court of Appeals panels their responsibility to make the Federal judiciary significantly more democratic and representative.

The selection of judges in the next few months will affect the sensitivity and quality of justice for women and minorities for years to come. Without your strong and decisive leadership on this issue, the federal courts will remain virtually an all-male, all-white enclave.

On another issue, we also favor the elimination of existing discrimination against persons because of their sexual orientation. This Administration can be of particular help by supporting proposed federal legislation to protect gay people in the areas of employment, housing and public accommodations.

We also support your issuing an Executive Order banning discrimination in those areas of government not covered by the Civil Service Commission, particularly for personnel in the FBI, CIA, and Armed Forces and certain parts of the State Department.

In conclusion, we recall that when John Adams was helping to draft the U.S. Constitution, he received a letter from his wife, Abigail Adams, asking him to "Remember the ladies." We ask you now when you make your State of the Union report to the nation this month, "Remember the women."

Tell the American people about the status of women in our country. Tell them about the urgency of ERA ratification. Tell them about our needs and aspirations as expressed in our National Plan of Action agenda and in the 1980 United Nations Mid-Decade Conference of Women. Tell them how your programs and policies will affect the majority of our people who are women and who seek equality.

We must raise the consciousness of the power-holders, the decision-makers and the law-makers. We are not an appendage to this nation. We are part of its heart and soul. We are, with men, its central characters. Women's place indeed is every place.

STYLE, WOMEN'S ISSUES DON'T MIX

(By Ellen Goodman)

BOSTON.—Ever since the Friday Afternoon Massacre decimated ranks of the National Advisory Committee on Women, a great deal has been heard about the word "Style."

There is a notion being bandied about that if only, dear Lord, those advocates of women's rights would stop being so (1) militant, (2) strident, (3) pushy, they would be (4) successful. If only they could present their cause with the Right Style, why then, the doors of equality would open wide to welcome them and all would be right with the world.

This argument has a certain amount of appeal, I grant you. It allows the arguer to profess himself to be a supporter of women's rights, while simultaneously blaming women themselves for any failures. But it is, at heart, absurd—a true comedy of manners.

If you need proof of this, join me for a moment as we trip off in search of the Right Style.

Let us begin this journey with the former co-chair Bella Absug, better known, alas, for her decibel level than her accomplishments. Ms. Absug has often been described as abrasive, combative, and militant. She was summarily removed by the President for these sins. Clearly, then, she has the Wrong Style.

Now we move right along to Sarah Weddington, the White House Advisor on Women. Ms. Weddington is mild-mannered, reflective, exceptionally nice and so loyal to her boss that she recently described his Absug hatchet job this way: ". . . and so he asked that he be allowed to make another choice."

Ms. Weddington, however, has yet to put one solid accomplishment for women's rights in her administrative pocket. Moreover, despite her low-key manner, she was publicly and embarrassingly prevented from testifying at a recent congressional hearing on women's issues. She, too, clearly has the Wrong Style.

Meanwhile, back on the ERA front, we find the matter of political hemlines even more up and down. Last week the ERA came up again in North Carolina, before the same state house which didn't ratify the Women's Suffrage Amendment until 1971.

Many people say that the ERA would have passed years ago except for what one North Carolina legislator described as "the radicals," adding: "That's what has hurt this movement from the beginning. If we'd had someone like Bella Absug or Gloria Steinem come down here, it would set us back 10 years."

ERA supporters in North Carolina and elsewhere are conscious of the Style issues. From all reports, they have become studiously moderate, mainstream, home-grown and low-key. So guess what happened in North Carolina last week? The amendment got killed in committee.

Thus we conclude from our search for the Right Style that women have two choices: They can either be so pushy that they are ineffective, or they can be so carefully nonthreatening that they are also ineffective.

I have never, by the way, heard the "Style" argument used against the antis. No one has yet suggested that the anti-abortion movement is too aggressive to be effective, though burning medical clinics is surely a touch more strident than burning bras.

Nor has anyone suggested that Mrs. Schlafly's aggressive hand against the 20th century has worked against her cause. Her eternal smile has won her not criticism but merely an entry in the Guinness Book of World Records.

Style is an issue which is used only against women when they are fighting for their own advancement. Ever since suffrage, women have had the choice of being unseemly or unseen.

I am sure that some people are willing to spend their lives searching for the perfect style between high key and low key, seeking the right combination with which to open the safe of equality. But they have better odds at winning a lottery.

Style isn't totally irrelevant, but it belongs in its place, somewhere below that old political standby, Power. Style is an issue for those who seek to move the powerholders. But the Carter administration will be less impressed by a bunch of women all "dressed for success" than by a sea of female activists singing, "What have you done for us lately?" The ERA isn't awarded to those who behave genteelly, but to those who hold the votes.

In the midst of all the bread-and-butter, hard-ball politics being played on women's issues these days, the question of Style seems just a bit tacky.●

MICHIGAN "VOICE OF DEMOCRACY" CONTEST WINNER

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. BLANCHARD. Mr. Speaker, every year the Veterans of Foreign Wars of the United States sponsor a Voice of Democracy Scholarship Contest. This year, more than 250,000 high school students participated in the contest for the five national scholarships that are awarded as top prizes. Participants were asked to submit a written speech on the contest's theme, "Why I Care About America."

I am very pleased that one of my constituents, Ms. Marie Kaleita of Warren, Mich., was selected as the winning contestant from the State of Michigan. Ms. Kaleita is a senior at Mott High School, has experience and a career interest in the dramatic arts, and plans to attend Oakland University. Her numerous accomplishments thus far include working at a Detroit area radio station, and collecting food for the needy and money for UNICEF.

Her speech reflects the spirit of optimism and patriotism that I believe prevails in our youth today. I would like to take this opportunity to congratulate Ms. Kaleita—and to bring her speech to the attention of my colleagues as a reminder that America's future depends on the faith and energy of our young people.

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—MICHIGAN WINNER—LISA MARIE KALEITA

Caring about America means loving what it stands for. Although the great American epic is the acquiring and taming of a continent, American patriotism is not centered on the land but on a historic event and an idea. The Event is the creation of the United States, the Idea is freedom.

When I sat down to write this speech, I realized that it was the first time I ever really thought about why I care about my country. I discovered that it was because I was taking so much for granted. Freedom, that's the most important privilege of all. I care about America because that's what it offers. Freedom to go to the school of my choice, and not be forced to accept set principles and ideals. Freedom to set my own goals and explore them as an individual. I can choose a career and feel confident that I have a chance to be successful I have the freedom to say what I feel, to respect and love whom I want. I have the freedom to practice the religion of my choice, to pray to my own God, and I feel very comfortable with that.

I'm proud to say that I've had the opportunity to see America. I don't mean driving out to the country or going downtown. I mean from coast to coast. I've been in almost every state in the United States. I've seen the land in all its splendor, from plains to deserts to mountains to oceans. I've experienced the people and their different ways of life in the different parts of the country. But every one of those people were true Americans. Freely practicing what they believe in and continuously striving to improve. That's another reason why I care for America. It can always be improved. I'll never stop trying to improve my country and that should show much I really do care.

In all my travels around the country the most fascinating experience I had was visiting Washington, D.C. Not because the buildings are old and beautiful, but because of the feeling I got when I thought about what those buildings stand for. Each building stands for a different struggle towards the freedoms we now have. How can I put into words the overwhelming feelings I received when I stood in front of the "Tomb of the Unknown Soldier," and realized the countless number of men that no one will ever know by name that died, for our country, for our freedom. Suddenly I realized that that's what it's all about. To care about America, to fight for its freedom, to die for America.

I care about America most of all and most deeply for its continuous, difficult, confused and never finished struggle to make freedom possible. I care about America for its accomplishments. Starting from nothing and acquiring the title of "Greatest Power."

The insistence on improving my country is probably the deepest form of caring I could give. One ultimately cares for America not for what it is or what it does, but for what it promises. America promises freedom for all, freedom for me.●

DECLINE IN HOUSING POINTS TO RECESSION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. HAWKINS. Mr. Speaker, the Subcommittee on Employment Opportunities, which I chair, recently held oversight hearings on the Full Employment and Balanced Growth Act to ascertain the impact of the administration's anti-inflation efforts and its fiscal year 1980 budget proposals on our national goal of full employment.

As housing is well recognized as a leading economic indicator, the subcommittee requested a study from the Congressional Research Division of the Library of Congress on the employment impact of reduced housing production as well as testimony from expert witnesses on this issue.

Changes in the volume of housing production are directly reflected in variations in labor requirements. If housing starts continue to decline in 1979 and 1980, there will be a drop in the demand for workers in the construction industry and related fields.

The 1979 decline in labor requirements from 1978 levels associated with lower housing production could range from 315,000 to 527,000 man years. An intermediate estimate, obtained in connection with the administration's housing projections, approximates 421,000 fewer jobs. Also, in a period of economic downturn in housing production, smaller and less capital-intensive firms tend to be squeezed out of business.

The administration's budget cuts in this area could very well make a bad situation worse. I have attached to my statement a copy of an article which appeared in the Washington Post after our hearings. I have also inserted the Library

of Congress study as well as testimony by Mr. Schechter of the AFL–CIO.

The material follows:

HOUSING STARTS PLUMMET; ECONOMIC SLOWDOWN SEEN

(By John M. Berry)

Housing starts plummeted last month to their lowest level in two years, the Commerce Department reported yesterday, the most serious sign to date that the economy may be slowing down.

The chief economist for the National Association of Homebuilders, Michael Sumichrast, said the decline in housing starts in January to an annual rate of 1.66 million represented "the beginning of a recession" for the housing industry.

Because the industry is the first part of the economy to feel the pinch of higher interest rates and restrictive policies, it often serves as a kind of early-warning system for the rest of the economy.

The Carter administration has predicted slower economic growth this year, but some private economists and the Congressional Budget Office foresee a mild recession.

Part of the sharp decline in new housing construction from December's 2.06 million rate was weather related, housing experts said. About half the drop occurred in the snowbound north central region, with most of the remainder in the West.

The Commerce Department also reported yesterday that personal income in January rose a modest $7.9 billion, after a $17.4 billion gain in November and a $21.8 billion increase in December. Again, some special factors increased the apparent size of the drop.

Yesterday's figures followed a report Thursday by the Federal Reserve Board that industrial production in January rose only 0.1 percent, the smallest amount in a year.

The homebuilders' Sumichrast, taking the dimmest view of the January decline, said it "is real and wide-spread."

"Only about 25 percent of it was winter-related in the Midwest," he said.

Sumichrast blamed the decline on "the high cost of money and high inflation." He predicts that the rate of starts will fall to an average of 1.7 million units in 1979 and bottom out at a 1.3 million to 1.4 million rate in the first quarter of next year.

President Carter's chief economic adviser, Charles Schultze, said housing dropped "partly because of tight money and partly because of cold weather."

Mortgage money has become much more expensive and hard to get in recent months as the Federal Reserve has forced up interest rates in an effort to slow down the economy. But until yesterday's release of the housing numbers, there was little evidence that the Fed's tight policy was working.

The big reason, experts say, was the introduction, approved by the Fed, last year of a new six-month money market certificate paying savers with at least $10,000 to invest at interest rates higher than that being paid on comparable U.S. Treasury securities. The Fed approved the certificates to ease, but not eliminate, the effect of tight money on housing.

"The housing decline came seven months later because of the certificates," Sumichrast said. "But I am not sure whether they are a blessing or a curse" because of the way they have squeezed thrift institutions' profit margins and pushed mortgage rates higher, he added.

In past periods of high interest rates and tight credit, savings flows to housing lenders usually dried up, and so did mortgage availability. During the 1974–75 recession, the construction industry was especially hard hit.

Last month, however, $6.66-billion-worth of the money market certificates were issued by the nation's savings and loan association, according to the Federal Home Loan Bank Board (FHLBB).

Altogether, the savings and loans garnered $4 billion in net new savings in January, the second best January ever for the industry. Moreover, Kenneth Biederman, the FHLBB's chief economist, said, "We have not seen any significant drop off in forward commitments to lend. What we are seeing is mostly seasonal."

"The key," Biederman said, "will be in the spring when housing activity normally turns up. If it doesn't, then we're in trouble."

The personal income increase of $7.9 billion—to an annual rate of $1.815 trillion—was held down by an increase in the Social Security tax rate, from 6.05 percent to 6.13 percent, paid by both employe and employer.

The taxable wage base for Social Security was also raised, from $17,700 to $22,900, effective last month. That change does not affect most workers until much later in the year, but the Commerce statisticians assume in their calculations that its effect is spread uniformly through the year.

Together the Social Security changes lopped $5 billion off personal income last month, the way the statisticians figured it.

On the other hand, the increase in the federal minimum wage and an expansion of coverage to additional workers raised incomes by about $2 billion. Meanwhile, December personal income was inflated by $5.1 billion in income support payments—$5.1 billion to the nation's grain farmers.

STATEMENT BY HENRY B. SCHECHTER

I appreciate the opportunity to present before you the views of the AFL–CIO on the impact of the President's fiscal year 1980 budget for housing programs upon employment opportunities.

In response to the more general economic questions concerning inflation and employment, that have been framed by the Chairman, I have appended a statement on "Anti-Inflation Policies" of the AFL–CIO. That statement presents a critical analysis of the Administration's guidelines program, and proposes the AFL–CIO alternative of comprehensive mandatory controls. Our statement strongly reflects a position that recession and rising unemployment do not have to be risked in order to curb inflation, that price rises can be curbed during economic growth.

More needs to be done to progress toward the full employment goal established by the Humphrey-Hawkins bill and to simultaneously counteract inflation in particular sectors of the economy. Housing is a sector in which such simultaneous progress can be made.

Due to a short supply of housing relative to needs, arising from a population tidal wave entering adulthood, an upsurge in housing prices and rents is a major vehicle for the transmission of inflation to the general economy. There is a need, therefore, to support an increase in housing production over the next few years, rather than to cut Federal programs back and to add to an expected decline in private housing production.

I will summarize the major changes between fiscal 1979 and 1980 in budgetary authorizations for housing programs, the effects in terms of housing units and employment during given time frames, and the failure of the budget to provide for offsets to anticipated declines in total residential construction activity and employment.

All references to estimated man years of work are for on-site and off-site construction work and for work in production and distribution of building materials. The estimates are based on available data for unit construction expenditures and Bureau of Labor Statistics estimate of manpower requirements for given dollar expenditures for residential construction. The employment estimates do not include an estimate of employment resulting from expenditures of wages received by those employed on the construction and in building materials industries.

1979 TO 1980 CHANGES IN HUD RENTAL HOUSING PROGRAMS

The major chage is in HUD budget authority for assistance payments over 20 to 40 years for the Section 8 (private) and public rental housing programs. It proposes authority for obligations of $26.9 billion for fiscal 1980, down from $30.8 billion in 1979. In terms of units for which funding could be placed under reservation, the number is reduced from 360,000 to 300,000. The 60,000 reduction would consist of 20,000 units that would be leased in existing structures, which would not have a discernible employment impact in the near future; and 30,000 new construction plus 10,000 major rehabilitation units.

The latter 40,000 units, equivalent to about 35,000 new units, would represent roughly 24,000 man years of work. It must be noted, however, that given the long lead time between fund reservations and starts of construction for multifamily, rental housing projects, the impact of this reduction in employment opportunities would be felt in fiscal years after 1980 and probably mostly after fiscal year 1981.

Nevertheless, the AFL–CIO strongly opposes this cutback in housing production which supports a continued inflation-generating housing shortage. During 1978 the shelter component of the Consumer Price Index, encompassing residential rent and homeownership costs rose 11.5 percent, compared with 9.0 percent for all items combined. Furthermore, historically low rental vacancy rates and the age composition of the population suggest that the rental housing shortage will still be with us two or three years from now. And increased employment opportunities that more construction can provide will be needed.

HUD REHABILITATION AND HOME OWNERSHIP ASSISTANCE

There will be a smaller but more immediate impact in connection with a cutback in HUD's Section 312 rehabilitation loan program for single-family and multifamily units. The proposed budget authority of $130 million for loans in fiscal 1980 would be $100 million less than in 1979. After taking account of differences in carryover balances, however, the program level in fiscal 1980 would be $75 million less than in fiscal 1979. That would represent roughly 2,250 man years of work lost (using employment factors for home construction).

HUD also has an assisted (Section 235) homeownership program for which it does not need additional budget authority. Under that program, monthly assistance payments are made to lenders by HUD on behalf of eligible, limited income owners to reduce the effective interest rate paid by the owner-occupant. At the end of fiscal year 1979 HUD will have sufficient budget authority to support an estimated 107,000 additional units with necessary annual assistance payments. However, the budget contemplates commitments for only 25,000 units in fiscal 1980 which would be 7,000 more than in 1979. It would mean a net increment of about 5,000 man years of work.

However, the level of Section 235 program activity contemplated in the budget is questionable. In fiscal 1978 less than 12,000 unit fund reservations were made. The program moves so slowly, in part, because there is a minimum effective interest rate of 4 percent required. The statutory minimum is 1 percent. The program could no doubt, be accelerated by lowering the interest rate to the statutory minimum of 1 percent. It would

then be possible to accelerate the program to a higher annual level.

FARMERS HOME ADMINISTRATION PROGRAMS

Farmers Home Administration housing program cutbacks would have an impact upon employment opportunities with only a minor time lag. That is because most of the cutback in loans for new construction would be for single family Section 502 home loans which can be started without delay. Even the multifamily Section 515 projects are generally relatively small, averaging about 25 units, and do not require as long a lead time as the larger HUD multifamily projects.

Reductions from 1979 to 1980 in budget authority for subsidized and non-subsidized housing loans for Section 502 new home purchases and Section 515 rental housing loans, would reduce by almost 13,000 the number of new units that could be funded, and the amount of construction involved would support about 9,400 man years of work.

It should be noted, however, that Farmers Home Administration reportedly will request $985 million in supplemental loan funds to fund about 16,000 units under a new deep-subsidy homeownership program, and an equal amount for fiscal year 1980. If such requests were granted and if most of the 32,000 units to be funded over a two year period were new units, it would more than offset the 1979 to 1980 reductions in residential construction employment generated by the regular fiscal 1980 Farmers Home Administration budget.

WHAT THE BUDGET FAILS TO DO

The chief failure of the budget with respect to housing and related employment is the lack of provision to offset a generally expected 1979 decline in nongovernmental housing. In the January 1979 Economic Report of the President, the Council of Economic Advisers predicts that by the fourth quarter of 1979 the seasonally adjusted annual rate of new housing starts will be down to 1.75 million.

This would be an 18 percent decline from the over 2.1 million level of fourth quarter of 1978. Most private forecasters are predicting a greater decrease in new housing starts, that would produce about a 25 percent year-to-year decline by the fourth quarter of calendar 1979, the first quarter of fiscal 1980.

The outlook as seen by the Administration and by many private economists, therefore, is for housing construction to decline from current levels by between 350,000 and 450,000 units. It would mean the estimated loss of between 375,000 and 500,000 jobs. (Private new units, on the average, are more expensive and entail more work than publicly assisted units.)

Building trades workers who are heavily concentrated in residential construction, such as carpenters, masons, plasterers and plumbers, generally cannot shift to other employment when homebuilding is down. Nor can unemployed woodworkers in the forests, or factory workers who produce bathroom fixtures and kitchen cabinets. There is a ripple effect of such unemployment which spreads throughout the economy. This effect was well illustrated by the 1974–76 depression of the housing sector which contributed to the most severe post-World War II general economic recession.

In anticipation of the expected decline in private housing starts, it would be well to have a budget that could quickly accelerate assisted housing production. It would be helpful to provide the supplementary budgetary authority required for the new Farmers Home Administration deep subsidy program. There should also be an administrative reduction in the Section 235 home loan interest rate. And in order to maintain the momentum for production of assisted multifamily rental housing, the fiscal 1980 budgetary authority for HUD assisted rental housing programs should be raised from 300,000 to at least 400,000 units, with the bulk of the increase designated for new construction.

EMPLOYMENT IMPACT OF REDUCED HOUSING PRODUCTION

(By Morton J. Schussheim)

This paper addresses three questions:

1. By how much will housing starts decline in 1979 and 1980 below the volume of 1978?

2. What reductions in housing-related employment can be expected in association with various forecasts of lower housing production?

3. What will be the effect of the Administration's proposed budget cuts in assisted housing on employment and when will these job losses occur?

1. Expected Housing Production Levels in 1979 and 1980: In calendar year 1978 housing starts reached a volume of 2,021,500 units. This was a relatively strong performance, exceeding earlier forecasts of many economists by several hundred thousand units. In only three prior years have housing starts topped 2 million—1971, 1972 (a record 2,378,500), and 1973.

What is the outlook for 1979? The consensus among housing analysts is that starts are likely to be in the range of 1.6 to 1.8 million units. The drop in housing starts in 1979 will be predominantly in single-family homes, as potential purchasers are deterred or priced out by high home prices and high mortgage interest rates. In some states with usury ceilings, some home-seeking families will encounter a reduced availability of mortgage money.

Several forecasts may be noted. The Council of Economic Advisers (CEA) and the Secretary of Housing and Urban Development (HUD) have projected starts of 1.7 to 1.75 million units in 1979;[1] the National Association of Home Builders expects only 1.64 million units;[2] and Otto Eckstein of Data Resources, Inc. (DRI) anticipates 1.79 million units[3] (See Table 1)

Housing starts in 1980 are difficult to forecast. For what they are worth, the NAHB's analysts now anticipate 1.6 million units; DRI expects 1.89 million; and the Council of Economic Advisers foresees "about 1.9 million units by the fourth quarter of 1980."[4]

JOB LOSSES

Changes in the volume of housing production are reflected in variations in labor requirements. If housing starts decline in 1979 and 1980, as now expected, there will be a drop in the demand for workers in the construction industry and in related industries. Studies done by the Bureau of Labor Statistics indicate that approximately 1.4 man-years of work were associated with each housing unit produced in 1978.

The 1979 decline in labor requirements from 1978 levels associated with lower housing production could range between 315,000 and 527,000 man-years. The lowest figure corresponds to DRI's projected decline in housing starts of 231,000 units; if NAHB's anticipated drop of 382,000 units eventuates, the number of jobs lost could exceed a half-million. An intermediate estimate is obtained in connection with the Carter administration's housing projects—421,000 fewer jobs. (See Table 2.)

[1] Statement by Patricia Harris before the Senate Committee on Banking, Housing and Urban Affairs, December 22, 1978, and Economic Report of the President, House Doc. No. 96–50, p. 100.

[2] *Builder*, January 15, 1979, p. 17, and telephone information.

[3] Data Resources U.S. Forecast Summary, February 1979.

[4] Economic Report of the President, House Doc. No. 96–50, p. 101.

TABLE 1.—ACTUAL AND PROJECTED HOUSING STARTS, 1978–80

[In thousands]

	Total	1 unit	Structures with 2 or more units
1978: Census (actual)	2,021.5	1,432.7	588.8
1979 estimate:			
HUD/CEA	[1] 1,700.0	1,200.0	500.0
DRI	[2] 1,790.0	1,240.0	550.0
NAHB	[3] 1,640.0	1,100.0	540.0
1980 estimate:			
CEA	[1] 1,900.0	1,316.0	584.0
DRI	[2] 1,890.0	1,310.0	580.0
NAHB	1,600.0	1,060.0	540.0

[1] CEA projections are annual rates for the 4th quarter. Number of jobs varies depending on mix between 1-family and 2 or more family construction. CEA does not allocate between the 2 sectors for 1980. Numbers shown here are based on DRI's allocation. 1979 data—Statement by Patricia Harris before the Senate Committee on Banking, Housing and Urban Affairs, Dec. 22, 1978; and 1980 Economic Report of the President, House Doc. No. 96–50, pp. 100–101.

[2] Data Resources U.S. Forecast Summary, February 1979.

[3] "Builder," Jan. 15, 1979, p. 17 and phone conversation with NAHB.

TABLE 2.—EXPECTED DECLINE IN HOUSING STARTS FROM 1978 LEVEL AND REDUCTION IN JOBS

	1979		1980	
	Starts	Jobs	Starts	Jobs
DRI	−231,000	−315,000	−131,000	−178,000
HUD/CEA	−321,000	−421,000	−121,000	[1] −165,000
NAHB	−382,000	−527,000	−422,000	−585,000

[1] Number of jobs varies depending on mix between 1-family and 2 or more family construction. CEA does not allocate between the 2 sectors for 1980; numbers shown here are based on DRI's allocation.

The housing outlook for 1980 depends on many assumptions, any of which could substantially alter the level of production. NAHB is the most bearish; if their current forecast for 1980 is borne out, labor requirements would be 585,000 man-years below 1978. But the decline would be under 200,000 man-years if the projections of the Council of Economic Advisers and DRI prove accurate.

In a period of downturn in housing production, smaller and less capital-intensive firms tend to be squeezed out of business. To the extent that this occurs, the labor requirements per house constructed would probably be lowered somewhat. Thus, calculations based on average relationships may understate the drop in man-years of work associated with a substantial decline in housing production. Data are not available, however, to adjust for this tendency. All one can say is that the reduced labor requirements estimated here may well be on the low side.

BUDGET CUTS AND HOUSING LEVELS

The President's budget for Fiscal Year 1980 proposes to assist "up to 300,000 additional low-income families" in rental housing under HUD programs. Another 25,000 moderate-income families would be helped by an assisted homeownership program. This compares with FY 1979 program levels currently estimated at 360,000 and 18,000 units respectively.

These figures reflect "reservations" of funds. Because of long lead-time between reservations and actual start of production, the reduced reservations of funds would not significantly affect housing production until 1981 and 1982.

The reduction in new or substantially rehabilitated units assisted with funds reserved in 1980 will range between 35,000 and 50,000 units below 1979 levels, depending upon units costs when actually built. Translated into labor requirements, the ultimate

effect would be a lowering of demand for workers by 33,000 to 48,000 man-years.[5]

APPENDIX STATEMENT ON ASSUMPTIONS USED IN THIS PAPER

Estimated total jobs per billion dollars of contract construction in 1978 dollars by industry and type of construction. Data are preliminary. They do not include allowance for a multiplier effect resulting from the respending of income earned by employees in the construction and related industries.

	Private single family housing	Private multi-family housing
Total jobs	38,900	31,800
Construction	12,700	14,200
Onsite	10,800	12,400
Offsite	1,900	1,800
Other industries	16,200	17,600
Manufacturing	7,100	9,500
Trade, transportation and services	6,500	6,100
Mining and other	2,600	2,000

Source: Office of Productivity and Technology, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.

Estimated cost of single family unit is $50,000, exclusive of land and site improvement costs.

Estimated cost of multifamily unit is $30,000, exclusive of land and site improvement costs.●

[5] Multifamily units are smaller and less expensive than single-family units. Thus, a given number of multifamily units calls for fewer workers than single-family houses.

A SEARCH FOR ALTERNATIVES

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. AKAKA. Mr. Speaker, I want to take this opportunity to draw attention to the need for developing alternatives to the use of live animals in research and testing. I would in no way urge a ban on the use of animals in laboratories. No one can dispute the value of live specimens in certain forms of testing. There is some question, however, whether the level of use and the conditions to which these animals are subjected to can be justified. In support of this I would like to submit, for the RECORD, the following article from the New York Times of December 31, 1978:

NEW DEBATE OVER EXPERIMENTING WITH ANIMALS

(By Patricia Curtis)

The professor was late leaving the medical school because he'd had to review papers by his third-year students in experimental surgery. It was well after 11 when he wearily drove his car into the garage. The house was dark except for a hall light left on for him. His wife and youngsters were already asleep, he realized, and the professor suddently felt lonely as he fit his key in the lock. But even as he pushed open the door, Sabrina was there to welcome him. She was always waiting for him, lying on the rug just inside the door.

The little dog leaped up ecstatically, wagging her tail and licking the professor's hand. The professor stroked her affectionately. She flopped on her back and grinned at him as he tickled her chest and belly; then she jumped to her feet and danced around his legs as he walked into the kitchen to get something to eat. Sabrina's exuberant joy at his return never failed to cheer him.

Early next morning, the professor drove back to the medical school and entered the laboratory. He noticed that a dog on which one of his students had operated the previous afternoon still had an endotracheal tube in its throat and obviously had not received pain medication. He must be more strict in his orders, he thought to himself. Another dog had bled through its bandages and lay silently in a pool of blood. Sloppy work, the professor thought—must speak to that student. None of the dogs made any sounds, because new arrivals at the laboratory were always subjected to an operation called a ventriculocordectomy that destroyed their vocal cords so that no barks or howls disturbed people in the medical school and surrounding buildings.

The professor looked over the animals that would be used that day by his surgery students. He came across a new female dog that had just been delivered by the dealer. Badly frightened, she whined and wagged her tail ingratiatingly as he paused in front of her cage. The professor felt a stab. The small dog bore an amazing resemblance to Sabrina. Quickly he walked away. Nevertheless, he made a note to remind himself to give orders for her vocal cords to be destroyed and for her to be conditioned for experimental surgery.

American researchers sacrifice approximately 64 million animals annually. Some 400,000 dogs, 200,000 cats, 33,000 apes and monkeys, thousands of horses, ponies, calves, sheep, goats and pigs, and millions of rabbits, hamsters, guinea pigs, birds, rats and mice are used every year in experiments that often involve intense suffering. The research establishment has generally insisted that live animals provide the only reliable tests for drugs, chemicals and cosmetics that will be used by people. Researchers also believe that animal experiments are necessary in the search for cures for human illnesses and defects. There is no question that many important medical discoveries, from polio vaccine to the physiology of the stress response, have indeed been made through the use of animals. Thus universities, medical and scientific institutions, pharmaceutical companies, cosmetics manufacturers and the military have always taken for granted their right to use animals in almost any way they see fit.

But increasing numbers of scientists are beginning to ask themselves some hard ethical questions and to re-evaluate their routine use of painful testing tools such as electric shock, stomach tubes, hot plates, restraining boxes and radiation devices. A new debate has arisen over whether all such experiments are worth the suffering they entail.

Strongly opposing curtailment of animal experimentation are groups such as the National Society for Medical Research, which insists that any such reduction would jeopardize public safety and scientific progress. The N.S.M.R. was formed to resist what it considers the threat of Government regulation of animals research and to refute the charges of humane societies. Many scientists however, although they firmly believe that some animal research is necessary, no longer endorse such an absolutist approach to the issue.

"Some knowledge can be obtained at too high a price," writes British physiologist Dr. D. H. Smyth in his recent book "Alternatives to Animal Experiments."

"The lives and suffering of animals must surely count for something," says Jeremy J. Stone, director of the Washington-based Federation of American Scientists, which has devoted an entire newsletter to a discussion of the rights of animals.

According to physiologist Dr. F. Barbara Orlans of the National Institutes of Health, "Within the scientific community there's a growing concern for animals that has not yet had a forum." Dr. Orlans is president of the newly formed Scientists' Center for Animal Welfare, which hopes to raise the level of awareness on the part of fellow scientists and the public about avoidable suffering inflicted on lab animals, wildlife and animals raised for meat. "We will try to be a voice of reason. We can perhaps be a link between scientists and the humane organizations," Dr. Orlans explains. "We hope also to provide solid factual data on which animal-protection decisions can be based."

Another link between the researchers and humane organizations is a new committee comprising more than 400 doctors and scientists that has been formed by Friends of Animals, a national animal-welfare group. Headed by eight M.D.'s, the committee is making a survey of Federally funded animal-research projects. Friends of Animals hopes that the study will expose not only needless atrocities performed on animals, but also boondoggles involving taxpayers' money.

One reason scientists are no longer so indifferent to the suffering they inflict on animals is the discoveries that science itself has made. We now know that many animals feel, think, reason, communicate, have sophisticated social systems and even, on occasion, behave altruistically toward each other. Communication by sign language with higher primates, demonstrations of the intelligence of dolphins and whales, observations of the complex societies of wolves and other animals, and many other investigations have narrowed the gap between ourselves and the rest of the animal kingdom, making it more difficult to rationalize inhumane experiments. Dr. Dallas Pratt, author of "Painful Experiments on Animals," points out that "among the rats and mice, the computers and oscilloscopes, there is Koko"—referring to the young gorilla whom a California primatologist has taught a working vocabulary of 375 words and concepts in sign language and who has even learned to take snapshots with a Polaroid camera. It's hard not to feel squeamish about subjecting animals to inhumane experiments when they possess almost human intelligence.

The thinking of researchers is also beginning to be affected by the growing movement for animal rights. The rising concern for the welfare of animals is seen by some people as a natural extension of contemporary movements promoting civil rights, women's rights, homosexual rights, human rights and children's rights. Public interest in preserving endangered species is based first on an increasing awareness of the complexity and fragility of ecosystems, and second on the notion, still much debated, that any species of plant or animal, from the lowly snail darter to the blue whale, has the right to continue to exist. From here it is only a short logical step to the belief that animals have the right to exist without suffering unnecessarily.

Near the top of the list of animal-welfare activists' causes is putting an end to inhumane experiments on laboratory animals. In Great Britain, where a vigorous antivivisection movement has existed for more than a century, a clandestine group called the Animal Liberation Front conducts commando-style raids on laboratories, liberating animals and sabotaging research equipment. A.L.F. members have also been known to slash tires and pour sugar in the gas tanks of trucks used by animal dealers who supply labs. To be sure, this group of zealots hasn't made much of a dent in England's vast research community, but it does appeal to a gut reaction on the part of many Britons against animal research.

Animal-rights activities are not merely sentimental do-gooders and pet-lovers. They have mounted a philosophical attack on the traditional Western attitude towards animals, branding it as "speciesist" (like racist or sexist), a term derived from the word "speciesism," coined by psychologist and author Dr. Richard Ryder. The Australian philosopher Peter Singer, in his influential 1975 book "Animal Liberation," argued that the "speciesist" rationalization, "Human beings come first," is usually used by people who do nothing for either human or nonhuman animals. And he pointed out the parallels between the oppression of blacks, women and animals: Such oppression is usually rationalized on the grounds that the oppressed group is inferior.

In 1977, when outraged antivivisectionists heard about some highly unpleasant electric-shock and burn experiments conducted on young pigs in Denmark, they wasted no time in pointing out the irony that the tests were being conducted by Amnesty International, the human-rights organization. Amnesty International was attempting to prove that human prisoners could be tortured without leaving any marks, and pigs were used because of the similarity of their skin to ours. (The tests were subsequently discontinued.)

Paradoxically, the public tends to be "speciesist" in its reaction to animal experimentation: For many people, a test is permissible when it inflicts pain on a "lower" animal like a hamster, but not when the victim is a dog. When it was discovered in the summer of 1976 that the American Museum of Natural History was damaging the brains of cats and running painful sex experiments on them, hundreds of people picketed in protest. The museum's Animal Behavior Department defended itself on the grounds that the research was intended to gain a better understanding of human sexual responses. Animal-rights groups, scientists among them, were not convinced of the necessity of the tests, which came to an end only when the chief researcher retired. But the protesters made no stir about the pigeons, doves and rats that suffered in the same laboratory.

If United States Army researchers had used guinea pigs instead of beagles when they tried out a poison gas, they probably would not have provoked the public outcry that resulted in the curtailment of their funding in 1974. When a few Avon saleswomen quit their jobs last spring after reading about painful eyemakeup tests the company conducts on rabbits, they did not complain about the thousands of guinea pigs and rats Avon routinely puts to death in acute-toxicity tests.

It is not known whether any single vertebrate species is more or less immune to pain than another. A neat line cannot be drawn across the evolutionary scale dividing the sensitive from the insensitive. Yet the suffering of laboratory rats and mice is regarded as trivial by scientists and the public alike. These rodents have the dubious honor of being our No. 1 experimental animals, composing possibly 75 percent of America's total lab-animal population. As Russell Baker once wrote, "This is no time to be a mouse."

Rats and mice are specifically excluded from a Federal law designed to give some protection to laboratory animals. The Animal Welfare Act, passed in 1966 and amended in 1970, is administered by the Department of Agriculture and covers only about 4 percent of laboratory animals. Animal advocates worked hard for the bill, which sets some standards for the housing of animals in laboratories and at the dealers' facilities from which many of them are obtained. But the law places no restrictions on the kinds of experiments to which animals may be subjected. It does indicate that pain-relieving drugs should be used on the few types of animals it covers—but it includes a loophole so as not to inhibit researchers unduly. If a scientist claims that pain is a necessary part of an experiment, anesthetics or analgesics may be withheld.

One standard test conducted on rats by drug companies is called the "writhing test" because the agonized way the animals react to irritants injected in to their abdomens. Paradoxically, this test assesses the efficacy of pain-killers, which are administered only after the rats show signs of acute suffering.

Equally common are psychological experiments in "learned helplessness" that have been conducted on rats, dogs and other kinds of animals. In some of these tests, caged animals are given painful electric shocks until they learn certain maneuvers to obtain their food. As they become adept at avoiding the shocks, the researchers keep changing the rules so that the animals have to keep learning more and more ways to avoid shocks. Ultimately no way remains to escape, and the animals simply give up and lie on the floors of their cages, passively receiving shock after shock. Researchers have attempted to draw parallels between "learned helplessness" and depression in human beings, but some critics have difficulty perceiving their necessity. "What more are we going to learn about human depression by continuing to produce immobility in animals?" asks former animal experimenter Dr. Roger Ulrich, now a research professor of psychology at Western Michigan University.

Electric shock is widely used on many different kinds of animals in various types of research. In one experiment typical of a series that has been under way since 1966 at the Armed Forces Radiobiology Research Institute in Bethesda, Md., 10 rhesus monkeys were starved for 18 hours and then "encouraged" with electric prods to run rapidly on treadmills. This went on for several weeks before the monkeys were subjected to 4,600 rads of gamma-neutron radiation. Then they were retested on the treadmills for six hours, and subsequently for two hours each day until they died. Mean survival time for vomiting, incapacitated monkeys was recorded in A.F.F.R.I.'s report as 37 hours. Dogs have been used in similar experiments, whose purpose is to get an idea of the effects of radiation on human endurance.

Now A.F.F.R.I. and other American research facilities art having to look for new sources of monkeys. In March 1978, the Government of India banned further export of rhesus monkeys to the United States. The native population was dwindling and Prime Minister Morarji R. Desai cited violations of a previous agreement that restricted the use of rhesus monkeys to medical research under humane conditions. "There is no difference between cruelty to animals and cruelty to human beings," the ascetic Prime Minister stated. The International Primate Protection League, a four-year-old watchdog group whose members include many scientists and especially primatologists (Jane Goodall, for one), had spread word in the Indian press that American scientists were using rhesus monkeys in grisly trauma experiments. According to the Primate Protection League, these tests included dipping monkeys in boiling water at the University of Kansas, shooting them in the face with high-powered rifles at the University of Chicago, and slamming them in the stomach with a cannon-impactor traveling at a speed of 70 miles per hour at the University of Michigan.

"I feel justified in stating that fully 80 percent of the experiments involving rhesus monkeys are either unnecessary, represent useless duplication of previous work, or could utilize nonanimal alternatives," wrote Illinois Wesleyan University biologist Dr. John E. McArdle, a specialist in primate functional anatomy, in a letter to Prime Minister Desai, who so far has held firm despite pressure from the American scientific community to rescind the ban. In the meantime, researchers are making do with non-Indian rhesus monkeys and a close relative, the crab-eating macaque.

One of the arguments in favor of animal tests is that under the controlled circumstances of the experimental laboratory they are likely to be objective and consistent. But the results of the same tests conducted on the same kinds of animals often differ from one laboratory to the next. When 25 cooperating companies, including Avon, Revlon and American Cyanamid, conducted a comprehensive study of eye- and skin-irritation tests using rabbits, the results varied widely. The study concluded that these tests "should not be recommended as standard procedures in any new regulations" because they yielded "unreliable results."

One of these tests, the Draize Ophthalmic Irritancy Test, is used to evaluate the effect upon the eyes of household and aerosol products, shampoos and eye makeup. Rabbits are used because their eyes do not have effective tear glands and thus cannot easily flush away or dissolve irritants. The animals are pinioned in stocks and their eyes are exposed to a substance until inflammation, ulceration or gross damages occurs.

Many investigators concede that the data provided by such experiments are often inconsistent and that the stresses caused by crowded cages, callous treatment, pain and fear can affect animals' metabolisms and thus confuse test results. "Since there is hardly a single organ or biochemical system in the body that is not affected by stress," says Dr. Harold Hillman, a British physiologist, "it is almost certainly the main reason for the wide variation reported among animals on whom painful experiments have been done."

Very often, different species respond differently to substances or situations. The rationale for many animal tests is that they predict human reactions, but thalidomide, for example, did not produce deformities in the fetuses of dogs, cats, monkeys and hamsters. On the other hand, insulin has been proved harmful to rabbits and mice although it saves human lives.

Researchers are becoming increasingly dubious about the efficacy of the LD/50, a test for acute toxicity that consists of force-feeding a group of animals a specific substance until half of them die, ostensibly providing a quantitative measure of how poisonous the substance is. In "Painful Experiments on Animals," Dr. Pratt asks what we learn from forcing hair dye or face powder into a dog or rat through a stomach tube until its internal organs rupture.

One small victory for animal-welfare activists that was hailed by many American scientists was the 1975 Canadian ban on the use of vertebrate animals by students participating in science fairs. Children had been awarded prizes for attempting heart-transplant surgery on unanesthetized rabbits, amputating the feet of lizards, performing Caesarean operations on pregnant mice, bleeding dogs into a state of shock and blinding pigeons. Remarking that such "experiments" were a distortion of the spirit of research, science-fair officials ruled out all such projects except observations of the normal living patterns of wild or domestic animals.

In this country, the search for adequate substitutes for laboratory animals was officially launched last summer when the year-old American Fund for Alternatives to Animal Research made its first grant—$12,500 to a biology professor at Whitman College in Walla Walla, Wash. The award to Dr. Earl William Fleck will help finance his development of a test substituting one-celled organisms called tetrahymena for animals in screening substances for tetratogens, agents that can cause birth defects. It is expected

that the test, if and when perfected, will be cheaper, quicker, more accurate and certainly more humane than putting thousands of pregnant animals to death.

According to veterinarian Thurman Grafton, executive director of the National Society for Medical Research, people who talk about alternatives to animals are creating false hopes. "These new technologies can only be adjuncts to the use of animals," he claims. "While they serve a purpose in furnishing clues as to what direction a type of research might take, you will always ultimately need an intact animal with all its living complications and interchanging biochemical functions to properly assay a drug."

"Not so," says Ethel Thurston, administrator of the American Fund for Alternatives. "Enough progress has already been made to indicate that certain techniques can completely replace animals."

Several of these techniques have been developed over the last five years in Great Britain, where the Lord Dowding Fund for Humane Research has given grants totaling more than $400,000 to dozens of scientists engaged in research aimed at finding experimental substitutes for animals. Dowding is currently financing several developmental studies of the Ames Test, a promising technique invented by a Berkeley biochemistry professor, Dr. Bruce Ames, that uses salmonella bacteria rather than animals to determine the carcinogenic properties of chemicals. (It was the Ames Test that recently revealed the possible carcinogenic dangers of certain hair dyes.) Another Dowding Fund recipient, research physician Dr. John C. Petricciani, now with the Food and Drug Administration, has devised a method of assessing how tumors grow by inoculating the tumor cells into skin from 9-day-old chicken embryos instead of into living animals.

Animal tests are frequently replaced by other methods discovered and developed by scientists like Dr. Ames who are not trying to avoid the use of animals per se but are simply searching for simpler and more cost-efficient ways to achieve their goals. Dr. Hans Stiech, a Canadian cancer researcher, for example, has devised a new test for detecting carcinogenicity in chemicals; it uses human cells, takes one week and costs only about $260. The traditional method, using rats and mice, takes three years and costs approximately $150,000.

In addition to egg embryos, bacteria and simple organisms, possible substitutes for animals include tissue cultures, human and other mammal cells grown in test tubes, and organ banks. Preserved human corneas, for instance, might be used to spare rabbits the agony of the Draize test. Computers could also play a role if researchers used them fully to analyse experimental data, predict the properties of new drugs, and test theoretical data. Computers can even be programmed to stimulate living processes. Mechanical models and audio-visual aids can and do substitute for animals as teaching instruments. Simulated human models could provide valid information in car-crash tests.

Last winter, Representative Robert F. Drinan, Democrat of Massachusetts, introduced a bill authorizing the Department of Health, Education and Welfare to fund projects aimed at discovering research methods that would reduce both the numbers of animals used in laboratories and the suffering to which they are subjected.

Meanwhile, medical and military research and an unending stream of new pharmaceutical, cosmetic and household products are resulting in an ever-increasing use of animals in the laboratory.

The most recent and thorough exploration of alternatives is Dr. D. H. Smyth's book "Alternatives to Animal Experiments," which examines every option and weighs its pros and cons. He concludes that there is certainly reason to hope that the numbers of laboratory animals can be drastically reduced, but also warns that it is unlikely a complete phasing out of animal experimentation will happen soon. "By the time we can produce complete alternatives to living tissue," Dr. Smyth writes, "we will not need those alternatives because we will already understand how living tissues work."

Still, Dr. Smyth asks, "Does this mean we can perpetrate any cruelty on animals to satisfy scientific curiosity in the hope that it will one day be useful? To me it certainly does not. . . . Everyone has a right to decide that certain procedures are unacceptable."

Richard Ryder calls animal experimenters to task for trying to have it both ways: Researchers defend their work scientifically on the basis of the *similarities* between human beings and animals, but defend it morally on the basis of the *differences*.

And there's the rub: The differences aren't as reassuringly clear-cut as they once were. We now know that some animals have a more highly developed intelligence than some human beings—infants, for example, or the retarded and the senile. Dr. Ryder asks, "If we were to be discovered by some more intelligent creatures in the universe, would they be justified in experimenting on us?"●

WHY I CARE ABOUT AMERICA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, every year the Veterans of Foreign Wars of the United States and the ladies auxiliary have a Voice of Democracy contest for high school students. Over 250,000 secondary students participated competing for the five national scholarships that are awarded as prizes. This year the theme of the contest was "Why I Care About America."

The willing essay from my State of Alaska is presented here. It is written by Carol Ann Goldmann of 8440 Blackberry, Anchorage, Alaska.

WHY I CARE ABOUT AMERICA

(By Carol Ann Goldmann)

There are so many reasons why I care about America, I cannot explain them all in the time allotted. Among the many, three stand out: the advantages of being an American, personal feelings, and my future concerns.

The advantages are materialistic as well as idealistic. Because America functions within a Capitalistic system, there is constant individual competition. This competition provides the incentive leading to many scientific advancements, as well as the gadgetry of modern America. Equally important are the advantages or rights that I hold as an American citizen. No other country on the planet Earth has citizens who enjoy as many freedoms as I do.

The Constitution provides me with certain inalienable rights not found anywhere else. Among these are the freedoms of expression and of self-improvement. Expression is encouraged at the primary school level and is exemplified throughout life. America is the land where one can improve himself, no matter the ethnic or status background. These rights unlike those in the Soviet Union, are protected. Because I want to keep these advantages, I care about what happens to my country.

Secondly, I am an American. America is my home and my country. It is a land to call my own. A feeling a Military Court of the United States tried to take away from Phillip Nolan in the novel *The Man Without A Country* by Edward Everett Hale. The book is fiction, but the point is the same, while one can be physically removed from the country, the feelings remain. America is a part of me and as I care about it, I want to preserve and protect it.

My concern for America's future can be three-fold. It's the feeling of pride, of strength and the conglomerate of half a dozen emotions that churn inside me when I recite the Pledge of Allegiance. I want my family and friends to have this feeling. Many people today do not realize what they are missing. America is a great democratic country. We are not under the oppressive systems as in the Soviet Union, China or Bolivia. As more and more come to this realization, America becomes stronger. We're not a Utopia. America is a country that can "promote the general welfare," as is stated in the Preamble of the Constitution. Since I prefer a strong country, I am concerned about what others feel.

Those are my reasons. Selfish? You bet. But it isn't just caring, the feeling is deeper, it's loving and I love America.●

REVISING THE HANDGUN STATUTE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. BINGHAM. Mr. Speaker, on January 15, 1979, I introduced H.R. 40, a bill which would prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns. A strict handgun control measure is sorely needed in our Nation and is long overdue.

The case against the handgun gets stronger all the time. According to the latest available FBI crime report, about 80 percent of all murders committed in the United States involve a handgun. The majority of all murders committed are "crimes of passion." Also, 81 percent of the murdered persons are close relatives, friends or acquaintances of the murderers. If the handgun were not so readily available in moments of frustration and anger, then these statistics would be vastly altered. Is it not time that we did something to protect these innocent people?

Between the years of 1963 and 1972 more Americans were murdered with handguns in the United States than were killed during the same period of the Vietnam war. There were many demonstrations against the Vietnam war, and many, many people took a very public and firm stand on our country's involvement in it. And yet, while we were being so vocal against the war, we were turning our back on the problem here at home that the easily obtainable handgun had caused. Surely some of the many Americans who support gun control should be willing to stand up and be counted.

Both the Harris and the Gallup polls have reported astounding numbers of Americans in support of handgun control; 77 percent of the general public and 63 percent of all gun owners supported

stricter handgun control measures. If only members of this large majority were willing to become as vocal as their anti-gun control counterparts are, stricter handgun control legislation could become a reality.

I am including at the end of my remarks an editorial written by a college student, Lauren Mayer, which appeared in the Yale Daily News on October 30, 1978. Ms. Mayer was an intern at the National Council To Control Handguns (now called Handgun Control, Inc.) in Washington last year. She addresses the handgun problem succinctly and proposes that young people should support handgun control more actively.

I am also inserting an article by T.R.B. of the New Republic that appeared in the February 10, 1979, issue of that periodical which discusses the risk of assassination and makes the case for restrictions on the ready availability of handguns.

[From the Yale Daily News, Oct. 30, 1978]

KEEPING HANDGUNS IN HAND

(By Lauren C. Mayer)

Imagine a killer so cruel that it causes the senseless, tragic deaths of over 10,000 Americans every year, so powerful that hundreds of thousands more will feel its physical and economical effects for years to come.

It isn't a disease, and it isn't a war, that causes so many tragic deaths. The mysterious killer is the handgun, which proliferates uncontrolled. Every day, twenty-four Americans fall victim to handgun murder—one every hour—and nearly twice that number die as a result of handgun accidents and suicides.

Right now there are an estimated fifty million pocketsized murder machines in civilian hands, and at current rates of production, that figure will double by the year 2000. Handguns are used three times more often than any other murder weapon. Since they are easily concealed, they are ideal for violent crime. However, only 30 percent of all handgun murders are committed in conjunction with a felony. The majority of these murders are 'crimes of passion', frequently committed by the so-called law-abiding citizen. The family handgun is an effective, handy means of settling a dispute for good—before the murderer's anger has a chance to subside.

Confronted with these facts, one must ask why nothing has been done. For an answer, imagine a force so persistent that it can bypass the democratic process, so ruthless that it thwarts the wishes of the 80 percent of the American public (and even the majority of gunowners) which favors strict handgun control, and so powerful that it lets a small minority dictate the policies of the U.S. Congress. Some would charge that this force is the influential gun lobby which has persuaded Congress against handgun control legislation. But in fact, we the inactive, passive 80 percent give the gun lobby its power through our apathy. Their voice is the only one our legislators hear, because we aren't saying or doing anything.

If we made legislators aware of our determination to vote for candidates on the basis of their position on handgun control (as our opponents do), if we were willing to contribute our time and money towards realizing our goals (as our opponents do), the seemingly omnipotent gun lobby would wield no more power than a popgun.

Perhaps this country is waiting once again for the leadership of its youth, as it did during the Vietnam War and in the movement to preserve the environment.

A decade ago, the efforts of our older brothers and sisters opened America's eyes to the horror of the Vietnam War. Today, our efforts could carry out that legacy by opening America's eyes to the horrors of handgun violence. In fact, our participation is needed even more urgently on this issue; from 1966–1972, almost three times as many Americans were killed here at home by handguns than in combat in Vietnam, and the violence continues to escalate. Can we continue to watch—in silence?

Imagine a movement so powerful that it could turn around government policy, so important that it could play a major role in ending the reign of terror and violence which has gripped America for far too long. We, the youth of this country, can initiate that movement if we go beyond imagining and act now to end our domestic slaughter.

OCCUPATIONAL HAZARD

The nipping wind rustles the leathery magnolia leaves on either side of the White House as we gather on the South Lawn. The ground is snow-streaked. The honor guard parades, the band plays and the crowd waits on the four sides of the small central area where the stand is set for President and Mrs. Carter and Vice Premier Teng and his wife, Cho Lin, and their tall interpreter. They enter, hear the national anthem, inspect the honor guard, and now Jimmy Carter is speaking right in front of me.

There is a disturbance in the working press section 15 feet from where the president talks. Carter doesn't stop. If the disturber has a gun Carter is a dead man. It is a woman; instead of a gun she has Mao's little red book. She is muffled in a minute and dragged off when her companion, a man, also in the press section, begins to shout. Out he goes. They are not efficient disrupters. If they really shrieked, the sound would have gone around the world, by satellite to China. Even as we stand we can hear the occasional growl of protest coming from the small protest crowd in the Ellipse—over toward the Washington Monument. The loudspeakers out there pick up the intermittent noises; nobody pays attention—there is a ritual protest for almost any foreign visitor.

But this is different. Security has been breached. Reporters for years have insisted on the right of minority pressmen to attend ceremonies. If Sonia Ransom had wanted to she could have killed the president with the greatest of ease; she was properly accredited by the Seattle police; her companion, Keith Kozimoto, by New York police. The Secret Service accepted the accreditations.

Being president is one of the world's dangerous jobs. Occupational hazard—assassination. We don't like to think about it. In the Senate Teddy Kennedy will have another try at gun control legislation in February but chances are slim. Crime is as American as apple pie. A 1976 report to the Conference of Mayors estimated 40 million hand guns in the country, a figure increasing by 2.5 million a year: 100 million by the year 2000. A poll shows two-thirds of the gun owners fear crime, keep guns for self-defense; we citizens arm as superpowers do, fearing arms of our neighbors.

Here's the record on presidential assassinations and attempts:

Andrew Jackson, 1835, attempt.

Abraham Lincoln, 1865, killed.

James Garfield, 1881, killed.

William McKinley, 1901, killed.

Theodore Roosevelt, 1912, ex-president, wounded.

Franklin Roosevelt, 1933, attempt (Mayor Cermak killed).

Truman, 1950, attempt.

Kennedy, 1963, killed (Robert Kennedy later killed).

Ford, 1975, two attempts.

In summary, of the 32 men who have held the presidency since 1835, attempts were made against nine, and four succeeded. One in eight.

I have followed presidents many years and I have come to the conclusion that they can't really be protected. The hand outstretched to greet them from the crowd across the fence may hold a gun. It is part of our culture that we expect presidents to take the chance and allow devilish handguns to be sold. We are alone among nations in this tolerance for guns. I don't mean to be ghoulish, but in the seconds of that disturbance on the South Lawn last Monday (a minor incident—$100 fine for disturbing the peace), I could see the fallen figure, feel the commotion, listen to the shrieks on radio and TV, hear the great newspaper presses rumbling out their black, black headlines.

Weapons don't cost much. Here's the record of prices paid from Robert Sherrill's grim study, "The Saturday Night Special":

Booth shot Lincoln with a .44 derringer	$15.00
Guiteau killed McKinley with a .44 revolver	10.00
Czolgosz used a 5-shot .32 to murder Garfield	4.50
Oswald's mail-order carbine against Kennedy (*plus $1.50 for postage)	21.45*
	$50.95

Oswald got his murder gun from an advertisement in the *American Rifleman*, a magazine published by the National Rifle Association. The ad was placed by the Klein's Sporting Goods Co., Chicago. Gun advertising is a lucrative form of income for the NRA, which has a million members, a $20-million budget, and a building in Washington. It is probably the most powerful single-shot lobby in the city. There is nothing wrong with the sportsmen's guns, of course. But the NRA is so paranoid about restrictions that it protects handguns. Every poll for 50 years has shown the public wants handgun control, but Congress won't let us have it: it is cowed by the NRA, which can whip up half a million letters overnight. The gun lobby is believed to have defeated Senator Joseph D. Tydings, Democrat of Maryland and a champion of control, when he ran for reelection in 1970. Carter backed control in 1976 (his paternal grandfather was killed by a handgun in 1904) but he has enough other problems right at the moment—again Teddy Kennedy will move in.

After Jack Kennedy's assassination, Congress passed a weak gun law including a ban on cheap imported "Saturday Night Specials." Afterward, gun distributors just imported the parts and assembled them here. Last year the House overwhelmingly defeated a mild bill to put serial numbers on new firearms to help police trace them. "When are politicians going to have the courage to stand up against the gun lobby?" demanded *The Washington Star*. *The Baltimore Sun* called it "Power and Paranoia." The NRA didn't mind. It called critics "anti-Constitution fanatics" referring to the "right to bear arms" second amendment.

America's murder rate is the wonder of the world. There are more killings overnight in New York than in Tokyo all year. Handgun Control, Inc., a citizens lobby, keeps track month by month: handguns took 465 lives in December.

Five national committees studied crime between 1967 and 1973, headed by Nicholas Katzenbach, Otto Kerner, Milton Eisenhower, Edmund Brown and Russell Peterson. All advocated gun control. Never in history did so many blue-ribbon commissions investigate one subject to intensively in so short a time—and do so little about it. "It's as easy to buy guns as flashlights," said Edward Kennedy, whose two brothers were murdered.

So my heart jumped as Carter talked and the two beside me were dragged away. Will we get gun control? Of course, yes, in time. But not till another president or two are sacrificed, I think.●

GSA ACTIVITIES

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. EDGAR. Mr. Speaker, on February 27, General Services Administrator Jay Solomon and members of his staff appeared before the Public Works and Transportation Buildings and Grounds Subcommittee to brief subcommittee members on GSA activities and to respond to various matters of concern. An important issue that I raised—Federal policy on the siting of Federal facilities—should be of concern to all Members of Congress and particularly Members representing States in the Northeast-Midwest regions, which historically has suffered most severely from the absence of an effective strategy for locating Federal facilities.

The General Services Administration in the coming weeks is expected to propose regulations to implement Executive Order 12072, one of the President's urban policy initiatives to aid distressed urban areas. Members will recall that that this Executive order makes it Federal policy to give priority to central business districts in the locations of Federal facilities. If effectively implemented through strong, coherent regulations, Executive Order 12072 can have significant impact on stemming the flight of Federal facilities and Federal employment from our central cities. In my remarks I discuss some of the weaknesses that have already appeared in the regulations being drafted by GSA, and I recommend various changes that should be made to more effectively carry out the Executive order. It is my hope that GSA will respond by incorporating the changes I have suggested into its regulations before they are formally proposed.

The Northeast-Midwest Congressional Coalition, which I chair, on March 11 will release a comprehensive paper on the issue of Federal facility siting which examines in detail the potentials and problems of the facility siting program and recommends ways to improve current performance. This document, the first of its kind, will be an invaluable tool to Members of Congress and other interested in insuring that the Nation develops, implements, and follows a strong, coherent, responsible policy on siting Federal facilities.

With that in mind, I would like to insert in the CONGRESSIONAL RECORD my comments and remarks to Mr. Solomon:

Mr. Solomon, it is a pleasure to have you with us this morning. I welcome this opportunity to bring up an issue which has for too long been a matter of little concern to the federal government and to the Congress, namely decisions on the siting of federal facilities. As Chairman of the Northeast-Midwest Congressional Coalition, a bipartisan organization of 213 Representatives from 18 Northeast and Midwestern States with a common interest in the regional implications of national policy, I have become aware of the acute need for a strengthened federal policy in decision-making on the location of federal facilities. This is an area which I anticipate will receive a considerable amount of attention by our Subcommittee in the 96th Congress, since a coherent policy on the siting of federal facilities can do much to reverse the flow of job opportunities and investments out of our central cities. In light of national concern over federal spending, we must look for ways of easing economic distress without incurring new federal spending obligations and without fueling the fires of inflation. The development of a strong and coherent policy on federal facility siting is one obvious way to promote economic growth in our central cities with out increased spending while simultaneously counteracting the negative effects of the anti-inflation program in already distressed areas.

The Northeast-Midwest Institute, the research arm of the Northeast-Midwest Congressional Coalition, has done extensive research on the subject of federal facility siting and will shortly release an in-depth report on the issues. I have made available this morning to members of the Subcommittee a summary of the report which highlights its findings and recommendations.

To give members of the Subcommittee some idea of the impact of federal facility siting on our nation's cities, I mention the following statistics:

Federal civilian employment dropped by over 42,000 in central cities in the period between 1966 and 1976, while it increased by over 24,000 in SMSA's—strong evidence of the flight from central cities to surrounding suburbs;

Economically distressed central cities lost over 93,000 federal civilian employees while noneconomically distressed cities gained over 51,000 employees;

The greatest loss in central city federal civilian employment occurred in the largest economically distressed cities included in the study.

President Carter in August of last year took a major step to reverse these and other trends when he issued Executive Order 12072 as part of his urban policy. This Executive Order makes it federal policy to give priority to central business districts in the location of federal facilities in order to strengthen the redevelopment of central cities. The success or failure of this new policy will largely rest with the General Services Administration, the historical "landlord" of the nation, which has been called upon to develop the regulatory framework to implement this Executive Order.

I have reviewed the draft regulations under development by GSA and would like to express some serious concerns that I have. The draft regulations for facility siting, while moving in the right direction, are deficient in some crucial aspects. Without substantial rewriting, they will not be sufficient to reverse past patterns which hurt most distressed central cities, many of them in the Northeast and Midwest. The following changes should be made:

GSA Washington Headquarters presently requires a review of all location requests that are outside of the central business districts of cities. This requirement should be written into GSA regulations.

GSA Headquarters should also review decisions to relocate out of or reduce personnel in distressed central cities. Without requiring such a review, the movement out of distressed central cities could continue unabated, as long as facilities and personnel were relocated in the central business district of some other city.

An unofficial memo from the White House established a process whereby GSA Headquarters could refer controversial location decisions to the Interagency Coordinating Council for resolution. The IACC would provide additional support for priorities established by Executive Order 12072. Federal programs could also be coordinated to assist in such decisions. HUD, for example, could propose that Urban Action Development Grants be used to ensure that central city space be provided at competitive prices. This process makes sense and should be included in GSA regulations.

GSA should establish a periodic review of the policies, procedures, and practices of other federal agencies which have authority to meet their own space needs to ensure their compliance with national location policies. Since roughly two-thirds of location decisions are made by agencies other than GSA, it is essential that steps are taken to ensure that these agencies are in compliance with federal policy.

The authority cited for different sections of GSA needs to be completed. There is considerable deficiency in the citation of authority in the proposed regulations.

GSA has clarified the potential conflict between legislated first priority given to rural areas and the Presidential priority given to center city business districts in a letter addressed to Secretary of Agriculture Bergland. Meetings are scheduled to finalize this clarification. Such a clarification should be incorporated into GSA regulations.

The General Services Administration now has an unusual opportunity to make amends for the often confusing, arbitrary, and willy-nilly manner in which facility siting decisions were made in the past and to embark on a new policy that will set priorities and symbolize the federal government's commitment to local economic stability. I make these points this morning because it is important that some of the initiatives and policies articulated by Mr. Solomon be set in the new regulations and not lost during the transition to a new Administrator of the General Services Administration.●

WEST VIRGINIA'S VOICE OF DEMOCRACY WINNER

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. MOLLOHAN. Mr. Speaker, I am proud to note that this year's West Virginia winner of the VFW's outstanding "Voice of Democracy" competition is Denise Ann Parker of Wolf Summit in my congressional district. Ms. Parker is a senior at Liberty High School in Clarksburg.

She will be in Washington this week along with other State winners for final judging that will result in five National winners being selected.

More than 250,000 students participated in this year's "Voice of Democracy" competition, which was built around the theme "Why I Care About America." Ms. Parker's timely subject was apathy and its detrimental influence on our society. I commend her comments to my colleagues and to everyone who is concerned about the future of our participatory form of government.

I don't care! I just don't care! Apathy is a disease that has long plagued our nation. I have never understood the reason for this disease, yet it continues to spread like cancer, and no vaccination will help. I care and as an American it is your obligation to care.

It is not as though we live in a destructive, dictatorial society. We enjoy many, many rights and freedoms in America and these should not be taken for granted. I don't take these for granted because I realize the significance they hold for our society. They give us uniqueness.

We alone have a free educational system that supplies us with teachers and books and allows us to make our own decisions on how to use these materials.

This is a second door to which we hold a key, the door of choosing our own future. It is a door glittering with prosperity and promise in one of the richest nations in the world. A nation rich with higher educational institutions, sizable paying jobs, the chance to move up in society, and the chance to help govern our nation. Just thinking about these few opportunities gives me enough reason to care about America.

But there are so many more, such as our right to vote. How marvelous it is to be able to decide for yourself, the leaders you want.

By using wisdom and discretion, we can protect our civic duty, and elect hard working, earnest, and sincere Americans to positions of authority in our government. It is then we begin to immunize ourselves from the dreaded disease, Apathy.

I soon will be old enough to vote, and pray that I, too, will be able to choose wise, capable leaders, to prove to everyone, "I do care about America."

Another important reason I care, is the freedom I have. Our freedoms, although we don't always realize it, are like precious gems, and we must guard them as such. Freedom of speech is one of our special treasures, and must be guarded even more carefully than the others.

If freedom of speech were a knife, I think we would use it more efficiently than we do. If it were a knife, we would take the responsibility of protecting it with much more enthusiasm. Because we all realize that without care and caution, that knife may easily become a weapon rather than a tool.

People who don't care about America, use freedom of speech as a weapon to be used against America, rather than a tool to better her. I will never use my freedom of speech or any freedom I have to damage my homeland, because I care about America.

That is why when tyranny and oppression flare in other lands, it will be my proud privilege to go abroad and do the fighting that my coutnry bids me do. And I will follow triumphantly in the footsteps of those true, loyal, and caring Americans that have set the patriotic example for me to follow. They have shown me how to really care about America.

But there is a battle to be fought here at home. A battle against Apathy. It is slowly overtaking our children and turning them against the people who can help them. We must not allow this disease to infect us further. Apathy can no longer be treated with little concern. It is a political and moral disease that is destroying a way of life, our way of life. Please, get involved, turn the tide, fight the disease, care about America. I do.●

THE DIGGS CASE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. MAZZOLI. Mr. Speaker, on March 1, 1979, I voted with the majority of the House to refer the case of our colleague, the gentleman from Michigan (Mr. DIGGS) to the Committee on Standards of Official Conduct.

I take this opportunity to explain my vote and to comment on related matters.

First, I believe that the gentleman from Michigan (Mr. DIGGS) should refrain from voting in the House or in his committees until all appeals from his conviction have been exhausted and his conviction has been reversed or any sentences or penalties have been discharged.

This restraint would be consistent with the gentleman's conduct in the final days of the 95th Congress, and with the conduct of other Members of the House who have been in his situation.

In the meeting of the Democratic Caucus on February 28, 1979, I voted against tabling the resolution that would have altered House rules to encourage Members convicted of serious crimes carrying a jail sentence of 2 years or more to refrain from voting. However, the resolution was tabled.

As I have stated, I believe the gentleman from Michigan (Mr. DIGGS) should not vote while his appeals are being pursued. And I am confident the House has the power to require his abstaining from voting.

However, I am undecided, after reading all the materials available on the subject, whether the House has the power to expel the gentleman from this Chamber since the people of his district reelected him after—and, therefore, in light of—his conviction on charges of receiving salary kickbacks from his congressional employees.

Because I did not wish to act against the gentleman from Michigan in a matter as profound as his expulsion without fullest information, I supported the distinguished majority leader's motion to refer this matter to the House Committee on Standards of Official Conduct.

The committee may not be able to resolve all the legal and constitutional problems, but its investigation, report, and recommendations will shed much light and add greatly to the debate which will occur in the future on the question of expelling the gentleman from Michigan, from the House of Representatives.

In this connection, I place confidence in the assurances of the distinguished chairman of the Committee on Standards of Official Conduct, Mr. BENNETT, that the House will have the committee's report within 60 days.

If this is not the case, and if the committee does not recommend—at least—that the gentleman from Michigan (Mr. DIGGS) refrain from voting until his conviction is set aside or until all sentences or penalties have been fulfilled, then I shall have no other course but to support sterner actions.

In a related matter, I urge the Committee on Standards of Official Conduct to review House rule 43, clause 10.

I do not believe House rules should permit the reelection to Congress of a convicted Member to bar the House of Representatives from taking action against that Member.

Nor should the rule contain any ambiguity about the authority of the House to prevent an errant Member from voting during pendency of appeals.

In studying this question, the committee may find it useful to draw a distinction between serious crimes which relates directly to the Member's use of his or her office and other serious crimes.

My constituents are—correctly—greatly concerned about the prospect of a man convicted by a jury of the serious abuse of his office sitting in Congress and voting on laws that affect national and international policies.

I share their concern. And I urge the Committee on Standards of Official Conduct to act expeditiously on this matter.●

VOTE ON BUDGET CUTS FOR HEALTH RESOURCES PROGRAMS

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. CAVANAUGH. Mr. Speaker, tomorrow this body will be voting on H.R. 2439, the budget rescission bill, fiscal year 1979. The primary emphasis of this bill is to reduce fiscal year 1979 funding for health resources in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1979 (Public Law 95-480) and the 1979 continuing resolution (Public Law 95-482). In this regard President Carter sought a reduction of $167,893,000 in funds appropriated and the full Appropriations Committee rejected that reduction. However, the committee did approve and we will be voting on, rescissions of $61,796,000. These rescissions for health resources funding specifically affect medical and dental school capitation grants, emergency medical training funds, and nurse training programs.

It has been reported that these health resources funds are no longer necessary in that the program goals have been accomplished, that new funding sources are available, and that these programs are the first wave of budget cuts to reduce the budget deficit and balance the budget.

Mr. Speaker, the funds are necessary. The shortage of physicians, dentists, and nurses is acute especially in rural areas and inner cities. In my State of Nebraska the State health department's division of health systems planning has identified a current unmet need of 2,707 registered nurses. In addition, there are a great many rural communities in Nebraska without the services of even one physician thus requiring those persons to travel great distances to seek basic health services. Our emergency medical services are only beginning to be developed fully in rural areas to provide basic emergency treatment capabilities.

In addition, it seems incongruous to me to have given the students in those institutions the right to rely on fiscal year 1979 funding resolutions and then withdraw that funding. Admissions have been made to medical, dental, and nursing schools and teaching contracts have been signed in reliance upon those 1979 funding levels. With little or no time to adjust we are asking the health training

institutions to seek other sources of funding or cancel enrollment acceptances, breach employment contracts, or reduce educational levels in fiscal year 1979 to satisfy budgetary objectives.

These health resources programs, unlike many of the other funding rescissions found in H.R. 2439 are vital, necessary, and extensively used. The first step in providing basic health care delivery to this country is the training of adequate numbers of health professionals to provide those services. The need is unmet and no new programs to meet those needs have been offered. Therefore, I am prepared to offer an amendment on the floor of the House of Representatives when the House considers H.R. 2439 to strike from the bill the rescission of $61.8 million for health resources programs and to restore full funding for those programs for fiscal year 1979.

The language of my amendment follows:

On page 2: Delete lines 21 through 26.●

THE ADMINISTRATION'S EFFORTS TO DISCOURAGE INVESTMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. KEMP. Mr. Speaker, an extraordinary article appeared in this morning's Wall Street Journal. I say extraordinary because no other word describes the argument now being advanced by the administration, which was outlined by reporter Richard F. Janssen—that we need to discourage investment as a way to reduce inflation.

The thesis of unnamed administration officials quoted by Mr. Janssen is that investment must be discouraged because it leads to wealth, and wealth creates inflationary demands and expectations. Therefore, the administration is putting "unusual pressure on investment on several fronts."

Prevailing upon the Federal Reserve to maintain high nominal interest rates with a tight money policy would discourage borrowing for capital investment, according to the administration, and thereby "cool" our "overheated" economy. The article explains:

It isn't out of any ideological hostility to Wall Street that stock market strength is deemed expendable at the moment, officials say. It is simply, explains one, that falling stock prices "reduce wealth" and leave people less to spend, "so you still work through the stock market" to get at the consumer.

Which is central to the economy-cooling effort. Consumer outlays account for by far the largest chunk of the gross national product, and "consumers are spending like there's no tomorrow," as one Washington economist puts it. This not only keeps the economic atmosphere boomily conducive to rapid wage and price increases, but suggests a dangerous grassroots skepticism about whether the government will ever succeed in keeping things from getting constantly more expensive.

This theory of administration policymakers is, of course, sheer economic nonsense. The stock market does not respond to nominal interest rates. It responds to after-tax return on investment. In fact, the consumer spree of spending and indebtedness we witnessed in December and January is proof of the fact that real interest rates, after adjustment for inflation, have been very low.

If the stock market is so sensitive to nominal interest rates, why did the market dive for a week after President Carter announced an anti-inflation program last Oct. 24 which signaled no change in the administration's loose money policies—then skyrocket the day after our panicked monetary authorities raised interest rates a full point? The stock market begs for a tight money policy, because Government-caused inflation pushes investors, like everyone else, into higher tax brackets without real increases in income, and overstates profits by understating depreciation—reducing real after-tax return on investment in both cases.

On the theory that ignorance is bliss, it would be tempting to accept this serendipitous improvement in the administration's money policy without comment, and leave our policymakers undisturbed in their bliss. It would be tempting, that is, except that the administration's extraordinary logic is leading toward disaster in other policy areas. The Wall Street Journal article continues:

Often, the government has countered a consumer boom head-on, directly draining away purchasing power by an increase in income taxes. But that avenue is politically off limits. It was only on Jan. 1 that income tax cuts took effect, the public mood is vehemently antitax, and what they're talking about on Capitol Hill isn't any quickie surcharge, it's the timing of the next round of tax relief.

While it is true that the administration has declined to avoid debating the merits of raising taxes in Congress, it is not true that taxes are therefore being reduced, or even remaining the same in real terms. Even after last years so-called tax cut, taxes are rising 13.4 percent this year, 10.5 percent in fiscal 1980, and 14.5 percent in fiscal 1981, without any law or debate. This is mostly because of the effects of inflation pushing people into higher tax brackets, which will raise personal income taxes $24 billion this year even after the "tax cut." The administration has flatly stated that it will oppose any attempts to prevent these automatic tax increases by indexing the tax brackets, let alone attempts to reduce tax rates to make up for some past "bracket creep."

Since investors are interested in after-tax return on investment, it is not the government's apparent intention to print less excess money which distresses the stock market. A less inflationary money policy increases the after-tax profitability of investment. It is the administrations' effort to raise taxes and otherwise increase economic disincentives which is discouraging investment.

Inflation is, by definition, a rise in prices caused by too much money and too few goods. Restraining the excessive growth of the money supply is a positive step compared with the first 2 years of this administration's monetary policy. But it will not make much difference to the rate of inflation if the Government actively discourages the production of goods at the same time. Given the same money policy, a drop in the supply of goods will raise the price of goods, not lower it.

Mr. Speaker, I regretfully conclude that the administration has stumbled onto a less destructive monetary policy for the wrong reasons, but is leading the country to disaster because, for the same wrong reasons, it has not a clue about formulating fiscal policy which can avoid recession and promote economic growth without inflation.

We on Capitol Hill are indeed considering "the timing of the next round of tax relief." It is clearer than ever that we need to cut tax rates now—we needed it yesterday—in the interest of improving productivity, controlling inflation, increasing economic growth, and protecting Americans from the hardships of another recession caused by the Government's fiscal and monetary mistakes.

The article follows:

[From the Wall Street Journal, Mar. 5, 1979]

REVIEW OF CURRENT TRENDS IN BUSINESS AND FINANCE

NEW YORK.—Some of President Carter's most poignant moments must come when deciding he needs to sacrifice something important for an end of even more pressing priority: A political pal to cut short a scandal, a friendly regime to avoid a superpower clash, and, it appears, capital investment to win some relief from inflation.

This aspect of the administration's economic strategy isn't a very explicit one. Some degree of it is, however, implicit in the proclaimed policy of seeking "moderation" in overall economic growth without allowing fiscal and monetary restraint to fall as heavily as usual on the traditionally most vulnerable sectors, such as homebuilding and the poor.

While that course can't be faulted on fairness grounds, it admittedly isn't ideal. When any nation's inflation problem is seen to spring from excessive government and consumer spending, the usual solution would be a tilt toward more saving, healthier financial markets, and greater investment in plant and equipment to produce more goods more efficiently.

But Washington sources say circumstances compel them instead to put unusual pressure on investment on several fronts.

One front is the stock market, which is historically susceptible to the primary anti-inflation tool these days, the Federal Reserve's high interest rates. In addition to making on-the-cuff stock purchases prohibitively expensive, this tool works by diverting funds from the turbulent and demoralized equity market into the surer thing of debt securities and their double-digit returns.

It isn't out of any ideological hostility to Wall Street that stock market strength is deemed expendable at the moment, officials say. It is simply, explains one, that falling stock prices "reduce wealth" and leave people less to spend, "so you still work through the stock market" to get at the consumer.

Which is central to the economy-cooling effort. Consumer outlays account for by far the largest chunk of the gross national product, and "consumers are spending like there's no tomorrow," as one Washington economist puts it. This not only keeps the economic atmosphere boomily conducive to rapid wage and price increases, but suggests a dangerous grassroots skepticism about whether the government will ever succeed in keeping things from getting constantly more expensive.

Often, the government has countered a consumer boom head-on, directly draining away purchasing power by an increase in income taxes. But that avenue is politically off limits. It was only on Jan. 1 that income tax cuts took effect, the public mood is vehemently antitax, and what they're talking about on Capitol Hill isn't any quickie surcharge, it's the timing of the next round of tax relief.

In light of laments from the New York Stock Exchange about the dwindling ranks of small investors, depressing share prices mightn't seem a viable device anymore for making the average American temper his spending. But administration aides express confidence that this tack can still succeed, and a veteran consumer pollster concurs—in spades.

"If you want to scare the devil out of the consumer and get a recession, lower the stock market—which is what they're doing," asserts Albert Sindlinger. To be sure, the Media, Pa., pollster doubts much direct impact, figuring most individuals today use only funds they know they can afford "to gamble with" for stock market purchases.

But the decline in individuals' direct shareholding, Mr. Sindlinger stresses, has been far more than offset by two other factors—the spread of indirect ownership through mutual funds, and the vastly increased attention directed to the stock market by the press, television and radio. Back in 1957, "a maximum of 17%" of consumers he polled by phone even knew that the Dow Jones average is a stock market index. Now, he reports, "at least 65% are telling me what the market did yesterday."

Whatever the psychological effect on the consumer proves to be, Washington is also counting on the combination of depressed share prices and high interest costs to discourage business from raising very much capital through either new stock or bond issues. The cost of capital has escalated enough already that it probably is a major reason business men are being so cautious about investing in inventory, officials figure.

The same "cold, hard calculations of profitability" ought to be giving businessmen pause about their plant and equipment investment plans, too, one strategist contends. Indeed, the administration's main hope for high interest rates to bring some relief from inflation may well lie in sacrificing—temporarily, to be sure—demand for capital goods and construction, including some decline in housing.

That comes across as a heavy-hearted hope. As the President's Council of Economic Advisers made clear in its recent annual report, there's nothing the nation needs more for its future strength—in productivity, employment, price stability, the dollar, the whole works—than more capital formation and "a strong rise in business investment."

Nothing, that is, except to persuade people, and fast, that "inflation will decline steadily over the next five years." If that happens, the council almost promises the investment prerequisites of falling interest rates and "strongly rising stock prices." Meanwhile, no matter how these ends were sought, a Carter man defends, "you would always have some sacrifice."—RICHARD F. JANSSEN.●

A FEW PREDICTIONS ABOUT THE 96th CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report from January 17, 1979, into the CONGRESSIONAL RECORD:

A FEW PREDICTIONS ABOUT THE 96TH CONGRESS

Here are a few observations and predictions for the first session of the 96th Congress, meeting this year.

TAXES

There is no discussion at the moment of another tax cut, but if the economy dips into a recession, as many economists predict, all bets are off and a tax cut becomes a probability. A plan for automatic lowering of tax rates to cushion inflation will be pushed, but it will not pass. President Carter's real wage insurance, a key aspect of his anti-inflation program, faces a rough road.

SPENDING

The Congress will cooperate with the President on most proposals to hold down the deficit. It will not exceed his less than $30 billion deficit and may even reduce it a little. We can expect modest across the board cuts on the appropriations bills. As things stand now, President Carter will send a budget to Congress on January 22 for the fiscal year 1980 like this: expenditures, $533 billion; revenues, $504 billion; deficit, $29 billion. These figures are not final, but any changes are likely to be small. In the event of a recession government spending might be increased to pump up the economy.

DEFENSE

The Congress will support the President's plans to boost military spending.

SALT

At the moment the President faces an uphill (some would say impossible) fight in the Senate on ratification of the SALT II treaty. My own view is that today the President is far short of the 67 votes he needs, but with a strong effort he may be able to obtain ratification of the treaty.

GOVERNMENT REORGANIZATION

Reorganization of the executive branch could be a major topic in the 96th Congress. A new Department of Education is likely. Proposals to create two new departments for natural resources and economic development will be considered carefully.

ENERGY

A big fight is brewing on the decontrol of oil prices. The dilemma is that ending the controls will raise prices and aggravate inflation, but it might also curb oil imports and force conservation. The most likely result is presidential manipulation of oil price controls with gradually increasing prices. As part of this approach, President Carter could ask Congress for new taxing authority (e.g. windfall profits or excess profits tax) to cushion consumers against the higher prices.

MINIMUM WAGE

The proposal to delay the scheduled increases in the minimum wage will fail.

HEALTH INSURANCE

Congress will continue to work on proposals for phased-in coverage, but a comprehensive plan will not pass this year. I anticipate the President will link in some way catastrophic health insurance with hospital cost containment legislation, and indicate that this is the first stage of a national health insurance plan.

WELFARE REFORM

Comprehensive welfare reform will not pass either. A scaled down version may be given serious consideration.

FOREIGN POLICY

Further fights over Panama Canal implementation legislation can be expected. Aid to the Middle East will be approved.

OVERSIGHT

With virtually no new programs in President Carter's budget, the Congress will turn to its oversight function and intensify its efforts to improve the operation of existing programs.

FOREIGN TRADE

This could be an active legislative area with pressures continuing to build for protection of domestic industries and to increase exports to cut the trade deficit. The multilateral trade agreement now being negotiated, which Congress must vote up or down 60 days after it has been introduced, will be approved, as will the bill to extend the government's right to waive penalties on subsidized exports.

TRANSPORTATION

Bills to deregulate the trucking and railroad industries will not go through easily, despite the success of airline deregulation and strong backing from the Carter Administration.

Among the proposals that failed in the 95th Congress and are too close to predict in the 96th Congress are a lobby reform bill, the Alaska Lands bill and public financing of congressional elections.

The expectation for this year is that the President and Congress will be more in concert. Dealings between the two branches should improve over the erratic relations of the past two years.●

NEED FOR A STRONG MILITARY RESERVE PROGRAM

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 5, 1979

● Mr. SKELTON. Mr. Speaker, the Armed Forces Reserves and National Guard are vital to our Nation's national security. The Selected Reserve components provide the sole available source of trained units to augment the Active Forces upon mobilization. The other part of the Ready Reserve, the Individual Ready Reserve, is necessary to bring undermanned units of the Active Force and Selected Reserve to full war strength, and to provide trained replacements in the event of casualties. In addition, Reserve and National Guard units serve as an important link between the military and local communities, helping to generate important citizen support for our Armed Forces.

Since coming to Congress, I have made it a practice to visit Reserve and National Guard units in my district and talk with the Members. I do not have to exaggerate to say that these guardsmen and reservists are concerned about the present and future health of their units. They are having great difficulty in recruiting new members and in retaining those who are already members.

I am sure that many are familiar with studies and statistics that indicate that this trend is nationwide. From fiscal year 1973 to fiscal year 1977 our Selected Reserve strength decreased 12 percent. By the end of fiscal year 1978, the actual strength of the Selected Reserve was 189,000 below the fiscal year 1973 authorized level. In addition, the Individual Ready Reserve's ability to provide pretrained personnel to meet mobilization manpower requirements is dangerously inadequate.

This shortfall in personnel is so seri-

ous that it threatens our ability to effectively mobilize in the defense of our Nation. I have seen estimates that there would be a shortage of 500,000 trained personnel in the first 6 months in the event of a mobilization, 350,000 in the critical Army combat arms specialties. To fill these shortages, we would be forced to reinstate the draft or activate the Standby Reserve. But both of these alternatives would be slow, perhaps too slow. Even with the most efficient standby draft system imaginable, it would take 4 months to deliver trained draftees to the Armed Forces. This is time we may not have.

Therefore, we must have a strong, effective Ready Reserve Force at full authorized strength. Many are familiar with the various proposed alternatives to achieve this goal, so I will not go into them at this time. However, I will stress the need for a definite commitment on the part of Congress and the administration for a strong Reserve and National Guard. I was talking recently with some Naval Reservists from my area, and they told me that one of their biggest difficulties in recruiting new reservists was the uncertainty over force levels. According to these dedicated, career reservists, people are not inclined to affiliate with a Reserve organization with an uncertain future. Those who are already in the Naval Reserve do not like the instability imposed by constant changes in force levels and mission. So, they are likely to leave at their first opportunity. We in Congress must remove this uncertainty and instability by establishing Reserve Force levels that meet our national security needs, and giving our Armed Forces the ability to meet those levels.

There is one area which I want to speak to specifically. I recently circulated copies of a letter from retired Maj. Gen. William H. Blakefield, president of Kemper Military School and College in Boonville, Mo., to the members of this committee. The letter contained a proposal to help alleviate the shortage of junior officers in our Reserves and National Guard by granting 2-year ROTC scholarship to military junior colleges, with the obligation to serve in the Reserves or National Guard for a specified period of time. Members of the committee who have contacted me have reacted favorably to this idea, and I have requested that appropriate legislation be researched and prepared. When a draft is ready, I plan to introduce such a measure. I might add that I have personal interest in this proposal since two of the Nation's six military junior colleges are located in Missouri's Fourth Congressional District, which I represent.

This proposal won't solve all of our shortage problems. But I believe it can make a contribution. I offer my support to the efforts to solve all the problems associated with our Reserve Forces, and strengthen this vital component of our national defense.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 6, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 7

8:30 a.m.
Judiciary
To resume hearings on S. 241, to authorize funds through fiscal year 1983 for the Federal Law Enforcement Assistance Administration.
2228 Dirksen Building

9:30 a.m.
Armed Services
To receive testimony, in closed session, on tactical aircraft, air defense, and tactical missile threat assessment and net assessment of U.S. and allied forces.
212 Russell Building

Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Agriculture.
1114 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on the Federal responsibilities for radiation protection.
3302 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume oversight hearings on Federal programs to combat cancer.
5110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings followed by consideration of the nomination of Dale E. Hathaway, of the District of Columbia, to be Under Secretary of Agriculture for International Affairs and Commodity Programs.
322 Russell Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the defense establishment.
1223 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1970 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Armed Services
Manpower and Personnel
To hold hearings on proposed military procurement authorizations for fiscal year 1980, receiving testimony on the land, air, and naval force structure plans.
224 Russell Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
To continue review of those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

Environment and Public Works
To consider those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Finance
To continue consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on the implementation of the Natural Gas Policy Act (P.L. 95-621).
357 Russell Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

Select on Intelligence
To hold closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

2:30 p.m.
Foreign Relations
To hold hearings on the situation in Rhodesia.
4221 Dirksen Building

MARCH 8

9:15 a.m.
Judiciary
To hold hearings on the proposed Merger Act, to supplement and improve the enforcement of provisions of the antitrust laws.
2228 Dirksen Building

9:30 a.m.
Armed Services
To receive testimony, in closed session, on Army aviation combat aircraft.
212 Russell Building

Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Agriculture.
S-126, Capitol

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the defense establishment.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Selective Service System National Consumer Cooperative Bank, and the National Credit Union Administration.
5302 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Health Care Financing Administration, Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Justice.
S-146, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1318 Dirksen Building

Energy and Natural Resources
To continue review of those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
3110 Dirksen Building

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget.
4200 Dirksen Building

Finance
To continue the consideration of those issues relating to the implementation of the Multilateral Trade Negotations.
2221 Dirksen Building

Foreign Relations
Western Hemisphere Affairs Subcommittee
To receive testimony, in closed session, on the results of the President's recent trip to Mexico and to review the situation in Nicaragua.
S-116, Capitol

Joint Economic
To receive testimony on the economic outlook and the prospects for inflation and unemployment.
6226 Dirksen Building

2:00 p.m.
Appropriations
To hold hearings on proposed legislation to rescind certain budget authority in the message of the President of January 31, and to consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
S-128, Capitol

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Legislative Branch of the Government.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S-146, Capitol

2:30 p.m.
Judiciary
Business meeting to consider those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and to consider recommendations which it will make thereon to the Budget Committee by March 15, followed by consideration of pending nominations, S. 300, to permit those injured by antitrust violations to recover civil damages measured by the extent of their injury, and S. 443, making certain administrative changes which arose from the redrawing of the Federal judicial districts in the State of Illinois.
2228 Dirksen Building

MARCH 9

9:00 a.m.
Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To mark up S. 390, proposed Antitrust Procedural Improvements Act.
5110 Dirksen Building

9:30 a.m.
Judiciary
To hold hearings on S. 300, proposed Antitrust Enforcement Act.
1114 Dirksen Building

Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act, to be followed by markup of S. 7, to revise and improve certain health care programs of the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1960 for military construction programs.
1223 Dirksen Building

Finance
Revenue Sharing, Intergovernmental Revenue Impact, and Economic Problems Subcommittee
To hold hearings on S. 200, proposed Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments Act.
2221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume oversight hearings on the programs of the Office of Federal Procurement Policy.
3302 Dirksen Building

Joint Economic
To hold hearings on the employment-unemployment and price data situation for February.
1202 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Council on Environmental Quality, and the National Commission on Air Quality.
1318 Dirksen Building

2:00 p.m.
Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 12

9:00 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 5, 6, 18, and 38, proposed amendments to the Constitution, to require a balanced Federal budget.
6226 Dirksen Building

9:30 a.m.
Human Resources
To hold joint hearings with the Committee on Veterans' Affairs on the nomination of Dr. Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment.
4232 Dirksen Building

Veterans' Affairs
To hold joint hearings with the Committee on Human Resources on the nomination of Dr. Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on proposed legislation to extend through fiscal year 1984 the Export Administration Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

Finance
Revenue Sharing, Intergovernmental Revenue Impact, and Economic Problems Subcommittee
To resume hearings on S 200, proposed Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments Act.
1224 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Department of Commerce.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 13

9:30 a.m.
Judiciary
To resume hearings on S. 241, proposed Justice System Improvement Act.
2226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Agency for International Development.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on proposed legislation to extend through fiscal year 1984 the Export Administration Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold a business meeting on pending calendar business.
235 Russell Building

Finance
Health Subcommittee
To told hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on nuclear waste management.
6226 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 5, proposed Federal Acquisition Reform Act.
3302 Dirksen Building

2.00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

MARCH 14

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 354, proposed supplemental authorizations for FY 79 for NASA, and S. 357, proposed authorizations for FY 80 for NASA.
235 Russell Building

Judiciary
To resume hearings on S. 300, proposed Antitrust Enforcement Act.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To estimate hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
To consider those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
5302 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Finance
Health Subcommittee
To resume hearings on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on nuclear waste management.
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Department of Commerce.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 15

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 354, proposed supplemental authorizations for FY 1979 for NASA, and S. 357, proposed authorizations for FY 1980 for NASA.
235 Russell Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
6226 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on roles of women in health and science.
4232 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for international programs, Department of State.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Indian Health Service.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
S-146, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on nuclear waste management.
Room to be announced

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S-146, Capitol

MARCH 16

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 230, proposed Nurse Training Amendments Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Office of Human Development Services, Department of HEW.
S-128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

9:30 a.m.
Judiciary
To resume hearings on S. 300, proposed Antitrust Enforcement Act.
1114 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To resume hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed FY 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4332 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for International Financial Institutions, Department of the Treasury.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Social Security Administration, Department of HEW.
S-128, Capitol

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on the Department of Energy's plans for emergency energy conservation and gasoline rationing.
3110 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To continue hearings on the carryover basis provisions of the estate tax law.
2227 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1114 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board of International Broadcasting.
S-146, Capitol

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol Building

MARCH 22

9:30 a.m.
Veterans' Affairs
To resume hearings on S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the U.S. Geological Survey.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
S-126, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, proposed Reclamation Reform Act.
3110 Dirksen Building

Finance
Health Subcommittee
To mark up proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 14, the Reclamation Reform Act.
3110 Dirksen Building

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

MARCH 23

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on a proposed joint government/industry program of advanced automotive technology development.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimate for fiscal year 1980 for the Environmental Protection Agency, and the Consumer Information Center.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Finance
Health Subcommittee
To continue markup on proposed legislation to control increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

MARCH 26

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of Labor, and related agencies.
S-128, Capitol

Banking, Housing, and Urban Affairs
To resume hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

MARCH 27

9:30 a.m.
Human Resources
To hold hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Human Resources
Child and Human Development
To mark up S. 239, authorizing funds for programs administered by Domestic Volunteer Service Act (ACTION).
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
S-126, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Finance
To hold hearings on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 28

9:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
Room to be announced

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the trucking industry economic regulation by the Federal Government.
235 Russell Building

Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
457 Russell Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Finance
To continue hearings on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

MARCH 29

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
235 Russell Building

Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on health programs administered by the National Institutes of Health.
4232 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for FP 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.
6226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for ACTION—International Program.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
S-146, Capitol

MARCH 30

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
235 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Veterans' Administration, the American Battle Monuments Commission, and the U.S. Army cemeterial expenses.
1318 Dirksen Building

APRIL 2

9:30 a.m.
Human Resources
To resume hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

APRIL 3

9:30 a.m.
Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for programs administered by the Department of State.
1114 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

APRIL 5

9:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
5110 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

APRIL 6

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

11:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

Finance
To markup S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 11

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. Res. 59, proposed Small Savers Equity Resolution.
5302 Dirksen Building

Finance
To continue markup on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. Res. 59, proposed Small Savers Equity Resolution.
5302 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

9:30 a.m.
Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA. and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

APRIL 26

9:30 a.m.
Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD–Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirsken Building

MAY 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 9

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 6, 1979*

The House met at 12 o'clock noon.

Rabbi Joseph Hirsch, Temple Shaarei Tikvah, Arcadia, Calif., offered the following prayer:

Heavenly Father: We ask You to bless these men delegated with the responsibility of governing this country, with Your gifts of wisdom, strength, and perseverance. Under providence, this country has grown from humble beginnings into the great and prosperous land that it is today. We thank You for the privilege of living in such a land, but we also know that privileges entail obligations.

May our leaders thus be inspired with a sense of mission. May they realize that it is in their power to make the prophetic vision a reality, to create a society where justice and kindness will always prevail. May this land then find its greatness in serving as the example of democracy and decency for the entire world. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a resolution of the following title:

S. RES. 88

Resolved, That the Senate has heard with profound sorrow and extreme regret the announcement of the death of the Honorable Dewey F. Bartlett, who served in the United States Senate from the State of Oklahoma from 1973 until 1979.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased, together with a transcript of remarks made in the Senate in praise of his distinguished service to the Nation.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

The message further announced that the Vice President, pursuant to section 1024 of title 15, United States Code, appointed Mr. SARBANES to fill the vacancy of the majority party membership on the Joint Economic Committee.

And, pursuant to Public Law 94–304, appointed Mr. MCGOVERN to the Commission on Security and Cooperation in Europe, in lieu of Mr. Clark, retired.

And, pursuant to Public Law 86–420, appointed Mr. BENTSEN as chairman of the Senate delegation to the Mexico-United States Interparliamentary Conference, to be held in Mexico in May 1979.

And that the President pro tempore, pursuant to Public Law 93–618, and upon the recommendation of the chairman of the Committee on Finance, appointed the following Senators as Official Advisers to the U.S. delegation to negotiations relating to trade agreements: Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. DOLE, and Mr. ROTH; and as alternate Official Advisers to the above negotiations: Mr. HARRY F. BYRD, JR., Mr. NELSON, Mr. GRAVEL, Mr. BENTSEN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. BAUCUS, Mr. BOREN, Mr. BRADLEY, Mr. PACKWOOD, Mr. DANFORTH, Mr. CHAFEE, Mr. HEINZ, Mr. WALLOP, and Mr. DURENBERGER.

WELCOME TO DR. JOSEPH HIRSCH, RABBI, TEMPLE SHAAREI TIKVAH, ARCADIA, CALIF.

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I am pleased to welcome Dr. Joseph Hirsch, rabbi at Temple Shaarei Tikvah in the city of Arcadia, Calif., who opened our session today with his meaningful prayer.

Rabbi Hirsch, a constituent of the congressional district which I represent, California's 26th, is visiting in Washington, D.C., with a Jewish leadership delegation to the Community Relations Committee of the Jewish Federation Council. In California, Rabbi Dr. Joseph Hirsch is a spiritual leader of Temple Shaarei Tikvah, of Arcadia, Calif., a Conservative congregation affiliated with the United Synagogue of America. Rabbi Hirsch has been with the temple since 1976, after having served as a chaplain with the Air Force in Okinawa.

Rabbi Hirsch received his B.A. with honor in history from Yeshiva College, in New York City; he received his masters and was ordained a conservative rabbi at the Jewish Theological Seminary of America; he was awarded his doctorate in modern Jewish history by Yeshiva College.

In his present position in Arcadia, as well as his prior pulpits, Rabbi Hirsch has been active in community and interfaith affairs. When he was rabbi of Congregation Agudas Achim in Malden, a suburb of Boston, he was vice president of the clergy association and member of Boston's New Century Club. As assistant rabbi in Cincinnati, he was a member of the Clergy Dialogue of the National Conference of Christians and Jews, and was active in MARCC—Metropolitan Area Regional Coordinating Council. In Arcadia and Los Angeles, Rabbi Hirsch is a member of Rotary, is active in local interfaith activities, as well as serving as a member of the Committee on Interreligious Activities of the Board of Rabbis of Southern California. Rabbi Hirsch has also been a guest speaker at many service clubs and churches.

Rabbi Dr. Joseph Hirsch is a member of the following organizations: The Rabbinical Assembly, Board of Rabbis of Southern California, the Community Relations Committee of the Jewish Federation Council of Eastern Los Angeles, the American Jewish Committee and the Masons.

It is a great pleasure to have Rabbi Hirsch and his mother and father, Mr. and Mrs. Max Hirsch of New York, with us today and I appreciate the fine prayer that he offered in the Chamber of the U.S. House of Representatives.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

□ 1205

ANOTHER EXAMPLE OF SENIOR CITIZENS AND DISABLED PERSONS BEING HURT BY FOOD STAMP PROGRAM CUTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I was asked today when I would run out of examples of senior citizens and disabled persons who are being hurt by the cuts in the food stamp program.

Unfortunately, Mr. Speaker, I could present these daily examples for the next 10 years if the Congress does not act.

The example I have today, Mr. Speaker, is that of an 81-year-old woman who has a total income of $286 a month. Her shelter costs, including rent, utilities, and telephone, are $259 a month. Presently, Mr. Speaker, she is receiving $57 a month in food stamps, and as of last week she was cut to $15 in food stamps.

Mr. Speaker, I hope that this body will give active consideration very soon to correcting the deleterious effects of this program, which hurts rather than helps senior citizens and disabled persons.

CENSUS BUREAU SHOULD SEND ITS LONG FORM TO 1 OUT OF 6 HOUSEHOLDS IN ALL COMMUNITIES

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, I have just learned that in an attempt to reduce the sampling error in census data for communities with a population of less than 5,000 people, the Census Bureau is planning to send their long census form consisting of 61 pages of instruction and highly detailed personal questions to every other household. The Bureau will send the same long form to every sixth household in communities of more than 5,000 people. I can only say that I am glad that I live in Vernon, Tex., in a community of over 12,000, and I will not have a 50–50 chance of having to spend a week answering questions. But residents of 52 small towns in my congressional district will have to suffer this burden.

I can see how enlarging the sample in these small communities could possibly decrease the sampling error and more clearly reflect the nature of the average income and other important demographic details which help to pigeonhole the town in this computer-oriented era. I will also concede that perhaps a more accurate sample might insure slightly more revenue-sharing funds or indicate a higher growth rate than if a smaller sample is used.

Unfortunately, these factors are almost insignificant when you look at the greatly enhanced potential for error. Faced with such a dizzying form I doubt if I would have the time or patience to devote to making it 100 percent accurate. The error potential will be increased to a startling degree. Followup procedures which involve telephone calls and perhaps even traveltime will be an enormous part of the census procedures in these towns and the additional cost will be staggering. I do not doubt that some will simply throw the booklet away and not even register their existence with the Bureau much less provide accurate information.

I recognize that the decennial census is important to business and government. It is wrong however to saddle those in smaller communities with the huge burden of filling out such a tediously detailed questionnaire. The Bureau should treat all of us fairly and send the long form to 1 out of 6 in all communities. Whether you live in mid-town Manhattan or Follett, Tex. we should all have the benefit of the odds being 1 in 6 against having to fill out the long form. If it is not too late, I hope even the long form can be shortened and simplified. Public funds will be saved and believe me, many of us will have a much more contented constituency.

□ 1210

ADMINISTRATION OF JIMMY CARTER CONDUCTED IN COMMENDABLE SPIRIT OF CANDOR AND GOOD FAITH

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, as criticism mounts, I am pleased to have the privilege today of paying tribute to a fellow southerner and Democrat, a man whose high principles and dedication have made him a most worthy occupant of the office he now holds—President Jimmy Carter.

In an era when public trust and confidence in elected officials seems to have reached a record low, it is reassuring to know that the man who holds the most important office in the land maintains both privately and publicly a character of the highest order.

We are all aware of the tendency for public officials to lose sight of the purpose for which they were elected and to allow personal and individual interests to supersede those of the people. Positions of power are rife with such opportunities to abuse the privilege of leadership. One who is able to rise above such impulses is truly a rare individual.

Mr. Carter has proven himself to be such an individual. Throughout the past 2 years, he has displayed a passion for justice and forthrightness, not only in his dealings with the Congress but with leaders across the Nation and around the world.

Regardless of political party, regardless of policy interpretation, regardless of priorities, or procedures, or ideology—one cannot dispute the fact that the administration of Jimmy Carter has been conducted in a commendable spirit of candor and good faith. It is this spirit which I wish to wholeheartedly commend today. Let us not underestimate its value.

THE CONFIDENTIAL INFORMATION FILES OF THE INTELLIGENCE AGENCIES

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, there are certain elements in this Nation and overseas that would be delighted to destroy our existing intelligence agencies. One of the key laws that has been passed in the Congress of the United States that is going in the direction of destroying the intelligence agencies has to do with the Freedom of Information Act. Anyone who has ever been involved in law enforcement or intelligence knows that an intelligence agency or a police department or a law enforcement agency is only as strong as its sources of information. When busybodies, curiosity-seekers, foreign agents, and nosey people have access to confidential information from the files of the intelligence agencies, it dries up those sources and makes them virtually ineffective.

Mr. Speaker, as I did last year, I have just introduced a bill that would modify the terms of the Freedom of Information Act. Rather than going into detail on the bill, I would suggest that the Members refer to page 16803 of the June 8 CONGRESSIONAL RECORD of last year that cites details. I invite cosponsors to this legislation in the public interest.

□ 1215

SELECTION OF MEMBERS AS OFFICIAL ADVISERS TO VARIOUS U.S. DELEGATIONS

The SPEAKER. Pursuant to the provisions of section 161(a), title I, Public Law 93–618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee to be accredited by the President, as Official Advisers to the U.S. delegations to international conferences,

meetings, and negotiation sessions relating to trade agreements during the 1st session of the 96th Congress:

Mr. VANIK of Ohio;
Mr. GIBBONS of Florida;
Mr. ROSTENKOWSKI of Illinois;
Mr. CONABLE of New York; and
Mr. VANDER JAGT of Michigan.

BUDGET RESCISSION BILL, FISCAL YEAR 1979

Mr. WHITTEN. Mr. Speaker, I call up the bill (H.R. 2439) to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The bill reads as follows:

H.R. 2439

A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rescissions of budget authority proposed in the message of the President of January 31, 1979 (H. Doc. 96–46), are made pursuant to the Impoundment Control Act of 1974, namely:

Chapter I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES

Appropriations and contract authority provided for in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1976, for interest grant payments pursuant to section 802(c)(2) of the Housing and Community Development Act of 1974 (42 U.S.C. 1440), are rescinded.

NEW COMMUNITY ASSISTANCE GRANTS

Any amounts not administratively committed from appropriations provided for grants, as authorized by section 412 of the Housing and Urban Development Act of 1968, as amended (42 U.S.C. 3911) and sections 718 and 720 of the Housing and Urban Development Act of 1970 (42 U.S.C. 4519, 42 U.S.C. 4521), are rescinded.

Chapter II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

Of the funds provided for "Health Resources" for fiscal year 1979 in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, and in Public Law 95–482, $61,796,000 are rescinded.

OFFICE OF EDUCATION

SPECIAL PROJECTS AND TRAINING

Of the funds appropriated under this head in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, $12,500,000 are rescinded.

Chapter III

FOREIGN CLAIMS SETTLEMENT COMMISSION

PAYMENT OF VIETNAM AND U.S.S. "PUEBLO" PRISONER OF WAR CLAIMS

Of the funds appropriated under this head in Public Law 93–50, $9,000,000 are rescinded.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

Of the funds appropriated under this head in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979, $8,925,000 are rescinded.

Chapter IV—DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

HELIUM FUND

Of the borrowing authority provided in the Department of the Interior and Related Agencies Appropriation Act, 1962, Public Law 87–122, $3,127,000 are rescinded.

Mr. WHITTEN. Mr. Speaker, I move to strike the last word.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2439, and that I may include in behalf of the committee certain extraneous and tabular matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, this is the first bill reported by the Appropriations Committee to be considered in the 96th Congress. This is a rescission bill under title X of the Congressional Budget and Impoundment Control Act of 1974 in response to the Presidential message of January 31.

In his message the President proposed rescissions in 10 separate accounts totaling $914 million. The committee is recommending 7 full or partial rescissions totaling $703 million as shown on page 2 of the committee report. I would say that the proposed rescissions have been considered by the subcommittees in the usual fashion. There are four subcommittees involved in this bill: HUD-Independent Agencies; Labor-HEW; State-Justice-Commerce; and Interior. The appropriations subcommittees considered the rescission proposals during the weeks of February 19 and February 26. The full committee met on March 1 and reported the bill by a voice vote.

SUMMARY OF COMMITTEE ACTION

As I have indicated, the committee is proposing rescission of $703 million of the $914 million recommended by the President. The committee feels that the remaining $211 million is necessary for the Government to continue priority business.

Mr. Speaker, this bill to rescind $703 million, has been approved by the chairman and the membership of the 13 subcommittees which constitute our Appropriations Committee of 54. A small start you may say, but it is our judgment it is a start in the right direction and I am advised it will not harm programs, and as to nurses training it will withhold $13 million for masters and Ph.D. training for the remainder of the fiscal year and will save $83 million for nurses training.

This is my first voyage as chairman of the Committee on Appropriations, and I wish to thank all who supported me for this very responsible position and to them and to Members who would have preferred some other, I assure you that I shall give to this position the very best I have.

To all I realize that there is not too much any one Member can do to change the course of human events, but each can do his part.

When I realized that I would likely become chairman of the Appropriations Committee, I brought together some facts, for I believe with any problem we must first find out the facts.

(1) The dollar has depreciated 50 percent since 1967. We have continued to buy more from abroad than we have sold. We have taken the gold from behind our currency and the silver out of our coinage. There's virtually nothing behind our money today except the promise to pay.

(2) Our public debt has reached nearly $800 billion and from present commitments is estimated to increase to $900 billion by 1980. Due to the higher cost of money, interest on the public debt will increase by $5.9 billion in 1980 to a total of nearly $60 billion.

(3) Only 57 percent of the Federal Budget (budget authority) is handled by the Appropriations Committee through the annual budget process, and 24 percent is virtually uncontrollable. Under present laws, Congress has effective control of only 38 percent of the budget authority proposed for 1980.

(4) About 58 percent of the funds in the budget are indexed by basic law to guarantee increases to meet inflation, regardless of appropriations ceilings. Adding funds to offset inflation merely brings on additional inflation. It is like trying to put out a fire with gasoline.

□ 1220

From these facts I am convinced the best we can hope for is to balance off income against outgo. We cannot afford to turn back 20 years or 10 years without a crackup, for our economy is just as dependent on keeping the economy strong, the income up, as we are upon cutting out spending unnecessary at this time.

AMENDMENT OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAGGERS: Page 3, line 9, strike out "$61,796,000" and insert in lieu thereof "$24,750,000".

Mr. STAGGERS. Mr. Speaker, this amendment simply restores those rescissions proposed for capitation grants to schools of medicine, osteopathy and dentistry; and for advanced training, traineeships, research and fellowships under the Nurse Training Act. The amendment continues to provide for rescissions in the area of health resources totaling nearly $25 million—an unprecedented act in itself.

Mr. Speaker, the many health professionals of this Nation contribute to our individual and collective well-being on a daily basis. Each of us is indebted in some way to the health community which serves us all. And, in like fashion, we have an obligation to our fellow citizens to assure that an adequate supply of well-trained, highly competent health professionals continues to be available to all those in need.

As chairman of the Committee on Interstate and Foreign Commerce, the committee with authorizing jurisdiction in the area of health manpower, I am the first to recognize that the questions of manpower needs, distribution, and supply are not questions which are simply answered. In fact, the nurse training amendments of 1978, legislation which was adopted overwhelmingly by the 95th Congress and subsequently pocket-vetoed by the President, directed the Secretary of the Department of Health, Education, and Welfare to arrange for a comprehensive study of the need for continued Federal financial support for nursing education and to make legislative recommendations to the Congress based on the findings of that study. At the time of our hearings on that legislation, the administration emphasized the need for continued and expanded advanced training opportunities for nurses.

Unfortunately, the administration has now called for significant reductions in health manpower appropriations without the data I believe is necessary to make the informed decisions which are needed. Even more incredulous is the fact that the proposed reductions are greatest in the areas of advanced training, the very areas which the administration has identified as being of greatest importance.

Mr. Speaker, with all due respect for my colleagues on the Appropriations Committee who share my concerns for a reduction in the budget deficit and for precise targeting of Federal funds on areas of greatest need, I must point out that the rescissions which have been proposed for acceptance today, are, at best, premature, and should not be accepted in their totality by this body. As you know, both nurse training and other health manpower issues are to be reexamined by our committee early in this Congress. Until that comprehensive review can be made by the Subcommittee on Health and the Environment, wholesale rescissions in the nature of those before us today simply should not be accepted.

Specifically, I urge my colleagues to reject any rescission in the capitation grant program to schools of medicine, osteopathy, and dentistry: and to restore to their current appropriation levels advanced training, traineeships, fellowships, and research programs authorized under the Nurse Training Act.

Health professions capitation grants provide crucial support to 189 schools of medicine, osteopathy, and dentistry. These important national educational resources have developed their budget plans for the coming academic year on the understandable assumption that such support will continue at least until the need for and benefits of such support are reviewed and reassessed by this Congress. I sincerely believe that it is incumbent on us to act responsibly and in an informed manner when dealing with such a critical question as the supply of this nation's physicians and dentists.

Rescissions in the areas of advanced nurse training programs and traineeships would severely hamper the already limited training of individuals at the master's and doctoral levels; even at existing levels of support there is a serious shortage of professional nurses with advanced degrees to serve as nursing service administrators, nursing supervisors, faculty in schools of nursing and in various clinical specialties.

Mr. Speaker, my amendment would restore proposed rescissions approved by the Appropriations Committee in the total amount of $37,046,000 in the areas of capitation grants to schools of medicine, osteopathy, and dentistry; and advanced training, traineeships, fellowships and research in nursing. I would note that even with the reinstatement of these appropriations, we would still be approving rescissions in the area of health resources totaling nearly $25 million—an unprecedented action in itself. I urge my colleagues to join me in support of this important amendment.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I would be glad to yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Speaker, I thank the distinguished chairman of the committee for yielding.

I would like to express my support for the gentleman's amendment. As the chairman of the committee knows, I intend to follow this amendment with an amendment to restore the entire $61 million which has been stricken. This is, I believe, Mr. Speaker, the first salvo in this year's budgetary priorities, and we are identifying for the country what the standards and priorities are going to be for this Congress and the country for the years ahead. The first attack has been leveled upon the quality of educational training for our health sciences.

Mr. Speaker, I wish to vigorously urge support for the amendment offered by the committee chairman, and hopefully the Members of the House will not only go this step but take the additional step of restoring all the funds.

Mr. STAGGERS. Mr. Speaker, I thank the gentleman for his remarks.

I wish to repeat again that the President said that his veto of the Nurse Training Amendments of 1978 would not take one bit of money away from Nurse training because of the continuing resolution. We have a bill in now, and we are going to hear all these issues this year.

Why should we approve these recission proposals before our committee has had the opportunity to review the questions and before a decision has been made? If any Member votes for these recissions and goes to the hospital, I do not know how he can look any nurse in the eye.

I would say this to the Members, that the nurses are very important in America. Any of us who have been in hospitals know it is not only the surgeon who operates but the nurses who take care of us that are important, and certainly we do not want to reduce the number of available nursing professionals.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the chairman of the subcommittee.

Mr. WAXMAN. Mr. Speaker, I thank the chairman of the full committee for yielding to me.

I want to join in the gentleman's amendment and urge my colleagues to accept this amendment to restore funds for nurse training and health programs that are proposed for rescission by the Committee on Appropriations.

I understand why the Committee on Appropriations acted. We are all faced with the necessity in this Congress to try to cut back on funds that are being spent by the Federal Government in order to deal with the outlays, but I am concerned that the health manpower rescissions proposed by the Committee on Appropriations may be premature and misdirected toward worthy programs.

The Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, will hold hearings in a few weeks on the Nurse Training Act. Later on this year we will hold in depth hearings on the entire health manpower program. The rescissions proposed by the Committee on Appropriations would in effect cut programs overwhelmingly endorsed by the Congress last year without appropriate evaluation of the programs' progress.

For that reason I think it is premature to make these cuts. Our committee may well want to recommend some reductions in authorizations when we evaluate the programs, but I think it is a mistake to make these reductions at this time. I hope my colleagues will support the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

□ 1225

Mr. STAGGERS. I thank the gentleman.

Mr. Speaker, I wish to compliment the Committee on Appropriations. I know they are doing their job as the administration has asked them to. I have never had any quarrel with them. They are all men of honesty and integrity, trying to do what is best for America. But I would say that there are other places that we can cut, instead of the health care of this Nation. We are hitting at the very foundation and the strength of the land when we do this. Let use restore these cuts. I am not asking for the whole thing, but for those that are essential for the health of the land.

Mr. Speaker, I hope all of my colleagues will vote against this rescission and for this amendment.

Mr. NATCHER. Mr. Speaker, I move to strike the last word. I rise in opposition to the amendment offered by my distinguished friend, the gentleman from West Virginia (Mr. STAGGERS).

Mr. Speaker, as we well know, President Carter has sent up rescissions for the Department of HEW totaling $227,258,000. This is out of a total of $58 billion appropriated for HEW for fiscal year 1979.

Mr. Speaker, when you speak of Labor and HEW programs it is right easy at times to question the President, from the standpoint of trying to hold the budget in line. This is the first test now, Mr. Speaker, as to whether or not we can move in that direction in the House.

Mr. Speaker, the Nursing Training Act—and my distinguished friend, the gentleman from West Virginia, knows this—was started in 1956. The rescission of funds for the Nursing Training Act as submitted by the President provided for rescission of $30 million in capitation grants. We did not go along with the President's request for a complete rescission of this item in this amount. Instead we recommended that a rescission take place of only $10 million and we would leave in the bill $20 million which we do not approve for rescission.

For advanced training, the amount requested for rescission was $10,300,000 out of a total of $12 million. Mr. Speaker, we do not approve that. We approve only $6 million to be rescinded.

Under special projects for the nursing program, the request was for $7,500,000 to be rescinded. We go along with that and we recommend that to the House.

For nurse training student loans, out of $22,500,000 appropriated, the administration requested that $9 million be rescinded. We do not recommend this rescission to the House.

Under scholarships, the total appropriation of $9 million was requested to be rescinded. We recommend that only $3,500,000 be rescinded.

Under traineeships, out of $13 million appropriated, the entire amount is requested to be rescinded. We recommend to the House only $6,500,000.

Under loan repayments, out of $1,500,000, the sum of $750,000 is requested to be rescinded. Mr. Speaker, we recommend this to the House.

And under fellowships, out of $1 million, the amount of $647,000 is requested to be rescinded. We recommend the rescission of $647,000.

Under research, out of $5 million, the sum of $3,899,000 is requested. We recommend that amount to the House.

Mr. Speaker, not a single member on this subcommittee is against the nursing training program. There was not a dollar in the 1979 appropriation bill for the Nursing Training Act, and my distinguished friend, the gentleman from West Virginia (Mr. STAGGERS), knows that. Not $1 was in the bill for 1979.

□ 1230

The authorization bill was before the Health Subcommittee of the Committee on Interstate and Foreign Commerce and chaired by my friend from West Virginia (Mr. STAGGERS). The authorization bill was late and for that reason not a dollar was in the 1979 appropriation bill. On our subcommittee we said to the full committee and to the chairman at that time, Mr. Mahon of Texas, "the Subcommittee on Health has not produced a bill. The Nurse Training Act expires the last day of fiscal year 1979. So we cannot appropriate funds for the act."

Now, Mr. Speaker, just to show you how much we are interested in nurse training, we got the chairman of our committee to recommend to this House a continuing resolution to carry the Nurse Training Act at the 1978 level in order to give the gentleman from West Virginia, the chairman of the Subcommittee on Health, an opportunity to bring out a bill authorizing this program. This program is not authorized to this day, Mr. Speaker. A bill was produced by the authorizing committee after we adjourned the 95th Congress. The bill was vetoed during the month of October.

The SPEAKER. The time of the gentleman from Kentucky has expired.

(By unanimous consent Mr. NATCHER was allowed to proceed for 5 additional minutes.)

Mr. NATCHER. Now, Mr. Speaker, in order to show that we are interested in this program, we carried it under the continuing resolution in 1979 at the 1978 level. So far, no authorizing bill has been produced by the Committee on Interstate and Foreign Commerce. The program is still not authorized.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. There is not any money authorized for this program, but we still carried it under the 1979 continuing resolution.

Let me say to the gentleman from West Virginia, and then I will yield, that as soon as you bring a bill out from the Interstate and Foreign Commerce Committee that authorizes this program, then you will permit the Appropriations Committee to consider any amount that you would like to have us consider. The gentleman from West Virginia also knows that in the budget for fiscal year 1980, that we are now working on, there is less than $15 million in that budget for all nurse training programs.

Now, I will yield to my friend.

Mr. STAGGERS. Mr. Speaker, I thank the gentleman for yielding, because I would like to straighten out a lot of the statements just made. I know the gentleman did not make them intentionally. He knows that last year we authorized a bill in this House for nursing training, and only 12 Members of this House voted against it. That shows how overwhelming it was.

It went to the President, and the President vetoed it. Then, there was a continuing resolution by the gentleman's committee, and it said they would appropriate $120 million for this year, the year of 1979. The President said that is fine. He said, "It will all be carried in there and you can keep it in there." Now, he comes back and asks for a rescission.

A lot of people in the dental schools and medical schools have made their provisions and their arrangements. If this passes, they are going to have to go back and try to rearrange their whole schedule, and it is just impossible for them to do it. The first bill I introduced this year was the nurses training bill, because I thought it was necessary to have it done.

Mr. NATCHER. Mr. Speaker, let me reclaim some of my time. Will the gentleman from West Virginia state to the members of the committee now, Mr. Speaker, in all fairness to the committee, there is no authorization for nurse training? The gentleman would agree to that, would he not?

Mr. STAGGERS. I will——

Mr. NATCHER. The bill was vetoed. We carried this under a continuing resolution to help you and your committee.

Mr. STAGGERS. To help America, not us.

Mr. NATCHER. All right, to help America. You know we have never been against this Training Act.

Let me say to you, Mr. Speaker, we believe the President of the United States is correct in the rescissions he makes.

Mr. STAGGERS. Oh, no.

Mr. NATCHER. We had hearings on it. We developed the facts. For the Nurse Training Act over $80 million was requested for rescission but we only agree on $34,897,000. We do not go along on his entire rescission. But when you have no authorization, and there is less than $15 million in the budget for 1980, what can the Appropriations Committee do?

□ 1235

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I certainly yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the gentleman knows that there has been no time to authorize a bill, especially at this time when the Congress is considering one of its first bills.

We were depending upon the fact that there was a continuing resolution for the year 1979, which was put through last year. The nurses, the doctors, and the dentists of America were depending on everybody to keep their word. They were depending on the Government to keep its word, and then the administration comes along and says, "No, we do not want to keep the promise made last year to America. We want to cut part of that out."

They came to the Hill and asked us to do that. I do not care how righteous it might be or anything like that. They made a promise to American nurses, doctors, and dentists. Now they want to rescind that promise.

I say it should not be done. We will pass an authorization bill just as soon as we can.

Mr. NATCHER. Mr. Speaker, the gentleman from West Virginia (Mr. STAGGERS), my good friend, says to the committee that we are going to pass an authorization bill. If so, then that puts the Appropriations Committee in position so that we can consider it.

The gentleman knows that in the budget for fiscal year 1980 there is less than $15 million for the Nurse Training Act. In addition, the gentleman's amendment also covers capitation grants for medical, dental, and veterinary schools.

Mr. STAGGERS. Not veterinary schools.

Mr. NATCHER. Yes, the gentleman is right. It is also for schools of osteopathy.

Mr. Speaker, of the $120 million for capitation grants we recommend that only $20 million be rescinded.

The SPEAKER. The time of the gentleman from Kentucky (Mr. NATCHER) has again expired.

(By unanimous consent, Mr. NATCHER

was allowed to proceed for 5 additional minutes.)

Mr. NATCHER. Mr. Speaker, I say to the gentleman from West Virginia (Mr. STAGGERS) that he knows this. As far as capitation grants are concerned, this $120 million is not one-half of 1 percent of the amount which is in the HEW budget for the medical schools in this country. Mr. Speaker, we have for HEW, $1.3 billion for medical schools.

The President, Mr. Speaker, is right with respect to this $20 million. This capitation grant program was started to bring in students and increase the enrollment in our medical schools. Now we have too many doctors in certain sections of the country and not enough down where the gentleman lives and where I live. We have enough in some places and not enough in other places.

Our recommendation is to rescind only $20 million of the $120 million. We have in the regular bill $1.3 billion for our medical schools. Think about it.

Mr. STAGGERS. If the gentleman will yield further, Mr. Speaker, that $20 million is the most important $20 million of the whole thing because that is the money which goes to those who cannot afford to go to medical schools, those young men and women who have the brains and the ability, but do not have the money. That money does not go to the rich and those who have the money at all. The gentleman knows that.

We are trying to equalize a little bit in America through this money.

As soon as we have time, we will try to rectify this matter in order to bring a supply of doctors into the areas which need doctors. We are saying that if they are able to get money from the Government, they will be able to go there and supply doctors for those places, as many of them do.

Mr. NATCHER. Mr. Speaker, not $1 of this money goes to students. It goes to the schools.

Mr. STAGGERS. Of course, but it goes to help the students who go there.

Mr. NATCHER. It only goes to the schools.

Mr. Speaker, I do not think that the gentleman from West Virginia and our committee have too much of a disagreement.

Mr. STAGGERS. No, we do not.

Mr. NATCHER. On this committee we have been strong for the Nurse Training Act all down through the years. We have gone along on capitation grants; but why does not the gentleman's committee bring in a law; why does it not authorize this program by a set time so that we can appropriate the money as far as nurse training is concerned?

Mr. STAGGERS. We will, we will.

Mr. NATCHER. Does not the chairman think that it would be a much better practice as far as the President is concerned? The gentleman knows that when the authorizing bill is brought out, it is going to have to come to the House, then go to the Senate. Then the President is going to have available the same procedure to follow as he did when he vetoed the last bill. Why not work it out downtown and put us in a position where we can go along with the gentleman on this money?

□ 1240

Mr. Speaker, there is one other matter that I would want to point out. the HEW appropriation bill has been vetoed seven times since the year 1969. Mr. Speaker, we do not want this bill vetoed this year. That is the all-time record—seven times since 1969.

This is the test as to whether or not $227 million has to be rescinded. The President asked for $227 million. We say, Mr. President, you are right only on $74 million.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I will yield to my friend, the gentleman from West Virginia, anytime.

Mr. STAGGERS. I thank the gentleman for yielding.

I would say that the gentleman from Kentucky is one of the most honorable gentlemen I know in the House, and I know that he is very sincere in his argument in every way. But I would just like to say this to the gentleman, that last year, as he knows, the President vetoed that bill, and he pocket vetoed it. If we had had a chance, we would have overridden him 10 to 1. The gentleman from Kentucky knows that we would have overridden his veto 10 to 1 at least. The fact is then that the committee came along and said, "All right, we will put in enough money for 1979." And the President said, "I will go along with that." America was led to believe that this was going to be the level for the year 1979. We cannot cut him off in the middle of it. It would not be an honorable thing for us to do.

I say we must keep our promise as a government and do what we said we were going to do for 1979 and keep this amount. I do not ask for the full amount but for the nurses. I do ask for those people certain things they do not demand.

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent Mr. NATCHER was allowed to proceed for 2 additional minutes.)

Mr. NATCHER. Mr. Speaker, let me say to the chairman of the Committee on Interstate and Foreign Commerce, one of the great Members in the House and my firend, why do we not do it the right way? Why do we not authorize the program and bring a law in here and give these Members a chance to vote on it? Remember for that there is less than $15,000,000 in the 1980 budget for the entire Nurse Training Act.

We want to be in a position, Mr. Speaker, to go along and cooperate with the committee of the gentleman from West Virginia (Mr. STAGGERS).

Let me say this to the gentleman about overriding vetoes. Mr. Speaker, the gentleman knows a lot more about this than I do. I do not believe that any bill during the calendar year of 1979 that carries any money in it and is vetoed by the President of the United States will be overridden on this floor. All we have to do is travel in any one of the 50 States and talk to the people. They want a balanced budget. They want to reduce Federal spending.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

Just as recently as Friday there was a forum in my district of some 250 people representing all aspects of my constituency. The gentleman is exactly right. They expect us to represent all of the people, and they know that we are going to have to make cuts and they are going to become painful and difficult all along the line.

It seems to me if we yield right here on a very touchy point, we are going to bring the President's program down in flames, and I do not think we should do that.

Mr. Speaker, I support the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Speaker, I yield back the remainder of my time.

Mr. CARTER. I move to strike out the last word.

Mr. SPEAKER. The gentleman from Kentucky is recognized for 5 minutes.

Mr. CARTER. Mr. Speaker, as much as I dislike to disagree with some of my good friends on both the left and the right, as ranking minority member of the House and Environment Subcommittee I am deeply concerned about the rescissions in health programs contained in H.R. 2439. I submit that rescinding these funds would have a severe impact on programs throughout the country which train our nurses, doctors, osteopaths, and emergency medical personnel.

□ 1245

Mr. Speaker, I share the President's concern about inflation and the committee's desire to moderate Federal spending.

However, I believe we must reduce expenditures responsibly, not in the precipitous manner proposed by this legislation.

For example, according to the American Nurses' Association, cutting almost $39 million from our nurse training programs would have the following adverse impact:

Advanced nurse training: If the recommended rescission of $6 million is allowed to stand, then 23 graduate nursing programs will lose funds for continuing projects. A cutback of this size would lead to abrupt termination of faculty for these programs and disruption of nursing education.

Traineeships: If the $6½ million rescission for traineeships goes through, then 2,000 nursing graduate students who already are enrolled will lose tuition support, and we will have no new nurse clinicians in our coronary care and intensive care units.

Special projects: If the $7.5 million rescission for special projects is approved then more than 60 ongoing projects will go unfunded.

Scholarships: If the $3.4 million rescission for scholarships is adopted, then 3,500 undergraduate nursing students stand to lose funds—and most of the scholarship recipients are students from low-income families.

In addition to these cuts, the proposed rescission in nursing capitation grants would affect nursing schools across the

Nation by reducing the level of institutional support by 33 percent.

Finally, if the rescissions are adopted, more than 30 nursing research projects would have to be terminated abruptly. Clearly, these cuts would have an adverse impact nationwide.

I am particularly concerned about the problems that such funding cuts would cause in my own State of Kentucky. Our nursing schools have been allocated some $259,000 for scholarships alone this fiscal year.

Approval of these rescissions would reduce that figure by about one-third. In all the nursing programs for which cuts are proposed, Kentucky stands to lose about a half a million dollars.

Since many students from Kentucky's nursing programs remain in the State to practice—the effect of these cutbacks would be to reduce the availability of nursing services in medically underserved areas. I submit that the effect would be similar throughout the country.

Mr. Speaker, in considering the budget rescission proposal today—I hope my colleagues will keep in mind the fact that just last year this body approved a 2-year extension of the nurse training authorities by an overwhelming vote of 393 to 12.

As you know, that bill did not cut nursing funds.

Instead, we kept the nursing authorizations at essentially the same level as in the previous year.

However, because there was uncertainty about whether we have an adequate supply of nurses, we required that a major study be done on our Nation's nursing needs. That study was to give us a definitive assessment of the need for continued Federal financial support for nursing education.

In other words, by passing last year's nursing amendments Congress acknowledged that there was not enough data to justify any cuts in nurse training funds.

However, as you know, the President vetoed that legislation. But in my view, the situation has not changed. We still do not have data sufficient to justify such drastic cuts in nurse training programs as are proposed today, and I urge you to reject the nurse training rescissions today.

Mr. Speaker, I also oppose the $20 million rescission in capitation grants to our medical, dental, and osteopathic schools.

Over the years capitation has been an important source of institutional support for which our health professions schools have fulfilled various obligations to meet national needs in the health field.

For example, medical schools have increased their first-year enrollment 100 percent since 1962. They have also expanded the number of primary care specialties and have established training programs in medically underserved areas.

□ 1250

They have also expanded the number of primary care specialities and have established training programs in medically underserved areas.

Frankly I do not believe it is fair or responsible for us to cut back on funding which already has been appropriated for this fiscal year.

Medical, dental, and osteopathic schools already have planned their budgets for the coming school year based on amounts that were appropriated.

The SPEAKER. The time of the gentleman from Kentucky (Mr. CARTER) has expired.

(By unanimous consent, Mr. CARTER was allowed to proceed for 3 additional minutes.)

Mr. CARTER. Mr. Speaker, these schools have already taken steps to be eligible for capitation this year. I have in mind the University of Kentucky, the University of Louisville, and other schools throughout our area with which I am familiar and which are in a precarious financial condition.

Mr. Speaker, these schools have expanded enrollment, set up special programs, purchased equipment and supplies, and hired faculty, all in good faith, expecting that our appropriation, which we voted for when we appropriated the funds, would go through, and now in spite of these expectations, this rescission is taking place and these programs will be cut out and our professors in medical schools and schools of dentistry and osteopathy will lose.

In light of the commitments that have been made by these institutions, I urge that Congress not retreat on the funding commitment we have made.

We will have ample opportunity to review these authorities in the near future, and I urge that we wait until then to consider altering our policies.

Finally, Mr. Speaker, I must oppose the $3 million rescission in emergency medical training.

I submit that training is the most important component of the EMS program and that to reduce it at this time would be premature and unwise.

Many, many counties in the district I represent and many other counties throughout Kentucky have serious difficulties in funding these emergency medical systems programs, and I want to tell the Members that I believe throughout our country we will find those same programs in financial distress. I think this $3 million is absolutely necessary. In fact, I feel that it should be increased. I urge that this Congress wait until a comprehensive review of the program has been completed before approving cuts.

Mr. Speaker, let me say that I understand well the desire to cut Federal spending, and I have voted that way quite often, as we all know. But in this case it produces too few results at a cost of only a few million dollars. I myself have pledged to accomplish this goal, and I will try to do so as we continue.

Mr. Speaker, I submit that such spending cuts must be evaluated carefully and made with complete information as to who will be hurt and as to how our action will affect ongoing programs.

I submit that to act precipitously to cut programs willy-nilly for the sole sake of supposed savings to the taxpayer is irresponsible.

I submit that these rescissions before us today are just the sort of unwise, precipitous spending cuts which serve little purpose other than needless disruption of educational programs which have brought direct benefits to the American people.

I urge my colleagues to consider the impact of these funding cuts on your constituents, on your State's health care training programs, and on our health care system as a whole.

We still have time to plan responsibly for the future through the regular authorizing process.

Let us also vote responsibly today and reject these health rescissions

Therefore, Mr. Speaker, in view of my concerns, I rise in strong support of the amendment offered by the distinguished chairman of the Commerce Committee, the gentleman from West Virginia (Mr. STAGGERS).

His amendment would restore proposed rescissions approved by the Appropriations Committee in the total amount of $37 million and $4,600 in the following areas:

Capitation grants for schools of medicine, osteopathy, and dentistry;

Advanced nurse training;

Nursing traineeships; and

Nursing fellowships, and nursing research.

I urge my colleagues to join me in support of this amendment.

□ 1255

Mr. DRINAN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of this amendment which would restore the $61.8 million in fiscal 1979 health resource funds, slated for rescission in this measure. This sum represents a reduction of $38.8 million for nurse training programs, $20 million for capitation grants to health professions schools and $3 million for emergency medical training.

I would like to address the issue of nurse training. Last November the President pocket-vetoed the Nurse Training Act which was overwhelmingly approved by this body in September of 1978. In his message of disapproval, the President stated his belief that there is no longer a need for the Federal Government to subsidize nurses training with special programs. He also noted that his action "would not cause an abrupt termination of funding of nurse training programs, since funds are available for fiscal year 1979."

Yet, just a few months later, the administration sought to rescind 67 percent of the funds Congress made available for nurse training programs in fiscal 1979. Although this measure does not approve the entire rescission, it would require a cutback of $38.8 million or 31 percent of the fiscal 1979 appropriation for nurse training programs.

The cutback is bound to have a detri-

mental effect on nursing education and our health care delivery system. In Massachusetts there are 10,000 students in nurse training. About one-third are enrolled in hospital diploma programs, another third in associate degree programs and the final third in college degree programs. Tuition at private nursing colleges and hospital diploma schools in Massachusetts ranges from $4,000 to $5,000 a year.

A survey conducted by the National Student Nurses Association revealed that 51 percent of the students responding came from families with incomes of $15,000 or less. Sixteen percent were the breadwinners for their families and 81 percent of the respondents expressed the need for some type of tuition assistance to complete their educations. In Massachusetts one nursing school dean estimates that 65 percent of the undergraduate nurses are completely dependent on Federal tuition assistance as are 95 percent of the nurses in graduate training.

If we approve the $3.5 rescission for scholarships, some 3,500 undergraduate nursing students from low income families will be without assistance. Some may be forced to forgo their educations. The rescission of $6.5 million for traineeships would cut tuition support to 2,000 already enrolled graduate students. The rescission of $6 million for advanced training would cut funds from 23 graduate programs. Since women still comprise the majority of nurses an additional effect of the rescission will be to further limit their career opportunities and advancement.

It is unrealistic to expect other student loan and grant programs to meet the needs in nurse training assistance. The result of that assumption will be a severe drop in enrollment at a time when continued support of nurse training is critical. Also a drop in support at this time could mean the closing of our smaller nursing schools.

Continued support of nurse training is critical at this time because we are in the process of a metamorphosis in nurse utilization. Use of specially trained nurses as major health care providers is a relatively new phenomenon which appears to be working very well especially in physician shortage areas. Nurse practitioners are becoming increasingly popular in the areas of family medicine, gerontology and pediatrics. This is proving not only cost effective but vital in making quality health care available to more of our citizens. As we move toward a program of national health insurance, we can only expect these roles to be further expanded. We must continue to fully support the specialized training needs which accompany the changes in our health care delivery system.

This rescission would also withdraw specific support for research projects. It is reasoned that the National Institutes of Health could fund such efforts. However, we are all aware of the keen competition for NIH research funds and I question how well nursing research would fare in competition with other interests. Nurses and nursing care are the major determinants of how rapidly and sufficiently a patient will recover from serious health care problems. This directly effects their length of stay in a hospital and thus has a bearing on hospital costs.

In my view it is not in our national interest to cut back on nurse training and related programs at this time. Besides the ongoing need for special support because of the changing roles of nurses in our health care programs, there is no evidence to substantiate the charge that we have met our personnel needs in this area.

The extremely low unemployment rate for nurses shows that there is no surplus at this time. Of the 50,507 nurses licensed in 1977, only 1.9 percent were looking for jobs in 1978. While on the other hand nursing shortages have been reported nationwide in urban as well as rural areas.

According to occupational projections made by the U.S. Department of Labor, the need for nurses will steadily rise over the next decade. It is expected to be one of the professions in greatest demand.

We as policymakers invest in health as well as the treatment of disease. Nurses play an important role in both undertakings. As the Nation moves toward a commitment to preventive health care, we will require more services from our nurses. Cutting back on nurse training at this time will reflect an insensitivity not only to the health care needs of the Nation but to our own policies of best providing that care.

□ 1300

Mr. PURSELL. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I think this discussion on the nurses training program is the tip of the iceberg. In our discussions in the HEW Subcommittee, it should be noted, and Congress should know, including authorization committee of which Mr. WAXMAN is chairman, the following facts should be noted:

No. 1, most of us were disappointed at the administration pocket vetoing the Nurses Training Act. No. 2, we were disappointed that the administration is now attempting to gut the continuing resolution which is the 1978–79 funding document as recommended by the Office of Management and Budget. No. 3, what concerns me to a greater degree in the long run is that the nurses profession in the United States is not getting any input into this decisionmaking process either at OMB or HEW. From discussions with HEW's professional staff, Dr. Henry Foley, the Health Administrator of Resources Administration, in our testimony, indicated that the nurses had not had any major input into these decisionmaking processes. This question was raised by members of our HEW Subcommittee.

What concerns me in the long run in our discussion today, germane to this decision, is the fact that the proposed new Nurses Training Act, is being developed by a task force in the administration without any input at this time from the nurses profession in the United States of America—I think that is an insult to the nurses. That is a great mistake, and perhaps the authorizing committee and our appropriations committee should address that major fact, that if we are going to have some changes in this program, the administration in fact has the cart before the horse. If we are going to have a good bill, a good proposed piece of legislation, we ought to be talking about, No. 1, looking at the legislation and going into a transition with good planning, good management, and good budgetary decisions.

The very fact that the administration elected to reverse the process, is very disturbing to some of us who would require some credibility of the governmental decision and policy setting responsibilities of HEW, OMB, and congressonal committees must have a rational plan from present nurses programs to any new programs that have been openly reviewed and studied.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, I fully share each and every one of the points the gentleman from Michigan expresses to the Members of this House. I was very disturbed that the President vetoed the authorization bill last year, leaving us without an authorization for the Nurses Training Act program.

I would prefer, rather than have the rescissions being proposed today, to have us accept the amendment offered by the chairman of the Interstate and Foreign Commerce Committee, Mr. STAGGERS; to put the money back in so that we do not do any harm to the program that is ongoing now. We are quite busy with the authorization process. We are certainly going to take into consideration all the views expressed. I think we act too hastily if we go along with these rescissions now. Let us move in the orderly procedure the gentleman suggests, get an authorization bill considered and passed, and the appropriations passed thereafter.

Mr. PURSELL. Mr. Speaker, I suggest that is what Mr. NATCHER suggested. That is what we should be doing, and I just hope the Authorization Committee is aware of the fact that the present discussion on the new administration bill, the figures reported are less than $14 million or $17 million. No. 2, my major point there is not any professional input from the nurses. I think we ought to look into that quickly and immediately to make sure the nurses authorization bill we get does not have this major flaw in it. I am only making that as a point of fact today. I ask the administration to correct this omission. Invite the nurses to participate.

Mr. WAXMAN. I thank the gentleman for his effective statement.

Mr. Speaker, I move to strike the last word.

Mr. Speaker, I want to reiterate my support of the prospect before us offered by the chairman, Mr. STAGGERS. I was so impressed by the remarks of the gentleman from Massachusetts which were made about the impact of these cuts, and particularly the remarks of our distinguished colleague from Kentucky, TIM

LEE CARTER, who was one of the architects of the whole health-manpower law on the books today. He has warned us about the impact of these rescissions on the training programs. I think it is a warning we ought to take to heart.

Dr. CARTER went through a number of the items that will be affected according to the American Nurses Association. Rescissions today would have the following effect:

First, 33 research projects would be abruptly terminated;

Second, 40 nurse researchers will lose support this year and 3 graduate programs will lose institutional research training awards;

Third, 23 graduate programs for advanced training will lose funds;

Fourth, 2,000 already enrolled graduate students will lose tuition support;

Fifth, 68 noncompeting special projects will be cut off. Special projects include support for recruitment of students from disadvantaged backgrounds; continuing education projects; retraining programs for older nurses who have not been working; inservice programs for aides in nursing homes; and funds for developing new curriculums for schools of nursing; and

Sixth, 3,500 nursing students on scholarships will lose funds. Most of these students are from low-income families.

I came from an urban area, but I think we ought to consider carefully the implications of hasty action today to rescind funds for training programs for health professionals as it would affect the rural areas. It is virtually impossible for some poor communities to attract and retain doctors to meet their health needs. Nurses and allied professions may be the only providers. Health problems that are considered routine in many areas of the country and rich urban communities can be fatal in towns without qualified nursing and other medical personnel.

□ 1305

The result is higher infant mortality rates, shorter life expectancies, malnutrition, and anemia, all of which contribute to reinforcing the circle of poverty and low economic productivity.

I appreciate why the Committee on Appropriations has gone along with the rescissions proposed by the administration. I would think that even though they acted with sincerity and good faith, their actions are hasty. We ought to wait until the authorization committee goes forward with full hearings, as suggested even by the chairman of the Subcommittee on Appropriations.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Speaker, I appreciate the gentleman's yielding, and I thank the chairman for raising the point of rural health care.

I come from Nebraska. The national average of availability of physicians is 1.62 per thousand. In Nebraska it remains at 1.3, substantially below the national average.

I think it is very difficult for this Congress to say to the country that we have met the health manpower needs of this country and that we are providing adequate health care throughout the width and breadth of this country, when the facts are clearly contrary to that.

I think we should carefully consider what is in issue in this rescission motion.

Again, Mr. Speaker, I thank the gentleman for bringing the issue of rural health care to the attention of the Congress.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for his remarks. His point is an excellent one.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Speaker, I want to thank the gentleman for his leadership, and I also thank the chairman of the full committee.

Obviously, there are a couple of key underlying questions here. One is, frankly, whether we are going to cut the heart out of social programs at the same time as we go ahead with questionable defense weapons systems such as the MX and Trident II.

Second, there is a question if we are going to have to cut a certain number of health dollars, where do the cuts come from and what is the procedure we follow?

Mr. Speaker, the cuts and rescissions proposed here will have an enormous impact across the country on programs which have been carefully considered. In particular, we are talking about traineeships and graduate programs and increasing student and faculty opportunities for minority students.

We simply cannot afford and should not be participants in any effort to devastate those programs.

Again, I thank the chairman for his leadership.

Mr. WAXMAN. I thank the gentleman for his views.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I want to take this opportunity to join with those of my colleagues who have stood up today in opposition to the proposed rescission of the 1979 funds for advanced nurse training and nurse training research.

As a supporter of the Nurse Training Act Amendments of 1978, I feel that the budget rescission under consideration is both irresponsible and premature. More important than my personal belief that the need for continued support in these areas still exists is the fact that the pros and cons of the matter have not been adequately aired. Before such an action as the one proposed today is undertaken, I feel that the Interstate and Foreign Commerce Committee's Subcommittee on Health and the Environment should have held hearings in this regard. It is critical to point out that the proposed rescissions would have a tremendous impact on the future of the Nurse Training Act amendments and that at no time was the input of the nursing community solicited.

Over and above the matter of the precipitous nature of this action, we must address the question of the responsibility of the Congress to honor its commitments. I recognize that we will have to consider reductions in these programs as in others; however, I question whether this is the appropriate time and means for implementing such measures.

As you know, the funds we are being asked to rescind were provided by a continuing resolution to continue funding of programs in this fiscal year at the 1978 level, which was passed on October 18, 1978, by an overwhelming vote of 396 to 12. I believe that this Congress has an obligation to those students and schools, which acting in good faith have undertaken programs and contracts on the basis of Congress actions and assurances. Likewise, they have undertaken these obligations on the assurances of the President in the message accompanying his veto of the Nurse Training Act authorizing legislation, as has been so aptly pointed out today by many of my colleagues.

I am convinced that to act today to restore the 1979 funds, we are not acting in conflict with the administration's goal and the American public's desire to reduce spending. Rather, we have a moral responsibility to uphold our previous commitments. I think that there is no alternative to the view that H.R. 2493 is in direct conflict with the standing commitment of the 95th Congress and the President's assurance that there would be no abrupt termination of programs, because of continued funding through the continuing resolution.

It is for this reason, in addition to the importance I personally place on the nursing programs and research involved, that I feel compelled to support Representative STAGGERS' amendment to restore $37 of the $39 million for nurse training programs and capitation grants for schools of medicine, osteopathy, and dentistry. Contracts have been signed; students are enrolled in programs; and obligations have been undertaken based on the commitments of Congress and assurances from the President. There are no immediate alternatives for the colleges, junior colleges, universities, and students in my State and around the country, if their programs are brought up short in midstream.

I would ask my colleagues to join me in supporting the restoration of funds, and, further, I would ask that you support those today who have requested that in any future considerations of this matter by the authorizing committee, they solicit and evaluate the comments and input of the nursing community. As you know, the health and care of the American public rests largely in their hands.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, in connection with the question of priorities, I point out to the gentleman from California (Mr. WAXMAN) that I will be offering an amendment which will reinstate the rescission of $37 million for bricks to build a building at the NIH facility. I think that if we do have to make a choice on priorities, the gentleman's approach is far preferable to building such a building with 650 more parking spots, which very few people think is important.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I appreciate the gentleman's yielding.

I want to associate myself fully with the remarks of the gentleman from California (Mr. WAXMAN).

I think that one of the most unsupportable aspects of the proposed rescission, is that institutions and students would be cut off in mid-term and mid-year. It would be totally unconscionable and unjustifiable.

Again, Mr. Speaker, I thank the gentleman for yielding.

Mr. MICHEL. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker and Members of the House, I support the rescissions which have been recommended to the House, and I rise in opposition to the amendment offered by the gentleman from West Virginia.

Mr. Speaker, our committee had a difficult choice to make in recommending these rescissions which we have brought before the House today. Bear in mind that this is not going to be the only difficult decision which this Congress is going to have to face on levels of expenditure. There may very well be some other rescissions coming down the line, and we simply cannot back off.

In my judgment, the integrity of the rescission process is at stake here, if we simply fold under pressure.

Mr. Speaker, it should be kept in mind that only one-third of the HEW rescissions recommended by the President are included in this bill. The other two-thirds were rejected by our committee.

□ 1310

The gentleman from Massachusetts (Mr. DRINAN) made mention of the nurse practitioners who are going to go by the wayside. We did not touch the practitioners in the rescission. They were not bothered at all.

The gentleman from California (Mr. WAXMAN) made mention of how the rural areas are going to be hurting, because of what we are doing here. In last year's bill we had a 25-percent increase for the National Health Service scholarship program, which is designed to serve those rural areas.

Our problem today is one of maldistribution, and capitation grants as such do not solve the problem of maldistribution. Capitation grants represent only 3 percent of medical school non-Federal operating cost expenditures, and this rescission reduces capitation grants by only 17 percent. So the net effect on the medical school budgets is only one-half of 1 percent.

I was not here on the floor at the time, but I am advised my good Chairman, the gentleman from Kentucky (Mr. NATCHER) made mention of the fact that this $20 million here represents only 1½ percent of the $1.3 billion in Federal funds that are currently going to medical schools each year. Capitation grants, as I said, do not solve that problem of the maldistribution of health manpower in this country, and there is no shortage of students trying to get into medical school.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding.

We do not mention anything under rescission of nurses' capitation grants.

Mr. MICHEL. On the medical schools.

Mr. STAGGERS. But the gentleman said nurses there. I would like to say to the gentleman even where some doctors are in short supply we have a greater chance of getting some of them into areas where they are needed.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to say to the gentleman that because of our long friendship he knows that I am going to exercise every reasonable or responsible vote that I can to reduce spending on the part of the U.S. Government. But I have a question of the gentleman. I wonder if he might help me and the rest of our colleagues. When we are voting to reduce spending for some of these programs like nurses training and various educational grants, and things like this for our own home folks back in our district, how in the world do we explain to these folks that the President, who is requesting these reductions, is the very same President who is requesting an increase of 18 percent in his foreign aid program this year? I find that a little incompatible, and I am looking for some good answers. I wonder if the gentleman might be able to suggest some answers to that question.

Mr. MICHEL. I think probably the other side of the aisle would have to answer as to the President's recommendations. I happen to be in opposition to a number of things he has proposed over the course of the last 2 years.

My own feeling is that that foreign aid bill can be the bill which will likely come in for significant cuts by this Congress when all is said and done. I do not know that we can equalize the argument by saying that we just cannot afford to cut anything domestically because we still have some significant sums being spent in foreign aid.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

How, then, given the focus of the gentleman, can the gentleman and the committee recommend reinstating $37 million for construction of a building and a parking garage on the NIH facilities when that money theoretically could be used in the transfer of research functions and those kinds of things?

Mr. MICHEL. It might surprise the gentleman to know that this Member did not support the committee's action. I offered the amendment in full committee to also include in the rescission bill that building, and I made the arguments that the gentleman may very well be prepared to use today for including that in the rescission, because they are very solid arguments to use.

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. MICHEL was allowed to proceed for 5 additional minutes.)

Mr. MICHEL. Our nursing programs have helped to substantially increase the supply of nurses over the past decade to the extent that we now have 395 for every 100,000 population in this country. That is compared to only 300 per 100,000 10 years ago. But again I say that that increase has not solved the problem of maldistribution.

One of the problems Dr. Foley cited before our committee was the problem of filling swing shifts. We have had that trouble with us for a long time, and the only answer to that lies in the wage levels paid.

□ 1315

You are not going to do it by capitation grants or through a bigger supply. You have got to pay them to serve at ungodly hours or in less populated areas. That is the answer to it, not simply subsidizing the training of more numbers. When you get into advanced training, in how many other professions does the Federal Government subsidize advanced training for advanced degrees? Why should this be singled out as one profession that the Federal Government is obligated to do that?

Once you are going for a graduate degree, a fellowship, or advanced training, it seems to me you are going to get a bigger remuneration and reward. Why not have that burden on the individuals themselves, if that is their inclination?

You will find some of the professionals in the nursing field arguing for the advanced degrees and all this assistance for advanced training as being more important than simply helping young nurses get started in nursing schools.

We have been working, the administration and our subcommittee, toward having the aid follow the student, rather than subsidize the institution. Capitation grants do nothing more than subsidize the institution. The student does not get that particular assistance. I think we ought to realize that difference.

If I might make one or two more arguments here. According to the material from the nurses' own associations, the number of graduates from nursing pro-

grams is way up, compared to a decade ago. For instance, the number of students graduating from all nursing programs 10 years ago was 38,000. In 1977, it was 77,000, more than a 100-percent increase.

Breaking that figure down, graduations from baccalaureate programs in 1967 were a little over 6,000. In 1977, they were 23,000, nearly a fourfold increase. Graduates from associate degree programs increased from 4,600 10 years ago to 36,000 in 1977. That is an 800-percent increase. So we have not, in other words, shortchanged the nurses.

If I might make one final point, when that authorizing committee gets to talking about a new nurses training act, the committee's last bill that was vetoed carried an authorization of over $200 million. We have never appropriated much over $100 million in all the years I have been on the subcommittee; so what we authorize in that legislative committee is not necessarily a sacrosanct figure, nor has it been to the entire House, after they have taken the recommendations of the Committee on Appropriations.

I hope that you will be thinking very seriously about what the administration's views are, lest we get another veto and no nursing bill at all.

So I urge that we oppose the amendment and stick with the limited number of reascissions contained.

Mr. LEVITAS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I supported and voted for the Nurse Training Act last year and confess I was mildly surprised when the President decided to pocket veto that measure.

In terms of bringing down the cost of health care and in providing and making available wider accessibility to the health care system, we get an excellent return for our tax dollar in the nurse training area and the nursing care field. However, I said if the President has reasons why he vetoed the bill then we ought to listen and take the opportunity to reassess the programs to see if there is some way to redirect our emphasis in this area. I felt this was the least we could do if the President asked us to.

□ 1320

Maybe he is correct that we can use other student support programs such as the BEOG's program rather than use special purpose scholarships, and maybe he is correct that we ought to get away from certain types of funding of special programs.

But what caught my attention at the time of veto was the memorandum of disapproval, which is the veto message dated November 11, 1978. In referring to this veto, the President said this, and I am quoting:

> Disapproval of this bill will not cause an abrupt termination of funding of the nurse training programs, since funds are available for fiscal year 1979 under the continuing resolution.

I interpret that to mean that he had made a commitment, that the continuing resolution would be the fund level at which this program would operate for the 1979 fiscal year. Consequently, I was more than mildly surprised to see the administration propose a rescission message on this program after the President in his veto message had said that there would be a continuation of funds under the continuing resolution for 1979.

So I think that if we want to save money—and we should, and there are many areas where we can cut the budget—we ought to take the President's statement in his veto message that this is not the place to do it. If we want to evaluate the entire nurse training program, let us do it. Let the authorizing committee evaluate it and then we can vote it up or down on their recommendation.

But insofar as the rescission is concerned, it seems to me it is unfair and unwise and inconsistent with what the President had in mind when he sent his veto message over. What we do for the future in fiscal year 1980 may be quite different from what we should do for the fiscal year in which the continuing resolution applies, namely 1979.

I disagree with my colleague, the gentleman from New Jersey. This is not a question of where we are going in our social programs or priorities or whether we need to increase defense spending or cut defense spending. It is not even a question of whether this is going to be the acid test of this Congress and as to whether we are going to hold the line on the budget. It is not that at all.

The President said in his veto message that there would be no abrupt cutoff of funds for the nurse training programs and the 1979 continuing resolution would provide that funding. Rescission of those 1979 funds is contrary to the President's expressed purpose in the veto message.

Mr. WHITTEN. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I do not think there is any Member here who is more interested in our nurse training programs than I am. I come from an area where nurses are in exceedingly short supply. Part of that is because lots of nurses who are active in the field for awhile quit because of their families and then perhaps come back to nursing later on.

I have checked to see what the facts are in this matter. If we are going to vote, let us vote with the full facts before us.

It has been repeated here that there is no authorization at the present time. Whether the President should have pocket-vetoed the authorization or not, it is provided for in the Constitution and he had his legal right to do it. I am one of those who felt it would have been better for the President to veto the bill and send it up and let us consider the facts, because the bill he vetoed did not, as far as nursing training is concerned, meet the needs where the shortage exists. It applied just as equally to an area where there is an adequate supply as it did to an area where there is a short supply.

But the point I want to make is that only $13 million of this $37-million amendment relates to nurse training. Do the Members know what that is for? It is to enable certain nurses to get a graduate degree or a Ph. D. degree. The $83 million which goes to help to get nurses is not proposed for rescission. I hope my friend, the gentleman from West Virginia (Mr. STAGGERS) will come up with a law which would give some attention to where the need is instead of a law which would just give money to schools in places where there is an adequate supply and distinguish between where a nurse would get a degree at Government expense and also a master's degree or Ph. D. degree at Government expense.

The subcommittee is the one we look to to carry this program on, and the question is whether we are going to cut $13 million. Let us slow down a little on these master's and Ph. D. degrees, because those are not our primary problems.

I just want the Members to know what the facts are. The facts are that there is $13 million in the bill which goes for graduate students to get master's degrees and Ph. D. degrees, and those are rescinded.

We all know why we have got to do some of this, although we do not like to do it this year. Since 1967 the American dollar has depreciated 50 percent in its value. They do not want dollars anywhere around the world; they want German marks or Japanese yen or money from some other country. We are going to have to do some of these hard things in order to help strengthen the dollar.

□ 1325

Mr. Speaker, I hope the gentleman from West Virginia will give some attention to this legislation, to see that the money authorized goes where the need is and not to double the availability in places where they do not need it.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the gentleman mentioned the fact that this goes to graduate students; it goes to places which teach our nurses. We need nurses who have advanced degrees. We need nurses who have advanced degrees to run our hospitals.

Mr. WHITTEN. We are both interested in nursing. But let us not forget there is $83 million available to help the nurses. I believe we should stay with the committee recommendation because this is a kind of test about our fiscal resolve. None of the reductions we are going to have to make through the years are going to be easy.

Mr. CONTE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I really had not intended to speak on this, but after hearing some of the remarks I think that we ought to clear the air on it.

I was unhappy about some of these rescissions. Debate was very heated, both

in the Labor-HEW Subcommittee, on which I have had the honor to serve for many years, and in the full Committee on Appropriations. No member of either the Labor-HEW Subcommittee or the full Committee on Appropriations is happy at the prospect of recommending these rescissions, for all of the effeted budgets provide moneys for very popular health and education programs. But there is a sense of fiscal responsibility that impels us to urge the Members to accept the recommendations that we have made today.

The rescission that attracted the most attention is the proposed reduction of funds for health manpower programs. The Committee on Appropriations, I believe, suggested relatively sober cutbacks which reduce but do not fundamentally weaken the programs involved.

Mr. Speaker, nurses never had a greater friend than myself in the 21 years that I have been in the Congress. I have never voted against a nursing program. I always said—and my former chairman always said—"You do not turn your back on a nurse." And I never did turn my back on the nurses. My wife is a registered nurse. She has been a registered nurse for a good many years. That is how I met her. She is not only a registered nurse, she was an officer in the Navy during World War II. I think I know something about nurses, and it hurts me to stand up here and support my chairman, but I think he is right. It also upsets me, Mr. Speaker, when Members up here are going to be against the rescissions that we have made, and support the gentleman from West Virginia. and then come in here to cut $37 million for a badly needed facility for the National Institutes of Health for child health care. But unfortunately those women who are interested in prenatal research, and those unborn children, just did not have a big lobby to send a lot of people telegrams here in the House of Representatives. If Members want to put this money back in, fine. But do not cut it out of another worthy program.

□ 1330

Mr. Speaker, the other day I was one of three over here on this side of the aisle supporting you, Mr. Speaker, and supporting the President, to increase the debt limit many Members voted against it, and then they come up here and vote for every program that comes down the pike, and they go back home to their people and say, "Look at that rollcall. I am a conservative; I am for a balanced budget."

If I sound upset, I am upset, because I will tell you, Mr. Speaker, it grieves me and it hurts me to get up here, to have to go along with these rescissions.

We have worked hard; we have worked over this in the subcommittee, and I think the subcommittee came out with a good recommendation. Out of $176 million in health resources rescissions recommended by the President, we only went along with $61 million. As for the new chairman of that subcommittee, the gentleman from Kentucky, I want to give him all of the plaudits he deserves. He has been a good chairman. He has been very fair. Some of the Members on our side of the aisle had amendments to increase money here which they felt necessary. We went along with it. He went along with it. Some of us wanted some more money in other programs. He went along with it, and we came out with what was a compromise solution.

Everybody wants to balance the budget. Everybody wants to be for fiscal austerity and fiscal integrity. Today is your chance.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, with his usual brilliant and incisive rhetoric, the gentleman has gone to the heart of the matter. I think he is correct in calling this the first test of the intentions of the House toward economy in Government. The other day 222 Members of this House voted against a $40 billion national debt increase; 197 Members voted to balance the Federal budget by September on the same day.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. BAUMAN and by unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Those two rollcalls seem to indicate a hopeful trend in this House. This is the first political bullet-biter that has come before us, and there will be many, many more such issues in this Congress. But, I do not think the nurses of the United States, the farmers, or the Defense Establishment, or any program is sacrosanct when we have 9-percent inflation and are facing a $40 billion Federal deficit for the 4th year in a row. If you cannot exercise the judgment the people want and vote in favor of a balanced budget as you promised in the recent elections, then the people ought to watch closely each Member's records and act accordingly in 1980.

Mr. CONTE. As the gentleman knows, I was one of three on this side of the aisle who voted to increase the debt ceiling. I took a lot of heat—I was thinking of buying an asbestos suit—but my logic was that I voted for these programs, and now I have got to foot the bill.

Mr. CORRADA. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise to oppose the provisions of H.R. 2439 which would reduce capitation grants and other health resources programs to schools of the health professions. I represent a district where there is a need and a shortage of trained personnel in the health field, and these programs have been operating very effectively.

The University of Puerto Rico as well as Catholic University would be severely affected by these unconscionable cuts. GAO has issued a report pointing to the proper use and effectiveness of capitation grants. Commitments for tuition for the coming academic year have already been made, and schools or the students would have to seek alternate funding. As long as there is a demonstrated need, and I have not been persuaded that we have overcome this, we should continue to support this segment of the higher education community, whose graduates have a direct and tangible impact on the lives of the rest of us. I urge you to reject these rescissions and to support the Staggers amendment.

Mr. GIAIMO. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this is one of the first occasions that we have had in the House to indicate our intentions and the seriousness of our purpose to get control of the Federal budget and to reduce expenditures wherever possible. The way in which we reduce expenditures is not to vote against debt ceiling limitations. That does not reduce expenditures. It may appear to, but it does not; nor do votes against budget resolutions or any of that type of vote reduce expenditures.

□ 1335

The time to reduce expenditures is when the money bills are before us. What we have here today is a money bill.

After wisely and carefully looking at this rescission bill, the committee is recommending reductions, reasonable, but nevertheless real reductions.

It is not easy to vote against money for existing programs. Today it is the nurses who are unhappy, plus those who are the beneficiaries of capitation grants. Tomorrow it will be another segment of our society, and the day after it will be someone else. I dare say that before this year is over we shall have many, many special-interest groups unhappy with us.

However, if we are serious about our commitment to hold the line on spending, if we are truly trying to make reductions in the Federal budget and in Federal spending and in the Federal deficit, then we have to make unpleasant decisions, such as we have to make today, and vote, wherever possible, for reduction.

That means that we have to look at existing programs such as the ones proposed here today. It is not enough to say, "But you are hurting them; you are taking away something which they had last year."

What it is doing is compelling us to examine programs, to make the kind of judgments which the committee wisely did, and say that they can do without some of the money which they received in the past.

The committee has not cut out all of the money. There is a great amount of money in here for the nurses training program. The committee has cut out some of the money; and certainly it is going to hurt; certainly it is going to be unpleasant.

It does not please me to say "no" to my friends in the nursing profession, for whom I have the highest regard and appreciation. It does not please me to say "no" to many of my constituents, all of whom will have their special con-

cern in this year's budget. However, if we are serious about holding the line on spending, we have to go along with these types of recommendations which the committee is making. They are not pleasant, nor easy, but I submit that they are necessary, because by these actions we are reevaluating these programs, looking at them with a finer tooth comb and, if you will, saying "We can do with a little less; we must tighten our belts."

The result will be that we will pick up some savings here and some savings in other programs, the cumulative effect of which will be to help hold the line on Government spending.

Therefore, Mr. Speaker, I urge the Members to go along with the committee. Let us begin to hold the line on spending, as we must, this year.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, how does the gentleman from Connecticut (Mr. GIAIMO) intend to apply that position when we get to the 3-percent real increase in the defense budget?

Mr. GIAIMO. We are going to scrutinize the defense budget, as we have done each and every year in the past and as we hope to do this year. We will scrutinize the defense budget as we will every other budget.

Mr. EARLY. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, this is a tough decision to make. I am on this subcommittee. During our markup I recommended that the major part of this suggested amendment be restored. This is a $37 million cut. Mr. Speaker, $20 million of that $37 million is in capitation.

There is no bigger booster than I on this whole capitation matter, but for reasons different from those of the gentleman from West Virginia and the gentleman from Kentucky.

Mr. Speaker, I support capitation because I believe it is the only vehicle through which the Congress has any impact on the 124 medical schools in this country.

Several years ago, when we had a problem with the lack of general practitioners, it was capitation which allowed us to dictate to medical schools that they should train more GP's. It was just 2 years ago that this Congress, upon the suggestion of the committee of the gentleman from West Virginia, acted to have the American medical schools accept qualified American youngsters who had to study abroad, because spaces were not available in U.S. medical schools. They were taken back into our system in their second, third, or fourth year.

□ 1340

It was capitation that insisted that the 124 medical schools do that. Almost all medical schools did not want to participate, but it was the threat of losing capitation funds which made them do it.

Today one of our problems in the health field is maldistribution of doctors. I suggest that it is capitation that is going to increase the supply of doctors and is going to enable us to address that problem. Two years down the road it is going to be a different problem in our health area. If we terminate capitation, then we will have no tool to address those problems. Let us look at capitation. This amendment suggests that the Subcommittee on Labor-HEW is wishy-washy on the medical schools. Last year it was the subcommittee that increased the funding level for capitation from less than $100 million to $120 million. This capitation item was the only item in conference in which the Senate recommended a lesser amount than the House. They put a ceiling on all other items.

Let us look at this rescission. The President suggests that we rescind $58 million in capitation for our medical schools. I offered my amendment to restore the entire amount. The amount of money is not the sole factor. Rather it is the signal we send that is important.

The President's fiscal 1980 budget contains no funds for capitation—absolutely none. I will ask the subcommittee to restore the full $120 million and am prepared to make my case for the inclusion of this money. However, during our deliberations today, I think it is important to note two things. This subcommittee has recognized what we all talk about, and that is the need for fiscal responsibility. But more than this, this subcommittee has recognized that it is both necessary and desirable to strike a balance between fiscal and social responsibility. And, I think it has attempted to do this. They have gone into sensitive areas to suggest reductions.

What effect will that have on the medical schools this year? The $58 million rescission proposed by the administration would have required almost all of the private medical schools to increase their tuition by $700 this September. However, with a $20 million rescission the medical schools will be able to absorb that amount of money. It will let this House indicate that there are no longer any sacred cows. A big constituency does not necessarily mean that the Congress is going to get in line and follow them down the road. They are going to have to prove their case, and I suggest to all Members in here, what is wrong with that?

There is no one in this hall who is more attentive and favorable to the nurses and the doctors of this country than the gentleman from Kentucky. In the first bill he reports as subcommittee chairman we get a suggested amendment to it, a small rescission, of $37 million. This House is about to vote on the amendment. And I suggest that the amount of money is not the issue. It is what the gentleman from Illinois and the gentleman from Connecticut have suggested. That is, are we going to go down the same road? Just because of a big constituency are we going to go against what the American public is telling us—to get a dollar's value for each tax dollar?

This rescission is something that apparently was not of great concern to the medical schools and the nursing fraternities because they did not participate until after the process. They said, "Oh, don't worry. We'll go to the Congress; we'll go to the Senate, and they'll buckle like they always have."

I am opposing this amendment and at the same time I support full capitation—full capitation—in our move to put the $120 million of the medical school money back in. I suggest that the nurses are going to have to remake their case.

A large part of this money goes to my State, Mr. Speaker. A large part of this money goes to Massachusetts. This is no political matter. I just say that if we mean what we have been talking about, we are not going to balance the budget. All I am suggesting is that we show some fiscal accountability, and I hope this amendment is rejected.

□ 1345

Mr. PREYER. Mr. Speaker, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

Mr. Speaker, I regret that I must oppose the Appropriations Committee's recommendation for education of nurses, physicians, osteopathic physicians, and dentists. My regret is sincere—I am committed to cutting spending and I respect the committee for its toughness and courage in doing the unpopular thing.

My objection is not to making cuts in the health field, but to making such large cuts in the middle of a fiscal year. These are cuts which have come, in effect, out of the blue, out of funds which have been authorized, appropriated, and relied on by our institutions.

This budget, as proposed by the Appropriations Committee, is asking schools of medicine, osteopathy, dentistry, and nursing to revise their budgets for the current academic year. There is no way that lopping off $20 million from medical and dental schools and $38 million from nursing schools will not have a devastating effect on the education of students currently in these programs.

Budget consciousness is sound policy. But budget cutting should be orderly and rational. The fiscal year 1979 rescission acts more as an authorization cut than anything else. Furthermore, it was made without hearings.

I would suggest, as the wiser alternative, that the Health and Environmental Subcommittee review manpower legislation in this Congress, and report its findings to the Appropriations Committee. I am quite confident that responsible cuts can be made as a result of these hearings.

Through such hearings is the proper way to address the important changes taking place in health education. For example, just as there is clear evidence of a surplus of hospital beds, there now appears to be clear evidence that, in the next few years, there will be a surplus of physicians—perhaps more than a 25,000 surplus by 1985.

But to terminate or slash capitation grants abruptly because of this fact seems to me irresponsible. A brief history of Federal involvement in medical education will indicate why this is the case.

Federal funds for direct support for medical education began in 1963. The

reason was to increase the number of doctors. There was a magic number, a "50,000 shortage" of doctors.

In 1971, manpower capitation grants appeared, and these were "conditioned funds." One of the conditions was increasing the number of students enrolled by the medical schools.

The magic "50,000 shortage" figure has now disappeared almost overnight. It never went down to 40,000 or 20,000. It just vanished. It caught us all off guard. The medical schools have become very dependent on these Federal funds. We helped make them dependent. They are now faced with inevitable reductions in Federal funds. But they have the right to expect these reductions will not be done in midstream and without warning.

I think some reduction in capitation is wise and should result in a desirable shift to more State support. But it is unwise and unfair to make these cuts at too rapid a rate.

To slash Federal capitation funds by 20 percent in 1979 and to eliminate them in 1980 is irresponsible. After all, the Federal Government encouraged, and even mandated, these increased enrollments. The increased numbers that were enrolled in 1978 will not graduate until 1982.

There is a moral obligation to continue some substantial degree of capitation for the period of time schools must carry the increased numbers of students mandated by Federal law.

These are the kinds of fundamental questions which the Health and Environment Subcommittee must address in its hearings. And what has been said about medical schools also applies to nursing education. We must carefully reassess our needs in nursing as well.

If we are to balance the budget, we all must share some of the responsibility for cuts, and health services must bear their fair share. When these cuts are to be made, they ought not to be done in the middle of a fiscal year, and without full concentration.

I am confident that the Health and Environment Subcommittee will make responsible cuts after hearings on these fundamental questions. But, for now, I intend to oppose these rescissions in the health budget. And I urge support for the Staggers amendment.

□ 1350

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. PREYER. I am glad to yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I want to compliment the gentleman on his statement. I certainly concur with him in supporting the amendment.

I was going to ask for time on my own, but since the gentleman from North Carolina (Mr. PREYER) put it so eloquently, I just want to join with him and underline his statement and put exclamation points around it.

Mr. PREYER. Mr. Speaker, I thank the gentlewoman from Colorado (Mrs. SCHROEDER).

I just want to point out that these are the kinds of fundamental questions which ought to be considered by the subcommittee and in the full hearing, and that the same sort of fundamental questions apply to nursing education.

Mr. Speaker, let me just close by saying that finally, once again, the Subcommittee on Health will make responsible cuts after considering these basic and fundamental questions, and in the meantime I urge the support of the Staggers amendment. I remind the Members that we are talking about a continuing resolution, meaning that this is funding at the 1978 level, which already discounts for inflation, and that the Staggers amendment still cuts $25 million over and beyond that.

Mr. CAVANAUGH. Mr. Speaker, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Speaker, I had not intended to speak again on this amendment until my good friend, the gentleman from Massachusetts (Mr. CONTE), sought to inject my name and character and courage into the comity of this debate.

I would say it is disappointing to me that the gentleman would seek to detract from the debate and distract the attention of the House from the substantive issues before us and question my motives or my courage in supporting this amendment. I do not feel that I deserve lectures on political courage from the gentleman from Massachusetts.

Each of us here has to make those judgments that we think are appropriate, and we are going to have many difficult judgments to make in the year ahead. In the last Congress I think that I made my share of difficult judgments.

My district contains the home of the Strategic Air Command. In the course of the last Congress I actively and continuously opposed the B-1 bomber, which is a matter of great interest to that constituency and one on which they strenuously objected to my disagreement with them. And I will in the future disagree with major portions of my constituency.

This is not the basis upon which I approach this issue, and I do not think the gentleman is correct in attempting to impugn my motives, since I have never impugned his.

The real issue here is not whether or not the Congress is going to balance the budget this year. We are not going to balance the budget this year. The real issue is not whether we will try to make a commitment to balance the budget. Clearly we should have an obligation to move in that direction. But the real issue is whether or not we are going to carry out the commitment we made to the American people in the past Congress in 1979.

The fact is that we did not pass the authorizing legislation, but we did pass a continuing resolution by a vote, I believe, of 396 to 12, and I believe the gentleman from Massachusetts was probably in the majority there. I believe that there has been a commitment which the gentleman made and which I made and one that this Congress made.

In addition, the administration followed us in that commitment at the same time, and I quote from the memorandum of disapproval:

> Disapproval of this bill will not cause an abrupt termination of funding of the nurse training programs, since funds are available for fiscal year 1979 under the continuing resolution.

That was a commitment. That was the word that was given. That is the word that these institutions have relied upon. They have a right to rely upon it. They have a right to rely on the gentleman from Massachusetts who voted last September and to expect he would not change his mind this March. They had a right to rely on my vote, and they had a right to rely on the President's commitment.

I think the other gentleman from Massachusetts (Mr. EARLY) eloquently outlines the nature, need, and substance of these programs. These programs are not grab bags. They are not "goodies" that have been bestowed on constituencies. These gentlemen have served on the Committee on Appropriations for many years, and I presume the integrity of these programs has been evaluated over and over again. Now Members who support the program are accused of being Members without integrity. It is supposed that those who have abandoned it are the repositories of legislative integrity.

That is simply not the fact. The fact is that this Congress made a commitment to the people for 1979, and we ought to live up to it. We ought to live up to our commitment the best we can. Maybe the best way to live up to it is by the amendment the gentleman from West Virginia (Mr. STAGGERS) offers us today, and I support the amendment. This is not a gratuity; it is an obligation and it is one I think we owe to the American people.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, at the outset I am sorry if the gentleman feels I impugned his motives. I have nothing but the highest respect for him. But the record speaks for itself.

The gentleman did vote against increasing the debt ceiling, and at the same time, when we try to save a few dollars here, he opposes it.

Is the gentleman saying that every time this Congress votes for an appropriation of any kind, the administration cannot send up a rescission?

Mr. CAVANAUGH. No; that is not true at all.

Mr. Speaker, I support other portions of the rescission, but I think when we look at this particular item the Congress made a firm commitment to the health manpower professions to continue this funding for 1979. It was clearly debated and thoroughly debated in the last Congress. Our intentions were clear.

In addition, the President's veto message on the Nurse Practice Act continued his commitment to that funding.

□ 1355

I think we both share an obligation to stand by that commitment. That com-

mitment does not extend into 1980. This Congress, I think, is free to evaluate, to put those professions on notice.

The SPEAKER. The time of the gentleman from Nebraska (Mr. CAVANAUGH) has expired.

(On request of Mr. CONTE and by unanimous consent, Mr. CAVANAUGH was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. We put these medical health professions on notice that the Congress is now under different pressures and obligations, that it is going to view these obligations differently than in the past.

But the honest thing to do, the decent thing to do, is to do that in the future and not cut them down in midstream when they have had a right to rely on our previous commitments and extensions and to develop their programs on the basis of those commitments.

Mr. CONTE. If the gentleman will yield, we have made very minimal cuts. We went along with only a small fraction of what the President requested in his rescissions. We were very thoughtful. We were not cutting out any commitment to the nursing profession or medical profession. The gentleman from Massachusetts (Mr. EARLY) tried to get the full amount back in, and he was voted down. I was with him.

You talk about the B-1 bomber. I voted against the B-1 bomber.

Mr. CAVANAUGH. I have never questioned the gentleman's courage or political motives in attempting to ingratiate himself with his constituency. I know the gentleman is a man of great political courage. I have seen it on this floor many times. I simply extend to the gentleman that he has an obligation not to question mine.

Mr. CONTE. Mr. Speaker, I am sorry that we are getting a lot of pressure here and I feel our subcommittee has done a fair and equitable job.

Incidentally, before the rescission, we had a meeting. It was an open meeting. There was nobody there except the administration. We did not hear a word from outsiders about rescissions or what the rescissions would do for these particular programs.

Mr. CAVANAUGH. Mr. Speaker, I am sorry to learn that the Committeee on Appropriations would act in ignorance as to the impact of its actions. It was stated earlier that these were minimal cuts.

Mr. CONTE. They do not act in ignorance.

The SPEAKER. The question is on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. STAGGERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 262, nays 139, not voting 31, as follows:

[Roll No. 21]

YEAS—262

Abdnor
Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Aspin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bouquard
Bowen
Breaux
Brodhead
Broomfield
Brown, Calif.
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
Courter
D'Amours
Daniel, Dan
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Gingrich
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lowry
Lujan
Luken
Lundine
McClory
McCormack
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patterson
Pease
Perkins
Peyser
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Santini
Satterfield
Sawyer
Schroeder
Seiberling
Shannon
Shelby
Simon
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stark
Stewart
Stokes
Stratton
Studds
Stump
Tauke
Treen
Trible
Udall
Van Deerlin
Vanik
Vento
Walgren
Wampler
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—139

Albosta
Annunzio
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bennett
Boland
Brademas
Brooks
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Carney
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Crane, Daniel
Daniel, R. W.
Danielson
Dannemeyer
de la Garza
Devine
Dicks
Dixon
Duncan, Oreg.
Early
Edwards, Ala.
Erlenborn
Fary
Fenwick
Findley
Foley
Forsythe
Fountain
Frost
Gephardt
Giaimo
Ginn
Glickman
Goodling
Grassley
Gudger
Hance
Hansen
Hightower
Hinson
Hollenbeck
Hopkins
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Lehman
Lewis
Long, Md.
Lungren
McCloskey
McDade
McDonald
McEwen
McHugh
McKay
Martin
Mazzoli
Michel
Miller, Ohio
Mollohan
Moorhead, Calif.
Murphy, N.Y.
Murtha
Natcher
Nelson
O'Brien
Obey
Patten
Paul
Pickle
Quayle
Regula
Reuss
Ritter
Robinson
Rose
Rostenkowski
Roth
Rousselot
Roybal
Rudd
Runnels
Russo
Sabo
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Stanton
Steed
Stenholm
Stockman
Symms
Synar
Taylor
Thomas
Thompson
Ullman
Vander Jagt
Volkmer
Walker
Weaver
Whitten
Wilson, Tex.
Wright
Yates
Young, Fla.

NOT VOTING—31

Alexander
Anderson, Ill.
Ashley
AuCoin
Bonker
Brinkley
Buchanan
Burton, John
Cheney
Coughlin
Crane, Philip
Edgar
Edwards, Okla.
English
Flood
Frenzel
Goldwater
Hagedorn
Hillis
Jones, N.C.
Lott
McKinney
Pashayan
Pepper
Rhodes
Scheuer
Swift
Traxler
Watkins
Williams, Ohio
Wilson, C. H.

□ 1410

The Clerk announced the following pairs:

Mr. Traxler with Mr. Buchanan.
Mr. John L. Burton with Mr. Pashayan.
Mr. Flood with Mr. Swift.
Mr. Pepper with Mr. Hagedorn.
Mr. Charles H. Wilson of California with Mr. Hillis.
Mr. AuCoin with Mr. Lott.
Mr. Ashley with Mr. Coughlin.
Mr. Brinkley with Mr. Anderson of Illinois.
Mr. Jones of North Carolina with Mr. Goldwater.
Mr. Scheuer with Mr. McKinney.
Mr. Alexander with Mr. Williams of Ohio.
Mr. Bonker with Mr. Frenzel.
Mr. Edgar with Mr. Cheney.
Mr. Watkins with Philip M. Crane.
Mr. English with Mr. Edwards of Oklahoma.

Messrs. GONZALEZ, DICKINSON, and DORNAN changed their vote from "no" to "aye."

Mr. BROWN of Ohio changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1415

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: After line 3, page 3, insert the following:

"National Institutes of Health
Buildings and Facilities

"Of the funds appropriated under this head in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, $37,000,000 are rescinded."

Mr. GLICKMAN (during the reading). Mr. Speaker, I ask unanimous consent

that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Kansas?

There was no objection.

□ 1420

Mr. GLICKMAN. Mr. Speaker, we just voted on an amendment to increase appropriations. My amendment cuts appropriations by $37 million.

Now, the President has asked that we rescind $37 million for the construction of a new facility for the National Institute of Child Health and Human Development program, which is a very good program. The committee disagreed and voted to add the $37 million because they felt the facility was "needed to carry out the research necessary to the National Institute of Child Health and Human Development as well as to free up the existing laboratory space by other institutions."

According to the subcommittee staff, the subcommittee has always supported the NIH very well, and this project is for $37 million. This proposal has been on the drawing board since 1966, and the committee decided we should go ahead with construction.

The fact is that it has been in the planning stage since 1966 and has never been funded to this time, and that is an argument against moving ahead now when the pressure is even greater to put a limit on Federal spending.

The supporters of the new facility argue that they need to have the staff all in one building. The committee amendment does not directly affect programing at all. It is to coordinate people at different sites on NIH facilities. This is true of all Federal agencies. HEW is working on an overall plan for meeting space needs, as is NIH right now.

It does not make sense and it complicates matters to select out this one Institute for $37 million for special treatment.

Let me talk for a moment about space. The average space for this facility is 237 square feet for research employees. It varies from 200 square feet per employee to 296 square feet per employee. If the proposed building is constructed, the requirements for space for each employee would be 330 square feet.

I suppose the main point, Mr. Speaker, above all this kind of thing is a "bricks before people" argument. It may be nice to coordinate all these functions in one building. By the way, part of the $37 million is for a parking garage for 650 cars.

All I am asking the House today to recognize is whether this is a compelling Federal expenditure that we will die without. I think the obvious answer is, no, that there are many, many priority functions for research and development in Government, not a $37 million building.

I would ask the House to show the people that we do have some fiscal restraint and at the same time recognize that this does not curtail the program whatsoever. This only curtails the construction of a new building for $37 million. We do not have $37 million to throw around very often. I have seen this argued very hard for $100,000 or $500,000.

Here is some money we can save. The President is right. We do not need to spend the money.

Mr. Speaker, I would urge that the Members vote aye on my amendment to save this House and our constituents $37 million.

Mr. EARLY. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, I rise in opposition to this particular amendment to delete funds for the construction of new facilities for the National Institute of Child Health and Human Development which was proposed in 1966. If we had proceeded with construction then, we could have built this facility for $12 million.

When Dr. Fredrickson and Dr. Kretchmer testified—I cannot say too enthusiastically—and when this decision by OMB was made, they said the cost of the building would not go down. They also suggested in some of their earlier testimony, Mr. Speaker, that there was a necessity for the building. In testimony in the previous year, Dr. Kretchmer, when asked what was the significance of this building, replied: "Yes, this building would be the only one of its kind in the Western World. It would bring together research on the special health problems of women, mothers, children, and families, with studies of reproduction and developmental biology. It would be a symbol of our commitment to research in these fields."

This building would be built on the only available land there today, and this building would house programs on basic research related to such problems as birth defects, reproductive abnormalities, genetic disorders, child development, learning disabilities and nutrition.

This, Mr. Speaker, I suggest, is spending money to save money. We talk about the importance of preventative medicine. With this facility we can really address and impact upon the health problems of our women and children.

So, Mr. Speaker, I urgently suggest that this Congress reject the amendment.

Mr. CONTE. I move to strike out the last word.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 5 minutes.

□ 1425

Mr. CONTE. Mr. Speaker, I must rise to oppose the amendment offered by my good friend and colleague, the gentleman from Kansas. While I can only praise my friend's sense of fiscal responsibility, I can only deplore his lack of vision in this matter.

I wish all of you could have been present when the administration's witnesses, led by Dr. Donald Fredrickson, the Director of NIH, lamely tried to convince the Labor-HEW Subcommittee that this rescission was justified. I produced memoranda signed by Dr. Fredrickson himself which I will include in the RECORD in which he stated what a high priority he assigned to building this new facility. Dr. Julius Richmond, the Assistant Secretary for Health, feels exactly the same way. I will also include his memorandum in the RECORD. At present, the NICHD research facilities are located in no less than nine separate buildings, many of which are antiquated and cannot even pass Federal safety codes.

Dr. Andre Helligers, a world famous researcher and physician, and Director of the Kennedy Center for the Study of Human Reproduction and Bioethics, testified last year before the Select Committee on Population. He said there that NICHD as it is now could not attract top people because of its poor facilities. He also said that he had twice turned down an offer to become the Director of NICHD. A top scientist turning down the Directorship of one of our National Institutes of Health is to me both shocking and disgraceful. We give them large sums of money precisely so that they can attract the best people and do the best possible research; here we are failing.

I have already briefly cited some of the benefits we can hope for from the research that would take place in this facility. Perhaps I should repeat a few of them, both for my distinguished colleague from Kansas, and for the benefit of all my fellow Members. This new building will house important research in fetal development and hopefully we will live to see the breakthroughs mothers today dream of that will give us a cure for many dread birth defects. What a joy it will be for mothers of future generations to carry their children to term without the fear that their infant might be crippled or handicapped by some presently incurable disease.

This new center will also provide an excellent place for research to develop a safe, effective contraceptive. Not only in this country, but throughout the world, there is a pressing need to find a means to check the burgeoning growth of our population.

By building this center, America will be giving a sign to the world that we are deeply committed to research to help mothers and children. We will be building one of the top facilities in the world.

In opposing this expenditure, my colleague does not in fact oppose research of this kind. He feels that this research can be carried on as it is now, in nine distant and inadequate buildings. If we are only committed to mediocre, subpar research efforts, he is correct; we can continue this way. I believe that the House of Representatives ought not commit itself to poor quality ventures, especially where the health of mothers and children is concerned. I urge all Members to vote for full funding for this building. Today we can show the world our commitment to the health of future generations. This commitment is not contrary to our common desire to balance the budget.

Let us not, in the name of fiscal responsibility, cut funding for so worthy a project. There are other, better ways to balance the budget. Together, I hope we can find them, so that America can re-

turn to an era of prosperity and of health.

The memoranda of Donald S. Fredrickson, M.D., and Julius B. Richmond, M.D., follow:

MEMORANDUM

From: Director, NIH.

Subject: Proposed Research Facility for the National Institute of Child Health and Human Development—Information.

This responds to your telephone request of today for information on the above subject. The National Institute of Child Health and Human Development (NICHD) is a component of the National Institutes of Health (NIH). The NICHD was established in 1963, and has the primary Federal responsibility to conduct research on maternal, child, and family health and in the reproductive sciences. The major objectives of research efforts at the Institute are:

To advance knowledge that will assure those who want children the birth of a healthy baby;

To develop through research the means to prevent life-long disability and death in children that result; for example, from congenital defects which now affect seven percent of all newborns; and

To provide to those who do not want children a choice of safe, effective, and acceptable methods for regulation of fertility.

The pace toward achieving these objectives, however, depends upon the Institute's realizing its plan for an integrated Intramural Research Program.

Construction of a research facility at NIH to accommodate this program has my strongest support, for the following reasons:

At the present time, the intramural scientists of this Institute are scattered in no fewer than nine different buildings on the NIH campus and in an offsite rental building. At best, this situation is logistically difficult; at worst, it diminishes the communicative environment so necessary for multidisciplinary scientists who share common objectives.

The NICHD Intramural Research Program space allocation is the lowest at the NIH (114 net square feet per staff member, as compared with an average of 210 net square feet for the other Institutes on campus). The space is overcrowded and poorly designed for its present occupancy.

$602,000 has been spent in the design and development of construction plans for Building 33. The original plans, drafted in 1966 and modified in 1973, still meet the NICHD program of requirements and need no expensive or time-consuming revision.

Building 33 as presently projected will contain approximately 85,400 net square feet of laboratory and support space. Anticipated cost of the construction as currently planned is approximately $37 million.

Construction of Building 33 would meet an additional important need. Seven older laboratory buildings at NIH have deteriorated seriously and cannot meet Federal safety standards. It has been determined that two buildings will ultimately have to be dismantled. Five buildings, however, can be renovated, provided that their scientist occupants can be displaced from one building at a time and each building restored in succession. The space necessary to initiate this process is now totally lacking but can be provided by Building 33 if a minimum of one additional floor is added to the present plans. Cost estimates are:

One additional floor: 23,500 net square feet—$5 million.

Two additional floors: 47,000 net square feet—$10 million.

A new building equivalent in size to the two-floor addition would cost in excess of $12 million, so potential savings would be at least $2 million. Further delay will escalate the cost.

In the entire Western world, there is not a single national research facility where scientists committed to improvement of the health of mothers, children, and families can pool their expertise under one roof. Creation of such a facility at the NIH would provide a physical, conceptual, and organizational focus for research efforts aimed at improving each infant's chances in life. A critical mass of scientists will be assembled in Building 33 to concentrate on problems of early development. The results of this research will contribute to prevention of those diseases and disability increasingly encountered in later life. It will consequently make an important contribution to the effectiveness of the emerging National Health Plan being developed by this Administration.

DONALD S. FREDRICKSON, M.D.

MEMORANDUM

From: Assistant Secretary for Health.

Subject: Proposed Research Facility for the National Institute of Child Health and Human Development—Information.

This is in response to your request for a briefing on the present status of the research building for the National Institute of Child Health and Human Development (NICHD).

The NICHD is a component Institute of the National Institutes of Health (NIH). Established in 1963, the NICHD has the primary Federal responsibility to conduct research on maternal and child health and in the reproductive sciences. Two major objectives of research at the Institute are: to advance knowledge that will assure those who want children the birth of a healthy baby, free from disease and disability; and to provide to those who do not want children a choice of safe, effective, and acceptable methods for regulation of fertility.

From its inception, the Institute has emphasized the importance of early human development and its relationship to adult health and well-being. The Institute's leadership has served to focus multidisciplinary efforts on the field of human development to the degree that significant contributions to fetal and preventive medicine have been possible. The pace of these accomplishments, however, depends upon the Institute's realizing its plan for an integrated Intramural Research Program. It is the youngest Institute among those having an intramural program located on the NIH campus.

At the present time, the intramural scientists of this Institute are housed in no less than nine different buildings scattered over the NIH campus and a rental building in Bethesda. At best, this situation is logistically difficult; at worst, it diminishes the communicative environment so necessary for multidisciplinary scientists who share common objectives. Moreover, the NICHD Intramural Program space allocation is the lowest at the NIH (114 square feet per staff member, as compared with an average of 210 square feet for the other Institutes on campus).

As early as 1965, it was determined that a building should be designed and constructed on the NIH Bethesda campus to house the NICHD intramural research activities. The attached architect's rendering of this building shows its general features (see Tab A). At that time, the northwestern area of the NIH campus was selected as the site for the building because it would place the facility within close proximity to the Clinical Center (Building 10). This fact is important because it eliminates the necessity for the construction of an independent pediatrics hospital, which is not economically defensible. An appropriate area in the D wing of the Clinical Center has been specially constructed for the treatment of pediatric patients under the supervision of the NICHD.

The proposed building for the NICHD, known as Building 33, has been given a high priority by the directorate of NIH. This project, however, has been superseded by the essential modernization of the Clinical Center and construction of its Ambulatory Care Research Facility, the Lister Hill National Center for Biomedical Communications of the National Library of Medicine, and the new construction of the National Institute of Environmental Health Sciences at Research Triangle Park, North Carolina. With these three construction programs now under way, the construction of Building 33 is of the highest priority.

To date, $602,000 has been spent in the design and development of construction plans for Building 33. The original plans, drafted in 1966 and modified in 1973, still meet the NICHD program of requirements and need no expensive or time consuming revision. The building as presently projected will contain approximately 85,400 net square feet of laboratory and support space. It will not contain clinical space, since that is more effectively provided in Building 10 where all the clinical services are immediately available. The anticipated cost of the construction exclusive of parking facilities as currently planned is approximately $32 million.

In considering and evaluating other space needs on the NIH campus, it is increasingly apparent that the more ancient laboratory buildings—namely, buildings 2, 3, 4, 5, 7, 8, and 9, all built between the years 1938 and 1946—have deteriorated significantly and presently need extensive modernization (see Tab B). Indeed, buildings 7 and 9 have been judged beyond the point of useful reconstruction and are earmarked for ultimate elimination. The remaining buildings listed above, however, can effectively be modernized, provided they can be vacated for significant periods of time. To achieve such a modernization, a program has been developed whereby in succession each building is freed of occupants, restored, and then occupied by staff presently situated in the building next scheduled for restoration. In order to initiate this process, it is necessary to find turnabout space which, at the moment, is totally lacking.

A Committee on Laboratory Space, which has studied the problem, has strongly recommended to the Director, NIH, that Building 33 be built immediately with two additional floors, thereby providing the needed turnabout space. This action would permit initiation of the plan to modernize buildings 2, 3, 4, 5, and 8, and at the end of the cycle to dismantle buildings 7 and 9. The NIH Division of Engineering Services indicates that this is entirely feasible and that the additional costs will be substantially lower than constructing another independent, free-standing new laboratory building, assuming that a construction site were available. It has been estimated that an additional two floors containing approximately 47,000 net square feet would cost $9 million, resulting in a total Building 33 cost of $41 million. A new building equivalent in size to the two-floor addition would cost in excess of $11 million, so that the potential savings would be at least $2 million.

The foregoing plan thus will provide not only for the modernization of several older NIH laboratory buildings but will, for the first time, permit NICHD scientists to cooperate fully and to exchange information, ideas, and advances. Additionally, it will place them in reasonably close proximity to the hospital beds that contain the patients who are the ultimate objective of study.

The benefits to be realized by the enhanced ability of NICHD to promote research on fetal medicine and human development through the new facility are manifold.

Among the dramatic advances of recent years in clinical medicine has been the development of means to approach the problem

of diagnosis of disease in the fetus and thereby reduce fetal wastage. Techniques including those of aminocentesis and direct fetoscopy, and the recently developed capacity to secure fetal blood samples with minimal hazard to mother or fetus, provide the obstetrician and pediatrician with previously unavailable means of diagnosis and detection. Such advances in research have contributed to techniques and knowledge on the identification, management, and treatment of problems detected *in utero*. Not only have these advances permitted the physician to anticipate the birth of a distressed baby and thereby prepare for corrective treatment upon delivery, but they have also made possible the correction of certain deficiencies and problems prior to conception and during gestation.

For example, it is known that certain genetically caused disorders can be corrected in utero by management of the mother's diet. New knowledge on pregnancy management has decreased the threat of maternal and infant mortality and morbidity for diabetic women. A major advance occurred with the development of techniques that permit treatment, in utero, of the Rh baby. Physicians may now advise against smoking and drinking on the basis of research findings that illustrate the adverse effects on the fetus of these habits in the mother. Epidemiological research has contributed to defining populations at risk of delivering premature and low-birth weight infants. New findings in research on the Sudden Infant Death Syndrome (SIDS) indicate that the origin of SIDS may reside within some period of antenatal development.

The practice of fetal medicine and the physician's ability to treat a diseased fetus depend upon advances in research such as those described above. Further, it is critically important that there is continued opportunity for multidisciplinary research and cooperation.

The need for biological and behavioral research to advance fetal medicine is fully acknowledged by the NICHD. The complementary activities of NICHD-supported research on the health of mothers and children and in the reproductive sciences comprise an ideal milieu for a focus of study on fetal and human development and on antenatal origins of disease and disability. These are realistic objectives of the research programs of the NICHD that will be significantly facilitated and enhanced by construction of this intramural NIH research facility.

JULIUS B. RICHMOND, M.D.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Speaker, I wanted to make it clear that this funding does not go in any way for program activity or for personnel activity. It is only for construction of a building and a parking lot.

Mr. CONTE. That is right. If the gentleman wants to talk about parking lots, why does he not start right here in the Capitol and get rid of some of these parking lots? And I am going to give the gentleman a chance, when the legislative appropriations bill comes up, to knock out $30 million in construction for the House of Representatives. We have so many employees they should get workmen's compensation, so in case they trip over each other they will have some insurance to take care of them.

□ 1430

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I thank the gentleman for yielding to me. I want to associate myself with his remarks. I strongly support his position. I think this building is desperately needed to improve research on maternal, child, and family health. I want to compliment the gentleman on his statement.

Mr. CONTE. I thank the gentleman.

Mr. EARLY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my colleague from Massachusetts.

Mr. EARLY. Mr. Speaker, I would like to ask the gentleman in the well, the purport of the amendment offered did not really deal with service or effective service. What was the testimony of the carriers? Did they suggest what effect it had on recruitment of researchers over there, that they could not recruit many researchers who would come in because of the poor facilities? Did they suggest what effect this building would have on that?

Mr. CONTE. The gentleman from Massachusetts is absolutely right. I just said on the floor that one of the best scientists in the field, Dr. Hollinger, refused to become Director twice when he was asked to go there because of the poor research facilities at NIH. It is disgraceful. This building has been planned; blueprints have been printed since 1965, and it is high time that we finish it.

Mr. EARLY. I thank the gentleman.

Mr. ROYBAL. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this is a subject matter that was thoroughly discussed by the committee, after testimony was given by experts in the medical field. I do not know that I can recreate the atmosphere created by the expert testimony before the committee at that particular time, but I can assure that those who testified for the administration did not have their plea for rescission at heart. They, in fact, were saying, "Yes, we are requesting this rescission," but on the other hand they were admitting that just a year before they had testified strongly in favor of making possible the construction of this facility because of its great need.

Now, we all know that there is a great need for this facility. We know it because, in answer to various questions, the experts did in fact admit that they were unable to get the top scientists of the country to come to work for them because of the lack of space in the facility that they now have. In a direct answer to my question, one of the witnesses told the committee that they had overcrowded conditions, that they could not attract the necessary scientific personnel to do the job properly, and that the facility that they were trying to rescind the funds for was definitely needed.

These witnesses, all experts in the field of medicine, were testifying on behalf of the administration, requesting a rescission that they themselves based on their professional opinion did not believe in.

The truth of the matter is that this facility is needed. Testimony before the committee confirms that in 1979 alone, over 3.2 million infants will be born with birth defects in the United States. Childhood disease and the developing problems which in most cases we know too little about, have lasting effects throughout adult life. Even worse is the shocking and appalling infant mortality rate we have in this country. Since 14 other countries in the world have lower infant death rates, I refuse to believe that we cannot give our resources to addressing this critical problem.

□ 1435

May I repeat that there are 14 other countries in the world which have a lower infant mortality rate than the United States does; and we are supposed to be the most developed nation, have the best scientists, and the best overall medical know-how in the world.

When it comes to infant mortality, however, we are still lagging far behind. One of the reasons for it is that we do not have the proper facility and that the proper facility can now be built with $37 million which this amendment before us seeks to rescind.

Had we built this facility, when it was first brought up by the committee, the cost would have been anywhere between $12 million and $14 million. If we wait another year or two, the cost will continue to increase, and every year of delay will be a setback for the children of America, those now living and yet to be born. The need for the facility is not in contention. We do know that when it is built in the future, that it will cost more money. Therefore, let us build it now so that we cannot only meet the need but give us the opportunity to catch up with the 14 other countries which have a better record when it comes to infant mortality than we have in the United States.

Mr. Speaker, the time to do it is today by not agreeing to the amendment before us.

Mr. MICHEL. Mr. Speaker, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Speaker, when our subcommittee was initially considering this rescission which totals $236 million, I was hoping that we would have included in the rescission this building for $37 million, for then we would have had in total a rescission of $111 million, or about half of what was proposed. That would have given a really good indication of where we were going in this whole area of spending in this coming year.

The gentleman from Connecticut some time ago, in the earlier debate, made mention of what kind of signals we ought to be giving. We saw as a result of that last vote, when one gets down to the individual line items, how much different it is to go to the well on one of those items than it is simply to vote for a bal-

anced budget or to vote for an expenditure ceiling of some kind. It is these individual items, one on one, that make the difference. At some time we have to face up to that fact in this House; we have to make the difficult decisions.

Mr. Speaker, in my judgment, at a time of budget constraint, new facilities that are not urgently needed ought to be the first to go as far as funding is concerned.

Dr. Frederickson, the director of NIH, says that while the Child Health Institute can use a new facility—who cannot?—it can certainly go without it at this time; but, more importantly, that its research will not be hampered.

HEW is currently undertaking a complete review of NIH space needs. We ought to wait for completion of this review before unilaterally going ahead with a new facility for one institute.

The author of the amendment, the gentleman from Kansas (Mr. GLICKMAN), made mention of the square footage of the average institute out there. As a matter of fact, construction of this building would give the Child Health Institute 330 square feet per employee, which is 50 percent more than the average for every other institute at NIH.

The argument is made that the Child Health Institute activities are located in several buildings, and therefore, they should be consolidated. The Child Health Institute is not unique in this respect because virtually every one of the NIH institutes has programs located in more than one building.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Yes, I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, is the gentleman saying that if we vote for this amendment, we are in no way jeopardizing the program?

Mr. MICHEL. That is correct.

Mr. ROUSSELOT. And we cannot be accused of doing great damage to the program because the space already exists for this purpose; is that correct?

Mr. MICHEL. Right. As a matter of fact, this facility would provide space for 241 people. They only have 170 on board currently.

Mr. ROUSSELOT. Will the gentleman repeat that? They have only 170 on board?

Mr. MICHEL. They have 170 on board in that institute currently.

□ 1440

If they had the building, they would have room for 241. That is not to suggest that if additional people are really desirable in the future we could not still be housing them in some other facility. Again, it is not saying that in the future it would not be desirable to have them all under one roof in a beautiful, more sophisticated kind of laboratory environment. Every one of us, I guess, would like to have the ultimate, but we are in a period of budget restraint.

The other point is that when we look at the square rootage provided for here, there are 531,00 square feet, of which only 85,000 are net square feet insofar as research is concerned. In other words, 16 percent of the space is for research and the other space is for ancillary activities or parking, as the gentleman mentioned, for 600 cars or more. But the point we have got to make here is these designed plans were initiated in 1966 when we did not have a Metro. We are going to have a Metro stop out there now, so there is no need to have that parking facility. In my judgment, if we build the building in the future, it ought to be with a new design to accommodate research activities and people, and not cars.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

Do we have a Metro system here on the Hill?

Mr. MICHEL. Oh, yes.

Mr. CONTE. Why in the world do we have all of these parking lots?

Mr. MICHEL. Because we had the parking places before we had the Metro.

Mr. CONTE. Metro had been planned for years. The gentleman from Illinois is very fair. When I asked Dr. Frederickson whether it was true that he was having difficulty attracting top scientists to the National Institute for Child Health Care because of poor research facilities, did he say "Yes"?

Mr. MICHEL. Yes, he did. The gentleman from Massachusetts makes a good point, but my view is that if there is all that motivation on the part of these scientists to do what ought to be done, it is not going to be the building that is going to make the difference about whether or not they are going to sign on. Maybe they have to have a deep seated feeling down here that under the most minimum facilities, they will serve. That tells me something, as opposed to one who says, You give me everything I would like, boys, and only then will I come and serve.

The SPEAKER pro tempore (Mr. WRIGHT). The time of the gentleman has expired.

(At the request of Mr. DICKS, and by unanimous consent, Mr. MICHEL was allowed to proceed for 1 additional minute.)

Mr. DICKS. Is it not true that we will still go ahead after the facility study is done, when we really know what the space is, and look this thing over again, say, in a year or so when we have gotten through this period of inflation and high Government spending, and with everyone trying to balance the budget? Could we not wait until a year or two and still go ahead and do this when we have a new design?

Mr. MICHEL. This would not be the first time we have had to exercise that kind of restraint, and I would be the first one to say that they would probably give first priority to this facility when they get to building buildings again.

Mr. DICKS. I am very concerned. This design was done some 10 years ago.

Mr. MICHEL. Thirteen years ago.

Mr. DICKS. And a lot of people object to the serious problems with the design. We ought to go back and take a fresh look, and we can defer this for another year.

Mr. MICHEL. I agree with the gentleman.

Mr. EARLY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. EARLY. I thank the gentleman for yielding.

The design was 1966, but the plans were revised in 1973. In the testimony did they not tell us they could start construction in 3 months?

Mr. MICHEL. Yes.

The SPEAKER pro tempore. The time of the gentleman has expired.

(At the request of Mr. CONTE, and by unanimous consent, Mr. MICHEL was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Again I repeat, the gentleman has been most fair and forthright in his answers. But in answer to the gentleman from Washington, if we are against brick and mortar, the place to start would be right in the Congress. They are going to do a great deal of research on prenatal care, et cetera. Why do we not stop that mausoleum over in the Senate, the Senator Hart Building for $50 million? What are they ever going to research in that building.

Mr. MICHEL. Mr. Speaker, I yield back the remainder of my time.

□ 1445

Mr. NATCHER. Mr. Speaker, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Speaker, I dislike finding myself in disagreement with my distinguished friend, the gentleman from Illinois, the ranking minority member of our subcommittee. The gentleman from Illinois is one of the ablest Members in this House. I say that quite frankly.

Mr. Speaker, at the beginning of 1966 we started planning this building. For a number of years it was the priority number one building at the National Institutes of Health. If this building is constructed, Mr. Speaker, we will continue our research in matters concerning the health of children, birth defects, reproductive abnormalities, genetic disorders, child development and nutrition.

Mr. Speaker, this building ought to be constructed. I hope this amendment is defeated.

Mr. MILLER of California. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in opposition to the amendment. I think it would be fair to say that the subcommittee chairman, in this case the gentleman from Kentucky, is the one who either has a lack of understanding about public buildings or what they might cost, and second, that he is not one who has a reputation for being "terribly loose with a buck." But also I rise because we are starting to see an argument that will be coming forth for the rest of this year until the mood of the country changes, until we address some fundamental problems we have with the operation of this Government.

Last year, we discussed budgets, by discussing only dollar figures, as if there was nobody behind those dollars. Now this year, in the height of the hysteria about spending we discuss facilities designated for research on maternal and child health and well-being. There are no children involved in this facility, we are told. We are being asked to con ourselves into believing that we are voting against a building. We are not voting against a building; we are voting against the future of a lot of children who are not yet born.

Let me tell you, that on the Committee on Education and Labor, we try to come up with solutions to the problems of defective births, of generic diseases. Let me state that it is very expensive to try to come back to pick up the pieces after we have ignored the preventive approach. It is very expensive, after a child has suffered a birth defect, after mental retardation has captured a child, to come back and talk about what we are now going to do for that child. Are we going to create a bionic child? Are we going to add on sophisticated limbs? Are we going to mainstream that child in school? How are we going to take care of these children, and how much will that cost us, for the rest of that person's life?

We know in the past we have made major discoveries about the relationship of fetuses to the mothers' use of alcohol, her nutrition, and her intake or use of drugs and chemicals. We have saved a great number of children from tragedies of life by establishing preventive health, nutrition and diagnostic programs. So we are not postponing a building. We are postponing the ability to attract leading scientists.

We are postponing developing the knowledge that may save those children. By refusing to make an investment in the future, assuring that we will have to spend money in the future. Now, we can stop deceiving ourselves and decide to invest in preventive care through the study that will be undertaken in this facility, or we can defer action and wait to pick up the pieces in the future, when the costs are far greater.

Do we know that in the International Year of the Child? As politicians, we are very fond of telling audiences that we consider our children are our most important resources. Do we tell them that 17 million of our children have never seen a dentist? Do we know that the third leading cause of death among 10- to 14-year-olds is suicide? Do we know that 1 million of those children are abused and neglected? Do we know that if their parents are abused that, the likelihood of those children, and their children, being abused and neglected dramatically increases?

We have all made speeches about cutting the welfare cycle, in a truly preventive and constructive sense, to cut that cord that ties generations of poor, malnourished, disabled, and abused people together?

We may have a chance when we bring a healthy child into the world.

We spend a great deal of money to try to give children an equal chance out of the starting gate. But when a child comes into the world engrossed in poverty, when it suffers from birth defects, when it suffers from mental retardation, that child does not have an equal chance no matter what subsequent action we take. So let us not sit back and con ourselves into believing that we are voting only against a building. Let us not sit back and con ourselves, because we would be ignoring the plight of children in this country.

□ 1450

We can talk about facilities instead of children, we can talk about budget cuts instead of children. But behind those budget sums, behind those facilities, are people who are dedicated to research and the taking care of children. They are not asking to work in lavish quarters, but they want good rsearch facilities. Somebody may say that they have the welfare of our children in their hearts but that they want to save some money. The next time we have an office space problem in the Rayburn Building, let us not run over there and suggest that we can do a better job if we have larger staffing quarters and if we have larger offices in which to meet our constituents who come to see us.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. MILLER) has expired.

(On request of Mr. GLICKMAN, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I share the gentleman's concern. I would just point out that again, as I said before, that it is clear from both the NIH people and from reading the record myself, that research programs are not going to be affected, but I would point out that there are several institutes in the NIH that are housed in several different buildings. This happens to be one of them.

Now, it would be nice, it would be helpful to have them all located in one facility. But the point is this: The gentleman mentioned the International Year of the Child, and we can also say that we have the "International Year of Fiscal Prudence."

The point is that there is some point at which we have to say what is compelling to spend money on. We should not cut the research being done for those people, but this is to build a parking lot and a building that will not supply adequate working space for the people. We might combine the House and the Senate in one facility and it might make it more efficient, I do not know.

I suppose all of us have to reach down in our guts and say what is the compelling expenditure. At this point, as I see it, it is not a $37 million building, especially in view of the remarks of the gentleman from Washington as to new needs analyses that are not compelling right now.

Mr. MILLER of California. Mr. Speaker, I just find that ironic, if the gentleman will allow me to continue, because I think it does affect the research. I think that is a con game that we go through and I think it does involve the Congress in a priority setting. I do not know, in the short tenure that I have spent here, anywhere that we have been terribly lavish on the future of children in this country.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. MILLER) has again expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 30 additional seconds.)

Mr. MILLER of California. Mr. Speaker, the testimony that the committee has received is that it has had an impact on throwing these researchers and scientists together here. Why would they come here if they had things better elsewhere?

The reason I raise the question of the International Year of the Child is that the conclusions the sponsors have reached are the same conclusions that have been reached every decade. The children of this country are in deep trouble.

So I am willing to risk a little expenditure on their behalf with this research building to those researchers the facilities they need, because it may mean that in one of these years the children are a little better off as a result.

Mr. McCLOSKEY. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, I hesitate to oppose the efforts of my good friend, the gentleman from Kansas (Mr. GLICKMAN), to cut spending because I think we are going to be trying to balance the budget all year, and I think this is a reasonable argument that he makes.

But this particular building, as the gentleman from Kentucky pointed out, has been in the works for 10 years; as we studied NIH last year and we found that they spent nearly $3 billion each year in research, we found that only a paltry fraction of that sum was spent in research for contraceptive development. We found that the private drug companies, which used to put substantial funds into contraceptive research and development have found they could no longer do so because of the increasing time frame and investment costs.

But most of all, we found that of all the 11 institutes of the National Institutes of Health, the only one that did not have its own in-house laboratory facility, the only one which could not provide a focal point in the National Center of Government for Research, was in this particular area of research of child and maternal health research.

□ 1455

I would beg my colleagues that, in a year when we are, hopefully, going to balance the budget, that we not sidetrack this plan which has been under way for some 10 years, the final culmination of making the U.S. seat of government as the center for in-house governmental research in maternal and child health. If any of the other national institutes did not have their inhouse laboratory, I would not be making this argument. But if there is a basis at all for the National Institutes of Health that basis lies in having a focal point

for research throughout the world. Without this building it cannot be. I would urge a vote against this amendment.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Speaker, one cannot argue with the point the gentleman from California makes and the point which his predecessor in the well, the gentleman from California (Mr. MILLER) made, on the laudable objectives of improving the health and welfare of our children.

The point is, we are at that juncture where we have to make a choice. Now, if, when we write up the regular bill, I am given a choice of $37 million for programs to do what the gentleman is talking about, as distinguished from a facility in which to do them, this Member is going to opt for the program all the time. And that may very well be the choice we will have to make, if these programs are all that good, for the future of our children.

Mr. McCLOSKEY. I just voted against funds for my own medical school at Stanford University, and for its nursing school. I do not make this argument because I do not accept what the gentleman says. What I can say is that, in contraceptive and biomedical research, we cannot effectively contract that out around the country unless there is an inhouse focal point at NIH as the basis for those operations in the country.

If we stand at all behind the concept of national medical research, then this institute, at least in this particular year, deserves the same dignity and the same credibility of the other institutes at NIH.

As we examined the question last year, it appeared that we are doing an inordinate amount of research into diseases of elderly men, cancer and heart disease and other diseases which affect elderly Members of Congress, yet we have to be embarrassed at the lack of research for the benefit of our young women.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Speaker, I have tried to listen to these arguments carefully, and I think the point my colleague, the gentleman from Illinois, a member of the committee, is trying to bring to the attention of the House is that this building and the constructon of it, in no way affects all of the programs for which my colleague just made an appeal. None of the programs for which my colleague, the gentleman from California (Mr. MILLER) made such a strong appeal, would be affected. This amendment does not affect the worthy research portions of the bill. It is only the $37 million facility. Other facilities now exist to house the personnel. It does not cut off the program. And at some time and place we have to stop building all of these huge buildings in this town.

The gentleman does not disagree with that.

Mr. McCLOSKEY. No, I do not disagree with that. But I do respectfully disagree with the assumption the gentleman makes that the programs can proceed without the building in this particular case.

Mr. ROUSSELOT. That is what we have been assured by members of the committee and by the Director of NIH. The elimination of the $37 million will not affect the important research programs.

Mr. McCLOSKEY. We respectfully disagree.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Mr. Speaker, I would just like to ask a further question in regard to the same items. We have the program ongoing now. It is just diversified into this structure. This proposal, as I understand it, is to have a central facility as a focal point, to upgrade it. Are we going to take the people, assuming the building is built, from other buildings in the area and put them in this one building? Is that correct?

Mr. McCLOSKEY. I cannot honestly answer that question.

Mr. VOLKMER. Then what is going to happen to the facilities in the other building? Are we going to add people in there? How much are we going to add to this one building?

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, all of the equipment and the facilities we have, and the people, will move into this particular facility. Maybe the gentleman was not here when I was speaking, but the buildings are now nine antiquated buildings, including the rental downtown.

□ 1500

Some of those buildings cannot even pass the Federal Safety Code, so that most likely most of those buildings will be ripped down. I might mention that the gentleman is very strong for the Hyde amendment——

Mr. VOLKMER. What has that got to do with this?

Mr. CONTE. This is an area in which we can really do a tremendous amount of work prior to the birth of a child in studying the fetus and preventing a lot of handicapped children from being born. We are doing a tremendous amount of work in the field.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. In further answer to this question, we actually received testimony that these good researchers are in great demand. We actually received testimony that good researchers have refused to operate under the conditions that they have out there now.

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield.

Mr. ROUSSELOT. According to the committee, this $37 million laboratory would include 192,000 gross square feet and 85,400 net square feet. The parking facility would include 254,000 gross square feet.

How much research do you do in a parking facility? I know that my colleague did not mean to imply that great advances in medical research will be accomplished in this proposed parking facility.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield.

Mr. CONTE. To answer the gentleman from California, how much legislating is being done in all these parking lots that we have in the Rayburn Building, the Cannon Building, out behind the Congressional Hotel?

Mr. ROUSSELOT. No legislation that I know of is being written in our parking facilities.

Mr. CONTE. Then why have it?

Mr. ROUSSELOT. Maybe we should cut it back.

Mr. McCLOSKEY. Mr. Speaker, I am glad to be the focal point of this increasingly enlightening debate, but I will yield back the balance of my time.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The question was taken; and the Speaker pro tempore being in doubt, the House divided, and there were—ayes 74; noes 59.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 290, nays 114, not voting 28, as follows:

[Roll No. 22]

YEAS—290

Abdnor	Barnard	Brown, Ohio
Albosta	Bauman	Broyhill
Ambro	Beard, Tenn.	Burgener
Andrews, N.C.	Bedell	Burlison
Andrews, N. Dak.	Benjamin	Butler
	Bennett	Byron
Annunzio	Bereuter	Campbell
Anthony	Bethune	Carney
Applegate	Blanchard	Cavanaugh
Archer	Boner	Chappell
Ashbrook	Bonker	Cheney
Ashley	Bouquard	Clausen
Atkinson	Bowen	Cleveland
Badham	Breaux	Clinger
Bafalis	Brodhead	Coelho
Bailey	Brooks	Coleman
Baldus	Broomfield	Collins, Tex.

Conable	Ireland	Quayle
Corcoran	Jacobs	Quillen
Cotter	Jeffries	Railsback
Courter	Jenkins	Ratchford
Crane, Daniel	Johnson, Colo.	Regula
D'Amours	Jones, Okla.	Rinaldo
Daniel, Dan	Jones, Tenn.	Ritter
Daniel, R. W.	Kasen	Robinson
Danielson	Kelly	Roe
Daschle	Kemp	Rose
Davis, Mich.	Kildee	Rostenkowski
de la Garza	Kindness	Roth
Deckard	Kogovsek	Rousselot
Derrick	Kostmayer	Rudd
Derwinski	Kramer	Russo
Devine	Lagomarsino	Santini
Dickinson	Latta	Satterfield
Dicks	Leach, Iowa	Sawyer
Dingell	Leath, Tex.	Schroeder
Dornan	Lederer	Schulze
Dougherty	Lee	Sebelius
Duncan, Oreg.	Lehman	Seiberling
Duncan, Tenn.	Lent	Sensenbrenner
Edwards, Ala.	Levitas	Sharp
Emery	Lewis	Shelby
Erdahl	Livingston	Shumway
Ertel	Lloyd	Shuster
Evans, Del.	Loeffler	Simon
Evans, Ind.	Long, La.	Skelton
Fary	Lowry	Slack
Fazio	Lujan	Smith, Nebr.
Fenwick	Luken	Snowe
Findley	Lundine	Snyder
Fish	Lungren	Solomon
Fithian	McClory	Spence
Flippo	McDonald	Staggers
Florio	McEwen	Stangeland
Ford, Tenn.	McHugh	Steed
Forsythe	McKay	Stenholm
Fountain	Madigan	Stockman
Fowler	Maguire	Stratton
Frenzel	Marlenee	Stump
Frost	Marriott	Symms
Fuqua	Martin	Synar
Gaydos	Matsui	Tauke
Gephardt	Mattox	Taylor
Giaimo	Mavroules	Thomas
Gibbons	Mazzoli	Treen
Gingrich	Mica	Trible
Ginn	Michel	Udall
Glickman	Mikulski	Ullman
Goodling	Mikva	Vander Jagt
Gore	Miller, Ohio	Vento
Gradison	Mineta	Volkmer
Gramm	Minish	Walgren
Grassley	Mitchell, N.Y.	Walker
Grisham	Mollohan	Wampler
Guarini	Montgomery	Weaver
Gudger	Moore	White
Guyer	Moorhead, Calif.	Whitehurst
Hall, Ohio		Whitley
Hall, Tex.	Moorhead, Pa.	Whittaker
Hamilton	Mottl	Williams, Mont.
Hammer-schmidt	Murphy, Ill.	Williams, Ohio
	Murphy, N.Y.	Wilson, Bob
Hance	Murphy, Pa.	Wilson, Tex.
Hanley	Murtha	Winn
Hansen	Myers, Ind.	Wirth
Hefner	Myers, Pa.	Wolpe, Mich.
Heftel	Neal	Wright
Hinson	Nelson	Wyatt
Holland	Nichols	Wydler
Holt	Nowak	Wylie
Hopkins	Oakar	Yates
Howard	Panetta	Yatron
Hubbard	Pashayan	Young, Alaska
Huckaby	Paul	Young, Fla.
Hughes	Pease	Young, Mo.
Hutto	Pickle	Zablocki
Hyde	Price	Zeferetti
Ichord	Pritchard	

NAYS—114

Addabbo	Coats	Garcia
Akaka	Conyers	Gilman
Alexander	Corman	Gonzalez
Anderson, Calif.	Davis, S.C.	Gray
	Dellums	Green
Aspin	Diggs	Harkin
Barnes	Dixon	Harris
Bellenson	Dodd	Harsha
Bevill	Donnelly	Hawkins
Bingham	Downey	Heckler
Boggs	Drinan	Hightower
Boland	Early	Hollenbeck
Bonior	Eckhardt	Holtzman
Brademas	Edgar	Horton
Brown, Calif.	Edwards, Calif.	Jeffords
Burton, Phillip	Erlenborn	Jenrette
Carr	Evans, Ga.	Johnson, Calif.
Carter	Fascell	Kastenmeier
Chisholm	Fisher	LaFalce
Clay	Foley	Leland
Collins, Ill.	Ford, Mich.	Long, Md.
McCloskey	Patterson	Solarz
McCormack	Perkins	Spellman
McDade	Peyser	St Germain
Markey	Preyer	Stack
Marks	Pursell	Stanton
Mathis	Rahall	Stark
Miller, Calif.	Rangel	Stewart
Mitchell, Md.	Reuss	Stokes
Moakley	Richmond	Studds
Moffett	Roberts	Thompson
Natcher	Rodino	Van Deerlin
Nedzi	Rosenthal	Vanik
Nolan	Roybal	Waxman
O'Brien	Runnels	Weiss
Oberstar	Sabo	Whitten
Obey	Scheuer	Wolff, N.Y.
Ottinger	Shannon	
Patten	Smith, Iowa	

NOT VOTING—28

Anderson, Ill.	Dannemeyer	Lott
AuCoin	Edwards, Okla.	McKinney
Beard, R.I.	English	Pepper
Biaggi	Ferraro	Rhodes
Bolling	Flood	Swift
Brinkley	Goldwater	Traxler
Buchanan	Hagedorn	Watkins
Burton, John	Hillis	Wilson, C. H.
Coughlin	Jones, N.C.	
Crane, Philip	Leach, La.	

□ 1515

The Clerk announced the following pairs:

Mr. Traxler with Mr. Anderson of Illinois.
Mr. Biaggi with Mr. McKinney.
Mr. John L. Burton with Mr. Buchanan.
Mr. Flood with Mr. Dannemeyer.
Mr. Pepper with Mr. Edwards of Oklahoma.
Mr. Charles H. Wilson of California with Mr. Coughlin.
Mr. AuCoin with Mr. Hagedorn.
Ms. Ferraro with Mr. Goldwater.
Mr. Jones of North Carolina with Mr. Lott.
Mr. Leach of Louisiana with Mr. Hillis.
Mr. Watkins with Mr. Philip M. Crane.
Mr. Beard of Rhode Island with Mr. Swift.
Mr. Brinkley with Mr. English.

Mrs. HECKLER and Mr. FOLEY changed their vote from "yea" to "nay."

Messrs. ULLMAN, LATTA, HALL of Ohio, ICHORD, LUKEN, PRICE, KAZEN, McEWEN, SPENCE, MARLENEE, FORSYTHE, and WRIGHT changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1520

Mr. PERKINS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the President recommended that all the funds in the Career Education Act be rescinded; the committee recommended that only $12.5 million be rescinded.

□ 1525

The committee recommended the rescission of the $8½ million, insofar as postsecondary education is concerned, and $4 million taken from elementary and secondary education.

Leaving $20 million in the bill for elementary and secondary education was the committee's recommendation on the career education bill.

But, Mr. Speaker, I would like to ask the chairman of the committee a question.

As I understand the committee's action, $12.5 million of the $32.5 million appropriated for fiscal 1979 for the Career Education Incentive Act would be rescinded. And, as I understand the committee's report explaining this action, no funds would be available under the act relating to postsecondary educational demonstration projects as a result of this rescission. I understand that $8.5 million is presently earmarked from the $32.5 million appropriation for that purpose.

I believe that I understand all of that correctly, but where I am confused involves the remaining $4 million of the rescission. The committee's report says that no funds would be available for national demonstration projects in elementary and secondary education under this rescission.

I am concerned about that statement because the Office of Career Education is presently funding a number of exemplary elementary and secondary demonstration programs throughout the country. And, if we were to send all of the money to the States and permit no funding at all for exemplary projects from the national level, there would be a grave danger that these programs would have to be cut back.

Therefore, I would like to ask the chairman of the subcommittee whether he might interpret the committee's intention for us. Would outstanding elementary and secondary demonstration programs still be eligible for funding from the national level under this rescission?

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. NATCHER. I thank the gentleman for yielding.

Mr. Speaker, I would like to assure the gentleman from Kentucky that the committee's intention was to focus all of these funds in career education on elementary and secondary education. That was the intention of our committee. It was also our intention to send out to the States as much money as possible in order for them to implement the career education in local school districts.

I would further like to assure the gentleman from Kentucky, the chairman of the Education and Labor Committee, that I can envision the Office of Career Education funding several exemplary local education programs from the national level with some of the remaining $20 million appropriation.

The gentleman's contention is correct, Mr. Speaker, and that is the intention of the committee. I am glad that the gentleman from Kentucky has raised this point.

□ 1530

Mr. PERKINS. Let me thank the gentleman, my colleague, for this clarification, Mr. Speaker.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: Page 4, line 9, add the following:

Chapter V.—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION RESEARCH AND PROGRAM MANAGEMENT

Of the funds appropriated under this head in the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1979, $2,400,000 are rescinded.

Mr. VOLKMER. Mr. Speaker, Members of the House, I know this amendment does not concern a great amount of money in comparison to the last two just previously voted upon. And, I know that many Members may wonder why this House should take the time to consider an amendment that would delete from funding $2.4 million when we are talking about almost a trillion dollar total budget for next year. But, I believe savings begin with the smallest amounts, and we have to review critically all appropriations and all spending.

This is what this amendment is all about: This $2.4 million is an amount appropriated to NASA to buy a jet airplane so that they can jet about the country to their research sites with their personnel to review the programs as they exist. They presently have prop planes that are quite adequate. However, the question is whether they are quite as fast.

I will admit that the prop planes that NASA has are not quite as fast as jets, but on the other hand I question whether—and the President in his message questions whether—it is actually necessary—and I use the word and put emphasis on the word "necessary"—for NASA to have a jet at this time to jet about the country.

The President finds it is not essential to carry out the objectives of the Nation's aeronautic and space programs. It is not consistent with the idea of trying to hold down unnecessary Federal spending. NASA has been able to use the prop in the past. NASA says now that they can save time by using a jet.

I noticed in the committee report that as to using commercial airlines the NASA centers and contractor locations are not in areas conveniently served by commercial airlines. That may be, but my question to the committee is this: We have a nice big jet, and I do not know that that nice big jet is going to land at some of the small airports, and they are still going to have to find ways of getting from the large airports to the smaller areas where the research locations are located.

I question, and the reason for this amendment is, I question whether, if we would ask our constituents, our taxpayers, with all the programs that we have coming, should we spend $2.4 million for a jet for NASA to take their management teams around, or would it be later on better to spend $2.4 million for people programs? I personally prefer that NASA continue to operate with the prop planes that they have, and that we try to find a better way at this time when we have fiscal constraint to use the $2.4 million.

I know in my own mind, as a taxpayer, how I feel. That is why I offered the amendment. I hope that the Members feel the same way. It is not going to put NASA out of business. It is not going to put the Shuttle project out of business. It may mean a little inconvenience to the management team for NASA, but it is not going to close down NASA or the Shuttle program.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. Yes, I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I congratulate the gentleman from Missouri (Mr. VOLKMER) on the amendment and suggest that NASA could surely use the scheduled airlines for most trips. If they had an occasion when they could not make a trip by scheduled airlines, they could lease a lot of planes for $2.5 million.

Mr. VOLKMER. Yes. They already have their own. They have a Gulfstream turboprop right now which they use.

Mr. Speaker, I yield back the balance of my time.

Mr. BOLAND. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this is an attractive amendment if one does not give it any thought.

The gentleman from Missouri (Mr. VOLKMER) seeks to rescind $2.4 million for a jet aircraft. The fact of the matter is that there was no money added to the 1979 act for any aircraft.

The action of the subcommittee which I chair was agreed to unanimously in respect to the 1979 budget. When we considered the rescission proposal, it was agreed to unanimously that we ought to reject the rescission. What we said in the 1979 budget was: "Find the $2.4 million somewhere else and take it out of the research and program management account." We said that we were not going to provide the $2.4 million in extra funds for the purchase of a jet aircraft.

Incidentally, what NASA is really doing here is trading in a Gulfstream I turbo-prop plane which is 18 years old for a used jet aircraft, really to make it more convenient, as the gentleman from Missouri has said, to get to its NASA centers where program management is so important in the very huge Space Shuttle program. That is a $15 billion program.

The report indicates, of course, that it is difficult to get commercial airline service in areas where critical NASA centers are located. These NASA centers have their own airstrips which can accomodate jet aircraft.

The fact of the matter is that we looked at this item very carefully. I think anyone who sat on this subcommittee and viewed the NASA program, particularly the Space Shuttle program, from the point of view of program management would say that this is a wise expenditure because it is absolutely necessary that the managers of the space transportation system be able to get to those NASA centers which are engaged in critical program work.

My judgment is that we would be saving a considerable amount of money by permitting NASA to operate a modern jet aircraft.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I am pleased to hear what the gentleman said, because I did not know that this matter had not been specifically budgeted for the airplane, but had been specifically budgeted to NASA for program management.

Mr. BOLAND. That is right.

Mr. VOLKMER. What the gentleman is telling me, though, is that undoubtedly NASA had it in their program management budget to the extent of at least $2.4 million. Therefore, do I need to look at their budget next year?

Mr. BOLAND. No, no. The gentleman is correct when he says that if the amendment is carried, what we really are doing is denying $2.4 million to program management. We would be reducing that item by $2.4 million.

□ 1540

Mr. VOLKMER. Which NASA says we do not need, because we put in an airplane.

Mr. BOLAND. No; that is not it really.

Mr. VOLKMER. The point is, we are letting NASA determine—not this House, not the Senate, but NASA—how they want to use their money. We give it to them for program management. Instead of using it for personnel, we budget it to them for personnel operations and they go out and buy an airplane for $400 million.

The SPEAKER pro tempore. The time of the gentleman has expired.

(By unanimous consent Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. Mr. Speaker, this account includes more than $900 million. It includes all administrative funds—it was the unanimous judgment of this subcommittee last year, and is the judgment of this subcommittee this year, that we ought to permit NASA to purchase a jet aircraft. It would save a great deal of time for the program managers. They are supervising a program that next to the Apollo program is the most costly program that NASA will ever be engaged in. So it was the wise judgment of this subcommittee that we ought not to rescind this item. Again I see, Mr. Speaker, obviously the Members of the House agree with me, and I yield back the remainder of my time.

Mr. FINDLEY. Mr. Speaker, I move to strike the requisite number of words, and I rise in support of the amendment. I take this time in order to clarify, if I possibly can, the effect of the adoption of this amendment. If I could have the attention of the gentleman from Massachusetts and the gentleman from Missouri, am I correct that if the gentleman's amendment is adopted, the effect will be to stop NASA from making this aircraft trade?

Mr. VOLKMER. If the gentleman will yield, yes, that is correct.

Mr. FINDLEY. Will the gentleman from Massachusetts agree with me on that point? Will the gentleman from Massachusetts (Mr. BOLAND) agree that if this amendment is adopted, the effect will be to stop NASA from making the trade?

Mr. BOLAND. If the gentleman will yield, the gentleman is correct.

Mr. FINDLEY. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The question was taken; and the Speaker pro tempore being in doubt, the

House divided, and there were—ayes 54, noes 29.

So the amendment was agreed to.

● Mr. JENRETTE. Mr. Speaker, I must express my deep concern about H.R. 2439, the first fiscal year 1979 budget rescission.

Let me emphasize that I do not oppose all the rescissions proposed in this bill. Far from it. In fact, I am supporting well over $600 million of the approximately $700 million proposed for rescission in H.R. 2439.

I was surprised, however, to learn that in his rescission message the President had proposed to eliminate almost $168 million of health resources funds. I share Mr. Carter's desire to reduce the budget deficit and hold down inflation.

I can also well understand the pressure our Labor-HEW Subcommittee was under to approve all these proposed rescissions, for that very reason. And I want to commend our subcommittee and its chairman for cutting the rescission back to only a little over a third what was proposed by the administration.

All the same, I do not think any rescission in this area is warranted. I do not believe the way to balance the budget is by "rescinding" the health of our people.

There are three programs involved. The one of particular concern to me is nurse training and research.

The Members will recall that at the end of the last Congress the House passed the Nurse Training Act, authorizing more than $200 million per year for nurse training and research programs, by a vote of 393 to 12. In vetoing that bill, President Carter told us his action would not set back the nursing program, because the continuing resolution provided necessary funds for it. Now he has proposed to rescind the funds for this purpose contained in that resolution.

I reject the administration's basic premise in proposing this rescission. They seem to think that, since there may be enough nurses on a per capita basis, then we do not need to train any more. Well, there may be enough nurses in New York City or San Francisco, but there are not enough in my district and, I suspect, in lots of other rural districts around the country. So I see a good justification for nurse training just to help us deal with the maldistribution of nurses around the country.

I would make one other point in support of this program. It is that nursing training is not useful just to provide some arbitrary number of people to staff the hospitals and medical clinics of the country. This form of training can be useful on a far broader basis. As we look for alternative ways of providing medical care in order to hold down hospital use and medical costs, it may be that the need for nurses and paramedical personnel will be greater.

Nurses with advanced training could transform America's present health care system from one that limits itself to the treatment of sickness into one that stresses preventive health. The cutoff of funds for fiscal 1979 contemplated by the rescission threatens, however, the innovative graduate nursing and research programs that train nurse specialists to practice and teach in primary care, gerontological nursing, community health nursing, parent-child nursing, and other advanced specialties.

In rural areas like mine, people with these kinds of training will be able to reach out and provide medical services to poor, elderly or remotely located people in a more effective and economical manner. If we are ever to be able to afford national health insurance, a greater emphasis on specialties such as these may have to be the wave of the future.

Let me say also that we as a nation can afford the program funded in the continuing resolution. That program has not been growing. In fact, the $122 million originally provided for fiscal 1979 is actually less than the amount appropriated in fiscal 1978, which was $126 million. There is simply no reason to cut back further on this program.

Neither is there any reason to cut back on capitation grants to schools of medicine, osteopathy, and dentistry. The second rescission approved by the committee in the health resources area would take away $20 million of the $120 million we originally appropriated for that purpose. Yet the committee denied the proposed rescission of funds for capitation grants to schools of veterinary medicine, optometry, podiatry, and pharmacy. What is the difference?

Do we now have too many doctors, osteopaths, and dentists in the country? Again, that seems to be the HEW premise.

I do not buy it. The maldistribution of personnel as between urban and rural areas that we noted for nurses also exists for other categories of medical personnel.

Rural areas also have a particular need for emergency medical services, the third area affected by the rescission. Why should we cut out this small program entirely, as HEW proposes, or cut it in half as this bill would do. I think this small program of emergency medical training will bring us good rewards around the country in terms of lives saved, and I would like to see it continued.

I am very pleased the Members of the House of Representatives agree with me and thus have seen fit to vote to restore the funds. This is money well spent.●

● Mr. BARNES. Mr. Speaker, the House has taken an extremely unwise action by voting to rescind $37 million in funding for construction for the National Institute of Child Health and Human Development at the National Institutes of Health. The rhetoric of fiscal conservatism is extremely popular in this Chamber, and I can understand how many Members feel they can justify a vote against a new construction project, but all too often we forget that it is people who are vitally affected by our actions. A significant health mission of the National Institutes of Health has been set back by the vote of this body today, and research of potential benefit to millions of Americans could be delayed.

I supported the Subcommittee on Labor/HEW and related agencies in its opposition to the rescission of this significant project, and I am hopeful that action by the other body and in conference can restore funding with a minimum of delay.●

● Ms. MIKULSKI. Mr. Speaker, I rise to speak in opposition to the recission of $61.8 million for health care. I am committed to cutting the Federal budget for expenditures that are wasteful and unnecessary, but I am not convinced that the "cost-benefit ratio," as the budget analysis entitle it, justify this action.

I am a new member of the Health Subcommittee of the Interstate and Foreign Commerce Committee. I look forward to this exciting and challenging assignment, because of my strong commitment to the goal of providing good, primary health care to all Americans at a cost they can afford. I think that this rescission is contrary to this goal.

First, I would like to address the $38 million for nurse training. As we all remember, on September 1978, the House of Representatives voted 393 to 12 to continue the Nurse Training Act. At that time, I, along with 392 of my colleagues were convinced that there was an urgent need for additional funds to train nurses and also to broaden the variety of health services they could deliver.

I was shocked when President Carter pocket-vetoed the bill, stating that it was inflationary. I remember wondering if it was really more inflationary than the energy bill that he had just signed or the appropriations for the War College, but at least, I was reassured that the effect on the nurses would not be abrupt. At that time, President Carter said:

> Disapproval of this bill will not cause an abrupt termination of funding of the nurses training program, since funds are available for FY '79 under the continuing resolution.

Now just a few months later, President Carter wants to cut 67 percent of these funds. Fortunately the Appropriation Committee has restored some of the funds, but many nursing schools and nursing students are going to face disruption in their funding on April 1, 1979.

As we entered this period of fiscal austerity, I made a commitment to my constituents that I would look for ways to cut Federal spending. I told them I would look at a proposed budget cut and ask some questions "Is the cut fair—does it hurt one segment of our society more than another. Does it abolish an ineffective program or does it provide basic services to my constituents."

It is clear to me that to rescind this money does not meet my criteria of a wise way to cut Federal expenditures.

But the questions are even more basic than that. I am committed to the expanded role of a variety of health professionals. I think that one way to keep the costs of health care down is to allow nurses, nurse practitioners, nurse-midwives, and other allied health professionals, the opportunity to provide a broader area of service. Properly trained, there are many services that these professionals could deliver, instead of high-cost doctors. So I want to see more, not less, nurses in the next decade.

But even before we add new services, I am not convinced that we have too many

nurses. The level of unemployment for newly trained nurses is 1.3 percent and for all nurses it is 3 percent. Way below the national average for most professions. In Baltimore, surveys indicate the hospitals are running 15 percent short of nurses.

Recently we had a natural disaster in Baltimore—it was 24 inches of snow. And I discovered that Baltimore ran okay when the politicians and the bureaucrats did not get to work. We were not even missed. But the nurses were missed immediately. And you know what, many of them found a way to get to work and if they could not get to their own hospital, they worked at one closer to their homes.

Since nurses are 97 percent female, the Carter administration may have decided that they were a vulnerable group in the same way the elderly were an easy target for social security cuts. But I think that the President is wrong. If he is really committed to preventive and primary health care as a way to hold down the cost of health care, nurses should not be the target of his budget cuts.

In conclusion, I would like to mention the $20 million for capitation grants. I have seen some reports that we have filled our goals in the health manpower program and now we have enough doctors, dentists, pharmacists, et cetera. My Health Committee has jurisdiction over this act. I would like to give the medical dental, pharmaceutical, and podiatry schools an opportunity to come and tell their story. If in fact, after their testimony, I decide that the program has achieved is goals, I will be willing to end the program, but I am opposed to doing it by a rescission amendment to the fiscal year 1979 budget.●

● Mr. WALGREN. Mr. Speaker, I am very concerned about the proposed cuts in nursing research funds. Research in nursing is relatively new and is just beginning to pay dividends in improved patient care.

Support for nursing research is especially critical at this time for the very reason that it is a developing field. The growing importance of nursing research was recently pointed out by the National Academy of Science's National Research Council. The Council's committee on needs for research personnel designates nursing research as a "distinct area of scientific inquiry."

Just as in other professional fields, nursing skills can be fully developed and utilized only if there is effective research to provide sound data on which to base nursing practice.

The National Research Council committee has specifically recommended continued Federal support for nursing research training. In fact, the committee report said that the obvious demand for instructors and researchers with graduate training "makes it likely that training funds could be productively used for the next several years on an expanding basis."

If these rescissions are approved, 40 nurse researchers will lose support this year and 3 graduate programs will lose research training award funds.

Nursing research addresses the human and behavioral questions that arise in the treatment of disease. It also is concerned with prevention of illness and the maintenance of health. One nurse researcher, for example, conducted a study that led to effective treatment of postsurgical infections that had been on the increase in a hospital. Another study dealt with methods to improve home care and self-care and prevent posthospitalization complications of persons with spinal cord injuries.

I personally think that a program of continued support for nursing research is a necessity and I ask my colleagues to restore these funds.●

● Mr. OTTINGER. Mr. Speaker, I rise in opposition to the proposed rescissions in the nurse training and research programs.

These requested budget rescissions would wipe out nursing's small research program. Thirty-three current projects would be abruptly terminated. Medical research deals primarily with diseases. Nursing research, on the other hand, is concerned more with the patient. It is aimed at better, more cost effective nursing care. Some studies seek to reduce postoperative complications, others to facilitate home-based care and self-care in chronic illness. Other projects are to improve the prospects for high risk groups such as premature infants and the elderly. Some nursing research deals with ways to reduce the disabilities, discomforts and costs of coronary and cerebral vascular problems.

Nurse researchers at the University of Minnesota have developed a program for children with terminal cancer that fulfills the dying child's wish to be at home and provides psychological benefits for the entire family.

Other research studies have focused on pain alleviation, care of burned patients, home care during dialysis.

Congress has recognized the importance of nursing research through appropriations and by incorporating specific reference to support of nursing research students in the National Research Service Awards program.

I would like to point out also that appropriations for nursing research for fiscal 1979 were included in the regular appropriations measure approved by Congress and signed by the President.

The entire appropriations for nursing research training and projects is only $6 million. Surely this amount is not going to break the national budget. I just cannot see any justification in wiping out, in the name of economy, a program that is bringing great benefits to patients and cost effective methods of care. It is a false economy. I urge that those cuts be restored.●

● Mr. WEISS. Mr. Chairman, I support the amendment to the first Budget Rescission of 1979—H.R. 2439—which prevents $37 million in proposed cuts in esential health education programs.

Offered by Mr. STAGGERS—the chairman of the committee responsible for authorizations for these programs—the amendment restores $17,046,000 for advanced nurse training programs and $20 million for the capitation grant program which provides financial support for medical, dental, and osteopathic schools.

The severe funding slash represented by H.R. 2439 is unconscionable in the middle of the fiscal year. Both the affected programs were originally slated for modest extensions. Both programs were funded at a reasonable level by the previous Congress.

The Nurse Training Act was passed by a vote last year in the House of 393–12, but it was pocket-vetoed by the President. The President then agreed, however, to support a continuing resolution which preserved this vital program.

Over 50 national health organizations and related groups have spoken out in opposition to the proposed rescission. Among these groups are the Association of New York Neighborhood Health Centers, the Mental Health Association, and Planned Parenthood Federation of America.

The chairman of the Health Subcommittee, Mr. WAXMAN, has noted that this budget rescission would result in the abrupt termination of 33 research projects and scholarships for 3,500 nursing students, most of whom are from low-income families.

I would like to point out to those of my colleagues who support the budget rescission as a step toward balancing the budget that this $37 million cut would in fact be an illusory savings. Decent health care for Americans, which these programs help insure, will save the Government and taxpayers money in the long run. We should not seek to economize at the expense of our constituents' health.

Health education institutions and program administrators have already planned for fiscal 1979 on the assumption that the funding level approved and promised them by both the President and Congress would in fact be delivered. They have rightly assumed that our commitments would be honored. We cannot now turn away from this pledge.●

□ 1545

The SPEAKER pro tempore. Are there further amendments?

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

THE VFW'S VOICE OF DEMOCRACY CONTEST

(Mr. WHITLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WHITLEY. Mr. Speaker, each year United States and its ladies' auxiliary conduct a Voice of Democracy Contest. Students from secondary schools throughout the country participate by writing and delivering speeches. This year's topic is "Why I Care About America."

The winner from the State of North Carolina is one of my constituents, Neal Ray Jones of Smithfield. Neal is 18 years old and has demonstrated outstanding ability and achievement during his high school career. I place his award-winning speech in the RECORD:

WHY I CARE ABOUT AMERICA

It is no easy task to lay bare the deep feelings that go with caring in a patriotic way. The temptation is to proclaim freedom as an easy going tolerance that says anything goes. "Our country, right or wrong," forgetting the rest of that quote by Carl Schurz, "When right, to be kept right; when wrong, to be put right." This thought brings into focus a basic truth about patriotism: The love of one's country is a moral virtue. If a man is bad, his patriotism cannot be good. Indeed, it becomes, as Samuel Johnson said, "the last refuge of a scoundrel." So, it is wise for us to know who it is that waves the flag, then we may well know why.

I care for America because of the rich heritage she has given me . . . woven out of a thousand strands of loving memory. Looking for the best, I find historic accounts that compel my grateful concern: The Thomas Jeffersons who loved their neighbors as themselves and their country even more; the Abraham Lincolns who reaffirmed the proposition of a people's government; the Franklin D. Rooseveltz declaring the basic freedoms for all mankind: Freedom of speech and religion, freedom from want and fear and there are the unknown soldiers who gave full measure of devotion in the hours of conflict and crisis . . . at Valley Forge, at Gettysburg, at the Marne, and at Normandy; and there are common citizens of each generation exercising their democratic duty in the political process of the ballot box and tax returns. Nor should we forget the scientific genius of the Eli Whitneys, the Thomas Edisons, the Henry Fords, the Wright brothers, and that endless workline of nameless faces which gave America prestigious power in trade and commerce. It is because of what she was in affording me so great a heritage that I must care now for the America that is yet to be.

I care for America with high hopes for the future in ways that are personal and social. This concern will surely be nigh adventure on unchartered seas, countless Neil Armstrongs walking on unnamed planets, political Lincolns carrying the American dream of equality and fraternity to all the world. Moreover, this concern will produce social advocates that touch the lives of people where they hurt, bringing hope to the inner cities turned ghettos of despair, bringing hope to materialistic suburbia that is too much given to things. This concern will yield public servants fulfilling the idea of a "more perfect union" with integrity and good will. And this concern will provide spiritual counselors who push back the frontiers of mind and spirit and prevent the deadly winds of ignorance, poverty, and prejudice. These concerns will bring fulfillment and enrichment far beyond America's present horizon.

Now, a word of caution: Mere talk of heritage and hope is not sufficient in the expression of why I care about America. The thought waits upon the deed; the precept waits upon the example. Genuine caring and true patriotism are not restricted to service in high government office; they are also related to housewives and store clerks and schoolboys in their workaday opportunities. Genuine caring and true patriotism do not wait upon the trumpet call to mortal combat; they also have to do with the humdrum of everyday life and the challenge of the common place. Here, at last, is where the real test takes place; and here, finally, is where we begin to care for America.

INFLATION STEALS FROM EACH EXISTING DOLLAR IN PAYCHECKS AND SAVINGS ACCOUNTS AS A DELIBERATE GOVERNMENT POLICY TO FINANCE SPENDING

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PAUL. Mr. Speaker, in the Old Testament, the Prophet Isaiah denounced a society that had debased its money through inflation, and therefore was suffering increased crime, political corruption, and oppression of the poor.

These and other evils always follow fiat money.

"Fiat" is Latin for "Let it be so." Fiat money is a currency backed only by the "Let it be so" of politicians, instead of something with intrinsic value.

America has a fiat dollar, and nothing stops the Federal Government from printing more and more billions. This inflation steals from each existing dollar in paychecks and savings accounts as a deliberate Government policy to finance spending.

Economist Howard S. Katz discusses this in his brilliant book, the Paper Aristocracy. I would like to bring some of his remarks to my colleagues' attention:

The effects of a currency depreciation are not taught in our schools. But they are a common occurrence throughout history. For example, the Civil War currency depreciation—the product of the legal tender laws of 1862 and the borrowing for the war—was described by Clarkson Nott Potter to the Supreme Court as follows:

"Who can deny that a whole community is being demoralized, as under such a system of paper money communities everywhere and at all times have been demoralized? Who can deny that men will do now what they would have shrunk from ten years ago, before this system existed? When the wicked prosper, other men make haste to do likewise. And now not from the cities only, but from every part, men seek the great marts to try their fortunes in the ventures of the hour, hoping to gather where they have not strewn. Gambling in stocks, with the dangerous combinations it invites, and the corruption which it encourages, has become general; so that it is deemed venial to artificially inflate or depress prices, to create fictitious values by forced scarcedness or undue depression by combined attacks. And whatever danger may come to the public debt of this great country, will come, not from the unwillingness of the people to pay; not from their want of ability to pay but will come, if it should come at all, from the recklessness of a people carrying out their schemes upon the waves of an inflated currency, and from the demoralization which such speculation produces. How can it be expected that this people will make the sacrifices necessary to enable their government to keep its pledged faith, when it has not only failed to keep its own faith with its creditors, but has filled its coffers from the sale of licenses to men to wrong each other by short payments, and has made haste to ratify, by the decision of its supreme tribunal, the constitutionality and righteousness of such a course?"

This was 100 years ago, but how very like the present. Potter is talking about the likes of Jay Gould, Jim Fisk and Daniel Drew. But he could be talking about our own Allen Klein, Fred Mates or Bernard Cornfeld.

And we find the following description of England during the currency depreciation of the Napoleonic Wars:

"Nature seemed to make common cause with war and bad finance. The winter of 1812 was extraordinarily severe, and the accidents by flood and fire here numerous, *Crimes began to multiply* in that accord between physical distress and moral decay so often noticed. *Wages were down at starvation point.* Spinners had 7s. 6d. per week in a time of high prices for the necessaries of life. The recent introduction of machinery and the extension of the factory system would have caused an inevitable period of pressure on hand workers. Now these causes fell in with others to enhance the distress. The artisans, in striking analogy with our own farmers at the present time, sought their foe in the nearest and most palpable shape in which the bad circumstances of the time pressed upon them. They attacked the machines, burned the factories, and *united in riotous disturbances.* The *corn laws were in full force*, and prevented the relief which might have come from other countries in time of scarcity, while *manufacturers were entangled in a mesh of restrictions*, more ruinous even than Napoleon's Decrees or the Orders in Council."

Here again we see crime, a decline in real wages, civil unrest, war and restrictions on freedom. Throughout history we find the fate of nations attached to the soundness of their currency. The fall of the Western Roman Empire was accompanied by a depreciation of its currency while the Eastern Empire survived. The Ottoman Empire lasted for 800 years with sound money and collapsed half a century after starting its debasement. England, after the Napoleonic Wars, established the pound as a gold currency and attained her period of greatness through the 19th century. But when the attempt to return to the gold standard failed after WW I, England quickly became a second rate country.

The reason for this is that paper money is the principle of something for nothing, and a society founded on the principle of something for nothing can not survive. Money is used by everyone in our modern society, and when money is corrupted, a corruption enters the bloodstream of our social life. Those who prosper are no longer the Hortaio Alger types who prospered in the 19th century and built the country by their own success. They are fly-by-night promoters and gamblers who construct jerry-built conglomerates and know more about public relations than about operations. The beaver has been put out, and in his place is the leech—the man who prospers by taking from others.

When the road to success in a society is by legalized robbery, then the men in that society fail to eating each other. "When the wicked prosper, other men make haste to do likewise." That is what we in America are doing now. The evil are eating up the good, and when they have finished with that, they will eat each other.

THE CHANGING OF RURAL AMERICA

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKELTON. Mr. Speaker, today, I want to talk about something that is important to all of us: Agriculture and rural America. Particularly, I want to discuss the change in American farming as we have known it in years past.

Our country is fortunate in having the world's most productive agricultural sys-

tem. It supplies all of our domestic needs and still exports nearly one out of every three harvested acres. The food and agriculture sector is the largest employer in the United States. Exports of farm products are the major contributor to balancing growing trade deficits. In our State alone, Missouri, 1977 cash receipts from farm marketings totaled $2.78 billion. The value of farm exports was $766.4 million. In Missouri's Fourth Congressional District, 1977 crops totaled $280,607,000, of which $123,062,000, 45 percent, went into the export market.

However, this productive agriculture system has undergone significant changes in the last three decades. The basic trend has been one of increasing concentration of farms as well as supporting facilities. There has been a drastic reduction in the number of family farms, and in the number of people living on farms. Many of our rural communities have declined in vitality. If these trends continue, agriculture and life in rural America may cease to exist as we have known them. The consequences, both economic and social, would be serious.

In 1935, we had 6.8 million farms in the United States. By the 1974 Census of Agriculture, this number had dropped to 2.34 million farms, only 1.7 million of which are considered to be commercial farms with yearly sales of $2,500 or more. As the number of farms has decreased, the size of the average farm has increased from 197 acres in 1940 to 440 acres in 1974. The commercial farms average 534 acres. The United States has been losing an average of 2,000 farmers per week since the 1940's. In the past, most farms were owned by the families who operated them. Today, it is estimated that less than one-half of all farmland is owned by the operator. Over half of all farmers today receive income from off-farm sources, with the average farm family now getting nearly 60 percent of its total income from other sources.

Agricultural sales today are dominated by the largest farms. The top 2 percent account for 37 percent of farm sales. The largest 20 percent make 80 percent of all gross agricultural sales.

Although we are prone to think that bigness equals efficiency and productivity, this may not be the case with large, nonowner operated farms. Indeed, statistics show that relative operating costs are substantially lower for small and midsize farms. Many of the largest farms tend to be specialized, thus some of the flexibility needed to deal with adverse times is missing. They are more dependent on hired labor to do the necessary work. Moreover, they are more dependent on factors beyond their control, such as worldwide economic conditions, and costly imported oil.

As the number of farms has declined, there has been an equally dramatic drop in farm population. In 1960, over 15.6 million people lived on farms. By 1970, this figure had declined to under 10 million. In the 1970's, farm population has been dropping by an average of about 300,000 each year. It was down to 7.8 million in April of 1977.

Some percentage figures show how this has affected the political base of farmers. Thirty percent of the U.S. population lived on farms in 1920. By 1950, it was 15 percent. It fell to 5 percent by 1970, and to 3.6 percent by 1977.

As Congress and State legislatures have been reapportioned to reflect this population shift, farmers have witnessed a decline in their political power. Those legislators who have a constituency with a rural majority have become fewer and fewer. Those in urban and suburban areas with no rural constituents have increased in number.

There is no doubt that this shift has affected Government programs. For example, about 41 percent of the Nation's poor people (a total of 10.5 million people) live in rural areas. They generally are older, more disabled and less educated than their urban counterparts. Yet Government programs to assist the poor have been targeted at urban areas. The result is that only one-fifth of the rural poor receive all or part of their income from public assistance programs, compared with one-third of the urban poor.

Similarly, Government programs to assist cities often explicitly exclude towns below a certain population level, even though the problems in the small towns and rural areas are no less severe in human terms than those in large cities.

The enactment and maintenance of basic farm legislation has become more difficult. It is no accident that the food stamp program and other food and nutrition programs have been placed in farm legislation and are administered by the USDA. This is necessary to broaden the support for farm legislation and farm programs.

The decline in farm population has adversely affected rural areas economically as well as politically. As a rule, farmland owners who do not operate the farm on a day-to-day basis do not take as active a role in community affairs as a family-type farmer. Frequently, they do not even live in the farm community, taking the revenues from the farm operation outside the area.

Local businesses and institutions have felt the impact. Large farms often must go outside the local area to purchase sophisticated farm equipment. This contributes to the decline of local, home-owned small businesses, and lessens employment opportunities for nonfarm young people, forcing them to seek jobs in larger cities. The tax base of rural communities has eroded, resulting in a decrease in services and amenities. This encourages further outmigration.

In addition to politics and economics, I believe the decline in rural population has threatened what I like to call rural values. As a life-long resident of a community surrounded by farms, and a former prosecuting attorney in a basically rural county, I have always been impressed by rural young people. They are self-reliant, dedicated, respectful of the rights of others, and willing to work hard to achieve success in the world. This owes in no small part to the upbringing they receive on the family farm. These are values that are an important part of the social fabric of America. They are values our Nation cannot afford to lose.

The changing structure of American agriculture raises many questions which need to be addressed. We must decide, as a Nation, whether we want our food produced by family farmers. If that decision is yes, we must take steps to preserve this important institution. We in Government must review those policies which, however well intentioned, have contributed to the decline in the number of family farms, and make the necessary policy changes.

Since the decision will largely be made by the 97 percent of our population which is nonfarm, we must establish a dialog with our urban and suburban colleages in Congress and with the residents of urban and suburban areas. We must convince them that they have a large stake in the preservation of the family farm. For our part, we must listen to their concerns and the concerns of their constituents.

We must vigorously oppose attempts to weaken the USDA, by reorganization or whatever means. A strong, effective Department of Agriculture, with a broad constituency, is vital to rural America. Further, we must oppose attempts to cut back disproportionately on programs that benefit family farms and rural America.

We must work to make sure that rural areas are permitted to participate fully in Government programs. We are not asking for bigger Government programs and more spending. To the contrary, I am proud of the fact that rural America has been the leader in the drive for fiscal responsibility in Government. What we do want, and deserve, is our fair share of programs for which we are helping to pay.

Work must be done on the House Agriculture Committee, and through ad hoc groups such as the Congressional Rural Caucus, to achieve these goals. We need the help of all who are interested in agriculture. We must work with and convince our city friends of the importance—both economically and socially—of America's family farms. If we are not successful, family farms will go the way of our American frontier wilderness—a bright but sad chapter in the history book of America.

Years ago, William Jennings Bryan said:

> Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country.

Bryan may have been speaking with exaggeration, but we must not allow his words to be put to the test.

SOCIAL SECURITY FINANCING AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Social Security Financing Amendments of 1979. This bill is an updated version of H.R. 11304, which I cosponsored in the 95th Congress with the late Representative William Ketchum.

My colleague from Minnesota (Mr. FRENZEL) has introduced H.R. 1851, which is similar to my bill. However, my bill contains a number of technical changes and adjusted effective dates which distinguish it from H.R. 1851.

For the benefit of my colleagues, a section-by-section analysis of the Social Security Financing Amendments of 1979 follows:

SECTION-BY-SECTION ANALYSIS OF THE SOCIAL SECURITY FINANCING AMENDMENTS OF 1979

TITLE I. PROVISIONS TO IMPROVE THE FINANCING OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

Section 101: Adjustments in tax rates

(a) Amends those provisions of the Internal Revenue Code which relate to the tax rates imposed on employees, employers, and self-employed persons under the Old-Age, Survivors, and Disability Insurance Program (Title II of the Social Security Act) as follows:

Employees and employers

[In percent]

	Current law	Social security financing amendments of 1979
1979–80	5.08	5.05
1981	5.35	5.60
1982	5.40	5.60
1983	5.40	5.60
1984	5.40	5.60
1985	5.70	5.60
1986–89	5.70	5.60
1990–2010	6.20	6.25
2011 and thereafter	6.20	7.25

Self-employed persons

[In percent]

	Current law	Social security financing amendments of 1979
1979–80	7.05	7.10
1981	8.00	7.10
1982–84	8.05	8.46
1985–89	8.55	8.46
1990–2010	9.30	9.35
2011 and thereafter	9.30	10.45

(b) Amends those provisions of the Internal Revenue Code which relate to the tax rates imposed on employees, employers, and self-employed persons under the Hospital Insurance program (Title XVIII of the Social Security Act) as follows:

Employees and employers

[In percent]

	Current law	Social security financing amendments of 1979
1979–80	1.05	1.00
1981–84	1.30	1.30
1985	1.35	1.30
1986 and thereafter	1.45	1.45

Self-employed persons

[In percent]

	Current law	Social security financing amendments of 1979
1979–80	1.05	1.00
1981–84	1.30	1.30
1985	1.35	1.30
1986 and thereafter	1.45	1.45

Section 102: Allocation to Disability Insurance Trust Fund

Amends those provisions of the Social Security Act which indicate the percentage of wages paid and self-employment income reported which are to be allocated and appropriated each year to the Disability Insurance Fund as follows:

	Current law	*Social security financing amendments of 1979*
1979–80	1.50% of wages, plus 1.04% of self-employment income.	1.55% of wages, plus 1.09% of self-employment income.
1981–84	1.65% of wages, plus 1.2375% of self-employment income.	1.71% of wages, plus 1.35% of self-employment income.
1985–89	1.90% of wages, plus 1.4250% of self-employment income.	1.71% of wages, plus 1.35% of self-employment income.
1990–2010	2.20% of wages, plus 1.650% of self-employment income.	2.20% of wages, plus 1.66% of self-employment income.
2011 and thereafter	2.20% of wages, plus 1.650% of self-employment income.	2.57% of wages, plus 1.925% of self-employment income.

Section 103: Repeal of special statutory increases in contribution and benefit base

Repeals the special statutory increases in the contribution and benefit base for 1980 ($25,900) and for 1981 ($29,700), and provides instead that the contribution and benefit base for those and subsequent years are to be determined by the automatic adjustment formula in the law.

Section 104: Borrowing among social security trust funds

Adds a new section to the Social Security Act by which the Board of Trustees of each of the 3 trust funds (the Old-Age and Survivors Insurance Trust Fund, the Disability Insurance Trust Fund, and the Hospital Insurance Trust Fund) is authorized to make formal requests for loans from either or both of the other two funds if such Board of Trustees determines that the balance in its fund is or will shortly become insufficient to make required payments. Such loans may be made at the discretion of the Board of Trustees of the fund to which such request is directed. Any loan made by one trust fund to another is repayable with interest within two years, although the term of any such loan may be extended at the discretion of the Board of Trustees of the fund from which it was made.

Section 105: Effective date

Provides that the amendments made by sections 101 and 102 shall apply with respect to remuneration paid or received on or after the date of enactment of this Act. The provisions of section 103 shall become effective upon enactment of this Act.

TITLE II: IMPROVEMENT OF LONG-RANGE FINANCING THROUGH A GRADUAL INCREASE IN RETIREMENT AGE

Section 201: Increase in minimum retirement age for unreduced benefits from 65 to 68

Provides for increasing the minimum retirement age at which unreduced benefits are payable from 65 to 68. This would be accomplished by amending section 202(q)(9) of the Social Security Act (which defines "retirement age" as "age 65" for the purpose of reducing benefits for individuals who retire prior to that age) and adopting the following definition of "retirement age" for individuals entitled to old-age, wife's, husband's, widow's, or widower's insurance benefits:

"The term 'retirement age' means—

The age of	*If the individual attains such age in*	*And if the individual does not attain such age in or before the calendar year shown below, but files an application in such year*
65	December 1999 or before	1999 or before.
65 years and 3 months	April to December 2000	2000.
65 years and 6 months	April to December 2001	2001.
65 years and 9 months	April to December 2002	2002.
66 years	April to December 2003	2003.
66 years and 3 months	April to December 2004	2004.
66 years and 6 months	April to December 2005	2005.
66 years and 9 months	April to December 2006	2006.
67 years	April to December 2007	2007.
67 years and 3 months	April to December 2008	2008
67 years and 6 months	April to December 2009	2009.
67 years and 9 months	April to December 2010	2010.
68 years	After March 31, 2011	2011 or after."

Section 202: Effective date

Provides that the amendment made by section 201 shall become effective upon enactment of this Act.

TITLE III: WORKING SPOUSE'S BENEFIT AND ELIMINATION OF GENDER-BASED DISTINCTIONS UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

Part A—Working Spouse's Benefit

Section 301: Benefits for certain working spouses

Adds a new section to the Social Security Act, which provides a working spouse's benefit for any person who is entitled in any month to *both* an old-age or disability insurance benefit on account of his or her own work and to a benefit as a wife, husband, widow, widower, or mother. Such working spouse's benefit for any month is equal to 25 percent of whichever of the two benefits is smaller. However, such benefit may not be greater than the difference between (1) the larger of the two other benefits involved (after any reductions required by other sections of the Act) and (2) the maximum primary insurance amount which would be payable to such individual if he or she had had the maximum credible amount of wages and self-employment income in each year after 1950 and prior to the first year in which he or she was first entitled to both such benefits. Only one member of a married couple can be entitled to a working spouse's benefit for any month on the basis of the same wages and self-employment income. (Where both would otherwise be entitled to a working spouse's benefit on the basis of the same wages or self-employment income, the spouse whose entitlement to such a benefit would result in the greatest total amount of benefits for the couple would be the one to receive it.) The amendments made by this section would apply with respect to months after December 1979.

Part B—Equalization of Treatment of Men and Women Under the Program

Section 311: Divorced husbands

Revises those provisions of the Social Security Act which relate to husband's and widower's benefits by extending eligibility for such benefits to aged divorced husbands and aged or disabled surviving divorced husbands on the same basis that wife's and widow's benefits are now available to aged divorced wives and aged or disabled surviving divorced wives. (Benefits are currently being paid to aged divorced husbands as a result of a 1977 Federal district court decision in *Oliver* v. *Califano*.)

Section 312: Remarriage of surviving spouse before age 60

Revises those provisions of the Social Security Act which relate to widower's benefits by extending eligibility for such benefits to widowers who "are not married" at the time they apply for benefits. Currently, widower benefits are limited to those who "have not remarried". Such a change would enable males to receive widower's benefits on the same basis that females can now receive widow's benefits.

Section 313: Illegitimate children

Revises those provisions of the Social Security Act which relate to the entitlement of illegitimate offspring of the worker to children's benefits. Provides that the status of illegitimate children for purposes of entitlement to children's benefits will be determined with respect to the child's mother in the same way as it is now determined with respect to the child's father. In addition, this section would change the Social Security Act to conform with a 1974 Supreme Court decision (*Jimenez v. Weinberger*) which provided that certain illegitimate children could get benefits based on a worker's earnings if the relationship and/or living with or support requirements in the law are met at the time the child applies for benefits (instead of before the worker becomes disabled, as the Social Security Act now provides). Children of retired workers would be affected by this change as well.

Section 314: Transitional insured status

Revises those provisions of the Social Security Act which relate to benefits based on transitionally insured status, by extending eligibility for benefits to husbands and widowers (who attained age 72 before 1969) of transitionally-insured workers. Currently, benefits are only payable to wives and widows (who attained age 72 before 1969) of transitionally-insured workers.

Section 315: Equalization of benefits under section 228

Revises those provisions of the Social Security Act which relate to special payments to certain uninsured individuals, by providing that each member of an eligible couple will get an equal payment (rather than a larger amount for the man and half that amount for his wife, as present law now provides).

Section 316: Father's insurance benefits

Amends the Social Security Act to conform with a 1975 Supreme Court decision (*Weinberger v. Weisenfeld*), which provided that a widower who has in his care a minor or disabled child (that is, one who is entitled to child's benefits) of his retired, disabled, or deceased wife, or of his deceased former wife, is entitled to benefits on the same basis as benefits are now available to a widow in like circumstances. This section would also amend the Social Security Act in order to provide benefits to the following men who were not affected by the Supreme Court's holding: young husbands of retired or disabled workers, and surviving divorced husbands, who have an entitled minor or disabled child of the retired, disabled, or deceased worker in their care. Under current law, benefits are payable only to young wives, and surviving divorced wives, who have an entitled minor or disabled child of the worker in their care.

Section 317: Effect of marriage on childhood disability beneficiary

Provides that the benefits of a male childhood disability beneficiary who is married to a childhood disability or disabled worker beneficiary would cease if the latter's benefits are terminated because she recovers or engages in substantial gainful activity. (Present law provides for terminating the benefits of a female childhood disability beneficiary under similar circumstances.) The amendment made by this section would become effective with respect to termination of benefits of a female beneficiary occurring after December 1979.

Section 318: Effect of marriage on other dependents' or dependent survivors' benefits

Provides for terminating the husband's, widower's, or parent's insurance benefits of a man married to a childhood disability beneficiary, if the disabled spouse's benefits are terminated because she recovers or engages in substantial gainful activity. Under current law, a woman who receives wife's, widow's, or parent's benefits has her benefits terminated if her disabled spouse's benefits are terminated because he recovers or engages in substantial gainful activity. The amendment made by this section would be effective with respect to terminations of disability benefits occurring after December 1979.

Section 319: Treatment of self-employment income in community property states

Revises those provisions of the Social Security Act and the Internal Revenue Code which relate to the treatment for social security purposes of self-employment income from a trade or business of a married couple in a community property state, by providing that such self-employment income will be credited to the spouse who exercises the greater management and control over the trade or business. Where each spouse exercises the same amount of management and control over the trade or business, this section would provide that such income and deductions would be divided equally between the two spouses. Under current law, such self-employment income is credited to the husband unless the wife exercises substantially all of the management and control over the trade or business. The amendments made by this section would become effective with respect to taxable years beginning after December 1979.

Section 320: Credit for certain military service

Revises those provisions of the Social Security Act which relate to the crediting of certain military service, by giving to widows and children the same right which widowers now have to waive a civil service survivor's annuity and instead receive credit for military service prior to 1957 in determining (a) eligibility for survivor's benefits and/or (b) the amount of the benefit.

Section 321: Conforming amendments

Makes technical amendments in various provisions of the Social Security Act in order to conform to changes made by this Act.

Section 322: Effective date

Provides that the amendments made by this part of the Act (except as otherwise specifically provided) shall apply with respect to benefits payable for months after December 1979.

TITLE IV: COVERAGE OF EMPLOYEES UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

Section 401: Coverage of Federal employees

Revises those provisions of the Social Security Act and the Internal Revenue Code which relate to the definition of "employment", by repealing those paragraphs which now exclude from such definition service performed in the employ of the United States or an instrumentality of the United States which is covered by a retirement system established by United States law, and of certain other instrumentalities of the United States. The amendments made by this section would become effective with respect to service performed after December 1980. This section would also provide that the Secretary of Health, Education, and Welfare, in consultation with the Civil Service Commission, make a detailed study of how best to coordinate the benefits of the old-age, survivors, disability insurance system and those of the civil service retirement system. This would be done with the objective of developing for Federal employees a combined program of retirement, disability, and related benefits which would assure that such employees are no worse off (comparing their benefits under the combined program with the benefits they would receive under the Federal staff retirement system then in effect) upon their coverage under the old-age, survivors, and disability insurance system pursuant to the amendments made by this section.

The Secretary of HEW is to submit to the Congress by January 1, 1980 a full and complete report on the results of such study, together with a specific and detailed plan for coordinating the benefits of the civil service retirement system and the benefits of the old-age, survivors, and disability insurance plan (along with appropriate comments or recommendations with respect to other staff retirement systems covering Federal employees). The plan so submitted is to include financing and benefit provisions and other features as may be necessary to assure that the employees involved will not be placed at a disadvantage by the coordination of the benefits of the systems as compared with their treatment under the Federal staff retirement systems in effect prior to such coordination.

In addition to and along with this study, the Secretary would be required to carry out a study of how best to coordinate the Medicare program and the program established by the Federal Employees Health Benefits Act, with the objective of developing for Federal employees a combined program of health insurance benefits to accompany the combined retirement and disability program discussed earlier. Such a combined health insurance program would include features necessary to assure that Federal employees are no worse under that program, in terms of benefits, than they were under the Federal Employees Health Benefits Act.

The study is to take into account the same aspects of the two health insurance programs and their coordination as those taken into account in the study dealing with the retirement and disability systems. The report due from the Secretary of HEW by January 1, 1980 on the combined retirement and disability systems is to include or be accompanied by a full and complete report on the combined health insurance programs.

Section 402: Crediting of certain Federal service performed prior to the effective date of coverage

Adds a new section to the Social Security Act, which provides that any individuals, who perform services in the employ of the United States (or any instrumentality thereof) *both* prior to *and* after the date on which the definition of "employment" is revised to include Federal service for purposes of social security coverage under section 401 of this Act, will have each calendar quarter in which such service was performed prior to that date treated as a quarter (if it is not otherwise a quarter of coverage.)

Section 403: Conforming amendments

Makes technical amendments in various provisions of the Social Security Act in order to conform to changes made by this Act.

TITLE V: LIBERALIZATION AND EVENTUAL REPEAL OF EARNINGS LIMITATION FOR INDIVIDUALS AGE 65 AND OVER

Section 501: Liberalization of earnings limitation

Raises the monthly earning limitation in 1981 for persons age 65 or over from $458.33⅓ to $625, and repeals the provision in current law which provides that the monthly earning limitation in 1982 for persons age 65 or over will be $500.

Section 502: Repeal of earnings limitation

Provides that the earnings limitation, beginning in 1982, would only apply to beneficiaries who are under retirement age (as defined in section 201 of this Act). Under current law, beneficiaries under age 72 (under age 70, beginning in 1982) are subject to the earnings limitation. This section would also repeal the delayed retirement credit provision of the Social Security Act for those persons who attain retirement age (as defined in section 201 of this Act) after December 31, 1981.●

CONGRESSIONAL VETO OF POSTAL CHANGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I am pleased to introduce a bill today that truly represents the interests of all of our constituents. This bill would return to Congress some control over the level of service the public receives from the U.S. Postal Service. It would give the Houses of Congress the right to veto substantial service changes proposed by the Postal Service if these changes are not in the public interest. This is truly the people's bill because it returns the right to a final decision to the elected representatives of the people.

As I am sure all of you are aware, there have been times in the past when the Postal Service seemed to be a private entity operating for and in its own interest rather than in the interest of its clients. It was not run as a public service. This has been reflected in higher rates and reductions in service. Since 1968, first class postal rates have increased 150 percent, from 6 cents per ounce to the current 15 cents. By way of comparison, the Consumer Price Index increased only 87.5 percent during the same period. At the same time, public services have been reduced, including the elimination of any new door-to-door delivery and the closing of many small post offices. I am not suggesting that the Postal Service currently plans to pursue a course of more service reductions and cost increases that has led, in the past, to a public outpouring of dissatisfaction, but I do believe that we should be prepared in the event that the Postal Service finds it desirable to follow such a path.

The legislation I am introducing would require the Postal Service to inform Congress of any proposed changes that would have substantially nationwide impact and would lead to a substantial change in service levels, such as elimination of Saturday mail delivery. If either House of Congress vetoed this plan, it would not go into effect. This would provide a mechanism for overseeing the activities of the Postal Service at the point where they most affect the public service levels.

A virtually identical bill was introduced in the last Congress by former Congressman Robert N. C. Nix of Pennsylvania, chairman of the Committee on Post Office and Civil Service during the 95th Congress. I was proud to cosponsor that bill along with all but one member of the Committee on Post Office and Civil Service at that time. On March 13, 1978, this legislation passed the House by a vote of 371 to 6, which is evidence of the unqualified support of and need for this legislation. Unfortunately, the Senate did not choose to act on the bill. I feel that it is in the best interests of the people to send this bill to the Senate one more time and I urge my colleagues to support it.●

HOSPITAL COST CONTAINMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 15 minutes.

● Mr. WAXMAN. Mr. Speaker, today I join my colleague, Congressman RANGEL of the Ways and Means Committee, in introducing the administration's hospital cost containment proposal.

I am joining in sponsoring this legislation, and I will make every effort to secure the passage of a hospital cost containment program in a workable, reasonable, effective form for a number of reasons.

First, President Carter has requested that Congressman RANGEL and I introduce the bill, and work to secure its passage. The President has emphasized to us, and to the American people, that this legislation is the keystone in his program to fight inflation. I support that effort. This is the one action he has requested from the Congress to provide him with the authority to enforce anti-inflation measures if voluntary efforts do not work. In the future, we may find that further direct controls are necessary. At the moment, this is the one that the President has asked for. I believe the Congress should give him the tools that are necessary.

Second, the leadership of the House has placed high priority on passing the cost containment bill. As the chairman of one of the two major subcommittees with jurisdiction over health issues in the House, and as a Democrat committed to my party's priorities, I intend to do all I can to see the legislation to enactment. I believe that ultimately the members of the Health and Environment Subcommittee, and of the full Committee on Interstate and Foreign Commerce, will take responsible action to control health care cost inflation. It is my intention to work with the members of the committee to secure this result.

Finally, I have introduced this bill because as a Government and as a society we cannot afford continuing increases in expenditures for medical care—particularly hospital care—at the rates we have been experiencing over the last decade. Reasonable persons may disagree on the exact amount of increases allowable in the hospital sector vis a vis other components in our economy. But there is no disagreement that:

Expenditures for hospital care have been rising considerably more rapidly than the economy as a whole for a lengthy period of time. Rates of increase in 1975, for example, reached 18 percent, even by conservative estimates. We have begun to change that trend, but the increases are still high.

The proportion of the gross national product spent on health care, already one of the highest in the world, has now reached 8.8 percent, and is continuing to increase with no end in sight. At some point, we must decide how much of our resources we want to spend on health care.

Government paid $76 billion for health care in fiscal year 1978—40 cents out of every dollar spent for health, half again as much as was paid by all private insurors. Expenditures for health by the Federal Government alone account for one out of every eight tax dollars. With calls for balanced budgets, and the compelling need for better coverage in health care programs, we have to find ways to control costs.

The way we pay for hospital care—most particularly in medicare and medicaid—has resulted in a hospital sys-

tem with virtually no incentives to reduce costs and operate as efficiently as possible. We have to create incentives but we have to be sure that we have real change—not simply a shifting of the costs to other payers.

Over the past several years, we have begun to see a slowdown in the increases in hospital costs. I recognize that there have been legitimate efforts by hospitals to be more cost conscious. The consideration of hospital cost containment legislation in the last Congress focused the attention not only of the Congress, but also of the public and the medical profession itself, on the problem of costs. The resulting voluntary effort mounted by the hospitals has clearly had an initial effect. Further, we cannot overlook the very significant impact of some of the effective cost containment programs in the States. We would not be experiencing a rate of increase as low as the 13 percent in 1978 without those State cost containment programs in place. However, the drop in the rate of increase which coincided with the initial stages of the voluntary effort should not lull us into believing the problem as solved:

First. Very recent data indicate a disturbing increase in medical care inflation again;

Second. The overall rate of increase in hospital care is still significantly higher than the rest of the economy;

Third. Activities which will truly result in more cost-efficient medical care continue to elude us.

I have some concerns about the proposed cost containment legislation. I would prefer an approach that was more simple and easy to understand.

But the hospital industry is not a simple one, and the problem of excessive cost increases may not be ones that can be dealt with simply.

I would prefer an approach which dealt more leniently with hospitals who have worked to assure that the care they provide is appropriate—which treat cases on an outpatient basis where possible, which work to reduce lengths of stay, which enforce standards for high quality, cost effective practice, and which make special efforts to reach the underserved in the community. Hospitals that are truly efficient should be released from arbitrary constraints. However, turning this objective into legislation is difficult—partly because of shortcomings in our ability to measure and identify the truly efficient institutions.

I like an approach which deals with hospitals individually, which analyzes changes in admissions and which assures that cuts in hospital costs are not achieved at the expense of an adequate wage for hospital workers. In each of these areas, the bill proposed this year is improved over the proposal sent to the 96th Congress. Our deliberations last year had much to do with the improvements we see now. Some problems still remain. But I hope we can work constructively with labor, with the hospital industry, with physicians, with Governors, and with consumers to make the legislation we pass this year as fair and as effective as possible.

I am including in the RECORD the summary factsheet prepared by the administration explaining the rationale for and approach of the bill Congressman RANGEL and I have introduced today:

HOSPITAL COST CONTAINMENT LEGISLATION
SUMMARY FACT SHEET

THE PROBLEM

MARCH 5, 1979.

Hospital cost containment legislation is a key component in President Carter's fight against inflation.

Over the past three years, total hospital expenditures have increased at a rate more than two times the rise in the Consumer Price Index—even faster than the rate of increase in such highly inflationary items as food and fuel.

No other legislative proposal before the 96th Congress can contribute so significantly

To curb inflation in the economy (if health care prices had increased at the same rate as other goods and services in 1975–77, the Consumer Price Index for that period would have been 5.8 percent rather than 6.1 percent);

To lighten the burden on Federal, State and local taxpayers (federal savings for Fiscal 1980–84 would be $22 billion, including $19 billion of social security trust fund savings; State and local savings for Fiscal 1980–84 would be as much as $6 billion);

To reduce the increasing cost to employers and workers of health insurance premiums (employers would save $14 billion for Fiscal 1980–84, and individuals $5 billion in lower health insurance premiums); and

To lower the direct cost of hospital care for the aged, poor, unemployed, and uninsured (individual out-of-pocket payments for hospital care would be $6 billion lower in Fiscal 1980–84).

Voluntary efforts to contain the sharp rise in hospital costs have not been adequate:

Hospital costs continued to rise in 1978 at about 13 percent annually according to estimates based on hospital industry data. Hospital room rates increased 12.4 percent, well in excess of increases in the prices of other goods and services (e.g., the Consumer Price Index for energy increased 8.0 percent in 1978 and food increased 11.8 percent, while the total CPI increased 9.0 percent).

Slight deceleration in the rate of increase in hospital costs in late 1977 and early 1978 has largely resulted from the prospect of a mandatory Federal program and from existing *mandatory* State cost containment programs, (e.g., New York State held increases in total hospital expenses to 6.2 percent in 1977). The deceleration has leveled off, and appears to be turning upwards.

Estimates of inefficient and unnecessary spending in the hospital industry indicate that there is ample room to realize significant savings without affecting the quality of health care. Strong legislative action is necessary because the hospital industry, which receives most payments on a cost plus basis, lacks fundamental market incentives to ensure efficiency and to eliminate waste.

THE LEGISLATIVE PROPOSAL

I. Basic approach

The proposed legislation has two parts:

National Voluntary Limit: The legislation would establish a national limit for the rate of increase in hospital costs in calendar 1979 which hospitals would be asked to meet voluntarily.

Standby Mandatory Controls: Should the hospital industry fail to achieve this nationwide voluntary limit in 1979, standby mandatory controls would be applied to individual hospitals beginning January 1, 1980.

II. National voluntary limit

The national voluntary limit for calendar 1979 would be a 9.7 percent rate of increase in total hospital expenses. This limit is set by adding three components:

An inflation allowance based on the increase in the cost of goods and services purchased by hospitals during 1979. This so-called "market basket" is estimated to be 7.9 percent in 1979. *But if the market basket rate of inflation during the year actually changes, corresponding changes would be made in this component of the national voluntary limit.* For example, if actual inflation caused the hospital market basket to rise from 7.9 percent to 8.2 percent during the course of the year, then the national voluntary limit would rise correspondingly from 9.7 to 10 percent.

An allowance for population growth would be 0.8 percent.

An allowance for net new services: the cost of additional services (e.g., new technology or more lab tests) minus savings from increased productivity and efficiency. This net new services allowance would be 1.0 percent.

In sum, the national voluntary limit will require the hospital industry markedly to improve productivity and efficiency to meet the allowance for net new services (ineffective management and unnecessary new services are the source of much hospital waste). But the limit will be adjusted upwards if inflation in the hospital market basket is actually higher than presently projected.

III. Exemptions from mandatory controls for individual hospitals

If the national voluntary limit is not met in 1979, certain types of hospitals that would otherwise be subject to mandatory controls would be exempted from those controls under the following conditions:

If the rate of increase in total hospital costs in any State during 1979 is within the national voluntary limit (adjusted for State population trends and its nonsupervisory wage experience), all hospitals in that State would be exempt from mandatory controls in 1980.

Even if total hospital costs in a State do not met the limit, individual hospitals would be exempt in 1980 if their individual rates of increase in total costs (adjusted for their own nonsupervisory wage experience) were at or below the voluntary limit in 1979.

Small, nonmetropolitan hospitals (under 4,000 admissions), new hospitals (less than 3 years old), and HMO hospitals (with 75 percent of patients enrolled in qualified HMOs) would be exempt from the mandatory program regardless of their rate of increase in 1979; and

Hospitals in States with mandatory cost containment programs of their own could be exempt if the State program either met performance standards (i.e., the Statewide rate of increase in 1979 was within 1 percent of the national voluntary limit) or met other requirements established by regulation.

Present estimates indicate that more than half of the nation's 6,000 community hospitals would be exempted from the mandatory program under the provisions outlined above.

IV. Mandatory program for individual hospitals

Individual hospitals which are not exempted and which, thus, come under the mandatory program would be given an allowable rate of increase in *total inpatient revenues per admission for 1980.* This mandatory limit includes a basic limit—comprised of an allowance for inflation and an allowance for efficiency or inefficiency—and adjustments for exceptional circumstances.

Basic limit

Each hospital would be granted an inflation allowance to cover its own market basket price increases (increases in the cost of goods and services purchased). This includes an allowance for the actual rate of increase in non-supervisory wage rates experienced by *that hospital.* This assures that low-wage

workers will not bear the burden of hospital cost constraints.

Each hospital would be given an allowance based upon its efficiency or inefficiency. Efficiency would be measured by comparing the hospital's previous actual costs with those of other hospitals of similar size and location. Efficient hospitals would be given a bonus. Inefficient hospitals would be penalized.

Exceptions/adjustments

Hospitals with unusual circumstances, such as changes in admissions, would have their basic limit adjusted.

Sanctions

As in earlier cost containment proposals, once the mandatory limit on the allowable rate of increase on total inpatient revenues per admission is established, it would be enforced in two ways:

The refusal by Medicare, Medicaid and Blue Cross to pay costs in excess of the hospital's mandatory limit; and,

A 150 percent tax on excess revenues collected by the hospital from other payers, unless these excess revenues are set aside in a special account and used to reduce prices to private patients in future years.

Savings

Estimates of savings generated by the legislation are as follows:

[Dollars in millions]

	Federal savings	Total system savings
Fiscal year:		
1980	$1,410	$3,690
1981	2,560	6,520
1982	3,930	9,770
1983	5,820	14,130
1984	8,110	19,260
Total 1980–84	21,830	53,370

□ 1550

INTRODUCTION OF FOOD STAMP ACT AMENDMENTS OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. STACK) is recognized for 10 minutes.

Mr. STACK. Mr. Speaker, today, March 6, 1979, I filed a bill to amend the Food Stamp Act of 1977, with respect to households which are composed entirely of persons who are age 62 or older, or who are recipients of benefits under title XVI of the Social Security Act—blind and disabled—by permitting, for the purpose of determining eligibility for food stamps, certain deductions as follows:

First. From the gross income of the household, my bill would continue the standard deduction of $65—as provided in the Food Stamp Act of 1977.

Second. In addition, my bill would permit the deduction of all out of pocket medical expenses in excess of the standard deduction of $65.

For example, if the household spent $165 in a given month for medical expenses, they would deduct first the standard deduction of $65, plus an additional $100.

Third. In addition, again for the purpose of computing eligibility for stamps, my bill would eliminate the restriction on excess shelter deductions, which was set at $75 per month in the 1977 Food Stamp Act, which, by virtue of indexing, at present is $80 per month. In lieu thereof, my bill would permit an excess shelter care deduction to the extent that the monthly amount expended for shelter care exceeds an amount equal to 50 percent of monthly household income after all applicable deductions have been allowed.

For example, in my district, a Mr. and Mrs. Pittman in the last month had shelter care costs which totaled $160—their out of pocket medical expenses totaled $166—the following is the method of computation which would be employed to to determine income eligibility for food stamps under the bill which I have filed.

METHOD OF COMPUTATION

The Stack bill changes the method of computing eligibility for food stamps for those households composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act (blind and disabled).

Step 1—Compute household income.

Step 2—Subtract the standard deduction of $65.

Step 3—Subtract medical and dental expenses (out of pocket) to the extent they exceed the standard deduction of $65.

Step 4—This resulting figure represents "income after all deductions".

Step 5—Compute 50 percent of this figure ("income after all deductions").

Step 6—Compute shelter costs (rent/mortgage, utilities, phone).

Step 7—To the extent the shelter costs (step 6) exceed 50 percent of "income after all deductions" (step 5), subtract this amount from "income after all deductions" (step 4).

This final figure represents income for the purpose of determining eligibility for food stamps.

EXAMPLE APPLYING METHOD OF COMPUTATION

The following is an actual computation for food stamp eligibility for Mr. and Mrs. Pittman of the district. Their shelter costs total $160 and their out-of-pocket medical expenses total $166.

Step 1: $225 social security plus $84 veterans benefits equals $309 monthly income.

Step 2: $309 monthly income minus $65 standard deduction equals $244.

Step 3: $244 minus $101 (medical expenses to extent they exceed $65) equals $143.

Step 4: $143 equals "income after deductions."

Step 5: 50 percent of $143 equals $71.50.

Step 6: $160 shelter costs.

Step 7: $160 shelter costs minus $71.50 (50 percent of income after deductions) equals $88.50 excess shelter costs; $143.00 "income after all deductions minus $88.50 excess shelter costs equals $54.50 income for purpose of determining eligibility.

Go to the food stamp table—$89.00 in food stamps.

The purpose of my bill is clear. The necessity for its adoption is equally evident. The bill applies only to the elderly poor, the sick and the disabled—to households composed entirely of individuals who are 62 years of age or older or who are blind or disabled. These individuals are in desperate need. They are ravaged by inflation—by the soaring costs of medical and dental care and of housing. How can we, Members of Congress, representatives of the richest people in the world, deny to those who are literally starving, the few dollars it would take to feed them? This is a situation which crys out to Heaven for justice—to feed those who hunger is a cardinal work of mercy. I ask you, my colleagues, to join with me as cosponsors of this bill so that we can promptly deal with this most urgent matter.

In my own State of Florida, some 140,000 households, with a total of approximately 40,000 people, are adversely affected by the impact, as of March 1, 1979, of the Food Stamp Act of 1977.

I am very pleased to know that my distinguished colleague, the Honorable CLAUDE PEPPER, the chairman of the Select Committee on Aging, has indicated that he will join me as a cosponsor of my bill. On the Senate side, the honorable RICHARD STONE will introduce a companion bill.

Maximum allowable monthly income standards, March 1, 1979

Household size:	
1	$277
2	365
3	454
4	542
5	630
6	719
7	807
8	895
Each additional member	+89

H.R. 2663

A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act and to allow deductions for certain medical and dental expenses in the computation of incomes for such households

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the fourth sentence, by striking out "Households" and inserting in lieu thereof "Except as provided in the following sentence, households"; and

(2) by adding at the end thereof the following new sentences: "The proviso contained in clause (2) of the preceding sentence shall not apply with respect to households which are composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act. In addition, households described in the preceding sentence shall be entitled to a medical expense deduction to the extent that the monthly amount expended by any such household for medical or dental care exceeds the amount of the standard deduction in effect under this subsection".

A TRIBUTE TO THE LATE MRS. KATHRYN STONER O'CONNOR

The SPEAKER pro tempore (Mr. MONTGOMERY). Under a previous order of the House, the gentleman from Texas (Mr. WYATT) is recognized for 5 minutes.

Mr. WYATT. Mr. Speaker, I would like to thank you for this opportunity to address the floor in memory of a great lady who lived in Victoria County, Tex., until her death last month. Actually, the words I have to say about Mrs. Kathryn Stoner O'Connor seems terribly insignifi-

cant following the words of praise which were bestowed upon her by the likes of Pope Pius XII, Pope John XXIII, King Juan Carlos of Spain, the legislature and universities in the State of Texas. The deeds of this great lady deserves to be recorded one more time in our National Archives, so I will attempt to do her justice in this short time before you.

She was born Kathryn Stoner in 1883 on the Seven Bar Ranch in Victoria County, where she also attended private school as she grew up. Shortly after the turn of the century she married Thomas O'Connor of Refugio County, and homes were maintained in both Victoria and Refugio Counties ever since.

Kathryn Stoner O'Connor was a devout Catholic and a member of St. Dennis Catholic Church on the River Ranch She was also a keen student of, and an expert on, the history of Texas. Her work on behalf of the church, the cultural heritage of Texas, and the people of her State led to her first papal honor in 1939. Pope Pius XII bestowed the Pro Ecclesia et Pontifici upon her in that year. Later, in 1957, Pope Pius XII awarded her the honor of Lady Equestrian Order of the Holy Sepulchre of Jerusalem. She was subsequently raised to Lady Commander of the Order and Lady Commander of the Grand Cross of the Order by Pope John XXIII.

In these awards she was cited for her many years of devotion to the faith, education, health, and culture of the people of Texas; specifically her work with the Nazareth Academy for Girls, the St. Joseph's Education Foundation for Boys, the library built in honor of her brother, Father Victor Rose Stoner, at Annunciation College, and her work on behalf of the Lady of the Lake and Incarnate Word colleges in San Antonio.

Both of these colleges also honored Kathryn O'Connor. Lady of the Lake awarded her an honorary doctor of letters degree, and the Incarnate Word College awarded her its Aristotle-Aquinas Medal.

King Juan Carlos of Spain cited her generosity on behalf of the preservation of the Spanish cultural heritage in Texas when he bestowed the Spanish Order of Isabella la Catolica on her in 1975. The award cited her singlehanded efforts to restore the Presidio La Bahia in Goliad, Tex. Presidio La Bahia, one of the most important sites in Texas history, was in almost complete ruin and nearly forgotten before Kathryn O'Connor moved to bring the fort, and the history of the fort, back to the people of Texas.

Since the restoration of the Presidio, and through the generosity of Kathryn Stoner O'Connor, a Spanish Texas Microfilm Center for the study of Texas' Spanish heritage has been founded on the fort's grounds. The Spanish King's award honoring this benevolence was the first of its kind ever given to any citizen of the United States.

Her book, "Presidio La Bahia, 1721–1846," written in 1966, has been widely acclaimed and is now in its second printing. She also contributed numerous articles to the Southwest Historical Quarterly and is the author and editor of many, many works on the history of Texas.

Her devotion to Texas did not lie with only its churches and its history, though. The Kathryn Stoner O'Connor Foundation has been primarily devoted to the welfare of its people. The foundation awards grants for health and education throughout the State. Grantees from her foundation included a new wing on the Citizen's Memorial Hospital in Victoria, complete with the most advanced cobalt treatment equipment, to the agricultural experiment station of Texas A&M University's extension service at Beeville, Tex. Scientists at this station are studying ways to protect the indigenous prairie chicken from extinction.

Kathryn Stoner O'Connor is survived by an equally great family in Texas: her daughter, Mary O'Connor Braman of Victoria, and two sons, Dennis M. O'Connor of Refugio and Thomas O'Connor, Jr., of Victoria, and three grandchildren, Louise S. O'Connor of Austin, Kathrine O'Connor Counts of Victoria, and Daniel Hawes Braman, Jr., of Refugio County.

I have probably spoken longer already than Miss Kate would have wanted. For her funeral she requested that Rev. Edward Kircher of Woodsboro simply ask us to remember her in our prayers instead of offering a eulogy. That is the way she was—a simple, beautiful woman who liked simple, beautiful things.

Victoria and Refugio Counties, Tex., and very probably the world feel a sense of loss with the passing of Kathryn Stoner O'Connor. Her special spirit touched us all, and I simply wish to add my deepest sympathy to her family, and add my words of praise to those which have already been said for this grand lady.

Thank you, Mr. Speaker.

ANOTHER FORM OF BANK ROBBERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, when asked why he stole from banks, the famous robber Willie Sutton replied, "because that's where the money is." Today's bankers have been taught an ironic lesson from their former nemesis—rob the customers, because that is where the money is. That banks have learned this lesson well is evidenced by a recent editorial in the influential trade newspaper, American Banker. The editorial is entitled "Smart Competition," but what it really calls for is no competition. It suggests outright that competing banks "educate" any competitors who they believe are unwittingly underpricing their customer services. Low service charges can harm the banking community, the editor asserts, because, in order to compete, other banks will be forced to lower their charges, and this in turn endangers the health of each institution.

The recent advent of new services such as automatic transfers and NOW accounts prompted most banks to reassess their pricing strategies for the consumer services they offer. As a result, services formerly taken for granted, such as free checking with no strings attached, have all but disappeared. Once banks recognized that such offerings were not producing a sufficient profit, most moved quickly to rectify the situation, usually at the expense of middle- and low-income customers. But some financial institutions did not jump on the bandwagon, and it is the threat these banks pose to their competitors which prompted the editorial. By offering services at low prices, banks pose a dilemma for their competitors, who must either cut their own charges or risk losing customers. This is one of the few areas in banking which is not strictly regulated, and the editorial's message indicates that at least some bankers cannot face the free market competition they always cry out for.

The editorial recommends that banks confront their low-priced competitors if they believe that the underpricing is due to a failure to recognize the costs entailed in providing the services. Banks can avoid the secrecy of cost comparing in other industries, the editorial proudly claims, by hosting cost analysis seminars and similar forums in which everything would be "open and above board." The American Banker calls this education. I call it price fixing, because it encourages and even pressures banks to raise the costs of their services to consumers.

The editors of American Banker do not object if banks are underpricing services as loss leaders, or are charging low fees because of efficient operational techniques. But low prices do no more harm to the banking community as a whole if they are assessed out of ignorance than if they are charged for specific reasons. Furthermore, bankers should be insulted by the paper's insinuation that many of them do not know what they are doing, or why. Behind the guise of helping the financial community avoid harm, the editorial is calling not for competition, but for collusion, so that consumers will have nowhere to turn.

So long as a bank is not performing unsafe and unsound practices in the context of its overall financial condition, any act by its competitors to force it to charge higher prices is blatantly anticonsumer and borders on violating antitrust statutes. Whether it is done behind closed doors in smoke-filled rooms or at public meetings, the net effect is the same—the consumer loses because competition is stifled in the name of a supposedly greater good—the bottom line of the banks.●

AMENDING THE FEDERAL TORT CLAIMS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, today Mr. DANIELSON and I are introducing a bill:

To amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of United States employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may initiate and participate in a disciplinary inquiry with respect to such tort, and for other purposes.

A similar proposal, H.R. 9219, was introduced my me in the 95th Congress and was the subject of hearings by the Subcommittee on Administrative Law and Governmental Relations. In September of last year, that subcommittee reported H.R. 9219 with amendments, but the 95th Congress adjourned before action could be taken by the full committee.

The legislation that Mr. DANIELSON and I are introducing today would amend the Federal Tort Claims Act to make the United States the exclusive defendant in certain suits arising from the torts of Government employees. The Federal Tort Claims Act would also be amended to authorize the victims of certain torts arising under the Constitution to initiate an agency discipline proceeding against the offending employee. This legislation was developed with the assistance of the Department of Justice and is supported by the administration.

The Federal Tort Claims Act now makes the Government liable—

for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

However, nothing in the existing Tort Claims Act prevents the plaintiff from also bringing suit against the individual employee or from bringing suit against the employee and not the United States.

Making the United States the exclusive defendant under the Tort Claims Act will have two consequences. First, Federal employees will be immunized from the threat of crippling lawsuits challenging their actions while in Government service. Second, it would no longer be necessary for the Government to retain private attorneys to defend employees who are defendants in lawsuits. With the employee no longer a party in interest, many valid plaintiff claims can be settled short of litigation by the Government.

Our bill also contains a number of provisions which will make it easier for a tort plaintiff with a meritorious claim to recover against the Government. The 93d Congress extended the Tort Claims Act to cover certain enumerated torts committed by Federal investigative or law enforcement officers. Section 3 of our proposal would remove questions of the act's coverage of law enforcement related torts by extending the provisions of the act to all torts arising under the Constitution. Proof of damage questions now faced by plaintiffs in law enforcement related tort cases will be eliminated by provision for minimum liquidated damages computed at the rate of $100 a day for each day of violation not to exceed $15,000 or $1,000 whichever is higher. Successful tort plaintiffs would be able to recover litigation costs and attorneys' fees against the Government.

This legislation specifically provides that the United States may not raise as a defense to a constitutional tort suit the absolute or qualified immunity of the employee (except that of Members of Congress, judges or prosecutors, or persons performing the functions of such persons) or the employee's reasonable good faith belief in the lawfulness of his conduct. If the United States is responsible for the commission of a constitutional tort, it should compensate the victim, regardless of whether the employee was acting in good faith or whether he was acting under a personal absolute or qualified immunity.

A person who has recovered on a tort claim against the Government would be able to initiate an administrative inquiry into the conduct alleged or found to have given rise to the claim, and a tort victim unsatisfied with the results of that inquiry could obtain administrative and then judicial review. A plaintiff who has begun a suit under the Tort Claims Act could initiate a discipline proceeding within a period beginning 60 days after and ending 120 days after filing of the suit, but he could not obtain administrative or judicial review until a court found, or the Government admitted, liability.

Former employees and former Presidential appointees who are sued as individuals would have to submit themselves to the discipline procedures for current employees in order to have the Government substituted as the exclusive defendant. The conduct of a current Presidential employee would be subject to review by the entity which would normally conduct administrative review of agency discipline proceedings. This body, which in most cases would be the Merit Systems Protection Board, would recommend any appropriate disciplinary action to the President.

Mr. Speaker, it is our view that this legislation is most urgently needed, both by Government employees who may be defendants in possible tort actions and by members of the public who may be plaintiffs in such actions. I understand that Mr. DANIELSON's subcommittee is planning to hold early hearings on this bill. The full committee will also give this bill its early attention. We are hopeful that this amendment to the Federal Tort Claims Act will be one of the early accomplishments of the 96th Congress.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

● Mr. FOUNTAIN. Mr. Speaker, had I been present on Thursday, March 1, I would have voted "yea" on rollcall No. 19, to allow portions of the transcript of the trial of Representative DIGGS to be read during debate, and "yea" on rollcall No. 20, a motion to refer the Diggs expulsion resolution to the Committee on Standards of Official Conduct.●

EXPORT TASK FORCE ARTICLE NO. 4: AN EXPORT REFERENCE GUIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, I recently had the opportunity to meet Mr. William J. Barton, president of the International Business-Government Counsellors, Inc. During our discussion, Mr. Barton repeatedly stressed the fact that a $30 billion plus trade deficit has made the need for an effective U.S. national export policy imperative. The United States must make a vigorous effort to expand markets for our goods or large trade deficits will continue with the following consequences: A continued weakening of the dollar, added domestic inflation, and loss of U.S. jobs and production.

In order to assist Members of Congress and others in Government, labor, industry, and agriculture in understanding the export situation, the International Business-Government Counsellors, Inc., has compiled a special report entitled, "U.S. Export Policy: New Directions."

The report presents in a concise and analytical manner the complex questions surrounding the development of a national export policy. As chairman of the House export task force, I am pleased to submit a portion of this report for review by my colleagues:

[Excerpt]

U.S. EXPORT POLICY: NEW DIRECTION

INTRODUCTION

The United States has never had a National Export Policy. And until very recently it has never really thought it needed one, despite a long history of government and private sector efforts to raise "export consciousness." For many years, the strength and diversity of the national economy have protected the U.S. from dependence on foreign markets, just as they have protected U.S. domestic industries from the realities of competition with foreign companies.

U.S. companies have seen themselves as part of a domestic market, by and large, not a world market. It's estimated that less than 10% of U.S. manufacturing firms have steady export business, and exports tally up to only about 6% of the U.S. gross national product, the lowest percentage of any major industrialized country. Many small and medium sized companies have never thought about exporting and don't really know how to go about it.

U.S. global multinationals, on the other hand, have in many cases become truly international, with strategic planning of production and marketing for the global economy and production sourcing abroad for sales in foreign markets. While multinationals are and will continue to be the key to U.S. export performance, many of these large companies give export expansion from the U.S. a fairly low priority.

This attitude can be traced to the high costs of producing for export from the U.S. market, in part. And also to the business community's uncertainty and distrust of U.S. government policy trends affecting their exports, which makes the U.S. a less attractive base of production for export than other countries.

Government policies have not put exports high on the national agenda, in large measure reflecting the domestic market mentality so long accepted in the U.S. This is despite the efforts of several administrations, notably President Lyndon Johnson's, to make export policy a high priority item. The issue has never really been given concentrated high level attention. The U.S. government not only has no top level Export or International Trade Department Head, but it has no central coordinating unit for international economic policy. Export functions are scattered

among a number of agencies, incidental responsibilities of many but the prime job of none.

"Trade policy" has focused usually on import protection, overseas investment, not on vigorous efforts to expand markets for U.S. goods. Export and import policy are by habit and by government organization treated as separate issues, instead of closely linked pieces in the process of U.S. adjustment to the world market place.

Specific policy areas illustrate the domestic market thread. U.S. antitrust policy was shaped for a 19th century world, when America was relatively isolated and threatened by domestic monopolies. But in the 20th century world, even the biggest U.S. firms have to worry about competition from foreign corporations that work in close partnership with their governments. Policies and regulations adopted for social goals or to affect the operations of business in the domestic market have not been closely examined for their impact on exports. Tax policy has been keyed to domestic policy goals, generally not used as a tool of international economic competition. The lack of a National Export Policy is part and parcel of the U.S. reluctance to coordinate its domestic economic goals with the changing demands of the international marketplace.

The U.S. today is in the midst of a serious export crisis, as was put into stark relief by the $26.5 billion trade deficit in 1977. "Export policy" finally has become a top priority issue for national policymakers. In the spring of 1978, President Carter set up an interagency Task Force on Export Policy to come up with recommendations. Several Congressional committees, business orgs began looking more closely at how govt policies affect exports. But these efforts have produced only a few tentative steps to improve U.S. exports.

In 1979, development and implementation of a "National Export Policy" will be a major issue for the Administration and Congress.

This Special Report takes a concise look at factors affecting exports and possible recommendations for boosting them. It is divided into six sections: (1) U.S. Export Performance; (2) U.S. Government Policies Which Help Exports; (3) U.S. Government Policies Which Hurt Exports; (4) What Other Countries Do; (5) What Has Been Done; (6) New Directions For a National Export Policy.

This Special Report was prepared by Solveig B. Spielmann, Assistant Editor of the Washington International Business Report and Vice President of International Business-Government Counsellors, Inc. (IBGC), assisted by William J. Barton, President of IBGC; Janet Hunter, Editor of the Washington International Business Report; Eben Tisdale, Assistant Editor; and Anne Taylor and Nannette Montel, Editorial Assistants.

The editors want to thank the outside readers who reviewed the manuscript in draft and contributed valuable ideas and criticisms, particularly: Timothy O'Shea of Westinghouse, Robin Potter of the Commerce Department, Robert Russell of the Senate Banking Committee staff, and Thomas Trueblood of International Harvester.

V. WHAT HAS BEEN DONE

The trade deficits have made export policy a top priority issue in Washington for the first time in memory. The enormous negative turnaround in the U.S. trade position has shaken international confidence in the dollar. It has also shaken the confidence of U.S. government and business leaders, who are beginning to question the fundamental ability of the U.S. to compete in the international marketplace.

Yet, no dramatic new directions for U.S. export policy have been announced. Leaders in the Administration, Congress and business have taken some tentative steps but are still searching for suggestions and proposals on new policies to alter the export picture.

A. The Carter administration's export policy. Recognizing the serious nature of the trade problem, and pushed hard by Assistant Secretary of Commerce Frank Weil to develop a "National Export Policy," President Carter set up an interagency Task Force on Export Policy in April, 1978. The program the President announced in September of last year resulting from the Task Force work fell far short of being a "National Export Policy," and Administration spokesmen have refrained from describing it as such.

The White House announcement promised only a "series of measures" to place a higher priority on exports. It is seen as a first step in developing a National Export Policy, one which will be expanded and changed over time.

Followup activity within the Administration has already begun. A Regulatory Council has been appointed to analyze the costs and effects of regulations, and a special interagency study is underway on the effects of "disincentives to exports." Justice Dept did appoint a Business Advisory Panel for the Antitrust Commission and is preparing guidelines on the improper payments legislation.

An interagency task force is working on exports of hazardous substances, with a policy statement now due in February. One question mark is whether Commerce Dept can convince the Office of Management and Budget (OMB) to OK more export promo funds.

The Administration is also pursuing export expansion goals through the Multilateral Trade Negotiations in Geneva, with the objective of reducing foreign barriers to trade and opening markets for U.S. goods.

B. Congressional action. Congress has been quick to get in on the export policy debate, with a number of committees holding hearings, writing reports and considering legislation. Consideration of major export expansion legislation seems almost certain in 1979. Senators Adlai Stevenson (D-Ill) and John Danforth (R-Mo) are already at work on broad proposals. Some of the groups and committees involved in the issue are:

In the House of Representatives.—

First. House Ways and Means Committee.—Trade Subcommittee Chairman Charles Vanik may go ahead with export policy hearings early next year. Subcommittee had planned special hearings for industry reps in December, but session was postponed due to health of Ranking Minority Member William Steiger (R-Wis), who had spearheaded the effort. Look for Congressman James Jones to be particularly active on issue, concentrating on antitrust issues, adaptation of trading company concept to U.S. Committee will also be key in Congressional consideration of MTN agreements. Vanik is interested in tax changes to boost Research and Development.

Second. House Export Policy Task Force.—Even before the Carter Administration's export program was announced, an informal Task Force of key House members was organized by Assistant Democratic Whip Bill Alexander (D-Ark.). Alexander's group will provide a forum for discussion of export policy issues and monitor legislation affecting export policy. It will work closely with a private sector support group made up of representatives of leading exporting companies, which will present ideas for legislation early in the New Year. The Task Force has no legislative authority or jurisdiction.

Members of Task Force include key committee and subcommittee chairmen: Bill Alexander (D-Ark); Jonathan Bingham (D-NY); Barber Conable (R-NY); Tom Foley (D-Wash); Jim Jones (D-Okla); Steve Neal (D-NC); Henry Reuss (D-Wis); John Slack (D-W. Va); Al Ullman (D-Ore); Charles Vanik (D-Ohio); Clement Zablocki (D-Wis); Bill Frenzel (R-Minn); Dan Akaka (D-Hawaii).

Third. California Ad Hoc Committee on Exports.—An informal group of California Congressmen, focusing mainly on government policies affecting California exporters, especially in the aviation and high technology areas. Chaired by Jim Lloyd, other members are Democrats Glenn Anderson, Don Edwards, Harold Johnson, Lionel Van Deerlin, and Republicans Don Clausen, Robert Lagomarsino and Paul McCloskey.

Fourth. House International Relations Committee.—Chairman Clement Zablocki (D-Wis) could play a leading role in the export policy debate. His committee authorized a special study by the Library of Congress, comparing U.S. export promotion programs to those in eight other countries. And it has jurisdiction over Export Administration Act, setting export control policy. Jonathan Bingham's (D-NY) Subcommittee on International Trade and Economics is key.

Fifth. House Banking, Finance and Urban Affairs Committee.—Full committee Chairman Henry Reuss (D-Wis) is very concerned about export performance, dollar decline. Look for him to press Administration hard on broad range of issues affecting export performance. Committee has jurisdiction on Export-Import Bank legislation, but it will not be an issue in 1979.●

SUBCOMMITTEE ON CRIME TO CONTINUE HEARINGS ON THE REAUTHORIZATION OF LEAA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will continue its consideration of H.R. 2108 and H.R. 2061, legislation to reauthorize and reorganize the Law Enforcement Assistance Administration, on March 8 and 15, 1979. These hearings will begin each day at 9:30 a.m., in room 2237, Rayburn House Office Building.

The hearing on March 8 will focus on the resources and activities of LEAA with respect to white-collar crime; the March 15 hearing will examine provisions of the bills regarding statistics and research programs.

Individuals wishing to testify or submit a statement for the RECORD should address their requests to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515.●

INTRODUCTION OF LEGISLATION TO LESSEN GERRYMANDERING

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, we have in this country a practice popularly known as political gerrymandering which, for nearly 200 years, has hindered the concept of fair and effective representation within congressional districts.

I am sure that you are well aware of what the gerrymander has done—and is capable of doing—as an instrument of partisan political profiteering. This discriminatory districting which operates unfairly to inflate the political strength

of one group and deflate that of another, disrupts entire cities, towns, and communities of interest for the sole purpose of creating and maintaining a political power base within a State.

Although it runs in direct opposition to the principles upon which our Republic was founded, gerrymandering remains within the boundaries of the law. It is sad to say that we, as a legislative body, have done absolutely nothing to bring this unfortunate practice to an end.

Some progress in this area, however, has been made. The "one-man, one-vote" Supreme Court decisions of the mid-1960's, in addition to the many judicial breakthroughs in the early 1970's have taken great strides toward the creation of fair and effective political representation on the congressional level.

At the present time, all State constitutions contain some type of provision regarding redistricting and apportionment. Most State constitutions require the legislature to reapportion on a basis of population following each Federal decennial census, while many of them also explicitly provide for district compactness and contiguity.

Although the courts have entered this political thicket, and many State constitutions now contain redistricting provisions, the standards are usually too vague and unenforceable to amount to any substantial change.

The gerrymander's scalpel has not been deterred from successfully dissecting congressional districts. As a result, State legislatures are given the green light to perform their handiwork with virtually no opposition.

Congress is the only legislative body in the United States which exercises no influence over its own districting and the time has certainly come for us to constructively influence the manner in which the States conduct this process. Fair and effective representation is not a privilege which is determined through the whims and fancies of State legislators—it is a constitutional right. Gerrymandering is an evil practice and Congress, having the power and responsibility, ought to eliminate it.

I am introducing today a bill, H.R. 2653, which is designed to lessen the opportunity for such gerrymandering to take place. The proposed law will take districting power away from the State legislatures and give it to bipartisan commissions in the various States, which will be required to hold open hearings, assimilate public input and publicize their final plan to allow for citizen input and challenge.

In cases where States prove incapable of coming up with a workable and constitutional scheme, the U.S. district courts shall order the commission to set up a new plan within 60 days. Only in this way can we eliminate the possibility of a partisan court decision in this apportionment process.

An additional safeguard against making districting a political football would be the provision limiting this redistricting process to one per census. These commissions would be required to follow guidelines in their work, such as maintaining the integrity of political subdivisions to the greatest extent possible, making districts compact, keeping within general numerical requirements, and taking into account the fair representation of minority groups.

The track record of some State legislatures in dealing with this matter is not good. Past performances prove that some are incapable of creating fair and constructive plans for redistricting and are willing to place personal gain ahead of democratic principles.

It is time to put away the toys of gerrymandering. It is time to stop playing the manipulative games of old politics in a smoke-filled room. We must now enter into an era where fair and effective representation is no longer a meaningless phrase, but a political reality.

H.R. 2653 is not the complete answer. We will not establish a redistricting utopia through the passage of this bill, but I feel that sound reform is desperately needed, and H.R. 2653 will go a long way toward eliminating this worthless and undemocratic practice.●

THE PUBLIC DEBT LIMITATION AND DEBT MANAGEMENT

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ULLMAN. Mr. Speaker, on March 6, 1979, the Committee on Ways and Means ordered favorably reported to the House H.R. 2534, a bill relating to the public debt limitation and debt management. Sections 1 and 2 of the bill would provide that the public debt limitation is to be $830 billion through September 30, 1979. Section 3 of the bill would increase by $8 billion, from $32 to $40 billion, the amount of long-term bonds which may be issued with interest rates above the 4¼-percent statutory ceiling. Section 4 of the bill would permit the Secretary of the Treasury to increase the interest rate on U.S. savings bonds from 6 to 7 percent with the approval of the President.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for the consideration of H.R. 2534 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified open rule which would only provide for:

First. Committee amendments, which would not be subject to amendment;

Second. Germane amendments with respect to the amount and duration of the temporary debt increase, such amendments not to be subject to amendment except for pro forma amendments for the purpose of debate;

Third. Waiving all necessary points of order;

Fourth. One hour of general debate, to be equally divided; and

Fifth. One motion to recommit.

In addition, we will ask that the rule be closed with respect to section 3 dealing with the long-term bond authority and section 4 dealing with the interest rate on savings bonds.

We intend to file the committee report on Thursday, March 8, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.

RAY TRAUB APPRECIATION DAY IN EVANSTON, ILL.

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, my home town of Evanston, Ill., is known nationally for its outstanding schools. In large measure, the quality of education in Evanston is because of the commitment to excellence by both citizens and educators. This week, some of those citizens will honor one of those educators, the principal of the Oakton school for the past 11 years, Ray Traub.

Public recognition of a job well done is always a worthy event, but it is especially so in the case of Ray Traub. He is that special educator and administrator who involves parents in programs and policies; who is creative enough to expand recreation and cultural arts opportunities in the face of shrinking budgets; who knows all the children at Oakton because of his constant presence in the lunchroom and on the playground—and because he thinks about them as individuals, not as the student body.

Mr. Speaker, I suspect that we take too much for granted when we fail to take time out and show our public appreciation to a person like Ray Taub. I am pleased that my neighbors in Evanston will take the time on Thursday of this week. John Dewey once said that education is not preparation for life; education is life itself. Those of us in Evanston know how much richer and fuller life is at the Oakton school because of the efforts of Ray Taub.●

WHAT AMERICA MEANS TO ME

(Mr. HALL of Texas asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HALL of Texas. Mr. Speaker, we all take a special personal pride in this great country of ours; however, when seen through the eyes of our young people, we tend to be even more proud of the way they see it. Recently, a contest was sponsored by the Pilot Club of Marshall, Tex., encouraging the third grade students in the Marshall Independent School District to write essays on "What America Means to Me."

Heidy McWhorter was the first place winner in this contest and has, at my request, sent me a copy of her essay, and I am pleased and proud to include it herewith. Although we sometimes worry about the future of our country, our younger generation, obviously, shares our pride in and love of America, as you will see from Heidy's essay which follows:

WHAT AMERICA MEANS TO ME

(By Heidy McWhorter of Marshall, Tex.)

America to me means beauty! I am so proud of the beauty in our people. Most are kind and are willing to help you. I am also

proud of the beauty in our work because Americans try to do their best. There is also much beauty to enjoy in our land. God gave us a country with beautiful flowers, mountains, hills, and waters. America to me means freedom. Our country is free to worship God. An American can marry whoever he wishes. Americans may vote for their leaders without being scared of being killed. You have freedom to choose how you want to spend your time.

America to me will always mean hope. There is hope God will make everyday better for America. He is always looking over us and helping us to "make new friends and keep our old ones."●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for this week, on account of official business.

Mr. TRAXLER (at the request of Mr. WRIGHT), for today, on account of hospitalization.

Mr. BUCHANAN (at the request of Mr. MICHEL), on account of being a delegate to the Human Rights Commission meeting in Geneva.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GREEN) to revise and extend their remarks and include extraneous material:)

Mr. GREEN for 10 minutes, today.

Mr. KEMP for 10 minutes, today.

Mr. CORCORAN for 5 minutes, today.

(The following Members (at the request of Mr. ANTHONY) to revise and extend their remarks and include extraneous material:)

Mr. RANGEL for 15 mniutes, today.

Mr. WAXMAN for 15 minutes, today.

Mr. STACK for 10 minutes, today.

Mr. WYATT for 5 minutes, today.

Mr. ANNUNZIO for 5 minutes, today.

Mr. GONZALEZ for 5 minutes, today.

Mr. RODINO for 5 minutes, today.

Mr. FOUNTAIN for 5 minutes, today.

Mr. DODD for 10 minutes, today.

Mr. ALEXANDER for 5 minutes, today.

Mr. CONYERS for 5 minutes, today.

Mr. DANIELSON for 30 minutes on March 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PERKINS, and to include extraneous material.

(The following Members (at the request of Mr. GREEN) and to include extraneous remarks:)

Mr. SAWYER.

Mr. GILMAN in two instances.

Mr. RINALDO.

Mr. SYMMS in two instances.

Mr. PAUL in 12 instances.

Mr. MICHEL in two instances.

Mr. COLEMAN.

Mr. RUDD.

Mr. SOLOMON in two instances.

Mr. ASHBROOK in three instances.

Mr. DERWINSKI in two instances.

Mr. MCCLORY in two instances.

Mr. FINDLEY.

Mr. ROUSSELOT.

Mr. MYERS of Indiana.

Mr. GRASSLEY.

Mr. LUJAN.

Mrs. HOLT.

Mrs. SNOWE.

Mr. LAGOMARSINO in two instances.

Mr. EVANS of Delaware.

(The following Members (at the request of Mr. ANTHONY) and to include extraneous remarks:)

Mr. RICHMOND.

Mr. CAVANAUGH.

Mr. DASCHLE in two instances.

Mr. ASPIN.

Mr. YOUNG of Missouri.

Mr. HAWKINS in two instances.

Mr. MATHIS.

Mr. WOLFF in three instances.

Mr. D'AMOURS in two instances.

Mr. STARK.

Mr. SHANNON.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. MCKAY.

Mr. WAXMAN.

Mr. BAILEY in two instances.

Mr. MINISH.

Mr. NELSON.

Mr. CORMAN.

Mr. NATCHER.

Mr. MOAKLEY in two instances.

Mr. REUSS.

Mr. GORE.

Mr. PEASE.

Mr. ALEXANDER.

Mr. ROBERTS.

Mr. BENNETT.

Mr. MOTTL.

Mr. FARY.

Mr. WEISS in two instances.

Mr. GUARINI.

Mr. BENJAMIN.

Mr. MCDONALD in three instances.

Mr. PANETTA.

Mr. ATKINSON.

Mr. UDALL.

Mr. LUKEN.

Mr. BRODHEAD.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 7, 1979, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

834. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 409 of title 37, United States Code, to eliminate restrictions for transporting a house trailer or mobile dwelling by a member of the uniformed services, and for other purposes; to the Committee on Armed Services.

835. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the determination of the Acting Secretary of State that the international security assistance programs of the United States for fiscal year 1979 are in compliance with the human rights requirements of section 502B of the Foreign Assistance Act of 1961, as amended, pursuant to section 502B(a)(2) of the act; to the Committee on Foreign Affairs.

836. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of the United Kingdom for permission to transfer U.S.-origin military equipment to the Government of Nigeria, pursuant to section 3(a) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

837. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Richard E. Benedick and his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

838. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Richard C. Clark and his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

839. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

840. A letter from the Acting Staff Director, U.S. Commission on Civil Rights, transmitting, a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

841. A letter from the Director, Community Services Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

842. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

843. A letter from the Deputy Executive Director of the Federal Labor Relations Authority and the Executive Director of the Federal Service Impasses Panel, transmitting a report on the agencies' activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

844. A letter from the Director, Federal Mediation and Conciliation Service, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

845. A letter from the Chairman, U.S. International Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

846. A letter from the Chairman, National Endowment for the Humanities, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

847. A letter from the Director, Office of Administration, Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

848. A letter from the Secretary, Railroad Retirement Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

849. A letter from the Director, Selective Service System, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

850. A letter from the Director, U.S. Water Resources Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

851. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

852. A letter from the Chairman of the Board of Directors, Tennessee Valley Authority, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

853. A letter from the Chairman, Federal Election Commission, transmitting a correction in the citation pursuant to which proposed regulations governing the Presidential Primary Matching Account were submitted (Executive Communication No. 669, February 21, 1978; House Document No. 96-57), changing the citation from section 315(c) of the Federal Election Campaign Act of 1971, as amended, to section 9039(c) of the Internal Revenue Code of 1954, as amended; to the Committee on House Administration.

854. A letter from the president, United States Railway Association, transmitting the fifth annual report of the Association, covering fiscal year 1978, pursuant to section 202(e) and (f) of the Regional Rail Reorganization Act of 1973; to the Committee on Interstate and Foreign Commerce.

855. A letter from the District of Columbia representative, Ladies of the Grand Army of the Republic, Inc., transmitting a report on the audit of the organization as of August 31, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

856. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to extend the authorization of appropriations for law enforcement services at water resources development projects under the jurisdiction of the Secretary of the Army through fiscal year 1982; to the Committee on Public Works and Transportation.

857. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 54 of the Water Resources Development Act of 1974 to extend the time limit and increase the authorization of appropriations for the shoreline erosion control demonstration program; to the Committee on Public Works and Transportation.

858. A letter from the Under Secretary of Energy, transmitting a report on the application and system design study for cost-effective solar photovoltaic systems at Federal installations, pursuant to section 208(a)(1) of Public Law 95-238; to the Committee on Science and Technology.

859. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ATKINSON (for himself and Mr. LUKEN):

H.R. 2618. A bill to establish in procurement by Federal agencies and in procurement using Federal funds a reasonable and fair preference for domestic products and materials, and to establish procedures to ensure that only freely and fairly traded foreign products and materials are procured by Federal agencies and are procured using Federal funds; to the Committee on Government Operations.

By Mr. BEARD of Rhode Island:

H.R. 2619. A bill to authorize the construction of a dike for flood control purposes in Warwick, R.I.; to the Committee on Public Works and Transportation.

By Mr. DINGELL:

H.R. 2620. A bill to amend the Energy Policy and Conservation Act to provide for adequate supplies of helium for future energy efficiency and conservation purposes, and to provide that helium-bearing natural gas may not be transported or sold in interstate commerce unless the helium is either extracted and stored or used for nonwasteful purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, Rules, and Science and Technology.

By Mr. BEREUTER:

H.R. 2621. A bill to modify the flood control project for the town of Niobrara, Nebr.; to the Committee on Public Works and Transportation.

By Mr. PHILLIP BURTON:

H.R. 2622. A bill to provide benefits for sufferers from byssinosis; to the Committee on Education and Labor.

By Mr. CLAUSEN:

H.R. 2623. A bill designating the Luther Burbank Shasta Daisy as the national flower of the United States; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.R. 2624. A bill to amend the Agriculture Act of 1949 to require that the proclamation made by the Secretary of Agriculture with respect to the national program acreage for feed grains to be made no later than October 1 of each year for crops harvested in the next succeeding calendar year; to the Committee on Agriculture.

By Mr. DEVINE:

H.R. 2625. A bill to amend the Freedom of Information Act to improve the handling of classified information and investigatory records, to revise the deadlines for agency action, and for other purposes; to the Committee on Government Operations.

By Mr. RANGEL (for himself and Mr. WAXMAN):

H.R. 2626. A bill to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective; jointly, to the Committee on Interstate and Foreign Commerce and to the Committee on Ways and Means for a period ending not later than July 1, 1979.

By Mr. DONNELLY:

H.R. 2627. A bill to terminate the coverage of police officers of the Massachusetts Bay Transportation Authority under the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. DOWNEY:

H.R. 2628. A bil to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services; to the Committee on Armed Services.

H.R. 2629. A bill to amend the Uniform Code of Military Justice to improve the military justice system, and for other purposes; to the Committee on Armed Services.

H.R. 2630. A bill to amend the Fair Credit Reporting Act of 1970; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2631. A bill to amend the National Flood Insurance Act of 1968 for the purpose of providing insurance against damage caused by the movement of frozen water into property located along shorelines; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2632. A bill to amend the Older Americans Act of 1965 to provide relief for older Americans who own or rent their homes; to the Committee on Education and Labor.

H.R. 2633. A bill to exempt companies which are engaged in investing in new business securities from the provisions of the Investment Company Act of 1940; to the Committee on Interstate and Foreign Commerce.

H.R. 2634. A bill to permit regulation of automated blood pressure machines to insure the accuracy and reliability of their performance; to the Committee on Interstate and Foreign Commerce.

H.R. 2635. A bill to repeal the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance"; to the Committe on the Judiciary.

H.R. 2636. A bill to amend the Federal Water Pollution Control Act to provide Federal funding for the costs of operation and maintenance of waste treatment works; to the Committee on Public Works and Transportation.

H.R. 2637. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption, to provide for the deferral of gain from the sale or exchange of certain stock, and for other purposes; to the Committee on Ways and Means.

H.R. 2638. A bill to amend section 226 of the Social Security Act to make inapplicable, in the case of individuals suffering from multiple sclerosis, the present requirement that an individual under age 65 must have been entitled to benefits based on disability for at least 24 consecutive months in order to qualify for medicare benefits; to the Committee on Ways and Means.

H.R. 2639. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of taxes assessed by special districts for debt retirement and for capital construction in connection with the construction of sewage treatment works in the same manner as the deduction allowed for real property taxes; to the Committee on Ways and Means.

H.R. 2640. A bill to establish a national corporation to finance, through loan guaranties and loans, high-risk efforts which seek to develop and demonstrate technologies to meet critical national needs and which are unable to secure adequate funds through existing sources, to strengthen and insure congressional participation in the continuing review of Government operations and activities, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Science and Technology, and Rules.

By Mr. EDWARDS of California:

H.R. 2641. A bill to amend section 106 of the Civil Rights Act of 1957 to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 2643. A bill to modify the project for navigation improvements in Mobile Harbor, Theodore Ship Channel, Ala., and for other purposes; to the Committee on Public Works and Transportation.

By Mr. EVANS of Delaware:

H.R. 2643. A bill to provide for the establishment of a veterans' cemetery in the State of Delaware; to the Committee on Veterans' Affairs.

H.R. 2644. A bill to amend the Revenue Act of 1978 to provide that, with respect to the amendments allowing the investment tax credit for single purpose agricultural or horticultural structures, credit or refund shall be allowed without regard to the statute of limitations for certain taxable years to which such amendments apply; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 2645. A bill to provide coverage under the Federal Old-Age, Survivors, and Disability Insurance System for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

By Mr. GIBBONS (for himself, Mr. MIKVA, and Mr. NELSON):

H.R. 2646. A bill to provide that the public debt limit shall be established pursuant to the congressional budget procedures; jointly, to the Committees on Ways and Means, and Rules.

By Mr. GLICKMAN (for himself, Mr. ROE, Mr. BLANCHARD, Mr. BEDELL, Mr. EMERY, Mr. MURPHY of Pennsylvania, Mr. CONYERS, Mr. TRAXLER, Mr. WINN, Mr. CHARLES H. WILSON of California, Mr. LAFALCE, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. HUGHES, Mr. JEFFORDS, Mr. NOLAN, Mr. ANDREWS of North Dakota, Mr. YOUNG of Florida, Mr. MILLER of California, Mr. PATTERSON, Mr. WHITEHURST, Mr. LLOYD, Mr. ESTES, Mr. BURLISON, Mr. SCHEUER, Mr. RANGEL, Mr. ALBOSTA, Mr. HEFTEL, and Mr. LAGOMARSINO):

H.R. 2647. A bill to amend the Clean Air Act to promote the use of alcohol as a motor vehicle fuel and as an additive to motor vehicle fuels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2648. A bill to encourage the production of alcohol for use as a fuel or petroleum substitute by allowing the rapid amortization of facilities producing alcohol for those uses; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 2649. A bill to extend certain expired provisions related to the child support program under title IV-D of the Social Security Act and to child care under title XX of the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 2650. A bill to amend the Social Security Act and the Internal Revenue Code of 1954, to strengthen the financing of the social security system, to provide for a gradual increase in retirement age, to improve the treatment of women through the establishment of a working spouse's benefit and to eliminate gender-based discrimination, to provide coverage under the system for Federal employees, to increase and ultimately repeal the earnings limitation, and for other purposes; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 2651. A bill to extend for 4 years the existing suspension of duty on crude feathers and down; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 2652. A bill to amend title 10, United States Code, to provide that a member of a reserve component of the Armed Forces who is involuntarily released from active duty and receives readjustment pay and who later becomes eligible for retired pay may receive that part of his retired pay not attributable to the service for which the readjustment pay was paid while the readjustment payment is being recouped as required by law through deductions in such retired pay; to the Committee on Armed Services.

H.R. 2653. A bill to provide for an equitable procedure for establishing congressional districts; to the Committee on the Judiciary.

By Mr. LAGOMARSINO (for himself, Mr. CLAUSEN, and Mr. WON PAT):

H.R. 2654. A bill providing for enlistment of certain citizens of the Northern Mariana Islands into the U.S. Armed Forces; to the Committee on Armed Services.

By Mr. LUKEN (for himself and Mr. ATKINSON):

H.R. 2655. A bill to establish a reasonable and fair preference for domestic products and materials in Government procurement and in procurement with Federal funds, and to establish procedures to insure that if purchased only fairly traded foreign products and materials are procured by the Government or with Federal funds to the Committee on Government Operations.

By Mr. MARLENEE:

H.R. 2656. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if otherwise qualified) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

By Mr. MOTTL (for himself, Mr. ADDABBO, Mr. BIAGGI, Mr. BLANCHARD, Mr. BOLAND, Mr. BRODHEAD, Mr. CONTE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. EVANS of Georgia, Mr. FARY, Mrs. FENWICK, Mr. FLOOD, Mr. FORD of Michigan, Mr. GARCIA, Mr. GAYDOS, Mr. GEPHARDT, Mr. GILMAN, Mr. GINN, Mr. HUGHES, Mr. HYDE, Mr. KILDEE, Mr. LAGOMARSINO, Mr. MARKEY, Ms. MIKULSKI, Mr. MIKVA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Illinois, Mr. MURPHY of Pennsylvania, Mr. NEDZI, Mr. NOWAK, Mr. PEPPER, Mr. RANGEL, Mr. ROE, Mr. RUSSO, Mr. SIMON, Mr. STRATTON, Mr. THOMPSON, Mr. TRAXLER, Mr. VENTO, Mr. WHITEHURST, Mr. WOLFF, Mr. YATRON, and Mr. ZABLOCKI):

H.R. 2657. A bill to provide for the issuance of a commemorative postage stamp in honor of Gen. Casimir Pulaski and Americans of Polish descent; to the Committee on Post Office and Civil Service.

By Mr. PAUL:

H.R. 2658. A bill to amend the Federal Reserve Act to terminate the authority of the Secretary of the Treasury to require the delivery of gold to the Treasurer of the United States, which shall be known as The Gold Ownership Act of 1979; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RODINO (for himself and Mr. DANIELSON):

H.R. 2659. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of the U.S. employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may initiate and participate in a disciplinary inquiry with respect to such tort, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE (for himself, Mr. LENT, and Mr. MCKINNEY):

H.R. 2660. A bill to amend section 216 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H.R. 2661. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mrs. SPELLMAN:

H.R. 2662. A bill to promote the domestic recruiting of teachers for teaching positions in overseas dependents schools of the Department of Defense, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STACK (for himself and Mr. PEPPER):

H.R. 2663. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act and to allow deductions for certain medical and dental expenses in the computation of incomes for such households; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 2664. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

By Mr. STANGELAND (for himself, Mr. KINDNESS, Mr. SABO, Mr. GUYER, Mr. KOGOVSEK, Mr. HARKIN, Mr. HAGEDORN, Mr. SYMMS, Mr. ERDAHL, and Mr. CHENEY):

H.R. 2665. A bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail and highway crossings in certain energy impacted cases; to the Committee on Public Works and Transportation.

By Mr. THOMPSON:

H.R. 2666. A bill to authorize funds for the American Council of Learned Societies; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 2667. A bill to amend the Internal Revenue Code of 1954 to provide for an extension of the period during which an individual must purchase a new residence for nonrecognition of gain on the sale of an old residence in the case of members of the Armed Forces who are stationed overseas or who are required to reside in Government-owned quarters; to the Committee on Ways and Means.

By Mr. COTTER:

H.J. Res. 239. Joint resolution to authorize the President to issue a proclamation designating the week beginning on September 30 through October 6, 1979, "International Motion Picture Week"; to the Committee on Post Office and Civil Service.

By Mr. MCCLORY:

H.J. Res. 240. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. PATTEN (for himself, Mr. PICKLE, Mr. VENTO, Mr. ADDABBO, Mr. MCCLORY, Mr. FLORIO, Mr. MATHIS, Mr. CORRADA, and Mr. MURPHY of Pennsylvania):

H.J. Res. 241. Joint resolution authorizing the President to issue a proclamation encouraging Americans to turn off their electric lights on October 21, 1979, for a "Minute of Tribute" to Thomas A. Edison; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 242. Joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day"; to the Committee on Post Office and Civil Service.

By Mr. HAWKINS:

H. Con. Res. 65. Concurrent resolution authorizing the printing as a House document of a revised edition of "The Declaration of Independence and the Constitution of the United States of America"; to the Committee on House Administration.

H. Con. Res. 66. Concurrent resolution authorizing the printing as a House document of a revised edition of "Our Flag"; to the Committee on House Administration.

By Mr. SATTERFIELD:

H. Con. Res. 67. Concurrent resolution expressing the sense of Congress that the new regulations of the Department of Labor with respect to the health and safety training of miners places an undue burden on small operators; to the Committee on Education and Labor.

By Mr. STUDDS (for himself, Mr. BONKER, Mr. ROSENTHAL, Mr. BARNES, Mr. WOLPE, Mr. SOLARZ, Mr. BINGHAM, Mrs. FENWICK, Mr. PEASE, Mr. BEILENSON, Mr. JENRETTE, Mr. EDWARDS of California, Mr. FAZIO, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. DRINAN, Mr. VENTO, Mr. OTTINGER, Mr. CORRADA, Mr. CONYERS, Mr. AUCOIN, Mr. CONTE, Mr. SHANNON, Mr. SIMON, Mr. CARR, Mr. WEAVER, Mr. CHARLES WILSON of Texas, Mr. DOWNEY, Mr. LEDERER, Mr. RANGEL, Mr. DELLUMS, Mr. ROE, Mr. LAFALCE, Mr. LEE, Mr. SCHEUER, Mr. DIXON, Mr. EDGAR, Mr. DOUGHERTY, Mr. HARRIS, Mr. BLANCHARD, Mr. GARCIA, and Ms. MIKULSKI):

H. Res. 146. Resolution expressing support for the approval of the Convention on the Prevention and Punishment of the Crime of Genocide; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

53. By Mr. RUDD: Memorial of the Senate of the State of Arizona, relative to Mexican petroleum reserves; to the Committee on Foreign Affairs.

54. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, relative to the award of the Navy's Service Life Extension program to the Newport News Shipbuilding and Dry Dock Co., to the Committee on Armed Services.

55. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the contributions of television stations in Virginia; to the Committee on Interstate and Foreign Commerce.

56. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to including the costs of hearing aids and hearing rehabilitation services under the medicare program; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 2668. A bill for the relief of Elias Salim Kardosh; to the Committee on the Judiciary.

By Mr. BONER of Tennessee:

H.R. 2669. A bill for the relief of Shoo Shien Wang; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.R. 2670. A bill for the relief of Narciso G. Michelena; to the Committee on the Judiciary.

H.R. 2671. A bill for the relief of Helen R. Pestano; to the Committee on the Judiciary.

By Mr. STANGELAND:

H.R. 2672. A bill for the relief of Larry Gene Steffen; to the Committee on the Judiciary.

By Mr. YOUNG of Missouri:

H.R. 2673. A bill for the relief of Karl Josef and Karoline Steinbrecher; to the Committee on the Judiciary.

By Mr. MAZZOLI (by request):

H. Res. 147. Resolution to refer the bill (H.R. 2616) for the relief of McNamara Construction of Manitoba, Limited, of Willowdale, Ontario, Canada, to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 51: Mr. STAGGERS, Mr. PREYER, Mr. SCHEUER, Mr. OTTINGER, Mr. MAGUIRE, Mr. MOFFETT, Mr. GORE, Ms. MIKULSKI, Mr. MOTTL, and Mr. LELAND.

H.R. 96: Mr. HANSEN, Mr. GOLDWATER, Mr. BUTLER, Mr. GOODLING, Mr. MYERS of Indiana, Mr. DUNCAN of Tennessee, Mr. BRINKLEY, Mr. BADHAM, Mr. LUJAN, Mr. STANGELAND, Mr. LEATH of Texas, Mr. HINSON, Mr. ROE, Mr. EDWARDS of Alabama, Mr. BAUMAN, Mr. STUMP, Mr. RINALDO, Mr. BAFALIS, Mr. LIVINGSTON, Mr. HOWARD, Mr. VANDER JAGT, Mr. GRISHAM, Mr. CHARLES WILSON of Texas, Mr. MICA, Mr. YOUNG of Missouri, Mr. HUTTO, Mr. YOUNG of Florida, and Mr. EVANS of Georgia.

H.R. 111: Mr. BAUMAN.

H.R. 160: Mr. HALL of Texas, Mr. YOUNG of Alaska, Mr. MATHIS, Mr. GOLDWATER, Mr. SKELTON, Mr. BAFALIS, Mr. BEVILL, Mr. WATKINS, Mr. MCDONALD, Mr. IRELAND, Mr. HEFTEL, Mr. LLOYD, Mr. ROBERTS, Mr. GUYER, Mr. KRAMER, Mr. RUDD, Mr. HOLLAND, Mr. MONTGOMERY, Mr. BADHAM, Mr. BAUMAN, Mr. WHITLEY, Mr. MARRIOTT, Mr. KELLY, Mr. DAN DANIEL, Mr. FLIPPO, Mr. ROUSSELOT, Mr. GINN, Mr. HARSHA, Mr. WHITEHURST, Mr. BOWEN, Mr. SYMMS, Mr. SEBELIUS, Mr. DE LA GARZA, Mr. TREEN, Mr. CLAUSEN, Mr. RUNNELS, Mrs. SMITH of Nebraska, and Mr. GOODLING.

H.R. 352: Mr. STANTON.

H.R. 596: Mr. CHAPPELL, Mr. DOUGHERTY, and Mr. MCHUGH.

H.R. 758: Mr. COELHO, Mr. LOEFFLER, and Mr. HAGEDORN.

H.R. 809: Mr. ADDABBO, Mr. BRODHEAD, Mr. BUTLER, Mr. CORRADA, Mr. DEVINE, Mr. FAZIO, Mr. FUQUA, Mr. HORTON, Mr. HUGHES, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. PEPPER, Mr. WAMPLER, Mr. BOB WILSON, Mr. YATRON, and Mr. YOUNG of Florida.

H.R. 1006: Mr. D'AMOURS, Mr. CONYERS, Mr. WOLFF, Mr. JOHNSON of California, Mr. DELLUMS, Mr. GINN, Mr. DOWNEY, Mr. STUDDS, Mr. LONG of Maryland, Mr. DANIELSON, Mr. MITCHELL of Maryland, Mr. HORTON, Mr. SANTINI, Mr. HUGHES, Mr. ANDREWS of North Dakota, Mr. LUJAN, Mr. MURPHY of Pennsylvania, Mr. HYDE, Mr. CORRADA, Mr. PANETTA, Mr. HALL of Texas, Mr. DICKINSON, Mr. LAGOMARSINO, Mr. AUCOIN, Mr. FAZIO, Mr. BEDELL, Mr. RICHMOND, Mr. MINETA, Mr. FASCELL, Mr. BEVILL, Mr. PRICE, Ms. HOLTZMAN, Mr. PEPPER, Mr. EVANS of Georgia, Mr. RANGEL, and Mr. EDGAR.

H.R. 1008: Mr. GINGRICH, and Mr. LEACH of Louisiana.

H.R. 1009: Mr. CLEVELAND, Mr. GINGRICH, Mr. SYMMS, and Mr. COUGHLIN.

H.R. 1041: Mr. LEDERER, Mr. CORRADA, Mr. BRODHEAD, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. BONIOR of Michigan, Mr. ROE, Mr. WOLPE, Mr. WOLFF, Mr. DOWNEY, Mr. HOWARD, Mr. VENTO, Mr. BEVILL, Mr. YATRON, Mr. LUKEN, Mr. MATHIS, Mr. PRICE, Mr. DONNELLY, Mr. FORD of Michigan, Mr. FROST, Mr. DOUGHERTY, Mr. AKAKA, and Mr. ZEFERETTI.

H.R. 1049: Mr. SCHEUER, Mr. BROYHILL, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CORRADA, Mr. DAVIS of Michigan, Mr. DOWNEY, Ms. HOLTZMAN, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. WEISS, and Mr. WOLPE.

H.R. 1141: Mr. GUYER, Mr. EMERY, Mr. COUGHLIN, Mr. BROYHILL, Mr. BADHAM, Mr. GAYDOS, Mr. FLOOD, Mr. ZEFERETTI, Mr. HOLLAND, Mr. ROBINSON, Mr. CLEVELAND, Mr. EDWARDS of Oklahoma, Mr. ROE, Mr. JENRETTE, Mr. COLEMAN, Mr. YATRON, Mr. FOUNTAIN, Mr. ADDABBO, Mr. MAGUIRE, Mr. WAMPLER, Mr. HINSON, Mr. PATTEN, Mr. NICHOLS, Mr. BEARD of Tennessee, and Mrs. BOUQUARD.

H.R. 1603: Mr. RUNNELS, Mr. ARCHER, Mr. COELHO, Mr. COUGHLIN, Mr. THOMAS, Mr. MOLLOHAN, Mr. ALEXANDER, Mr. FORSYTHE, Mr. BEARD of Tennessee, Mr. BURGENER, Mr. RAILSBACK, Mr. LEACH of Louisiana, Mrs. SNOWE, and Mr. BROWN of Ohio.

H.R. 1612: Mr. CARNEY, Mr. DANNEMEYER, Mr. FLORIO, Mr. GILMAN, Mr. LAGOMARSINO, Mr. LEDERER, Mr. MAGUIRE, Mr. MOAKLEY, Mr. RICHMOND, Mr. ROE, Mrs. SCHROEDER, and Mr. SNYDER.

H.R. 1613: Mr. CARNEY, Mr. DANNEMEYER, Mr. FASCELL, Mr. FLORIO, Mr. GILMAN, Mr. LAGOMARSINO, Mr. LEDERER, Mr. MAGUIRE, Mr. MOAKLEY, Mr. RICHMOND, Mr. ROE, Mrs. SCHROEDER, and Mr. SNYDER.

H.R. 1714: Mr. CONYERS, Mr. DERRICK, Mr. DOWNEY, Mr. ERTEL, Mr. MURPHY of Pennsylvania, Mr. RAHALL, Mr. RICHMOND, Mr. THOMPSON, Mr. WEISS, and Mr. WON PAT.

H.R. 1734: Mr. LEDERER, Mr. BEARD of Rhode Island, Mr. CORRADA, Mr. MITCHELL of Maryland, Mr. CLAY, Mr. FORSYTHE, Mr. MATSUI, Mr. COTTER, Mr. FASCELL, Mr. ADDABBO, Mr. PATTEN, Mr. MITCHELL of New York, Mr. FLORIO, Mr. DORNAN, Mr. MOAKLEY, Mr. LOTT, and Mr. RANGEL.

H.R. 1739: Mr. WOLPE.

H.R. 1852: Mr. DUNCAN of Tennessee and Mr. DORNAN.

H.R. 1921: Mr. MCDONALD, Mr. SYMMS, Mr. KINDNESS, Mr. STOCKMAN, Mr. STUMP, and Mr. PHILIP M. CRANE.

H.R. 2073: Mr. DOWNEY, Mr. MAGUIRE, Mr. MITCHELL of Maryland, Mr. SOLARZ, and Mr. ERDAHL.

H.R. 2152: Mr. SOLARZ, Mr. FAZIO, Mr. BROWN of California, Mr. DANNEMEYER, Mr. YATRON, Mr. NOLAN, Mr. BEDELL, Mr. WOLPE, Mr. BINGHAM, Mr. EDGAR, Mr. SEBELIUS, Mr. PANETTA, Mr. HUGHES, Mr. CARR, Mr. YOUNG, of Alaska, Mr. NEAL, Mr. RANGEL, Mr. SCHEUER, Mr. MCHUGH, Mr. TRAXLER, Mrs. SCHROEDER, Mr. WEAVER, and Mrs. SPELLMAN.

H.R. 2172: Mr. ALBOSTA, Mr. DASCHLE, Mr. LIVINGSTON, Mr. MCKAY, Mr. MICA, Mr. PANETTA, Mr. KILDEE, and Mr. FAZIO.

H.R. 2463. Mr. PRITCHARD, Mr. DORNAN, Mr. MURPHY of Pennsylvania, Mr. MITCHELL of Maryland, Mr. AKAKA, Mr. HYDE, Mr. JENRETTE, Mr. DERWINSKI, Mr. CORRADA, Mr. RICHMOND, Mr. MCCLOSKEY, Mr. WAXMAN, Mr. WHITEHURST, Mr. THOMPSON, Mr. ROE, Mr. JOHN L. BURTON, Mr. VENTO, Mr. MCHUGH, Mr. DIXON, Mr. SIMON, Mr. LAGOMARSINO, Mr. DELLUMS, Mr. CONTE, Mr. FAZIO, Mr. CHARLES WILSON of Texas, Mr. BONIOR of Michigan, Mr. THOMAS, Mr. OTTINGER, and Mr. AUCOIN.

H.R. 2521: Mr. VENTO, Mr. HEFTEL, Mr. MINETA, Mr. DOWNEY, Mr. MOAKLEY, Mr. DIXON, Mr. CORRADA, Mr. AKAKA, Mr. MITCHELL of Maryland, and Mrs. SCHROEDER.

H.J. Res. 22: Mr. DASCHLE, Mr. EDGAR, Mr. EVANS of Delaware, Mr. LUKEN, Mr. MAGUIRE, Mr. MOFFETT, Mr. PANETTA, and Mr. VENTO.

H.J. Res. 100: Mr. WON PAT, Mr. MURPHY of Pennsylvania, Mr. WOLPE, Mr. LEDERER, Mr. LAGOMARSINO, Mr. JEFFORDS, Mr. FRENZEL, Mr. PRICE, Mr. GUYER, Mr. ESTES, Mr. BAILEY, Mr. RAHALL, Mr. RANGEL, Mr. DORNAN, Mr. MOAKLEY, and Mr. ZEFERETTI.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

71. By the SPEAKER: Petition of Frances R. Grant, S. Fanny Simon, and others, New

York, N.Y., relative to Nicaraguan democracy; to the Committee on Foreign Affairs.

72. Also, petition of the National Association of Regulatory Utility Commissioners, Washington, D.C., relative to continuation of emergency energy assistance to low income persons and families; jointly, to the Committees on Appropriations, and Education and Labor.

73. Also, petition of the National Association of Regulatory Utility Commissioners, Washington, D.C., relative to nuclear powerplant licensing reform; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

NEW JERSEY WINNER OF 1978–79 VOICE OF DEMOCRACY CONTEST

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MINISH. Mr. Speaker, it is with deep pride that I announce that the winning speech from my State of New Jersey in the 1978–79 Voice of Democracy scholarship program was entered by Miss Ellen Lorraine Jeffrey of Essex County. This year more than 250,000 secondary school students participated in this contest, which is sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary. I certainly feel fortunate to have a young woman of Miss Jeffrey's caliber as one of my constituents. A high school senior who participates in numerous activities at Archbishop Walsh High School, Miss Jeffrey is the daughter of Mr. and Mrs. Robert Jeffrey of 187 Western Parkway, Irvington, N.J. She has been honored for her inspirational remarks based on the theme "Why I Care About America." It is with great pleasure that I insert her eloquent words into the RECORD:

WHY I CARE ABOUT AMERICA

(By Ellen Lorraine Jeffrey)

Why do I care about America? A simple enough question. If someone were pressed for an answer, he would probably say, "I care about America, (most obviously) because I live here, I reap the benefits of a wealthy nation, and I enjoy the freedoms and privileges provided for under a successful democracy." Of course, the reply would not come in those exact words; perhaps no words would be necessary. Ask a first grader why he cares about America, and his initial reaction, a wide, brilliant grin, expresses more eloquently than a speech the pride Americans feel for their country. And Americans have every reason to be proud of their land, their system of government, and of themselves. Despite her youth, America is a prospering world power, a growing empire born of tears and toil; hope and fear; the sweat and blood of her people—her highest ideal freedom.

We have much to be proud of, but if our admiration stops there, as a warm, somewhat vague affection for our country, then we might as well say good-bye right now to all those aspects of American life that we so rightfully boast of. The various freedoms secured in the Bill of Rights; numerous job and education opportunities; a democratic government; the right to live as one's conscience dictates; all these and everything else our forerunners strived for will be in vain. If our concern about America amounts to nothing more than an impersonal appreciation for the comfortable life we lead, then that satisfying existence will soon cease to be. If a man rowing a boat decides to set aside his oars, relax and just enjoy the ride, the boat will eventually either stop dead or be swept away by the current. If the man does not watch where he is going, he might even find himself unintentionally shooting the rapids.

So it is with the United States; too many people are merely "enjoying the ride." Though they profess to "care" about their country, in reality, their country is caring for them. Spouting patriotisms while neglecting one's duties as a responsible citizen is not living as a concerned, caring America. The United States was formed through the combined efforts of people of action. Though the Declaration of Independence, the Gettysburg Address, and the United States Constitution are remarkable works in themselves, they were written to inspire, to guide, to joyfully proclaim; they were the means to an end, not ends in themselves. Words were highly treasured by our forefathers, but only to spur people into action. Speaking never replaced doing.

The time has come for me to answer for myself the question "Why I Care About America." But I want my response to automatically lead me to ask, more importantly, how I care about America. I want to be sure that the pride I feel for my country goes deeper than just a surface emotion; that my pride breeds a concern that is real, motivated, and produces effective action. If I love my land, then I must support its ideals, cherish the freedom I possess, strive to maintain what is good and abolish the present injustices. Caring, if it is sincere, equals work. And work involves sacrifice. There is much work to be done. People are hungry. People are lonely. People are in need.

Caring about my country can and should begin now. Enlisting in political campaigns, participating in government sponsored programs, doing my very best in school, and staying informed on current issues are ways in which I and all young people can actively care about America.

Why do I care about America? Not because she is perfect, but because she is free, and I am free to help her grow. How do I case about America? Use my freedom responsibly.●

OUTSTANDING COMMUNITY LEADERSHIP OF NANCY CARTER AVERY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. CORMAN. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the dedicated community services of Ms. Nancy Carter Avery.

Ms. Avery has served a wide range of community interests in the San Fernando Valley and Los Angeles areas. She is past president of BUILD for Mental Rehabilitation, the Los Angeles County Postmasters Association, Parents Teachers Association, the NAACP, and Pacoima Coordinating Council.

She has also been a member of the following organizations: United Way, Pacoima Women's Club, Pacoima Chamber of Commerce, the NAACP, Fair Housing Council, San Fernando Boys' Club, and National Chairman of Equal Opportunity and Handicapped Committee of the Postmasters' Association.

Ms. Avery has been honored as "Woman of the Year" by the North Valley YWCA, and Zeta Phi Beta for her community services. Other awards include the NAACP Freedom Award Citation, Outstanding Service Mental Health Campaign of the Urban League, and the Vaughn Street PTA. The list is endless.

Ms. Avery brought national prominence to the San Fernando Valley in 1961, when she was appointed the first black postmaster. The Pacoima community is most fortunate to still have her services today.

Nancy Carter Avery is an individual who has made a tremendous impact on her community, and I extend to her our deep gratitude for her many contributions and selfless services.●

WHY I CARE ABOUT AMERICA

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. D'AMOURS. Mr. Speaker, each year more than a quarter of a million high school students across the Nation participate in the Voice of Democracy contest sponsored by the Veterans of Foreign Wars of the United States. The contest was started 32 years ago to promote the study of democracy and American political traditions. The authors of the best essays from each State are invited to Washington each spring to visit the city and to compete for five national scholarships ranging up to $10,000.

I am pleased to be able to share with my colleagues the prize-winning essay for the State of New Hampshire, which was written by a resident of the First Congressional District, John D. Stackpole of Merrimack, N.H.

John is a junior at Merrimack High School where in addition to being an honor roll student and winning first prize in the 1978 Science Fair he has been active in interscholastic athletics and has been awarded the Pop Warner scholar-athlete prize.

John is contemplating a career in medicine or the sciences and is interested in photography, music, and sports. He lives with his parents, David A. Stackpole, a marketing manager for Digital Equipment in Merrimack, and Shirley M. Stackpole, a homemaker, and his three sisters Debra, Carol, and Beth.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

John's excellent essay analyzes the importance of individuality and opportunity in our society and the contribution that our educational system makes in nurturing these values. It is a poignant reminder of the critical role these ideals play in our democracy:

WHY I CARE ABOUT AMERICA

I care for America—millions have shared this deep feeling. My country has always been viewed as the land of opportunity. Immigrants came in abundance to seek the opportunities that only this nation could offer. The ideals of personal freedom, opportunity for education, and the means by which our government insures these rights, are the primary reasons I care for America.

The foremost reason I care for my country is the guaranteed right, the constitutional right, to personal freedom. This freedom is unequalled in other countries of the world. We are the sole nation that allows freedom to this extent. We, as Americans, have the right to do and be who we wish. We are a union of individuals treated as persons possessing unique qualities. Individuality, imagination, and originality are nurtured and encouraged; we accept and acknowledge new ideas. New ideas are not shunted aside just because they don't agree with the established ways. They are weighed and evaluated. I believe these ideas allowed us to go to the moon, to wipe out disease, to unite our people.

But these achievements could not have been developed if it weren't for the view our country has on education. The opportunities for better education and self-improvement are abundant in our nation. There are numerous public and private schools that give a basic education. Colleges, vocational schools, and graduate schools are available for those who wish to further their education. Education is also offered to us through the media—through newspaper, television, and radio—this freedom of expression allows us to see society as it really is. It contributes to our daily education, it allows us to know our country. Education is not limited to the mind; other freedoms of expression, such as music, art, and dance, allow us to broaden our scope of knowledge. I believe that if we use this knowledge to improve our nation—we show that we care.

To insure these rights of Individuality and Opportunity our government was established in such a manner as to give the ultimate power to the people. The laws of our country were written and ratified by the people. The people enforce and interpret these laws through the executive and judicial branches. Our government also promotes education by providing schools, scholarships, and loans. I believe our country works because our government both promotes and protects these rights.

These ideas—personal freedom, educational opportunities, and the means by which our government guarantees the other two, are the basic reasons I care for my country. There are others, however, none exemplify as well the soul of America—Liberty, Individuality, and Justice.●

FEDERAL CAMPAIGN FINANCING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to submit for the benefit of my colleagues, the following editorial on Federal campaign financing, which appeared in the Lompoc Record on March 2, 1979.

PROTECTION ACT

There is a very important bill being argued in Congress this session called H.R. 1, the public financing measure for election campaign subsidies. More than 150 House members have co-authored the bill by House Speaker Tip O'Neill.

The bill would limit campaign spending by each congressional incumbent and his challengers to $150,000 and it would "match" up to $60,000 each raises with $60,000 in tax dollars.

If each House incumbent has a single challenger and each incumbent receives his $60,000 in matching funds, it means $52.2 million in matching funds would have to be taken out of the Treasury for each House election. It is also estimated that it will cost an additional $6 million to administer the election subsidy program if approved.

It is our opinion that this bill is heavily weighted in favor of the incumbent congressman. It would be almost impossible in most districts to beat an incumbent with special privileges valued at a half-million dollars a year by a challenger only spending $150,000. In the last election 95 percent of House incumbents who ran won.

We do have concerns about the high cost of running for election, but we do not feel that H.R. 1 is the solution.

We cannot see how so many members of Congress can advocate such a costly new statute that would proliferate the federal bureaucracy when the public is clamoring for less spending and less government.

H.R. 1 could more appropriately be called the "incumbent's protection act."●

MONESSEN EDUCATOR CITED

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. BAILEY. Mr. Speaker, on March 24, 1979, a well-deserved tribute will be paid to an outstanding educator and citizen, Dr. Joseph J. Pallone, to mark over 24 years of dedicated service as the Superintendent of Schools in Monessen, Pa.

Ever since Dr. Pallone earned his first education degree in 1935 from Indiana State University, he has been unrelenting in his efforts to improve the quality of American education.

From 1935 until 1956, Dr. Pallone used his tremendous educational talents in serving as a teacher and then principal in the Arnold public school system, Arnold, Pa.

It was from this position that Dr. Pallone began his 24-year tenure of public service as superintendent of schools in Monessen.

During all of these years, he continued to further his impressive educational training by earning his master of education degree from the University of Pittsburgh in 1938 and his doctor of education degree from Pennsylvania State University in 1956.

In addition to his daily involvement in the public school system, Dr. Pallone has participated in many educational and professional organizations and associations, ranging from the American Association of School Administrators to the Westmoreland County Superintendents' Association.

However, Dr. Pallone's accomplishments do not stop at the academic world. He has unselfishly devoted many hours of hard work in various community services and projects.

Most noteworthy was his service as president of the Monongahela Valley Hospital, Inc., project.

It is entirely proper that Dr. Pallone be recognized not only for his tireless efforts and achievements within our educational system but also for his dedicated service to his community.

On behalf of the good citizens of Pennsylvania's 21st Congressional District and the House of Representatives, it gives me a great deal of pleasure to salute Dr. Joseph J. Pallone, an educator who has contributed much to the improvement of the American education system.●

NO PERFECT ANSWER

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. SAWYER. Mr. Speaker, I would like to insert into the RECORD a copy of the editorial from the Grand Rapids Press that summarizes much of my feeling about the proposal for public financing of congressional campaigns.

The editorial follows:

KEEP ELECTIONS PUBLIC

Supporters of public financing for congressional political campaigns say they'll try again in the 96th Congress to pass the reform legislation, but there's nothing in the makeup of the newly convened body to suggest the concept will be adopted this time around.

Public financing for congressmen—similar to the system now in place for campaigns of the U.S. president and Michigan's governor—has never lacked widespread legislative praise, but enough votes could never be raised in the U.S. House and Senate.

The issue was filibustered to death in the Senate in 1977; it died in the House last year under an overwhelming majority of Republicans and southern Democrats. Some say vigorous White House backing, which faded fast after early enthusiasm, could have saved the legislation.

Many proponents of public financing for congressional campaigns are concerned with what they regard as a dangerous combination of soaring campaign costs and sharply rising political investments by special interest groups. They beleve that, ideally, public financing shouldn't be necessary, but the alternative of letting present trends continue is much worse.

Opponents say a public financing law would work to the advantage of incumbents and would lessen public involvement in the election process.

Recent figures from the Federal Election Commission suggest arguments advanced by public financing foes cannot be sustained. Further, as Fred Wertheimer, vice president of Common Cause likes to point out, if the proposal would indeed help incumbents, how come sitting members of Congress have been so reluctant to pass the bill? Exactly 95 percent of the House and Senate members who were running for re-election were winners last year—hardly a challenger's paradise.

In almost every instance the election commission's figures reveal overwhelming influence of special interest money—especially for incumbents—and the political

impact of individual voters and the political organizations where they can participate without making a sizeable financial contribution.

In the two years preceding November 1978, special interest political action committees contributed $18.2 million to congressional incumbents and only $6.6 million to their opponents.

Individual donations, on the other hand, comprised less than half of the total money taken in by incumbents but more than two-thirds received by challengers. Little wonder that incumbents hate to see the demise of the special interest committees.

Another revealing category of campaign financing is the amount of money candidates spend on themselves. Congressional incumbents contributed or loaned $800,000 to their own campaigns. Personal contributions and loans that went into challenger coffers totaled $11.2 million, a circumstance that is making congressional candidacy more exclusive then ever.

Obviously it takes heavy money to get elected these days. Just as obviously, those who have it to begin with are more likely to be challengers, and those who are incumbents attract it like a huge magnet. With those conditions becoming more true with each election, it's time Congress, admittedly a body of incumbents, tried to prevent election contests from becoming races for the buck—and never mind its source. Public financing may not be the perfect answer, but right now it seems to be the only one.●

THE REVOLT HAS ONLY BEGUN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MICHEL. Mr. Speaker, most commentaries have stated that the main reason for the victory of Jane Byrne over Mayor Michael Bilandic in the recent Democratic mayoral primary in Chicago, was that Bilandic had failed to deal with Chicago's snow problems and had alienated many voters.

Perhaps this is true. But could it not be that the Byrne victory is a part of a growing, dynamic, unstoppable peaceful revolution of voters and taxpayers? This is the question asked by the Peoria Journal-Star in a recent editorial. I commend to you this incisive and persuasive argument.

At this time I wish to insert in the RECORD, "The Revolt Has Only Begun," Peoria Journal-Star, March 2, 1979:

THE REVOLT HAS ONLY BEGUN

Give Jane Byrne credit for challenging the machine.

Give her hard-boiled campaign manager—Don Rose—credit for fighting the machine with their own rough-house tactics and thus cutting down sharply on the fraud practices that have marked so many machine elections.

Give the Blizzard of '79 credit for exposing the financial scandals in a new light—as related to the failure of the city's snow-removal efforts and the breakdown of the public transit system. (Although in Washington, D.C. with far less snow even the new multi-billion dollar subway shut down for three days.)

But none of these events would bring out 50 percent of the voters in Chicago for a primary election to dump Bilandic in his own party.

Neither the blizzard nor Jane Byrne nor her hardboiled campaign manager "got out the vote."

Nor is it enough to simply say that Bilandic's ineptitude has been so great that what really happened was not a case of Jane Byrne beating Bilandic or of any one issue beating Bilandic but simply a case of Bilandic, himself, beating Bilandic.

The Chicago machine has survived worse things and tougher challenges than anything that happened in 1978–1979.

The earthquake that broke three generations of uninterrupted control in the city of Chicago goes a lot deeper than that.

It is a sign of the times.

It is part of The Revolution, not an isolated incident all by itself.

And politicians in Springfield—and Washington—would do well to read into it the reality that what is involved here is The Temper Of The Times.

It ranks with Proposition 13 as an expression of growing public dissatisfaction with the cost—and related performance—of government, generally.

If national politicians think they can ride majestically above the local revolt evidenced in elections across the land in 1978, in Proposition 13 in California, in the party reversal in the once "liberal" stronghold of Minnesota at gubernatorial and senatorial levels, alike, and now in the defeat of the famed, invincible Chicago Machine—they are whistling past the graveyard.

Proposition 13 could not be dismissed as a limited revolt against the local property tax. That was merely the form of expression available.

Jane Byrne's massive upset in Chicago can not be dismissed as a blizzard-born revolt against an inept mayor. That was merely the form of expression available.

What we have in this country is the climate for revolt, and it erupts among people who have felt frustrated and helpless—like guerrilla warfare—wherever the opportunity seems to pop up.

And The Revolution has only begun.

The Jane Byrnes had better understand that, too.—C. L. Dancey.●

ITC HEARINGS ON IMPORT RESTRAINTS ON FOREIGN-PRODUCED SPECIALTY STEEL

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. WALGREN. Mr. Speaker, today, the International Trade Commission began hearings to determine whether or not to grant an extension of the current limitations on the importation of foreign-produced specialty steel. At the request of the United Steelworkers of America and the Specialty Steel Industry of the United States, I testified in favor of such an extension. I would like to share my statement with my colleagues:

Mr. Chairman and Members of the Commission: My name is Doug Walgren and I am privileged to serve in the United States Congress as the representative for the 18th District of Pennsylvania. This district in Western Pennsylvania is both residential and industrial. A large number of my constituents earn their livelihood as industrial employees.

Two of the specialty steel producers currently covered by the import restrictions, Cyclops and Allegheny Ludlum, are located in the 18th Congressional District. As you can expect, I have tried to become familiar with the plight of specialty steel workers, the communities supporting the facilities, and the present import restraint program.

Prior to the institution of the restraints, the conditions in the steel industry, in general, and the specialty steel industry, in particular, were dreadful. By any measure, the industry and its workers were suffering a real hardship. Production had fallen dramatically and unemployment was staggering. About 40 percent of the workers in the specialty steel industry were laid off during this period.

Since the President's decision to take action against imports of specialty steel, life in specialty steel communities around the country has improved. In my district this is surely true. In Bridgeville, where the Cyclops plant is located, and Brackenridge, where the Allegheny Ludlum plant is located, there has been noticeable improvement. Employment levels have risen and production has been revived. Communities that were recently severely threatened by the injuries inflicted on their main industrial facilities are returning to life. The earnings of workers and of these plants which are so vital to the economies of their regions have produced revenues for state and local governments, and vitality is present where despair seemed all too important.

Throughout the Chartiers Valley and the Allegheny Valley, workers who were on layoff have returned to gainful employment. With the paychecks brought home by these workers, more food, clothing and other goods and services have been bought in neighboring shops and stores. Even the local and state treasuries have benefited, as the governments began collecting tax revenues rather than paying out welfare, unemployment compensation, and adjustment assistance. In short, in concrete human terms, the effects of the trade restraint program have been positively felt by people, businesses, and local governments in the 18th Congressional District.

So that my comments on the progress experienced since the institution of the restraints are not misunderstood, let me state clearly that the industry has just begun making a recovery. It is not fully recovered. For example, although profits in the industry have increased, they are still below those in most other manufacturing sectors. Any observer can see the signs of progress, but no one could expect an import restraint program of only three years duration to restore to full health so injured an industry as the specialty steel industry. The ITC itself recommended at least five years of restraints for recovery in 1976.

It is because full revitalization has not occurred that I am here to recommend to you the continuation of the import restraint program. A continuation of the program will bring us closer to full recovery. Failure to sustain the program will most surely result in a loss of the progress made in the last three years.

To illustrate what is at stake if the restraints are terminated let me share with you some information on the effect our present import restraint program has had on the 18th Congressional District. The progress made in the last three years is impressive.

At the Cyclops' plant in Bridgeville, the number of production workers increased from a 1976 average of 470 to that of 762 workers employed there in February 1979. As employment increased so did payroll. During 1976, the average monthly payroll was $850,000. By February 1979 that average increased to $2.1 million. The unemployment figures are even more revealing. During the first six months of 1976, there were an average of 500 people on layoff. In February 1979 only 22 employees were on layoff status, and they were in a "temporary layoff" status.

The imposition of import controls has had a similarly beneficial impact on Allegheny Ludlum's Brackenridge plant where recovery has been extremely important to the local community. Employment in two years has risen by 200 to a level of 2,952 workers. Monthly payroll is now up from $5.7 million in 1976 to $7.5 million in 1978.

From this illustration I think you can imagine just what will happen if import relief if discontinued. A rapid reversal of the recent progress is sure to result. Employment in the specialty steel industry decreases with the unrestrained flow of imported stainless steel.

Our experience has taught us that we have every reason to believe that the removal of the restraints will result in a rapid and quickly expanding influx of foreign specialty steel. This belief is supported by several facts. First, a look at the growth of specialty steel products not covered by the restraint program provides a clear warning. In 1976 the import level of specialty steel products not covered by the restraint program, such as stainless steel seamless and welded tube, round and flat wire and various tool steel, was approximately 35,000 tons. In 1977 that level increased to 75,000 tons. In 1978, a reliable estimate shows that the level of these unrestrained specialty stainless wire and tubing products will exceed 83,000 tons. Secondly, many foreign competitors including specialty steel facilities in developing nations have unwisely expanded their specialty steel production and appear poised and ready to flood our domestic market with their surplus production just as soon as our market is left unguarded. I might add that the developing country production capability is much greater than that which we faced in 1975.

Although one cannot quote with accuracy the numbers of employees that will become victims of unemployment if the restraint program is suspended, it is clear that production and employment in the industry will decline steadily if the restraint program does not continue.

We, as taxpayers and elected representatives, have another special reason to maintain employment in this industry. In 1975, 2,832 specialty steel workers received almost $14 million in trade adjustment assistance benefits. In 1976, the number of workers receiving such benefits mushroomed to more than 16,000, receiving a sum totalling almost $26 million. Beginning in 1977, however, the number of workers obtaining government assistance declined to 378 and in calendar year 1978 (through October) the number of workers receiving trade adjustment assistance declined to zero. A lifting of the restraints might well require millions from the Congress to keep American workers from suffering the consequences of unlimited specialty steel imports.

These statistics demonstrate that the imposition of import restraints brought about a sharp reversal of the depressed employment conditions that characterized the industry in 1975, when the Commission originally found import-related injury to exist. At the same time, however, despite the improvement in labor market conditions, the total number of production and related workers in this industry remained substantially lower in 1978 than in 1974. The recovery of the domestic industry remains incomplete.

I hasten to add that the Trade Act of 1974 anticipated that certain restraint programs may have to be extended beyond the initial period of relief in order for the injured industry to realize full recovery. With all due respect to the lawyers at the Justice Department, I cannot accept that it was the intent of Congress in providing import restraints to merely "give a domestic industry time to adjust to increased imports." (Justice Department Pre-Hearing Brief, p. 16).

The Congress mandates the ITC, in its discretion, to determine the appropriate relief or import restriction necessary to prevent articles from being imported into this country in such quantities as to cause serious injury. The intent of Congress was to create the means to curb that injury by curbing imports when necessary. It was not the intent of Congress merely to give domestic companies and their workers a bit of temporary relief to "get used to the injury."

Although the Congress did provide in a wholly separate Part of the Trade Act of 1974 for adjustment assistance to workers, it is misguided to suggest that Congress was more intent on adjusting to substantial injury than on providing relief from injury.

I do not believe that there is a single Member of Congress who wants to see American workers injured and made eligible for adjustment assistance. The goal is to curb the injury from foreign imports, not to make that injury a permanent part of our economic life.

Many Members of Congress have joined me in support of the extension of the present relief program. Just last week, 63 of my colleagues took the floor of the House of Representatives to be recorded in support of the extension of the restraint program. Insofar as their comments will undoubtedly be of interest to the Commission, I have attached to my testimony those speeches and floor remarks made by Members of Congress who support the continuation of the specialty steel import restraint program.

On behalf of the people in the 18th Congressional district of Pennsylvania and on behalf of those colleagues who share my views, I urge the Commission to extend the restraint program so we can see the complete restoration of health in this vital American industry.

Thank you.●

ASPIN FLIPS RECRUITING COIN

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. ASPIN. Mr. Speaker, even though the Armed Forces had their worst recruiting period last quarter—as widely reported in the press—they actually had more men in uniform than they wanted. So, contrary to a widely held opinion, the statistics actually show the All-Volunteer Force is working.

The Pentagon announced last month that in the October–November–December quarter all four services failed to meet their recruiting goals for the first time since the draft ended 6 years ago.

But recruiting is only one side of the coin. The number of men in uniform is determined by how many come in and by how many go out. And fewer men than anticipated left the services in October, November, and December. As a result, the services ended the year with 2,000 more men than they had wanted.

In fact, the armed services are paying more men than Congress budgeted for. Now they will have to lower their recruiting goals in the coming months so they do not bust the budget at the end of the fiscal year.

The Navy was the most extreme case of the four services. The Navy had a disastrous recruiting quarter. It made only 85 percent of its recruiting goal and fell 3,000 men short of the number of recruits wanted. But the bottom line shows that it ended the year with 3,000 men more than it wanted.

When we try to judge the all-volunteer system by looking only at recruiting statistics, we are not getting the whole picture. In fact, we are getting a very distorted picture.

	Enlisted recruiting			Active military strength		
	4th quarter objective	4th quarter actual	Over/under objective	Dec. 31 objective	Dec. 31 actual	Over/under objective
Army	24,700	23,000	−1,700	756,000	757,000	+1,000
Navy	21,700	18,400	−3,300	526,000	529,000	+3,000
Marines	9,600	8,200	−1,400	179,000	188,000	−1,000
Air Force	15,800	15,100	−700	568,000	567,000	−1,000
Total	71,900	64,800	−7,100	2,039,000	2,042,000	+2,000

Note: Totals may not add due to rounding.

I hear some people suggest that in order to try to make their recruiting quotas, the services are actually cutting back on their standards and accepting many "dummies" in uniform. That turns out to be a false perception too.

In terms of intelligence, only 4 percent of the recruits accepted in the last quarter fell into Mental Category IV, the lowest intelligence category accepted for service. That is a smaller proportion of Category IV's than have been accepted in any previous year whether under the draft or the all-volunteer system.

In the first 5 years of the draft, fiscal years 1974 through 1978, the intake of Category IV recruits ranged from 4.8 to 10.2 percent. In the previous 20 years under the draft, the intake of Category IV's ranged from 12.9 percent in the best year, 1961, to 29.6 percent in the worst year, 1964.●

VFW'S VOICE OF DEMOCRACY CONTEST—"WHY I CARE ABOUT AMERICA"

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. ALEXANDER. Mr. Speaker, each year the Veterans of Foreign Wars and its ladies auxiliary conduct a Voice of Democracy contest. This year 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as top prizes. The contest theme was "Why I Care About America." The winning contestant from each State is brought to Washington for the final judging as a guest of the VFW.

I am pleased to share with my colleagues the winning entry from Arkansas, that of Dennis Grant Smith, from Corning, Ark., in my congressional district:

WHY I CARE ABOUT AMERICA

(By Dennis Grant Smith)

It's easy to care about America because She first cared for me through the great principles on which She was founded.

Our forefathers, while drafting the Constitution, kept individual rights foremost in their plans. This is not the case in many countries where individual rights are secondary to state's rights.

I especially cherish my freedoms of speech, religion, and personal choices.

As an American, I can speak out, write, campaign, and eventually vote my convictions. I can run for public office or support those I feel are qualified regardless of race, sex, economic or social status.

I can worship God according to the dictates of His Divine Word. I feel certain that we Americans will always be wise enough to preserve this freedom.

I can meet my full potential, without fear of repression, through my own initiative and willingness to work.

I can do all of these because a group of individuals over 200 years ago cared for me and my personal pursuit of happiness.

Wrong opinions of America are sometimes formed because so much of the news, reported by the news media, is of wrong-doing such as murder, fraud, misuse of authority, corruption in high office, and embezzlement. Fortunately, the people who commit these acts are a very small number among the American public. The majority of Americans respect and obey Her laws and this is where America's strength lies.

There are vast numbers of good people who don't wave large banners stating their love for fellow man but who show love daily through caring for others. Simple things such as helping old ladies across streets and helping others who have personal catastrophes such as prolonged illnesses, death of loved ones, and financial ruin.

These are the unsung heroes who care for America by caring for Her people.

As an American, if I care, I will not infringe upon the rights of others.

If I care, I'll be loyal, honest and have a willingness to work for what is right. I won't let apathy and complacency creep into my life and my community.

If I care, I'll preserve her physical environment. I won't litter Her beautiful countryside or unnecessarily pollute Her water and air. I'll conserve to the best of my ability Her energy supplies and keep an open mind toward the development of new resources for energy.

If I care, I won't discount the valuable resources of Her youth; for, in our hands lie Her destiny and Her dignity.

I believe that care breeds caring. If I care, those who follow will inherit the same rights and freedoms I've enjoyed.

This is why I care for America.●

VA ADMINISTRATOR'S AWARD TO TEXAS JOURNALIST

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. ROBERTS. Mr. Speaker, the Administrator of Veterans' Affairs has authority to present honorary awards to private citizens who have made extraordinary contributions on a national scale to veterans. He has presented this award to a truly deserving man—Harry Provence of Waco, Tex. Many people outside the Government serve veterans but few have the talent and opportunity to perform in such a manner that the impact is felt throughout the country. Harry Provence is one of these. As editor-in-chief of the Waco Tribune-Herald he routinely arranged for a regular publication of news concerning benefits for veterans. This in itself is a service rendered by a multitude of people but Harry Provence's special knowledge and unique concern for veterans inspired him to give these stories special emphasis. The local regional office has been praised by Harry Provence many times but only for the services rendered to veterans, showing his continuing recognition that the agency is a servant without purpose except to serve. His knowledge of veterans benefits and Veterans' Administration procedures is such that his statements on these subjects are recognized as authoritative.

He has excelled especially in the area of medical education. As chairman of the Coordinating Board of the Texas college and university system, he successfully arranged for the affiliation between Texas A. & M. University and the VA Medical Center in Temple, Tex. He also participated in another project in which his unique talents as newspaper man and educator were highlighted at the VA Regional Medical Education Center in St. Louis, Mo. He gave a performance described as bringing an entire two-day program into focus by explaining the role of the VA manager in public relations.

I heartily endorse the Administrator's Award presented to Harry Provence, editor-in-chief, Waco Tribune-Herald, whose extraordinary contributions in publishing news of veterans benefits, editorializing veterans affairs and in directing the State Coordination Board in affiliation between a State university and VA medical facilities have truly taught VA managers the value of media cooperation.●

NASHVILLE NEEDS A MUNICIPAL ZOOLOGICAL PARK

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. BONER of Tennessee. Mr. Speaker, today, I have taken the liberty of writing the members of the Nashville City Council and the mayor urging them to set aside public land in the city for a municipal zoological park. The city of Nashville is one of the few remaining large American cities that does not boast a zoo of its own, free to the public and capable of attracting thousands of my fellow Tennesseans and fellow countrymen.

Never before in history has there been such a worldwide proliferation of zoos and aquariums or such vast rebuilding and expansion of existing zoological exhibit institutions. For example, in 1931, 55 public zoos, 14 public aquariums were listed in the United States and by 1968, 37 years later, the figures increased to 173 public zoos, 55 private animal parks, 24 public aquariums and 21 private aquariums. The 1967 attendance reported for public and private zoos, animal parks, and aquariums in the United States totaled over 104 million visitors. By comparison the total 1966 attendance for both professional baseball league in the United States totaled over 25,203,000 and was the greatest recorded for any season. Attendance in 1962 in art museums was 22 million, history museums 26 million and science museums 34 million. The situation despite the fact that the figures are almost 20 years old reflects well on the desire, need and willingness of Americans to support zoos.

I understand that zoos are among mankinds oldest institutions, dating back at least 4,500 years and probably more. Across the world they have worked together and displayed live wild animals for people to look at over the years and hundreds of millions have. Any institution with so long a history and so universally attended must reach something in people other than idle curiosity. Together with the American Association of Zoological Parks and Aquariums, a branch of the Nashville Recreation and Park Association, my staff and I have compiled a selected analysis of zoos in the United States. This table is attached at the conclusion of my remarks.

The purpose, Mr. Speaker, of my letter inserted at the conclusion of my remarks to the city council and mayor of Nashville, was to elicit local support for creation of a municipal zoological park in the city of Nashville currently containing over 545,000 people. It is my understanding that Opry-Land USA, located in Nashville, does contain a private zoo with 53 species, an annual attendance of 2 million, and an annual budget of $146,000. However, it is my wish that Nashville contain within its city boundaries the same caliber of zoos that are exhibited throughout the Nation and, indeed, in the State of Tennessee. The city of Memphis, with a population of 875,100 does contain a Memphis Zoological Garden and Aquarium, owned by the city of Memphis and managed by the Memphis Park Commission. The city of Knoxville, with a population of over 300,000, also has a Knoxville Zoological Park governed by the mayor and the city council with an assist by the Appalachian Zoological Society. The Memphis Zoo has over 330 species, an annual attendance of over 570,000 people, and an annual budget of over $1 million. Their source of funding is specifically from the city and the capital improvements in the area of $102,000. The Knoxville Zoo has over 258 species, with an annual budget of $825,000 and their source is also city, capital improvements in the neighborhood of $400,000. Nashville must be included in the listing of zoos in the United States.

What I propose is to support and encourage a Nashville Zoological Society to begin the efforts to acquire city land to set aside for the development of a zoological park. Funds to build and operate zoos can generally be classified in two major areas, first, capital outlay funds, either gifts, bank loans repaid from zoo income, from revenue bonds or operating funds, tax sources, parks or zoo commissions, public work departments, concessions, operations admissions and combinations depending on local circumstances and the nature of the governing authority. I would envision some sort of admission fee to alleviate the burden on the taxpayer and place it more directly on the user regardless of his residence. A minimum admission fee, however, must be maintained. Free admission policies could be instituted for organized educational groups, like schools or scouts, school-age children, and so forth to serve to further eliminate the disadvantages of an admission system and justify municipal subsidies.

I shall do all in my power, Mr. Speaker, to support the creation of such a zoological park in concert with my fellow Tennesseans. The need for a recreational facility of this kind in the city is great. The exhibits at such a zoo, both individually and collectively, could serve as living demonstrations of zoology and natural history. A zoo can play an increasingly more active role in scientific research in a community that contains both university and medical facilities. There is an increasing need to preserve forms of wildlife facing extinction and I would support the preservation of these species in our zoological parks that they may become a repository for the preservation of these animals for all to see. The cultural enrichment of the city and the popularity of zoos as a tourist attraction need not be reemphasized.

I therefore urge the people of the city of Nashville to support efforts to create a municipal zoological park and to begin the work that is necessary to establish such a park within the near future.

I include the following:

RESEARCH INFORMATION ON ZOOS

DATA ANALYSIS OF SELECTED ZOOS

Zoo	Population	Attendance	Operation	Acreage	Budget	Inventory	Adm.
Rochester, N.Y	298,000	[1] 400,000	Municipal	14	100,000	204	No.
Birmingham, Ala	325,000	[1] 444,467	Municipal	100	270,806	233	Yes.
Omaha, Nebr	352,000	[1] 231,509	Society	102	206,943	91	Yes.
Fort Worth, Tex	360,000	[2] 700,000	Municipal and society	22	270,000	813	Yes.
Portland, Oreg	365,000	[1] 740,860	Municipal and society	40	540,000	206	Yes.
Toledo, Ohio	365,000	[2] 850,000	Municipal and society	43	500,000	514	Yes.
Oklahoma City, Okla	375,000	[1] 464,770	Municipal	110	500,000	378	Yes.
Indianapolis, Ind	515,000	[1] 192,283	Society	8	201,000	140	Yes.

[1] Actual cost.
[2] Estimated.

Note: Actual zoo area used, not area of park in which zoo is located. Annual operating budget, exclusive of capital improvement outlay. Animal inventory by species (different kinds) on exhibit.

●

THE GOVERNMENT'S POWER TO SEIZE GOLD

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. PAUL. Mr. Speaker, today I am introducing a measure identical to a bill offered by Senator JESSE HELMS of North Carolina which would repeal the power of the Treasury Secretary to confiscate privately held gold.

When the freedom to own gold was restored in 1975, a little known provision of the Federal Reserve Act was overlooked—12 U.S.C. 248(n). This subsection outlines an authority which in effect would negate the freedom granted in 1975. The law states:

> Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary * * * in his discretion, may require any or all individuals * * * to pay and deliver to the Treasurer of the United States any or all gold coins, gold bullion, and gold certificates owned by such individuals.

In other words we have on the books, the power of the Government to abrogate the freedom of individuals to hold a specific commodity; in this case gold.

This law was adopted in one of the less respectable periods of the U.S. Congress, that following the 1932 congressional and Presidential election.

I am glad to report that the chairman of the Federal Reserve System, G. William Miller, has expressed the view that he has no objection to deleting this section of the Federal Reserve Act.

We have not yet heard from the Treasury Department, but I would be greatly interested in learning how the Treasury Department would rationalize keeping this power. The law requires that the Secretary of the Treasury determine that it would be necessary to protect the currency system. Yet the Secretary of the Treasury has said that gold is to be demonetized. In addition, the Government has eliminated all gold backing from the currency and has turned the U.S. dollar from something that is as good as gold, into something that depends on the whims and capricious confidence of international bankers.

It is not unfair to say that the profligacy of the 1960's finally resulted in the abandonment of the dollar-gold link. Then the world's bankers and finance ministers realized that the dollar was no longer as good as gold, and so they attempted to eliminate gold from the equation.

It is, tragically, not uncommon for the politicians of this country, and indeed most Western nations, to attack the symptoms of our illness and not the disease itself.

In this case, the illness is the lack of discipline by spending and monetary authorities resulting in the depreciation of currency. The seizure of gold is an illogical treatment.

The gold seizure power is obviously one that should be dropped as soon as possible.

I hope that early consideration can be given to this proopsal.

Mr. Speaker, Jesse F. Cornish recently published an article on this topic which outlines many of the arguments and the history of the gold seizure power. Mr. Cornish also gave deserved credit to the Institute on Money and Inflation which has provided analyses on the subject to Members of both the House and the Senate. Organizations like IMI are vital to improving the economic literacy of Congress.

Mr. Speaker, I submit the Jesse Cornish article to be printed in the RECORD at this time.

GOLD CONFISCATION—THEY DID IT BEFORE . . . WILL THEY DO IT AGAIN

Warning lights are flashing on the road to speculation and new pitfalls appear everyday. The prudent, in great throngs are seeking alternate routes. Millions of citizens remember the crash of '29 and other millions know it also as an economic tragedy that affected the lives of three generations.

Now a better informed American does not wish to stand at the brink of ruin before setting up a protection system. Millions who waxed strong in the heyday of conventional investments realize now that the days of wine and roses are gone. They gasp at the erosion rate of capital investment and move to gold like moths to a flame. Almost like the fear of death is the sobering truth that the longer they hang on to these dollar coupons, the less purchasing power they will provide.

During the remainder of 1933 the President and the Treasury issued additional regulations and clarification on gold surrender. One exemption was authorized which permitted the holding of gold, under special license, for use in industry, certain professions, and for rare and unusual coins of value to collectors.

The price of gold had been arbitrarily set at 20.67 a fine ounce for 96 years. The difference between the nominal value of the gold dollar and actual gold content by weight was due to the original seignorage granted the Treasury by law in 1837. Under this, the statutory troy ounce of bullion worth 20.67 was exchanged for $20.00 in coin. The difference was allowed to offset minting costs.

Citizens who surrendered their gold were paid $20.67 per ounce in Federal Reserve notes and silver coin.

At the time of the surrender order the government stockpile stood at about 200 million ounces, or 4 billion dollars at $20.67 for five ounce.

There are many estimates as to the actual amount of gold turned in by citizen "hoarders." It is safe to say that less than 20% of it ever reached the Federal Reserve. Most of it went into hiding, or found it's way out of the country for storage in foreign banks. Americans strongly resisted what they felt to be an illegal seizure of personal property, and this writer can find no records of citizens paying fines or going to jail for failure to comply with the order.

In June 1933 Congress passed a joint resolution abrogating gold clauses in all contracts past and future. This meant that all contractual obligations must be met in units of current currency value.

Just six months later, on January 15th, 1934, the Gold Reserve Act was passed authorizing all monetary gold to be owned by the government as a bullion base for its currency. All gold in the Federal Reserve was transferred to the Treasury in exchange for non-circulating gold certificates issued to Federal Reserve Banks.

This Gold Reserve Act kicked off a series of events that shocked conscientious monetary thinkers and changed the face of the early "New Deal" from wonder to suspicion.

The new law gave Roosevelt the power to devalue the dollar in an amount he deemed appropriate, but not to exceed 60%. He jumped on it immediately and devalued the dollar 59%—from $20.67 per fine ounce of gold to $35.00. At the same time he formally prohibited the minting of all gold coins and demonetized all those outstanding.

The devaluation netted the government a 3 billion dollar profit and raised the value of its gold holdings to 7 billion. From the moment of devaluation the United States began to accumulate gold on an ever increasing scale and by 1940 our gold reserve had increased to 18 billion.

Next came the confiscation of silver. On August 9th, 1934, a Presidential Proclamation ordered all silver bullion surrendered to the Treasury within 90 days and a 50% tax was levied on any profits from the sale of silver. The order netted 113 million ounces for which the holders were paid 50.1 cents per ounce. During the next 25 years the government went into the market for over 2 billion ounces for which it paid from 35 cents to 90 cents per ounce and maintained complete control of the silver market until 1963.

Government inefficiency in the market place was laid bare when it subsidized the mining industry by buying silver to force prices up during the thirties and then turned around and subsidized silver users in the fifties and sixties by selling from the stockpile to force prices down.

As we look back today, we clearly see that the monetary constitution emerging from the "New Deal" was a makeshift affair, consistent with no single conceptual framework. Full convertability to gold could have been restored in 1934, at the $35.00 price. Domestic ownership and trade in gold could have been reintroduced without the fears of "speculative profits" windfall gains and losses in gold-clause contracts, and multiple contractions in aggregate money stocks that produced the banking crisis.

It seems strange that these fears set the stage that broke traditions of free voluntary contract and free markets, placed into legal order a precedent setting potential for still other interventions with freedom of contract.

It was Roosevelt himself, who told us in times of crisis, "The only thing we have to fear is fear itself."

NOW

Gold and silver rank with other commodities today—soya beans, wheat, tin, copper, and pork bellies.

Gold has been branded a "Barbarous Relic" by our nation's top money managers and it has not been money for 44 years. Since January 1975, stockpile sales of IMF and Treasury gold have been aimed at discouraging "speculators" and "hoarders."

Our monetary system has taken up residence in the land of "Make Believe" and the dominant instrument of finance is externally-secured and non-secured bank credit. Most of it is fictitious and can be multiplied endlessly until financial "Judgment Day".

There are two ominous factors that need to be watched very closely. As judgment day for the dollar is only tomorrow; the world is listening to gold. The storm of anti-gold legislation and the continued stockpile sales have all back-lashed. No country or individual citizens has been fooled, nor have they lost an ounce of respect for the only monetary foundation that ever survived.

The OPEC nations are becoming nervous about accepting 50 billion no-confidence, no true-value credit receipts each year for their oil exports to the United States, and the European nations are working diligently toward their own currency unit, the E.C.U.

Gold and silver provide the safest haven for capital preservation. These two precious metals have weathered every currency washout, in history and offer the only truly liquid stability in today's shakey, equity-starved money systems.

The thought of bailing out of paper into hard money does pose a host of serious questions

1. How can I accomplish the conversion conveniently and quietly?

2. Do such transactions have to be reported?

3. Where do I store it when I take possession?

4. What if the government once again orders confiscation as it did 45 years ago?

We do know this

Today citizens can convert easily and quietly to hard money by dealing with a reputable, bonded dealer in precious metals.

Gold and silver rank with any other commodity and reporting of such purchase is not required.

Bullion coins with low premium are recommended over bars and wafers because of divisibility and liquidity. Storage can be accomplished safely and conveniently in safes, vaults, safe-deposit boxes, and select hiding places. Containers are available for those who wish to place it underground.

Then, there is the question of what our fiscal leaders will do when finally they spend the dollar to total collapse. Will they again, in panic, invoke another seizure order and enforce it under penalty of law?

This question will cause tens of thousands to hesitate and slow their active quest for financial stability. Because it is negative it will foster decisions by default. Many will sit and do nothing in fear of this remote possibility lurking somewhere out there in the future. This thinking is no more productive than refraining from building a home in fear of future acquisition proceedings. Few would reason to stop living now just because death is always out there waiting.

History shows clearly that the surrender of gold was not the factor that caused financial ruin. The most unkind cut of all was the devaluation of the dollar which gave the windfall profits to the government instead of the previous holders of gold. In fact those who surrendered gold were paid the going rate. Those who were wiped out were already buried in their worthless paper. The stock market killed them, not the surrender of gold.

The only property this government has ever confiscated from citizens, (excluding taxes) without renumeration in kind, has been that which was illegal to own.

Gold is legal!

For the sake of reason and rationality let's address ourselves to the "then" and "now".

THEN

When Franklin Roosevelt was inaugurated on March 4th, 1933, economic conditions were so bad that a situation comparable to panic existed.

More than 12 million people were out of work and unemployment stood at 24.9% Bread and soup lines stretched endlessly through city streets to feed the thousands who had absolutely nothing.

4,000 banks failed that year. Three-fourths of them were Federal Reserve Banks. Nearly 32,000 businesses failed the year before and total national production had dropped nearly 50% since 1929. 90% of the values of the stock market were wiped out in the preceding 2½ years and the Dow stood at 41.22.

Mass withdrawals of bank deposits and "hoarding" of gold by individuals had reached a point that threatened complete destruction of the banking system.

If greatness can be defined as taking positive, decisive action to deter chaos and panic; then Roosevelt was great.

His first official act on March 6th was a staggering proclamation that reverberated a mixture of hope and fear. He ordered every bank in the nation closed and prohibited from paying out gold or dealing in foreign exchange.

Three days later he summoned a special session of Congress to confirm his actions and pass the Emergency Banking Act. The questionable authority of an old, 1917 "Trading With The Enemy" act was invoked to justify the action under the premise of a national emergency.

The new act empowered the President and the Treasury to maintain complete control over all transactions in gold, silver and foreign exchange. The bank holiday was extended for another week to allow time for

inspection and in-house audits by Federal Reserve examiners.

Four days later a seemingly sound banking system was established and public confidence was, to some degree, restored. Prohibitions on dealing in gold and foreign exchange, however, remained in force.

Following the bank moratorium, there was an immediate, massive return of all types of currency, as well as gold and silver to the banking system. The monetary system was relieved of its pressures and the dollar began stabilizing in foreign markets once again. The public generally assumed there would be an early return to the gold standard, and economic conditions began to improve.

Then, on April 5th, 1933 another executive order was issued demanding complete surrender of gold, gold coins, gold bullion and gold certificates still in possession of individuals. The order directed that it be turned in to the nearest Federal Reserve Bank within 25 days. Failure to comply was punishable by a fine of $10,000 or ten years in prison or both.

This ended a 141 year era of circulating gold coins as a strong part of our money system.

Here is what we should watch

Mainly, we just keep watching the strength and weakness of the dollar. The temperature and general health of the economy will ride on this factor.

The oil producing nations yearn for a reserve asset which provides greater equity and stability than most of the world currencies. Should they decide to move to gold, or possibly to the proposed new European Currency Unit, the dollar would be in even more serious trouble.

In either instance, the United States would have to come up with gold

The question is where the government leaders will go to get it. Will they buy it abroad with pledges of agricultural surpluses or inflated dollars or will they come back to the citizens again?

Should they choose the latter it is reasonable to assume that the fair market price would be paid. If not, we will see one of the most massive black markets in history—because, this time, they don't know who has the gold. Reporting of buyer's names is not required on legal commodities and—gold is legal!

Someday out there, after the credit dream-world collapses, there will be a new money system. It will once again be founded on a base of gold as it has been for 3,000 years.

Chances are, the new financial leaders will play the game straight until they, too, begin committing beyond the limits of tax revenues—until they discover the magic of the printing press and the miracle of credit.

But this will be the concern of our grandchildren. Right now, this generation has a decision to make

We either ride the paper to zero, or move into hard assets that will retain value in spite of the fact they could, one day, be called in at a currency value.

It seems highly unlikely that a repeat of 1933 would ever occur until gold will once again be established as a base for our money system, or silver called in for wartime use.

Twice during the Wilson Administration in England gold confiscation was attempted and abandoned for lack of compliance.

Since 1934, Americans have come to regard officialdom with lessening credibility and respect. If 20% of citizen-owned gold was turned in under that surrender order, it seems likely that response to such an order today would net far less. It would be certain to create a black market of tremendous proportion, and hundreds of politicians would suddenly join the ranks of the unemployed.

The struggle now to preserve our present status will require courage and foresight. This battle will not be won by those who quake at the sound of distant guns.

Get into hard money now. It's the best lot for survival!

For the right to own gold every American is indebted to men like James U. Blanchard III, Chairman of the National Committee for Monetary Reform.

Jim rallied the forces that set gold free in 1975 and now with reinforcements is bringing into effect an awakening of the people to the crying need for a sound money system based on gold.

Senator Jesse Helms of North Carolina is the Simon Bolivar of honest monetary policy. By his extraordinary victories in Gold Clause Freedom legislation and the Gold Medallion Act he has notified the enemies of gold that war is in progress.

Howard Segermark, Executive Director of the non-profit Institute on Money and Inflation has highly qualified this institution as the headquarters of research and intelligence. The constant production of fact data is a vital aid to gold legislation. Mr. Segermark has announced that Senator Helms will present to the 96th Congress, a bill to repeal Subsection 12VSC 248 (N) of the Federal Reserve Act which authorizes the Secretary of the Treasury to seize gold whenever, in his judgment alone, such action is necessary to protect the currency.

We believe that Senator Helm's bill will pass. Gold no longer protects the nation's currency and Senator Helms possesses the stature to make Congress see the truth. If the Congress reacts to truth, then the law which authorizes gold confiscation will be repealed and that fear can be put to rest. To introduce legislation taking away the citizen's new right to own gold would seem a very perilous indulgence for any politician with a hope for re-election.●

BUY AMERICAN ACT OF 1979

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. LUKEN. Mr. Speaker, I rise today to introduce the Buy American Act of 1979. This is the same bill which Senator HEINZ introduced yesterday.

It is time that our fair trade laws applied to Government purchases if we are to revitalize American industry and save American jobs from falling prey to unfair foreign competition. We can do this by passing and enforcing an improved buy American law.

The American Government presently has no way of making sure that Federal money is not used to purchase unfairly traded goods. This bill gives the Federal Government the mechanisms it needs to insure that it does not purchase unfairly traded goods. It will serve as an important alternative and a supplement to the International Procurement Code of the Multilateral Trade Agreements.

This bill also will provide a method for allowing American firms to bring an action under the fair trade laws if it suspects that a foreign firm is violating the law. No contract can be awarded until this action is resolved. If it is found that the foreign bid is unfair, then the foreign firm cannot be awarded the proposed contract.

The American Government must provide fair support for our home industries in its procurement policies in the form of a reasonable preference if our businesses are going to be able to compete with foreign firms who trade unfairly and who are protected in their home countries by buy-national policies which tend to completely exclude competition from American firms.

I repeat that a strong enforced buy American policy is essential if we in the Congress are to maintain strong domestic industries. We cannot continue our policy of supporting the unfair trading practices of foreign nations with the use of tax dollars when our own industries are in serious trouble. I urge my colleagues to give their support to fair trade by endorsing the Buy American Act of 1979.●

WHY THE UNITED STATES IS LOSING POWER IN THE WORLD

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MICHEL. Mr. Speaker, growing concern over the general incompetency of the administration's foreign policy has, predictably enough, created a backlash of sympathy for the President. Recent articles in the Wall Street Journal and the New York Times defended President Carter and castigated his foreign policy critics.

Is the criticism of the President's foreign policy unwarranted, as some are now saying? Is the President really a victim of events beyond his control? Should we all be applauding his handling of foreign affairs since, as his supporters always tell us, we are not in a war?

I think not. I think our Nation is in serious trouble and there is direct, identifiable and clear cause-and-effect relationship between the President's incompetence in foreign affairs and our Nation's growing problems abroad.

Business Week magazine, March 12, 1979, had addressed this question editorially. I want to insert that editorial—"Why the United States is Losing Power in the World," into the RECORD at this time in the hope that its calm, persuasive tone will convince our colleagues that President Carter's foreign policy is indeed a failure.

The article follows:

WHY THE U.S. IS LOSING POWER IN THE WORLD

For almost exactly 100 years—from the end of the Civil War to the middle of 1965 when Lyndon Johnson sent American troops into the Vietnam war—the U.S. exerted rapidly increasing power in world affairs and commanded growing respect from allies and enemies alike. Since 1965, the trend has reversed. There has been an alarming decline in U.S. strength and a succession of disasters involving U.S. policies. The erosion of U.S. power and influence is proceeding so rapidly

that many policymakers in other nations doubt the ability of the U.S. to define its own interests or to deliver on its commitments.

The difficulty President Carter has had in bringing President Sadat and Prime Minister Begin back to Camp David, the fall of the Shah's government, and the resulting shortage of oil, which some members of the Organization of Petroleum Exporting Countries quickly exploited by again raising prices, are only the latest in a string of setbacks for the U.S. All of them testify to the absolute necessity of a review and revision of foreign policy that will enable the Carter Administration to cope with the great forces at work in the world today.

Such a restructuring of U.S. attitudes must begin with recognition of two basic facts: First, the economic and political components of a nation's policy are inseparable from the stand it takes in foreign relations. Power and influence in the world have to be based on a solid foundation of a healthy economy and a political system that presents great issues to the country honestly and clearly instead of obscuring and confusing them. Second, the U.S. has tried to conduct foreign policy as if it were living in a make-believe world created by academics and do-gooders. The model that successive Administrations have used is a fiction; so it should not be surprising that it produced an unreal solution.

THE FOUNDATIONS OF POLICY

To translate these principles into specifics, the Carter Administration would have to:

Maintain defense spending at a level that will discourage any nuclear attack against this country and at the same time permit an effective response below the nuclear level where clearly defined U.S. national interests are threatened.

Develop economic policies that will restore stability to the dollar in international markets, check inflation, and encourage investment as well as consumption—instead of relying on rhetoric filled with empty promises to do these things.

Redesign the Administration's machinery for making foreign policy, eliminating contradictions, disputes, and incompetence, all of which are uncomfortably evident in the present apparatus.

Use all the tools of foreign policy, including a revitalized intelligence agency that can gather useful information, analyze it quickly, and conduct covert operations when they are called for.

The most vital interest of the U.S. clearly is preserving a decisive balance of strategic power to dissuade the Kremlin from taking actions anywhere in the world that could lead to nuclear war. A well-drawn treaty limiting strategic arms might contribute to effective deterrence of a nuclear attack at less cost than an all-out arms race. But the President has been so preoccupied with selling such a treaty to Congress that he sometimes seems to represent it as a substitute for keeping up with the Soviets in strategic weapons. This is totally misleading. A new treaty might reduce the investment in nuclear arms, but the U.S. simply cannot afford to stop developing new strategic weapons.

THE SOURCES OF ADVICE

A crucial element in the balance of power, of course, is the system of alliances that the U.S. has built with the nations of Europe and with Japan. And here is a point where the close connection between economic policy and foreign policy is easy to see. Relations between the U.S. and its allies have been badly strained by economic tensions arising out of the weakness of the dollar and the continuing trade deficits the U.S. has been running. The sad decline of U.S. influence in the past decade has been associated with the flight of investors and speculators alike from the dollar and the inability of U.S. goods to compete in world markets. The same policies of deficit financing and undisciplined government spending that have wrecked the domestic price structure have kicked back to weaken the alliances that the U.S. built in its time of strength.

Perhaps the most frightening aspect of the decline of U.S. power is the apparent failure of the Carter Administration to recognize what is happening. Part of the trouble is that the President has divided authority and responsibility between the State Dept. headed by Secretary Cyrus R. Vance and the National Security Council staff headed by Zbigniew Brzezinski. Since the two men are often at odds, it is sometimes hard to tell who is making foreign policy.

A more fundamental source of confusion is the mindless destruction of the Central Intelligence Agency by hostile congressmen. To say, as Senator Frank Church (D-Idaho) has said to Business Week, that the CIA should not undertake covert operations under any circumstances is to say that the Administration is to be shut off from taking actions that good sense dictates in critical areas. The CIA needs better oversight than it was getting, but it cannot report to eight congressional committees and remain a competent agency.

Above all, the President needs better advice. And he must pay more attention to what the financial markets are trying to tell him. They speak in terms of reality, not in theories, because they reflect the judgment of people who are betting money, not just offering opinions. The failure to listen to people who are really immersed in the world's problems is a lot of what is wrong with President Carter's foreign policy.●

THE THREAT OF INTERNATIONAL TERRORISM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. GILMAN. Mr. Speaker, international terrorism continues to be a deadly threat against civilized people everywhere. Actions by terrorists have continued unabated in recent years, striking innocent victims of every age and station.

Persons visiting airports or traveling by airplane are particularly vulnerable to international terrorists. They are likely to be of many nationalities, enabling terrorists to pressure all of their governments at once. Moreover, airports and airplanes are—tragically—still relatively accessible to terrorists. Moreover, since passengers are in a vulnerable situation simply because they are in the air, air piracy and sabotage have become favorite tools of terrorists.

For these reasons, the Subcommittee on Aviation of the House Committee on Public Works and Transportation, under the leadership of its distinguished chairman, the Honorable GLENN ANDERSON, and its ranking minority member, the gentleman from Kentucky, GENE SNYDER, has taken a lead in the formulation of possible legislative remedies to the problem of terrorism. Today, I had the privilege of submitting my views to the subcommittee, and insert at this point in the RECORD, the following:

STATEMENT OF THE HONORABLE BENJAMIN A. GILMAN

Mr. Chairman and distinguished members of the subcommittee: It is a privilege for me to appear before the Public Works and Transportation Subcommittee on Aviation to testify on the important bills now before you. You are to be commended for your efforts to focus attention on the problems of international terrorism and to seek legislative remedies to those problems.

It is a sad fact that living with terrorism has become a way of life for millions of people around the globe. A pattern of terrorism has been continuing to spread throughout the world. As cooperation between terrorists, terrorist organizations, and some sovereign nations increases, so do the bombings, kidnappings, assassinations, and hijackings.

Acts of terror have become a popular tool for all those seeking to impose their world community which seems to be unable or unwilling to defend itself. The most frightening aspect of the trend is its arbitrary nature, as innocent victims are often slaughtered without any reason. As indicated by a PLO terrorist leader in 1970:

"In today's world, no one is innocent, no one is neutral." In the last 10 years, Mr. Chairman, there have been well over 1,000 terrorist incidents worldwide. They have resulted in the deaths of more than 2,000 people, and the wounding of more than 5,000. Of course, the recent, senseless killing of U.S. Ambassador to Afghanistan Adolph Dubs weighs heavily on all of us.

In fact, Mr. Chairman, the tide of terror has continued unabated. Since this committee's hearings last year, the following are among the incidents that have taken place:

Croatian terrorists placed bombs in two locations in New York City, and seized the West German consulate in Chicago.

Eight bombs, thought to have been planted by terrorists, exploded in British army bases in Germany.

The Popular Front for the Liberation of Palestine attacked a passenger bus in London, resulting in innocent death.

The Israeli town of Maalot, scene of the infamous murder of dozens of schoolchildren by Palestinian terrorists, was once again attacked, resulting in new deaths.

Just Tuesday, yet another bomb exploded in the crowded Jerusalem market where 21 persons were wounded this January 18.

Unfortunately, given current laws and the current lack of international cooperation, more than three-fourths of all terrorists escape punishment for their actions, while they are almost certain to achieve their aims of intimidating populations and governments and gaining widespread publicity. The conviction rate for terrorists who are captured and the sentences imposed upon them have been unimpressive. While the FBI has a better than 90 percent capture rate for criminals involved in kidnapping for ransom, a terrorist involved in an international kidnapping has about an 80 percent chance of escaping capture or death. Sadly, the average sentence for those who are caught and brought to trial has been only eighteen months.

At a time when the threats of terrorism are at an all time high, our current domestic and international efforts fall far short of the task before them. Last year, FBI director William Webster testified before the Congress that the Bureau's presently strained resources are not adequate to cope with a major terrorist campaign.

While there are numerous laws on our books that call for sanctions against nations aiding terrorists, their enforcement has been spotty.

The people of this Nation through their Government must respond to the terrorist attack on the civilized world. We must mobilize forces in this and other nations which will be equal to the task of combatting both the bands of fanatics and the conditions from which they spring. We must seek to deny safe havens to terrorists by establishing sanctions against states which aid them, harbor them, or fail to prosecute or extradite them.

We must impress upon each other the collective threat posed by terrorism. As history has shown, terrorism begets further acts of terrorism and violence. Our response can only be to create a dedicated, aggressive, coordinated, multinational effort to apprehend and punish terrorists wherever and whenever they strike. We must meet this challenge, for, as the Washington Post pointed out in its March 17, 1978 editorial:

"The terrorists are pressing the question whether a government actually exists.—Or is it only the legal shell of a government, with nothing inside? Is it capable of acting, at last, to preserve itself and public order?"

During the past few years in different forums, I have sought to alert those still unmoved to action that terrorist acts feed on each other. A civilized society cannot for long fail to respond to these threats to its very existence.

I have had the privilege in the past and in the present Congress of sponsoring or supporting a number of pieces of legislation to deal with the problems of terrorism. One such resolution, H. Con. Res. 55, which is currently pending before this committee, deserves your attention. The resolution calls for an international study of the causes of terrorism, urges the President to both take action against nations aiding terrorists and to seek stronger international sanctions against such countries, and to strive for the conclusion of an effective international convention against terrorism. It is unfortunately true that the U.S. does not now invariably invoke sanctions against nations aiding terrorists. My bill urges the President to invoke these sanctions whenever they are deserved.

In the specific area of air piracy and hijacking which is currently under study by this subcommittee, H.R. 1834 now under consideration, will deal in a comprehensive way with the threat terrorism poses to Americans both at home and abroad. This bill and similar legislation now before you can add some real punch to our efforts in the struggle against terrorism, and I am happy to endorse it.

To complement these efforts, we must encourage the world community to fully support the existing international treaties dealing with air piracy and hijacking.

The Tokyo Convention of 1963, the Hague Convention of 1970 and the Montreal Convention of 1971 provide for the classification of air piracy as an international crime and the extradition or prosecution of hijackers. Unfortunately, these conventions have not had unanimous acceptance or adherence.

Recently, however, there have been some encouraging signs of an awakening in the world community to threats posed by terrorist hijackings. On November 3, 1977, the United Nations General Assembly, for the first time, adopted a resolution condemning air piracy and called upon all governments to take steps to tighten security and to agree to prosecute or extradite hijackers. In addition, at last year's Bonn Economic Summit Conference, the seven attending heads of state reached an important agreement on air piracy and terrorism that includes a call for the suspension of air flights to and from those countries that provide assistance to hijackers.

I urge the members of this subcommittee to seize this opportunity to support or strengthen these efforts by reporting out the legislation before it, thereby strengthening our nation's hand in combatting terrorism.

This subcommittee is playing an important role in providing the needed leadership to combat terrorism. The United States as a nation must take the lead to enlist all nations and peoples that are outraged by the brazen attacks, assassinations, threats, taking of hostages, and other vile forms in which international terrorism manifests itself. We have delayed much too long in combatting these infamous crimes.

H. CON. RES. 55

Concurrent resolution urging the President to take certain measures against countries supporting international terrorism and persons engaging in international terrorism and to seek stronger international sanctions against such countries and persons

Whereas abhorrent acts of international terrorism have resulted in the death and injury of many innocent persons and have caused serious disruption of the channels of international commerce and diplomatic discourse; and

Whereas international terrorism takes many shocking forms and continues to threaten the safety and well-being of citizens of all nations; and

Whereas previous efforts on the part of individual nations and of the international community as a whole to eradicate international terrorism have been unsuccessful: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President should exercise his powers under section 620A of the Foreign Assistance Act of 1961 (relating to prohibitions against furnishing assistance to countries which grant sanctuary to international terrorists) (22 U.S.C. 2371), section 1114 of the Federal Aviation Act of 1958 (relating to suspension by the President of air services to countries which grant sanctuary to terrorist organizations which use hijacking of aircraft as an instrument of policy) (49 U.S.C. 1514), section 3(8) of the Export Administration Act of 1969 (relating to the imposition of export controls to nations that provide assistance to international terrorists), section 3(f)(1) of the Arms Export Control Act (relating to a cutoff of sales, credits, and guarantees for the purchase of military equipment to countries which provide assistance to international terrorists), and section 502(b)(7) of the Trade Act of 1974 (relating to the denial of duty-free treatment under the United States system of generalized trade preferences to any developing nation providing assistance to international terrorists) whenever an act of international terrorism occurs.

SEC. 2. It is further the sense of Congress that the President should instruct the Ambassador of the United States to the United Nations to seek the formation of a permanent international commission to conduct an ongoing study for the purpose of—

(1) providing a definition of international terrorism;

(2) determining the underlying causes of international terrorism; and

(3) proposing methods for preventing future incidents of international terrorism and dealing with such incidents when they do occur.

SEC. 3. It is further the sense of Congress that the President should renew efforts begun at the air security conferences held in Rome during 1972 under the auspices of the International Civil Aviation Organization to establish an international convention providing aviation sanctions against countries that refuse to punish or extradite persons responsible for unlawful acts against civil aviation.

SEC. 4. It is further the sense of Congress that the President should use all available means to seek strict compliance with the Convention for the Suppression of Unlawful Seizure of Aircraft by each country which is a party to such convention and to obtain ratification of such convention by countries which are not parties to such convention.

SEC. 5. It is further the sense of Congress that the President should seek an international convention to provide for the prevention and punishment of the taking as hostages of persons who are not already protected by the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents.●

HYDROGEN FUEL TECHNOLOGY

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. McKAY. Mr. Speaker, I submit for the RECORD an account of work being done on hydrogen fuel by a Utah company.

Work in progress at Billings Energy Corp., in Provo, Utah, continues to produce new advancements in hydrogen fuel technology. Notably, the company's efforts in the field were featured recently in a 60 minute broadcast aired by the Public Broadcasting System in a Nova report entitled, "The Invisible Flame."

Technological refinements of the science have enabled Billings Energy to begin marketing hydrogen powered automobiles to the general public. One of the advancements making this endeavor possible is Billings' development of a compact, moderate cost electrolyzer which produces hydrogen for the vehicle in the convenience of the driver's garage.

Billings Energy plans to convert a series of 10 prototypes for sale to the public at a cost of $30,000. This cost, of course, includes the price of the subcompact car chosen by Billings for conversion, the engine conversion itself and the electrolyzer. Billings reports that the first hydrogen powered car in this series has already been sold. The company is hopeful that it can undertake a series of 100 conversions once the first 10 prototypes have been successfully marketed which it can offer for sale at a substantially lower cost than the current package.

Billings' work in hydrogen fuel technology is significant in many aspects. The pollution-free combustion properties of the fuel hold promise in alleviating the growing health hazards associated with air pollution, while the generation of hydrogen from plentiful supplies of coal could ultimately free the United States from dependence on for-

eign oil suppliers. Billings believes recent events in the Middle East only heighten the importance of developing alternative fuels such as hydrogen.

The introduction of a hydrogen powered car for private use culminates several years of research spent by Billings Energy in developing its technology. Among its conversion projects the company counts over a dozen vehicles including a U.S. Postal Service delivery jeep, two mass transit buses, a luxury car and even a city electric car. A hydrogen homestead built near the company's offices in Provo has demonstrated the feasibility of using hydrogen as fuel in residential applications. Here, the home's kitchen range, stove, water heater, gas log, outdoor barbecue and 20-horsepower garden tractor are equipped to utilize the pollution-free fuel.

Another aspect of Billings' work has also been devoted to research in hydrogen production methods. While it is the most abundant element in the universe, very little hydrogen is found in a free state in nature. For the most part it must be extracted from other sources, that is, from water through electrolysis or from coal by coal gasification.

Billings research in coal gasification as a source of hydrogen has led to a potential installation in the Midwest. A contract to fulfill initial design studies for a plant in Forest City, Iowa, is currently underway at Billings. The plant could initially supply fuel to the community's industrial complex and ultimately to the entire residential and business sector.

Billings' future plans call for extensive research, development and application of hydrogen energy concepts including remote wind power generation, storage and use for ground water irrigation systems; electrical utility load leveling; and pipeline transmission of hydrogen gasified from coal. Fleet conversions and medium-scale electrolysis plants are possible with present capabilities.

The work of Billings Energy Corp. and that of other hydrogen research organizations warrants high priority in this country's efforts to solve both the energy and pollution problems which plague industrial societies.●

PRESIDENT CARTER'S MIDDLE EAST TRIP

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. STARK. Mr. Speaker, I rise today to express my admiration for the courage President Carter has so clearly shown in his decision to travel to Egypt and Israel to seek resolution of the few issues that remain barriers to a peace treaty between our two friends and allies in the Middle East.

Prime Minister Begin and the Israeli Cabinet, in agreeing to the President's latest proposals, have demonstrated the readiness to compromise that is so necessary to bring and keep peace. It it my strong hope that President Sadat, who has shown us time and again his abilities as a statesman, will now take up the opportunity to bring his people and those of Israel the prosperity that only countries at peace can truly enjoy.●

KEEP THEM WALKING

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MOAKLEY. Mr. Speaker, I would like to call to your attention a bill which I have recently reintroduced in the House. Similar to legislation I sponsored during the 95th Congress, this proposal is part of my continuing attempt to aid the elderly with their quest for good health, safety, and well-being. Since one of the leading causes of activity limitation among senior citizens is lower extremity impairment. I am therefore proposing to amend title XVIII of the Social Security Act to provide the elderly with additional and essential foot care services previously neglected under the supplementary medical insurance program.

My bill, when enacted, will authorize medicare payments for the professional treatment of corns, warts, and calluses, conditions which are in fact pathological growths, not merely irritants or inconveniences. Also, subluxations and the medical care of flatfoot conditions would be added to title XVIII's list of benefits. Left untreated, these foot complaints often evolve into acute conditions causing associated back and leg problems, altering walking patterns and creating gait imbalances. Warts, which are actually viruses, may spread if left unattended. It is ironic to note that the treatment of warts, indeed subluxations, is presently permitted under medicare when they are diagnosed on any part of the body except the foot.

Experts in the field conclude that 20 percent of all corns, calluses, and warts do develop secondary pathologies. Additionally, medicare's failure to provide proper podiatric treatment condones and even encourages the practice of patient self-care methods. Home remedies usually prove ineffective. Their usage poses a definite threat to the health and safety of the senior citizen. Misapplication of over-the-counter medication too often results in dangerous burning, and the use of an unsterilized scissor or knife can easily cause infection. An inexcusable number of poorly sighted senior citizens have inflicted upon themselves severe injury by mistakenly cutting the wrong tissue on their feet. The lower extremity is always at risk as circulation diminishes with the aging process. Self-care, in any form, encourages complications and limb morbidity.

The current medicare law provides for the podiatric treatment of underlying or secondary conditions which develop when a uncovered pathology becomes acute. The cost of treatment for an infection is $35 to $40 in an office, while hospitalization for the same infection averages around 4 days at a cost of over $100 per day. Treatment for injuries which result from self-care and neglect are an even more expensive proposition. Each rejected medicare claim costs $3.21 on the average to process, with an additional $2 charge if the practitioner must be contacted for clarification. Medicare accounting costs (answering inquiries, providing patient information and appealing claims) increase the overall cost of medical care for the patient. The cost of treating and correcting a mild condition as a preventive measure, such as a corn or callus, is less expensive than treating a resulting and more severe pathology.

It is imperative that the medicare program provide adequate an inclusive foot care for the elderly. It is unpardonable to subject senior citizens to needless suffering and chance of injury. Instead, we must aid them to walk steadily, without fear of falling, so that they can be guaranteed greater mobility and social productivity. The extension of foot care benefits under medicare will relieve senior citizens of the initial discomfort of corns, warts and calluses while simultaneously reducing the risks of infection and injury as well as limb morbidity. This legislation will thus help guarantee the good health, safety and well being of the senior citizens of our Nation.●

NEWBURGH'S MAN OF THE YEAR: THE HONORABLE HAMILTON FISH, SR.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. GILMAN. Mr. Speaker, the Honorable Hamilton Fish, Sr., a distinguished former member of the House who now resides in my congressional district, was recently honored as Man of the Year by Historic Newburgh, Inc., of Newburgh, N.Y.

Upon the presentation of the award, Mr. Fish delivered remarks on the city of Newburgh and its role in the early history of our Nation, a history in which Mr. Fish's ancestors played a prominent part.

Mr. Speaker, in order to share Mr. Fish's thoughts with my colleagues, I ask that his remarks be reprinted at this point in the RECORD:

SPEECH OF HON. HAMILTON FISH AT THE HISTORIC NEWBURGH DINNER AT THE HOLIDAY INN ON THURSDAY, FEBRUARY 22, 1979

I am honored and grateful to my friends in Historic Newburgh for being chosen to receive their award as the Man of the Year. Although I admit that this award should have been given in preference to my wife who has lived in this community for 50 years, written 22 books, all of which have been published extensively and has contributed generously to the St. Luke's Hospital and to the Community Chest. She has few or any enemies in Orange County. I myself have no personal enmities towards any one in Orange County but I am sure that there may be some who do not like me for my expressed views on the menace of communism.

I want, on this occasion, to make it clear that I have a very warm spot in my heart for Orange County and that I will always be grateful to the people of this county who when I last ran for Congress, supported me in both the primary election by majority vote in every single district in the county from Newburgh to Port Jervis.

This being our ancient date for the celebration of Washington's Birthday, I will merely quote the eloquent tribute of Abraham Lincoln: "Washington is the greatest name on earth. On that name no eulogy is expected. It cannot be. Let none attempt it. To add brightness to the sun or glory to the name of Washington is alike impossible. In solemn awe pronounce the name and in its naked deathless splendor, leave it shining on".

Feeling as I do that Newburgh is the cradle of the Republic, but was ignored and almost completely overlooked during the Bicentennial celebrations. Therefore I urge all of you, and all other patriotic citizens of Newburgh, New Windsor and vicinity, to unite in restoring Newburgh, next to Philadelphia where the Declaration of Independence was written, as the most important site of our Revolutionary War. When the Declaration of Independence, that immortal document by Thomas Jefferson, was written, it was merely a scrap of paper until, under the magnificent leadership of George Washington, supported by his determination, faith and the courage of his armed forces, turned the Declaration of Independence into a government reality, by the consent of the governed. Our republican form of government later changed by the Constitution, is the oldest continuous form of government in the world.

It was here at Newburgh that Washington refused the offer of a crown and established our republic. It was here that he wrote his letters of advice to the 13 Governors. It was here that he made his famous law and order speech that kept the Army united until peace was declared.

I may be somewhat influenced by the fact that my grandfather, Hamilton Fish, as Governor of the State of New York, used his authority to persuade the State to purchase the Washington headquarters at Newburgh. That was the first time that the State bought any historic site or building.

I am inclined to believe that my grandfather was influenced by not only his admiration for Washington, but also out of affection for his father, Major or Lt. Col. Nicholas Fish who was stationed at Newburgh, New Windsor and at West Point after the war, where he organized the New York recruits for the First American Regiment, for duty on the Ohio River against the British and Indian intruders. Nicholas Fish was the same age as Alexander Hamilton and Lafayette and was a very close friend of both of them. Believe it or not, he was commissioned a Major in the Continental Army by an act of Congress, signed by John Hancock in 1776 at the age of 18 and 3 months and still is the youngest commissioned Major in the Armed Forces of the United States.

I take this occasion to urge all of you, all patriotic citizens and organizations in Newburgh, New Windsor and vicinity, to form a united 200th anniversary committee to restore Newburgh as one of our greatest Revolutionary shrines and to prepare arrangements for a massive celebration of at least 75,000 people on April 19, 1983 in honor of our glorious victory in winning our independence and establishing peace with Great Britain.

The 100th anniversary of that historic occasion held here in Newburgh, long before the advent of automobiles and airplanes, brought over 75,000 people to that celebration. Now with better facilities in roads, accommodations, airports and automobiles and with hard work and good weather, we should double that number. The sooner we begin to organize and plan, the bigger the celebration and the greater the restoration of Newburgh to its proper place in the history of the Revolutionary War, and in the history of the United States.●

EQUITY FOR RETIRED WORKERS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. WAXMAN. Mr. Speaker, inflation exacts a cruel toll on the income of our retired citizens. This impact is particularly grave for retired Americans living on fixed pensions scaled to living costs of the past.

While the cost of living has risen astoundingly in the past decade, most retiree benefits—health insurance and cost-of-living supplements—have remined static. With few exceptions, cost-of-living adjustments have not been provided retirees despite the interest of organized labor in arguing for increases through the collective bargaining process.

Pension and hospitalization benefits have seriously lagged behind actual costs largely due to a 1971 Supreme Court ruling that such adjustment is a permissive, rather than mandatory subject of collective bargaining.

The Supreme Court ruling (*Allied Chemical and Alkali Workers of America* v. *Pittsburgh Plate Glass Company*, 404 U.S. 157) held that employee representatives and management were not obligated to collectively bargain over retirement benefits for already retired employees. The ruling means that increases in the benefits of retired workers may only be discussed in collective bargaining negotiations if both management and labor are in accord. These negotiations are strictly voluntary and may be terminated by either party at any time. Unions may not insist to impasse on issues concerned with benefits to already retired employees.

Following the Supreme Court decision, many businesses stopped bargaining with regard to retiree benefits. As a result, many pensioners have been forced to live on pensions and medical benefits that reflect the low-wage levels of the distant past.

Mr. Speaker, these retired men and women deserve better. In large measure, their efforts are responsible for the growth of today's labor movement, our modern pension system and the development of many of our largest industries. Despite the debt owed these early pioneers, the Pittsburgh Plate Glass decision prohibits today's union members from protecting the economic security of their retirees.

During the 94th and 95th Congress, hearings on the impact of the Pittsburgh Plate Glass decision were held in the House Education and Labor Subcommittee on Labor Management Relations under the capable leadership of our colleague FRANK THOMPSON. The hearings thoroughly illustrated the need to reverse the Supreme Court's ruling and make retiree benefits a mandatory subject of collective bargaining.

Retired workers from across the country testified to the rapid erosion of their pension benefits due to inflation. They pointed out the inequity and serious financial plight of workers whose pensions have not been adjusted to reflect higher living costs. For workers who retired prior to 1970—some with as much as 17 years employment—it was not unusual to have a fixed monthly pension of $33. Thirty-three dollars does not go far in a 1979 economy.

Mr. Speaker, retired employees should not be made to bear the burden of changing economic conditions. We must be mindful of the human cost of allowing retired workers to exist on benefits which bear little relationship to actual living costs. As a Nation, we recognize the justice of cost-of-living adjustments within the social security system. With respect to private pension plans, we owe retired workers no less than the chance to have their needs discussed at the bargaining table.

To accomplish this, the Pittsburgh Plate Glass decision must be overturned.

On February 8, 1979, I introduced H.R. 2073 on behalf of 18 of our colleagues. The bill would amend the National Labor Relations Act to make retirees benefits a subject of mandatory bargaining.

The bill is simple and straightforward. It adds retirement benefits for retired employees to the standard items of obligatory collective bargaining. It would insure that unions and management have the power to raise the issue when they come to the bargaining table.

I should add that the bill does not mandate the result of that bargaining. It neither requires that unions negotiate on behalf of their retired members nor insures that such negotiations will be successful. It merely provides that the subject of raising retiree benefits to more adequately reflect living costs can be discussed at bargaining sessions. Whether there would be an improvement in benefits for retirees would depend largely on the objectives and tactics of the unions. The bill permits proponents of change the opportunity to be heard and many unions are ready to raise the issue in their negotiations.

Mr. Speaker, although this legislation will not by itself improve the financial plight of retired workers, I am encouraged by the strong showing of support it has received from the labor community. To date, the legislation has received the endorsement of such unions as the United Automobile Workers, the Communications Workers of America, and the International Union of Electrical Radio and Machine Workers.

I am convinced that only by making retiree benefits a subject of mandatory bargaining will they be considered and renegotiated to reflect living costs more fairly. We cannot improve the financial plight of retirees by leaving these benefits to chance or employer goodwill.

Mr. Speaker, from the standpoint of social policy, it is wise to afford retired workers collective bargaining protection. A worker's retirement from active employment and his separation from daily contact with fellow workers is the very time when he is most vulnerable economically and needs representation. Overturning the Supreme Court's decision in Pittsburgh Plate Glass makes good sense if unions are to have the power to preserve a decent and dignified standard of living for their retired members. .

Adjusting pension benefits for already retired union members is a matter of need, a matter of justice and a matter of equity. H.R. 2073 will provide retirees the representation they have justly earned.

Mr. Speaker, I submit a copy of the bill to be printed in the RECORD at this point:

H.R. 2073

A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 8(d) of the National Labor Relations Act is amended—

(1) by inserting after "other terms and conditions of employment" the following: ", including retirement benefits for retired employees", and

(2) by inserting after "all the terms and conditions" in paragraph (4) of the proviso the following: "(including terms and conditions relating to retirement benefits for retired employees)".●

ARIZONA SENATE URGES DEVELOPMENT OF UNITED STATES-MEXICAN ENERGY TRADE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. RUDD. Mr. Speaker, I am pleased to call to the attention of my colleagues a memorial from the Arizona State Senate which urges the development of mutually beneficial arrangements for the purchase of Mexican petroleum products by the United States.

It seems to me, Mr. Speaker, that the shortages caused by the Iranian revolution and subsequent instability should provide ample evidence, if any were needed, that the United States should develop a variety of dependable sources for our energy supplies, without becoming heavily reliant on any single source.

It has been with the utmost regret that I have observed our Nation's cold shoulder policy toward the Mexicans. I was impressed on a recent trip to Mexico with the genuine interest of the Mexican people and their leaders in developing their petroleum reserves and expanding trade with the United States. They are willing to trade with us, and we need the oil supplies which they wish to develop and sell. Only the intransigence and short-sightedness of the Department of Energy obstructs the establishment of mutually beneficial petroleum sales.

There have thus far been few signs that the administration's position has modified. The President returned from Mexico without making a commitment to approving Mexican gas sales. The more time lapses, the more serious are likely to be the shortages facing our citizens in the years ahead.

I commend to the President and my colleagues the course of action urged by the Arizona Senate, and request that their memorial be inserted in the RECORD at this point:

SENATE MEMORIAL 1002

Whereas, evidence indicates that Mexican petroleum reserves range from one hundred fifty billion to over two hundred billion barrels; and

Whereas, currently the United States is too dependent on receiving petroleum products from an unstable Middle East; and

Whereas, sale of Mexico's petroleum products to the United States will reduce this country's dependence on Middle Eastern petroleum products; and

Whereas, Mexican petroleum could be an important factor in holding down world energy prices; and

Whereas, the United States is the natural market for Mexico's petroleum products; and

Whereas, a significant percentage of American money spent for Mexican petroleum products, would, in turn, be used for purchases in this country; and

Whereas, development of Mexican petroleum reserves would serve to reduce poverty in Mexico and so reduce illegal immigration into this country.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the President consider the importance of Mexican petroleum reserves during his review of United States-Mexico relations.

2. That the President offer further assistance to Mexico for the development of Mexico's petroleum reserves.

3. That the President work to establish mutually beneficial arrangements for the purchase of Mexican petroleum products by the United States.

4. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States and to each Member of the Arizona Congressional Delegation.

Passed the Senate—February 22, 1979 by the following vote: 29 Ayes, 1 Nays, 1 Not Voting.

Received by the Secretary of State—February 22, 1979.●

TRILATERAL AID ARRANGEMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. HAMILTON. Mr. Speaker, several months ago I had some correspondence with the Agency for International Development regarding U.S. policy on trilateral foreign aid arrangements whereby some of the oil-producing states would provide financial resources and the United States would supply project designs and technical advice.

In an era when our own ability to provide considerable aid resources is diminished, I urge AID to try to develop further trilateral mechanisms.

My correspondence with AID follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 19, 1978.

Hon. JOHN J. GILLIGAN,
Administrator,
Agency for International Development,
Washington, D.C.

DEAR MR. ADMINISTRATOR: The concept and possibilities of trilateral aid have recently come to my attention. As far I can determine, the Agency for International Development has done little to develop a policy to deal with trilateral aid issues and to increase coordination and discussion between the Agency and new donor nation's foreign assistance efforts in developing countries.

I believe that the whole area of trilateral aid arrangements needs to be explored carefully and the options of possible development programs through trilateral arrangements delineated and evaluated. To investigate this developing assistance effort, including aid efforts by OPEC countries, will require the Agency to devote special new energies, but I believe that you have the resources and should proceed.

I appreciate your consideration of this letter and hope you agree that it behooves AID to try to develop a trilateral capability. I would like to have an AID position on this issue and an indication of present efforts in this area and what resources will be committed to it in the near future.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman.

AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C. October 12, 1978.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of September 19 concerning trilateral aid. Since the emergence of the OPEC nations as major suppliers of development assistance, A.I.D. has been mindful of the possibilities of cooperation with them. The U.S. and OPEC donors do participate in World Bank-chaired aid coordination groups for a number of developing countries. Our joint membership in these groups, such as the one for Egypt, has enhanced our respective assistance efforts. We have sought where possible to encourage the oil producers to sustain and increase their assistance, which has been substantial. In 1977, OPEC concessional flows (disbursements) to developing countries totalled $5.6 billion compared to $4.2 billion for the United States.

In multilateral fora and on a bilateral basis, A.I.D. has consulted with Arab donors, including officials of national and regional Arab funds, on the possibilities for cooperation. We and other Western donors met with Arab assistance officials in June of this year at the Development Assistance Committee in Paris to explore areas of mutual concern. At that meeting it was agreed to hold further discussions on common problems. In addition, we are undertaking bilateral follow-up through a series of consultations in the Middle East next month between senior A.I.D. staff and Arab aid officials. These discussions will involve identification of specific areas of mutual interest, common problems in assisting a number of developing countries, and areas of potential cooperation.

Arab donors generally have shown a preference for cofinancing of development projects managed by multilateral development banks. However, we have sought in A.I.D. to identify U.S.-supported activities which could attract Arab donor funding. Two successful examples of U.S.-Arab cooperation are projects in Jordan and Yemen. The former entails a $420 million undertaking to which A.I.D. is contributing $38 million together with financing from the World Bank and various Arab donors. In Yemen, the Taiz Water project involves $10 million in U.S. financing and $43 million in Arab funds. Another type of cooperation concerns U.S. assistance to the Arab donor agencies. For example, the Islamic Development Bank requested from A.I.D. a reimbursable detail of loan officers. Of the candidates suggested, one was selected by the Bank and arrangements are now being completed for the detail.

We attach great importance to our relations with Arab and other donors and shall endeavor to encourage them to support development efforts consistent with U.S. priorities.

If I can provide you with further information, please let me know.

Sincerely yours,

JOHN J. GILLIGAN.●

UKRAINE INDEPENDENCE DAY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MOAKLEY. Mr. Speaker, recently, the U.S. House of Representatives commemorated the 61st anniversary of Ukraine's independence.

We in Washington were not the only ones to speak out in observance of Ukraine's national day. I would like to share with my colleagues some of the independence messages from Massachusetts.

The enclosures follow:

A PROCLAMATION 1979

Whereas: January 22, 1979, marks the 61st anniversary of the proclamation of free Ukrainian National Republic as the sovereign State of the Ukrainian people; and

Whereas: The Ukrainian people have not accepted the status of Soviet Russian enslavement and are continuing to struggle to regain their national sovereignty and independence; and

Whereas: Ukrainian Americans in Massachusetts support the Ukrainian people in their struggle for full national self-determination; and

Whereas: Ukrainian Americans in Massachusetts appeal to our President and Congress to take affirmative action at international forums for the implementation of national and human rights in captive Ukraine and all captive nations in Eastern Europe.

Now, therefore, I, Edward J. King, Governor of the Commonwealth of Massachusetts, do hereby proclaim January 22, 1979, as Ukrainian Independence Day and urge all citizens of the Commonwealth to take appropriate cognizance of the event and to participate fittingly in its observance.

DECLARATION

Whereas: The Ukrainian people in Boston and the world over will mark the sixty-first anniversary of the independence of the Ukrainian National Republic on January 22, 1979, and

Whereas; This sixty-first anniversary of Ukrainian independence is a fitting opportunity to direct public attention to the continuous violations of Ukrainian rights by the government in Moscow; and

Whereas: This sixty-first anniversary of Ukrainian independence dramatizes the legitimate right of all people and nations to pursue freedom and national independence:

Now, therefore, I, Kevin H. White, Mayor of the City of Boston, do hereby proclaim Monday, January 22, 1979 Ukrainian Independence Day and direct that the Ukrainian National Flag be raised at City Hall Plaza on January 22, 1979, to commemorate this special occasion.

BOSTON CITY COUNCIL

Whereas, January 22, 1979 is observed as "Ukrainian Independence Day" in Boston, commemorating the 61st anniversary of Ukraine's independence; and

Whereas, the Ukrainian people continue to struggle to regain their full nation independence and sovereignty; and

Whereas, the Ukrainian Americans in Boston continue to support the right of the Ukrainian people for full national independence; and

Whereas, hundreds of Ukrainian patriots languish in Russian communist prisons as a result of their fight for the restoration of national and human rights in Ukraine;

Therefore, be it resolved that the Boston City Council appeals to our national leaders to continue to support the right of the Ukrainian people for national independence; and to exert all the efforts possible through the United Nations, the Belgrade Conference and other means to restore national and human rights in Ukraine and free Valentyn Moroz, Mykola Rudenko, Oleksiy Tykhy and hundreds of Ukrainian patriots from Soviet Russian jails; and to demand the restoration of Ukrainian Catholic, Ukrainian Autocephalous Orthodox and Ukrainian Protestant Churches in Ukraine.

[From the Jamaica Plain Citizen, Jan. 18, 1979]

UKRAINIAN INDEPENDENCE DAY TO BE OBSERVED WITH CITY HALL CEREMONIES

January 22, will be observed as "Ukrainian Independence Day" in Massachusetts and in Boston, in honor of the 61st anniversary of the proclamation of Ukrainian National Republic as the independent and sovereign State of the Ukrainian people. Governor Edward J. King and Mayor Kevin H. White have issued special proclamations. The Boston Council adopted a special resolution on January 9, 1979, which was introduced by Councilor Frederick C. Langone. Proclamations appeal to our President and Congress to take affirmative action at international forums for the implementation of national and human rights in Ukraine and all captive nations in Central and Eastern Europe.

On Monday, January 22, starting at 12:00 noon, a short ceremony will be held at Boston City Hall Plaza for the purpose of hoisting the Ukrainian national flag as a symbol of Ukrainian freedom and independence. The program will include prayers and greetings from government and civic leaders. The public is cordially invited to participate in the ceremony.

A special commemorative program will be held on Sunday, January 28, starting at 3:30 p.m., at the St. Andrew Ukrainian Orthodox Church Hall, 24 Orchard Hills Road, Jamaica Plain. The principal speaker will be Dr. Michael H. Voskobiynyk, professor of history at Central Connecticut State College in New Britain, Conn. There will be also a cultural program.

The Ukrainian National Republic was proclaimed on January 22, 1918, in Kiev, capital of Ukraine. It existed until 1921, when Ukraine fell a victim of the Communist Russian aggression. In 1923, without the ratification of the Ukrainian people, Ukraine became a constituent Republic of the Soviet Union, not Russia. In fact, Ukraine is a captive country today. The Ukrainian people do not exercise their national human and religious rights.

According to Orest Szczudluk, a vice president of the Ukrainian Congress Committee of America in Boston, which is sponsoring the observance of Ukraine's independence, emphasis this year will be placed upon informing the public about continuous violations of national, human and religious rights in Ukraine by the Soviet government. In noting the 30th anniversary of the U.N. Universal Declaration of Human Rights, President Carter stated that "human rights is the soul of our foreign policy" and "human rights count in the character of our relations with other countries."

"Ukrainians and all captive nations in Central and Eastern Europe are waiting for the implementation of national and human rights in their countries," stated Mr. Szuzudluk.

[From the West Roxbury (Mass.) Transcript, Jan. 17, 1979]

UKRAINIAN INDEPENDENCE DAY MONDAY

Monday is "Ukrainian Independence Day" the 61st anniversary of the proclamation of Ukrainian National Republic as the independent and sovereign state of the Ukrainian people.

Gov. Edward J. King and Mayor Kevin White have issued special proclamations. The Boston Council adopted a special resolution on Jan. 9 which was introduced by Councilor Frederick C. Langone. Proclamation appeals to the president and Congress to take affirmative action at international forums for the implementation of national and human rights in Ukraine and other nations in Central and Eastern Europe.

On Monday, starting at noon, a short ceremony will be held at Boston City Hall Plaza for the purpose of hoisting the Ukrainian national flag as a symbol of Ukrainian freedom and independence. The program will include prayers and greetings from government and civic leaders. The public is invited to participate in the ceremony.

A special commemorative program will be held on Sunday, Jan. 28, starting at 3:30 p.m. at the St. Andrew Ukrainian Orthodox Church Hall, 24 Orchard Hills Rd., Jamaica Plain. The principal speaker will be Dr. Michael H. Voskobiynyk, professor of history at Central Connecticut State College in New Britain. There will also be a cultural program.

According to Orest Szuzudluk, a vice-president of the Ukrainian Congress Committee of America in Boston, which is sponsoring the observance of Ukraine's independence, emphasis this year will be placed upon informing the public about "continuous violations of national, human and religious rights in Ukraine by the Soviet government."●

TRIBUTE TO JOSEPH SCIAME

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. WOLFF. Mr. Speaker, it is with great pleasure that I bring to the attention of this body the accomplishments of a very special man, the past venerable of Cellini Lodge No. 2206, Order Sons of Italy in America, New Hyde

Park, N.Y., and grand recording secretary of the State of New York, Joseph Sciame.

A simple listing of this extraordinary young man's accomplishments would, in and of itself, be impressive. He has shown himself to be capable of great success in any area of endeavor he pursues. In his educational and professional life he has proven to be a sincere and talented academic and, as is typical for a person with such generosity of spirit, he has chosen to devote himself to providing young adults with the tools by which they can further their education. Moreover, the role he has taken in community life has been exemplary. Brother Sciame is always willing to shoulder more tasks, no matter how much of his time such work will require, willing to offer all he can give of himself to his people and to the residents of the wider community. For these reasons, Brother Sciame will be honored by his lodge on March 11, 1979—an honor he richly deserves.

However, for those of us who have had the privilege of meeting and working with Joseph Sciame, we know that the sum total of his accomplishments is a great deal more than what one can read on a résumé. Instead, it is to the very spirit of this person to which we pay tribute—it is to his energy, warmth, and pride.

He is a person who brings new meaning to the words "youth," "commitment," and "determination." As a young leader he possesses the qualities of excellence that are needed to successfully meet the challenges that today's society presents for Italian-American—the challenges of continuing to bring to our great country the historic achievements in the arts, sciences, and humanities which the Italians have already contributed to the world. This is a man who is proud of his Italian heritage and strives to instill this same pride in others. This is a man who is concerned with how others live and who works to improve the fabric of life for all he meets. Most of all, Joe is a person who listens to neighbors and friends and who is capable of translating their dreams, and the dreams of the Italian-American community, into a reality. Joseph Sciame has given his friends, family, and people reason to be grateful. Most importantly, he stands as an assurance that the tradition of the Italian-American leadership we have come to expect will most certainly continue.

I am honored to call him my friend, and as a member of the Cellini Lodge—my brother.●

GOOD SENSE ON MONETARY POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. PAUL. Mr. Speaker, Mr. Henry Hazlitt, one of our great free market economists, gave a speech last November at the annual meeting of the Foundation for Economic Education, which he helped launch in 1946 with Mr. Leonard Read, president of the foundation. These two men have been two of the bright lights of freedom in the United States for many years.

Mr. Hazlitt's eloquent talk was published in the February issue of the Freeman, the foundation's monthly magazine.

Because Mr. Hazlitt's article contains so much good sense on monetary policy and the results of Government interventions into the economy, I would like to call it to my colleagues' attention by inserting it in the RECORD:

THE ROAD NOT TAKEN

(By Henry Hazlitt)

The Foundation for Economic Education, which publishes The Freeman, was set up in 1946. This seems to me as appropriate a time as any to review what has happened since its establishment in the realm of the government interventions and economic controls—the prohibitions and compulsions—that FEE was set up to combat.

In 1946, of course, these controls were already established over a wide-ranging area. A formidable network of what might be called "traditional" controls was already in existence in the early 1930s; but this was enormously extended and tightened by the advent of the New Deal. It was then established that the government could repudiate with impunity its most solemn pledges—the gold clause, for example; that it could abrogate contracts containing or assuming this clause; that it could allow labor unions to resort to violence and vandalism with relative immunity (as in the Norris-LaGuardia Act of 1932); that the government could act as a union-organizing agency, and force employers to "bargain collectively" with such unions—that is, to make at least some concessions to their demands—as in the Wagner Act of 1935. And so on.

But let us now come to 1946, the year FEE was founded. That was the year when the International Monetary Fund, which had been set up by the Bretton Woods Agreement of 1944, began to operate. The IMF had been set up ostensibly—believe it or not—to "stabilize" currencies. And this was to be done by phasing that absurd and tyrannical thing, the gold standard, out of the monetary system. Instead, the member countries pledged themselves to keep their currencies convertible at a fixed rate only into the dollar. If the dollar were kept convertible into gold, it was assumed, that would be sufficient to stabilize the whole world currency system and make the value of each national money unit dependable.

Of course none of the Fund's general rules were expected to be obeyed too strictly. That would have interfered with the freedom of each country's monetary authorities to manipulate their currency in the way that seemed to them most expedient at any given moment. Therefore, it was explicitly provided in the Fund's Articles of Agreement that any country could devalue its own currency at least 10 percent in any one step, and it was explicitly stipulated that "the Fund shall raise no objection." In addition, it was understood that the Fund was to come to the rescue of any country whose currency got into trouble, even through its own inflationary policies. The stronger currencies were to support the weaker ones, thus insuring that the stronger would also be weakened.

THE RESULTS OF BRETTON WOODS

We all know now what this finally led to. The American monetary authorities could not bring themselves to take seriously the grave responsibility they had assumed in agreeing to make the dollar the world's anchor currency. Keeping the dollar convertible into gold, even if only at the demand of foreign central banks, seemed to them a mere technical requirement, an unnecessary annoyance and burden imposed upon them by some still persisting superstitions about gold. As the U.S. increased its paper-money issue, conversion became increasingly inconvenient. It practically stopped de facto in 1968, and in August, 1971, it was stopped openly and officially. Since then practically every nation's currency has become an irredeemable paper currency. Every currency fluctuates every day in terms of every other. Money values, world trade, and capital flows become more and more disorderly and unpredictable.

And all this has happened because the world's so-called statesmen and national monetary managers, when they met at Bretton Woods in 1944, were thinking only of their own immediate problems, and had no understanding of what the consequences of their patched-up scheme would be in the long run.

The same kind of shortsightedness has been the common characteristic of nearly all the government interventions of the last thirty years. We may select our examples almost at random.

MINIMUM WAGE LAWS

Take minimum wage laws. A national minimum wage was first enacted in this country in 1938. At that time the average hourly wage in American manufacturing was about 63 cents. Congress set a legal minimum of 25 cents. In 1945, the year before FEE was set up, the average factory wage had risen to $1.02 an hour, and Congress raised the legal minimum to 40 cents.

It all seemed very reasonable, very compassionate, very necessary, to those who urged and those who voted for it. Could the country tolerate ruthless exploitation of unskilled workers with no bargaining power? Could it tolerate "starvation" wages? The obvious remedy seemed to be to prohibit such wages. Employers were forbidden to offer jobs at wages below the new legal minimum.

An ironic thing happened. As increased capital investment, increased productivity, and competition among employers (all with a little help from inflation) kept raising the average hourly dollar wage, and making each existing legal minimum wage level obsolete, Congress acted as if its prescribed minimums had brought this rise about. It kept amending the law every few years. It kept raising its minimum wage faster than the market was raising the average wage. It acted on the principle that whatever average wage the market produced, it would never be high enough. Congress had acted as if by constantly boosting the legal minimum it could hurry the market along. The minimum wage at $2.65 an hour in 1978 and $2.90 in 1979, is scheduled to keep going up to $3.35 an hour on January 1, 1981.

Is this helping the poor? Is it helping the unskilled worker? The results show that it is doing exactly the opposite. Minimum wage laws overlook the obvious. It should be obvious that the first thing that must happen when a law prescribes that no one shall be paid, say, less than $106 for a forty-hour week, is that no one who is not worth $106 a week to the employer will be employed at all.

And if statistics can show anything they show this. The minimum wage laws were passed to help especially the unskilled, the teenagers, and the blacks. We have no comparative figures on the unskilled as such, but we do have comparative figures on the teenagers and the blacks. There has always been a tendency for teenage unemployment to run at a somewhat higher rate than that of men and women twenty years old and over, but it took the minimum wage levels

and their successive increases to make the contrast a startling one.

It is difficult to get comparative statistics going back beyond 1948. In that year the unemployment rate for both white and nonwhite teenagers stood at 10 percent. But as the minimum wage rate was jacked up year by year, not only did the overall teenage rate of unemployment keep rising, but it kept rising much more for black teenagers than for white. In 1954 unemployment for black teenagers stood at 14.9 percent against 13 percent for white. By 1968 the black teenager unemployment rate had risen to 26.6 percent against 11.6 percent for whites. In 1977 it rose to 37 percent for black teenagers against 15 percent for white. Between 1977 and 1978 unemployment for 16- to 17-year-old blacks rose from 38.7 percent to 50.4 percent.

So the minimum wage law and its successive hikes has simply driven into unemployment the very people it was most designed to help. The potential production of these people has been lost to the economy.

And what is the response to this consequence by the Congressmen who voted for the law and for the annual increases? They have simply ignored it. They would consider it political suicide, in fact, to oppose the minimum wage law.

UNEMPLOYMENT INSURANCE

A similar history can be traced for unemployment insurance. This was one of the great New Deal "reforms" adopted in 1935. The argument for it was appealing. Workers suffered terrific hardships when they were laid off. Even when they were working, they lived in dread of sudden unemployment. Certainly they should be assured of unemployment compensation when they were forced to look for new jobs.

The first State-Federal unemployment insurance programs, beginning about 1940, were surrounded with safeguards. Unemployment compensation was to be about one-half of the worker's previous earnings, but it was to run typically for only sixteen weeks, and there was to be at least a two-week waiting period for the worker, after losing his job, before he would be eligible for that compensation. But gradually, all these safeguards were weakened or removed. The typical waiting period was reduced from two weeks to one, and in some States to none at all. The period for paying the compensation was extended from sixteen weeks to twenty, then to twenty-six weeks, then to thirty-nine (in an emergency, of course), then in some States to sixty-five weeks. In 1969 President Nixon called upon the States to provide for maximum weekly benefits of two-thirds of the previous average weekly wages instead of one-half.

The result of prolonging and increasing unemployment compensation, naturally, has been to prolong and increase unemployment. It was found a year or so ago by a committee of the State Senate of New York that a number of New Yorkers repeatedly worked the minimum twenty weeks required and then collected sixty-five weeks of unemployment benefits. Though unemployment compensation may be only one-half of previous working salary, the unemployment compensation is tax-free, so the net loss from not working is sometimes quite tolerable. In a typical case in Pennsylvania, for example, a man whose previous weekly take-home pay was $140 can draw $95 a week in tax-free compensation. A study made by the U.S. Department of Labor itself found that "an increase in unemployment benefits leads to an increase in the duration of unemployment." This country can have as much unemployment as it wants to pay for.

RENT CONTROL

Still another example of our shortsighted legislation is rent control. This is usually imposed in the early stages of an inflation. As the inflation goes on, the discrepancy between the rent the landlord is allowed to charge, and the rent necessary to yield him a return comparable with that in other investments, becomes greater and greater. The landlord soon has neither the incentive to make repairs and improvements, nor the funds to make them.

When the rent control is first imposed, the government promises that new buildings will be exempt from it; but this assurance is soon repudiated by a new law. It becomes unprofitable to build new rental housing. New mortgage money for it becomes increasingly difficult to obtain. Landlords of old housing often can no longer supply even heat and other essential services. Some cannot even pay their taxes; their property has in effect been expropriated; they abandon it and disappear. Old rental housing is destroyed quicker than new housing is built.

Some favored tenants, already in possession, are momentary beneficiaries, but tenants or would-be tenants as a whole, in whose interest the legislation has been professedly passed, become the final victims. The irony is that the longer rent control is continued, and the more unrealistic the fixed rents become as compared with those that would yield an adequate return, the more certain the politicians are that any attempt to repeal the rent control would be "politically suicidal."

THE ENERGY CRISIS

The limits of space compel me to pass over any analysis of a score of other government interventions in recent years in the economic field, and to come immediately to the two or three that mainly characterize the economic situation today, not only in our own country, but throughout the world.

In 1974 the Organization of Petroleum Exporting Countries—the OPEC—quadrupled crude oil prices. It is instructive to notice that this was done by a combination of governments. They did what private industry is always accused of doing—forming a monopolistic conspiracy—but what the hundreds of private oil well owners and companies would never have been able to impose and enforce no matter how much most of them might have wanted to do so.

This OPEC action produced a profound economic shock throughout the world. And what was the response of our own government? Did it retain or insist on a free market to give the greatest possible incentive to petroleum production and exploration on the one hand and economy in consumption on the other? No. It did the exact opposite. It imposed an elaborate and incredibly complicated set of price controls on domestic crude oil and on natural gas, to encourage continued wasteful consumption and to reduce the incentives to output and exploration. It preferred to protect the short-term interest of American consumers at the cost of their real long-term interest, and at the cost of both the short-term and long-term interest of American producers.

RAMPANT INFLATION

Now let us turn to the government policies that most obviously affect us in all our daily activities—government finances and monetary inflation. Throughout our history as a nation, when we were on the gold standard, federal government surpluses were the rule. Deficits—except in the two world wars—were rare and comparatively small. But in 1931, we began to run chronic deficits—in the first few years by accident, and then by deliberate policy. In the last ten years or so, these deficits have been accelerateively larger. These deficits—again since the early 1930s—have been accompanied by mounting monetary inflation. The dollar's purchasing power has been reduced, for example, to about 22 cents compared with that of 1940.

To bring this inflation to an end, what policy must we follow in the immediate future? Obviously what needs to be done is to bring the budget back to balance at the earliest possible moment. Obviously what needs to be done is to halt the accelerative increase in money and credit, to stop printing more paper dollars. But the situation is now so bad that practically no politician dares to suggest this course.

About half of our Federal expenditure programs consist in the transfer of income from the wealthy or the middle-classes to the so-called needy. In other words, they force the productive to support the unproductive. In the official budget these programs are not gathered under a single head. But there is a table, on page 191 of the official budget for fiscal 1979, called "National Need: Providing Income Security," which estimates the total of such expenditures for fiscal 1979 at $160 billion. Who is there—among our office holders—who is going to suggest cutting these expenditures? And by how much?' And who is there who is going to suggest halting the reckless expansion of our money supply and risking a recession? The situation is so bad that no politician dares to suggest where to begin in correcting it. Once more, that is considered the path of political suicide.

THE DILEMMA

This is the ominous dilemma that confronts us. Some of my readers must have recognized that the title of this article is taken from the title of a poem—"The Road Not Taken"—by Robert Frost. The last stanza of that poem reads:

I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I—
I took the one less traveled by,
And that has made all the difference.

Perhaps most of us have had a similar experience, either figuratively or literally. You may have driven on a throughway, for example, toward a destination to which you had never driven before, and may have been told, or may have figured out from a map, that you should get off, say, at Exit 23. And then suddenly and too late, you realize that you have driven past Exit 23. You can't turn back. You must look for the next exit, which may be miles ahead, and hope you will know what to do when you get there. You realize that you are going to be late, so you start almost unconsciously to speed up, but are aware that you are only going faster in the wrong direction.

We have reached such a dilemma in our political and economic life. We have taken the wrong road, and we have been on it so long that getting back on the right one seems almost hopeless. The longer we stay on the wrong political road, the more difficult it is to correct the error.

If—to take one example out of a hundred—rent control has been imposed for only a short time, so that the average of controlled rents is still about 90 percent of what free market rents would be, it is no great political problem to remove the controls. But if, as has sometimes happened, rent controls have been imposed so long in a severe inflation that the controlled rents averaged only 10 percent of free market rates, then any attempt to remove the controls might bring on riots. This has happened frequently in recent years in countries in which, for example, the government has been subsidizing food prices and can no longer afford it.

The wrong road has been the road of government economic intervention. The right road would have been to permit and encourage free markets. There are, it is true, a number of politicians today who praise the free market in speeches, but there are very few people, even among economists, who understand why the free market solves so

many intractable problems and performs so many near miracles.

The market does this because it reflects and responds to everybody's demand and to everybody's supply, and it reflects to some extent everybody's expectations regarding the future. This means that it makes the maximum use of everybody's knowledge, and not merely the knowledge of a handful of officials. It reflects this knowledge by constant daily changes in prices of individual commodities and services. These price changes are daily directing production out of this commodity and into that, reducing surpluses and relieving shortages.

The market does not fulfill this function perfectly, because everyone's knowledge is limited and subject to error; and these errors do not necessarily cancel each other. But the market is constantly and quickly correcting these errors. It works incomparably better in maximizing and properly directing incentives than any other imaginable system. Only when this truth is sufficiently recognized by the public will the free market be restored.●

GIRL SCOUTS OF THE UNITED STATES OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. NATCHER. Mr. Speaker, the week of March 11 through March 17, 1979, commemorates the 67th anniversary of the Girl Scouts of America, and it is with great pleasure that I take this opportunity to salute this outstanding and commendable organization.

When Girl Scouting came to America 67 years ago, certainly an unprecedented long-range plan for the American girl was inaugurated and all down through the years we have witnessed the splendid contributions brought about by the emphasis of the organization on family, civic and worldwide responsibility, and the encouragement of understanding and friendship among youth of all nations, as evidenced by the young girls and adult leaders who are truly committed to this program.

Scouting is many faceted—a movement with multipurpose. What an impressive picture the Girl Scouts organization manifest through worthwhile activities such as caring for individuals with special needs; assistance to those who are physically and mentally handicapped and providing a wide variety of services to the elderly who in turn use their skills to enrich the lives of the Girl Scouts.

Girl Scout community service projects are often undertaken without benefit of grants and the small projects carried out by the Scouts in their own local communities seldom make national headlines. But these projects that fill a specific need in one particular area are the very foundation of the Girl Scout tradition of service, and it is these services which are making a significant contribution to the future of our country.

Scouting's program is specifically designed to encourage the girls' self-development, their self-reliance and self-esteem. While the various projects of the Girl Scouts seem to be ever-changing, the beliefs and principles remain true to the original purpose of Girl Scouting: to inspire girls with the highest ideals of character, conduct, patriotism, and service so that they may become happy and resourceful citizens. Indeed, in my opinion, Girl Scouting clearly exemplifies that organized youth, through involvement with the handicapped, the aged, the ill and hospitalized, and the economically deprived, proves beyond a doubt the truth of one of the most important doctrines of the Girl Scouts; namely, that its what you do that counts, and that the truly worthwhile deeds are those that make life better for everyone.

Mr. Speaker, in my home State of Kentucky, the Girl Scouts of the Kentuckiana Council continue to be one of the fastest growing Girl Scout councils in the United States. This is very significant when you consider the fact that the Kentuckiana Council membership exceeds 20,000 and serves 1 out of every 10 girls.

In October 1978, Kentuckiana Girl Scouts sponsored its successful Festival of the Arts in Louisville, Ky., where over 29 local arts agencies provided special programs for Girl Scouts. The Kentuckiana Council's goals for this year focus on providing services to adult volunteers that make being a volunteer both rewarding and fun, together with emphasis on career exploration programs at all age levels.

During 1978, the Girl Scouts of the United States of America prepared for the organization's 41st national council meeting. Working with the theme, "Challenge and Choice," a highlight of the convention was the introduction of a new Girl Scout emblem—a dramatic redesign of the familiar Girl Scout trefoil, to feature a stylized silhouette of girls' faces in profile—to launch a new 3-year Girl Scout identity program. The new identity program will be a unified campaign to tell the nationwide coordinated story of just who the Girl Scouts are and what they really do, to the widest possible public—not to "change" the image of Girl Scouting, but to give high visibility to its true contemporary face in all its fresh and varied facets. A nationwide campaign was also launched at the convention, promoting and supporting the aims and ideals of the "International Year of the Child."

Mr. Speaker, certainly this is the time for us to turn our attention to the more than 3 million Girl Scouts who possess an important voice among America's youth and are striving to make each tomorrow a better day, because of their sincere concern for their fellow man and their country. I am particularly proud of the Girl Scouts of the Second District of Kentucky for their many contributions and I look forward with them and all of the Girl Scouts of the U.S.A. to another fine year.

On this, the 67th anniversary of the Girl Scouts, I offer my very best wishes for continued growth in every way, together with my sincere congratulations and pledge of continued support.●

DEPARTMENT OF EDUCATION

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. PERKINS. Mr. Speaker, one of the most important pieces of legislation which the 96th Congress will be considering is a bill to create a Cabinet-level Department of Education.

I am proud to be one of the 72 original cosponsors of H.R. 2444, which was introduced by the distinguished chairman of the Committee on Government Operations, Mr. BROOKS. The Senate version of the bill to establish the Department of Education, S. 210, was introduced by my good friend, ABE RIBICOFF, chairman of the Senate Committee on Governmental Affairs.

Earlier this year, Senator RIBICOFF spoke before the National School Boards Association's Presidents' Leadership Conference meeting in Washington. This conference brought together school board leaders from the national association and its 50-State organizations. In his remarks to school board members, Senator RIBICOFF eloquently affirmed that creation of the new department will not erode, but will strengthen local and State control of education.

Because many of my colleagues have an interest in the new Department's effect on local control, I include these remarks in the RECORD at this time:

THE DEPARTMENT OF EDUCATION: INSURING STATE-LOCAL CONTROL

It is important to talk about the Department of Education today. You are the people who must make the American educational system work.

Decentralized control is the hallmark of our educational system. It is what sets us apart from other countries. It is also the strength of our system. And you—the local school boards—are the very symbol of that decentralized control.

When you think about it, it's an ingenious idea: You are panels of citizens elected to set educational policy suited to the needs of each community and its children. Local lay control is vital to the American educational system.

No one in this country who loves and respects education wants to change our education system. Public elementary and secondary education must remain a state and local responsibility.

We all realize that there is a federal role to help education. Federal spending for elementary and secondary education approaches $11 billion annually. The federal role should be one of support and assistance to you who have the principal responsibility.

You are at the forefront of the challenges facing our educational system: declining enrollments, taxpayer resistance to increasing costs, a surplus of teachers, declining test scores, a frightening increase in violence and vandalism in the schools, and calls for drastic changes in curriculum.

You turn to the federal government for help but you find a maze of more than 300 different programs in 40 different agencies. Your employees answer the same questions over and over again for different offices. They spend hours putting together application packages for grants and approvals. And they spend time trying to make sense out of contradictory requirements.

There is no one in charge. No one official can account to you, to the States, or to the American people as to where the federal dollar goes.

The federal government is not now equipped to help you with the educational challenges you face today—much less those of the future.

Education is buried in our largest domestic department. The Department of HEW has a budget of $185 billion, and some 350 programs. But education is only a small portion of this—less than 10 percent of the Department's budget is spent on education. Education is squeezed between two giants—health and welfare—that take 95 percent of the Secretary's time.

In addition, the federal role in health and welfare is significantly different from the federal role in education. We do have national programs and responsibilities in health and welfare. Over the years the federal government has come to account for more of the spending in health and welfare. We have placed at the federal level much of the burden of assuring access to health care, of containing medical costs, of assuring adequate income. This inevitably leads to a federal or national perspective, to a "we're in charge" kind of attitude.

Education is different. It is and must remain primarily a state and local function. Ninety-two percent of the funds spent on education in this country come from state, local, and private sources. States and localities spend nearly 40 percent of their budgets on education. Clearly, the relationship between levels of government in education is different than in health or welfare.

The structure of spending and control is not the only difference between education and health and welfare. Health and welfare present the Secretary of HEW with large and often dramatic crises. Education presents a different kind of challenge. All too often its problems are set aside for another day.

Organization is both symbol and reality. Symbolically the current scattering of education programs throughout the government says that we think education is always secondary to some other goal. In reality it means there is no one with any clout to guide coordination and consistency.

How then can the federal government fulfill its appropriate role in education?

As we look to the future we know that the demands on our education system will grow. The American belief in the role of education and in its contribution to this nation is strong. We know that education needs a full-time spokesman at the highest level of government. We need someone whose statements would command our attention; someone who could call national attention to educational needs and problems.

We need a strong, highly visible person with direct access to the White House. Your concerns should not have to compete with those of health and welfare when the Secretary decides on his priorities. Your concerns should not always be the ones which get left out when he talks to the President.

A Secretary of Education can fight for coordination where a lower official can only argue. A Secretary of Education can be held accountable for the Federal contribution to American education where now dozens of officials are only occasionally responsible.

A Secretary of Education could look ahead with you to coming needs and problems. A Secretary of Education can stop the erosion of local control where currently unreasonable and burdensome federal regulations threaten to destroy delicate intergovernmental relationships.

We in Congress who support the creation of a Department of Education believe that federal interference with state, local and private educational institutions can only increase if the current structure remains. An independent Department of Education can be more attuned to state and local concerns—and to the burdens placed on state and local agencies. Without the smothering influence of massive health and welfare programs the appropriate federal-state-local relationship can be maintained.

The creation of a Department of Education will provide a focal point for federal education activities. You will know where to turn to influence federal policy and federal regulations.

Today we have two "top" education officials—an Assistant Secretary and a Commissioner. Their authority is divided. Both are submerged in the Department of HEW. It is hard to get competent men or women to take or to stay in these jobs. The job of Commissioner of Education is so frustrating that it has changed hands 13 times in the last 12 years! And, in fact, having two top officials is often the same as having none.

Creation of a Department of Education will provide one top-level spokesman.

The Department of Education will provide a manageable and sound organization base for federal education programs. It will NOT be a national ministry of education. Neither Congress nor the American people would stand for that.

The way we structure the Department can protect the prerogatives of state and local governments in education.

In both the House and the Senate the Department of Education bills include provisions to preserve the decentralized control of education. The legislation makes explicit our commitment to state, local, and private control of education.

The bill specifically establishes an intergovernmental Advisory Council on Education within the Department. This Council will be largely made up of state and local officials and educators. It will review rules and regulations of the Department of Education, to check their impact on state and local governments.

We are also recommending that the new Department contain a high-level Office of Citizen, Parent, and Student Concerns to assure public access to and participation in the workings of the Department.

Last year we accomplished a great deal. The Governmental Affairs Committee held days of hearings. The Senate passed a bill. Unfortunately, the legislation just missed reaching the House floor at the end-of-session jam.

This year we will build on the work of the last Congress. We in the Governmental Affairs Committee will start early. We expect to have a bill to the full Senate this spring.

I will be working closely with other members of the Governmental Affairs Committee to make sure that the intent of Congress is clear: that the Department of Education should reinforce not substitute for state, local, and private control of education.

We will continue to draw on outside experts for assistance. Our efforts to insure that the Department of Education supplements rather than supplants your work have been aided by the support and assistance of a large number of state and local organizations.

National PTA;

Education Commission of the States;

National Governors Association;

American Association of School Administrators;

Council of Chief State School Officers; and

National Association of State Boards of Education and, very importantly, your own Association.

I especially thank three members of the staff of the National School Boards Association—Gus Steinhilber, Marsh Wice, and Mike Resnick—for their help in the drafting of this legislation. We invite your continued help and advice.

The need for a separate Department of Education has been amply demonstrated. The Department can make the federal government your ally. With your continued help and support we can create a partnership to further a strong future for education in the United States. After all, organization is policy. To make education policy a creative reality—a Department of Education is a necessity.●

SAN GABRIEL COUNCIL BOY SCOUTS OF AMERICA CELEBRATE 60TH ANNIVERSARY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. ROUSSELOT. Mr. Speaker, there is still a need for an organization for youth founded on patriotic principles, character development, citizenship training, and mental and physical fitness. Thursday, March 8, 1979, just such an organization will be celebrating its 60th anniversary, the San Gabriel Council, Boy Scouts of America.

Scouting has a purpose: helping boys to become men; training them for citizenship. The program has had the greatest impact of any program in strengthening and preserving our cherished way of life. Compare scouting in the 26th Congressional District to one of the alternatives—it costs $52 to apprehend and process a juvenile in the court system it cost $30 per day to keep a boy in juvenile hall but, it costs only about 8 cents per day to bring the scouting program to a boy in the San Gabriel Valley.

Let me trace for you the history of the Boy Scouts in the 26th District of California:

BOY SCOUT HISTORY, SAN GABRIEL VALLEY COUNCIL

A Charter for the Pasadena Council of the Boy Scouts of America was granted by the National Headquarters on April 1, 1919, with jurisdiction over Pasadena, Altadena and Lamanda Park.

The Council brought together nine existing Scout troops with a boy membership of 210. Prior to the organization of the Pasadena Council the troops operated in independent units dealing directly with the National Headquarters in New York City. The nearby Los Angeles Council (established in 1910) was a source for forms, badges and related material.

Tallman Trask, a field executive of the Los Angeles Council, was selected to become the first Scout Executive, effective with the granting of the Charter. Headquarters were established, with Mr. Trask and a secretary, in the office of the Pasadena City Light and Water Department on Fair Oaks Avenue.

By 1922 the original territorial jurisdiction had been expanded to include Alhambra, Monterey Park, San Gabriel, San Marino, Sierra Madre, South Pasadena and portions of the present Rosemead area. During 1922 there were further additions with the inclusion of Arcadia, Azusa, Baldwin Park, Bassett, Covina, Duarte, El Monte, Glendora, Monrovia and Puente. By assignment from the regional organization, Avalon, Catalina Island was added in 1925. South Pasadena withdrew in 1927 and ultimately became part of the Los Angeles Council.

Stuart D. French served as Council President through 1925. Joseph P. Howe was selected as the second Council President and served until 1940. These two men guided the Council for the first 25 years of its existence. Subsequent presidents have generally held office for one or two years. Edward Butterfield is now serving his second term as President of the San Gabriel Valley Council.

Tallman Trask served as Scout Executive until his retirement in 1952. Lee E. Harbottle, Scout Executive from Toledo, Ohio, was selected to become the second Executive and served until his retirement in 1968.

P. William Davis became the third Scout Executive from his assignment as Deputy Regional Executive of Region XII. His death on August 29, 1972 began again the search for council leadership.

Francis J. Orlaski, assumed his duties on November 23, 1972. His previous assignment was as a Deputy Scout Executive in the Golden Empire Council in Sacramento, California.

From 10 units with 210 boys in 1919 the Council has grown to 600 units with over 16,000 boys. Total adults involved in 1919 were 64, while today there are over 5,500 adults active in the Boy Scout program in the San Gabriel Valley. The council started with a staff of two and now numbers 30.

For twenty years the Council Scouting Center was located in eight different donated or rented quarters. Finally, in 1948, Council-owned premises were occupied at the corner of Union and Mentor Streets in Pasadena. Almost immediately plans were started to secure better located and more usable modern Scouting Center facilities. This culminated in the dedication of the present Center in 1956 at 540 North Rosemead Boulevard, Pasadena.

Camping is synonymous with Scouting. Camp Huntington in Eaton Canyon, on land owned by the Pacific Electric Railway, served as both a week-end campsite and training camp through the 1950's. The nature of the surrounding property changed over the years from a primitive area to a residential area and it was finally necessary to close the camp. Even prior to the opening of Camp Huntington, negotiations were begun with the Santa Catalina Island Company for the transfer of camping rights on Catalina. The SCI Company, owned by the William Wrigley interests, granted rights to Howlands Landing as a permanent camp facility. The camp remained at the Landing until 1923 when it was moved to Cherry Cove.

An entire new camp was erected and named Cherry Valley. The camp has been under the control of the San Gabriel Valley Council since 1923 with the exception of the war years when the Federal Government took over for the duration of the war.

The Council has had other camping facilities over the years at Camp Blue Ridge, Camp San Antonio, Holt Scout Ranch and Sky Valley.

The 160 acre Trask Scout Reservation in Saw Pit Canyon, Monrovia, was acquired on February 9, 1966. Its development, and location makes it an excellent facility for week-end and day camping.

This week we celebrate the 60th Anniversary of the San Gabriel Valley Council of the Boy Scouts of America. During the dinner on March 8 the Scouting leaders who have helped to make this organization a success will be honored for their work. At the dinner, the Silver Beaver award, the council's highest honor, will be presented to 12 San Gabriel Valley volunteer Scout leaders: Dorcas L. Aunger, Council Committee; John Bechtel, Assistant District Commissioner, High Chaparral District; Ansel O. Berglund, District Chairman, Rose Bowl District; Alan W. Fitzgerald, High Chaparral District; Douglas Pratt, Council Board of Directors; John Hull, Jr., Assistant Council Commissioner; Kenneth E. King, District Committee, Los Amigos District; John Koenig, Conquistadores District; Waldo Shannon, Rose Bowl District; George M. Turner, Council Board of Directors; Norman Waldschmidt, Scoutmaster Troop 140, Lucky Baldwin District; Teddy M. Waters, Council Board of Directors.

Dan Renner, chairman of the 60th Annual Recognition District, is to be congratulated for his efforts in seeing that those who excel are publicly honored for their efforts in the San Gabriel Valley Council.

Because I am extremely proud of the record of the San Gabriel Council, Boy Scouts of America, I asked my colleagues to join me today in honoring the many devoted volunteers and the members of the professional staff who have worked to make this 60th Anniversary possible.●

PEACEKEEPING IN THE MIDDLE EAST

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a review prepared by the United States Sinai Support Mission (SSM) on the applicability of the Sinai Field Mission-type electronic and early warning peacekeeping operation in other border areas in the Middle East. The Subcommittee on Europe and the Middle East, in its report on the foreign assistance legislation for fiscal year 1979, recommended that such a review be prepared. This study was contained in the sixth report to Congress required pursuant to section 4 of Public Law 94–110 and submitted every 6 months.

This review concludes that, with necessary modifications and with the support of parties involved, the basic approach to early warning activities performed by the Sinai Field Mission (SSM) could be applied elsewhere in the Middle East. It is possible that, as the various states in the Middle East hopefully move toward a comprehensive settlement of the Middle East conflict, the concept embodied by the SSM can be viewed as useful and productive.

This review on the applicability of the Sinai experience to other areas in the Middle East follows:

APPLICABILITY OF THE SINAI EXPERIENCE TO OTHER FRONTS

Following the testimony in March 1978 of SSM Director C. William Kontos before the Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, the Subcommittee recommended "that a review be made of the applicability, with whatever modifications may be necessary, of the Sinai Field Mission concept and operations in other border and buffer areas in the Middle East and that this review be included in the next SSM report to the Congress."

The Subcommittee's recommendation proved to be very timely. On May 24, 1978 Vice President Mondale, in an address before the Special Session on Disarmament of the United Nations General Assembly, offered U.S. assistance to other countries interested in applying the technology of the Sinai to other peacekeeping situations. In his "eyes and ears of peace" proposal, the Vice President noted that:

"Our experience in the Middle East has demonstrated that technical assistance with monitoring systems such as aerial photography and ground detection devices can help create the confidence necessary to make disengagement and stabilizing agreements work."

More recently, the accords reached at Camp David suggest that early warning stations may be useful to ensure compliance with the terms of future Middle East peace agreements.

The U.S. early warning system in the Sinai functions as an integral part of the early warning and disengagement arrangements spelled out in the 1975 Basic Agreement between Egypt and Israel. It is a tactical supplement to the strategic surveillance facilities allowed the two parties. As a neutral third party, it is also charged with verifying compliance with certain aspects of the Agreement. The complex of early warning arrangements in the Sinai, including aerial surveillance, are a part of the broad disengagement arrangements under an overall U.N. aegis.

The U.S. Sinai Field Mission consists of a network of unattended ground sensors deployed in a manner to detect any unauthorized movement into or within the early warning area. When an intruder triggers one or more of the sensors, an alarm is transmitted instantly to a watch station where observer personnel on duty seek to identify the intruder visually. The capacity of these observers to identify intruders is enhanced by equipping the watch stations with high power binoculars, night observation devices, and, in one instance, a remotely-controlled, day and night television camera.

If it is determined that an unauthorized intrusion has occurred, the two Parties and the U.N. are notified immediately. If the identity of the intruder cannot be determined quickly, or if some interdictory action appears indicated, the SFM calls upon UNEF for appropriate action.

Drawing upon experiences acquired during more than two and one-half years in the Sinai, SSM believes that the basic operational concepts employed there can be applied to any other border or buffer area in the Middle East provided the Parties directly concerned want and are willing to support them. An early warning/alert system can be designed to monitor a border or disengagement line, possible invasion routes, or even a predetermined sizable area, using a combination of unattended ground sensors, advanced observation devices and observer personnel. Such a surveillance system could detect any hostile movement of ground forces or clandestine infiltration by terrorist groups and provide sufficient alert to allow an interdiction force to react.

In considering the possible installation of such an early warning/alert system, it is important to note that, in addition to the limited kinds of sensors and observation devices currently used in the Sinai, there are many other surveillance devices which are based on the scientific principles of seismic, acoustic, infrared, magnetic, electric, pressure and electro-magnetic phenomena. The choice of equipment for deployment in any given situation would depend upon the particular geographic, climatic and demographic conditions. The specific selection from among the wide range of sensor and other surveillance equipment that has been developed in the U. S. should be determined after an on-site inspection by technical personnel experienced in the use of these devices.

Surveillance devices essentially sharpen and extend in range the eyes and ears of an observer. Therefore, the combination of equipment and human observers provides a more effective and efficient utilization of resources than do the individual components taken alone. By equipping observer stations with high quality surveillance devices such as image intensifying night observation devices, terrestrial telescopes, thermal imaging devices and ground surveillance radar, the effectiveness of observer personnel can be greatly enhanced. In addition, the remote imaging surveillance system developed for use in the Sinai shows great promise of extending substantially the range of an observer's ability to identify an intruder or other hostile event, even under adverse weather conditions.

It is not difficult to envisage how these general operational surveillance concepts could be applied to ceasefire and armistice lines in the region of the Arab-Israeli conflict. For example, along the Jordan River Valley, a demilitarized zone, monitored by a network of ground sensors, watch stations, remotely-controlled imaging equipment, and river or border crossing checkpoints could effectively detect and provide adequate alert of any attempted clandestine movement by terrorist bands or unauthorized individuals. Such a system, supplemented by strategic surveillance sites and long-range detection mechanisms, could also provide rapid warning of any hostile ground movement beyond any predetermined limits.

U.N. personnel assigned to the Disengagement Observer Force (UNDOF) on the Golan Heights are considering improving their surveillance capability by acquiring better day and night observation equipment, as well as by deploying unattended ground sensor fields at critical points between existing outposts. The overall effectiveness of UNDOF to monitor the disengagement arrangements would thus be strengthened considerably.

The Norwegian Defense Research Agency is conducting a field study to determine the possible use of sensor technology in southern Lebanon to augment the ability of the U.N. Interim Force in Lebanon (UNIFIL) to stabilize that troubled area. Improved observation and detection capabilities, through the introduction of modern technology, would greatly facilitate UNIFIL's tasks.

The application of concepts now utilized at the SFM could, under the right circumstances, make a valuable and cost effective contribution to easing tensions and improving the climate for political negotiation in the Middle East. Such arrangements are not, however, a substitute either for diplomacy or for peace treaties or other agreements. They are cost effective, particularly when it appears they may be required to remain in place for a number of years. The technology employed is not prohibitively expensive, and it can replace substantial numbers of international peacekeeping forces that would be required to perform the same tasks without modern technology. Thus, whenever the contending parties believe early warning and surveillance can contribute to peacekeeping efforts and they are prepared to support such an undertaking, the concept merits careful consideration. Much of the surveillance equipment in question employs fairly advanced technology. Thus, qualified personnel will be needed initially to survey and determine the exact mix of equipment required for a particular environment, to train operators and to maintain the equipment.●

COMMUNICATING WITH THE ICC

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. HEFNER. Mr. Speaker, on January 26, I received, as did other Members of the House, a letter and 5-page memorandum from the Chairman of the Interstate Commerce Commission, A. Daniel O'Neal. The point of the letter, simply stated, was to instruct me on the do's and don'ts of communicating with the ICC.

Chairman O'Neal carefully cited the applicable sections of both the Commission's Rules of Practice and the Administrative Procedure Act governing ex parte communications. In addition, he reminded us of similar communication restraints imposed by the courts. I will enter a copy of Chairman O'Neal's letter and memorandum at the conclusion of my remarks.

I appreciate a chairman, commissioner, administrator, or any member of any Government agency advising me as to what constitutes a proper or improper communication. Chairman O'Neal is, of course, absolutely correct that ex parte communications from Members of Congress on any formal rulemaking or adjudicatory proceeding before his commission are prohibited. But we know this. After all, we, the Congress, put this into the Administrative Procedure Act in 1976 for good reasons. The point of prohibiting ex parte communications is to insure that the formal decisions of our agencies which are required to be made on a public record with the opportunity for all parties to participate are not unfairly influenced by private, off-the-record communications from those with personal or pecuniary interests in the outcome. I have no quarrel with this law or with the ICC Rules of Procedure on this point.

But the tone and the timing of Chairman O'Neal's letter have disturbed me. When I first read the letter, I had to wonder what I had done wrong. I felt as if I were accused of something. I went back to my files for the past 2 years just to see if I had made any improper ex parte communications to the Commission. I am satisfied that I had not. I must interpret his letter as being one of warning, then—warning me not to communicate with the ICC lest I fall afoul of the law.

But I have, over the last 2 years, and even more so recently, been communicating with the ICC. A number of issues of concern to my constituents have been under discussion by the Commission of late—the Southern Motor Carriers Rate Conference case, the new protest standards in motor carrier application proceedings, the decision overturning a 40-year old ICC policy on private carriage, proposed new policies on motor carrier entry and acquisition proceedings, and more. I have received a great many letters and phone calls from officers and employees of motor carriers in my district concerning ICC policies.

Now, technically, I am not prohibited from inquiring on the status of a particular proceeding, nor am I prohibited from routinely referring communications from my constituents. But since nearly every action taken by the ICC—whether a specific rate-case or a general policy statement—is a formal on-the-record rulemaking or adjudicatory proceeding, and covered by the prohibition against ex parte communications, it appears that I must be very careful to keep my own thoughts to myself.

I cannot help but feel that Chairman O'Neal's warning, coming as it did at a time when the Commission is making major policy changes affecting the structure of the regulated motor carrier industry, was calculated to have a chilling effect on public debate of these questions. And if the channels of communication are so cluttered with procedural barriers for Members of Congress, just imagine the frustrations felt by our constituents who dare to walk into this thicket of bureaucratic briars.

I want to work with the Interstate Commerce Commission on the issue of regulatory reform. I want to represent the interests of my constituents who are affected by these policies. And I want to represent the public interest as I see it to be. But it looks as if I have been invited to mind my own business.

Mr. Speaker, I believe this situation points out the need for congressional oversight and review of our regulatory agencies.

We have a legitimate interest in the areas touched by Government regulations. After all, in most cases, it is our constitutional legislative authority that is delegated to these agencies to act with. We in Congress are thus ultimately responsible for the actions of these agencies. This is why we need to participate at some point in the administrative procedures by which our laws are interpreted and enforced. The Administrative Rulemaking Reform Act, H.R. 1776, introduced by Congressman LEVITAS, is one way we can excercise our authority in this area. This bill, amending the Administrative Procedure Act, would give us the right and a procedure with which to excercise this right to review in advance and, if necessary, disapprove any rule or regulation issued by a Federal agency. From economic regulation of surface transportation to rules affecting health, safety, or the environment, I believe that Congress should have the opportunity to review major policy proposals and to decide whether the proposed changes are in the public interest as a matter of congressional policy. As a cosponsor of H.R. 1776, I believe its enactment will help deal with the problem illustrated by Chairman O'NEAL's letter.

The letter and memorandum follow:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C. January 24, 1979.

Hon. W. G. (BILL) HEFNER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HEFNER: As Chairman of the Interstate Commerce Commission, I believe it is very useful to have the views of Members of Congress about the many transportation issues that fall within the Commission's responsibility. There is, however, a rather fine line between views on general issues and comments which address the merits of a case pending before the Commission. An off-the-record contact about a particular proceeding, even if made by a Senator or Representative, may fall into the category of an

ex parte communication, which is prohibited by law.

The attached memorandum explains the different types of proceedings before the Commission, discusses the differences between appropriate and inappropriate contacts, and outlines the procedures we suggest Members of Congress follow to make certain their views are considered by the Commission in reaching a decision. If you have any questions, please do not hesitate to call me or the Congressional Relations Office.

Sincerely yours,

A. DANIEL O'NEAL,
Chairman.

MEMORANDUM TO MEMBERS OF CONGRESS

TYPES OF PROCEEDINGS BEFORE THE ICC

Generally, there are two types of proceedings before the ICC:

1. Rulemaking.—A rulemaking proceeding is one initiated for the purpose of issuing statements, rules or regulations of general applicability. Formal rulemaking involves a hearing, an initial decision, and findings of fact and conclusions of law. (A formal rulemaking is used only rarely.) An informal rulemaking ordinarily involves only notice and an opportunity to comment in writing on proposed rules. An example is the proceeding to issue rules covering estimating practices in the household goods moving industry. These proceedings are designed to implement or interpret law or to formulate general policy.

2. Adjudicatory.—An adjudicatory proceeding is an on-the-record adversary proceeding. Some involve oral hearings. Others are conducted under the Commission's "modified procedure" through the submission of affidavits. Most proceedings at the ICC are adjudicatory. An adjudicatory proceeding is conducted to decide applications for licenses (certificates to operate in interstate commerce), applications for construction or abandonment of rail lines, applications to purchase ICC operating certificates, service extension applications, and control or pooling agreement applications. Examples of complaints are that the rates being charged by a carrier are too high or are unreasonable.

EX PARTE COMMUNICATIONS

Ex parte communications are letters to or contacts with agency decision-makers in an adjudicatory proceeding or formal rulemaking without the knowledge of the other party or parties to the proceeding. Prohibitions against ex parte communications have been adopted by both the Commission and the Congress to protect the decision-making process from undue outside influence.

The Commission's prohibitions against ex parte communications appear in its Rules of Practice in Appendix C at 49 CFR 1100. The prohibition passed by Congress appears at section 557(d) of the Administrative Procedure Act (APA), 5 U.S.C., section 557(d). Both enactments provide a description of the nature of the contacts between agency personnel and outsiders which are proscribed.

In addition, the courts have imposed similar constraints in informal rulemakings.

To conform with the law in this area, letters or contacts addressing the actual merits of a proceeding will be treated differently from letters or contacts inquiring about the status of a proceeding.

Members of Congress, however, have a real interest in the impact of the Commission's actions upon their constituents and upon the general public. It is expressly provided in section 551(14) of the APA that requests for status reports are not ex parte communications. Section 557(d)(2) goes further. It specifies that the bar against ex parte communications does not constitute authority to withhold information from Congress. Members of Congress are not prohibited, therefore, from making routine inquiries or referrals of constituent correspondence.

A Member of Congress could participate as a party to a Commission proceeding by entering an appearance or by filing written comments in accordance with the Commission's Rules of Practice.

Letters or contacts addressing the merits of a proceeding are proscribed, however, from the time an on-the-record proceeding is noticed for oral hearing, or the taking of evidence by modified procedure, or at such time as the person responsible for the communication has knowledge that the proceeding will be so noticed.

Late filings by Members will be accepted only if other parties to the proceeding have adequate time (in the judgment of ICC staff) to reply to their comments. Ex parte communications will not be shown to the Chairman, to other members of the Commission, or to lower level decision-makers. Communications received after the record is closed will be answered by the Congressional Relations Office, which will contact the Member's office to determine if the Member intends to file with the Commission a formal petition to intervene, have the letter placed in the correspondence file (which is not considered by the decision-makers), or have the letter returned. These precautions are necessary to prevent court challenges on procedural grounds.

Finally, the Rules of Practice preclude practitioners before the Commission from enlisting political influence in adjudicatory proceedings in which they are involved. Members of Congress should be aware of this prohibition and are requested to advise the Commission if they are contacted by representatives of parties to a pending proceeding in violation of this rule.

PARTICIPATION BY MEMBERS OF CONGRESS IN COMMISSION PROCEEDINGS

1. *Rulemakings.*—The procedures in rulemakings vary in formality depending on the potential impact of the subject matter. Rulemakings are subject to few inherent limitations as to who may participate in them. Persons who are not actually affected may express their views. The exception is where technical subject-matter is involved such as general rate levels. Any person may file a petition requesting the institution of a rulemaking proceeding. A Member of Congress may participate in the proceeding by presenting his or her views in accordance with the procedure designated by the Commission in the notice given of the rulemaking proceeding.

2. *Adjudicatory proceedings.*—Unlike most rulemaking proceedings, participation in an adjudicatory proceeding is subject to compliance with strict rules of procedure and time limits. These rules appear in the Commission's Rules of Practice, which are published in the Code of Federal Regulations at 49 CFR 1100. Some special rules appear in other parts of Chapter X of Title 49 of the Code of Federal Regulations. It is important that Members of Congress comply with these rules in order to assure that their views are considered in an adjudicatory proceeding.

In any adjudicatory proceeding, documents must be served on all parties to the proceeding at the same time they are filed with the Commission and a notarized statement submitted to the Commission that all parties have been served. Private petitioners are expected to assume this responsibility themselves, but the Commission will serve all parties to a proceeding on behalf of Members of Congress who clearly indicate their intention of becoming a party of record. When the Commission is contacted, orally or in writing, by a Member of Congress about an ongoing proceeding, the Congressional Relations Office will contact the Member's office and ascertain the exact intention of the communication.

When a Member of Congress becomes a party to a Commission proceeding, that fact is a matter of public information. This point deserves to be underscored in case the Member has other constituents who may want him or her to participate in favor of the other side of the issue. Becoming a party of record means that the Member will receive copies of all the documents filed in the proceeding, and opposing counsel may want to challenge the Member's pleadings at oral hearing.

When a motor carrier application, for example, is filed with the Commission, it is published in the Federal Register. Generally, after Federal Register publication, there is a 30-day period for the filing of protests. Protestants must show that they have a personal interest in the outcome of the proceeding. Applications are then set for hearing by written verified statements or oral hearing. The number of protests and the complexity of the issues will determine the type of hearing. More complex cases with many protestants will be designated for oral hearing.

After the 30-day protest period, a person can become a party to the proceeding only by filing a petition to intervene (Rule 70 of the Commission's Rules of Practice). A petition under this rule should show the grounds for intervention and the position and interest of the petitioner. A petition to intervene should be filed prior to oral hearing or date the verified statements are due.

An adjudicatory proceeding is also conducted in certain proposed rate changes. When a carrier files a rate change the Commission may suspend the change and conduct an investigation. Rule 40 sets forth the procedure for filing a protest and requests for suspension of a proposed rate change. The protest must reach the ICC at least 12 days before the effective date of the rate.

An investigation into a rate suspension will be conducted either by oral hearing or modified procedure (written statements). A protestant is automatically a party to the investigation. A person who is not a party may make a special appearance at the hearing.

Rule 71 provides for participation by special appearance at a hearing without actual intervention. Under this rule, an appearance may be entered at hearing in an investigation (for example, an investigation into a proposed rate change), an abandonment, or a proceeding heard on consolidated record with a complaint proceeding. A special appearance can be entered if (a) there is no alternative relief sought; (b) there is full disclosure of the identity on whose behalf the appearance is sought; (c) the interest of the party is stated fairly; and (d) the contentions are reasonably pertinent and do not unduly broaden the issues.

Another type of adjudicatory proceeding is a complaint case. A common complaint is that the rates being charged by a carrier are too high, are unreasonable or that the applicable tariff is not being used. Again, the hearing may be by oral or modified procedure. To become a party, a petition to intervene must be filed before the end of the evidentiary period. These petitions are usually granted.●

A CONSTITUTIONAL CONVENTION TO CONSIDER A BALANCED BUDGET AMENDMENT: A REAL POSSIBILITY

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. COLEMAN. Mr. Speaker, I fear that because some Members refuse to seriously consider a balanced budget amendment they have also dismissed the actions of States to call a constitutional convention to write such an amendment. This is, I believe, a grave mistake.

Members are aware that the issue of a constitutionally mandated balanced budget amendment is a very complex one. It is made more so by the call for a constitutional convention to consider the matter. To help me and my colleagues better understand the constitutional convention question, I have asked Mr. David Huckabee of the Congressional Research Service to provide me with the most recent information available on this matter. Mr. Huckabee's analysis is most helpful and enlightening.

According to Mr. Huckabee, "at least 28 (29 if Nevada's vetoed resolution is included) States have passed resolutions applying to Congress for a constitutional convention to consider an amendment in this area." We may be, in fact, as few as 5 States away from the required 34 States required to call a constitutional convention.

Mr. Speaker, if we do not act in Congress on a constitutional amendment to balance the budget, it is probable that consideration will be taken from our hands. This could happen soon. Congress then, having abdicated its own responsibility in this matter, shall look on merely as an observer as others decide the destiny of the country.

CONSTITUTIONAL CONVENTION APPLICATIONS: ADDRESSING THE CONTROVERSY OF COUNTING STATE APPLICATIONS RELATING TO A DEFICIT SPENDING AMENDMENT

(By David C. Huckabee)

BACKGROUND AND SURVEY RESULTS

Article V of the United States Constitution requires that proposed amendments must be ratified either by the legislatures or special conventions of three-fourths of the States before they become part of the Constitution.

Two methods are provided by Article V for submitting proposed amendments to the States for their consideration. The first requires the approval of two-thirds of both Houses of Congress before submitting the proposal to the State legislatures or conventions. This is the method by which all the amendments now part of the Constitution originated. The second, which provides that "on the application of the legislatures of two-thirds of the several States [Congress] shall call a convention for proposing amendments," has never been successfully invoked.

The National Taxpayers Union, a Washington based lobby group, and California Governor Jerry Brown, are sponsoring a campaign which has sparked considerable interest in State legislatures in adopting memorials to Congress relating to a proposed amendment to limit the power of the Federal government to incur budget deficits. As of February 26, 1979, David Keating, a spokesman for the National Taxpayers Union, said that twenty-eight State legislatures had requested such a convention.

A recent study by the Council of State Governments shows that in 1976, State budget officers cited constitutional and statutory provisions indicating that forty States, the District of Columbia and Puerto Rico, had one or more constitutional restraints, and eight others had one or more statutory restraints limiting the power of their States to incur budget deficits. Set out in the table below are data summarizing these constitutional and statutory provisions.

TABLE 1.—*Limitations on State Deficits: Summary*[1 2]

	Number of States with deficit limitations which are		
	Prohibitive	Constraining only	Total
Constitutional[2]	34	6	40
Statutory only	6	2	8
None	--	--	--
Total	40	8	50

[1] Does not include Puerto Rico and the District of Columbia.

[2] Ten States cited both constitutional and statutory provisions.

[3] Limitations on State Deficits. The Council of State Governments. Lexington, Kentucky. 1976, p. 4. Updated September 15, 1978.

It is the usual practice for legislatures to address resolutions (memorials[3]) to the Speaker of the House, the Vice President (in his role as President of the Senate) or occasionally to the President Pro Tempore of the Senate, or the Clerk of the House and Secretary of the Senate. Some States send copies of the memorials to the chairmen of the House and Senate Judiciary Committees. In most cases, in addition to the officers or committee chairmen listed above, State legislatures also send copies of their memorials to the State's congressional delegation.

It is the practice of the House to print a short statement summarizing each memorial and petition in the Congressional Record listed under the headings "Memorials" and "Petitions."

Receipt of these communications is also noted in the official House Journal. The actual memorials are then forwarded to the committees having jurisdiction over the subject addressed by the communications. Memorials requesting a constitutional convention or constitutional amendments are referred to the Judiciary Committee.

In the Senate, the texts of petitions and memorials are printed in the Record under the heading "Petitions." The actual communications are referred to the committee of jurisdiction, again with constitutionally related memorials referred to the Judiciary Committee.

There are numerous impediments to accurately tracking memorials requesting a constitutional convention. Since some legislatures address the memorials to officers other than the Speaker and the Vice President (President of the Senate), a major problem results because the Congressional Record Index currently indexes the receipt of memorials under the headings "Speaker of the House" and "Vice President." If copies of the resolutions are not forwarded to these officers, receipt of the memorials is never officially noted in the Journals, or in the Record.

The requirement in the House and the procedure in the Senate that Committees forward their records to the National Archives at the end of each Congress also contributes to the problem of accurate record keeping. State legislative campaigns memorializing Congress for a convention relating to a specific subject often span many Congresses. Since individual memorials do not become significant in a constitutional sense until they are aggregated and approach the necessary two-thirds of the States, the early memorials of legislatures may be misplaced or buried among hundreds of other petitions and memorials in the committee's official records at the Archives.

Thus the only efficacious method of tracking these memorials over time is through the use of the Congressional Record Indexes. Experiences encountered in tracking the specific issue of State applications for a constitutional convention concerning a deficit spending amendment show that this method is not without its pitfalls.

Using the Congressional Record Indexes, copies of nineteen States' applications for a constitutional convention relating to a budget deficit amendment are found. Some States have submitted more than one memorial on the subject. The Senate Judiciary Committee has one memorial on file from a State that had not been noted in the Record. References to six State memorials merely requesting that Congress report such an amendment to the States for consideration were also found in this research.

In conducting this search it was also learned that the applications of two States which had been noted in the Record had been inadvertently sent to Congress, having passed only one House of the State legislature. These resolutions should not be counted even though notice of their receipt was printed in the Congressional Record.

One additional State legislature has passed a resolution, but it was vetoed by the governor. This resolution was not sent to the Congress.

On February 8, 1979, Senator Harry F. Byrd inserted into the Congressional Record (pp. 2108–2116) copies of twenty-two States' applications for a convention relating to this matter. Although many of these applications have already appeared in the Record, a number have not. On February 21, 1979, (pp. 2929–2931) Congressman Harold L. Volkmer inserted copies of eight States' applications which had previously not been noted in the House section of the Record.

These actions may not necessarily meet the Constitutional requirement that the States make "application" for a convention. In his remarks, Congressman Volkmer said

[3] Petitions and Memorials—Article V refers to "applications" of State legislatures for a convention. The First Amendment, among other things, establishes the right of the people "to petition the government for a redress of grievances." Over the years, two terms describing communications to Congress have come into use. The term "memorial" encompasses all communications from State legislatures and generally refers to opposition from individual and organizations to particular legislation or governmental practices under the purview of Congress. "Petitions" express support from individuals or organizations for legislation not yet considered, or legislation pending. All requests of legislatures for a constitutional convention are classified as "memorials."

"It is not necessary that the resolutions be noted anywhere as there is no procedure to apply to the situation. The fact that resolution passed the State legislatures is enough."

Others have argued that in order to meet the constitutional requirement that the States must make application to Congress for a convention, merely passing a resolution is not enough. They believe that copies of the applications must be sent to Congress because it would be unreasonable to believe that the Congress must examine the session laws of the fifty States each year to identify the few applications for a convention pursuant to Article V.

Some may argue that Senator Byrd's and Congressman Volkmer's insertion of copies of the States' resolutions in the Record does not meet the requirement that the States make application for a convention, because the applications were not sent to Congress by the States. The resolutions placed in the Record by these Members were sent to the National Taxpayers Union and provided to Senator Byrd and Congressman Volkmer by that organization.

In a telephone survey of the Secretary of States of those States which had apparently passed resolutions which had not been received by the Congress which was conducted in May of 1978, it was learned that five States believed that copies of the resolution had been sent, and one State had not sent a copy to Congress. In no case was a State official able to say unequivocally that a resolution had been sent, only that if the resolution directed that a copy be sent, that one presumably would have been sent.

Since the completion of the survey, other States have passed resolutions which have not yet been received by Congress, and two of the States surveyed in 1978, have sent copies of their resolutions to the Congress.

Set out in Table 2 below are comparisons among the National Taxpayers Union and Senate Judiciary Committee lists, and the list of applications which have been noted in the House side of the Congressional Record requesting a convention.

Table 3 summarizes a telephone survey of State legislative reference agencies, legislative clerks, and Secretaries of State of the States which have passed such resolutions which were never officially noted by the Congress.

Table 4 lists those States which have memorialized Congress to request that a deficit spending amendment be submitted to the States for their consideration, but not asking that a constitutional convention be convened for that purpose.

TABLE 2.—*States Which Have Passed Resolutions Requesting a Constitutional Convention Relating to Deficit Spending*

National Taxpayers Union List

Alabama, Arizona, Arkansas [7], Colorado, Delaware, Florida, Georgia, Idaho [7], Iowa [7 8], Kansas, Louisiana, Maryland, Mississippi, Nebraska, New Mexico, Nevada [9], North Carolina [7], North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota [7], Tennessee, Texas, Utah [7], Virginia, and Wyoming.

Senate Judiciary Committee List

Alabama, Arizona, Arkansas [1], Colorado, Delaware, Florida [2], Georgia, Idaho [10], Iowa [3 9], Indiana [5], Kansas, Louisiana, Maryland, Mississippi [4], Nebraska, New Mexico [2], Nevada [2], North Carolina [7], North Dakota [2], Oklahoma, Oregon [2], Pennsylvania [2], South Carolina, South Dakota [10], Tennessee, Texas [6], Utah [7], Virginia, Wyoming.

Applications Appearing in the House Side of the Congressional Record

Alabama [6], Arizona, Arkansas [1], Colorado, Delaware, Florida, Georgia, Idaho, Iowa [3, 9], Indiana [5], Kansas, Louisiana, Maryland [6], Mississippi, Nebraska [3 4], New Mexico [10], Nevada [2], North Carolina [10], North Dakota [2], Oklahoma, Oregon [2], Pennsylvania [2], South Carolina, South Dakota [7, 10], Tennessee, Texas, Utah [2], Virginia, Wyoming.

[1] Arkansas' application was inadvertently sent to Congress because it had passed only one House of the Legislature. Thus, although notice of receipt has been printed in the Record, this application should not be counted for the purposes of calling a convention. A resolution calling for a convention passed in 1979, but it has not yet been received by Congress.

[2] These States have passed resolutions requesting a constitutional convention relating to deficit spending, but notice of receipt of these applications has not been printed in the Congressional Record.

[3] Indiana's 1976 application which was noted in the Record was inadvertently sent to Congress because it had only passed one House of the legislature, but a 1957 application is still pending. The National Taxpayers Union does not count Indiana.

[4] Nebraska's application was never noted in the Record, but the Senate Judiciary Committee has a copy of the application in the Committee's files.

[5] The National Taxpayers Union records Nevada as a State legislature which has requested a convention, although the governor vetoed the resolution. This application was never sent to Congress because of the veto.

[6] Texas's 1977 application was never noted in the Record. Notice of receipt of an application was noted by the House on Jan. 15, 1979, as well as a memorial reaffirming the legislature's earlier call for an amendment.

[7] Applications passed in 1979.

[8] Resolution noted in the Senate side of the Record, but not the House side.

[9] Iowa's application does not become effective until July 1, 1980, although it was passed in 1979.

[10] Resolution noted in the House side of the Record, but not the Senate side.

TABLE 3.—*Status of State Requests for a Constitutional Convention for an Amendment Relating to Deficit Spending*

	Total
1. Constitutional Convention Applications Officially Noted in the *Congressional Record* or on File with the Senate Judiciary Committee	22 [1]

States:

Alabama [2], Arizona, Colorado, Delaware, Florida [4], Georgia, Indiana [3], Idaho [4], Kansas, Louisiana, Maryland [5], Mississippi, Nebraska [3], New Mexico [4], North Carolina [3], Oklahoma, South Carolina, South Dakota [4], Tennessee, Texas [4], Virginia, Wyoming.

[1] Arkansas inadvertently sent to Congress an application which had only passed one House of the legislature. On January 17, 1979, the legislature passed such a resolution, but it has not yet been sent to Congress.

[2] Indiana's 1976 memorial which was noted in the *Record* was inadvertently sent for the same reason, but a 1957 memorial is still pending.

[3] The House does not have record of receipt of memorials from this State.

[4] The Senate does not have record of receipt of memorials from this State.

TABLE 3A.—*Summary of Telephone Survey of States Which Have Passed Constitutional Convention Applications Which Are Not Noted in the Congressional Record or on File With the Senate Judiciary Committee*

Applications passed by the States and presumably sent, 5 (according to a May 1978 telephone survey).

States:

New Mexico,[1] North Dakota, Oregon, Pennsylvania, Texas.[2]

Applications passed by States and presumably not sent, 1.

States: Florida.[3]

Applications passed by States in 1979 not yet received by Congress, 4.

Arkansas, Idaho, Iowa, South Dakota.

[1] An application from New Mexico was received on February 27, 1979, by the House.

[2] An application from Texas was received on January 15, 1979, as well as a memorial "reaffirming" the legislature's previous application.

[3] An application from the State of Florida was received by the House on February 22, 1979. A copy of the resolution has not been received by CRS to determine whether this is a new resolution or a copy of Florida's 1976 resolution which was not sent to Congress.

TABLE 4.—*States Requesting a Deficit Spending Amendment But Not Requesting a Constitutional Convention—5* [1]

States:

California, Illinois, Kentucky, Nevada,[2] New Hampshire.

[1] Idaho and North Carolina previously passed resolutions asking for an amendment and not a convention. Applications for a convention were passed by these States in 1979.

[2] A resolution requesting a convention was passed by the Nevada legislature in 1977, but was vetoed by the Governor.

In summary, Table 2 shows that the Senate has records showing that seventeen States have memorialized Congress for a constitutional convention relating to deficit spending. The House records eighteen such applications. The National Taxpayers Union lists 28 States.

Thus, although at least twenty-eight (twenty-nine if Nevada's vetoed resolution is included) States have passed resolutions applying to Congress for a Constitutional convention to consider an amendment in this area, only a maximum of twenty-two applications have been officially noted by the Congress, if both Houses records are considered together.

DAVID C. HUCKABEE.

FEBRUARY 28, 1979.●

TOLLESTON MIDDLE SCHOOL BAND

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. BENJAMIN. Mr. Speaker, it is my privilege today to salute the outstanding accomplishments of the Tolleston Middle School Band of Gary, Ind., and its exceptional director, Willie Horne.

An evening of tribute is being held on Friday, March 9, in honor of this 280-member band—most often and appropriately referred to as the "award-winning Tolleston Band." However, the almost innumerable awards and achievements of this organization make even this illustrious title seem an understatement.

Besides an evening dedicated to a salute to this outstanding organization, the proceeds from the dinner Friday evening will help finance a trip to California's Disneyland on July 4 where the band will participate in a special Independence Day musical extravaganza.

Over the past 3 years, the Tolleston Middle School Band has been awarded first place in every competition in which it was entered—and these accomplishments do not broach the recognition achieved by the band as representatives and ambassadors of good will for their school and community.

The band's honors include first place awards in 1976, 1977, and 1978 in the annual marching band contest at Tennessee State University as well as top placement in local Independence Day parades in Whiting, Munster, and LaPorte.

In addition, the Tolleston marchers have represented their community in an exemplary manner in numerous noncompetitive events to include: The Bud Billiken parade in Chicago, the Gladiolas Festival parade in Momence, and the Senior Little League World Series in Gary. Their talents were also roundly received at the Black Expo parade in Indianapolis and the Urban League parade in Chicago.

While praises for the members of the Tolleston band cannot be too great, commendation is also appropriate for the hardworking parents of these students and, of course, their leader, Willie Horne.

A graduate of Roosevelt High School in Gary, Willie is a noted trumpeter in his own right. He manifested his talents with this instrument while earning his bachelor of arts degree at Lincoln University and later at the Vandercook School of Music in Chicago where he earned his master's in music education.

Willie also served as trumpeter with the Fifth Army Band—another musical outfit of distinction.

I invite my colleagues to join me today in a salute to the exemplary record of the Tolleston Middle School Band and its talented leader, Willie Horne. I also pay respectful tribute to the hard work and dedication of the Tolleston Band Parents Organization through whose efforts these students' musical abilities are allowed to flourish.

The band's record is only one facet of the exemplary achievements and high academic standards in one of the First District's finest educational facilities and where my brother, Samuel A. Benjamin, has the privilege to participate in the educational process of some of our finest young people.

Finally, I applaud the purpose of the tribute dinner on Friday night and look forward to watching as the Tolleston band brings a new round of prestige to the community by representing their school and the First District of Indiana in the festivities in California.●

UNMET NEED FOR CIVIL DEFENSE

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MITCHELL of New York. Mr. Speaker, one of the most pressing yet unmet needs facing the Nation is for a civil defense program which is responsive to existing threats and adequately prepares us for future challenges.

To respond to these threats and prepare for those challenges I reintroduced legislation on January 15 providing for a comprehensive, 7-year civil defense program. Its cost, $1.9 billion, represents but a fraction of our estimated total defense expenditures for the period covered—the increase in funding over our present program amounts to approximately one-tenth of 1 percent of our Department of Defense annual budget.

The program I am advancing is one that will give us, for the first time in this nuclear era, the protection we must be assured of as we face our ideological adversaries who lack our commitment for the pursuit of peace. Central to this proposal is the long-overdue attainment of adequacy for a range of programs which have as their principal objective the saving of lives.

Simply put, my goal is to guarantee the survival of a Nation, its people and a way of life sacred to us all.

We have no such guarantee today. It is time we did.

The 7-year plan would concentrate the use of the funds requested for:

Crisis evacuation;
Research and development;
Emergency operating centers;
Training and education; and
Management and coordination.

In each one of these critical areas our present civil defense program fails the test of adequacy.

My budget proposal, for the full 7-year plan and with a specific assignment of funds, is appended to these remarks.

This program was not developed by me; rather, it emerged over an extended period of time after protracted consultation with experts who have earned respect and a national reputation for their work in civil defense. It is a product of serious, well-intentioned people who share a concern about our present, have learned from lessons of the past, and are determined to prepare us to live in peace.

We are in trouble. The Soviets have an excellent civil defense system. We do not. Neither nation had an adequate program in the midsixties. But for more than a decade the Soviets have been spending over $1 billion a year on civil defense. We have averaged less than $100 million. They have a three-track program: Individual protection, community shelters and population evacuation. We have only one: community shelters; and it is in disarray in spite of the dedicated and dogged efforts of many professional and amateur civil defense leaders.

Why is this a problem? Because it destroys the strategic balance. The best hope for peace, we are told, is the maintenance of the strategic balance. There are varying estimates on the effect of an all-out nuclear war. If the Soviets have time to put their civil defense program into operation—3 or 4 days prior to the holocaust—the results would be far more destructive to the United States (over 100 million dead) than the Soviet Union (5 to 20 million killed).

Most experts agree we enjoy "rough equivalence" with the Soviets in weaponry. (From our perspective it appears to get rougher each year.) But if Soviet weapons have a far greater destructive effect on us than our weapons do on them, it is as though they had far more weapons. This makes a mockery of the strategic balance. It does not exist.

Once the balance of terror is gone the Soviets have an awesome edge in any confrontation, whether it be at the bargaining table, an act of adventurism in Europe or Africa, or in an all-out nuclear war.

That is the bad news. The good news is it is not too late to do something about it. A relatively inexpensive remedy is to develop a civil defense system of our own. Some of our defense leaders suggest the way to compensate for Soviet superiority (they no longer claim it does not exist) is to "retarget" our weapons. "Retargeting" would supposedly rebalance the equation. It makes more sense to me to achieve the balance through civil defense—the potential saving of American lives rather than the potential destruction of Soviet citizens.

Part of the program's funds would be spent to complete our "5-year in-place shelter program" which we started 14 years ago and abandoned in the 1960's. Another substantial portion would go for a program to disperse our population in time of crisis. Most of the remainder of the appropriation would be spent on an educational program to do away with the many myths associated with a nuclear attack and to develop a positive attitude toward survival.

Dr. Conrad Chester of the Oak Ridge National Laboratory makes additional recommendations: First, we must have a recognition, at the highest levels of Government, that in the event of nuclear war survival of the United States is desirable and possible; second, the American people must be exposed to all facets of nuclear war and to its survival potential, and that this education process should take place in the schools; and third, Government funded, financed, or insured new construction should be modified to provide fallout and blast protection.

We must begin today to rebalance the strategic equation. How do you deter an attack unless you can convince an enemy that you will win the war that he is starting? I find it doubtful that anyone aware of the strategic imbalance believes we would fire any nuclear weapon if it meant the destruction of our society. Without a civil defense system, that is precisely what it means.

FISCAL YEAR 1980–86 CIVIL DEFENSE PROGRAM

[In millions of dollars]

	1980	1981	1982	1983	1984	1985	1986
Warning and detection	20.0	22.0	23.0	23.0	25.0	29.0	29.0
Warning and communications systems	10.0	10.0	10.0	10.0	10.0	12.0	12.0
Radiological defense	10.0	12.0	13.0	13.0	15.0	17.0	17.0
Emergency operations	16.2	22.0	40.0	40.0	48.0	66.0	74.0
Training and education	5.0	5.5	9.0	9.0	11.0	16.0	20.0
Emergency information	2.3	3.0	7.0	7.0	8.0	13.0	14.0
Systems development	2.5	2.3	2.8	2.3	2.3	2.3	2.3
Broadcast station protection program	3.2	4.5	8.2	8.0	9.0	14.0	17.0
Red Cross	.2	.2	1.0	.2	.2	1.2	1.2
Citizen training instructions	.5	.5	1.0	.5	.5	1.5	1.5
Shelter management training	.5	2.0	5.0	7.0	10.0	8.0	8.0
Test and exercises, EOS	2.0	4.0	6.0	6.0	7.0	10.0	10.0
Financial assistance	36.8	36.9	38.1	39.3	39.7	40.5	40.9
Management (P. & S.)	35.0	35.0	35.6	36.2	36.4	36.8	37.0
Maintenance and services	1.8	1.9	2.5	3.1	3.3	3.7	3.9
Management	24.1	24.1	25.9	27.7	28.3	29.5	30.1
Personnel services	17.9	17.9	18.5	19.1	19.3	19.7	19.9
Travel	1.0	1.0	1.6	2.2	2.4	2.8	3.0
Administrative and housekeeping	5.2	5.2	5.8	6.4	6.6	7.0	7.2
Shelters	23.9	44.0	71.0	96.0	95.0	148.0	118.0
Survey	6.0	12.0	17.0	15.0	10.0	10.0	10.0
NCP planning	16.0	26.0	41.0	56.0	56.0	56.0	56.0
In place protection	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Crisis evacuation	(10.0)	(20.0)	(35.0)	(50.0)	(50.0)	(50.0)	(50.0)
Shelter marketing	1.0	1.0	1.5	1.0	.5	.5	.5
Shelter stocking	.1	4.0	6.0	15.0	20.0	50.0	35.0
DIDS	.1	.2	.3	.4	.5	.5	.5
Expedient shelter planning	0	.1	.5	.9	.3	.3	.3
FRC improvement	.6	.6	.6	.6	.6	.6	.6
Vent kits	.1	.1	4.1	7.1	7.1	30.1	15.1
Emergency operating centers	3.0	15.0	28.0	39.0	40.0	60.0	62.0
EOCs	2.0	8.0	20.0	30.0	30.0	50.0	50.0
Supporting materials	1.0	7.0	8.0	9.0	10.0	10.0	12.0
Research and development	14.0	16.0	17.0	18.0	17.0	20.0	21.0
Total	138.0	180.0	243.0	283.0	293.0	393.0	375.0

L. C. "PAPPY" SAMMONS: "THE LOBSTER KING"

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. JONES of Tennessee. Mr. Speaker, today it is my pleasure to insert an article from the Memphis Press Scimitar into the CONGRESSIONAL RECORD concerning a fine gentleman from Memphis, Tenn., Mr. L. C. "Pappy" Sammons, known as "The Lobster King"—and rightly so. My family and I have enjoyed wonderful meals at his establishment, The Lobster Shack, many times. "Pappy" will celebrate his 100th birthday on April 26 of this year and today I want to share with my colleagues by the following article this gentleman's colorful life.

The article follows:

PAPPY KEEPS ON COOKIN' AFTER NEARLY A CENTURY

(By Clark Porteous)

Lehman Clark "Pappy" Sammons, a one-time circus cook, learned to cook 88 years ago at the old John Gaston Hotel.

An international survey made 15 years ago showed Sammons to be the oldest active chef at that time. And "Pappy," as he is affectionately known, is still cooking.

Sammons, a slim, tall man, remains an impressive figure, looming even larger than his 6-foot frame with the aid of the tall chef caps he frequently wears. His brown hair has only recently begun to gray, and his health, until recently, has been excellent.

Sammons also known as "The Lobster King" and the "Mayor of Overton Square," lately has been plagued by phlebitis, and grudgingly says, "I'm beginning to fail."

But he doesn't act like it. He is mentally alert and has a remarkable memory—even for things that happened decades ago. His walk remains sprightly; and he still does most of the cooking for customers at his Lobster Shack.

Sammons was born in Dancyville, Tenn., near Brownsville, in 1879.

Both his grandfathers, John Clark Sammons and William Neely, were killed fighting for the Confederacy in the bloody battle of Shiloh.

His father, John Clark Sammons Jr., moved the family to Memphis in 1890, when "Pappy" was 11.

"We came to live with an uncle who drove a mule car," Sammons said. In those days, streetcars were pulled by mules.

"We lived in a little old house at 740 Union, where Chip Barwick Chevrolet is located now," he said. "We paid $6 a month house rent, and there were six of us."

Sammons said his grandmother got him a job at the elegant John Gaston Hotel, as a dishwasher. He was only 11 at the time, and total schooling amounted to 30 days, accumulated during two summers.

Sammons was apprenticed to John Gaston, and shortly began his long career drying dishes. "They cut a whiskey barrel in half, putting hot water and lye soap, which we made ourselves, in the water to wash dishes," he recalled. "The other half of the barrel was to rinse the dishes. I was the dish dryer."

Sammons worker his way up at the hotel. He calls John Gaston, for whom a city hospital, a park and a community center were named, "one of the greatest men I ever knew."

Despite his limited formal education Sammons speaks intelligently and says he got his education listening to others—such as Gaston—talk. Being in the restaurant business all his life, Sammons says he has met the best people and learned from them.

"All I know that's good about cooking, I learned at the Gaston," Sammons said. "Mr. Gaston brought fine chefs from France, Germany and Switzerland. There has never been a place like that. It served the greatest food Memphis ever had.

"We didn't know what a lobster was, but oysters were a big deal," Sammons said. "We served quail, bear meat steaks, wild turkey and deer. A specialty was Les Squabs, which were young pigeons served under glass—a forerunner of pheasant under glass.

"People no longer eat squabs," he said. "They could, but people just change."

Sammons worked his way up from dish dryer to bus boy, to waiting on tables and finally became a cook. Then, after 16 years at the John Gaston, he "graduated" and became a chef.

At 27, he left Gaston's and went to Floyd's, another fine, old-time restaurant. He worked for several other places and had his own hamburger stand at Calhoun and Front before the lure of adventure grabbed him.

Sammons sold his hamburger stand in 1910, and spent two seasons with Ringling Bros. Circus before it merged with Barnum & Bailey. That was the only time he has worked away from Memphis.

"I cooked for the circus employees," Sammons said. "I cooked on the train. I went all over the United States, but never saw a thing—just the train and the circus."

Sammons quit the circus and opened his restaurant across from Union Station in 1912. He used to feed the travelers, including show people who came to Memphis by train to play the Orpheum. Pappy says he recalls such stars as a young Milton Berle, Francis X. Bushman, Weber and Fields, Jack Benny and many others.

But Sammons remembered Sophie Tucker, the last of the "red hot mamas," in particular because of the lobsters. It was Miss Tucker who kept asking Sammons to serve lobsters, and he decided to try.

Sammons said when he first put lobsters on the menu of his restaurant, he only sold a few out of each order from New England. But Pappy kept pushing lobsters—selling them at $1.50 each, an expensive delicacy in the early 1920s—and now, hundreds of thousands of lobsters later, Pappy serves two lobsters for $15.

"I don't make 25 cents on them," he said, explaining that he has to pay $5.75 a pound plus freight from Boston. Sammons says you can make your prices too high and lose customers.

Lobsters are Pappy's trademark now. He said the boiled crustaceans draw customers, and he makes money on other items such as wines and mixed drinks.

Sammons left the Calhoun location and operated a restaurant in the Gilmore Apartments at Madison and McLean for a while, but was forced to leave when the owner's son complained of fumes from the restaurant going into the apartments.

"I didn't know what to do," Sammons said. "But I located two little houses on Madison. I went to see Carroll Seabrook (now 90), who was chief of police, to ask about opening a restaurant in the house. He told me I had better see Mr. Crump." That was E. H. Crump, the city's political boss.

Sammons said Crump gave him the go-ahead, and, in 1946, he opened a 400-seat restaurant in what was later to become Overton Square.

He took Jimmy Mounce in as a partner, and Jimmy later ran another restaurant, Pappy & Jimmy's at Poplar and Hollywood, as a partner. Mounce has since left the restaurant business.

Business boomed at Pappy's Lobster Shack, 2100 Madison, and the neighborhood had never seen anything like it. There were many residences in the area at the time, and some neighbors went to Crump, complaining of bootlegging and loud jukebox music. Pappy said, however, that he didn't have a jukebox, and there was no bootlegging.

"Mr. Crump told the protester that he had known me a long time, and that I had always run first-class places," Sammons said. "He told them that I could stay as long as I ran the place on a high plane. But Mr. Crump said if I did not, he would close me up. I never had any more trouble of that kind."

Pappy is also known as a collector—of almost anything. But fire struck the restaurant 16 years ago, and destroyed most of Sammons' collection of antiques and mementos.

Among his most prized possessions is a battered old Stetson hat, with Bing Crosby's name in it. In Memphis for a golf tournament, Crosby left the hat behind after visiting the restaurant with Red Grange, Dizzy Dean and Ben Hogan.

Jack Nicklaus, Mae West, Tommy and Jimmy Dorsey and many others have eaten with Pappy.

Sammons also has a saxophone which survived the fire. It was given to him by W. C. Handy, the man regarded as the father of the blues. The composer was known as a trumpet rather than a sax player.

Sammons is married to the former Mamie Langley, and he won't tell her age. He has a daughter, Mrs. Margaret Huntzicker, and two sons, Dr. Lehman Clark Sammons Jr., a Frayser physician; and George Sammons of the Sammons-Pennington Co., a wholesaler in pinball machines and jukeboxes.●

JAPAN LOVE AFFAIR WITH CHINA TRADE TURNS SOUR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. McDONALD. Mr. Speaker, last week in a sudden move Communist China suspended billions of dollars worth of contracts with Japan. Japan, up till now, has been the example used as to why the United States ought to rush headlong into greater trade with Communist China. However, when the country you are trading with suddenly has no money to pay, the "vast market" everyone talks about suddenly disappears. It is now apparent to all that Communist China has just so much money and a very limited amount of goods to export. Much of the limited foreign exchange it earns has to be used to buy food to feed its citizens. The only way in which the gap can be covered is for the American Government, read U.S. taxpayer, to lend them the money at very favorable rates with which to make purchases in this country. This I will oppose. For those who may wish to learn from Japan's experience, I commend the article from the Washington Star of March 4, 1979:

JAPAN LOVE AFFAIR WITH CHINA TRADE TURNS SOUR

(By Frank Iwama)

TOKYO.—What begins as a highly promising marriage of convenience and profitability between Japanese business and Chinese modernization has suddenly fallen on bad times. Many Japanese businessmen have even begun to wonder aloud whether the marriage has a chance to survive.

In a surprise move last week, China informed Japanese plant equipment manufacturers that all contracts signed since mid-December last year have been frozen, pending agreement on settlement terms. The Chinese action buttresses doubts held by Japanese and Western businessmen about Peking's ability to pay the astronomical costs of its "four modernizations" program.

In identical, terse telegrams to eight major Japanese trading firms, Peking authorities simply stated that because the issue of payment method was not yet settled, the "contracts are not in effect."

Of the estimated total $7 billion worth of modern industrial equipment ordered from the West by the Chinese since last year for the modernization program, $3.7 billion worth was contracted for from Japan. Affected by the Chinese suspension action are: a $1.1 billion contract for blast furnaces, oxygen converters and related equipment for the Paoshan steel complex near Shanghai and $1 billion worth of mainly petrochemical plants.

Also included in the contracts are such items as an ethylene plant, an acrylic acid ester plant and a butadiene rubber plant.

While the Japanese have been worried about China's ability to pay for its suddenly increased purchases, the move suspending the contracts nevertheless came as a distinct shock. The major problem that remains still unsolved, despite the signing of contracts right and left, is the mode of settlement.

Negotiations on this have been under way for some time, but reached a stalemate on the issue of which currency-base to use. Peking insists on the dollar and Japan on the yen.

The Japanese want to use the yen because the cost of using eurodollars for credits to China is prohibitive. Currently, interest in eurodollar loans is about 11 percent.

The euphoria over the opening of what seemed to be a vast, virgin market for Japanese goods has now collapsed. Japanese businessmen are having second thoughts about the China boom where, until recently, they had been cutting margins to the bone to get the contracts.

Typical of them is Kazuo Iwata, president of Toshiba Company, a major electric manufacturer, who says: "Until the issue of settlements is cleared up, signing of contracts won't mean a thing. We will be just groping in the dark on the future of this market."

Under the circumstances, depending on how the Chinese resolve the issue, their credibility as reliable trading partners is in doubt here. Japanese government officials take the position that the situation may only be temporary, however.

Says a foreign office official: "Up to now, the Chinese have used the cash on delivery system in trade with Japan. Currently they are believed to have about $2 billion in reserves. Now suddenly, they discover themselves with commitments far beyond their ability to pay, so they are now taking time out to review the situation." The official saw no indication of any major shift in Chinese policy.

Private Japanese business and economists are not so sure. Pointing to several articles appearing recently in official Chinese journals, economic critic and economist Kunihiro Takano says: "There appears to be strong pressures now within Peking political circles to shift priorities from heavy industry more to agriculture for a more balanced economic construction."

Takano and other economists think that a moderation in the modernization program, with greater emphasis on agriculture, is in the offing.

Suspension of contracts is not the only shock to the Japanese. Two weeks ago, an official Chinese oil delegation, in Tokyo to discuss an agreement for exploration of Chinese offshore oil, suddenly packed up and went home. Puzzled oil circles here surmise that Vice Premier Teng Hsiao-ping may have been offered better terms by U.S. oil firms during his trip to the United States.

In pre-boom 1977, Japan-China trade amounted to $3.40 billion with Japan enjoying a surplus of $390 million. Japan sold steel, industrial machinery, synthetic textiles, chemicals and construction equipment. China exported crude oil, coal, cotton textiles, and foodstuffs.

Last year the two-way trade soared to $5 billion with Japan recording a surplus of $1 billion. The increase in Japanese exports was mainly in industrial plants and equipment and construction materials and equipment. On the Chinese side the increase was mainly in crude oil.

Yasuo Oki, public relations chief of Mitsubishi Corporation, Japan's largest trading house, says: "The Chinese just don't have anything else to sell to us. If they keep increasing their purchases of industrial plants, the Japanese surplus is just going to keep on growing. I think the Chinese now realize this".

Whatever the truth, dealing with China is not easy and last week's events leave the Japanese with no illusions.

A basic trade agreement signed last fall calls for the exchange of $20 billion in 8 years (1978–1985). Japanese business enthusiastically cheered when Teng Hsiao-ping announced last November that the trade agreement would be revised to raise the total amount, but without stating a specific figure.

The Japanese now don't see how this is possible.●

REPRESENTATIVE HYDE SPEAKS OUT ON UNITED STATES-CHINA POLICY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. SOLOMON. Mr. Speaker, recently our distinguished colleague, Representative HENRY HYDE, returned from a tour of Asian nations, including Taiwan. With a vote pending in this House on the United States-Taiwan Relations Act, his observations of the mood in Taiwan and of our relations with both Chinas are particularly timely. I include his observations, recorded in a Chicago Tribune article entitled "How Carter Has 'Abnormalized' Our Relations With China," in the RECORD for the benefit of my colleagues.

The text follows:

HOW CARTER HAS "ABNORMALIZED" OUR RELATIONS WITH CHINA

(By Representative HENRY J. HYDE)

"You sold us out too cheaply," exclaimed a member of Taiwan's National Assembly, as we sat across a long table in Taipei's opulent Grand Hotel a few days ago. "If the basis for your 'new realism' is the Shanghai Communique, then when you switched your embassy from Taipei to Peking, why didn't you transfer your governmental liaison from Peking to Taipei? At least give us as much as you gave the Communists in 1972," he said.

Our delegation of six congressmen was on the last leg of an Asian tour last week that included South Korea, Thailand, Malaysia [where we interviewed both land and boat refugees in their camps], and Burma [where we toured poppy fields near the opium refineries in the northern mountains and observed the Burmese army effectively use heli-

copters in its not always successful effort to diminish the flow of narcotics from this region].

We flew into Taipei as the first official American visitors since Dec. 27, when the State Department delegation, led by Deputy Secretary Warren Christopher, was greeted by smashed car windows and riotous egg pelting. That same State Department, understandably, had urged us not to visit Taiwan so soon, but as members of Congress, we felt that our reception would be less tumultuous than the one given representatives of the Carter administration. Events proved us correct.

A few salient facts: Taiwan's population is 17 million. Its economy is thriving; both per capita income and gross national product are growing markedly as Taiwan changes from an agricultural to an industrial economy. The United States has investments of about $4.5 billion in Taiwan and the value of our trade in 1977 was $7.4 billion. [Compare this with the $2 billion in trade we had with the U.S.S.R. the same year.]

"How will Red China pay you for all your increased trade?" my Taiwanese legislative friend asked. "She has only two assets—oil and slave labor—and the Red Chinese will need their own oil if they are serious about industrializing. That leaves one billion slave laborers." He smiled. "Do you want your AFL-CIO to compete with them?"

My own misgivings about the administration's pledges to sell defensive weaponry to Taiwan were deepened by learning, as we prepared to return to Washington and the opening of Congress, that the State Department announced a "one-year moratorium on new defensive arms contracts with Taiwan is being imposed *at the request of China* during Washington-Peking normalization negotiations." The lateness in announcing this disturbing concession makes one wonder what other delayed-action deals were reached with the Chinese Communists.

President Carter, that implacable foe of secret diplomacy, finally conceded on Jan. 17 that he had tried and failed to obtain a public commitment that China would not use force against Taiwan. This must be evaluated in the context of China's consistent policy of "liberating" Taiwan.

Looming in the background is the fact that Taiwan has all it needs—technology and materials—to become a major nuclear power. Soon six nuclear power plants will be operative. Though Taiwan is a signatory to the Nuclear Non-Proliferation Treaty, we can expect her to treat that document with the same respect we have treated our mutual defense treaty.

President Carter has exhibited adroitness in his invitation to Nixon for a White House dinner Jan. 29 honoring Vice Premier Teng Hsiao-Ping. It matters not whether a Republican administration would have abandoned Taiwan so unceremoniously because Nixon's presence, however unfairly, will put a bipartisan gloss on the whole affair.

When I heard Vice President Mondale in a recent television interview pronounce: "We have a more secure world because of this development," I couldn't help thinking that 30 years ago the dominant political analysts told us that Mao's Communists were mere agrarian reformers.

The faces I saw in the refugee camps of Asia were a vivid reminder that the struggle against Communist slavery must go forward. Normalization of our relations with China was inevitable. But on what terms? As the leader of the free world, the trumpet we sound these days is more than uncertain—it has the faint sound of tin!●

TRAFFICKING IN HANDGUNS DESERVES ATTENTION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. McCLORY. Mr. Speaker, the absence of some legislation to control the trafficking in handguns—particularly the so-called Saturday Night Special—reflects upon the good faith of this administration. It can be recalled that President Carter when a candidate for the Presidency announced a realistic and moderate program affecting the trafficking in and marketing of handguns. It is my recollection that the President's position was similar to that which I have maintained; namely, that it should be directed toward the criminal misuse of handguns and would not impinge on the rights of law-abiding citizens to acquire or possess handguns for their personal use or protection.

Mr. Speaker, an article appeared recently in the Washington Post authored by Nelson T. Shields III, which deals with this subject—and which presents a large number of statistics upon which some handgun legislation might well be based. I am pleased to attach for inclusion in the RECORD at this point Mr. Shield's article:

THE HANDGUN WAR

(By Nelson T. Shields III)

According to the Department of Defense, 56,962 Americans died in the Vietnam War. Our nation says "Thank God that's over." And, "Never again." But few Americans realize that during those same years of bloodshed in Vietnam more Americans were murdered here "at home" by handguns. And that is handguns—not hunting rifles. And, murders—not accidents.

Over the last decade America's handgun war has escalated, fueled by expanded handgun production and an insatiable demand for these deadly weapons. The resulting handgun body count also mounts, adding to the roll of handgun-dead Americans from all walks of life, from all races and ethnic backgrounds, from all ages—even children.

The year 1978 was no exception. Hundreds of thousands of Americans were killed, wounded or threatened with handguns. The domestic arsenal of concealable handguns topped the 50 million mark. It was the 10th anniversary of the handgun murder of Robert F. Kennedy. The mayor of San Francisco was slain by handgun. And, in 1978 President Carter's handgun-control bill—drawn from a campaign promise—was quietly buried at the White House.

And what about the American people? One would think that, with the rush to cut taxes and cut government spending, the support for national handgun control would diminish. Not so. Two national polls—the Harris Survey and the Cambridge Reports—indicated that popular support for intelligent handgun control was at an all-time high.

The findings of the Cambridge poll were particularly striking because they covered a variety of approaches to addressing the handgun problem. The poll showed that:

88 percent favor a waiting period before a handgun can be purchased to allow for a criminal-records check.

81 percent favor the strengthening of rules for becoming a commercial handgun dealer.

85 percent favor a crackdown in illegal handgun sales.

82 percent favor requiring prospective handgun purchasers to get a permit for a license to purchase a handgun; 71 percent of handgun owners favor the same.

84 percent favor requiring the registration of all handguns at time of purchase or transfer; 74 percent of all handgun owners favor the same.

79 percent favor requiring a license to carry a handgun outside of one's house or place of business; 62 percent of handgun owners favor the same.

70 percent favor the banning of the future manufacture and sale of small, cheap, low-quality handguns.

Despite popular support for handgun control, the killings go on, and corrective legislation gets buried as well.

The new year's headlines already capture our handgun madness:

"Woman Shot to Death—Boyfriend Surrenders"

"Supermarket Owner Is Killed in Robbery"

"Elgin Shooting Fatal for Six-Year-Old Girl"

These headlines especially affect me since my son was once one of them. Nick was the last victim—by handgun—in the San Francisco "Zebra" killings. Yet his headline is now forgotten as are the tens of thousands of other headlines about handgun murders and shootings.

We are living in a society of uncontrolled handguns, whose users can strike at any place and any time. Shoot-outs with the intensity of that of the fight at the O.K. Corral happen on buses, on street corners, in homes, at work, even at schools. Shoot-outs occur over traffic accidents, a parking place, a few dollars or a telephone bill. Handguns seem to have become the quickest way to settle an argument.

There are extremes in the debate on what to do. Some say that the ideal situation would be to ban all civilian possession of handguns by stopping their production and confiscating all those currently in existence. After my son's death, I was one of those. But, under our democratic system and with the competing interests in our nation, that is not politically realistic, practical or enforceable. The American people do not want and would not support such a law.

Then there are those gun zealots who not only want no new law, but seek to repeal even existing handgun-control laws as well. That is insanity.

There is a middle road that is fair to law-abiding handgun owners and the majority of us who are not handgun owners. It seeks to bring some 20th-century responsibility and accountability to a weapon with a frontier tradition. And most of it is drawn from common sense.

Doesn't it make sense that we stop the production of a handgun that has no use in sport, but is a favorite in crime—the so-called Saturday Night Special? Doesn't it make sense that a would-be purchaser of handguns be checked out to be sure he doesn't have a criminal record, a history of mental illness, or is under-age? Doesn't it make sense that those who deal in or own handguns be responsible for the proper care, use and disposition of those weapons?

Doesn't it make sense that the Department of Justice—the nation's law-enforcement agency—administer handgun laws and recommend to the Congress any additional controls? Doesn't it make sense that we limit the number of handguns a person can buy at one time? Doesn't it make sense that we have mechanisms to trace handguns used in crime and to identify the illegal sources of those weapons for the criminal?

None of these controls would deny anyone's perceived right to purchase or own a handgun. None of these controls would stop the hunter or sportsman from enjoying his recreation. These controls would not lead to a totalitarian state or a communist government.

But these controls would place some 20th-century responsibility on handgun ownership and handgun commerce, and would treat the handgun as the deadly weapon it is. Most important of all, they would reduce the number of handgun deaths and needless suffering.●

COUNT CASIMIR PULASKI

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, Pulaski Day is celebrated in October by Americans and Polish-Americans throughout the United States because Count Pulaski fought heroically for American Independence. However, it is appropriate to remember him on his birthday, March 4, because we are reminded of the fact that he began his fight for independence on his native land, Poland, before joining the Continental Army in this country.

Together with his father and brothers, Casimir Pulaski formed the Confederation of Bar, a rebellion against the partitioning of Poland by Russia, Prussia, and Austria, that came close to causing Russia's withdrawal from Polish territory but, unfortunately, did not succeed. Pulaski made a name for himself by occupying the monastery of Chestochowa for the confederation. The capture of the monastery was important strategically and also helped keep the morale of the Poles high because it housed the miraculous Black Madonna, a painting of the Virgin Mary, who is considered the patron and Queen of Poland.

When the confederation failed, Pulaski fled to France. There, a small colony of Polish political emigrants waited, hoping to return to a free Poland. Like other political activists and adventurers of the time, Pulaski was not content to simply wait in exile. Benjamin Franklin and Silas Deane, whom he met in Paris, helped the young count come to America. Upon arriving, George Washington recommended that he command the Continental cavalry. Subsequently, Congress made him a general and chief of the cavalry.

Pulaski's valiant leadership at Brandywine and Warren Tavern earned for him the title Father of the American Cavalry. In 1778, he formed the Pulaski legion, a mixed corps which he led using the tactics of guerrilla warfare. He and his men, among whom there were many similarly exiled and adventurous Poles, defended Charleston, S.C., against a threatened siege.

However, Pulaski was wounded during the battle and taken aboard the U.S. brig *Wasp* for treatment. The doctors were not able to extract the bullet that caused his death 2 days later, on October 11, 1779. His death prevented Pulaski from fulfilling the dream of generations of Polish political exiles: To return to Poland in the event of an uprising and to fight for the independence of their native land.●

A CLOSER LOOK AT THE ADMINISTRATION'S SELLOUT OF THE REPUBLIC OF CHINA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. ASHBROOK. Mr. Speaker, press treatment of our recent betrayal of our friend and ally, the Republic of China on Taiwan, gives understandable emphasis to the administration's abrogation of the Mutual Defense Treaty of 1954. Little attention has been directed to the fact that the administration has placed a cloud over all the other treaties and agreements with our friends in free China. Diplomatic arrangements we have negotiated over the years with ROC covered such areas as customs, aviation, claims, atomic energy, extraterritoriality, finance, investment guarantees, narcotic drugs, trade and commerce, visas, taxation and others. To say there is only one China Government and that is in Peking, starts a chain of capricious actions that boggle the mind.

Recently, Owen Bradford Butler, a representative of the National Association of Manufacturers and a prominent Ohio businessman from Morrow, Ohio, returned from Taiwan with interesting and informative views regarding the administration's reversal of our China policy. His criticism of the proposed private sector institute, for instance, provides additional ammunition to shoot down this ill-advised proposal.

I insert at this point the report of Mr. Butler and a listing of the treaties and agreements which we recently scuttled with our wartime ally, the Republic of China.

The material follows:

OWEN BRADFORD BUTLER,
Morrow, Ohio, February 2, 1979.

This is to report on my visit to the Republic of China on Taiwan and to offer recommendations growing out of that visit.

Much has been said about the decision to cancel our defense treaty with Taiwan. Little has been said about the other treaties which have been in existence between the U.S. and the Republic of China, a list of which is attached. They cover such issues as Customs, Aviation, Claims, Atomic Energy, Extraterritoriality, Finance, Investment Guarantees, Narcotic Drugs, Trade and Commerce, Visas, and Taxation, to name a few. All of these treaties are now in limbo, because they are treaties between two governments, one of which no longer recognizes the existence of the other.

Substituting contracts between a nonprofit private sector "American Institute" and a corporation representing "The People of Taiwan" for these treaties will simply not work to protect American business interests in Taiwan where we have over a half-billion dollars invested and two-way trade in the range of 7 to 8 billion dollars. The members of the American Chamber of Commerce, who ought to be the most knowledgeable on this subject, are absolutely convinced that this is an unsatisfactory solution. They offer these reasons:

1. The system has worked for the Japanese because the U.S. has provided both military protection and diplomatic channels for resolving problems. Even so, it has been a cumbersome and inefficient relationship with many problems solved by unofficial government-to-government relations. Many members of the American Chamber of Commerce report that the Japanese do not believe the system will even work for Japan now that the U.S. is abandoning Taiwan.

2. The Japanese society is disposed to negotiate the solution to problems rather than litigate them. No one believes that the "private sector institute" will be workable in the litigious U.S. society. No one can write a law comprehensive enough to assure that these contracts will be valid, because there are no precedents. Business relations between the two countries will be clouded for decades while the courts try to settle the legitimacy of one question after another.

To understand this concern, it must be recognized that the proposed "Institute" provides that all relations be with the "People of Taiwan" and that the existence of a government of the people of Taiwan (other than the People's Republic of China) be ignored. This gives rise to legal conundrums, like the one regarding tariffs. The Republic of China has had tariff agreements with the U.S. based on "most favored nation" status. This status is supposed to be continued in the private contracts, but the People's Republic of China doesn't have "most favored nation" status. If Taiwan is a province of the People's Republic of China, can a private contract with the people of this province confer upon them the right to tariff privileges which are denied to their country?

Another important question: The People's Republic of China asserts itself to be the government of all China, including Taiwan. It clearly, therefore, can assert its right to levy taxes on the citizens of this province. If it does so and these citizens refuse to pay (which they obviously would, since they do not recognize Peking as their government), can the Peking government then come into the U.S. and attach the assets of these businesses in order to collect their "legitimate" delinquent taxes? With this kind of uncertainty existing, can any Taiwanese business afford to maintain any assets, including bank balances, in the U.S.? Is it possible for Taiwanese businesses which are so closely associated with our country to operate without any assets over here? There is a similar question of whether the People's Republic can levy taxes on American businesses operating on Taiwan, and come into American courts to sue the parent for delinquent taxes.

The Republic of China has to date refused to accept this "private sector solution" to the future of commercial relations with our country because of the reasons outlined above and because of their feeling that voluntarily signing such an agreement would be a form of admission by themselves that they are not a legitimate government, even of Taiwan. They believe this admission could encourage the Peking government to attempt control of imports and exports to and from Taiwan, and eventually to strangle them economically unless they agreed to "reunification." Given the recent example of the way in which the Vietnamese Communists "reunified" the South Vietnamese, and the way the Chinese Communist surrogates "liberated" Cambodia, the Taiwanese are not likely to take steps that will voluntarily lead them into such a union.

The government on Taiwan is determined not to sign new agreements with

the U.S. unless they recognize some form of government-to-government relations, at the very least a type of government-to-government relation which previously existed between the U.S. and the People's Republic of China. The pressures being brought to bear on the government of Taiwan are severe, and it is possible that they will capitulate. Even if they do, the American business community on Taiwan is absolutely convinced that a continuation of government-to-government relations is required if we are to have a strong "network of treaties" of the type required for a healthy international business climate.

For these reasons, I oppose the "private sector" solution, and urge continued "government-to-government" liaison relationships with the Republic of China on Taiwan.

O. B. BUTLER.

TREATIES IN FORCE

CHINA

Agricultural commodities

Agricultural commodities agreement, with exchange of notes. Signed at Taipei April 27, 1962; entered into force April 27, 1962. 13 UST 461; TIAS 5010; 436 UNTS 25.

Amendments: May 25, 1962 (13 UST 1264; TIAS 5074; 459 UNTS 328).

June 9, 1962 (13 UST 1264; TIAS 5074; 459 UNTS 333).

Agricultural commodities agreement, with exchange of notes. Signed at Taipei August 31, 1962; entered into force August 31, 1962. 13 UST 1930; TIAS 5151; 460 UNTS 247.

Amendments: January 15, 1963 (14 UST 131; TIAS 5282; 473 UNTS 380).

June 3, 1964 (15 UST 667; TIAS 5588; 526 UNTS 330).

Agricultural commodities agreement, with exchange of notes. Signed at Taipei November 19, 1962; entered into force November 19, 1962. 13 UST 2528; TIAS 5219; 459 UNTS 263.

Amendments: January 24, 1963 (14 UST 139; TIAS 5285; 473 UNTS 372).

Agricultural commodities agreement, with exchange of notes. Signed at Taipei June 3, 1963; entered into force June 3, 1964. 15 UST 678; TIAS 5590; 526 UNTS 257.

Agricultural commodities agreement with exchange of notes. Signed at Taipei December 31, 1964; entered into force December 31, 1964. 15 UST 2272; TIAS 5717; 532 UNTS 29.

Amendment: February 11, 1966 (17 UST 64; TIAS 5959; 579 UNTS 294).

Agricultural commodities agreement with exchange of notes. Signed at Taipei December 31, 1964; entered into force December 31, 1964. 15 UST 2295; TIAS 5718; 532 UNTS 59.

Amendment: February 11, 1966 (17 UST 59; TIAS 5958; 579 UNTS 303).

Agricultural commodities agreement with related agreement and exchange of notes. Signed at Taipei December 12, 1967; entered into force December 12, 1967. 18 UST 3015; TIAS 6395; 701 UNTS 213.

Related amendments: January 14, 1971 (22 UST 299; TIAS 7062; 792 UNTS 43).

April 12, 1972 (23 UST 299; TIAS 7311).

Atomic energy

Agreement providing for a grant for the acquisition of nuclear research and training equipment and materials. Exchange of notes at Washington October 16 and December 2, 1959; entered into force December 2, 1959; 10 UST 2023; TIAS 4271; 361 UNTS 115.

Agreement for cooperation concerning civil uses of atomic energy. Signed at Washington April 4, 1972; entered into force June 22, 1972. 23 UST 946; TIAS 7364.

Extension and amendments: March 15, 1974 (26 UST 913; TIAS 7834).

Aviation

Air transport agreement and exchange of notes. Signed at Nanking December 20, 1946; entered into force December 20, 1946. 61 Stat. 2799; TIAS 1609; 6 Bevans 787; 22 UNTS 87.

Extension and amendment: October 22, 1969 (20 UST 2985; TIAS 6773; 726 UNTS 320).

Claims

Agreement relating to claims resulting from activities of United States military forces in China. Exchange of notes at Nanking October 13, 1947 and March 17, 1948; entered into force March 17, 1948. 62 Stat. 2116; TIAS 1776; 6 Bevans 823; 76 UNTS 157.

Consuls (See Extraterritoriality).

Copyright (See Appendix).

Customs

Arrangement relating to reciprocal free-entry privileges for consular officers or articles imported for their personal use during official residence. Exchange of notes at Washington September 29 and December 16, 1930; entered into force December 16, 1930. 6 Bevans 727.

Defense (See also Mutual Security).

Agreement relating to the presence of United States armed forces in China. Exchange of notes at Nanking August 29 and September 3, 1947; entered into force September 3, 1947. 61 Stat. 3755; TIAS 1715; 6 Bevans 800; 9 UNTS 91.

Agreement relating to the furnishing of certain military material to China for the defense of Taiwan. Exchange of notes at Taipei January 30 and February 9, 1951; entered into force February 9, 1951. 2 UST 1499; TIAS 2293; 132 UNTS 273.

Agreement relating to the assistance furnished by China to the United States Military Assistance Advisory Group under the agreement of January 30 and February 9, 1951. Exchange of notes at Taipei October 23 and November 1, 1952; entered into force November 1, 1952. 3 UST 5166; TIAS 2712; 184 UNTS 346.

Agreement providing for the disposition of equipment and materials furnished by the United States under the agreement of January 30 and February 9, 1951. Exchange of notes at Taipei April 3, 1956; entered into force April 3, 1956. 7 UST 893; TIAS 3571; 268 UNTS 315.

Amendment: June 3, 1954 (15 UST 1383; TIAS 5607; 530 UNTS 355).

Agreement to facilitate construction of defense facilities as provided in agreements of January 30 and February 9, 1951, and October 23 and November 1, 1952. Exchange of notes at Taipei November 21, 1956; entered into force April 3, 1956. 7 UST 3411; TIAS 3713; 265 UNTS 241.

Mutual defense treaty. Signed at Washington December 2, 1954; entered into force March 3, 1955; and exchange of notes at Washington December 10, 1954. 6 UST 433; TIAS 3178; 248 UNTS 213.

Agreement relating to the construction of a scatter wave radio facility on Taiwan. Exchange of notes at Taipei August 6, 1958; entered into force August 6, 1958. 13 UST 2436; TIAS 5175; 462 UNTS 3.

Understanding relating to a communications facility in the vicinity of Kaohsiung. Exchange of notes at Taipei April 15, 1960; entered into force April 15, 1960. 13 UST 2155; TIAS 5176; 462 UNTS 19.

Agreement relating to the construction of a scatter wave control facility in the vicinity of Yangmingshan. Exchange of notes at Taipei February 28, 1962; entered into force February 28, 1962. 13 UST 2158; TIAS 5177; 462 UNTS 25.

Agreement relating to the status of United States armed forces in China. Signed at Taipei August 31, 1965; entered into force April 12, 1966. 17 UST 373; TIAS 5986; 572 UNTS 3.

Agreement relating to the deposit by China of ten percent of the value of grant military assistance and excess defense articles furnished by the United States. Exchange of notes at Taipei April 18, 1972; entered into force April 18, 1972; effective February 7, 1972. 23 UST 635; TIAS 7325.

Agreement relating to the furnishing of federal catalog data and cataloging services to the Republic of China. Exchange of letters at Taipei October 7, 1975 and January 12, 1976; entered into force January 12, 1976. TIAS

Economic and technical cooperation

Agreement concerning the United States relief assistance to the Chinese people, and exchange of notes. Signed at Nanking October 27, 1947; entered into force October 27, 1947. 61 Stat. 3374; TIAS 1674; 6 Bevans 802; 12 UNTS 11.

Economic aid agreement, exchange of notes, and exchange of aid memoire. Signed at Nanking July 3, 1948 (aide memoire dated July 27 and 28, 1948); entered into force July 3, 1948. 62 Stat. 2945; TIAS 1837; 17 UNTS 119 and 45 UNTS 326; 6 Bevans 827.

Amendments: March 26 and 31, 1949 (63 Stat. 2425; TIAS 1923; 6 Bevans 851; 76 UNTS 245). January 21 and 31, 1950 (5 UST 2154; TIAS 3077; 235 UNTS 354). August 11, 1965 (16 UST 1650; TIAS 5888; 573 UNTS 291).

Agreement establishing a joint commission on rural reconstruction in China. Exchange of notes at Nanking August 5, 1948; entered into force August 5, 1948. 62 Stat. 3139; TIAS 1848; 6 Bevans 841; 82 UNTS 109.

Extension: June 27, 1949 (63 Stat. 2702; TIAS 1975; 6 Bevans 853; 82 UNTS 126).

Agreement concerning disposition of the New Taiwan dollars generated as a consequence of economic assistance furnished to China. Exchange of notes at Taipei April 9, 1965; entered into force July 1, 1965. 16 UST 583; TIAS 5782; 546 UNTS 81.

Extension and amendments:

February 2, 1968 (19 UST 4629; TIAS 6451; 697 UNTS 321).

June 30, 1970. (21 UST 1478; TIAS 6906; 753 UNTS 397).

June 30, 1975 (26 UST 2692; TIAS 8184).

Agreement on technological advancement in connection with water resources, land utilization and various fields of irrigated agriculture. Signed at Taipei May 12, 1972; entered into force May 12, 1972. 23 UST 1135; TIAS 7374.

Education

Agreement for financing certain educational and cultural exchange programs. Signed at Taipei April 23, 1964; entered into force April 23, 1964. 15 UST 408; TIAS 5572; 524 UNTS 141.

Extraterritoriality

Treaty for the relinquishment of extraterritorial rights in China and the regulation of related matters, and accompanying exchange of notes. Signed at Washington January 11, 1943; entered into force May 20, 1943. 57 State. 787; TS 984; 6 Bevans 739; 10 UNTS 261.

Finance

Agreement regarding the ownership and use of local currency repayments made by China to the Development Loan Fund. Exchange of notes at Taipei December 24, 1958; entered into force December 24, 1958. 10 UST 16; TIAS 4162; 340 UNTS 251.

Fisheries

Agreement concerning fisheries off the coasts of the United States, with annexes and agreed minutes. Signed at Washington September 15, 1976; entered into force February 28, 1977. TIAS 8529.

Health and sanitation

Agreement relating to the establishment and operation in Taipei of a United States Navy Medical Research Unit. Exchanges of notes at Taipei March 30, April 26, and October 14, 1955; entered into force October 14, 1955. 7 UST 173; TIAS 3493; 268 UNTS 165.

Extension and amendment: December 27, 1956 (7 UST 3453; TIAS 3720; 268 UNTS 177). October 14, 1975.

Investment guaranties

Agreement relating to guaranties for projects in Taiwan proposed by nationals of the United States. Exchange of notes at Taipei June 25, 1952; entered into force June 25, 1952. 3 UST 4846; TIAS 2657; 136 UNTS 229.

Amendment: December 30, 1963 (14 UST 2222; TIAS 5509; 505 UNTS 308).

Language and area studies school

Agreement concerning the status of the American Embassy School of Chinese Language and Area Studies at Taichung and its personnel and of Chinese Embassy personnel studying in the Washington area. Exchange of notes at Taipei July 15 and August 22, 1969; entered into force August 22, 1969. 20 UST 2856; TIAS 6759; 723 UNTS 209.

Lend-lease

Preliminary agreement regarding principles applying to mutual aid in the prosecution of the war against aggression. Signed at Washington June 2, 1942; entered into force June 2, 1942. 56 Stat. 1494; EAS 251; 6 Bevans 735; 14 UNTS 343.

Agreement under section 3 (c) of the Lend-Lease Act. Signed at Washington June 28, 1946; entered into force June 28, 1946. 61 Stat. 3895; TIAS 1746; 6 Bevans 758; 34 UNTS 121.

Agreement on the disposition of lend-lease supplies in inventory or procurement in the United States. Signed at Washington June 14, 1946; operative September 2, 1945. 60 Stat. 1760; TIAS 1533; 6 Bevans 753; 4 UNTS 253.

Maritime matters

Agreement relating to the loan of small naval craft to China. Exchange of notes at Taipei May 14, 1954; entered into force May 14, 1954. 5 UST 892; TIAS 2979; 231 UNTS 165.

Extensions and amendments:

March 22 and 31, 1955 (6 UST 750; TIAS 3215; 251 UNTS 399).

June 18, 1955 (6 UST 2973; TIAS 3346; 265 UNTS 406).

May 16, 1957 (8 UST 787; TIAS 3837; 284 UNTS 380).

October 12, 1960 (11 UST 2233; TIAS 4597; 393 UNTS 320).

August 15, 1962 (13 UST 1924; TIAS 5150; 460 UNTS 237).

February 23, 1965 (16 UST 126; TIAS 5771; 542 UNTS 361).

December 16, 1970 and January 14, 1971 (22 UST 2; TIAS 7037; 776 UNTS 334).

Agreement for the loan of a destroyer to China. Exchange of notes at Taipei February 7, 1959; entered into force February 7, 1959. 10 UST 177; TIAS 4180; 340 UNTS 225.

Agreement for the loan of small craft to China. Exchange of notes at Taipei July 8, 1959; entered into force July 8, 1959. 10 UST 1306; TIAS 4274; 354 UNTS 47.

Agreement relating to the transfer of the USS Geronimo to the Navy of China. Exchange of notes at Taipei, December 12 and 16, 1968; entered into force December 16, 1968. 19 UST 7858; TIAS 6623; 714 UNTS 25.

Mutual security

Agreement relating to assurances required by the Mutual Security Act of 1951. Exchange of notes at Taipei December 29, 1951 and January 2, 1952; entered into force January 2, 1952. 3 UST 4543; TIAS 2604; 181 UNTS 161.

Narcotics drugs

Arrangement for the direct exchange of certain information regarding the traffic in narcotic drugs. Exchanges of notes at Nanking March 12, June 21, July 28, and August 30, 1947; entered into force August 30, 1947. 6 Bevans 797.

Pacific settlement of disputes

Treaty looking to the advancement of the cause of general peace. Signed at Washington September 15, 1914; entered into force October 22, 1915. Exchange of notes signed May 11 and 19, 1916. 39 Stat. 1642; TS 619 and 619–A; 6 Bevans 711.

Treaty of arbitration. Signed at Washington June 27, 1930; entered into force December 15, 1932. 47 Stat. 2213; TS 857; 6 Bevans 724; 140 LNTS 183.

Postal matters

Agreement for the exchange of international money orders. Signed at Taipei October 8 and at Washington November 14, 1957; operative October 1, 1957. 9 UST 223; TIAS 3995; 304 UNTS 241.

Parcel post convention. Signed at Peking May 29, 1916, and at Washington July 11, 1916; entered into force August 1, 1916. 39 Stat. 1665; Post Office Department print.

Agreement for exchange of insured parcel post and regulations of execution. Signed at Taipei July 30 and at Washington August 19, 1957; entered into force November 1, 1957. 8 UST 3031; TIAS 3941; 300 UNTS 61.

Relief supplies and packages

Agreement relating to duty-free entry of relief goods and relief packages and to the defrayment of transportation charges on such shipments. Exchange of notes at Sanking November 5 and 18, 1948; entered into force November 18, 1948. 3 UST 5462; TIAS 2749; 198 UNTS 287.

Amendments: October 20 and December 12, 1952 (3 UST 5462; TIAS 2749; 198 UNTS 294): July 12 and October 26, 1954 (5 UST 2930; TIAS 3151; 237 UNTS 337).

Scientific cooperation

Agreement relating to cooperation in science and technology. Exchange of notes at Taipei January 23, 1969; entered into force January 23, 1969. 20 UST 374; TIAS 6639; 714 UNTS 139.

Extension: January 21, 1975 (26 UST 107; TIAS 8013).

Surplus property

Agreement relating to the sale of United States excess property in Taiwan by the Armed Forces of the United States, and memorandum of understanding. Signed at Taipei July 22, 1969; entered into force July 22, 1959. 10 UST 1643; TIAS 4312; 357 UNTS 293.

Taxation

Agreement for the relief from double taxation on earnings from operation of ships and aircraft. Exchange of notes at Taipei February 8 and 26, 1972; entered into force February 26, 1972. 23 UST 129; TIAS 7282; 829 UNTS 267.

Trade and commerce

Treaty of friendship, commerce, and navigation with accompanying protocol. Signed at Nanking November 4, 1946; entered into force November 30, 1948. 63 Stat. 1299; TIAS 1871; 6 Bevans 761; 25 UNTS 69.

Agreement relating to trade in textiles with letter dated April 10, 1974. Exchange of letters at Washington April 11, 1974; entered into force April 11, 1974.[1] 25 UST 720; TIAS 7821.

Agreement relating to the export of nonrubber footwear from the Republic of China, with annexes, agreed minutes, and related notes. Exchange of notes at Washington June 14, 1977; entered into force June 14, 1977; effective June 28, 1977. TIAS.

Interim agreement relating to trade in cotton, wool and man-made fiber textiles and textile products, with annexes. Exchange of notes at Washington December 16, 1977; entered into force December 16, 1977. TIAS.

Visas

Agreement prescribing nonimmigrant visa fees and validity of nonimmigrant visas. Exchange of notes at Taipei December 20, 1955 and February 20, 1956; entered into force February 20, 1956; operative April 1, 1956. 7 UST 585; TIAS 3530; 275 UNTS 73.

Amendments: July 11, October 17 and December 7, 1956 (18 UST 3167; TIAS 6410; 697 UNTS 256).

May 8, June 9 and 15, 1970 (21 UST 2213; TIAS 6972; 776 UNTS 334).●

[1] Exchange of letters dated April 11, 1974 terminated January 1, 1975. Letter dated April 10, 1974 remains in force.

PUBLIC FINANCING OF CONGRESSIONAL CAMPAIGNS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. DERWINSKI. Mr. Speaker, a major bill that faces this Congress is H.R. 1, which is one of the measures that the Speaker is determined to bring to the floor for a vote.

However, at the grassroots level, this proposal has less than overwhelming support. As an example, I wish to insert an article by Walter H. Lysen, editor of the Southwest Messenger Press, serving Cook County, Ill., who in his analysis of H.R. 1, comes down firmly against it. The article appeared in the March 1 edition of that publication.

ALL POINTS SOUTHWEST

(By Walter H. Lysen)

Like most Americans, you probably consider yourself a reasonable person. So perhaps you would agree it only fair, now that Congress has received a handsome pay raise, more money for office allowances, postal patron mailings, staff salaries, recreation and travel expenses, that taxpayers finally be given a break. Silly you.

You see, certain congressmen—thankfully not all—are going after something much bigger. They are pushing for passage of H.R. 1, a bill which would mandate public financing of their own congressional campaigns. If that bill becomes law, it will be tantamount to offering Housemembers job insurance at taxpayers' expense—a kind of giant Incumbents Protection Bill.

Stripped of its niceties, public financing legitimizes coercion, for it permits the federal government to force an individual to contribute to a candidate whom he or she may not support. Clearly, that is unfair. But public financing also suffers from two other fundamental flaws. Both the explanations of why it is needed and how it would work are false. Consider why.

At first glance, the argument for public financing seems as pure as newly-fallen snow. We are warned that we must pass it immediately, or witness the total contamination of our electoral process by the flood of campaign contributions which are coming from sinister and selfish special interests groups.

Sorry, but the latest official figures of financial activities through November 27, 1978, from the Federal Election Commission prove precisely the opposite. During the 1978 Congressional campaigns, a total of $198.5 million was spent on all races. Of that total, more than $130 million, or about two-thirds, was donated by individual Americans, mostly in the form of small contributions of less than $100. That's a very healthy sign.

In contrast, all business and labor political action groups combined gave $32 million in contributions, or just 16 percent. A participation of 16 percent can hardly be called excessive or corrupting.

On paper, public financing at least seems plausible. Candidates who could certify they had raised $1,000 in private contributions

could receive matching public funds of up to $60,000. In exchange for accepting taxpayers' money, each candidate would have to agree on a spending limit of $195,000. And no candidate could spend more than $25,000 of personal funds.

But, in reality, this so-called reform could quickly degenerate into a political nightmare. How? Let us count just a few of the ways.

First, because of several perfectly legal loopholes, public financing would undoubtedly lead to more, not less spending on political campaigns. For example, any time one candidate in a district wants to spend more than $25,000 of personal funds, which is his or her Constitutional right, or raise more than $75,000 from any legal source, then the spending ceiling for all other candidates accepting public funds is removed. The taxpayers could be stuck with unbelievable costs.

Second, contrary to the will of the people, public financing will result in more bureaucracy. Fifteen presidential candidates who took advantage of the presidential public financing law in the 1976 campaign generated 12 million pages of information for the Federal Election commission. Can anyone even conceive what the legal and paperwork burden would be for approximately 870 House candidates and 200 Senate candidates?

Third, public financing would, in theory, make it easier for challengers to compete. But in reality, the law would permanently lock in the tremendous advantage already enjoyed by incumbents. In 1978, 95 percent of all House incumbents running were reelected.

That was no accident. Even before a campaign begins, an incumbent is busy increasing his name recognition through such taxsupported "nonpolitical" activities as mass mailings, press releases, press conferences and newsletters, all of which are worth about $1 million over the course of a two-year term. Starting out this far ahead, an incumbent has everything to gain by locking an unknown challenger into a spending limitation when the campaign begins.

I do not believe Americans are ready to relinquish control of their elections to a federal bureaucracy, the Federal Election Commission. If that is not true, then why have only 27 percent of all federal taxpayers agreed to support political campaigns for the presidency through the income tax checkoff system?

People intuitively understand that ultimate control of the political process must remain in their own hands at the local level. We can be thankful the wise words of Thomas Jefferson have not gone unheeded:

"That government is the strongest of which every man feels himself a part." ●

INVESTMENT TAX CREDIT FOR POULTRY HOUSES

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. EVANS of Delaware. Mr. Speaker, I am today introducing a technical amendment to section 314 of the Revenue Act of 1978 as it relates to certain agricultural or horticultural structures. This legislation will clarify what Congress thought was its clear intent in making available the investment tax credit for chicken houses and greenhouses during the last Congress.

In the Revenue Act of 1978, the Congress passed legislation sponsored by me and other Members of Congress extending the investment tax credit to chicken houses and greenhouses. That legislation clearly states that the credit would be available for all taxable years after August 15, 1971, the date when the investment tax credit was reenacted. However, because section 6511 of the Internal Revenue Code limits refunds for credits to 3 years after the tax return is filed, many taxpayers are finding that they are only eligible for the tax credit for expenditures made after 1976.

A notable exception to this situation, however, are those taxpayers who challenged the IRS in disallowing the investment credit for chicken houses in years prior to 1976. In these cases, the taxpayers' tax year is considered "open" and they are therefore eligible to apply for the credit. This has created an inequitable situation since taxpayers who abided by the IRS interpretation of the law and did not claim the credit cannot receive any pre-1976 benefits, but taxpayers who fought the IRS during those years, are in fact, entitled to the credit.

My legislation would simply give all taxpayers the right to claim the tax credit for any taxable years after August 15, 1971. My proposal corrects a conflict created by the Congress, straightens out the currently inequitable tax treatment for chicken houses and greenhouses, and makes it very clear to the IRS tax collectors that Congress meant what it said in 1978.●

CONGRATULATIONS TO DODD BYRON SLAWSON

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, I would like to take this opportunity to congratulate one of the most successful husbands and fathers in St. Louis, Mr. Dodd Byron Slawson, who will be celebrating his 80th birthday this March with family and friends at the Sands Hotel.

In these days of honorary degrees and special awards, we seldom take the time to pay tribute to those men and women who have succeeded in the most difficult tasks of being good parents and spouses. With his nine children, 25 grandchildren, and nine great-grandchildren, Dodd Slawson has all the qualifications for an honorary degree in parenthood. And he was an exceptional husband to his wife Ann, who died on January 4, 1977, after 59 years of marriage.

A retired member of Pipefitters Local 562, Dodd Slawson was born and lived his entire life in the St. Louis area. His children are: Richard H. Slawson; Irene A. Young, wife of U.S. Representative ROBERT A. YOUNG of St. Louis County; John A. Slawson, who served his country in the U.S. Marine Corps and was killed at Iwo Jima; Elizabeth Wilhelm; Norman G. Slawson; Delores Hickey, wife of Missouri State Representative Patrick Hickey, who is also president of Local 562; Marianne Priesmeyer; Doris Slawson; and Judith O'Connor, a member of the Missouri Legislature who has received many awards for service to the State and her community.

Mr. Speaker, I am sure that my colleagues in the House will join me in congratulating Dodd Slawson on the occasion of his 80th birthday.●

DEATH RATE FROM STROKE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. GRASSLEY. Mr. Speaker, I would like to share with my colleagues a sentence excerpted from a letter, dated February 16, 1979, which I received.

I believe that the major reason for the decline in stroke death rate (in the United States) has been the activities of the unpaid volunteers of the American Heart Association.

The person who made this statement is Dr. Adrian M. Ostfeld, M.D., who also submitted testimony for recent hearings in Washington.

Too often in our preoccupation with Government's duties and responsibilities for service to the people of this country, we in Congress forget or overlook the contributions made by volunteer/private organizations. Today's typical citizen derives most of his personal meaning and identity from his private involvements, family, friends, and a great deal of voluntary associations.

Recently the House Select Committee on Aging held well-publicized hearings on "Treatment of High Blood Pressure in America." As informative and helpful as this hearing was, nothing so meaningfully dramatic was derived as the following statement of service by the American Heart Association, made by one of this country's leading epidemiologists, Dr. Adrian M. Ostfeld, M.D., and Anna M. R. Lauder, professor of epidemiology and public health at Yale University. I am making his statement and findings a part of the high blood pressure hearing and share them with you today.

TESTIMONY OF ADRIAN M. OSTFELD, M.D.

Beginning in 1974, the death rate from stroke in the U.S. began to decline at the rate of about 4 percent per year. The major reason for the rapid recent decline in stroke death rates is most plausibly related to the activities of the American Heart Association (AHA). Between 1970 and 1978, the American Heart Association through its affiliates (state organizations) and local chapters provided extensive public education about prevention of stroke through treatment of high blood pressure. The mass media and brief nontechnical pamphlets were the methods of the public education campaign. During the same time 14,000,000 Americans had their blood pressures taken by unpaid volunteers of the Heart Association throughout the country. People whose blood pressures were taken were told what the pressure was, what that level of blood pressure meant and what to do about it. In the period from July 1, 1976 to June 30, 1977 alone, Heart Association volunteers nationwide screened 3,000,000 people for high blood pressure.

Of the 14,000,000 Americans who had their pressures taken by AHA, 4,000,000 were hypertensive. These persons were referred to sources of medical care for high blood pressure. If we assume that only one third of those persons referred for treatment eventually had their high blood pressure treated successfully, we may assume that some 70–80,000 persons who would otherwise have died of a stroke have remained alive because of lowered blood pressure.

The U.S. Vital Statistics show that, in the years 1974 through 1976, about 90,000 Americans who would otherwise have died from stroke, have avoided that fatal outcome.

It is reasonable to believe that the efforts of a voluntary health association, The American Heart Association, have been a major factor in preventing stroke death in the last 5 years.

The purpose of the inquiry was to find out why the death rate from stroke has been dropping in the United States since about 1950. Examination of data from U.S. Vital Statistics and other sources revealed the following.

From 1950 to about 1973, the death rate from stroke fell very slowly at the rate of about 1% per year. The reasons for this decline are not related to better treatment of stroke or its main cause high blood pressure but are caused by:

1. Better methods of diagnosis resulting in fewer incorrect diagnosis of death from stroke;

2. Technical reasons related to the methods of calculating death rates from stroke; and

3. The extensive South to North migration of Blacks during much of this period resulting in slightly lower blood pressures of many Blacks* and therefore reduced likelihood of a death from stroke.

Beginning in 1974 the death rate from stroke began to decline at the rate of about 4% per year. While the immediate cause of this marked improvement is good treatment of high blood pressure, the question arises as to why so many Americans suddenly began to have so much better control of their high blood pressure. Several alternative explanations for this phenomenon were studied.

The major reason for the rapid recent decline in stroke death rates is most plausibly related to the activities of the American Heart Association (AHA). Between 1970 and 1978, the American Heart Association through its affiliates (state organizations) and local chapters provided extensive public education about prevention of stroke through treatment of high blood pressure. The mass media and brief nontechnical pamphlets were the methods of the public education campaign. During the same time 14,000,000 Americans had their blood pressures taken by unpaid volunteers of the Heart Association throughout the country. People whose blood pressures were taken were told what the pressure was, what that level of blood pressure meant and what to do about it. In the period from July 1, 1976 to June 30, 1977 alone, Heart Association volunteers nationwide screened 3,000,000 people for high blood pressure.

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*The reasons why Southern Blacks had slightly higher blood pressures than Northern Blacks during this period are not clear.

DIANE ASHBY WINS VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. LUJAN. Mr. Speaker, Diane Elizabeth Ashby of Albuquerque, N. Mex., is this year's winner of the 1978–79 Veterans of Foreign Wars Voice of Democracy scholarship program. I wish to have the text of her winning speech printed at this time:

The one word that explains the America I grew up in, the America of History and the America I care for is "imperfection".

The imperfection: a country that lets me worship as I choose when a state religion would be much more sensible and perfect.

The imperfection: a country that lets a peanut farmer or a rail splitter become President when a rich influential statesman would be much wiser and perfect.

The imperfection: a country who's very soul begins "We the People" instead of "We the men, or we the white, or we the rich," which would make a much more consistent government and would be perfect. The examples go on and on.

I care for America because America is home, a home in which I have pride because she has given me reason to be proud. It is not the love of ownership, but the deeper pride of accomplishment.

I care for my country because she stands for peace for herself and the world, but can defend her principles in war.

It is a country that not only gives freedom to her own people, but advocates these freedoms for all people.

It is a country that has come from the Blacks being slaves to Blacks being Senators.

A country whose motto is "In God we trust".

And in God's trust she has taught me to love her. I have learned to love her for what she is and for her imperfections. I have learned to understand and to believe her doctrines and to make these my own. Hers and mine—the same, yet separate. Her doctrines allow me to believe as my soul dictates and allow my fellowman this same basic freedom. She is a wise parent that steers us in the right direction, then gives us our heads to reach for our own stars, stars whose heights it is our freedom to set.

To be America's child means you can stand tall and proud whether your star has made you a famous brain surgeon, a trial lawyer or a migrant worker. America is proud of all her children, just another one of her imperfections.

America set us free the minute we were born, and through our freedom she is free. She told us in our youth to look to the heart, not the skin—to learn this lesson, not the reverse one taught by our elders. In our adolescence she understands our need for protest; she knows that with time we will sow our wild oats. She also knows that even in our wildest protest there is a lesson that can be learned. In our middle age she sits patiently while we struggle thru the seven year itch, knowing we will discover home is best and we will return to her waiting open arms. And in our old age she will let us rest and reminisce. She will stand satisfied at the full life she gave us, while always bringing new Americans along her path.

America is the mother of a nation of united individuals, individual in our thoughts, beliefs, goals and ideals. Whether you live in New Mexico, Maine or Alaska we all come together in one important feeling—our love of the imperfect America, the imperfection that makes her home.

America has not only survived in her imperfection, she has flourished. She stands tall as a symbol and an inspiration for "huddled masses yearning to be free".

America in her imperfection is America the strong, America the free, America the beautiful, the America I care for.●

THE NEW YORK CITY SPIRIT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. WEISS. Mr. Speaker, last year Congress approved a program of Federal loan guarantees for New York City which represented a milestone on the city's road to full economic recovery and budget stability. The Federal Government continues to play a crucial role in helping New York remain solvent and maintain essential services.

I would like to point out to my colleagues that the people of New York City are simultaneously making sacrifices which will also further the city's recovery.

One excellent example of voluntary efforts by New Yorkers to improve their city's fiscal situation involves a recent prepayment of real estate taxes by the residents of seven housing cooperatives, one of which is located in my congressional district.

These buildings—which contain some 4,500 apartment units with more than 16,000 residents—paid a total of $900,000 in city real estate taxes 6 months prior to the legal deadline. By forwarding this considerable sum to the city at an early date, the residents enabled the municipal government to avoid some borrowing which, in turn, would have necessitated payment by the city of interest rates.

Under a city law, each of the cooperatives and their residents became eligible for an 8-percent discount in real estate taxes because of the prepayment. But as a substantial gift to their city, the residents very generously waived the discount, making their payment to the city in full.

In order to make the prepayment possible, the cooperators paid their July rents in January—not an easy action in these days of tight family budgets and high inflation rates.

The seven cooperatives involved in this most commendable demonstration of

support for New York City are East River Houses, Hillman Houses, Amalgamated Houses, Seward Park, Morningside Heights Houses, Bronx Amalgamated and, in my district, International Ladies' Garment Workers Union (ILGWU) Cooperative Houses.

This is the fourth consecutive year that the ILGWU cooperative under the able presidency of David Smith has prepaid real estate taxes to the city, and each year the residents have agreed to forego the 8-percent discount. ILGWU's dedication to New York has now apparently inspired other cooperatives to make similar gifts to the city.

I think my colleagues will agree that this is a fine example of New Yorkers' love for their city and their determination to help it survive and prosper, even at the cost of considerable personal sacrifices.●

MARYLAND FINALIST, VOICE OF DEMOCRACY CONTEST

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mrs. HOLT. Mr. Speaker, tonight at the Veterans of Foreign Wars annual congressional dinner, we will be meeting the winning contestants from each State, who have participated in the annual Voice of Democracy contest, sponsored by the Veterans of Foreign Wars of the United States and its ladies auxiliary.

I am pleased and proud that the finalist from Maryland is my young constituent, Miss Clelia Patrizio of Crofton, and I would like to insert her winning speech in the RECORD, because of her pride in being an American:

SPEECH BY CLELIA PATRIZIO

America—land of the free, home of the brave. What is the true meaning of those few simple words?

They seem to aptly describe the spirit upon which this country was founded. Even before Americans were considered to be Americans, those who lived in the New World were known for their courage, fortitude, and strength of character. A nation of Yanks, so different from their British cousins in so many ways. The new nation was—and still is—a nation unlike any other in the entire world.

America means progress, in any facet of life. No other nation has set so many precedents in the area of science and technology. From the light bulb to skylab, from the radio to interstellar communications—the entire world has been enriched because of Americans like Thomas Edison and Albert Einstein.

The pioneers of yesterday, such as Lewis and Clark, and the thousands of others who have remained nameless through the course of history, tracking through uncharted and dangerous country to seek out both a new home and a new life, resemble the pioneers of today—men and women who venture forth unafraid into the vast, empty void of space to explore new territories and develop new and more advanced technologies.

America is curious. We have never closed our minds to anything which might add to the betterment of our society. We have an unending interest in other nations of the world. We give help where it is needed, and we unashamedly ask for help when we need it.

America has welcomed with open arms anyone who had the desire to reap the benefits of a rich and fertile land—if one was willing to work hard, and to give as well as to receive, he had no trouble fitting into the fast-paced American society. Idealistically, every man's past is forgotten. He accepts the chance to start anew, and, if he proves himself, he can be proud to call himself an American.

Although the United States as a nation is fairly young, we too have a distinct and unique heritage. Where, among nations of the world, can one find some of the arts and music literature that have originated in our own American society? Folk music, square dancing, JAZZ—these are only a few of the items which constitute America's heritage. Where else in the world can one find such a large variety of traditions and customs and still find that the people are united under a common law and live as one common people? Where else in the world can we find a people with two backgrounds, that of the Old Country and that of the New—our America.

Our country, like other nations of the world, has had more than her share of problems and crises to overcome. Some have taken longer than others to solve. Some problems have not yet been solved. What is unique about our country is that each and every individual has that common goal to fight for—freedom, in the fullest sense of the word. And every small bit that the American donates of himself towards that goal is never denied; it is willingly accepted, and accepted with thanks.

I am proud to call myself an American. I am proud to know that I can legitimately take part in a society which has accomplished so much in so little time. I am, hopefully, a leader of tomorrow, but I am also a young American of today, and I carry that knowledge in my heart and soul. I am made constantly aware of my country's problems, and I do not ignore those problems, because they are as much a part of my America as are the advantages. I will start now looking for solutions to those problems, because I know that my help will not be rejected. Because of that, because I am an American, I walk with pride—and when my country calls, with God's help, I will answer.●

HOW BUSINESS INTERACTS WITH THE HEALTH CARE SYSTEM

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. BROYHILL. Mr. Speaker, today, I am having included in the RECORD the first of a five-part series of summaries of the National Chamber of Commerce's Health/Action reports. Report No. 1 is entitled, "How Business Interacts with the Health Care System":

HOW BUSINESS INTERACTS WITH THE HEALTH CARE SYSTEM

There is no single cause for the current health cost problem, although some factors contribute more heavily than others. For this reason, there is no "quick fix." Rather a number of different but related recommendations are made in the action plans of the strategy reports. Each has a common theme of cooperation—between labor and management, between business and the health industry, and between public and private sector activities.

Generally, most health authorities agree that improvements in the health care system will include a combination of voluntary initiatives and complementary regulation to compensate for action not taken successfully by the private sector. Because of its leverage of purchasing power, business is in a unique position to be a catalyst for ensuring that the improvements are mostly private in nature.

Specifically, below are some key steps business can take to improve America's health care system:

Review your company's health situation. Determine how much you are spending on health care. Include items such as claims filed by dependents of employees, number and types of claims, paid sick leave, and occupational health services.

Assess your community's health care situation. Information can be obtained from your local health planning agency on the number of health providers (hospitals, doctors, nursing homes) in your area. They should also be able to tell you how utilization rates in your community compare to those in other communities. Problems should surface and help to determine priority areas.

Design cost-effective health benefits programs. Most employers provide employees and their dependents with adequate hospital coverage, but this is recognized as the most expensive form of health care. Many services can be provided in a doctor's office. Health insurance policies should cover more of the cost of such services. These policies should also pay for a second opinion on surgery to determine the need for such treatment. Appropriate cost-sharing—deductibles, co-insurance—can also discourage overutilization of health services. Self-insurance for health care may also be appropriate for your firm. For smaller businesses, a cooperative effort among similar-size firms may be desirable to obtain more favorable rates for health coverage from insurance companies.

Stimulate competition in the health care system. Consider offering health maintenance organizations as an option to conventional health insurance. (In many cases, this may be required by federal law.) Giving employees a choice among health care providers should stimulate the creation of further choices, thereby instilling more competition and lowering prices in the health care marketplace.

Help promote healthful lifestyles among employees and their dependents. This includes providing physical fitness programs, such as nutritional information and other programs which highlight the negative effects that too much eating, drinking, and smoking and too little exercise can have. Some of the effects of this action can be less absenteeism, increased productivity and morale, and eventually, lower insurance premiums—in addition to better health.

Improve health planning and regulation. Health planning can either help or hinder the development of a more competitive health care system. Accordingly, business involvement with local health planning groups, such as Health Systems Agencies and hospital boards and study groups, is necessary to ensure that decisions made by these organizations reflect sound management principles. Local success in these efforts can contribute to nationwide improvement and obviate the need for continued government intervention into our essentially private health care system.●

THE QUESTION OF EXPULSION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. NELSON. Mr. Speaker, I feel it necessary to state for the RECORD why I am voting in favor of sending the question of Congressman CHARLES DIGGS' expulsion from the House of Representatives to the Standards of Official Conduct Committee for formal review.

First, I believe it important, given the gravity of the situation, that the committee process be given an opportunity to work in the House instead of a summary judgment being made after only 1 hour of debate. Both the Democrats and Republicans on the Standards of Official Conduct Committee have started the usual preliminary investigation prior to formal committee hearings, and a vote today to expel Congressman DIGGS would preempt that process and would not permit the normal procedures of the committee system to operate.

Second, the House has been given assurances by the chairman, Congressman CHARLES BENNETT, of Jacksonville, that his committee, comprised of six Democrats, and six Republicans, will report out a resolution on this question shortly and bring it to the floor for discussion and decision by the full House.

Thus, I am persuaded that my vote on the question of Mr. DIGGS' expulsion would be more informed and intelligent at a time in the near future when the committee has conducted its thorough investigation and hearings.

Personally, I find it abhorrent that Mr. DIGGS, after being convicted of fraud by a jury of his peers, would continue to arrogantly insist that he be permitted to exercise the right of voting as a Member of Congress. Nevertheless, I also feel the House should work its will through the normal committee process, and not render a summary judgment. I, therefore, urge that Mr. BENNETT and the Standards of Official Conduct Committee act with all deliberate speed in bringing forth its recommendation to the full House.●

FLORIDA LEGISLATURE MEMORIAL FOR A BALANCED FEDERAL BUDGET

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. BENNETT. Mr. Speaker, for several years, I have introduced legislation concerning a balanced Federal budget. My current bill (H.J. Res. 11) provides for a constitutional amendment to require that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year.

I have been encouraged by the growing call for such a constitutional amendment, as evidenced by the fact that 25 State legislatures have passed resolutions calling for the passage of such an amendment.

In 1976, the legislature in my home State of Florida passed a memorial asking Congress to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution to require a balanced Federal budget. I do not believe that this memorial has ever been bought to the attention of the House and, therefore, I respectfully request that the memorial be printed in the CONGRESSIONAL RECORD as follows:

A memorial to the Congress of the United States making application to the Congress to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions thereto

Whereas, it is estimated, as of August, 1975, that the federal debt at the end of the 1975 fiscal year will be $558.637 billion, and

Whereas, the fiscal year deficit for 1976 will be the largest in our history, between $70 and $80 billion, and

Whereas, the growing debt is a major contributor to inflation, lagging economic investment, excessive interest rates, and the resulting unemployment, and

Whereas, the economic welfare of the United States and its citizens depends on a stable dollar and sound economy, and

Whereas, the National Conference of State Legislatures passed Resolution No. 11 at its Annual Business Meeting on October 10, 1975, urging the Congress to take prompt and affirmative action to limit federal spending, and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress, now, therefore,

Be it Resolved by the Legislature of the State of Florida:

That the Legislature of the State of Florida does hereby make application to the Congress of the United States pursuant to Article V of the Constitution of the United States to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

Be it further resolved that a copy of this memorial be transmitted to the presiding officers of the Senate and the House of Representatives of Congress, the members of the Congressional delegation from the State of Florida and to the presiding officers of each house of the several state legislatures.●

JASON CARLTON DEMILLE WINS NEW YORK VOICE OF DEMOCRACY CONTEST

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. SOLOMON. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students throughout the Nation participated in the contest, competing for five national scholarships. The contest theme this year was "Why I Care About America."

I am delighted to announce that this year's New York State winner of the Voice of Democracy contest is a resident of the 29th Congressional District, Jason Carleton DeMille of Burnt Hills. Jason is a senior at Burnt Hills-Ballston Lake High School, and will pursue a pre-law course at Brigham Young University after graduation.

I am including a text of Jason DeMille's winning speech in the RECORD at this point, and wish him well in the national competition now underway in Washington.

SPEECH OF JASON DEMILLE

"The world has set its face hopefully on our Democracy and, oh, my fellow citizens, each one of you carries on your shoulders the burden of doing well for the sake of your own country and of seeing that the nation does well for the sake of mankind." Theodore Roosevelt knew the destiny of America was to be the abode of liberty, and the only way to insure that destiny was through responsive and responsible citizens. God gave us patriots who, like Roosevelt, inspired courageous men to follow their leadership. Together they forged a nation conceived in liberty with freedom for all. That freedom is why I care about America!

Caring for America is more than supporting the Constitution, voting in elections, and paying taxes. Too often we equate Americanism with the number of cars, or televisions, or the growth in the Dow Jones Average. To care about America is to be fully committed to her cause. This commitment is the basis on which Americanism should be measured: That is, by the integrity of her citizens, their voluntary service and high personal principles, and by their loyalty. I can show I care about America by supporting and defending her high ideals, by educating myself sufficiently to know how to fulfill my responsibilities, and by keeping well informed so I can express a valid opinion. I must commit myself to my country's ideals so I will be ready and willing to defend her in times of national distress, whether the foe be inflation or an aggressive nation. I will be part of the solution—not the problem! The words "I can, I will, I did" are motivating forces in my life for apathy and indifference will not be a part of me as they have no place in an American.

As an American I am morally obligated to be an honest, forthright citizen: That means being honest with my fellow man, honest in payment of taxes, honest in obeying, honoring, and sustaining the law, and honest with myself. I owe it to my country to be chaste, virtuous, benevolent, and patient with those around me. Of paramount importance is the virtue of being kind and considerate to all men, and especially to my family, for strong families are the backbone of a strong nation. I can truly serve America by using my time wisely, not just in pursuit of gain or pleasure for myself, but to help others—for service to others is service to America. I can show I care about America by living my life so well that men will be better for having known me, for every man owes it to his country to leave it better than he found it. I will, therefore, commit myself to serving my God and my country because a commitment to serve is the highest expression of caring.

"Nothing is more certainly written in the book of fate than that this people shall be free." How much is my liberty worth? How much is any man's liberty worth? I care about America because everything that I do or will do is a result of liberty. Without liberty I could do nothing. Liberty is truly a pearl of great price. I care about America because I know with assurity that her government is the best on this earth and because of this, no other nation has ever enjoyed the growth and prosperity which has blessed America. This wealth is evidenced from the beneficence of our free institutions and free enterprise. The thing which has made America great is what her citizens have done with their freedom of choice. Thanks to my Creator and concerned forefathers, I am able to live my life in freedom.

Freedom is real and must continue! I will

preserve our freedoms by carrying my share of the burden because the American ideal is worth fighting for. Americanism is not extinct—nor are the principles of liberty on which it is built. America still remains the world's home and hope of freedom. I love America for she is my own—my native land. God bless America and may God bless Americans! ●

ETHNIC DISCRIMINATION

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. RINALDO. Mr. Speaker, in the past, ethnic groups were often powerless to speak out when they were victimized by discrimination or when they sought to change the way they were treated in our society.

Over the last two or three decades, we have seen some remarkable changes in our society as these cultural groups have gained respect and political power. Yet, it would be naive to believe that ethnic discrimination has been abolished from public and private life in America. We know it is still there and is often practiced in more subtle forms through media exploitation, television stereotypes, and jokes aimed against various ethnic groups.

But thanks to the courage of publishers like Ace Alagna of the Italian-Tribune in New Jersey, Italian-Americans have found a voice and a conscience. They are no longer helpless to resist these unfair stereotypes and acts of discrimination.

Ace Alagna has eloquently and forthrightly spoken out against false and unfair impressions of Italian-Americans as conveyed in some films and on some television programs. He has helped to focus attention on a problem that has confronted ethnics in this country for too long. I am speaking about the vicious, contemptible and cruel methods often employed to degrade members of ethnic and minority groups.

Ace Alagna and his newspaper, the Italian-Tribune, have not been intimidated by the power of some television producers who fashion these false images of Italian-Americans.

It also is equally noteworthy that Ace Alagna has promoted Italian-American cultural pride through the pages of the Italian-Tribune. The affairs of Italian-American organizations; births, weddings, business promotions, graduations, and awards to Italian-Americans are covered by Ace Alagna's newspaper. It has served as a mirror of the real Italian-American community—law abiding, patriotic, energetic, creative and progressive.

Hundreds of charities, large and small, have been assisted by Ace Alagna. The humanitarianism of this publisher has been demonstrated on many occasions, including assistance to the families whose homes and villages were wiped out by the earthquakes in northern Italy.

Ace Alagna practices a special kind of journalism that is aimed at the higher instincts of his readers. His journalistic ethics are based on truth and compassion for people. He seeks to encourage whatever is good and just in society and in people, and rejects what is false, sordid, and corrupt.

We need his voice in New Jersey and in the Italian-American community to remind us that the real story of Italian-Americans is found in the positive achievements that millions of them have contributed to America and to their own communities.●

SEAN MacBRIDE—NOBEL PEACE PRIZE WINNER AND INTERNATIONAL STATESMAN TO ADDRESS AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. BIAGGI. Mr. Speaker, as chairman of the 115 member Ad Hoc Congressional Committee for Irish Affairs I am pleased to announce that the Honorable Sean MacBride, 1974 Nobel Peace Prize winner, will address a special meeting of the ad hoc congressional committee on Thursday morning at 11:30 in room 2168.

It is especially valuable to us that we are able to have a man whose work on behalf of world peace spans several decades address us about the ad hoc committee's own efforts to advance peace in Ireland; namely, our sponsorship of the Congressional Irish Peace Forum beginning the week of May 14. Sean MacBride was an original founder of Amnesty International and his work as chairman of its International Executive Committee between 1961–74 earned him the Nobel Peace Prize. Mr. MacBride also won the 1977 Lenin Peace Prize and in 1978 was awarded the American Medal of Justice. He is also a former Cabinet Minister and member of the Parliament of Ireland. Finally he was one of the sponsors or signatories to the following international treaties: Convention for European Economic Cooperation, Statute of the Council of Europe, Geneva Convention for Protection of War Criminals, and the European Convention of Human Rights.

Sean MacBride is certainly one of Ireland's and the world's most important statesmen. The ad hoc committee is honored to have him address us. I wish to provide my colleagues with the benefit of reading a recent analysis which Mr. MacBride made about Ireland in 1978 as printed in the Hibernian Digest. It is gratifying to note his observation that sectarian-based violence is decreasing and also interesting to note his view that there is a "growing disenchantment" with the British presence in Northern Ireland:

ANALYSIS BY SEAN MACBRIDE

1978

(Thousands of dead, injured and imprisoned have marked the North's decade of strife. Sean MacBride, Nobel and Lenin Peace Prize winner, former IRA leader, international diplomat and Human Rights activist, assesses the hopes which survive more than 10 years of violence and political stalemate.)

An objective assessment of the extent to which progress has, or has not, been made in finding an acceptable solution to the problems in Northern Ireland is not easy. Violence has not abated. It has changed in nature; the parties to the conflict now seem to be limited to the IRA and the British forces, including the RUC. Sectarian killings as such have virtually ceased—this does represent some considerable progress. But violence and counter-violence continued unabated. An important, but hardly noticed development, took place recently when the SDLP took up the demand for the withdrawal of forces from Northern Ireland. However, much the SDLP and the IRA may resent each other's existence, the decision of the Annual Conference of the SDLP, calling for a withdrawal of British forces, has brought the SDLP much closer to the demands made by the IRA. This change in policy had no doubt been brought about by pressure from the nationalist population.

Currently, the Ulster Loyalist groups have become more interested in the twin objective of securing the withdrawal of British forces and government from Ireland, and in the possibility of setting up an independent 'Ulster State'. This view is not shared by the Unionist politicians who fear that this might ultimately lead to some form of federation between Dublin and Belfast, or the setting up of a loose federation of the four provinces of Ireland.

Certainly, the Ulster Unionist group is less monolithic than it was. One has the impression that constant contacts take place between the paramilitaries on both sides, and that there is a clearer understanding of their respective policies. These changes have taken place largely because of a growing realization that neither side can win, and that ultimately, Catholic and Protestant, Unionist and Republicans, will have to live amicably together.

The UDA has a committee to draw up plans for an independent Ulster, and a phased withdrawal of British forces. Glenn Barr, Andy Tyrie, Paddy Devlin and David Rowlands are actively involved in this planning.

At times one could imagine that Roy Mason is working in close collaboration with the Provos. With clockwork regularity, he informs the British public that, at last, they "have overcome the IRA and see the light at the end of the tunnel." Within usually a matter of days, IRA guerrilla activities develop with renewed vigour, as if to disprove Mason's wishful thinking. This, of course, is coincidental, but it does disclose the British Government's poor judgment and erroneous assessment.

There is no indication that the IRA has lost its capacity to create damages and destruction. Probably out of desperation, British forces seem to have become more trigger-happy than they were, and as a result have shot a number of innocent civilians. But the IRA, while going for "soft targets", seems at last to have realized that innocent civilians should not become casualties of irresponsible and indiscriminate bombings.

The present political situation in Britain also contributes considerably to the confusion. On the one hand, for so-called tactical reasons, the British Government has increased the representation from the six counties in the British Parliament. This is, surely, a clear indication that the British Government contemplates the prolonged continuance of direct British rule of the six counties. This is a step which will inevitably exacerbate the tension between the nationalists and the British forces. The pressure on the British Government to give additional representation to "Ulster" at Westminster must have been very considerable. Obviously, the giving of additional seats to conservative MP's, who would vote against the Labour Government in Britain, was disadvantageous electorally and politically to the British Labour Party. Indeed, many members of the British Labour Party opposed this measure

on the twin grounds that it would prolong direct rule on the one hand, and that it would weaken the Labour Party representation at Westminster. These steps do not seem to indicate that the British Government has as yet understood that they too are fighting a battle which they cannot win.

The actions of the British Government in increasing the six counties' representation in Westminster is a far more damaging assertation of Britain's intention to continue to assert her sovereignty in the six counties than anything that has happened so far. It is a provocative indication that Britain will continue to exercise her domination over the northeastern part of Ireland. In terms of real politics, it is far more indicative of British policy in regard to Ireland than the Ireland Act of 1949. Yet this very deliberate reinforcement of Britain's claim to rule the six counties has gone nearly unnoticed by our politicians and by our press.

To summarise, it would appear that there has been a reduction of sectarian tensions in the six counties, accompanied by a growing disenchantment with British presence and policies. On the other hand, for whatever reasons, Britian has gone a step further in the process of annexing the six counties into the United Kingdom. The main drawback from the point of view of Ireland, North and South, is that the "Irish Question" will once more become a political football in the British Political Party games.

In this situation, it is important that those who wish for a greater degree of emancipation from British domination should define, more carefully than they have, the cause of dissension between the nationalists and unionists (or, if you wish to label them denominationally, between Catholics and Protestants) in our island. Fear, imagined or well-founded, that minority rights are not adequately protected has undoubtedly been one of the main divisive factors. Certainly, there has been some basis for these fears. Instead of constantly arguing that these fears are without foundation, could we not turn our attention to the provision of mechanisms that would ensure effective protection of the minorities, North and South?

We have available to us ready-made mechanisms that could effectively provide remedies in regard to any infringement of minority rights: the European Convention for the Protection of Human Rights and Fundamental Freedoms, 1950. This instrument forms part of our international constitutional law, which has been accepted by Dublin, Belfast and London. It has worked well, and rendered signal service in the struggle for the protection of human rights in Western Europe. Under it, any individual can lodge a complaint if his rights have been infringed, and have the matter investigated by the European Commission on Human Rights, and ultimately, by the European Court of Human Rights. It is the only piece of judicial mechanism whose jurisdiction extends to the whole of Ireland and to Britain as well. So far, its use in regard to Irish matters has been limited to the curbing of illegal detention, or ill-treatment of prisoners. There is no reason, however, why it should not be availed of in regard to infringement of minority rights, North and South. If it is considered that the rights covered by the Convention are not adequate to protect the rights of minorities in the North or in the South, an additional Protocol to the Convention could cover such further rights as might be deemed necessary. Such an additional Protocol, receiving the support of Dublin, Belfast and London, would secure ready acceptance by the Council of Europe. If the judicial mechanisms provided by the Convention are too rigid or cumbersome, an Ad Hoc Minorities Commission could be set up within the framework of the Convention and the Council of Europe. Such a Commission could be given the specific task of ensuring the effective protection of minority rights in any part of Ireland.

This would be a comparatively easy way of ensuring the full protection under international law of the rights of the Protestant minority in the Republic, and of the Catholic minority in the six counties. It would go a long way towards the elimination of some of the fears that bedevil the relationship between nationalists and Unionists in Ireland. It is often a simple ready-made solution which is the most effective one.●

ANOTHER ANTI-INFLATION CIRCUS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. McDONALD. Mr. Speaker, Prof. Hans Sennholz, chairman of the Department of Economics at Grove City College, Pa., is a master at simplifying the subject our press tries to make so complex—inflation. In a recent article he pointed out very succinctly how neither the President of the United States nor the Congress is empowered to repeal the basic laws of economics. For those who have forgotten the law of supply and demand, this article that appeared in the Freeman magazine for March 1979, will be particularly instructive. The item follows:

ANOTHER ANTI-INFLATION CIRCUS

(By Hans F. Sennholz)

Every U.S. President from the time of Franklin D. Roosevelt has been an "inflation fighter." Some denounced inflation as "public enemy number one," others even declared war on inflation.

And yet, since the first declaration of war by FDR, the American dollar has lost 80 per cent of its purchasing power and is losing more every day. Inflation is winning all the battles.

For almost 50 years of the anti-inflation war the U.S. government has pointed at several culpable parties. American business, especially big business, has taken the brunt of the blame. One President even used four-letter words to describe the greed of businessmen who raise prices. Some have taken potshots at physicians, attorneys, and other professionals, or pointed at labor unions. All presidents like to flail at speculators who hedge against the U.S. dollar by buying gold and harder currencies. And all have damned foreign governments for ruining the dollar.

Recent proposals in the battle against inflation call for restrictions on the production and consumption of energy and programs to spur U.S. exports, limit imports, sell additional amounts of gold, and encourage West Germany and Japan to buy more from the United States.

If it were not for the ominous effects of inflation on our lives and our society, the anti-inflation war would be a proper subject for the circus. The clown pompously announces he will demonstrate his skill, but lo and behold, always accomplishes the very opposite. The President formally announces another anti-inflation program, but lo and behold, the inflation gets worse.

The clown's method of fun is deliberate. He labors to violate a simple natural law. For instance, he seeks to defy the law of gravity by valiantly supporting an object that wants to fall down. He generates laughter, because young children know the futility of his efforts.

For economists familiar with economic laws, the Presidential anti-inflation programs are equally hilarious because they aim to violate inexorable economic laws. Like the Danish King Canute who ordered the rising tide to come no further, the President of the United States is commanding economic laws to yield.

For example, all governmental efforts to restrict imports and promote exports tend to reduce the supply of available goods. Every freshman economist who is familiar with the law of supply and demand, knows that this policy must raise goods prices and thus depreciate the currency.

The administration proposes a Congressional energy package to reduce the importation of foreign oil and gas "in order to bolster the dollar." But such a reduction will cause energy prices to rise and the U.S. dollar to depreciate. The world seems to know this, as it continues to dump U.S. dollars on the world money markets. Every time the President speaks of energy and his programs, the dollar falls to a new low.

The U.S. government is selling gold to strengthen the dollar. It offers foreign bankers and governments the opportunity to exchange dollars for gold, which strengthens the international role of gold and weakens that of the dollar. The dollar price of gold may temporarily fall one dollar or two, but the world-wide distribution of gold tends to bolster its importance.

The President lashes out at individuals—especially at foreigners or those Americans who are not expected to vote for his reelection—for causing the inflation through greed. He becomes a judge, and draws applause from those always ready to think evil of their fellowmen. An economist watching this is reminded of the scriptural question, "Why beholdest thou the mote that is thy brother's eye but considerest not the beam that is in thy own eye?" He may also remember the circus scene in which a clown turns on the water sprinkler, thoroughly soaking another clown, and then, with great indignation, assails him for being so wet.

Economists frequently wonder about the mentality of politicians. Does the President really believe that God invested him or his administration with special powers? Does popular acclaim and high office mislead him to believe in such powers? Or is he aware of his limitations, but merely acting the role of an omnipotent leader because the people would like him to be omnipotent? Is the economic ignorance really his own or merely a reflection of the ignorance of the electorate? Does a legislator actually believe that he and his colleagues, in Congress assembled and by majority vote, can negate economic law? For that matter, did King Canute's entourage, which shouted the King's order in unison, really believe that the rising tide would come no further?

Ours is an age of inflation because most people believe in the desirability of more money and credit, which is the very essence of inflation. Motivated by this belief, they bestowed the monopolistic right to issue money on their government and urged it to be free and easy with the issue. Governments greatly enjoy the use of this power because it affords an important source of revenue. Weak administrations, especially, readily yield to the temptation and create massive quantities of money in order to finance their spending programs. Billion dollar expenditures may generate millions of votes.

Issuing new money inescapably produces undesirable effects. Prices rise as recipients of the new money buy more goods and services. Each unit of money depreciates as more units are emitted. People on fixed incomes and savers see their purchasing power reduced, so they complain about the inflation. The government that is busily emitting massive quantities of new money rushes to the rescue: "By order of the President, the Congress, the courts and the police, all prices stop!" The order is given to millions of indi-

viduals exchanging goods and services in countless voluntary transactions.

As long as the order agrees with the value judgments of the trading parties, they will continue to exchange as before. But if the order should differ from their judgments, they will react. The seller who is ordered to exchange at a stop price that is lower than his own value judgment, ceases to exchange. In his judgment he would suffer a loss which he can avoid through inaction. The physician whose fee is officially fixed below the rate that causes him to render his service, will reduce his efforts. Thus, shortages inevitably result wherever government fixes prices below those people would set in free exchanges.

At first, the U.S. government resorts to inflation in order to cover its deficits. When rising prices subsequently hurt millions of people and cause them to voice their frustrations, the very administration that indulges in the spending spree is quick to point its finger of blame at some innocent bystander. It may impose wage and price controls, which control people and cause their productive efforts to decline. Lower output in turn causes the value of goods and services to rise and that of money to fall.

The U.S. government alone is conducting the inflation and making it worse with "anti-inflation programs." An administration that really disapproved of inflation would just stop inflating the currency.●

COTTON, INC. EXECUTIVE SHOULD STEP ASIDE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. FINDLEY. Mr. Speaker, the following editorial from the February 1979 issue of the magazine, Progressive Farmer, points to a serious situation involving the cotton program. The editorial calls attention to allegations of conflicts of interest against J. Dukes Wooters, Jr., president of Cotton, Inc. I quite agree with Progressive Farmer that Cotton, Inc.'s top official should take a voluntary leave of absence until this matter is cleared up. The faith and trust of America's cotton producers deserves no less if the future of this and perhaps other similar checkoff programs are not to come under a cloud.

The text of the editorial follows:

COTTON CHECKOFF MUST BE ABOVE SUSPICION

For many years, the cotton industry has been exceptionally well served by strong, able leaders. Dedicated and self-sacrificing, they have put their shoulders to the wheel when cotton's road was rough and rocky. They have shaped a research and promotion thrust for cotton that has been universally admired and partially imitated by other commodity groups using grower checkoff programs.

Results have been impressive.

Research paved the way for a number of significant improvements in cotton products. Technical assistance to textile mills has paid off by reversing the trend towards more synthetic fiber and less cotton in consumer goods.

Aggressive advertising and promotion campaigns have boosted buyer awareness of cotton's good traits in its new, improved products. This is quite a change from just a few seasons back when one would have been hard pressed to purchase certain garments containing much, if any, cotton. There has also been strictly agricultural research of immense value to growers in their efforts to increase yields and lower costs.

But all this progress may well have been put in jeopardy by charges of illegal activities by the nongrower president of Cotton Incorporated. He is accused of serving as a consultant to an individual cotton production company for extra compensation to offset a sizable salary cut ordered by Congress. Moreover, according to news reports, Cotton Incorporated Board of Directors in a Dallas meeting on Nov. 6, 1978, retroactively approved the arrangement.

The matter is now being investigated by legal authorities. The charges, if substantiated, represent a serious conflict of interest and the exceptionally poor judgment by Cotton's Incorporated's president.

Since the research and promotion program started, the Cotton Board has supervised the spending of about $140 million. It has contracted with Cotton Incorporated to conduct the actual work of research and promotion. The funds used to finance the research and promotion program are obtained from a producer checkoff system. But each individual grower has the legal right to ask for and to receive a full or partial refund of his checkoff funds. So, in the end, growers control the purse strings. They collectively "fund or refund" the program. The checkoff system will collapse if growers lose confidence in the good judgment and integrity of the program's management.

We have no way of knowing how seriously growers are concerned by the allegations of conflict of interests and other charges against Cotton Incorporated's top official. Moreover, we are in no position to judge whether the allegations are true or false. But we are vitally concerned about the possible effects of the publicity given the situation. (Ordinarily we would say to withhold judgment until the investigation is concluded. However, such an investigation may not be concluded for several months.)

The situation carries so great a potential for injury to the cotton industry that the official in question should voluntarily take a leave of absence until the matter is settled. Meanwhile, the Cotton Board and Cotton Incorporated should seriously consider whether the widespread publicity given the incident has not already destroyed the future effectiveness of anyone involved in the alleged scandal.

Over the years, *Progressive Farmer* has supported the self-help concept of producer-funded research and promotion for cotton. We have urged the Cotton Board and the directors of Cotton Incorporated to exercise sound, stringent control over the entire system.

We reaffirm that position. The cotton checkoff program is so important that it must always be above suspicion. This program, and indeed all other such checkoff programs, will live or die on a basis of the producer's unquestioned trust. No individual or group of individuals should ever be allowed to blight this trust. The faith of producers should never be compromised.●

MAINE "VOICE OF DEMOCRACY" CONTEST WINNER

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mrs. SNOWE. Mr. Speaker, every year the Veterans of Foreign Wars and its ladies auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school student participated in the contest competing for the five national scholarships which are awarded as top prizes.

The theme of this year's contest was "Why I Care About America," and I am pleased that one of my constituents, Julie Elizabeth Hopkins of East Millinocket, Maine was chosen as the State winner. Julia is a junior at Schenck High School. She is interested in drama and plans a career in journalism or special education.

Her essay is notable for its touch with reality. It acknowledges our flaws, but finds in them the very substance on which our country was founded. This honesty along with optimism for the future and faith in our founding principles expressed by our young people signals a bright future for America.

I am glad to have this opportunity to congratulate Julie and to bring her essay to the attention of my colleagues.

ESSAY OF JULIE ELIZABETH HOPKINS

Each year the Veterans of Foreign Wars comes up with a theme for the Voice of Democracy Contest that literally reeks of patriotism. And in accordance to the theme, we write our heart-rending essays that make our elders swell with pride and sing "God Bless America." The essays are filled with examples of our love, loyalty, and dedication to our country. We always come to the conclusion that although America has faults, her good points outweigh her bad ones. Thus, the patriotic theme has created a Frankenstein essay to persuade others of our undying love for our country.

Don't mistake me; I care about America as much as anyone else. But the lack of honesty, objectivity, and sincerity the theme tends to summon leaves little room for true reality. It is the realness of America and her people I care about, not here glorious battles, laws, and landmarks. They are things to be proud of but the life of the people is what I care about. It's a live beauty to be talked about and praised. But what is the real element behind America's beauty? It stems from more than pride.

Many of us think of America as a land of majestic mountains, forests, rushing rivers, blue oceans, and golden bridges. Yet, we have failed to notice the dirt and stink of New York slums or the poverty an arm's length away. No, many of us go around blind to the pain and ugliness of America. But when we miss this, we're also missing a very important fact; the very pain and despair we turn away from is, in its essence the very substance which founded this country. It's a respect for the individual's right to live, his right to try to make a good life for himself and his family. The American does not give up. He never has in the past as an outcast of European societies and he never will because of the common problems of life which tie him securely to his fellow Americans. To me, this is American beauty. It isn't the trees or mountains or oceans. It's the bond between us, the bond which unites us as one. Indeed, this bond I name America.

This bond is real. It's a reality we all experience. That's why I care. Without this bond, America is the same as any other country, a land which grows in wealth and power but declines in unity and individual hope and progress. America's strength is sustained by her faith in the laws which created her. For faith in what we believe to be right, to be the truth, can be the greatest power of all.

I again say it is the life of the people I care about, the essence of a great people. Our America is a people of wealth, of poverty, of hope, of despair. Yet, she has an ever-lasting bond of unity and equality which separates her from the rest of the world. And despite the chronically patriotic themes we write about, the true power of America is forever present in our words, actions, and lives. We are the beauty of

America, and we are real. That's why I care about America.●

INFLATION AND AGRICULTURE

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. MYERS of Indiana. Mr. Speaker, it appears that the farmers are leaving Washington and returning home. Although the tactics used during their month-long protest were not appreciated by most of us, we cannot deny that our Nation's farmers have a legitimate complaint.

If there is one sector of our economy in which inflation has the greatest impact, it is agriculture. Since farmers are both producers and consumers, they are affected by every action taken by Congress or the executive regarding inflation.

One solution which is often discussed is Federal controls on wages and prices. History, however, shows that this is not a viable solution. These Government controls only inhibit the ability of our free market system to cure inflation on its own.

To underscore this point, I call to the attention of my colleagues a perceptive article written by Richard L. Kohls, dean of Agriculture at Purdue University. Dean Kohls articulately discusses inflation, wage and price controls, and agriculture.

I insert the article "Inflation is the Issue," from the Purdue Agriculture Reports, volume 7, number 4, at this point in the RECORD and commend it to my colleagues:

Inflation! Inflation! It is finally reaching the consciousness of the Washington establishment that farmers, businessmen, steelworkers, teachers, consumers—almost everyone views this economic cancer as a major urgent problem.

Increasingly, price and wage controls are discussed as a solution to the problem. Unfortunately, such a solution has never cured inflation, but it has a good record of weakening those necessary ingredients that can reduce inflation—vigorous market competition, increased efficiency and productivity and sane government policies to prevent the creation of extra money. Surely no group has a greater stake in the outcome of this national dilemma than farmers and the food industry.

Governments, both at state and national levels, are historically slow to view the problem of inflation as being serious, even though it may be the common citizens' prime concern. The flow of monies into state and federal treasuries is wonderfully indexed to rising prices and "cheaper" money. The income tax and sales tax are the mainsprings of government income. Both of these have a marvelous way of benefiting from inflationary pressure.

Now that the upward march of the price level is top news, the release of various price indexes is scanned closely to spot who is the latest culprit in fueling the inflationary engine. "Beef prices rose sharply this month—it obviously is the culprit." "Auto prices shot ahead this month—they are the cause." Each price increase is sorted out for special treatment. In this continuous search for a scapegoat, little attention is paid to those prices which may decline, as their impact is overwhelmed by the general upward trend.

More often now, the possibility of price and wage controls is discussed. A recent public opinion poll indicated that a slight majority favored the instigation of price controls as a way to control inflation. However, public officials, including the President, proclaim that they are not in favor of such action.

There is a famous quotation in essence that says "Methinks he protests too much," implying a great degree of talking one way but actually planning to act in another. While officials deny loudly that they will impose rigid controls, we are told that some wage and price guidelines will be announced. It is also a good bet that detailed planning for some form of price control is busily underway in the bureaucratic bowels of various government agencies.

Agriculture offers a wonderful case study in viewing the behavior of the pricing system. Short run increases and decreases in the prices of individual items are necessary if the proper production and consumption decisions are to be made. The recent cattle price situation was a good case in point. A preceding period of heavy supplies brought beef prices down below profit levels for producers. In response, cattle herds were cut back and consumers started to bid higher for the reduced supplies. If profits return to the beef industry, supplies again will be increased and consumers will not have to pay as much to receive their share. Changing individual prices have jobs of direction and allocation to perform in a market economy. We must have price fluctuations among different products and items if the machinery of efficiency and changing market tastes is to be kept functional.

Inflation is not the result of fluctuations in prices of commodities. Rather, it is a general dumping of monies into the system, so that fluctuations take place at continually higher levels. The inflationary problem is not solved by seeking out scapegoats of individual products, profit mongers, wicked middlemen, etc. The real culprits of increasing money supplies, structural rigidities, and world economic practices are not easy or painless problems to solve.

The instigation of price controls or freezes however, deals with the results of the disease, not the causes. The historic record of our past attempts at government price controls is dismal. Ask any farmer or consumer who experienced the price control periods of the past. Have them recount their stories of subsidies. Under-the-counter deals, ration coupons, waiting lines for scarce items, and gluts of unwanted products. Unfortunately, rigid price controls stifle effective competition and efficiency development and take the pressure off government to get its own spending under control. Price controls do have one positive result—they greatly increase the number of government employees needed to write additional rules and directives and police the market system!

Farmers and the food industry whose effectiveness depends upon a fluid and dynamic system of prices and markets must be out in front, insisting that we really deal with inflation as such—not merely with price changes. They must insist that their governments face the issue squarely and not pass the buck.●

COUNCIL FOR INTERNATIONAL URBAN LIAISON: INTERGOVERNMENTAL RELATIONS IN WEST GERMANY

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. REUSS. Mr. Speaker, the Council for International Urban Liaison, founded in 1976, performs a valuable service in promoting the transfer of innovative approaches to the amelioration of common urban problems. Recently, in one of the Council's widely circulated newsletters, Urban Innovation Abroad, Manfred Rommel, Lord Mayor of Stuttgart and president of the German League of Cities, described the unusual role accorded German local government organizations in the federal legislative process. I commend Lord Mayor Rommel's article to my colleagues:

INTERGOVERNMENTAL RELATIONS IN GERMANY

(By Manfred Rommel)

When Mayor Rommel made a reference to the role of German local government organizations in federal decision-making during a recent talk before the urban legislative roundtable in Washington our ears perked up. We thought our readers would benefit from an insight into the way German local government makes its influence felt in the decision-making of the Federal Republic. It seems that the three principal local government associations in Germany have a far more direct impact on the process of Federal policymaking than is the case in this country. Mayor Rommel, who presides over the DST and the working group of three key associations, graciously agreed to acquaint UIA readers with his perspective on the intergovernmental relations in the Federal Republic. While the process of local government policy participation at the federal level has not gone far enough in his view, the associations have the legal right to participate in the drafting of federal legislation affecting local concerns, which is certainly more than they enjoy in most countries. Our guest author, son of the legendary general, is a prominent figure of the opposition CDU in his own right and has been on the German national scene since his 1974 victory over the SPC incumbent in the Stuttgart mayoralty race. You will note that he speaks his mind.

Local government and local government associations in Germany are still short of the position to which they are entitled as guardians of democratic institutions despite the frequent lip service that is paid them by the leading exponents of national government. They do not share in national revenues in a manner that does justice to the part they play in economic policy and in job creation and their legal rights and functions are constantly being threatened and circumscribed by legislation and red tape.

Under these conditions it behooves our three principal local government associations, representing respectively the cities, townships, and counties, to work in a dual direction: to perform services needed by the membership and to make the voice of local government heard by state and federal agencies as well as the general public. While the membership functions do not pose any political or constitutional problems that require mention in the present context, our advocacy rule within the legislative limits of state and federal decision-making requires considerable attention.

Against the background of the continued erosion of local self-government, the three principal local government associations have joined forces in the "Big Three" national federation of local government associations under the chairmanship of the DSST * * * in order to give our concerns greater emphasis by concerted action. As a result of these efforts we have achieved the guaranteed right to participate in the formulation of legislative and administrative decisions at the federal level. This statutory consulting function is embodied in the "Joint Rules of Procedure of the Federal Ministries" and in the "Procedural Rules of the German Bundestag," the federal parliament. Briefly stated these rules require that all draft legislation affecting the interests of local authori- the drafting of federal legislation affecting

earliest possible moment with the principal local government associations at the federal level. This allows us to have an input, pursuant to the local self-government clause enshrined in Article 28 of our Constitution, already at the preparatory stage of legislative initiatives. In exercising this function we do not consider ourselves as lobbyists or para-legal auxiliaries, but as full-fledged participants in the shaping of the political will taking into consideration the special needs and conditions of our communities. We search for solutions that are prudent, realistic and in accord with the interests of local jurisdictions and their inhabitants.

Beyond this, our principal local government associations share in the policymaking of numerous federal bodies or are required to be consulted in federal decision-making over a wide range of communal concerns. This function, regulated by law or procedure, is exercised, for example, with the federal government's Financial Planning Council, the Economic Initiatives Council, the Council for Countercyclical Initiatives, the Federal Advisory Council on Land Use, the Urban Development Council, The Coordinating Committee for Highway Planning, the Advisory Committee on Research and Technology, the Joint Commission for Educational Planning, the Federal Youth Board, the German Sports Conference, etc. Participation by our key local government associations in these councils and committees insures an application of the principles of countervailing influence to make the effect of local government views—of those touched in their daily lives by the decisions of the higher levels of government—felt in the process of policy formulation.

The recognition has gradually sunk in that our local government associations are not merely advocates of the parochial interests of their member organizations, but that we constitute an indispensable link between central and local decision makers. Our federal government is even slowly coming around to the view that local government cooperation is helpful in meeting the growing need for counter-cyclical action as in the case of public investments in turn our local government associations offer the federal government levers for quick, uncomplicated and politically neutral participation of those affected by its urban and regional policy decisions.

From the foregoing it seems safe to infer that the status of the principal local government associations is guaranteed and protected within the arena of intergovernmental relations. But this is the case only on first sight. A flood of laws and regulations requiring local level enforcement and implementation continues to restrict and even to jeopardize the role of local selfgovernment as the "third pillar of the state." The number of tasks imposed centrally on local government keeps growing while the scope for decision-making from below is constantly being narrowed. It is not sufficient to compensate this disequilibrium by allowing greater room for consultation. The current trend toward greater central decision-making strikes against the kind of feedback from below that does not threaten the functional independence of local jurisdictions. The functional reform desired by local government is long in coming.

The task of self-government in the modern state goes beyond defending one's turf against incursions by the state and of laboring in residual areas not yet claimed by higher jurisdictions. The reciprocal responsibility of all levels of political actions calls for substituting a functionally-appropriate interdependence for isolated and autonomous actions by the three tiers of government. Local self-government reaches its highest form and function in meeting citizen interests in the realization of social goals legislated by the community at large. A local government reform, therefore, should result in an increase rather than in reduction of the tasks assigned local jurisdictions.

To realize this objective our local government associations view themselves not only as advocates for their members but as their tools that serve to weave the densely-stitched web of intergovernmental relations into a proper pattern. In our relations with central government we need to maintain independence, objectively and reserve, we must not shirk confrontation where necessary. The goal will be gained if we avoid complacency and engage in the critical self-analysis that helps advance our cause.●

ADVERSE FUNDING DECISION WILL AFFECT SUPPLY OF ENGINEERS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. DASCHLE. Mr. Speaker, I would like to address my colleagues' attention to what I feel was not only a grave injustice but also a serious mistake that will adversely affect the supply of engineers to our Nation's mining and mineral industries. The following statement was presented before the House Subcommittee on Interior Appropriations by Richard A. Schleusener, Ph.D., president of the South Dakota School of Mines and Technology, Rapid City, S. Dak., on February 26, 1979, regarding the schools exclusion from funding as a mineral resource and research institute:

STATEMENT BY RICHARD A. SCHLEUSENER

SPECIFIC APPROPRIATION REQUEST

The appropriations for the Mineral Resources Research Institute of the Office of Surface Mining of the Department of the Interior be increased by $270,000 to provide funding for the South Dakota School of Mines and Technology as the 23rd institute.

STATEMENT

We are here to give testimony on a matter that is a serious problem for us, and one which we believe is detrimental to the best interests of the United States. Our problem concerns the implementation of the Surface Mining Control and Reclamation Act of 1977.

We thank the Committee for the support which you have given to provide funding for all states qualified under the Act. Last year, funding was provided for an initial 20 Mineral Resources Research Institutes (MRRI). Thirty-seven were determined to be qualified under the Act. As one of the states not funded, we are here to request that your committee provide $270,000 to fund our institute as the 23rd Mineral Resources Research Institute.

My statement will cover four parts:

1. Procedures used in implementation of the Act.

2. The role of our institution in solving our nation's mining and mineral problems.

3. The potentially disastrous consequences and unjust results of the present implementation of the Act.

4. My recommendation and request.

PROCEDURES USED

The procedures used in implementing the Act involved an initial selection of 37 state institutes as "qualified", but because of "funding limitations", only 20 were funded through an unannounced and obscure selection process. Only two weeks later the list was expanded by adding two more institutes without reference to funding limitations. These procedures were both confusing and unjust.

ROLE OF THE SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY IN SOLVING OUR NATION'S MINING AND MINERAL PROBLEMS

Let me describe how the South Dakota School of Mines and Technology has served in solving our nation's mining and mineral problems. We have been in existence since 1885, some two years before South Dakota became a state. We historically have provided education and training needed to support the mining and mineral industry of the Black Hills, the adjacent area, and indeed the world. We are at the center of the vast development of the Northern Great Plains coal fields. The Department of Interior has reported that these fields contain over 60 percent of the surface minable coal in the United States. We are the mining and mineral engineering institution located most closely to this vital new production area. In addition, there are significant new developments of uranium mining in western South Dakota.

We have been a major producer of graduates trained for positions in the mining and mineral industry. For example, the most recently published information (1977) shows that our institution was second only to the Colorado School of Mines in the number of mining and metallurgical seniors enrolled in the United States.[1,2] Our students enjoy starting salaries upon graduation that are above the nation's average and our students are employed in all 50 states and 44 foreign countries. Our graduates are vitally involved with the growing coal and mineral industries of our region. For example, our graduates fill 35 of 104 positions of leadership in the companies developing resources in the Gillette, Wyoming area.[3]

We have had in the past, and we continue to receive, commitments of substantial resources from the state of South Dakota for our mineral industries program. This support has continued, during good times and bad, for nearly a century.

In addition, our research program is expanding. Recently our department of mining engineering, at the request of the South Dakota Department of Health, has assumed a leadership role of developing training programs to meet the requirements of the Federal Mine Safety and Health Act of 1977.

With this background, I believe you can understand that when we found out that we were not designated as a funded institute we were shocked and deeply disturbed. Now, five months later, we are still disturbed by the injustice of the selection process. We are unable to understand that funding to expand an already existing program was denied to our school which is:

1. The school located closest to the largest new mining production area in the nation, and

2. Recognized as a leader in mineral related education and research,

3. Second in the nation in the number of students completing studies in mining and metallurgical engineering, and

4. Committed to continue a program of developing mineral resources.

CONSEQUENCES AND UNJUST RESULTS OF THE PRESENT IMPLEMENTATION OF THE ACT

Recent events point to the strongly adverse effects that denial of funding will have on our institution. The actions taken have potentially disastrous effects on our students, our faculty, our reputation, and our research program.

[1] *Mining Engineering*, Published by the Society of Mining Engineers of AIME, p. 39, January 1977.

[2] *Journal of Metals*, Published by Met. Soc. of AIME, p. 27, April 1977.

[3] Private communication dated February 14, 1979 to Dr. Richard J. Gowen from P. E. Schild of Wyodak Resources Development Corp., Gillette, Wyoming.

EFFECTS ON OUR STUDENTS

The denial of funding means that we will have a probable decrease in our ability to continue to attract the brightest students to our program.

EFFECTS ON OUR FACULTY

Schools that have received funding under the Act have already begun to approach our faculty to leave our campus and go to their programs. One faculty member has received an offer for 24 percent increase in salary. Such an offer, combined with the attraction of guaranteed support for students and research, represents a problem that will be increasingly difficult to solve unless we are funded so we can provide the same opportunities.

EFFECTS ON OUR REPUTATION

As a minimum, we are left to try to explain why the Department of Interior in a supposedly "merit selection", found that our program was not suitable for funding, particularly, when only two weeks after the initial announcement of 20 institutes, funding was extended to cover the 21st and 22nd institutes.

EFFECTS ON OUR RESEARCH PROGRAM

The Department of Interior has interpreted the wording of the Act to restrict qualified but non-funded institutes, such as ours, from competing for special research funds provided under the Act. Our verbal appeals to have this decision modified to allow all eligible institutions to compete for the research funds provided have been denied. A major portion of our research effort in mining and minerals engineering is directly applicable to the areas to be funded under the Act. Yet, under current rules, we are being denied even the opportunity to compete for such funding.

Even worse, these adverse effects are to extend even further. We understand there will be a reduction of the research funds to be made available for future research *outside* of the framework of the Mineral Resources Research Institutes.

Thus even in the area of research, as an unfunded institute we apparently are to be denied the opportunity to bring our proven expertise to help solve our nation's problems in mining and minerals engineering. The injustice of the situation is sufficient to warrant your corrective action; but, in addition to the injustice, it clearly is in the best interest of the nation to provide for competition for such research funding by any qualified institution.

In summary, the South Dakota School of Mines and Technology has been treated in a grossly unjust manner. The results of this injustice have a real potential of causing us to lose excellence we have striven to create even before the Act was conceived, of causing us to lose our students and faculty, and to be prohibited from doing research with the Office of Surface Mining. It is difficult to believe that the Congress intended for these adverse effects to occur.

Finally, the State of South Dakota has provided significant support for education and training in mineral engineering during the time period that adverse economic effects led a number of other institutions to discontinue their programs. With this background it is indeed ironic that our institution is being deprived the opportunity to participate in the current program as a funded mineral resources research institute.

RECOMMENDATION AND REQUEST

I request that the appropriation for the Mineral Resources Research Institutes of the Office of Surface Mining of the Department of Interior be increased by $270,000 to provide funding for the South Dakota School of Mines and Technology as the 23rd institute. In fairness to the institutes who are already funded and presently developing programs, I ask for additional funds rather than simply reallocating the available funds as was done in the recent addition of Alabama and Michigan as funded institutes.

I thank the members of the South Dakota Congressional Delegation for their assistance in matters related to this testimony, and I thank the members of the committee for this opportunity to testify.●

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. McCLORY. Mr. Speaker, today, I am introducing a joint resolution proposing an amendment to the Constitution of the United States to provide for direct popular election of the President and Vice President, a reform which I consider urgently required and long overdue. It is designed to replace political chance with popular choice.

Senate Joint Resolution 1, the Senate version of the direct election amendment, was not referred to committee but is being held at the desk in the other body and could be called up for debate and vote in the very near future. So the time is ripe for our Judiciary Committee, on which I serve as ranking member, to consider this proposal seriously and in depth for the first time since the first session of the 91st Congress. It was 10 years ago that my colleagues and I on the Judiciary Committee participated in an extensive series of hearings which examined over 50 joint resolutions reforming our present method of electing the President and Vice President. With only six Members in opposition, the committee reported a direct election amendment to the House and it was passed by the House in September 1969 by a vote of 339 to 70. Action in the other body was blocked, unfortunately, when efforts to impose cloture failed.

Adoption of the direct election reform will eliminate a number of problems inherent in the present system, not least that of the "faithless" electors, members of the electoral college who do not cast their votes in accordance with the results of the popular vote in his State. Only a small minority of States require by law that electors vote for candidates of their party. Most legal authorities are of the opinion that even these laws are not enforceable, since the constitutional requirement that electors vote by secret ballot at least implies that they are free agents.

In 1960, in 1968, and once again in 1976, an elector cast his ballot against instructions. Carrying this independence to an extreme, it is not inconceivable that, in a future election, a bloc of third-party electors could ignore pledges made before the election and negotiate with major party candidates, thereby becoming an extra-constitutional balance of power.

This situation very nearly arose in 1968. A shift from Richard Nixon to Senator Humphrey of only 42,000 popular votes in three States would have denied Nixon his electoral college majority and given Governor Wallace, with his 46 electoral votes, the balance of power. In an interview published before the election, the Governor made it clear that if that should occur, then he or his electors would get together with another candidate or his electors and make a deal for the support of the Wallace bloc in the electoral college.

If, for lack of a 270-vote majority for any candidate in the electoral college, the Presidential election is thrown into the House of Representatives, another unwelcome possibility presents itself. Since each State gets one vote, determined by a poll of its Representatives, in an extreme instance the votes of 59 Members of the House from 26 States with a population of 38,400,000 could outvote the other 376 Members from 24 States with a combined population of 179,659,000. One may imagine the strains which any result even approaching this would impose on our national unity and political order.

The winner has actually received less than 50 percent of the popular vote in 14 Presidential elections. On 11 occasions, the candidate receiving a plurality of the popular vote also obtained an electoral college majority. More striking, however, are the other three elections, which gave us "minority" Presidents—a Presidential victor who nevertheless received a lesser number of popular votes than his closest opponent.

In 1824, the House of Representatives elected John Quincy Adams as President, although Andrew Jackson has received more electoral votes and enjoyed a popular plurality of approximately 37,000 votes. In 1876, Samuel J. Tilden received 260,000 more popular votes than Rutherford B. Hayes but, after a congressional electoral commission decided the results in several contested States, it was Hayes who emerged the victor by one electoral vote. The third example of the election of a "minority President" occurred in 1888, when the incumbent, Grover Cleveland, recorded a 100,000-vote plurality over his closest opponent, Benjamin Harrison, but the latter became President by a margin of 65 votes in the electoral college.

In our time, the electoral college system has had some very close calls. In 1948, a shift of less than 38,000 votes in three States would have given Governor Dewey an electoral vote majority despite President Truman's popular vote majority of over 2 million votes. In 1976, a shift of only 9,245 popular votes in Ohio and Hawaii would have given President Ford an electoral college majority to defeat Carter, although the Georgia Governor enjoyed a nationwide popular vote plurality of 1.7 million.

The joint resolution which I introduce today will insure that the electoral outcome reflects the results of the popular vote. It would eliminate the problems of the faithless electors, election by a minority in the House, and the winner who receives fewer popular votes than his closest opponent. A positive advantage of the elimination of the electoral college barricade, which discourages voter participation in one-party States, will almost certainly be a pronounced increase in the number of persons going to the polls.

This joint resolution provides a 35

percent plurality of the popular vote will be sufficient to elect the President and Vice President. If no ticket receives 35 percent it provides for a runoff election between the two sets of front runners. Although the House endorsed a 40 percent figure in passing the direct election joint resolution in the 91st Congress, I supported the lower figure for reasons which, I believe, remain valid today. A requirement for an absolute majority for an election will draw in third parties as "spoilers" forcing a runoff. But a lower ceiling will, in the opinion of experts who have considered the matter, discourage splinter parties and therefore strengthen the two-party system. If it seeks to win, the third party obviously must secure 35 percent of the vote. If it is to place in the runoff, a third party must keep both major parties from reaching 35 percent while simultaneously defeating one of the major parties, an extremely difficult undertaking. Experts who have studied this issue suggest that adopting the 35 percent figure in lieu of 40 percent would reduce the possibility of a runoff election from one in a hundred to one in a thousand.

Mr. Speaker, the need for electoral college reform and the adoption of direct election procedures is clear for all to see. Our democratic form of government requires it. The stability of our institutions in an uneasy world compels it. We must act, and act now. ●

INADEQUACY OF FUEL ASSISTANCE PROGRAM

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. SHANNON. Mr. Speaker, every winter low-income families suffer because they are unable to pay their home heating bills. In times of escalating fuel, food and medical costs, it is understandable that low-income households are struggling to survive. To prevent this unnecessary hardship, Congress authorized a Fuel Crisis Intervention Program in 1976 which was designed to assist low-income households with excessive fuel costs in the winter. Each year this program has provided $200 million for winter-related disaster assistance.

The President has proposed a permanent fuel assistance program. I applaud the President's initiative to establish a permanent fuel assistance program, but not at the inadequate funding levels he has proposed. The President's proposed permanent program provides for one-fifth of the funds that were available under the program authorized by Congress.

I urge my colleagues to support a permanent program that will prevent the sort of tragic event that follows from ever happening again:

THE SCREAMS OF JOSE ROMAN

The screams of Jose Roman—"my wife and my babies, my wife and my babies"—ought to reverberate from his fire-gutted Dorchester apartment to Beacon Hill and then to Washington. It will be too late for Roman and his wife. They have lost four of their five children. But if heard in the corridors of power, Jose Roman's cry will not have been totally in vain.

The fire that killed the four children, ranging in age from 41 days to six years, was caused by the explosion of a space heater. The heater, according to a neighbor in the triple-decker house was being employed because the Romans could no longer afford to pay for oil heat.

They could not pay for the oil heat because, in part, it is government policy to allow the price to rise. The policy is intended for reasons of national security to force the conservation of energy. But the nation is composed of its people, and this policy, by its very structure, weighs most heavily on the poorest of those people. That structure must be radically changed to meet the needs of the poor. The alterations won't be cheap, they won't necessarily be efficient. All they will be is humane.

While the state government dawdles around with legislation to restore the state's emergency welfare assistance, and while the federal government ties its comparable programs up in bureaucratic knots, the poor have been scrimping, the poor have been shivering, the poor have been dying.

The federal case is a classic. By all accounts, at least $2 billion and maybe $4 billion are needed annually to assure the poor those basics of modern life, heat and light. Well, the feds have come up with only $200 million and the budget watchers have made even that difficult to get.

Only those with documented "emergencies" are eligible. In some cases, that requires shut-off notices. Well, in Massachusetts the utilities have been pressured and/or required not to issue such notices in the dead of winter—and with good reason. And the fuel oil dealers mostly little fellows who need their money now, don't issue shut-off notices. They just get back in their trucks and drive on.

In Washington they apparently don't understand how it works, in New England we do.

The provision of subsistence levels of electricity for the poor can be met at the state level through some sort of "life line" rate system enacted by the Department of Public Utilities. But subsidies for fuel oil are clearly going to require a national solution.

The fuel oil subsidy can be given any name anyone wants to attach to it, but ultimately it is going to have to be akin to food stamps—something like "fuel stamps". It's said that in Washington they don't like the sound of that because it sounds opened-ended and expensive. True. But is surely sounds less horrifying than Jose Roman's screams in the Dorchester night.●

SALT OFFERS SOVIET RESTRAINT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I question the advisability of the Carter administration's treatment of SALT II as an absolute end in itself without seeing the treaty within a global context. Therefore, I would like to share with my colleagues the following editorial which appeared in the Oxnard Press-Courier on February 21, 1979.

SALT OFFERS SOVIET RESTRAINT

On no single foreign policy issue is the Carter administration more profoundly mistaken than in its stubborn refusal to utilize negotiations for the Strategic Arms Limitation Talks to restrain the Soviet Union's global ambitions. Clearly, if Soviet designs on Europe, Africa, the Persian Gulf and elsewhere are realized, no conceivable arms agreement could restore the balance of power that alone guarantees the peace.

No one, including those Republican senators who formally proposed that the SALT negotiations be made conditional on Soviet good behavior, is suggesting that the arms talks be held hostage to every ripple in East-West relations. That kind of linkage would wreck the SALT process overnight.

But in a broader, strategic sense, it is both irresponsible and unrealistic to isolate the SALT negotiations from the larger geopolitical context in which they occur. It is foolish and dangerous for the Carter administration to insist otherwise.

When Washington eschews linkage, it grants the Soviets an apparent immunity from the consequences of their aggressive moves around the world. Every time President Carter and Secretary of State Cyrus Vance proclaim the SALT process as an end in itself and one exempt from every other strategic and political consideration, they encourage the Soviets to press the advantages Moscow has already achieved in Africa, around the periphery of the Persian Gulf, in Southeast Asia, and along NATO's front from the Arctic Circle to the Dardanelles.

The destabilizing effects of these Soviet gains are not, however, lost on the Senate which must ratify or reject the SALT II treaty. The steady erosion of Senate support for SALT in recent years represents linkage in its starkest form.

The administration's rejection of linkage is rooted in an increasingly untenable view of SALT as the guarantor of the U.S.-Soviet balance of power. Had the negotiations produced different results, that might have been so. But the known terms of the all-but-completed SALT II treaty suggest that it will neither establish nor maintain a military balance.

There are ample grounds for believing that, in many respects SALT II more nearly suits Soviet purposes than those of the United States. The prospective treaty and its "temporary" three-year protocol would permit the Soviets to widen their lead in strategic forces while inhibiting the development of those American weapons that could narrow the gap during the critical period of the early to mid-1980s.

The Carter administration itself acknowledges that, with or without SALT II, American security and the defense of allies in Western Europe and Japan will require steady increases in defense spending.

SALT may not be strictly speaking, a favor the U.S. grants the Russians, but even more certain it is no indulgence of the United States by the Kremlin.

At this late date, Washington has little to lose and much to gain by informing the Soviets that the SALT process cannot survive a sustained Soviet challenge to the precarious East-West equilibrium that now exists.●

THE UNEMPLOYED ARE DESPERATE TO WORK

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. HAWKINS. Mr. Speaker, the massive snowstorm which struck Washington, D.C., caused a great deal of discomfort, but it also taught us that those who face severe long-term unemployment are willing and eager to work. As the following article from the Washington Post of February 22 indicates, hundreds of unemployed persons responded to a call for help by the Washington Metro Transit System by appearing at 6:30 in the morning to help clear snow from subway tracks, for a dreary job paying $5 an hour. The individual stories of absolute desperation and desire for a job which are shown in this article are literally repeated millions of times, across this country. This lesson should be taken to heart by those who shape Federal economic policy, and particularly by those who would tell us that our economy is at a "full" employment level.

The article follows:

CHAOS BROKE OUT, JOB SEEKER FOUND

(By Juan Williams)

Two days ago, Metro recruited day laborers to dig out the subway system. Many more persons showed up than Metro was able to hire, and angry incidents of vandalism resulted. This is an account of what happened by some of those who sought work.

Sam Zachary got the word from Robert Jones who saw it flash across the bottom of his television screen Monday night. Metro was paying $5 an hour for workers to shovel snow from train tracks.

"Five bucks," Jones recalls, thinking to himself, "Five bucks an hour. I can relate to that. Even GS-3s don't make $5 by the hour."

By 5:30 a.m. Tuesday, Jones and Zachary were outside Metro headquarters at 600 Fifth St. NW, after walking from Southeast Washington to sign up for work. Jones, 21, who is unemployed and does "whatever I can, whenever I can" to make money, and Zachary, an unemployed piano player, found about 200 persons already knocking on the glass doors of the Metro building.

By 6:30 a.m., about 800 persons were waiting for jobs. When the first bus arrived to pick up workers, the crowd stampeded the bus, battling for a ride to a job.

"The police had them standing back," said Quenton Jones, an unemployed 18-year-old in the crowd. "They had pulled out some loudspeakers and told everyone to get in line. But as soon as that first bus came, chaos broke out. It was wild, man. Everybody, girls and old men, running, swinging and pushing to get on that bus."

"People talk about black people being lazy and looking for welfare," said Richard Calhoun, an unemployed father of six who said he has been trying to find work as a laborer. "That's the first thing they holler. You should have seen all them people down there, most of them young black men. They would have killed you to get on that bus, you hear what I'm saying? Those people were out there before the sun came up, looking to bend their back and work. . . ."

Seven buses arrived at Metro headquarters to take workers to Metro maintenance headquarters in Silver Spring. Some buses had to drive away with their doors open because people were hanging from the door, refusing to let go and lose a chance to work.

There were similar scenes at six other stops where workers were being collected. At the Eastern Market Metro stop at Seventh Street and Pennsylvania Avenue SE, a crowd estimated at 500 began pounding on closed doors of parked buses. The crowd then began jeering bus drivers who were surrounded by job seekers and threatened to overturn a full bus. A bus window was broken.

The buses escaped by accelerating their engines and driving slowly through the crowd. The angry crowds milled for a short time and then some people began looting a nearby liquor store.

At the Metro station at Minnesota Avenue and Grant Road NE, about 250 persons ripped down a fence when full buses drove away.

When buses arrived at the Metro maintenance headquarters on Georgia Avenue in Silver Spring, there was more fighting as about 1,000 persons, who had arrived by bus and foot, tried to sign up for 500 jobs.

"Things got disorderly when we told them we got to chop this off, we've got enough people," said Ralph Smith, Metros' general maintenance director. "We said we'd take a few more, and that started some people griping. They said they'd been on the road since early that morning for several hours and they were ticked off that they didn't get anything after all that effort."

Small fistfights broke out among persons trying to get to the front of the line. Some of the disappointed workers fought with Metrto employees. A second-floor wall was kicked in. An adding machine and two typewriters were stolen, and one man was arrested for larceny.

"When they told t! em they didn't have any more jobs," said Robert Jones, who got a job, "they got rowdy. They figured they had been wronged, so they were going to do what they wanted. They started fighting, stealing anything they could—typewriters, shovels, you name it. They were going crazy. Some of them were running through the building yelling."

"You know I can understand it," he said. "Nobody came up there to go home without the bucks. They didn't want to have been up early, gone out in that snow and been fighting to get on the bus and then still get nothing."

"They didn't even have a way to get home. The buses weren't taking them back. See, they were right there. It wasn't like an application where they say they'll call you. Those folks could see that job, they could smell it. They wanted it bad," he said.

Jones and Zachary received shovels and jobs and were asked to return to work for Metro yesterday. They shoveled for 12 hours Tuesday and yesterday were among 150 workers asked back.

The looting and vandalism involving the frustrated job seekers at Metro buildings followed a survey last November by Louis Harris and Associates that indicated that joblessness among blacks is reaching a crisis point.

"What emerges is a clear-cut finding that jobs surely must be viewed as one area where blacks feel most frustrated, most left out in the cold and where black desperation bids fair to erupt into front-line trouble in the near-term future," the Harris study said.●

RALPH VOELKER ARIZONA'S VOICE OF DEMOCRACY WINNER

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. UDALL. Mr. Speaker, this year, as in years past, the Veterans of Foreign Wars has conducted the "Voice of Democracy" contest among the Nation's high school students.

Over 250,000 students wrote on the theme "Why I Care About America," and I am proud to say that the winning speech in Arizona came from a resident of the 2d Congressional District, Ralph M. Voelker, of Tucson, who attends Santa Rita High School, reminds all of us what it means to live in America, what it means to care for America. It is a fine speech by an obviously outstanding young man, and I am pleased to be able to share it with my colleagues.

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—ARIZONA WINNER—RALPH MARVIN VOELKER

In 1968 I was only 7 years old. But it was at this time that I started thinking about why I care for America.

What was so important about my seventh year realization? It came from a great disappointment.

In 1968 I was old enough to understand the Olympics. But not quite enough to understand why the American athletes didn't win all of the gold medals. As far as I was concerned, they should.

But then my father sat down and explained to me how hard these medals were to win and how proud I should be that the Americans should win such a large percentage. And I was proud.

I really have to thank my father for that talk, because that pride has stuck with me and that pride has sent me on a journey. One I know will never be completed. One I started when I was only seven years old. My goals; to see every corner I possibly can of this country which those American athletes and everyone in this country so proudly represent. A country that 200 years ago was laughed at because of the freedoms given the people. Laughed at because these freedoms would never work.

But they have worked, and worked in such a way that now lets us laugh at those who thought freedom would never work. But we haven't laughed, for the United States really hasn't had time. Why? Because the United States has been trying to better the rest of the world with our technical knowledge and more importantly our freedom.

This word freedom keeps popping up, and before I go any further I think I should explain to you what freedom means to me. Freedom is being able to stand up for what you feel is right without having to worry that you've stepped on someone's toes.

But none of these things mentioned explain why I as an individual care about America. To answer this question I have to return back to the journey I have begun. I've been to places so beautiful that I'm left spellbound, staring off into the distance.

I have seen the mighty bald eagle, soaring high above, showing the world why it was chosen as a symbol of the United States. And once again a pride builds within me and I feel a strength of America within me. A strength that I know shall never leave me. A strength which urges me to go farther and see more of this, the greatest country the earth shall ever know. Greater than the Roman Empire, more tantalizing than the Greeks of Athens. Stronger than any other empire the earth has ever known.

Because the strength of America grows in the face of danger and my pride grows with every moment of this strength and my journey will continue, even when this speech is just a memory within the midst of my mind, and this strength will never end. For America will never end. And that is just one reason out of the countless millions of why I care for America. And I do care for America.●

BUY AMERICAN ACT OF 1979

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. ATKINSON. Mr. Speaker, today I am introducing legislation that will up-

date and reform the Buy American Act. This legislation, the Buy American Act of 1979, will bring present law more closely in line with the realities of Government procurement today and more closely in line with the realities of international trade relationships, competition, and negotiations.

The changes I propose in the Buy American Act—changes that were introduced in the Senate by the distinguished Senator from Pennsylvania, Mr. HEINZ—will assure continued fair treatment for American businesses competing for Government contracts against foreign competitors. And it will extend that protection to more products and to State and local procurement with Federal funds. At the same time, the Buy American Act of 1979 will eliminate the direct numerical preference given American products that has cause our trading partners so much consternation, while replacing that preference with a new formula reflecting the true cost to the treasury of foreign purchases.

Briefly, Mr. Speaker, the Buy American Act of 1979 would accomplish the following: First, it would extend protection to State and local procurement when those Government entities make purchases involving more than 50 percent Federal funding; second, it would extend protection to subcontracts which form 10 percent or more of a product's cost; third, it would require the computation of lost tax revenues, higher unemployment compensation, and other "hidden" costs of buying foreign goods, and require the Administrator for Federal Procurement Policy to weigh these hidden costs when making procurement decisions; fourth, the Buy American Act of 1979 brings to Government procurement protection against dumping, export subsidies, and other forms of unfair trade practices; fifth, the act strengthens present Buy American statutes by requiring that an item be 75 percent by value domestically produced before it can be called a domestic article; finally, this new legislation extends Buy American coverage to Amtrak, Conrail and similar procurement entities not now covered.

Mr. Speaker, Buy American legislation is good for domestic industry and jobs. Buy American legislation, properly drafted and implemented, is consistent with fair trade. Buy American legislation, based on true cost to the Government instead of percentage preferences, should contribute to a spirit of cooperation among trading partners.

With the expected prompt conclusion of multilateral trade negotiations and an increased general awareness of the importance of trade matters, all of us must fully understand the importance of Government procurement decisions when those decisions involve choices between domestic and foreign products. I urge my colleagues to study the Buy American Act of 1979 and then to support this improved and updated version of a policy that has served our country and citizens well.●

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1979

● Mr. WOLFF. Mr. Speaker, tomorrow the House is scheduled to vote on House Resolution 13, to reestablish the Select Committee on Narcotics Abuse and Control for the 96th Congress. In our efforts to cut costs and keep a lid on inflation and Government expenditures, it would indeed be tragic to let this select committee die before it has been able to fulfill its mandate. There are also those in this body who would kill it blindly in their efforts to do away with all select committees.

The problem of drug abuse is eating away at the very fibers of our society. It is a problem on which the Congress cannot turn its back.

I would now like to insert in the RECORD two letters, one from President Carter and the other from DEA Administrator Peter Bensinger which strongly indicate the administration's support for the continuance of the Select Committee on Narcotics Abuse and Control. Finally, I would also like to insert the text of the President's Special Message on Drug Abuse of September 22, 1978.

LETTER FROM PRESIDENT CARTER TO CHAIRMAN WOLFF

THE WHITE HOUSE,
Washington, October 28, 1978.

Hon. LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.

TO CHAIRMAN LESTER WOLFF: With the close of the 95th Congress, I would like to express my personal thanks to you and the other members of the Select Committee on Narcotics Abuse and Control for the valuable contributions you have made to our efforts to deal with the drug problem in the United States.

As you know, we have had some significant successes over the past 2 years:

The heroin purity rate is at its lowest level 4.9 percent, down from 6.6 percent in 1976.

Heroin overdose deaths are down 27 percent from 1977 and 73 percent from 1976. In 1977, 1,000 fewer people died from heroin overdoses than in 1976.

Our cooperation with the Mexicen Government has brought about a 20-percent decline in the amount of Mexican heroin available in the United States.

Statistics indicate a steady decline in barbiturate and other sedative/hypnotic overdose deaths.

International cooperation has permitted us to work with other governments in seizing huge quantities of marihuana on the high seas.

With our encouragement, the United Nations Fund for Drug Abuse Control has been able to convince other governments to make substantial contributions, thereby reducing our total support to under 50 percent. I know you and other members met with Dr. Bror Rexed, Executive Director of the Fund, when he was in Washington recently. Upon his departure, I issued the attached statement supporting the Fund's efforts. I hope we will be able to work together to ensure an appropriate level of United States' participation in the future.

The work and encouragement of the Select Committee, under your dynamic leadership, was instrumental in helping record these successes. However, we are both well aware that the problem of drug abuse will not disappear and that energetic measures must be continued. I can assure you of this Administration's strong commitment to working with you and your colleagues in our joint effort to reduce drug abuse in our country.

Again, thank you for your assistance.

Sincerely,

JIMMY CARTER.

LETTER FROM DEA ADMINISTRATOR BENSINGER TO CHAIRMAN WOLFF

October 24, 1978.

Hon. LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN WOLFF: Now that the 95th Congress has concluded its work I wish to express my personal thanks to you for your sincere efforts in our behalf. In terms of legislation affecting drug law enforcement, this past session has probably been the single most productive. Much of the legislation achieved had been actively sought during the past three sessions of the Congress.

With the enactment of the Psychotropic Substances Act of 1978 much needed legislation to control the growing problem of PCP and critical legislation needed to seize the monetary profits of drug traffickers was achieved. This will be of great assistance to our efforts in drug law enforcement work.

Although these are but a few of the legislative initiatives enacted, I cannot help feel that your efforts played a major role in getting these most important matters through the House. In addition, I want to thank you for your personal guidance and assistance to me as Administrator of DEA.

I speak for all Drug Enforcement Administration employees in thanking you for all your sincere assistance. I look forward to working as closely with you in the 96th Congress as we have in the past.

Sincerely,

PETER B. BENSINGER,
Administrator.

STATEMENT BY PRESIDENT CARTER

THE WHITE HOUSE,
Washington, September 22, 1978.

For over 70 years, the United States of America has supported international measures to control drug abuse. Today, it is more important than ever to continue this support.

This Administration recognizes that drug problems cannot be solved unilaterally, but require concerted action by the world community. Drug abuse is exacting an ever greater toll on the citizens of developed and developing countries. It affects our economies, our societies and—most of all—our culture.

The United Nations Fund for Drug Abuse Control has played a central role in this international effort. Despite limited funds it has been remarkably effective in finding cooperative ways for nations to work together on this international problem. Today I am pleased to announce that the United States will contribute $3 million to the Fund in 1978. With the contribution, I want to extend my best wishes to Dr. Bror Rexed, the new Executive Director of the Fund.

The United States remains deeply committed to the cause of international drug control. We will continue to support the efforts of the Fund, the United Nations and other governments.

JIMMY CARTER.